

# Analyst Meet – FY 2019

## Siemens Limited

Sunil Mathur, Managing Director & CEO  
Daniel Spindler, Executive Director & CFO  
November 2019 | Mumbai

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# Dr. Daniel Spindler joins as Siemens Limited Executive Director and CFO from 1<sup>st</sup> September 2019



## Brief profile

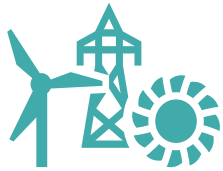
- Holds a Business Administration degree and conferral of a doctorate from University of Regensburg, Germany
- Associated with Siemens for over 20 years in various roles
- Has been responsible for Management, Business Administration, Finance and Accounting matters
- Prior to this role, since 2018 was the CFO, Siemens Pte. Ltd., Singapore



# Slowdown in Capital Goods Sector

## Current Situation

### Power



**Lack of opportunities** in the mid term in large Thermal Generation

**Demand for industrial steam turbines** across sectors like **Steel, Cement and Chemicals**

**Slowdown in T&D capex**

### Infra



**Large ticket capex in infrastructure projects** absent or deferred

**Steady demand for advanced security and energy efficiency solutions** in **Buildings, Hotels and Convention Centres**

### Industry



**Inventory build-up** across sectors. **Automotive, Cement, Steel** industries continue to face **stress**

**Opex optimization** also **slowing down**

# Business Summary



**New orders** grown in **Digital Industries ~ +11%, Gas and Power~ +7% and Smart Infrastructure ~ +7%**



**Stable sales growth** across **all businesses** driven by strong order backlog and execution



**Book-to-bill** ratio at **0.99**, sales reach of **~ one year**



**Profit from operations** margin continues to be strong



**Working Capital** position **improves further** – in a **challenging environment**



# Stable profitable growth in a challenging environment



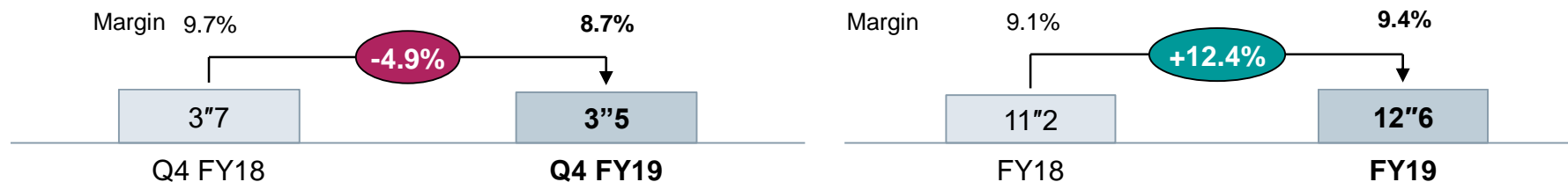
## New Orders



## Sales



## Profit from Operations (% to Sales)



Notes 1) Base Business excludes large Orders > INR1"0

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INR figures in billions

## Comments

### Base Business<sup>1)</sup>

Q4 FY19: -8.9%  
FY19: +5.5%

Order Backlog: 118"8

Book-to-Bill: 0.99

### One time impact

#### Q4 FY19

Inventory provisioning costs and forex loss

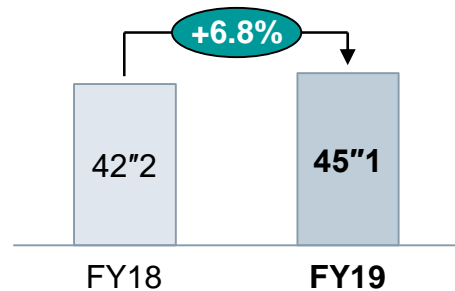
# Steady performance across most businesses in FY19



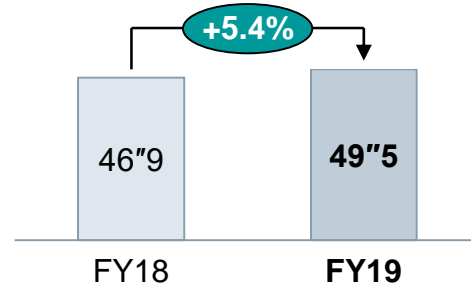
## Gas and Power (GP)

- Growth in services and small turbines offset by decline in large projects
- Underlying margin improvement

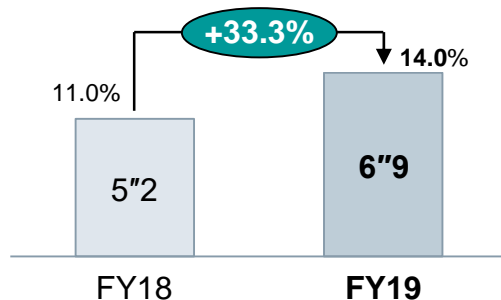
### New Orders



### Sales



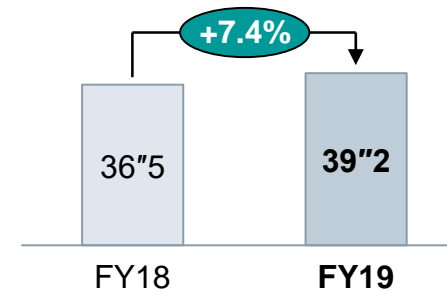
### Profit from Operations



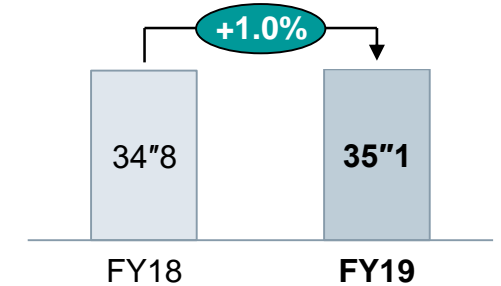
## Smart Infrastructure (SI)

- Growth across end users in Hospitality, Commercial Offices and Data Centers, slowdown in Utilities
- Increased competition / price pressure in Distribution business

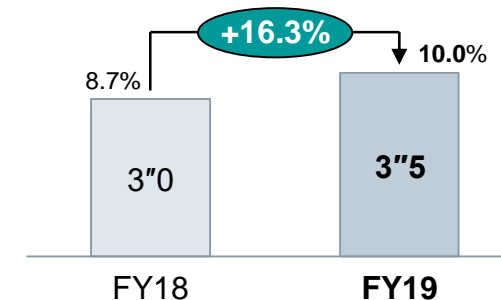
### New Orders



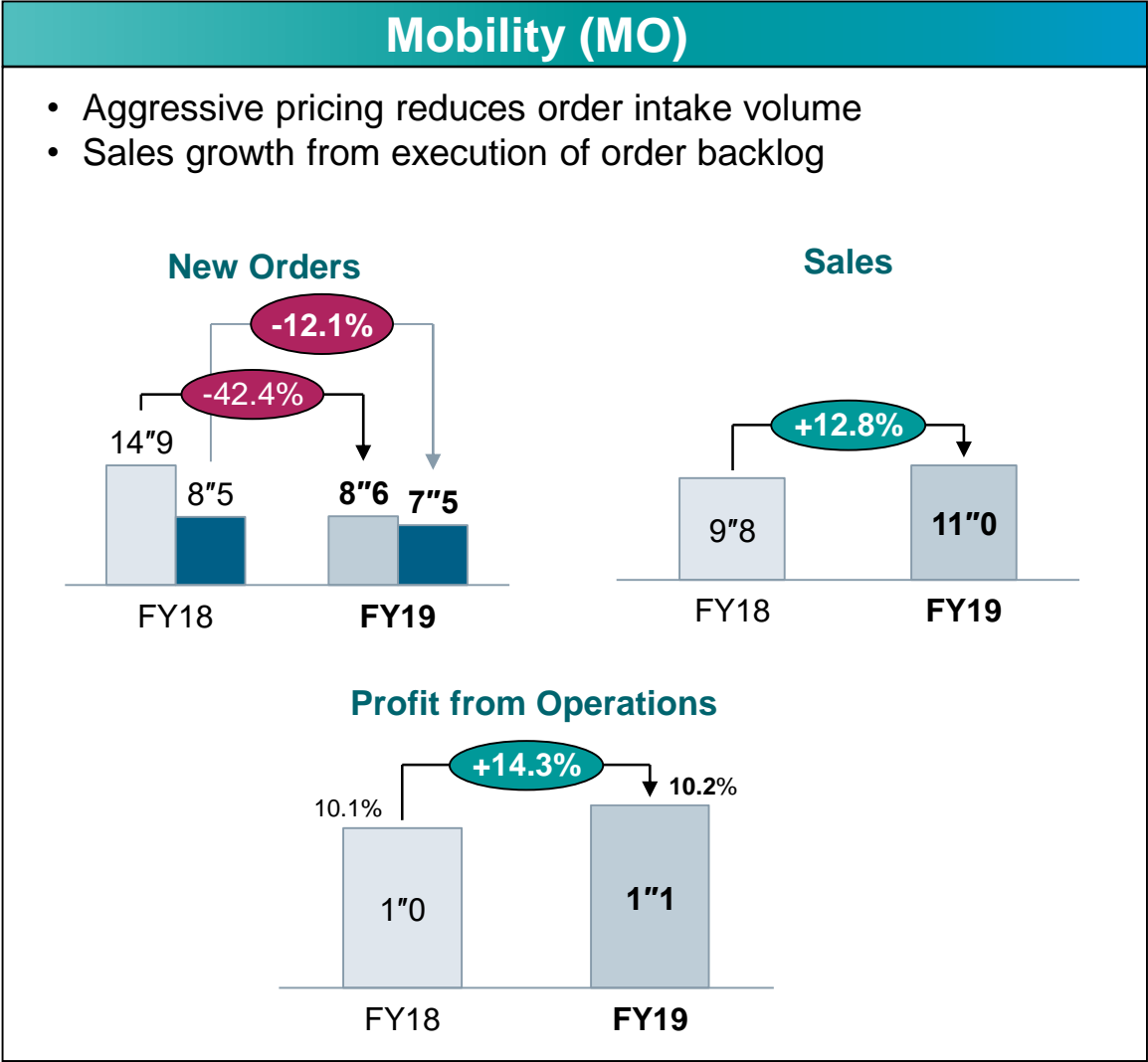
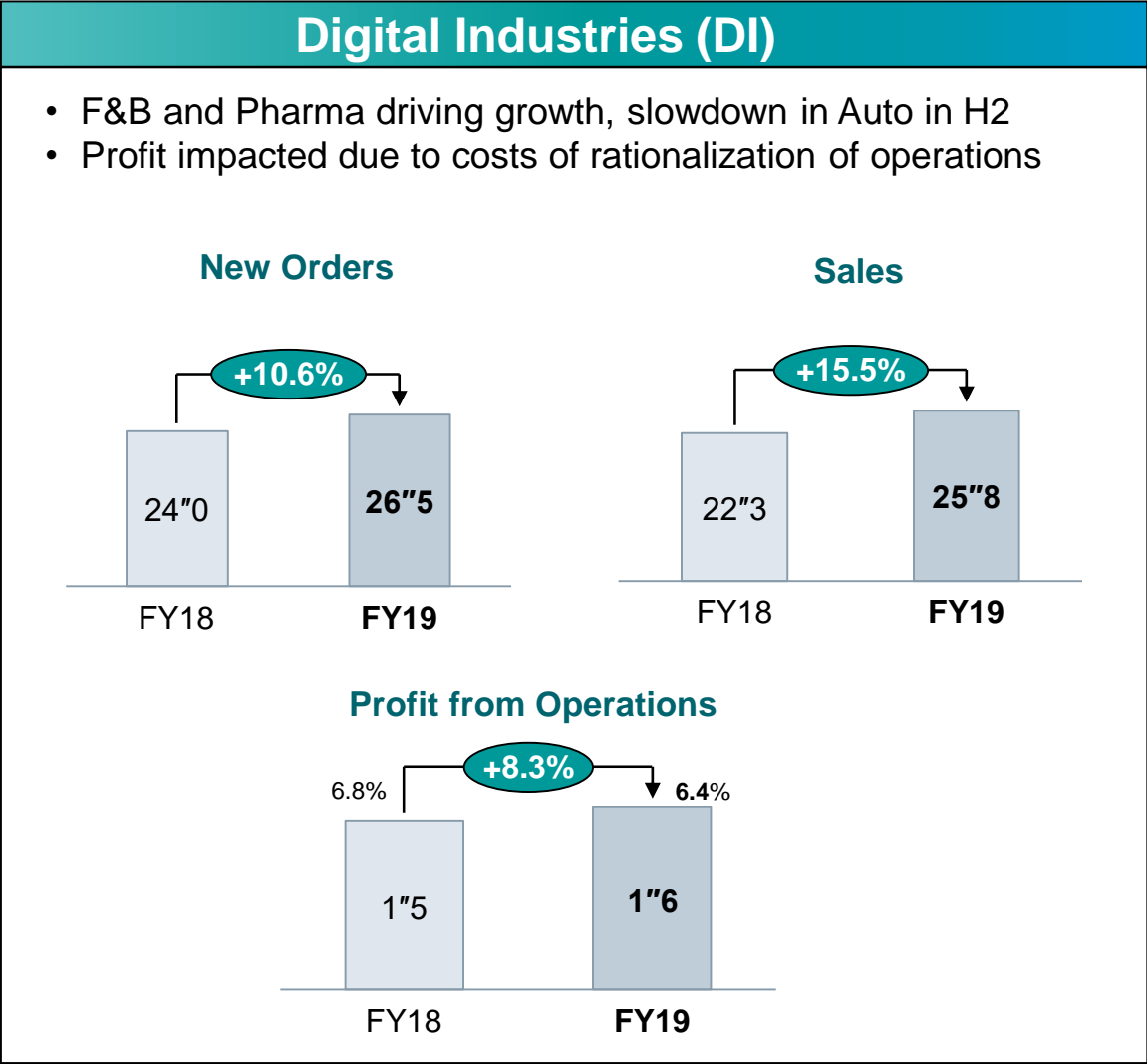
### Sales



### Profit from Operations

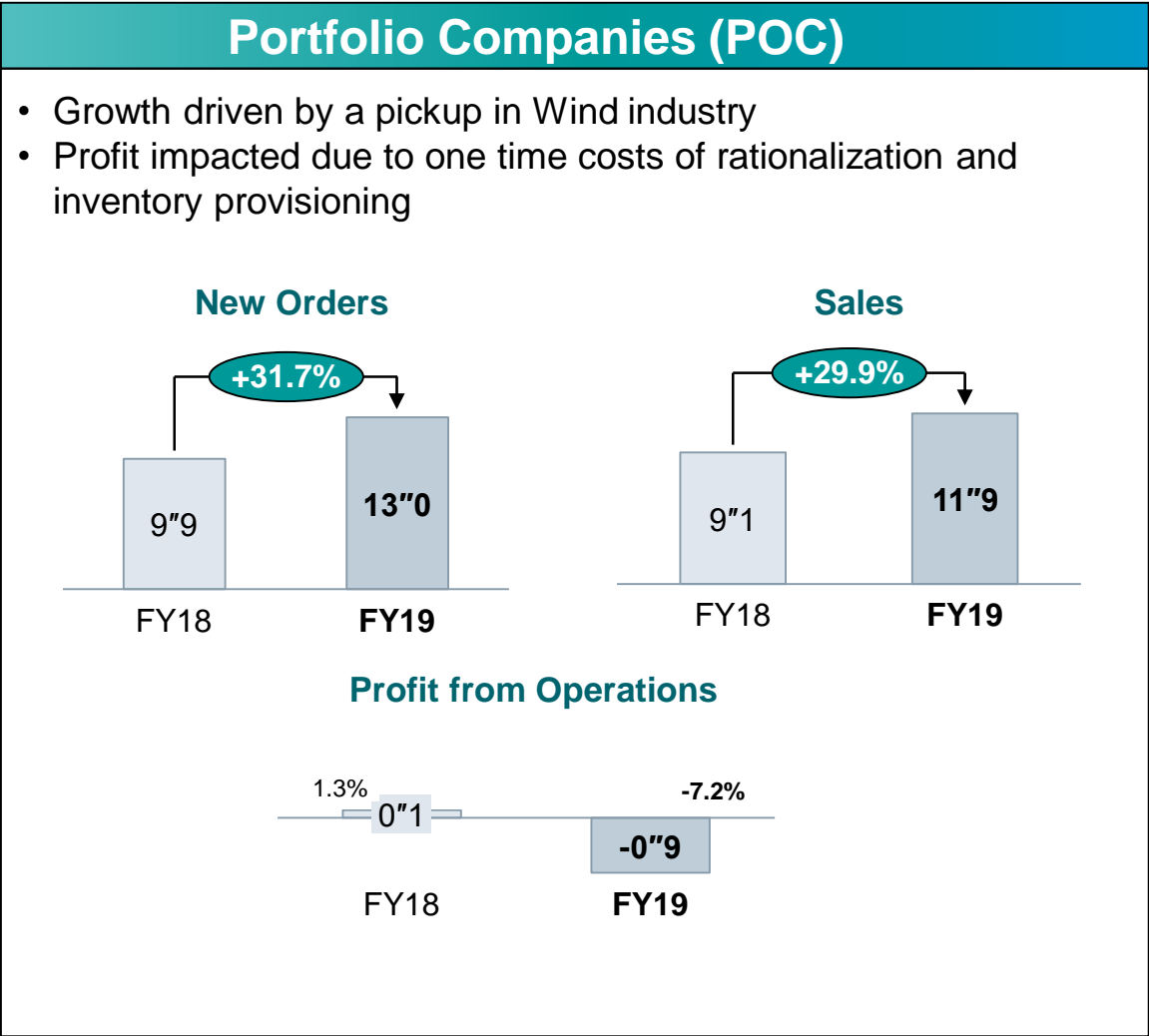


# Steady performance across most businesses in FY19



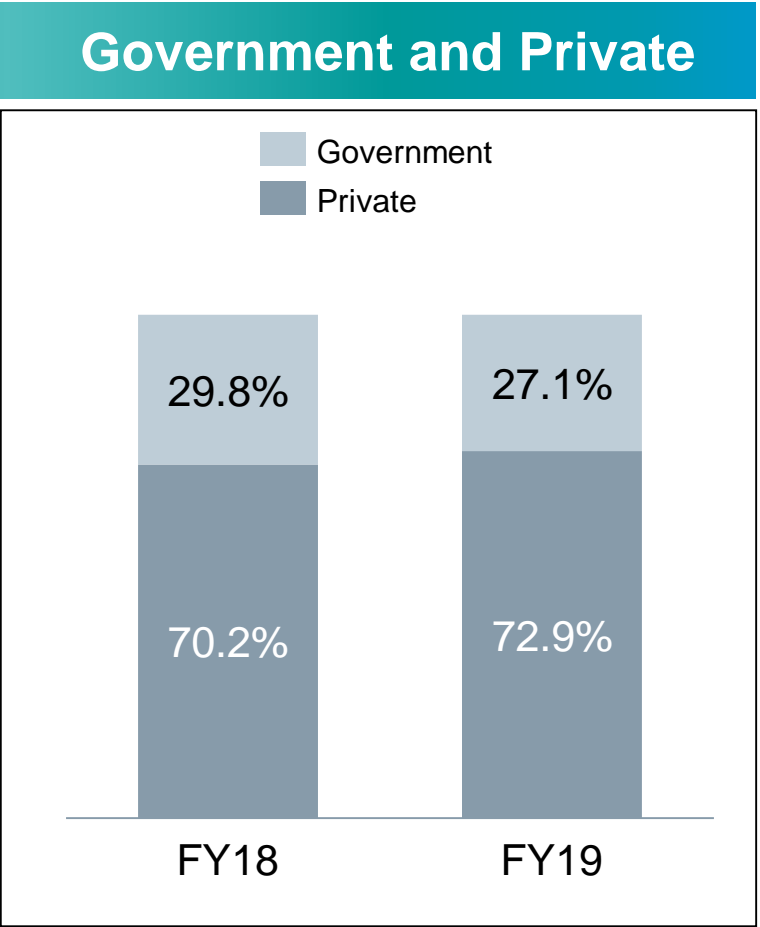
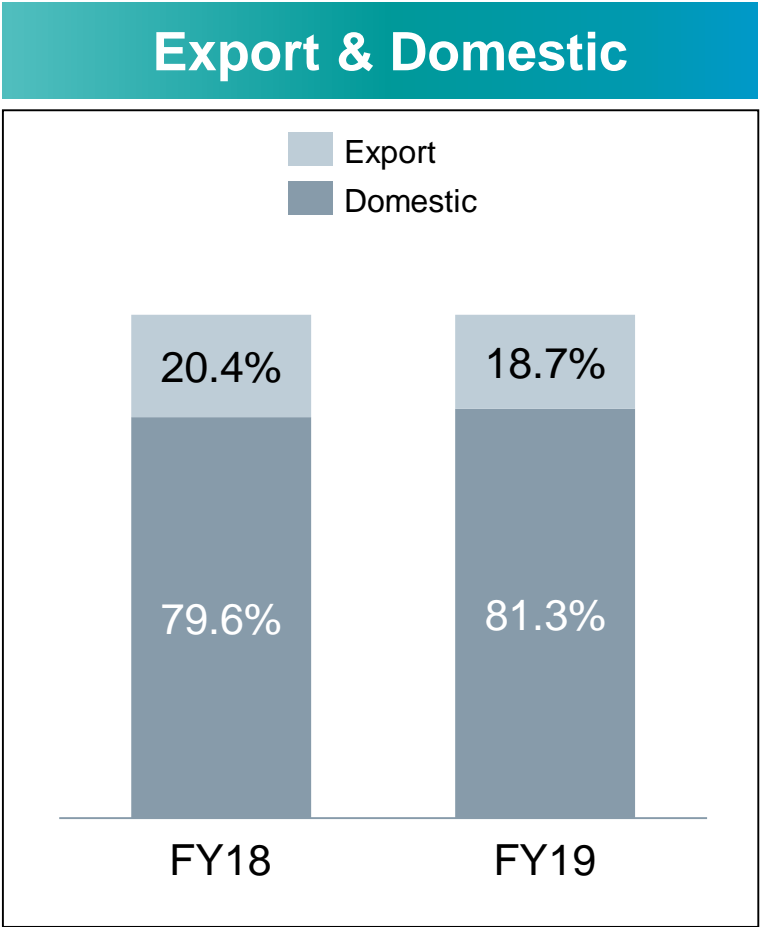
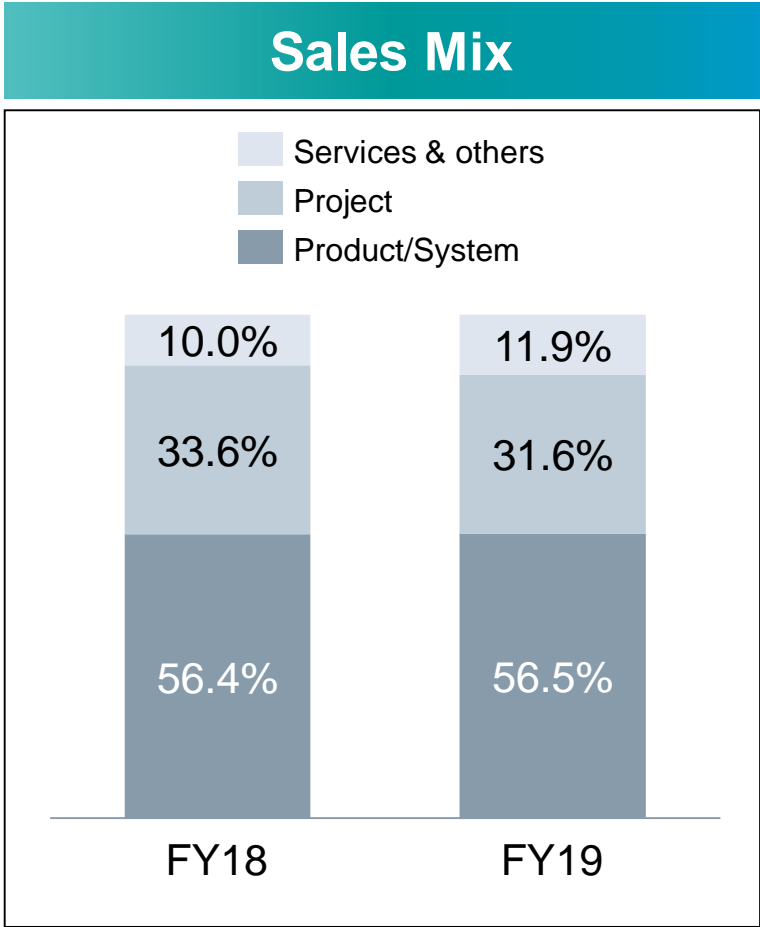


# Steady performance across most businesses in FY19



INR figures in billions

# Business mix remains stable



















# Digitalization continues to gain pace with 105 use cases

## References across multiple themes with 50+ customers ...

<b>Productivity Improvement</b>	<b>Performance Monitoring</b>	<b>Process Optimization</b>
<b>Remote Monitoring</b>	<b>Energy Efficiency</b>	<b>Digital Buildings</b>
<b>Grid Stability</b>	<b>Cybersecurity</b>	<b>Remote Diagnostics</b>
<b>Broken Rail Detection</b>	<b>Digital Substations</b>	<b>Process Analytics</b>

## Across 18 Market / Industry Segments ...

 Machine Building	 Hospitality
 Oil & Gas	 Pharmaceuticals
 Power Utilities	 Aerospace
 Public Sector	 F&B
 Chemicals	 Healthcare
 Metals	 IT & Telecom
 Minerals	 Water
 Transport	 Construction
 Automotive	 Marine

## Improving performance of gas turbines

### Customer Requirements

- Real-time data analysis of 29 gas turbines for GAIL India

### Our Solution

- Remote Diagnostic Services for combining asset data with OEM industry expertise

### Customer Benefits

- Increased availability
- Reduced forced outages
- Enabled prescriptive maintenance

**Power Generation**



## Reducing power consumption

### Customer Requirements

- Energy efficiency at Hyatt Regency

### Our Solution

- Energy efficiency and performance monitoring solution

### Customer Benefits

- Energy savings of ~ 25-30%
- Reduced maintenance requirement

**Hospitality**



## Shorten Time-to-Manufacturing

### Customer Requirements

- Reduce development and commissioning time for Hirotec India

### Our Solution

- Simulation during configuration and engineering and standardization for HMI

### Customer Benefits

- Reduced development time by ~ 10%
- Reduced engineering time by ~ 15%

**Automotive**



## Siemens well positioned in a challenging environment

### Outlook

1

Pickup in domestic demand critical for growth

2

Government spending on capex and infrastructure will drive large projects

3

Digitalization initiatives on track and continue to grow

4

Focus on profitable growth and working capital management

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