



Ladies and gentlemen, dear shareholders,

Last Thursday, CEO Joe Kaeser and CFO Ralf P. Thomas reviewed the performance of Siemens' fourth quarter and fiscal 2019 during an analyst conference call.

"The weakening of the global economy accelerated clearly during fiscal 2019. Nevertheless, we were again able to underscore Siemens' performance aspiration with a brilliant fourth quarter. We fully achieved our fiscal-year guidance in all aspects! Our Vision 2020+ strategic concept is beginning to get traction. In particular, this includes the progress of the planned high priority public listing of Siemens Energy where we are well on track.", said CEO Joe Kaeser.

An update on the transformation and achievements of Vision 2020+ is provided on page 2.

The **fourth quarter and fiscal 2019** in a nutshell:

**In fiscal 2019, all ambitious targets were achieved:** book-to-bill was at a strong 1.13. Siemens saw decent operational performance in its businesses leading to an Adjusted EBITA margin Industrial Businesses excluding severance of 11.5%. Earnings per share excluding severance grew 15% to €6.93.

**Siemens delivered in Q4 of fiscal 2019 a strong finish across all metrics:** order growth was driven by a higher volume of large orders in Gas and Power and Siemens Gamesa, overcompensating for soft short cycle businesses. Very strong revenue with growth in all industrial businesses. All industrial businesses, except Siemens Gamesa, increased margins and 4 out of 6 companies were well within their target ranges. A real bright spot was the exceptionally high free cash flow of €5.3bn, up 60% year over year.

All in all, **fiscal 2019 was a very successful year for Siemens** and hence, **Siemens proposes a dividend of €3.90 per share for fiscal 2019**, a dividend raise for the sixth year in a row. For fiscal 2020, Siemens' financial expectations are shown on page 3.

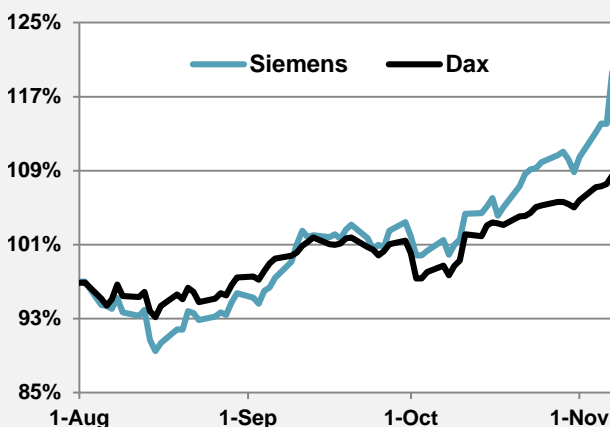
On the day of the results release, the **Siemens share** closed at €113.66 (+4.9%), clearly outperforming the DAX (+0.8%) in an overall positive market environment.

Dear shareholders, I want to thank you for your trust and interest in Siemens and wish you already a wonderful pre-Christmas season.

Best regards

Sabine Reichel, Head of Investor Relations, Siemens AG

## Share Performance Aug 1 – Nov 7, 2019



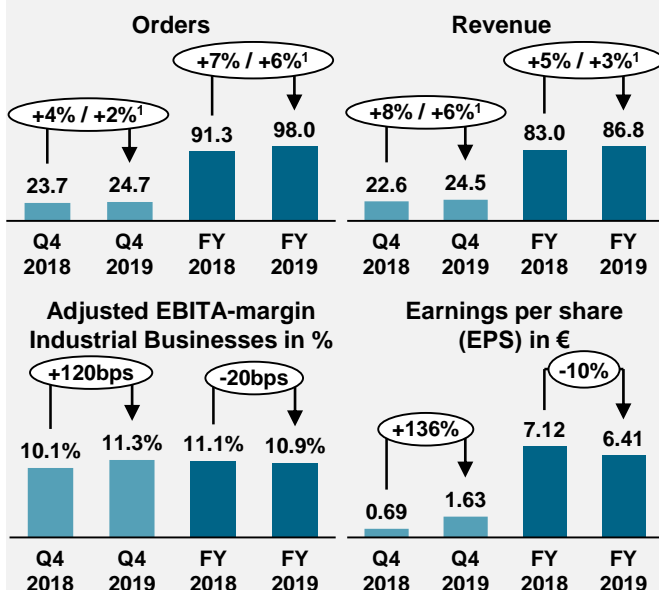
Siemens +20% | DAX +8%

GE +12% | Eaton +14% | ABB +18% | Schneider +11% | MHI -3%

[Link to the Siemens stock chart](#)

## Selected Key Figures

(in billions of €, except where otherwise stated)



1) Changes are adjusted for currency translation and portfolio effects

## Our Industrial Businesses in Q4 2019

### Operating Companies

#### Digital Industries



Revenue: €4.3bn Adj. EBITA: €792m

Adjusted EBITA margin: 18.5%

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#### Smart Infrastructure



Revenue: €4.4bn Adj. EBITA: €561m

Adjusted EBITA margin: 12.9%

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#### Gas and Power\*



Revenue: €5.1bn Adj. EBITA: €92m

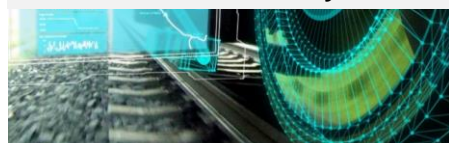
Adjusted EBITA margin: 1.8%

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### Strategic Companies

#### Siemens Mobility



Revenue: €2.5bn Adj. EBITA: €299m

Adjusted EBITA margin: 12.0%

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#### SIEMENS Healthineers



Revenue: €4.1bn Adj. EBITA: €771m

Adjusted EBITA margin: 18.6%

[Press Releases](#)

[Company Overview](#)

#### SIEMENS Gamesa RENEWABLE ENERGY



Revenue: €2.9bn Adj. EBITA: €127m

Adjusted EBITA margin: 4.3%

[Press Releases](#)

[Company Overview](#)

\* Partial spinoff of Gas and Power planned; transfer of majority stake in Siemens Gamesa Renewable Energy (59%) to new company planned

## Update on Vision 2020+

For “next-generation Siemens”, Siemens did not only set itself ambitious targets with Vision 2020+ but at the same time has never changed so much and so fast in its 172-year history. Target achievement and undergoing transformation are making good progress and will lead to three Siemens companies: Siemens AG (consisting of Digital Industries, Smart Infrastructure and Siemens Mobility as industrial core businesses), Siemens Healthineers, and Siemens Energy. The plan, as communicated in May 2019, for publicly listing the energy company in September 2020 is well on track.

### Supervisory Board makes personnel decisions to set course for the company’s future

The Supervisory Board appointed Managing Board member **Roland Busch** Deputy Chief Executive Officer, effective October 1, 2019, and Labor Director of Siemens AG, effective December 1, 2019. Roland Busch will also be responsible for the implementation of the Vision 2020+ strategy. In the summer of 2020, the Supervisory Board will make the decision regarding the successor and timing of succession to **Joe Kaeser** as President and CEO of Siemens AG.



Roland Busch



Joe Kaeser

### New energy company to be called Siemens Energy and management team defined

The business, which combines the worlds of conventional and renewable energy and is to become an independent company in the future, is to be called **Siemens Energy**. The new name will officially take effect once the energy business becomes a separate legal entity, which is expected to happen in April 2020.

Managing Board member **Michael Sen** was appointed as CEO of Siemens Energy, after **Klaus Patzak** was already announced as CFO during the Capital Market Day. Michael Sen was also named Co-CEO of Siemens’ Gas and Power Operating Company, effective October 1, 2019, together with Lisa Davis. Until the ordinary Annual Shareholders’ Meeting in 2020, Lisa Davis will ensure an orderly handover of her leadership responsibilities.

In order to complete the management team, **Tim Holt** will also assume the position of Labor Director of Siemens Energy, in addition to his current role as Chief Operations Officer. **Jochen Eickholt**, who is currently Chairman of the Portfolio Companies of Siemens AG, is a new member of the Siemens Energy management team.



Michael Sen



Klaus Patzak



Tim Holt



Jochen Eickholt

## Info Corner – Shareholder return

In addition to an attractive dividend, the share buyback is an important element for enabling our shareholders to participate in the success of Siemens.

### What dividend does Siemens propose for fiscal 2019? How does the proposal fit to Siemens' dividend history?

Siemens proposes to raise the dividend to €3.90<sup>1)</sup> per share, an increase of 3% in comparison to the previous year and a dividend raise for the sixth year in a row. This year's payout ratio of 61% is slightly above the Siemens dividend target range of 40% to 60%. In relation to the Siemens Xetra closing price at fiscal year end (September 30, 2019: €98.25), this amounts to a dividend yield of 4.0% for fiscal 2019.

### In addition to an attractive dividend policy, how does Siemens create an attractive return for its shareholders?

Since 2012, Siemens has bought back own shares with a value equivalent to around €11bn. As part of its most recent share buyback program, announced in November 2018 with a volume up to €3bn until November 15, 2021, Siemens acquired about 11m shares worth about €1bn.

<sup>1)</sup> Proposed dividend for approval at Annual General Meeting (AGM) on February 5, 2020

## Financial Calendar



<b>Feb. 5, 2020</b>	1st quarter FY20 financial results and AGM
<b>May 8, 2020</b>	2nd quarter FY20 financial results
<b>Aug. 6, 2020</b>	3rd quarter FY20 financial results
<b>Nov. 12, 2020</b>	4th quarter FY20 financial results

For further information, please click [here](#)

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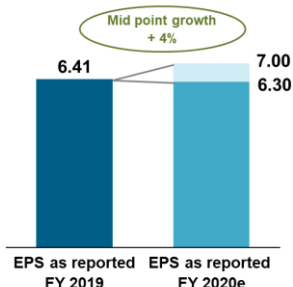
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## What does Siemens expect for fiscal 2020?

### FY20 Framework Siemens Group

- Book-to-bill > 1
- Moderate comp. revenue growth



### FY20 Framework Siemens non-listed Companies

	Comparable revenue growth	Adj. EBITA margin expectation <sup>1)</sup>
<b>Digital Industries</b>	Flat	17 - 18%
<b>Smart Infrastructure</b>	Moderate	10 - 11%
<b>Mobility</b>	Mid-single digit	10 - 11%
<b>Gas and Power</b>	Moderate	2 - 5%

<sup>1)</sup> as reported

## Notes and Forward-Looking Statements

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, prospectuses, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens' management, of which many are beyond Siemens' control. These are subject to a number of risks, uncertainties and factors, including, but not limited to, those described in disclosures, in particular in the chapter Report on expected developments and associated material opportunities and risks in the Annual Report. Should one or more of these risks or uncertainties materialize, should decisions, assessments or requirements of regulatory authorities deviate from our expectations, or should underlying expectations including future events occur at a later date or not at all or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens' net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.