

Analyst Meet – FY 2017

Siemens Limited

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Operational Highlights

Financial Analysis

Outlook

FY 2017: Strong performance – we delivered what we promised



Focus continues on profitable growth

- 26% Increase in New Orders
- 14% Revenue growth
- 14% growth in Profit from operations

Innovative solutions for the Indian market

Launched SIRIUS product line in India

Focus on large value orders

- HVDC Pugalur, Kerala
- Nagpur Metro
- Base business growing at 19%

Leading the way for Digitalization

- Setup 1st Digital Factory in Kalwa
- Established MindSphere ecosystem in India

Continuing with operational excellence

- 7.7% Profit margin
- 8"5 profit from operations (increase of 1"0)
- Cash Conversion Rate 1.3 for FY 17
- Dividend Rs. 7 Per share (+17% over FY 16)

Continuing operations, i.e. adjusted for Healthcare segment in FY 16

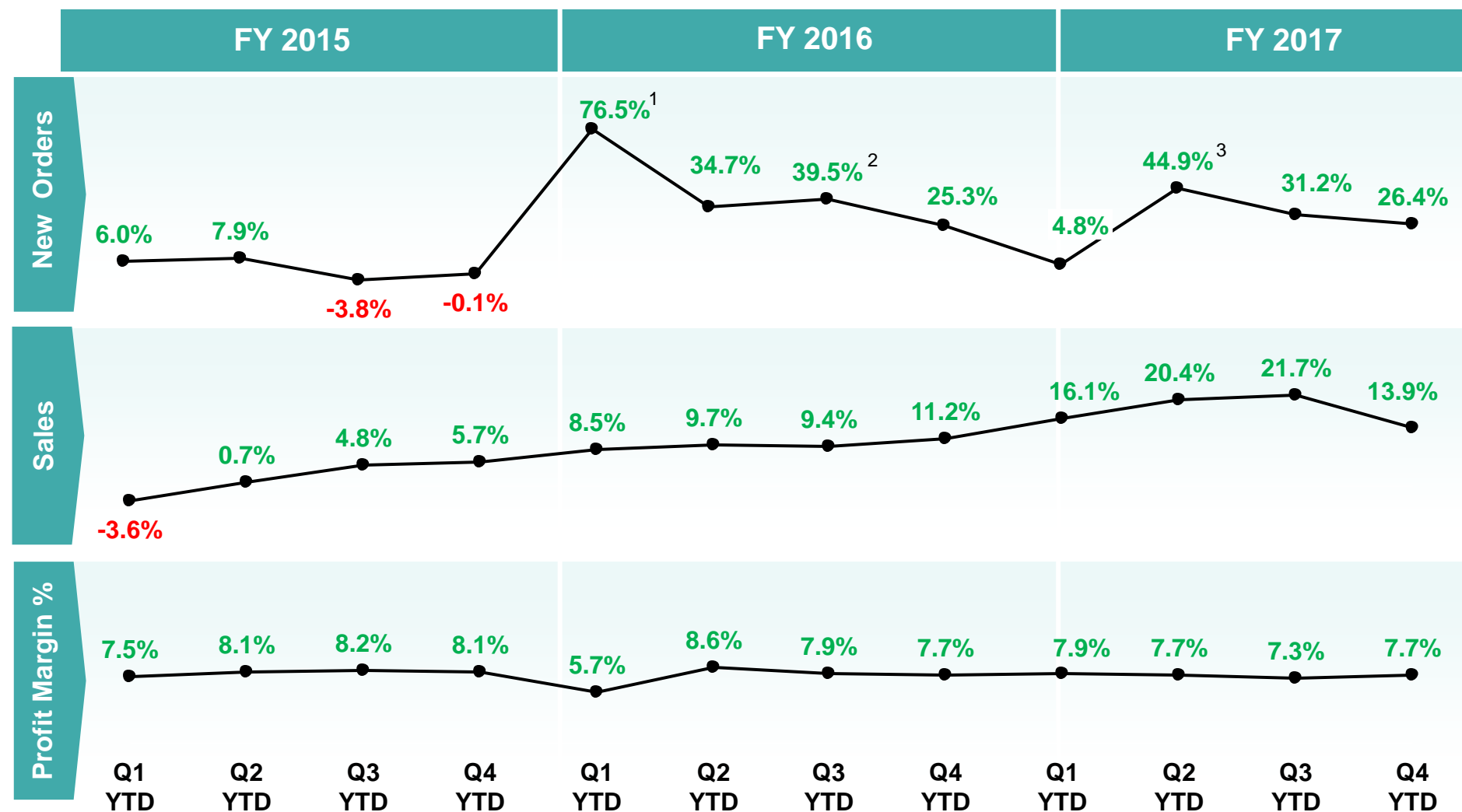
Profit from operations = Profit before exceptional items and tax – Other income + Finance costs
Profit margin = Profit from operations / Gross sales or income from operations
Cash conversion rate = Cash from operations / Profit from operations

Three years of profitable growth

Order backlog touched all-time high in Q3 2017



INR figures in billions



- Mega orders:**
1. DLW (3"8)
 2. Statcom (5"4)
 3. HVDC (16"8)

Siemens operating in a mixed market environment



Large orders driven by government spending on infrastructure

Rapidly improving 'Ease of Doing Business' - positive sentiment for foreign investment into India

Sustained business reforms and implementation progress (bank re-capitalization, insolvency rules,...)

Trend of higher public sector capex vis-a-vis private sector capex expected to continue in 2018

Power and T&D



- Power demand expected to grow with support from government schemes e.g.: Rural electrification (DDUGJY) and Household electrification (Saubhagya)
- Power plant PLFs inching up on recovery in demand and retirement of old thermal utilities
- Slowdown in T&D projects expected as follow through from slowdown in thermal power capacity addition and low requirement of transmission for renewables
- State T&D capex may offset some of the ordering decline from PGCIL subject to state finances

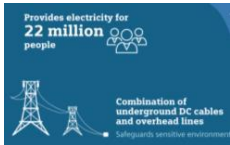
Industry



- Growth in verticals (Pharma, F&B, Packaging) encouraging global OEM's to set up base in India
- Wind OEMs impacted by transition from feed-in tariff regime to tariff-based competitive auctions
- A few large corporates in Refineries, Steel, Cement etc. have begun talking publicly of capex plans
- New opportunities emerging in electric vehicle charging infrastructure

Key Highlights of FY 2017

Successes in digitalization, energy efficiency, cyber security, infrastructure



Order worth Rs. 1,682 crore from Power Grid for India's first HVDC link featuring voltage-sourced converter technology



Low-voltage switchgear factory, Kalwa, transformed into a globally-benchmarked digitalized factory



Order worth Rs. 366 crore from ONGC for overhauling of power turbines. First zero hour overhauling to be implemented in India



TSPL and BALCO power plants of Vedanta to be connected through Siemens Digital Fleet Center Solutions



Siemens cyber security solution to protect CLP India's power plant automation system.

Siemens Digital Factory at Kalwa – first of its kind in India



- Globally-benchmarked **Digital Factory**
- **>180** product variants in **1** line
- **~ 9 secs** cycle time with varied product-mix
- **68 quality parameters** checked in **9 seconds**
- High degree of **precision and quality**
- **Minimal** failure rate
- Industry 4.0 – **PLM, TIA and MES**

One product leaves state-of-the-art plant every nine seconds



Siemens Digi-factory is Open for Business

Firm aims to sell the plant automation equipment, software to SMEs in India

By Nishu Mendiratta
@nmdrattas

Mumbai: Siemens opened its first digital factory in India on Wednesday, the third globally after one each in Germany and China, on the industrial complex near the airport in the Kalwa suburb.

The German company hopes to use Mumbai's newly opened digital factory as a showcase to sell a range of plant automation equipment and software to Indian manufacturing units.

"We want to reduce cycle time and in-process inventory, which is becoming more and more critical. This kind of data flow is possible because digitalisation is spreading up the whole process and improving overall cycle time," says Karlheinz Kaul, the chief of Siemens' Production at the Kalwa plant.

BF: "This digital factory is a kind of a testament to show the state-of-the-art of product development." The factory situated on the outskirts of Mumbai, is expected to produce more than 180 variants of low-voltage switchgear at the rate of one product every nine seconds. The plant can manufacture over 100,000 devices annually. The cost is only on the lower end of things technology where we have one fixed machine and the resulting data is used to improve and track their performance.

Digital factory is one of the solutions at Siemens. It aims to provide a comprehensive portfolio of hardware and software products which enable manufacturing integration of design, development, production and logistics. "This is a very price-sensitive market. There is a strong pressure on software at the right moment given software being the digital manufacturing," says Ashish Bhat, executive vice-president of digital factory in India.

"BMs who develop their solutions through partnerships and ecosystems. They are not just... some part of the supply chain and so tend to address them."



Bright Idea
Factory can produce more than 180 variants of low-voltage switchgear at a rate of one product every 9 seconds.

Can make over **100,000** devices annually

SIEMENS
PLANNING
CENTRES

• Global
• India
• Kalwa
• Mumbai



Operational Highlights

Financial Analysis

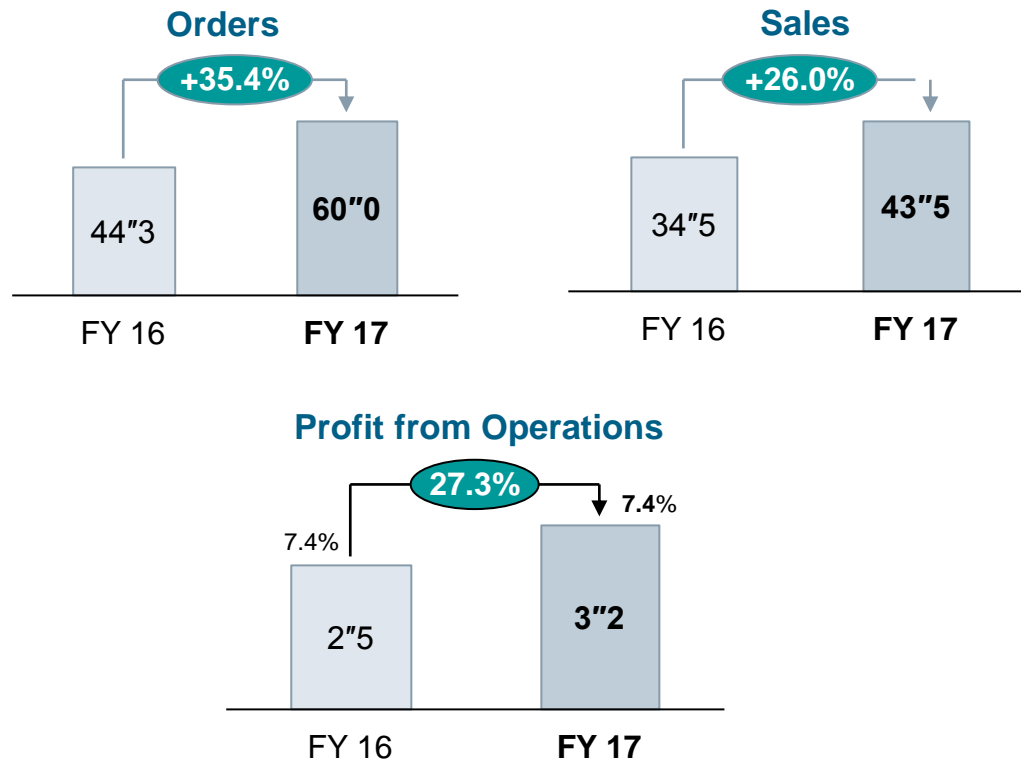
Outlook

Division-wise performance – FY 2017

All Divisions contributed to the strong growth

Energy Management (EM)

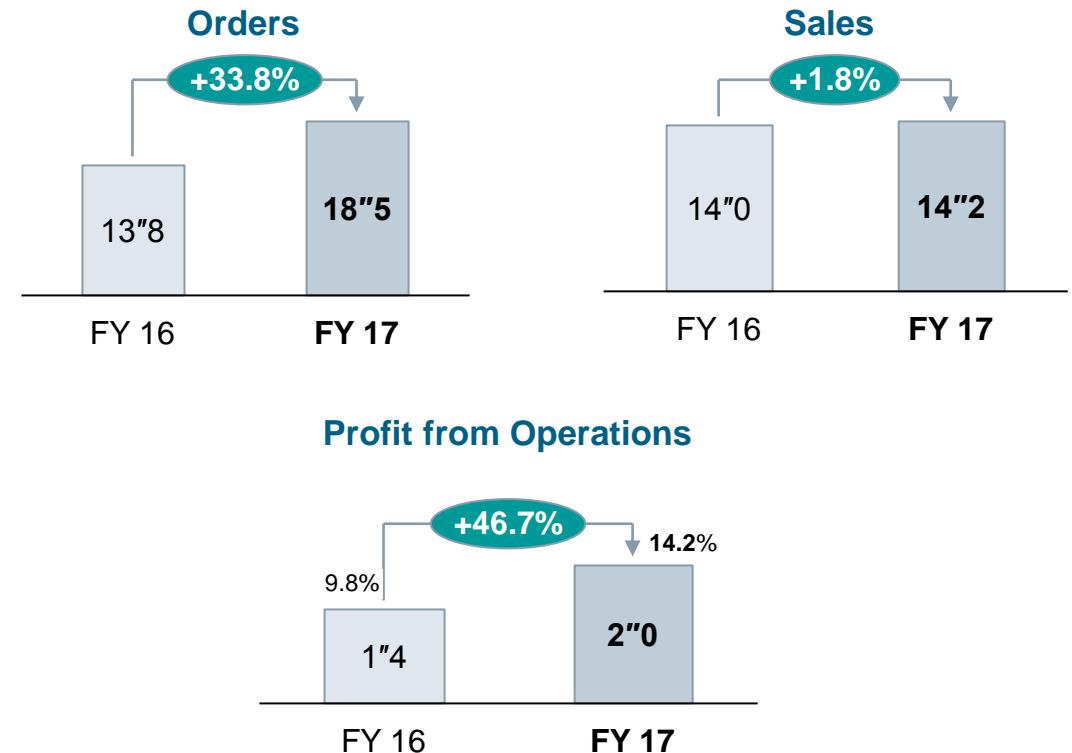
- Strong growth in both, large orders (e.g. HVDC) and base business
- Strong sales growth with stable profitability



Power and Gas (PG)

INR figures in billions

- Strong growth driven by large digitalization order
- Elevated profitability due to one off customer settlement and mix



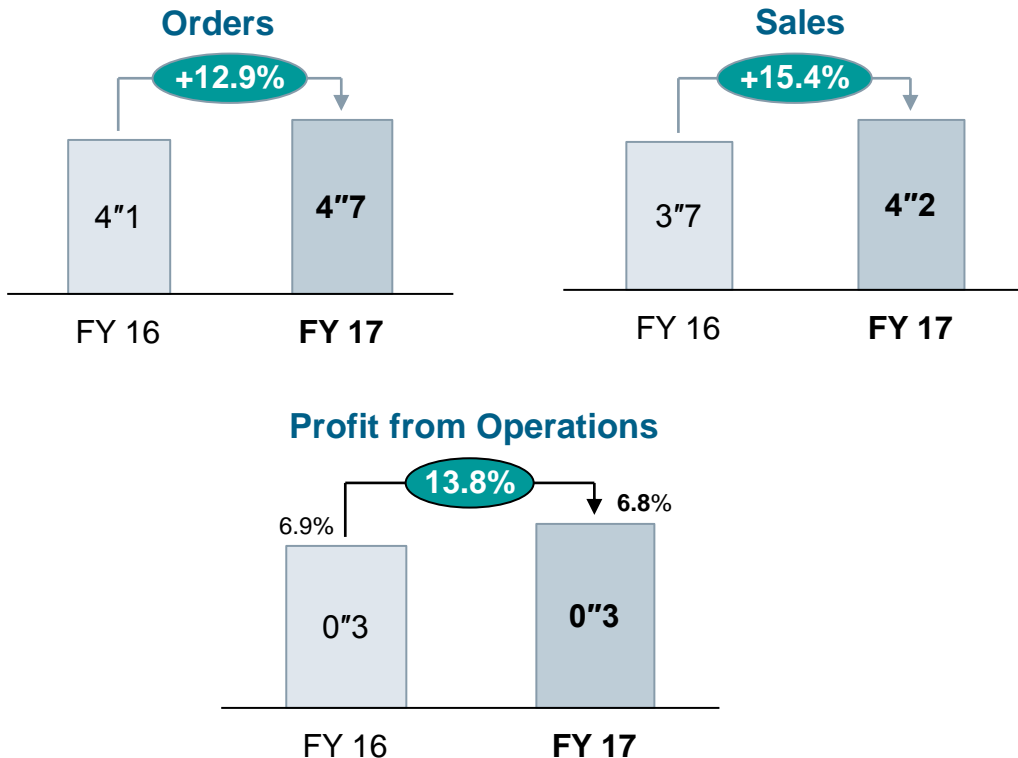
Division-wise performance – FY 2017

All Divisions contributed to the strong growth



Building Technologies (BT)

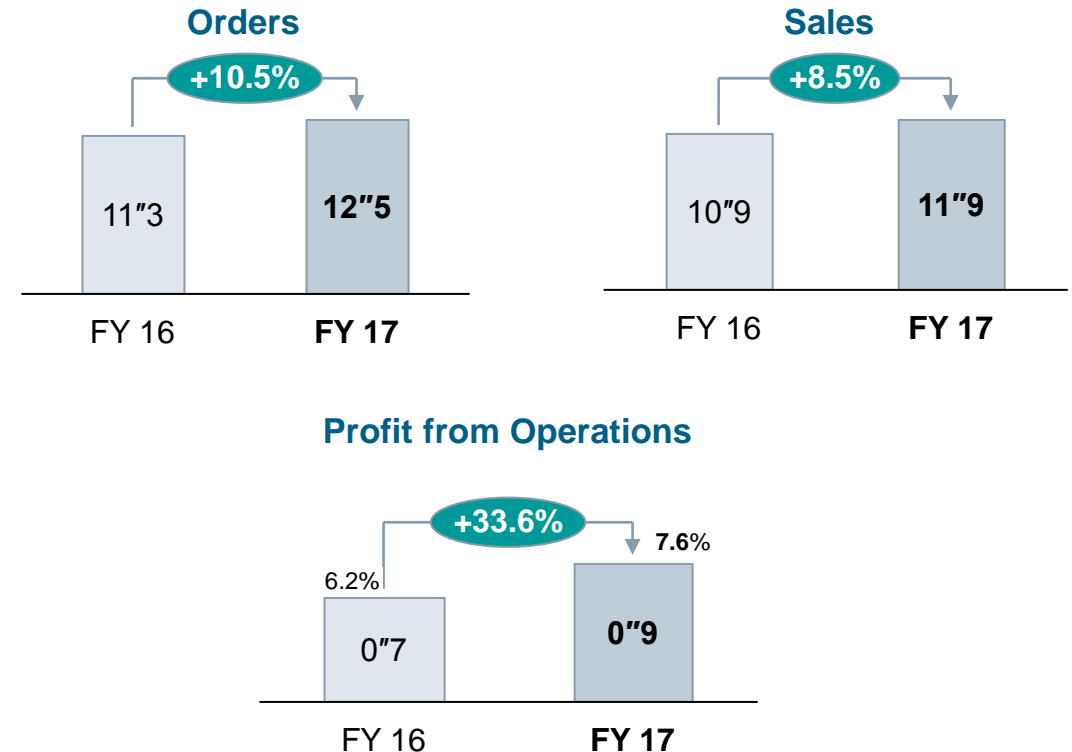
- Steady growth with stable profitability



Mobility (MO)

INR figures in billions

- Order wins in electrification
- Stable revenue and strong project execution secured improved margins

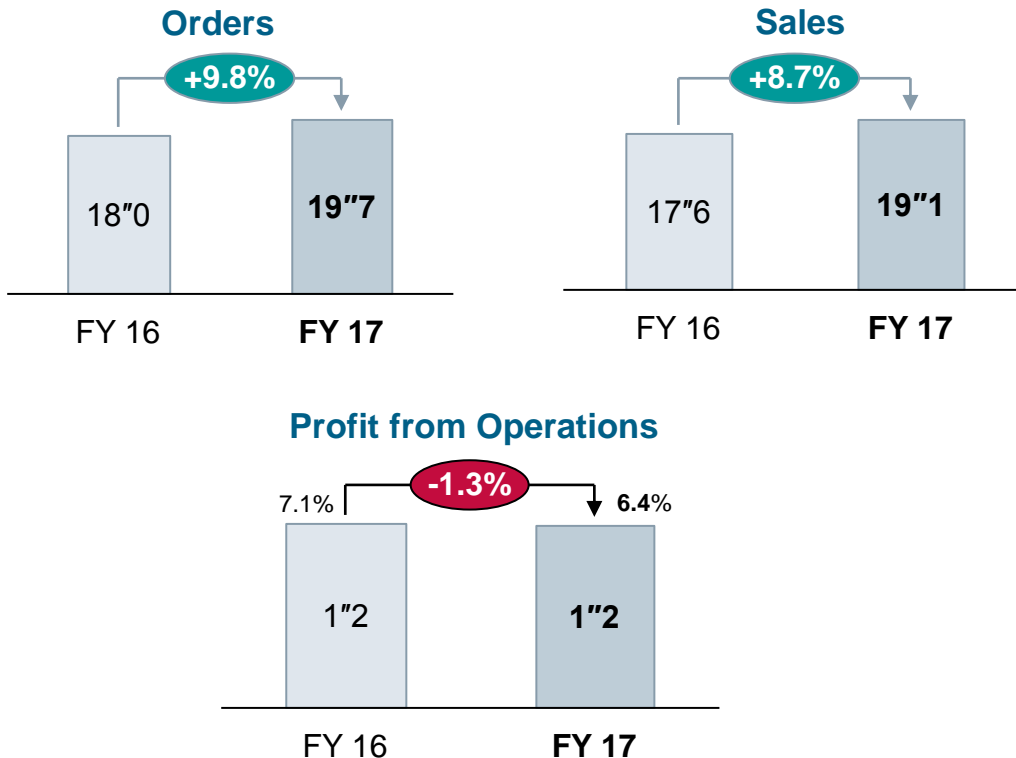


Division-wise performance – FY 2017

All Divisions contributed to the strong growth

Digital Factory (DF)

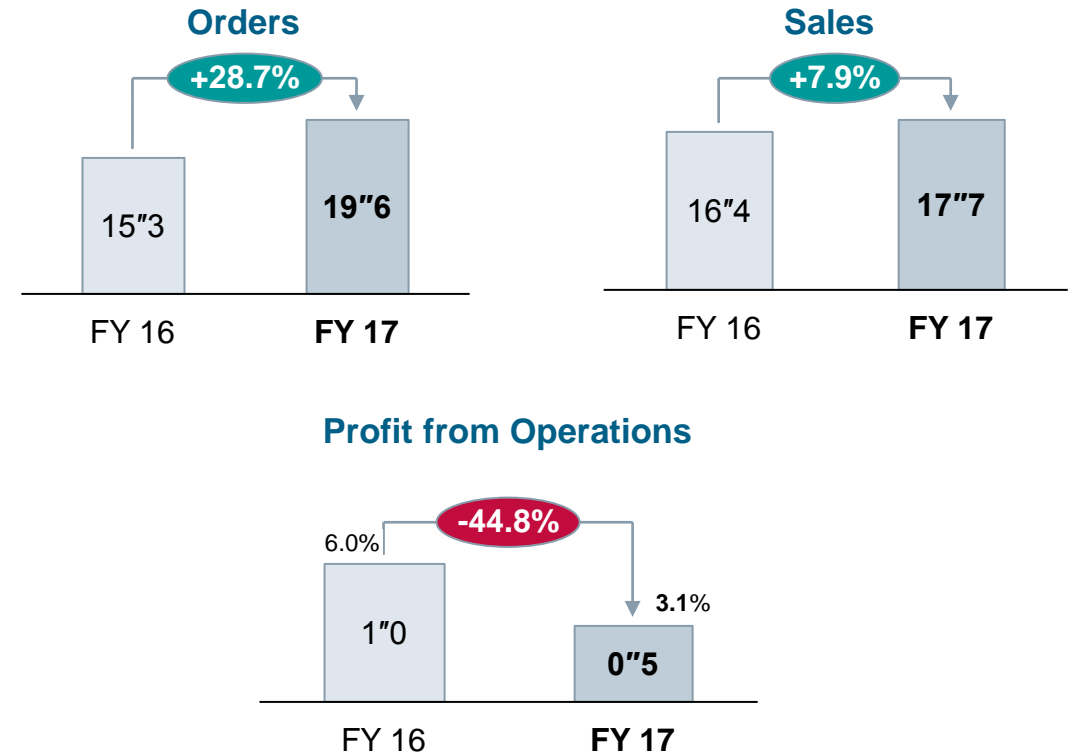
- Steady growth in challenging market



Process Industries and Drives (PD)

INR figures in billions

- Growth in process solutions and renewable business
- Contraction in margins driven by pricing pressure

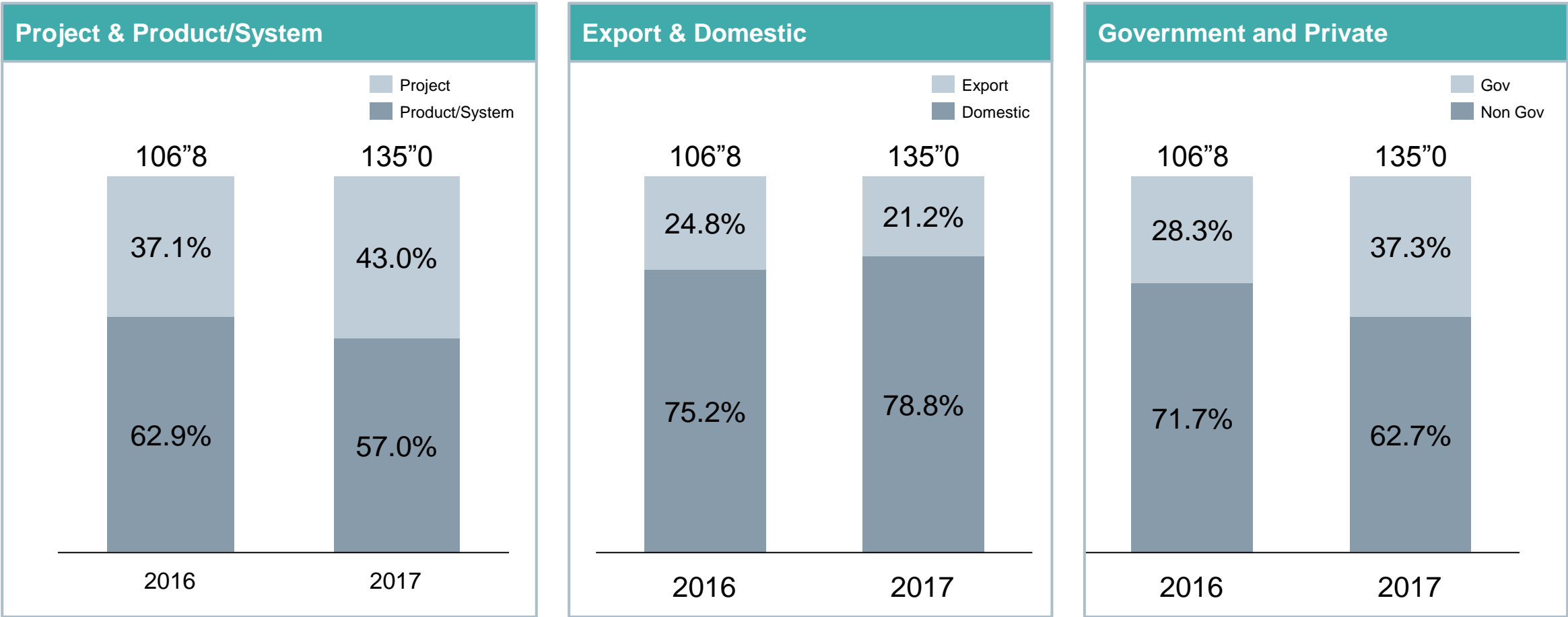


Order Mix

Order growth driven by public sector project business



INR figures in billions



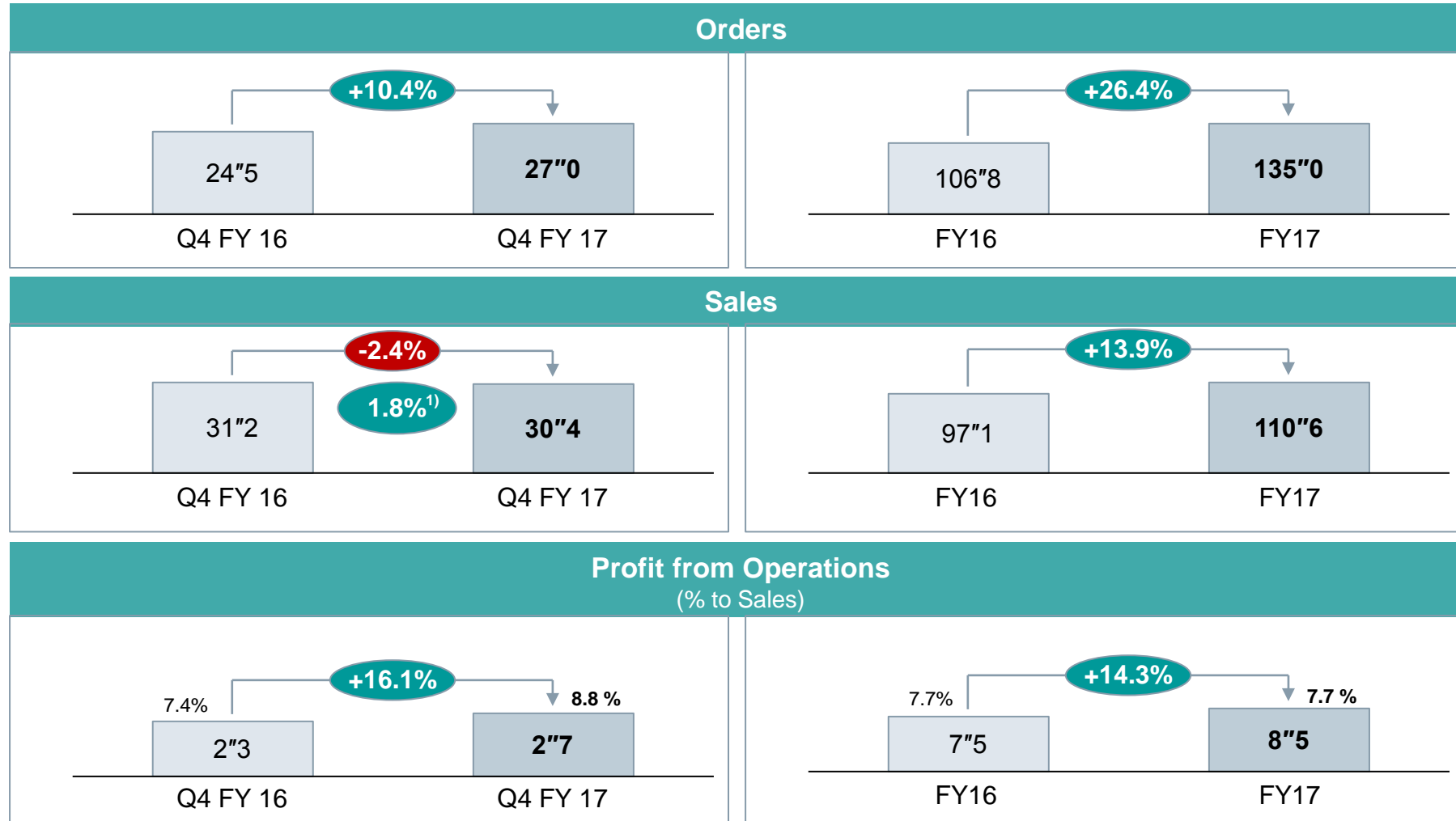
Continuing operations, i.e. adjusted for Healthcare segment in FY 16

Siemens gains market share with increased profit

14% higher profit from continuing operations



INR figures in billions



✓ All Divisions contributing to strong growth

✓ Book to Bill : 1.22
Backlog : 122'6
(23% growth in FY 17)

✓ Profitability >7%
EBITDA > 9%

1) Comparable, i.e. adjusted for grossing up of Excise duty
EBITDA = Profit from operations + Depreciation and amortisation expenses
Continuing operations, i.e. adjusted for Healthcare segment in FY 16

Operational Highlights

Financial Analysis

Outlook

Outlook

Committed to sustainable profitable growth



1

Continued focus on profitable growth and operational excellence

2

Strengthen go-to-market approach

3

Increased focus on digital solutions

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Thank you