Mobility

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Notes and forward-looking statements

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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.

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Mobility
Key figures FY 20

€9.2bn

Orders

€9.1bn

Revenue

9.1%

Profit margin

~38,500

Employees

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Mobility
Portfolio

Rolling Stock

Short-distance, regional and long-distance rolling stock, product and system solutions for passenger and freight transport

e.g. Velaro high speed, Vectron locomotive, Mireo commuter platforms

Rail Infrastructure

Products and solutions for rail automation, electrification and intermodal solutions

e.g. interlocking systems, European train control systems

Customer Services

Services for rolling stock and rail infrastructure, throughout the entire lifecycle

e.g. maintenance services, digital services with Railigent

Intelligent Traffic Systems[1]

Solutions for intelligent traffic management

e.g. Advanced Traffic Management System (ATMS), tolling solutions

Turnkey

Complete rail solutions integrating the entire rail portfolio and beyond

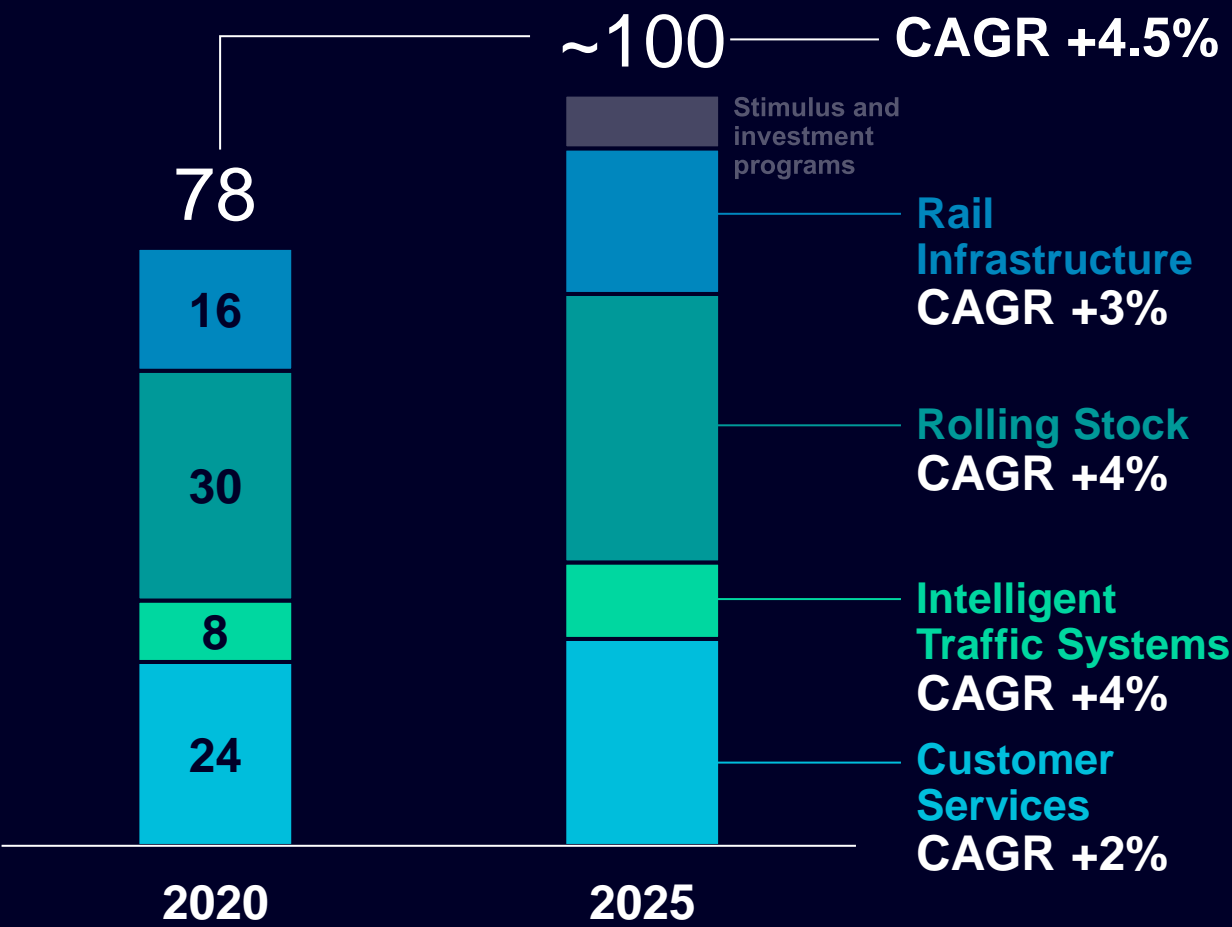e.g. turnkey projects for high-speed rail, commuter and regional rail

% of revenue (FY 20) — 45% — 34% — 15% — 6% — Included[2]

1 In carve-out process   **2** Revenue included in the other businesses

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Market split
Business mix – in billion €

General growth trends

Megatrends decarbonization and urbanization remain
Rail as backbone of urban mobility and leading mode
for national travel >

Stimulus packages offering upside potential
Government bail-out and recovery programs
with significant portions for rail >

Digitalization deeply transforming the industry
IoT, software, cloud technologies driving rail asset
performance management >

Market mechanisms supporting our strategy
Focus on life cycle driven concessions;
nationwide programs to gain network efficiencies >

~100   **CAGR +4.5%**

78

Stimulus and
investment
programs

**Rail
Infrastructure
CAGR +3%**

16

**Rolling Stock
CAGR +4%**

30

**Intelligent
Traffic Systems
CAGR +4%**

8

**Customer
Services
CAGR +2%**

24

2020   **2025**

Note: Siemens Mobility accessible market adjusted to own portfolio, estimate; figures 3-y-avg. market values (ø FY 18-20, ø FY 23-25)

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Market split
Geographical – in billion €

Selected regional growth trends
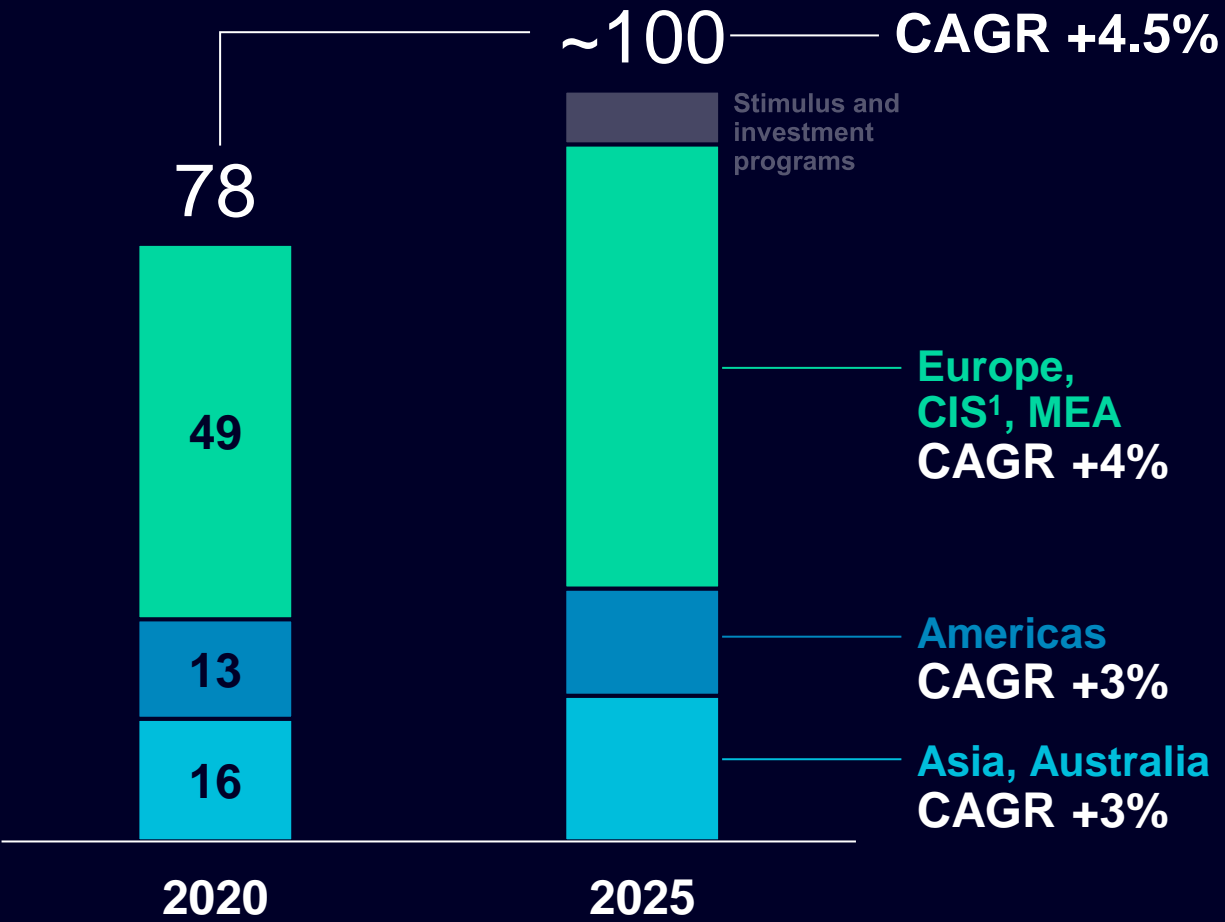
Europe, CIS[1], MEA
- **EU:** EU Green Deal and Next Gen speed up infrastructure projects
- **CIS[1]:** Core rail corridor investments
- **MEA:** New metro and high-speed systems in focus

Americas
- **USA:** Invest Act & Build Back Better plans to push infrastructure projects
- **CAN:** Turnkey opportunities and Covid-19 recovery program anticipated

Asia, Australia
- **IN:** Privatization to drive infrastructure enhancement and upgrades
- **CN:** Continuous market growth backed by 14th 5 year plan

~100 CAGR +4.5%

Stimulus and investment programs

78

49

13

16

Europe, CIS[1], MEA
CAGR +4%

Americas
CAGR +3%

Asia, Australia
CAGR +3%

2020   **2025**

Note: Siemens Mobility accessible market adjusted to own portfolio, estimate; figures 3-y-avg. market values (ø FY 18-20, ø FY 23-25)
1 Commonwealth of Independent States

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Market drivers supporting our strategy of leadership through technology and digitalization – Rolling Stock

Most innovative rolling stock supplier

WHY?
Best-in-class rolling stock platforms, e.g. Mireo, Vectron, Velaro

ADVANTAGES
New platforms allow up to 25% less energy consumption, 30% less maintenance, reduced one-time efforts

MARKET DRIVERS
Liberalization of market asks for concession bids that focus on lifecycle costs over 30 years, our platforms are best suited to address this, e.g. Rhein-Ruhr-Express (RRX)

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Market drivers supporting our strategy of leadership through technology and digitalization – Rail Infrastructure

#1 in the signaling market

WHY?

Strong home markets such as DACH; transforming infrastructure with IoT and cloud technologies

ADVANTAGES

Unlimited scalability; increased throughput on existing networks, e.g. ~30% throughput with Automatic Train Operation; ~30% reduced maintenance costs

MARKET DRIVERS

Our IoT/cloud architecture best suited to address the market move towards country wide programs, e.g. Norway, Austria

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Market drivers supporting our strategy of leadership through technology and digitalization – Customer Services

World class services along the asset lifecycle

WHY?

Best-in-class maintenance; Railigent application suite for digital solutions and services; rail systems with Railigent inside

ADVANTAGES

100% system availability; up to 20% lifecycle cost reduction, maximize value from all rail systems

MARKET DRIVERS

Market transitioning to whole lifecycle cost models (CAPEX and OPEX); our services focus on maximizing value over lifecycle e.g. DTUBE, Austria L2

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Market drivers supporting our strategy of leadership through technology and digitalization – Turnkey projects

Trusted partner for large infrastructure projects

WHY?

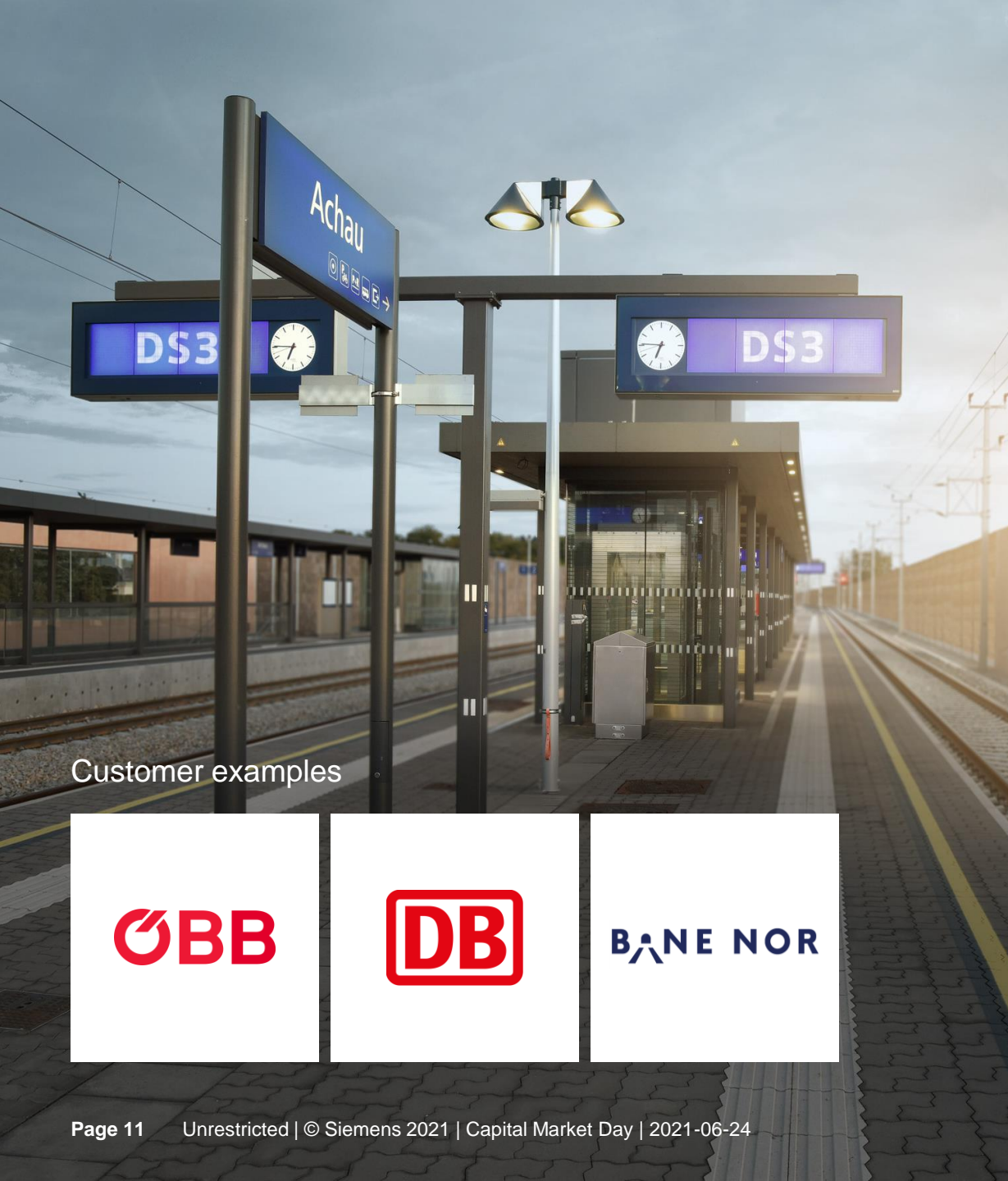Leveraging synergies of vertically integrated portfolio

Strong track record in major projects, e.g. Bangkok, Riyadh

ADVANTAGES

Stringent execution in large projects; efficient project delivery

MARKET DRIVERS

Developing markets with major turnkey deals, e.g. Egypt

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Transforming infrastructure with IoT and cloud technologies for reduced lifecycle costs, increased network capacity and throughput

Customer challenge

- Hardware components from several decades resulting in **high lifecycle costs**
- Need for **scalable architecture** to address increased capacity and performance requirements
- Centralized data often not available due to **fragmented infrastructure** control centers

Solution

- **Digitally connected rail infrastructure** including virtualized and IoT-enabled components – controlled by logic (signalling) in the cloud
- Makes Rail Infrastructure connected, **hardware independent** and **cloud enabled**

Customer benefit

- Unlimited **scalability**
- Provision of **proprietary spare parts from several decades resolved**
- Centralized data and control allows for seamless **network capacity increase** and **AI enabled data analytics**

Customer examples

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Digital asset management for 100% rail system availability enabled by Railigent

Customer challenge

- Handle **increasing passenger and freight volume** by ensuring reliability and availability of rail assets to **reduce downtimes** for maintenance, **minimize** delays and **unexpected failures**
- **Maximize value** from existing assets and **reduce** need for **spare assets** (e.g. trains, spare parts)
- Optimize operations during **high peak times**

Solution

- Railigent application suite intelligently uses rail data to **maximize value** from assets over the whole lifecycle
- Up to **4bn data points** per year analyzed to enable anomaly detection and **predictive services**
- Optimized maintenance processes in **digitalized depots**

Customer benefit

- Reduction of **unnecessary transfer** to maintenance by **>30%**
- Decrease in **unplanned downtimes** by **30-50%**
- Optimized **lifecycle costs** by up to **20%**
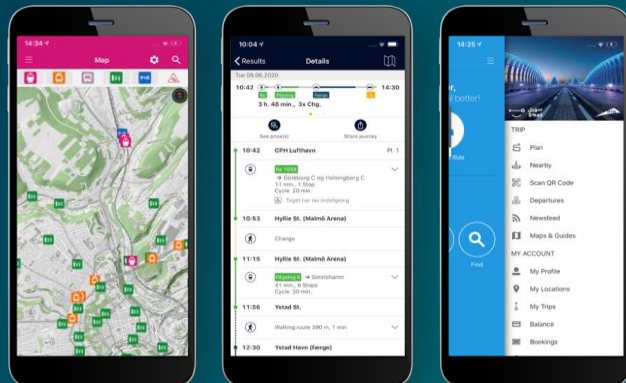- Increase **transport capacity by 5-10%**

Customer examples

ThamesLink/

RHEIN RUHR XPRESS

COMPANY CORE TECHNOLOGY
Data Analytics & AI

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Software platform with integrated environment for planning, booking and payment for multimodal travel

Customer challenge

- Allow their end-customer to plan, book and pay in **one mobile application**
- Integrate different modes of transport in **one intermodal platform**
- Optimize complete **planning** and **routing flows** based on passenger demands
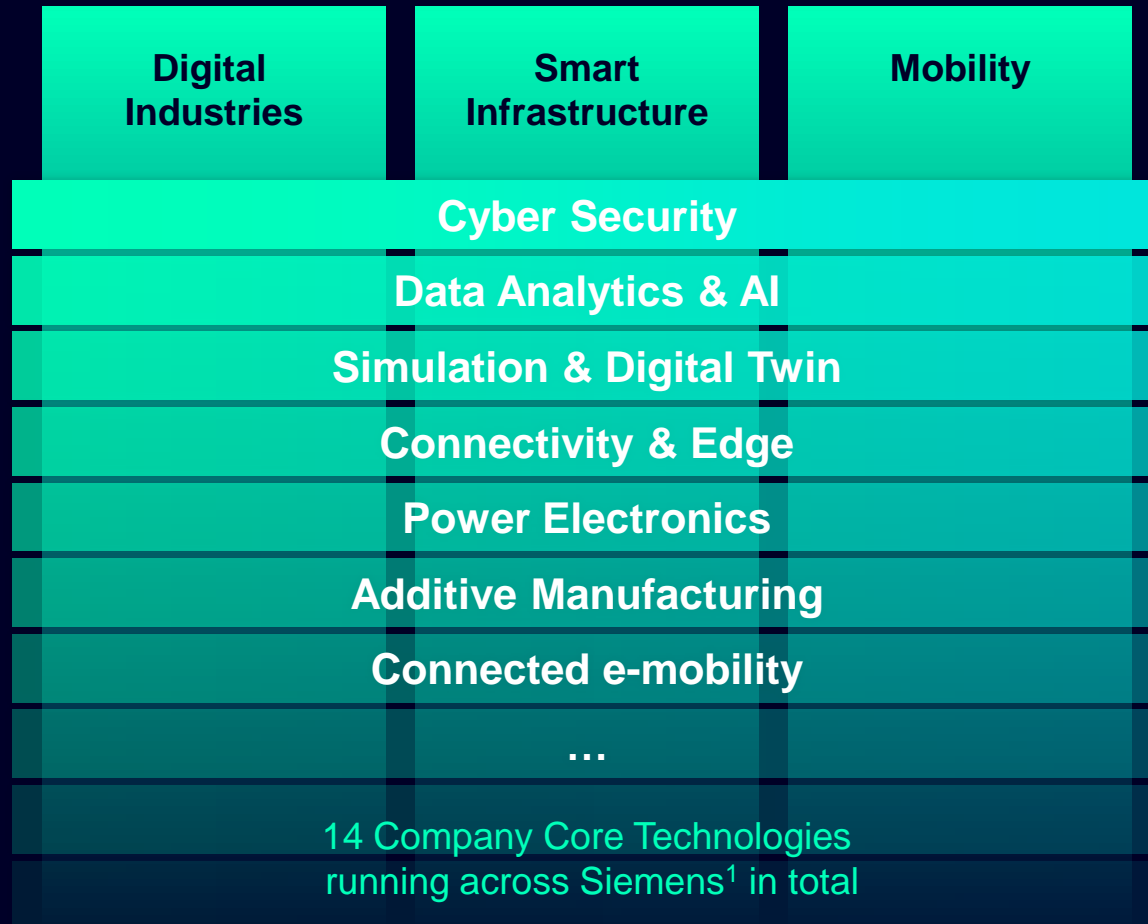
Solution

- Countrywide intelligent **MaaS platforms** including intermodal routing engine, real-time data analytics and disruption management
- Seamless **ticketing** and **payment solutions**
- Platform to offer full spectrum of **mobility options** including **Demand Responsive Transport (DRT)**

Customer benefit

- Offer **tailored services and DRT** to the needs of travelers
- Optimize **fleet management;** increased **system capacity** and **punctuality**
- Enable connection to a **whole ecosystem of mobility providers**

Customer examples

Dubai (Road and Transport Authority),
Luxemburg (Verkéiersverbond),
Netherlands (Rivier, a joint venture of public transport operators)

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Siemens with strong technology core and cross-business collaboration for accelerated customer value

Digital Industries	Smart Infrastructure	Mobility

Cyber Security

Data Analytics & AI

Simulation & Digital Twin

Connectivity & Edge

Power Electronics

Additive Manufacturing

Connected e-mobility

…

14 Company Core Technologies running across Siemens[1] in total

Company Core Technologies

- Secure one-way data connector (DCU) to optimize control, safety and security systems in rail infrastructure
- Development of battery systems for train applications
- Sensor fusion and environment modeling to enhance train driver assistance with obstacle detection as basis for autonomous railway ("Train Brain")
- Multi core technology for infrastructure in the cloud

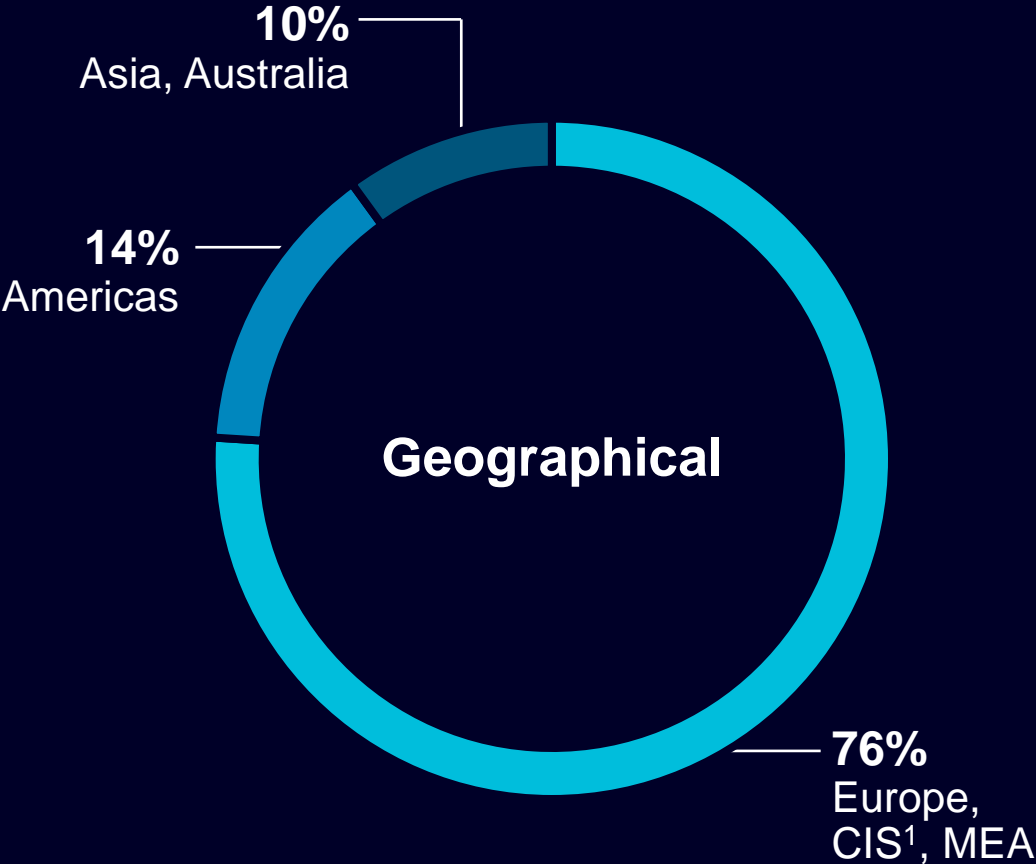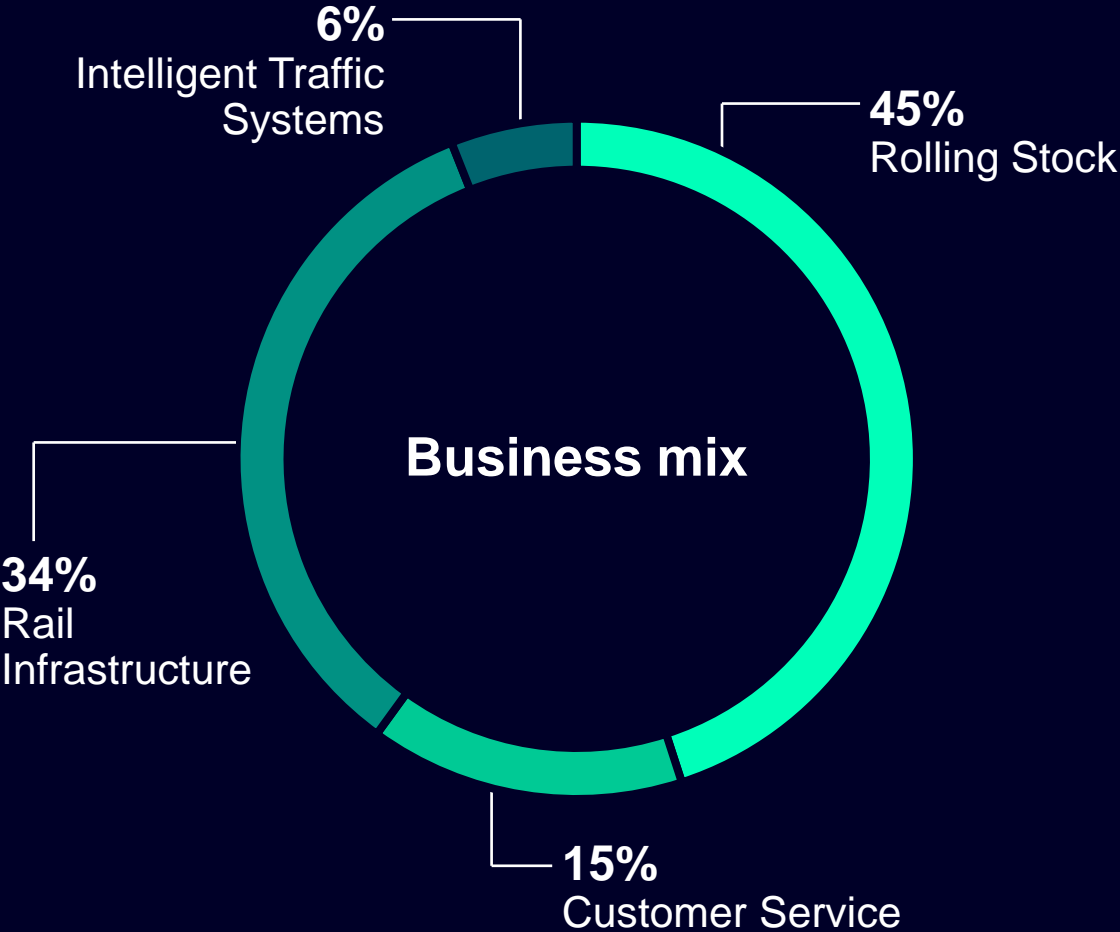## Cross-business technology collaboration

- MO leverages DI software for engineering and manufacturing e.g., QMS, MES, COMOS
- Collaboration with SI on rail electrification, to enable maximum uptime for rail operation e.g. Regensdorf

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Driving resilient value generation through best-in-class risk management and commercial prudence –
a proven track-record throughout 29 quarters

- Sustainable margin expansion
- Sufficient headroom allowing for innovation & digitalization
- Best in class risk & opportunity management
- Attractive ROCE profile through stringent asset- and cash management
- Unrivaled best commercial project management in industry

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Revenue split
FY 20 – in percent - €9.1bn
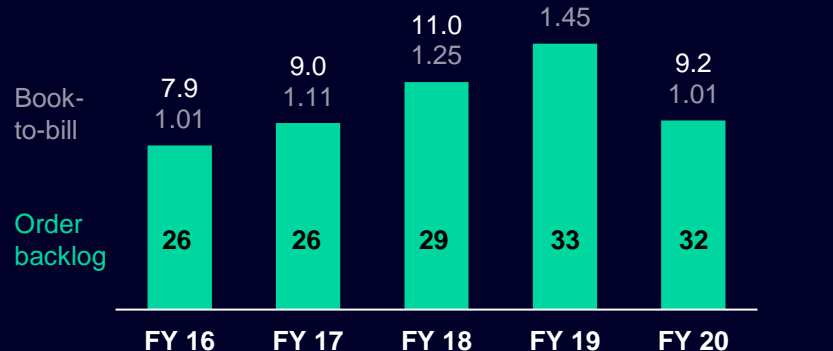

Business mix

45% Rolling Stock

6% Intelligent Traffic Systems

34% Rail Infrastructure

15% Customer Service

Geographical

10% Asia, Australia

14% Americas

76% Europe, CIS[1], MEA

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Consistent and strong performance in top and bottom-line

Orders
In €bn

Ø Book-to-bill **1.17**

	FY 16	FY 17	FY 18	FY 19	FY 20
	7.9	9.0	11.0	12.9	9.2
Book-to-bill	1.01	1.11	1.25	1.45	1.01
Order backlog	26	26	29	33	32

Revenue
In €bn

CAGR Service Business +9% **+4%**

	FY 16	FY 17	FY 18	FY 19	FY 20
	7.9	8.2	8.8	8.9	9.1
Comp. Growth	6%	6%	11%	0%	2%
Service Share	13%	13%	13%	15%	15%

Profit margin
In percent

Ø Margin **10.1%**

Target margin: 9% / 6% (12% / 9%)

	FY 16	FY 17	FY 18	FY 19	FY 20
	9.4%	10.0%	10.9%	11.0%	9.1%
In billion €	0.7	0.8	1.0	1.0	0.8

Free cash flow
In €bn

Ø Cash conversion rate **0.98**

|	FY 16	FY 17	FY 18	FY 19	FY 20
	0.6	1.1	1.0	0.9	0.9
Cash conversion rate	0.75	1.36	1.04	0.92	1.05
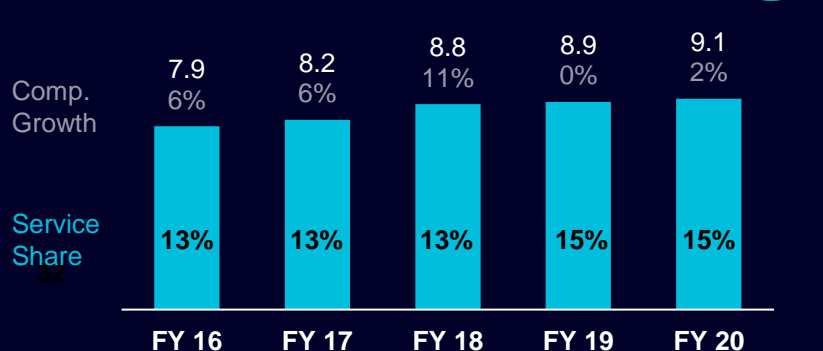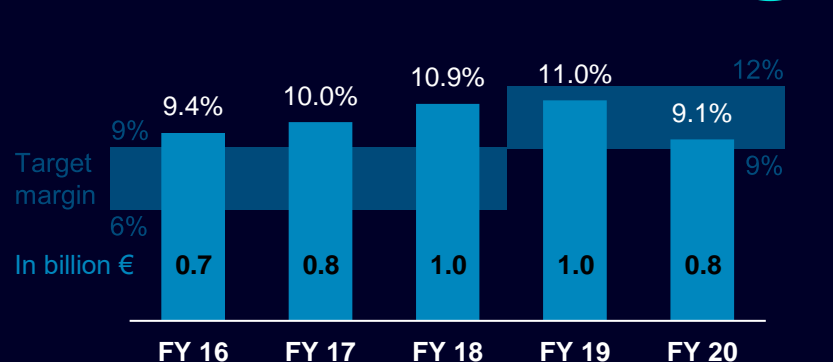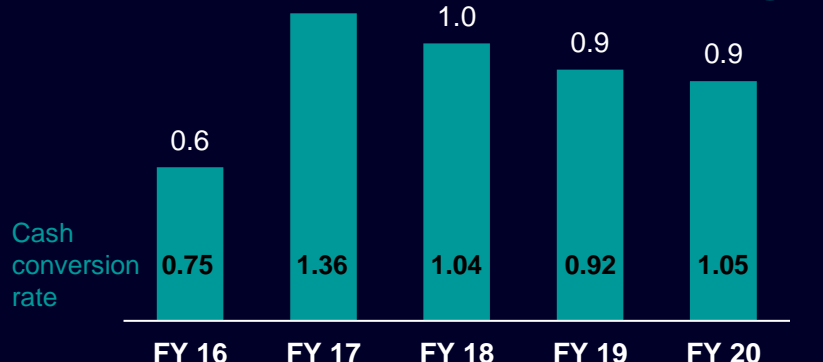
✓ **Strong and sustainable growth:** backlog of €32bn with >30% service share

✓ **Best-in-class risk & opportunity management** supporting stringent execution

✓ **Resilient revenue growth** supported by **15% service share**

✓ Continued **innovation leadership** secured by **significant investments in R&D**

✓ **Proven track-record throughout 29 quarters** with industry leading profitability

✓ Stringent contract and asset management drives **solid cash conversion**

✓ **Attractive ROCE** accretive to Siemens due to **low asset intensity**

Note: Ø values represent cumulative means FY 16 – FY 20

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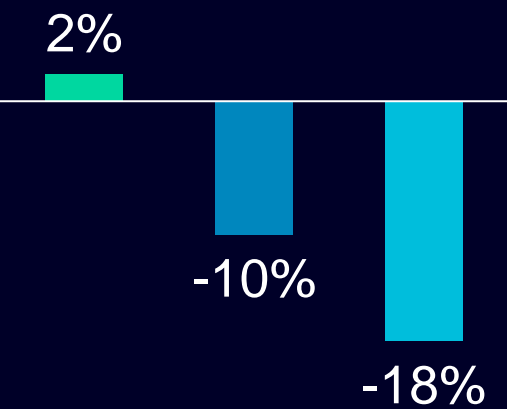# Delivering resilient and industry leading returns despite Covid-19 crisis

Order backlog
FY 20
In €bn
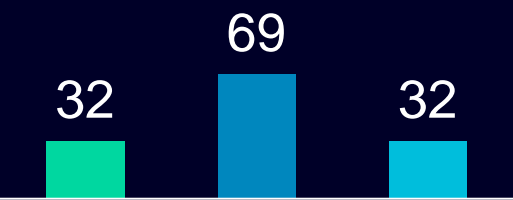
- 32 — Siemens Mobility
- 69 — ∑ two traditional competitors [1]
- 32 — Chinese competitor [2]

Revenue growth
FY 20

- 2% — Siemens Mobility
- -10% — ∑ two traditional competitors [1]
- -18% — Chinese competitor [1,3]

EBITDA margin
FY 20
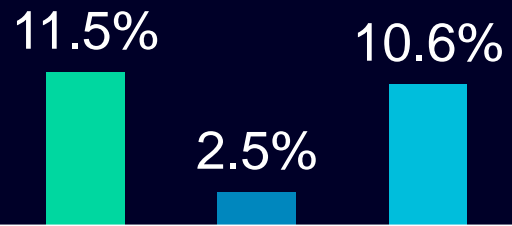
- 11.5% — Siemens Mobility
- 2.5% — ∑ two traditional competitors [1]
- 10.6% — Chinese competitor [2,3]

Free cash flow
FY 20
In €bn

- 0.9 — Siemens Mobility
- -0.6 — ∑ two traditional competitors [1,4]
- -1.2 — Chinese competitor [2,4]

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1 Siemens Fiscal Year logic applied   **2** Competitor Fiscal Year logic applied
3 Chinese Competitor revenue growth based on comparable portfolio (rail segments), Backlog / EBITDA / Free Cash Flow based on company in total
4 Based on quarterly Disclosure & Unaudited Condensed Interim Consolidated Financial Statements

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Solid H1 performance despite ongoing pandemic crisis

Orders
In €bn

+22.6%[1]

H1 FY 20	H1 FY 21
4.0	4.9

Profit
In €m

flat

H1 FY 20	H1 FY 21
428	427

Free cash flow
In €m

-34%

H1 FY 20	H1 FY 21
-80	-107

Revenue
In €bn

+3.3%[1]

H1 FY 20	H1 FY 21
4.4	4.5

Profit margin
In percent

flat

12

9

H1 FY 20	H1 FY 21
9.6	9.6

Cash conversion rate

-0.07

H1 FY 20	H1 FY 21
-0.19	-0.25

[1] Comparable

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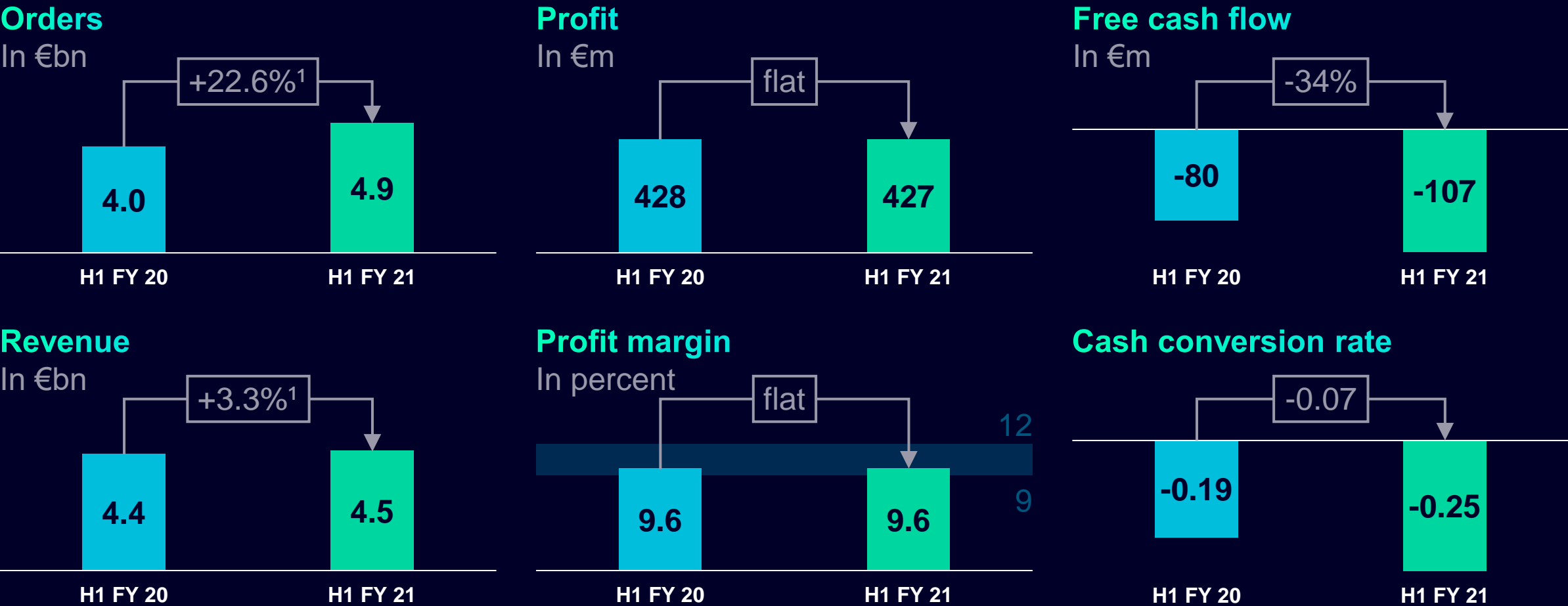
Portfolio shift to higher margin & recurring revenue business will drive mid-term target achievement

Portfolio by Profitability[1]

■ >15% ■ 10–15% ■ 5–10% ■ <5%

Revenue in billion €

Profit margin in percent

5
~6%

~5% CAGR[2]

9
9.1%

5-8% CAGR[2]

>10
>11%

2009

2020

2023e

Competitive Growth Program to secure mid-term target achievement

Growth & Scale e.g.
- Leverage market potential out of stimulus programs
- Increase service volume (>8% backlog growth[3])
- Double-digit growth of component business
- Leadership in H_2 and battery technology

Business Mix & Innovation e.g.
- Lead infrastructure in the cloud transition
- Digital inside Rolling Stock (100% Railigent inside[4])
- Drive platform approach in Rolling Stock
- Selected accretive portfolio moves

Operational Excellence e.g.
- Add 2k engineers in Lead Cost Countries until FY 25
- Roughly double size of Serbia operations until FY 25
- Internal process digitalization
- … in addition to 3% base productivity

1 Based on segmentation into 15 portfolio units   2 Comparable, adjusted for currency and portfolio   3 CAGR FY 20-25   4 Goal is to ensure every product shipped out of our factories with 100% Railigent inside

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Our portfolio is the answer to reach global ESG targets

Our core business is ESG …

- Rail is the **most environmentally friendly** mode of passenger and freight transport
- Trains provide **high capacity** and **lowest space used** per person transported
- Train travel can make an important contribution to reach **EU CO$_2$ emission targets** of -90% by 2050[1]

… and we will further invest in sustainable technologies

Mireo modular platform allows **various propulsion systems**

Mireo Plus B
- **Benchmark** in battery propulsion (range up to 120km)
- First project: **SFBW Ortenau**, 2020

Mireo Plus H
- **2nd generation H$_2$ prototype** will be in operation in 2022
- Integrated **infrastructure offering** with Siemens Energy: Rail solutions combined with green hydrogen

1 Annual Transport and Environment Report 2020 (TERM), European Environment Agency, 2021

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Mobility Financial commitments
Targets over 3–5 year cycle

5–8%

Comparable revenue growth

>8%

Service backlog growth

10–13%

Profit margin

1-growth

Cash conversion rate (CCR)

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Mobility
#PassionForMobility

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Mobility

Moving beyond.

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