



Investments in digital industry making an impact

Ralf P. Thomas, Lisa Davis
Press call on the second quarter of fiscal 2018
Munich, May 9, 2018

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, 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 Risks in the Annual Report.

Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur 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.

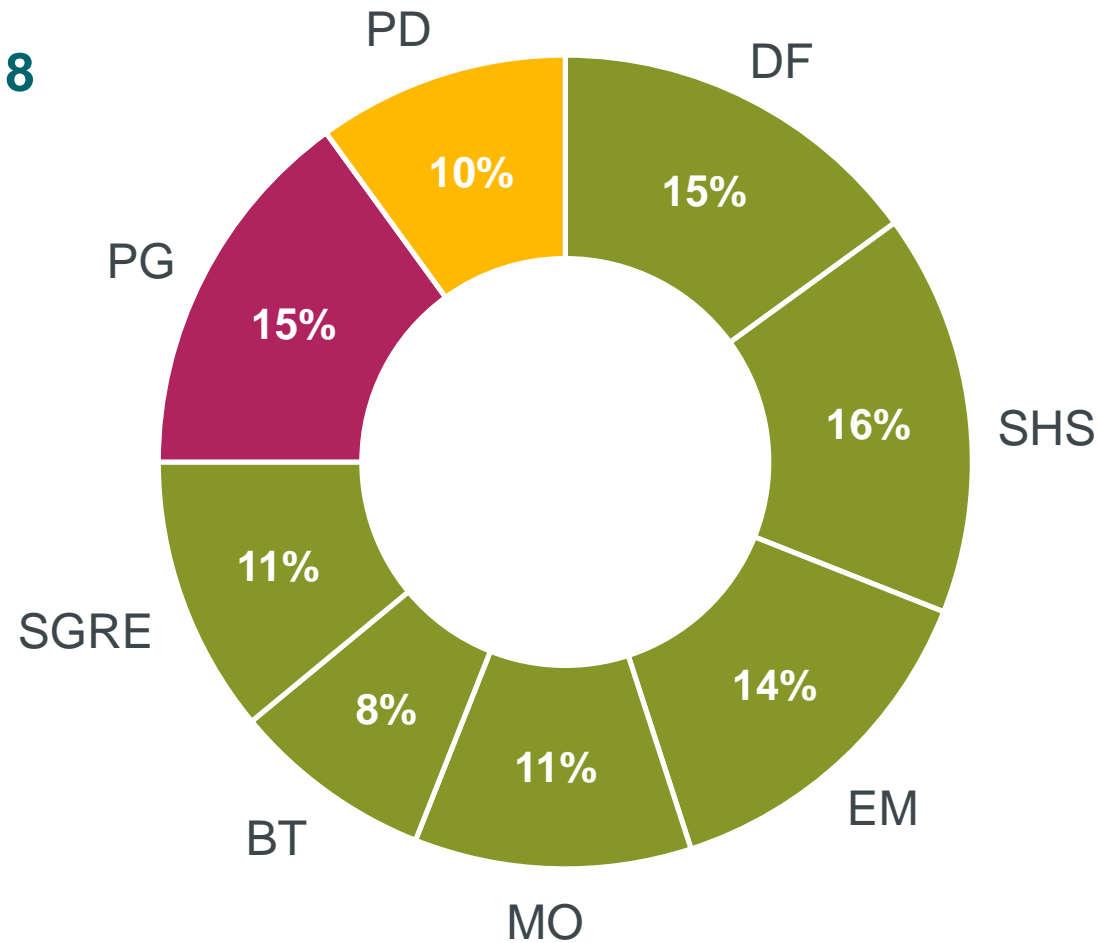
The background features a series of wavy, overlapping lines in shades of orange and purple. Various icons are scattered across the scene, including a hand pointing at a screen, a person at a computer, a group of people, a drone, a smartwatch, a smartphone, and a person in a hard hat.

Ralf P. Thomas

Chief Financial Officer

Industrial Business shows impressive strength Structural challenges at Power and Gas

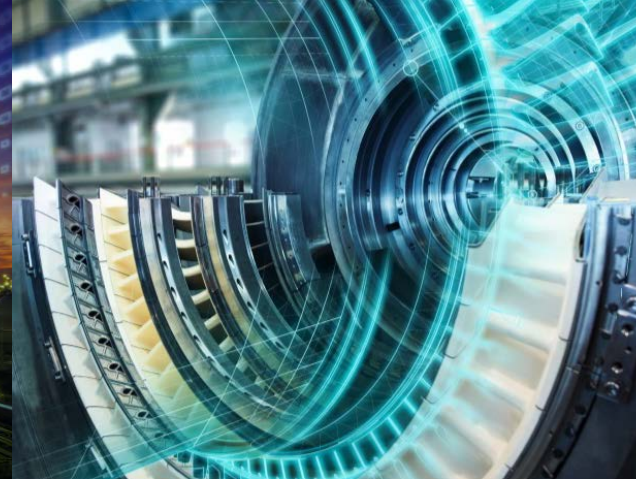
Share of revenue in the first half of fiscal 2018 (Industrial Business)



Within/above margin range

Below margin range

Clearly below margin range



Strong performance driven by “digital Siemens”



The second quarter of fiscal 2018

Record-setting order backlog of €129 billion;
book-to-bill at 1.11



Revenue at €20.1 billion;
growth in 6 of 8 businesses



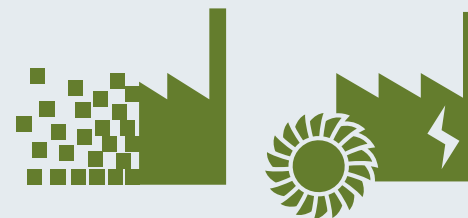
Industrial Business profit margin at 11.0 percent



More than **300,000**
employee shareholders



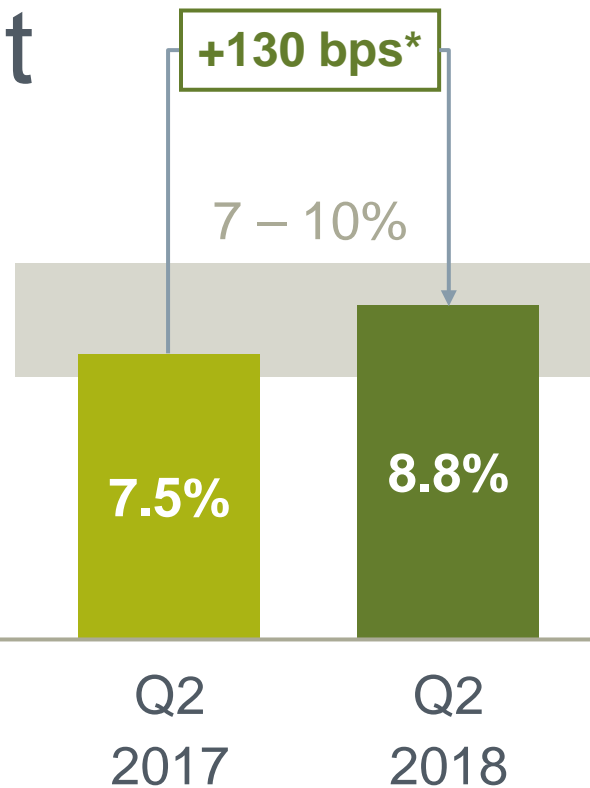
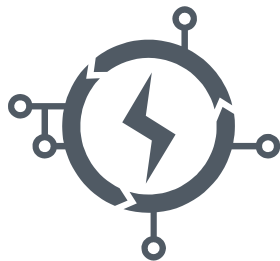
Outstanding results at **Digital Factory**; challenges remain at **Power and Gas**



Successful IPO of **Siemens Healthineers**

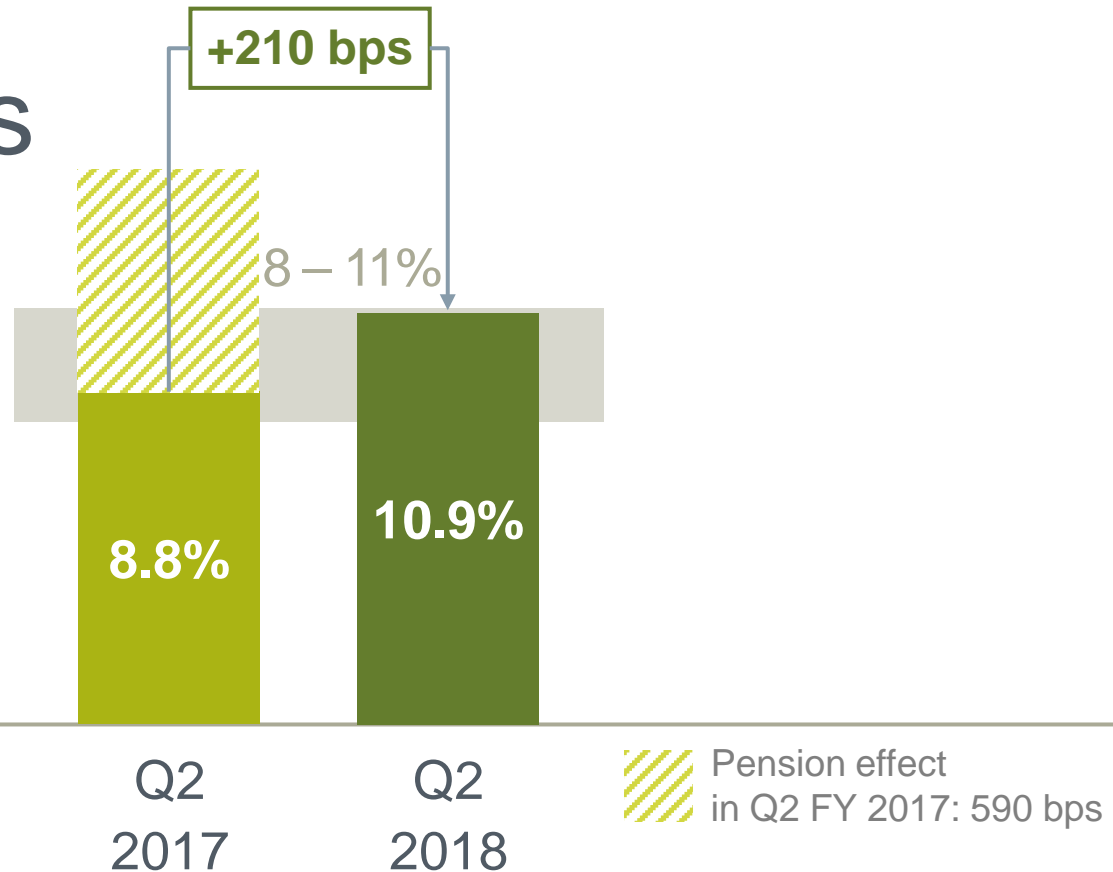


Energy Management

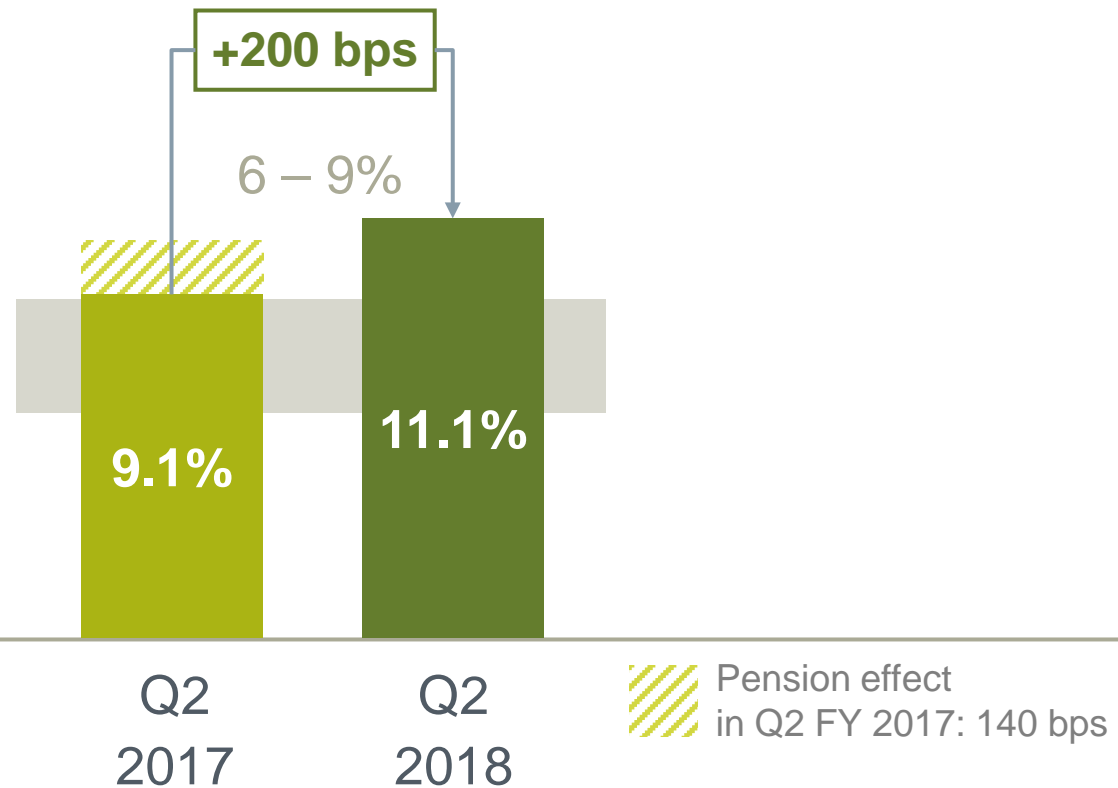


* Basis points

Building Technologies



Mobility

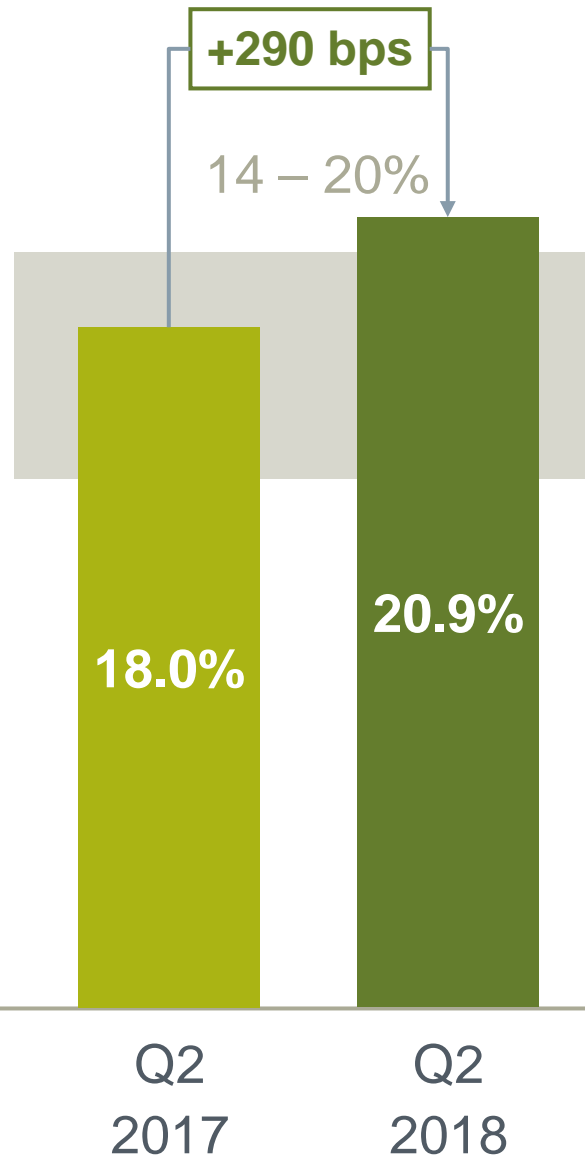


A photograph of a train station platform with several high-speed trains. The train in the foreground is white with a red stripe and has 'HB' and '4L' markings. In the background, a blue and white train with 'SNCF' and '4726' markings is visible. A teal text box is overlaid on the right side of the image.

**Mobility business excellently
prepared for planned
combination with Alstom**

Profit margin

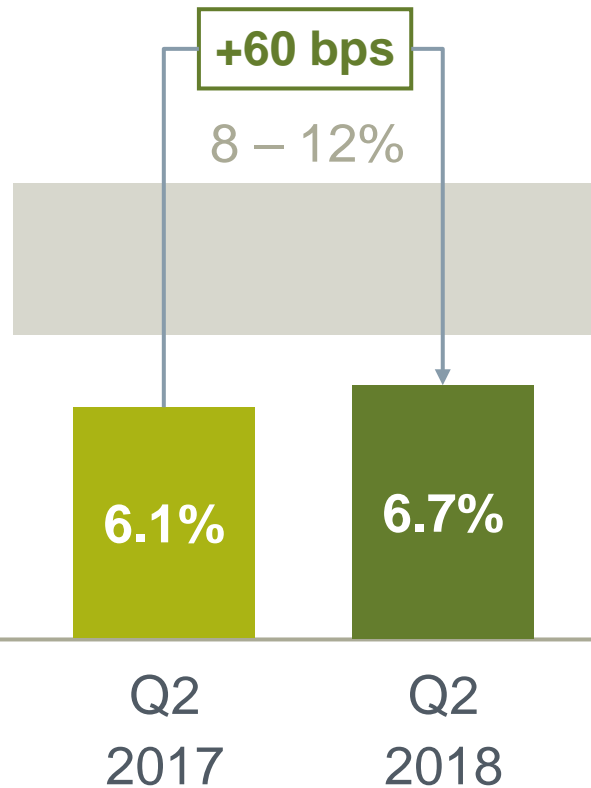
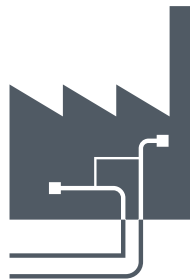
Digital Factory





**Hannover Messe 2018:
Siemens gains further market share
in Industrial Digitalization**

Process Industries and Drives



Profit margin

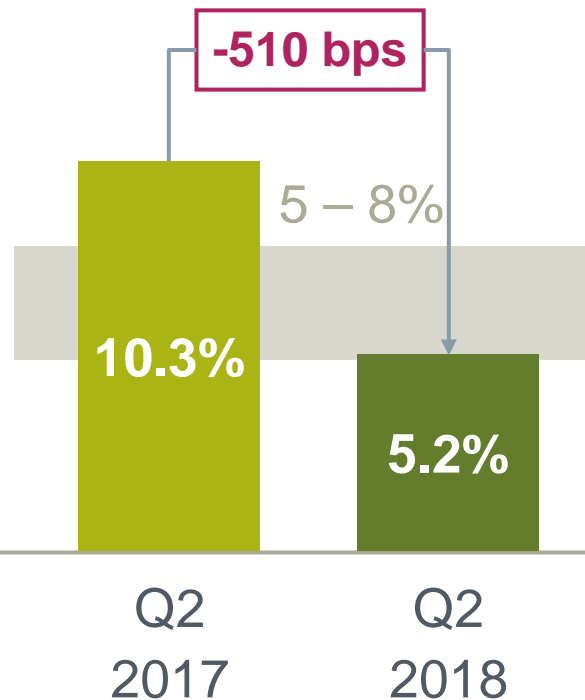
Siemens Healthineers



IPO of Siemens Healthineers unlocks potential for generating long-term value



Siemens Gamesa Renewable Energy





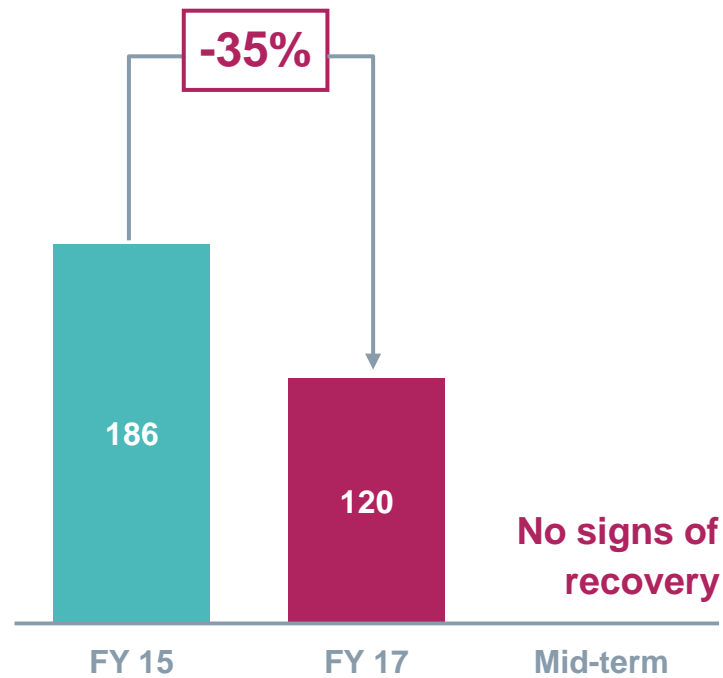
Lisa Davis

Member of the Managing Board

Industry overcapacities creating pricing pressure Power and Gas with market share gains

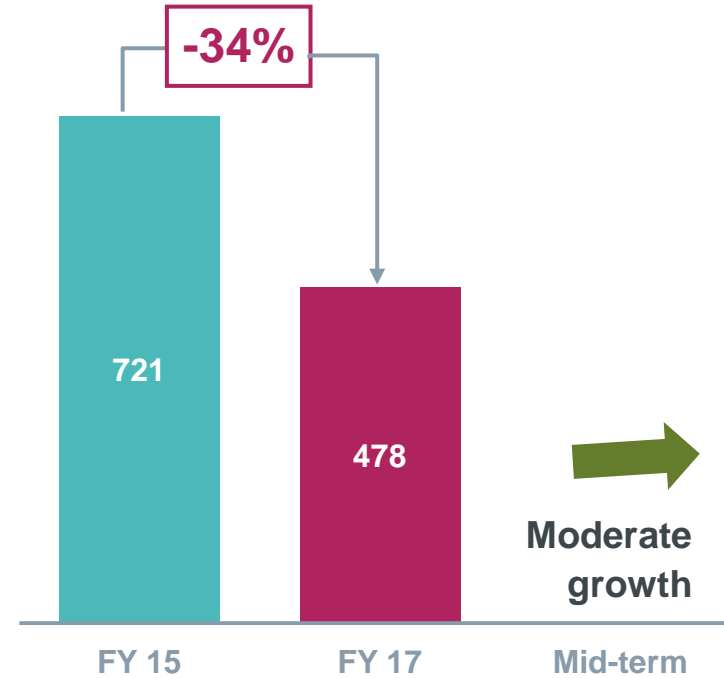
Large Gas Turbines

of units (market)



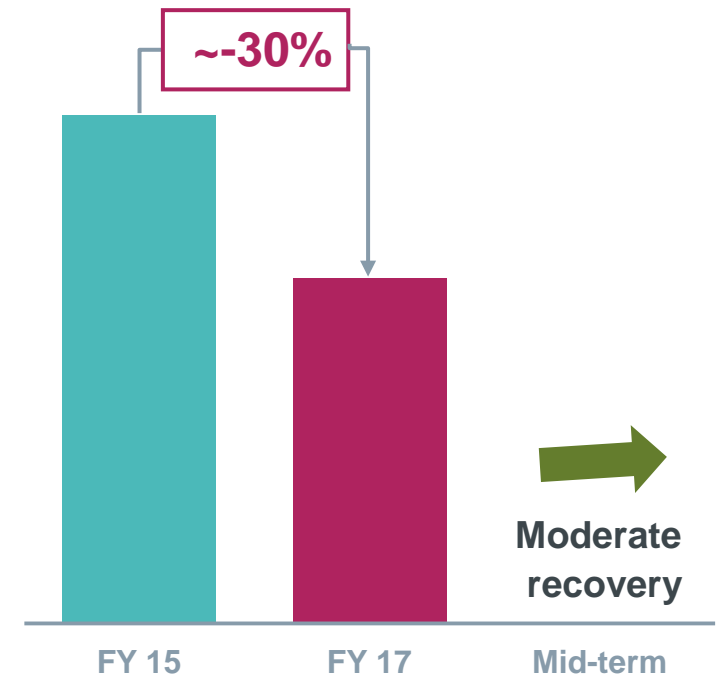
Small/Medium/Aero GT

of units (market)



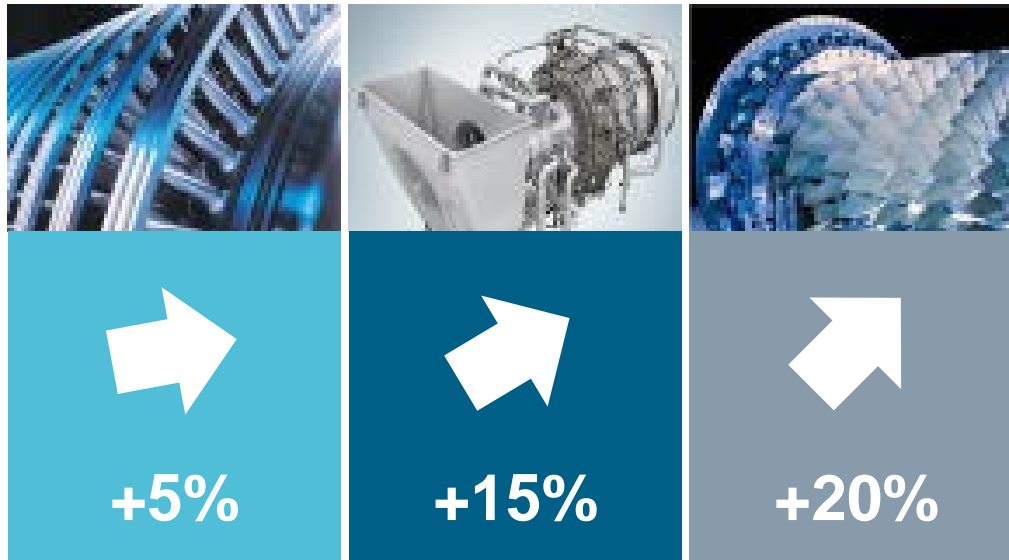
Compression

Addressed market in €
New units of rotating equipment



Power Generation Services: Service revenue supported by increase in service-relevant fleet

Service-relevant
fleet growth
FY 2017-22



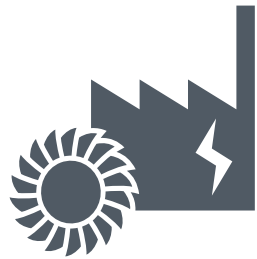
Ind. Steam
Turbines

Ind. Gas
Turbines and
Aero Gas
Turbines

Large Gas
Turbines

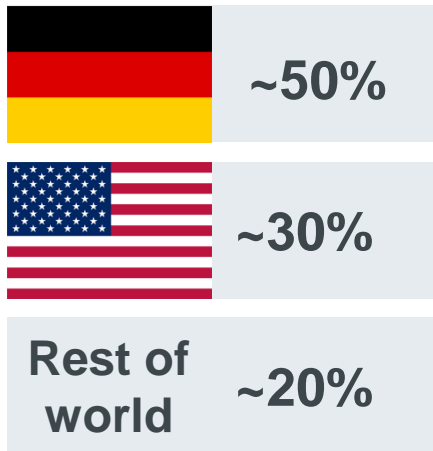


Power and Gas



Adjusting to changing market conditions

Share of capacity reductions:



Focus on rigorous productivity and product cost-out

Restructure footprint and reduce support functions

Simplify portfolio and streamline R&D investment

Execute projects consistently

Drive product and customer delivery innovation

Generate new revenue streams

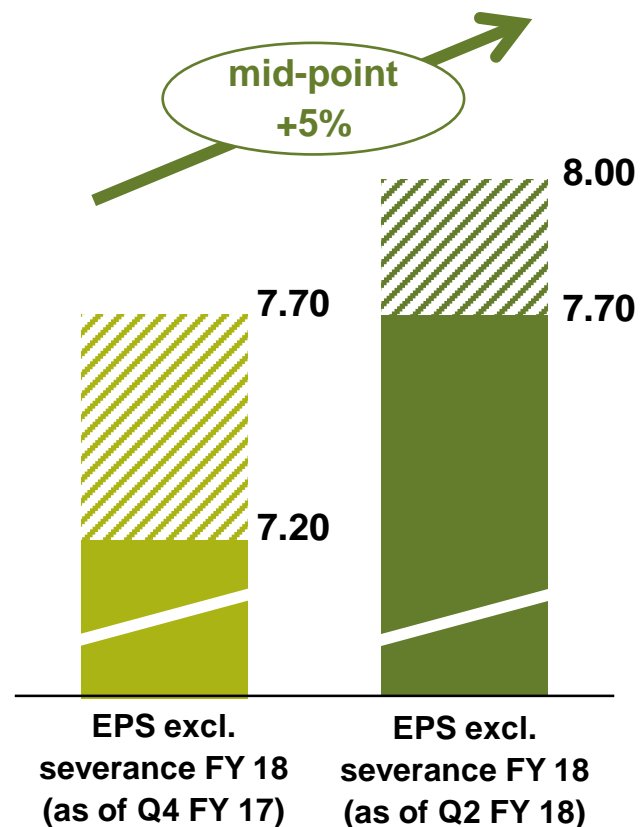
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Ralf P. Thomas

Chief Financial Officer

Guidance FY 18 raised

Earnings per share FY 18 (in €)



Guidance

We continue to expect **geopolitical uncertainties** such as **trade restrictions** that **may affect investment sentiment**.

Following the strong results achieved in the first half of fiscal 2018, we **raise our outlook for basic EPS from net income to the range of €7.70 to €8.00, excluding severance charges**, up from the range of €7.20 to €7.70.

Furthermore, we confirm our expectation of **modest growth in revenue**, net of effects from currency translation and portfolio transactions, and continue to anticipate that **orders will exceed revenue** for a **book-to-bill ratio above 1** for the full fiscal year.

We continue to expect a **profit margin of 11.0% to 12.0%** for our **Industrial Business** also **excluding severance charges**.

This outlook **excludes charges related to legal and regulatory matters** and **potential effects** which may follow the introduction of a **new strategic program**.

Note: FY 2017 weighted average number of shares of ~812.2m

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