



Joe Kaeser



Roland Busch



Ralf P. Thomas

Ladies and gentlemen, dear shareholders,

Last Thursday, CEO Joe Kaeser together with Deputy CEO Roland Busch and CFO Ralf P. Thomas presented the Q3 results of fiscal 2020 during press and analyst conference calls.

“Despite the severe global crisis, we delivered strong operating performance and rigorously drove our realignment forward. Our strategy concept Vision 2020+ is gaining traction, and Healthineers is testimony that shows the program’s strategic and transformational power. Our employees and our partners have my deep gratitude and respect. Together, they’ve set an impressive benchmark for dedication and performance,” said CEO Joe Kaeser.

As expected, Covid-19 caused a deep slump in demand with very different prospects of recovery. In Q3 of fiscal 2020, book-to-bill ratio was at 1.07 with **Orders** only 7% down. **Revenue** declined moderately by 5% on the back of lower demand on the product side in Digital Industries and Smart Infrastructure. Also, limited customer site access in service and project businesses negatively impacted the revenue result.

A bright spot was the operating **profitability of our Industrial Businesses (IB)**, up 8% to €1.8bn, leading to an excellent margin performance of 14.3%. Key drivers were a strong software business and swift execution of contingency measures. Moreover, the impressive all in **free cash flow** of more than €2.5bn is evidence that the intensified cash focus yields results. **Overall**, Siemens delivered a convincing performance and confirms its **outlook for fiscal year 2020** (page 3).

On top, the strategy concept Vision 2020+ to transform and shape Siemens is clearly gaining traction. The **spin-off** of Siemens Energy was approved by a large majority of Siemens shareholders at an **Extraordinary Shareholders’ Meeting** on July 9, 2020 (page 2).

Another great example for strategic progress is our subsidiary Siemens Healthineers (SHS), separately listed on the stock exchange since March 2018. With the planned **acquisition of Varian**, a U.S. company active in the area of cancer research and therapy, for \$16.4bn, SHS is a testimony for unleashing entrepreneurial power. With this transaction Siemens’ stake in SHS is expected to decline to about 72% from 85%.

Last but not least, Siemens announced the reorganization of its new **Managing Board** effective October 1, 2020 (page 3).

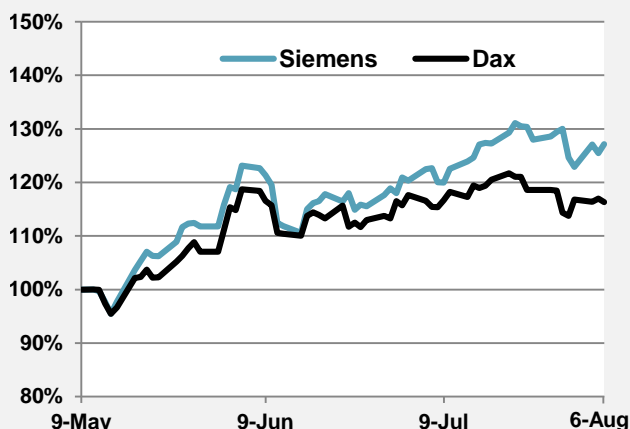
On the day of the results release, the **Siemens share** closed at €113.88 (+1.6%) clearly outperforming DAX (-0.5%) on a beat across all metrics. Analysts welcomed Digital Industries’ impressive performance and the market acknowledged that our strategy concept Vision 2020+ is clearly gaining traction.

Dear shareholders, I want to thank you for your trust and interest in Siemens and wish you a nice summer break.

Best regards

Sabine Reichel, Head of Investor Relations, Siemens AG

Share Performance May 9 – Aug 6, 2020



Siemens +29% | DAX +16%

GE +2% | ABB +33% | Schneider +27% | ROK +15%

[Link to the Siemens stock chart](#)

Selected Key Figures

Orders

€14.4bn /
-7%¹

Revenue

€13.5bn /
-5%¹

Adj. EBITA margin Industrial Businesses

14.3%

Earnings per share

€0.67

¹ On a comparable basis, adjusted for currency translation and portfolio effects

Our Industrial Businesses in Q3 2020

Digital Industries



Revenue: €3.7bn Adj. EBITA: €899m
Adjusted EBITA margin: 24.5%

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Smart Infrastructure



Revenue: €3.4bn Adj. EBITA: €250m
Adjusted EBITA margin: 7.4%

[Press Releases](#) [Company Overview](#)

Siemens Mobility



Revenue: €2.2bn Adj. EBITA: €153m
Adjusted EBITA margin: 7.1%

[Press Releases](#) [Company Overview](#)

SIEMENS Healthineers 85%*



Revenue: €3.3bn Adj. EBITA: €489m
Adjusted EBITA margin: 14.8%

[Press Releases](#) [Company Overview](#)

* Siemens' share in Siemens Healthineers

Note: At the end of the second quarter of fiscal 2020, Gas and Power and Siemens Gamesa Renewable Energy (SGRE) were classified as held for disposal and discontinued operations

Siemens Extraordinary Shareholders' Meeting July 9, 2020

Siemens shareholders **voted on the spin-off of Siemens AG's energy business** at an **Extraordinary Shareholders' Meeting on July 9, 2020**. This step paves the way for the establishment of an independent company rigorously focused on the energy sector. Due to the restrictions imposed on public events by the **coronavirus crisis**, the **shareholders' meeting was held in a virtual-only format**. The **spin-off of Siemens Energy was approved by a large majority** of Siemens shareholders.

Siemens will now drive the further preparations for the listing. The **Capital Market Day for Siemens Energy** is scheduled for **September 1, 2020**. The **securities prospectus** is to be **published around two weeks prior to the listing**. The **listing itself is planned for September 28, 2020**. ([more information](#))

- **First ever virtual Shareholders' Meeting in the history of Siemens**
- **Substantial representation** of the capital stock of Siemens AG **entitled to vote (62%)**
- **Close to 4,000 participants** following online
- Significant interest with **over 200 questions** submitted prior to the Extraordinary Shareholders' Meeting
- **Duration of the event almost 6 hours**
- ✓ **Spin-off approved by 99.36% of capital stock represented**



"Siemens shareholders' broad approval of the spin-off of Siemens Energy confirms the Managing Board's strategic course for securing the long-term future. The spin-off enables us to build two focused companies, both of which will be strong players in their respective sectors. The substantial increase in the share price of Siemens Healthineers since its initial public offering is a gratifying example of how focus adds value. I'm looking forward to the successful future of the Siemens companies," said Joe Kaeser, President and CEO of Siemens AG.

Info Corner: Siemens completes Managing Board team as of October 1, 2020 [\(Link\)](#)

The spin-off of Siemens Energy opens a new chapter for Siemens. Digital Industries, Smart Infrastructure and Siemens Mobility form the “new” Siemens AG.



Digital Industries will be led by **Cedrik Neike**, succeeding Klaus Helmrich who is retiring as planned by the end of March 2021.



Matthias Rebellius will be appointed to the **Managing Board** to lead **Smart Infrastructure**, building on his long-standing experience in this business.



Judith Wiese will join Siemens from DSM as a **new member of the Managing Board** to take over responsibility for **Human Resources** and **Global Business Services**. She brings more than two decades of internat. HR experience to her new role.

“These decisions complete another step in the structured succession planning to set up the Managing Board of Siemens AG for the future. With these assignments and Judith Wiese’s previously announced appointment to Siemens’ Managing Board as Chief Human Resources Officer, we have successfully concluded the realignment of Siemens AG, including the succession process for the Managing Board, and have paved the way for the company’s continued successful development”, said Jim Hagemann Snabe, Chairman of the Supervisory Board of Siemens AG.

Financial Calendar



Nov. 12, 2020 4th quarter FY20 financial results

Feb. 3, 2021 1st quarter FY21 financial results and AGM

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

Contact



Investor Relations

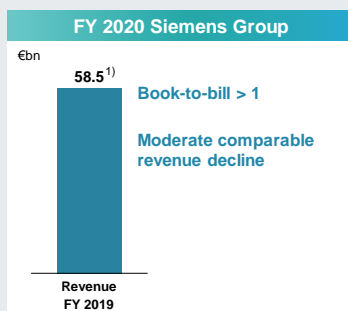
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What does Siemens expect for fiscal 2020?

Top line guidance confirmed, EPS guidance remains suspended



1) Comparable revenue reflecting reclassification of Gas & Power & Siemens Gamesa Renewable Energy to Discontinued Operations

Assumptions

- Expect **economic consequences** of the Covid-19 pandemic to **continue to strongly impact** our FY Q4 financial results
- Macroeconomic developments** and their influence on Siemens still **cannot be reliably assessed**
- Continue to expect **FY 2020 moderate comparable revenue decline**, with **b-t-b >1**. **Decline in demand most strongly affects DI and SI.**
- Completion of spin-off and public listing of Siemens Energy before end of FY 2020**
- Expect **spin-off gain** within D/O, amount **cannot yet be reliably forecast**
- Expect **material impacts on Net income** from **spin-off costs** and **tax expenses** related to **carve-out** of Siemens Energy
- Continue to refrain from giving guidance for basic EPS** from Net income for FY 2020

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 of the Annual Report, and in the Half-year Financial Report, which should be read in conjunction with the Annual Report. Should one or more of these risks or uncertainties materialize, events of force majeure, such as pandemics, occur 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.