



Strong order growth highlights successful first quarter

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Munich, January 31, 2018

Notes and forward looking statements



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Highlights in the first quarter of fiscal 2018



Net income
rose 12 percent
to **€2.2 billion**



Orders rose
by **14 percent**



At **€128 billion**, order backlog
reached a record high



5 of 8 units in the Industrial
Business were **at or within their**
target margin ranges



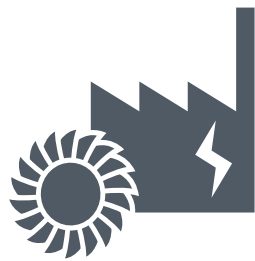
Digital Factory with outstanding
results



Action is necessary at
Power and Gas

Profit margin

Power and Gas



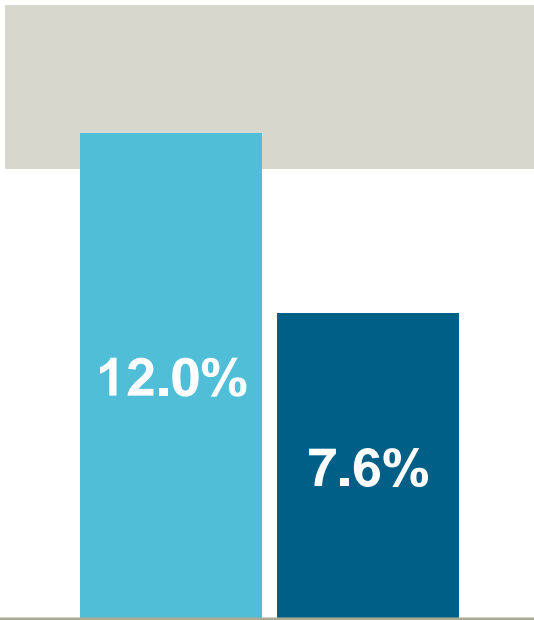
11 – 15%

12.0%

7.6%

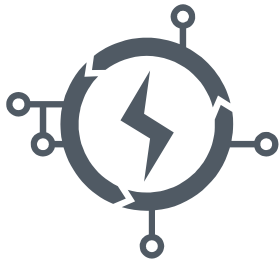
Q1
2017

Q1
2018



Profit margin

Energy Management



7 – 10%

6.7%

6.7%

Q1
2017

Q1
2018

Profit margin

Building Technologies



8 – 11%

10.9%

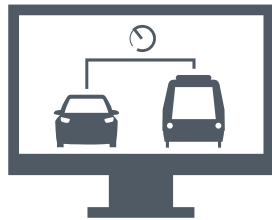
9.7%

Q1
2017

Q1
2018

Profit margin

Mobility



6 – 9%

9.0%

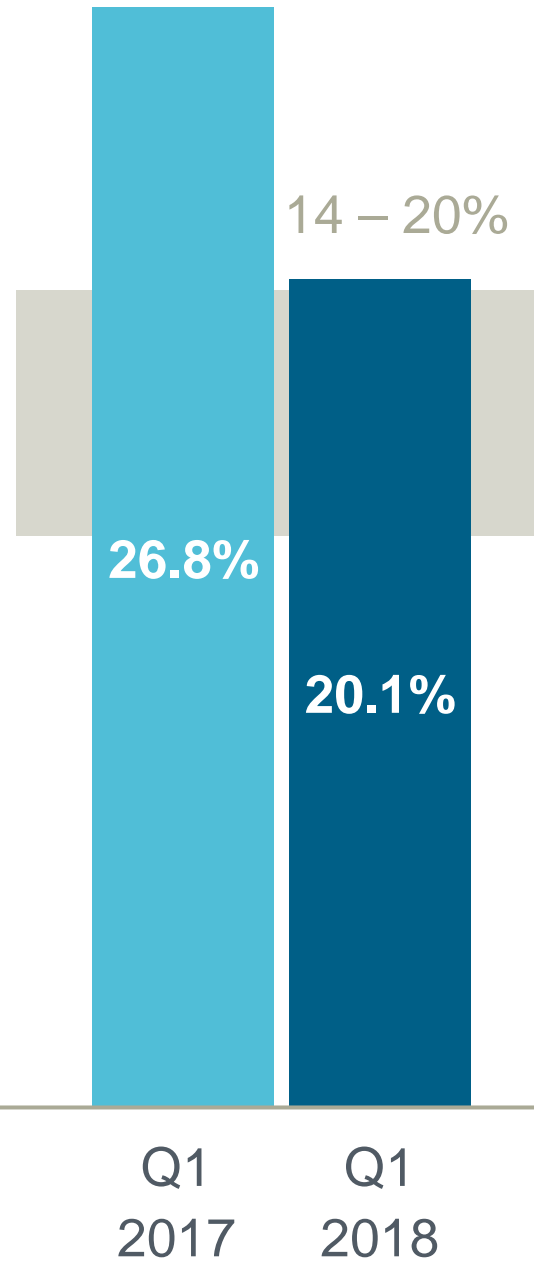
10.4%

Q1
2017

Q1
2018

Profit margin

Digital Factory

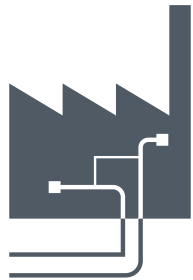


Q1
2017

Q1
2018

Profit margin

Process Industries and Drives



8 – 12%

6.4%

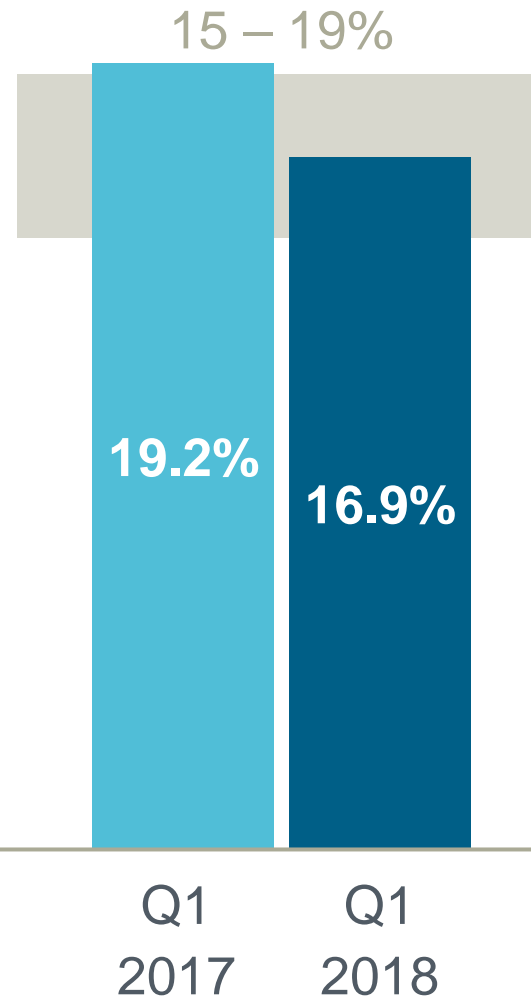
7.3%

Q1
2017

Q1
2018

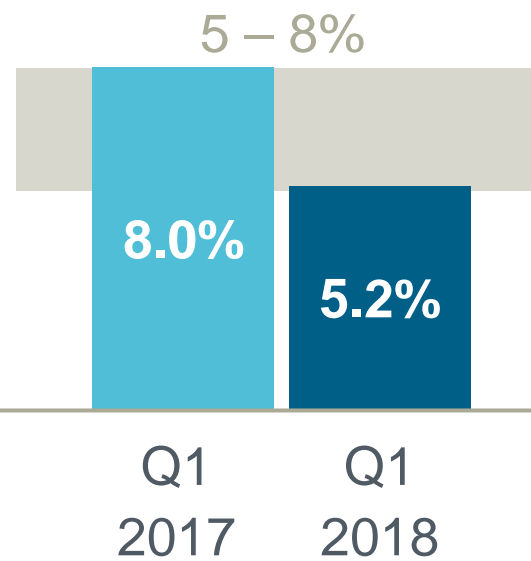
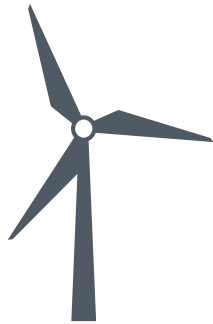
Profit margin

Siemens Healthineers



Profit margin

Siemens
Gamesa



Return on equity

Financial Services



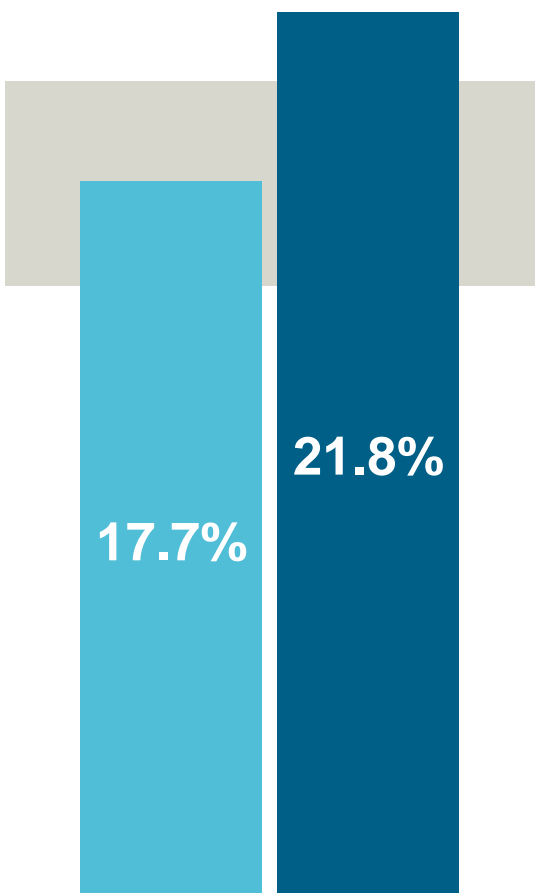
15 – 20%

17.7%

21.8%

Q1
2017

Q1
2018



**Siemens Healthineers:
Proactively shaping the paradigm shifts of healthcare**



**Attractive market
with long-term growth
– paradigm shifts
change the rules and
offer chances**

**Siemens Healthineers
with broad, relevant
portfolio, at the core
of clinical decision
making**

**Entrepreneurial
flexibility to lay
foundation for
growth – core to
Siemens**

Entrepreneurial flexibility to lay foundation for growth – core to Siemens

Strategy

- Create a vertical industry leader to remain part of Siemens Group in the long term
- Siemens AG as active and supportive shareholder
- Capital structure at 1.5x leverage (net debt incl. pensions / EBITDA)

Ownership

- Establishing a liquid market has added value for Siemens
- Full consolidation in Siemens accounts

Shareholder return

- Dividend policy targeting payout of 50-60% of net income
- Management Board measured against Siemens Healthineers metrics only

Brand

- Capitalize on Siemens brand strength

Infrastructure and corporate services

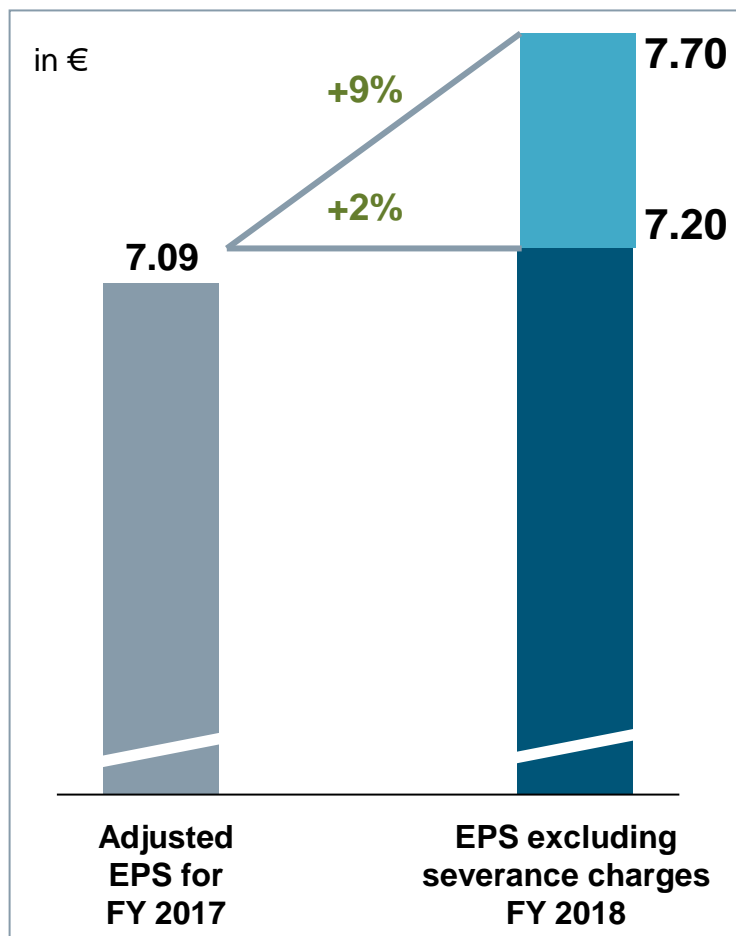
- Fully stand-alone set-up, selected services via service agreements at market rates

Clear path towards a Siemens Healthineers IPO

- Decision to go public (Q4 FY 2016)
- Healthineers Strategy 2025 and stringent execution roadmap launched (08/2017)
- Significant new product launches gain traction in the market
- Atellica Solution entering the market (Q4 FY 2017)
- Combined financial statements and prospectus preparation
- Capital Market Day (January 16, 2018)
- „Intention to float“ announcement
- Siemens Healthineers IPO (H1 CY 2018)

Outlook for fiscal 2018

Earnings per share



Note: FY 2017 weighted average number of shares of about 813 million

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For fiscal 2018, we expect modest growth in revenue, net of effects from currency translation and portfolio transactions.

We anticipate that orders will exceed revenue for a book-to-bill ratio above 1.

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

We expect a basic EPS from net income in the range of €7.20 to €7.70, excluding severance charges.

This outlook excludes charges related to legal and regulatory matters, effects on EPS associated with minorities holding shares in Healthineers following the planned IPO, and potential effects which may follow the introduction of a new strategic program.

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