

Siemens continues to grow despite significant headwinds in key markets

Roland Busch and Ralf P. Thomas
Press call for the third quarter, fiscal 2019
Munich, August 1, 2019

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, should decisions, assessments or requirements of regulatory authorities deviate from our expectations, 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.



Roland Busch



COO and CTO

New orders

SIEMENS
Ingenuity for life



Offshore wind farms
in Taiwan



840-megawatt power plant
in Iraq



High-speed trains for
Russian Railways

New orders and partnerships

SIEMENS
Ingenuity for life



73 trams for Munich

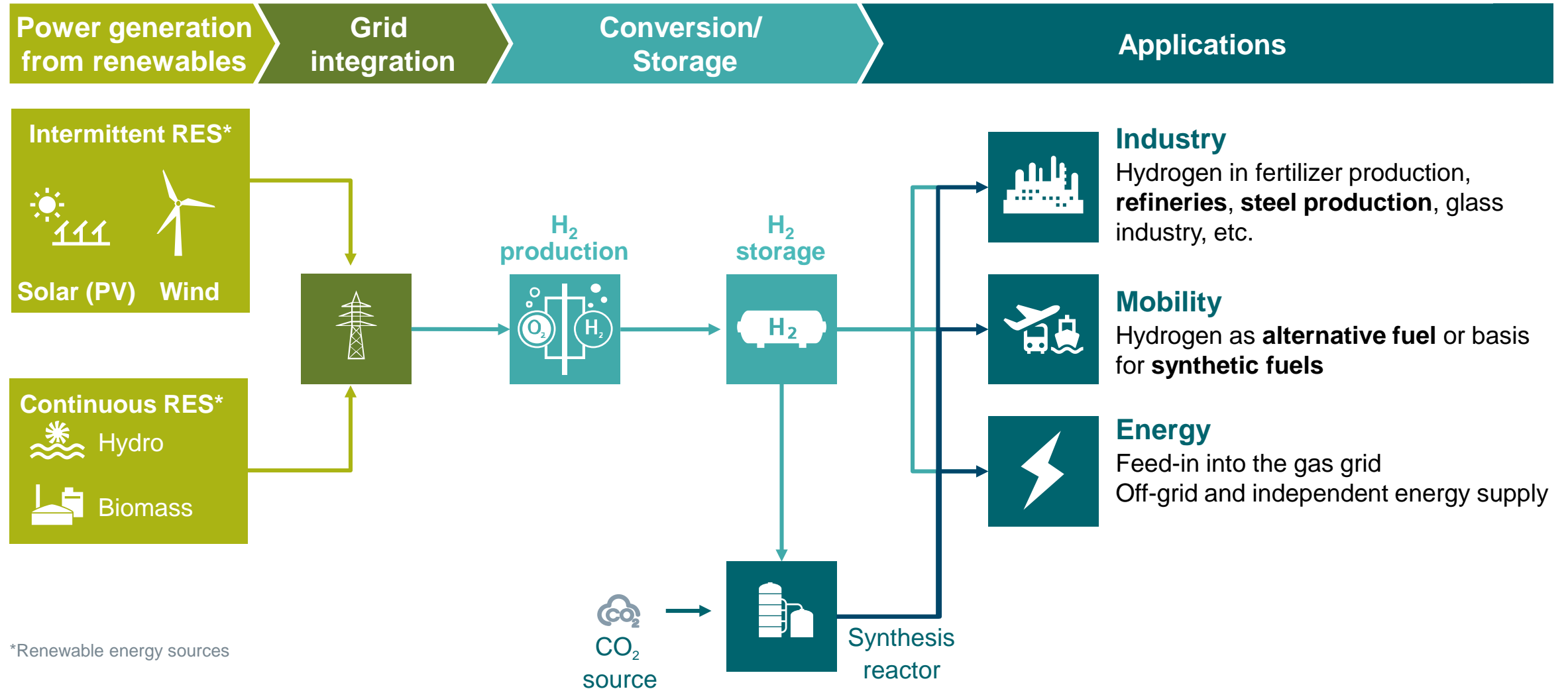


Additive manufacturing alliance with HP

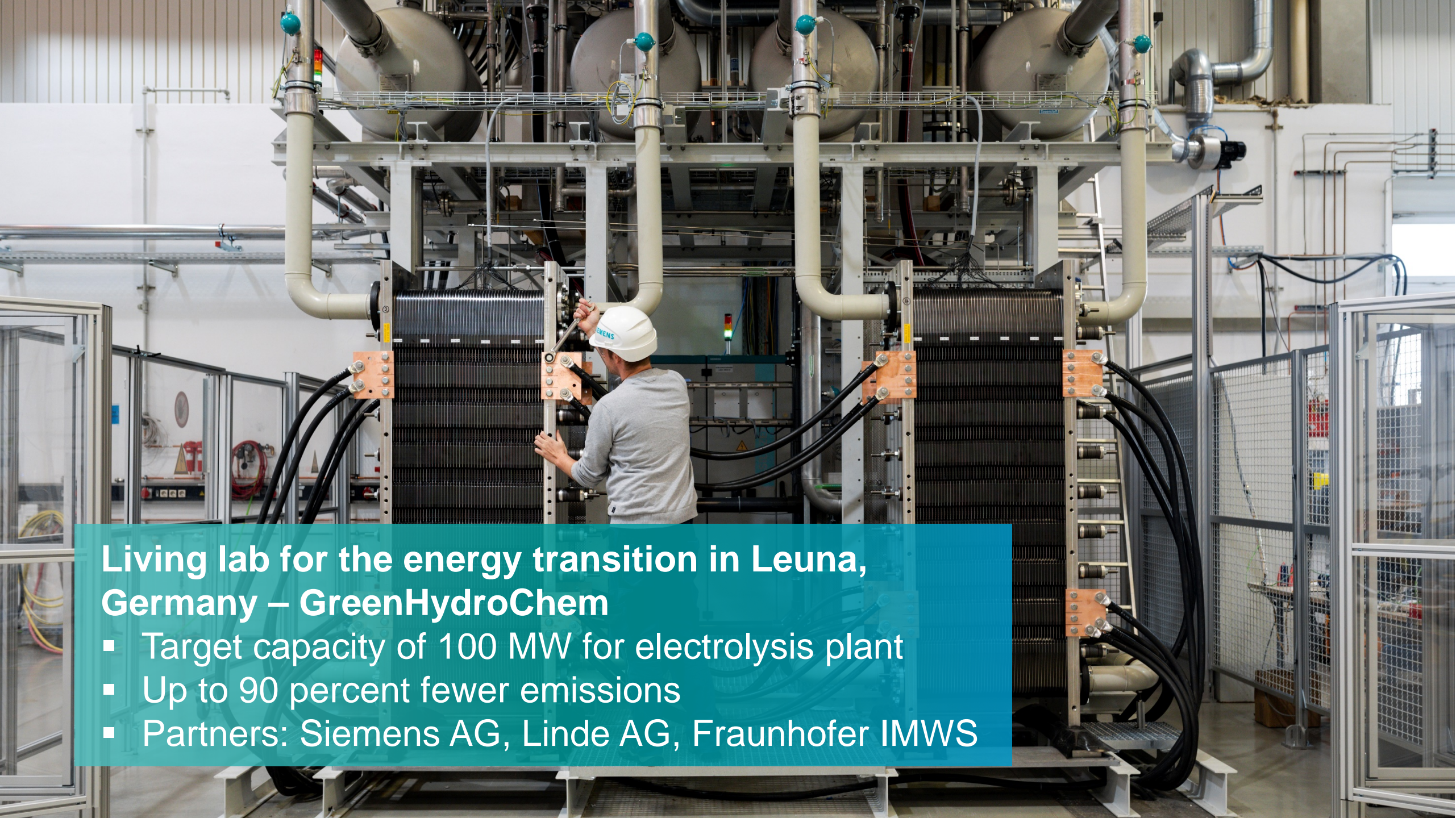


Future pact for Görlitz

The hydrogen economy as a decisive factor for the energy transition



*Renewable energy sources



Living lab for the energy transition in Leuna, Germany – GreenHydroChem

- Target capacity of 100 MW for electrolysis plant
- Up to 90 percent fewer emissions
- Partners: Siemens AG, Linde AG, Fraunhofer IMWS



Ralf P. Thomas

CFO

The third quarter of fiscal 2019

Orders

+6%¹



Revenue

+2%¹



Margin for Industrial Businesses

9.9%²



Earnings per share

€1.37²



Cash conversion for Industrial Businesses

0.51



Capital structure: Industrial net debt / EBITDA

1.2x

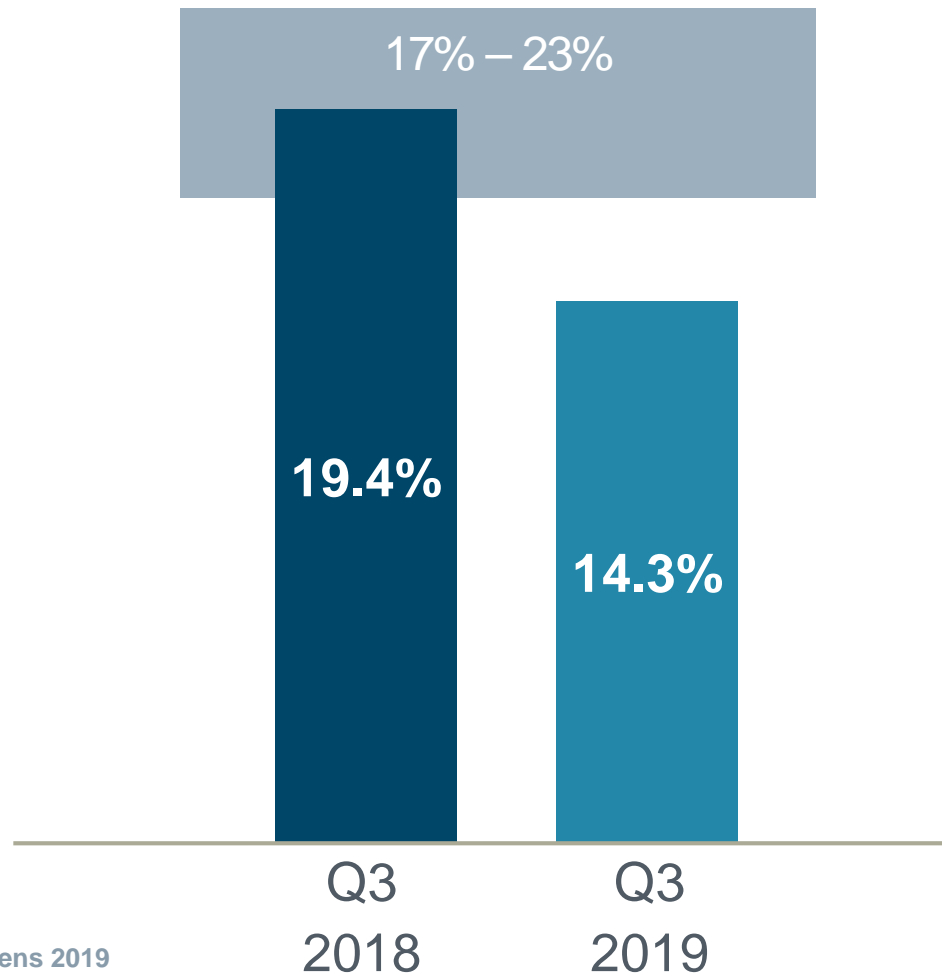


¹ On a comparable basis, adjusted for currency translation and portfolio effects ² Excluding severance charges

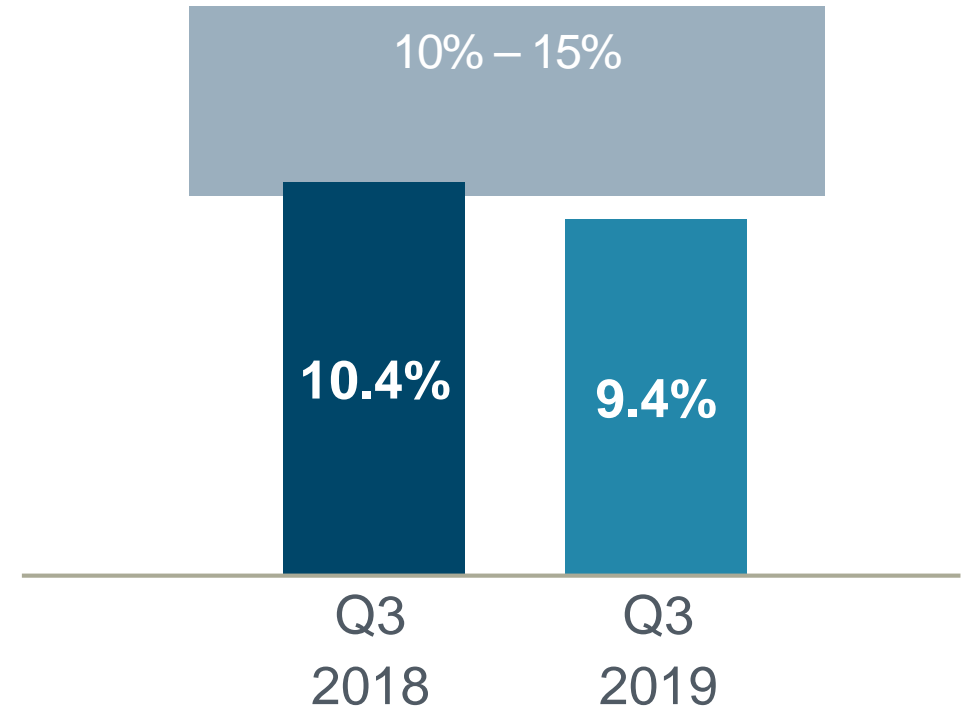
Profit margin (adjusted EBITA margin)



Digital Industries



Smart Infrastructure



Digital Industries: Challenging market environment

Vertical end markets (as a percentage of DI revenue)

	Q3	Trend next 3-4 quarters
~20% Automotive	↓	↘
~15% Machine building	↓	↘
~10% Pharma & chemicals	→	↘
~10% Food & beverage	→	↗
~10% Electronics & semiconductors	→	↗

Q3 – Key regions for the automation business (excluding software)



Orders -5% | Revenue +9%

Process Automation strong; automotive weak



Orders -4% | Revenue -2%

Weak revenue from machine building



Orders -16% | Revenue -3%

Motion Control and Factory Automation weaker



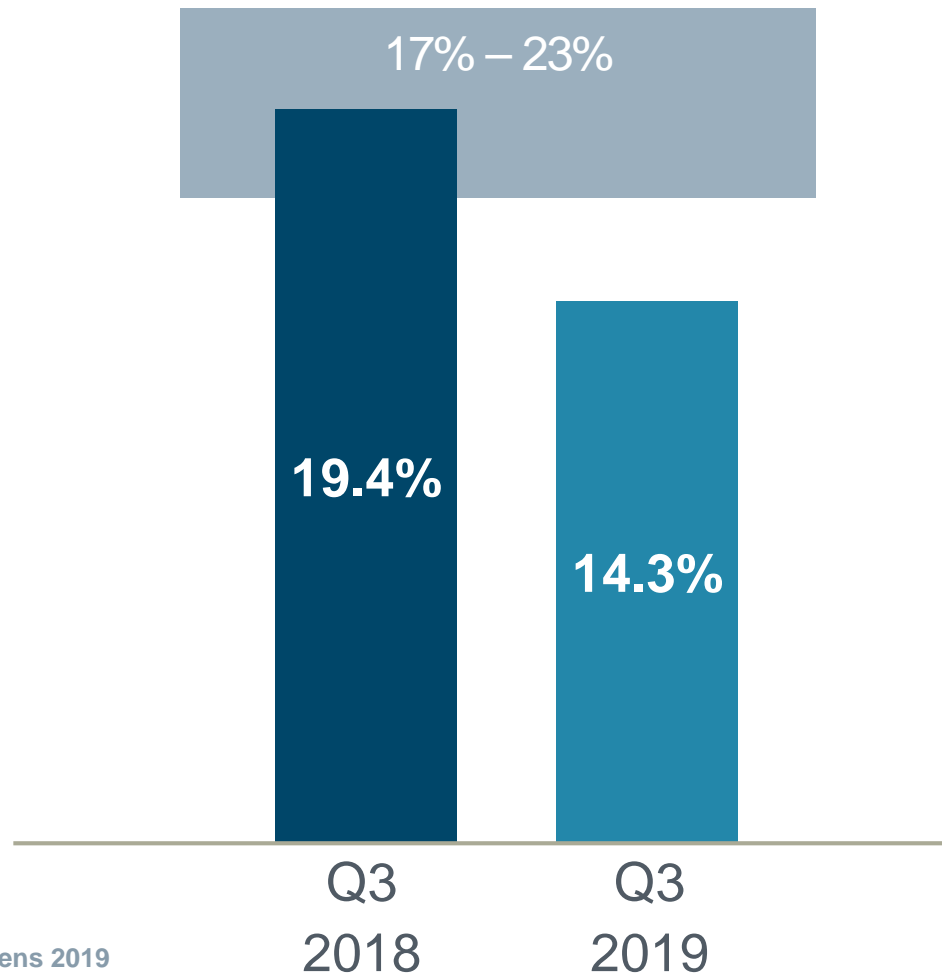
Orders -11% | Revenue -5%

Exports impacted by U.S./China trade conflict

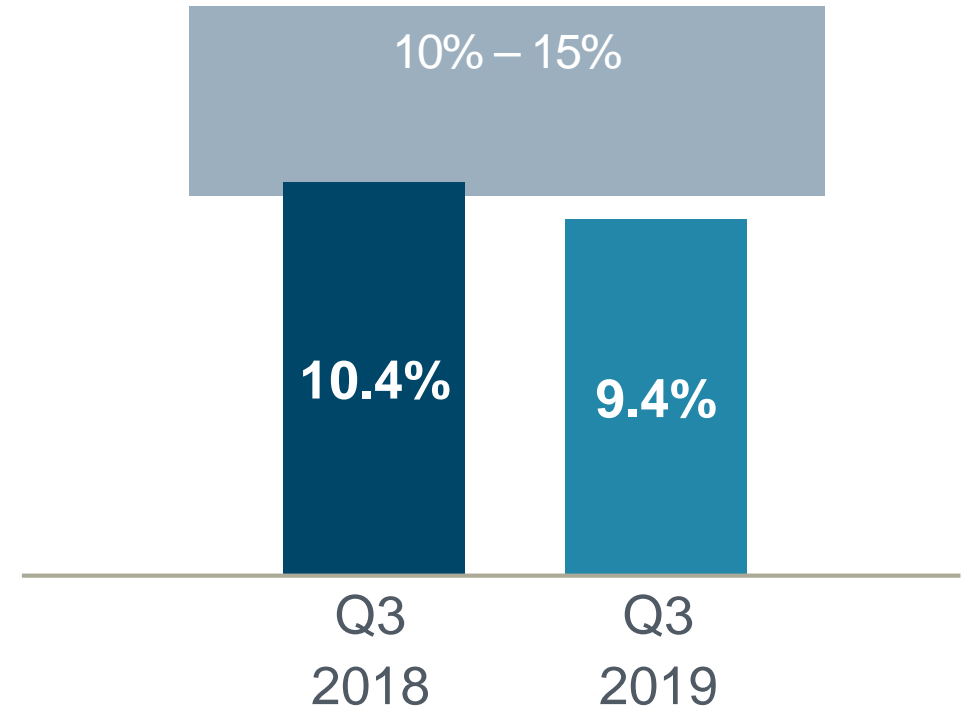
Profit margin (adjusted EBITA margin)



Digital Industries



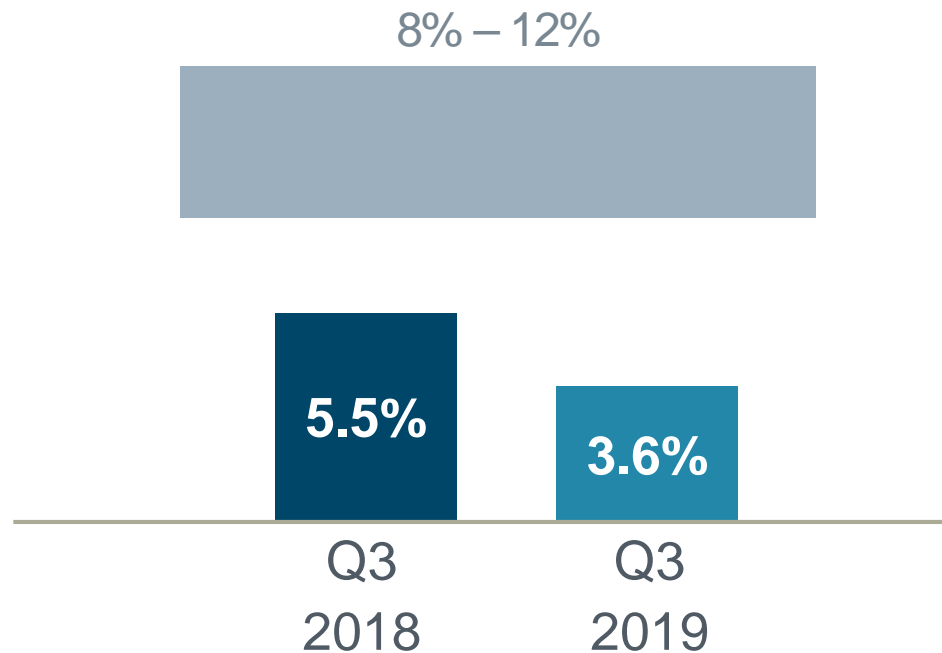
Smart Infrastructure



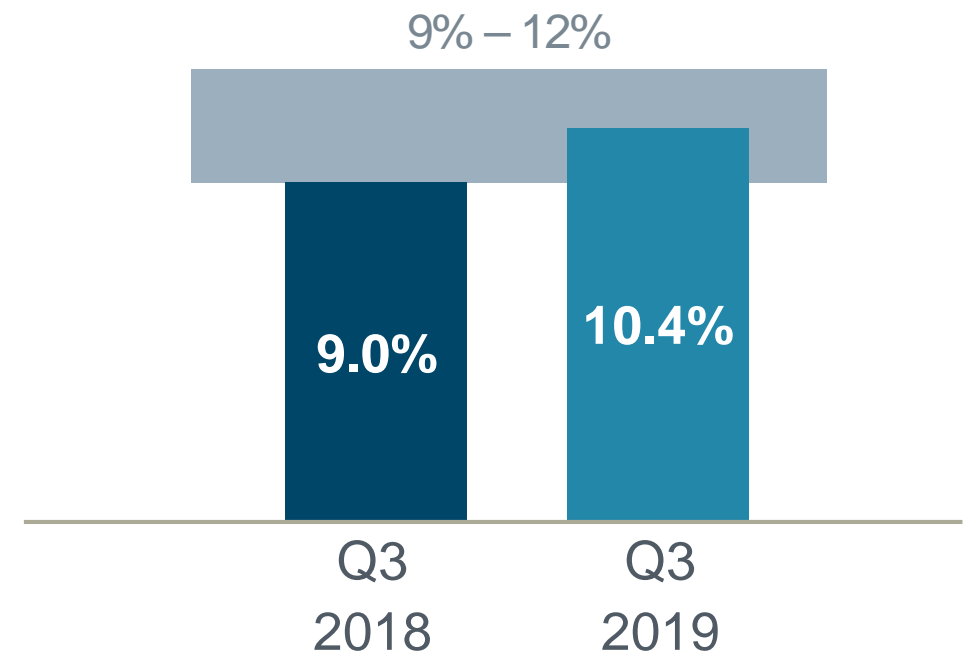
Profit margin (adjusted EBITA margin)



Gas and Power

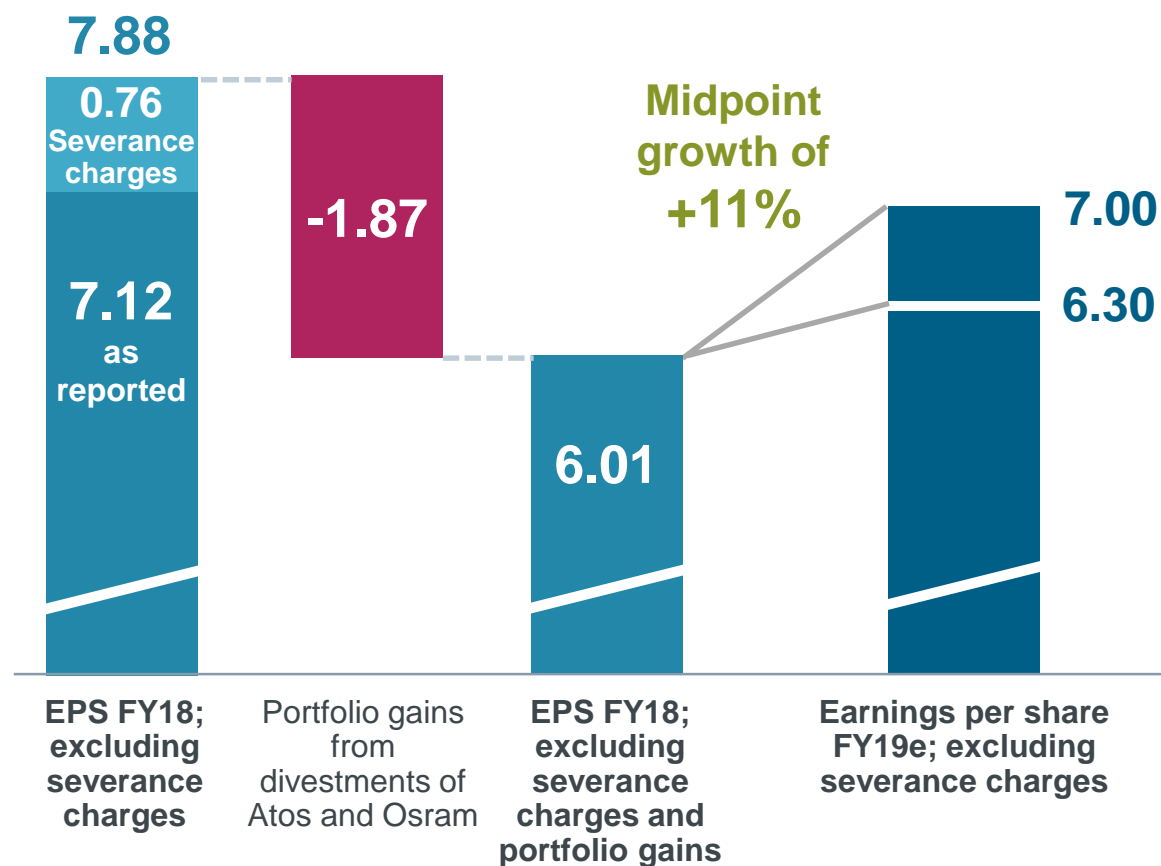


Siemens Mobility



Outlook for fiscal 2019

Earnings per share (EPS) in euros



The favorable market environment for our short cycle businesses, which was a material basis for our outlook, has significantly deteriorated in the second half of the fiscal year. **Nevertheless, we confirm our financial expectations for fiscal 2019**, even though it becomes more challenging to achieve our expectation of **moderate growth in revenue, net of currency translation and portfolio effects**.

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

We expect that **Adjusted EBITA margin for our Industrial Businesses will reach the lower half of the range of 11.0% to 12.0%** excluding severance charges. Finally, we confirm our expectation of **basic EPS from net income in the range of €6.30 to €7.00** excluding severance charges.

This outlook excludes charges related to legal and regulatory matters.

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