

Analyst Meet – H1 FY 2017

Siemens Limited

Sunil Mathur, Managing Director & CEO

Christian Rummel, Executive Director & CFO

May 15, 2017, Mumbai

Disclaimer

This presentation has been prepared solely for use at the investor/analyst presentation. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations:

- (a) Siemens Ltd. (“Siemens” or “Company”) cannot give assurance to the correctness of such information and statements. These forward-looking information and statements can generally be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use terminology such as “targets”, “believes”, “expects”, “aims”, “assumes”, “intends”, “plans”, “seeks”, “will”, “may”, “anticipates”, “would”, “could”, “continues”, “estimate”, “milestone” or other words of similar meaning and similar expressions or the negatives thereof;*
- (b) By their nature, forward-looking information and statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements that may be expressed or implied by the forward-looking information and statements in this presentation. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Company’s actual financial condition or results of operations could differ materially from that or those described herein as anticipated, believed, estimated or expected;*
- c) Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of these forward-looking statements;*
- d) No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investments decision whatsoever. Investor/prospective advisors must be sought on specific situation from well-informed legal, investment, tax, financial, and management professionals;*
- e) This presentation and its contents are confidential and must not be distributed, published or reproduced. This presentation does not constitute a recommendation regarding the securities of the Company.*

Operational Highlights

Financial Analysis

Another strong quarter, profitable growth continuing in Q2 2017....

96% increase in **New Orders** and **24% Revenue** growth from continuing operations

Company performance from Continuing operations:

- **9 consecutive** quarters continuous **Revenue growth**
- **3 years** stable **Profitability** at **7%+**

Backlog at **historic high**

Company continuously **invests in Growth** (Annual **Capex** ~ **2"5** over the last 3 years)

Merger Siemens – Gamesa

SIEMENS Gamesa
RENEWABLE ENERGY

India's fundamentals still strong and macros stable

- IMF expects **India's GDP to grow** at 7.2% in 2017-18
 - **Growth to rise** above 8% by implementing reforms (GST) and appropriate fiscal and monetary policies
 - **Investments by public sector** kept pace with their targets while private companies' capex remains muted
 - Banks preparing for **resolution of stressed assets** – the legacy of slowdown and delayed approvals
- Stable and growing economy
 - Improved ease of doing business
 - Public spending driving growth
 - Supports private capex by enhancing lending capability

Project awards have picked up; growth in Railways and Transmission; Fossil Power Generation and Manufacturing stagnant

SIEMENS

Siemens relevant markets



Railways

- **Railways capex rose** 19% to INR1.1 trillion in 2016-17 (92% of target)
- **Highest-ever capital outlay** for 2017-18 at INR 1.3 trillion

TARGET 2017-18

INR 1,31,000 crore



Power T&D

- **PGCIL continues to drive T&D investments**; capacity addition on track
- Higher capex target for 2017-18 announced at INR 250 billion



VSC based

HVDC link



Infrastructure

- Final 40 cities to be announced in **3rd round of Smart City challenge**
- Opportunities in office buildings, hospitals and airport terminals

45 cities participated

40 cities to be finalised



Power Generation

- India added **15+ GW in RE** in 2016-17, while fossil capacity rose just 6+ GW
- Low RE tariffs & weak Discom puts pressure on PLF of coal power plants



Renewables

~5.5GW



~5.5GW



Manufacturing

- **Overall capital goods continues to underperform** - muted private capex
- Weak demand and low capacity utilization from core industries

8 Core Industries

4.5% growth for 2016-17

Siemens is capitalizing on opportunities and growing faster than the market

Siemens Divisions

| Division | Market growth relevant for the Division | |
|-----------|--|---|
| PG | <ul style="list-style-type: none"> Retirals and replacement of old thermal plants expected (State Gencos. and NTPC) Fertilizer driving distributed generation - energy efficiency & revival of plants | <p>Replace old power plants with ~8GW of supercritical units</p> |
| EM | <ul style="list-style-type: none"> Inter-regional , HVDC connectivity, Dedicated Transmission Corridors and Statcoms Prices are yet to improve due to aggressive bidding by competing equipment suppliers | <p>Ultra High Voltage 1200 kV transmission levels</p> |
| DF | <ul style="list-style-type: none"> Private capex and industrial production yet to reach investment threshold Differentiation with Digitalization (PLM, Automation, MindSphere) will be key to success | <p>From data to added value</p> |
| PD | <ul style="list-style-type: none"> New product introduction to address growing wind turbine component market Ready for future investments in cement, steel, mining and defence | <p>Integrated Engineering Integrated Operations</p> |
| BT | <ul style="list-style-type: none"> Security solutions for industrial / infrastructure facilities (e.g. convention centres) Advanced Operation Center to grow 'Digital Services' business | <p> = Intelligent Infrastructure</p> |
| MO | <ul style="list-style-type: none"> Upgrade of overall network and rolling stock (e.g., electrification, modernisation, locos) Trend of continuous string of metro projects intact. New Metro Rail policy awaited | <p>mandatory for metro rail companies to Make in India</p> |

Growth driven by large orders in H1 2017

Siemens bags ONGC order

PRESS TRUST OF INDIA
Mumbai, January 24
Siemens today said it has bagged an order worth ₹366 crore from ONGC for overhauling of power turbines. "The order includes supply of material for overhauling of 18 power turbines through zero hour overhaul and time continued overhaul," it said in a statement issued here.

Q1

Overhauling of 18 power turbines

Siemens moves higher on bagging order worth Rs 119 crore from Sterlite Power Grid Ventures



Q1

765/400 kV Air Insulated Switchgear

Siemens, Sumitomo Electric win \$520-million order for HVDC link

A consortium of Siemens and Sumitomo Electric Industries has bagged an order of \$520 million from PowerGrid Corp for the supply of a high-voltage direct current (HVDC) transmission system. "The grid-augmentation project will go a long way in delivering reliable, uninterrupted power to Kerala. Most of the critical equipment for the project is being sourced from factories in India, renewing our commitment towards Make in India," Sunil Mathur, managing director and chief executive officer, Siemens said in the statement.

Q2

HVDC link featuring state-of-the-art voltage-sourced converter

Siemens Ltd. wins order worth Rs. 101 crore from Delhi Transco Ltd.

Q1
220/66/33 kV Gas Insulated Switchgear

Siemens, Arm Win ₹287 cr Nagpur Metro Order

MUMBAI Siemens on Monday said it along with another firm has bagged a ₹287-crore order from Nagpur Metro Rail Corp to supply signalling technology for the first two lines - North-South and East-West corridors - of the project. The German technology company has bagged the order jointly with Spain's Signalling Automation SAI.

Q2

Metro signalling and control equipment

Siemens Ltd. wins combined order worth ₹ 319 Crore from Diesel Locomotive Works

Q1
AC Traction system for Dual Cab High Horsepower Diesel Engine

Siemens bags Rs 187.4 crore order from Bangladesh Rural Electrification Board

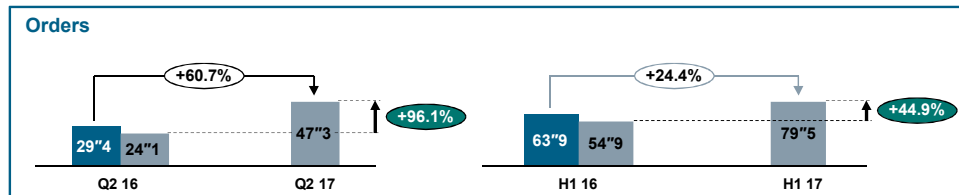
Q2
46 substations for rural electrification

Operational Highlights

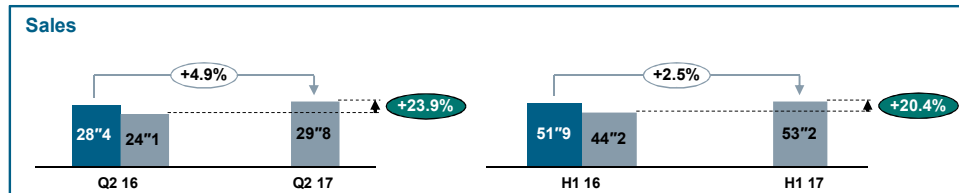
Financial Analysis

Performance highlights Q2 and H1 2017

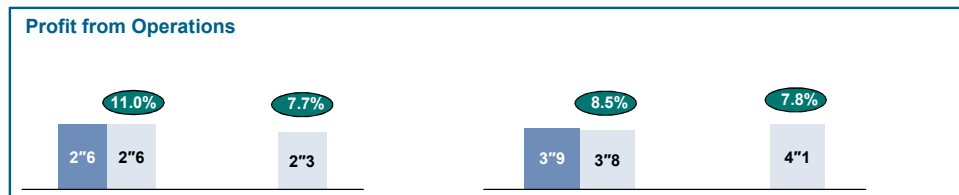
Financial performance highlights, INR figures in billions



Backlog on historic high
Major Order won: HVDC (16"8)



Book to Bill: 1.49
All Divisions growing double digit



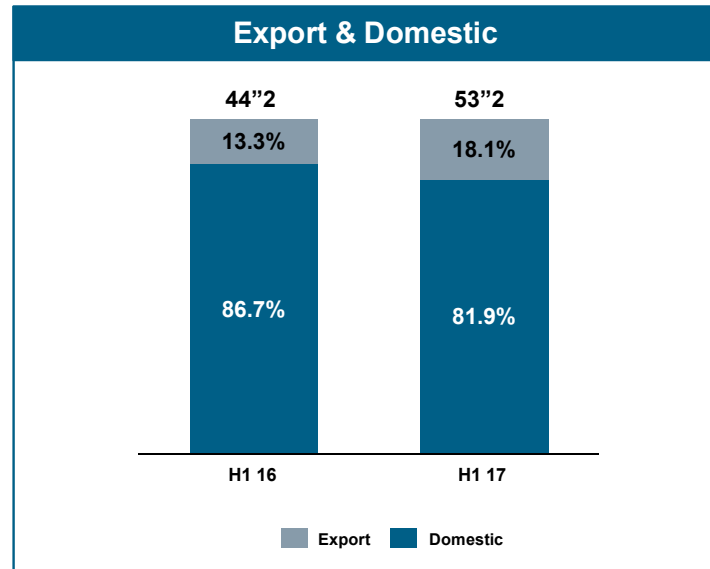
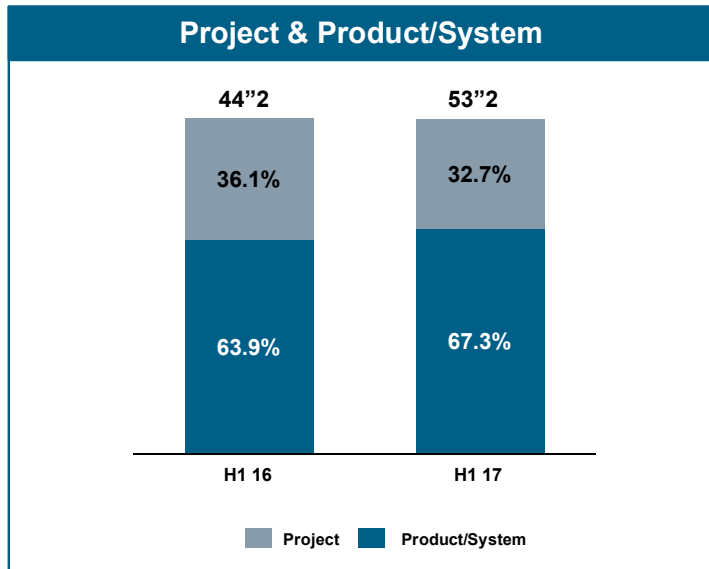
Profitability at 7.8% (H1)

Sales Mix

Continuing operations

SIEMENS

(in Billion Rs.)



Divisions Performance H1 2016 vs. H1 2017

INR figures in billions

| Division | Orders | | H1 2017 | Sales | |
|-------------------------------|--------|--------|---------|-------|-------|
| | 2016 | 2017 | | 2016 | 2017 |
| Energy Management | 81.9% | 81.9% | 19"5 | 23.6% | 23.6% |
| Power and Gas | 55.3% | 55.3% | 7"4 | 16.0% | 16.0% |
| Mobility | -23.3% | -23.3% | 6"6 | 31.3% | 31.3% |
| Digital Factory | 6.9% | 6.9% | 9"0 | 13.0% | 13.0% |
| Process Industries and Drives | 37.6% | 37.6% | 8"7 | 15.9% | 15.9% |
| Building Technologies | 32.1% | 32.1% | 2"0 | 29.8% | 29.8% |

Divisions Performance H1 2016 vs. H1 2017

7.8% Profitability from continuing operations in H1 2017

| Division | Profit from Operations (% to Sales) | |
|-------------------------------|--|-------|
| Energy Management | H1 2016 | 8.1% |
| | H1 2017 | 7.7% |
| Power and Gas | H1 2016 | 11.9% |
| | H1 2017 | 16.4% |
| Mobility | H1 2016 | 6.5% |
| | H1 2017 | 6.1% |
| Digital Factory | H1 2016 | 8.4% |
| | H1 2017 | 5.9% |
| Process Industries and Drives | H1 2016 | 6.4% |
| | H1 2017 | 2.5% |
| Building Technologies | H1 2016 | 5.5% |
| | H1 2017 | 3.8% |



Fluctuation in **divisional mix and product mix**



Change in accounting norms to **IND AS** (eg. Expected credit loss)

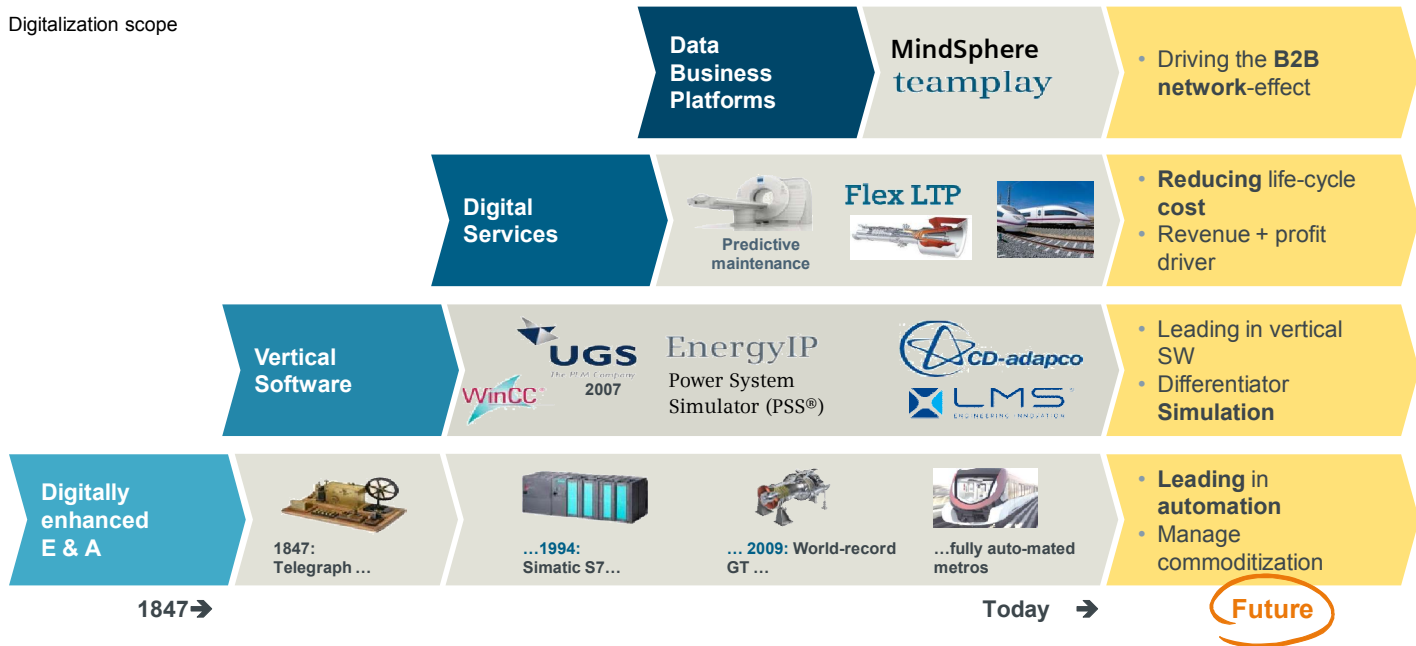


Fluctuations in **currency and commodity**

From Electrification and Automation to Digitalization – expansion of scope now reaching data business platforms



Digitalization scope



Digitalization shaping the future of the pharmaceutical industry in India, the largest provider of generic drugs globally

SIEMENS



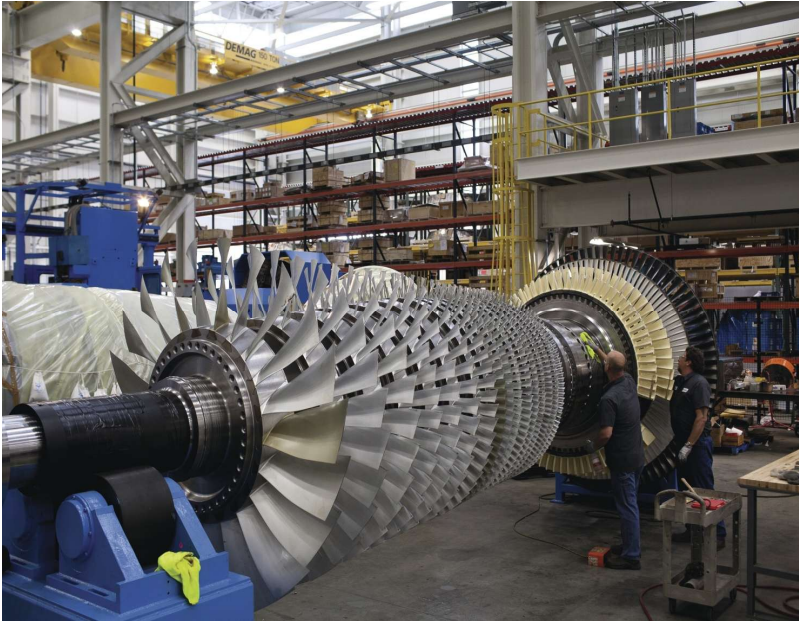
Key digitalization initiatives for leading pharmaceutical customers



- Paperless manufacturing for **better compliance** with FDA and European regulations
- Improvement in yield percentages and batch cycle time - **enabling higher production** per batch
- **Faster migration** from prototype to production by identifying the 'golden tunnel'

Digitalization enabling transformation of the power sector in India, the third largest producer of electricity in the world

SIEMENS



Key digitalization initiatives for leading Power Generation players



- Central monitoring and diagnostics of entire fleet - **reducing forced outages** through condition based maintenance
- **Cyber security** for the installed equipment in power plants
- Additive Manufacturing (3-D printing) for critical parts – **reduce lead time and inventory**

Summary

- **Focus continues on profitable growth**
- **Innovative solutions for the Indian market**
- **Focus on large value orders**
- **Leading the way for Digitalization (Mindsphere)**
- **Continuing with operational excellence**



Thank you



Naveen Mohan

Siemens Ltd.

Investor Relations

130, Pandurang Budhkar Marg, Worli
400018 Mumbai

E-mail:

naveen.mohan@siemens.com

siemens.co.in