

CREDIT OPINION

18 February 2019

Update

✓ Rate this Research

RATINGS

Siemens Aktiengesellschaft

Domicile	Germany
Long Term Rating	A1
Type	LT Issuer Rating - Fgn Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Stephan Wulf +49.69.7073.0856
 VP-Senior Analyst
 stephan.wulf@moodys.com

Christian Hendker, +49.69.7073.0735
 CFA
 Associate Managing Director
 christian.hendker@moodys.com

Svitlana Ukrayinets +49.69.7073.0920
 Associate Analyst
 svitlana.ukrayinets@moodys.com

CLIENT SERVICES

Americas 1-212-553-1653

Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

Siemens Aktiengesellschaft

Update to credit analysis

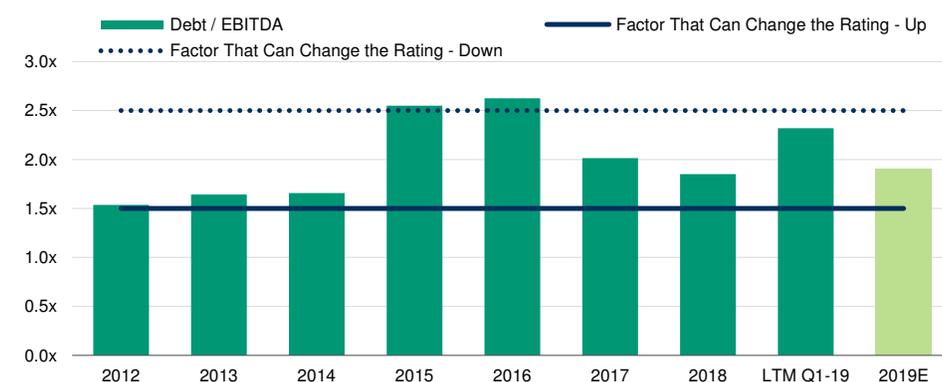
Summary Rating Rationale

Siemens A1 ratings reflect (1) its diversified revenue base by product and geography; (2) leading market positions in a range of key industrial technologies and services with high barriers to entry; (3) the ability to consistently generate high positive free cash flow (FCF) during the cycle, sometimes offset by share buy back programmes reducing excess cash, (4) its improved profitability to above 10%, although still somewhat low compared with sector peers, and (5) a strong liquidity profile supported by a well-balanced debt maturity profile, sizeable cash and cash equivalents on hand as well as good access to the capital markets.

After debt-funded acquisitions and share buybacks lifted Siemens' leverage to more elevated levels in 2015 and 2016, the company has reduced its (Moody's adjusted) leverage to 1.8x (FYE18), which is in line with our expectations for the rating. Despite a weakness in the structurally challenged Power and Gas division, the company maintained double-digit EBITA margins of 10.4% in FY18 (11.6% in FY17; 10.8% in FY16). We also note an increasing share of minorities (15% in the case of Siemens Healthineers, 41% for Siemens Gamesa Renewable Energy (SGRE)), which now became more visible, but is still not too material in terms of the overall EBITDA leakage (estimated to be around €700-€800 million per year compared to Siemens group EBITDA of about €11.4 billion in FY18).

Exhibit 1

Moody's expects adjusted gross leverage to remain within the guidance for A1 rating



[1] LTM Q1-19 Moody's adjusted gross leverage of 2.3x is currently elevated, but expected to reduce to below 2.0x at FYE19 driven by improvements in profitability and cash flow generation after somewhat weaker operating result reported in Q1-19.

[2] Metric incorporates Moody's Standard Adjustments and represents Moody's forward view; not the view of the issuer.

Source: Moody's Financial Metrics™, Moody's estimates

The rating also takes into account the growing asset size of Siemens' finance captive Siemens Financial Services (SFS), which more than doubled in the past eight years to about €28.3

billion (as of FYE18). SFS assets grew at around 2.3% CAGR over FY16-FY18 suggesting that SFS has now reached a scale when it will not grow with the same rates as in the previous decade. The presence of SFS' activities adds risks typical for a vendor financing operation (i.e a prolonged contingency risk) to the risks that a manufacturing company is usually exposed to. This is balanced by Siemens' ability to offer its customers bespoke financing solutions, which is differentiating Siemens from some of its competitors.

Credit Strengths

- » Global scale, multiple market leadership positions, broad customer and geographic diversification
- » New "Vision 2020+" strategy results in a new, leaner corporate structure that can yield efficiencies and improve profitability
- » Float of Healthineers provides further future monetisation or strategic options for one of Siemens most valuable assets; Mobility division likely to follow similar route following the failure of merger with Alstom
- » Strong liquidity profile, underpinned by diversity of internal and external sources

Credit Challenges

- » Structural challenges in certain divisions, such as Power and Gas and Process Industries and Drives, pose a constraint for group performance
- » Siemens has lost direct access to Healthineers cash flows, a significant source of group cash flow; more visible presence of structurally subordinated debt; potential of further increasing share of minorities
- » Growing asset size of Siemens Financial Services (SFS), its finance captive arm

Rating Outlook

The stable outlook reflects our expectation that Siemens retains its leading positions in the global power generation, industrial automation and medical equipment sectors. We also expect that even with cyclical pressures and periodic shareholder return initiatives, the company's operating performance and financial policies will remain supportive of an A1 rating over the long-term, as evidenced by EBITA margins of above 10% and debt to EBITDA of around 1.8x (Moody's adjusted at FYE18). With expected leverage of below 2.0x at FYE19 (1.8x at FYE18) and EBITA margins slightly above 10% (both Moody's-adjusted), the rating is now more strongly positioned than it was at FYE15 and FYE16 when leverage was 2.6x and margins reached 9.1% (FY15) and 10.8% (FY16) respectively.

Factors that Could Lead to an Upgrade

- » Reduced competitive pressures and revenue growth throughout Siemens' broad operations
- » EBITA margins > 13%
- » Adjusted gross debt / EBITDA < 1.5x
- » Strong liquidity

Factors that Could Lead to a Downgrade

- » Evidence of a sustained erosion in Siemens' competitive strength, profitability and cash flow generation
- » A more aggressive financial policy, either through additional debt-funded acquisitions or share buybacks exceeding free cash flow generation
- » Adjusted gross debt / EBITDA > 2.5x
- » EBITA margin meaningfully below 10%

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody.com for the most updated credit rating action information and rating history.

» Weak asset quality in Siemens' captive finance operations

Key Indicators

Exhibit 2

Siemens Aktiengesellschaft

	9/30/2015	9/30/2016	9/30/2017	9/30/2018	12/31/2018(L)	12-18 months forward view
Revenue (USD Billion)	\$85.9	\$87.6	\$90.7	\$97.9	\$98.2	\$98-\$102
EBITA Margin	9.1%	10.8%	11.6%	10.4%	10.2%	10-12%
EBITA / Interest Expense	12.4x	14.9x	11.7x	12.3x	12.4x	12x-16x
Debt / EBITDA	2.6x	2.6x	2.0x	1.8x	2.3x	1.5x-2x
Retained Cash Flow / Net Debt	32.7%	34.2%	46.6%	64.6%	41.6%	50%-70%
Free Cash Flow / Debt	4.0%	4.6%	2.3%	10.5%	4.3%	5%-10%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures

Source: Moody's Financial Metrics™, Moody's estimates

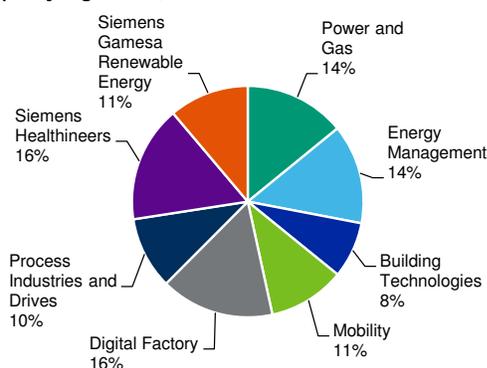
Profile

Siemens Aktiengesellschaft (Siemens) is one of the world's leading manufacturers of power generation equipment and energy management systems, industrial automation products and services, building technologies, transportation equipment, as well as medical equipment and diagnostics. Siemens generated revenues of €82.5 billion with its industrial businesses in the last twelve months to December 31, 2018. As of December 2018 end the order backlog of Siemens Group stood at a record high of €137 billion. In August 2018 the company disclosed its strategic update Vision 2020+ and a new corporate structure, which will be implemented until the end of March 2019. Once implemented, Siemens will be made up of three operating companies - "Gas and Power", "Smart Infrastructure" and "Digital Industries" - and what Siemens calls strategic companies, namely Siemens Healthineers, Siemens Gamesa Renewable Energy (SGRE) and likely Mobility, following EU's decision to veto the merger with Alstom (Baa2 stable).

Exhibit 3

Siemens has a very broad industry diversification

Revenue split by segment, Q1 FY19

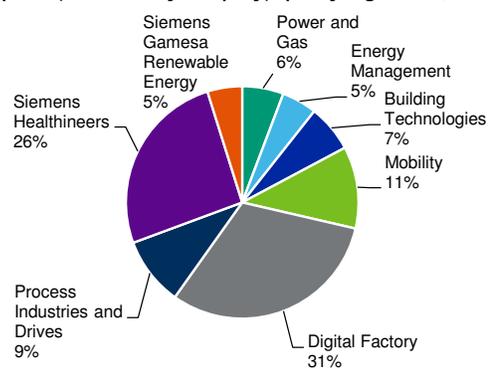


Source: Siemens quarterly statements

Exhibit 4

Digital Factory and Healthineers generate the highest margin

Operating profit (as defined by company) split by segment, Q1 FY19



Source: Siemens quarterly statements

Detailed Credit Considerations

IPO of Healthineers provided cash injection and further future monetisation options, Mobility division likely to follow similar route following the failure of merger with Alstom

Siemens netted €4.2 billion from the share float of 15% of Siemens Healthineers. The listing of Healthineers as a separate independent legal entity allows Siemens to monetise its equity stake (market capitalisation of €35.6 billion as of February 17, Siemens stake is 85%) more easily.

Following a failure of the proposed merger of Siemens' Mobility business and Alstom due to competition concerns, we regard an IPO of the Mobility division as a viable and likely alternative. This would further allow for significant, flexible monetising options, comparable to Siemens' strategy for Healthineers, which would however come at the expense of further cash leakage due to the increasing share of minorities.

Loss of direct access to Healthineers cash - a significant source of group cash flow, potential of further increasing share of minorities and cash leakage

Siemens has lost direct access to the cash of Healthineers. This is important as Healthineers is currently the largest source of cash flow generation within Siemens' Industrial Business. Healthineers in FY18 accounted for 24% of free cash flow (Siemens definition; for Industrial Business, excluding Siemens Financial Services). Although Siemens continues to consolidate Healthineers given its control of Healthineers, it will no longer have direct access to Healthineers' cash except through dividend payments. Healthineers communicated a dividend payout ratio of 50-60% of net income, which would net Siemens almost €600 million in dividend income (assuming €0.70 dividend per share, equivalent of 55% payout and an 85% stake), significantly less than CFO less capex of €1.1 billion reported by Siemens Healthineers in FY18. This situation will lead to a cash leakage of around €500 million. We note, however, that Moody's adjusted FCF calculation for Siemens AG includes fully consolidated FCF from Siemens Healthineers, but the cash leakage impact is nevertheless considered analytically.

Siemens Healthineers continues to be funded by Siemens group internal sources (as of December 2018 liabilities to Siemens group amounted to nearly €4.6 billion and receivables from Siemens group amounted to €0.9 billion). So at the moment the preponderance of group debt is still firmly at the Siemens AG level, but this represents a significant strategic step away from a one-tier debt structure, and further similar transactions might shift the balance to a point where we might feel it appropriate to notch down the Siemens AG unsecured issuer rating because of the aggregate level of debt at operating company level.

Somewhat weaker operating result in Q1 FY19 and increased pension deficit leave leverage elevated at 2.3x (LTM 12/18), but expected to reduce to below 2.0x at FYE19

The group's adjusted debt/EBITDA ratio stood at 2.3x as of last twelve months to December 31, 2018 (1.8x at FYE18), which is point-in-time elevated, but still within the expected range of 1.5x-2.5x for Siemens' A1 rating. The increase in gross leverage on LTM December-end 2018 basis compared to FYE19 level can be explained by: (1) somewhat weaker profitability and FCF recorded in Q1 FY19 (company adjusted Industrial Business profit margin excluding severance charges of 10.6% in Q1 FY19 vs. 11.4% in Q1 FY18; company reported Industrial Business FCF of €515 million in Q1 FY19 vs. €1,587 million in Q1 FY18), (2) the increased Moody's adjusted pension liabilities to €8.6 billion at December-end 2018 from €7.1 billion at FYE18 due to decrease in fair value of pension plan assets and lower discount rate assumptions, (3) an increase in short-term debt in Q1 FY19 of around €3.2 billion, which has an impact on Moody's adjusted leverage on gross basis.

However, Siemens leverage should reduce to below 2.0x by the end of September 2019 based on our expectations that: (1) earnings develop in line with the company's guidance for FY19 of moderate growth in revenue, net of currency translation and portfolio effects, and company adjusted Industrial Business profit margin excluding severance charges of 11.0% to 12.0% (10.6% in Q1 FY19), (2) reported free cash flow of the Industrial Business improves in the next three quarters of fiscal 2019 reaching the level of at least €7 billion in FY19 (€7.1 billion in FY18 and €7.5 billion in FY17), supported by earnings growth and release of net working capital, (3) the short-term debt drawings in Q1 FY19 will be largely redeemed out of the company's sizeable cash balance, and (4) the company will refinance its upcoming bond debt maturities.

Global scale, multiple market leadership positions, broad customer and geographic diversification

Siemens' very large and diversified portfolio of industrial businesses spans over a broad range of customers, regions and end markets, with a majority of businesses having leading market positions on a global scale, supported by high barriers to entry. The main contributors to the group's industrial operating profits are the Digital Factory and Siemens Healthineers divisions, together representing 55% (FY18) of the profits from its industrial operations. The market presence, reputation and consistent investments, in particular in R&D and more recently complemented by acquisitions, continue to translate in multiple market leading positions.

Siemens holds number 1 or 2 market positions in the areas of gas turbines, power transmission and distribution equipment and solutions. Its Digital Factory division holds leading market shares globally in programmable logic controllers, industrial switching and industrial software. This position has been further strengthened by the acquisitions of CD adapco (2016), Mentor Graphics (2017) and mendix (2018). Following the integration of Mentor Graphics, Siemens is the first provider of a fully integrated digital enterprise software suite to design, simulate, build and analyse products and the respective production processes.

The Process Industries and Drives division is a global leader in inverters and controls, motors, generators and gear-boxes. Siemens Healthineers is one of the leading companies in imaging equipment and in-vitro diagnostics. Each of these divisions has multiple business units that compete against a range of strong companies worldwide.

Siemens' diverse range of businesses exhibit a combination of stability and volatility depending on (among other things) the end market exposure, the ticket size of orders as well as whether sales are linked to short or long-cycle businesses. Consequently, revenue and profitability in divisions such as Power and Gas or Mobility tends to be more volatile than for Digital Factory or Healthineers.

Structural challenges in certain divisions, such as Power and Gas and Process Industries and Drives, pose a constraint for group performance ...

Siemens has announced plans to reduce its global workforce by 6,900 in its Power and Gas (PG) as well as Process Industries and Drives (PD) divisions owing to the structural challenges the company faces in each of these divisions. PG in particular is suffering from global overcapacities for gas turbines and PD from lower demand and increased competition from low-cost producers. In order to offset input price inflation, competitiveness and to achieve productivity gains, the company targets annual productivity savings of between 3% and 5%.

In the past, Siemens had a long track record in terms of "execution" challenges, particularly in activities related to Energy Management and Mobility and as evidenced by sizeable write offs and restructuring charges. These charges had been a drag on operating profitability and cash flow generation. However, Siemens has responded to these charges by focusing on operational excellence and has not recorded any significant charges since 2015.

... against implementation of new corporate structure with less complexity and potential for lower cost base

As part of Siemens' new financial framework, it has set up an industrial business EBITA margin target of 11%-15% through the cycle. The new corporate structure will result in a leaner company and less organisational complexity, from which Siemens expects a more agile company. We anticipate that these changes will result in a lower cost base and will thus contribute in large part to the higher margin target.

Apart from the new EBITA margin ranges, Siemens will retain its capital structure target of up to 1.0x industrial net debt/EBITDA, its dividend payout ratio of 40%-60% (with net income after minorities as the basis) and ROCE of 15%-20%. In addition, Siemens introduces a cash conversion target and now has an absolute revenue growth target of 4%-5% rather than growing stronger than most relevant competitors as was the case previously (and against actual annual revenue growth of around 2.0% over the last three years).

Strong R&D capabilities, complemented by acquisitions funded through asset disposals

Siemens has a strong commitment to research and development (R&D) as witnessed by the sizeable annual R&D spent of around €5.6 billion in FY18 (compared to €5.2 billion in FY17), or 6.7% of sales (compared to 6.2% in FY17). Siemens is amongst the largest patent application and grant filers in Europe as well as globally. The group held approximately 65,000 patents and employed, on average, 41,800 staff in R&D in FY18.

In order to complement its internal research and product development, Siemens has a long history of strategically complementing its product and service portfolio with acquisitions. An important source of funding for acquisitions have been disposals of non-

core activities, such as the white goods joint venture BSH (in 2015) the sale of the hearing aid business Sivantos (in 2015) and the divestment of (loss-making) IT services company Unify. The group's portfolio has sufficient depth and breadth to allow for further future asset disposals and we anticipate Siemens to continue to complement the funding of acquisitions through such measures.

Growing asset size of finance captive

Siemens Financial Services (SFS) is one of nine divisions and responsible for managing a portfolio of €28.3 billion of assets (as of FY18), including project and commercial finance, equity investments and financial leases. SFS' activities support the other eight industrial business-related divisions and hence are an integral part of Siemens' strategy. Although asset size of Siemens' finance captive Siemens Financial Services (SFS) more than doubled in the last eight years, SFS assets grew at around 2.3% CAGR over FY16-FY18, which was more in line with revenue growth of the group, in the low to mid single digit range (%).

The counterparties of SFS are strictly other businesses and are not consumer-related. This also holds true for [Siemens Bank GmbH](#) (A1 stable), a wholly-owned bank that is regulated. SFS benefits from its access to Siemens global deal flow and to sector specialists with technical know how. Funding is obtained through Siemens treasury operations, and is maturity and currency matched. As part of its mandate, SFS is engaged in long-term project finance transactions in line with Siemens' project business. Although the life of some projects, especially those related to infrastructure and energy projects, is long, SFS is engaged in the early years (especially during the construction phase) of the overall life span of a project to facilitate the respective financing. Consequently, SFS may not hold the exposure over the full project life cycle. Therefore we expect average maturities for SFS to be between three and four years and generally believe the portfolio is well-diversified and with low defaults.

We monitor SFS' asset growth, gearing and income before income taxes to assess any potential impact its activities might have on the industrial business of Siemens. Under the new corporate structure SFS along with its Business and Real Estate Services will be bundled into the unit Service Companies. Siemens will continue to publish financial headline figures for SFS allowing to assess the leverage of Siemens' captive finance operations.

Liquidity Analysis

Strong liquidity profile, underpinned by diverse internal and external sources

Siemens' liquidity is strong. For the quarter ending December 31, 2018 the company reported nearly €12.4 billion of cash and cash equivalents and around €1.3 billion of interest-bearing debt securities (formerly reported as current available-for-sale financial assets), which was supported with strong funds from operations (Moody's definition) amounting to around €8.3 billion for the last twelve months ending December 31, 2018, comparing to an average of €8.5 billion between FY14 and FY18.

Among the external liquidity sources are, a €4.0 billion syndicated credit facility (maturing on June 25, 2021), a \$3.0 billion syndicated credit facility maturing on September 27, 2020 and a €450 million revolving bilateral credit facility maturing in September 2019. Liquidity sources also included a subsidiary's €2.5 billion syndicated multi-currency term and revolving credit facility which contains a fully drawn term credit facility tranche of €500 million maturing in 2021 and a revolving credit facility tranche of €2.0 billion maturing in 2023 of which €700 million were drawn at FYE18. As of September 2018 the equivalent of €8.3 billion of lines of credit were unused.

The multiple sources of liquidity allow Siemens to cover cash uses such as working cash (approximated as 3% of annual sales), working capital movements, capital expenditures (5-year average: €3.2 billion), dividend payments (5-year average: €3.0 billion) and share buy-backs (5-year average: €1.3 billion). Siemens has between December 2018 and January 2019 bought back shares worth around €0.3 billion under its new €3.0 billion buyback programme, which is to be executed in the period ending on November 15, 2021. We expect Siemens to retain financial flexibility in particular with regards to the commitment to its own capital structure target of (Siemens defined) industrial net debt to EBITDA below 1.0x (LTM 12/18: 0.7x).

Rating Methodology and Scorecard Factors

Mapping to Moody's Global Manufacturing Methodology

Utilizing the rating factors identified in our Global Manufacturing rating methodology, Siemens' rating factors indicate an A2 grid indicated outcome, one notch below the assigned rating. While Siemens' scale and financial policy point to Aaa/Aa outcomes, the company scores weaker on operating margins, leverage and free cash flow-based metrics. Moody's 12-18 months forward view of Siemens' financial profile suggests a grid indicated outcome of A1, reflecting our expectation of modest improvement in operating

performance, cash generation and a conservative financial policy over the rating horizon evidenced by debt/EBITDA reducing to 1.8x at FYE18 (2.0x at FYE17).

Exhibit 5

Methodology Grid Siemens Aktiengesellschaft

Manufacturing Industry Grid [1][2]			Current LTM 12/31/2018		Moody's 12-18 Month Forward View As of 2/7/2019 [3]	
Factor	Measure	Score	Measure	Score	Measure	Score
Factor 1 : Business Profile (20%)						
a) Business Profile	A	A	A	A	A	A
Factor 2 : Scale (20%)						
a) Revenue (USD Billion)	\$98.2	Aaa	\$98 - \$102	Aaa	\$98 - \$102	Aaa
Factor 3 : Profitability (10%)						
a) EBITA Margin	10.2%	Baa	10% - 12%	Baa	10% - 12%	Baa
Factor 4 : Coverage and Leverage (40%)						
a) EBITA / Interest Expense	12.4x	Aa	12x - 16x	Aa	12x - 16x	Aa
b) Debt / EBITDA	2.3x	Baa	1.5x - 2x	Baa	1.5x - 2x	Baa
c) Retained Cash Flow / Net Debt	41.6%	A	50% - 70%	Aaa	50% - 70%	Aaa
d) Free Cash Flow / Debt	4.3%	B	5% - 10%	Ba	5% - 10%	Ba
Factor 5 : Financial Policy (10%)						
a) Financial Policy	Aa	Aa	Aa	Aa	Aa	Aa
Rating:						
a) Indicated Rating from Grid		A2				A1
b) Actual Rating Assigned						A1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of 12/31/2018(L);

[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures

Source: Moody's Financial Metrics™

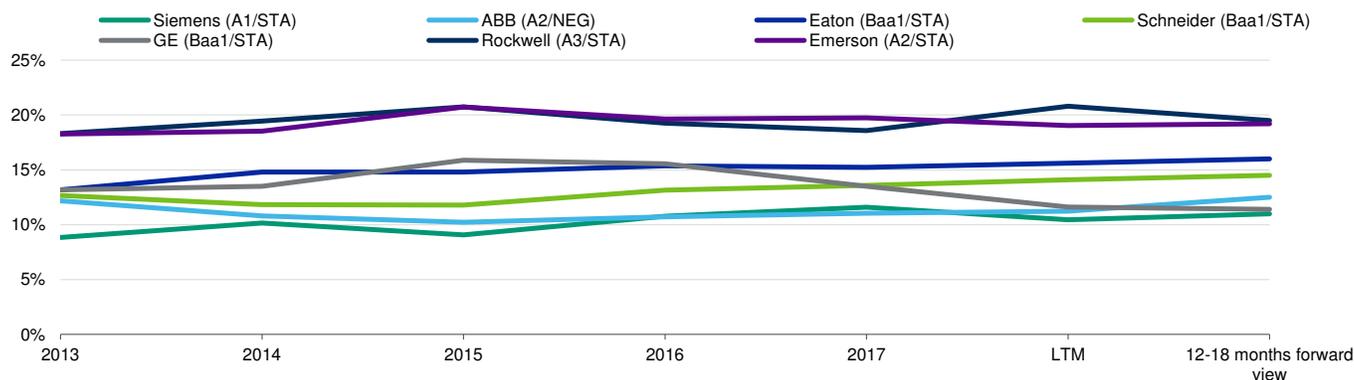
Appendix

Peers

Siemens' main peers include General Electric Company (Baa1 Stable), Eaton Corporation (Baa1 Stable), ABB Ltd. (A2 Negative), Schneider Electric SE (Baa1 Stable), Emerson Electric Company (A2 stable), Rockwell Automation (A3 stable).

Exhibit 6

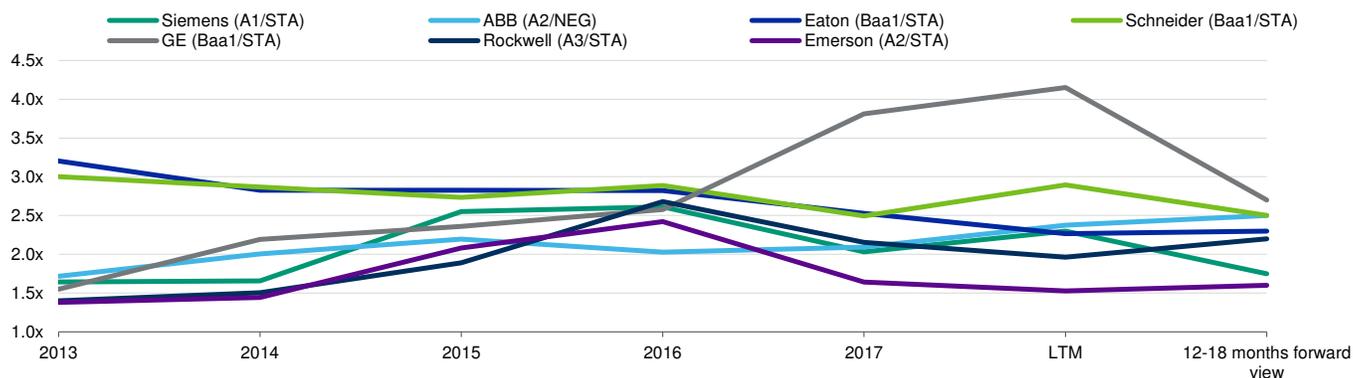
Siemens' EBITA margins are on the lower end of peers



Source: Moody's Financial Metrics™, Moody's estimates

Exhibit 7

Siemens' gross leverage is on the lower end of its peer group



Source: Moody's Financial Metrics™, Moody's estimates

Exhibit 8

Moody's Adjustments to EBITDA include operating leases and SFS adjustment
Siemens' adjusted EBITDA breakdown

(in EUR millions)	FYE Sep-15	FYE Sep-16	FYE Sep-17	FYE Sep-18	LTM Dec-18
Reported pre-tax income	7,217	7,403	8,189	8,050	7,252
Add back interest expense	818	989	1,051	1,089	1,102
Add back D&A	2,549	2,764	3,211	3,414	3,388
Reported EBITDA	10,584	11,156	12,451	12,553	11,742
Equity Income Adjustment	(1,235)	(134)	(43)	3	(33)
SFS Adjustment [1]	(945)	(1,001)	(977)	(932)	(899)
Operating Lease Adjustment	1,118	1,158	1,242	1,249	1,249
Pension Adjustment	2	(10)	(117)	153	153
Unusual items [2]	(312)	(122)	(327)	(1,633)	(976)
Adjusted EBITDA	9,213	11,048	12,229	11,393	11,236

[1] SFS adjustment includes SFS EBT as reported by Siemens (€653m in FY18) and depreciation of equipment leased to others (€279 million in FY18)

[2] Unusual items mainly include gains/losses on disposals. Main items in FY18 included €0.9bn gain on transfer of Atos SE shares to Siemens Pension Trust and €0.7bn gain related to sale of OSRAM light shares

Source: Moody's Financial Metrics™

Exhibit 9

Moody's adjusts for SFS debt
Siemens' adjusted debt breakdown

(in EUR millions)	FYE Sep-15	FYE Sep-16	FYE Sep-17	FYE Sep-18	LTM Dec-18
Total Unadjusted Debt	31,746	32,900	33,668	33,662	37,130
Pension Adjustments [1]	9,311	13,195	9,082	7,084	8,611
Operating Lease Adjustments [2]	3,354	3,474	3,726	3,747	3,747
Hybrid Securities Adjustments	(995)	-	-	-	-
Other Standard Adjustments [3]	(19,916)	(20,711)	(21,616)	(23,418)	(23,418)
Total Adjusted Debt	23,501	28,858	24,860	21,075	26,070

[1] Pension liability (€7.7bn at FYE18) excluding other post-employment benefits (OPEB) liability (€0.6bn at FYE18)

[2] Operating lease adjustment will be restated with implementation of IFRS 16 - Moody's will use a reported finance lease liability on BS instead of own estimates

[3] Includes adjustment for SFS debt (-€24.2bn at FYE18), credit guarantees (+€0.4bn), environmental clean-up provision (+€0.7bn at FYE18) and hedge accounting adjustment (-€0.3bn at FYE19)

Source: Moody's Financial Metrics™

Exhibit 10

Siemens Aktiengesellschaft**Selected Historic Moody's Adjusted Financial Data**

EUR Millions	FYE Sep-15	FYE Sep-16	FYE Sep-17	FYE Sep-18	LTM Dec-18
INCOME STATEMENT					
Revenue/Sales	74,781	78,820	82,089	82,232	82,516
EBITDA	9,213	11,048	12,229	11,393	11,236
EBITA	6,779	8,495	9,517	8,582	8,436
EBIT	6,002	7,563	8,236	7,158	7,012
Interest Expense	545	569	811	700	678
BALANCE SHEET					
Cash & Cash Equivalents	11,132	11,897	9,617	12,352	13,675
Total Debt	23,501	28,858	24,860	21,075	26,070
CASH FLOW					
Funds from Operations (FFO)	6,913	8,872	10,199	8,771	8,299
Cash Flow from Operations (CFO)	6,713	7,586	7,194	9,045	8,005
Capital Expenditures (CAPEX)	(2,907)	(3,205)	(3,526)	(3,702)	(3,725)
Dividends	(2,873)	(3,063)	(3,101)	(3,137)	(3,148)
Retained Cash Flow (RCF)	4,040	5,809	7,098	5,634	5,151
RCF / Net Debt	32.7%	34.2%	46.6%	64.6%	41.6%
Free Cash Flow (FCF)	933	1,318	567	2,206	1,133
FCF / Debt	4.0%	4.6%	2.3%	10.5%	4.3%
Business acquisitions	(8,254)	(922)	(4,385)	(525)	(764)
Share buybacks	(2,700)	(463)	(931)	(1,409)	(1,678)
PROFITABILITY					
% Change in Sales (YoY)	5.0%	5.4%	4.1%	0.2%	-0.2%
EBIT Margin %	8.0%	9.6%	10.0%	8.7%	8.5%
EBITA Margin %	9.1%	10.8%	11.6%	10.4%	10.2%
EBITDA Margin %	12.3%	14.0%	14.9%	13.9%	13.6%
INTEREST COVERAGE					
EBIT / Interest Expense	11.0x	13.3x	10.2x	10.2x	10.3x
EBITA / Interest Expense	12.4x	14.9x	11.7x	12.3x	12.4x
EBITDA / Interest Expense	16.9x	19.4x	15.1x	16.3x	16.6x
LEVERAGE					
Debt / EBITDA	2.6x	2.6x	2.0x	1.8x	2.3x
Net Debt / EBITDA	1.3x	1.5x	1.2x	0.8x	1.1x

Source: Moody's Financial Metrics™

Ratings

Exhibit 11

Category	Moody's Rating
SIEMENS AKTIENGESELLSCHAFT	
Outlook	Stable
Issuer Rating	A1
Senior Unsecured MTN	(P)A1
Commercial Paper	P-1
Other Short Term	(P)P-1
SIEMENS BANK GMBH	
Outlook	Stable
Issuer Rating	A1
ST Issuer Rating	P-1
SIEMENS FINANCIERINGSMAATSCHAPPIJ N.V.	
Outlook	Stable
Bkd Senior Unsecured	A1
Bkd Commercial Paper	P-1
Bkd Other Short Term	(P)P-1
SIEMENS CAPITAL COMPANY, LLC	
Outlook	Stable
Bkd Senior Unsecured	A1
Bkd Commercial Paper	P-1
Bkd Other Short Term	(P)P-1

Source: Moody's Investors Service

© 2019 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MOODY'S PUBLICATIONS MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$2,700,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY250,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

REPORT NUMBER

1157921

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454