Siemens Vision 2020 – Fully on track

Joe Kaeser, President and CEO
Commerzbank German Investment Seminar | New York, January 9, 2018
Notes and forward looking statements

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## Siemens by the numbers

<table>
<thead>
<tr>
<th>SIEMENS AG</th>
<th>Revenue</th>
<th>IB¹ Profit</th>
<th>IB¹ Margin</th>
<th>Net Income</th>
<th>EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€83.0bn</td>
<td>€9.5bn</td>
<td>11.2%</td>
<td>€6.2bn</td>
<td>€7.44</td>
</tr>
</tbody>
</table>

### FY 2017 reported

<table>
<thead>
<tr>
<th>Sector</th>
<th>Revenue</th>
<th>Profit</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power and Gas</td>
<td>€15.5bn</td>
<td>€1.6bn</td>
<td>10.3%</td>
</tr>
<tr>
<td>Building Technologies</td>
<td>€6.5bn</td>
<td>€0.8bn</td>
<td>12.0%</td>
</tr>
<tr>
<td>Digital Factory</td>
<td>€11.4bn</td>
<td>€2.1bn</td>
<td>18.8%</td>
</tr>
<tr>
<td>Siemens Healthineers</td>
<td>€13.8bn</td>
<td>€2.5bn</td>
<td>18.1%</td>
</tr>
<tr>
<td>Energy Management</td>
<td>€12.3bn</td>
<td>€0.9bn</td>
<td>7.6%</td>
</tr>
<tr>
<td>Mobility</td>
<td>€8.1bn</td>
<td>€0.7bn</td>
<td>9.2%</td>
</tr>
<tr>
<td>Process Industries and Drives</td>
<td>€8.9bn</td>
<td>€0.4bn</td>
<td>5.0%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>€7.9bn</td>
<td>€0.3bn</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

1) IB=Industrial Business

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New York, January 9, 2018
Vision 2020 - We have a compelling strategy

Ownership culture driving leadership and people development

Drive performance
- Secure competitiveness in PG, PD and SGRE
- Agility and continuous productivity improvement
- Stringent project execution

Strengthen core
- Healthcare IPO
- Setting up Siemens Alstom
- Successful integration of acquisitions

Scale up
- Customer and market focus
- Digitalization at work
- Innovation push

Accelerated growth and outperformance
We have done well since 2014 …

Vision 2020

Underperforming businesses

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014</td>
<td>-3%</td>
</tr>
<tr>
<td>FY 2015</td>
<td>1%</td>
</tr>
<tr>
<td>FY 2016</td>
<td>3%</td>
</tr>
<tr>
<td>FY 2017</td>
<td>~6%</td>
</tr>
</tbody>
</table>

~80% in range

Guidance to market

<table>
<thead>
<tr>
<th>Year</th>
<th>Project charges (€bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014</td>
<td>~1.2</td>
</tr>
<tr>
<td>FY 2015</td>
<td>~0.7</td>
</tr>
<tr>
<td>FY 2016</td>
<td>~0.2</td>
</tr>
<tr>
<td>FY 2017</td>
<td>&lt;0.2</td>
</tr>
</tbody>
</table>

Ongoing cost productivity

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>~€3bn</td>
</tr>
<tr>
<td>FY 2016</td>
<td>~€4bn</td>
</tr>
<tr>
<td>FY 2017</td>
<td>~€4bn</td>
</tr>
</tbody>
</table>

Project charges (€bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Employee profit sharing (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>200</td>
</tr>
<tr>
<td>FY 2016</td>
<td>100</td>
</tr>
<tr>
<td>FY 2017</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
</tr>
</tbody>
</table>
... and so have our shareholders

**Continued dividend increases**

- **€3.00** to **€3.70** per share (FY 2013 to FY 2017)
- **4% p.a.** dividend growth

**Committed to share buyback**

- Up to **€7bn** share buyback within five years
  - **4.0** bn (CY 2014 - 2015)
  - **1.5** bn (CY 2016 - 2018)

**Strong share price performance**

- **+41%** total return (July 31, 2013 – December 31, 2017)
- **€133.20** new all-time closing high on Xetra on April 26, 2017

**Dividend per share**

1) Effect of OSRAM stock distribution to shareholders of €2.40 per share
2) Proposed dividend pending on annual shareholder meeting approval in January 2018
3) Total return includes reinvest of dividend payments
What’s on the CEO’s mind for 2018?

- Deliver on our commitment to the market
- Uncertainty from geopolitical tensions & nationalism vs. economic upswing
- Drive growth opportunities and digitalization across all businesses
- Tackle structural challenges to strengthen competitiveness
- Shape Vision 2020+ to create “next generation Siemens”
Key considerations for “Vision 2020+”

Brand value

Business focus

Simplified governance
Questions and Answers
One Siemens Financial Framework
Clear targets to measure success and accountability

One Siemens Financial Framework

Siemens

Growth:
Siemens > most relevant competitors
(Comparable revenue growth)

Capital efficiency
(ROCE\(^2\))
15 – 20%

Total cost productivity
3 – 5% p.a.

Capital structure
(Industrial net debt/EBITDA)
up to 1.0x

Dividend payout ratio
40 – 60%\(^4\)

Profit Margin ranges of businesses (excl. PPA)\(^5\)

<table>
<thead>
<tr>
<th>Business</th>
<th>Profit Margin Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>PG</td>
<td>11 – 15%</td>
</tr>
<tr>
<td>EM</td>
<td>7 – 10%</td>
</tr>
<tr>
<td>MO</td>
<td>6 – 9%</td>
</tr>
<tr>
<td>PD</td>
<td>8 – 12%</td>
</tr>
<tr>
<td>SFS(^6)</td>
<td>15 – 20%</td>
</tr>
<tr>
<td>SGRE</td>
<td>5 – 8%</td>
</tr>
<tr>
<td>BT</td>
<td>8 – 11%</td>
</tr>
<tr>
<td>DF</td>
<td>14 – 20%</td>
</tr>
<tr>
<td>HC</td>
<td>15 – 19%</td>
</tr>
<tr>
<td>BT</td>
<td>8 – 11%</td>
</tr>
<tr>
<td>DF</td>
<td>14 – 20%</td>
</tr>
<tr>
<td>HC</td>
<td>15 – 19%</td>
</tr>
</tbody>
</table>

1) ABB, GE, Schneider, MHI, Eaton, weighted; 2) Based on continuing and discontinued operations; 3) Productivity measures divided by functional costs (cost of sales, R&D, SG&A expenses) of the group; 4) Of net income excluding exceptional non-cash items; 5) Excl. acquisition related amortization on intangibles; 6) SFS based on return on equity after tax

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Commerzbank German Investment Seminar
<table>
<thead>
<tr>
<th>GOAL</th>
<th>INTENT</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Implement stringent company governance with effective support functions</td>
<td>Live lean governance and drive continuous optimization</td>
<td>€1bn cost savings by FY 2016 achieved</td>
</tr>
<tr>
<td>2 Strengthen portfolio</td>
<td>Sharpen our business focus in electrification, automation, and digitalization</td>
<td>Tap growth fields</td>
</tr>
<tr>
<td>3 Execute financial target system</td>
<td>Grow our company value</td>
<td>≥ 50% increase in number of employee shareholders</td>
</tr>
<tr>
<td>4 Expand global management</td>
<td>Get closer to our customers and markets</td>
<td>&gt; 8% margin in underperforming businesses</td>
</tr>
<tr>
<td>5 Be a partner of choice for our customers</td>
<td>Foster an intimate and trusting partnership with our customers</td>
<td>&gt; 75% approval rating in leadership and diversity in global employee survey</td>
</tr>
<tr>
<td>6 Be an employer of choice</td>
<td>Unleash the full potential of our people</td>
<td>≥ 20% improvement in Net Promoter Score</td>
</tr>
<tr>
<td>7 Foster Ownership Culture</td>
<td>Ignite pride and passion for Siemens, through a new mindset and equity ownership</td>
<td>≥ 50% increase in number of employee shareholders</td>
</tr>
</tbody>
</table>
Outlook FY 2018

Earnings per share

<table>
<thead>
<tr>
<th>EPS excl. Severance FY18</th>
<th>adj. EPS FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.20</td>
<td>7.09</td>
</tr>
</tbody>
</table>

Note: FY 2017 weighted average number of shares of ~812.2m

Outlook

We expect a **mixed picture in our market environment** in fiscal 2018, ranging from **strong markets** for our **short-cycle businesses** to **unfavorable dynamics** in our **energy generation markets**, as well as **geopolitical uncertainties** that may restrict investment sentiment.

For fiscal 2018 we expect **modest growth in revenue**, net of effects from currency translation and portfolio transactions, and 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** and **basic EPS from net income** in the range of €7.20 to €7.70, both 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**.

Earnings per share

+9%  +2%  7.70

adj. EPS FY17  EPS excl. Severance FY18  7.09  7.20
Industrial Business Profit Margin - Outlook FY 2018

**IB Profit Margin excl. Severance**

- FY17: 11.0%
- FY18: 12.0%

**Reported IB Profit FY17**
- €9.5bn

**IFRS 15 Delta IB Profit FY17**
- €9.3bn

**eCar gain**
- €-175m

**Pension plan amendment**
- €-138m

**Severance**
- €+385m

**adj. IB Profit FY17**
- €9.4bn

**IB Profit Margin excl. Severance FY18**
- €9.5bn

**Guidance**

- FY18: 11.2%

- FY17: 11.1%

- FY18: 11.2%

- FY17: 11.1%
Earnings per share - Outlook FY 2018

in €

- Reported EPS FY17: 7.44
  - IFRS 15 Delta: -0.10
  - IB effects: -0.35
  - CMPA effects: -0.29
  - Severance: +0.39
  - adj. EPS FY17: 7.09

- EPS excl. Severance FY18: 7.20
  - Guidance: +9%
  - +2%

- eCar gain: -0.22
- Pension plan amendment: -0.13
- ARO Hanau: -0.57
- Primetals: +0.28

+9%
Financial cockpit – FY 2017

**Orders**
- in €bn (nom.): FY 16 - 86.5, FY 17 - 85.7
- B-to-B: FY 16 - 1.09, FY 17 - 1.03

**Revenue**
- in €bn (nom.): FY 16 - 79.7, FY 17 - 83.0

**Profit Industrial Business (IB)**
- in €bn: FY 16 - 8.7, FY 17 - 9.5
- Margin: FY 16 - 11.4%, FY 17 - 11.7%

**Net income**
- in €bn: FY 16 - 5.6, FY 17 - 6.2

**EPS (“all-in”)**
- in €: FY 16 - 6.74, FY 17 - 7.44

**ROCE (“all-in”)**
- Margin as reported: FY 16 - 14.3%, FY 17 - 13.5%
- Margin excl. severance: FY 16 - 15 – 20%
PG: Market contraction impacts top and bottom line

EM: Performance improvement on track

Power and Gas (PG)

- Order growth driven by service, declining new-unit business
- Revenue decline, lower capacity utilization and price pressure weigh on margin

<table>
<thead>
<tr>
<th></th>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
<th>Profit (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>3.2</td>
<td>4.5</td>
<td>509</td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>3.6</td>
<td>3.6</td>
<td>303</td>
</tr>
</tbody>
</table>

-17%  +17%

Energy Management (EM)

- Large order wins e.g. DolWin6 project
- Profitability improvement across most businesses

<table>
<thead>
<tr>
<th></th>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
<th>Profit (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>3.6</td>
<td>4.1</td>
<td>299</td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>3.4</td>
<td>3.4</td>
<td>311</td>
</tr>
</tbody>
</table>

+17%  -17%

Profit margin

-40%  -290bps  11-15%

Profit margin

+70bps  7-10%

1) Comparable, i.e. adjusted for currency translation and portfolio effects

Margin as reported  xx%  Margin excl. severance and integration costs D-R for PG only  xx%
Power and Gas – Siemens tackles structural market changes and strengthens global competitiveness

Example: Large Gas Turbine business (>100MW)

- Market development (in # Turbines)
  - FY11: 249
  - FY13: 212
  - FY15: 186
  - FY16: 181
  - FY17: 122
  - ØFY18: ~110

- Price decline (US$/kW, 60Hz market)
  - FY 2014: ~30%
  - FY 2017: ~30%

Announced measures

- Consolidation plan announced for global setup adaptation
- Adjustments of about 6,100 jobs worldwide
- Consolidating manufacturing volumes at locations with competitive costs
- Bundling key expertise in centers of excellence
- Significant investments in efficiency enhancing technologies
The Siemens Power Service business is resilient

Increasing backlog…
(in €bn)

- FY 2017
- FY2022e

31
5

FlexLTP

... from still growing fleet

Service-relevant fleet growth FY17-22

LGT
IGT & AGT
Ind. ST

+20%
+15%
+5%

Globalized operations ...
FY 2017 revenue by customer location (in %)

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>'14</th>
<th>'15</th>
<th>'16</th>
<th>'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td>0%</td>
<td>+4%</td>
<td>+1%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>'0%</td>
<td>+4%</td>
<td>+1%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Middle East</td>
<td>'0%</td>
<td>+4%</td>
<td>+1%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Europe, CIS</td>
<td>'0%</td>
<td>+4%</td>
<td>+1%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td>'0%</td>
<td>+4%</td>
<td>+1%</td>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>

... to tackle fluctuations
Gas turbine utilization (in %)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>'14</th>
<th>'15</th>
<th>'16</th>
<th>'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas</td>
<td>0%</td>
<td>+4%</td>
<td>+1%</td>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>

Mid-term trend

- Middle East
- LAM
- Asia
- Europe, CIS
- NAM

Infusing technologies ...

Co-creation of digital services

Innovation, e.g.
3D printing,
virtual reality

... for top- & bottom-line

Performance optimization & cyber security

4D outage planning leads to faster remote outages
BT: Great performance completes best year ever
MO: All-time revenue high – automation business drives profit

Building Technologies (BT)

<table>
<thead>
<tr>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
<th>Profit (€m)</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>Q4 FY 17</td>
<td>Q4 FY 16</td>
<td>Q4 FY 17</td>
</tr>
<tr>
<td>1.8</td>
<td>1.9</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>+8%¹⁾</td>
<td>+7%¹⁾</td>
<td>+9%</td>
<td>+60bps</td>
</tr>
<tr>
<td>Q4 FY 16</td>
<td>Q4 FY 17</td>
<td>Q4 FY 16</td>
<td>Q4 FY 17</td>
</tr>
<tr>
<td>196</td>
<td>213</td>
<td>12.1%</td>
<td>8-11%</td>
</tr>
</tbody>
</table>

- Significant project wins in the US
- Growth and productivity gains lead to margin expansion

Mobility (MO)

<table>
<thead>
<tr>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
<th>Profit (€m)</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>Q4 FY 17</td>
<td>Q4 FY 16</td>
<td>Q4 FY 17</td>
</tr>
<tr>
<td>2.3</td>
<td>2.3</td>
<td>2.1</td>
<td>2.2</td>
</tr>
<tr>
<td>+4%¹⁾</td>
<td>+11%¹⁾</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 FY 16</td>
<td>Q4 FY 17</td>
<td>Q4 FY 16</td>
<td>Q4 FY 17</td>
</tr>
<tr>
<td>173</td>
<td>189</td>
<td>8.6%</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

- Large order wins in Europe and Asia
- Strong project execution and locomotive shipments
DF: Excellent short-cycle continues – further market share gains
PD: Trough reached, gradual improvement ahead

**Digital Factory (DF)**

Orders
€bn
- 2.7 (Q4 FY 16)  
- 2.9 (Q4 FY 17)

- +6%\(^1\)

Revenue
€bn
- 2.8 (Q4 FY 16)  
- 3.2 (Q4 FY 17)

- +9%\(^1\)

Profit
€m
- 515 (Q4 FY 16)  
- 501 (Q4 FY 17)

- -3%

Profit margin
- 19.2% (Q4 FY 16)  
- 18.5% (Q4 FY 17)

- -260bps

- 14-20%

- Substantial double digit revenue growth in China
- Mentor effects ~-40bps & MindSphere ~-150bps

\(^1\) Comparable, i.e. adjusted for currency translation and portfolio effects

**Process Industries and Drives (PD)**

Orders
€bn
- 2.2 (Q4 FY 16)  
- 2.3 (Q4 FY 17)

- +9%\(^1\)

Revenue
€bn
- 2.4 (Q4 FY 16)  
- 2.4 (Q4 FY 17)

- +0%\(^1\)

Profit
€m
- 69 (Q4 FY 16)  
- 72 (Q4 FY 17)

- +195%

- 8-12%

Profit margin
- 5.2% (Q4 FY 16)  
- 3.8% (Q4 FY 17)

- +590bps

- Margin as reported
- Margin excl. severance

- Strong order growth in China
- Large drives operational challenges remain
- Charges related to capacity adjustments ~-280bps
**HC: Capturing growth – excellent margin**

**SGRE: Strong order wins and challenges in operations**

---

**Healthineers (HC)**

- **Top line growth driven by Europe and China**
- **Strong profitability due to Diagnostic Imaging**

<table>
<thead>
<tr>
<th></th>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
<th>Profit (€m)</th>
<th>Profit margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>3.9</td>
<td>3.7</td>
<td>696</td>
<td>19.4%</td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>3.9</td>
<td>3.7</td>
<td>702</td>
<td>18.8%</td>
</tr>
</tbody>
</table>

1) Comparable, i.e. adjusted for currency translation and portfolio effects

---

**Siemens Gamesa Renewable Energy (SGRE)**

- **Large order wins, e.g. Borssele**
- **Profit impacted by write downs of inventories (-€134m), integration and capacity adjustments (-€67m)**

<table>
<thead>
<tr>
<th></th>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
<th>Profit (€m)</th>
<th>Profit margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>1.2</td>
<td>1.6</td>
<td>8.4%</td>
<td>-92</td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>2.8</td>
<td>2.3</td>
<td>8.3%</td>
<td>-92</td>
</tr>
</tbody>
</table>

1) Comparable, i.e. adjusted for currency translation and portfolio effects

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Page 22 New York, January 9, 2018
Setting the course for renewable energy, mobility and healthcare businesses for long-term value creation

1 | Areas of growth?
2 | Potential profit pool?
3 | Why Siemens?
4 | Synergetic value?
5 | Paradigm shifts?

Merger closed
Siemens 59% share

IPO plan for H1
CY 18 announced

Stake of 17.34% sold

Siemens Gamesa

Siemens Healthineers

Siemens Alstom

Strengthen core
Leadership in Digital Enterprise strengthened
Siemens further gaining market share

Revenue FY 2017

- Siemens software
  ~€4.0bn
- Digital services
  ~€1.2bn
- MindSphere – IoT operating system
  +20%¹)

Market CAGR FY18-22

- ~+8%

Strategic direction

Strengthen leadership in the Digital Enterprise across all Siemens domains

Expand #1 position and utilize for digitalization

Differentiate through enhanced offerings with automation & digitalization

Note: Figures based on Industrial Business; SGRE incl. as of Apr 2017
1) Nominal growth FY16 to FY17, rebased
   Note: 9% growth for Siemens Software excl. Mentor

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Page 24
New York, January 9, 2018

Commerzbank German Investment Seminar
Invest in cloud-based business models will be overcompensated by strong execution of traditional software business

Software business within Digital Factory

Revenue (in €bn)

<table>
<thead>
<tr>
<th></th>
<th>FY17 - IFRS15</th>
<th>FY18e</th>
<th>FY19e</th>
<th>FY20e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>~2.6</td>
<td>~3.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAGR: 10-15%

Profit impact from investments & Mentor Graphics (in €m)

<table>
<thead>
<tr>
<th></th>
<th>FY17 - IFRS15</th>
<th>FY18e</th>
<th>FY19e</th>
<th>FY20e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>100</td>
<td>~175</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>104</td>
<td>~70</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

MindSphere

- Current ‘Platform as a Service’ business plan with focus on partners in industrial IoT market
- Extension of business case towards applications and digital services will lead to additional potential for Siemens
- Break-even planned in FY 2020

'Software as a Service' (SaaS)

- Initial focus to capture growth potential in small and medium size business market
- Slower adoption in larger companies
- Seamless introduction in a five years investment mode

Cloud-based business (MindSphere + SaaS)

- Cloud-based revenue expected to exceed ~€1bn latest in FY 2022

Note: FY17 including Mentor from Q3 onwards
# Executing Vision 2020

Accelerating growth momentum through relentless customer focus

## Siemens Net Promoter Score

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014</td>
<td></td>
</tr>
<tr>
<td>FY 2015</td>
<td></td>
</tr>
<tr>
<td>FY 2016</td>
<td></td>
</tr>
<tr>
<td>FY 2017</td>
<td></td>
</tr>
</tbody>
</table>

**Target Vision 2020: +20%**

- **Further improvement** across most Regions & Divisions

## Dedicated growth initiatives

**China**

- **Belt & Road Initiative**: €100bn infrastructure opportunities with Chinese EPC‘s until 2025
- **Made in China 2025**: drives automation & digital demand – autonomous robotics lab set up
- **Support Chinese regional development programs**
Executing Vision 2020
Push for innovation drives competitiveness and customer value

Higher R&D intensity continues…

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D expenses in €bn (% of revenue)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014</td>
<td>4.0 (5.6%)</td>
</tr>
<tr>
<td>FY 2017</td>
<td>5.2 (6.2%)</td>
</tr>
<tr>
<td>FY 2018e</td>
<td>~5.6</td>
</tr>
</tbody>
</table>

Higher R&D intensity continues…

- Core technology fields, e.g. Artificial Intelligence
- IoT operating system MindSphere
- Digital applications and services across all businesses
- Innovative Healthineers’ Imaging platforms
- Decentralized energy systems

... and delivers impressive outcomes

Healthineers
- Magnetom Terra – first 7 Tesla MRI scanner for clinical use
- Unmatched visualisation of neurological disease states

Digital Factory
- Expand portfolio with NX-Software for Additive Manufacturing
- One system for whole model driven workflow

Power and Gas
- HL-Class gas turbine derived from proven H-Class design
- >63% efficiency in CCPP mode with clear roadmap to 65%
### Portfolio/ Technology

#### Onshore
- #4 in global Onshore market
- #1 in India and LATAM

#### Offshore
- #1 in global Offshore market

#### Service
- #2 in service backlog and in serviced fleet size

### Market

- **Wind installations 2016-2020E (MW)**
  - 2016: 54.642
  - 2017e: 53.873
  - 2018e: 57.648
  - 2019e: 61.376
  - 2020e: 63.431

Source: BNEF and MAKE Q3 17 Market Outlook; 2016 GWEC

### Key strengths

- **Large installed base** of ~83GW offers huge service potential
- **Strong order backlog** of ~€21bn
- **Unique business mix** of offshore and onshore
- **Well balanced geographic footprint**
- **Synergy potential** of at least €230m to be realized already in year 3 post closing

### Key figures

<table>
<thead>
<tr>
<th>(in millions of € except where otherwise stated)</th>
<th>Fiscal 2017</th>
<th>Fiscal 2016</th>
<th>Comp. Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>8,768</td>
<td>7,973</td>
<td>(2)%</td>
</tr>
<tr>
<td>Revenue</td>
<td>7,922</td>
<td>5,976</td>
<td>7%</td>
</tr>
<tr>
<td>Profit</td>
<td>338</td>
<td>464</td>
<td></td>
</tr>
<tr>
<td>Profit Margin (Target Range 5-8%)</td>
<td>4.3%</td>
<td>7.8%</td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>(279)</td>
<td>330</td>
<td></td>
</tr>
</tbody>
</table>

1) Figures as reported by Siemens AG; Fiscal 2017: October 2016 – September 2017; Comparable change in %: Throughout excluding currency translation and portfolio effects
Healthineers Strategy 2025 set up to ensure market leadership beyond 2025

Strategic posture: Deliver on core business – growth fundamentals and productivity

- Substantial next generation product and platform launches are gaining traction in the market, e.g.,
  - CT SOMATOM go, Artis Pheno, MR MAGNETOM Vida
  - Atellica Solution and Atellica 360
  - Teamplay and Digital Ecosystem

- Execute on productivity initiative (>4% productivity increase p.a.)

Mid-term: Upgrading

Mid-term and beyond: New growth

Reinforcing

"Market leadership 2025"

- Precision Medicine
- Therapy of Tomorrow
- Patient Journey Steward
- Technology Enabled Services

... move into
Clear path for 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 ongoing
- Capital Market Day (January 16, 2018)
- Intention to float announcement
- Siemens Healthineers IPO (H1 CY 2018)
Siemens Alstom
Merger goals are sustainable and attractive in the long term

- **Deal cash-neutral for Siemens** with contribution of Siemens Mobility division plus Rail Traction Drives business in exchange for shares in Alstom
- **Extraordinary dividends incl. control premium** financed with Alstom liquidity
- **Pension underfunding as well as project related financing will be transferred** as part of Siemens’s transaction perimeter
- **Attractive synergies with upside:** €470m expected latest four years after closing; NPV of €4.7bn
- **EPS accretive after 2 years post closing**
- **Double-digit margins expected to kick in by FY 2020**
- **Listing as a public company provides flexibility**

### Financial impact for Siemens

- **Deal cash-neutral for Siemens**
- **Extraordinary dividends incl. control premium**
- **Pension underfunding as well as project related financing will be transferred**
- **Attractive synergies with upside**
- **EPS accretive after 2 years post closing**
- **Double-digit margins expected to kick in by FY 2020**
- **Listing as a public company provides flexibility**

### Pro-forma combined revenue (in €bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Siemens</th>
<th>Alstom</th>
<th>CAGR &gt; 4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>8.0</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>&gt; 20</td>
<td>&gt; 15.3</td>
<td>&gt; 20</td>
</tr>
</tbody>
</table>

1) Means EBIT margin adjusted

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Page 31 New York, January 9, 2018

Commerzbank German Investment Seminar
Siemens Alstom
Next steps

Signing of Memorandum of Understanding
(including agreed form of Business Combination Agreement)

Alstom employee consultation process

Signing Business Combination Agreement
Q1 CY18

Alstom Shareholder Meeting
Q2 CY18

Siemens Mobility Carve Out
Until Q2/Q3 CY18

Expected Closing
End CY18

Closing conditions include:
• Merger control clearances
• Mandatory Takeover Waiver process and clearance by French Market Regulator AMF
• MINEFI clearance (French State – foreign investment control)
• Approval by Alstom’s shareholder meeting (2/3 of present votes needed; Bouygues will vote for the deal)
Financial calendar

January 9, 2018
Commerzbank German Investment Seminar (New York)

January 16, 2018
Capital Market Day Siemens Healthineers (London)

January 31, 2018
Annual General Meeting + Q1 Analyst Call (Munich)

February 21, 2018
Roadshow UK (Edinburgh)

February 22, 2018
Roadshow Switzerland (Zurich)

March 22, 2018
Bank of America Merrill Lynch Conference (London)
Investor Relations contacts

Investor Relations

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