Siemens Vision 2020 – Continuing progress and results

Dr. Ralf P. Thomas, CFO
Bank of America Merrill Lynch Conference, London, March 22, 2018
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.

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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.
We have done well since 2014...

**Vision 2020**
- Strengthen core
- Drive performance
- Scale up

**Underperforming businesses**
- Profit margin:
  - FY 2014: -3%
  - FY 2015: 1%
  - FY 2016: 3%
  - FY 2017: ~6%
  - ~80% in range

**Guidance to market**
- FY 2014: ✔️
- FY 2015: ✔️
- FY 2016: ✔️
- FY 2017: ✔️

**Ongoing cost productivity**
- FY 2015: ~€3bn
- FY 2016: ~€4bn
- FY 2017: ~€4bn

**Project charges (€bn)**
- FY 2014: ~1.2
- Avg. FY 2007-2014: ~0.7
- FY 2015: ~0.2
- FY 2016: No negative net impact
- FY 2017: <0.2

**Employee profit sharing (€m)**
- FY 2014: ~€4bn
- FY 2015: ~€4bn
- FY 2016: ~€4bn
- FY 2017: ~€4bn
- Total: 400

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... and so have our shareholders

**Continued dividend increases**

- €5.40\(^1\)
- €3.00
- €3.30
- €3.50
- €3.60
- €3.70

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>€3.00</td>
</tr>
<tr>
<td>FY 2014</td>
<td>€3.30</td>
</tr>
<tr>
<td>FY 2015</td>
<td>€3.50</td>
</tr>
<tr>
<td>FY 2016</td>
<td>€3.60</td>
</tr>
<tr>
<td>FY 2017</td>
<td>€3.70</td>
</tr>
</tbody>
</table>

**Strong share price performance**

July 30, 2013 – Mar 16, 2018

- **+33%**
- (+49% Total return) \(^2\)

**Committed to share buyback**

- Up to €7bn share buyback within five years
- Total

<table>
<thead>
<tr>
<th>Period</th>
<th>Open buyback volume</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY 2014 - 2015</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>CY 2016 - 2018</td>
<td>2.0</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>7.0</td>
</tr>
</tbody>
</table>

1) Effect of OSRAM stock distribution to shareholders of €2.40 per share

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2) Total return includes reinvest of dividend payments

April 26, 2017: New all-time closing high at €133.20 (Xetra)
Disciplined capital allocation – More than €16bn returned to our shareholders over last four years

1. Focused investments will drive organic growth
   - Capex and R&D up by ~30% since 2014
   - Higher R&D intensity continues, delivering outcomes

2. Strong and sustainable shareholder return
   - €11bn dividend paid, continued dividend increases
   - €6bn share buyback executed since FY 2014; current €3bn program still ongoing

3. Disciplined acquisitions along E-A-D
   - Leading Digital Enterprise offering strengthened with CD-adapco and Mentor Graphics

Note: Acquisitions of businesses net of cash acquired
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

Successful IPO achieved
Siemens 85% share

Stake of 17.34% sold

MoU signed
Successful IPO of Siemens Healthineers

Healthineers listed on March 16, 2018

- 15% share floated at placement price of €28
- Gross proceeds of €4.2bn
- Siemens as long-term majority shareholder

Strong share price performance

- Entrepreneurial flexibility
- Strategy 2025 on track for growth and margin expansion
- Expand leading role to shape delivery of healthcare

Opening: €29.10
Closing: €32.10

+14.6%
+7.9%
+2.6%
+3.5%
Strength in short cycle markets continues - structural headwinds in Power and Gas and geopolitical tensions

Favorable industrial sentiment

PMI Manufacturing

Sources: IHS Markit, ISM

Macroeconomic environment

Broad based growth across most sectors; fiscal policy an upside - uncertainty around free trade

Robust domestic and export demand; ambiguity due to Brexit & future EU-development remains

Continued tailwinds for short cycle businesses

Some growth moderation due to reform efforts

Russia: Upside from infrastructure demand

Brazil: Initial recovery signals visible

India: reform agenda supports investment activity

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Siemens Vision 2020 execution well advanced
FY 2018 – Setting direction for next strategic level

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

Ownership culture driving leadership and people development

Accelerated growth and outperformance

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One Siemens Financial Framework
Clear targets to measure success and accountability

Siemens

Growth:
Siemens > most relevant competitors\(^1\)
(Comparative revenue growth)

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

Total cost productivity\(^3\)
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</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
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

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

Enhanced automation: ~€19bn
Enhanced electrification: ~€43bn
Classic services: ~€17bn

MindSphere – IoT operating system
+20%¹)

Note: Bank of America Merrill Lynch Conference
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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>Year</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>~3.4</td>
<td>~3.4</td>
</tr>
<tr>
<td>CAGR</td>
<td>10-15%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>FY17 - IFRS15</th>
<th>FY18e</th>
<th>FY19e</th>
<th>FY20e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact</td>
<td>100</td>
<td>~175</td>
<td>~175</td>
<td>~175</td>
</tr>
<tr>
<td></td>
<td>104</td>
<td>~20</td>
<td>~20</td>
<td>~20</td>
</tr>
<tr>
<td></td>
<td>~70</td>
<td></td>
<td></td>
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</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
The Siemens Power Service business is resilient

Increasing backlog...
(in €bn)

FY 2017 | FY 2022e
---|---
31 | 5

FlexLTP

... from still growing fleet

LGT | IGT & AGT | Ind. ST

Service-relevant fleet growth FY17-22
+20% | +15% | +5%

Globalized operations...

FY 2017 revenue by customer location (in %)

- Latin America (LAM)
- Middle East
- Asia
- Europe, CIS
- North America (NAM)

... to tackle fluctuations

Gas turbine utilization (in %)

Global YoY change:
0% | +4% | +1% | 2%

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
Q1 FY 2018
Strong order growth highlights successful quarter

- Clear organic order growth +7% stands out
- Compelling book-to-bill at 1.13x
- Like for like revenues up 1% despite significant decline in Power businesses
- Solid IB margin at 11.0% despite significant FX headwinds and PG decline
- Net income up 12% to €2.2bn supported by one-off gains
- EPS at €2.68, up +11%
- Strong Free Cash Flow up 22% to €0.9bn highlights earnings quality
PG: Further market contraction impacts top and bottom line

EM: Solid project execution stands out

Power and Gas (PG)

- Declining new unit business and ongoing price pressure
- Service remains a stable contributor

Energy Management (EM)

- Solid revenue growth driven by LV & MV product biz
- Adverse FX holds back earnings conversion

<table>
<thead>
<tr>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY 17</td>
<td>Q1 FY 17</td>
</tr>
<tr>
<td>3.3</td>
<td>3.9</td>
</tr>
<tr>
<td>Q1 FY 18</td>
<td>Q1 FY 18</td>
</tr>
<tr>
<td>3.1</td>
<td>3.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Orders (€m)</th>
<th>Revenue (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY 17</td>
<td>Q1 FY 17</td>
</tr>
<tr>
<td>471</td>
<td>12.1%</td>
</tr>
<tr>
<td>Q1 FY 18</td>
<td>Q1 FY 18</td>
</tr>
<tr>
<td>238</td>
<td>7.6%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Orders (€m)</th>
<th>Revenue (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY 17</td>
<td>Q1 FY 17</td>
</tr>
<tr>
<td>189</td>
<td>187</td>
</tr>
<tr>
<td>Q1 FY 18</td>
<td>Q1 FY 18</td>
</tr>
<tr>
<td>187</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

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

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Bank of America Merrill Lynch Conference
BT: Strong performance on tough comps
MO: Impressive top-line growth at industry leading margins

Building Technologies (BT)

<table>
<thead>
<tr>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY 17</td>
<td>Q1 FY 18</td>
</tr>
<tr>
<td>flat¹</td>
<td>+5%¹</td>
</tr>
<tr>
<td>1.8</td>
<td>1.7</td>
</tr>
<tr>
<td>1.6</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Profit (€m)

-11%  
-120bps  
8-11%

- Digitalization opportunities materializing
- Strong profitability impacted by cost overruns in ME

Mobility (MO)

<table>
<thead>
<tr>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY 17</td>
<td>Q1 FY 18</td>
</tr>
<tr>
<td>+53%¹</td>
<td>+24%¹</td>
</tr>
<tr>
<td>2.2</td>
<td>1.8</td>
</tr>
<tr>
<td>3.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Q1 FY 17</td>
<td>Q1 FY 18</td>
</tr>
</tbody>
</table>

Profit (€m)

+38%  
+140bps  
6-9%

- Substantial large order wins across all businesses
- Excellent performance on all levels

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

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DF: Digital powerhouse with further market share gains. PD: Order growth and margin expansion highlights in recovery.

### Digital Factory (DF)

**Orders**
- Q1 FY 17: 2.7 €bn
- Q1 FY 18: 3.5 €bn
  - +17%¹

**Revenue**
- Q1 FY 17: 2.6 €bn
- Q1 FY 18: 3.0 €bn
  - +7%¹

**Profit**
- Q1 FY 17: 692 €m
- Q1 FY 18: 606 €m
  - -12%

**Profit margin**
- Q1 FY 17: 27.0%
- Q1 FY 18: 20.1%
  - -670bps

- **Mentor drive top and bottom line**
- **MindSphere effect ~-130bps; Mentor effects ~-80bps**

### Process Industries and Drives (PD)

**Orders**
- Q1 FY 17: 2.1 €bn
- Q1 FY 18: 2.3 €bn
  - +10%¹

**Revenue**
- Q1 FY 17: 2.1 €bn
- Q1 FY 18: 2.0 €bn
  - -1%¹

**Profit**
- Q1 FY 17: 135 €m
- Q1 FY 18: 148 €m
  - +10%

**Profit margin**
- Q1 FY 17: 6.7%
- Q1 FY 18: 7.3%
  - +90bps

- **Process Automation business drives profit**
- **Order growth recovery in commodity related markets**

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

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HC: FX headwind and mix weigh on good execution

SGRE: Integration ongoing – right decisions taken

### Healthineers (HC)

<table>
<thead>
<tr>
<th>Orders</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>€bn</td>
<td></td>
</tr>
<tr>
<td>Q1 FY 17</td>
<td>3.5</td>
</tr>
<tr>
<td>Q1 FY 18</td>
<td>3.4</td>
</tr>
</tbody>
</table>

- **Orders**
  - +2%<sup>1)</sup>

- **Revenue**
  - +2%<sup>1)</sup>

<table>
<thead>
<tr>
<th>Profit</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td></td>
</tr>
<tr>
<td>Q1 FY 17</td>
<td>638</td>
</tr>
<tr>
<td>Q1 FY 18</td>
<td>541</td>
</tr>
</tbody>
</table>

- **Profit**
  - -15%

- **Profit margin**
  - -230bps

- **IPO process well on its way**
- **Successful Capital Market Day**

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

### Siemens Gamesa Renewable Energy (SGRE)

<table>
<thead>
<tr>
<th>Orders</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>€bn</td>
<td></td>
</tr>
<tr>
<td>Q1 FY 17</td>
<td>1.4</td>
</tr>
<tr>
<td>Q1 FY 18</td>
<td>2.9</td>
</tr>
</tbody>
</table>

- **Orders**
  - -24%<sup>1)</sup>

- **Revenue**
  - -10%<sup>1)</sup>

<table>
<thead>
<tr>
<th>Profit</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td></td>
</tr>
<tr>
<td>Q1 FY 17</td>
<td>111</td>
</tr>
<tr>
<td>Q1 FY 18</td>
<td>110</td>
</tr>
</tbody>
</table>

- **Profit**
  - -1%

- **Profit margin**
  - -280bps

- **Large offshore and onshore order wins**
- **Profitability reflects continued onshore price pressure**

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

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Below IB benefits from Osram gain and U. S. tax reform

Below Industrial Business – Q1 FY 2018

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>in €m</td>
<td>2,208</td>
<td>173</td>
<td>605</td>
<td>48</td>
<td>-255</td>
<td>-298</td>
<td>-136</td>
<td>-147</td>
<td>2,199</td>
<td>12</td>
<td>2,211</td>
</tr>
</tbody>
</table>

- €655m gain Osram disposal
- Therein:
  - -€82m Pensions
  - -€174m Corp. Items
- Tax rate@6%
- €437m impact from U. S. tax reform
- €22m Attributable to non controlling interest

Attributable to non controlling interest

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Guidance FY 2018 confirmed

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.

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

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Siemens Healthineers (HC) - Facts and Figures

Market
- Sustained growth above GDP
- Healthcare system (€7tr)
- Addressable market (2016)
- CAGR 2016-21

Strategic priorities: Capture short-term potential and ensure market leadership beyond 2025
- Mid-term
- New growth

Key figures
(as reported in millions of € except where otherwise stated; before adoption of IFRS 15)

<table>
<thead>
<tr>
<th>Fiscal 2017</th>
<th>Fiscal 2016</th>
<th>Comp. Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>14,218</td>
<td>13,830</td>
</tr>
<tr>
<td>Revenue</td>
<td>13,789</td>
<td>13,535</td>
</tr>
<tr>
<td>Profit</td>
<td>2,490</td>
<td>2,325</td>
</tr>
<tr>
<td>Profit Margin</td>
<td>18.1%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>2,153</td>
<td>2,154</td>
</tr>
<tr>
<td>Employees</td>
<td>47,800</td>
<td>46,200</td>
</tr>
</tbody>
</table>

Portfolio/Technology
- Imaging
- Diagnostics
- Advanced Therapies

Main Competitors
- Philips
- Roche
- Abbott

1) Figures for Imaging and Advanced Therapies for equipment only; Service included in Value Added Services market.
2) Diagnostics market includes Lab Diagnostics, POC Diagnostics and Molecular Diagnostics.
Siemens Healthineers
Clear agenda to drive earnings growth – mid-term goals

<table>
<thead>
<tr>
<th>Top line growth</th>
<th>Margin expansion</th>
<th>Cash generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Imaging: Further expanding market and innovation leadership</td>
<td>• Process efficiency and structural cost improvements</td>
<td>• Trade working capital and cash focused management</td>
</tr>
<tr>
<td>• Diagnostics: Fully capitalizing on Atellica over time</td>
<td>• Continuous productivity improvements</td>
<td>• Maintain high FCF conversion</td>
</tr>
<tr>
<td>• Advanced Therapies: Long-term growth driven by minimally invasive procedures</td>
<td>• Long-term boost expected from new performance level in Diagnostics</td>
<td>• Disciplined capital allocation incl. targeted bolt-on M&amp;A</td>
</tr>
</tbody>
</table>

**Mid-term comp. revenue growth target**

<table>
<thead>
<tr>
<th>Year</th>
<th>Imaging</th>
<th>Mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.7%</td>
<td>4-6%</td>
</tr>
</tbody>
</table>

**Mid-term profitability\(^1\) targets**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imaging</td>
<td>20-22%</td>
</tr>
<tr>
<td>Adv. Therapies</td>
<td>20-22%</td>
</tr>
<tr>
<td>Diagnostics</td>
<td>16-19%</td>
</tr>
</tbody>
</table>

**Dividend policy**

<table>
<thead>
<tr>
<th>EPS(^2)</th>
<th>DPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>50-60%</td>
<td></td>
</tr>
</tbody>
</table>

**Capital structure**

**Solid investment grade rating as a minimum**

Note: Comparable growth defined as growth net of currency translation effects and portfolio effects.

1) Margin of earnings before financing interest, certain pension costs, income taxes and amortization expenses of intangible assets acquired in business combinations, adj. for severance.

2) Dividend policy refers to 50-60% of (reported) net income.
Siemens Gamesa Renewable Energy - Facts and Figures

Market

<table>
<thead>
<tr>
<th>Year</th>
<th>Onshore</th>
<th>Offshore</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>2020</td>
<td>57</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

Average annual installations (in GW) 3 year average applied
CAGR 40 to 48%

Source: 1) MAKE Q4 2017 2) SGRE estimates 3) MAKE O&M Report 2017 4) 3 year average with the year before and after to avoid big yearly variations

Portfolio/Technology

- **Onshore**: #4 in global Onshore market
- **Offshore**: #1 in global Offshore market
- **Service**: #2 in service backlog & in serviced fleet size 83GW installed base

SGRE on track to global leadership

- Attractive and competitive market environment where SGRE is well positioned to become the leader
- Only wind company that integrates all three facets of wind business
- Merger rationale clearly confirmed with synergy target increased and accelerated
- L3AD2020 program launched with focus on four areas: Transformation (costs), Growth, Technology & Digitalization and Change Management
- ~2 €B L3AD2020 cost reduction target by 2020 with focus on Product Affordability, Operations and SG&A
- Financial targets to outgrow the market, commitment to 8-10% EBIT margin excl. PPA, integration and restructuring costs

Key figures

<table>
<thead>
<tr>
<th></th>
<th>Fiscal 2017</th>
<th>Fiscal 2016</th>
<th>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

Main Competitors

- Siemens Gamesa Renewable Energy
- Vestas
- GE
- Senvion
- Nordex

Unrestricted © Siemens AG 2018
Page 24 London, March 22, 2018

Bank of America Merrill Lynch Conference
SGRE has set clear profitable growth targets for 2020

- **Top line growth:** faster than the market in MW and EUR
- **8-10% EBIT** margin excl. PPA, integration and restructuring costs
- **CAPEX < 5% of sales**
- **Positive cash flow** generation every year
- **8-10% ROCE:** enhance capital efficiency
- **25% of net income as dividend policy**
SGRE Guidance FY18
Explanation of different profit definitions at SGRE and SAG to be considered in models

FY18 Guidance (in €m)

SGRE disclosure (as of Jan 30, 2018)

<table>
<thead>
<tr>
<th>MM €</th>
<th>Q1 2018</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>2.127</td>
<td>9,000-9,600</td>
</tr>
<tr>
<td>EBIT (pre-PPA, restructuring and integration costs)</td>
<td>133</td>
<td>c. 700</td>
</tr>
<tr>
<td>EBIT margin (pre-PPA, restructuring and integration costs)</td>
<td>6.3%</td>
<td>7% to 8%</td>
</tr>
<tr>
<td>Working capital to Sales</td>
<td>-1.4%</td>
<td>-3% to +3%</td>
</tr>
<tr>
<td>Capex</td>
<td>83</td>
<td>500</td>
</tr>
</tbody>
</table>

- C.80% coverage of onshore volumes and c.100% coverage of offshore volumes at December 31, 2017
- Low double-digit onshore price deflation included in the FY18 guidance in line with market trends and Q4 order intake
- Synergies of 1.6% of revenues targeted by YE 2018 included in margin expectations
- Guidance range reflects regional market volatility including an earlier than expected recovery of India, and speed of synergies
- Estimated impact of PPA amortization of intangible fair value of €321 mn for FY 18: €83 mn in Q1 18
- Expected integration and restructuring costs of €160 mn in FY 2018: €15 mn in Q1 18
- All guidance at constant FX rates
- Quarterly seasonality: weaker H1 vs. stronger H2 driven by project timing and supported by cost optimization programs and expected synergy delivery in H2
- This outlook excludes charges related to legal and regulatory matters

Source: SGRE Q1 18 presentation
Financial calendar

**March**
- **March 22, 2018**
  Bank of America Merrill Lynch Conference (London)
- **March 27, 2018**
  Siemens U.S. Innovation Day (Chicago)

**May**
- **May 9, 2018**
  Q2 Earnings Release; Roadshow UK (London)
- **May 16, 2018**
  Roadshow Germany (Frankfurt)
- **May 29 - 30, 2018**
  Roadshow Canada and US; Bernstein Conference (New York)

**June**
- **June 12, 2018**
  Exane Conference (Paris)
- **June 15, 2018**
  JP Morgan Conference (London)
Investor Relations contacts

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