Notes and forward-looking statements

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as “expect,” “look forward to,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project” or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens’ management, of which many are beyond Siemens’ control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens’ net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.
## FY 2018 - Siemens by the numbers

### Industrial Business (IB) Revenue | Profit margin

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Revenue (€bn)</th>
<th>Profit (€bn)</th>
<th>Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power and Gas</td>
<td>€12.4bn</td>
<td>€12.3bn</td>
<td>8.2%</td>
</tr>
<tr>
<td>Building Technologies</td>
<td>€6.6bn</td>
<td>€8.8bn</td>
<td>10.0%</td>
</tr>
<tr>
<td>Digital Factory</td>
<td>€12.9bn</td>
<td>€8.8bn</td>
<td>5.9%</td>
</tr>
<tr>
<td>Energy Management</td>
<td>€13.4bn</td>
<td>€9.1bn</td>
<td>5.3%</td>
</tr>
<tr>
<td>Mobility</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process Industries and Drives</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### FY 2018 Revenue and Profit Highlights

- **Revenue**: €83.0bn
- **IB Profit**: €8.8bn (11.3% margin)
- **Net income**: €6.1bn
- **EPS**: €7.88

1) excluding severance

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Page 3 New York, January 15, 2019

Commerzbank German Investment Seminar
VISION 2020 executed ahead of time

VISION 2020 executed

- Strengthen core
- Scale up
- Drive performance

Ownership culture: >300,000 employee shareholders

Guidance to market

VISION 2020 executed ahead of time

Ongoing cost productivity

Guidance to market

FY 2014 FY 2015 FY 2016 FY 2017 FY 2018

~€4bn ~€4bn ~€4bn

~5% ~5% ~5%

FY 2016 FY 2017 FY 2018

Improved gross margin

+130bps

FY 2014 FY 2018

28.6% 29.9%

Project charges (€bn)

No net impact

FY 2014 Ø FY07 - FY15 FY 2016 FY 2017 FY 2018

-0.7 -0.2

No net impact

Ownership culture

# of employee shareholders (in thousand)

2014 2015 2016 2017 2018

140 144 153 165 >300

>2x

2014 2015 2016 2017 2018

~5% ~5% ~5%
Significant investments into Innovation and Go-2-market

Research & Development in €bn

- FY 2013: 4.0
- FY 2018: 5.6
- Increase: +39%

Investments (CAPEX) in €bn

- FY 2013: 2.2
- FY 2018: 3.2
- Increase: +47%

Sales expenditures in €bn

- FY 2013: 8.5
- FY 2018: 10.4
- Increase: +22%
VISION 2020 delivered reliable shareholder returns

Continued dividend increase

Outperforming DAX

Successful share buyback continued

1) pending on AGM approval in January
2) includes dividend reinvest
### Siemens (targets over the cycle)

#### Growth Siemens
- Comparable revenue growth: 4 – 5%

#### Capital efficiency
- ROCE: 15 – 20%

#### Industrial Businesses margin
- 11 – 15%

#### Cash conversion
- Cash conversion rate (CCR): 1 – growth rate

#### Dividend payout ratio
- 40 – 60%

### Operating Companies

<table>
<thead>
<tr>
<th>Adj. EBITA margin ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gas and Power</strong></td>
</tr>
<tr>
<td>8 – 12%</td>
</tr>
<tr>
<td><strong>Smart Infrastructure</strong></td>
</tr>
<tr>
<td>10 – 15%</td>
</tr>
<tr>
<td><strong>Digital Industries</strong></td>
</tr>
<tr>
<td>17 – 23%</td>
</tr>
</tbody>
</table>

### Strategic Companies

<table>
<thead>
<tr>
<th>Adj. EBITA margin ranges – Siemens expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Siemens Healthineers</strong></td>
</tr>
<tr>
<td>17 – 21%</td>
</tr>
<tr>
<td><strong>Siemens Gamesa R. E.</strong></td>
</tr>
<tr>
<td>7 – 11%</td>
</tr>
<tr>
<td><strong>Siemens Alstom</strong></td>
</tr>
<tr>
<td>8 – 12%</td>
</tr>
</tbody>
</table>

### Service Company

<table>
<thead>
<tr>
<th>Financial Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 – 22%</td>
</tr>
</tbody>
</table>

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1) Based on continuing and discontinued operations; 2) Long-term goal; currently ROCE burdened by significant M&A; 3) EBITA adjusted for operating financial income, net and amortization of intangible assets not acquired in business combinations; 4) Based on Industrial Businesses and comparable revenue growth; 5) Of net income attributable to Siemens shareholders excluding exceptional non-cash items; 6) Siemens Alstom closing pending; 7) Return on equity after tax
VISION 2020+ key principles

**Focus**

- Embrace entrepreneurial freedom - best in industry
- Support functions part of Operating Companies
- Transactional services bundled in Global Business Services

**Accountability**

- Dedicated responsibility and accountability
- Clearly defined impact and ambitious financial targets

**Adaptability**

- From a “one size fits all” to a purpose-driven and market-focused approach
- “Impact over policy” – lean governance
What’s on the CEO’s mind for 2019?

- Deliver on our promises – despite geopolitical volatility
- Focus the company to create stakeholder value
- Shape the opportunities of the new industrial world
- Create a purpose driven organization
VISION 2020+
Operating model based on purpose and ownership culture

Purpose

Businesses
- GP
- SI
- DI
- S-A
- SGRE
- SHS

Regions
- Siemens Operations
- Regional Hubs
- Lead Countries

Services
- Financial Services
- Global Business Services
- Real Estate Services

Governance
- Governance & Markets
- Communications
- Human Resources
- Legal and Compliance
- Finance

Corporate Development
- next47
- Internet of Things
- Corporate Technology

1) Portfolio Companies
2) Depending on anti-trust approval

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VISION 2020+
Focus and growth drive value creation

Drivers

- Core markets: business focus leads to market share gains
- Adjacent markets: tapping growth fields driving structural growth
- Enhancing business mix drives margin quality
- Operating Companies drive support function optimization
- New performance levels at Strategic Companies
- Fix POC businesses
- Optimization of Service Companies
- Corporate Development will be impact-driven
- Lean Corporate governance sets the frame

Mid-term impact

| Accelerated comp. revenue growth | + 2 ppts CAGR |
| Margin lift at Industrial Businesses | + 2 ppts |
| EPS growth<sup>1)</sup> | > revenue growth |

1) on constant minority shareholdings
Tangible KPIs will define success

<table>
<thead>
<tr>
<th>GOAL</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Grow company value</td>
<td>• Margin lift at Industrial Businesses + 2 ppts</td>
</tr>
<tr>
<td></td>
<td>• EPS growth &gt; revenue growth&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>2 Sharpen business focus in E-A-D</td>
<td>• Accelerated comparable revenue growth + 2 ppts CAGR</td>
</tr>
<tr>
<td>3 Be a partner of choice for our customers</td>
<td>• &gt; 20% improvement in customer satisfaction index</td>
</tr>
<tr>
<td>4 Get closer to our markets</td>
<td>• &gt; 50% of business HQs outside Germany</td>
</tr>
<tr>
<td>5 Live lean governance and drive continuous optimization</td>
<td>• &gt;20% efficiency improvement of support functions in scope</td>
</tr>
<tr>
<td></td>
<td>• Global Business Services efficiency: +10-20% (fully operable)</td>
</tr>
<tr>
<td>6 Be an employer of choice</td>
<td>• Approval rating in employee surveys for specific topics (e.g. diversity)</td>
</tr>
<tr>
<td>7 Ignite pride and passion for Siemens through Ownership Culture</td>
<td>• Approval rating in employee surveys for specific topics (e.g. leadership)</td>
</tr>
</tbody>
</table>

<sup>1</sup> on constant minority shareholdings

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New York, January 15, 2019
We expect a **continued favorable market environment**, particularly for our short-cycle businesses, with **limited risks related to geopolitical uncertainties**.

For fiscal 2019, we expect **moderate growth in revenue**, net of currency translation and portfolio effects. We further 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 **based on our current organizational structure, excluding severance charges**.

Furthermore we expect **basic EPS from net income in the range of €6.30 to €7.00 also excluding severance charges**.

This outlook excludes charges related to legal and regulatory matters and post-closing results from combining our mobility business with Alstom SA, which we expect to close in the first half of calendar 2019.
Financial calendar

January 2019

January 15, 2019
Commerzbank German Investment Seminar (New York)

January 30, 2019
Q1 Earnings Release and AGM

February 2019

March 20, 2019
Bank of America Merrill Lynch Conference (London)
## Investor Relations contacts

**Investor Relations**

<table>
<thead>
<tr>
<th>Internet:</th>
<th><a href="http://www.siemens.com/investorrelations">www.siemens.com/investorrelations</a></th>
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<td><a href="mailto:investorrelations@siemens.com">investorrelations@siemens.com</a></td>
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<td>Telefon:</td>
<td>+49 89 636-32474</td>
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<tr>
<td>Fax:</td>
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