Vision 2020+
Raising the bar
Ralf P. Thomas, CFO
Bank of America Merrill Lynch Conference
London | March 20, 2019
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.
Vision 2020 delivered reliable shareholder returns

Continued dividend increase

- Total return includes dividend reinvest

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>€3.30</td>
<td>€3.50</td>
<td>€3.60</td>
<td>€3.70</td>
<td>€3.80</td>
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+4% CAGR

Successful share buyback continued

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</thead>
<tbody>
<tr>
<td>Amount</td>
<td>€2.9</td>
<td>€4.0</td>
<td>€3.0</td>
<td>€3.0</td>
</tr>
</tbody>
</table>

Outperforming DAX

- +51% 1)
- DAX: +40%

1) Total return includes dividend reinvest
We are raising the bar with Vision 2020+

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
Company set-up with clear entrepreneurial focus…

Operating Companies
Gas and Power
Smart Infrastructure
Digital Industries

Strategic Companies
Mobility
Gamesa
Healthineers

Service Companies
Financial Services
Global Business Services
Real Estate Services
### Siemens (targets over the cycle)

#### Growth Siemens
- **comparable revenue growth**
  - 4 – 5%

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

### Industrial Businesses margin
- **11 – 15%**
  
#### Capital structure
- **Industrial net debt/EBITDA**
  - up to 1.0x

### Cash conversion (CCR)
- **FCF IB / Adj. EBITA IB**
  - CCR = 1 – comp. 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>
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<tr>
<td>8 – 12%</td>
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<tr>
<td><strong>Smart Infrastructure</strong></td>
</tr>
<tr>
<td>10 – 15%</td>
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<tr>
<td><strong>Digital Industries</strong></td>
</tr>
<tr>
<td>17 – 23%</td>
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</tbody>
</table>

### Strategic Companies

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

<table>
<thead>
<tr>
<th>RoE</th>
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<tbody>
<tr>
<td>15 – 22%</td>
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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; margin ranges for Siemens Healthineers and Siemens Gamesa R.E. reflect Siemens expectations; 4) Of net income attributable to Siemens shareholders excluding exceptional non-cash items; 5) Return on equity after tax

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Significant growth deceleration but economic activity still solid

Continued softening of sentiment…

PMI Manufacturing

Growth slows but still above long term trends
Uncertainty around free trade

Significant growth deceleration
Ambiguity due to Brexit

Further moderation of industrial growth rates
Government stimulus to support economy
Accommodative monetary & fiscal environment
Reform agenda supports investment activity

Macroeconomic environment

Global GDP growth projection, % y/y

Sources: IHS Markit, ISM
What’s on CFO’s agenda for 2019?

- Deliver on our promises
- Focus on cash generation
- Ensure disciplined capital allocation
Financial calendar

**May**
- **May 8, 2019**
  - Q2 Earnings Release
  - Siemens Vision 2020+ Capital Market Day
- **May 13, 2019**
  - Roadshow (Frankfurt)
- **May 14, 2019**
  - Roadshow (Paris)
- **May 20, 2019**
  - EPG Conference (Miami)

**June**
- **June 13, 2019**
  - JPM Conference (London)

**August**
- **August 1, 2019**
  - Q3 Earnings Release
## Investor Relations Contacts

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