Vision 2020+
Execution and next steps
Joe Kaeser, President and CEO
EPG I Miami, May 20, 2019

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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, should decisions, assessments or requirements of regulatory authorities deviate from our expectations, 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.

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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+
Raising the bar

Anticipate markets and trends

Transformation

Ultimate value creation
Leading in all businesses

#RaisingTheBar
Focus
Accountability
Adaptability

Key: Foster Ownership Culture and strengthen entrepreneurial focus
New structure in place – entrepreneurial freedom for businesses

Vision 2020+ new structure

Mid-term target

- Accelerated comp. revenue growth: + 2 ppts. CAGR
- Margin lift at Industrial Business: + 2 ppts.
- EPS growth\(^1\): > revenue growth

\(^1\) on constant minority shareholdings
Ambitious targets of Vision 2020+ reflected in updated Financial Framework

Siemens (targets over the cycle)

<table>
<thead>
<tr>
<th>Operating Companies</th>
<th>Strategic Companies</th>
<th>Service Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITA margin ranges</td>
<td>Adj. EBITA margin ranges</td>
<td>RoE</td>
</tr>
<tr>
<td>Digital Industries</td>
<td>Mobility</td>
<td>Financial Services</td>
</tr>
<tr>
<td>17 – 23%</td>
<td>9 – 12%</td>
<td>17 – 22%</td>
</tr>
<tr>
<td>Smart Infrastructure</td>
<td>Siemens Healthineers</td>
<td>Siemens Gamesa R. E.</td>
</tr>
<tr>
<td>10 – 15%</td>
<td>17 – 21%</td>
<td>7 – 11%</td>
</tr>
<tr>
<td>Gas and Power</td>
<td>Siemens Gamesa R. E.</td>
<td></td>
</tr>
<tr>
<td>8 – 12%</td>
<td>Financial Services</td>
<td></td>
</tr>
</tbody>
</table>

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 expectation; 4) Of net income attributable to Siemens shareholders excluding exceptional non-cash items; 5) Return on equity after tax

Update as of May 2019
Creating a unique Energy and Power company – Focused resource allocation offers attractive opportunities

NewCo¹)

- ~€30bn Orders
- ~€70bn Order backlog
- ~€27bn Revenue
- ~4% Adj. EBITA Margin
- ~88,000 Employees

Vertical revenue split

Conventional Generation 35%
Oil & Gas 11%
Grid 21%
Renewable Energy SGRE 33%

1. Focus: Optimize resource allocation
2. Accountability: Capital Market and anchor investors with Energy and Power
3. Adaptability: Unique offering in both conventional and renewable energy
4. Transformation: Deconsolidation, >25% to <50% remaining and transfer of all SGRE shares
5. Value creation:
   - 2018 Revenue growth -8%²)
   - 2023e Revenue growth 2-3%³)
   - Adj. EBITA Margin ~4%
   - 8-12%

¹) Figures FY18 pro forma
²) Comparable growth FY17-FY18
³) CAGR FY19-FY23

Transfer of all SGRE shares to NewCo;
Partial GP spin-off until Sept. 2020

Focus
Simplification
Resource allocation

Unrestricted © Siemens 2019 1) Figures FY18 pro forma
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Gas & Power / SGRE: Timeline

- Carve-out concept per country
- Local Asset Transfer Agreement signed
  - GP Carve-out effectiveness; Transfer of all SGRE shares
- Preparation IFRS Audit
- Spin-off Agreement and Report
- Preparation of Equity Story
- Preparation of Prospectus
- Extraordinary General Meeting
- Local Asset Transfer Agreement signed
- Preparation of Equity Story
- Preparation of Prospectus
- Spin-off Agreement and Report
- Preparation IFRS Audit
- Carve-out concept per country

- Today
- April 2020
- June 2020
- July 2020
- Sept. 2020
- Road-show
- Listing
Vision 2020+ improves transparency and creates accountability & efficiency

Headcount
~40,000

Nucleus for new business
~6,500
~1,500
~7,500
~3,000
~3,000
~6,000
~12,500
~2,500
~7,500
~2,500

Support Functions in scope:

Savings:
€500m until FY23,
(60% until FY21)

>20% reductions

Pooled but "demand-based", e.g.

• Legal
• Finance
• HR
• SCM

10% / 20% service efficiency
1,400 until FY21
1,100 until FY23

Corporate Core and Services before Vision 2020+

Operating Companies
Corporate Technology R&D
IoT
Portfolio Companies
Real Estate Services
Global Business Services
Governance and Support Functions in scope
(As of April FY19)

Governance
Reductions "Corporate Operations"
Lean Governance

Transferred to...

- Operating Companies
- Corporate Technology R&D
- IoT
- Portfolio Companies
- Real Estate Services
- Global Business Services
- Governance
- "Corporate Operations"
- Lean Governance

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## Significant cost measures as base for ambitious margin expansion

### Cost optimization

<table>
<thead>
<tr>
<th>Operating Companies</th>
<th>Digital Industries</th>
<th>Smart Infrastructure</th>
<th>Gas and Power</th>
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</thead>
<tbody>
<tr>
<td>~ €320m by FY 2023</td>
<td>~ €300m by FY 2023</td>
<td>~ €1,000m by FY 2023</td>
<td></td>
</tr>
<tr>
<td>(50% by 2021)</td>
<td>(50% by 2021)</td>
<td>(70% by 2021)</td>
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</tr>
<tr>
<td>Restru. cost ~ €300m</td>
<td>Restru. cost ~ €300m</td>
<td>Restru. cost tbd</td>
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</tbody>
</table>

### Global Business

<table>
<thead>
<tr>
<th>Services efficiency</th>
<th>~ €90m by FY 2021</th>
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</thead>
<tbody>
<tr>
<td>Restru. cost ~ €70m</td>
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### Lean and effective governance

| ~ €500m by FY 2023 (60% by 2021) |
| Restru. cost ~ €400m |

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1) Includes ~ €500m savings from current program PG2020; ~ €370m severance charges booked in FY 2018.
Further transformation on the path to ultimate value creation

Performance | Mid-term target 2021 | Long-term target
---|---|---
Comp. Revenue Growth | 1.6%\(^1\) | 4 - 5% | ✔
Adj. IB EBITA Margin | 10.6%\(^1\) | 11 - 15% | 14 - 18%
ROCE | 13.3%\(^1\)\(^2\) | 15 - 20% | ✔
EPS | €6.30 - €7.00 | ΔEPS > Growth | ✔

\(^1\) Adjusted for special items, \(^2\) Adjusted for special items and equity under IFRS 15.
Why to invest in Siemens:
Clear roadmap to ultimate value creation

1. **Accountable** – New structure, entrepreneurial freedom, growth acceleration and margin expansion
2. **Adaptable** – Optionality for Mobility; Healthineers well positioned to shape their markets
3. **Stringent** – PE like operational improvement for Portfolio Companies
4. **Focused** – Carve-out and partial spin of GP, transfer of all SGRE shares: Simplification of Siemens portfolio – strategic flexibility for GP
5. **Innovative** – Continued invest to shape future technologies
6. **Lean** – Optimized governance and support functions
7. **Ambitious** – Transformation leads to higher performance level
# Financial calendar

<table>
<thead>
<tr>
<th>May</th>
<th>June</th>
<th>August</th>
</tr>
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<tbody>
<tr>
<td>May 20, 2019</td>
<td><strong>June 05, 2019</strong></td>
<td><strong>August 1, 2019</strong></td>
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<tr>
<td>EPG Conference (Miami)</td>
<td>Swiss Roadshow (Zurich)</td>
<td>Q3 Earnings Release</td>
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<tr>
<td></td>
<td><strong>June 13, 2019</strong></td>
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<td></td>
<td>JPM Conference (London)</td>
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## Investor Relations contacts

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Internet:</td>
<td><a href="http://www.siemens.com/investorrelations">www.siemens.com/investorrelations</a></td>
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<td>E-Mail:</td>
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<td>Fax:</td>
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</tbody>
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