

Vision 2020+

Execution and next steps

Joe Kaeser, President and CEO
Capital Market Day I Munich, May 08, 2019

Notes and forward-looking statements

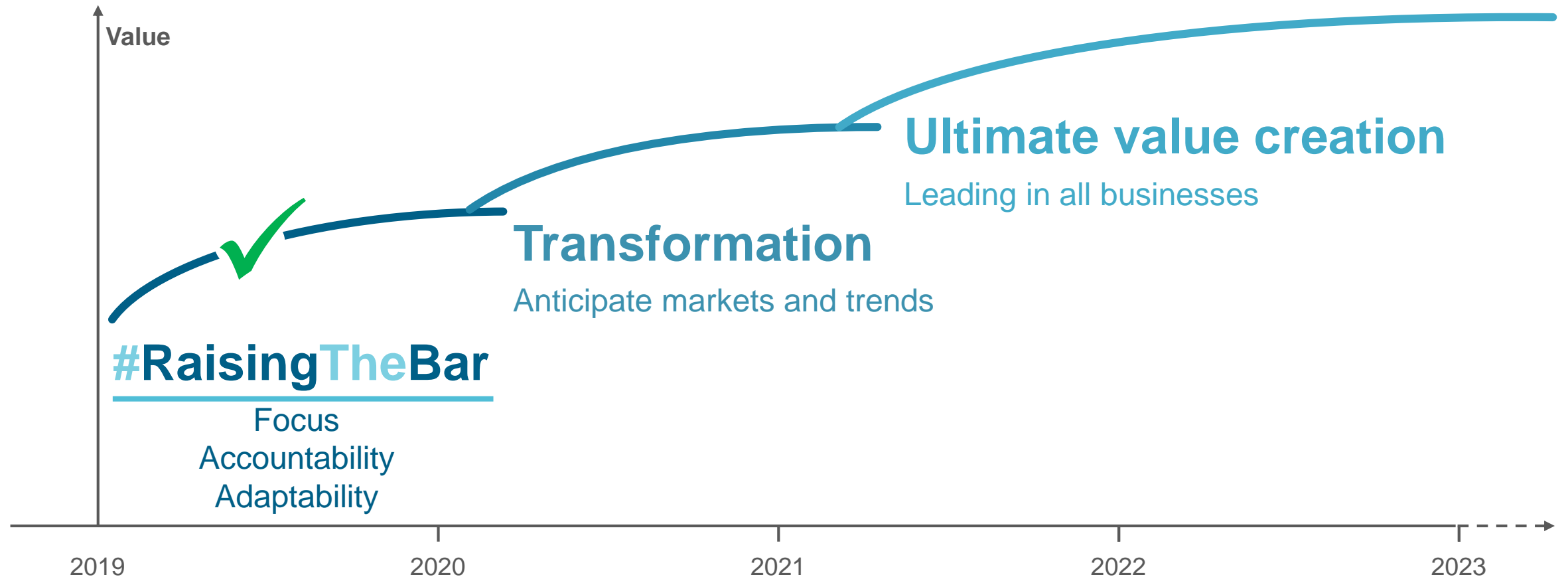


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Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

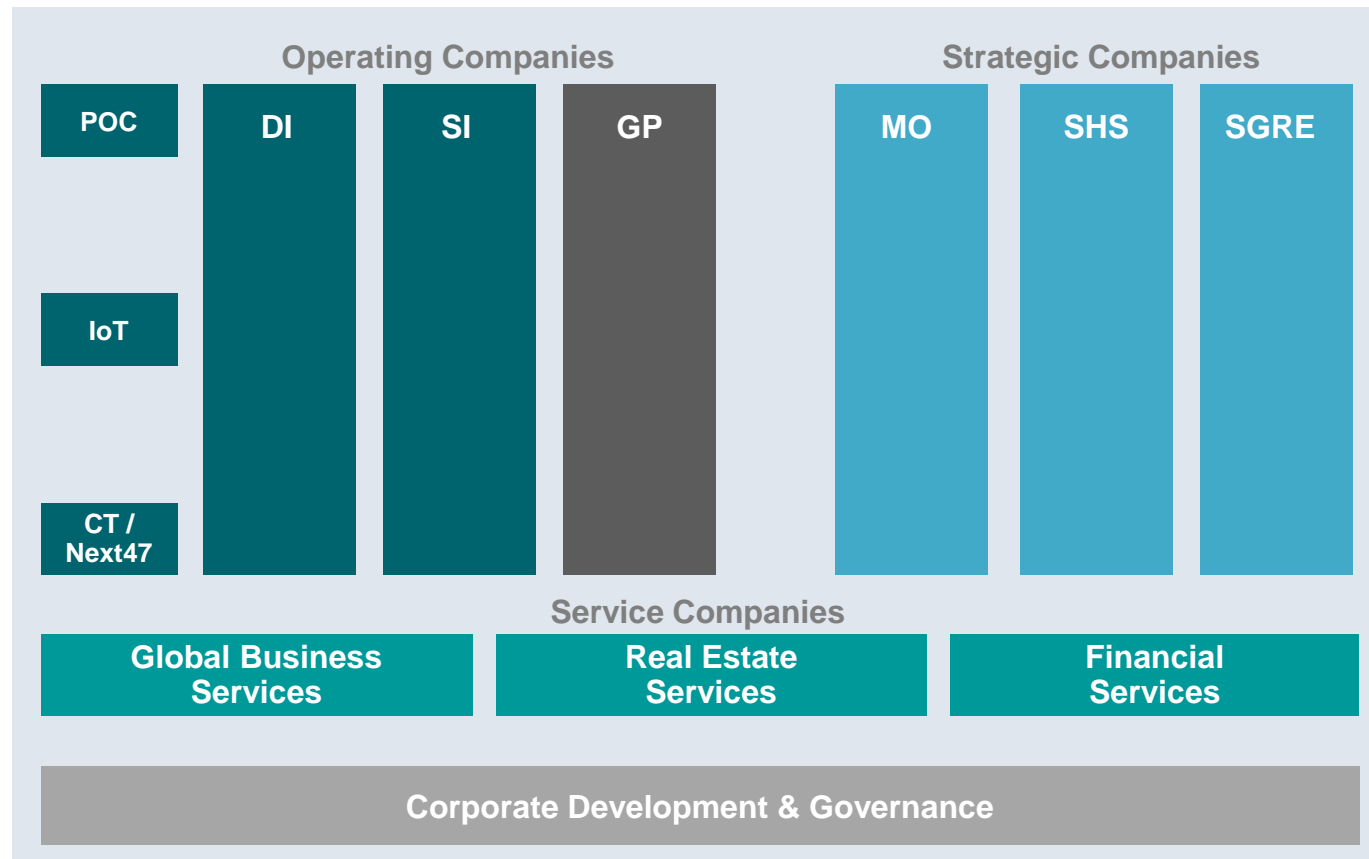
Vision 2020+ Raising the bar



Key: Foster Ownership Culture and strengthen entrepreneurial focus

New structure in place – entrepreneurial freedom for businesses

Vision 2020+ new structure



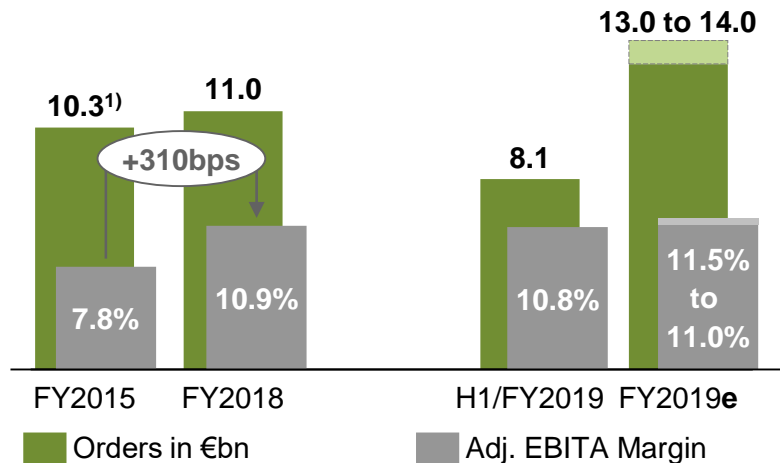
Mid-term target

Accelerated comp. revenue growth	+ 2 ppts. CAGR
Margin lift at Industrial Business	+ 2 ppts.
EPS growth ¹⁾	> revenue growth

1) on constant minority shareholdings

Strategic Company Mobility: Ideally positioned to create value

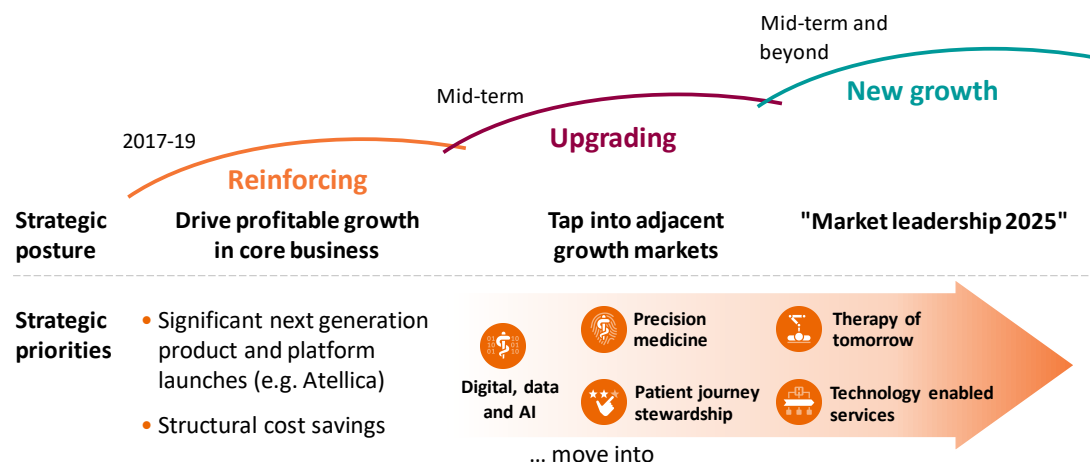
Most diversified & integrated mobility business



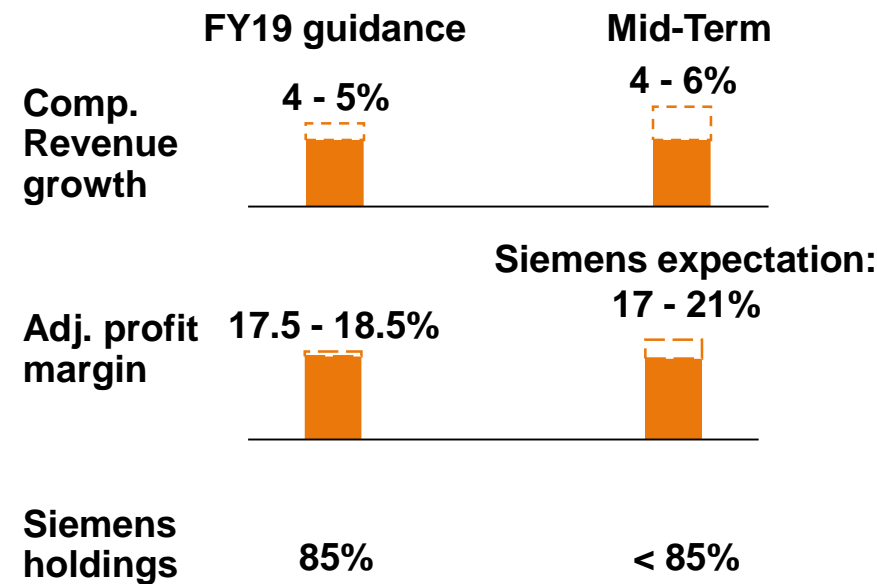
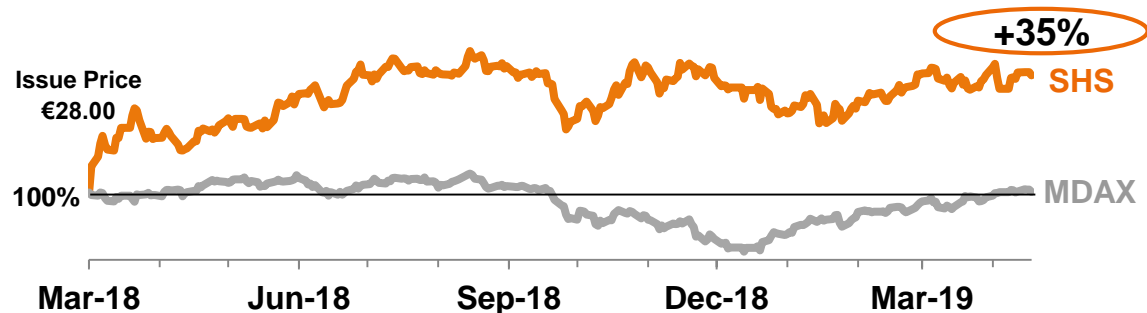
- Strong management team in place
- Geared for sustainable growth driving backlog of €33bn
- Delivering industry leading margins in attractive growth market
- Benefits from excellent Siemens position in digitalization and global reach
- Focused and independent set-up creates optionality

Siemens Healthineers (SHS) – Ideally positioned to shape the future of healthcare

1 Convincing "Strategy 2025"



2 Creating value for shareholders (Share Price)



Siemens expectations:

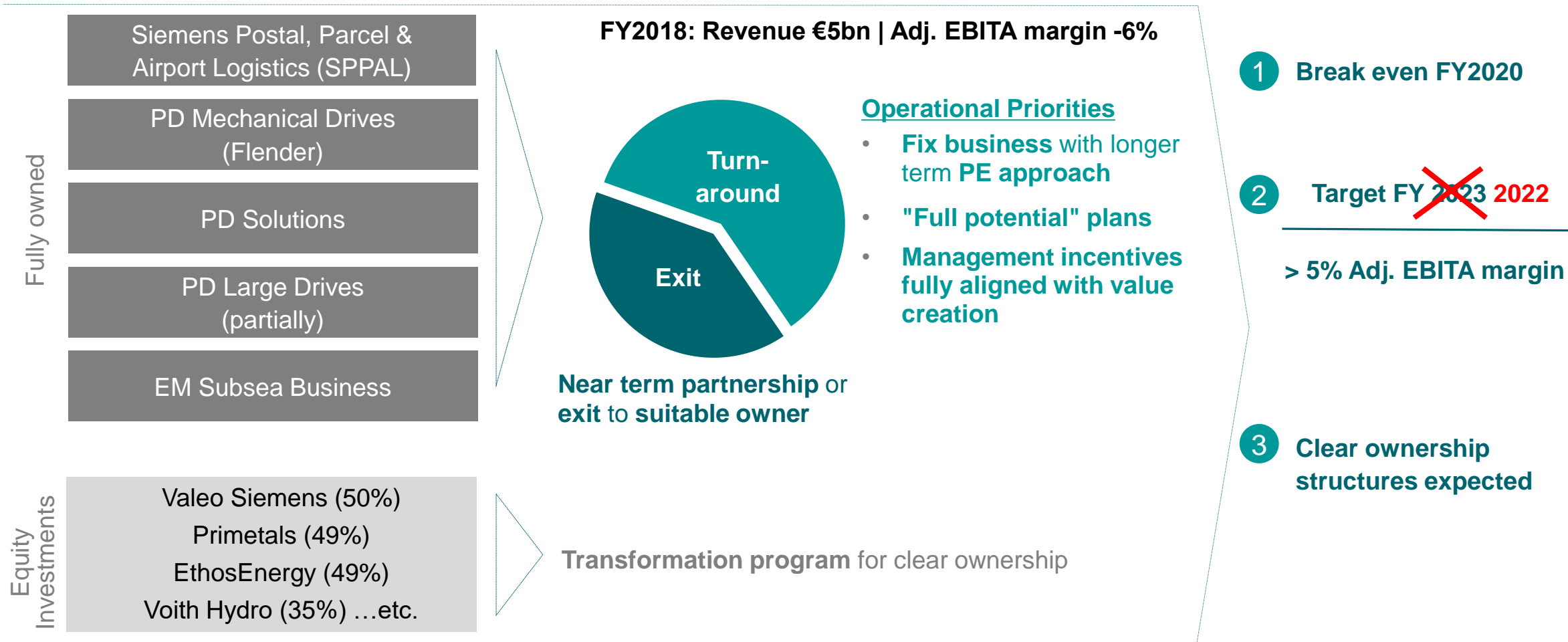
- Successful Atellica roll-out
- Expand lead in Imaging, Advanced Therapies and Digital Data / AI
- Continue to create shareholder return

Portfolio Companies: Expect focus and accountability

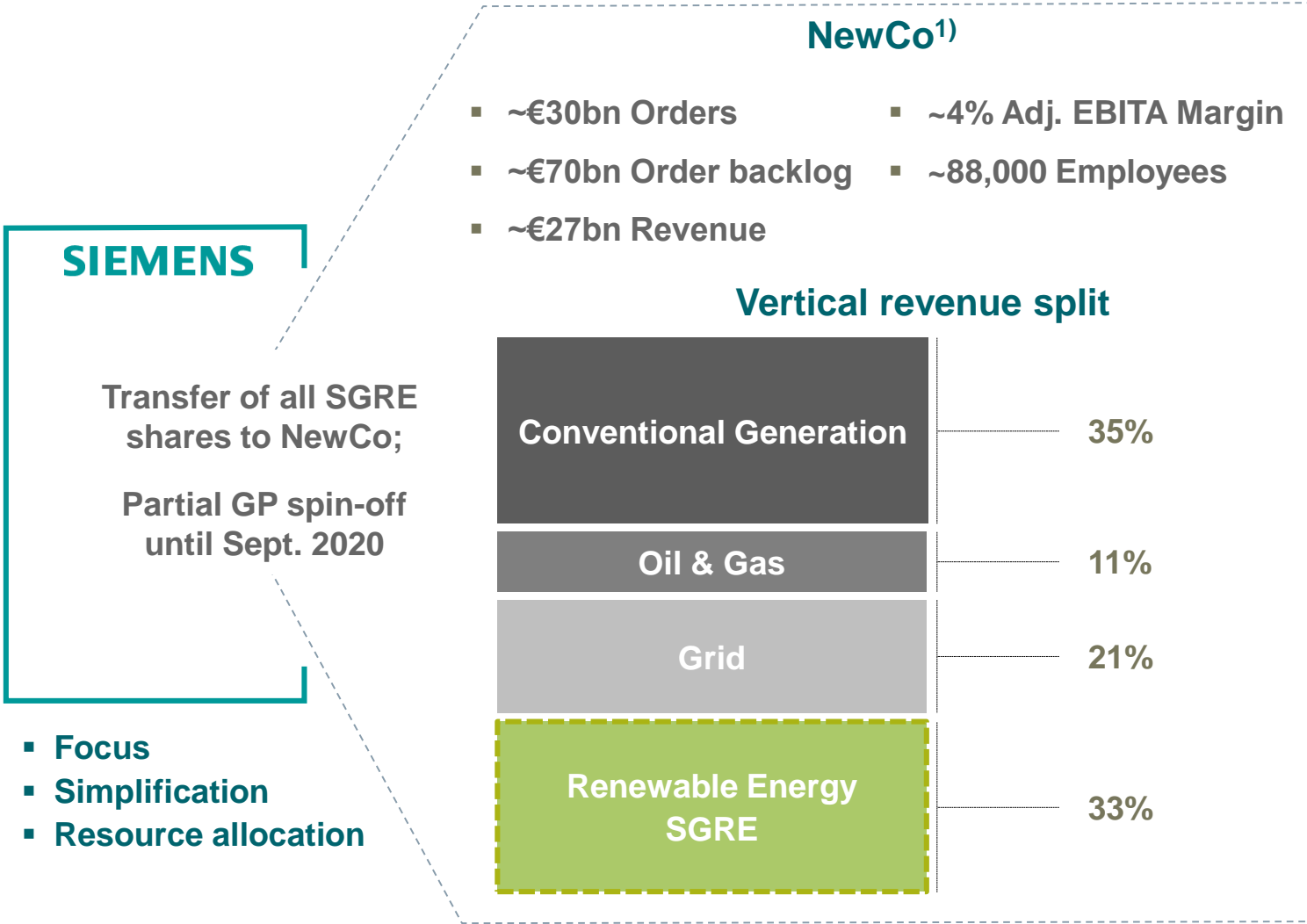
Margin expansion to >5% already in 2022

Portfolio Companies (POC)

Improvement plan FY 2019 – 2022



Creating a unique Energy and Power company – Focused resource allocation offers attractive opportunities



1. **Focus:**
Optimize resource allocation

2. **Accountability:**
Capital Market and anchor investors with Energy and Power

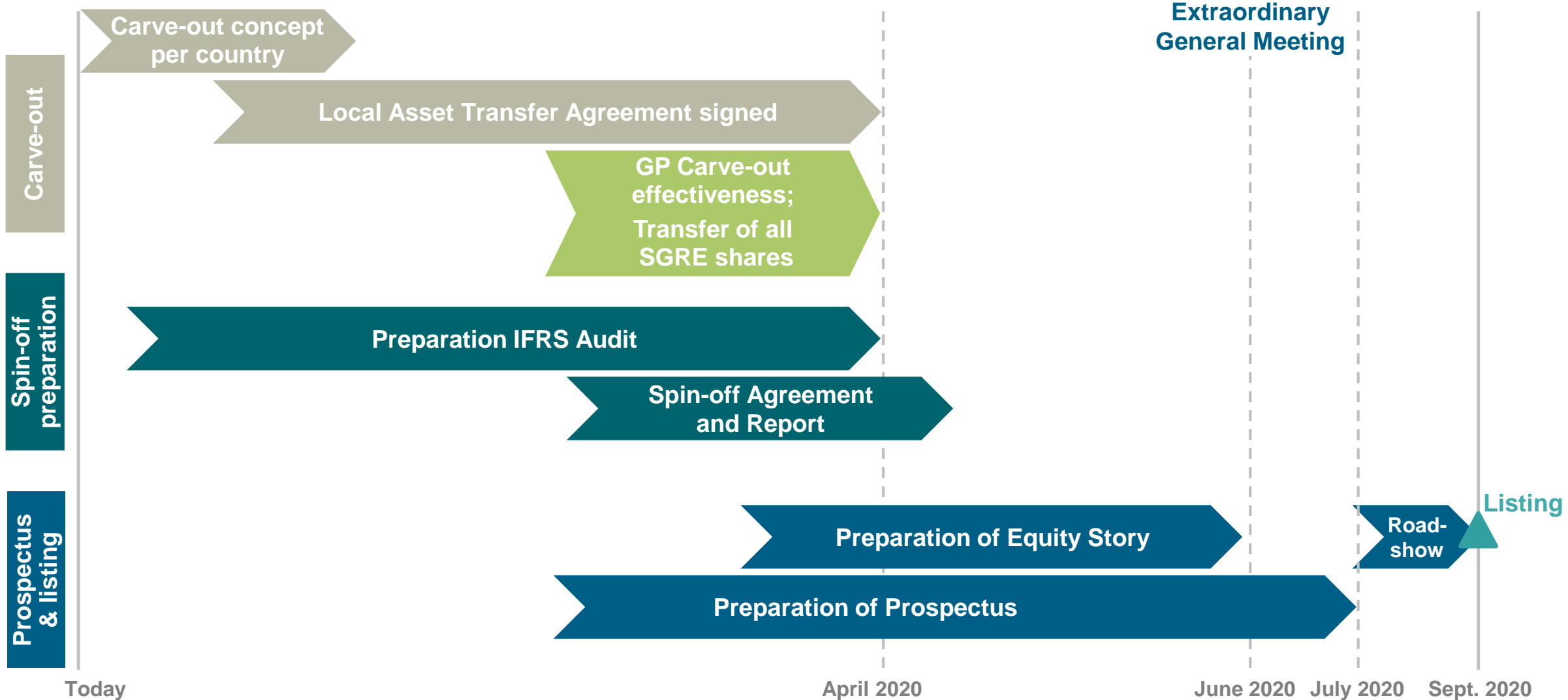
3. **Adaptability:**
Unique offering in both conventional and renewable energy

4. **Transformation:**
Deconsolidation, >25% to <50% remaining and transfer of all SGRE shares

5. **Value creation:**

	2018	2023e
Revenue growth	-8% ²⁾	2-3% ³⁾
Adj. EBITA Margin	~4%	8-12%

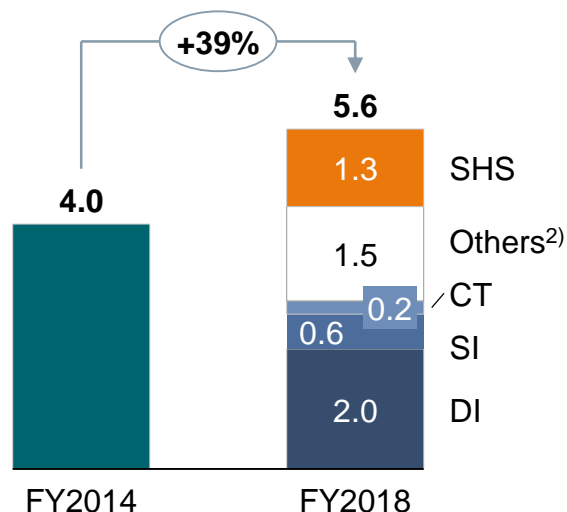
Gas & Power / SGRE: Timeline



Innovation is key for organic value creation

Increased research and development

R&D investment, in €bn



**Research & Predevelopment:
14 Company Core Technologies (CCTs)**

Key areas of R&D

Digital Industries



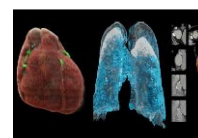
- **Digital Twin** (Product, Production, Performance)
- **MindSphere & SaaS**

Smart Infrastructure



- **Distributed Energy Systems**
- **Grid Edge**
- **Smart Building**

Siemens Healthineers



- **AI-assisted diagnostics**
- **Remote diagnostics support**

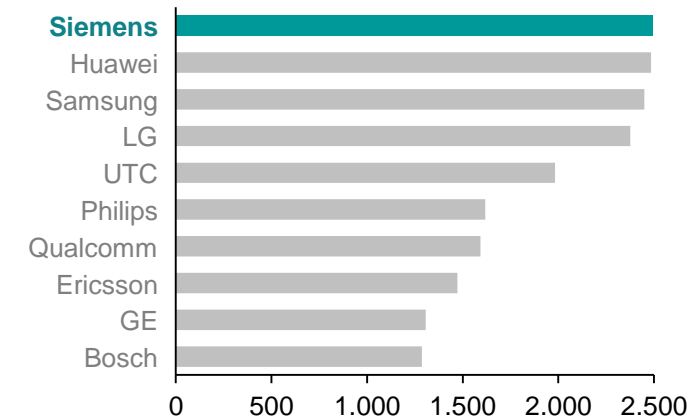
Company Core Technologies



- **Artificial Intelligence**
- **Cyber Security**
- **Connectivity / Edge Devices**

Leading in inventions and patents

Siemens top patent applicant in Europe (2018)³⁾



Innovation power of Siemens



3,850

Patent applications¹⁾



7,300

Inventions¹⁾

1) Global, in FY 2018; continuing operations 2) e.g. Gas and Power, SGRE, Mobility, Portfolio Companies 3) European Patent Office

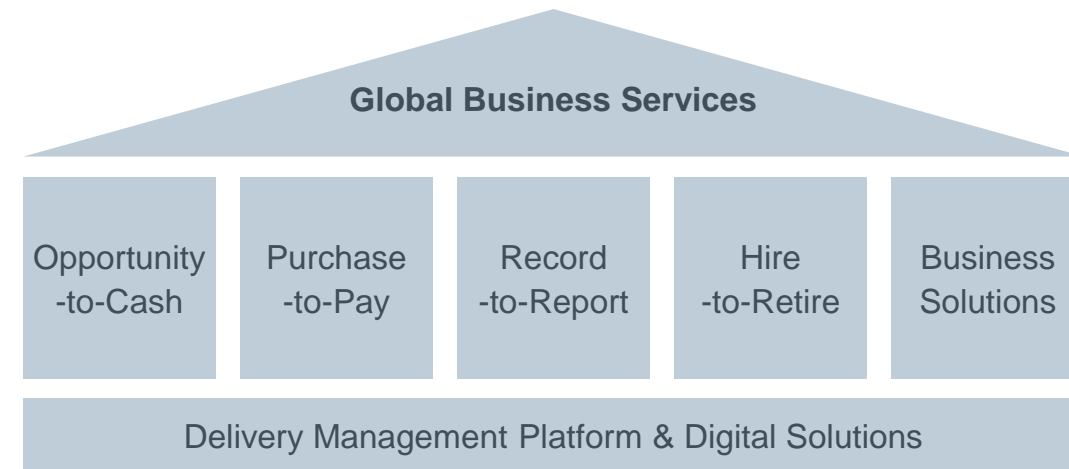
Global Business Services – A competitive, highly efficient service business

From

Function-oriented setup with constant captive demand
(e.g. HR, Finance, SCM...)

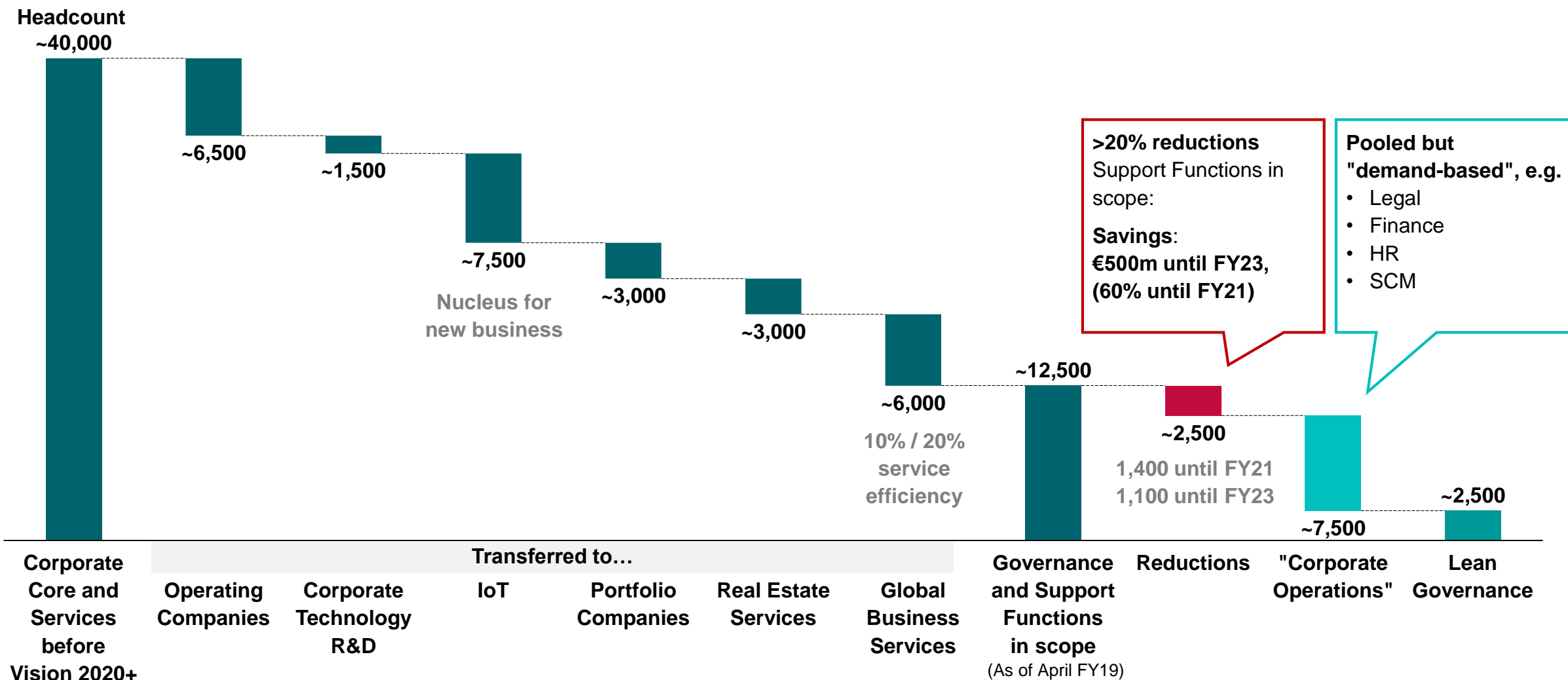
To

End-to-end setup, open for third party business

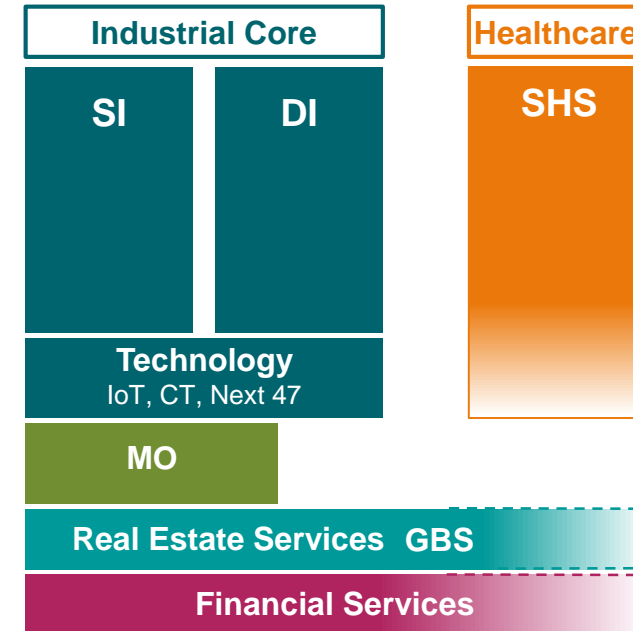
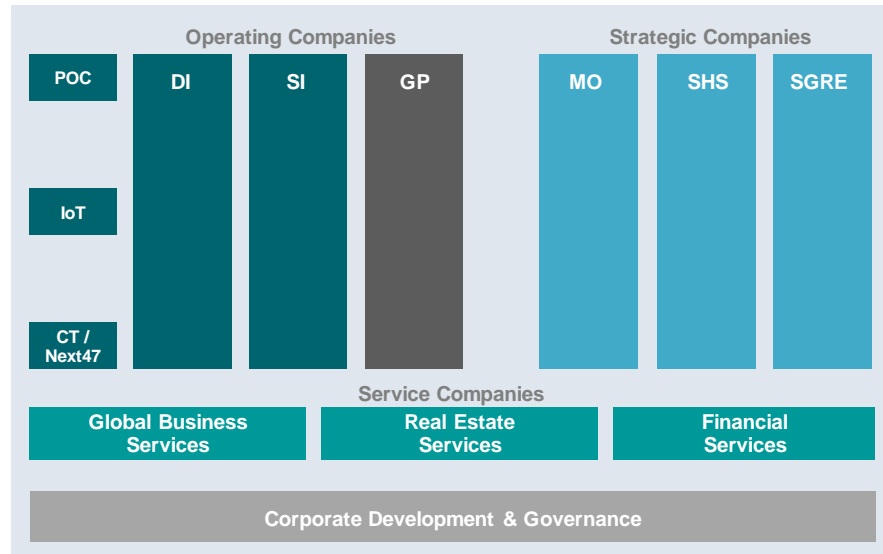


- **~6,000 employees and €430m service volume**
- **Flexible** to meet demand of Operating and Strategic Companies at **market prices**
- **Enabling higher efficiency on service volume, driven by savings and growth:**
 - **10% when fully operational (FY20)**
 - **20% when fully optimized (FY21)**
- Potential to act as **transformation machine** for Siemens

Vision 2020+ improves transparency and creates accountability & efficiency



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 Outlook FY19, ex. severance	ΔEPS > Growth	✓

Why to invest in Siemens: Clear roadmap to ultimate value creation

I Accountable – New structure, entrepreneurial freedom, growth acceleration and margin expansion

II Adaptable – Optionality for Mobility; Healthineers well positioned to shape their markets

III Stringent – PE like operational improvement for Portfolio Companies

IV Focused – Carve-out and partial spin of GP, transfer of all SGRE shares:
Simplification of Siemens portfolio – strategic flexibility for GP

V Innovative – Continued invest to shape future technologies

VI Lean – Optimized governance and support functions

VII Ambitious – Transformation leads to higher performance level

Stringent milestones for execution

- New company structure operational as of April 1, 2019**
- First update on Corporate efficiency measures Q4 FY19, ongoing quarterly**
- GP carve out effective by April 2020**
- GP partial spin-off by September 2020**
- Update on Mobility by Q2 FY20**
- GBS efficiency target achieved: 10% by Q4 FY20, 20% by Q4 FY21**
- Portfolio Companies target 5% adj. EBITA margin achieved by FY22**