Investments in digital industry making an impact

Ralf P. Thomas, CFO | Lisa Davis, Member of the Managing Board
Q2 FY 2018 Analyst Call | Munich, May 9, 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. 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.
Q2 FY 2018
Overall strong performance - tough markets in PG continue

- Strong book-to-bill at 1.11x despite weakness in new business at Power Gen
- Revenue growth in most businesses offsetting weakness in PG
- Outstanding performance in DF secures IB profit margin of 11.0%
- Six businesses in or above target range
- Net income up 39% to €2.0bn; EPS at €2.39, up 36%
- More than 300,000 employee shareholders after Profit Sharing
- Successful Siemens Healthineers IPO and subsequent outperformance
Siemens portfolio in strong shape
Structural challenges in Power and Gas

Most divisions with excellent performance in or above margin targets
PG: Solid service business
Contracting markets require further rightsizing of capacities

Power and Gas (PG)

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>€3.8bn</td>
<td>€3.2bn</td>
</tr>
<tr>
<td>Change</td>
<td>-7%</td>
<td>-7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€4.1bn</td>
<td>€2.9bn</td>
</tr>
<tr>
<td>Change</td>
<td>-21%</td>
<td>-21%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>€438m</td>
<td>€114m</td>
</tr>
<tr>
<td>Change</td>
<td>-74%</td>
<td>-74%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit margin</td>
<td>10.9%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Change</td>
<td>-690bps</td>
<td>-690bps</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit margin</td>
<td>3.9%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

Business Mix (Revenue)

- Compression
- Steam (Large & Small)
- Large Gas
- Small Gas (SGT, MGT, AGT)
- Solution
- Product
- Service

Key actions

- Rigorous productivity and product cost out focus
- Footprint restructuring and support functions reduction
- Selective portfolio simplification and R&D investment
- Consistent project execution
- Innovation in product and customer delivery
- New revenue stream focus

1) Comparable, i.e. adjusted for currency translation and portfolio effects
PG: Industry overcapacities creating pricing pressure in all product lines – PG with market share gains

- Rightsizing of manufacturing and service footprint
- Significant cost-out measures across fleet through design-to-cost and sourcing
- Selective investment in strengthening performance
- Consolidation of solution resources and bundling of expertise
- Invest in digital twin and design automation for faster time-to-market

Large Gas Turbines

<table>
<thead>
<tr>
<th># of Units (Market)</th>
<th>FY 15</th>
<th>FY 17</th>
<th>FY 18e</th>
<th>Mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>~45%</td>
<td>186</td>
<td>120</td>
<td>≤ 100</td>
<td></td>
</tr>
</tbody>
</table>

No signs of mid-term recovery

Small/Medium/Aero GT

<table>
<thead>
<tr>
<th># of Units (Market)</th>
<th>FY 15</th>
<th>FY 17</th>
<th>FY 18e</th>
<th>Mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>-34%</td>
<td>721</td>
<td>478</td>
<td>~500</td>
<td></td>
</tr>
</tbody>
</table>

Industrial: Down
Oil & Gas: Up

Moderate growth

Compression

<table>
<thead>
<tr>
<th># of Units (Market)</th>
<th>FY 15</th>
<th>FY 17</th>
<th>Mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>~30%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adressed market in €
New units rotating equipment

Moderate recovery
PG: Our increasing and resilient Services backlog is complemented by technology infusion

Services with an increasing backlog …

€bn

FlexLTP

31
6

+ 

March 2018 FY2023e

... from a growing fleet

LGT

IGT & AGT

Ind. ST

Service-relevant fleet growth

FY17-22

+20%
+15%
+5%

... a resilient regional mix

Gas turbine utilization (in %)

YoY change

2013 0%
2014 +4%
2015 +1%
2016 -2%
2017 +
2018 YTD +

Trend

Middle East

LAM

Asia

Europe, CIS

NAM

... and strong technology focus

Self-learning optimization software

Performance upgrades

Innovation, e.g., 3D printing
PG: Customer proximity and innovation key drivers for success

First H-Class for China mainland

- Two H-Class gas turbines for customer Huadian Fuxin
- After completion end of 2019 most efficient gas fired power plant in China
- 65 H-class in operation with ~650,000 fired hours

Integrated solution for FPSO vessel

- Six aeroderivative Gas Turbine packages for Petrobras FPSO
- Large installed offshore fleet in Brazil: 128 ADGT and 189 compressors

Significant invest in 3D-Printing

- €30m invest in Materials Solutions Ltd. factory
- Double additive manufacturing footprint
- Fully powered by Digital Enterprise solutions

FPSO: Floating production, storage and offloading
ADGT: Aeroderivative Gas Turbine
PG: Savings are delivered at different speeds dependent on country – material impact on bottom line expected in FY 2020

Status and expected financial impact

- Significantly lower FY 18 revenue vs. FY 17
- Ramp up of savings:
  - US – implementation well on track, savings starting in FY 18 until FY 20
  - Germany – negotiations ongoing, agreement expected in the current fiscal year
- PG margin excluding severance: Mid to high single digit in FY 18 and FY 19

Share of 6,100 announced job reductions

- RoW
- ~20%
- ~30%
- ~50%

Unrestricted © Siemens AG 2018

Page 9 Munich, May 9, 2018
**DF: World-class Digital Enterprise winning market share**

**PD: Implementation of turnaround measures well underway**

### Digital Factory (DF)

<table>
<thead>
<tr>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
<th>Profit (€m)</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 FY 17: 2.9</td>
<td>Q2 FY 17: 2.7</td>
<td>Q2 FY 17: 487</td>
<td>Q2 FY 17: 18.4%</td>
</tr>
<tr>
<td>Q2 FY 18: 3.4</td>
<td>Q2 FY 18: 3.3</td>
<td>Q2 FY 18: 682</td>
<td>Q2 FY 18: 21.2%</td>
</tr>
</tbody>
</table>

**Percentage changes:**
- Orders: +11%\(^1\)
- Revenue: +13%\(^1\)
- Profit: +40%
- Profit margin: +290bps (14-20%)

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

### Process Industries and Drives (PD)

<table>
<thead>
<tr>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
<th>Profit (€m)</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 FY 17: 2.3</td>
<td>Q2 FY 17: 2.2</td>
<td>Q2 FY 17: 134</td>
<td>Q2 FY 17: 6.5%</td>
</tr>
<tr>
<td>Q2 FY 18: 2.3</td>
<td>Q2 FY 18: 2.1</td>
<td>Q2 FY 18: 143</td>
<td>Q2 FY 18: 6.1%</td>
</tr>
</tbody>
</table>

**Percentage changes:**
- Orders: +6%\(^1\)
- Revenue: +1%\(^1\)
- Profit: +7%
- Profit margin: +60bps (7-12%)

\(^1\) Comparable, i.e. adjusted for currency translation and portfolio effects
Hanover Fair 2018
Digital Enterprise – implement now!

Digital solutions can be deployed end-to-end in every industry and in companies of all sizes | ~7,400 Leads

Rapidly growing MindSphere ecosystem
> 40 Partners | ~140 Applications | 20 MAC’s

Broad Cybersecurity and seamlessly integrated Additive Manufacturing offering

“At this year’s Hanover Fair, it’s clear that practical solutions to embrace digitalization transformation are available NOW. Siemens’ industry use cases show how taking a holistic approach to optimizing the entire value chain bears fruit….Our industry has never been more exciting” (David W. Humphrey, ARC Advisory Group)

Notes: MAC – MindSphere Application Center
Mentor – more than a great asset

Key growth drivers:
- Miniaturization, AI & Machine Learning, IoT, Autonomous Driving and Integrated Systems Design
- Strong semiconductor market
- Bolt-on acquisitions to strengthen Mentor’s technology position

Excellent fit
- Broadest software portfolio with market leading automation for Smart Products
- Excellent cultural match
- Combined portfolio lead to joint sales success

Profitable growth
- On track to achieve FY 18 revenue target despite negative FX
- Strong profitability increase FY 18e despite ongoing invest in MindSphere & SaaS
- Synergies > €100m confirmed for FY 19 - ahead of plan

Strong market
Electronic Design Automation market €bn

- 2017: ~8.4
- 2018e: ~8.9
- 2019e: ~
- 2020e: ~

~+7%
EM: Broad based improvement confirms positive trajectory
BT: Great performance – operational margin expansion

### Energy Management (EM)

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders (€bn)</td>
<td>3.6</td>
<td>2.8</td>
</tr>
<tr>
<td>Revenue (€bn)</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Profit (€m)</td>
<td>224</td>
<td>260</td>
</tr>
</tbody>
</table>

#### Energy Management (EM) Profit margin

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit margin</td>
<td>7.7%</td>
<td>8.9%</td>
</tr>
</tbody>
</table>

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

### Building Technologies (BT)

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders (€bn)</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Revenue (€bn)</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Profit (€m)</td>
<td>141</td>
<td>175</td>
</tr>
</tbody>
</table>

#### Building Technologies (BT) Profit margin

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit margin</td>
<td>7.5%</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

14.8% 8-11%

2) adjusted for pension effect +94m (590bps) in Q2 FY17

x.x% Margin excl. severance
MO: Excellent growth and industry leading margins

### Mobility (MO)

**Orders**

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>€bn</td>
<td>2.1</td>
<td>2.4</td>
</tr>
</tbody>
</table>

+17%\(^1\)

**Revenue**

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>€bn</td>
<td>2.0</td>
<td>2.1</td>
</tr>
</tbody>
</table>

+9%\(^1\)

**Profit**

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>212</td>
<td>233</td>
</tr>
</tbody>
</table>

+27%

Pension effect €28m (140bps)

10.8%  11.3%  6-9%

**Profit margin**

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>9.1%(^2)</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

+200bps

**Profit in €m**

<table>
<thead>
<tr>
<th></th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
<th>H1 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>532</td>
<td>588</td>
<td>678</td>
<td>747</td>
<td>459</td>
<td></td>
</tr>
</tbody>
</table>

-232 -4.0%

**Profit margin**

<table>
<thead>
<tr>
<th></th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
<th>H1 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>7.3%</td>
<td>7.8%</td>
<td>8.7%</td>
<td>9.2%</td>
<td>10.7%</td>
<td></td>
</tr>
</tbody>
</table>

Leading portfolio of Rolling Stock, Mobility Management, Rail Electrification and Services

Healthy order backlog of ~€28bn

Sustainably improved execution – substantially lower non-conformance cost

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

Unrestricted © Siemens AG 2018

Page 14 Munich, May 9, 2018

Q2 FY 2018 Analyst Call
Despite significant FX-headwind solid Q2-performance
Successful IPO of Siemens Healthineers unlocks value potential

Siemens Healthineers (SHS)

<table>
<thead>
<tr>
<th></th>
<th>Orders</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>€bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 FY 17</td>
<td>3.4</td>
<td>3.4</td>
</tr>
<tr>
<td>Q2 FY 18</td>
<td>3.3</td>
<td>3.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Profit</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 FY 17</td>
<td>572</td>
<td>17.2%</td>
</tr>
<tr>
<td>Q2 FY 18</td>
<td>531</td>
<td>16.8%</td>
</tr>
</tbody>
</table>

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

Strong share price performance

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

Closing: €33.10
Issue price: €28.00
+18.2%

+3%  
+8%
SGRE – Stringent execution of roadmap continues

### Siemens Gamesa Renewable Energy (SGRE)

#### Orders

<table>
<thead>
<tr>
<th></th>
<th>€bn</th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>-32% 1)</td>
<td>3.0</td>
<td></td>
</tr>
</tbody>
</table>

#### Revenue

<table>
<thead>
<tr>
<th></th>
<th>€bn</th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5</td>
<td>-9% 1)</td>
<td>2.2</td>
<td></td>
</tr>
</tbody>
</table>

#### Profit

<table>
<thead>
<tr>
<th></th>
<th>€m</th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>155</td>
<td>-25%</td>
<td>117</td>
<td></td>
</tr>
</tbody>
</table>

#### Profit margin

<table>
<thead>
<tr>
<th></th>
<th>Margin excl. severance</th>
<th>Q2 FY 17</th>
<th>Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.4%</td>
<td></td>
<td>7.7%</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

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

- **Clear roadmap with L3AD2020 program**
- **Global #1 with 8.8 GW of new capacity in 2017 ahead of competition**
- **SGRE clear # 1 in Offshore & # 2 in Onshore**
- **SGRE market share gain +3.3ppts**

### Market share 2017 (in GW)

- **SGRE** 17%
- **Vestas** 15%
- **MHI Vestas** 10%
- **GE** 8%
- **Goldwind** 48%
- **Others** 4%

Source: MAKE

Unrestricted © Siemens AG 2018

Page 16 Munich, May 9, 2018

Q2 FY 2018 Analyst Call
H1 18 with large one time gains from Osram sale and Atos share transfer

Below Industrial Business – H1 FY 2018

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4,462</td>
<td>4,173</td>
<td>56</td>
<td>4,229</td>
<td>1,336</td>
<td>53</td>
<td>-449</td>
<td>-585</td>
<td>-167</td>
<td>-839</td>
<td>-246m</td>
</tr>
<tr>
<td>363</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-203m</td>
</tr>
</tbody>
</table>

Therein:
- €246m Pensions
- €203m Corp. Items

Q2: €0.9bn gain from transfer of Atos shares to pension fund
Tax rate @17%
Q2 impacted by SHS IPO
Non-controlling interests €87m

Expectations for H2 FY 2018

- **SFS**: FY 18 in line with FY 17
- **CMPA**: Volatility remains, negative in H2 impacted by carve-out related topics
- **SRE**: FY 18 in line with FY 17, dependent on disposal gains
- **Corporate Items**: H2 > H1 on central innovation invest
- **Pension**: FY 18 in line with FY 17
- **PPA**: ~€300m per quarter
- **Elimination, Corporate Treasury, Other**: FY 18 in line with FY 17
- **Tax rate**: FY 18 expect 24% – 29%
- **Non controlling interests**: higher than in FY 17 due to Siemens Healthineers

Non controlling interests: higher than in FY 17 due to Siemens Healthineers

Q2 FY 2018 Analyst Call
Solid free cash flow development

Free cash flow (cont. and disc. operations)

€m

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY 17</th>
<th>Q2 FY 17</th>
<th>H1 FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 FY 17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 FY 18</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 FY 18</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

+14%

Q2 FY 18 Analyst Call
Guidance FY 18 raised

Earnings per share (in €)

Guidance update

We continue to expect geopolitical uncertainties such as trade restrictions that may affect investment sentiment.

Following the strong results achieved in the first half of fiscal 2018, we raise our outlook for basic EPS from net income to the range of €7.70 to €8.00, excluding severance charges, up from the range of €7.20 to €7.70.

Furthermore we confirm our expectation of modest growth in revenue, net of effects from currency translation and portfolio transactions, and continue to anticipate that orders will exceed revenue for a book-to-bill ratio above 1 for the full fiscal year.

We continue to expect a profit margin of 11.0% to 12.0% for our Industrial Business also excluding severance charges.

This outlook excludes charges related to legal and regulatory matters and potential effects which may follow the introduction of a new strategic program.
Siemens Vision 2020 execution well advanced
FY 2018 – Delivering results and setting direction for next level

Ownership culture driving leadership and people development

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

Accelerated growth and outperformance
One Siemens Financial Framework
Clear targets to measure success and accountability

One Siemens Financial Framework

<table>
<thead>
<tr>
<th>Siemens</th>
<th>Growth: Siemens &gt; most relevant competitors(^1)</th>
<th>Capital efficiency (ROCE(^2))</th>
<th>Capital structure (Industrial net debt/EBITDA)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Comparable revenue growth)</td>
<td>15 – 20%</td>
<td>up to 1.0x</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total cost productivity(^3)</td>
<td>Dividend payout ratio</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 – 5% p.a.</td>
<td>40 – 60%(^4)</td>
</tr>
</tbody>
</table>

Profit Margin ranges of businesses (excl. PPA)\(^5\)

<table>
<thead>
<tr>
<th>Siemens</th>
<th>Profit Margin (excl. PPA)</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>SHS</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; profit margin ranges will be reviewed and updated with Vision2020+; 6) SFS based on return on equity after tax
## Siemens Vision 2020 - Execution well underway, most targets already achieved by FY 2017

<table>
<thead>
<tr>
<th>GOAL</th>
<th>INTENT</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Implement stringent company governance with effective support functions</td>
<td>Live lean governance and drive continuous optimization</td>
<td>€1bn cost savings by FY 2016 achieved</td>
</tr>
<tr>
<td>2 Strengthen portfolio</td>
<td>Sharpen our business focus in electrification, automation, and digitalization</td>
<td>Tap growth fields</td>
</tr>
<tr>
<td>3 Execute financial target system</td>
<td>Grow our company value</td>
<td>15-20% ROCE</td>
</tr>
<tr>
<td>4 Expand global management</td>
<td>Get closer to our customers and markets</td>
<td>&gt; 30% of Division and Business Unit management outside Germany</td>
</tr>
<tr>
<td>5 Be a partner of choice for our customers</td>
<td>Foster an intimate and trusting partnership with our customers</td>
<td>≥ 20% improvement in Net Promoter Score</td>
</tr>
<tr>
<td>6 Be an employer of choice</td>
<td>Unleash the full potential of our people</td>
<td>&gt; 8% margin in underperforming businesses</td>
</tr>
<tr>
<td>7 Foster Ownership Culture</td>
<td>Ignite pride and passion for Siemens, through a new mindset and equity ownership</td>
<td>≥ 50% increase in number of employee shareholders</td>
</tr>
</tbody>
</table>
Financial cockpit – Q2 FY 2018

**Orders in €bn**
- B-t-B: 22.7 (Q2 FY 17) - 22.3 (Q2 FY 18)
- Comp. (nom.): 20.1 (Q2 FY 17) - 20.1 (Q2 FY 18)

**Revenue in €bn**
- -1% (-2%) Comp. (nom.) 0%

**Profit Industrial Business (IB) in €bn**
- Margin: 12.3% (Q2 FY 17) - 12.0% (Q2 FY 18)
- 11.7% (Q2 FY 17) - 11.0% (Q2 FY 18)

**Net Income in €bn**
- +39%

**Revenue in %**
- 12.3% (Q2 FY 17) - 12.0% (Q2 FY 18)

**EPS in €**
- 1.75 (Q2 FY 17) - 2.51 (Q2 FY 18)
- +36%

**ROCE (“all-in”)**
- 13.0% (Q2 FY 17) - 16.6% (Q2 FY 18)

**Capital structure**
- ≤1

**EPS excl. severance**
- 1.81 (Q2 FY 17) - 2.51 (Q2 FY 18)

**Margin**
- Q2 FY 17: 2.5% -8%
- Q2 FY 18: 2.3%

**EPS excl. severance**
- Q2 FY 17: 1.11
- Q2 FY 18: 1.13

**Capital structure**
- Q2 FY 17: 1.2x
- Q2 FY 18: 0.6x

---

Unrestricted © Siemens AG 2018
Page 24
Munich, May 9, 2018

Q2 FY 2018 Analyst Call
Net debt bridge – Q2 FY 2018

Operating Activities

-20.8

therein:
- Δ Inventories: -0.2
- Δ Trade payables: +0.1
- Δ Trade and other receivables: +0.3
- Δ Contract Assets/ Liabilities: -0.6

Cash flows from op. activities (w/o Δ working capital): 1.8

Δ Working Capital: -0.4

therein a.o.:
- CAPEX: -0.5
- Receivables from financing activities: -0.3

Cash flows from investing activities: -1.2

Financing and other topics:
- Δ Inventories: -0.2
- Δ Trade payables: +0.1
- Δ Trade and other receivables: +0.3
- Δ Contract Assets/ Liabilities: -0.6

Net Debt Q2 2018: -20.2

Net Debt adjustments: 14.1

Net Debt Q1 2018: -20.8

Ind. Net Debt/ EBITDA (c/o)
0.6x
(Q1 FY18: 0.8x)

Cash & cash equiv. €10.8

1) Including current available-for-sale financial assets
Significant reduction of pension deficit driven by Atos share transfer in Germany

Q2 FY 2018 – Pensions and similar obligations

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>Q1 FY 2018</th>
<th>Q2 FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligation (DBO)</td>
<td>(36.8)</td>
<td>(42.2)</td>
<td>(36.9)</td>
<td>(36.9)</td>
<td>(36.5)</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>27.1</td>
<td>28.7</td>
<td>27.6</td>
<td>27.7</td>
<td>28.9</td>
</tr>
<tr>
<td>Provisions for pensions and similar obligations</td>
<td>(9.8)</td>
<td>(13.7)</td>
<td>(9.6)</td>
<td>(9.7)</td>
<td>(8.1)</td>
</tr>
<tr>
<td>Discount rate</td>
<td>3.0%</td>
<td>1.7%</td>
<td>2.4%</td>
<td>2.2%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Interest Income</td>
<td>0.8</td>
<td>0.8</td>
<td>0.5</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>0.6</td>
<td>3.3</td>
<td>0.3</td>
<td>0.7</td>
<td>-0.1</td>
</tr>
</tbody>
</table>

1) All figures are reported on a continuing basis.
2) Fair value of plan assets including effects from asset ceiling (Q2 2018: €-0.1bn); difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q2 FY 2018: €+0.5bn); Defined Benefit Obligation (DBO), including other post-employment benefit plans (OPEB) of ~€0.6bn
Q2 FY18 Profit Bridge from SGRE disclosure to SAG disclosure
Different profit definitions at SGRE and SAG to be considered in models

<table>
<thead>
<tr>
<th>SGRE (as of May 4, 2018)</th>
<th>SAG (as of May 9, 2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBIT (as reported)</strong></td>
<td>54</td>
</tr>
<tr>
<td><strong>Integration &amp; Restructuring Cost</strong></td>
<td>61</td>
</tr>
<tr>
<td><strong>PPA effects</strong></td>
<td>75</td>
</tr>
<tr>
<td><strong>EBIT (underl.)</strong></td>
<td>189</td>
</tr>
<tr>
<td><strong>Severance</strong></td>
<td>-61</td>
</tr>
<tr>
<td></td>
<td>172</td>
</tr>
<tr>
<td><strong>Profit (excl. severance)</strong></td>
<td>55</td>
</tr>
</tbody>
</table>

Profit definition differences:
- Integration & Restructuring Cost
- Financial Income
- Severance

Margins:
- 2.4%
- 8.4%
- 5.2%
- 7.7%
Q2 18 performance aligned with FY18 guidance

<table>
<thead>
<tr>
<th>Guidance FY2018</th>
<th>H1 18</th>
<th>FY 18&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues (£m)</td>
<td>4,369</td>
<td>9,000 - 9,600</td>
</tr>
<tr>
<td>EBIT margin (in %) (pre-PPA, I&amp;R cost)</td>
<td>7.4%</td>
<td>7% - 8%</td>
</tr>
<tr>
<td>Working Capital to LTM Sales (in %)</td>
<td>2.8%</td>
<td>-3% to +3%</td>
</tr>
<tr>
<td>CAPEX (£m)</td>
<td>166</td>
<td>500</td>
</tr>
</tbody>
</table>

<sup>1</sup> This outlook excludes charges related to legal and regulatory matters and it is given at constant FX rates.

Comments:

- Low end of revenue guidance fully covered by order backlog as of March 2018
- Synergies of 1.5% of revenues targeted by YE 2018 included in margin expectations
- Estimated impact of PPA amortization of intangible fair value of €321m for FY 18: €158m in H1 18 and €75 m in Q2 18
- Expected integration and restructuring costs of €160m in FY 2018: €75m in H1 18 and €61m in Q2 18
- Stronger H2 driven by project timing and cost optimization programs and expected synergy delivery in H2 18
Q2 FY18 Profit Bridge from Siemens Healthineers disclosure to SAG disclosure
Different profit definitions at Siemens Healthineers and SAG to be considered in models

in €m

Siemens Healthineers disclosure (as of May 3, 2018)

- Profit (adjusted): 560
- Severance: -18
- IPO costs: -85
- Profit (as reported): 457

Margin: 17.4%

Siemens disclosure (as of May 9, 2018)

- Profit (as reported): 531
- IPO costs: -75
- Severance: 18
- Profit (as reported, excl. severance): 549

Margin: 16.5%

€73 million IPO costs were deducted from equity

Unrestricted © Siemens AG 2018
Page 29 Munich, May 9, 2018
Q2 FY 2018 Analyst Call
## Siemens Healthineers
### FY 2018 Guidance reaffirmed

<table>
<thead>
<tr>
<th>FY2017 (IFRS 15)</th>
<th>FY2018E</th>
<th>Comments on FY2018E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (€m)</td>
<td>13,677</td>
<td><strong>Comparable revenue growth on a q-o-q basis can fluctuate</strong> significantly</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Significant FX headwinds in FY2018E expected</strong> resulting in slightly decreasing reported revenue</td>
</tr>
<tr>
<td>Comparable growth (%)</td>
<td>3.8%(^1)</td>
<td>3-4%</td>
</tr>
<tr>
<td>Adj. Profit (€m)</td>
<td>2,458</td>
<td><strong>Adjusted for severance and external costs related to the IPO</strong></td>
</tr>
<tr>
<td>Adj. Profit margin (%)</td>
<td>18.0%</td>
<td>17-18%</td>
</tr>
<tr>
<td>Adj. net income (€m)</td>
<td>1,540</td>
<td><strong>Adjusted for severance, external costs related to the IPO and PPA</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Estimated <strong>net financial result</strong> for 2018E of €140-170m; significantly lower interest expenses post implementation of new capital structure</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Effective tax rate: 28-30%</strong></td>
</tr>
</tbody>
</table>

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

1) Refers to comparable revenue CAGR from FY2015 to FY2017 under old IFRS.

---

Unrestricted © Siemens AG 2018
Page 30  Munich, May 9, 2018

Q2 FY 2018 Analyst Call
Financial calendar

May
- May 9, 2018
  Q2 Earnings Release
- May 16, 2018
  Roadshow Germany (Frankfurt)
- May 30 - 31, 2018
  Bernstein Conference (New York) & Roadshow Canada (Toronto)

June
- June 12, 2018
  Exane Conference (Paris)
- June 15, 2018
  JP Morgan Conference (London)

August
- August 2, 2018
  Q3 Earnings Release
### Investor Relations contacts

**Investor Relations**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet:</td>
<td><a href="http://www.siemens.com/investorrelations">www.siemens.com/investorrelations</a></td>
</tr>
<tr>
<td>E-Mail:</td>
<td><a href="mailto:investorrelations@siemens.com">investorrelations@siemens.com</a></td>
</tr>
<tr>
<td>Telefon:</td>
<td>+49 89 636-32474</td>
</tr>
<tr>
<td>Fax:</td>
<td>+49 89 636-1332474</td>
</tr>
</tbody>
</table>