Targets achieved – another outstanding year for Siemens

Joe Kaeser, President and CEO | Ralf P. Thomas, CFO
Q4 FY 2017 Analyst Call | Munich, November 9, 2017
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.

All information is preliminary.
Our agenda for today

FY 2017: Again a record year – we delivered what we promised

Vision 2020: Fully on track – significant progress achieved

FY 2018: Set direction for further value creation – development of “Vision 2020+”

Guidance FY 2018: Another ambitious year ahead
Targets achieved – another outstanding year for Siemens

Guidance:

- Orders (€bn): 86.5 (FY 2016) to 85.7 (FY 2017), -2%\(^1\)
- Revenue (€bn): 79.6 (FY 2016) to 83.0 (FY 2017), +3%\(^1\)
- Book-to-bill: 1.03
- Profit Industrial Business (€bn): 8.7 (FY 2016) to 9.5 (FY 2017), 11.2%
- Basic Earnings per Share (€): 6.74 (FY 2016) to 7.44 (FY 2017), +10%

Guidance: 11.0% – 12.0%

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

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Q4 FY 2017 Analyst Call
Q4 FY 2017 – Order boom boosts backlog

- Strategic direction set to create a European Mobility champion - Alstom MoU signed
- Strong organic order growth +16% supported by all Divisions
- Revenue up 1% organic on broad based growth compensating PG decline
- Underlying IB margin at 10.5%<sup>1)</sup> - Strong operational performance at DF, HC, BT, MO and EM affected by structural challenges at PG and SGRE
- Net income of €1.3bn and EPS at 1.57€ - up 10% y-o-y
- Dividend of €3.70 proposed, up 3%

<sup>1</sup> excl. severance
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Setting the course for renewable energy, mobility and healthcare businesses for long-term value creation

1. Areas of growth?
2. Potential profit pool?
3. Why Siemens?
4. Synergetic value?
5. Paradigm shifts?

Merger closed
Siemens 59% share

IPO plan for H1
CY 18 announced

MoU signed, expected closing end of CY 18

Stake of 17.34% sold
Executing Vision 2020
Push for innovation drives competitiveness and customer value

Higher R&D intensity continues…

- Core technology fields, e.g. Artificial Intelligence
- IoT operating system MindSphere
- Digital applications and services across all businesses
- Innovative Healthineers’ Imaging platforms
- Decentralized energy systems

R&D expenses in €bn (% of revenue)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>R&amp;D Expenses</th>
<th>R&amp;D Intensity</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014</td>
<td>4.0</td>
<td>4.0%</td>
</tr>
<tr>
<td>FY 2017</td>
<td>5.2</td>
<td>6.2%</td>
</tr>
</tbody>
</table>
| FY 2018e    | ~5.6         | ~+40%         

... and delivers impressive outcomes

Healthineers
- Magnetom Terra – first 7 Tesla MRI scanner for clinical use
- Unmatched visualisation of neurological disease states

Digital Factory
- Expand portfolio with NX-Software for Additive Manufacturing
- One system for whole model driven workflow

Power and Gas
- HL-Class gas turbine derived from proven H-Class design
- >63% efficiency in CCPP mode with clear roadmap to 65%

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Munich, November 9, 2017
Leadership in Digital Enterprise strengthened
Siemens further gaining market share

Note: Figures based on Industrial Business; SGRE incl. as of Apr 2017
1) Nominal growth FY16 to FY17, rebased

<table>
<thead>
<tr>
<th>Digitalization</th>
<th>Siemens software</th>
<th>~€4.0bn</th>
<th>Digital services</th>
<th>~€1.2bn</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MindSphere – IoT operating system</td>
<td>+20%¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automation</td>
<td>Enhanced automation</td>
<td>~€19bn</td>
<td>Classic services</td>
<td>~€17bn</td>
</tr>
<tr>
<td></td>
<td>Enhanced electrification</td>
<td>~€43bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrification</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>

Revenue FY 2017

Market CAGR FY18-22

Strategic direction

Strengthen leadership in the Digital Enterprise across all Siemens domains

Expand #1 position and utilize for digitalization

Differentiate through enhanced offerings with automation & digitalization

Note: 9% growth for Siemens Software excl. Mentor

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¹ Nominal growth FY16 to FY17, rebased
PG - Structural market decline requires decisive adjustments
Example: Large Gas Turbine business (>100MW)

Market Development (in # Turbines)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY11</th>
<th>FY13</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>ØFY18-20e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia/Pacific</td>
<td>88</td>
<td>75</td>
<td>44</td>
<td>52</td>
<td>122</td>
<td>~110</td>
</tr>
<tr>
<td>Europe, CIS, w/o GER</td>
<td>20</td>
<td>22</td>
<td>15</td>
<td>15</td>
<td>37</td>
<td>2</td>
</tr>
<tr>
<td>Germany</td>
<td>50</td>
<td>57</td>
<td>61</td>
<td>44</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Middle East/Africa</td>
<td>89</td>
<td>70</td>
<td>53</td>
<td>27</td>
<td>2</td>
<td>~40%</td>
</tr>
</tbody>
</table>

Employee split Power and Gas incl. Service

- Middle East/Africa: 4%
- Asia/Pacific: 11%
- Americas: 28%
- Europe, CIS, w/o Germany: 23%
- Germany: 34%

Price decline (US$/kW, 60Hz market)

- FY 2014
- FY 2017

~30%
### Power and Gas (PG)

<table>
<thead>
<tr>
<th></th>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>3.2</td>
<td>4.5</td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>3.6</td>
<td>3.6</td>
</tr>
</tbody>
</table>

- Order growth driven by service, declining new-unit business
- Revenue decline, lower capacity utilization and price pressure weigh on margin

<table>
<thead>
<tr>
<th></th>
<th>Profit (€m)</th>
<th>Profit margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>509</td>
<td>12.0%</td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>303</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

### Energy Management (EM)

<table>
<thead>
<tr>
<th></th>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>3.4</td>
<td>3.6</td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>4.1</td>
<td>3.4</td>
</tr>
</tbody>
</table>

- Large order wins e.g. DolWin6 project
- Profitability improvement across most businesses

<table>
<thead>
<tr>
<th></th>
<th>Profit (€m)</th>
<th>Profit margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>299</td>
<td>11.2%</td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>311</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

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

**Margin:**
- **xx%** Margin as reported
- **xx%** Margin excl. severance (and excl. integration costs D-R for PG only)
BT: Great performance completes best year ever
MO: All-time revenue high – automation business drives profit

Building Technologies (BT)

Orders
€bn
+8%¹
1.8
1.9
Q4 FY 16
Q4 FY 17

Revenue
€bn
+7%¹
1.7
1.8
Q4 FY 16
Q4 FY 17

Profit
€m
+9%
196
213
Q4 FY 16
Q4 FY 17

Profit margin
+60bps
12.1%
12.6%
11.5%
12.1%
Q4 FY 16
Q4 FY 17

• Significant project wins in the US
• Growth and productivity gains lead to margin expansion

Mobility (MO)

Orders
€bn
+4%¹
2.3
2.3
Q4 FY 16
Q4 FY 17

Revenue
€bn
+11%¹
2.1
2.2
Q4 FY 16
Q4 FY 17

Profit
€m
+9%
173
189
Q4 FY 16
Q4 FY 17

Profit margin
flat
8.6%
9.8%
8.4%
8.4%
Q4 FY 16
Q4 FY 17

• Large order wins in Europe and Asia
• Strong project execution and locomotive shipments

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

Margin as reported  x.x%  Margin excl. severance

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DF: Excellent short-cycle continues – further market share gains
PD: Trough reached, gradual improvement ahead

Digital Factory (DF)
- Substantial double digit revenue growth in China
- Mentor effects ~-40bps & MindSphere ~-150bps

Process Industries and Drives (PD)
- Strong order growth in China
- Large drives operational challenges remain
- Charges related to capacity adjustments ~-280bps

1) Comparable, i.e. adjusted for currency translation and portfolio effects
HC: Capturing growth – excellent margin
SGRE: Strong order wins and challenges in operations

**Healthineers (HC)**

<table>
<thead>
<tr>
<th></th>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
<th>Profit (€m)</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>3.9</td>
<td>3.7</td>
<td>696</td>
<td>19.4%</td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>3.9</td>
<td>3.7</td>
<td>702</td>
<td>18.8%</td>
</tr>
</tbody>
</table>

- Top line growth driven by Europe and China
- Strong profitability due to Diagnostic Imaging

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

**Siemens Gamesa Renewable Energy (SGRE)**

<table>
<thead>
<tr>
<th></th>
<th>Orders (€bn)</th>
<th>Revenue (€bn)</th>
<th>Profit (€m)</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>1.2</td>
<td>1.6</td>
<td>132</td>
<td>8.3%</td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>2.8</td>
<td>2.3</td>
<td>-92</td>
<td>-3.1%</td>
</tr>
</tbody>
</table>

- Large order wins, e.g. Borssele
- Profit impacted by write downs of inventories (-€134m), integration and capacity adjustments (-€67m)

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Below Industrial Business FY18 remains volatile

Below Industrial Business – FY 2017

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9.5</td>
<td>0.6</td>
<td>0.5</td>
<td>0.2</td>
<td>-1.1</td>
<td>-1.0</td>
<td>-0.3</td>
<td>-2.2</td>
<td>6.1</td>
<td>0.1</td>
<td>6.2</td>
<td></td>
</tr>
</tbody>
</table>

Therein:
- €407m Pensions
- €714m Corp. Items

Increase y-o-y driven by SGRE and Mentor Graphics

Attributable to non controlling interest

Tax rate @26%

Expectations for FY 2018¹)

- **SFS**: in line with FY 2017
- **CMPA**: positive due to portfolio gains, volatility remains
- **SRE**: in line with FY 2017, dependent on disposal gains
- **Corporate Items**: ~€150m per quarter on high central innovation invest
- **Pension**: in line with FY 2017, ~€100m per quarter
- **PPA**: ~€300m per quarter; increase due to Mentor and Gamesa
- **Eliminations, Corporate Treasury, Others**: ~€100m higher than in FY 2017 due to higher interest expenses
- **Tax rate**: expect 27% – 33%
- **Discontinued Operations**: immaterial

¹) Expectations exclude severance charges
Strong cash conversion across most divisions
PG and SGRE weigh on free cash flow in Q4

Industrial business free cash flow – FY 2017

<table>
<thead>
<tr>
<th></th>
<th>€bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 FY 16</td>
<td>1.5</td>
</tr>
<tr>
<td>H2 FY 16</td>
<td>5.9</td>
</tr>
<tr>
<td>FY 2016</td>
<td>7.5</td>
</tr>
<tr>
<td>H1 FY 17</td>
<td>3.2</td>
</tr>
<tr>
<td>H2 FY 17</td>
<td>4.2</td>
</tr>
<tr>
<td>FY 2017</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Industrial business free cash flow – Q4 FY 2017

<table>
<thead>
<tr>
<th></th>
<th>€m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 16</td>
<td>4.0</td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>2.8</td>
</tr>
</tbody>
</table>

-30%
Executing Vision 2020
Continuous productivity drives operational performance

Gross margin improvement on track

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>28.6%</td>
<td>28.9%</td>
<td>29.9%</td>
<td>30.1%</td>
</tr>
</tbody>
</table>

Ongoing rigorous total cost productivity
in % of total cost base

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>~4%</td>
<td>~5%</td>
<td>~5%</td>
</tr>
</tbody>
</table>

Stringent project execution continues

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Impact in €bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2012</td>
<td>~1.2</td>
</tr>
<tr>
<td>Avg. FY 2007 - FY 2014</td>
<td>~0.7</td>
</tr>
<tr>
<td>FY 2015</td>
<td>~0.2</td>
</tr>
<tr>
<td>FY 2016</td>
<td>No negative net impact</td>
</tr>
<tr>
<td>FY 2017</td>
<td>&lt;0.2</td>
</tr>
</tbody>
</table>

Cost and Value Engineering ahead of plan
in €bn, total production cost

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2020e Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact</td>
<td>2.3</td>
<td>3.4</td>
<td>7.2</td>
<td>&gt;12</td>
</tr>
</tbody>
</table>

1) Total cost base: Sum of cost of sales, R&D and SG&A expenses

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## Executing Vision 2020

Underperforming businesses show clear progress

### Underperforming businesses (~€15bn revenue in FY 2017)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2020e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Margin</td>
<td>-4%</td>
<td>-3%</td>
<td>+1%</td>
<td>+3%</td>
<td>~6%</td>
<td>&gt;8%</td>
</tr>
</tbody>
</table>

**Example: Intelligent Traffic Systems Business**

- **Order growth (organic)**: +13%
- **Profit margin**: ~+800bps since FY 2013

Fiscal 2017 achievement

- ~80% in 6% range
- ~20% under special management attention
Delivering sustainable shareholder returns
Dividend yield of 3.1%

Continued dividend increases
Payout ratio: 40-60% of net income

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per share</th>
<th>Dividend payout ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>€3.00</td>
<td></td>
</tr>
<tr>
<td>FY 2014</td>
<td>€3.30</td>
<td>38%</td>
</tr>
<tr>
<td>FY 2015</td>
<td>€3.50</td>
<td>38%</td>
</tr>
<tr>
<td>FY 2016</td>
<td>€3.60</td>
<td>52%</td>
</tr>
<tr>
<td>FY 2017</td>
<td>€3.70</td>
<td>49%</td>
</tr>
</tbody>
</table>

1) Effect of OSRAM stock distribution to shareholders of €2.40 per share; not reflected in dividend payout ratio
2) Payout ratio assumes 817m shares outstanding at Jan 31, 2018
3) Proposed dividend pending on annual shareholder meeting approval in Jan 2018
Value creation for all stakeholders

Committed to share buyback

- Up to €10bn share buyback within seven years
- Status by Sep 30 2017
- Up to 3.0 open volume
- 2.9 for CY 2012
- 4.0 for CY 2014 - 2015
- 1.2 for CY 2016 - 2018

Siemens profit sharing

- Endowments in €m
- FY 2015: 200
- FY 2016: 100
- FY 2017: 100
- Total: 400

- Strengthen ownership culture through share distribution
- Target group: Employees excluding management
- Significant increase of global employee shareholders to achieve goal of 200,000

1) Does not reflect P&L-impact; related to performance in respective year
2) Status by Sep 30 2017
### Assumptions for FY 2018 as basis for guidance

<table>
<thead>
<tr>
<th>Category</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macroeconomic environment</td>
<td>• Continued geopolitical tension, improving global investment demand</td>
</tr>
<tr>
<td>Pricing</td>
<td>• Pricing pressure around 2.5% of revenue</td>
</tr>
<tr>
<td>Personnel cost inflation</td>
<td>• 3 - 4% increase</td>
</tr>
<tr>
<td>Productivity</td>
<td>• In the range of 3 – 5% productivity target</td>
</tr>
<tr>
<td>Capex</td>
<td>• Clear increase over FY 2017 levels</td>
</tr>
<tr>
<td>Foreign exchange</td>
<td>• Significant negative top &amp; bottom line impact on current exchange rates</td>
</tr>
</tbody>
</table>
Industrial Business Profit Margin - Outlook FY 2018

**Industrial Business Profit Margin**

- **IB Profit Margin excl. Severance FY18**: 12.0%
- **IB Profit Margin excl. Severance FY18**: 11.0%

**Reported IB Profit FY17**: €9.5bn
- **IFRS 15 Delta IB Profit FY17**: €9.3bn
- **eCar gain**: €-118m
- **Pension plan amendment**: €-175m
- **Severance**: €-138m
- **adj. IB Profit FY17**: €9.4bn

**Guidance**

- **IB Profit Margin excl. Severance FY18**: 12.0%
- **IB Profit Margin**: 11.0%

**ICF 15 Delta**

- **IB Profit Margin**: 11.1%
- **IB Profit FY17**: €+385m

**Pension plan amendment**

- €-138m

**Severance**

- €-118m

**eCar Gain**

- €-175m

**IFRS 15 Delta**

- €+385m

**Reported IB Profit FY17**

- 11.2%

**IB Profit Margin FY17**

- 11.1%

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Q4 FY 2017 Analyst Call
Earnings per share - Outlook FY 2018

- Reported EPS FY17: 7.44
- IFRS 15 Delta: -0.10
- IFRS 15 EPS FY17: 7.34
- IB effects: -0.35
- CMPA effects: -0.29
- Severance: +0.39
- Adj. EPS FY17: 7.09
- EPS excl. Severance FY18: 7.70

Guidance:
- +9%
- +2%
Outlook FY 2018

We expect a mixed picture in our market environment in fiscal 2018, ranging from strong markets for our short-cycle businesses to unfavorable dynamics in our energy generation markets, as well as geopolitical uncertainties that may restrict investment sentiment.

For fiscal 2018 we expect modest growth in revenue, net of effects from currency translation and portfolio transactions, and 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 and basic EPS from net income in the range of €7.20 to €7.70, both excluding severance charges.

This outlook excludes charges related to legal and regulatory matters, effects on EPS associated with minorities holding shares in Healthineers following the planned IPO, and potential effects which may follow the introduction of a new strategic program.
Siemens Vision 2020 execution well advanced
FY 2018 – Setting direction for next strategic level

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

Ownership culture driving leadership and people development

Accelerated growth and outperformance

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Key considerations for “Vision 2020+”

- Brand value
- Business focus
- Simplified governance
One Siemens Financial Framework
Clear targets to measure success and accountability

### Growth:
Siemens > most relevant competitors

*Comparable revenue growth*

### Capital Efficiency

<table>
<thead>
<tr>
<th>ROCE (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 – 20%</td>
</tr>
</tbody>
</table>

### Total cost productivity

3 – 5% p.a.

### Capital Structure

(Industrial net debt/EBITDA) up to 1.0x

### Dividend payout ratio

40 – 60% (4)

### Profit Margin ranges of businesses (excl. PPA)

<table>
<thead>
<tr>
<th>PG</th>
<th>EM</th>
<th>MO</th>
<th>PD</th>
<th>SFS (6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 – 15%</td>
<td>7 – 10%</td>
<td>6 – 9%</td>
<td>8 – 12%</td>
<td>15 – 20%</td>
</tr>
<tr>
<td>SGRE</td>
<td>BT</td>
<td>DF</td>
<td>HC</td>
<td></td>
</tr>
<tr>
<td>5 – 8%</td>
<td>8 – 11%</td>
<td>14 – 20%</td>
<td>15 – 19%</td>
<td></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; 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</td>
<td>Implement stringent company governance with effective support functions</td>
<td>Live lean governance and drive continuous optimization</td>
</tr>
<tr>
<td>2</td>
<td>Strengthen portfolio</td>
<td>Sharpen our business focus in electrification, automation, and digitalization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; 8% margin in underperforming businesses</td>
</tr>
<tr>
<td>3</td>
<td>Execute financial target system</td>
<td>Grow our company value</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Growth &gt; most relevant competitors</td>
</tr>
<tr>
<td>4</td>
<td>Expand global management</td>
<td>Get closer to our customers and markets</td>
</tr>
<tr>
<td>5</td>
<td>Be a partner of choice for our customers</td>
<td>Foster an intimate and trusting partnership with our customers</td>
</tr>
<tr>
<td>6</td>
<td>Be an employer of choice</td>
<td>Unleash the full potential of our people</td>
</tr>
<tr>
<td>7</td>
<td>Foster Ownership Culture</td>
<td>Ignite pride and passion for Siemens, through a new mindset and equity ownership</td>
</tr>
</tbody>
</table>
Financial cockpit – Q4 FY 2017

Orders in €bn

<table>
<thead>
<tr>
<th></th>
<th>Q4 FY 16</th>
<th>Q4 FY 17</th>
<th>+16% (+16%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B-to-B</td>
<td>20.3</td>
<td>23.7</td>
<td></td>
</tr>
</tbody>
</table>

Revenue Comp. (nom.) +1% (+2%)

<table>
<thead>
<tr>
<th></th>
<th>Q4 FY 16</th>
<th>Q4 FY 17</th>
<th>+1% (+2%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22.0</td>
<td>22.3</td>
<td></td>
</tr>
</tbody>
</table>

Profit Industrial Business (IB) in €bn

<table>
<thead>
<tr>
<th></th>
<th>Q4 FY 16</th>
<th>Q4 FY 17</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>12.4%</td>
<td>10.9%</td>
<td></td>
</tr>
<tr>
<td>ROCE</td>
<td>10.5%</td>
<td>9.7%</td>
<td></td>
</tr>
</tbody>
</table>

Net Income in €bn

<table>
<thead>
<tr>
<th></th>
<th>Q4 FY 16</th>
<th>Q4 FY 17</th>
<th>+10%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.2</td>
<td>1.3</td>
<td></td>
</tr>
</tbody>
</table>

EPS ("all-in") in €

<table>
<thead>
<tr>
<th></th>
<th>Q4 FY 16</th>
<th>Q4 FY 17</th>
<th>+11%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.42</td>
<td>1.57</td>
<td></td>
</tr>
</tbody>
</table>

ROCE ("all-in")

<table>
<thead>
<tr>
<th></th>
<th>Q4 FY 16</th>
<th>Q4 FY 17</th>
<th>15 – 20%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11.9%</td>
<td>10.5%</td>
<td></td>
</tr>
</tbody>
</table>

Capital structure

<table>
<thead>
<tr>
<th></th>
<th>Q4 FY 16</th>
<th>Q4 FY 17</th>
<th>≤1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.0x</td>
<td>0.9x</td>
<td></td>
</tr>
</tbody>
</table>
Net debt bridge – Q4 FY 2017

Operating Activities

therein:
• Δ Inventories
• Δ Trade payables
• Δ Trade and other receivables
• Δ Billings in Excess

therein a.o.:
• CAPEX
• Receivables from financing activities

Cash flows from op. activities (w/o Δ working capital)
-24.6
2.8
0.5

Δ Working Capital
∆ Q3
-0.9
-0.8
+0.4
+0.6

Cash flows from investing activities
-1.7
0.4

Financing and other topics

Net Debt Q3 2017
-22.6
12.7

Net Debt Q4 2017
Net Debt adjustments
Adj. ind. Net Debt
Adj. ind. Net Debt/EBITDA (c/o)

9.9

0.9x
(Q3 FY17: 1.2x)

1) Including available-for-sale financial assets

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Provisions decreased slightly in Q4 FY 17, mainly due to positive returns on plan assets

Q4 FY 2017 Key financials – Pensions and similar obligations

<table>
<thead>
<tr>
<th>in €bn(1)</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>Q1 FY 2017</th>
<th>Q2 FY 2017</th>
<th>Q3 FY 2017</th>
<th>Q4 FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligation (DBO)(2)</td>
<td>(36.8)</td>
<td>(42.2)</td>
<td>(36.9)</td>
<td>(39.0)</td>
<td>(38.4)</td>
<td>(37.1)</td>
<td>(36.9)</td>
</tr>
<tr>
<td>Fair value of plan assets(2)</td>
<td>27.1</td>
<td>28.7</td>
<td>27.6</td>
<td>28.1</td>
<td>28.1</td>
<td>27.5</td>
<td>27.6</td>
</tr>
<tr>
<td>Provisions for pensions and similar obligations</td>
<td>(9.8)</td>
<td>(13.7)</td>
<td>(9.6)</td>
<td>(11.1)</td>
<td>(10.5)</td>
<td>(9.8)</td>
<td>(9.6)</td>
</tr>
<tr>
<td>Discount rate</td>
<td>3.0%</td>
<td>1.7%</td>
<td>2.4%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>2.4%</td>
<td>2.4%</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>
<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>-0.5</td>
<td>0.3</td>
<td>0.1</td>
<td>0.4</td>
</tr>
</tbody>
</table>

1) All figures are reported on a continuing basis.
2) Fair value of plan assets including effects from asset ceiling (Q4 2017: €-0.1bn); difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q4 FY 2017: €+0.3bn); Defined Benefit Obligation (DBO), including other post-employment benefit plans (OPEB) of ~€0.5bn

Note: Beginning with fiscal 2017, we report ‘provisions for pensions and similar obligations’ as presented in the Consolidated Statements of Financial Position, which also include Siemens’ underfunding of other post-employment benefit plans. Prior years are presented on a comparable basis.
Q4 FY17 Profit Bridge from SGRE disclosure to SAG Profit disclosure
Explanation of different profit definitions at SGRE and SAG to be considered in models
Financial cockpit – FY 2017

Orders in €bn
- B-t-B
  - FY 16: 86.5
  - FY 17: 85.7
  - FY 16: 79.7
  - FY 17: 83.0
  - % change: -2% (-1%)

Revenue
- FY 16: 85.7
- FY 17: 79.7
- % change: +3% (+4%)

Profit Industrial Business (IB) in €bn
- FY 16: 11.4%
- FY 17: 11.7%
- % change: +0.3% (+1.7%)

EPS (“all-in”) in €
- FY 16: 6.74
- FY 17: 7.44
- % change: +10%

ROCE (“all-in”) 15 – 20%
- FY 16: 14.3%
- FY 17: 13.5%

Net Income in €bn
- FY 16: 5.6
- FY 17: 6.2
- % change: +11%

Capital structure
- FY 16: 1.0x
- FY 17: 0.9x
- ≤1

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Munich, November 9, 2017
Q4 FY 2017 Analyst Call
Invest in cloud-based business models will be overcompensated by strong execution of traditional software business

Software business within Digital Factory

**Revenue (in €bn)**

<table>
<thead>
<tr>
<th></th>
<th>FY17 - IFRS15</th>
<th>FY18e</th>
<th>FY19e</th>
<th>FY20e</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAGR:</td>
<td>~2.6</td>
<td>~3.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>~3.4</td>
<td>~3.4</td>
<td>~3.4</td>
<td>~3.4</td>
<td>~3.4</td>
</tr>
<tr>
<td>~3.4</td>
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<td>~3.4</td>
<td>~3.4</td>
<td>~3.4</td>
<td>~3.4</td>
<td>~3.4</td>
</tr>
</tbody>
</table>

**Profit impact from investments & Mentor Graphics (in €m)**

<table>
<thead>
<tr>
<th></th>
<th>FY17 - IFRS15</th>
<th>FY18e</th>
<th>FY19e</th>
<th>FY20e</th>
</tr>
</thead>
<tbody>
<tr>
<td>~100</td>
<td>~175</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>~104</td>
<td>~175</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>~104</td>
<td>~175</td>
<td>~70</td>
<td>~20</td>
<td></td>
</tr>
<tr>
<td>~104</td>
<td>~175</td>
<td>~70</td>
<td>~20</td>
<td>~175</td>
</tr>
</tbody>
</table>

**MindSphere**

- Current 'Platform as a Service' business plan with focus on partners in industrial IoT market
- Extension of business case towards applications and digital services will lead to additional potential for Siemens
- Break-even planned in FY 2020

**'Software as a Service' (SaaS)**

- Initial focus to capture growth potential in small and medium size business market
- Slower adoption in larger companies
- Seamless introduction in a five years investment mode

**Cloud-based business (MindSphere + SaaS)**

- Cloud-based revenue expected to exceed ~€1bn latest in FY 2022

Note: FY17 including Mentor from Q3 onwards

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Page 34 Munich, November 9, 2017

Q4 FY 2017 Analyst Call
<table>
<thead>
<tr>
<th>Financial calendar</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>November</strong></td>
</tr>
<tr>
<td>November 9 – 10, 2017</td>
</tr>
<tr>
<td>November 13, 2017</td>
</tr>
<tr>
<td>November 14, 2017</td>
</tr>
<tr>
<td>November 14 – 15, 2017</td>
</tr>
<tr>
<td><strong>December</strong></td>
</tr>
<tr>
<td>December 15, 2017</td>
</tr>
<tr>
<td><strong>January</strong></td>
</tr>
<tr>
<td>January 9, 2018</td>
</tr>
<tr>
<td>January 31, 2018</td>
</tr>
</tbody>
</table>
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