Guidance fully achieved again – another strong year

Joe KAESER, President and CEO | Ralf P. Thomas, CFO
Q4 FY 2018 Analyst Call | Munich, November 8, 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. All information is preliminary.
Our agenda for today

FY 2018: Delivered on our promises – position of strength

Guidance FY 2019: Implementation year ahead

Key growth initiatives paying off

Vision 2020+ raising the bar for value creation
FY 2018 – Guidance achieved on all levels

**Orders (€bn)**

- FY 2017: 85.8
- FY 2018: 91.3

**Revenue (€bn)**

- FY 2017: 82.9
- FY 2018: 83.0

**Profit margin Industrial Business (Excluding severance)**

- FY 2017: 11.6%
- FY 2018: 11.3%

**Basic Earnings per Share (€) (Excluding severance)**

- FY 2017: 7.73
- FY 2018: 7.88

1) Comparable, i.e. adjusted for currency translation and portfolio effects
Excellent progress on strategic priorities in FY 2018

- Completion of Megaproject in Egypt
- Digitalization of entire Norwegian railway network
- MindSphere – Leading cloud based IoT platform
- Joint digital product launches with Bentley Systems
Orders up due to strength at MO, DF, PG and SHS: +5%

Revenue growth accelerated: +5%

IB profit margin excl. severance up 100 bps: 11.3%

EPS lower on tax and severance: €0.69

Strong free cash flow of €3.3bn: +38%

Healthy capital structure: Industrial net debt/EBITDA 0.4x
Customer confidence in a structurally challenged PG-business

### Power and Gas (PG)

<table>
<thead>
<tr>
<th>Orders</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>€bn</td>
<td></td>
</tr>
<tr>
<td>€m</td>
<td></td>
</tr>
</tbody>
</table>

**Orders**
- Q4 FY 17: 3.6
- Q4 FY 18: 3.7

**Revenue**
- Q4 FY 17: 3.6
- Q4 FY 18: 3.3

**Profit**
- Q4 FY 17: 292
- Q4 FY 18: -139

**Profit margin**
- Q4 FY 17: 7.7%
- Q4 FY 18: 4.9%

1) Comparable

### Energy Management (EM)

<table>
<thead>
<tr>
<th>Orders</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>€bn</td>
<td></td>
</tr>
<tr>
<td>€m</td>
<td></td>
</tr>
</tbody>
</table>

**Orders**
- Q4 FY 17: 4.0
- Q4 FY 18: 3.3

**Revenue**
- Q4 FY 17: 3.4
- Q4 FY 18: 3.4

**Profit**
- Q4 FY 17: 311
- Q4 FY 18: 323

**Profit margin**
- Q4 FY 17: 9.4%
- Q4 FY 18: 9.1%

1) Comparable

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Q4 FY 2018 Analyst Call
**Building Technologies (BT)**

<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 17</td>
<td>1.9</td>
<td>1.8</td>
<td>213</td>
<td>12.6%</td>
</tr>
<tr>
<td>Q4 FY 18</td>
<td>1.9</td>
<td>1.8</td>
<td>253</td>
<td>13.9%</td>
</tr>
</tbody>
</table>

**MO: Performing on all levels – ready for the Future of Mobility**

<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 17</td>
<td>2.3</td>
<td>2.8</td>
<td>192</td>
<td>12.1%</td>
</tr>
<tr>
<td>Q4 FY 18</td>
<td>2.2</td>
<td>2.3</td>
<td>236</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

1) Comparable

Unrestricted © Siemens AG 2018
DF: Another impressive demonstration of leadership in the sector
PD: Ready for the changes in Vision 2020+

Digital Factory (DF)

<table>
<thead>
<tr>
<th>Orders</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>€bn</td>
<td></td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>3.0</td>
</tr>
<tr>
<td>Q4 FY 18</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Orders: +17%¹
Revenue: +10%¹

<table>
<thead>
<tr>
<th>Profit</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td></td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>480</td>
</tr>
<tr>
<td>Q4 FY 18</td>
<td>616</td>
</tr>
</tbody>
</table>

Profit: +28%
Profit margin: +270bps; 14-20%

Process Industries and Drives (PD)

<table>
<thead>
<tr>
<th>Orders</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>€bn</td>
<td></td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>2.3</td>
</tr>
<tr>
<td>Q4 FY 18</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Orders: +1%¹
Revenue: +6%¹

<table>
<thead>
<tr>
<th>Profit</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td></td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>69</td>
</tr>
<tr>
<td>Q4 FY 18</td>
<td>81</td>
</tr>
</tbody>
</table>

Profit: +18%
Profit margin: +40bps; 8-12%

¹ Comparable

Unrestricted © Siemens AG 2018
Strategic companies are mastering their challenges well

### Siemens Healthineers (SHS)

<table>
<thead>
<tr>
<th></th>
<th>Orders</th>
<th>Revenue</th>
<th>Profit</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€bn</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>3.9</td>
<td>3.6</td>
<td>671</td>
<td>19.0%</td>
</tr>
<tr>
<td>Q4 FY 18</td>
<td>4.3</td>
<td>3.7</td>
<td>634</td>
<td>18.1%</td>
</tr>
</tbody>
</table>

-6%  

+13%\(^1\)  

+4%\(^1\)  

-130bps  

15-19%  

\(1\) Comparable

### Siemens Gamesa Renewable Energy (SGRE)

<table>
<thead>
<tr>
<th></th>
<th>Orders</th>
<th>Revenue</th>
<th>Profit</th>
<th>Profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€bn</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 FY 17</td>
<td>2.8</td>
<td>2.6</td>
<td>140</td>
<td>18.1%</td>
</tr>
<tr>
<td>Q4 FY 18</td>
<td>2.6</td>
<td>2.6</td>
<td>-92</td>
<td>18.1%</td>
</tr>
</tbody>
</table>

+1%\(^1\)  

+15%\(^1\)  

NMF  

+930bps  

5-8%  

\(1\) Margin excl. severance

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**Munich, November 8, 2018**  
**Q4 FY 2018 Analyst Call**
Delivering sustainable shareholder returns
Raising dividends for five years in a row

Payout ratio: 40-60% of net income

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>3.00</td>
</tr>
<tr>
<td>FY 2014</td>
<td>3.30</td>
</tr>
<tr>
<td>FY 2015</td>
<td>3.50</td>
</tr>
<tr>
<td>FY 2016</td>
<td>3.60</td>
</tr>
<tr>
<td>FY 2017</td>
<td>3.70</td>
</tr>
<tr>
<td>FY 2018</td>
<td>3.80</td>
</tr>
</tbody>
</table>

1) OSRAM stock distribution of €2.40 per share; not reflected in dividend payout ratio
2) Assumes 808m shares outstanding at AGM; based on new financial framework
3) Proposed dividend for approval at Annual Shareholders’ Meeting on January 30, 2019
Value creation for all stakeholders
New share buyback program of up to €3bn until Nov. 2021 launched

Committed to further share buyback

Profit sharing fosters equity culture

# of employee shareholders (in thousand)

Σ €10bn executed

New share buyback

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Value</td>
<td>2.9</td>
<td>4.0</td>
<td>3.0</td>
<td>Up to 3.0</td>
</tr>
<tr>
<td>in €bn</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>140</td>
<td>144</td>
<td>153</td>
<td>165</td>
<td>&gt;300</td>
</tr>
</tbody>
</table>

>2x

Σ 10bn executed

New share buyback

New share buyback program of up to €3bn until Nov. 2021 launched

Profit sharing fosters equity culture

# of employee shareholders (in thousand)

Σ 10bn executed

New share buyback
Continued focus on rigorous execution

**Gross margin improved**

- FY 2014: 28.6%
- FY 2018: 29.9%

**Consistent productivity efforts**

- FY 2016: ~€4bn, ~5%
- FY 2017: ~€4bn, ~5%
- FY 2018: ~€4bn, ~5%

**Net project charges reduced**

- FY 2016: No net impact
- FY 2017: < -0.2
- FY 2018: No net impact

**Cost and Value Engineering ahead of plan**

- FY 2016: 3.4
- FY 2017: 7.2
- FY 2018: 10.1
- FY 2020e Target: >12

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

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Q4 FY 2018 Analyst Call
Guiding assumptions for Fiscal 2019

Macroeconomic environment
No material impact for the businesses from geopolitical risk and macroeconomic factors

Pricing pressure
2 - 3% of revenue
Stable on short cycle
Ongoing pricing pressure in power generation businesses

Personnel cost inflation
3 - 4% increase

Capex
Clear increase over FY 2018 levels

Foreign exchange
Continuing adverse effects mainly from emerging markets
Fiscal 2019 – Significant swing in CMPA

Below Industrial Business – FY 2018

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>8.8</td>
<td>0.7</td>
<td>-1.2</td>
<td>0.1</td>
<td>-1.2</td>
<td>-0.3</td>
<td>-2.1</td>
<td>6.0</td>
<td>0.1</td>
<td>6.1</td>
<td></td>
</tr>
</tbody>
</table>

- **€900m** Atos gain
- **€655m** Osram gain
- **-€813m** Corp. Items
- **-€433m** Pensions
- **-€313m** Minorities
- **Tax rate @26%**

Expectations for FY 2019

- **SFS**: ~ FY 2018 level
- **CMPA**: volatile, negative, no material divestment gains expected
- **SRE**: dependent on disposal gains
- **Corporate Items & Pensions**: ~€250m per quarter, H2 > H1
- **PPA**: ~ FY 2018 level
- **Eliminations, Corp. Treasury, Others**: ~ FY 2018 level
- **Tax rate**: 25% – 31%
- **Minorities**: significant increase due to full year Healthineers
- **Discontinued Operations**: immaterial impact

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We expect a continued favorable market environment, particularly for our short-cycle businesses, with limited risks related to geopolitical uncertainties.

For fiscal 2019, we expect moderate growth in revenue, net of currency translation and portfolio effects. We further 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 based on our current organizational structure, excluding severance charges.

Furthermore we expect basic EPS from net income in the range of €6.30 to €7.00 also excluding severance charges.

This outlook excludes charges related to legal and regulatory matters and post-closing results from combining our mobility business with Alstom SA, which we expect to close in the first half of calendar 2019.
We have achieved a lot with Vision 2020

Revenue (in €bn)
- FY 2013: 75.9
- FY 2018: 83.0
  - Increase: +9%

Order Intake (in €bn)
- FY 2013: 82.4
- FY 2018: 91.3
  - Increase: +11%

Order Backlog (in €bn)
- FY 2013: 100
- FY 2018: 132
  - Increase: +32%

Net Income (in €bn)
- FY 2013: 4.4
- FY 2018: 6.1
  - Increase: +39%

Profit margin IB
- FY 2013: 7.5%
- FY 2018: 10.4%
  - Increase: +290bps

Significant increase since 2013 in Net Promoter Score and Employee satisfaction

Growth rates nominal
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Push for innovation drives growth and customer value

Increasing R&D investment…

€bn (% of revenue)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>FY 2018</td>
<td>5.6</td>
<td>+40%</td>
</tr>
<tr>
<td>FY 2019e</td>
<td>~5.7</td>
<td></td>
</tr>
</tbody>
</table>

… to stay ahead

**Digital Factory**
- Low code platform (Mendix) to speed up application development
- Edge functionality for PLC portfolio
- Vertical applications: F&B, Batteries

**Siemens Healthineers**
- Successful Atellica ramp up – 990+ systems shipped
- Digital and AI applications e.g. for Precision Medicine and Services

**Core Technologies, e.g.**
- Data analytics for new service models
- Applying simulation and digital twin across domains
- Cyber Security concepts
Industrial software gaining further market share

Excellent performance (DF Software business)
Revenue in €bn

- **FY 2017**: 2.6
- **FY 2018**: 3.6
- **FY 2020e**: 6.0

1) Comparable CAGR +10-15%

Important customer wins

![Boeing and Mentor logos]

Rapid MindSphere expansion

- **57 MindSphere Application Centers for 20 verticals**
- **>200 partners in ecosystem**
- **>500 customers**
- **>250 applications and services**

Continued investments to drive growth
Profit impact in €m

<table>
<thead>
<tr>
<th>Year</th>
<th>Cloud investment (incl. MindSphere, SaaS, Mendix)</th>
<th>Integration related</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>~100</td>
<td>0</td>
</tr>
<tr>
<td>FY 2018</td>
<td>~190</td>
<td>~60</td>
</tr>
<tr>
<td>FY 2019e</td>
<td>~300</td>
<td>~80</td>
</tr>
<tr>
<td>FY 2020e</td>
<td>~180</td>
<td>~40</td>
</tr>
</tbody>
</table>

~195 ~80

~300 ~80

~180 ~40

Cloud investment (incl. MindSphere, SaaS, Mendix)
Integration related

Profit impact in €m
Shaping the digital transformation across all industries

**Mobility**

*Winning lighthouse project*

First-of-its-kind data analytics enabled solution for Singapore Land Transport Authority

Guarantees increased availability and improved operational efficiency of entire rail system

**Power Generation Services**

*Increasing offerings & capabilities*

> 60 Digital products and services to optimize performance and life-time

~ 250 digital sales experts

~ 150 key specialists in MindSphere Application Centers

**Building Technologies**

*Strengthen IoT competencies – recent bolt on M&A*

**Enlighted**: Multi-function sensor system for lighting control and Building IoT

**J2Innovations**: Building Automation software to increase engineering efficiency

**Comfy**: SaaS workplace engineering application for comfort control
Vision 2020+
Raising the bar

Key: Foster Ownership Culture and strengthen entrepreneurial focus
Key principles to execute Vision 2020+ and achieve lasting impact

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
Vision 2020+ implementation on track to go live April 1, 2019

Phase 1
Refine principles and Vision 2020+ setup

Phase 2
Prepare reorganization

Phase 3
Implement new organization

2018
August 2
Vision 2020+ Announcement

October 1
New organization in effect

Today

2019
January 1
Ready for implementation

April 1
Go Live

May 8
Q2/19 Earnings Release

Optimization

Capital Market Day

Innovation Day
### New Siemens Financial Framework (as of April 1, 2019)

Ambitious financial goals based on benchmarks

<table>
<thead>
<tr>
<th>Siemens (targets over the cycle)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth Siemens</strong></td>
</tr>
<tr>
<td>comparable revenue growth</td>
</tr>
<tr>
<td>4 – 5%</td>
</tr>
<tr>
<td><strong>Capital efficiency</strong></td>
</tr>
<tr>
<td>ROCE&lt;sup&gt;1)&lt;/sup&gt;</td>
</tr>
<tr>
<td>15 – 20%&lt;sup&gt;2)&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Industrial Businesses margin&lt;sup&gt;3)&lt;/sup&gt;</strong></td>
</tr>
<tr>
<td>11 – 15%</td>
</tr>
<tr>
<td><strong>Capital structure</strong></td>
</tr>
<tr>
<td>Industrial net debt/EBITDA</td>
</tr>
<tr>
<td>up to 1.0x</td>
</tr>
<tr>
<td><strong>Cash conversion</strong></td>
</tr>
<tr>
<td>Cash conversion rate (CCR)</td>
</tr>
<tr>
<td>CCR = 1 – growth rate&lt;sup&gt;4)&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Dividend payout ratio</strong></td>
</tr>
<tr>
<td>40 – 60%&lt;sup&gt;5)&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

#### Operating Companies

<table>
<thead>
<tr>
<th>Adj. EBITA margin ranges&lt;sup&gt;3)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gas and Power</strong></td>
</tr>
<tr>
<td>8 – 12%</td>
</tr>
<tr>
<td><strong>Smart Infrastructure</strong></td>
</tr>
<tr>
<td>10 – 15%</td>
</tr>
<tr>
<td><strong>Digital Industries</strong></td>
</tr>
<tr>
<td>17 – 23%</td>
</tr>
</tbody>
</table>

#### Strategic Companies

<table>
<thead>
<tr>
<th>Adj. EBITA margin ranges&lt;sup&gt;3)&lt;/sup&gt; – Siemens expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Siemens Healthineers</strong></td>
</tr>
<tr>
<td>17 – 21%</td>
</tr>
<tr>
<td><strong>Siemens Gamesa R. E.</strong></td>
</tr>
<tr>
<td>7 – 11%</td>
</tr>
<tr>
<td><strong>Siemens Alstom&lt;sup&gt;6)&lt;/sup&gt;</strong></td>
</tr>
<tr>
<td>8 – 12%</td>
</tr>
</tbody>
</table>

#### Service Company

<table>
<thead>
<tr>
<th>RoE&lt;sup&gt;7)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Services</strong></td>
</tr>
<tr>
<td>15 – 22%</td>
</tr>
</tbody>
</table>

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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; 4) Based on Industrial Businesses and comparable revenue growth; 5) Of net income attributable to Siemens shareholders excluding exceptional non-cash items; 6) Siemens Alstom closing pending; 7) Return on equity after tax

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Vision 2020+
Operating model based on purpose and ownership culture

1) Portfolio Companies  2) Depending on anti-trust approval

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Financial cockpit – Q4 FY 2018

**Orders in €bn**

- B-to-B: 1.06 (Q4 FY 17) to 1.05 (Q4 FY 18)
- Q4 FY 17: 23.7
- Q4 FY 18: 23.7

**Revenue in €bn**

- Comp. (nom.): 22.2 (Q4 FY 17) to 22.6 (Q4 FY 18)
- Q4 FY 17: 22.2
- Q4 FY 18: 22.6

**Profit Industrial Business (IB) in €bn**

- Margin: 10.3% (Q4 FY 17) to 11.3% (Q4 FY 18)
- Q4 FY 17: 2.1
- Q4 FY 18: 2.1

**Net Income in €bn**

- Q4 FY 17: 1.3
- Q4 FY 18: 0.7
- Decrease: -46%

**EPS in €**

- Q4 FY 17: 1.70
- Q4 FY 18: 1.14
- Decrease: -55%

**ROCE ("all-in")**

- Q4 FY 17: 10.1%
- Q4 FY 18: 6.0%
- 15 – 20%

**Capital structure**

- Q4 FY 17: 0.9x
- Q4 FY 18: 0.4x
- ≤1

EPS excl. severance

- Q4 FY 17: 1.52
- Q4 FY 18: 0.69
- Decrease: -55%

Unrestricted © Siemens AG 2018

Munich, November 8, 2018
Sharply higher income tax mainly from Mobility carve out

Below Industrial Business – Q4 FY 2018

€m

-2,145  116  -112  49  -451  -279  -60  -749  659  22  681  559


Therein:
-€112m Pensions
-€340m Corp. Items

Tax rate @53.2%

Minorities -€122m
Substantial „all-in“ free cash flow improvement of +22%

Free cash flow (“all-in”) €bn

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>Q1 FY 18</th>
<th>Q2 FY 18</th>
<th>Q3 FY 18</th>
<th>Q4 FY 18</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>4.8</td>
<td>0.9</td>
<td>0.8</td>
<td>0.9</td>
<td>3.3</td>
<td>5.8</td>
</tr>
</tbody>
</table>
Net debt bridge – Q4 FY 2018

-0.6
3.6
-20.9

-19.8
16.4
-3.4

Operating Activities

Net Debt Q3 2018

Net Debt Q4 2018

Cash & cash equiv. €8.3

Δ Working Capital

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

Cash flows from investing activities

Financing and other topics

Net Debt adjustments

Ind. Net Debt/EBITDA (c/o) 0.4x (Q3 FY18: 0.6x)

Ind. Net Debt Q4 2018

Net Debt Q3 2018

Net debt bridge – Q4 FY 2018 therein:
• Δ Inventories +0.8
• Δ Trade and other receivables -0.5
• Δ Trade payables +1.2
• Δ Contract Assets/Liabilities -0.9 therein a.o.:
• CAPEX -1.0
• Receivables from financing activities -1.0

therein:
• SFS Debt +24.2 +1.2
• Post emp. Benefits -7.7 -0.1
• Credit guarantees -0.4 0.0
• Fair value adj. (hedge accounting) +0.3 0.0

Cash & cash equiv. €12.4

1) Including current available-for-sale financial assets

Unrestricted © Siemens AG 2018
Page 30 Munich, November 8, 2018

Q4 FY 2018 Analyst Call
**FY 2018 deficit reduction mainly due to extraordinary fundings in Germany and USA**

**Q4 FY 2018 – Pensions and similar obligations**

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>Q1 FY 2018</th>
<th>Q2 FY 2018</th>
<th>Q3 FY 2018</th>
<th>Q4 FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Defined benefit obligation (DBO)</strong>&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>(42.2)</td>
<td>(36.9)</td>
<td>(35.9)</td>
<td>(36.9)</td>
<td>(36.5)</td>
<td>(36.2)</td>
<td>(35.9)</td>
</tr>
<tr>
<td><strong>Fair value of plan assets</strong>&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>28.7</td>
<td>27.6</td>
<td>28.7</td>
<td>27.7</td>
<td>28.9</td>
<td>29.1</td>
<td>28.7</td>
</tr>
<tr>
<td><strong>Provisions for pensions and similar obligations</strong></td>
<td>(13.7)</td>
<td>(9.6)</td>
<td>(7.7)</td>
<td>(9.7)</td>
<td>(8.1)</td>
<td>(7.6)</td>
<td>(7.7)</td>
</tr>
<tr>
<td><strong>Discount rate</strong></td>
<td>1.7%</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.2%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td><strong>Interest Income</strong></td>
<td>0.8</td>
<td>0.5</td>
<td>0.5</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Actual return on plan assets</strong></td>
<td>3.3</td>
<td>0.3</td>
<td>0.4</td>
<td>0.7</td>
<td>-0.1</td>
<td>0.0</td>
<td>-0.2</td>
</tr>
</tbody>
</table>

1) All figures are reported on a continuing basis.

2) Difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q4 2018: +€0.5bn); fair value of plan assets including effects from asset ceiling (Q4 2018: -€0.1bn); Defined Benefit Obligation (DBO), including other post-employment benefit plans (OPEB) of ~€0.6bn
Q4 FY18 Profit Bridge from SGRE to SAG disclosure
Different profit definitions at SGRE and SAG to be considered in models

in €m

SGRE disclosure (as of Nov 6, 2018)

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount (€m)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT (underl.)</td>
<td>215</td>
<td>8.2%</td>
</tr>
<tr>
<td>Integration &amp; Restructuring Cost</td>
<td>-76</td>
<td></td>
</tr>
<tr>
<td>PPA effects</td>
<td>-66</td>
<td></td>
</tr>
<tr>
<td>EBIT (as reported)</td>
<td>73</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

SAG disclosure (as of Nov 8, 2018)

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount (€m)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPA effects</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>Financial Income</td>
<td>-7</td>
<td></td>
</tr>
<tr>
<td>Consolidation and accounting differences</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Profit (as reported)</td>
<td>140</td>
<td>5.4%</td>
</tr>
<tr>
<td>Severance</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Profit (excl. severance)</td>
<td>142</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

EBIT Margin: x.x%
## Outlook for FY 2019

### Guidance FY 19

<table>
<thead>
<tr>
<th></th>
<th>FY 18</th>
<th>FY 19 E&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (in €m)</td>
<td>9,122</td>
<td>10,000 - 11,000</td>
</tr>
<tr>
<td>EBIT margin pre PPA and I&amp;R costs (in %)</td>
<td>7.6%</td>
<td>7% - 8.5%</td>
</tr>
</tbody>
</table>

### Comments
- **FY 19 revenue coverage of 80%**<sup>2</sup>
- Additional synergies of 1.2% of revenues by fiscal year end 2019 included in margin expectations
- Estimated impact of PPA amortization of intangible fair value of €250m for FY 19
- Expected integration and restructuring costs of €130m in FY 19
- Strong seasonality expected throughout the year with a stronger second half driven by project execution timing and costs optimization programs
- Margin guidance range driven by
  - FY 19 headwinds incl. commodity pricing and emerging market volatility
  - Productivity measures and speed on the execution of the transformation program

---

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

<sup>2</sup> Revenue coverage: order backlog (€) for FY 19 activity divided by the average point of FY 19 revenue guidance range: €10bn - €11bn.

As disclosed on Nov. 6, 2018
Q4 FY18 Profit Bridge from SHS disclosure to SAG disclosure
Different profit definitions at SHS and SAG to be considered in models

<table>
<thead>
<tr>
<th></th>
<th>SHS disclosure (as of Nov 5, 2018)</th>
<th>SAG disclosure (as of November 8, 2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit (adjusted)</td>
<td>674</td>
<td>672</td>
</tr>
<tr>
<td>Severance</td>
<td>-38</td>
<td>7</td>
</tr>
<tr>
<td>IPO costs</td>
<td>-9</td>
<td>-9</td>
</tr>
<tr>
<td>Profit (as reported)</td>
<td>627</td>
<td>634</td>
</tr>
<tr>
<td>Consolidation and</td>
<td>18.2%</td>
<td>17.1%</td>
</tr>
<tr>
<td>accounting differences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit (as reported)</td>
<td></td>
<td>18.1%</td>
</tr>
<tr>
<td>Severance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit (excl. severance)</td>
<td>627</td>
<td>634</td>
</tr>
</tbody>
</table>

Margin: x.x%
Outlook for Fiscal 2019

Comparable revenue growth\(^1\)

- Continued strong growth in Imaging and Advanced Therapies
- Successful Atellica Solution launch improving Diagnostics growth dynamics

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adj. Profit margin\(^2\)

- Execution on cost-savings program
- Diagnostics profiting from operational leverage

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.5 - 18.5(^3)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Earnings per share (in €)

- Tax rate: 28 - 30%

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+20 to +30(^3)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

1) Comparable growth excluding currency translation and portfolio effects
2) Adjusted for severance charges and IPO costs
3) This outlook assumes that current foreign exchange rates persist for all of fiscal 2019

As disclosed on Nov. 5, 2018
## Financial calendar

### November 2018

- **November 8, 2018**
  - Q4 Earnings Release
- **November 8 - 9, 2018**
  - Roadshow UK (London)
- **November 9, 2018**
  - Roadshow Germany (Frankfurt)
- **November 19 - 20, 2018**
  - Roadshow US (Boston, New York)
- **November 20, 2018**
  - Roadshow France (Paris)

### January 2019

- **January 15, 2019**
  - Commerzbank German Investment Seminar (New York)
- **January 30, 2019**
  - Q1 Earnings Release and AGM
## Investor Relations contacts

<table>
<thead>
<tr>
<th>Internet:</th>
<th><a href="http://www.siemens.com/investorrelations">www.siemens.com/investorrelations</a></th>
</tr>
</thead>
<tbody>
<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>