Strong order growth highlights successful first quarter

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Press conference on the first quarter of fiscal 2018  
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Highlights in the first quarter of fiscal 2018

Net income rose 12 percent to €2.2 billion

Orders rose by 14 percent

At €128 billion, order backlog reached a record high

5 of 8 units in the Industrial Business were at or within their target margin ranges

Digital Factory with outstanding results

Action is necessary at Power and Gas
Profit margin

Power and Gas

Q1 2017: 12.0%
Q1 2018: 7.6%

Profit margin range: 11 – 15%
Energy Management

Profit margin

Q1 2017: 6.7%
Q1 2018: 6.7%

7 – 10%
Profit margin

Building Technologies

Q1 2017: 10.9%
Q1 2018: 9.7%
8 – 11%
Profit margin

Mobility

Q1 2017: 9.0%
Q1 2018: 10.4%

Range: 6 – 9%
Profit margin

Digital Factory

Q1 2017: 26.8%
Q1 2018: 20.1%

14 – 20%
Profit margin

Process Industries and Drives

- Q1 2017: 6.4%
- Q1 2018: 7.3%

Profit margin: 8 – 12%
Profit margin

Siemens Healthineers

Q1 2017: 19.2%
Q1 2018: 16.9%

Range: 15 - 19%
Profit margin

Siemens
Gamesa

8.0%
5.2%

5 – 8%

Q1 2017  Q1 2018
Return on equity

Financial Services

Q1 2017: 17.7%
Q1 2018: 21.8%

15 – 20%
Siemens Healthineers: Proactively shaping the paradigm shifts of healthcare

| Attractive market with long-term **growth** – paradigm shifts change the **rules** and offer **chances** | Siemens Healthineers with **broad, relevant portfolio**, at the core of clinical decision making | **Entrepreneurial flexibility** to lay foundation for growth – core to Siemens |
Entrepreneurial flexibility to lay foundation for growth – core to Siemens

| Strategy | • Create a vertical industry leader to remain part of Siemens Group in the long term  
• Siemens AG as active and supportive shareholder  
• Capital structure at 1.5x leverage (net debt incl. pensions / EBITDA) |
| Ownership | • Establishing a liquid market has added value for Siemens  
• Full consolidation in Siemens accounts |
| Shareholder return | • Dividend policy targeting payout of 50-60% of net income  
• Management Board measured against Siemens Healthineers metrics only |
| Brand | • Capitalize on Siemens brand strength |
| Infrastructure and corporate services | • Fully stand-alone set-up, selected services via service agreements at market rates |
Clear path towards a Siemens Healthineers IPO

- Decision to go public (Q4 FY 2016)
- Healthineers Strategy 2025 and stringent execution roadmap launched (08/2017)
- Significant new product launches gain traction in the market
- Atellica Solution entering the market (Q4 FY 2017)
- Combined financial statements and prospectus preparation
- Capital Market Day (January 16, 2018)
- „Intention to float“ announcement
- Siemens Healthineers IPO (H1 CY 2018)
Outlook for fiscal 2018

Earnings per share

For fiscal 2018, we expect modest growth in revenue, net of effects from currency translation and portfolio transactions.

We 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, excluding severance charges.

We expect a basic EPS from net income in the range of €7.20 to €7.70, 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.

Note: FY 2017 weighted average number of shares of about 813 million

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