Siemens further expands its leadership role in industrial digitalization

- Twenty centers for digital customer applications in 17 countries
- Revenue with digital technologies grows 20 percent to more than €5 billion in fiscal 2017
- Future-oriented investments in research and development rise to around €5.6 billion

Siemens is gaining further momentum in digitalization and is the first company worldwide to set up 20 centers for digital customer applications in the industrial sector. Each of these MindSphere Application Centers for digital offerings from Siemens spans multiple locations in different countries and specializes in a particular industry in which Siemens is active. Today, around 900 software developers, data specialists and engineers are already working together with Siemens customers at these centers to develop digital innovations for data analysis and machine learning. These new solutions are being developed on MindSphere, Siemens’ open, cloud-based operating system for the Internet of Things (IoT). To be close to its customers, the company has distributed its 20 centers across around 50 locations in 17 countries worldwide. “We’re continuously expanding our leadership role in industrial digitalization,” said Joe Kaeser, Siemens President and CEO. “With our global experience in electrification and automation and our industrial software expertise, we’re generating optimal benefits for our customers – benefits that no other companies can replicate at such high levels of performance.”

During fiscal 2017, Siemens further extended its lead in software solutions and digital services. Revenue from digital technologies, for instance, rose to €5.2 billion – of which €4 billion was attributable to software and €1.2 billion to digital services. This corresponds to a 20-percent increase year-over-year and means that Siemens...
clearly outpaced market growth of about eight percent. “We are now speeding up
digitalization even further” said Siemens Chief Technology Officer Roland Busch.
“We are using our industry know-how to scale the solutions and further broaden the
business. With our MindSphere Application Centers, we’re providing optimal support
to our customers around the globe as they embrace the digital age.”

Siemens launched its MindSphere IoT operating system across the company about
a year ago. Around one million devices and systems are now connected together via
MindSphere, and this figure is to reach 1.25 million by the end of fiscal 2018.
Beginning in January 2018, MindSphere will also be available on Amazon Web
Services. This partnership brings Siemens, the worldwide market leader in industrial
automation, together with the international No. 1 in cloud solutions. As a result,
users enjoy the benefits of a more powerful development environment, additional
analysis functions and expanded connectivity. Industrial applications and digital
services can be developed and run on MindSphere. For example, immense
amounts of system-generated data can be quickly and efficiently captured,
evaluated and used – for instance, to improve system performance and availability.
This technology also helps customers evaluate and employ their data to gain new
types of insights. For example, downtimes can be predicted and prevented and
conclusions drawn about a product and its manufacturing process. Users can also
develop completely new business models – such as selling machine operating hours
and thus offering less capital-intensive solutions.

To further accelerate the innovation process, Siemens will again increase its
research and development (R&D) expenditures in fiscal 2018 and invest an
additional sum of around €450 million. As a result, R&D spending will increase from
about €5.2 billion in fiscal 2017 to over €5.6 billion in fiscal 2018. More than
€3 billion of the company’s R&D outlays flowed into Germany in fiscal 2017. Since
2014, Siemens’ R&D investments have risen by about 40 percent. For fiscal 2018,
Siemens has earmarked some €500 million in R&D spending for Company Core
Technologies, which include such innovative fields as additive manufacturing,
autonomous robotics, data analysis and artificial intelligence, and digital twins – but
also power electronics and distributed energy systems. In fiscal 2017, Siemens had
around 40,000 R&D employees worldwide – of whom some 13,700 were in
Germany, about 6,500 in the U.S., roughly 2,700 in China and around 6,800 in India.
Siemens AG (Berlin and Munich) is a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for 170 years. The company is active around the globe, focusing on the areas of electrification, automation and digitalization. One of the world’s largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of efficient power generation and power transmission solutions and a pioneer in infrastructure solutions as well as automation, drive and software solutions for industry. The company is also a leading provider of medical imaging equipment – such as computed tomography and magnetic resonance imaging systems – and a leader in laboratory diagnostics as well as clinical IT. In fiscal 2017, which ended on September 30, 2017, Siemens generated revenue of €83.0 billion and net income of €6.2 billion. At the end of September 2017, the company had around 377,000 employees worldwide. Further information is available on the Internet at www.siemens.com.