

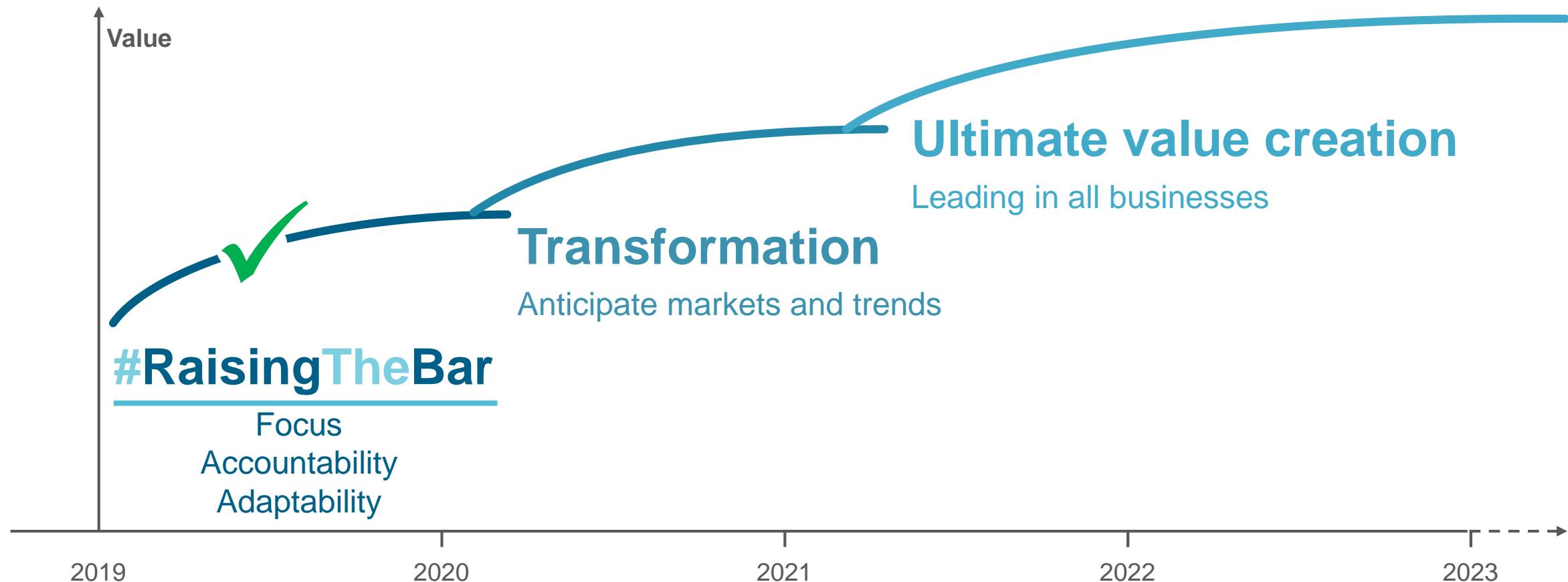
# Sustainable value generation delivering attractive shareholder returns

Ralf P. Thomas, CFO Siemens AG  
Morgan Stanley Industrial Conference | London, September 6, 2019

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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.



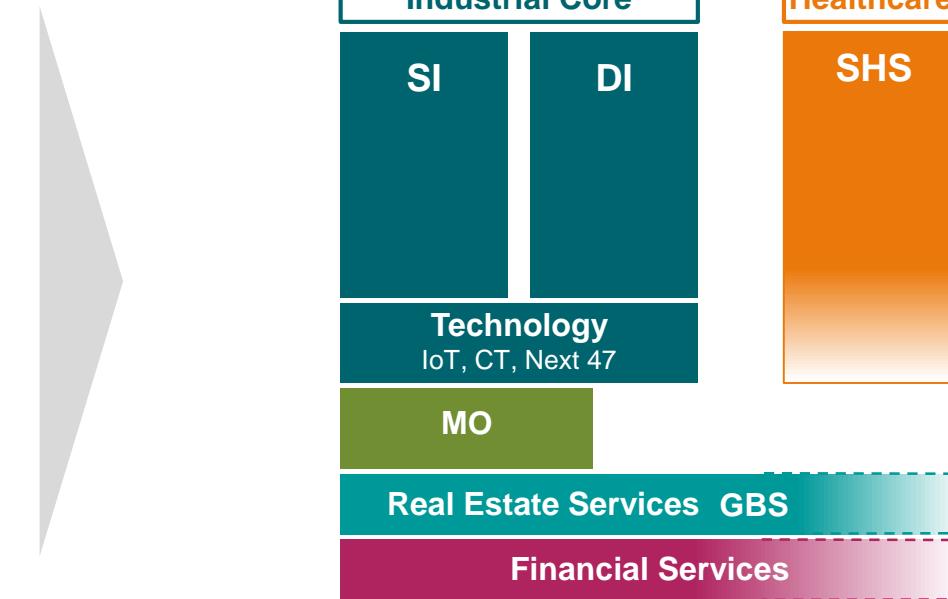
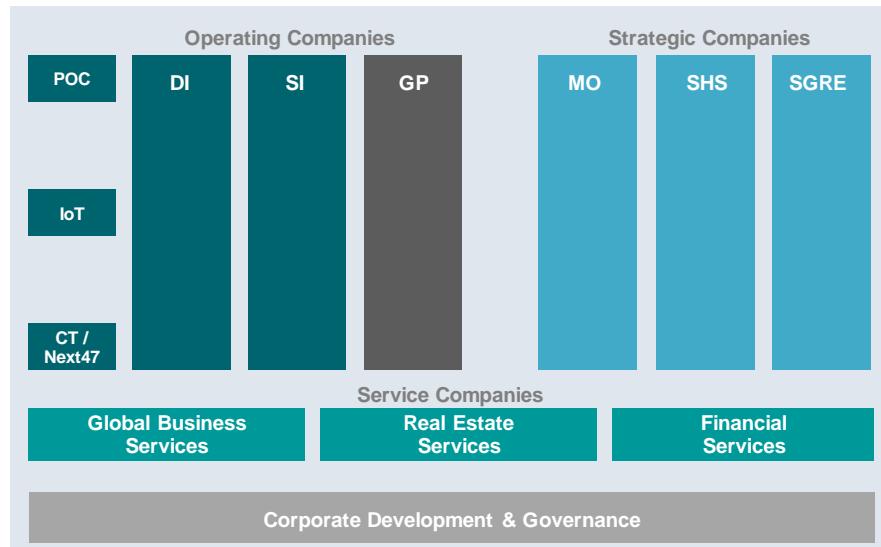
**Key: Foster Ownership Culture and strengthen entrepreneurial focus**

# Ambitious targets of Vision 2020+ reflected in updated Financial Framework

Siemens (targets over the cycle)		
<b>Growth Siemens</b> comparable revenue growth	<b>Industrial Businesses margin<sup>3)</sup></b>	<b>Cash conversion (CCR)</b> FCF IB / Adj. EBITA IB
<b>4 – 5%</b>	<b>11 – 15%</b>	<b>CCR = 1 – comp. growth rate</b>
Operating Companies		
<b>Capital efficiency</b> ROCE <sup>1)</sup>	<b>Capital structure</b> Industrial net debt/EBITDA	<b>Dividend payout ratio</b>
<b>15 – 20%<sup>2)</sup></b>	<b>up to 1.0x</b>	<b>40 – 60%<sup>4)</sup></b>
Strategic Companies		Service Company
<b>Adj. EBITA margin ranges<sup>3)</sup></b>		<b>RoE<sup>5)</sup></b>
<b>Digital Industries</b> <b>17 – 23%</b>	<b>Smart Infrastructure</b> <b>10 – 15%</b>	<b>Mobility</b> <b>9 – 12%</b>
<b>Gas and Power</b> <b>8 – 12%</b>	<b>Siemens Healthineers</b> <b>17 – 21%</b>	<b>Siemens Gamesa R. E.</b> <b>7 – 11%</b>
		<b>Financial Services</b> <b>17 – 22%</b>

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; margin ranges for Siemens Healthineers and Siemens Gamesa R. E. reflect Siemens expectation; 4) Of net income attributable to Siemens shareholders excluding exceptional non-cash items; 5) Return on equity after tax

# Further transformation on the path to ultimate value creation



	Performance	Mid-term target 2021	Long-term target
<b>Comp. Revenue Growth</b>	1.6% <sup>1)</sup>	4 - 5%	✓
<b>Adj. IB EBITA Margin</b>	10.6% <sup>1)</sup>	11 - 15%	14 - 18%
<b>ROCE</b>	13.3% <sup>1)2)</sup>	15 - 20%	✓
<b>EPS</b>	€6.30 - €7.00 Outlook FY19, ex. severance	ΔEPS > Growth	✓

# Significant cost measures as base for ambitious margin expansion

## Customer value generation

## Risk management

## Cost efficiency

### Cost optimization Operating Companies

### Digital Industries

~ **€320<sup>m</sup>**  
by FY 2023  
(50% by 2021)

Restru. cost ~ €300m

### Smart Infrastructure

~ **€300<sup>m</sup>**  
by FY 2023  
(50% by 2021)

Restru. cost ~ €300m

### Gas and Power

~ **€1,000<sup>m</sup><sup>1)</sup>**  
by FY 2023  
(70% by 2021)

Restru. cost ~ €200m (Q4)

### Global Business Services efficiency

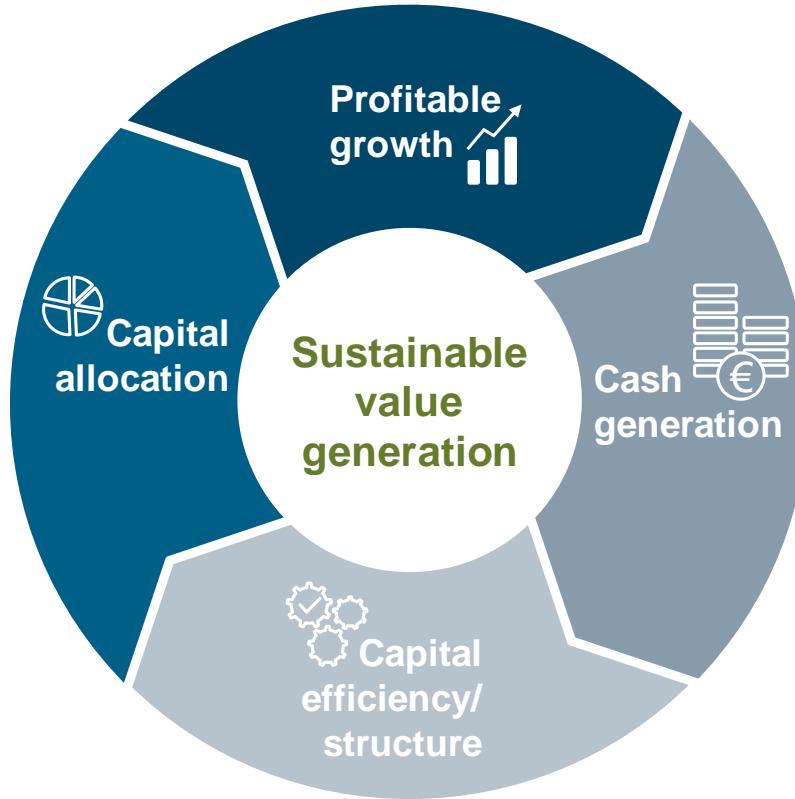
~ **€90<sup>m</sup>** by FY 2021

Restru. cost ~ €70m

### Lean and effective governance

~ **€500<sup>m</sup>** by FY 2023 (60% by 2021)

Restru. cost ~ €400m



- 1** Deliver on our promises on profitable growth
- 2** Drive working capital improvement and cash performance
- 3** Improving capital efficiency
- 4** Continue stringent capital allocation

- New company structure operational as of April 1, 2019**
- First update on Corporate efficiency measures Q4 FY19, ongoing quarterly**
- GP carve out effective by April 2020**
- GP partial spin-off by September 2020**
- Update on Mobility by Q2 FY20**
- GBS efficiency target achieved: 10% by Q4 FY20, 20% by Q4 FY21**
- Portfolio Companies target 5% adj. EBITA margin achieved by FY22**

# Upcoming capital market communication



**November 7, 2019**

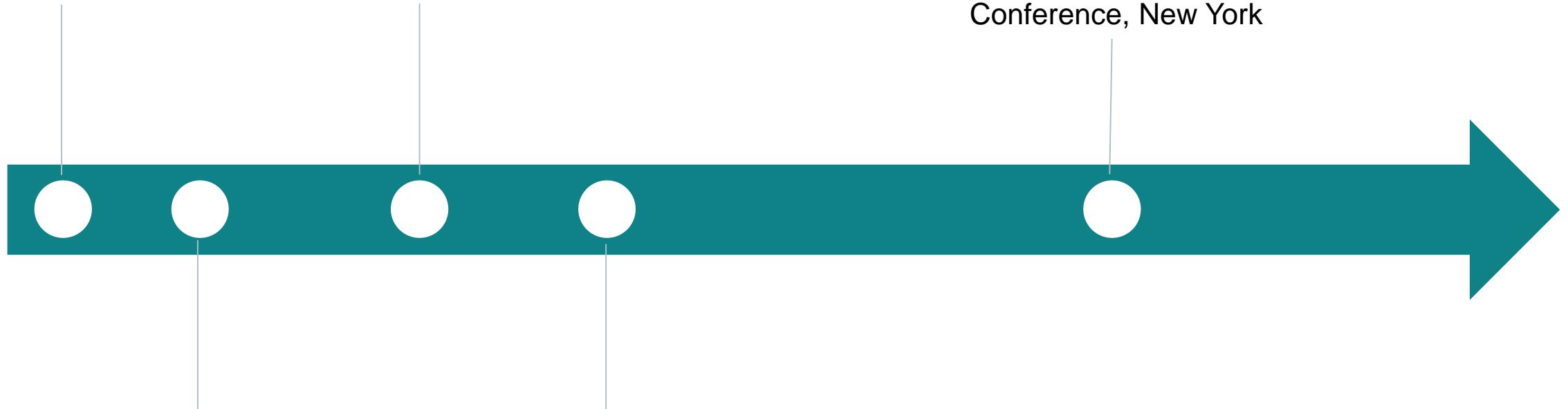
**Q4 Results**

**November 12, 2019**

Roadshow Frankfurt

**January 13, 2020**

Commerzbank  
Conference, New York



**November 7 - 8, 2019**

Roadshow London

**November 12 - 14, 2019**

Roadshow New York, Boston, Toronto

**November 13, 2019**

Roadshow Paris



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