Investments in digital industry making an impact

Joe Kaeser, President and CEO Siemens AG
Bernstein Strategic Decisions Conference | New York, May 30, 2018

Notes and forward-looking statements

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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.

Strong performance across all divisions except PG

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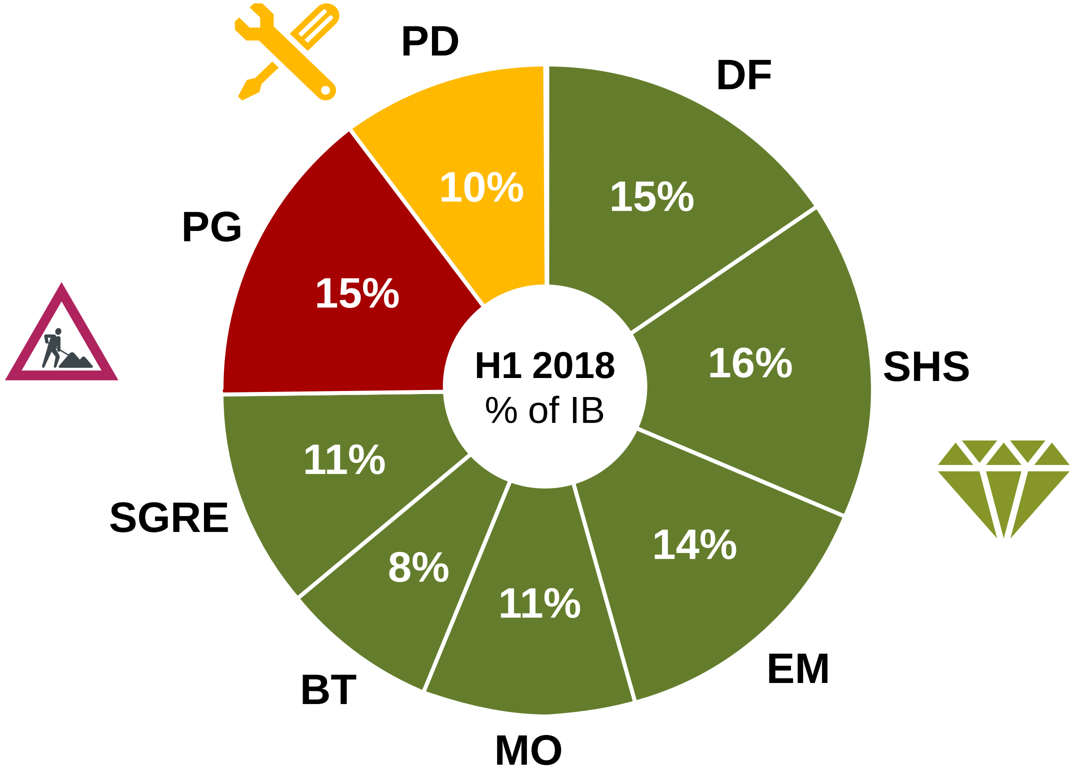
In €bn	Q2 FY18	Q2 FY17	Δ y-o-y	Δ y-o-y ex. PG
Orders	22.3	22.7	-1% comp.	flat comp.
Revenue	20.1	20.1	flat comp.	+6% comp.
IB Profit	2.3 (*11.0%*)	2.5 (*12.0%*)	-100bps	+80bps[1)]
Net Income	2.0	1.5	+39%	
EPS (in €)	2.39	*1.75*	+36%	

1) Q2 FY17 excl. positive one-time pension effect of €138m, ~80bp on IB margin ex. PG

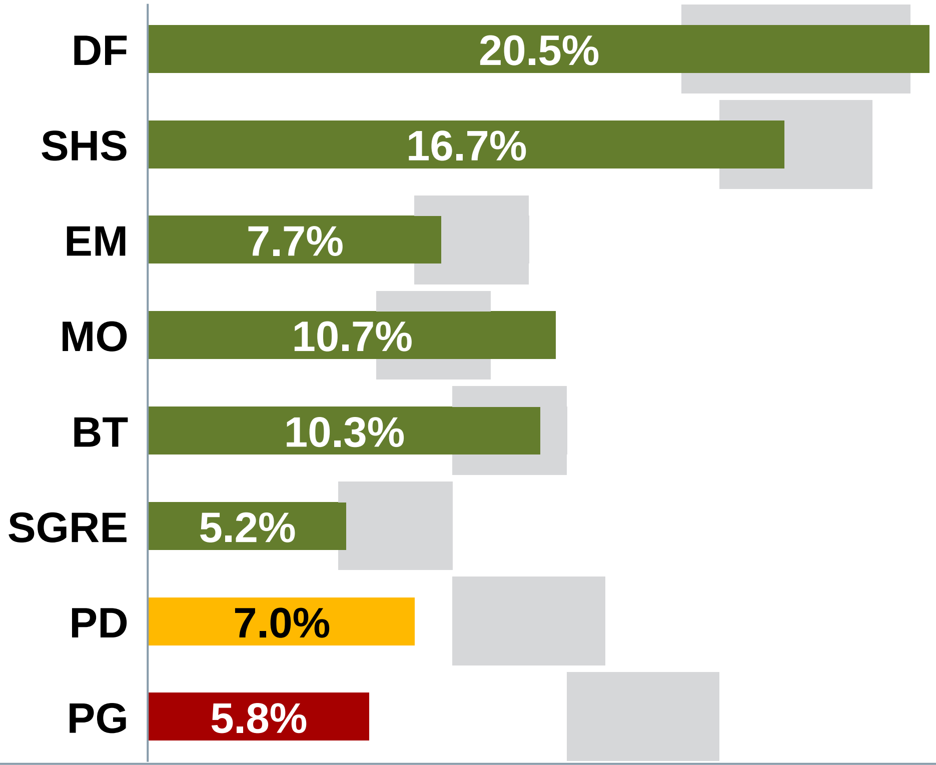
x.x% Margin

Siemens portfolio in strong shape
Structural challenges in Power and Gas

Revenue (IB) H1 FY 2018



Profit margin H1 FY 2018



Most divisions with excellent performance in or above margin targets

Breakthrough in restructuring achieved

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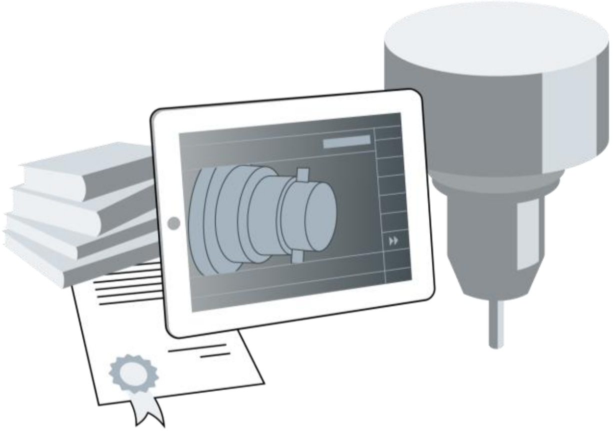
Framework agreement for restructuring

- Covers German PG and PD sites
- Cost reduction targets retained
- Job cuts unavoidable
- Negotiations finalized end of FY18
- Savings completed in 2020

Future pact to shape structural transformation



- Structural challenges across certain markets
- Opportunities from digitalization
- Re-qualification of workforce required
- €500m annual invest for education & training
- Up to €100m additional invest over four years

Digital Factory leads the way in Digital Enterprise
Consistent market share gains – M&A strategy pays off

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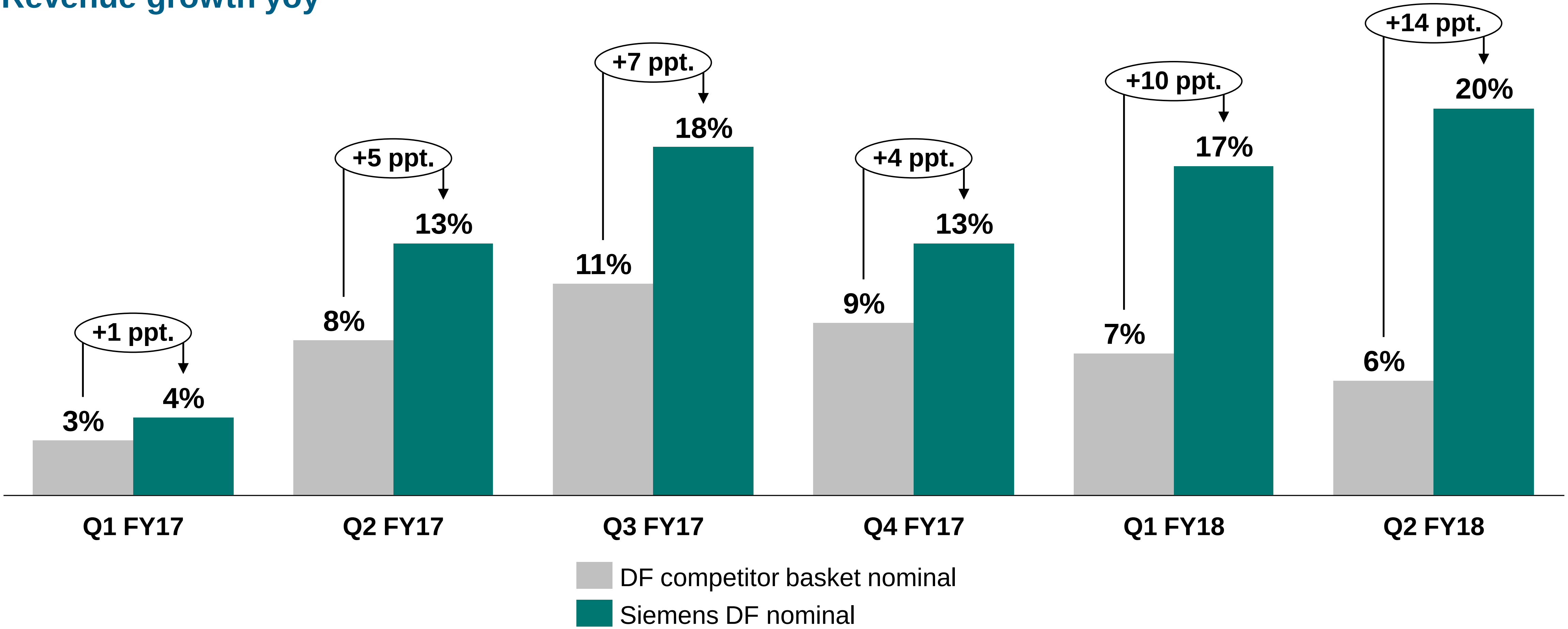
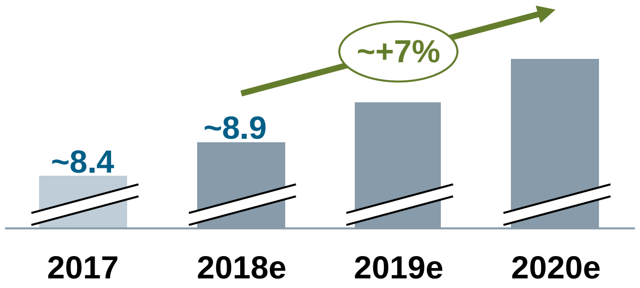
Revenue growth yoy



Mentor – more than a great asset

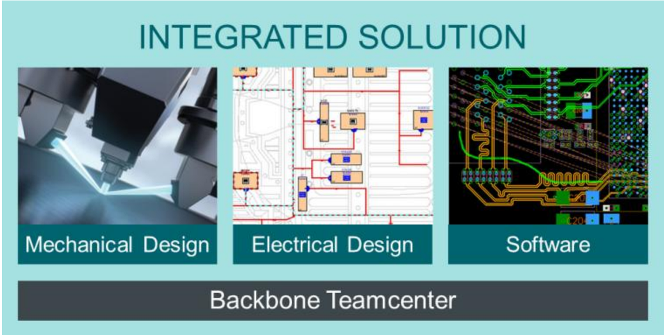
Strong market

Electronic Design Automation market
€bn



- Key growth drivers: Miniaturization, AI & Machine Learning, IoT, Autonomous Driving and Integrated Systems Design
- Strong semiconductor market
- Bolt-on acquisitions to strengthen Mentor's technology position

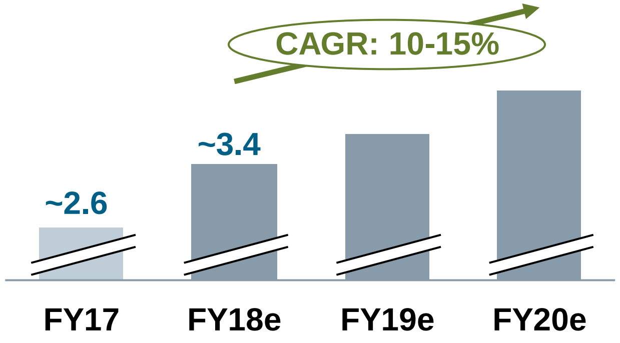
Excellent fit



- Broadest software portfolio with market leading automation for Smart Products
- Excellent cultural match
- Combined portfolio leads to joint sales success

Profitable growth

DF Software Revenue
€bn



- On track to achieve FY 18 revenue target despite negative FX
- Strong profitability increase FY 18e despite ongoing invest in MindSphere & SaaS
- Synergies > €100m confirmed for FY 19 - ahead of plan

SGRE with significant customer wins
Stringent execution of roadmap continues

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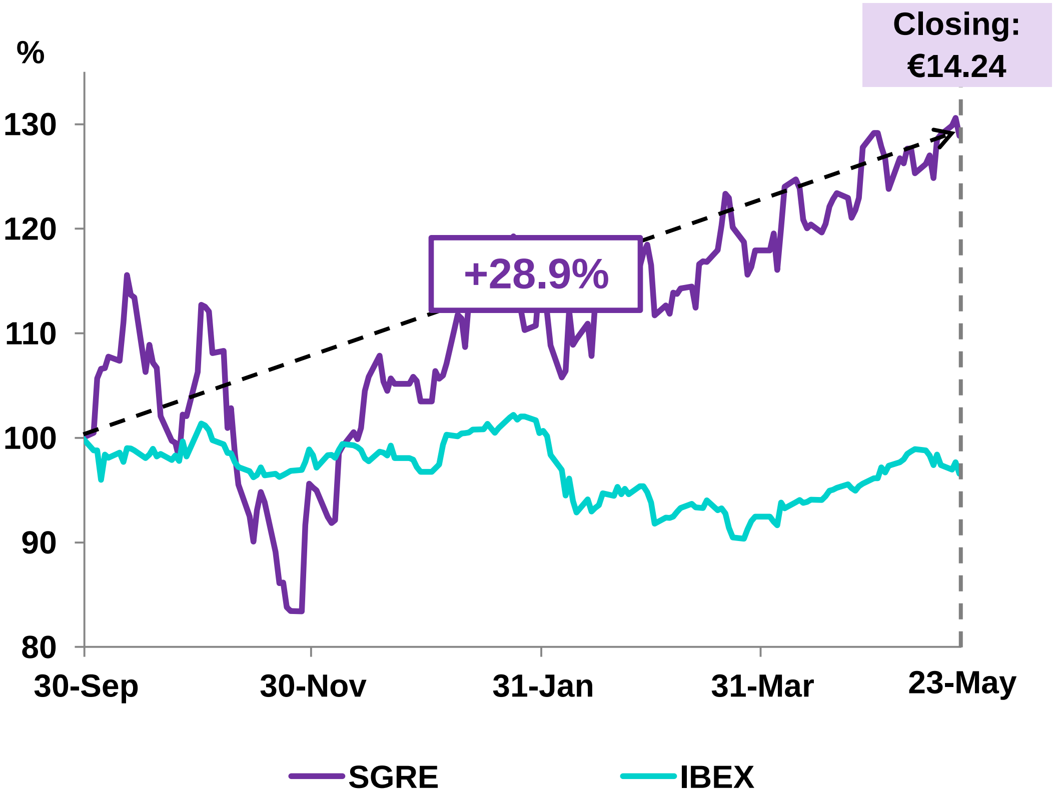
Performance highlights

- >84GW installed based
- Order intake of €10bn in last 12 months
- Q2 with strong book-to-bill of 1.4x
- Preferred supplier of largest offshore wind farm (1.4GW for Ørsted in the UK)
- Clear roadmap with L3AD2020 program

MAKE study confirms SGRE leading position

- Global #1 with 8.8 GW of new capacity in 2017
- Clear # 1 in Offshore & # 2 in Onshore
- Market share gain +3.3ppts

Strong share price performance

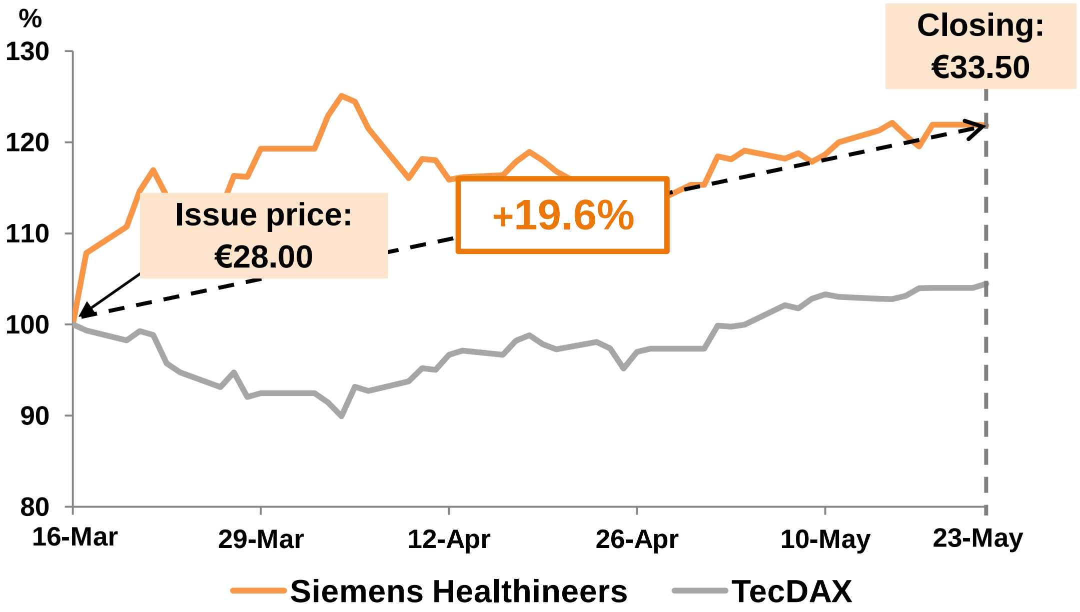


Successful IPO of Siemens Healthineers unlocks value potential

Siemens Healthineers (SHS)

- **15% share floated** at **placement price** of **€28**
- **Gross proceeds** of **€4.2bn**
- **Siemens** as **long-term majority shareholder**

Strong share price performance



- **Entrepreneurial flexibility**
- **Strategy 2025 on track for growth** and **margin expansion**
- **Expand leading role** to **shape the future** of **healthcare**

Guidance FY 18 raised

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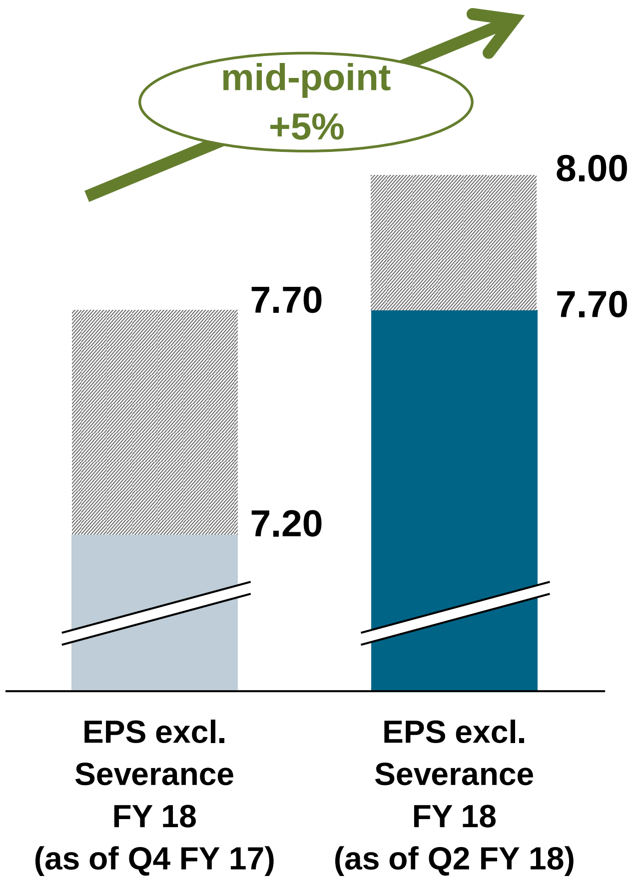
Earnings per share (in €)



Guidance update

We continue to expect **geopolitical uncertainties** such as **trade restrictions** that **may affect investment sentiment**.

Following the strong results achieved in the first half of fiscal 2018, we **raise our outlook for basic EPS from net income** to the **range of €7.70 to €8.00**, **excluding severance charges**, up from the range of €7.20 to €7.70.

Furthermore we confirm our expectation of **modest growth in revenue**, net of effects from currency translation and portfolio transactions, and continue to anticipate that **orders will exceed revenue** for a **book-to-bill ratio above 1** for the full fiscal year.

We continue to expect a **profit margin of 11.0% to 12.0% for our Industrial Business** also **excluding severance charges**.

This outlook **excludes charges related to legal and regulatory matters** and **potential effects** which may follow the introduction of a **new strategic program**.

Note: FY 2017 weighted average number of shares of ~812.2m

Siemens Vision 2020 execution well advanced
FY 2018 – Delivering results and setting direction for next level

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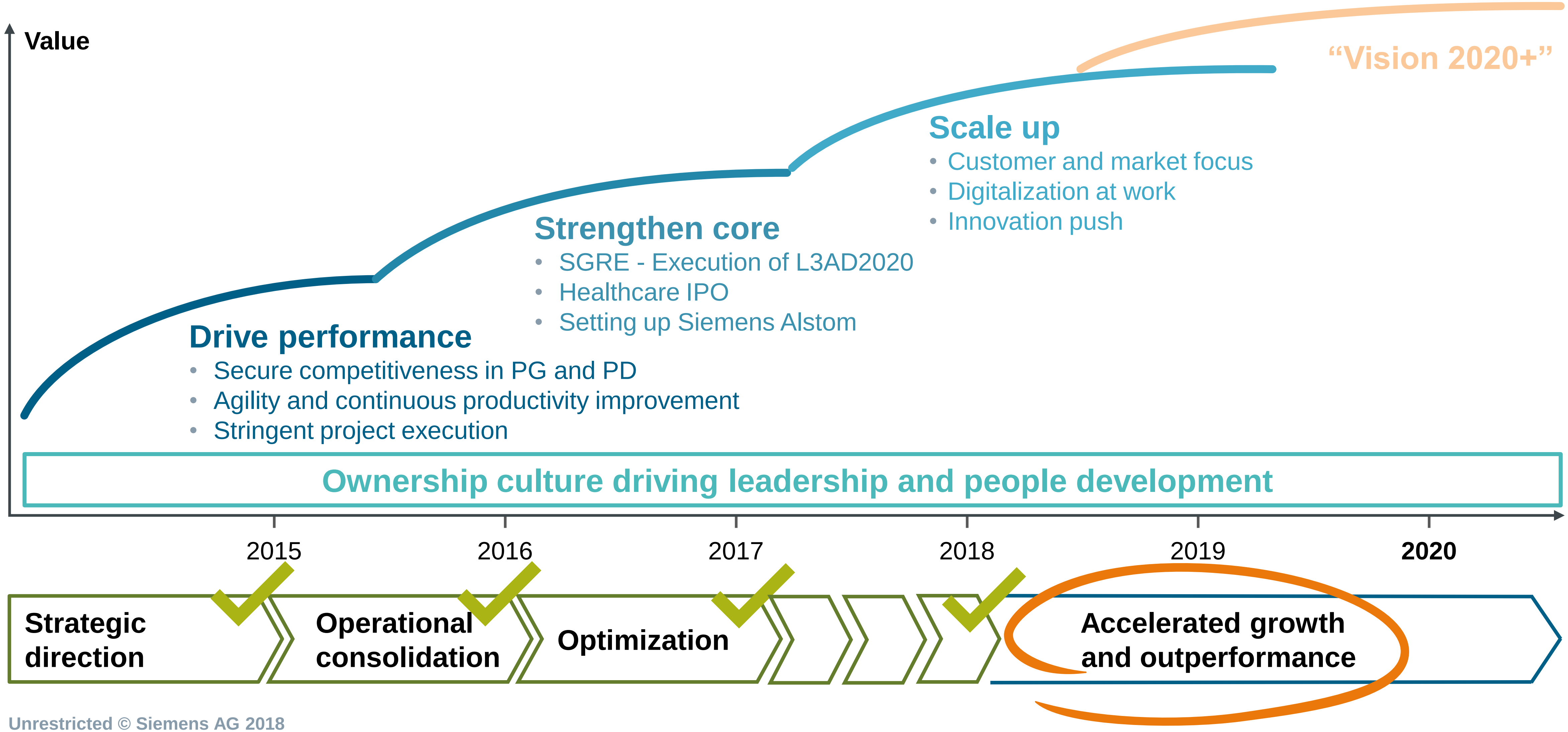
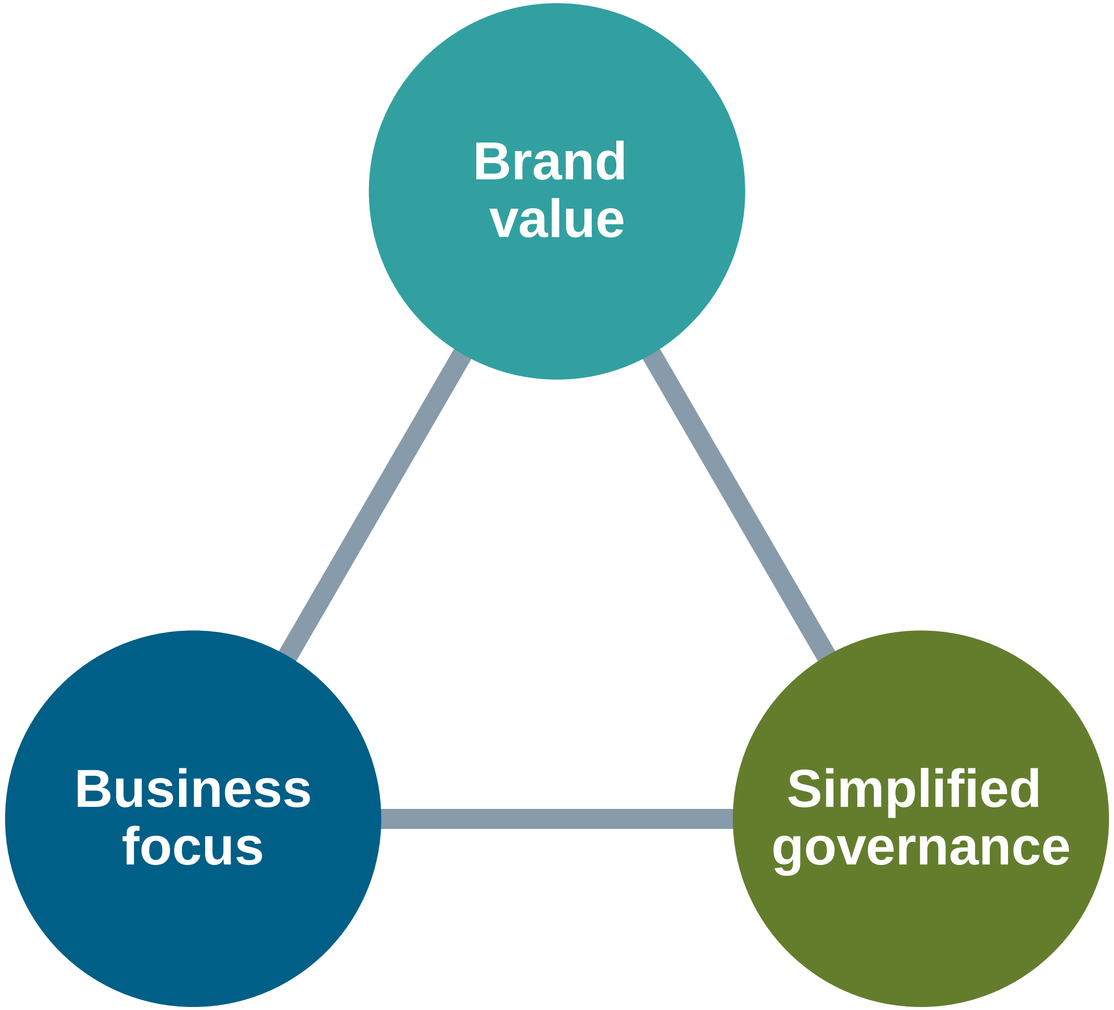


Key considerations for “Vision 2020+”



Financial calendar

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May	**May 30 - 31, 2018** Bernstein Conference (New York) & Roadshow Canada (Toronto)
June	**June 12, 2018** Exane Conference (Paris) **June 15, 2018** JP Morgan Conference (London)
August	**August 2, 2018** Q3 Earnings Release