Executing Vision 2020+ | Siemens Energy spin-off

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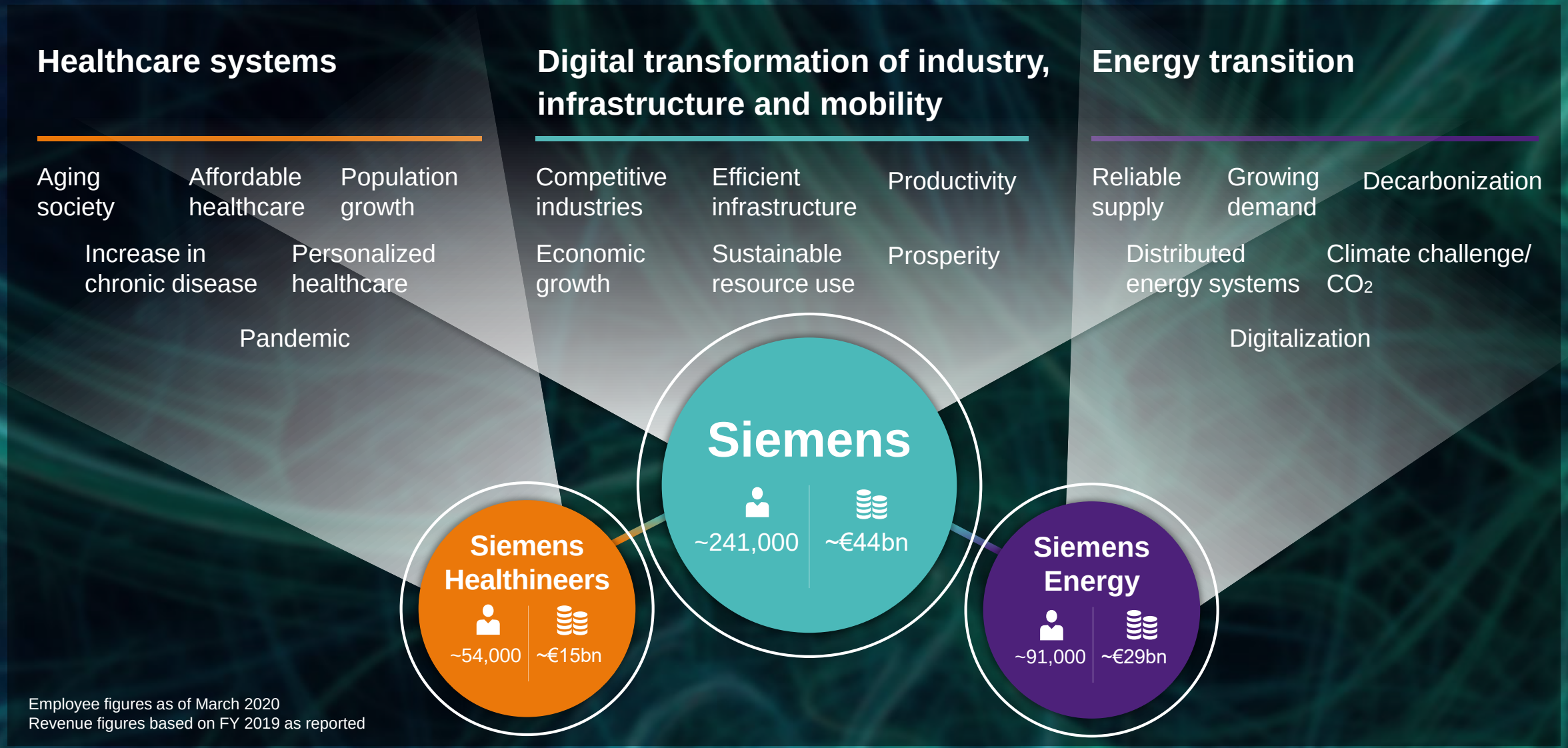
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Siemens ecosystem to shape transformation in key societal challenges

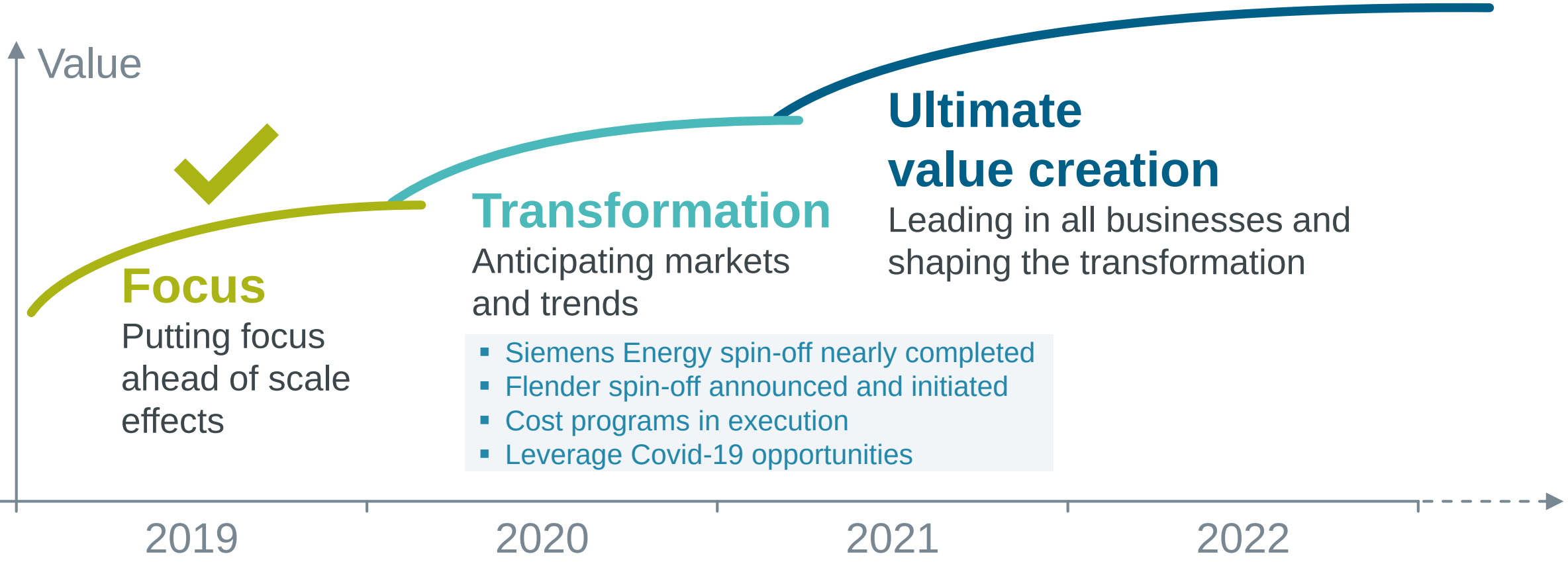


Employee figures as of March 2020
Revenue figures based on FY 2019 as reported

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Vision 2020+ fully on track
Drive transformation to shape change

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- Siemens Energy spin-off nearly completed
- Flender spin-off announced and initiated
- Cost programs in execution
- Leverage Covid-19 opportunities

Fostering Ownership Culture and sharpening the company's focus

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Vision 2020+
Medium-term financial targets unchanged



REVENUE GROWTH

+2 PPT

EBITA FOR INDUSTRIAL BUSINESSES

+2 PPT

GROWTH IN EARNINGS PER SHARE

> Revenue growth

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We are fully committed to deliver on Vision 2020+ targets

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REVENUE GROWTH

+2 PPT

- Develop **business mix** towards growth markets
- **Expand digitalization** and **IoT portfolio**
- Use **opportunities in decarbonization** and **decentralization of energy**
- Further outgrow market in **Mobility**

EBITA FOR INDUSTRIAL BUSINESSES

+2 PPT

- Rigorous **execution of competitiveness programs**
- Deliver on **Corporate cost reductions**
- **Operational excellence** and **stringent project execution**
- Stringent **capital allocation**

Geared to consistently deliver cash conversion of 1 – growth rate

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Spin-off rationale: A mutually beneficial transaction
Focused resource allocation offers attractive opportunities

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SIEMENS Healthineers

1. **Focus**
   Expand leading position and invest in digitalization
2. **Accountability**
   Delivery on Vision 2020+ targets
3. **Adaptability**
   Simplification and lean governance
4. **Transformation**
   Rapid innovation and new business models
5. **Value creation**
   Clear risk profile and focused portfolio

Siemens Energy AG

Transmission

Generation

Industrial Applications

SIEMENS Gamesa RENEWABLE ENERGY

1. **Focus**
   Optimize resource allocation
2. **Accountability**
   Ambitious goals and SAG as anchor investor
3. **Adaptability**
   Combining all energy assets, leading portfolio
4. **Transformation**
   Entrepreneurial independence
5. **Value creation**
   Clear path to improve profitability

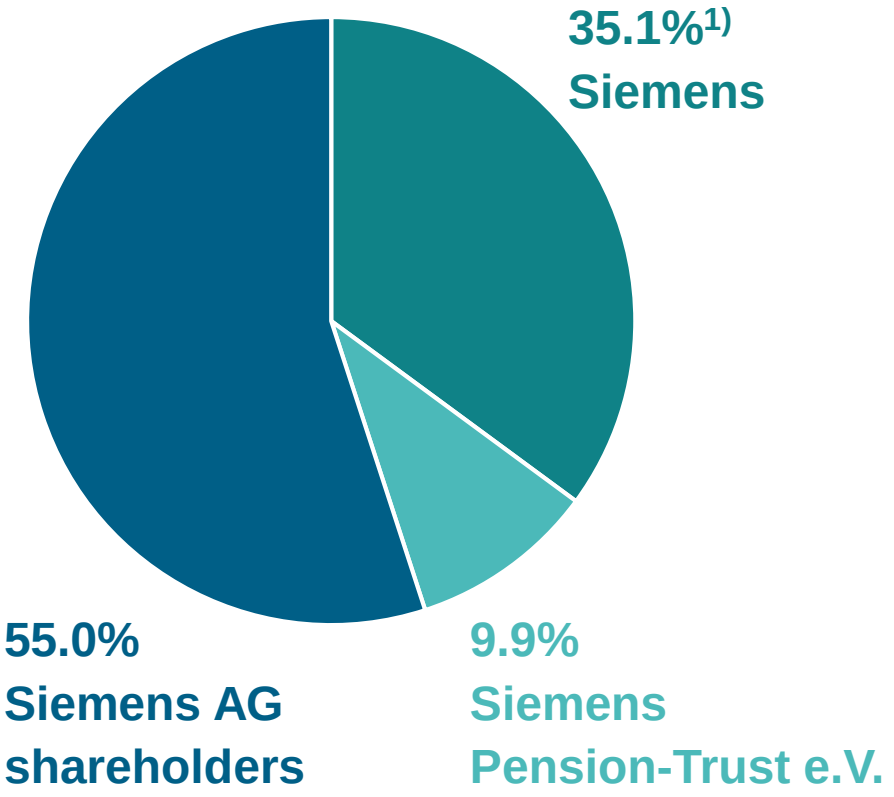
Spin-off creates **independent and agile energy champion** with strong **brand** and **Siemens engineering DNA**

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Siemens to relinquish majority ownership from the outset
Further reduction of stake in Siemens Energy planned

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Siemens shareholding



- **55% of Siemens Energy AG shares will be transferred to Siemens AG shareholders prior to first day of trading**
- **Within 12-18 months post spin-off: Siemens intends to further significantly reduce its stake in Siemens Energy**

1) Of which 12.02% held by the wholly owned subsidiary Siemens Beteiligungen Inland GmbH

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Independent Siemens Energy with strong financial base and experienced supervisory board

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Relinquishment of control

- **No full consolidation** of Siemens Energy after the spin-off
- **Deconsolidation agreement** ensures that Siemens **cannot exercise any controlling influence** on the Siemens Energy business, e.g. **limitations** on exercising of voting rights

Rating

- **S&P Global: Solid Investment grade rating of "BBB"** with stable outlook
- **Equity ratio of 35.8% (June 30, 2020)**
- **Strong balance sheet**
- **Very solid liquidity status**

Supervisory Board Siemens Energy

- **20 members[1)], therein three members employed by the Siemens Group: Joe Kaeser (Chairman) | Ralf P. Thomas (Audit Committee) | Matthias Rebellius**

1) Ten supervisory board members representing shareholders and ten supervisory board members representing employees

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Collaborative relationship of Siemens AG with Siemens Energy

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SIEMENS brand

- **Siemens Energy and SGRE continue to operate under the Siemens brand**
- **Brand fee for Siemens Energy ex. SGRE: 0.3-1.2% of "Siemens brand" net revenue**, depending on EBITA margin[1)]
- Initial tenor of **trademark license agreement** 10 years

Service Agreements



- Total **cumulative volume** over entire term of contracts: **~€1.5bn**
- **Duration** between **12 and 36 months**
- Mainly focused on **Global Business Services**, IT Services, lease contracts & related services

Preferred Financing Agreement



- **Siemens Energy has continued access to Siemens Financial Services at arms' length**
- **Equity financing: Up to €1.5bn in first 5 years,** further 5-years period at least €0.5bn
- **Debt financing** and **leasing**

Guarantees



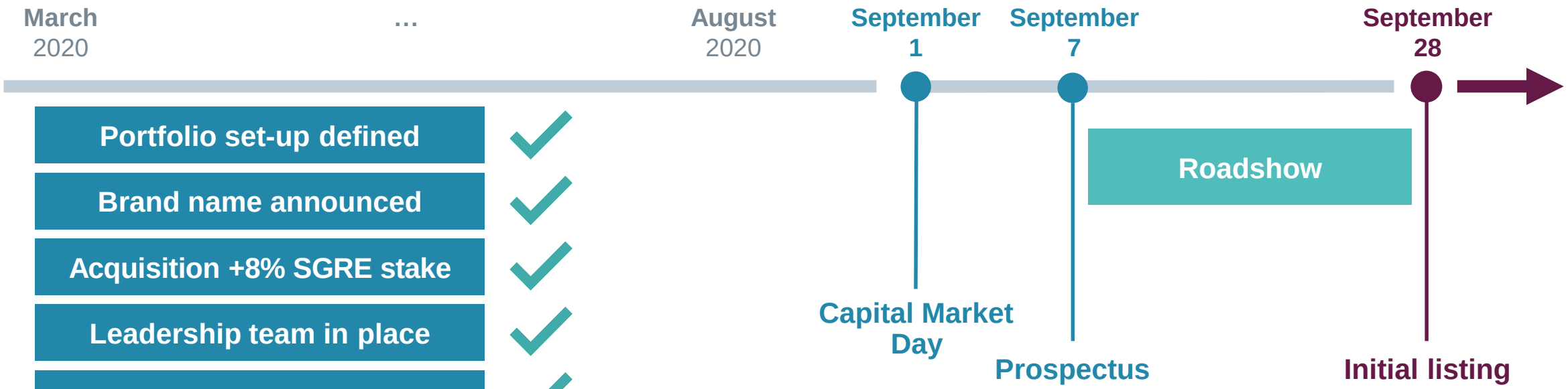
- **Siemens holding ~€42bn in guarantees** (as of June 30, 2020) of which 50% are expected to be ramped down in 5 years
- **Supportive banking group** in place

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1) Based on EBITA margin adjusted for the purpose of the trademark license agreement; EBITA margin ≤ 6.5% = 0.3% / EBITA margin ≥ 9.0% = 1.2%

All milestones achieved - Siemens Energy listing in final stages

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- Portfolio set-up defined ✓
- Brand name announced ✓
- Acquisition +8% SGRE stake ✓
- Leadership team in place ✓
- Carve-out effective March 31 ✓
- Siemens Energy in D/O ✓
- Spin-off report published ✓
- S&P Rating: BBB stable outlook ✓
- EGM Approval with >99% ✓

SIEMENS energy

Prime Standard segment

Frankfurt Stock Exchange

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