



Digital Industries

Cedrik Neike, CEO

Tony Hemmelgarn, CEO DI Software

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Notes and forward-looking statements

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 prospectuses, 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 Report on expected developments and associated material opportunities and risks in the Annual Report and in the Half-year Financial Report, which should be read in conjunction with the Annual Report. Should one or more of these risks or uncertainties materialize, events of force majeure, such as pandemics, occur or should decisions, assessments or requirements of regulatory authorities deviate from our expectations, or should underlying expectations including future events occur at a later date or not at all or assumptions prove

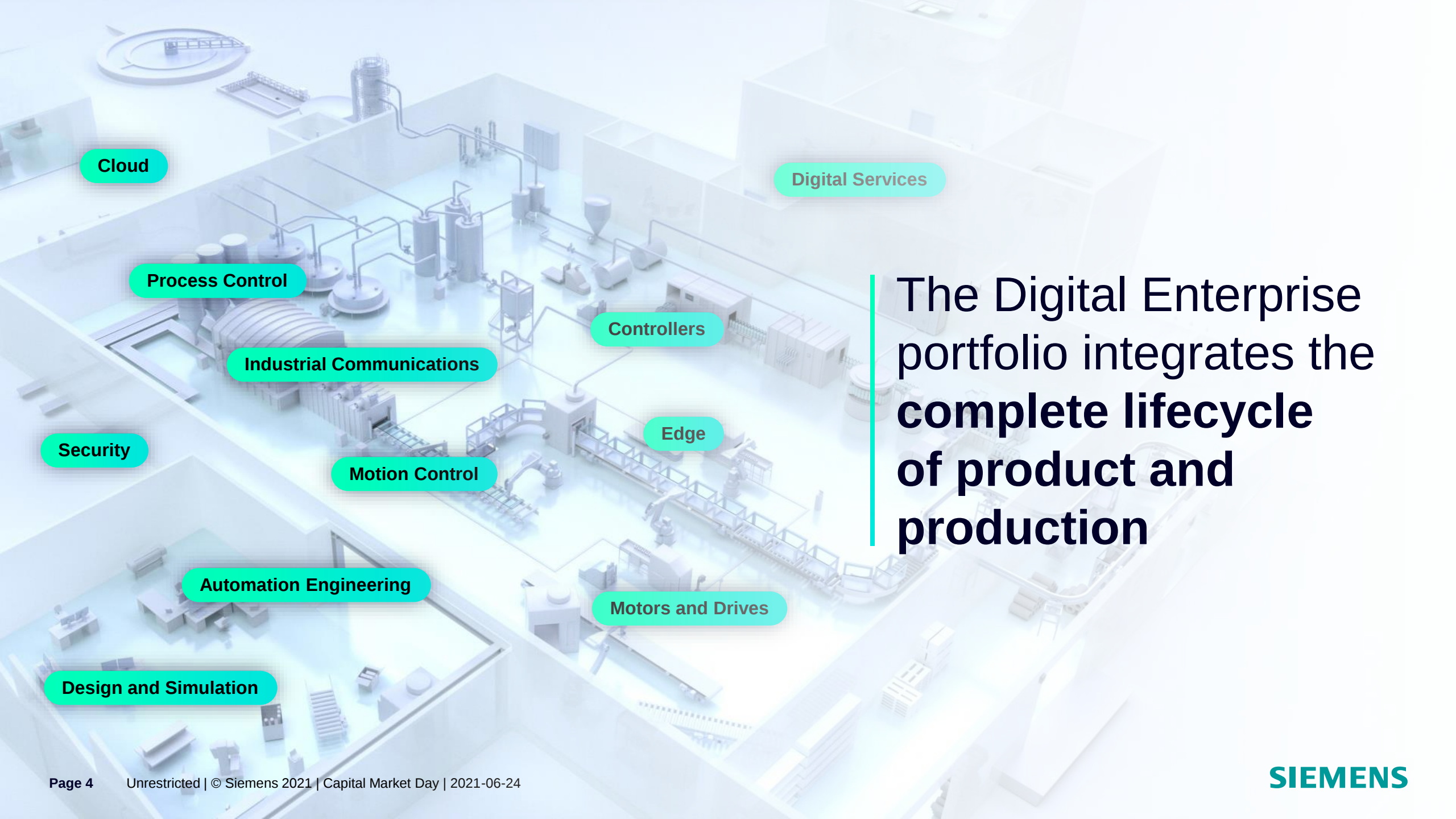
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This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not 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.



**Huge potential in
digitalization and
automation –
this is our decade
of opportunities**



Cloud

Digital Services

Process Control

Controllers

Industrial Communications

Security

Edge

Motion Control

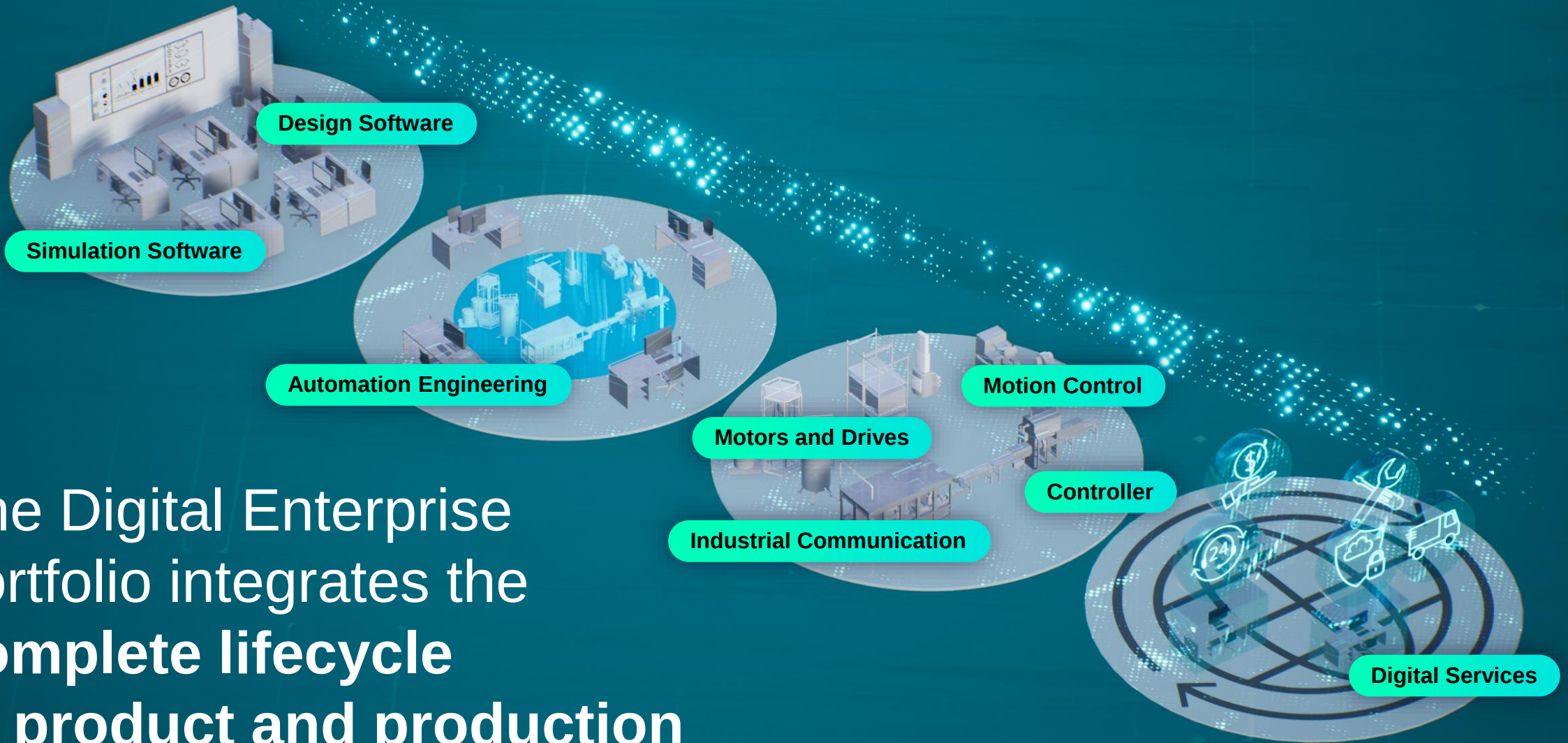
Automation Engineering

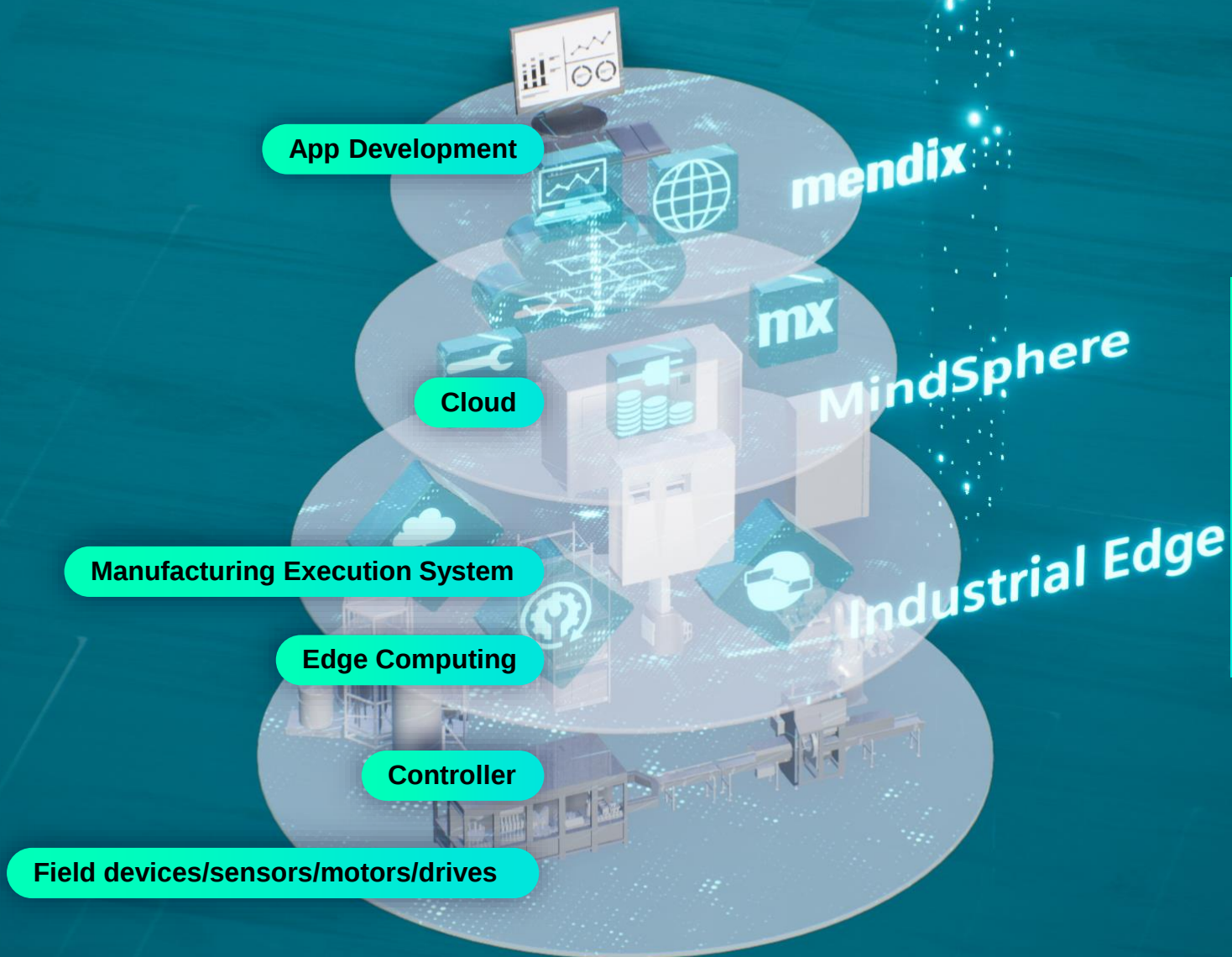
Design and Simulation

Motors and Drives

The Digital Enterprise portfolio integrates the **complete lifecycle of product and production**

The Digital Enterprise portfolio integrates the complete lifecycle of product and production





Our offering helps
our customers to
innovate and compete
from sensor to edge
to cloud

Customer trust and loyalty is resulting in various #1 and #2 positions

#1

Industrial Software

Automation

PLC

Chemicals

**Industrial
Communication**

Motion Control

Discrete Automation

#2

**Process
Automation**

Pharma

Based on our strong market positions, we will extend our leadership through four growth levers



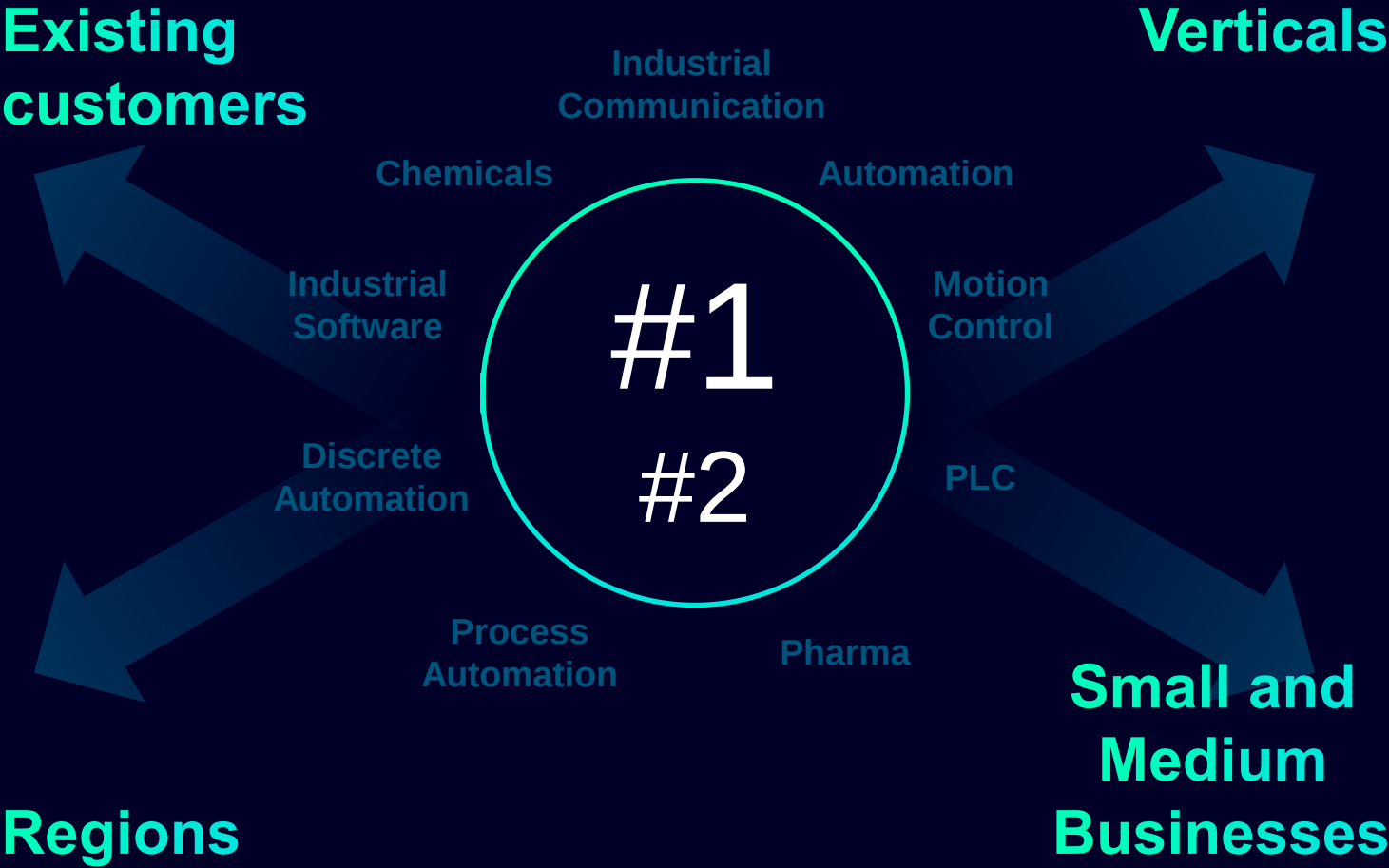
Existing customers

Verticals



Regions

Small and Medium Businesses



Digital Industries

Key figures FY 20



€15.9bn

Orders

€15.0bn

Revenue

16.6%
without Bentley,
with Bentley 21.7%

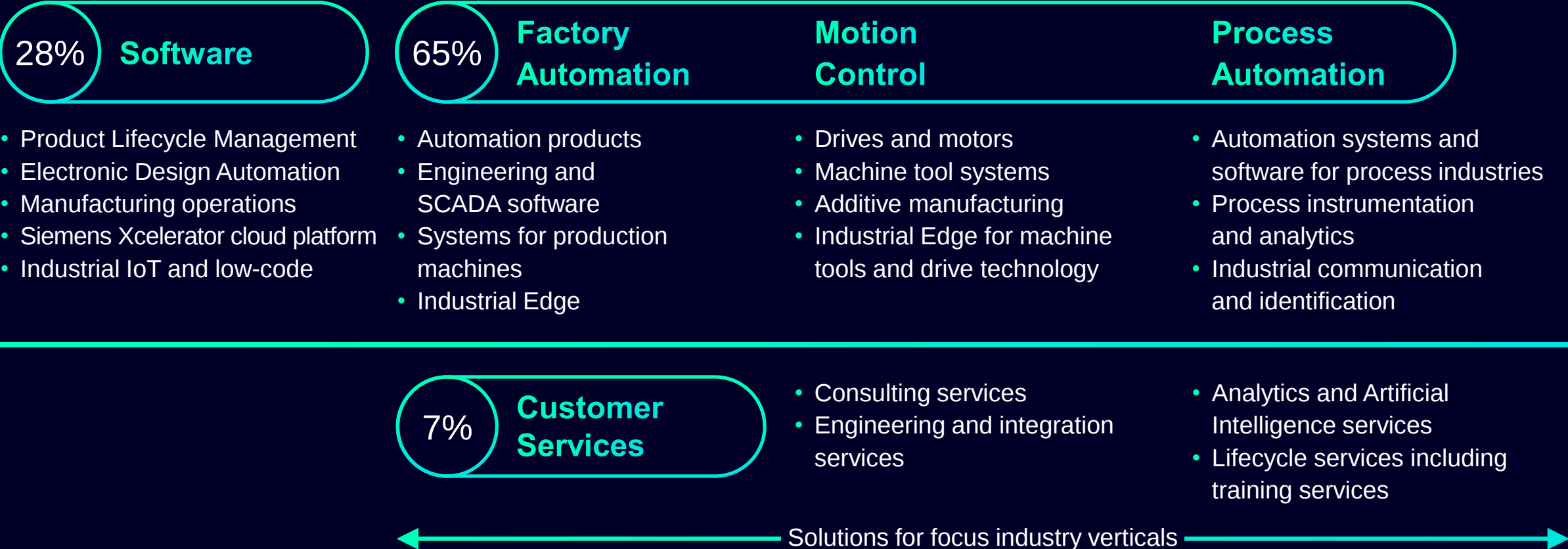
Profit margin

~72,000

Employees

Digital Industries

Portfolio



Percent of revenue FY 20

We have a balanced global footprint close to our customers



Americas

Global headquarters for software in the USA



Note: Numbers FY 20

We have a balanced global footprint close to our customers

Asia, Australia

Global headquarters for standard motors in China



Revenue
in bn €



of total
employees



of total R&D
headcount



Production
facilities



Note: Numbers FY 20

We have a balanced global footprint close to our customers

Europe, CIS¹, Africa, Middle East

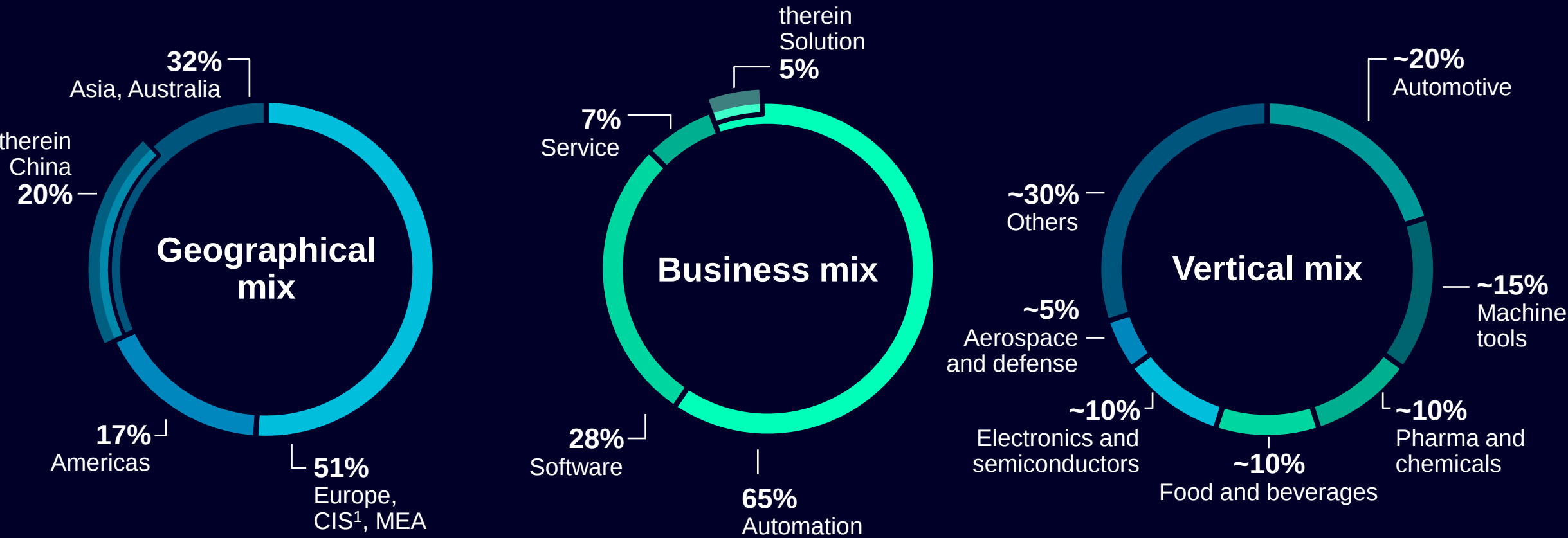
Global headquarters for automation in Germany



Note: Numbers FY 20 1 Commonwealth of Independent States

Revenue split

FY 20 – in percent - €15.0bn



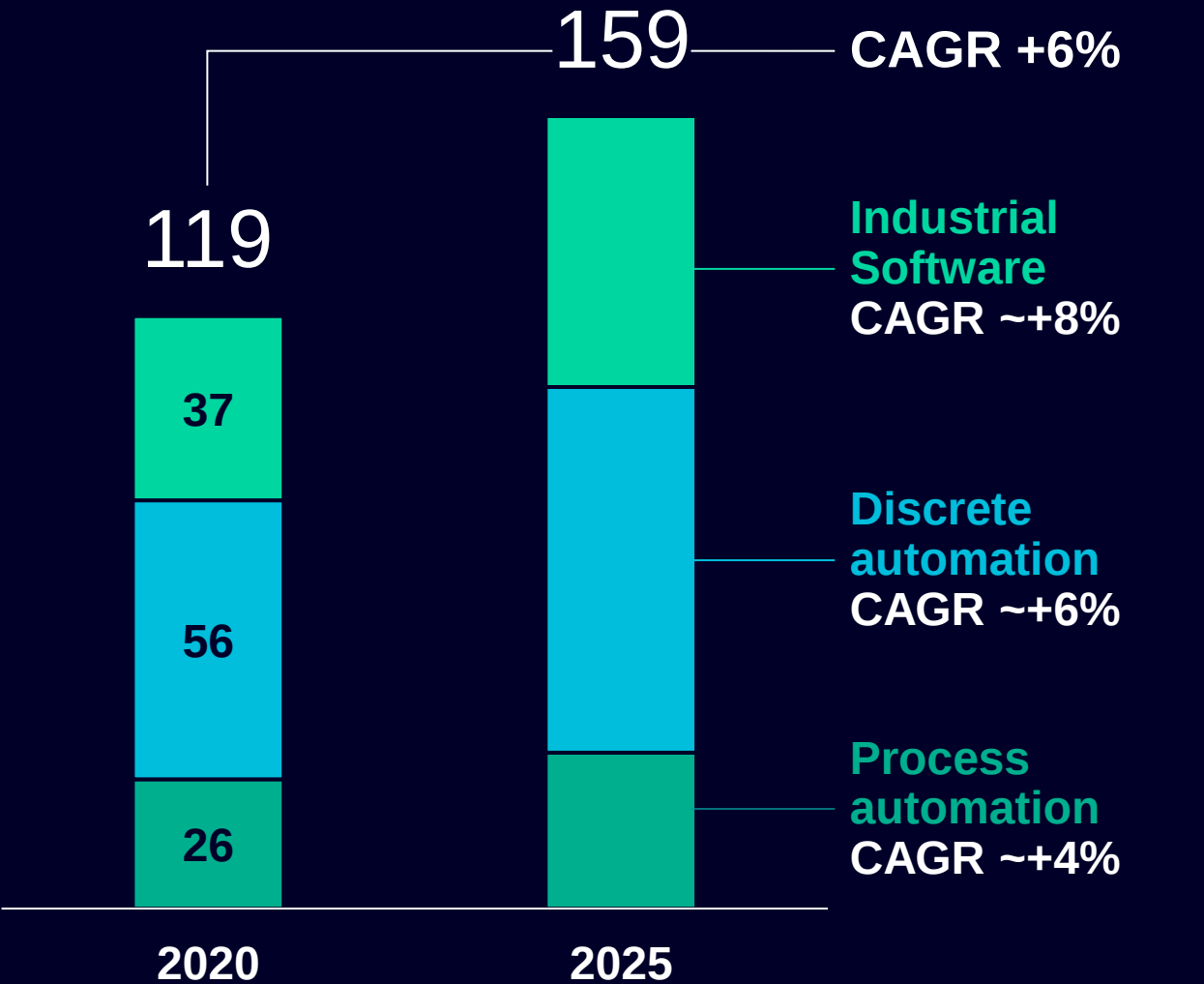
¹ Commonwealth of Independent States

Market split

Business mix – in billion €

Trends

- Adoption of new technologies and new business models >
- Investment in sustainable digital innovation >
- Rise of value creating partnerships and ecosystems >



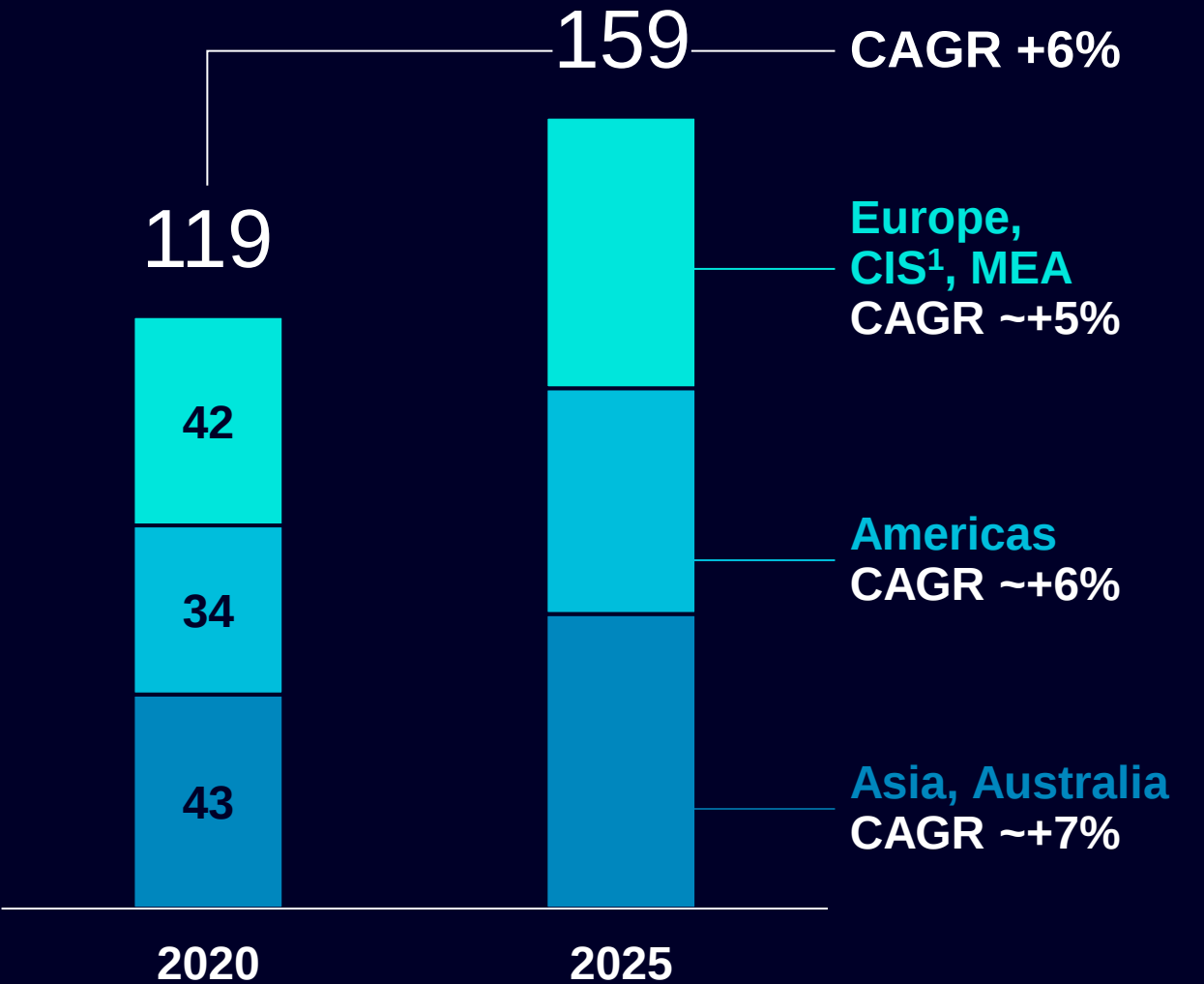
Source: Siemens common market model based on market analysts data

Market split

Geographical – in billion €

Trends

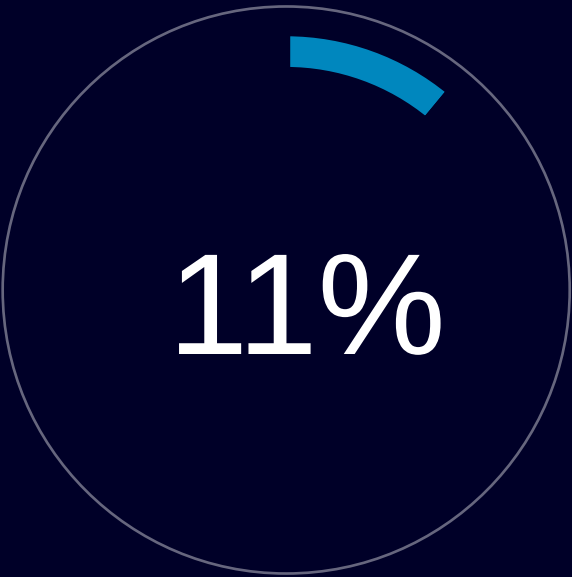
- Adoption of new technologies and new business models >
- Investment in sustainable digital innovation >
- Rise of value creating partnerships and ecosystems >



Source: Siemens common market model based on market analysts data ¹ Commonwealth of Independent States

We are well prepared to capture attractive growth through increasing digitalization and automation of our industries

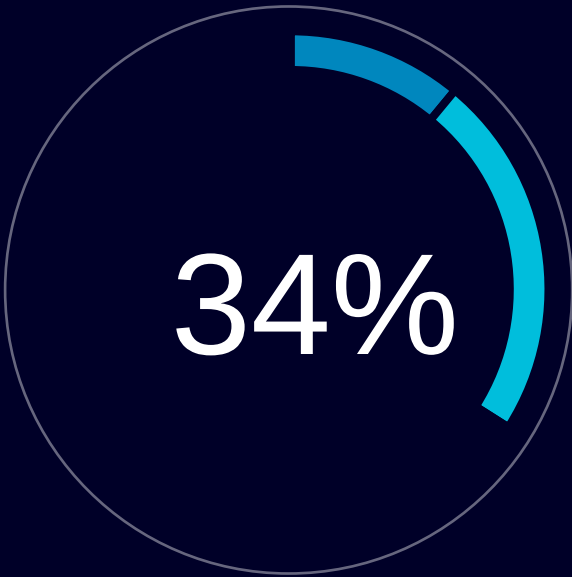
Digital Twins in productive use today¹



today

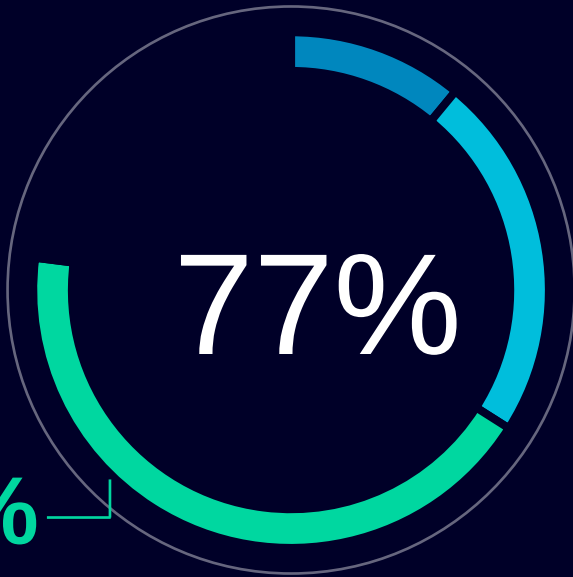
to

Digital Twins in productive use in 3 years¹



34%

Additional 43% to be expected in pilot in 3 years¹



77%

+43%

In 3 years

¹ CIMdata, 2019 survey

Industry faces fast-changing market demands –
creating value for our customers

Flexibility **Quality**
Speed **Productivity**
Sustainability
Business models

Flexibility

VINGROUP

From zero to cars in 21 months – from smartphones to ventilators in 3 weeks

Customer challenge

Shift from manufacturing smartphones to manufacturing ventilators

Solution

- License of Siemens customer Medtronic design for ventilator
- Digital twin for manufacturing by Siemens (Teamcenter, NX)

Customer benefit

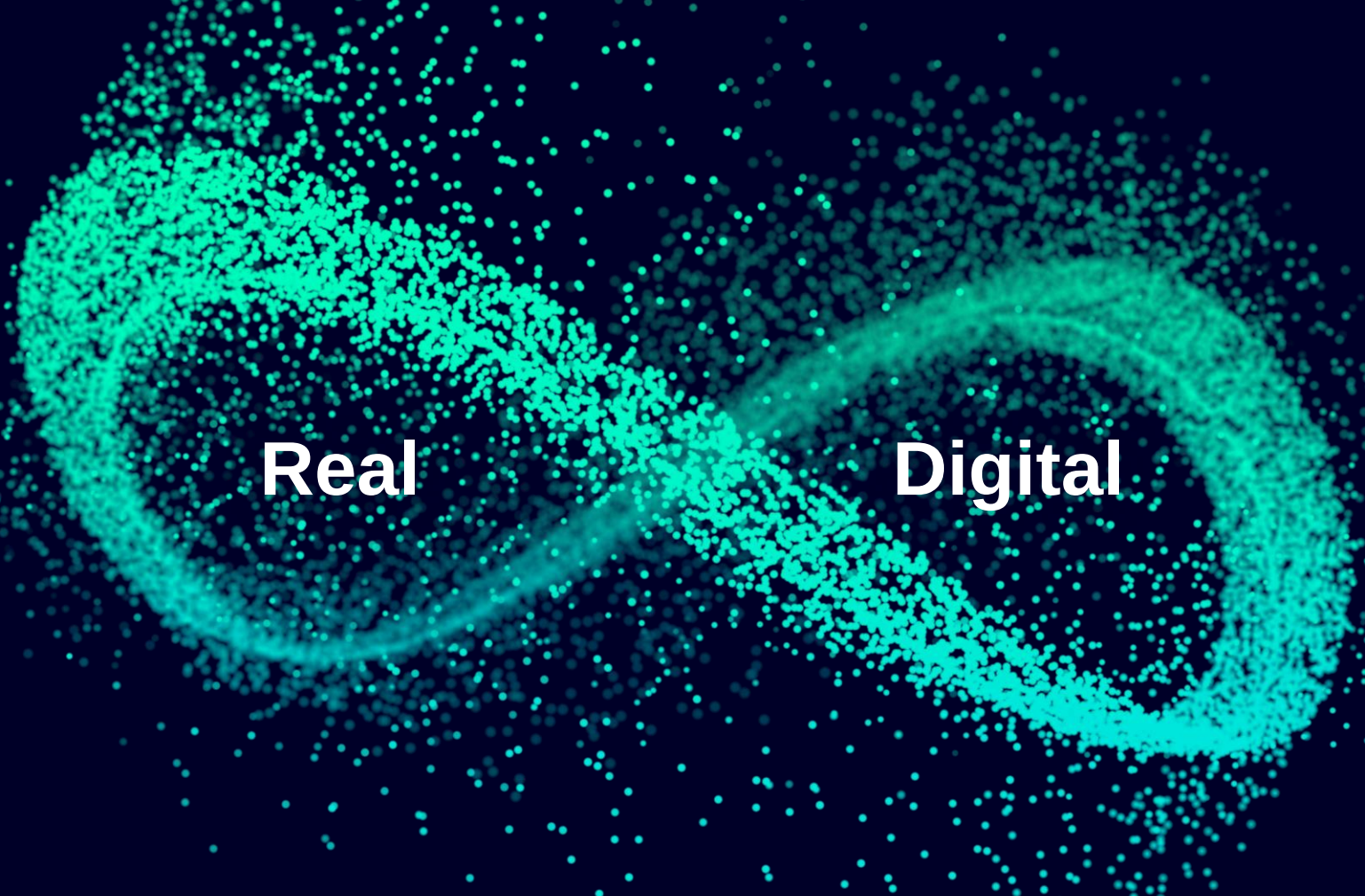
- Shift to ventilator manufacturing technology from scratch in three weeks
- Were able to manufacture 55,000 ventilators/month



COMPANY CORE
TECHNOLOGY

**Simulation
and Digital
Twin**

**We combine the real and the digital worlds –
With our end-to-end capabilities and our domain know-how**



Real

Digital

See how our customers use our portfolio

Mercedes-Benz

Partnership to digitally
enhance existing
Mercedes-Benz factories

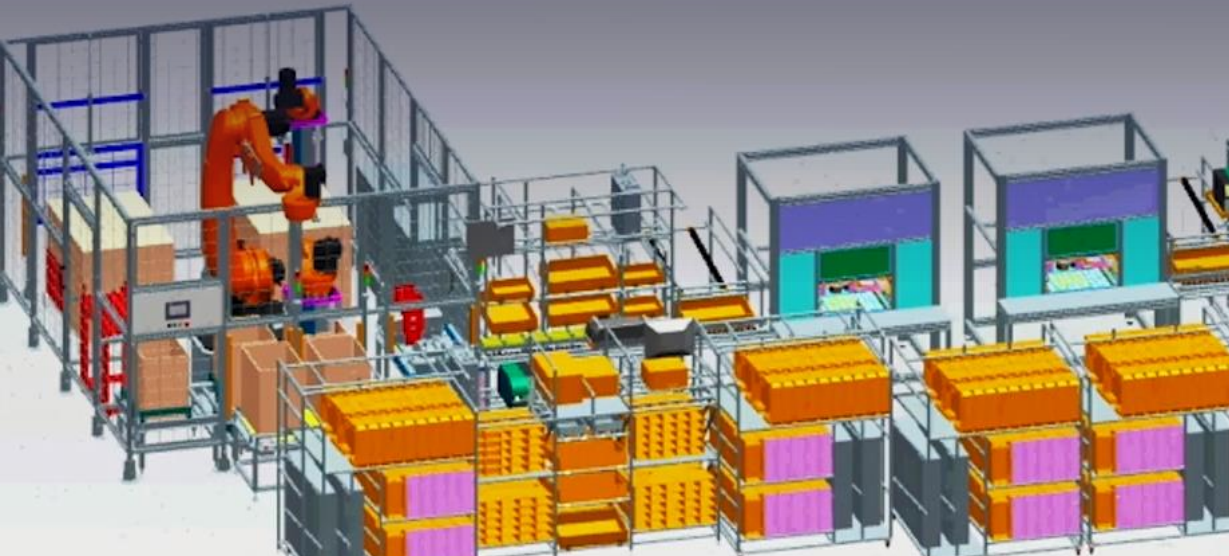
SIEMENS

Most advanced digital
factory for Motion Control
– benefitting from our
portfolio's strength

BIONTECH

Vaccine against Covid
within one year –
from development to
release to production

Productivity Volume Flexibility



SIEMENS

COMPANY CORE
TECHNOLOGY
**Simulation
& Digital
Twin**

COMPANY CORE
TECHNOLOGY
**Connectivity
& Edge**

SIEMENS MOTION CONTROL

**Most advanced digital factory for MC –
benefitting from our portfolio's strength**

Customer challenge

- Build a new lighthouse factory for Motion Control (MC) to cover the need of the fast growing Chinese market
- Show full potential of Siemens' automation and digitalization capabilities to customers
- Plan and optimize with digital twin

Solution

- Holistic approach using the full-fledged Siemens DI portfolio
- Planned and optimized with digital twin before factory was built

Customer benefit

- + 20% productivity
- + 30% volume flexibility
- + 50% material replenishment
- 40,000 m³ less water consumption p.a.
- 2,900 ton less CO₂ p.a.

Flexibility Sustainability



COMPANY CORE
TECHNOLOGY
**Simulation
& Digital
Twin**

COMPANY CORE
TECHNOLOGY
**Connectivity
& Edge**

MERCEDES-BENZ

Partnership to digitally enhance existing Mercedes-Benz factories

Customer challenge

- Mercedes-Benz and Siemens to expand the digitalization of sustainable production methods

Solution

- Partnership to develop innovative solutions for:
 - Digital end-to-end technologies for flexible production
 - Resource-saving, CO₂-neutral factories
 - New working environments

Customer benefit

- Create new Mercedes-Benz Digital Factory Campus in Berlin as a blueprint
- Roll-out of new developments at all Mercedes-Benz plants

Speed



COMPANY CORE
TECHNOLOGY

**Data
Analytics
& AI**

COMPANY CORE
TECHNOLOGY

**Simulation
& Digital
Twin**

BIONTECH

Vaccine against Covid within one year – from development to release to production

Customer challenge

- Rapid production of Covid-19 vaccine in large quantities

Solution

- Paperless documentation of development and production, immediately fulfilling all documentation requirements

Customer benefit

- Accelerated vaccine development and production within one year
- Conversion time for existing production facility cut from one year to five months

SIEMENS

Digital Industries is uniquely positioned – with automation and software driving the digital transformation

1	Loyal and constantly growing customer base	>	250k+ 7,5k	Customers Partners
2	Our strong market positions	>	#1	In industrial software, factory automation and motion control
3	Data generated worldwide through DI control systems	>	100	Terabytes/hour
4	Unique end-to-end portfolio of software and automation	>	>€10bn >13%	M&A executed R&D investment
5	Global network of domain experts	>	~50%	Employees are either in digital jobs or automation engineers (~14,000 in digital jobs, ~22,000 automation engineers)
6	Passion for DI	>	53% ~8k	Employees with company for 10+ years Employees joined since last CMD having wide variety of skills, therein ~58% in software and sales

Go-to-market

We adapted our customer communication to the new conditions and we reached more than 100,000 customers via virtual events in the last 12 months – through new digital formats around the globe.



**Virtual
Hannover
Messe**
2020 and
2021



**Virtual Factory
Tours**



Digital SPS
2020

Siemens with strong technology core and cross-business collaboration for accelerated customer value

Digital Industries	Smart Infrastructure	Mobility
Cyber Security		
Data Analytics & AI		
Simulation & Digital Twin		
Connectivity & Edge		
Power Electronics		
Additive Manufacturing		
Connected e-mobility		
...		
14 Company Core Technologies running across Siemens ¹ in total		

Company Core Technologies

- Connectivity and edge as core offering in our partnership with Volkswagen
- Simulation and Digital Twin empowering customer Vingroup to leverage potential of digitalization
- Co-creating customer solution with Coca-Cola based on Data Analytics and AI

Cross-business technology collaboration

- Six AM Hubs across Siemens businesses co-create next generation solutions and manage the AM eco-system beyond Siemens
- Support SI with edge and automation technology
- Close co-operation in Digital Twins for different domains like DT of vehicles, of buildings and energy systems

¹ Siemens Healthineers: R&D Framework Agreement in place plus option to license; Siemens Energy: R&D Framework Agreement plus Cost Pool Agreement in place

Technology with purpose

In the last fiscal year we invested about €2bn which is more than 13% of our revenue into R&D

The technologies we innovate and invest in will lift Industry 4.0 to the next level – and our customers build on them.

Additive Manufacturing

Complete portfolio for AM on industrial scale



5G Connectivity

Fully-networked, high-performance data transmission



Industrial Edge

Solutions, devices and apps integrating IT and OT



IoT

Fully exploit the value of data



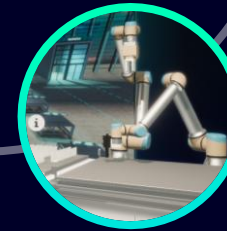
Industrial Software

Portfolio of software, services and application development platform



Artificial Intelligence

Industrial-grade AI across the lifecycle

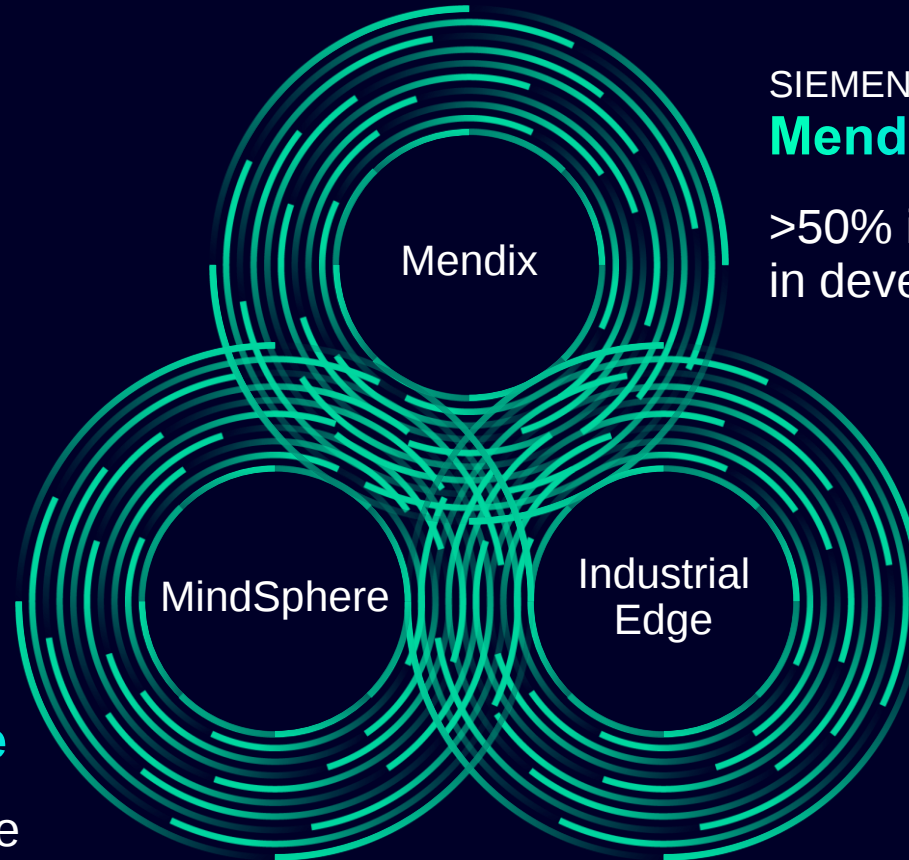


Ecosystems

We are combining the strength of our ecosystems providing holistic and scalable cloud and edge solutions for discrete and process industries

SIEMENS
INDUSTRIAL IOT
MindSphere

>75% increase
in partners¹



SIEMENS LOW-CODE
Mendix

>50% increase
in developers¹

SIEMENS IT/OT
**Industrial
Edge**

¹ Growth since Siemens Capital Market Day 2019

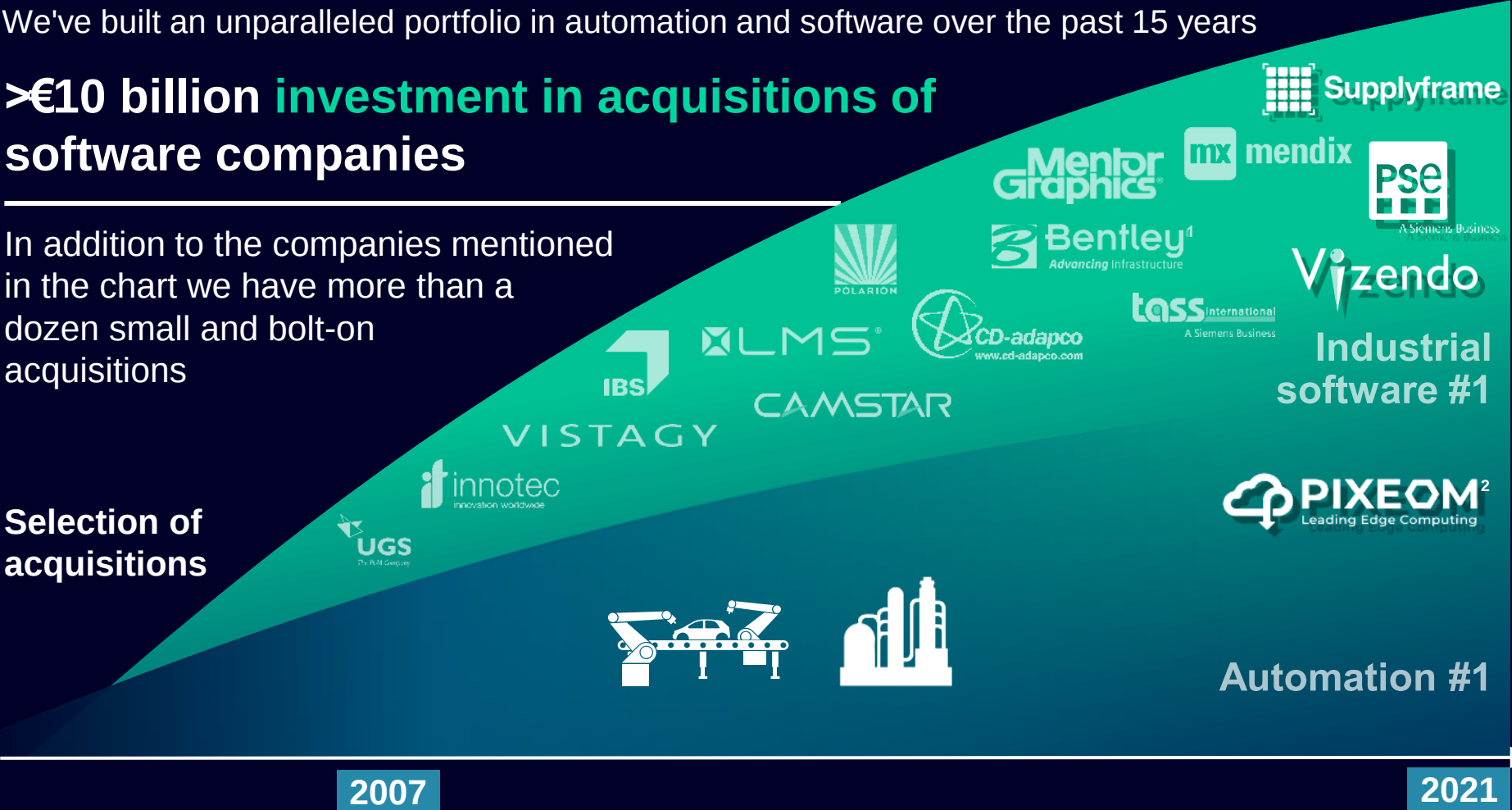
New business models

We've built an unparalleled portfolio in automation and software over the past 15 years

>€10 billion investment in acquisitions of software companies

In addition to the companies mentioned in the chart we have more than a dozen small and bolt-on acquisitions

Selection of acquisitions



Supplyframe³
is a digital marketplace company focused on the electronic supply chain.

PSE
A Siemens Business
is a technology leader in advanced process and materials modelling with focus on process industries.

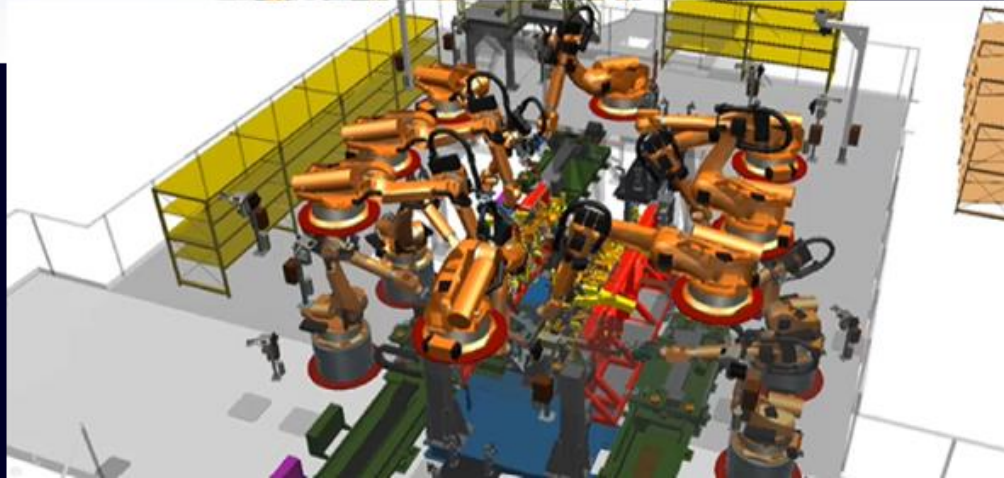
PIXEOM
Leading Edge Computing
is leader in providing a comprehensive Edge portfolio/ Edge computing technology components.

Vizendo
is a leading provider of virtual operator training solutions for the manufacturing industry with strong focus on the Automotive Industry.

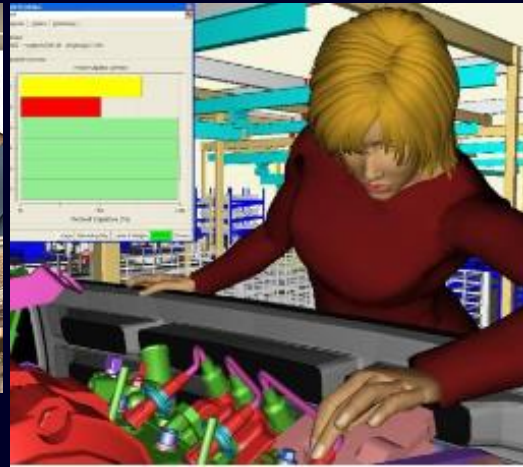
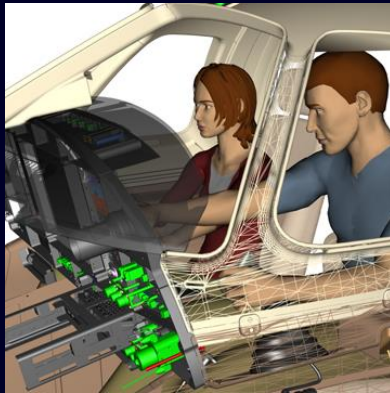
1 Cooperation 2 Acquisition of Edge technology 3 Not yet closed



**Unique digital core allows
Digital Industries Software
to transform the business**
Design, simulation, engineering
and manufacturing software

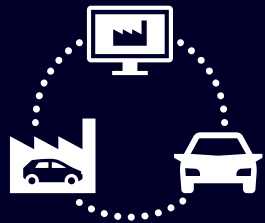


Software helps tackle complexity in a factory before it is built

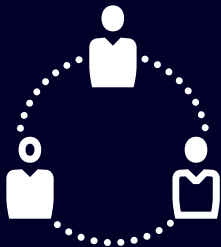


The factory of the future is going to rely more and more on **virtual humans** and the real and digital worlds coming together

Digital Industries Software's unique advantage drives growth



**Comprehensive
Digital Twin**



**Personalized
Adaptable/Modern**



**Flexible Open
Ecosystem**

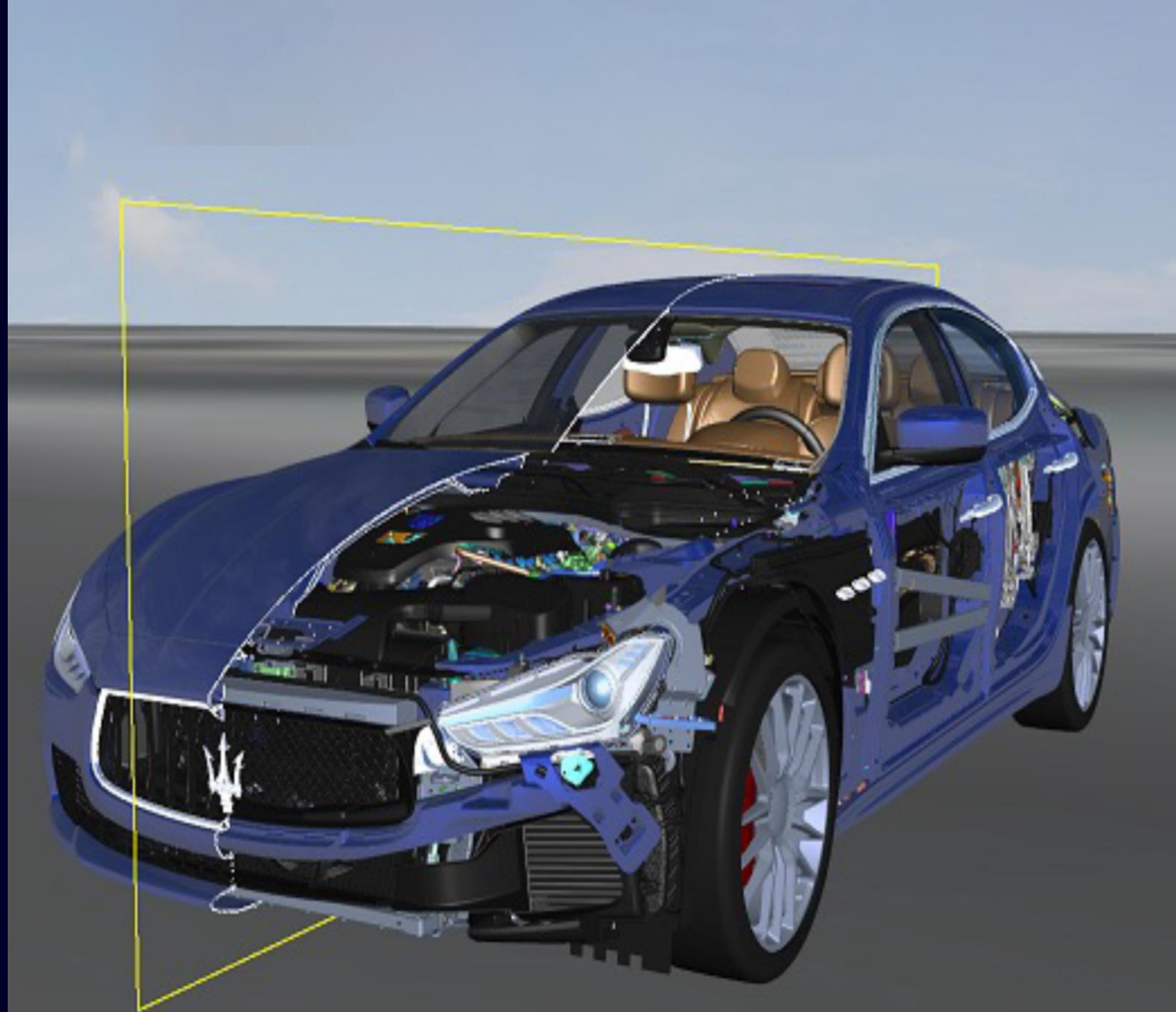


Comprehensive Digital Twin

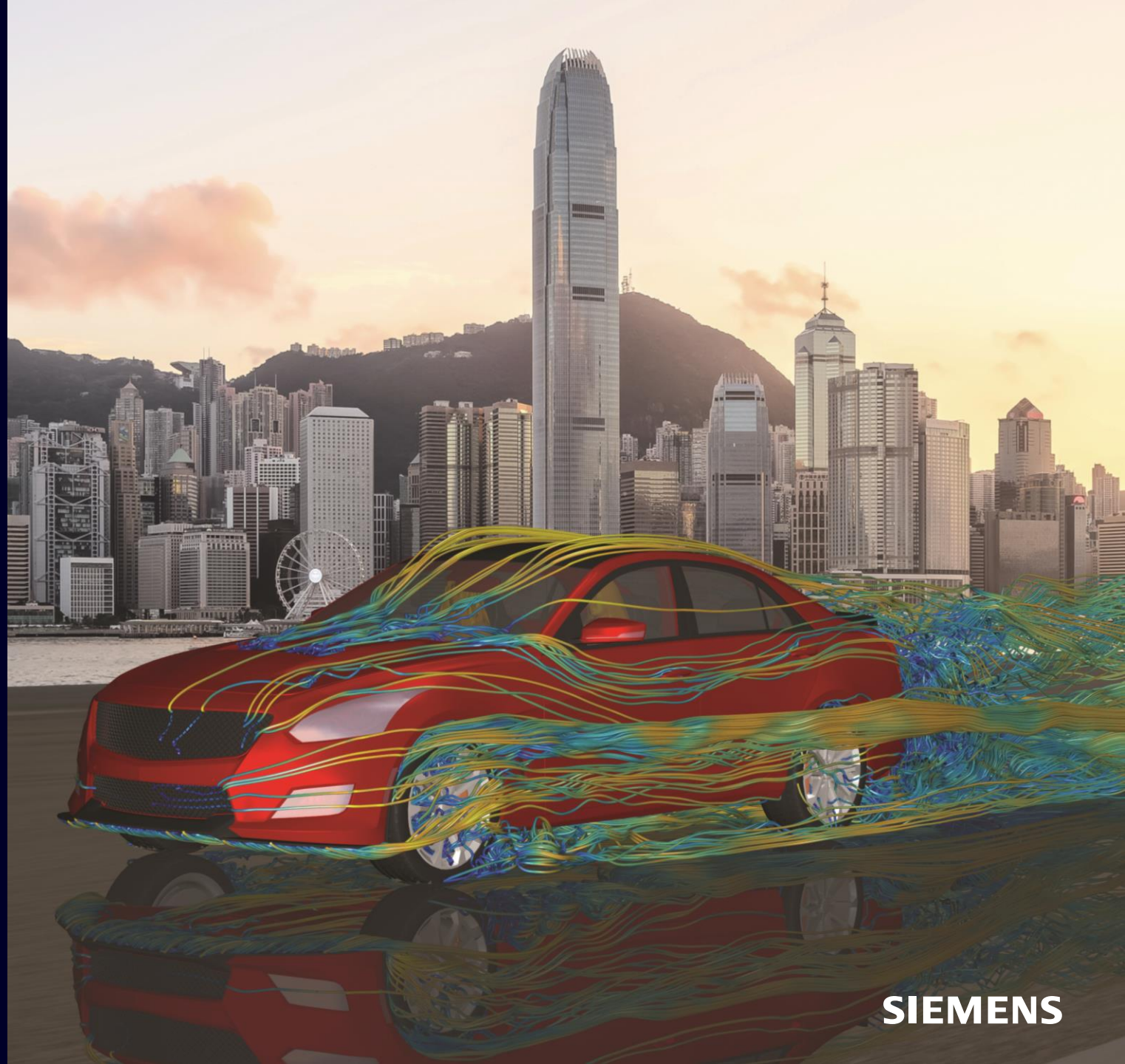
The most complete
digital representation
of a product or factory



**Design and
manage all data
and processes**



Predict performance through simulation software



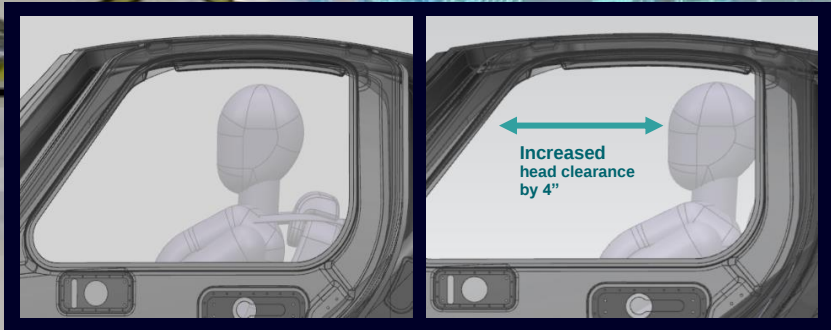
Enable comprehensive system design with electrical and electronics engineering



Connect products, plants and systems with MindSphere, the Industrial IoT as a service solution



Productivity



COMPANY CORE
TECHNOLOGY
**Simulation
and Digital
Twin**

BYE AEROSPACE

Reducing product development time for all-electric composite aircraft

Customer challenge

- Develop and deliver aircraft with low operating costs, low noise and no CO₂ emissions for general aviation
- Optimize plane stability while working from home

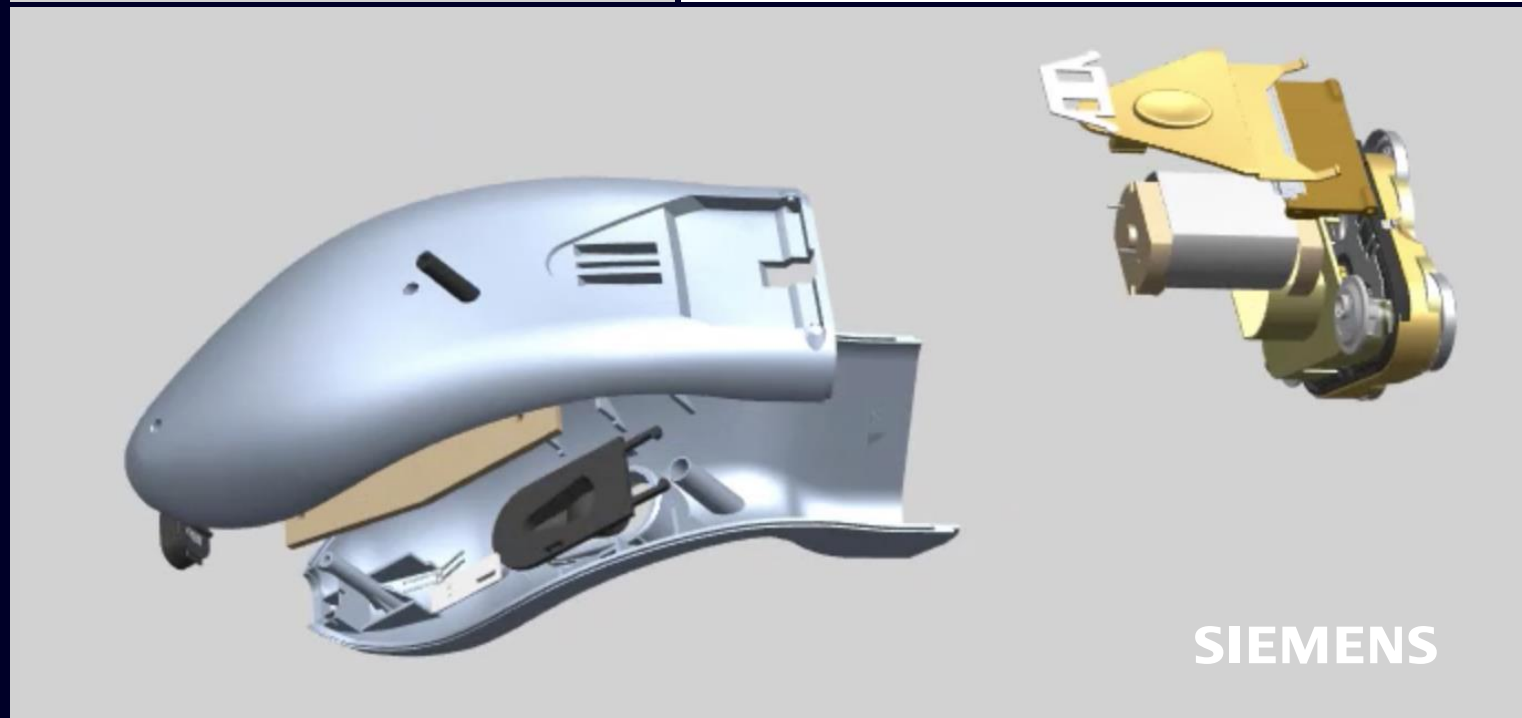
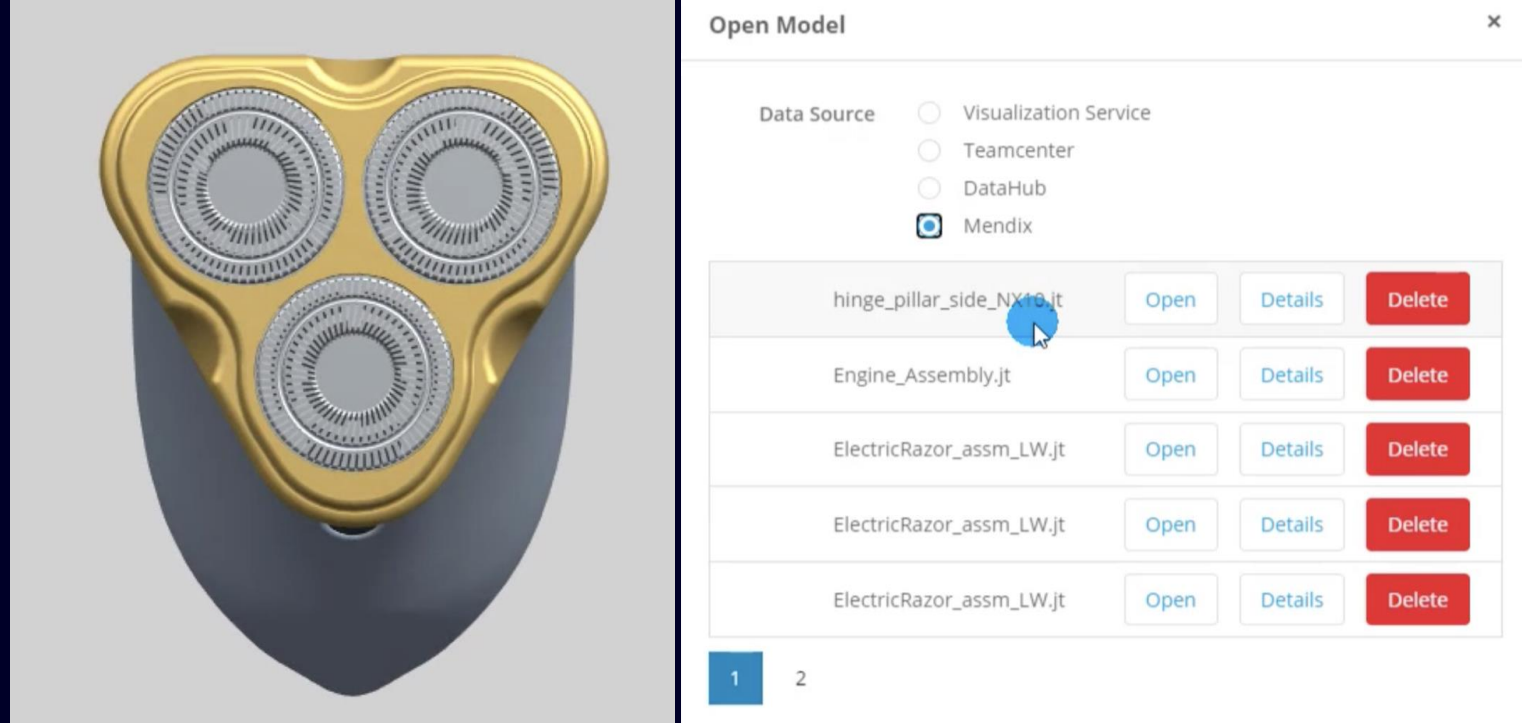
Solution

- Leverage a comprehensive digital twin

Customer benefit

- Reduced product development time
- Decreased engineering effort by 66%
- Only 7 days to re-design, test and create reports for certification through digital twin

Mendix allows any user to create personalized apps



An open architecture enables interoperability

>4m users of
3D modelling engine

De facto standard
in visualization

~200,000
Ecosystem developers



>10m marketplace members



Siemens Software: A growth story

+50%

Market
expansion

€4.1bn

DI Software business
revenue FY 20

#1

Industrial
software

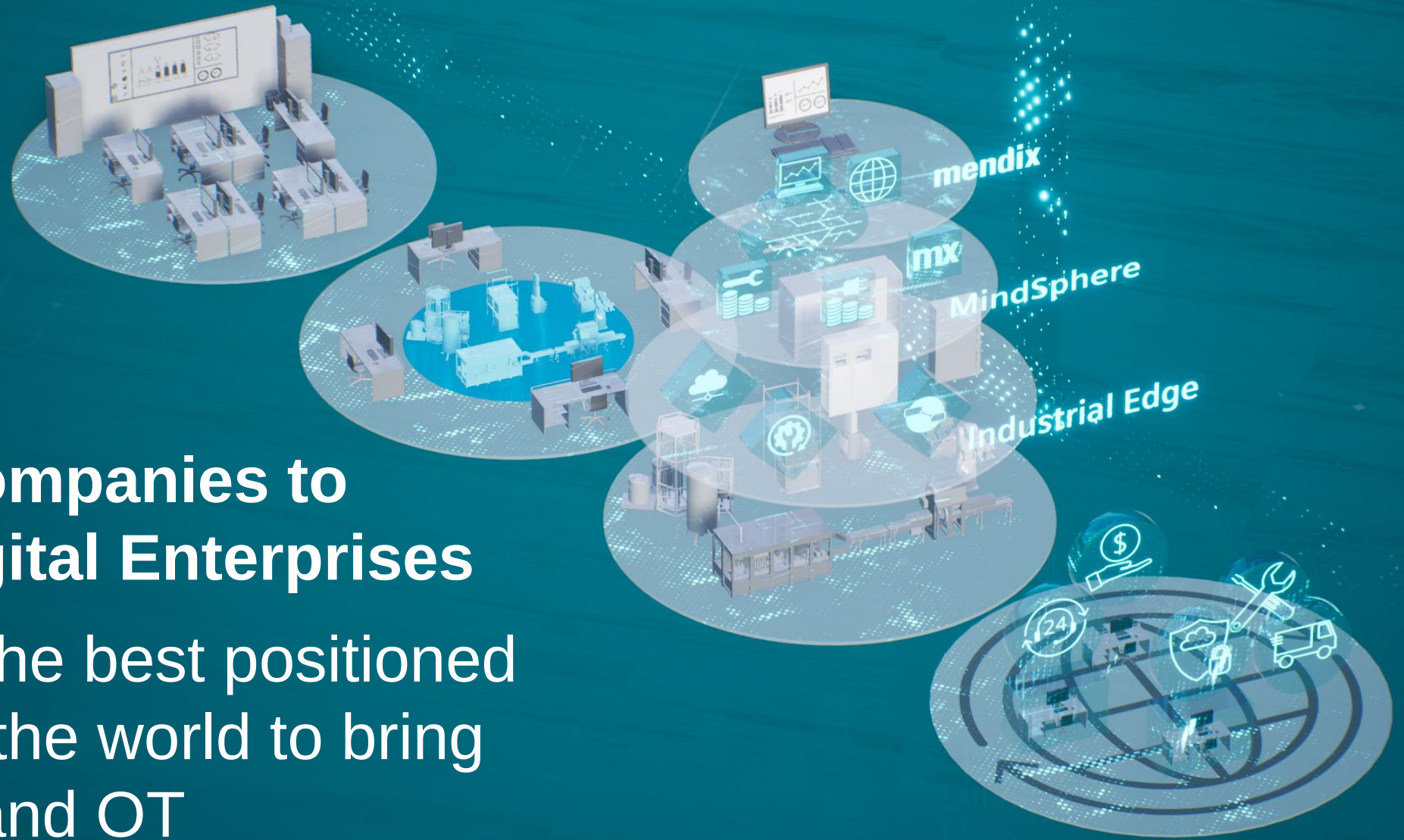


Increased demand for digital transformation



Enabling companies to become Digital Enterprises

Siemens is the best positioned company in the world to bring together IT and OT



Sustainability



COCA-COLA HELLENIC BOTTLING COMPANY

Reduced energy usage and improved sustainability

Customer challenge

Improve bottling plant efficiency and reduce emergency downtime

Solution

- Implement an end-to-end solution
- Developed MindSphere app for predictive maintenance
- Connect machines from sensors to edge to cloud

Customer benefit

- >4% Reduction in equipment performance loss
- Eliminated 4 emergency downtimes in first 6 months
- 13% energy use reduction; 110,000 EUR savings in first year



Coca-Cola
Hellenic Bottling Company

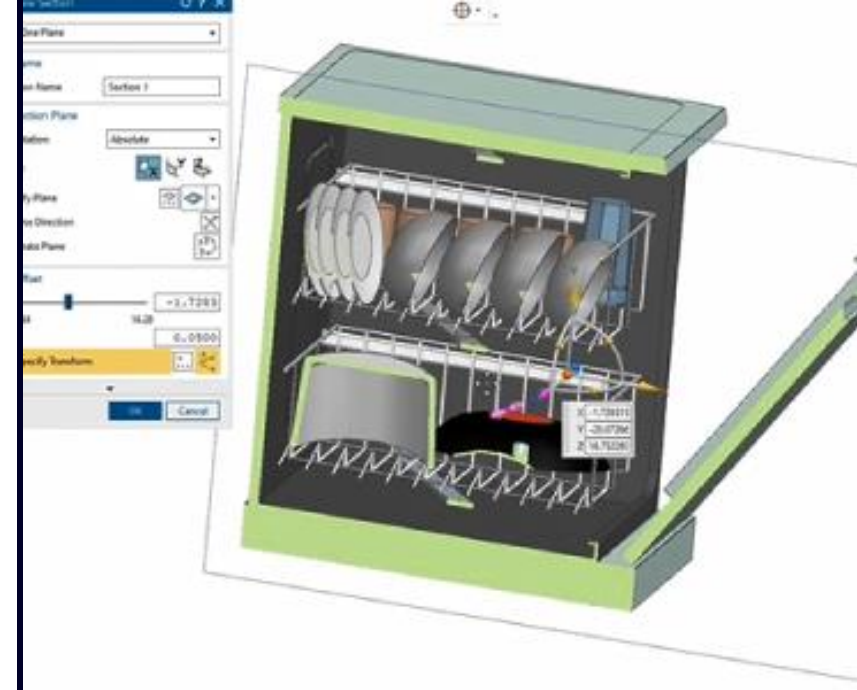
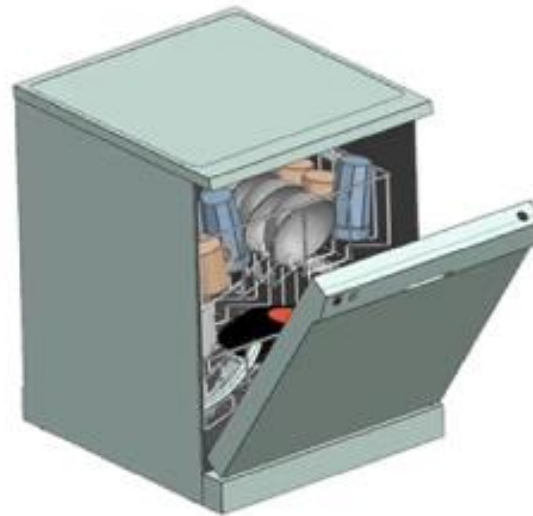
COMPANY CORE
TECHNOLOGY

**Data
Analytics
& AI**

Transforming to become a SaaS business

SaaS connects engineers, suppliers and ecosystems

- Ad-hoc collaboration for engineers
- Personalized experiences
- Access to the right data, anywhere, any device



SIEMENS

SaaS – Good for large and small companies

Allows customers to focus on innovation while we manage infrastructure and IT

- Effortless scalability
- Faster innovation
- Easier access



SaaS and Cloud create opportunities for Siemens

New markets

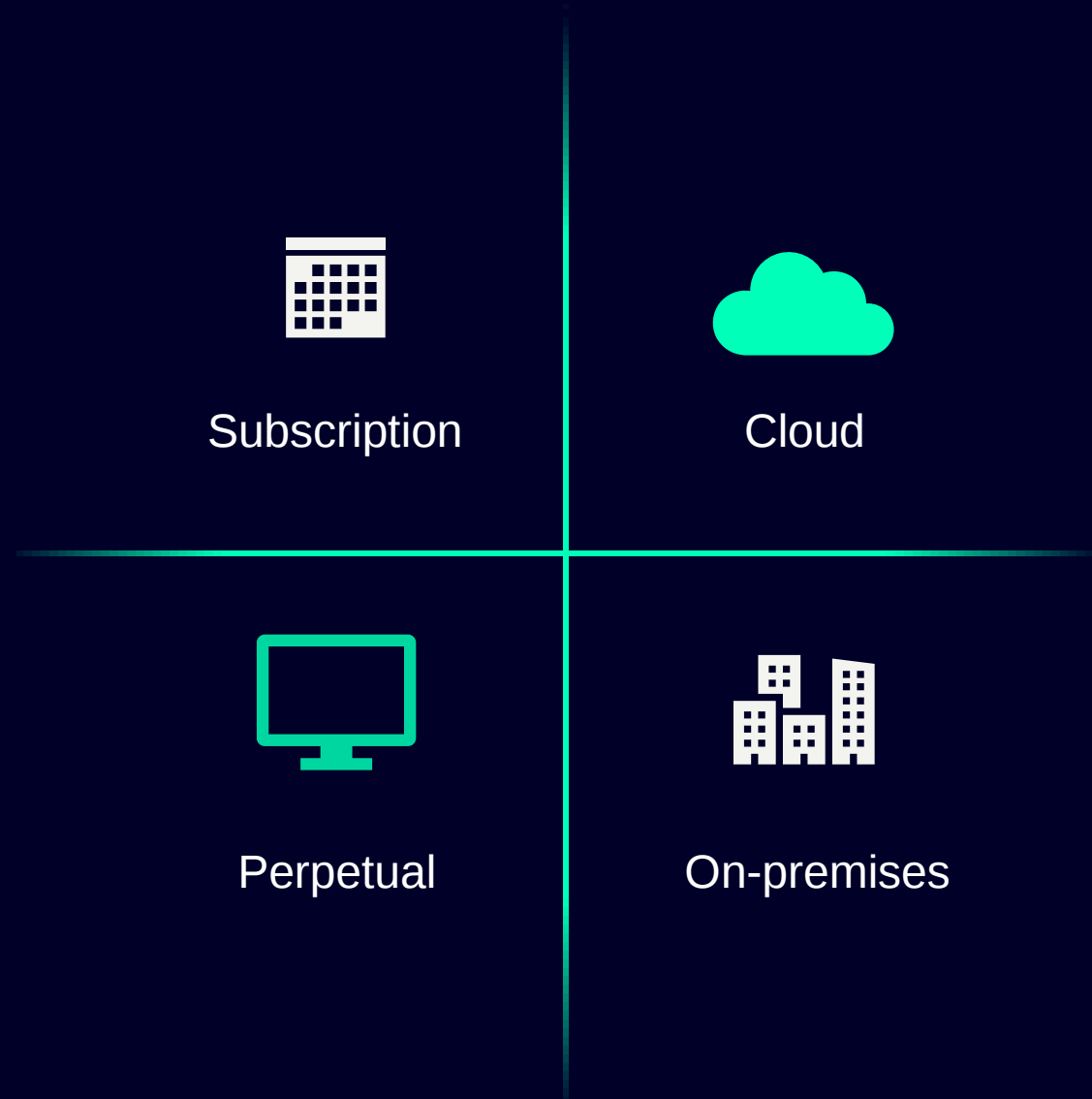


New adopters



New ways
of working

Offering customers freedom of choice



Transition to SaaS will drive resilient, predictable growth for Siemens



Easier
access

Additional
monetization

Capture
insights

On demand
capabilities

Higher lifetime
value of
subscription

A commitment to future growth

>10%

**CAGR for
Software ARR**

Based on its strong market positions

Digital Industries will extend its leadership through four growth levers

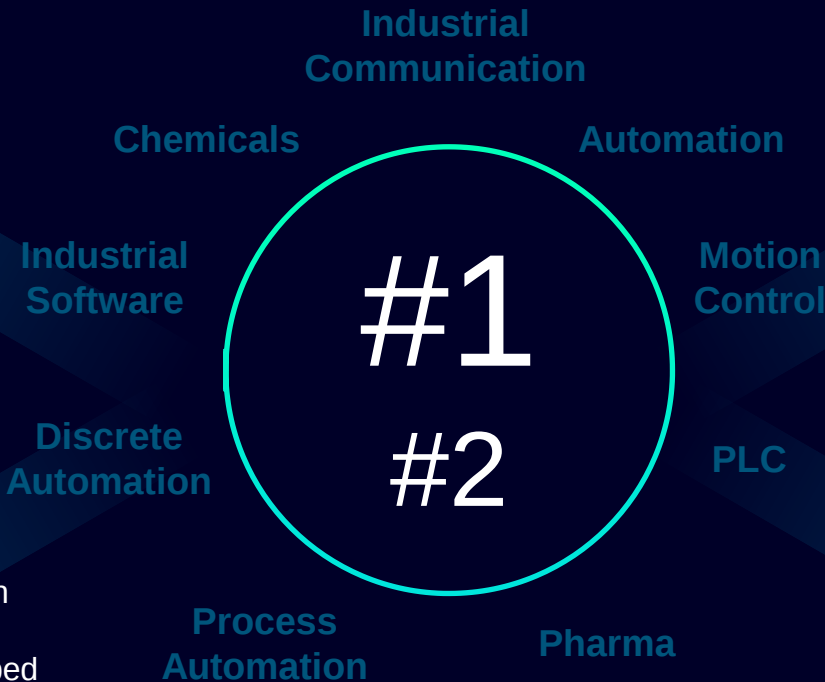


Existing customers

- Integrated digital thread
- Sensors to edge to cloud
- Product to production to service

Regions

- Leaders in growth regions
- Additional untapped market potential
- Next wave growth regions



Verticals

- Domain know-how
- Lighthouse to broad market
- Automation and Digitalization

Small and Medium Businesses

- Fit2Purpose offering
- Increased coverage (digital + channel + partner)



Productivity

VOLKSWAGEN

Land and expand: Linking existing automation equipment to the cloud via the Industrial Cloud

Customer challenge

- Efficiency improvement for production, logistics and supply chain through data transparency and advanced analytics

Solution

- Joint development of use cases with Volkswagen, e.g.:
 - App for predictive quality assurance of spot welds using Siemens MindSphere and Siemens Industrial Edge
 - Predictive maintenance in press shop
 - Tool management via Mendix app

Customer benefit

- Efficient networking of production systems, machinery and equipment at Volkswagen Group plants globally
- Co-creation of automotive solutions which will be made available to the Industrial Cloud community

VOLKSWAGEN
AKTIENGESELLSCHAFT

COMPANY CORE
TECHNOLOGY

**Data
Analytics
& AI**

COMPANY CORE
TECHNOLOGY

**Connectivity
& Edge**

Productivity

SWIRE COCA-COLA

Expanding our leadership position in growth verticals

Customer challenge

- Improve line performance and availability

Solution

- Tracking and analysis of downtimes
- Customized manufacturing information system and mobile app for asset overview, faster fault diagnosis and predictive maintenance

Customer benefit

- Unlock annual production capacity of 550 million cans
- Benchmark and standard for Swire Coca-Cola worldwide: to be extended to 100 production lines in next two years
- Starting point for building 18 digital plants in the future and saving 10 million kWh of electricity p.a.



COMPANY CORE
TECHNOLOGY

**Data
Analytics
& AI**

Speed Quality



WOLF OF THE WILLOWS

Broaden footprint of Industry 4.0 with small and medium-sized enterprises

Customer challenge

- Lockdown boosted demand for different varieties of canned beers
- Ramp up production in short time for microbrewery Wolf of the Willows

Solution

- Integrated automation and software solution with partner Deacam (Fermecraft)
- Linking of all different, separated components and data that are part of brewing process: reaction of ingredients, temperature, state of fermentation, etc. and streamlining the different processes

Customer benefit

- Rapidly scaled up production and tripled capacities
- Reduced ferment time from 25 to 18 days

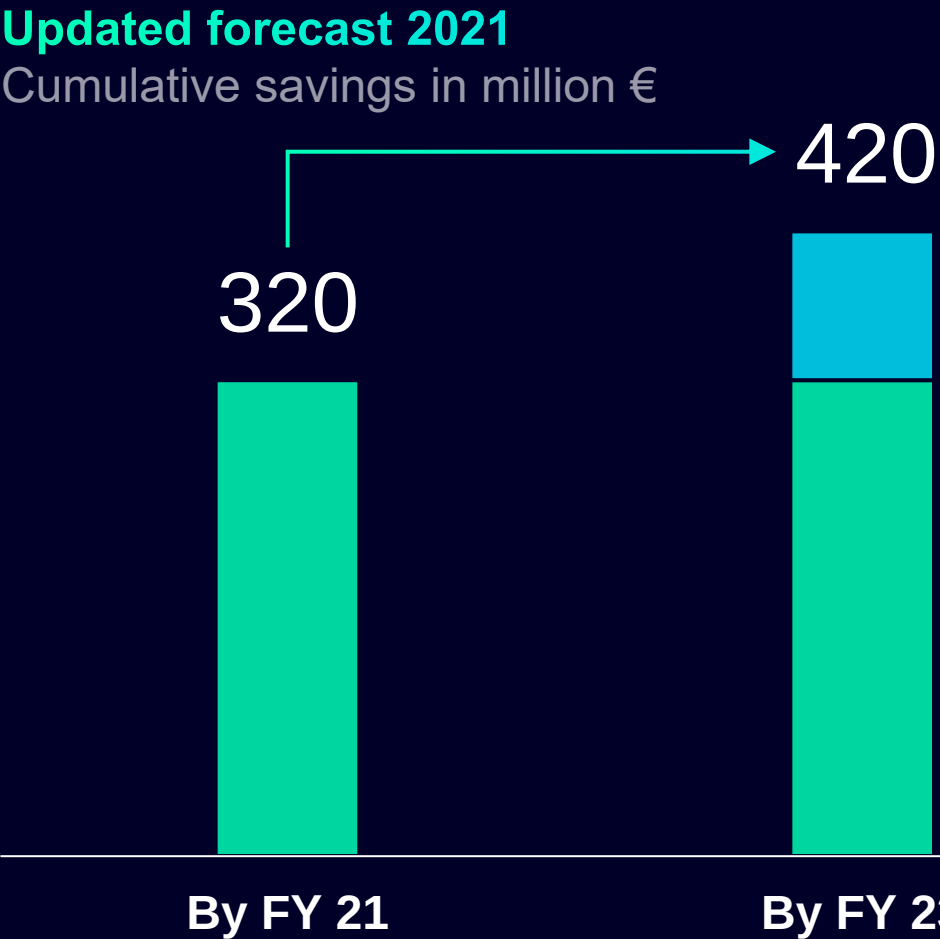
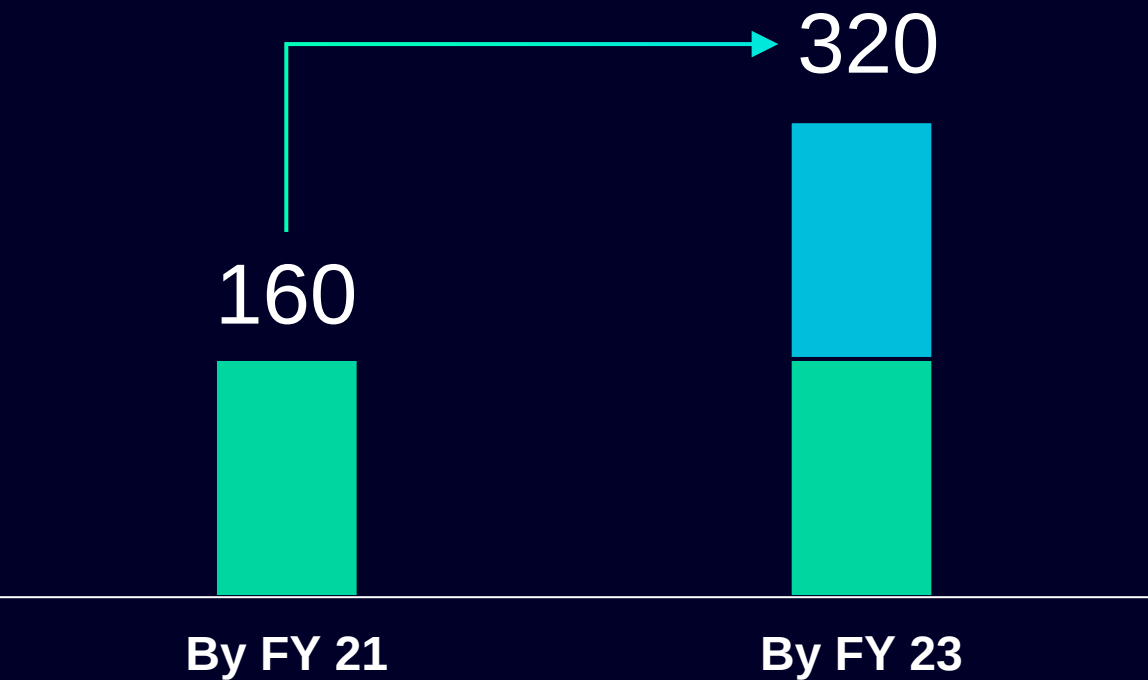
Addressing value drivers:
**growth, resilient revenue,
profitability and cash
conversion rate**

- Continuous Productivity
- Flexible cost structure
- Efficient asset management
- Stringent capital allocation

Continuous productivity

DI will overachieve its CMD 2019 cost savings commitment

CMD Commitment 2019
Cumulative savings in million €



Flexible cost structure

We will continue to focus on additional levers to take DI to the next level

Digitalization



Push digital transformation of internal processes

Global value chain



Balance value creation footprint

Portfolio



Actively manage portfolio and drive business model innovation

Go-to-Market and pricing



Make DI Sales ready for the future

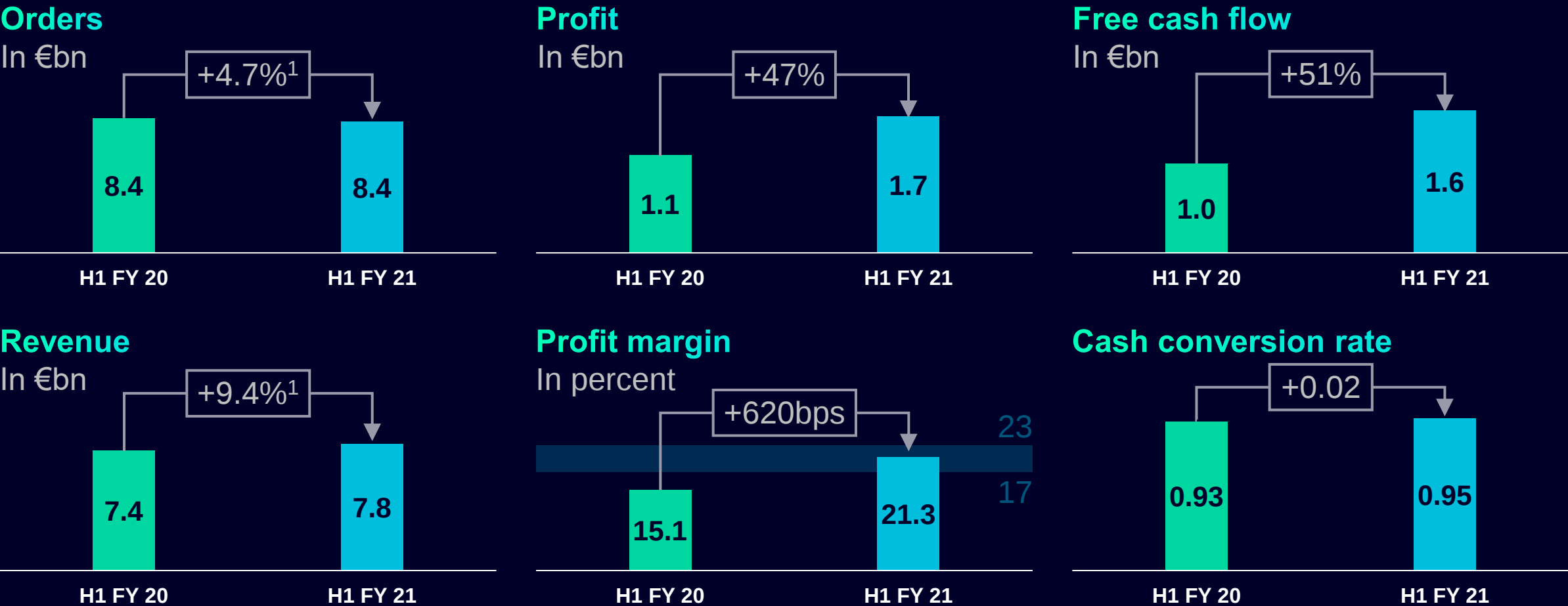
New Normal – Design and implementation



Drive cultural change and enable employee performance in the New Normal

Efficient asset management

Converting growth into profit and cash | H1 Proven financial performance



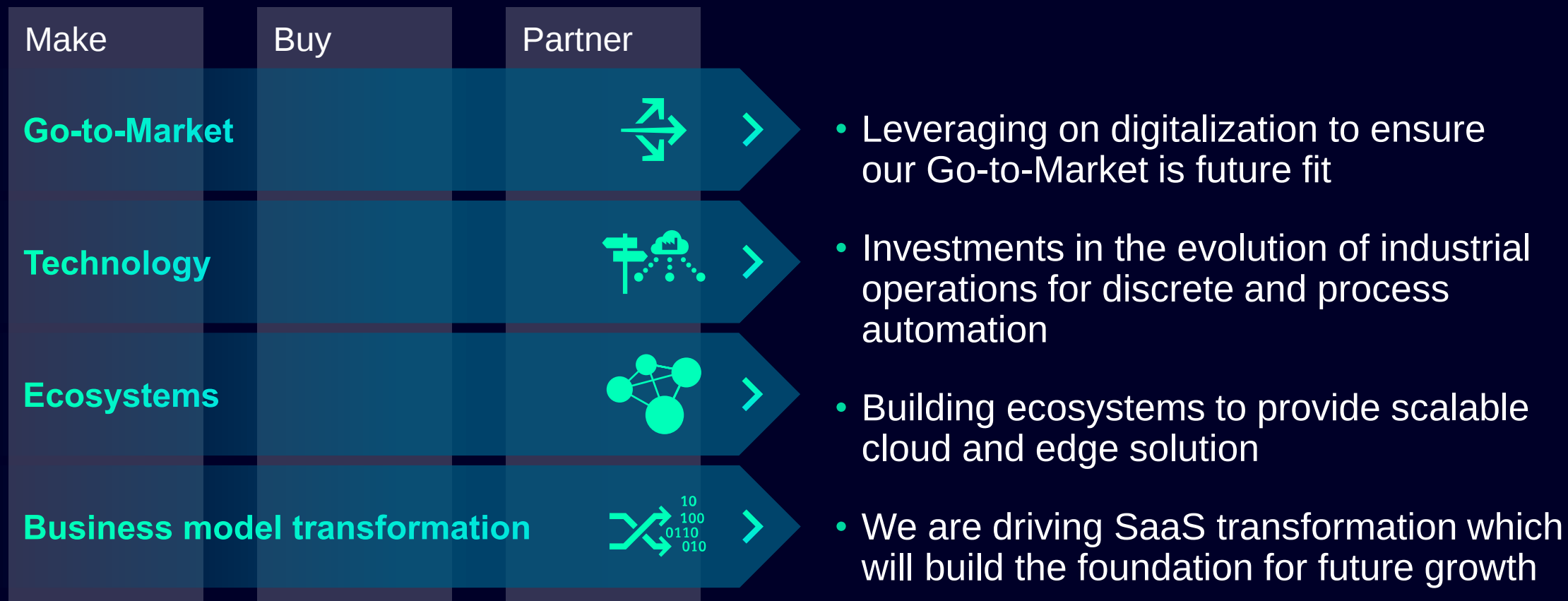
¹ Comparable growth

Stringent capital allocation

We allocate capital efficiently to ensure future growth and profit pools

Focused investments ensure DI's future value creation

Overview on DI's investment areas



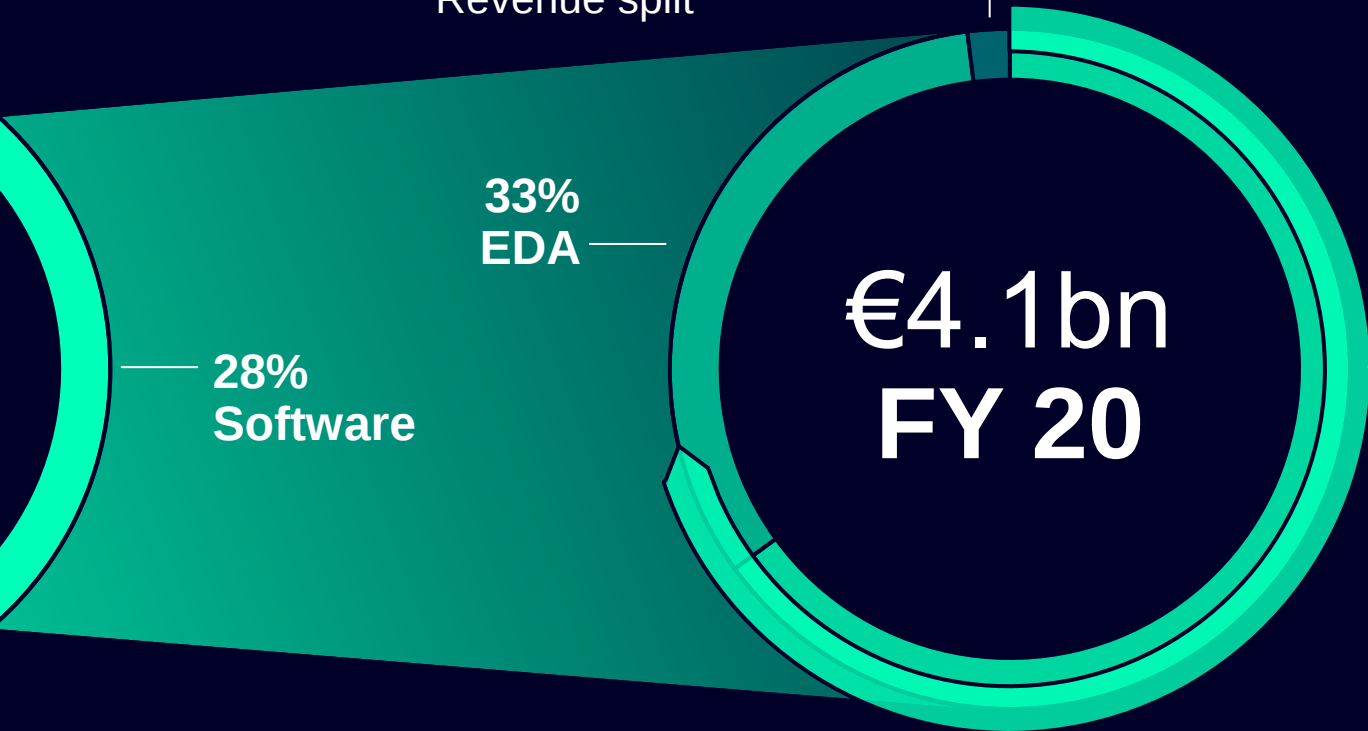
A powerhouse combining the real and digital worlds

Digital Industries
Revenue split



72%
Automation
incl. Service

Software
Revenue split



Transition to SaaS
starting 2022

Resilient recurring business models

Successful shift
towards resilient
recurring business
models

Non-recurring business

Perpetual licenses, services, and other

70%

today

Recurring business

Subscriptions, SaaS, maintenance

30%

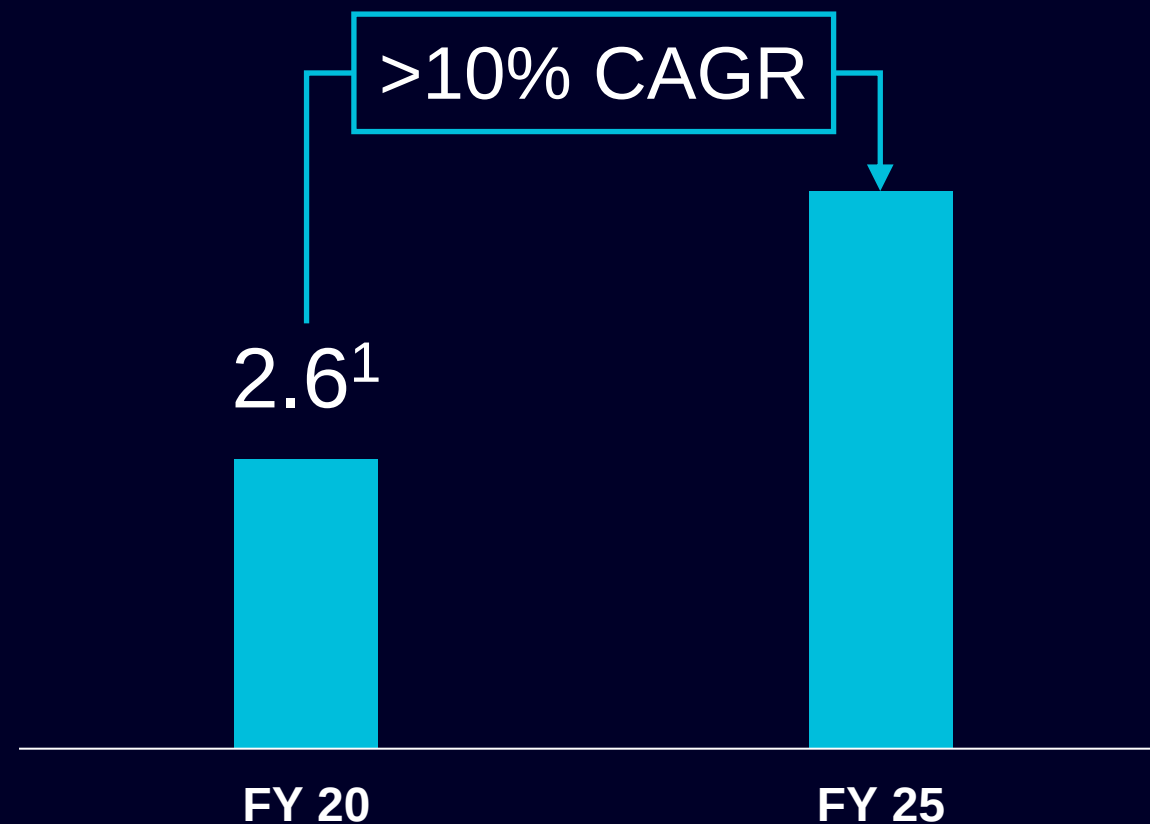
ARR as key performance indicator to monitor this resilient business stream

$$\text{ARR} = \sum \frac{\text{Total contract value of a new subscription order}}{\text{its contract length in month(s)}} \times 12$$

Highly accretive
growth of recurring
business will drive
**value of
transformation**

Annual Recurring Revenue

In billion €



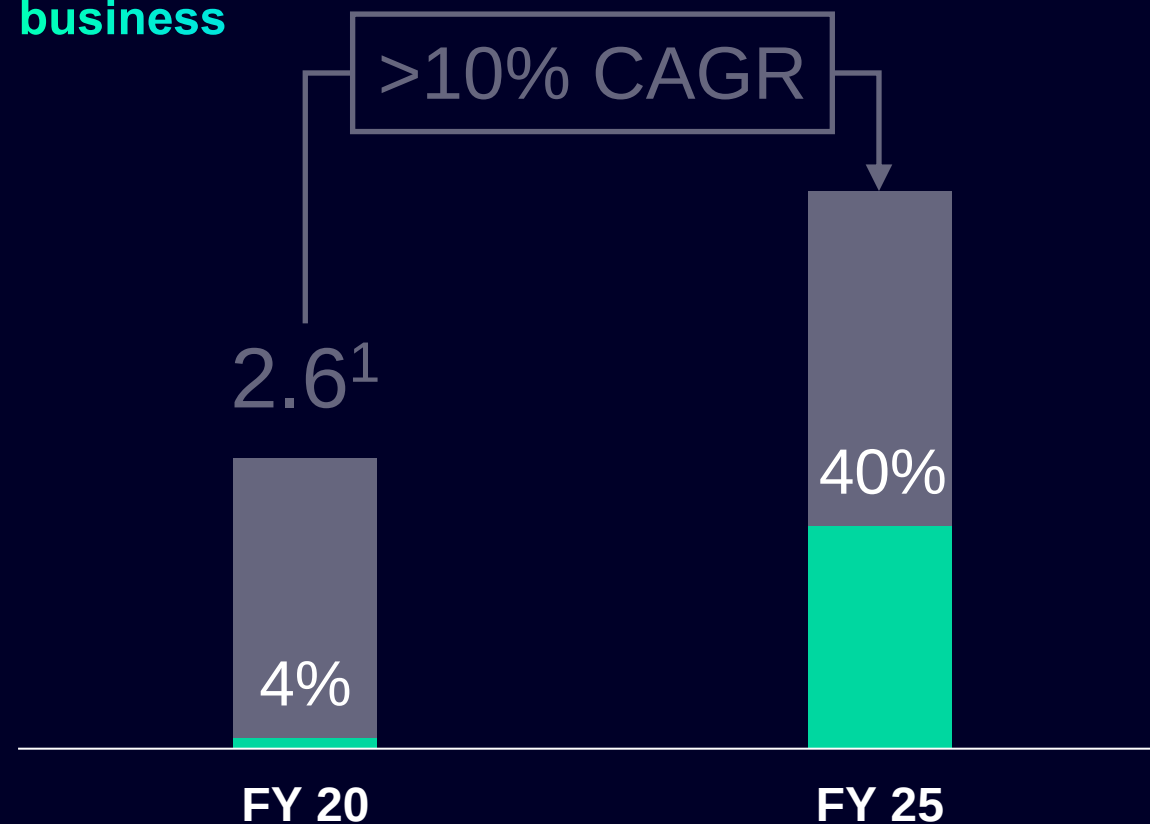
¹ Indication; non-audited, non-IFRS operational metric

Cloud business
to represent more
than 40%
of subscription
businesses by 2025

Annual Recurring Revenue

In billion €

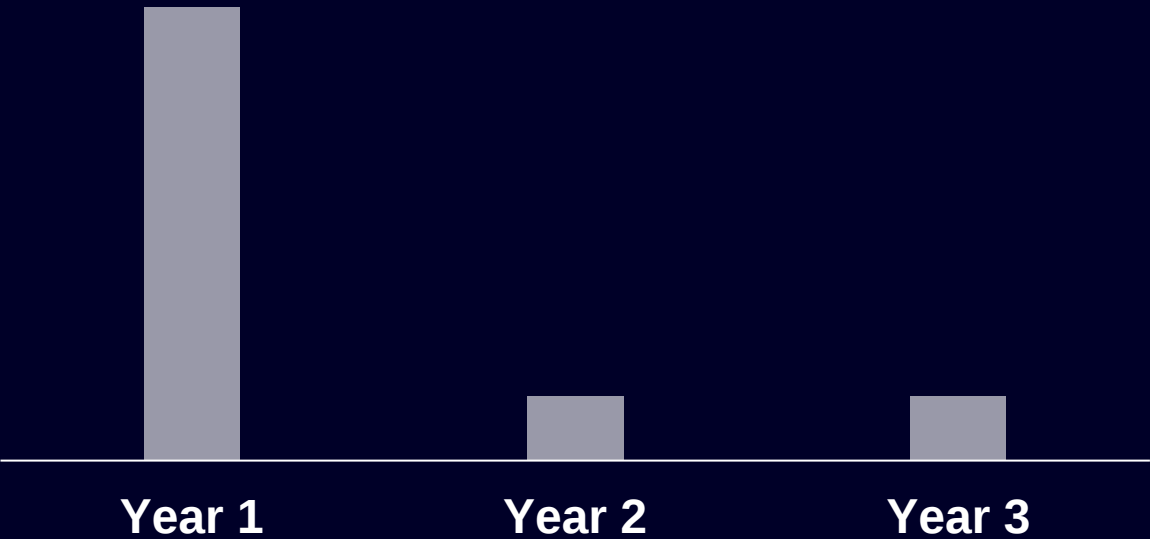
**Thereof cloud
business**



¹ Indication; non-audited, non-IFRS operational metric

Digital Industries Software

Up-front revenue recognition



Ratable revenue recognition



SaaS Transition and its impact

Digital Industries Software

Revenue development



Phase 0

On/above market growth



Phase 1

Start of transition
Flat revenue growth
(dilution effect)



Phase 2

High growth due to
base effect



Phase 3

Harvesting sustainable growth
potentials of SaaS

Digital Industries

Profit margin impact



DI SW business transformation

Summary

1 | **ARR is expected to grow**
at a CAGR > 10% until
2025

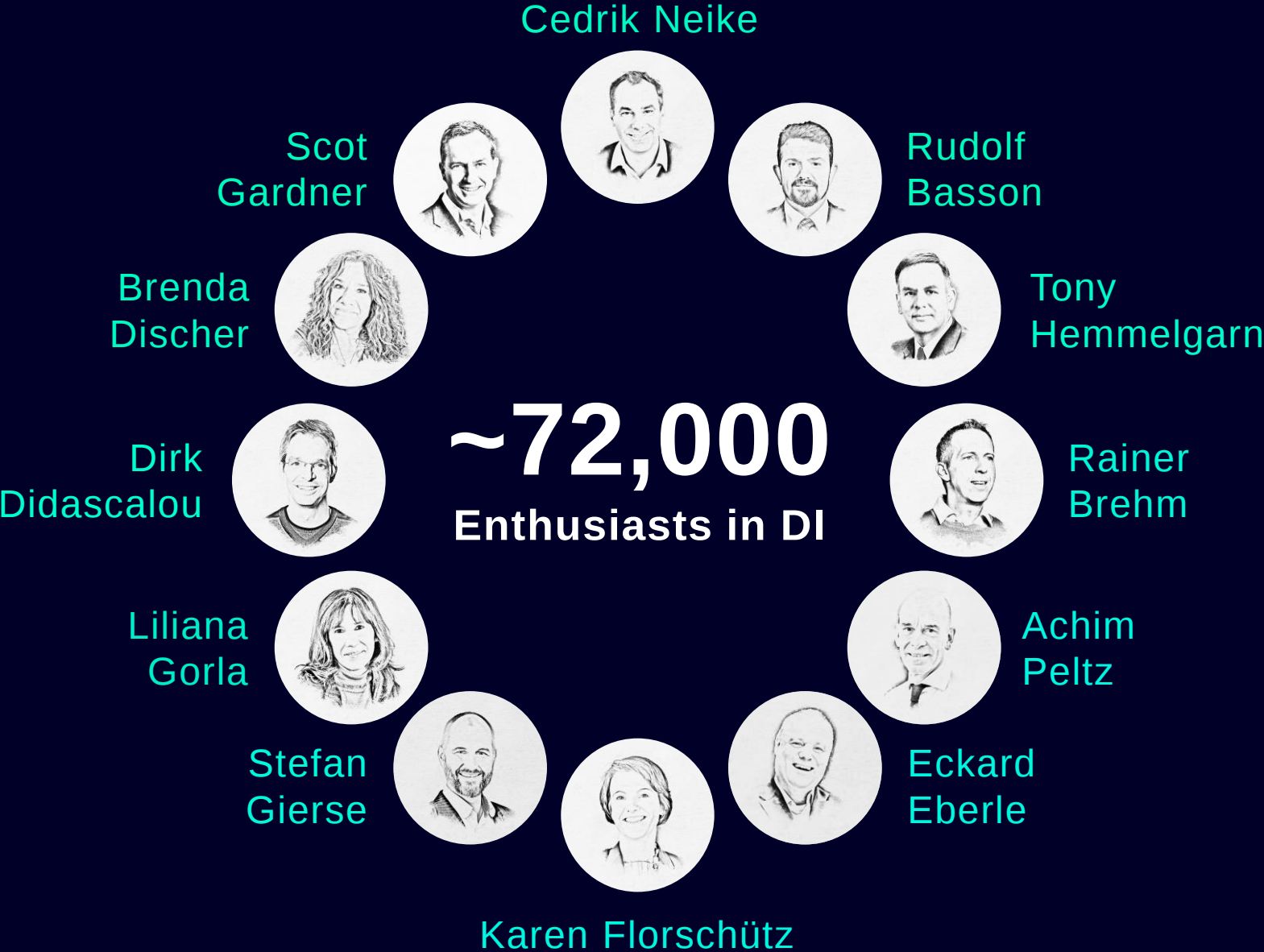
2 | **Stable revenue in FY 22**
despite switch to ratable

3 | **Investment covered**
by capital reallocation

4 | **Continued strong FCF**
during transformation

Commitment of global leadership team

CMD 2021



Digital Industries Financial commitments

Targets over 3–5 year cycle

5–7%

**Comparable
revenue growth**

>10%

**CAGR for
Software ARR**

17–23%

Profit margin

1-growth

**Cash conversion
rate (CCR)**