Our focus is on E-A-D – strong growth in digitalization

<table>
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<th>Digitalization</th>
<th>Automation</th>
<th>Electrification</th>
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<td>Leader</td>
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<td>Leader</td>
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Revenue FY 2017

- Siemens software: $4.0 billion €
- Digital services: $1.2 billion €
- Enhanced automation: $19 billion €
- Enhanced electrification: $43 billion €
- Classic services: $17 billion €
- MindSphere: +20% 

Market CAGR FY 2018 – 2022

- +8% 
- +3% 
- +1-3%

Strategic direction

- Strengthen leadership with a combination of software, platforms, and services
- Expand No. 1 position and utilize it for digitalization
- Differentiate through expanded offerings with automation and digitalization

Note: Figures based on Industrial Business; SGRE as of April 2017
1 Growth FY 2016 to FY 2017, rebased; 9% growth for Siemens software excludes Mentor Graphics
Successful execution of digitalization strategy

Siemens software and digital services
Revenue FY 2017

5.2 billion €  +20%
Our digital portfolio

- Siemens software
- Siemens digital services
- MindSphere – the IoT operating system
- Digitally optimized automation
- Digitally optimized electrification

Digital twin (products and infrastructure)
MindSphere –
the open, cloud-based operating system for the IoT

- 1 million connected devices and systems
- More than 250 digital offerings
- 20 MindSphere Application Centers with…
  - 50 locations in 17 countries
  - ~900 software developers, data specialists and engineers
FC Bayern Greenkeeper app
Challenges
• 24hr production facility
• Volatile energy costs
• Fulfill sustainability demands
• Compliance with regulatory requirements

Transformation Results
• Direct MindSphere connectivity
• Automatic data collection via industry standards with high security protection
• Enablement of production changes and result verification
• Aggregated status and performance rollup & drill-down of all lines, machines, and devices

Value
• Increased savings in electrical energy, nitrogen & compressed air, …"serving the environment"
• Cost-effective data transparency and traceable results
• Continuous energy efficiencies improvement & lean process maturity
Digitalization opens new perspectives – Some customer success stories

Major soft drink producer
Machine monitoring

Multinational steel company
Motor fleet management

Major international airport
Failure prediction for baggage systems
Digitalization opens new opportunities – Some customer success stories

Eisenmann’s
MindSphere with Eisenmann’s MES applications offer customers the possibility to interconnect production systems worldwide to compare production, quality and maintenance data

Ham-Let
Smart IoT-Valve provides Predictive Value Maintenance plans; timely and efficient Data Collection and Analysis, and visibility into Critical Machine and Operations

Festo
Condition Monitoring and Improved OEE of Pneumatic Systems reduce Energy Costs and provide the basis for a Predictive Value Maintenance
What's next? – Full leverage of the closed-life-cycle data-loop and artificial intelligence
Initiatives of Digitising Industry

- industrial internet CONSORTIUM
- e-Estonia
- Industrie 4.0
- Made in China 2025
- Robot Revolution Initiative

SIEMENS
Ingenious for Life
Sei dabei und gestalte die Zukunft von Technologie und Gesellschaft mit!
Come and create the future of technology and society!
Thank You!

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