

SIEMENS

Siemens A/S highlights  
The Business – status and challenges  
The Future

Meet the Executive

November 2015

We achieved a lot in FY 15

25 % growth  
Return on Sales 6.8 % (+0.6)  
DKK 5.3 bn int.biz.  
NPS 27 (+3)  
**Tak!**  
Engagement 89 (+2)

# Sustainability and CSR are main drivers for our business

## Growth through the environmental portfolio (46 % of global business)

- Offshore wind parks incl. grid connection
- Energy savings in buildings
- Rail electrification
- Grid stabilization etc.

### Video's speaks louder than words...!

Vejen mod et bæredygtigt Danmark

[www.siemens.dk/vejen](http://www.siemens.dk/vejen)

Vores videoer om et bæredygtigt Danmark

[www.siemens.dk/video](http://www.siemens.dk/video)

The screenshot shows the Siemens Denmark website. At the top, there's a navigation bar with 'Siemens Danmark', 'Kontakt', and 'Site Explorer'. Below the navigation bar, there's a main heading 'Vejen mod et bæredygtigt Danmark' with a sub-heading 'Miljøvenlige og bæredygtige løsninger der bidrager til Danmarks fremtid.' Below this, there's a list of categories: 'Intelligent infrastruktur', 'Fremtidens produktion', 'Bæredygtig energi', and 'Digitalisering'. The main content area features four video thumbnails: 'Bæredygtig energi', 'Digitalisering', 'Intelligent infrastruktur', and 'Fremtidens produktion'. Each thumbnail has a brief description and a link to the video. On the right side, there's a social media section with a Facebook share button and a list of people who liked the page.

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## Vejen mod et bæredygtigt Danmark

Miljøvenlige og bæredygtige løsninger der bidrager til Danmarks fremtid.

Siemens Danmark Kontakt Site Explorer Sø

> Siemens.dk > Vejen mod et bæredygtigt Danmark

### Nye udfordringer kræver ny teknologi

Oplev spændende eksempler på miljøvenlige og bæredygtige løsninger der bidrager til Danmarks fremtid. Med aktiviteter inden for infrastruktur, produktion, energi og digitalisering når Siemens teknologiske ekspertise ud i mange grene af Danmarks aktuelle udfordringer.

#### Bæredygtig energi

Stigende energiforbrug og mangel på ressourcer udgør et alvorligt problem for klimaet og fremtidens befolkning. Det stiller krav om vedvarende energiproduktion og intelligent energiforsyning.

> Bæredygtig energi

#### Digitalisering

Verden bliver stadig mere forbundet. Milliarder af intelligente enheder genererer data, der skaber bro mellem den virkelige og virtuelle verden. At omdanne big data til værdi er en afgørende succesfaktor.

> Digitalisering

#### Intelligent infrastruktur

Hastigt voksende befolkningstal og byer kræver bæredygtige løsninger inden for intelligente

#### Fremtidens produktion

Vi står på tærsklen til den 4. industrielle revolution. Målet er øget produktivitet,

Text Size

Del med dit netværk: [Email] [Facebook] [LinkedIn]

### Vejen mod et bæredygtigt Danmark

- Intelligent infrastruktur
- Fremtidens produktion
- Bæredygtig energi
- Digitalisering

Vidste du...?

... at hele 46 % af Siemens omsætning kommer fra salg af miljøvenlige og bæredygtige teknologier?

SIEMENS Siemens Danmark 11.152 Synes godt om

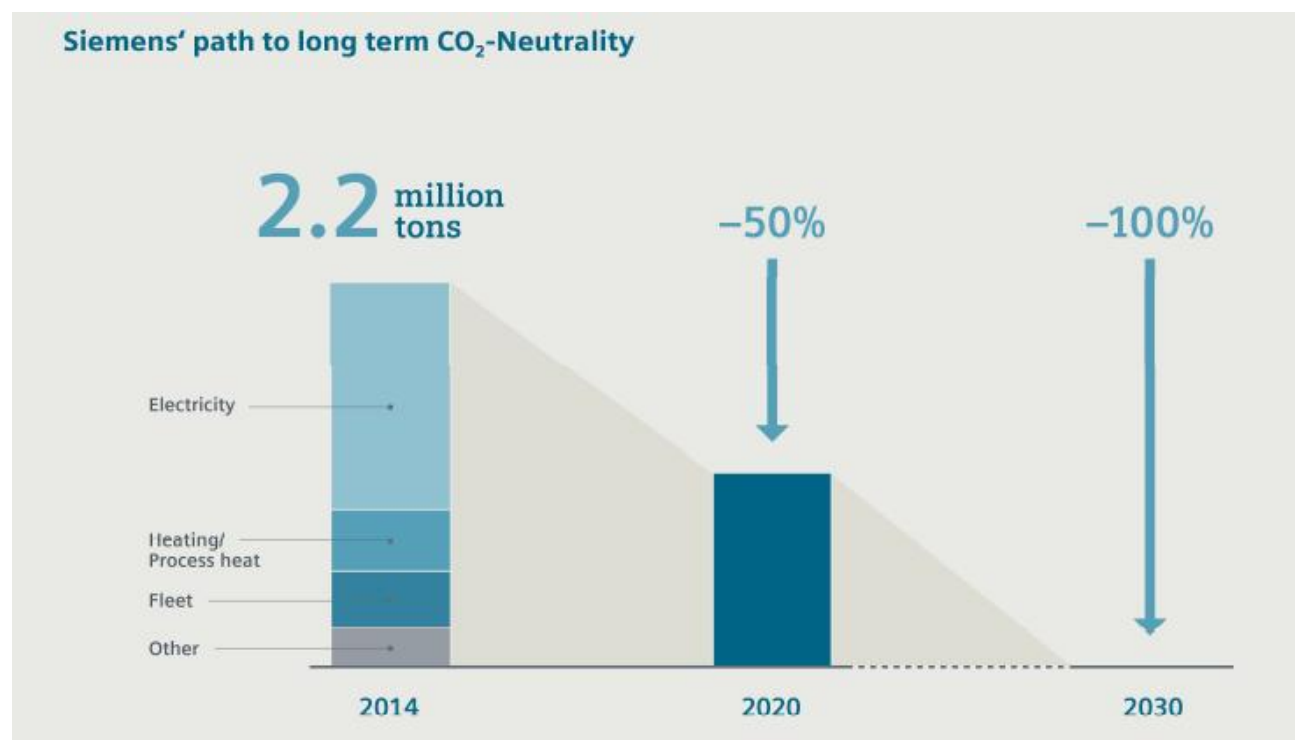
Synes godt om side Del

Vær den første af vennerne, der synes godt om dette

## Our own footprint Siemens AG to become CO<sub>2</sub> neutral in 2030

### 100 mio. € will be invested

- Energy efficiency program
- Distributed energy systems
- Fleet emissions
- Purchase green energy



## Our employees

### Health, safety and working conditions

- APV survey -> Several improvements

### Engagement score: 89 (+2)

- The generation challenge
- Workload
- Agility and customer focus

### Our best ambassadors!

- Sustainability week in May 2015
- Social media – videos
- Ownership culture

Total Favorable Score		RC-SE (LC) 2015	DK National Norm
Employee Engagement	89	1	6*
Retention	74	6*	8*
Leadership	80	4*	11*
Responsibility & Integrity	85	-1	3
Operational Excellence	76	3	1
Empowerment & Innovation	83	3	2
Personal Development	77	4	8*
Remuneration	74	4	n/a
Health	77	1	5*
Diversity	76	2	n/a
Collaboration	78	6*	7*

## The partnership with SOS Børnebyerne shows our commitment to make a difference in the society

### Energirenovering på Zanzibar

➤ [Rejserapport september 2015 \(pdf\)](#)



Video fra Bjarnes rejse.

### Siemens wins CSR Partnership Award

Oct 19, 2015 | Denmark ✉ [Tina Maria Brogaard](#)



Siemens in Denmark has won the prestigious CSR Partnership Award - together with the partners SOS Children's Villages, Engineers without Borders and Solar Group.

# The business

Global presence in >190 countries

Americas Europe and Africa C.I.S.<sup>1</sup> and Middle East Asia and Australia

Wind Power and Renewables

Power and Gas

Energy Management

Building Technologies

Mobility

Digital Factory

Process Industries and Drives

Healthcare<sup>2</sup>

Financial Services

Electrification – Automation – Digitalization



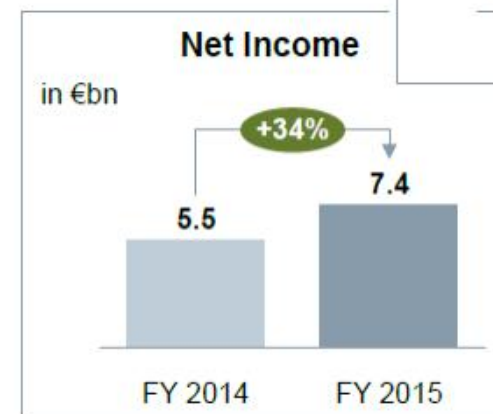
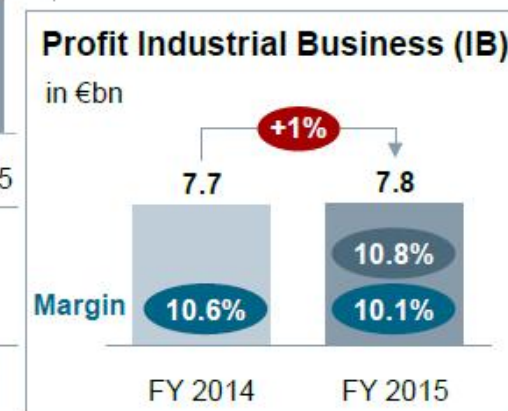
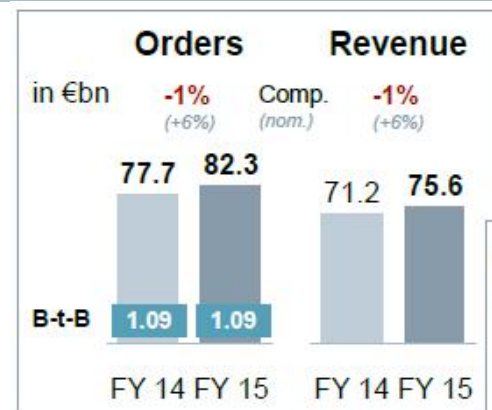
Power Generation Services

1) Commonwealth of Independent States  
2) Separately managed

Siemens AG

## Strong finish for FY 15

- **Flat organic development in orders**  
– strong development in *Energy Management, Mobility and Digital Factory*
- **Flat organic revenues** – increase especially in *Energy Management, Digital Factory and Healthcare*
- **Industrial business margin** in line with the expectations – double digit margins in *Power and Gas, Digital Factory and Healthcare*, but still weakness in *Wind Power*
- **Net income of €7.4bn** driven by disposal gains (BSH and Audiology). Severance charges included with €804mn (continuing operations)

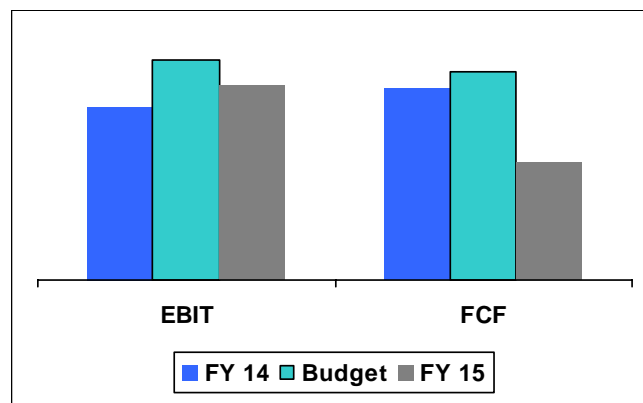
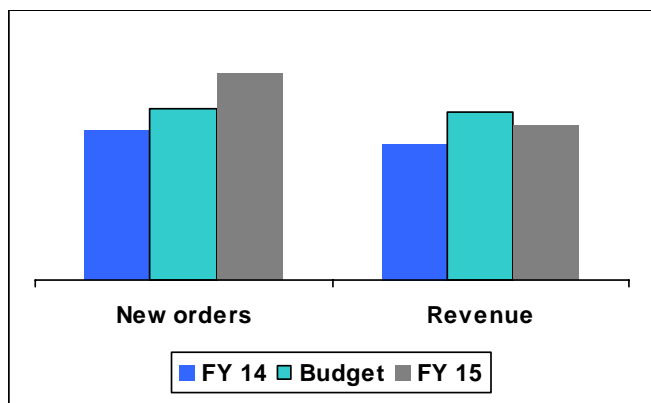


x.x% Margin as reported  
x.x% Margin excl. severance



## Strong growth in new orders and double digit profit

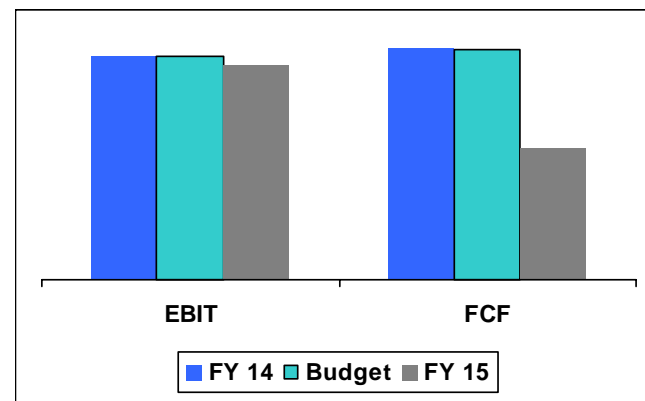
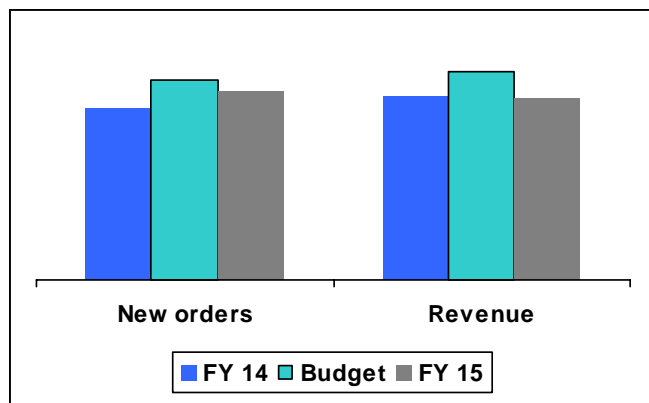
- Strong growth in the energy business due to several major BPS (ESCO) orders
- Several major orders in the Solutions business for Novo Nordisk
- Challenge to balance growth and profit



Healthcare incl. DX

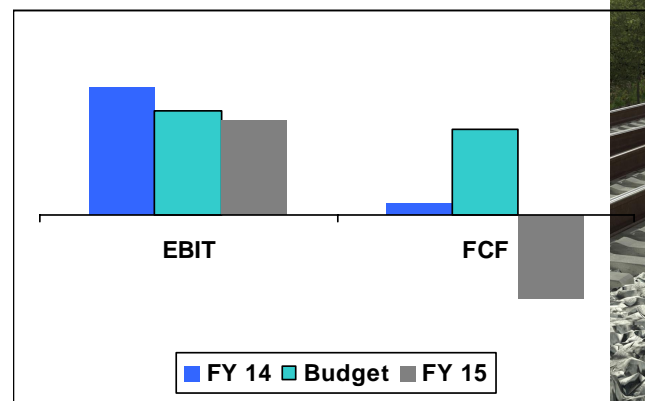
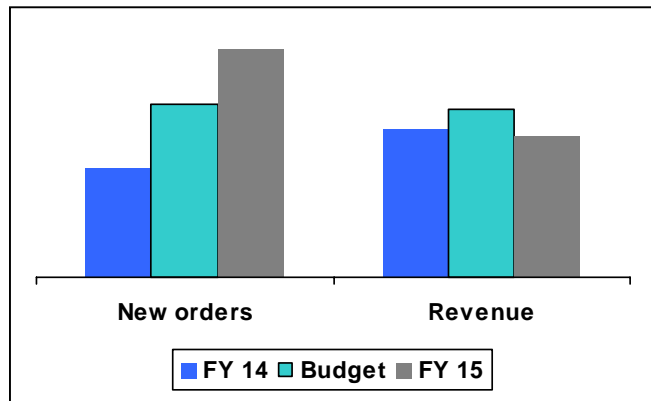
## Strong performance in weak market

- 16 % growth in IM/CP in a flat market
  - introducing new high-end equipment (Angio, CT, Spect/CT)
- DX won DNU automation tender
- OPI collaboration (CT- innovation) with Herlev building a strong case for the future
- Still waiting for the new hospitals to take off



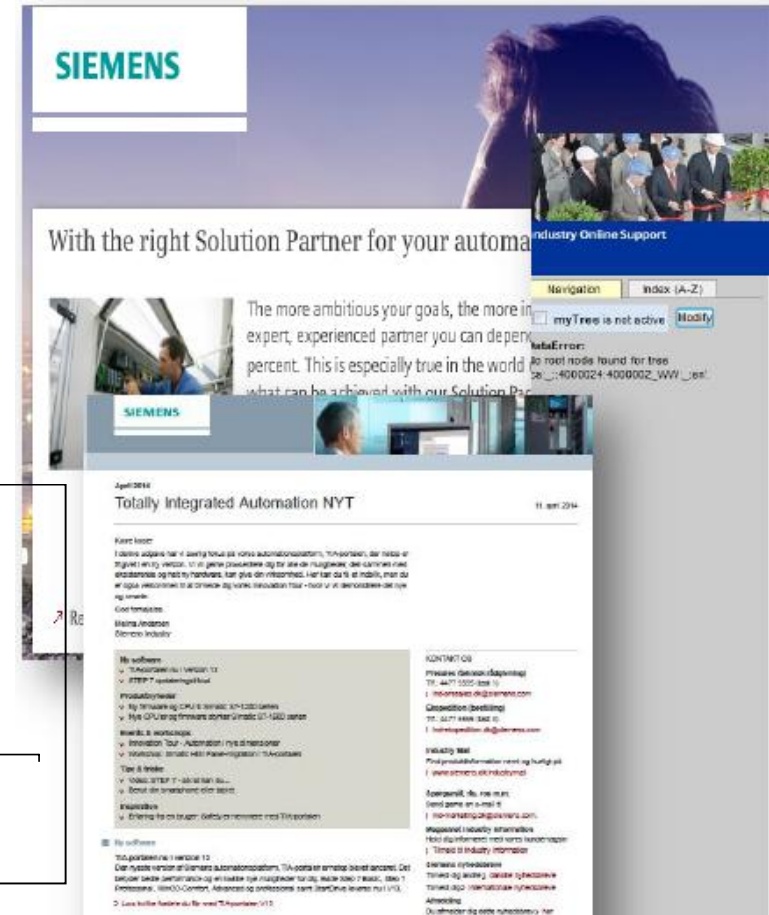
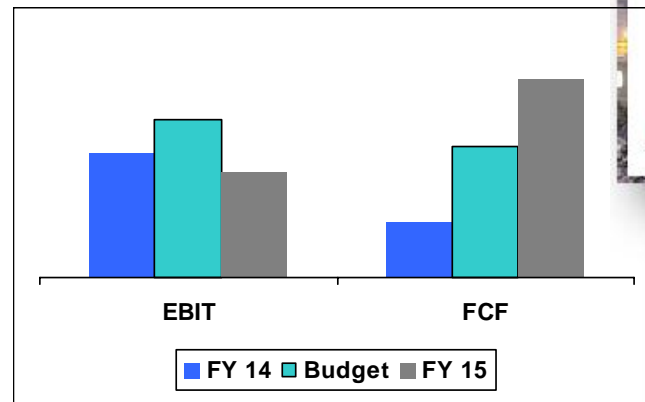
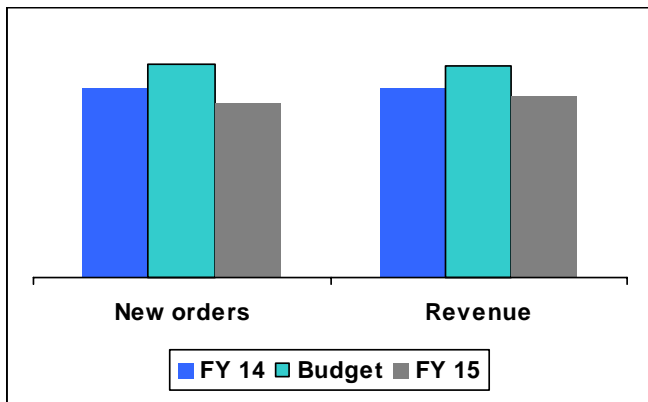
# Electrifying the Danish railway!

- Won the rail electrification project
- The implementation of the S-bane Signaling project is on track – but not without “bumps”
- New opportunities ahead for rolling stock to DSB and light rail projects



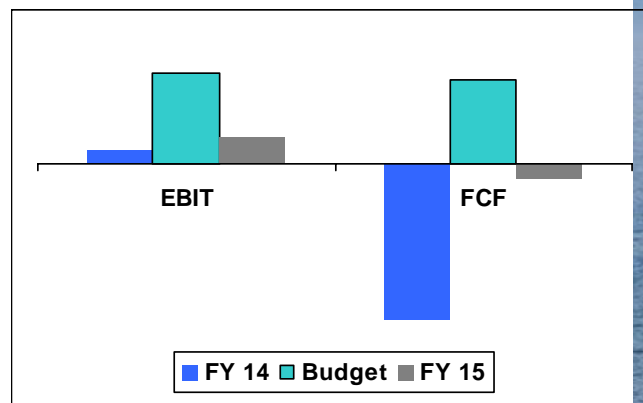
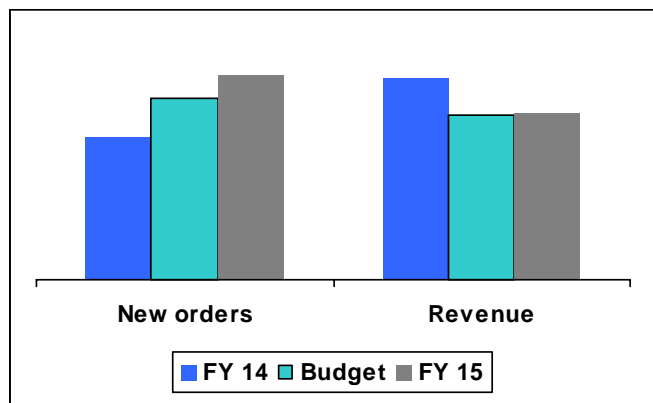
## Digital Factory + Process Industries and Drives Market challenges in FY 15

- 7 % growth in DF despite flat market
  - PD hit by missing generator sales to Vestas
- Strong development in the Global Accounts – e.g. Maersk >100 mio. € and Grundfos >25 mio. € (+15 %)
- Challenging year for Siemens Industry Software A/S
- Automation and Digitalization brings new opportunities



## Energy Management + Power and Gas Strong growth in offshore wind

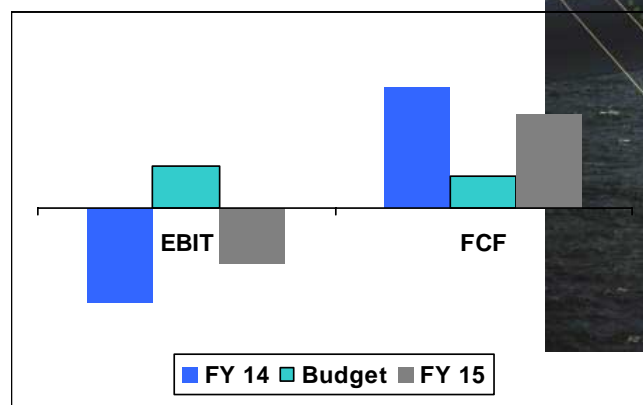
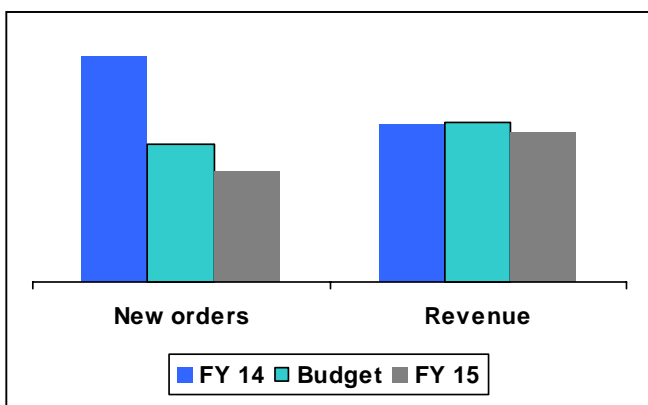
- 3 offshore wind farms, SVC project for DONG Energy, Vestas transformers etc.
- Next major opportunity: HVDC project “Cobra” (+ Kriegers Flak and Viking Link)
- Challenges in the ARC project leading to NCC’s



Siemens Wind Power A/S


## No. 1 in offshore – but quality issues still a challenge

- Several large orders for onshore and offshore
- Agreement signed for the 2 GW onshore order in Egypt
- New product launches
  - New SWT-7.0-154 wind turbine
  - New “American” wind turbine designed for medium to low wind sites
- Additional production capacity
  - The construction of a new factory in Hull started
  - Decision to build D7 nacelle factory in Cuxhaven



# The future Challenges / room for improvement

**Customers First**



Increase share of "Feet on the street" vs. Support  
 ▶ Sales teams to spend 30 % more time with customers

How do we attract and engage the **new generations?**

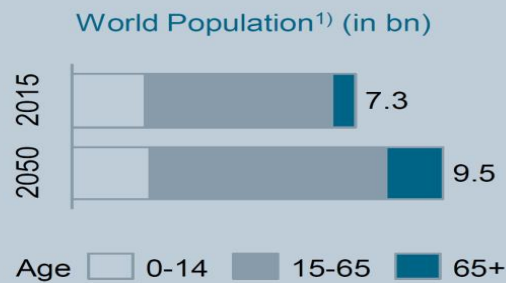
How do we get closer to our **customers?**



How do we utilize the new opportunities from **digitalization?**

# Our business environment is shaped by five megatrends

## Demographic Change

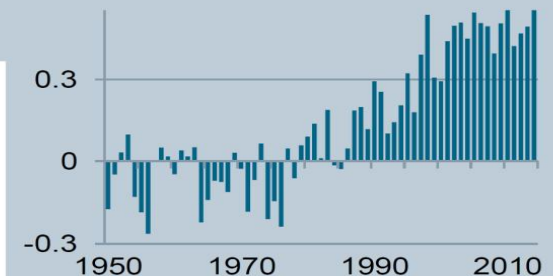


**Growing and ageing population**

## Climate Change

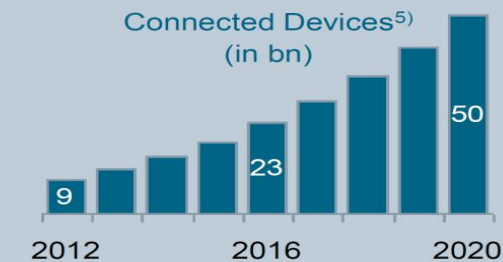
**Global warming and weather extremes**

Annual Mean Temperature Variations 1950 - 2014<sup>2)</sup> (in °C)

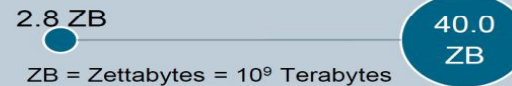


## Digital Transformation

**Exponential growth of connected devices ...**



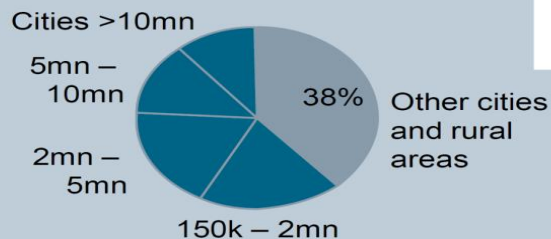
**... and digital data<sup>6)</sup>**



**Cities as main driver of GDP growth**

## Urbanization

Contribution to Global GDP Growth, 2007 - 2025<sup>3)</sup> (in %)



**Two waves of globalization**

## Globalization

World Imports vs. World GDP<sup>4)</sup>





# Digitalization is the cornerstone for Siemens' strategy in combining the physical and virtual world

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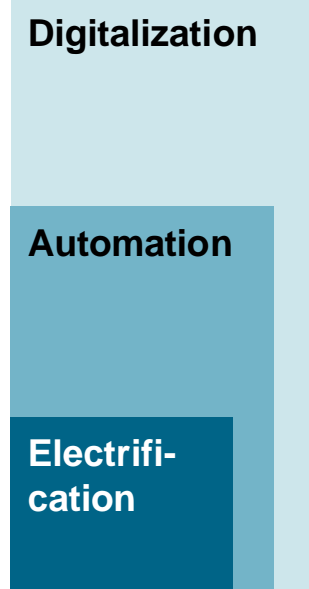


# Siemens leverages digitalization technologies to create new business opportunities

## Major digitalization technologies ...



## ... leveraged along our entire portfolio...



## ... to create attractive business opportunities

**2 | Digital services**

- ➔ Connectivity enabled
- ➔ Analytics driven

**3 | Vertical software**

- ➔ Cloud enabled
- ➔ Analytics enriched

**1 | Enhanced electrification & automation**

- ➔ Embedded software for increased autonomy and performance
- ➔ Self-learning automation algorithms

## A concrete example

Electrification

Automation

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# Digitalization

### Se videoen: "The Beer Engineer"

Oct 30, 2015 | Denmark | Jussi Arstorp

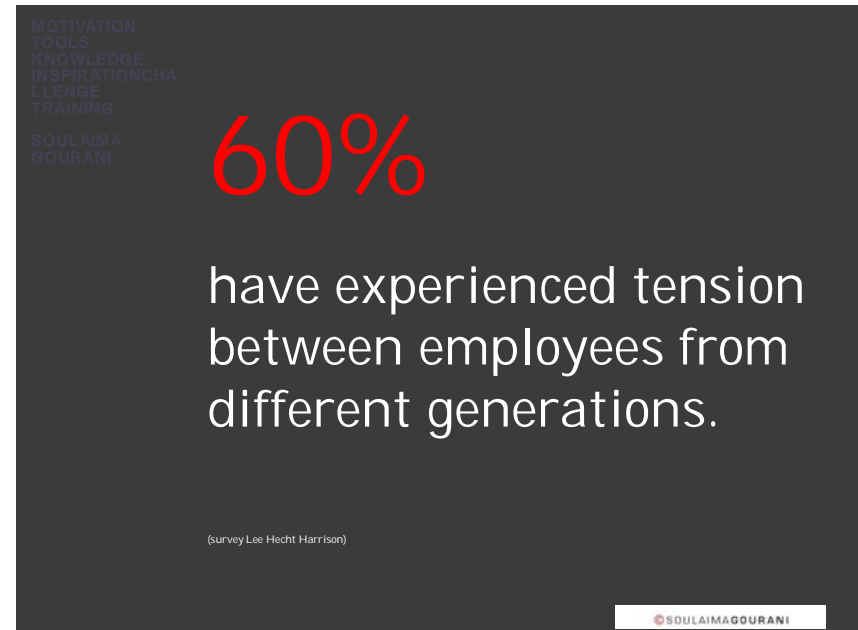
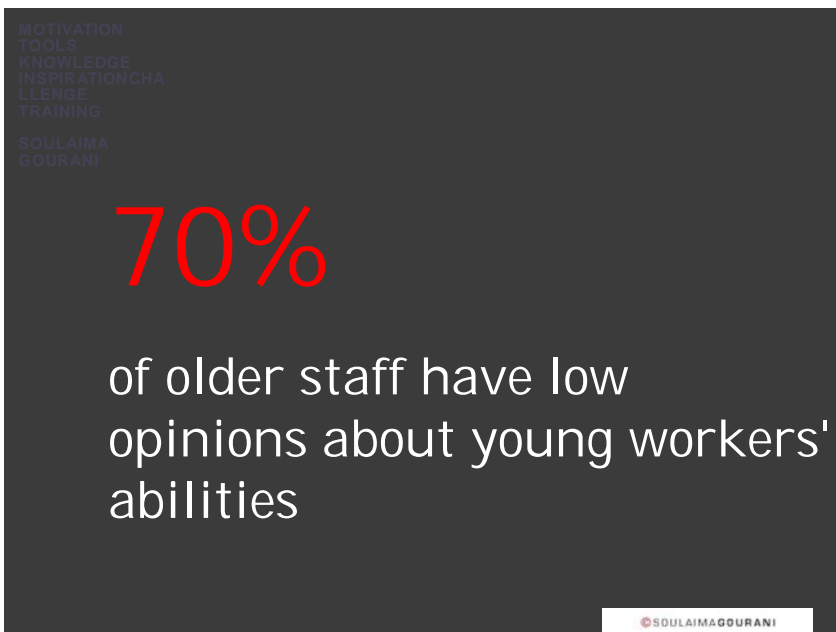


Til dagligt arbejder Morten og ca. 1.500 ingeniørskolleger, med at udvikle digitale eller bæredygtige teknologier.

"A"it kan klares med øl og pølser – og derfor er det super vigtigt, at man kan få øl 24/7".

The next generation challenge:  
 “Tiltideværendeledelse...”

We need to crack the code to the young generations!



We need to take a look at our own management practices!

# Customers First! Always!!

Focus on the right customers!



The new slogan

# SIEMENS

*Ingenuity for life*

**Thank you for your attention!**