

TRANSFORMING THE MANUFACTURING BUSINESS MODEL WITH SERVITIZATION

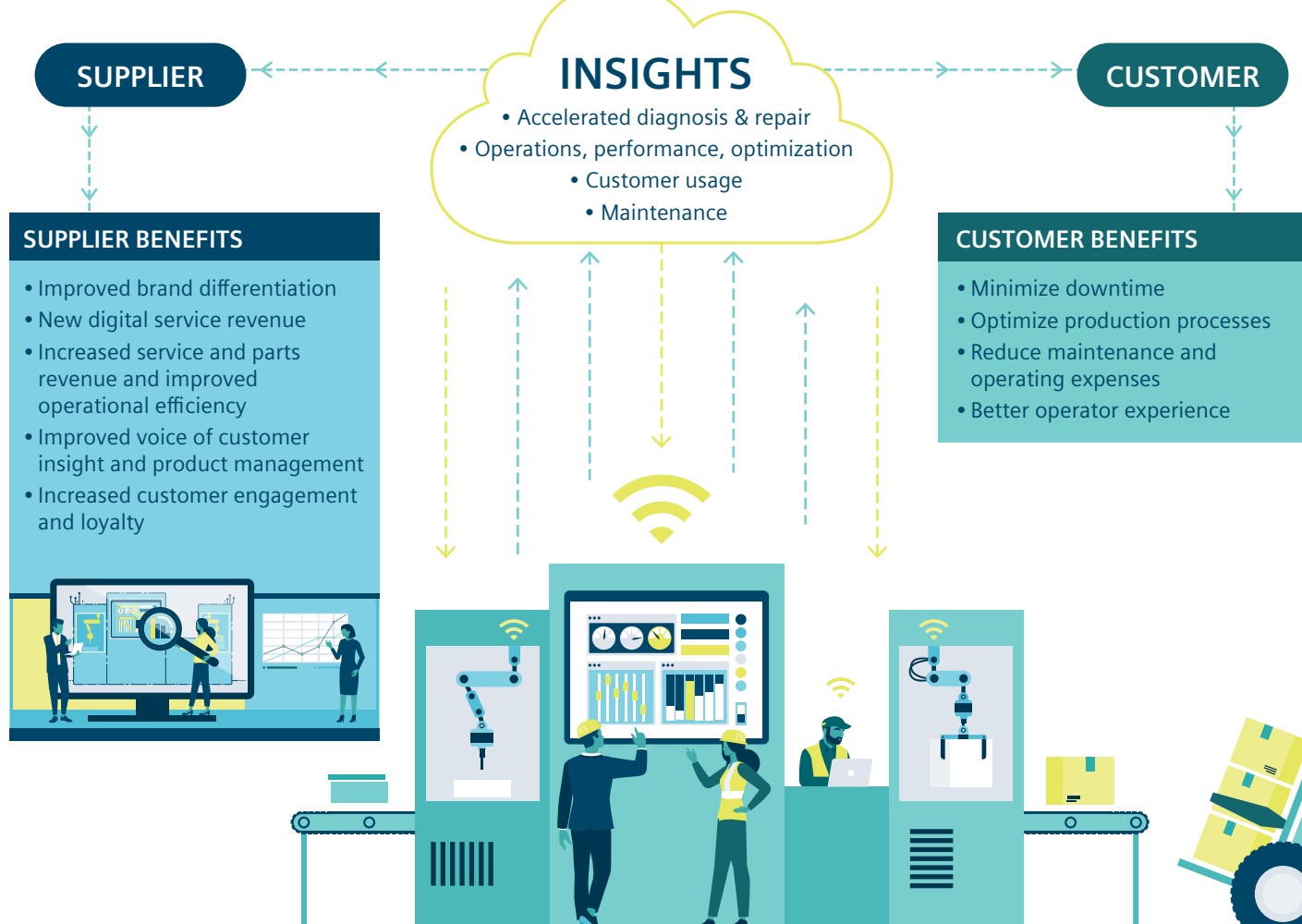
Your Competitive Advantage for Loyalty and Growth

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THE TIME FOR SERVITIZATION TRANSFORMATION IS NOW

DIGITALIZATION OPENS UP A NEW FRONTIER OF SUCCESS FOR YOU AND YOUR CUSTOMERS

Digital services, powered by Industrial IoT technologies, enable your customers to be more successful using your products. These services accelerate diagnosis and repair, provide insight to maintenance needs, and highlight performance and optimization opportunities. For some, Customer Success and "Anything-as-a-Service" business models are the ultimate destination with the greatest potential for differentiation and financial success.



MANUFACTURING CUSTOMERS ARE LOOKING FOR SUPPLIERS TO HELP

CUSTOMERS SEE HOW DIGITAL SERVICES CAN HELP MANUFACTURING OPERATIONS

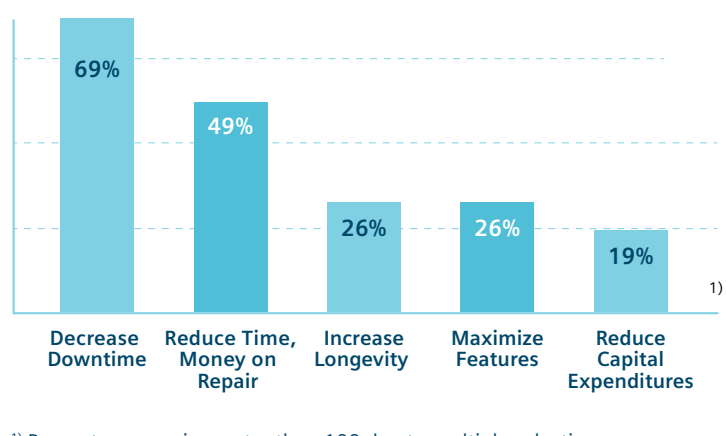
Customers identify **decreased downtime** as the primary value proposition of supplier provided digital services.

"We're always willing to pay for high quality services to prevent equipment downtime and keep the revenues flowing"

- Plant Manager

For connected machine capabilities and related digital services, customers are willing to pay an average **18% premium**

CUSTOMER MOTIVATION FOR DIGITAL SERVICES

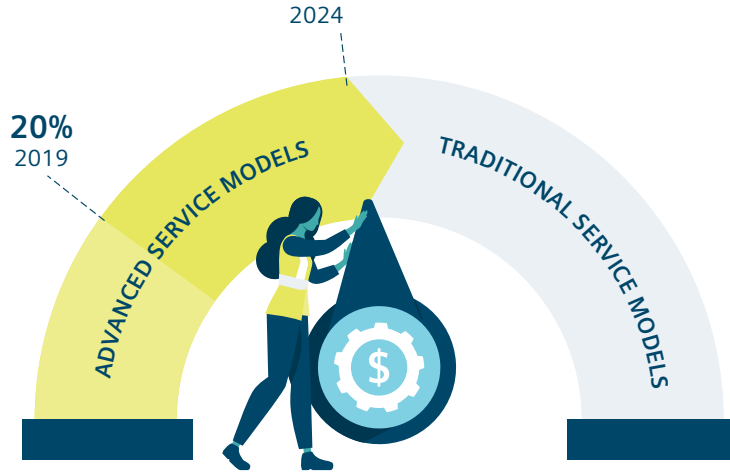


¹⁾ Percentage sum is greater than 100 due to multiple selections
Source: Kaiser Associates, Siemens Advanta; data based on survey of 53 participants in the manufacturing industry

THE SERVITIZATION TREND IS HERE AND ACCELERATING

ADVANCED SUPPLIERS ARE REALIZING THE BENEFITS OF SERVITIZATION

- **75%** of industrial manufacturing suppliers expect **significant growth** in digital services over the next **3 to 5 years**
- Revenue from advanced service models will **more than double** by 2024
- **Predictive maintenance** services will be considered a must-have by 2024
- Advanced companies see **60 - 80%** of profits coming from lifecycle services (vs. initial product sales)



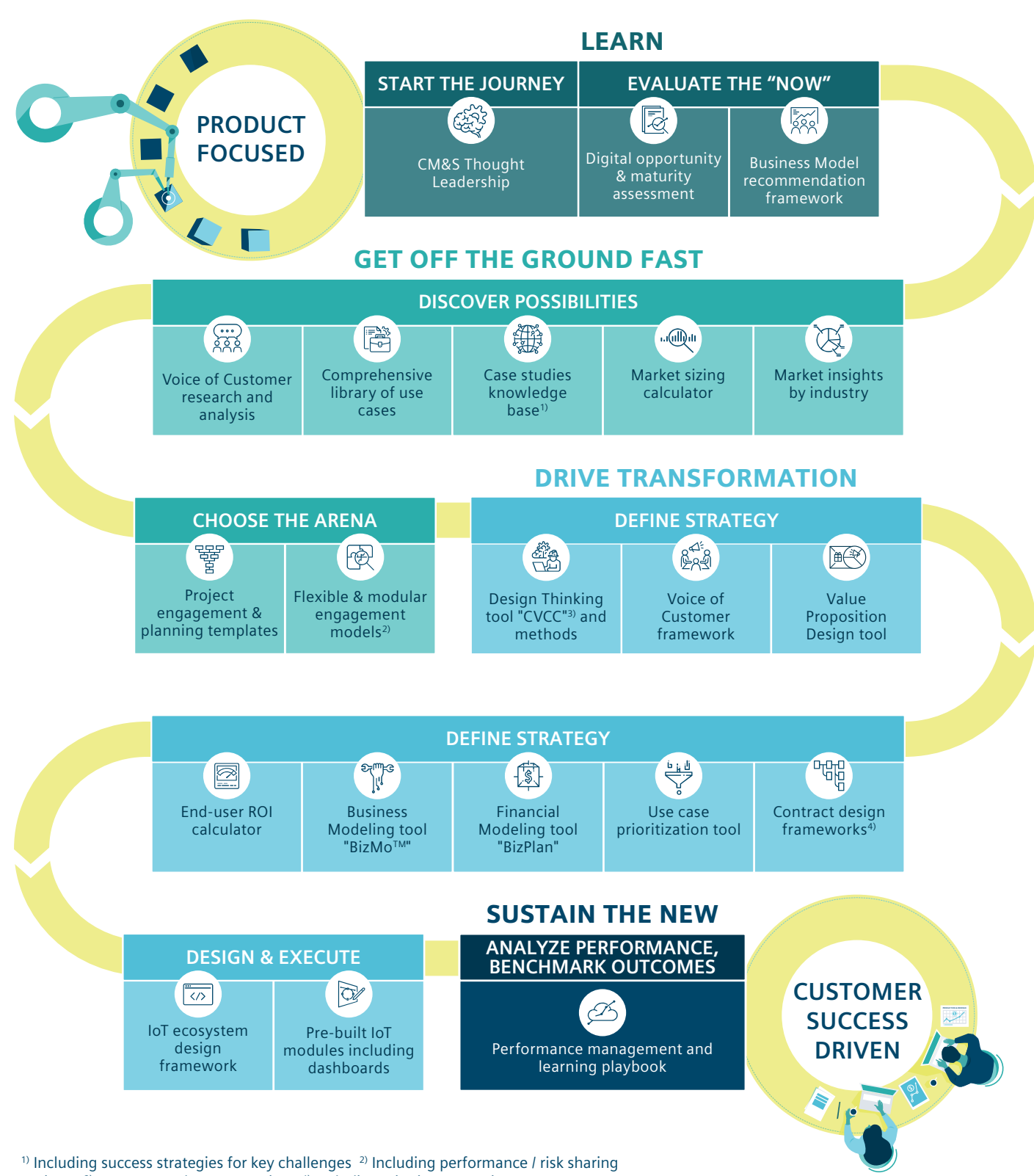
INCREASING LEVELS OF INNOVATION OFFER GREATER OPPORTUNITIES FOR GROWTH IN REVENUE & CUSTOMER ENGAGEMENT



TRANSFORMATIONAL APPROACH GUIDED BY A CLEAR STRATEGY

OUR ACCELERATORS HELP YOU THROUGHOUT YOUR DIGITAL TRANSFORMATION JOURNEY AND ENSURE MEASURABLE OUTCOMES

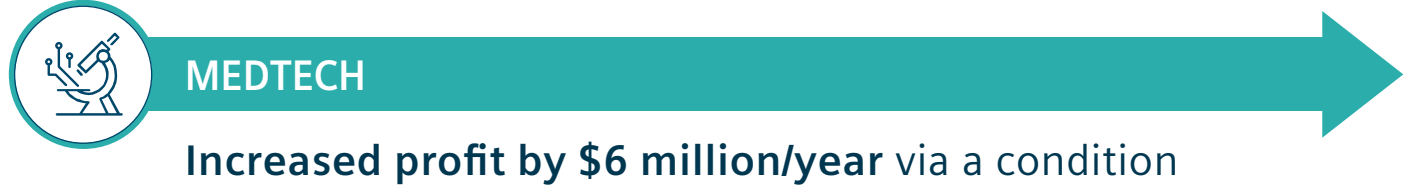
Advanta has the experience, methods and accelerators to help suppliers become leaders in their industry. Our transformation approach integrates customer validation, solution development, commercial viability in a **Build/Measure/Learn cycle**. We develop a tailored digital services roadmap to achieve your business objectives.



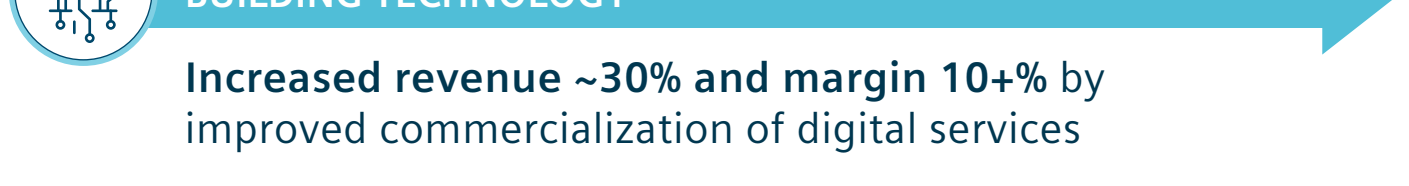
¹⁾ Including success strategies for key challenges ²⁾ Including performance / risk sharing options ³⁾ Customer Value Co-Creation ⁴⁾ Including winning strategies
Source: Siemens Advanta

OUR CROSS-INDUSTRY EXPERIENCE AND SUCCESS

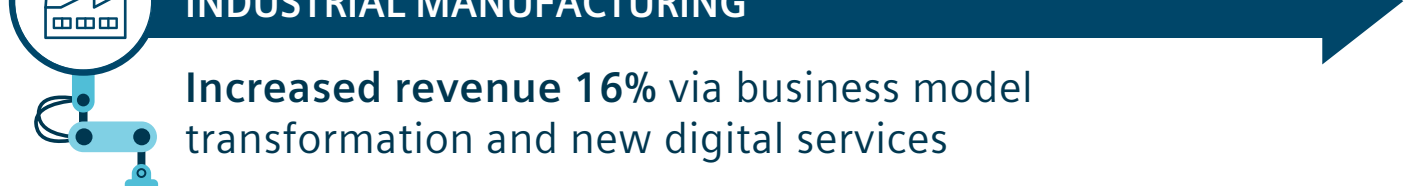
WE'VE HELPED CLIENTS ACROSS INDUSTRIES ACHIEVE RESULTS



Increased profit by \$6 million/year via a condition monitoring warranty management solution



Increased revenue ~30% and margin 10+% by improved commercialization of digital services



Increased revenue 16% via business model transformation and new digital services

Contact us to learn more about how Siemens Advanta can help you transform your business, develop new digital services, gain a competitive advantage, and grow.