

Siemens expanding investments in U.S. digital capabilities including \$175 million R&D ramp up

- **Eight new U.S.-based MindSphere Application Centers for digital applications – transforming data into real value for customers**
- **More than \$ 1billion investment in U.S. R&D annually; \$175 million increase in R&D spending year-over-year**
- **Hundreds of job openings for talented software developers and programmers, cloud and data scientists**

Today at the Digital Manufacturing and Design Innovation Institute (DMDII) in Chicago, Siemens demonstrated its approach to taking the Fourth Industrial Revolution from concept to reality at its annual U.S. Innovation Day. The event showcased real-world applications of digital solutions that are enabling customers across the company's largest market to reduce costs, increase speed, develop new business models, and improve the quality of life for millions of Americans.

The City of Chicago is one of these customers and saves millions of dollars by retrofitting its water supply with Siemens technology. Siemens has teamed up with Microsoft to integrate alternative energy sources for cleaner and more efficient data center operations, helping establish the world's first zero-carbon, waste-to-power data center in Cheyenne, WY. With the Atlanta Streetcar, Siemens established a predictive maintenance program that puts more intelligence behind data points to reduce delays for streetcar riders as well as save energy. Additionally, Siemens is teaming up with Chicago-based Commonwealth Edison (ComEd) to help build and test software that will allow the utility to manage clusters of microgrids simultaneously.

By using Siemens digital twin software, companies can reduce their product development time from months to weeks – like the startup RadioBro, which is establishing its IoT device business in the aviation and aerospace industry with an unparalleled time-to-market. Siemens also provided a breakthrough solution for

autonomous driving that minimizes the need for extensive physical prototyping while dramatically reducing the number of logged test miles necessary to demonstrate the safety of these vehicles.

“With the arrival of the Internet of Things in industry and infrastructure, many organizations are still trying to understand how to incorporate digital strategies into their business models,” said Roland Busch, Chief Technology Officer and Member of the Managing Board of Siemens AG. “Siemens has reinvented itself into one of the world’s top 10 software companies and is continuing to expand its digital capabilities. With our MindSphere Application Centers, we’re combining deep expertise in automation and electrification with our unique industrial software offering to enable our customers to leverage digital solutions for their specific needs.”

Siemens is expanding its investments in U.S.-based digital capabilities to co-create intelligent solutions with customers. It’s the first company worldwide to create 20 centers for digital customer applications in the industrial sector. Each of the MindSphere Application Centers serves multiple locations in different countries and specializes in a particular industry where Siemens is active. About 900 software developers, data specialists, and engineers are working with Siemens customers at these centers to develop digital innovations for data analysis and machine learning. These new solutions are being developed on MindSphere, Siemens’ open, cloud-based operating system for the Internet of Things (IoT).

In order to get closer to its customers, the company has distributed its 20 centers across around 50 locations in 17 countries worldwide. Eight of these digital service hubs are located in the United States – in Austin, Foster City, Atlanta, Alpharetta, Pittsburgh, Berkeley and Orlando – and constitute the largest footprint for these centers outside of Germany. Siemens launched its MindSphere IoT operating system across the company about one year ago. Approximately one million devices and systems are now connected via MindSphere, and this figure will reach 1.25 million by the end of fiscal 2018.

The company has also increased its U.S. R&D investment by \$175 million year over year to \$1.3 billion in fiscal 2017 – a 16 percent increase – with a strong focus on digital innovation. In Chicago, for example, Siemens is investing \$13 million annually

in a new digital R&D hub focused on cloud and Internet of Things applications to support the building management and automation market. Also on a global level, Siemens will again increase its global R&D expenditures in fiscal 2018 and is investing an additional sum of about \$600 million. As a result, R&D spending will increase from nearly \$6.3 billion in fiscal 2017 to \$6.9 billion in fiscal 2018.

“From digital twins and digital services to the Internet of Things and Artificial Intelligence, Siemens is innovating next-generation digital technologies to help cities and companies across the country realize measurable value from data,” said Lisa Davis, CEO of Siemens USA. “To further this customer value proposition and prepare our company for the future, we’re investing in the next-generation workforce, which is paramount to our future success.”

Siemens has more than 1,500 open jobs across the United States, most of which require some software or STEM-related education. Siemens is training and recruiting people with backgrounds in computer science and engineering combined with expertise in software development and programming. For example, Siemens has hired nearly 150 people at Mindsphere Application Centers to provide digital services for rail, smart buildings, and infrastructure. The company’s Building Technologies Division is hiring 120 people in Illinois and Texas for its digital services hub, while Product Lifecycle Management (PLM) is hiring 100 digital positions in software development and coding. Siemens’ R&D centers in Berkeley, Princeton, and Charlotte are hiring researchers and scientists in the field of data analytics, artificial intelligence, machine learning, 3D design, and cybersecurity.

Siemens has also expanded its innovation pipeline by securing over 15,000 patents in the U.S and submitting more than 1,000 U.S. invention disclosures in 2017 alone, amounting to about five inventions per working day.

Disclaimer: The financial statements of the Siemens Group are reported in Euro. For this press release selected numbers have been translated to US-\$ with the spot rate as of Feb. 28, 2018 (1,2214)

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Editor's note: To virtually participate in the event beginning at 12:30 p.m. CST on March 27, register [here](#).

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Siemens Corporation Siemens Corporation is a U.S. subsidiary of Siemens AG, a global powerhouse focusing on the areas of electrification, automation and digitalization. One of the world's largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of systems for power generation and transmission as well as medical diagnosis. With approximately 372,000 employees in 190 countries, Siemens reported worldwide revenue of \$92.0 billion in fiscal 2017. Siemens in the USA reported revenue of \$23.3 billion, including \$5.0 billion in exports, and employs approximately 50,000 people throughout all 50 states and Puerto Rico. To receive expert insights, [sign up for the Siemens' U.S. Executive Pulse leadership blog](#).