Die Perspektive global agierender Konzerne am Beispiel Siemens

Dr. Sluitner, CEO Siemens Real Estate
Darmstadt, 2. November 2017
Our World is Changing
Global megatrends shaping the Siemens world of tomorrow

Siemens Business Focus

- **Digitalization**: CAGR: ~8%
- **Automation**: CAGR: ~3 - 4%
- **Electrification**: CAGR: ~1 - 2%

CAGR = Compound annual growth rate
Siemens focus on E-A-D leads to changes in product portfolio and space requirements
Massive space volatility in 1 year

- Acquisition of CD-adapco
- Acquisition of Mentor Graphics
- Acquisition of Dresser-Rand

SIEMENS

- Merger of Siemens Mobility with Alstom
- Water Treatment
  - Low synergies sold to AEA
- Metals Technologies
  - JV with Mitsubishi heavy industry

Listing announced
Business focus of Siemens drives value and growth but erodes SRE’s portfolio

Siemens profit and revenue (€)

SRE’s portfolio (m²)

Driver 1: M&A activities
Driver 2: Space optimizations & consolidations
The changes require an answer on different levels

- Focus on EAD
- Shift from heavy to light Industrial
- M&A driven portfolio changes
- Fragmentation of CREM
- Space reduction

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Trends

- Higher space efficiency
- Productivity targets
- New working methods
- Demand for coworking
- Agility and digitalization

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Perspectives

RE lifecycle

- Light Industrial
- Operator
- User
- Office
- Heavy Industrial
- Others
Continuous portfolio optimization along asset classes

**Office Portfolio**
- Marketable Office Properties
  - Good locations
  - Multi-Tenant
  - Third-party usability

**Light Industrial**
- Marketable Production
  - Medium locations
  - Transformation properties

**Heavy Industrial**
- Special Production
  - Limited third-party usability
  - Long term Division use
  - Single-Tenant

**Workout Portfolio**
- Properties with limited Marketability
  - Undeveloped plots
  - Vacant properties
  - Special usages
  - Small locations

**Raise Potential**
**Develop Potential**
**Identify Risks**
**Manage Risks**

Fungibility

Risk
SRE’s agenda: Increase flexibility to meet digital and customer requirements

**Construction**
- Smart buildings will become mainstream: review and adjust Construction standards
- Create flexible buildings allowing rapid use changes for e.g. coworking
- Use advancement in digital technologies to reduce time and cost by same quality

**Space Provision**
- Increase flexibility in letting: offer pay per use, shorter and customized lease terms
- Develop agile space concepts for a digitalized world
- Improve customer relation via live feedback
- Connect all data platforms and create digital workflows along RE lifecycle
- Establish provider steering based on globally harmonized KPI’s
Steering of FM/FS providers based on harmonized KPI’s

Revised KPI catalogue

- Definition of 5-6 global harmonized KPIs
- High transparency and easy identification of improvement areas
- Revised KPIs are considered mandatorily in tenders and contracts

- Compliance maintenance plan
- Response Time
- # Faults per Asset
- Incidents - EHS
- Resolution Time
- M&E downtime
- Customer satisfaction
- Delivery dates
- Delivery dates invest./budget plan
- Security service trainings
- Qualification of the object manager
- Consistency of the organization
- Energy consumption
- Labor turnover rate
- Self performed work
- Market
- SRE
Future Siemens business demands diverse ways of working

Working Environment @ Siemens

### SRE Offerings

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Core Add-on</th>
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<tbody>
<tr>
<td>Focus on new working culture, mainly office space</td>
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<tr>
<td>Centralized meeting rooms with uniform charging and booking</td>
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<tr>
<td>Conference center plus workplaces for temporary use</td>
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<tr>
<td>Innovative Space “Start-Up” alike Multi purpose use</td>
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<tr>
<td>Restaurants, Café, Fitness, Kindergarten for employees</td>
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<tr>
<td>Production related space, special purpose properties</td>
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</tbody>
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### Involvement

<table>
<thead>
<tr>
<th>HR</th>
<th>SRE</th>
<th>IT</th>
<th>SRE</th>
<th>SRE</th>
<th>IT</th>
<th>HR</th>
<th>SRE</th>
<th>Other</th>
<th>SRE</th>
<th>Business</th>
</tr>
</thead>
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### Charging

<table>
<thead>
<tr>
<th>Space related (€/m²)</th>
<th>Space related (€/m²)</th>
<th>Pay per use</th>
<th>Pay per use</th>
<th>Various</th>
<th>Space related (€/m²)</th>
</tr>
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### Future Importance

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Agile working methods need a different space structure
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5 teams zones, each with 8 workplaces and adjacent test rack zone

2 scrum spaces and additional space for communication and collaboration
Space for agile working need a different look
Workplace demand 2020: flexible, modular and adaptive

‘Mega’ connectivity
Virtual workforce
Inclusive and ethnically diverse
Multi generational
We want to digitalize the entire Real Estate Life Cycle

Vision
Digitalization of the entire Real Estate Life Cycle

Strategy
Move from a digital foundation and individual prototypes to an overall digitalized Corporate Real Estate Management

Scope of Digital Business Model

SRE Inside
- Optimization of Processes

Customer
- Relationship Management

Construction
- Basis for Digital Asset Management

Life Cycle
- Reduction of Lifecycle Cost

Digitalization of the entire Real Estate Life Cycle

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Demands for Corporate Real Estate Management @ Siemens

Optimize the portfolio along asset classes

Increase flexibility in Real Estate solutions and services

Impact!

Make digitalization part of the Real Estate business!

Provide flexible, modular and adaptive workplaces
Thank you.