

# SIEMENS

*Ingenuity for life*

Munich, Germany, May 8, 2020

# Earnings Release

## Q2 FY 2020

January 1 to March 31, 2020

## Robust performance in complicated times

»We delivered a robust quarter given the serious circumstances. I am particularly impressed with my team that we are able to keep the original timeline for the spin-off of our energy business. While we expect to reach the bottom in the third quarter of fiscal 2020, we continue to keep the health and safety of our partners and employees as our first priority, while maintaining business continuity as much as responsibly possible,« said Joe Kaeser, President and Chief Executive Officer of Siemens AG.

- Revenue was €14.2 billion, nearly level with the same quarter a year ago, as increases at Siemens Healthineers and Mobility offset a decline at Digital Industries; orders declined 8%, to €15.1 billion, on sharply lower volume from large orders at Mobility
- On a comparable basis, excluding currency translation and portfolio effects, revenue declined 1% and orders came in 9% lower; the book-to-bill ratio of 1.06 remained well above one
- Adjusted EBITA Industrial Businesses was significantly lower at €1.6 billion, with all industrial businesses showing effects from the COVID-19 pandemic; Adjusted EBITA margin Industrial Businesses of 12.1% was held back also by severance charges of €0.2 billion, taking 1.2 percentage points
- Net income, including a loss of €0.3 billion from discontinued operations, was €0.7 billion compared to €1.9 billion in Q2 FY 2019, which benefited from income of €0.2 billion from discontinued operations as well as a lower tax rate; basic earnings per share (EPS) declined to €0.80
- Given the current situation, we can no longer confirm our original guidance for fiscal 2020; for our new guidance, see page 5 of this document

At the end of the second quarter of fiscal 2020, Gas and Power and Siemens Gamesa Renewable Energy (SGRE) were classified as held for disposal and discontinued operations. Prior-period amounts are presented on a comparable basis.

[siemens.com](https://www.siemens.com)

## Siemens

(in millions of €)	Q2		% Change	
	FY 2020	FY 2019	Actual	Comp.
Orders	15,150	16,462	(8)%	(9)%
Revenue	14,225	14,245	0%	(1)%
Adjusted EBITA Industrial Businesses	1,592	1,940	(18)%	
<i>therein: severance</i>	(160)	(50)		
Adjusted EBITA margin Industrial Businesses	12.1%	14.7%		
<i>excl. severance</i>	13.3%	15.1%		
Income from continuing operations	1,014	1,718	(41)%	
<i>therein: severance</i>	(189)	(72)		
Income (loss) from discontinued operations, net of income taxes	(317)	205	n/a	
Net income	697	1,923	(64)%	
Basic earnings per share (in €)	0.80	2.24	(64)%	
Free cash flow (continuing and discontinued operations)	134	487	(72)%	
ROCE (continuing and discontinued operations)	5.0%	14.7%		

- Despite the coronavirus pandemic (COVID-19) Siemens was able to operate production sites and supply chains near normal levels in Q2 FY 2020; nevertheless volume, income and cash flows were noticeably affected by consequences from the pandemic, primarily a decline in demand and restricted access to customer sites in affected regions; adverse impacts on the macroeconomic environment from COVID-19 are expected to widen in Q3 FY 2020
- Orders down due primarily to a lower volume from large orders in Mobility year-over-year, partially offset by a clear increase in Siemens Healthineers; excluding the change in large order volume, orders rose slightly
- Revenue close to the prior-year level; the decline in Digital Industries, confined primarily to its short-cycle businesses, was nearly offset by increases in Siemens Healthineers and Mobility
- Order backlog at €69 billion, reflecting the reclassification of Gas and Power and SGRE to discontinued operations; order backlog for these two businesses totaled €81 billion at the end of Q2 FY 2020
- Currency translation effects added one percentage point each to order and revenue development; portfolio effects had a minimal effect on volume development year-over-year
- Adjusted EBITA Industrial Businesses remained strong given the current market environment; Siemens Healthineers made the largest contribution and kept its Adjusted EBITA close to the prior-year level; decreases at Digital Industries, due mainly to lower revenue in short-cycle businesses, and at Smart Infrastructure which took substantially higher severance charges associated with its competitiveness program
- Outside Industrial Businesses, decline for Corporate items compared to Q2 FY 2019, which benefited from positive effects; and for Financial Services, where a solid earnings contribution was held back by increased credit hits and came in below Q2 FY 2019 which benefited significantly from a gain on the sale of an equity stake
- Loss at discontinued operations due largely to sharply lower Adjusted EBITA from the energy business, including a loss at SGRE and sharply higher tax expenses, mainly related to the carve-out of Gas and Power
- Net income impacted by the above-mentioned factors; Q2 FY 2019 benefited from a sharply lower income tax rate from continuing operations following reversal of income tax provisions outside Germany
- Decrease in Free cash flow from Industrial Businesses from €1.513 billion in Q2 FY 2019 to €1.101 billion was primarily driven by lower customer project payments at Mobility
- Provisions for pensions and similar obligations as of March 31, 2020: €7.5 billion (December 31, 2019: €8.6 billion); the decrease relates mainly to Gas and Power and SGRE, as their portion of these obligations were reclassified as liabilities associated with assets held for disposal
- ROCE declined on a combination of sharply lower net income and an increase in average capital employed

## Digital Industries

(in millions of €)	Q2		% Change	
	FY 2020	FY 2019	Actual	Comp.
Orders	4,171	4,077	2%	2%
Revenue	3,684	4,056	(9)%	(10)%
<i>therein: software business</i>	1,032	1,037	(1)%	(3)%
Adjusted EBITA	585	737	(21)%	
<i>therein: severance</i>	(36)	(19)		
Adjusted EBITA margin	15.9%	18.2%		
<i>excl. severance</i>	16.9%	18.7%		

- Orders rose primarily in the factory automation solutions business along with the software business as both posted a number of larger contract wins; on a regional basis, order growth came from the regions Europe, C.I.S, Africa, Middle East (Europe/CAME) and Asia, Australia including double-digit growth in China
- Revenue declined across the businesses due partly to impacts related to COVID-19, particularly reduced customer demand, with short-cycle businesses recording the strongest decreases; on a regional basis, lower revenue in Asia, Australia, particularly in China, and Europe/CAME, particularly in Germany
- The impact on profitability from lower revenue was strongest for the high-margin short-cycle businesses, leading to a significant overall decline in Adjusted EBITA; financial impacts related to COVID-19 are expected to widen in Q3 FY 2020

## Smart Infrastructure

(in millions of €)	Q2		% Change	
	FY 2020	FY 2019	Actual	Comp.
Orders	3,796	3,870	(2)%	(3)%
Revenue	3,517	3,507	0%	(1)%
<i>therein: product business</i>	1,310	1,329	(1)%	(3)%
Adjusted EBITA	185	361	(49)%	
<i>therein: severance</i>	(103)	(12)		
Adjusted EBITA margin	5.2%	10.3%		
<i>excl. severance</i>	8.2%	10.6%		

- Orders below the strong prior-year quarter, which included higher demand in the solutions and services business in Germany; COVID-19 impacts were particularly strong in Asia, Australia
- Revenue remained at the prior-year level on strong growth in the solutions and services business in the U.S.; revenue declined in other regions, most notably in Asia, Australia due to impacts related to COVID-19; the product business continued to see weaker demand in short-cycle industries
- Adjusted EBITA and profitability were substantially burdened by severance charges associated with planned execution of the competitiveness program as well as impacts related to COVID-19, with the latter expected to widen in Q3 FY 2020

## Mobility

(in millions of €)	Q2		% Change	
	FY 2020	FY 2019	Actual	Comp.
Orders	2,384	3,524	(32)%	(32)%
Revenue	2,263	2,116	7%	6%
Adjusted EBITA	210	228	(8)%	
<i>therein: severance</i>	(4)	(7)		
Adjusted EBITA margin	9.3%	10.8%		
<i>excl. severance</i>	9.5%	11.1%		

- High basis of comparison in Q2 FY 2019 due to sharply higher volume from large orders; Q2 FY 2020 included large contract wins for the commuter rail platform Mireo in Germany, among them a first order for battery-powered trains including long-term service
- Revenue rose on significant growth in the rolling stock business including the ramp-up of large projects and customer service activities
- Mobility continued to operate with strong profitability despite adverse business mix

## Siemens Healthineers

(in millions of €)	Q2		% Change	
	FY 2020	FY 2019	Actual	Comp.
Orders	3,816	3,611	6%	4%
Revenue	3,685	3,505	5%	3%
Adjusted EBITA	612	614	0%	
<i>therein: severance</i>	(17)	(12)		
Adjusted EBITA margin	16.6%	17.5%		
<i>excl. severance</i>	17.1%	17.9%		

- Order growth benefited from a large Atellica solution order in the U.S.
- Clear revenue growth in the imaging and advanced therapies businesses, partially offset by a slight decline in the diagnostics business; on a geographic basis, increases in all three reporting regions, with significant growth in the U.S. that benefited from positive currency translation effects, and a slight increase in China
- Strong earnings performance in the imaging business on the back of the revenue growth, offsetting a decline at the diagnostics business

## Financial Services

(in millions of €)	Q2	
	FY 2020	FY 2019
Earnings before taxes (EBT)	93	231
<i>therein: severance</i>	(1)	(1)
ROE (after taxes)	12.6%	29.9%

  

(in millions of €)	Mar 31, 2020	Sep 30, 2019
Total assets	30,124	29,901

- Earnings before taxes strongly influenced by COVID-19 impacts; particularly a sharp increase in credit hits by €52 million; in contrast, the high level of earnings in Q2 FY 2019 benefited from a gain of €57 million from the sale of a stake in an equity investment

## Portfolio Companies

(in millions of €)	Q2		% Change	
	FY 2020	FY 2019	Actual	Comp.
Orders	1,290	1,643	(21)%	(21)%
Revenue	1,364	1,312	4%	4%
Adjusted EBITA	(8)	(4)	(101)%	
<i>therein: severance</i>	(8)	(3)		
Adjusted EBITA margin	(0.6)%	(0.3)%		
<i>excl. severance</i>	0.0%	(0.0)%		

- During Q2 FY 2020 Siemens classified to Portfolio Companies certain remaining regional business activities of Gas and Power, which were not carved out to Siemens Energy due to country-specific regulatory restrictions or economic considerations; revenue and Adjusted EBITA for these activities amounted to €898 million and €117 million in fiscal 2019, respectively; prior-period results are presented on a comparable basis
- Lower orders due mainly to Siemens Logistics, which recorded a substantially higher volume from large orders in Q2 FY 2019; broad-based revenue growth
- Although fully consolidated units recorded an aggregate earnings improvement, Adjusted EBITA declined on a negative result from equity investments which exceeded the level of Q2 FY 2019
- Equity investment results are expected to remain volatile in coming quarters

## Reconciliation to Consolidated Financial Statements

### Profit

(in millions of €)	Q2	
	FY 2020	FY 2019
Real Estate Services	34	27
Corporate items	(78)	12
Centrally carried pension expense	(67)	(58)
Amortization of intangible assets acquired in business combinations	(185)	(155)
Eliminations, Corporate Treasury and other reconciling items	(65)	(16)
<b>Reconciliation to Consolidated Financial Statements</b>	<b>(361)</b>	<b>(190)</b>

- Corporate items were influenced by a number of factors, including higher severance charges of €18 million (€15 million in Q2 FY 2019)

## Discontinued operations

In May 2019, Siemens announced its intention to transfer the energy business into a new company, Siemens Energy, and list it on the stock market via a spin-off. Siemens Energy, or the distribution group, includes Gas and Power and Siemens' 67% stake in SGRE, 8.1% of which was purchased in February 2020 from Iberdrola S.A. for a purchase price of €1.1 billion. Siemens plans to complete the spin-off and listing before the end of FY 2020. Siemens assesses the listing via spin-off as highly probable. This assessment includes the likelihood of the shareholders' approval at the extraordinary shareholders' meeting scheduled for July 9, 2020. The criteria for classification of the distribution group as held for disposal and discontinued operations were met at the end of Q2 FY 2020. In the Consolidated Statements of Income and in the Consolidated Statements of Cash Flows, results and cash flows of the distribution group are reported as discontinued operations on a comparable basis for all periods presented. Effective with Siemens classifying the distribution group as held for disposal, depreciation and amortization of assets within the distribution group ceased. With the spin-off, Siemens Energy will be deconsolidated. The remaining minority stake that Siemens intends to hold in Siemens Energy after the spin-off will be accounted for using the equity method.

The loss in Q2 FY 2020 from discontinued operations was €317 million compared to income of €205 million in Q2 FY 2019. Both results are net of income taxes. The negative swing was due primarily to sharply lower Adjusted EBITA at Gas and Power, a loss at SGRE, and sharply higher income tax expenses mainly related to the carve-out of the distribution group. Spin-off costs and income taxes related to the carve-out were €35 million and €123 million in the first half year of fiscal 2020, respectively, and were primarily recognized in Q2 FY 2020.

## Outlook

Siemens performed solidly in the second quarter of fiscal 2020 even as the economic consequences of the COVID-19 pandemic began to impact our operations and our financial results. We expect even stronger impacts from the pandemic on business development in our fiscal third quarter. Beyond the third quarter of fiscal 2020, macroeconomic developments and their influence on Siemens currently cannot be reliably assessed. Therefore, we can no longer confirm our original guidance for fiscal 2020.

We now expect a moderate decline in comparable revenue in fiscal year 2020, net of currency translation and portfolio effects, with the book-to-bill ratio remaining above 1. The decline in demand most strongly affects our Operating Companies Digital Industries and Smart Infrastructure.

We adhere to our plan to complete the spin-off and public listing of Siemens Energy before the end of fiscal 2020. We expect to record a spin-off gain within discontinued operations, the amount of which cannot yet be reliably forecast. We continue to expect material impacts on Net income from spin-off costs and tax expenses related to the carve-out and sub-group creation of Siemens Energy.

Given the above-mentioned circumstances we currently refrain from giving guidance for basic EPS from Net income for fiscal 2020.

## Notes and forward-looking statements

The conference call on Siemens' quarterly figures will be broadcast live for journalists at [www.siemens.com/conferencecall](http://www.siemens.com/conferencecall) starting at 07:30 a.m. CEST today.

You can also follow the conference call for analysts and investors live at [www.siemens.com/analystcall](http://www.siemens.com/analystcall) starting at 08:45 a.m. CEST today.

Recordings of both conference calls will be made available afterwards.

The financial publications can be downloaded at: [www.siemens.com/ir](http://www.siemens.com/ir).

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, prospectuses, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens' management, of which many are beyond Siemens' control. These are subject to a number of risks, uncertainties and factors, including, but not limited to, those described in disclosures, in particular in the chapter Report on expected developments and associated material opportunities and risks of the Annual Report, and in the Half-year Financial Report, which should be read in conjunction with the Annual Report. Should one or more of these risks or uncertainties materialize, events of force majeure, such as pandemics, occur or should underlying expectations including future events occur at a later date or not at all or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens' net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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# Financial Results

Second Quarter and First Half of Fiscal 2020

## Key figures

(in millions of €, except where otherwise stated)

### Volume

	Q2		% Change		First half		% Change	
	FY 2020	FY 2019	Actual	Comp. <sup>1</sup>	FY 2020	FY 2019	Actual	Comp. <sup>1</sup>
Orders	15,150	16,462	(8)%	(9)%	30,016	33,457	(10)%	(12)%
Revenue	14,225	14,245	0%	(1)%	28,336	27,870	2%	0%
Book-to-bill ratio	1.06				1.06			
Order backlog (in billions of €)	69				69			

### Profitability and Capital efficiency

	Q2		% Change	First half		% Change
	FY 2020	FY 2019		FY 2020	FY 2019	
<b>Industrial Businesses</b>						
Adjusted EBITA	1,592	1,940	(18)%	3,124	3,716	(16)%
Adjusted EBITA margin	12.1%	14.7%		11.9%	14.4%	
<b>Continuing operations</b>						
EBITDA	1,995	2,388	(16)%	3,997	4,151	(4)%
Income from continuing operations	1,014	1,718	(41)%	2,232	2,724	(18)%
Basic earnings per share (in €) <sup>2</sup>	1.17	2.04	(43)%	2.58	3.17	(19)%
<b>Discontinued operations</b>						
Income (loss) from discontinued operations, net of income taxes	(317)	205	n/a	(447)	318	n/a
Basic earnings per share (in €) <sup>2</sup>	(0.37)	0.20	n/a	(0.45)	0.33	n/a
<b>Continuing and discontinued operations</b>						
Net income	697	1,923	(64)%	1,786	3,041	(41)%
Basic earnings per share (in €) <sup>2</sup>	0.80	2.24	(64)%	2.13	3.50	(39)%
Return on capital employed (ROCE)	5.0%	14.7%		6.4%	12.2%	

### Capital structure and Liquidity

	Mar 31, 2020		Sep 30, 2019	
Total equity	47,214		50,984	
Industrial net debt	15,492		6,404	
Industrial net debt / EBITDA <sup>3</sup>	1.8		0.6	
	Q2 FY 2020	Q2 FY 2019	First half FY 2020	First half FY 2019
<b>Free cash flow</b>				
Continuing and discontinued operations	134	487	178	149
<b>Cash conversion rate</b>				
Industrial Businesses	0.69	0.78	0.61	0.66

### Employees

(in thousands)	Mar 31, 2020		Sep 30, 2019	
	Continuing operations	Total <sup>4</sup>	Continuing operations	Total <sup>4</sup>
Siemens Group	294	386	295	385
Germany	90	116	91	116
Outside Germany	203	270	204	269

<sup>1</sup> Throughout excluding currency translation and portfolio effects.

<sup>2</sup> Basic earnings per share – attributable to shareholders of Siemens AG. For fiscal 2020 and 2019 weighted average shares outstanding (basic) (in thousands) for the second quarter amounted to 812,612 and 805,496 and for the first half to 812,986 and 806,604 shares, respectively.

<sup>3</sup> Accumulative EBITDA of the previous four quarters until the reporting date; prior year figure as originally reported.

<sup>4</sup> Continuing and discontinued operations.



## Consolidated Statements of Income

(in millions of €, per share amounts in €)	Q2		First half	
	FY 2020	FY 2019	FY 2020	FY 2019
Revenue	14,225	14,245	28,336	27,870
Cost of sales	(9,152)	(8,847)	(18,208)	(17,573)
Gross profit	5,073	5,398	10,129	10,297
Research and development expenses	(1,167)	(1,143)	(2,298)	(2,229)
Selling and general administrative expenses	(2,670)	(2,542)	(5,535)	(5,153)
Other operating income	74	125	330	201
Other operating expenses	(59)	(71)	(165)	(203)
Income (loss) from investments accounted for using the equity method, net	(3)	72	42	144
Interest income	488	415	832	747
Interest expenses	(313)	(261)	(454)	(478)
Other financial income (expenses), net	(107)	(15)	(69)	43
<b>Income from continuing operations before income taxes</b>	<b>1,316</b>	<b>1,978</b>	<b>2,811</b>	<b>3,370</b>
Income tax expenses	(302)	(260)	(579)	(646)
<b>Income from continuing operations</b>	<b>1,014</b>	<b>1,718</b>	<b>2,232</b>	<b>2,724</b>
Income (loss) from discontinued operations, net of income taxes	(317)	205	(447)	318
<b>Net income</b>	<b>697</b>	<b>1,923</b>	<b>1,786</b>	<b>3,041</b>
Attributable to:				
Non-controlling interests	44	115	52	219
Shareholders of Siemens AG	652	1,808	1,734	2,823
<b>Basic earnings per share</b>				
Income from continuing operations	1.17	2.04	2.58	3.17
Income (loss) from discontinued operations	(0.37)	0.20	(0.45)	0.33
<b>Net income</b>	<b>0.80</b>	<b>2.24</b>	<b>2.13</b>	<b>3.50</b>
<b>Diluted earnings per share</b>				
Income from continuing operations	1.16	2.02	2.55	3.13
Income (loss) from discontinued operations	(0.37)	0.20	(0.45)	0.32
<b>Net income</b>	<b>0.79</b>	<b>2.22</b>	<b>2.11</b>	<b>3.46</b>

## Consolidated Statements of Comprehensive Income

(in millions of €)	Q2		First half	
	FY 2020	FY 2019	FY 2020	FY 2019
Net income	697	1,923	1,786	3,041
Remeasurements of defined benefit plans	41	(16)	363	(1,199)
<i>therein: Income tax effects</i>	(250)	159	(416)	469
Remeasurements of equity instruments	2	(10)	17	(7)
<i>therein: Income tax effects</i>	–	–	(3)	–
Income (loss) from investments accounted for using the equity method, net	(1)	–	(4)	–
<b>Items that will not be reclassified to profit or loss</b>	<b>42</b>	<b>(25)</b>	<b>376</b>	<b>(1,207)</b>
Currency translation differences	(254)	1,101	(1,100)	1,426
Derivative financial instruments	(45)	(122)	(18)	(151)
<i>therein: Income tax effects</i>	20	43	–	56
Income (loss) from investments accounted for using the equity method, net	(42)	9	(33)	(17)
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>(340)</b>	<b>988</b>	<b>(1,152)</b>	<b>1,258</b>
<b>Other comprehensive income, net of income taxes</b>	<b>(298)</b>	<b>963</b>	<b>(776)</b>	<b>51</b>
<b>Total comprehensive income</b>	<b>399</b>	<b>2,886</b>	<b>1,010</b>	<b>3,092</b>
Attributable to:				
Non-controlling interests	58	159	10	278
Shareholders of Siemens AG	341	2,728	1,000	2,814

## Consolidated Statements of Financial Position

(in millions of €)	Mar 31, 2020	Sep 30, 2019
<b>Assets</b>		
Cash and cash equivalents	7,832	12,391
Trade and other receivables	14,346	18,894
Other current financial assets	9,834	10,669
Contract assets	5,256	10,309
Inventories	8,475	14,806
Current income tax assets	1,681	1,103
Other current assets	1,414	1,960
Assets classified as held for disposal	41,557	238
<b>Total current assets</b>	<b>90,396</b>	<b>70,370</b>
Goodwill	21,334	30,160
Other intangible assets	5,311	9,800
Property, plant and equipment	10,313	12,183
Investments accounted for using the equity method	1,384	2,244
Other financial assets	21,064	19,843
Deferred tax assets	2,385	3,174
Other assets	1,987	2,475
<b>Total non-current assets</b>	<b>63,778</b>	<b>79,878</b>
<b>Total assets</b>	<b>154,174</b>	<b>150,248</b>
<b>Liabilities and equity</b>		
Short-term debt and current maturities of long-term debt	6,908	6,034
Trade payables	6,201	11,409
Other current financial liabilities	1,494	1,743
Contract liabilities	7,410	16,452
Current provisions	1,668	3,682
Current income tax liabilities	1,964	2,378
Other current liabilities	5,477	9,023
Liabilities associated with assets classified as held for disposal	26,171	2
<b>Total current liabilities</b>	<b>57,292</b>	<b>50,723</b>
Long-term debt	36,827	30,414
Provisions for pensions and similar obligations	7,512	9,896
Deferred tax liabilities	879	1,305
Provisions	1,855	3,714
Other financial liabilities	1,030	986
Other liabilities	1,565	2,226
<b>Total non-current liabilities</b>	<b>49,668</b>	<b>48,541</b>
<b>Total liabilities</b>	<b>106,960</b>	<b>99,265</b>
Equity		
Issued capital	2,550	2,550
Capital reserve	6,834	6,287
Retained earnings	39,460	41,818
Other components of equity	45	1,134
Treasury shares, at cost	(4,261)	(3,663)
<b>Total equity attributable to shareholders of Siemens AG</b>	<b>44,627</b>	<b>48,125</b>
Non-controlling interests	2,587	2,858
<b>Total equity</b>	<b>47,214</b>	<b>50,984</b>
<b>Total liabilities and equity</b>	<b>154,174</b>	<b>150,248</b>

## Consolidated Statements of Cash Flows

(in millions of €)	Q2		First half	
	FY 2020	FY 2019	FY 2020	FY 2019
<b>Cash flows from operating activities</b>				
Net income	697	1,923	1,786	3,041
Adjustments to reconcile net income to cash flows from operating activities - continuing operations				
(Income) loss from discontinued operations, net of income taxes	317	(205)	447	(318)
Amortization, depreciation and impairments	747	549	1,495	1,094
Income tax expenses	302	260	579	646
Interest (income) expenses, net	(176)	(154)	(378)	(269)
(Income) loss related to investing activities	(18)	(112)	(317)	(299)
Other non-cash (income) expenses	791	127	532	235
Change in operating net working capital from				
Contract assets	(324)	(316)	(248)	(13)
Inventories	(241)	(247)	(952)	(749)
Trade and other receivables	157	383	266	114
Trade payables	(96)	72	(570)	(393)
Contract liabilities	333	266	425	746
Additions to assets leased to others in operating leases	(139)	(150)	(257)	(308)
Change in other assets and liabilities	(945)	(360)	(1,058)	(1,002)
Income taxes paid	(760)	(805)	(1,156)	(1,437)
Dividends received	74	77	120	115
Interest received	344	357	720	732
<b>Cash flows from operating activities - continuing operations</b>	<b>1,064</b>	<b>1,663</b>	<b>1,432</b>	<b>1,935</b>
Cash flows from operating activities - discontinued operations	(394)	(577)	(232)	(662)
<b>Cash flows from operating activities - continuing and discontinued operations</b>	<b>669</b>	<b>1,086</b>	<b>1,201</b>	<b>1,274</b>
<b>Cash flows from investing activities</b>				
Additions to intangible assets and property, plant and equipment	(349)	(427)	(692)	(808)
Acquisitions of businesses, net of cash acquired	(45)	(327)	(1,657)	(836)
Purchase of investments and financial assets for investment purposes	(222)	(379)	(566)	(866)
Change in receivables from financing activities	(770)	(219)	(988)	(319)
Disposal of intangibles and property, plant and equipment	32	40	40	104
Disposal of businesses, net of cash disposed	(1)	5	(2)	(23)
Disposal of investments and financial assets for investment purposes	263	314	678	679
<b>Cash flows from investing activities - continuing operations</b>	<b>(1,092)</b>	<b>(995)</b>	<b>(3,187)</b>	<b>(2,067)</b>
Cash flows from investing activities - discontinued operations	(315)	(109)	(417)	(309)
<b>Cash flows from investing activities - continuing and discontinued operations</b>	<b>(1,407)</b>	<b>(1,103)</b>	<b>(3,604)</b>	<b>(2,377)</b>
<b>Cash flows from financing activities</b>				
Purchase of treasury shares	(867)	(391)	(995)	(945)
Re-issuance of treasury shares and other transactions with owners	(38)	(3)	(96)	(45)
Issuance of long-term debt	5,005	2,980	6,265	2,980
Repayment of long-term debt (including current maturities of long-term debt)	(2,884)	(621)	(3,053)	(624)
Change in short-term debt and other financing activities	2,623	(1,545)	2,634	1,457
Interest paid	(289)	(312)	(456)	(477)
Dividends paid to shareholders of Siemens AG	(3,174)	(3,060)	(3,174)	(3,060)
Dividends attributable to non-controlling interests	(152)	(142)	(167)	(172)
<b>Cash flows from financing activities - continuing operations</b>	<b>223</b>	<b>(3,095)</b>	<b>959</b>	<b>(887)</b>
Cash flows from financing activities - discontinued operations	(895)	(552)	(926)	(418)
<b>Cash flows from financing activities - continuing and discontinued operations</b>	<b>(672)</b>	<b>(3,648)</b>	<b>32</b>	<b>(1,306)</b>
Effect of changes in exchange rates on cash and cash equivalents	(71)	160	(150)	227
Change in cash and cash equivalents	(1,480)	(3,505)	(2,521)	(2,182)
Cash and cash equivalents at beginning of period	11,350	12,389	12,391	11,066
Cash and cash equivalents at end of period	9,870	8,885	9,870	8,885
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	2,038	–	2,038	–
<b>Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)</b>	<b>7,832</b>	<b>8,885</b>	<b>7,832</b>	<b>8,885</b>

## Overview of Segment figures

(in millions of €)	Orders				Revenue				Profit (IB, POC: Adj. EBITA; SFS: EBT)		Profit margin (Adj. EBITA margin; SFS: ROE)		Assets (IB, POC: Net capital employed; SFS: Total assets)		Free cash flow	
	Q2		Actual	% Change Comp.	Q2		Actual	% Change Comp.	Q2		Q2		Mar 31, 2020	Sep 30, 2019	Q2	
	FY 2020	FY 2019			FY 2020	FY 2019			FY 2020	FY 2019	FY 2020	FY 2019			FY 2020	FY 2019
Digital Industries	4,171	4,077	2%	2%	3,684	4,056	(9)%	(10)%	585	737	15.9%	18.2%	10,872	10,626	652	633
Smart Infrastructure	3,796	3,870	(2)%	(3)%	3,517	3,507	0%	(1)%	185	361	5.2%	10.3%	5,114	4,907	280	366
Mobility	2,384	3,524	(32)%	(32)%	2,263	2,116	7%	6%	210	228	9.3%	10.8%	3,945	3,045	(80)	147
Siemens Healthineers	3,816	3,611	6%	4%	3,685	3,505	5%	3%	612	614	16.6%	17.5%	16,271	13,889	249	368
<b>Industrial Businesses (IB)</b>	<b>14,167</b>	<b>15,082</b>	<b>(6)%</b>	<b>(7)%</b>	<b>13,149</b>	<b>13,184</b>	<b>0%</b>	<b>(2)%</b>	<b>1,592</b>	<b>1,940</b>	<b>12.1%</b>	<b>14.7%</b>	<b>36,202</b>	<b>32,467</b>	<b>1,101</b>	<b>1,513</b>
Financial Services (SFS)	191	197	–	–	191	197	–	–	93	231	12.6%	29.9%	30,124	29,901	157	190
Portfolio Companies (POC)	1,290	1,643	(21)%	(21)%	1,364	1,312	4%	4%	(8)	(4)	(0.6)%	(0.3)%	2,395	2,383	101	62
Reconciliation to Consolidated Financial Statements	(498)	(461)	–	–	(479)	(448)	–	–	(361)	(190)	–	–	85,453	85,498	(644)	(530)
<b>Siemens (continuing operations)</b>	<b>15,150</b>	<b>16,462</b>	<b>(8)%</b>	<b>(9)%</b>	<b>14,225</b>	<b>14,245</b>	<b>0%</b>	<b>(1)%</b>	<b>1,316</b>	<b>1,978</b>	<b>–</b>	<b>–</b>	<b>154,174</b>	<b>150,248</b>	<b>714</b>	<b>1,236</b>

(in	Orders				Revenue				Profit (IB, POC: Adj. EBITA; SFS: EBT)		Profit margin (Adj. EBITA margin; SFS: ROE)		Assets (IB, POC: Net capital employed; SFS: Total assets)		Free cash flow	
	First half		Actual	% Change Comp.	First half		Actual	% Change Comp.	First half		First half		Mar 31, 2020	Sep 30, 2019	First half	
	FY 2020	FY 2019			FY 2020	FY 2019			FY 2020	FY 2019	FY 2020	FY 2019			FY 2020	FY 2019
Digital Industries	8,399	8,196	2%	1%	7,446	7,915	(6)%	(7)%	1,126	1,532	15.1%	19.4%	10,872	10,626	1,045	1,013
Smart Infrastructure	7,552	7,574	0%	(3)%	7,046	6,830	3%	1%	466	572	6.6%	8.4%	5,114	4,907	299	393
Mobility	4,049	8,071	(50)%	(50)%	4,443	4,290	4%	3%	428	464	9.6%	10.8%	3,945	3,045	(80)	583
Siemens Healthineers	7,941	7,151	11%	9%	7,272	6,806	7%	4%	1,104	1,148	15.2%	16.9%	16,271	13,889	626	454
<b>Industrial Businesses (IB)</b>	<b>27,941</b>	<b>30,991</b>	<b>(10)%</b>	<b>(11)%</b>	<b>26,207</b>	<b>25,841</b>	<b>1%</b>	<b>0%</b>	<b>3,124</b>	<b>3,716</b>	<b>11.9%</b>	<b>14.4%</b>	<b>36,202</b>	<b>32,467</b>	<b>1,891</b>	<b>2,443</b>
Financial Services (SFS)	378	420	–	–	378	420	–	–	305	380	20.2%	24.7%	30,124	29,901	338	341
Portfolio Companies (POC)	2,771	3,053	(9)%	(10)%	2,695	2,498	8%	7%	11	3	0.4%	0.1%	2,395	2,383	112	(73)
Reconciliation to Consolidated Financial Statements	(1,075)	(1,008)	–	–	(944)	(889)	–	–	(629)	(730)	–	–	85,453	85,498	(1,600)	(1,583)
<b>Siemens (continuing operations)</b>	<b>30,016</b>	<b>33,457</b>	<b>(10)%</b>	<b>(12)%</b>	<b>28,336</b>	<b>27,870</b>	<b>2%</b>	<b>0%</b>	<b>2,811</b>	<b>3,370</b>	<b>–</b>	<b>–</b>	<b>154,174</b>	<b>150,248</b>	<b>740</b>	<b>1,128</b>

## EBITDA Reconciliation

(in millions of €)	Profit		Amortization of intangible assets acquired in business combinations		Financial income (expenses), net		EBIT		Amortization, depreciation and impairments		EBITDA	
	Q2		Q2		Q2		Q2		Q2		Q2	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Digital Industries	585	737	(106)	(98)	1	1	478	638	181	167	659	805
Smart Infrastructure	185	361	(13)	(7)	–	–	172	355	85	54	257	408
Mobility	210	228	(17)	(16)	2	9	191	203	71	46	262	248
Siemens Healthineers	612	614	(42)	(32)	–	4	570	578	186	148	756	725
<b>Industrial Businesses</b>	<b>1,592</b>	<b>1,940</b>	<b>(177)</b>	<b>(154)</b>	<b>3</b>	<b>14</b>	<b>1,411</b>	<b>1,772</b>	<b>523</b>	<b>414</b>	<b>1,934</b>	<b>2,187</b>
Financial Services	93	231	–	–	129	169	(36)	62	61	55	25	117
Portfolio Companies	(8)	(4)	(1)	(1)	(3)	5	(6)	(9)	30	25	24	15
Reconciliation to Consolidated Financial Statements	(361)	(190)	178	155	(61)	(49)	(122)	14	134	55	12	69
<b>Siemens (continuing operations)</b>	<b>1,316</b>	<b>1,978</b>	<b>–</b>	<b>–</b>	<b>69</b>	<b>139</b>	<b>1,247</b>	<b>1,839</b>	<b>747</b>	<b>549</b>	<b>1,995</b>	<b>2,388</b>

(in millions of €)	Profit		Amortization of intangible assets acquired in business combinations		Financial income (expenses), net		EBIT		Amortization, depreciation and impairments		EBITDA	
	First half		First half		First half		First half		First half		First half	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Digital Industries	1,126	1,532	(205)	(199)	28	49	893	1,284	353	325	1,246	1,609
Smart Infrastructure	466	572	(25)	(14)	(1)	25	441	533	166	121	608	654
Mobility	428	464	(33)	(33)	5	12	390	420	138	89	528	509
Siemens Healthineers	1,104	1,148	(87)	(65)	6	7	1,011	1,075	391	290	1,403	1,365
<b>Industrial Businesses</b>	<b>3,124</b>	<b>3,716</b>	<b>(351)</b>	<b>(311)</b>	<b>38</b>	<b>93</b>	<b>2,736</b>	<b>3,312</b>	<b>1,049</b>	<b>825</b>	<b>3,784</b>	<b>4,137</b>
Financial Services	305	380	(1)	(1)	316	333	(11)	47	118	110	107	157
Portfolio Companies	11	3	(1)	(1)	6	8	3	(7)	58	48	61	41
Reconciliation to Consolidated Financial Statements	(629)	(730)	353	313	(51)	(122)	(224)	(294)	269	111	45	(184)
<b>Siemens (continuing operations)</b>	<b>2,811</b>	<b>3,370</b>	<b>–</b>	<b>–</b>	<b>309</b>	<b>312</b>	<b>2,502</b>	<b>3,058</b>	<b>1,495</b>	<b>1,094</b>	<b>3,997</b>	<b>4,151</b>

## Orders & Revenue by region

(in millions of €)	Q2		Actual	Orders	Q2		Actual	Revenue
	FY 2020	FY 2019		% Change Comp.	FY 2020	FY 2019		% Change Comp.
Europe, C.I.S., Africa, Middle East	7,891	8,317	(5)%	(5)%	7,044	7,131	(1)%	(2)%
<i>therein: Germany</i>	2,850	3,176	(10)%	(10)%	2,440	2,442	0%	0%
Americas	3,935	4,723	(17)%	(19)%	3,982	3,698	8%	4%
<i>therein: U.S.</i>	3,297	4,069	(19)%	(23)%	3,351	3,068	9%	4%
Asia, Australia	3,324	3,421	(3)%	(3)%	3,200	3,412	(6)%	(7)%
<i>therein: China</i>	1,637	1,638	0%	1%	1,452	1,591	(9)%	(8)%
<b>Siemens (continuing operations)</b>	<b>15,150</b>	<b>16,462</b>	<b>(8)%</b>	<b>(9)%</b>	<b>14,225</b>	<b>14,245</b>	<b>0%</b>	<b>(1)%</b>
<i>therein: emerging markets</i>	3,850	4,161	(7)%	(6)%	3,694	3,923	(6)%	(5)%

(in millions of €)	First half		Actual	Orders	First half		Actual	Revenue
	FY 2020	FY 2019		% Change Comp.	FY 2020	FY 2019		% Change Comp.
Europe, C.I.S., Africa, Middle East	14,854	17,558	(15)%	(16)%	14,074	14,076	0%	(1)%
<i>therein: Germany</i>	5,115	5,676	(10)%	(10)%	4,818	4,779	1%	0%
Americas	8,120	9,152	(11)%	(15)%	7,763	7,219	8%	3%
<i>therein: U.S.</i>	6,681	7,032	(5)%	(10)%	6,483	5,992	8%	3%
Asia, Australia	7,042	6,747	4%	3%	6,500	6,574	(1)%	(3)%
<i>therein: China</i>	3,785	3,426	10%	10%	3,217	3,222	0%	(1)%
<b>Siemens (continuing operations)</b>	<b>30,016</b>	<b>33,457</b>	<b>(10)%</b>	<b>(12)%</b>	<b>28,336</b>	<b>27,870</b>	<b>2%</b>	<b>0%</b>
<i>therein: emerging markets</i>	8,148	8,292	(2)%	(2)%	7,835	7,719	1%	1%