



Half-year Financial Report

FIRST HALF OF FISCAL 2022

Table of contents

3	A	Interim Group Management Report
3	A.1	Results of operations
5	A.2	Net assets and financial position
6	A.3	Outlook
6	A.4	Risks and opportunities
7	B	Half-year Consolidated Financial Statements
7	B.1	Consolidated Statements of Income
7	B.2	Consolidated Statements of Comprehensive Income
8	B.3	Consolidated Statements of Financial Position
9	B.4	Consolidated Statements of Cash Flows
10	B.5	Consolidated Statements of Changes in Equity
11	B.6	Notes to Half-year Consolidated Financial Statements
17	C	Additional information
17	C.1	Responsibility statement
17	C.2	Review report
18	C.3	Notes and forward-looking statements

Introduction

Siemens AG's Half-year Financial Report complies with the applicable legal requirements of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) and comprises condensed Half-year Consolidated Financial Statements, an Interim Group Management Report and a Responsibility statement in accordance with section 115 WpHG.

The Half-year Consolidated Financial Statements are in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU.

This Half-year Financial Report should be read in conjunction with our Combined Management Report and our Consolidated Financial Statements for fiscal 2021, which include a detailed analysis of our operations and activities as well as explanations of financial measures used.

A. Interim Group Management Report

A.1 Results of operations

A.1.1 Orders and revenue by regions

Location of customer (in millions of €)	First half		Orders % Change		First half		Revenue % Change	
	FY 2022	FY 2021	Actual	Comp.	FY 2022	FY 2021	Actual	Comp.
Europe, C.I.S., Africa, Middle East	23,462	16,908	39%	36%	16,263	14,553	12%	9%
therein: Germany	9,066	6,193	46%	45%	5,945	5,157	15%	14%
Americas	11,328	7,319	55%	33%	9,247	7,275	27%	11%
therein: U.S.	9,506	6,046	57%	33%	7,748	6,035	28%	12%
Asia, Australia	10,397	7,593	37%	22%	8,028	6,907	16%	4%
therein: China	5,653	4,274	32%	17%	4,378	3,827	14%	2%
Siemens (continuing operations)	45,188	31,819	42%	32%	33,537	28,736	17%	8%
therein: emerging markets	12,317	8,921	38%	28%	9,154	8,173	12%	3%

Orders

- Increased growth opportunities in many key markets despite a continuing complex macroeconomic environment influenced by war in Ukraine, economic sanctions on Russia, and the effects associated with the coronavirus pandemic (COVID-19)
- On a **worldwide** basis, strong order intake on double-digit increases in all four industrial businesses, led by sharp growth in Mobility, due primarily to a higher volume from large orders, and Digital Industries, due to ongoing growth momentum in major market segments
- Positive portfolio effects, primarily related to the acquisition of Varian Medical Systems, Inc. (Varian) in H2 FY 2021, added six percentage points to order growth; currency translation effects added three percentage points
- Strong book-to-bill ratio of 1.35; order backlog at €94 billion, up from €85 billion as of September 30, 2021
- **Europe, C.I.S. Africa, Middle East:** Order intake up in all four industrial businesses, led by sharp growth in Digital Industries and Mobility; order growth was even stronger in **Germany** with orders doubled for Mobility which recorded a sharply higher volume from large orders year-over-year, including a €1.5 billion order for high-speed trains
- **Americas:** Order intake up in all four industrial businesses in the region, led by sharp growth in Siemens Healthineers, Digital Industries and Smart Infrastructure in both region and the **U.S.**
- **Asia, Australia:** Order increase across all industrial businesses; strongest contribution from Digital Industries in **China**

Revenue

- On a **worldwide** basis, revenue up in all four industrial businesses, led by Siemens Healthineers and Digital Industries; overall avoidance of major disruptions from increased supply chain risks associated with electronics components, raw materials and logistics
- Positive portfolio effects, primarily related to the acquisition of Varian in H2 FY 2021, added five percentage points to revenue growth; currency translation effects added three percentage points
- **Europe, C.I.S. Africa, Middle East:** Double-digit revenue increases for Siemens Healthineers and Digital Industries; **Germany** grew even faster than the region overall including substantial revenue increases for Siemens Healthineers and Mobility
- **Americas:** Strongest contribution to growth from Siemens Healthineers both in the region and in the **U.S.**
- **Asia, Australia:** All industrial businesses contributed to revenue growth; in **China**, revenue grew substantially for Digital Industries

A.1.2 Income

(in millions of €, earnings per share in €)	First half		Profit (SFS: EBT)	Profit margin (SFS: ROE)	
	FY 2022	FY 2021	% Change	FY 2022	FY 2021
Digital Industries	1,773	1,660	7%	19.9%	21.3%
Smart Infrastructure	925	776	19%	11.8%	11.0%
Mobility	(146)	423	n/a	(3.2)%	9.5%
Siemens Healthineers	1,685	1,368	23%	16.0%	17.5%
Industrial Business	4,237	4,228	0%	13.3%	15.6%
Siemens Financial Services (SFS)	335	272	23%	19.8%	17.1%
Portfolio Companies	352	(71)	n/a	23.7%	(5.2)%
Reconciliation to Consolidated Financial Statements	(726)	(482)	(51)%		
Income from continuing operations before income taxes	4,198	3,948	6%		
Income tax expenses	(1,177)	(957)	(23)%		
Income from continuing operations	3,021	2,991	1%		
Income (loss) from discontinued operations, net of income taxes	(11)	897	n/a		
Net income	3,010	3,888	(23)%		
Basic EPS	3.33	4.55	(27)%		
EPS pre PPA	3.74	4.82	(22)%		
ROCE	13.8%	17.1%			

Industrial Business

- Digital Industries: Strong profit performance in all automation businesses supported by higher revenue and positive currency effects; profit in the software business declined due mainly to lower revenue in the electronic design automation business, and effects from the software as a service (SaaS) transition following a high rate of customer acceptance
- Smart Infrastructure: Profit rose in all businesses due mainly to higher revenue and capacity utilization as well as cost reductions achieved through prior execution of the competitiveness program partly offset by impacts related to COVID-19
- Mobility: Subsequent to sanctions imposed on Russia, profit was impacted by impairments and other charges totaling €0.6 billion, among them a €0.1 billion impairment of an investment accounted for using the equity method
- Siemens Healthineers: Strong profit performance from the diagnostics business driven by revenue from the rapid coronavirus antigen tests; overall profitability was burdened by subsequent measurement effects from purchase price allocation related to the Varian acquisition totaling €0.2 billion, by negative currency effects, and by higher procurement and logistics costs
- Severance charges for Industrial Business were €87 million (H1 FY 2021: €166 million)

Income from continuing operations before income taxes

- SFS: Higher earnings contribution from the equity business mainly from a gain on the revaluation of a stake in an equity investment
- Portfolio Companies: All fully consolidated units recorded improved earnings, H1 FY 2021 included significant severance charges; outstanding positive swing in earnings from equity investments, driven by a €0.3 billion revaluation gain in connection with the announced sale of Siemens' share in Valeo Siemens eAutomotive GmbH
- Reconciliation to Financial Statements included a net positive result related to the stake in Fluence Energy, LLC and benefited temporarily from hedging activities related to the Russian ruble, with each effect about €0.2 billion, largely offset by increased amortization of intangible assets acquired in business combinations by €0.2 billion mainly related to the acquisition of Varian and a revaluation loss of €0.1 billion on the stake in Thoughtworks Holding, Inc.; H1 FY 2021 included gains in connection with the transfer of assets to Siemens Pension-Trust e.V., totaling €0.4 billion
- Severance charges for continuing operations were €107 million (H1 FY 2021: €267 million)

Income from continuing operations

- Tax rate of 28.0% burdened from non-tax deductible expenses and valuation allowances in connection with Russia-related impacts, partially compensated by a tax free revaluation gain in connection with the announced sale of Siemens' share in Valeo Siemens eAutomotive GmbH

Income (loss) from discontinued operations, net of income taxes

- Discontinued operations in H1 FY 2021 primarily included a pre-tax gain of €0.9 billion from the sale of Flender GmbH

Net income, Basic earnings per share, EPS before purchase price allocation, ROCE

- While net income in the current period included Russia-related impacts totaling €0.6 billion, H1 FY 2021 benefited from the divestment gain within discontinued operations; lower net income was the main driver for the decline of basic earnings per share (EPS) and EPS before purchase price allocation accounting (EPS pre PPA)
- ROCE also declined due mainly to lower net income

A.2 Net assets and financial position

Asset and capital structure

(in millions of €)	Mar 31, 2022	Sep 30, 2021	% Change
Current assets	55,650	52,298	6%
<i>therein: Cash and cash equivalents</i>	9,495	9,545	(1)%
<i>therein: Inventories</i>	10,114	8,836	14%
<i>therein: Assets classified as held for disposal</i>	1,452	223	>200%
Non-current assets	88,296	87,074	1%
<i>therein: Goodwill</i>	30,760	29,672	4%
Total assets	143,946	139,372	3%
Debt	51,753	48,700	6%
Liabilities associated with assets classified as held for disposal	719	10	>200%
Provisions for pensions and similar obligations	2,209	2,839	(22)%
Other liabilities	38,644	38,832	0%
Equity	50,621	48,991	3%
Total liabilities and equity	143,946	139,372	3%

Cash flows

(in millions of €)	First half FY 2022		
	Continuing operations	Discontinued operations	Continuing and discontinued operations
Cash flows from:			
Operating activities	3,424	(100)	3,324
Investing activities	(1,923)	(5)	(1,928)
<i>therein: Additions to intangible assets and property, plant and equipment</i>	(905)	-	(905)
Free cash flow	2,519	(100)	2,419
Financing activities	(1,749)	-	(1,749)

- Total assets influenced by positive currency translation effects totaling €2.9 billion (with an impact on goodwill amounting to €0.8 billion), primarily involving the U.S. dollar
- Cash flows from operating activities included cash inflows from all industrial businesses, with highest contributions from Digital Industries and Siemens Healthineers
- Build-up of inventories primarily at Siemens Healthineers, Digital Industries and Smart Infrastructure
- Assets classified as held for disposal and associated liabilities increased due mainly to the agreements reached in relation to the planned divestments of Yunex Traffic, the mail and parcel-handling business of Siemens Logistics and the at-equity investment in Valeo Siemens eAutomotive GmbH. For further information please refer to Notes 2 and 3 in B.6 Notes to Half-year Consolidated Financial Statements
- In addition to the above-mentioned currency translation effects, goodwill increased primarily from the acquisition of SQCAP B.V. (Squills) by €0.4 billion; this acquisition led also to cash outflows from investing activities of €0.5 billion
- Debt increased primarily from the issuance of commercial paper and bonds as well as from currency translation effects for bonds issued in the U.S. dollar and British pound. This increase was partly offset by repayment of bonds. For further information please refer to Note 4 in B.6 Notes to Half-year Consolidated Financial Statements. Cash flows from this issuance and repayment are reported under financing activities, which also includes cash outflows of €0.4 billion from leases.
- The decrease of provisions for pensions and similar obligations was due mainly to higher discount rate assumptions; this was partially offset by a negative return on plan assets; weighted-average discount rate as of March 31, 2022: 2.0% (September 30, 2021: 1.3%)

A.3 Outlook

We confirm our financial targets for fiscal 2022 for the Siemens Group, which are based on continuing growth in global GDP and our expectation that the challenges to our businesses from COVID-19 and supply chain constraints will not worsen in the remainder of fiscal 2022. Under these conditions, we expect our Industrial Business to continue its profitable growth.

For the Siemens Group we expect 6% to 8% growth in comparable revenue, net of currency translation and portfolio effects (previously expected at mid-single-digit), and a book-to-bill ratio above 1.

We continue to expect the profitable growth of our Industrial Business to drive an increase in basic EPS from net income before purchase price allocation accounting (EPS pre PPA) to a range of €8.70 to €9.10, up from €8.32 in fiscal 2021. Net income in fiscal 2021 included a positive contribution from divestments and other portfolio-related gains totaling €1.5 billion. We assume a similar positive contribution in fiscal 2022 from portfolio-related results net of burdens related to Russia. Portfolio-related results include the sales of Yunex Traffic, the mail and parcel-handling business of Siemens Logistics and our stake in Valeo Siemens eAutomotive.

This outlook excludes burdens from legal and regulatory matters.

A.4 Risks and opportunities

In our Siemens Report for fiscal 2021 we described certain risks which could have a material adverse effect on our business, financial condition (including effects on assets, liabilities and cash flows), results of operations and reputation, our most significant opportunities as well as the design of our risk management system.

During the reporting period, we identified the strategic risk from economic, political and geopolitical conditions as the most significant challenge for us due to war in Ukraine.

War in Ukraine has a significant impact on the strategic risk economic, political and geopolitical conditions: Notwithstanding that COVID-19 continues to pose a significant risk on the global economy, as seen most recently in China, war in Ukraine reshapes the geopolitical and economic outlook and its risk assessment. This war and its political and economic consequences, such as sanctions and possible countermeasures, result in far-reaching risks for us and – among others – our affected employees. Similarly, potential investment decisions by shareholders or awarding of public contracts in various countries might be negatively affected if companies still do business in one or more countries involved in the conflict even though legally being compliant with all sanctions. War in Ukraine can have a further negative impact on sales development, production processes and purchasing and logistics processes, for example through interruptions in supply chains and energy supplies or bottlenecks affecting components, raw materials and intermediate products. Furthermore, the war can indirectly lead to a further strong increase in inflation rates including prices of raw materials, energy and intermediate goods. This could lead to serious distortions in the global economy and in currency, capital, and foreign exchange markets, if central banks initiate increases in benchmark interest rates too fast or too aggressively. Furthermore, an ongoing strong increase of food prices could lead to social unrest in less developed and food importing countries. In the context of this war, we observe an increase in cyberattacks and computer crime, which poses a risk to the security of Siemens networks and also our products and solutions which might lead to illegal usage, publication or loss of sensitive data, data manipulation or system breakdown. Furthermore, risks could arise from possible claims by our customers or partners due to non-fulfillment of our contractual obligations. Outstanding receivables could have a higher default, country and currency risks due to restrictions on cross-border payment transactions and the limited convertibility of the affected currencies. In addition, higher risks may arise from the insolvency of subsidiaries and associated costs. There is a risk that one or more parties to the military conflict could expropriate or nationalize assets held by Siemens subsidiaries or joint ventures. Further, we see an increased impairment risk for investments and financial assets. War in Ukraine also increases the risk of a renewed escalation of the trade conflict between the U.S. and China. Specific task forces have been set up in the various businesses, functions and on Corporate level to continuously monitor the risks from the military conflict in Europe and initiate mitigation actions to reduce the company's exposure considering – among others – the impact on the regulated financial industry; possible scenarios are continuously adapted to the current geopolitical situation and analyzed with regard to their potential impacts. We monitor the economic, political, geopolitical and regulatory landscape in all our key markets to anticipate potential problem areas, with the aim of quickly adjusting our business activities and processes to changed conditions. However, due to the highly volatile situation and uncertainty the full extent of the worldwide effects and consequences cannot yet be fully anticipated. We continue to observe developments on an ongoing basis in order to identify changes, evaluate potential impacts, assess risks and adjust our measures accordingly.

Assessment of the overall risk situation

While our assessments of individual risks have changed during the first half of fiscal 2022 due to developments in the external environment, effects of our own mitigation measures and the revision of our risk assessment, the overall risk situation for Siemens did not change significantly as compared to the prior year with the exception of war in Ukraine. We currently see this strategic risk from economic, political and geopolitical conditions as the most significant challenge for us followed by the operational risk arising from cyber/information security.

Additional risks and opportunities not known to us or that we currently consider immaterial could also affect our business operations and reputation. At present, no risks have been identified that either individually or in combination with other risks could endanger our ability to continue as a going concern.

B. Half-year Consolidated Financial Statements

B.1 Consolidated Statements of Income

(in millions of €, per share amounts in €)	Note	First half	
		FY 2022	FY 2021
Revenue		33,537	28,736
Cost of sales		(21,591)	(18,177)
Gross profit		11,946	10,558
Research and development expenses		(2,610)	(2,192)
Selling and general administrative expenses		(6,014)	(5,023)
Other operating income		67	149
Other operating expenses		(155)	(282)
Income (loss) from investments accounted for using the equity method, net	3	384	(42)
Interest income		738	686
Interest expenses		(352)	(330)
Other financial income (expenses), net		195	423
Income from continuing operations before income taxes		4,198	3,948
Income tax expenses		(1,177)	(957)
Income from continuing operations		3,021	2,991
Income (loss) from discontinued operations, net of income taxes		(11)	897
Net income		3,010	3,888
Attributable to:			
Non-controlling interests		333	246
Shareholders of Siemens AG		2,677	3,642
Basic earnings per share			
Income from continuing operations		3.35	3.43
Income (loss) from discontinued operations		(0.01)	1.12
Net income		3.33	4.55
Diluted earnings per share			
Income from continuing operations		3.30	3.39
Income (loss) from discontinued operations		(0.01)	1.11
Net income		3.29	4.49

B.2 Consolidated Statements of Comprehensive Income

(in millions of €)	First half	
	FY 2022	FY 2021
Net income	3,010	3,888
Remeasurements of defined benefit plans	164	1,224
<i>therein: Income tax effects</i>	(292)	(56)
Remeasurements of equity instruments	(11)	16
<i>therein: Income tax effects</i>	(1)	–
Income (loss) from investments accounted for using the equity method, net	41	44
Items that will not be reclassified to profit or loss	195	1,285
Currency translation differences	1,887	612
Derivative financial instruments	(95)	(170)
<i>therein: Income tax effects</i>	41	53
Income (loss) from investments accounted for using the equity method, net	118	19
Items that may be reclassified subsequently to profit or loss	1,911	462
Other comprehensive income, net of income taxes	2,106	1,746
Total comprehensive income	5,115	5,633
Attributable to:		
Non-controlling interests	543	197
Shareholders of Siemens AG	4,573	5,437

B.3 Consolidated Statements of Financial Position

(in millions of €)	Note	Mar 31, 2022	Sep 30, 2021
Assets			
Cash and cash equivalents		9,495	9,545
Trade and other receivables		15,960	15,518
Other current financial assets		8,603	7,985
Contract assets		6,643	6,645
Inventories		10,114	8,836
Current income tax assets		1,534	1,795
Other current assets		1,849	1,751
Assets classified as held for disposal	2	1,452	223
Total current assets		55,650	52,298
Goodwill	2	30,760	29,672
Other intangible assets	2	11,007	10,827
Property, plant and equipment		11,157	11,023
Investments accounted for using the equity method	3	7,605	7,539
Other financial assets		23,152	22,964
Deferred tax assets		2,667	2,865
Other assets		1,948	2,183
Total non-current assets		88,296	87,074
Total assets		143,946	139,372
Liabilities and equity			
Short-term debt and current maturities of long-term debt	4	10,499	7,821
Trade payables		8,932	8,832
Other current financial liabilities		1,356	1,731
Contract liabilities		11,208	9,876
Current provisions		2,234	2,293
Current income tax liabilities		1,476	1,809
Other current liabilities		6,258	7,628
Liabilities associated with assets classified as held for disposal	2	719	10
Total current liabilities		42,684	40,000
Long-term debt	4	41,254	40,879
Provisions for pensions and similar obligations		2,209	2,839
Deferred tax liabilities		2,692	2,337
Provisions		1,882	1,723
Other financial liabilities		875	679
Other liabilities		1,730	1,925
Total non-current liabilities		50,641	50,381
Total liabilities		93,325	90,381
Equity	5		
Issued capital		2,550	2,550
Capital reserve		7,029	7,040
Retained earnings		39,207	39,607
Other components of equity		1,483	(232)
Treasury shares, at cost		(4,733)	(4,804)
Total equity attributable to shareholders of Siemens AG		45,536	44,160
Non-controlling interests		5,085	4,831
Total equity		50,621	48,991
Total liabilities and equity		143,946	139,372

B.4 Consolidated Statements of Cash Flows

(in millions of €)	First half	
	FY 2022	FY 2021
Cash flows from operating activities		
Net income	3,010	3,888
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
(Income) loss from discontinued operations, net of income taxes	11	(897)
Amortization, depreciation and impairments	1,792	1,406
Income tax expenses	1,177	957
Interest (income) expenses, net	(385)	(356)
(Income) loss related to investing activities	(298)	(349)
Other non-cash (income) expenses	639	192
Change in operating net working capital from		
Contract assets	75	(384)
Inventories	(1,290)	(472)
Trade and other receivables	(377)	(417)
Trade payables	92	(3)
Contract liabilities	1,715	353
Additions to assets leased to others in operating leases	(183)	(210)
Change in other assets and liabilities	(2,381)	(18)
Income taxes paid	(1,019)	(1,525)
Dividends received	180	107
Interest received	666	654
Cash flows from operating activities - continuing operations	3,424	2,924
Cash flows from operating activities - discontinued operations	(100)	(19)
Cash flows from operating activities - continuing and discontinued operations	3,324	2,905
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(905)	(692)
Acquisitions of businesses, net of cash acquired	(612)	(225)
Purchase of investments and financial assets for investment purposes	(582)	(709)
Change in receivables from financing activities	(325)	345
Disposal of intangibles and property, plant and equipment	47	50
Disposal of businesses, net of cash disposed	(9)	2
Disposal of investments and financial assets for investment purposes	462	331
Cash flows from investing activities - continuing operations	(1,923)	(899)
Cash flows from investing activities - discontinued operations	(5)	1,522
Cash flows from investing activities - continuing and discontinued operations	(1,928)	623
Cash flows from financing activities		
Purchase of treasury shares	(272)	(23)
Re-issuance of treasury shares and other transactions with owners	(83)	2,154
Issuance of long-term debt	1,980	8,316
Repayment of long-term debt (including current maturities of long-term debt)	(3,308)	(1,609)
Change in short-term debt and other financing activities	3,806	483
Interest paid	(368)	(327)
Dividends paid to shareholders of Siemens AG	(3,215)	(2,804)
Dividends attributable to non-controlling interests	(289)	(235)
Cash flows from financing activities - continuing operations	(1,749)	5,954
Cash flows from financing activities - discontinued operations	-	-
Cash flows from financing activities - continuing and discontinued operations	(1,749)	5,955
Effect of changes in exchange rates on cash and cash equivalents	321	102
Change in cash and cash equivalents	(33)	9,585
Cash and cash equivalents at beginning of period	9,545	14,054
Cash and cash equivalents at end of period	9,512	23,639
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	18	-
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)	9,495	23,639

B.5 Consolidated Statements of Changes in Equity

	Issued capital	Capital reserve	Retained earnings	Currency translation differences	Equity instruments	Derivative financial instruments	Treasury shares at cost	Total equity attributable to shareholders of Siemens AG	Non controlling interests	Total equity
(in millions of €)										
Balance as of October 1, 2020	2,550	6,840	33,078	(1,292)	(42)	(115)	(4,629)	36,390	3,433	39,823
Net income	–	–	3,642	–	–	–	–	3,642	246	3,888
Other comprehensive income, net of income taxes	–	–	1,284	608	17	(115)	–	1,795	(49)	1,746
Dividends	–	–	(2,804)	–	–	–	–	(2,804)	(233)	(3,037)
Share-based payment	–	(27)	(60)	–	–	–	–	(87)	–	(87)
Purchase of treasury shares	–	–	–	–	–	–	(300)	(300)	–	(300)
Re-issuance of treasury shares	–	33	–	–	–	–	307	340	–	340
Changes in equity resulting from major portfolio transactions	–	–	1,229	–	–	–	–	1,229	1,095	2,325
Other transactions with non-controlling interests	–	–	(80)	–	–	–	–	(79)	(24)	(104)
Other changes in equity	–	–	1	–	–	–	–	1	1	2
Balance as of March 31, 2021	2,550	6,846	36,291	(683)	(25)	(231)	(4,622)	40,126	4,469	44,595
Balance as of October 1, 2021	2,550	7,040	39,607	(40)	(13)	(179)	(4,804)	44,160	4,831	48,991
Net income	–	–	2,677	–	–	–	–	2,677	333	3,010
Other comprehensive income, net of income taxes	–	–	180	1,760	(10)	(34)	–	1,896	210	2,106
Dividends	–	–	(3,215)	–	–	–	–	(3,215)	(291)	(3,506)
Share-based payment	–	(55)	(63)	–	–	–	–	(119)	–	(119)
Purchase of treasury shares	–	–	–	–	–	–	(279)	(279)	–	(279)
Re-issuance of treasury shares	–	40	–	–	–	–	350	390	–	390
Transactions with non-controlling interests	–	5	22	–	–	–	–	27	3	30
Other changes in equity	–	–	(1)	–	–	–	–	(1)	–	(1)
Balance as of March 31, 2022	2,550	7,029	39,207	1,719	(23)	(213)	(4,733)	45,536	5,085	50,621

B.6 Notes to Half-year Consolidated Financial Statements

NOTE 1 Basis of presentation

The accompanying condensed Half-year Consolidated Financial Statements as of March 31, 2022 present the operations of Siemens AG and its subsidiaries (the Company or Siemens). These Half-year Consolidated Financial Statements are in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU and should be read in conjunction with the Siemens Consolidated Financial Statements as of September 30, 2021. The Half-year Consolidated Financial Statements apply the same accounting principles and practices as those used in our 2021 annual financial statements. Results for the interim reporting period are not necessarily indicative of future results. In interim periods, tax expense is based on the current estimated annual effective tax rate of Siemens. The presentation of certain prior year information is reclassified to conform to the current year presentation. The Half-year Consolidated Financial Statements are unaudited and were authorized for issue by the Managing Board on May 5, 2022. For further information on changes in estimates (including income taxes and pensions), effects from the war in Ukraine, disaggregation of revenue and on segment information (including COVID-19 impacts), see information in our Interim Group Management Report. Due to rounding, numbers disclosed may not add up precisely to totals provided.

Siemens adheres to the sanctions imposed on Russia, and additionally initiated an orderly wind-down of businesses affected by those sanctions. Resulting impacts led to an after-tax loss totaling €0.6 billion in the six months ended March 31, 2022. For more information see Notes 3, 7 and 8. Assets remaining in Russia primarily include 3% of the total assets of Siemens Financial Services. Siemens is continuously evaluating all sanction rules and their implications, which is a complex process involving uncertainties including critical accounting estimates and judgements. Effects on our Consolidated Financial Statements related to and in the future may include adjusted revenues, impairments or write-downs of assets, an increase in receivable related credit risks and valuation allowances, establishing provisions, arising contingent liabilities, access to cash and cash flow risks, increasing volatility in interest rates, share prices and foreign currency rates, as well as to increasing costs particularly for commodities and energy. As a result, fair values and carrying amounts of assets and liabilities as well as amount and timing of results of operations and cash flows may be adversely affected. In addition, contingent liabilities exist which, at the moment, cannot be reliably estimated due to high uncertainties.

NOTE 2 Acquisitions and assets held for disposal

Acquisitions

The purchase price allocation of Varian Medical Systems, Inc. (Varian) was finalized in the second quarter of fiscal 2022 to reflect new information obtained. Adjustments were made retrospectively as of the acquisition date and increased Goodwill by €0.2 billion and decreased Other intangible assets by €0.1 billion. The adjustments were due to valuation effects resulting from the final allocation of intangible assets, including goodwill, to currency areas and new information in the context of Varian's project business. Due to the allocation to individual currency areas, the foreign currency translation led to a decrease in Other components of equity of €0.3 billion as of September 30, 2021.

Assets held for disposal

In January 2022, Siemens signed an agreement to divest its road traffic solutions business Yunex Traffic to Atlantia S.p.A. (Yunex). The transaction is expected to close in fiscal 2022, subject to relevant regulatory approvals. The purchase price is €950 million (enterprise value). The business is reported at Mobility.

In February 2022, Siemens reached an agreement to sell the mail and parcel-handling business of Siemens Logistics to the Körber Group (Parcel Logistics). The transaction is expected to close in the fourth quarter of fiscal 2022, subject to relevant regulatory approvals. The purchase price totals €1.15 billion (enterprise value). The business is reported at Portfolio Companies.

In the second quarter of fiscal 2022, the businesses of Yunex and Parcel Logistics met the criteria for classification as held for disposal and, accordingly, Siemens ceased depreciation and amortization of assets classified as held for disposal. The carrying amounts of the major classes of assets and liabilities were as follows:

(in millions of €)	March 31, 2022	
	Yunex	Parcel Logistics
Inventories	109	94
Miscellaneous current assets (including Cash and cash equivalent and Trade and other receivables)	179	95
Non-current assets (including Goodwill and Property, plant and equipment)	138	89
Assets classified as held for disposal	426	278
Current liabilities (thereof trade payables and contract liabilities: Yunex 142, Logistics 145)	265	200
Non-current liabilities	43	142
Liabilities associated with assets held for disposal	308	342

NOTE 3 Interests in other entities

In February 2022, Siemens AG and Valeo GmbH signed an agreement to sell Siemens AG's 50% stake in the at equity accounted joint venture Valeo Siemens eAutomotive GmbH (disclosed in Portfolio Companies) to Valeo GmbH. The agreement triggered a partial reversal of a previous impairment and resulted in a gain of €292 million presented in Income (loss) from investments accounted for using the equity method, net. The recoverable amount was derived from the expected net consideration (including repayment of shareholder loans). The agreement also triggered a held for sale classification of the joint venture upon which accounting under the equity method ceased. Closing of the sale is expected in July 2022, subject to regulatory approvals.

Mobility holds a 50% investment in a joint venture accounted for using the equity method, which wholly owns an operating company in Russia that designs and manufactures commuter trains and electric locomotives. Significant changes with an adverse effect in the economic and legal environment subsequent to sanctions imposed on Russia triggered an impairment of the entire carrying amount of €105 million presented in Income (loss) from investments accounted for using the equity method, net.

NOTE 4 Debt

(in millions of €)	Current debt		Non-current debt	
	Mar 31, 2022	Sep 30, 2021	Mar 31, 2022	Sep 30, 2021
Notes and bonds	5,452	5,867	37,531	37,505
Loans from banks	1,000	1,183	1,570	1,100
Other financial indebtedness	3,373	70	40	46
Lease liabilities	673	701	2,113	2,228
Total debt	10,499	7,821	41,254	40,879

Debt Issuance Program: The 3m EURIBOR+0.7% €1.25 billion floating-rate instrument was redeemed as due in the six months ended March 31, 2022. In February 2022, Siemens issued instruments totaling €2.0 billion in three tranches: 0.625% €500 million fixed-rate instrument due February 2027; 1.000% €750 million fixed-rate instrument due February 2030 and 1.250% €750 million fixed-rate instrument due February 2035.

US\$ Bonds: The 2.7% US\$1.0 billion fixed-rate instrument and the US\$3m LIBOR+0.61% US\$850 million floating-rate instrument were redeemed as due in the six months ended March 31, 2022.

Assignable and term loans: In the six months ended March 31, 2022, three bilateral term loan facilities were newly signed: one bilateral €500 million term loan facility maturing in fiscal 2025; one bilateral €250 million term loan facility maturing in fiscal 2023 with one one-year extension option and one bilateral €350 million term loan facility maturing in fiscal 2023 with one one-year extension option. The bilateral €500 million term loan facility maturing in fiscal 2022, the bilateral US\$350 million term loan facility maturing in fiscal 2022 and the bilateral US\$150 million term loan facility maturing in fiscal 2022 were redeemed as due. The bilateral US\$500 million term loan facility maturing in fiscal 2024 was extended by one year; there is no extension option remaining.

Commercial Paper Program: As of March 31, 2022, and September 30, 2021, US\$3.6 billion (€3.3 billion) and US\$15 million (€13 million) in commercial paper were outstanding, respectively.

NOTE 5 Shareholders' equity

In the six months ended March 31, 2022 and 2021, Siemens repurchased 2,070 thousand and 198 thousand treasury shares, respectively. Siemens transferred 3,463 thousand and 3,361 thousand shares of treasury stock, respectively, in the six months ended March 31, 2022 and 2021. In the second quarter of fiscal 2022, a dividend of €4.00 per share was paid.

NOTE 6 Contingencies

The following table presents the undiscounted amount of maximum potential future payments for major groups of guarantees:

(in millions of €)	Mar 31, 2022	Sep 30, 2021
Credit guarantees	478	530
Performance guarantees	11,530	15,116
	12,008	15,646

As of March 31, 2022 and September 30, 2021, in addition to guarantees disclosed in the table above, there are contingent liabilities of €404 million and €475 million which mainly result from other guarantees, from joint and several liabilities of consortia, in particular from the construction of a power plant in Finland, as well as from indemnifications in connection with dispositions of businesses.

As of March 31, 2022 and September 30, 2021, Credit guarantees include €129 million and €124 million, performance guarantees include €11,048 million and €14,508 million and other guarantees include €104 million and €189 million relating to the Siemens Energy business which were not transferred; however, for which Siemens holds reimbursement rights towards Siemens Energy.

NOTE 7 Financial instruments and hedging activities

Financial instruments measured at cost or amortized cost for which the carrying amount does not approximate fair value:

(in millions of €)	Mar 31, 2022		Sep 30, 2021	
	Fair value	Carrying amount	Fair value	Carrying amount
Notes and bonds	42,842	42,983	45,594	43,373
Loans from banks and other financial indebtedness	5,933	5,984	2,400	2,398

The following table allocates financial assets and liabilities measured at fair value to the three levels of the fair value hierarchy:

(in millions of €)	Mar 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value, thereof:	794	2,121	1,306	4,221
<i>Equity instruments measured at fair value through profit and loss</i>	581	82	417	1,080
<i>Equity instruments measured at fair value through Other comprehensive income</i>	–	1	755	756
<i>Debt instruments measured at fair value through profit and loss</i>	213	1	134	349
<i>Derivative financial instruments</i>	–	2,037	–	2,037
Financial liabilities measured at fair value – Derivative financial instruments	–	995	–	995

Siemens has various derivatives not designated in a hedging relationship amongst others to manage receivables-related foreign currency and interest rate risks in Russia. The fair value measurements as of March 31, 2022 resulted in a temporary gain of €0.2 billion in the six months ended March 31, 2022, mainly due to increased interest rates in Russia. The effects are presented in Other financial income (expenses), net and in reconciling items of Segment information.

NOTE 8 Segment information

(in millions of €)	Orders		External revenue		Intersegment Revenue		Total revenue		Profit		Assets		Free cash flow		Additions to intangible assets and property, plant & equipment		Amortization, depreciation & impairments	
	First half		First half		First half		First half		First half		Mar 31,	Sep 30,	First half		First half		First half	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	2022	2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Digital Industries	13,035	8,440	8,724	7,626	188	170	8,912	7,796	1,773	1,660	10,627	10,123	1,509	1,579	108	85	338	317
Smart Infrastructure	9,975	7,807	7,651	6,890	168	149	7,819	7,039	925	776	5,016	4,385	437	685	78	69	162	158
Mobility	7,874	4,869	4,541	4,449	5	16	4,546	4,465	(146)	423	2,840	2,661	246	(107)	95	76	133	92
Siemens Healthineers	12,404	8,878	10,490	7,807	38	27	10,528	7,833	1,685	1,368	32,888	31,205	1,153	1,454	376	285	669	407
Industrial Business	43,288	29,994	31,405	26,771	399	362	31,804	27,133	4,237	4,228	51,370	48,374	3,345	3,612	657	514	1,302	974
Siemens Financial Services	327	341	314	326	13	15	327	341	335	272	31,354	30,384	441	440	13	8	101	103
Portfolio Companies	1,831	1,624	1,406	1,288	81	84	1,487	1,372	352	(71)	1,007	576	(22)	102	12	9	21	26
Reconciliation to Consolidated Financial Statements	(258)	(140)	412	350	(493)	(461)	(81)	(111)	(726)	(482)	60,214	60,038	(1,246)	(1,923)	223	162	368	302
Siemens (continuing operations)	45,188	31,819	33,537	28,736	-	-	33,537	28,736	4,198	3,948	143,946	139,372	2,519	2,232	905	692	1,792	1,406

Segment information is disclosed for continuing operations; prior year Assets are reclassified to conform to the current year presentation. Segment measurement principles are those as described in the September 30, 2021 Siemens Report. Revenue includes revenue from contracts with customers and revenue from leasing activities. In the six months ended March 31, 2022 and 2021, lease revenue is €495 million and €506 million.

Subsequent to sanctions imposed on Russia, earnings of Mobility were burdened by a pre-tax loss of €0.6 billion in the six months ended March 31, 2022. Included is a net impact from and in connection with contracts with customers in Russia of €(0.4) billion as well as the above mentioned impairment of an investment of €0.1 billion.

Reconciliation to Consolidated Financial Statements

To better address our investors' needs, individual line items of our Profit and Asset reconciliations are displayed in a new structure as of the beginning of fiscal 2022. Essentially, the previous line item Corporate items is split into Governance (primarily including Siemens brand fees and governance costs), Innovation (including results from our units Technology and Next47) and into financing and other items. The latter, which includes activities of Advanta and Global Business Solution, were combined with our previous Eliminations, Corporate Treasury and other reconciling items and renamed to Financing, eliminations and other items. Content and measurement principles of reconciling items mainly remained unchanged. Prior period amounts conform to the current period disclosure.

Profit

(in millions of €)	First half	
	FY 2022	FY 2021
Siemens Energy Investment	(131)	(63)
Siemens Real Estate	(15)	70
Innovation	(80)	(81)
Governance	(193)	(262)
Centrally carried pension expense	(46)	(96)
Amortization of intangible assets acquired in business combinations	(496)	(303)
Financing, eliminations and other items	234	252
Reconciliation to Consolidated Financial Statements	(726)	(482)

In the six months ended March 31, 2022, reconciling items include a gain of €224 million from an investment accounted for using the equity method including a gain from an initial public offering and a loss of €116 million due to measuring an investment at fair value through profit and loss.

Assets

(in millions of €)	Mar 31,	Sep 30,
	2022	2021
Siemens Energy Investment	6,429	6,458
Assets Siemens Real Estate	4,635	4,535
Assets Innovation, Governance and Pensions	1,352	1,674
Asset-based adjustments:		
Intragroup financing receivables	54,979	55,190
Tax-related assets	4,381	4,523
Liability-based adjustments	34,118	33,218
Financing, eliminations and other items	(45,680)	(45,560)
Reconciliation to Consolidated Financial Statements	60,214	60,038

NOTE 9 Related party transactions

Siemens has relationships with many joint ventures and associates in the ordinary course of business whereby Siemens buys and sells a wide variety of products and services generally on arm's length terms. The transactions between continuing operations and joint ventures and associates were as follows:

(in millions of €)	Sales of goods and services and other income		Purchases of goods and services and other expenses		Receivables		Liabilities	
	First half		First half		Mar 31,	Sep 30,	Mar 31,	Sep 30,
	2022	2021	2022	2021	2022	2021	2022	2021
Joint ventures	59	77	24	4	52	113	78	8
Associates	637	537	264	278	1.385	1.129	825	861
	697	613	288	283	1.437	1.242	903	870

As of March 31, 2022 and September 30, 2021, guarantees to joint ventures and associates amounted to €10,929 million and €14,533 million, respectively, therein €10,644 million and €14,159 million, respectively, to associates. These guarantees included mainly obligations from performance and credit guarantees in connection with the Siemens Energy business. For these guarantees, Siemens has reimbursement rights towards Siemens Energy.

As of March 31, 2022 and September 30, 2021, loans given to joint ventures and associates amounted to €1,206 million and €1,138 million, respectively, therein €1,189 million and €1,122 million related to joint ventures, respectively. Thereof, based on an agreement to sell Siemens AG's 50% stake in Valeo Siemens eAutomotive GmbH, loans of €1,100 million (€1,033 million as of September 30, 2021) given to this joint venture were classified as held for sale. The related book values amounted to €363 million and €28 million, therein €359 million and €25 million related to joint ventures, respectively. Valuation adjustments recognized in the first six months ended March 31, 2022 and March 31, 2021 adjusted book values of loans related to joint ventures by €259 million and €(98) million, respectively.

As of March 31, 2022 and September 30, 2021, the Company had commitments to make capital contributions of €98 million and €72 million to its joint ventures and associates, therein €92 million and €65 million related to joint ventures, respectively.

As of March 31, 2022 and September 30, 2021, there were loan commitments to joint ventures amounting to €285 million and €222 million, respectively.

NOTE 10 Subsequent event

As of March 31, 2022, the carrying amount of the investment in Siemens Energy AG was €6.3 billion. After the reporting date, the stock exchange price of the Siemens Energy AG share fell considerably and was temporarily more than 30% below the carrying amount per share.

C. Additional information

C.1 Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year financial reporting, the Half-year Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Munich, May 5, 2022

Siemens Aktiengesellschaft

The Managing Board

Dr. Roland Busch

Cedrik Neike

Matthias Rebellius

Prof. Dr. Ralf P. Thomas

Judith Wiese

C.2 Review Report

To Siemens Aktiengesellschaft, Berlin and Munich

We have reviewed the half-year consolidated financial statements of Siemens Aktiengesellschaft, Berlin and Munich, which comprise the consolidated statements of income, comprehensive income, financial position, cash flows and changes in equity, and notes to half-year consolidated financial statements, and the interim group management report for the period from October 1, 2021 to March 31, 2022, which are part of the half-year financial report pursuant to Sec. 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The Company's management is responsible for the preparation of the half-year consolidated financial statements in accordance with IFRSs on interim financial reporting as issued by the IASB and as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the half-year consolidated financial statements and the interim group management report based on our review.

We conducted our review of the half-year consolidated financial statements and of the interim group management report in compliance with German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW - Institute of Public Auditors in Germany) and in supplementary compliance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the half-year consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as issued by the IASB and as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of the Company's employees and analytical assessments and therefore does not provide the assurance obtainable from an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor's report.

Based on our review nothing has come to our attention that causes us to believe that the half-year consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as issued by the IASB and as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Munich, May 5, 2022

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Breitsameter

Dr. Gaenslen

Wirtschaftsprüferin

Wirtschaftsprüfer

[German Public Auditor]

[German Public Auditor]

C.3 Notes and forward-looking statements

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, in 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 in the Combined Management Report of the Siemens Report ([siemens.com/siemensreport](https://www.siemens.com/siemensreport)), and in the Interim Group Management Report of the Half-year Financial Report (provided that it is already available for the current reporting year), which should be read in conjunction with the Combined Management Report. Should one or more of these risks or uncertainties materialize, should decisions, assessments or requirements of regulatory authorities deviate from our expectations, should events of force majeure, such as pandemics, unrest or acts of war, 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.

This document is an English language translation of the German document. In case of discrepancies, the German language document is the sole authoritative and universally valid version.

For technical reasons, there may be differences between the accounting records appearing in this document and those published pursuant to legal requirements.

Address	Siemens AG Werner-von-Siemens-Str. 1 80333 Munich Germany
Internet	www.siemens.com
Phone	+49 89 7805-33443 (Media Relations) +49 89 7805-32474 (Investor Relations)
E-mail	press@siemens.com investorrelations@siemens.com

© 2022 by Siemens AG, Berlin and Munich