

Half-year Financial Report

first half of fiscal 2023

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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 2022, 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 2023	FY 2022	Actual	Comp.	FY 2023	FY 2022	Actual	Comp.
Europe, C.I.S., Africa, Middle East	19,759	23,462	(16)%	(13)%	17,785	16,263	9%	12%
<i>therein: Germany</i>	6,548	9,066	(28)%	(25)%	6,229	5,945	5%	8%
Americas	11,792	11,328	4%	(2)%	10,692	9,247	16%	8%
<i>therein: U.S.</i>	9,543	9,506	0%	(6)%	8,814	7,748	14%	6%
Asia, Australia	14,706	10,397	41%	44%	9,010	8,028	12%	14%
<i>therein: China</i>	5,443	5,653	(4)%	(3)%	4,689	4,378	7%	9%
Siemens (continuing operations)	46,258	45,188	2%	3%	37,486	33,537	12%	12%

Orders

- On a **worldwide** basis, continuing strong order intake overall led by double-digit growth in Mobility, due primarily to a higher volume from large orders that included a €2.9 billion order for locomotives and associated maintenance in India; Smart Infrastructure also recorded double-digit growth driven by an increase in the electrification business; in contrast, order intake in Siemens Healthineers and Digital Industries declined year-over-year from a high basis of comparison in H1 FY 2022
- Currency translation effects added one percentage point to order growth, while portfolio effects took one percentage point
- Strong book-to-bill ratio of 1.23; order backlog at €105 billion, up from €102 billion as of September 30, 2022
- **Europe, C.I.S. Africa, Middle East:** Orders down in all industrial businesses from a high basis of comparison in H1 FY 2022, except for Smart Infrastructure; H1 FY 2022 included a higher volume from large orders in Mobility, among them a €1.5 billion order for high-speed trains in Germany, and sharply higher demand for rapid coronavirus antigen tests in Siemens Healthineers; the development in the region was even more pronounced in **Germany**
- **Americas:** Higher order intake year-over-year in Smart Infrastructure was partially offset by lower orders in Siemens Healthineers due to sharply reduced lower demand for rapid coronavirus antigen tests particularly in the **U.S.**, which also limited overall growth in that country; order development was supported by clearly positive currency translation effects
- **Asia, Australia:** Sharply increased order intake due mainly to a higher volume from large orders in Mobility that included the above-mentioned order in India; in **China**, double-digit growth in Siemens Healthineers was more than offset by a significant decline in Digital Industries

Revenue

- On a **worldwide** basis, outstanding broad-based revenue growth on double-digit increases at Digital Industries, Smart Infrastructure and Mobility including strong execution from the enhanced order backlog; slight decline in Siemens Healthineers as sharply lower sales of rapid coronavirus antigen tests more than offset revenue growth in the segment's other businesses
- Currency translation effects added two percentage points to revenue growth, while portfolio effects took one percentage point
- **Europe, C.I.S. Africa, Middle East:** Double-digit revenue increases for Digital Industries, Smart Infrastructure and Mobility were partially offset by a significant decline in Siemens Healthineers due to sharply lower demand for rapid coronavirus antigen tests which was even more pronounced in **Germany** than in the region
- **Americas:** Revenue growth in the region and in the **U.S.** in all industrial businesses led by a substantial increase in Smart Infrastructure; as for orders, revenue development was supported by clearly positive currency translation effects
- **Asia, Australia:** Broad-based revenue growth, with the highest contribution coming from Digital Industries; revenue growth in **China** primarily driven by an increase in Digital Industries

A.1.2 Income

(in millions of €, earnings per share in €)	First half		Profit (SFS: EBT) % Change	Profit margin (SFS: ROE)	
	FY 2023	FY 2022		FY 2023	FY 2022
Digital Industries	2,451	1,773	38%	23.0%	19.9%
Smart Infrastructure	1,483	925	60%	15.6%	11.8%
Mobility	442	(146)	n/a	8.6%	(3.2)%
Siemens Healthineers	924	1,685	(45)%	8.9%	16.0%
Industrial Business	5,300	4,237	25%	14.9%	13.3%
Siemens Financial Services (SFS)	303	335	(10)%	17.3%	19.8%
Portfolio Companies	228	352	(35)%	14.9%	23.7%
Reconciliation to Consolidated Financial Statements	534	(726)	n/a		
Income from continuing operations before income taxes	6,365	4,198	52%		
Income tax expenses	(1,167)	(1,177)	1%		
Income from continuing operations	5,198	3,021	72%		
Loss from discontinued operations, net of income taxes	(11)	(11)	0%		
Net income	5,186	3,010	72%		
Basic EPS	6.26	3.33	88%		
EPS pre PPA	6.65	3.74	78%		
ROCE	22.2%	13.8%			

Industrial Business

- Digital Industries: Profit and profitability rose in all automation businesses supported by higher revenue and a more favorable product mix with improved availability of components for high-margin products; software business increased expenses related to cloud-based activities
- Smart Infrastructure: Profit and profitability rose in all businesses due to higher revenue, increased capacity utilization, a more favorable revenue mix and cost reductions achieved through the ongoing competitiveness program
- Mobility: Profit and profitability turned positive compared to H1 FY 2022, which had included a €0.6 billion impact resulting from sanctions imposed on Russia; the current half-year period benefited from €0.1 billion in trailing effects from Russia but was burdened by a less favorable business mix
- Siemens Healthineers: While the imaging and Varian businesses increased earnings, overall profit came in sharply lower due in part to a revenue decline in the diagnostics business following sharply lower demand for rapid coronavirus antigen tests; that business also recorded charges of €0.1 billion related to its transformation program; in addition, profitability was burdened by impairments and other charges totaling €0.3 billion due to a management decision to refocus certain activities in the advanced therapies business, as well as by cost increases particularly for procurement and logistics
- Severance charges for Industrial Business were €122 million (H1 FY 2022: €87 million)

Income from continuing operations before income taxes

- SFS: Lower earnings contribution from the debt business due primarily to higher expenses for credit risk provisions; volatile credit environment; increase in earnings in the equity business
- Portfolio Companies: Gain of €0.1 billion from the sale of the Commercial Vehicles business in H1 FY 2023; revaluation gain of €0.3 billion in connection with the sale of Siemens' share in Valeo Siemens eAutomotive GmbH in H1 FY 2022
- Reconciliation to Financial Statements: Higher results from Siemens Energy Investment, driven by a gain of €1.6 billion from a partial reversal of a previous impairment on Siemens' stake in Siemens Energy AG (for more information, refer to Note 3 in B.6 Notes to Half-year Consolidated Financial Statements); H1 FY 2022 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
- Severance charges for continuing operations were €152 million (H1 FY 2022: €107 million)

Income from continuing operations

- Tax rate of 18.3%, substantially benefitting from the gain related to Siemens' stake in Siemens Energy AG mentioned above which was tax-free

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

- Higher net income was the main driver for the sharp increase of basic earnings per share (EPS) and EPS before purchase price allocation accounting (EPS pre PPA)
- ROCE increased sharply driven primarily by higher net income and was above the target range of 15 – 20%

A.2 Net assets and financial position

Asset and capital structure

(in millions of €)	Mar 31, 2023	Sep 30, 2022	% Change
Current assets	57,737	58,829	(2)%
<i>therein: Cash and cash equivalents</i>	9,186	10,465	(12)%
<i>therein: Inventories</i>	11,580	10,626	9%
Non-current assets	85,260	92,673	(8)%
<i>therein: Goodwill</i>	31,820	33,861	(6)%
<i>therein: Other intangible assets</i>	10,674	12,196	(12)%
<i>therein: Other financial assets</i>	22,929	25,903	(11)%
Total assets	142,997	151,502	(6)%
Debt	50,030	50,636	(1)%
Provisions for pensions and similar obligations	1,776	2,275	(22)%
Other liabilities	40,797	43,786	(7)%
Equity	50,395	54,805	(8)%
Total liabilities and equity	142,997	151,502	(6)%

Cash flows

(in millions of €)	First half FY 2023		
	Continuing operations	Discontinued operations	Continuing and discontinued operations
Cash flows from:			
Operating activities	3,403	(4)	3,399
Investing activities	(1,365)	1	(1,363)
<i>therein: Additions to intangible assets and property, plant and equipment</i>	(964)	-	(964)
Free cash flow	2,439	(4)	2,435
Financing activities	(2,804)	-	(2,804)

- Total assets influenced by negative currency translation effects totaling €8.4 billion (with a major impact on goodwill and other financial assets), primarily involving the U.S. dollar
- Strongest contributor of cash flows from operating activities was Digital Industries
- Cash conversion rate as of March 31, 2023 was 0.47, which was impacted by cash outflows related to the build-up of operating net working capital of €1.8 billion due mainly to an increase in inventories, including significant amounts in all industrial businesses, and by a non-cash gain of €1.6 billion related to Siemens' stake in Siemens Energy AG
- The decrease of other intangible assets resulted mainly from currency translation effects and from impairments recorded at Siemens Healthineers; for further information refer to Note 8 in B.6 Notes to Half-year Consolidated Financial Statements
- Beyond currency translation effects, other financial assets decreased primarily from lower loans receivable at SFS and decreased positive fair values of derivative financial instruments
- Debt decreased primarily from the repayment of bonds as well as from currency translation effects for bonds issued mainly in the U.S. dollar. This decrease was offset to a large extent by the issuance of bonds and commercial paper. For further information refer to Note 4 in B.6 Notes to Half-year Consolidated Financial Statements. Cash flows from the respective repayment and issuances are reported under financing activities
- The decrease of provisions for pensions and similar obligations was due mainly to a positive return on plan assets; this was partially offset by lower discount rate assumptions; weighted-average discount rate as of March 31, 2023: 3.8% (September 30, 2022: 3.9%)
- For information regarding changes resulting from Siemens' stake in Siemens Energy AG, including the effects on equity, refer to Note 3 in B.6 Notes to Half-year Consolidated Financial Statements; for information regarding further changes in equity, refer to Note 5 in B.6 Notes to Half-year Consolidated Financial Statements

A.3 Outlook

Following the strong first half of fiscal 2023, we raise our outlook for the fiscal year.

For the Siemens Group we now expect comparable revenue growth, net of currency translation and portfolio effects, in the range of 9% to 11% and continue to expect a book-to-bill ratio above 1.

We now expect the profitable growth of our industrial businesses to drive an increase in EPS pre PPA to a range of €9.60 to €9.90 in fiscal 2023. Including €2.01 per share in the first half of fiscal 2023 resulting from partial reversal of the previous impairment on Siemens' stake in Siemens Energy AG, EPS pre PPA is expected in a range of €11.61 to €11.91.

This outlook excludes burdens from legal and regulatory matters and material impairments as well as reversals of material impairments.

A.4 Risks and opportunities

During the reporting period, we identified no further significant risks and opportunities besides those presented in our Siemens Report for fiscal 2022 and in this Half-year Financial Report. Additional risks and opportunities not known to us or that we currently consider immaterial could also affect our business operations. 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 2023	FY 2022
Revenue		37,486	33,537
Cost of sales		(23,321)	(21,591)
Gross profit		14,166	11,946
Research and development expenses		(2,958)	(2,610)
Selling and general administrative expenses		(6,723)	(6,014)
Other operating income	2	224	67
Other operating expenses		(260)	(155)
Income (loss) from investments accounted for using the equity method, net	3	1,640	384
Interest income		1,118	738
Interest expenses		(624)	(352)
Other financial income (expenses), net		(219)	195
Income from continuing operations before income taxes		6,365	4,198
Income tax expenses		(1,167)	(1,177)
Income from continuing operations		5,198	3,021
Loss from discontinued operations, net of income taxes		(11)	(11)
Net income		5,186	3,010
Attributable to:			
Non-controlling interests		233	333
Shareholders of Siemens AG		4,953	2,677
Basic earnings per share			
Income from continuing operations		6.27	3.35
Loss from discontinued operations		(0.01)	(0.01)
Net income		6.26	3.33
Diluted earnings per share			
Income from continuing operations		6.20	3.30
Loss from discontinued operations		(0.01)	(0.01)
Net income		6.19	3.29

B.2 Consolidated Statements of Comprehensive Income

(in millions of €)	First half	
	FY 2023	FY 2022
Net income	5,186	3,010
Remeasurements of defined benefit plans	439	164
<i>therein: Income tax effects</i>	(90)	(292)
Remeasurements of equity instruments	(31)	(11)
<i>therein: Income tax effects</i>	-	(1)
Income (loss) from investments accounted for using the equity method, net	(2)	41
Items that will not be reclassified to profit or loss	406	195
Currency translation differences	(4,905)	1,887
Derivative financial instruments	280	(95)
<i>therein: Income tax effects</i>	(136)	41
Income (loss) from investments accounted for using the equity method, net	(171)	118
Items that may be reclassified subsequently to profit or loss	(4,797)	1,911
Other comprehensive income, net of income taxes	(4,390)	2,106
Total comprehensive income	796	5,115
Attributable to:		
Non-controlling interests	(375)	543
Shareholders of Siemens AG	1,171	4,573

B.3 Consolidated Statements of Financial Position

(in millions of €)	Note	Mar 31, 2023	Sep 30, 2022
Assets			
Cash and cash equivalents		9,186	10,465
Trade and other receivables		16,587	16,701
Other current financial assets		9,697	9,696
Contract assets		7,033	7,559
Inventories		11,580	10,626
Current income tax assets		1,493	1,432
Other current assets		1,868	1,935
Assets classified as held for disposal		293	413
Total current assets		57,737	58,829
Goodwill		31,820	33,861
Other intangible assets		10,674	12,196
Property, plant and equipment		11,423	11,733
Investments accounted for using the equity method	3	4,882	4,955
Other financial assets		22,929	25,903
Deferred tax assets		1,967	2,459
Other assets		1,565	1,565
Total non-current assets		85,260	92,673
Total assets		142,997	151,502
Liabilities and equity			
Short-term debt and current maturities of long-term debt	4	9,411	6,658
Trade payables		9,544	10,317
Other current financial liabilities		1,389	1,616
Contract liabilities		12,205	12,049
Current provisions		2,066	2,156
Current income tax liabilities		2,131	2,381
Other current liabilities		6,258	7,448
Liabilities associated with assets classified as held for disposal		22	61
Total current liabilities		43,025	42,686
Long-term debt	4	40,619	43,978
Provisions for pensions and similar obligations		1,776	2,275
Deferred tax liabilities		1,889	2,381
Provisions		1,888	1,857
Other financial liabilities		1,802	1,867
Other liabilities		1,604	1,654
Total non-current liabilities		49,577	54,011
Total liabilities		92,602	96,697
Equity	3, 5		
Issued capital		2,400	2,550
Capital reserve		7,109	7,174
Retained earnings		34,570	38,959
Other components of equity		1,946	6,159
Treasury shares, at cost		(830)	(5,948)
Total equity attributable to shareholders of Siemens AG		45,195	48,895
Non-controlling interests		5,199	5,910
Total equity		50,395	54,805
Total liabilities and equity		142,997	151,502

B.4 Consolidated Statements of Cash Flows

(in millions of €)	First half	
	FY 2023	FY 2022
Cash flows from operating activities		
Net income	5,186	3,010
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
Loss from discontinued operations, net of income taxes	11	11
Amortization, depreciation and impairments	1,937	1,792
Income tax expenses	1,167	1,177
Interest (income) expenses, net	(494)	(385)
(Income) loss related to investing activities	(1,652)	(298)
Other non-cash (income) expenses	(1,340)	639
Change in operating net working capital from		
Contract assets	97	75
Inventories	(1,428)	(1,290)
Trade and other receivables	(821)	(377)
Trade payables	(403)	92
Contract liabilities	758	1,715
Additions to assets leased to others in operating leases	(206)	(183)
Change in other assets and liabilities	1,103	(2,381)
Income taxes paid	(1,652)	(1,019)
Dividends received	123	180
Interest received	1,016	666
Cash flows from operating activities - continuing operations	3,403	3,424
Cash flows from operating activities - discontinued operations	(4)	(100)
Cash flows from operating activities - continuing and discontinued operations	3,399	3,324
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(964)	(905)
Acquisitions of businesses, net of cash acquired	(147)	(612)
Purchase of investments and financial assets for investment purposes	(294)	(582)
Change in receivables from financing activities	(540)	(325)
Disposal of intangibles and property, plant and equipment	34	47
Disposal of businesses, net of cash disposed	184	(9)
Disposal of investments and financial assets for investment purposes	363	462
Cash flows from investing activities - continuing operations	(1,365)	(1,923)
Cash flows from investing activities - discontinued operations	1	(5)
Cash flows from investing activities - continuing and discontinued operations	(1,363)	(1,928)
Cash flows from financing activities		
Purchase of treasury shares	(449)	(272)
Re-issuance of treasury shares and other transactions with owners	(63)	(83)
Issuance of long-term debt	2,470	1,980
Repayment of long-term debt (including current maturities of long-term debt)	(2,692)	(3,308)
Change in short-term debt and other financing activities	2,146	3,806
Interest paid	(535)	(368)
Dividends paid to shareholders of Siemens AG	(3,362)	(3,215)
Dividends attributable to non-controlling interests	(320)	(289)
Cash flows from financing activities - continuing operations	(2,804)	(1,749)
Cash flows from financing activities - discontinued operations	-	-
Cash flows from financing activities - continuing and discontinued operations	(2,804)	(1,749)
Effect of changes in exchange rates on cash and cash equivalents	(518)	321
Change in cash and cash equivalents	(1,286)	(33)
Cash and cash equivalents at beginning of period	10,472	9,545
Cash and cash equivalents at end of period	9,186	9,512
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)	9,186	9,495

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, 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
Balance as of October 1, 2022	2,550	7,174	38,959	6,306	(12)	(134)	(5,948)	48,895	5,910	54,805
Net income	–	–	4,953	–	–	–	–	4,953	233	5,186
Other comprehensive income, net of income taxes	–	–	430	(4,457)	(31)	275	–	(3,782)	(608)	(4,390)
Dividends	–	–	(3,362)	–	–	–	–	(3,362)	(339)	(3,701)
Share-based payment	–	(101)	(39)	–	–	–	–	(140)	–	(140)
Purchase of treasury shares	–	–	–	–	–	–	(451)	(451)	–	(451)
Re-issuance of treasury shares	–	34	–	–	–	–	358	392	–	392
Cancellation of treasury shares	(150)	–	(5,061)	–	–	–	5,211	–	–	–
Changes in equity resulting from major portfolio transactions	–	–	(1,449)	–	–	–	–	(1,449)	–	(1,449)
Other transactions with non-controlling interests	–	2	135	–	–	–	–	137	1	139
Other changes in equity	–	–	3	–	–	–	–	3	2	4
Balance as of March 31, 2023	2,400	7,109	34,570	1,849	(43)	140	(830)	45,195	5,199	50,395

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, 2023 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, 2022. The Half-year Consolidated Financial Statements apply the same accounting principles and practices as those used in the fiscal 2022 consolidated 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 16, 2023. For further information on changes in estimates (including pensions), disaggregation of revenue and on segment information, see information in our Interim Group Management Report. Due to rounding, numbers disclosed may not add up precisely to totals provided.

NOTE 2 Disposals

In November 2022, Siemens sold its Commercial Vehicles business for a consideration of €184 million in cash and recognized a pre-tax gain on the disposal of €148 million, which is presented in Other operating income. The business was previously reported at Portfolio Companies.

NOTE 3 Interests in other entities

In the six months ended March 31, 2023, Siemens Energy AG acquired additional shares of Siemens Gamesa Renewable Energy, S.A. which resulted in a reduction of equity within Siemens Energy AG's consolidated financial statements. The recognition of the Siemens share of this equity transaction resulted in a decrease of the carrying amount for Siemens Energy by €1.4 billion which is directly recognized in equity.

In March 2023, Siemens Energy AG completed a capital increase, in which Siemens did not participate. Consequently, the Siemens stake in Siemens Energy AG was reduced from 35.1% to 31.9%, which resulted in a gain in the amount of €0.2 billion presented in Income (loss) from investments accounted for using the equity method, net, and in reconciling items of Segment information.

Siemens assesses associates and joint ventures for indications that an impairment loss recognized in prior periods may no longer exist or may have decreased. If this is the case, any reversal of an impairment loss is recognized to the extent that the recoverable amount increased. The recoverable amount of the investment in Siemens Energy AG (€5.2 billion as of March 31, 2023), determined based on Siemens Energy AG's market capitalization (level 1 of the fair value hierarchy), has increased significantly compared to the level when the impairment was recognized in fiscal 2022. This triggered a partial reversal of the previous impairment and resulted in a gain of €1.6 billion. This gain is included in Income (loss) from investments accounted for using the equity method, net, and in reconciling items of Segment information.

NOTE 4 Debt

(in millions of €)	Current debt		Non-current debt	
	Mar 31, 2023	Sep 30, 2022	Mar 31, 2023	Sep 30, 2022
Notes and bonds	6,177	4,797	36,452	39,964
Loans from banks	481	1,071	1,936	1,673
Other financial indebtedness	2,087	87	38	42
Lease liabilities	666	703	2,194	2,299
Total debt	9,411	6,658	40,619	43,978

Debt Issuance Program: The 0.0% €1.25 billion fixed-rate instrument was redeemed as due in the six months ended March 31, 2023. In February 2023, Siemens issued instruments totaling €2.5 billion in three tranches: a 3.375% €1.25 billion fixed-rate instrument due August 2031; a 3.5% €500 million fixed-rate instrument due February 2036; and a 3.625% €750 million fixed-rate instrument due February 2043.

US\$ Bonds: The 0.4% US\$1.25 billion fixed-rate instrument was redeemed as due in the six months ended March 31, 2023.

Assignable and term loans: In the six months ended March 31, 2023, a bilateral US\$250 million term loan facility maturing in fiscal 2025 with one one-year extension option was newly signed. The bilateral €250 million term loan facility and the bilateral €350 million term loan facility were redeemed as due.

Commercial Paper Program: As of March 31, 2023, US\$1.4 billion (€1.3 billion) in commercial paper was outstanding; as of September 30, 2022, none were outstanding.

NOTE 5 Shareholders' equity

In the six months ended March 31, 2023 and 2022, Siemens repurchased 3,834 thousand and 2,070 thousand shares, respectively. Siemens transferred 3,444 thousand and 3,463 thousand shares of treasury stock, respectively, in the six months ended March 31, 2023 and 2022. In the second quarter of fiscal 2023, a dividend of €4.25 per share entitled to the dividend was paid. After the Annual Shareholders' Meeting on February 9, 2023, Siemens cancelled 50 million treasury shares, thereby reducing issued capital by €150 million to €2.4 billion. It is now divided into 800 million registered shares with no-par value and a notional value of €3.00 per share.

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, 2023	Sep 30, 2022
Credit guarantees	472	515
Performance guarantees	7,593	9,309
	8,064	9,824

As of March 31, 2023, and September 30, 2022, in addition to guarantees disclosed in the table above, there are contingent liabilities of €0.5 billion and €0.4 billion, respectively, which mainly result from other guarantees, legal proceedings and from joint and several liabilities of consortia, in particular from the construction of a power plant in Finland.

As of March 31, 2023, and September 30, 2022, respective Credit guarantees include €0.1 billion and €0.1 billion; respective performance guarantees include €7.2 billion and €8.6 billion; and respective other guarantees include €0.1 billion and €0.1 billion, 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, 2023		Sep 30, 2022	
	Fair value	Carrying amount	Fair value	Carrying amount
Notes and bonds	39,944	42,631	40,622	44,764
Loans from banks and other financial indebtedness	4,499	4,539	2,821	2,870

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, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	437	2,771	1,215	4,423
Equity instruments measured at fair value through profit and loss	287	360	384	1,031
Equity instruments measured at fair value through Other comprehensive income	–	2	687	688
Debt instruments measured at fair value through profit and loss	150	1	145	295
Derivative financial instruments	–	2,408	–	2,408
Financial liabilities measured at fair value – Derivative financial instruments	–	1,662	–	1,662

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 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	2023	2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Digital Industries	11,590	13,035	10,436	8,724	215	188	10,651	8,912	2,451	1,773	10,845	10,861	1,773	1,509	155	108	312	338
Smart Infrastructure	11,532	9,975	9,314	7,651	179	168	9,493	7,819	1,483	925	6,877	6,501	746	437	109	78	191	162
Mobility	9,146	7,874	5,107	4,541	4	5	5,111	4,546	442	(146)	3,066	2,547	(256)	246	94	95	115	133
Siemens Healthineers	11,675	12,404	10,380	10,490	44	38	10,424	10,528	924	1,685	33,582	36,948	845	1,153	387	376	912	669
Industrial Business	43,943	43,288	35,238	31,405	442	399	35,680	31,804	5,300	4,237	54,369	56,857	3,108	3,345	745	657	1,531	1,302
Siemens Financial Services	304	327	295	314	9	13	304	327	303	335	31,280	33,263	525	441	15	13	88	101
Portfolio Companies	2,114	1,831	1,427	1,406	98	81	1,525	1,487	228	352	657	659	(10)	(22)	15	12	21	21
Reconciliation to Consolidated Financial Statements	(103)	(258)	527	412	(549)	(493)	(22)	(81)	534	(726)	56,691	60,724	(1,183)	(1,246)	188	223	298	368
Siemens (continuing operations)	46,258	45,188	37,486	33,537	-	-	37,486	33,537	6,365	4,198	142,997	151,502	2,439	2,519	964	905	1,937	1,792

Segment information is disclosed for continuing operations. Segment measurement principles are those as described in the Siemens Report for fiscal 2022. Revenue includes revenue from contracts with customers and revenue from leasing activities. In the six months ended March 31, 2023 and 2022, lease revenue is €0.5 billion and €0.5 billion.

Subsequent to sanctions imposed on Russia, earnings of Mobility were burdened by a loss of €0.6 billion in the six months ended March 31, 2022. In the six months ended March 31, 2023, earnings of Mobility benefited from €0.1 billion in trailing effects related to Russia.

In the six months ended March 31, 2023, Siemens Healthineers recorded impairments of €0.3 billion primarily on other intangible assets of the endovascular robotics solution business due to a decision to refocus certain activities within this business.

Reconciliation to Consolidated Financial Statements

Profit

(in millions of €)	First half	
	FY 2023	FY 2022
Siemens Energy Investment	1,550	(131)
Siemens Real Estate	(7)	(15)
Innovation	(80)	(80)
Governance	(137)	(193)
Centrally carried pension expense	(53)	(46)
Amortization of intangible assets acquired in business combinations	(461)	(496)
Financing, eliminations and other items	(278)	234
Reconciliation to Consolidated Financial Statements	534	(726)

Assets

(in millions of €)	Mar 31,	Sep 30,
	2023	2022
Siemens Energy Investment	3,647	3,669
Assets Siemens Real Estate	4,954	5,215
Assets Innovation, Governance and Pensions	1,441	1,129
Asset-based adjustments:		
Intragroup financing receivables	56,447	62,765
Tax-related assets	3,483	3,769
Liability-based adjustments	35,565	37,518
Financing, eliminations and other items	(48,848)	(53,342)
Reconciliation to Consolidated Financial Statements	56,691	60,724

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,
	2023	2022	2023	2022	2023	2022	2023	2022
Joint ventures	65	59	13	24	83	80	40	78
Associates	730	637	251	264	1,122	1,204	687	608
	795	697	263	288	1,205	1,284	727	686

As of March 31, 2023 and September 30, 2022, guarantees to joint ventures and associates amounted to €6,865 million and €8,165 million, respectively, therein €6,845 million and €8,147 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, 2023 and September 30, 2022, loans given to joint ventures and associates amounted to €154 million and €166 million, respectively, therein €125 million and €149 million related to joint ventures, respectively. The related book values amounted to €131 million and €143 million, therein €116 million and €139 million related to joint ventures, respectively.

As of March 31, 2023 and September 30, 2022, the Company had commitments to make capital contributions of €93 million and €106 million to its joint ventures and associates, therein €84 million and €95 million related to joint ventures, respectively.

As of March 31, 2023 and September 30, 2022, lease liabilities resulting from sale and leaseback transactions with pension entities amounted to €272 million and €280 million, respectively.

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 16, 2023

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, 2022 to March 31, 2023, 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 16, 2023

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Keller

Dr. Gaenslen

Wirtschaftsprüfer

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.

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