

SIEMENS

Ingenuity for life

Munich, Germany, May 8, 2019

Earnings Release

Q2 FY 2019

January 1 to March 31, 2019

Successful first half sets up strong fiscal year

»We delivered on our promises again this quarter, and even exceeded expectations in many areas. Now, we enter into a new era to become an even stronger and more focused Siemens,« said Joe Kaeser, President and Chief Executive Officer of Siemens AG.

- Orders grew 6%, to €23.6 billion, and revenue rose 4%, to €20.9 billion, for a book-to-bill ratio of 1.13 and record high order backlog of €142 billion
- On a comparable basis, excluding currency translation and portfolio effects, orders increased 4% and revenue was up 2% compared to Q2 FY 2018
- Adjusted EBITA for Industrial Business climbed 7% to €2.4 billion, with most businesses increasing their performance; Industrial Business Adjusted EBITA margin reached 11.4%, even with severance charges taking 0.3 percentage points
- Net income reached €1.9 billion, near the prior-year level which benefited substantially from a €0.7 billion Adjusted EBITA from Centrally managed portfolio activities; the current period benefited from a lower income tax rate, and basic EPS of €2.24 was burdened by €0.08 from severance charges

Siemens

(in millions of €)	Q2		% Change	
	FY 2019	FY 2018	Actual	Comp.
Orders	23,607	22,318	6%	4%
Revenue	20,936	20,141	4%	2%
Adjusted EBITA				
Industrial Business	2,406	2,254	7%	
<i>therein: severance</i>	(67)	(130)		
Adjusted EBITA margin				
Industrial Business	11.4%	11.1%		
<i>excl. severance</i>	11.7%	11.7%		
Income from continuing operations	1,926	1,974	(2)%	
<i>therein: severance</i>	(91)	(161)		
Net income	1,923	2,018	(5)%	
Basic earnings per share (in €)	2.24	2.39	(6)%	
Free cash flow (continuing and discontinued operations)	487	791	(38)%	
ROCE (continuing and discontinued operations)	14.8%	16.6%		

- Strong order intake continued, led by sharp growth in Mobility, which recorded a higher volume from large orders; in addition, clear growth in Siemens Healthineers, Energy Management and Building Technologies; significant decrease in Siemens Gamesa Renewable Energy (SGRE)
- Revenue growth across most industrial businesses, led by clear increases at Siemens Healthineers, Process Industries and Drives and SGRE; moderate decline in Power and Gas
- Strong book-to-bill ratio of 1.13; order backlog at a new high of €142 billion
- Currency translation effects added two percentage points to both order and revenue growth; portfolio transactions had only minimal effects on volume growth year-over-year
- Adjusted EBITA Industrial Business rose on increases at the majority of the industrial businesses; Digital Factory and Siemens Healthineers made the largest contributions to Adjusted EBITA Industrial Business
- Outside Industrial Business, earnings at Financial Services rose substantially due mainly to a gain from the sale of a stake in an equity investment; Q2 FY 2018 Adjusted EBITA of €731 million from Centrally managed portfolio activities (CMPA) included a €900 million gain resulting from the transfer of Siemens' Atos shares to Siemens Pension-Trust e.V.
- Income from continuing operations and net income benefited from sharply lower income tax expenses following the reversal of income tax provisions outside Germany; Q2 FY 2018 included the largely tax-free Atos share gain mentioned above
- Digital Factory was the main contributor to Free cash flow from Industrial Business of €1.041 billion; negative Free cash flow outside Industrial Business included substantial tax payments
- Slight increase in provisions for pensions and similar obligations, to €9.4 billion as of March 31, 2019 (December 31, 2018: €9.2 billion)
- ROCE close to the target range due to strong net income

Power and Gas

(in millions of €)	Q2		% Change	
	FY 2019	FY 2018	Actual	Comp.
Orders	3,272	3,171	3%	1%
Revenue	2,815	2,933	(4)%	(6)%
Adjusted EBITA	156	114	38%	
<i>therein: severance</i>	(9)	(25)		
Adjusted EBITA margin	5.6%	3.9%		
<i>excl. severance</i>	5.9%	4.7%		

- Order growth in the majority of the Division's businesses, including a €0.3 billion order in the solutions business in Brazil
- Revenue decline, primarily in the new unit business following weak order entry in prior periods
- Higher Adjusted EBITA year-over-year on continuing strong contribution from the service business and significantly improved project execution, which more than offset price declines and lower capacity utilization

Energy Management

(in millions of €)	Q2		% Change	
	FY 2019	FY 2018	Actual	Comp.
Orders	3,106	2,834	10%	8%
Revenue	3,027	2,958	2%	1%
Adjusted EBITA	273	260	5%	
<i>therein: severance</i>	(9)	(5)		
Adjusted EBITA margin	9.0%	8.8%		
<i>excl. severance</i>	9.3%	8.9%		

- Order growth in most of the Division's businesses, benefiting from several larger orders in the transmission products business
- Revenue up slightly as continuing growth in the low and medium voltage businesses was partially offset by declines in the transmission solution and transmission products businesses following weak order intake in prior periods
- Adjusted EBITA above high Q2 FY 2018 due to a €55 million gain from the sale of a stake in an equity investment; profitability held back by a less favorable revenue mix in the transmission products business

Building Technologies

(in millions of €)	Q2		% Change	
	FY 2019	FY 2018	Actual	Comp.
Orders	1,943	1,793	8%	5%
Revenue	1,693	1,609	5%	2%
Adjusted EBITA	178	175	2%	
<i>therein: severance</i>	(6)	(5)		
Adjusted EBITA margin	10.5%	10.9%		
<i>excl. severance</i>	10.9%	11.2%		

- Order and revenue growth driven by the solutions and service business
- On a geographic basis, the strongest contributions to volume growth came from the Americas and the region comprising Europe, C.I.S, Africa, Middle East (Europe/CAME)
- Adjusted EBITA slightly above prior-year period; profitability remained high in the margin range as improvements in the service business largely offset ongoing expenses for the expansion of smart building solutions and associated IoT offerings and a lower revenue share from the higher-margin product business

Mobility

(in millions of €)	Q2		% Change	
	FY 2019	FY 2018	Actual	Comp.
Orders	3,524	2,426	45%	42%
Revenue	2,116	2,112	0%	(1)%
Adjusted EBITA	228	253	(10)%	
<i>therein: severance</i>	(7)	(4)		
Adjusted EBITA margin	10.8%	12.0%		
<i>excl. severance</i>	11.1%	12.2%		

- Orders rose sharply due to a number of large contract wins, among them a €0.7 billion order for diesel-electric locomotives including a long-term service agreement in the U.S., and two orders in Germany worth €0.4 billion and €0.3 billion, respectively, for regional multiple-unit trainsets
- Revenue close to the strong prior-year level
- Division continued to operate at high profitability, partially held back by timing effects related to execution of large rail projects

Digital Factory

(in millions of €)	Q2		% Change	
	FY 2019	FY 2018	Actual	Comp.
Orders	3,391	3,400	0%	(2)%
Revenue	3,385	3,262	4%	2%
Adjusted EBITA	663	682	(3)%	
<i>therein: severance</i>	(13)	(8)		
Adjusted EBITA margin	19.6%	20.9%		
<i>excl. severance</i>	19.9%	21.2%		

- Strong order growth in the software business was offset by declines in the automation businesses due to lower demand, particularly from the automotive and machine building industries, and weaker investment sentiment particularly in regions that made strong growth contributions in previous periods, including China
- Revenue growth was driven by the software business including license revenues, while the automation businesses kept revenue close to prior-year levels
- Continued strong profitability highlighted by an increased Adjusted EBITA contribution from the software business even with higher expenses year-over-year for new cloud-based offerings; declines in the automation businesses

Process Industries and Drives

(in millions of €)	Q2		% Change	
	FY 2019	FY 2018	Actual	Comp.
Orders	2,224	2,226	0%	0%
Revenue	2,183	1,991	10%	9%
Adjusted EBITA	149	122	22%	
<i>therein: severance</i>	(10)	(10)		
Adjusted EBITA margin	6.8%	6.1%		
<i>excl. severance</i>	7.2%	6.6%		

- Orders came in at prior-year level as growth in the majority of the Division's businesses was largely offset by a decline in the large drives business, particularly in the region Europe/CAME
- Revenue rose in all businesses, most strongly in the wind power components businesses, and in all three reporting regions
- Increase in Adjusted EBITA and profitability was driven by ongoing operational improvements in the large drives business

Siemens Healthineers

(in millions of €)	Q2		% Change	
	FY 2019	FY 2018	Actual	Comp.
Orders	3,611	3,337	8%	5%
Revenue	3,505	3,226	9%	6%
Adjusted EBITA	614	531	16%	
<i>therein: severance</i>	(12)	(18)		
Adjusted EBITA margin	17.5%	16.5%		
<i>excl. severance</i>	17.9%	17.0%		

- Volume up in all businesses, led by the imaging business; on a geographic basis, increases in all three regions, including significant order growth in China
- Higher Adjusted EBITA year-over-year on increases in the imaging and advanced therapies businesses partly offset by a decline in the diagnostics business, which included continued Atellica Solution ramp-up costs
- Profitability impacted by negative currency effects of 0.7 percentage points

Siemens Gamesa Renewable Energy

(in millions of €)	Q2		% Change	
	FY 2019	FY 2018	Actual	Comp.
Orders	2,466	3,044	(19)%	(20)%
Revenue	2,389	2,241	7%	6%
Adjusted EBITA	146	117	25%	
<i>therein: severance</i>	(2)	(55)		
Adjusted EBITA margin	6.1%	5.2%		
<i>excl. severance</i>	6.2%	7.7%		

- Lower volume from large orders in the onshore business due to timing of tenders; on a regional basis, order decreases in Asia, Australia and Europe/CAME partially offset by an increase in the Americas; book-to-bill ratio above 1
- Revenue up on substantial growth in the offshore and service businesses, partly offset by a decline in the onshore business; on a regional basis, substantial growth in Europe/CAME was partially offset by decreases in Siemens' other reporting regions
- Adjusted EBITA up due to higher contributions from the offshore and service businesses

Financial Services

(in millions of €)	Q2	
	FY 2019	FY 2018
Income before income taxes	239	189
therein: severance	(2)	(1)
ROE (after taxes)	30.3%	23.7%

(in millions of €)	Mar 31,	Sep 30,
	2019	2018
Total assets	29,142	28,281

- Earnings contribution on a high level driven by the equity business, which included a gain of €57 million from the sale of a stake in an equity investment; credit hits higher year-over-year
- Increase in total assets since the end of fiscal 2018 due mainly to positive currency translation effects

Reconciliation to Consolidated Financial Statements

(in millions of €)	Q2	
	FY 2019	FY 2018
Centrally managed portfolio activities	(11)	731
Siemens Real Estate	28	5
Corporate items	(30)	(29)
Centrally carried pension expense	(73)	(165)
Amortization of intangible assets acquired in business combinations	(282)	(287)
Eliminations, Corporate Treasury and other reconciling items	(27)	(31)
Reconciliation to Consolidated Financial Statements	(395)	223

- Centrally managed portfolio activities: Q2 FY 2018 included a gain of €900 million resulting from the transfer of Siemens' shares in Atos SE to Siemens Pension-Trust e.V., partly offset by an impairment loss of €154 million related to an equity investment

Outlook

We confirm our financial expectations for fiscal 2019. We assume a continued favorable market environment, particularly for our short-cycle businesses, with limited risks related to geopolitical uncertainties. For fiscal 2019, we expect moderate growth in revenue, net of currency translation and portfolio effects. We further anticipate that orders will exceed revenue for a book-to-bill ratio above 1. We expect a profit margin of 11.0% to 12.0% for our Industrial Business based on our current organizational structure, excluding severance charges. Furthermore we expect basic EPS from net income in the range of €6.30 to €7.00 also excluding severance charges. Fiscal 2018 basic EPS from net income of €7.12 benefited from €1.87 per share in portfolio gains related to our stakes in Atos SE and OSRAM Licht AG and was burdened by €0.76 from severance charges, resulting in €6.01 excluding these factors.

This outlook excludes charges related to legal and regulatory matters.

Notes and forward-looking statements

Starting today at 07:30 a.m. CEST, the press conference for Siemens AG's quarterly figures will be broadcast live at www.siemens.com/pressconference.

A recording of the press conference will subsequently be made available on this website.

Between 09:30 a.m. and approx. 03:30 p.m. CEST, the public broadcast of the Siemens Capital Market Day can be followed live at www.siemens.com/investor.

Financial publications are available for download at: www.siemens.com/ir.

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, 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 Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, should decisions, assessments or requirements of regulatory authorities deviate from our expectations, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

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

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

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Financial Results

Second Quarter and First Half of Fiscal 2019

Key figures

(in millions of €, except where otherwise stated)

| Volume

	Q2		% Change		First half		% Change	
	FY 2019	FY 2018	Actual	Comp. ¹	FY 2019	FY 2018	Actual	Comp. ¹
Orders	23,607	22,318	6%	4%	48,779	44,794	9%	8%
Revenue	20,936	20,141	4%	2%	41,052	39,964	3%	2%
Book-to-bill ratio	1.13				1.19			
Order backlog (in billions of €)	142				142			

| Profitability and Capital efficiency

	Q2		% Change		First half		% Change	
	FY 2019	FY 2018			FY 2019	FY 2018		
Industrial Business								
Adjusted EBITA	2,406	2,254		7%	4,474	4,462		0%
Adjusted EBITA margin	11.4%	11.1%			10.8%	11.1%		
Continuing operations								
EBITDA	2,970	2,478		20%	5,199	4,981		4%
Income from continuing operations	1,926	1,974		(2)%	3,044	4,173		(27)%
Basic earnings per share (in €) ²	2.25	2.34		(4)%	3.50	5.00		(30)%
Continuing and discontinued operations								
Net income	1,923	2,018		(5)%	3,041	4,229		(28)%
Basic earnings per share (in €) ²	2.24	2.39		(6)%	3.50	5.07		(31)%
Return on capital employed (ROCE)	14.8%	16.6%			12.2%	17.2%		

| Capital structure and Liquidity

	Mar 31, 2019	Sep 30, 2018
Total equity	47,114	48,046
Industrial net debt	10,843	3,382
Industrial net debt / EBITDA ³	1.1	0.4

	Q2 FY 2019	Q2 FY 2018	First half FY 2019	First half FY 2018
Free cash flow				
Continuing operations	496	799	161	1,638
Continuing and discontinued operations	487	791	149	1,662

| Employees

(in thousands)	Mar 31, 2019	Sep 30, 2018
Total	383	379
Germany	116	117
Outside Germany	267	262

¹ Throughout excluding currency translation and portfolio effects.

² Basic earnings per share – attributable to shareholders of Siemens AG. For fiscal 2019 and 2018 weighted average shares outstanding (basic) (in thousands) for the second quarter amounted to 805,496 and 816,593 and for the first half to 806,604 and 816,601 shares, respectively.

³ Accumulative EBITDA of the previous four quarters until the reporting date.

Consolidated Statements of Income

(in millions of €, per share amounts in €)	Q2		First half	
	FY 2019	FY 2018	FY 2019	FY 2018
Revenue	20,936	20,141	41,052	39,964
Cost of sales	(14,402)	(13,835)	(28,608)	(27,698)
Gross profit	6,534	6,305	12,444	12,266
Research and development expenses	(1,373)	(1,395)	(2,679)	(2,619)
Selling and general administrative expenses	(3,196)	(3,067)	(6,448)	(6,206)
Other operating income	144	31	232	199
Other operating expenses	(124)	(165)	(243)	(325)
Income (loss) from investments accounted for using the equity method, net	149	(68)	227	(26)
Interest income	393	356	781	721
Interest expenses	(258)	(266)	(549)	(544)
Other financial income (expenses), net	(19)	935	31	1,545
Income from continuing operations before income taxes	2,250	2,667	3,797	5,012
Income tax expenses	(323)	(692)	(752)	(839)
Income from continuing operations	1,926	1,974	3,044	4,173
Income (loss) from discontinued operations, net of income taxes	(3)	44	(3)	56
Net income	1,923	2,018	3,041	4,229
Attributable to:				
Non-controlling interests	115	66	219	87
Shareholders of Siemens AG	1,808	1,953	2,823	4,142
Basic earnings per share				
Income from continuing operations	2.25	2.34	3.50	5.00
Income from discontinued operations	–	0.05	–	0.07
Net income	2.24	2.39	3.50	5.07
Diluted earnings per share				
Income from continuing operations	2.22	2.30	3.46	4.92
Income from discontinued operations	–	0.05	–	0.07
Net income	2.22	2.36	3.46	4.99

Consolidated Statements of Comprehensive Income

(in millions of €)	Q2		First half	
	FY 2019	FY 2018	FY 2019	FY 2018
Net income	1,923	2,018	3,041	4,229
Remeasurements of defined benefit plans	(16)	(342)	(1,199)	(501)
<i>therein: Income tax effects</i>	159	(265)	469	(274)
Remeasurements of equity instruments	(10)	–	(7)	–
Income (loss) from investments accounted for using the equity method, net	–	–	–	2
Items that will not be reclassified to profit or loss	(25)	(343)	(1,207)	(499)
Currency translation differences	1,101	(499)	1,426	(721)
Available-for-sale financial assets	–	(1,019)	–	(1,825)
<i>therein: Income tax effects</i>	–	16	–	28
Derivative financial instruments	(122)	(40)	(151)	(15)
<i>therein: Income tax effects</i>	43	13	56	12
Income (loss) from investments accounted for using the equity method, net	9	(13)	(17)	(30)
Items that may be reclassified subsequently to profit or loss	988	(1,570)	1,258	(2,592)
Other comprehensive income, net of income taxes	963	(1,913)	51	(3,091)
Total comprehensive income	2,886	105	3,092	1,138
Attributable to:				
Non-controlling interests	159	14	278	24
Shareholders of Siemens AG	2,728	91	2,814	1,114

Consolidated Statements of Financial Position

(in millions of €)	Mar 31, 2019	Sep 30, 2018
Assets		
Cash and cash equivalents	8,885	11,066
Trade and other receivables	18,424	18,455
Other current financial assets	9,806	9,427
Contract assets	9,543	8,912
Inventories	15,634	13,885
Current income tax assets	1,120	1,010
Other current assets	1,922	1,707
Assets classified as held for disposal	58	94
Total current assets	65,391	64,556
Goodwill	29,647	28,344
Other intangible assets	10,131	10,131
Property, plant and equipment	11,766	11,381
Investments accounted for using the equity method	2,508	2,579
Other financial assets	18,672	17,774
Deferred tax assets	2,757	2,341
Other assets	2,056	1,810
Total non-current assets	77,537	74,359
Total assets	142,928	138,915
Liabilities and equity		
Short-term debt and current maturities of long-term debt	8,992	5,057
Trade payables	10,259	10,716
Other current financial liabilities	1,513	1,485
Contract liabilities	16,007	14,464
Current provisions	3,684	3,931
Current income tax liabilities	2,510	3,102
Other current liabilities	7,817	9,118
Liabilities associated with assets classified as held for disposal	1	1
Total current liabilities	50,783	47,874
Long-term debt	27,479	27,120
Provisions for pensions and similar obligations	9,426	7,684
Deferred tax liabilities	982	1,092
Provisions	4,146	4,216
Other financial liabilities	864	685
Other liabilities	2,134	2,198
Total non-current liabilities	45,031	42,995
Total liabilities	95,814	90,869
Equity		
Issued capital	2,550	2,550
Capital reserve	6,162	6,184
Retained earnings	39,446	41,014
Other components of equity	763	(352)
Treasury shares, at cost	(4,448)	(3,922)
Total equity attributable to shareholders of Siemens AG	44,472	45,474
Non-controlling interests	2,641	2,573
Total equity	47,114	48,046
Total liabilities and equity	142,928	138,915

Consolidated Statements of Cash Flows

(in millions of €)	Q2	
	FY 2019	FY 2018
Cash flows from operating activities		
Net income	1,923	2,018
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
(Income) loss from discontinued operations, net of income taxes	3	(44)
Amortization, depreciation and impairments	836	837
Income tax expenses	323	692
Interest (income) expenses, net	(135)	(90)
(Income) loss related to investing activities	(189)	(833)
Other non-cash (income) expenses	170	141
Change in operating net working capital from		
Contract assets	(193)	(467)
Inventories	(426)	(207)
Trade and other receivables	532	286
Trade payables	125	68
Contract liabilities	(219)	(116)
Additions to assets leased to others in operating leases	(150)	(154)
Change in other assets and liabilities	(1,009)	(500)
Income taxes paid	(938)	(690)
Dividends received	77	61
Interest received	364	337
Cash flows from operating activities - continuing operations	1,095	1,340
Cash flows from operating activities - discontinued operations	(9)	(8)
Cash flows from operating activities - continuing and discontinued operations	1,086	1,332
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(599)	(541)
Acquisitions of businesses, net of cash acquired	(328)	(80)
Purchase of investments and financial assets for investment purposes	(402)	(516)
Change in receivables from financing activities	(220)	(299)
Disposal of intangibles and property, plant and equipment	48	15
Disposal of businesses, net of cash disposed	4	(1)
Disposal of investments and financial assets for investment purposes	393	259
Cash flows from investing activities - continuing operations	(1,103)	(1,164)
Cash flows from investing activities - discontinued operations	-	(2)
Cash flows from investing activities - continuing and discontinued operations	(1,103)	(1,166)
Cash flows from financing activities		
Purchase of treasury shares	(391)	(551)
Re-issuance of treasury shares and other transactions with owners	(3)	3,618
Issuance of long-term debt	2,980	-
Repayment of long-term debt (including current maturities of long-term debt)	(621)	(407)
Change in short-term debt and other financing activities	(2,067)	126
Interest paid	(325)	(294)
Dividends paid to shareholders of Siemens AG	(3,060)	(3,011)
Dividends attributable to non-controlling interests	(160)	(51)
Cash flows from financing activities - continuing operations	(3,648)	(570)
Cash flows from financing activities - discontinued operations	-	-
Cash flows from financing activities - continuing and discontinued operations	(3,648)	(570)
Effect of changes in exchange rates on cash and cash equivalents	160	(11)
Change in cash and cash equivalents	(3,505)	(415)
Cash and cash equivalents at beginning of period	12,389	9,997
Cash and cash equivalents at end of period	8,885	9,581
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	-	-
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)	8,885	9,581

Consolidated Statements of Cash Flows

(in millions of €)	First half	
	FY 2019	FY 2018
Cash flows from operating activities		
Net income	3,041	4,229
Adjustments to reconcile net income to cash flows from operating activities - continuing operations		
(Income) loss from discontinued operations, net of income taxes	3	(56)
Amortization, depreciation and impairments	1,665	1,692
Income tax expenses	752	839
Interest (income) expenses, net	(232)	(177)
(Income) loss related to investing activities	(330)	(1,683)
Other non-cash (income) expenses	265	308
Change in operating net working capital from		
Contract assets	(279)	379
Inventories	(1,554)	(822)
Trade and other receivables	443	(143)
Trade payables	(648)	(737)
Contract liabilities	1,253	696
Additions to assets leased to others in operating leases	(312)	(260)
Change in other assets and liabilities	(2,213)	(1,522)
Income taxes paid	(1,442)	(849)
Dividends received	125	116
Interest received	747	673
Cash flows from operating activities - continuing operations	1,286	2,681
Cash flows from operating activities - discontinued operations	(12)	25
Cash flows from operating activities - continuing and discontinued operations	1,274	2,706
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(1,125)	(1,043)
Acquisitions of businesses, net of cash acquired	(837)	(350)
Purchase of investments and financial assets for investment purposes	(894)	(873)
Change in receivables from financing activities	(319)	(257)
Disposal of intangibles and property, plant and equipment	117	90
Disposal of businesses, net of cash disposed	(81)	194
Disposal of investments and financial assets for investment purposes	762	1,620
Cash flows from investing activities - continuing operations	(2,378)	(619)
Cash flows from investing activities - discontinued operations	1	(19)
Cash flows from investing activities - continuing and discontinued operations	(2,377)	(638)
Cash flows from financing activities		
Purchase of treasury shares	(945)	(836)
Re-issuance of treasury shares and other transactions with owners	(45)	3,618
Issuance of long-term debt	2,980	-
Repayment of long-term debt (including current maturities of long-term debt)	(624)	(414)
Change in short-term debt and other financing activities	1,095	275
Interest paid	(503)	(459)
Dividends paid to shareholders of Siemens AG	(3,060)	(3,011)
Dividends attributable to non-controlling interests	(202)	(82)
Cash flows from financing activities - continuing operations	(1,306)	(909)
Cash flows from financing activities - discontinued operations	-	-
Cash flows from financing activities - continuing and discontinued operations	(1,306)	(909)
Effect of changes in exchange rates on cash and cash equivalents	227	33
Change in cash and cash equivalents	(2,182)	1,192
Cash and cash equivalents at beginning of period	11,066	8,389
Cash and cash equivalents at end of period	8,885	9,581
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	-	-
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)	8,885	9,581

Overview of Segment figures

(in millions of €)	Orders				Revenue				Profit		Profit margin / SFS: ROE		Net capital employed / SFS: Total assets		Free cash flow	
	Q2		Actual	% Change Comp.	Q2		Actual	% Change Comp.	Q2		Q2		Mar 31, 2019	Sep 30, 2018	Q2	
	FY 2019	FY 2018			FY 2019	FY 2018			FY 2019	FY 2018	FY 2019	FY 2018			FY 2019	FY 2018
Power and Gas	3,272	3,171	3%	1%	2,815	2,933	(4)%	(6)%	156	114	5.6%	3.9%	10,854	10,087	(153)	(136)
Energy Management	3,106	2,834	10%	8%	3,027	2,958	2%	1%	273	260	9.0%	8.8%	5,140	4,535	(1)	(26)
Building Technologies	1,943	1,793	8%	5%	1,693	1,609	5%	2%	178	175	10.5%	10.9%	1,606	1,596	308	220
Mobility	3,524	2,426	45%	42%	2,116	2,112	0%	(1)%	228	253	10.8%	12.0%	2,849	2,933	147	(404)
Digital Factory	3,391	3,400	0%	(2)%	3,385	3,262	4%	2%	663	682	19.6%	20.9%	10,238	9,382	612	663
Process Industries and Drives	2,224	2,226	0%	0%	2,183	1,991	10%	9%	149	122	6.8%	6.1%	2,641	2,106	(112)	2
Siemens Healthineers	3,611	3,337	8%	5%	3,505	3,226	9%	6%	614	531	17.5%	16.5%	13,334	12,392	368	368
Siemens Gamesa Renewable Energy	2,466	3,044	(19)%	(20)%	2,389	2,241	7%	6%	146	117	6.1%	5.2%	4,541	3,823	(128)	(155)
Industrial Business	23,538	22,231	6%	4%	21,114	20,331	4%	2%	2,406	2,254	11.4%	11.1%	51,202	46,853	1,041	531
Financial Services (SFS)	234	255	–	–	234	255	–	–	239	189	30.3%	23.7%	29,142	28,281	190	174
Reconciliation to Consolidated Financial Statements	(165)	(168)	–	–	(412)	(446)	–	–	(395)	223	–	–	62,584	63,781	(736)	93
Siemens (continuing operations)	23,607	22,318	6%	4%	20,936	20,141	4%	2%	2,250	2,667	–	–	142,928	138,915	496	799

Overview of Segment figures

(in millions of €)	Orders				Revenue				Profit		Profit margin / SFS: ROE		Net capital employed / SFS: Total assets		Free cash flow	
	First half		Actual	% Change Comp.	First half		Actual	% Change Comp.	First half		First half		Mar 31, 2019	Sep 30, 2018	First half	
	FY 2019	FY 2018			FY 2019	FY 2018			FY 2019	FY 2018	FY 2019	FY 2018			FY 2019	FY 2018
Power and Gas	6,805	6,236	9%	9%	5,672	6,085	(7)%	(7)%	275	352	4.9%	5.8%	10,854	10,087	(270)	(144)
Energy Management	6,905	5,639	22%	22%	5,846	5,774	1%	1%	373	447	6.4%	7.7%	5,140	4,535	129	37
Building Technologies	3,730	3,481	7%	5%	3,285	3,164	4%	1%	314	325	9.6%	10.3%	1,606	1,596	326	231
Mobility	8,071	5,663	43%	42%	4,290	4,307	0%	(1)%	464	501	10.8%	11.6%	2,849	2,933	583	468
Digital Factory	6,779	6,925	(2)%	(3)%	6,606	6,275	5%	4%	1,308	1,289	19.8%	20.5%	10,238	9,382	938	1,128
Process Industries and Drives	4,615	4,315	7%	7%	4,228	3,891	9%	9%	345	248	8.2%	6.4%	2,641	2,106	(107)	57
Siemens Healthineers	7,151	6,693	7%	5%	6,806	6,422	6%	4%	1,148	1,072	16.9%	16.7%	13,334	12,392	454	548
Siemens Gamesa Renewable Energy	5,007	5,956	(16)%	(16)%	4,651	4,368	6%	7%	246	227	5.3%	5.2%	4,541	3,823	(498)	(206)
Industrial Business	49,063	44,908	9%	9%	41,385	40,285	3%	2%	4,474	4,462	10.8%	11.1%	51,202	46,853	1,557	2,118
Financial Services (SFS)	489	479	–	–	489	479	–	–	393	363	25.1%	22.7%	29,142	28,281	395	371
Reconciliation to Consolidated Financial Statements	(773)	(593)	–	–	(822)	(800)	–	–	(1,070)	187	–	–	62,584	63,781	(1,790)	(852)
Siemens (continuing operations)	48,779	44,794	9%	8%	41,052	39,964	3%	2%	3,797	5,012	–	–	142,928	138,915	161	1,638

EBITDA Reconciliation

(in millions of €)	Profit		Amortization of intangible assets acquired in business combinations		Financial income (expenses), net		EBIT		Amortization, depreciation and impairments		EBITDA	
	Q2		Q2		Q2		Q2		Q2		Q2	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Power and Gas	156	114	(56)	(55)	–	7	100	52	108	134	209	186
Energy Management	273	260	(5)	(4)	–	1	267	254	44	52	311	306
Building Technologies	178	175	(5)	(3)	–	–	173	172	21	19	195	191
Mobility	228	253	(16)	(19)	9	2	203	232	46	42	248	274
Digital Factory	663	682	(97)	(97)	1	–	564	585	157	148	721	733
Process Industries and Drives	149	122	(2)	(2)	1	1	146	119	44	45	190	164
Siemens Healthineers	614	531	(32)	(32)	4	2	578	497	148	124	725	622
Siemens Gamesa Renewable Energy	146	117	(66)	(75)	(9)	(4)	88	46	147	157	235	203
Industrial Business	2,406	2,254	(281)	(286)	6	10	2,119	1,957	715	721	2,834	2,678
Financial Services (SFS)	239	189	–	–	170	172	69	17	55	52	124	69
Reconciliation to Consolidated Financial Statements	(395)	223	281	287	(60)	843	(54)	(333)	66	64	11	(269)
Siemens (continuing operations)	2,250	2,667	–	–	116	1,025	2,134	1,641	836	837	2,970	2,478

EBITDA Reconciliation

(in millions of €)	Profit		Amortization of intangible assets acquired in business combinations		Financial income (expenses), net		EBIT		Amortization, depreciation and impairments		EBITDA	
	First half		First half		First half		First half		First half		First half	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Power and Gas	275	352	(112)	(114)	1	12	162	226	214	285	376	511
Energy Management	373	447	(10)	(9)	25	1	338	437	101	102	440	539
Building Technologies	314	325	(11)	(5)	(1)	1	303	319	44	37	347	356
Mobility	464	501	(33)	(34)	12	6	420	462	89	76	509	538
Digital Factory	1,308	1,289	(197)	(194)	2	6	1,109	1,089	307	295	1,416	1,384
Process Industries and Drives	345	248	(3)	(5)	47	1	295	242	85	89	380	331
Siemens Healthineers	1,148	1,072	(65)	(64)	7	2	1,075	1,005	290	241	1,365	1,246
Siemens Gamesa Renewable Energy	246	227	(133)	(158)	(18)	(14)	131	83	295	317	427	401
Industrial Business	4,474	4,462	(564)	(583)	76	14	3,834	3,864	1,426	1,442	5,260	5,306
Financial Services (SFS)	393	363	(1)	(1)	336	351	57	11	110	104	167	115
Reconciliation to Consolidated Financial Statements	(1,070)	187	564	584	(149)	1,358	(358)	(586)	129	146	(229)	(440)
Siemens (continuing operations)	3,797	5,012	-	-	264	1,723	3,533	3,289	1,665	1,692	5,199	4,981

Orders & Revenue by region

(in millions of €)	Q2		Actual	Orders	Q2		Actual	Revenue
	FY 2019	FY 2018		% Change Comp.	FY 2019	FY 2018		% Change Comp.
Europe, C.I.S., Africa, Middle East	11,554	11,706	(1)%	(1)%	10,754	10,279	5%	5%
<i>therein: Germany</i>	3,585	2,858	25%	25%	2,898	2,960	(2)%	(2)%
Americas	7,630	5,911	29%	22%	5,706	5,356	7%	1%
<i>therein: U.S.</i>	5,521	4,060	36%	27%	4,322	3,901	11%	3%
Asia, Australia	4,422	4,701	(6)%	(8)%	4,475	4,505	(1)%	(2)%
<i>therein: China</i>	2,101	1,945	8%	7%	1,904	1,863	2%	1%
Siemens (continuing operations)	23,607	22,318	6%	4%	20,936	20,141	4%	2%
<i>therein: Emerging markets</i>	7,091	7,746	(8)%	(8)%	6,507	6,682	(3)%	(3)%

(in millions of €)	First half		Actual	Orders	First half		Actual	Revenue
	FY 2019	FY 2018		% Change Comp.	FY 2019	FY 2018		% Change Comp.
Europe, C.I.S., Africa, Middle East	25,038	22,960	9%	10%	21,264	20,386	4%	5%
<i>therein: Germany</i>	6,778	5,452	24%	24%	5,907	5,369	10%	10%
Americas	14,711	12,124	21%	18%	11,088	10,771	3%	(1)%
<i>therein: U.S.</i>	10,046	8,439	19%	13%	8,416	7,634	10%	5%
Asia, Australia	9,030	9,711	(7)%	(7)%	8,700	8,806	(1)%	(2)%
<i>therein: China</i>	4,331	3,987	9%	8%	3,860	3,812	1%	1%
Siemens (continuing operations)	48,779	44,794	9%	8%	41,052	39,964	3%	2%
<i>therein: Emerging markets</i>	14,993	15,722	(5)%	(3)%	12,806	13,657	(6)%	(5)%