

Siemens annual profits up despite supply chain snags

11 November 2021

German industrial giant Siemens reported a jump in yearly net profit on Thursday despite a fourth quarter troubled by global supply chain issues that the company predicts will improve next year.

After spinning off its energy subsidiary last year, the company had experienced "a very successful start as a focused technology company", CEO Roland Busch said in a statement.

Between July and September, Siemens saw its net profits drop 29 percent to 1.3 billion euros (\$1.5 billion) from 1.9 billion euros in the same period last year, in which 800 million euros was accounted for by discontinued operations including Siemens Energy.

On a comparable basis, orders rose by 16 percent to a value of 19 billion euros in the [fourth quarter](#), while revenues rose 10 percent to 17 billion euros.

Siemens, which makes products ranging from trains to factory equipment, saw revenues and orders rise across its industrial businesses, led by its "digital industries" segment, which includes factory automation.

The branch successfully navigated "ongoing supply chain risks associated primarily with electronics components and [raw materials](#)", highlighted by Siemens as a disruption to its business.

Global supply bottlenecks have increased over several months, creating difficulties for manufacturers.

Supply challenges and the economic headwind created by the coronavirus pandemic would "ease during fiscal 2022", which will run from this October to September next year.

Over the entire [fiscal year](#), the group nonetheless saw profits rise to 6.7 billion euros this year from

4.2 billion euros in 2020.

Annual orders grew by 21 percent on a comparable basis to 71 billion euros, while revenues were up on the year by 11 percent to 62 billion euros.

The improving [economic conditions](#) in the coming year meant Siemens expected "mid-single-digit" comparable revenue growth in the coming fiscal year.

Siemens stock was up 1.51 percent on the Frankfurt Stock Exchange at 1134 GMT, while the blue-chip DAX index of German businesses was up 0.05 percent.

© 2021 AFP

APA citation: Siemens annual profits up despite supply chain snags (2021, November 11) retrieved 26 May 2022 from <https://techxplore.com/news/2021-11-siemens-annual-profits-chain-snags.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.