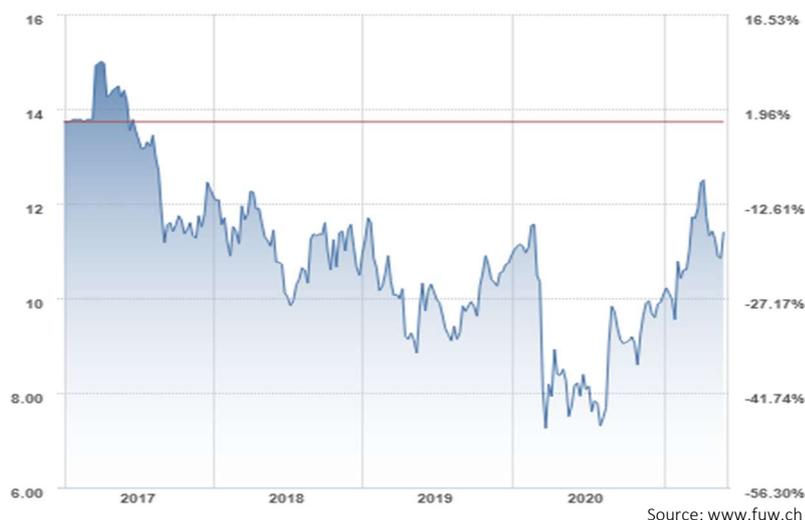


Siemens

Valor: DE007236101 Industry: Technology

BUY

SIE GR 5Y Price Target: **EUR 162** Price: **EUR 136** Upside: **19.1%**



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Stock Data in Mio.

Price	136 EUR
52-Week Range	94.8 CHF-146.0 EUR
P/E	18.6x
Price/Book	2.71x
Dividend yield	2.57%
Market cap.	108,510 EUR
Sales	57,139 EUR
EBIT	4,444 EUR
Earnings	4,030 EUR

Valuation

Anyone investing in Siemens now will pay a P/E ratio of 18.6x. On a historical average, this ratio is slightly higher than the current P/E ratio. The P/B ratio is also somewhat higher. This means that those who invest in Siemens now pay a higher price than usual. Compared to ABB or General Electric, however, Siemens is valued much lower.

	12/2017	12/2018	12/2019	12/2020
P/E	16.0x	15.5x	15.3x	21.6x
Price/Book	2.35x	2.06x	1.74x	2.52x

Growth

Siemens' growth has stagnated in recent years. However, steady growth can be seen over the longer term. In 2020, Siemens had to lower its profit forecast several times. Siemens started the year 2021 very well and even increased its profit expectations.

	12/2017	12/2018	12/2019	12/2020
Sales	83,049	83,044	86,849	57,139
Growth		0%	4.6%	-34.2%
Earnings (EBIT)	7,735	6,183	7,087	4,444
Growth		-20.1%	14.6%	-37.3%

Description

Siemens is a global leader in electronics and electrical engineering. The focus is on automation and digitalization in industry, infrastructure for buildings, energy systems, mobility solutions for rail and road transport, and medical technology. Siemens has been around for over 170 years. Siemens has taken numerous businesses, such as the Energy segment, public individually, but still holds a majority stake in them. Siemens employs nearly 300,000 people worldwide.

Outlook

If you want to invest in robotics, renewable energies or other promising technologies, Siemens is the right choice. Thanks to the diversity of its products, Siemens is very well positioned for the future. In 2021, Siemens expects a profit of around 6 billion euros. This is more than in the years before Corona. Siemens spin off its energy business in 2020 and now wants to focus more on its digital business. The current strong demand for raw materials is also causing problems for Siemens. Therefore, there may be isolated delivery delays. Even though the valuation is somewhat higher at the moment, Siemens is a high-quality stock for long-term investors.

Efficiency

Siemens has a solid return on sales. Compared to its competitors, Siemens is better. A higher return on sales is targeted for 2021. On a positive note, efficiency has increased slightly over a longer period of time and is expected to continue to do so.

	12/2017	12/2018	12/2019	12/2020
Return on sales	7.3%	7.0%	6.0%	7.1%
Sales per employee	223,250	219,113	226,760	194,350

Profitability

Siemens has a very satisfactory return on equity. Compared to ABB, however, there is still catch-up potential. The higher profit expectation will also increase the return on equity, so it should be possible to achieve the previous returns again.

	12/2017	12/2018	12/2019	12/2020
Return on equity	14.0%	12.8%	10.8%	11.1%
e.g. Swisscom	14.9%	15.6%	10.6%	32.8%*

Balance sheet quality

With cash and cash equivalents of 14 billion euros, there is sufficient cash available to make major acquisitions or to weather longer crises. The equity ratio of 30% is good and, more importantly, has increased slightly over several years.

	12/2017	12/2018	12/2019	12/2020
Equity ratio	32.2%	32.7%	32.0%	29.4%
Net. Liquidity	8,375	11,066	12,391	14,041
Debt-equity ratio	211%	205%	212%	240%

SWOT-Analysis

<p>Strengths</p> <ul style="list-style-type: none"> Strong brand with high quality products. Solid balance sheet with plenty of liquidity. Wide range of products in different sectors. 	<p>Weaknesses</p> <ul style="list-style-type: none"> Strong decline due to Corona. Dependence on third-party suppliers. Higher raw material prices impact Siemens business.
<p>Opportunities</p> <ul style="list-style-type: none"> Digitalization offers many opportunities for Siemens' business. Growth in the emerging markets is leading to higher revenues. 	<p>Threats</p> <ul style="list-style-type: none"> Risks due to regulations and new rules. Siemens operates in very competitive markets but has a strong market position.

Appointments

GA: 03.02.2022, München
 Year-end figures: 11.11.2021
 Quarterly statement: 07.05.2021

Website

<https://www.siemens.com>

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Recommendation method:

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