

Siemens sees profit rise sharply in final quarter of 2015

January 25 2016, by David Mchugh



In this Jan. 23, 2013 file photo flags of German engineering conglomerate Siemens AG fly during a annual shareholder meeting in Munich, southern Germany. The 2016 shareholder meeting is scheduled for Tuesday Jan. 26, 2016 in Munich , southern Germany. (AP Photo/Matthias Schrader, File)

Siemens AG, maker of trains, power turbines and medical machines, says net profit rose 42 percent in the company's most recent quarter compared with a year earlier.

For the quarter, Siemens incoming orders rose sharply, and the company

raised its [profit](#) estimate for all of 2016, saying it expected "moderate revenue growth" despite a slowing global economy and global trouble spots.

CEO Joe Kaeser said in a statement that the Munich-based company "delivered a strong quarter" and was making progress on its Vision 2020 effort to streamline the enormous company, focus resources on faster-growing business areas and improve profitability.

"Therefore, we will raise our earnings outlook for 2016, even though the macroeconomic and geopolitical developments remain a concern for our markets," he said in a statement.

"We continue to focus on addressing our structural challenges in the company and invest into further developing our markets and strengthening our innovation power."

The Munich-based company also said it had struck a deal to buy U.S. simulation software maker CD-adapco for \$970 million as part of its effort to grow the digital side of its engineering business.

CD-adapco, based in Melville, New York, has some 900 employees, revenue of close to \$200 million, and double-digit profit margins. Siemens said its software speeds industrial product development and is used by 14 of the 15 biggest automakers and the top 10 firms in the aerospace industry.

Siemens profit jumped to 1.56 billion euros (\$1.71 billion) in the October to December quarter, the first in the company's fiscal year, from 1.10 billion euros in 2014. That was partly because the earlier figure was reduced by accounting for financial derivatives.

The profit figure beat the estimate of 1.05 billion euros compiled by

financial information provider FactSet.

Orders for new projects and goods jumped by 27 percent to 22.8 billion euros, boosted by a weaker euro that magnifies the value of orders in other currencies.

Still, orders grew 19 percent even without the currency effect.

The company said Monday it was raising its profit estimate for 2016 from 5.90-6.20 euros per share to 6.00-6.40 euros per share.

Siemens' many products include trains, [power turbines](#), oil industry equipment, factory automation, and medical imaging machines. The [company](#) has 348,000 employees worldwide.

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