



SIEMENS (PAKISTAN) ENGINEERING CO. LTD.

DIRECTORS' REPORT THREE MONTHS PERIOD ENDED DECEMBER 31st, 2021 ON THE UN-AUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

Chairman of the Board	Manuel Kuehn
Executive Director	Markus Strohmeier
Non-Executive Directors	Oliver Spierling Harald Griem Adnan Afridi
Independent & Non-Executive Director	Qazi Sajid Ali
Female Director	Ayla Majid
Members of the Audit Committee	Ayla Majid (Chairwoman) Adnan Afridi Manuel Kuehn Harald Griem
Members of the Human Resource & Remuneration Committee	Qazi Sajid Ali (Chairman) Oliver Spierling Markus Strohmeier
Nomination Committee	Oliver Spierling (Chairman) Markus Strohmeier
Managing Director	Markus Strohmeier
Chief Financial Officer	Umer Jalil Anwer
Company Secretary	M. Usman Ansari
Registered Office	B-72 Estate Avenue, S.I.T.E., Karachi-75700,
Trading Symbol	SIEM
Auditors	EY Ford Rhodes
Registrar and Share Transfer	THK Associates (Pvt.) Limited

Siemens (Pakistan) Engg. Co. Ltd.
Corporate Secretariat
Head: Muhammad Usman Ansari

Postal address
Siemens(Pakistan) Engg. Co. Ltd.
B-72 Estate Avenue,
S.I.T.E., Karachi
Karachi - 75700

Office address
Siemens(Pakistan) Engg. Co. Ltd.
B-72 Estate Avenue,
S.I.T.E., Karachi.
Tel 92(21) 32574910-9

SIEMENS

Dear Shareholders,

We, the undersigned, for and on behalf of the Board of Directors are pleased to present your company, Siemens (Pakistan) Engineering Co. Ltd. ("Company"), unaudited condensed interim financial statements and a review of the Company's performance for quarter ended December 31, 2021.

Company's Performance: Key Performance Indicators ("KPIs") for the three months period ended December 31, 2021, compared to corresponding period last year are summarized below:

KPIs	Rs in million	
	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
New Orders	4,801	5,685
Net sales and services	4,173	3,544
Profit / (Loss) before income tax	583	(48)
Net profit / (loss) after income tax	317	(189)
Earnings / (Loss) per share (Rupees)	38.40	(22.93)

The year ended September 30, 2021 had closed with very healthy results for the company and with record new orders intake. This quarter built on the backlog of the orders won which can be seen in the 17.74% higher net sales revenue recorded than the last year for Q1. The company closed the quarter with good profits and earnings per share despite increase in fuel, steel and copper prices as well as high transport costs due to the increased burden on the global logistics network. In the same period last year, the company had recorded a net loss.

Future Outlook: During the quarter there was high economic uncertainty due to the multiple monetary policy reviews and delays in the revival of the IMF programme, which resulted in high volatility of the currency. This created many challenges for businesses and industries in the country. Nevertheless, adoption of the mini-budget despite severe resistance from the opposition political parties has eased some of the pressure as Pakistan moves toward the final stage of negotiation with IMF. The ever-present Covid-19 risk, however, has increased with few restrictions re-imposed in selected cities. The government continues to assure the business community and the population at large that mass lockdowns will not be re-imposed. The Company is hopeful that if the uncertainty surrounding the IMF package is resolved, there may be an increase in opportunities created during the current year. The Company will continue to closely monitor the political situation, security risk due to the changing political environment in Afghanistan, and the economic situation. The management will continue its efforts to benefit from available opportunities, while safeguarding the interests of the Company to the extent possible.

Acknowledgement: The Board is grateful for the dedication of the Company's employees and Management. We also appreciate the continued support and commitment of our stakeholders. Additionally, we greatly value the cooperation received from our customers, suppliers, business partners, financial institutions and regulators for the trust and confidence placed in the Company.

The enclosed condensed interim financial statements are unaudited.

On behalf of the Board of Directors



Markus Strohmeier
Managing Director



Qazi Sajid Ali
Director

Karachi, January 27, 2022

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Financial Position
As at December 31, 2021

		December 31, 2021 (Unaudited)	September 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
Equity and liabilities			
Share capital and reserves			
Share capital			
- Authorised			
20,000,000 (September 30, 2021: 20,000,000)			
Ordinary shares of Rs 10 each		200,000	200,000
- Issued, subscribed and paid-up			
8,247,037 (September 30, 2021: 8,247,037)			
Ordinary shares of Rs 10 each		82,470	82,470
Reserves			
Capital		624,192	624,192
Revenue		5,416,302	5,099,635
		6,040,494	5,723,827
Total equity		6,122,964	5,806,297
Non-current liabilities			
Long-term financing	6	-	31,441
Lease liabilities	7	79,390	80,324
Deferred liabilities	8	527,294	527,637
Retention money		5,377	3,035
		612,061	642,437
Current liabilities			
Trade and other payables	9	6,726,755	6,613,861
Contract liabilities	10	3,249,174	3,666,606
Current portion of non-current liabilities	11	169,289	170,958
Provisions	13	540,378	541,728
Taxation - net	14	333,453	329,418
Unclaimed dividend		32,878	33,380
		11,051,927	11,355,951
Total liabilities		11,663,988	11,998,388
Contingencies and commitments	15		
Total equity and liabilities		17,786,952	17,804,685
Assets			
Non-current assets			
Property, plant and equipment	16	292,262	300,355
Right-of-use assets	17	92,053	99,958
Long-term loans and trade receivables		297,570	396,636
Long-term prepayments		2,489	3,042
Deferred tax asset	18	413,419	579,912
		1,097,793	1,379,903
Current assets			
Inventories	19	1,791,842	1,352,302
Trade receivables	20	9,716,247	10,358,678
Contract assets	21	2,223,637	1,553,222
Loans and advances		134,507	129,788
Deposits and short-term prepayments		120,797	104,241
Other receivables	22	608,374	524,240
Cash and bank balances	23	2,093,755	2,402,311
		16,689,159	16,424,782
Total assets		17,786,952	17,804,685

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.


Markus-Erich Strohmeier
Managing Director


Umar Jalil Anwer
Chief Financial Officer

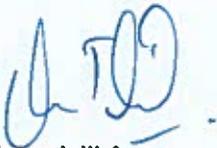

Gazi Sajid Ali
Director

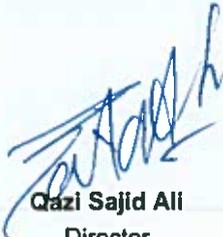
Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Profit or Loss (Unaudited)
For the three months period ended December 31, 2021

	Note	Three months period ended	
		December 31, 2021	December 31, 2020
		----- (Rupees in '000) -----	
Net sales and services	24	4,173,302	3,544,490
Cost of sales and services		<u>(3,177,989)</u>	<u>(3,323,153)</u>
Gross profit		995,313	221,337
Marketing and selling expenses		<u>(248,151)</u>	<u>(211,306)</u>
(Allowance for) / reversal of expected credit losses		<u>(27,406)</u>	<u>18,646</u>
General administrative expenses		<u>(100,616)</u>	<u>(83,984)</u>
		<u>(376,173)</u>	<u>(276,644)</u>
		619,140	(55,307)
Other income	25	<u>199</u>	<u>8,542</u>
Other operating expenses	26	<u>(46,307)</u>	<u>(1,040)</u>
Net other (operating expenses) / income		<u>(46,108)</u>	<u>7,502</u>
Operating profit / (loss)		<u>573,032</u>	<u>(47,805)</u>
Financial income		<u>17,298</u>	<u>8,740</u>
Financial expenses		<u>(7,706)</u>	<u>(9,328)</u>
Net finance income / (expenses)		<u>9,592</u>	<u>(588)</u>
Profit / (loss) before income tax		<u>582,624</u>	<u>(48,393)</u>
Income tax	27	<u>(265,957)</u>	<u>(140,707)</u>
Net profit / (loss) for the period		<u>316,667</u>	<u>(189,100)</u>
Basic and diluted earnings / (loss) per share (Rupees)		<u>38.40</u>	<u>(22.93)</u>

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.


Markus-Erich Strohmeier
 Managing Director


Umer Jalil Anwer
 Chief Financial Officer


Qazi Sajid Ali
 Director

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Comprehensive Income (Unaudited)
For the three months period ended December 31, 2021

	<u>Three months period ended</u>	
	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
	<u>----- (Rupees in '000) -----</u>	
Net profit / (loss) for the period	316,667	(189,100)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	<u>316,667</u>	<u>(189,100)</u>

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.


Markus-Erich Strohmeier
Managing Director


Umer Jalil Anwer
Chief Financial Officer


Qazi Sajid Ali
Director

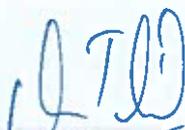
Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Cash Flows (Unaudited)
For the three months period ended December 31, 2021

	Note	Three months period ended	
		December 31, 2021	December 31, 2020
		----- (Rupees in '000) -----	
Cash flows from operating activities			
Cash (used in) / generated from operations	28	(150,989)	1,089,491
Financial expenses paid		(330)	(19,773)
Income tax (paid) / refund		(95,429)	93,569
Payment to Workers' Profit Participation Fund (WPPF)		(15,580)	-
Net cash (used in) / generated from operating activities		(262,328)	1,163,287
Cash flows from investing activities			
Capital expenditure		(24,511)	(17,575)
Proceeds from sale of property, plant and equipment		187	631
Financial income received		16,551	6,801
Net cash used in investing activities		(7,773)	(10,143)
Cash flows from financing activities			
Dividends paid		(502)	-
Repayment of long-term financing		(35,238)	-
Repayment of lease liabilities		(2,715)	(2,468)
Net cash used in financing activities		(38,455)	(2,468)
Net (decrease) / increase in cash and cash equivalents		(308,556)	1,150,676
Cash and cash equivalents at beginning of the period		2,402,311	436,168
Cash and cash equivalents at end of the period	29	2,093,755	1,586,844

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.



Markus-Erich Strohmeier
 Managing Director



Umer Jalil Anwer
 Chief Financial Officer



Qazi Sajid Ali
 Director

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Changes in Equity
For the three months period ended December 31, 2021

	Issued, subscribed and paid-up share capital	Capital reserves			General reserves	Revenue reserves		Total
		Share premium	Treasury shares reserve	Other capital reserve		Remeasurement loss on defined benefit plan - net of tax	Accumulated profit / (loss)	
	(Rupees in '000)							
Balance as at September 30, 2020 - Audited	82,470	619,325	567	4,300	4,523,026	(350,000)	88,969	4,968,657
Net loss for the three months period ended December 31, 2020	-	-	-	-	-	-	(189,100)	(189,100)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(189,100)	(189,100)
Balance as at December 31, 2020 - Unaudited	82,470	619,325	567	4,300	4,523,026	(350,000)	(100,131)	4,779,557
Balance as at September 30, 2021 - Audited	82,470	619,325	567	4,300	4,523,026	(279,895)	856,504	5,806,297
Net profit for the three months period ended December 31, 2021	-	-	-	-	-	-	316,667	316,667
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	316,667	316,667
Balance as at December 31, 2021 - Unaudited	82,470	619,325	567	4,300	4,523,026	(279,895)	1,173,171	6,122,964

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.


Markus-Erich Strohmeier
 Managing Director


Umer Jalil Anwer
 Chief Financial Officer


Qazi Sajid Ali
 Director