

Siemens Healthineers with strong revenue and profit growth

- **Revenue rises 5.8 percent in fiscal year 2019 on a comparable basis, driven by Imaging and Advanced Therapies**
- **Adjusted profit up 9 percent year on year; adjusted profit margin of 17.3 percent despite lower profitability at Diagnostics**
- **Dividend increase of 14 percent to EUR 0.80 per share planned**
- **Start of second phase of “Siemens Healthineers Strategy 2025” launched – further revenue and earnings growth expected in coming years**

“Thanks to a strong year-end finish, we clearly exceeded our growth outlook in fiscal year 2019. Adjusted profit also rose significantly, even though the adjusted profit margin was slightly below our expectations due to a weaker performance at Diagnostics. We are tackling the challenges at Diagnostics vigorously while we continue to expand the strong positions of Imaging and Advanced Therapies. As part of the implementation of our 2025 strategy, we are now entering the next, so-called Upgrading phase in order to achieve the next level of profitable growth in the coming years,” said Bernd Montag, CEO of Siemens Healthineers AG.

Siemens Healthineers AG recorded strong growth in the past fiscal year 2019 that ended in September, mainly due to strong momentum in the Imaging and Advanced Therapies segments. On a comparable basis, meaning excluding currency translation and portfolio effects, revenue rose 5.8 percent from the previous year and reached EUR 14.5 billion. All three regions contributed to this development, with particularly strong growth coming from Asia, Australia. Reported growth was around eight percent. Adjusted profit¹ rose nine

¹ Income before income taxes, financing interest, centrally carried pension service and administration expenses (only excluded from segment profit) and amortization of intangible assets acquired in business combinations. Adjusted for severance charges, in fiscal year 2018 additionally for IPO costs.

percent year on year to EUR 2.5 billion, despite low profitability in the Diagnostics segment as a result of ramp-up costs for the Atellica Solution laboratory diagnostics system and negative currency effects. This translates into an adjusted profit margin of 17.3 percent, compared to 17.2 percent in fiscal year 2018. Net income rose 24 percent to almost EUR 1.6 billion, helped by lower financing interest expenses, among other things. Basic earnings per share² also increased 24 percent. Against this backdrop, it is planned to propose a dividend increase of 14 percent to EUR 0.80 per share for fiscal year 2019 at the annual general meeting. The beginning of fiscal year 2020 also marks the start of the second phase of the “Siemens Healthineers Strategy 2025”, during which the company is anticipating further growth in revenue and adjusted earnings.

Siemens Healthineers in the fourth quarter

In the traditionally strong fourth quarter, the company’s revenue rose to around EUR 4.1 billion. On a comparable basis, this corresponds to an outstanding growth rate of 8.5 percent from the year-earlier period, driven by double-digit growth in the Imaging and Advanced Therapies segments and, from a regional perspective, in particular by the Americas and Asia, Australia regions. Adjusted profit rose 17 percent to EUR 791 million, also helped by positive currency effects, translating into an adjusted profit margin of 19.1 percent, compared with 18.2 percent in the previous year. Net income increased 36 percent year on year to EUR 507 million. Basic earnings per share also increased 36 percent to EUR 0.50.

Siemens Healthineers reporting segments in the fourth quarter

Revenue of the Imaging segment rose ten percent in the fourth quarter on a comparable basis from a year earlier and reached almost EUR 2.6 billion, with significant growth in the Americas and Asia, Australia regions. From a business perspective, Magnetic Resonance as well as Molecular Imaging recorded particularly strong growth. At 21.9 percent, the segment’s adjusted profit margin was above the already good level of the prior year and benefited from minor currency effects and cost savings.

² Basic earnings per share is calculated by dividing net income attributable to the shareholders of Siemens Healthineers AG by the weighted average number of outstanding shares of Siemens Healthineers AG.

The Diagnostics segment recorded revenue of around EUR 1.1 billion in the fourth quarter, which corresponds to an increase of two percent on a comparable basis. Growth was driven by the Asia, Australia region, primarily in China. The segment's profit margin reached 9.9 percent and was again negatively impacted year on year by increased ramp-up costs for Atellica Solution and currency effects. More than 1,820 Atellica Solution systems were shipped during fiscal year 2019.

Advanced Therapies generated revenue of EUR 481 million in the fourth quarter, corresponding to growth of 14 percent on a comparable basis. This performance was driven by all regions. Helped by positive currency effects and cost savings, the adjusted profit margin reached 22.7 percent, surpassing the already very good level of the prior year.

Start of the second phase of "Siemens Healthineers Strategy 2025"

Fiscal year 2020 also marks the beginning of the second phase of the "Siemens Healthineers Strategy 2025". For this so-called Upgrading phase, the company has defined clear priorities for its three segments. In the Imaging segment, the focus is on continuously innovating the core business, the expansion of diagnostic offerings and taking a leading role in clinical decision-making enabled by Artificial Intelligence. In the Diagnostics segment, the main task is to exploit the opportunities offered by the market trend towards automated workflows in laboratory diagnostics and to bring the segment up to market-growth level in the mid term. The Advanced Therapies segment is set to further improve precision in minimal invasive procedures and to expand in highly growing procedures.

At the same time, Siemens Healthineers has also defined three cross-segment priorities for the Upgrading phase: Market share gains in geographic growth markets, market share gains with leading healthcare providers and driving forward the company's digital transformation.

Outlook on further business performance

Starting in fiscal year 2020, Siemens Healthineers will refer to adjusted basic earnings per share as the key earnings indicator in its outlook. The figure will be adjusted for amortization of intangible assets acquired in business combinations, severance charges, and acquisition-related transaction costs net of tax.

For fiscal year 2020, the company expects comparable revenue growth in the range of five to six percent compared to fiscal year 2019. Furthermore, adjusted basic earnings per share are expected to be six to twelve percent above the level of fiscal year 2019, when the figure was EUR 1.70. The outlook is based on current foreign exchange rate assumptions and on the current portfolio (including signed or closed M&A-transactions).

For fiscal years 2021 and 2022, the company expects comparable revenue growth of more than five percent for each year. Adjusted basic earnings per share are expected to increase by around ten percent in fiscal year 2021 and also by this amount in fiscal year 2022. The outlook is based on current foreign exchange rate assumptions and on the current portfolio.

For further information, please visit:

www.siemens-healthineers.com/fy2019-results

Contact for journalists

Stefan Schmidt

Phone: +49 152 02307361; E-mail: stefansschmidt@siemens-healthineers.com

Philipp Grontzki

Phone: +49 152 03350194; E-Mail: philipp.grontzki@siemens-healthineers.com

Siemens Healthineers performance in fiscal year 2019

	Fiscal year 2019	Fiscal year 2018	Actual change
Revenue	14,518	13,429	8%
Profit	2,450	2,110	16%
...margin	16.9%	15.7%	120 bps
Adjusted profit	2,507	2,309	9%
...margin	17.3%	17.2%	10 bps
Net income	1,586	1,284	24%
Basic earnings per share in EUR	1.57	1.26	24%
Free cash flow	1,037	1,065	(3)%

(Figures in millions of euros, margins in percent. Negative values in parentheses.)

Siemens Healthineers in the fourth quarter of fiscal year 2019

	Q4 2019	Q4 2018	Actual change
Revenue	4,142	3,704	12%
Profit	773	627	23%
...margin	18.7%	16.9%	170 bps
Adjusted profit	791	674	17%
...margin	19.1%	18.2%	90 bps
Net income	507	374	36%
Basic earnings per share in EUR	0.50	0.37	36%
Free cash flow	631	614	3%

(Figures in millions of euros, margins in percent. Negative values in parentheses.)

Siemens Healthineers segment performance in fiscal year 2019

	Fiscal year 2019	Fiscal year 2018	Actual change
Imaging			
...Total revenue	8,938	8,153	10%
...Profit	1,803	1,533	18%
...Profit margin	20.2%	18.8%	140 bps
...Adjusted profit margin	20.6%	19.4%	110 bps
Diagnostics			
...Total revenue	4,133	3,962	4%
...Profit	376	455	(17)%
...Profit margin	9.1%	11.5%	(240) bps
Adjusted profit margin	9.3%	12.1%	(280) bps
Advanced Therapies			
...Total revenue	1,606	1,479	9%
...Profit	315	275	14%
...Profit margin	19.6%	18.6%	100 bps
...Adjusted profit margin	20.0%	19.6%	40 bps

(Figures in millions of euros, margins in percent. Negative values in parentheses.)

Siemens Healthineers segment performance in the fourth quarter of fiscal year 2019

	Q4 2019	Q4 2018	Actual change
Imaging			
...Total revenue	2,595	2,287	13%
...Profit	559	458	22%
...Profit margin	21.5%	20.0%	150 bps
...Adjusted profit margin	21.9%	21.2%	60 bps
Diagnostics			
...Total revenue	1,108	1,056	5%
...Profit	106	126	(16)%
...Profit margin	9.5%	11.9%	(240) bps
Adjusted profit margin	9.9%	12.9%	(300) bps
Advanced Therapies			
...Total revenue	481	407	18%
...Profit	107	86	25%
...Profit margin	22.3%	21.1%	120 bps
...Adjusted profit margin	22.7%	22.3%	40 bps

(Figures in millions of euros, margins in percent. Negative values in parentheses.)

Siemens Healthineers AG (listed in Frankfurt, Germany, DE:SHL) is shaping the future of Healthcare. As a leading medical technology company headquartered in Erlangen, Germany, Siemens Healthineers enables healthcare providers worldwide through its regional companies to increase value by empowering them on their journey towards expanding precision medicine, transforming care delivery, improving the patient experience, and digitalizing healthcare. Siemens Healthineers is continuously developing its product and service portfolio, with AI-supported applications and digital offerings that play an increasingly important role in the next generation of medical technology. These new applications will enhance the company's foundation in in-vitro diagnostic, image-guided therapy, and in-vivo diagnostics. Siemens Healthineers also provides a range of services and solutions to enhance healthcare providers ability to provide high-quality, efficient care to patients. In fiscal 2019, which ended on September 30, 2019, Siemens Healthineers, which has approximately 52,000 employees worldwide, generated revenue of €14.5 billion and adjusted profit of €2.5 billion. Further information is available at www.siemens-healthineers.com.

This document contains statements related to our future business and financial performance and future events or developments involving Siemens Healthineers that may constitute forward-looking statements. These statements may be identified by words such as “expect”, “forecast”, “anticipate”, “intend”, “plan”, “believe”, “seek”, “estimate”, “will”, “target” 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 Healthineers' management, of which many are beyond Siemens Healthineers' control. As they relate to future events or developments, these statements are subject to a number of risks, uncertainties and factors, including, but not limited to those described in the respective disclosures. Should one or more of these risks, uncertainties or factors materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens Healthineers may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. All forward-looking statements only speak as of the date when they were made and Siemens Healthineers neither intends, nor assumes any obligation, unless required by law, 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 may have limitations as analytical tools and should not be viewed in isolation or as alternatives to measures of Siemens Healthineers' net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its half-year consolidated financial statements and consolidated financial statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently, which may therefore not be comparable.

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 to which they refer. The information contained in this document is provided as of the date of its publication and is subject to change without notice.