

Siemens Healthineers posts strong revenue and profit growth in the second quarter

- **Second-quarter revenue rises 5.8 percent on a comparable basis**
- **Adjusted profit up 12 percent; adjusted profit margin at 17.9 percent**
- **Outlook for fiscal year 2019 confirmed**

"The positive volume and profit development in the last quarter underscores the important progress we have made in achieving our full-year targets. The numbers once again underline the competitive strength of the entire Siemens Healthineers team. The Imaging and Advanced Therapies businesses in particular have again demonstrated their leading global positions. The measures taken to ensure a successful market launch of our laboratory diagnostics platform Atellica Solution have shown an early impact in the second quarter", said Bernd Montag, CEO of Siemens Healthineers AG.

As expected Siemens Healthineers AG's growth clearly accelerated in the second quarter of the current fiscal year 2019 that started in October. On a comparable basis, meaning excluding currency translation and portfolio effects, revenue rose 5.8 percent from the previous year and reached EUR 3.5 billion. Growth was particularly driven by the Imaging and Advanced Therapies segments, with EMEA and China recording significant growth from a regional perspective. On a reported basis, revenue was up about nine percent. Thanks to a significant increase in profitability in Imaging and Advanced Therapies, adjusted profit¹ rose 12 percent year on year to EUR 627 million. This translates into an adjusted profit margin of 17.9 percent in the second quarter, compared to 17.4 percent a year earlier and despite negative currency effects of 70 basis points. Net income rose 24 percent to

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

EUR 381 million despite a higher tax rate. The increase was supported by the absence of costs for the IPO in the previous year. Basic earnings per share increased accordingly². Based on the business performance in the first six months of the year, the company confirms its outlook for fiscal year 2019.

Siemens Healthineers reporting segments in second quarter

Revenue of the Imaging segment rose to EUR 2.1 billion in the second quarter, corresponding to an increase of about seven percent from a year earlier on a comparable basis. This performance was supported by all reporting regions, with significant growth in EMEA and strong growth in the Americas region. Looking at individual businesses, particularly Molecular Imaging, Computed Tomography and X-Ray Products showed a strong development. The Imaging segment's adjusted profit margin rose to 21.0 percent, mainly due to higher revenue and cost savings. Profitability thus remained within the midterm target range of 20 to 22 percent.

In the Diagnostics segment, second-quarter revenue was up about two percent on a comparable basis, supported by growth in the Asia, Australia and EMEA reporting regions, and reached just over EUR 1 billion. The segment's adjusted profit margin reached 11.8 percent and, as in the first quarter, was negatively impacted by currency effects and ramp-up costs for Atellica Solution³. More than 410 Atellica Solution analyzers were shipped in the three months ending March 31, with the cumulated number for the first six months totaling over 780 shipments. In the meantime, Atellica Solution has also received approval in China.

The Advanced Therapies segment recorded revenue of EUR 391 million in the second quarter. On a comparable basis, this corresponds to an increase of around nine percent compared with the prior-year quarter. All reporting regions contributed to this performance, with the Asia, Australia and EMEA regions recording significant growth. At 19.6 percent, the adjusted profit margin was well above the prior-year figure, mainly due to higher revenue and cost savings.

² Basic earnings per share are 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.

³ Product availability varies by country.

Outlook for fiscal year 2019

The company confirms the outlook for fiscal year 2019 and continues to expect comparable revenue growth to be in the range of four to five percent compared to fiscal year 2018 and an adjusted profit margin in the range of 17.5 to 18.5 percent. Earnings per share are expected to be 20 to 30 percent above the level of fiscal year 2018. The outlook assumes that current foreign exchange rates persist for all of the remaining fiscal year 2019.

For further information, please visit:

<http://siemens-healthineers.com/q2-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 in the second quarter of fiscal year 2019

	Q2 2019	Q2 2018	Actual change
Revenue	3,505	3,226	9%
Profit	616	457	35%
...margin	17.6%	14.2%	340 bps
Adjusted profit	627	560	12%
...margin	17.9%	17.4%	50 bps
Net income	381	308	24%
Basic earnings per share in EUR	0.38	0.30	24%
Free cash flow	204	174	17%

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

Siemens Healthineers segment performance in the second quarter

	Q2 2019	Q2 2018	Actual change
Imaging			
...Total revenue	2,137	1,946	10%
...Profit	441	371	19%
...Profit margin	20.7%	19.1%	160 bps
...Adjusted profit margin	21.0%	19.3%	170 bps
Diagnostics			
...Total revenue	1,018	970	5%
...Profit	119	125	(5%)
...Profit margin	11.7%	12.9%	(120 bps)
Adjusted profit margin	11.8%	13.6%	(180 bps)
Advanced Therapies			
...Total revenue	391	352	11%
...Profit	75	55	35%
...Profit margin	19.1%	15.7%	340 bps
...Adjusted profit margin	19.6%	16.0%	360 bps

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

Siemens Healthineers enables healthcare providers worldwide to increase value by empowering them on their journey towards expanding precision medicine, transforming care delivery, improving patient experience and digitalizing healthcare. A leader in medical technology, Siemens Healthineers is constantly innovating its portfolio of products and services in its core areas of diagnostic and therapeutic imaging and in laboratory diagnostics and molecular medicine. Siemens Healthineers is also actively developing its digital health services and enterprise services.

In fiscal 2018, which ended on September 30, 2018, Siemens Healthineers generated revenue of €13.4 billion and adjusted profit of €2.3 billion and has about 50,000 employees worldwide.

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.