

# Press

Joint Press Release

by **Siemens and Siemens Healthineers**

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## Siemens plans IPO of Siemens Healthineers AG in the first half of calendar year 2018

- **Siemens plans an initial public offering (IPO) of existing shares in Siemens Healthineers**
- **Offering expected to be completed in the first half of calendar year 2018, subject to capital market conditions**
- **Free float of a meaningful minority share targeted**
- **Listing on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange envisaged**

Siemens AG (“Siemens”) and Siemens Healthineers hereby announce that the planned IPO of Siemens Healthineers AG (“Siemens Healthineers”) is expected to be completed in the first half of calendar year 2018, subject to capital market conditions. The IPO will consist of a secondary offering of shares from the existing holdings of Siemens. The target free float of a meaningful minority share is expected to create a liquid market for the Siemens Healthineers shares. Siemens will retain a majority stake in Siemens Healthineers in the long term. The public listing is planned on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange.

“Siemens Healthineers is now ready for its market debut”, said Michael Sen, Chairman of the Supervisory Board of Siemens Healthineers and member of the Siemens Managing Board. “Siemens Healthineers is a premium asset and we have

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worked hard to now list such an exciting franchise. We expect the business to capitalize on its strengths even more effectively after the listing.”

Siemens Healthineers operates in an attractive market with tremendous change and opportunity. Its strong position at the core of clinical decision making provides Siemens Healthineers with an excellent basis to benefit from this change. While Siemens Healthineers will remain core to Siemens, the IPO will increase its entrepreneurial flexibility and lay the foundation for future growth.

### **Global powerhouse in healthcare**

With revenue of €13.8 billion in fiscal year 2017, balanced across geographies and resilient due to more than 55 percent being recurring, and an adjusted Profit of €2.5 billion (equaling an adjusted Profit margin of approximately 18 percent)<sup>1</sup>, Siemens Healthineers is a global powerhouse in healthcare.

“We are in a powerful place to shape the future of healthcare. Becoming a listed company will give us the increased freedom that we need to continue expanding our global leadership. With our Strategy 2025 we are ideally positioned to take advantage of the paradigm shifts in our industry and achieve even more growth,” said Bernd Montag, CEO of Siemens Healthineers.

Through the breadth and depth of its portfolio, Siemens Healthineers enjoys a unique relevance within its sector. As a proven innovator, the company is at the forefront of the healthcare market’s digital transformation.

Siemens Healthineers’ market-leading Imaging business is well positioned for continuous growth and value creation. The company’s largest revenue contributor drives innovation based on its strong financial performance. In Diagnostics, Siemens Healthineers recently launched Atellica Solution, which the company expects to become one of its key drivers of revenue and profit growth in the segment. And the market launch of the laboratory diagnostics system is gaining steam: the first 100 systems were delivered as planned and customer feedback has been even more excellent than expected. Furthermore, Siemens Healthineers is a global market leader in Advanced Therapies, well positioned to benefit from the long-term growth opportunities in this segment.

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<sup>1</sup> Adj. for severance

### **On track for growth and margin expansion**

Siemens Healthineers' core markets are estimated at more than €50 billion per year and expected to grow from 2016 to 2021 by three to five percent on average annually, benefitting from megatrends such as a growing and aging population, the rise of chronic diseases, improved access to healthcare in emerging markets as well as technology-driven transformation. As an independent company, Siemens Healthineers will benefit from increased agility and a strong capital structure, putting the company in an excellent position to capture its markets' medium- and long-term opportunities. Siemens Healthineers will benefit from a fully stand-alone set-up.

With its Strategy 2025 Siemens Healthineers plans to accelerate top-line growth combined with structural and continuous margin expansion. Reflecting its stable business model, Siemens Healthineers targets a dividend payout ratio of 50 to 60 percent of net income. At the same time, a 1.5x leverage (ratio of net debt including pensions to EBITDA) post-IPO will provide financial flexibility to capture opportunities. Siemens Healthineers will continue to be fully consolidated in Siemens' accounts.

Deutsche Bank, Goldman Sachs International and J.P. Morgan are acting as the Joint Global Coordinators in the planned transaction. Together with BNP PARIBAS, BofA Merrill Lynch, Citigroup and UBS Investment Bank, they are acting as the Joint Bookrunners. Berenberg, COMMERZBANK, HSBC, Jefferies, Nordea, RBC and UniCredit have been appointed as Co-Lead Managers.

This press release is available at <https://www.healthcare.siemens.com/press-room/press-releases/pr-2018020166coen.html>

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**Siemens AG** (Berlin and Munich) is a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for 170 years. The company is active around the globe, focusing on the areas of electrification, automation and digitalization. One of the world's largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of efficient power generation and power transmission solutions and a pioneer in infrastructure solutions as well as automation, drive and software solutions for industry. The company is also a leading provider of medical imaging equipment – such as computed tomography and magnetic resonance imaging systems – and a leader in laboratory diagnostics as well as clinical IT. In fiscal 2017, which ended on September 30, 2017, Siemens generated revenue of €83.0 billion and net income of €6.2 billion. At the end of September 2017, the company had around 377,000 employees worldwide. Further information is available on the Internet at [www.siemens.com](http://www.siemens.com).

**Siemens Healthineers** is the separately managed healthcare business of Siemens AG enabling healthcare providers worldwide to achieve better outcomes at lower costs 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 2017, which ended on September 30, 2017, Siemens Healthineers generated revenue of €13.8 billion and profit of €2.5 billion and has about 48,000 employees worldwide. Further information is available at [www.siemens.com/healthineers](http://www.siemens.com/healthineers).

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