Press

Joint Press Release

by Siemens and Siemens Healthineers

Erlangen / Munich, February 19, 2018

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
Joint Press Release  
by Siemens and Siemens Healthineers

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)\(^1\), 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.

\(^1\) 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.


Contact for journalists

Siemens
Robin Zimmermann, phone: +49-89-636-22804
Email: r.zimmermann@siemens.com

Richard Speich, phone: +49-89-636-30017
Email: richard.speich@siemens.com
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.

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.

These materials are not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, Canada or Japan. These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States, Australia, Canada or Japan. The shares mentioned herein have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “Securities Act). The shares may not be offered or sold in the United States, except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of the shares in the United States.

This communication is only being distributed to and is only directed at (i) persons who are outside the European Economic Area or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). The Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.
Joint Press Release  
by Siemens and Siemens Healthineers

This document is not a prospectus for the purposes of Directive 2003/71/EC, as amended by Directive 2010/73/EU, (the "Prospectus Directive") and as such does not constitute an offer to sell or the solicitation of an offer to purchase shares of Siemens Healthineers AG. Investors should not subscribe for any shares referred to in this document except on the basis of the information contained in the prospectus relating to the shares. A prospectus will be published and investors will be able to obtain a copy of it from Siemens Healthineers AG, Henkestrasse 127, 91052 Erlangen, Germany, or on the Siemens Healthineers AG website.

In any EEA Member State other than Germany and Luxembourg that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at “qualified investors” in that Member State within the meaning of Article 2(1)(e) of the Prospectus Directive.

This communication contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management of Siemens Healthineers AG. Forward-looking statements should not be construed as a promise of future results and developments and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those described in such statements. Siemens Healthineers AG does not assume any obligations to update any forward-looking statements.

Each of Siemens AG, Siemens Healthineers AG, the Joint Bookrunners and the Co-Lead Managers and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

The Joint Bookrunners and the Co-Lead Managers, some or all of which are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, are acting exclusively for Siemens AG and Siemens Healthineers AG and no-one else in connection with the planned IPO. They will not regard any other person as their respective clients in relation to the planned IPO and will not be responsible to anyone other than Siemens AG and Siemens Healthineers AG for providing the protections afforded to their respective clients, nor for providing advice in relation to the planned IPO, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the planned IPO of the Shares, the Joint Bookrunners, the Co-Lead Managers and any of their affiliates, may take up a portion of the Shares in the planned IPO as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such Shares and other securities of Siemens Healthineers AG or related investments in connection with the IPO or otherwise. Accordingly, references in the prospectus, once published, to the Shares being offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by, the Joint Bookrunners, Co-Lead Managers and any of their affiliates acting in such capacity. In addition the Joint Bookrunners, Co-Lead Managers and any of their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Joint Bookrunners, Co-Lead Managers and any of their affiliates may from time to time acquire, hold or dispose of Shares. The Joint Bookrunners and Co-Lead Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Joint Bookrunners or the Co-Lead Managers or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to Siemens Healthineers AG, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.