

Siemens Healthineers continues to drive growth forward

- **Third-quarter revenue rises 5.8 percent on a comparable basis, supported by Imaging and Advanced Therapies**
- **Adjusted profit margin of 15.2 percent burdened mainly by increased ramp-up costs for Atellica Solution**
- **Basic earnings per share increase by 22 percent from previous year**
- **Outlook for fiscal year 2019 confirmed**

“In the third quarter we continued to drive growth forward very successfully. In contrast, we are facing challenges in the diagnostics business. We are tackling these issues resolutely and are focusing with our outstanding Atellica Solution Platform vigorously on improving growth and earnings strength. Based on the sustained strong volume development and the operative strength of our company, we are confirming our outlook for fiscal year 2019”, said Bernd Montag, CEO Siemens Healthineers AG.

“With the Managing Board’s new setup, we will be well-focused on the next phase of implementing our Strategy 2025. I am very much looking forward to working closely with Christoph Zindel on the Managing Board. I am convinced that with his extensive experience he will be an important help in further expanding our lead in medical imaging. At the same time, on behalf of the entire Siemens Healthineers team, I want to thank Michael Reitermann for all his contributions and the dedication he has shown for our company over the course of many years, and I wish him all the best for the future,” Montag said.

Siemens Healthineers AG continued its positive course of growth in the third quarter of the current fiscal year 2019 that started in October. On a comparable basis, meaning excluding currency translation and portfolio effects, revenue rose as it did in the previous quarter 5.8 percent from the previous year to nearly EUR 3.6 billion. This growth was driven in particular by the Imaging and Advanced Therapies segments. From a regional perspective, all regions recorded growth, with a significant rise in Asia, Australia and very strong growth in EMEA. On a reported basis, revenue was up over eight percent. Adjusted profit, particularly impacted by the considerably weaker profitability in the Diagnostics business, rose slightly compared to the previous year to¹ 543 million euros. This translates into an adjusted profit margin of 15.2 percent for the third quarter, compared to 16 percent a year earlier. Net income rose 20 percent to EUR 353 million, supported by an excellent sales trend, a lower tax rate and lower financing interest. Basic earnings per share² increased by 22 percent. Based on the business performance nine months into the fiscal year, the company confirms its outlook for fiscal year 2019.

On the occasion of the announcement of its Q4 business figures on November 4, 2019, the company will also present the second phase of its “Siemens Healthineers Strategy 2025”. The company has presented this strategy during the Capital Market Days in January 2018.

Siemens Healthineers reporting segments in third quarter

Revenue of the Imaging segment rose to nearly EUR 2.2 billion in the third quarter, corresponding to an increase of more than eight percent from a year earlier on a comparable basis. This performance was supported by all reporting regions, with significant growth in EMEA and Asia, Australia and strong growth in the Americas region. Looking at individual businesses, Computed Tomography and Molecular Imaging in particular recorded strong growth. With a tailwind from the positive sales trend, the adjusted profit margin of 19.1 percent for the Imaging segment achieved a good level compared to the previous year. With the change from Christoph Zindel (58) to the Board of Management at Siemens Healthineers AG, Andre Hartung (50) will take over as Head of the Diagnostic Imaging

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, fiscal year 2018 additionally for IPO costs.

² Basic earnings per share is determined by dividing net income, which is distributed among the Siemens Healthineers AG shareholders, by the weighted average number of Siemens Healthineers AG shares in circulation.

Business Area effective October 1, 2019. Hartung is heading within Diagnostic Imaging the Business Line Computed Tomography (CT) since 2015.

In the Diagnostics segment, third-quarter revenue was up more than one percent on a comparable basis, reaching just over EUR 1 billion. Weaker performance in the Americas reporting region was offset by the very strong growth in the Asia, Australia region and the solid performance in the EMEA region. The segment's adjusted profit margin reached 7.5 percent and was impacted primarily by increased ramp-up costs for Atellica Solution and negative currency effects. In the three months up to the end of June, more than 450 Atellica Solution systems were shipped, again topping the figures of the previous quarter. The cumulated number after nine months now totals more than 1,230 shipments. The company anticipates around 1,800 shipments for the entire year.

The Advanced Therapies segment recorded revenue of EUR 378 million in the third quarter. On a comparable basis, this corresponds to an increase of five percent compared with the prior-year quarter. Significant growth was recorded in the Asia, Australia region. At 17.3 percent, the adjusted profit margin was above the prior-year figure.

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 will persist for all of the remaining fiscal year 2019.

For further information, please visit:

<http://siemens-healthineers.com/q3-results>

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Siemens Healthineers in the third quarter of fiscal year 2019

	Q3 2019	Q3 2018	Actual change
Revenue	3,569	3,300	8%
Profit	529	503	5%
...margin	14.8%	15.2%	(40) bps
Adjusted profit	543	528	3%
...margin	15.2%	16.0%	(80) bps
Net income	353	293	20%
Basic earnings per share	0.35	0.29	22%
Free cash flow	227	269	(15)%

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

Siemens Healthineers segment performance in the third quarter

	Q3 2019	Q3 2018	Actual change
Imaging			
...Total revenue	2,186	1,976	11%
...Profit	407	333	22%
...Profit margin	18.6%	16.8%	180 bps
...Adjusted profit margin	19.1%	17.4%	170 bps
Diagnostics			
...Total revenue	1,043	1,007	4%
...Profit	76	105	(28%)
...Profit margin	7.3%	10.4%	(320 bps)
Adjusted profit margin	7.5%	10.9%	(340 bps)
Advanced Therapies			
...Total revenue	378	353	7%
...Profit	65	52	25%
...Profit margin	17.2%	14.8%	240 bps
...Adjusted profit margin	17.3%	17.0%	30 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.

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