

Erlangen, Germany, November 4, 2019

Earnings Release Q4 Fiscal Year 2019

July 1 to September 30, 2019

Siemens Healthineers with strong revenue and profit growth

»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, Chief Executive Officer of Siemens Healthineers AG.

Q4 fiscal year 2019

- Very strong comparable revenue growth at 8% driven by very strong Imaging as well as Advanced Therapies business
- Strong equipment book-to-bill of 1.1
- Adjusted profit margin at 19.1%; +90 bps above prior year
- Basic earnings per share (EPS) up by 36% year-over-year

Fiscal year 2019

- Comparable revenue growth above, adjusted profit margin slightly below and basic earnings per share increase within outlook bandwidth
- Comparable revenue up by 6%
- Adjusted profit margin at 17.3%; +10 bps above prior year with slight currency headwinds
- Basic earnings per share (EPS) up by 24% year-over-year
- Siemens Healthineers proposes a dividend of €0.80 per share, which represents a 50% dividend distribution of net income

Siemens Healthineers				
(in millions of €)	Q4 2019	Q4 2018	%-Change Act. Comp.¹	
Revenue	4,142	3,704	12%	8%
Profit	773	627	23%	
<i>Therein: Severance charges²</i>	-18	-47		
Profit margin	18.7%	16.9%		
Adjusted profit margin ³	19.1%	18.2%		
Net income	507	374	36%	
Basic earnings per share ⁴	0.50	0.37	36%	
Free cash flow ⁵	631	614	3%	

1 Year-over-year on a comparable basis, excluding currency translation and portfolio effects

2 Fiscal year 2018 additionally includes IPO costs

3 Adjusted for severance charges, in fiscal year 2018 additionally for IPO costs

4 Basic earnings per share are computed by dividing net income attributable to the shareholders of Siemens Healthineers AG by the weighted average number of outstanding shares of Siemens Healthineers AG

5 Free cash flow comprises the cash flows from operating activities and additions to intangible assets and property, plant and equipment included in cash flows from investing activities

- Comparable revenue up by 8%, led by very strong growth in Imaging and Advanced Therapies, Diagnostics with moderate increase; geographically supported by all regions with significant growth in Asia and Australia as well as Americas; EMEA with solid growth
- Positive currency translation effects impacted revenue growth by three percentage points
- Adjusted profit margin increased by +90 bps year-over-year with positive currency effects of +50 bps and including a settlement gain; continuing strong contribution from Imaging and Advanced Therapies; low profitability in Diagnostics
- Net income increased to €507 million, resulting in 36% higher basic earnings per share; Q4 FY 2019 benefited from a higher profit, lower financing interest expenses and a lower tax rate due to positive income tax effects
- Free cash flow above prior year primarily due to a higher profit and lower capital expenditures, partially held back by increase in equipment leased out to customers and higher income taxes paid

Imaging				
(in millions of €)	Q4	Q4	%-Change	
	2019	2018	Act.	Comp.
Total revenue	2,595	2,287	13%	10%
Profit	559	458	22%	
<i>Therein: Severance charges¹</i>	-9	-28		
Profit margin	21.5%	20.0%		
<i>Adjusted profit margin²</i>	21.9%	21.2%		

Diagnostics				
(in millions of €)	Q4	Q4	%-Change	
	2019	2018	Act.	Comp.
Total revenue	1,108	1,056	5%	2%
Profit	106	126	-16%	
<i>Therein: Severance charges¹</i>	-3	-10		
Profit margin	9.5%	11.9%		
<i>Adjusted profit margin²</i>	9.9%	12.9%		

Advanced Therapies				
(in millions of €)	Q4	Q4	%-Change	
	2019	2018	Act.	Comp.
Total revenue	481	407	18%	14%
Profit	107	86	25%	
<i>Therein: Severance charges¹</i>	-2	-5		
Profit margin	22.3%	21.1%		
<i>Adjusted profit margin²</i>	22.7%	22.3%		

¹ Fiscal year 2018 additionally includes IPO costs

² Adjusted for severance charges, in fiscal year 2018 additionally for IPO costs

- Very strong comparable revenue growth driven by substantial equipment growth; particularly strong in Magnetic Resonance and Molecular Imaging
 - Comparable revenue growth across all three regions with significant growth in Americas as well as Asia and Australia and strong growth in EMEA
 - Adjusted profit margin increased year-over-year supported by minor currency tailwinds and the cost savings program
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- Moderate comparable revenue growth with very strong growth in Asia and Australia, primarily in China; partially offset by softness in Americas
 - 1,820+ Atellica Solution analyzers shipped in fiscal year 2019
 - Adjusted profit margin impacted year-over-year primarily by increased Atellica Solution ramp-up costs and negative currency effects (-40 bps)
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- Very strong comparable revenue growth driven by substantial equipment growth
 - Comparable revenue growth geographically driven by all three regions
 - Adjusted profit margin increased year-over-year on strong prior year quarter supported by currency tailwinds and the cost savings program

Reconciliation to consolidated financial statements

Profit		
(in millions of €)	Q4 2019	Q4 2018
Total Segments	771	670
Corporate items, eliminations, other items	2	-43
Profit	773	627
Financing interest	-13	-35
Amortization of intangible assets acquired in business combinations	-33	-33
Income before income taxes	727	558
Income tax expenses	-220	-185
Net income	507	374

- Corporate items, eliminations and other items in Q4 FY 2019 increased year-over-year mainly impacted by a settlement gain
- Financing interest in Q4 FY 2019 below prior year level mainly due to debt restructuring
- Net income in Q4 FY 2019 benefited from a higher profit, lower financing interest expenses and a lower tax rate due to positive income tax effects (tax rate: 30% in Q4 FY 2019; 33% in Q4 FY 2018)

Outlook

For fiscal year 2020 we expect comparable revenue growth to be in the range of 5% to 6% compared to fiscal year 2019. Adjusted basic earnings per share (adjusted for amortization of intangible assets acquired in business combinations, severance charges, and acquisition-related transaction costs net of tax) are expected to be 6% to 12% above the level of fiscal year 2019¹. The outlook is based on current foreign exchange rate assumptions and on the current portfolio (including signed or closed M&A-transactions).

¹ Adjusted basic earnings per share fiscal year 2019 up by 14% year-over-year to €1.70.

Notes and forward-looking statements

Starting today at 10:00 a.m. CET, the press conference at which Siemens Healthineers CEO Dr. Bernd Montag and CFO Dr. Jochen Schmitz discuss the financial figures will be broadcast live at:

[siemens-healthineers.com/press-room](https://www.siemens-healthineers.com/press-room)

Starting today at 8:00 a.m. CET, the conference call for analysts and investors with Dr. Bernd Montag and Dr. Jochen Schmitz can be followed live at:

corporate.siemens-healthineers.com/investor-relations

Recordings of the press conference and the conference call for analysts and investors will be subsequently made available as well.

Financial publications are available for download at:

corporate.siemens-healthineers.com/investor-relations/presentations-financial-publications

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 (financial key performance indicators) 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 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.

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For technical reasons, there may be differences in formatting between this document and those published pursuant to legal requirements.

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

Please find further explanations to our financial key performance indicators in chapter „A.3 Financial performance system“ and in the notes to the consolidated financial statements note 29 „Segment information“ in the Annual Report 2018 of Siemens Healthineers under the following internet link <https://www.corporate.siemens-healthineers.com/investor-relations/presentations-financial-publications>. Please find further information regarding changes of our financial performance system under the same link in the presentation of the Q4 FY 2019 analyst call.

Internet: www.siemens-healthineers.com

Press: [siemens-healthineers.com/press-room](https://www.siemens-healthineers.com/press-room)

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Financial Results

Fourth quarter and fiscal year 2019

Additional information

(in millions of €, except where otherwise stated)

Revenue by region (location of customer)

(in millions of €)	Q4 2019	Q4 2018	Act.	%-Change Comp. ¹
Europe, C.I.S., Africa, Middle East (EMEA)	1,327	1,261	5%	4%
Therein: Germany	241	233	3%	3%
Americas	1,644	1,430	15%	10%
Therein: United States	1,385	1,203	15%	10%
Asia, Australia	1,171	1,013	16%	12%
Therein: China	515	461	12%	10%
Siemens Healthineers	4,142	3,704	12%	8%

¹ Year-over-year on a comparable basis, excluding currency translation and portfolio effects

Revenue by region (location of customer)

(in millions of €)	Fiscal year		Act.	%-Change Comp. ¹
	2019	2018		
Europe, C.I.S., Africa, Middle East (EMEA)	4,617	4,409	5%	5%
Therein: Germany	873	856	2%	2%
Americas	5,803	5,290	10%	5%
Therein: United States	4,916	4,458	10%	4%
Asia, Australia	4,098	3,730	10%	8%
Therein: China	1,838	1,681	9%	9%
Siemens Healthineers	14,518	13,429	8%	6%

¹ Year-over-year on a comparable basis, excluding currency translation and portfolio effects

Employees

	Sept 30, 2019	Sept 30, 2018
Number of employees (in thousands)	52.0	50.0
Germany	13.7	13.0
Outside Germany	38.4	36.9

Consolidated statements of income

(in millions of €, earnings per share in €)	Q4 2019	Q4 2018	Fiscal year 2019	Fiscal year 2018
Revenue	4,142	3,704	14,518	13,429
Cost of sales	-2,497	-2,184	-8,722	-7,961
Gross profit	1,646	1,519	5,796	5,468
Research and development expenses	-360	-341	-1,328	-1,281
Selling and general administrative expenses	-596	-578	-2,214	-2,153
Other operating income	47	2	65	48
Other operating expenses	-5	-14	-23	-121
Income from investments accounted for using the equity method, net	1	2	3	7
Interest income	14	5	38	41
Interest expenses	-15	-36	-123	-205
Other financial income, net	-4	-1	-22	-5
Income before income taxes	727	558	2,193	1,799
Income tax expenses	-220	-185	-607	-515
Net income	507	374	1,586	1,284
Thereof attributable to:				
Non-controlling interests	5	4	18	19
Shareholders of Siemens Healthineers AG	502	369	1,567	1,265
Basic earnings per share	0.50	0.37	1.57	1.26
Diluted earnings per share	0.50	0.37	1.57	1.26

Consolidated statements of comprehensive income

(in millions of €)	Q4 2019	Q4 2018	Fiscal year 2019	Fiscal year 2018
Net income	507	374	1,586	1,284
Remeasurements of defined benefit plans	10	60	-122	19
Therein: Income tax effects	-6	-20	55	-57
Equity instruments measured at fair value through other comprehensive income	1	-	1	-
Therein: Income tax effects	-	-	-	-
Other comprehensive income that will not be reclassified to profit or loss	11	60	-121	19
Currency translation differences	357	3	398	265
Available-for-sale financial assets	-	1	-	1
Therein: Income tax effects	-	-	-	-
Cash flow hedges	-7	17	-26	4
Therein: Income tax effects	3	-7	11	-3
Cost/Income from hedging	-4	-	3	-
Therein: Income tax effects	1	-	-1	-
Other comprehensive income that may be reclassified subsequently to profit or loss	346	21	375	270
Other comprehensive income, net of taxes	357	81	254	289
Comprehensive income	864	455	1,840	1,573
Thereof attributable to:				
Non-controlling interests	3	4	16	15
Shareholders of Siemens Healthineers AG	861	451	1,824	1,558

Consolidated statements of financial position

(in millions of €)	Sept 30, 2019	Sept 30, 2018
Cash and cash equivalents	920	519
Trade and other receivables	2,779	2,419
Other current financial assets	78	77
Receivables from Siemens Group	686	1,396
Contract assets	839	600
Inventories	2,064	1,829
Current income tax assets	92	56
Other current assets	321	303
Total current assets	7,779	7,199
Goodwill	8,590	8,176
Other intangible assets	1,576	1,571
Property, plant and equipment	2,318	1,919
Investments accounted for using the equity method	45	38
Other financial assets	339	174
Deferred tax assets	462	394
Other assets	320	287
Total non-current assets	13,650	12,559
Total assets	21,429	19,758
Short-term financial debt and current maturities of long-term financial debt	80	57
Trade payables	1,403	1,278
Other current financial liabilities	152	82
Payables to Siemens Group	364	639
Contract liabilities	1,741	1,524
Current provisions	282	295
Current income tax liabilities	346	206
Other current liabilities	1,236	1,223
Total current liabilities	5,605	5,303
Long-term financial debt	62	17
Provisions for pensions and similar obligations	1,045	845
Deferred tax liabilities	375	348
Provisions	147	157
Other financial liabilities	16	26
Other liabilities	368	386
Other liabilities to Siemens Group	4,030	4,002
Total non-current liabilities	6,043	5,780
Total liabilities	11,648	11,083
Issued capital	1,000	1,000
Capital reserve	10,801	11,174
Retained earnings	-1,859	-3,019
Other components of equity	-174	-500
Total equity attributable to shareholders of Siemens Healthineers AG	9,769	8,656
Non-controlling interests	13	20
Total equity	9,782	8,675
Total liabilities and equity	21,429	19,758

Consolidated statements of cash flows

(in millions of €)	Q4 2019	Q4 2018
Net income	507	374
Adjustments to reconcile net income to cash flows from operating activities:		
Amortization, depreciation and impairments	177	148
Income tax expenses	220	185
Interest income/expenses, net	2	31
Income related to investing activities	-2	1
Other non-cash income/expenses, net	-5	5
Change in operating net working capital		
Contract assets	-93	-120
Inventories	152	104
Trade and other receivables	-176	-109
Trade payables	84	114
Contract liabilities	21	-4
Change in other assets and liabilities	102	206
Additions to equipment leased to others in operating leases	-111	-88
Income taxes paid	-110	-46
Dividends received	1	1
Interest received	11	4
Cash flows from operating activities	779	805
Additions to intangible assets and property, plant and equipment	-148	-191
Purchase of investments and financial assets for investment purposes	-3	-
Acquisitions of businesses, net of cash acquired	-68	-
Disposal of investments, intangible assets and property, plant and equipment	2	-2
Cash flows from investing activities	-217	-192
Purchase of treasury shares	-6	-55
Change in short-term financial debt and other financing activities	-1	2
Interest paid	-	-3
Dividends paid to non-controlling interests	-1	-
Equity transactions with non-controlling interests	-15	-
Interest paid to Siemens Group	-26	-27
Other transactions/financing with Siemens Group	-455	-237
Cash flows from financing activities	-503	-320
Effect of changes in exchange rates on cash and cash equivalents	33	-2
Change in cash and cash equivalents	92	291
Cash and cash equivalents at beginning of period	828	228
Cash and cash equivalents at end of period	920	519

Consolidated statements of cash flows

(in millions of €)	Fiscal year 2019	Fiscal year 2018
Net income	1,586	1,284
Adjustments to reconcile net income to cash flows from operating activities:		
Amortization, depreciation and impairments	620	530
Income tax expenses	607	515
Interest income/expenses, net	85	164
Income related to investing activities	-7	-7
Other non-cash income/expenses, net	10	35
Change in operating net working capital		
Contract assets	-220	-307
Inventories	-124	-194
Trade and other receivables	-265	14
Trade payables	90	168
Contract liabilities	178	105
Change in other assets and liabilities	-140	-190
Additions to equipment leased to others in operating leases	-345	-276
Income taxes paid	-493	-144
Income taxes paid by Siemens Group on behalf of Siemens Healthineers	-	-122
Dividends received	7	6
Interest received	27	13
Cash flows from operating activities	1,617	1,595
Additions to intangible assets and property, plant and equipment	-579	-530
Purchase of investments and financial assets for investment purposes	-6	-2
Acquisitions of businesses, net of cash acquired	-76	-226
Disposal of investments, intangible assets and property, plant and equipment	6	14
Disposal of businesses, net of cash disposed	7	-
Cash flows from investing activities	-647	-743
Purchase of treasury shares	-51	-55
Change in short-term financial debt and other financing activities	52	-1
Interest paid	-6	-6
Dividends paid to shareholders of Siemens Healthineers AG ¹	-699	-1,008
Dividends paid to non-controlling interests	-15	-9
Equity transactions with non-controlling interests	-15	-
Interest paid to Siemens Group	-113	-149
Other transactions/financing with Siemens Group	245	740
Cash flows from financing activities	-603	-489
Effect of changes in exchange rates on cash and cash equivalents	35	-28
Change in cash and cash equivalents	401	335
Cash and cash equivalents at beginning of period	519	184
Cash and cash equivalents at end of period	920	519

¹ Dividends to the Siemens Group in fiscal year 2018

Overview of segment figures

(in millions of €)	External revenue		Intersegment revenue		Total revenue		Profit ¹		Assets	Free Cash Flow		Additions (including additions through business combinations)		Amortization, depreciation & impairments		
	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4		Q4	Q4	Q4	Q4	Q4	Q4	
	2019	2018	2019	2018	2019	2018	2019	2018		2019	2018	2019	2018	2019	2018	
Imaging	2,521	2,214	74	74	2,595	2,287	559	458	6,840	6,258	575	507	57	59	42	39
Diagnostics	1,108	1,056	-	-	1,108	1,056	106	126	5,499	4,676	110	120	164	159	81	54
Advanced Therapies	480	401	1	5	481	407	107	86	997	904	99	68	6	16	4	4
Total segments	4,108	3,671	75	79	4,183	3,750	771	670	13,336	11,838	784	695	226	233	126	97
Reconciliation to consolidated financial statements	34	32	-75	-79	-41	-47	-44	-112	8,093	7,920	-154	-81	48	55	51	51
Siemens Healthineers	4,142	3,704	-	-	4,142	3,704	727	558	21,429	19,758	631	614	274	288	177	148

¹ Siemens Healthineers: Income before income taxes

(in millions of €)	External revenue		Intersegment revenue		Total revenue		Profit ¹		Assets Sept 30, 2018	Free cash flow		Additions (including additions through business combinations)		Amortization, depreciation & impairments		
	Fiscal year	Fiscal year	Fiscal year	Fiscal year	Fiscal year	Fiscal year	Fiscal year	Fiscal year		Fiscal year	Fiscal year	Fiscal year	Fiscal year			
	2019	2018	2019	2018	2019	2018	2019	2018		2019	2018	2019	2018	2019	2018	
Imaging	8,647	7,882	292	271	8,938	8,153	1,803	1,533	6,840	6,258	1,519	1,408	154	152	151	138
Diagnostics	4,133	3,962	-	-	4,133	3,962	376	455	5,499	4,676	-109	59	634	622	263	197
Advanced Therapies	1,602	1,462	4	18	1,606	1,479	315	275	997	904	265	257	22	23	14	11
Total segments	14,381	13,306	296	288	14,678	13,594	2,494	2,263	13,336	11,838	1,675	1,725	810	798	427	346
Reconciliation to consolidated financial statements	136	123	-296	-288	-160	-165	-301	-464	8,093	7,920	-637	-660	151	154	193	185
Siemens Healthineers	14,518	13,429	-	-	14,518	13,429	2,193	1,799	21,429	19,758	1,037	1,065	961	952	620	530

¹ Siemens Healthineers: Income before income taxes

EBITDA reconciliation

(in millions of €)	Profit ¹		therein: Financial income/ex- penses, net ³		therein: Amortization, depreci- ation & impairments		EBITDA	
	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018
Imaging	559	458	2	1	42	39	598	495
Diagnostics	106	126	3	2	81	54	183	178
Advanced Therapies	107	86	4	-	4	4	107	89
Total segments	771	670	9	3	126	97	888	763
Corporate items, eliminations, other items	2	-43	-2	-	18	18	21	-26
Profit	773	627	8	4	144	115	909	738
Reconciliation to consolidated financial statements ²	-46	-69	-13	-35	33	33	-	-
Siemens Healthineers	727	558	-5	-32	177	148	909	738

1 Siemens Healthineers: Income before income taxes

2 Total of amortization of intangible assets acquired in business combinations and financing interest

3 Financial income shown with positive and expenses with negative sign

(in millions of €)	Profit ¹		therein: Financial income/ex- penses, net ³		therein: Amortization, depreci- ation & impairments		EBITDA	
	Fiscal year 2019	Fiscal year 2018	Fiscal year 2019	Fiscal year 2018	Fiscal year 2019	Fiscal year 2018	Fiscal year 2019	Fiscal year 2018
Imaging	1,803	1,533	7	6	151	138	1,946	1,664
Diagnostics	376	455	11	7	263	197	628	645
Advanced Therapies	315	275	4	-	14	11	324	286
Total segments	2,494	2,263	22	13	427	346	2,899	2,595
Corporate items, eliminations, other items	-44	-152	-3	-1	62	54	21	-97
Profit	2,450	2,110	19	12	489	400	2,920	2,498
Reconciliation to consolidated financial statements ²	-257	-312	-126	-181	131	131	-	-
Siemens Healthineers	2,193	1,799	-107	-169	620	530	2,920	2,498

1 Siemens Healthineers: Income before income taxes

2 Total of amortization of intangible assets acquired in business combinations and financing interest

3 Financial income shown with positive and expenses with negative sign