

Siemens Healthineers with a mixed picture in the first quarter

- **First-quarter revenue with growth of 2.5 percent on a comparable basis**
- **Adjusted profit stable; adjusted profit margin at 16.5 percent**
- **Profitability held back by currency effects and Diagnostics profit**
- **Outlook for fiscal year 2019 confirmed**

“Business performance in the first quarter is a story of light and shade. Siemens Healthineers’ growth trend remains intact and customers’ response to our new Atellica Solution laboratory diagnostics platform continues to be positive. What we are not pleased with, however, is the profit development of our Diagnostics business. We have therefore directly initiated measures to sharpen our focus even more on the business success of Atellica Solution. We confirm our outlook for fiscal year 2019”, said Bernd Montag, CEO of Siemens Healthineers AG.

Siemens Healthineers AG presented a mixed picture for its first quarter of the current fiscal year 2019 that started in October. On a comparable basis, meaning excluding currency and portfolio effects, revenue rose 2.5 percent over the previous year, reaching EUR 3.3 billion. Growth was driven by the two strongest segments Imaging and Diagnostics, and on a geographic basis by the Americas region. On a reported basis, revenue increased 3.2 percent. At EUR 545 million, adjusted profit¹ remained stable year on year, translating into an adjusted profit margin of 16.5 percent in the first quarter, compared to 17.1 percent a year earlier. Profitability was held back by currency effects, higher costs for the ramp-up of the Atellica Solution² laboratory diagnostics system and a profit decline at Advanced

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, in fiscal year 2018 additionally for IPO costs.

² Product availability varies by country.

Therapies after a very strong prior-year quarter. Net income rose to EUR 345 million, benefiting from lower financing interest expenses and a lower tax rate, with basic earnings per share³ increasing to EUR 0.34. The company confirms its outlook for fiscal year 2019.

Siemens Healthineers reporting segments in first quarter

Revenue of the Imaging segment rose to just over EUR 2 billion in the first quarter. This corresponds to an increase of about three percent from a year earlier on a comparable basis, supported by strong growth in the Americas region. The Computed Tomography and Molecular Imaging businesses recorded strong growth. The Imaging segment's adjusted profit margin rose to 20.0 percent despite negative currency effects, mainly due to higher revenue and cost savings. This margin is within the mid-term target range.

In the Diagnostics segment, revenue increased about three percent on a comparable basis and reached EUR 964 million in the first quarter. Growth was driven by the Americas region and China. More than 370 Atellica Solution analyzers were shipped to customers in the three months ending December 31. The adjusted profit margin for the segment reached 8.1 percent and was significantly negatively impacted by currency effects and higher costs for the Atellica Solution ramp-up. These costs were the result of the large number of shipments from previous periods combined with longer installation periods. The market launch of Atellica Solution has a high priority for the company. The corresponding processes will therefore be further streamlined during this fiscal year.

Advanced Therapies recorded revenue of EUR 355 million in the first quarter. This corresponds to a decline of about four percent on a comparable basis from the very strong prior-year quarter. At 19.7 percent, the adjusted profit margin was also below the very high prior-year margin, in part due to the declining revenue.

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

³ 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.

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/q1-results>.

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Siemens Healthineers in the first quarter of fiscal year 2019

	Q1 2019	Q1 2018	Actual change
Revenue	3,301	3,198	3%
Profit	532	524	2%
...Margin	16.1%	16.4%	(30 bps)
Adjusted profit	545	547	0%
...Margin	16.5%	17.1%	(60 bps)
Net income	345	310	11%
Basic earnings per share in EUR	0.34	0.31	11%
Free cash flow	(24)	9	n.a.

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

Siemens Healthineers segment performance in the first quarter

	Q1 2019	Q1 2018	Actual change
Imaging			
...Total revenue	2,021	1,943	4%
...Profit	396	371	7%
...Profit margin	19.6%	19.1%	50 bps
...Adjusted profit margin	20.0%	19.5%	40 bps
Diagnostics			
...Total revenue	964	929	4%
...Profit	76	99	(24%)
...Profit margin	7.9%	10.7%	(280 bps)
Adjusted profit margin	8.1%	10.9%	(290 bps)
Advanced Therapies			
...Total revenue	355	368	(3%)
...Profit	68	82	(17%)
...Profit margin	19.1%	22.3%	(320 bps)
...Adjusted profit margin	19.7%	22.4%	(270 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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