

Siemens Healthineers raises outlook for fiscal year 2021 after outstanding first quarter

Erlangen, February 1, 2021 – Siemens Healthineers AG today announced its results for the first quarter of fiscal year 2021 that ended December 31, 2020.

Q1 Fiscal Year 2021

- Excellent start into the fiscal year with 13.3% comparable revenue growth from the prior-year quarter
- Equipment book-to-bill ratio at a very good 1.16
- Outstanding comparable revenue growth of 23.5% in Diagnostics – significant revenue contribution from rapid COVID-19 anti-gen tests in EMEA and return to growth in the core business
- High comparable revenue growth of 9.3% in Imaging and 6.3% in Advanced Therapies; very good development in EMEA and Asia, Australia
- High profitability: Adjusted EBIT margin increases by 550 bps year-over-year to 19.1%
- Adjusted basic earnings per share up to €0.49, from €0.36 in the prior-year quarter
- Free cash flow by far more than doubled year-over-year to €668 million

Updated Outlook for Fiscal Year 2021

- Comparable revenue growth of 8% to 12% expected (previously 5% to 8%)
- Adjusted basic earnings per share between €1.63 and €1.82 (previously €1.58 to €1.72)

Bernd Montag, CEO of Siemens Healthineers AG:

»We started into the new fiscal year with an outstanding quarter. This was made possible through the tireless efforts of the entire Siemens Healthineers team. Our comprehensive portfolio of imaging and diagnostics enables us to make important contributions in helping healthcare providers around the globe to master this pandemic successfully, impressively underlining our impact on society. Against the backdrop of the positive developments in the first quarter, we are raising our outlook for fiscal year 2021.«

Business Development

Siemens Healthineers

(in millions of €)	Q1 2021	Q1 2020	Act.	%-Change Comp. ¹
Revenue	3,868	3,587	7.8%	13.3%
Adjusted EBIT ²	738	487	52%	
Adjusted EBIT margin	19.1%	13.6%		
Net income	437	304	44%	
Adjusted basic earnings per share ³	0.49	0.36	37%	
Basic earnings per share	0.40	0.30	34%	
Free cash flow ⁴	668	244	174%	

1 Year-over-year on a comparable basis, excluding currency translation and portfolio effects as well as effects in line with revaluation of contract liabilities from IFRS 3 purchase price allocations.

2 Adjusted EBIT is defined as income before income taxes, interest income and expenses and other financial income, net, adjusted for portfolio-related measures, severance charges and centrally carried pension service and administration expenses (only excluded from adjusted EBIT of the segments).

3 Adjusted basic earnings per share are defined as basic earnings per share, adjusted for portfolio-related measures and severance charges, net of tax.

4 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.

Revenue developed very well in the first quarter of fiscal year 2021 and rose 13.3 percent on a comparable basis from an already strong prior-year quarter, reaching around €3.9 billion. All segments contributed to this growth. The Diagnostics segment posted outstanding growth, particularly supported by the high demand for rapid COVID-19 antigen tests, while the Imaging segment benefited especially from a significant increase in the Computed Tomography business. From a geographic perspective, the EMEA and Asia, Australia regions recorded double-digit growth rates. On a nominal basis, overall revenue rose around eight percent.

The **equipment book-to-bill ratio**, i.e. the ratio of new orders to revenue, was at a very good 1.16 in the first quarter.

Adjusted EBIT rose 52 percent from a comparatively weak prior-year quarter to €738 million, translating into an **adjusted EBIT margin** of 19.1 percent in the first quarter. This figure also included negative currency effects. The strong development occurred against the backdrop of an outstanding margin in the Imaging segment and a significant profitability improvement in Diagnostics.

Net income rose 44 percent year-over-year to €437 million in the first quarter. The tax rate of 28 percent was roughly at the same level as in the prior-year quarter. **Adjusted basic earnings per share** increased 37 percent to €0.49.

Free cash flow by far more than doubled year-over-year and reached €668 million. This was mainly due to the positive earnings development.

Imaging

(in millions of €)	Q1 2021	Q1 2020	Act.	%-Change Comp. ²
Total adjusted revenue ¹	2,319	2,221	4.4%	9.3%
Adjusted EBIT ³	542	387	40%	
Adjusted EBIT margin	23.4%	17.4%		

¹ Total adjusted revenue is defined as total revenue adjusted for effects in line with revaluation of contract liabilities from IFRS 3 purchase price allocations.

² Year-over-year on a comparable basis, excluding currency translation and portfolio effects.

³ Prior-year figures adjusted in line with updated definition of adjusted EBIT.

The Imaging segment achieved **revenue** of more than €2.3 billion in the first quarter, corresponding to a very good growth of more than nine percent from the already strong prior-year quarter. All businesses contributed to this growth in the first quarter, with Computed Tomography posting a particularly significant increase. From a regional perspective, the EMEA and Asia, Australia regions recorded considerable revenue increases on a comparable basis.

The positive revenue development also had a positive effect on the segment's **adjusted EBIT margin**, which was considerably above the comparatively weak level of the prior-year quarter and reached a very good 23.4 percent. The figure also included minor negative currency effects.

Diagnostics

(in millions of €)	Q1 2021	Q1 2020	Act.	%-Change Comp. ²
Total adjusted revenue ¹	1,183	1,013	16.8%	23.5%
Adjusted EBIT ³	137	32	332%	
Adjusted EBIT margin	11.6%	3.1%		

¹ Total adjusted revenue is defined as total revenue adjusted for effects in line with revaluation of contract liabilities from IFRS 3 purchase price allocations.

² Year-over-year on a comparable basis, excluding currency translation and portfolio effects.

³ Prior-year figures adjusted in line with updated definition of adjusted EBIT.

The Diagnostics segment recorded first-quarter **revenue** of around €1.2 billion, which is a year-over-year increase of around 23 percent on a comparable basis. This outstanding growth was particularly supported by the high demand for rapid COVID-19 anti-gen tests, which had a positive impact on comparable revenue growth in the EMEA region and particularly in Germany. At the same time, the core business returned to growth.

Against the backdrop of the outstanding revenue development, the segment's **adjusted EBIT margin** improved significantly compared to the prior-year quarter and reached 11.6 percent.

Advanced Therapies

(in millions of €)	Q1 2021	Q1 2020	Act.	%-Change Comp. ²
Total adjusted revenue ¹	412	404	1.9%	6.3%
Adjusted EBIT ³	78	79	-2%	
Adjusted EBIT margin	18.8%	19.6%		

¹ Total adjusted revenue is defined as total revenue adjusted for effects in line with revaluation of contract liabilities from IFRS 3 purchase price allocations.

² Year-over-year on a comparable basis, excluding currency translation and portfolio effects.

³ Prior-year figures adjusted in line with updated definition of adjusted EBIT.

The Advanced Therapies segment posted first-quarter **revenue** of €412 million, corresponding to an increase of around six percent on a comparable basis from the strong prior-year quarter. The Asia, Australia and EMEA regions recorded double-digit growth rates.

The **adjusted EBIT margin** of 18.8 percent was supported by the positive revenue development but adversely impacted by effects in connection with Corindus and markedly negative currency effects of 110 basis points.

Reconciliation to consolidated financial statements

Adjusted EBIT		
(in millions of €)	Q1 2021	Q1 2020
Total Segments	756	498
Corporate items, eliminations, other items	-18	-11
Adjusted EBIT	738	487
Amortization, depreciation and other effects from IFRS 3 purchase price allocation adjustments	-39	-45
Transaction, integration, retention and carve-out costs	-4	-13
Severance charges	-12	-17
Total adjustments	-54	-75
EBIT	683	412
Financial income, net	-77	7
Income before income taxes	606	419
Income tax expenses	-169	-114
Net income	437	304

Basic earnings per share		
(in millions of €)	Q1 2021	Q1 2020
Basic earnings per share	0.40	0.30
Amortization, depreciation and other effects from IFRS 3 purchase price allocation adjustments	0.04	0.04
Transaction, integration, retention and carve-out costs	0.00	0.01
Severance charges	0.01	0.02
Financial income due to portfolio related measures	0.07	-
Tax effects on adjustments ¹	-0.03	-0.02
Adjusted basic earnings per share	0.49	0.36

¹ Calculated based on the income tax rate of the respective reporting period.

First-quarter **financial income, net** includes expenses in connection with the planned acquisition of Varian Medical Systems, Inc. of €70 million, including €67 million for purchase price hedging and bridge financing cost. The prior-year figure was supported by interest income from an international tax procedure.

Net income rose 44 percent year-over-year to €437 million in the first quarter. The tax rate of 28 percent was roughly at the same level as in the prior-year quarter.

Adjusted basic earnings per share increased 37 percent to €0.49. The higher adjustments compared to the prior-year quarter include financing expenses in connection with the planned acquisition of Varian.

Outlook

As a result of the positive developments in the first quarter, ongoing pandemic-related demands and a higher confidence in the normalization of the underlying business, we raise our outlook for fiscal year 2021.

We expect comparable revenue growth between 8% and 12% from fiscal year 2020 (previously 5% to 8%). We expect adjusted basic earnings per share (adjusted for expenses for portfolio-related measures and severance charges, net of tax) to be between €1.63 and €1.82 (previously €1.58 to €1.72; comparable prior-year figure: €1.61).

The expected conversion from the additional revenue to earnings per share will be softened by higher expenses for variable compensation and stronger headwinds from currency effects versus the previous outlook.

The outlook is based on the following assumptions: The rapid COVID-19 antigen test revenue is now expected to be between €300 million and €350 million, versus the previous assumption of about €100 million revenue. Given the dynamic of the pandemic, we assume that the pandemic-related demand will not persist to the same extent through the remaining fiscal year 2021 and beyond. Furthermore, we expect that the investment activity in the U.S. will begin to pick up during the current fiscal year.

The further assumptions of the previous outlook remain unchanged, including the expectation that current and potential future measures to bring the COVID-19 pandemic under control will not negatively impact the demand for our products and services. Furthermore, we expect that the environment for routine-care testing continues to improve. The outlook is based on current exchange rate assumptions and excluding portfolio activities. It therefore also does not take into account the planned acquisition of Varian Medical Systems, Inc. The outlook is based on the number of average outstanding shares of the first quarter of fiscal year 2021. In addition, it is assumed that there will be no material change in the valuation of share-based compensation programs that are tied to shares of Siemens AG. The outlook also excludes charges related to legal and regulatory matters.

Notes and forward-looking statements

The conference call for journalists with CEO Dr. Bernd Montag and CFO Dr. Jochen Schmitz on the financial figures of the first quarter will be broadcast live on the Internet starting today at 10:00 a.m. CET:

[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 both conferences will be made available afterwards.

Financial publications are available for download at:

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

Contact for journalists

Stefan Schmidt – Phone: +49 152 02307361; Email: stefansschmidt@siemens-healthineers.com

Philipp Grontzki – Phone: +49 152 03350194; Email: philipp.grontzki@siemens-healthineers.com

Investor Relations: corporate.siemens-healthineers.com/investor-relations

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

Internet: www.siemens-healthineers.com

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 various 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 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 half-year consolidated financial statements and 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 to which they refer.

This document is an English language translation of the German document. In case of discrepancies, the German language document is the sole authoritative and universally valid version.

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 regarding our financial key performance indicators in chapter „A.2 Financial performance system” and in the notes to the consolidated financial statements note 29 „Segment information” in the Annual Report 2020 of Siemens Healthineers. These documents are available under the following internet link <https://www.corporate.siemens-healthineers.com/investor-relations/presentations-financial-publications>.

Siemens Healthineers AG

Henkestr. 127
91052 Erlangen, Germany
siemens-healthineers.com

Investor Relations

Telefon: +49 (9131) 84-3385
Email: ir.team@siemens-healthineers.com

Press

Email: press.team@siemens-healthineers.com

Financial Results

First quarter of fiscal year 2021

Additional information

(in millions of €, except where otherwise stated)

Revenue by region (location of customer)				
(in millions of €)	Q1 2021	Q1 2020	Act.	%-Change Comp.¹
Europe, C.I.S., Africa, Middle East (EMEA)	1,447	1,189	22%	26%
Therein: Germany	329	208	58%	58%
Americas	1,306	1,398	-7%	2%
Therein: United States	1,102	1,185	-7%	0%
Asia, Australia	1,115	1,001	11%	13%
Therein: China	587	479	23%	25%
Siemens Healthineers	3,868	3,587	8%	13%

¹ Year-over-year on a comparable basis, excluding currency translation and portfolio effects as well as effects in line with revaluation of contract liabilities from IFRS 3 purchase price allocations.

Employees		
	Dec 31, 2020	Sept 30, 2020
Number of employees (in thousands)	54.5	54.3
Germany	14.3	14.2
Outside Germany	40.2	40.1

Consolidated statements of income

(in millions of €, earnings per share in €)	Q1 2021	Q1 2020
Revenue	3,868	3,587
Cost of sales	-2,302	-2,219
Gross profit	1,566	1,368
Research and development expenses	-329	-335
Selling and general administrative expenses	-549	-621
Other operating income	1	6
Other operating expenses	-6	-9
Income from investments accounted for using the equity method, net	1	1
Earnings before interest and taxes	683	412
Interest income	6	28
Interest expenses	-16	-21
Other financial income, net	-67	-1
Income before income taxes	606	419
Income tax expenses	-169	-114
Net income	437	304
Thereof attributable to:		
Non-controlling interests	5	3
Shareholders of Siemens Healthineers AG	432	301
Basic earnings per share	0.40	0.30
Diluted earnings per share	0.40	0.30

Consolidated statements of comprehensive income

(in millions of €)	Q1 2021	Q1 2020
Net income	437	304
Remeasurements of defined benefit plans	-32	53
Therein: Income tax effects	18	-20
Other comprehensive income that will not be reclassified to profit or loss	-32	53
Currency translation differences	-347	-249
Cash flow hedges	-251	17
Therein: Income tax effects	81	-6
Cost/Income from hedging	-16	23
Therein: Income tax effects	-2	-10
Other comprehensive income that may be reclassified subsequently to profit or loss	-614	-209
Other comprehensive income, net of taxes	-646	-156
Comprehensive income	-209	148
Thereof attributable to:		
Non-controlling interests	6	3
Shareholders of Siemens Healthineers AG	-215	145

Consolidated statements of financial position

(in millions of €)	Dec 31, 2020	Sept 30, 2020
Cash and cash equivalents	563	656
Trade and other receivables	2,588	2,568
Other current financial assets	125	142
Current receivables from the Siemens Group	4,126	3,392
Contract assets	757	818
Inventories	2,384	2,304
Current income tax assets	46	49
Other current assets	327	338
Total current assets	10,915	10,268
Goodwill	8,795	9,038
Other intangible assets	1,830	1,912
Property, plant and equipment	2,768	2,774
Investments accounted for using the equity method	36	37
Other financial assets	261	352
Deferred tax assets	464	419
Other assets	301	295
Total non-current assets	14,455	14,827
Total assets	25,370	25,094
Short-term financial debt and current maturities of long-term financial debt	233	167
Trade payables	1,350	1,356
Other current financial liabilities	497	93
Current liabilities to the Siemens Group	2,250	2,046
Contract liabilities	1,850	1,784
Current provisions	272	270
Current income tax liabilities	376	374
Other current liabilities	1,223	1,198
Total current liabilities	8,051	7,289
Long-term financial debt	248	314
Provisions for pensions and similar obligations	1,066	1,029
Deferred tax liabilities	451	470
Provisions	140	144
Other financial liabilities	17	10
Other liabilities	344	345
Liabilities to the Siemens Group	2,845	2,982
Total non-current liabilities	5,112	5,294
Total liabilities	13,163	12,584
Issued capital	1,075	1,075
Capital reserve	13,494	13,476
Retained earnings	-876	-1,276
Other components of equity	-1,355	-741
Treasury shares	-144	-36
Total equity attributable to shareholders of Siemens Healthineers AG	12,194	12,498
Non-controlling interests	14	13
Total equity	12,208	12,511
Total liabilities and equity	25,370	25,094

Consolidated statements of cash flows

(in millions of €)	Q1 2021	Q1 2020
Net income	437	304
Adjustments to reconcile net income to cash flows from operating activities:		
Amortization, depreciation and impairments	206	205
Income tax expenses	169	114
Interest income/expenses, net	10	-8
Income related to investing activities	-	-2
Other non-cash income/expenses, net	7	12
Change in operating net working capital		
Contract assets	57	96
Inventories	-110	-200
Trade and other receivables	-46	120
Receivables from and payables to Siemens Group from operating activities	11	2
Trade payables	14	-57
Contract liabilities	86	30
Change in other assets and liabilities	137	-84
Additions to equipment leased to others in operating leases	-61	-66
Income taxes paid	-111	-115
Dividends received	-	1
Interest received	7	6
Cash flows from operating activities	814	359
Additions to intangible assets and property, plant and equipment	-146	-115
Purchase of investments and financial assets for investment purposes	-4	-4
Acquisitions of businesses, net of cash acquired	-31	-1,336
Disposal of investments, intangible assets and property, plant and equipment	1	1
Cash flows from investing activities	-179	-1,454
Purchase of treasury shares	-126	-40
Issuance of new shares	-4	-
Repayment of long-term debt (including current maturities of long-term debt)	-30	-28
Change in short-term financial debt and other financing activities	21	27
Interest paid	-4	-4
Dividends paid to non-controlling interests	-5	-6
Interest paid to Siemens Group	-27	-26
Other transactions/financing with Siemens Group	-548	1,201
Cash flows from financing activities	-723	1,125
Effect of changes in exchange rates on cash and cash equivalents	-6	-16
Change in cash and cash equivalents	-94	13
Cash and cash equivalents at beginning of period	656	920
Cash and cash equivalents at end of period	563	934

Overview of segment figures

(in millions of €)	Adjusted external revenue ¹		Intersegment revenue		Total adjusted revenue ¹		Adjusted EBIT ²		Assets ³		Free cash flow		Additions to other intangible assets and property, plant and equipment		Amortization, depreciation & impairments	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Dec 31, 2020	Sept 30, 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
	Imaging	2,251	2,145	68	76	2,319	2,221	542	387	6,808	7,045	629	364	35	165	40
Diagnostics	1,183	1,013	-	-	1,183	1,013	137	32	5,005	5,179	95	-55	106	120	78	73
Advanced Therapies	410	403	1	1	412	404	78	79	1,898	1,934	67	16	3	311	5	4
Total segments	3,844	3,561	70	77	3,914	3,638	756	498	13,711	14,158	790	325	144	596	122	117
Reconciliation to Consolidated Financial Statements ⁴	24	26	-70	-77	-46	-50	-150	-79	11,659	10,936	-122	-81	90	47	83	88
Siemens Healthineers	3,868	3,587	-	-	3,868	3,587	606	419	25,370	25,094	668	244	235	643	206	205

1 Siemens Healthineers: IFRS revenue.

2 Siemens Healthineers: Income before income taxes. Adjusted EBIT Q1 2020 on segment level adjusted in line with updated definition of adjusted EBIT.

3 On segment level: net capital employed.

4 Including effects in line with revaluation of contract liabilities from IFRS 3 purchase price allocations.

EBITDA reconciliation

(in millions of €)	Adjusted EBIT		therein adjusted for amortization, depreciation and other effects from IFRS 3 purchase price allocation adjustments		therein adjusted for transaction, integration, retention and carve-out costs		therein adjusted for severance charges		Amortization, depreciation & impairments		EBITDA ¹	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Imaging	542	387	-	-	-1	-1	-7	-8	40	40	574	417
Diagnostics	137	32	-	-	-	-	-3	-6	78	73	212	98
Advanced Therapies	78	79	-	-	-	-11	-1	-2	5	4	81	71
Total segments	756	498	-	-	-1	-13	-11	-16	122	117	866	586
Reconciliation to consolidated financial statements	-18	-11	-39	-45	-3	-	-1	-1	83	88	23	31
Siemens Healthineers	738	487	-39	-45	-4	-13	-12	-17	206	205	889	617

¹ Income before income taxes, interest income and expenses, other financial income, net as well as amortization, depreciation & impairments.