Siemens AG welcomes acquisition of Varian by Siemens Healthineers

- Transformational milestone in execution of Siemens' Vision 2020+ strategy
- Siemens Healthineers intends to acquire 100 percent stake in U.S. healthcare company at a purchase price of around $16.4 billion
- Acquisition to create global leader in cancer research and therapeutics and support Siemens Healthineers' equity story
- Mixed financing through a capital increase at Siemens Healthineers AG and intra-Group loans to Siemens Healthineers
- Siemens AG’s stake in Siemens Healthineers AG to decline to about 72 percent from 85 percent
- Siemens AG to remain long-term majority shareholder in Siemens Healthineers
- Siemens AG aims to maintain its current A+ / A1 rating

Siemens AG is continuing to rigorously execute its Vision 2020+ strategy and therefore expressly welcomes Siemens Healthineers AG’s acquisition of a 100 percent stake in Varian Medical Systems, Inc. (NYSE: VAR), a U.S. company active in the area of cancer research and therapy. Payment of the purchase price of around $16.4 billion is to be enabled by mixed financing from the issuance of new Siemens Healthineers shares and the issuance of bonds. The proceeds from the bonds are to be transferred within the Group to Siemens Healthineers under customary market conditions.

This transaction will enable Siemens to strengthen the competitiveness and independence of Siemens Healthineers. At the same time, Siemens will remain a strong majority shareholder and thus profit from the company’s considerably expanded setup. The transaction is expected to close in the first half of calendar
year 2021, subject to approval by Varian shareholders, receipt of regulatory approvals and other customary closing conditions.

“As the first of the three companies in our new Siemens Ecosystem, we gave Siemens Healthineers an independent, focused setup. This approach is the core of our Vision 2020+ strategy, which we’re rigorously executing – even in the time of COVID-19. Therefore, we expressly welcome and support this acquisition since it will be a powerful driver for Siemens Healthineers. A transformational step of this kind wouldn’t have been possible in the conglomerate structure of the old Siemens AG,” said Joe Kaeser, President and CEO of Siemens AG.

“The acquisition of Varian will create a world-leading company in the area of cancer therapy – a company in which Siemens AG will participate as a strong and long-term majority shareholder,” explained Roland Busch, Deputy CEO of Siemens AG. “Siemens Healthineers is excellently positioned in an attractive growth market in the global battle against cancer. The acquisition will benefit everyone – above all patients, but also the shareholders of both companies.”

**Transaction conditions**

The transaction underscores the financial strength of the Siemens Group and will be financed by a combination of equity and debt financing. Siemens AG will not participate in the planned equity increase at Siemens Healthineers AG. The additional debt capital is to be borrowed externally by Siemens in the form of bonds and transferred to Siemens Healthineers via intra-Group loans under customary market conditions. Siemens AG aims to maintain its current A+ / A1 rating.

Due to the planned capital increase at Siemens Healthineers AG, in which Siemens AG will not participate, Siemens AG’s stake in Siemens Healthineers AG will decline to about 72 percent from 85 percent. The related increase in the free float of Siemens Healthineers AG will further underscore the company’s independence.
About Varian

Varian is a global leader in the area of cancer care, offering innovative solutions, primarily in radiation therapy and related software. In fiscal 2019, the company generated revenue of $3.2 billion with an adjusted operating margin of approximately 17 percent. Headquartered in Palo Alto, California, Varian currently has around 10,000 employees worldwide. Taking a holistic approach to cancer care, the company is making increasing use of technologies such as artificial intelligence, machine learning and data analytics in order to further improve cancer treatment and expand access to care. The progress that Varian has made for decades in the development and use of multidisciplinary, integrated cancer treatment has made it an innovation leader for over 70 years.

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