

## Siemens Healthineers to acquire Varian in mega deal

- Combination creates a global leader in healthcare with a comprehensive portfolio to fight cancer
- Purchase price expected to be USD 16.4 billion in the all-cash transaction.
- Varian will continue to operate under the Varian name, as a Siemens Healthineers brand.



Varian's main focus is on radiation therapy hardware such as linear accelerators [Left Panel, above] in which it is a market leader. Siemens has extensive businesses in advanced diagnostic imaging including MRI and CT [Right Panel, above]. The combination is a powerful tool in cancer diagnosis and therapy. The two companies already have a partnership, known as EnVision, with the "En" representing the Energy of Varian's powerful radiation treatment delivery systems and the Vision of Siemens Healthineers' advanced imaging capabilities.

On August 2nd Siemens Healthineers and Varian Medical Systems announced that they have entered into an agreement by which Siemens Healthineers will acquire all shares of Varian for a purchase price of approximately USD 16.4 billion.

Commenting on the largely unexpected announcement, industry observers described it as being by far the biggest acquisition carried out by Siemens Healthineers since 2017 when it was spun off via an IPO from the mother company Siemens AG. At the time of the IPO, Siemens AG retained a large percentage of the newly floated company's share capital, prompting some commentators to speculate that the new company would still remain essentially under the influence of, or even restricted by Siemens AG. On the contrary, the new transaction shows that Siemens Healthineers is indeed capable of bold and large moves.

Varian's Board of Directors have unanimously approved the agreement and recommend Varian shareholders to do the same. The acquisition is expected to close in the first half of calendar year 2021.

*"With this combination of two leading companies we make two leaps in one step: a leap in the fight against cancer and a leap in our overall impact on healthcare. This decisive moment in the history of our companies means more hope and less uncertainty for patients, an even stronger partner for our customers, and for society more effective and efficient medical care. Together with Varian's outstanding and passionate employees, we will shape the future of healthcare more than ever before,"* said Dr. Bernd Montag, CEO of Siemens Healthineers AG.

*"Varian's innovative and patient centric culture has enabled us to become an iconic leader in radiotherapy and multi-disciplinary cancer care, with a trusted global brand and strong customer loyalty,"* said Dow Wilson, President and CEO of Varian. *"Siemens Healthineers values our talented and engaged employees and recognizes the strength of the Varian brand, our cutting-edge portfolio, and the relationships we've nurtured. We are thrilled to partner with Siemens Healthineers to extend our renowned customer care,*

*erving clinicians and patients from the very first stage in the fight against cancer. With Siemens Healthineers, we will transform care for a greater number of patients worldwide, as well as broaden opportunities for our employees as part of a larger and more global organization. That is why our Board is confident that combining with Siemens Healthineers is the right path forward for Varian – delivering immediate and compelling value to our shareholders, while bringing us even closer to our transformative vision of a world without fear of cancer."*

### A HOLISTIC PARTNER FOR CANCER CARE

Varian is a world leader in the field of cancer care, with innovative solutions especially in radiation oncology and related software. In fiscal year 2019, the company generated revenues of USD 3.2 billion (Siemens 2019 revenues were EUR 14.5 billion or approx. USD 17.2 billion). Varian is headquartered in Palo Alto, California, USA, and currently employs approximately 10,000 people worldwide. With a holistic approach to cancer care, the company is increasingly leveraging technologies such as artificial intelligence, machine learning and data analysis to further improve cancer treatment and expand access to care. After closing of the transaction, Varian will continue to operate under the Varian name, as a Siemens Healthineers brand.

### CANCER PERSPECTIVES

The International Agency for Research on Cancer expects the prevalence of cancer to almost double between 2010 and 2030, with more than 50 percent of all cancer patients undergoing radiotherapy [1, 2]. At the same time, significant growth in therapeutic innovations is driving demand for personalized diagnosis and therapy planning, implementation and monitoring.

Varian's decades of progress in developing and delivering multidisciplinary, integrated cancer care has kept the company at the forefront of innovation for more than 70 years. A spokesman said that Varian thus offers an ideal fit to Siemens Healthineers' leading businesses in medical imaging, laboratory diagnostics and interventional procedures.

### REFERENCES

- 1 [https://www.iarc.fr/cards\\_page/world-cancer-report/](https://www.iarc.fr/cards_page/world-cancer-report/) -
2. <https://gco.iarc.fr/>

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