

Walpole Facility FAQs

How do Siemens and Siemens Healthineers differ?

In May 2014, Siemens AG announced that as part of its Vision 2020 initiative, the healthcare division (formerly Siemens Healthcare, now Siemens Healthineers) would become a separately managed company within the company. Siemens Healthineers develops innovations that support better patient outcomes with greater efficiencies, giving providers the confidence they need to meet the clinical, operational and financial challenges of a changing healthcare landscape. We are a global leader in medical imaging, laboratory diagnostics and healthcare information technology. Learn more about the company's offerings here: <https://www.healthcare.siemens.com/healthcare-company-profile/about>

Why is the Walpole facility important to Siemens? To the Siemens Healthineers business? What were the motivating factors for the expansion and why now?

The expansion of the Walpole facility fits into the strategic growth plans for the company and allows us to increase our manufacturing footprint in the United States, the largest healthcare market in the world. The laboratory reagents and consumables developed and manufactured at the Siemens Healthineers Walpole facility impact patients and healthcare providers across the globe.

R&D efforts at the site bring new tests to the diagnostics market to help physicians diagnose and treat disease. Overall, Siemens Healthineers provides more than 10 billion diagnostic tests globally to laboratories each year. With a 37-year history of manufacturing products in Walpole, we saw an opportunity to leverage the local talent in the community to further our growth and expansion plans. The last major capacity addition to the Walpole facility occurred in 2007.

How long has this manufacturing facility been operating in Walpole?

The facility opened in 1979.

What activities currently take place at the Walpole facility?

The Siemens Healthineers Walpole facility employs more than 700 employees and is a key manufacturing facility for our laboratory diagnostics assays (e.g., reagents) that run on the ADVIA® Centaur family of immunoassay instruments, and for consumables for the molecular and blood gas testing instruments. The facility also will manufacture assays to run on the immunoassay module of the Atellica™ Solution, which is not yet commercially available. (The components of the Atellica™ Solution, including the sample handler and the clinical chemistry and immunoassay analyzers are manufactured in Flanders, New Jersey, USA.)

Why is Siemens choosing to expand at the Walpole facility as opposed to another location?

Several factors supported the expansion, including the overall investment in infrastructure, manufacturing costs and our ability to serve the target markets. The company has a 37-year history of manufacturing products in Walpole and we saw an opportunity to leverage the local talent in the

community to further our growth and expansion plans. Investment support from the Commonwealth of Massachusetts and its Life Sciences Center and from the Town of Walpole also played an important role.

What will the expansion include?

The expansion will include manufacturing, warehouse, office and lab space.

When will construction begin? When is it expected to be completed?

Renovations to the existing facility have begun. The exterior construction will begin by mid-July. We estimate that the expansion will have multiple phases and take approximately four years to complete once initiated.

How many people are employed at the Walpole facility? How many jobs is this project anticipated to create?

The Walpole facility employs more than 700 employees. Siemens Healthineers is committed to creating at least 400 new positions as part of the expansion project, but we anticipate that the expansion will create up to as many as 700 new permanent jobs to bring the total employment at the site to between 1,300 and 1,600 by 2026. These employees will join the 46,000 Siemens Healthineers around the world who enable healthcare providers to deliver excellent patient care.

What types of positions will be available?

The new high-tech jobs are anticipated to include the following professionals: PHD Scientists, Biochemists, Laboratory Technicians, Manufacturing Technicians, Process Engineers, Mechanical Engineers, Mechanical Technicians, Production Workers, Quality Assurance Professionals, Quality Engineers, Quality Control Specialists, Planning Specialists, Procurement Specialists, Project Management, Facility Maintenance and EHS Professionals.

What are the financial details of the project?

Siemens Healthineers projects a capital investment of \$300 million over four years. This investment will be supported by a combination of state and local investment incentives that offset higher costs at the Walpole site compared to an alternative site. The Commonwealth of Massachusetts offered a package including job creation tax incentives from the Massachusetts Life Sciences Center, infrastructure support from MassWorks and workforce training grants. The Town of Walpole offered Siemens Healthineers a Tax Increment Financing, including a property tax abatement that is based on the increased value resulting from the expansion. Siemens Healthineers expects the net impact to Walpole to be an increase of approximately \$10 million in property tax revenue over the next 20 years—over and above the \$31 million in tax revenue expected to be generated by the existing facility during that period. After the TIF expires in 2038, Siemens Healthineers estimated property tax burden will then be an estimated \$4 million per year.

(TIF: Tax increment financing is a public financing method used as a subsidy for redevelopment, infrastructure, and other community-improvement projects.)

Why was a Tax Increment Financing agreement necessary for this expansion project?

This expansion project is one of the largest in the company's recent history and it demonstrates our commitment to invest in innovation to enable healthcare providers around the world to meet their current challenges and to excel in their respective environments. The TIF subsidy enabled the Walpole facility to compete with—and among other reasons win out over—the other contending sites.

How does Walpole benefit from the TIF it provided to Siemens?

Siemens Healthineers expects the net impact on Walpole to be an increase of approximately \$10 million in property tax revenue over the next 20 years compared to Walpole's revenue if the expansion were located elsewhere. In addition, as part of the expansion project, Siemens Healthineers pledged to contribute to the community \$250,000 for a new ladder truck for the Walpole Fire Department, \$100,000 toward construction of a new town park and \$160,000 toward snow removal costs and equipment. Siemens Healthineers also will continue its various corporate citizenship efforts to foster interest in the life sciences locally through its school programs and donations and student scholarships.

Siemens Healthineers has initiated several efforts intended to cultivate job applications from Walpole community members. Siemens Healthineers is committed to creating at least 400 positions, but we anticipate up to as many as 700 new permanent jobs to bring the total employment at the site to between 1,300 and 1,600 by 2026. These employees will join the 46,000 Siemens Healthineers around the world who enable healthcare providers to deliver excellent patient care.

More details about the TIF agreement can be found here: <http://www.walpole-ma.gov/siemens-expansion-information>