QIAGEN
Q3 2018 CONFERENCE CALL TRANSCRIPT

October 30, 2018

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JOHN GILARDI: Thank you, and welcome to our conference call.

The speakers today are Peer Schatz, the Chief Executive Officer of QIAGEN, and Roland Sackers, the Chief Financial Officer. Also joining us is Dr. Sarah Fakih from our IR team.

Please note that this call is being webcast live and will be archived on the Investors section of our website atwww.qiagen.com. A copy of the press release is also available in the same section.

(SLIDE 2: FORWARD LOOKING STATEMENTS)

JOHN GILARDI: Before we begin, let me cover our Safe Harbor statement. The discussion and responses to your questions on this call reflect management's view as of today, Tuesday, October 30, 2018.

We will be making statements and providing responses to your questions that state our intentions, beliefs, expectations or predictions of the future. These constitute forward-looking statements for the purpose of the Safe Harbor provisions. These statements involve risks and uncertainties that could cause actual results to differ materially from those projected. QIAGEN disclaims any intention or obligation to revise any forward-looking statements. For more information, please refer to our filings with the U.S. Securities and Exchange Commission.

We will also be referring to certain financial measures not prepared in accordance with generally accepted accounting principles. You can find a reconciliation of these figures to GAAP in the press release and the presentation for this call.

So with that, I will now turn the call over to Peer.

(SLIDE 4: Q3 2018 OVERVIEW - PEER)

PEER SCHATZ: Thank you, John, and thank you to all of you for joining us for this call.

Our results for the third quarter of 2018 confirm the solid performance our teams are delivering during an exciting year of growth. They also show the progress we are making on building a unique and differentiated portfolio of Sample to Insight molecular testing solutions across the continuum of customer needs from basic research to clinical healthcare. We are on track to achieve our targets for higher sales and adjusted earnings in 2018, along with a significant increase in cash flow.

I have these key messages for you today:

First, QIAGEN exceeded the targets set for the third quarter of 2018. Total net sales were 377.9 million dollars, rising a solid 6.5% at constant exchanges rates and above the target we had set for about 6% CER growth. Adjusted earnings per share were 35 cents on a reported basis, and they were 36 cents at constant exchange rates. This was ahead of our outlook for about 33 to 34 cents per share on a CER basis, and reflect the significant efficiency gains our teams have achieved.

The improved profitability was also reflected in the adjusted operating income margin, which rose 1.5 percentage points on a CER basis and was 28% of sales on an adjusted basis.

Second, we are advancing our Sample to Insight portfolio to address opportunities across the continuum from basic life science research to routine clinical healthcare.

Among the highlights, sales of the QuantiFERON-TB test grew at a solid mid-teens CER rate, achieving the target we had set for QuantiFERON growth. A key development during the third quarter was the European launch of our strategic collaboration with DiaSorin and new automation option for customers to use the LIAISON system for the test readout.

We believe this partnership, along with the new pre-analytical workflow option with Hamilton, will enhance growth and gives us additional confidence in achieving the 2020 target of more than 300 million dollars in annual sales.

As another highlight, our teams are establishing a European footprint for the QIAstat-Dx system, which is gaining recognition as a next-generation solution for providing accurate insights into complex disease syndromes, such as respiratory and gastrointestinal conditions. We are on track for the U.S. regulatory submission and market entry next year, in time for the fall 2019 respiratory season.

We are also moving ahead with new placements of the QIAsymphony automation platform, and are set to soon reach more than 2,300 cumulative placements during the fourth quarter.

QIAsymphony has become the most highly versatile and modular automation platform in our industry, and we continue to look forward to a solid placement rate in the coming years, along with solid growth for the related consumables.

In next-generation sequencing, we are on track to achieve our goal this year of more than 140 million dollars from this portfolio, up from about 115 million dollars in 2017. QIAGEN recently launched a breakthrough technology for RNA sequencing on any platform. Meanwhile, the GeneReader NGS system is growing in placements and consumable sales and we are launching new assays further expanding the available menu.

Third, QIAGEN is emerging with the leading portfolio of disruptive new molecular diagnostic technologies addressing very large market opportunities. The strategic partnership with NeuMoDx, announced in September, added two new fully integrated testing platforms, and NeuMoDx is highly synergistic with our portfolio, and shares the sales channels with QIAstat-Dx and QIAsymphony.

This new partnership will enable us to offer the ease of clinical chemistry testing automation to molecular diagnostics laboratories. I will come back to this topic later.
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Fourth, based on the solid performance in the first nine months of the year, we are reaffirming our sales guidance for 2018, while raising the target for adjusted EPS. We continue to expect about 6 to 7% CER total net sales growth. This outlook includes about 7 million dollars of first-time sales from QIAstat-Dx, weighted into Q4. It also assumes about one percentage point of headwind from reduced U.S. HPV test sales, and also absorbs the adverse impact of the recent product portfolio changes.

For adjusted EPS, we have raised our outlook to 1 dollar and 33 cents to 1 dollar and 34 cents. This is an increase from the prior range of 1 dollar and 31 cents to one dollar and 33 cents per share at constant exchange rates.

So as a quick summary, we are pleased with the progress QIAGEN has made in 2018 and the progress we are making toward our mid-term 2020 targets.

I would now like to hand over to Roland.

(SLIDE 5: Q3 2018 FINANCIAL REVIEW - ROLAND)

ROLAND SACKERS: Thank you, Peer.

Good afternoon to those of you in Europe and good morning to those of you in the U.S. I will first review the financial results for the third quarter of 2018 and later provide you with an update on our guidance for the fourth quarter and the full year.

As you saw in our press release, we had another strong performance in the third quarter, as we exceeded the targets set for sales and adjusted EPS. Furthermore, free cash flow for the first nine months of 2018 was up 21% to 176.7 million dollars, and this was after taking into account the 30 million dollars of pre-paid royalties for the Natera partnership announced earlier this year.

The net sales growth of 6.5% CER exceeded our target for about 6% CER growth. On a reported basis, net sales rose 3.8% to 377.9 million dollars, and this included the adverse currency headwinds, compared to 364 million dollars in the year-ago quarter.

As expected, the launch of the QIAstat-Dx system provided initial revenues amounting to less than a point of incremental growth.

The rest of the portfolio showed solid organic gains, and this was particularly impressive given that the results absorbed the negative impact from the disposals of several product portfolios. These changes included the divestment of a veterinary testing portfolio announced in early 2018, as well as the structural changes in China announced in late 2017 to sharpen our focus.

After two quarters of currency tailwinds, we saw a sharp reversal in the third quarter and a headwind of 2.7 percentage points. This was due to the weakening of several emerging market currencies during the third quarter against the U.S. dollar.

Moving down the income statement, the adjusted gross profit margin was 71.5% of sales in the third quarter of 2018, showing an improvement of about 50 basis points from the third quarter of 2017, and was supported by efficiency gains despite an adverse mix in the product portfolio and higher instrument sales.

Adjusted operating income rose 8% to 105.6 million dollars. This led to the adjusted operating income margin rising about 150 basis points at constant exchange rates, and rising about 100 basis points on a reported basis to 27.9% of sales compared to 26.9% in the year-ago period. We have been able to realize more gains than initially planned from the efficiency programs that we launched in recent years. A key focus area has been realizing the benefits of our shared service centers in Poland and the Philippines. We also achieved these results while making significant investments in the launch of the QIAstat-Dx system, and also funding our growth drivers.

Along with the increase in the adjusted gross margin, and the benefits of the efficiency programs, we have been managing costs in other areas. You can see this by the lower levels of Sales & Marketing and General & Administration expenses as a percentage of sales compared to the third quarter of 2017.

For the full year, we continue to expect about 100 basis points of improvement in the adjusted operating income margin compared to 26.2% in 2017, and this includes the QIAstat-Dx investments.

Moving down the income statement, adjusted diluted earnings were 35 cents per share on a reported basis for the third quarter of 2018, and were 36 cents at constant exchange rates. This was ahead of our outlook for about 33 to 34 cents at CER. The adjusted tax rate was 19% for the third quarter, while the outlook for the fourth quarter and full-year 2018 is 20%.

(SLIDE 6: Q3 2018: CUSTOMER CLASSES - ROLAND)

ROLAND SACKERS: I would like to now review our sales results for the product categories and our four customer classes.

Among the product categories, instrument sales were up 11% to 46 million dollars and provided 12% of total sales, advancing on higher sales of the QIAsymphony, GeneReader NGS and QIAcube platforms, along with first-time contributions from the recent launch of QIAstat-Dx. Underlying instrument sales growth was about 24% CER when excluding revenues from instrument service contracts. These have been under pressure during 2018 due to shifting from third-party contracts to QIAGEN instruments.

Consumables and related revenues rose 6% CER to 331 million dollars in the third quarter, continuing the same trend from the second quarter of the year, and represented 88% of total sales. Here we saw solid business expansion in the Molecular Diagnostics, Pharma and Academia customer classes, along with underlying low-single-digit CER growth in Applied Testing when excluding the veterinary testing portfolio divestment earlier this year.

As mentioned earlier, we are pleased with the commercial start of the QIAstat-Dx system, but revenues are expected to be most heavily weighted for this year to the fourth quarter, when we expect about 5 million dollars of incremental revenues.

Molecular Diagnostics led the performance, rising 9% CER to 189 million dollars, and provided 50% of total sales. This came on a combination of robust double-digit CER growth in instrument sales along with high-single-digit CER gains in consumables.

The Life Science customer classes provided 50% of total sales, and rose 4% CER on a combined basis in the third quarter of 2018.

As mentioned earlier, Applied Testing sales trends in 2018 have been impacted by the divestment of some veterinary testing assays, with sales in the third quarter up 1% CER to 35 million dollars. However, we continue to see solid trends in our Human ID and forensics business.

The Pharma and Academia customer classes maintained solid growth rates in the third quarter, and consistent with trends over the first nine months of 2018. Pharma sales rose 5% CER to 71 million dollars on a mix of mid-single-digit CER growth in consumables and largely unchanged instrument sales. Academia sales also rose 5% CER in the third quarter of 2018 thanks to double-digit CER growth in instrument sales and modest single-digit CER growth in consumables.

(SLIDE 7: Q3 2017: GEOGRAPHIC REGIONS - ROLAND)

ROLAND SACKERS: I would like to now review the performance among our three geographic regions.

The Americas region continued to have the strongest growth rates, rising 9% CER to 186 million dollars and representing 49% of sales thanks to ongoing double-digit CER gains in the U.S. and Mexico, along with solid single-digit CER growth in Brazil and Canada. We have seen positive trends in both Molecular Diagnostics and the Life Sciences, including the U.S. academia market.

The Europe Middle East Africa region grew 1% CER in the third quarter, with sales of 111 million dollars and providing 30% of sales. This was below the trends seen earlier in 2018, and due mainly to the timing of national tenders in 2017. Furthermore, the divestment of the veterinary assay business was primarily focused on Europe. We saw improving trends in Germany, Switzerland and Italy against weaker trends in France, the Benelux region and the Middle East. Sales on a CER basis rose at a double-digit pace in Turkey, but were significantly reduced by the adverse currency movements.

The Asia-Pacific Japan region grew 11% CER in the third quarter, with sales of 80 million dollars that represented 21% of total sales. Sales rose at an even faster 19% CER rate when excluding sales of the QuantiFERON latent TB test in South Korea, which enhanced results in 2017. We saw sales growth in China at a double-digit CER pace, and also a return to growth in Japan after a period of challenges in this country.

(SLIDE 8: Q3 2018: BALANCE SHEET / CF - ROLAND)

ROLAND SACKERS: I would like to now give you an update on our balance sheet and cash flow.

QIAGEN has a very healthy balance sheet, and the strong cash flow trends during 2018 have enabled us to continue with our capital allocation policy focused on targeted acquisitions and increasing returns to shareholders.

Net cash provided by operating activities rose 18% to 249 million dollars in the first nine months of 2018, and this includes the payment of 30 million dollars for pre-paid royalties to Natera for the genetic screening partnership. Property, plant and equipment expenditures were about 7% of sales, and in line with recent trends for QIAGEN, and amounted to 72.3 million dollars for the 2018 period. As a result, free cash flow rose 21% in the first nine months of 2017 to 176.7 million dollars.

Our leverage ratio stood at 1.6 times net debt to EBITDA at the end of the third quarter of 2018, which remains stable compared to the level of 1.5 times at the end of 2017. This is even taking into account the cash payments for the QIAstat-Dx acquisition and share repurchases as part of the current 200 million dollar return commitment. We continue to view our shares as being under-valued, and completed the second 50 million dollar repurchase tranche in October.

I would like to now hand back to Peer for a strategy update.

(SLIDE 9: SUMMARY ON SAMPLE TO INSIGHT - PEER)

PEER SCHATZ: Thank you, Roland.

I am now on slide 9 to give you an overview of key developments in our Sample to Insight portfolio.

In the intro I mentioned our QIAstat-Dx system for syndromic testing, which we discussed in detail during our last quarterly call. We are rapidly expanding our placements in Europe, Asia and Africa. In addition to our focus on placements, we are also working on a long-term plan for a significant menu expansion, and as part of this plan recently added a new, very comprehensive gastrointestinal panel.

Our flagship QIAsymphony automation platform continues to show robust placement rates and solid consumable pull-through.

Our leadership in differentiated technologies continues to produce growth in areas like processing samples for microbiome research or in liquid biopsy.

Now, let me go into more detail on the other four areas, including:

- NeuMoDx, our newest automation system
- QuantiFERON-TB
- Next-generation sequencing, with our GeneReader NGS System and universal NGS solutions
- and our Personalized Healthcare franchise.

(SLIDE 10: PLATFORM OFFERING OVERVIEW – PEER)

PEER SCHATZ: I am now on slide 10 to give you an overview of QIAGEN's comprehensive portfolio of automation systems, how it addresses the majority of the molecular diagnostics market and how NeuMoDx fits in to complement our overall platform and technology offering.

On this slide, we want to show how significantly our footprint changed since 2015.

The graphic shows you the 2018 molecular diagnostics market. On the outer ring you can see how QIAGEN today is positioned to address almost all of the key segments of the MDx market with a broad portfolio of synergistic and highly complementary platforms.

This compares to the inner ring of the graphic, showing our competitive profile in 2015. Only three years ago QIAsymphony RGQ was our only automation system and while QIAsymphony continues to be the leading platform with a high market share in the ***modular*** MDx market segment, this is only a small part of the overall MDx market.

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Building a full suite of automation platforms over the past three years was critical for us to ensure the best scaling of our technologies and in particular sales channels. We are very pleased that we have been able to create this platform footprint, but also that we now have emerged as being very uniquely positioned with an unparalleled footprint across the market's key testing segments and in many aspects also with quite disruptive new platform technologies and systems. Our focus in MDx is now shifting to building the menu as rapidly as possible.

In more detail, in addition to QIAsymphony RGQ, which continues to have a strong position as a leading platform in modular testing and an unrivalled position as the solution of choice for all sample processing needs in MDx, we have today a very attractive platform for clinical NGS with the GeneReader. Early this year, we added a next-generation solution for syndromic testing with QIAstat-Dx, and now we have added the NeuMoDx technology, which has the promise to be a disruptive solution for the largest market segment in Molecular Diagnostics – the fully integrated clinical testing. With NeuMoDx we can now offer scalable platforms from medium to highest throughputs with full menu compatibility across the two systems as core modules as well as the consumables are identical.

(SLIDE 11: NEUMODX – PEER)

PEER SCHATZ: I am now on slide 11 to give you an update on the strategic partnership and distribution agreement with NeuMoDx that we announced in mid-September.

As already highlighted on the previous slide, NeuMoDx represents not only the latest addition to our automation portfolio but forms an integral part of our unique footprint in molecular diagnostics. With the NeuMoDx partnership, QIAGEN gained access to a disruptive microfluidic-based technology for integrated PCR that is applied in a similar way also in QIAstat-Dx and is implemented as a compact and fully integrated microfluidic consumable that can be scaled across all throughput sub-segments of this very large laboratory MDx testing market segment.

We have been working for years, together with QIAstat and also NeuModx on microfluidic-based methods for molecular diagnostics. These methods have evolved significantly and now offer important advantages over traditional methods. The micro channel architecture not only allows more flexible and economical test setup due to strongly reduced sample and chemistry input, but also gives much tighter control of critical reaction conditions.

A larger surface-to-volume ratio enables more immediate heat conduction, faster temperature cycling and much faster PCR detection times.

Most systems in the market and also currently in the pipelines simply use an automated liquid handling approach using standard size consumables that can also be used manually. But replicating manual steps creates higher automation complexity and slows down the overall process.

Using a fully integrated microfluidic approach is novel in this space and has very significant performance advantages.

For example, NeuMoDx systems show dramatically faster time-to-result performance, with times as short as 40 minutes compared to existing platforms in the market taking around 3-4 hours. Improved time-to-result is crucial as it allows labs to achieve much faster sample turnaround and to deliver many more results to physicians in a much shorter time, and many more results within the same day.

Both platforms also offer true random access, meaning the possibility to load and process any sample, at any time and in any order. While this is often mentioned for other integrated lab systems, they really are batching due to limitations in terms of assays that can be run at the same time – often only 3-4 different assay. With NeuMoDx a first true random access solution is introduced, as up to 30 different assays can be stored on the instruments and run in any combination. Also, onboard stability of all assay chemistries excludes the need to load assay from a refrigerated storage and allows many more assays to be pre-loaded onto the system.

As you can see from these mentioned features, and there are many more, the workflow features of NeuMoDx are best-in-class for labs in Molecular Diagnostics.

We have been in this market for 20 years, and have worked with NeuMoDx for about 4 years. We have chosen to back this platform after a thorough analysis and come away very excited – in particular after the first customer demos – and we believe this is not only a unique platform technology, but one that allows disruptive performance features.

We are still in the early phases of the roll-out of both NeuMoDx instruments but will keep you updated on our progress.

(SLIDE 12: QUANTIFERON – PEER)

PEER SCHATZ: I am now on slide 12 to give you an overview of key developments for QuantiFERON-TB, the gold-standard test for detecting latent tuberculosis directly from blood samples.

The growing awareness around latent tuberculosis, and the increasing rate of market conversion from the 120-year-old skin test to molecular, blood-based diagnostics, have increased the demand for more streamlined workflows to allow for even faster and more scalable latent TB testing.

To satisfy the constantly increasing testing demand of small to large-scale TB screening programs, we have focused on highly efficient automation solutions and have built up strategic collaborations with Hamilton and DiaSorin.

The resulting workflow that you see on the left sets new standards for economical latent TB testing, covering all sample throughputs. We just launched a CE-marked DiaSorin automation solution in Europe to use the LIAISON systems for the test readout and launch in the U.S. is on track for 2019.

With the DiaSorin partnership, we significantly raise the bar on automated latent TB testing, now providing not only the current market-leading screening test for latent TB, but also by far the best-in-class automation solution.

The value of this offering is increased by the comprehensive menu of around 120 assays available for the LIAISON platform, opening up dedicated content in more than 25 different application areas for users of QuantiFERON-TB.

As of today, we have proven that we not only have the best-in-class assay, but also the best-in-class automation and give customers the best-in-class menu with this automation.

TB control is getting more and more attention. The latest move from the public sector came from world leaders meeting at the UN, the first summit focused on eradication of tuberculosis. The heads of state committed to invest $13 billion a year in TB prevention and care by 2022, which will give a further boost to programs screening for latent TB.

Also, you may have read about GlaxoSmithKline's therapeutic vaccine for tuberculosis. A clinical trial for the first vaccine showing efficacy in the treatment of latent TB infection – reported in the *New England Journal of Medicine* – relied heavily on QuantiFERON-TB as the gold standard screening test to accurately identify patients with a latent TB infection.

We are excited about the progress made in treating latent TB as improved treatments will also be a great benefit for latent TB screening.

(SLIDE 13: NEXT-GENERATION SEQUENCING – PEER)

PEER SCHATZ: I am now on slide 13 to review the progress on our next-generation sequencing portfolio. We want to touch on our platform-agnostic Universal NGS solutions as well as our Sample to Insight GeneReader NGS automation system, both of which contribute to the 140 million dollars we reaffirm as a sales goal for 2018.

This week we will be attending the Association for Molecular Pathology meeting, AMP 2018, and launching multiple new NGS products. AMP is one of our high-profile opportunities to meet experts and customers as they gather from around the world.

In our differentiated Universal NGS portfolio, we have built an industry-leading offering for RNA sequencing. Two weeks ago at ASHG we launched our new QIAseq FastSelect RNA Removal Kits, a breakthrough technology in library preparation for RNA-sequencing – which is a key segment of the NGS research market.

This novel solution addresses a major bottleneck in RNA sequencing, namely the efficient removal of highly abundant but scientifically irrelevant RNAs. These so-called contaminating RNAs make up more than 90% of the overall cellular RNA content, and only most efficient removal enables the preparation of RNA-seq libraries that contain only RNAs of primary interest, such as messenger RNA or long non-coding RNA.

The QIAseq FastSelect technology is compatible with virtually any RNA library preparation kit and reduces the mandatory depletion procedure from about two hours to as little as 20 minutes, with only a single pipetting step.

We also have news on the GeneReader NGS System, which continues to build critical mass. At the AMP meeting this week, we are launching two new panels for the GeneReader: a broad panel covering 30 genes and detecting more than 850 variants in major cancer types, and a more focused panel for profiling gene variants involved in breast and ovarian cancers. Both panels are based on QIAGEN's proprietary Digital NGS technology.

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(SLIDE 14: PERSONALIZED HEALTHCARE – PEER)

Peer Schatz: On slide 14, I would like to update you on our Personalized Healthcare franchise.

Let's start with immuno-oncology, an exciting, emerging area in cancer treatment. I-O, as people call it, was in the news recently when the Nobel Prize in Medicine was awarded to two pioneers in discovery of the field.

At AMP, we are launching an exciting new QIAseq panel to analyze the key biomarkers that indicate the likelihood that a patient will respond to immuno-oncology drugs. This assay measures tumor mutational burden and microsatellite instability, as well as single nucleotide variances and insertions/deletions. The QIAseq TMB Panel is designed to run on any NGS platform.

QIAGEN provides key biomarkers and novel gene expression profiles for I-O research, and we are partnering with pharma companies to provide companion diagnostics for these I-O drugs.

We're also launching enhancements to QIAGEN Clinical Insight to interpret sequencing data showing patients' biomarkers for I-O response.

In an established companion diagnostic, we recently received our third FDA approval for the *therascreen* EGFR kit that runs on QIAsymphony, this time to guide the use of Pfizer's new lung cancer drug VIZIMPRO. This is our first FDA-approved companion diagnostic paired with a Pfizer drug.

As you know, QIAGEN is a trusted partner to more than 25 leading pharma and biotech companies that rely on us to develop companion diagnostics for patient stratification.

With this, I would like to hand back to Roland.

(SLIDE 15: FULL YEAR 2018 OUTLOOK – ROLAND)

Roland Sackers: Thank you, Peer

I would like to now review our targets for the fourth quarter and our updated outlook for 2018.

For the full year, we continue to expect total net sales growth of about 6-7% CER. This is based on the broad business expansion continuing into the second half of the year, along with about 7 million dollars of first-time M and A contributions from the launch of QIAstat-Dx. This outlook also absorbs the changes to our business portfolio, and also about one percentage point of headwind from reduced U.S. HPV sales.

For adjusted EPS at constant exchange rates, we have raised our outlook to about one dollar and 33 cents to one dollar and 34 cents, and this compares to the prior range of one dollar and 31 cents to one dollar and 33 cents.
This is due to the significant efficiency gains we have been able to realize, while at the same time making significant investments in the launch of QIAstat-Dx.

As for currencies, based on rates as of October 26, 2018, in terms of net sales we expect a currency headwind of about one percentage point on results at reported rates. For adjusted EPS for the full year 2018, we now expect a currency headwind of up to two cents.

For the fourth quarter, our guidance is for total net sales growth of about 6 to 7% CER, and this includes about 5 million dollars of M&A contributions from QIAstat-Dx. This outlook also absorbs the sales lost to recent portfolio changes.

Adjusted EPS at constant exchange rates is expected to be about 39 to 40 cents per share, also at constant exchange rates. This compares to 43 cents in the fourth quarter of 2017, but the 2018 outlook includes the significant investments in QIAstat-Dx commercialization and the development for entry into the U.S. market.

In terms of currency impact, based on rates as of October 26, 2018, we expect currency headwinds of about four percentage points on net sales, and one cent of headwind on the official CER guidance for adjusted EPS.

In terms of adjustments, for the full year we expect charges on operating income for the amortization of purchased intangibles to be about 97 million dollars in 2018.

We also expect restructuring-related items to continue to be about 9 million dollars, as we have completed the efficiency program started in late 2016. Business integration costs are expected to remain at our prior outlook for about 30 million dollars, and this includes the STAT-Dx acquisition.

And we expect a full-year adjusted tax rate of about 20% for 2018.

With that, I would like to hand back to Peer.

(SLIDE 16: SUMMARY - PEER)

PEER: Thank you, Roland.

Here is a quick summary before we move into Q&A. Let me review what we have announced:

- First, we had the third consecutive quarter of solid 6% CER growth in 2018, with adjusted operating income continuing to grow at a faster rate than sales and leading to adjusted EPS of 35 cents per share, which was above our target.

- Second, we are advancing our Sample to Insight portfolio across the continuum from basic research to routine clinical healthcare. We continue to deliver double-digit CER growth from our top products like the QuantiFERON TB test, our QIAsymphony automation system and differentiated technologies like liquid biopsy, microbiome and NGS solutions. We are also excited about the European footprint we are establishing for the new QIAstat-Dx platform, and the growth potential in syndromic testing.

- Third, QIAGEN is emerging with the leading portfolio of disruptive new molecular diagnostic platform technologies – addressing very large market opportunities. The strategic partnership announced in September with NeuMoDx, bringing us two new fully integrated testing platforms, is highly synergistic with our portfolio, channel and footprint.

- Finally, as a last point, we are on track to achieve the sales outlook we have set for 2018, and have raised our outlook for adjusted EPS due to the significant efficiency gains our teams have achieved. We feel very good about 2018 and are looking forward to executing on our strategy in 2019 as well.

With that, I'd like to hand back to John and the operator for the Q&A session. Thank you.

JOHN: With that, I would like to close this conference call and thank you for your participation. If you have any questions or comments, please do not hesitate to contact us.

Thank you.