

# OVERVIEW

## Report of the Supervisory Board

The members of the Supervisory Board wish to thank all QIAGEN employees and members of the Executive Committee for the progress made during 2017 toward achieving QIAGEN's vision of making improvements in life possible. We would also like to thank our shareholders, customers, business partners and other stakeholders for honoring QIAGEN with their continued collaboration and trust.

### Review of 2017 performance

A key role of the Supervisory Board is to monitor the conduct and progress of QIAGEN's business on a regular basis, and this was done during 2017 with detailed written and oral reports from the Managing Directors, members of the Executive Committee and other senior leaders.

The Supervisory Board was pleased with the performance of QIAGEN in 2017, and the results showed further evidence that QIAGEN is moving ahead on a new growth trajectory and addressing the needs of a broad range of customers with its Sample to Insight molecular testing solutions. All customer classes and regions delivered improved results for the year. The growth drivers of QIAGEN's Sample to Insight portfolio all performed well in 2017, led by the QIASymphony automation system setting a new record and reaching more than 2,000 cumulative placements, the QuantiFERON latent TB test delivering 24% growth, and further expansion of the industry-leading Personalized Healthcare portfolio of companion diagnostic partnerships with pharma companies for precision medicine therapies. QIAGEN has set goals for 2018 for accelerating organic growth and for higher adjusted net sales and adjusted earnings per share. QIAGEN looks forward to 2018 as a very exciting year on the path to achieving the mid-term growth targets set for 2020.

### Composition of the Supervisory Board and Managing Board

The composition of the Supervisory Board changed during 2017 with the addition of Dr. Håkan Björklund and it will change in 2018 given my previously announced intention to resign with effect at the Annual General Meeting 2018 after having served on the Board since 2000. I would like to personally express my appreciation to my colleagues in the Supervisory Board and the Managing Board for their highest level of collaboration and professionalism during this time and their commitment to the success of QIAGEN. Following the Annual General Meeting, the Supervisory Board plans to elect Dr. Håkan Björklund as new chairman.

Dr. Björklund brings an extensive international background in the life science industry to QIAGEN, in particular through his current role as Operating Executive at Avista Capital Partners, as well as through previous roles as CEO of the global pharmaceutical company Nycomed, Regional Director at Astra (now AstraZeneca) and President of Astra Draco. In addition to QIAGEN, he currently serves as Chairman of the Board of Directors of Swedish Orpham

Biovitrum AB. Dr. Björklund earlier served as Chairman of the Board of Directors of Lundbeck A/S, and was also a Member of the Board of Directors of several international life science companies, including Alere, Coloplast and Danisco. Dr. Björklund has a Ph.D. in Neuroscience from Karolinska Institutet in Sweden.

All other current members of the Supervisory Board will stand for re-election at this upcoming meeting. All members, with the exception of Dr. Metin Colpan, have served in the Supervisory Board for less than eight years as recommended by the Dutch Corporate Governance Code. QIAGEN values the profound industry experience of Dr. Colpan and his in-depth knowledge of the Company and therefore supports the reappointment of Dr. Colpan beyond before stated eight-year term.

The target profile of the Supervisory Board can be found on QIAGEN's website, and the current composition fully complies with this profile. Further information on the individual members of the Supervisory Board is set forth in the Corporate Governance and Compensation overview.

QIAGEN has a long-standing commitment to developing a diverse leadership team, including the Managing Board and the Supervisory Board, with a broad range of experience, skills and capabilities. In nominating candidates for these boards, QIAGEN supports the trend toward higher participation of women, and is committed to expanding diversity while pursuing individuals for these boards with a unique blend of scientific and commercial expertise and experience that will contribute to the future success of its business. Management development programs support the career advancement of leaders regardless of gender and other factors. As a result, a number of women are in key leadership roles around the world. In line with this long-standing commitment, the Supervisory Board continues to take a diverse leadership team into account when proposing members for election or re-election to its Board without compromising QIAGEN's commitment to hiring the best individuals for positions without any discrimination. The current size of the Managing Board is two members, so achieving a diversity goal as measured solely by a percentage of overall membership is difficult to achieve. At the same time, QIAGEN has increased the diversity of its senior leadership team and will continue to do so in the future. The composition of the Managing Board remained unchanged with two members (Chief Executive Officer Peer M. Schatz and Chief Financial Officer Roland Sackers).

## Principal topics discussed by the Supervisory Board

As empowered by the Dutch Corporate Governance Code, the Supervisory Board devoted considerable time during 2017 to discussing and assessing QIAGEN's corporate strategy, main risks and opportunities, and an annual assessment by the Managing Board of the design and effectiveness of internal risk management and control systems as well as any significant changes in them. In addition, the Supervisory Board discussed and reviewed the functioning of its committees and individual members, its current composition, competence, succession schedule and desired profile in various meetings and through written surveys.

The Supervisory Board met five times during 2017 with attendance of all Supervisory Board members in all meetings and regular attendance of the members of the Managing Board for certain agenda items. The Supervisory Board also met to review and discuss agenda items in the absence of the Managing Board members, such as performance and strategy as well as to discuss compensation matters. Information about the Supervisory Board members, including positions held on other boards, is included in the Corporate Governance and Compensation overview. All members of the Supervisory Board had adequate time available to give sufficient attention to the concerns of the company. The Supervisory Board further discussed the performance of the Managing Board and concluded that it and the Managing Board were functioning properly.

## Committees of the Supervisory Board

The Supervisory Board has established an Audit Committee (Chair Mr. Lawrence Rosen), a Compensation Committee (Chair Ms. Elizabeth Tallett), a Selection and Appointment Committee (Chair Dr. Karobath), and a Science and

Technology Committee (Chair Dr. Metin Colpan) from among its members. The Supervisory Board reserves the right to establish other committees as deemed beneficial and has approved charters under which each of these committees operates (charters are available on our website at [www.QIAGEN.com](http://www.QIAGEN.com)). The deliberations and findings of the committees were reported by the committee chairs to the Supervisory Board in its meetings on a regular basis. All committee members attended all committee meetings in 2017 physically or by phone. Further detailed information on the composition of the Supervisory Board and its committees, the number of committee meetings held in 2017 and the main topics of discussion, the remuneration of its members, as well as other information on the Supervisory Board, can be found in the Corporate Governance and Compensation overview, which is an integral part of this Annual Report.

Through its Compensation Committee, the Supervisory Board executed and monitored compliance with the Remuneration Policy approved at the Annual General Meeting held on June 25, 2014. Compensation of Managing Board members consists of a fixed salary and variable components. Variable compensation includes one-time and annual payments linked to business performance (bonuses) as well as long-term incentives, such as share-based compensation, and pension plans. The Remuneration Policy and the various aspects of compensation, including the detailed remuneration of individual Managing Board members, are described in the Remuneration Report, which is available on QIAGEN's website. Information on QIAGEN's activities was communicated by the Managing Board to the Supervisory Board through regular meetings and business reports.

## Corporate Governance

All members of the Supervisory Board fulfill the independence criteria as defined by the Dutch Corporate Governance Code. The Supervisory Board follows the principle of increasing shareholder value as the members represent the interests of all stakeholders, including shareholders, and has always pursued the highest standards in Corporate Governance.

QIAGEN is committed to a corporate governance structure that best suits its business and stakeholders, and that complies with relevant rules and regulations. Since 1997, QIAGEN has endorsed the recommendations made in the report of the Netherlands Committee on Corporate Governance, which was replaced by the Dutch Corporate Governance Code effective January 1, 2004. The Dutch Code was last amended on December 8, 2016 and is applicable as from January 1, 2017. Our policy is to follow the guidelines of Good Practice of Corporate Governance as described in the Dutch Corporate Governance Code, although some minor deviations may result from the impact of factors such as legal requirements imposed on QIAGEN or industry standards.

During 2017, QIAGEN was also subject to the rules regarding Corporate Governance set by NASDAQ, where its common shares have been listed since 1996. In January 2018, we transferred the U.S. listing of our global shares to the New York Stock Exchange (NYSE), which provides us with greater visibility within the healthcare sector and opportunity to expand our global shareholder base. As a result, we will further be subject to corporate governance practices followed by U.S. companies under the New York Stock Exchange listing standards. QIAGEN provides detailed disclosure in the Corporate Governance and Compensation overview regarding compliance with the Dutch Corporate Governance Code.

QIAGEN believes all of its operations are carried out in accordance with legal frameworks, including Dutch Corporate Law, U.S. laws and regulations, EU regulations and laws of the German capital market.

QIAGEN's common shares are registered and traded in the U.S. on the New York Stock Exchange as of January 2018 (formerly on the NASDAQ Global Select Market) and in Germany on the Frankfurt Stock Exchange in the Prime Standard segment. Shareholders in the U.S. and Europe hold the majority of common shares.

## Financial statements and audits

In this Annual Report, the financial statements for 2017 are presented as prepared by the Managing Board, audited by KPMG (Independent Registered Public Accounting Firm). We examined the financial statements, the proposal for the use of the distributable profit, the consolidated financial statements and the management report. We have no objections, thus we concur with the results of the audit, and it has been approved by the Supervisory Board. In closing, the Supervisory Board would like to again thank all QIAGEN employees for their dedication and hard work during 2017.

Venlo, the Netherlands, April 2018

The Supervisory Board:

Dr. Manfred Karobath

Chairman of the Supervisory Board

# OVERVIEW

## The Executive Committee



Peer M. Schatz  
Chief Executive Officer, Managing  
Director



Thierry Bernard  
Senior Vice President Molecular  
Diagnostics Business Area



Mark Gladwell  
Senior Vice President Global  
Operations



Dr. Annette Koch  
Senior Vice President and Chief  
Human Resources Officer



Manuel O. Méndez  
Senior Vice President Global  
Commercial Operations



Roland Sackers  
Chief Financial Officer



Dr. Thomas Schweins  
Senior Vice President, Life Science  
Business Area



Dr. Jonathan Sheldon  
Senior Vice President, Bioinformatics  
Business Area

**Peer M. Schatz**

Chief Executive Officer, Managing Director

Joined QIAGEN in 1993, and has been Chief Executive Officer since January 1, 2004. He was Chief Financial Officer between 1993 and 2003 and became a member of the Managing Board in 1998. Mr. Schatz was previously a partner in a private management buyout group in Switzerland, worked in finance and systems positions at Sandoz AG and Computerland, and participated in the founding of start-up companies in the computer and software trading industry in Europe and the United States.

Mr. Schatz graduated from the University of St. Gallen, Switzerland, with a Master's degree in Finance in 1989 and obtained an M.B.A. in Finance from the University of Chicago Graduate School of Business in 1991. Mr. Schatz served as a member of the German Corporate Governance Commission from 2002 to 2012. He is a board member of AdvaMedDx, a U.S. trade association that leads the effort to advance medical technology in order to achieve healthier lives and healthier economies around the world and ALDA (the Analytical, Life Science and Diagnostics Association), a trade association of developers and suppliers in these fields. He is also Managing Director of PS Capital Management GmbH.

**Thierry Bernard**

Senior Vice President Molecular Diagnostics Business Area

Joined QIAGEN in February 2015 to lead QIAGEN's growing presence in Molecular Diagnostics, the application of Sample to Insight solutions for molecular testing in human healthcare. Mr. Bernard previously worked at bioMérieux, where he served in roles of increasing responsibility for 15 years, most recently as Corporate Vice President, Global Commercial Operations, Investor Relations and the Greater China Region. Prior to joining bioMérieux, he served in management roles in multiple international environments. Mr. Bernard is a member of the Boards of Directors of three privately held U.S. companies, First Light Biosciences, HepatoChem and more recently, Daktari Diagnostics, where he also served as CEO. He has earned degrees from Sciences Po (Paris), Harvard Business School, London School of Economics and the College of Europe and is a member of French Foreign Trade Advisors.

**Mark Gladwell**

Senior Vice President Global Operations

Joined QIAGEN in 2017 as Senior Vice President Global Operations. He leads Manufacturing, Supply Chain, Customer Care, Quality Assurance & Control, and Regulatory Affairs at QIAGEN. Mr. Gladwell has more than two decades of experience in manufacturing high-volume, high technology in vitro diagnostics and medical devices. He joined QIAGEN from Alere Inc., where he served in positions of increasing responsibility for 12 years, most recently as Senior Vice President, Global Operations. Previously, he was with Johnson & Johnson, Agfa HealthCare, Sterling Medical Imaging and DuPont. Mark received a bachelor's degree with honors from The University of Salford in the United Kingdom and is a graduate of the General Management Program from Harvard Business School.

**Dr. Annette Koch**

Senior Vice President and Chief Human Resources Officer

Joined QIAGEN in 2018 as Senior Vice President and Chief Human Resources Officer, overseeing all aspects of QIAGEN's global Human Resources function. She came to QIAGEN from Eppendorf AG, where she had been Vice President Human Resources since 2013, supporting about 3,200 employees in 26 countries. Previously, she held roles of increasing responsibility from 2003 to 2013 with Boehringer Ingelheim. Dr. Koch started her career at The Boston Consulting Group in Düsseldorf, working on projects in the pharmaceutical and chemical industries. She earned a Ph.D. in Organic Chemistry from the University of Hannover, and during her graduate studies also worked



in the University of Southern California laboratory of Prof. George Andrew Olah, who had won the Nobel Prize in Chemistry in 1994.

### **Manuel O. Méndez**

Senior Vice President Global Commercial Operations

Joined QIAGEN in October 2014 as Senior Vice President, Global Commercial Operations, leading sales and marketing worldwide. Mr. Méndez has 25 years of experience in diagnostics and life sciences, most recently as Executive Vice President Americas for bioMérieux from 2010 – 2014. Previously he served in sales, marketing and general management roles with Abbott Laboratories, Thermo Fisher Scientific and OraSure Technologies – with leadership positions in the United States, Latin America, Europe and Asian markets. He is on the advisory board of 908 Devices, a maker of point-of-need chemical analyzers. Mr. Méndez received a B.S. in biomedical Engineering from Boston University and an M.B.A. from Northwestern University Kellogg School of Management.

### **Roland Sackers**

Chief Financial Officer

Joined QIAGEN in 1999 as Vice President Finance and has been Chief Financial Officer since 2004. In 2006, Mr. Sackers became a member of the Managing Board. Between 1995 and 1999, he served as an auditor with Arthur Andersen Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. Mr. Sackers earned his Master Degree in Business Administration (Diplom-Kaufmann) from the University of Münster, Germany. He is a former member of the Supervisory Board and Audit Committee of IBS AG and a former member of the board of directors of Operon Biotechnologies, Inc. Mr. Sackers is a board member of the industry association BIO Deutschland. He is also a non-executive director and chair of the audit committee of Immunodiagnostic Systems Holding PLC (IDS), a leading producer of immunological tests for research and diagnostic applications publicly listed in the United Kingdom.

### **Dr. Thomas Schweins**

Senior Vice President, Life Science Business Area

Joined QIAGEN in 2004 as Vice President Corporate Strategy and was appointed Vice President Marketing & Strategy in 2005, where he was deeply involved in managing the global business toward Life Science customers. In late 2011, Dr. Schweins has assumed responsibility for Human Resources, and took over the leadership of the Life Science Business Area in 2017. Dr. Schweins came to QIAGEN from The Boston Consulting Group. He previously worked as Technology Manager, and later as an Assistant to the Management Board at Hoechst / Aventis. Dr. Schweins earned an M.Sc. Degree in Biochemistry from the University of Hanover. He obtained his Ph.D. at the Max Planck Society and received an M.Sc. from the University of Southern California in Los Angeles, where he studied Business Administration and Chemistry.

### **Dr. Jonathan Sheldon**

Senior Vice President, Bioinformatics Business Area

Joined QIAGEN in 2018 as Senior Vice President, Bioinformatics Business Area. He leads QIAGEN's growing presence in bioinformatics, enabling customers to transform raw data from biological samples into valuable molecular insights. Dr. Sheldon came to QIAGEN from Oracle, where he was Global Vice President leading Oracle's Healthcare business globally in the Health Sciences Global Business Unit and served on the executive committee. Previously, he established the bioinformatics group and served as Head of Bioinformatics at Roche (UK) Pharmaceuticals, as well as providing leadership in software firms serving the life science and healthcare sectors. He serves on the Board of Directors of the Drug Information Association (DIA). He received his B.Sc. in Biochemistry and Molecular Biology from the University of Manchester, and his Ph.D. in Biochemistry and Molecular Biology from the University of Cambridge.

# OVERVIEW

## Common Shares

After gains in 2015 and 2016, QIAGEN's common shares had a mixed performance in U.S. and European markets in 2017. Strategic initiatives to accelerate growth and profitability by investing in a portfolio of differentiated Sample to Insight solutions have begun to deliver results, and we thank shareholders for their support. QIAGEN's senior executives and Investor Relations team are recognized for proactive, transparent communications with the financial community.

## Market Environment

Stock markets globally showed robust gains in 2017, with relatively low volatility and tailwinds from accelerating economic growth and still-accommodative monetary policy. World markets benefited from broadly synchronized strengthening of economic activity across regions, driving many asset prices to record levels in 2017. Concerns about political uncertainties, a turn toward tighter monetary policy and the late stage of the business cycle did not hinder equities in 2017, but stock market volatility began to increase in early 2018.

As benchmarks, the S&P 500 index in the United States was up 19.4% at year-end 2017. The DAX index of the 30 largest companies in Germany advanced 12.5% during the year, and Germany's TecDAX, of which QIAGEN is a member, rose 39.5% for the year. All of these indices were supported by the benefits of M&A activities.

The molecular diagnostics and life science tools segment continued to grow in 2017. Expansion of new molecular testing applications such as next-generation sequencing, liquid biopsies and epigenetics helped drive the market for instruments and consumables. Adoption of molecular technologies in healthcare continued to grow for precision medicine in oncology, infectious disease detection and diagnosis of rare diseases. Government funding for academic research remained cautious, while healthcare also faced uncertainty in reimbursement and government policies. QIAGEN's adjusted net sales maintained solid single-digit growth in 2017, while adjusted earnings grew at double-digit rates, in line with mid-term goals for improving sales and profitability through 2020. QIAGEN sales grew across all regions and customer classes in 2017, led by growth drivers including the QuantiFERON latent TB test, QIASymphony automation system and consumables, differentiated solutions for next-generation sequencing, and QIAGEN's Personalized Healthcare portfolio of companion diagnostic partnerships with pharma companies. QIAGEN continues to invest in strategic catalysts, allocating resources to sustain sales growth while improving profitability, enhancing shareholder value and maintaining financial flexibility.

## Listings in the U.S. and Europe

QIAGEN's common shares have been registered and traded in the United States since 1996, listing on the New York Stock Exchange effective January 10, 2018, after trading on NASDAQ markets since the initial public offering



(IPO). The shares have traded in Germany on the Frankfurt Stock Exchange since 1997, and the Prime Standard segment since its launch in 2003. Dual listing on NYSE and the Frankfurt exchange offers advantages for QIAGEN, our shareholders and employees since global presence increases the potential market opportunity and enhances liquidity. Unlike American Depositary Receipts (ADRs), QIAGEN shares provide equal corporate rights for all shareholders and can be traded on either exchange, in U.S. dollars or euros.

## Share Price and Liquidity

QIAGEN's common share price showed mixed results in 2017, climbing about 10% in U.S. dollars to \$30.93 on NASDAQ, while declining about 1% in euros to €26.19 on the Frankfurt Stock Exchange, mainly as a result of the appreciation of the euro against the U.S. dollar. Our common shares continued to offer high liquidity, with average daily trading volume during 2017 of approximately 1.4 million shares (0.95 million on NASDAQ and other U.S. trading venues, and 0.44 million on the Frankfurt Stock Exchange (XETRA) and other German exchanges). QIAGEN continued its commitment to disciplined capital allocation, QIAGEN returned \$300 million in capital to shareholders during 2017, with a synthetic share repurchase totaling \$245 million in January 2017 followed by open-market repurchases of 1.9 million shares for \$61.0 million (including transaction costs). In early 2018 QIAGEN announced a new commitment to return \$200 million to shareholders via open-market repurchases on the Frankfurt Stock Exchange. As of December 31, 2017, the free float, which affects weighting of QIAGEN shares in various indices, was approximately 95%.

## Index Membership

QIAGEN is a constituent in various European, U.S. and global stock indices, some of which serve as benchmarks or investment universes for mutual funds and exchange traded funds. QIAGEN ranks as one of the leading components by market capitalization in Germany's TecDAX index, which includes the 30 largest German technology companies not in the benchmark DAX index. QIAGEN also is a member of the Russell 3000 index, which measures performance of the 3,000 largest U.S. companies, and the Russell 1000, a subset with the largest 1,000 U.S. securities. QIAGEN shares also are included in other stock market indexes such as the MSCI Europe, EMU and EAFE indexes.

## Shareholder Structure

QIAGEN has a truly global investor base comprised of more than 520 identified institutional investors distributed around the world, including about one half in North America, about one-third in Europe and the remaining shares in the Asia-Pacific/Japan region. Members of the Managing Board and the Supervisory Board in total held about 2.5% of QIAGEN's outstanding common shares at the end of 2017.

## Annual Shareholders' Meeting

At the 2017 Annual Shareholders' Meeting, shareholders voted in favor of all resolutions proposed by the Board of Directors, in many cases with majorities above 95% of shares present at the meeting. Shareholders present or represented at the meeting held on June 21, 2017, in Venlo, the Netherlands, held approximately 145.8 million shares, or 63% of the approximately 230.8 million issued shares of QIAGEN as of the record date for the meeting. Details of attendance and voting results from our Annual Shareholders' Meeting are available at <https://corporate.QIAGEN.com>.

## Investor Relations and Engagement with Shareholders

QIAGEN is committed to offering shareholders, analysts and communities around the world transparent, comprehensive and readily accessible information on our vision, mission and strategy, as well as performance and future prospects.

The relationship with existing and potential investors continued at an intensive pace in 2017, with a significant number of individual discussions held during many roadshows and investor conferences around the world. Many investors and analysts made use during 2017 of the opportunity to inform themselves about QIAGEN in personal meetings at our sites in Hilden, Germany; Germantown, Maryland; Redwood City, California; Singapore; and Shanghai, China.

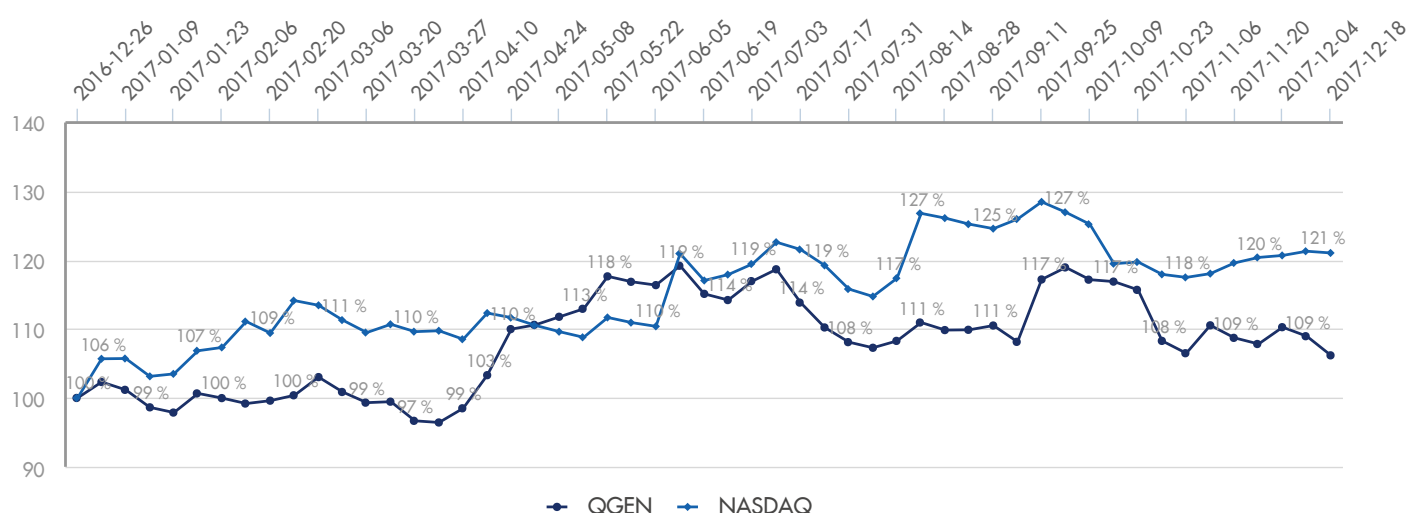
In 2017, QIAGEN's efforts to address the needs of the financial community were recognized by DIRK (the association for Investor Relations in Germany) and Extel, ranking QIAGEN among the top companies, senior executives and IR professionals compared with all TecDAX companies, as well as among European medtech sector companies.

Approximately 24 analysts from international brokerages followed QIAGEN in 2017, with analysts based in the United States, France, Germany and the United Kingdom.

## QIAGEN Share Price Development and Average Trading Volume – NASDAQ 2017

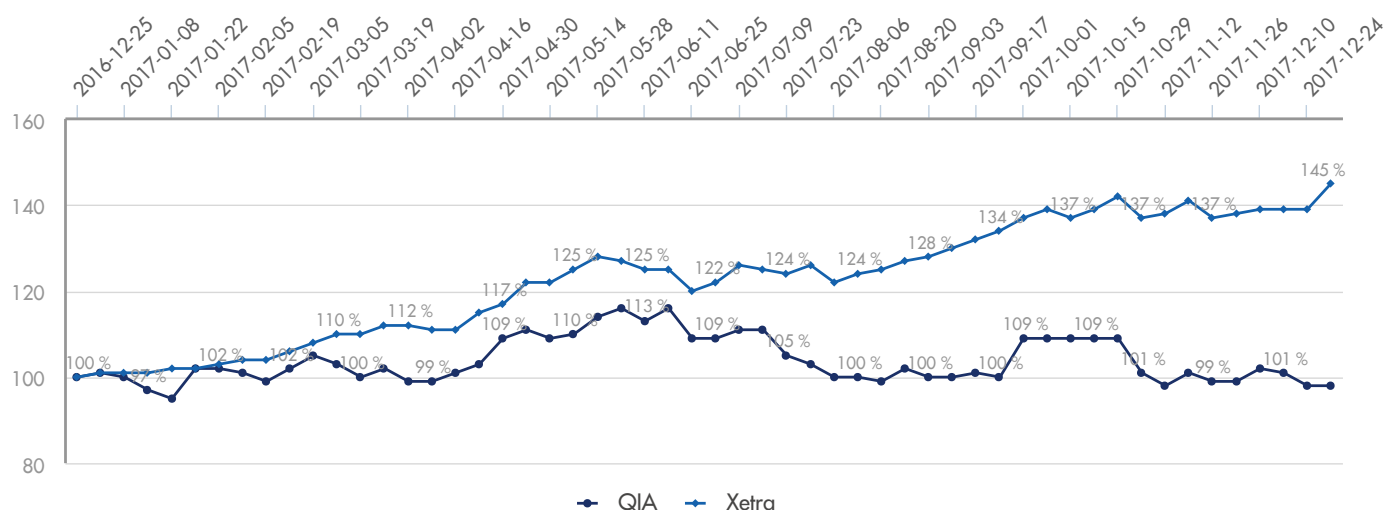
	2017
Year-end price	\$ 30.93
High	\$ 35.37
Low	\$ 27.43
Average daily trading volume (in million shares)	0.95

\* Attributable to the owners of QIAGEN N.V.



## QIAGEN Share Price Development and Average Trading Volume – Frankfurt Stock Exchange (XETRA) 2017

	2017
Year-end price	€ 26.19
High	€ 31.46
Low	€ 25.71
Average daily trading volume (in million shares)	0.44



## Key Share Data

	2017
Year-end market capitalization (in \$ million)	7,002
Year-end market capitalization (in € million)	5,928

Source: QIAGEN Shareholder ID

United States	47%
Germany	15%
France	5%
England	4%
Other	6%
Non-Institutional	23%

Source: QIAGEN Shareholder ID

Source: QIAGEN Shareholder ID

GARP	18%
Value	16%
Index	12%
Growth	12%
Other	19%
Non-Institutional	23%

Source: QIAGEN Shareholder ID