

Q4 Analyst Call

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November 4, 2019



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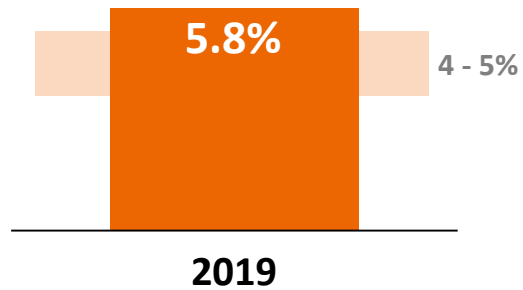
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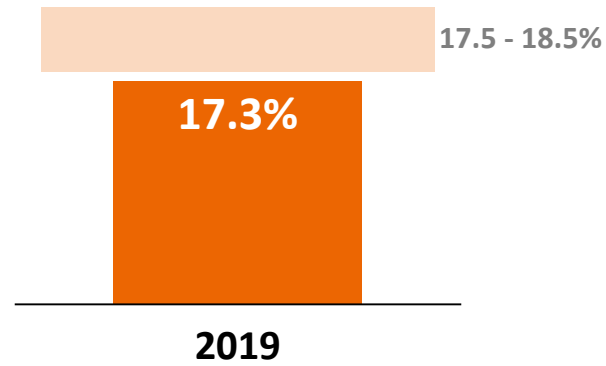
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Full year guidance largely achieved in FY19

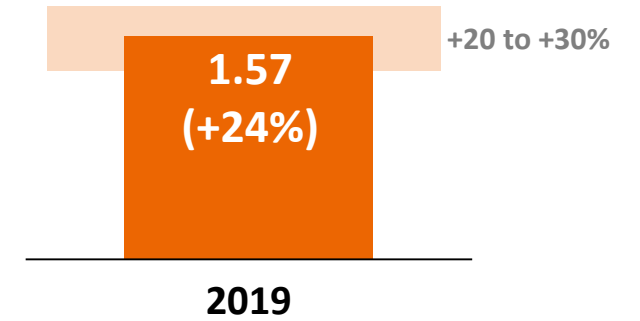
Comparable revenue growth¹⁾



Adj. profit margin²⁾



Earnings per share³⁾ (in €)



¹ Y-o-y on a comparable basis; excluding translation and portfolio effects | ² Adjusted for severance charges |

³ Basic earnings per share are computed by dividing net income excl. non-controlling interests by the weighted average number of outstanding shares

- **Comparable¹⁾ revenue up by 8.5%** driven by very strong **Imaging** business with **10%** and **Advanced Therapies** with **14%** growth
- **Equipment book-to-bill of 1.1** in Q4 with strong equipment order growth in Imaging and Advanced Therapies
- Diagnostics **with +2% comparable¹⁾ revenue growth** and **double-digit instruments sales growth**
- Atellica Solution continues to ramp-up, **with 1,820+ analyzers shipped in FY19**
- **Adjusted profit margin²⁾ at 19.1%**, +90 bps y-o-y
- **Earnings per share³⁾ of €0.50** , +36% y-o-y on higher profit and lower interest expenses
- **Dividend of €0.80 proposed** for FY19, +14% vs. FY18

¹ Y-o-y on a comparable basis; excluding translation and portfolio effects | ² Adjusted for severance charges |

³ Basic earnings per share are computed by dividing net income excl. non-controlling interests by the weighted average number of outstanding shares

Diagnosics is a key value driver for Siemens Healthineers

Sustainably growing market...

... with market trends working to our favour

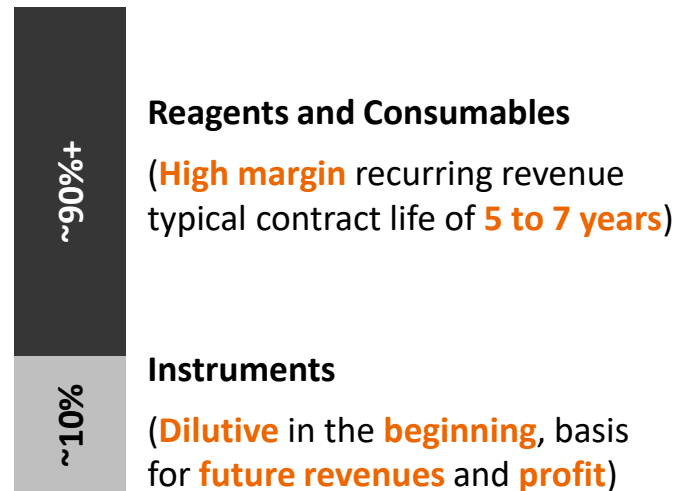
€28bn+¹⁾

Market size

>5%

Market CAGR
(2018 – 2023)

...with attractive long term business model...



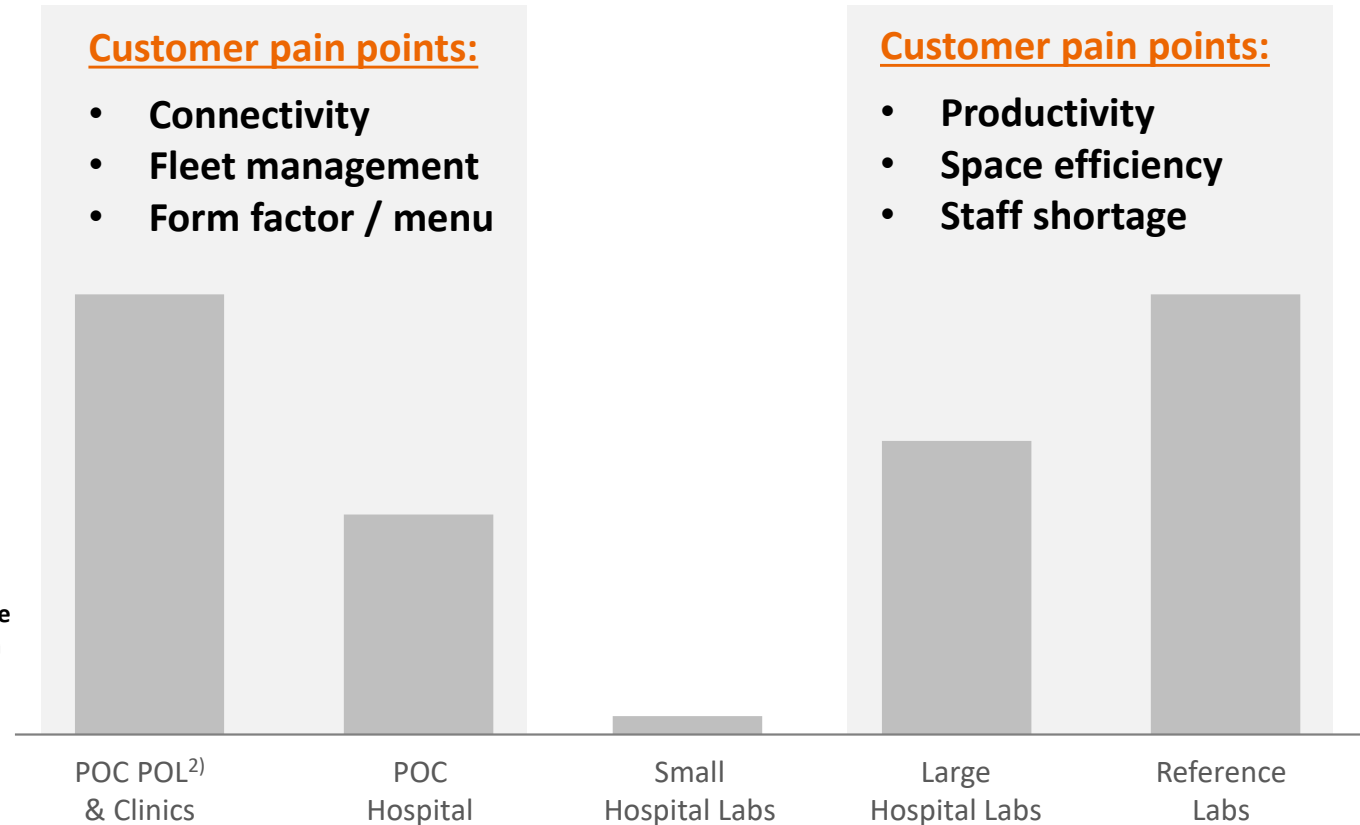
Customer pain points:

- Connectivity
- Fleet management
- Form factor / menu

Customer pain points:

- Productivity
- Space efficiency
- Staff shortage

Relative growth rates



¹ As per FY18. Includes Lab Diagnostics and POC Diagnostics | ² Physician Office Laboratory

Atellica Solution is exactly addressing these needs – with further innovations to follow

Siemens Healthineers key strengths

- Leader in workflow and automation
- Deep AI and technology expertise
- Online service network
- High quality reagents
- Broadest portfolio in the core lab
- Global reach
- Large installed base

Atellica Solution



Leading in ...

- Throughput
- Productivity
- Space efficiency
- Hands-on time reduction
- Flexibility of configurations
- STAT handling

Competitive success

>35%

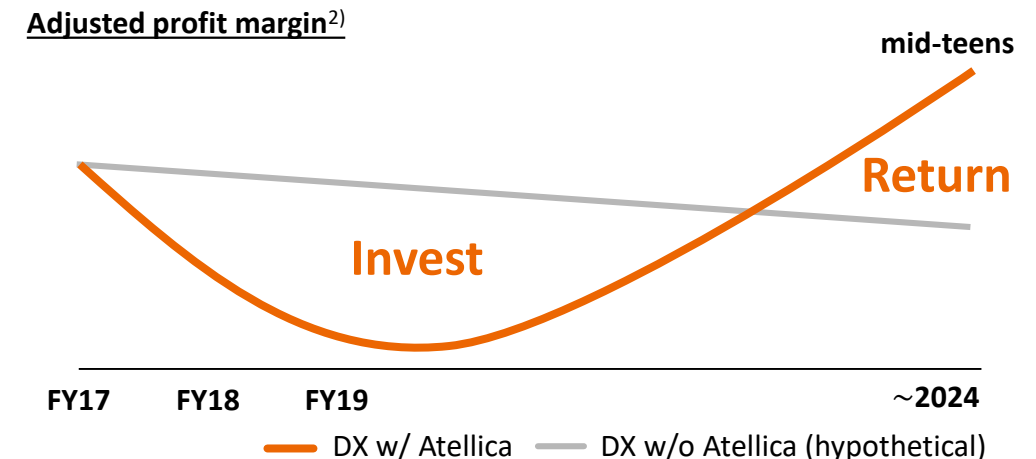
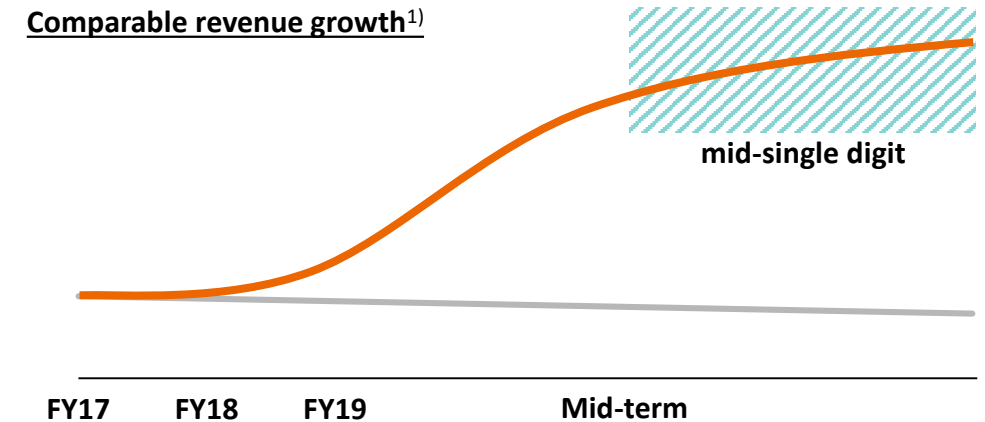
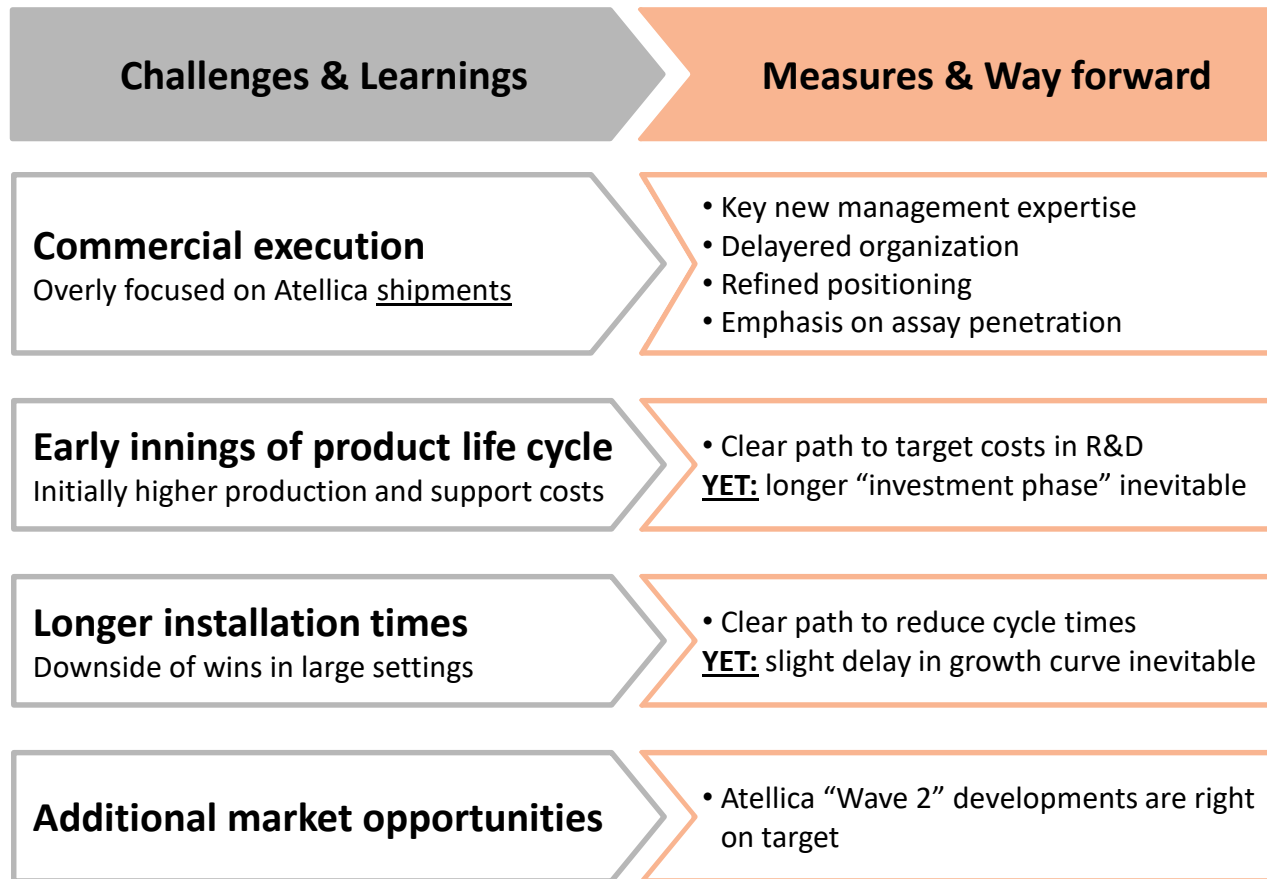
Competitive
win rate

>80%

Mega-lab¹⁾ competitive
win rate with TLA²⁾

Go-to solution for high volume,
high complexity installations

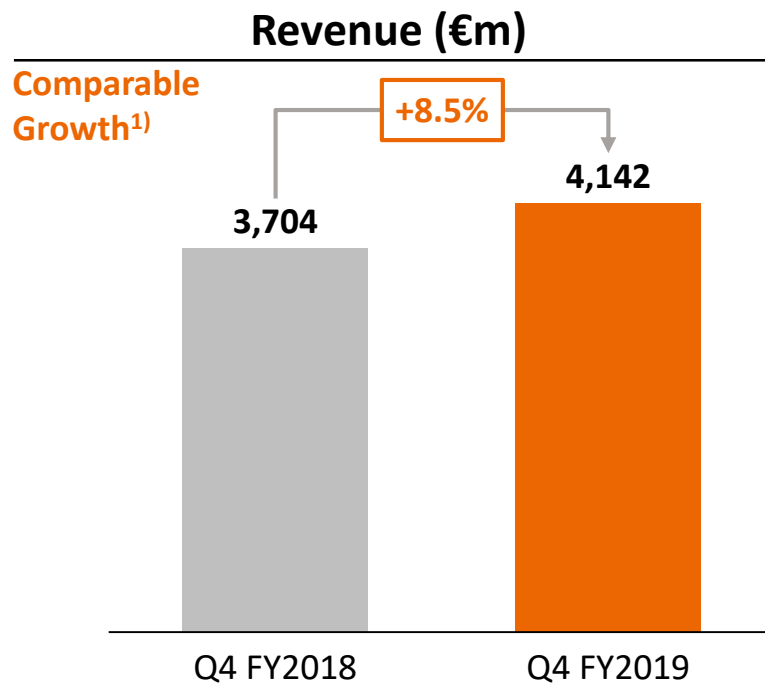
DX topline on track to reach market growth in mid term, but delay in reaching profitability target



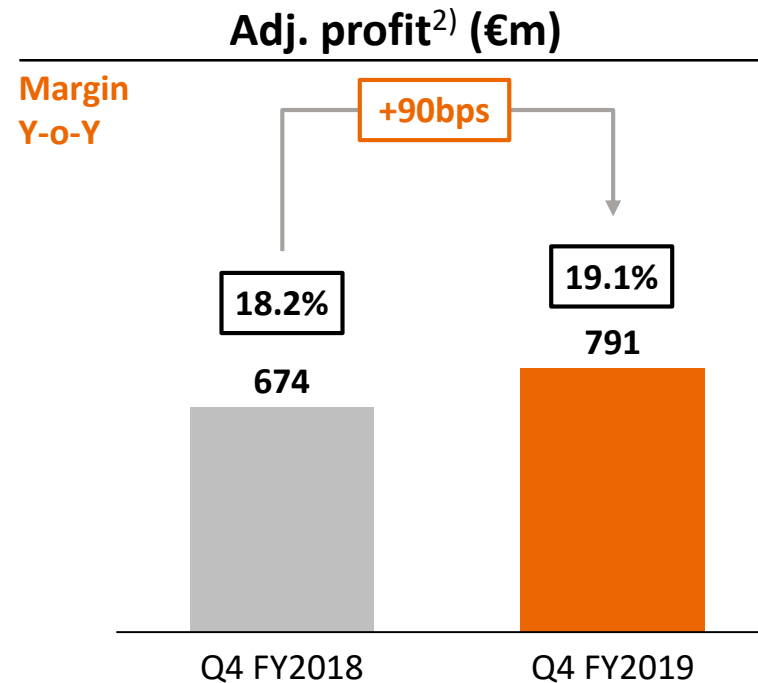
¹ Y-o-y on a comparable basis; excluding translation and portfolio effects | ² Adjusted for severance charges, in fiscal year 2018 additionally for IPO costs

Graphs: for illustrative purposes only

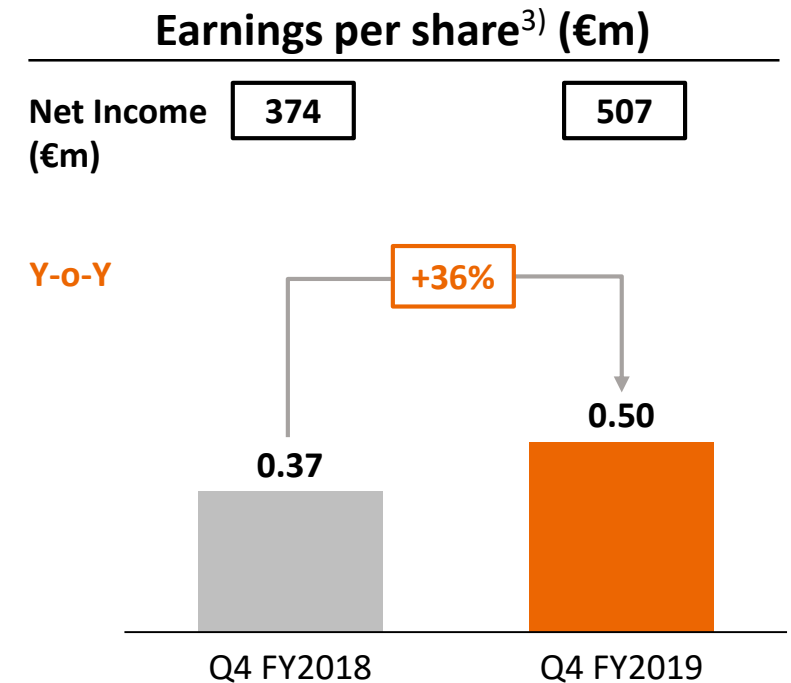
Q4 FY2019: Outstanding topline performance with solid earnings conversion



- Revenue driven by very strong growth, both in Imaging and Advanced Therapies
- Regionally very strong growth in Americas and Asia, solid growth in EMEA



- Y-o-y improvement despite tough comps
- FX tailwind of +50 bps
- Total segments profitability held back by low Diagnostics margin
- Central items with a positive one-off



- EPS growth driven by higher profit and lower interest expenses y-o-y
- Tax rate in Q4 down y-o-y due to positive income tax effects

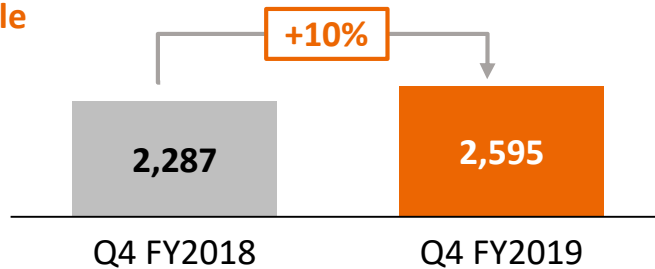
¹ Y-o-y on a comparable basis, excluding translation and portfolio effects | ² Adjusted for severance charges, in fiscal year 2018 additionally for IPO costs | ³ Basic earnings per share are computed by dividing net income excl. non-controlling interests by the weighted average number of outstanding shares

Imaging and Advanced Therapies with strong top- and bottomline, Diagnostics continues to be in transition

Imaging (€m)

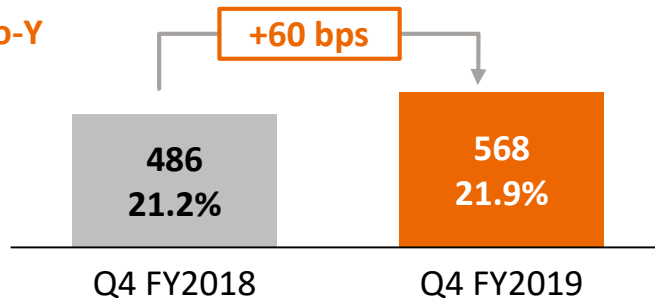
Comparable Growth¹⁾

Revenue



Margin Y-o-Y

Adj. profit (margin)²⁾

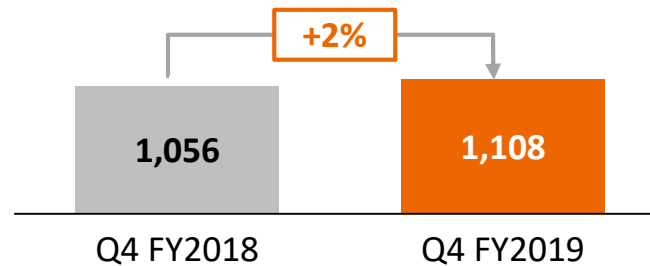


- Significant growth in Molecular Imaging, Magnetic Resonance and Ultrasound
- Margin up y-o-y from cost-savings program and minor FX tailwind

Diagnostics (€m)

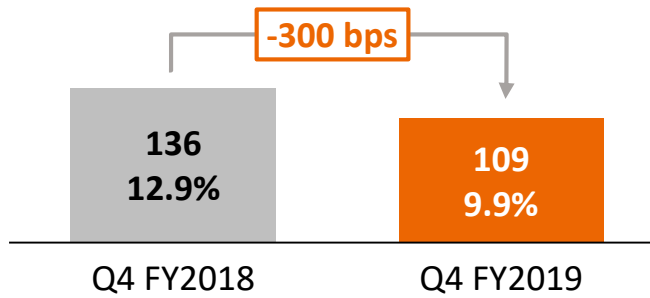
+2%

Revenue



-300 bps

Revenue

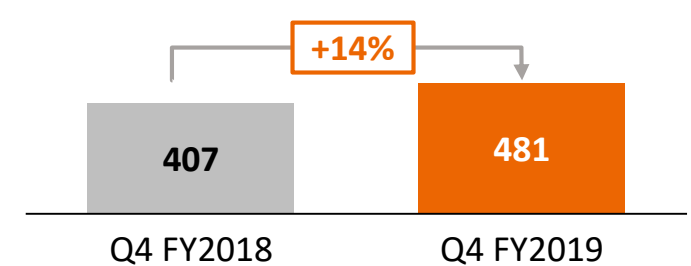


- Diagnostics with 2% growth (vs. 3% PYQ)
- Double-digit instrument growth in Q4
- Margin down y-o-y due to ongoing Atellica Solution ramp-up costs and -40 bps FX headwind

Advanced Therapies (€m)

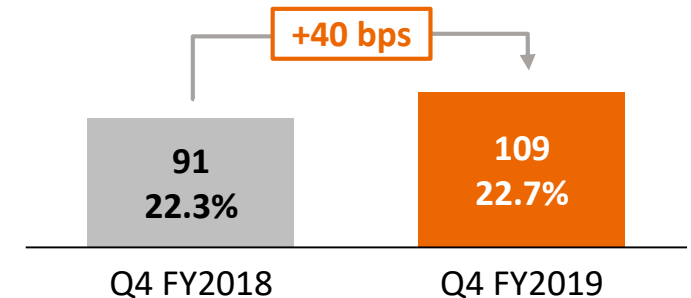
+14%

Revenue



+40 bps

Revenue



- Very strong growth in Q4
- Margin up y-o-y from cost-savings program and FX tailwind
- Very tough margin comp vs. PYQ

Siemens Healthineers achievements since IPO



Guidance achieved in FY18 and in FY19 largely achieved



First, sizeable **M&A moves** following our strategy



Leaner structures and 200+ m€ **cost-savings**



Major product **innovations & leadership** in Digital & AI



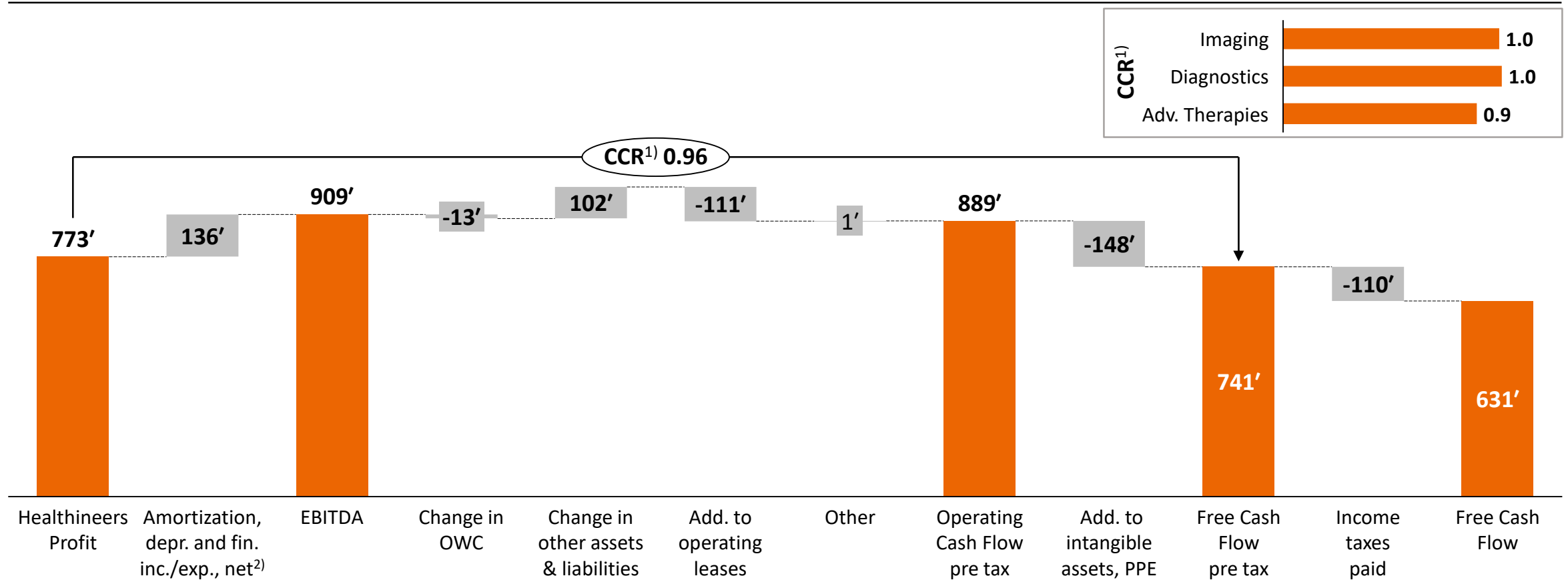
Higher **growth** momentum with Imaging clearly outperforming



Diagnostics behind expectations

All segments with solid conversion, Diagnostics CCR > 1.0 despite steady investments in operating lease and CAPEX

Q4 Siemens Healthineers Profit to Free Cash Flow

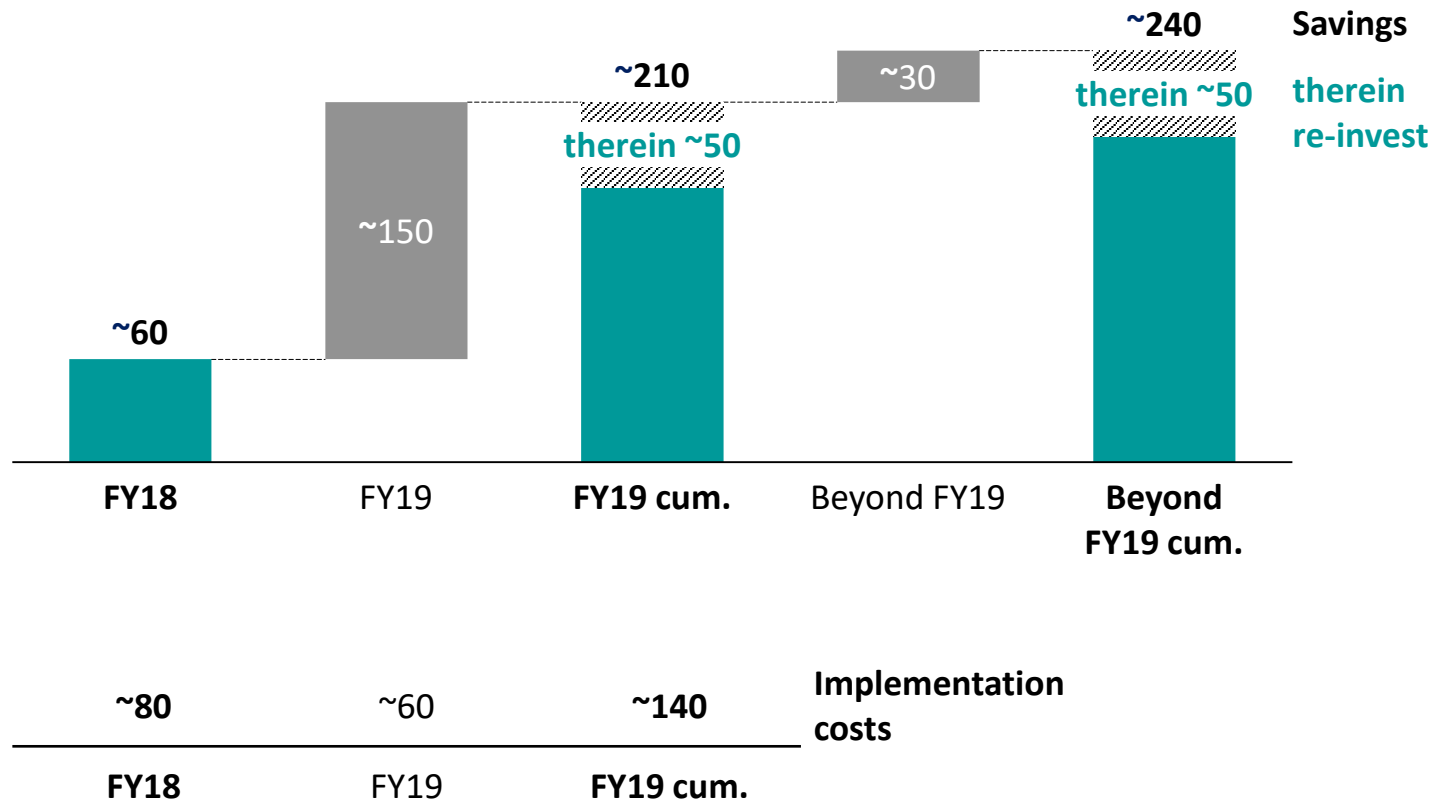


¹ CCR=Free Cash Flow pre tax/Healthineers Profit | ² Amortization, depreciation and impairments (excl. PPA) and financial income/expenses, net from operations

Standalone cost-saving program successfully executed

Development of savings and implementation costs

in €m



Comments

- Program successfully executed with €200+ mio. savings post-IPO
- Cost-savings from standalone setup completed
- Savings from delayering with some spill-over savings beyond FY19
- Re-Investment of ~50 mio. into Digital & Artificial Intelligence

Q4 reconciliations and KPIs for group and segments

Q4 FY2019

Position (€m)	Q4 FY2019			
	Healthineers	Imaging	Diagnostics	Advanced Therapies
Profit	773	559	106	107
Severance charges	18	9	3	2
IPO costs	0	0	0	0
Adjusted profit¹⁾	791	568	109	109
Profit	773	559	106	107
Financial income/expenses, net ²⁾ in profit	8	2	3	4
Amortization, depreciation and impairments (excl. PPA)	144	42	81	4
EBITDA	909	598	183	107
Assets	21,429	6,840	5,499	997
Free Cash Flow	631	575	110	99

Q4 FY2018

Position (€m)	Q4 FY2018			
	Healthineers	Imaging	Diagnostics	Advanced Therapies
Profit	627	458	126	86
Severance charges	38	23	8	4
IPO costs	9	4	3	1
Adjusted profit¹⁾	674	486	136	91
Profit	627	458	126	86
Financial income/expenses, net ²⁾ in profit	4	1	2	0
Amortization, depreciation and impairments (excl. PPA)	115	39	54	4
EBITDA	738	495	178	89
Assets	19,758	6,258	4,676	904
Free Cash Flow	614	507	120	68

1 Adjusted for severance charges, in fiscal year 2018 additionally for IPO costs | 2 Financial income shown with positive and expenses with negative signal

FY19 reconciliations and KPIs for group and segments

Position (€m)	FY2019				FY2018			
	Healthineers	Imaging	Diagnostics	Advanced Therapies	Healthineers	Imaging	Diagnostics	Advanced Therapies
Profit	2,450	1,803	376	315	2,110	1,533	455	275
Severance charges	57	36	9	6	96	48	22	14
IPO costs	0	0	0	0	103	4	3	1
Adjusted profit¹⁾	2,507	1,838	386	321	2,309	1,585	480	290
Profit	2,450	1,803	376	315	2,110	1,533	455	275
Financial income/expenses, net ²⁾ in profit	19	7	11	4	12	6	7	0
Amortization, depreciation and impairments (excl. PPA)	489	151	263	14	400	138	197	11
EBITDA	2,920	1,946	628	324	2,498	1,664	645	286
Assets	21,429	6,840	5,499	997	19,758	6,258	4,676	904
Free Cash Flow	1,037	1,519	-109	265	1,065	1,408	59	257

1 Adjusted for severance charges, in fiscal year 2018 additionally for IPO costs | 2 Financial income shown with positive and expenses with negative sign

Q4 group profit to net income and adj. EPS reconciliation

Position (€m)	Q4 FY2019	Q4 FY2018	FY2019	FY2018
Profit	773	627	2,450	2,110
Financial income/expenses, net in profit	8	4	19	12
Amortization of intangibles assets acquired in business combinations	-33	-33	-131	-131
Interest expenses, net ¹⁾	-5	-32	-107	-169
therein interest income	14	5	38	41
therein interest expenses	-15	-36	-123	-205
therein other financial income, net	-4	-1	-22	-5
Income before income taxes	727	558	2,193	1,799
Income tax expenses	-220	-185	-607	-515
Net income	507	374	1,586	1,284
Non-controlling interest	5	4	18	19
Net income attributable to shareholders of Siemens Healthineers AG	502	369	1,567	1,265
Earnings per share (in €)	0.50	0.37	1.57	1.26

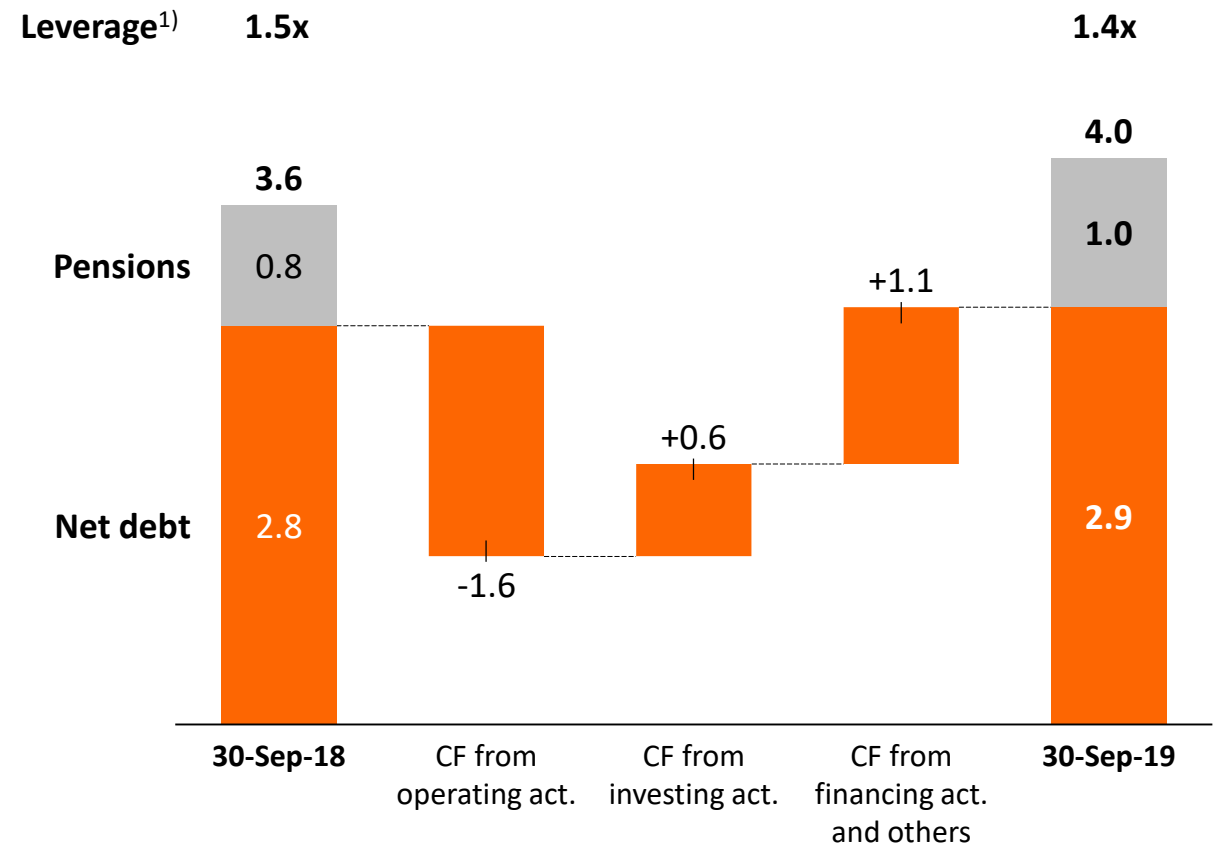
1 Financial income shown with positive and expenses with negative sign | 2 Basic earnings per share are computed by dividing net income attributable to the shareholders of Siemens Healthineers AG by the weighted average number of outstanding shares of Siemens Healthineers AG

Q4 YTD balance sheet and net debt bridge

Net debt overview

in €bn	Sep. 30th 2018	Sep. 30th 2019
Cash and cash equivalents	0.5	0.9
Receivables from Siemens Group (financial cash)	1.4	0.7
Short-term and long-term debt	(0.1)	(0.1)
Payables and other liabilities to Siemens Group (financial debt)	(4.6)	(4.4)
Net debt	(2.8)	(2.9)
Provisions for pensions and similar obligations	(0.8)	(1.0)
Net debt (incl. pensions)	(3.6)	(4.0)

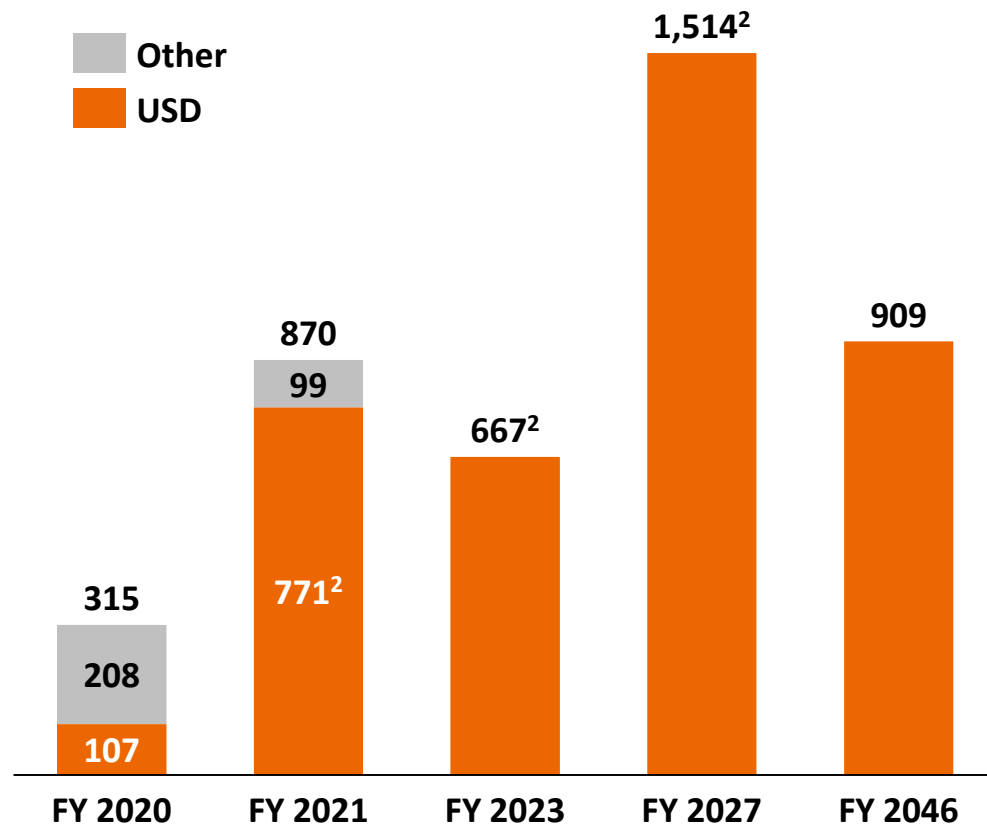
Capital structure development in Q4 YTD (in €bn)



1 Leverage is net debt incl. pension over EBITDA rolling four quarters

SHS loan maturity profile

SHS loans with Siemens Group as of 30.09.2019¹ (in mio €)



1 Maturity profile based on Fiscal Year start October 1 - translation to EUR according to spot rate as of Sep 30th 2019 | 2 USD loans addressed by SHS debt & capital restructuring project resulting in synthetic EUR debt; EUR volume and interest rate are calculated with underlying hedge rates | 3 Average interest rate for FY20 after implementation of debt and capital restructuring project | 4 Financing of Corindus Vascular Robotics, Inc. acquisition not yet effective per 30.09.2019

Comments

- Total loan volume €~4.3bn equivalent
- Average interest rate ~1.0%³
- Majority of maturities exceeding FY 2020

Top 5 loans⁴

Currency	Volume (in mio)	Volume in mio €	Interest rate	Maturity
USD	\$1,689	€1,514 ²	0.26% ²	FY 2027
USD	\$990	€909	3.4%	FY 2046
USD	\$859	€771 ²	-0.7% ²	FY 2021
USD	\$743	€667 ²	-0.2% ²	FY 2023
AED	AED 457	€114	2.9%	FY2020

Funded status unchanged

Q4 FY2019 Key financials – Pensions and similar obligations

in €bn ¹⁾	FY2016	FY2017	FY2018	Q1 FY2019	Q2 FY2019	Q3 FY2019	Q4 FY2019
Defined benefit obligation (DBO)²⁾	(4.6)	(4.1)	(3.4)	(3.4)	(3.6)	(3.7)	(3.8)
Fair value of plan assets²⁾	2.4	2.4	2.6	2.5	2.7	2.7	2.8
Provisions for pensions and similar obligations	(2.1)	(1.7)	(0.8)	(1.0)	(1.0)	(1.0)	(1.0)
Discount rate	2.2%	2.8%	2.9%	2.8%	2.4%	2.2%	1.8%
Interest Income	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Actual return on plan assets	0.3	0.1	0.1	(0.1)	0.1	0.1	0.1

¹ All figures are reported on a continuing basis | ² Fair value of plan assets including effects from asset ceiling (Q4 FY2019: €-0.0bn); difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q4 FY2019: €+0.0bn); Defined Benefit Obligation (DBO) including other post-employment benefit plans (OPEB) of ~€-0.1bn

Adjusted EBIT as new operational earnings KPI supplemented by adjusted (basic) EPS growth for the group from FY 2020 onwards

Today: (Adj.) Profit margin and basic EPS growth

Profit defined as income before **income taxes, financing interest** and **amortization** of intangible assets acquired in business combinations¹⁾

Adjusted for **severance charges** (and **IPO costs** in 2018)

Basic EPS defined as net income excluding non-controlling interests divided by the weighted average number of outstanding shares for the respective reporting period

FY 2020: Adj. EBIT margin and adj. basic EPS growth

EBIT (earnings before **interests** and **income taxes**) and basic EPS are both adjusted for **amortization** of intangible assets acquired in business combinations, **severance charges** and **acquisition-related transaction costs** (and IPO costs in 2018)¹⁾; for adj. EPS the adjustments are calculated net of tax

→ adj. EBIT is the basis for the adjusted EBIT margin and adj. basic EPS is the basis for adj. basic EPS growth



Reason for change

- EBIT as basis for operational earnings KPI enhances transparency, comparability and simplifies reconciliations
- New KPI on EBIT-basis enables consistent and simple interest treatment (excluding total interests vs. financing interests only)
 - ➡ Only minimal change in adjusted segment profitability
- Adjust items do not reflect the underlying performance of the business and therefore adversely affect the comparability of income between periods
- EBIT and EPS adjusted for the same items to ensure consistency between both KPIs

¹ On segment level additionally centrally carried pension service and administration expenses are excluded

Restatement: Adjusted EBIT FY18 and FY19

Position (€m)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Siemens Healthineers										
Revenue	3,198	3,226	3,300	3,704	13,429	3,301	3,505	3,569	4,142	14,518
Adjusted EBIT	548	558	522	670	2,297	542	624	539	783	2,488
Adjusted EBIT margin	17.1%	17.3%	15.8%	18.1%	17.1%	16.4%	17.8%	15.1%	18.9%	17.1%
Imaging										
Total Revenue	1,943	1,946	1,976	2,287	8,153	2,021	2,137	2,186	2,595	8,938
Adjusted EBIT	378	375	342	484	1,579	402	447	417	565	1,831
Adjusted EBIT margin	19.5%	19.3%	17.3%	21.2%	19.4%	19.9%	20.9%	19.1%	21.8%	20.5%
Diagnostics										
Total Revenue	929	970	1,007	1,056	3,962	964	1,018	1,043	1,108	4,133
Adjusted EBIT	100	131	108	134	473	75	118	76	106	375
Adjusted EBIT margin	10.8%	13.5%	10.7%	12.7%	11.9%	7.8%	11.6%	7.3%	9.6%	9.1%
Advanced Therapies										
Total Revenue	368	352	353	407	1,479	355	391	378	481	1,606
Adjusted EBIT	82	56	60	91	290	70	77	65	105	317
Adjusted EBIT margin	22.4%	16.0%	17.0%	22.3%	19.6%	19.7%	19.6%	17.3%	21.9%	19.7%

Adjusted EBIT is defined as income before income taxes and interest, adjusted for amortization of intangible assets acquired in business combinations, severance charges, acquisition-related transaction costs (and IPO costs for FY18) and centrally carried pension service and administration expenses (the latter only excluded from the segments' adjusted EBIT).

The adjusted EBIT margin is defined as the adjusted EBIT of Siemens Healthineers, or of the particular segment concerned, divided by its (total) revenue.

Reconciliation to consolidated financial statements

Position (€m)	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019
Adjusted EBIT - Imaging	378	375	342	484	1,579	402	447	417	565	1,831
Adjusted EBIT - Diagnostics	100	131	108	134	473	75	118	76	106	375
Adjusted EBIT - Advanced Therapies	82	56	60	91	290	70	77	65	105	317
Adjusted EBIT - Total Segments	560	562	510	709	2,341	547	641	558	776	2,523
Corporate items, eliminations, other items ¹⁾	-13	-4	12	-39	-44	-6	-18	-19	7	-36
Adjusted EBIT - Siemens Healthineers	548	558	522	670	2,297	542	624	539	783	2,488
Amortization of intangible assets acquired in business combinations	-33	-32	-33	-33	-131	-33	-32	-33	-33	-131
Acquisition-related transaction costs	0	0	0	0	0	0	0	0	0	0
IPO costs	-8	-85	0	-9	-103	0	0	0	0	0
Severance charges	-15	-18	-25	-38	-96	-13	-12	-15	-18	-57
EBIT - Siemens Healthineers	491	423	464	590	1,968	496	579	492	732	2,300
Interest income, interest expenses and other financial income, net	-71	-34	-32	-32	-169	-45	-32	-25	-5	-107
Income before income taxes	421	389	431	558	1,799	452	548	467	727	2,193
Income tax expenses	-111	-81	-138	-185	-515	-107	-167	-114	-220	-607
Net Income	310	308	293	374	1,284	345	381	353	507	1,586

¹ Differences compared to current reconciliations of profit to consolidated financial statements result from KPI change (Profit to Adj. EBIT)

Adjusted EBIT is defined as income before income taxes and interest, adjusted for amortization of intangible assets acquired in business combinations, severance charges, acquisition-related transaction costs (and IPO costs for FY18) and centrally carried pension service and administration expenses (the latter only excluded from the segments' adjusted EBIT).

Restatement: Adjusted basic EPS FY2019

Position (€)	FY2019
Basic earnings per share (in €)	1.57
Amortization of intangible assets acquired in business combinations	0.09
Severance charges	0.04
Acquisition-related transaction costs	-
Adjusted basic earnings per share (in €)¹⁾	1.70
Adjusted basic earnings per share growth (in %)¹⁾	14%

¹ Adjusted for amortization of intangible assets acquired in business combinations, severance charges and acquisition-related transaction costs (and IPO costs for FY18), net of tax. Tax effects on the adjustments are determined based on the (expected) tax rate of the respective reporting period. Similarly, the adjusted basic EPS is determined based on the (expected) average weighted number of outstanding shares of the respective reporting period

