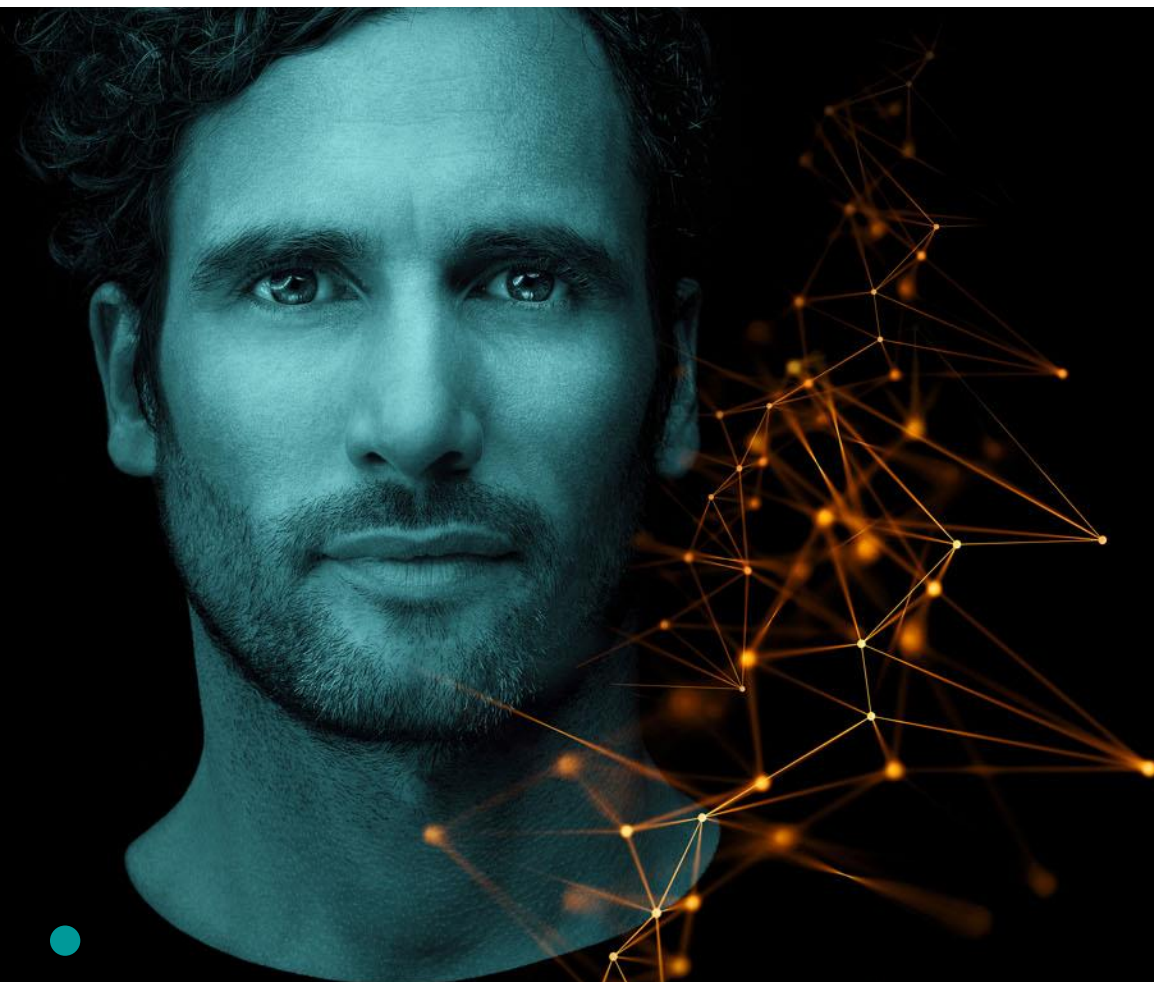
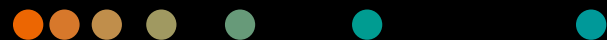


# The next level of profitable growth

Dr. Bernd Montag, CEO | Dr. Jochen Schmitz, CFO

November 4, 2019



*This presentation has been prepared solely for use at this meeting. This material is given in conjunction with an oral presentation and should not be taken out of context. By attending the meeting where this presentation is held or accessing this presentation, you agree to be bound by the following limitations.*

*This presentation has been prepared for information purposes only and the information contained herein (unless otherwise indicated) has been provided by Siemens Healthineers AG. It does not constitute or form part of, and should not be construed as, an offer of, a solicitation of an offer to buy, or an invitation to subscribe for, underwrite or otherwise acquire, any securities of Siemens Healthineers AG or any existing or future member of the Siemens Healthineers Group (the "Group") or Siemens AG, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of Siemens Healthineers AG, any member of the Group or Siemens AG or with any other contract or commitment whatsoever. This presentation does not constitute a prospectus in whole or in part, and any decision to invest in securities should be made solely on the basis of the information to be contained in a prospectus and on an independent analysis of the information contained therein.*

*Any assumptions, views or opinions (including statements, projections, forecasts or other forward-looking statements) contained in this presentation represent the assumptions, views or opinions of Siemens Healthineers AG, unless otherwise indicated, as of the date indicated and are subject to change without notice. All information not separately sourced is from internal company data and estimates. Any data relating to past performance contained herein is no indication as to future performance. The information in this presentation is not intended to predict actual results, and no assurances are given with respect thereto.*

*The information contained in this presentation has not been independently verified, and no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information contained herein and no reliance should be placed on it. None of Siemens Healthineers AG or any of its affiliates, advisers, affiliated persons or any other person accept any liability for any loss howsoever arising (in negligence or otherwise), directly or indirectly, from this presentation or its contents or otherwise arising in connection with this presentation. This shall not, however, restrict or exclude or limit any duty or liability to a person under any applicable law or regulation of any jurisdiction which may not lawfully be disclaimed (including in relation to fraudulent misrepresentation).*

*This document contains statements related to our future business and financial performance and future events or developments involving Siemens Healthineers that may constitute forward-looking statements. These statements may be identified by words such as "expect", "forecast", "anticipate", "intend", "plan", "believe", "seek", "estimate", "will", "target" or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens Healthineers' management, of which many are beyond Siemens Healthineers' control. As they relate to future events or developments, these statements are subject to a number of risks, uncertainties and factors, including, but not limited to those described in the respective disclosures. Should one or more of these risks, uncertainties or factors materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens Healthineers may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. All forward-looking statements refer to the date when they were made and Siemens Healthineers neither intends, nor assumes any obligation, unless required by law, to update or revise these forward-looking statements in light of developments which differ from those anticipated.*

*This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures (financial key performance indicators) that are or may be alternative performance measures (non-GAAP measures). These supplemental financial measures may have limitations as analytical tools and should not be viewed in isolation or as alternatives to measures of Siemens Healthineers' net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its half-year consolidated financial statements and consolidated financial statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently, which may therefore not be comparable. Please find further explanations regarding our financial key performance indicators in chapter „A.3 Financial performance system“ and in the notes to the consolidated financial statements note 29 "Segment information" in the Annual Report 2018 of Siemens Healthineers under the following internet link <https://www.corporate.siemens-healthineers.com/investor-relations/presentations-financial-publications>.*

*Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures to which they refer.*

*The information contained in this presentation is provided as of the date of this presentation and is subject to change without notice.*

# The next level of profitable growth

Comparable revenue growth

---

>5% p.a.

Adj. EPS growth<sup>1)</sup>

---

~10% p.a.

<sup>1</sup> Adjusted for PPA, severance charges and acquisition-related transaction costs net of tax

# The global market for healthcare is undergoing a massive transformation

## Healthcare trends ...

- Demographic shift
- Population growth
- Growing chronic disease burden
- Patient as a consumer
- Staff shortage
- Increasing cost pressure
- Value-based reimbursement

## ... and implications for providers

Managing health

Industrialization

Consolidation

## Siemens Healthineers is uniquely positioned to help Healthcare providers to ...

... expand **precision medicine**

---

... **transform care delivery**

---

... improve **patient experience**

---

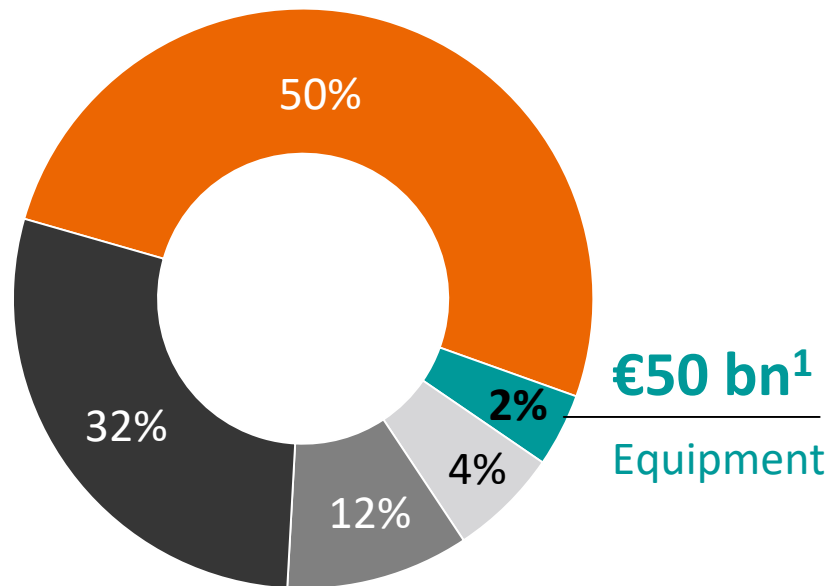
... **digitalize healthcare**

---

# We continue to outgrow our market while developing new markets and growing into adjacencies

## Total healthcare market

Healthcare providers' spend of €7 tr p.a.



### Outgrow the market

Continuing to innovate the core, outgrowing the market as technology leader

### Grow the market

Leveraging our unique position to develop new markets and to grow into adjacencies

■ Labor 
 ■ Devices 
 ■ Drugs 
 ■ Other

<sup>1</sup> Total addressable market for IM, DX (ex MDX) and AT with current portfolio (2016)

Source: Siemens Healthineers market model

# Our fingerprint gives us unique leverage



- **18,500+** patents IP base<sup>1)</sup>
  - **~600,000** installed base
- 
- **>750m** curated clinical data sets
  - **>70%** of critical clinical decisions influenced by technologies we offer
- 
- **>90%** of global top 100 providers partner with us
  - **~9,000** highly skilled R&D employees
- 
- **>70** countries with direct presence
  - **15,000** employees in an unmatched global service network

**Unique** technology position and customer access

---

**Unique** clinical expertise

---

**Unique** R&D network

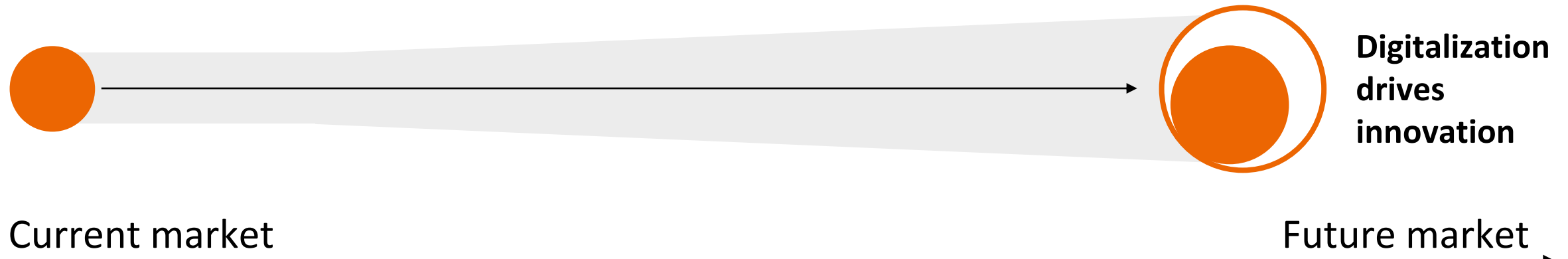
---

**Unique** global footprint

# We drive our company to the next level of profitable growth



# Imaging – Continuously innovating and making new markets



Imaging continuing growth momentum at **above 5%**

## Innovate core business

- New modality platforms with highly automated imaging and diagnosis
- Disruptive new platform in Magnetic Resonance to expand entry-level reach
- Re-defining Computed Tomography with digital imaging technology

## Expand diagnostic offerings

- Remotely connecting institutions and their imaging devices
- Empower seamless end-to-end diagnostic workflows

## Lead clinical decisions

- Automated, comprehensive radiology diagnosis with Artificial Intelligence (AI)
- AI-powered systems to guide and improve patient care



# Diagnostics – Path to market growth and expanding workflow leadership

## Strategic focus areas

- Automated, high throughput solutions
- Connected point-of-care solutions
- End-to-end solutions
- Data, Digitalization and AI

Workflow  
excellence

Clinical  
excellence

## Roadmap for transition and growth

Grow

Expand

Elevate

Diagnostics accelerating towards mid-single digit growth

### ... by delivering on the promise of Atellica

- Manage product scale-up and technology
- Optimize installation processes
- Improve commercial execution

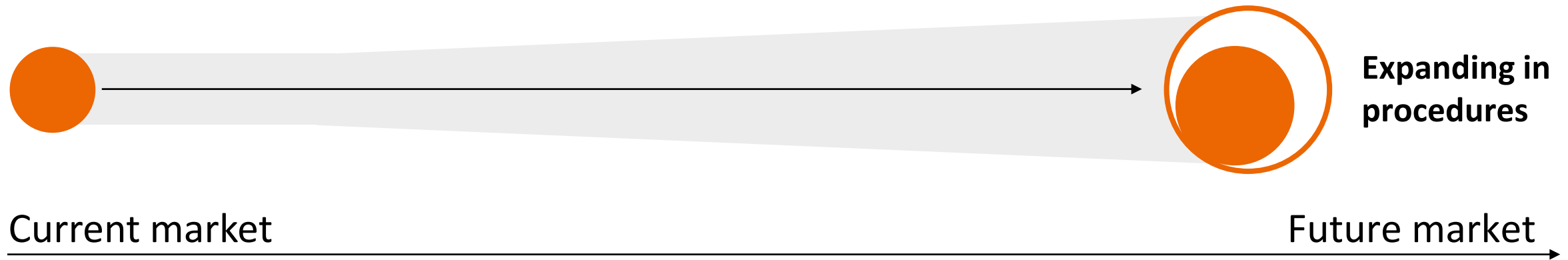
### ... by positioning ourselves for the future

- Expand range of Atellica family to additional segments
- Grow menu breadth and depth
- Drive POC innovation for market leadership

### ... with innovation in workflow

- Lead in workflow excellence and data, digital and AI
- Increase clinical value with unique tests and near patient insights

# Advanced Therapies – Transforming to new levels of profitable growth



Advanced Therapies stepping up towards high-single digit growth

## Addressing core with image guidance and navigation

- Enhancing minimally invasive procedures with ARTIS icono
- Reinforcing portfolio and coverage in fast growing geographies
- Leveraging the entire Siemens Healthineers portfolio for next-gen therapy guidance

## Improving precision and transforming care delivery

- One stop angio based stroke assessment and therapy with ARTIS icono
- Enhancing physicians eyes and hands with Corindus
- Improving patient access with remote treatment

## Expanding in highly growing procedures

- Adding per procedure revenue by focusing on cardio- and neurovascular procedures where advanced imaging drives better outcomes
- Broadening scope in cancer therapy by providing integrated navigation solutions for ablation and embolization

# Profitable growth – Based on a sound financial framework

## Source

## Use

### Cashflow

Highly cash generative core business

#### Cash conversion rates

Imaging **~90%**

Advanced Therapies **~90%**

Diagnostics **in transition**

### Debt

Healthy balance sheet

Leverage is **1.4** net debt/EBITDA

**Solid investment grade** rating as a minimum

### Equity

Supportive majority shareholder

#### Shareholder structure

Siemens AG is majority shareholder with **85%**

### R&D

Fuel for future growth

#### R&D spend

**~9%** of revenue

### CAPEX

Accommodating growth needs of the businesses

#### CAPEX spend<sup>1)</sup>

**3.5 - 4.5%** of revenue

### M&A

Smart, accretive and opportunistic

#### Diligent execution of M&A strategy:

**> 1"** invested in Corindus Robotics, ECG management Consultants and Minicare

### Dividends

Transparent and attractive policy

#### Dividend policy: **50 - 60%**<sup>2)</sup>

FY18: €0.70; FY19: €0.80 proposed, +14%

<sup>1</sup> Excluding operating leases | <sup>2</sup> of net income

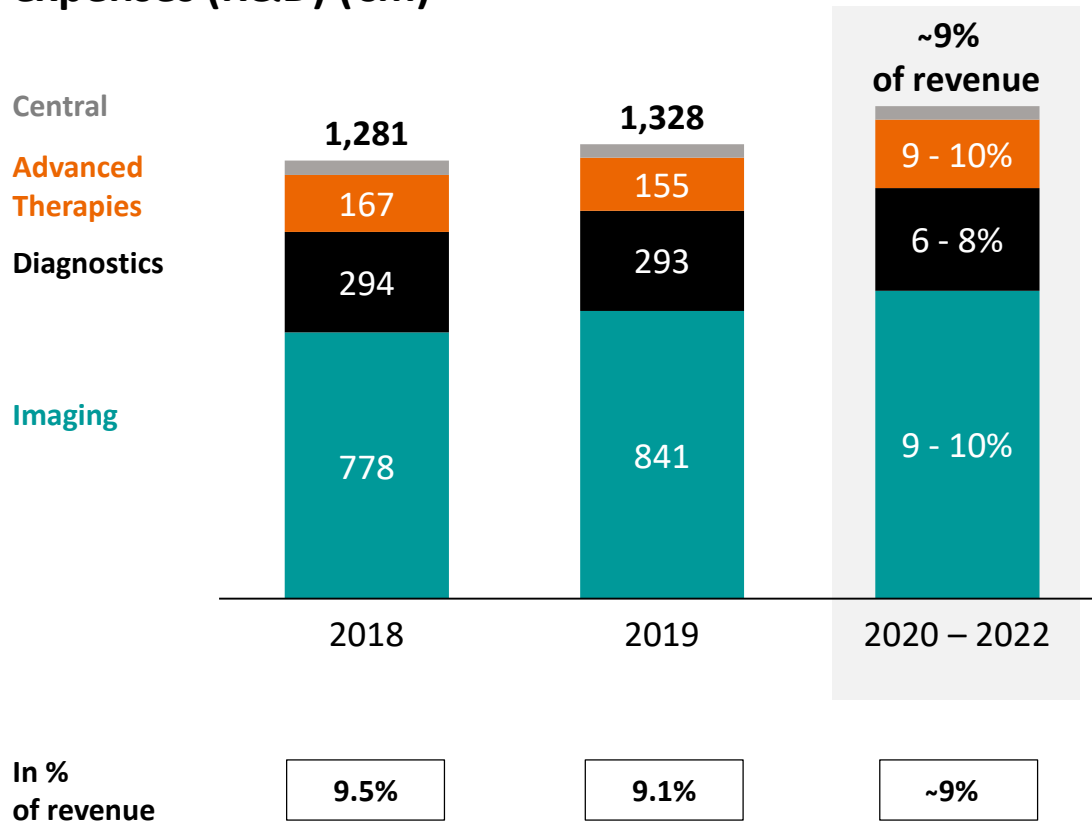
# Transparent M&A principles – smart, accretive, opportunistic

M&A type	Short-term accretion	Mid-term accretion	Long-term accretion	Deal size
“Seed”	✗	✗	✓	Small
“Adjacency”	✗	✓	✓	Mid
“Portfolio”	✓	✓	✓	Large

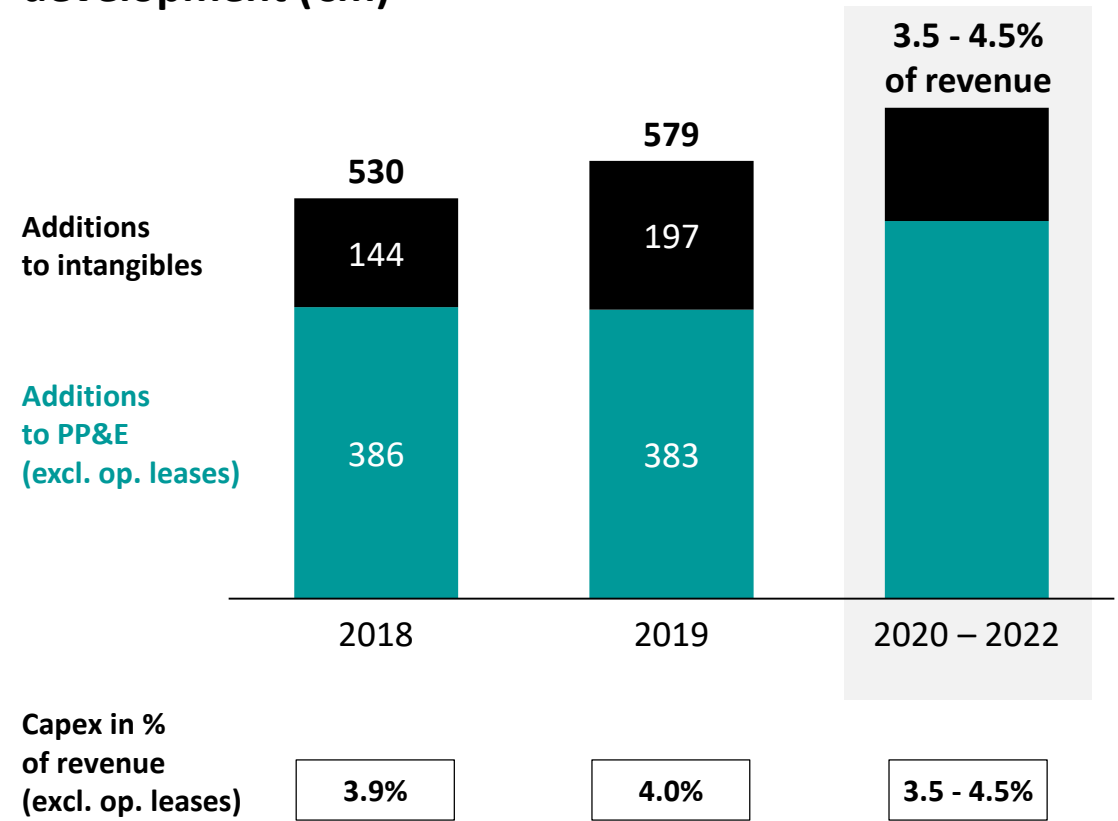
- **Smart** – M&A targets are selected to fit the overall strategy within the three segments
- **Accretive** – Deals are evaluated by their accretiveness in terms of financials, operations and new opportunities
- **Opportunistic** – A decisive and well-timed deal execution is crucial to secure deals in MedTech

# High R&D maintained, CAPEX optimized for business needs

## Research and development expenses (R&D) (€m)

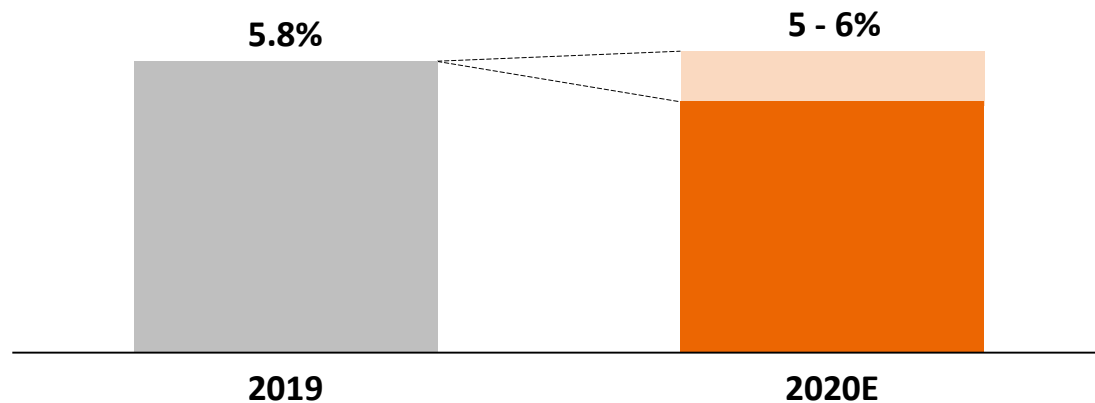


## Capital expenditures development (€m)



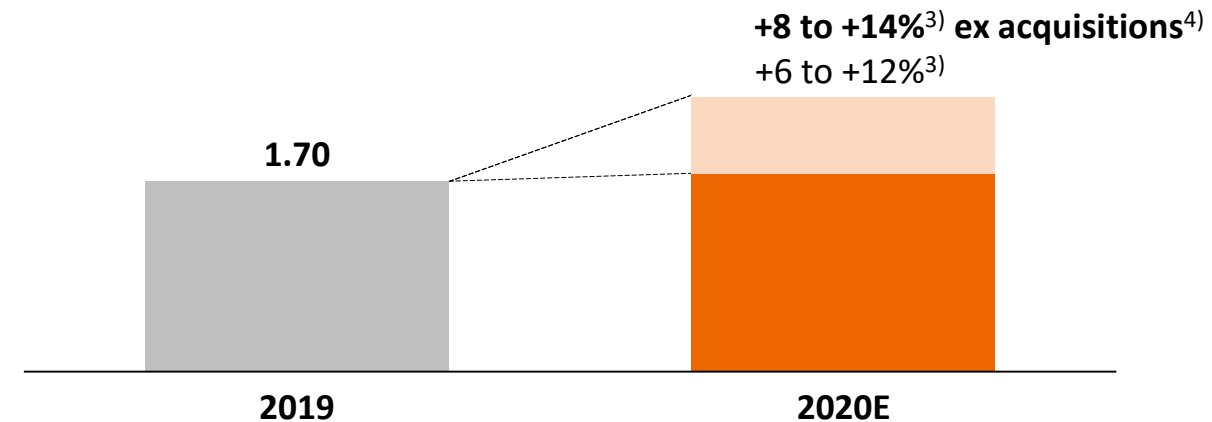
**Note:** Segment R&D in % of revenue based on total segment revenue including intersegment sales. R&D expenses incl. ppa. Capex as per cash flow statement. All figures excluding operating leases

## Comparable revenue growth<sup>1)</sup>



- **Manifesting new growth level** of 5 - 6% after strong FY19
- **Imaging** to continue attractive growth, growth rate below the very strong growth in FY19 within group outlook
- **Diagnostics** to accelerate growth, yet below group outlook
- **Advanced Therapies** to continue attractive growth clearly within group outlook

## Adj. EPS growth<sup>2)</sup>



- **Adj. EBIT margin<sup>2)</sup> for the group** expected at 17 - 18%
  - **Imaging** to continue to expand margins like in prior year
  - **Diagnostics** margin to slightly decrease
  - **Advanced Therapies** margin to significantly decrease due to acquisition of Corindus Robotics
- **Interest expenses** expected between €60 - 80 mio.
- **Tax rate** expected at 27 - 30%

<sup>1</sup> Y-o-y on a comparable basis, excluding translation and portfolio effects | <sup>2</sup> Adjusted for PPA, severance charges and acquisition-related transaction costs, for EPS net of tax | <sup>3</sup> The outlook is based on current foreign exchange rate assumptions and on the current portfolio (incl. signed or closed M&A transactions) | <sup>4</sup> excluding effects from acquisition of Corindus Robotics, ECG Management Consultants and MiniCare

Comparable revenue growth<sup>1)</sup> p.a.

---

>5%

---

## 2021E/2022E

- **Imaging** continuing growth momentum at above 5%
- **Diagnostics** accelerating towards mid-single digit growth
- **Advanced Therapies** stepping up towards high-single digit growth, fueled by new offerings, e.g. robotics

Adj. EPS growth<sup>2)</sup> p.a.

---

~10%<sup>3)</sup>

---

## 2021E/2022E

- **Imaging** to continuously deliver industry-leading margins
- **Diagnostics** with first improvements in 2021E/2022E, around 2024 margin in the mid-teens
- **Advanced Therapies** to return to industry-leading margins, driving profitable growth from new portfolio
- **Tax rate** expected at 27 - 30%

