

# Q1 Analyst Call

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

February 1, 2021



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# Strength across the board, supported by pandemic-related demands; Outlook raised for revenue and adjusted EPS

- **Very strong start** into the fiscal year with **13% comparable revenue growth<sup>1</sup> in Q1**
- Continuous high **equipment book-to-bill of 1.16**
- **Outstanding 23% growth<sup>1</sup>** in Diagnostics with significant contribution from rapid **COVID-19 antigen test sales** and **core business returning to solid growth<sup>1</sup>**
- Imaging and Advanced Therapies with **very strong comparable revenue growth<sup>1</sup>** of 9% and 6%, **driven by EMEA and Asia; CT<sup>2</sup> posted clear double-digit growth**
- **High profitability** with an adjusted EBIT margin of 19.1%, +550 bps y-o-y
- Adjusted basic **earnings per share of €0.49** vs. €0.36 in prior-year quarter
- Free cash flow **more than doubled in Q1** to €668 m compared to prior-year quarter
- **Outlook 2021** raised to **8-12% comparable revenue growth<sup>1</sup>** and **€1.63-1.82 adj. EPS**

<sup>1</sup> Year-over-year on a comparable basis, excluding currency translation and portfolio effects as well as effects in line with revaluation of contract liabilities from IFRS 3 PPA |

<sup>2</sup> CT: Computed Tomography

## Highlights

### Healthy growth in Q1 across modalities

- **Exceptionally** strong revenue growth with Computed Tomography and X-ray
- Equipment **revenue growth** in all modalities

### Well-built global presence paying off

- **Exceptionally strong revenue growth** in Europe and China
- **U.S.** temporarily soft, **rebound** in the course of FY21 expected

### Record Q1 margin

- **Strong margin** due to healthy revenue growth, mix and lower discretionary spend



## Attractive fundamentals

### ~2/3 revenue from innovations<sup>1</sup>

Consistent **above market growth** due to continued **roll-out** of **breakthrough innovations**

### ~40% of revenue highly resilient<sup>2</sup>

High recurring **Service revenues**, **regional diversification** and **value partnerships**

### >20% industry-leading margins

Further **expansion** of leading margins

### >9% of revenue invest and re-invest<sup>3</sup>

Industry leading **R&D intensity** ensuring **Innovation Pipeline** for future growth

# Diagnostics business normalizing – Rapid Antigen test with significant positive contribution

## Core business back to growth

On track with solid growth & margin recovery

Solid progress on Atellica performance with major installations on track

Transformation progressing well with commercial execution improvement across all regions

Continued success in market adoption of Atellica manifesting in further large deals



## COVID-19 portfolio well positioned

Strong uptake of our Rapid SARS-CoV-2 POC Antigen Test<sup>1,3</sup>

Continued growth in Molecular SARS-CoV-2 test<sup>1,2</sup>

Right design choice (Spike protein) for identifying & quantifying neutralizing Antibodies<sup>1,2</sup>

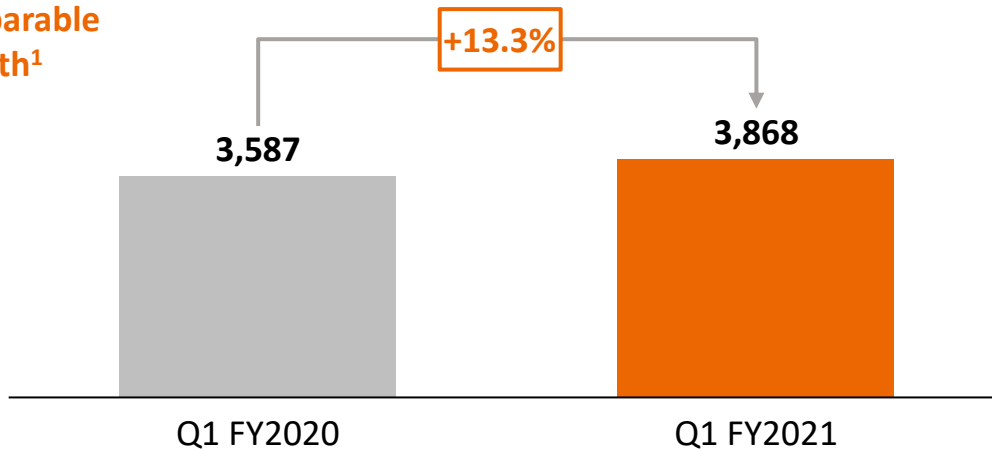
25 critical care test assays<sup>1</sup> for COVID-19 patients (eg D-Dimer<sup>1</sup>, IL-6<sup>1,2</sup>, SAA<sup>1,3</sup>)

<sup>1</sup> Product availability may vary from country to country and is subject to varying regulatory requirements. | <sup>2</sup> These tests have not been FDA cleared or approved. They have been authorized by FDA under an EUA for use by authorized laboratories. The molecular ("PCR") test has been authorized only for the detection of nucleic acid from SARS-CoV-2, not for any other viruses or pathogens. The serology ("antibody") test has been authorized only for detecting the presence of antibodies against SARS-CoV-2, not for any other viruses or pathogens. The IL-6 test has been authorized only to assist in identifying severe inflammatory response, when used as an aid in determining the risk of intubation with mechanical ventilation in confirmed COVID-19 patients. These tests are only authorized for the duration of the declaration that circumstances exist justifying the authorization of emergency use of in vitro diagnostics for detection and/or diagnosis of COVID-19 under Section 564(b)(1) of the Act, 21 U.S.C. § 360bbb-3(b)(1), unless the authorization is terminated or revoked sooner. | <sup>3</sup> Not available for sale in the U.S.

# Very strong revenue growth and high profitability

## Revenue (€m)

Comparable  
Growth<sup>1</sup>

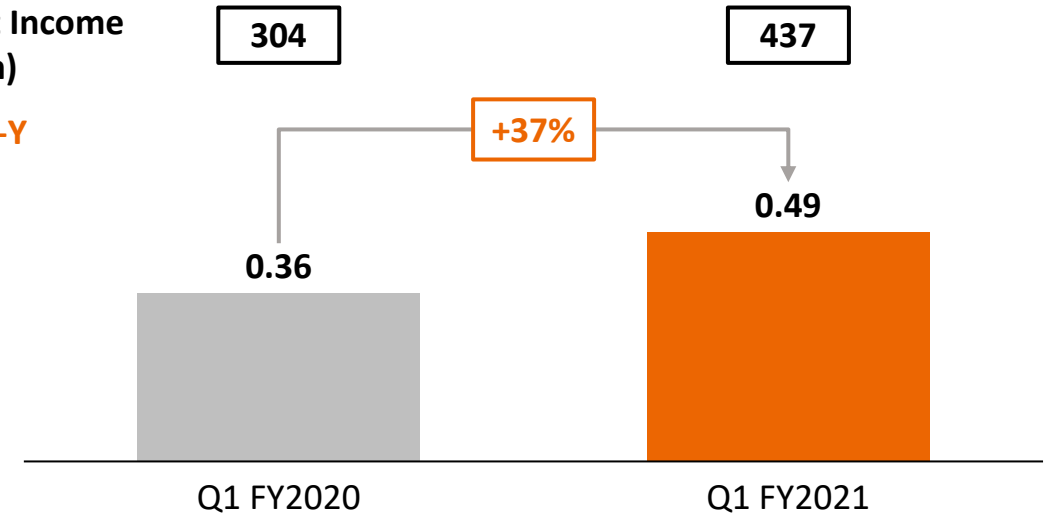


- Significant revenue growth<sup>1</sup> of 13% on solid comps (PYQ: 5%)
- Very strong growth<sup>1</sup> with excellent revenue growth<sup>1</sup> from equipment and Antigen test sales, while service growth remains stable
- EMEA with excellent growth<sup>1</sup> of 26% (PYQ:10%), driven by growth in all geographies and Antigen contribution
- Very strong growth<sup>1</sup> in Asia of 13% (PYQ: 9%), driven by China
- Americas with soft growth<sup>1</sup>, lagging U.S. recovery as expected

## Adjusted basic earnings per share (€)

Net Income  
(€m)

Y-o-Y



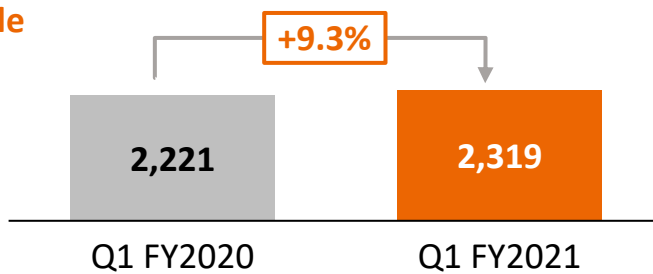
- Adj. basic EPS up on very strong revenue and high profitability
- Adj. EBIT margin significantly up y-o-y from excellent conversion in Imaging and Diagnostics, ongoing tailwind from discretionary spend
- Reported financial income net at -€77 m, therein -€70 m related to the planned Varian acquisition, mainly for purchase price hedging and bridge financing costs; adjusted financial income net in Q1 at -€7 m
- Tax rate with 28% roughly on PY level (PYQ: 27%)

# Very strong growth across the board with Diagnostics standing out; Imaging with record Q1 profitability

## Imaging (€m)

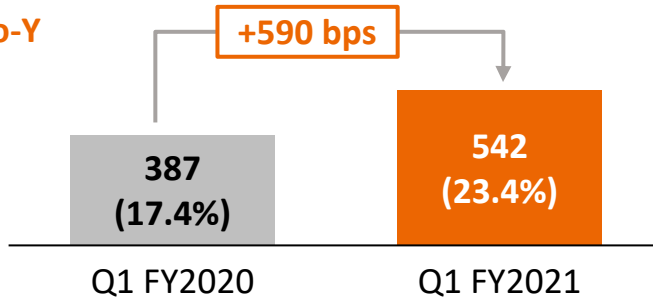
Comparable Growth<sup>1</sup>

Adjusted revenue



Margin Y-o-Y

Adj. EBIT (margin)



- Strong growth<sup>1</sup> in all businesses, excellent growth<sup>1</sup> in CT<sup>2</sup> clearly in the double-digits, very strong growth<sup>1</sup> in X-Ray Products
- Record Q1 margin from excellent conversion and less discretionary spend

## Diagnostics (€m)

+23.5%

1,013

1,183

Q1 FY2020

Q1 FY2021

+840 bps

32 (3.1%)

137 (11.6%)

Q1 FY2020

Q1 FY2021

- Revenue significantly up, driven by COVID-19 testing and core business returning to solid growth<sup>1</sup>
- Margin up from additional volume from COVID-19 testing contribution and conversion in core business

## Advanced Therapies (€m)

+6.3%

404

412

Q1 FY2020

Q1 FY2021

-80 bps

79 (19.6%)

78 (18.8%)

Q1 FY2020

Q1 FY2021

- Strong growth<sup>1</sup> of 6% on tough comps (PY: 9%) driven by excellent equipment revenue growth<sup>1</sup>
- Margin stable y-o-y excl. FX headwind

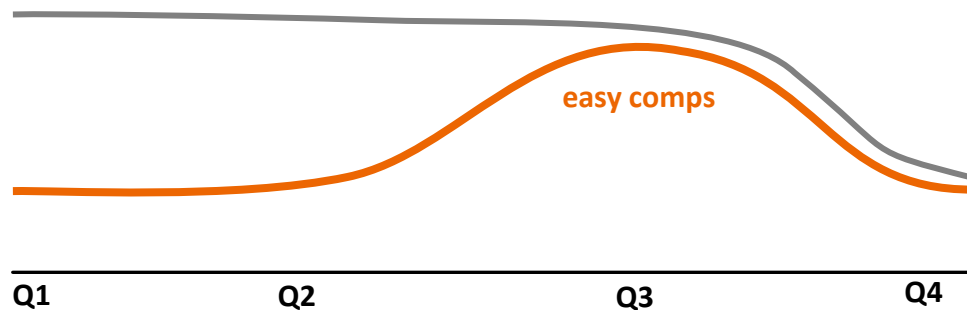
<sup>1</sup> Year-over-year on a comparable basis, excluding currency translation and portfolio effects as well as effects in line with revaluation of contract liabilities from IFRS 3 PPA |

<sup>2</sup> CT: Computed Tomography

# Diagnosics – Accretion from Antigen test assumed to decline in H2 FY21

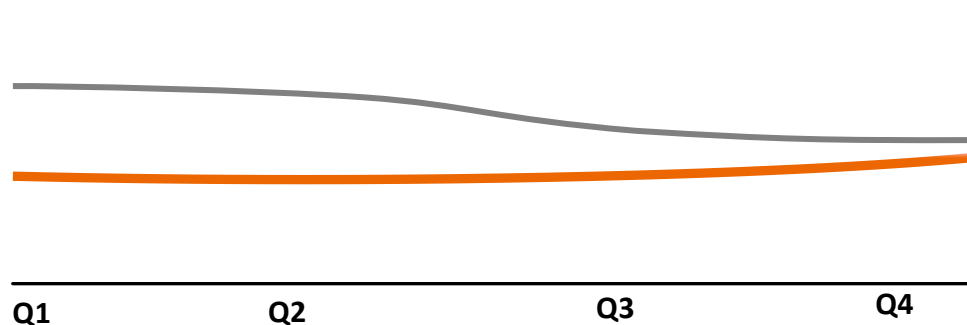
— DX incl. COVID-19 tests — DX excl. COVID-19 tests

## Comparable revenue growth<sup>1</sup> in FY21



- **Good uptake of Antigen tests, sales of €130 m in Q1**
- **Updated Antigen revenue assumption for FY21 at €300-350 m, front-loaded due to expected slowing demand in H2 FY21**
- **PCR and Antibody sales support y-o-y Q1 growth**
- **DX excl. COVID-19 tests with solid growth<sup>1</sup> in Q1 from recovered routine testing and customer pull-ins**

## Adjusted EBIT margin in FY21



- **Antigen test volumes accretion to decline significantly in H2 FY21 from expected slowing demand and price erosion**
- **DX excl. COVID-19 tests with improved profitability in Q1 from reagent recovery and improved utilization**

Note: indicative graph only, not to scale

<sup>1</sup> Year-over-year on a comparable basis, excluding currency translation and portfolio effects as well as effects in line with revaluation of contract liabilities from IFRS 3 PPA.

Q1 FY2021

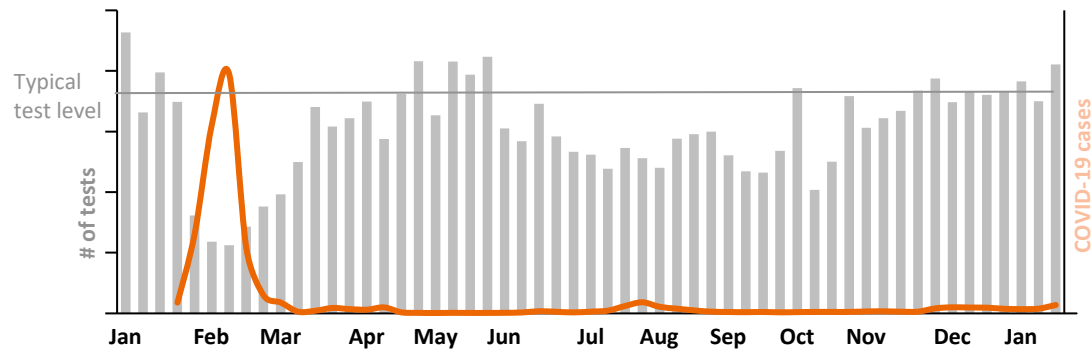
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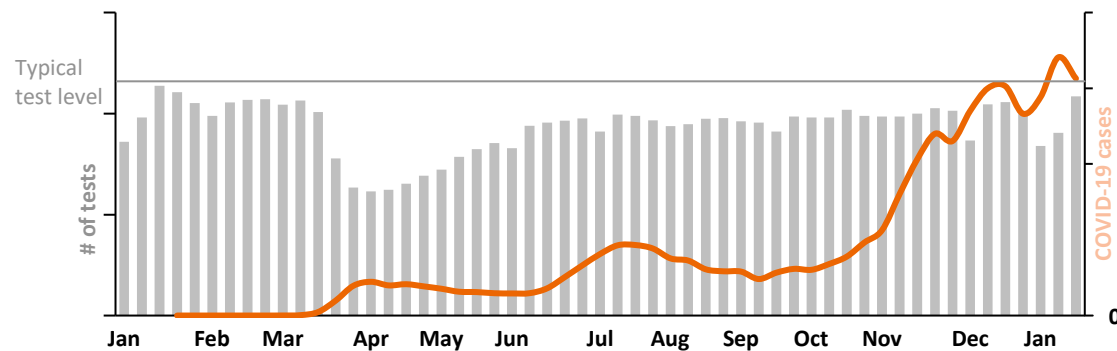
# Testing and examination normalized despite volatility in COVID-19 incidence

## Central lab test volumes<sup>1</sup>

### China



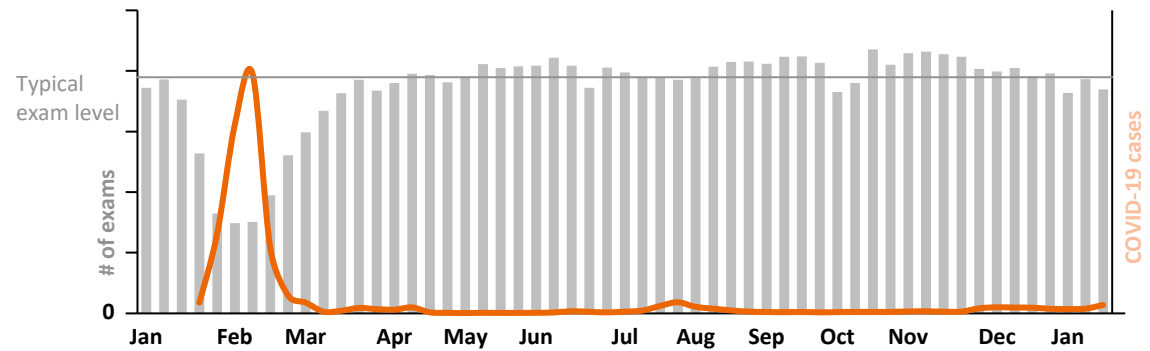
### USA



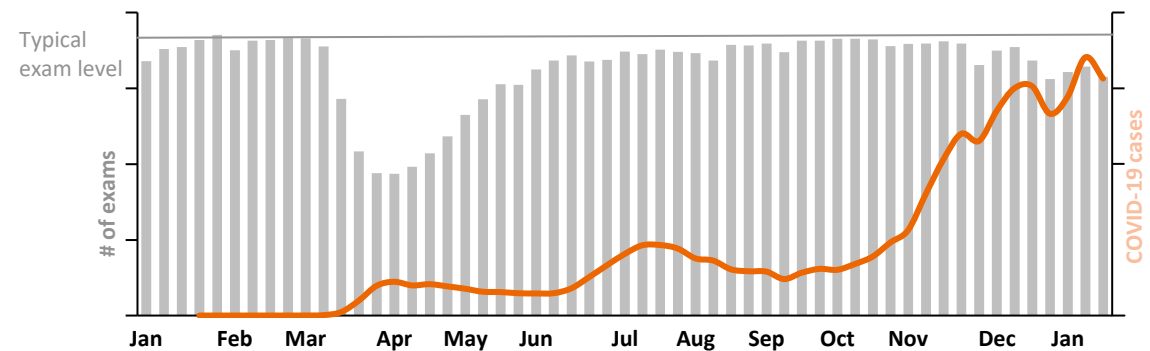
— New COVID-19 cases per week<sup>3</sup> ■ Patient tests per system

## Magnetic resonance exams<sup>2</sup>

### China



### USA

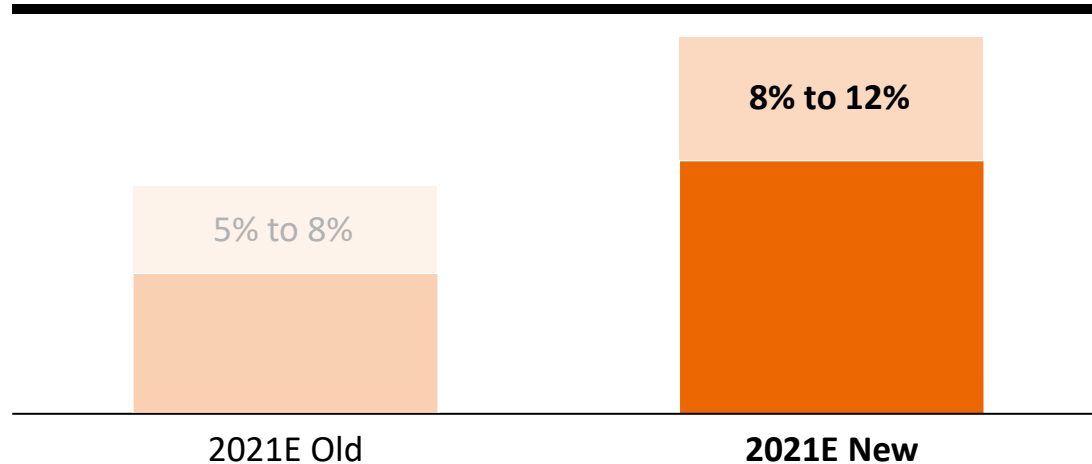


— New COVID-19 cases per week<sup>3</sup> ■ Number of MRI exams per system

<sup>1</sup> Data limited to certain Siemens Healthineers instruments connected to Smart Remote Services, which may not be representative of overall testing across all instruments and all sites in the respective location | <sup>2</sup> Based on connected Siemens Healthineers equipment | <sup>3</sup> Source: Johns Hopkins University

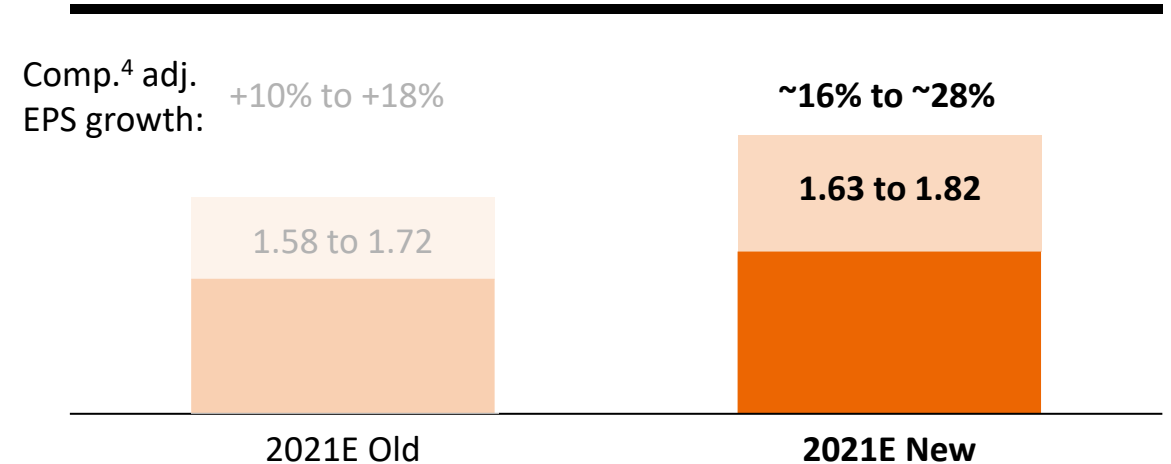
# Raised outlook for FY2021 (ex Varian)

## Comparable revenue growth<sup>1,3</sup>



- **Higher Growth in FY21 due to faster recovery and higher than expected opportunities**
- **Imaging** returning to growth at or above 7%
- **Diagnostics** to grow at least in the mid-teens
- **Advanced Therapies** returning to growth at or above 6%

## Adj. basic EPS<sup>2,3</sup> (€)



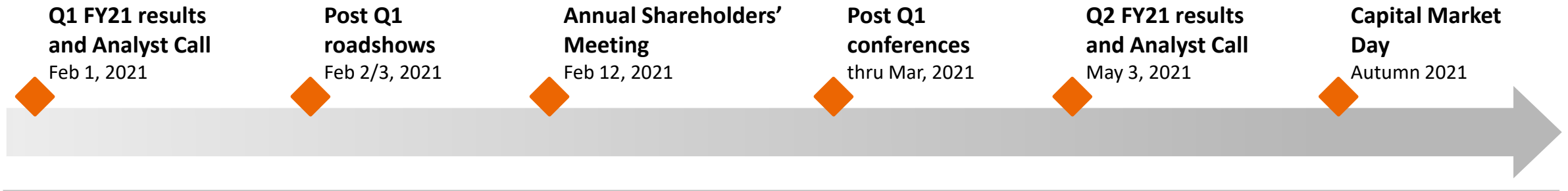
- **Higher adj. EPS in FY21 on higher revenue**
- **Adj. EBIT margin<sup>2</sup> for the group** to improve >100 bps y-o-y
- **Imaging margin** to improve ~100 bps y-o-y
- **Diagnostics margin** to recover to >7%, driven by COVID-19-related opportunities and recovering core business
- **Advanced Therapies** to keep industry leading margins
- **Adjusted financial income net** expected at -€40 to -€60 m
- **Tax rate** expected at 27% to 29%

<sup>1</sup> Year-over-year on a comparable basis, excluding currency translation and portfolio effects as well as effects in line with revaluation of contract liabilities from IFRS 3 PPA |

<sup>2</sup> Adjusted for expenses for portfolio-related measures, and severance charges, for EPS net of tax and calculated for FY2021 with 1,072 m av. shares outstanding |

<sup>3</sup> The outlook is based on certain assumptions for antigen test revenue, pandemic-related demand and the investment activity in the U.S., further assumptions of the previous outlook remain unchanged (see quarterly statement Q1) | <sup>4</sup> excl. y-o-y effects from FX and from share count dilution

# We are well on track to complete a transformative acquisition



**Integration**

- ✓ Integration Plan and Day 1 readiness on track
- ✓ Culture and People Engagement programs set up
- ✓ Positive momentum in dedicated integration workstream



**Milestones**

- ✓ U.S. antitrust and CFIUS cleared
- ✓ Regulatory approvals on track
- ✓ Expected closing in H1 CY2021

# Sustainability – an inherent element of our purpose and our leadership model

## Innovating to sustainably enable healthcare for everyone everywhere



Improve quality of live through access to healthcare and innovation



Contribute to a regenerative and healthy environment



Advance diversity and inclusion and drive employee engagement

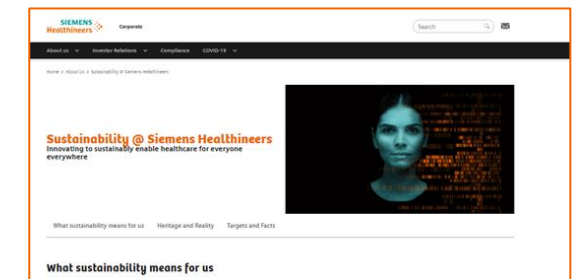


Create sustainable value through responsible business and leadership

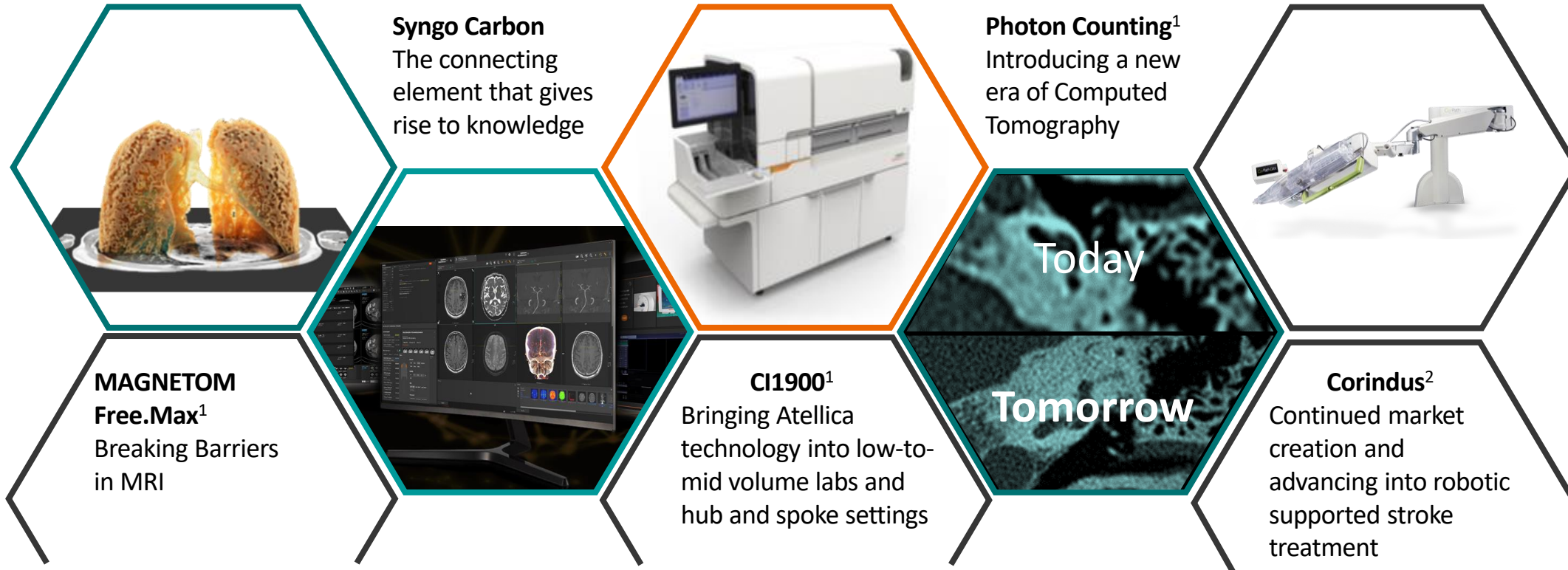
>> ESG targets part of the LTI compensation for MBM and eligible senior management



>> Website launch on Feb 12, 2021



# Set for further structural and innovation-driven growth



- **Highly innovative** upcoming product and technology roll-outs to **underpin market leadership positions**
- **Ideal portfolio** to benefit by **structural growth trends** and the shift to **holistic partnerships** and **c-level decision taking**
- With **Varian** our portfolio becomes even **more holistic** and we enter an **attractive adjacent growth market**

1

## Attractive structural and innovation driven growth

- **Leading positions** in attractive, **structurally growing** end-markets
- **Consistent roll-out** of **innovative technologies** and products to strengthen our **market leading positions**
- **Benefitting** from growing importance of **holistic partnerships** and increasing shift to **c-level decision taking**

2

## Sector leading margins with further upside

- Scope for **further expansion of our sector** leading margins in **Imaging** and **Advanced Therapies**
- On track to drive **higher growth** and **better margins** in our **Diagnostics business**

3

## Expanding portfolio into adjacent growth markets

- **Varian: New level** of profitable growth; become even more **holistic partner** for the **entire customer spectrum**
- **Corindus: Continued market creation** in a tough environment **reinforcing our value proposition**

4

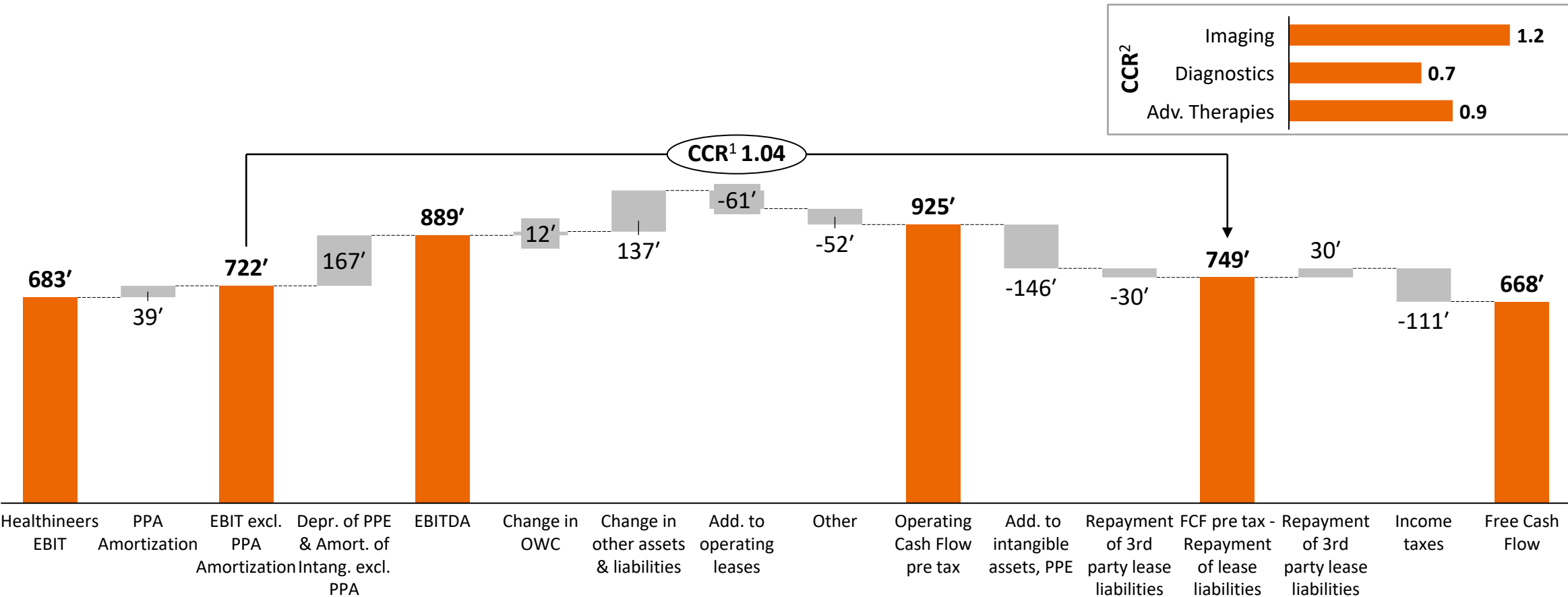
## Resilient performance at all times

- **High share of recurring revenues** from reagents in Diagnostics and our service business in Imaging and Advanced Therapies
- **Regional diversification** and significantly **increasing order backlog** from **Value Partnerships** further increase resilience in our business



# Strong cash conversion in a strong revenue quarter

Q1 FY21 Siemens Healthineers EBIT to Free Cash Flow (€m)



1 Healthineers CCR=(Free Cash Flow pre tax - Repayment of 3<sup>rd</sup> party lease liabilities) / (Healthineers EBIT excl. PPA) |  
 2 Segment CCR = (Free Cash Flow) / (Segment EBIT excl. PPA)



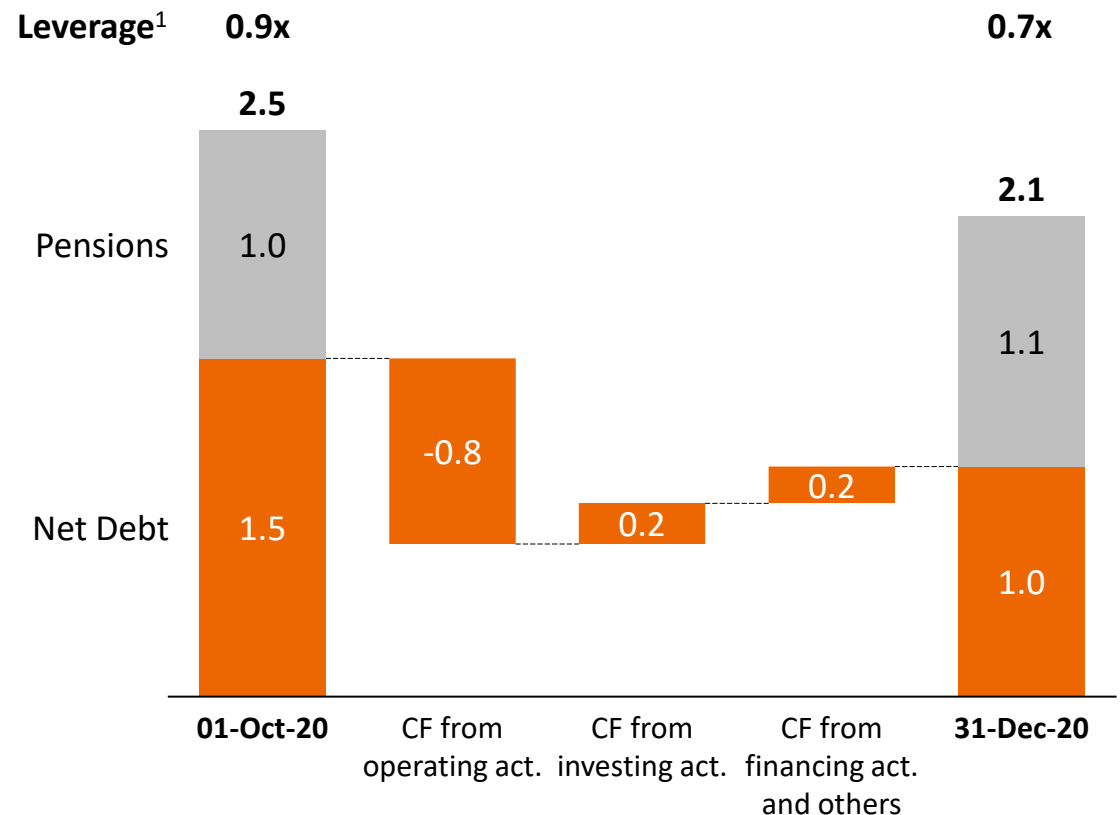
# Q1 balance sheet and net debt bridge

## Net debt overview

in €bn	Sep 30, 2020	Dec 31, 2020
Cash and cash equivalents	0.7	0.6
Current receivables from the Siemens Group from financing activities	3.3	4.0
Short-term and long-term financial debt	(0.5)	(0.5)
Current liabilities and liabilities to the Siemens Group from financing activities <sup>2</sup>	(4.9)	(5.1)
<b>Net debt</b>	<b>(1.5)</b>	<b>(1.0)</b>
Provisions for pensions and similar obligations	(1.0)	(1.1)
<b>Net debt (incl. pensions)</b>	<b>(2.5)</b>	<b>(2.1)</b>

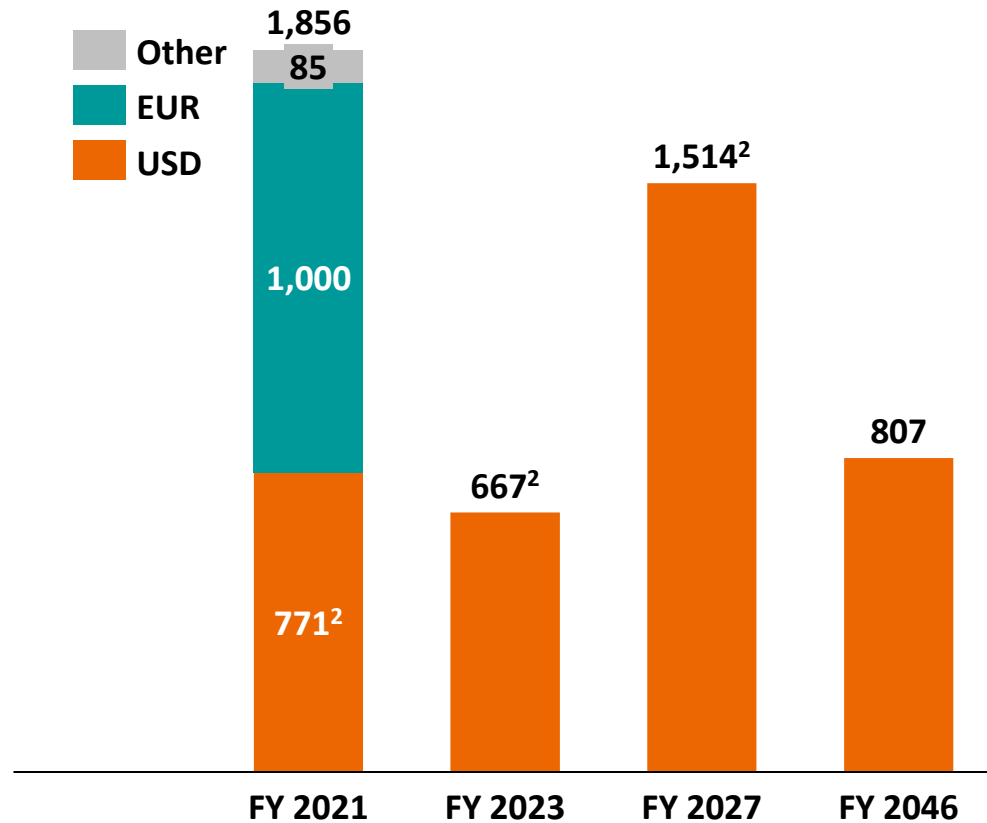
<sup>1</sup> Leverage is net debt incl. pension over EBITDA rolling four quarters | <sup>2</sup> Includes market values from derivatives

## Capital structure development in Q1 (in €bn)



# SHS loan maturity profile

## SHS loans with Siemens Group as of 31.12.2020<sup>1</sup> (in €m)



## Comments

- Total loan volume ~€5 bn equivalent
- Average interest rate ~0.7%<sup>3</sup>

## Top 5 loans

Currency	Volume	Volume in €	Interest rate	Maturity
USD	\$1,689	€1,514 <sup>2</sup>	0.26% <sup>2</sup>	FY 2027
EUR	€1,000	€1,000	0.25% <sup>4</sup>	FY 2021
USD	\$990	€807	3.4%	FY 2046
USD	\$859	€771 <sup>2</sup>	-0.7% <sup>2</sup>	FY 2021
USD	\$743	€667 <sup>2</sup>	-0.2% <sup>2</sup>	FY 2023

<sup>1</sup> Maturity profile based on Fiscal Year start October 1 - translation to EUR according to spot rate as of Dec 31<sup>th</sup> 2020

<sup>2</sup> 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

<sup>3</sup> Average interest rate for FY21 after implementation of debt and capital restructuring project

<sup>4</sup> Floating interest rate

# Funded status unchanged

## Q1 FY2021 Key financials – Pensions and similar obligations

in €bn <sup>1</sup>	FY2018	FY2019	FY2020	Q1 FY2021
<b>Defined benefit obligation (DBO)<sup>2</sup></b>	(3.4)	(3.8)	(3.8)	(3.9)
<b>Fair value of plan assets<sup>2</sup></b>	2.6	2.8	2.8	2.9
<b>Provisions for pensions and similar obligations</b>	(0.8)	(1.0)	(1.0)	(1.0)
<b>Discount rate</b>	2.9%	1.8%	1.5%	1.2%
<b>Interest Income</b>	0.1	0.1	0.0	0.0
<b>Actual return on plan assets</b>	0.1	0.3	0.1	0.1

<sup>1</sup> All figures are reported on a continuing basis | <sup>2</sup> Difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q1 FY2021: €+0.0bn); Defined Benefit Obligation (DBO) including other post-employment benefit plans (OPEB) of ~€-0.1bn

# SIEMENS Healthineers

