

Q4 and FY 2020 Conference Call for Journalists

Siemens Healthineers AG

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Please find further explanations regarding our financial key performance indicators in chapter "A.2 Financial performance system" and in the notes to the consolidated financial statements note 29 "Segment information" in the Annual Report 2019 of Siemens Healthineers. Additional information is also included in the Quarterly Statement. These documents can be found under the following internet link <https://www.corporate.siemens-healthineers.com/investor-relations/presentations-financial-publications>. As of beginning of fiscal year 2020, Siemens Healthineers applies the accounting standard IFRS 16, Leases. Comparative figures for the preceding fiscal year were not adjusted. Instead, the overall insignificant transition effects were recognized in equity as of October 1, 2019.

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.

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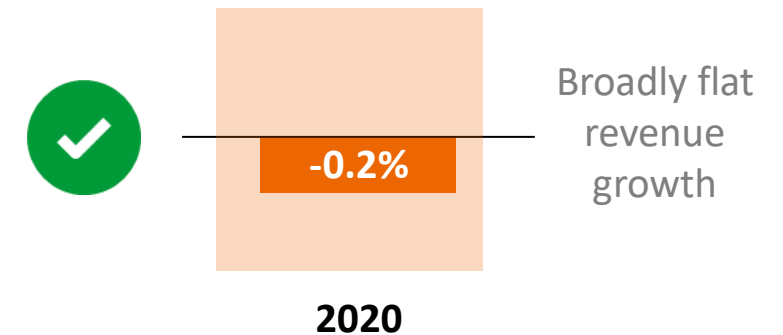
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Key achievements in FY2020

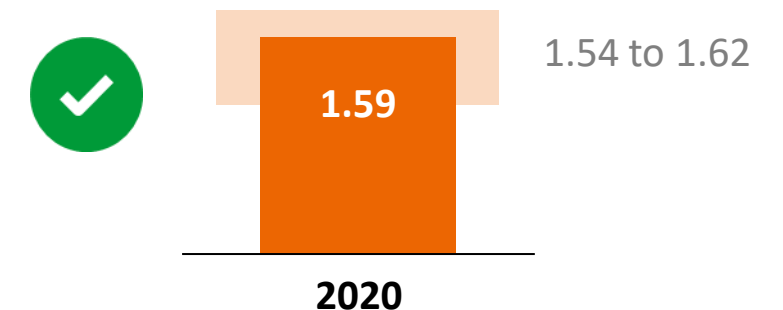
- Our team successfully masters the challenges of the pandemic: from outstanding service to securing supply chain, to rapidly innovating tests
- Equipment book-to-bill >1 in the fiscal year, new record order intake from large deals (Value Partnerships)
- Innovation engine runs at full speed
- On track with the transformative acquisition of Varian
- Highest Free Cash Flow pre-tax since IPO with €1.9 bn

Guidance achieved

Comparable revenue growth¹



Adj. basic earnings per share² (€)



¹ Y-o-y on a comparable basis; excluding translation and portfolio effects | ² Basic earnings per share are computed by dividing net income excl. non-controlling interests by the weighted average number of outstanding shares

Four important pillars support resilient revenue performance

Regional – diversification as stabilizing factor

- Business in Europe and China grew mid-single digit in FY20 counterbalancing temporary weakness in Americas due to COVID-19
- Emerging markets gaining importance with attractive market growth rates

Value Partnerships – significant contribution in 2020

- Significantly increased order backlog from Value Partnerships creates high visibility of revenues over multiple years
- Ideally positioned as partner of the consolidators

Reagents – high recurring revenues

- Reagents account for a ~90% of revenues in Diagnostics with long contract duration of 5-7 years
- Quick response to COVID-19 related market needs by launching new tests (SARS-CoV-2 antibody, PCR, antigen) and expanding our test menu

Service – growth in every single quarter 2020

- Steady Service revenue growth throughout the COVID-19 pandemic enabled by remote operations and digitalization
- Multi-year service contracts for equipment, driven by underlying installed base growth



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Q4 FY2020 results

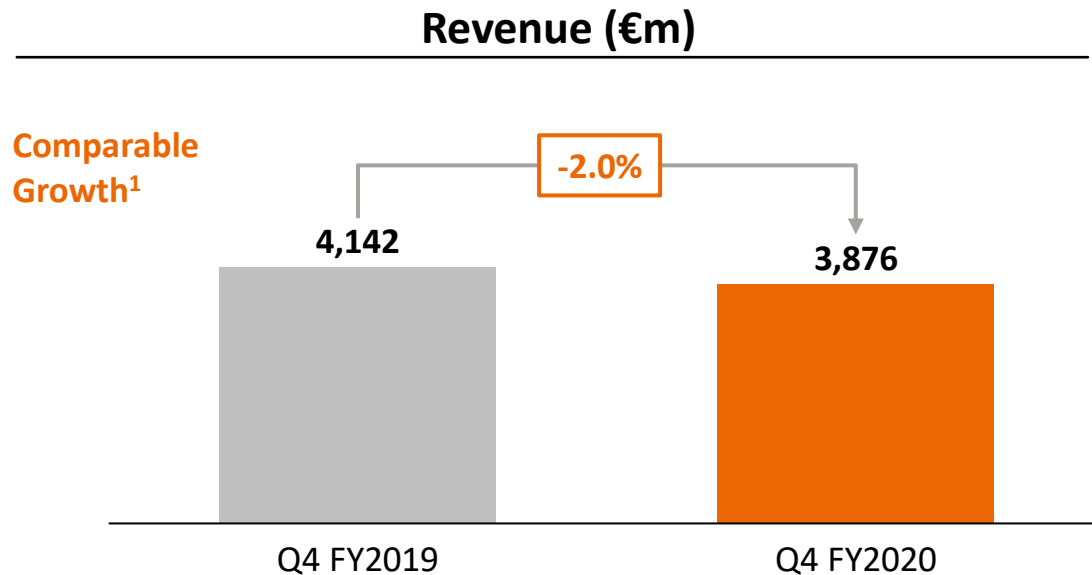
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Upgrading – The next level

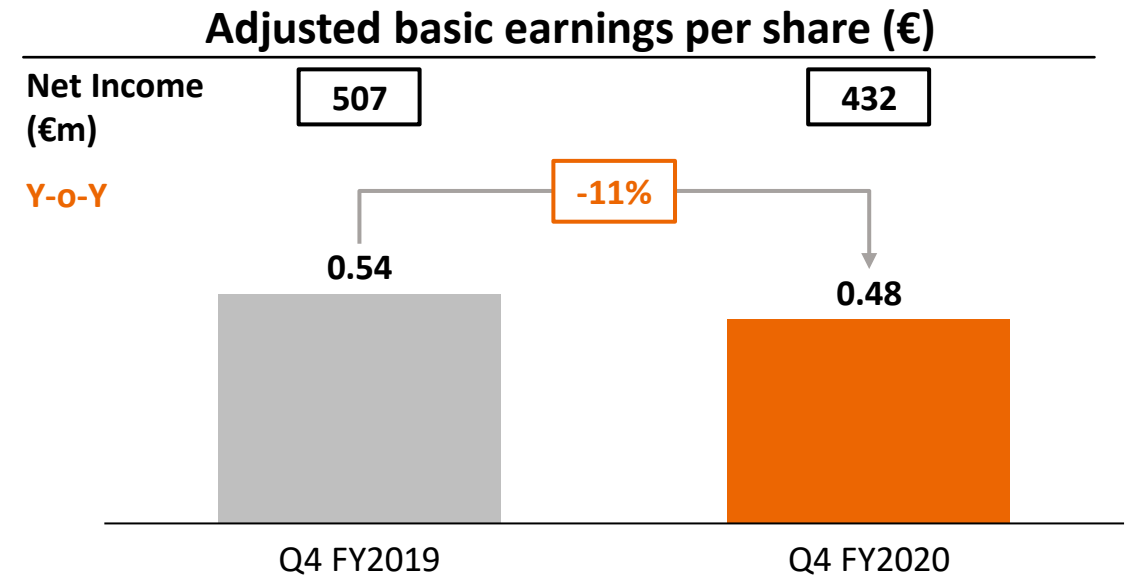
Q4 with record order intake and cash flow generation

- Q4 with highest **equipment book-to-bill** in FY at **1.15**, full FY at **1.06**
- **Q4 comparable¹ revenue moderately down by -2.0%** on tough comps (PYQ: +8%)
- **Imaging growth¹ recovering in Q4** from Q3 with **-1.7% revenue decline**, **Advanced Therapies down in Q4 with -6.4%**; service business growing
- **Diagnostics growth recovering in Q4** from Q3 with **-1.0% revenue decline¹**; margin continues to be under pressure from COVID-19 effects
- **Adjusted EBIT margin at 16.1%**, -280 bps y-o-y
- **Adjusted basic earnings per share of €0.48**, -11% y-o-y
- **Free cash flow with a strong finish in Q4 up +12%** versus prior year quarter
- **Dividend of €0.80 per share proposed for FY20**

Strongest revenue quarter of the fiscal year despite the pandemic; moderate decline on very tough comps



- Strongest revenue quarter of the fiscal year
- Growth recovered from Q3 to a moderate decline in Q4 on very tough comps (PYQ: 8%)
- EMEA with strong 8% growth y-o-y, Americas declined -6% y-o-y on tough comps (PYQ: 10%)
- Asia declined by -8% y-o-y on tough comps (PYQ: 12%), with a mixed picture: China flattish, India grew, while Japan declined



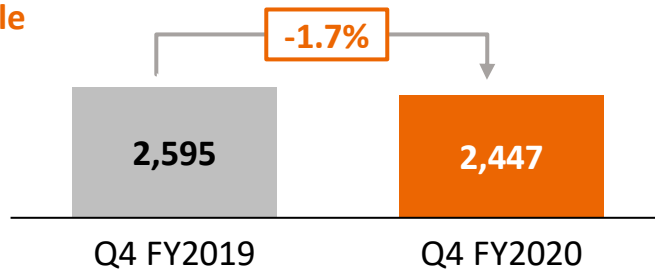
- Adj. EPS down on declined revenue and a mixed picture in margins
- Adj. EBIT margin in Q4 down y-o-y: Imaging margin improved, while Diagnostics margin continues to be under pressure
- Lower tax-rate in Q4 compensates headwind from Siemens share plans, PYQ includes a settlement gain
- Financial income net slightly down to -€10 mio. y-o-y from a low level
- Low tax-rate in Q4 with 21%, significantly down y-o-y (PYQ: 30%)

Imaging with record Q4 margin, Diagnostics margin under pressure

Imaging (€m)

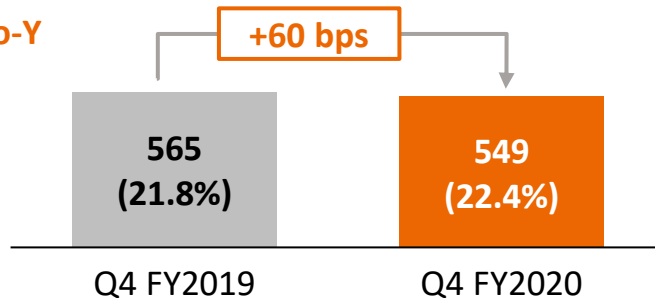
Comparable Growth¹

Revenue



Margin Y-o-Y

Adj. EBIT (margin)

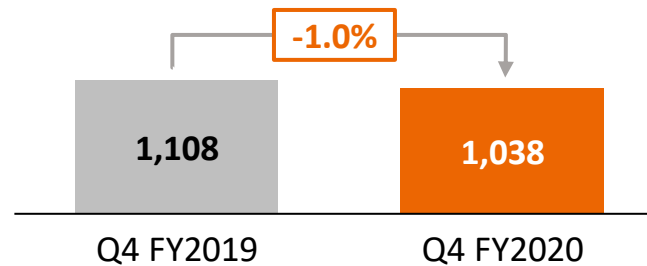


- Only moderate revenue decline in Q4 supported by strong growth in CT² and MI²; service business growing nicely
- Record Q4 margin, tailwind from FX compensated Siemens share plan expenses

Diagnostics (€m)

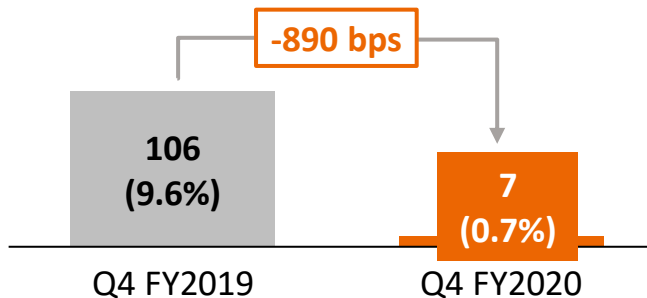
-1.0%

Revenue



-890 bps

Revenue

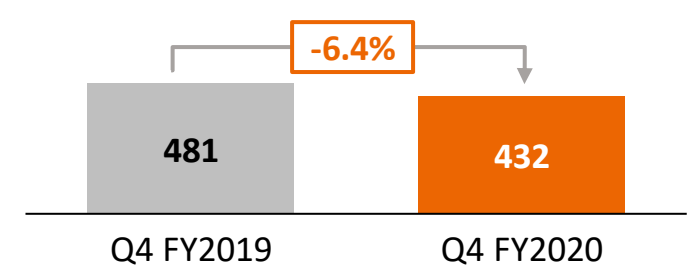


- Revenue slightly down y-o-y with still missing reagent volumes, limited tailwind from COVID-19 testing so far
- Margin under pressure from COVID-19 effects, Atellica ramp-up and FX

Advanced Therapies (€m)

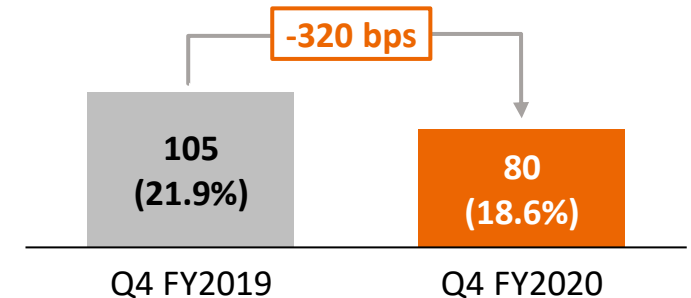
-6.4%

Revenue



-320 bps

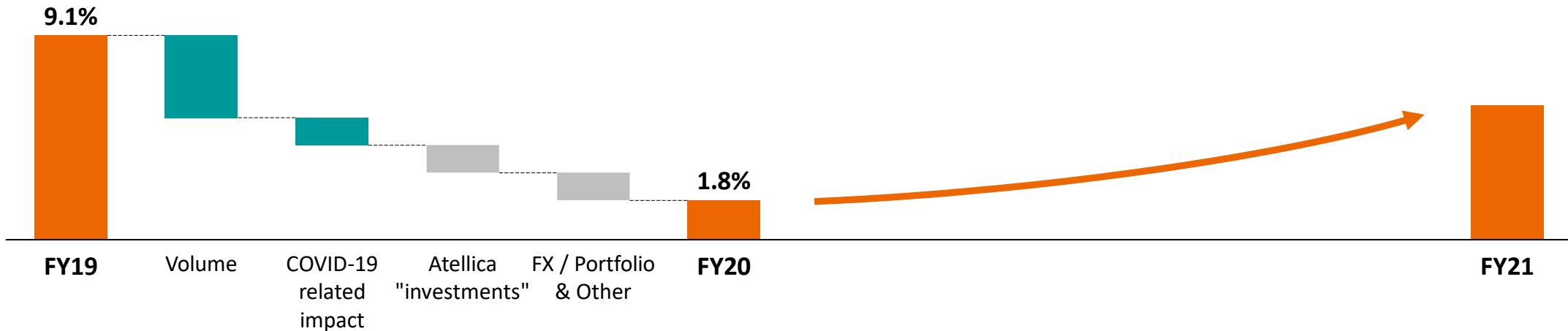
Revenue



- Revenue y-o-y down on strong equipment growth in PYQ
- Excellent Q4 profitability: excluding Corindus, margin at prior year level

Anticipated margin decline impacted by COVID-19 pandemic

Diagnostics: Adjusted EBIT margin



- **Volume:** Margin dilution from decline in routine care testing only partially offset by COVID related testing
- **Impact COVID-19 “on cost”:** Manufacturing capacity under-utilization and COVID-specific costs (e.g.: new R&D programs, logistics) and delays in maturing Atellica systems due to limited customer access
- **Atellica ramp-up:** Continued “investment” in service and maturing Atellica systems: foundational to margin improvement in FY21, high seeding rates for Atellica instruments
- **FX / Portfolio:** FX headwind and “investment” into Minicare portfolio
- **Outlook:** Improvement expected in both top and bottom line from reagent recovery, improved utilization and from “investments” in Atellica

We are well on track to complete a transformative acquisition

Achieved milestones

- ✓ Varian stockholders overwhelmingly approved merger agreement on Oct 15
- ✓ U.S. antitrust approval obtained on Oct 22



Financing

- ✓ Successful share placement on Sep 2, with the largest ABB by a German corporate
- ✓ Well-positioned to achieve an optimal financing mix

Integration

- ✓ Integration Plan and Day 1 readiness on track
- ✓ Culture and People Engagement programs set up



Next milestones

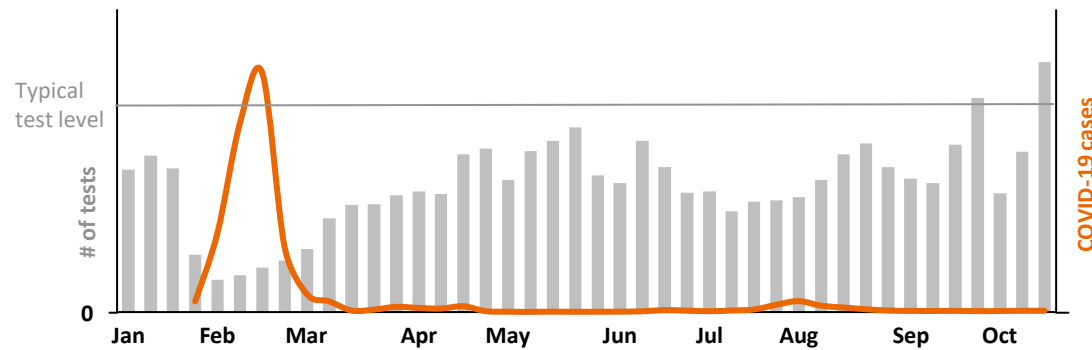
- ✓ Further regulatory approvals on track
- ✓ Expected closing in H1 CY2021



Testing and examination volumes are further stabilizing despite volatility in COVID-19 incidence

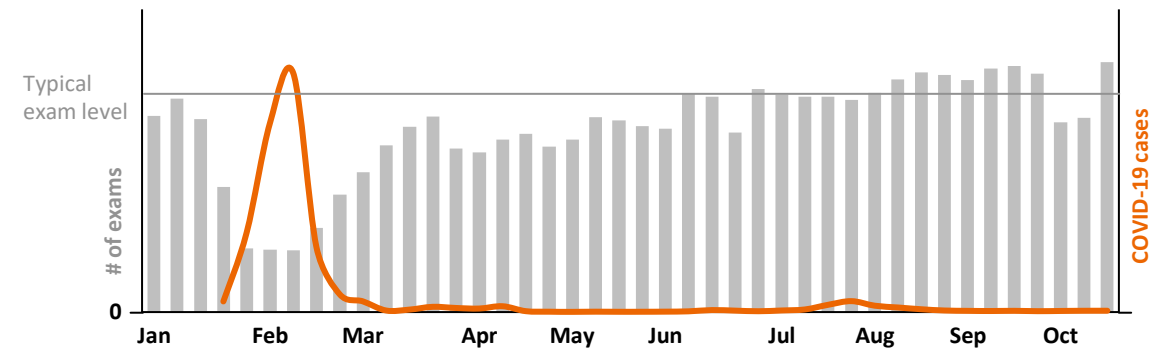
Central lab test volumes¹

China

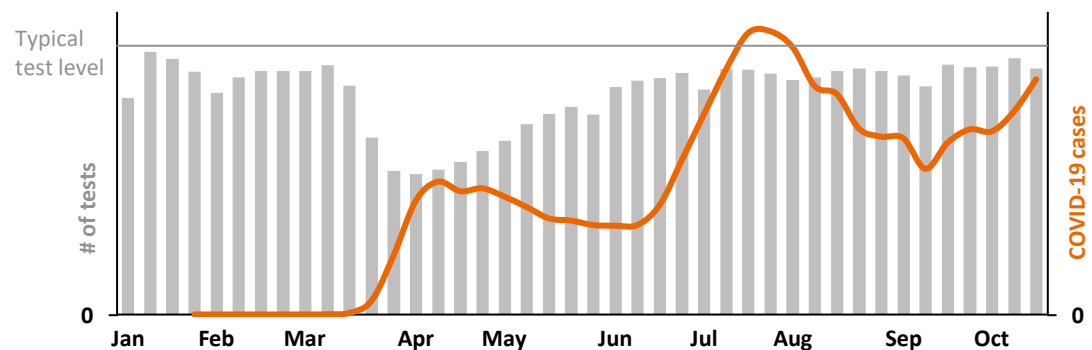


Magnetic resonance exams²

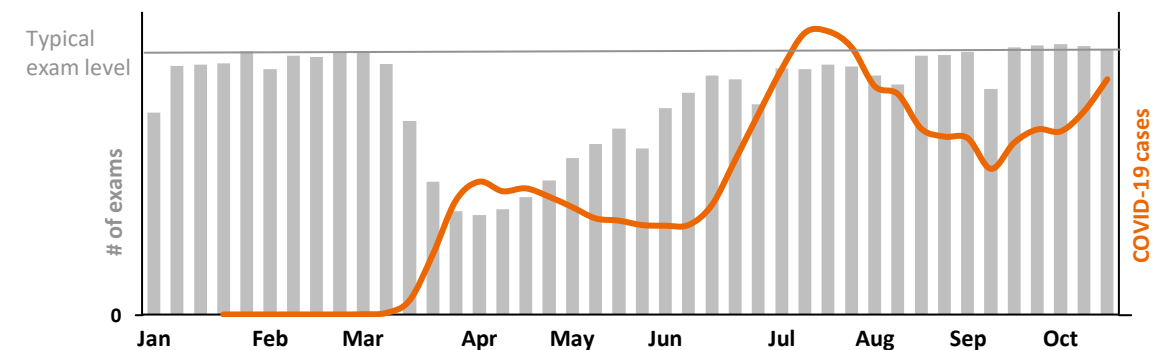
China



USA



USA

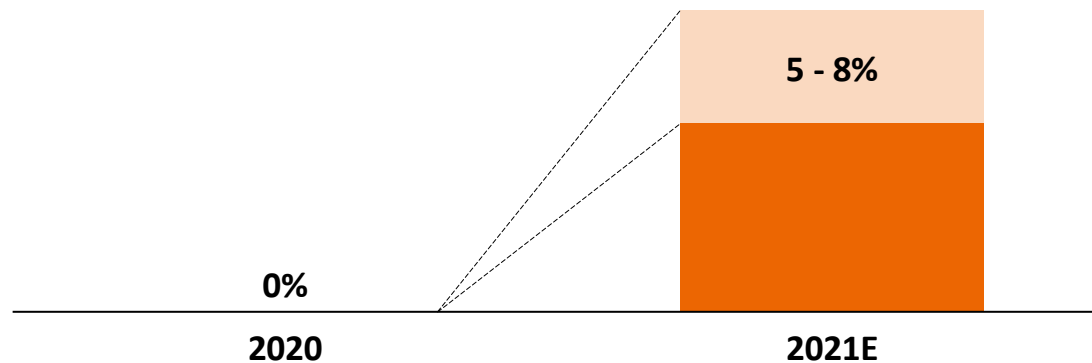


— New COVID-19 cases per week³ ■ Number of patient tests

— New COVID-19 cases per week³ ■ Number of MRI exams

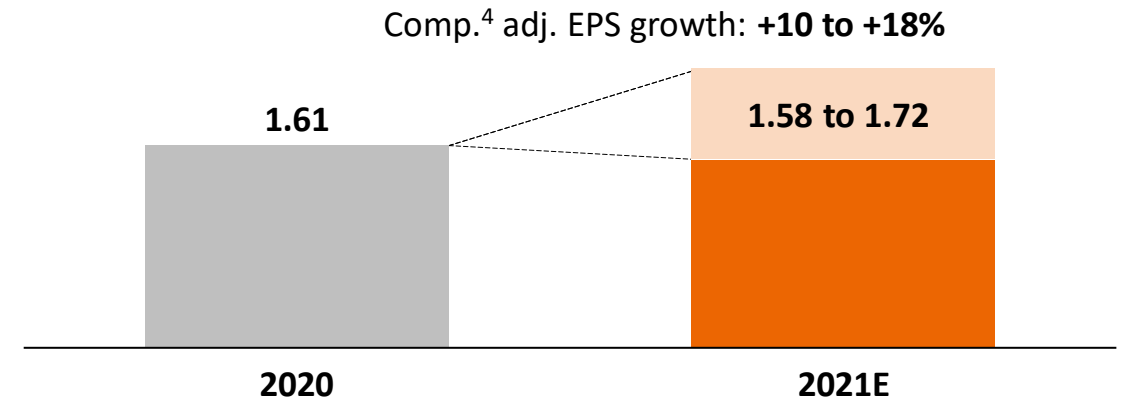
¹ Data limited to certain Siemens Healthineers instruments connected to Smart Remote Services, which may not be representative of overall testing across all instruments and all sites in the respective location | ² Based on connected Siemens Healthineers equipment | ³ Source: Johns Hopkins University

Comparable revenue growth^{1,3}



- **Growth in FY21** subject to both recovery and opportunities
- **Imaging** returning to growth at or above 5%
- **Diagnostics** ranging from mid-single digit up to high-single digit growth, upside potential from further COVID-19 opportunities
- **Advanced Therapies** returning to growth at or above 5%

Adj. basic EPS^{2,3} (€)



- **Adj. EBIT margin² for the group** to improve >100 bps y-o-y
 - **Imaging** margin to improve ~100 bps y-o-y
 - **Diagnostics** margin to recover to >5%, further margin expansion from additional COVID-19 opportunities possible, e.g. Antigen testing
 - **Advanced Therapies** to keep industry leading margins
- **Financial income net** expected at €-60 to €-80 mio.
- **Tax rate** expected at 27% to 29%

¹ Y-o-y on a comparable basis, excluding currency translation and portfolio effects | ² Adjusted for expenses for mergers, acquisitions, disposals and other portfolio-related measures, and severance charges, for EPS net of tax and calculated for FY2020 with 1,002 and for FY2021 with 1,074 av. shares outstanding |

³ The outlook is based on certain assumptions for business environment, on current FX assumptions, on the current portfolio, excludes charges related to legal and regulatory matters and material changes from SAG share plans (see quarterly statement Q4) | ⁴ excluding y-o-y effects from FX and from share count dilution

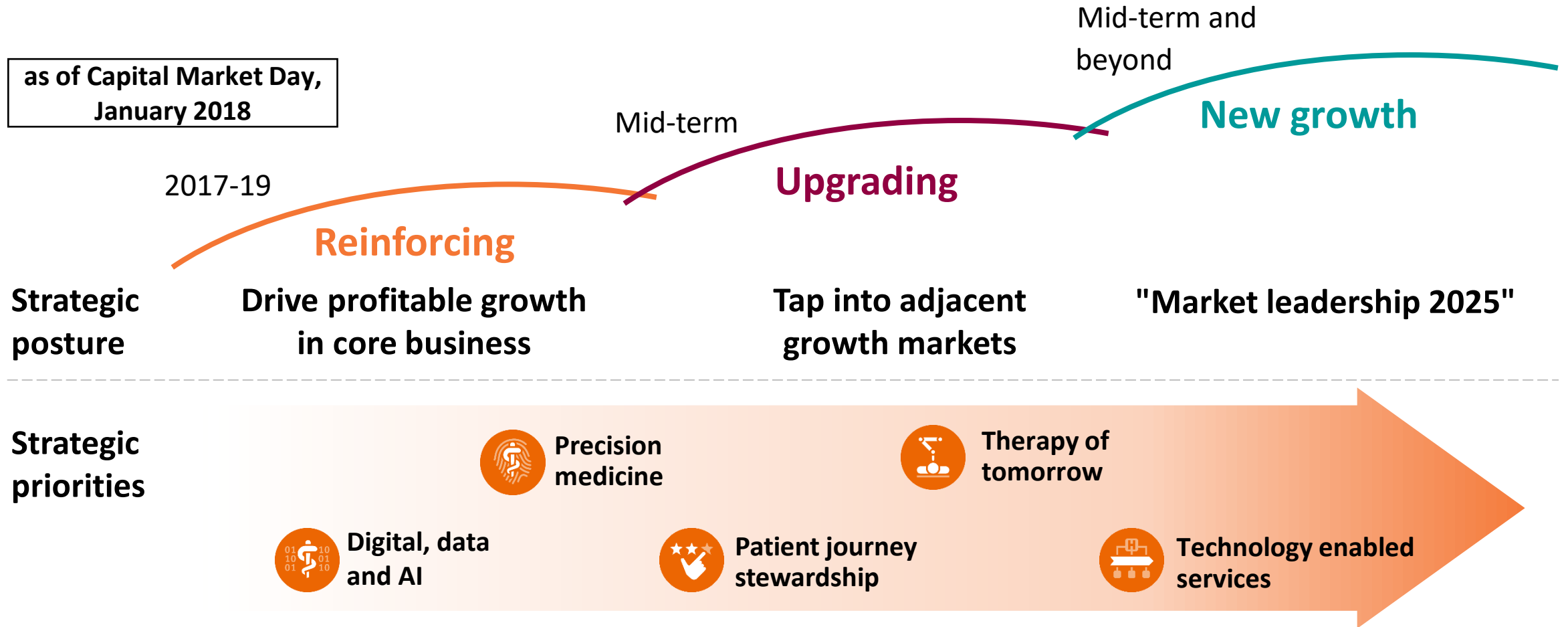
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Q4 FY2020 results

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Upgrading – The next level

We execute on our strategic priorities



Healthcare trends unchanged... ...and with them our growth drivers

Healthcare trends

- Demographic shift
- Population growth
- Increase in chronic diseases
- Growing access in emerging countries

Procedure growth

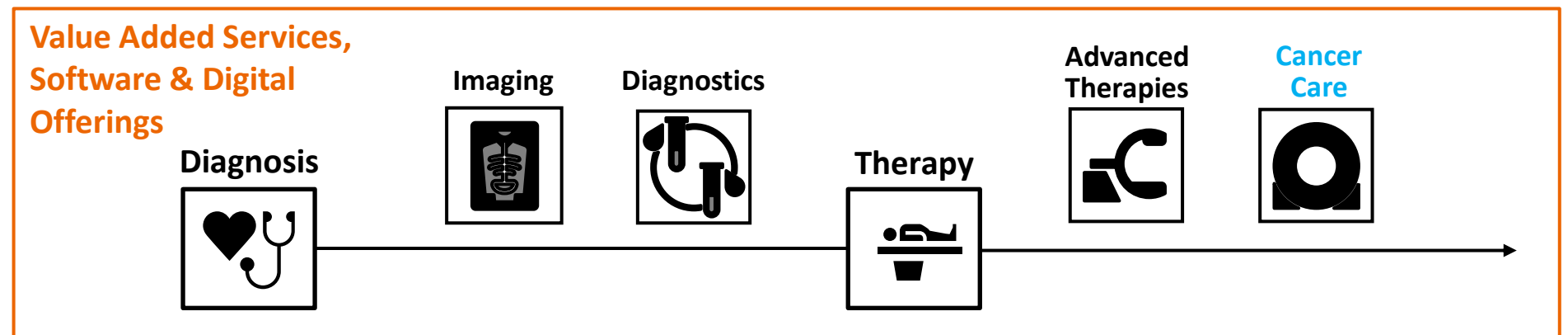
- +8% in lung cancer¹
- +20% in stroke¹
- +10% in percutaneous coronary interventions²

Transforming providers

- Managing health
- Staff shortage
- Increasing cost pressure
- Value-based reimbursement
- Industrialization
- Consolidation

Growth of Siemens Healthineers

Ideal portfolio to enable healthcare providers to address challenges

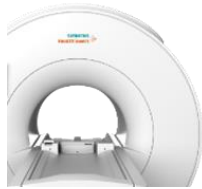


¹ CAGR 2013-2024: DRG Medtech 360 report 2018, Canaccord Genuity Analyst Report (May 2019)

² Global Data 2018, own extrapolation

Imaging Digital

Continuously innovating and making new markets



- **Breaking barriers in MR:** Scanner with unique compact system design
- **Enterprise Imaging:** Transforming reading & reporting – driving efficiency via data integration into *one* enterprise IM solution
- **CT Photon Counting¹:** Helps to provide higher clinical value & reduced radiation dose; Clinical evaluation phase with selected customers about to start FY21

Diagnostics Workflow

Path to market growth and expanding workflow leadership



- **CLINITEST[®] Rapid COVID-19 Antigen Test²:** High quality test with only 15min to results
- **Atellica designed for lower volume labs:** Integrated chemistry and IA analyzer
- **ELF Test²:** Noninvasive blood test that measures three direct markers of liver fibrosis

Advanced Therapies Procedures

Transforming to new levels of profitable growth



- **ARTIS icono:** Successful launch, strong market acceptance and excellent clinical and operational feedback
- **Corindus:** Development to combine endovascular robotics with imaging

Our priorities

¹ This product is under development; it is not for sale in the U.S.A. and not commercially available in all countries. Its future availability cannot be guaranteed | ² Product availability varies by country

Value Partnerships: Capitalizing on the depth and breadth of our portfolio and unique C-level access

Significant increase in Value Partnerships
to ~€1 bn



- ~€1 bn order intake from Value Partnerships in FY2020
- Creating high visibility of revenues over multiple years
- AI, digitalization and consulting increasingly important elements of these partnerships
- Attractive multi-year service contracts for equipment

Our priorities

Underlying ambition unchanged

Comparable revenue growth

>5% p.a.

Adj. EPS growth

~10% p.a.

Acquisition of Varian is the logical step in upgrading to the next level: one step – two leaps



A leap in cancer care

- Most comprehensive portfolio along the complete cancer pathway
- Accelerated digital & AI-enriched offerings enabling precision medicine
- Access to significantly broader sales, service, R&D and production network

A leap in impact

- Moving our value partnership approach to the next level
- Holistic partner for the entire customer spectrum
- Most comprehensive portfolio for all major diseases
- Further improved scale in sales, service, R&D and production network

SIEMENS Healthineers



Restatement: Adjusted EBIT margin FY20 (new definition)

Position (€m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Siemens Healthineers					
Adjusted Revenue	3,587	3,685	3,312	3,876	14,460
Adjusted EBIT	487	665	465	631	2,248
Adjusted EBIT margin	13.6%	18.0%	14.0%	16.3%	15.5%
Imaging					
Adjusted Total Revenue	2,221	2,309	2,113	2,447	9,090
Adjusted EBIT	387	530	449	551	1,916
Adjusted EBIT margin	17.4%	22.9%	21.2%	22.5%	21.1%
Diagnostics					
Adjusted Total Revenue	1,013	1,005	869	1,038	3,924
Adjusted EBIT	32	66	-31	8	74
Adjusted EBIT margin	3.1%	6.5%	-3.6%	0.7%	1.9%
Advanced Therapies					
Adjusted Total Revenue	404	421	372	432	1,628
Adjusted EBIT	79	81	64	83	308
Adjusted EBIT margin	19.6%	19.3%	17.1%	19.3%	18.9%

Note: For definitions please see slide "New adjusted KPI definitions starting FY 2021" in the analyst presentation.

Reconciliation to consolidated financial statements FY20

Position (€m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Adjusted EBIT - Imaging	387	530	449	551	1,916
Adjusted EBIT - Diagnostics	32	66	-31	8	74
Adjusted EBIT - Advanced Therapies	79	81	64	83	308
Adjusted EBIT - Total Segments	498	677	481	642	2,298
Corporate items, eliminations, other items	-11	-12	-16	-11	-49
Adjusted EBIT - Siemens Healthineers	487	665	465	631	2,248
Amortization, depreciation and other effects from IFRS 3 purchase price allocation adjustments	-45	-42	-41	-39	-168
Acquisition-related retention costs	-2	-5	-3	-4	-13
Acquisition-related integration costs	-1	-1	-1	-2	-5
Acquisition-related transaction costs	-10	-1	0	-5	-16
Severance charges	-17	-17	-9	-22	-65
EBIT - Siemens Healthineers	412	600	410	560	1,982
Financial income, net (Interest income, interest expenses and other financial income, net)	7	-17	-7	-10	-27
Income before income taxes	419	582	403	550	1,954
Income tax expenses	-114	-168	-131	-118	-532
Net Income	304	414	271	432	1,423

Note: For definitions please see slide "New adjusted KPI definitions starting FY 2021" in the analyst presentation.

Restatement: Adjusted basic EPS FY2020

Position (€)

Basic earnings per share (in €)	1.41
Amortization, depreciation and other effects from IFRS 3 purchase price allocation adjustments	0.12
Acquisition-related retention costs	0.01
Acquisition-related integration costs	0.00
Acquisition-related transaction costs	0.02
Severance charges	0.05
Adjusted basic earnings per share (in €)	1.61

