One STEP
Two LEAPS
Siemens Healthineers AG plans to acquire Varian Medical Systems, Inc.
Dr. Bernd Montag, CEO | Dr. Jochen Schmitz, CFO

Aug 2, 2020
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PARTICIPANTS IN THE SOLICITATION

Siemens Healthineers and Varian and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Varian in respect of the proposed transactions contemplated by the proxy statement. Information regarding Varian’s directors and executive officers is contained in Varian’s Annual Report on Form 10-K for the year ended September 27, 2019 and in the proxy statement for Varian’s 2020 annual meeting of stockholders on Schedule 14A, dated December 20, 2019, both of which are filed with the SEC. Additional information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of Varian in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement when it is filed with the SEC, free copies of which may be obtained as described in the preceding paragraph. To the extent holdings of Varian’s securities by Varian’s directors and executive officers change since the amounts set forth in the proxy statement for Varian’s 2020 annual meeting of stockholders or in the proxy statement, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC.
Strategic priorities: Capture short-term potential and ensure market leadership beyond 2025

as of Capital Market Day, January 2018

2017-19

Reinforcing

Mid-term

Upgrading

Mid-term and beyond

New growth

Strategic posture

Drive profitable growth in core business

Tap into adjacent growth markets

"Market leadership 2025"

Strategic priorities

• Significant next generation product and platform launches (e.g. Atellica)
• Structural cost savings

Accompanied and supported by Siemens as a long-term shareholder
As of Q2 comm, May 2020

Varian’s strategy

Long-term growth and value creation strategy

Focusing on these Strategic enablers will deliver core business growth, global expansion and new opportunities

- Innovate in radiation therapy
- Leverage artificial intelligence, machine learning and cloud solutions
- Grow emerging geographies, businesses and technologies
- Improve operational, financial, and capital efficiency

Global Leader in Radiation Therapy

Global Leader in Multidisciplinary Cancer Care Solutions
Our strategies follow the same logic

Long-term growth and value creation strategy

Focusing on these Strategic enablers will deliver core business growth, global expansion and new opportunities:

- Innovate in radiation therapy
- Leverage artificial intelligence, machine learning and cloud solutions
- Grow emerging geographies, businesses and technologies
- Improve operational, financial, and capital efficiency

Global Leader in Radiation Therapy

Global Leader in Multidisciplinary Cancer Care Solutions

Strategic priorities: Capture short-term potential and ensure market leadership beyond 2025

- Reinforcing
  - Strategic posture
    - Drive profitable growth in core business
  - "Market leadership 2025"

- Upgrading
  - Strategic priorities
    - Significant next generation product and platform launches (e.g. Atellica)
    - Structural cost savings

- New growth
  - Mid-term
  - Mid-term and beyond
  - New growth

Accompanied and supported by Siemens as a long-term shareholder
One STEP – Two LEAPS

A leap in cancer care
(through a combination with Siemens Healthineers)

A leap in impact
(through a combination with Varian)
One STEP – Two LEAPS: Benefitting from each others’ strengths

- 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

- 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
### One STEP – Two LEAPS: Creating value for...

<table>
<thead>
<tr>
<th>A leap in cancer care</th>
<th>A leap in impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>patients</strong></td>
<td>Less fear and uncertainty for cancer patients</td>
</tr>
<tr>
<td><strong>customers</strong></td>
<td>Next level of cancer care</td>
</tr>
<tr>
<td><strong>societies</strong></td>
<td>Strong ally in turning cancer into a manageable disease</td>
</tr>
<tr>
<td><strong>employees</strong></td>
<td>Company with inspiring purpose geared towards sustainable value creation</td>
</tr>
<tr>
<td><strong>shareholders</strong></td>
<td>Immediately enhanced growth profile and unique synergy potential thereafter</td>
</tr>
</tbody>
</table>
Cancer care is a clear growth market – driven by demographics

Global cancer burden is rising

14M cases

25M cases

2010

2030

Future market

+6 to +10% CAGR

$20bn+ addressable market size

Source: Varian company information

1 Total addressable market in the future as disclosed by Varian, November 2019; CAGR company estimate
70 years of leadership in medical technology have built a medtech champion

**Key highlights**

- **8%** 3Y oncology order CAGR
- **$3.2bn** Revenue FY19
- **11%** Revenue CAGR FY17 - FY19
- **16.5%** Operating margin FY17 - FY19
- **>50%** Market share in radiation therapy
- **$1.5bn** Investment in innovation over 4 years
- **8.6k** Linac installs
- **5.5k** Software installs

**A differentiated model – Agile, Transformative, Visionary**

**Expanding** from radiotherapy to multi-disciplinary cancer care in the cloud

Leveraging the **largest linac installed base globally** to drive **recurring** software and services revenue

**Expanding** into high growth, high margin businesses, **further recurring potential** with expansion to “Oncology as a service”

**Winning** in emerging markets

**Disruptive potential from innovation, e.g.** world’s 1st AI powered adaptive therapy solution with Ethos Therapy™

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**Revenue contribution (FY19)**

- **Software** 18% (Americas 47%, APAC 19%, EMEA 33%)
- **Equipment** 47% (Americas 47%)
- **Service** 35%

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Source: Varian company information
1 Total organic and inorganic investment over 4 years
A leap in cancer care

Novel cutting-edge intelligent therapy ...

- Leveraging the lead in diagnosis, targeted and personalized therapies and AI
- Developing an unmatched clinical and operational portfolio for precision oncology
- Making state of the art care accessible and affordable

Comprehensive digital ecosystem ...

- Uniquely positioned for the digital transformation in oncology
- Making patient-sensing and therapy data available throughout the pathway
- Bringing AI to clinical decision making and care management
- Developing a patient-centric, end-to-end digital ecosystem

Building on the proven EnVision partnership for more comprehensive and intelligent cancer care

Source: Varian company information
A leap in impact – Shaping the future of healthcare

**Shared values**
- Shared history of innovation leadership: >70 years at Varian and >120 years at Siemens Healthineers
- Purpose driven to innovate, to help physicians and to improve quality and access to care
- Pride in innovation close to thought leaders

**Cultural fit**

**Combining scale**
- Combining footprints in >70 countries
- 10,000 Varian employees + 54,000 Healthineers
- >4 mio. patients p.a. touched by Varian products, 240,000 patients examined per hour on Siemens Healthineers products

**Unique customer proximity**
- Addressing more departments and C-level at healthcare providers
- Strongly growing service franchise at Varian reinforced by Siemens Healthineers unique global service network; boost digital service delivery
- Leveraging strong position in high growth markets

**Revenue synergies**

**Scale synergies**

**Joint innovation power**
- $1.5bn total investment in innovation\(^1\) joining highest R&D intensity in the industry
- >1,000 Varian R&D engineers joining >9,000 Siemens Healthineers R&D employees
- >120 active clinical collaborations at Varian joining >90% of global top 100 providers partnering with Siemens Healthineers

**Innovation synergies**

Source: Varian company information
\(^1\) Total organic and inorganic investment over 4 years
Immediately enhanced growth profile and unique synergy potential thereafter

Revenue growth profile

- Above 5% growth p.a.

Synergy ramp-up (EBIT, €m)

- Cost synergies
- Revenue synergies

Immediately accretive to Siemens Healthineers growth profile

>€300m EBIT synergies in FY25 – further significant increase thereafter

Note: graphs are indicative only
An attractive transaction delivers shareholder value

Key terms
- Acquisition of 100% of shares outstanding of Varian (NYSE: VAR) for $177.50 per share
  - Purchase price of $16.4 billion (equity value)
  - 100% cash consideration

Returns
- Attractive growth, margin and return profile being accretive to adjusted EPS\(^1\) in first 12 months post closing

Synergies
- Estimated to generate at least €300 million of EBIT synergies p.a. in fiscal year 2025; mix of revenue and cost synergies, with revenue synergies representing a material portion of synergies over time
- Expect material benefit from synergies beginning in year 2 post closing

Financing
- Fully committed bridge facility of €15.2 billion in place
- Permanent financing / bridge take-out through combination of new debt and equity
  - Intention to finance up to approx. 50% of the transaction with new equity
  - New equity issued by Siemens Healthineers AG will significantly increase free float and presumably trading volumes
  - New debt to be issued at Siemens AG level and passed on to Siemens Healthineers via loans at market conditions

Leverage
- Leverage within investment grade-like territory with rapid deleveraging through highly cash-generative combined business

Path to completion
- Varian's board fully supports the acquisition proposal
- Customary closing conditions: Receipt of Varian's shareholder approval and applicable regulatory approvals
- Expected to be completed in the first half of CY2021

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1 before PPA effects, transaction, integration, retention and restructuring costs
Q3 results
Siemens Healthineers shows resilient performance despite COVID-19 pandemic

• Q3 comparable\(^1\) revenue down by \(-6.9\)% due to COVID-19 impacts
• Revenue decline\(^1\) in Imaging with \(-3.3\)% and Advanced Therapies with \(-1.8\)%; service continues to hold up well
• Equipment book-to-bill of 0.94 in Q3
• Diagnostics with \(-15.9\)% revenue decline\(^1\) due to reduced testing for routine care, significantly impacting margin
• Adjusted EBIT margin at 13.9%, \(-120\) bps y-o-y
• Adjusted basic earnings per share of €0.30, \(-21\)% y-o-y
• Free cash flow \(+48\)% versus prior year quarter
• Outlook for FY2020:
  Comparable\(^1\) revenue growth expected to be broadly flat
  Adjusted basic EPS expected between €1.54 and €1.62

1 Y-o-y on a comparable basis, excluding currency translation and portfolio effects
Testing and examination volumes have largely recovered from trough levels

Central lab test volumes

- **China**
  - Typical level
  - # of tests vs. COVID-19 cases
  - # of tests vs. COVID-19 cases

- **USA & Canada**
  - Typical level
  - # of tests vs. COVID-19 cases
  - # of tests vs. COVID-19 cases

Magnetic resonance exams

- **China**
  - Typical level
  - # of exams vs. COVID-19 cases

- **USA**
  - Typical level
  - # of exams vs. COVID-19 cases

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.  
4 USA only.
COVID-19 pandemic with regionally diverse impact

**Americas**
- With pandemic still in acute state, investment decisions held back by uncertainty
- Recovering imaging and diagnostic testing volumes not yet turning sentiment

**EMEA**
- Improving market conditions with positive equipment order momentum
- Diagnostics has reached trough; equipment and services held up well

**Asia, Australia**
- Strong differences among the countries in Asia / Australia
- China with positive signs of recovery due to rapid progress on fighting COVID-19

Note: Indicative graph on revenue growth

1 Y-o-y on a comparable basis, excluding currency translation and portfolio effects
Resilient portfolio limits negative impacts from COVID-19 crisis

- Revenue declined due to COVID-19 headwinds
- Imaging and Advanced Therapies with resilient performance especially due to largely stable service business
- Americas with -10% y-o-y due to COVID-19 crisis peaking in the U.S.
- EMEA and Asia, Australia with -5% y-o-y, revenues ranging between declines in the teens and flattish developments, e.g. China

**Revenue (€m)**

<table>
<thead>
<tr>
<th></th>
<th>Q3 FY2019</th>
<th>Q3 FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparable Growth¹</td>
<td>3,569</td>
<td>3,312</td>
</tr>
<tr>
<td>-6.9%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Adjusted basic earnings per share (€)**

<table>
<thead>
<tr>
<th></th>
<th>Q3 FY2019</th>
<th>Q3 FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income (€m)</td>
<td>0.38</td>
<td>0.30</td>
</tr>
<tr>
<td>Y-o-Y</td>
<td>-21%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q3 FY2019</th>
<th>Q3 FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. basic EPS down 21% y-o-y on declined revenue</td>
<td>353</td>
<td>271</td>
</tr>
<tr>
<td>Adj. EBIT margin with muted margin contraction on declining revenue due to stringent cost management and positive mix</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial expenses net down y-o-y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax-rate with 33% temporarily up versus relatively low PYQ (tax-rate Q3 FY19: 24%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Y-o-y on a comparable basis, excluding currency translation and portfolio effects
Diagnostics most directly exposed to COVID-19 impacts on healthcare systems

<table>
<thead>
<tr>
<th></th>
<th>Imaging (€m)</th>
<th>Diagnostics (€m)</th>
<th>Advanced Therapies (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comparable Growth</strong>¹</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2,186</td>
<td>2,113</td>
<td>378</td>
</tr>
<tr>
<td>Q3 FY2019</td>
<td>1,043</td>
<td>869</td>
<td>372</td>
</tr>
<tr>
<td>Q3 FY2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Margin Y-o-Y</strong></td>
<td>+210 bps</td>
<td>-1090 bps</td>
<td>-70 bps</td>
</tr>
<tr>
<td>Adj. EBIT (margin)</td>
<td>417 (19.1%)</td>
<td>76 (7.3%)</td>
<td>65 (17.3%)</td>
</tr>
<tr>
<td>Q3 FY2019</td>
<td>447 (21.2%)</td>
<td></td>
<td>62 (16.6%)</td>
</tr>
<tr>
<td>Q3 FY2020</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Moderate revenue decline in Q3 due to largely stable service business, CT² continued to grow
- Margin y-o-y up due to stringent cost management and positive mix, overcompensating negative conversion

- Revenue significantly down y-o-y on declining reagent volumes, slightly compensated by COVID-19 related tests
- Lower reagent revenue share drives margin significantly down y-o-y, muted by stringent cost management

- Modest decline in Q3 thanks to solid backlog conversion
- Margin y-o-y slightly down, with dilution from Corindus muted by stringent cost management

¹ Y-o-y on a comparable basis, excluding currency translation and portfolio effects
² Computed Tomography

Q3 FY2020
Financial framework continues to be very healthy

- Resilient business with healthy cash generation
- No material customer defaults in Q3
- Good FCF generation above previous year level, with strong cash collection

### Resilient Cash Generation (€m)

<table>
<thead>
<tr>
<th>Cash conversion rate²</th>
<th>0.50</th>
<th>0.75</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Cash Flow pre-tax¹</td>
<td>790</td>
<td>1,065</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q1 - Q3 FY2019</th>
<th>Q1 - Q3 FY2020</th>
</tr>
</thead>
</table>

### Healthy Balance Sheet (€bn)

<table>
<thead>
<tr>
<th>Leverage³</th>
<th>1.6x</th>
<th>2.1x</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt incl. pension</td>
<td>4.4</td>
<td>6.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>30-Jun-2019</th>
<th>30-Jun-2020</th>
</tr>
</thead>
</table>

- Strong balance sheet unaffected by the crisis
- Net debt of €6.1 bn, therein €5.0 bn loan volume with balanced maturity profile between FY2021 and FY2046
- Net debt in FY2020 includes increase of ~€0.4 bn from IFRS16 effect
- Net debt now includes two acquisitions and raised dividend pay-out
- Provisions for pensions remain stable in volatile financial markets

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1 Cash flow in FY2020 includes increase in the double-digit mio. range due to IFRS16
2 CCR=Free Cash Flow pre tax/Healthineers EBIT
3 Leverage is net debt incl. pension over EBITDA rolling four quarters
Full year outlook confirms resilience in continued challenging environment

Comparable\(^1\) revenue growth Q1 – Q4 FY 2020

Full year 2020 outlook

- For the current fiscal year, we expect broadlly flat revenue growth on a comparable\(^1\) basis
- Adjusted basic earnings per share expected between €1.54 and €1.62 (prior fiscal year: €1.70)

The outlook is based on the assumption that the current business environment, including the upward trend in testing for routine care that has been observed, will not deteriorate again, as well as on current exchange rate assumptions and on the current portfolio. In addition, it is assumed that there will be no material change in the valuation of share-based compensation programs that are tied to shares of Siemens AG.

\(^{1}\) Y-o-y on a comparable basis, excluding currency translation and portfolio effects
An exceptional team in extraordinary times
Shaping the future of healthcare
Cash Conversion Rate in Q3 FY2020 above 1

Q3 Siemens Healthineers EBIT to Free Cash Flow (€m)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imaging</td>
<td>0.9</td>
</tr>
<tr>
<td>Diagnostics</td>
<td>&lt;0</td>
</tr>
<tr>
<td>Adv. Therapies</td>
<td>2.0</td>
</tr>
</tbody>
</table>

1 CCR=Free Cash Flow pre tax/Healthineers EBIT
2 Amortization, depreciation and impairments (excl. PPA) and financial income/expenses, net from operations
3 OWC = Operating Working Capital
# Q3 FY2020 reconciliations and KPIs for group and segments

<table>
<thead>
<tr>
<th>Position (€m)</th>
<th>Healthineers</th>
<th>Imaging</th>
<th>Diagnostics</th>
<th>Advanced Therapies</th>
<th>Healthineers</th>
<th>Imaging</th>
<th>Diagnostics</th>
<th>Advanced Therapies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q3 FY2020</strong></td>
<td><strong>618</strong></td>
<td><strong>483</strong></td>
<td><strong>41</strong></td>
<td><strong>66</strong></td>
<td><strong>645</strong></td>
<td><strong>444</strong></td>
<td><strong>141</strong></td>
<td><strong>68</strong></td>
</tr>
<tr>
<td><strong>Q3 FY2019</strong></td>
<td><strong>539</strong></td>
<td><strong>417</strong></td>
<td><strong>76</strong></td>
<td><strong>65</strong></td>
<td><strong>208</strong></td>
<td><strong>42</strong></td>
<td><strong>74</strong></td>
<td><strong>5</strong></td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>461</td>
<td>447</td>
<td>-32</td>
<td>62</td>
<td>539</td>
<td>417</td>
<td>76</td>
<td>65</td>
</tr>
<tr>
<td>therein adjusted for: Amortization of intangible assets acquired in business combinations</td>
<td>-41</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-33</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>therein adjusted for: Severance charges</td>
<td>-9</td>
<td>-6</td>
<td>-1</td>
<td>-</td>
<td>-15</td>
<td>-11</td>
<td>-3</td>
<td>-</td>
</tr>
<tr>
<td>therein adjusted for: Acquisition-related transaction costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>therein: Amortization, depreciation and impairments (incl. PPA)</td>
<td>208</td>
<td>42</td>
<td>74</td>
<td>5</td>
<td>154</td>
<td>38</td>
<td>68</td>
<td>3</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>618</strong></td>
<td><strong>483</strong></td>
<td><strong>41</strong></td>
<td><strong>66</strong></td>
<td><strong>645</strong></td>
<td><strong>444</strong></td>
<td><strong>141</strong></td>
<td><strong>68</strong></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>22,702</td>
<td>7,423</td>
<td>5,362</td>
<td>2,019</td>
<td>21,429</td>
<td>6,840</td>
<td>5,499</td>
<td>997</td>
</tr>
<tr>
<td><strong>Free Cash Flow(^1)</strong></td>
<td>336</td>
<td>413</td>
<td>-97</td>
<td>119</td>
<td>227</td>
<td>387</td>
<td>-72</td>
<td>69</td>
</tr>
</tbody>
</table>

1 Q3 FY2019 on segment level adjusted according to the definition of the adjusted EBIT
### Q3 adjusted EBIT to net income and adj. basic EPS reconciliation

<table>
<thead>
<tr>
<th>Position (€m)</th>
<th>Q3 FY2020</th>
<th>Q3 FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted EBIT</strong></td>
<td>461</td>
<td>539</td>
</tr>
<tr>
<td>therein adjusted for: Amortization of intangibles assets acquired in business combinations</td>
<td>-41</td>
<td>-33</td>
</tr>
<tr>
<td>therein adjusted for: Severance charges</td>
<td>-9</td>
<td>-15</td>
</tr>
<tr>
<td>therein adjusted for: Acquisition-related transaction costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial income, net(^1)</td>
<td>-7</td>
<td>-25</td>
</tr>
<tr>
<td>therein interest income</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>therein interest expenses</td>
<td>-21</td>
<td>-31</td>
</tr>
<tr>
<td>therein other financial income, net</td>
<td>6</td>
<td>-5</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>403</td>
<td>467</td>
</tr>
<tr>
<td><strong>Income tax expenses</strong></td>
<td>-131</td>
<td>-114</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>271</td>
<td>353</td>
</tr>
<tr>
<td><strong>Non-controlling interest</strong></td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td><strong>Net income attributable to shareholders of Siemens Healthineers AG</strong></td>
<td>270</td>
<td>348</td>
</tr>
<tr>
<td><strong>Basic earnings per share (in €)(^2)</strong></td>
<td>0.27</td>
<td>0.35</td>
</tr>
<tr>
<td>Severance charges</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Acquisition-related transaction costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of intangibles assets acquired in business combinations</td>
<td>0.03</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>Adjusted basic earnings per share (in €)</strong></td>
<td>0.30</td>
<td>0.38</td>
</tr>
</tbody>
</table>

\(^1\) Financial income shown with positive and expenses with negative sign

\(^2\) 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
## Net debt overview

<table>
<thead>
<tr>
<th>in €bn</th>
<th>Sep. 30th 2019</th>
<th>June 30th 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>0.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Receivables from Siemens Group (financial cash)</td>
<td>0.7</td>
<td>0.4</td>
</tr>
<tr>
<td>Short-term and long-term debt</td>
<td>(0.1)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Payables and other liabilities to Siemens Group (financial debt)</td>
<td>(4.4)</td>
<td>(5.6)</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>(2.9)</td>
<td>(5.1)</td>
</tr>
<tr>
<td>Provisions for pensions and similar obligations</td>
<td>(1.0)</td>
<td>(1.0)</td>
</tr>
<tr>
<td><strong>Net debt (incl. pensions)</strong></td>
<td>(4.0)</td>
<td>(6.1)</td>
</tr>
</tbody>
</table>

## Capital structure development in Q3 FY2020 (in €bn)

<table>
<thead>
<tr>
<th></th>
<th>Leverage¹ 1.4x²</th>
<th>2.1x 6.1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pensions</strong></td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>3.4</td>
<td>5.1</td>
</tr>
</tbody>
</table>

1. Leverage is net debt incl. pension over EBITDA rolling four quarters
2. Opening balance includes effect from IFRS16 of €0.4 bn
3. Based on Sep. 30th 2019
SHS loan maturity profile

SHS loans with Siemens Group as of 30.06.2020\(^1\) (in mio €)

<table>
<thead>
<tr>
<th>Currency</th>
<th>Volume</th>
<th>Volume in €</th>
<th>Interest Rate</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>$1,689</td>
<td>€1,514(^2)</td>
<td>0.26(^3)</td>
<td>FY 2027</td>
</tr>
<tr>
<td>EUR</td>
<td>€1,000</td>
<td>€1,000</td>
<td>0.25(^4)</td>
<td>FY 2021</td>
</tr>
<tr>
<td>USD</td>
<td>$990</td>
<td>€884</td>
<td>3.4%</td>
<td>FY 2046</td>
</tr>
<tr>
<td>USD</td>
<td>$859</td>
<td>€771(^2)</td>
<td>-0.7(^2)</td>
<td>FY 2021</td>
</tr>
<tr>
<td>USD</td>
<td>$743</td>
<td>€667(^2)</td>
<td>-0.2(^2)</td>
<td>FY 2023</td>
</tr>
</tbody>
</table>

- Total loan volume ~5 €bn equivalent
- Average interest rate ~0.8\(^3\)
- All maturities exceeding FY 2020

1. Maturity profile based on Fiscal Year start October 1 - translation to EUR according to spot rate as of Jun 30\(^{th}\) 2020
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. Floating interest rate
### Q3 FY2020 Key financials – Pensions and similar obligations

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>Q1 FY2020</th>
<th>Q2 FY2020</th>
<th>Q3 FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligation (DBO)</td>
<td>(4.1)</td>
<td>(3.4)</td>
<td>(3.8)</td>
<td>(3.7)</td>
<td>(3.6)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>2.4</td>
<td>2.6</td>
<td>2.8</td>
<td>2.8</td>
<td>2.6</td>
<td>2.8</td>
</tr>
<tr>
<td>Provisions for pensions and similar obligations</td>
<td>(1.7)</td>
<td>(0.8)</td>
<td>(1.0)</td>
<td>(1.0)</td>
<td>(1.0)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Discount rate</td>
<td>2.8%</td>
<td>2.9%</td>
<td>1.8%</td>
<td>1.9%</td>
<td>2.2%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Interest Income</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>0.1</td>
<td>0.1</td>
<td>0.3</td>
<td>0.0</td>
<td>-0.2</td>
<td>0.0</td>
</tr>
</tbody>
</table>

1 All figures are reported on a continuing basis | 2 Fair value of plan assets including effects from asset ceiling (Q3 FY2020: €-0.0bn); difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q3 FY2020: €+0.0bn); Defined Benefit Obligation (DBO) including other post-employment benefit plans (OPEB) of ~€-0.1bn