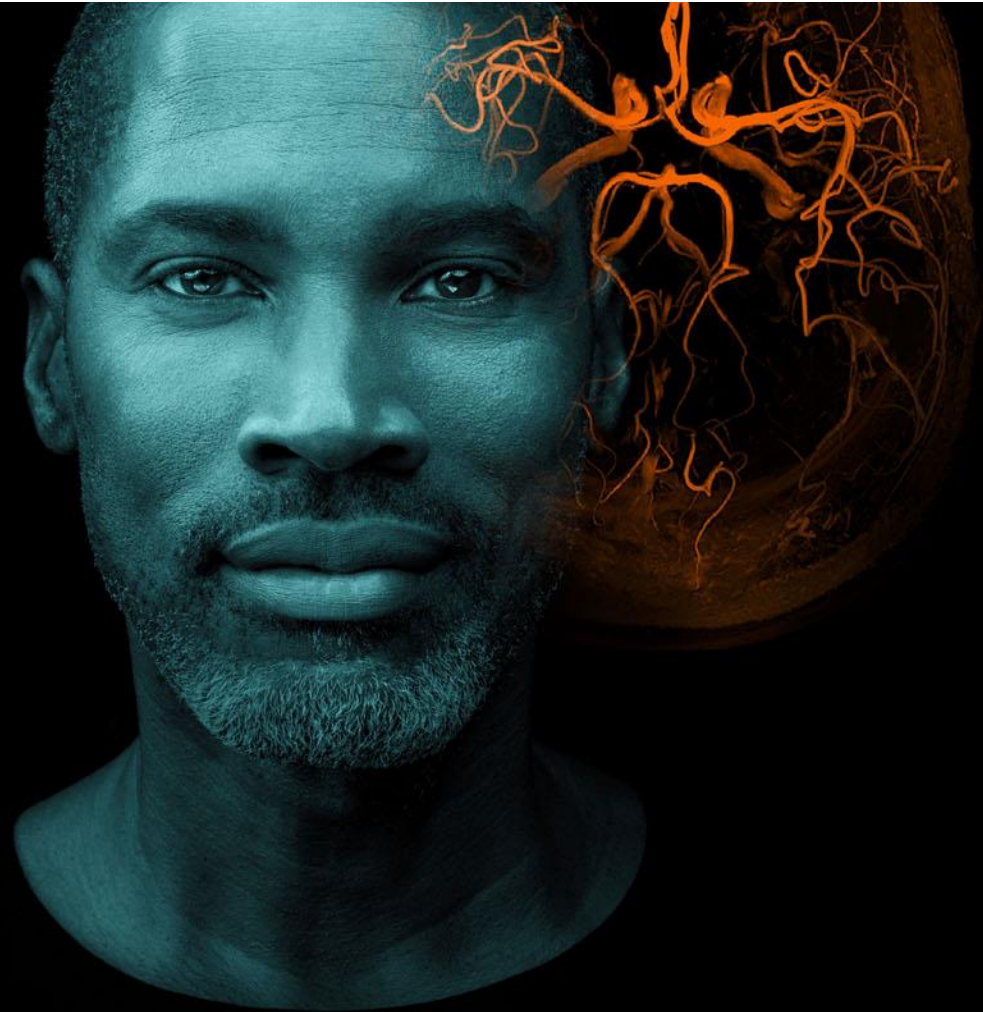
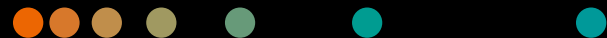


# Q4 Analyst Call

Bernd Montag, CEO | Jochen Schmitz, CFO

Nov 8, 2023



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# Q4 and FY 2023



1.16

**Equipment book-to-bill**

11%

**Comparable revenue growth**

(Ex antigen)

16%

**Adjusted EBIT growth**

(Ex antigen)

>€0.5bn

**Free cash flow**

## Imaging



### Continued strong performance

- Excellent revenue growth of 11% at industry-leading margins
- Further growing order book

## Diagnostics



### Transformation on track

- Continued revenue growth (ex antigen) and margin again positive
- Transformation savings kicking in as planned

## Varian



### Very strong finish

- Revenue growth of 30% and margin of 19%
- Further growing order book with equipment book-to-bill >1.2

## Advanced Therapies



### Robust finish

- Continued growth and strong margin
- Further growing order book

## Key achievements in FY2023

- **Leading innovations** introduced to market in all segments
- **Taking decisive actions:** Diagnostics transformation program, refocusing Endovascular Robotics, diligent execution of pricing measures
- **Winning Value Partnerships of >€2bn** from a unique market position
- **Further expanding backlog** with equipment book-to-bill of 1.15
- Imaging, Varian, Advanced Therapies **gaining further market share**
- **Outstanding growth of 8%** (ex-antigen)
- **Growing earnings per share by 13%** (ex-antigen), adj. basic EPS of €2.02
- **Proposed dividend** of €0.95 per share

## Outlook achieved

### Revenue growth



	2023 Outlook	2023 Actual
Comp. revenue growth <sup>1</sup> ex antigen	6 to 8%	<b>8.3%</b>
Comp. revenue growth <sup>1</sup>	-1% to +1%	<b>1.2%</b>

### Adjusted EPS



	2023 Outlook	2023 Actual
Adj. basic EPS (€)	2.00 to 2.20	<b>2.02</b>
Adj. basic EPS growth ex antigen	13 to 24%	<b>13%</b>

<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

# CEO update



# Sustaining double-digit earnings growth by 2025 and beyond

By 2025

**Revenue growth<sup>1</sup>**

6-8%  
CAGR<sup>2</sup>

**Adj. EPS growth**

12-15%  
CAGR<sup>2</sup>

Beyond 2025

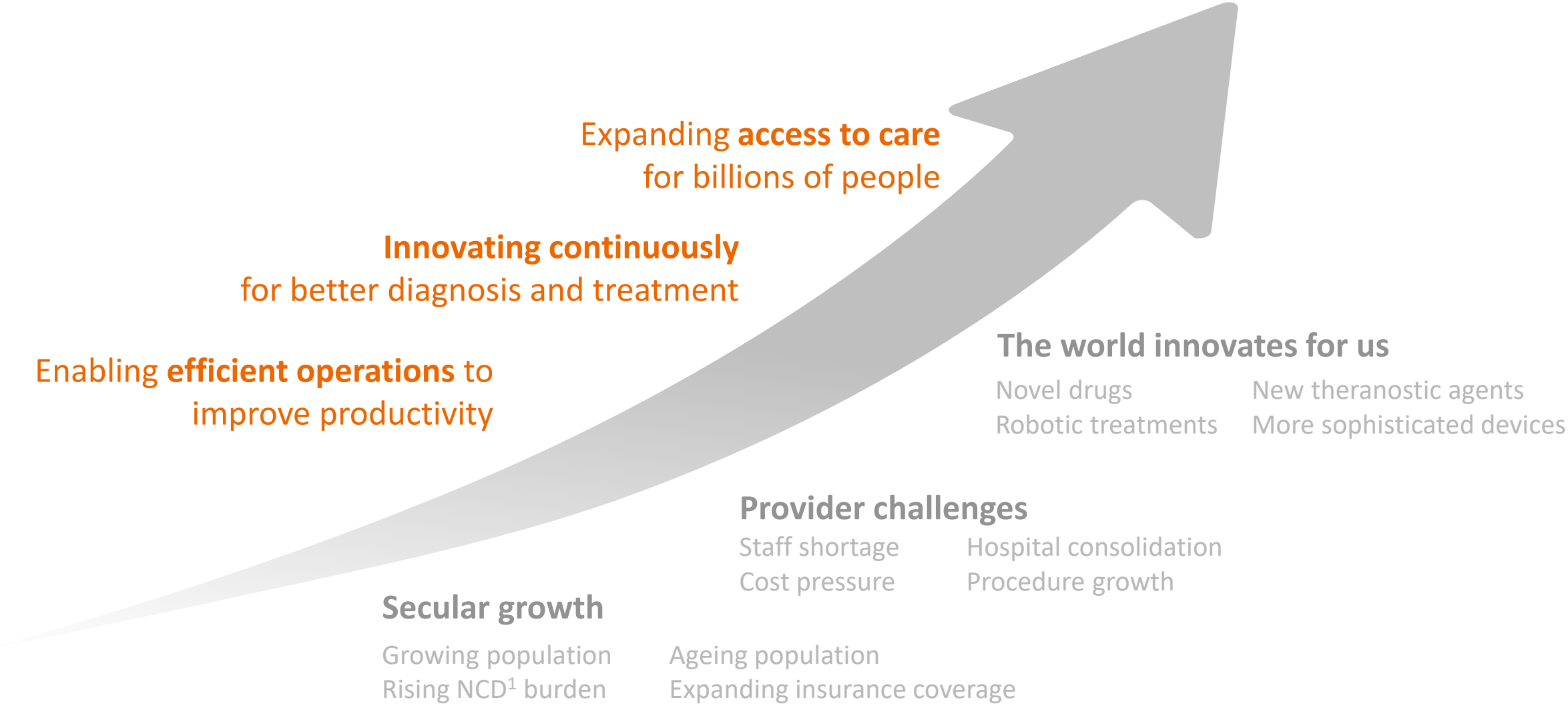
**Revenue growth<sup>1</sup>**

Mid to high  
single-digits

**Adj. EPS growth**

Double-digits

# Our sources of growth



# Our unique capabilities

## Patient Twinning

Personalization of diagnosis, therapy selection and monitoring, after care and managing health



## Precision Therapy

Intelligent and image guided treatment for the most threatening diseases

## Digital, Data and AI

Leveraging digital, data and AI and advance providers' operations with tech-enabled and enterprise services

# Our sources of value creation



Leveraging the power of our unique, synergistic portfolio and capabilities

Crystalizing full potential of growth and profitability

## Winning together



Imaging, Varian, Advanced Therapies

## Transforming to win



Diagnostics

Creating value

# Leveraging the power of our unique, synergistic portfolio and capabilities

## Winning together



**Imaging, Varian, Advanced Therapies**

- Unmatched breadth and depth of leading synergistic portfolio
- Unmatched relevance in all major disease states and key clinical departments
- Continuously expanding and leveraging of scale advantages in R&D, production, sales and service
- Leading global footprint and strong resilience
- Fast-growing revenue and backlog from multi-year Value Partnerships, leveraging unique C-Level access
- Industry-leading growth and margins from innovator premium and scale

# Crystalizing full potential of growth and profitability

- Strong product portfolio in an attractive market
- Transformation program ongoing to optimize set-up, to right-size structure and to support acceleration of growth
- On track to reach €300m cost out by 2025
- Crystalizing value of three compelling subsegments:
  - Central Lab with Atellica gaining full traction; consolidating core lab footprint in one competitive offering
  - Specialty Lab with strong position; leveraging further growth and earnings potential
  - Point of Care with accelerating top- and bottom-line growth; executing to maximize potential



# Raising the bar on our sustainability commitment

## HEALTHCARE ACCESS

### Patient impact

**260 million** patient touchpoints<sup>1</sup> by 2030  
Expanding to patient impact in **underserved communities globally**

Healthcare workforce education and training  
**6 million** hours of training provided by 2030

## RESOURCE PRESERVATION

### Net zero

**90%** reduction in Scope 1 & 2 emissions by 2030<sup>2</sup>  
**28%** reduction in Scope 3 emissions by 2030, **90%** by 2050<sup>2</sup>

### Circularity

Increase share of circular revenue by 2030

## DIVERSE AND ENGAGED HEALTHINEERS

### Diversity

**30%** women representation in Senior Management roles by 2025

### Employee engagement

Maintain **Top Quartile** employee engagement score

### External recognition

“Great Place To Work” in countries representing **>80%** of employees by 2025

Volunteering and Employee-led initiatives

Global and Regional Partnerships

<sup>1</sup> Based on 90 underserved countries, classified by World Bank as low-income and lower-middle income economies, and Siemens Healthineers’ specific additions. | <sup>2</sup> vs. baseline 2019

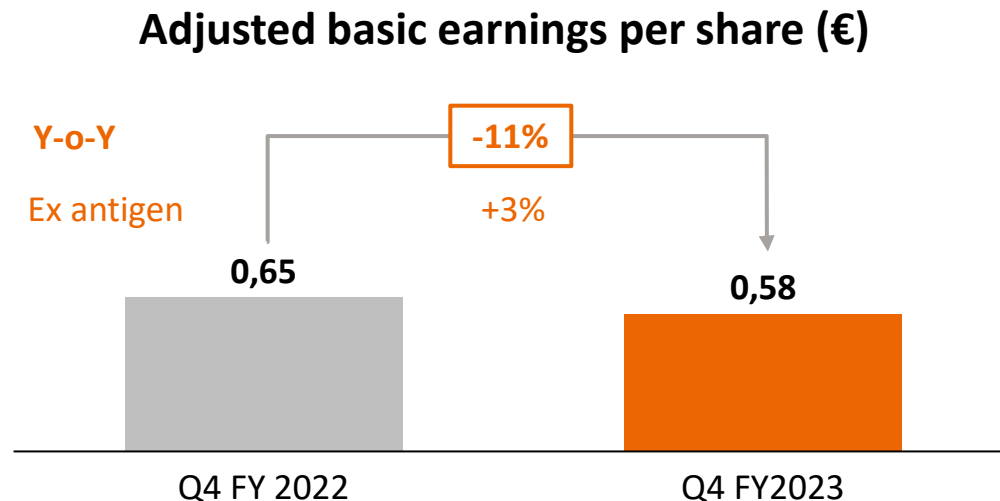
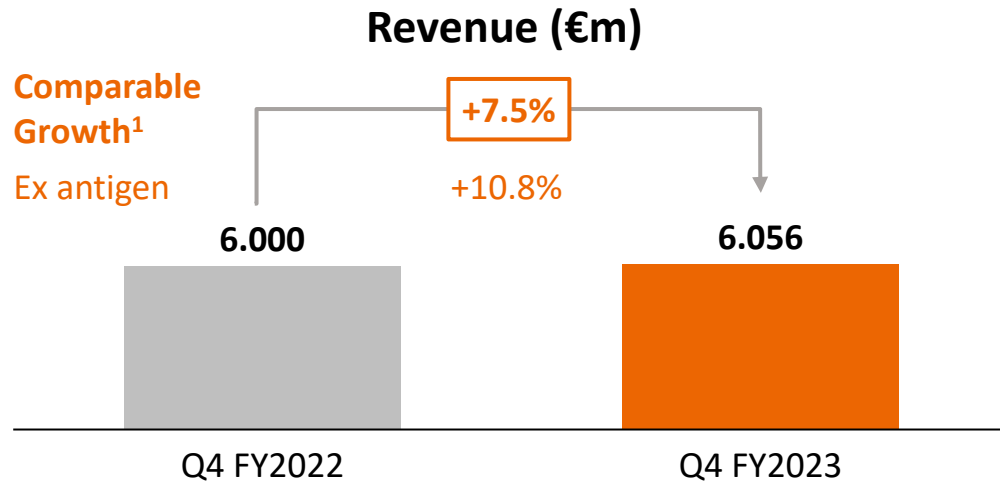


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**For everyone. Everywhere. Sustainably.**

# CFO update



# Strong finish in Q4

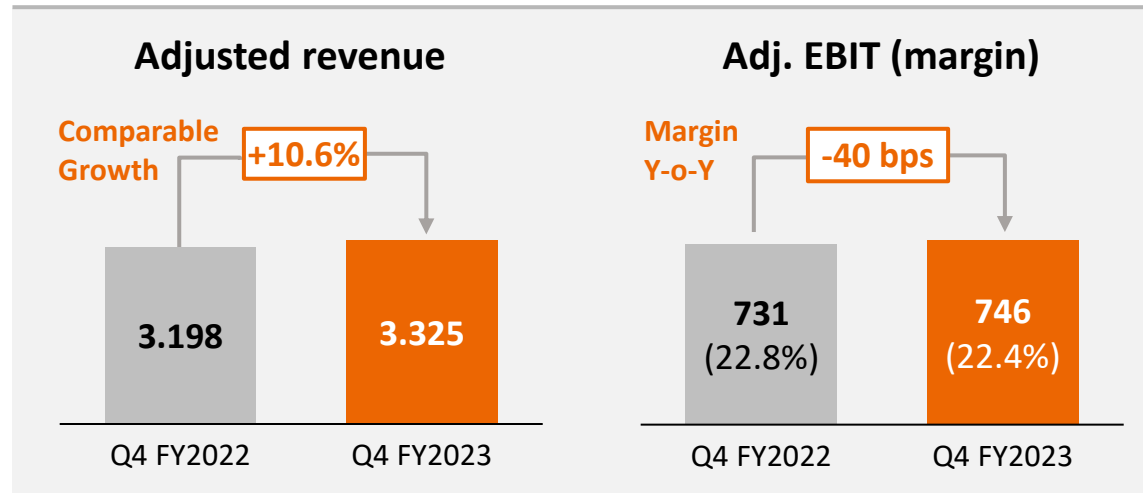


- Excellent **equipment book-to-bill of 1.16**
- **Very strong revenue growth of 10.8%** ex antigen with revenue growth across all segments (growth of 7.5% incl. antigen)
- **Very strong growth** ex antigen in **Americas (13%), EMEA (14%), and Asia Pacific Japan (10%), China (-3%)** temporarily held back
- **Strong adj. EBIT margin at 16.7%; y-o-y up 160 bps** ex antigen
- **Adjusted basic EPS at €0.58; y-o-y up 3%** ex antigen despite higher interest expenses and higher tax rate
- **Free cash flow €557m, y-o-y up 23%**

# Imaging – continued strong performance

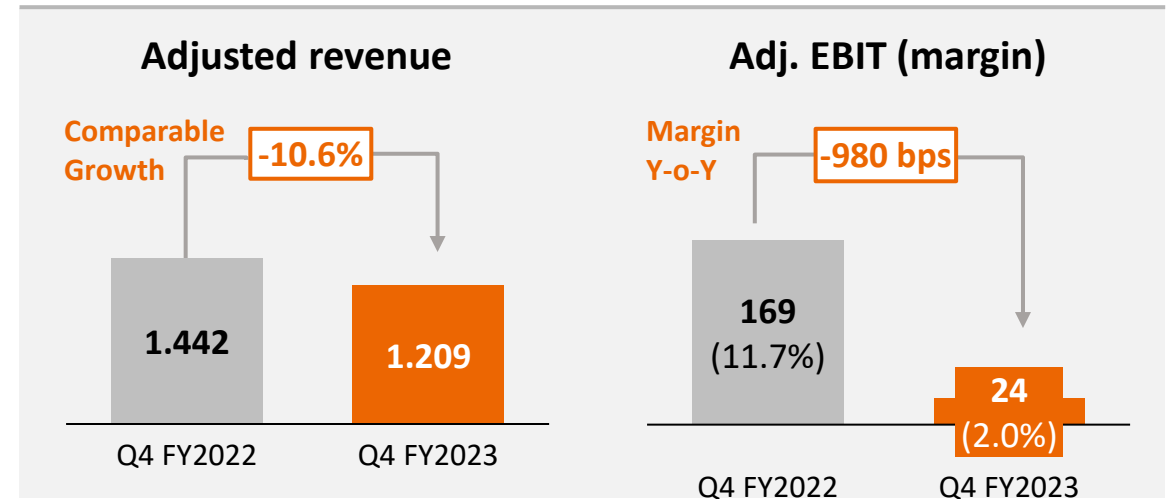
## Diagnostics – transformation on track

### Imaging (€m)



- Excellent growth in Q4 (vs. 8% in PYQ) driven by significant growth at MI and MR<sup>1</sup>
- Y-o-y headwind from incentive provisions offset by FX tailwind (FX ~100 bps)
- Sequential margin improvement every quarter to a strong finish in Q4
- PYQ particular strong with catch-up effects from PYQ3

### Diagnostics (€m)

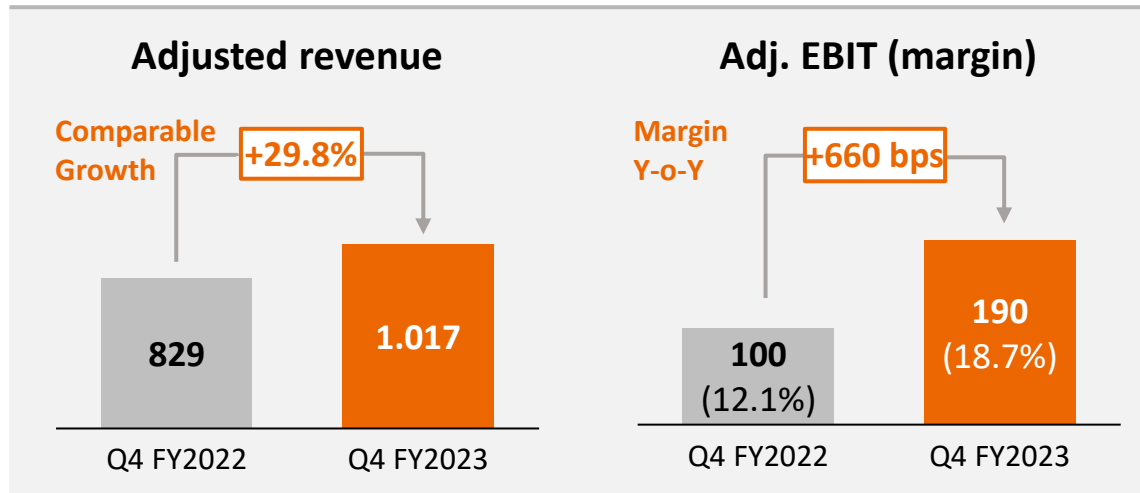


- Revenue ex-antigen continues to grow at 2%
- Margin at 2% (ex-antigen and ex-transformation costs) from stabilizing topline despite y-o-y FX headwind (~100 bps)
- Transformation costs (€29m) offset by antigen contribution
- Antigen revenue of ~€50m (PYQ: ~€230m)

# Varian – very strong finish

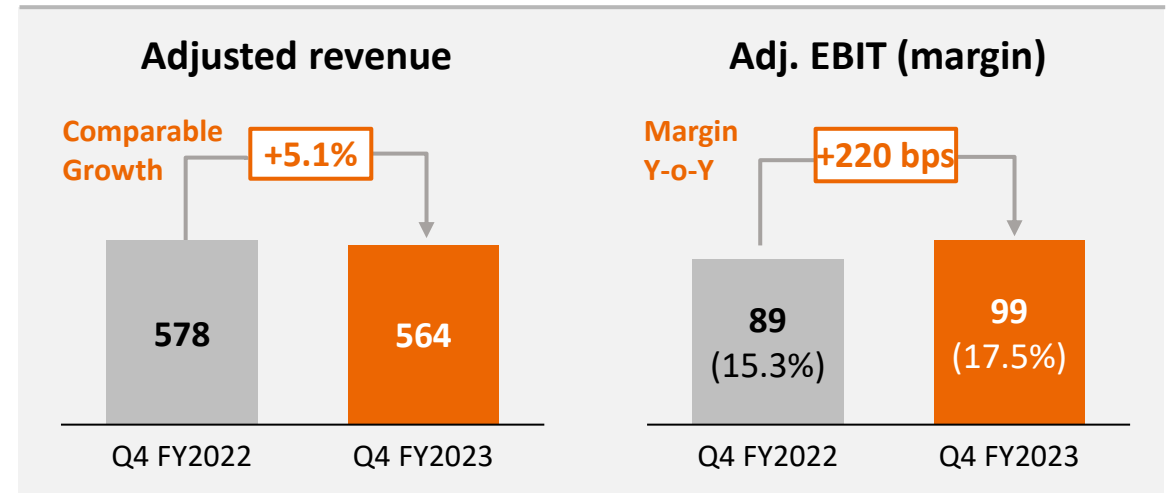
## Advanced Therapies – robust finish

### Varian (€m)



- Excellent revenue growth with a very strong finish in Q4, more than making up for the shortfall in Q3
- Margin y-o-y up from strong conversion, more than compensating FX headwind (FX ~100 bps)
- PYQ had low conversion due to headwinds from supply-chain delays

### Advanced Therapies (€m)



- Continued growth in Q4 (vs. 6% in PYQ)
- Strong Q4 margin from y-o-y conversion and FX tailwind (~150 bps)
- Ongoing invest in Endovascular Robotics, dilution starting to decrease

# Clear priorities for continuous value creation



## Imaging, Varian, Advanced Therapies

### Equipment book-to-bill continuously >1

Continuing market share gains, growing equipment order backlog substantiating equipment revenues

### Recurring revenue of ~45%

Recurring service revenues + Value Partnerships adding long-term revenues

### Expanding innovator margins

Gross margins benefitting from pricing excellence and from operating leverage

## Diagnostics

### Transforming business to deliver sustainable growth

Atellica Solution and Atellica CI Analyzer newest IA/CC<sup>1</sup> solution in the in-vitro diagnostics market

### Recurring revenue of ~90%

90% of revenues from recurring reagent sales

### Realizing margin potential

Right-size cost position to industry standards

## Investing into innovation

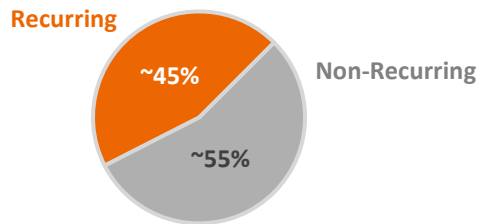
Industry-leading R&D invest of >€2bn<sup>2</sup> (~8 to 9% of revenue)  
Capex fluctuating between 3.5% and 4.5% of revenue, near term in the upper half of range due to capacity expansions

## Highly cash-generative businesses

Targeting Free cash to EBIT ratios of ~90% in Imaging, Varian and Advanced Therapies; Diagnostics in transition  
Focus on deleveraging in FY24: Targeting leverage towards 3.0x in FY24 (from 3.7 in FY23) and 2x in FY25 and beyond

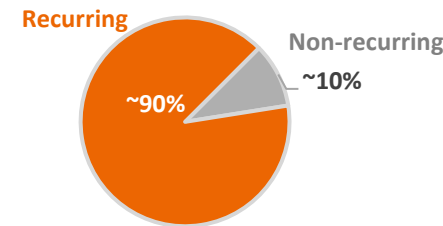
# High share of recurring revenues smooths revenue growth, and ensures resilience in challenging environments

## Imaging, Varian, AT<sup>1</sup>

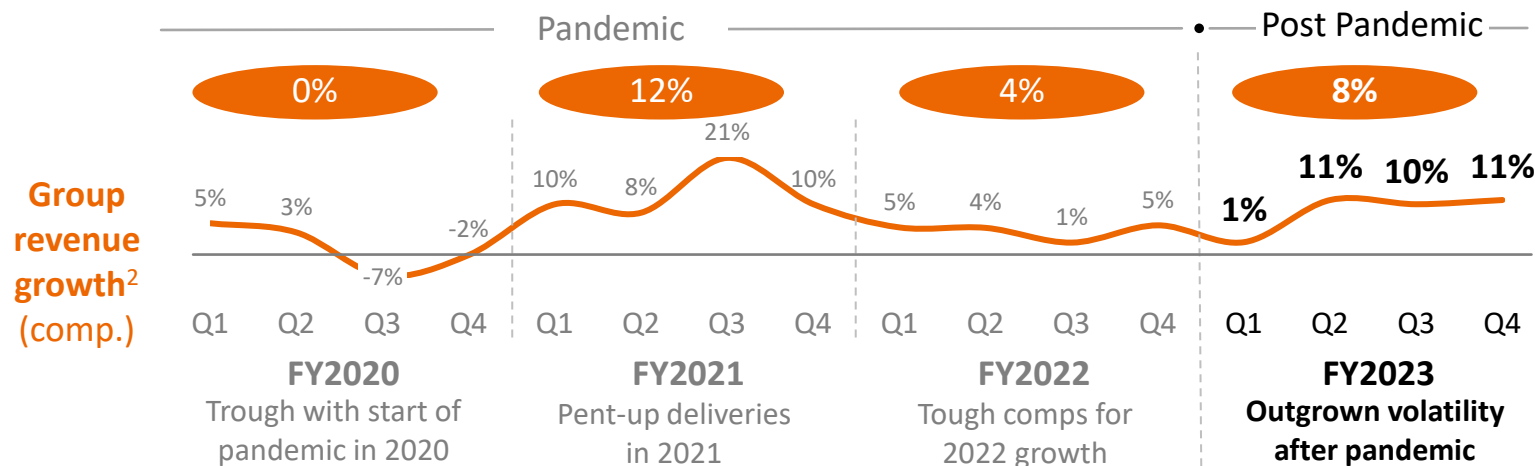


- **Growing recurring revenues** from service and software
- **Value Partnerships** add long-term recurring revenues

## Diagnostics

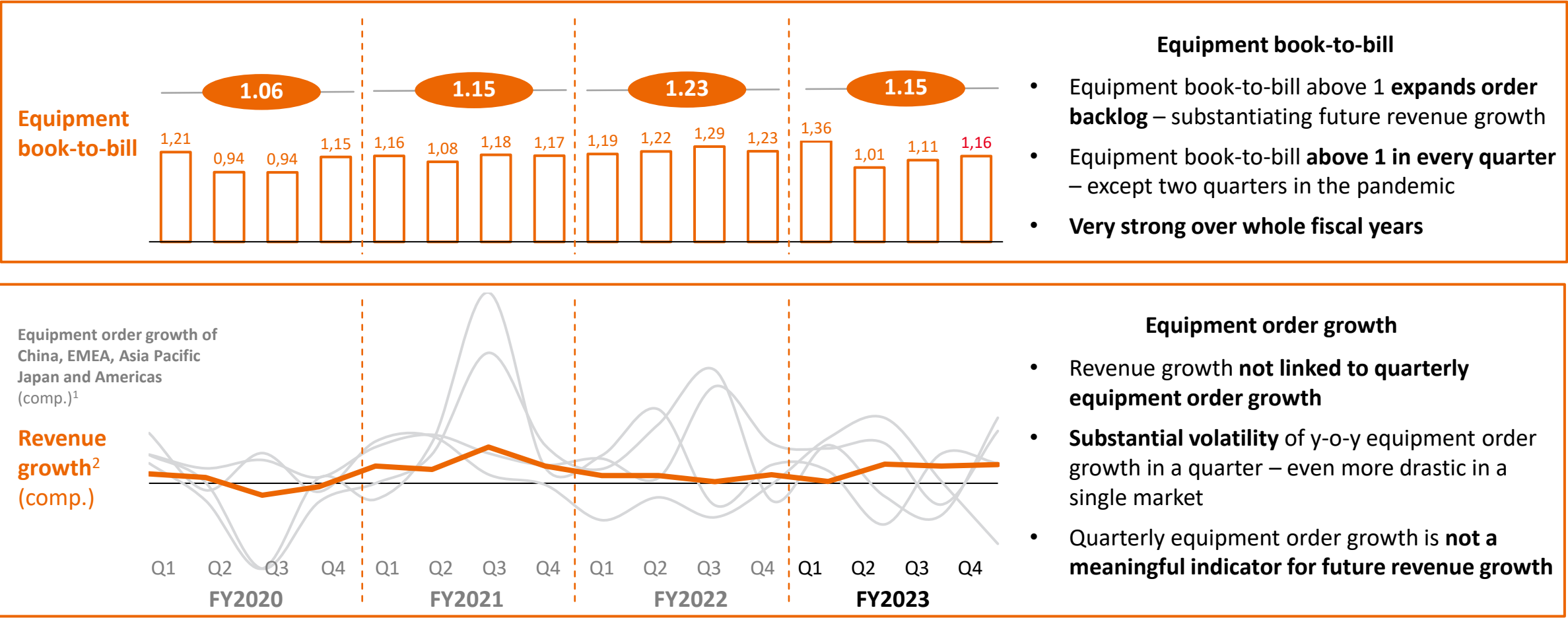


- **High share of recurring revenues** from reagent revenues
- **Razor-razorblade** business model



- High share of recurring revenues **smooths recurring revenue**
- **Positive revenue growth in every quarter** – except two quarters at the pandemic peak
- Recurring revenues **protect revenue growth in challenging environments**

# Equipment book-to-bill is the most meaningful indicator for future revenue growth



1 From Q3 FY2022 onwards including Varian | 2 ex antigen

## Siemens Healthineers

	2023	2024E
Comp. revenue growth	1.2%	4.5% to 6.5%
<b>Comp. revenue growth, ex-antigen</b>	<b>8.3%</b>	<b>5.0% to 7.0%</b>
<b>Adj. basic EPS (€)</b>	<b>2.14</b>	<b>2.10 to 2.30</b>

## Main assumptions

Comp. revenue growth	2023	2024E
Imaging	10.9%	6% to 8%
Diagnostics, ex antigen	-1.2%	2% to 4%
Varian	14.8%	8% to 10%
Advanced Therapies	7.8%	5% to 8%

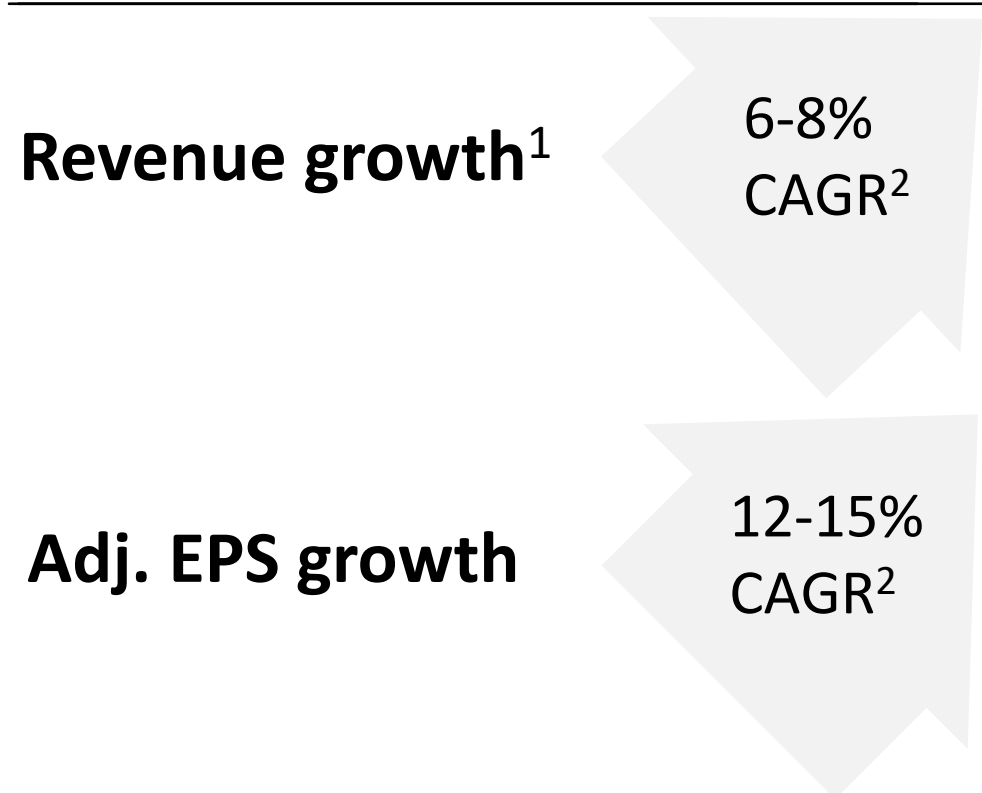
Adj. EBIT margin	2023	2024E
Imaging	21.8%	21.0% to 22.5%
Diagnostics, ex antigen	-0.8%	2.5% to 4.5%
Varian	15.1%	15% to 17%
Advanced Therapies	15.4%	15% to 17%

Further line items	2023	2024E
Central Items adj. EBIT (€m)	-210	-290 to -260
Financial income net (€m)	-207	-320 to -280
Tax rate (in %)	20.9	24.0 to 26.0

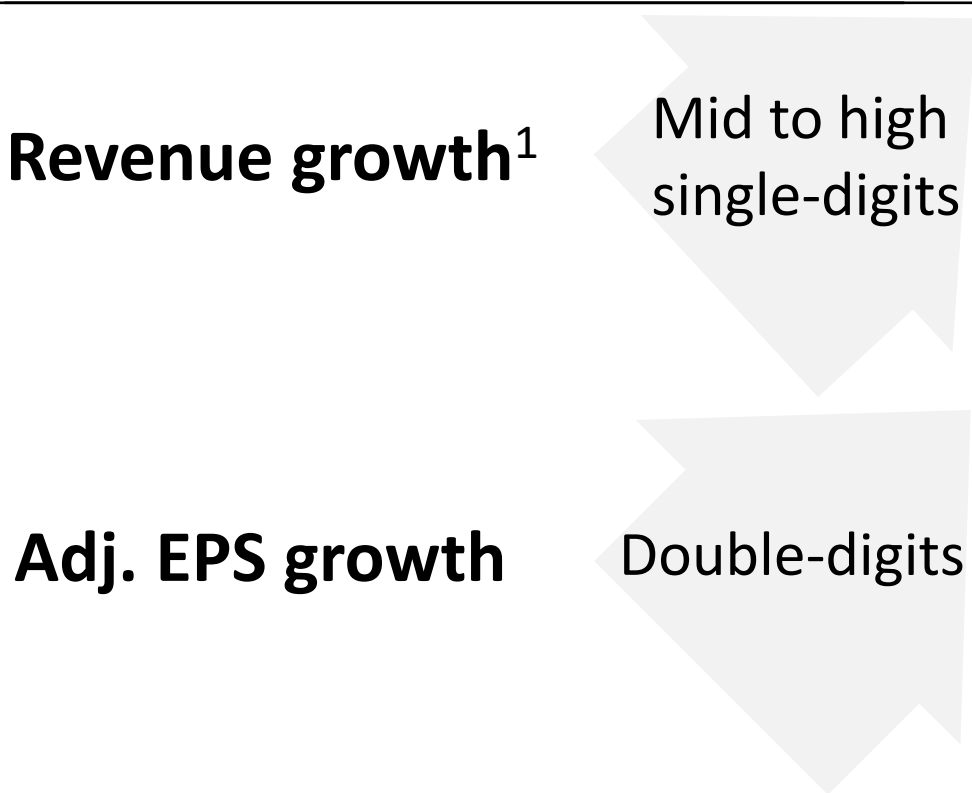
**Note:** All figures for FY2023 and FY2024 as of new adjustment definition for adjusted EBIT and adjusted EPS, for details see appendix  
FY2023 with €121m antigen revenue impacting adj. basic EPS with ~€0.05, FY2024 assumes no antigen

# Sustaining double-digit earnings growth by 2025 and beyond

By 2025



Beyond 2025



**Segment  
trajectories**

- Imaging** to grow by at least mid single-digits; continued margin expansion from scale
- Varian** to grow by at least high single-digits; margins advancing towards Imaging-like levels
- Advanced Therapies** to grow by at least mid single-digits; margins returning to industry-leading levels
- Diagnostics** to grow by at least market rate; margins advancing to mid teens

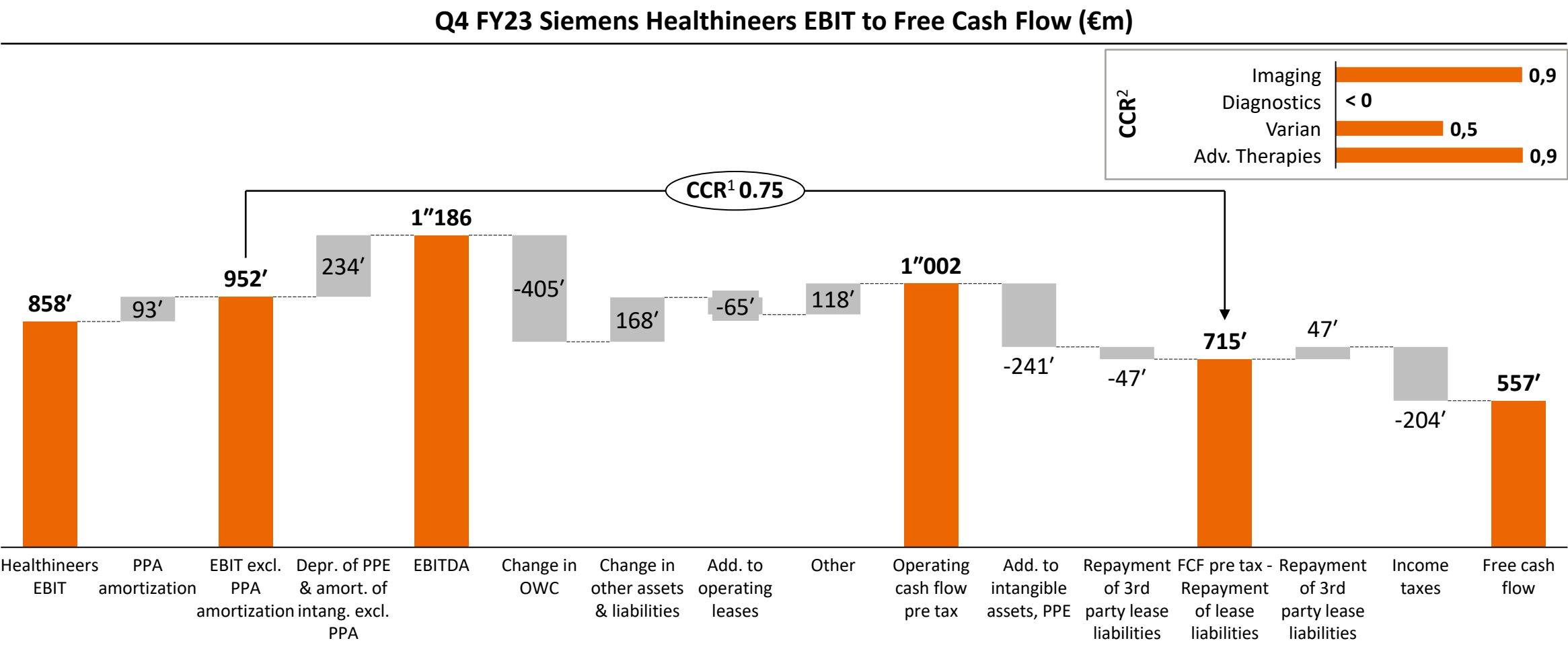
<sup>1</sup> Comparable revenue growth excluding foreign exchange and portfolio effects | <sup>2</sup> CAGR from 2023 to 2025



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# Free cash flow higher than in prior-year quarter; strong Q4 revenue led to increased level of OWC



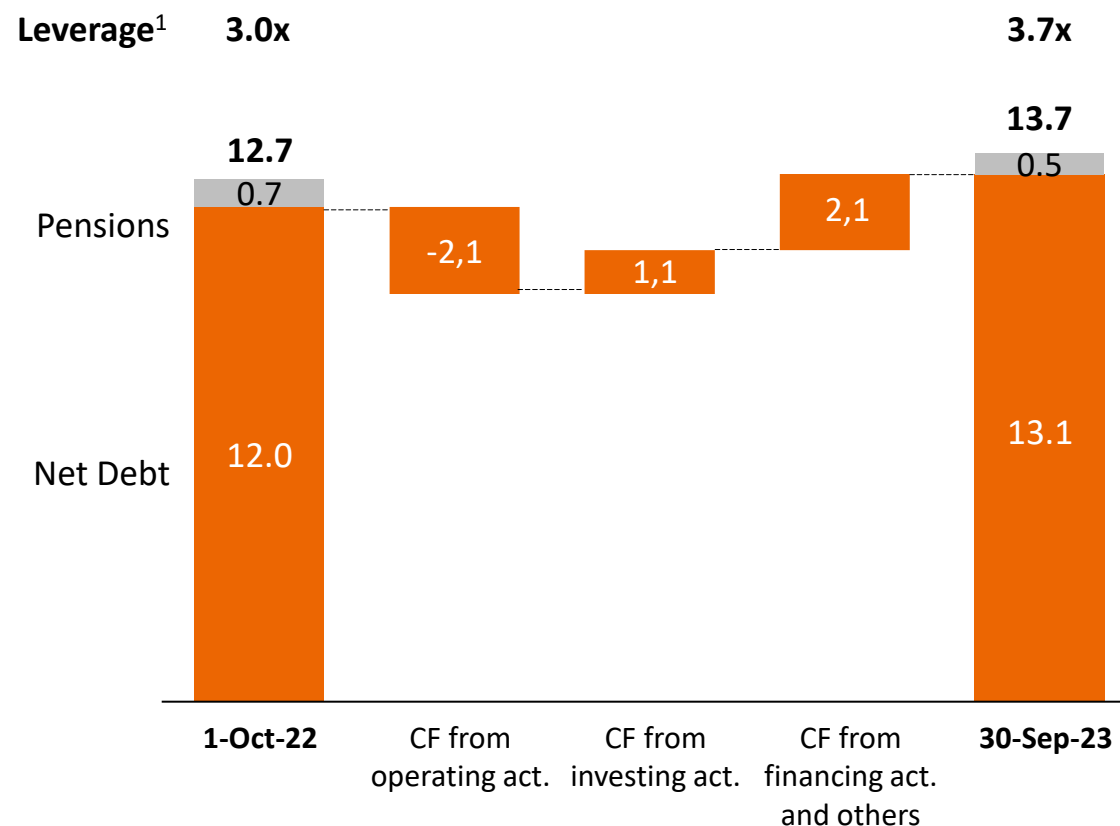
# FY23 balance sheet and net debt bridge

## Cash flow from operating activities held back by increased OWC

### Net debt overview

in €bn	Sep 30, 2022	Sep 30, 2023
Cash and cash equivalents	1.4	1.6
Receivables from the Siemens Group from financing activities	0.7	0.6
Short-term and long-term financial debt	(0.7)	(0.6)
Liabilities to the Siemens Group from financing activities <sup>2</sup>	(13.5)	(14.8)
<b>Net debt</b>	<b>(12.0)</b>	<b>(13.1)</b>
Provisions for pensions and similar obligations	(0.7)	(0.5)
<b>Net debt (incl. pensions)</b>	<b>(12.7)</b>	<b>(13.7)</b>

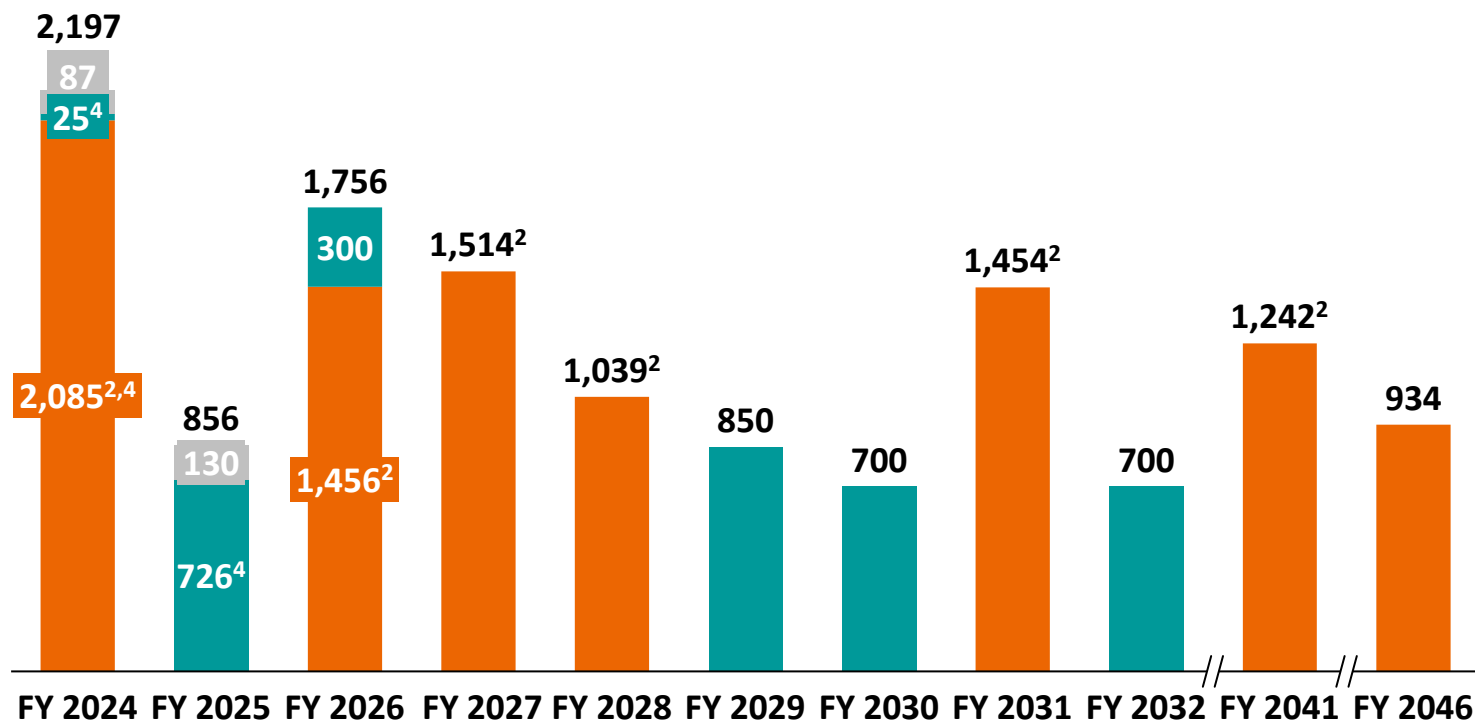
### Capital structure development in FY23 (in €bn)



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

# Loan maturity profile

## Loans with Siemens Group as of Sep 30<sup>th</sup>, 2023<sup>1</sup> (in €m)



## Comments

- Total loan volume ~€13.2bn equivalent
- Average interest rate ~1.7% p.a.<sup>3</sup>

## Top 10 loans ranked in € volume

Notional Currency	Volume in m	Volume in €m	Interest rate	Maturity
USD	\$1,689	€1,514 <sup>2</sup>	0.26% <sup>2</sup>	FY 2027
USD	\$1,742	€1,456 <sup>2</sup>	0.08% <sup>2</sup>	FY 2026
USD	\$1,740	€1,454 <sup>2</sup>	0.59% <sup>2</sup>	FY 2031
USD	\$1,497	€1,251 <sup>2</sup>	-0.14% <sup>2</sup>	FY 2024
USD	\$1,486	€1,242 <sup>2</sup>	1.40% <sup>2</sup>	FY 2041
USD	\$1,243	€1,039 <sup>2</sup>	0.31% <sup>2</sup>	FY 2028
USD	\$990	€934	3.44%	FY 2046
EUR	€850	€850	3.58%	FY 2029
USD	\$998	€834 <sup>2</sup>	2.54% <sup>2,4</sup>	FY 2024
EUR	€700	€700	3.59%	FY 2030

<sup>1</sup> Unhedged loans translated to EUR according to spot rate as of Sep 30<sup>th</sup>, 2023

<sup>2</sup> USD loans addressed by SHS debt & capital restructuring resulting in synthetic EUR debt; EUR volume and interest rates are calculated with underlying hedge rates

<sup>3</sup> Current interest rate across all maturities as of Sep 30<sup>th</sup>, 2023 is ~1.7% p.a.

<sup>4</sup> Floating interest rate – in FY2024, only the hedged €834m loan (out of €2,086m) is based on a floating interest rate

# Provisions for pensions

## Q4 FY2023 Key financials – Pensions and similar obligations

in €bn <sup>1</sup>	FY2018	FY2019	FY2020	FY2021	FY2022	Q1 FY2023	Q2 FY2023	Q3 FY2023	Q4 FY2023
<b>Defined benefit obligation (DBO)</b>	(3.4)	(3.8)	(3.8)	(4.1)	(3.3)	(3.2)	(3.3)	(3.3)	(3.2)
<b>Fair value of plan assets</b>	2.6	2.8	2.8	3.3	2.8	2.7	2.8	2.8	2.8
<b>Provisions for pensions and similar obligations<sup>2</sup></b>	(0.8)	(1.0)	(1.0)	(0.9)	(0.7)	(0.6)	(0.6)	(0.6)	(0.5)
<b>Discount rate</b>	2.9%	1.8%	1.5%	1.7%	4.3%	4.2%	4.0%	4.1%	4.8%
<b>Interest Income</b>	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1
<b>Actual return on plan assets (after expenses)</b>	0.1	0.3	0.1	0.2	(0.6)	0.0	0.1	0.1	0.1

<sup>1</sup> All figures are reported on a continuing basis | <sup>2</sup> Provisions for pensions and similar obligations does not include net defined benefit assets (Q4 FY2023: €+0.1bn) presented in the line item other assets; *Defined Benefit Obligation (DBO) including other post-employment benefit plans (OPEB) of ~€-0.0bn*

# New adjustment definition for adjusted EBIT and adjusted EPS

## New definition for adjustments

To maintain consistency of comparable financial results between periods, the definition of **adjusted EBIT** and **adjusted EPS** will be modified to **exclude other expenses in connection with restructuring measures** within the meaning of IAS 37<sup>1</sup> **starting from Oct 1st, 2023.**

Based on the new adjustment definition, **€152m** of costs reported as **transformation costs** would have been adjusted in the **Diagnostics** segment in **FY2023.**

Additionally, there are minor adjustments outside of the Diagnostics segment.

## Adjustments as of new definition

(in €m)	FY2023
PPA effects	-393
M&A-related expenses	-37
Severance charges	-167
Other portfolio-related measures	-349
Other restructuring expenses <sup>New</sup>	-170
Tax effect on adjustments	233

**Note:** Please see next page for FY2023 figures based on the new adjustment definition

**1** IAS 37: International Accounting Standard – Provisions, contingent liabilities and contingent assets

Q4 FY2023

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# Figures based on the new adjustment definition for Diagnostics and Siemens Healthineers

New adjustment definition for adjusted EBIT and adjusted EPS (effective as of Oct 1<sup>st</sup>, 2023)

in €m	Q1 FY2023	Q2 FY2023	Q3 FY2023	Q4 FY2023	FY2023
<b>Diagnostics</b>					
Adjusted EBIT	10	-33	6	52	35
Adjusted EBIT margin	0.8%	-3.0%	0.5%	4.3%	0.8%
<b>Siemens Healthineers</b>					
Adjusted EBIT	685	764	758	1,045	3,251
Adjusted EBIT margin	13.5%	14.3%	14.6%	17.2%	15.0%
Adjusted EPS	0.50	0.49	0.55	0.60	2.14
Adjusted EPS y-o-y growth	-8.5%	-28.0%	27.0%	-9.0%	-7.6%
Adjusted EPS y-o-y growth (ex antigen)	8.2%	10.1%	69.2%	5.0%	18.8%

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**Adjusted revenue**

is defined as consolidated revenue reported in the company's consolidated statements of income adjusted for effects in line with revaluation of contract liabilities from IFRS 3 purchase price allocations.

**Comparable revenue growth**

is defined as the development of adjusted revenue, respectively, net of currency translation effects, which are beyond our control, and portfolio effects, which involve business activities that are either new to our business or no longer a part of it.

**EBITDA**

is defined as income before income taxes, interest income and expenses, other financial income, net as well as amortization, depreciation & impairments.

**Adjusted EBIT (adj. EBIT) <sup>1</sup>**

is defined as income before income taxes, interest income and expenses and other financial income, net, adjusted for expenses for portfolio-related measures, severance charges (and from fiscal year 2024 onwards for other expenses in connection with restructuring measures within the meaning of IAS 37). In addition, centrally carried pension service and administration expenses are excluded from adjusted EBIT of the segments.

**Adjusted EBIT margin (adj. EBIT margin) <sup>1</sup>**

is defined as the adjusted EBIT, divided by adjusted total revenue.

**Adjusted basic earnings per share (adj. basic EPS) <sup>1</sup>**

is defined as basic earnings per share, adjusted for portfolio-related measures and severance charges (and from fiscal year 2024 onwards for other expenses in connection with restructuring measures within the meaning of IAS 37), net of tax.

**Free cash flow (FCF)**

comprises the cash flows from operating activities and additions to intangible assets and property, plant and equipment included in cash flows from investing activities.

**Equipment book-to-bill ratio**

is the ratio between equipment orders and equipment revenue, where equipment refers to all businesses except Diagnostics and product-based services.

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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 of 2022 of Siemens Healthineers. Additional information is also included in the Quarterly Statement and in the Half-Year Financial Report 2023.

These documents can be found under the following internet link <https://www.siemens-healthineers.com/investor-relations/presentations-financial-publications>.

<sup>1</sup> Starting in fiscal year 2024, the definition will be adapted as indicated. For more information, please refer to page 31 in this presentation.

