

Q4 Analyst Call

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November 09, 2022



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Please find further explanations regarding our (supplemental) financial measures in chapter "A.2 Financial performance system" and in the Notes to consolidated financial statements, Note 29 "Segment information" of the Annual Report 2021 of Siemens Healthineers. Additional information is also included in the Quarterly Statement. These documents can be found under the following internet link <https://www.siemens-healthineers.com/investor-relations/presentations-financial-publications>.

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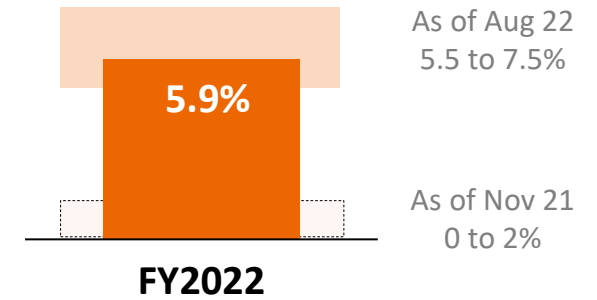
Successful first year of “New Ambition” phase

Key achievements in FY2022

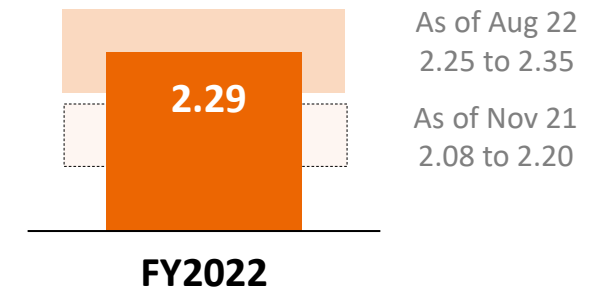
- **Outstanding operational performance:** Continued market share gains, agility to adapt and support our customers in a more than challenging environment
- **Impressive order intake:** Equipment order growth in the low teens (on high teens in PY), proving strong performance in robust markets
- **Successful Varian integration:** Continued strong order intake (with an equipment book-to-bill of >1.3), breakthrough innovation launched
- **Strong financial results:** Strong revenue and adj. basic EPS growth, robust free cash generation of ~€1.7bn, dividend increase to €0.95 per share proposed

Upgraded guidance achieved

Comparable revenue growth¹



Adj. basic earnings per share (€)



¹ 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

Outlook 2023: A further year of strong performance ahead

– Mid-term guidance confirmed

Comparable revenue growth^{1, 2}

Outlook 2023

-1 to +1%

Ex antigen: **+6 to +8%**

Mid-term guidance³

+6 to +8% p.a.

Adj. basic earnings per share²

Outlook 2023

€2.00 to €2.20

Ex antigen growth: **+13 to +24%**

Mid-term guidance³

+12 to +15% p.a.

Our unique capabilities

Patient Twinning

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



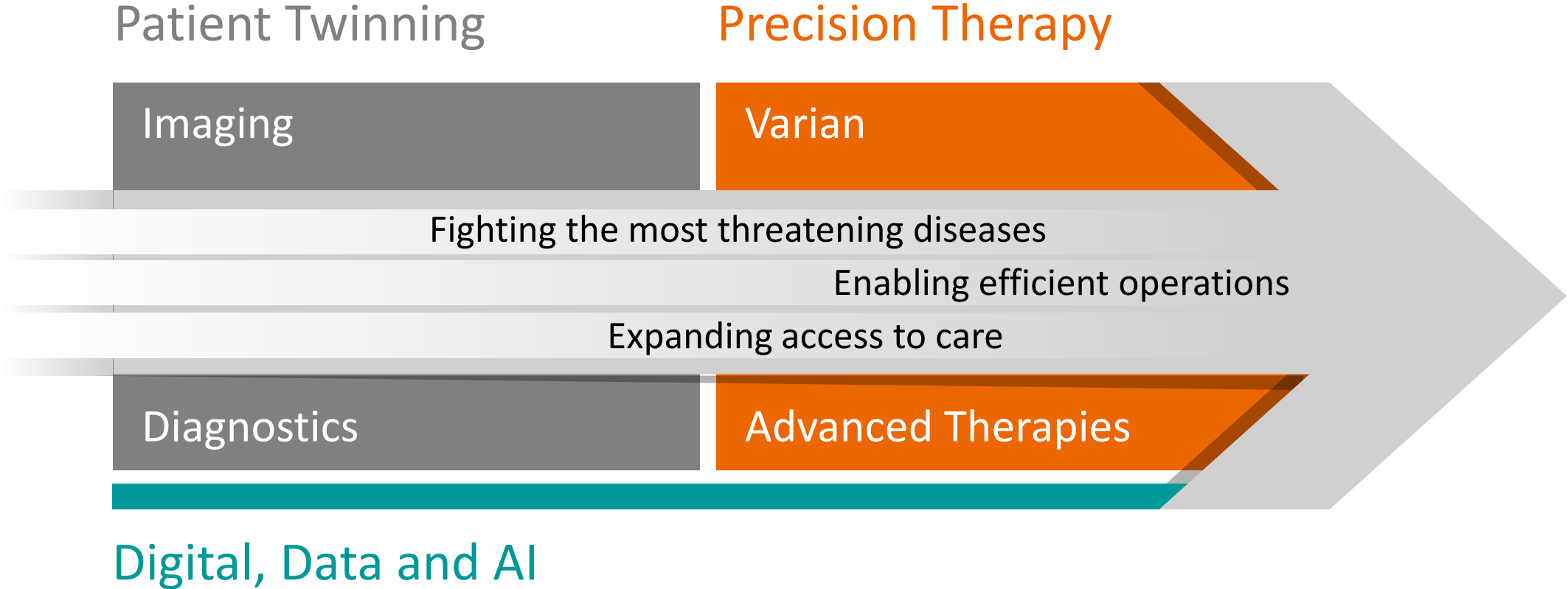
Precision Therapy

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

New Ambition:
The foundation of continued strong performance



Diagnostics: External headwinds outweighing operational improvements – next level of measures initiated

Operational execution vs. new external headwinds

- ✓ Stabilization of Atellica Solution
- ✓ Continued strong competitive wins
- ✓ Operational improvements
- ✓ Driving our R&D roadmap
- ✓ High agility to adapt in unprecedented times by providing rapid antigen-tests
- Cost increases due to inflationary environment and elevated procurement and logistics costs
- Logistical constraints and shortages
- CI1900 delay during pandemic
- Missing revenues due to COVID related local lockdowns



Decisive next level of measures

- Portfolio simplification following CI1900 launch driving platform reduction
- Leaner organization and footprint with significant complexity reduction by 2025
- Focused commercial execution and service approach
- Improving supply chain efficiency
- Leaner, clinically focused R&D
- Overall cost out measures of EUR300m quantified (by 2025), one-time costs anticipated



Targets updated

Comparable revenue growth¹

3 – 5%

p.a. until 2025

Adjusted EBIT margin

8 – 12%

in 2025

¹ Excludes rapid antigen revenue contribution; 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

Varian combination: Accelerating our cancer care impact

Varian with continued strong momentum

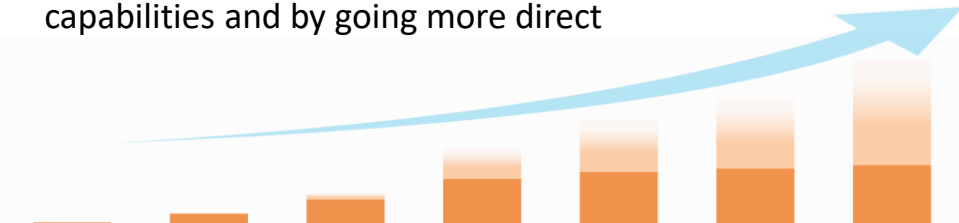
- Continued market share gains
- Record order book (equipment book-to-bill of >1.3 in 2022)

Breakthrough innovation launched at ASTRO

- HyperSight – Diagnostic imaging quality in 6 seconds integrated with Halcyon and Ethos in the treatment room

Synergies materializing as planned

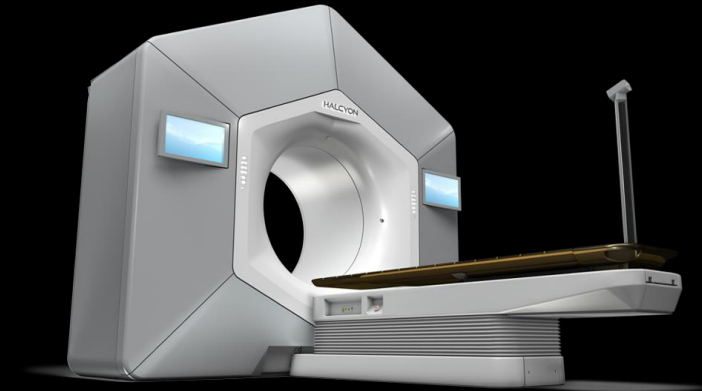
- Successfully introducing comprehensive cancer care solutions
- Leveraging c-level access and long-term value partnerships in combination with Siemens Healthineers
- Strengthened global distribution by leveraging cross-selling capabilities and by going more direct



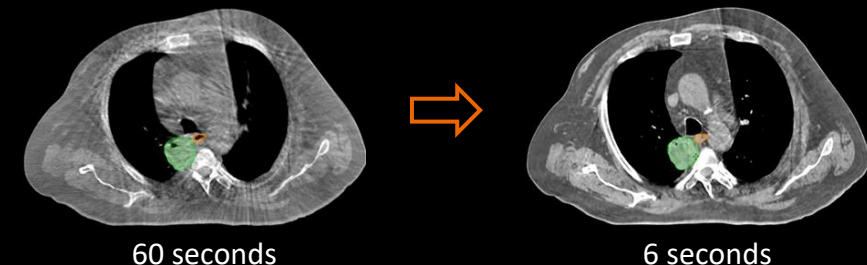
510 (k) pending. Not available for sale.

HyperSight

The power of Siemens Healthineers and Varian together
- unlocking a **new leap in radiation therapy**



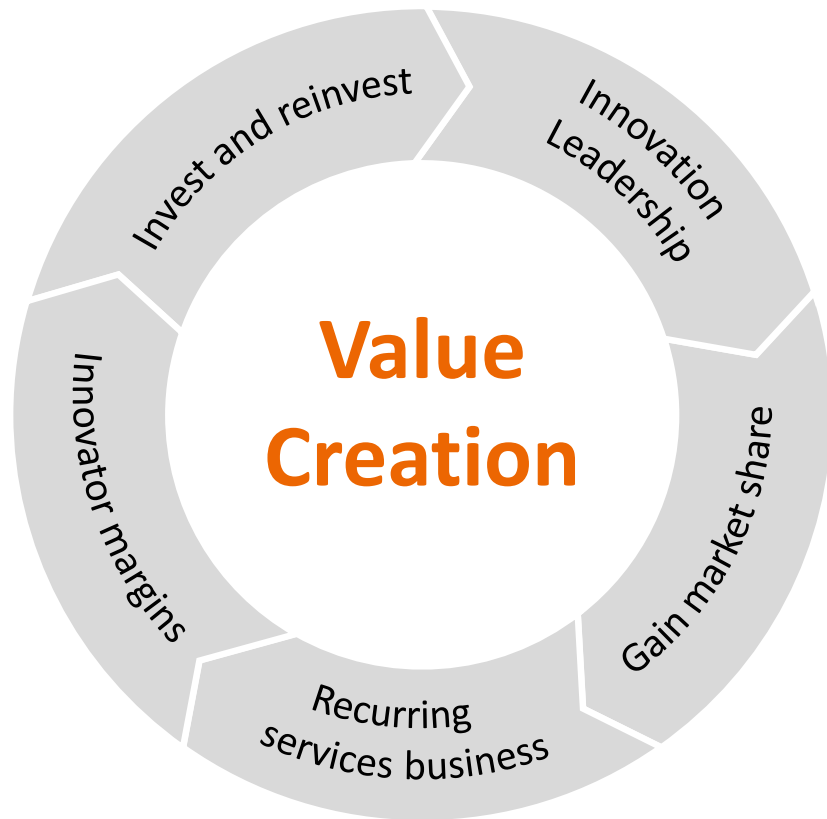
A revolution in resolution



Q4 FY2022

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Imaging & Advanced Therapies: Successful growth engine running at full steam



- **Major product innovations launched** over the last 12 months (e.g, MAGNETOM Free.Max; NAEOTOM Alpha)
- **Unprecedented equipment order growth** in attractive markets
- **Continuously gaining market share**
- **Attractive service growth** on back of expanding installed base
- **Innovation budget of >€1.1bn** in FY2022

A unique investment case: Structural and innovation driven growth paired with attractive earnings growth and resilience

Unique resilience

- Majority of revenues recurring
- Strong backlog with increasing contribution of long-term orders from Value Partnerships
- Deeply rooted in all global healthcare systems – balancing short-term variations

Structural and innovation driven growth

Enabling and advancing next level medicine

- Essential technologies and leading innovations for fighting the most threatening diseases
- Continuous tailwind from innovations in pharma and devices which require better imaging, diagnostics, guidance and monitoring

Improving productivity for our customers

- Broad portfolio of innovative technologies to overcome staff shortage and cost challenges
- Enabling efficient operations with digital, data and AI

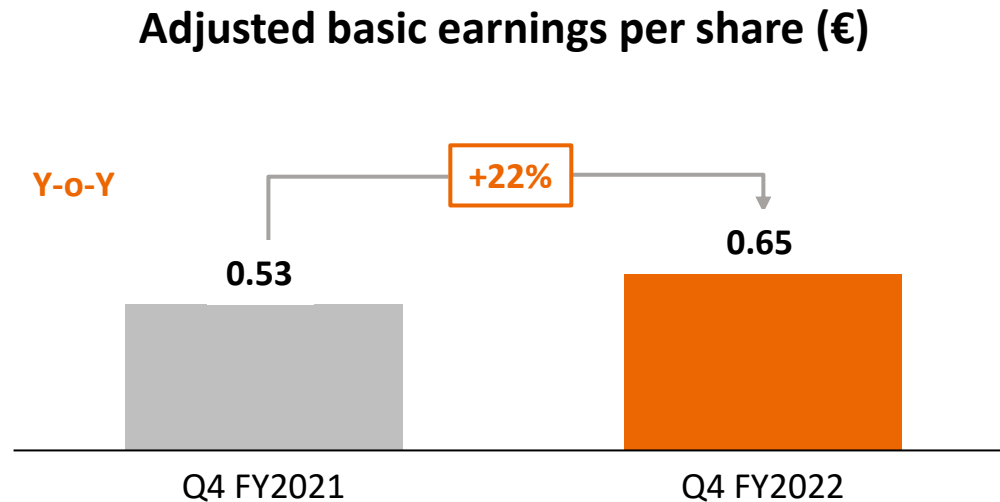
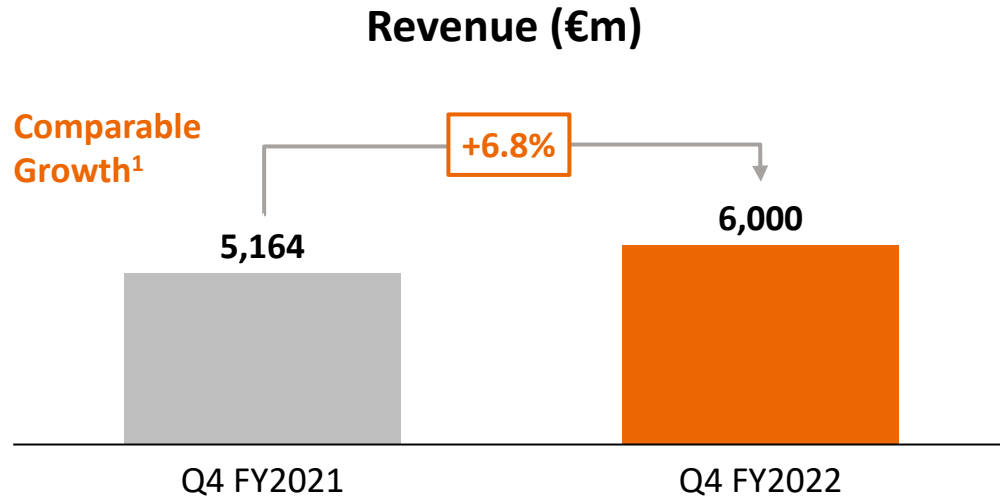
Expanding our addressable market

- Expanding our addressable market by seizing organic and M&A opportunities
- Addressing underserved geographies with better access and affordability of care

Attractive earnings growth

- Sector leading margins in Imaging and Varian with room for expansion
- Margin recovery potential at Diagnostics and Advanced Therapies in the mid-term

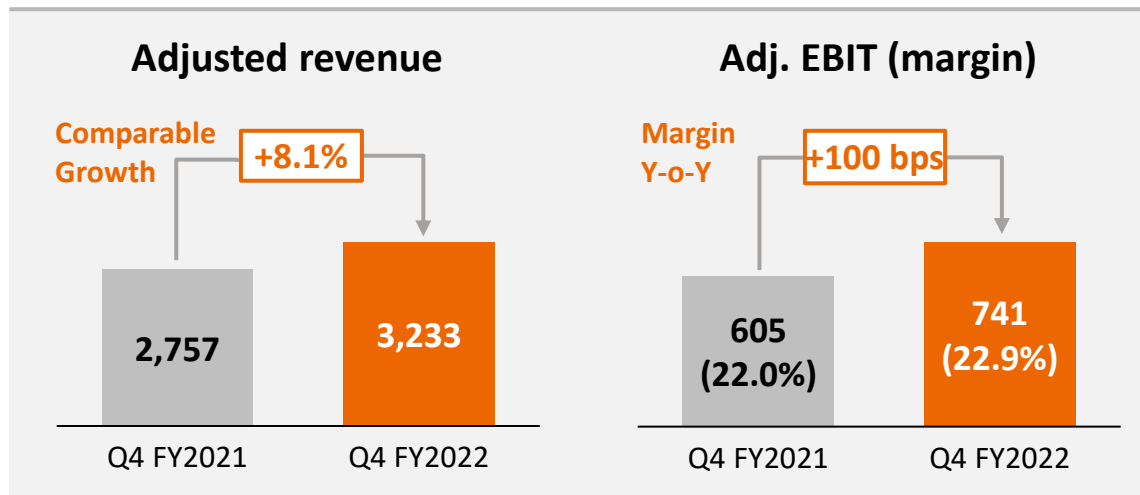
Q4 – a strong finish in a more than challenging year



- **8th consecutive quarter with impressive equip. order growth**
- Excellent **equipment book-to-bill of 1.21**, with **Varian above 1.5**, Imaging and Advanced Therapies above 1.1
- **Strong revenue growth of 6.8% on tough comps**, with revenue growth across all segments (revenue growth ex-antigen 5.3%)
- **Adj. EBIT margin y-o-y up to 16.8%** driven by conversion, overcompensating headwinds from supply chain; PYQ with provision for special recognition bonus
- **Adjusted basic EPS y-o-y up to €0.65**
- **Free cash flow €454m**, up 19% y-o-y

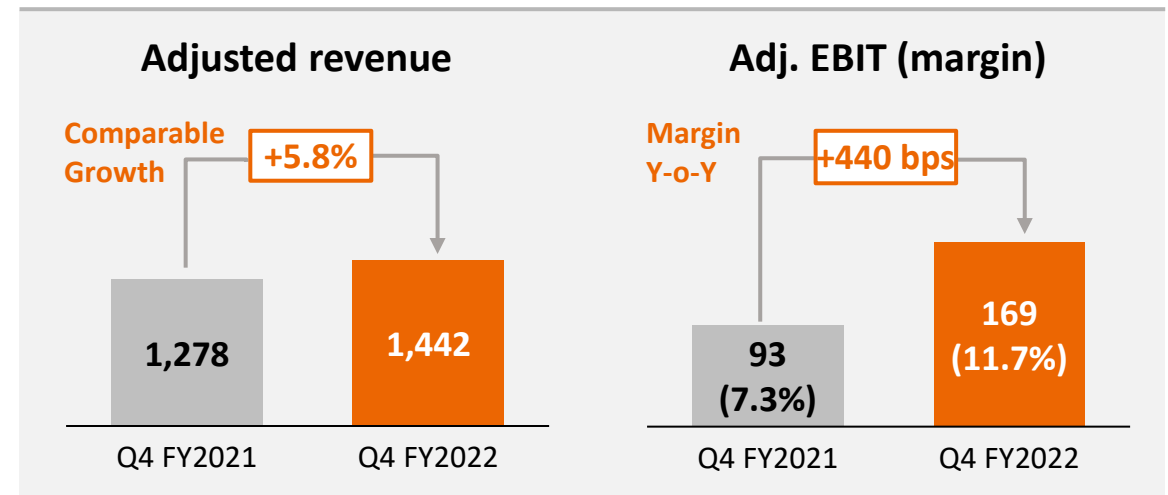
Imaging with excellent growth and conversion; Diagnostics with slowing antigen contribution q-o-q, growth in the core business

Imaging (€m)



- Strong growth in Q4 (vs. 12% in PYQ) driven by significant growth at MR and CT¹
- Conversion lifts margin y-o-y, overcompensating for increased procurement and logistics costs (>100 bps)

Diagnostics (€m)

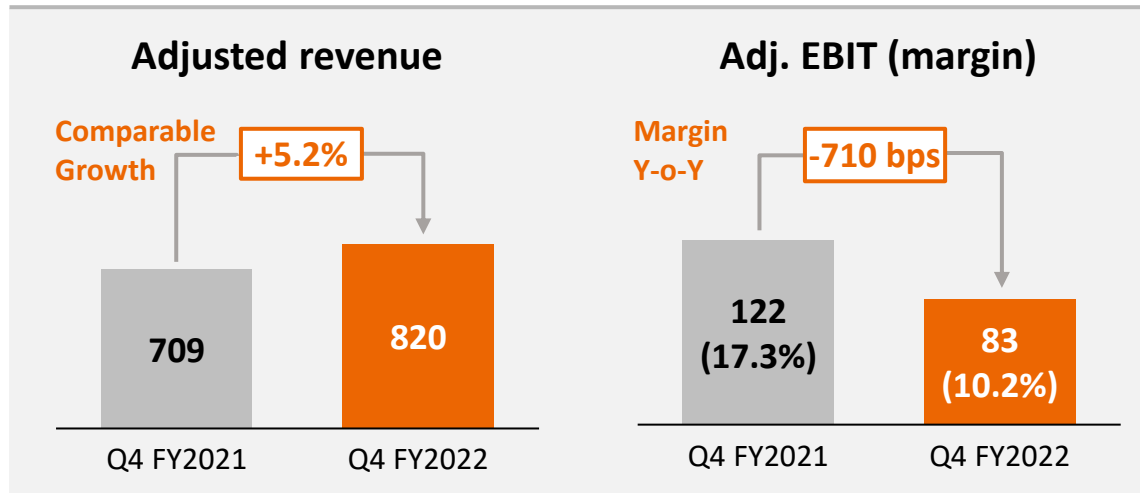


- Revenue growth driven by antigen (€232m vs. PYQ ~€160m)
- Revenue growth excl. antigen slightly down by -1% mainly due to y-o-y lower other COVID-testing, routine care testing slightly growing
- Antigen business lifts margin y-o-y, overcompensating for increased procurement and logistics costs, and headwind from FX (Σ >300 bps)

¹ MR: Magnetic Resonance, CT: Computed Tomography

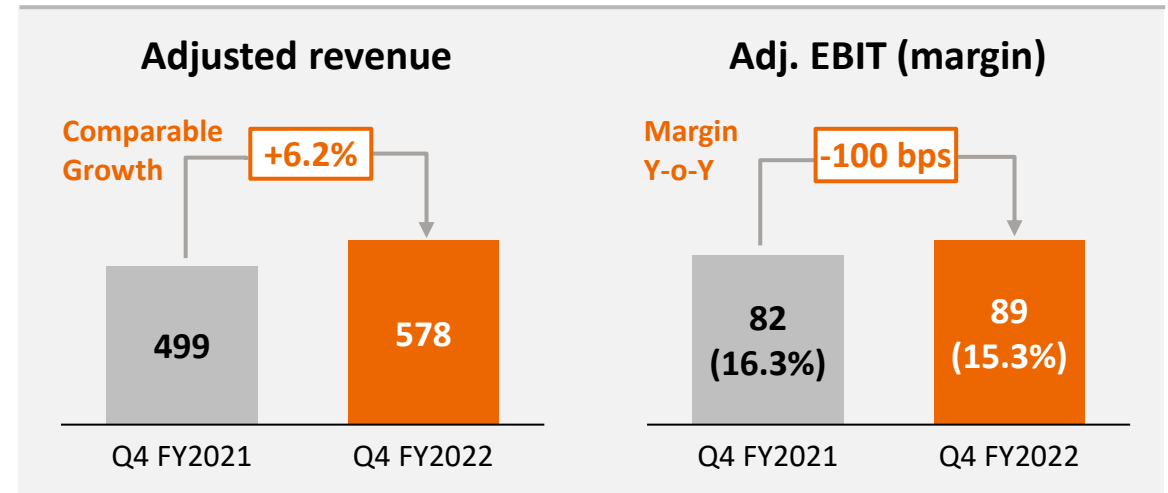
Varian and Advanced Therapies with strong growth; softer margins at Varian due to supply chain and FX headwinds

Varian (€m)



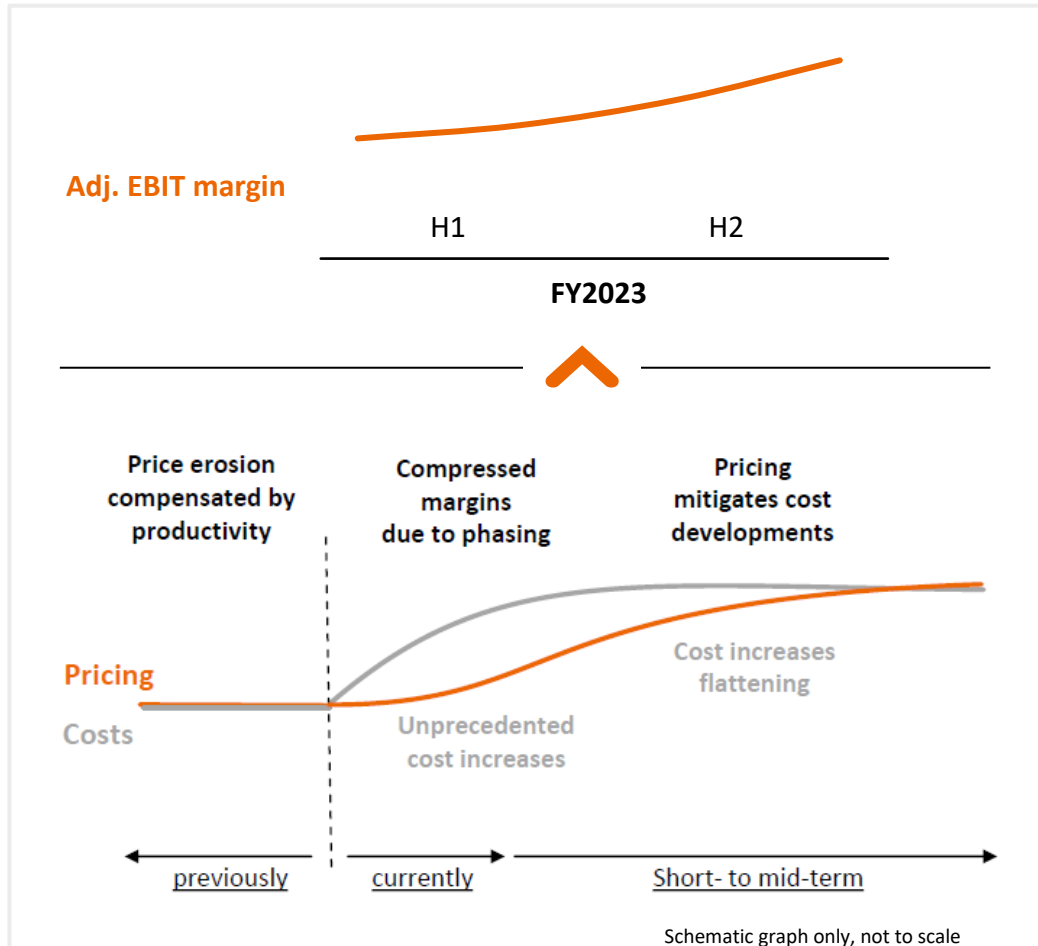
- Revenue growth in Q4 held back by supply chain challenges
- Margin y-o-y down due to headwinds from supply chain, and from FX (Σ >500 bps)
- PYQ with positive effects from risk provisions

Advanced Therapies (€m)



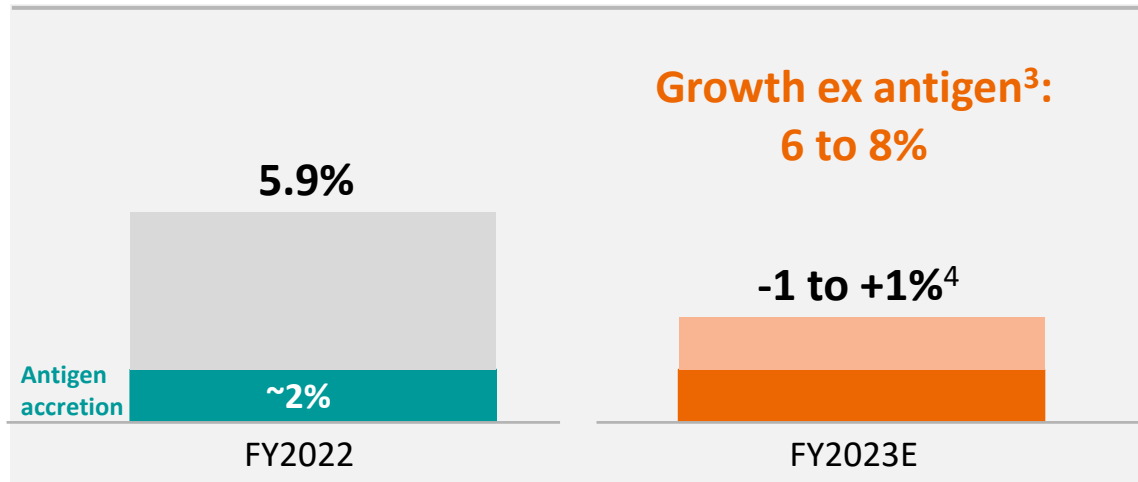
- Continued strong growth in Q4 (vs. 14% in PYQ)
- Margin y-o-y down due to increased procurement and logistics costs (>100 bps)
- Ongoing invest in Corindus weighing on margins

Successful focus on pricing



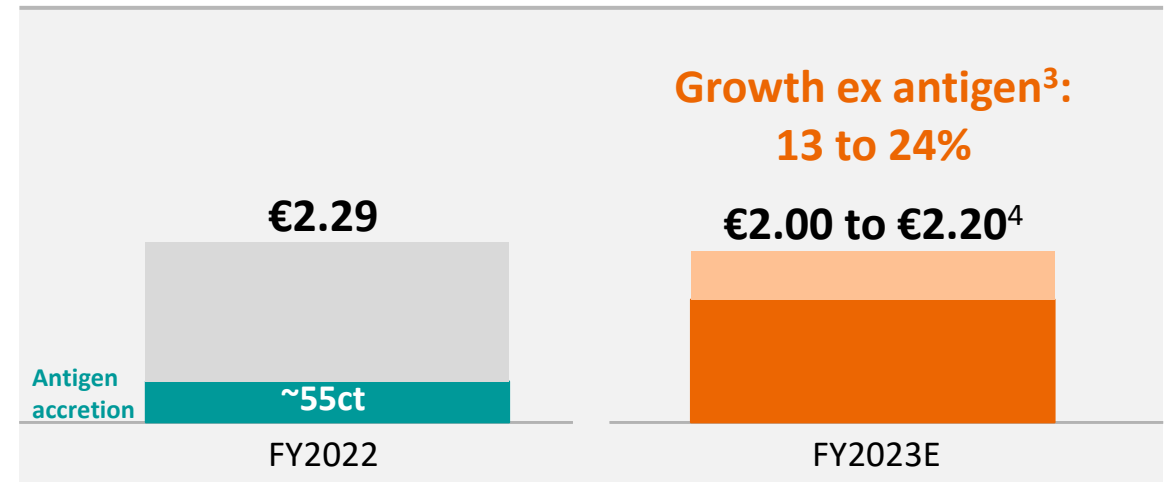
- **Market adaptive pricing mechanisms are working** – without compromising the strengths of our business
- **Equipment order pricing measures** turned “traditional” price erosion to **price accretion in H2 FY22**, with continuing momentum
- **Sequential margin improvements through FY23**, accelerating in H2 due to orders rolling into revenues within ~3 to 18 months
- **Y-o-y margin improvements in FY23** notably skewed towards H2

Comparable revenue growth^{1, 2}



- **Imaging** growth at 7 to 9%
- **Diagnostics⁴** declining -21 to -19% incl. antigen; core growth at 3 to 5%
- **Varian** growth at 9 to 12%
- **Advanced Therapies** growth at 6 to 9%

Adj. basic earnings per share²



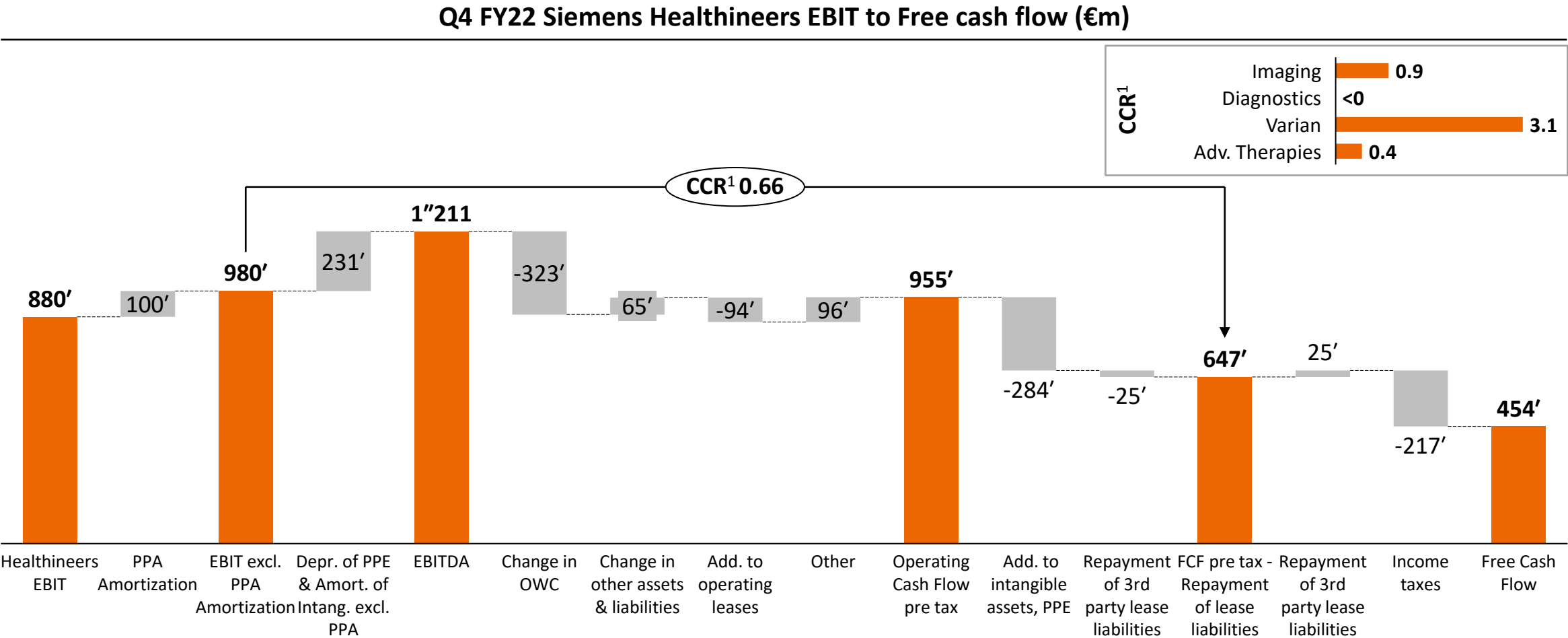
- **Imaging** margin at 21 to 22.5%
- **Diagnostics⁴** margin at 0 to 3% all-in; core margin at 2 to 4%
- **Varian** margin at 16 to 18%
- **Advanced Therapies** margin at 13 to 15%
- **Financial income, net** at €-150 to €-170m
- **Tax rate** at 26% to 28%

¹ 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 purchase price allocations |

² The outlook is based on current foreign exchange rate assumptions, on the current portfolio, and on further assumptions, see Quarterly Statement Q4 FY2022 |

³ Y-o-y growth excluding antigen contribution | ⁴ FY2023 assumes €100m revenue of antigen contribution, and €100 to €150m of Diagnostics transformation related one-time costs within adj. EBIT/EPS (total of €150 to €200m costs); core excludes antigen contribution and transformation related one-time costs

Free cash flow higher than in prior-year quarter;
strong Q4 revenue built up receivables at year-end



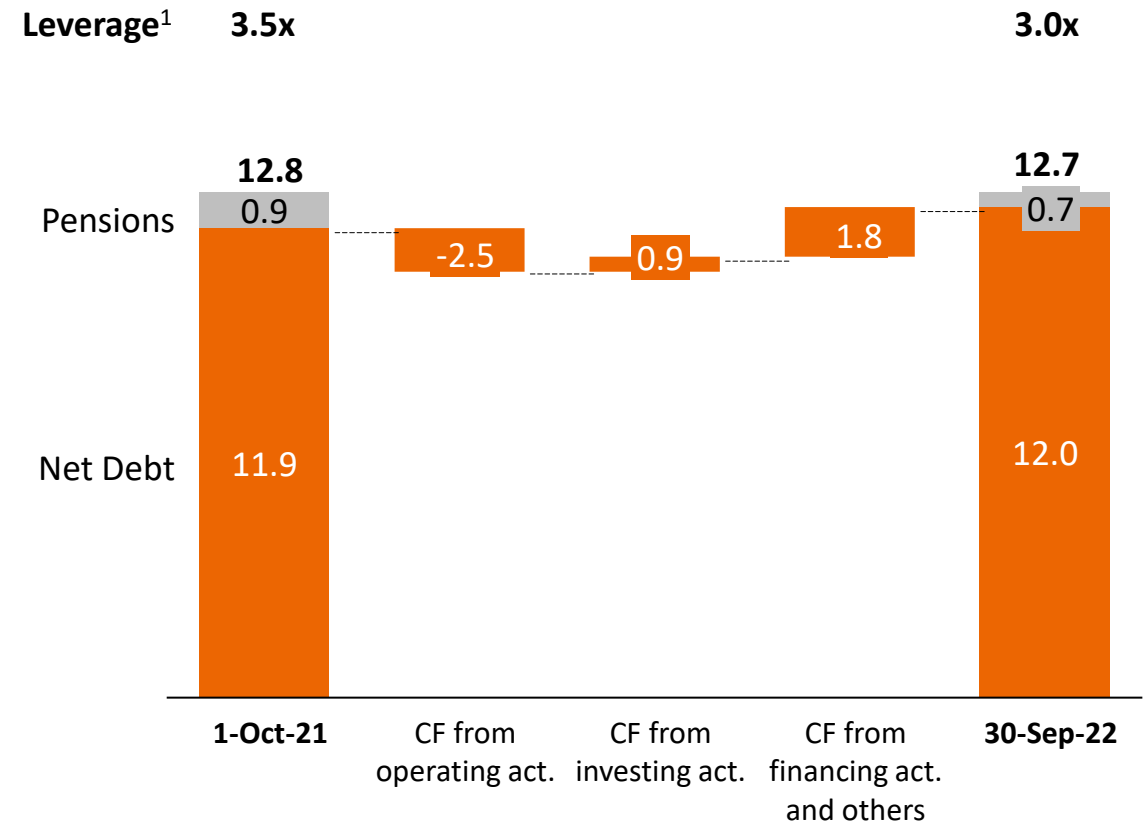
1 CCR = (Free cash flow pre tax - Repayment of 3rd party lease liabilities) / (Healthineers EBIT excl. PPA)

FY22 balance sheet and net debt bridge

Net debt overview

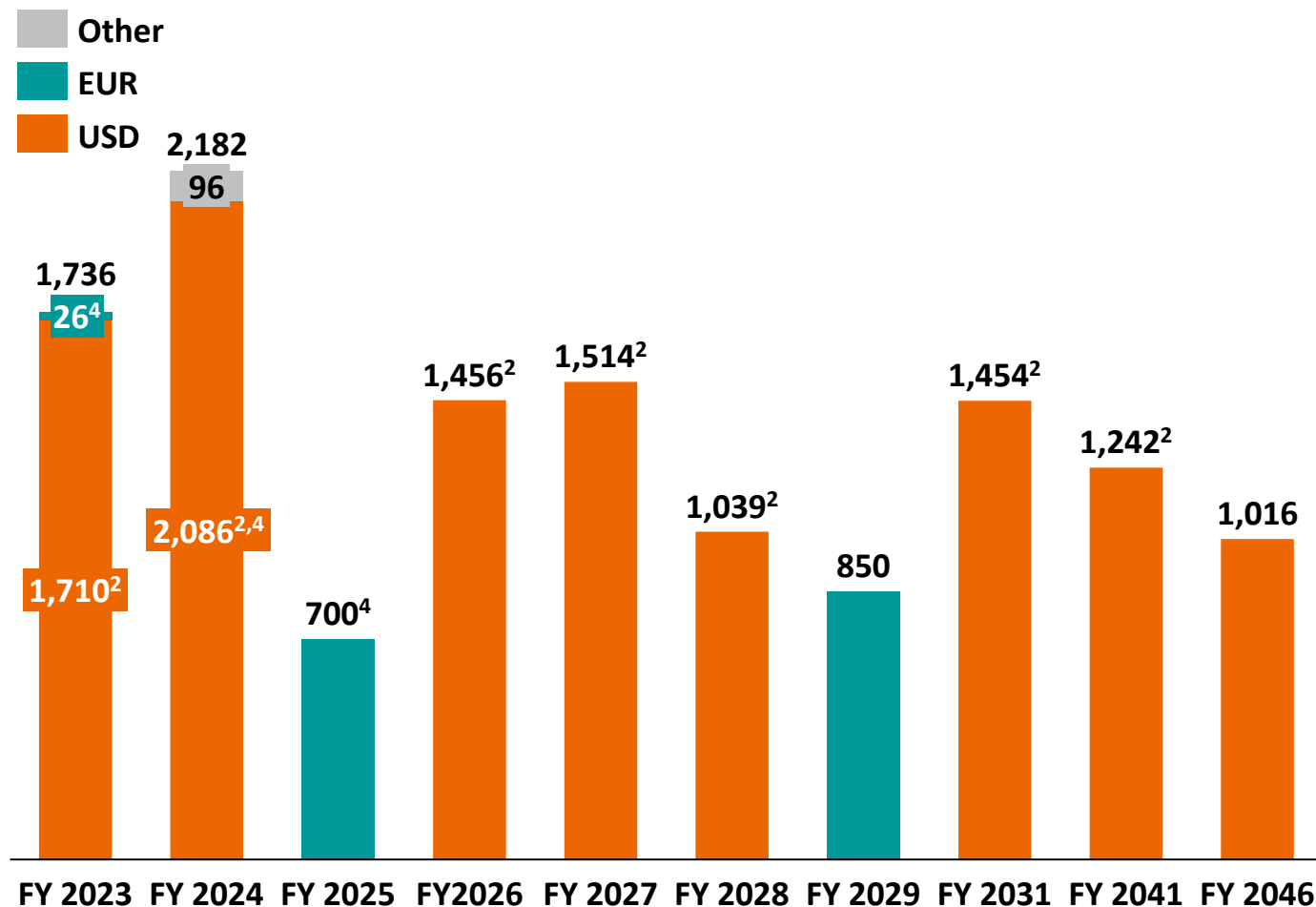
in €bn	Sep 30, 2021	Sep 30, 2022
Cash and cash equivalents	1.3	1.4
Receivables from the Siemens Group from financing activities	0.6	0.7
Short-term and long-term financial debt	(0.7)	(0.7)
Liabilities to the Siemens Group from financing activities ²	(13.1)	(13.4)
Net debt	(11.9)	(12.0)
Provisions for pensions and similar obligations	(0.9)	(0.7)
Net debt (incl. pensions)	(12.8)	(12.7)

Capital structure development in FY22 (in €bn)



Loan maturity profile

Loans with Siemens Group as of Sep 30th, 2022¹ (in €m)



Comments

- Total loan volume ~€13bn equivalent
- Average interest rate ~0.6% in FY2022³

Top 10 loans ranked in € volume

Notional Currency	Volume in m	Volume in €m	Interest rate	Maturity
USD	\$1,689	€1,514 ²	0.26% ²	FY 2027
USD	\$1,742	€1,456 ²	0.08% ²	FY 2026
USD	\$1,740	€1,454 ²	0.59% ²	FY 2031
USD	\$1,497	€1,251 ²	-0.14% ²	FY 2024
USD	\$1,486	€1,242 ²	1.40% ²	FY 2041
USD	\$1,247	€1,043 ²	-0.26% ²	FY 2023
USD	\$1,243	€1,039 ²	0.31% ²	FY 2028
USD	\$990	€1,016	3.44%	FY 2046
EUR	€850	€850	3.58%	FY 2029
USD	\$998	€834 ²	1.55% ^{2,4}	FY 2024

¹ Unhedged loans translated to EUR according to spot rate as of Sep 30th, 2022 | ² USD loans addressed by SHS debt & capital restructuring resulting in synthetic EUR debt; EUR volume and interest rates are calculated with underlying hedge rates | ³ Current interest rate across all maturities as of Sep 30th, 2022 is ~0.9% p.a. | ⁴ Floating interest rate – in FY 2024, only the hedged € 834m loan (out of € 2,086m) is based on a floating interest rate

In fiscal year 2022, provisions for pensions decreased mainly due to increased discount rates

Q4 FY2022 Key financials – Pensions and similar obligations

in €bn ¹	FY2018	FY2019	FY2020	FY2021	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022
Defined benefit obligation (DBO)	(3.4)	(3.8)	(3.8)	(4.1)	(4.1)	(3.8)	(3.4)	(3.3)
Fair value of plan assets	2.6	2.8	2.8	3.3	3.4	3.2	2.9	2.8
Provisions for pensions and similar obligations²	(0.8)	(1.0)	(1.0)	(0.9)	(0.9)	(0.8)	(0.6)	(0.7)
Discount rate	2.9%	1.8%	1.5%	1.7%	1.6%	2.4%	3.6%	4.3%
Interest Income	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Actual return on plan assets (after expenses)	0.1	0.3	0.1	0.2	0.1	(0.1)	(0.4)	(0.6)

¹ All figures are reported on a continuing basis | ² Provisions for pensions and similar obligations does not include net defined benefit assets (Q4 FY2022: €+0.1bn) presented in the line item other assets; *Defined Benefit Obligation (DBO) including other post-employment benefit plans (OPEB) of ~€-0.0bn*

Restatement: Cancer Therapy business transfers from Imaging to Varian, and Varian Proton Solutions to Central Items

Restated figures comparable to new organization (effective as of Oct 1st, 2022)

in €m	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022	FY2022
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Imaging (restated for organizational change)

Adjusted Revenue	2,500	2,593	2,575	3,198	10,867
Adjusted EBIT	496	523	470	731	2,221
Adjusted EBIT margin	19.8%	20.2%	18.3%	22.8%	20.4%

Varian (restated for organizational change)

Adjusted Revenue	763	731	808	829	3,130
Adjusted EBIT	137	114	147	100	499
Adjusted EBIT margin	18.0%	15.7%	18.1%	12.1%	15.9%

Central Items (restated for for organizational change)

Adjusted Revenue	n.a.	n.a.	n.a.	n.a.	n.a.
Adjusted EBIT	-42	-55	-64	-78	-239
Adjusted EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.

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)

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. In addition, centrally carried pension service and administration expenses are excluded from adjusted EBIT of the segments.

Adjusted EBIT margin (adj. EBIT margin)

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

Adjusted basic earnings per share (adj. basic EPS)

is defined as basic earnings per share, adjusted for portfolio-related measures and severance charges, 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.

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 2021 and 2022, respectively, of Siemens Healthineers. Additional information is also included in the Quarterly Statement. These documents can be found under the following internet link <https://www.siemens-healthineers.com/investor-relations/presentations-financial-publications>.

