

Siemens Healthineers – Q3 FY 2018

Conference call for journalists

Bernd Montag, CEO | Jochen Schmitz, CFO
July 30, 2018

Notes and forward looking statements

This presentation has been prepared solely for use at this meeting. By attending the meeting where this presentation is made or accessing this presentation, you agree to be bound by the following limitations. This material is given in conjunction with an oral presentation and should not be taken out of context.

This presentation has been prepared for information purposes only and the information contained herein (unless otherwise indicated) has been provided by Siemens Healthineers AG. It does not constitute or form part of, and should not be construed as, an offer of, a solicitation of an offer to buy, or an invitation to subscribe for, underwrite or otherwise acquire, any securities of Siemens Healthineers AG or any existing or future member of the Siemens Healthineers Group (the "Group") or Siemens AG, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of Siemens Healthineers AG, any member of the Group or Siemens AG or with any other contract or commitment whatsoever. This presentation does not constitute a prospectus in whole or in part, and any decision to invest in securities should be made solely on the basis of the information to be contained in a prospectus and on an independent analysis of the information contained therein.

Any assumptions, views or opinions (including statements, projections, forecasts or other forward-looking statements) contained in this presentation represent the assumptions, views or opinions of Siemens Healthineers AG as of the date indicated and are subject to change without notice. All information not separately sourced is from internal company data and estimates. Any data relating to past performance contained herein is no indication as to future performance. The information in this presentation is not intended to predict actual results, and no assurances are given with respect thereto.

The information contained in this presentation has not been independently verified, and no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information contained herein and no reliance should be placed on it. None of Siemens Healthineers AG or any of its affiliates, advisers, connected persons or any other person accept any liability for any loss howsoever arising (in negligence or otherwise), directly or indirectly, from this presentation or its contents or otherwise arising in connection with this presentation. This shall not, however, restrict or exclude or limit any duty or liability to a person under any applicable law or regulation of any jurisdiction which may not lawfully be disclaimed (including in relation to fraudulent misrepresentation).

This presentation includes "forward-looking statements." These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding Siemens Healthineers AG's financial position, business strategy, plans and objectives of management for future operations (including cost savings and productivity improvement plans) are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Siemens Healthineers AG to be materially different from results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Siemens Healthineers AG's present and future business strategies and the market environment in which Siemens Healthineers AG will operate in the future. These forward-looking statements speak only as of the date of this presentation. Each of Siemens Healthineers AG, the relevant Group entities and their respective agents, employees and advisers, expressly disclaims any obligation or undertaking to update any forward-looking statements contained herein. Investors are urged to consider these factors carefully in evaluating the forward-looking statements in this presentation and not to place undue reliance on such statements.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens Healthineers' net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

The information contained in this presentation is provided as of the date of this presentation and is subject to change without notice.

Q3 FY2018 – Strong comparable revenue growth and accelerating Atellica shipments

- **Comparable revenue¹⁾ up by 5%** driven by very strong **Imaging** business with 8% growth
- **Diagnostics** with 1% growth¹⁾ and continued double-digit instrument sales growth
- **Atellica Solution** ramp-up **on track** with **560+ analyzers shipped** by end of June
- **Adjusted profit margin²⁾ at 16.0%** down -110 bps with FX headwinds of -140 bps
- **Lower adjusted profit margin³⁾ of 10.9%** at **Diagnostics** on a large, initially negative automation contract and Atellica transition costs
- **Adjusted net income²⁾ of €334 mio.**, down -7% on FX headwinds and higher tax rates
- **Full year guidance reaffirmed**

1) Year-over-year on a comparable basis excluding currency translation and portfolio effects

2) Adjusted for severance charges, IPO costs (Profit and Net income) and for amortization of intangible assets acquired in business combinations net of tax (Net income)

3) Adjusted for severance charges

Major product innovations further expanding our leading position in precision medicine

US

ACUSON Sequoia



Taking Ultrasound to New Heights

Addressing intrinsic variability in Ultrasound with BioAcoustic technology

- Rebirth of the **most popular Ultrasound product** ever created¹⁾
- Product developed in **close collaboration with** the Ultrasound community involving over **600 Ultrasound users globally**
- **High-resolution imaging even at greater depths** compared to traditional systems²⁾, a traditional challenge in Ultrasound
- Able to **penetrate up to 40 cm**, addressing the alarming worldwide growing trend of **obesity affecting 650 million adults**³⁾

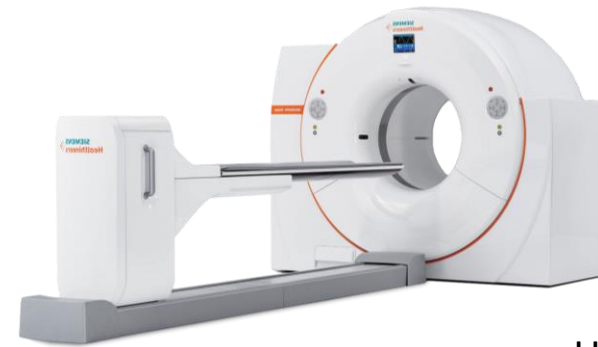
1) Based on a brand survey analysis performed by M Health in collaboration with Siemens Healthineers

2) Traditional ultrasound systems refers to previous generations of Siemens Healthineers ultrasound systems in Radiology and OB

3) 2016 World Health Organization – Global Adult Prevalence of Overweight and Obesity 4) Data on file

MI

Biograph Vision



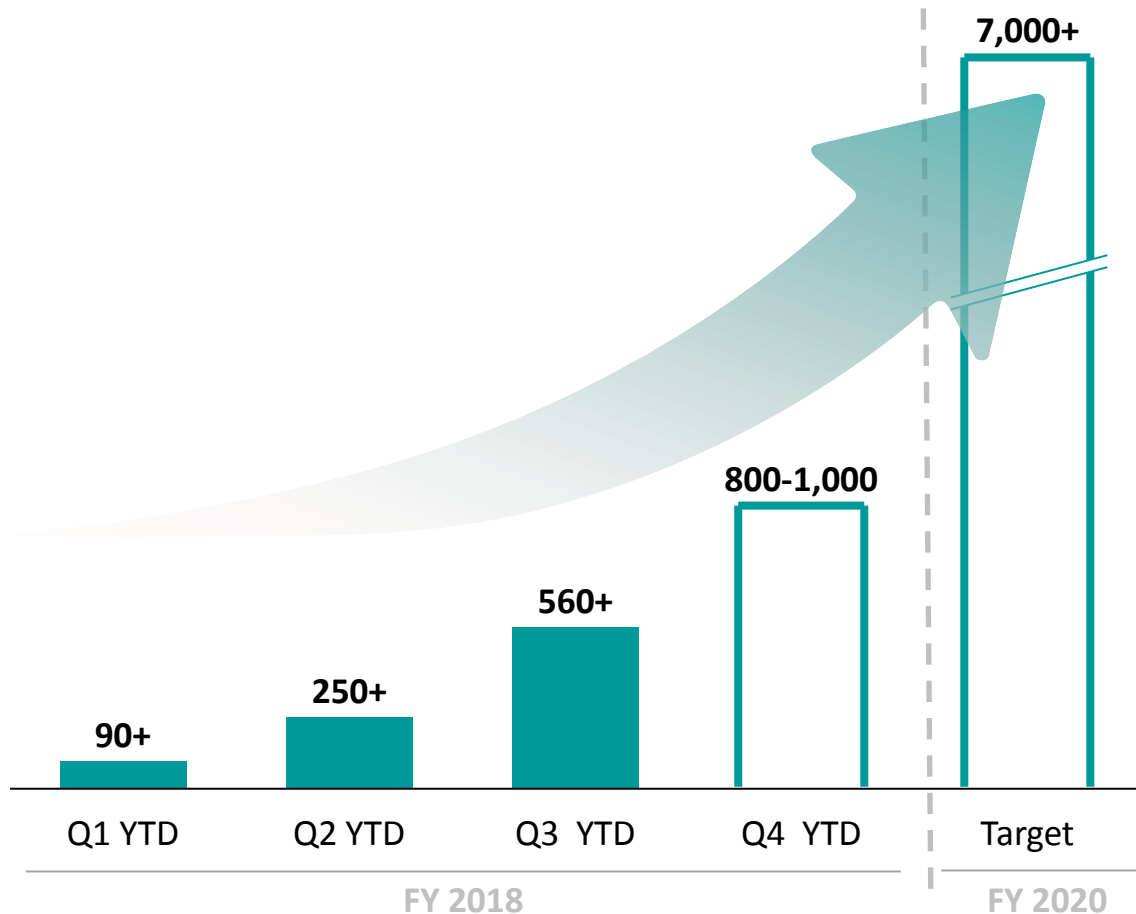
See a Whole New World of Precision

Going beyond digital with the Optiso Ultra Dynamic Range Detector

- **Next generation digital PET/CT** using proprietary technology
- **Highest resolution** of large-bore PET/CT scanners – helping clinicians **to detect disease earlier and monitor therapy**⁴⁾
- **Newly designed detector** (214ps Time-of-Flight) enables hospitals to scan **more patients in shorter time with less radiation**⁴⁾
- **New software platform using AI algorithms** expands applications in oncology, cardiology and neurology

Atellica Solution¹⁾ shipments gaining speed as planned

Ramp-up of analyzer shipments (cumulative)



Comments

- **560+ analyzers shipped to date - regional split:**
 - EMEA²⁾: ~50%
 - Americas: ~35%
 - Asia Pacific: ~15%
- **New customer wins continue to be >35%, e.g.**
 - Germany: ISG Intermed Services (10 analyzers)
 - Denmark: Herlev and Gentofte (11 analyzers)
 - USA: University of Southern Nevada (6 analyzers)
- **On track with regulatory approvals:**
 - USA: **Seven additional assays** approved (total of 157 assays); targeting **menu of 170+ assays** by Q4 FY 18
 - Registration **on track in Japan** (Q4 FY 18) and **in China** (FY 19)

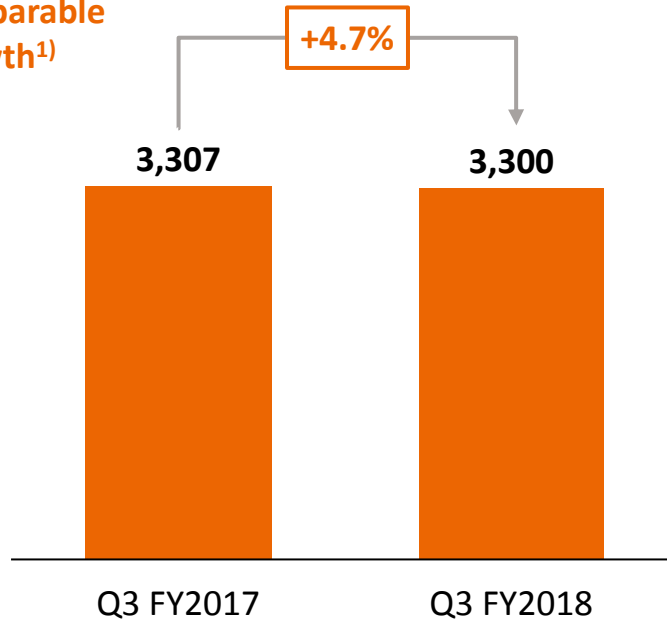
1) Product availability varies by country

2) EMEA: Europe, C.I.S., Africa and Middle East

Strong growth driven by Imaging business

Revenue (€m)

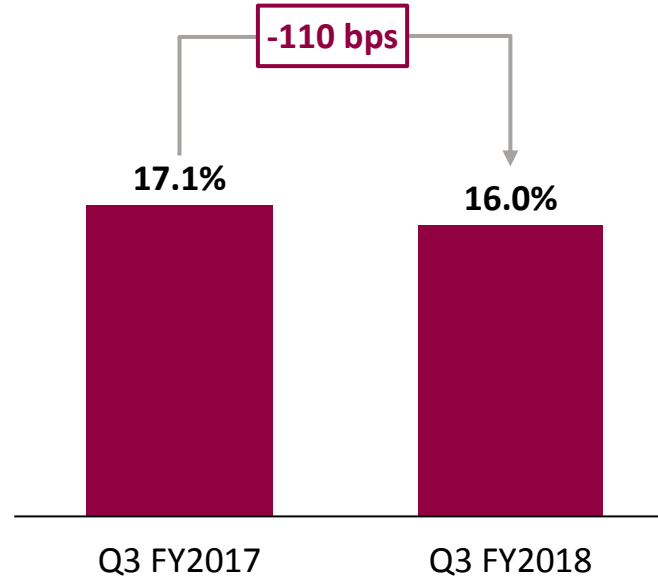
Comparable
Growth¹⁾



- Strong comparable growth driven by very strong Imaging business
- Solid growth across all geographies: Americas strong with 6%, EMEA with solid 4% and Asia Pacific with 4%

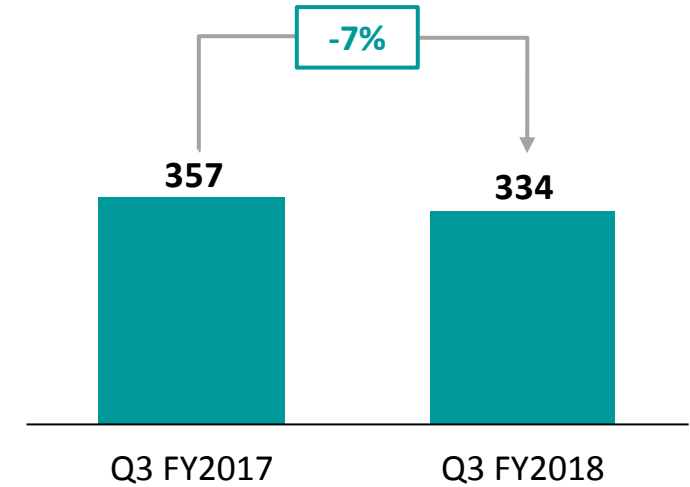
Adj. profit margin²⁾

Y-o-Y



- Adj. profit margin down on strong FX headwinds of -140 bps and lower profitability at DX
- Negative effects from legacy share-based payments partially compensated by gains related to U.S. pension funding

Adj. net income²⁾ (€m)

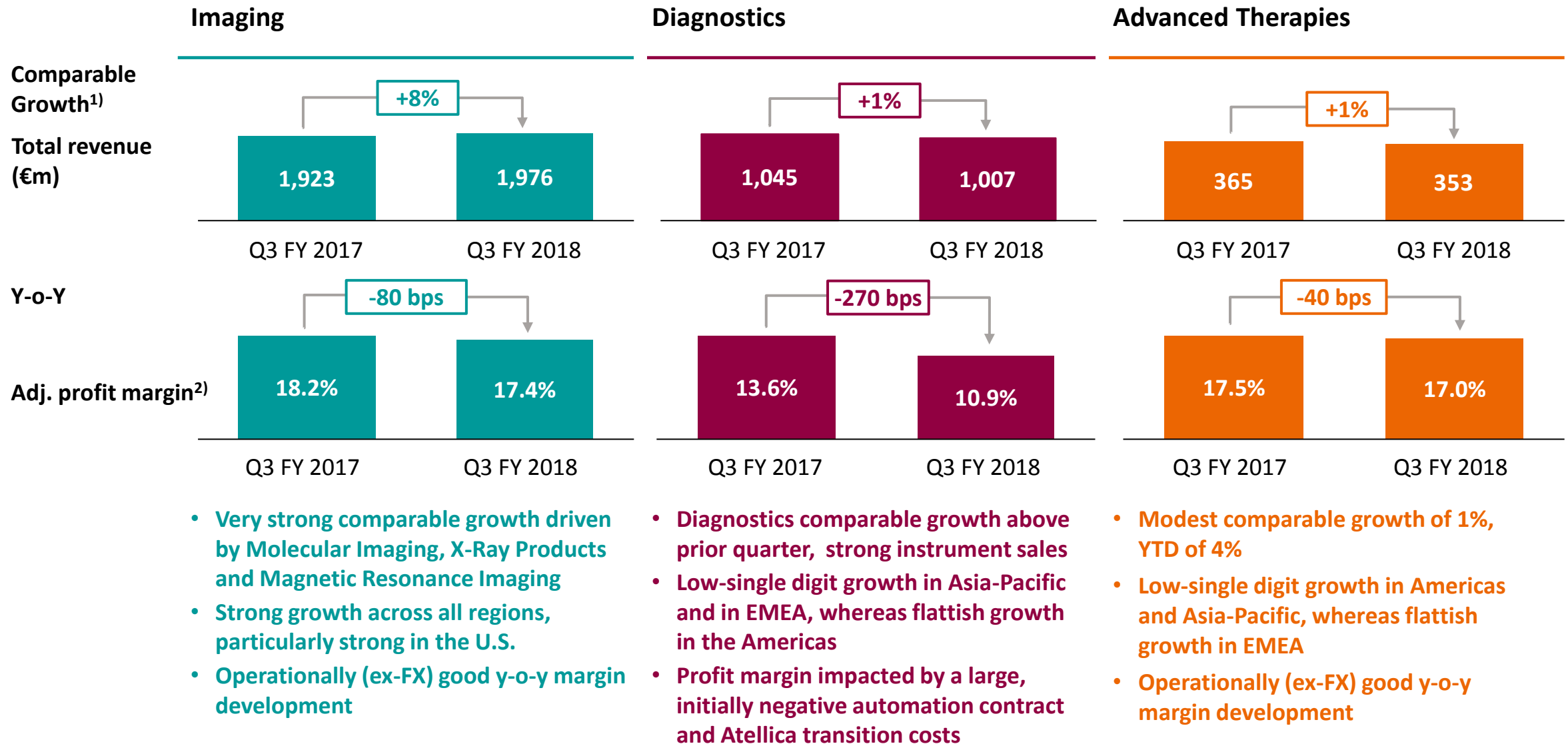


- Tax rate of 32% in Q3 vs. 28% in PYQ
- Interest expenses significantly lower vs. PYQ due to post-IPO capital structure

1) Year-over-year on a comparable basis excluding currency translation and portfolio effects

2) Adjusted for severance charges, IPO costs (Profit and Net income) and for amortization of intangible assets acquired in business combinations net of tax (Net income)

Strong performance of Imaging despite FX headwinds



1) Year-over-year on a comparable basis excluding currency translation and portfolio effects

2) Adjusted for severance charges

Outlook –

Full year guidance reaffirmed

- **We continue to expect comparable revenue growth¹⁾ to be in the range of 3% to 4% for the fiscal year 2018.**
- **We expect our adjusted profit margin²⁾ for the fiscal year 2018 to be in the range of 17% to 18%.**

1) Year-over-year on a comparable basis excluding currency translation and portfolio effects

2) Adjusted for severance charges and IPO costs

Siemens Healthineers – A strong team at b2Run-event in Nuremberg

