Q2 FY2018 Analyst Call

Siemens Healthineers: Shaping the future of healthcare

Dr. Bernd Montag, CEO | Dr. Jochen Schmitz, CFO

May 3, 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.

Q2 FY2018 – on track to meet our targets

- **Comparable revenue up by 4%** driven by strong **Imaging** business
- Flat topline development at Diagnostics, but **good instrument placements** point towards better development in H2 2018
- Continue **to receive excellent customer feedback on Atellica** with **250+ analysers shipped** by end of March
- **Structural cost savings on track –** first €50 mio. being realized in H2
- **Adjusted Profit**[1)] **margin at 17.4%** up 90bps y-o-y on favourable business mix despite FX headwinds
- **Adjusted Net Income of €428mio**, up +26% y-o-y, supported by positive one time effects in financial income and income taxes
- **Low FCF of €174 mio.** on **IPO costs, investments in Atellica** and higher inventories
- **Full year guidance reaffirmed**

1) Adjusted for severance charges and IPO costs

Major innovations across all segments

SIEMENS Healthineers

MAGNETOM Sola[1)]
first 1.5T BioMatrix system

ACUSON Juniper
new ultrasound platform

Cios Select with FD
Flat detector capabilities in routine surgery

PCR kit for HPV
high-risk subtypes detection
Fast Track cycler & FastFinder software

New SOMATOM Force
Dual source with FAST workflow

MAMMOMAT Revelation
High resolution with 50 degree tomosynthesis

nexaris Therapy Suites
Solutions for pioneering new procedures

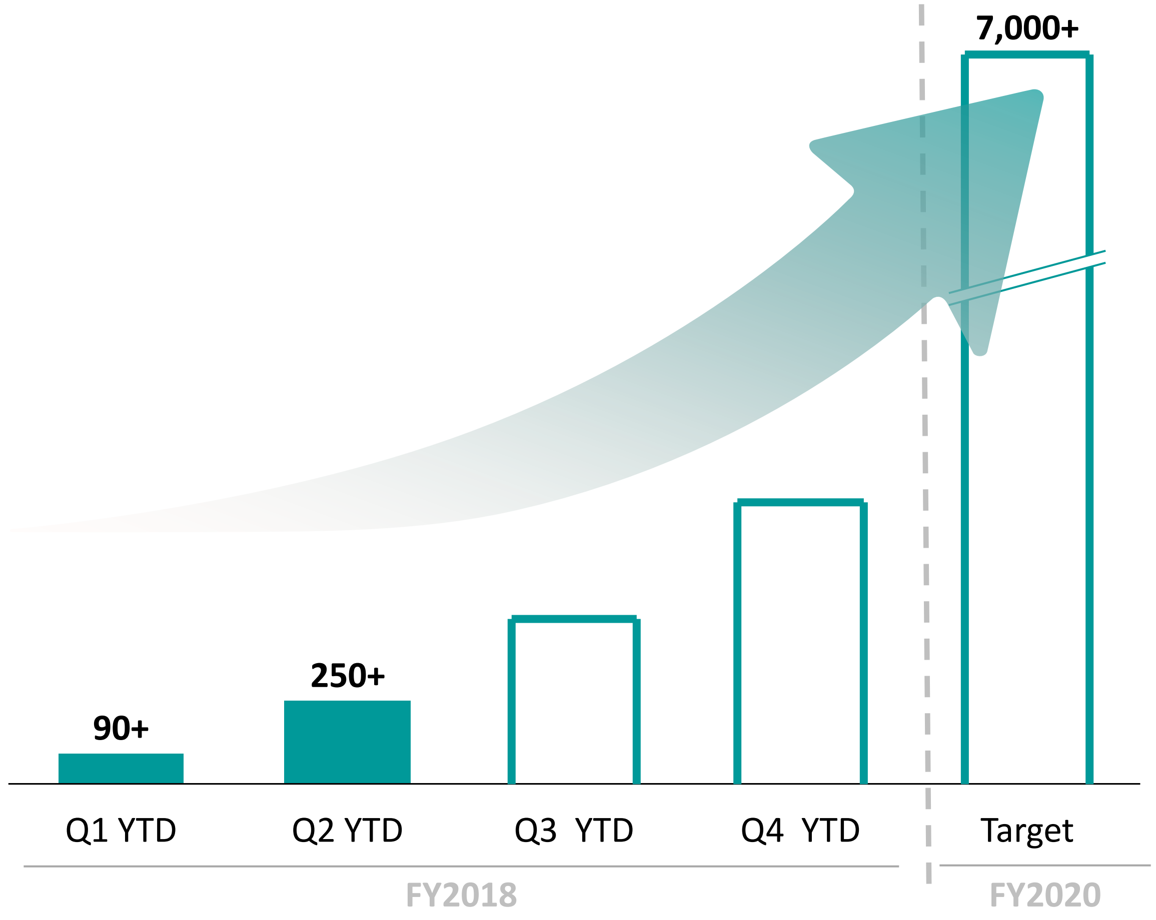
Blood Urea Nitrogen & Total C02 POC Testing

1) The Magnetom Sola is not commercially available in the U.S. and some other countries. Due to regulatory reasons its future availability cannot be guaranteed.

Atellica Solution[1)] shipments gaining speed

SIEMENS Healthineers

Ramp-up of analyzer shipments (cumulative)



Comments

- **Targeting 7,000 analyzers by 2020**
  - 80% to come out of own installed base
  - 20% to come from new customer wins
  - **New customer wins** currently **well above 20%**
- **Large contracts won across the world, including**
  - Latin America (e.g., **Hermes Pardini** incl. 50+ Atellica analyzers)
  - EMEA[2)] (e.g., **Al Gosaibi**– 24 analyzers)
  - NAM (e.g., **Dynalife** – 6 analyzers)
- **On track with assay registrations and market introduction**
  - USA : **Five additional assays** approved (total of 150 assays); targeting **menu of 170+ assays** by Q4 FY18
  - Market introduction **on track in Japan** (H2 FY18) and **in China** (FY19)

1) Product availability varies by country
2) EMEA: Europe, C.I.S., Africa and Middle East

Two attractive bolt-on acquisitions closed in FY2018

POC Epocal

- Purchase price ~€170m (4x sales)
- **Siemens Healthineers now only vendor** to offer a full solution in blood gas from benchtop to handheld
- **Very competitive low-cost cartridge** design, **no refrigeration required**
- Significant synergies: (i) leveraging our sales force with 150 critical care experts (ii) process improvements and higher automation lowering production costs
- **>10% growth in Q2 FY18**; **FDA approval of BUN/TCO2** expected to accelerate further growth

MDX Fast Track Diagnostics

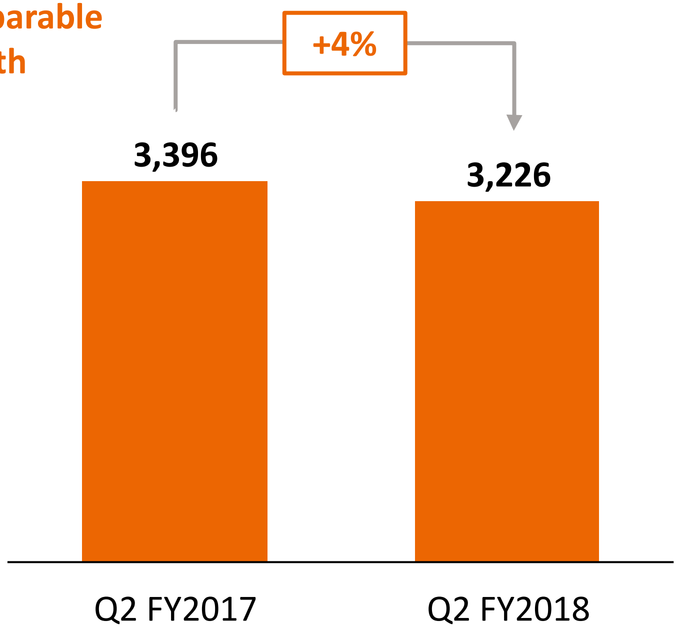
- Purchase price ~€80m (~3.8x sales)
- **One of the largest Molecular PCR test menu** in the industry for infectious disease with 80+ tests with **highly attractive cost position**
- First company launching CE marked Artifical Intelligence for Multisyndromic testing;
- Just launched **high risk HPV multiplex test**
- Significant synergies: (i) selling additional assays into existing installed base (ii) consolidation of operations
- **Strong Q2 growth with > 40%** driven by flu season

Strong performance despite FX headwinds

SIEMENS Healthineers

Revenue (€m)

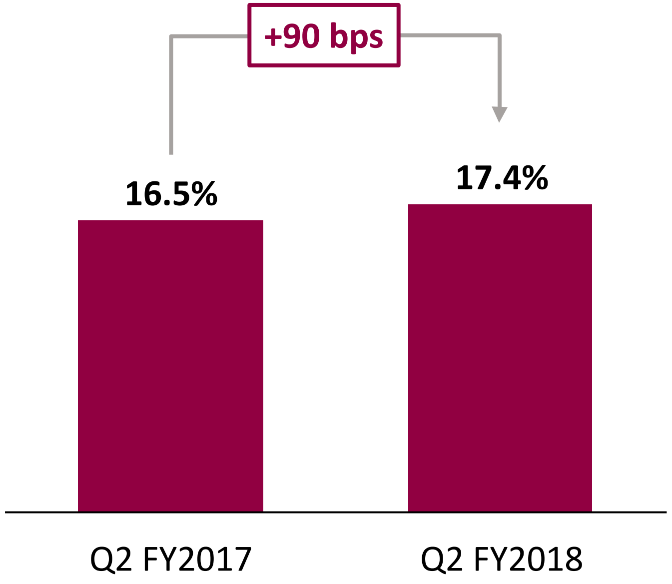
Comparable growth



- Overall comparable growth driven by strong Imaging business
- Regionally strong comparable growth in China (+12%) and solid growth in U.S. (+4%) and EMEA (+3%)

Adj. Profit margin[1] (€m)

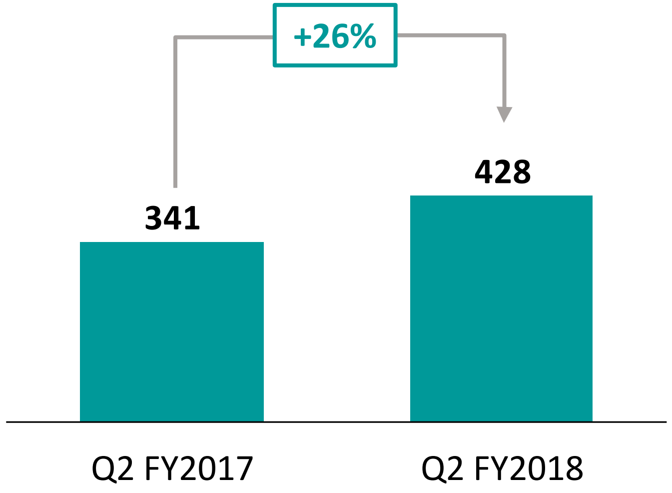
Y-o-y



- Adj. Profit margin up y-o-y by +90 bps despite FX headwinds
- Very good conversion of additional volume in Imaging combined with a favorable business mix

Adj. net income[1] (€m)

Adj. EPS[2] 0.34 0.42



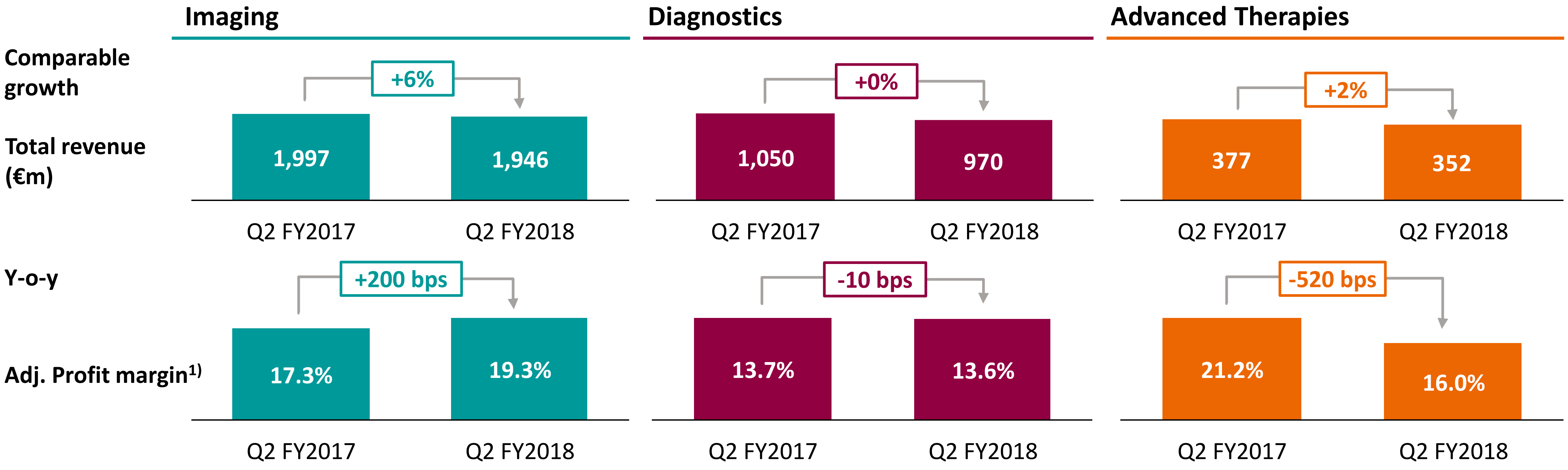
- Adj. net income up 26% on a one-off gain in financing interest (€27 mio) and a low tax rate benefitting from one-time gains related to completed tax audits

Note: Comparable growth defined as growth net of currency translation effects and portfolio effects.

1) 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).

2) Adj. net income excluding non-controlling interest and divided by 1,000 mio shares outstanding

Strong Imaging business driving overall performance



Imaging
- Strong comparable growth driven by MR, CT and Ultrasound
- Regionally strong growth particularly in the U.S. , China and Latin America
- Strong margins on good earnings conversion and favorable mix despite FX headwinds

Diagnostics
- Flat overall Q2 growth with growth in EMEA and Asia offset by weak Americas
- Margin supported by modest FX tailwind, but still affected by Atellica transition costs

Advanced Therapies
- Modest growth of 2% after a very strong growth Q1 FY18 results in good H1 growth of 5%
- Lower margin on very tough comps, considerable FX headwind, higher R&D and unfavorable mix

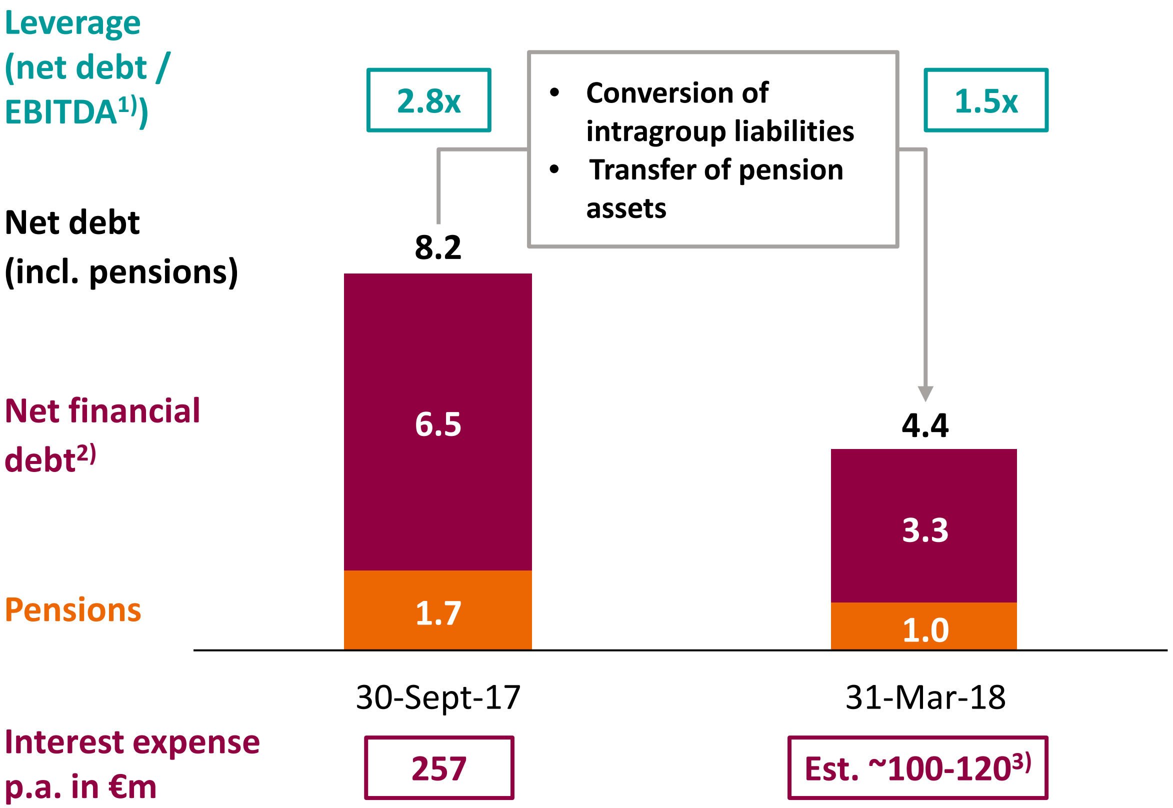
Note: Comparable growth defined as growth net of currency translation effects and portfolio effects.
1) Adjusted for severance charges

Capital structure post IPO as targeted

Summary balance sheet overview (as of March 31st 2018 in €m)

Cash and cash equivalents	196
Receivables from Siemens Group (financial cash)	1,687
Other current assets	5,007
Goodwill	7,911
Other intangible assets	1,545
Property, plant and equipment	1,673
Other non-current assets	808
Total assets	**18,828**
Short-term and long-term debt	72
Payables to Siemens Group (financial debt)	5,154
Other current liabilities	4,075
Provisions for pensions and similar obligations	1,037
Other non-current liabilities	690
Total liabilities	**11,029**
Total equity	**7,799**
Total liabilities and equity	**18,828**

Healthy capital structure post IPO (€bn)



- Currency: **Debt mainly USD-denominated**

1) Based on €2.9bn EBITDA (unadjusted) in FY2017.
2) Net financial debt defined as: payables to Siemens Group + short- and long-term debt – receivables from Siemens Group – cash and cash equivalents
3) Assuming financial debt structure as of March 31st 2018 for the full fiscal year. Financial debt according to balance sheet stated above and illustrative interest rate of 3%.

FY2018 guidance reaffirmed

SIEMENS Healthineers

	FY2017 (IFRS 15)	FY2018E	Comments on FY2018E
Revenue (€m)	13,677		• Comparable revenue **growth on a q-o-q basis can fluctuate** significantly • **Significant FX headwinds in FY2018E expected** resulting in slightly decreasing reported revenue
Comparable growth (%)	**3.8%[1)]**	**3-4%**	
Adj. Profit (€m)	2,458		• **Adjusted for severance and external costs related to the IPO** • **€50m** of **€240m cost savings** from **stand-alone setting** and **organizational efficiency program** to materialize in **FY2018E** (additional part in FY2019E and beyond)
Adj. Profit margin (%)	**18.0%**	**17-18%**	
Adj. net income (€m)	**1,540**		• **Adjusted for severance**, **external costs** related to the **IPO** and **PPA** • Estimated **net financial result** for 2018E of **€140-170m**; **significantly lower interest expenses** post implementation of **new capital structure** • **Effective tax rate: 28-30%**

Note: Comparable growth defined as growth net of currency translation effects and portfolio effects.
1) Refers to comparable revenue CAGR from FY2015 to FY2017 under old IFRS.

Appendix

Provisions decreased as targeted due to extraordinary fundings in Germany

SIEMENS Healthineers

Q2 FY2018 Key financials – Pensions and similar obligations

in €bn[1]	FY2015	FY2016	FY2017	Q1 FY2018	Q2 FY2018
Defined benefit obligation (DBO)[2]	(3.3)	(4.6)	(4.1)	(3.5)	(3.4)
Fair value of plan assets[2]	2.0	2.4	2.4	1.7	2.4
Provisions for pensions and similar obligations	**(1.2)**	**(2.1)**	**(1.7)**	**(1.8)**	**(1.0)**
Discount rate	3.7%	2.2%	2.8%	2.6%	2.7%
Interest Income	0.1	0.1	0.1	0.0	0.0
Actual return on plan assets	0.1	0.3	0.1	0.1	-0.0

1) All figures are reported on a continuing basis.
2) Fair value of plan assets including effects from asset ceiling (Q2 FY2018: €-0.0bn); difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q2 FY2018: €+0.0bn); Defined Benefit Obligation (DBO), including other post-employment benefit plans (OPEB) of ~€0.1bn

Reported to adjusted net income reconciliation

SIEMENS Healthineers

Position (€m)	Q2 FY2018	Q2 FY2017
Net income	**308**	**305**
therein: severance charges and IPO costs	-103	-14
therein: PPA amortization	-32	-37
therein: income tax effect[1)]	15	15
Adjusted net income[2)]	**428**	**341**

1) Calculated with a tax rate of 29.4% according to average FY17 tax rate on severance charges and PPA amortization
2) Adjusted for severance charges, IPO costs and for amortization of Intangible assets acquired in business combinations net of tax

Reported to adjusted Profit reconciliation

SIEMENS Healthineers

Position (€m)	Q2 FY2018 Healthineers	Q2 FY2018 Imaging	Q2 FY2018 Diagnostics	Q2 FY2018 Advanced Therapies	Q2 FY2017 Healthineers	Q2 FY2017 Imaging	Q2 FY2017 Diagnostics	Q2 FY2017 Advanced Therapies
Profit	**457**	**371**	**125**	**55**	**546**	**340**	**140**	**79**
therein: severance charges and IPO costs	-103	-5	-7	-1	-14	-6	-3	-1
Adjusted Profit[1)]	**560**	**376**	**132**	**56**	**560**	**346**	**144**	**80**

1) Adjusted for severance charges and IPO costs