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JP Morgan Healthcare Conference 2020

January 13, 2020

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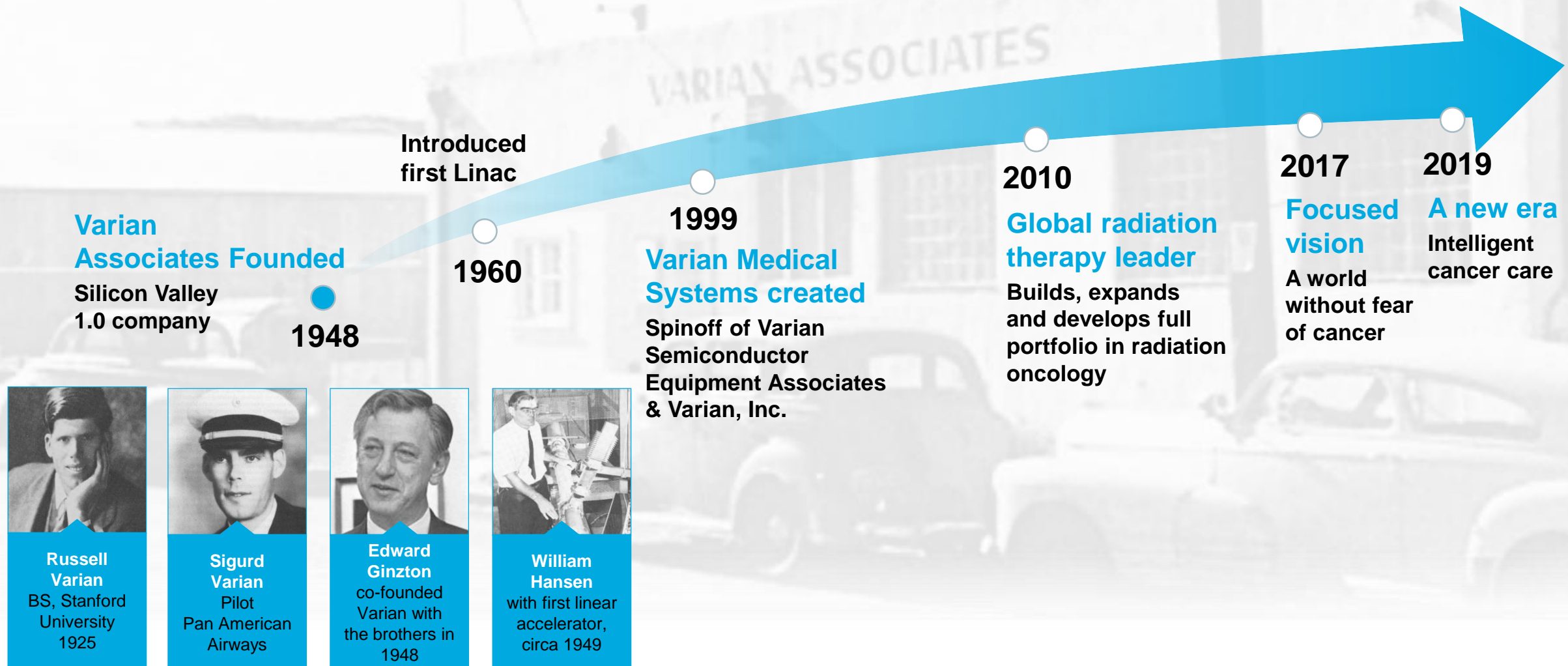
Forward-Looking Statements

Except for historical information, this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements concerning industry outlook, including growth drivers, future trends in cancer incidence and trends in cancer treatment needs, demand, innovation and growth opportunities; Varian Medical System, Inc.'s ("Varian" or the "company") future orders, revenues, backlog earnings or cash flow growth or trends; future financial results; market acceptance of or transition to new products or technology such as our Edge[®] radiosurgery system, TrueBeam[®], HyperArc[™], 360 Oncology[™], HALCYON[™], BRAVOS[™], Ethos[™], image-guided radiation therapy, stereotactic radiosurgery, proton therapy, and interventional oncology products, and any statements using the terms "could", "believe", "expect", "outlook", "anticipate", "vision", "estimate", "future", "horizon", "aiming", "driving", "target" or similar statements are forward-looking statements that involve risks and uncertainties that could cause the company's actual results to differ materially from those anticipated. Such risks and uncertainties include global economic conditions and changes to trends for cancer treatment regionally; new and potential future tariffs or a global trade war; the impact of changes to the Affordable Health Care for America Act (including excise taxes on medical devices) and any further healthcare reforms (including changes to Medicare and Medicaid), and/or changes to third-party reimbursement levels; currency exchange rates and tax rates; the impact of the Tax Cuts and Jobs Act; demand for the company's products; the company's ability to develop, commercialize, and deploy new products; the company's ability to meet Food and Drug Administration (FDA) and other regulatory requirements for product clearances or to comply with FDA and other regulatory regulations or procedures, changes in the regulatory environment, including with respect to FDA requirements; the company's assessment of the goodwill associated with its proton business, challenges associated with the successful commercialization of the company's proton business; the risks associated with providing financing for the construction and start-up operations of proton therapy centers; the effect of adverse publicity; the company's reliance on sole or limited-source suppliers; the company's ability to maintain or increase margins; the impact of competitive products and pricing; the potential loss of key distributors or key personnel; challenges to public tender awards and the loss of such awards or other orders; and the other risks listed from time to time in the company's filings with the Securities and Exchange Commission, which by this reference are incorporated herein. The company assumes no obligation to update or revise the forward-looking statements in this presentation because of new information, future events, or otherwise. Reconciliations to GAAP financials can be found in our earnings press releases at www.varian.com/investors.

Medical Advice Disclaimer

Varian as a medical device manufacturer cannot and does not recommend specific treatment approaches. Individual treatment results may vary.

70 years of leadership in medical technology



Varian today – focus driving strong operational execution

Confidence in our long-term strategy

2017: Global Leader in Radiation Therapy

2% 3Y Oncology
Orders CAGR

\$2.6B
FY17 Revenue

7,800+
Linac Installed Base

4,500+
Software Installs

2.8M
Patients Touched

75
NPS Score**

Oncology Systems

Proton Therapy

2019: Global Leader in Radiation Therapy, AND Building a Multi-Modality Cancer Company

8% 3Y Oncology
Orders CAGR

\$3.2B 23%*
FY19 Revenue

8,500+ 9%*
Linac Installed Base

5,500+ 22%*
Software Installs

4M+ 40%+*
Patients Touched

78
NPS Score**

Oncology Systems
Oncology Software Solutions
CTSI

Others
Interventional Solutions
Cardiac Radioablation

Proton Solutions

Sustainability at Varian

Operational highlights



Greenhouse Gas Emissions

23% reduction
(tCO2e per \$ sales).*



Electricity and Natural Gas

22% reduction
(kWh per \$ sales) in electricity use.*

53% reduction
(MMbtu per \$ sales) in natural gas use.*



Solid Waste

26%
of solid waste diverted from landfill disposal.*



Hazardous Waste

23% decrease
(tons per \$ sales) in hazardous waste generated.*

Recent Recognitions

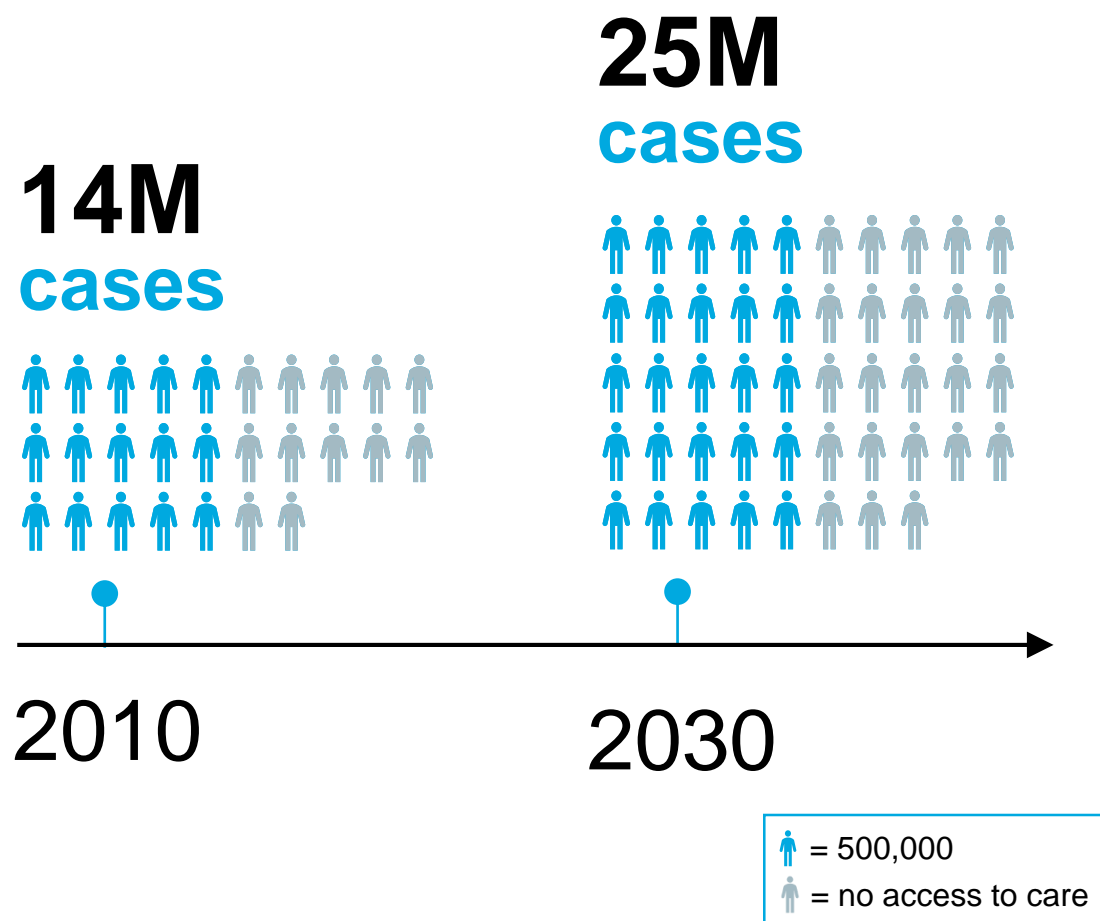


BARRON'S

Top 100 Most Sustainable US Companies in 2019

- Top 50 Corporate Philanthropists – San Jose Business Journal
- Top 100 Corporate Philanthropists – San Francisco Business Times

Global cancer burden is rising



~22,000*

Linacs needed by 2035, with greatest need in low and mid-income countries

90%

of patients don't have access to RT in low income countries



~150K

RT specialists needed globally by 2035

A new level of patient care is imperative...

Building a holistic view of the patient

Bringing people, technology and data together, connecting patient and provider at all points of care



A more comprehensive, streamlined, fully integrated, and smarter way to fight cancer



And Varian is the leader who is primed to do it



Investing in innovation

~\$1.5B

Total organic and inorganic investment over 4 years

>50%

Headcount
invested in
software

>1000

R&D
engineers

>200

Active
patents

>120

Active clinical
collaborations

13

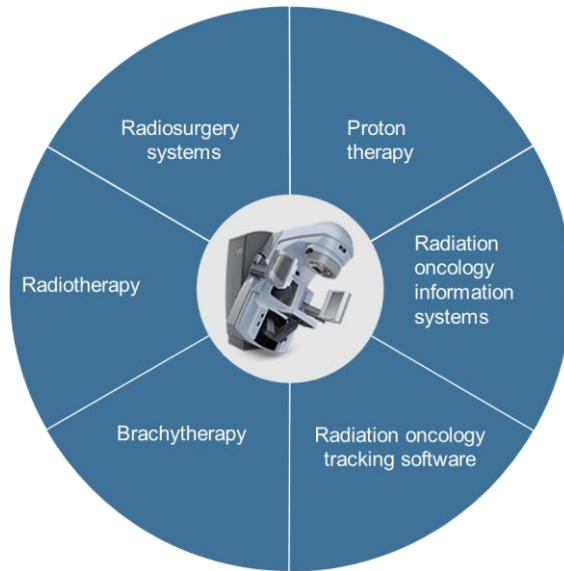
Countries
with R&D

Building strength in multi-disciplinary cancer care

Long-term growth and value creation strategy

'17

Global Radiotherapy
Leader | **2.8M Patients**



Innovate in Radiation Therapy

Develop product portfolio via insights from **data & new clinical evidence**

Leverage Artificial Intelligence, Machine Learning, and Cloud Solutions

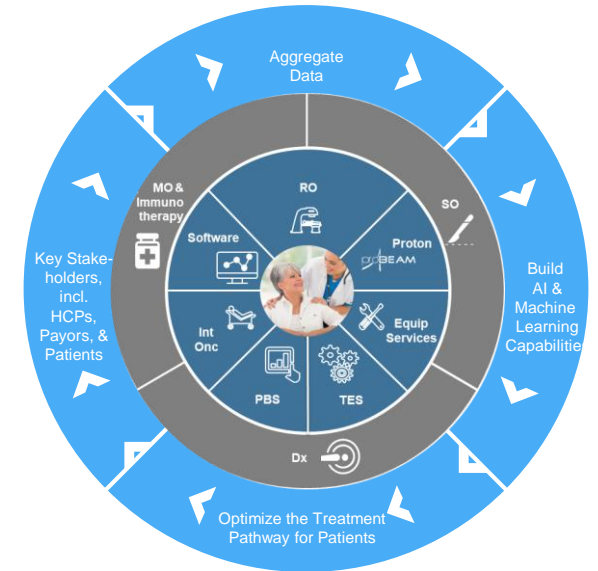
Automate **workflow throughout cancer continuum** with human knowledge + data intelligence

Grow Emerging Businesses, Geographies and Technologies

Add new modalities to touch more patients

Future

Cancer Operating
Platform | **20M Patients**



Goals

- ✓ **20M+** patients touched
- ✓ New **business deployment models**
- ✓ **Continuous** innovation cycle

Intelligent Cancer Care™

Oncology Systems



Market Leader

4M+ patients touched/year

~8,500 largest installed base

Customer Satisfaction

78 NPS #1 IMV Rating

\$1.4B+ #1 rated services business

100K+ software users at 5K+ sites

Innovation Leader

>\$3B revenues; 47% services

Global market share leader

>\$2B R&D spend in last decade

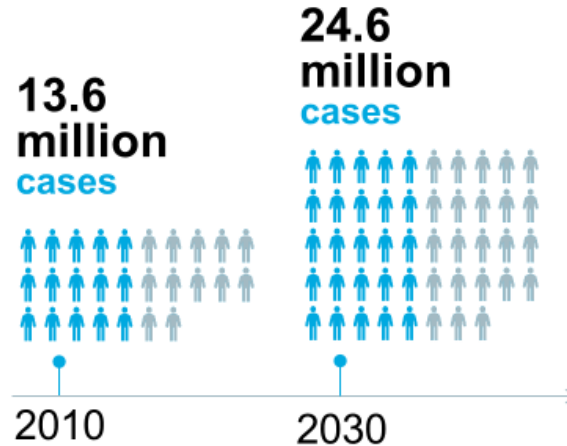
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The gap in care is widening

Demographics driving needs & market growth

Cancer burden is growing

1 of every two males and **1** of every three females will have cancer at some point in their lives*



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Skills gaps throttling global care expansion.....

By 2035 we will need an additional 150,000 skilled clinicians

What is Needed	2015	GAP	2035
Radiation Oncology Centers	7,700	3,200	10,900
Linear Accelerators	13,100	21,800*	21,800
Radiation Oncologists	23,200	22,300	45,500
Medical Physicists	10,000	29,300	39,300
Radiation Technologists	33,300	96,900	130,200

Source: Expanding global access to radiotherapy, Lancet Oncol. Vol 16, Sept. 2015
 * 8,700 new machines + 13,100 replacements = 21,800 machines needed

AI is key to closing the gap

- ✓ Automate
- ✓ Efficiency
- ✓ Simplify
- ✓ Quality



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Current RT market growing mid-single digits
with increasing global demand*

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Varian's market outlook

8% 3 year global orders CAGR

North America

- Primarily replacement market w/market share leadership
- Increasing use of SRS/SBRT
- Portfolio well positioned for value based care

South America

- Accelerating Cobalt and low energy replacements
- Efforts to enhance govt. funding for RT

Western Europe

- Replacement markets
- Focus on innovation & efficiency
- 10 consecutive quarters of double digit growth

Africa

- Increased focus by WHO on NCD's (Cancer)
- MOH of many countries increasing focus on cancer plans

Russian Federation

- Over 200 Cobalt systems
- \$15B government oncology program (2019-2023)

India

- Primarily private market
- Increasing public expansion through (Ayushman Bharat)

China

- Expanded Cat A/B license plan
- County level RT care expansion
- Expanding private sector

Japan

- Low IMRT utilization with opportunity for increase
- Cyclical replacement market w/strong services platform

ANZ

- Government announced \$90M cancer care plan
- Key partnerships with ICON & GenesisCare

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Changing clinical practice addressing growing cancer burden

Increasing demand for Varian technology

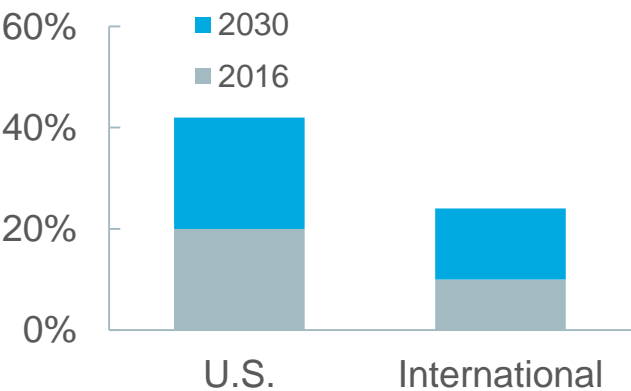
By 2030:

SRS/SBRT utilization growing worldwide and driving demand for SRS/SBRT equipment

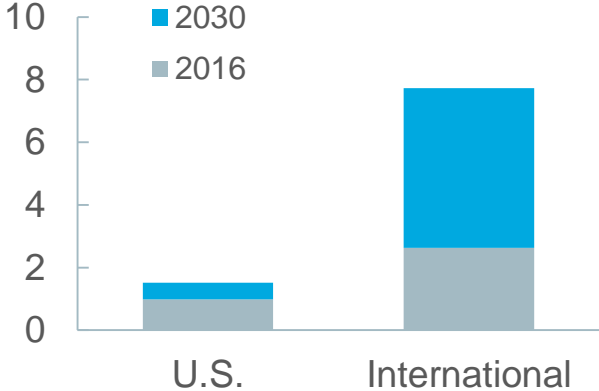
*Patients treated with radiotherapy expected to more than double outside the U.S., driven by cancer burden and increased utilization**

Fractions demanded growing faster outside the U.S. and driving demand for high-quality radiotherapy

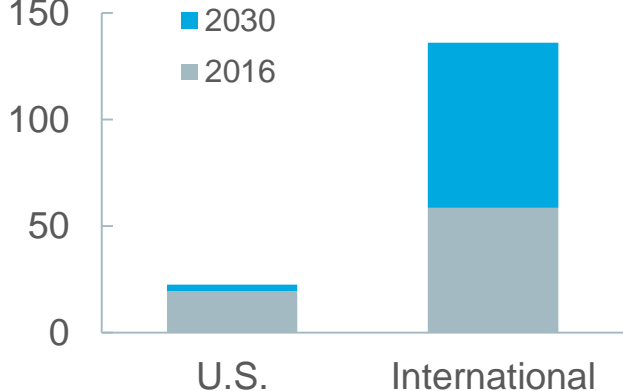
SRS/SBRT Utilization (%)



Patients Treated with RT (M)



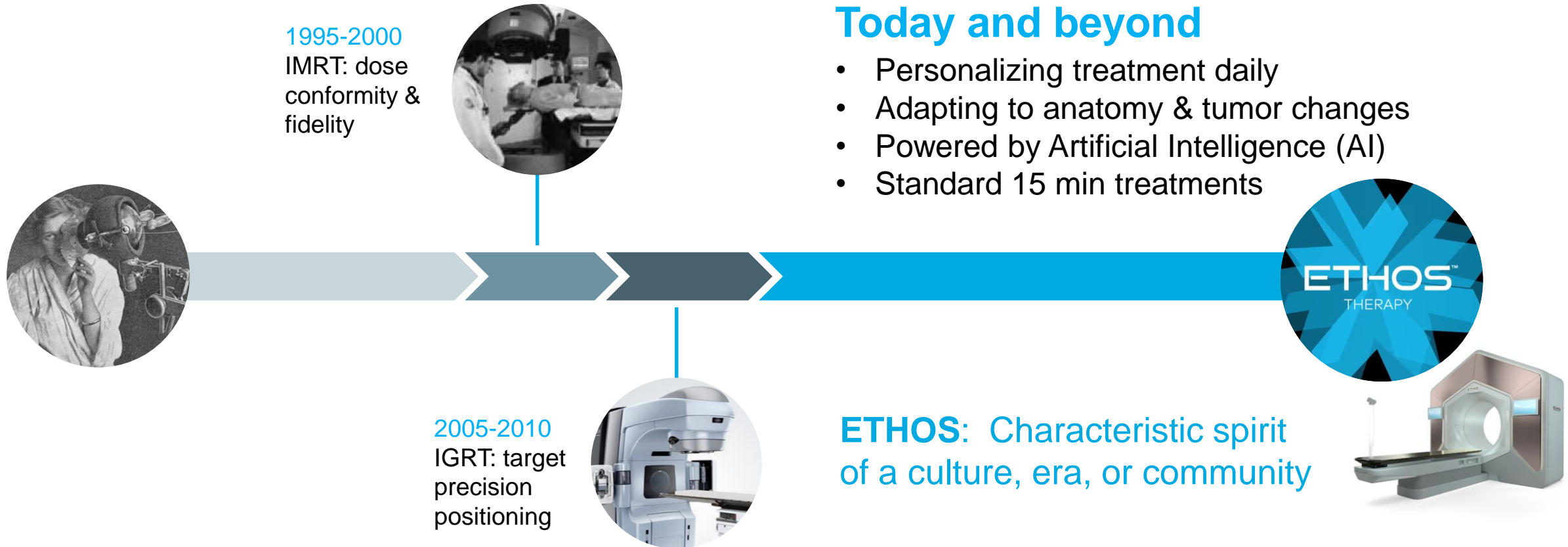
Fractions Demanded (M)



↑ **100%+ Increase in WW Fraction Demand by 2030**

Realizing personalized adaptive radiation therapy

The culmination of a multi-decade pursuit of innovation



Varian radiotherapy ecosystem

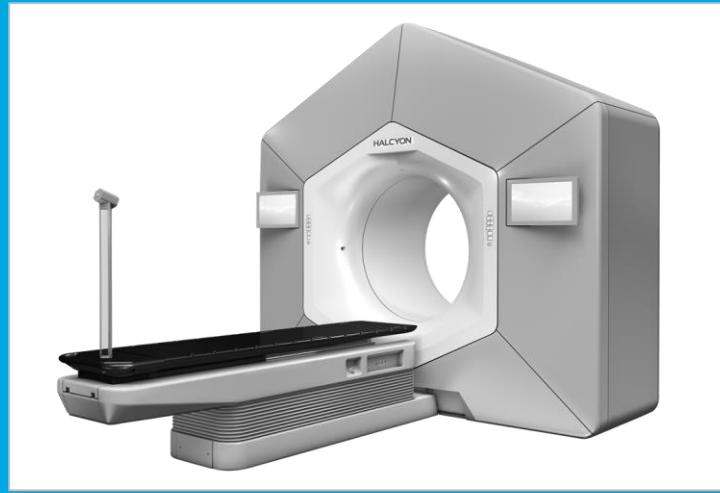


TrueBeam® Family

Leader in image guidance

SRS/SBRT capable

3,000+ systems shipped*

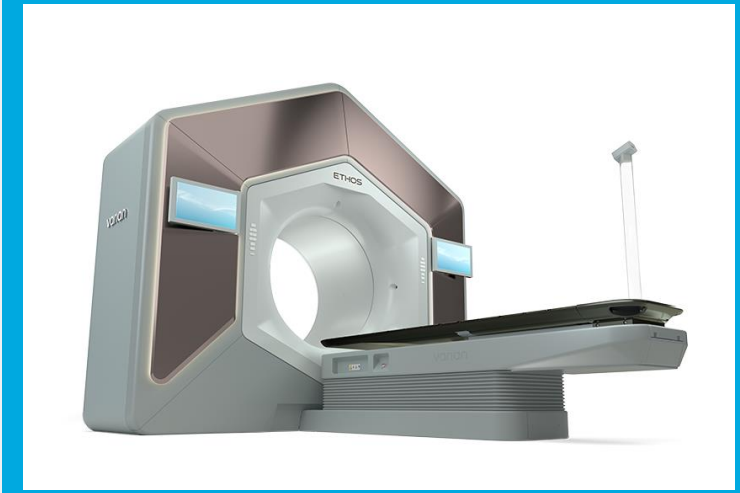


Halcyon™

Simplified and automated user experience – treat in 9 steps

Small footprint, fits in Cobalt bunker

~400 orders; **50%** emerging markets*



Ethos™

AI-powered, streamlined workflows

Access to **CT, MR, PET** images

Patient centric,
100cm bore/ quiet delivery

**Enabling adaptive treatment
delivery in a 15-minute timeslot!**

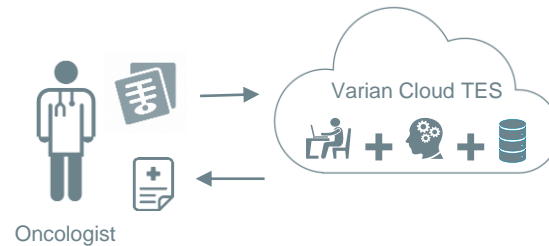
Technology enabled services (TES)

Expand RO, extend modalities and accelerate AI

\$3B+
TES TAM

Unmet market need

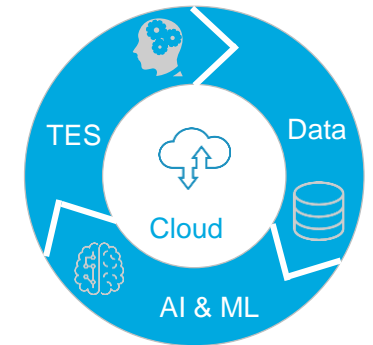
- **Emerging Market**
Dosimetry/Physics gap
- **Developed market:**
Optimization & tech adoption



Varian solution

- Services enabled by technology
- AI-augmented

ctsi
oncology practice solutions
A VARIAN COMPANY



Creating incremental recurring revenue stream

Expand & Improve RO

- Emerging markets
- Large integrated oncology networks
- Community health systems

Extend to New Modalities

- Multi-modal image-guided cancer treatment planning
- Interventional oncology & theranostics (US, EU, Australia)

Accelerate AI

- Capture patient data when delivering TES to accelerate AI development

Illustrative opportunity: UMC Health System

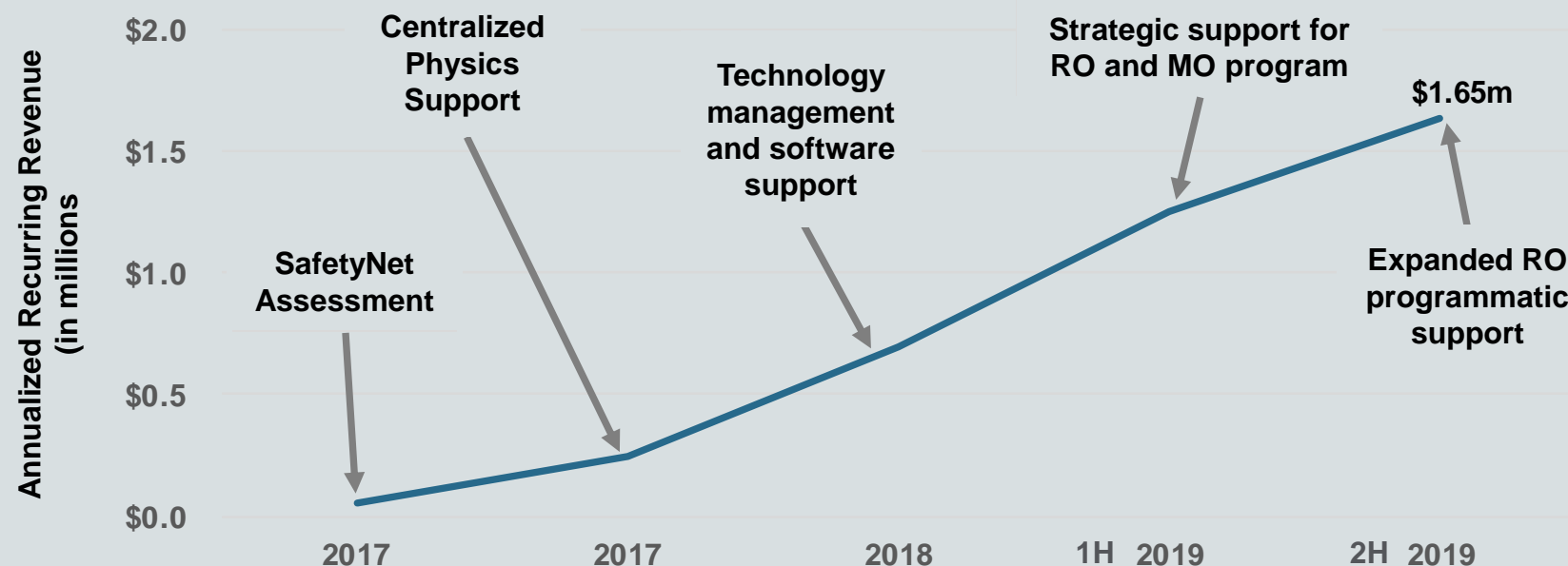
Technology enabled services engagement



- Large public health system and primary teaching hospital for Texas Tech University
- Increasing levels of support over the past two years
- Numerous achievements that support expansion of UMC's oncology program

Achievements to date

- Programmatic improvements
- Improved staff morale
- Increased volume by 30% and revenue by 35%
- ACR compliance
- Increased HDR and SRS workload
- Commissioned several new technologies



noona | Patient reported outcomes

Improved Quality of Life



Symptom reporting
Treatment education
Care team messaging
Automated interventions

Personalized Care

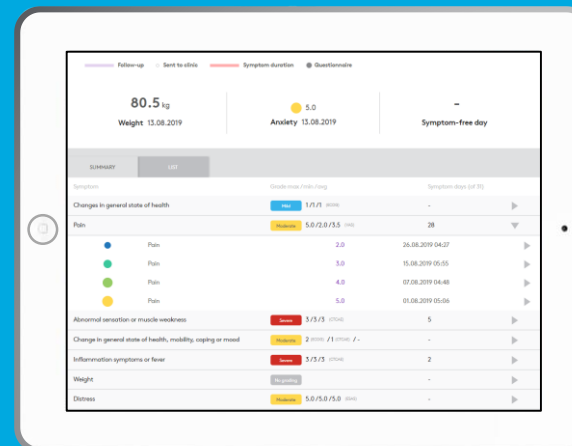
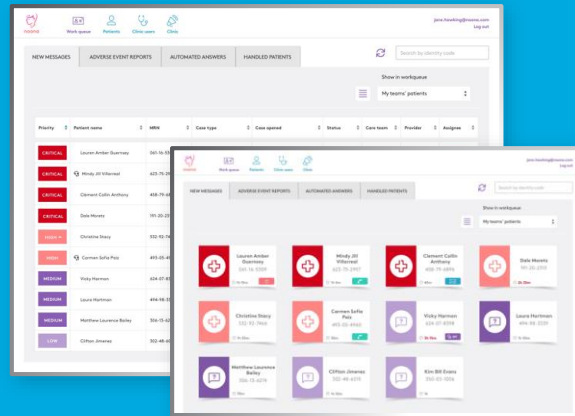
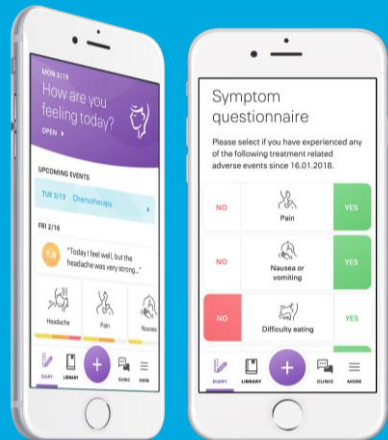


Clinical decision support
Patient messaging
Survey automation
Telephone triage

Intelligent Cancer Care



Outcomes analysis:
• Clinical
• Financial
• Operational



19 cancer centers
22,000 patients per year
breast, lung, colorectal

Live
July 2019



Proton Solutions



Benefits over traditional radiation therapy in **targeting** and reducing **toxicity**

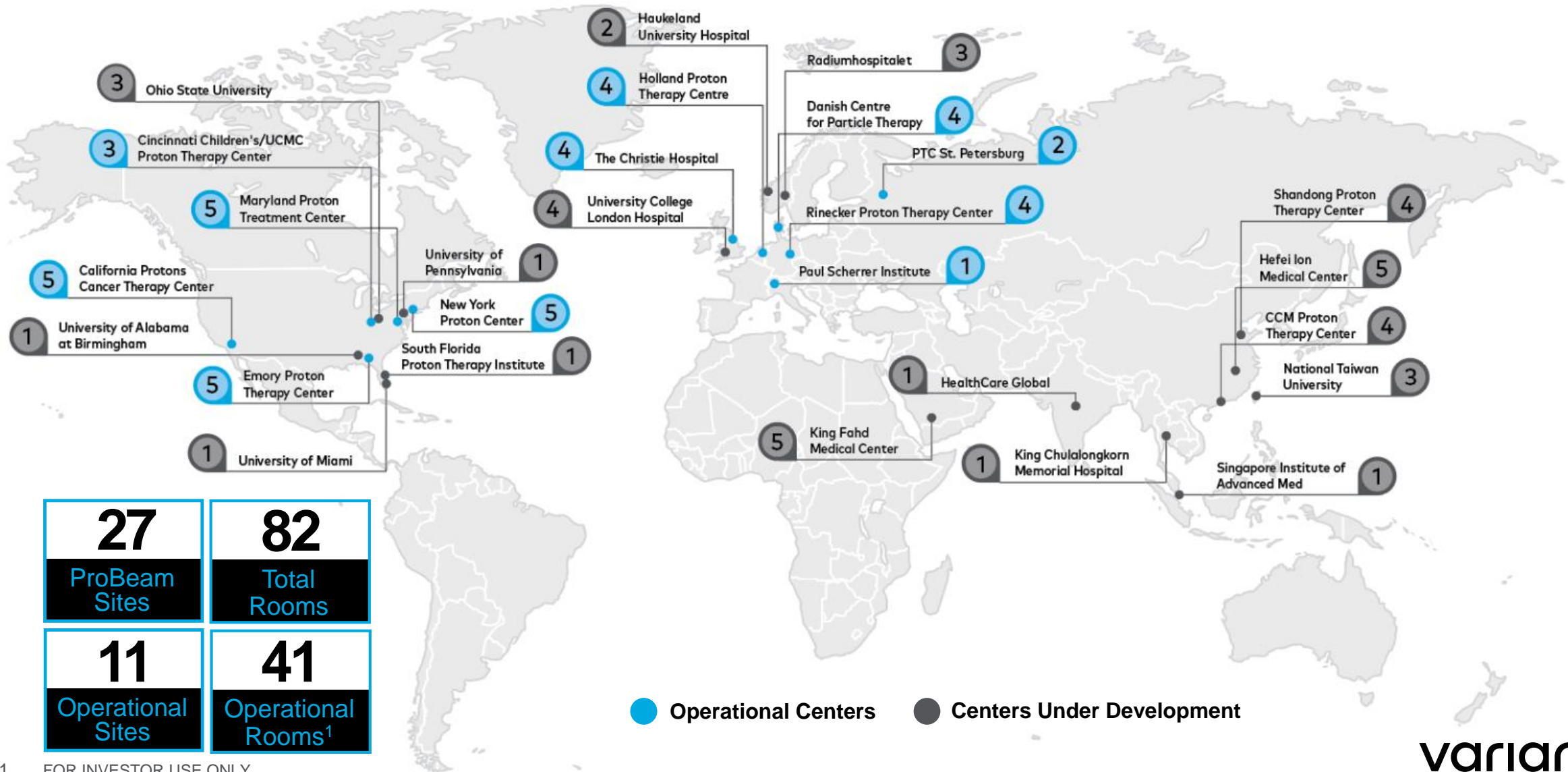
Leverage expertise in conventional radiotherapy and apply to proton therapy to improve clinical utility and reduce cost of treatment per patient

Develop unique integrated proton solution with optimized workflows for RT failure disease sites: Liver, GBM, CNS, Oligometastases, and recurrent disease

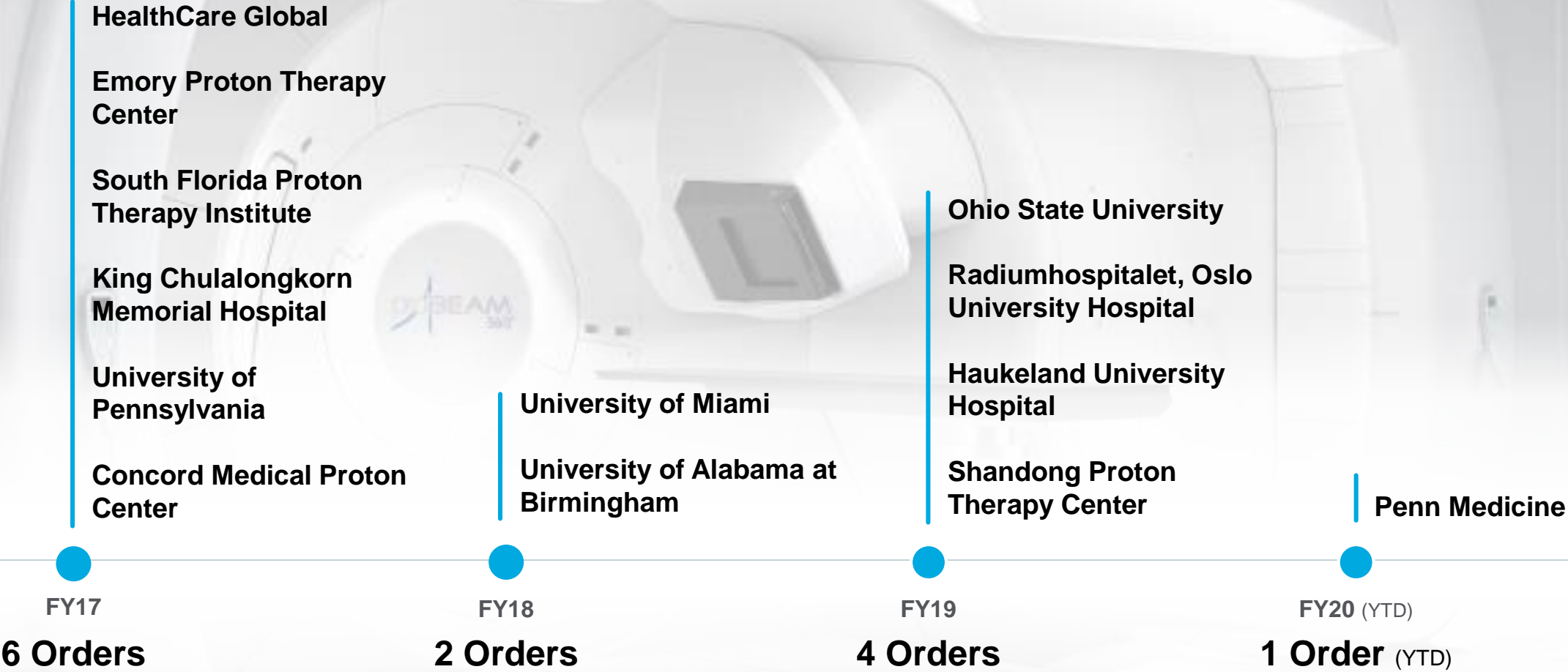
Opportunity for growth to achieve market share similar to our Oncology Systems business

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ProBeam global footprint expansion



Proton orders trends



(Interventional Oncology)



Opportunity to become the **first and only provider** with an end-to-end suite of integrated hardware and software solutions for interventional oncology

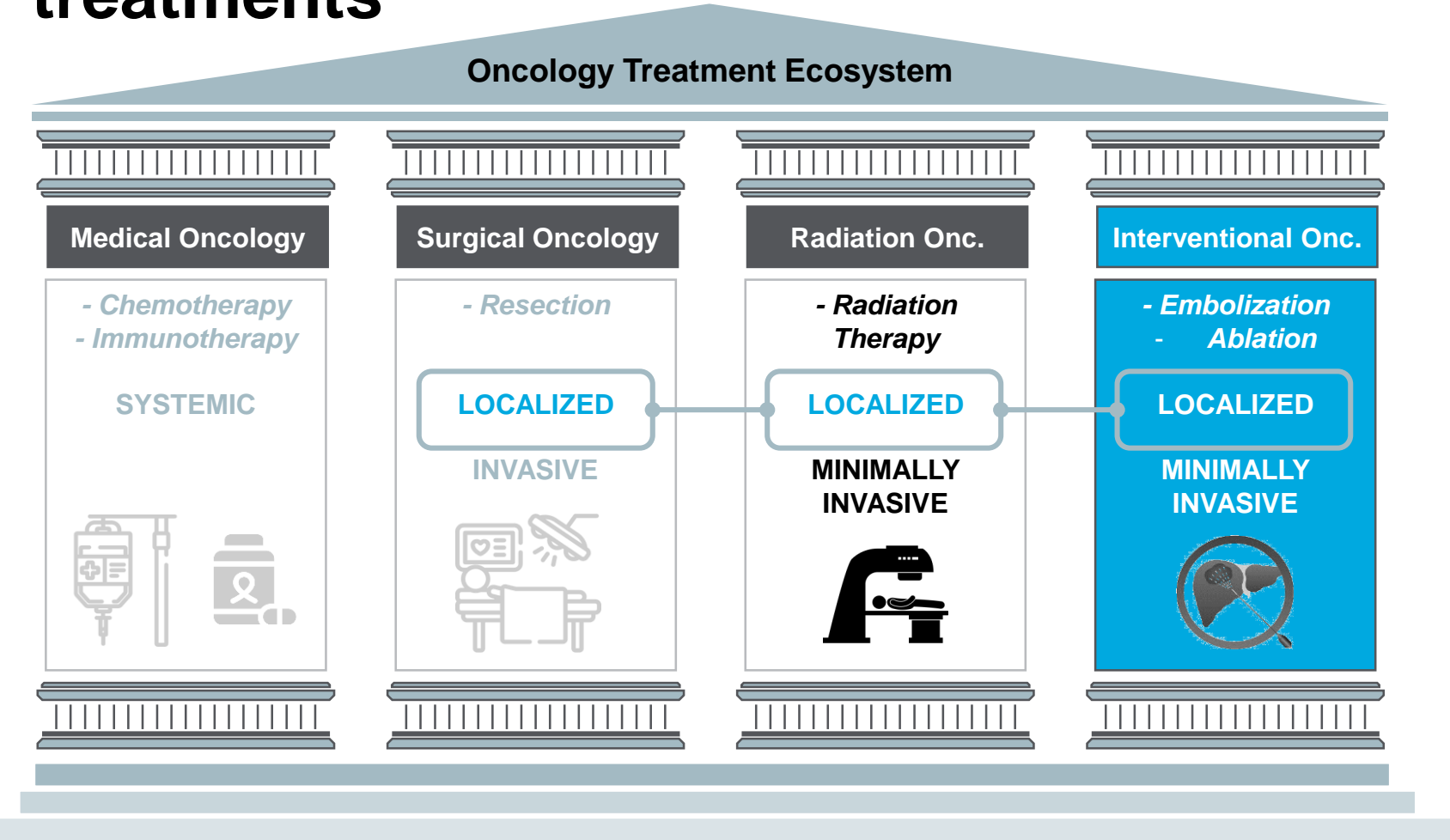
Right-to-win, building a global commercial footprint & strong core competencies

Enables us to expand **Varian's footprint across the cancer care continuum**

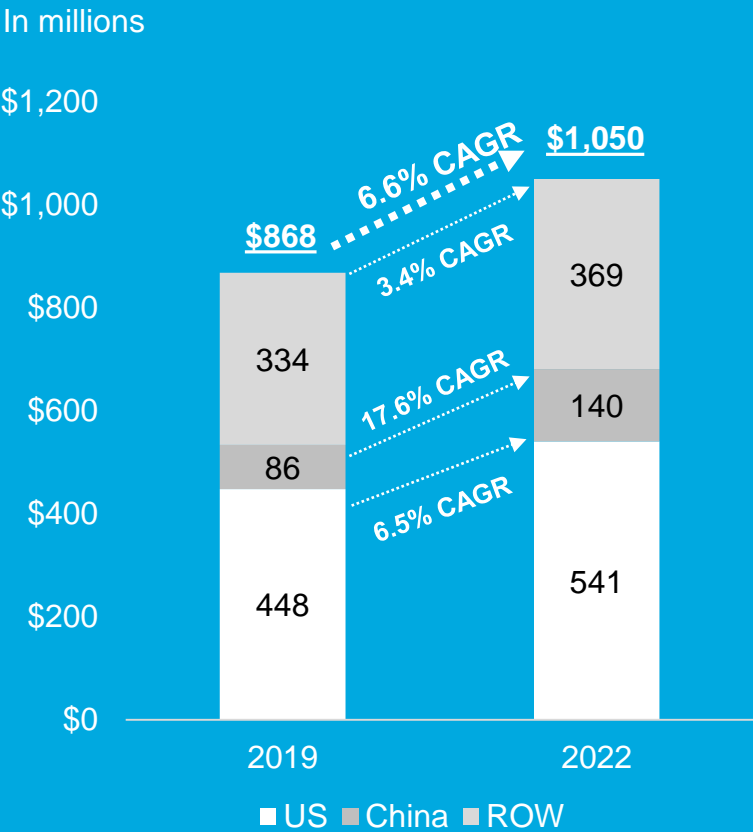
Opportunity to win in \$1.1 billion interventional oncology market*

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Interventional oncology is rapidly becoming the fourth pillar of oncology treatments

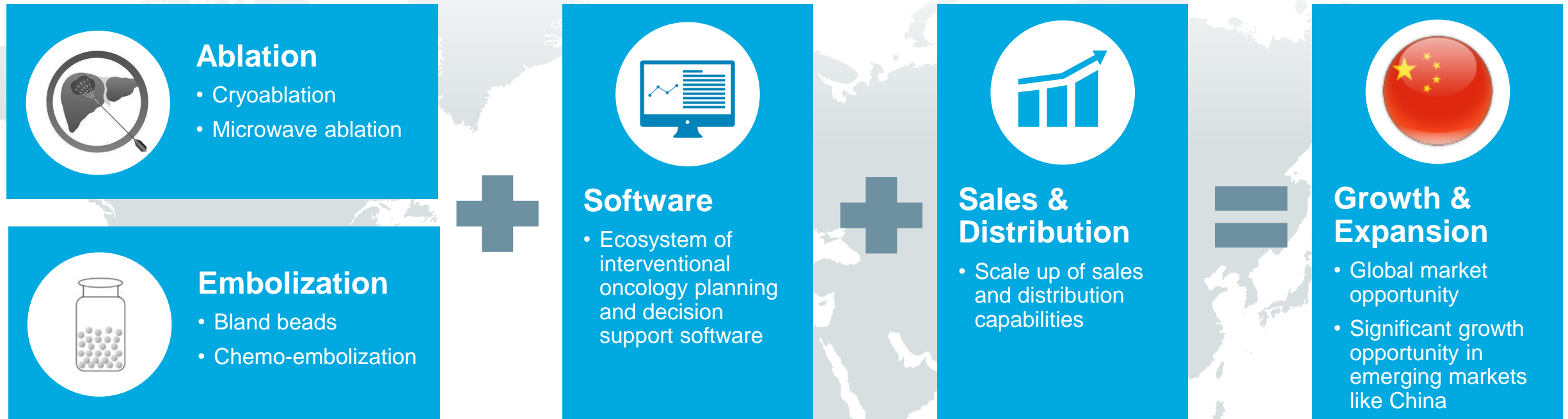


Ablation and Embolization
Worldwide Market Value (\$M)*

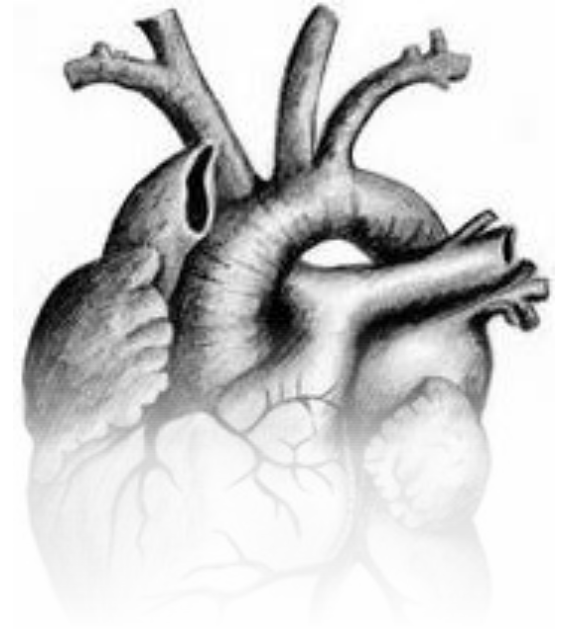


*Based on primary and secondary research conducted by Varian

Varian's vision for interventional oncology solutions business



Cardiac Radioablation



Non-invasive targeting and single-dose SBRT for patients with refractory **Ventricular Tachycardia (VT)**

1M VT incidence in US¹

300K VT deaths per year in US²

60K VT catheter ablations per year¹

Innovating in the space of cardiac radioablation is an **extension of our core business** in radiation medicine

Strong IP allows Varian to lead the advancements in cardiac radiation therapy care

Opportunity to play in a \$420M VT ablation market

Varian cardiac radioablation solution strategy

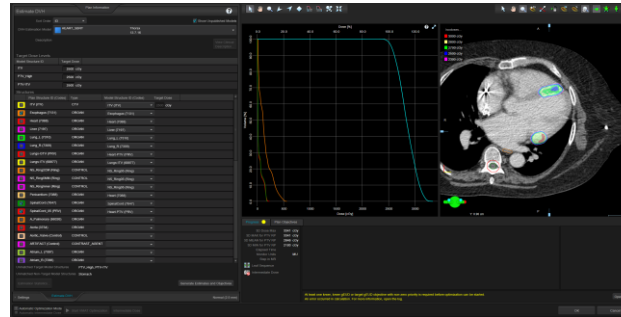
Targeting Platform

Identify ablation volume



Eclipse™ Treatment Planning

Create highly-conformal SBRT plan



TrueBeam® / EDGE® Linac

Deliver fast, accurate treatment



- **Establish clinical consortium** to inform product development
- **Develop end-to-end solution** for non-invasive cardiac radioablation
- **Conduct clinical trial** to demonstrate safety and effectiveness

In summary, we are...



Innovating in radiation therapy



Leveraging artificial intelligence, machine learning and cloud solutions



Growing emerging businesses, geographies and technologies



Improving operational, financial, and capital efficiency

Long Range Targets (FY19-FY24)

Revenues Growth

**8% to 11%
CAGR**

Operating Earnings Growth

**1.5x to 1.7x
Rev CAGR**
(20% - 22%
Operating Margin)

Cash Flow from Operations*

**65% to 70%
of EBITDA**

Increasing our patient impact

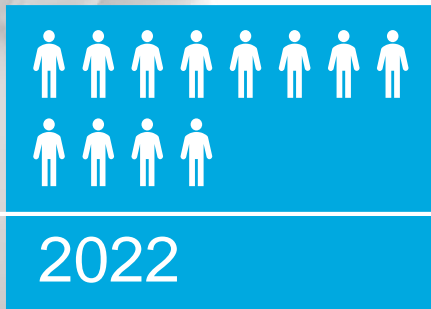
2.8M
patients
touched/year



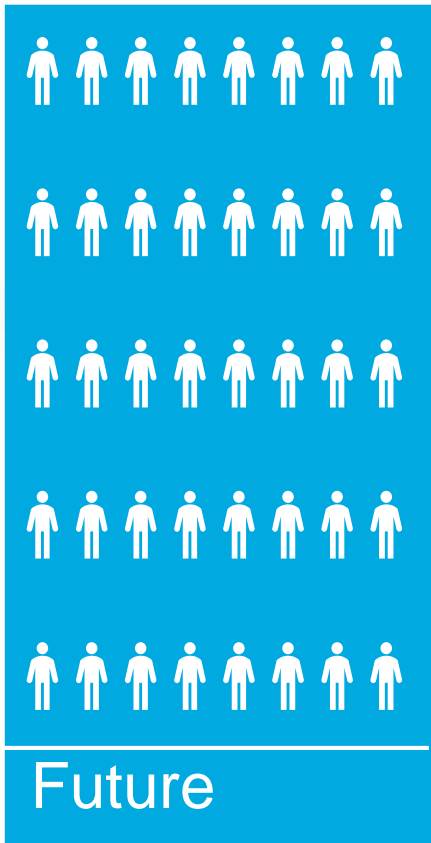
4M+
patients
touched/year




6M+
patients
touched/year



20M+
patients
touched/year



 = 500,000

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VISION **A world without fear of cancer**

MISSION **To combine the ingenuity of people with the power of data and technology to achieve new victories against cancer**

**CULTURAL
BELIEFS**

& Beat Cancer

I find new ways to expand Varian's role in helping people beat cancer.

(Inspire People)

I am passionate about our mission, which inspires me to develop myself and those around me.

*** Act as One**

I build partnerships across organizations and geographies to deliver Varian's key results.

Engage Now ●●●

I listen actively, speak fearlessly, and include diverse perspectives to make better decisions.

Count on Me =

I take accountability to achieve Varian's key results and understand what I need to do.