

#FutureFresenius

QUARTERLY FINANCIAL REPORT

Q3 | 2023

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FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a global healthcare group. We offer system-critical products and services for leading therapies for care of critically and chronically ill patients. The Fresenius Group comprises the Operating Companies Fresenius Kabi and Fresenius Helios and the Investment Companies Fresenius Medical Care (in accordance with IFRS 5) and Fresenius Vamed.

REVENUE AND EARNINGS

€ in millions	Q3/2023	Growth	Growth in constant currency	Q1-3/2023	Growth	Growth in constant currency
Revenue	5,518	2%	6%	16,621	5%	7%
EBIT ¹	519	8%	10%	1,628	0%	0%
EBIT margin ¹	9.4%			9.8%		
Net income ^{1,2}	344	-7%	-5%	1,108	-14%	-13%

BALANCE SHEET

€ in millions	Sep. 30, 2023	Dec. 31, 2022	Change
Total assets ³	75,328	76,400	-1%
Equity ⁴	30,282	32,218	-6%
Equity ratio ⁴	40.2%	42.2%	
Net debt/EBITDA ^{1,5}	4.03	3.80	

PROFITABILITY

	Q1-3/2023	Q1-3/2022
Cash Conversion Rate (CCR); LTM	0.9	0.7
Return on equity after tax (ROE) ^{1,2,6}	7.8%	8.5%
Return on operating assets (ROOA) ^{1,6}	5.6%	6.1%
Return on invested capital (ROIC) ^{1,6}	5.0%	5.6%

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ Including Operations to be deconsolidated (Fresenius Medical Care in accordance with IFRS 5)

⁴ Including noncontrolling interests

⁵ At LTM average exchange rates for both net debt and EBITDA; pro forma acquisitions/divestitures; including lease liabilities, before special items, including FMC dividend

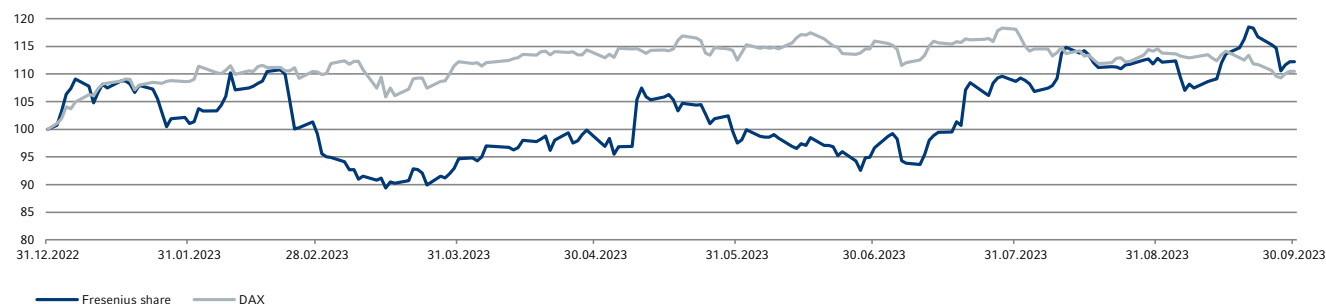
⁶ 2022: annual return FY/22

SHAREHOLDER INFORMATION

The short-term economic outlook has deteriorated over the course of the third quarter of 2023 partly due to tighter financing conditions. Hopes for an easing of inflation and a more stable economic situation remain in the medium term. Overall, the DAX gained 9% in the first nine months, while the Fresenius share closed at €29.46, an increase of 12%.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2022 = 100%



KEY DATA OF THE FRESENIUS SHARE

	Q1-3/2023	2022	Growth
Number of shares (Sep. 30/Dec. 31)	563,237,277	563,237,277	0%
Stock exchange quotation ¹ in €			
High	31.11	37.88	-18%
Low	23.46	20.04	17%
Period-end quotation closing price in €	29.46	26.25	12%
Ø Trading volume (number of shares per trading day)	1,257,237	1,590,013	-21%
Market capitalization ² in million € (Sep. 30/Dec. 31)	16,593	14,785	12%

¹ Xetra closing price on the Frankfurt Stock Exchange

² Total number of ordinary shares multiplied by the respective Xetra period-end quotation on the Frankfurt Stock Exchange

DEVELOPMENT IN THE THIRD QUARTER OF 2023

For the euro zone, the ECB Council raised the key interest rate again by 0.25% to 4.5% in mid-September 2023. The central bank's current forecasts for real GDP have been revised downwards by 0.2% for the current reporting year and by 0.5% for 2024 compared to the June 2023 forecasts. The decline is mainly due to tighter financing conditions, poorer short-term growth prospects and a stronger exchange rate in the euro zone.

In its latest forecast, the Federal Reserve expects the U.S. economy to grow by 1.0% in 2023. The key interest rate range of 5.25 to 5.5% was confirmed in mid-September 2023. This is a pause in the interest rate hikes that have been in place since March 2022 in order to combat rising inflation.

In this economic environment, the DAX increased by 9% to 15,387 points in Q1-3 2023. The Fresenius share recorded an increase of 12% in the same period and closed at €29.46 on September 30, 2023.

INTERIM GROUP MANAGEMENT REPORT

#FutureFresenius continues to provide positive momentum: Fresenius delivers strong third quarter performance and improves operating earnings outlook

- ▶ Application of IFRS 5: Fresenius Group financials for the first time presented excluding Fresenius Medical Care
- ▶ Excellent Group revenue growth of 6% in constant currency to €5.5 billion driven by Operating Companies and Fresenius Vamed
- ▶ Group EBIT increased 10% in constant currency reflecting strong performance of Operating Companies; Fresenius Vamed with operational improvement
- ▶ Fresenius Kabi with strong organic revenue growth of 7% at top-end of structural growth band; EBIT margin remains within structural band at 14.3%
- ▶ Fresenius Helios with strong organic revenue growth of 5% at top-end of structural growth band despite usual summer effect in Spain
- ▶ Fresenius Vamed's transformation progressing
- ▶ Deconsolidation of Fresenius Medical Care effective by December 2023
- ▶ Divestments advancing: exit of hospital operations in Peru
- ▶ FY/23 structural productivity savings target of ~€200 million excluding Fresenius Medical Care already achieved in first nine months
- ▶ Group revenue outlook confirmed, Group EBIT outlook improved

STRATEGY AND GOALS

AT THE HEART OF HEALTHCARE

Demographic change is posing fundamental challenges to societies worldwide. Not only are people living longer, but the pace of population aging is also increasing significantly. As a result, the social and healthcare systems of many countries are coming under increasing pressure. As the average age of the population increases, so does the

number of critically and chronically ill patients.¹ A longer life, however, also offers opportunities for individuals and societies. The extent to which these opportunities can be leveraged depends heavily on one factor: health.

At Fresenius, we are at the heart of healthcare. At the core of everything we do is our purpose: Advancing Patient Care. In line with this purpose, we offer healthcare products and services for critically and chronically ill individuals, in line with the megatrends of health and demographics. We

improve people's lives by providing high-quality and affordable healthcare. In doing so, we consider significant medical paradigm shifts in the healthcare environment with regards to biologic products and therapies, technological change and new forms of data generation, processing and usage. We aim to expand Fresenius' position as a leading global provider of products, services, and therapies for critically and chronically ill people. At the same time, we want to grow profitably and use our capital efficiently, in order to

¹ WHO 2021: "Ageing and health"

create value for our stakeholders and enable us to continue investing in better medicine.

To improve our management effectiveness and enable a targeted approach to capital allocation, we are differentiating between our operating companies, Fresenius Kabi and Fresenius Helios (each with 100% ownership share) and our strategic capital investments Fresenius Medical Care (32% ownership share) and Fresenius Vamed (77% ownership share).

Fresenius will deconsolidate the business segment Fresenius Medical through a change of legal form of Fresenius Medical Care AG & Co. KGaA into a stock corporation (Aktiengesellschaft). Further information is provided within the section “Deconsolidation of Fresenius Medical Care”. Additional information on Fresenius Vamed is provided with the section “Transformation of Fresenius Vamed”.

Fresenius runs operating companies and strategic capital investments in key healthcare areas indispensable for critically and chronically ill patients. We continuously develop our business areas and strive to assume leading positions in system-critical healthcare markets and segments. We orient our portfolio towards healthy, profitable growth, a strong focus on margins and capital returns, and the highest ambitions for operational excellence and competitiveness.

At Fresenius, we hold ourselves accountable to the highest standards of quality and integrity. All of our business segments make an overall contribution to increasing the quality, affordability, and efficiency of healthcare. At the same time, we care for our environment by protecting nature and using its resources carefully.

Fresenius Kabi’s corporate philosophy “caring for life” expresses the company’s commitment to improving the quality of life of its patients. The quality and safety of its products and services is thus of paramount importance to Fresenius Kabi.

Fresenius Helios hospitals are characterized by high standards of treatment quality, hygiene, patient safety, and quality of care.

Fresenius Medical Care ensures patient health and product safety by providing a safe environment in its clinics. Fresenius Medical Care considers the quality and safety of its products and services to be the foundation of its success.

Fresenius Vamed bases its quality processes on clearly defined and generally established standards.

Fresenius will continue building on its strength in technology, its competence and quality in patient care, and its ability to manufacture cost-effectively. Developing products and systems that provide a high level of safety and user-friendliness and enable tailoring to individual patient needs is an inherent part of our strategy of sustainable and profitable growth. We plan to develop more effective products and treatment methods for critically and chronically ill patients in order to offer best-in-class medical standards. Digitalization is playing an increasingly important role – whether it is in healthcare facilities or in production. It drives innovative technologies and treatment concepts and can contribute to solving numerous challenges in the healthcare system.

The commitment of our more than 190,000 employees worldwide is key for the success and sustained growth of Fresenius. We firmly believe in a culture of diversity, as we are convinced that different perspectives, opinions, experiences, and values enable Fresenius to continue successfully growing as a global healthcare company.

To tackle the upcoming challenges, attracting new employees is key for the growth of our company. Not only do we try to attract new talent, but also do everything we can to retain and develop our employees over the long term. We offer a variety of flexible working-time models and incentive programs to ensure that our long-term needs for highly qualified employees are met. Furthermore, we offer our employees opportunities to develop their careers in an international and dynamic environment.

EXECUTING SEGMENT STRATEGIES

The Fresenius Group offers a broad spectrum of system critical products and services for the health and quality of life of our patients. Our business segments hold leading positions in key areas of healthcare, and all of them are continuing to execute their respective strategic priorities to sustain leadership and contribute significantly to the benefit of healthcare systems. At the level of Fresenius Group, we manage the strategic direction of the Group, and orient our portfolio towards value-maximizing business areas and maximum patient impact.

With its Vision 2026, **Fresenius Kabi** has developed a strategic plan to transform the company for the next decade and to better capture new growth opportunities. Fresenius Kabi will continue to focus on high-quality products for critically and chronically ill patients.

As part of this clear strategy, Fresenius Kabi has defined three growth vectors in addition to strengthening resilience in the volume-driven business with IV drugs (“3+1” strategy). The growth vectors are:

- ▶ the broadening of our biopharmaceutical offering,
- ▶ further rollout of clinical nutrition,
- ▶ expansion in the MedTech area.

Fresenius Kabi's growth strategy was presented transparently at a Capital Market Day in May 2023.

With the acquisition of a majority stake in mAbxience, we form a fully integrated, vertical biopharma business that holds a strong portfolio and pipeline, provides extensive and cost-efficient manufacturing, and is building a targeted commercial footprint in Fresenius Kabi's and mAbxience's target regions.

Our newly bundled MedTech business has been further strengthened by the acquisition of Ivenix. With the award-winning Ivenix infusion system, we are entering the infusion therapy market in the United States. The design of the Ivenix infusion system is easier to use than conventional systems and increases the safety of infusions. The pump also works seamlessly with other systems.

Through successful organic launches, we have become the leading IV lipid nutrition supplier in North America, further strengthening our global nutrition business in addition to its strong base in Europe, Latin America, and Asia-Pacific.

In parallel, Fresenius Kabi has continued to build resilience in its volume-driven IV business, and is extending the portfolio with continued launches in all regions.

Fresenius Helios wants to further strengthen its position as the leading private healthcare provider in Europe.

Helios Germany will continue to focus its offerings on cross-sector healthcare, further specialize hospitals, and coordinate their respective medical service portfolios within regional structures. In regional competence centers, we are already pooling expertise in various specialist areas in order to achieve the best treatment results for our patients. We will continue to drive this clustering forward in the future in order to further enhance medical quality. We intend to exploit the growth potential in the outpatient sector by linking our medical care centers (MVZs) even more closely with hospitals. In addition, we will seize the newly created regulatory opportunity of daytime inpatient treatment as a further form of care. We also aim to increase the efficiency of our energy consumption in the interests of sustainability and climate protection. The goal is to reduce energy consumption by about 20% across all hospitals in 2023 compared to 2021.

In Spain, we expect demand for hospital and other healthcare services to continue to rise. We want to continue to exploit this potential by building new clinics and expanding existing hospital sites. We aim to integrate our diverse range of inpatient and outpatient services even better and further expand them across the entire network of sites. We consistently focus on the strategic factors of medical excellence, innovation, and service quality in order to attract patients. Our focus here is on optimal treatment quality as well as patient satisfaction.

In addition, we expect growth opportunities from consolidations in the fragmented private hospital market.

As a hospital operator, we aim to make even greater use of the potential offered by digitalization to further improve patient care and our service. In the future, our range of services will be supplemented even more by digital and telemedical offerings. Digital patient records and telemedicine will provide new communication channels outside the hospital, as well as faster transmission and interpretation of health data.

We also intend to grow our field of reproductive medicine and to specifically expand and extend the global network of reproductive clinics.

Fresenius Medical Care launched its FME25 program in 2021 and started to significantly streamline its business model in 2022, creating two global segments – Care Delivery and Care Enablement, which were introduced on January 1, 2023. Fresenius Medical Care is thus aligning its operating model with the relevant value drivers of the future.

Fresenius Vamed has realized projects in the area of integrated healthcare services to support healthcare systems more efficiently. In addition, state-of-the-art standards such as the use of building information modeling (BIM) in the construction of healthcare facilities, new concepts for operational management through the use of innovative technologies, and digitalization measures were implemented to improve medical care and reduce the workload of medical staff.

#FUTUREFRESENIUS

In Q4/22, we launched #FutureFresenius and embarked on a transformative journey to prepare Fresenius for the coming decades.

The healthcare industry has a long runway for growth, which will be accelerated by quickly evolving technologies, new therapies such as biopharmaceuticals, more and more professional steering of patient journeys, and a true digital revolution. We want Fresenius to be at the forefront of these trends and have thus charted our course to continued system relevance in our businesses.

The first step of this journey was a “Reset”: strengthening our return focus, driving structural productivity, and creating change momentum across the organization. With the closure of the “Reset” phase, we are now in the “Revitalize” phase, gearing up for continuous portfolio optimization and the pursuit of growth verticals.

PORTFOLIO FOCUS

We have executed a comprehensive diagnosis of our Group portfolio at sub-segment level, in order to highlight growth opportunities aligned with market trends, further refine our management approach for each business we operate, and identify areas to strengthen our portfolio focus.

Going forward, we want to increasingly orient our portfolio along 3 platforms: (Bio)Pharma – including clinical nutrition -, MedTech and Care Provision. With these platforms, we cater to major trends in healthcare and become a more therapy-focused company. The health and quality of life of our patients who we serve with high-quality, affordable products and services is at the core. At the same time, our platforms address attractive value pools in healthcare, which will provide opportunities for future profitable growth.

As part of the focusing of its portfolio, Fresenius has sold its 70 percent stake in IDCQ CRP, an associated company of the Clínica Ricardo Palma hospital in Lima, Peru. The acquirers are companies belonging to the Verme family, which already have a stake in the hospital, as well as other local investors.

The exit from the Peruvian hospital market is a further step towards strengthening #FutureFresenius and is in line with the company's announcement at the beginning of the year to divest certain businesses. Subject to antitrust review, Fresenius expects the transaction to close in the first quarter of 2024.

To improve our management effectiveness and enable a targeted approach to capital allocation, we are differentiating between our operating companies, Fresenius Kabi and Fresenius Helios (each with 100% ownership share) and our investment companies Fresenius Medical Care (32% ownership share) and Fresenius Vamed (77% ownership share), since the beginning of this year. We will prioritize growth investments for the healthcare products and services of tomorrow in our operating companies Fresenius Kabi and Fresenius Helios. Across all segments, we are seeking opportunities to strengthen the focus on core business cells, in order to safeguard a sound capital structure and availability of capital for future growth prospects. Within the Fresenius Group, we will provide effective support and governance services to the benefit of our segments and the overall capital efficiency of the Group.

DECONSOLIDATION OF FRESENIUS MEDICAL CARE

Fresenius intends to deconsolidate the business segment Fresenius Medical through a change of legal form of Fresenius Medical Care AG & Co. KGaA into a stock corporation (Aktiengesellschaft). At the Extraordinary General Meeting (EGM) on July 14, 2023, more than 99% of Fresenius Medical Care's shareholders voted in favor for the conversion of Fresenius Medical Care from the legal form of a partnership limited by shares (Kommanditgesellschaft auf Aktien, KGaA) into a German stock corporation (Aktiengesellschaft, AG). In its constituting meeting following the EGM, the new Supervisory Board elected Fresenius Group CEO Michael Sen as its Chair, as well as Fresenius Group CFO Sara Hennicken as its Deputy Chair. This is a testament to Fresenius' close relationship with Fresenius Medical Care and its continued commitment to the company. The simplified structure will lead, among others, to a more efficient and faster decision-making as it allows for a clearer focus on the interests of the Fresenius Medical Care group and frees up management resources. Fresenius Medical Care will also have greater flexibility concerning its financial strategy.

The deconsolidation process of Fresenius Medical Care is on track. The competent Higher Regional Court in Bamberg has fully approved the application for release that Fresenius Medical Care had filed with regard to the legal actions brought against the change of the legal form into a stock corporation. Accordingly, the change of the legal form can be registered with the commercial register.

Fresenius expects the deconsolidation to become effective by December 2023. From then on, Fresenius Medical Care AG & Co. KGaA will operate as Fresenius Medical Care AG.

As a result of the approval of the change of legal form by the Extraordinary General Meeting on July 14, 2023, Fresenius Medical Care is for the first time in Q3/23 presented as a single item in the financial statements of the Fresenius Group. Fresenius Medical Care is now classified in accordance with IFRS 5 as "Operations to be deconsolidated" and presented in a single line item in Fresenius balance sheet, the P & L and the cash flow statement.

IFRS 5 requires the valuation of Fresenius Medical Care at fair value. As of September 30, 2023, the market capitalization of about €12 billion was below the consolidated shareholders' equity of Fresenius Medical Care of about €14 billion. This results in a valuation effect of €2 billion, of which ~€0.6 billion are attributable to the shareholders of Fresenius SE & Co. KGaA. This effect is reported as a special item without any cash impact.

STRUCTURAL PRODUCTIVITY

While fundamentally healthy and geared toward long-term growth, our market environment is also characterized by strong current macro headwinds that challenge our operations and increase our cost base. With that in mind, we have reinvigorated our focus on structural productivity and are running corresponding programs in all our business segments and at the Corporate center.

Structural productivity improvements are expected to offset market headwinds and to create financial flexibility for future growth investments in the coming years.

The target for cost savings is to save around €1 billion annually (including Fresenius Medical Care) in structural costs at EBIT level from 2025 (of which around €350 million excluding Fresenius Medical Care).

To achieve the targeted cost savings, one-time costs of around €700 million to €750 million are expected at EBIT level including Fresenius Medical Care (of which around 1/3 excluding Fresenius Medical Care), of which around 2/3 are expected to occur in 2023.

In order to reach this goal, Fresenius is running targeted programs across all business segments and the Corporate Center with the oversight and steering of the Group. Key elements include measures to optimize the network, sales and administrative costs, procurement, as well as divesting from non-core assets.

The groupwide cost savings program progresses significantly ahead of plan. Under the program, Fresenius realized ~€200 million of structural cost savings at EBIT level (excluding Fresenius Medical Care) in Q1-3/23. With that, all savings originally expected for 2023 are already realized. In the same period, one-time costs of around €90 million (excluding Fresenius Medical Care) incurred to achieve these savings. This is well below what the company initially accounted for and testament that our one-time costs are tightly managed.

On Group level including Fresenius Medical Care, the savings in Q1-3/23 amount to ~€430 million. In the same period, one-time costs of ~€190 million incurred to achieve these savings.

Fresenius Digital Technology entered a strategic partnership with Capgemini, a global leader in the IT sector, to streamline its IT services. As of October, Capgemini has taken over operational delivery of standard IT services, while Fresenius Digital Technology focuses on its core competences as business partner for all Fresenius segments.

The partnership will lead to new and optimized products, improved customer satisfaction and increased value creation, and optimized IT operations. In addition, new business models can be developed and strengthened while taking advantage of cost savings and a global support model.

TRANSFORMATION FRESENIUS VAMED

With the presentation of the business figures for the first quarter of 2023, Fresenius has announced that it will subject the business model, governance and all processes of Fresenius Vamed to a comprehensive analysis. At the same time, a comprehensive and far-reaching restructuring program has been initiated with the clear goal to increase the company's profitability. Also, a comprehensive reassessment of the company organization was initiated which led to the reorganization of the Vamed management already at the end of June. The new Fresenius Management Board member Dr. Michael Moser will be responsible for Fresenius Vamed. The control function of the Vamed Supervisory Board was strengthened through new appointments and the establishment of an Audit Committee consisting of Sara Hennicken as Chair and Dr. Michael Moser as Deputy Chair, among others.

The restructuring program aims to adjust Fresenius Vamed's project business, especially in Germany. Moreover, the withdrawal of non-core service businesses in main markets outside Europe is intended. This includes the redimensioning of activities, and associated with this, achieving a significantly lower risk profile.

In the future, Fresenius Vamed will focus on attractive businesses comprising:

- ▶ Health Facility Operations (HFO) centered on inpatient and outpatient rehabilitation and nursing
- ▶ High-End Services (HES) for hospitals focused on the management of medical equipment, hospital operating technology and sterile supplies
- ▶ Health Tech Engineers (HTE) covering the project business for the healthcare sector

In Q3/23, further progress in the transformation of Fresenius Vamed was achieved. With a positive EBIT of €10 million in Q3/23 (Q2/23: -€20 million), Fresenius Vamed is ahead of its originally expected target for Q3/23. The encouraging development was especially driven by the High-End Services (HES) and Health Facility Operations (HFO) businesses. For Q4/23, a further solid development is expected.

In Q3/23, negative special items mainly related to closing down activities, asset re-evaluations and restructuring costs resulted in write-downs and provisions of €109 million. The negative special items were predominantly booked as non-cash items. In Q1-3/23, negative special items of €441 million were incurred.

By 2025, Fresenius Vamed is expected to reach the structural EBIT margin band of 4% to 6% set out in the #FutureFresenius Financial Framework.

SHARPENING OF FOCUS: EXIT FROM HOSPITAL MARKET IN PERU

Fresenius sells its 70 percent stake in IDCQ CRP, a co-holding entity of the hospital Clínica Ricardo Palma in Lima, Peru. The stake is acquired by entities of the Verme family which already hold a stake in the hospital, together with other local investors. This exit from the hospital market in Peru is a further step to strengthening #FutureFresenius and is in line with the company's intention to divest certain assets announced earlier this year. Subject to antitrust review, the all-cash transaction is expected to close in the first quarter of 2024.

CHANGE MOMENTUM

At Fresenius, our collective actions have always been driven by our enormous passion and strongest possible commitment to patients. On our pathway to #FutureFresenius, we want to nurture this passion, and combine it with a strong appetite for change, preparing us for the dynamic shifts in the healthcare industry for the best of our patients. As part of #FutureFresenius, we aim to embrace new ways of working and establish a culture of excellence, where we measure ourselves against the best and maintain trusting dialog that welcomes diverse perspectives. Throughout our company, we engage in such trusting dialog with our employees, stakeholders, and external partners, and our global top leaders are agreed about the need for change. We aim to continuously pick up the pace of change and improvement and use this momentum to create #FutureFresenius.

SUSTAINABILITY PROGRAM

For Fresenius, sustainability is a crucial and integral part of the corporate strategy. The company is working to establish global sustainability standards and continuously improve its own sustainability performance. To this end, Fresenius continued to drive forward its ESG (Environment, Social, Governance) initiatives.

Fresenius has set a climate target for the Group complementing its existing sustainability targets and programs. The company aims to be climate-neutral by 2040 and to reduce 50% of absolute Scope 1 and Scope 2 emissions by 2030 compared to 2020 levels. Fresenius will continuously assess Scope 3 emission impacts for inclusion in our targets.

The Annual General Meeting in 2023 approved the Compensation System 2023+, which provides for a new plan for long-term variable compensation that takes even greater account of promoting the long-term and sustainable development of the company. In addition, the aspect of sustainability has been anchored even more strongly in the long-term variable compensation: A significant reduction in CO₂ emissions is to be set as ESG target for the 2023 tranche, in line with our aforementioned Group target.

HEALTHCARE INDUSTRY

The healthcare sector is one of the world's largest industries and we are convinced that it shows excellent growth opportunities.

The main **growth factors** are:

- ▶ rising medical needs deriving from aging populations,
- ▶ the growing number of chronically ill and multimorbid patients,
- ▶ stronger demand for innovative products and therapies,
- ▶ advances in medical technology,
- ▶ the growing health consciousness, which increases the demand for healthcare services and facilities, and
- ▶ the increasing demand for digital health services for patients.

In the **emerging countries, additional drivers** are:

- ▶ expanding availability and correspondingly greater demand for basic healthcare, and
- ▶ increasing national incomes and hence higher spending on healthcare.

Healthcare structures are being reviewed and cost-cutting potential identified in order to contain the steadily rising **healthcare expenditures**. However, such measures cannot compensate for the cost pressure. Market-based elements are increasingly being introduced into the healthcare system to create incentives for cost- and quality-conscious behavior. Overall treatment costs will be reduced through improved quality standards.

In addition, ever-greater importance is being placed on disease prevention and innovative reimbursement models linked to treatment quality standards.

In addition, increasing digitization in healthcare can contribute to improved cost efficiency and patient care.

The industry-specific framework for the operating business of the Fresenius Group remained essentially unchanged in the reporting period.

External factors

In the period under review, the difficult macroeconomic environment had a negative impact on business development. This included increased uncertainties, inflation-related cost increases, staff shortages, supply chain disruptions, and increased energy costs. This had a direct impact on customer and patient behavior.

Despite the challenging market environment, the structural growth drivers in the non-cyclical healthcare markets are in place.

The legal framework for the operating business of the Fresenius Group remained essentially unchanged in the period under review.

We carefully monitor and evaluate country-specific political, legal, and financial conditions. This also applies to the potential impact on our business that could result from inflation risks.

Further explanations can be found in the opportunities and risk report.

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

NEW PRESENTATION OF FINANCIAL INFORMATION

As a result of the approval of the change of legal form by the Extraordinary General Meeting on July 14, 2023, Fresenius Medical Care is for the first time in Q3/23 presented as a single item in the financial statements of the Fresenius Group. Fresenius Medical Care is now classified in accordance with IFRS 5 as "Operations to be deconsolidated" and presented in a single line item in Fresenius's balance sheet, the P & L and the cash flow statement.

In order to provide comparability of operating performance, prior-year figures are adjusted to eliminate Fresenius Medical Care (restated).

IFRS 5 requires the valuation of Fresenius Medical Care at Fair Value. As of September 30, 2023, the market capitalization of about €12 billion was below the consolidated shareholders' equity of Fresenius Medical Care of about €14 billion. This results in a valuation effect of €2 billion, of which ~€0.6 billion are attributable to the shareholders of Fresenius SE & Co. KGaA. This effect is reported as a special item without any cash impact.

REVENUE BY REGION

€ in millions	Q3/2023	Q3/2022	Growth	Currency translation effects	Growth at constant rates	Organic growth	Acquisitions	Divestitures/Others	% of total revenue
North America	667	702	-5%	-7%	2%	2%	0%	0%	12%
Europe	3,930	3,752	5%	0%	5%	4%	0%	1%	71%
Asia-Pacific	439	482	-9%	-10%	1%	1%	1%	-1%	8%
Latin America	388	363	7%	-22%	29%	37%	1%	-9%	7%
Africa	94	87	8%	-5%	13%	13%	0%	0%	2%
Total	5,518	5,386	2%	-4%	6%	6%	0%	0%	100%

€ in millions	Q1-3/2023	Q1-3/2022	Growth	Currency translation effects	Growth at constant rates	Organic growth	Acquisitions	Divestitures/Others	% of total revenue
North America	1,994	1,952	2%	-2%	4%	4%	1%	-1%	12%
Europe	11,993	11,359	6%	0%	6%	5%	0%	1%	72%
Asia-Pacific	1,315	1,372	-4%	-6%	2%	2%	1%	-1%	8%
Latin America	1,070	945	13%	-18%	31%	30%	5%	-4%	7%
Africa	249	234	6%	-6%	12%	12%	0%	0%	1%
Total	16,621	15,862	5%	-2%	7%	6%	1%	0%	100%

REVENUE BY BUSINESS SEGMENT

€ in millions	Q3/2023	Q3/2022	Growth	Currency translation effects	Growth at constant rates	Organic growth	Acquisitions	Divestitures/Others	% of total revenue ¹
Fresenius Kabi	2,021	2,071	-2%	-9%	7%	7%	1%	-1%	36%
Fresenius Helios	2,953	2,829	4%	-1%	5%	5%	0%	0%	54%
Fresenius Vamed	647	572	13%	0%	13%	13%	0%	0%	10%
Total	5,518	5,386	2%	-4%	6%	6%	0%	0%	100%

€ in millions	Q1-3/2023	Q1-3/2022	Growth	Currency translation effects	Growth at constant rates	Organic growth	Acquisitions	Divestitures/Others	% of total revenue ¹
Fresenius Kabi	6,013	5,814	3%	-5%	8%	7%	2%	-1%	36%
Fresenius Helios	9,132	8,685	5%	-1%	6%	6%	0%	0%	55%
Fresenius Vamed	1,761	1,647	7%	0%	7%	6%	1%	0%	9%
Total	16,621	15,862	5%	-2%	7%	6%	1%	0%	100%

¹ The following description of revenue relates to the respective external revenue of the business segments. Consolidation effects and corporate entities are not taken into account. Therefore, aggregation to total Group revenue is not possible.

REVENUE

Group revenue increased by 2% (6% in constant currency) to €5,518 million (Q3/22: €5,386 million). Organic growth was 6%. Acquisitions/divestitures contributed net 0% to growth. In total, currency translation had a negative effect of 4% on revenue growth. The Operating Companies increased revenue by 1% (5% in constant currency).

In Q1-3/23, Group revenue increased by 5% (7% in constant currency) to €16,621 million (Q1-3/22: €15,862 million). Organic growth was 6%. Acquisitions/divestitures contributed net 1% to growth. Currency translation decreased revenue growth by 2%. The Operating Companies increased revenue by 4% (7% in constant currency) in Q1-3/23.

EARNINGS

Group EBITDA before special items increased by 9% (11% in constant currency) to €821 million (Q3/22¹: €755 million). Reported Group EBITDA was €661 million (Q3/22: €691 million).

In Q1-3/23, Group EBITDA before special items increased by 2% (3% in constant currency) to €2,480 million (Q1-3/22¹: €2,425 million). Reported Group EBITDA was €1,923, million (Q1-3/22: €2,296 million).

Group EBIT before special items increased by 8% (10% in constant currency) to €519 million (Q3/22¹: €480 million) mainly driven by the good earnings development at the Operating Companies. The EBIT margin before special items was 9.4% (Q3/22¹: 8.9%). Reported Group EBIT was €346 million (Q3/22: €416 million).

EARNINGS

€ in millions	Q3/2023	Q3/2022 restated	Q3/2022 previous	Growth	Q1-3/2023	Q1-3/2022 restated	Q1-3/2022 previous	Growth
Revenue	5,518	5,386	10,459	2%	16,621	15,862	30,197	5%
Costs of revenue	-4,246	-4,041	-7,870	-5%	-12,860	-11,889	-22,556	-8%
Gross profit	1,272	1,345	2,589	-5%	3,761	3,973	7,641	-5%
Selling, general and administrative expenses	-756	-781	-1,493	3%	-2,246	-2,074	-4,417	-8%
Research and development expenses	-170	-148	-209	-15%	-457	-424	-590	-8%
Operating income (EBIT)	346	416	887	-17%	1,058	1,475	2,634	-28%
Interest result	-100	-67	-141	-49%	-291	-160	-375	-82%
Income before income taxes	246	349	746	-30%	767	1,315	2,259	-42%
Income taxes	-91	-82	-195	-11%	-312	-302	-545	-3%
Net income from continuing operations	155	267	551	-42%	455	1,013	1,714	-55%
Noncontrolling interests in continuing operations	6	-21	-230	129%	59	-68	-597	187%
Net income from continuing operations¹	161	246	321	-35%	514	945	1,117	-46%
Net income from Fresenius Medical Care operations to be deconsolidated under IFRS 5 ¹	-567	75	n.a.	--	-494	172	n.a.	--
Net income ¹	-406	321	321	--	20	1,117	1,117	-98%
Earnings per ordinary share (€)	-0.72	0.57	0.57	--	0.04	1.99	1.99	-98%

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

¹ Before special items

For a detailed overview of special items please see the reconciliation tables on page 16.

The Operating Companies showed an EBIT increase of 8% (10% in constant currency) and an EBIT margin of 10.3%.

In Q1-3/23 Group EBIT before special items remained nearly unchanged (0% in constant currency) at €1,628 million (Q1-3/22¹: €1,631 million). The EBIT margin before special items was 9.8% (Q1-3/22¹: 10.3%). Reported Group EBIT was €1,058 million (Q1-3/22: €1,475 million).

Group **net interest** before special items increased to -€109 million (Q3/22¹: -€67 million) mainly due to financing activities in a higher interest rate environment. Reported Group net interest was -€100 million (Q3/22: -€67 million).

In Q1-3/23, Group net interest before special items increased to -€300 million (Q1-3/22¹: -€161 million). Reported Group net interest was -€291 million (Q1-3/22: -€160 million).

Group **tax rate** before special items was 24.1% (Q3/22¹: 22.5%). Reported Group tax rate was 37.0% (Q3/22: 23.5%). The higher tax rate in Q3/23 is mainly due to the negative net income at Fresenius Vamed for which deferred tax assets could not be recognized.

In Q1-3/23, Group tax rate before special items was 25.2% (Q1-3/22¹: 22.2%). Reported Group tax rate was 40.7%. The higher tax rate is also mainly due to the negative net income at Fresenius Vamed for which deferred tax assets could not be recognized (Q1-3/22: 23.0%).

KEY FINANCIAL FIGURES EXCLUDING FRESENIUS MEDICAL CARE (BEFORE SPECIAL ITEMS)

€ in millions	Q3/2023	Q3/2022	Growth	Growth cc	Q1-3/2023	Q1-3/2022	Growth	Growth cc
Revenue	5,518	5,386	2%	6%	16,621	15,862	5%	7%
Fresenius Kabi	2,021	2,071	-2%	7%	6,013	5,814	3%	8%
Fresenius Helios	2,953	2,829	4%	5%	9,132	8,685	5%	6%
Fresenius Vamed	647	572	13%	13%	1,761	1,647	7%	7%
Corporate	-103	-86	-20%	-22%	-285	-284	0%	-1%
Operating income (EBIT)	519	480	8%	10%	1,628	1,631	0%	0%
Fresenius Kabi	289	280	3%	6%	863	844	2%	2%
Fresenius Helios	239	222	8%	8%	861	831	4%	4%
Fresenius Vamed	10	10	0%	-10%	-37	29	--	--
Corporate	-19	-32	41%	41%	-59	-73	19%	21%
Financial result	-109	-67	-63%	-66%	-300	-161	-86%	-90%
Income before income taxes	410	413	-1%	1%	1,328	1,470	-10%	-10%
Income taxes	-99	-93	-6%	-6%	-334	-326	-2%	-3%
Net income	311	320	-3%	1%	994	1,144	-13%	-13%
less noncontrolling interests	-22	-24	8%	13%	-46	-72	36%	39%
Net income from Fresenius Medical Care operations to be deconsolidated under IFRS 5 ¹	55	75	-27%	-24%	160	212	-25%	-24%
Net income¹	344	371	-7%	-5%	1,108	1,284	-14%	-13%
EBITDA	821	755	9%	11%	2,480	2,425	2%	3%
EBITDA margin	14.9%	14.0%			14.9%	15.3%		
Depreciation and amortization	302	275	10%	12%	852	794	7%	8%
EBIT margin	9.4%	8.9%			9.8%	10.3%		
Operating cash flow – continued operations	648	598	8%		859	806	7%	
as % of revenue – continued operations	11.7%	11.1%			5.2%	5.1%		
Cash flow before acquisitions and dividends – continued operations	376	375	0%		136	120	13%	
as % of revenue – continued operations	6.8%	7.0%			0.8%	0.8%		
ROIC ³					5.0%	5.6%		
Net debt/EBITDA ²					4.03	3.80		

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

² At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures; before special items; including lease liabilities, including FMC dividend; 2022: December 31

³ The underlying pro forma EBIT does not include special items

¹ Before special items

For a detailed overview of special items please see the reconciliation tables on pages 16.

Noncontrolling interests before special items were -€22 million (Q3/22²: -€24 million). Reported noncontrolling interests were €6 million (Q3/22: -€21 million).

In Q1-3/23, noncontrolling interests before special items were -€46 million (Q1-3/22²: -€72 million). Reported noncontrolling interests were €59 million (Q1-3/22: -€68 million).

Net income^{1,2} from operations to be deconsolidated decreased by 27% (-24% in constant currency) to €55 million (Q3/22²: €75 million).

In Q1-3/23 net income^{1,2} from operations to be deconsolidated before special items decreased by 25% (-24% in constant currency) to €160 million (Q3/22²: €212 million).

Group net income¹ before special items decreased by 7% (-5% in constant currency) to €344 million (Q3/22²: €371 million). The decrease was driven by rising interest costs and a higher tax rate as well as lower net income from operations to be deconsolidated (Fresenius Medical Care). Reported Group net income¹ decreased to -€406 million (Q3/22: €321 million). The negative net income is due to the Fresenius Medical Care valuation effect according to IFRS 5 of €594 million. This effect has no cash impact.

In Q1-3/23, Group net income¹ before special items decreased by 14% (-13% in constant currency) to €1,108 million (Q1-3/22²: €1,284 million). Reported Group net income¹ decreased to €20 million (Q1-3/22: €1,117 million). The decrease is due to the Fresenius Medical Care valuation effect according to IFRS 5 of €594 million. This effect has no cash impact.

Earnings per share¹ before special items decreased by 8% (-6% in constant currency) to €0.61 (Q3/22²: €0.66). Reported earnings per share¹ were -€0.72 (Q3/22: €0.57). The negative net income is due to the Fresenius Medical Care valuation effect according to IFRS 5 of €594 million. This effect is without any cash impact.

In Q1-3/23, earnings per share¹ before special items decreased by 14% (-14% in constant currency) to €1.97 (Q1-3/22²: €2.29). Reported earnings per share¹ were €0.04 (Q1-3/22: €1.99). The decrease is due to the Fresenius Medical Care valuation effect according to IFRS 5 of €594 million. This effect is without any cash impact.

RECONCILIATION

To present the underlying operational business performance and in order to compare the results with the scope of the guidance provided for fiscal year 2023, key figures are presented before special items.

Consolidated results for Q3/22 and Q3/23 as well as Q1-3/22 and Q1-3/23 include special items.

These concern:

- ▶ revaluations of biosimilars contingent purchase price liabilities
- ▶ expenses associated with the Fresenius cost and efficiency program
- ▶ impacts related to the war in Ukraine (2022)
- ▶ transaction costs mAbxience, Ivenix
- ▶ hyperinflation Türkiye (2022)
- ▶ retroactive duties (2022)
- ▶ legal form conversion costs Fresenius Medical Care (2023)
- ▶ Vamed transformation (2023)
- ▶ legacy portfolio adjustments (2023)
- ▶ IFRS 5 valuation (2023)

The special items shown within the reconciliation tables are reported in the “Corporate” segment.

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

² Before special items

RECONCILIATION TABLES

RECONCILIATION FRESENIUS GROUP

€ in millions	Q3/2023	Q3/2022	Growth rate	Growth rate in constant currency	Q1-3/2023	Q1-3/2022	Growth rate	Growth rate in constant currency
Revenue reported	5,518	5,386	2%	6%	16,621	15,862	5%	7%
EBIT reported (after special items)	346	416	-17%	-15%	1,058	1,475	-28%	-28%
Revaluations of biosimilars contingent purchase price liabilities	3	-			3	-2		
Expenses associated with the Fresenius cost and efficiency program	37	45			94	102		
Impacts related to the war in Ukraine	-	3			-	20		
Transaction costs mAbxience, Ivenix	3	15			7	22		
Hyperinflation Türkiye	-	1			-	5		
Retroactive duties	-	-			-	9		
Legal form conversion costs Fresenius Medical Care	4	-			8	-		
Vamed transformation	109	-			441	-		
Legacy portfolio adjustments	17	-			17	-		
EBIT (before special items)	519	480	8%	10%	1,628	1,631	0%	0%
Net interest reported (after special items)	-100	-67	-49%	-52%	-291	-160	-82%	-86%
Revaluations of biosimilars contingent purchase price liabilities	-9	-			-9	-1		
Net interest (before special items)	-109	-67	-63%	-66%	-300	-161	-86%	-90%
Income taxes reported (after special items)	-91	-82	-11%	-10%	-312	-302	-3%	-4%
Revaluations of biosimilars contingent purchase price liabilities	2	-			2	1		
Expenses associated with the Fresenius cost and efficiency program	-8	-9			-20	-18		
Impacts related to the war in Ukraine	-	-			-	-1		
Transaction costs mAbxience, Ivenix	-	-2			-1	-3		
Hyperinflation Türkiye	-	-			-	-		
Retroactive duties	-	-			-	-3		
Legal form conversion costs Fresenius Medical Care	0	-			-1	-		
Vamed transformation	-	-			-	-		
Legacy portfolio adjustments	-2	-			-2	-		
Income taxes (before special items)	-99	-93	-6%	-6%	-334	-326	-2%	-3%

€ in millions	Q3/2023	Q3/2022	Growth rate	Growth rate in constant currency	Q1-3/2023	Q1-3/2022	Growth rate	Growth rate in constant currency
Noncontrolling interests reported (after special items)	6	-21	129%	129%	59	-68	187%	190%
Expenses associated with the Fresenius cost and efficiency program	-1	-			-1	-		
Impacts related to the war in Ukraine	-	-1			-	-2		
Transaction costs mAbxience, Ivenix	-1	-2			-2	-2		
Vamed transformation	-26	-			-102	-		
Noncontrolling interests (before special items)	-22	-24	8%	13%	-46	-72	36%	39%
Net income from continued operations reported (after special items)¹	161	246	-35%	-32%	514	945	-46%	-46%
Revaluations of biosimilars contingent purchase price liabilities	-4	-			-4	-2		
Expenses associated with the Fresenius cost and efficiency program	28	36			73	84		
Impacts related to the war in Ukraine	-	2			-	17		
Transaction costs mAbxience, Ivenix	2	11			4	17		
Hyperinflation Türkiye	-	1			-	5		
Retroactive duties	-	-			-	6		
Legal form conversion costs Fresenius Medical Care	4	-			7	-		
Vamed transformation	83	-			339	-		
Legacy portfolio adjustments	15	-			15	-		
Net income from continued operations (before special items)¹	289	296	-2%	0%	948	1,072	-12%	-11%
Net income from operations to be deconsolidated (after special items)¹	-567	75	--	--	-494	172	--	--
Expenses associated with the Fresenius cost and efficiency program	10	11			23	25		
Impacts related to the war in Ukraine	-	2			-	7		
Hyperinflation Türkiye	-	0			-	2		
Remeasurement Humacyte investment	0	-1			-4	18		
Net Gain related to InterWell Health	-	-12			-	-12		
Legal form conversion costs Fresenius Medical Care	2	-			3	-		
Legacy portfolio adjustments	16	-			38	-		
IFRS 5 valuation	594	-			594	-		
Net income from operations to be deconsolidated (before special items)¹	55	75	-27%	-24%	160	212	-25%	-24%

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

€ in millions	Q3/2023	Q3/2022	Growth rate	Growth rate in constant currency	Q1-3/2023	Q1-3/2022	Growth rate	Growth rate in constant currency
Net income reported (after special items)¹	-406	321	--	--	20	1,117	-98%	-105%
Revaluations of biosimilars contingent purchase price liabilities	-4	-			-4	-2		
Expenses associated with the Fresenius cost and efficiency program	38	47			96	109		
Impacts related to the war in Ukraine	-	4			-	24		
Transaction costs mAbxience, Ivenix	2	11			4	17		
Hyperinflation Türkiye	-	1			-	7		
Retroactive duties	-	-			-	6		
Remeasurement Humacyte investment	0	-1			-4	18		
Net Gain related to InterWell Health	-	-12			-	-12		
Legal form conversion costs Fresenius Medical Care	6	-			10	-		
Legacy portfolio adjustments	31	-			53	-		
Vamed transformation	83	-			339	-		
IFRS 5 valuation	594	-			594	-		
Net income (before special items)¹	344	371	-7%	-5%	1,108	1,284	-14%	-13%

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

RECONCILIATION FRESENIUS KABI

€ in millions	Q3/2023	Q3/2022	Growth rate	Growth rate in constant currency	Q1-3/2023	Q1-3/2022	Growth rate	Growth rate in constant currency
Revenue reported	2,021	2,071	-2%	7%	6,013	5,814	3%	8%
Revaluations of biosimilars contingent purchase price liabilities	3	-			3	-2		
Expenses associated with the Fresenius cost and efficiency program	26	31			55	77		
Impacts related to the war in Ukraine	-	2			-	14		
Transaction costs mAbxience, Ivenix	3	15			7	22		
Hyperinflation Türkiye	-	1			-	5		
Legacy portfolio adjustments	13	-			13	-		
EBIT (before special items)	289	280	3%	6%	863	844	2%	2%

RECONCILIATION FRESENIUS HELIOS

€ in millions	Q3/2023	Q3/2022	Growth rate	Growth rate in constant currency	Q1-3/2023	Q1-3/2022	Growth rate	Growth rate in constant currency
Revenue reported	2,953	2,829	4%	5%	9,132	8,685	5%	6%
Expenses associated with the Fresenius cost and efficiency program	0	0			0	0		
EBIT (before special items)	239	222	8%	8%	861	831	4%	4%

RECONCILIATION FRESENIUS VAMED

€ in millions	Q3/2023	Q3/2022	Growth rate	Growth rate in constant currency	Q1-3/2023	Q1-3/2022	Growth rate	Growth rate in constant currency
Revenue reported	647	572	13%	13%	1,761	1,647	7%	7%
Expenses associated with the Fresenius cost and efficiency program	0	0			2	2		
Impacts related to the war in Ukraine	-	1			-	6		
Vamed transformation	109	-			441	-		
EBIT (before special items)	10	10	0%	-10%	-37	29	--	--

RECONCILIATION FRESENIUS CORPORATE

€ in millions	Q3/2023	Q3/2022	Growth rate	Growth rate in constant currency	Q1-3/2023	Q1-3/2022	Growth rate	Growth rate in constant currency
Expenses associated with the Fresenius cost and efficiency program	11	14			37	23		
Retroactive duties	-	-			-	9		
Legal form conversion costs Fresenius Medical Care	4	-			8	-		
Legacy portfolio adjustments	4	-			4	-		
EBIT (before special items)	-19	-32	41%	41%	-59	-73	19%	21%

INVESTMENTS

Spending on property, plant and equipment was €274 million corresponding to 5% of revenue (Q3/22: €255 million; 5% of revenue). These investments served primarily for the modernization and expansion of production facilities as well as hospitals.

In Q1-3/23, spending on property, plant and equipment was €725 million corresponding to 4% of revenue (Q1-3/22: €678 million; 4% of revenue).

Total **acquisition spending** was €179 million (Q3/22: €516 million) mainly for milestone payments in the bio-similars business at Fresenius Kabi.

In Q1-3/23, total acquisition spending was €197 million (Q1-3/22: €819 million).

INVESTMENTS/ACQUISITIONS BY BUSINESS SEGMENT

€ in millions	Q1-3/2023	Q1-3/2022	Thereof property, plant and equipment	Thereof acquisitions	Growth	% of total
Fresenius Kabi	466	1,031	271	195	-55%	51%
Fresenius Helios	368	411	368	0	-10%	40%
Fresenius Vamed	78	46	76	2	70%	8%
Corporate	10	9	10	0	11%	1%
Total	922	1,497	725	197	-38%	100%

CASH FLOW

Group **operating cash flow** increased to €648 million (Q3/22: €598 million) mainly driven by the good cash flow development at Fresenius Kabi. Group operating cash flow margin was 11.7% (Q3/22: 11.1%). **Operating cash flow from operations to be deconsolidated** increased to €760 million (Q3/22: €658 million).

Free cash flow before acquisitions, dividends and lease liabilities remained broadly stable at €376 million (Q3/22: €375 million).

Free cash flow after acquisitions, dividends and lease liabilities increased to €121 million (Q3/22: -€155 million).

Free cash flow after acquisitions, dividends and lease liabilities from operations to be deconsolidated increased to €358 million (Q3/22: €301 million).

In Q1-3/23, Group operating cash flow increased to €859 million (Q1-3/22: €806 million) with a margin of 5.2% (Q1-3/22: 5.1%).

Operating cash flow from operations to be deconsolidated increased to €1,910 million (Q1-3/22: €1,568 million).

Free cash flow before acquisitions, dividends and lease liabilities increased to €136 million (Q1-3/22: €120 million).

Free cash flow after acquisitions, dividends and lease liabilities improved to -€699 million (Q1-3/22: -€1,059 million).

Free cash flow after acquisitions, dividends and lease liabilities from operations to be deconsolidated increased to €396 million (Q1-3/22: -€63 million).

The **cash conversion rate (CCR)**, which is defined as the ratio of adjusted free cash flow to EBIT before special items, was 0.9 (LTM) in Q1-3/23.

CASH FLOW STATEMENT (SUMMARY)

€ in millions	Q3/2023	Q3/2022	Growth	Q1-3/2023	Q1-3/2022	Growth
Net income	155	267	-42%	455	1,013	-55%
Depreciation and amortization	315	275	15%	865	821	5%
Change working capital and others	178	56	--	-461	-1,028	55%
Operating cash flow						
- continuing operations	648	598	8%	859	806	7%
Operating cash flow						
- FMC operations to be deconsolidated	760	658	16%	1,910	1,568	22%
Operating Cash flow	1,408	1,256	12%	2,769	2,374	17%
Capital expenditure, net	-272	-223	-22%	-723	-686	-5%
Cash flow before acquisitions and dividends						
- continuing operations	376	375	0%	136	120	13%
Cash flow before acquisitions and dividends						
- FMC operations to be deconsolidated	626	501	25%	1,480	1,082	37%
Cash flow before acquisitions and dividends	1,002	876	14%	1,616	1,202	34%
Cash used for acquisitions/proceeds from divestitures	-181	-484	63%	-221	-767	71%
Dividends received from Fresenius Medical Care	-	-	--	106	127	-17%
Dividends paid	1	-	--	-544	-396	-37%
Free Cash Flow after acquisitions and dividends						
- continuing operations	196	-109	--	-523	-916	43%
Free Cash Flow after acquisitions and dividends						
- FMC operations to be deconsolidated	535	497	8%	943	510	85%
Free cash flow after acquisitions and dividends	731	388	88%	420	-406	--
Payments from lease liabilities	-75	-46	-63%	-176	-143	-23%
Free cash flow after acquisitions, dividends and leases						
- continuing operations	121	-155	178%	-699	-1,059	34%
Free cash flow after acquisitions, dividends and leases						
- FMC operations to be deconsolidated	358	301	19%	396	-63	--
Free cash flow after acquisitions, dividends and leases	479	146	--	-303	-1,122	73%
Cash provided by/used for financing activities	-303	-197	-54%	302	366	-17%
Effect of exchange rates on change in cash and cash equivalents	1	50	-98%	-100	120	-183%
Net change in cash and cash equivalents	177	-1	--	-101	-636	84%

¹ Cash flow before acquisitions and dividends; before interest, tax, and special items

ASSET AND LIABILITY STRUCTURE

Total assets including Fresenius Medical Care decreased by 1% (-1% in constant currency) to €75,328 million (Dec. 31, 2022: €76,400 million).

Assets related to Fresenius Medical Care to be deconsolidated under IFRS 5 were at €33,520 million (Dec. 31, 2022: n.a.). **Liabilities related to Fresenius Medical Care to be deconsolidated under IFRS 5** were €20,111 million (Dec. 31, 2022: n.a.).

Total shareholders' equity including Fresenius Medical Care decreased by 6% (-6% in constant currency) to €30,282 million (Dec. 31, 2022: €32,218 million). The equity ratio was 40.2% (Dec. 31, 2022: 42.2%).

Group **debt**¹ increased by 3% (3% in constant currency) to €15,116 million (Dec. 31, 2022: €14,708 million). Group **net debt**¹ increased by 5% (5% in constant currency) to €14,021 million (Dec. 31, 2022: €13,307 million).

As of September 30, 2023, the **net debt / EBITDA ratio** was 4.03x^{2,3} (Dec. 31, 2022: 3.80x^{2,3}). This is a 15 bps reduction compared to Q2/23.

In Q3/23, **ROIC** was 5.0% (Q4/22: 5.6%).

BALANCE SHEET

€ in millions

	Sep. 30, 2023	Dec. 31, 2022
Assets		
Current assets	44,835	18,279
thereof trade accounts receivables	4,142	7,008
thereof inventories	2,663	4,833
thereof cash and cash equivalents	1,095	2,749
thereof assets to be deconsolidated of Fresenius Medical Care according to IFRS 5	33,520	-
Non-current assets	30,493	58,121
thereof property, plant and equipment	8,959	12,919
thereof goodwill and other intangible assets	18,388	35,828
thereof right-of-use-assets	1,906	5,922
Total assets	75,328	76,400
Liabilities and shareholders' equity		
Liabilities	45,046	44,182
thereof trade accounts payable	1,214	2,070
thereof accruals and other short-term liabilities	6,836	10,488
thereof liabilities directly associated with assets to be deconsolidated of Fresenius Medical Care according to IFRS 5	20,111	-
thereof debt	15,116	27,763
<i>thereof lease liabilities</i>	<i>2,089</i>	<i>6,592</i>
Noncontrolling interests	10,248	11,803
Total Fresenius SE & Co. KGaA shareholders' equity	20,034	20,415
Total shareholders' equity	30,282	32,218
Total liabilities and shareholders' equity	75,328	76,400

¹ Value as of December 31, 2022 adjusted (excluding Fresenius Medical Care)

² At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures, including lease liabilities, including Fresenius Medical Care dividend

³ Before special items

BUSINESS SEGMENTS

FRESENIUS KABI

Fresenius Kabi specializes in products for the therapy and care of critically and chronically ill patients.

The portfolio includes biopharmaceuticals, clinical nutrition, MedTech products, intravenously administered generic drugs (generic IV drugs), and IV fluids.

€ in millions	Q3/2023	Q3/2022	Growth	Growth in constant currency	Q1-3/2023	Q1-3/2022	Growth	Growth in constant currency
Revenue	2,021	2,071	-2%	7%	6,013	5,814	3%	8%
EBIT ¹	289	280	3%	6%	863	844	2%	2%
EBIT margin ¹	14.3%	13.5%			14.4%	14.5%		
Net income ^{1,2}	189	184	3%	7%	559	574	-3%	-3%
Employees (Sep. 30/Dec. 31)					42,961	42,063	2%	

- ▶ **Growth Vectors combined contributing strong 12% organic revenue growth**
- ▶ **Pharma business with robust development**
- ▶ **EBIT margin¹ strong above 14% driven by operating improvements and cost savings significantly ahead of plan**

Revenue decreased by 2% to €2,021 million (Q3/22: €2,071 million) driven by negative currency exchange effects (increased 7% in constant currency). Organic growth was 7%. The good performance was mainly driven by the strong business development of all growth vectors.

In Q1-3/23, revenue increased by 3% (8% in constant currency) to €6,013 million (Q1-3/22: €5,814 million). Organic growth was 7%.

Revenue of the **Growth Vectors (MedTech, Nutrition and Biopharma)** decreased by 1% to €1,067 million (Q3/22: €1,075 million) driven by negative currency exchange effects (increased 11% in constant currency, organic growth: 12%). In Q1-3/23, revenue of the Growth Vectors increased by 7% (14% in constant currency; organic growth: 11%) to €3,180 million (Q1-3/22: €2,978 million).

Revenue in **MedTech** remained broadly stable due to negative currency exchange effects (increased 7% in constant currency) and amounted to €369 million (Q3/22: €368 million). Organic growth was 8% and driven by a

broad-based positive development across most regions and many product groups. In Q1-3/23, revenue in MedTech increased by 5% (8% in constant currency; organic growth: 9%) to €1,113 million (Q1-3/22: €1,055 million).

Revenue in **Nutrition** decreased by 9% (increased 5% in constant currency, organic growth: 9%) to €587 million (Q3/22: €644 million). Organic growth was driven by the good business development in the U.S. and Latin America.

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

For a detailed overview of special items please see the reconciliation tables on pages 16.

In Q1-3/23, revenue in Nutrition remained broadly stable (increased 9% in constant currency; organic growth: 10%) at €1,803 million (Q1-3/22: €1,808 million).

Revenue in **Biopharma** increased by 74% (99% in constant currency; organic growth: 71%) to €111 million (Q3/22: €64 million) mainly driven by the successful product launches in Europe and the U.S. as well as by licensing agreements. In Q1-3/23, revenue in Biopharma increased by 129% (154% in constant currency; organic growth: 59%) to €264 million (Q1-3/22: €116 million).

Revenue in the **Pharma (IV Drugs & Fluids)** business decreased by 5% (0% in constant currency; organic growth: 1%) and amounted to €941 million (Q3/22: €995 million). Organic growth was mainly driven by a robust development across many regions. In Q1-3/23, revenue in the Pharma business remained broadly stable (increased 2% in constant currency; organic growth: 3%) and amounted to €2,833 million (Q1-3/22: €2,836 million).

EBIT¹ of Fresenius Kabi increased by 3% (6% in constant currency) to €289 million (Q3/22: €280 million) due to the good operating performance and the well-progressing cost saving initiatives. EBIT margin¹ was 14.3% (Q3/22: 13.5%) and thus within the structural EBIT margin band.

In Q1-3/23, EBIT¹ increased by 2% (constant currency: 2%) to €863 million (Q1-3/22: €844 million). EBIT margin¹ was 14.4% (Q1-3/22: 14.5%).

EBIT¹ of the **Growth Vectors** increased by 21% (constant currency: 25%) to €104 million (Q3/22: €86 million) due to the strong revenue development and the well-progressing cost saving initiatives. EBIT¹ margin was 9.8% (Q3/22: 8.0%).

In Q1-3/23, EBIT¹ of the Growth Vectors increased by 3% (constant currency: 4%) to €288 million (Q1-3/22: €279 million) with a margin¹ of 9.1% (Q1-3/22: 9.4%).

EBIT¹ in the **Pharma** business increased by 2% (constant currency: 9%) to €200 million (Q3/22: €197 million) due to the well-progressing cost saving initiatives. EBIT¹ margin was 21.3% (Q3/22: 19.8%).

In Q1-3/23, EBIT¹ in the Pharma business increased by 4% (constant currency: 7%) to €603 million (Q1-3/22: €579 million) with a margin¹ of 21.3% (Q1-3/22: 20.4%).

Net income^{1,2} increased by 3% (constant currency: 7%) to €189 million (Q3/22: €184 million).

In Q1-3/23, net income^{1,2} decreased by 3% (constant currency: -3%) to €559 million (Q1-3/22: €574 million).

Operating cash flow increased to €380 million (Q3/22: €301 million) with a margin of 18.8% (Q3/22: 14.5%) mainly driven by the business performance and an improved working capital management.

In Q1-3/23, operating cash flow increased to €581 million (Q1-3/22: €543 million) with a margin of 9.7% (Q1-3/22: 9.3%).

For **FY/23**, Fresenius Kabi expects organic revenue³ growth in a mid-single-digit percentage range. The EBIT margin⁴ is expected to be around 14% (structural margin band: 14% to 17%).

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA.

³ FY/22 base: €7,850 million

⁴ FY/22 base: EBIT margin: 13.8%, before special items; FY/23 before special items

For a detailed overview of special items please see the reconciliation tables on pages 16.

FRESENIUS HELIOS

Fresenius Helios is Europe's leading private healthcare provider. The company comprises Helios Germany, Helios Spain and Helios Fertility. Helios Germany operates 86 hospitals, around 240 outpatient centers, 27 occupational health centers and 6 prevention centers. Helios Spain operates 50 hospitals, around 100 outpatient centers and around 300 occupational risk prevention centers. In addition, the company is active in Latin America with 8 hospitals and as a provider of medical diagnostics. Helios Fertility offers a wide spectrum of state-of-the-art services in the field of fertility treatments.

€ in millions	Q3/2023	Q3/2022	Growth	Growth in constant currency	Q1-3/2023	Q1-3/2022	Growth	Growth in constant currency
Revenue	2,953	2,829	4%	5%	9,132	8,685	5%	6%
EBIT ¹	239	222	8%	8%	861	831	4%	4%
EBIT margin ¹	8.1%	7.8%			9.4%	9.6%		
Net income ^{1,2}	132	138	-4%	-4%	505	530	-5%	-4%
Employees (Sep. 30/Dec. 31)					129,400	125,700	3%	

- ▶ Strong organic revenue growth driven by healthy activity levels in Germany and Spain
- ▶ Despite usual summer effect in Spain, solid 8% EBIT¹ margin supported by ongoing cost saving initiatives and Government relief funds in Germany
- ▶ Helios Fertility with strong improvement

Revenue increased by 4% (5% in constant currency) to €2,953 million (Q3/22: €2,829 million). Organic growth was 5%. Acquisitions contributed 0% to revenue growth.

In Q1-3/23, revenue increased by 5% (6% in constant currency) to €9,132 million (Q1-3/22: €8,685 million). Organic growth was 6%. Acquisitions contributed 0% to revenue growth.

Revenue of **Helios Germany** increased by 4% (organic growth: 4%) to €1,800 million (Q3/22: €1,731 million), mainly driven by increasing admissions and positive price mix effects.

In Q1-3/23, revenue of Helios Germany increased by 3% (organic growth: 3%) to €5,451 million (Q1-3/22: €5,272 million).

Revenue of **Helios Spain** increased by 5% (5% in constant currency) to €1,088 million (Q3/22: €1,037 million) driven by ongoing good activity levels despite the usual summer effect in Spain. The clinics in Latin America also showed a good performance. Organic growth was 5%.

In Q1-3/23, revenue of Helios Spain increased by 8% (9% in constant currency) to €3,481 million (Q1-3/22: €3,227 million).

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

For a detailed overview of special items please see the reconciliation tables on pages 16.

Revenue of **Helios Fertility** increased by 3% (11% in constant currency) to €64 million (Q3/22: €62 million) driven by positive mix effects. Organic growth was 13%.

In Q1-3/23, revenue of Helios Fertility increased by 8% (13% in constant currency) to €198 million (Q1-3/22: €184 million).

EBIT¹ of Fresenius Helios increased by 8% (8% in constant currency) to €239 million (Q3/22: €222 million) with an EBIT margin¹ of 8.1% (Q3/22: 7.8%).

In Q1-3/23, EBIT¹ increased by 4% (4% in constant currency) to €861 million (Q1-3/22: €831 million) with an EBIT margin¹ of 9.4% (Q1-3/22: 9.6%).

EBIT¹ of **Helios Germany** increased by 11% to €157 million (Q3/22: €141 million) with an EBIT margin¹ of 8.7% (Q3/22: 8.1%). The EBIT development was supported by the well progressing cost savings program and the Government compensation for higher energy costs.

In Q1-3/23, EBIT¹ of Helios Germany increased by 4% to €466 million (Q1-3/22: €449 million) with an unchanged EBIT margin¹ at 8.5%.

EBIT¹ of **Helios Spain** decreased by 2% due to the usual summer effect (-2% in constant currency) to €81 million (Q3/22: €83 million). The EBIT margin¹ was 7.4% (Q3/22: 8.0%).

In Q1-3/23, EBIT¹ of Helios Spain increased by 2% (3% in constant currency) to €392 million (Q1-3/22: €384 million). The EBIT margin¹ was 11.3% (Q1-3/22: 11.9%).

EBIT¹ of **Helios Fertility** was €5 million (Q3/22: €4 million) with an EBIT margin¹ of 7.8% (Q3/22: 6.5%).

In Q1-3/23, EBIT¹ of Helios Fertility was €16 million (Q1-3/22: €15 million) with an EBIT margin¹ of 8.1% (Q1-3/22: 8.2%).

Net income^{1,2} decreased by 4% (-4% in constant currency) to €132 million (Q3/22: €138 million).

In Q1-3/23, net income^{1,2} decreased by 5% (-4% in constant currency) to €505 million (Q1-3/22: €530 million).

Operating cash flow decreased to €208 million (Q3/22: €353 million) mainly due to phasing effects of receivables in Spain and the very good cash flow in the prior year. The operating cash flow margin was 7.0% (Q3/22: 12.5%).

In Q1-3/23, operating cash flow decreased to €377 million (Q1-3/22: €411 million) with a margin of 4.1% (Q1-3/22: 4.7%).

For FY/23, Fresenius Helios expects organic revenue³ growth in a mid-single-digit percentage range. The EBIT margin⁴ is expected to be within the structural margin band of 9% to 11%.

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ FY/22 base: €11,716 million

⁴ FY/22 base: EBIT margin: 10.1%, before special items, FY/23 before special items

FRESENIUS VAMED

Fresenius Vamed internationally manages projects and provides services for hospitals and other healthcare facilities and is a leading post-acute care provider in Central Europe. The portfolio ranges along the entire value chain: from project development, design planning, medical and hospital engineering as well as construction, via maintenance and technical management to total operational management and high-end services.

€ in millions	Q3/2023	Q3/2022	Growth	Growth in constant currency	Q1-3/2023	Q1-3/2022	Growth	Growth in constant currency
Revenue	647	572	13%	13%	1,761	1,647	7%	7%
EBIT ¹	10	10	0%	-10%	-37	29	-	-
EBIT-margin ¹	1.5%	1.7%			-2.1%	1.8%		
Net income ^{1,2}	-7	5	-	-	-74	15	-	-
Employees (Sep. 30/Dec. 31)					20,258	20,184	0%	

- ▶ Fresenius Vamed's transformation with good progress
- ▶ Revenue growth driven by service and project business
- ▶ EBIT¹ back to positive driven by the positive development at the Service business

Revenue increased by 13% (13% in constant currency) to €647 million (Q3/22: €572 million). Organic growth was 13%.

In Q1-3/23, revenue increased by 7% (7% in constant currency) to €1,761 million (Q1-3/22: €1,647 million). Organic growth was 6%.

Revenue in the **service business** increased by 9% (9% in constant currency) to €456 million (Q3/22: €418 million) due to the positive development of High-End Services (HES) and Health Facility Operations (HFO) business.

In Q1-3/23, revenue in the service business increased by 8% (7% in constant currency) to €1,335 million (Q1-3/22: €1,240 million).

Revenue in the **project business** increased by 24% (24% in constant currency) to €191 million (Q3/22: €154 million).

In Q1-3/23, revenue in the project business increased by 5% (5% in constant currency) to €426 million (Q1-3/22: €407 million).

EBIT¹ reflected the first results of the restructuring measures and was with €10 million back to positive (Q3/22: €10 million) driven by the good revenue development of the High-End Services and Health Facility Operations businesses. The EBIT margin¹ was 1.5% (Q3/22: 1.7%).

In Q1-3/23, EBIT¹ decreased to -€37 million (Q1-3/22: €29 million) with an EBIT margin¹ of -2.1% (Q1-3/22: 1.8%).

Net income^{1,2} decreased to -€7 million (Q3/22: €5 million).

In Q1-3/23, net income^{1,2} decreased to -€74 million (Q1-3/22: €15 million).

¹ Before special items

² Net income attributable to shareholders of Vamed AG

For a detailed overview of special items please see the reconciliation tables on page 16.

Order intake was €40 million (Q3/22: €153 million). As of September 30, 2023, **order backlog** was at €2,908 million¹ (December 31, 2022: €3,689 million).

Operating cash flow increased to €50 million (Q3/22: -€18 million) with a margin of 7.7% (Q3/22: -3.1%) due to positive phasing effects.

In Q1-3/23, operating cash flow improved to -€16 million (Q1-3/22: -€56 million) with a margin of -0.9% (Q1-3/22: -3.4%).

In Q3/23, further **progress in the transformation** of Fresenius Vamed was achieved. With a positive EBIT of €10 million in Q3/23, Fresenius Vamed is ahead of its originally expected target for Q3/23. For Q4/23, a further solid development is expected. For **FY/2023**, Fresenius Vamed confirms outlook and expects organic revenue² to grow in a low- to mid-single digit percentage range. The EBIT margin³ is expected to be clearly below the structural margin band of 4% to 6%.

¹ Thereof conditionally agreed order backlog of €839 million

² FY/22 base: €2,359 million

³ FY/22 base: EBIT margin: 0.8%, before special items; FY/23 before special items

For a detailed overview of special items please see the reconciliation tables on page 16.

EMPLOYEES

As of September 30, 2023, the number of employees was 193,527 (Dec. 31, 2022: 188,876).

NUMBER OF EMPLOYEES

Number of employees	Sep. 30, 2023	Dec. 31, 2022	Growth
Fresenius Kabi	42,961	42,063	2%
Fresenius Helios	129,400	125,700	3%
Fresenius Vamed	20,258	20,184	0%
Corporate	908	929	-2%
Total	193,527	188,876	2%

CHANGES TO THE MANAGEMENT BOARD

The healthcare group Fresenius will have a revised Management team going forward. Dr. Ernst Wastler, previously responsible for Fresenius Vamed, retired as Chairman of the Vamed Management Board and consequently from the Fresenius Management Board upon reaching retirement age on July 18, 2023. Dr. Klaus Schuster and Frank-Michael Frede were appointed to the Vamed Management Board. Dr. Klaus Schuster will assume the new role of Spokesman of the Vamed Management Board but is not represented on the Fresenius Management Board. Dr. Michael Moser, a member of the Fresenius Management Board, is responsible for Fresenius Vamed within the Fresenius Board.

On September 8, 2023, the Supervisory Board of Fresenius Management SE has appointed Robert Möller to the Management Board with immediate effect. At the same time, he will take over as Chairman of the Management Board of Helios Health GmbH. He succeeds Dr. Francesco de Meo, who left the company.

Following the successful deconsolidation of Fresenius Medical Care, Helen Giza will also step down from the Fresenius Management Board.

The #FutureFresenius strategy, with its realignment of business segments into operating and investment companies, is also reflected in the composition of the Fresenius Management Board.

RESEARCH AND DEVELOPMENT

Product and process development as well as the improvement of therapies are at the core of our growth strategy. Fresenius focuses its R & D efforts on its core competencies in the following areas:

- ▶ Generic IV drugs
- ▶ Biosimilars
- ▶ Infusion and nutrition therapies
- ▶ Medical devices

Apart from new products, we are concentrating on developing optimized or completely new therapies and treatment methods.

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	Q1- 3/2023	Q1- 3/2022	Growth
Fresenius Kabi ¹	435	422	3%
Fresenius Helios	2	2	0%
Fresenius Vamed	-	-	--
Corporate	0	-1	100%
Total¹	437	423	3%

¹ Before special items

RATING

Fresenius is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

In August 2023, the rating agency Fitch raised Fresenius' outlook from "negative" to "stable". Fitch has confirmed the company's rating at BBB-. The improved outlook is based, among other things, on the continued good development of the operating companies, careful capital allocation and progress in simplifying the Group structure.

The following table shows the company rating of Fresenius SE & Co. KGaA:

	Standard & Poor's	Moody's	Fitch
Company rating	BBB	Baa3	BBB -
Outlook	negative	stable	stable

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the consolidated financial statements and the management report as of December 31, 2022 applying Section 315e HGB in accordance with IFRS, there have been the following important developments in Fresenius Group's overall opportunities and risk situation until September 30, 2023.

In summary, the risks to our net assets, financial position and results of operations are essentially unchanged compared to the aforementioned presentation - also considering current developments. This applies in particular to the risks related to the Ukraine war and the overall economic situation.

Russia's war against Ukraine, which began in February 2022, was characterized in Q1-3/23 by a largely unsuccessful Russian offensive in the east of the country and a subsequent expected Ukrainian counteroffensive from June 2023 on, which is still ongoing as of September 30, 2023. An expansion of the war beyond the borders of Ukraine would have significant consequences for Europe as a whole.

We still cannot exclude that our operations in Ukraine, Russia and Belarus, which we are continuing to the best of our ability despite the war, are impacted by the destruction of assets, expropriation, or other regulatory actions, including economic sanctions.

In addition, the war in Ukraine continues to be accompanied by a very pronounced general cyber security threat situation, especially to critical infrastructures, such as healthcare facilities, in countries supporting Ukraine. The risk of cyber attacks against our systems and data remains increased.

Besides these risks, there are still considerable uncertainties in the current situation, in particular from a possible further deterioration of the global macroeconomic outlook. The current macroeconomic inflationary environment

- which is also due to the Ukraine war - continues to pose the risk of material increases in costs for energy, materials and supplies as well as transportation, amongst other consequences. However, this risk has decreased, mainly due to the recognition of expected additional costs in the budget and due to an easing, by tendency, of the situation in several procurement markets, especially the one for energy.

Furthermore, supply chain disruptions as well as qualified labor shortages and related increases in labor costs still constitute risks which can adversely affect our business operations.

This also applies to risks arising from increasing price pressure (e.g. in tender business) and competition as well as efforts to contain costs in the healthcare sector and to risks in connection with research and development as well as with the approval or quality of products.

The risks related to the COVID-19 pandemic have decreased.

In addition and unchanged to the previous presentation, increasing volatility and disruptions in the financing markets, and further rises in interest rates could adversely impact our ability to access capital and increase our financing costs.

Likewise, impairments of intangible assets, including goodwill, as well as changes in exchange rates (foreign currency risks) continue to be relevant risks for the Fresenius Group.

Furthermore, the planned deconsolidation of Fresenius Medical Care through a change of legal form from a KGaA into an Aktiengesellschaft (AG) entails risks. In the second quarter of 2023, corresponding deconsolidation risks were newly added to the risk inventory. They comprise, among other things, unexpected costs in connection with the separation of Fresenius Medical Care from the Fresenius Group with regard to previously jointly used functions and systems, in particular in the area of information technology (IT),

which is intended because of the deconsolidation. The deconsolidation risks also include, for example, possible revenue losses and other unexpected costs for Fresenius Medical Care in connection with the change of product labels and relevant certificates, which is required because of the change of legal form.

In connection with Vamed's restructuring and transformation program, the material effects of this program already foreseeable today have been recognized in the quarterly financial report. During the implementation of individual reorganization measures, their financial effects are assessed on an ongoing basis. We cannot exclude the possibility, that more far-reaching financial effects arise from the implementation of individual measures of the restructuring and transformation program, which negatively impact Fresenius Group's net assets, financial position and results of operations.

In the ordinary course of Fresenius Group's operations, the Fresenius Group is subject to litigation, arbitration as well as external and internal investigations relating to various aspects of its business. The Fresenius Group regularly analyses current information about such matters for probable losses and provides accruals for such matters, including estimated expenses for legal services, as appropriate. We report on legal proceedings on page 61 in the notes of this report.

Overall, the above mentioned factors can have a negative impact on our net assets, financial position, and results of operations.

OUTLOOK 2023

ASSUMPTIONS FOR GUIDANCE FY/23

For the remaining of 2023, Fresenius assumes no further escalations of geopolitical tensions. Fresenius expects moreover that the increased cost inflation will have a corresponding impact on its business. The company will continue to closely monitor the potential further consequences of the ongoing challenging macroeconomic environment, including balance sheet valuations. All of these assumptions are subject to considerable uncertainty.

GROUP REVENUE AND EARNINGS

Based on the consistent performance of the Operating Companies through the year, Fresenius improves the 2023 earnings outlook and now expects constant currency Group EBIT¹ to remain broadly flat compared to FY/2022 (previous: EBIT¹ expected to remain broadly flat to decline up to a mid-single-digit percentage rate). Group organic revenue continues to be expected to grow in a mid-single-digit percentage range.

GROUP FINANCIAL TARGETS 2023

	Targets 2023	Fiscal year 2022
Revenue growth ¹ ex FMC (organic)	Mid-single-digit percentage growth	€21,532 m
EBIT growth ex FMC ¹ (in constant currency)	Broadly flat	€2,190 m
Dividend per share	At least stable	For FY/22 paid: €0.92 per share

¹ Before special items

REVENUE AND EARNINGS BY BUSINESS SEGMENT

In 2023, we expect revenue and earnings development in our business segments as shown in the table below:

FINANCIAL TARGETS BY BUSINESS SEGMENT 2023

Operating Companies ¹	Targets 2023	Fiscal year 2022
Fresenius Kabi		
Revenue growth (organic)	Mid-single-digit per- centage growth Around 14% (structural margin band: of 14% – 17%)	€7,850 m 13.8%
Fresenius Helios		
Revenue growth (organic)	Mid-single-digit percentage growth	€11,716 m
EBIT margin	Within the structural margin band of 9% – 11%	10.1%
Investment Companies¹		
Fresenius Medical Care	With adoption of IFRS 5 outlook is provided ex FMC Performance of FMC to be reflected in FSE's P&L below EBIT	
Fresenius Vamed		
Revenue growth (organic)	Low-to-mid-single-digit percentage growth	€2,359 m
EBIT margin	Clearly below the structural margin band of 4 – 6%	0.8%

¹ Before special items

EXPENSES

For fiscal year 2023, we do expect selling, general, and administrative expenses (before special items) excluding Fresenius Medical Care as a percentage of consolidated net revenue not to change significantly compared to 2022 (2022 ex FMC: 12.4%).

TAX RATE

For fiscal year 2023, we do expect a tax rate excluding Fresenius Medical Care in a range between 25% and 26% (2022 ex FMC: 22.4%).

COST AND EFFICIENCY PROGRAM

Structural productivity improvements are expected to offset market headwinds and to create financial flexibility for future growth investments in the coming years. The target for cost savings is to save around €1 billion annually (including Fresenius Medical Care) in structural costs at EBIT level from 2025 (of which around €350 million excluding Fresenius Medical Care). To achieve the targeted cost savings, one-time costs of around €700 million to €750 million are expected at EBIT level including Fresenius Medical Care (of which around 1/3 excluding Fresenius Medical Care), of which around 2/3 are expected in 2023.

In order to reach this goal, Fresenius is running targeted programs across all business segments and the Corporate Center with the oversight and steering of the Group. Key elements include measures to optimize the network, sales and administrative costs, procurement, as well as divesting from non-core assets.

In line with previous practice, these expenses are classified as special items.

LIQUIDITY AND CAPITAL MANAGEMENT

For fiscal year 2023, we expect a cash conversation rate excluding Fresenius Medical Care below 1.0.

In addition, undrawn credit lines under syndicated or bilateral credit facilities from banks provide us with sufficient financial headroom.

Financing activities in 2023 are largely geared to refinancing existing financial liabilities maturing in 2023 and 2024.

For the 2023 financial year, we expect higher interest rates, which will lead to higher interest expenses. Excluding Fresenius Medical Care, we expect interest expenses to be around the middle of the range of €400 million to €440 million.

Fresenius expects the net debt/EBITDA¹ ratio excluding Fresenius Medical Care to be below 4.0x by the end of 2023, therefore improving from 4.03x² as of September 30, 2023 (December 31, 2022: 3.80x²). This assumption does not include potential divestment activities. The self-imposed target corridor for the leverage ratio remains unchanged at 3.0x to 3.5x.

There are no significant changes in the financing strategy planned for 2023.

INVESTMENTS

In 2023, we expect to invest around 5% of revenue in property, plant and equipment; excluding Fresenius Medical Care. About 43% of the capital expenditure planned will be invested at Fresenius Kabi, around 47% at Fresenius Helios, about 8% at Vamed and about 2% at Corporate.

Fresenius Kabi will mainly invest in the expansion and maintenance of its production sites and in the introduction of new production technologies.

Fresenius Helios will primarily invest in the construction and modernization of existing and newly acquired clinics and medical centers.

Fresenius Vamed is primarily investing in modernizing and equipping existing post-acute care facilities.

With a share of around 80%, Europe (thereof 35% Germany) is the regional focus of investment in the planning period. Around 10% of the investments are planned for North America and around 10% for Asia-Pacific, Latin America, and Africa.

For 2023, we assume return on invested capital (ROIC) excluding Fresenius Medical Care to be around 5% (2022 ex FMC: 5.6%).

DIVIDEND

With the new Fresenius Financial Framework Fresenius aims to generate attractive and predictable dividend yields. In line with its progressive dividend policy, the company aims to increase the dividend in line with earnings per share growth (before special items, in constant currency) but at least maintain the dividend at the prior-year's level. For fiscal year 2022, a dividend at the prior-year level of €0.92 per share (2021: €0.92) was paid. The payout to the shareholders of Fresenius SE & Co. KGaA amounted to €518 million or 30% of consolidated net income. Based on the 2022 year-end share price, the dividend yield was 3.5%.

Against the background of an amendment to a law that recently came into force, Fresenius is examining the impact of the Government relief funds received by Fresenius Helios Deutschland and Fresenius Vamed on the dividend payment by Fresenius SE & Co. KGaA. This also concerns the possible receipt of further compensation payments. Fresenius will act in accordance with the #FutureFresenius strategy within the scope of legal possibilities to ensure value creation for the company and the best possible care for our patients.

¹ At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures; excluding further potential acquisitions/divestitures; before special items; including lease liabilities, including Fresenius Medical Care dividend

² At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures; before special items; including lease liabilities, including Fresenius Medical Care dividend

NON-FINANCIAL TARGETS

From fiscal year 2023, the qualitative measurement of fiscal years 2021 and 2022 will be replaced by quantitative ESG KPIs in the short-term variable Management Board remuneration (Short-term Incentive - STI). The KPIs cover the key sustainability topics of medical quality/patient satisfaction and employees.

The topic of employees is measured with the key figure of the Employee Engagement Index (EEI) for the Fresenius Group. Fresenius is aiming for an EEI of 4.33 for the fiscal year 2023 (corresponds to 100% target achievement).

The Medical Quality/Patient Satisfaction topic is composed of four equally weighted key figures that are defined at the business segment level. The four indicators are based on the respective relevance for the business model.

Fresenius Medical Care aims for a patient Net Promoter Score (NPS) of at least 70 (100% target achievement).

Fresenius Kabi aims for an Audit & Inspection Score of at most 2.3 (100% target achievement).

Helios Germany aims to achieve an Inpatient Quality Indicator (G-IQI) score of at least 88% (100% target achievement), and Helios Spain aims to achieve a score of at least 55% (100% target achievement).

Fresenius Vamed aims to achieve a patient satisfaction score of at least 1.65 (100% target achievement) in fiscal year 2023.

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

€ in millions	Q3/2023	Q3/2022 restated ¹	Q3/2022 previous	Q1 – 3/2023 ¹	Q1 – 3/2022 restated ¹	Q1 – 3/2022 previous
Revenue	5,518	5,386	10,459	16,621	15,862	30,197
Costs of revenue	-4,246	-4,041	-7,870	-12,860	-11,889	-22,556
Gross profit	1,272	1,345	2,589	3,761	3,973	7,641
Selling, general and administrative expenses	-756	-781	-1,493	-2,246	-2,074	-4,417
Research and development expenses	-170	-148	-209	-457	-424	-590
Operating income (EBIT)	346	416	887	1,058	1,475	2,634
Net interest	-100	-67	-141	-291	-160	-375
Income before income taxes	246	349	746	767	1,315	2,259
Income taxes	-91	-82	-195	-312	-302	-545
Net income from continuing operations	155	267	551	455	1,013	1,714
Noncontrolling interests in continuing operations	-6	21	230	-59	68	597
Net income from continuing operations attributable to shareholders of Fresenius SE & Co. KGaA	161	246	321	514	945	1,117
Net income from Fresenius Medical Care operations to be deconsolidated under IFRS 5	-1,889	284	n.a.	-1,560	701	n.a.
Noncontrolling interests in Fresenius Medical Care operations to be deconsolidated under IFRS 5	-1,322	209	n.a.	-1,066	529	n.a.
Net income from Fresenius Medical Care operations to be deconsolidated under IFRS 5 attributable to shareholders of Fresenius SE & Co. KGaA	-567	75	n.a.	-494	172	n.a.
Net income	-1,734	551	551	-1,105	1,714	1,714
Noncontrolling interests in net income	-1,328	230	230	-1,125	597	597
Net income attributable to shareholders of Fresenius SE & Co. KGaA	-406	321	321	20	1,117	1,117
Earnings per share in € (basic and diluted)	-0.72	0.57	0.57	0.04	1.99	1.99
thereof based on net income from continuing operations	0.28	0.43	0.57	0.91	1.68	1.99
thereof based on net income from Fresenius Medical Care operations to be deconsolidated under IFRS 5	-1.00	0.14	n.a.	-0.87	0.31	n.a.

¹ Prior-year and prior-quarter figures of the current year have been adjusted due to the application of IFRS 5 to Fresenius Medical Care operations to be deconsolidated.

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

€ in millions

	Q3/2023	Q3/2022	Q1-3/2023	Q1-3/2022
Net income	-1,734	551	-1,105	1,714
Other comprehensive income (loss)				
Positions which will be reclassified into net income in subsequent years				
Foreign currency translation	558	1,529	-27	3,403
Cash flow hedges	-15	2	-13	3
FVOCI debt instruments	-7	-14	-4	-47
Income taxes on positions which will be reclassified	6	6	5	17
Positions which will not be reclassified into net income in subsequent years				
Actuarial gains on defined benefit pension plans	98	105	57	627
Equity method investees - share of OCI	-	38	-	27
FVOCI equity investments	-1	9	13	15
Income taxes on positions which will not be reclassified	-28	-32	-16	-188
Other comprehensive income, net	611	1,643	15	3,857
Total comprehensive income (loss)	-1,123	2,194	-1,090	5,571
Comprehensive income (loss) attributable to noncontrolling interests	-1,037	970	-1,133	2,342
Comprehensive income (loss) attributable to shareholders of Fresenius SE & Co. KGaA	-86	1,224	43	3,229

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

ASSETS

€ in millions	September 30, 2023	December 31, 2022
Cash and cash equivalents	1,095	2,749
Trade accounts and other receivables, less allowances for expected credit losses	4,142	7,008
Accounts receivable from and loans to related parties	19	157
Inventories	2,663	4,833
Other current assets	3,396	3,532
Assets related to Fresenius Medical Care to be deconsolidated under IFRS 5	33,520	n.a.
I. Total current assets	44,835	18,279
Property, plant and equipment	8,959	12,919
Right-of-use assets	1,906	5,922
Goodwill	15,723	31,490
Other intangible assets	2,665	4,338
Other non-current assets	716	2,621
Deferred taxes	524	831
II. Total non-current assets	30,493	58,121
Total assets	75,328	76,400

LIABILITIES

€ in millions	September 30, 2023	December 31, 2022
Trade accounts payable	1,214	2,070
Short-term accounts payable to related parties	3	94
Short-term provisions and other short-term liabilities	5,309	8,242
Short-term debt	184	856
Short-term debt from related parties	10	11
Current portion of long-term debt	289	669
Current portion of lease liabilities	216	851
Current portion of bonds	1,150	649
Current portion of convertible bonds	497	-
Short-term liabilities for income taxes	206	216
Liabilities related to Fresenius Medical Care to be deconsolidated under IFRS 5	20,111	n.a.
A. Total short-term liabilities	29,189	13,658
Long-term debt, less current portion	2,449	2,166
Lease liabilities, less current portion	1,873	5,741
Bonds, less current portion	8,448	16,329
Convertible bonds	-	491
Long-term provisions and other long-term liabilities	1,565	2,802
Pension liabilities	577	1,099
Long-term liabilities for income taxes	225	242
Deferred taxes	720	1,654
B. Total long-term liabilities	15,857	30,524
I. Total liabilities	45,046	44,182
A. Noncontrolling interests	10,248	11,803
Subscribed capital	563	563
Capital reserve	4,325	4,323
Other reserves	14,716	15,122
Accumulated other comprehensive income	430	407
B. Total Fresenius SE & Co. KGaA shareholders' equity	20,034	20,415
II. Total shareholders' equity	30,282	32,218
Total liabilities and shareholders' equity	75,328	76,400

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CASH FLOWS

€ in millions

	Q1 – 3/ 2023 ¹	Q1 – 3/ 2022 restated ¹	Q1 – 3/ 2022 previous
Operating activities			
Operating activities – continuing operations			
Net income from continuing operations	455	1,013	1,714
Adjustments to reconcile net income from continuing operations to cash and cash equivalents provided by operating activities			
Depreciation and amortization	865	821	2,147
Change in deferred taxes	-16	-45	-105
Gain on sale of fixed assets and of investments and divestitures	-8	-2	-69
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of			
Trade accounts and other receivables	-684	-501	-570
Inventories	-168	-195	-364
Other current and non-current assets	-601	-739	-670
Accounts receivable from/payable to related parties	30	-12	-39
Trade accounts payable, provisions and other short-term and long-term liabilities	842	404	210
Liabilities for income taxes	144	62	120
Net cash provided by operating activities – continuing operations	859	806	2,374
Net cash provided by operating activities – Fresenius Medical Care operations to be deconsolidated under IFRS 5	1,910	1,568	n.a.
Net cash provided by operating activities	2,769	2,374	2,374
Investing activities			
Investing activities – continuing operations			
Purchase of property, plant and equipment and capitalized development costs	-737	-692	-1,187
Proceeds from sales of property, plant and equipment	14	6	15
Acquisitions and investments and purchases of intangible assets	-221	-795	-927
Proceeds from sale of investments and divestitures	0	28	136
Net cash used in investing activities – continuing operations	-944	-1,453	-1,963
Net cash used in investing activities – Fresenius Medical Care operations to be deconsolidated under IFRS 5	-447	-510	n.a.
Net cash used in investing activities	-1,391	-1,963	-1,963

¹ Prior-year and prior-quarter figures of the current year have been adjusted due to the application of IFRS 5 to Fresenius Medical Care operations to be deconsolidated.

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions

	Q1 – 3/2023 ¹	Q1 – 3/2022 restated ¹	Q1 – 3/2022 previous
Financing activities			
Financing activities – continuing operations			
Proceeds from short-term debt	90	920	1,497
Repayments of short-term debt	-107	-1,499	-2,722
Proceeds from long-term debt	1,285	530	1,557
Repayments of long-term debt	-905	-481	-655
Repayments of lease liabilities	-176	-143	-716
Proceeds from the issuance of bonds	–	1,300	1,300
Repayments of liabilities from bonds	–	–	-627
Proceeds from the Accounts Receivable Facility of Fresenius Medical Care	–	–	24
Proceeds from the exercise of stock options	–	–	20
Dividends received from Fresenius Medical Care	106	127	n.a.
Dividends paid	-544	-396	-817
Change in noncontrolling interests, net	-15	-28	-28
Net cash used in/provided by financing activities – continuing operations	-266	330	-1,167
Net cash used in financing activities – Fresenius Medical Care operations to be deconsolidated under IFRS 5	-1,113	-1,497	n.a.
Net cash used in financing activities	-1,379	-1,167	-1,167
Effect of exchange rate changes on cash and cash equivalents	-100	120	120
Net decrease in cash and cash equivalents	-101	-636	-636
Cash and cash equivalents at the beginning of the reporting period	2,749	2,764	2,764
less cash and cash equivalents Fresenius Medical Care at the end of the reporting period	-1,553	n.a.	n.a.
Cash and cash equivalents at the end of the reporting period	1,095	2,128	2,128
Thereof cash and cash equivalents from Fresenius Medical Care operations to be deconsolidated under IFRS 5	n.a.	1,114	n.a.

¹ Prior-year and prior-quarter figures of the current year have been adjusted due to the application of IFRS 5 to Fresenius Medical Care operations to be deconsolidated.

ADDITIONAL INFORMATION ON PAYMENTS

THAT ARE INCLUDED IN NET CASH PROVIDED BY OPERATING ACTIVITIES OF CONTINUING OPERATIONS

€ in millions

	Q1 – 3/2023 ¹	Q1 – 3/2022 ¹
Received interest	43	47
Paid interest	-284	-185
Income taxes paid	-197	-343

¹ Prior-year and prior-quarter figures of the current year have been adjusted due to the application of IFRS 5 to Fresenius Medical Care operations to be deconsolidated.

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
As of December 31, 2021	558,502	558,502	558	4,026	14,860
Proceeds from the exercise of stock options	-	-	-	6	
Dividends paid					-367
Scrip dividend	4,735	4,735	5	142	-147
Transactions with noncontrolling interests without loss of control				145	
Noncontrolling interests due to changes in consolidation group				-	
Put option liabilities					-629
Transfer of cumulative gains/losses of equity investments					3
Comprehensive income (loss)					
Net income					1,117
Other comprehensive income (loss)					
Cash flow hedges					
Change of FVOCI equity investments					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Fair value changes					
Comprehensive income (loss)					1,117
As of September 30, 2022	563,237	563,237	563	4,319	14,837
As of December 31, 2022	563,237	563,237	563	4,323	15,122
Dividends paid					-518
Transactions with noncontrolling interests without loss of control				2	
Noncontrolling interests due to changes in consolidation group				-	
Put option liabilities					92
Comprehensive income (loss)					
Net income					20
Other comprehensive income (loss)					
Cash flow hedges					
Change of FVOCI equity investments					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Fair value changes					
Comprehensive income (loss)					20
As of September 30, 2023	563,237	563,237	563	4,325	14,716

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Accumulated other comprehensive income (loss)					Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Non-controlling interests € in millions	Total shareholders' equity € in millions
	Foreign currency translation € in millions	Cash flow hedges € in millions	Pensions € in millions	Equity investments € in millions	Fair value changes € in millions			
As of December 31, 2021	54	-66	-411	-42	19	18,998	10,290	29,288
Proceeds from the exercise of stock options						6	14	20
Dividends paid						-367	-513	-880
Scrip dividend						-	-	-
Transactions with noncontrolling interests without loss of control						145	369	514
Noncontrolling interests due to changes in consolidation group						-	609	609
Put option liabilities						-629	-337	-966
Transfer of cumulative gains/losses of equity investments				-3		-	-	-
Comprehensive income (loss)								
Net income						1,117	597	1,714
Other comprehensive income (loss)								
Cash flow hedges		1				1	1	2
Change of FVOCI equity investments				9		9	6	15
Foreign currency translation	1,815	-1	-9	0	0	1,805	1,607	3,412
Actuarial gains on defined benefit pension plans			300			300	139	439
Fair value changes					-3	-3	-8	-11
Comprehensive income (loss)	1,815	0	291	9	-3	3,229	2,342	5,571
As of September 30, 2022	1,869	-66	-120	-36	16	21,382	12,774	34,156
As of December 31, 2022	613	-56	-109	-58	17	20,415	11,803	32,218
Dividends paid						-518	-454	-972
Transactions with noncontrolling interests without loss of control						2	1	3
Noncontrolling interests due to changes in consolidation group						-	-13	-13
Put option liabilities						92	44	136
Comprehensive income (loss)								
Net income						20	-1,125	-1,105
Other comprehensive income (loss)								
Cash flow hedges		-7				-7	-3	-10
Change of FVOCI equity investments				4		4	9	13
Foreign currency translation	3	0	-1	-	0	2	-28	-26
Actuarial gains on defined benefit pension plans			25			25	16	41
Fair value changes					-1	-1	-2	-3
Comprehensive income (loss)	3	-7	24	4	-1	43	-1,133	-1,090
As of September 30, 2023	616	-63	-85	-54	16	20,034	10,248	30,282

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA

CONSOLIDATED SEGMENT REPORTING FIRST THREE QUARTERS (UNAUDITED)

All figures are reported excluding Fresenius Medical, except for net income.

by business segment, € in millions	Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	2023 ²	2022 ²	Growth	2023 ²	2022 ²	Growth	2023 ²	2022 ²	Growth	2023 ³	2022 ³	Growth	2023	2022	Growth
Revenue	6,013	5,814	3%	9,132	8,685	5%	1,761	1,647	7%	-285	-284	0%	16,621	15,862	5%
thereof contribution to consolidated revenue	5,977	5,777	3%	9,112	8,668	5%	1,531	1,416	8%	1	1	0%	16,621	15,862	5%
thereof intercompany revenue	36	37	-3%	20	17	18%	230	231	0%	-286	-285	0%	-	-	-
contribution to consolidated revenue	36%	36%		55%	55%		9%	9%		0%	0%		100%	100%	
EBITDA	1,209	1,172	3%	1,255	1,205	4%	44	102	-57%	-585	-183	--	1,923	2,296	-16%
Depreciation and amortization	346	328	5%	394	374	5%	81	73	11%	44	46	-4%	865	821	5%
EBIT	863	844	2%	861	831	4%	-37	29	--	-629	-229	-175%	1,058	1,475	-28%
Net interest	-95	-36	-164%	-184	-134	-37%	-33	-6	--	21	16	31%	-291	-160	-82%
Income taxes	-162	-182	11%	-158	-153	-3%	-2	-5	60%	10	38	-74%	-312	-302	-3%
Net income from Fresenius Medical Care operations to be deconsolidated under IFRS 5 attributable to shareholders of Fresenius SE & Co. KGaA	-	-		-	-		-	-		-494	172	--	-494	172	--
Net income attributable to shareholders of Fresenius SE & Co. KGaA	559	574	-3%	505	530	-5%	-74	15	--	-970	-2	--	20	1,117	-98%
Operating cash flow	581	543	7%	377	411	-8%	-16	-56	71%	-83	-92	10%	859	806	7%
Cash flow before acquisitions and dividends	305	221	38%	14	84	-83%	-91	-84	-8%	-92	-101	9%	136	120	13%
Assets ¹	16,413	16,745	-2%	22,706	21,337	6%	2,708	2,887	-6%	-19	-233	92%	41,808	40,736	3%
Debt ¹	3,971	4,195	-5%	8,194	7,811	5%	1,097	885	24%	1,854	1,817	2%	15,116	14,708	3%
Other operating liabilities ¹	3,581	3,842	-7%	4,010	3,424	17%	1,131	994	14%	377	399	-6%	9,099	8,659	5%
Capital expenditure, gross	271	308	-12%	368	330	12%	76	31	145%	10	9	11%	725	678	7%
Acquisitions, gross/investments	195	723	-73%	0	81	-100%	2	15	-87%	0	0		197	819	-76%
Research and development expenses	435	422	3%	2	2	0%	-	-		20	0		457	424	8%
Employees (per capita on balance sheet date) ¹	42,961	42,063	2%	129,400	125,700	3%	20,258	20,184	0%	908	1,449	-37%	193,527	189,396	2%
Key figures															
EBITDA margin	20.1%	20.2%		13.7%	13.9%		2.5%	6.2%					14.9% ²	15.3% ²	
EBIT margin	14.4%	14.5%		9.4%	9.6%		-2.1%	1.8%					9.8% ²	10.3% ²	
Depreciation and amortization in % of revenue	5.8%	5.6%		4.3%	4.3%		4.6%	4.4%					5.2%	5.2%	
Operating cash flow in % of revenue	9.7%	9.3%		4.1%	4.7%		-0.9%	-3.4%					5.2%	5.1%	
ROIC ¹	6.6%	7.8%		5.2%	5.4%		-2.8%	1.1%					5.0% ⁴	5.6% ⁴	

¹ 2022: December 31, the figures reported differ from those in the consolidated statement of financial position as they are presented excluding Fresenius Medical Care.

² Before special items

³ After special items

⁴ The underlying pro forma EBIT does not include special items.

For information regarding special items, please see the reconciliation tables in the interim Group management report. The consolidated segment reporting is an integral part of the notes.

FRESENIUS SE & CO. KGAA

CONSOLIDATED SEGMENT REPORTING THIRD QUARTER (UNAUDITED)

All figures are reported excluding Fresenius Medical, except for net income.

by business segment, € in millions	Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	2023 ¹	2022 ¹	Growth	2023 ¹	2022 ¹	Growth	2023 ¹	2022 ¹	Growth	2023 ²	2022 ²	Growth	2023	2022	Growth
Revenue	2,021	2,071	-2%	2,953	2,829	4%	647	572	13%	-103	-86	-20%	5,518	5,386	2%
thereof contribution to consolidated revenue	2,009	2,053	-2%	2,945	2,824	4%	563	504	12%	1	0		5,518	5,386	2%
thereof intercompany revenue	12	18	-33%	8	5	60%	84	68	24%	-104	-86	-21%	-	-	
contribution to consolidated revenue	36%	38%		54%	52%		10%	10%		0%	0%		100%	100%	
EBITDA	406	397	2%	375	348	8%	39	35	11%	-159	-89	-79%	661	691	-4%
Depreciation and amortization	117	117	0%	136	126	8%	29	25	16%	33	7	--	315	275	15%
EBIT	289	280	3%	239	222	8%	10	10	0%	-192	-96	-100%	346	416	-17%
Net interest	-35	-16	-119%	-63	-41	-54%	-15	-3	--	13	-7	--	-100	-67	-49%
Income taxes	-46	-62	26%	-41	-38	-8%	-1	-1	0%	-3	19	-116%	-91	-82	-11%
Net income from Fresenius Medical Care operations to be deconsolidated under IFRS 5 attributable to shareholders of Fresenius SE & Co. KGaA	-	-		-	-		-	-		-567	75	--	-567	75	--
Net income attributable to shareholders of Fresenius SE & Co. KGaA	189	184	3%	132	138	-4%	-7	5	--	-720	-6	--	-406	321	--
Operating cash flow	380	301	26%	208	353	-41%	50	-18	--	10	-38	126%	648	598	8%
Cash flow before acquisitions and dividends	270	183	48%	65	263	-75%	32	-28	--	9	-43	121%	376	375	0%
Capital expenditure, gross	109	122	-11%	144	117	23%	19	11	73%	2	5	-60%	274	255	7%
Acquisitions, gross/investments	179	501	-64%	0	6	-100%	-	9	-100%	0	0		179	516	-65%
Research and development expenses	151	147	3%	0	1	-100%	-	-		19	0		170	148	15%
Key figures															
EBITDA margin	20.1%	19.2%		12.7%	12.3%		6.0%	6.1%					14.9% ¹	14.0% ¹	
EBIT margin	14.3%	13.5%		8.1%	7.8%		1.5%	1.7%					9.4% ¹	8.9% ¹	
Depreciation and amortization in % of revenue	5.8%	5.6%		4.6%	4.5%		4.5%	4.4%					5.7%	5.1%	
Operating cash flow in % of revenue	18.8%	14.5%		7.0%	12.5%		7.7%	-3.1%					11.7%	11.1%	

¹ Before special items

² After special items

For information regarding special items, please see the reconciliation tables in the interim Group management report. The consolidated segment reporting is an integral part of the notes.

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GENERAL NOTES

1. PRINCIPLES

I. GROUP STRUCTURE

Fresenius is a global healthcare group and offers system-critical products and services for leading therapies for care of critically and chronically ill patients. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., Germany, the activities are organized amongst the following legally independent business segments as of September 30, 2023:

- ▶ Fresenius Kabi
- ▶ Fresenius Helios
- ▶ Fresenius Medical Care
- ▶ Fresenius Vamed

As of July 14, 2023, Fresenius Medical Care is accounted for as business segment to be deconsolidated in accordance with IFRS 5. As of January 1, 2023, the business segments are differentiated between operating companies (Fresenius Kabi and Fresenius Helios) and investment companies (Fresenius Medical Care and Fresenius Vamed).

Furthermore, as of January 1, 2023, Fresenius Kabi implemented a new global operating model. Thereafter, Fresenius Kabi has reorganized the business into four operating divisions: Biopharma, MedTech, Nutrition and Pharma (IV Drugs & Fluids).

The reporting and functional currency of the Fresenius Group is the euro. In order to improve the clarity of presentation, amounts are generally presented in million euros. Amounts less than €1 million, after rounding, are marked with "0".

Deconsolidation of Fresenius Medical Care

Fresenius announced in February 2023 its intention to initiate plans towards a conversion of the legal form of Fresenius Medical Care AG & Co. KGaA into a German stock corporation (Aktiengesellschaft – AG) and thereupon to deconsolidate the business segment Fresenius Medical Care in accordance with the relevant International Financial Reporting Standards (IFRS). On July 14, 2023, the Extraordinary General Meeting of Fresenius Medical Care AG & Co. KGaA approved the proposal of conversion of the legal form into a German stock corporation. After registration with the commercial register, the conversion of the legal form will become effective. Fresenius expects the registration at the end of November 2023. For the interim financial statements as of September 30, 2023 and the statements in subsequent reporting periods, the specific accounting standards apply as follows.

In the first step, as a result of the approval of the conversion of legal form, Fresenius Medical Care has been classified since July 14, 2023 in accordance with IFRS 5 as a separate line item (operations to be deconsolidated) in the Fresenius Group consolidated statement of income, the consolidated statement of financial position and the consolidated statement of cash flows as of September 30, 2023.

After registration with the commercial register (second step), the investment in Fresenius Medical Care will be deconsolidated and subsequently accounted for at equity in accordance with IAS 28. The relevant IFRS require valuation of Fresenius Medical Care at fair value. If this value, which corresponds to Fresenius Medical Care's market capitalization, is below the book value of Fresenius Medical Care's consolidated equity, the Fresenius Group must recognize a non-cash effective impairment, which is included as special item. As of July 14, 2023, the market capitalization of Fresenius Medical Care was €13.7 billion based on a share price of 46.78 € and thus above the consolidated shareholders' equity of Fresenius Medical Care AG & Co. KGaA of €13.5 billion as of June 30, 2023.

Therefore, the first step with the initial recognition did not result in any expenses in the third quarter of 2023. As part of the IFRS 5 subsequent remeasurement, the market capitalization and consolidated shareholders' equity were compared again as of September 30, 2023. As of September 30, 2023, the market capitalization of Fresenius Medical Care was €12 billion based on a share price of 40.84 € and thus below the consolidated shareholders' equity of Fresenius Medical Care AG & Co. KGaA of €14 billion as of September 30, 2023. Valuation rules under IFRS 5 therefore resulted in a non-cash special item of €2 billion in the consolidated financial statements of the Fresenius Group, of which €0.6 billion was attributable to the shareholders of Fresenius SE & Co. KGaA and €1.4 billion to the non-controlling interests of the Fresenius Group. The expenses are reported as part of the net income from Fresenius Medical Care operations to be deconsolidated under IFRS 5.

With respect to subsequent IFRS 5 remeasurements and step 2, further effects may arise depending on the value of Fresenius Medical Care's market capitalization.

Due to the application of IFRS 5, the prior year and prior quarter figures of the current year in the consolidated statement of income and the consolidated statement of cash flows have been adjusted.

The application of IFRS 5 at the Fresenius Group level does not have any impact on the consolidated financial statements of Fresenius Medical Care, because the recoverability of net assets in the consolidated financial statements of Fresenius Medical Care is measured in accordance with IAS 36, which, in contrast to IFRS 5, is determined by the higher of the value in use and the fair value less costs of disposal (which mainly corresponds to the market capitalization).

Transformation Fresenius Vamed

Following the continued negative business performance, Fresenius announced as part of the presentation of the results for the first quarter of 2023 plans for an in-depth analysis of Fresenius Vamed's business model, its governance and relevant processes. At the same time, a comprehensive and far-reaching restructuring program has been initiated with the clear goal to increase the company's profitability. Also, a comprehensive reassessment of the company organization was initiated.

The restructuring program aims to adjust Fresenius Vamed's project business, especially in Germany. Moreover, the withdrawal of non-core service businesses in main markets outside Europe is intended. This includes the redimensioning of activities, and associated with this, achieving a significantly lower risk profile.

As a result of this transformation, Fresenius Vamed has revalued the affected business activities in the second and third quarter of 2023 and recognized negative one-time effects of €441 million. These mainly relate to impairments of loans, investments, receivables, inventories and orders, restructuring expenses as well as the recognition of provisions. Most of these nonrecurring items are non-cash.

II. BASIS OF PRESENTATION

Fresenius SE & Co. KGaA, as a stock exchange listed company with a domicile in a member state of the European Union (EU), fulfills its obligation to prepare and publish the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and applying Section 315e of the German Commercial Code (HGB).

The consolidated interim financial statements and accompanying condensed notes are prepared in accordance with the International Accounting Standard (IAS) 34. The primary financial statements are presented in the format consistent with the consolidated financial statements as of December 31, 2022, with the exception of the adjustments required by IFRS 5. The consolidated interim financial statements have been prepared in accordance with the Standards and interpretations in effect on the reporting date, and endorsed in the EU, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC).

The interim financial statements have been prepared in accordance with the same general accounting policies applied in the preparation of the consolidated financial

statements as of December 31, 2022, with the exception of Fresenius Medical Care's accounting in accordance with IFRS 5.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and interim management report for the first three quarters and the third quarter ended September 30, 2023 have not been audited nor reviewed and should be read in conjunction with the notes included and published in the consolidated financial statements as of December 31, 2022 applying Section 315e HGB in accordance with IFRS as adopted by the EU.

Except for the reported acquisitions (see note 2, Acquisitions, divestitures and investments), there have been no other material changes in the Fresenius Group's consolidation structure.

The consolidated financial statements for the first three quarters and the third quarter ended September 30, 2023 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide a fair presentation of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first three quarters ended September 30, 2023 are not necessarily indicative of the results of operations for the fiscal year 2023.

Classifications

The prior year and prior quarter figures of the current year have been adjusted in the consolidated statement of income, the consolidated statement of cash flows and in the notes due to the application of IFRS 5 for Fresenius Medical Care operations to be deconsolidated.

Government grants and impacts of COVID-19 pandemic

In the first three quarters of 2023, the German clinics of the Fresenius Group received government compensation payments and reimbursements in the amount of €158 million to compensate for costs indirectly caused by the increase in energy prices. Approximately half of the payments were recognized in the consolidated statement of income on a pro rata basis. Against the background of an amendment to the law that came into force in August 2023, the Fresenius Group is continuously reviewing how to proceed with the government compensation payments and their conditions, also with regard to the dividend payment by Fresenius SE & Co. KGaA. This also concerns the possible receipt of further compensation payments.

The German clinics of the Fresenius Group did not receive reimbursements and grants to compensate for COVID-19 related financial charges in the first three quarters of 2023 (Q1 – 3/2022: €220 million, thereof €195 million recorded in revenue and €25 million as grants in other operating income).

Hyperinflationary accounting

Fresenius Group's subsidiaries operating in Argentina and Türkiye apply IAS 29, Financial Reporting in Hyperinflationary Economies, due to inflation in those countries. For the first three quarters of 2023, the application of IAS 29 resulted in an effect on net income from continuing operations attributable to shareholders of Fresenius SE & Co. KGaA of -€33 million (Q1 – 3/2022: -€17 million) included in selling, general and administrative expenses. The ongoing

retranslation effects of hyperinflationary accounting and its impact on comparative amounts are recorded in other comprehensive income (loss) within the consolidated financial statements.

Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Business segment to be deconsolidated

The planned deconsolidation of the business segment Fresenius Medical Care is accounted for in accordance with IFRS 5 by the Fresenius Group as of July 14, 2023. At that date, the General Meeting of Fresenius Medical Care AG & Co. KGaA approved the conversion of the legal form into a German stock corporation and the deconsolidation within one year was considered highly probable.

Following classification as "business segment to be deconsolidated", assets and related liabilities are presented separately in one line within the current section of the consolidated statement of financial position. The Fresenius Group also presents the results separately in the consolidated statement of income and in the consolidated statement of cash flows and prior year figures and prior quarter figures of the current year are adjusted.

The business segment to be deconsolidated is measured at the lower of its carrying amount or its fair value less costs of deconsolidation and regular depreciation and amortization has been ceased.

IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at and for the first three quarters ended September 30, 2023 in conformity with IFRS, as adopted by the EU, that must be applied for the interim periods starting on or after January 1, 2023.

For the first three quarters of 2023, the following new standard relevant for Fresenius Group's business was applied for the first time:

In May 2017, the IASB issued **IFRS 17, Insurance Contracts**. In June 2020 and December 2021, further amendments were published. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure related to the issuance of insurance contracts. IFRS 17 replaces IFRS 4, Insurance Contracts, which was brought in as an interim standard in 2004. IFRS 4 permitted the use of national accounting standards for the accounting of insurance contracts under IFRS. As a result of the varied application for insurance contracts, there was a lack of comparability among peer groups. IFRS 17 eliminates this diversity in practice by requiring all insurance contracts to be accounted for using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts.

The adoption of IFRS 17 did not have a material impact on the consolidated financial statements of the Fresenius Group.

V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

The IASB issued the following new standards relevant for the Fresenius Group's business:

In May 2023, the IASB issued **Amendments to IAS 12, Income Taxes**. The amendments temporarily exempt companies from accounting for deferred taxes arising from the implementation of the Organisation for Economic Co-operation and Development's (OECD) international tax reform, known as Pillar Two model. The Pillar Two model aims at taxing large multinational companies with a rate of at least 15%. Moreover, the amendments prescribe targeted disclosures. The exemption may be used immediately. Disclosures are required for fiscal years beginning on or after January 1, 2023. The Fresenius Group is currently evaluating the impact of the amendments to IAS 12 on the consolidated financial statements.

In January 2020, the IASB issued **Amendments to IAS 1, Classification of Liabilities as Current and Non-current**. The amendments clarify under which circumstances debt and other liabilities with an uncertain settlement date should be classified as current or non-current. Among others, the amendments state that liabilities shall be classified depending on rights that exist at the end of the reporting period and define under which conditions liabilities might be settled by cash, other economic resources or equity. On July 15, 2020, and October 31, 2022, the IASB deferred the effective date. The amendments to IAS 1 are now effective for fiscal years beginning on or after January 1, 2024. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact of the amendments to IAS 1 on the consolidated financial statements.

The EU Commission's endorsements of the amendments to IAS 1 and IAS 12 are still outstanding.

In the Fresenius Group's view, there are no other IFRS standards or interpretations not yet effective that would be expected to have a material impact on the consolidated financial statements.

2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions, investments and purchases of intangible assets from continuing operations of €197 million and €819 million in the first three quarters of 2023 and 2022, respectively. Of this amount, €221 million was paid in cash in the first three quarters of 2023 including €24 million in subsequent purchase price payments already recognized as liabilities.

FRESENIUS KABI

In the first three quarters of 2023, Fresenius Kabi spent €195 million (Q1 – 3/2022: €723 million) on acquisitions, mainly for milestone payments relating to the acquisition of Merck KGaA's biosimilars business which were already recognized as liabilities as part of the acquisition.

Acquisition mAbxience

On August 1, 2022, Fresenius Kabi closed the acquisition of a stake of 55% of mAbxience Holding S.L. (mAbxience), a leading international biopharmaceutical company, focused on the rapidly growing market for the development and manufacturing of biological drugs (biopharmaceuticals).

The company has been consolidated since August 1, 2022, and has contributed €59 million to revenue in the fiscal year 2022.

The consideration transferred in the amount of €511 million is a combination of €499 million upfront payment, which was paid in cash upon closing, and performance-based payments expected for future years with a current fair value of €12 million. These are strictly tied to the achievement of development and operating targets and could be in the low three-digit million euro range in total.

The transaction was accounted for as a business combination.

The following table summarizes the final fair values of assets acquired and liabilities assumed. During 2023, the acquisition accounting was reviewed and finalized. Adjustments, net of related income tax effects, were recorded to goodwill and intangible assets.

€ in millions	
Fair values of assets acquired and liabilities assumed	
Cash and cash equivalents	6
Trade accounts and other receivables	24
Inventories	89
Other current assets	26
Property, plant and equipment	68
Intangible assets and other assets	352
Goodwill	510
Trade accounts payable, short-term provisions and other short-term liabilities	-41
Other liabilities	-105
Noncontrolling interests	-418
Transferred consideration	511

The goodwill in the amount of €510 million resulting from the acquisition is not deductible for tax purposes. Until December 31, 2022, the goodwill was allocated to the relevant four cash generating units of Fresenius Kabi according to the regional distribution of the acquired business. Since January 1, 2023, it has been allocated to the Biopharma cash generating unit in accordance with the applicable new reporting structure.

FRESENIUS HELIOS

In the first three quarters of 2023, Fresenius Helios did not incur any acquisition expenses (Q1–3/2022: €81 million).

FRESENIUS VAMED

In the first three quarters of 2023, Fresenius Vamed spent €2 million (Q1–3/2022: €15 million) on acquisitions.

DECONSOLIDATION OF FRESENIUS MEDICAL CARE

On July 14, 2023, the Extraordinary General Meeting of Fresenius Medical Care AG & Co. KGaA approved the proposal of conversion of the legal form into a German stock corporation and thereupon Fresenius Medical Care was classified as a separate item (operations to be deconsolidated) in the Fresenius Group consolidated statement of income, the consolidated statement of financial position and the consolidated statement of cash flows (see note 1., III. Summary of significant accounting policies).

Net income from Fresenius Medical Care's operations to be deconsolidated (including special items) was comprised of the following:

€ in millions	Q1 - 3/2023	Q1 - 3/2022
Revenue	14,466	14,401
Costs of revenue	-10,890	-10,738
Gross profit	3,576	3,663
Selling, general and administrative expenses	-2,468	-2,336
Research and development expenses	-166	-167
Operating income (EBIT)	942	1,160
Net interest	-252	-217
Income before income taxes	690	943
Income taxes	-214	-242
Net income	476	701
Loss due to subsequent remeasurement of operations to be deconsolidated at fair value less costs of deconsolidation (booked against goodwill)	-2,336	-
Other valuation adjustments (mainly suspension of regular depreciation and amortization)	300	-
Net income from Fresenius Medical Care operations to be deconsolidated under IFRS 5	-1,560	701

For a more appropriate presentation of the financial effects, eliminations of intercompany transactions with Fresenius Medical Care have been allocated to Fresenius Medical Care operations to be deconsolidated, taking into account future supply and service relationships.

As of September 30, 2023, the cumulative income/expense recognized in other comprehensive income (loss) relating to the operations to be deconsolidated amounts to €424 million.

As of September 30, 2023, the carrying amounts of the assets and liabilities of Fresenius Medical Care operations to be deconsolidated in the consolidated statement of financial position of the Fresenius Group were as follows:

ASSETS

€ in millions	September 30, 2023
Cash and cash equivalents	1,553
Trade accounts and other receivables, less allowances for expected credit losses	3,646
Accounts receivable from and loans to related parties	25
Inventories	2,304
Other current assets	1,054
Property, plant and equipment	4,101
Assets held for sale	437
Right-of-use assets	3,948
Goodwill	13,077
Other intangible assets	1,437
Other non-current assets	1,554
Deferred taxes	384
Assets related to Fresenius Medical Care to be deconsolidated	33,520

LIABILITIES

€ in millions	September 30, 2023
Trade accounts payable	753
Short-term accounts payable to related parties	72
Short-term provisions and other short-term liabilities	3,572
Short-term debt	547
Current portion of long-term debt	57
Current portion of lease liabilities	627
Current portion of bonds	650
Short-term liabilities for income taxes	223
Liabilities held for sale	65
Long-term debt, less current portion	496
Lease liabilities, less current portion	3,687
Bonds, less current portion	6,768
Long-term provisions and other long-term liabilities	1,112
Pension liabilities	508
Long-term liabilities for income taxes	40
Deferred taxes	934
Liabilities related to Fresenius Medical Care to be deconsolidated	20,111

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

The prior year figures have been adjusted in the notes on the consolidated statement of income due to the application of IFRS 5 for Fresenius Medical Care operations to be deconsolidated.

3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first three quarters of 2023 in the amount of €20 million includes special items which had the following impact on the consolidated statement of income:

€ in millions	EBIT	Interest expenses	Net income attributable to shareholders of Fresenius SE & Co. KGaA
Earnings Q1 - 3/2023, before special items	1,628	-300	1,108
Vamed transformation	-441	-	-339
Expenses associated with the Fresenius cost and efficiency program	-94	-	-73
Legacy portfolio adjustments	-17	-	-15
Legal form conversion costs Fresenius Medical Care	-8	-	-7
Transaction costs mAbxience, Ivenix	-7	-	-4
Revaluations of biosimilars contingent purchase price liabilities	-3	9	4
Special items from continuing operations	-570	9	-434
IFRS 5 valuation	-	-	-594
Legacy portfolio adjustments	-	-	-38
Expenses associated with the FME 25 program	-	-	-23
Legal form conversion costs Fresenius Medical Care	-	-	-3
Remeasurement Humacyte investment	-	-	4
Special items from Fresenius Medical Care operations to be deconsolidated	-	-	-654
Earnings Q1 - 3/2023 according to IFRS	1,058	-291	20

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first three quarters of 2022 in the amount of €1,117 million included special items which had the following impact on the consolidated statement of income:

€ in millions	EBIT	Interest expenses	Net income attributable to shareholders of Fresenius SE & Co. KGaA
Earnings Q1 - 3/2022, before special items	1,631	-161	1,284
Expenses associated with the Fresenius cost and efficiency program	-102	-	-84
Impacts related to the war in Ukraine	-20	-	-17
Transaction costs mAbxience, Ivenix	-22	-	-17
Retroactive duties	-9	-	-6
Hyperinflation Türkiye	-5	-	-5
Revaluations of biosimilars contingent purchase price liabilities	2	1	2
Special items from continuing operations	-156	1	-127
Expenses associated with the FME 25 program	-	-	-25
Remeasurement Humacyte investment	-	-	-18
Impacts related to the war in Ukraine	-	-	-7
Hyperinflation Türkiye	-	-	-2
Net gain related to InterWell Health	-	-	12
Special items from Fresenius Medical Care operations to be deconsolidated	-	-	-40
Earnings Q1 - 3/2022 according to IFRS	1,475	-160	1,117

4. REVENUE

Revenue by activity was as follows:

€ in millions	Q1 – 3/2023				
	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate	Fresenius Group
Revenue from contracts with customers	5,973	9,075	1,528	1	16,577
thereof revenue of services	99	9,072	1,122	1	10,294
thereof revenue of products and related services	5,872	–	–	–	5,872
thereof revenue from long-term production contracts	–	–	406	–	406
thereof further revenue from contracts with customers	2	3	–	–	5
Other revenue	4	37	3	–	44
Revenue	5,977	9,112	1,531	1	16,621

€ in millions	Q1 – 3/2022				
	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate	Fresenius Group
Revenue from contracts with customers	5,773	8,660	1,413	1	15,847
thereof revenue of services	60	8,650	1,033	1	9,744
thereof revenue of products and related services	5,705	–	–	–	5,705
thereof revenue from long-term production contracts	–	–	380	–	380
thereof further revenue from contracts with customers	8	10	–	–	18
Other revenue	4	8	3	–	15
Revenue	5,777	8,668	1,416	1	15,862

Other revenue includes revenue from insurance and lease contracts.

5. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €457 million (Q1–3/2022: €424 million) included expenditures for research and non-capitalizable development costs as well as regular depreciation and amortization expenses relating to capitalized development costs of €27 million (Q1–3/2022: €14 million). Furthermore, research and development expenses included impairments of €13 million. These related to in-process R&D that were not pursued further. The expenses for the further development of the Biopharma business included in the research and development expenses amounted to €141 million in the first three quarters of 2023 (Q1–3/2022: €114 million).

6. TAXES

During the first three quarters of 2023, there were no material changes relating to accruals for income taxes as well as recognized and accrued payments for interest and penalties. Further information can be found in the consolidated financial statements as of December 31, 2022 applying Section 315e HGB in accordance with IFRS.

7. EARNINGS PER SHARE

The following table shows the earnings per share including and excluding the dilutive effect from stock options issued:

	Q1 - 3/2023	Q1 - 3/2022
Numerators, € in millions		
Net income from continuing operations attributable to shareholders of Fresenius SE & Co. KGaA	514	945
Net income from Fresenius Medical Care operations to be deconsolidated under IFRS 5 attributable to shareholders of Fresenius SE & Co. KGaA	-494	172
Net income attributable to shareholders of Fresenius SE & Co. KGaA	20	1,117
Denominators in number of shares		
Weighted average number of ordinary shares outstanding	563,237,277	560,606,647
Earnings per share from continuing operations in €		
	0.91	1.68
Earnings per share from Fresenius Medical Care operations to be deconsolidated under IFRS 5 in €	-0.87	0.31
Total earnings per share in €	0.04	1.99

There were no dilutive effects on earnings per share in the first three quarters of 2023 and 2022.

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The decrease in actual figures compared to previous year figures is mainly due to the accounting of Fresenius Medical Care according to IFRS 5.

8. TRADE ACCOUNTS AND OTHER RECEIVABLES

As of September 30, 2023 and December 31, 2022, trade accounts and other receivables were as follows:

€ in millions	September 30, 2023		December 31, 2022	
		thereof credit impaired		thereof credit impaired
Trade accounts and other receivables	4,486	393	7,480	755
less allowances for expected credit losses	344	275	472	357
Trade accounts and other receivables, net	4,142	118	7,008	398

Within trade accounts and other receivables (before allowances) as of September 30, 2023, €4,485 million (December 31, 2022: €7,275 million) relate to revenue from contracts with customers as defined by IFRS 15. This amount includes €343 million (December 31, 2022: €470 million) of allowances for expected credit losses. Further trade accounts and other receivables, net, relate to other revenue.

9. INVENTORIES

As of September 30, 2023 and December 31, 2022, inventories consisted of the following:

€ in millions	Sept. 30, 2023	Dec. 31, 2022
Raw materials and purchased components	959	1,200
Work in process	326	467
Finished goods	1,488	3,309
less reserves	110	143
Inventories, net	2,663	4,833

10. OTHER CURRENT AND NON-CURRENT ASSETS

Other assets include compensation receivable resulting from German hospital law of €1,473 million (December 31, 2022: €1,179 million) which mainly relates to income equalization claims for hospital services. The increase in compensation receivable in the first three quarters of 2023 is mainly due to delayed budget negotiations with providers.

11. GOODWILL

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Kabi	Fresenius Helios	Fresenius Medical Care	Fresenius Vamed	Corporate	Fresenius Group
Carrying amount as of January 1, 2022	5,373	8,903	14,361	300	6	28,943
Additions	699	167	702	14	-	1,582
Disposals	-	-3	-7	-	-	-10
Foreign currency translation	235	6	735	-1	-	975
Carrying amount as of December 31, 2022	6,307	9,073	15,791	313	6	31,490
Additions	-	3	3	1	-	7
Disposals	-	-4	-48	-	-	-52
Impairment loss	-	-	-2	-	-	-2
Foreign currency translation	28	1	-321	1	-	-291
Reclassifications to "Assets related to Fresenius Medical Care to be deconsolidated under IFRS 5"	n.a.	n.a.	-15,423	n.a.	-6	-15,429
Carrying amount as of September 30, 2023	6,335	9,073	-	315	0	15,723

In connection with the implementation of the new global operating model at Fresenius Kabi, reallocations of goodwill to the operating divisions within the new operating structures have been made and the effects of these reallocations on the recoverability of goodwill have been assessed. There were no indications of impairment in the new operating divisions as of January 1, 2023.

At the end of the first half of the year, the Fresenius Group performed impairment tests, in particular on goodwill. The business results of all goodwill-bearing cash generating units have improved or developed in line with the assumptions of the impairment tests performed at December 31, 2022. There are also no indications of a significant deterioration in the third quarter of 2023 and future business developments compared with the previous assumptions. One exception is the business segment Fresenius Vamed whose

business results declined in 2023 due to one-time expenses in connection with the transformation. As a result of the transformation, a positive business development is expected in the following years. The overall basic rate of the WACC (after tax) to be used for the impairment tests was 5.74% as of September 30, 2023 (December 31, 2022: 5.65%). As a result, no impairments of goodwill have been recognized as of September 30, 2023.

12. DEBT

SHORT-TERM DEBT

As of September 30, 2023 and December 31, 2022, short-term debt consisted of the following:

€ in millions	Book value	
	September 30, 2023	December 31, 2022
Fresenius SE & Co. KGaA Commercial Paper	80	80
Fresenius Medical Care AG & Co. KGaA Commercial Paper	n.a.	497
Other short-term debt	104	279
Short-term debt	184	856

LONG-TERM DEBT

As of September 30, 2023 and December 31, 2022, long-term debt net of debt issuance costs consisted of the following:

€ in millions	Book value	
	September 30, 2023	December 31, 2022
Schuldschein Loans	1,622	1,592
Loan from the European Investment Bank	400	400
Accounts Receivable Facility of Fresenius Medical Care	n.a.	94
Other	716	749
Subtotal	2,738	2,835
less current portion	289	669
Long-term debt, less current portion	2,449	2,166

Schuldschein Loans

As of September 30, 2023 and December 31, 2022, Schuldschein Loans of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate fixed/variable	Book value € in millions	
				September 30, 2023	December 31, 2022
Fresenius SE & Co. KGaA 2017/2024	€175 million	Jan. 31, 2023	variable	–	175
Fresenius SE & Co. KGaA 2019/2023	€264 million	March 23, 2023	variable	–	264
Fresenius SE & Co. KGaA 2019/2023	€114 million	Sept. 25, 2023	0.55%	–	114
Fresenius SE & Co. KGaA 2017/2024	€246 million	Jan. 31, 2024	1.40%	246	246
Fresenius SE & Co. KGaA 2023/2026	€309 million	May 29, 2026	4.40% / variable	309	–
Fresenius SE & Co. KGaA 2019/2026	€238 million	Sept. 23, 2026	0.85% / variable	238	238
Fresenius SE & Co. KGaA 2017/2027	€207 million	Jan. 29, 2027	1.96% / variable	206	206
Fresenius SE & Co. KGaA 2023/2028	€405 million	May 30, 2028	4.62% / variable	404	–
Fresenius SE & Co. KGaA 2019/2029	€84 million	Sept. 24, 2029	1.10%	84	84
Fresenius SE & Co. KGaA 2023/2030	€136 million	May 31, 2030	4.77% / variable	135	–
Fresenius US Finance II, Inc. 2016/2023	US\$43 million	March 10, 2023	3.12%	–	40
Fresenius Medical Care AG & Co. KGaA 2022/2027	€25 million	Feb. 14, 2027	variable	n.a.	25
Fresenius Medical Care AG & Co. KGaA 2022/2029	€200 million	Feb. 14, 2029	variable	n.a.	200
Schuldschein Loans				1,622	1,592

On May 30, 2023, Fresenius SE & Co. KGaA issued €850 million of sustainability-linked Schuldschein Loans in six tranches with fixed and variable interest rates with maturities of three, five and seven years. The proceeds were used for general corporate purposes including refinancing of existing financial liabilities. The margin is linked to the achievement of sustainability targets in the areas of treatment quality and product safety.

The variable tranche of €175 million of Fresenius SE & Co. KGaA's Schuldschein Loans in the total amount of €421 million originally due on January 31, 2024 was repaid prior to maturity on January 31, 2023.

The variable tranche of €264 million of Fresenius SE & Co. KGaA's Schuldschein Loans in the total amount of €378 million originally due on September 25, 2023 was also repaid prior to maturity on March 23, 2023.

As of September 30, 2023, the fixed tranche of €246 million of Fresenius SE & Co. KGaA's Schuldschein Loans due on January 31, 2024, is shown as current portion of long-term debt in the consolidated statement of financial position.

Loan from the European Investment Bank

On January 31, 2022, Fresenius SE & Co. KGaA drew a loan from the European Investment Bank in the amount of €400 million with variable interest rates which is due on December 15, 2025.

CREDIT LINES AND OTHER SOURCES OF LIQUIDITY

The syndicated credit facility of Fresenius SE & Co. KGaA in the amount of €2.0 billion which was entered into in July 2021 serves as backup line. On June 2, 2023, the syndicated credit facility was extended an additional year until July 1, 2028, with a maximum available borrowing amount of €1.9 billion in the last year. It was undrawn as of September 30, 2023. In addition, further bilateral facilities are available to the Fresenius Group which have not been utilized, or have only been utilized in part, as of the reporting date.

At September 30, 2023, the available borrowing capacity resulting from unutilized credit facilities was approximately €3.1 billion. Thereof, €2.0 billion related to the syndicated credit facility and approximately €1.1 billion to bilateral facilities with commercial banks.

13. BONDS

As of September 30, 2023 and December 31, 2022, bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions	
				September 30, 2023	December 31, 2022
Fresenius Finance Ireland PLC 2017/2024	€700 million	Jan. 30, 2024	1.50%	700	699
Fresenius Finance Ireland PLC 2021/2025	€500 million	Oct. 1, 2025	0.00%	498	498
Fresenius Finance Ireland PLC 2017/2027	€700 million	Feb. 1, 2027	2.125%	697	696
Fresenius Finance Ireland PLC 2021/2028	€500 million	Oct. 1, 2028	0.50%	498	497
Fresenius Finance Ireland PLC 2021/2031	€500 million	Oct. 1, 2031	0.875%	495	495
Fresenius Finance Ireland PLC 2017/2032	€500 million	Jan. 30, 2032	3.00%	496	496
Fresenius SE & Co. KGaA 2014/2024	€450 million	Feb. 1, 2024	4.00%	450	450
Fresenius SE & Co. KGaA 2019/2025	€500 million	Feb. 15, 2025	1.875%	499	498
Fresenius SE & Co. KGaA 2022/2025	€750 million	May 24, 2025	1.875%	748	747
Fresenius SE & Co. KGaA 2022/2026	€500 million	May 28, 2026	4.25%	497	496
Fresenius SE & Co. KGaA 2020/2026	€500 million	Sep. 28, 2026	0.375%	497	497
Fresenius SE & Co. KGaA 2020/2027	€750 million	Oct. 8, 2027	1.625%	744	743
Fresenius SE & Co. KGaA 2020/2028	€750 million	Jan. 15, 2028	0.75%	746	746
Fresenius SE & Co. KGaA 2019/2029	€500 million	Feb. 15, 2029	2.875%	497	496
Fresenius SE & Co. KGaA 2022/2029	€500 million	Nov. 28, 2029	5.00%	496	495
Fresenius SE & Co. KGaA 2022/2030	€550 million	May 24, 2030	2.875%	543	542
Fresenius SE & Co. KGaA 2020/2033	€500 million	Jan. 28, 2033	1.125%	497	497
Fresenius Medical Care AG & Co. KGaA 2019/2023	€650 million	Nov. 29, 2023	0.25%	n.a.	649
Fresenius Medical Care AG & Co. KGaA 2018/2025	€500 million	July 11, 2025	1.50%	n.a.	499
Fresenius Medical Care AG & Co. KGaA 2020/2026	€500 million	May 29, 2026	1.00%	n.a.	497
Fresenius Medical Care AG & Co. KGaA 2019/2026	€600 million	Nov. 30, 2026	0.625%	n.a.	596
Fresenius Medical Care AG & Co. KGaA 2022/2027	€750 million	Sep. 20, 2027	3.875%	n.a.	745
Fresenius Medical Care AG & Co. KGaA 2019/2029	€500 million	Nov. 29, 2029	1.25%	n.a.	498
Fresenius Medical Care AG & Co. KGaA 2020/2030	€750 million	May 29, 2030	1.50%	n.a.	747
Fresenius Medical Care US Finance II, Inc. 2014/2024	US\$400 million	Oct. 15, 2024	4.75%	n.a.	374
Fresenius Medical Care US Finance III, Inc. 2019/2029	US\$500 million	June 15, 2029	3.75%	n.a.	462
Fresenius Medical Care US Finance III, Inc. 2020/2031	US\$1,000 million	Feb. 16, 2031	2.375%	n.a.	930
Fresenius Medical Care US Finance III, Inc. 2021/2026	US\$850 million	Dec. 1, 2026	1.875%	n.a.	791
Fresenius Medical Care US Finance III, Inc. 2021/2031	US\$650 million	Dec. 1, 2031	3.00%	n.a.	602
Bonds				9,598	16,978

On October 18, 2023, Fresenius SE & Co. KGaA placed a bond of CHF275 million with a five year maturity.

On October 5, 2023, Fresenius SE & Co. KGaA placed a bond of €500 million with a seven year maturity.

As of September 30, 2023, the bonds issued by Fresenius Finance Ireland PLC in the amount of €700 million, which are due on January 30, 2024 and the bonds issued by

Fresenius SE & Co. KGaA in the amount of €450 million, which are due on February 1, 2024, are shown as current portion of bonds in the consolidated statement of financial position.

14. CONVERTIBLE BONDS

As of September 30, 2023 and December 31, 2022, the convertible bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Coupon	Current conversion price	Book value € in millions	
					September 30, 2023	December 31, 2022
Fresenius SE & Co. KGaA 2017/2024	€500 million	Jan. 31, 2024	0.000%	€103.0631	497	491
Convertible bonds					497	491

The fair value of the derivative embedded in the convertible bonds of Fresenius SE & Co. KGaA was €0 and €9 thousand at September 30, 2023 and December 31, 2022, respectively. Fresenius SE & Co. KGaA purchased stock options (call options) with a corresponding fair value to hedge future fair value fluctuations of this derivative.

Potential conversions are always cash-settled. Any increase of Fresenius' share price above the conversion price would be offset by a corresponding value increase of the call options.

As of September 30, 2023, the convertible bonds are shown as current portion of convertible bonds in the consolidated statement of financial position.

15. NONCONTROLLING INTERESTS

As of September 30, 2023 and December 31, 2022, noncontrolling interests in the Fresenius Group were as follows:

€ in millions	Sept. 30, 2023	Dec. 31, 2022
Noncontrolling interests in Fresenius Medical Care AG & Co. KGaA	8,248	9,489
Noncontrolling interests in VAMED Aktiengesellschaft	-46	76
Noncontrolling interests in the business segments		
Fresenius Medical Care	1,240	1,460
Fresenius Kabi	632	602
Fresenius Helios	153	155
Fresenius Vamed	21	21
Total noncontrolling interests	10,248	11,803

Accumulated other comprehensive income (loss) allocated to noncontrolling interests mainly relates to currency effects from the translation of financial statements denominated in foreign currencies. For changes in noncontrolling interests, please see the consolidated statement of changes in equity.

16. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

As of January 1, 2023, the subscribed capital of Fresenius SE & Co. KGaA consisted of 563,237,277 bearer ordinary shares.

During the first three quarters of 2023, no stock options were exercised. Consequently, as of September 30, 2023, the subscribed capital of Fresenius SE & Co. KGaA consisted of 563,237,277 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

CONDITIONAL CAPITAL

In order to fulfill the subscription rights under the current stock option plan 2013 of Fresenius SE & Co. KGaA, Conditional Capital IV exists (see note 21, Share-based compensation plans). Another Conditional Capital III exists for the authorization to issue option bearer bonds and/or convertible bonds.

The Conditional Capital did not change in the first three quarters of 2023. It was composed as follows as of September 30, 2023:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003 (expired)	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008 (expired)	3,452,937
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	22,824,857
Total Conditional Capital as of September 30, 2023	79,984,079

DIVIDENDS

Under the German Stock Corporation Act (AktG), the amount of dividends available for distribution to shareholders is based upon the unconsolidated retained earnings of Fresenius SE & Co. KGaA as reported in its statement of financial position determined in accordance with the German Commercial Code (HGB).

In May 2023, a dividend of €0.92 per bearer ordinary share was approved by Fresenius SE & Co. KGaA's shareholders at the Annual General Meeting and paid afterwards. The total dividend payment was €518 million.

OTHER NOTES

17. LEGAL AND REGULATORY MATTERS

The Fresenius Group is routinely involved in claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing healthcare services and products. The Fresenius Group records its litigation reserves for certain legal proceedings and regulatory matters to the extent that the Fresenius Group determines an unfavorable outcome is probable and the amount of loss can be reasonably estimated. The outcome of litigation and other legal matters is always difficult to predict accurately and outcomes that are not consistent with Fresenius Group's view of the merits can occur. The Fresenius Group believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously. Nevertheless, it is possible that the resolution of one or more of the legal matters currently pending or threatened could have a material adverse effect on its business, results of operations and financial condition.

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements as of December 31, 2022 applying Section 315e HGB in accordance with IFRS. For Fresenius Group excluding Fresenius Medical Care, there have been no significant changes in the first three quarters of 2023.

18. FINANCIAL INSTRUMENTS

VALUATION OF FINANCIAL INSTRUMENTS

Carrying amounts of financial instruments

As of September 30, 2023 and December 31, 2022, the carrying amounts of financial instruments by item of the statement of financial position and structured according to categories were as follows:

€ in millions	September 30, 2023							
	Carrying amount	Amortized cost	Fair value through profit and loss ¹	Fair value through other comprehensive income ²	Relating to no category			
					Derivatives designated as cash flow hedging instruments at fair value	Put option liabilities measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities	Valuation of continuing involvement
Financial assets								
Cash and cash equivalents	1,095	1,065	30					
Trade accounts and other receivables, less allowances for expected credit losses	4,142	3,876	253	2			0	11
Accounts receivable from and loans to related parties	19	19						
Other financial assets ³	2,001	1,894	80	17	10			
Financial assets	7,257	6,854	363	19	10	-	0	11
Financial liabilities								
Trade accounts payable	1,214	1,214						
Short-term accounts payable to related parties	3	3						
Short-term debt	184	184						
Short-term debt from related parties	10	10						
Long-term debt	2,738	2,738						
Lease liabilities	2,089						2,089	
Bonds	9,598	9,598						
Convertible bonds	497	497						
Other financial liabilities ⁴	2,525	1,598	433		11	467		16
Financial liabilities	18,858	15,842	433	-	11	467	2,089	16

¹ All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.

² The option to measure equity instruments at fair value through other comprehensive income has been exercised. The option has been used for €17 million other investments (included in other financial assets).

³ Other financial assets are included in the item other current and non-current assets in the consolidated statement of financial position.

⁴ Other financial liabilities are included in the items short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities in the consolidated statement of financial position.

December 31, 2022							
€ in millions	Carrying amount	Amortized cost	Fair value through profit and loss ¹	Fair value through other comprehensive income ²	Relating to no category		
					Derivatives designated as cash flow hedging instruments at fair value	Put option liabilities measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities
Financial assets							
Cash and cash equivalents	2,749	2,398	351				
Trade accounts and other receivables, less allowances for expected credit losses	7,008	6,648	268	3			89
Accounts receivable from and loans to related parties	157	157					
Other financial assets ³	2,759	1,903	279	427	21		129
Financial assets	12,673	11,106	898	430	21	–	218
Financial liabilities							
Trade accounts payable	2,070	2,070					
Short-term accounts payable to related parties	94	94					
Short-term debt	856	856					
Short-term debt from related parties	11	11					
Long-term debt	2,835	2,835					
Lease liabilities	6,592						6,592
Bonds	16,978	16,978					
Convertible bonds	491	491					
Other financial liabilities ⁴	5,400	2,732	652		11	2,005	
Financial liabilities	35,327	26,067	652	–	11	2,005	6,592

¹ All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.

² The option to measure equity instruments at fair value through other comprehensive income has been exercised. The option has been used for € 88 million other investments (included in other financial assets).

³ Other financial assets are included in the item other current and non-current assets in the consolidated statement of financial position.

⁴ Other financial liabilities are included in the items short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities in the consolidated statement of financial position.

Fair value of financial instruments

The following table shows the carrying amounts and the fair value hierarchy levels as of September 30, 2023 and December 31, 2022:

€ in millions	September 30, 2023				December 31, 2022			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets								
Cash and cash equivalents ¹	30	30			351	351		
Trade accounts and other receivables, less allowances for expected credit losses ¹	255		255		271		271	
Other financial assets ¹								
Debt instruments								
Equity investments	48		28	20	224	36	103	85
Derivatives designated as cash flow hedging instruments	10		10		21		21	
Derivatives not designated as hedging instruments	37		37		37		37	
Other financial assets	12			12	-			-
Financial liabilities								
Long-term debt	2,738		2,693		2,835		2,770	
Bonds	9,598	8,791			16,978	14,872		
Convertible bonds	497	492			491	481		
Other financial liabilities¹								
Put option liabilities	467			467	2,005			2,005
Accrued contingent payments outstanding for acquisitions	419			419	633			633
Derivatives designated as cash flow hedging instruments	11		11		11		11	
Derivatives not designated as hedging instruments	14		14		19		19	

¹ Fair value information is not provided for financial instruments, if the carrying amount is a reasonable estimate of the fair value due to the relatively short period of maturity of these instruments.

Explanations regarding the significant methods and assumptions used to estimate the fair values of financial instruments and classification of fair value measurements

according to the three-tier fair value hierarchy as well as explanations with regard to existing and expected risks from financial instruments and hedging can be found in the

consolidated financial statements as of December 31, 2022 applying Section 315e HGB in accordance with IFRS.

The following table shows the changes of the fair values of financial instruments classified as level 3 in the first three quarters of 2023:

€ in millions	Equity investments and other financial assets	Accrued contingent payments outstanding for acquisitions	Put option liabilities
As of January 1, 2023	85	633	2,005
Additions	19	1	18
Disposals	-	-177	-36
Gain/loss recognized in profit or loss	-24	-3	0
Gain/loss recognized in equity	-	0	-87
Currency effects and other changes	-1	1	-24
Reclassifications to "Assets/Liabilities related to Fresenius Medical Care to be deconsolidated under IFRS 5"	-47	-36	-1,409
As of September 30, 2023	32	419	467

19. INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of September 30, 2023, the equity ratio was 40.2% and the debt ratio (debt/total assets) was 20.1%. As of September 30, 2023, the leverage ratio (before special items) on the basis of net debt/EBITDA, calculated on the basis of closing rates, was 4.03 (December 31, 2022: 3.80).

The aims of the capital management and further information can be found in the consolidated financial statements as of December 31, 2022 applying Section 315e HGB in accordance with IFRS.

The Fresenius Group is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

The following table shows the company rating of Fresenius SE & Co. KGaA:

	Sept. 30, 2023	Dec. 31, 2022
Standard & Poor's		
Corporate Credit Rating	BBB	BBB
Outlook	negative	stable
Moody's		
Corporate Credit Rating	Baa3	Baa3
Outlook	stable	stable
Fitch		
Corporate Credit Rating	BBB-	BBB-
Outlook	stable	negative

On August 25, 2023, Fitch revised the outlook from negative to stable. The Corporate Credit Rating was affirmed at BBB-.

On February 24, 2023, Standard & Poor's confirmed Fresenius Group's BBB Corporate Credit Rating, the outlook was changed from stable to negative.

20. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting tables shown on pages 42 to 43 of this interim report are an integral part of the notes.

The Fresenius Group has identified the business segments Fresenius Kabi, Fresenius Helios and Fresenius Vamed, which corresponds to the internal organizational and reporting structures (Management Approach) at September 30, 2023.

The business segment Fresenius Medical Care is accounted for in accordance with IFRS 5 and reported as operations to be deconsolidated in these interim financial statements. Accordingly, the prior year figures and prior quarter figures of the current year in the consolidated statement of income and the consolidated statement of cash flows have been restated and key figures adjusted.

The column Corporate/Other is comprised of the holding functions of Fresenius SE & Co. KGaA as well as Fresenius Digital Technology GmbH, which provides services in the field of information technology. Corporate/Other includes intersegment consolidation adjustments, all special items (see note 3, Special items) as well as in net income Fresenius Medical Care operations to be deconsolidated under IFRS 5.

The business segments were identified in accordance with IFRS 8, Operating Segments, which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions. Further explanations with regard to the business segments can be found in the consolidated financial statements as of December 31, 2022 applying Section 315e HGB in accordance with IFRS.

NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements as of December 31, 2022 applying Section 315e HGB in accordance with IFRS (except disclosures amended by IFRS 5).

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS FROM CONTINUING OPERATIONS

€ in millions	Q1 - 3/2023	Q1 - 3/2022
Total EBIT of reporting segments	1,687	1,704
Special items	-570	-156
General corporate expenses		
Corporate (EBIT)	-59	-73
Group EBIT	1,058	1,475
Net interest	-291	-160
Income before income taxes	767	1,315

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	Sept. 30, 2023	Dec. 31, 2022
Short-term debt	184	856
Short-term debt from related parties	10	11
Current portion of long-term debt	289	669
Current portion of lease liabilities	216	851
Current portion of bonds	1,150	649
Current portion of convertible bonds	497	-
Long-term debt, less current portion	2,449	2,166
Lease liabilities, less current portion	1,873	5,741
Bonds, less current portion	8,448	16,329
Convertible bonds	-	491
Debt	15,116	27,763
less cash and cash equivalents	1,095	2,749
Net debt	14,021	25,014

21. SHARE-BASED COMPENSATION PLANS

As of September 30, 2023, Fresenius SE & Co. KGaA had three share-based compensation plans in place: the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks, the Fresenius Long Term Incentive Plan 2018 (LTIP 2018) which is based on performance shares, and the Fresenius Performance Plan 2023 – 2026, under which cash-settled virtual Fresenius SE & Co. KGaA shares (stock awards) can be granted.

TRANSACTIONS DURING THE FIRST THREE QUARTERS OF 2023

During the first three quarters of 2023, no stock options were exercised.

At September 30, 2023, 1,976,086 stock options issued under the 2013 LTIP were outstanding and exercisable. The members of the Fresenius Management SE Management Board held 303,750 stock options. At September 30, 2023, the Management Board members of Fresenius Management SE held 182,045 performance shares and employees of Fresenius SE & Co. KGaA held 2,347,155 performance shares under the LTIP 2018.

22. SUBSEQUENT EVENTS

On October 31, 2023, the Fresenius Group announced that it will sell its 70% stake in IDCQ CRP, a co-holding entity of the hospital Clínica Ricardo Palma in Lima, Peru. Subject to antitrust review, the all-cash transaction is expected to close in the first quarter of 2024.

No other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the first three quarters of 2023. There have been no significant changes in the Fresenius Group's operating environment following the end of the first three quarters of 2023.

23. CORPORATE GOVERNANCE

For each consolidated stock exchange listed entity, the declaration pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) has been issued and made available to shareholders on the website of Fresenius SE & Co. KGaA (www.fresenius.com/corporate-governance), and of Fresenius Medical Care AG & Co. KGaA (www.freseniusmedicalcare.com).

FINANCIAL CALENDAR

Report on FY/23 Conference call, Live webcast	February 21, 2024
Report on 1st quarter 2024 Conference call, Live webcast	May 8, 2024
Annual General Meeting	May 17, 2024
Report on 1st half 2024 Conference call, Live webcast	July 31, 2024
Report on 1st – 3rd quarter 2024 Conference call, Live webcast	November 6, 2024

Subject to change

FRESENIUS SHARE/ADR

	Ordinary share		ADR
Securities identification no.	578 560	CUSIP	35804M105
Ticker symbol	FRE	Ticker symbol	FSNUY
ISIN	DE0005785604	ISIN	US35804M1053
Bloomberg symbol	FRE GR	Structure	Sponsored Level 1 ADR
Reuters symbol	FREG.de	Ratio	4 ADR = 1 share
Main trading location	Frankfurt / Xetra	Trading platform	OTC

CONTACT

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Commercial Register: Bad Homburg v. d. H.; HRB 11852
Chairman of the Supervisory Board: Wolfgang Kirsch

General Partner: Fresenius Management SE
Registered Office and Commercial Register: Bad Homburg v. d. H.; HRB 11673
Management Board: Michael Sen (Chairman), Pierluigi Antonelli, Dr. Sebastian Biedenkopf, Helen Giza, Sara Hennicken, Robert Möller, Dr. Michael Moser
Chairman of the Supervisory Board: Wolfgang Kirsch

For additional information on the performance indicators used please refer to our website <https://www.fresenius.com/alternative-performance-measures>.

Forward-looking statements:

This Quarterly Financial Report contains forward-looking statements. These statements represent assessments which we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based on not occur, or if risks should arise – as mentioned in the consolidated financial statements and the management report as of December 31, 2022 applying Section 315e HBG in accordance with IFRS and the SEC filings of Fresenius Medical Care AG & Co. KGaA – the actual results could differ materially from the results currently expected.

