Dear Shareholders!

A warm welcome to the Annual General Meeting of Fresenius, held this year under very special circumstances. Not in May. Not in Frankfurt – as usual – and not with you in the same room. I doubt that any of us could have imagined this just one year ago – I know I couldn’t have. We have previously discussed having a bigger online component, but a purely virtual AGM? That would have been a very audacious decision – and even this year we did not make it lightly.

However, one thing is certain for us: Protecting your health, ladies and gentlemen, has top priority. Still, I am going to miss speaking directly to you, and will miss your reactions. To this speech, for example. I cannot see your faces; I am just looking into two cameras. It’s a curious feeling.
But I also can see a positive side. Certainly, more shareholders will take part. Because making a special trip to Frankfurt occupies an entire day: Many people do not have the time, or the ability. Today, all you need is an Internet connection. I think we will gain a lot of valuable experience. And so, together, let’s make the best out of this virtual AGM.

It’s not only the circumstances of this AGM that show us how the coronavirus has the world firmly in its grip. Now, as before. As the CEO of Fresenius, I am often asked, ‘Do we need to prepare for the second wave? And if so, when?’ My answer: I don’t know if we have the first wave behind us. The coronavirus is here. And it’s not going away soon.

*In battle against the coronavirus*

This pandemic is an unprecedented challenge. Also for Fresenius – especially for Fresenius – because we are a healthcare company. We are part of the solution. And we are needed – more than ever. We help ensure that healthcare systems can continue to function. Around the world. Even in a crisis like this. We are doing everything we can to provide the best possible care for people. This is our responsibility. And we will fulfill it.

I am proud of that. Above all, of our great employees! There are now more than 300,000 of them, and they deserve the credit for all we have achieved during this pandemic. Their service has been unparalleled, and often on the very front line – in our hospitals. And in our dialysis clinics. In our plants, and in logistics. They have kept the machine running. At times under difficult conditions, but they were there. And they are still there – for our patients. Were we all gathered in the same hall today I would ask you to give them a big round of applause. Actually; I’m sure I wouldn’t even have to ask.

Allow me to give you a few examples of what I mean:

*Acute care hospitals: a focal point*

Our acute care hospitals, of which there are about 130, have naturally been – and remain – a focal point. We made them fully available for the treatment of COVID-19 patients. That is true of Helios in Germany. And it is true of Quirónsalud in Spain and Latin America. We significantly increased the number of intensive care beds, and respirator stations everywhere. And extremely quickly, too. The situation in Spain, especially, was dramatic for a time. In an initiative that I
found particularly moving, teams of doctors and nurses from Germany traveled there to support their Spanish colleagues. The call for volunteers had hardly gone out before our inbox was overflowing with offers to go. Every volunteer understood the risk but saw the need to help, as well as a chance to gather practical experience in dealing with COVID-19.

*Ensuring dialysis continues during the pandemic*

The coronavirus also presents an enormous challenge in dialysis. Dialysis patients cannot just stay home. They depend on their treatments, in most cases three times a week. Or else they die. In the more than 4,000 dialysis clinics we operate worldwide, we have significantly stepped up safety and hygiene measures. In this way we are protecting our colleagues and ensuring that kidney disease patients can continue to receive life-saving dialysis.

But what happens when dialysis patients are infected with COVID-19? They still need dialysis. And so, in the United States, we started a very special operation. With other dialysis providers, we reconfigured selected dialysis centers so patients could be isolated for treatment. This protects other patients and lifts some of the burden from hospitals, which otherwise would have had to treat these infected people.

*Maintaining the production and distribution of life-sustaining products*

Life essential: this also applies to many of our products. That is why we have done everything we can to maintain production and distribution. When possible, we have even increased capacity. This is true for both Fresenius Medical Care and Fresenius Kabi.

At Fresenius Medical Care, particularly the products for acute dialysis have been in high demand because COVID-19 often leads to acute kidney failure. We also significantly expanded production of Novalung devices, which can be used to treat patients with lung failure, another possible consequence of COVID-19.

The demand for some drugs produced by Fresenius Kabi has also increased significantly as a result of the pandemic. We reacted quickly here to adjust production in order to devote all applicable capacities to drugs in particularly high demand. However, we did not take advantage
of the situation. Despite significantly higher demand we kept prices stable and communicated that clearly. For me, it was simply the right thing to do.

These are just a few of the many examples of our contribution to the battle against the coronavirus. A battle that is affecting all of us – as a society and as a company. We have learned a lot since February. We have made changes and adjusted. Much of this will remain, even after the battle is won.

**A consistent shift to Mobile Work**

“Home office,” for example. Or more precisely; Mobile Work. As I said earlier, many of our employees are care personnel and physicians. Others work in production, or logistics. For them, home office is not an option. In administrative functions, however, we have very consistently switched to Mobile Work. For the safety of our employees – and everyone else. Home office is something we used pre-coronavirus, but not that extensively. Not like now. It has been a very big adjustment, but I must say, it works. Very well, even. Also for me personally.

So, will we all be working exclusively from home in the future? I don’t think so. Over time things would be lost; trust, culture, values. I expect we will see hybrid models. We won’t be in the office as often, but as a result will use the time there even more intensively.

**Accelerating digitalization across the board**

The coronavirus has accelerated digitalization not only in office life, but across the board. Especially in our medical offerings. Telemedicine for example: The pandemic has opened many eyes to its potential. Much of what is done today on an inpatient basis will in the future be done on an outpatient basis. And a lot of things done on an outpatient basis now will be done at home. We see a clear confirmation of our approach and we are working full speed to expand our offering.

**Putting even more “we” in Fresenius**

Another thing the coronavirus brought us is a stronger community; more “we” at Fresenius. We are quite a large company with a decentralized structure. With good reason. But we have the same values and the same goal: Ever better medicine for ever more people. The crisis has made that clear to us, once again. It has made us not only grow together; we have also come
together. The extent of support between the business segments, across countries and continents, has never been this high. Everyone is doing their best. Sharing knowledge, and profiting from each other’s experiences. We are learning a lot from each other, and I am sure: We will hold on to this after the pandemic.

Those are the positive aspects, but of course the pandemic remains a huge challenge. Medically and economically. We have had to make a much greater effort and in some areas we have faced – and continue to face – considerable restrictions. Especially in our hospitals as well as in our rehabilitation clinics; or in the projects business of Fresenius Vamed. And for Fresenius Kabi, fewer surgeries means less demand for drugs.

Solid business development despite the pandemic
This is all having an impact on our balance sheet. Yes, our sales increased again in the first half of 2020 – by 5 percent. But our earnings fell – by 6 percent. Albeit from a high level. Our estimate is that, without the coronavirus, they would have increased by 3 to 7 percent – approximately in line with sales. We are not used to declines in earnings, and we certainly do not want to get used to them. But in view of the overall situation, we have come through the crisis quite solidly so far.

Pandemic puts pressure on share price
The same, unfortunately, cannot be said for our share price. Last year it rose another 18 percent, though from a low base. But this past March, the extent of the pandemic became increasingly clear and fears of a worldwide economic crisis grew, sending the world’s stock markets on a downward spiral that our share could not escape. At one point it was worth only about 25 euros. We are now back well above that level, but in recent weeks the share has again lost ground. There are apparently still doubts about how well Fresenius will come through this crisis. We, on the other hand, are optimistic. And we are working hard to overcome these doubts. To win back trust in our future development. Your trust.

I am convinced: Fresenius stands on a broad, solid foundation with resilience that is being proved – now more than ever. Our expectation is that in the coming quarters, earnings will again increase. What will that mean for our short- and medium-term forecast? Allow me to come back to that shortly.
Learning the right lessons

First, I would like to get a little bit political. I know, you’re not used to that from me, but these are exceptional times. Germany has, without a doubt, come through the pandemic very well so far. Yet there have been mistakes. And although the challenges were unprecedented, these mistakes could have been avoided. Yes, we are all smarter with hindsight. Yet it is important to draw the right lessons so we can at least avoid repeating the same mistakes.

The first mistake: unilaterally orienting everything totally to the pandemic. I think this was true in many areas of society, but most of all in medicine. COVID-19 is clearly a huge threat: I have already pointed this out in my speech. But there are other illnesses. Strokes. Heart attacks. Cancer. Just to name a few. They did not disappear when the coronavirus came. Yet because of it, far fewer patients were treated after the lockdown. Because they were afraid to go back to hospitals. And because we were told to shut everything down. Far fewer tests were conducted, which meant many illnesses were not detected. Or detected too late, and so could not be treated. The resulting harm is not as easily quantifiable as the number of coronavirus victims. But it’s there.

We shut everything down, although the major coronavirus wave never came to Germany. That was a mistake. Because the hospitals – especially ours – have shown that they can very quickly adapt and adjust. Create capacity. We do not, therefore, have to keep hundreds of intensive care beds in reserve, unused. We do not have to postpone other important procedures. We need flexible structures and closer networking between hospitals. Then we can react quickly and effectively – even to a crisis like this. This is not only more efficient, it also takes account of everybody.

Solidarity, not selfishness

This brings me to another point: In the crisis, many countries have tended to be selfish. You can call it caution. Or protecting your own people. But it is still selfishness. A selfishness that hurts everyone in the end. One example: The German prohibition on exporting protective equipment. Bad enough that Germany was only thinking of itself here, but it was not even thought through. For example, in our Kabi facility in the Austrian city of Graz we produce Propofol – an important sedative especially during the pandemic, because it is used to sedate mechanically ventilated patients. In this plant, which supplies all of Europe, production employees are strictly required to wear protective equipment. It comes from Germany, and suddenly we were prevented from sending it to Austria. We purchase the masks centrally, in Germany, and
suddenly we were prevented from sending them to Austria. No protective equipment; no Propofol. For all of Europe. At the last minute, we were able to persuade officials to lift the ban.

This example shows that national solutions do not help, especially in a crisis. It is much more about solidarity and working together. It is about capturing the advantages of a global division of labor. This is our principle at Fresenius. We draw on the skills and resources of many different countries and do so for the benefit of patients. I would wish the same from political decision makers, and not a relapse into national isolation.

Dear Shareholders!

That was a lot about the coronavirus, but the pandemic is an exceptional situation and I felt the topic merited that much attention. Because I think you want to know a lot about it – and want to know how your company is doing. How we are coping with the challenges, and how we will meet our responsibility. I hope I was able to address your questions.

Of course, we are here today to talk about 2019. This is the Annual General Meeting for the last business year. And I am happy to say: It was a good year for us. A successful one. Again. That is why I want to give it the attention it deserves.

2019: A year of investment
First: 2019 was a year of investment! As we said it would be. We had always invested a great deal, and these investments have been increased yet again. Investments in research and development. In the continued development of our business. The goal: To place Fresenius on an even better footing for the coming decade. To remain successful over the long term.

This means we are willing in the short term to accept somewhat lower financial returns. Investment costs money. What happens when we invest more than we usually do? It weighs on our profit. At least temporarily. But these are the means by which we ensure our continued growth. Our future success: a success that we measure primarily in medical terms. Even more patients. Even better treatments. Even more Forward Thinking Healthcare. These successes also pay off in economic terms. And that will continue to make us an attractive investment in the future.
16th consecutive record year

2019 was more than just a year of investment. It was also a year of continued growth. We achieved a new set of all-time highs. This applies to revenue as well as to earnings. And for the 16th consecutive time! Earnings were 1.9 billion euros which, despite our increased investment, still represented a half-percent increase. Revenue rose 6 percent to 35.5 billion euros. All these figures are in constant currency.

27th consecutive dividend increase proposed

Based on these results, we not only were able to meet our forecasts: They also allowed us to recommend raising the dividend again. This represents the 27th successive increase! Provided, of course, that you vote approval. Our proposal: A dividend of 84 cents. This represents a 5 percent rise; a substantial increase. Even our higher investments and the coronavirus do not change this. We are oriented long term, and we want to remain successful over the long term. This is the basis of our proposal to share this success with you.

So much for the numbers. The work we did on the ground in 2019 to achieve those results is something I would like to present to you now in the form of a few examples:

Expanding and advancing home dialysis

Let us start with Fresenius Medical Care. We closed the acquisition of NxStage. An important step that allowed us to substantially raise our presence in home dialysis. This form of treatment is becoming more and more prevalent, most of all in the United States. However, this trend can also be found in other parts of the world. This was the case even before the coronavirus. Now demand has grown even stronger. We are making great strides in integrating NxStage and we are investing heavily in needed infrastructure. We are doing this because we want to provide home dialysis on a large scale.

New dialysis machine for emerging markets

In addition, we have launched the 4008A in more markets, including China. This is the new dialysis machine developed specially for use in developing countries. It allows us to substantially improve access to life-saving dialysis there. And we had something else to celebrate: The 40th anniversary of our most important production facility for dialysis machines, in the city of Schweinfurt in Germany’s Franconia region. One of every two dialysis machines used worldwide comes from there! In addition, we have expanded our international network of dialysis centers: 66 new centers in only one year.
First biosimilar launched
Fresenius Kabi also achieved a milestone: 2019 was the year we launched our first biosimilar into the market. It is called Idacio and inhibits inflammation. Among its uses is the treatment of rheumatism. In conjunction with this, we opened our research and development center for biosimilars in Eysins, Switzerland. Biosimilars is a new treatment field for us. We have great expectations for it. So far, there is every reason to believe we will meet them.

Investments in production facilities
Accompanying this have been major investments in our factories. In the Chinese city of Wuxi, for example, where we manufacture clinical nutrition products. But particularly strongly in the USA – even without the tailwinds of the last years. A major competitor appears to have solved its internal problems, and regained market share. That is the reason our revenue in the country dropped slightly in 2019. Although we posted excellent growth in other parts of the world, for example in the emerging markets, this was not enough to offset developments in the USA. We are working hard to improve our position. Investments will help us in this respect. Concurrently, we again see solid opportunities for expansion in other markets. We will take full advantage of these.

Challenges in Germany
Fresenius Helios is next up. Developments again were mixed. Let us begin with a look at Germany: The consequences of regulatory changes continue to have an impact on us. The trend toward more ambulatory care is another contributing factor. At the same time, the measures we have taken to respond are beginning to show results.

New business models
We have successfully implemented new business models. One example is occupational medicine. We also increased our range of services in preventive care. We have opened Helios Prevention Centers in several large cities, including Berlin and Munich. What we offer is one-stop medical check-ups. Easy to reach and without lengthy waiting times. And should the need arise, direct access to the Helios care network.
Digitalization in the hospitals

We have also pushed forward on the digitalization of our hospitals. One of the many projects is a digital portal for patients. With more comfort and a wide variety of functions. These include access to laboratory results and the ability to make appointments. And perhaps you remember this: We planned to hire 1,000 additional care personnel. This goal was substantially exceeded! We are pleased to welcome 1,300 dedicated new colleagues.

Acquisition of Malteser hospitals in Germany

And this year we will again grow through acquisitions: Four hospitals of the Malteser humanitarian aid group – located in the western German cities of Bonn, Duisburg and Krefeld – shall become part of Helios. Together, they offer about 1,300 beds and have more than 2,700 employees. We expect to close these acquisitions before the end of this year.

Acquisition of hospital in Albacete, Spain

Now for a look at Spain. Quirónsalud again posted strong growth. As expected. We acquired another hospital in Albacete. An outstanding addition to our existing network in southeast Spain.

New proton beam therapy center in Madrid

In Madrid, we completed work on the country’s first center for proton beam therapy. Right on target. Proton beam therapy is a specialized form of cancer treatment. Very modern. Much less invasive. We have now treated more than 40 patients. About 30 of them have already successfully completed their treatment.

Additional acquisitions in Colombia

We also increased our presence in Colombia with several acquisitions. Quirónsalud now operates five hospitals there. In the cities of Cali and Medellín. The capital city Bogota will soon join that list. We agreed to an acquisition there in February. We also acquired CediMed. It is the country’s leading provider of medical diagnostic services.

Leading provider of post-acute care

Developments at Fresenius Vamed in 2019 also were very good. As you know: We transferred the Helios rehabilitation facilities to Vamed in 2018. Then last year, we successfully concluded the integration. Vamed is now one of the leading rehab providers for post-acute care.
Milestone in project business

A milestone also was reached in project development: The opening of new central clinics in Kiel and Lübeck. They are part of the University Hospital Schleswig-Holstein. The modernization program is almost completed. That project was more than just remodeling and new construction at the two sites: Technical operations management until 2044 is also part of the contract. The total project volume is 1.7 billion euros.

Superbly positioned for continued growth

In summation: 2019 was another successful year for Fresenius. We continued to expand, and we took important steps for future growth. 2019 also showed us that continued growth will require more effort. The competition has gotten stiffer. Price pressure is stronger. Regulation in some sectors is increasing. This means we must do more to be and to stay successful. We must, as has been outlined, invest more. We have done a lot in this respect in the past year, and we have achieved a lot. We will adhere to this course in the future. At the same time, we must keep a close watch on our costs. That is not new, but it is even more important now. This is the only way to retain the financial latitude needed for investment. Investment in our future.

This future continues to look good. As I said at the start: We are needed! Now more than ever! Especially in times like these. Even before the onset of the coronavirus, the need for high-quality medicine was increasing. Around the world. We offer high-quality medicine. We want to serve this demand. And we can. That is why we will continue to be successful.

2020 guidance revised to include COVID-19 effects

What does this mean for our outlook? Despite all the unknowns: We want to give you concrete numbers. Not just general expectations. We want you to know where you stand with us. However: This is a difficult task even in normal times. And the coronavirus has made it even more difficult.

The basis for our forecast is: No major second wave in our relevant markets. Only local or regional outbreaks. They can be expected to continue, and they can be met with local measures. But not another global lockdown. We believe this is realistic. Of course, there is no guarantee. Infections are increasing in many places. We need to monitor this very closely.
However, on this basis we believe that the second quarter was the bottom of the trough for us economically. The rest of the year will also see our earnings rebound. Our expectations for the full year, in constant currency:

Revenue: Plus 3 to plus 6 percent.
Earnings: Minus 4 to plus 1 percent.

This is less than we expected before the coronavirus. But it is not little. It means that our company continues to grow. It means we continue to build our business. That we treat even more patients. I believe this would represent a strong result. A result that proves our ability to withstand adversity. I am very confident we will achieve it.

Medium-term goals for 2020-2023 confirmed

You are probably wondering: What about our medium-term goal? As you will remember: Revenue should increase on average between 4 and 7 percent annually through 2023. In terms of earnings it should be 5 to 9 percent. We will grow somewhat less than planned this year due to the coronavirus. This must be compensated for in the coming years. I believe we are on the right path. There is no reason to diverge from this goal.

Will acquisitions help us? Probably. Their effect is not contained in these numbers. They are based on growth under our own power. However, we regularly make small- and medium-sized acquisitions. If these are factored in: Then it would be about 1 percent more.

Anchoring sustainability even more firmly in Fresenius

Dear Shareholders!

I have thoroughly reported on the coronavirus situation. About our development in the past business year. About our visions for the future. And I would gladly have tackled another topic today, a topic that means a great deal to many people. That topic is sustainability. An extremely important topic! A topic with many facets. And one that is closely aligned with Fresenius. We have not talked about it much in the past. Perhaps not enough. This is something I want to change. However, today is not the day.
The coronavirus has stood the world on its head. How should we deal with this? What does it mean for us? I thought it was important to report to you on this. As completely as possible. I would have liked to report to you just as completely on the topic of sustainability. And I promise you: We will make up for this. As soon as possible. Internally we devote much time to this topic. We have created a sustainability panel at the corporate level. It reports directly to me. It is where we are formulating concrete sustainability goals. And we will adjust the remuneration formula for the Management Board. Non-financial aspects also will be included in the future. We will anchor sustainability even more firmly in Fresenius. Even firmer than it already is.

Our commitment: Ever better medicine for ever more people

This brings me to the conclusion of my address. I hope you have gained a very thorough oversight. Where do we stand? Where are we going, in uncertain times like these? As I said at the start: The coronavirus represents a challenge of unknown proportions. This also applies to our company. But we are well positioned to deal with it. We will meet our responsibilities. And we will continue to grow.

The highest guiding principle in everything we do, and everything we will do in the future, is the well-being of our patients. We are committed to them. For their health and for their lives. When we always remember this goal, not only will our patients benefit, but Fresenius will remain successful over the long term.

Please stay healthy!

My heartfelt thanks for your attention!