

Investor News

Markus Georgi
Senior Vice President
Investor Relations & Sustainability

Fresenius SE & Co. KGaA
Else-Kröner-Straße 1
61352 Bad Homburg
Germany
T +49 6172 608-2485
F +49 6172 608-2488
markus.georgi@fresenius.com
www.fresenius.com

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Fresenius Helios acquires fertility services provider Eugin Group

- **Acquisition adds global network of fertility clinics with sales of approximately €160 million¹**
- **Fresenius Helios to become a leading international provider of fertility services**
- **Acquisition complements existing Fresenius Helios footprints in Germany, Spain and Latin America**
- **Global fertility market offers significant growth opportunities and consolidation potential**
- **Highly accretive to Group net income² from 2021**

Fresenius Helios acquires Luarmia S.L. and NMC Eugin US Corporation (together "Eugin Group"), one of the leading international fertility groups, at a valuation of €430 million³ from NMC Health⁴. Eugin Group's network comprises 31 clinics and additional 34 sites across 9 countries on 3 continents. With about 1,300 employees, the company offers a wide spectrum of state-of-the-art services in the field of fertility treatments.

¹ 2019 latest actual

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

³ Including approx. €80 million of minority interests and assumed debt

⁴ Consisting of NMC Health Plc (in administration) and NMC Healthcare Ltd (in administration)

The transaction is expected to be highly accretive to Group net income¹ already in 2021. Fresenius Helios does not expect any meaningful integration expenses.

Through healthy organic growth coupled with a series of strategic acquisitions, Eugin Group has grown from a local player in Spain to a global leader within five years. In 2019, Eugin Group acquired the leading U.S. fertility chain Boston IVF, creating one of only two fertility groups with a global footprint.

Demographic and health trends, as well as changing lifestyle choices have proven to be strong and sustainable underlying growth drivers of the fertility market in recent years. Notable scientific advances in this field have led to higher success rates and less strain for patients. The global market for fertility services is highly fragmented, representing an attractive opportunity for consolidation.

Fresenius Helios has already for many years been a well-established provider of fertility treatments in selected hospitals and outpatient centers in Germany, Spain and Latin America. In 2019, Fresenius Helios performed more than 10,000 cycles² for around 7,000 patients, most of them in Spain. In Germany, Fresenius Helios had around 800 referrals related to fertility treatments being performed by external providers. With the acquisition of Eugin Group, Fresenius Helios becomes a leading player in this dynamic growing market and establishes a strong basis for further expansion.

Stephan Sturm, CEO of Fresenius, said: "Eugin and Fresenius Helios are an excellent fit. Eugin is highly profitable and holds excellent positions in attractive country markets. Its proven management team shares our focus on patient well-being and dedication to medical excellence. With this acquisition, we are creating a unique buy-and-build platform that offers substantial organic and non-organic growth opportunities. By bundling existing in- and outpatient services from our network, the new platform will serve as an accelerator for holistic and interdisciplinary patient care, while leveraging significant synergies."

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

² One "cycle" can be considered as "one round" of fertility treatment or "one attempt" of becoming pregnant. Not every cycle leads to pregnancy. Therefore, women may undergo more than one cycle. So the number of patients treated is normally smaller than the number of cycles performed by a clinic.

Dr. Francesco De Meo, CEO of Fresenius Helios and member of the Fresenius Management Board, said: "Eugin is an ideal addition to our portfolio as an integrated healthcare provider. Already, about 70,000 babies are born annually in Fresenius Helios hospitals. Looking at our fertility clinics and Eugin combined, so far almost 200,000 babies have been born, thanks to our expertise and high success rates. Together with Eugin and our comprehensive services – whether inpatient, outpatient or digital – we will be well positioned to help even more people fulfill their wish for a child. We share the same vision of the highest ethical and quality standards, and I am very much looking forward to working with our new colleagues at the Eugin Group."

Eduardo González, CEO of Eugin Group, said: "With this transaction, the Eugin Group, a leader in assisted reproduction, enters a new phase of its growth agenda with a well-established and prominent player in the field of private health care as is Fresenius Helios. Over the last 5 years, as part of and with the strong support of NMC Healthcare, Eugin has been able to grow and strengthened its position as a leader in the industry, and I would like to express my thanks to Fresenius for their trust in Eugin's team to continue this growth. I would also like to highlight the dedication and commitment of all our health professionals and staff, who every day give the best of themselves to provide the highest quality service to our patients. We look forward to the next chapter of our growth with Fresenius Helios."

The United States, Spain, Brazil, Italy and Sweden are Eugin Group's largest markets. The company also operates clinics in Denmark, Argentina, Colombia and Latvia. The sites are mainly located in large metropolitan areas such as Boston, Barcelona, São Paulo, Milan and Stockholm. In 2019, about 37,000 cycles were performed across the network.

In 2019, Eugin Group generated sales of approximately €160 million and EBITDA of approximately €31 million. In 2020, the company continues to deliver solid financial results despite temporary Covid-19-related restrictions in various countries. For 2021, EBITDA is expected to be in the range of €35 to €40 million. The valuation¹ corresponds to approximately 11.4x at the mid-point of the 2021 EBITDA range. Key drivers of the anticipated EBITDA growth are the strong underlying market fundamentals, efficiency projects related to Eugin Group's recent acquisitions and ramp-up effects from recent openings of new facilities as well as

¹ Including approx. €80 million of minority interests and assumed debt

operating leverage. The 2021 projections do not reflect potential further acquisitions.

Eugin Group will form a new and separate Fresenius Helios business and reporting unit alongside Helios Germany and Helios Spain.

Fresenius Helios acquires 100% of the share capital in Luarmia S.L., Spain, the holding of all global operations of Eugin Group except for the United States. For the United States, Fresenius Helios acquires 100% of NMC Eugin US Corporation, which holds 70% of the shares in Boston IVF; the remainder of which is held by the senior physicians of Boston IVF.

The purchase price will be financed from existing cash and credit lines.

The transaction is, amongst others, subject to regulatory approval by the relevant antitrust authorities and is expected to close in H1/2021.

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Fresenius is a global health care group, providing products and services for dialysis, hospital and outpatient medical care. In 2019, Group sales were €35.4 billion. On September 30, 2020, the Fresenius Group had 309,114 employees worldwide.

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This release contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of clinical trials, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. Fresenius does not undertake any responsibility to update the forward-looking statements in this release.

Fresenius SE & Co. KGaA

Registered Office: Bad Homburg, Germany

Commercial Register: Amtsgericht Bad Homburg, HRB 11852

Chairman of the Supervisory Board: Dr. Gerd Krick

General Partner: Fresenius Management SE

Registered Office: Bad Homburg, Germany

Commercial Register: Amtsgericht Bad Homburg, HRB 11673

Management Board: Stephan Sturm (Chairman), Dr. Sebastian Biedenkopf, Dr. Francesco De Meo,

Rachel Empey, Mats Henriksson, Rice Powell, Dr. Ernst Wastler

Chairman of the Supervisory Board: Dr. Gerd Krick