



## **Conference Call | FY/20 Results**

Bad Homburg, 23 February 2021

## Safe Harbor Statement

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This presentation 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.

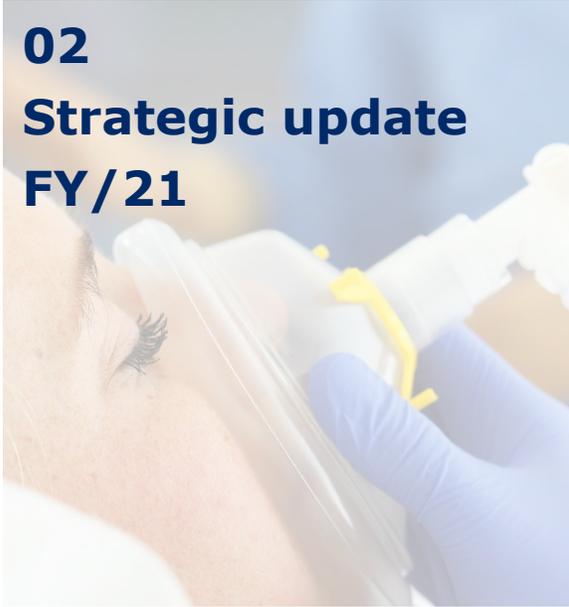
Fresenius does not undertake any responsibility to update the forward-looking statements contained in this presentation.

# Agenda

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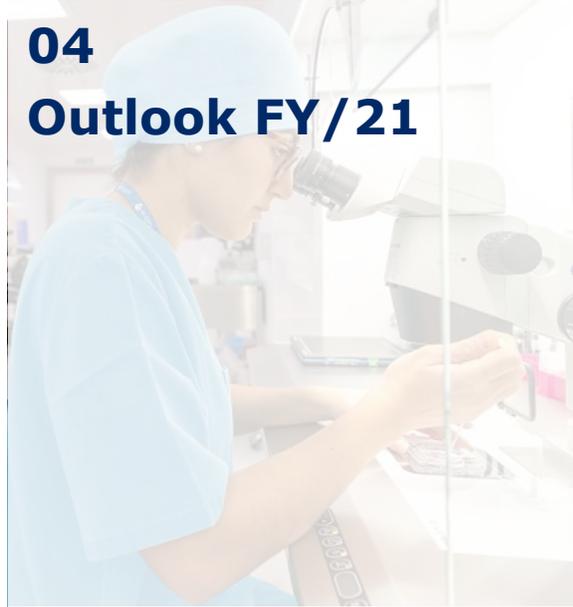
**01**  
Key messages



**02**  
Strategic update  
FY/21



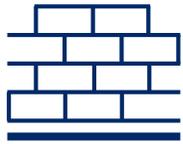
**03**  
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# Key Messages

## 2020



Successful despite unprecedented challenges: FY/20 Guidance achieved



28th consecutive dividend increase proposed

## 2021



Accelerated COVID-19 related excess mortality of dialysis patients



Ongoing recovery in Europe and Emerging Markets to drive solid top-line growth



Expected recovery of elective treatments drives organic growth



FY/21 expected to be marked by COVID-19 with projected recovery in H2/21

## Mid-term



Group-wide cost-efficiency program to be initiated

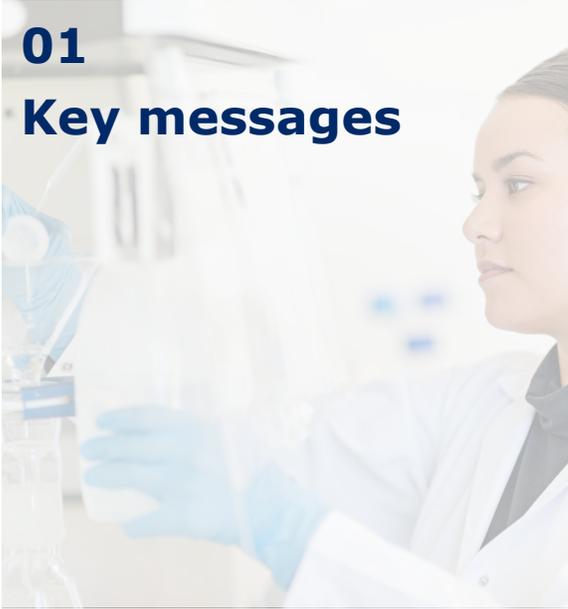


Growth to accelerate: Medium-term growth targets confirmed

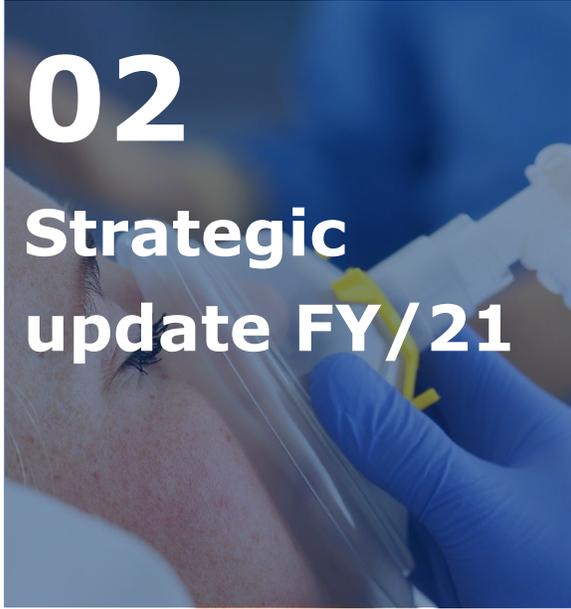
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**01**  
**Key messages**



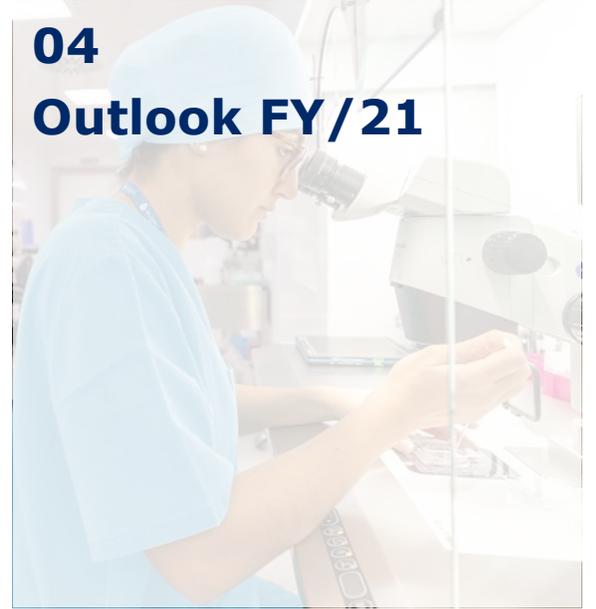
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update FY/21**



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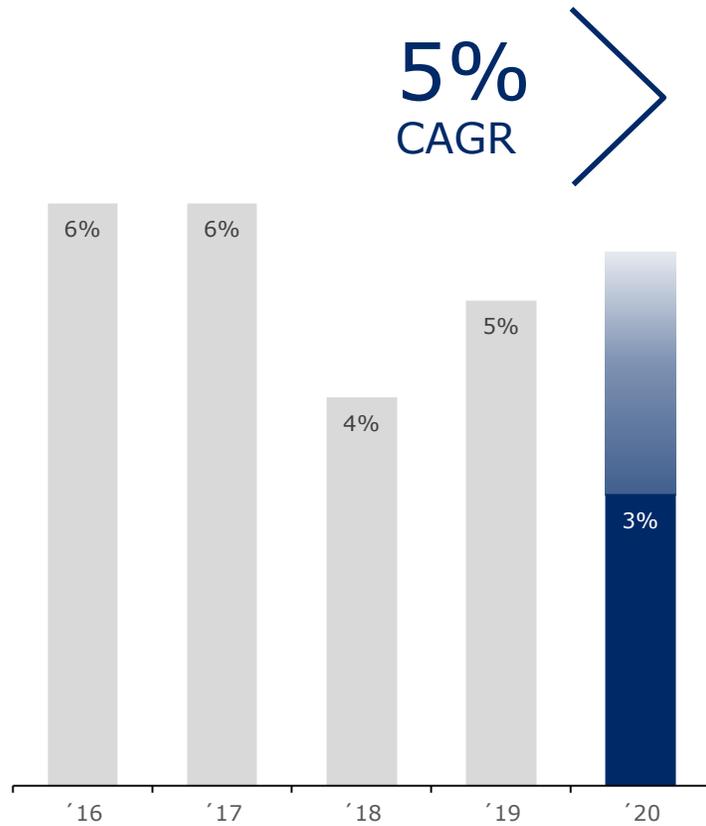


**04**  
**Outlook FY/21**



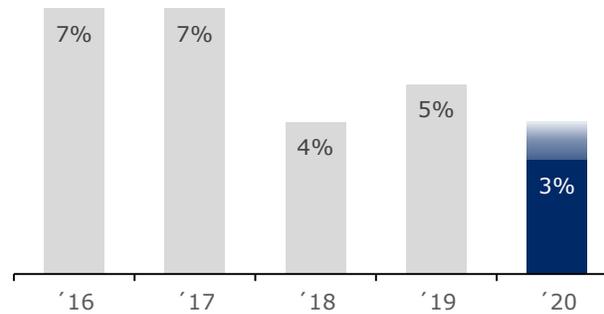
# Strong track record of organic sales growth

## FRESENIUS

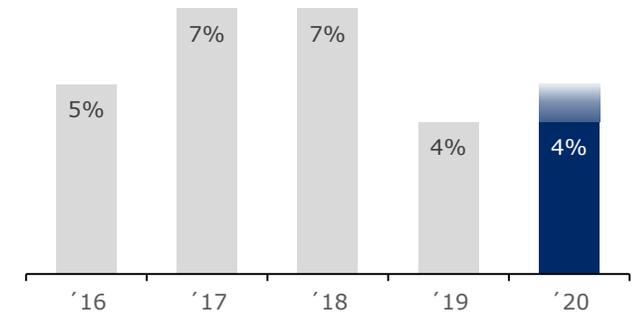


Shaded areas show estimated COVID-19 effects

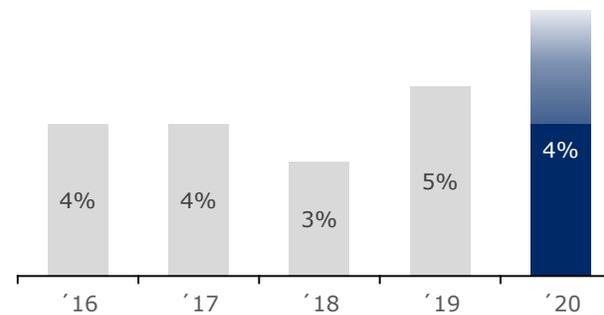
## FRESENIUS MEDICAL CARE



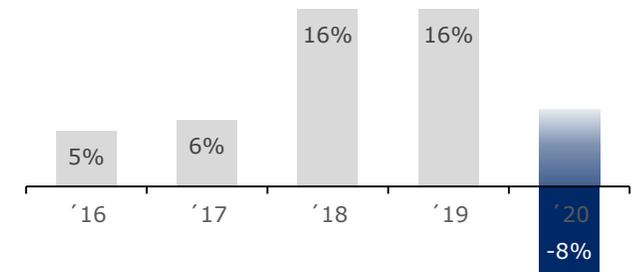
## FRESENIUS KABI



## FRESENIUS HELIOS



## FRESENIUS VAMED



# Strategic Roadmap

- Operational excellence
- Growth drivers
- Capital allocation
- Strategic evaluation

## 1 Optimize

- Initiate Cost efficiency program
- Further roll-out biosimilars
- Balance sheet focus
- Disciplined capital allocation
- Ongoing strategic evaluation

## 2 Grow

- First meaningful cost savings
- Continuous progress biosimilars
- Deleverage / Capex reduction
- Value creating capital allocation
- Ongoing strategic evaluation

## 3 Accelerate

- Significant cost savings
- Launch Idacio in US
- Growth areas: Biosimilars, Fertility, Digital services, Home-hemodialysis
- Balance sheet flexibility
- Value creating capital allocation
- Ongoing strategic evaluation

**Earnings growth**

### Medium-term 2020-2023

Sales: 4% - 7% CAGR<sup>1</sup>  
 EAT: 5% - 9% CAGR<sup>1</sup>

2021

2022

2023

<sup>1</sup> Plus ~1% small to mid-sized acquisitions

# Cost-efficiency program to be initiated



- **Review of organizational structure and operating model**
- **Streamlining** activities in **organizational structures** and **facilities/real estate** and other synergy fields



- **Efficiency improvements** globally and identification of **other savings in indirect spend**
- Review of **cost structures** particularly in markets with significant price pressure



- Review of **non-medical support processes and structures**
- Strategic alignment of **clinic portfolio in Germany**



- Optimization of **global subsidiary structure**
- Review of **assets and shareholdings portfolio**



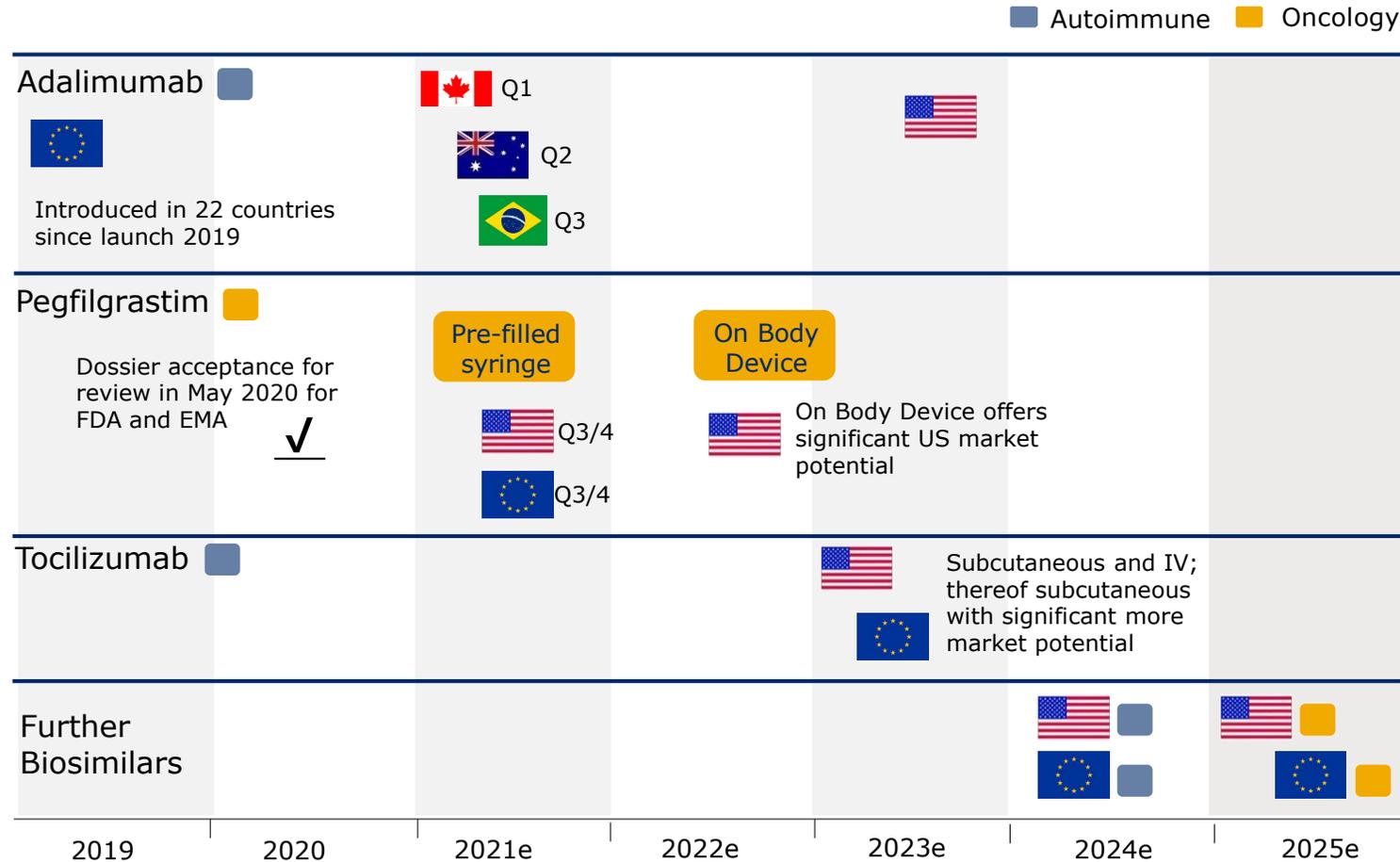
- Implementation of **new ways of working** for corporate headquarters
- Groupwide review of **IT operating model**

Savings of at least €100 m p.a. after tax and minorities planned in 2023

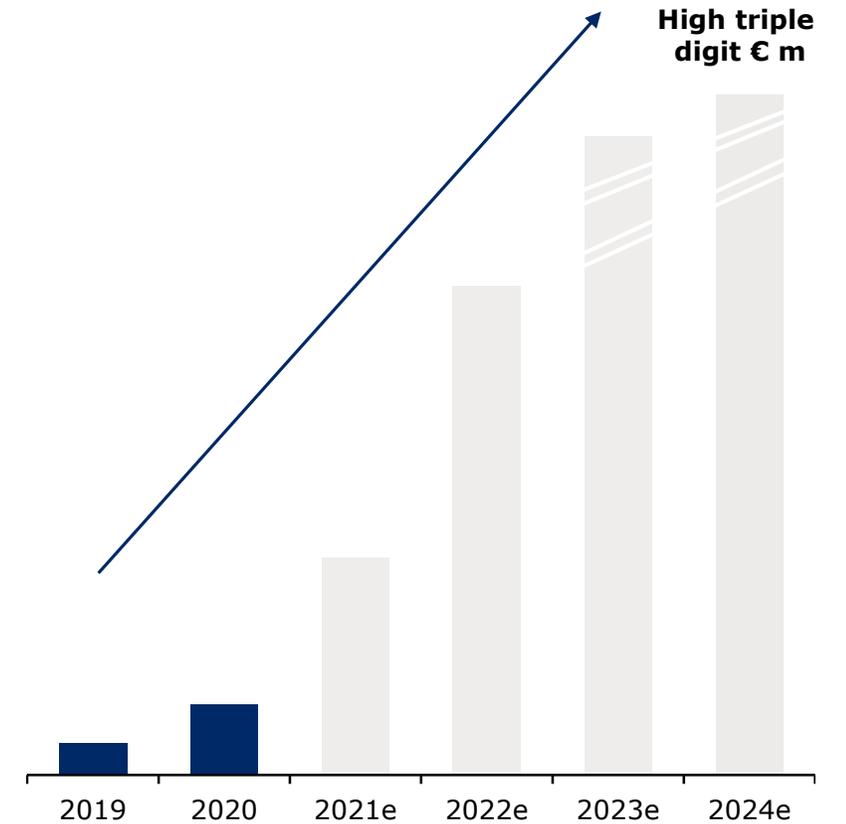


# Biosimilars gaining traction and will significantly accelerate growth

## Launch schedule



## Sales projection



# Environment, Social and Governance

## Setting the right priorities in a COVID-19 world



### ESG priorities confirmed

“Better medicine for more people”

Ensuring **access to medicine**

Protecting **our employees**

Alignment with SDGs published on website



### Sustainability progress in 2020

Rating improvements across the board,  
**Highlights:** CDP Climate from “C” to “B”,  
MSCI from “BB” to “BBB”

Restructured, GRI-aligned sustainability report  
to be released in March 2021

Strategy and KPI alignment program to be  
continued in 2021, driven by **Group  
Sustainability Board**



### Corporate governance update

New **Management Board remuneration**  
system to be presented at AGM, includes ESG  
component

**Supervisory Board elections** on AGM agenda

# Meet the Management – Conference Call Series

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**Q3/21: Fresenius Kabi - China:**  
Driving profitable growth



**Q3/21: Fresenius Vamed -**  
Accelerating growth post COVID-19



**Q4/21: Fresenius Kabi - Clinical**  
Nutrition: Capturing worldwide  
opportunities



**Q1/22: Fresenius Kabi – Biosimilars:**  
Accelerating growth



**Q2/22: Fresenius Helios – Seizing**  
digital health opportunities



# Agenda

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## Q4/20 Profit and Loss Statement

Sales

**+5%**

Q4/20: €9,304 m

EBIT

**+2%**

Q4/20: €1,251 m

Income Tax Rate

**24.1%**

Q4/19: 23.8%

Net Interest

**-€159 m**

Q4/19: -€182 m

Net Income

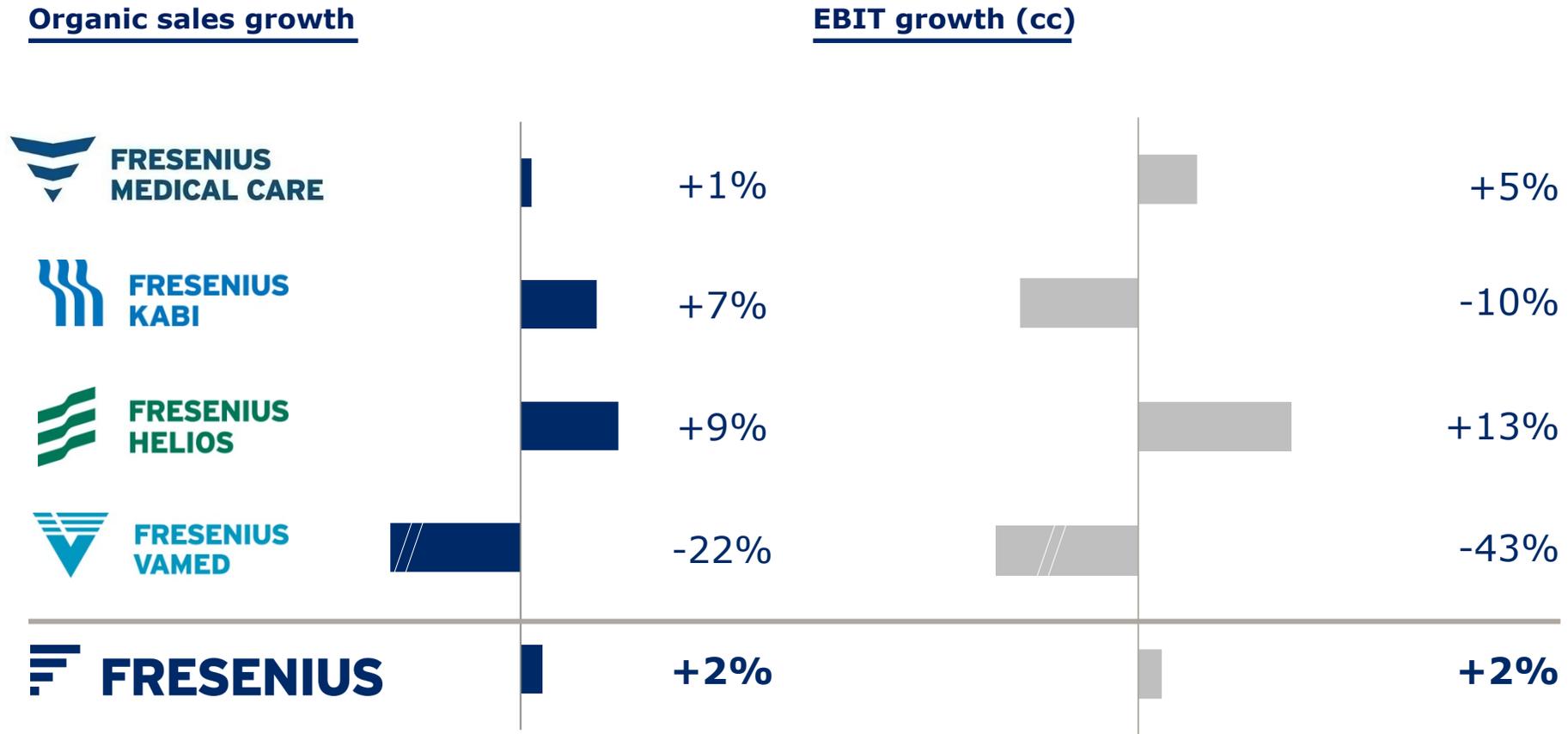
**+2%**

Q4/20: €494 m



All growth rates in constant currency (cc)  
Before special items  
Net income attributable to shareholders of Fresenius SE & Co. KGaA

# Q4/20 Business Segment Growth



All figures before special items  
 For a detailed overview of special items please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

## Cash Flow

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	Q4/2020	LTM Margin	Q4/2020	LTM Margin	Q4/2020	LTM Margin
 <b>FRESENIUS MEDICAL CARE</b>	584	23.7%	-300	-5.8%	284	17.9%
 <b>FRESENIUS KABI</b>	307	16.4%	-197	-9.9%	110	6.5%
 <b>FRESENIUS HELIOS</b>	434	11.7%	-285	-5.5%	149	6.2%
 <b>FRESENIUS VAMED</b>	74	3.8%	-13	-3.7%	61	0.1%
Corporate/Other	-9	n.a.	-5	n.a.	-14	n.a.
 <b>FRESENIUS</b> Excl. FMC <sup>2</sup>	806	13.1%	-500	-7.2%	306	5.9%
 <b>FRESENIUS</b>	1,390	18.1%	-800	-6.6%	590	11.5%

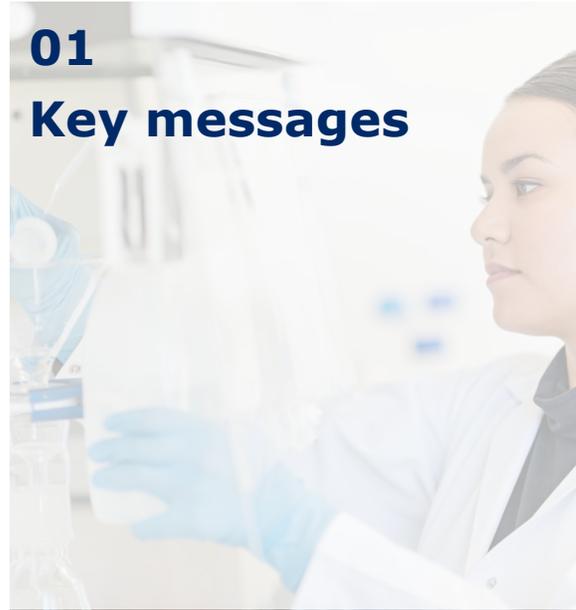
<sup>1</sup> Before acquisitions and dividends

<sup>2</sup> Including FMC dividends

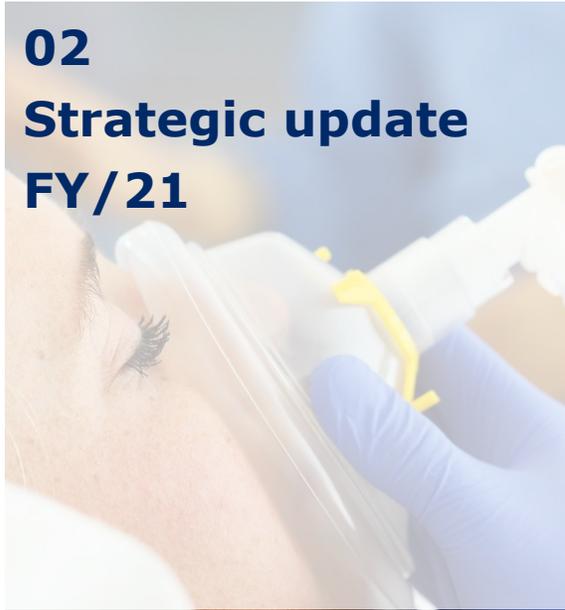
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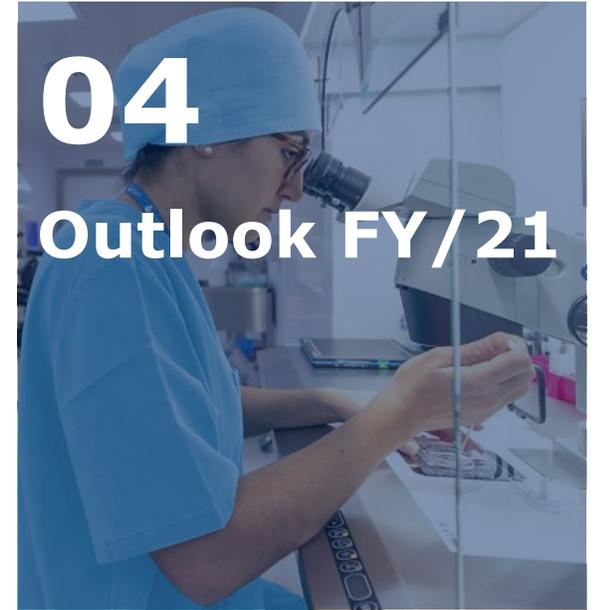
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# COVID-19 Assumptions for Guidance FY/21

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Current burdens and constraints caused by COVID-19 expected only to begin to recede in H2/21

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The guidance does not reflect impacts from potential containment measures without appropriate compensation for the health care sector

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Continuously advancing vaccination program in the company's relevant markets

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For H2/21, we expect a significant improvement primarily in elective treatments due to continuously increasing level of vaccination coverage

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## FY/21 Financial Outlook by Business Segment

€m (except otherwise stated)		FY/20 Base	FY/20	FY/21e
 <b>FRESENIUS KABI</b>	<b>Sales growth</b> (org)	6,976	4%	Low-to-mid single-digit %
	<b>EBIT growth</b> (cc)	1,095	-6%	Stable to low single-digit %
 <b>FRESENIUS HELIOS</b>	<b>Sales growth</b> (org)	9,818	4%	Low-to-mid single-digit %
	<b>EBIT growth</b> (cc)	1,025	0%	Mid-to-high single-digit %
 <b>FRESENIUS VAMED</b>	<b>Sales growth</b> (org)	2,068	-8%	Mid-to-high single-digit %
	<b>EBIT growth</b> (cc)	29	-79%	High double- digit €m

Before special items and including estimated COVID-19 effects

For a detailed overview of special items please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

## FY/21 Financial Guidance

€m (except otherwise stated)	FY/20 Base	FY/20	FY/21
 <b>FRESENIUS</b> <b>Sales growth (cc)</b>	36,277	5%	Low-to-mid single-digit %
<b>Net income growth (cc)</b>	1,796	-3%	At least broadly stable

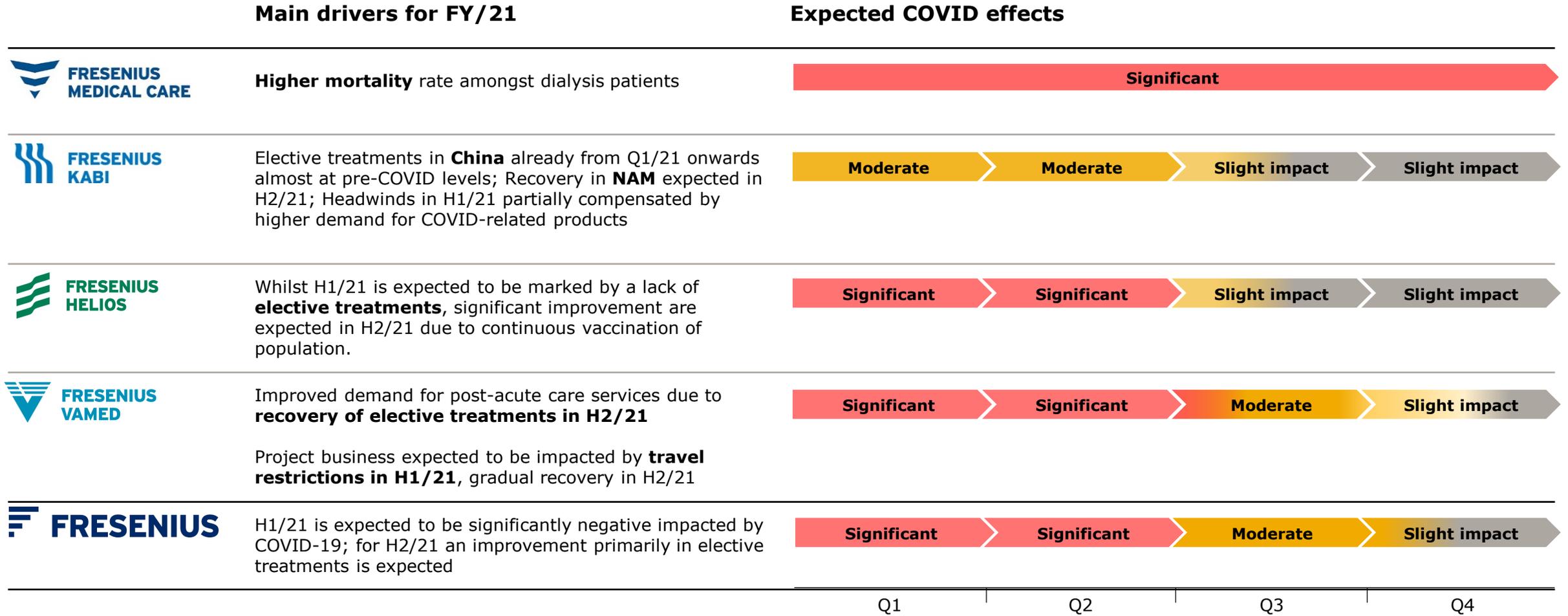
Before special items and including estimated COVID-19 effects  
 Net income attributable to shareholders of Fresenius SE & Co. KGaA

For a detailed overview of special items please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

# Attachments



# Fresenius Group: Easing COVID-19 impact whilst regaining business momentum



These assumptions are subject to considerable uncertainty.

# Fresenius Kabi: Headwinds in the US expected to continue, whilst Europe is projected for a gradual recovery and China is anticipated to be back to healthy growth



## North America

H1/21 expected to still see **fewer elective treatments** and **competitive pressure**

### Melrose Park:

- All manufacturing sites are fully operational
- No product launches from this plant in FY/21 expected

**15+ product launches** planned in FY/21



## Europe

Ongoing **recovery of elective treatments** expected alongside increasing vaccination coverage of population

Ongoing roll-out and **ramp-up of biosimilars business** contributes to organic sales growth



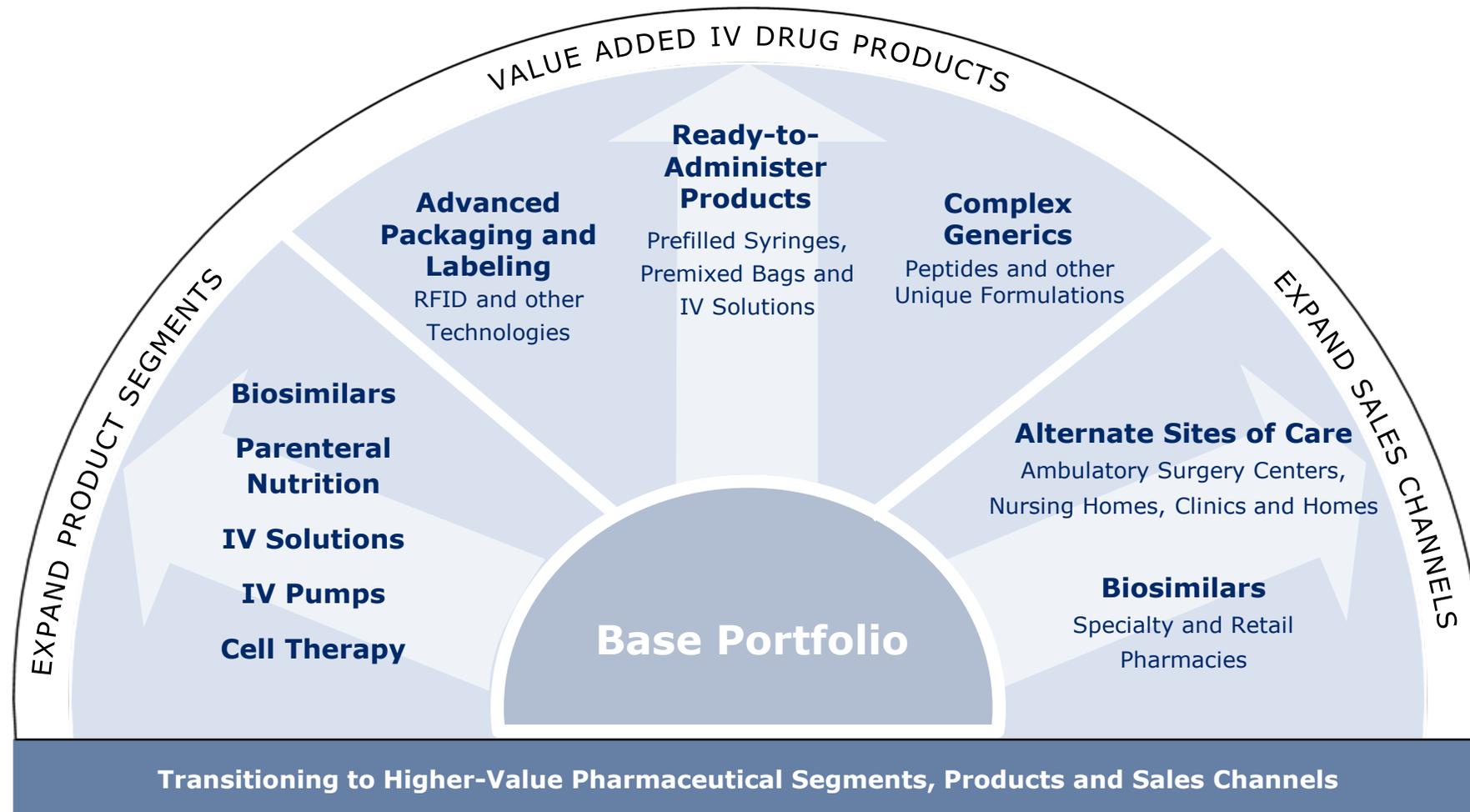
## Emerging Markets

China expected to **leave COVID-19 effects behind**; more pricing pressure due to tender system combined with dynamic volume growth expected to lead to healthy organic growth in FY/21

Launch of **new formulations** and applications in the field of parenteral and enteral nutrition in China

Further roll-out of **IV drug portfolio** in China

# Fresenius Kabi: Building the platform for decisive US growth through strategic initiatives to diversify and differentiate portfolio, and expand in new therapies and channels



## Fresenius Kabi: Q4 & FY/20 Organic Sales Growth by Regions

€m	Q4/20	Δ YoY organic	FY/20	Δ YoY organic
North America	549	-3%	2,376	0%
Europe	680	9%	2,458	6%
Emerging Markets	586	15%	2,142	6%
<b>Total sales</b>	<b>1,815</b>	<b>7%</b>	<b>6,976</b>	<b>4%</b>

## Fresenius Kabi: Q4 & FY/20 Organic Sales Growth by Product Segment

€m	Q4/20	Δ YoY organic	FY/20	Δ YoY organic
IV Drugs	697	1%	2,921	3%
Infusion Therapy	242	3%	810	-3%
Clinical Nutrition	528	15%	1,945	7%
Medical Devices/ Transfusion Technology	348	10%	1,300	7%
<b>Total sales</b>	<b>1,815</b>	<b>7%</b>	<b>6,976</b>	<b>4%</b>

## Fresenius Kabi: Q4 & FY/20 EBIT Growth

€m	Q4/20	Δ YoY cc	FY/20	Δ YoY cc
North America Margin	125 22.8%	-33% -1,100 bps	785 33.0%	-12% -450 bps
Europe Margin	85 12.5%	-1% -210 bps	355 14.4%	+9% +20 bps
Emerging Markets Margin	153 26.1%	+29% +330 bps	471 22.0%	+5% +10 bps
Corporate and Corporate R&D	-127	2%	-516	-4%
<b>Total EBIT Margin</b>	<b>236 13.0%</b>	<b>-10% -310 bps</b>	<b>1,095 15.7%</b>	<b>-6% -170 bps</b>

All figures before special items

Margin growth at actual rates

For a detailed overview of special items and adjustments please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

# **Fresenius Helios:** Interlinked business model with leading market position offers a strong foundation to leverage network efficiencies and accelerate growth opportunities



## **From prevention to intervention**

Serving patients for all health-related demands

Reach patients at all levels of care: Prevention, Occupational medicine, MVZ, Hospitals

Demand for ORP services in Spain accelerated due to COVID-19

## **Fields of innovation**

Increase digital connect with patients:

- Patient portals
- Video consultations
- Curalie with digital features for chronically ill

## **Regulatory environment**

Stable reimbursement (2021 DRG inflator set at 2.53%)

Cost pressure from the regulator to be partially mitigated

Efficiency gains from increasing digitalization of clinical processes

## **Opportunities for growth**

Greenfield & expansion projects

Focus on new set-up of MVZs

Expand fertility services offering

Selective acquisitions

# Fresenius Helios: Acquisition of Eugin Group makes Fresenius Helios a leading international provider of fertility services with significant growth opportunities



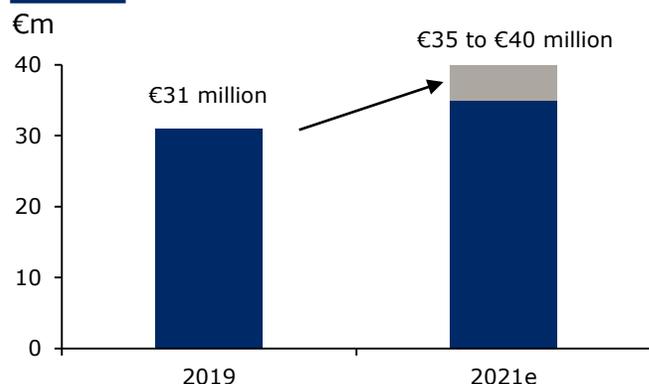
Acquisition adds global network of fertility clinics

Acquisition complements existing Fresenius Helios footprints in Germany, Spain and LatAm

Global fertility market offers significant growth opportunities and consolidation potential

Accretive to Group net income from FY/21 onwards

## EBITDA



Valuation<sup>1</sup> of **€430m** corresponds to **~11.4x** at the mid-point of the **2021 EBITDA range**.

<sup>1</sup> Including approx. €80 million of minority interests and assumed debt

## Strong presence in Europe, LatAm, and U.S.



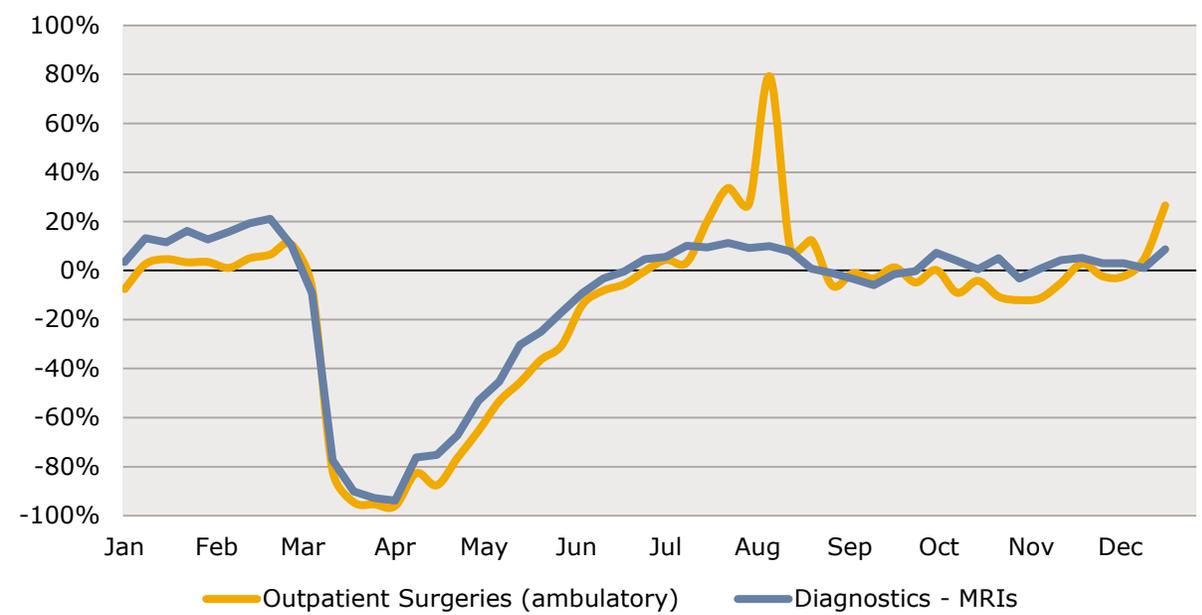
Largest markets: U.S., Spain, Brazil, Italy and Sweden

# Fresenius Helios: COVID-19 Update

 **Occupancy rate deviation 2020 vs. 2019**



 **Admissions 2020 vs. 2019**



## Fresenius Helios: Q4 & FY/20 Key Financials

€m	Q4/20	Δ YoY cc	FY/20	Δ YoY cc
<b>Total sales</b>	<b>2,637</b>	<b>9%<sup>1</sup></b>	<b>9,818</b>	<b>4%<sup>1</sup></b>
Thereof Helios Germany	1,637	8% <sup>1</sup>	6,340	6% <sup>1</sup>
Thereof Helios Spain	999	11% <sup>1</sup>	3,475	2% <sup>1</sup>
<b>Total EBIT</b>	<b>328</b>	<b>13%</b>	<b>1,025</b>	<b>0%</b>
Margin	12.4%	-10 bps	10.4%	-70 bps
Thereof Helios Germany	157	10%	602	4%
Margin	9.6%	-10 bps	9.5%	-20 bps
Thereof Helios Spain	159	19%	420	-5%
Margin	15.9%	20 bps	12.1%	-140 bps
Thereof Corporate	12	--	3	--

<sup>1</sup> Organic growth

For a detailed overview of special items and adjustments please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

## Fresenius Helios: Key Metrics

	FY/20	FY/19	Δ
No. of hospitals Germany	89	86	3%
- Acute care hospitals	86	83	4%
No. of hospitals Spain (Hospitals)	52	50	4%
No. of beds Germany	29,978	28,907	4%
- Acute care hospitals	29,451	28,380	4%
No. of beds Spain (Hospitals)	7,936	7,288	9%
Admissions Germany (acute care)	1,044,959	1,206,654	
Admissions Spain (including outpatients)	15,037,804	15,396,051	

# Fresenius Vamed: Gradual recovery of business ahead; good order intakes despite COVID-19



## COVID-19 headwinds to ease in the course of 2021

Easing of travel restrictions expected for H2/21

Lack of electives treatments – expected to recover in H2/21

Reduced capacity at post-acute care to last over H1/21

Technical services business to remain robust

## Recovery of project business in Q4/20 – solid order book

Order intake in Q4/20 13% above prior year; overall order intake in FY/20 decreased by 23% versus prior year

Major turnkey contract in Q4/20:

- Severodonetsk General Hospital in Ukraine

## Fresenius Vamed: Q4 & FY/20 Key Financials

€m	Q4/20	Δ YoY cc	FY/20	Δ YoY cc
<b>Total sales</b>	<b>577</b>	<b>-22%</b>	<b>2,068</b>	<b>-6%</b>
Thereof organic sales		-22%		-8%
Service business	372	-1%	1,435	3%
Project business	205	-44%	633	-22%
<b>Total EBIT</b>	<b>39</b>	<b>-42%</b>	<b>29</b>	<b>-79%</b>
Order intake <sup>1</sup>	648	13%	1,010	-23%
Order backlog <sup>1</sup>			3,055	7% <sup>2</sup>

<sup>1</sup> Project business only

<sup>2</sup> Versus December 31, 2019

## Fresenius Group: Q4/20 Key Financials

€m	Q4/20 <sup>1</sup>	special items	Q4/20 reported	Δ YoY cc <sup>1</sup>
Sales	<b>9,304</b>	-	<b>9,304</b>	5%
EBIT	<b>1,251</b>	-227	<b>1,024</b>	2%
Net interest	<b>-159</b>	3	<b>-156</b>	9%
Income taxes	<b>-263</b>	8	<b>-255</b>	-8%
<b>Net income<sup>2</sup></b>	<b>494</b>	-84	<b>410</b>	2%

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

For a detailed overview of special items and adjustments please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

## Fresenius Group: Calculation of Noncontrolling Interests

€m	FY/20	FY/19
Earnings before tax and noncontrolling interests	3,958	3,974
Taxes	-914	-925
Noncontrolling interests, thereof	-1,248	-1,170
Fresenius Medical Care net income not attributable to Fresenius (Q4/20: ~68%)	-922	-849
Noncontrolling interest holders in Fresenius Medical Care	-271	-239
Noncontrolling interest holders in Fresenius Kabi (-€44 m), Fresenius Helios (-€8 m), Fresenius Vamed (-€3 m)	-55	-82
<b>Net income attributable to Fresenius SE &amp; Co. KGaA</b>	<b>1,796</b>	<b>1,879</b>

Before special items

For a detailed overview of special items and adjustments please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

## Fresenius Group: Cash Flow

€m	Q4/20	LTM Margin	Δ YoY
<b>Operating Cash Flow</b>	<b>1,390</b>	<b>18.1%</b>	<b>8%</b>
Capex (net)	-800	-6.6%	5%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>590</b>	<b>11.5%</b>	<b>33%</b>
Acquisitions (net)	-202		
Dividends	-59		
<b>Free Cash Flow</b> (after acquisitions and dividends)	<b>329</b>	<b>6.8%</b>	<b>--</b>

## Estimated COVID-19 Effects Q4/20 & FY/20

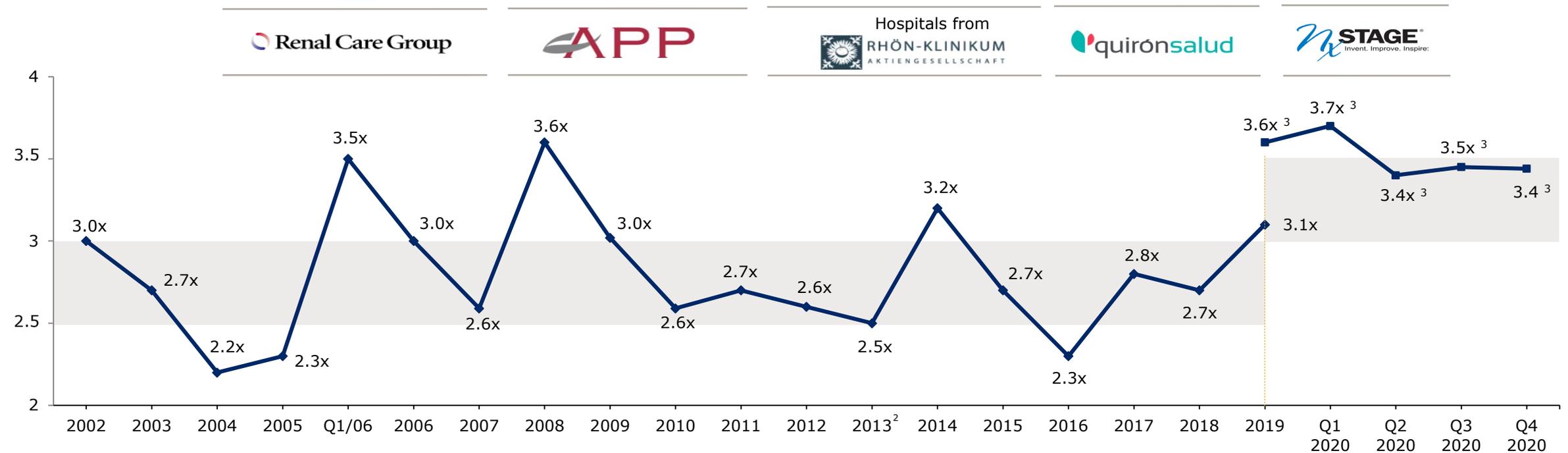
	Growth cc as reported incl. COVID-19		Estimated COVID-19 impact cc	
	Q4/20 <sup>1</sup>	FY/20 <sup>1</sup>	Q4/20 <sup>1</sup>	FY/20 <sup>1</sup>
Sales	+5%	+5%	-2% to -3%	-2% to -3%
Net income <sup>2</sup>	+2%	-3%	-1% to -5%	-5% to -9%

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

# Fresenius Group: Proven Track Record of Deleveraging

## Net Debt/EBITDA<sup>1</sup>



2002-2019 excluding IFRS 16

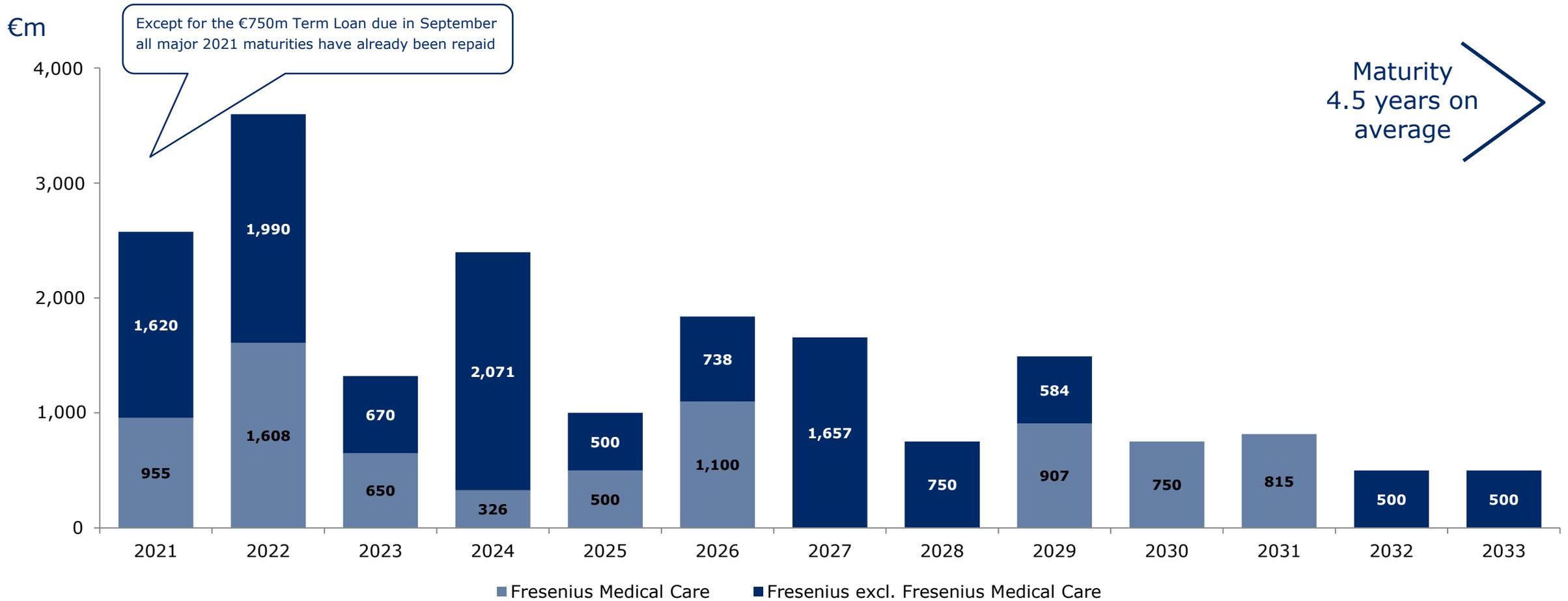
<sup>1</sup> At actual FX rates from 2002 to 2010 and at average FX rates from 2011 onwards, for both Net Debt and EBITDA; before special items; pro forma closed acquisitions/divestitures

<sup>2</sup> Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG

<sup>3</sup> Including IFRS 16

# Fresenius Group: Major Long-Term Debt Maturities<sup>1</sup>

## Well-balanced Maturity Profile



<sup>1</sup> As of December 31, 2020 and based on utilization of major financing instruments, excl. Commercial Paper of EUR 50m

## Sales by Business Segment – FX, Acquisitions/Divestitures Effects Q4/20

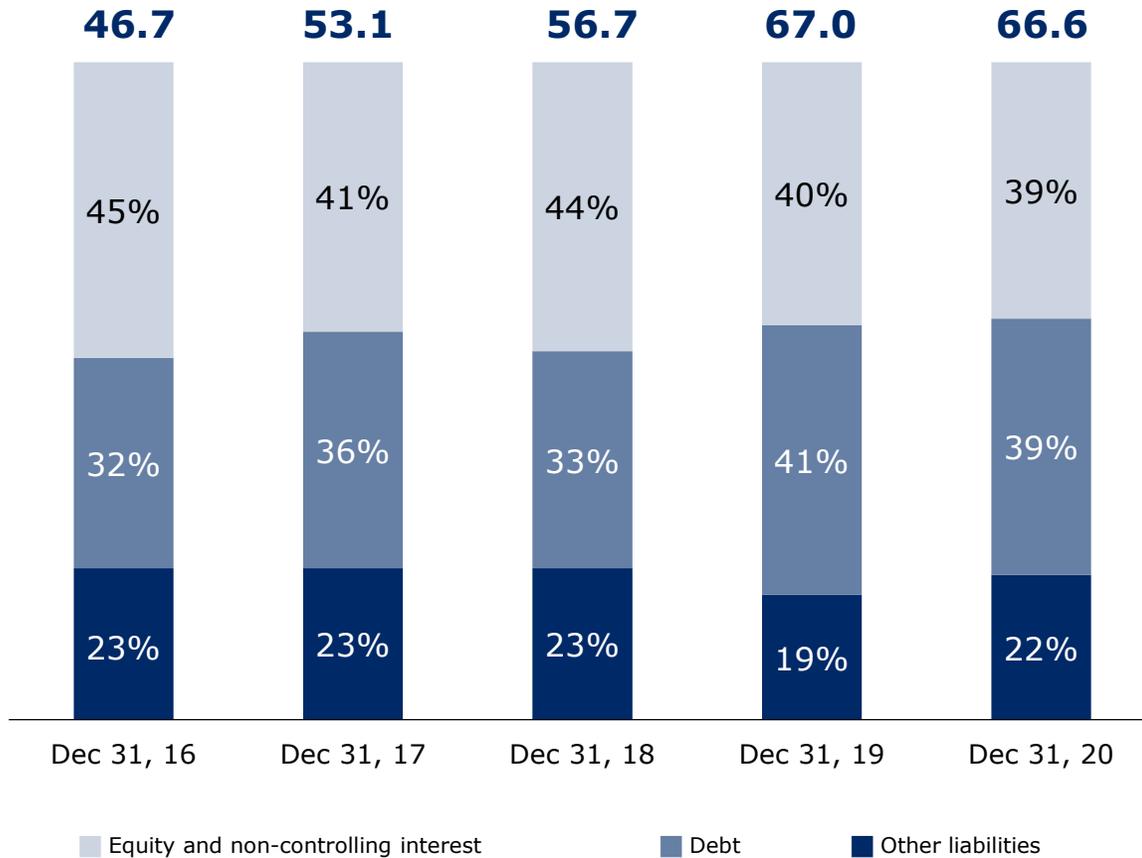
€m	Q4/20	Q4/19	Growth at actual rates	Currency translation effects	Growth at constant rates	Organic growth	Acquisitions	Divestitures/ Others
Fresenius Medical Care	4,400	4,580	-4%	-8%	4%	1%	3%	0%
Fresenius Kabi	1,815	1,766	3%	-5%	8%	7%	0%	1%
Fresenius Helios	2,637	2,344	13%	0%	13%	9%	4%	0%
Fresenius Vamed	577	737	-22%	0%	-22%	-22%	0%	0%
<b>Total</b>	<b>9,304</b>	<b>9,311</b>	<b>0%</b>	<b>-5%</b>	<b>5%</b>	<b>2%</b>	<b>3%</b>	<b>0%</b>

## Sales by Business Segment – FX, Acquisitions/Divestitures Effects FY/20

€m	FY/20	FY/19	Growth at actual rates	Currency translation effects	Growth at constant rates	Organic growth	Acquisitions	Divestitures/Others
Fresenius Medical Care	17,859	17,477	2%	-3%	5%	3%	3%	-1%
Fresenius Kabi	6,976	6,919	1%	-3%	4%	4%	0%	0%
Fresenius Helios	9,818	9,234	6%	-1%	7%	4%	3%	0%
Fresenius Vamed	2,068	2,206	-6%	0%	-6%	-8%	2%	0%
<b>Total</b>	<b>36,277</b>	<b>35,409</b>	<b>2%</b>	<b>-3%</b>	<b>5%</b>	<b>3%</b>	<b>2%</b>	<b>0%</b>

# Fresenius Group: Solid Balance Sheet Structure

B/S total (€bn)



- **Healthy Equity and Liability Split**
- **Strong equity ratio of >40% on average**
- **Equity ratio kept in narrow range despite rapid growth of Fresenius Group**

2019 including IFRS 16

# Financial Calendar / Contact

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## Financial Calendar

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06 May 2021	Results Q1/21
21 May 2021	Annual General Meeting
30 July 2021	Results Q2/21
02 November 2021	Results Q3/21

Please note that these dates could be subject to change.



## Contact

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Investor Relations & Sustainability  
Fresenius SE & Co. KGaA  
phone: +49 6172 608-2485  
e-mail: [ir-fre@fresenius.com](mailto:ir-fre@fresenius.com)

For further information and current news: [www.fresenius.com](http://www.fresenius.com)



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