

## Press Release

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### **Fresenius revises FY/22 Group guidance driven by significantly worsening headwinds at Fresenius Medical Care - Outlook confirmed for Fresenius Kabi, Fresenius Helios and Fresenius Vamed**

Fresenius Medical Care's financial performance in Q2/22 was significantly impacted by worsened labor shortages and related meaningfully increased wage inflation in the U.S. The further deterioration of the macro-economic environment resulted in accelerated non-wage inflation, particularly higher supply chain costs.

Against this backdrop and growing indications for a persistent unfavorable development of these and other factors, Fresenius Medical Care has revised its outlook for FY/22.

All other Fresenius Group segments confirm their respective outlook for FY/22 for both revenue and EBIT.

However, as a consequence of the development at Fresenius Medical Care, and despite all other Fresenius Group segments confirming their respective outlook for both revenue and EBIT, Fresenius now also revises its Group outlook for FY/22. At constant currency, the Company now anticipates Group sales<sup>1</sup> to grow in a low-to-mid single-digit percentage range (previously: mid-single digit percentage range) and Group net income<sup>2,3</sup> to decline in a low-to-mid single-digit percentage range (previously: increase in a low-single-digit percentage range).

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<sup>1</sup> FY/21 base: €37,520 million

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

<sup>3</sup> FY/21 base: €1,867 million; before special items; FY/22: before special items

Stephan Sturm, CEO of Fresenius, said: "As a globally active healthcare group, we, too, have inevitably been impacted by – in many cases massive – cost increases, growing problems in the global supply chains, and staff shortages. And unlike companies in other industries, we cannot simply pass on the resulting cost burdens in the short term by raising our prices. To the extent possible and foreseeable, we factored these burdens into the guidance we provided in February and May. In the meantime, though, it has become apparent that patient-facing healthcare services in the United States are affected even more heavily, hence also Fresenius Medical Care. It will take fortitude and energy to overcome this particularly challenging phase, and I am therefore very pleased that Carla Kriwet will assume her new position as CEO of Fresenius Medical Care quite a bit earlier than initially planned. I am confident that, together with her colleagues, she will find the right solutions and lead Fresenius Medical Care into a successful future."

"Our goal at Fresenius is, and remains, to create more value: for our patients, our employees and our shareholders," added Sturm. "We are working tirelessly, guided by our clear strategic priorities, to achieve this. And we continue to see good prospects, despite the current burdens and difficulties resulting from global crises. Not least because, from our strong market positions, we moved early to capitalize on the right trends, such as home dialysis. Healthcare is a market of the future that we want to play an important role in shaping, and where we intend to continue our sustained, profitable growth."

### **Assumptions for guidance FY/22**

Due to the meaningfully increased uncertainty and volatility related to the war in Ukraine, the ongoing impacts of the COVID-19 pandemic, and a rapidly worsening global macro-economic development, Fresenius now expects significantly more pronounced headwinds in 2022 from supply chain disruptions and cost inflation, including energy prices. Furthermore, Fresenius expects significant negative effects from ongoing labor shortages and associated wage inflation, especially at Fresenius Medical Care in the U.S.

The war in Ukraine is directly and indirectly affecting Fresenius Group operations. The direct adverse effects of the war amounted to €20 million at net income<sup>1</sup> level of Fresenius Group in H1/22 and are treated as a special item. Fresenius will continue to closely monitor the potential further consequences of the war, including balance sheet valuations. The guidance does not consider a significant disruption of gas or electricity supplies in Europe.

COVID-19 will continue to impact Fresenius Group operations in 2022. An unlikely but possible significant deterioration of the situation triggering containment measures that could have a significant and direct impact on the health care sector without any appropriate compensation is not reflected in the Group's FY/22 guidance.

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<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

Furthermore, the updated assumptions for Fresenius Medical Care's FY/22 guidance are also fully applicable to Fresenius Group's FY/22 guidance. All of these assumptions are subject to considerable uncertainty. The acquisition of Ivenix and the announced acquisition of the majority stake in mAbxience as well as any further potential acquisitions remain excluded from guidance.

### Group medium-term targets

As a result of the updated expectations for FY/22, Fresenius now believes its medium-term net income<sup>1</sup> target is no longer achievable. Fresenius had expected Group organic net income<sup>1</sup> growth to be at the bottom end of the 5% to 9% compounded annual growth rate (CAGR) range for 2020 to 2023. At the same time, Fresenius specifies its Group organic sales growth target to reach the low-end of the targeted 4% to 7% compounded annual growth rate (CAGR) range for 2020 to 2023.

### Cost and efficiency program

The Group's cost and efficiency program is running according to plan and Fresenius confirms its increased savings targets provided in February 2022 of at least €150 million p.a. after tax and minority interest in 2023. For the years thereafter, a further significant increase in sustainable cost savings is expected.

### Management Board change at Fresenius Medical Care

Dr. Carla Kriwet will now join Fresenius Medical Care as CEO on October 1, 2022, earlier than previously announced and Rice Powell will step down as CEO effective September 30, 2022.

### Preliminary Q2 and H1/22 results<sup>2</sup>

€ in millions	Q2/2022	Q2/2021	Growth	Growth in cc	H1/2022	H1/2021	Growth	Growth in cc
Fresenius Medical Care	4,757	4,320	10%	1%	9,305	8,530	9%	2%
Fresenius Kabi	1,896	1,755	8%	2%	3,743	3,516	6%	1%
Fresenius Helios	2,925	2,738	7%	6%	5,856	5,387	9%	8%
Fresenius Vamed	562	556	1%	1%	1,075	1,033	4%	3%
<b>Total Sales</b>	<b>10,018</b>	<b>9,246</b>	<b>8%</b>	<b>3%</b>	<b>19,738</b>	<b>18,230</b>	<b>8%</b>	<b>4%</b>

€ in millions	Q2/2022	Q2/2021	Growth	Growth in cc	H1/2022	H1/2021	Growth	Growth in cc
Fresenius Medical Care	445	433	3%	-6%	852	910	-6%	-13%
Fresenius Kabi	271	298	-9%	-15% <sup>3</sup>	564	574	-2%	-8% <sup>3</sup>
Fresenius Helios	303	298	2%	1%	609	566	8%	7%
Fresenius Vamed	11	16	-31%	-31%	19	12	58%	58%
<b>Total EBIT</b>	<b>1,003</b>	<b>1,033</b>	<b>-3%</b>	<b>-9%</b>	<b>2,003</b>	<b>2,042</b>	<b>-2%</b>	<b>-7%</b>

€ in millions	Q2/2022	Q2/2021	Growth	Growth in cc	H1/2022	H1/2021	Growth	Growth in cc
<b>Net income<sup>1</sup></b>	<b>450</b>	<b>475</b>	<b>-5%</b>	<b>-9%<sup>3</sup></b>	<b>913</b>	<b>911</b>	<b>0%</b>	<b>-3%<sup>3</sup></b>

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>2</sup> EBIT and net income before special items

<sup>3</sup> Excluding Ivenix acquisition

## Fresenius Kabi preliminary financial results

**Sales** in Q2/22 increased by 8% (2% in constant currency) to €1,896 million (Q2/21: €1,755 million). Organic growth was 2%. The positive currency translation effects of 6% in Q2/22 were mainly related to the U.S. dollar and Chinese yuan.

Sales in North America increased by 16% (organic growth: 3%) to €606 million (Q2/21: €522 million), strongly supported by U.S. Dollar-related currency translation effects. Sales in Europe increased by 4% (organic growth: 4%) to €658 million (Q2/21: €634 million). Sales in Asia-Pacific increased by 4% (organic growth: -4%) to €425 million (Q2/21: €409 million). Positive currency translation effects contributed to reported sales growth. Sales in Latin America/Africa increased by 9% (organic growth: 2%) to €207 million (Q2/21: €190 million). Sales for the Biosimilars business were €29 million.

**EBIT<sup>1</sup>** decreased by 9% (-15%<sup>2</sup> in constant currency) to €271 million (Q2/21: €298 million). The EBIT margin<sup>1</sup> was 14.3% (Q2/21: 17.0%).

### Fresenius Kabi EBIT by region

€ in millions	Q2/2022	Q2/2021	Growth	Growth at constant rates	H1/2022	H1/2021	Growth	Growth at constant rates
North America	174	162	7%	-4%	330	336	-2%	-10%
<i>Margin</i>	28.7%	31.0%		-230 bps	27.8%	31.1%		-330 bps
Europe	80	98	-18%	-17%	161	217	-26%	-26%
<i>Margin</i>	12.2%	15.5%		-330 bps	12.4%	17.2%		-480 bps
Emerging Markets	140	156	-10%	-18%	313	282	11%	3%
<i>Margin</i>	22.2%	26.0%		-380 bps	24.8%	24.0%		+80 bps
Corporate and Corporate R&D	-123	-118	-4%	0%	-240	-261	+8%	13%
<b>Total EBIT</b>	<b>271</b>	<b>298</b>	<b>-9%</b>	<b>-15%<sup>2</sup></b>	<b>564</b>	<b>574</b>	<b>-2%</b>	<b>-8%<sup>2</sup></b>
<i>Margin</i>	14.3%	17.0%		-270 bps	15.1%	16.3%		-120 bps

Fresenius Kabi confirms its FY/22 outlook and expects organic sales<sup>3</sup> growth in a low-single-digit percentage range. Constant currency EBIT<sup>2,4</sup> is expected to decline in a high-single- to low-double-digit percentage range. The sales and EBIT outlook ranges include expected COVID-19 effects and exclude the effects of the acquisitions Ivenix and mAbxience.

<sup>1</sup> Before special items

<sup>2</sup> Excluding Ivenix acquisition

<sup>3</sup> FY/21 base: €7,193 million

<sup>4</sup> FY/21 base: €1,153 million, before special items, FY/22 before special items

## **Fresenius Helios preliminary financial results**

**Sales** increased by 7% (6% in constant currency) to €2,925 million (Q2/21: €2,738 million). Organic growth was 5%. Acquisitions contributed 1% to sales growth.

Sales of Helios Germany increased by 5% (organic growth: 4%) to €1,758 million (Q2/21: €1,675 million). Sales of Helios Spain increased by 8% (7% in constant currency) to €1,101 million (Q2/21: €1,020 million). Organic growth was 6%. Sales of Helios Fertility were €65 million (Q2/21: €42 million).

**EBIT<sup>1</sup>** of Fresenius Helios increased by 2% (1% in constant currency) to €303 million (Q2/21: €298 million) with an EBIT margin<sup>1</sup> of 10.4% (Q2/21: 10.9%).

EBIT of Helios Germany increased by 1% to €154 million (Q2/21: €152 million) with an EBIT margin of 8.8% (Q2/21: 9.1%). EBIT of Helios Spain increased by 1% (0% in constant currency) to €148 million (Q2/21: €147 million). The EBIT margin was 13.4% (Q2/21: 14.4%). EBIT<sup>1</sup> of Helios Fertility was €7 million with an EBIT<sup>1</sup> margin of 10.8% (Q2/21: €5 million).

Fresenius Helios confirms its FY/22 outlook and expects organic sales<sup>2</sup> growth in a low- to mid-single-digit percentage range and constant currency EBIT<sup>3</sup> growth in a mid-single-digit percentage range. The sales and EBIT outlook ranges include expected COVID-19 effects.

## **Fresenius Vamed preliminary financial results**

**Sales** increased by 1% (1% in constant currency) to €562 million (Q2/21: €556 million). Organic growth was 1%.

Sales in the service business increased by 6% (6% in constant currency) to €417 million (Q2/21: €392 million). Sales in the project business decreased by 12% (-12% in constant currency) to €145 million (Q2/21: €164 million).

**EBIT<sup>1</sup>** decreased by 31% to €11 million (Q2/21: €16 million) with an EBIT margin<sup>1</sup> of 2.0% (Q2/21: 2.9%).

Order intake was €253 million (Q2/21: €713 million). As of June 30, 2022, order backlog was at €3,732 million (December 31, 2021: €3,473 million).

Fresenius Vamed confirms its FY/22 outlook and expects organic sales<sup>4</sup> growth in a high-single to low-double-digit percentage range and constant currency EBIT<sup>5</sup> to return to absolute pre-COVID-19 levels (FY/19: €134 million). The sales and EBIT outlook ranges include expected COVID-19 effects.

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<sup>1</sup> Before special items

<sup>2</sup> FY/21 base: €10,891 million

<sup>3</sup> FY/21 base: €1,127 million, before special items, FY/22 before special items

<sup>4</sup> FY/21 base: €2,297 million

<sup>5</sup> FY/21 base: €101 million, before special items; FY/22 before special items

## Detailed financial results publication and Conference Call

As part of the publication of the preliminary results for Q2/2022, a conference call will be held on July 28, 2022 at 1:30 p.m. CEDT (7:30 a.m. EDT) replacing the originally planned call from August 2, 2022.

All investors are cordially invited to follow the conference call in a live broadcast over the Internet at [www.fresenius.com/investors](http://www.fresenius.com/investors). Following the call, a replay will be available on our website.

On August 2, 2022, Fresenius will publish detailed Q2/22 and H1/22 financials.

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

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Fresenius is a global healthcare group, providing products and services for dialysis, hospital and outpatient medical care. In 2021, Group sales were €37.5 billion. On June 30, 2022, the Fresenius Group had 318,647 employees worldwide.

For more information visit the Company's website at [www.fresenius.com](http://www.fresenius.com).  
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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, the availability of financing and unforeseen impacts of international conflicts. Fresenius does not undertake any responsibility to update the forward-looking statements in this release.

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