



## **Conference Call | Q2/22 Preliminary Results**

Bad Homburg, 28 July 2022

## 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 the availability of financing, and unforeseen impacts of international conflicts.

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# Key messages



Weak Q2 amid intensifying U.S. labor shortages and accelerating macro-economic challenges



FY/22 Group guidance driven by Fresenius Medical Care's outlook adjustment



Medium-term targets: Sales CAGR specified; net income<sup>1</sup> CAGR no longer believed to be achievable



"Meet the Management" with Fresenius Kabi on October 7, 2022



Marked by increased headwinds from U.S. labor market and global inflation



In line with expectations; biosimilars business progressing well



Solid organic growth in Germany and Spain based on healthy activity levels

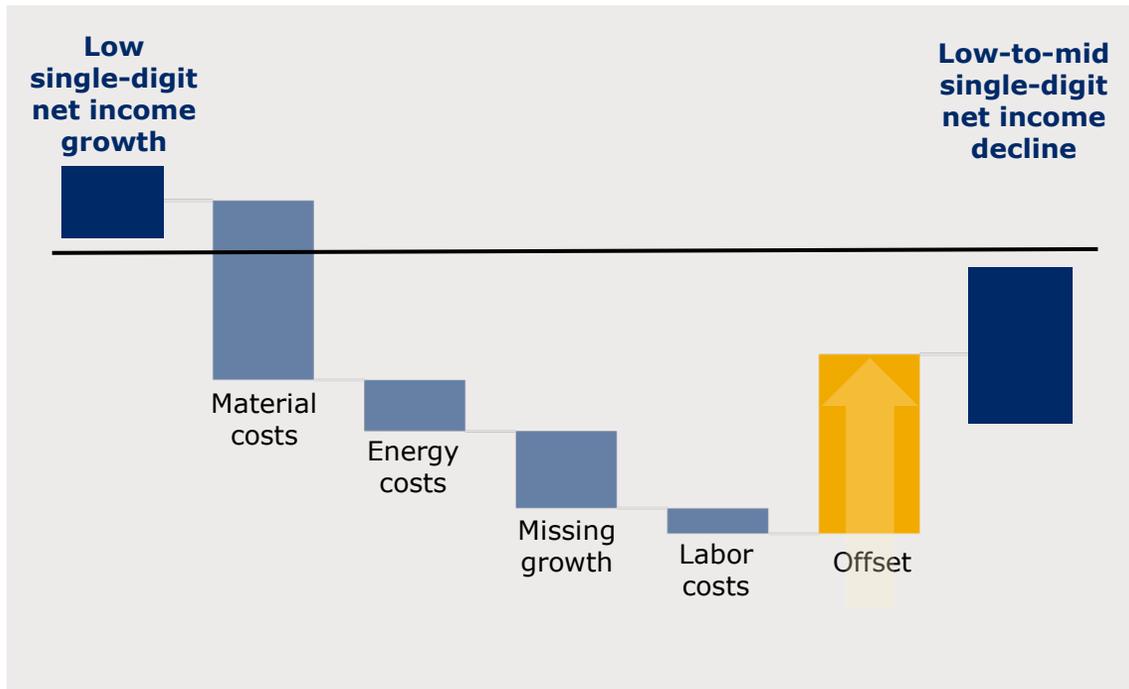


Supply chain disruptions and higher material costs remain headwinds

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

# Fresenius Group: Temporary headwinds driven by geopolitical turmoil and the COVID-19 pandemic weighing on FY/22 earnings growth

Headwinds for net income development FY/22e  
Reconciliation to new guidance



## Material, supply chain and energy costs

- Meaningful increases across all segments

## Missing growth

- Staff shortages limit growth e.g. onboarding opportunities for new patients in dialysis clinics

## Labor costs

- Headwinds primarily at FMC in the U.S. patient-facing service business

## Offset

- Including monies from the U.S. government's Provider Relief Fund
- Compensating measures include tight cost control and product price increases wherever possible

## Expectations H2/2022

- Neither meaningful worsening of macro challenges nor major COVID-19 pandemic effects leading to lock-downs factored in

→ **Overall, we consider headwinds as temporary and not structural**

## Kabi: Solid Q2/22 on tough comps



€m	Q2/22	Δ YoY cc	H1/22	Δ YoY cc
Sales	1,896	2% <sup>1</sup>	3,743	1% <sup>1</sup>
EBIT	271	-15% <sup>2</sup>	564	-8% <sup>2</sup>

All figures preliminary figures  
Before special items

<sup>1</sup> Organic

<sup>2</sup> Excluding Ivenix acquisition

- **Market shares** remain robust in key NAM and China markets
  - **NAM:** Price pressure easing to low single-digits in our base product portfolio
  - **China:** Marked by significant NVBP tender related price pressure ahead of Q3/Q4 annualization
- FDA inspected **Melrose Park** facility - feedback expected in Q3/22
- **Biosimilar** business progressing well
- **Ivenix** acquisition closed during Q2; large volume pump receiving promising customer feedback
- **mAbxience** closing imminent

## Helios and Vamed: Q2/22 in-line with expectations



€m	Q2/22	Δ YoY cc	H1/22	Δ YoY cc
Sales	2,925	5% <sup>1</sup>	5,856	6% <sup>1</sup>
EBIT	303	1%	609	7%



€m	Q2/22	Δ YoY cc	H1/22	Δ YoY cc
Sales	562	1% <sup>1</sup>	1,075	4% <sup>1</sup>
EBIT	11	-31%	19	58%

All figures preliminary figures  
Before special items  
<sup>1</sup> Organic

- **Helios Germany:** Positive admissions trend; patients increasingly returning to hospitals for elective treatments
- **Helios Spain:** Continued healthy activity levels in Spain and Latin America
- **Helios Fertility:** Activity picking up during Q2
- **Service business** showing an ongoing good performance
- Macro challenges remain a headwind in the **project business**
- **Order backlog** at all time high

## FY/22 Financial Outlook by Business Segment

€m (except otherwise stated)		FY/21 Base	H1/22 prelim.	FY/22e	
	<b>Sales growth</b> (org)	7,193	1%	Low single-digit %	<u>✓</u>
	<b>EBIT growth</b> (cc)	1,153	-8% <sup>1</sup>	Decline in high single- to low double-digit %-range	<u>✓</u>
	<b>Sales growth</b> (org)	10,891	6%	Low-to-mid single-digit %	<u>✓</u>
	<b>EBIT growth</b> (cc)	1,127	7%	Mid single-digit %	<u>✓</u>
	<b>Sales growth</b> (org)	2,297	4%	High single- to low double-digit %	<u>✓</u>
	<b>EBIT</b>	101	19	Returning to absolute pre-COVID levels (2019: €134 m)	<u>✓</u>

Before special items and including COVID-19 effects

<sup>1</sup> Excluding Ivenix acquisition

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

## FY/22 Financial Guidance

€m (except otherwise stated)		FY/21 Base	H1/22 prelim.	FY/22e	New
	<b>Sales growth (cc)</b>	37,520	4%	Mid single-digit %	Low-to-mid single-digit %
	<b>Net income growth (cc)</b>	1,867	-3% <sup>1</sup>	Low single-digit %	Decline in low-to- mid single-digit %-range

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

<sup>1</sup> Excluding Ivenix acquisition

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

## Medium-term Growth Targets 2020 – 2023 (CAGRs): Sales target specified whilst temporary headwinds weigh on net income development

 <b>FRESENIUS</b>	<b>Organic sales growth</b> <b>4 – 7%</b>	<b>Low end of range</b>  <b>specified</b>
	<b>Organic net income<sup>1</sup> growth</b> <b>5 – 9%</b>	<b>Believed to be no longer achievable</b>

 Acquisitions have smaller contributions than the ~1% additional growth originally expected

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

Before special items

# Agenda

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# Fresenius Kabi: Solid Q2/22 on tough comps; completion of acquisition of majority stake in mAbxience imminent; biosimilar business progressing well



## North America

**Solid quarter with market share gains** despite supply disruptions, staff shortages and inflationary headwinds

**Price pressure eased;** low single-digit price erosion in our base product portfolio in Q2/22

**GPO tendering in line with expectations;** new price scheme to be implemented in Q3/22

**FDA inspected Melrose Park facility -** feedback expected in Q3/22



## Ivenix

**Integration of business is progressing well**

**Large volume pump including infusion management software tool** receiving promising customer feedback

## Asia-Pacific

**China** marked by **significant NVBP related price pressure**

**APAC ex China** with good business performance in Q2/22



## Biosimilars

**Closing of acquisition of majority stake in mAbxience expected short-term**

**Clinical programs** for further molecules of Kabi's portfolio **progressing according to plan**

# Fresenius Helios: Continued healthy activity levels in Germany and Spain; limited impact from cost inflation; Fertility business progressing well



## Helios Germany

**Solid admissions growth** sequentially (+4%) and Q2 year-over-year (+5%)

**Patients returning to hospitals** for elective treatments, COVID-19 no longer seen as hurdle

**Sufficient bed capacity available** despite rising number of Omicron patients

<sup>1</sup> Merco Corporate Reputation Business Monitor, Spain, 2022



## Helios Spain

Ongoing **growing activity levels** in Spain and Latin America

Omicron wave in Q2: Moderate impact from related **temporary local staff shortages**

**Acquisition** of two small medical centers near Barcelona and Zaragoza; **hospital expansions** in Madrid and Málaga completed; **opening** of new health center in Madrid

Quirónsalud ranked<sup>1</sup> amongst **TOP 30** most reputed companies in Spain, **#1 in healthcare**



## Helios Fertility

**Activity picking up** during Q2 due to receding COVID-related impact

**Acquisition** of two facilities in Brazil and one in the U.S. (North Carolina)

Further **bolt-on acquisitions** expected in FY/22

# Fresenius Vamed: Macro challenges remain a headwind in the project business; service business shows continuing good performance



## Macro challenges

- Supply chain disruptions and higher material costs weigh on project business in Q2/22

## Service business - good performance

- Rehabilitation business supported by ongoing good activity levels
- Continued strong contribution from high-end services

## Project business – order intake remains at a high level

- Sales in project business decreased by 12% in Q2/22 over a strong prior year
- Order backlog at all-time high €3.73bn

Major turnkey contract in Q2/22:

- Turnkey Project, Regional Hospitals in Angola

## Fresenius Kabi: Preliminary Q2 & H1/22 Organic Sales Growth by Regions

€m	Q2/22	Δ YoY organic	H1/22	Δ YoY organic
North America	606	3%	1,185	0%
Europe	658	4%	1,298	3%
Emerging Markets	632	-2%	1,260	0%
<b>Total sales</b>	<b>1,896</b>	<b>2%</b>	<b>3,743</b>	<b>1%</b>

## Fresenius Kabi: Preliminary Q2 & H1/22 EBIT Growth

€m	Q2/22	Δ YoY cc	H1/22	Δ YoY cc
North America Margin	174 28.7%	-4% -230 bps	330 27.8%	-10% -330 bps
Europe Margin	80 12.2%	-17% -330 bps	161 12.4%	-26% -480 bps
Emerging Markets Margin	140 22.2%	-18% -380 bps	313 24.8%	3% +80 bps
Corporate and Corporate R&D	-123	0%	-240	13%
<b>Total EBIT</b> Margin	<b>271</b> 14.3%	<b>-15%<sup>1</sup></b> -270 bps	<b>564</b> 15.1%	<b>-8%<sup>1</sup></b> -120 bps

All figures before special items  
Margin growth at actual rates

<sup>1</sup> Excluding Ivenix acquisition

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: Preliminary Q2 & H1/22 Key Financials

€m	Q2/22	Δ YoY cc	H1/22	Δ YoY cc
<b>Total sales</b>	<b>2,925</b>	<b>5%<sup>1</sup></b>	<b>5,856</b>	<b>6%<sup>1</sup></b>
Thereof Helios Germany	1,758	4% <sup>1</sup>	3,541	5% <sup>1</sup>
Thereof Helios Spain	1,101	6% <sup>1</sup>	2,190	9% <sup>1</sup>
Thereof Helios Fertility	65	--	122	--
<b>Total EBIT</b>	<b>303</b>	<b>1%</b>	<b>609</b>	<b>7%</b>
Margin	10.4%	-50 bps	10.4%	-10 bps
Thereof Helios Germany	154	1%	308	2%
Margin	8.8%	-30 bps	8.7%	-30 bps
Thereof Helios Spain	148	0%	301	10%
Margin	13.4%	-100 bps	13.7%	+0 bps
Thereof Helios Fertility	7	--	11	--
Margin	10.8%		9.0%	
Thereof Corporate	-6	--	-11	--

<sup>1</sup> Organic growth

All figures 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 Vamed: Preliminary Q2 & H1/22 Key Financials

€m	Q2/22	Δ YoY cc	H1/22	Δ YoY cc
<b>Total sales</b>	<b>562</b>	<b>1%</b>	<b>1,075</b>	<b>3%</b>
Thereof organic sales		1%		4%
Project business	145	-12%	253	-9%
Service business	417	6%	822	8%
<b>Total EBIT<sup>1</sup></b>	<b>11</b>	<b>-31%</b>	<b>19</b>	<b>58%</b>
Order intake <sup>2</sup>	253	-65%	516	-39%
Order backlog <sup>2</sup>			3,732	7% <sup>3</sup>

<sup>1</sup> Before special items

<sup>2</sup> Project business only

<sup>3</sup> Versus December 31, 2021