



#FutureFresenius – Advancing Patient Care

Bad Homburg, 22. Februar 2023

1 RESET under way

- 2 Financial review FY/22
- 3 Financial priorities & Outlook FY/23
- 4 #FutureFresenius – 2024 and beyond

RESET - Moving towards #FutureFresenius



Portfolio review completed



Stakeholder strategy dialogues held



Management team aligned



Change momentum created

Moving forward on our path to #FutureFresenius

Fresenius strengthens Management Team



Pierluigi Antonelli

Effective as of 1 March 2023
Chief Executive Officer Fresenius Kabi



Michael Moser

Effective as of 1 August 2023 at the latest
**Fresenius Management Board responsible
for Human Resources, Risk Management,
Legal and ESG**

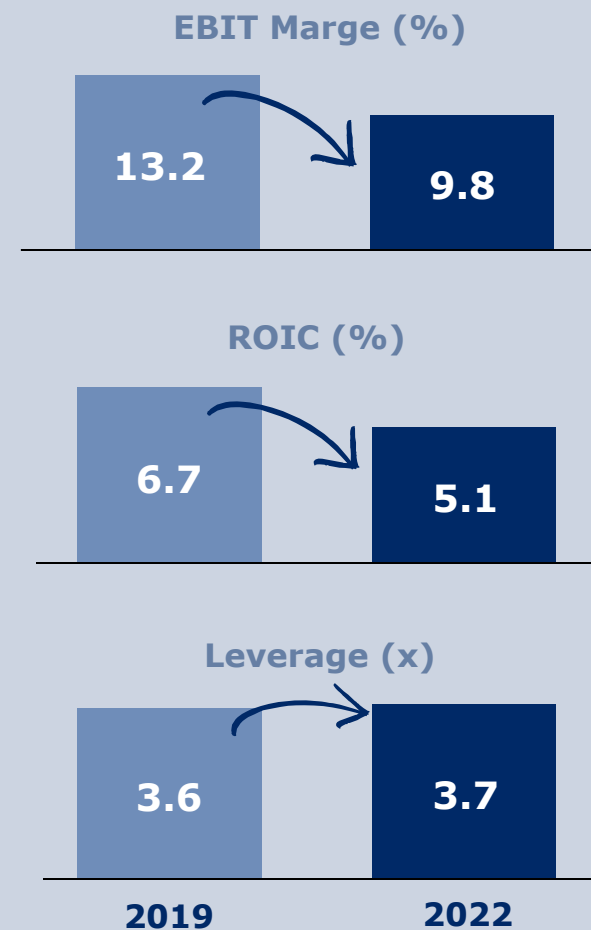
The urgency of a *RESET*

Focus blurred in broad portfolio

Complex structures and governance

Returns fading in pursuit of growth

Limited strategic flexibility to invest and grow



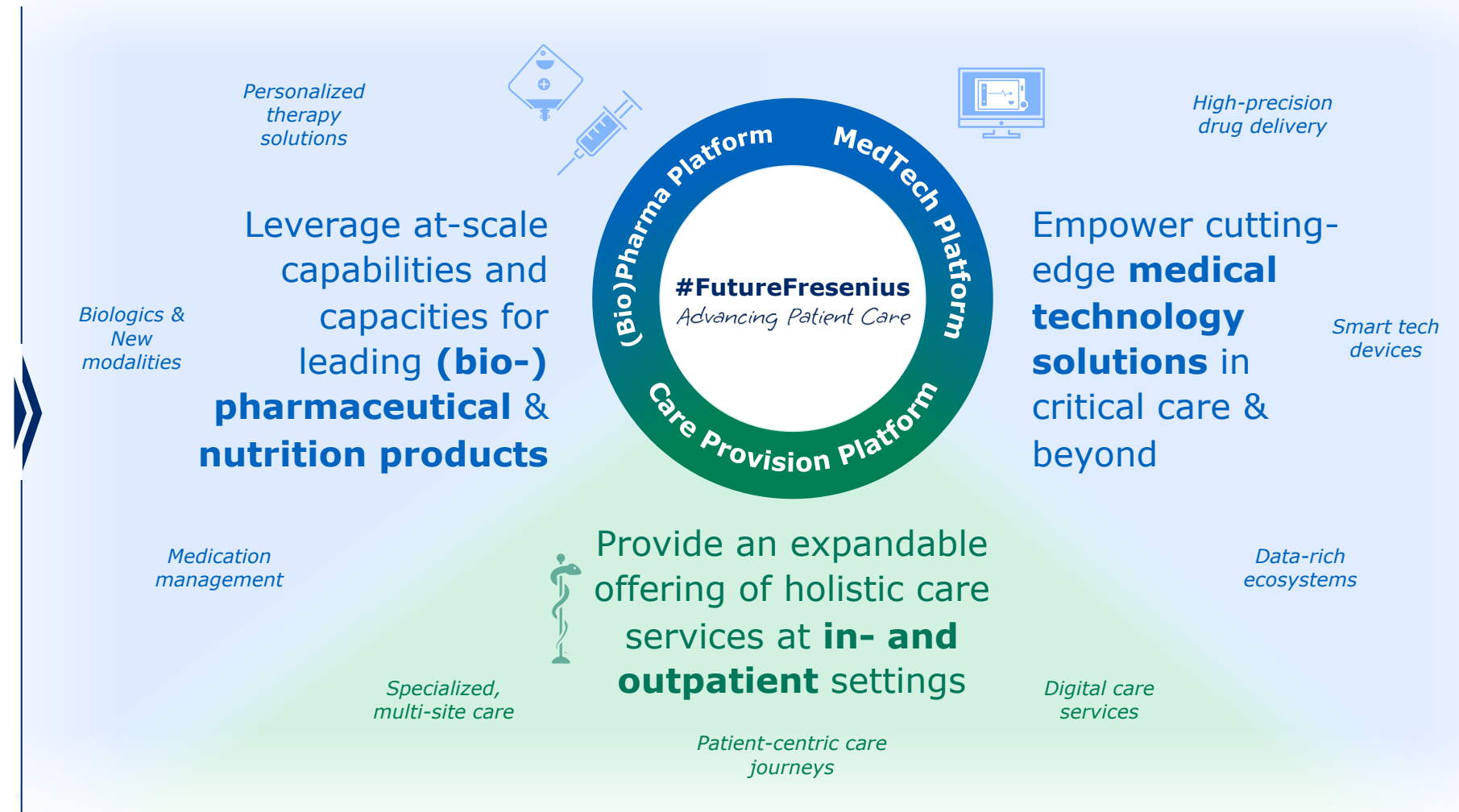
All figures before special items

#FutureFresenius – Maximum patient impact across platforms for leading therapies

Refocus on patient impact as a **trusted partner in world-class therapies**

Drive **high-quality, value-generating innovation**

Advance leadership in **system-critical products and services**



#FutureFresenius

Advancing Patient Care

Operating Companies

Profitability optimization and growth



Healthcare products

for critically and chronically ill patients



Healthcare services

along the care continuum

World-class therapies through system-critical healthcare products and services

(Bio)Pharma Platform

MedTech Platform

Care Provision Platform

Investment Companies

Financial value management



Dialysis
provision
and products



Project
business
and services

*Deconsolidation
during 2023 intended*

Sharpen focus – Drive transformative growth with “3+1 strategy” at Kabi



- Highly specialized **healthcare products**, with **balanced market reach**
- Strong focus on **key growth vectors**
- Strengthening **resilience of volume businesses**
- **Increased transparency** and **targeted segmentation**
- **Further details** during May 2023 **CMD**



Sharpen focus – Drive capital efficiency and value accretive growth at Helios



- Leading **healthcare services** delivering value for **>24 million patients** yearly
- Continuing **stable margin delivery**
- Increased **focus on return on capital** and **cash flow generation**
- Clear **strategy** for **value creation** across portfolio
- CMD envisaged for 1Q2024



FSE / FMC to focus on performance

New Governance Structure

All shareholders incl. FSE



Supervisory Board
Fresenius Medical Care AG



Management Board
Fresenius Medical Care AG



Supportive and active long-term shareholder
to benefit from FMC value creation plan

Change from full consolidation to **at-equity consolidation of FMC**
after conversion

**No relevant impact on material financing
arrangements** at both FSE and FMC

FSE one-time costs in low double-digit €m range; negligible
dissynergies from deconsolidation

Value upside retained, strategic optionality created

Implementation expected Q3-4 2023

Clear benefits for FSE and FMC



- **Reduced complexity, increased transparency**
- **Sharpened management focus** on operating companies
- Enhanced **strategic flexibility** and **optionality**
- **Focused capital allocation** towards growth platforms



Simplified, entrepreneurial governance structure



Freed up management capacity to execute on turnaround



Focused and faster decision-making



Additional **flexibility on FMC's capital allocation**



New, more rigorous F³ – Fresenius Financial Framework

Fresenius Group

Operating Companies



**EBIT
margin**

14 – 17%

9 – 11%

**Organic
revenue growth**

4 – 7%

3 – 5%

Investment Companies

FSE expectation as major shareholder



10 – 14%

4 – 6%

CAPITAL EFFICIENCY

ROIC

6 – 8%

CAPITAL STRUCTURE

Leverage ratio

3.0x – 3.5x

CASH

Cash Conversion Rate¹

Around 1

DIVIDEND

Progressive dividend

**In line with EPS cc growth
but at least on prior year level**

¹ Cash Conversion Rate – defined as adjusted FCFbIT / EBIT before special items
All figures before special items

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FY/22 – Delivered revised guidance

Revenue




Guidance FY/22:
low-to-mid-single-digit
percentage growth

Net income




Guidance FY/22:
decline of around 10%

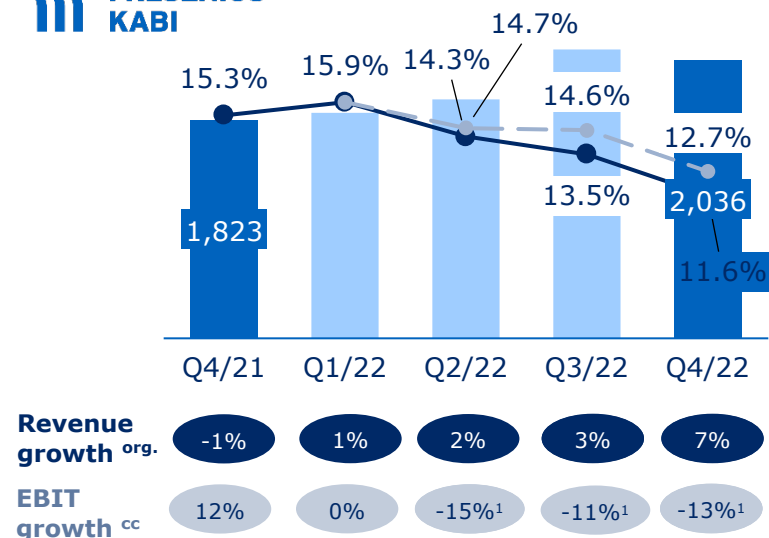
All growth rates in constant currency (cc)
Before special items
Net income attributable to shareholders of Fresenius SE & Co. KGaA
¹ excluding acquisitions of Ivenix and mAbxience

Robust performance at Kabi and Helios despite adverse macro environment

Vamed impacted by negative one-time effects in Q4/22



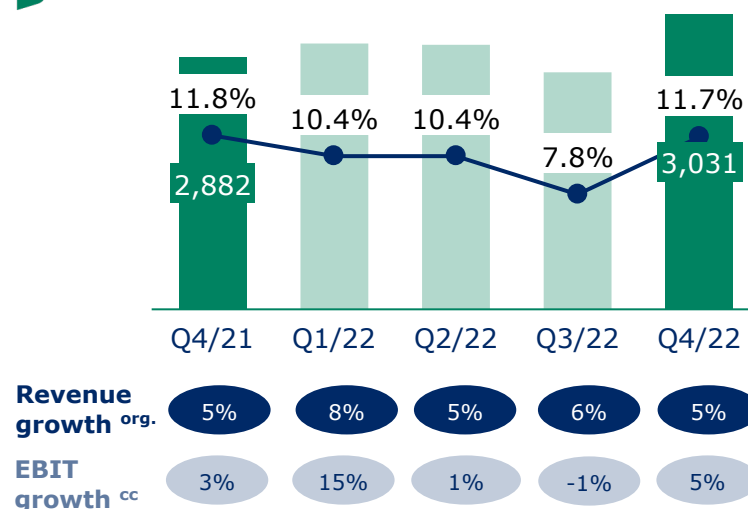
**FRESENIUS
KABI**



- **Strong organic revenue growth** in all three growth vectors supplemented by healthy growth in the **volume business**
- **Biopharmaceuticals** with continued strong growth trajectory
- **EBIT margin¹ impacted** by non-cash one-time write offs



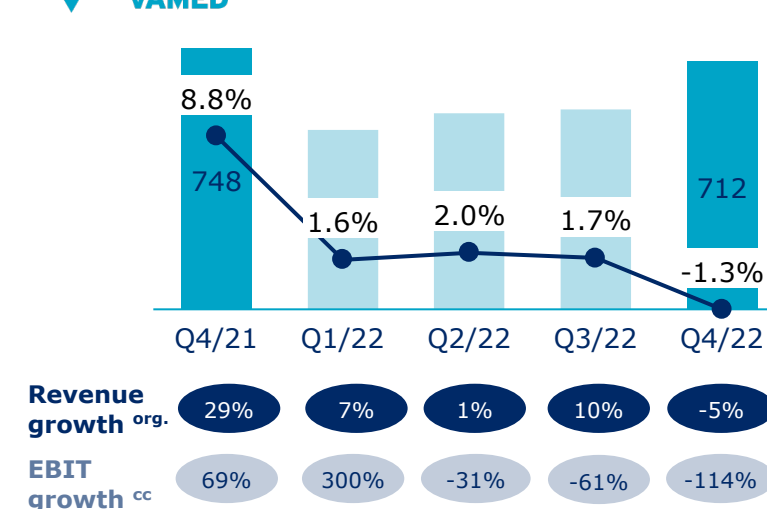
**FRESENIUS
HELIOS**



- Healthy organic **revenue** growth
- **Strong EBIT development**
- **Helios Germany** gradually moving to pre-COVID patient structure
- **Helios Spain** with consistent strong patient demand also in Latin America



**FRESENIUS
VAMED**



- **Adverse macro environment leading to negative one-time effects** due to reassessment and revaluation of claims and legal proceedings as well as certain business initiations that did not materialize as planned

Before special items,

¹ Q2/22, Q3/22, Q4/22 margin and EBIT cc growth excluding Ivenix and mAbxience acquisitions (dotted line in graph)



Revenue EBIT margin

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Defining our financial ambition levels

F³ - Fresenius Financial Framework

2022A

(Ambition)

Operating Companies



Investment Companies

FSE expectation as major shareholder



EBIT margin

13.8%
(14-17%)

10.1%
(9-11%)



9.4%
(10-14%)

0.8%
(4-6%)

Organic rev. growth

3%
(4-7%)

6%
(3-5%)



1 Increase focus and transparency

2 Drive structural productivity

3 Improve capital efficiency and returns

CAPITAL EFFICIENCY

ROIC

5.1%
(6 – 8%)

CAPITAL STRUCTURE

Leverage ratio

3.7x
(3.0 – 3.5x)

CASH

CCR¹

1.1 ✓
(Around 1)

DIVIDEND

Progressive Dividend

0.92 EUR / share² ✓
(In line with EPS cc growth but at least on PY level)

¹ Cash conversion rate - defined as adjusted FCFbIT / EBIT (before special items)

² Proposal to AGM

All figures before special items

✓ = Meeting ambition level

2 Driving structural productivity with more ambitious cost savings program

Targeted programs across the FSE Group...

Cost reduction, e.g.

- Procurement
- Processes
- SG&A

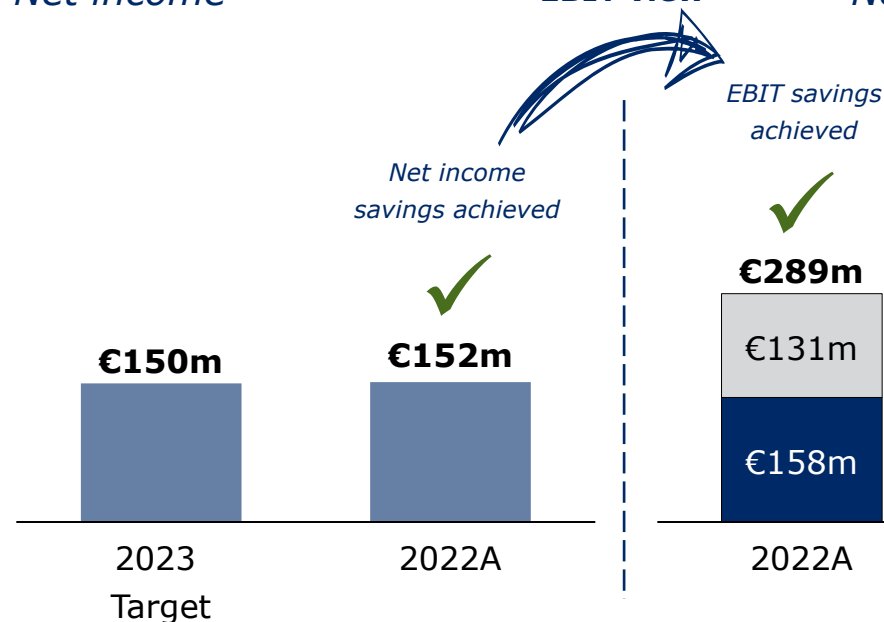
Divest non-core assets, e.g.

- Targeted divestments
- Selective country operation exits

... exceeding 2022 goals...

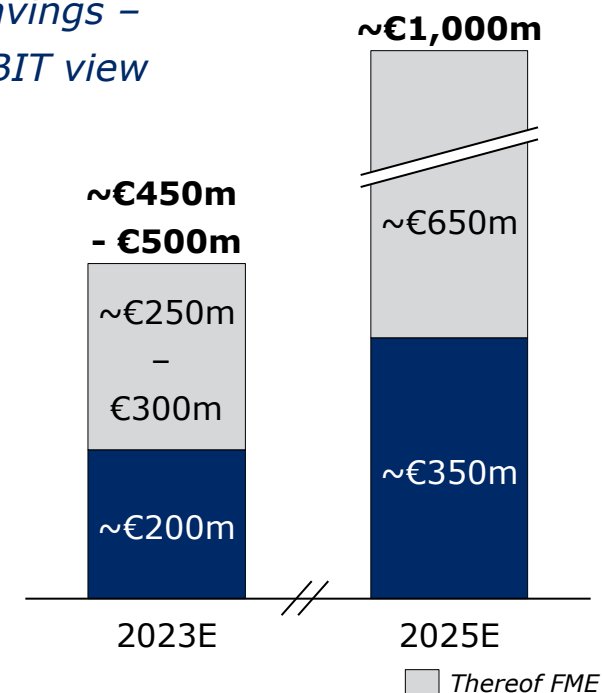
Cost savings –
Net income

Net income to
EBIT view



... updating 2025 targets

Cost savings –
New EBIT view



New target setting based on EBIT to reflect profitability focus

One-off costs at around ~€700-€750m (thereof €250-300m excl. FMC) between 2023 and 2025, of which **~2/3 expected to occur in 2023**

FY/23 – A year of structural progression

Persistent headwinds...

Cost inflation and annualization

(despite stabilizing macro environment)

Personnel



Material



Freight



Energy



Reduced government support

(excl. energy)

Increased interest rates



... but structural progression

Ramp-up of cost savings

FMC deconsolidation

Further portfolio measures

Uptake of growth vectors

→ Increase to PY

Outlook for FY/23

Fresenius Group

Revenue growth (organic)
Low-to-mid-single-digit growth

EBIT (cc growth)¹ including FMC:
Broadly flat-to-high-single digit decline

EBIT (cc growth) excluding FME:
Broadly flat-to-mid-single digit decline

Operating Companies



- **Low-to-mid-single-digit** organic revenue growth
- **Around 1pp below** structural EBIT margin band of **14 – 17%**



- **Mid-single-digit** organic revenue growth
- **Within** structural EBIT margin band of **9 – 11%**

Investment Companies



- **Low-to-mid-single-digit** revenue growth in cc
- **Flat-to-high-single-digit** operating income decline excl 2022 PRF¹



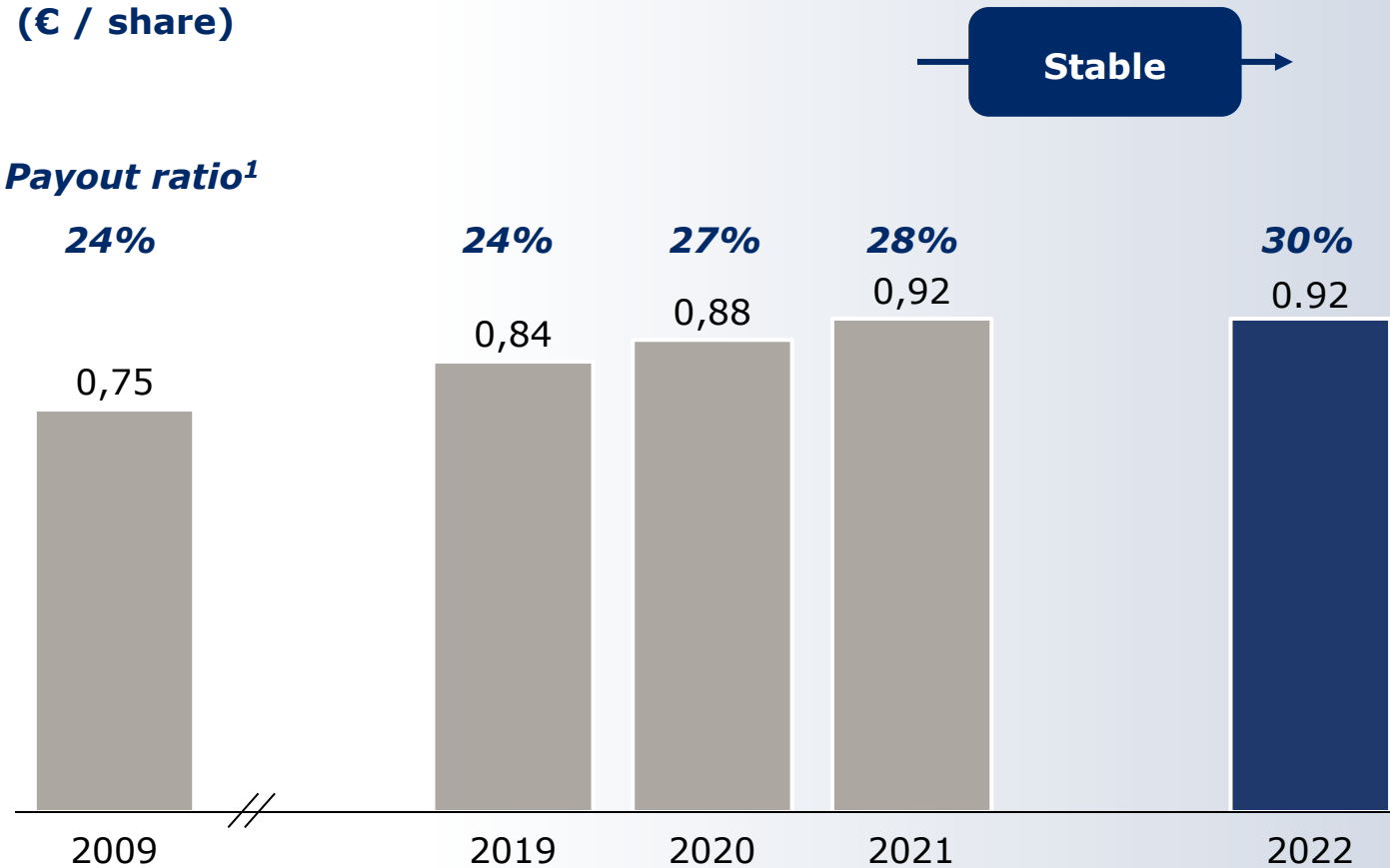
- **Low-to-mid-single-digit** organic revenue growth
- **Clearly below** structural EBIT margin band of **4 – 6%**

¹ Adjusted EBIT excluding Provider Relief Funding (PRF); In 2022 Fresenius Medical Care received €277m (at current currency) Provider Relief Funding; No Provider Relief Funding support expected for 2023

Progressive dividend policy - dividend proposal of €0.92 per share

Dividend Policy
(€ / share)

Payout ratio¹



Progressive dividend policy

- ✓ Commitment to delivering attractive and predictable shareholder return
- ✓ Dividend for FY/22 to remain on prior-year level despite challenging environment
- ✓ Dividend to grow in line with EPS cc growth, but at least stay on prior year level

¹ Based on total dividend paid and group net income before special items

Clear financial priorities to accelerate performance and deliver value to shareholders

Financial
priorities to
deliver
#FutureFresenius



Focus and Transparency

Increase **focus** and **transparency**
with clear set of KPIs and
upcoming CMDs



Structural productivity

Improve **structural productivity**
to reach around €1 bn cost savings
by 2025E



Capital allocation

Conduct business-cell specific
capital allocation and active
portfolio management



Cash and ROIC focus

Reinvigorate focus on **ROIC** and
Cash Conversion



Shareholder return

Deliver shareholder return via
progressive dividend policy



Deleveraging

Delever to 3.0x – 3.5x target
corridor and deliver on IG
commitment

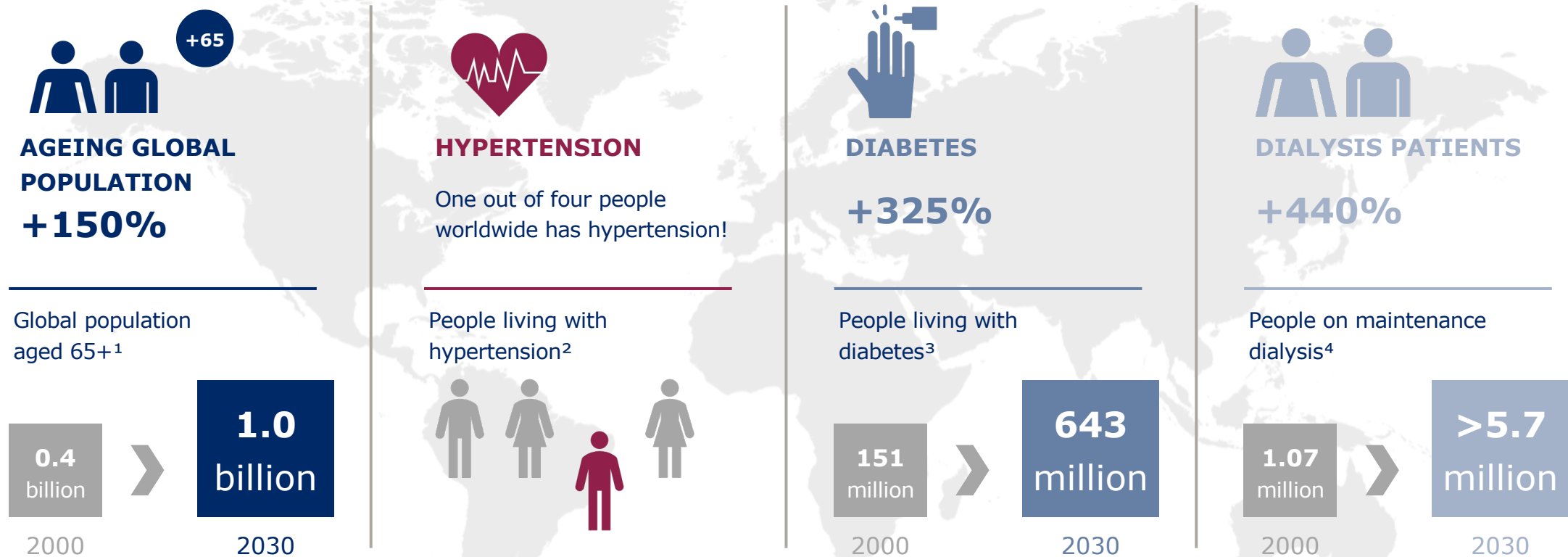


Press Conference

Helen Giza
CEO, Fresenius Medical Care

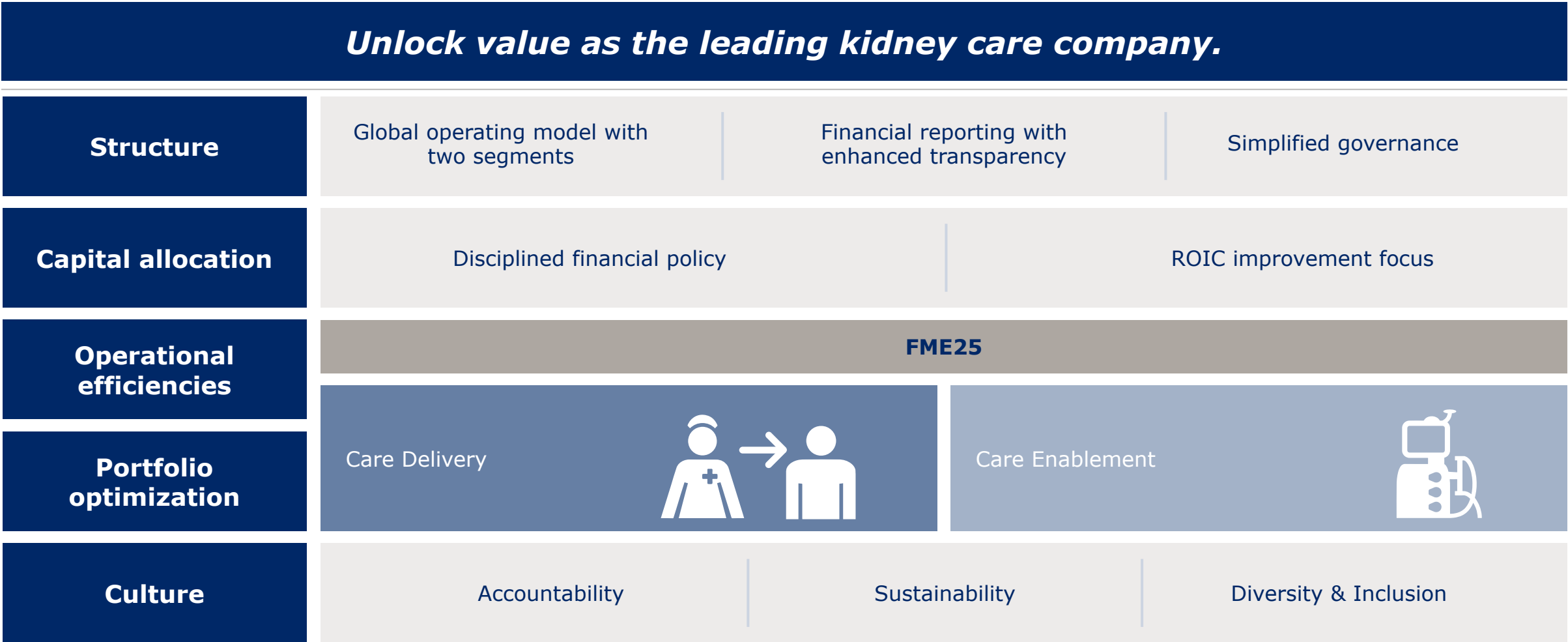
Bad Homburg, 22. Februar 2023

We remain committed to provide the best possible care sustainably in diverse healthcare systems for a growing number of patients around the world.



1 United Nations Department of Economic and Social Affairs, Population Division (2022). World Population Prospects 2022: Summary of Results. UN DESA/POP/2022/TR/NO. 3
2 WHO Global Health Observatory (2019), adjusted for population aged >18 (population data from United Nations, Department of Economic and Social Affairs, Population Division (2022) World Population Prospects 2022, Online Edition (POP/F01-1) | 3 IDF Diabetes Atlas 2021 (10th edition) | 4 FME Long Range Patient Projection

Creating a future worth living. For patients. Worldwide. Every day.



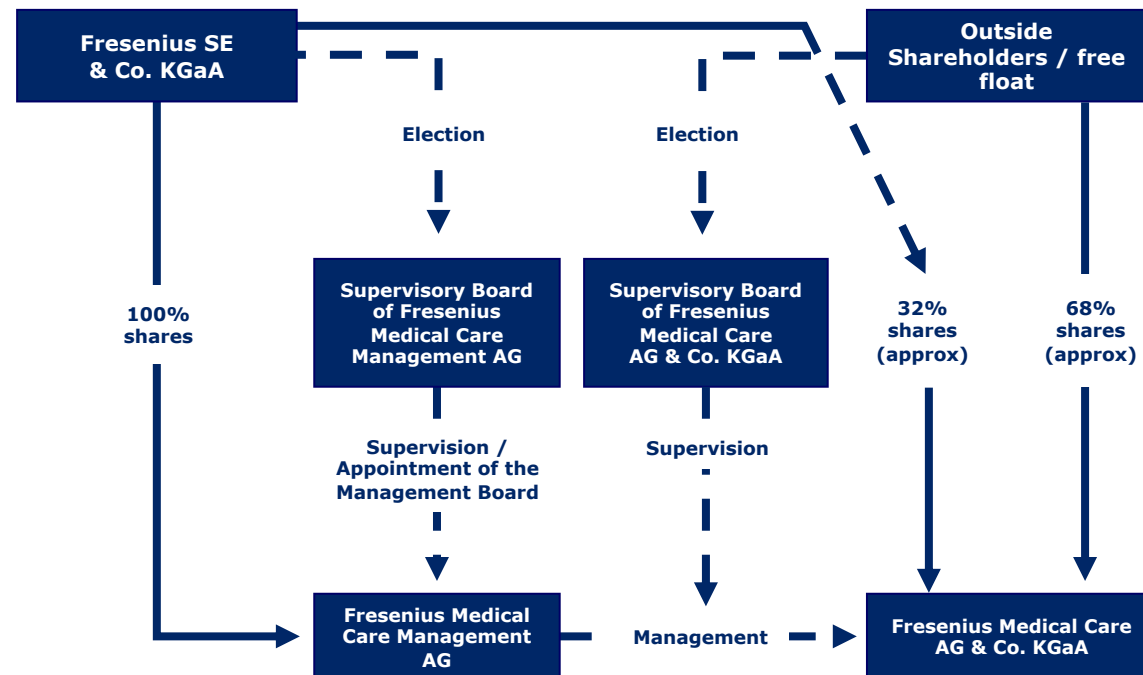
With FME 25, we have implemented a new operating model with two global segments



We propose to shareholders to change our legal form into a German stock corporation

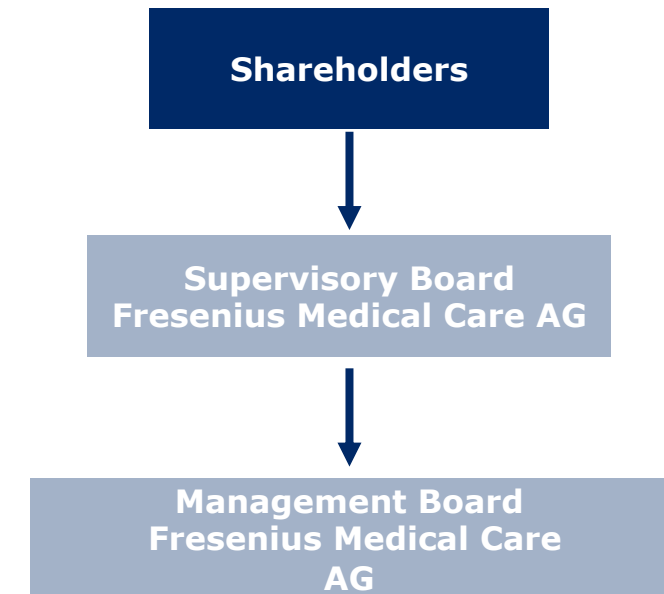
Current governance structure

Highly complex, with many layers of decision making



Potential, future governance structure

Simplified and in line with international standards



We expect to benefit from our proposed new legal form

Advantages



- ✓ Simplified governance structure strengthening rights of free float shareholders
- ✓ Focused, faster and fully independent decision making with regards to strategic direction
- ✓ Freed up executive and management time
- ✓ Avoidance of potential conflicts of interest
- ✓ Direct co-determination allows focus on FME

Considerations



- ✓ Limited rating pressure expected
- ✓ Administrative steps required (incl. EGM)
- ✓ One-off costs of EUR 50 to 100 million
- ✓ Negligible dissynergies associated with carveout

Timeline: Conversion into a “German stock corporation” (AG) completed by end of 2023



We continue to pursue a disciplined financial policy and ROIC investment focus



Deleveraging

- Committed to investment grade and our self-imposed net financial leverage range
- Potential divestitures gains to be used for deleveraging



Shareholder return

- Dividend policy in-line with earnings development
- Proposed dividend of 1.12 Euro (-17%) per share



Focused investments

- Focus on organic growth in core portfolio
- Limit M&A activities to a minimum
- Stringent management of capital expenditures

By accelerating our transformation, we are on track to return to profitable growth

FME25 framework



Accelerated & extended initiative

Sustainable savings of EUR **650m** by 2025

One time costs up to EUR **650m**

Further Care Enablement opportunities

2022 achievements

- ✓ Sustainable savings of EUR 131m (guidance EUR 40 – 70m)
- ✓ One-time costs of EUR 204m

2023 plan

- Sustainable savings of ~ **EUR 250 - 300m** by the end of the year
- One-time costs of ~ **EUR 250 - 300m**

Through operational efficiencies and portfolio optimization, we are unlocking value

Care Delivery

Care Enablement

Operational efficiencies

- Turnaround efforts focused on productivity and efficiency measures
- Improve operational leverage - rationalize U.S. clinic footprint

- Efficiency improvements to drive margin expansion:
 - Pricing initiatives
 - Productivity measures
 - Review of manufacturing footprint

Portfolio optimization

- Exit unsustainable international markets
- Divest non-core services

- Rationalizing R&D programs
- Divest non-core product lines

We have achieved our revenue targets despite the challenging market environment



High inflation and elevated supply chain costs lead to increasing cost levels



Labor costs and staff shortage is stressing the healthcare system

	FY 2022 € million	FY 2021 € million	Growth in %	Growth in %cc
Revenue	19,398	17,619	10	2
Operating income	1,512	1,852	(18)	(25)
Operating income excl. special items ¹	1,817	1,915	(5)	(13)
Net income	673	969	(31)	(37)
Net income excl. special items ¹	913	1,018	(10)	(17)

¹ Special items relate to costs associated with FME25 program, the impact related to the war in Ukraine, hyperinflation accounting in Türkiye, the Humacyte investment remeasurement and the InterWell Health merger net gain | cc = constant currency

In 2023, we expect moderate revenue growth

FY 2023

Revenue (%)

Low to mid-single digit growth

(FY2022 basis: EUR 19.4bn)

Operating income (%)

Flat to high-single digit decline

(FY2022 basis: EUR 1.54bn¹)

Further outlook¹

By 2025 an improved operating income margin from 10-14% is targeted

Outlook is provided in constant currency and exclusive of special items. Special items will be provided as separate KPI ("Revenue excluding special items", "Operating income excluding special items") to capture effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance. These items are excluded to ensure comparability of the figures presented with the Company's financial targets which have been defined excluding special items.

¹ Operating income 2022 excluding special items and 2022 provider relief funding of EUR 277m.

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A clearer picture for 2024 and beyond

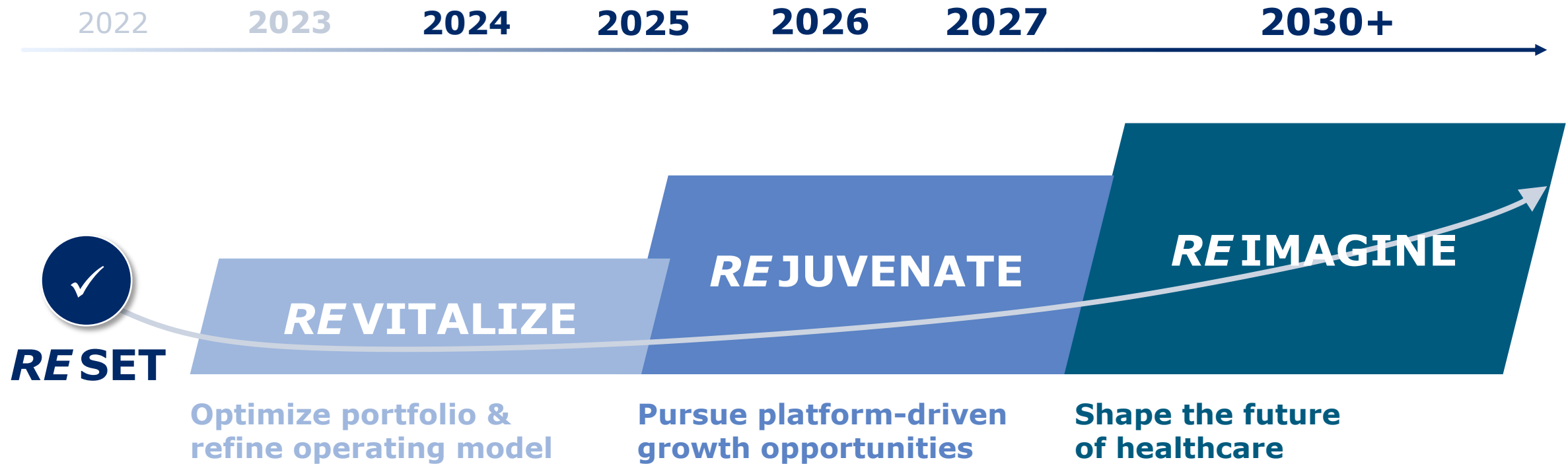
2022

2023

2024+

- **Portfolio structure cleared**
- **FMC turnaround performance enhanced**
- **Helios well on track, Kabi moving into EBIT margin band**
- **Cost savings ramping up**
- **Debt refinancing impacts taken**

#FutureFresenius – Moving to *REVITALIZE*





Q&A

Bad Homburg, 22. Februar 2023