

## Investor News

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### **Fresenius SE hosts Kabi Capital Markets Day outlining pathway towards sustainable value creation in line with #FutureFresenius**

- **Advancing patient care** – Providing world-class health care products and therapies for the benefit of patients around the world
- **Serving highly attractive markets** – Unique platform of four leading and complementary businesses in large, growing markets positions Fresenius Kabi well to benefit from paradigm shifts in health care
- **Executing Vision 2026** – Fresenius Kabi’s framework essentially contributes to the Group’s #FutureFresenius strategy with focus on clear value drivers across four businesses
- **Raising Kabi outlook for 2023** – Expecting mid-single-digit organic sales growth<sup>1</sup> (previously: growth<sup>1</sup> in low-to mid-single-digit percentage range) and EBIT margin<sup>2</sup> of around 14% (previously: around 1%-point below structural margin<sup>2</sup> band of 14 to 17%)
- **Improving mid-term ambition level** – Targeting upper end of structural EBIT margin band of 14 to 17% by 2026

Today, Fresenius SE is hosting a Capital Markets Day in London focused on Fresenius Kabi, a global health care company that specializes in essential health care products for critically and chronically ill patients. The Capital Markets Day is featuring Fresenius CEO Michael Sen, Fresenius Kabi CEO Pierluigi Antonelli, and Members of the Fresenius Kabi Executive Leadership Team.

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<sup>1</sup> FY/22 base: €7,850 million

<sup>2</sup> FY/22 base: EBIT margin: 13.8%, before special items; FY/23 before special items

During the day, Fresenius Kabi will provide insights into the execution of its framework Vision 2026, the company's growth and sustainable value creation pathway, and the outlook for its individual businesses.

Fresenius Kabi has implemented substantial changes to strengthen the position of its three growth vectors – Biopharma, MedTech, Nutrition, and to build resilience in its Pharma business. The company has leading positions in several highly attractive markets and is poised to benefit from major paradigm shifts in biology, technology, and data. Fresenius Kabi aims to leverage its market position to be an important player in meeting the consistently growing demand of high-quality, affordable treatments.

Fresenius CEO Michael Sen opened the meeting: "Fresenius is moving ahead in its efforts to simplify, sharpen its focus and accelerate performance, all pointed at Advancing Patient Care. Fresenius Kabi – now streamlined into Pharma, Biopharma, Nutrition and MedTech activities – is key to our mission, and key to improved financial performance."

Sen continued: "Greater transparency will enhance understanding and appreciation of Kabi's strengths and ambitions. That is the purpose of the day. Kabi advances patient care every day, improving the treatment for the benefit of patients worldwide. It has outstanding formulations and products, a global customer and manufacturing footprint, and an exciting pipeline of new innovations. The new management team has the energy and know-how to bring all these strengths forward, and to deliver on the financial metrics we've set out for the Group."

At the Capital Markets Day, the company will provide clarity on the value drivers that underpin its decision to raise Fresenius Kabi's 2023 sales and EBIT guidance and improve its 2026 EBIT margin ambition level. For 2023, the company now expects Fresenius Kabi to grow organic sales<sup>1</sup> in the mid-single digits (previously: growth<sup>1</sup> in low- to mid-single digits percentage range) and projects EBIT margin<sup>2</sup> of around 14% (previously: 1%-point below the structural 14 to 17% margin<sup>2</sup> band). Fresenius Group guidance is unchanged. For 2026, Kabi now targets EBIT margins at the upper end of its 14 to 17% structural margin band.

Fresenius Kabi CEO Pierluigi Antonelli said: "Fresenius Kabi is committed to the delivery of relevant and advanced treatments across our four segments. Fresenius Kabi embarked on a value creation pathway, and we have already made significant progress along that journey. Our focus across all four business units is disciplined execution and we are implementing initiatives aimed at securing sustainable and profitable long-term growth – for the good of patients, customers, and shareholders. We've made significant progress along that journey.

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<sup>2</sup> FY/22 base: EBIT margin: 13.8%, before special items; FY/23 before special items

We have a strong and experienced leadership team in place with a truly unique mix of competencies, clear accountability, and a performance-oriented focus.”

### **Highlights of the presentations**

Kabi’s new leadership team will discuss some of the organizational and operational changes being implemented and provide greater transparency on the three growth vectors (i.e., BioPharma, Nutrition and MedTech) as well as the Pharma business where the company further builds up resilience.

**Rollout Nutrition** – Fresenius Kabi’s Nutrition business (2022 sales of €2.4bn) focuses on the fundamentally attractive market for Parenteral Nutrition (PN) and Enteral Nutrition (EN). Kabi’s Nutrition business holds leading positions in several key regions with a broad innovative portfolio of products including multi-chamber bags, lipids, amino acids, additives, sip and tube feeds, powders, and nutritional drugs. The portfolio offers robust potential from innovative products and an improved product and market mix. The company also sees significant geographic expansion opportunities, especially in China and the U.S. market.

Sales for Nutrition are expected to grow organically by 4 to 7% p.a. over the period 2022 to 2026. Fresenius Kabi targets stable EBIT margins at high level with upside potential.

**Expand on MedTech** – Expecting enhanced performance and value. Kabi’s MedTech business (2022 sales of €1.4bn) comprises an Infusion & Nutrition Systems (INS) unit and a Transfusion Medicine & Cell Therapies (TCT) unit. Through INS, the company provides a range of infusion pumps, IV access systems, nutritional systems and feeding tubes. Through TCT, Kabi offers a broad portfolio of products for blood collection, apheresis, plasma processing, autotransfusions and cell therapies. MedTech holds leading TCT positions with strong growth segments such as plasma and Cell & Gene Therapies. Kabi plans to expand its INS presence in the US with the help of Ivenix, a company acquired in 2022 and is also targeting growth in the software solution business.

Sales for MedTech are targeted to grow organically by 8 to 10% p.a. over the period 2022 to 2026. For EBIT margins a strong improvement is targeted.

**Broaden Biopharma** – BioPharma (2022 sales €0.2bn) comprises of a rapidly growing Biosimilars business and a nascent CDMO<sup>1</sup> unit. After a period of heavy investments in building capacity and the pipeline, Biopharma is poised for rapid growth. The company has a track record of successful market entries in Europe and countries around the world. Based on its portfolio and pipeline in Autoimmune and Anti-inflammatory Disorders (AIID) and Oncology, Kabi's ambition is to outgrow the market. Scaling and driving vertical integration with mAbxience also offers a synergistic setup for margin improvements.

Sales for this business are projected to triple to quadruple over the period 2022 to 2026. Fresenius Kabi expects significantly improving EBIT margins and is committed to deliver EBITDA breakeven in 2024.

**Build resilience in Pharma** – Kabi's Pharma unit (2022 sales of €3.8bn) is a supplier of system-critical generic IV Drugs and Fluids in a large global market growing in the low single digits. Kabi is a leading supplier of IV drugs in anesthetics & analgesics, anti-infectives, critical care and oncology, as well as IV Fluids such as crystalloids and colloids. Kabi's Pharma business is built on a strong footprint in attractive markets with long-standing customers and contracting expertise. The broad launch pipeline with areas of product differentiation and new molecules, covers ~80% of relevant drugs losing exclusivity (LOE) in U.S.

Sales for this business are projected to grow organically by 2 to 4% p.a. over the period 2022 to 2026. The focus for Pharma is on stable margin performance and growing earnings.

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<sup>1</sup> Contract Development and Manufacturing Organization

## Webcast

Presentations will be held on May 25, 2023, starting at 11:30 a.m. CEDT. You are cordially invited to follow the Capital Markets Day in a live webcast at <https://www.fresenius.com/capital-markets-day>. After the event, a replay will be available on our website.

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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 health care group, providing products and services for dialysis, hospital and outpatient medical care. In 2022, Group revenue were €40.8 billion. On March 31, 2023, the Fresenius Group had 313,812 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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