

Investor News

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Fresenius outlines growth strategy for its Care Provision Platform – improved Fresenius Helios' FY/24 outlook and raised ambitions

- **Improving Fresenius Helios outlook for FY/24** – Expecting mid-single-digit revenue growth and an EBIT margin of 10% to 11% in FY/24
- **Raising ambition level** for Fresenius Helios within Fresenius Financial Framework – Targeting organic revenue growth of 4% to 6% p.a. as well as structural EBIT margin band of 10% to 12%
- **System-critical and stable businesses** – Helios Germany's and Quirónsalud's patient-centric, reliable and market-leading provider network driving steady capital-efficient organic growth and consistent cash-flow generation
- **Digital and data strategy** – Bringing new tools and technologies, such as AI, to clinical practice and tapping opportunities to leverage proprietary data to boost treatment outcomes
- **Key value drivers** – Clustering and specialization, outpatient integration, and emergency care provision in Germany; technology-focused improvements, enhanced physician value proposition, and selective network expansion in Spain

At its Capital Markets Day in London, global healthcare company Fresenius today presented a strategy update for its Care Provision Platform and improved the outlook for its Operating Company Fresenius Helios. For FY/24, Fresenius Helios now expects organic revenue to grow in a mid-single digit percentage range (previous: low-to-mid-single-digit percentage range) and targets an EBIT margin of 10 to 11% (previous: within structural margin band of 9% to 11%). Furthermore,

Fresenius raised its ambition level for Fresenius Helios within the Fresenius Financial Framework, and now targets an annual organic revenue growth of 4% to 6% (previous: 3% to 5%) as well as a structural margin band of 10% to 12% (previous: 9% to 11%). The ambition is to grow EBIT stronger than revenue, hence, underlining accelerated profitable growth. Fresenius Helios further sharpens its focus on optimizing net working capital to improve its sustainable cash flow generation. The expected acceleration of organic revenue growth, targeted productivity improvements, enhanced profitability and rigorous capital allocation measures are contributing to Fresenius Group's ambition to improve its Return on Invested Capital (ROIC) and its deleveraging efforts.

The improved expectations follow a strong start into 2024 and are based on the key elements and drivers of Fresenius Helios' growth strategy, which Fresenius outlined to analysts and investors today. The main growth drivers at Helios in Germany are an extended medical cluster & specialization strategy, further improved outpatient integration and a boost of the emergency care provision. At Quirónsalud, the main growth drivers are technology-focused improvements, various physician support initiatives, as well as a selective network expansion. Fresenius Helios is Europe's leading private healthcare provider. It operates around 140 hospitals and more than 400 outpatient facilities under its brands Helios in Germany and Quirónsalud in Spain and Colombia.

Fresenius CEO **Michael Sen** said: "As a leading therapy-focused company, we are shaping the future of healthcare, which will be digital, data-driven, personalized and human. And this is where our strength lies. We are close to the patients. We are Committed to Life. That is the promise we have made with #FutureFresenius. And we are a simpler and stronger company today. Our sharpened focus on our Operating Companies is paying off. The strong and reliable growth momentum of our Care Provision Platform gives us confidence which is why we are improving the outlook for Fresenius Helios for the full year."

Hospital markets growing

Hospital markets in Germany and Spain are growing steadily and reliably. In Germany, the total hospital market in 2023 was around €120 billion. It is expected to grow by 3% to 4% per year until 2027, driven by supportive demographic trends including an aging population and inflation-related base rate adjustments. Furthermore, Helios Germany sees itself well positioned to benefit from the planned hospital reform, which fosters hospital network concentration, specialization and a stronger integration of inpatient and outpatient care.

In Spain, where there are distinct public and private healthcare systems, the private provider segment accounted for 20% (€21 billion) of total provider expenditures in 2023 and is expected to grow at an average rate of 4% to 5% annually until 2027. This growth is – like in Germany – also driven by demographic factors, and price adjustments, but also by a continued uptake of private health insurances due to public system pressure, resulting in a growing demand for private provider offerings.

Robert Möller, member of the Fresenius Management Board and CEO of Fresenius Helios, said: “Providing world-class care and high-quality medical outcomes is key to our success. We lead in two steadily growing and highly attractive markets, representing roughly 30% of the EU's total population. It makes us number one in European healthcare provision, and it makes us critical for the systems we serve. With our proven focus on superior medical outcome quality, highly efficient care provision and strong digital and data capabilities, we are well positioned in both countries to drive steady, value-accretive growth.”

Growth strategies for Germany and Spain

In Germany, Helios will further drive its strategy of grouping its hospitals into highly specialized clusters, whereby two to five hospitals in geographic proximity form one multi-site hospital system. Experience shows that these clusters deliver higher medical quality, efficiency and growth by consolidating and better aligning medical and administrative activities as well as promoting specialization among the locations. The cluster and specialization strategy therefore is also well aligned with current and expected future regulatory changes in Germany. This also applies to the stronger integration of inpatient and outpatient care, which Helios expects to support with its own network of around 230 outpatient centers and strong relationships with external partners. These allow for seamless patient journeys and a closer collaboration between physicians resulting in improved patient experience and medical outcome quality.

Quirónsalud in Spain focuses on its core hospital operations and continued value creation based on its leadership position and solid market fundamentals. The Spanish hospital market is highly attractive with a growing private healthcare segment, providing tailwinds to Quirónsalud’s steady and resilient growth going forward. Focus of Quirónsalud will be on further improving clinical pathways, leveraging digital capabilities to optimize processes and performance as well as to boost patient care quality. Already today, Quirónsalud has an outstanding

positioning in digitalization in Spain with more than 6 million registered patient portal users and large parts of the patient journey being already fully digitalized. In addition, Quirónsalud will drive value from strengthening its value proposition to attract and retain best-in-market talents as well as in engaging selective network expansion.

Digitalization as enabler to boost medical outcome quality

Given their commitment to highest medical quality, Helios Germany and Quirónsalud highly focus on outcome quality and its continuous further improvement by measurement against internal and external benchmarks. Helios in Germany, for example, delivers better quality performance versus the market average in 89% of its cases and has a patient satisfaction rate of 96%. Meanwhile Quirónsalud is the first private group worldwide to earn the JCI accreditation for healthcare quality at the corporate level and has a 90% patient satisfaction rate. Both Helios Germany and Quirónsalud are currently rolling out a structured benchmarking program to intensify cross company comparison and best practice sharing from best performing hospitals, setting the benchmark for all hospitals in the group.

Leveraging medical data, analytics and AI will further promote improved medical outcomes as well as personalized care and better patient experience. Fresenius Helios aims to systematically utilize medical and clinical data to improve treatment quality and outcomes, as well as unlock experience and efficiency gains for its patients, its people, and its performance at the same time. The clear aim is to have all relevant clinical decision-making supported by digital assistance in the mid-term.

ESG: Zero CO2 emissions by 2040

Fresenius Helios reiterates its ambitious ESG targets across its business activities with clearly defined tracking and connection to management remuneration. Its ESG strategy holistically aims to serve patients, people and the planet and is reflected in respective KPIs. Initiatives focused on patients include the Inpatient Quality Indicator and ISO certifications of Helios hospitals, for instance. The efforts for its people are, for example, captured with the People Engagement Index, reflecting initiatives like employee training. With regard to its planet commitment, Fresenius Helios' key ambition is to reduce CO2 emissions by 50% by 2030 and to zero by 2040.

Webcast

Presentations will be held on June 5, 2024, 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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Fresenius SE & Co. KGaA (Frankfurt/Xetra: FRE) is a global healthcare company headquartered in Bad Homburg v. d. Höhe, Germany. In the 2023 fiscal year, Fresenius generated €22.3 billion in annual revenue with its more than 190,000 employees. Fresenius offers solutions to the social challenges posed by a growing and ageing population and the resulting need for affordable, high-quality healthcare. The Fresenius Group comprises the operating companies Fresenius Kabi and Fresenius Helios as well as the investment company Fresenius Medical Care. With 140 hospitals and countless outpatient facilities, Fresenius Helios is the leading private hospital operator in Germany and Spain, treating around 26 million patients every year. Fresenius Kabi's product portfolio includes a range of highly complex biopharmaceuticals, clinical nutrition, medical technology, and generic intravenous drugs. Fresenius was established in 1912 by the Frankfurt pharmacist Dr. Eduard Fresenius. After his death, Else Kröner took over management of the company in 1952. She laid the foundations for a global enterprise that today pursues the goal of improving people's health. The largest shareholder is the non-profit Else Kröner-Fresenius Foundation, which is dedicated to advancing medical research and supporting humanitarian projects.

For more information visit the Company's website at www.fresenius.com.
Follow us on Twitter: www.twitter.com/fresenius_ir.

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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