

Q2 2023 Conference Call

August 2, 2023

Helen Giza, CEO & Chair of the
Management Board



Safe harbor statement: This presentation includes certain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Act of 1934, as amended. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy or might not even be anticipated. The Company has based these forward-looking statements on current estimates and assumptions which we believe are reasonable and which are made to the best of our knowledge. Actual results could differ materially from those included in the forward-looking statements due to various risk factors and uncertainties, including changes in business, economic or competitive conditions, changes in reimbursement, regulatory compliance issues, regulatory reforms, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, cyber security issues and the availability of financing. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. These and other risks and uncertainties are discussed in detail in Fresenius Medical Care AG & Co. KGaA's (FMC AG & Co. KGaA) Annual Report on Form 20-F under the heading "Forward-Looking Statements" and under the headings in that report referred to therein, and in FMC AG & Co. KGaA's other reports filed with the Securities and Exchange Commission (SEC) and the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse).

Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this presentation is subject to change without notice and the company does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable law and regulations.

If not mentioned differently the term net income after minorities refers to the net income attributable to the shareholders of Fresenius Medical Care AG Co. KGaA. The term EMEA refers to the region Europe, Middle East and Africa. Amounts are in Euro if not mentioned otherwise.

Implementation of measures as presented herein may be subject to information & consultation procedures with works councils and other employee representative bodies, as per local laws and practice. Consultation procedures may lead to changes on proposed measures.





Agenda



1

Execution against strategic plan

2

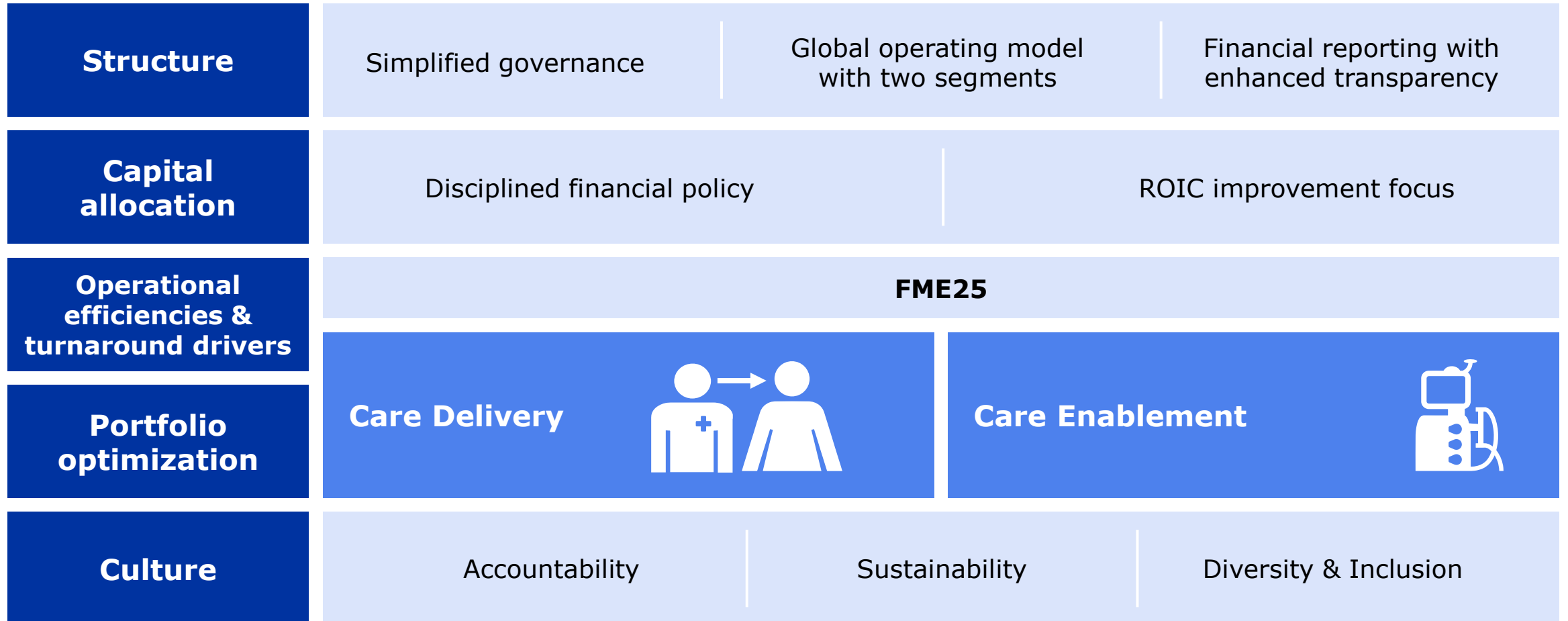
Q2 Business Update

3

Outlook

■ Executing on our strategic plan

Unlock value as the leading kidney care company



■ Continuous monitoring of clinical performance to enhance care

Quality index components

Dialysis effectiveness

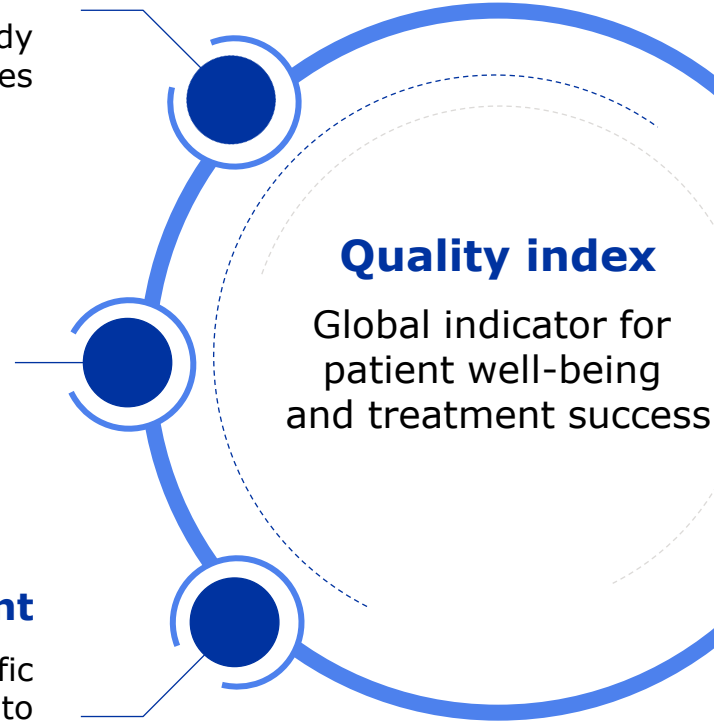
Measures how sufficiently the body is cleansed of waste substances

Vascular access

Measures the share of patients who do not receive dialysis via a dialysis catheter but rather via safer vascular access alternatives that reduce risk of infection and improve outcomes

Anemia management

Measures hemoglobin levels and specific medications given during dialysis to achieve optimum clinical outcomes, such as overall health and well-being



	Q1 2023	Q2 2023
Quality index	81%	81 %
Dialysis effectiveness	94%	94%
Vascular access	78%	78%
Anemia management	71%	72%



Agenda



1 Execution against strategic plan

2 Q2 Business Update

3 Outlook

■ Q2 2023 | Acceleration of organic growth & improved productivity

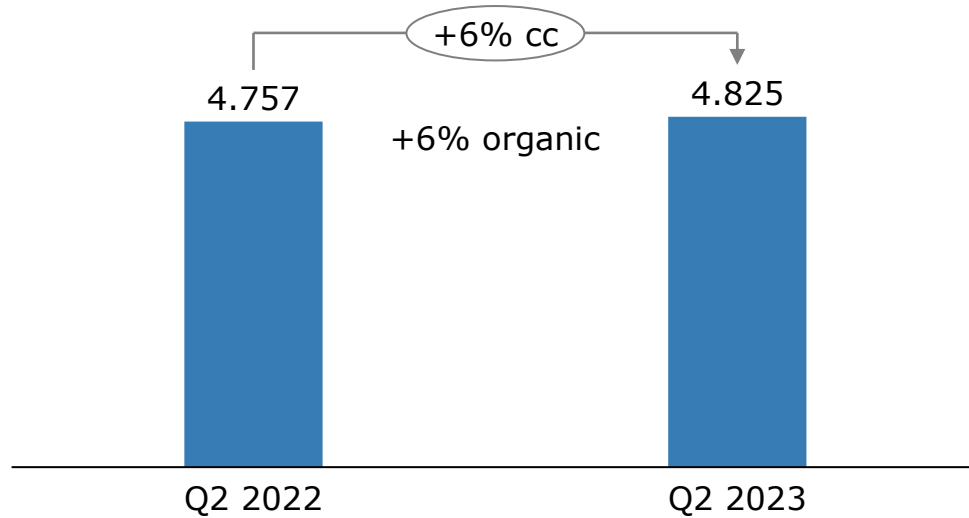
- Accelerated organic revenue growth driven by both operating segments including sequentially stable treatment volumes in the U.S.
- Execution on turnaround plan translates into visible productivity improvements in Care Delivery achieving a Q2 margin at the lower end of the 2025 target margin band
- Savings resulting from FME25 transformation program fully on track
- Successful execution on portfolio optimization strategy
- FY 2023 operating income guidance range narrowed

q2
2023

■ Q2 2023 | Acceleration of organic growth

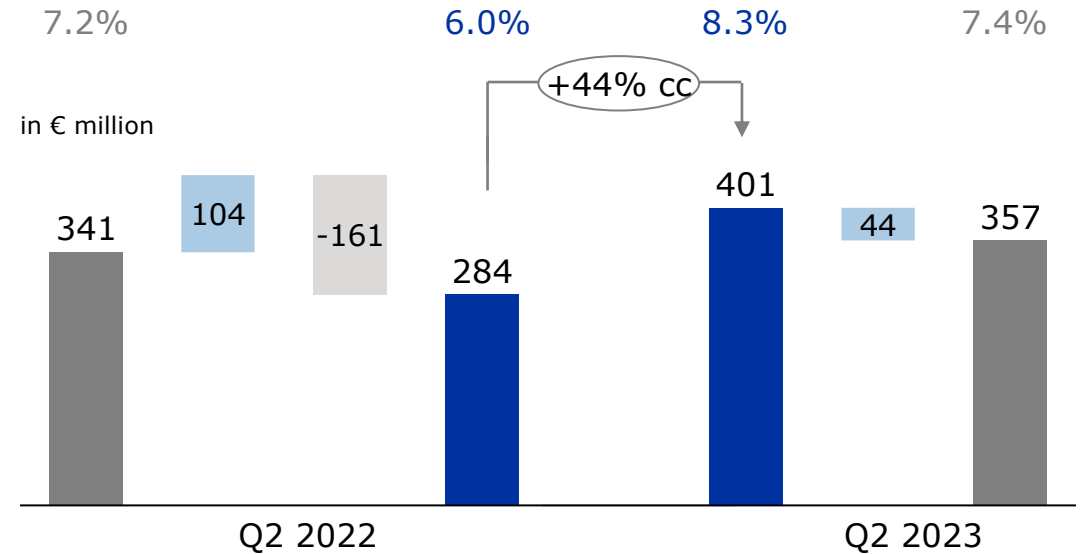
Revenue | guidance base¹

in € million



Operating income | guidance base¹

Margin in %

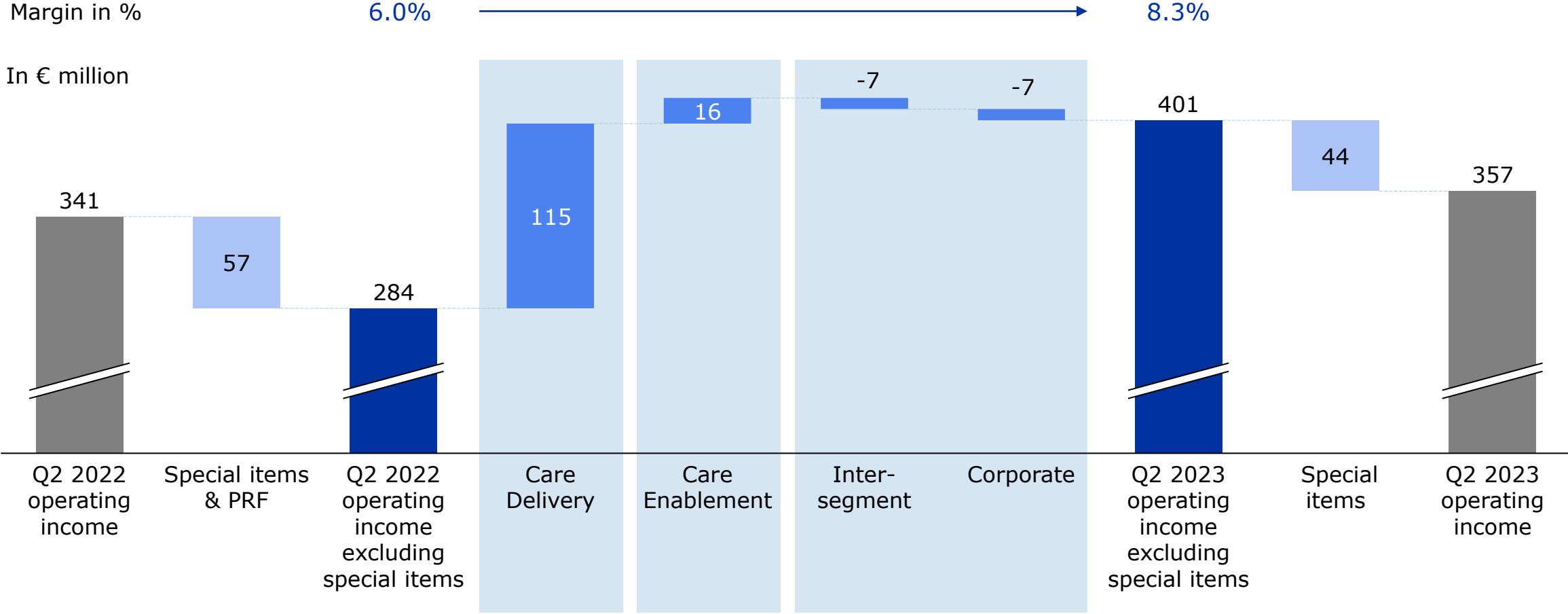


- Sequential acceleration of organic growth in Care Enablement driven by both volume and price, in Care Delivery driven by price

- Reduced personnel expense resulting from improved productivity
- Improved business performance supported by FME25 savings
- Negative impacts from inflationary effects
- Positive prior year effects from Provider Relief Funding

1: Reconciliation table for special items (guidance base), reported growth rates: page 23 | cc = at constant currency

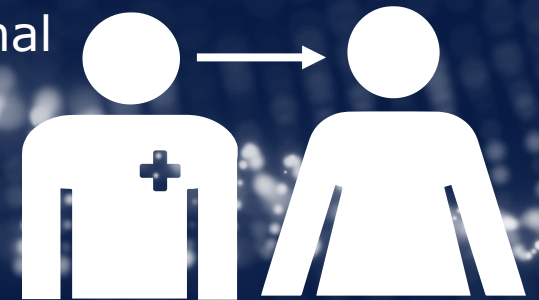
Q2 2023 | Operating income development



Reconciliation table for special items (guidance base): page 23

■ Q2 2023 | Key developments in Care Delivery

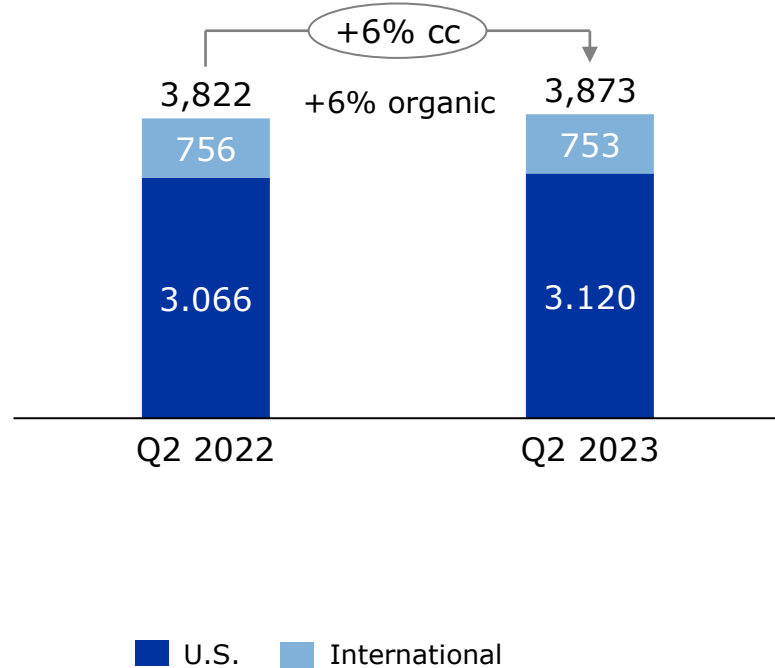
- Organic revenue growth supported by value-based care business, reimbursement increases and favorable payor mix
- Stable sequential development of volumes, still impacted by annualization effects of excess mortality
- Positive impact from lower personnel expenses resulting from improved productivity and savings from FME25 program
- CD International impacted by hyperinflation and currency headwinds
- Execution on portfolio optimization with market exits in CD International



■ Q2 2023 | Care Delivery supported by improving productivity

Revenue | guidance base¹

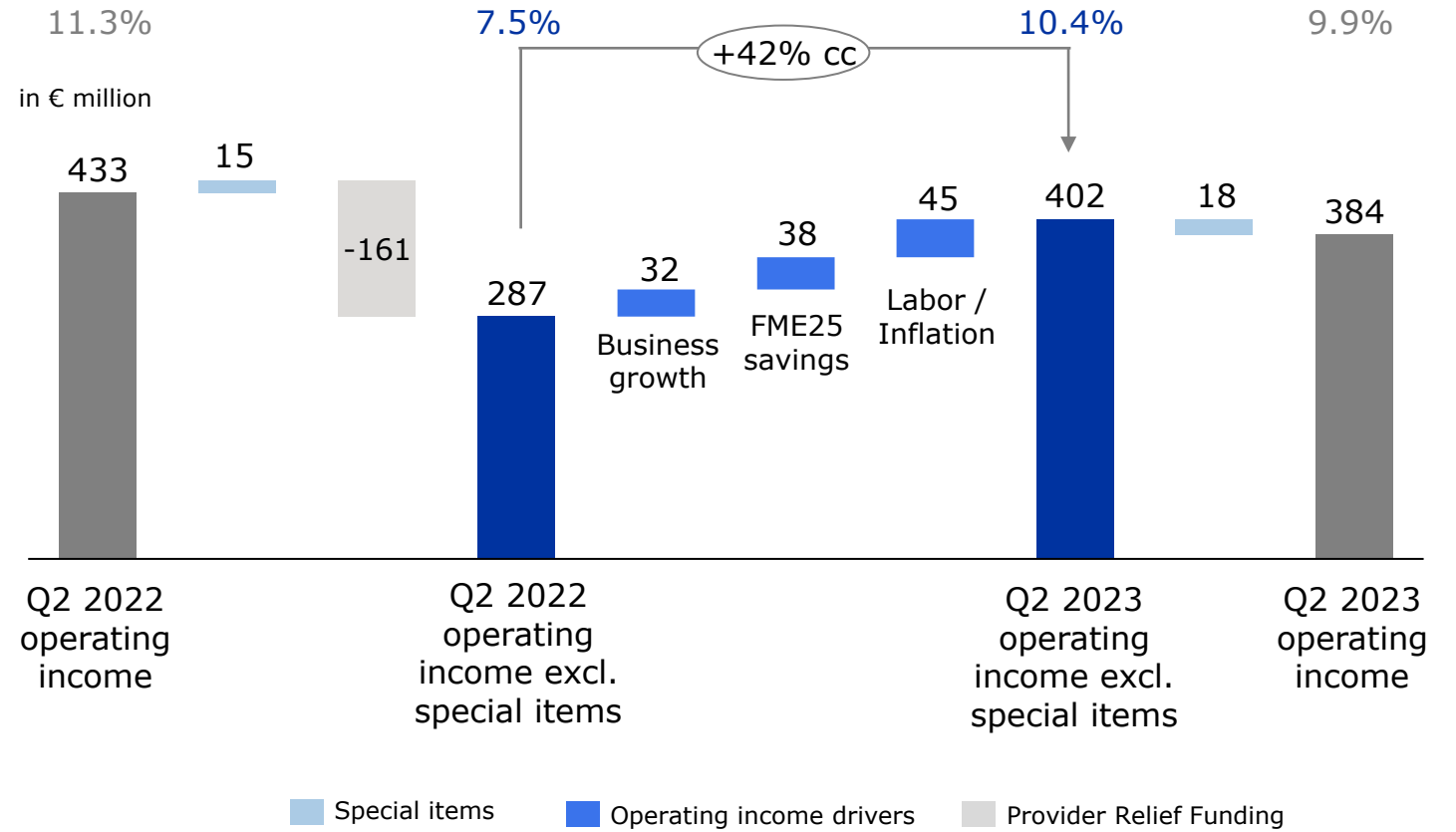
in € million



Operating income | guidance base¹

Margin in %

in € million



1: Reconciliation table for special items (guidance base), reported growth rates: page 23 | cc = at constant currency

■ Q2 2023 | Key developments in Care Enablement

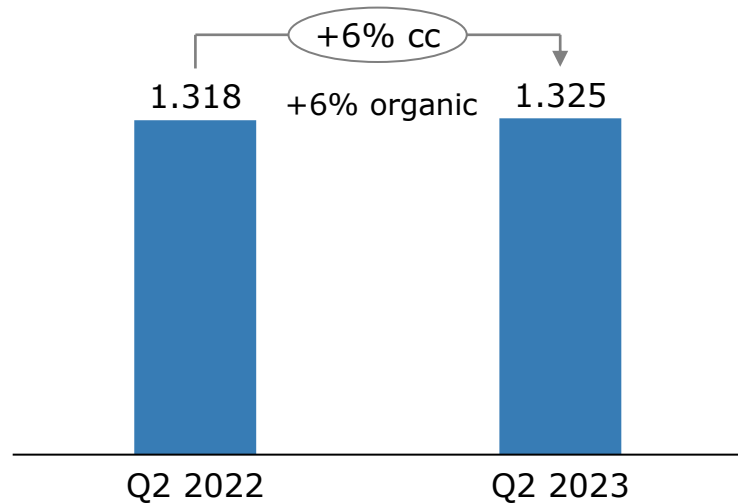
- Revenue development driven by
 - higher sales of HD machines, critical care and home dialysis products
 - positive impacts from pricing measures
- Earnings negatively impact by
 - currency transaction effects
 - continued inflationary pressures
- Execution on FME25 transformation and turnaround measures



■ Q2 2023 | Care Enablement earnings impacted by inflation

Revenue | guidance base¹

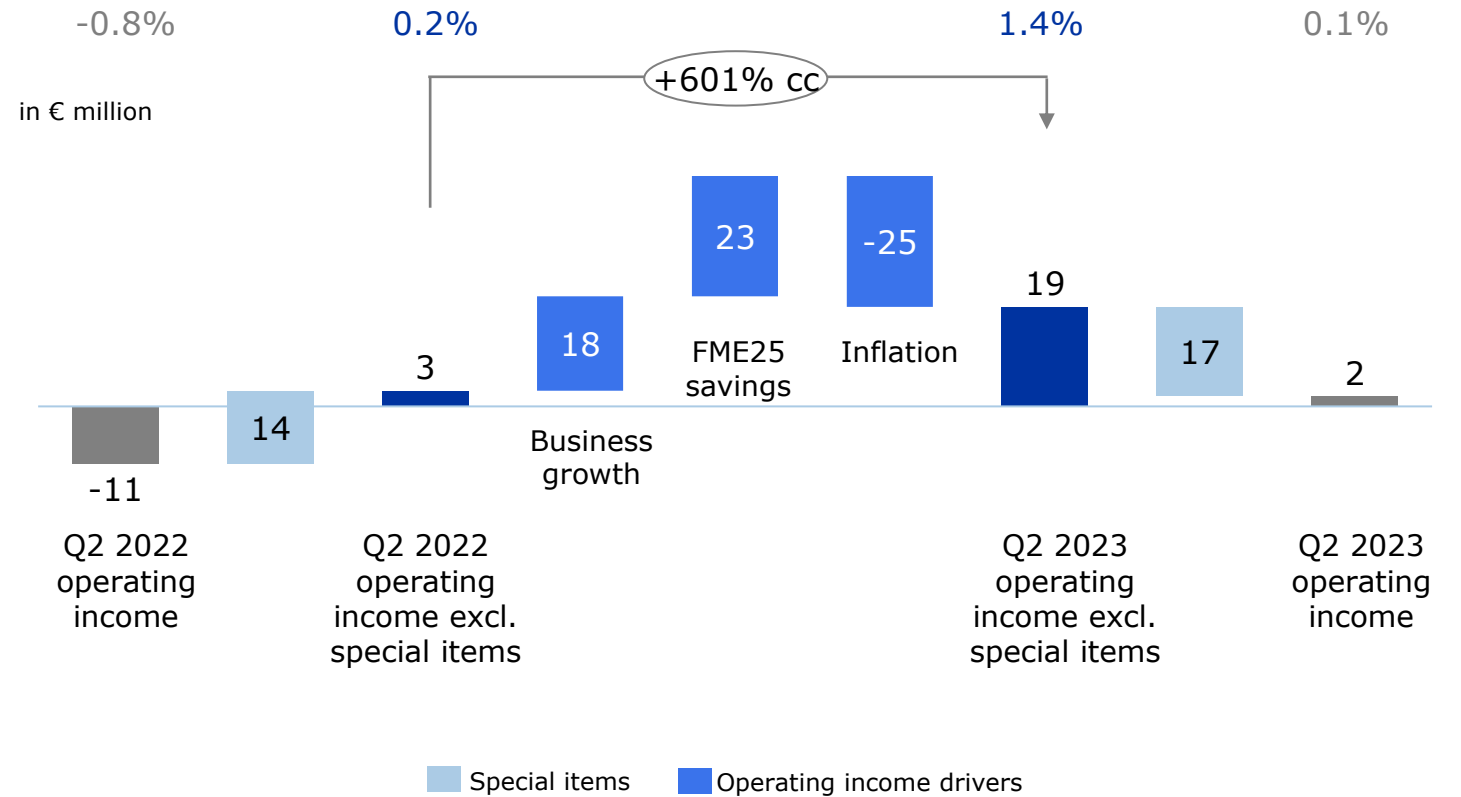
in € million



Operating income | guidance base¹

Margin in %

in € million

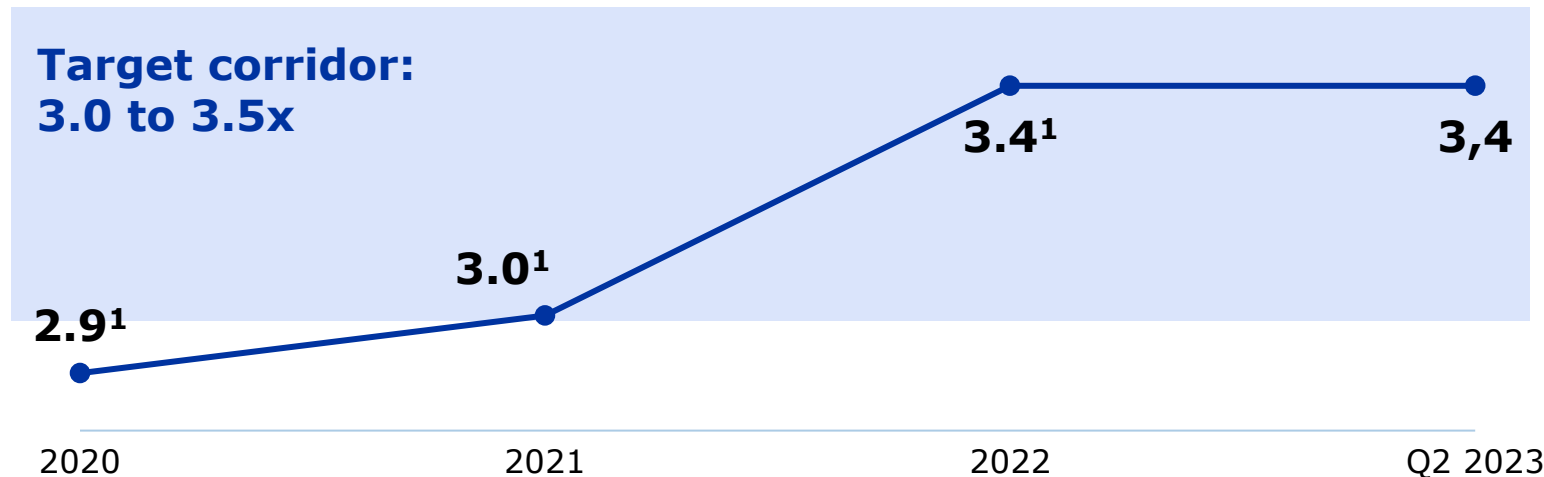


1: Reconciliation table for special items (guidance base), reported growth rates: page 23 | cc = at constant currency

■ Q2 2023 | Increased free cash flow conversion

	Q2 2023 € million	Q2 2022 € million
Operating cash flow	1,007	751
▪ Capital expenditures, net	(155)	(169)
Free cash flow	852	582
▪ Free cash flow after investing activities	874	554

Net leverage ratio (Net debt/EBITDA)



¹ Excl. U.S. federal relief funding and advanced payments under the CARES Act

Key developments

- Improved operating cash flow mainly due to seasonality of invoicing and recoupment of COVID-19 related relief funding in 2022
- Free cash flow conversion accelerated in line with operating cash flow





Agenda



- 1** Execution against strategic plan
- 2** Q2 Business Update
- 3** Outlook

■ Outlook | Operating income guidance range narrowed

FY 2023

Revenue [%]

Low to mid-single digit growth

(FY2022 basis: EUR 19.4bn)

Operating income [%]

Flat to low-single digit decline

(Prev.: flat to high-single digit percentage rate decline)

(FY2022 basis: EUR 1.54bn¹)

Further outlook

By 2025 an improved operating income margin of 10 to 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.

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

**Your questions
are welcome.**

Q2 2023



Appendix



■ Q2 2023 | Profit and Loss

	Q2 2023 € million	Q2 2022 € million	Growth in %	Growth in %cc
Revenue	4,825	4,757	1	6
Operating income	357	341	5	5
<i>Operating income margin in %</i>	<i>7.4</i>	<i>7.2</i>		
Operating income excl. special items & PRF	401	284	41	44
<i>Operating income margin in % excl. sp. items & PRF</i>	<i>8.3</i>	<i>6.0</i>		
Net interest expense	81	72	13	14
Income before taxes	276	269	3	3
Income tax expense	81	63	29	29
<i>Tax rate in %</i>	<i>29.4</i>	<i>23.4</i>		
Non-controlling interest	55	59	(7)	(6)
Net income	140	147	(5)	(4)
Net income excl. special items & PRF	175	116	51	54

cc = at constant currency

■ H1 2023 | Profit and Loss

	H1 2023 € million	H1 2022 € million	Growth in %	Growth in %cc
Revenue	9,529	9,305	2	4
Operating income	618	688	(10)	(11)
<i>Operating income margin in %</i>	6.5	7.4		
Operating income excl. special items	755	675	12	11
<i>Operating income margin in % excl. special items</i>	7.9	7.2		
Net interest expense	163	141	16	14
Income before taxes	455	547	(17)	(18)
Income tax expense	126	130	(3)	(4)
<i>Tax rate in %</i>	27.6	23.7		
Non-controlling interest	102	112	(10)	(11)
Net income	227	305	(26)	(26)
Net income excl. special items	329	313	5	5

cc = at constant currency

■ Debt

Reconciliation of non-IFRS financial measures to most directly comparable IFRS financial measures

	Q2 2023 € million	FY 2022 € million	FY 2021 € million
Debt			
Short-term debt from unrelated parties	901	665	1,178
+ Short-term debt from related parties	3	4	78
+ Current portion of long-term debt	701	694	668
+ Current portion of long-term lease liabilities from unrelated parties	627	650	640
+ Current portion of long-term lease liabilities from related parties	25	24	21
+ Long-term debt, less current portion	6,997	7,171	6,647
+ Long-term lease liabilities from unrelated parties, less current portion	3,685	3,875	3,990
+ Long-term lease liabilities from related parties, less current portion	126	130	98
+ Debt and lease liabilities included within liabilities directly associated with assets held for sale	12	-	
Total debt and lease liabilities	13,077	13,213	13,320
– Cash and cash equivalents ¹	(1,363)	(1,274)	(1,482)
Total net debt and lease liabilities	11,714	11,939	11,838

¹ Includes cash and cash equivalents included within assets held for sale.

EBITDA

Reconciliation of annualized adjusted EBITDA and net leverage ratio to the most directly comparable IFRS financial measures

	LTM Q2 2023 € million	FY 2022 € million	FY 2021 € million
Net income	805	895	1,219
+ Income tax expense	321	325	353
– Interest income	(77)	(68)	(73)
+ Interest expense	392	360	353
+ Depreciation and amortization	1,700	1,718	1,586
+ Adjustments	319	320	125
Adjusted EBITDA (annualized)	3,460	3,550	3,563
Net leverage ratio (Net debt/EBITDA)	3.4	3.4	3.3

Adjustments: Acquisitions and divestitures made for the last twelve months with a purchase price above a €50 M threshold as defined in the Syndicated Credit Facility (2023: -€12 M; 2022: -€22 M), non-cash charges, primarily related to pension expense (2023: €51 M; 2022: €54 M), impairment loss (2023: €168 M; 2022: €120 M) and special items, including costs related to the FME25 Program (2023: €142 M; 2022: €155 M), Legal Form Conversion Costs (2023: €7 M), Legacy Portfolio Optimization (2023: €71 M), Net Gain Related to InterWell Health (2023: -€114 M; 2022: -€114 M), Humacyte Investment Remeasurement (2023: €10 M; 2022: €103 M), Hyperinflation in Turkiye (2023: -€1 M; 2022: €5 M) and the Impacts Related to the War in Ukraine (2023: -€3 M; 2022: €19 M).

■ 2022 base for 2023 targets, reconciliation adjustments

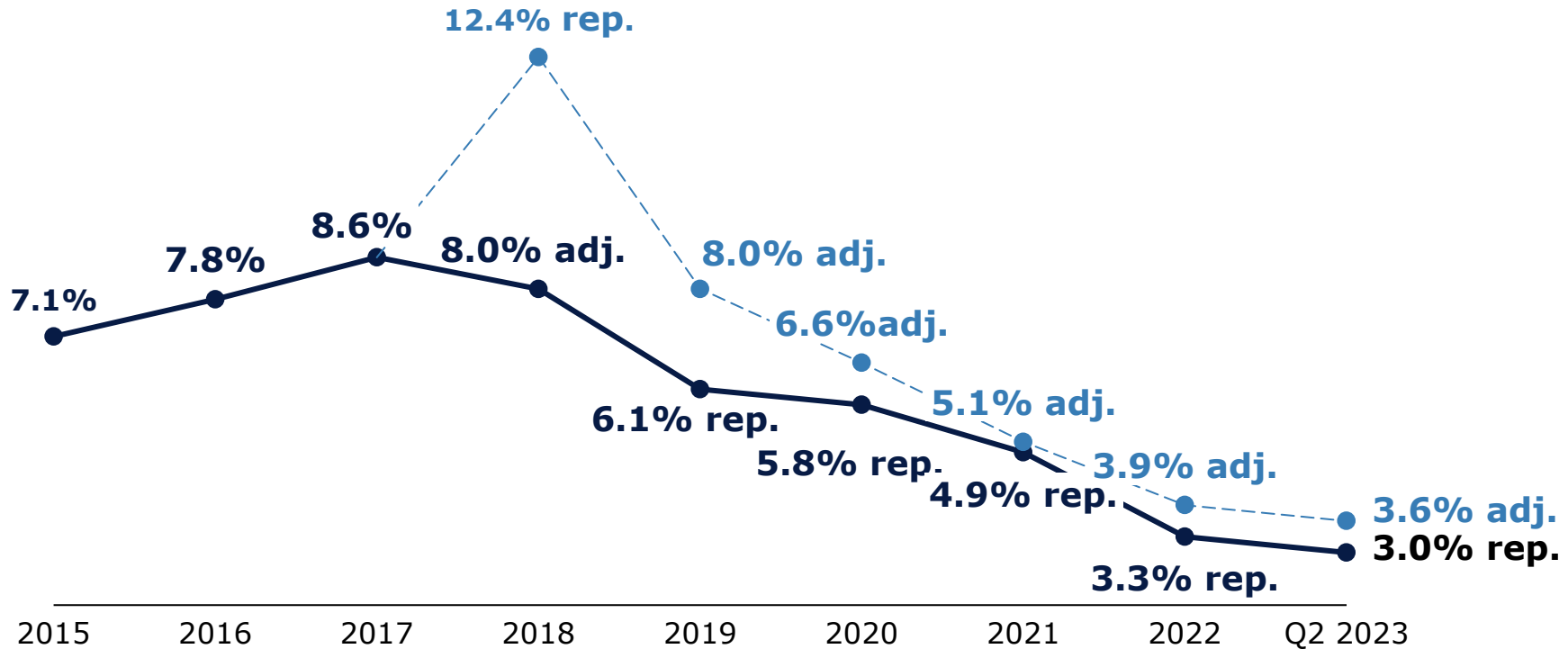
	FY 2022 € million	Q1 2022 € million	Q2 2022 € million	Q3 2022 € million	Q4 2022 € million
Revenue	19,398	4,548	4,757	5,096	4,997
Operating income	1,540	390	284	377	489

Reconciliation of non-IFRS financial measures to the most directly comparable IFRS financial measures for comparison with guidance (€ million)

	Group			Care Delivery			Care Enablement			Corporate	
	Q2 2023	Q2 2022	Growth rate	Q2 2023	Q2 2022	Growth rate	Q2 2023	Q2 2022	Growth rate	Q2 2023	Q2 2022
Operating Income	357	341	5%	384	433	-11%	2	(11)	n.a.	(25)	(84)
FME25 program	25	21		8	13		17	8		0	--
Ukraine War	--	2		--	2		--	0		--	
Humacyte investment remeasurement	4	75		--	--		--	--		4	75
Hyperinflation Turkiye		6			0			6			
Legacy Portfolio Optimization	10	--		10	--		0	--		--	--
Legal form conversion costs	5	--		--	--		--	--		5	--
Provider Relief Funding	--	(161)		--	(161)		--	--		--	--
Operating income excl. special items and PRF	401	284	41%	402	287	40%	19	3	533%	(16)	(9)

Inter-segment elimination effect on operating income: (9m) for Q2 2023, (9m) for Q2 2022

Return on Invested Capital (ROIC) continued to be impacted by lower earnings



- For the years 2015-17 ROIC as reported within the Form 20-F.
- ROIC adjusted in 2018 for the divestiture of Care Coordination activities, FCPA-related charge, U.S. Ballot Initiatives, U.S. tax reform / including these effects, ROIC for FY 2018 was 12.4%
- ROIC adjusted in 2019 for the effects of IFRS 16, NxStage, FCPA, Cost optimization costs, divestiture of Care Coordination activities / including these effects, ROIC for FY 2019 was 6.8% (excl. IFRS 16)
- ROIC in 2020 excl. the impact of the Latin America impairment (special item) and in 2021 excluding FME25 (special item)
- ROIC for 2020 and 2021 was 7.5% and 5.5% excl. IFRS 16 and excl. Latin America impairment in 2020
- ROIC in 2022 adjusted for the effects of the FME25 program, the Humacyte Investment Remeasurement, the net gain related to InterWell Health, the effects of hyperinflation in Turkiye and impacts related to the war in Ukraine
- ROIC in 2023 adjusted for the effects of the FME25 program, Legal Form Conversion Costs, Legacy Portfolio Optimization and Humacyte Investment Remeasurement

- Long-term value creation based on accretive acquisitions and organic growth
- 2020 negative impact from Latin America impairment
- 2021 negative impact from FME25
- 2022 negative impact from FME25 and the Humacyte investment remeasurement
- 2023 with effects from FME25 and Legacy Portfolio Optimization

■ Exchange rates, U.S. dialysis days per quarter, definitions

Exchange rates

		H1 2023	FY 2022	FY 2021
€:USD	Period end	1.087	1.067	1.133
	Average	1.081	1.053	1.183
€:CNY	Period end	7.898	7.358	7.195
	Average	7.489	7.079	7.628
€:RUB	Period end	97.827	78.138	85.300
	Average	83.567	73.365	87.153
€:ARS	Period end	280.361	189.201	116.780
	Average	229.797	137.041	112.522
€:BRL	Period end	5.279	5.639	6.310
	Average	5.483	5.440	6.378
€:TRL	Period end	28.319	19.965	15.234
	Average	21.566	17.409	10.512

U.S. dialysis days per quarter

	Q1	Q2	Q3	Q4	Full year
2023	77	78	79	79	313
2022	77	78	79	79	313
2021	77	78	79	79	313
2020	77	78	79	79	313
2019	76	78	79	80	313

Definitions

cc	At constant currency
HD	Hemodialysis
PD	Peritoneal dialysis
Net income	Net income attributable to shareholders of FME
LTM	Last-Twelve-Months

■ Patients, treatments, clinics

	as of June 30, 2023			as of June 30, 2022		
	Patients	Treatments	Clinics	Patients	Treatments	Clinics
United States	206,692	15,525,016	2,634	206,766	15,544,134	2,682
Growth in %	0	0	(2)	(1)	(2)	1
International	137,394	10,287,972	1,416	138,921	10,388,010	1,481
Growth in %	(1)	(1)	(4)	1	0	0
Total	344,086	25,812,988	4,050	345,687	25,932,144	4,163
Growth in %	0	0	(3)	0	(1)	1

■ Financial calendar

Reporting
& AGM

Conferences &
Meet the
Management

Date	Event
August 2 November 2	Report on 2 nd quarter 2023: Earnings Release and Conference Call Report on 3 rd quarter 2023: Earnings Release and Conference Call
September 5 September 7 September 12 September 19-20 September 28	Commerzbank / ODDO BHF Corporate Conference, Frankfurt Goldman Sachs Annual European MedTech & Healthcare Services Conference, London Morgan Stanley Global Healthcare Conference, New York Berenberg / Goldman Sachs German Corporate Conference, Munich Sanford Bernstein's 20th Pan European Annual Strategic Decisions Conference, London

Dates and/or participation might be subject to change

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