

# Q1 2023 Conference Call

May 9, 2023

Helen Giza, CEO & Chair of the  
Management Board



This presentation may be deemed to be offering material in respect of the proposed conversion of the legal form of Fresenius Medical Care AG & Co. KGaA. Fresenius Medical Care AG & Co. KGaA has filed with the United States Securities and Exchange Commission (the "SEC") a registration statement on Form F-4, including a preliminary information statement/prospectus constituting a part thereof. SHAREHOLDERS OF FRESENIUS MEDICAL CARE AG & CO. KGaA ARE URGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC, INCLUDING THE INFORMATION STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, AS THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED CONVERSION. The final information statement/prospectus will be distributed to shareholders of Fresenius Medical Care AG & Co. KGaA. Shareholders may obtain a free copy of the disclosure documents (when they are available) and other documents filed by Fresenius Medical Care AG & Co. KGaA with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov) or from Fresenius Medical Care AG, Attention: Investor Relations, Else-Kröner-Strasse 1, 61352 Bad Homburg, v.d.H., Germany.



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**

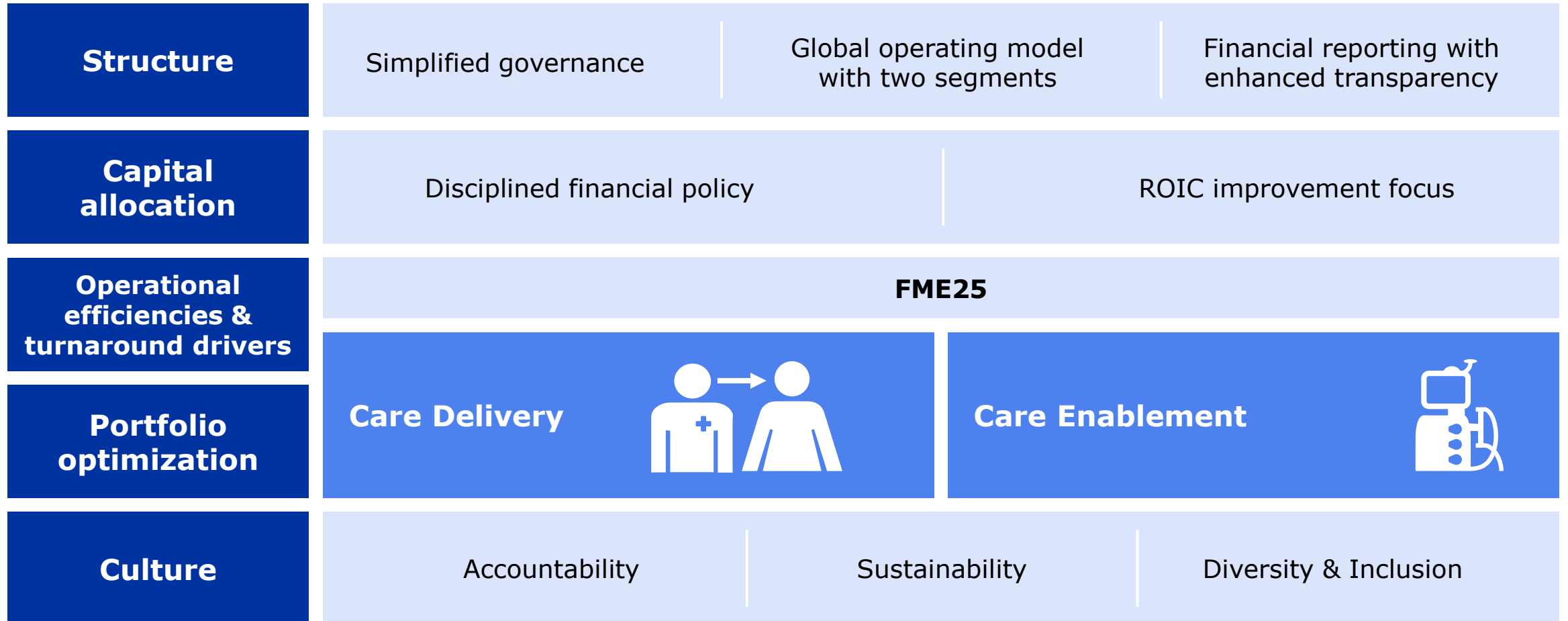
**Business Update**

**2**

**Outlook**

# ■ Executing on our strategic aspiration

## *Unlock value as the leading kidney care company*



# Continuous monitoring of clinical performance to enhance care

## Quality index components

### Dialysis effectiveness

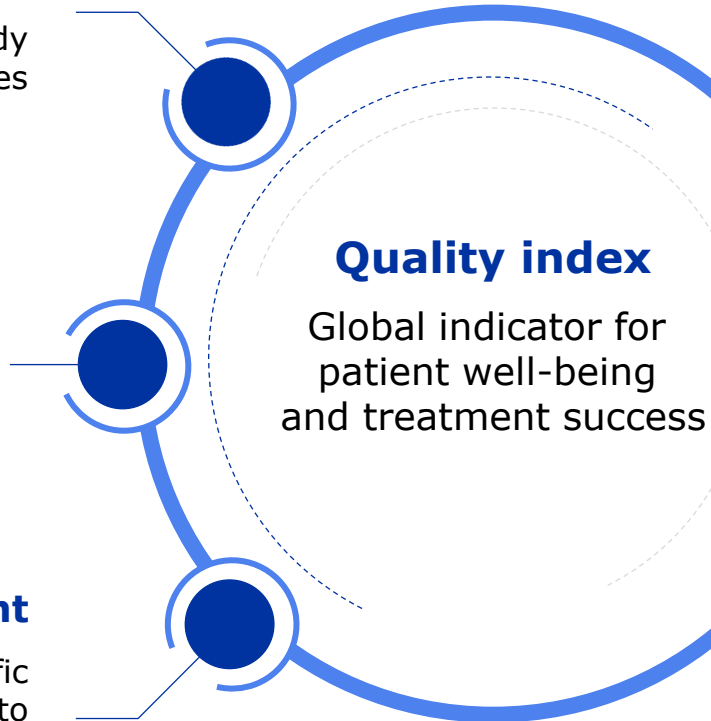
Measures how sufficiently the body is cleansed of waste substances

### 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



	Q4 2022	Q1 2023
<b>Quality index</b>	<b>81%</b>	<b>81%</b>
<b>Dialysis effectiveness</b>	94%	94%
<b>Vascular access</b>	78%	78%
<b>Anemia management</b>	71%	71%

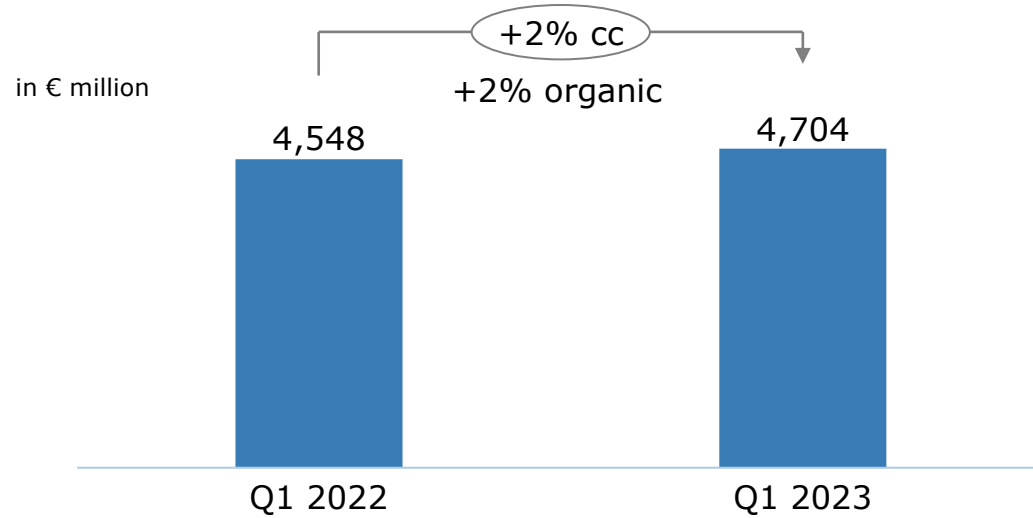
## ■ Q1 2023 | Improving trends and execution on turnaround plan

- Organic growth driven by both segments
  - **Care Delivery** | improving volume trends
  - **Care Enablement** | strong critical care business
- More moderate decline in operating income due to improved business performance and phasing of product sales
- Execution of first steps of legacy portfolio optimization
- Change of legal form moving ahead as planned
- Financial outlook for FY 2023 confirmed

Q1  
2023

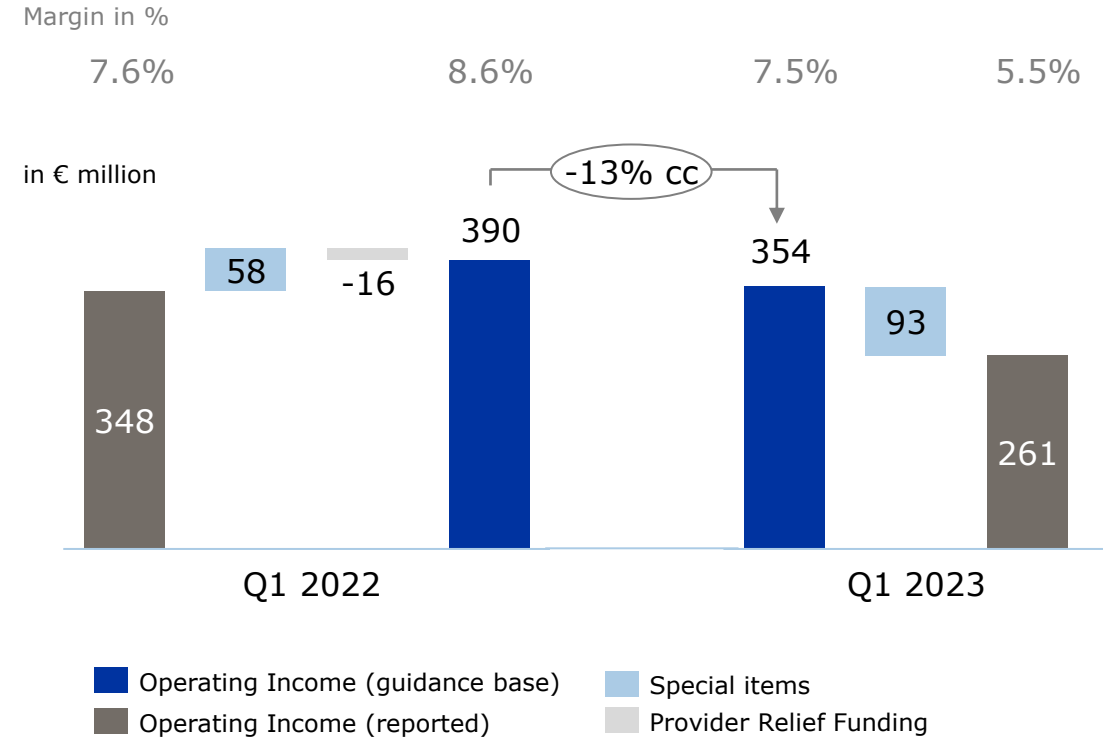
# ■ Q1 2023 | Improving trends moderated earnings decline

## Revenue | guidance base<sup>1</sup>



- Both operating segments contributed to growth
- Continued improvement in organic growth in line with expectations

## Operating income | guidance base<sup>1</sup>



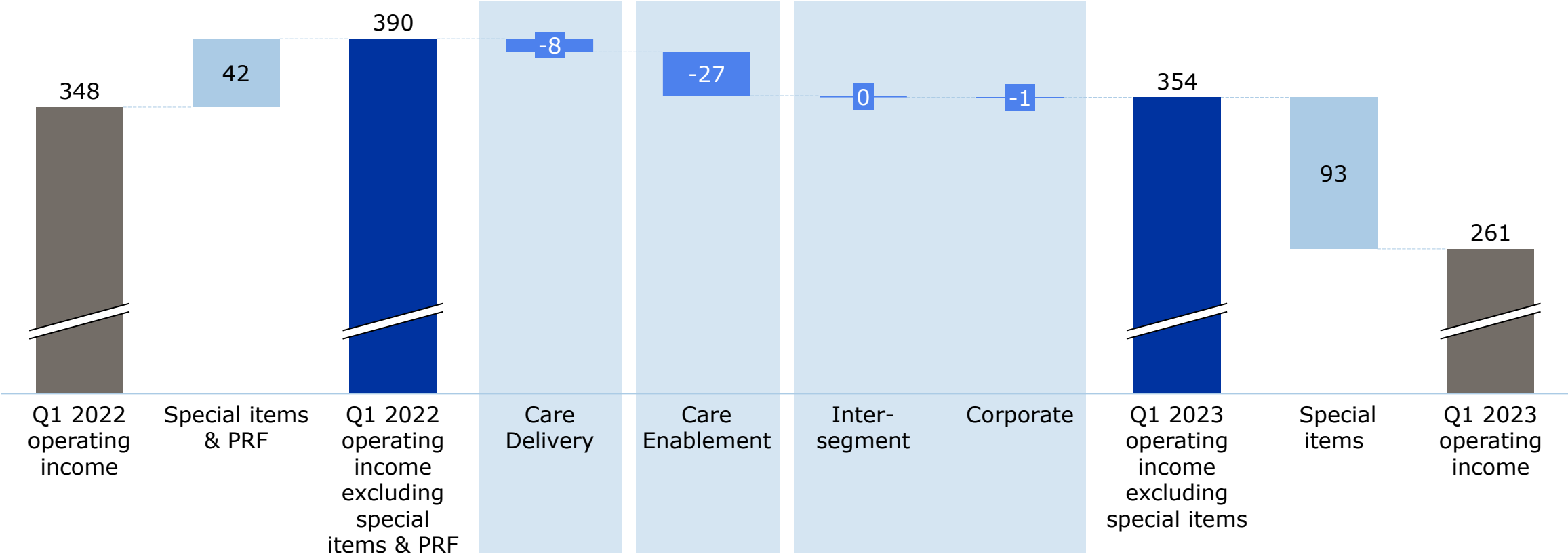
- Negative impacts from inflationary effects
- Improved business performance supported by FME25 savings
- Positive prior year effects in the base

1: Reconciliation table for special items (guidance base), reported growth rates: page 22 | cc = at constant currency



# ■ Q1 2023 | Operating income development

in € million



Reconciliation table for special items (guidance base): page 22

## ■ Q1 2023 | Key developments in Care Delivery

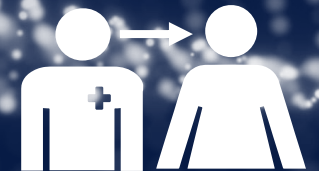
**Execution on turnaround plan drives efficiencies**

**Optimization of clinical infrastructure underway**

**Easing of labor market environment in the U.S. but not normalized yet**

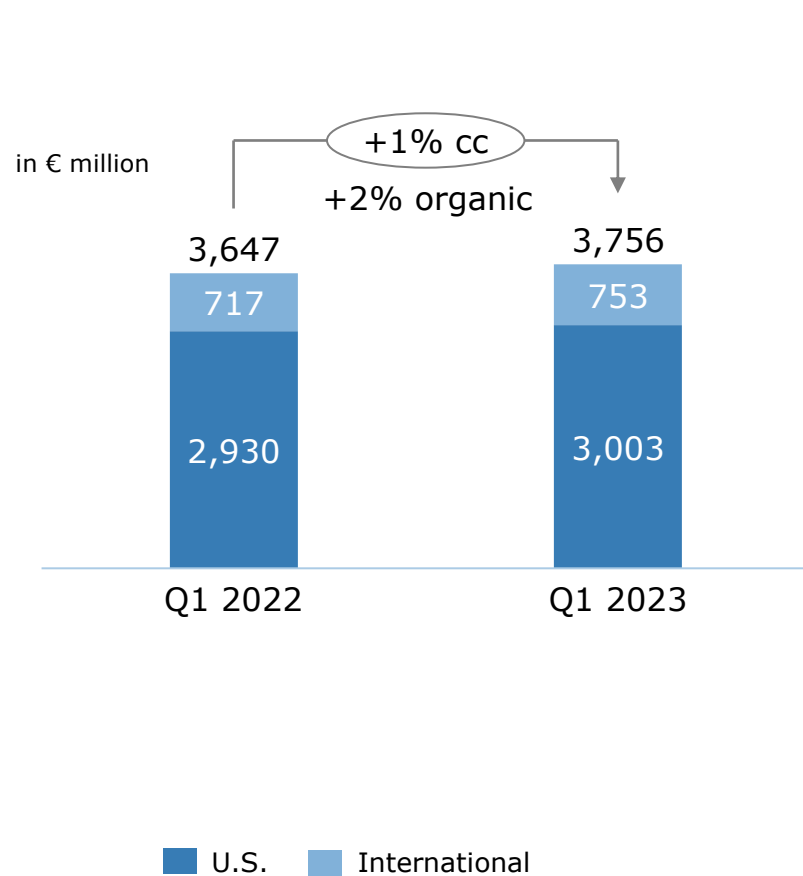
**Progressing FME25 transformation**

**Sequential improvement of volume development still impacted by accumulated excess mortality**

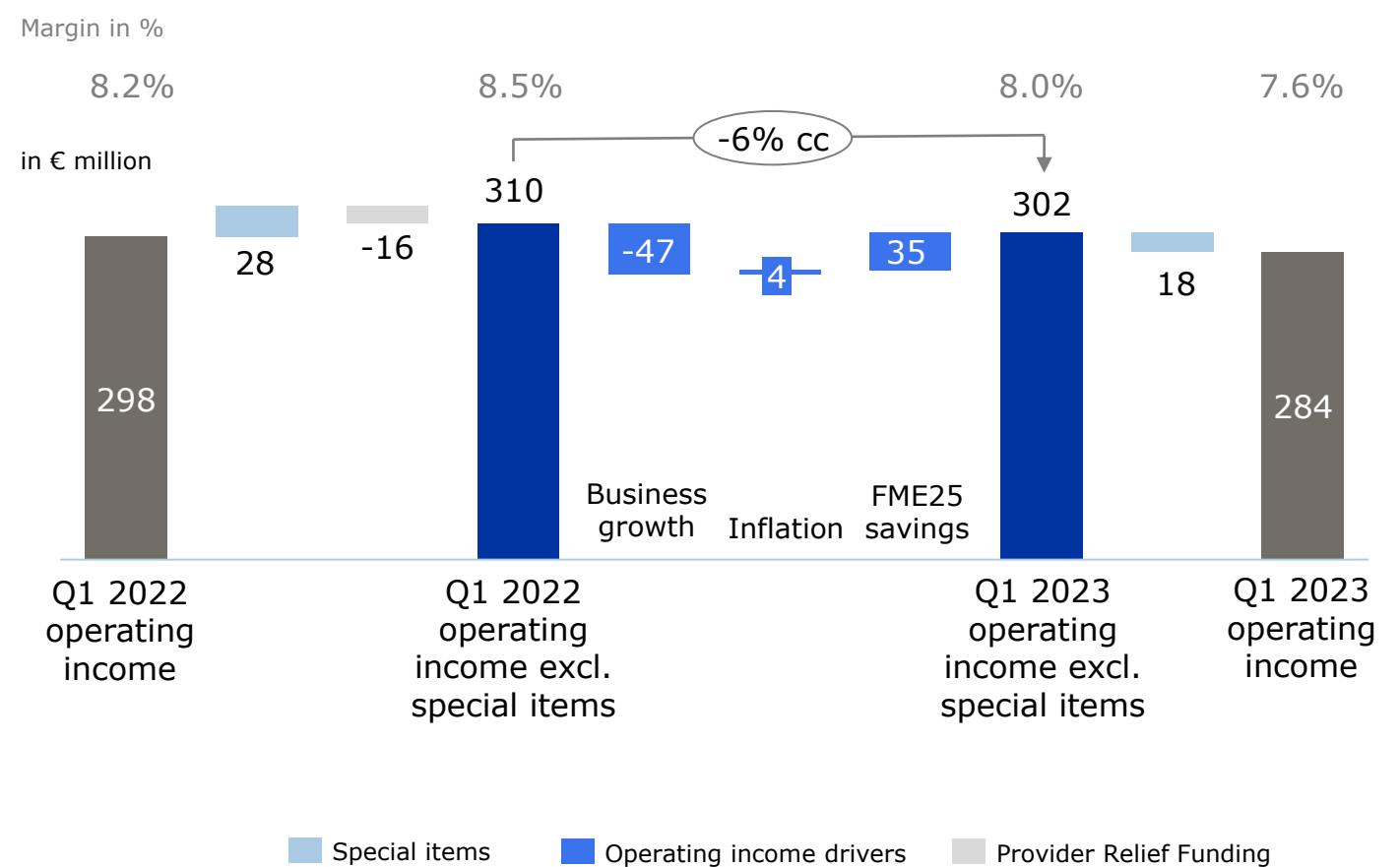


# ■ Q1 2023 | Care Delivery performance supported by improving volume trends

## Revenue | guidance base<sup>1</sup>



## Operating income | guidance base<sup>1</sup>



1: Reconciliation table for special items (guidance base), reported growth rates: page 22 | cc = at constant currency

## ■ Q1 2023 | Key developments in Care Enablement

**Progressing turnaround measures** in face of continued inflationary pressure

**First decision on portfolio optimization executed** with P&L impact due to write-offs

**Progressing FME25 transformation**

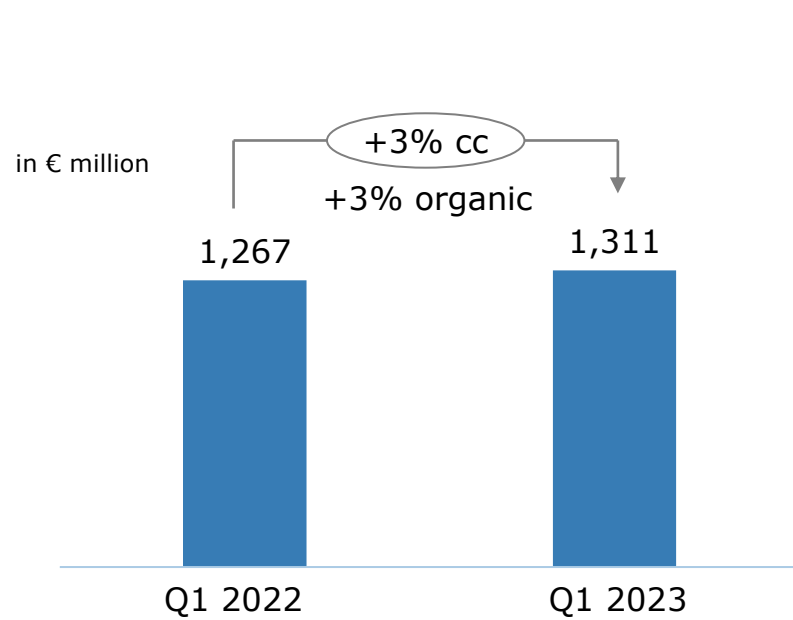
**Improved sales of home hemodialysis machines**

**Strong performance of critical care products** based on business in China

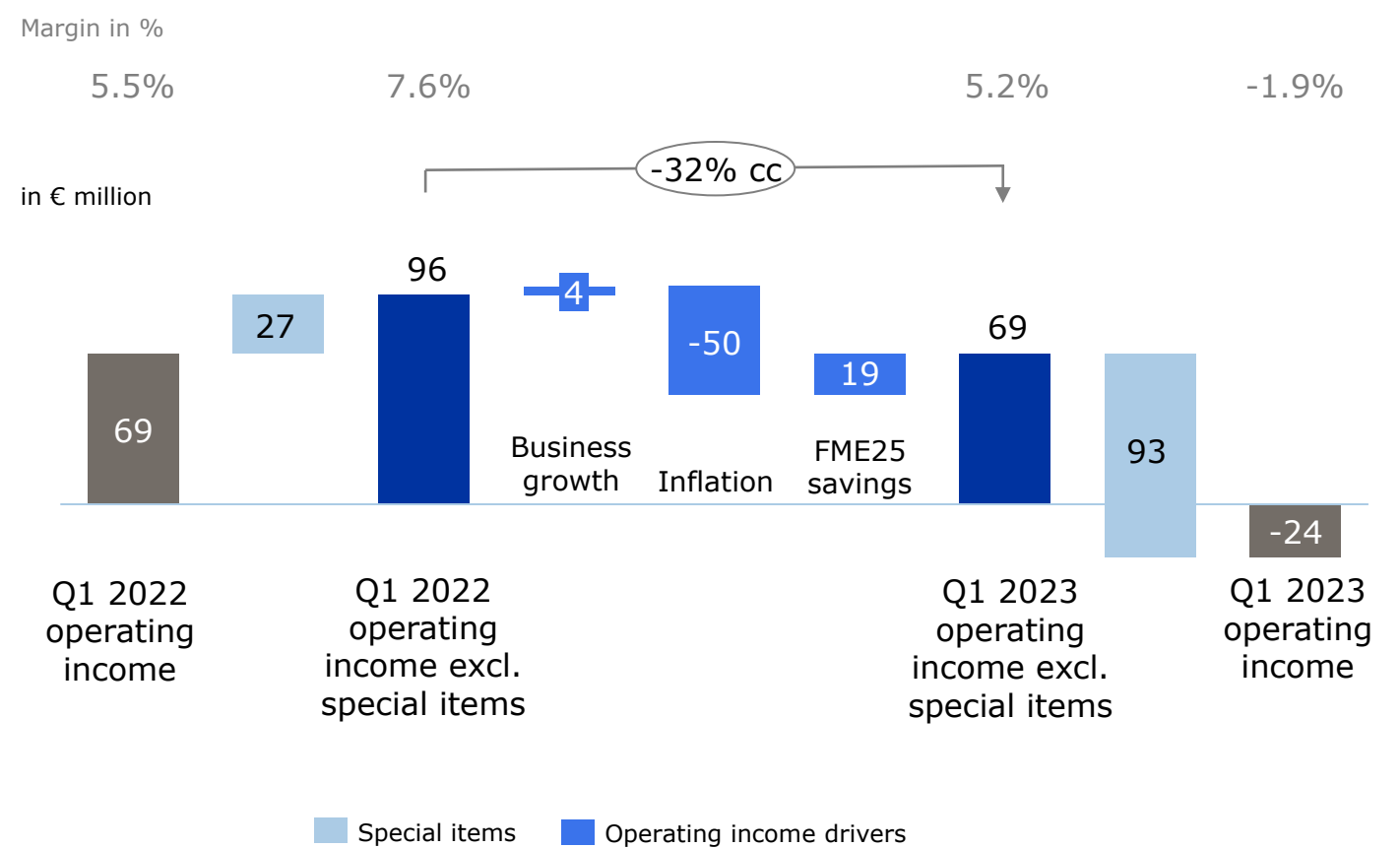


# ■ Q1 2023 | Care Enablement earnings impacted by inflation

## Revenue | guidance base<sup>1</sup>



## Operating income | guidance base<sup>1</sup>

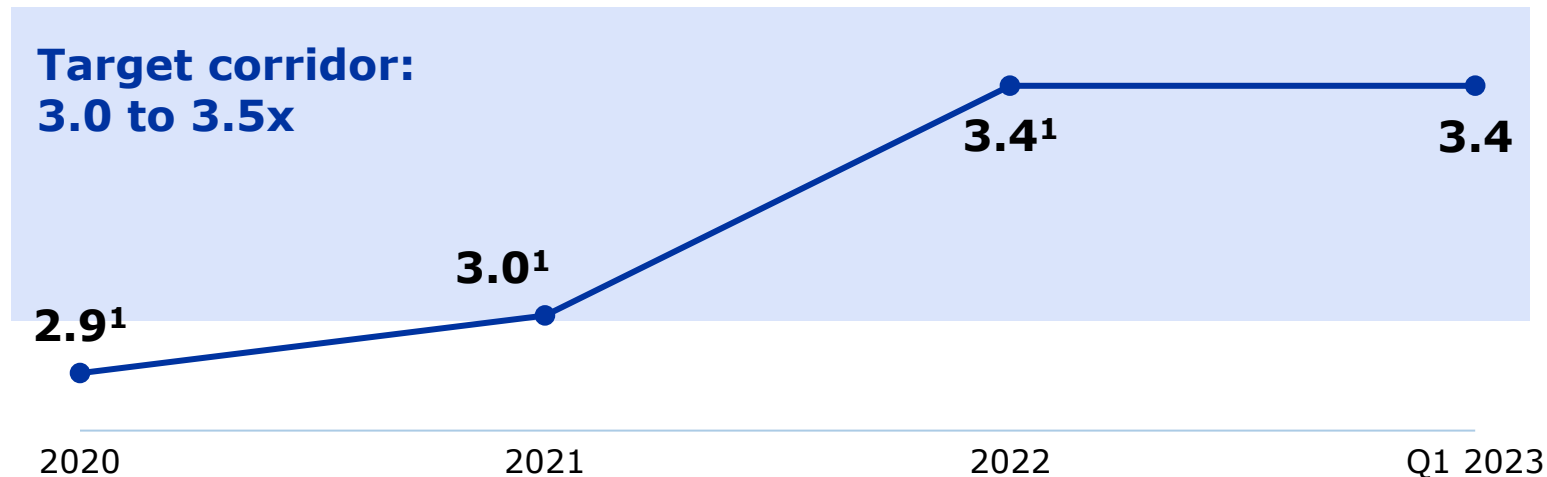


1: Reconciliation table for special items (guidance base), reported growth rates: page 22 | cc = at constant currency

# ■ Q1 2023 | Cash flow and net leverage ratio

	Q1 2023 € million	Q1 2022 € million
<b>Operating cash flow</b>	<b>143</b>	<b>159</b>
▪ Capital expenditures, net	(141)	(160)
<b>Free cash flow</b>	<b>2</b>	<b>(1)</b>
▪ Free cash flow after investing activities	(20)	(53)

Net leverage ratio (Net debt/EBITDA)



<sup>1</sup> Excl. U.S. federal relief funding and advanced payments under the CARES Act

## Key developments

- Slightly lower operating cash flow mainly due to decrease in net income
- Free cash flow conversion on stable level





# Agenda



**1**

**Business Update**

**2**

**Outlook**

# ■ Outlook confirmed

## 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 1.54bn<sup>1</sup>)

### 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. Assumptions for Outlook 2023 are outlined on slide 26 of this presentation.

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



**Your questions  
are welcome.**

Q1 2023



# Appendix



## ■ Q1 2023 | Profit and Loss

	<b>Q1 2023</b> € million	<b>Q1 2022</b> € million	<b>Growth</b> in %	<b>Growth</b> in %cc
<b>Revenue</b>	<b>4,704</b>	<b>4,548</b>	<b>3</b>	<b>2</b>
<b>Operating income</b>	<b>261</b>	<b>348</b>	<b>(25)</b>	<b>(28)</b>
<i>Operating income margin in %</i>	<i>5.5</i>	<i>7.6</i>		
Operating income excl. special items & PRF	354	390	(9)	(13)
<i>Operating income margin in % excl. sp. items &amp; PRF</i>	<i>7.5</i>	<i>8.6</i>		
Net interest expense	83	69	20	15
Income before taxes	178	279	(36)	(38)
Income tax expense	45	67	(33)	(36)
<i>Tax rate in %</i>	<i>25.0</i>	<i>24.0</i>		
Non-controlling interest	47	55	(13)	(16)
<b>Net income</b>	<b>86</b>	<b>157</b>	<b>(45)</b>	<b>(47)</b>
Net income excl. special items & PRF	154	197	(22)	(24)

cc = at constant currency

## ■ Debt

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

	<b>Q1 2023</b> € million	<b>FY 2022</b> € million	<b>FY 2021</b> € million
<b>Debt</b>			
Short-term debt from unrelated parties	700	665	1,178
+ Short-term debt from related parties	13	4	78
+ Current portion of long-term debt	697	694	668
+ Current portion of long-term lease liabilities from unrelated parties	633	650	640
+ Current portion of long-term lease liabilities from related parties	25	24	21
+ Long-term debt, less current portion	7,328	7,171	6,647
+ Long-term lease liabilities from unrelated parties, less current portion	3,741	3,875	3,990
+ Long-term lease liabilities from related parties, less current portion	129	130	98
<b>Total debt and lease liabilities</b>	<b>13,266</b>	<b>13,213</b>	<b>13,320</b>
– Cash and cash equivalents	(1,224)	(1,274)	(1,482)
<b>Total net debt and lease liabilities</b>	<b>12,042</b>	<b>11,939</b>	<b>11,838</b>

# EBITDA

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

	LTM Q1 2023 € million	FY 2022 € million	FY 2021 € million
Net income	816	895	1,219
+ Income tax expense	303	325	353
– Interest income	(66)	(68)	(73)
+ Interest expense	372	360	353
+ Depreciation and amortization	1,716	1,718	1,586
+ Adjustments	358	320	125
<b>Adjusted EBITDA (annualized)</b>	<b>3,499</b>	<b>3,550</b>	<b>3,563</b>
<b>Net leverage ratio (Net debt/EBITDA)</b>	<b>3.4</b>	<b>3.4</b>	<b>3.3</b>

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: -€17 M; 2022: -€22 M), non-cash charges, primarily related to pension expense (2023: €53 M; 2022: €54 M), impairment loss (2023: €141 M; 2022: €120 M) and special items, including costs related to the FME25 Program (2023: €150 M; 2022: €155 M), Legal Form Conversion Costs (2023: €2 M), Legacy Portfolio Optimization (2023: €60 M), Net Gain Related to InterWell Health (2023: -€114 M; 2022: -€114 M), Humacyte Investment Remeasurement (2023: €80 M; 2022: €103 M), Hyperinflation in Türkiye (2023: €5 M; 2022: €5 M) and the Impacts Related to the War in Ukraine (2023: -€2 M; 2022: €19 M).

## ■ 2022 base for 2023 targets, reconciliation adjustments

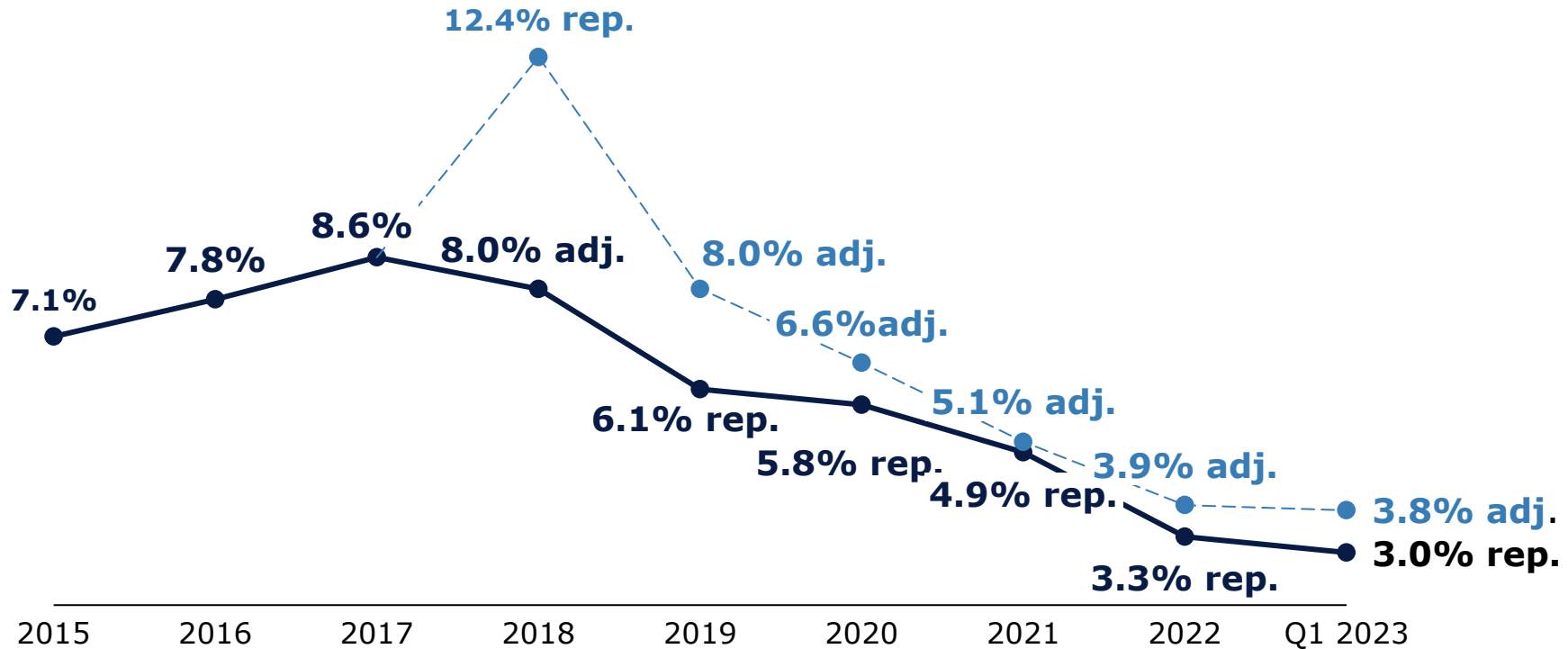
	<b>FY 2022</b> € million	<b>Q1 2022</b> € million	<b>Q2 2022</b> € million	<b>Q3 2022</b> € million	<b>Q4 2022</b> € million
<b>Revenue</b>	<b>19,398</b>	<b>4,548</b>	<b>4,757</b>	<b>5,096</b>	<b>4,997</b>
<b>Operating income</b>	<b>1,540</b>	<b>390</b>	<b>284</b>	<b>377</b>	<b>489</b>

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

	<b>Group</b>			<b>Care Delivery</b>			<b>Care Enablement</b>			<b>Corporate</b>	
	<b>Q1 2023</b>	<b>Q1 2022</b>	<b>Growth rate</b>	<b>Q1 2023</b>	<b>Q1 2022</b>	<b>Growth rate</b>	<b>Q1 2023</b>	<b>Q1 2022</b>	<b>Growth rate</b>	<b>Q1 2023</b>	<b>Q1 2022</b>
<b>Operating Income</b>	<b>261</b>	<b>348</b>	<b>-25%</b>	<b>284</b>	<b>298</b>	<b>-4%</b>	<b>(24)</b>	<b>69</b>	<b>n.a.</b>	<b>10</b>	<b>(10)</b>
FME25 program	26	33		17	20		10	13		(1)	--
Ukraine War	--	22		--	8		--	14		--	
Humacyte investment remeasurement	(19)	3		--	--		--	--		(19)	3
Legacy portfolio optimization	84	--		1	--		83	--		--	--
Legal form conversion costs	2	--		--	--		--	--		2	--
Provider Relief Funding	--	(16)		--	(16)		--	--		--	--
<b>Operating income excl. special items and PRF</b>	<b>354</b>	<b>390</b>	<b>-9%</b>	<b>302</b>	<b>310</b>	<b>-2%</b>	<b>69</b>	<b>96</b>	<b>-29%</b>	<b>(8)</b>	<b>(7)</b>

Inter-segment elimination effect on operating income: (9m) for Q1 2023, (9m) for Q1 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

		Q1 2023	FY 2022	FY 2021
<b>€:USD</b>	Period end	1.088	1.067	1.133
	Average	1.073	1.053	1.183
<b>€:CNY</b>	Period end	7.476	7.358	7.195
	Average	7.342	7.079	7.628
<b>€:RUB</b>	Period end	84.638	78.138	85.300
	Average	78.686	73.365	87.153
<b>€:ARS</b>	Period end	227.456	189.201	116.780
	Average	206.769	137.041	112.522
<b>€:BRL</b>	Period end	5.516	5.639	6.310
	Average	5.575	5.440	6.378
<b>€:TRY</b>	Period end	20.863	19.965	15.234
	Average	20.263	17.409	10.512

## U.S. dialysis days per quarter

	Q1	Q2	Q3	Q4	Full year
<b>2022</b>	77	78	79	79	313
2021	77	78	79	79	313
2020	77	78	79	79	313
2019	76	78	79	80	313
2018	77	78	78	80	313

## Definitions

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



## ■ Patients, treatments, clinics

	as of March 31, 2023			as of December 31, 2022		
	Patients	Treatments	Clinics	Patients	Treatments	Clinics
<b>United States</b>	<b>206,197</b>	<b>7,709,803</b>	<b>2,636</b>	<b>206,033</b>	<b>31,361,555</b>	<b>2,671</b>
Growth in %	1	0	(2)	0	(2)	0
<b>International</b>	<b>136,870</b>	<b>5,133,771</b>	<b>1,424</b>	<b>138,654</b>	<b>20,948,576</b>	<b>1,445</b>
Growth in %	(1)	(1)	(3)	(1)	0	(3)
<b>Total</b>	<b>343,067</b>	<b>12,843,574</b>	<b>4,060</b>	<b>344,687</b>	<b>52,310,131</b>	<b>4,116</b>
Growth in %	0	0	(2)	0	(1)	(1)

# Financial calendar

Reporting  
& AGM

Conferences &  
Meet the  
Management

Date	Event
May 9	Report on 1 <sup>st</sup> quarter 2023: Earnings Release and Conference Call
May 16	Annual General Meeting
July 14	Extraordinary General Meeting
August 2	Report on 2 <sup>nd</sup> quarter 2023: Earnings Release and Conference Call
May 24	Berenberg Conference, New York
June 7	Jefferies Global Healthcare Conference, New York
June 13	GoldmanSachs Global Healthcare Conference
June 21	Citi European Healthcare Conference, London
June 22	JP Morgan European Healthcare Conference, London

Dates and/or participation might be subject to change

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