

Fresenius Medical Care AG & Co. KGaA

COMPLETE OVERVIEW OF THE SECOND QUARTER AND FIRST HALF YEAR 2023

August 2, 2023

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Disclaimer

This release contains forward-looking statements that are subject to various risks and uncertainties. Actual results could differ materially from those described in these forward-looking statements due to certain factors, including changes in business, economic and competitive conditions, regulatory reforms, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. These and other risks and uncertainties are detailed in Fresenius Medical Care AG & Co. KGaA's reports filed with the U.S. Securities and Exchange Commission. Fresenius Medical Care AG & Co. KGaA does not undertake any responsibility to update the forward-looking statements in this release.

Rounding adjustments applied to individual numbers and percentages may result in these figures differing immaterially from their absolute values. Furthermore, totals and subtotals in tables may differ slightly from unrounded figures due to rounding in accordance with commercial rounding conventions.

Statement of earnings

in € million, except share data, unaudited

Three months ended June 30,

Six months ended June 30,

	2023	2022	Change	Change at cc	2023	2022	Change	Change at cc
Total revenue	4,825	4,757	1.4%	6.0%	9,529	9,305	2.4%	3.9%
Costs of revenue	3,628	3,511	3.3%	8.2%	7,183	6,886	4.3%	5.9%
Selling, general and administrative expenses	775	758	2.3%	5.7%	1,557	1,548	0.6%	1.2%
Research and development expenses	57	55	3.2%	4.2%	113	105	7.5%	7.1%
Income from equity method investees	(48)	(19)	149.2%	149.4%	(76)	(30)	153.8%	153.6%
Other operating income	(76)	(110)	-31.3%	-23.3%	(193)	(239)	-19.2%	-5.9%
Other operating expense	132	221	-40.3%	-29.2%	327	347	-5.7%	10.9%
Operating income	357	341	4.7%	5.5%	618	688	-10.3%	-11.4%
Operating income excl. special items and PRF ¹	401	284	41.3%	43.5%	755	675	11.9%	11.0%
Interest income	(24)	(13)	89.3%	105.0%	(36)	(27)	34.8%	46.4%
Interest expense	105	85	24.1%	27.8%	199	168	19.0%	19.6%
Interest expense, net	81	72	12.5%	14.1%	163	141	16.0%	14.4%
Income before income taxes	276	269	2.7%	3.2%	455	547	-17.0%	-18.0%
Income tax expense	81	63	28.9%	29.1%	126	130	-3.1%	-4.3%
Net income	195	206	-5.4%	-4.8%	329	417	-21.3%	-22.2%
Net income attributable to noncontrolling interests	55	59	-7.3%	-6.2%	102	112	-9.9%	-11.1%
Net income attributable to shareholders of FMC AG & Co. KGaA	140	147	-4.6%	-4.2%	227	305	-25.5%	-26.4%
Net income attributable to shareholders of FMC AG & Co. KGaA excl. special items and PRF ¹	175	116	50.9%	53.6%	329	313	5.2%	4.6%
Operating income	357	341	4.7%	5.5%	618	688	-10.3%	-11.4%
Depreciation, amortization and impairment loss	434	422	2.7%	5.8%	872	842	3.6%	3.8%
EBITDA	791	763	3.6%	5.7%	1,490	1,530	-2.6%	-3.0%
Weighted average number of shares	293,413,449	293,145,413			293,413,449	293,076,643		
Basic earnings per share	€0.48	€0.50	-4.7%	-4.3%	€0.77	€1.04	-25.6%	-26.5%
Basic earnings per ADS	€0.24	€0.25	-4.7%	-4.3%	€0.39	€0.52	-25.6%	-26.5%
In percent of revenue								
Operating income margin	7.4%	7.2%			6.5%	7.4%		
Operating income margin excl. special items and PRF ¹	8.3%	6.0%			7.9%	7.2%		
EBITDA margin	16.4%	16.0%			15.6%	16.4%		

¹ For a reconciliation of special items, please refer to the table on page 8.

Segment information

unaudited	Three months ended June 30,				Six months ended June 30,			
	2023	2022	Change	Change at cc	2023	2022	Change	Change at cc
Total								
Revenue in € million	4,825	4,757	1.4%	6.0%	9,529	9,305	2.4%	3.9%
Operating income in € million	357	341	4.7%	5.5%	618	688	-10.3%	-11.4%
Operating income margin	7.4%	7.2%			6.5%	7.4%		
Operating income in € million excl. special items and PRF ¹	401	284	41.3%	43.5%	755	675	11.9%	11.0%
Operating income margin excl. special items and PRF ¹	8.3%	6.0%			7.9%	7.2%		
Days sales outstanding (DSO) ²					68	68		
Employees (headcount)					124,295	130,448		
Care Delivery segment								
Revenue in € million	3,873	3,822	1.3%	5.7%	7,628	7,469	2.1%	3.3%
Operating income in € million	384	433	-11.3%	-10.3%	669	731	-8.5%	-9.6%
Operating income margin	9.9%	11.3%			8.8%	9.8%		
Operating income in € million excl. special items and PRF ¹	402	287	39.6%	41.6%	704	599	17.8%	16.8%
Operating income margin excl. special items and PRF ¹	10.4%	7.5%			9.2%	8.0%		
Days sales outstanding (DSO) ²					61	60		
Care Enablement segment								
Revenue in € million	1,325	1,318	0.5%	5.7%	2,635	2,586	1.9%	4.6%
Operating income in € million	2	(11)	n.a	n.a	(23)	59	n.a	n.a
Operating income margin	0.1%	-0.8%			-0.9%	2.3%		
Operating income in € million excl. special items and PRF ¹	19	3	532.7%	600.5%	88	100	-11.7%	-12.9%
Operating income margin excl. special items and PRF ¹	1.4%	0.2%			3.3%	3.8%		
Days sales outstanding (DSO) ²					97	100		
Inter-segment eliminations ³								
Revenue in € million	(373)	(383)	-2.9%	2.5%	(734)	(750)	-2.1%	0.1%
Operating income in € million	(4)	3	n.a	n.a	(13)	(8)	91.4%	89.8%
Corporate								
Operating income in € million	(25)	(84)	-69.8%	-69.2%	(15)	(94)	-84.0%	-84.8%
Operating income in € million excl. special items and PRF ¹	(16)	(9)	79.2%	92.4%	(24)	(16)	50.6%	45.6%

¹ For a reconciliation of special items, please refer to the table on page 8.

² 2022 includes DSO as of December 31, 2022.

³ The Company transfers products between segments at fair market value. The associated internal revenues and expenses and any remaining internally generated profit or loss for the product transfers are recorded within the operating segments initially, are eliminated upon consolidation and are included within "Inter-segment eliminations".

cc = constant currency. Changes in revenue, operating income and net income attributable to shareholders of FMC AG & Co. KGaA include the impact of changes in foreign currency exchange rates. We calculate and present these financial measures using both IFRS® Accounting Standards and at constant exchange rates to show changes in these metrics and other items without giving effect to period-to-period currency fluctuations. Under IFRS Accounting Standards, amounts received in local (non-euro) currency are translated into euro at the average exchange rate for the period presented. Once we translate the local currency for the constant currency, we then calculate the change, as a percentage, of the current period using the prior period exchange rates versus the prior period. The single quarter results are calculated as the variance between the current year-to-date results less the preceding quarter's year-to-date which makes the single quarter subject to further foreign exchange fluctuation. This resulting percentage is a non-IFRS measure referring to a change as a percentage at constant currency. These currency-adjusted financial measures are identifiable by the designated term "Constant Currency".

Balance sheet

in € million, except for net leverage ratio, unaudited

June 30,

December 31,

	2023	2022
Assets		
Current assets	8,347	8,203
Goodwill and intangible assets	16,824	17,310
Right-of-use assets	3,977	4,187
Other non-current assets	5,812	6,054
Total assets	34,960	35,754
Liabilities and equity		
Current liabilities	6,624	6,467
Non-current liabilities	13,406	13,838
Total equity	14,930	15,449
Total liabilities and equity	34,960	35,754
Equity/assets ratio	43%	43%
Debt and lease liabilities		
Short-term debt from unrelated parties	901	665
Short-term debt from related parties	3	4
Current portion of long-term debt	701	694
Current portion of lease liabilities from unrelated parties	627	650
Current portion of lease liabilities from related parties	25	24
Long-term debt, less current portion	6,997	7,171
Lease liabilities from unrelated parties, less current portion	3,685	3,875
Lease liabilities from related parties, less current portion	126	130
Debt and lease liabilities included within liabilities directly associated with assets held for sale	12	—
Total debt and lease liabilities	13,077	13,213
Minus: Cash and cash equivalents ¹	(1,363)	(1,274)
Total net debt and lease liabilities	11,714	11,939
Reconciliation of annualized adjusted EBITDA and net leverage ratio to the most directly comparable IFRS financial measures		
Net income	805	895
Income tax expense	321	325
Interest income	(77)	(68)
Interest expense	392	360
Depreciation and amortization	1,700	1,718
Adjustments ²	319	320
Annualized adjusted EBITDA	3,460	3,550
Net leverage ratio	3.4	3.4

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

² 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 Türkiye (2023: -€1 M; 2022: €5 M) and the Impacts Related to the War in Ukraine (2023: -€3 M; 2022: €19 M).

Cash flow statement

in € million, unaudited

Three months ended June 30,

Six months ended June 30,

	2023	2022	2023	2022
Operating activities				
Net income	195	206	329	417
Depreciation, amortization and impairment loss	434	422	872	842
Change in trade accounts and other receivables from unrelated parties	326	177	(80)	(56)
Change in inventories	(22)	(56)	(111)	(118)
Change in other working capital and non-cash items	74	2	140	(175)
Net cash provided by (used in) operating activities	1,007	751	1,150	910
In percent of revenue	20.9%	15.8%	12.1%	9.8%
Investing activities				
Purchases of property, plant and equipment and capitalized development costs	(155)	(172)	(298)	(334)
Proceeds from sale of property, plant and equipment	0	3	2	5
Capital expenditures, net	(155)	(169)	(296)	(329)
Free cash flow	852	582	854	581
In percent of revenue	17.7%	12.2%	9.0%	6.2%
Acquisitions and investments, net of cash acquired, and purchases of intangible assets	(10)	(24)	(14)	(61)
Investments in debt securities	(17)	(43)	(63)	(86)
Proceeds from divestitures	13	26	25	40
Proceeds from sale of debt securities	36	13	51	27
Free cash flow after investing activities	874	554	853	501

Revenue development by segment

in € million, unaudited	2023	2022	Change	Change at cc	Organic growth	Same market treatment growth ¹
Three months ended June 30,						
Total revenue	4,825	4,757	1.4%	6.0%	6.3%	
Care Delivery segment	3,873	3,822	1.3%	5.7%	6.2%	0.3%
Thereof: U.S.	3,120	3,066	1.7%	3.7%	4.0%	-0.1%
Thereof: International	753	756	-0.3%	14.0%	14.9%	0.9%
Care Enablement segment	1,325	1,318	0.5%	5.7%	5.7%	
Inter-segment eliminations	(373)	(383)	-2.9%	2.5%		
Six months ended June 30,						
Total revenue	9,529	9,305	2.4%	3.9%	4.4%	
Care Delivery segment	7,628	7,469	2.1%	3.3%	3.9%	0.2%
Thereof: U.S.	6,123	5,996	2.1%	0.9%	1.6%	-0.1%
Thereof: International	1,505	1,473	2.2%	12.9%	13.6%	0.7%
Care Enablement segment	2,635	2,586	1.9%	4.6%	4.6%	
Inter-segment eliminations	(734)	(750)	-2.1%	0.1%		

¹ Same market treatment growth = organic growth less price effects

Reconciliation of health care services and health care products revenue to new segments

in € million, unaudited	2023			Total	2022			Total
	Care Delivery segment	Care Enablement segment	Inter-segment eliminations		Care Delivery segment	Care Enablement segment	Inter-segment eliminations	
Three months ended June 30,								
Health care services revenue	3,829	—	—	3,829	3,782	—	—	3,782
Health care products revenue	44	952	—	996	40	935	—	975
Inter-segment revenue	—	373	(373)	—	—	383	(383)	—
Revenue	3,873	1,325	(373)	4,825	3,822	1,318	(383)	4,757
Six months ended June 30,								
Health care services revenue	7,541	—	—	7,541	7,389	—	—	7,389
Health care products revenue	87	1,901	—	1,988	80	1,836	—	1,916
Inter-segment revenue	—	734	(734)	—	—	750	(750)	—
Revenue	7,628	2,635	(734)	9,529	7,469	2,586	(750)	9,305



Key metrics Care Delivery segment

unaudited

Six months ended June 30, 2023

	Clinics	Growth in % yoy	Net change in clinics ¹	Patients	Growth in % yoy	Treatments	Growth in % yoy
Total	4,050	-3%	(66)	344,086	0%	25,812,988	0%
Thereof: U.S.	2,634	-2%	(37)	206,692	0%	15,525,016	0%
Thereof: International	1,416	-4%	(29)	137,394	-1%	10,287,972	-1%

¹ Net change in clinics (acquired, de novo, combined, closed and sold) in comparison to December 31, 2022.

yoy = year-on-year

Reconciliation of non-IFRS financial measures to the most directly comparable IFRS financial measures for comparability with the Company's outlook

in € million, except share data, unaudited	Special items						Results 2023 excl. special items	Special items						Results excl. special items and PRF			
	Results 2023	FME25 Program	Legal Form Conversion Costs	Legacy Portfolio Optimization ¹	Humacyte Investment Remeasurement	Sum of special items		Results 2022	FME25 Program	Humacyte Investment Remeasurement	Ukraine War ²	Hyper-inflation in Turkiye	Provider Relief Funding (PRF)	Sum of special items and PRF	Results 2022 excl. special items and PRF	Change	Change at cc
Three months ended June 30,																	
Total revenue	4,825					—	4,825	4,757						—	4,757	1.4%	6.0%
EBITDA	791	14	5	11	4	34	825	763	21	75	2	6	(161)	(57)	706	16.8%	19.4%
Total operating income	357	25	5	10	4	44	401	341	21	75	2	6	(161)	(57)	284	41.3%	43.5%
Care Delivery segment	384	8	—	10	—	18	402	433	13	—	2	0	(161)	(146)	287	39.6%	41.6%
Care Enablement segment	2	17	—	0	—	17	19	(11)	8	—	0	6	—	14	3	532.7%	600.5%
Inter-segment eliminations	(4)	—	—	—	—	—	(4)	3	—	—	—	—	—	—	3	n.a.	n.a.
Corporate	(25)	0	5	—	4	9	(16)	(84)	—	75	—	—	—	75	(9)	79.2%	92.4%
Interest expense, net	81					—	81	72						—	72	12.5%	14.1%
Income tax expense	81	5	1	2	1	9	90	63	6	20	—	—	(42)	(16)	47	94.9%	97.4%
Net income attributable to noncontrolling interests	55	—	—	0	—	—	55	59	—	—	—	—	(10)	(10)	49	10.5%	12.0%
Net income³	140	20	4	8	3	35	175	147	15	55	2	6	(109)	(31)	116	50.9%	53.6%
Basic earnings per share	€0.48	€0.07	€0.01	€0.02	€0.01	€0.11	€0.59	€0.50	€0.05	€0.19	€0.01	€0.02	€(0.38)	€(0.11)	€0.39	50.7%	53.5%
Six months ended June 30,																	
Total revenue	9,529					—	9,529	9,305						—	9,305	2.4%	3.9%
EBITDA	1,490	36	7	71	(15)	99	1,589	1,530	49	78	23	6	(177)	(21)	1,509	5.3%	5.0%
Total operating income	618	51	7	94	(15)	137	755	688	57	78	23	6	(177)	(13)	675	11.9%	11.0%
Care Delivery segment	669	24	—	11	—	35	704	731	35	—	10	0	(177)	(132)	599	17.8%	16.8%
Care Enablement segment	(23)	28	—	83	—	111	88	59	22	—	13	6	—	41	100	-11.7%	-12.9%
Inter-segment eliminations	(13)	—	—	—	—	—	(13)	(8)	—	—	—	—	—	—	(8)	91.4%	89.8%
Corporate	(15)	(1)	7	—	(15)	(9)	(24)	(94)	—	78	—	—	—	78	(16)	50.6%	45.6%
Interest expense, net	163					—	163	141						—	141	16.0%	14.4%
Income tax expense	126	11	2	25	(4)	34	160	130	17	21	3	—	(48)	(7)	123	31.1%	30.1%
Net income attributable to noncontrolling interests	102	—	—	1	—	1	103	112	—	—	—	—	(14)	(14)	98	3.7%	2.5%
Net income³	227	40	5	68	(11)	102	329	305	40	57	20	6	(115)	8	313	5.2%	4.6%
Basic earnings per share	€0.77	€0.14	€0.02	€0.23	€(0.04)	€0.35	€1.12	€1.04	€0.14	€0.19	€0.07	€0.02	€(0.39)	€0.03	€1.07	5.1%	4.5%

¹ Costs mainly comprise the derecognition of capitalized development costs and the impairment of intangible assets (licenses and distribution rights) as well as termination costs (including certain contractual obligation expenses) related to a dialysis cyclor development program which was discontinued in Q1 2023 and other expenses related to a divestiture agreed upon in Q2 2023.

² Bad debt expense in Russia and Ukraine and accruals for certain risks associated with allowances on inventories related to the Ukraine War.

³ Attributable to shareholders of FMC AG & Co. KGaA

	Results 2022	Outlook 2023 (at Constant Currency)
Revenue ¹	€19,398 M	low to mid-single digit percentage rate growth flat to low-single digit percentage rate decline
Operating income ¹	€1,540 M	(initially: flat to high-single digit percentage rate decline)

¹ Outlook 2023 is based on the assumptions outlined in the earnings release for the fourth quarter and full year of 2022 and excludes special items. Special items include costs related to the FME25 program, Legal Form Conversion Costs, Legacy Portfolio Optimization, Humacyte Investment Remeasurement and other effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance. The growth rates are based on the results 2022 excluding the costs related to the FME25 program (€204 M for operating income), Net Gain Related to InterWell Health (-€56 M for operating income), Humacyte Investment Remeasurement (€103 M for operating income), Hyperinflation in Türkiye (€5 M for operating income) and the Impacts Related to the War in Ukraine (€49 M for operating income). Additionally, the results 2022 were adjusted for the Provider Relief Funding (-€277 M for operating income).