

Analyst Presentation

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CEO & Chair of the Management Board

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CFO

July 30, 2024

Q2 2024

IR Conference Call

Safe harbor statement: In this Safe harbor statement, “the Company” and “Fresenius Medical Care” refer to Fresenius Medical Care AG & Co. KGaA, a German partnership limited by shares, prior to its conversion of legal form, and to Fresenius Medical Care AG, a German stock corporation, after its conversion of legal form. 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 the Company’s Annual Report on Form 20-F under the headings “Forward-Looking Statements” and “Risk Factors” and under the headings in that report referred to therein, and in the Company’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 refers to the net income attributable to the shareholders of Fresenius Medical Care. Amounts are in Euro if not mentioned otherwise.

Implementation of measures as presented herein may be subject to information and 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.



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

Q2 2024 Highlights | Improving our financial performance while executing against our strategic plan and company transformation

Care Delivery



- Treatment volume growth remains muted driven by continued elevated mortality levels
- Growing U.S. value-based care business with slightly improved profitability compared to prior year
- Divestitures in CD International executed at pace
- Continued focus on driving operational excellence
- CMS ESRD PPS 2025 draft rule is expected to result in a 2.1% reimbursement increase

Care Enablement



- Continued momentum of pricing initiatives
- Introduction of Volume Based Procurement in first provinces in China
- Progress on FME25 savings
- Optimization of manufacturing and supply chain footprint remain in focus
- First 5008x treatment performed in the U.S.

Q2 2024 | Key developments at Group level

- Organic revenue growth of +2.3% supported by both segments Care Delivery and Care Enablement
- Operating income¹ and operating income margin¹ increase driven by Care Enablement
- Additional FME25 savings of EUR 57 million achieved and on track to reach the upper end of the full year savings target range
- Net financial debt and net leverage ratio improved
- First recognition of virtual Power Purchase Agreements (vPPA) slightly benefit operating income by around EUR 6 million
- FY 2024 outlook confirmed

q2
2024

¹ At constant currency, adjusted for special items and divestments closed in 2023. Reconciliation table for special items, 2023 divestitures and Fx (2024 outlook base), to reported growth rates: page 19



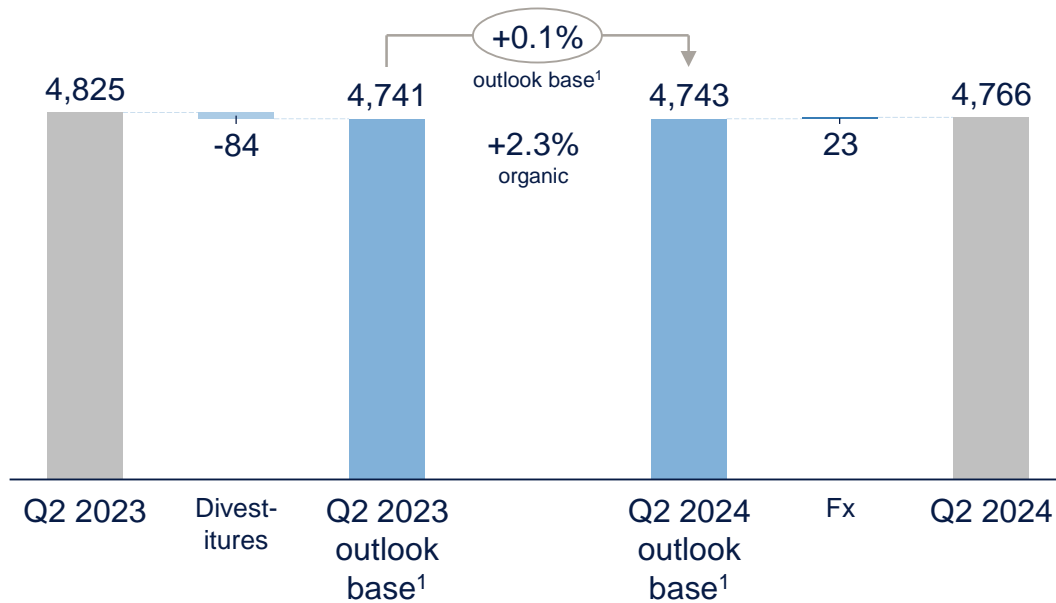
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Q2 2024 | Revenue development driven by solid organic growth

Revenue | outlook base¹

in € million

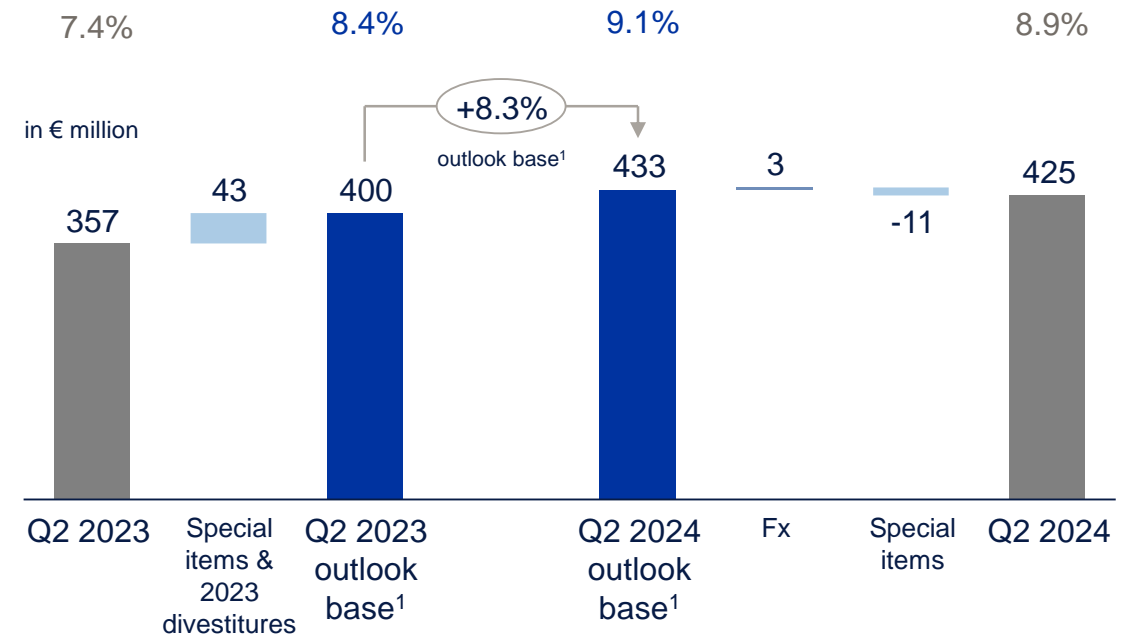


Revenue growth¹

- Solid organic revenue growth with growth contributions from both segments
- Divestitures realized during the second quarter negatively impacted development on outlook base by approx. 170 bps.

Operating income | outlook base¹

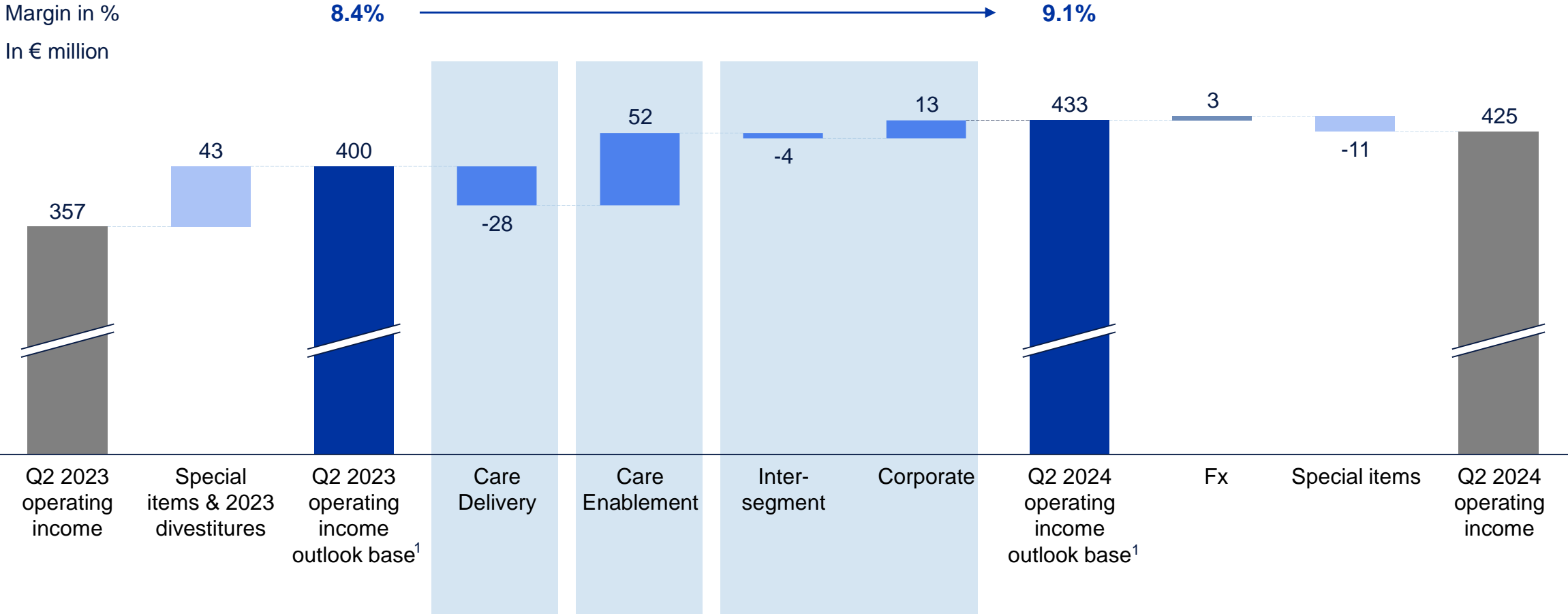
Margin in %



- Group operating margin improvement driven by Care Enablement
- Special items include legacy portfolio optimization costs, FME25 related costs and positive effects from Humacyte remeasurements
- Divestitures realized during the second quarter had a neutral effect on operating income

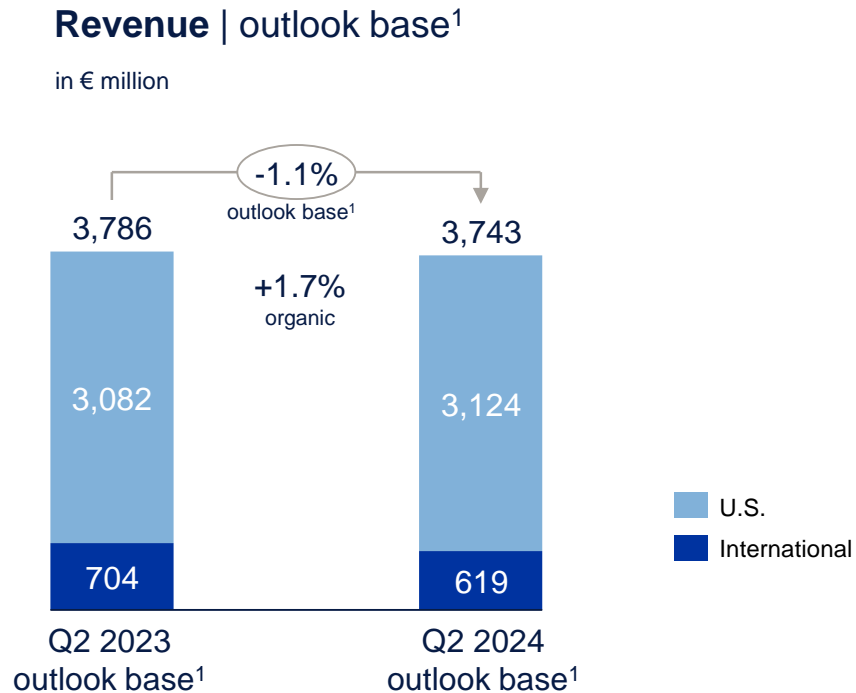
¹ At constant currency, adjusted for special items and divestments closed in 2023. Reconciliation table for special items, 2023 divestitures and Fx (2024 outlook base), to reported growth rates: page 19

Q2 2024 | Operating margin improvement driven by Care Enablement

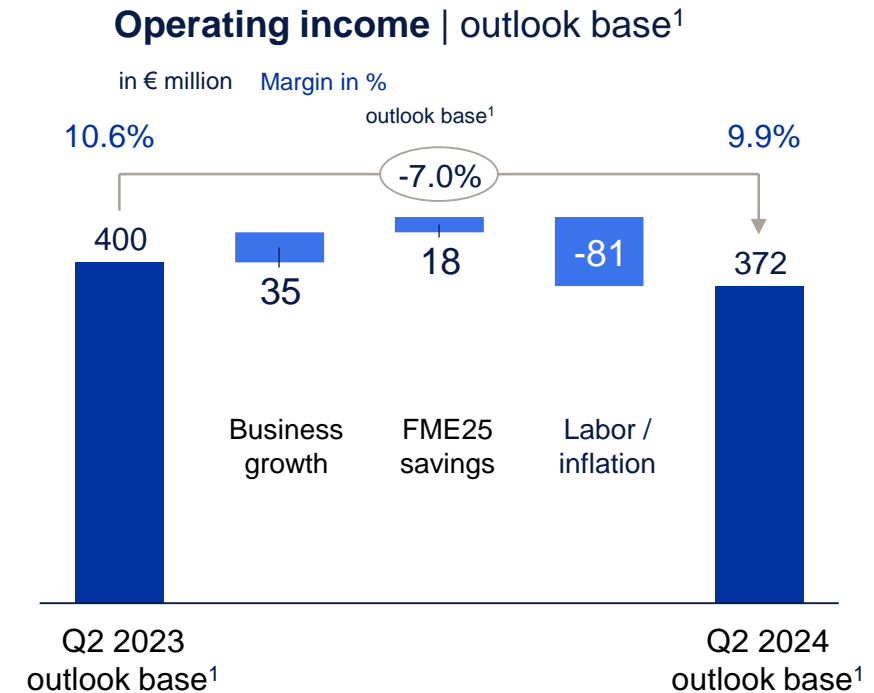


¹ At constant currency, adjusted for special items and divestments closed in 2023. Reconciliation table for special items, 2023 divestitures and Fx (2024 outlook base): page 19

Q2 2024 | Care Delivery with organic growth despite flat U.S. volumes



- U.S. revenue development driven by a growing value-based care business, reimbursement rate increases and a favorable payor mix
- Elevated mortality continued to weigh on U.S. same market treatment growth
- Divestitures realized during the second quarter negatively impacted revenue development on outlook base by approx. 240 bps



- Earnings development as expected mainly impacted by higher personnel expenses and inflationary cost increases
- Business growth and savings from the FME25 program contributed positively

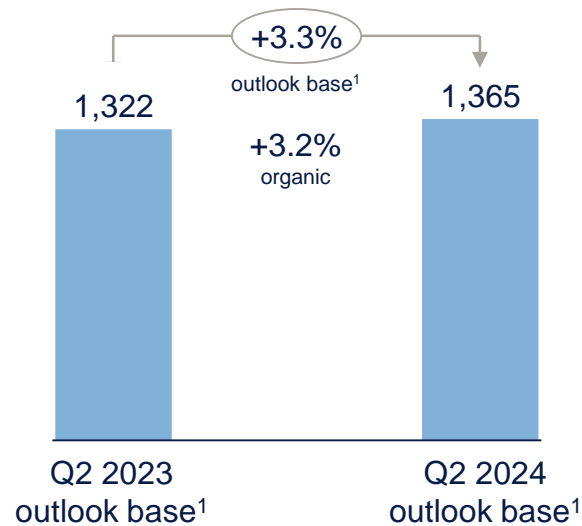
In Q2 2024, revenue was EUR 3,771 million, operating income was EUR 332 million. In Q2 2023, revenue was EUR 3,873 million, operating income was EUR 384 million.

¹ At constant currency, adjusted for special items and divestments closed in 2023. Reconciliation table for special items, 2023 divestitures and Fx (2024 outlook base), to reported growth rates: page 19

Q2 2024 | Care Enablement delivers on margin expansion

Revenue | outlook base¹

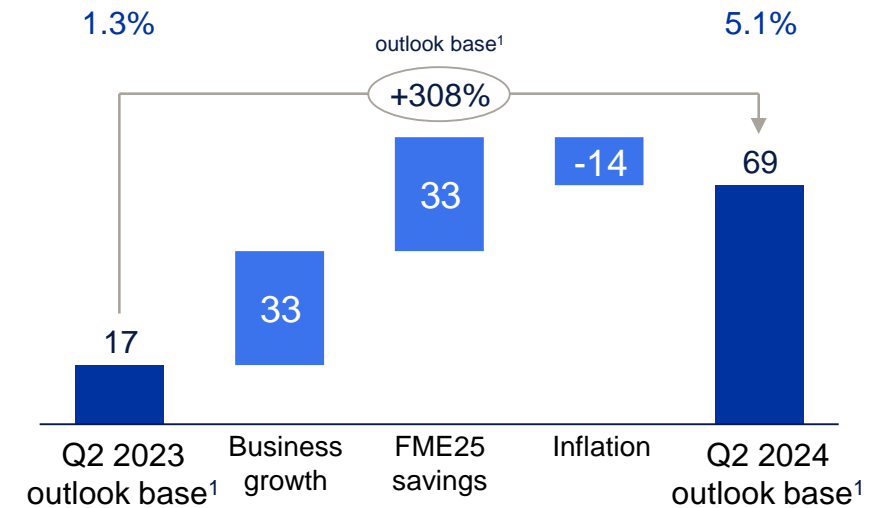
in € million



- Solid revenue growth in Q2 as positive pricing momentum continues

Operating income | outlook base¹

in € million Margin in %



- Strong increase driven by business growth, mainly through positive price development
- Savings from the FME25 program well compensated inflationary cost increases and a negative impact from foreign currency transaction

In Q2 2024, revenue was EUR 1,363 million, operating income was EUR 68 million. In Q2 2023, revenue was EUR 1,325 million, operating income was EUR 2 million.

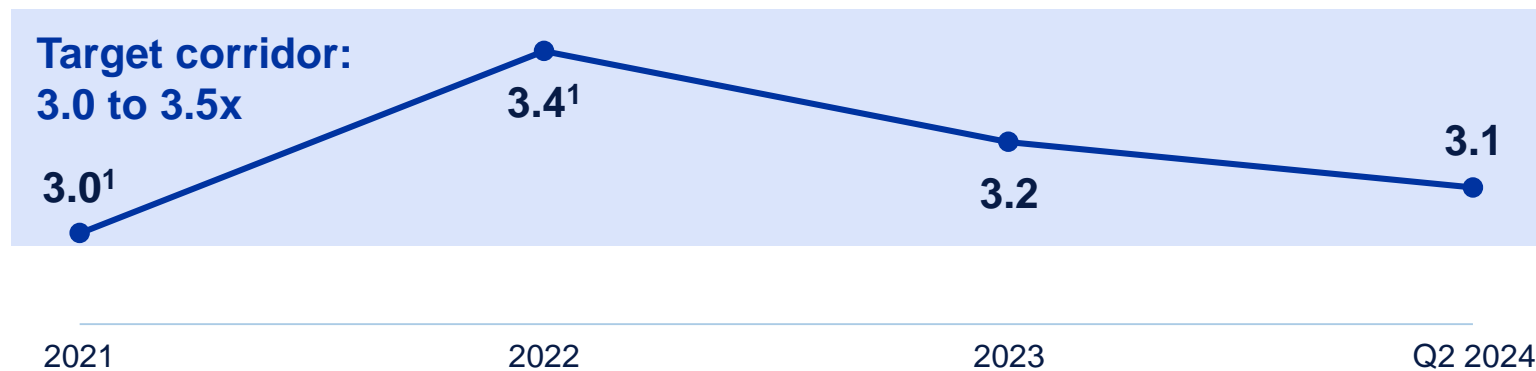
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Q2 2024 | Lower net financial debt and further improved net leverage ratio

in € million

	Q2 2024	Q2 2023	H1 2024	H1 2023
Operating cash flow	442	1,007	570	1,150
▪ Capital expenditures, net	-153	-155	-283	-296
Free cash flow	289	852	287	854
▪ Free cash flow after investing activities	765	874	824	853
Total net debt and lease liabilities	10,658	11,714	10,658	11,714

Net leverage ratio (Net debt/EBITDA)



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

Key developments in Q2 2024

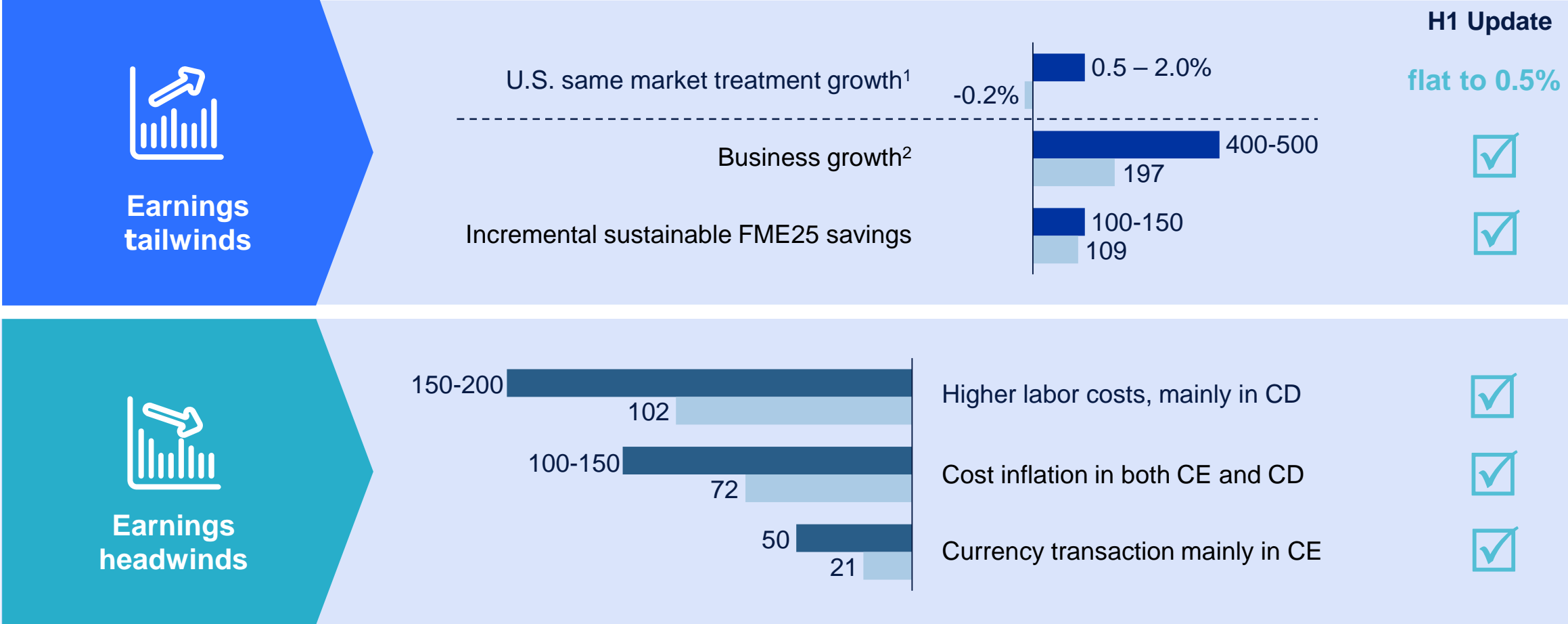
- Operating cash flow decreased by 56%, negatively impacted by
 - EUR 407 million primarily as a result of changing vendors post the cyber incident at Change Healthcare; cash impact expected to be recovered in Q3
 - phasing of federal income tax payments in the U.S.
- Divestment proceeds of EUR 0.5bn mainly used to deleverage in line with disciplined financial policy
- Dividend payment in Q2 2024
- Total debt and lease liabilities (EUR 11.8bn) as well as total net debt and lease liabilities (EUR 10.7bn) decreased significantly compared to Q2 2023



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Outlook | FY 2024 assumptions



In EUR million, except same market treatment growth; all changes year-over-year; FY 2024 assumptions as published on Feb 20, 2024
 1 Adjusted for the exit from less profitable acute care contracts (-0.3% in H1 2024); 2 Business growth excludes impact from foreign currency transactions

- FY 2024 assumptions
- H1 2024 achievements
- ☑ Unchanged

FY 2024 | Outlook confirmed

FY 2024 Outlook

Revenue
(outlook base)¹

Low- to mid-single digit
percent growth

FY 2023 basis: EUR 19.0bn

Operating income
(outlook base)¹

Mid- to high-teens
percent growth

FY 2023 basis: EUR 1.54bn

Mid-term Outlook

Group operating income margin
10% to 14% by 2025

Revenue and operating income, as referred to in the outlook, are both on a constant currency basis, excluding special items, the business impact from closed divestitures in 2023 and settlement agreement with the U.S. government in 2023 (Tricare). Special items will be provided as separate KPI (“Revenue (outlook base)”, “Operating income (outlook base)”) to capture effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of providing the outlook. These items are excluded to ensure comparability of the figures presented with the Company’s financial targets which have been defined excluding special items. See page 19 for reconciliation table for special items.

All changes year-over-year



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Your questions are welcome.

Appendix



Q2 2024 | Profit and Loss

	Q2 2024 € million	Q2 2023 € million	Growth in %	Growth in % cc
Revenue	4,766	4,825	-1	-2
Revenue (outlook base) ¹	4,743	4,741		0
Operating income	425	357	19	21
<i>Operating income margin in %</i>	<i>8.9</i>	<i>7.4</i>		
Operating income (outlook base) ¹	433	400		8
<i>Operating income margin (outlook base)¹ in %</i>	<i>9.1</i>	<i>8.4</i>		
Net interest expense	85	81	6	4
Income before taxes	340	276	23	25
Income tax expense	99	81	22	28
<i>Tax rate in %</i>	<i>29.1</i>	<i>29.3</i>		
Non-controlling interest	54	55	-2	-3
Net income	187	140	33	34
Net income (outlook base) ¹	207	176		18

1: Reconciliation table for special items, 2023 divestitures and Fx (2024 outlook base), reported growth rates: page 19 | cc = at constant currency

H1 2024 | Profit and Loss

	H1 2024 € million	H1 2023 € million	Growth in %	Growth in % cc
Revenue	9,491	9,529	0	0
Revenue (outlook base) ¹	9,565	9,360		2
Operating income	671	618	9	10
<i>Operating income margin in %</i>	<i>7.1</i>	<i>6.5</i>		
Operating income (outlook base) ¹	849	738		15
<i>Operating income margin (outlook base)¹ in %</i>	<i>8.9</i>	<i>7.9</i>		
Net interest expense	174	163	6	7
Income before taxes	497	455	9	11
Income tax expense	139	126	10	14
<i>Tax rate in %</i>	<i>28.0</i>	<i>27.7</i>		
Non-controlling interest	100	102	-1	-1
Net income	258	227	14	15
Net income (outlook base) ¹	405	322		26

1: Reconciliation table for special items, 2023 divestitures and Fx (2024 outlook base), reported growth rates: page 20 | cc = at constant currency

2023 base for 2024 targets, reconciliation adjustments

Reconciliation of non-IFRS financial measures to the most directly comparable IFRS financial measures for comparison with outlook

€ million	Group			Care Delivery			Care Enablement			Corporate		Inter-segment eliminations	
	Q2 2024	Q2 2023	Growth rate	Q2 2024	Q2 2023	Growth rate	Q2 2024	Q2 2023	Growth rate	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Revenue	4,766	4,825	-1%	3,771	3,873	-3%	1,363	1,325	3%	--	--	-368	-373
Divestitures (NCP, Argentina)	--	-84		--	-87		--	-3		--	--	--	6
Revenue excl. 2023 divestitures	4,766	4,741		3,771	3,786		1,363	1,322		--	--	-368	-367
Foreign currency translation	-23	--		-28	--		2	--		--	--	3	--
Revenue (outlook base)	4,743	4,741	0%	3,743	3,786	-1%	1,365	1,322	3%	--	--	-365	-367
Operating Income	425	357	19%	332	384	-14%	68	2	4309%	30	-25	-5	-4
FME25 program	40	25		16	8		24	17		0	0	--	--
Humacyte remeasurements	-46	4		--	--		-12	--		-34	4	--	--
Legacy portfolio optimization	15	10		28	10		-11	0		1	--	-3	--
Legal form conversion costs	2	5		--	--		0	--		2	5	--	--
Divestitures (NCP, Argentina)	--	-1		--	-2		--	-2		--	3	--	--
<i>Sum of special items & divestitures</i>	<i>11</i>	<i>43</i>		<i>44</i>	<i>16</i>		<i>1</i>	<i>15</i>		<i>-31</i>	<i>12</i>	<i>-3</i>	<i>--</i>
Operating income excl. special items and 2023 divestitures	436	400		376	400		69	17		-1	-13	-8	-4
Foreign currency translation	-3	--		-4	--		0	--		1	--	0	--
Operating income (outlook base)	433	400	8%	372	400	-7%	69	17	308%	0	-13	-8	-4

2023 base for 2024 targets, reconciliation adjustments

Reconciliation of non-IFRS financial measures to the most directly comparable IFRS financial measures for comparison with outlook

€ million	Group			Care Delivery			Care Enablement			Corporate		Inter-segment eliminations	
	H1 2024	H1 2023	Growth rate	H1 2024	H1 2023	Growth rate	H1 2024	H1 2023	Growth rate	H1 2024	H1 2023	H1 2024	H1 2023
Revenue	9,491	9,529	0%	7,559	7,628	-1%	2,660	2,635	1%	--	--	-728	-734
Divestitures (NCP, Argentina)	--	-169		--	-173		--	-10		--	--	--	14
Revenue excl. 2023 divestitures	9,491	9,360		7,559	7,455		2,660	2,625		--	--	-728	-720
Foreign currency translation	74	--		43	--		35	--		--	--	-4	--
Revenue (outlook base)	9,565	9,360	2%	7,602	7,455	2%	2,695	2,625	3%	--	--	-732	-720
Operating Income	671	618	9%	521	669	-22%	138	-23	n.a.	17	-15	-5	-13
FME25 program	67	51		27	24		40	28		0	-1	--	--
Humacyte remeasurements	-61	-15		--	--		-22	--		-39	-15	--	--
Legacy portfolio optimization	158	94		175	11		-11	83		0	--	-6	--
Legal form conversion costs	3	7		--	--		0	--		3	7	--	--
Divestitures (NCP, Argentina)	--	-17		--	-17		--	-6		--	6	--	--
<i>Sum of special items & divestitures</i>	<i>167</i>	<i>120</i>		<i>202</i>	<i>18</i>		<i>7</i>	<i>105</i>		<i>-36</i>	<i>-3</i>	<i>-6</i>	<i>--</i>
Operating income excl. special items and 2023 divestitures	838	738		723	687		145	82		-19	-18	-11	-13
Foreign currency translation	11	--		6	--		4	--		0	--	1	--
Operating income (outlook base)	849	738	15%	729	687	6%	149	82	81%	-19	-18	-10	-13

Debt

	Q2 2024 € million	FY 2023 € million	FY 2022 € million
Debt			
Short-term debt from unrelated parties	322	457	644
+ Short-term debt from related parties	-	-	4
+ Current portion of long-term debt	481	487	694
+ Current portion of lease liabilities from unrelated parties	592	593	650
+ Current portion of lease liabilities from related parties	25	24	24
+ Long-term debt, less current portion	6,854	6,960	7,171
+ Lease liabilities from unrelated parties, less current portion	3,378	3,419	3,875
+ Lease liabilities from related parties, less current portion	101	110	130
+ Debt and lease liabilities included within liabilities directly associated with assets held for sale	17	137	-
Total debt and lease liabilities	11,770	12,187	13,192
- Cash and cash equivalents ¹	-1,112	-1,427	-1,274
Total net debt and lease liabilities	10,658	10,760	11,918

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

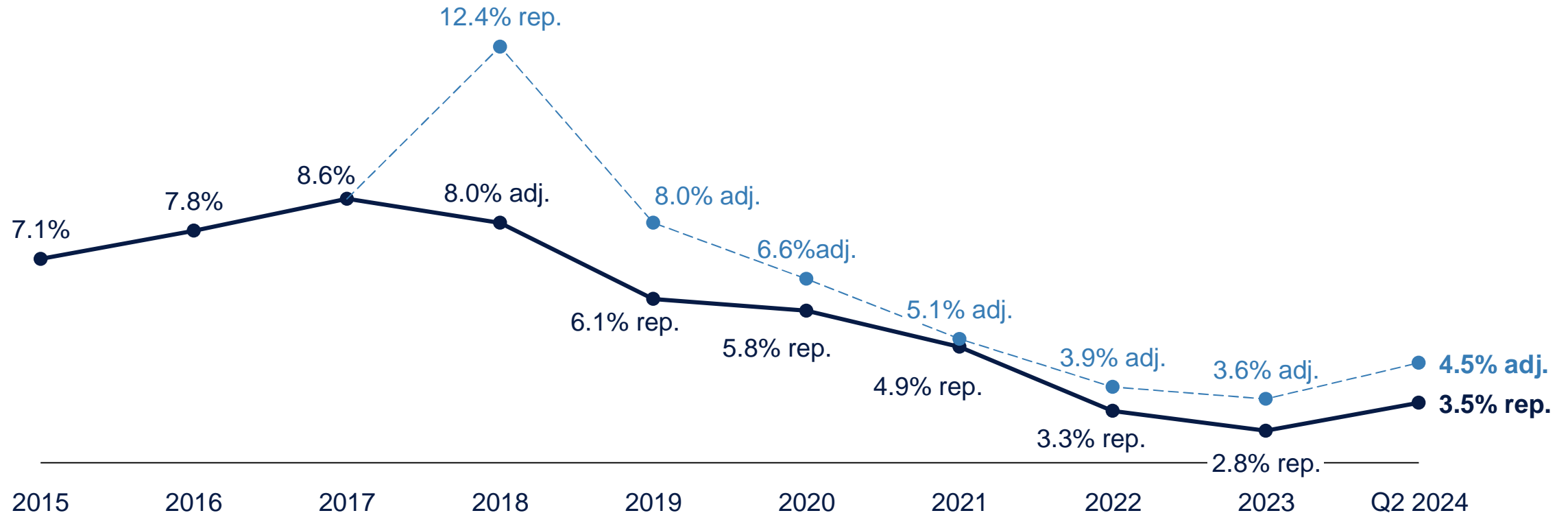
EBITDA

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

	LTM Q2 2024 € million	FY 2023 € million	FY 2022 € million
Net income	762	732	895
+ Income tax expense	314	301	325
– Interest income	-85	-88	-68
+ Interest expense	432	424	360
+ Depreciation and amortization	1,566	1,613	1,718
+ Adjustments ¹	423	409	320
Adjusted EBITDA	3,412	3,391	3,550
Net leverage ratio (Net debt/EBITDA)	3.1	3.2	3.4

¹ 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 (2024: -€49 M; 2023: -€35 M), non-cash charges, primarily related to pension expense (2024: €57 M; 2023: €56 M), impairment loss (2024: €213 M; 2023: €139 M) and special items, including costs related to the FME25 Program (2024: €128 M; 2023: €106 M), Legal Form Conversion Costs (2024: €27 M; 2023: €30 M), Legacy Portfolio Optimization (2024: €108 M; 2023: €128 M) and Humacyte Remeasurements (2024: -€61 M; 2023: -€15 M).
LTM = Last Twelve Months

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 and 2024 adjusted for the effects of the FME25 program, Legal Form Conversion Costs, Legacy Portfolio Optimization and Humacyte Remeasurements

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

Exchange rates

		Q2 2024	FY 2023	FY 2022
€:USD	Period end	1.071	1.105	1.067
	Average	1.081	1.081	1.053
€:CNY	Period end	7.775	7.851	7.358
	Average	7.801	7.660	7.079
€:RUB	Period end	92.066	100.215	78.138
	Average	98.160	92.461	73.365
€:BRL	Period end	5.892	5.362	5.639
	Average	5.492	5.401	5.440

U.S. dialysis days per quarter

	Q1	Q2	Q3	Q4	Full year
2024	78	78	79	79	314
2023	77	78	79	78	312
2022	77	78	79	79	313

Definitions

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

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



	Q2 2024	Q1 2024
Quality index	81%	81%
Dialysis effectiveness	94%	94%
Vascular access	77%	77%
Anemia management	72%	72%

Patients, treatments, clinics

	as of June 30, 2024			as of June 30, 2023		
	Patients	Treatments	Clinics	Patients	Treatments	Clinics
United States	206,306	15,412,884	2,628	206,692	15,525,016	2,634
Growth in %	0	-1	0			
International	104,731	8,706,925	1,129	137,394	10,287,972	1,416
Growth in %	-24	-15	-20			
Total	311,037	24,119,809	3,757	344,086	25,812,988	4,050
Growth in %	-10	-7	-7			

IR event calendar

	Date	Event
Reporting	November 5, 2024	Report on 3 rd quarter 2024: Earnings Release and Conference Call (Quiet Period Oct 22 – Nov 4,2024)
	February 25, 2025	Report on 4 th quarter / Full Year 2024: Earnings Release and Conference Call (Quiet Period Jan 28 – Feb 02, 2025)
Conferences & Roadshows	September 3, 2024	Commerzbank / ODDO BHF Corporate Conference 2024, Frankfurt
	September 4, 2024	Goldman Sachs Annual European MedTech & Healthcare Services Conference, London
	September 4, 2024	Morgan Stanley Global Healthcare Conference, New York
	September 5, 2024	IR Roadshow, Milan
	September 9, 2024	Citi Group Investor Call
	September 10, 2024	J.P. Morgan European Healthcare CEO Call Series
	September 16, 2024	IR Expert Call on HDF
	September 23-24, 2024	Berenberg & Goldman Sachs German Corporate Conference, Munich
	September 25, 2024	Bernstein 20th Pan European Annual Strategic Decisions Conference, London
	September 27, 2024	Jefferies virtual CEO “Back to School Series”
	November 6, 2024	Q3 2024 CEO Roadshow, London
	November 12-13, 2024	UBS Flagship European Conference, London
November 12-14, 2024	Q3 2024 CFO Roadshow, U.S.	

Dates and/or participation might be subject to change

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