

Helen Giza

CEO & Chair of the Management Board

February 20, 2024

Annual Press Conference 2024

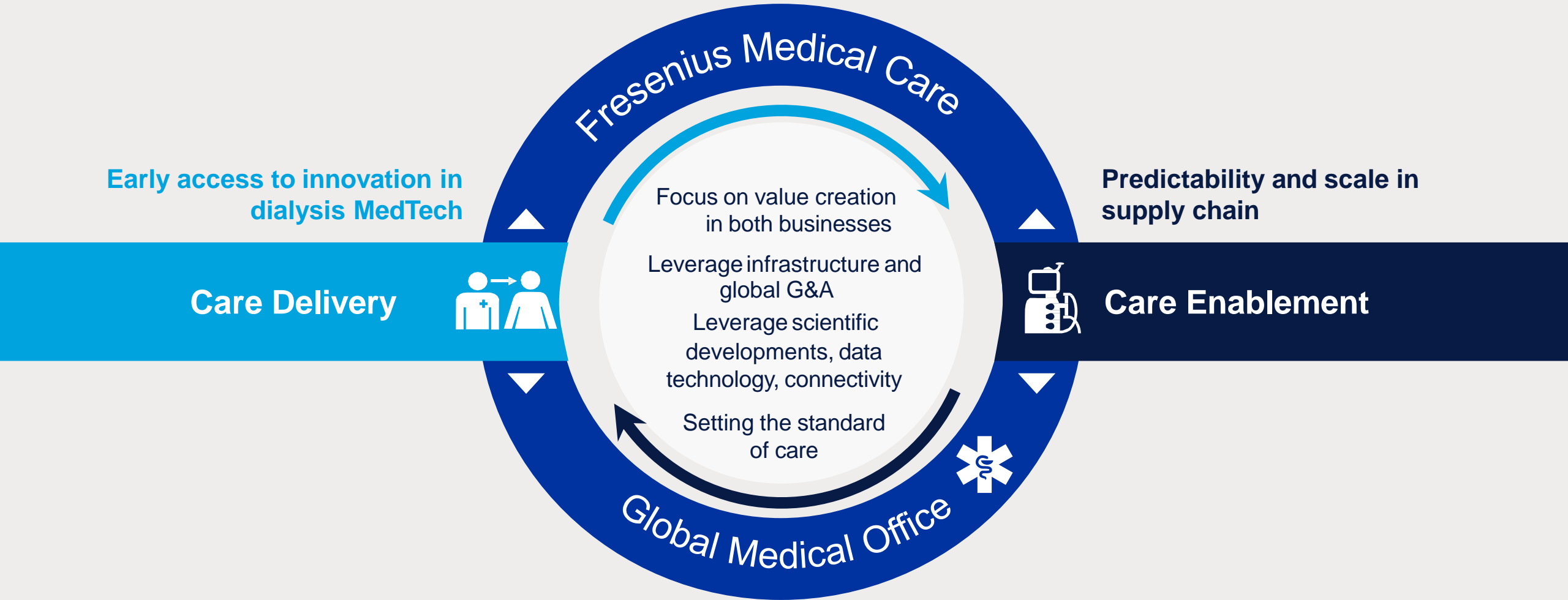


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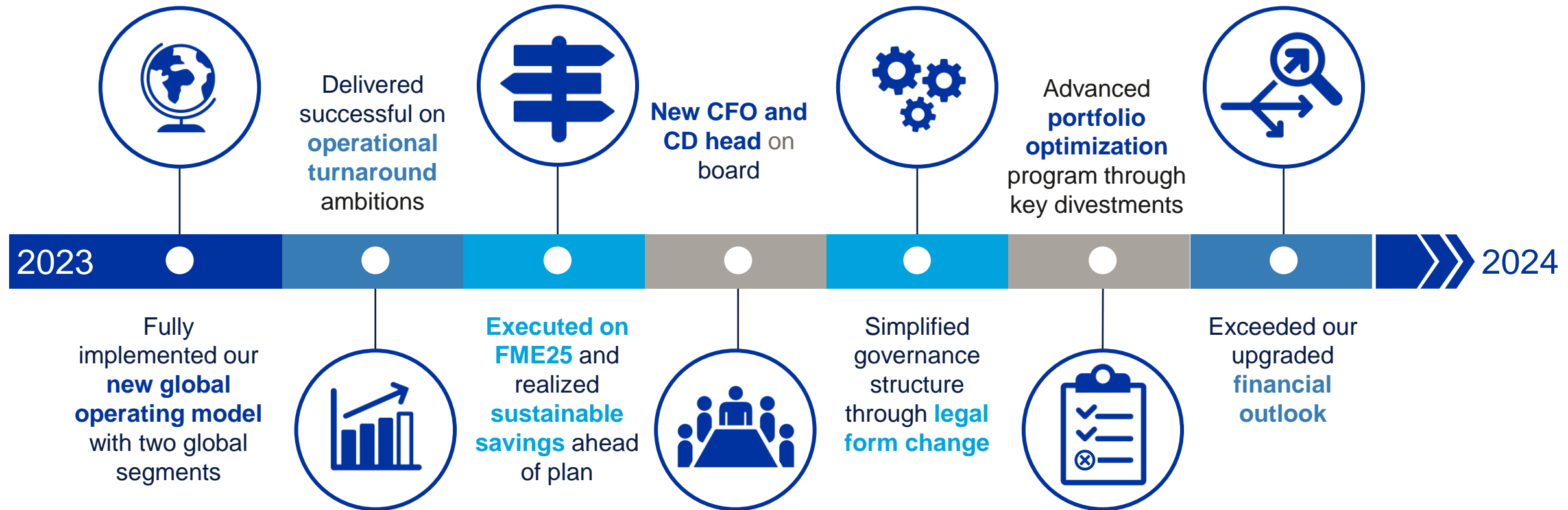
Achievements

“We delivered
against our plan”

Care Delivery and Care Enablement: we successfully implemented our new global operating model



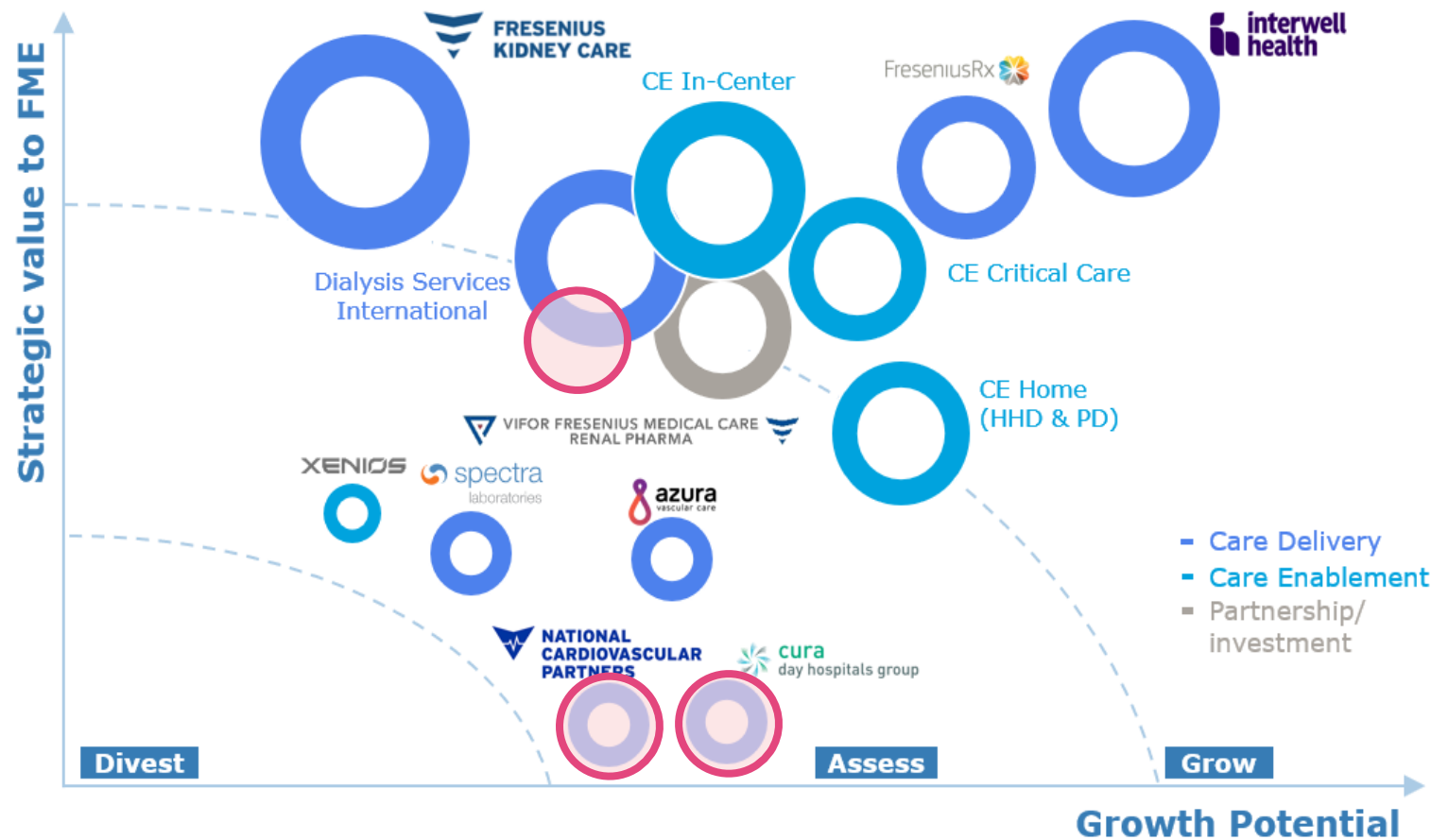
2023 at a glance: we delivered on our commitments in a year of fundamental transformation



- Solid revenue growth at constant currency at top end of outlook
- Organic growth mainly driven by favorable business development
- Operating income (guidance base) exceeding top end of raised outlook thanks to business growth, realized FME25 savings ahead of plan and the Tricare settlement
- Successful execution on turnaround plan driving labor productivity improvements in Care Delivery and positive pricing in Care Enablement
- Simplified governance structure through legal form change
- Several key divestments announced as part of ongoing portfolio optimization
- Cash flow strongly improved; net leverage ratio reduced to 3.2x
- Continued progress towards Sustainability goals



Portfolio optimization: we made remarkable progress and announced key divestments of non-core and dilutive assets



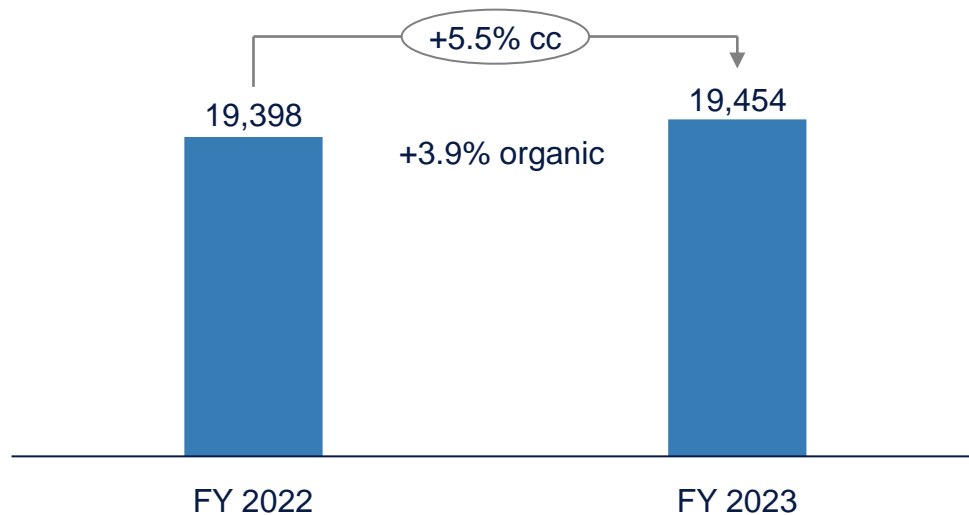
- Closed divestments
 - CD and CE operations in Argentina
 - CD operations in Hungary
 - National Cardiovascular Partners (NCP), U.S.
- Announced divestments
 - CD operations in Sub-Saharan Africa
 - Cura day hospital group, Australia
 - CD operations in Türkiye

Note: Axes are non-linear, indicative only; divestment in Hungary executed as part of FME25 program; divestment of Cura is subject to regulatory approval

Group performance in 2023: our revenue growth driven by favorable business development

Revenue | guidance base¹

in € million

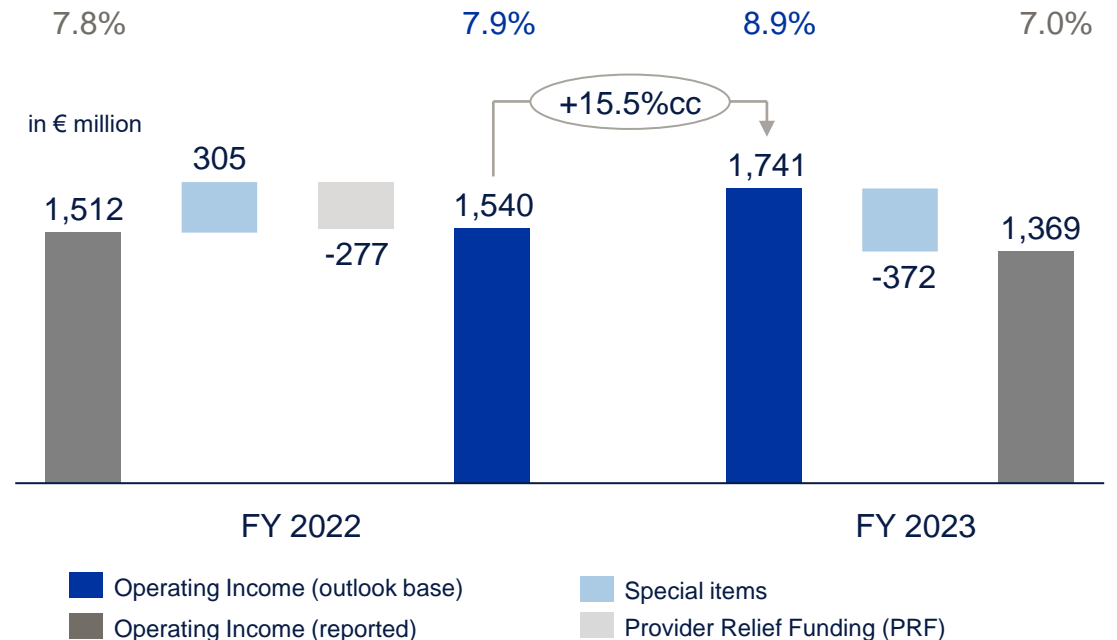


Organic growth

- in Care Delivery driven by value-based care business growth and higher price
- in Care Enablement driven by higher volume and price

Operating income | guidance base¹

Margin in %



- Earnings growth driven by improved business development, realized FME25 savings, the Tricare settlement and improved labor productivity in CD
- Earnings diluted by cost inflation and Fx transaction losses in CE

¹ FY 2023 €1,778 million Operating Income at cc (outlook base); reconciliation table for special items (outlook base) | cc = at constant currency



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Our Financials

“Laying the foundation for sustainable profitable growth”



Deleveraging

- Committed to investment grade rating and to manage net financial leverage within self-imposed range of 3.0x to 3.5x. Reduced ratio from 3.4x to 3.2x.
- Proceeds from divestments and received Tricare settlement payment used for ongoing deleveraging



Shareholder return

- Proposed dividend¹ of 1.19 Euro (+6% Y/Y) per share in line with¹ dividend policy



Focused investments

- Focus on organic growth in core portfolio
- Stringent and disciplined management of investments
- Ambition to double ROIC by 2025

¹ Pending shareholders' approval on upcoming AGM

Financial performance: we upgraded and exceeded our financial outlook

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FY 2023 Updated Outlook

Revenue

Low- to mid-single digit
percent growth

FY 2022 basis: EUR 19.4bn

Operating income (outlook base)

Between 12 and 14
percent growth

FY 2022 basis: EUR 1.54bn

FY 2023 Actuals

at constant currency



+5%

FY 2023: EUR 20,464m



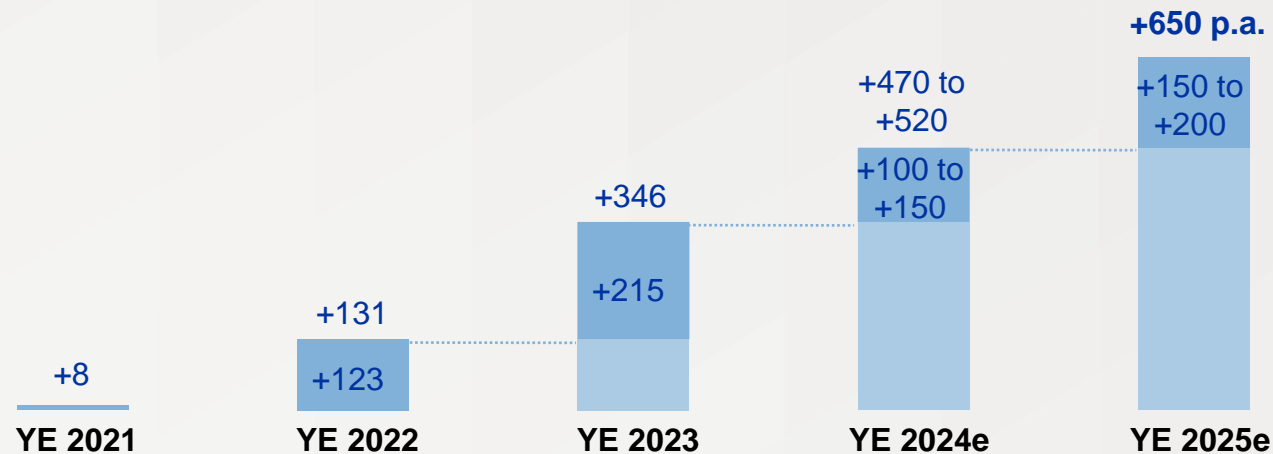
+15%

FY 2023: EUR 1,778m

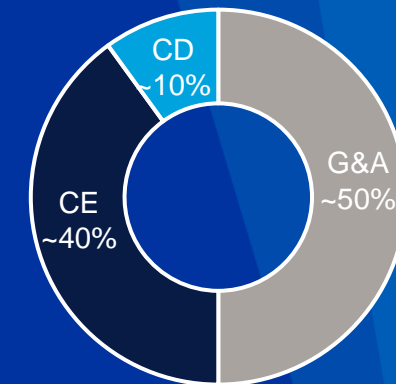
Revenue and operating income, as referred to in the outlook, are both on a constant currency basis and excluding special items. Special items will be provided as separate KPI (“Revenue excluding special items”, “Operating income excluding special items”) to capture effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of 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.

Sustainable annual savings

in € million



- Transformation program introduced in 2021 and savings target extended to EUR 650m by 2025
- EUR 346m of sustainable savings delivered by year end 2023, while related one-time costs accumulated to EUR 420m
- Targeted savings contributions by year end 2025:



Note: Indicative illustration only

Looking ahead

“Building momentum on
our mid-term target”



We stay the course on our strategic priorities

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-  Continued execution on accelerated and extended FME25 transformation program.
-  Continue to follow our disciplined financial policy and ROIC focus.
-  Further drive portfolio optimization to strengthen focus on core assets and markets.
-  Focus on growth drivers value-based care and home dialysis.
-  Advancing and improving innovative dialysis therapies, e.g., by introducing a new standard of care with high-volume hemodiafiltration dialysis therapy in the U.S. by 2025

With the 5008X Hemodialysis System, we are bringing Industry-Leading Dialysis Therapy to Kidney Disease Patients in the U.S.

CONVINCE Study

A pragmatic, multinational, randomized, controlled trial

Comparison of High-Volume Hemodiafiltration (HVHDF) versus High-Flux Hemodialysis

1,360
Patients



61 Dialysis
Centers



8 European
Countries



23% mortality rate reduction



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 754803



With 100% adoption of HVHDF, mortality can be **reduced** by approximately (based on 2019 rates):

- US HD population: **3.7 deaths per 100 py**
- European HD population: **1.4 deaths per 100 py**

NephroCare EMEA

- **>50% of patient treatments** are HVHDF
- Experience with **HVHDF for a decade**

FME experience confirms **CONVINCE results** can be **replicated in large patient populations**¹

Critical treatment parameters of CONVINCE matched in daily routine

Survival benefits observed in CONVINCE were confirmed in FME analysis

510(k) clearance by FDA received in February 2024

- Planned broad **commercial launch in 2025**
- Estimated installed base of ca.160,000 in-center HD machines across all service providers in the U.S.

Note: USRDS = U.S. Renal Data System (2021 USRDS Annual Data Report - 2019 data); NephroCare mortality rates based on internal data; HVHDF = High Volume Hemodiafiltration with convection volume >23L/ treatment
¹Zhang Y et al. J Am Soc Nephrol 34: 2023; Poster TH-PO1133

FY 2024 Outlook

Revenue (outlook base)

Low- to mid-single digit
percent growth

FY 2023 basis: EUR 19.0bn

Operating income (outlook base)

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 settlement agreement with the U.S. government in 2023 (Tricare) and major portfolio changes from 2023, namely Argentina and NCP. 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 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.

High quality of care: our patients are at the center of everything we do

Target 2025+: Partner of choice, setting the standard in kidney care with industry-leading returns

Care Delivery

Service provider of choice for patients, physicians and payors across the renal care continuum

Market leading in therapies, digitalization, value-based care, home dialysis & being operationally excellent

Leading renal care company

Culture of innovating for the benefit of our customers while generating industry-leading returns

Mindset of continuous efficiency improvement and operational excellence



Care Enablement

Profitably shape the global dialysis market with leading digital portfolio in renal therapies and pioneering renal care of tomorrow

Most cost-efficient manufacturing in the renal industry with future proof product and services ecosystem

Global Medical Office

High quality outcomes for patients worldwide by advancing the application of clinical science utilizing the world's largest kidney care dataset with longitudinal clinical data



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Questions and Answers

