

Fresenius Medical Care AG & Co. KGaA

COMPLETE OVERVIEW OF THE SECOND QUARTER 2021 AND FIRST HALF YEAR 2021

July 30, 2021

Investor Relations

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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.

Statement of earnings

in € million, except share data, unaudited

Three months ended June 30,

Six months ended June 30,

	2021	2020	Change	Change at cc	2021	2020	Change	Change at cc
Health Care Services	3,400	3,614	-5.9%	2.3%	6,726	7,209	-6.7%	1.5%
Health Care Products	920	943	-2.5%	1.5%	1,804	1,836	-1.7%	2.9%
Total revenue	4,320	4,557	-5.2%	2.1%	8,530	9,045	-5.7%	1.7%
Costs of revenue	3,036	3,143	-3.4%	4.3%	6,039	6,241	-3.2%	4.7%
Gross profit	1,284	1,414	-9.2%	-2.7%	2,491	2,804	-11.2%	-4.8%
Selling, general and administrative	830	711	16.7%	24.4%	1,542	1,521	1.3%	8.3%
Research and development	52	51	3.0%	7.2%	101	96	4.4%	8.6%
Income from equity method investees	(22)	(4)	474.1%	481.8%	(50)	(24)	106.4%	108.0%
Operating income	424	656	-35.3%	-29.9%	898	1,211	-25.8%	-20.0%
Operating income margin	9.8%	14.4%			10.5%	13.4%		
Interest income	(14)	(11)	24.8%	32.6%	(29)	(20)	46.6%	55.7%
Interest expense	83	103	-19.3%	-13.5%	174	216	-19.2%	-13.4%
Interest expense, net	69	92	-24.7%	-19.1%	145	196	-25.9%	-20.4%
Income before taxes	355	564	-37.1%	-31.7%	753	1,015	-25.8%	-19.9%
Income tax expense	75	137	-45.1%	-40.1%	169	237	-28.8%	-23.2%
Net income	280	427	-34.5%	-29.0%	584	778	-24.9%	-18.9%
Net income attributable to noncontrolling interests	61	76	-19.5%	-11.9%	116	144	-18.8%	-11.3%
Net income attributable to shareholders of FMC-AG & Co. KGaA	219	351	-37.7%	-32.7%	468	634	-26.2%	-20.7%
Operating income	424	656	-35.3%	-29.9%	898	1,211	-25.8%	-20.0%
Depreciation, amortization and impairment loss	396	410	-3.6%	3.3%	784	811	-3.4%	3.8%
EBITDA	820	1,066	-23.1%	-17.1%	1,682	2,022	-16.8%	-10.5%
EBITDA margin	19.0%	23.4%			19.7%	22.4%		
Weighted average number of shares	292,913,910	292,733,283			292,896,096	295,287,813		
Basic earnings per share	€0.75	€1.20	-37.8%	-32.7%	€1.60	€2.15	-25.6%	-20.0%
Basic earnings per ADS	€0.37	€0.60	-37.8%	-32.7%	€0.80	€1.07	-25.6%	-20.0%

Segment information

unaudited

Three months ended June 30,

Six months ended June 30,

	2021	2020	Change	Change at cc	2021	2020	Change	Change at cc
Total								
Revenue in € million	4,320	4,557	-5.2%	2.1%	8,530	9,045	-5.7%	1.7%
Operating income in € million	424	656	-35.3%	-29.9%	898	1,211	-25.8%	-20.0%
Operating income margin	9.8%	14.4%			10.5%	13.4%		
Days sales outstanding (DSO)					58	53		
Employees (full-time equivalents)					123,538	124,736		
North America								
Revenue in € million	2,953	3,240	-8.9%	-0.2%	5,852	6,426	-8.9%	-0.4%
Operating income in € million	398	609	-34.8%	-28.5%	796	1,073	-25.8%	-18.9%
Operating income margin	13.5%	18.8%			13.6%	16.7%		
Days sales outstanding (DSO)					37	30		
EMEA								
Revenue in € million	693	687	0.8%	2.1%	1,362	1,366	-0.3%	1.8%
Operating income in € million	73	78	-5.5%	-5.1%	153	179	-14.2%	-13.8%
Operating income margin	10.6%	11.3%			11.2%	13.1%		
Days sales outstanding (DSO)					87	92		
Asia-Pacific								
Revenue in € million	486	450	7.8%	11.5%	957	893	7.1%	10.5%
Operating income in € million	84	63	33.0%	38.2%	170	140	21.0%	24.7%
Operating income margin	17.3%	14.1%			17.7%	15.7%		
Days sales outstanding (DSO)					105	113		
Latin America								
Revenue in € million	171	170	0.8%	16.6%	330	338	-2.2%	16.8%
Operating income in € million	3	11	-76.2%	-81.7%	9	18	-48.1%	-49.2%
Operating income margin	1.5%	6.4%			2.8%	5.3%		
Days sales outstanding (DSO)					135	139		
Corporate								
Revenue in € million	17	10	71.0%	82.5%	29	22	31.4%	39.8%
Operating income in € million	(134)	(105)	26.8%	32.1%	(230)	(199)	15.8%	20.5%

Balance sheet

in € million, except for net leverage ratio, unaudited

June 30 December 31

	2021	2020
Assets		
Current assets	7,815	7,275
Goodwill and intangible assets	14,891	14,340
Right of use assets	4,209	4,130
Other non-current assets	6,072	5,944
Total assets	32,987	31,689
Liabilities and equity		
Current liabilities	7,425	6,160
Non-current liabilities	12,750	13,198
Total equity	12,812	12,331
Total liabilities and equity	32,987	31,689
Equity/assets ratio	39 %	39 %
Debt and lease liabilities		
Short-term debt from unrelated parties	1,322	63
Short-term debt from related parties	63	17
Current portion of long-term debt	635	1,008
Current portion of long-term lease liabilities from unrelated parties	606	588
Current portion of long-term lease liabilities from related parties	21	21
Long-term debt, less current portion	6,499	6,800
Long-term lease liabilities from unrelated parties, less current portion	3,861	3,764
Long-term lease liabilities from related parties, less current portion	109	119
Total debt and lease liabilities	13,116	12,380
Minus: Cash and cash equivalents	(1,408)	(1,082)
Total net debt and lease liabilities	11,708	11,298
Reconciliation of annualized adjusted EBITDA and net leverage ratio to the most directly comparable IFRS financial measures		
Net income	1,243	1,435
Income tax expense	432	501
Interest income	(51)	(42)
Interest expense	368	410
Depreciation and amortization	1,556	1,587
Adjustments ¹	256	249
Annualized adjusted EBITDA	3,804	4,140
Net leverage ratio	3.1	2.7

¹ Acquisitions and divestitures made for the last twelve months with a purchase price above a €50 M threshold as was defined in the Amended 2012 Credit Agreement (2021: €4 M), non-cash charges, primarily related to pension expense (2021: €50 M; 2020: €50 M) and impairment loss (2021: €202 M; 2020: €199 M).

Cash flow statement

in € million, unaudited

Three months ended June 30,

Six months ended June 30,

	2021	2020	2021	2020
Operating activities				
Net income	280	427	584	778
Depreciation / amortization / impairment loss	396	410	784	811
Change in working capital and other non-cash items	245	1,482	(239)	1,314
Net cash provided by (used in) operating activities	921	2,319	1,129	2,903
In percent of revenue	21.3%	50.9%	13.2%	32.1%
Investing activities				
Purchases of property, plant and equipment and capitalized development costs	(209)	(218)	(394)	(500)
Proceeds from sale of property, plant and equipment	8	2	14	4
Capital expenditures, net	(201)	(216)	(380)	(496)
Free cash flow	720	2,103	749	2,407
In percent of revenue	16.7%	46.1%	8.8%	26.6%
Acquisitions and investments, net of cash acquired, and purchases of intangible assets	(22)	(41)	(129)	(79)
Investments in debt securities	(52)	(28)	(62)	(29)
Proceeds from divestitures	0	1	2	(1)
Proceeds from sale of debt securities	26	4	96	12
Free cash flow after investing activities	672	2,039	656	2,310

Revenue development

	2021	2020	Change	Change at cc	Organic growth	Same market treatment growth ¹
in € million, unaudited						
Three months ended June 30,						
Total revenue	4,320	4,557	-5.2%	2.1%	1.3%	
Health Care Services	3,400	3,614	-5.9%	2.3%	1.3%	-1.4%
Health Care Products	920	943	-2.5%	1.5%	1.4%	
North America	2,953	3,240	-8.9%	-0.2%	-0.9%	
Health Care Services	2,695	2,951	-8.7%	0.0%	-0.8%	-1.8% ²
Health Care Products	258	289	-10.7%	-2.2%	-2.2%	
EMEA	693	687	0.8%	2.1%	1.6%	
Health Care Services	341	341	0.3%	1.5%	0.3%	-3.8%
Health Care Products	352	346	1.4%	2.7%	3.0%	
Asia-Pacific	486	450	7.8%	11.5%	10.2%	
Health Care Services	227	196	15.8%	22.1%	19.1%	5.8%
Health Care Products	259	254	1.7%	3.3%	3.4%	
Latin America	171	170	0.8%	16.6%	14.5%	
Health Care Services	123	119	3.1%	21.6%	20.8%	3.4%
Health Care Products	48	51	-4.8%	4.7%	0.6%	
Corporate	17	10	71.0%	82.5%		
Health Care Services	14	7	107.0%	125.5%		
Health Care Products	3	3	12.9%	13.2%		
Six months ended June 30,						
Total revenue	8,530	9,045	-5.7%	1.7%	1.4%	
Health Care Services	6,726	7,209	-6.7%	1.5%	0.9%	-1.4%
Health Care Products	1,804	1,836	-1.7%	2.9%	3.0%	
North America	5,852	6,426	-8.9%	-0.4%	-0.8%	
Health Care Services	5,338	5,859	-8.9%	-0.4%	-0.8%	-2.2% ²
Health Care Products	514	567	-9.4%	-0.9%	-0.9%	
EMEA	1,362	1,366	-0.3%	1.8%	1.5%	
Health Care Services	674	682	-1.1%	1.2%	0.3%	-3.3%
Health Care Products	688	684	0.6%	2.3%	2.7%	
Asia-Pacific	957	893	7.1%	10.5%	10.5%	
Health Care Services	455	414	9.9%	14.7%	14.6%	6.6%
Health Care Products	502	479	4.7%	7.0%	7.1%	
Latin America	330	338	-2.2%	16.8%	14.7%	
Health Care Services	238	240	-0.9%	19.8%	17.9%	2.9%
Health Care Products	92	98	-5.6%	9.2%	7.4%	
Corporate	29	22	31.4%	39.8%		
Health Care Services	21	14	52.5%	66.3%		
Health Care Products	8	8	-0.8%	-0.6%		

¹ same market treatment growth = organic growth less price effects

² U.S. (excl. Mexico), same market treatment growth North America: -2.4% for the three months and -2.7% for the six months ended June 30, 2021.



Key metrics Dialysis Care Services

unaudited

Six months ended June 30, 2021

	Clinics	Growth in %	De novos	Patients	Growth in %	Treatments	Growth in %
Total	4,125	2%	45	345,646	-1%	26,212,741	-1%
North America	2,662	2%	19	210,621	-1%	16,006,110	-2%
EMEA	815	2%	15	65,401	-3%	4,903,686	-3%
Asia-Pacific	404	6%	10	33,491	5%	2,357,958	3%
Latin America	244	0%	1	36,133	-1%	2,944,987	2%

Quality data¹

in % of patients

	North America		EMEA		Latin America		Asia-Pacific	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Kt/V ≥ 1.2	97	97	93	93	94	90	94	94
Hemoglobin = 10-12 g/dl	72	73	82	82	49	46	51	52
Calcium = 8.4-10.2 mg/dl	81	81	77	77	74	75	71	72
Albumin ≥ 3.5 g/dl1)	80	80	89	89	91	90	88	89
Phosphate ≤ 5.5 mg/dl	56	57	78	77	77	77	65	65
Patients without catheter (after 90 days)	79	80	77	77	78	79	81	81
in days								
Days in hospital per patient year	9.8	9.8	7.9	7.3	4.1	3.9	4.0	2.6

¹ Definitions cf. Annual Report 2020, Section "Non-Financial Group Report"

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

in € million, except share data, unaudited	Results 2021	FME25 program	Results 2021 excl. special items	Results excl. special items		
				Results 2020	Change	Change at cc
Three months ended June 30,						
Total revenue	4,320		4,320	4,557	-5.2%	2.1%
EBITDA	820	6	826	1,066	-22.6%	-16.6%
Total operating income	424	6	430	656	-34.4%	-29.0%
North America	398		398	609	-34.8%	-28.5%
EMEA	73		73	78	-5.5%	-5.1%
Asia-Pacific	84		84	63	33.0%	38.2%
Latin America	3		3	11	-76.2%	-81.7%
Corporate	(134)	6	(128)	(105)	21.2%	26.5%
Interest expense, net	69		69	92	-24.7%	-19.1%
Income tax expense	75	2	77	137	-43.9%	-38.9%
Net income attributable to noncontrolling interests	61		61	76	-19.5%	-11.9%
Net income¹	219	4	223	351	-36.5%	-31.4%
Basic earnings per share	€0.75	€0.01	€0.76	€1.20	-36.5%	-31.5%
Six months ended June 30,						
Total revenue	8,530		8,530	9,045	-5.7%	1.7%
EBITDA	1,682	9	1,691	2,022	-16.4%	-10.0%
Total operating income	898	9	907	1,211	-25.1%	-19.3%
North America	796		796	1,073	-25.8%	-18.9%
EMEA	153		153	179	-14.2%	-13.8%
Asia-Pacific	170		170	140	21.0%	24.7%
Latin America	9		9	18	-48.1%	-49.2%
Corporate	(230)	9	(221)	(199)	11.5%	16.2%
Interest expense, net	145		145	196	-25.9%	-20.4%
Income tax expense	169	3	172	237	-27.8%	-22.2%
Net income attributable to noncontrolling interests	116		116	144	-18.8%	-11.3%
Net income¹	468	6	474	634	-25.2%	-19.7%
Basic earnings per share	€1.60	€0.02	€1.62	€2.15	-24.6%	-19.0%

¹ Attributable to shareholders of FMC-AG & Co. KGaA

Outlook 2021

	Results 2020	Outlook 2021 (at Constant Currency, except for ROIC)
Revenue ¹	€17,859 M	growth: low to mid single digit percentage rate
Revenue growth at Constant Currency ¹		growth: low to mid single digit percentage rate
Operating income ¹	€2,499 M	decline: mid teens to low twenties percentage rate
Net income ^{1, 2}	€1,359 M	decline: high teens to mid twenties percentage rate
Net income ² growth at Constant Currency ¹		decline: high teens to mid twenties percentage rate
ROIC ^{1,3}	6.6%	≥ 5.0%

¹ Outlook 2021 is inclusive of anticipated COVID-19 effects and excl. special items. Special items include costs related to the FME25 program and 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 2020 excl. the Impairment Charge of goodwill and trade names in the Latin America Segment of €195 M.

² Net income attributable to shareholders of FMC-AG & Co. KGaA.

³ Results 2020: excl. Impairment Charge.