

# J.P. MORGAN GLOBAL HEALTHCARE CONFERENCE

January 11, 2022 | San Francisco

Rice Powell - CEO



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.





# AGENDA

**1**

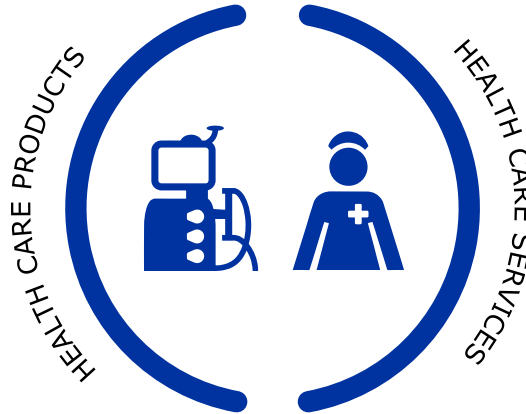
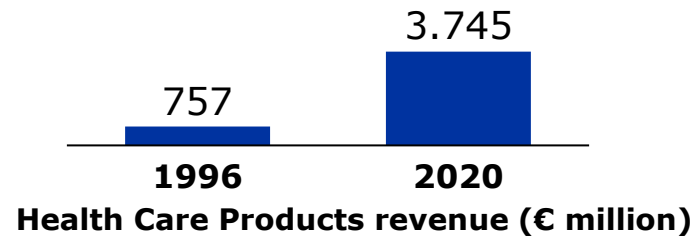
**STRATEGY AND FME25**

**2**

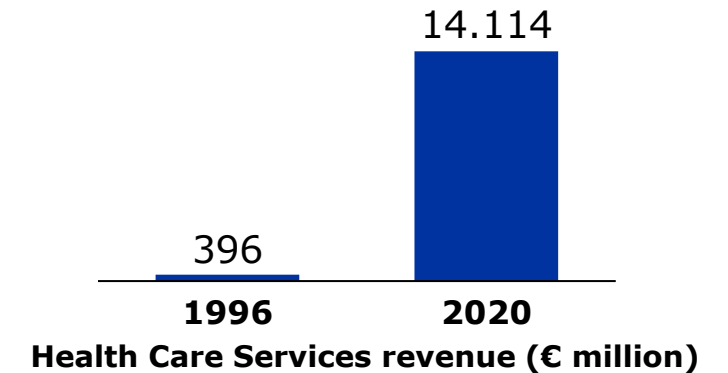
**Q3 BUSINESS UPDATE**

# ■ WE ARE THE LEADING VERTICALLY INTEGRATED GLOBAL PLAYER

**PRODUCTS SERVING MORE THAN HALF OF THE WORLD'S DIALYSIS PATIENTS**



**LARGEST DIALYSIS NETWORK WORLDWIDE**



  
**>150 m**  
dialyzers


  
**>50,000**  
dialysis machines

  
**1 out of 2**  
HD patients worldwide treated with an FME machine

  
Products available in **150** countries worldwide

  
**>4,000**  
dialysis centers

  
Every **0.6** seconds we provide a dialysis treatment

  
**~350,000**  
dialysis patients

  
**>50 m**  
dialysis treatments p. a.

  
Dialysis treatments provided in around **50** countries

# ■ WE BELIEVE THAT HEALTH CARE IN THE FUTURE WILL DIFFER FROM TODAY



## Global ageing

Life expectancy as well as population over 65 significantly higher<sup>1,2</sup>



## Chronic diseases

More chronic patients, longer treatment spans<sup>3</sup>; rising costs of chronic diseases<sup>4</sup>



## Fragmented care

One patient – several conditions – numerous physicians



## Health care staff shortages

Global health workforce shortage to increase further in coming decades



## Cost pressure in health care systems

Health care systems in need of sustainable solutions



## System limitations

System designed for acute, lack of concepts for multimorbid, chronic patients

## DIGITALIZATION

*... disrupts the way we deliver health care today. Big data analytics and artificial intelligence provide new insights.*

## COVID-19 AND THE "NEW NORMAL"

*... will affect health care provision worldwide in many ways.*

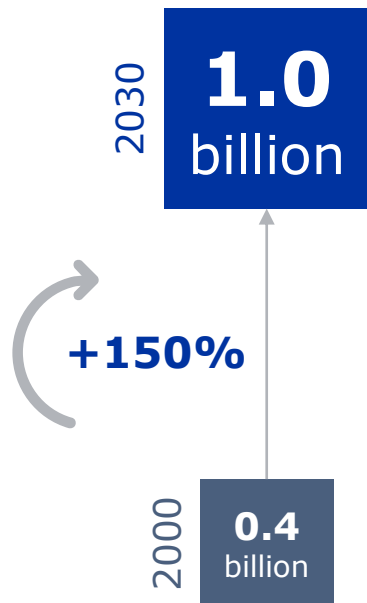
1 Life expectancy has steadily increased for more than 150 years with no sign of deceleration. | 2 Between 2000 and 2030, the population over 65 years will more than double from 0.4 bn to 1.0 bn worldwide (United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, Volume II: Demographic Profiles (ST/ESA/SER.A/427)). | 3 The increasing number of elderly citizens will lead to a rise in age-related chronic conditions. As people grow older, they will need to be treated longer for chronic conditions. In developed countries >50% of all people at retirement age suffer from two or more chronic conditions simultaneously. | 4 Chronic diseases worldwide cause ~USD 8,000 billion in cost of illness every year.

# ■ KEY DRIVERS FOR OUR CORE DIALYSIS BUSINESS REMAIN INTACT

## ADDRESSING GLOBAL HEALTH CARE CHALLENGES

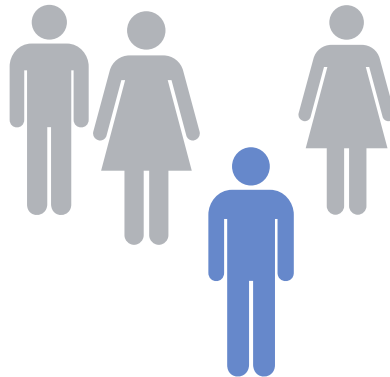
### AGEING GLOBAL POPULATION

Global population aged 65+<sup>1</sup>



### HYPERTENSION

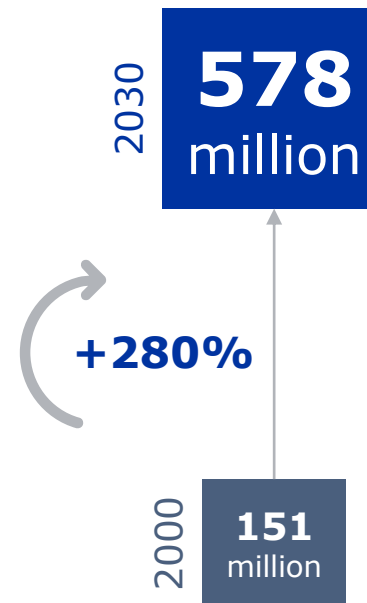
People living with hypertension<sup>2</sup>



One out of four people worldwide has hypertension!

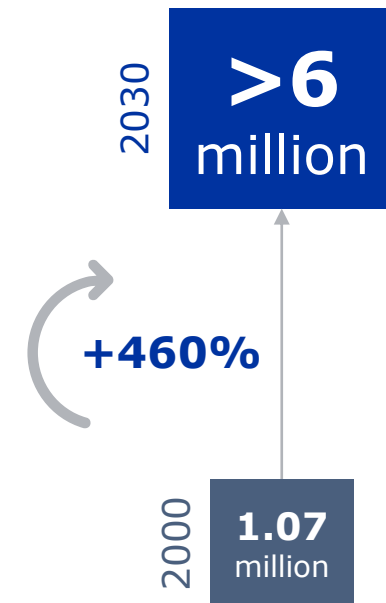
### DIABETES

People living with diabetes<sup>3</sup>



### DIALYSIS PATIENTS

People on maintenance dialysis<sup>4</sup>



<sup>1</sup> United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, Volume II: Demographic Profiles (ST/ESA/SER.A/427)

<sup>2</sup> WHO Global Health Observatory (people >18 years of age) | <sup>3</sup> IDF Diabetes Atlas 2019 (9<sup>th</sup> edition) | <sup>4</sup> FME Long Range Patient Projection

# ■ EXECUTION ON STRATEGY 2025

## RENAL CARE CONTINUUM

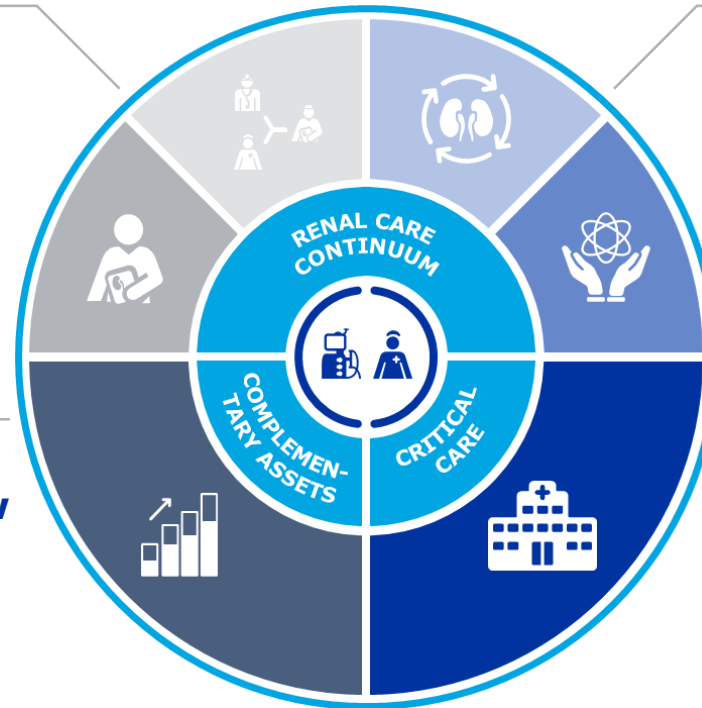
**Dialysis Business, Value-Based Care models, expansion along the renal patient journey in CKD and transplant to further enhance patient experience**

Expand Service and Product portfolio and establish digital care models

## COMPLEMENTARY ASSETS

**Leverage competencies and build new capabilities for the future of medical care models**

New patient-focused therapy offerings in renal care and beyond



## CORE – DIALYSIS PRODUCTS AND SERVICES

**Dialysis Services, Dialysis Products**

Leverage expertise in Services, MedTech and Pharma to maximize impact of vertical integration

## CRITICAL CARE

**Leverage expertise to address critical acute health challenges**

Build on Extracorporeal physiological multi-organ support

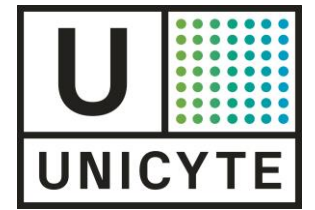
## SUSTAINABILITY

**Continuous improvements**


Embedded in strategy execution



# 2025 STRATEGY | INNOVATION | UNICYTE



FOUR STRATEGIC PILLARS WITH DISTINCT, ATTRACTIVE INDICATIONS FOR EACH TECHNOLOGY ENABLING MULTIPLE PARTNERSHIPS AND COMPANY GROWTH

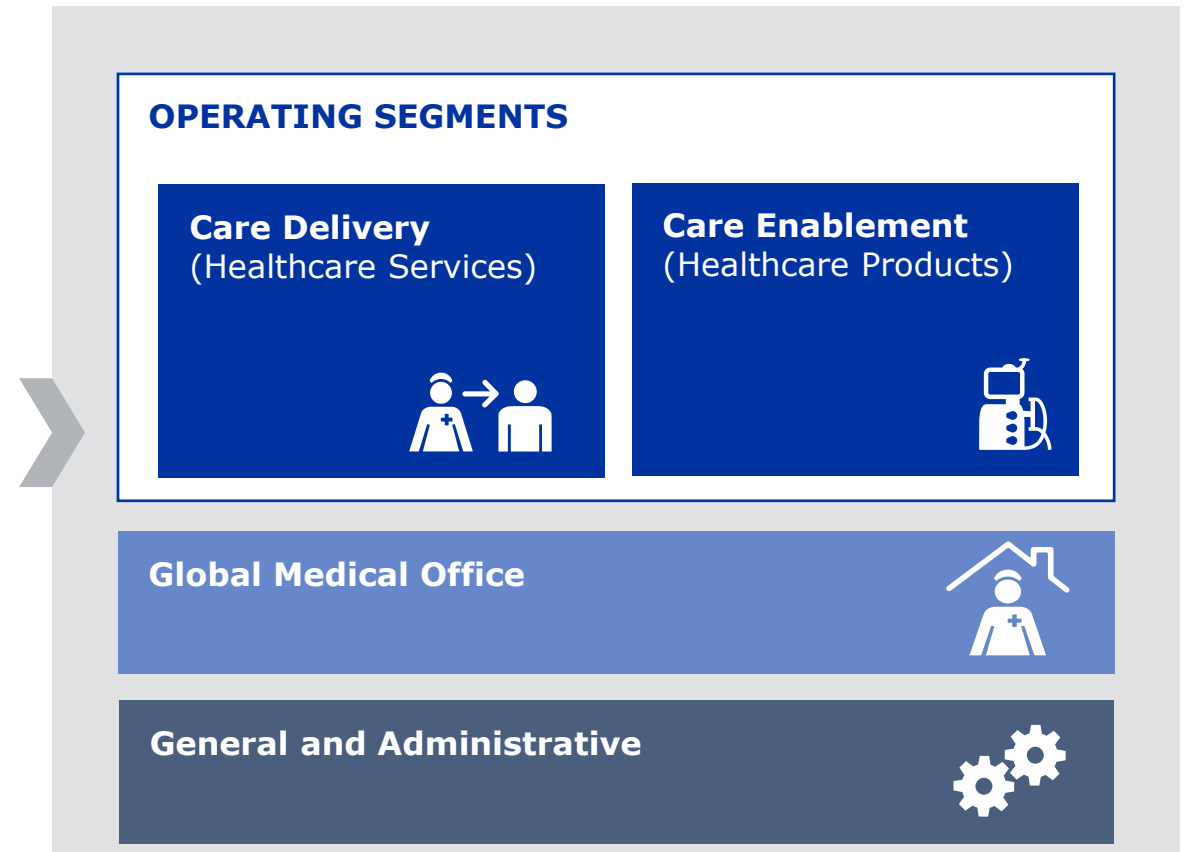
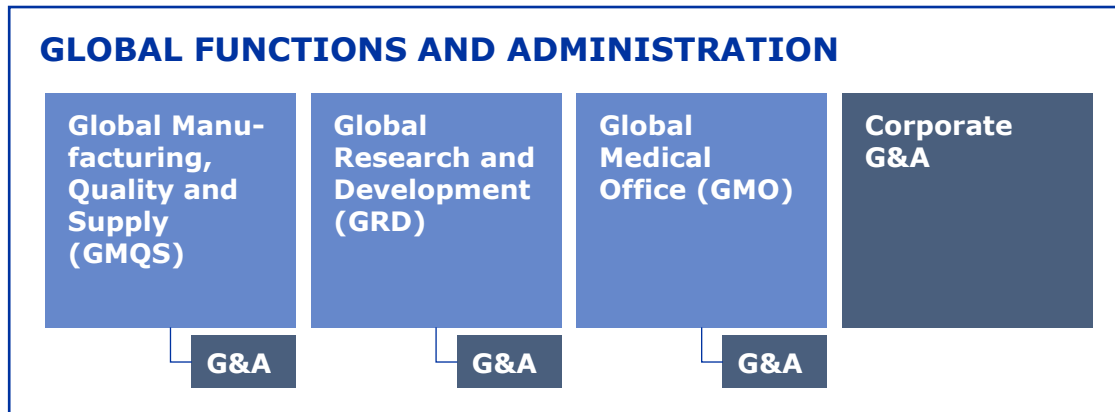
Business unit	Orphan	Kidney	Liver	Diabetes
Partner / Licensor	Unicyte & Orphan Specialists	 FRESENIUS MEDICAL CARE	Partner search initiated	Partnering ongoing
Phase 2	UCD			
Phase 1				
Phase 0	DGF, HCC			
Research	UCD gene therapy	CKD AKI	NASH	T1DM
Technology Platform	HLSC/nEV local Gene therapy	nEV	HLSC	Islets

DGF = Delayed Graft Functioning | HCC = Hepatocellular Carcinoma | UCD = Urea Cycle Disorders | HLSC = Human Liver Stem Cell | nEV = nano-Extracellular Vesicles | CKD = Chronic Kidney Disease | NASH = Non-Alcoholic Steatohepatitis |



# ■ FME25 | TRANSFORMING TO THE NEW OPERATING MODEL

NEW GLOBALIZED OPERATING MODEL FOSTERS STRATEGIC CLARITY, ACCOUNTABILITY AND SIMPLIFICATION



# ■ FME25 | TRANSITION TO NEW OPERATING MODEL

Q4 2021

Finalize operating model and detail implementation plan

- Define and finalize governance structure and management reporting model
- Finalize implementation roadmap to transition to new operating model
- Detailing cost savings initiatives

2022

Transition to new operating model

## Care Delivery & Care Enablement

- Design further details of new operating model
- Map old to new structure
- Identify growth opportunities
- Execute on efficiency measures

## G&A

- Initiate transformation to globally centralized shared services model
- Begin infrastructure modifications to support new operating model

~2023

Start new operating model and new external reporting

## Revenue and operating income responsibility

with Care Delivery and Care Enablement

- Operating segments to become primary reporting units
- Start new external reporting
- Transparency Segment profitability
- Identify further growth and efficiency measures within the new operating model beyond 2025

Advancing culture of agility, innovation and accountability

\* Transition to new operating model may be subject to information & consultation procedures with works councils and other employee representative bodies as per local laws and practice.

# ■ FME25 | IN NUMBERS

## KEY FINANCIAL METRICS



- **Sustainable reduction** of 2025 annual cost base by **€500m**
  - 50% of annual savings realized by 2023
- **One-time costs** (special item) of approximately **€450-500m**
  - 80% invested by 2023
- Reach **net positive savings** by end of 2023
- **FTE reduction** of up to 5,000 in a socially responsible way

## SAVINGS CATEGORIES (EXAMPLES)

### Care Delivery

~20%



- Clinic operations efficiency
- Standardize delivery models globally
- Leverage best-in-class practices
- Real estate optimization

### Care Enablement

~30%



- Standardize product offerings globally
- Footprint optimization
- Productivity improvements
- Cost of product improvement

### G&A

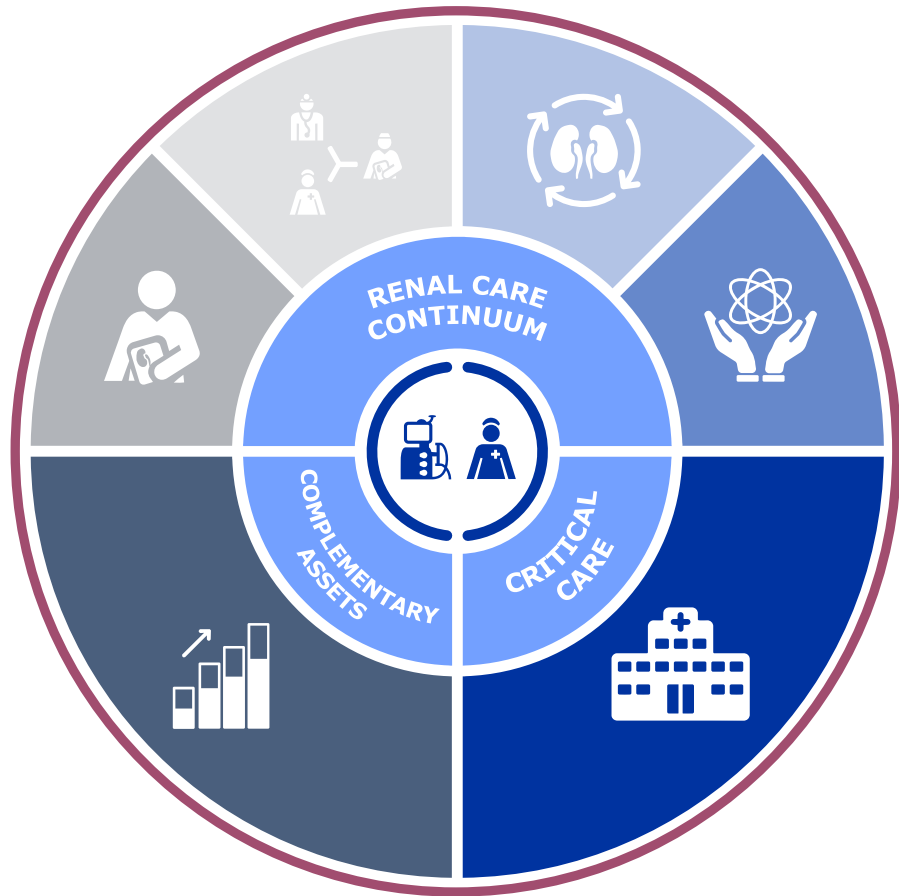
~50%



- Eliminate duplications
- Leverage global shared services
- Roll-out of global standards and end-to-end processes
- Harmonization and standardization of IT infrastructure and leverage benefits of further digitalization

# ■ COMMITTED TO SUSTAINABLE DEVELOPMENT

GLOBAL SUSTAINABILITY EFFORTS SUPPORT OUR MISSION AND TRANSFORMATION



## ESG INTEGRATION PROGRESS

- ✓ **On track to achieve continuous improvements**  
Global Sustainability Program drives strategic efforts to integrate sustainability into our business over three years from 2020–2022; more than 50 aspects measure progress
- ✓ **Global Governance**  
Management responsibility with Sustainability Decision Board, headed by CEO; Lead Independent Director role underscores commitment of Supervisory Board
- ✓ **Milestones achieved**
  - New standards define global commitments and processes
  - Global targets developed
  - Advancing digitization for sustainability data collection
  - Disclosure increased along international standards with >100 KPI in non-financial report, reporting along international ESG standards GRI, SASB, TCFD



# AGENDA

**1** STRATEGY AND FME25

**2** Q3 BUSINESS UPDATE

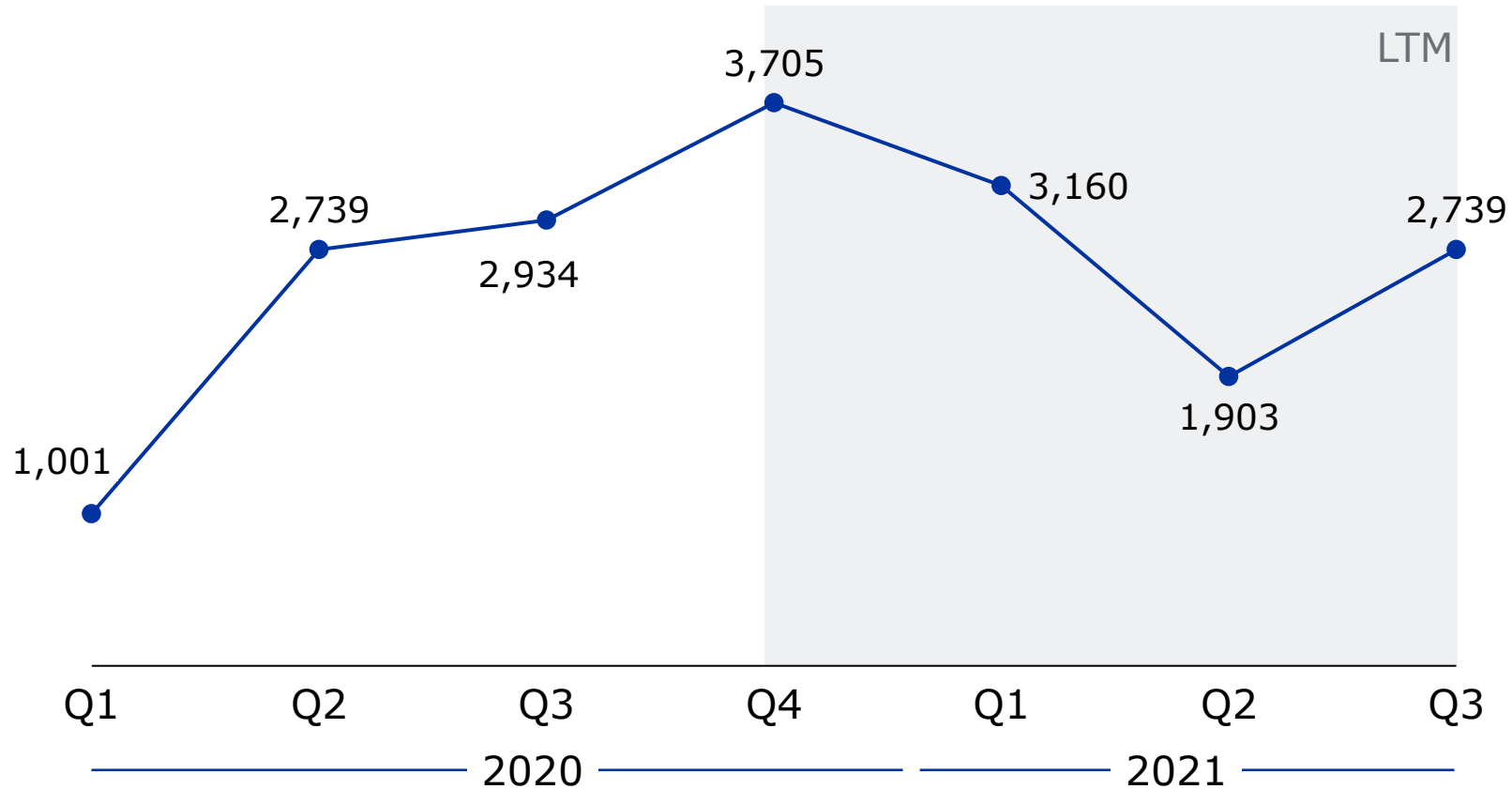
## ■ Q3 2021 | CONTINUED NEGATIVE EFFECTS FROM COVID-19



- > Stronger than projected headwind from COVID-19 effects with significantly increased patient excess mortality due to global spread of Delta variant
- > Organic growth continued with 1%
- > Financial targets for FY 2021 confirmed, expectation to reach lower end of the guidance ranges for revenue and net income
- > FME25 transformation update to achieve 500 million EUR savings by 2025
- > Final ESRD PPS rule for 2022 better than proposed

# Q3 2021 | DELTA VARIANT FUELS EXCESS MORTALITY GLOBALLY

## QUARTERLY EXCESS MORTALITY VS. 2019 BASE



- Increase in COVID-19-related excess deaths following spread of Delta variant
- LTM excess mortality amounts to 11,507
- Total number of excess deaths vs. 2019 base since Q1 2020 amounts to 18,181

Historical excess mortality updated for late entries.



## ■ Q3 2021 | STABLE REVENUE DESPITE COVID-19

	<b>Q3 2021</b> € million	<b>Q3 2020</b> € million	<b>Growth</b> in %	<b>Growth</b> in %cc
<b>Revenue</b>	<b>4,441</b>	<b>4,414</b>	<b>1</b>	<b>1</b>
<b>Operating income</b>	<b>505</b>	<b>632</b>	<b>(20)</b>	<b>(19)</b>
Operating income excl. special items <sup>1</sup>	510	632	(19)	(19)
<b>Net income</b>	<b>273</b>	<b>354</b>	<b>(23)</b>	<b>(22)</b>
Net income excl. special items <sup>1</sup>	277	354	(22)	(21)

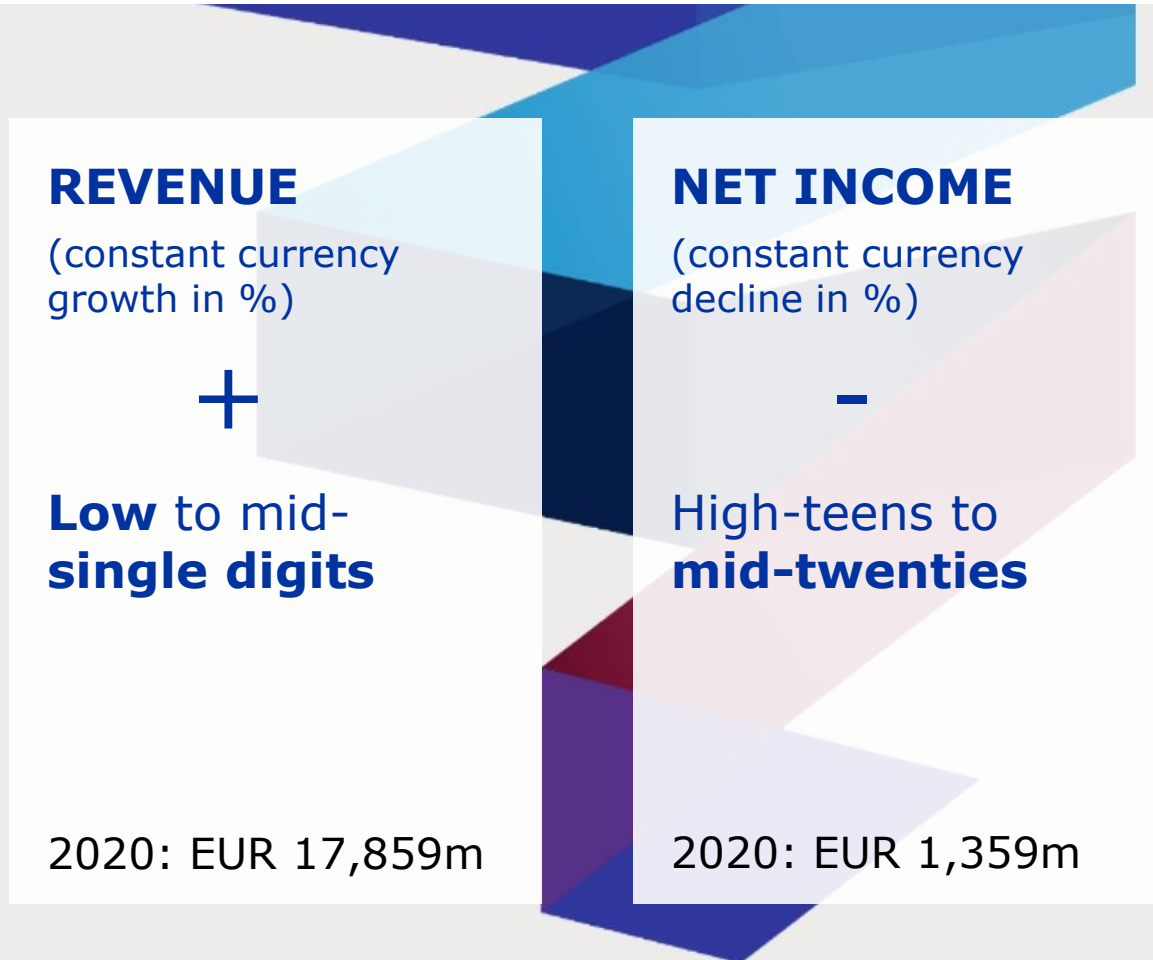
- Increase of Delta variant within patient population and continued COVID-19 impacts on revenue and earnings growth
- Macro-economic inflationary environment
- Slightly negative FX effect on earnings



1 Special items relate to costs associated with FME25

cc = at constant currency

# ■ 2021 TARGETS CONFIRMED



## **Assumptions:**

- Excess mortality to continue to accumulate in the first half of 2021, returning to normalized mortality pattern in the second half of 2021
- COVID-19-related additional costs in the Dialysis Services business to remain on high level
- Besides the extended suspension of the Medicare sequestration through March 2021 no further major public relief funding assumed



## **Excluding special items:**

Special items include costs related to FME25 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.



› Your Questions  
Are Welcome!

# ■ FINANCIAL CALENDAR 2022

## REPORTING DATES

---

<b>February 22</b>	Q4 2021 Earnings Release and Conference Call
<b>May 4</b>	Q1 2022 Earnings Release and Conference Call
<b>May 12</b>	AGM

## CONFERENCES & MEET THE MANAGEMENT

---

<b>January 17 &amp; 18</b>	UniCredit & Kepler Cheuvreux German Corporate Conference
<b>March 1</b>	Credit Suisse Global Healthcare, London



Please note that dates and/or participation might be subject to change

# CONTACTS

## FME INVESTOR RELATIONS

Else-Kröner-Str. 1

61352 Bad Homburg v.d.H.  
Germany

## TICKER:

FME or FMS (NYSE)

## WKN:

578 580

## ISIN:

DE00057858002

## DR. DOMINIK HEGER

Head of Investor Relations, Strategic  
Development & Communications | EVP

+49(0) 6172-609-2601  
dominik.heger@fmc-ag.com

## ROBERT ADOLPH

Vice President  
Investor Relations

+49(0) 6172-609-2477  
robert.adolph@fmc-ag.com

## ALICIA CAHILL

Senior Manager  
Investor Relations

+1 860-609-2394  
alicia.cahill@fmc-ag.com