Annual General Meeting
Fresenius Medical Care AG

Speech Helen Giza, CEO

Frankfurt/Main – May 16, 2024

The spoken word shall prevail.

Helen Giza
CEO

“In 2023 the team delivered strong financial results against a backdrop of significant structural and operational change.”

Thank you. And good morning, and welcome also from my side to the Fresenius Medical Care 2024 Annual General Meeting. I am very happy to join you here today.

I want to offer special thanks to Michael Sen and the entire Fresenius Medical Care Supervisory Board for their strong support as we continue to chart a new course for our great company.

One year ago today, we held the 2023 Annual General Meeting. I was nearly six months into my tenure as CEO. And my remit was clear: Turn around the company and return it to sustainable, profitable growth.

Well, all I can say is: **What a difference a year makes.**

As I presented to you still in a virtual format in 2023, looking back over 2022, you heard me reflect on the devastating dynamics of the COVID-19 pandemic. More than 25,000 of our patients lost. Supply chains in turmoil. A world in lockdown.

COVID-19 introduced existential threats I know all of us hope we never see repeated. Like many companies large and small, the pandemic revealed that our business was not as resilient, robust and agile as we had thought. You heard me say it last year: We did not have true end-to-end profit and loss responsibility. We did not have the right level of transparency in the underlying profitability drivers. Self-siloed in a decentralized, regional structure, we did not run our two businesses – what we now call Care Delivery and Care Enablement – as the global businesses that they are.

Once again: **What a difference a year makes**.

Today I stand before you representing the new Fresenius Medical Care. While we have more hard work ahead of us, I am very proud of what we have achieved to-date.

In one year we outlined and executed against our strategic plan to unlock value as the leading kidney care company globally.

In one year we truly operationalized our two globally-focused business segments – Care Delivery and Care Enablement – with a commitment to clearly improve our margin bands for each business.

As outlined by Michael Sen earlier, in one year we significantly simplified our governance structure with the change of legal form which, in turn, strengthened the role of our free float shareholders.

One year ago I told you we would do this. And **we did what we said we would do.**

Better yet, **we over-delivered on those commitments.**

For fiscal year 2023, we delivered top- and bottom-line growth, and exceeded our operating income outlook that – I'm very proud to say – we raised twice.

We also achieved annual sustainable savings in our FME25 transformation program of 346 million euros, savings that exceeded our 2023 target of 250 to 300 million euros. Thanks to the hard work of our team, our FME25 program is ahead of schedule and well on track to achieving the 650 million euros of sustainable annual savings committed by year end 2025.

Additionally, we made significant progress on our turnaround efforts in Care Delivery in the U.S., driving operational efficiencies in labor productivity and improving our clinic operating leverage. Also contributing to 2023 earnings growth was our Care Enablement business, which delivered positive impact from pricing initiatives. Unfortunately, Care Enablement had to compensate close to 100 million euros of unplanned FX transaction impacts last year, which lowered the contribution.

Last year we also started our ambitious and strategic portfolio optimization program in earnest. Our aim is to refocus on businesses and markets with the best strategic fit and greatest scale, along with the greatest sustainable profitable growth potential. We started in the first quarter of 2023 by ceasing the development of a non-global dialysis cycler. This was followed with closed divestments of our clinic network and production sites in Argentina; our clinic network in Hungary; our cardiovascular clinic network in the U.S. – National Cardiovascular Partners.

The divestments that closed in 2023 accounted for 214 million euros of revenue and 20 million euros of operating income.

Last year we also announced additional divestments, including the sale of 40 clinics in South Africa that are in the process of closing, and Cura Day Hospital Group in Australia, which closed at the end of last month.

Here in 2024, our work continues. In March, we announced the sale of our dialysis clinic networks in Brazil, Colombia, Chile, and Ecuador. These assets had pro-forma revenue of approximately 370 million euros in 2023. Our Chile transaction has closed. Assuming timely regulatory approvals in Brazil, Colombia, and Ecuador, we anticipate these remaining transactions to close throughout 2024 with expected net cash proceeds of around 250 million euros for all four Latin American operations. Earlier this month we also announced the closing of the sale of our clinic network in Turkiye.

We are also optimizing our manufacturing footprint. One example is moving manufacturing from California to Mexico. This move will drive important cost reductions while also bringing us closer to our customers logistically. We are also executing on supply chain initiatives around distribution and logistics to improve our operating efficiencies and optimize our supply chain footprint in North America.

As you will have seen reported in our year-end earnings release in late February, in 2023 the team delivered strong financial results against a backdrop of significant structural and operational change.

Thanks to the hard work of the full organization, our operating income before special items increased by more than **15 percent** in constant currency and our corresponding group operating income margin expanded 100 basis points to 8.9 percent. This overall margin improvement was in line with our expectations, and we are making important progress to achieve our stated group margin target of 10 to 14 percent by 2025.

Our improving financial results are reflected in our operating cash flow, which increased by 21 percent in 2023.

With prudent capital allocation serving as a critical pillar of our strategic plan – and in accordance with our stated commitment to deleverage – we used proceeds from a favorable settlement agreement with the U.S. government relating to the Tricare program, as well as 135 million euros in divestment proceeds, to reduce debt.

Net financial, as well as total debt including lease liabilities, was meaningfully reduced by 1 billion euros in 2023.

And I am pleased to report that we have been successful in reducing our net leverage ratio from 3.4 to 3.2 times, which puts us closer to the lower end of our self-imposed target range of 3 to 3.5 times.

The strategic decisions we undertook in 2023, combined with our successful turnaround and transformation efforts, structural changes, and positive earnings development led to a significantly improved share price.

I was pleased to see the capital markets respond favorably to the execution of our strategic plan. Although external factors caused significant volatility in the share price, especially around the late Fall 2023, where preliminary study results of new weight-reducing medications known as GLP-1s negatively impacted investor perception of the future outlook for our company. Despite this overhang, at the close of markets on December 29 of last year we achieved a share price increase of 24 percent compared to the last closing price of 2022.

In light of fully being on track for our deleveraging and in accordance with our dividend policy, for 2023 the Supervisory Board and Management Board propose a dividend of 1.19 euros per share. This 6 percent increase is in line with our year-over-year adjusted net income growth.

Execution of an ambitious turnaround and transformation strategy needs the right leadership team. In 2023 we were very pleased to welcome **Martin Fischer** as Chief Financial Officer and **Craig Cordola** as CEO of our Care Delivery business. Both have proven to be excellent additions to the executive leadership team and have already delivered big contributions to the company. Martin already introduced himself to you at last year's extraordinary general meeting in July.

I also want to welcome our latest addition to the Management Board: **Jörg Häring**. Jörg will join the Fresenius Medical Care family as Global Head of Legal, Compliance and Human Resources starting next month. He will also serve as Labor Relations Director. This important addition is a reflection of our commitment to good governance and our human capital strategy. Craig and Jörg will introduce themselves later today.

While we live in a world where there is little alternative to dialysis to save our patients' lives, it's continuous innovation that will ultimately deliver reduced mortality and improved quality of life spent in that therapy.

Recently we announced a landmark innovation milestone for our U.S.-based patients, a technology that has the potential to set a new standard of care for the industry in the U.S.

In February of this year we received FDA clearance for our **5008X Hemodialysis System**, thereby paving the way for the introduction of high-volume hemodiafiltration treatment for a significant portion of our patient population.

High-volume hemodiafiltration has already transformed how dialysis is done in many of our international markets. In our European dialysis patient population, more than half of treatments are already conducted via this approach.

As background, conventional high-flux hemodialysis primarily employs diffusion to remove small molecules and fluid from the blood. High-volume hemodiafiltration incorporates both diffusion and convection techniques to eliminate larger molecules and effectively manage fluid replacement through convection.

The groundbreaking **CONVINCE** study was published last year following a multinational, randomized controlled trial conducted by the CONVINCE consortium and led by the University Medical Center Utrecht. The study demonstrated that patients treated with high-volume hemodiafiltration experienced a remarkable 23 percent decrease in mortality rates compared to those treated with conventional approaches. This reduction in mortality translates to an average 18 additional months of life.

This is exciting. It is medical innovation. And it is more than a statistic. My goal is to make this THE new standard of care for our patients, so every patient has the opportunity to extend their life with this new technology. This is what to expect from the world's largest kidney care company.

Work is underway for a broad market launch at the end of 2025. With an estimated 160,000 in-center hemodialysis machines in service today across all providers in the U.S., we are on a mission to convert the U.S. to this new best-in-class level of care.

For all of us here in the room together, this is our company and this is a big milestone. I know I join you congratulating and thanking our teams for their pioneering work of innovation, and I look forward to sharing an update with you when we gather again this time next year.

For many around the world today, these are difficult times we are living through. Whether impacted by war, conflict, natural disaster, or religious or ideological differences – our hearts go out to those who suffer. As a global business, we actively monitor and review issues and crises around the world and take action, as appropriate, to ensure the continued health of our patients, the safety of our employees, and the protection of our operations.

Turning back to 2024, this year is being spent in singular focus on disciplined execution and value creation. As my teams have heard me say repeatedly this year, 2023 was a year of level-setting. This year is one of **momentum-building**.

Last year, my message on pandemic-related impact was difficult. This year, I'm pleased to say we anticipate U.S. treatment volumes to rebound from a subdued pandemic era by 0.5 to 2 percent by the end of 2024, keeping us on track to a return to pre-pandemic levels of 2 to 3 percent by the end of 2025.

Financially, this year we expect to deliver revenue growth in the low- to mid-single digit percent range, and operating income growth in the mid- to high-teens percent range, compared to prior year.

And our FME25 savings plan continues to deliver at pace. In 2024 we expect to realize an additional 100 to 150 million euros in sustainable savings, again on our path to delivering 650 million euros of sustainable annual savings committed by year end 2025.

Our **strategic plan** has five components: Structure, Capital Allocation, Operational Efficiencies and Turnaround Drivers, Portfolio Optimization, and Culture. We took significant first steps, big steps, across all five components in 2023. Yet there is more to be done.

We undertook significant structural steps in 2023. And now that we are operating within our two global segments with improved financial transparency, we are laser focused on achieving our group margin target of 10 to 14 percent by 2025. As the team knows, it's about continuous improvement – and we are making good progress.

We are also steadfastly focused on use of capital. Expect us to continue paying down debt and lifting up our overall financial health.

Operational excellence is paramount and a target of significant focus. We're committed to being the best version of ourselves and the gold standard against which everyone else compares themselves.

As for optimizing our portfolio, we are working from a best-owner mindset. Where it makes sense to divest certain assets and operations that are non-core or do not meet our financial hurdle rates, we will do so. While ensuring our patients suffer no loss of care.

And culture, that invisible thread that holds everything together. We know more about the myriad of factors that send a person into the spectrum of kidney disease than anyone else. To serve our patients with excellence we owe it to our patients – and to ourselves – to be the best version of ourselves. We must keep that which is unique and special: a relentless focus on life-sustaining care. And we must also look inward and drive greater accountability and inclusion to bring forward the strengths and richness of experience of a truly diverse employee base. When we achieve this, we will be a company that operates with transparency, lives its values, and empowers all.

One and a half years into serving as CEO, I've learned a lot about the capacity and performance of a team to manifest transformational change, when its strategy, priorities and focus are clear and aligned. It's inspiring. And while it's comprised of a seemingly endless number of operational actions, it's anything but tactical or transactional. It's a passion, our great passion project. And it's fueled by a common alignment to our central purpose.

We are creating a future worth living for patients, worldwide, every day.

This is who we are, who we serve, and why we do it.

Of course, we wouldn't be here without your tremendous support. What a difference a year makes! On behalf of Team Fresenius Medical Care, thank you for investing in this company that cares.

Thank you.