

## Conference Call – Q1/20 Results



Bad Homburg, 06 May 2020

## Safe Harbor Statement

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This presentation contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of clinical trials, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. Fresenius does not undertake any responsibility to update the forward-looking statements contained in this presentation.

Figures for 2020 and 2019 according to IFRS 16 (except otherwise stated).

# Current status of Fresenius Group under COVID-19

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## Responsibility



**Better healthcare  
for ever more people**

- Further enhanced safety measures to protect patients and staff
- Decisive efforts to combat pandemic in our hospitals
- Immediate focus on essential drugs & devices for COVID-19 patients
- Commitment to price stability during pandemic

## Financial impact



**Reliable estimate of COVID-19  
impact currently not possible**

- Solid start into 2020
- Varying phasing, direction and magnitude of COVID-19 effects across business segments
- Too early to quantify the total financial impact for FY/20
- 2020 guidance (excluding COVID-19 effects) maintained

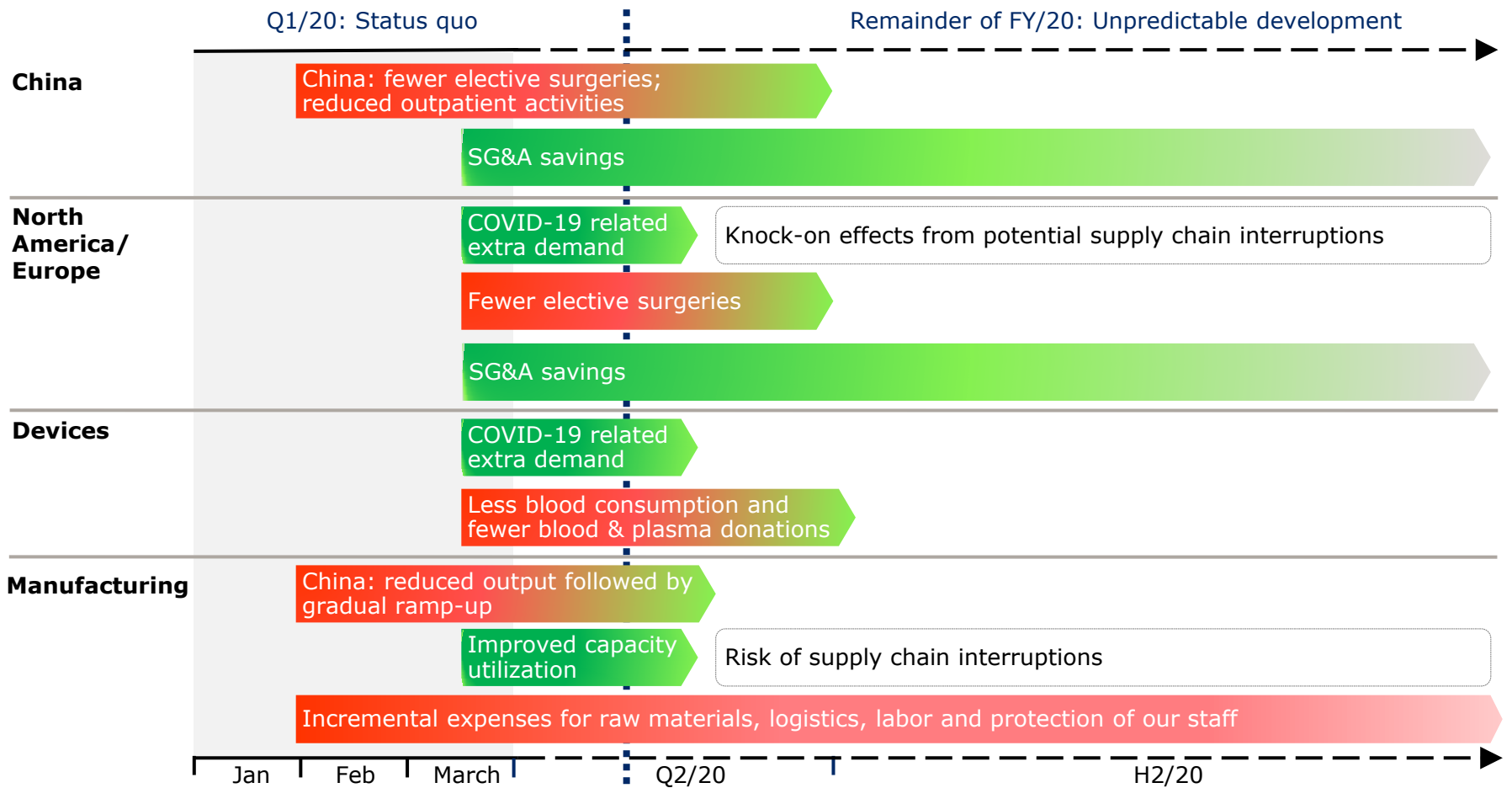
## Resilience



**In excellent shape  
to weather the storm**

- Part of critical infrastructure
- Healthy diversification
- High degree of vertical integration
- Sustainable access to financial markets liquidity and capital

# Fresenius Kabi: Headwinds in China for most of Q1, COVID-19 related extra demand elsewhere from late in Q1



# Fresenius Kabi: Excellent crisis management ensures continued operations in our global plants

- Manufacturing at all plants has been ongoing despite the COVID-19 pandemic
- In particular the API plants continued uninterrupted operations
- Outstanding employee engagement to maintain the production of our vital products
- Early and proactive implementation of contingency measures to safeguard production:



Secured stocks of raw material



Expanded logistics capacities



Immediate implementation of additional hygiene measures



Organization of temporary accommodation opportunities close to the plants



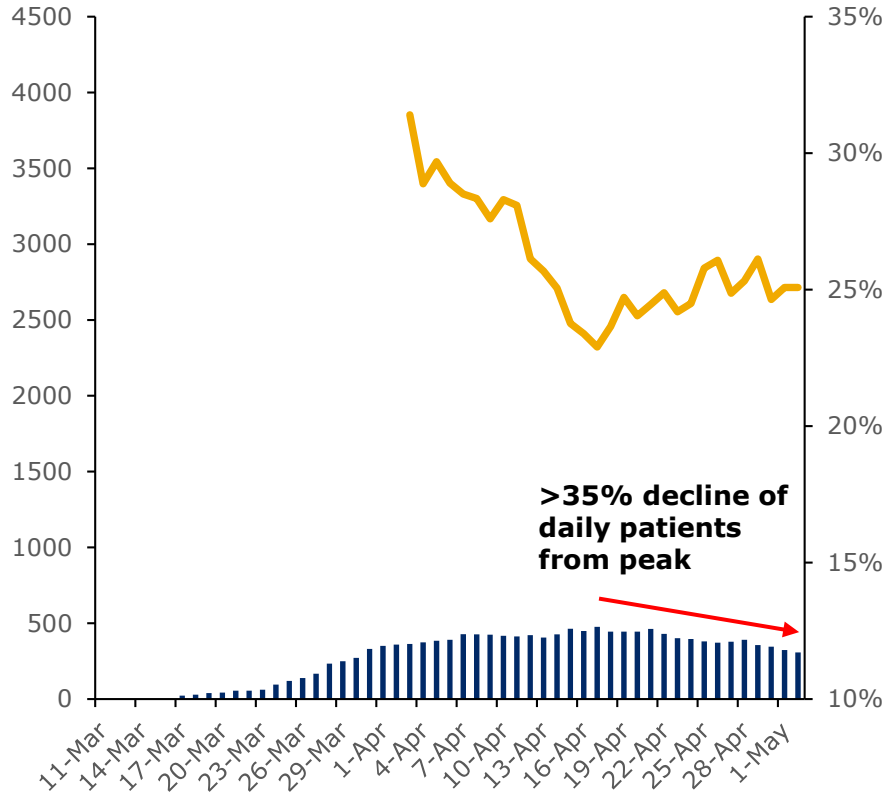
Early collaboration with authorities to ensure continued operations



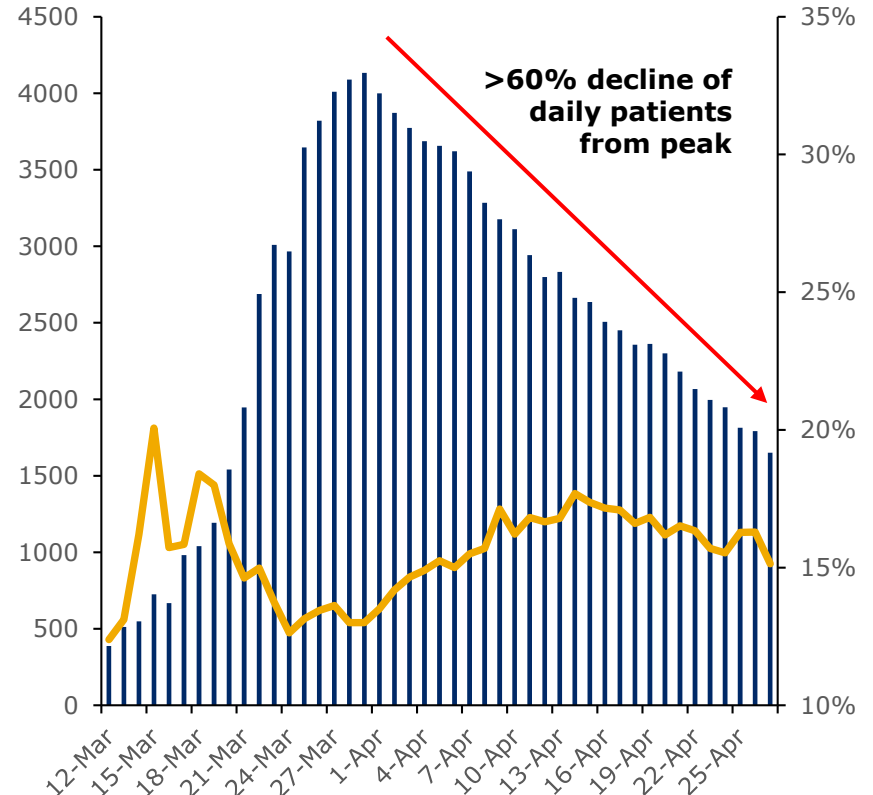
API - Active Pharmaceutical Ingredients

# Fresenius Helios: Very different dynamics of the COVID-19 pandemic in Germany and Spain

## Helios Germany



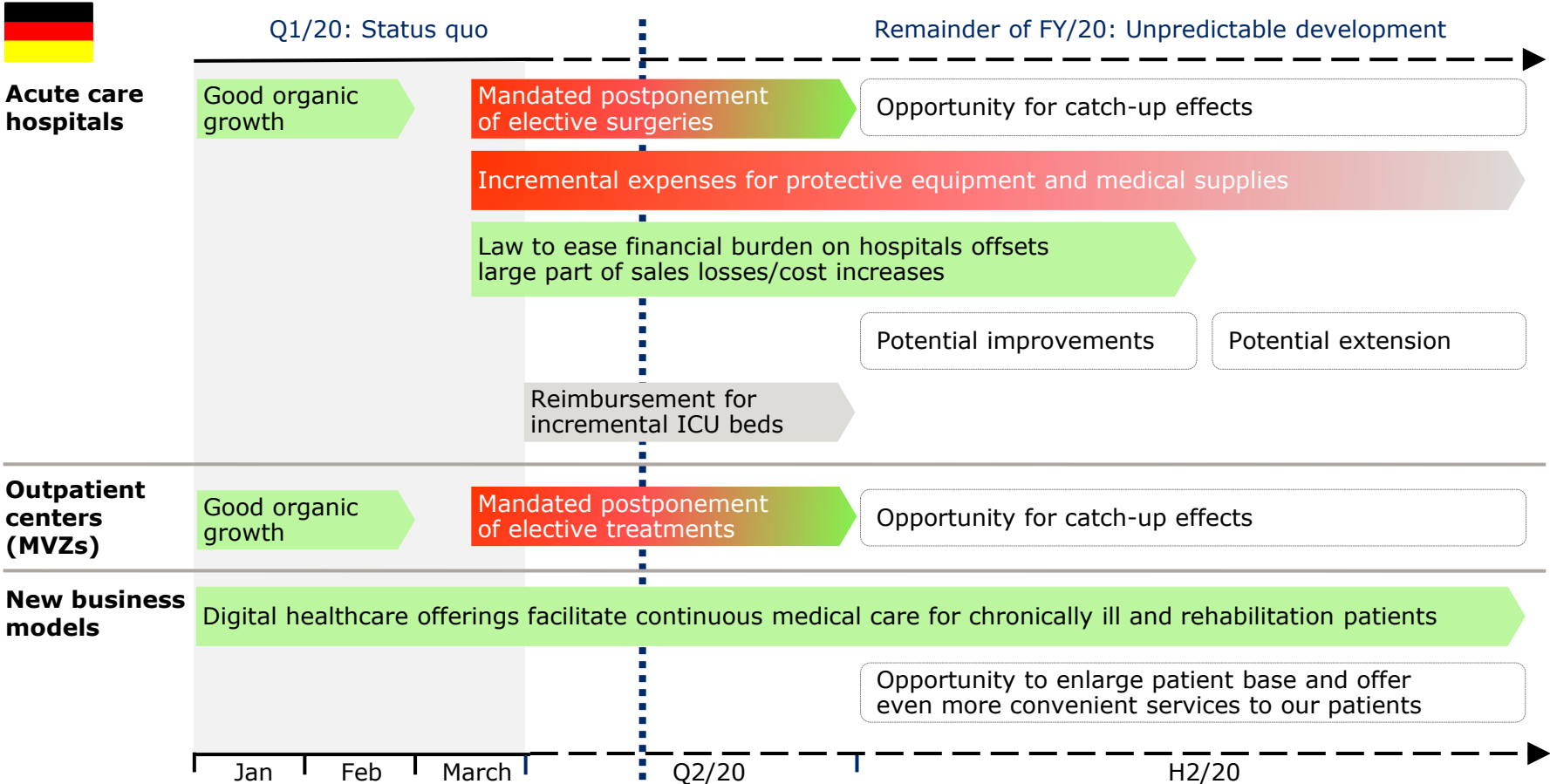
## Helios Spain



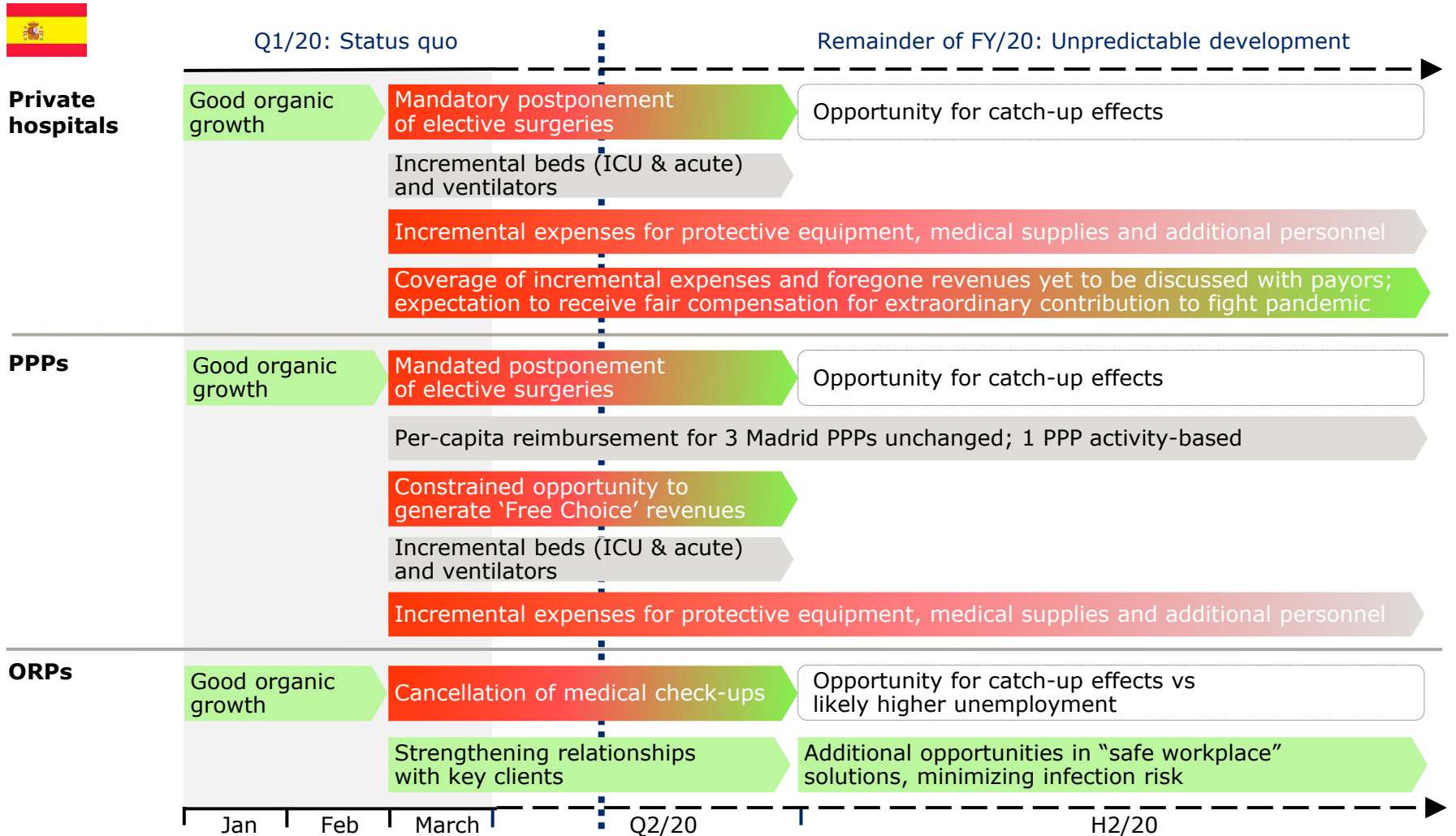
■ Actual daily COVID-19 inpatients in our hospitals    ■ Thereof in ICU facilities (as % of actual daily inpatients)

Notes: Figures for Helios Spain include high-likelihood suspected COVID-19 inpatient cases under investigation. On a cumulative basis, Helios Spain treated about 15,000 COVID-19 inpatients, of which about 1,400 (9%) were treated in ICU. The daily ICU percentages in the above chart are higher due to longer avg. length-of-stay of COVID-19 patients in ICUs.

# Helios Germany: Law to ease financial burden on hospitals likely to offset large part of sales losses and cost increases

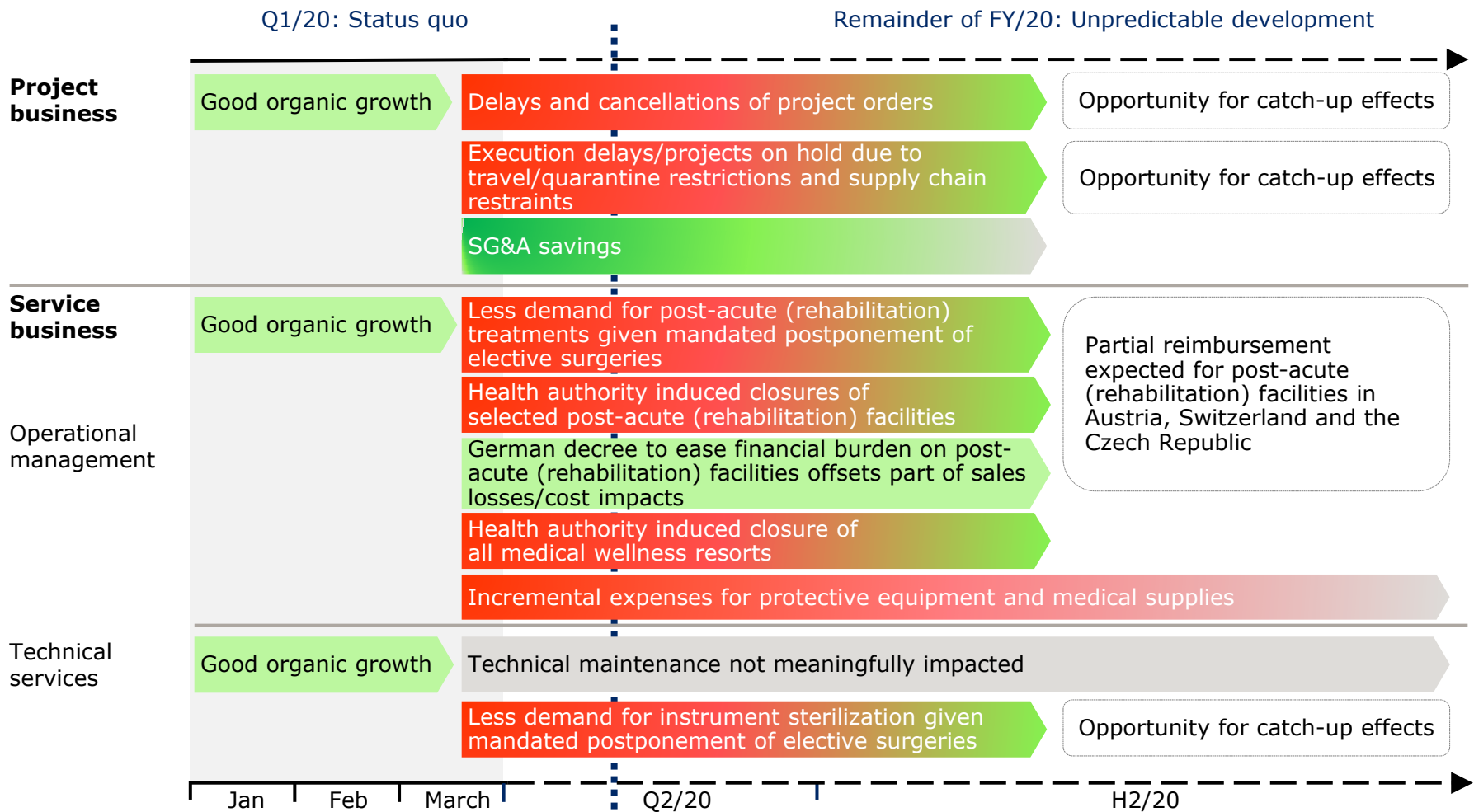


# Helios Spain: Significant contribution to combat COVID-19; some uncertainties with regards to reimbursement remain





# Fresenius Vamed: Postponements/cancellations of orders in project business, restraints in service business due to COVID-19



# Q1/20 – Operating highlights ex COVID-19

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## Fresenius Kabi

- Biologics License Application for biosimilar of Pegfilgrastim submitted to FDA and EMA
- Significant tender wins for biosimilar Idacio® in major European markets
- 2 product launches in North America - on track to meet expectation of 15+ for the FY
- Excellent pipeline: 56 new product files pending with FDA as of March 31
- Court decision on claims of damages against Akorn expected soon
- Transfusion Medicine and Cell Therapies Business with dynamic growth in Q1/20

## Fresenius Vamed

- Intensified cooperation with Helios in the fields of high-end technical services, construction and project control



## Fresenius Helios

- Helios' digital company Curalie acquired DGG Group, creating a service provider with a full digital feature set to treat chronically ill patients
- Centro Médico Imbanaco in Colombia - successful closing of transaction; consolidation from March 1 onwards

# Fresenius Group

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“To offer better and affordable medicine to ever more people is our mission – a special responsibility that we will live up to also during these testing times.”

**Stephan Sturm**

Chairman of the Management Board

# Financial Review Q1/20



# Fresenius Group: Q1/20 Profit and Loss Statement

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## Sales

**+7%**

Q1/20: €9,135 m

## EBIT

**-2%**

Q1/20: €1,125 m

## Income Tax Rate

**22.6%**

Q1/19: 23.3%

## Net Interest

**-€174 m**

Q1/19: -€181 m

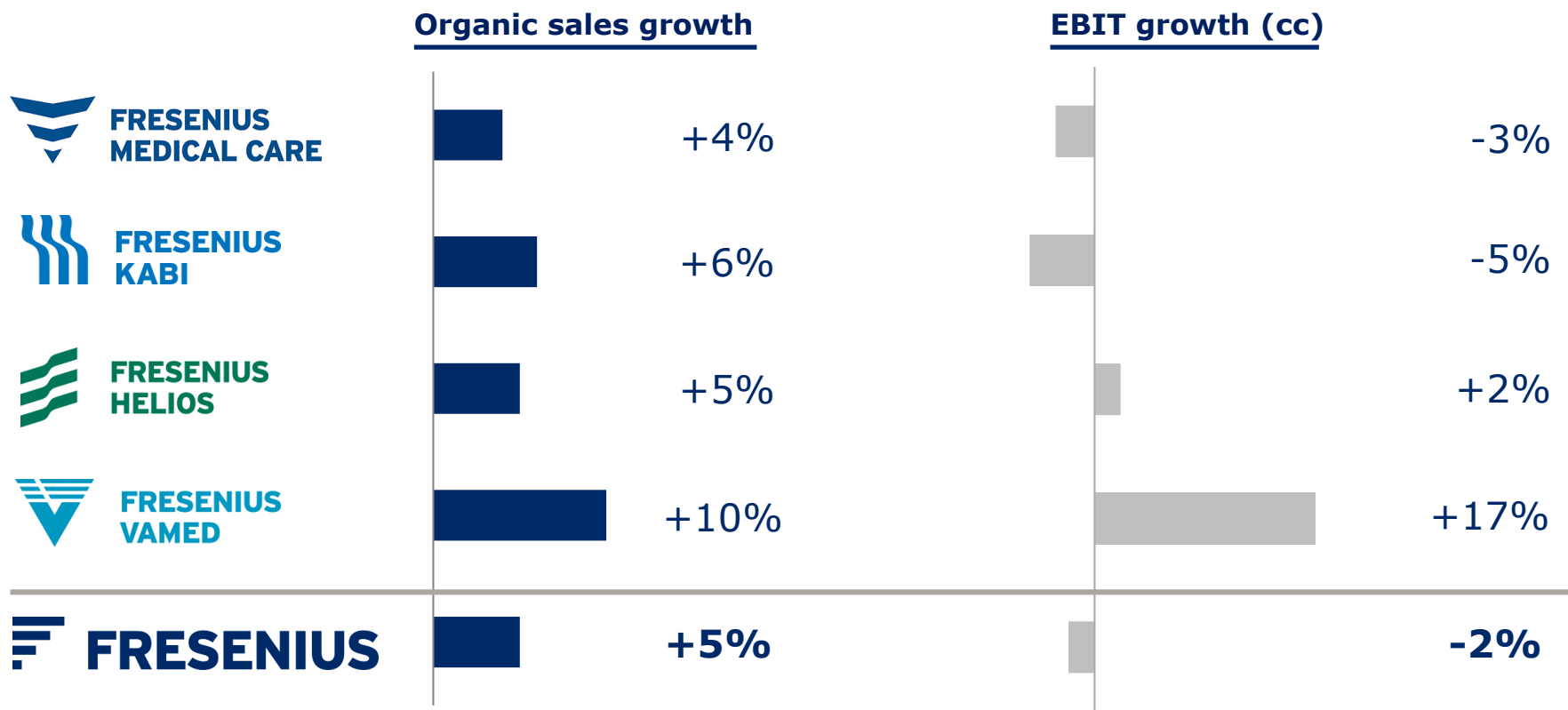
## Net Income

**+1%**

Q1/20: €465 m

All growth rates in constant currency (cc)  
Before special items  
Net income attributable to shareholders of Fresenius SE & Co. KGaA

# Fresenius Group: Q1/20 Business Segment Growth



All figures before special items

For a detailed overview of special items please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

# Fresenius Group: Significant investments into future growth

## CapEx ratio (Capex / sales)

- Historical range 5% to 6%
- 2018 and 2019 marked by group-wide significant investments into future growth
- Certain flexibility with regard to planned investments for 2020, pending on magnitude of COVID-19 impact
- Return to historical range within the next years

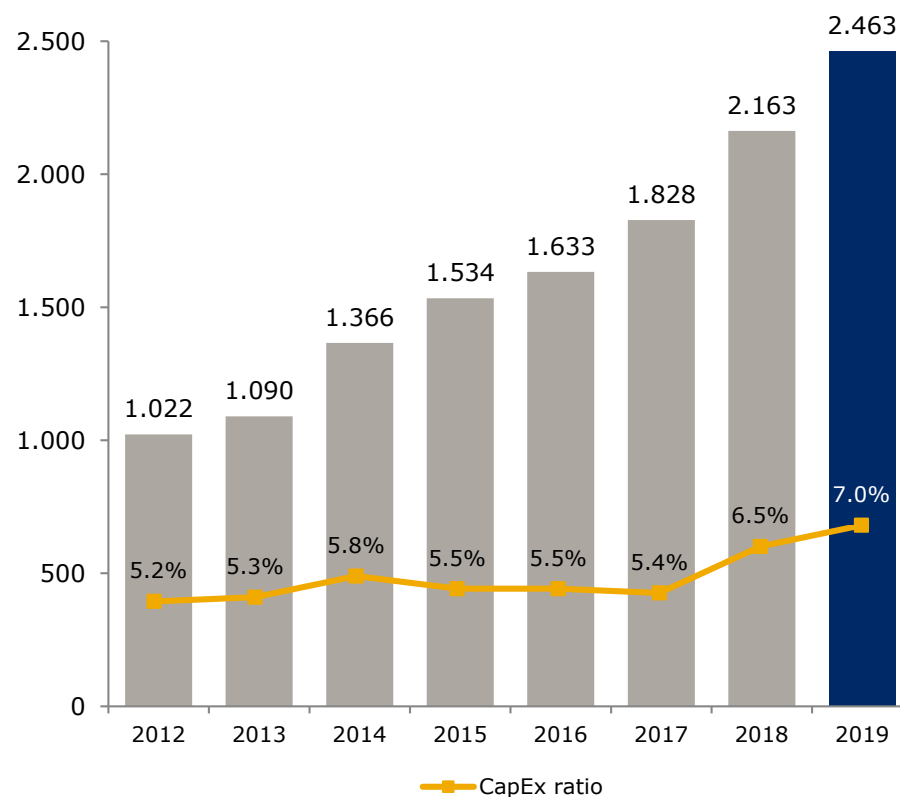
## Increased supply of essential drugs during COVID-19 pandemic

- Future-oriented investments into both automation and capacity are now enabling treatment for more patients worldwide







## Hospitals well-prepared to cope with COVID-19 pandemic

- Well invested and equipped infrastructure with well-trained nurses
- Optimized processes and workflows

CapEx, gross € in millions



# Fresenius Group: Cash Flow

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	Q1/2020	LTM Margin	Q1/2020	LTM Margin	Q1/2020	LTM Margin
 FRESENIUS MEDICAL CARE	584	17.2%	-280	-6.7%	304	10.5%
 FRESENIUS KABI	174	15.1%	-178	-10.8%	-4	4.3%
 FRESENIUS HELIOS	145	8.3%	-89	-5.1%	56	3.2%
 FRESENIUS VAMED	-20	-1.0%	-22	-3.0%	-42	-4.0%
Corporate/Other	-5	n.a.	-4	n.a.	-9	n.a.
 FRESENIUS Excl. FMC	294	10.3% <sup>2</sup>	-293	-7.4%	1	2.9% <sup>2</sup>
 FRESENIUS	878	13.5%	-573	-7.1%	305	6.4%

<sup>1</sup> Before acquisitions and dividends

<sup>2</sup> Margin incl. FMC dividend [€110 million]



## Fresenius Group: Strong financial position

Well-diversified sales and earnings base

Consistent Cash Generation

Well-balanced and diversified maturity profile - average maturity of 3.5 years

**Commitment to long-standing net debt/EBITDA target of 3.0-3.5x**

High financial flexibility ensured by broad mix of financing instruments

Very limited long-term refinancing needs in 2020

(incl. IFRS 16)

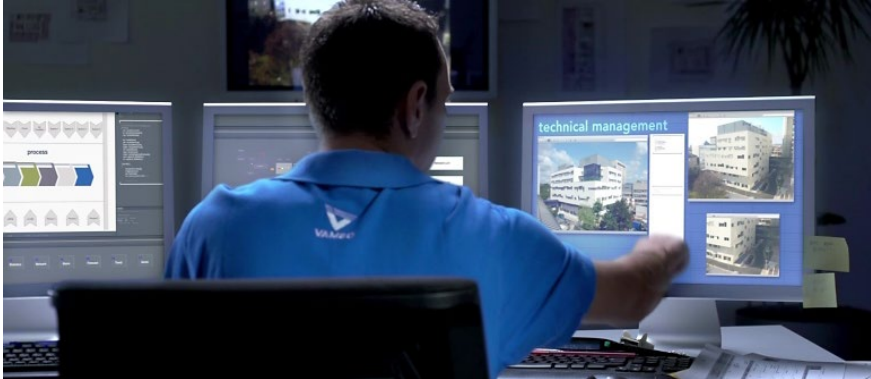
Comfortable liquidity cushion of >€5.5 billion as of today

Solid Investment Grade Rating  
Excellent reputation in financial markets

Sufficient headroom under financial covenants




- Issuance of a total of €1.5 billion bonds in January and April 2020
- Financial cushion increased by >€1.5 billion since end of March 2020

# Attachments



# Fresenius Group: FY/20 Financial Outlook by Business Segment (excluding COVID-19 effects)

€m (except otherwise stated)

		FY/19 Base <sup>1</sup>	FY/20e <sup>2</sup>
 <b>FRESENIUS KABI</b>	<b>Sales growth</b> (org)	6,919	3% - 6%
	<b>EBIT growth</b> (cc)	1,205	-4% to 0%
 <b>FRESENIUS HELIOS</b>	<b>Sales growth</b> (org)	9,234	3% - 6%
	<b>EBIT growth</b> (cc)	1,025	3% - 7%
 <b>FRESENIUS VAMED</b>	<b>Sales growth</b> (org)	2,206	4% - 7%
	<b>EBIT growth</b> (cc)	134	5% - 9%


<sup>1</sup> Before special items and including IFRS 16 effects

<sup>2</sup> Before special items

For a detailed overview of special items please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

# Fresenius Group: FY/20 Financial Guidance (excluding COVID-19 effects)

€m (except otherwise stated)

		FY/19 Base <sup>1</sup>	FY/20 <sup>2</sup>
 <b>FRESENIUS</b>	<b>Sales growth (cc)</b>	35,409	4% - 7%
	<b>Net income<sup>3</sup> growth (cc)</b>	1,879	1% - 5%

<sup>1</sup> Before special items, including IFRS 16 effects, including NxStage operations

<sup>2</sup> Before special items

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

For a detailed overview of special items please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

## Fresenius Kabi: Q1/20 Organic Sales Growth by Regions

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€m	Q1/20	Δ YoY organic
North America	669	5%
Europe	631	10%
Emerging Markets	489	1%
<b>Total sales</b>	<b>1,789</b>	<b>6%</b>

## Fresenius Kabi: Q1/20 EBIT Growth

€m	Q1/20	Δ YoY cc
North America	257	2%
Margin	38.4%	-90 bps
Europe	104	21%
Margin	16.5%	+130 bps
Emerging Markets	71	-31%
Margin	14.5%	-610 bps
Corporate and Corporate R&D	-143	-6%
<b>Total EBIT</b>	<b>289</b>	<b>-5%</b>
Margin	16.2%	-170 bps

All figures before special items

Margin growth at actual rates

For a detailed overview of special items and adjustments please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

## Fresenius Helios: Q1/20 Key Financials

€m	Q1/20	Δ YoY
<b>Total sales</b>	<b>2,466</b>	<b>5%<sup>1</sup></b>
Thereof Helios Germany	1,603	8% <sup>1</sup>
Thereof Helios Spain	863	1% <sup>1</sup>
<b>Total EBIT</b>	<b>274</b>	<b>2%</b>
Margin	11.1%	-50 bps
Thereof Helios Germany	165	11%
Margin	10.3%	+30 bps
Thereof Helios Spain	112	-7%
Margin	13.0%	-160 bps
Thereof Corporate	-3	--

<sup>1</sup> Organic growth

For a detailed overview of special items and adjustments please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

## Fresenius Vamed

- Both project and service business contributing to organic sales growth of 10% in Q1
- Post-acute care services impacted by COVID-19 pandemic due to postponement of elective surgeries and health authority issued closures of rehabilitation clinics; technical services not significantly impacted by COVID-19
- Further global delays and postponement of project business orders and project business execution expected due to COVID-19

€m	Q1/20	Δ YoY
<b>Total sales</b>	<b>499</b>	<b>13%</b>
Thereof organic sales		10%
Project business	142	31%
Service business	357	8%
<b>Total EBIT</b>	<b>14</b>	<b>17%</b>
Order intake <sup>1</sup>	124	-68%
Order backlog <sup>1</sup>	2,846	-1% <sup>2</sup>

<sup>1</sup> Project business only

<sup>2</sup> Versus December 31, 2019



## Fresenius Group: Calculation of Noncontrolling Interest

€m	Q1/20	Q1/19
Earnings before tax and noncontrolling interest	951	949
Taxes	-215	-221
Noncontrolling interest, thereof	-271	-271
Fresenius Medical Care net income not attributable to Fresenius (Q1/20: ~68%)	-194	-197
Noncontrolling interest holders in Fresenius Medical Care	-68	-57
Noncontrolling interest holders in Fresenius Kabi (-€6 m), Fresenius Helios (-€2 m), Fresenius Vamed (-€0 m) and due to Fresenius Vamed's 23% external ownership (-€1 m)	-9	-17
<b>Net income attributable to Fresenius SE &amp; Co. KGaA</b>	<b>465</b>	<b>457</b>

Before special items

For a detailed overview of special items and adjustments please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

## Fresenius Group: Cash Flow

€m	Q1/20	LTM Margin	Δ YoY
<b>Operating Cash Flow</b>	<b>878</b>	<b>13.5%</b>	<b>--</b>
Capex (net)	-573	-7.1%	-25%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>305</b>	<b>6.4%</b>	<b>--</b>
Acquisitions (net)	-287		
Dividends	-58		
<b>Free Cash Flow</b> (after acquisitions and dividends)	<b>-40</b>	<b>1.5%</b>	<b>98%</b>

## Fresenius Group: Q1/20 Key Financials

€m	Q1/20 <sup>1</sup>	special items	Q1/20 reported	Δ YoY cc <sup>1</sup>
Sales	<b>9,135</b>	-	<b>9,135</b>	7%
EBIT	<b>1,125</b>	-	<b>1,125</b>	-2%
Net interest	<b>-174</b>	<b>-8</b>	<b>-182</b>	4%
Income taxes	<b>-215</b>	<b>2</b>	<b>-213</b>	4%
<b>Net income<sup>2</sup></b>	<b>465</b>	<b>-6</b>	<b>459</b>	1%

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

For a detailed overview of special items and adjustments please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

## Fresenius Kabi: Q1/20 Organic Sales Growth by Product Segment

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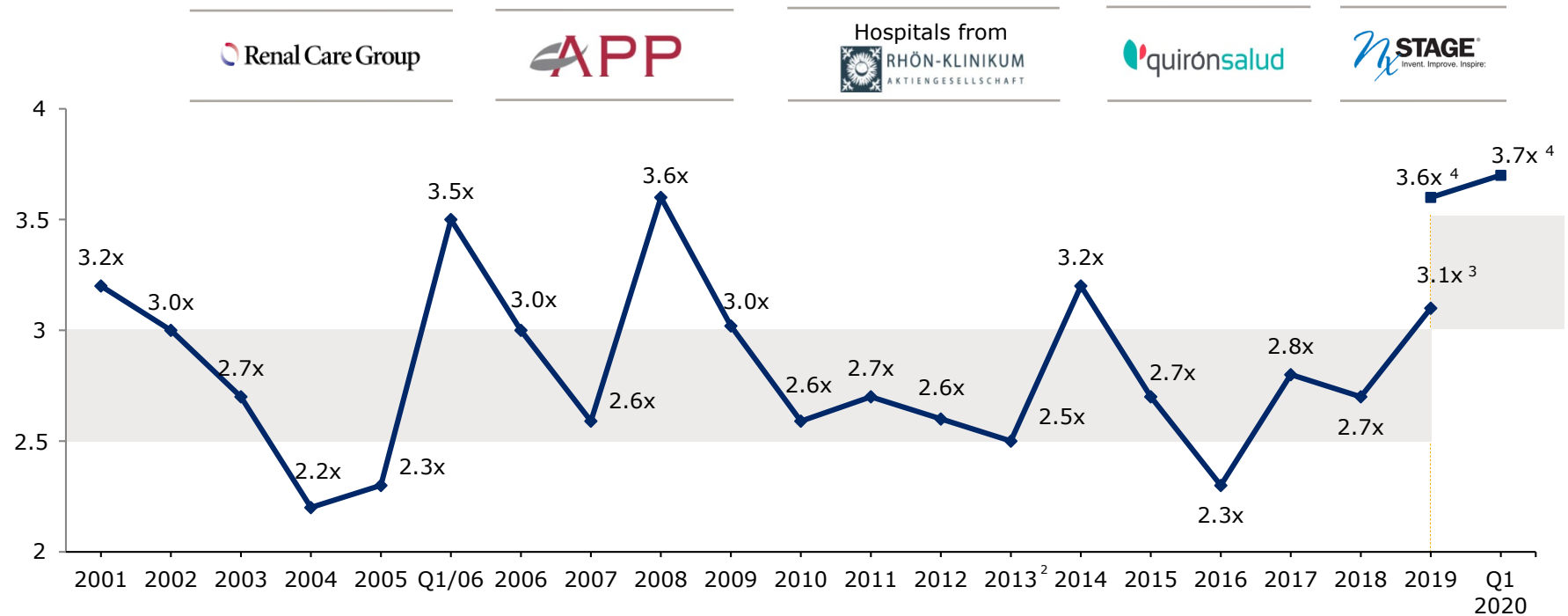
€m	Q1/20	Δ YoY organic
IV Drugs	796	6%
Infusion Therapy	199	-1%
Clinical Nutrition	461	4%
Medical Devices/ Transfusion Technology	333	13%
<b>Total sales</b>	<b>1,789</b>	<b>6%</b>

## Fresenius Helios: Key Metrics

	Q1/20	FY/19	Δ
No. of hospitals Germany	86	86	0%
- Acute care hospitals	83	83	0%
No. of hospitals Spain (Hospitals)	52	51	2%
No. of beds Germany	28,907	28,907	0%
- Acute care hospitals	28,380	28,380	0%
No. of beds Spain (Hospitals)	7,745	7,288	6%
Admissions Germany (acute care)	297,470	1,206,654	
Admissions Spain (including outpatients)	3,784,313	15,396,051	

# Fresenius Group: Proven Track Record of Deleveraging

## Net Debt/EBITDA<sup>1</sup>



<sup>1</sup> At actual FX rates from 2001 to 2010 and at average FX rates from 2011 onwards, for both Net Debt and EBITDA; before special items; pro forma closed acquisitions/divestitures

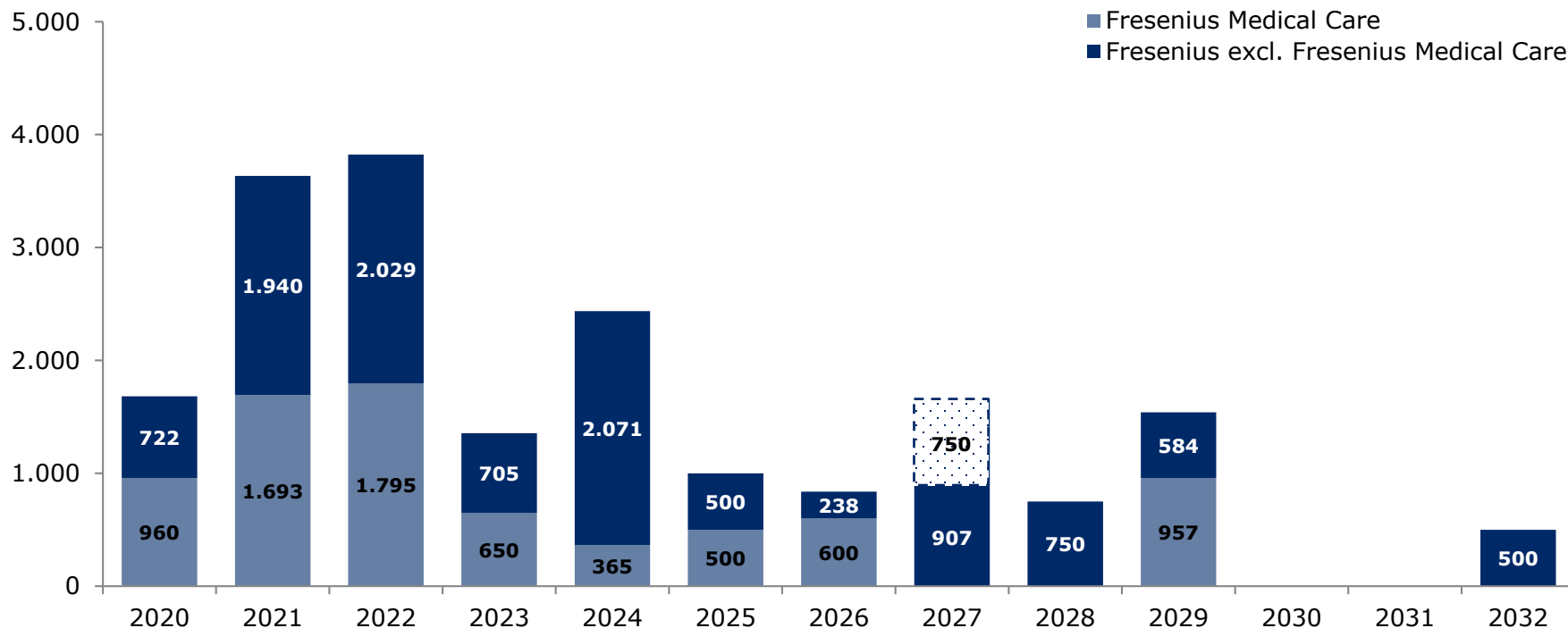
<sup>2</sup> Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG

<sup>3</sup> 2001-2018/19 excluding IFRS 16

<sup>4</sup> Including IFRS 16

# Fresenius Group: Major Long Term Debt Maturities – March 31, 2020 Pro Forma<sup>1,2</sup>

€ million



- **2020/21:** Excluding Commercial Paper (FSE ~1.0bn, FMC ~0.9bn)
- **2022:** RCF Capacity: ~€1.6 bn FSE, ~€1.4 bn FMC // Term Loan: ~€0.9 bn FSE, ~€1.2 bn FMC

<sup>1</sup> Based on utilization of major financing instruments

<sup>2</sup> Incl. EUR 750m 2020 – 2027 Bond, issued on April 8, 2020

# Financial Calendar / Contact

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## Financial Calendar

30 July 2020 Results Q2/20

29 October 2020 Results Q3/20

Please note that these dates could be subject to change.

## Annual General Meeting

Due to the coronavirus pandemic, the AGM scheduled for 20 May 2020 has been postponed. A new date within the current financial year will be set as soon as the conditions for reliable planning and safe execution of the AGM are once again in place.

## Contact

Investor Relations & Sustainability

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