

# **Q3/22 – Hitting reset and charting a new course in a challenging market environment**

**Bad Homburg, 31 October 2022**



## 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, the availability of financing and unforeseen impacts of international conflicts.

Fresenius does not undertake any responsibility to update the forward-looking statements contained in this presentation.



# 1 Business update

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# Increased uncertainty and volatility exacerbated by macro headwinds dampen outlook

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Fresenius Group Net Income: **-8%<sup>1</sup> Q3 YTD**

Continued **uncertainty for Q4 2022**



Revised Group FY/22 guidance:

**Net income decline of  
around 10%**

*Operational performance also underpinning need for reset*

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

# Continued sales growth yet contracting margin and declining net income

## Q3/22 key figures

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**Sales** (growth)



**EBIT** (margin)



**Net income** (growth)



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

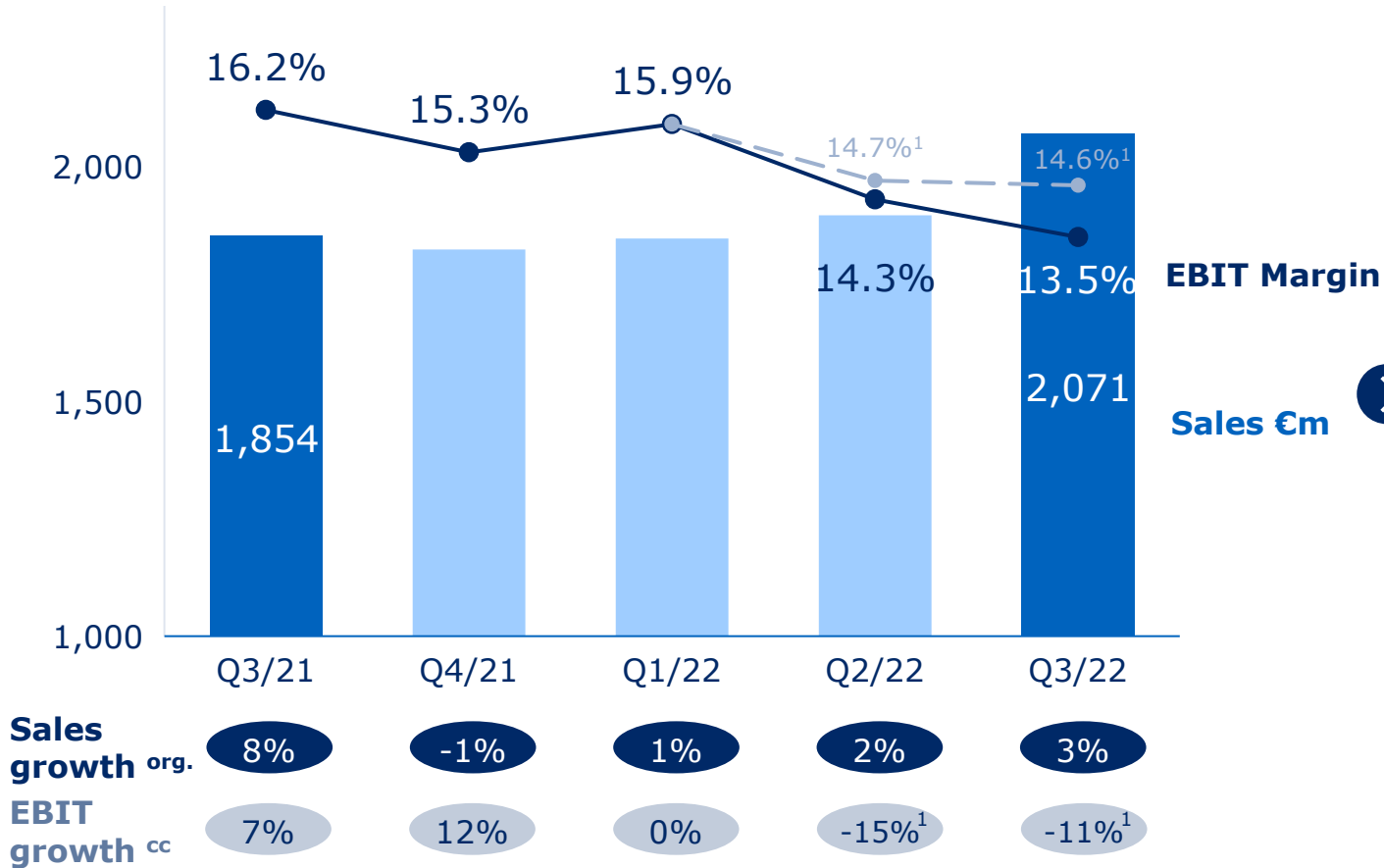


# Fresenius Kabi with healthy sales growth and sequential improvement

## Q3/22 results



### QUARTERLY FINANCIALS



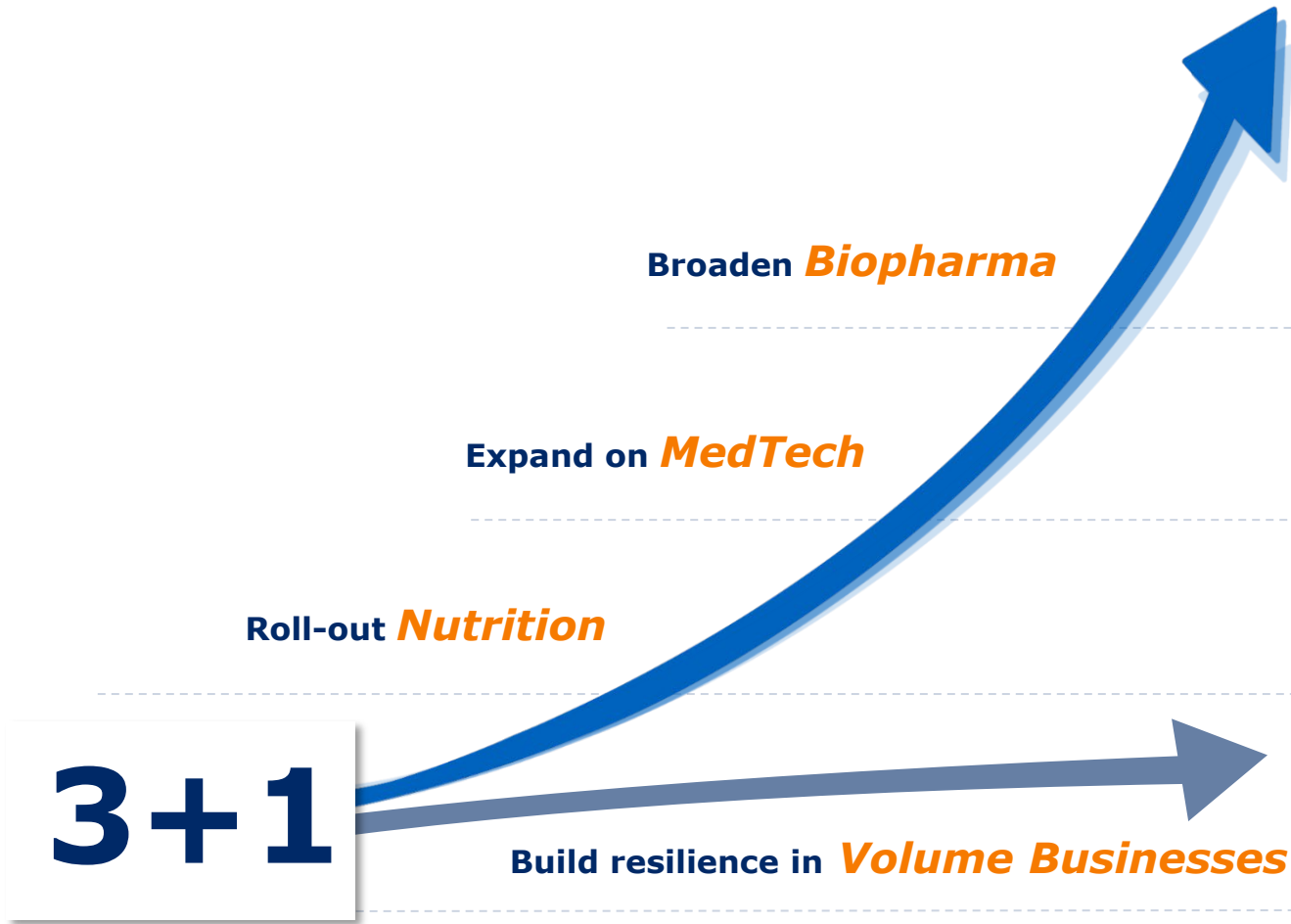
Before special items,

<sup>1</sup> Q2/22 and Q3/22 margin and EBIT cc growth excluding Ivenix and mAbxience acquisitions

### MAIN DEVELOPMENTS

- **Solid organic sales growth** in all three growth vectors against already strong Q3/21
- **Biopharmaceuticals continue strong trajectory** in line with ambitious plan
- **Growth in EU/ROW**, outweighing pressures in NAM
- **Sequentially constant EBIT margin<sup>1</sup> despite headwinds** from cost increases

# 3+1 strategy: Adding to our growth opportunities



## CURRENT HIGHLIGHTS

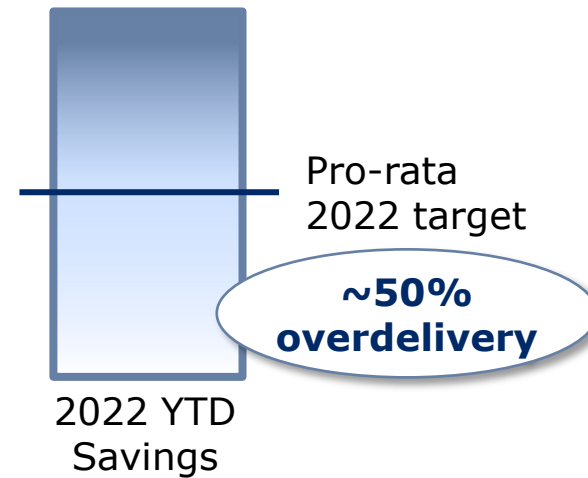
- Pegfilgrastim US FDA approval received
- mAbxience partnership execution on track
- Ivenix gaining first traction, e.g. go-live at Fort Healthcare
- Presented at Vizient Innovative Technology Exchange
- Leading supplier of IV lipid nutrition in North America
- Smoflipid received positively by U.S. clinicians
- Continued launches, e. g. US Oncology, Contrast Agents
- 2022 Vizient Pharmaceutical Partner of the year

# Ahead of schedule on cost savings

## DIVESTED NON-CORE ASSETS



## FASTER PACE



- Procurement
- Go-to-market model
- Network
- ...

✓ *Competitiveness*

✓ *Resilience*

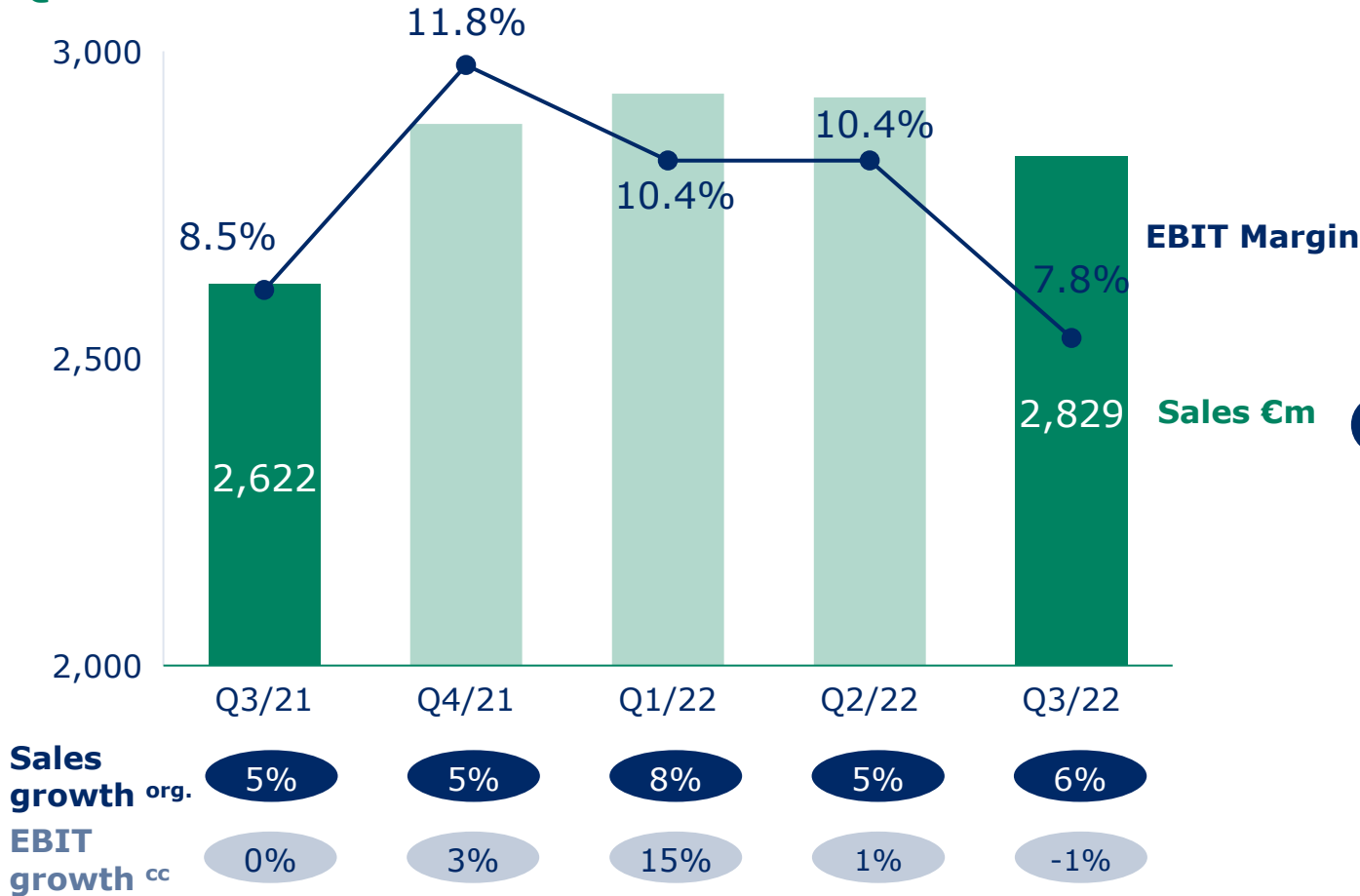
✓ *Flexibility*



# Fresenius Helios delivers solid quarter Q3/22 results



## QUARTERLY FINANCIALS



Before special items

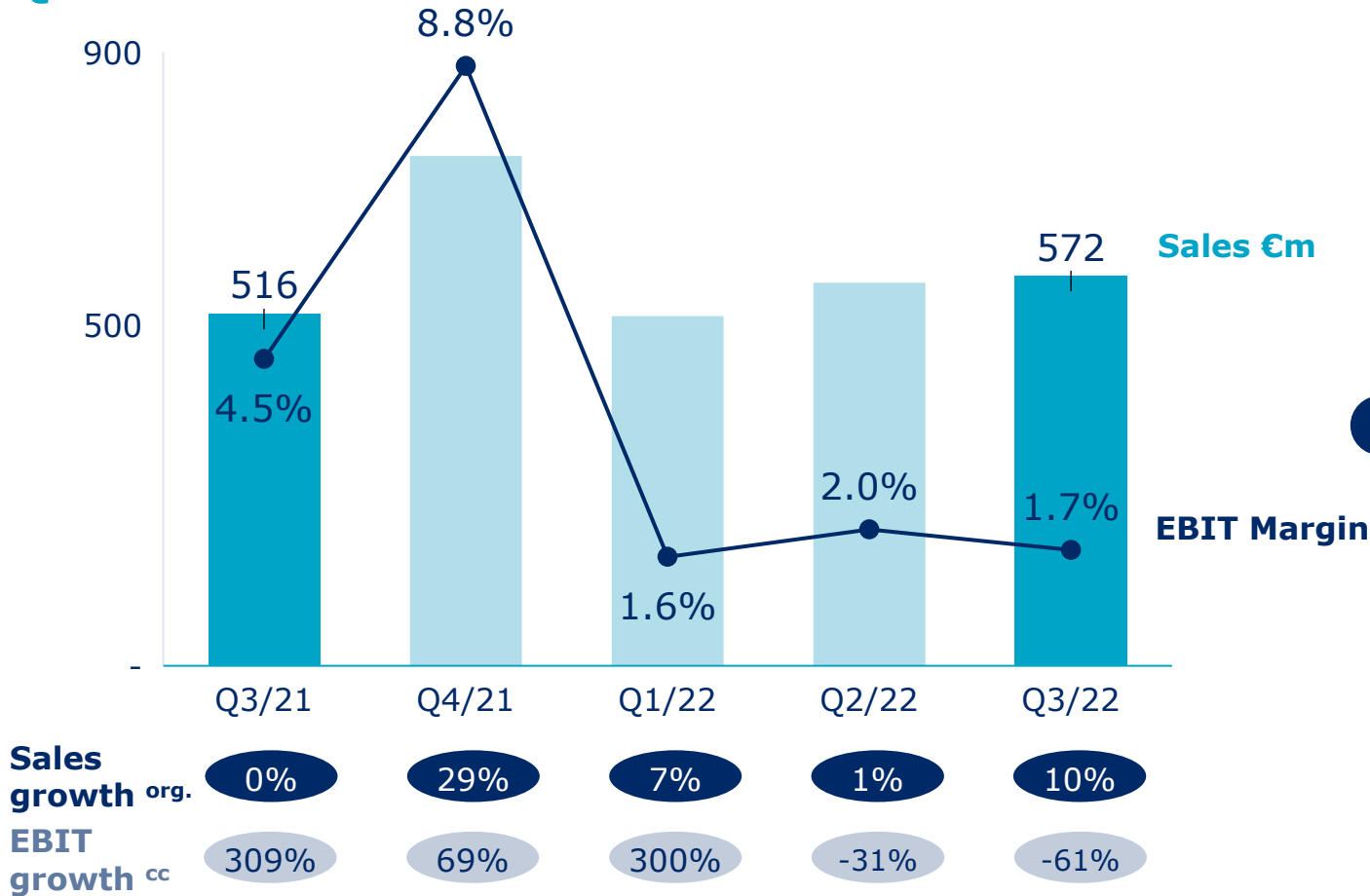
## MAIN DEVELOPMENTS

- Strong organic **sales** growth, solid **EBIT** in line with seasonality
- **Helios Germany:** Admissions gradually improving but still below pre-pandemic levels, favorable case mix in Q3/22
- **Helios Spain:** Healthy activity levels in Spain and Latin America
- **Helios Fertility:** Lower volumes by delayed treatments; prior year quarter inflated by positive special item

# Fresenius Vamed significantly impacted by macro headwinds and COVID Q3/22 results



## QUARTERLY FINANCIALS



Before special items

## MAIN DEVELOPMENTS

- **Service business** showing solid top-line performance, but macro headwinds and a COVID impact in the rehabilitation business impacts profitability
- Inflation and economic uncertainty adversely impact earnings in the **project business**
- **Revaluation of contractual assets** in international service as well as in project business **weighs on EBIT**



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# Tough quarter against the backdrop of challenging macro environment

## Q3/22 results

### Sales



### EBIT



### Net Income



### Net Interest









### Income Tax Rate



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

# Solid Cash Flow development

## Q3/22 Cash Flow

€m	Operating Cash Flow		Capex (net)		Free Cash Flow <sup>1</sup>	
	Q3/2022	LTM Margin	Q3/2022	LTM Margin	Q3/2022	LTM Margin
 <b>FRESENIUS MEDICAL CARE</b>	658	11.7%	-157	-3.9%	501	7.8%
 <b>FRESENIUS KABI</b>	301	11.5%	-118	-6.4%	183	5.1%
 <b>FRESENIUS HELIOS</b>	353	8.8%	-90	-4.8%	263	4.0%
 <b>FRESENIUS VAMED</b>	-18	3.0%	-10	-2.1%	-28	0.9%
Corporate/Other	-38	n.a.	-5	n.a.	-43	n.a.
 <b>FRESENIUS</b> Excl. FMC <sup>2</sup>	598	9.5%	-223	-5.2%	375	4.3%
 <b>FRESENIUS</b>	1,256	10.3%	-380	-4.6%	876	5.7%

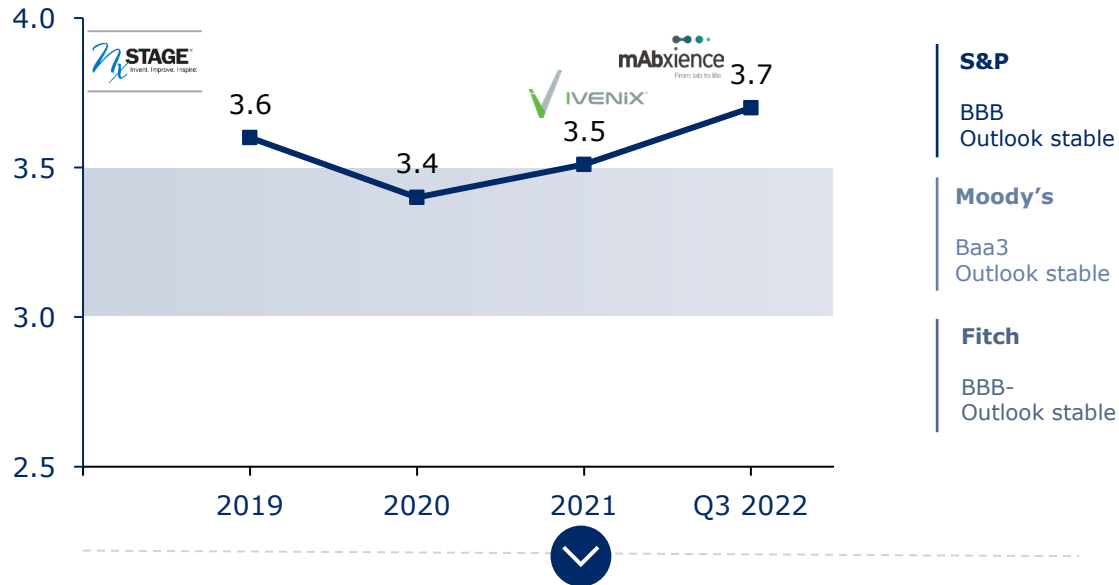
<sup>1</sup> Before acquisitions and dividends

<sup>2</sup> Including FMC dividends

# Well-balanced financing structure

## Debt and leverage profile

### NET DEBT/EBITDA<sup>1</sup>

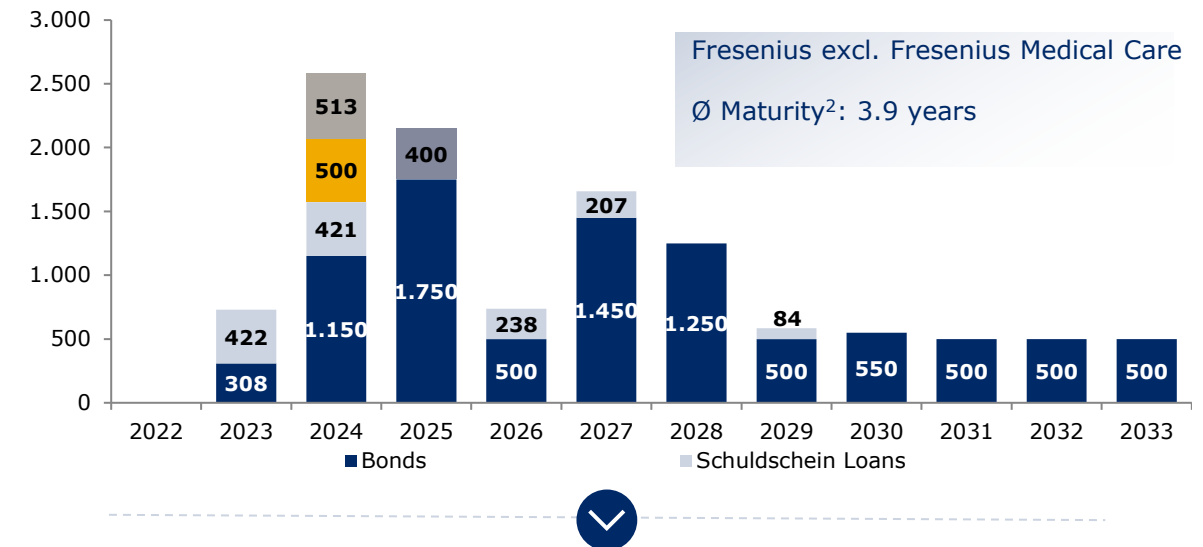


- Continuous commitment to net leverage target ratio of 3.0-3.5x Net Debt/EBITDA
- Leverage ratio impacted by
  - Usual seasonality patterns
  - Acquisitions of Ivenix and majority stake in mAbxience
  - Muted EBITDA development

<sup>1</sup> At actual FX rates for both Net Debt and EBITDA; before special items; pro forma close acquisitions/divestitures

### LONG-TERM DEBT MATURITY PROFILE

€m, as of Sept. 30, 2022



- No major refinancing needs in the short-term
- Conservative fix/floating rate debt mix of ~80%/20%
- Diversified financing mix
- Well-balanced maturity profile

<sup>2</sup> Calculation on Total Financial Debt excl. Lease & Purchase Money Obligations





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# Assumptions for Guidance

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## ASSUMPTIONS FOR GUIDANCE

Continued macroeconomic headwinds from cost inflation, labor shortage and supply chain challenges to remain.

The guidance does not consider a significant disruption of gas or electricity supplies in Europe.

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Overall heightened volatility and muted visibility; potential further consequences, including balance sheet valuations will be closely monitored.

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COVID-19 will continue to impact Fresenius Group operations in 2022.

Guidance does not reflect any potential further containment measures that could have a significant and direct impact on the health care sector without any appropriate compensation.

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The acquisitions of Ivenix and of the majority stake in mAbxience as well as any further potential acquisitions remain excluded from guidance.

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Special items are excluded

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For FMC's contribution to FSE numbers FMC's guidance assumptions apply<sup>1</sup>

<sup>1</sup> see FMC Q3/22 presentation

## FY/22 Financial Outlook by Business Segment



€m (except otherwise stated)		FY/21 Base	Q1-3/22 Actual	FY/22e	FY/22e New
 <b>FRESENIUS KABI</b>	<b>Sales growth</b> (org)	7,193	2%	Low single-digit %	✓
	<b>EBIT growth</b> (cc)	1,153	-9% <sup>1</sup>	Decline in high single- to low double-digit %-range	✓
 <b>FRESENIUS HELIOS</b>	<b>Sales growth</b> (org)	10,891	6%	Low-to-mid single-digit %	✓
	<b>EBIT growth</b> (cc)	1,127	5%	Mid single-digit %	✓
 <b>FRESENIUS VAMED</b>	<b>Sales growth</b> (org)	2,297	6%	High single- to low double-digit %	Mid single-digit %
	<b>EBIT</b>	101	€29m	Returning to absolute pre-COVID levels (2019: €134 m)	Around €100m

Before special items and including estimated COVID-19 effects

<sup>1</sup> Excluding Ivenix and mAbxience acquisitions

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

## FY/22 Financial Guidance

€m (except otherwise stated)		FY/21 Base	Q1-3/22 Actual	FY/22e	FY/22e published July 2022	FY/22e New
 <b>FRESENIUS</b>	<b>Sales growth (cc)</b>	37,520	4%	Mid single-digit %	Low-to-mid single-digit %	
	<b>Net income growth (cc)</b>	1,867	-8% <sup>1</sup>	Low single-digit %	Decline in low-to-mid single-digit %-range	Decline of around 10%

Before special items and including estimated COVID-19 effects  
Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>1</sup> Excluding Ivenix and mAbxience acquisitions

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



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## My priorities and plans

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- Competing in a **challenging** economic and geopolitical **environment**
- Build out a comprehensive agenda to **create value** for shareholders
- Feeling **enormous passion** and strongest possible commitment for patients

Drive **structural productivity / cost out**

Strengthen **return focus**

Create momentum for **#FutureFresenius**



# Pathway to #FutureFresenius: Rigorous strategy and portfolio review underway

Today

Investor Day 2023



**Portfolio diagnostics**



**Set comprehensive group targets**



**Roll out segment strategy**



**Strengthen governance & operating model**



**Operational performance management**

*Transparent & open-minded*

*Integrative & collaborative*

*Diligent & decisive*



**#FutureFRESENIUS**



# Attachments

## Fresenius Kabi: Q3 & Q1-3/22 Organic Sales Growth by Regions

€m	Q3/22	Δ YoY organic	Q1-3/22	Δ YoY organic
North America	668	-2%	1,853	-1%
Europe	669	6%	1,967	4%
Emerging Markets	734	6%	1,994	2%
<b>Total sales</b>	<b>2,071</b>	<b>3%</b>	<b>5,814</b>	<b>2%</b>

## Fresenius Kabi: Q3 & Q1-3/22 Organic Sales Growth by Product Segment

€m	Q3/22	Δ YoY organic	Q1-3/22	Δ YoY organic
IV Drugs	745	-4%	2,127	-5%
Infusion Therapy	260	15%	735	13%
Clinical Nutrition	619	4%	1,736	4%
Medical Devices/ Transfusion Technology	383	3%	1,100	1%
Biopharmaceuticals	64	147%	116	127%
<b>Total sales</b>	<b>2,071</b>	<b>3%</b>	<b>5,814</b>	<b>2%</b>

## Fresenius Kabi: Q3 & Q1-3/22 EBIT Growth

€m	Q3/22	Δ YoY cc	Q1-3/22	Δ YoY cc
North America	186	-3%	516	-8%
Margin	27.8%	-20 bps	27.8%	-220 bps
Europe	65	-32%	226	-28%
Margin	9.7%	-530 bps	11.5%	-500 bps
Emerging Markets	180	-1%	493	1%
Margin	24.5%	-110 bps	24.7%	+20 bps
Corporate and Corporate R&D	-151	-13%	-391	4%
<b>Total EBIT</b>	<b>280</b>	<b>-11%<sup>1</sup></b>	<b>844</b>	<b>-9%<sup>1</sup></b>
Margin	13.5%	-270 bps	14.5%	-180 bps

All figures before special items

Margin growth at actual rates

<sup>1</sup> Excluding Ivenix and mAbxience acquisitions

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: Q3 & Q1-3/22 Key Financials

€m	Q3/22	Δ YoY cc	Q1-3/22	Δ YoY cc
<b>Total sales</b>	<b>2,829</b>	<b>6%<sup>1</sup></b>	<b>8,685</b>	<b>6%<sup>1</sup></b>
Thereof Helios Germany	1,731	5% <sup>1</sup>	5,272	5% <sup>1</sup>
Thereof Helios Spain	1,037	8% <sup>1</sup>	3,227	9% <sup>1</sup>
Thereof Helios Fertility	62	--	184	--
<b>Total EBIT</b>	<b>222</b>	<b>-1%</b>	<b>831</b>	<b>5%</b>
Margin	7.8%	-70 bps	9.6%	-20 bps
Thereof Helios Germany	141	1%	449	2%
Margin	8.1%	-40 bps	8.5%	-40 bps
Thereof Helios Spain	83	3%	384	9%
Margin	8.0%	-40 bps	11.9%	-10 bps
Thereof Helios Fertility	4	-67%	15	0%
Margin	6.5%	-1,600 bps	8.2%	-890 bps
Thereof Corporate	-6	--	-17	--

<sup>1</sup> Organic growth

All figures 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 Helios: Key Metrics

	Q1-3/22	FY/21	Δ
<b>Helios Germany</b>			
Hospitals	87	90	-3%
- Acute care hospitals	84	87	-3%
Beds	30,487	30,487	0%
- Acute care hospitals	29,921	29,955	0%
Admissions (acute care)	814,260	1,048,946	
<b>Helios Spain</b>			
Hospitals	58	56	4%
Beds	8,224	8,174	1%
Admissions (including outpatients)	13,859,390	17,122,592	

## Fresenius Vamed: Q3 & Q1-3/22 Key Financials

€m	Q3/22	Δ YoY cc	Q1-3/22	Δ YoY cc
<b>Total sales</b>	<b>572</b>	<b>10%</b>	<b>1,647</b>	<b>6%</b>
Thereof organic sales		10%		6%
Project business	154	45%	407	6%
Service business	418	1%	1,240	5%
<b>Total EBIT</b>	<b>10</b>	<b>-61%</b>	<b>29</b>	<b>-20%</b>
Order intake <sup>1</sup>	153	--	669	--
Order backlog <sup>1</sup>			3,726	7% <sup>2</sup>

<sup>1</sup> Project business only

<sup>2</sup> Versus December 31, 2021

## Fresenius Group: Calculation of Noncontrolling Interests

€m	Q1-3/22	Q1-3/21
Earnings before tax and noncontrolling interests	2,576	2,702
Taxes	-606	-605
Noncontrolling interests, thereof	-686	-751
Fresenius Medical Care net income not attributable to Fresenius (Q1-3/22: ~68%)	-447	-512
Noncontrolling interest holders in Fresenius Medical Care	-166	-174
Noncontrolling interest holders in Fresenius Kabi (-€ 52 m), Fresenius Helios (-€14 m), Fresenius Vamed (-€ 3 m) and due to Fresenius Vamed's 23% external ownership (-€4 m)	-73	-65
<b>Net income attributable to Fresenius SE &amp; Co. KGaA</b>	<b>1,284</b>	<b>1,346</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	Q3/22	LTM Margin	Δ YoY
<b>Operating Cash Flow</b>	<b>1,256</b>	<b>10.3%</b>	<b>2%</b>
Capex (net)	-380	-4.6%	12%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>876</b>	<b>5.7%</b>	<b>10%</b>
Acquisitions (net)	-428		
Dividends	-60		
<b>Free Cash Flow</b> (after acquisitions and dividends)	<b>388</b>	<b>1.1%</b>	<b>-35%</b>

## Estimated COVID-19 Effects Q3 & Q1-3/22

	Growth cc as reported incl. COVID-19		Estimated COVID-19 impact cc		Estimated growth cc excl. COVID-19	
	Q3/22	Q3/21	Q3/22	Q3/21	Q3/22	Q3/21
Sales	5%	5%	1% to 0%	-2% to -3%	4% to 5%	7% to 8%
Net income <sup>1</sup>	-22%	2%	4% to 0%	-10% to -14%	-26% to -22%	12% to 16%

	Growth cc as reported incl. COVID-19		Estimated COVID-19 impact cc		Estimated growth cc excl. COVID-19	
	Q1-3/22	Q1-3/21	Q1-3/22	Q1-3/21	Q1-3/22	Q1-3/21
Sales	4%	5%	1% to 0%	0% to -1%	3% to 4%	5% to 6%
Net income <sup>1</sup>	-10%	6%	5% to 1%	-1% to -5%	-15% to -11%	7% to 11%

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA



## Sales by Business Segment – FX, Acquisitions/Divestitures Effects Q3/22

€m	Q3/22	Q3/21	Growth at actual rates	Currency translation effects	Growth at constant rates	Organic growth	Acquisitions	Divestitures/Others
Fresenius Medical Care	5,096	4,442	15%	12%	3%	2%	1%	0%
Fresenius Kabi	2,071	1,854	12%	8%	4%	3%	1%	0%
Fresenius Helios	2,829	2,622	8%	1%	7%	6%	2%	-1%
Fresenius Vamed	572	516	11%	1%	10%	10%	1%	-1%
<b>Total</b>	<b>10,459</b>	<b>9,324</b>	<b>12%</b>	<b>7%</b>	<b>5%</b>	<b>4%</b>	<b>1%</b>	<b>0%</b>

## Sales by Business Segment – FX, Acquisitions/Divestitures Effects Q1-3/22

€m	Q1-3/22	Q1-3/21	Growth at actual rates	Currency translation effects	Growth at constant rates	Organic growth	Acquisitions	Divestitures/Others
Fresenius Medical Care	14,401	12,972	11%	9%	2%	1%	1%	0%
Fresenius Kabi	5,814	5,370	8%	6%	2%	2%	0%	0%
Fresenius Helios	8,685	8,009	8%	0%	8%	6%	2%	0%
Fresenius Vamed	1,647	1,549	6%	0%	6%	6%	1%	-1%
<b>Total</b>	<b>30,197</b>	<b>27,554</b>	<b>10%</b>	<b>6%</b>	<b>4%</b>	<b>3%</b>	<b>1%</b>	<b>0%</b>

# Financial Calendar / Contact

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## Financial Calendar

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22 February 2023	Results FY/22
09 May 2023	Results Q1/23
17 May 2023	Annual General Meeting
02 August 2023	Results Q2/23
02 November 2023	Results Q3/23

Please note that these dates could be subject to change.

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## Contact

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