

Conference Call – Q3/20 Results



Bad Homburg, 29 October 2020

Safe Harbor Statement

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).

Fresenius Group Q3/20 – Key Messages

- **Resilient business model delivers healthy 5% cc sales growth, good cash flow development**
- **Group-wide cost optimization fostered during the pandemic – benefits to stay in post-COVID world**
- **Positive net income growth – Fresenius Group has passed the trough**
- **Fresenius Kabi shows recovery in Europe and return to growth in China whilst headwinds weigh on the US**
- **Fresenius Helios with significant growth in Spain based on catch-up effects**
- **Fresenius Vamed continues to be heavily impacted by COVID-19 related project delays; high-end technical services remained robust**
- **Group guidance confirmed**

Fresenius Kabi: Whilst headwinds weigh on the US, Europe sees a recovery and China returns to growth

North America

- Fewer elective treatments and temporary manufacturing issues outweighed extra demand for COVID-19 related products
- Underutilization of capacities impacts profitability
- Incremental COVID-19 related costs and write-down of a receivable weigh on profitability

Europe

- Recovery of elective treatments
- Profitability improvement also driven by better capacity utilization



Emerging Markets

- China with accelerated recovery – back to growth in Q3 despite tough prior-year comp
- Recovery in Asia Pacific ex China lagging behind
- Latin America with ongoing dynamic growth despite COVID-19

Fresenius Kabi: Progress of biosimilars business in line with expectations; Medical Devices plowing ahead

Biosimilars

- Fresenius gains traction in European adalimumab market – recent tender wins
- Competitive product offering - ongoing further optimization of cost base
- Cooperation with pharmaceutical company medac in the area of rheumatic illnesses started successfully



Medical Devices

- TCT more agile organization after divisionalization
- Competitive product offering sets good base for dynamic growth

Helios Germany: Resilient development with sales growth in Q3 due to recovery of elective procedures

Helios Germany

Recovery of elective procedures

- Clear trend of increasing sequential case numbers - holiday-related dip in August
- Cumulative YoY gap in case numbers still significant
- State-of-the-art hygiene concept supports willingness of patients to proceed with elective procedures

Regulatory framework

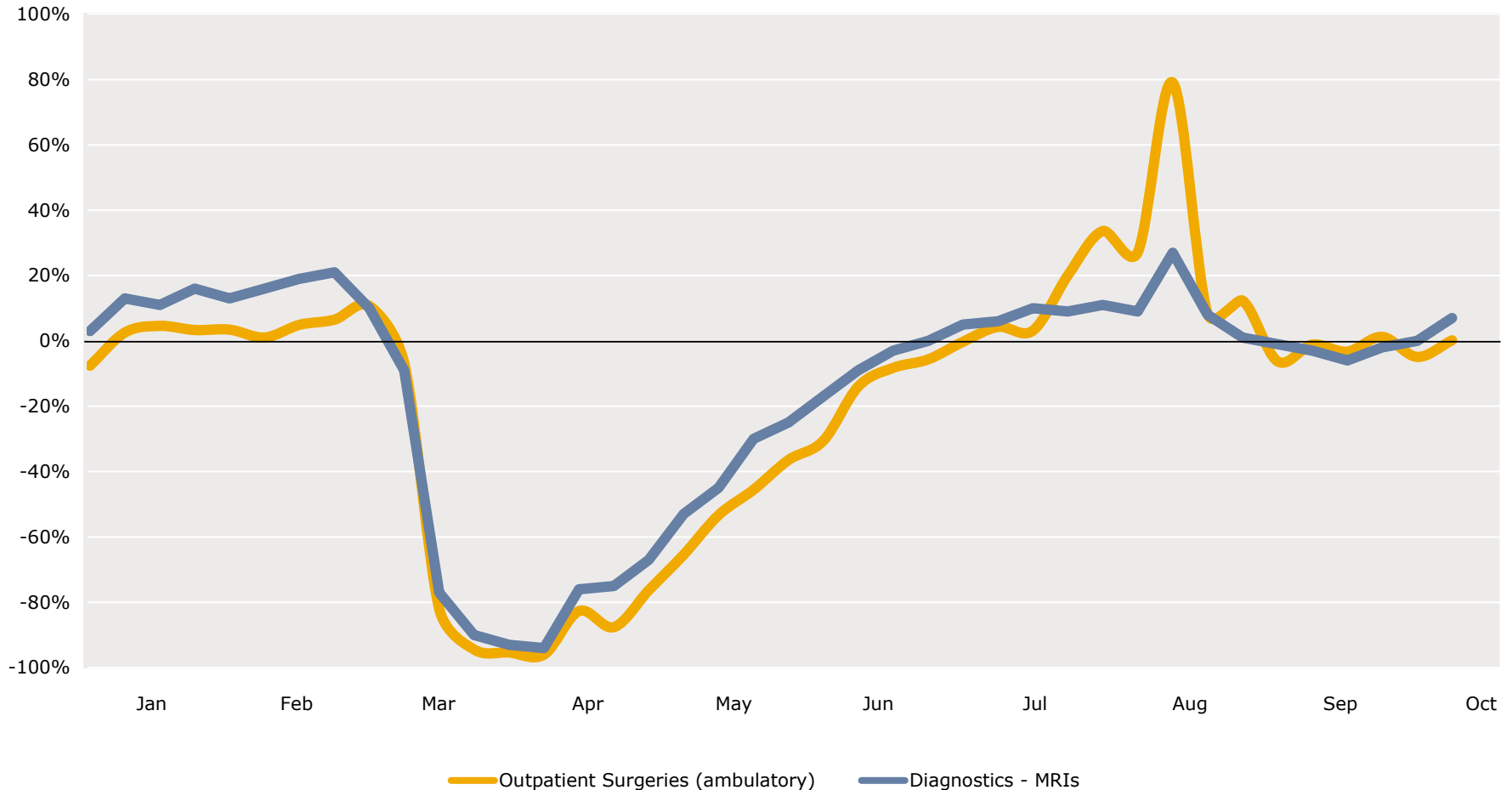
- Law to ease financial burden for hospitals expired end of September
- Hospital Future Act (KHZG) expected to cover Q4/20
- Key provisions of KHZG:
 - Compensate YoY shortfall of revenues due to COVID-19 in FY/20 - details to be determined
 - Reimbursement of increased costs for protective clothing and other supplies
 - Digital healthcare fund of €4.3 bn



Helios Spain: Recovery of elective treatments



Admissions 2020 vs. 2019



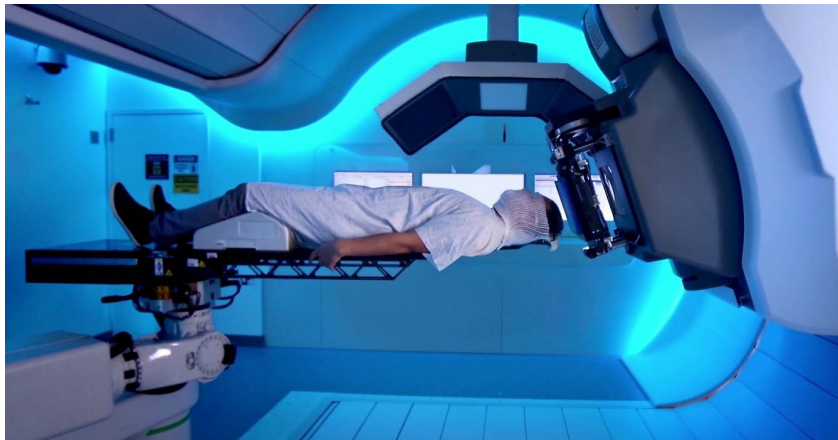
Helios Spain: Significant growth in Q3 based on catch-up effects

Helios Spain



Recovery of elective procedures

- Pent-up demand led to YoY growth
- Usual holiday pattern with significantly fewer case numbers in Q3 not so pronounced this year
- Dynamic recovery in particular driven by outpatient treatments



Regulatory framework

- Reimbursement negotiations with virtually all private Health Insurance Companies completed; applicable rates at least in line with expectations

Increasing COVID-19 cases

- Fully committed to supporting the national effort against COVID-19 with all available resources
- Well-prepared for second wave – experience on how to treat elective cases despite increasing COVID-19 cases

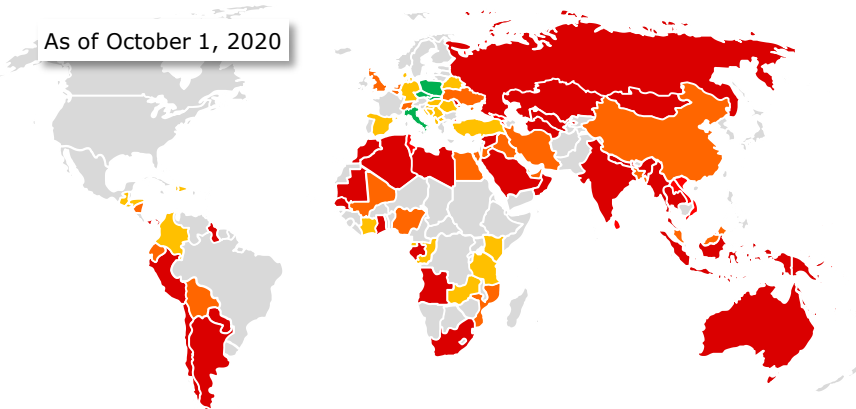
Fresenius Vamed: Ongoing significant COVID-19 headwinds in project and service business

Project Business

- Project order intake continued to be marked by delays and cancellations
- Global execution delays due to travel/quarantine restrictions and supply chain restraints
- Incremental expenses due to project delays

Service Business

- Lower capacities due to health authority induced capacity restrictions
- Less demand for post-acute care treatments
- We anticipate further decrees to ease the financial burden on post-acute care facilities in other European countries
- High-end technical services not meaningfully impacted by COVID-19, except for sterilization services
- Incremental expenses for protection of patients and employees



- 4 markets: Entry from Austria possible
- 27 markets: Entry from Austria only with restrictions possible
- 22 markets: Entry from Austria only with strong restrictions possible
- 41 markets: Entry from Austria not possible

Fresenius Group Q3/20: Fresenius in excellent shape to unleash accelerated growth following the COVID-19 pandemic

Trends accelerated by COVID-19

High quality healthcare products and services



- Core competence of Fresenius
- Long-standing track record
- Market-leading positions

Local production



- We produce where we sell
- Reliable partner and good citizen

Healthcare austerity measures



- Generics support savings in healthcare budgets
- Preventive medicine offerings

Digital healthcare solutions



- Digital healthcare offerings for patients with chronic illnesses
- Alternative medical pathways (e.g. video doctor consultations, apps)

Digital rehab measures



- Expansion of digital rehab offerings
- Post acute care apps

Financial Review Q3/20



Fresenius Group: Q3/20 Profit and Loss Statement

Sales

+5%

Q3/20: €8,918 m

EBIT

1%

Q3/20: €1,113 m

Net Income

1%

Q3/20: €427 m

Income Tax Rate

22.0%

Q3/19: 23.1%

Net Interest

-€154 m

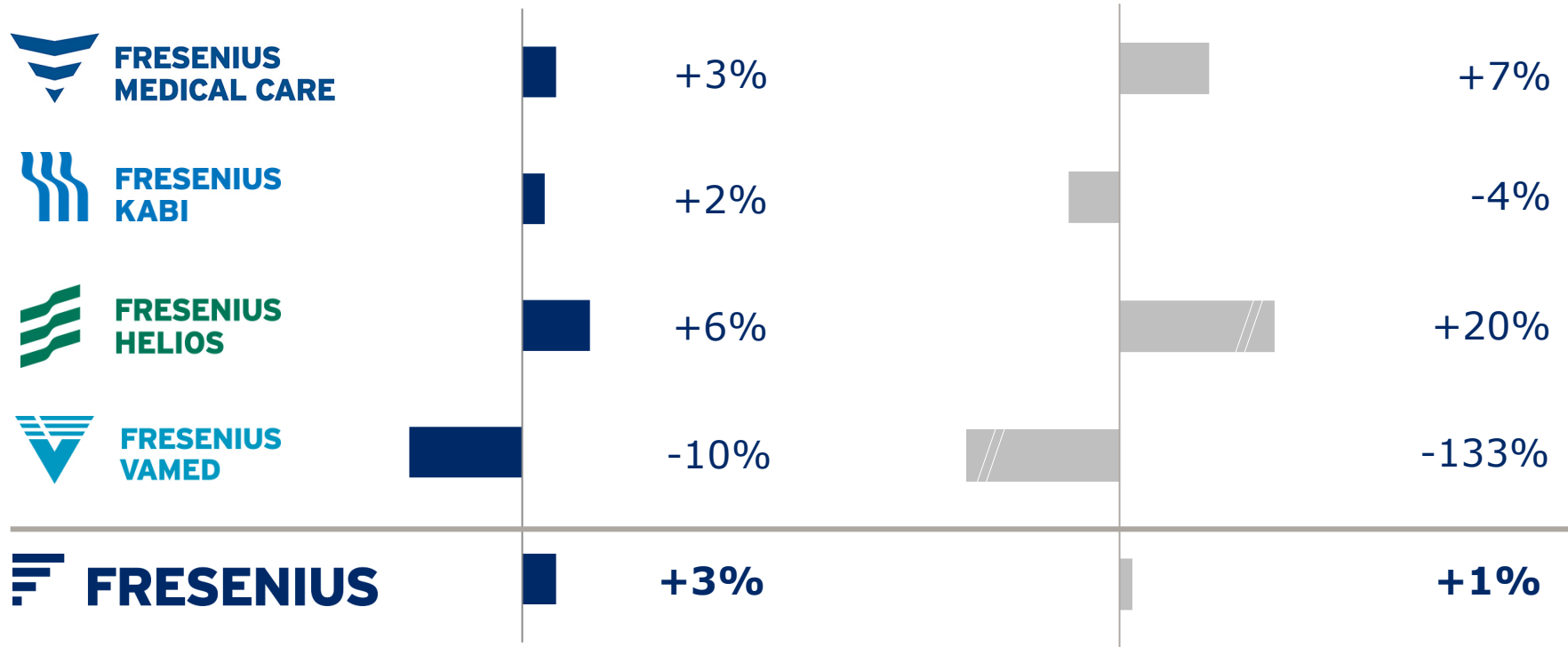
Q3/19: -€171 m

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

Fresenius Group: Q3/20 Business Segment Growth

Organic sales growth

EBIT growth (cc)



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: Cash Flow

€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q3/2020	LTM Margin	Q3/2020	LTM Margin	Q3/2020	LTM Margin
 FRESENIUS MEDICAL CARE	746	24.5%	-240	-5.9%	506	18.6%
 FRESENIUS KABI	225	16.3%	-157	-10.5%	68	5.8%
 FRESENIUS HELIOS	275	9.9%	-97	-5.0%	178	4.9%
 FRESENIUS VAMED	-4	0.2%	-18	-4.2%	-22	-4.0%
Corporate/Other	-43	n.a.	-5	n.a.	-48	n.a.
 FRESENIUS Excl. FMC ²	566	11.7%	-277	-7.3%	289	4.4%
 FRESENIUS	1,199	17.8%	-517	-6.7%	682	11.1%

¹ Before acquisitions and dividends

² Including FMC dividends

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

€m (except otherwise stated)		FY/19 Base ¹	Q1-3/20 Actual	FY/20e ²	FY/20e ² New
	Sales growth (org)	6,919	5,161	+2% to +5%	confirmed
	EBIT growth (cc)	1,205	859	-6% to -3%	confirmed
	Sales growth (org)	9,234	7,181	+1% to +4%	confirmed
	EBIT growth (cc)	1,025	697	broadly stable	confirmed
	Sales growth (org)	2,206	1,491	~ 10% decline	confirmed
	EBIT growth (cc)	134	-10	~ 50% decline	positive EBIT

¹ Before special items and including IFRS 16 effects

² Before special items and including estimated COVID-19 effects

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 (including COVID-19 effects)

€m (except otherwise stated)		FY/19 Base ¹	Q1-3/20 Actual ²	FY/20e ^{2,3}	FY/20e ^{2,3} New
 FRESENIUS	Sales growth (cc)	35,409	+5%	+3% to +6%	confirmed
	Net income⁴ growth (cc)	1,879	-4%	-4% to +1%	confirmed

¹ Before special items, including IFRS 16 effects, including NxStage operations

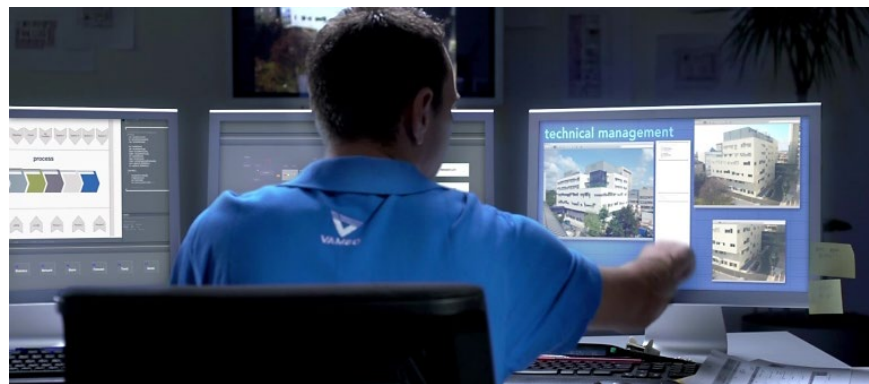
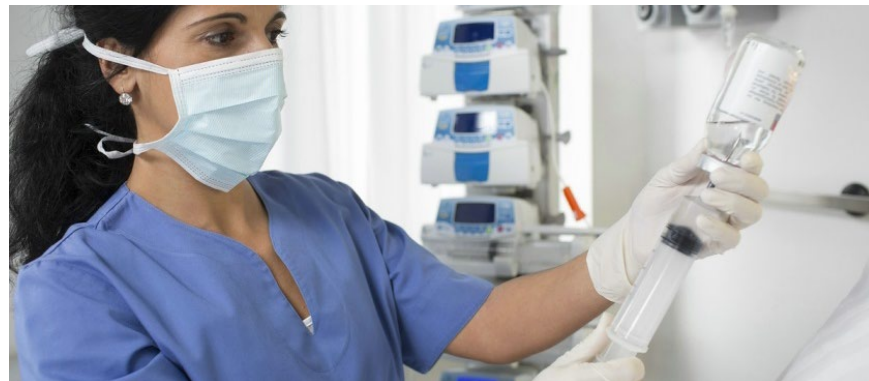
² Before special items

³ Including estimated COVID-19 effects

⁴ 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>.

Attachments



Fresenius Kabi: Q3 & Q1-3/20 Organic Sales Growth by Regions

€m	Q3/20	Δ YoY organic	Q1-3/20	Δ YoY organic
North America	558	-5%	1,827	1%
Europe	581	5%	1,778	5%
Emerging Markets	555	6%	1,556	3%
Total sales	1,694	2%	5,161	3%

Fresenius Kabi: Q3 & Q1-3/20 Organic Sales Growth by Product Segment

€m	Q3/20	Δ YoY organic	Q1-3/20	Δ YoY organic
IV Drugs	687	-2%	2,224	3%
Infusion Therapy	191	-3%	568	-5%
Clinical Nutrition	500	7%	1,417	4%
Medical Devices/ Transfusion Technology	316	5%	952	7%
Total sales	1,694	2%	5,161	3%

Fresenius Kabi: Q3 & Q1-3/20 EBIT Growth

€m	Q3/20	Δ YoY cc	Q1-3/20	Δ YoY cc
North America Margin	167 29.9%	-20% -640 bps	660 36.1%	-6% -260 bps
Europe Margin	86 14.8%	15% +150 bps	270 15.2%	13% +110 bps
Emerging Markets Margin	140 25.2%	12% +180 bps	318 20.4%	-4% -120 bps
Corporate and Corporate R&D	-115	6%	-389	-6%
Total EBIT Margin	278 16.4%	-4% -100 bps	859 16.6%	-5% -130 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: Q3 & Q1-3/20 Key Financials

€m	Q3/20	Δ YoY cc	Q1-3/20	Δ YoY cc
Total sales	2,400	6%¹	7,181	3%¹
Thereof Helios Germany	1,529	4% ¹	4,703	5% ¹
Thereof Helios Spain	870	10% ¹	2,476	-2% ¹
Total EBIT	225	20%	697	-5%
Margin	9.4%	100 bps	9.7%	-90 bps
Thereof Helios Germany	133	2%	445	3%
Margin	8.7%	-20 bps	9.5%	-20 bps
Thereof Helios Spain	95	63%	261	-15%
Margin	10.9%	310 bps	10.5%	-220 bps
Thereof Corporate	-3	--	-9	--

¹ 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 Helios: Key Metrics

	Q1-3/20	FY/19	Δ
No. of hospitals Germany	86	86	0%
- Acute care hospitals	83	83	0%
No. of hospitals Spain (Hospitals)	53	51	4%
No. of beds Germany	28,852	28,907	0%
- Acute care hospitals	28,325	28,380	0%
No. of beds Spain (Hospitals)	7,912	7,288	9%
Admissions Germany (acute care)	789,942	1,206,654	
Admissions Spain (including outpatients)	10,704,058	15,396,051	

Fresenius Vamed: Q3 & Q1-3/20 Key Financials

€m	Q3/20	Δ YoY cc	Q1-3/20	Δ YoY cc
Total sales	517	-8%	1,491	1%
Thereof organic sales		-10%		-1%
Project business	140	-34%	428	-4%
Service business	377	8%	1,063	4%
Total EBIT	-11	-133%	-10	-115%
Order intake ¹	188	-22%	362	-51%
Order backlog ¹			2,786	-3% ²

¹ Project business only

² Versus December 31, 2019

Fresenius Group: Q3/20 Key Financials

€m	Q3/20 ¹	special items	Q3/20 reported	Δ YoY cc ¹
Sales	8,918	-	8,918	5%
EBIT	1,113	-	1,113	1%
Net interest	-154	-	-154	6%
Income taxes	-211	-	-211	4%
Net income²	427	-	427	1%

¹ Before special items

² 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 Group: Calculation of Noncontrolling Interests

€m	Q1-3/20	Q1-3/19
Earnings before tax and noncontrolling interests	2,866	2,869
Taxes	-651	-662
Noncontrolling interests, thereof	-913	-834
Fresenius Medical Care net income not attributable to Fresenius (Q3/20: ~68%)	-670	-599
Noncontrolling interest holders in Fresenius Medical Care	-210	-177
Noncontrolling interest holders in Fresenius Kabi (-€31 m), Fresenius Helios (-€5 m), Fresenius Vamed (-€2 m) and due to Fresenius Vamed's 23% external ownership (+€5 m)	-33	-58
Net income attributable to Fresenius SE & Co. KGaA	1,302	1,373

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	Q3/20	LTM Margin	Δ YoY
Operating Cash Flow	1,199	17.8%	-19%
Capex (net)	-517	-6.7%	10%
Free Cash Flow (before acquisitions and dividends)	682	11.1%	-25%
Acquisitions (net)	-77		
Dividends	-790		
Free Cash Flow (after acquisitions and dividends)	-185	6.2%	-125%

Estimated COVID-19 effects Q3/Q1-3 2020

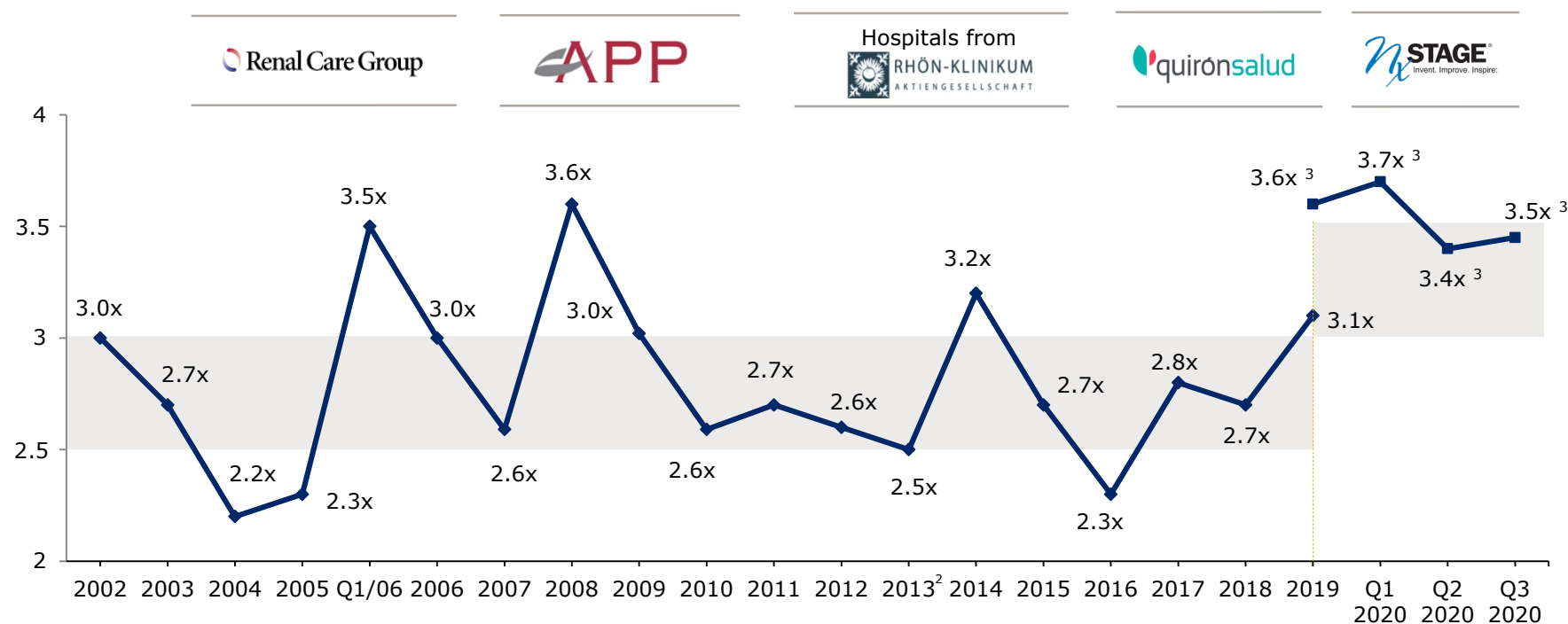
	Growth cc as reported incl. COVID-19		Estimated COVID-19 impact cc	
	Q3/20 ¹	Q1-3/20 ¹	Q3/20 ¹	Q1-3/20 ¹
Sales	+5%	+5%	-1% to -2%	-2% to -3%
Net income ²	+1%	-4%	-0% to -4%	-6% to -10%

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

Fresenius Group: Proven Track Record of Deleveraging

Net Debt/EBITDA¹



2002-2019 excluding IFRS 16

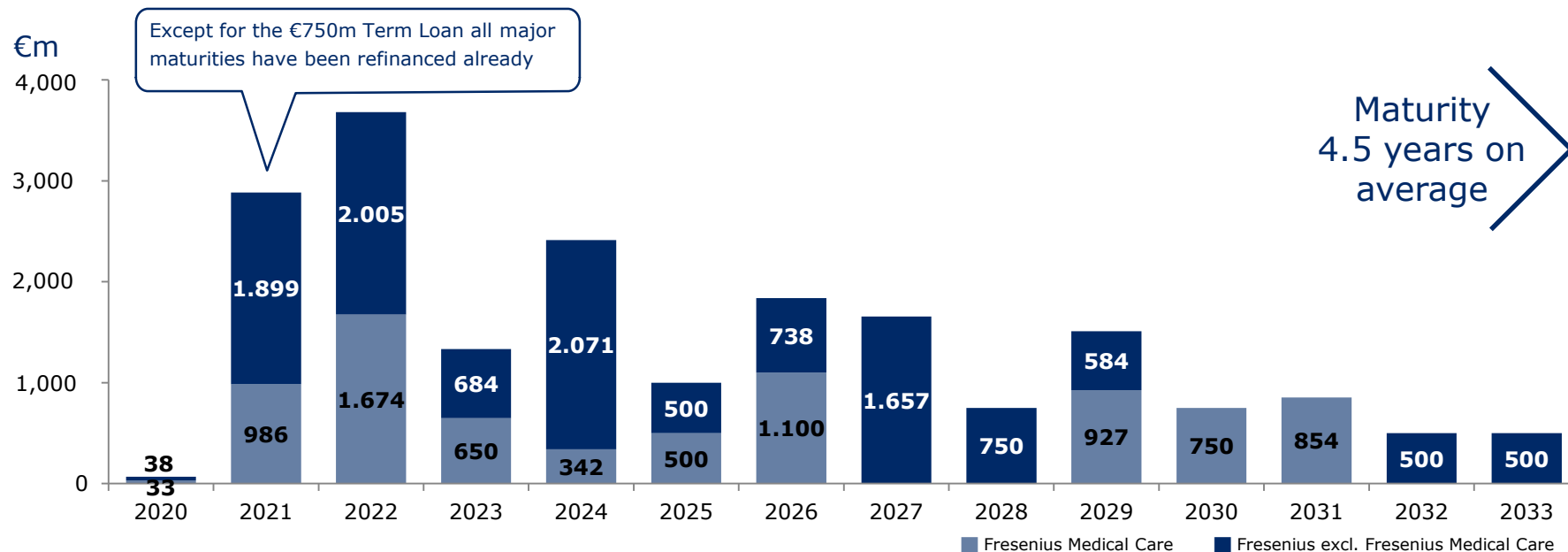
¹ At actual FX rates from 2002 to 2010 and at average FX rates from 2011 onwards, for both Net Debt and EBITDA; before special items; pro forma closed acquisitions/divestitures

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

³ Including IFRS 16

Fresenius Group: Major Long Term Debt Maturities¹

Well-balanced Maturity Profile



Continued strong access to capital markets

- Issuance of €1bn bonds in September to pre-fund Q1/2021 maturities
- 3rd FSE market approach in 2020 to make use of attractive conditions and de-risk refinancing
- Over the last twelve months, average maturity extended to ~4.5 years and average interest rate reduced to 2.0 % p.a.

¹ As of September 30, 2020 and based on utilization of major financing instruments, excl. Commercial Paper of EUR 509m

Financial Calendar / Contact

Financial Calendar

23 February 2021	Results FY/20
06 May 2021	Results Q1/21
21 May 2021	Annual General Meeting
30 July 2021	Results Q2/21
02 November 2021	Results Q3/21

Please note that these dates could be subject to change.

Contact

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