



Credit Investor Update | Fiscal Year 2020

Bad Homburg, February 2021

Today's speakers



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Agenda

01

**Overview and
financial
review**

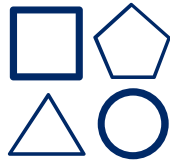
02

Strategic update

03

Credit highlights

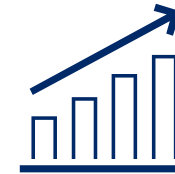
A global leader in health care products and services



Diversified healthcare Group with **four strong business segments**



Leading positions in growing non-cyclical markets



Resilient business model based on megatrends healthcare and demographics



Purpose-driven business delivers sustainable contribution to society



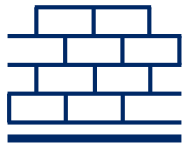
Global presence with 311,269 employees in >100 countries



Strong financial performance and cash flow generation

Key messages

2020



Successful despite unprecedented challenges: FY/20 Guidance achieved



28th consecutive dividend increase proposed

2021



Accelerated COVID-19 related excess mortality of dialysis patients



Ongoing recovery in Europe and Emerging Markets to drive solid top-line growth



Expected recovery of elective treatments drives organic growth



FY/21 expected to be marked by COVID-19 with projected recovery in H2/21

Mid-term



Group-wide cost-efficiency program to be initiated



Growth to accelerate: Medium-term growth targets confirmed

Fresenius Group: FY/20 profit and loss statement

Sales

+5%

FY/20: €36,277 m

EBITDA

+2%

FY/20: €7,132 m

EBIT

0%

FY/20: €4,612 m

Net income

-3%

FY/20: €1,796 m

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

COVID-19 assumptions for guidance FY/21

Current burdens and constraints caused by COVID-19 expected only to begin to recede in H2/21

The guidance does not reflect impacts from potential containment measures without appropriate compensation for the health care sector

Continuously advancing vaccination program in the Company's relevant markets

For H2/21, we expect a significant improvement primarily in elective treatments due to continuously increasing level of vaccination coverage



FY/21 Financial guidance

€m (except otherwise stated)

	FY/20 Base	FY/20	FY/21
FRESENIUS Sales growth (cc)	36,277	5%	Low-to-mid single-digit %
Net income growth (cc)	1,796	-3%	At least broadly stable

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

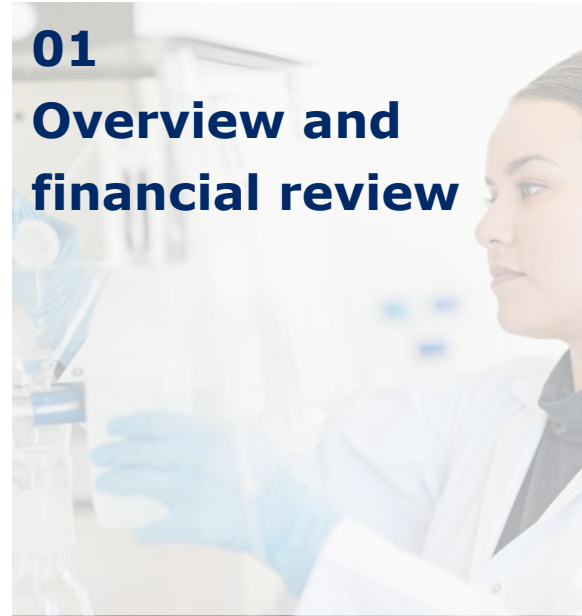
For a detailed overview of special items please see the reconciliation tables provided on our website <https://www.fresenius.com/results-center>.

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01
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02
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03
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Strategic roadmap

- Operational excellence
- Growth drivers
- Capital allocation
- Strategic evaluation

1 Optimize

- Initiate Cost efficiency program
- Further roll-out biosimilars
- Balance sheet focus
- Disciplined capital allocation
- Ongoing strategic evaluation

2 Grow

- First meaningful cost savings
- Continuous progress biosimilars
- Deleverage / Capex reduction
- Value creating capital allocation
- Ongoing strategic evaluation

3 Accelerate

- Significant cost savings
- Launch Idacio in US
- Growth areas: Biosimilars, Fertility, Digital services, Home-hemodialysis
- Balance sheet flexibility
- Value creating capital allocation
- Ongoing strategic evaluation

Earnings growth

Medium-term 2020-2023

Sales: 4% - 7% CAGR¹
 EAT: 5% - 9% CAGR¹

2021

2022

2023

¹ Plus ~1% small to mid-sized acquisitions

Cost-efficiency program to be initiated



- **Review of organizational structure and operating model**
- **Streamlining** activities in **organizational structures** and **facilities/real estate** and other synergy fields



- **Efficiency improvements** globally and identification of **other savings in indirect spend**
- Review of **cost structures** particularly in markets with significant price pressure



- Review of **non-medical support processes and structures**
- Strategic alignment of **clinic portfolio in Germany**



- Optimization of **global subsidiary structure**
- Review of **assets and shareholdings portfolio**



- Implementation of **new ways of working** for corporate headquarters
- Groupwide review of **IT operating model**

Savings of at least €100 m p.a. after tax and minorities planned in 2023



Environment, Social and Governance

Setting the right priorities in a COVID-19 world



ESG priorities confirmed

“Better medicine for more people”

Ensuring **access to medicine**

Protecting **our employees**

Alignment with SDGs published on website



Sustainability progress in 2020

Rating improvements across the board, **Highlights:** CDP Climate from “C” to “B”, MSCI from “BB” to “BBB”

Restructured, GRI-aligned sustainability report to be released in March 2021

Strategy and KPI alignment program to be continued in 2021, driven by **Group Sustainability Board**



Corporate governance update

New **Management Board remuneration** system to be presented at AGM, includes ESG component

Supervisory Board elections on AGM agenda

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01
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financial review**



02
Strategic update



03
**Credit
highlights**



Fresenius Group: Strong financial position

Well-diversified sales and earnings base

Well-balanced maturity profile

Solid IG Rating

Excellent reputation
in financial markets



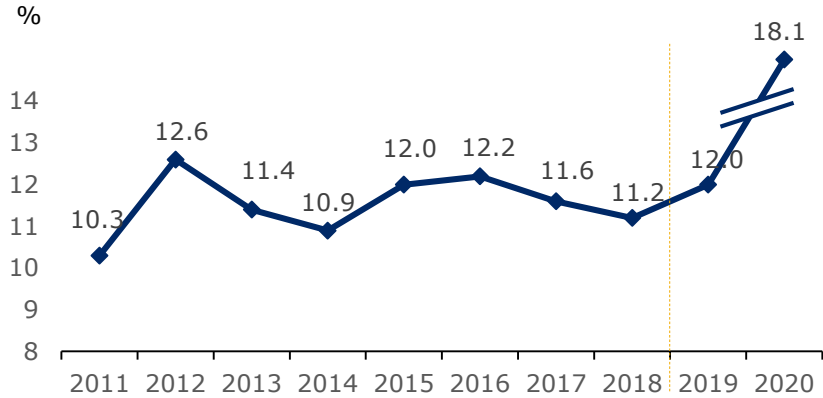
Consistent cash generation

High financial flexibility
ensured by broad mix of
financing instruments

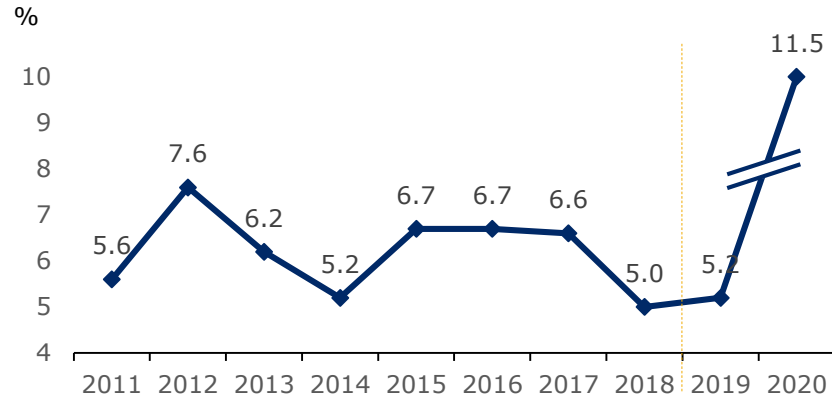
Proven track record of deleveraging

Fresenius Group: Consistent cash generation

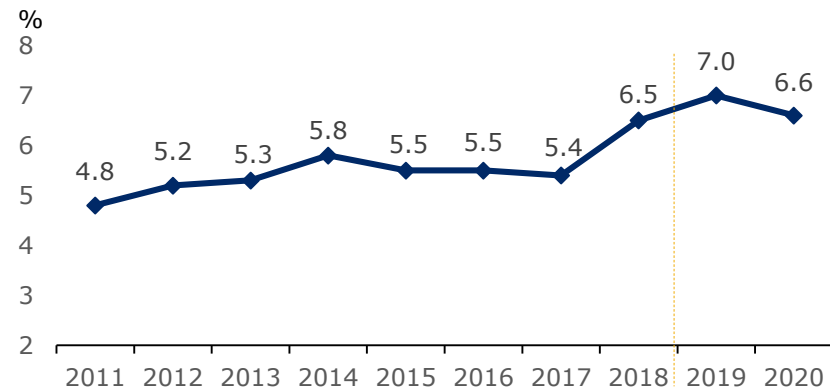
CFFO margin



FCF margin (before acquisitions & dividends)



Capex gross, in % of sales



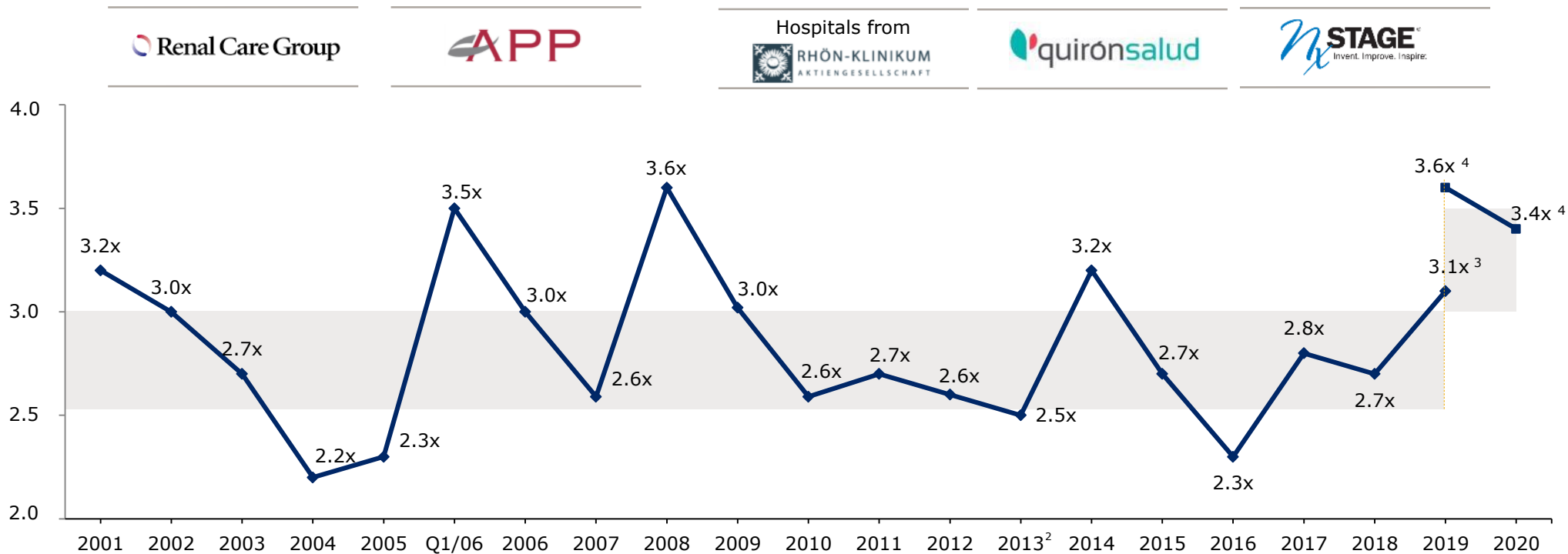
Improvement driven by advanced payments received under the U.S. Federal Advance Payments program under the CARES Act and shorter payment periods of the COVID-19 government compensation and reimbursement scheme for Fresenius' German hospital business

Underlying business performance added to the excellent cash flow development

As of 2019: Including IFRS 16

Fresenius Group: Proven track record of deleveraging

Net Debt/EBITDA¹



Standard & Poor's
BBB
Outlook stable

Moody's
Baa3
Outlook stable

Fitch
BBB-
Outlook stable

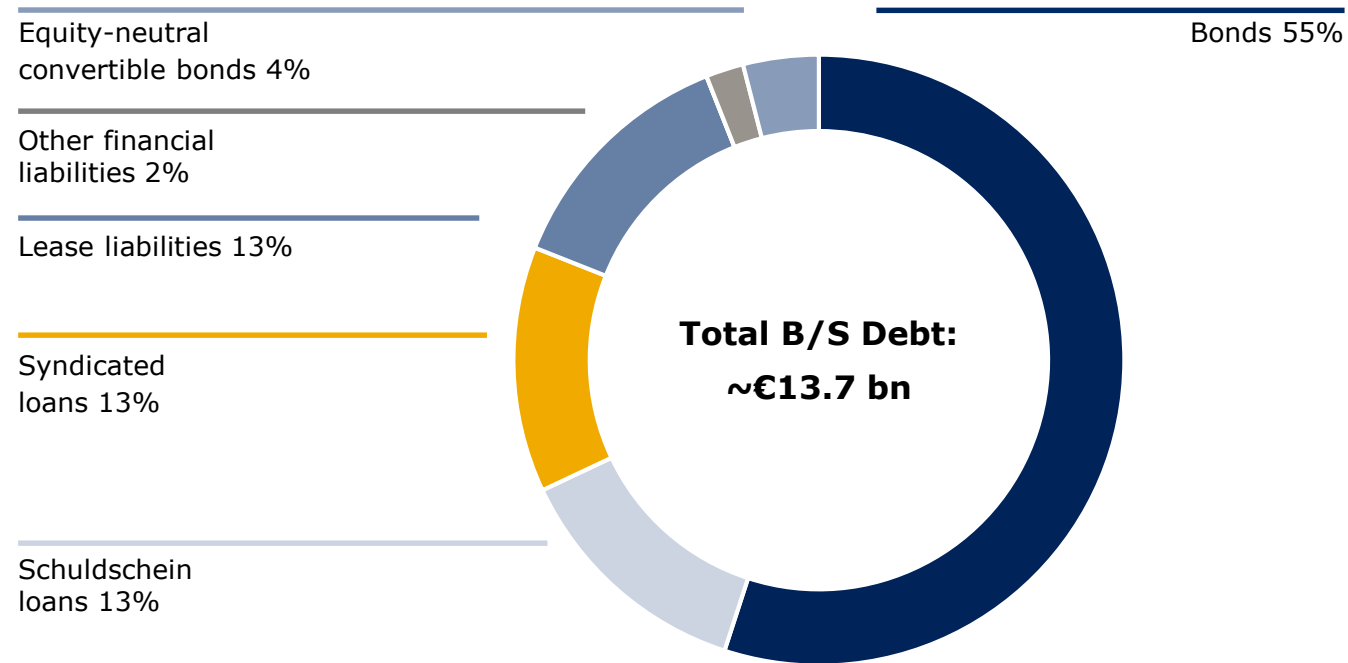
¹ At actual FX rates from 2001 to 2010 and at average FX rates from 2011 onwards, for both Net Debt and EBITDA; before special items; pro forma closed acquisitions/divestitures

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

³ 2001-2019 excluding IFRS 16

⁴ Including IFRS 16

Fresenius Group excl. FMC: Broad mix of financing instruments¹

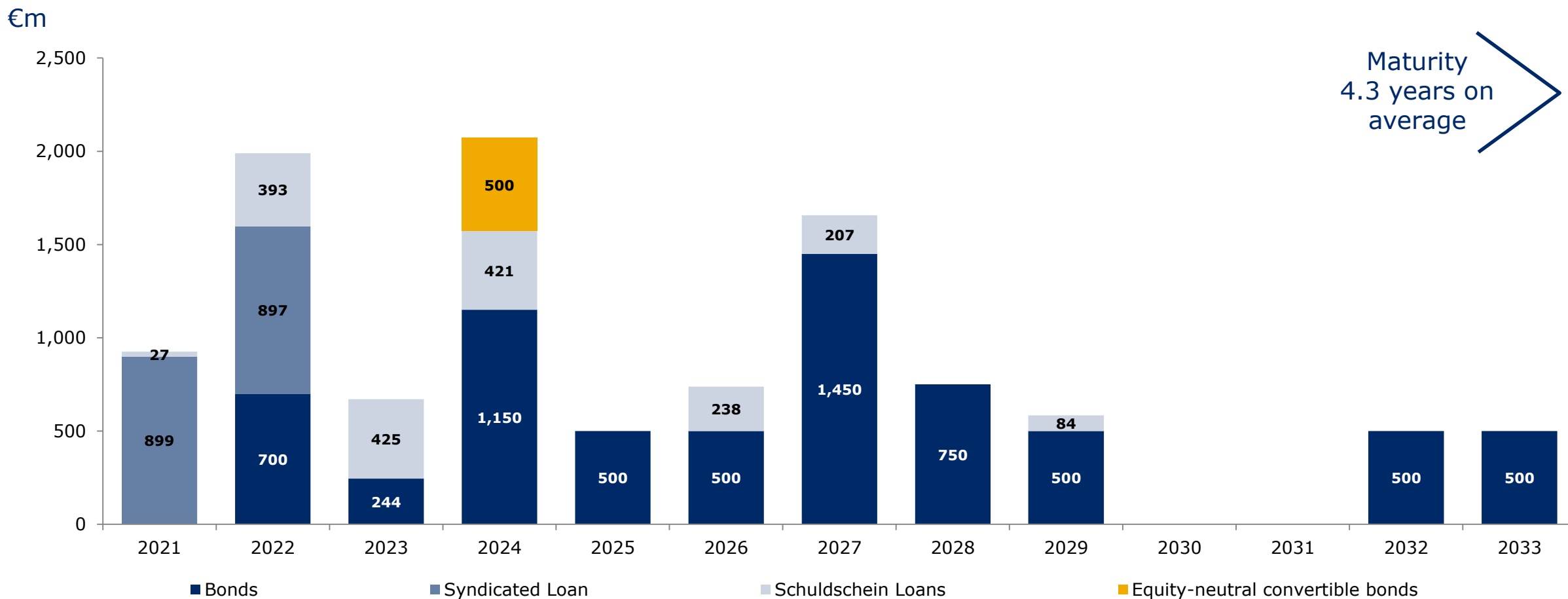


Well Positioned to Meet Financing Needs

- Optimize funding costs and ensure financial flexibility
- Diversify investor base
- Strong liquidity provided by sufficient financial cushion (~€3.2 billion as of December 31, 2020)

¹ As of December 31, 2020

Fresenius Group excl. FMC: Major long-term debt maturities^{1,2}



¹ As of December 31, 2020 and based on utilization of major financing instruments, excl. Commercial Paper of EUR 30m

² Pro Forma repayment of FSE EUR 450m bonds on February 1, 2021 and FSE USD 300m on February 1, 2021

Financial calendar / Contacts



Financial Calendar

4 & 5 March 2021	Credit Investor Update
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

Roadshow participants

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