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Fresenius Annual Press Conference, Fiscal Year 2024

Speech by Fresenius CEO, Michael Sen

Check against delivery.

Ladies and gentlemen, good morning, and welcome to Fresenius! I'm delighted to welcome you to our annual press conference here in Bad Homburg - and a warm welcome to everyone joining us remotely. Our entire Management Board is here today, and we will be available to answer your questions later.

The world is changing at a breathtaking pace. An old world order is disappearing and a new one is beginning to take shape. We are experiencing an American approach that is consistently and transactionally pursuing an "America first" policy - and at the same time driving a growth story.

China is the major competitor that the USA is already focusing on today and will continue to focus on even more in the future. The EU: That's 450 million inhabitants. And one of the three largest economic areas. This is a community that needs leadership and the will to shape things. There are historical moments when it is important to do the right thing. We are now experiencing such a moment. This is particularly true for Germany.

The economy must be at the core of the new government's policy

I would like to start by warmly congratulating the winner of the election, Friedrich Merz. I hope that he will quickly complete the formation of the government, and that the government will get into an action and work mode. It must put the economy at the center of its policy. We need an "action plan for Germany" that ensures growth and competitiveness.

Because our prosperity and future viability depend on it. In a business, I would say: We should focus all measures on 3 aspects:

- Focus - what is important?
- Simplification - how do we remove complexity?
- And performance - how can we ensure growth?

I am convinced that we also need to focus more on the idea of performance again. We are making decisions now that will have consequences for decades to come, including for Germany's future role in the global economy.

The healthcare industry must play a key role in Germany: as a leading industry.

- With a gross value added of €435 billion, the healthcare industry contributes 11.5% of Germany's GDP.
- It employs over eight million people.
- And over the past decade, it has grown at an average rate of 3.9% per year.

It is, without question, a "powerhouse" of the German economy. In the US, China, France, and Singapore, healthcare is already recognized as a leading industry. It's time for Germany to do the same.

Establishing healthcare as a leading industry in Germany

We need a clear industrial strategy for the healthcare sector - built on five priorities.

Firstly, we must ensure high-quality care. To do this, we need to break down the rigid barriers between outpatient and inpatient care. These silos have led to one thing above all: inefficiency. Coordination is overly complex.

Critical information gets lost. And yet, the patient remains the same. This inefficiency must change - including how we structure payments. Instead of rewarding the number of procedures, we should incentivize quality and outcomes.

Secondly, we need to build a truly digital healthcare ecosystem.

Digitalization must be designed holistically. From diagnosis to treatment to follow-up care at home, every step should be seamlessly connected - what we call the "patient journey." Other countries are already ahead. Take our Quirónsalud hospital network in Spain, where the patient journey is fully digital, powered by Casiopea, our own designed patient and hospital platform. For a modern digital healthcare system, data availability and usability are key. But to achieve this, we need regulations that support innovation - not stifle it. Otherwise, vast amounts of data will remain just that - data, not smart data.

Thirdly, develop and manufacture medical products "in Europe for Europe".

We are all familiar with reports of supply bottlenecks or drug shortages. To prevent this in the long term and bring stability, we should bring the production of active pharmaceutical ingredients, vital medicines and systemically important products (e.g. vaccines, saline solutions) back here. This also has something to do with national and European security and sovereignty.

My fourth point: strategic location policy.

Without a clear commitment to healthcare as a leading industry, Germany risks falling behind in global competition. But we can prevent this - by embracing technological openness, creating a competitive regulatory environment, and fostering stronger collaboration between government and science to scale up innovation successfully.

Fifthly, bureaucracy must not stand in the way of high-quality care.

This means that bureaucratic hurdles, particularly in the approval of products and clinical trials, must be reduced. Complex federal data protection regulations in Germany are also not helpful when introducing new medical AI applications. And we also need to improve and speed up the recognition of foreign qualifications.

Germany can become the pharmacy of the world again

I have long said that we need to restore our status as the "pharmacy of the world" - and that we can achieve this. This phrase sets a clear goal. It is encouraging to hear Friedrich Merz use the same phrase in his speeches. "Pharmacy of the world" means more than just manufacturing medicines. It stands for a leading industry - one that drives innovation, scales new solutions, embraces digitalization, creates jobs, and ensures supply security.

Fresenius is uniquely positioned in the healthcare industry

As you can see, this topic is close to my heart. And the same goes for what comes next: Fresenius and our fiscal year 2024. I'm often asked to introduce Fresenius in one sentence. My answer is always: *"We save and improve the lives of millions of people."* Fresenius is unique in the healthcare industry. We are the only company that manufactures medical devices and medicines: Fresenius Kabi. And we are a healthcare provider for many millions of patients: with Helios and Quirónsalud.

Over the past two years, we have steered our business back on course with #FutureFresenius. I would like to expressly thank the Supervisory Board for their support. In 2023, we launched the second phase of #FutureFresenius – *"Revitalize"* – with a clear goal: to make Fresenius fundamentally better.

Major progress in corporate structure and performance through #FutureFresenius

We have succeeded very well. The company structure is now simpler and more efficient:

- By deconsolidating Fresenius Medical Care, we have created important scope for both companies. This has worked: since December, we once again have two companies from the "Fresenius family" in the DAX 40. We are an investor in FMC and are counting on value creation.
- We have successfully completed our strategic portfolio measures and are concentrating on our core business.
- We have a management team that thinks and acts as "Team Fresenius".
- We have ensured transparency and accountability - towards the capital market, but also internally. Above all, this strengthens our performance culture.

The new Fresenius has become more efficient thanks to #FutureFresenius:

- We have significantly increased the pace of growth.
- We have significantly increased earnings per share.
- We have significantly improved the EBIT margin.
- We have permanently removed costs.
- We have significantly reduced the gearing ratio, i.e. the ratio of net debt to EBITDA. Given the interest rate and inflation environment, this success cannot be overstated. Deleveraging despite these more difficult conditions has restored our ability to act and our strategic flexibility.

- And we have significantly increased our cash flow. The finance organization, under the leadership of Sara Hennicken, has achieved a great deal here. As the saying goes: "Cash is king." At our company, we say: "Cash is queen."

A very strong fiscal year 2024

In short, we have made ourselves weatherproof - at the right time. And this is clearly reflected in our full-year figures for fiscal 2024: In the fourth quarter, Fresenius continued the very good progress of the previous quarters. Fresenius Kabi and Fresenius Helios both contributed to what was a very strong fiscal year. Fresenius Kabi's three growth vectors are becoming increasingly important for profitability. All in all, we have significantly strengthened our financial base in 2024.

In figures this means:

- Group revenue amounted to 21.5 billion euros, with strong organic revenue growth of 8%.
- Currency-adjusted EBIT rose by 10 percent to 2.5 billion euros.
- Net income rose by 13 percent to around 1.5 billion euros.
- The operating cash flow of 2.4 billion euros was excellent, thanks to a clear focus on cash management.
- In terms of debt reduction, we have reached the lower end of the debt corridor at 3.0x. As announced in Q3, we are lowering this corridor. We are now aiming for 2.5-3.0x.

Last year, we raised our outlook twice during the year and still achieved it. This shows: We keep our promises. And: sometimes we are even better than we set out to be. So: green tick - promises made and promises delivered.

Stock market acknowledges growth – proposed dividend of €1.00

The capital market also recognizes this. From the beginning of October 2022 to mid-February 2025, the Fresenius share price performed well, increasing by 73 percent. This also shows our employees, many of whom are shareholders: We are making progress.

The Fresenius share also outperformed the STOXX Europe 600 Health Care, an important benchmark index (up 23 percent).

We are now returning to the dividend payment for 2024. We want to propose a dividend of 1.00 euro per share for the past fiscal year. This is a significant increase compared to the base year 2022. We suspended the dividend last year. Due to legal restrictions resulting from the utilization of hospital-financing compensation and reimbursement payments for increased energy costs, no dividend was distributed for fiscal year 2023. The same applies to the payment of management bonuses.

My thanks go to the Else Kröner-Fresenius Foundation, which is financed by dividend payments that support their activities, and which has nevertheless followed this path over the past year.

New dividend policy ensures attractive returns and maintains strategic flexibility

With the dividend proposal for the fiscal year 2024, we are underlining our increased financial strength and the goal of sustainable value growth. What we are now tackling is a new dividend policy. Going forward, Fresenius will pay out 30 to 40% of its Group core net income, excluding Fresenius Medical Care and before special items as dividend. We want to ensure attractive shareholder returns while at the same time providing strategic flexibility.

For fiscal year 2024, Fresenius will propose a dividend of 1.00 euro per share. The dividend proposal is a strong increase over the 2022 base and demonstrates Fresenius' improving financial strength and its commitment to delivering shareholder value. For fiscal year 2023, Fresenius' dividend payment was interrupted by legal restrictions due to the receipt of the energy relief payments at Helios in Germany.

Fresenius Kabi: Focus on three growth vectors is paying off

Now to our businesses. Fresenius Kabi: We have strong market positions in all four Kabi business segments. The "*Vision 2026*" strategy, which we launched back in fall 2021, is a success story. Over the past two years, the team under the leadership of Pierluigi Antonelli, has done a great job.

The focus on three growth vectors, alongside strengthening our volume-driven business with generic IV drugs, has proven successful - and it's delivering results. Their contribution to EBIT is steadily increasing, driving profitable growth in key areas: Nutrition, MedTech, and Biopharma.

With our Kabi products and services, we are there for patients at critical moments. Whether in the emergency room, operating theater or intensive care unit.

The steady expansion of our generics business enables more and more people to be supplied with vital and affordable medicines. We ensure the care of patients with critical and chronic illnesses.

In Europe, for example, our portfolio was expanded to include Lacosamide, a generic drug for the treatment of epilepsy in intensive care medicine, and Thiotepa, a cancer drug. In the USA we launched five new generics in the fourth quarter alone.

In "Nutrition", we are uniquely positioned in parenteral and enteral nutrition. Clinical nutrition is a growing business with attractive margins. We are continuously expanding our range: For example, we have launched Peditrace Novum in Europe, which is our parenteral micro-nutrient supply in pediatrics.

MedTech is all about maximum precision in patient care and therapy. We have strengthened our medical technology business by cooperating with leading companies and investing in state-of-the-art production technologies. We are working with Cellular Origins to automate the cell processing procedure for cell and gene therapies. We have also completed a clinical trial with improved software to increase plasma collection. The launch of our smart pump system Ivenix in the USA is going according to plan - the feedback is very promising.

Biosimilars growth market: attractive business, strong pipeline

Our biosimilars offer an attractive portfolio in a dynamic growth market. We are confident that we will continue to exploit this momentum for profitable growth. Our medium-term ambition for Biopharma is to achieve revenue of more than 1 billion euros. Today we are at more than 600 million euros.

- Five biosimilars from Fresenius Kabi are already on the market - including Tyenne, the first tocilizumab biosimilar for the treatment of inflammatory and immune diseases. With Tyenne, we are represented in 17 EU countries, as well as in the UK, Saudi Arabia and the USA.
- In addition, the FDA and EMA approved our ustekinumab biosimilar Otulfi for the treatment of severe inflammatory diseases in 2024.
- Further products are in the pipeline.
- One important platform is mAbxience: we are working on scaling and driving forward vertical integration with mAbxience.

One of Fresenius Kabi's strengths is its balanced footprint - the "*natural hedge*", if you like. Our approach is "*local for local*": our production network extends from Wuxi in China via Friedberg here on our doorstep to Melrose Park and Wilson in the USA. One example of our "local for local" approach is the USA, the world's largest pharmaceutical market.

- Over the past 10 years, we have invested almost 1 billion US dollars in the USA. We have successively expanded our presence and capacities there.
- Our local value added in the USA is more than 70 percent.
- And 4,000 of our employees are based there.

Thanks to our global production network, we were able to respond to critical situations, such as the recent bottleneck in infusion and irrigation solutions. This was about more than just supply - it was about keeping healthcare systems running worldwide, as these solutions are essential for hospital operations. Because we produce globally, we reacted quickly and flexibly to address the bottleneck.

Fresenius Helios strengthens its position as Europe's leading hospital operator

Now to Helios, our second pillar. Fresenius Helios is expanding its role as Europe's leading private hospital chain. With Helios Germany and Quirónsalud in Spain, our network contains more than 140 clinics and more than 350 medical care centers. Many of our clinics in Spain and Germany top the rankings of the best hospitals. Patients give Helios and Quirónsalud top marks. Credit for this goes to our colleagues, led by Robert Möller.

Last year, we made a major investment in Wiesbaden, completely rebuilding the Helios HSK Kliniken. As a leading provider of maximum care, it is now one of the most modern hospitals in Germany, treating 175,000 patients annually. This investment is also a clear statement – we are committed to high-quality medical care in Germany.

Digitalization and AI as key drivers of quality and efficiency in clinical practice

Innovation is key to success in the hospital sector. Let me give you a few examples. Our digital hospital and patient platform, Casiopea, in Spain - which I mentioned earlier - demonstrates how the patient journey can be fully digital. From digital check-in, just like at the airport, to seamless aftercare, every step is connected. With over seven million users of the patient app in Spain, Casiopea is a true success story.

We are also increasingly using AI in everyday clinical practice. AI is a valuable companion for imaging, but also for documentation. A great example is "ambient listening" during doctor-patient consultations. You've likely experienced this yourself - sitting in front of a doctor while they type into a computer, glancing up occasionally as you speak. But there's a better way. With AI-powered ambient listening, the conversation is automatically recorded and structured into a clear, reader-friendly format. Afterward, the doctor and patient can review the written summary together, improving communication and allowing for more meaningful interaction.

Positive outlook for Fresenius Kabi and Fresenius Helios for fiscal year 2025

All of this puts us in a position to look ahead with optimism and confidence. Regarding the outlook of our Operating Companies for fiscal 2025: For Fresenius Kabi, we expect organic revenue growth in the mid- to high-single-digit percentage range. We expect an EBIT margin of 16 to 16.5 percent for Kabi.

For Fresenius Helios, we expect organic revenue growth in the mid-single-digit percentage range. The EBIT margin should be around 10 percent.

Our CFO will now provide more details on the quarter and the financial framework. And with that, I will now hand you over to Sara Hennicken.

[Figures Q4 and Fresenius Financial Framework Sara Hennicken]

Focus on three platforms - BioPharma, MedTech, and Care Provision - key to future therapies

We have focused our business on three platforms: BioPharma, MedTech and Care Provision – the foundation of future therapies. With a combined market potential of up to 1 trillion euros and strong growth dynamics, these platforms are not only medically vital but also economically relevant. We are aligning our portfolio with these three platforms and developing it further.

Next phase of #FutureFresenius: “Rejuvenate” aims to elevate Fresenius to a higher level of performance

We have launched the next phase of #FutureFresenius: Rejuvenate.

- In this and the coming years, we will sustainably strengthen our core business and grow organically.
- At the same time, we are examining how we can further develop our portfolio along our three growth platforms. The focus is on strengthening the existing product portfolio.
- We are expanding our innovative strength and capabilities with a view to future relevance. This means that we are focusing our R&D on incremental innovations. We are further developing our digital infrastructure. And we are taking advantage of the opportunities offered by AI and the use of proprietary data.

Clear roadmap for 2025: continuous value creation

In 2025, we want to raise our performance to a new level. Through:

- further debt reduction;
- a steady improvement in operating performance with a structurally higher margin at Kabi;
- and through progress in Helios' performance.
- In summary, it's about continuous value creation

Outlook for the Fresenius Group

Let's now turn to the outlook for Fresenius Group: We expect organic revenue growth of 4 to 6 percent for Fresenius in 2025. We anticipate currency-adjusted EBIT growth of 3 to 7 percent. We therefore want to continue to grow profitably and use the good starting point we have built up. As always, the information in the press release on possible geopolitical and other developments applies to our outlook.

More than 175,000 colleagues are "Committed to Life"

Health is a team sport. We need the best people - and a corporate culture that encourages team spirit and motivation. With 6,800 trainees and dual students, we are one of the largest training companies in Germany. For our more than 175,000 colleagues worldwide, we provide excellent development opportunities - because strategic talent development is essential to Fresenius' future. This is a top priority for my Management Board colleague Michael Moser.

And our commitment is recognized externally: Fresenius is ranked as a "top employer" in many countries.

Thank you very much for your attention.

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Fresenius SE & Co. KGaA (Frankfurt/Xetra: FRE) is a global healthcare company headquartered in Bad Homburg v. d. Höhe, Germany. In the 2024 fiscal year, Fresenius generated €21.5 billion in annual revenue. Fresenius currently counts over 175,000 employees. The Fresenius Group comprises the operating companies Fresenius Kabi and Fresenius Helios as well as an investment in Fresenius Medical Care. With around 140 hospitals and countless outpatient facilities, Fresenius Helios is the leading private hospital operator in Germany and Spain, treating around 26 million patients every year. Fresenius Kabi's product portfolio touches the lives of 450 million patients annually and includes a range of highly complex biopharmaceuticals, clinical nutrition, medical technology, and intravenous generic drugs and fluids. Fresenius was established in 1912 by the Frankfurt pharmacist Dr. Eduard Fresenius. After his death, Else Kröner took over management of the company in 1952. She laid the foundations for a global enterprise that today pursues the goal of improving people's health. The largest shareholder is the non-profit Else Kröner-Fresenius Foundation, which is dedicated to advancing medical research and supporting humanitarian projects.

For more information visit the Company's website at www.fresenius.com
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This release 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 in this release.

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