**Stefan Schmidt**
Corporate Communications

Fresenius SE & Co KGaA
Else-Kröner-Strasse 1
61352 Bad Homburg
Germany
T + 49 6172-60896378
stefan.schmidt@fresenius.com
www.fresenius.de

February 26, 2025

# Fresenius Annual Press Conference, Financial Year 2024
# Speech by Chief Financial Officer, Sara Hennicken

***Check against delivery.***

Welcome everyone – and thank you for your interest in Fresenius, also on my behalf. As you have just heard, 2024 was a successful year. We have delivered throughout the four quarters. From continuous growth to cash, costs and deleveraging, we have made significant progress, quarter after quarter.

The latest proof of this is evident in the fourth quarter. A strong year-end, with all key figures once again checked off. I am particularly pleased that we have also performed exceptionally well in terms of cash flow. Operating cash flow amounted to nearly one billion euros in the fourth quarter.

## Cash: Fresenius now financially much healthier and more flexible

If you look at the year as a whole, it also becomes clear how far we have come in terms of cash. Free cash flow has increased by more than 1.5 billion euros compared to the previous year. Even if you adjust this figure for the dividend, this is a great achievement by our teams. They have very persistently improved our working capital by successfully adjusting every relevant screw. And they have managed our capital expenditure stringently: CAPEX was at 4.3 percent - well below 5 percent of revenue.

We must not forget that when we talk about free cash flow, we are referring to the cash that ultimately remains to reduce debt and invest in our future. That's what makes this key figure so important to me. Free cash flow provides a clearer and more objective measure than any other metric of how much healthier and more financially flexible we are compared to the previous year. For me, it also reflects the positive shift in our culture - toward closer collaboration between the finance team and our businesses, as well as a new sense of financial responsibility.

## Debt significantly reduced: new target corridor for 2025

This has allowed us to tackle debt reduction from two angles. We increased our EBITDA while simultaneously reducing our net debt by around 2 billion euros – all within just one year. The leverage ratio has fallen by more than 70 basis points since the beginning of the year, and in the fourth quarter, we reached the lower end of our previous target range. However, it's clear that we are not yet satisfied - especially given the continued volatility in interest rates. That's why we are deliberately lowering our leverage target corridor from 3.0–3.5x to 2.5–3.0x.

## Consistently profitable growth, also thanks to cost savings

Profitable growth was a strong constant in the past financial year. Revenue increased organically by 8 percent overall and amounted to 21.5 billion euros. EBIT grew by 10 percent to 2.5 billion euros. The EBIT margin was therefore 11.6 percent.

Our company-wide cost and efficiency programme has made a very successful contribution to higher profitability. Thanks to Kabi's major contribution, we made additional savings of more than 200 million euros at EBIT level in 2024. Our total structural cost savings thus amounted to 474 million euros. That is 74 million euros more than planned, which we achieved a full year earlier than planned. An important point: these savings are sustainable - and we will continue to build on them. But more on that later.

## Kabi growth vectors unlock their potential

Our three growth vectors at Kabi are living up to their name. Since 2022, Nutrition, MedTech and Biopharma have played an increasingly strong role in Kabi's EBIT growth. In 2024, the Biopharma business led revenue growth with an impressive 76 percent increase. As a result, it reached the EBIT break-even point earlier than planned. We expect this positive momentum to continue in 2025, with Biopharma making an even greater contribution to earnings growth.

## Exploiting new growth opportunities - strengthening established businesses

Overall, as is so often the case, it's all about achieving a healthy balance - between stability and new growth opportunities. At Kabi, we will therefore continue to develop our growth vectors. On the other hand, we are strengthening the resilience of our highly attractive and cash-generative business with intravenously administered generics.

Our Care Provision Platform – comprising the clinic businesses of Helios and Quirónsalud – remains another mainstay. Revenue increased organically by 6 percent, while EBIT grew by 8 percent – a strong performance that contributed to Fresenius' organic revenue and EBIT growth last year. We have plans to further strengthen this resilient core business, which is so vital for Fresenius. More on that in a moment.

## Financial priorities 2025: Higher ambitions, more productivity, focused capital allocation

Overall, #FutureFresenius is set to take another big step forward this year. After Reset and Revitalize, we are now entering the next phase, Rejuvenate. All in all, it should take Fresenius to a new level in terms of financial performance, growth and innovation. Michael Sen will go into the corporate strategy perspective in more detail in just a moment.

What financial targets are we setting ourselves? Firstly, we are raising the bar for our financial performance: we are further developing the Fresenius Financial Framework. We also want to become even more productive by further improving processes and continuously increasing efficiency. This applies to all our businesses, with a particular focus this year on Helios in Germany. Last but not least, one of my favorite topics: We continue to place an emphasis on focused and disciplined capital allocation. Let's take a closer look at these three points.

## Kabi: Structural margin band raised

First, the Fresenius Financial Framework is not a static system – it evolves, just as we do. After the progress we made in the past financial year, it is time to raise the bar for our performance once again in certain areas. For example, we are raising Kabi’s structural margin band to 16–18 percent. This reflects not only the strength Kabi has demonstrated in recent quarters, but also the margin potential we see – particularly through the expansion of our growth vectors. I have already mentioned our new leverage target corridor. And I will address the dividend in a moment.

## Helios Germany: Programme for more productivity

A second item on our financial agenda is increasing productivity. We aim to achieve profitable growth across all businesses - by enhancing quality and innovation while simplifying processes. The Kabi team has already made a significant contribution to improving our cost efficiency in recent years. And will continue to do so in the current financial year.

When it comes to Helios and patient care in hospitals, we cannot emphasize this often enough: Medical quality and economic efficiency are two sides of the same coin. Only those who are economically successful can invest in top quality. With the end of the energy relief funding in Germany from the fourth quarter of 2024, Helios will lose approximately 140 million euros. This sum had benefited our EBIT in the previous year.

This is another reason why we recently announced a programme to further increase the productivity and efficiency of our Helios clinics in Germany. This programme is expected to contribute a total of 100 million euros to Helios Germany's EBIT in the current financial year – and compensate for a large part of the ending of energy relief funding. We also expect Helios Germany and Quironsalúd to continue to grow in 2025, driven by revenue. We therefore assume that the Helios Group's EBIT will increase. The EBIT margin will remain stable at around 10 percent.

The Helios programme can be summarized into three key areas. It focuses on optimizing clinical processes to further enhance treatment quality and patient satisfaction. At the same time, we aim to improve non-patient-related areas. Additionally, we will realize synergies, especially in procurement. All of this will allow us to focus even more on what truly matters: providing high-quality care for our patients. We expect the Helios programme to start delivering impact from the second half of 2025 onwards. And, of course, in the years to come.

## Capital allocation focus: organic growth, attractive dividend, further debt reduction

Finally, Rejuvenate is built on focused and value-enhancing capital allocation. At the top of our list is our own business. We see many attractive opportunities to invest in Fresenius and drive organic growth. Some of these investments will boost our innovation capabilities, as Michael Sen has already mentioned. Another portion will go into research and development to expand our pipeline, among other things.

In any case, discipline remains our top priority. Investments must align with our strategic agenda and meet our strict criteria in terms of returns. After all, we always have our eyes set on a strong balance sheet.

Another point: the dividend. It is important to us to generate attractive returns for our shareholders. We want to propose a dividend of EUR 1.00 per share for 2024 at the Annual General Meeting in May. In future, we intend to distribute 30-40 percent of our core profit as a dividend. Last, but not least, we will continue to strengthen our balance sheet. Debt reduction is and will remain our focus.

Looking ahead to 2025, one thing is certain: geopolitically and macroeconomically, much is in flux. And that is all the more reason for us at Fresenius to focus on our own strengths. It won’t surprise you when I say – that’s exactly what we intend to do. This energy and confidence are also reflected in our 2025 outlook.

# # #

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
Follow us on social media: www.fresenius.com/socialmedia



Fresenius SE & Co. KGaA
Registered Office: Bad Homburg, Germany / Commercial Register: Amtsgericht Bad Homburg, HRB 11852
Chairman of the Supervisory Board: Wolfgang Kirsch

General Partner: Fresenius Management SE
Registered Office: Bad Homburg, Germany / Commercial Register: Amtsgericht Bad Homburg, HRB 11673
Management Board: Michael Sen (Chairman), Pierluigi Antonelli, Sara Hennicken, Robert Möller, Dr. Michael Moser
Chairman of the Supervisory Board: Wolfgang Kirsch