

Fresenius Medical Care  
**Capital Markets Day 2023**

April 19, 2023 | Virtual event

**Additional Information and Where to Find it.**

Fresenius Medical Care AG &Co. KGaA ("FME") has filed a registration statement (including an information statement /prospectus) on Form F-4 (File No. 333-271081) with the United States Securities and Exchange Commission for the transaction discussed in this presentation. Before you vote on such transaction, you should read the prospectus in that registration statement and the other documents that FME has filed with the SEC for more complete information about FME and the transaction. You may get these documents for free by visiting EDGAR on the SEC's website at [www.sec.gov](http://www.sec.gov). Alternatively, FME will arrange to send you copies of the prospectus and other documents incorporated into the registration statement free of charge if you request it by contacting:

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**Safe harbor statement:** This presentation includes certain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Act of 1934, as amended. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy or might not even be anticipated. The Company has based these forward-looking statements on current estimates and assumptions which we believe are reasonable and which are made to the best of our knowledge. Actual results could differ materially from those included in the forward-looking statements due to various risk factors and uncertainties, including changes in business, economic or competitive conditions, changes in reimbursement, regulatory compliance issues, regulatory reforms, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, cyber security issues and the availability of financing. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. These and other risks and uncertainties are discussed in detail in Fresenius Medical Care AG & Co. KGaA's (FMC AG & Co. KGaA) Annual Report on Form 20-F under the heading "Forward-Looking Statements" and under the headings in that report referred to therein, and in FMC AG & Co. KGaA's other reports filed with the Securities and Exchange Commission (SEC) and the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse). Additional risk factors are discussed in the information statement / prospectus contained in the registration statement on Form F-4 (File No. 333-271081).

Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this presentation is subject to change without notice and the company does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable law and regulations.

If not mentioned differently the term net income after minorities refers to the net income attributable to the shareholders of Fresenius Medical Care AG Co. KGaA. The term EMEA refers to the region Europe, Middle East and Africa. Amounts are in Euro if not mentioned otherwise.

Implementation of measures as presented herein may be subject to information & consultation procedures with works councils and other employee representative bodies, as per local laws and practice. Consultation procedures may lead to changes on proposed measures.

# Agenda

## IR Introduction

Dr. Dominik Heger

### 1 CEO presentation

Helen Giza, CEO & Chair of  
Management Board

### 2 Global Medical Office

Franklin W. Maddux, MD

## *Break*

### 3 Care Delivery

Bill Valle

### 4 Care Enablement

Dr. Katarzyna Mazur-Hofsäß

## Joint Q&A session

### Concluding remarks

Helen Giza



**1**

**CEO presentation**

Helen Giza

CEO & Chair of the Management Board

# ■ We are the leading kidney care company globally

CEO

Global  
Medical  
Office

Care  
Delivery

Care  
Enab-  
ment

## Largest dialysis services network globally

Around  
**345,000**  
dialysis patients



**71**  
Net promoter  
score



**>4,100**  
dialysis centers



Market leader with  
**>50%**  
of HHD patients  
in the U.S.



**#1**  
value-based  
renal care  
in the U.S.



## Market leader with products serving around half of the world's dialysis patients

Global  
**#1**  
in-center HD  
machines

Global  
**#1**  
HHD  
machines

Global  
**#2**  
PD  
machines

Products in  
**153**  
countries

Note: HD = hemodialysis; HHD = home hemodialysis; PD = peritoneal dialysis



# Our vision

Creating a future worth living.  
For patients. Worldwide.  
Every day.



# ■ Accelerating sustainability | Purpose driven. Patient-centric.

## 2023+

sustainability targets and priorities set

### Enhance quality of care and access to health care

#### New differentiators

Global Quality Index for patient outcomes

Zero Health Gaps pledge

### Build the best team to serve patients

#### Key targets

Equity and leadership diversity

Employee engagement

### Reduce our environmental footprint

#### Key targets

Climate neutrality by 2040<sup>1</sup>

Sustainable products and services

<sup>1</sup> Includes Scope 1 (direct) and Scope 2 (indirect) emissions at our production sites and Scope 2 emissions from electricity consumption resulting from treatments at our dialysis clinics; excluding mobile assets; Greenhouse gas emissions, calculated in accordance with GHG Protocol



## ■ Our commitment to diversity, equity and inclusion

- Build an inclusive, high-trust culture for all employees, where diversity is valued deeply
- Attract, retain and develop a world-class team at all levels that reflects the diversity of our patients and staff
- Promote a culture of inclusion where everyone feels they can bring their whole selves to work
- Deliver equitable care in the markets where we operate
  - Engage with patients and one another with empathy, compassion and respect

### Established targets to increase representation of

**2027**

Women in top management positions

**2030**

Women across all management positions

Ethnically diverse managers in the U.S.

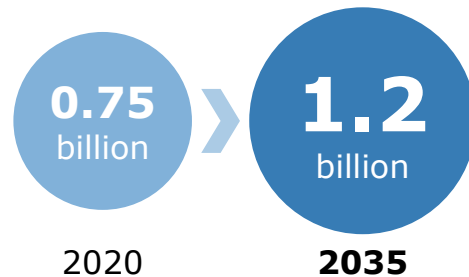
# Underlying business fundamentals intact | New extrapolation from 2020 to 2035



## Ageing Global Population

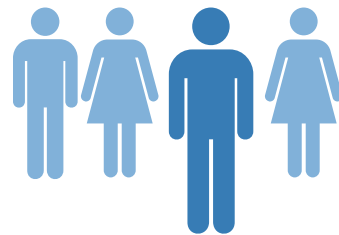
**+60%**

Global population  
aged 65+<sup>1</sup>



## Hypertension

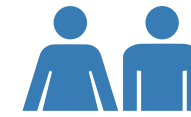
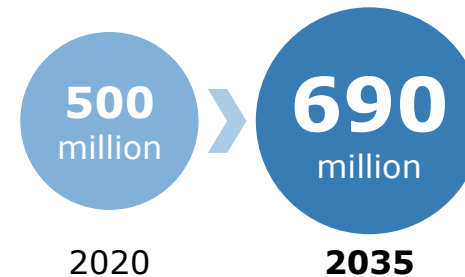
One out of four people  
worldwide has  
hypertension<sup>2</sup>



## Diabetes

**+40%**

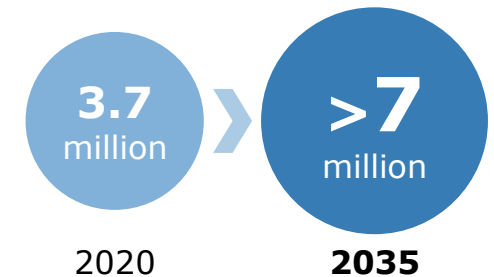
People living  
with diabetes<sup>3</sup>



## Dialysis patients

**+100%**

People on maintenance  
dialysis<sup>4</sup>



<sup>1</sup> United Nations Department of Economic and Social Affairs, Population Division (2022). World Population Prospects 2022: Summary of Results. UN DESA/POP/2022/TR/NO. 3

<sup>2</sup> WHO Global Health Observatory (2019), adjusted for population aged >18 (population data from United Nations, Department of Economic and Social Affairs, Population Division (2022) World Population Prospects 2022, Online Edition (POP/F01-1) | <sup>3</sup> IDF Diabetes Atlas 2021 (10<sup>th</sup> edition) | <sup>4</sup> FME Long Range Patient Projection



# Our strategic aspiration

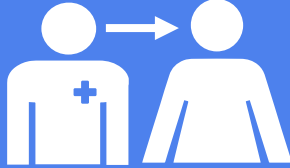
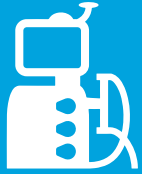
CEO

Global Medical Office

Care Delivery

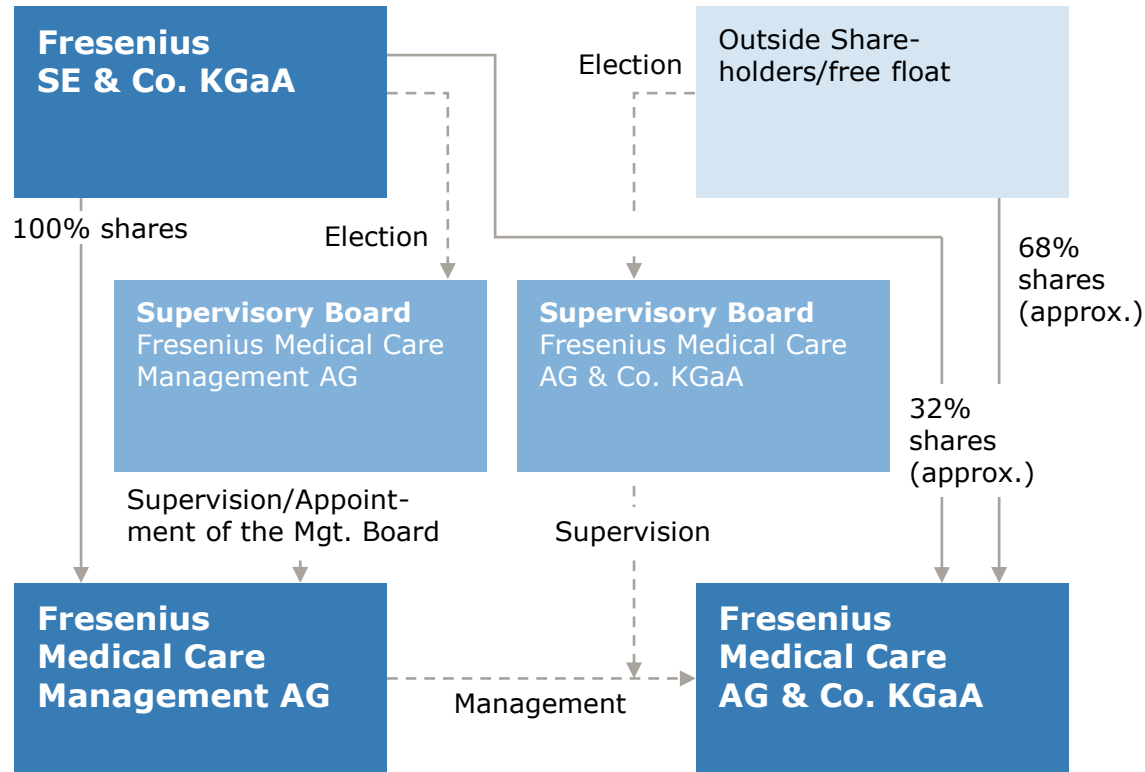
Care Enablement

## Unlock value as the leading kidney care company

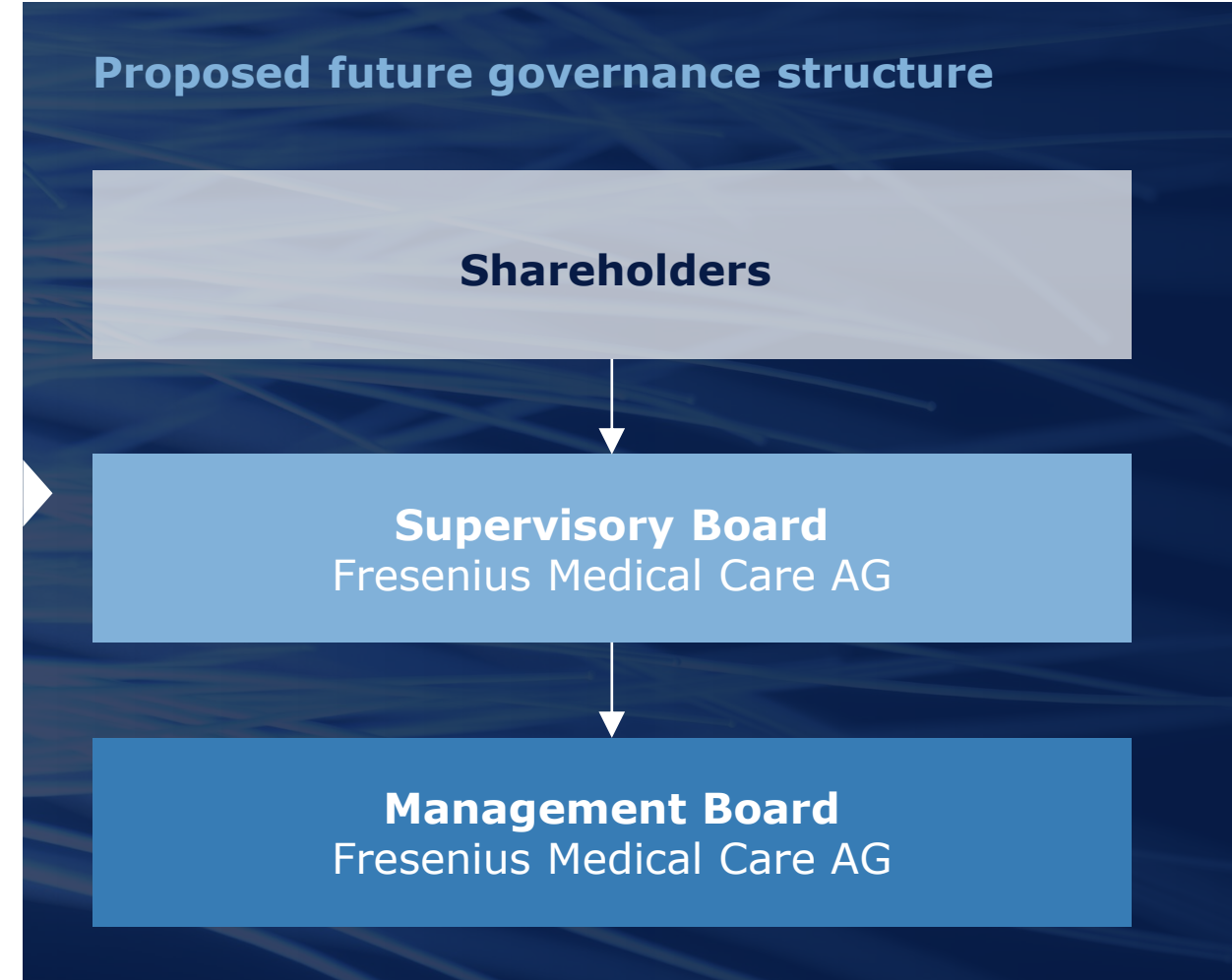
<b>Structure</b>	Simplified governance	Global operating model with two segments	Financial reporting with enhanced transparency
<b>Capital allocation</b>	Disciplined financial policy		ROIC improvement focus
<b>Operational efficiencies</b>	<b>FME25</b>		
<b>Portfolio optimization</b>	<b>Care Delivery</b> 		<b>Care Enablement</b> 
<b>Culture</b>	Accountability	Sustainability	Diversity & Inclusion

# ■ Proposed future simplified governance model

## Current governance structure



## Proposed future governance structure





# Vertical integration | Playing to our strengths in new operating model

Early access to innovation  
in dialysis MedTech

Predictability and  
scale in supply chain

Care Delivery



Care Enablement

Fresenius Medical Care

Focus on value creation in  
both businesses

Leverage infrastructure and  
global G&A

Leverage scientific  
developments, data  
technology, connectivity

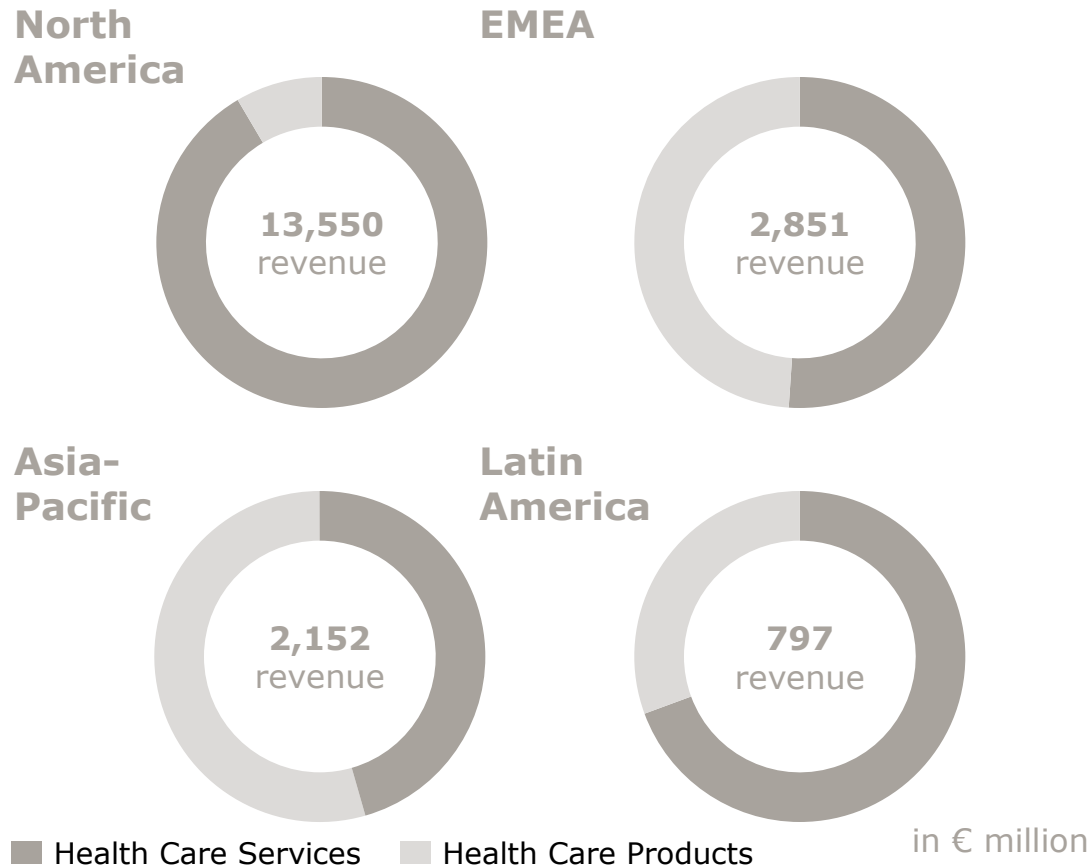
Setting the standard  
of care

Global Medical Office



# ■ New reporting framework | Revenue

## Former revenue split – FY 2022



## New revenue split – FY 2022<sup>1</sup>

### Care Delivery



U.S. **81%**  
International **19%**

### Care Enablement



Internal **29%**  
External **71%**

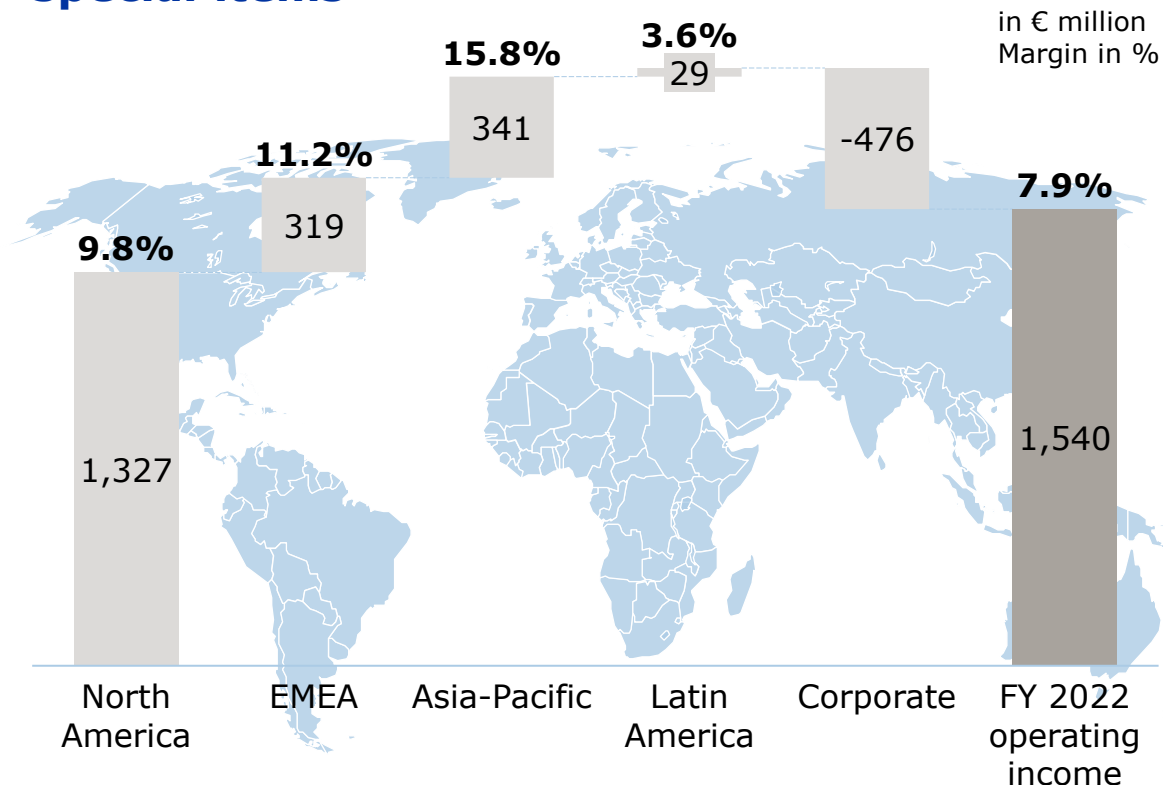
in € million

<sup>1</sup> Unaudited | <sup>2</sup> Total revenue with external customers incl. inter-segment revenue

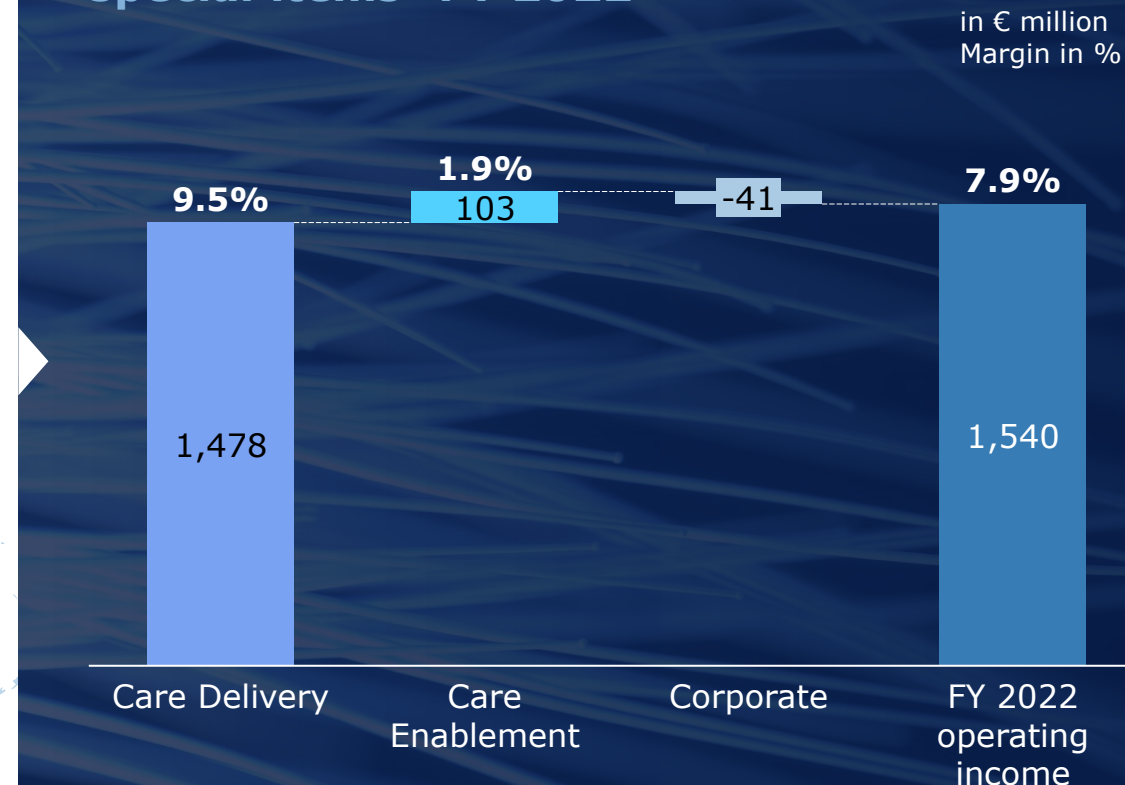


# ■ New reporting framework | Operating income<sup>1</sup> and margin

## Former reporting – operating income excl. special items<sup>1</sup>



## New reporting – operating income excl. special items<sup>1</sup> FY 2022<sup>2</sup>

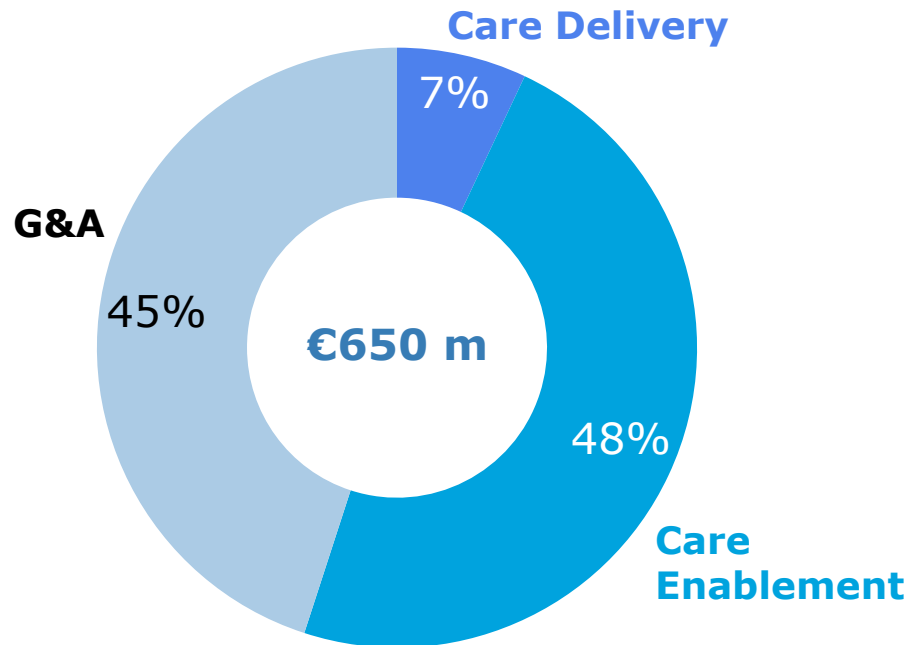


<sup>1</sup> Operating income excluding special items and excluding EUR 277 million of Provider Relief Funding received from the U.S. government to compensate for certain COVID-19-related costs

<sup>2</sup> Unaudited

# Accelerated and extended FME25 transformation program

Expected sustainable annual savings by end of 2025



Note: €650m savings targets announced in February 2023

## Top workstream contributions



### Care Delivery

U.S. growth and efficiency



### Care Enablement

Manufacturing efficiencies, home dialysis, critical care



### G&A

Technology, finance, direct and indirect procurement

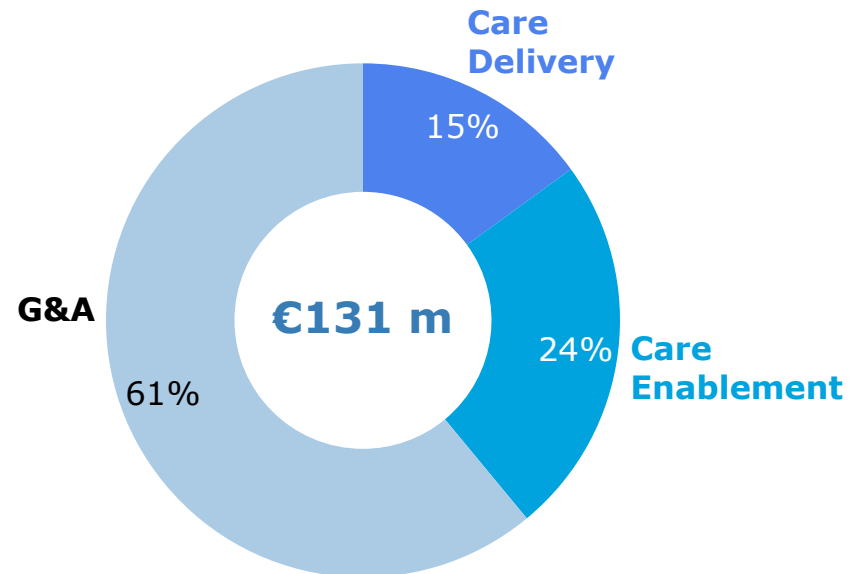


# Successful execution of FME25 to date

## One-time costs until end of 2022



## Sustainable annual savings until YE 2022



Note: Savings split unaudited

## Top contributions until YE 2022



### Care Delivery

Clinical operational efficiencies



### Care Enablement

First savings on organizational and productivity efficiencies



### G&A

Initiatives across G&A, including technology, finance and procurement

# ■ Additional operational efficiencies and turnaround drivers

## Care Delivery

## Care Enablement

### Operational efficiencies & turnaround drivers

- Increased operating leverage from U.S. volume recovery
- Favorable U.S. rate / mix development
- Further growth and operational efficiencies in international markets
- Margin dilution due to strong growth in value-based care business



- Pricing, contracting and direct procurement
- Growth in international markets
- Further identified areas of improvement, including
  - G&A
  - PD logistics
  - Other operational efficiencies



## Strategic growth drivers | Value-based care and home dialysis



- Premier value-based care capabilities addressing growing population of CKD and ESRD patients
  - Market leading positioning
  - Clinical excellence outperforming the market
- Medical costs under management to increase from \$6 bn in 2022 to \$11 bn by 2025
- Patient lives to grow from ~90 k in 2022 to 270 k by 2025
- 2025 projected revenue of \$2.3 bn

Note: CKD = chronic kidney disease; ESRD = end-stage renal disease



- Accelerating shift to home dialysis
  - Higher patient satisfaction and quality of life
  - Payors favor home treatments
  - Home dialysis trend supportive of CD margin improvement
- U.S. home dialysis treatments of ~16% at end 2022
- Aspirational U.S. home dialysis treatment target of 25% potentially delayed by 18 to 24 months due to longer than assumed duration of the pandemic and impacts from unprecedented labor situation



# ■ Path to margin improvement

CEO

Global  
Medical  
OfficeCare  
DeliveryCare  
Enable-  
ment

	2022 operating income margin <sup>1</sup>		2025 operating income margin <sup>2</sup>
<b>Group</b>	<b>7.9%</b>		<b>10 % to 14%</b>
<b>Care Delivery</b>	<b>9.5%</b>		<b>10 % to 14 %</b>
<b>FME25</b>		140 bps	
U.S. volume recovery		0 to 100 bps	
U.S. rate / mix development		100 to 175 bps	
Labor & inflation		-175 to -50 bps	
Dilution from value-based care growth		-50 to 0 bps	
International growth & operational efficiencies		50 to 100 bps	
<b>Care Enablement</b>	<b>1.9%</b>		<b>8% to 12%</b>
<b>FME25</b>		600 bps	
Inflation		-650 to - 550 bps	
Pricing, contracting, direct procurement		300 to 400 bps	
Growth in international markets		250 to 300 bps	
Additional identified improvements (G&A, PD logistics, other operational efficiencies)		100 to 250 bps	

<sup>1</sup> Unaudited; FY 2022 operating income excluding special items and excluding EUR 277 million of Provider Relief Funding received from the U.S. government to compensate for certain COVID-19-related costs

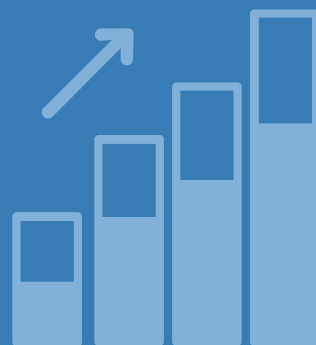
<sup>2</sup> FY 2025 outlook excluding special items and in constant currency.

## ■ 2025 margin growth assumptions

Improved operating  
income margin of

**10% to 14%**

by 2025



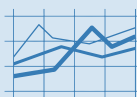
Sustainable FME25 annual savings of **€650 m** by 2025



Moderate reimbursement rate increase until 2025



Moderate patient volume growth until 2025



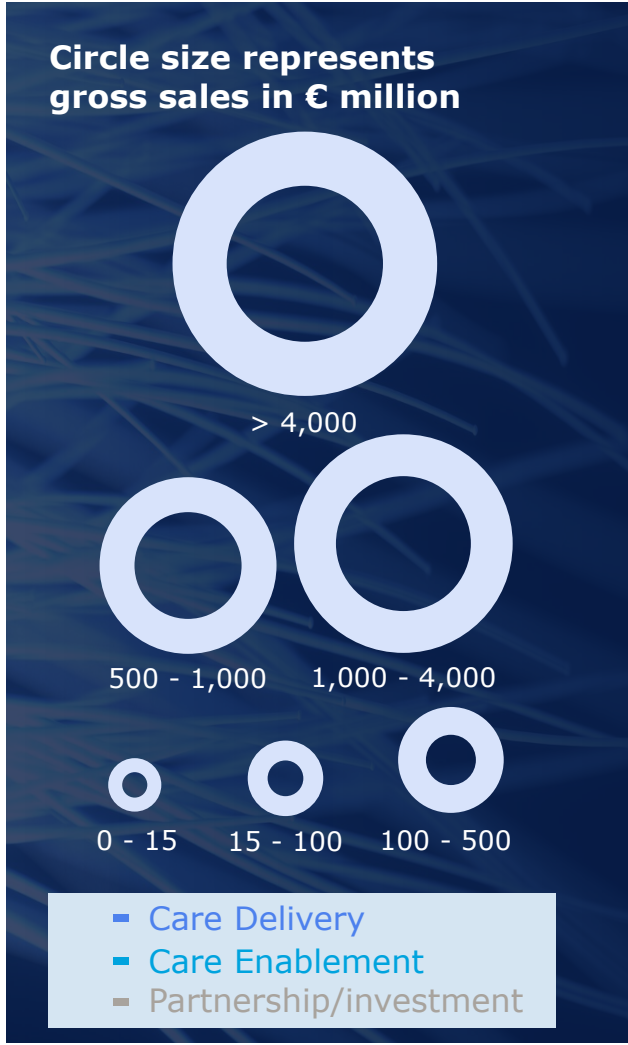
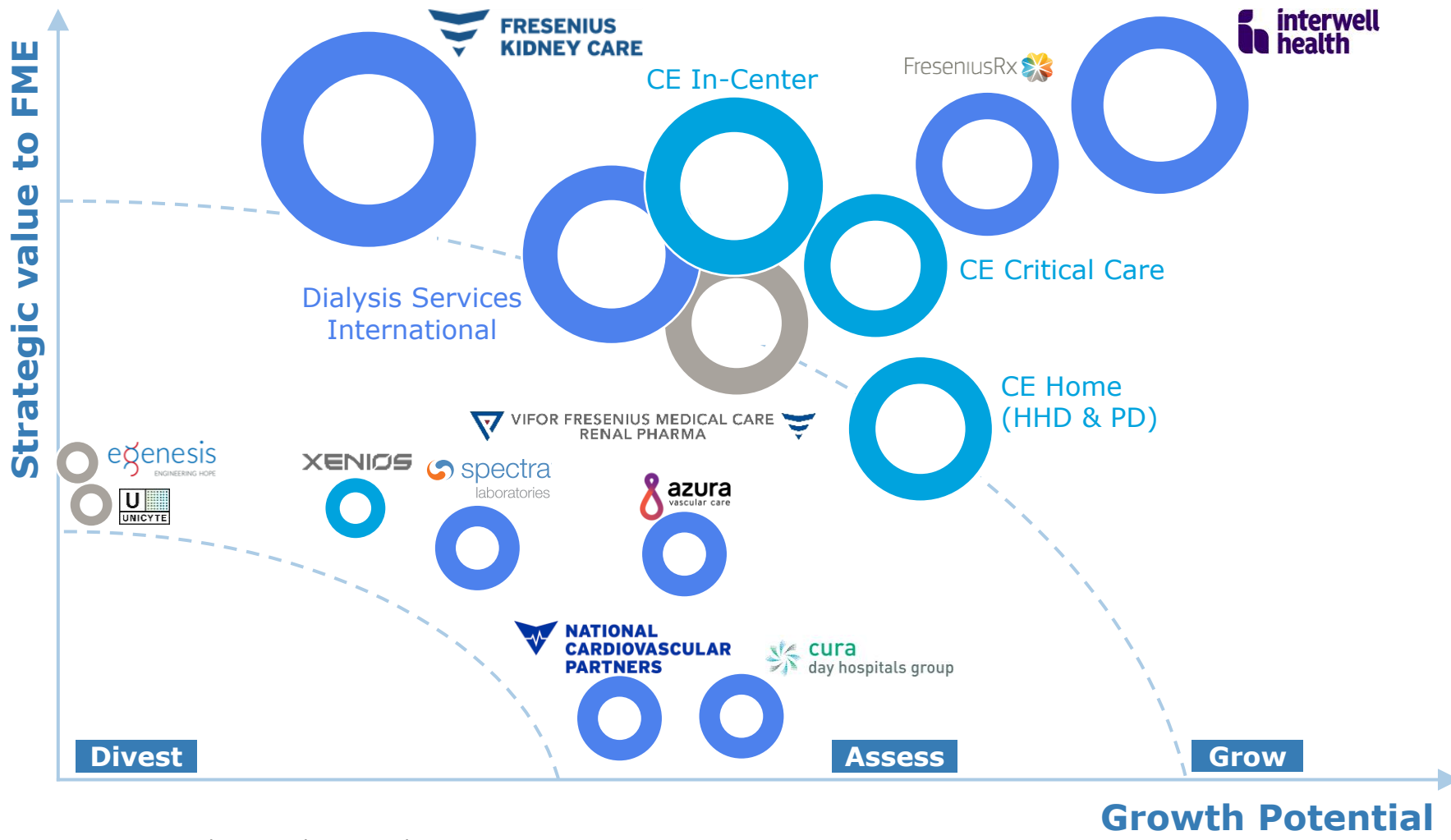
Stabilizing labor situation and inflationary cost environment after 2023



Dilution from strong growth in value-based care

Outlook is provided in constant currency and exclusive of special items. Special items will be provided as separate KPI ("Revenue excluding special items", "Operating income excluding special items") to capture effects that are unusual in nature and have not been foreseeable in size or impact at the time of giving guidance. These items are excluded to ensure comparability of the figures presented with the Company's financial targets which have been defined excluding special items.

# Portfolio optimization | Evaluating our assets to unlock value



Note: Axes are non-linear, indicative only



# ■ Capital allocation | Disciplined financial policy and ROIC focus



## Deleveraging

- Committed to investment grade rating and to manage net financial leverage within self-imposed range of 3.0 to 3.5x
- Potential divestiture proceeds from portfolio optimization to be used for deleveraging



## Shareholder return

- Dividend in-line with earnings development, consistent with our dividend policy
- Proposed dividend of 1.12 Euro (-17%) per share reflects 2022 net income performance

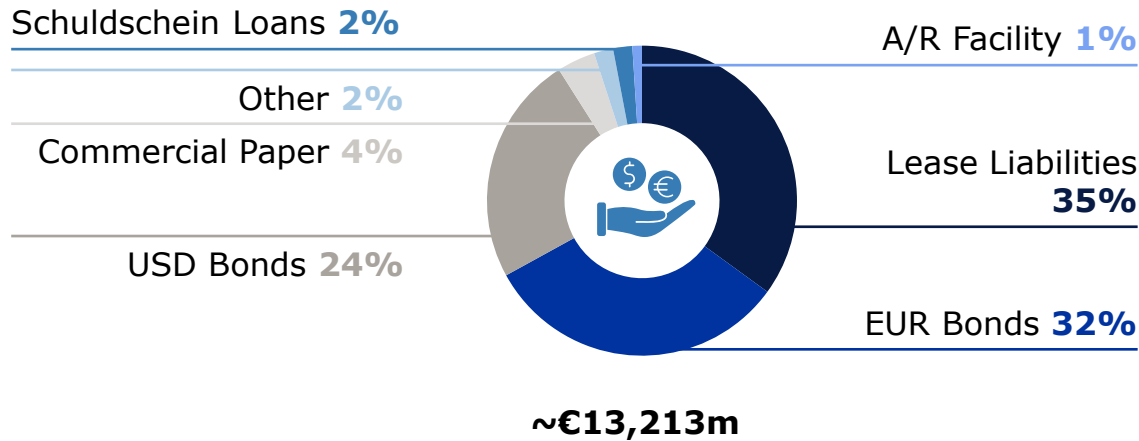


## Focused investments

- Focus on organic growth in core portfolio
- Minimal M&A activities
- Stringent management of capital expenditures
- Ambition to double ROIC by 2025

# Sound funding profile

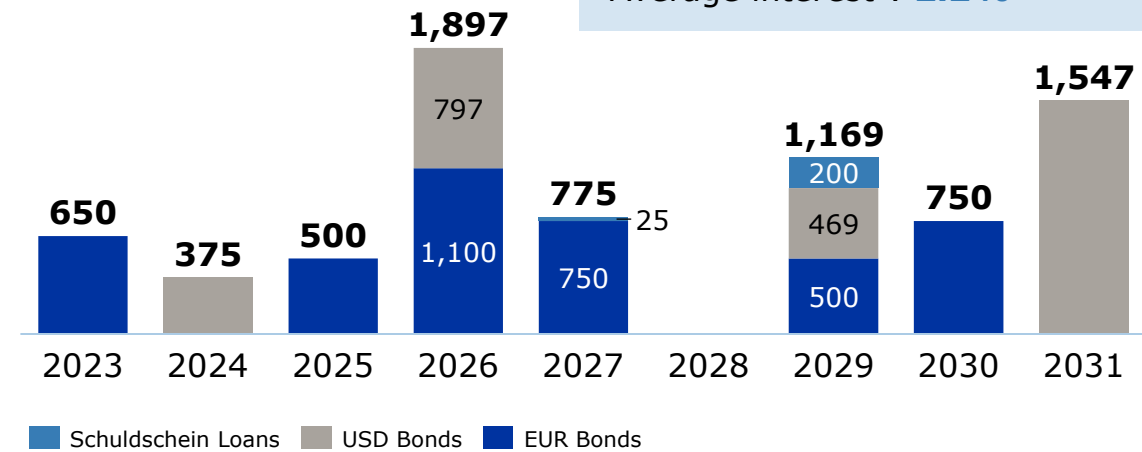
## Diversified financing mix<sup>1</sup>



## Well-balanced maturity profile<sup>1,2</sup>

in € million

Average maturity<sup>3</sup>: **4.7 years**  
Average interest<sup>3</sup>: **2.2%**



## Prudent financial policy

Limited refinancing needs until 2026

Commitment to IG rating & leverage target of 3-3.5

Focused capital allocation

Strong history of deleveraging

1 As of December 31, 2022 | 2 Based on utilization of major financing instruments, excl. Commercial Paper and A/R Facility | 3 Calculations based on total financial debt, excluding leases and purchase money obligations.

# ■ Target picture 2025+

CEO

Global  
Medical  
Office

Care  
Delivery

Care  
Enable-  
ment

## Partner of choice, setting the standard in kidney care with industry-leading returns

### Care Delivery

Service provider of choice for patients, physicians and payors across the renal care continuum

Market leading in therapies, digitalization, value-based care, home dialysis & being operationally excellent

### Leading renal care company

Culture of innovating for the benefit of our customers while generating industry-leading returns

Mindset of continuous efficiency improvement and operational excellence



### Care Enablement

Profitably shape the global dialysis market with leading digital portfolio in renal therapies and pioneering renal care of tomorrow

Most cost-efficient manufacturing in the renal industry with future proof product and services ecosystem

### Global Medical Office

High quality outcomes for patients worldwide by advancing the application of clinical science utilizing the world's largest kidney care dataset with longitudinal clinical data



**2**

**Global Medical Office**  
Franklin W. Maddux, MD

# ■ Global Medical Office | Utilizing global data to the benefit of patients

Largest kidney care  
dataset in the world

**50 countries**  
**across 6 continents**

data per treatment

**500 elements**

**>2 m**  
Patients



**600 m**  
HD treatments



**2.0 bn**  
Labs



**>21 m**  
Co-morbidities



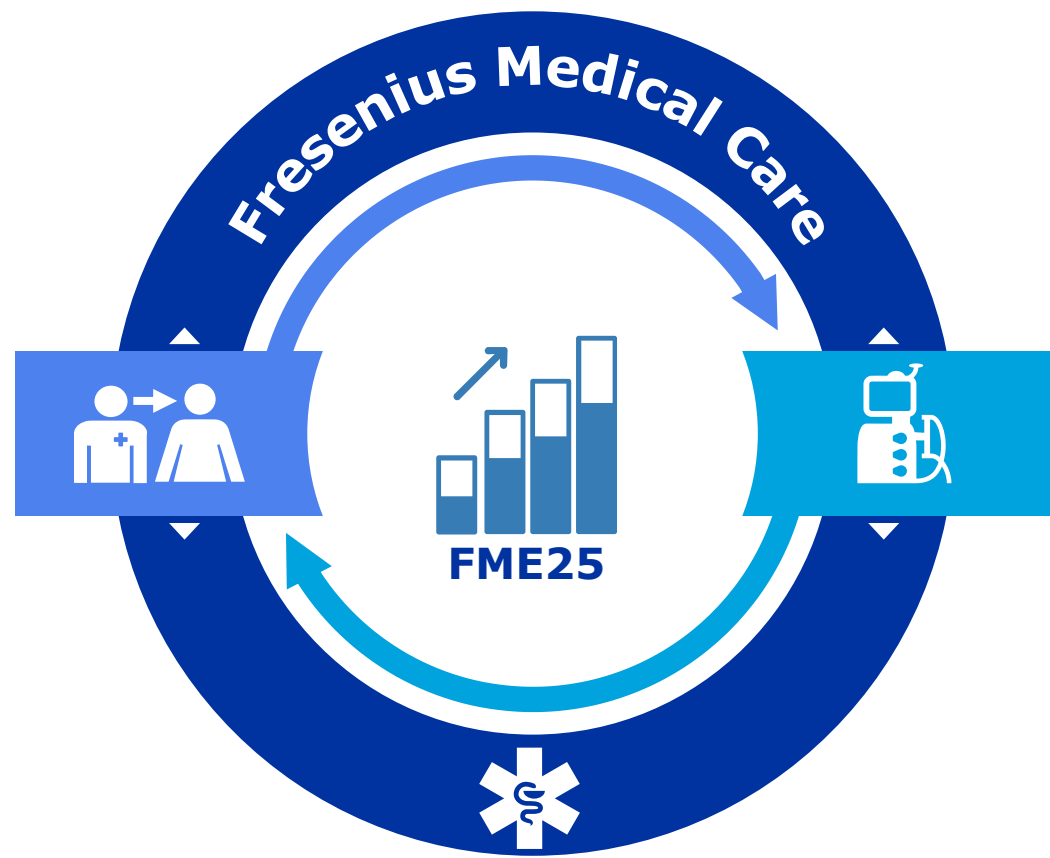
**2.0 bn**  
In-center  
medications



**>29 m**  
Home  
medications



# Global Medical Office | Clinical experts paired to business leadership



## Care Delivery

Distinct Clinical Affairs team supporting health services delivery

## Care Enablement

Distinct Medical Affairs team supporting research, strategy, education and regulatory for each product segment

## Global Medical Office

Ensuring high quality outcomes for patients worldwide by advancing the application of clinical science and facilitating the exchange of knowledge

- |  |                                   |
|--|-----------------------------------|
| Regional medical leadership            | Applied advanced analytics & A.I. |
| Clinical research                      | Transplantation                   |
| Kidney disease education & information |                                   |



# ■ Treating a complex, diverse and varied patient population

Significant co-morbidity burden

**Hypertension**



**Diabetes**



**Obesity**



**Behavioral health**



**Cardio-vascular**



**10-12 average  
co-morbidities  
per patient**

However, not all patients are alike

- Varied socioeconomic circumstances
- Diverse racial and ethnic make-up
- Diverse underlying health systems
- Regional differences in leading co-morbidities

## U.S. patients

- Nearly 2/3 diabetic
- ~85% with hypertension

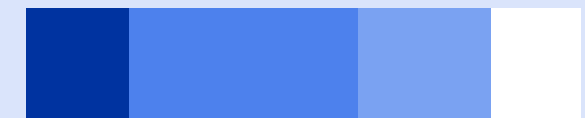
Patient age range



## International patients

- 1/3 diabetic
- <20% with hypertension

Patient age range



# ■ Continuous monitoring of clinical performance to enhance care

## Index components

### Dialysis effectiveness

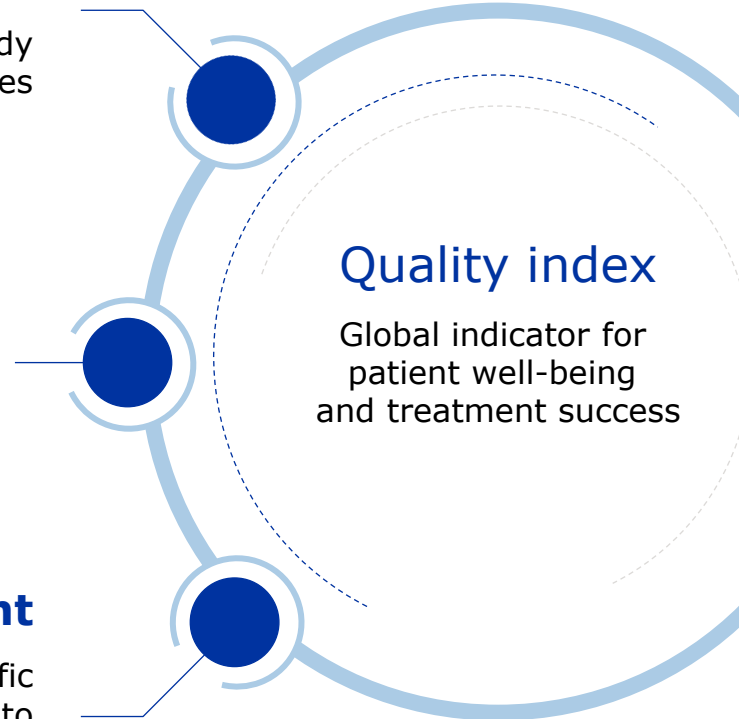
Measures how sufficiently the body is cleansed of waste substances

### Vascular access

Measures the share of patients who do not receive dialysis via a dialysis catheter but rather via safer vascular access alternatives that reduce risk of infection and improve outcomes

### Anemia management

Measures hemoglobin levels and specific medications given during dialysis to achieve optimum clinical outcomes, such as overall health and well-being



## Strategy

- Consistent global approach to pursuit equity and standardization of care across diverse patient populations
- Use of enhanced analytics covering demographics (patient age) and medical history (diabetes prevalence)

# Clinical quality summary post-pandemic

## Main observations

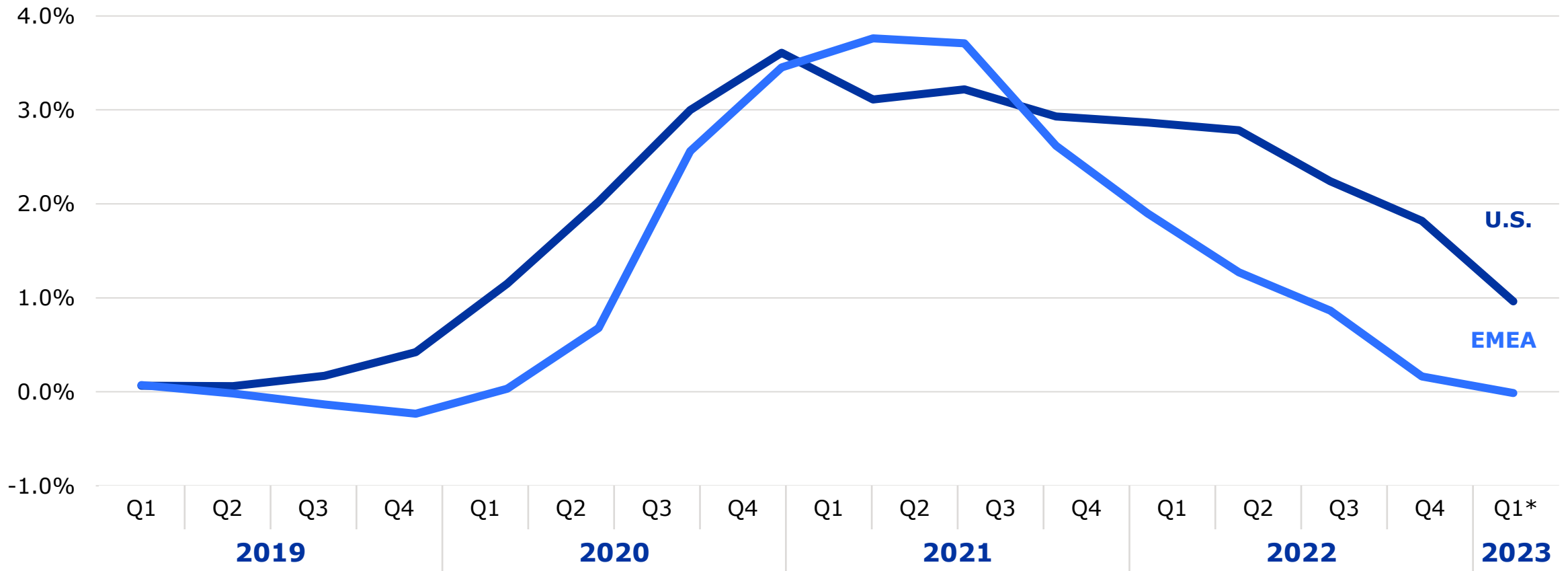
- Annualized mortality is recovering and is closely tied to short-term return to growth
- Central venous catheter use for vascular access remains higher than pre pandemic levels: looking to achieve a 4-5% reduction in catheter use
- Infection rates have declined for bacterial infections over the last decade
- Key clinical parameters of adequacy, fluid control, anemia management and phosphorus control are stable and have returned to expected levels
- Hospitalizations decreased during the pandemic and are recovering to a new baseline in most health systems

## Global 2022 data

Anemia management	<b>71%</b>
Vascular access	<b>79%</b>
Dialysis efficacy	<b>94%</b>
Quality index	<b>81%</b>
Age	<b>62.6 yrs</b>
Diabetes	<b>52.4%</b>
Hospitalization rate per year	<b>10.6 days</b>

# Improving mortality trend across patient population

Trailing 12-month mortality rate returning to pre-pandemic levels which will contribute to growth in the population of people treated



\*Preliminary March data as of April 5, 2023



# ■ New drugs improving CKD and ESRD patient health

## Notable examples

### Cell-based therapies

Designed to slow the progression of chronic kidney disease

Long-term impact will be limited by risks inherent to the procedures required

### SGLT2 inhibitors

Designed for people with Type 2 diabetes mellitus

Long-term positive impact to expand the CKD population

### GLP-1 agonists

Designed for Type 2 diabetes mellitus

Long-term impact balanced by better cardiovascular health

**Overall, new drugs are expected to have a positive impact on persons with kidney disease**

### Resulting in

- More CKD patients surviving to progress toward ESRD
- Fewer patients that may crash into dialysis
- Healthier ESRD patients that will dialyze longer
- Impact will be driven by speed of uptake, side effects and comorbid conditions
- Long term side effects of these medications unknown

# ■ Looking forward | Solid patient volume development

## U.S. dialysis treatment expectations

2023

-1% to +1%

2025+

+2% to +3%

## U.S. patient volume growth expected to return to pre-pandemic levels by 2025+

- Improving patient health and mortality trends are greatest contributors to growing patient volumes and this improves the outlook the quickest
- Our continuous analysis of the total CKD population does not indicate any near-term disruptions
- Potential for medium to long-term additional growth acceleration by new drugs that preserve patients through better cardiovascular health



**3**

**Care Delivery**  
Bill Valle

# Care Delivery | At a glance

CEO

Global  
Medical  
Office

Care  
Delivery

Care  
Enable-  
ment

## Largest dialysis network worldwide

Around  
**345,000**  
Dialysis patients



**>4,100**  
Dialysis  
centers



**71**  
Net promoter  
score



**\$6 bn**  
Medical cost under  
management in U.S.  
value-based care in 2022



**52 m+**  
Dialysis treatments  
per year



**81%**  
Global quality  
index score



**78%**  
Of patients who would  
highly recommend  
our service



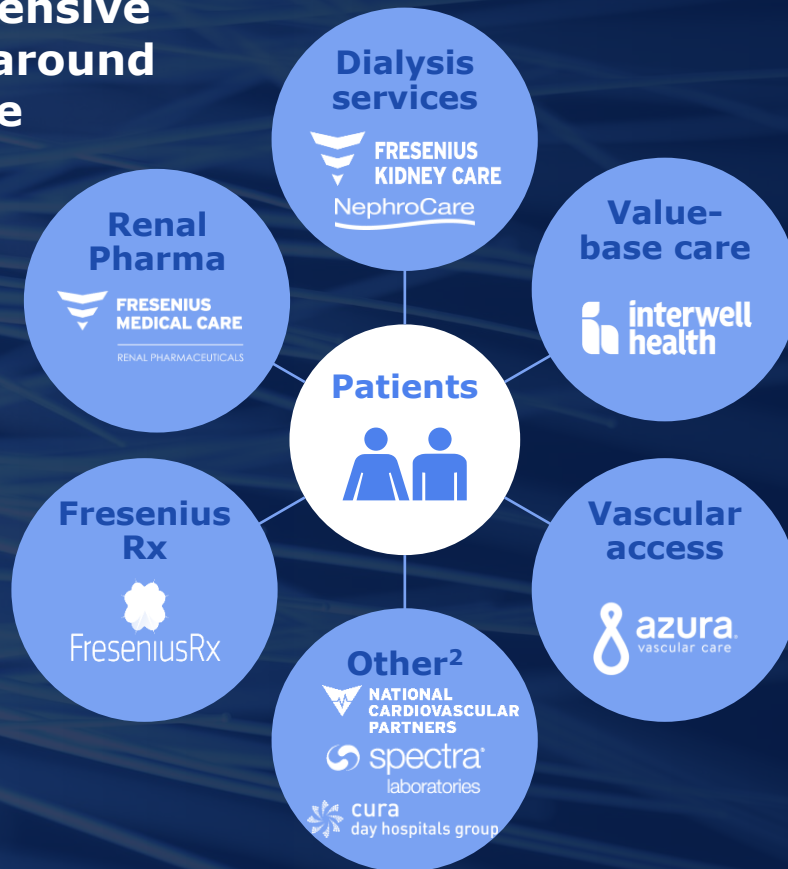
**51%**  
Optimal start rate through  
U.S. value-based care  
(vs. 20% U.S. national avg.)





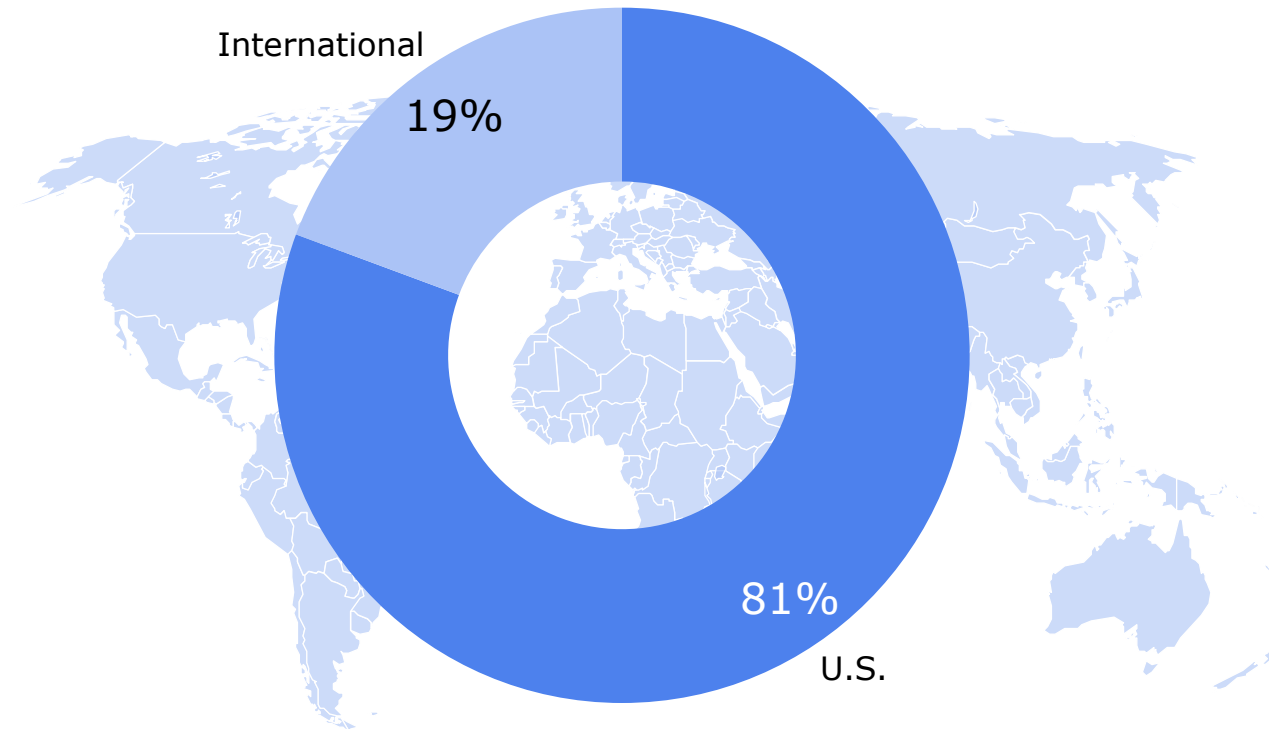
# Care Delivery business overview

## Comprehensive offering around renal care



<sup>2</sup> \*Other includes NCP, Spectra, Frenova, Acumen, Physician Services, and Cura

## Revenue breakdown – €15.6 bn total in 2022<sup>1</sup> By region



<sup>1</sup> Unaudited

# Care Delivery is setting new standard for kidney care serving U.S. patients across the Renal Care Continuum



## CKD management

Slowing progression and increasing preemptive transplantations

Access Placement and Maintenance



Renal Lab Testing



In-Center and Home Dialysis



Renal Pharmaceuticals



Renal Clinical Pharmacy



## Transplantation

Transplant candidates benefit from "Referral Ready" waitlist management program



Value-based care program

# Market leader in expanding home dialysis in U.S.

## Accelerating shift to home dialysis

- Higher patient satisfaction and quality of life
- Payors (government, Medicare Advantage and commercial) favor home dialysis
- Supports Care Delivery margin improvement

Lower total cost of care vs. in-center, benefiting value-based agreements

Mitigates labor pressures

Higher treatment yield vs. in-center

Asset light growth

Better patient outcomes

## Growth levers

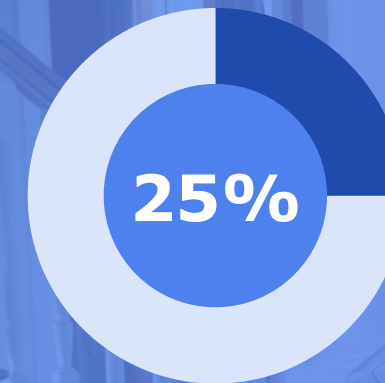
- Labor stability increasing home dialysis starts
- Leveraging Transitional Care Unit concept (TCU) to increase

New start training

Patient retention

Relationships with physicians

## Aspirational home target



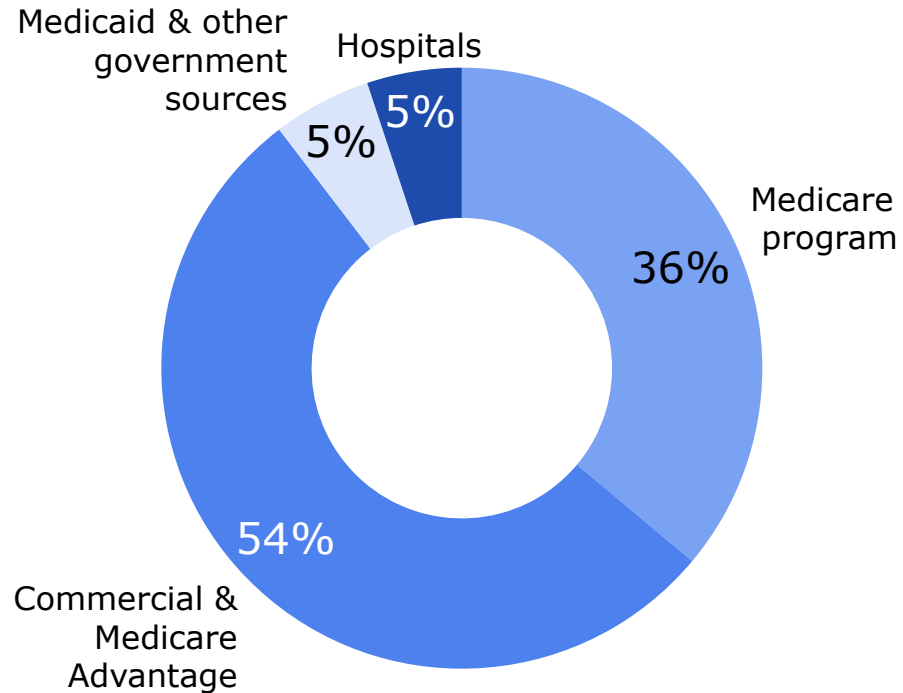
**of dialysis treatments**  
in the U.S. to be performed in a home setting

## Challenges to 2025 target

Potentially delayed given longer than assumed continuation of the COVID-19 pandemic in 2022 and unprecedented impacts from labor shortage

# ■ Key levers for margin improvement | Rate growth

## U.S. patient service revenue – FY 2022



- + CMS market basket adjustment
- + Continued conversion to Medicare Advantage
- + Built-in escalators in commercial and Medicare Advantage agreements
- + Commercial retention
- + Acute contract renegotiation



# ■ Key levers for margin improvement | Volume growth

Key contributors to volume growth are stabilizing & returning to pre-pandemic levels

## Mortality Rates

Decreased by **10%** to around 18%



## Monthly Turnover

Direct patient care employee turnover decreased by **26%**



## Missed Treatments

Improved by **6%**



## Patient Admission

Increased by **6%**

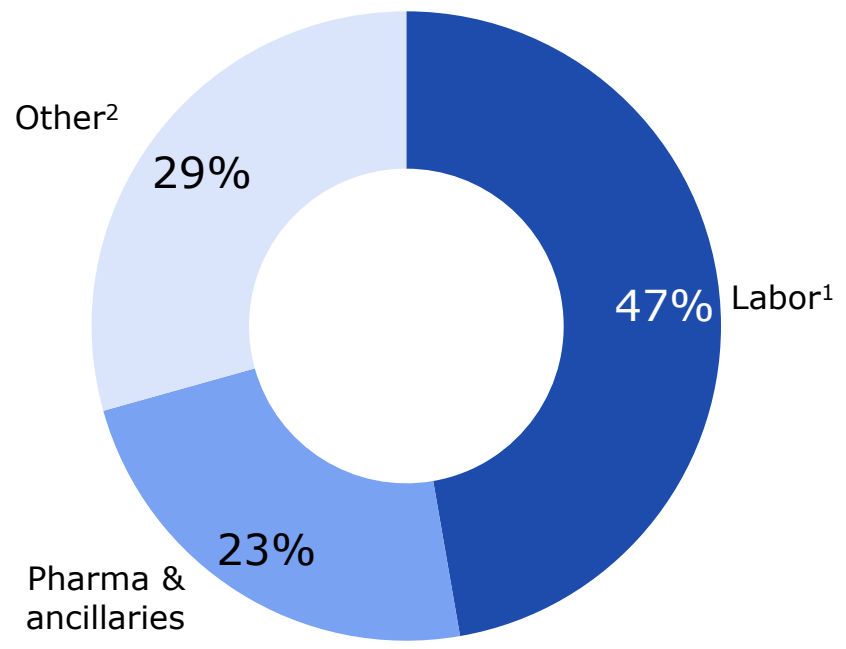


## Volume outlook

- Continuously outperformed the market in volume development
- Assume moderate growth through 2025
- Expect to return to normalized growth by the end of 2025

# Key levers for margin improvement | Cost improvement

## Care Delivery – U.S. dialysis | Cost components



1 Excluded PRF | 2 Other includes depreciation, admin, physician compensation, fixed overhead, and miscellaneous expenses

## Drivers of reduction

### Labor

Improve retention & turnover of clinic staff	Accelerated savings on labor rate drivers (e.g., agency spend, premium pay)	Accelerate home growth	Increase utilization and productivity
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### Pharma and ancillaries expense savings

Leverage vertical integration of renal pharmaceuticals
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### Other

Volume recovery leading to improved operational leverage	Clinic consolidation driving footprint optimization	Streamline corporate overhead structure (FME25)
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# ■ Key levers for margin improvement | Care Delivery International

## Leveraging capabilities across markets

- New operating model brings focus and simplification
- Symmetrical organizational structure to U.S.
- Leveraging existing operational best practices
- Operational efficiencies

# ■ Transforming U.S. value-based care industry with InterWell Health

## Unique partnership joining FME and ...

**interwell  
health**

High-performing nephrology network of 1,600+ value-focused physicians

**C** **Cricket Health**

Innovative technology, analytics, and patient engagement platform

**ACUMEN**  
PHYSICIAN SOLUTIONS

Leading provider of electronic health record & patient management software designed for nephrology

## Market leading positioning

\$6 bn in **medical costs under management** in 2022 growing to **\$11 bn** in 2025

90 k **lives** under management in 2022, growing to **270 k** in 2025

**\$2.3 bn** in **revenue** expected in 2025

Accelerating shift to **risk arrangements**

Further **expansion into CKD**

## Clinical Excellence outperforming the market<sup>1</sup>

**150%** increased optimal starts

**15 – 20%** reduction in hospitalizations

**95%** reduction in 90-day mortality

**90%** increase in home dialysis start rate

Sources: 1. USRDS 2022 Annual Data Report, 2019 data.; Rankin, S, et. al., A Machine Learning Model for Predicting Mortality within 90 Days of Dialysis Initiation; Kidney360 3(9):p 1556-1565, September 29, 2022. | DOI: 10.34067/KID.0007012021



# ■ Path to margin improvement

	2022 operating income margin <sup>1</sup>		2025 operating income margin <sup>2</sup>
<b>Care Delivery</b>	<b>9.5%</b>		<b>10 % to 14 %</b>
FME25		140 bps	
U.S. volume recovery		0 to 100 bps	
U.S. rate / mix development		100 to 175 bps	
Labor & inflation		-175 to -50 bps	
Dilution from value-based care growth		-50 to 0 bps	
International growth & operational efficiencies		50 to 100 bps	

<sup>1</sup> Unaudited; FY 2022 operating income excluding special items and excluding EUR 277 million of Provider Relief Funding received from the U.S. government to compensate for certain COVID-19-related costs

<sup>2</sup> FY 2025 outlook excluding special items and in constant currency.



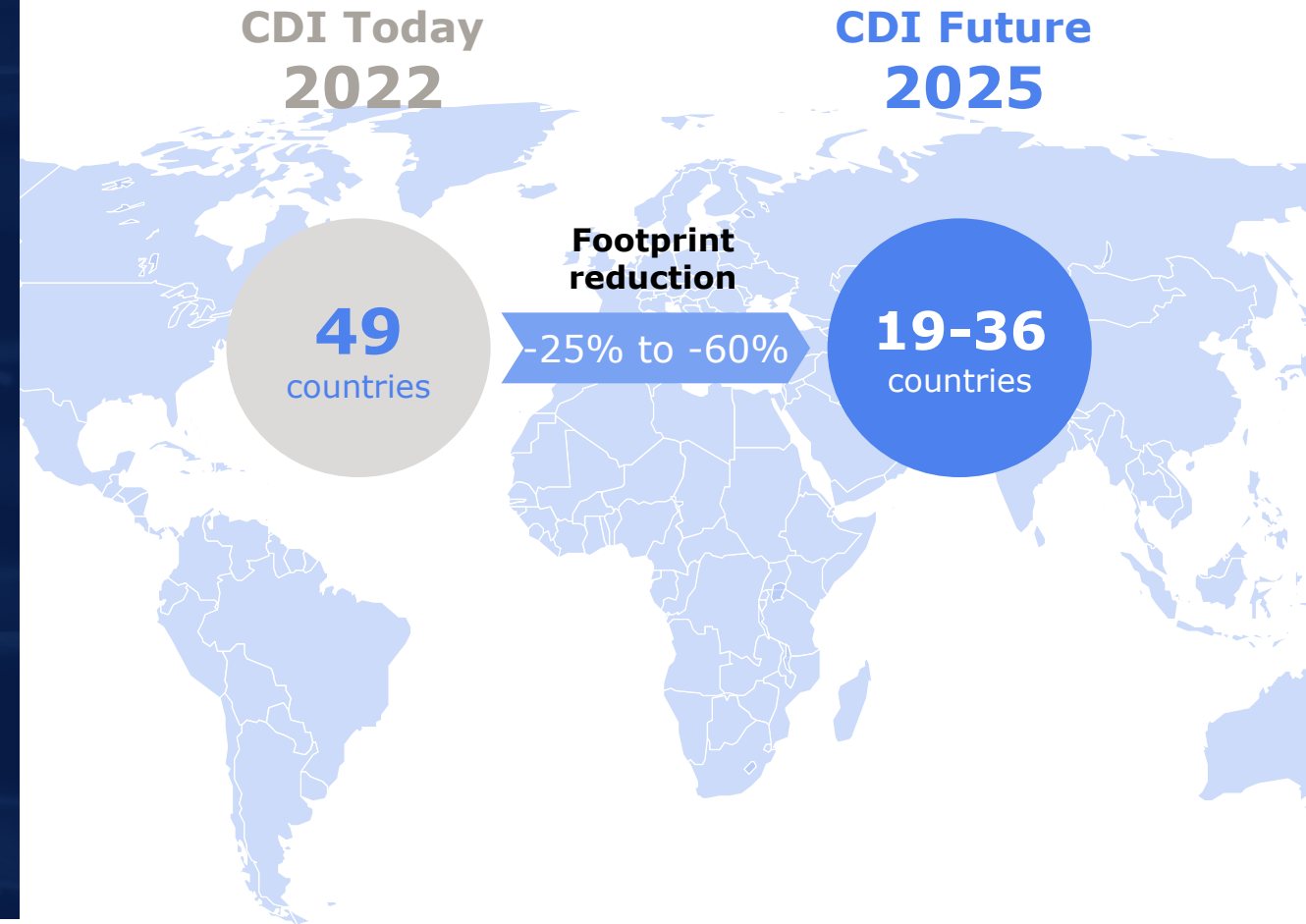
# ■ Portfolio optimization | Care Delivery International

## Exit markets with significant structural challenges

Subscale and unprofitable

Regulatory and geopolitical environment

Reimbursement rates



# ■ Target 2025+ | Care Delivery

**Provider,  
partner, &  
employer of  
choice for all  
stakeholders  
in our  
ecosystem**

## **Best-in-class clinical outcomes**

- Full breadth of services supporting patients across the renal care continuum

## **Market leader in U.S. value-based care**

- Expanding to CKD
- Increased full risk contracting

## **Market leader U.S. home**

- Accelerated shift, improving patient outcomes and improving margins

## **Operationally excellent**

- Best-in-class operating leverage
- Optimized geographic and business unit footprint
- Disciplined capital allocation
- Efficient clinic management



**4**

**Care Enablement**  
Dr. Katarzyna Mazur-Hofsäß

# Care Enablement | At a glance

CEO

Global  
Medical  
Office

Care  
Delivery

Care  
Enable-  
ment

## Market leading renal medtech company

Machines  
produced in 2022  
**~49,000**



**~40%**  
market share of  
in-center dialysis  
products



Around  
**168 m**  
Dialyzers  
produced



Clear **market leader**  
in the production of hemodialysis machines

**42**

production sites

Products available in

**153**

countries

Worldwide

**~50%**

of all dialysis patients  
use our products

**#1**

dialyzers

**#1**

machines

**#1**

in HDD

**#1**

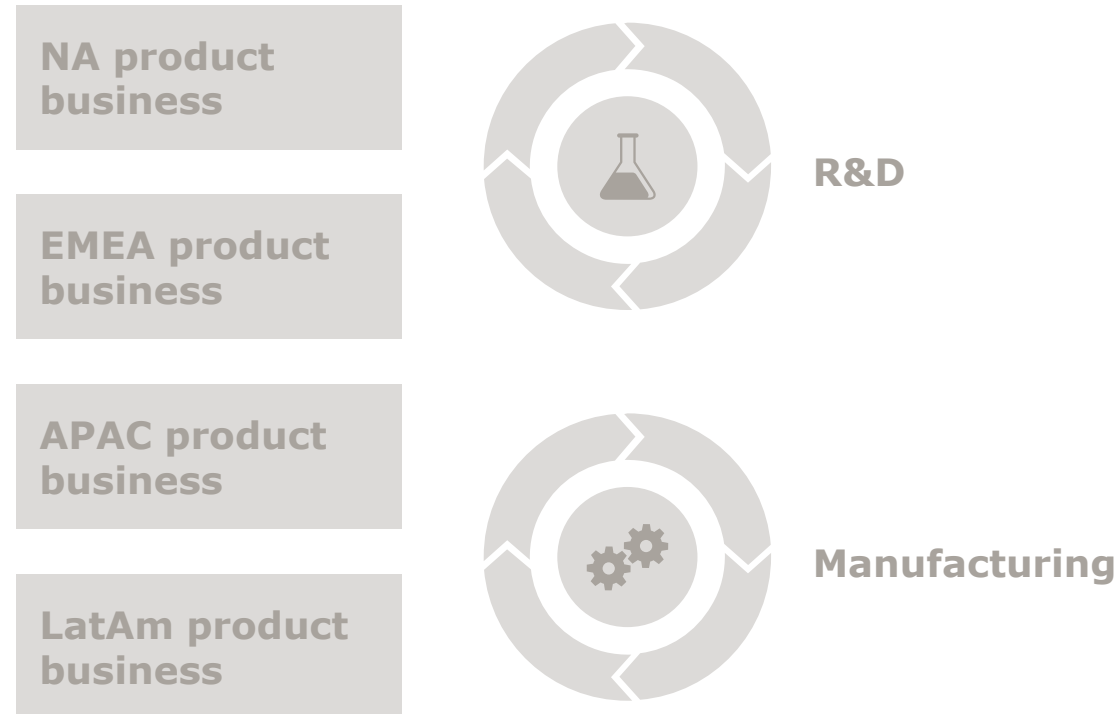
in acute  
dialysis



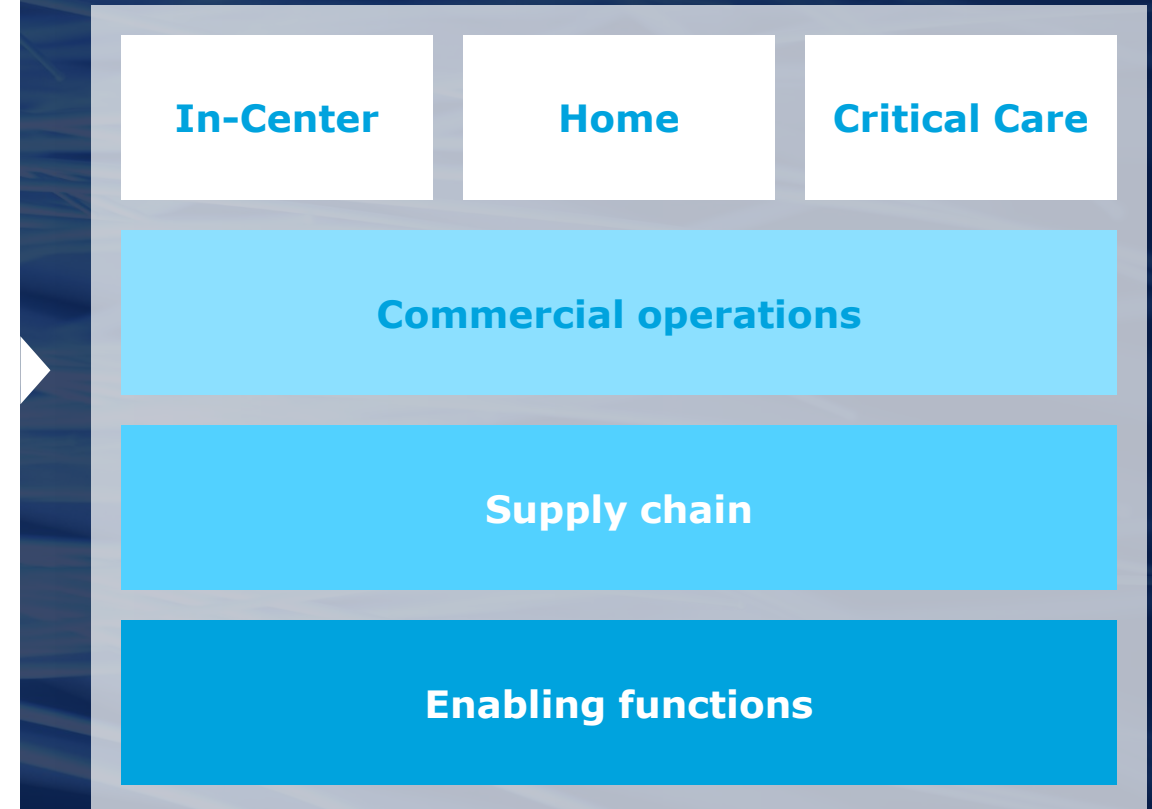
# ■ The evolution of our organization

## Former structure | Product business

Regional product management with separate R&D and manufacturing



## New structure | Care Enablement

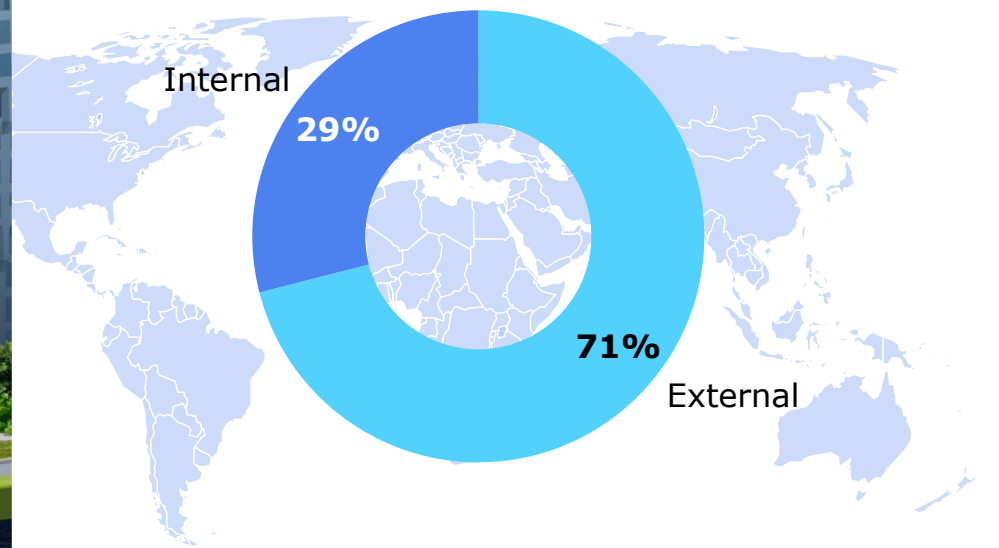


# Care Enablement overview

## Ecosystem of Care Enablement products and services



Revenue breakdown –  
**€5.4 bn total in 2022<sup>1</sup>**  
 By customer



<sup>1</sup> Unaudited; Total revenue with external customers incl. inter-segment revenue

# Global leader in dialyzers and membrane technology

## Dialyzer portfolio covering all clinical needs

Albumin (67k Da)	●	To retain
Myoglobin (17k Da)	●	To remove
B2M (12k Da)	●	
Inulin (4k to 6k Da)	●	
B12 (1350 Da)	●	
Creatinine (113 Da)	●	
Phosphate (96 Da)	●	
Urea (60 Da)	●	

### Low Flux dialysis



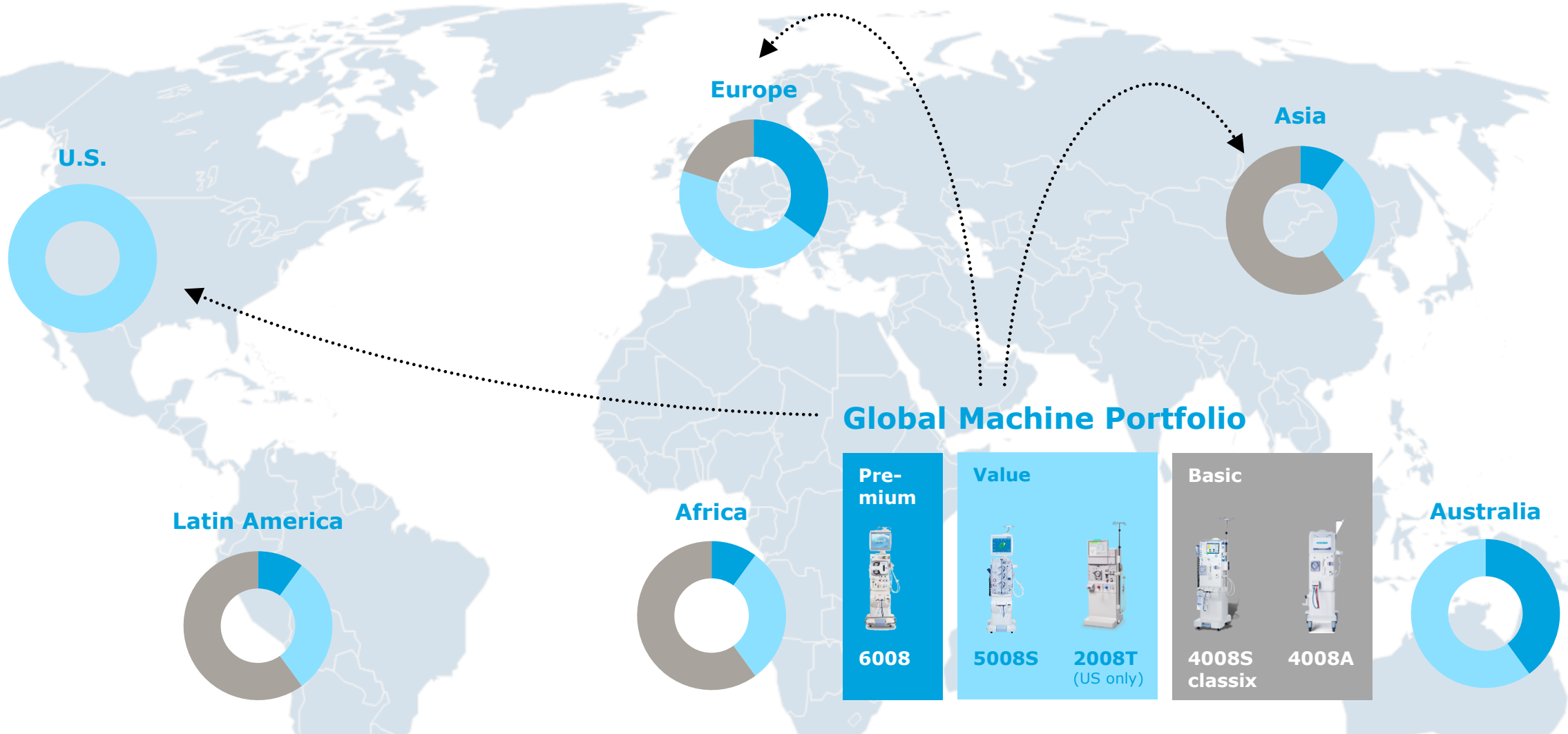
### High Flux dialysis



### Hemocompatibility in High Flux dialysis and HDF



# Global leader in in-center machine technology | Portfolio adapted to specific regional needs



# Global leader in HHD | Improving economics of PD and upgrading technology

**US**



Liberty NxStage

**EMEA & Canada & Australia**



Silencia sleep•safe harmony NxStage 5008S

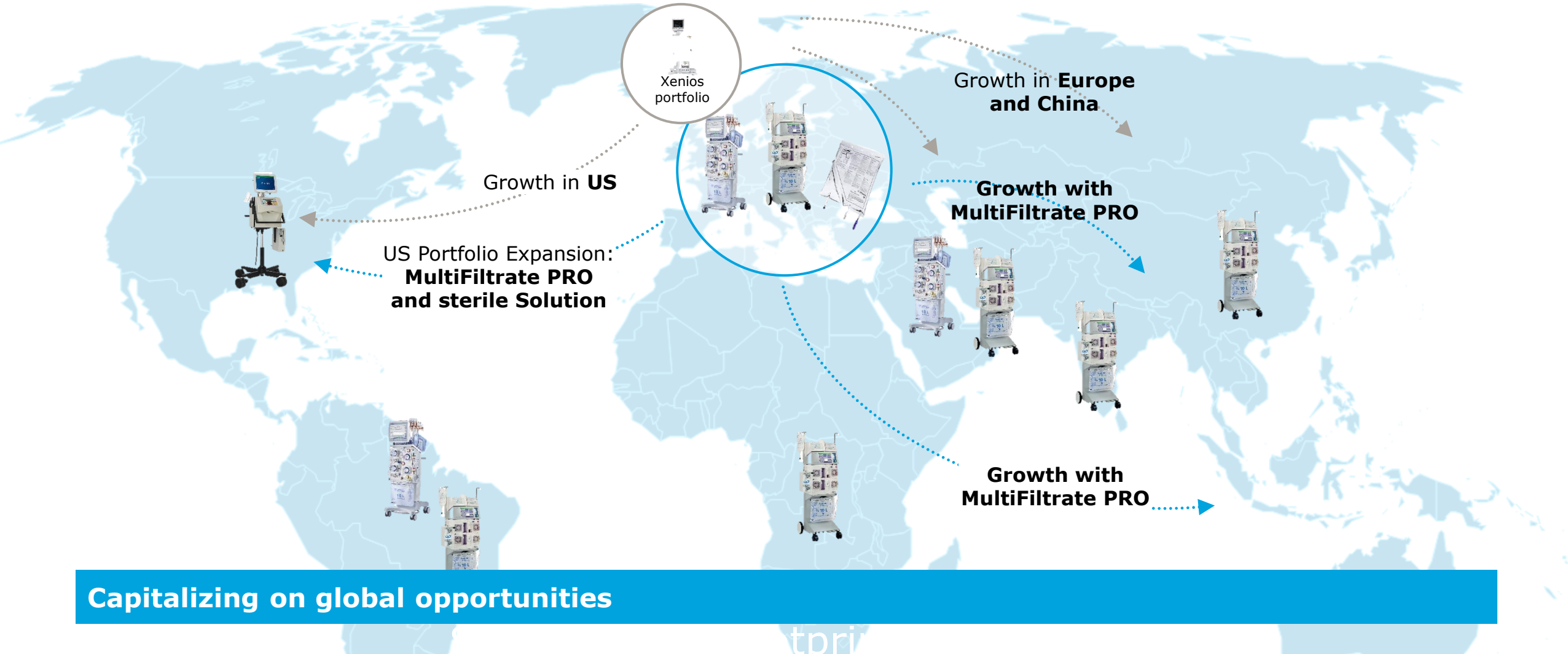
**LATAM, Africa & Asia**



Silencia sleep•safe harmony 5008S



# Global leader in technology for acute dialysis



# ■ Leading digital portfolio in renal therapies

## Home

## In-Center

## Critical Care

Connecting patients & providers

Supporting patients & caregivers in diseases management

Connecting FME with patients

Connecting dialysis unit with Clinical Information System

Connecting FME with customers

Streamlining logistics & services

Managing and optimizing therapy

Automating processes

Documenting activities (i.e. for reimbursement, quality management)

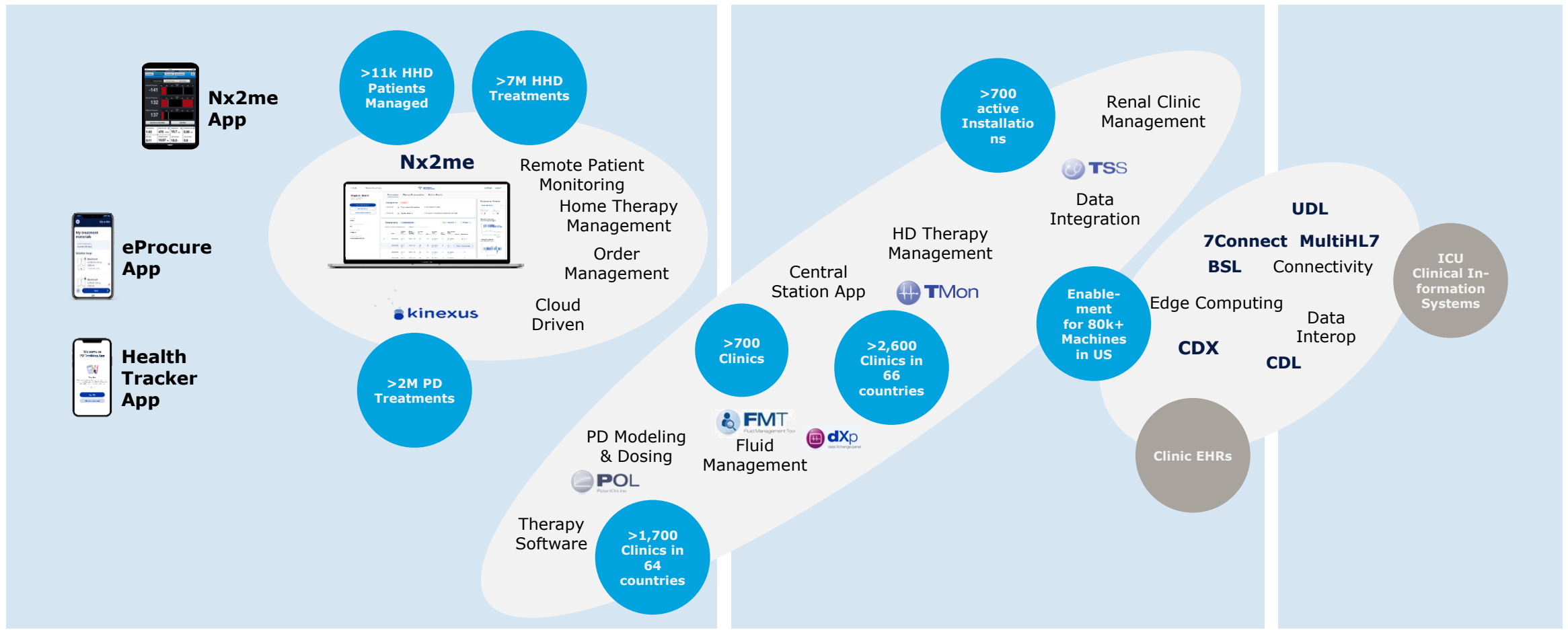
Collecting and processing data

# Leading digital portfolio in renal therapies

## Home

## In-Center

## Critical Care



# ■ Digital renal platform driving future value creation

CEO

Global  
Medical  
Office

Care  
Delivery

Care  
Enable-  
ment

## Patients & Care Partners



- Improve end-end patient experience via digital tools and empowerment

## Healthcare Providers



- Automate operational tasks
- Enhanced clinical decision making
- Help reinvent care models: data enabled personalized treatment

## Shareholders



- Accelerate top line growth by leveraging digital platform
- Grow high margin digital Products & Services business
- Enable personalized renal therapies making our business model compatible with value-based care – fit for the future



# Care Enablement margin drivers

- Inefficiency in parts of manufacturing footprint
- Portfolio proliferation diluting scale effects
- Loss making PD business in the U.S.
- Inflation
- Selective cost increases of certain direct components

## Areas to address



## Drivers of margin improvement

- FME25 initiatives
- Pricing, contracting and direct procurement
- Growth in international markets
- Additional identified improvements (G&A, PD logistics, operational efficiencies)

# Care Enablement | Path to margin improvement

	2022 operating income margin <sup>1</sup>		2025 operating income margin <sup>2</sup>
<b>Care Enablement</b>	<b>1.9%</b>		<b>8% to 12%</b>
<b>FME25</b>		600 bps	
Inflation		-650 to - 550 bps	
Pricing, contracting, direct procurement		300 to 400 bps	
Growth in international markets		250 to 300 bps	
Additional identified improvements (G&A, PD logistics, other operational efficiencies)		100 to 250 bps	

1 Unaudited; FY 2022 operating income excluding special items  
 2 FY 2025 outlook excluding special items and in constant currency

# ■ Portfolio optimization | Care Enablement

## Thorough assessment of portfolio assets, accelerated decision process

R&D programs refocused on future platforms

Ventures portfolio critically assessed for strategic fit

Rationalized portfolio of cyclers, machines, disposables and concentrates

Considering options for businesses with structural challenges

# ■ Target 2025+ | Care Enablement

## Profitably shape global dialysis market

### Boost operating performance

- Manufacturing footprint optimization
- Portfolio rationalization
- Action plan based on assessment of future viability for PD in the U.S.
- Streamlined processes, further reduce G&A cost
- Pricing and contracting excellence

### Grow market share with future-proof product portfolio

- Execute on commercial plans
- Modular ecosystem of products and services, connected on digital platform

### Pioneer dialysis of tomorrow

- Data-enabled personalized treatment
- Sustainable dialysis
- Solutions addressing key healthcare issues: labor shortage and access to care





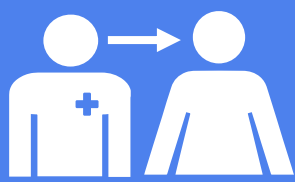
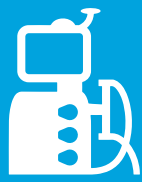
# Q&A

Your questions  
are welcome!

# Concluding **remarks**

# ■ In summary | Our strategic aspiration

## Unlock value as the leading kidney care company

<b>Structure</b>	Simplified governance	Global operating model with two segments	Financial reporting with enhanced transparency
<b>Capital allocation</b>	Disciplined financial policy		ROIC improvement focus
<b>Operational efficiencies</b>	<b>FME25</b>		
<b>Portfolio optimization</b>	<b>Care Delivery</b> 	<b>Care Enablement</b> 	
<b>Culture</b>	Accountability	Sustainability	Diversity & Inclusion



# Thank you for joining!

Fresenius Medical Care  
Capital Markets Day 2023