

Fresenius Medical Care AG & Co. KGaA

COMPLETE OVERVIEW OF THE FIRST QUARTER 2022

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Disclaimer

This release contains forward-looking statements that are subject to various risks and uncertainties. Actual results could differ materially from those described in these forward-looking statements due to various factors, including, but not limited to, changes in business, economic and competitive conditions, legal changes, regulatory approvals, impacts related to COVID-19, results of clinical studies, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. These and other risks and uncertainties are detailed in Fresenius Medical Care AG & Co. KGaA's reports filed with the U.S. Securities and Exchange Commission. Fresenius Medical Care AG & Co. KGaA does not undertake any responsibility to update the forward-looking statements in this release.

Statement of earnings

in € million, except share data, unaudited

Three months ended March 31

	2022	2021	Change	Change at cc
Health Care Services	3,607	3,325	8.5%	2.6%
Health Care Products	941	885	6.4%	3.3%
Total revenue	4,548	4,210	8.0%	2.7%
Costs of revenue	3,290	3,003	9.5%	4.1%
Gross profit	1,258	1,207	4.3%	-0.6%
Selling, general and administrative	870	712	22.4%	16.8%
Research and development	50	49	2.1%	-0.9%
Income from equity method investees	(10)	(28)	-62.2%	-62.0%
Operating income	348	474	-26.7%	-30.2%
Operating income margin	7.6%	11.3%		
Interest income	(14)	(15)	-7.5%	-7.2%
Interest expense	83	91	-8.9%	-13.1%
Interest expense, net	69	76	-9.2%	-14.3%
Income before taxes	279	398	-30.0%	-33.2%
Income tax expense	67	94	-28.9%	-31.7%
Net income	212	304	-30.4%	-33.7%
Net income attributable to noncontrolling interests	55	55	-1.7%	-8.4%
Net income attributable to shareholders of FMC-AG & Co. KGaA	157	249	-36.8%	-39.3%
Operating income	348	474	-26.7%	-30.2%
Depreciation, amortization and impairment loss	419	388	7.9%	2.5%
EBITDA	767	862	-11.1%	-15.5%
EBITDA margin	16.9%	20.5%		
Weighted average number of shares	293,007,109	292,878,085		
Basic earnings per share	€0.54	€0.85	-36.8%	-39.4%
Basic earnings per ADS	€0.27	€0.42	-36.8%	-39.4%

Segment information

unaudited

Three months ended March 31

	2022	2021	Change	Change at cc
Total				
Revenue in € million	4,548	4,210	8.0%	2.7%
Operating income in € million	348	474	-26.7%	-30.2%
Operating income margin	7.6%	11.3%		
Days sales outstanding (DSO)	69	60		
Employees (full-time equivalents)	122,635	124,995		
North America				
Revenue in € million	3,171	2,899	9.4%	1.8%
Operating income in € million	304	399	-23.7%	-28.7%
Operating income margin	9.6%	13.7%		
Days sales outstanding (DSO)	58	43		
EMEA				
Revenue in € million	674	670	0.7%	2.6%
Operating income in € million	61	80	-23.3%	-18.8%
Operating income margin	9.1%	11.9%		
Days sales outstanding (DSO)	84	85		
Asia-Pacific				
Revenue in € million	507	471	7.6%	4.1%
Operating income in € million	99	85	15.9%	14.1%
Operating income margin	19.5%	18.1%		
Days sales outstanding (DSO)	95	102		
Latin America				
Revenue in € million	183	159	15.4%	15.3%
Operating income in € million	11	7	67.7%	50.8%
Operating income margin	6.1%	4.2%		
Days sales outstanding (DSO)	126	128		
Corporate				
Revenue in € million	13	11	12.0%	7.5%
Operating income in € million	(127)	(97)	32.7%	30.2%

cc = constant currency. Changes in revenue, operating income, net income attributable to shareholders of FMC-AG & Co. KGaA and other items include the impact of changes in foreign currency exchange rates. We calculate these non-IFRS financial measures at constant exchange rates to show changes in our revenue, operating income, net income attributable to shareholders of FMC-AG & Co. KGaA and other items without giving effect to period-to-period currency fluctuations. Under IFRS, amounts received in local (non-euro) currency are translated into euro at the average exchange rate for the period presented. Once we translate the local currency for the constant currency, we then calculate the change, as a percentage, of the current period using the prior period exchange rates versus the prior period. The single quarter results are calculated as the variance between the current year-to-date results less the preceding quarter's year-to-date which makes the single quarter subject to further foreign exchange fluctuation. This resulting percentage is a non-IFRS measure referring to a change as a percentage at constant currency. These currency-adjusted financial measures are identifiable by the designated term "Constant Currency".

Balance sheet

in € million, except for net leverage ratio, unaudited

	March 31	December 31
	2022	2021
Assets		
Current assets	8,039	7,967
Goodwill and intangible assets	16,109	15,821
Right of use assets	4,274	4,316
Other non-current assets	6,302	6,263
Total assets	34,724	34,367
Liabilities and equity		
Current liabilities	6,377	7,258
Non-current liabilities	13,808	13,130
Total equity	14,539	13,979
Total liabilities and equity	34,724	34,367
Equity/assets ratio	42%	41%
Debt and lease liabilities		
Short-term debt from unrelated parties	970	1,178
Short-term debt from related parties	145	78
Current portion of long-term debt	59	668
Current portion of lease liabilities from unrelated parties	650	640
Current portion of lease liabilities from related parties	22	21
Long-term debt, less current portion	7,452	6,647
Lease liabilities from unrelated parties, less current portion	3,951	3,990
Lease liabilities from related parties, less current portion	94	98
Total debt and lease liabilities	13,343	13,320
Minus: Cash and cash equivalents	(1,173)	(1,482)
Total net debt and lease liabilities	12,170	11,838
Reconciliation of annualized adjusted EBITDA and net leverage ratio to the most directly comparable IFRS financial measures		
Net income	1,127	1,219
Income tax expense	326	353
Interest income	(72)	(73)
Interest expense	345	353
Depreciation and amortization	1,611	1,586
Adjustments ¹	173	125
Annualized adjusted EBITDA	3,510	3,563
Net leverage ratio	3.5	3.3

¹ Acquisitions and divestitures made for the last twelve months with a purchase price above a €50 M threshold as defined in the Syndicated Credit Facility (2022: €9 M; 2021: €13 M), non-cash charges, primarily related to pension expense (2022: €50 M; 2021: €49 M), impairment loss (2022: €43 M; 2021: €38 M), as well as costs related to the FME25 Program (2022: € 50M; 2021: €25 M) and the impacts related to the War in Ukraine (2022: €21 M).

Cash flow statement

in € million, unaudited

Three months ended March 31

	2022	2021
Operating activities		
Net income	212	304
Depreciation / amortization / impairment loss	419	388
Change in working capital and other non-cash items	(472)	(484)
Net cash provided by (used in) operating activities	159	208
In percent of revenue	3.5%	4.9%
Investing activities		
Purchases of property, plant and equipment and capitalized development costs	(162)	(184)
Proceeds from sale of property, plant and equipment	2	5
Capital expenditures, net	(160)	(179)
Free cash flow	(1)	29
In percent of revenue	0.0 %	0.7%
Acquisitions and investments, net of cash acquired, and purchases of intangible assets	(36)	(106)
Investments in debt securities	(43)	(11)
Proceeds from divestitures	14	2
Proceeds from sale of debt securities	13	70
Free cash flow after investing activities	(53)	(16)

Revenue development

in € million, unaudited	2022	2021	Change	Change at cc	Organic growth	Same market treatment growth ¹
Three months ended March 31,						
Total revenue	4,548	4,210	8.0%	2.7%	1.5%	
Health Care Services	3,607	3,325	8.5%	2.6%	1.1%	-1.4%
Health Care Products	941	885	6.4%	3.3%	3.2%	
North America	3,171	2,899	9.4%	1.8%	0.3%	
Health Care Services	2,889	2,643	9.3%	1.7%	0.0%	-2.1% ²
Health Care Products	282	256	10.3%	2.7%	2.7%	
EMEA	674	670	0.7%	2.6%	2.0%	
Health Care Services	344	332	3.6%	5.0%	4.2%	-0.8%
Health Care Products	330	338	-2.2%	0.2%	-0.1%	
Asia-Pacific	507	471	7.6%	4.1%	3.6%	
Health Care Services	236	228	3.5%	2.2%	1.2%	1.6%
Health Care Products	271	243	11.5%	5.9%	5.9%	
Latin America	183	159	15.4%	15.3%	15.6%	
Health Care Services	130	115	13.2%	15.1%	15.5%	-1.8%
Health Care Products	53	44	21.0%	15.9%	15.9%	
Corporate	13	11	12.0%	7.5%		
Health Care Services	8	7	11.2%	4.2%		
Health Care Products	5	4	13.2%	13.1%		

¹ Same market treatment growth = organic growth less price effects

² U.S. (excl. Mexico), same market treatment growth North America: -2.0% for the three months ended March 31, 2022.



Key metrics Dialysis Care Services

unaudited

Three months ended March 31, 2022

	Clinics	Growth in %	De novos	Patients	Growth in %	Treatments	Growth in %
Total	4,153	1%	9	343,493	0%	12,858,103	-1%
North America	2,692	1%	6	207,238	-1%	7,814,534	-1%
EMEA	819	1%	1	65,973	2%	2,437,934	0%
Asia-Pacific	393	-2%	2	33,523	1%	1,179,567	1%
Latin America	249	1%	-	36,759	0%	1,426,068	-3%

Quality data¹

in % of patients

	North America		EMEA		Latin America		Asia-Pacific	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Kt/V ≥ 1.2	97	97	93	93	92	91	95	93
Hemoglobin = 10-12 g/dl	70	69	81	81	49	48	52	50
Calcium = 8.4-10.2 mg/dl	84	81	79	78	74	74	72	71
Albumin ≥ 3.5 g/dl	84	80	89	90	90	89	89	89
Phosphate ≤ 5.5 mg/dl	57	58	78	79	77	76	63	63
Patients without catheter (after 90 days)	78	79	76	77	77	78	79	81

in days

Days in hospital per patient year

(global basis)	10.7	11.1 (Q1 2021)
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¹ Definitions cf. Annual Report 2021, Section "Non-Financial Group Report"

Reconciliation of non-IFRS financial measures to the most directly comparable IFRS financial measures

in € million, except share data, unaudited						Results excl. special items			
	Results 2022	FME25 Program	Ukraine War ¹	Results 2022 excl. special items	Results 2021	FME25 program	Results 2021 excl. special items	Change	Change at cc
Three months ended March 31,									
Total revenue	4,548			4,548	4,210		4,210	8.0%	2.7%
EBITDA	767	28	21	816	862	3	865	-5.7%	-10.1%
Total operating income	348	33	22	403	474	3	477	-15.4%	-19.0%
North America	304	13	-	317	399	-	399	-20.5%	-25.7%
EMEA	61	1	22	84	80	-	80	4.8%	10.2%
Asia-Pacific	99	-	-	99	85	-	85	15.9%	14.1%
Latin America	11	-	-	11	7	-	7	67.7%	50.8%
Corporate	(127)	19	-	(108)	(97)	3	(94)	14.7%	12.5%
Interest expense, net	69			69	76		76	-9.2%	-14.3%
Income tax expense	67	9	3	79	94	1	95	-16.1%	-19.2%
Net income attributable to noncontrolling interests	55			55	55		55	-1.7%	-8.4%
Net income²	157	24	19	200	249	2	251	-20.1%	-22.7%
Basic earnings per share	€0.54	€0.08	€0.06	€0.68	€0.85	€0.01	€0.86	-20.1%	-22.8%

¹ Bad debt expense in Russia and Ukraine and accruals for certain risks associated with allowances on inventories related to the Ukraine War.

² Attributable to shareholders of FMC-AG & Co. KGaA

Outlook 2022

	Results 2021	Outlook 2022 (at Constant Currency, except for ROIC)
Revenue ¹	€17,619 M	growth: low-to-mid-single-digit percentage rate
Revenue growth at Constant Currency ¹		growth: low-to-mid-single-digit percentage rate
Operating income ¹	€1,915 M	growth: low-to-mid-single-digit percentage rate
Net income ^{1, 2}	€1,018 M	growth: low-to-mid-single-digit percentage rate
Net income ² growth at Constant Currency ¹		growth: low-to-mid-single-digit percentage rate
ROIC ¹	5.1%	≥ 5.0%

¹ Outlook 2022 is based on the assumptions outlined in the earnings release for the fourth quarter and full year 2021 and excludes special items. Special items include further costs related to the FME25 Program, the impacts related to the War in Ukraine and other effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance. The growth rates are based on the results 2021 excluding the costs related to the FME25 Program (€63 M for operating income and €49 M for net income).

² Net income attributable to shareholders of FMC-AG & Co. KGaA