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Fresenius Medical Care AG

Annual Press Conference

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## Helen Giza Remarks

Good morning, everyone, and thank you for attending today's Annual Press Conference. It is my pleasure to host you this morning, together with Martin Fischer, our CFO.

Before I begin with my speech, I want to take a moment to acknowledge what makes Fresenius Medical Care special and unique: our patients and our employees.

As the global leader in dialysis products and services we aim to improve our patients' quality of life – year by year, week by week and day by day.

We are the leading global kidney care company.

We are the market leader in products and services.

We provide best possible care to our patients and sell our products to customers in over 150 countries.

Our nearly 112,000 employees around the globe put their all, every single day, into delivering life-sustaining and high-quality care for our patients.

Some of you may remember: At the start of 2023, we transitioned from a regional business model to a structure built around two operating segments with complete end-to-end P & L responsibility.

Care Delivery is our dialysis services business accounting for approximately 80 percent of our revenues. And, Care Enablement, our renal MedTech business, delivers additional 20 percent of revenue. Both of our business segments are distinguished by market-leading positions and great assets.

This operating model allows us to more fully realize the benefits of vertical integration as we are able to leverage infrastructure and fully allocated, leaner global General and Administrative functions.

At the same time, we utilize the latest scientific developments, data technology and connectivity driven by our world class Global Medical Office across both segments.

On the services side, our Care Delivery business benefits from early access to innovation. Our Care Enablement business continues to pioneer dialysis of tomorrow.

On the MedTech side, our Care Enablement business benefits from insights into millions of treatments, predictability, and scale in supply chain as internal sales are a meaningful component, given the size of the clinic network we operate in Care Delivery.

And altogether, as a vertically integrated business, we are able to set the standard of care for the dialysis industry and for the clear benefit of patients.

A powerful example is the upcoming rollout of high volume hemodiafiltration in the U.S., which I will come to later.

Before I share details about our strategic journey with you, I want to emphasize that I am especially inspired by the way our teams stepped up in the face of natural disasters and geopolitical challenges. In 2024, we faced Hurricanes in the southeastern United States and ongoing conflicts in Israel and Ukraine. Since then, we have also experienced devastating wildfires in California and extreme snowstorms that hit parts of the Midwest and the East Coast of the United States.

Through it all, our dedicated teams continued to ensure our patients received their life sustaining dialysis treatments with only minimal interruptions – an incredible testament to the strength of our teams and resiliency of our operations. It's truly inspiring!

So, now let me share with you our strategic journey of the last 2 years and what we have further accomplished in 2024, along with our financial numbers. I will also give an outlook on what lies ahead of us this year and what we want to achieve.

The primary takeaway I hope you will glean from today's presentation is this: In 2024, we delivered again against our commitments. 2024 marked the second year of our three-year transformation and turnaround journey, and once again, we did what we said we would do.

I am proud to say that we met the top end of our 2024 operating income target to profitably grow our business.

We successfully executed against our strategic turnaround and transformation plan, advancing our legacy portfolio optimization, and realizing significant FME25 savings ahead of plan.

When I took over as CEO just over two years ago, we were in clear need of change, and I laid out an ambitious 3-year plan that would drive much needed improvement. My ambition was to restore the company to one of strength and make it an even better version of itself.

As a result, we embarked on a significant strategic turnaround and transformation plan. While this plan continues through to the end of 2025, I am proud of the substantial accomplishments we have achieved through the first two years.

In 2023, we implemented major structural changes. We re-oriented the company from a regional setup to a global player in the field of dialysis products and services. Our new global operating model allowed us to start re-defining, optimizing, and streamlining all our processes via two new segments: Care Delivery and Care Enablement, while setting ambitious margin band targets for each segment.

In parallel, we changed our legal form and deconsolidated from Fresenius SE.

We met our 2023 financial objectives, and made meaningful progress on our portfolio optimization, using proceeds for deleveraging.

In 2024 the momentum continued. We further upgraded our Leadership Team, including a new Head of Care Delivery and a new Head of Legal, HR, and Compliance at the Management Board level.

In January 2024, Craig Cordola joined as Head of Care Delivery. Craig and his new leadership team have had a tremendous impact in his first year, particularly around streamlining, upgrading, and standardizing our operational processes in the service business for the benefit of our patients and frontline care teams.

In June 2024, Jörg Häring joined the Management Board as Head of Legal, Compliance and Human Resources. Jörg's expertise and experience is driving best-in-class competencies in these respective areas, which is a key role in a German-based company with a co-determined Supervisory Board.

We further accelerated our FME25 transformation program, achieving incremental sustainable savings ahead of plan. As a result, we were able to compensate the lower-than-expected volume growth in the U.S. dialysis business of the last two years.

We continued the execution of our portfolio optimization plan, ensuring our business is focused on a strengthened core, with a higher return profile.

We made exciting progress on our innovation pipeline, receiving FDA approval in early 2024 for our high-volume hemodiafiltration capable 5008x machine in the U.S. We are incredibly excited about the opportunity this innovation brings to our U.S. market.

The visible progress we made in our turnaround and transformation efforts was further recognized mid last year when the rating agencies Moody's and S&P changed the rating outlook to stable.

And finally, in December last year, we also earned our way back to the DAX 40. I promised we would be back...it's where we worked hard to be again, and it's where we will work hard to stay.

These positive developments supported strong operational progress over the course of the year.

For the full-year 2024 we delivered 4 percent organic growth and achieved the upper end of our earnings outlook with an impressive 18 percent operating income growth on an outlook base.

For our shareholders, we are planning to propose a dividend increase of 21 percent, in line with our current dividend policy.

The tangible effects of implementing our strategic plan are reflected in our strengthened financial performance and enhanced value creation. We have unlocked value with the new operating model. We have unlocked opportunities across the entire company, resulting in improved margins and resulting profitability.

Our operating income margin has shown consistent improvement towards our target margin bands for 2025, supported by both operating segments.

Care Delivery has already reached the lower end of its target band with a margin over 10 percent in full-year 2024. We reached an important milestone in the U.S. during 2024 with same market treatment growth turning positive after the devastating effects of covid. Additionally, the turnaround work we have been doing to drive operational excellence, upgrading, standardizing, and streamlining our processes, as well as reducing missed treatments, is really paying off. The improvements were additionally supported by positive price and volume effects, realization of productivity gains and labor efficiency enhancements as well as a more focused international portfolio.

Care Enablement has improved its full-year margin to 6.1 percent, almost tripling the margin from only a year earlier. This outstanding progress was supported by rationalization of our supply chain and manufacturing footprint as well as broad scale cost and efficiency improvements.

The improved profitability of both segments has been supported by the acceleration of our FME25 program. Here we have already achieved 567 million Euro in sustainable savings through 2024, and as a result of this momentum we are now on track to realize the new, increased target of 750 million Euro savings by the end of 2025.

In line with our dividend policy and improving financial results, we plan to propose a dividend of 1 Euro 44, reflecting a 13 percent compound annual growth rate over the past years.

Our leverage ratio has improved from 3.4 times at the end of 2022 to 2.9 times, and below our self-imposed target range.

We have continued to execute against our portfolio optimization plan as we look to divest non-core and lower margin assets.

Yesterday, we have announced the divestiture of select assets of Spectra Laboratories, our U.S. laboratory service business.

Collectively, in addition to exiting non-core assets like National Cardiovascular Partners, and Cura Day Hospitals Group in Australia, we have now exited around a dozen dialysis services markets, as we strategically refocus our international portfolio on growth markets with attractive returns.

This includes the exit of all our Latin America service business, with only Brazil left, which we expect to close in the first half of this year.

We have made significant progress since we first presented this slide at our last capital markets day in 2023. By the end of 2024 we have realized total cash proceeds of 750 million Euro.

Let me now turn to the financials.

In the full year, we realized 2 percent revenue growth on an outlook base driven by accelerated organic revenue growth with contributions from both segments. Our organic revenue growth reached 4 percent. We successfully executed our portfolio optimization plan and realized divestitures gave revenue growth some headwind.

We delivered a significant increase in operating income in 2024 as operating income grew by 18 percent, driven by both segments. This positive development led to an improved margin of 9.3 percent, which is a 120-basis points improvement compared to last year.

Special items mainly include costs related to portfolio optimization and the FME25 program.

The divestitures were neutral on margin development. However, with the continued execution of our portfolio optimization program at speed, we are ensuring that our business is focused on a strengthened core, with a higher return profile in future.

Within our business segment Care Delivery, we realized revenue growth of 1 percent on outlook base driven by value-based care business, improved reimbursement rates, and payor mix. Organic revenue growth reached 4 percent.

Divestitures realized as part of the portfolio optimization plan affected the revenue development of Care Delivery by minus 2.3 percent and the revenue development of Care Delivery International by minus 12.3 percent.

A key milestone was underlying U.S. same market treatment growth remaining positive for the second consecutive quarter and turning positive for the full year.

Operating income margin improved to 10.3 percent.

Care Delivery earnings growth was additionally supported by savings from our FME25 program and partially offset by labor and inflationary headwinds, in line with our expectations for the year.

Focusing on Care Enablement, we realized revenue growth of 5 percent on outlook base driven by accelerated volume growth across all geographical regions, continued positive pricing momentum globally, despite negative effects from volume-based procurement in China. Organic revenue growth reached also about 5 percent.

This increase in EBIT was driven by positive volume and price effects and supported by savings from our FME25 program. In 2024, we continued our organizational optimization and realized further cost efficiencies in manufacturing and supply chain.

The positive drivers were partially offset by inflationary cost increases.

Operating income margin improved to 6.1 percent.

We approach 2025 with confidence in our strengthened foundation and ability to further accelerate earnings growth.

For full-year 2025, we expect a positive to a low-single digit percent revenue development, which only looks muted as it includes a headwind from our portfolio optimization, as just outlined.

For operating income growth, we expect a very strong year. We are guiding for a high-teens to high twenties percent growth range, and while this seems like a wide range, this outlook raises the implied operating income margin to around 11 to 12 percent in 2025.

We remain laser-focused on executing this third and final year of our turnaround and transformation plan, ensuring we are well positioned for our company's future strategy and to enhancing shareholder value and returns.

As the leading global kidney company, innovation and driving the standard of care for our patients, while improving outcomes is at the core of who we are. I'm very excited to talk to you today about an exciting growth opportunity in the U.S., for high-volume hemodiafiltration – or HDF – and the launch of the 5008X machine in the U.S.

HDF has been available in Europe for over a decade and is already the standard of care in our clinics in Europe.

What the European nephrology community has long known, and what an EU-funded CONVINCE research study recently reiterated, is that HDF offers significantly improved patient outcomes. The study showed a 23 percent decrease in all-cause mortality on average for patients treated with HDF – versus standard hemodialysis. This could equate to an additional statistical average of 18 months of life.

And now with FDA approval in hand, our 5008X machine will be the first HDF-capable machine available in the US. In the meantime, we have also performed our first HDF treatments on the machine in one of our clinics.

We believe that HDF is an incredible opportunity to become the new standard of care in the US.

We currently plan to launch this new machine in our clinics at the end of 2025 with broader commercial launch in 2026 and beyond. The HDF-technology and our 5008X machine are expected to benefit both our Care Delivery and Care Enablement segments.

Our commitment to meeting our patients where they are — both physically and emotionally — remains unwavering. Those suffering from chronic kidney disease rely on us in the most fundamental ways.

We take great responsibility in the role we play in our patients' lives. This shows up in how our patients think of us too, and it translates directly into an excellent Net Promoter Score of 72, matching last year's very high level. The score, based on patient surveys, demonstrates very strong patient satisfaction with the quality of our services.

We understand the challenges our patients face and strive to provide comprehensive, compassionate support throughout their journey.

Our dedicated team works tirelessly to ensure that every patient receives personalized care tailored to their unique needs, fostering a sense of dignity and respect.

Our mission is to ***Create a future worth living, for patients. Worldwide. Every day.***

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