

# H1 2020

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HALF-YEAR FINANCIAL REPORT

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# FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a global health care group providing products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other health care facilities. In 2019, Group sales were €35.4 billion. As of June 30, 2020, more than 302,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

## SALES, EARNINGS, AND CASH FLOW

€ in millions	Q2/2020	Q2/2019	Growth	Growth in constant currency	H1/2020	H1/2019	Growth	Growth in constant currency
Sales	8,920	8,761	2%	2%	18,055	17,256	5%	5%
EBIT before special items	1,123	1,118	0%	0%	2,248	2,248	0%	-1%
Net income reported <sup>1</sup>	411	471	-13%	-13%	870	924	-6%	-7%
Net income before special items <sup>1</sup>	410	471	-13%	-13%	875	928	-6%	-6%
Earnings per share in € reported <sup>1</sup>	0.74	0.85	-13%	-14%	1.56	1.66	-6%	-7%
Earnings per share in € before special items <sup>1</sup>	0.74	0.85	-13%	-14%	1.57	1.67	-6%	-7%
Operating cash flow	3,082	1,205	156%	--	3,960	1,494	165%	--

<sup>1</sup>Net income attributable to shareholders of Fresenius SE & Co. KGaA

## BALANCE SHEET AND INVESTMENTS

€ in millions	June 30, 2020	December 31, 2019	Change
Total assets	69,554	67,006	4%
Non-current assets	52,401	51,742	1%
Equity	27,252	26,580	3%
Net debt	24,414	25,604	-5%
Investments and acquisitions (H1 2020/H1 2019)	1,530	3,163	-52%

## RATIOS

	Q2/2020	Q2/2019	H1/2020	H1/2019
EBITDA margin <sup>1</sup>	19.8%	19.4%	19.5%	19.7%
EBIT margin <sup>1</sup>	12.6%	12.8%	12.5%	13.0%
Depreciation and amortization in % of sales <sup>1</sup>	7.2%	6.7%	7.0%	6.7%
Operating cash flow in % of sales	34.6%	13.8%	21.9%	8.7%
Equity ratio (June 30/December 31)			39.2%	39.7%
Net debt/EBITDA <sup>1,2</sup> (June 30/December 31)			3.39	3.61

<sup>1</sup> Before special items

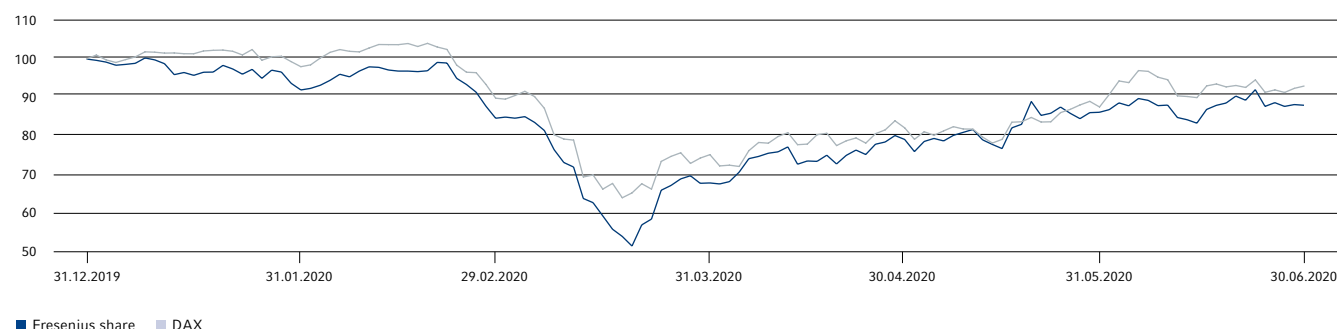
<sup>2</sup> At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures

# FRESENIUS SHARE

In the first half of 2020, which was marked by Covid-19, the Fresenius share recovered significantly after the share price losses in March and closed the second quarter at €44.12.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2019 = 100



## KEY DATA OF THE FRESENIUS SHARE

	H1/2020	2019	Growth
Number of shares (June 30/December 31)	557,453,784	557,379,979	0%
Stock exchange quotation <sup>1</sup> in €			
High	50.32	52.42	-4%
Low	25.66	40.74	-37%
Period-end quotation closing price	44.12	50.18	-12%
Ø Trading volume (number of shares per trading day)	2,348,657	1,693,849	39%
Market capitalization <sup>2</sup> in million € (June 30/December 31)	24,595	27,969	-12%
Earnings per share in € <sup>3</sup>	1.57	3.37	--

<sup>1</sup> Xetra closing price on the Frankfurt Stock Exchange

<sup>2</sup> Total number of ordinary shares multiplied by the respective Xetra period-end quotation on the Frankfurt Stock Exchange

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items

## FIRST HALF 2020

The global economy was very much marked by the COVID-19 pandemic in the first half of 2020. Despite many uncertainties about the further development of the COVID-19 pandemic, the capital markets were able to largely recover from the share price losses of the first quarter due to economic stimulus measures taken by governments as well as monetary policy measures of central banks.

According to the ECB's current forecast, the economy in the euro zone will contract by 8.7% this year. The ECB left its key interest rate unchanged at 0.00% during its June meeting.

The Federal Reserve's latest forecast projects the U.S. economy to contract by 6.5% in 2020. The U.S. Federal Reserve left the interest rates corridor unchanged at 0% to 0.25% at its June meeting.

Within this economic environment, the DAX decreased by 7% in the first half of 2020 to 12,311 points. The Fresenius share closed at €44.12 on June 30, 2020. This represents a decrease of 12% over the same period.

# MANAGEMENT REPORT

Solid H1 results in light of significant contributions to combat COVID-19 – Accelerated earnings growth expected in H2 – New FY/20 guidance incorporates estimated COVID-19 effects

- ▶ Fresenius Medical Care with very strong earnings growth and exceptional cash flow development in Q2
- ▶ Fresenius Kabi impacted by fewer elective procedures and easing extra demand for COVID-19 related products in Europe and the U.S.; only gradual recovery in China
- ▶ Fresenius Helios seeing gradual return of elective procedures; Helios Germany supported by law to ease financial burden on hospitals; COVID-19 related reimbursement at Helios Spain with remaining uncertainties
- ▶ Fresenius Vamed heavily impacted by COVID-19 related project delays and lack of post-acute care treatments

## HEALTH CARE INDUSTRY

The health care sector is one of the world's largest industries. It is relatively insensitive to economic fluctuations compared to other sectors and has posted above-average growth over the past years.

The main growth factors are rising medical needs deriving from aging populations, the growing number of chronically ill and multimorbid patients, stronger demand for innovative products and therapies, advances in medical technology and the growing health consciousness, which increases the demand for health care services and facilities.

	Q2/2020	Growth	Growth in constant currency	H1/2020	Growth	Growth in constant currency
Sales	€8.9 bn	2%	2%	€18.1 bn	5%	5%
EBIT <sup>1</sup>	€1,123 m	0%	0%	€2,248 m	0%	-1%
Net income <sup>1,2</sup>	€410 m	-13%	-13%	€875 m	-6%	-6%

In the emerging countries, drivers are the expanding availability and correspondingly greater demand for basic health care and increasing national incomes and hence higher spending on health care.

Health care structures are being reviewed and cost-cutting potential identified in order to contain the steadily rising health care expenditures. However, such measures cannot compensate for the cost pressure. Market-based elements

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

are increasingly being introduced into the health care system to create incentives for cost- and quality-conscious behavior. Overall treatment costs shall be reduced through improved quality standards. In addition, ever-greater importance is being placed on disease prevention and innovative reimbursement models linked to treatment quality standards.

## RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

### SALES

Group sales increased by 2% (2% in constant currency) to €8,920 million in Q2/20 (Q2/19: €8,761 million). Organic sales growth was 2%. Acquisitions/divestitures contributed net 0% to growth. Currency translation had no significant effect. Excluding estimated COVID-19 effects<sup>1</sup>, Group sales growth would have been 6% to 7%. In H1/20, Group sales increased by 5% (5% in constant currency) to €18,055 million (H1/19: €17,256 million). Organic sales growth was 3%. Acquisitions/divestitures contributed net 2% to growth. Currency translation had no significant effect. Excluding estimated COVID-19 effects<sup>1</sup>, Group sales growth would have been 7% to 8% in H1/20.

### EARNINGS

Group EBITDA increased by 3% (3% in constant currency) to €1,762 million (Q2/19<sup>2</sup>: €1,703 million). In H1/20, Group EBITDA increased by 3% (2% in constant currency) to €3,517 million (H1/19<sup>2</sup>: €3,404 million).

Group EBIT remained on prior year's level (0% in constant currency) at €1,123 million (Q2/19<sup>2</sup>: €1,118 million).

### SALES BY REGION

€ in millions	H1/2020	H1/2019	Change	Organic sales growth	Currency translation effects	Acquisitions/divestitures	% of total sales
North America	7,670	7,109	8%	4%	3%	1%	43%
Europe	7,739	7,538	3%	2%	0%	1%	43%
Asia-Pacific	1,694	1,715	-1%	-1%	0%	0%	9%
Latin America	760	711	7%	14%	-20%	13%	4%
Africa	192	183	5%	10%	-5%	0%	1%
<b>Total</b>	<b>18,055</b>	<b>17,256</b>	<b>5%</b>	<b>3%</b>	<b>0%</b>	<b>2%</b>	<b>100%</b>

### SALES BY BUSINESS SEGMENT

€ in millions	H1/2020	H1/2019	Change	Organic sales growth	Currency translation effects	Acquisitions/Divestitures	% of total sales
Fresenius Medical Care	9,045	8,478	7%	4%	1%	2%	50%
Fresenius Kabi	3,467	3,392	2%	4%	-2%	0%	19%
Fresenius Helios	4,781	4,660	3%	1%	0%	2%	26%
Fresenius Vamed	974	907	7%	5%	0%	2%	5%
<b>Total</b>	<b>18,055</b>	<b>17,256</b>	<b>5%</b>	<b>3%</b>	<b>0%</b>	<b>2%</b>	<b>100%</b>

### EARNINGS

€ in millions	Q2/2020	Q2/2019	H1/2020	H1/2019
EBIT <sup>2</sup>	1,123	1,118	2,248	2,248
Net income <sup>3</sup>	411	471	870	924
Net income (before special items) <sup>3</sup>	410	471	875	928
Earnings per share <sup>3</sup>	0.74	0.85	1.56	1.66
Earnings per share (before special items) <sup>3</sup>	0.74	0.85	1.57	1.67

Missing sales, COVID-19 related expenses as well as negative operating leverage in Helios Spain and Fresenius Vamed facilities weighed on EBIT. The anticipated EBIT decreases at Helios Spain and Fresenius Kabi were partially compensated

by Fresenius Medical Care's strong EBIT growth. The EBIT margin was 12.6% (Q2/19<sup>2</sup>: 12.8%). In H1/20, EBIT remained on prior year's level (-1% in constant currency) at €2,248 million (H1/19<sup>2</sup>: €2,248 million). The EBIT margin

<sup>1</sup> For estimated COVID-19 effects in Q2/20 and H1/20 please see table on page 21.

<sup>2</sup> Before special items

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

was 12.5% (H1/19<sup>1</sup>: 13.0%). Following higher levels of investments, Fresenius sees higher levels of depreciation and amortization in 2020.

Group net interest before special items improved to -€167 million (Q2/19: -€180 million) mainly due to successful refinancing activities as well as lower interest rates. Reported Group net interest improved to -€167 million (Q2/19: -€179 million). In H1/20, Group net interest before special items improved to -€341 million (H1/19: -€361 million) while reported Group net interest improved to -€349 million (H1/19: -€363 million).

The Group tax rate before special items was 23.5% (Q2/19: 22.8%) while the reported Group tax rate was 23.4% (Q2/19: 22.7%). In H1/20, the Group tax rate before special items was 23.1% (H1/19: 23.1%) while the reported Group tax rate was 23.0% (H1/19: 23.0%).

Noncontrolling interests before special items were €321 million (Q2/19: €253 million), of which 97% was attributable to the noncontrolling interests in Fresenius Medical Care. Reported Group noncontrolling interests were €321 million (Q2/19: €255 million). In H1/20, noncontrolling interests before special items were €592 million (H1/19: €524 million). Reported Group noncontrolling interests were €592 million (H1/19: €516 million).

Group net income<sup>2</sup> before special items decreased by 13% (-13% in constant currency) to €410 million (Q2/19: €471 million). Excluding estimated COVID-19 effects<sup>3</sup>, net income growth before special items would have been 0% to 4%. Reported Group net income<sup>2</sup> was €411 million (Q2/19: €471 million). COVID-19 effects meaningfully increased from Q1 as the entire second quarter was affected in virtually all

#### INVESTMENTS / ACQUISITIONS BY BUSINESS SEGMENT

€ in millions	H1/2020	H1/2019	Thereof property, plant and equipment	Thereof acquisitions	Change	% of total
Fresenius Medical Care	649	2,462	500	149	-74%	42%
Fresenius Kabi	318	369	306	12	-14%	21%
Fresenius Helios	501	266	159	342	88%	33%
Fresenius Vamed	52	25	46	6	108%	3%
Corporate/Other	10	41	10	0	-76%	1%
<b>Total</b>	<b>1,530</b>	<b>3,163</b>	<b>1,021</b>	<b>509</b>	<b>-52%</b>	<b>100%</b>

#### CASH FLOW STATEMENT (Summary)

€ in millions	H1/2020	H1/2019	Growth
Net income	1,462	1,440	2%
Depreciation and amortization	1,269	1,156	10%
Change working capital	1,229	-1,102	--
<b>Operating Cash flow</b>	<b>3,960</b>	<b>1,494</b>	<b>165%</b>
Capital expenditure, net	-1,049	-1,013	-4%
<b>Cash flow before acquisitions and dividends</b>	<b>2,911</b>	<b>481</b>	<b>--</b>
Cash used for acquisitions, net	-366	-2,038	82%
Dividends paid	-211	-809	74%
<b>Free cash flow after acquisitions and dividends</b>	<b>2,334</b>	<b>-2,366</b>	<b>199%</b>
Cash provided by/used for financing activities	-885	1,103	-180%
Effect of exchange rates on change in cash and cash equivalents	-30	17	--
<b>Net change in cash and cash equivalents</b>	<b>1,419</b>	<b>-1,246</b>	<b>--</b>

geographies. In H1/20, Group net income<sup>2</sup> before special items decreased by 6% (-6% in constant currency) to €875 million (H1/19: €928 million). Excluding estimated COVID-19 effects<sup>3</sup>, net income growth before special items would have been 3% to 7%. Reported Group net income<sup>2</sup> was €870 million (H1/19: €924 million).

Earnings per share<sup>2</sup> before special items decreased by 13% (-14% in constant currency) to €0.74 (Q2/19: €0.85). Reported earnings per share<sup>2</sup> were €0.74 (Q2/19: €0.85). In H1/20, earnings per share<sup>2</sup> before special items decreased by 6% (-7% in constant currency) to €1.57 (H1/19: €1.67). Reported earnings per share<sup>2</sup> were €1.56 (H1/19: €1.66).

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>3</sup> For estimated COVID-19 effects in Q2/20 and H1/20 please see table on page 21.



## RECONCILIATION

Consolidated results for Q2/20 and H1/20 include special items. The special items shown in the reconciliations are shown in the Corporate/Other segment. For a detailed overview of special items and adjustments please see the reconciliation tables on pages 20 to 22.

## INVESTMENTS

Spending on property, plant and equipment was €474 million corresponding to 5% of sales (Q2/19: €565 million; 6% of sales). The investments in Q2/20 served primarily for the modernization and expansion of dialysis clinics, production facilities as well as hospitals, and day clinics. Despite the COVID-19 pandemic, Fresenius has been largely able to continue its investment programs, although there remains some uncertainty on the timing of projects for the remainder of the year. In H1/20, spending on property, plant and equipment was €1,021 million corresponding to 6% of sales (H1/19: €1,006 million; 6% of sales).

Total acquisition spending was €97 million (Q2/19: €234 million). In H1/20, total acquisition spending was €509 million, mainly for the acquisition of two hospitals in Colombia by Fresenius Helios in Q1/20 (H1/19: €2,157 million, mainly for the acquisition of NxStage by Fresenius Medical Care).

## CASH FLOW

Group operating cash flow increased to an exceptional €3,082 million (Q2/19: €1,205 million) with a margin of 34.6% (Q2/19: 13.8%). The increase was largely driven by Fresenius Medical Care due to U.S. federal government advance payments under the Coronavirus Aid, Relief and Economic Security Act (CARES Act), as well as positive contributions from Fresenius Kabi and Helios Germany. Free cash flow before acquisitions and dividends was €2,606 million (Q2/19: €649 million). Free cash flow after acquisitions and dividends was €2,374 million (Q2/19: -€255 million).

In H1/20, Group operating cash flow increased to €3,960 million (H1/19: €1,494 million) with a margin of 21.9% (H1/19: 8.7%). Free cash flow before acquisitions and dividends was €2,911 million (H1/19: €481 million). Free cash flow after acquisitions and dividends was €2,334 million (H1/19: -€2,366 million, driven by the acquisition of NxStage by Fresenius Medical Care).

## ASSET AND LIABILITY STRUCTURE

Group total assets increased by 4% (4% in constant currency) to €69,554 million (Dec. 31, 2019: €67,006 million). Current assets increased by 12% (14% in constant currency) to €17,153 million (Dec. 31, 2019: €15,264 million), mainly driven by the increase of cash and cash equivalents. Non-current assets increased by 1% (2% in constant currency) to €52,401 million (Dec. 31, 2019: €51,742 million).

Total shareholders' equity increased by 3% (4% in constant currency) to €27,252 million (Dec. 31, 2019: €26,580 million). The equity ratio was 39.2%.

Group debt increased by 1% (1% in constant currency) to €27,487 million (Dec. 31, 2019: €27,258 million). Group net debt decreased by 5% (-5% in constant currency) to €24,414 million (Dec. 31, 2019: €25,604 million), mainly driven by the exceptional cash flow development.

As of June 30, 2020, the net debt/EBITDA ratio decreased to 3.39x<sup>1,2</sup> (Dec. 31, 2019: 3.61x<sup>1,2</sup>) mainly due to the exceptional free cash flow development, despite COVID-19 effects weighing on EBITDA.

## VIRTUAL ANNUAL GENERAL MEETING

Fresenius has postponed its Annual General Meeting to August 28, 2020. The Group's dividend proposal remains unchanged at €0.84 per share.

<sup>1</sup> At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures

<sup>2</sup> Before special items

## BUSINESS SEGMENTS

### FRESENIUS MEDICAL CARE

**Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases. As of June 30, 2020, Fresenius Medical Care was treating 347,683 patients in 4,036 dialysis clinics. Along with its core business, the company provides related medical services in the field of Care Coordination.**

€ in millions	Q2/2020	Q2/2019 <sup>1</sup>	Growth	Growth in constant currency	H1/2020	H1/2019 <sup>1</sup>	Growth	Growth in constant currency
Sales	4,557	4,345	5%	5%	9,045	8,478	7%	6%
EBITDA	1,066	904	18%	17%	2,022	1,823	11%	9%
EBIT	656	517	27%	25%	1,211	1,074	13%	11%
Net income <sup>2</sup>	351	250	40%	38%	634	536	18%	16%
Employees (June 30/ Dec. 31)					132,517	128,300	3%	

- **Solid sales growth continued and significant net income growth**
- **Exceptional cash flow development**
- **Guidance for FY/20 confirmed inclusive of anticipated COVID-19 effects**

Fresenius Medical Care increased sales by 5% (5% in constant currency) to €4,557 million (Q2 / 19: €4,345 million). Organic sales growth was 4%. Acquisitions/divestitures contributed 1% in total. In H1/20, Fresenius Medical Care increased sales by 7% (6% in constant currency) to €9,045 million (H1/19: €8,478 million). Organic sales growth was 4%.

Reported EBIT increased by 26% (24% in constant currency) to €656 million (Q2/19: €521 million). The reported EBIT margin was 14.4% (Q2/19: 12.0%). Based on a strong, underlying business performance, the increase in margin was largely due to the recovery of COVID-19 related negative effects experienced in Q1 as well as ongoing cost saving measures. EBIT on an adjusted basis increased by 27% (increased by

25% in constant currency) to €656 million (Q2/19: €517 million). The EBIT margin on an adjusted basis was 14.4% (Q2/19: 11.9%).

In H1/20, Reported EBIT increased by 14% (12% in constant currency) to €1,211 million (H1/19: €1,058 million). The reported EBIT margin was 13.4% (H1/19: 12.5%). EBIT on an adjusted basis increased by 13% (increased by 11% in constant currency) to €1,211 million (H1/19: €1,074 million). The EBIT margin on an adjusted basis was 13.4% (H1/19: 12.7%).

Reported net income<sup>2</sup> grew by 38% (36% in constant currency) to €351 million (Q2/19: 254 million) and increased on an adjusted basis by 40% (38% in constant currency) to €351 million (Q2/19: €250 million). In H1/20, reported net income<sup>2</sup> grew by 21% (18% in constant currency) to €634 million (H1/19: 525 million) and increased on an adjusted basis by 18% (16% in constant currency) to €634 million (H1/19: €536 million).

Operating cash flow was €2,319 million (Q2/19: €852 million) with a margin of 50.9% (Q2/19: 19.6%). The increase was largely driven by the U.S. federal government advance payments under the Coronavirus Aid, Relief and Economic Security Act (CARES Act). In H1/20, operating cash flow was €2,903 million (H1/19: €928 million) with a margin of 32.1% (H1/19: 10.9%).

For further information, please see Fresenius Medical Care's press release at [www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com).

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

For a detailed overview of special items please see the reconciliation tables on pages 20 – 22.

**FRESENIUS KABI**

**Fresenius Kabi offers intravenously administered generic drugs, clinical nutrition and infusion therapies for seriously and chronically ill patients in the hospital and outpatient environments. The company is also a leading supplier of medical devices and transfusion technology products. In the biosimilars business, Fresenius Kabi is developing products with a focus on oncology and autoimmune diseases.**

€ in millions	Q2/2020	Q2/2019	Growth	Growth in constant currency	H1/2020	H1/2019	Growth	Growth in constant currency
Sales	1,678	1,691	-1%	2%	3,467	3,392	2%	4%
EBITDA <sup>1</sup>	390	386	1%	2%	778	780	0%	0%
EBIT <sup>1</sup>	292	309	-6%	-5%	581	613	-5%	-5%
Net income <sup>1,2</sup>	196	209	-6%	-5%	393	411	-4%	-4%
Employees (June 30/ Dec. 31)					40,624	39,627	3%	

- **U.S. and European sales impacted by fewer elective procedures, only partially offset by extra demand for COVID-19 related products in April**
- **Only gradual recovery of elective procedures in China; solid organic growth in all other Emerging Markets**
- **EBIT decline despite positive COVID-19 effect given tough 2019 base**
- **Strong operating cash flow in Q2**
- **New FY/20 guidance incorporates estimated COVID-19 effects**

Sales decreased by 1% (increased by 2% in constant currency) to €1,678 million (Q2/19: €1,691 million). Organic sales growth was 2%. Negative currency translation effects of 3% were mainly related to weakness of the Argentinian peso and the Brazilian real. Estimated COVID-19 effects had a moderate negative impact on sales growth. In H1/20, sales

increased by 2% (4% in constant currency) to €3,467 million (H1/19: €3,392 million). Organic sales growth was 4%. Negative currency translation effects of 2% were mainly related to weakness of the Argentinian peso and the Brazilian real. Estimated COVID-19 effects had a slight negative impact on sales growth in H1/20.

Sales in North America increased by 5% (organic growth: 3%) to €600 million (Q2/19: €573 million). In H1/20, sales in North America increased by 6% (organic growth: 4%) to €1,269 million (H1/19: €1,196 million). Sales in Europe decreased by 1% (organic growth: 1%) to €566 million (Q2/19: €572 million). In H1/20, sales in Europe increased by 5% (organic growth: 5%) to €1,197 million (H1/19: €1,145 million). In both regions, extra demand for COVID-19 related drugs and devices eased in April already and hence could not fully offset the effect of fewer elective procedures throughout Q2.

Sales in Asia-Pacific decreased by 6% (organic growth: -5%) to €351 million (Q2/19: €374 million). China saw only a slow recovery of elective procedures while other Asian markets showed a stable development. In H1/20, sales in Asia-Pacific decreased by 6% (organic growth: -6%) to €670 million (H1/19: €715 million).

Sales in Latin America/Africa decreased by 6% (organic growth increased by 17%) to €161 million (Q2/19: €172 million). In H1/20, sales in Latin America/Africa decreased by 1% (organic growth: 17%) to €331 million (H1/19: €336 million).

EBIT before special items decreased by 6% (-5% in constant currency) to €292 million (Q2/19<sup>1</sup>: €309 million) with an EBIT margin of 17.4% (Q2/19<sup>1</sup>: 18.3%). Given product mix and cost savings, estimated COVID-19 effects had a moderate positive impact on EBIT growth. The decline is driven by a positive one-time effect in Q2/19 as Idacio development expenses had to be revalued when that biosimilar was launched in Europe. In H1/20, EBIT before special items decreased by 5% (-5% in constant currency) to €581 million (H1/19<sup>1</sup>: €613 million) with an EBIT margin of 16.8% (H1/19<sup>1</sup>: 18.1%). Estimated COVID-19 effects had an insignificant impact on EBIT growth in H1/20.

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

For a detailed overview of special items please see the reconciliation tables on pages 20 – 22.

Net income<sup>1,2</sup> decreased by 6% (-5% in constant currency) to €196 million (Q2/19: €209 million). In H1/20, net income<sup>1,2</sup> decreased by 4% (-4% in constant currency) to €393 million (H1/19: €411 million).

Operating cash flow increased to €437 million (Q2/19: €215 million) with a margin of 26.0% (Q2/19: 12.7%), mainly driven by strong cash inflows and temporarily delayed tax payments. In H1/20, operating cash flow was €611 million (H1/19: €360 million) with a margin of 17.6% (H1/19: 10.6%).

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

For a detailed overview of special items please see the reconciliation tables on pages 20 – 22.

**FRESENIUS HELIOS**

Fresenius Helios is Europe's leading private hospital operator. The company comprises Helios Germany and Helios Spain (Quirónsalud). Helios Germany operates 86 hospitals, ~125 outpatient centers and 6 prevention centers. Quirónsalud operates 46 hospitals, 70 outpatient centers and around 300 occupational risk prevention centers. In addition, the company is active in Latin America with 6 hospitals and as a provider of medical diagnostics.

€ in millions	Q2/2020	Q2/2019	Growth	Growth in constant currency	H1/2020	H1/2019	Growth	Growth in constant currency
Sales	2,315	2,349	-1%	-1%	4,781	4,660	3%	3%
EBITDA	309	380	-19%	-19%	691	750	-8%	-8%
EBIT	198	276	-28%	-29%	472	544	-13%	-14%
Net income <sup>1</sup>	123	181	-32%	-33%	299	355	-16%	-17%
Employees (June 30/ Dec. 31)					109,445	106,377	3%	

- Law to ease financial burden on hospitals continues to mitigate COVID-19 related sales losses and cost increases in Germany
- COVID-19 impact on Helios Spain significant, but less pronounced than feared; COVID-19 related reimbursement and compensation with remaining uncertainties
- Gradual recovery of elective procedures in Germany and Spain since May
- New FY/20 guidance incorporates COVID-19 effects

Sales decreased by 1% (-1% in constant currency) to €2,315 million (Q2/19: €2,349 million). Organic growth was -2%. In H1/20, Fresenius Helios increased sales by 3% (3% in constant currency) to €4,781 million (H1/19: €4,660 million). Organic growth was 1%. COVID-19 effects had a significant

negative impact on organic sales growth in both, Q2/20 and H1/20. Fresenius sees a gradual recovery of elective procedures in Germany and Spain since May. All Helios hospitals established comprehensive hygiene and distance control concepts.

Sales of Helios Germany increased by 4% (organic growth: 4%) to €1,571 million (Q2/19: €1,506 million). In H1/20, Sales of Helios Germany increased by 6% (organic growth: 6%) to €3,174 million (H1/19: €2,991 million). Due to the law to ease the financial burden on hospitals, COVID-19 effects had a slight negative impact on organic sales growth in both, Q2/20 and H1/20.

Sales of Helios Spain decreased by 12% (-11% in constant currency) to €743 million (Q2/19: €842 million). Organic growth was -14%. In H1/20, sales of Helios Spain decreased by 4% (-3% in constant currency) to €1,606 million (H1/19: €1,668 million). Organic growth was -7%. COVID-19 effects had a significant negative impact on organic sales growth in both, Q2/20 and H1/20.

EBIT of Fresenius Helios decreased by 28% (-29% in constant currency) to €198 million (Q2/19: €276 million) with an EBIT margin of 8.6% (Q2/19: 11.7%). In H1/20, EBIT of Fresenius Helios decreased by 13% (-14% in constant currency) to €472 million (H1/19: €544 million) with an EBIT margin of 9.9% (H1/19: 11.7%). COVID-19 effects had a significant negative impact on EBIT growth in both, Q2/20 and H1/20.

EBIT of Helios Germany decreased by 5% to €147 million (Q2/19: €154 million) with an EBIT margin of 9.4% (Q2/19: 10.2%). The decline was mainly caused by higher costs to protect our patients and employees as well as missing sales not fully compensated under the law to ease the financial burden on hospitals. COVID-19 effects had a moderate negative impact on EBIT growth in Q2/20. In H1/20, EBIT of Helios Germany increased by 3% to €312 million (H1/19: €303 million) with an EBIT margin of 9.8% (H1/19: 10.1%). COVID-19 effects had a slight negative impact on EBIT growth in H1/20.

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

EBIT of Helios Spain decreased by 57% (-58% in constant currency) to €54 million (Q2/19: €127 million) with an EBIT margin of 7.3% (Q2/19: 15.1%). In H1/20, EBIT of Helios Spain decreased by 33% (-34% in constant currency) to €166 million (H1/19: €248 million) with an EBIT margin of 10.3% (H1/19: 14.9%). COVID-19 effects had a very significant negative impact on EBIT growth in both Q2/20 and H1/20 with uncompensated foregone elective procedures so far, and higher expenses amidst the comprehensive efforts to combat the pandemic. Despite remaining uncertainties with regard to COVID-19 related reimbursement and compensation, Q2/20 is likely to have marked the EBIT trough.

Net income<sup>1</sup> decreased by 32% to €123 million (Q2/19: €181 million). In H1/20, net income decreased by 16% to €299 million (H1/19: €355 million).

Operating cash flow increased to €295 million (Q2/19: €208 million) with a margin of 12.7% (Q2/19: 8.9%), driven by phasing of payments under the German law to ease the financial burden on hospitals. In H1/20, operating cash flow increased to €440 million (H1/19: €311 million) with a margin of 9.2% (H1/19: 6.7%).

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

## FRESENIUS VAMED

**Fresenius Vamed manages projects and provides services for hospitals and other health care facilities worldwide and is a post-acute care provider in Central Europe. The portfolio ranges along the entire value chain: from project development, planning, and turnkey construction, via maintenance and technical management, to total operational management.**

€ in millions	Q2/2020	Q2/2019	Growth	Growth in constant currency	H1/2020	H1/2019	Growth	Growth in constant currency
Sales	475	467	2%	1%	974	907	7%	7%
EBITDA	7	39	-82%	-79%	41	68	-40%	-40%
EBIT	-13	22	-159%	-159%	1	34	-97%	-97%
Net income <sup>1</sup>	-15	12	--	--	-8	18	-144%	-144%
Employees (June 30/ Dec. 31)					19,055	18,592	2%	

- **Very significant negative COVID-19 impact in line with expectations**
- **COVID-19 related delays and cancellations of project orders and execution**
- **Lack of post-acute care patients given COVID-19 related postponements of elective procedures and health authority issued closures of rehabilitation clinics**
- **New FY/20 guidance incorporates estimated COVID-19 effects**

Fresenius Vamed increased sales by 2% (1% in constant currency) to €475 million (Q2/19: €467 million). Organic sales growth was -1%. Acquisitions contributed 2% to growth. Estimated COVID-19 effects had a significant negative impact on organic growth in Q2/20. In H1/20, Fresenius Vamed

increased sales by 7% (7% in constant currency) to €974 million (H1/19: €907 million). Organic sales growth was 5%. Acquisitions contributed 2% to growth. Estimated COVID-19 effects had a moderate negative impact on organic sales growth in H1/20.

Sales in the service business decreased by 4% to €329 million (Q2/19: €344 million). Sales in the project business increased by 19% to €146 million (Q2/19: €123 million), mainly driven by revenue recognition from existing projects, primarily in Germany and Austria, and intercompany projects with Fresenius Helios. In H1/20, sales in the service business grew by 1% to €686 million (H1/19: €676 million). Sales in the project business increased by 25% to €288 million (H1/19: €231 million).

EBIT decreased to -€13 million (Q2/19: €22 million) with an EBIT margin of -2.7% (Q2/19: 4.7%). Estimated COVID-19 effects had a very significant negative impact on EBIT. Capacities in the post-acute care clinics were left empty given a generally lower intake of elective surgery patients from acute-care hospitals as well as authority-instigated restrictions or even closures of individual facilities. In H1/20, EBIT decreased by 97% (-97% in constant currency) to €1 million (H1/19: €34 million) with an EBIT margin of 0.1% (H1/19: 3.7%). Estimated COVID-19 effects had a very significant negative impact on EBIT in H1/20.

Net income<sup>1</sup> decreased to -€15 million (Q2/19: €12 million). In H1/20, net income<sup>1</sup> decreased to -€8 million (H1/19: €18 million).

Order intake was €50 million in Q2/20 (Q2/19: €115 million) and €174 million in H1/20 (H1/19: €498 million). As of June 30, 2020, order backlog was at €2,745 million (December 31, 2019: €2,865 million). Order intake and order backlog were marked by COVID-19 related cancellations and project delays.

<sup>1</sup> Net income attributable to shareholders of VAMED AG

Operating cash flow increased to €28 million (Q2/19: -€35 million) with a margin of 5.9% (Q2/19: -7.5%), driven by timing of payments in the project business as well as some compensations payments from governmental authorities in the post-acute care business. In H1/20, operating cash flow increased to €8 million (H1/19: -€50 million) with a margin of 0.8% (H1/19: -5.5%).



## EMPLOYEES

As of June 30, 2020, the number of employees was 302,846 (Dec. 31, 2019: 294,134).

### NUMBER OF EMPLOYEES

Number of employees	June 30, 2020	December 31, 2019	Growth
Fresenius Medical Care	132,517	128,300	3%
Fresenius Kabi	40,624	39,627	3%
Fresenius Helios	109,445	106,377	3%
Fresenius Vamed	19,055	18,592	2%
Corporate/ Other	1,205	1,238	-3%
<b>Total</b>	<b>302,846</b>	<b>294,134</b>	<b>3%</b>

## RESEARCH AND DEVELOPMENT

Product and process development as well as the improvement of therapies are at the core of our growth strategy. Fresenius focuses its R & D efforts on its core competencies in the following areas:

- ▶ Dialysis
- ▶ Generic IV drugs
- ▶ Biosimilars
- ▶ Infusion and nutrition therapies
- ▶ Medical devices

Apart from new products, we are concentrating on developing optimized or completely new therapies, treatment methods, and services.

## RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	H1/2020	H1/2019	Growth
Fresenius Medical Care	96	77	25%
Fresenius Kabi <sup>1</sup>	287	213	35%
Fresenius Helios	1	1	0%
Fresenius Vamed	0	0	--
Corporate/ Other	–	0	--
<b>Total<sup>1</sup></b>	<b>384</b>	<b>291</b>	<b>32%</b>

<sup>1</sup> Before revaluations of biosimilars contingent purchase price liabilities

## OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the consolidated financial statements and the management report as of December 31, 2019 applying Section 315e HGB in accordance with IFRS, there has been the following important development in Fresenius' overall opportunities and risk situation until June 30, 2020.

The rapid global spread of the SARS-CoV-2 pandemic has resulted in a material deterioration of the conditions for the global economy and financial markets have been materially affected. This development also adversely affected our business and result of operations in the first half of 2020. We expect further adverse effects on our business and result of operations for the second half of 2020. The SARS-CoV-2 pandemic may also have adverse effects on our financial condition, liquidity and valuation of assets including Goodwill. The pandemic still entails material risks to our supply chains, our production, the sales of our products and the delivery of our services.

These negative effects on our business could for example be caused by restrictions on business activities of our suppliers, customers and ourselves, including our personnel, imposed by public authorities on a regional, national or international level, by unavailability of critical workforce, increased costs and by a material redirection of public health funds from our products and services to address the SARS-CoV-2 pandemic. These effects will be exacerbated the longer the SARS-CoV-2 pandemic lasts.

Fresenius suffered a deliberate cyber attack in the second quarter of 2020. Cybercriminals succeeded in infecting some of Fresenius' IT systems with malware and encrypting data stored on these systems. This incident led to temporary interruptions in our IT infrastructure and IT-supported internal processes. This situation was brought under control within a few days and major disruptions could be prevented.

In connection with this attack, patient data was stolen from some of Fresenius Medical Care's dialysis centers and made public without authorization. The company immediately filed criminal charges against the unknown perpetrators and reported the data privacy violation to the responsible data protection authorities. The company fully cooperates with these authorities. In addition, Fresenius Medical Care informed the patients that were and could be affected by the data theft and its illegal publication.

Internal and external specialists work continuously to prevent further potential attacks, data theft or illegal publication of data.

In the ordinary course of Fresenius Group's operations, the Fresenius Group is subject to litigation, arbitration as well as external and internal investigations relating to various aspects of its business.

The Fresenius Group regularly analyzes current information about such matters for probable losses and provides accruals for such matters, including estimated expenses for legal services, as appropriate.

We report on legal proceedings on pages 47 to 48 in the Notes of this report.

## RATING

Fresenius is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

The following table shows the company rating of Fresenius SE & Co. KGaA:

	Standard & Poor's	Moody's	Fitch
Company rating	BBB	Baa3	BBB -
Outlook	stable	stable	stable

## OUTLOOK 2020

### FRESENIUS GROUP

Fresenius' business model has proven resilient amid the pandemic, although COVID-19 effects have impacted the Company's operations and will continue to do so in H2/20.

Against this backdrop and based on the Group's solid underlying business development in H1/20 and the Company's expectation of improved profitability and hence accelerated earnings growth in H2, Fresenius now expects for FY/20, including estimated COVID-19 effects, constant currency sales growth<sup>1</sup> of 3% to 6% and constant currency net income growth<sup>1,2,3</sup> of -4% to +1%. This replaces the original guidance, excluding COVID-19 effects, projecting constant currency sales growth<sup>1</sup> of 4% to 7% and constant currency net income growth of 1% to 5%<sup>1,2,3</sup>.

The new guidance assumes only regional or local COVID-19 outbreaks rather than a widespread second COVID-19 wave triggering lock-downs in the Group's relevant markets.

Fresenius now, including estimated COVID-19 effects, projects net debt/EBITDA<sup>4</sup> to be around the top-end of the self-imposed target corridor of 3.0x to 3.5x by the end of FY/20.

### FRESENIUS MEDICAL CARE

On the basis of the neutral net impact of COVID-19 in the first six months, Fresenius Medical Care continues to expect both revenue<sup>1</sup> and net income<sup>1,3,5</sup> to grow at a mid to high single digit rate in 2020. These targets are inclusive of anticipated COVID-19 effects, in constant currency, exclude special items<sup>6</sup> and are based on the adjusted results 2019 including the effects of the operations of the NxStage acquisition and the IFRS 16 implementation.

### FRESENIUS KABI

Now including estimated COVID-19 effects, Fresenius Kabi projects for FY/20 organic sales<sup>1</sup> growth of 2% to 5% and an EBIT<sup>1,3</sup> development of -6% to -3% in constant currency. This replaces the original 2020 outlook, excluding COVID-19 effects, projecting organic sales<sup>1</sup> growth of 3% to 6% and an EBIT<sup>1,3</sup> development of -4% to 0% in constant currency.

### FRESENIUS HELIOS

Now including COVID-19 effects, Fresenius Helios expects for FY/20 organic sales<sup>1</sup> growth of 1% to 4% and EBIT<sup>1</sup> broadly stable over FY/19 in constant currency. This replaces the original 2020 outlook, excluding COVID-19 effects, projecting organic sales<sup>1</sup> growth of 3% to 6% and EBIT<sup>1</sup> growth of 3% to 7% in constant currency.

<sup>1</sup> FY/19 base: see table on page 19

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>3</sup> FY/20: before special items

<sup>4</sup> At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures; excluding further potential acquisitions; before special items

<sup>5</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

<sup>6</sup> Special items are effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance.

**FRESENIUS VAMED**

Now including estimated COVID-19 effects, Fresenius Vamed expects for FY/20 an organic sales<sup>1</sup> decline of ~10% and an EBIT<sup>1</sup> decline of ~50% in constant currency. This replaces the original 2020 outlook, excluding COVID-19 effects, projecting organic sales<sup>1</sup> growth of 4% to 7% and EBIT<sup>1</sup> growth of 5% to 9% in constant currency.

**INVESTMENTS**

In 2020, we expect to invest about 6% to 7% of sales in property, plant and equipment. Subject to duration and magnitude of the COVID-19 pandemic, Fresenius may face delays of investment projects planned for 2020.

**GROUP FINANCIAL OUTLOOK 2020**

	Targets 2020 <sup>1</sup>	Fiscal year 2019 <sup>2</sup>	New guidance <sup>3</sup>
Sales growth (in constant currency)	+4% to +7%	€35,409 m	+3% to +6%
Net income <sup>4</sup> growth (in constant currency)	+1% to +5%	€1,879 m	-4% to +1%

<sup>1</sup> Before special items, excluding COVID-19 effects

<sup>2</sup> Before special items, including IFRS 16 effect, including operating results of NxStage

<sup>3</sup> Before special items, including estimated COVID-19 effects

<sup>4</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

**OUTLOOK 2020 BY BUSINESS SEGMENT**

	Targets 2020 <sup>1</sup>	Fiscal year 2019 <sup>2</sup>	New guidance <sup>3</sup>
<b>Fresenius Medical Care</b>			
Sales growth (in constant currency)	mid to high single digit %-range	€17,477 m	confirmed
Net income <sup>4,5</sup> growth (in constant currency)	mid to high single digit %-range	€1,236 m	confirmed
<b>Fresenius Kabi</b>			
Sales growth (organic)	+3% to +6%	€6,919 m	+2% to +5%
EBIT growth (in constant currency)	-4% to 0%	€1,205 m	-6% to -3%
<b>Fresenius Helios</b>			
Sales growth (organic)	+3% to +6%	€9,234 m	+1% to +4%
EBIT growth (in constant currency)	+3% to +7%	€1,025 m	broadly stable
<b>Fresenius Vamed</b>			
Sales growth (organic)	+4% to +7%	€2,206 m	~ -10%
EBIT growth (in constant currency)	+5% to +9%	€134 m	~ -50%

<sup>1</sup> Before special items, excluding COVID-19 effects

<sup>2</sup> Before special items, including IFRS 16 effect, including operating results of NxStage

<sup>3</sup> Before special items, including estimated COVID-19 effects

<sup>4</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

<sup>5</sup> Special items are effects that are unusual in nature and have not been foreseeable in size or impact at the time of giving guidance

## RECONCILIATION FRESENIUS GROUP Q2 AND H1

€ in millions	Q2/2020	Q2/2019	Growth rate	Growth rate in constant currency	H1/2020	H1/2019	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>8,920</b>	8,761	2%	2%	<b>18,055</b>	17,256	5%	5%
<b>EBIT reported (after special items)</b>	<b>1,123</b>	1,118	0%	0%	<b>2,248</b>	2,233	1%	0%
Transaction costs Akorn	-	1			-	3		
Revaluations of biosimilars contingent purchase price liabilities	0	3			0	-4		
Gain related to divestitures of Care Coordination activities	-	-11			-	-11		
Transaction costs NxStage	-	4			-	20		
Expenses associated with the cost optimization program at FMC	-	3			-	7		
<b>EBIT (before special items)</b>	<b>1,123</b>	1,118	0%	0%	<b>2,248</b>	2,248	0%	-1%
<b>Net interest reported (after special items)</b>	<b>-167</b>	-179	7%	7%	<b>-349</b>	-363	4%	4%
Revaluations of biosimilars contingent purchase price liabilities	0	-1			8	2		
<b>Net interest (before special items)</b>	<b>-167</b>	-180	7%	7%	<b>-341</b>	-361	6%	6%

The special items shown within the reconciliation tables are reported in the Group Corporate/Other segment.

## RECONCILIATION FRESENIUS GROUP Q2 AND H1

€ in millions	Q2/2020	Q2/2019	Growth rate	Growth rate in constant currency	H1/2020	H1/2019	Growth rate	Growth rate in constant currency
<b>Income taxes reported (after special items)</b>	<b>-224</b>	<b>-213</b>	<b>-5%</b>	<b>-4%</b>	<b>-437</b>	<b>-430</b>	<b>-2%</b>	<b>0%</b>
Transaction costs Akorn	-	0			-	0		
Revaluations of biosimilars contingent purchase price liabilities	-1	-1			-3	0		
Gain related to divestitures of Care Coordination activities	-	2			-	2		
Transaction costs NxStage	-	-1			-	-5		
Expenses associated with the cost optimization program at FMC	-	-1			-	-2		
<b>Income taxes (before special items)</b>	<b>-225</b>	<b>-214</b>	<b>-5%</b>	<b>-4%</b>	<b>-440</b>	<b>-435</b>	<b>-1%</b>	<b>0%</b>
<b>Noncontrolling interests reported (after special items)</b>	<b>-321</b>	<b>-255</b>	<b>-26%</b>	<b>-24%</b>	<b>-592</b>	<b>-516</b>	<b>-15%</b>	<b>-12%</b>
Gain related to divestitures of Care Coordination activities	-	6			-	6		
Transaction costs NxStage	-	-3			-	-11		
Expenses associated with the cost optimization program at FMC	-	-1			-	-3		
<b>Noncontrolling interests (before special items)</b>	<b>-321</b>	<b>-253</b>	<b>-27%</b>	<b>-25%</b>	<b>-592</b>	<b>-524</b>	<b>-13%</b>	<b>-11%</b>
<b>Net income reported (after special items)<sup>1</sup></b>	<b>411</b>	<b>471</b>	<b>-13%</b>	<b>-13%</b>	<b>870</b>	<b>924</b>	<b>-6%</b>	<b>-7%</b>
Transaction costs Akorn	-	1			-	3		
Revaluations of biosimilars contingent purchase price liabilities	-1	1			5	-2		
Gain related to divestitures of Care Coordination activities	-	-3			-	-3		
Transaction costs NxStage	-	0			-	4		
Expenses associated with the cost optimization program at FMC	-	1			-	2		
<b>Net income (before special items)<sup>1</sup></b>	<b>410</b>	<b>471</b>	<b>-13%</b>	<b>-13%</b>	<b>875</b>	<b>928</b>	<b>-6%</b>	<b>-6%</b>

The special items shown within the reconciliation tables are reported in the Group Corporate/Other segment.

## ESTIMATED COVID-19 EFFECTS Q2/H1 2020

€ in millions	Reported Growth rate in constant currency inclusive COVID-19-effects		Estimated COVID-19 impact in constant currency	
	Q2/2020	H1/2020	Q2/2020	H1/2020
<b>Sales</b>	<b>2%</b>	<b>5%</b>	<b>-4% to -5%</b>	<b>-2% to -3%</b>
<b>Net income (before special items)<sup>1</sup></b>	<b>-13%</b>	<b>-6%</b>	<b>-13% to -17%</b>	<b>-9% to -13%</b>

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

## RECONCILIATION BUSINESS SEGMENTS Q2 AND H1

### FRESENIUS MEDICAL CARE

€ in millions	Q2/2020	Q2/2019	Growth rate	Growth rate in constant currency	H1/2020	H1/2019	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>4,557</b>	<b>4,345</b>	<b>5%</b>	<b>5%</b>	<b>9,045</b>	<b>8,478</b>	<b>7%</b>	<b>6%</b>
<b>EBIT reported (after special items)</b>	<b>656</b>	<b>521</b>	<b>26%</b>	<b>24%</b>	<b>1,211</b>	<b>1,058</b>	<b>14%</b>	<b>12%</b>
Gain related to divestitures of Care Coordination activities	-	-11			-	-11		
Transaction costs NxStage	-	4			-	20		
Expenses associated with the cost optimization program	-	3			-	7		
<b>EBIT (before special items)</b>	<b>656</b>	<b>517</b>	<b>27%</b>	<b>25%</b>	<b>1,211</b>	<b>1,074</b>	<b>13%</b>	<b>11%</b>
<b>Net income reported (after special items)<sup>1</sup></b>	<b>351</b>	<b>254</b>	<b>38%</b>	<b>36%</b>	<b>634</b>	<b>525</b>	<b>21%</b>	<b>18%</b>
Gain related to divestitures of Care Coordination activities	-	-9			-	-9		
Transaction costs NxStage	-	3			-	15		
Expenses associated with the cost optimization program	-	2			-	5		
<b>Net income (before special items)<sup>1</sup></b>	<b>351</b>	<b>250</b>	<b>40%</b>	<b>38%</b>	<b>634</b>	<b>536</b>	<b>18%</b>	<b>16%</b>

### FRESENIUS KABI

€ in millions	Q2/2020	Q2/2019	Growth rate	Growth rate in constant currency	H1/2020	H1/2019	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>1,678</b>	<b>1,691</b>	<b>-1%</b>	<b>2%</b>	<b>3,467</b>	<b>3,392</b>	<b>2%</b>	<b>4%</b>
Transaction costs Akorn	-	1			-	3		
Revaluations of biosimilars contingent purchase price liabilities	0	3			0	-4		
<b>EBIT (before special items)</b>	<b>292</b>	<b>309</b>	<b>-6%</b>	<b>-5%</b>	<b>581</b>	<b>613</b>	<b>-5%</b>	<b>-5%</b>

<sup>1</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

€ in millions	Q2/2020	Q2/2019	H1/2020	H1/2019
Sales	8,920	8,761	18,055	17,256
Cost of sales	-6,369	-6,203	-12,821	-12,194
<b>Gross profit</b>	<b>2,551</b>	<b>2,558</b>	<b>5,234</b>	<b>5,062</b>
Selling, general and administrative expenses	-1,235	-1,307	-2,631	-2,548
Gain related to divestitures of Care Coordination activities	5	11	29	11
Research and development expenses	-198	-144	-384	-292
<b>Operating income (EBIT)</b>	<b>1,123</b>	<b>1,118</b>	<b>2,248</b>	<b>2,233</b>
Net interest	-167	-179	-349	-363
<b>Income before income taxes</b>	<b>956</b>	<b>939</b>	<b>1,899</b>	<b>1,870</b>
Income taxes	-224	-213	-437	-430
<b>Net income</b>	<b>732</b>	<b>726</b>	<b>1,462</b>	<b>1,440</b>
Noncontrolling interests	321	255	592	516
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>411</b>	<b>471</b>	<b>870</b>	<b>924</b>
<b>Earnings per share in €</b>	<b>0.74</b>	<b>0.85</b>	<b>1.56</b>	<b>1.66</b>
Fully diluted earnings per share in €	0.74	0.85	1.56	1.66

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

€ in millions

	Q2/2020	Q2/2019	H1/2020	H1/2019
<b>Net income</b>	<b>732</b>	<b>726</b>	<b>1,462</b>	<b>1,440</b>
<b>Other comprehensive income (loss)</b>				
<b>Positions which will be reclassified into net income in subsequent years</b>				
Foreign currency translation	-424	-120	-374	168
Cash flow hedges	2	-9	12	-22
Fair value changes of debt instruments	31	0	31	0
Income taxes on positions which will be reclassified	-6	3	-8	6
<b>Positions which will not be reclassified into net income in subsequent years</b>				
Actuarial gains on defined benefit pension plans	46	0	46	0
Share of other comprehensive income from at equity investments	51	0	51	0
Fair value changes of equity investments	18	0	19	0
Income taxes on positions which will not be reclassified	-17	0	-17	0
<b>Other comprehensive income (Loss), net</b>	<b>-299</b>	<b>-126</b>	<b>-240</b>	<b>152</b>
<b>Total comprehensive income</b>	<b>433</b>	<b>600</b>	<b>1,222</b>	<b>1,592</b>
<b>Comprehensive income attributable to noncontrolling interests</b>	<b>131</b>	<b>200</b>	<b>418</b>	<b>565</b>
<b>Comprehensive income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>303</b>	<b>400</b>	<b>804</b>	<b>1,027</b>

The following notes are an integral part of the unaudited condensed interim financial statements.



## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

#### ASSETS

€ in millions	June 30, 2020	December 31, 2019
Cash and cash equivalents	3,073	1,654
Trade accounts and other receivables, less allowances for expected credit losses	7,226	7,176
Accounts receivable from and loans to related parties	103	100
Inventories	4,027	3,633
Other current assets	2,724	2,701
<b>I. Total current assets</b>	<b>17,153</b>	<b>15,264</b>
Property, plant and equipment	11,662	11,307
Right-of-use assets	6,001	5,959
Goodwill	27,964	27,737
Other intangible assets	3,832	3,869
Other non-current assets	2,039	2,031
Deferred taxes	903	839
<b>II. Total non-current assets</b>	<b>52,401</b>	<b>51,742</b>
<b>Total assets</b>	<b>69,554</b>	<b>67,006</b>

#### LIABILITIES AND SHAREHOLDERS' EQUITY

€ in millions	June 30, 2020	December 31, 2019
Trade accounts payable	1,664	1,905
Short-term accounts payable to related parties	81	46
Short-term provisions and other short-term liabilities	7,818	6,245
Short-term debt	1,438	2,475
Short-term debt from related parties	7	3
Current portion of long-term debt	792	892
Current portion of long-term lease liabilities	799	793
Current portion of bonds	2,542	945
Current portion of convertible bonds	0	400
Short-term accruals for income taxes	302	232
<b>A. Total short-term liabilities</b>	<b>15,443</b>	<b>13,936</b>
Long-term debt, less current portion	5,053	6,117
Long-term lease liabilities, less current portion	5,717	5,646
Bonds, less current portion	10,667	9,522
Convertible bonds, less current portion	469	465
Long-term liabilities to and loans from related parties	3	0
Long-term provisions and other long-term liabilities	1,631	1,560
Pension liabilities	1,515	1,520
Long-term accruals for income taxes	288	242
Deferred taxes	1,516	1,418
<b>B. Total long-term liabilities</b>	<b>26,859</b>	<b>26,490</b>
<b>I. Total liabilities</b>	<b>42,302</b>	<b>40,426</b>
<b>A. Noncontrolling interests</b>	<b>9,779</b>	<b>9,802</b>
Subscribed capital	557	557
Capital reserve	4,002	3,989
Other reserves	13,170	12,422
Accumulated other comprehensive loss	-256	-190
<b>B. Total Fresenius SE &amp; Co. KGaA shareholders' equity</b>	<b>17,473</b>	<b>16,778</b>
<b>II. Total shareholders' equity</b>	<b>27,252</b>	<b>26,580</b>
<b>Total liabilities and shareholders' equity</b>	<b>69,554</b>	<b>67,006</b>

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions	H1/2020	H1/2019
<b>Operating activities</b>		
Net income	1,462	1,440
<b>Adjustments to reconcile net income to cash and cash equivalents provided by operating activities</b>		
Depreciation and amortization	1,269	1,156
Gain on sale of investments and divestitures	-33	-21
Change in deferred taxes	7	50
Gain on sale of fixed assets	-1	-4
<b>Changes in assets and liabilities, net of amounts from businesses acquired or disposed of</b>		
Trade accounts and other receivables	-94	-594
Inventories	-471	-303
Other current and non-current assets	66	-219
Accounts receivable from/payable to related parties	38	35
Trade accounts payable, provisions and other short-term and long-term liabilities	1,582	-37
Accruals for income taxes	135	-9
<b>Net cash provided by operating activities</b>	<b>3,960</b>	<b>1,494</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	-1,055	-1,026
Proceeds from sales of property, plant and equipment	6	13
Acquisitions and investments, net of cash acquired and purchases of intangible assets	-379	-2,061
Proceeds from sale of investments and divestitures	13	23
<b>Net cash used in investing activities</b>	<b>-1,415</b>	<b>-3,051</b>

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions	H1/2020	H1/2019
<b>Financing activities</b>		
Proceeds from short-term debt	234	621
Repayments of short-term debt	-1,286	-265
Proceeds from long-term debt	27	1,103
Repayments of long-term debt	-963	-596
Repayments of lease liabilities	-494	-392
Proceeds from the issuance of bonds	2,741	1,433
Repayments of liabilities from bonds	0	-800
Repayments of convertible bonds	-400	0
Payments for the share buy-back program of Fresenius Medical Care	-366	-299
Payments for/Proceeds from the accounts receivable facility of Fresenius Medical Care	-387	266
Proceeds from the exercise of stock options	12	27
Dividends paid	-211	-809
Change in noncontrolling interests, net	-3	5
<b>Net cash used in/provided by financing activities</b>	<b>-1,096</b>	<b>294</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>-30</b>	<b>17</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>1,419</b>	<b>-1,246</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>1,654</b>	<b>2,709</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,073</b>	<b>1,463</b>

#### ADDITIONAL INFORMATION ON PAYMENTS THAT ARE INCLUDED IN NET CASH PROVIDED BY OPERATING ACTIVITIES

€ in millions	H1/2020	H1/2019
Received interest	30	30
Paid interest	-309	-348
Income taxes paid	-229	-441

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
<b>As of December 31, 2018</b>	556,225	556,225	556	3,933	11,252
Adjustment due to the initial application of IFRS 16	0	0	0	0	-46
<b>As of January 1, 2019, adjusted</b>	556,225	556,225	556	3,933	11,206
Proceeds from the exercise of stock options	617	617	1	19	
Compensation expense related to stock options				12	
Dividends paid					-445
Purchase of noncontrolling interests					
Share buy-back program of Fresenius Medical Care AG & Co. KGaA					-93
Noncontrolling interests subject to put provisions					-6
Comprehensive income (loss)					
Net income					924
Other comprehensive income (loss)					
Cash flow hedges					
Foreign currency translation					
Comprehensive income (loss)					924
<b>As of June 30, 2019</b>	556,842	556,842	557	3,964	11,586
<b>As of December 31, 2019</b>	557,380	557,380	557	3,989	12,422
Proceeds from the exercise of stock options	74	74	–	6	
Compensation expense related to stock options				7	
Dividends paid					
Purchase of noncontrolling interests					
Share buy-back program of Fresenius Medical Care AG & Co. KGaA					-118
Noncontrolling interests subject to put provisions					-4
Comprehensive income (loss)					
Net income					870
Other comprehensive income (loss)					
Cash flow hedges					
Fair value changes of equity investments					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Fair value changes					
Comprehensive income (loss)					870
<b>As of June 30, 2020</b>	557,454	557,454	557	4,002	13,170

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Accumulated other comprehensive income (loss)					Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Non- controlling interest € in millions	Total shareholders' equity € in millions
	Foreign currency translation € in millions	Cash flow hedges € in millions	Pensions € in millions	Equity investments € in millions	Fair value changes € in millions			
<b>As of December 31, 2018</b>	38	-61	-311	4		15,411	9,597	25,008
Adjustment due to the initial application of IFRS 16	0	0	0	0		-46	-98	-144
<b>As of January 1, 2019, adjusted</b>	38	-61	-311	4		15,365	9,499	24,864
Proceeds from the exercise of stock options						20	7	27
Compensation expense related to stock options						12	2	14
Dividends paid						-445	-364	-809
Purchase of noncontrolling interests						0	11	11
Share buy-back program of Fresenius Medical Care AG & Co. KGaA						-93	-206	-299
Noncontrolling interests subject to put provisions						-6	-12	-18
Comprehensive income (loss)								
Net income						924	516	1,440
Other comprehensive income (loss)								
Cash flow hedges		-9				-9	-7	-16
Foreign currency translation	112					112	56	168
Comprehensive income (loss)	112	-9				1,027	565	1,592
<b>As of June 30, 2019</b>	150	-70	-311	4		15,880	9,502	25,382
<b>As of December 31, 2019</b>	294	-65	-429	10		16,778	9,802	26,580
Proceeds from the exercise of stock options						6	6	12
Compensation expense related to stock options						7	-	7
Dividends paid						0	-211	-211
Purchase of noncontrolling interests						0	19	19
Share buy-back program of Fresenius Medical Care AG & Co. KGaA						-118	-248	-366
Noncontrolling interests subject to put provisions						-4	-7	-11
Comprehensive income (loss)								
Net income						870	592	1,462
Other comprehensive income (loss)								
Cash flow hedges		6				6	4	10
Fair value changes of equity investments				5		5	12	17
Foreign currency translation	-131	-1	1	1		-130	-244	-374
Actuarial gains on defined benefit pension plans			29			29	2	31
Fair value changes					24	24	52	76
Comprehensive income (loss)	-131	5	30	6	24	804	418	1,222
<b>As of June 30, 2020</b>	163	-60	-399	16	24	17,473	9,779	27,252

The following notes are an integral part of the unaudited condensed interim financial statements.

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED SEGMENT REPORTING FIRST HALF (UNAUDITED)

by business segment, € in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	2020	2019 <sup>2</sup>	Growth	2020 <sup>3</sup>	2019 <sup>4</sup>	Growth	2020	2019	Growth	2020	2019	Growth	2020 <sup>5</sup>	2019 <sup>6</sup>	Growth	2020	2019	Growth
Sales	9,045	8,478	7%	3,467	3,392	2%	4,781	4,660	3%	974	907	7%	-212	-181	-17%	18,055	17,256	5%
thereof contribution to consolidated sales	9,024	8,459	7%	3,438	3,367	2%	4,772	4,653	3%	821	776	6%	0	1	-100%	18,055	17,256	5%
thereof intercompany sales	21	19	11%	29	25	16%	9	7	29%	153	131	17%	-212	-182	-16%	0	0	
contribution to consolidated sales	50%	49%		19%	20%		26%	27%		5%	4%		0%	0%		100%	100%	
EBITDA	2,022	1,823	11%	778	780	0%	691	750	-8%	41	68	-40%	-15	-32	53%	3,517	3,389	4%
Depreciation and amortization	811	749	8%	197	167	18%	219	206	6%	40	34	18%	2	0		1,269	1,156	10%
EBIT	1,211	1,074	13%	581	613	-5%	472	544	-13%	1	34	-97%	-17	-32	47%	2,248	2,233	1%
Net interest	-196	-222	12%	-44	-42	-5%	-92	-86	-7%	-10	-9	-11%	-7	-4	-75%	-349	-363	4%
Income taxes	-237	-198	-20%	-127	-137	7%	-79	-96	18%	1	-6	117%	5	7	-29%	-437	-430	-2%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	634	536	18%	393	411	-4%	299	355	-16%	-8	18	-144%	-448	-396	-13%	870	924	-6%
Operating cash flow	2,903	928	--	611	360	70%	440	311	41%	8	-50	116%	-2	-55	96%	3,960	1,494	165%
Cash flow before acquisitions and dividends	2,407	435	--	272	55	--	282	147	92%	-37	-61	39%	-13	-95	86%	2,911	481	--
Total assets <sup>1</sup>	34,190	32,935	4%	14,432	13,797	5%	18,777	18,164	3%	2,713	2,721	0%	-558	-611	9%	69,554	67,006	4%
Debt <sup>1</sup>	13,478	13,782	-2%	4,522	4,375	3%	7,389	7,457	-1%	1,015	908	12%	1,083	736	47%	27,487	27,258	1%
Other operating liabilities <sup>1</sup>	6,569	5,185	27%	3,338	3,207	4%	2,255	2,084	8%	956	1,034	-8%	181	240	-25%	13,299	11,750	13%
Capital expenditure, gross	500	497	1%	306	290	6%	159	164	-3%	46	13	--	10	42	-76%	1,021	1,006	1%
Acquisitions, gross/investments	149	1,965	-92%	12	79	-85%	342	102	--	6	12	-50%	0	-1	100%	509	2,157	-76%
Research and development expenses	96	77	25%	287	213	35%	1	1	0%	0	0		0	1	-100%	384	292	32%
Employees (per capita on balance sheet date) <sup>1</sup>	132,517	128,300	3%	40,624	39,627	3%	109,445	106,377	3%	19,055	18,592	2%	1,205	1,238	-3%	302,846	294,134	3%
Key figures																		
EBITDA margin	22.4%	21.5%		22.4%	23.0%		14.5%	16.1%		4.2%	7.5%					19.5% <sup>3</sup>	19.7% <sup>7</sup>	
EBIT margin	13.4%	12.7%		16.8%	18.1%		9.9%	11.7%		0.1%	3.7%					12.5% <sup>3</sup>	13.0% <sup>7</sup>	
Depreciation and amortization in % of sales	9.0%	8.8%		5.7%	4.9%		4.6%	4.4%		4.1%	3.7%					7.0%	6.7%	
Operating cash flow in % of sales	32.1%	10.9%		17.6%	10.6%		9.2%	6.7%		0.8%	-5.5%					21.9%	8.7%	
ROOA <sup>1</sup>	7.7%	7.6%		9.8%	10.5%		5.5%	6.1%		4.9%	7.0%					7.4% <sup>8</sup>	7.6% <sup>9</sup>	

<sup>1</sup> 2019: December 31<sup>2</sup> Before transaction-related expenses, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program<sup>3</sup> Before revaluations of biosimilars contingent purchase price liabilities<sup>4</sup> Before transaction-related expenses and revaluations of biosimilars contingent purchase price liabilities<sup>5</sup> After revaluations of biosimilars contingent purchase price liabilities<sup>6</sup> After transaction-related expenses, revaluations of biosimilars contingent purchase price liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC<sup>7</sup> Before transaction-related expenses, revaluations of biosimilars contingent purchase price liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC<sup>8</sup> The underlying pro forma EBIT does not include revaluations of biosimilars contingent liabilities.<sup>9</sup> The underlying pro forma EBIT does not include transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC.

The consolidated segment reporting is an integral part of the notes.

## FRESENIUS SE &amp; CO. KGAA

## CONSOLIDATED SEGMENT REPORTING SECOND QUARTER (UNAUDITED)

by business segment, € in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	2020	2019 <sup>1</sup>	Growth	2020 <sup>2</sup>	2019 <sup>3</sup>	Growth	2020	2019	Growth	2020	2019	Growth	2020 <sup>4</sup>	2019 <sup>5</sup>	Growth	2020	2019	Growth
Sales	4,557	4,345	5%	1,678	1,691	-1%	2,315	2,349	-1%	475	467	2%	-105	-91	-15%	8,920	8,761	2%
thereof contribution to consolidated sales	4,547	4,336	5%	1,663	1,679	-1%	2,311	2,344	-1%	400	401	0%	-1	1	-200%	8,920	8,761	2%
thereof intercompany sales	10	9	11%	15	12	25%	4	5	-20%	75	66	14%	-104	-92	-13%	0	0	
contribution to consolidated sales	51%	49%		19%	19%		26%	27%		4%	5%		0%	0%		100%	100%	
EBITDA	1,066	904	18%	390	386	1%	309	380	-19%	7	39	-82%	-10	-6	-67%	1,762	1,703	3%
Depreciation and amortization	410	387	6%	98	77	27%	111	104	7%	20	17	18%	0	0		639	585	9%
EBIT	656	517	27%	292	309	-6%	198	276	-28%	-13	22	-159%	-10	-6	-67%	1,123	1,118	0%
Net interest	-92	-114	20%	-21	-18	-17%	-47	-43	-9%	-5	-5	0%	-2	1	--	-167	-179	7%
Income taxes	-137	-92	-50%	-64	-70	9%	-28	-49	43%	3	-4	175%	2	2	0%	-224	-213	-5%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	351	250	40%	196	209	-6%	123	181	-32%	-15	12	--	-244	-181	-35%	411	471	-13%
Operating cash flow	2,319	852	172%	437	215	103%	295	208	42%	28	-35	180%	3	-35	109%	3,082	1,205	156%
Cash flow before acquisitions and dividends	2,103	558	--	276	50	--	226	132	71%	5	-40	113%	-4	-51	92%	2,606	649	--
Capital expenditure, gross	218	296	-26%	156	169	-8%	69	75	-8%	24	7	--	7	18	-61%	474	565	-16%
Acquisitions, gross/investments	83	130	-36%	0	20	-100%	13	73	-82%	2	12	-83%	-1	-1	0%	97	234	-59%
Research and development expenses	50	48	4%	147	92	60%	1	1	0%	0	0		-	3	-100%	198	144	38%
Key figures																		
EBITDA margin	23.4%	20.8%		23.2%	22.8%		13.3%	16.2%		1.5%	8.4%					19.8% <sup>2</sup>	19.4% <sup>6</sup>	
EBIT margin	14.4%	11.9%		17.4%	18.3%		8.6%	11.7%		-2.7%	4.7%					12.6% <sup>2</sup>	12.8% <sup>6</sup>	
Depreciation and amortization in % of sales	9.0%	8.9%		5.8%	4.6%		4.8%	4.4%		4.2%	3.6%					7.2%	6.7%	
Operating cash flow in % of sales	50.9%	19.6%		26.0%	12.7%		12.7%	8.9%		5.9%	-7.5%					34.6%	13.8%	

<sup>1</sup> Before transaction-related expenses, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program<sup>2</sup> Before revaluations of biosimilars contingent purchase price liabilities<sup>3</sup> Before transaction-related expenses and revaluations of biosimilars contingent purchase price liabilities<sup>4</sup> After revaluations of biosimilars contingent purchase price liabilities<sup>5</sup> After transaction-related expenses, revaluations of biosimilars contingent purchase price liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC<sup>6</sup> Before transaction-related expenses, revaluations of biosimilars contingent purchase price liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC

The consolidated segment reporting is an integral part of the notes.

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## GENERAL NOTES

### 1. PRINCIPLES

#### I. GROUP STRUCTURE

Fresenius is a global health care group with products and services for dialysis, hospitals and outpatient medical care. In addition, the Fresenius Group focuses on hospital operations and also manages projects and provides services for hospitals and other health care facilities worldwide. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., the operating activities are organized amongst the following legally independent business segments as of June 30, 2020:

- ▶ Fresenius Medical Care
- ▶ Fresenius Kabi
- ▶ Fresenius Helios
- ▶ Fresenius Vamed

The reporting currency in the Fresenius Group is the euro. In order to improve the clarity of presentation, amounts are generally presented in million euros. Amounts less than €1 million, after rounding, are marked with “–”.

#### II. BASIS OF PRESENTATION

Fresenius SE & Co. KGaA, as a stock exchange listed company with a domicile in a member state of the European Union, fulfills its obligation to prepare and publish the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applying Section 315e of the German Commercial Code (HGB).

The consolidated interim financial statements and accompanying condensed notes are prepared in accordance with the International Accounting Standard (IAS) 34. They have been prepared in effect on the reporting date and endorsed by the European Union.

The interim financial statements have been prepared in accordance with the same general accounting policies applied in the preparation of the consolidated financial statements as of December 31, 2019.

#### III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Principles of consolidation

The condensed consolidated financial statements and management report for the first half and the second quarter ended June 30, 2020 have not been audited nor reviewed and should be read in conjunction with the notes included and published in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

Except for the reported acquisitions (see note 2, Acquisitions, divestitures and investments), there have been no other material changes in the Fresenius Group consolidation structure.

The consolidated financial statements for the first half and the second quarter ended June 30, 2020 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide a fair presentation of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first half and the second quarter ended June 30, 2020 are not necessarily indicative of the results of operations for the fiscal year 2020.

## Classifications

Certain items in the consolidated financial statements for the first half of 2019 and for the year 2019 have been reclassified to conform with the current year's presentation.

## Government grants and impacts of COVID-19 pandemic

The financial statements of the Fresenius Group have been impacted by COVID-19, mostly in the form of lost revenue and additional costs incurred to protect its patients and employees, to safeguard its production activities and clinical operations and additional freight and logistic costs. Across the Fresenius Global footprint, various governments in regions have provided economic assistance programs to address the consequences of the pandemic on companies and support healthcare providers and patients. The related reimbursement payments and funding received by Fresenius have been accounted for in accordance with terms and regulations set forth in by the local laws and regulations.

The most significant programs which have impacted the Fresenius Group's business are in Germany and the United States as follows:

In Germany, the hospitals of the Fresenius Group have received reimbursements in the amount of €300 million under the COVID-19 Hospital Relief Act ("Gesetz zum Ausgleich COVID-19 bedingter finanzieller Belastungen der

Krankenhäuser und weiterer Gesundheitseinrichtungen"). The COVID-19 Hospital Relief Act mainly compensates hospitals for their increase in capacity and related patient services through the postponement of elective treatments and provision of additional intensive care beds for the treatment of potential COVID-19 patients. As these additional reimbursements for hospital services are paid by the partly state-funded health care fund, such revenues are recognized in accordance with the Fresenius Group's existing revenue recognition policies for hospital services (IFRS 15, Revenue from Contracts with Customers).

In the United States, Fresenius Medical Care North America received payments under the CARES Act (Coronavirus Aid, Relief, and Economic Security Act) of €251 million and has thereof €182 million recognized primarily against the respective cost of revenue line item and the rest against the selling, general and administrative expense line item in the consolidated statement of income in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. Amounts that are yet to be reconciled with costs incurred in relation to COVID-19 for the three and-six months ended June 30, 2020 are recorded as a liability on the Fresenius Group's consolidated balance sheet within short-term provisions and other short-term liabilities as of June 30, 2020. Additionally, the Fresenius Group received in the United States advance payments under the

CMS Accelerated and Advance Payment program which are recorded in accordance with IFRS 15 as a contract liability upon receipt and recognized as revenue when the respective services are provided. The Fresenius Group recorded a respective contract liability within short-term provisions and other short-term liabilities in the amount of €931 million as of June 30, 2020.

In addition to the programs above, the Fresenius Group also received grants under various other programs from multiple governments around the world in the amount of €17 million. In some countries, for example Spain, potential government schemes are still under discussion. The outcome of these discussions cannot be predicted.

All funds received from grants comply with the respective conditions. The Fresenius Group is obliged and committed to fulfilling all the requirements as set out in the grant funding arrangements.

In addition to the aforementioned additional reimbursements and compensated costs incurred in various countries, the Fresenius Group was affected by impacts COVID-19 had on the global economy and financial markets, e.g. impacting valuations of certain of its investments, as well as effects related to lockdowns. At the same time the Fresenius Group was affected by lower cost in certain areas, for example for incentive plans and travel.

In a dynamic environment, with direct, but also many indirect operational, practical and wider financial consequences of COVID-19, it is impossible to provide a precise financial impact on the reported consolidated statement of income. This is specifically valid for the impact of lost revenues and related margin loss. Therefore, management has made the following estimates:

Negative net impact to revenue growth is estimated to -2% to -3% for the first half and -4% to -5% for the second quarter of 2020. Negative net impact to net income growth is estimated to -9% to -13% for the first half and -13% to -17% for the second quarter of 2020.

The Fresenius Group is well positioned to meet its ongoing financial obligations and has sufficient liquidity to support its normal business activities.

### Recoverability of goodwill and intangible assets with indefinite useful lives

Due to the COVID-19-pandemic and the overall economic development, during the second quarter of 2020, the country ratings in the region Latin America deteriorated. This led to an increase of the country-specific risk premiums and the specific weighted-average cost of capital after tax (WACC) for the impairment tests of the Cash Generating Units (CGUs) Fresenius Medical Care Latin America and Fresenius Kabi Latin America. At the same time, the Latin American currencies continued to devalue.

A further increase of the WACC (after tax) of the CGU Fresenius Medical Care Latin America (carrying amount of goodwill as of June 30, 2020: €184 million) by 0.15 percentage points would have led to the fair value being equal to the

carrying amount. A further increase of the WACC (after tax) of the CGU Fresenius Kabi Latin America (carrying amount of goodwill as of June 30, 2020: €127 million) by 1 percentage point would not have led to the recognition of an impairment loss. A further increase by 2.16 percentage points would have led to the fair value being equal to the carrying amount.

### Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

#### IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at June 30, 2020 in conformity with IFRS that must be applied for the interim periods starting on or after January 1, 2020.

In the first half of 2020, the Fresenius Group did not apply any new standard relevant for its business for the first time.

#### V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

The International Accounting Standards Board (IASB) issued the following new standards relevant for the Fresenius Group's business:

In January 2020, the IASB issued **Amendments to IAS 1, Classification of Liabilities as Current and Non-current**. The amendments clarify under which circumstances debt and other liabilities with an uncertain settlement date should be classified as current or non-current. Among others, the amendments state that liabilities shall be classified depending on rights that exist at the end of the reporting period and define under which conditions liabilities might be settled by cash, other economic resources or equity. On July 15, 2020, the IASB deferred the effective date by one year to provide companies with more time to implement any classification changes resulting from the amendments. The amendments to IAS 1 are now effective for fiscal years beginning on or after January 1, 2023. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact of the amendments to IAS 1 on the consolidated financial statements.

In May 2017, the IASB issued **IFRS 17, Insurance Contracts**. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure related to the issuance of insurance contracts. IFRS 17 replaces IFRS 4, Insurance Contracts, which was brought in as an interim standard in 2004. IFRS 4 permitted the use of national accounting standards for the accounting of insurance contracts under IFRS. As a result of the varied application for insurance contracts, there was a lack of comparability among peer groups. IFRS 17 eliminates this diversity in practice by requiring all insurance contracts to be accounted for using current values. The frequent updates to the insurance values are expected to provide more useful information to users of financial statements. On June 25, 2020, the IASB issued amendments to IFRS 17, which among others, defer the effective date to fiscal years beginning on or after January 1, 2023. Earlier adoption is permitted for entities that have also adopted IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers. The Fresenius Group is currently evaluating the impact of IFRS 17 on the consolidated financial statements.

The EU Commission's endorsement of IFRS 17 and of the amendments to IAS 1 are still outstanding.

In the Fresenius Group's view, there are no other IFRS standards or interpretations not yet effective that would be expected to have a material impact on the consolidated financial statements.

#### 2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions, investments and purchases of intangible assets of €509 million and €2,157 million in the first half of 2020 and 2019, respectively. Of this amount, €379 million was paid in cash and €130 million was assumed obligations in the first half of 2020. There were no individually material transactions which have occurred during the first half of 2020.

##### FRESENIUS MEDICAL CARE

In the first half of 2020, Fresenius Medical Care spent €149 million on acquisitions, mainly on the purchase of dialysis clinics.

##### FRESENIUS KABI

In the first half of 2020, Fresenius Kabi spent €12 million on acquisitions, mainly for already planned acquisition related milestone payments relating to the acquisition of the biosimilars business.

##### FRESENIUS HELIOS

In the first half of 2020, Fresenius Helios spent €342 million on acquisitions, mainly for the purchase of Centro Médico Imbanaco S.A. in Colombia. Furthermore, Clínica del Prado S.A., Colombia, and Digitale Gesundheits Gruppe GmbH, Germany, were acquired.

## NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

### 3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first half of 2020 in the amount of €870 million includes special items relating to the revaluation of biosimilars contingent purchase price liabilities.

The special items had the following impact on the consolidated statement of income:

€ in millions	EBIT	Interest expenses	Net income attributable to shareholders of Fresenius SE & Co. KGaA
<b>Earnings H1/2020, before special items</b>	2,248	-341	875
Revaluations of biosimilars contingent purchase price liabilities	0	-8	-5
<b>Earnings H1/2020 according to IFRS</b>	<b>2,248</b>	<b>-349</b>	<b>870</b>

### 4. SALES

Sales by activity were as follows:

€ in millions	H1/2020	H1/2019
Sales from contracts with customers	<b>17,838</b>	17,070
thereof sales of services	<b>12,404</b>	11,888
thereof sales of products and related services	<b>5,157</b>	4,950
thereof sales from long-term production contracts	<b>266</b>	228
thereof further sales from contracts with customers	<b>11</b>	4
Other sales	<b>217</b>	186
<b>Sales</b>	<b>18,055</b>	17,256

Other sales include sales from insurance and lease contracts.

### 5. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €384 million (H1/2019: €292 million) included expenditures for research and non-capitalizable development costs as well as regular depreciation and amortization expenses relating to capitalized development costs of €10 million (H1/2019: €8 million). The expenses for the further development of the biosimilars business included in the research and development expenses amounted to €88 million in the first half of 2020 (H1/2019: €37 million).

### 6. TAXES

During the first half of 2020, there were no material changes relating to accruals for income taxes as well as recognized and accrued payments for interest and penalties. Further information can be found in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

### 7. EARNINGS PER SHARE

The following table shows the earnings per share including and excluding the dilutive effect from stock options issued:

	H1/2020	H1/2019
<b>Numerators, € in millions</b>		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	<b>870</b>	924
less effect from dilution due to Fresenius Medical Care shares	–	–
Income available to all ordinary shares	<b>870</b>	924
<b>Denominators in number of shares</b>		
Weighted-average number of ordinary shares outstanding	<b>557,413,756</b>	556,426,725
Potentially dilutive ordinary shares	<b>386,809</b>	829,687
Weighted-average number of ordinary shares outstanding assuming dilution	<b>557,800,565</b>	557,256,412
<b>Basic earnings per share in €</b>	<b>1.56</b>	1.66
<b>Fully diluted earnings per share in €</b>	<b>1.56</b>	1.66

## NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 8. TRADE ACCOUNTS AND OTHER RECEIVABLES

As of June 30, 2020 and December 31, 2019, trade accounts and other receivables were as follows:

€ in millions	June 30, 2020		Dec. 31, 2019	
		thereof credit impaired		thereof credit impaired
Trade accounts and other receivables	7,596	821	7,527	710
less allowances for expected credit losses	370	289	351	274
<b>Trade accounts and other receivables, net</b>	<b>7,226</b>	<b>532</b>	<b>7,176</b>	<b>436</b>

Within trade accounts and other receivables (before allowances) as of June 30, 2020, €7,482 million relate to revenue from contracts with customers as defined by IFRS 15. This amount includes €369 million of allowances for expected credit losses. Further trade accounts and other receivables, net, relate to other sales.

### 9. INVENTORIES

As of June 30, 2020 and December 31, 2019, inventories consisted of the following:

€ in millions	June 30, 2020	Dec. 31, 2019
Raw materials and purchased components	931	835
Work in process	477	370
Finished goods	2,744	2,559
less reserves	125	131
<b>Inventories, net</b>	<b>4,027</b>	<b>3,633</b>

### 10. OTHER CURRENT AND NON-CURRENT ASSETS

At equity investments as of June 30, 2020 in the amount of €686 million (December 31, 2019: €697 million) mainly related to the equity method investee named Vifor Fresenius Medical Care Renal Pharma Ltd. between Fresenius Medical Care and Galenica Ltd. In the first half of 2020, income of €24 million (H1/2019: €43 million) from this equity investment was included in selling, general and administrative expenses in the consolidated statement of income.

## 11. GOODWILL

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate/ Other	Fresenius Group
<b>Carrying amount as of January 1, 2019</b>	<b>12,210</b>	<b>5,355</b>	<b>7,857</b>	<b>285</b>	<b>6</b>	<b>25,713</b>
Additions	1,589	0	134	9	0	1,732
Disposals	0	0	-3	0	0	-3
Foreign currency translation	218	76	0	1	0	295
<b>Carrying amount as of December 31, 2019</b>	<b>14,017</b>	<b>5,431</b>	<b>7,988</b>	<b>295</b>	<b>6</b>	<b>27,737</b>
Additions	76	0	198	3	0	277
Disposals	0	0	0	-	0	-
Foreign currency translation	-33	-16	0	-1	0	-50
<b>Carrying amount as of June 30, 2020</b>	<b>14,060</b>	<b>5,415</b>	<b>8,186</b>	<b>297</b>	<b>6</b>	<b>27,964</b>

## 12. DEBT

### SHORT-TERM DEBT

As of June 30, 2020 and December 31, 2019, short-term debt consisted of the following:

€ in millions	Book value	
	June 30, 2020	December 31, 2019
Fresenius SE & Co. KGaA Commercial Paper	428	953
Fresenius Medical Care AG & Co. KGaA Commercial Paper	839	1,000
Other short-term debt	171	522
<b>Short-term debt</b>	<b>1,438</b>	<b>2,475</b>

## LONG-TERM DEBT

As of June 30, 2020 and December 31, 2019, long-term debt net of debt issuance costs consisted of the following:

€ in millions	Book value	
	June 30, 2020	December 31, 2019
Fresenius Medical Care Credit Agreement	1,315	1,901
Fresenius Credit Agreement	1,903	1,976
Schuldschein Loans	2,075	2,180
Accounts Receivable Facility of Fresenius Medical Care	0	380
Other	552	572
Subtotal	5,845	7,009
less current portion	792	892
<b>Long-term debt, less current portion</b>	<b>5,053</b>	<b>6,117</b>

## Fresenius Medical Care Credit Agreement

Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) originally entered into a syndicated credit facility (Fresenius Medical Care 2012 Credit Agreement) of US\$3,850 million and a 5-year tenor on October 30, 2012.

In the years 2014 and 2017, various amendments of the Fresenius Medical Care Credit Agreement were made. These related to the amount and structure of the available tranches, among other items. In addition, the terms have been extended.



The following tables show the available and outstanding amounts under the Fresenius Medical Care Credit Agreement at June 30, 2020 and at December 31, 2019:

June 30, 2020				
	Maximum amount available		Balance outstanding	
	€ in millions		€ in millions	
Revolving Credit Facility (in US\$) 2017/2022	US\$900 million	804	US\$0 million	0
Revolving Credit Facility (in €) 2017/2022	€600 million	600	€0 million	0
Term Loan (in US\$) 2017/2022	US\$1,170 million	1,045	US\$1,170 million	1,045
Term Loan (in €) 2017/2020	€0 million	0	€0 million	0
Term Loan (in €) 2017/2022	€273 million	273	€273 million	273
<b>Total</b>		2,722		1,318
less financing cost				3
<b>Total</b>				1,315

December 31, 2019				
	Maximum amount available		Balance outstanding	
	€ in millions		€ in millions	
Revolving Credit Facility (in US\$) 2017/2022	US\$900 million	801	US\$139 million	123
Revolving Credit Facility (in €) 2017/2022	€600 million	600	€0 million	0
Term Loan (in US\$) 2017/2022	US\$1,230 million	1,095	US\$1,230 million	1,095
Term Loan (in €) 2017/2020	€400 million	400	€400 million	400
Term Loan (in €) 2017/2022	€287 million	287	€287 million	287
<b>Total</b>		3,183		1,905
less financing cost				4
<b>Total</b>				1,901

The Term Loan of FMC-AG & Co. KGaA in the amount of €400 million originally due on July 30, 2020, was prematurely redeemed on May 29, 2020.

As of June 30, 2020, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care Credit Agreement.

### Fresenius Credit Agreement

On December 20, 2012, Fresenius SE & Co. KGaA and various subsidiaries entered into a delayed draw syndicated credit agreement (2013 Credit Agreement) in the original amount of US\$1,300 million and €1,250 million. Since the initial funding of the Credit Agreement in June 2013, additional tranches were added. Furthermore, scheduled amortization payments as well as voluntary repayments have been made. In August 2017, the Credit Agreement was refinanced and replaced by new tranches with a total amount of approximately €3,800 million.

The following tables show the available and outstanding amounts under the Fresenius Credit Agreement at June 30, 2020 and at December 31, 2019:

As of June 30, 2020, the Fresenius Group was in compliance with all covenants under the Fresenius Credit Agreement.

June 30, 2020				
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in €) 2017/2022	€1,100 million	1,100	€0 million	0
Revolving Credit Facility (in US\$) 2017/2022	US\$500 million	447	US\$0 million	0
Term Loan (in €) 2017/2021	€750 million	750	€750 million	750
Term Loan (in €) 2017/2022	€725 million	725	€725 million	725
Term Loan (in US\$) 2017/2022	US\$485 million	433	US\$485 million	433
<b>Total</b>		<b>3,455</b>		<b>1,908</b>
less financing cost				5
<b>Total</b>				<b>1,903</b>

December 31, 2019				
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in €) 2017/2022	€1,100 million	1,100	€0 million	0
Revolving Credit Facility (in US\$) 2017/2022	US\$500 million	446	US\$0 million	0
Term Loan (in €) 2017/2021	€750 million	750	€750 million	750
Term Loan (in €) 2017/2022	€775 million	775	€775 million	775
Term Loan (in US\$) 2017/2022	US\$515 million	458	US\$515 million	458
<b>Total</b>		<b>3,529</b>		<b>1,983</b>
less financing cost				7
<b>Total</b>				<b>1,976</b>

## Schuldschein Loans

As of June 30, 2020 and December 31, 2019, Schuldschein Loans of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate fixed/variable	Book value € in millions	
				June 30, 2020	Dec 31, 2019
Fresenius SE & Co. KGaA 2014/2020	€106 million	April 2, 2020	2.67%	0	106
Fresenius SE & Co. KGaA 2017/2022	€372 million	Jan. 31, 2022	0.93%/variable	371	371
Fresenius SE & Co. KGaA 2015/2022	€21 million	April 7, 2022	1.61%	21	21
Fresenius SE & Co. KGaA 2019/2023	€378 million	Sept. 25, 2023	0.55%/variable	377	377
Fresenius SE & Co. KGaA 2017/2024	€421 million	Jan. 31, 2024	1.40%/variable	420	420
Fresenius SE & Co. KGaA 2019/2026	€238 million	Sept. 23, 2026	0.85%/variable	238	238
Fresenius SE & Co. KGaA 2017/2027	€207 million	Jan. 29, 2027	1.96%/variable	207	207
Fresenius SE & Co. KGaA 2019/2029	€84 million	Sept. 24, 2029	1.10%	84	84
Fresenius US Finance II, Inc. 2016/2021	US\$342 million	March 10, 2021	2.66%/variable	305	304
Fresenius US Finance II, Inc. 2016/2023	US\$58 million	March 10, 2023	3.12%/variable	52	52
<b>Schuldschein Loans</b>				<b>2,075</b>	<b>2,180</b>

As of June 30, 2020, the Schuldschein Loans of Fresenius US Finance II, Inc. in the amount of €342 million due on March 10, 2021, are shown as current portion of long-term debt in the consolidated statement of financial position. The

Schuldschein Loans of Fresenius SE & Co. KGaA with fixed interest rates in the amount of €106 million which were due on April 2, 2020 were redeemed at maturity.

As of June 30, 2020, the Fresenius Group was in compliance with all of its covenants under the Schuldschein Loans.

## CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At June 30, 2020, the additional financial cushion resulting from unutilized credit facilities was approximately €5.7 billion. Thereof approximately €2.9 billion accounted for syndicated credit facilities.

### 13. BONDS

As of June 30, 2020 and December 31, 2019, bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions	
				June 30, 2020	Dec. 31, 2019
Fresenius Finance Ireland PLC 2017/2022	€700 million	Jan. 31, 2022	0.875%	698	698
Fresenius Finance Ireland PLC 2017/2024	€700 million	Jan. 30, 2024	1.50%	698	697
Fresenius Finance Ireland PLC 2017/2027	€700 million	Feb. 1, 2027	2.125%	693	693
Fresenius Finance Ireland PLC 2017/2032	€500 million	Jan. 30, 2032	3.00%	495	495
Fresenius SE & Co. KGaA 2013/2020	€500 million	July 15, 2020	2.875%	500	500
Fresenius SE & Co. KGaA 2014/2021	€450 million	Feb. 1, 2021	3.00%	449	448
Fresenius SE & Co. KGaA 2014/2024	€450 million	Feb. 1, 2024	4.00%	450	449
Fresenius SE & Co. KGaA 2019/2025	€500 million	Feb. 15, 2025	1.875%	495	495
Fresenius SE & Co. KGaA 2020/2027	€750 million	Oct. 8, 2027	1.625%	740	0
Fresenius SE & Co. KGaA 2020/2028	€750 million	Jan. 15, 2028	0.750%	744	0
Fresenius SE & Co. KGaA 2019/2029	€500 million	Feb. 15, 2029	2.875%	494	494
Fresenius US Finance II, Inc. 2014/2021	US\$300 million	Feb. 1, 2021	4.25%	268	266
Fresenius US Finance II, Inc. 2015/2023	US\$300 million	Jan. 15, 2023	4.50%	267	266
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	299	298
Fresenius Medical Care AG & Co. KGaA 2019/2023	€650 million	Nov. 29, 2023	0.25%	647	647
Fresenius Medical Care AG & Co. KGaA 2018/2025	€500 million	July 11, 2025	1.50%	496	496
Fresenius Medical Care AG & Co. KGaA 2020/2026	€500 million	May 29, 2026	1.00%	495	0
Fresenius Medical Care AG & Co. KGaA 2019/2026	€600 million	Nov. 30, 2026	0.625%	594	594
Fresenius Medical Care AG & Co. KGaA 2019/2029	€500 million	Nov. 29, 2029	1.25%	497	497
Fresenius Medical Care AG & Co. KGaA 2020/2030	€750 million	May 29, 2030	1.50%	746	0
Fresenius Medical Care US Finance, Inc. 2011/2021	US\$650 million	Feb. 15, 2021	5.75%	579	577
Fresenius Medical Care US Finance II, Inc. 2014/2020	US\$500 million	Oct. 15, 2020	4.125%	447	445
Fresenius Medical Care US Finance II, Inc. 2012/2022	US\$700 million	Jan. 31, 2022	5.875%	624	622
Fresenius Medical Care US Finance II, Inc. 2014/2024	US\$400 million	Oct. 15, 2024	4.75%	356	354
Fresenius Medical Care US Finance III, Inc. 2019/2029	US\$500 million	June 15, 2029	3.75%	438	436
<b>Bonds</b>				<b>13,209</b>	<b>10,467</b>

On May 29, 2020, Fresenius Medical Care AG & Co. KGaA placed bonds with an aggregate volume of €1,250 million. The bonds consist of 2 tranches with maturities of 6 and 10 years. The coupon of the 6-year tranche of €500 million is

1.000% and was issued at a price of 99.405%. The €750 million tranche with a 10-year maturity has a coupon of 1.500% and was issued at a price of 99.742%. The proceeds were used for general corporate purposes, including refinancing of existing financial liabilities.

On April 8, 2020, Fresenius SE & Co. KGaA issued bonds with a volume of €750 million. The bonds have a maturity of seven and a half years and a coupon of 1.625%. The bonds were issued at a price of 99.021%. The proceeds were used for general corporate purposes, including refinancing of existing financial liabilities.

On January 15, 2020, Fresenius SE & Co. KGaA issued bonds in the amount of €750 million. The bonds have a maturity of eight years and a coupon of 0.750%. The bonds were issued at a price of 99.514%. The proceeds were used for general corporate purposes, including refinancing of existing financial liabilities.

The bonds issued by Fresenius SE & Co. KGaA in the amount of €500 million due on July 15, 2020 were redeemed at maturity. The bonds issued by Fresenius Medical Care US Finance II, Inc. in the amount of US\$500 million due on October 15, 2020 were prematurely redeemed on July 17, 2020. As of June 30, 2020, both bonds are shown as current portion of bonds in the consolidated statement of financial position. Furthermore, the bonds issued by Fresenius SE & Co. KGaA in the amount of €450 million and the bonds issued by Fresenius US Finance II, Inc. in the amount of US\$300 million, due on February 1, 2021, as well as the bonds issued by FMC Finance VII S.A. in the amount of €300 million and the bonds issued by Fresenius Medical Care US Finance, Inc. in the amount of US\$650 million, due on February 15, 2021, are shown as current portion of bonds in the consolidated statement of financial position.

As of June 30, 2020, the Fresenius Group was in compliance with all of its covenants under the bonds.

## 14. CONVERTIBLE BONDS

As of June 30, 2020 and December 31, 2019, the convertible bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Coupon	Current conversion price	Book value € in millions	
					June 30, 2020	Dec. 31, 2019
Fresenius SE & Co. KGaA 2017/2024	€500 million	Jan. 31, 2024	0.000%	€106.4928	469	465
Fresenius Medical Care AG & Co. KGaA 2014/2020	€400 million	Jan. 31, 2020	0.000%		0	400
<b>Convertible bonds</b>					<b>469</b>	<b>865</b>

The fair value of the derivative embedded in the convertible bonds of Fresenius SE & Co. KGaA was €0 million at June 30, 2020. Fresenius SE & Co. KGaA purchased stock options (call options) with a corresponding fair value to hedge future fair value fluctuations of this derivative.

Potential conversions are always cash-settled. Any increase of Fresenius' share price above the conversion price would be offset by a corresponding value increase of the call options.

The convertible bonds issued by Fresenius Medical Care AG & Co. KGaA in the amount of €400 million which were due on January 31, 2020, were redeemed at maturity. There were no conversions.

## 15. NONCONTROLLING INTERESTS

As of June 30, 2020 and December 31, 2019, noncontrolling interests in the Fresenius Group were as follows:

€ in millions	June 30, 2020	Dec. 31, 2019
Noncontrolling interests in Fresenius Medical Care AG & Co. KGaA	8,218	8,174
Noncontrolling interests in VAMED AG	89	97
Noncontrolling interests in the business segments		
Fresenius Medical Care	1,197	1,269
Fresenius Kabi	135	121
Fresenius Helios	126	127
Fresenius Vamed	14	14
<b>Total noncontrolling interests</b>	<b>9,779</b>	<b>9,802</b>

Noncontrolling interests changed as follows:

€ in millions	H1/2020
<b>Noncontrolling interests as of December 31, 2019</b>	<b>9,802</b>
Noncontrolling interests in profit	592
Purchase of noncontrolling interests	19
Stock options	6
Dividend payments	-211
Share buy-back program of Fresenius Medical Care AG & Co. KGaA	-248
Currency effects and other changes	-181
<b>Noncontrolling interests as of June 30, 2020</b>	<b>9,779</b>

## 16. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

### SUBSCRIBED CAPITAL

As of January 1, 2020, the subscribed capital of Fresenius SE & Co. KGaA consisted of 557,379,979 bearer ordinary shares.

During the first half of 2020, 73,805 stock options were exercised. Consequently, as of June 30, 2020, the subscribed capital of Fresenius SE & Co. KGaA consisted of 557,453,784 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

### CONDITIONAL CAPITAL

The following Conditional Capitals exist in order to fulfill the subscription rights under the stock option plans of Fresenius SE & Co. KGaA: Conditional Capital II (Stock Option Plan 2008) and Conditional Capital IV (Stock Option Plan 2013) (see note 21, Share-based compensation plans). Another Conditional Capital III exists for the authorization to issue option bearer bonds and/or convertible bonds.

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008	3,452,937
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	23,947,021
<b>Total Conditional Capital as of January 1, 2020</b>	<b>81,106,243</b>
Fresenius SE & Co. KGaA Stock Option Plan 2013 – options exercised	-73,805
<b>Total Conditional Capital as of June 30, 2020</b>	<b>81,032,438</b>

As of June 30, 2020, the Conditional Capital was composed as follows:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008	3,452,937
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	23,873,216
<b>Total Conditional Capital as of June 30, 2020</b>	<b>81,032,438</b>

### DIVIDENDS

Under the German Stock Corporation Act (AktG), the amount of dividends available for distribution to shareholders is based upon the unconsolidated retained earnings of Fresenius SE & Co. KGaA as reported in its statement of financial position determined in accordance with the German Commercial Code (HGB).

The general partner and the Supervisory Board of Fresenius SE & Co. KGaA will propose a dividend of €0.84 per bearer ordinary share to the Annual General Meeting, i.e. a total dividend payment of €468 million. The Annual General Meeting will be held on August 28, 2020 in virtual form.

### TREASURY STOCK OF FRESENIUS MEDICAL CARE

During the first half of 2020, Fresenius Medical Care repurchased 5,687,473 ordinary shares for an amount of €366 million.

On April 1, 2020, Fresenius Medical Care concluded the current share buy-back program.

## OTHER NOTES

### 17. LEGAL AND REGULATORY MATTERS

The Fresenius Group is routinely involved in claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing health care services and products. Legal matters that the Fresenius Group currently deems to be material or noteworthy are described below. The Fresenius Group records its litigation reserves for certain legal proceedings and regulatory matters to the extent that the Fresenius Group determines an unfavorable outcome is probable and the amount of loss can be reasonably estimated. For the other matters described below, the Fresenius Group believes that the loss probability is remote and/or the loss or range of possible losses cannot be reasonably estimated at this time. The outcome of litigation and other legal matters is always difficult to predict accurately and outcomes that are not consistent with Fresenius Group's view of the merits can occur.

The Fresenius Group believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously. Nevertheless, it is possible that the resolution of one or more of the legal matters currently pending or threatened could have a material adverse effect on its business, results of operations and financial condition.

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS. In the following, only changes as far as content or wording are concerned during the first half ended June 30, 2020 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS; defined terms or abbreviations having the same meaning as in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

### DAMAGES LITIGATION AKORN, INC.

The lawsuit is pending before the Delaware Court of Chancery in the United States but was stayed due to Akorn filing for bankruptcy under Chapter 11. In Akorn's bankruptcy plan, Fresenius Kabi was ranked in a class alongside Akorn's shareholders, which is subordinated to that of a general unsecured creditor. Fresenius Kabi has challenged this classification. Even if Fresenius Kabi is successful in changing the ranking, Akorn's plan and disclosure contemplate that little if any recovery would be available for general unsecured creditors. This may result in Fresenius Kabi obtaining a very low quota or a complete loss of recovery despite a favorable judgement in the damages proceedings.

### PRODUCT LIABILITY LITIGATION

In addition to the personal injury cases, four institutional plaintiffs filed complaints against FMCH or its affiliates under state deceptive practices statutes resting on certain background allegations common to the GranuFlo®/NaturaLyte® personal injury litigation but seeking as a remedy the repayment of sums paid to FMCH that were attributable to the

GranuFlo®/NaturaLyte® products. The claims of two of these plaintiffs were resolved by settlement, and FMCH has increased its litigation reserves to account for anticipated resolution of the other two. See *State of Louisiana ex re. Caldwell and Louisiana Health Service & Indemnity Company v. Fresenius Medical Care Airline, et al* 2016 Civ. 11035 (U.S.D.C. D. Mass.).

In March 2019, a special-purpose entity organized under Delaware law for the purpose of pursuing litigation amended its complaint to claim rights to recover monetary damages on behalf of various persons and entities who are alleged to have assigned to plaintiff their rights to recover monetary damages arising from their having provided or paid for medical services for dialysis patients receiving treatments using FMCH's acid concentrate product. FMCH is contesting the special-purpose entity's claims.

FMCH believes that the remaining few personal injury, institutional, and special-purpose entity claims described above present only remote and immaterial risks, whether considered individually or in the aggregate. Accordingly, specific reporting on these matters will be discontinued.

#### **CIVIL COMPLAINT "HAWAII "**

Trial in the civil litigation is scheduled for March 8, 2021.

#### **SUBPOENA "AMERICAN KIDNEY FUND" / CMS LITIGATION**

On August 1, 2019, the United States District Court for the District of Massachusetts entered an order announcing that the United States had declined to intervene on a qui tam complaint underlying the United States Attorney's Office (USAO) Boston investigation and unsealing the relator's complaint so as to permit the relator to serve the complaint and proceed on his own. The relator did not serve the complaint within the time allowed. On July 17, 2020, the relator filed a notice of dismissal and the court thereafter closed the case.

#### **VIFOR PATENT INFRINGEMENT FRESenius MEDICAL CARE (DELAWARE)**

On May 26, 2020, Vifor Fresenius Medical Care Renal Pharma Ltd. and Vifor Fresenius Medical Care Renal Pharma France S.A.S. (collectively, VFMCRP) filed a further complaint for patent infringement against Lupin in the U.S. District Court for the District of Delaware (Case No. 1:20-cv-00697-MN) in response to Lupin's Abbreviated New

Drug Applications (ANDA) for a generic version of Velphoro® and on the basis of a newly listed patent in the Orange Book. On July 6, 2020, VFMCRP filed an additional complaint for patent infringement against Lupin and Teva in the U.S. District Court for the District of Delaware (Case No. 1:20-cv-00911-MN) in response to the companies' ANDA for generic versions of Velphoro® and on the basis of two newly listed patents in the Orange Book.

#### **LITIGATION TRICARE PROGRAM**

On July 8, 2020, the U.S. government filed its answer (and confirmed their position). The parties will proceed to discovery. The court has not yet set a date for trial in this matter. FMCH has imposed a constraint on revenue otherwise recognized from the Tricare program that it believes, in consideration of facts currently known, sufficient to account for the risk of this litigation.

#### **SUBPOENA "NEVADA"**

Fresenius Kabi has entered into a Tolling Agreement with the DOJ, thereby waiving its statute of limitation defense until July 2018. The Tolling Agreement was again extended by mutual agreement until September 2020.



## 18. FINANCIAL INSTRUMENTS

## MEASUREMENT OF FINANCIAL INSTRUMENTS

## Carrying amounts of financial instruments

As of June 30, 2020 and December 31, 2019, the carrying amounts of financial instruments by item of the statement of financial position and structured according to categories were as follows:

€ in millions	June 30, 2020						
	Carrying amount	Amortized cost	Fair value through profit and loss <sup>1</sup>	Fair value through other comprehensive income <sup>2</sup>	Relating to no category		
					Derivatives designated as cash flow hedging instruments at fair value	Noncontrolling interest subject to put provisions measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities
<b>Financial assets</b>							
Cash and cash equivalents	3,073	2,037	1,036				
Trade accounts and other receivables, less allowances for expected credit losses	7,226	7,100	9	39			78
Accounts receivable from and loans to related parties	103	103					
Other financial assets <sup>3</sup>	1,809	890	338	456	18		107
<b>Financial assets</b>	<b>12,211</b>	<b>10,130</b>	<b>1,383</b>	<b>495</b>	<b>18</b>	<b>0</b>	<b>185</b>
<b>Financial liabilities</b>							
Trade accounts payable	1,664	1,664					
Short-term accounts payable to related parties	81	81					
Short-term debt	1,438	1,438					
Short-term debt from related parties	7	7					
Long-term lease liabilities to and loans from related parties	3	3					
Long-term debt	5,845	5,845					
Long-term lease liabilities	6,516						6,516
Bonds	13,209	13,209					
Convertible bonds	469	469					
Other financial liabilities <sup>4</sup>	5,098	3,555	578		3	962	
<b>Financial liabilities</b>	<b>34,330</b>	<b>26,271</b>	<b>578</b>	<b>0</b>	<b>3</b>	<b>962</b>	<b>6,516</b>

<sup>1</sup> All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.

<sup>2</sup> The option to measure equity instruments at fair value through other comprehensive income upon implementation of IFRS 9 has been exercised. The option has been used for €168 million other investments (included in other financial assets).

<sup>3</sup> Other financial assets are included in the item other current and non-current assets in the consolidated statement of financial position.

<sup>4</sup> Other financial liabilities are included in the items short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities in the consolidated statement of financial position.

December 31, 2019							
€ in millions	Carrying amount	Amortized cost	Fair value through profit and loss <sup>1</sup>	Fair value through other comprehensive income <sup>2</sup>	Relating to no category		
					Derivatives designated as cash flow hedging instruments at fair value	Noncontrolling interest subject to put provisions measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities
<b>Financial assets</b>							
Cash and cash equivalents	1,654	1,280	374				
Trade accounts and other receivables, less allowances for expected credit losses	7,176	7,037	28	33			78
Accounts receivable from and loans to related parties	100	100					
Other financial assets <sup>3</sup>	1,690	825	333	416	4		112
<b>Financial assets</b>	<b>10,620</b>	<b>9,242</b>	<b>735</b>	<b>449</b>	<b>4</b>	<b>0</b>	<b>190</b>
<b>Financial liabilities</b>							
Trade accounts payable	1,905	1,905					
Short-term accounts payable to related parties	46	46					
Short-term debt	2,475	2,475					
Short-term debt from related parties	3	3					
Long-term debt	7,009	7,009					
Long-term lease liabilities	6,439						6,439
Bonds	10,467	10,467					
Convertible bonds	865	865					
Other financial liabilities <sup>4</sup>	4,701	3,129	611		9	952	
<b>Financial liabilities</b>	<b>33,910</b>	<b>25,899</b>	<b>611</b>	<b>0</b>	<b>9</b>	<b>952</b>	<b>6,439</b>

<sup>1</sup> All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.

<sup>2</sup> The option to measure equity instruments at fair value through other comprehensive income upon implementation of IFRS 9 has been exercised. The option has been used for €154 million (included in other financial assets).

<sup>3</sup> Other financial assets are included in the item other current and non-current assets in the consolidated statement of financial position.

<sup>4</sup> Other financial liabilities are included in the items short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities in the consolidated statement of financial position.

## Fair value of financial instruments

The following table shows the carrying amounts and the fair value hierarchy levels as of June 30, 2020 and December 31, 2019:

€ in millions	June 30, 2020				December 31, 2019			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>								
Cash and cash equivalents <sup>1</sup>	1,036	1,036			374	374		
Trade accounts and other receivables, less allowances for expected credit losses <sup>1</sup>	48		48		61		61	
Other financial assets <sup>1</sup>								
Debt instruments	386	380	6		370	365	5	
Equity investments	397	12	187	198	369	13	173	183
Derivatives designated as cash flow hedging instruments	18		18		4		4	
Derivatives not designated as hedging instruments	11		11		10		10	
<b>Financial liabilities</b>								
Long-term debt	5,845		5,885		7,009		7,063	
Bonds	13,209	13,896			10,467	11,102		
Convertible bonds	469	482			865	896		
Other financial liabilities <sup>1</sup>								
Noncontrolling interest subject to put provisions	962			962	952			952
Accrued contingent payments outstanding for acquisitions	564			564	595			595
Derivatives designated as cash flow hedging instruments	3		3		9		9	
Derivatives not designated as hedging instruments	14		14		16		16	

<sup>1</sup> Fair value information is not provided for financial instruments, if the carrying amount is a reasonable estimate of the fair value due to the relatively short period of maturity of these instruments.

Explanations regarding the significant methods and assumptions used to estimate the fair values of financial instruments and classification of fair value measurements according to the three-tier fair value hierarchy as well as explanations with regard to existing and expected risks from financial instruments and hedging can be found in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

The following table shows the changes of the fair values of financial instruments classified as level 3 in the first half of 2020:

€ in millions	Equity investments	Accrued contingent payments outstanding for acquisitions	Noncontrolling interests subject to put provisions
<b>As of January 1, 2020</b>	<b>183</b>	<b>595</b>	<b>952</b>
Additions	0	13	16
Disposals	0	-51	-87
Gain/loss recognized in profit or loss	15	9	—
Gain/loss recognized in equity	0	0	83
Currency effects and other changes	—	-2	-2
<b>As of June 30, 2020</b>	<b>198</b>	<b>564</b>	<b>962</b>

## 19. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of June 30, 2020, the equity ratio was 39.2% and the debt ratio (debt/total assets) was 39.5%. As of June 30, 2020, the leverage ratio (before special items) on the basis of net debt/EBITDA was 3.4.

The aims of the capital management and further information can be found in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

The Fresenius Group is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

The following table shows the company rating of Fresenius SE & Co. KGaA:

	June 30, 2020	Dec. 31, 2019
Standard & Poor's		
Corporate Credit Rating	<b>BBB</b>	BBB
Outlook	<b>stable</b>	stable
Moody's		
Corporate Credit Rating	<b>Baa3</b>	Baa3
Outlook	<b>stable</b>	stable
Fitch		
Corporate Credit Rating	<b>BBB-</b>	BBB-
Outlook	<b>stable</b>	stable

## 20. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

### GENERAL

The consolidated segment reporting shown on pages 30 to 31 of this interim report is an integral part of the notes.

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed, which corresponds to the internal organizational and reporting structures (Management Approach) at June 30, 2020.

The business segments were identified in accordance with IFRS 8, Operating Segments, which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions. Further explanations with regard to the business segments can be found in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

### NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

RECONCILIATION OF KEY FIGURES TO  
CONSOLIDATED EARNINGS

€ in millions	H1/2020	H1/2019
Total EBIT of reporting segments	2,265	2,265
Special items	0	-15
General corporate expenses Corporate/Other (EBIT)	-17	-17
<b>Group EBIT</b>	<b>2,248</b>	<b>2,233</b>
Net interest	-349	-363
<b>Income before income taxes</b>	<b>1,899</b>	<b>1,870</b>

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION

€ in millions	June 30, 2020	Dec. 31, 2019
Short-term debt	1,438	2,475
Short-term debt from related parties	7	3
Current portion of long-term debt	792	892
Current portion of long-term lease liabilities	799	793
Current portion of Bonds	2,542	945
Current portion of convertible bonds	0	400
Long-term debt, less current portion	5,053	6,117
Long-term lease liabilities, less current portion	5,717	5,646
Bonds, less current portion	10,667	9,522
Convertible bonds, less current portion	469	465
Long-term lease liabilities to and loans from related parties		
<b>Debt</b>	<b>27,487</b>	<b>27,258</b>
less cash and cash equivalents	3,073	1,654
<b>Net debt</b>	<b>24,414</b>	<b>25,604</b>

## 21. SHARE-BASED COMPENSATION PLANS

SHARE-BASED COMPENSATION PLANS OF  
FRESENIUS SE & CO. KGAA

As of June 30, 2020, Fresenius SE & Co. KGaA had two share-based compensation plans in place: the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks and the Long Term Incentive Plan 2018 (LTIP 2018) which is solely based on performance shares. Currently, solely LTIP 2018 can be used to grant performance shares.

## Transactions during the first half of 2020

During the first half of 2020, Fresenius SE & Co. KGaA received cash of €2 million from the exercise of 73,805 stock options.

Out of 8,050,475 outstanding stock options issued under the 2013 LTIP 4,047,041 were exercisable at June 30, 2020. The members of the Fresenius Management SE Management Board held 1,434,375 stock options. 372,680 phantom stocks issued under the 2013 LTIP were outstanding at June 30, 2020. The members of the Fresenius Management SE Management Board held 64,011 phantom stocks. At June 30, 2020, the Management Board members of Fresenius Management SE held 331,849 performance shares and employees of Fresenius SE & Co. KGaA held 966,785 performance shares under the LTIP 2018.

On June 30, 2020, total unrecognized compensation cost related to non-vested options granted under the 2013 LTIP was €8 million. This cost is expected to be recognized over a weighted-average period of 1 year.

SHARE-BASED COMPENSATION PLANS OF  
FRESENIUS MEDICAL CARE AG & CO. KGAA

During the first half of 2020, 171,114 stock options were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €9.2 million upon exercise of these stock options.

## 22. SUBSEQUENT EVENTS

July was marked by a regionally different development of the COVID-19 pandemic. The overall development of the global situation remains uncertain.

Furthermore, there have been no other significant changes in the Fresenius Group's operating environment following the end of the first half of 2020. No other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the first half of 2020.

## 23. CORPORATE GOVERNANCE

For each consolidated stock exchange listed entity, the declaration pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) has been issued and made available to shareholders on the website of Fresenius SE & Co. KGaA ([www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)), and of Fresenius Medical Care AG & Co. KGaA ([www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com)).

## 24. RESPONSIBILITY STATEMENT

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and

profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year."

Bad Homburg v. d. H., July 31, 2020

Fresenius SE & Co. KGaA,  
represented by:  
Fresenius Management SE, its General Partner

The Management Board



S. Sturm



Dr. F. De Meo



R. Empey



M. Henriksson



R. Powell



Dr. E. Wastler

# FINANCIAL CALENDAR

Virtuell Annual General Meeting, Bad Homburg v. d. H.	
Live webcast of the speech of the Chairman of the Management Board	August 28, 2020
Payment of dividend <sup>1</sup>	September 2, 2020
Report on 1 <sup>st</sup> –3 <sup>rd</sup> quarter 2020	
Conference call, Live webcast	October 29, 2020

Subject to change

<sup>1</sup> Subject to prior approval by the Annual General Meeting

# FRESENIUS SHARE / ADR

	Ordinary share		ADR
Securities identification no.	578 560	CUSIP	35804M105
Ticker symbol	FRE	Ticker symbol	FSNUY
ISIN	DE0005785604	ISIN	US35804M1053
Bloomberg symbol	FRE GR	Structure	Sponsored Level 1 ADR
Reuters symbol	FREG.de	Ratio	4 ADR = 1 share
Main trading location	Frankfurt/Xetra	Trading platform	OTCQX

# CONTACT

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Commercial Register: Bad Homburg v. d. H.; HRB 11852  
Chairman of the Supervisory Board: Dr. Gerd Krick

General Partner: Fresenius Management SE  
Registered Office and Commercial Register: Bad Homburg v. d. H.; HRB 11673  
Management Board: Stephan Sturm (President and CEO), Dr. Francesco De Meo, Rachel Empey, Mats Henriksson, Rice Powell, Dr. Ernst Wastler  
Chairman of the Supervisory Board: Dr. Gerd Krick

For additional information on the performance indicators used please refer to our website <https://www.fresenius.com/alternative-performance-measures>.

**Forward-looking statements:**

This Half-Year Financial Report contains forward-looking statements. These statements represent assessments which we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based on not occur, or if risks should arise – as mentioned in the consolidated financial statements and the management report as of December 31, 2019 applying Section 315e HBG in accordance with IFRS and the SEC filings of Fresenius Medical Care AG & Co. KGaA – the actual results could differ materially from the results currently expected.

