

Figure 1: Stock graph shows the stock's trend



Figure 2: Candle bar shows more positive changes

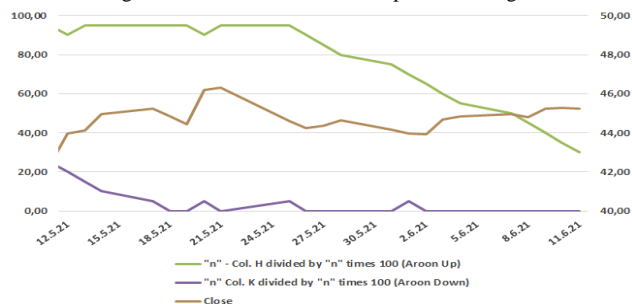


Figure 3: Aroon Up exceeds Aroon Down

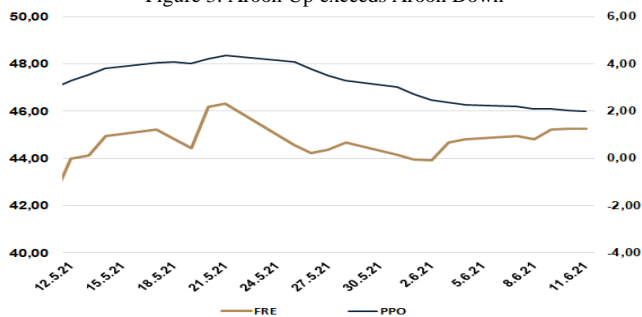


Figure 4: PPO hovers around the zero-line

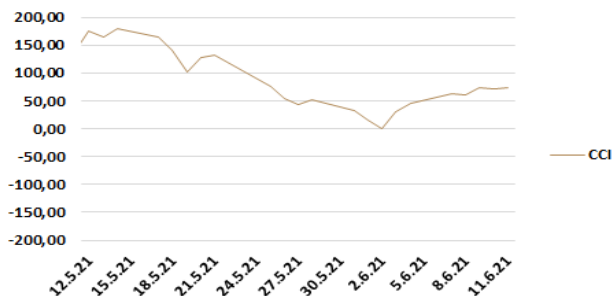


Figure 5: CCI moving towards the +100 barrier

Firm's Brief Description

Fresenius SE & Co KGaA is a Germany-based healthcare group. It operates through four business segments. Fresenius Medical Care runs a global network of dialysis clinics, providing treatment for patients with chronic kidney failure. It also offers dialyzers, dialysis machines and renal pharmaceuticals. Fresenius Kabi specializes in intravenously administered generic drugs (IV drugs), clinical nutrition and infusion therapies. It also supplies hospitals with medical devices and products of transfusion technology. Fresenius Helios is a private hospital operator, with over 130 facilities in Germany, including maximum care hospitals and rehabilitation centers and, through Quironsalud, over 80 hospitals and outpatient centers, as well as approximately 300 Occupational Risk Prevention Centers in Spain. Fresenius Vamed manages projects and provides services for health care facilities worldwide, from development and turnkey construction to maintenance and total operational management.

Fundamental Approach

- Fresenius SE & Co KGaA has a ROCE of 8.2% much better than the Healthcare industry average of 6.2%.
- Fresenius SE & Co KGaA sales on Q1 reached 9.0B EUR, an increase of 3% YoY.
- The cost-efficiency program is expected to result in cost savings of at least €100 million p.a. after tax and minority interest in 2023 with some further potential to increase thereafter.

Technical Analysis

During the examined period (12/05 – 11/06) Fresenius stock rose by almost 3.00%. According to Figure 1, on June 4th the stock price crossed above the 10-day MA providing a potential buy signal. As we look at the graph it is a matter of time the 10-day MA surpasses the 20-day MA and further supports the buy signal. In Figure 2, the candle bar illustrates the exceeding positive closing prices for the last month. Additionally, Aroon Up was above Aroon Down for the whole month demonstrating a bullish trend. Also, the PPO was fluctuating above the zero line during the examined period, further supporting the bullish momentum. Lastly, CCI hovered on the positive side with a direction to transcend the +100 barrier pointing out a buy signal as well, as the fifth graphs depicts.

Prediction

Considering the recent uptrend of the stock combined with the efficiency initiatives to safeguard the medium-term targets and enhance profitability, we recommend a long position. This position is further supported through the technical analysis that is provided in the above paragraph, as the figures cited in this report show a bullish path of the FRE stock.

DISCLAIMER

THE FINANCE CLUB OF UNIVERSITY OF MACEDONIA, THESSALONIKI, GREECE

The Finance Club of University of Macedonia - www.financeclub.gr is an independent non-profitable student organization founded by students of the University of Macedonia, Greece (UoM - www.uom.gr) that aims to build strong relations between the market and the University. Though based in the University of Macedonia, it also operates via associates in Aristotle University of Thessaloniki, Greece and other institutions. The Club's goal is to give its members the chance to view the market in a more practical approach rather than solely relying on the abstract knowledge offered by the university. In order to achieve this goal, the Club organizes various events like conferences, workshops and seminars. Moreover, its members are able to cooperate with companies by taking up real case projects to work on along with the managers of the associated companies. In addition, the Club is trying to build and expand its network among students, market professionals and professors therefore giving its members a very broad pool of potential partners and employers.

This report has been compiled by the authors mentioned above and published by them via the Finance Club UoM site and many other platforms. The club confirms that the authors are active members at the time this article is published but emphasizes the fact that opinions and views given by the authors in this article are their own views. Finance Club UoM takes no responsibility for the completeness or correctness of information provided. No investment advice is given with the text above and the reader should not take any financial position based on the information published in this article. The Club recommends extensive research by the reader before investing in any financial asset. General this report may be based on the information extracted from various sources including but not limited to various companies' and statistical agencies' websites, online portals, third-party research, annual reports etc. No representation or warranty of any kind is or may be made with respect to the accuracy or completeness of, and no representation or warranty should be inferred from, any projections or futuristic statement contained herein or any underlying assumptions. This article may include descriptions, statements, estimates and projections/futuristic statements with respect to current and anticipated performance of the underlying. Such statements, estimates and projections reflect various assumptions and best estimates made by the participants concerning anticipated results, whose assumptions and estimates may or may not prove to be accurate or correct. There are no assurances whatsoever that any statements, estimates or projections contained in this article, including without limitation any financial or business projections, accurately present in all material respects the underlying's financial and/or business position as of the respective dates specified and the results of its operations for any respective periods indicated. No copyright or trademark infringement is intended in any form.

© Copyright 2020. Finance Club UoM