

Capital Markets Day, 8 June 2018

Helios.health

Cost Synergies by Integration

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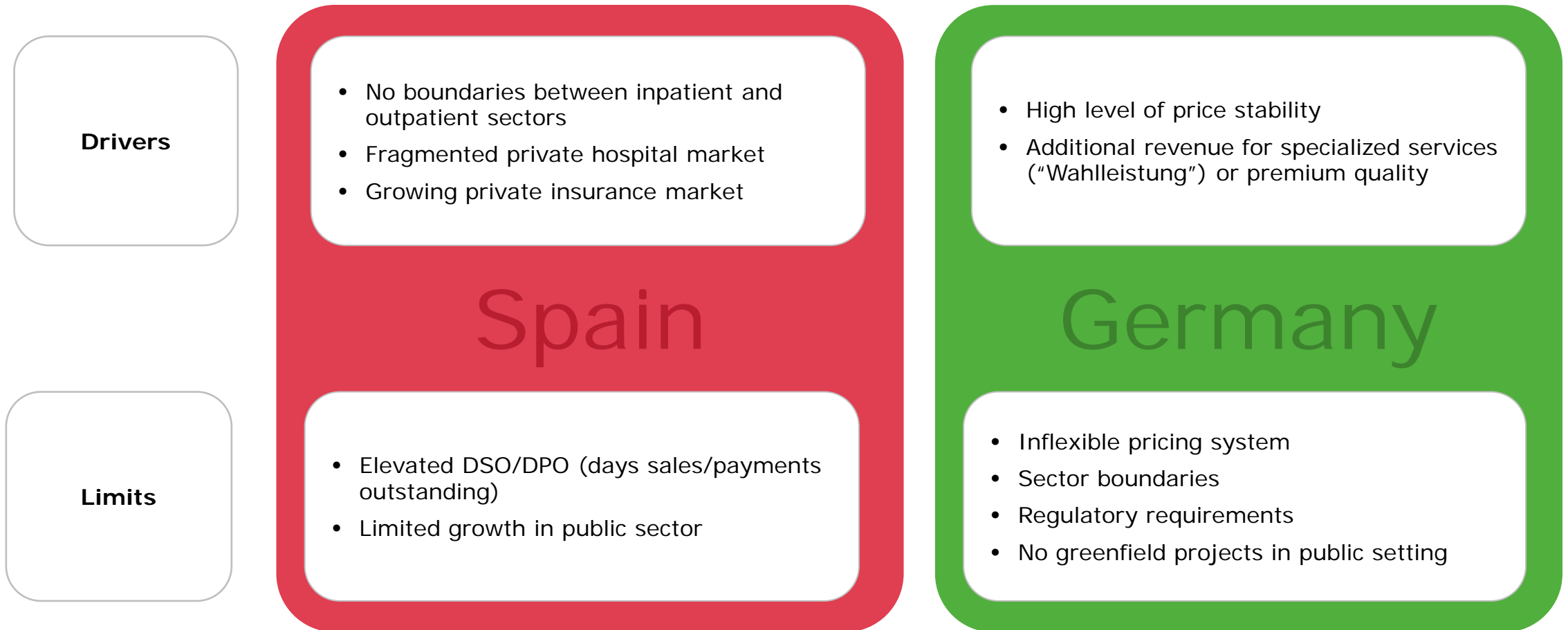
The Best of Both Worlds



Key Take-Aways

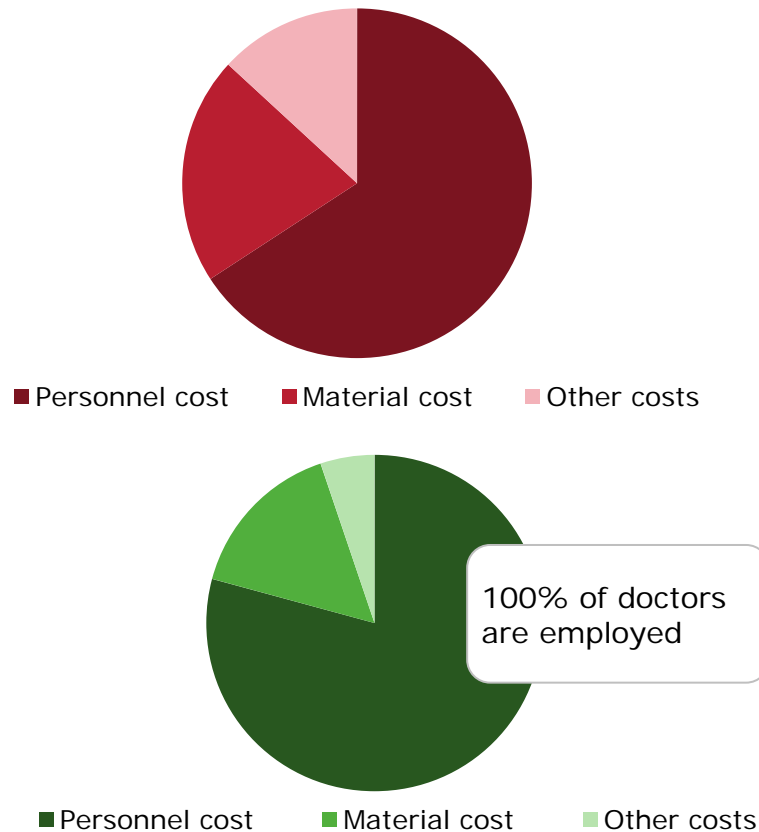
- Two national champions successfully serve local health care needs
- Standard of care adapted to individual market conditions
- Size matters: Bundling of quantity & internationalization create new opportunities
- Efficiency supports quality – however, there are limits to standardization

National Markets - Drivers and Limits



Analysis of Cost Drivers to Identify Synergies

Cost ratios are different but cost drivers are similar



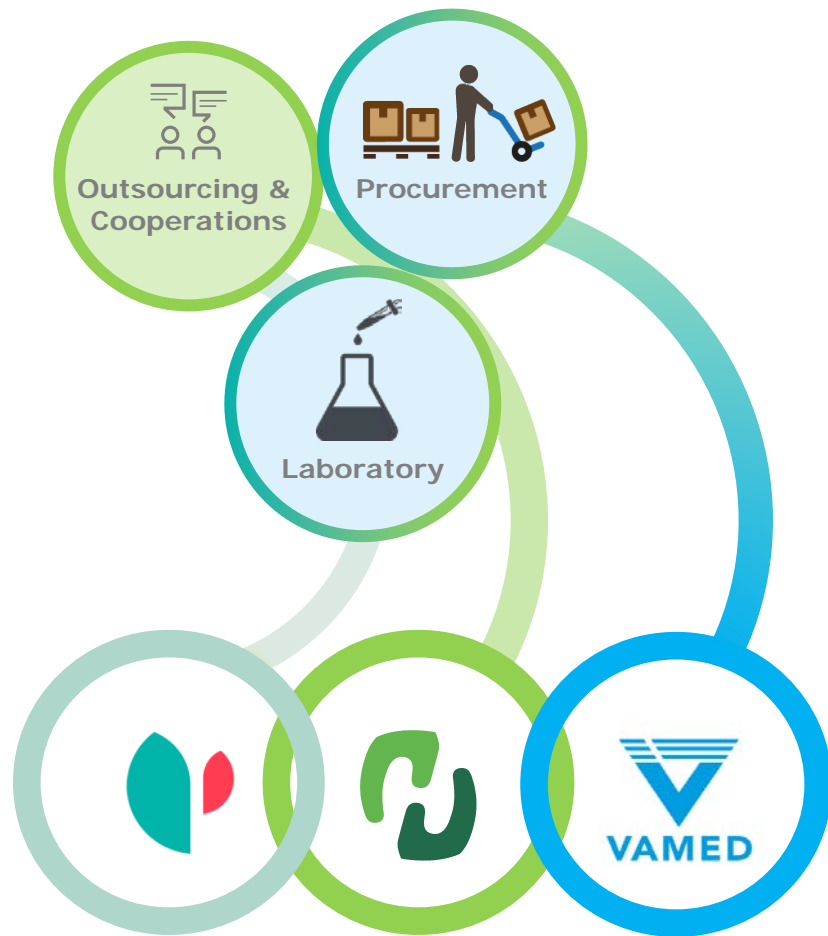
Spain

Besides improvement of process efficiency, cost savings are mainly identified in the area of variable costs, such as

- Procurement
- Laboratory services
- Medical technology
- Additional services (e.g. sterilization, shared service centers)

Germany

Efficiency Supports Quality



From single projects to common strategy

First things first

- Each unit defines its own goals
→ quality and price

Synergies potential yes/no?

- Are there synergies based on individual goals and how can they be achieved?

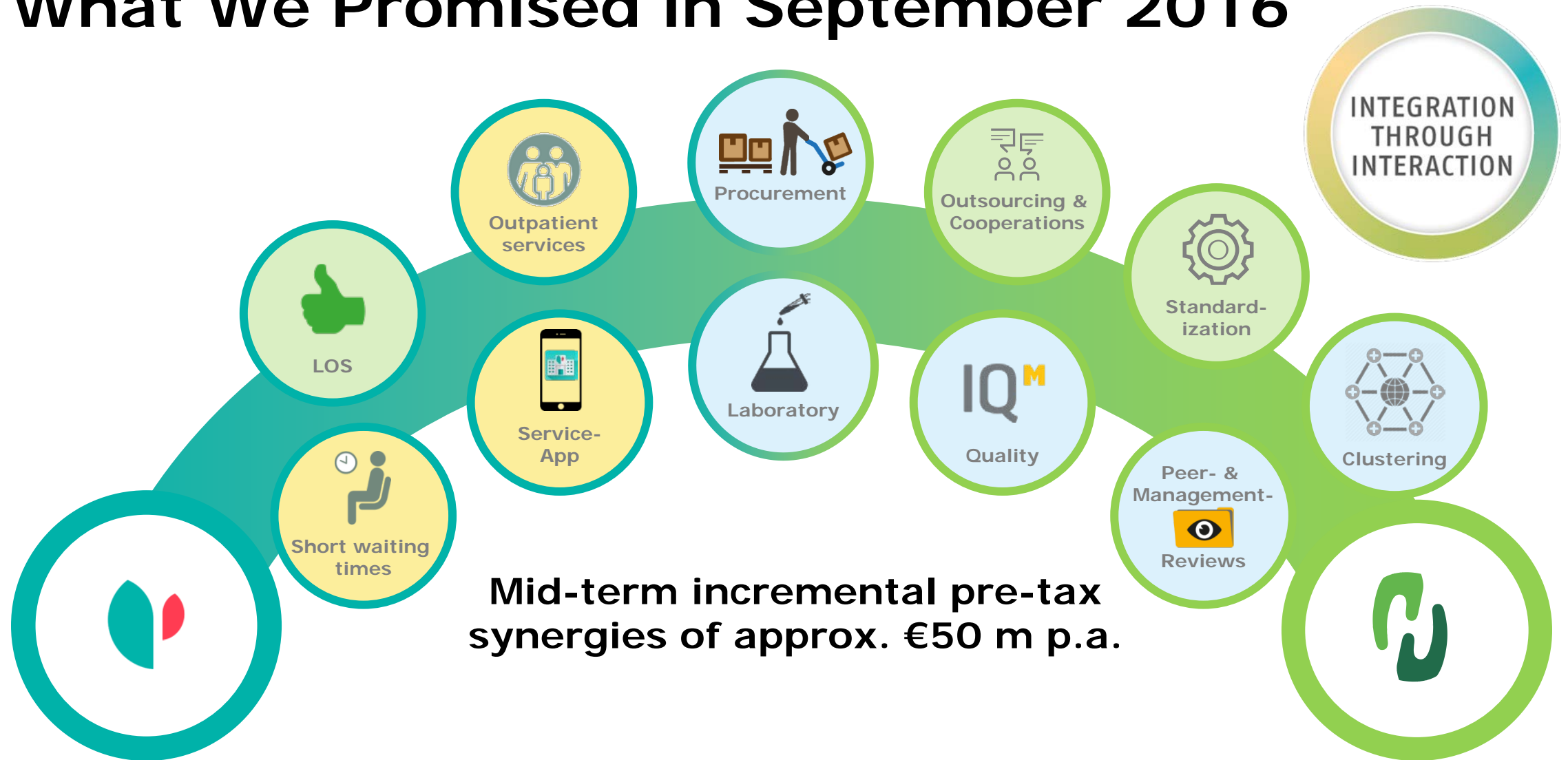
Together we are stronger

- Combine negotiation power
- Common negotiations of volumes and price

Use country specifics – respect cultural differences

- Different approaches to achieve goals
- Individual implementation of results

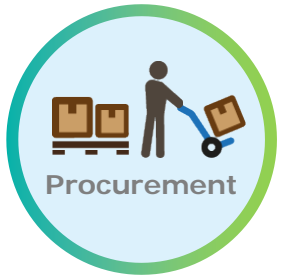
What We Promised in September 2016



Cost Synergies Contribute Significantly



Mid-term Cost Synergies



Procurement: ~€10 million p.a.

- “one face to the market” concept
- Best price for selected products
- European pricing – increase volumes
- Harmonization of contracts
- Foster long-term supplier relationships



Laboratory: ~€10 million p.a.

- Best price + best quality
- Potential additional future synergies with “one face” -concept
- Further insourcing and restructuring in Germany



Outsourcing & Cooperations: ~€10 million p.a., incl.

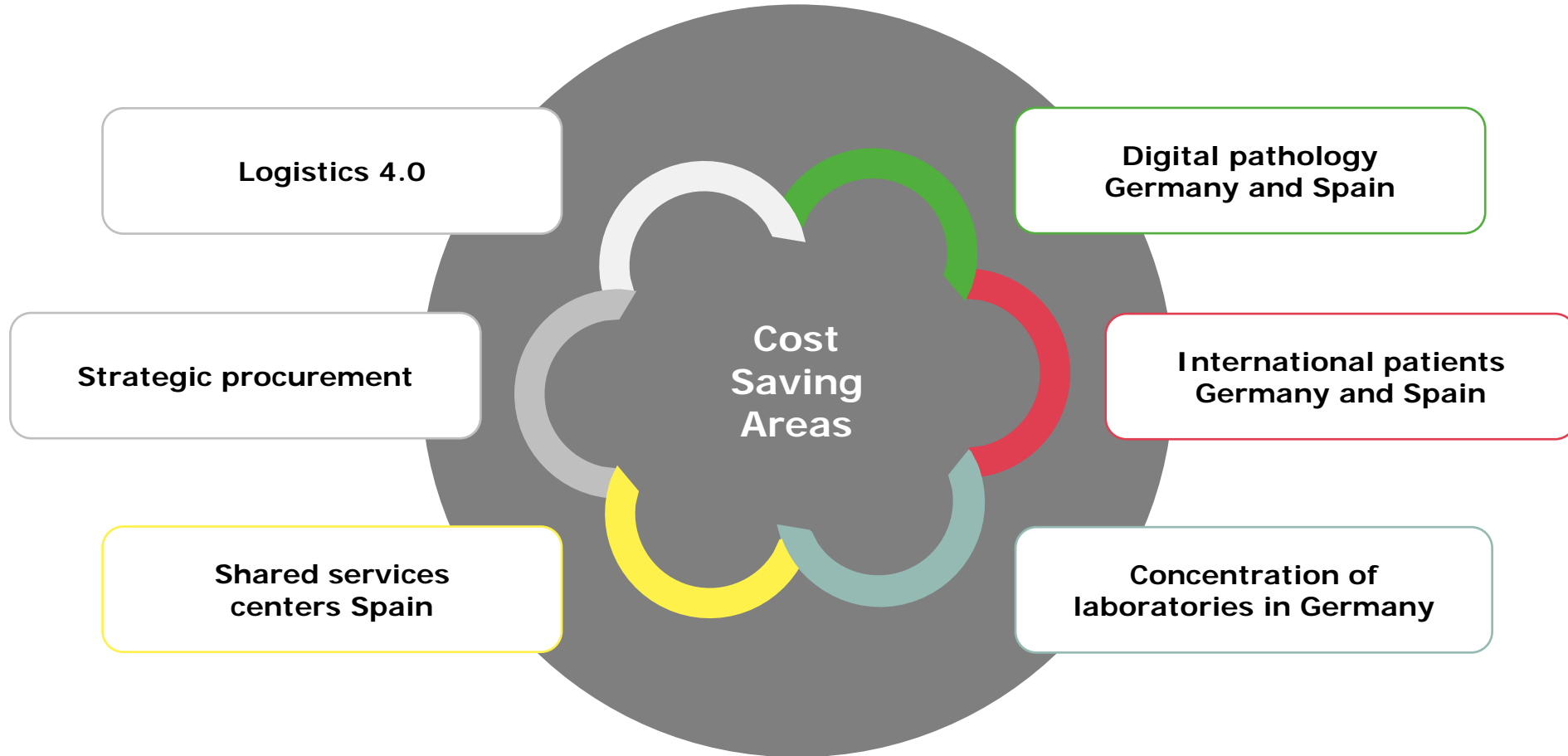
• Medical Engineering

- “Takeover” of maintenance of medical devices (MD) in Spain by Vamed
- Started with high complex MD and expand to low/mid complex to all regions

• Medical & Technical Engineering

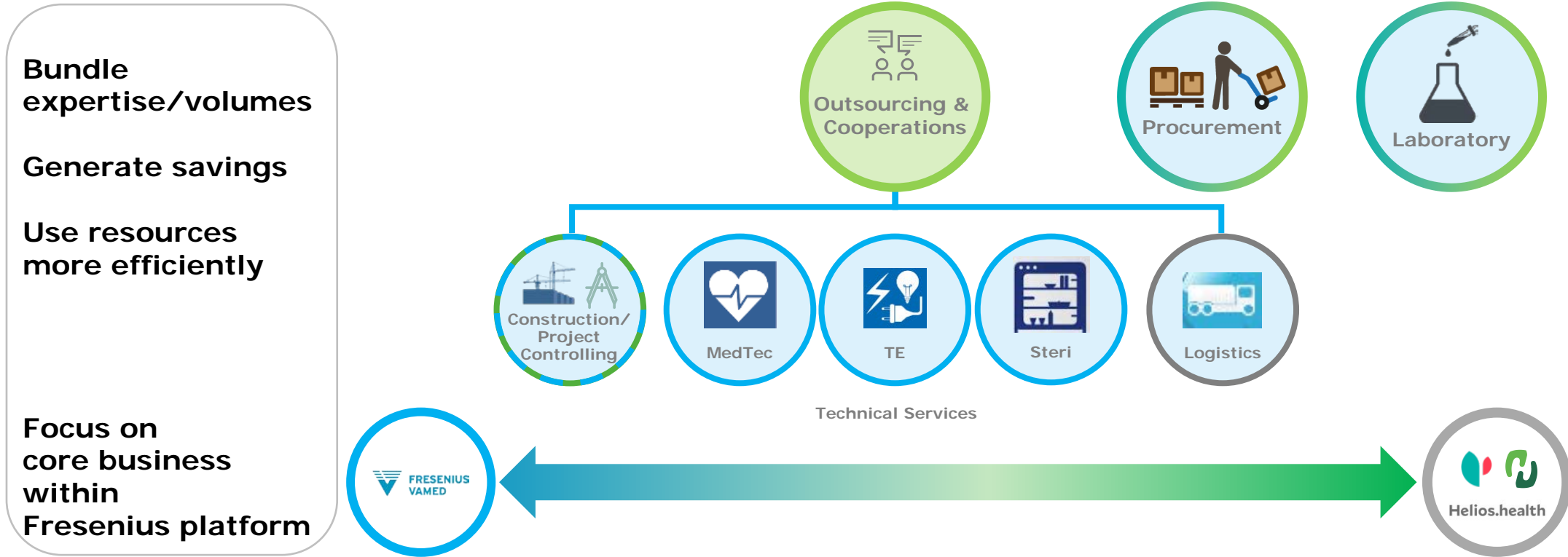
- Merging with technical service of Helios Germany
- Sterilization
- Cooperation with Vamed

Further Cost Synergies 2020 and Beyond



~€10 million p.a. already identified

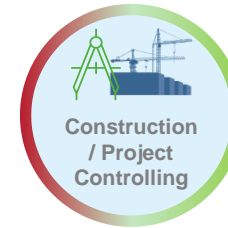
Portfolio Synergies from Fresenius Platform



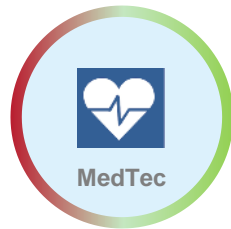
Best Practice – Next Steps



- Reorganization of Germany's laboratory landscape
- Centralization in hubs and collectors
- Integration of medical centers
- Possible expansion to outpatient market – JV



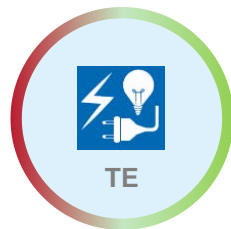
- Merging of construction and project management of Vamed and Helios Germany
- Concentration of know-how



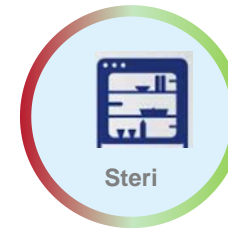
- Cooperation with Vamed Medical Engineering
- "Everything from one source"
- Allocation of budgets via pricing model



- Centralization of Helios Germany logistic hubs
- Reduction of warehouses and capacities
- Digitalization and rationalization



- Merging with technical service of Helios
- Cooperation with Vamed
- Benefit: "everything from one source"
- Allocation of budgets via pricing model



- Development of a new business model in collaboration with Vamed and a third party

Thank you