

Press Release

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Fresenius Helios Capital Markets Day: Cross-border knowledge exchange creates basis for further growth

More than a year after closing its acquisition of the Spanish hospital operator Quirónsalud, Fresenius Helios foresees strong prospects for further international growth. At a Capital Markets Day in Berlin today, Fresenius provided investors and analysts with an overview of the progress made in the cooperation between Helios Germany and Quirónsalud, which is opening up new growth opportunities in many areas.

Fresenius Helios confirmed the medium-term target for synergies of €50 million annually. Cooperating in laboratory services and joint purchasing has already achieved cost savings in the current business year that should increase to €30 million per year in the medium term. Annual sales synergies of about €20 million are expected from knowledge transfers in medicine, new models for patient care, and digitalization, among other measures.

Quirónsalud has already begun to implement the system developed by Helios Germany for measuring and assessing data on medical quality. To increase transparency and spur individual hospitals to compete on quality, Helios Germany publishes treatment data on the most important and common medical indications for each hospital in direct comparison with national averages compiled by Germany's Federal Statistical Office. Quirónsalud has already adapted most of these quality indicators. It has also launched peer reviews, collegial exchanges in which the responsible physicians from the individual hospitals advise and consult

with each other on questions concerning treatment quality. These exchanges have already led to significant quality improvements at Helios Germany.

The knowledge transfer also extends to digitalization: Quirónsalud's advanced know-how in patient-oriented uses includes the development of apps, while Helios Germany is particularly strong in IT processes.

Stephan Sturm, CEO of Fresenius, said: "Helios Germany and Quirónsalud are bundling their respective strengths across national borders, exchanging experience and knowledge. This benefits our patients, in Spain as well as in Germany. And it is creating, step by step, the economic prerequisites for the further internationalization of our hospital business. The driving force behind our business success is, and will remain, our clear focus on the well-being of patients. So wherever and whenever we can do more for our patients through closer cooperation between our business segments, we will seize that opportunity."

Fresenius Helios will also profit from combining the experience gained from the very different health care systems of Spain and Germany. The Spanish system, for its part, allows a great deal of flexibility in care provision models. In Madrid, for example, Quirónsalud has been given responsibility for providing health care to publicly funded patients in designated parts of the city in return for a set reimbursement rate. For patients, however, treatment quality remains the decisive criterion, and assigned patients are still free to choose another hospital. If they do, the cost must be assumed by the hospital that was originally assigned to their care. This increased competition stimulates continuous improvement in areas that are of crucial importance to patients – such as medical quality, service and shorter waiting times. All of these are core competencies of Quirónsalud.

Another area where Fresenius Helios can now draw on its experience from two different health care systems is in classifications of inpatient and outpatient care. The two are strictly separated in Germany, but less so in Spain: Many treatments and after-care procedures that Germans undergo as inpatients are provided to their Spanish counterparts on an outpatient basis – often resulting in significantly shorter hospital stays.

Dr. Francesco de Meo, who is responsible for Fresenius Helios on the Fresenius Management Board, said: "Helios Germany and Quirónsalud are leaders in their home markets, each of which has different reimbursement and care models and health insurance systems. In response, each company has developed its own

strengths, which excellently complement each other and can be used to their mutual advantage. We expect this will contribute to higher medical quality and more efficiency, and bring us closer to patients. Thus, together we are building a common base of knowledge and experience that will help us to enter new markets.”

Cooperation with Fresenius Vamed is also being intensified – for example, in procurement, where Fresenius Helios and Fresenius Vamed are now jointly purchasing certain products. In addition, Fresenius Vamed has started providing Quirónsalud hospitals in Spain with technical services and medical technology, as it was already doing for Helios Germany. In Germany, meanwhile, Fresenius Helios and Fresenius Vamed will combine their know-how in hospital construction in order to bundle their competencies in construction and project management.

Earlier this week, the two companies agreed that Fresenius Helios’ inpatient rehabilitation business in Germany will be transferred to Fresenius Vamed on July 1, 2018. This will put Fresenius Helios on a stronger growth footing, with an even clearer focus on the acute-care hospital business and its further internationalization.

Webcast of the event:

Fresenius Helios Capital Markets Day will be available as a webcast on the Internet under: www.fresenius.com/investors-new-developments

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Fresenius is a global health care group, providing products and services for dialysis, hospital and outpatient medical care. In 2017, Group sales were €33.9 billion. On March 31, 2018, the Fresenius Group had 275,674 employees worldwide.

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