

Berenberg European Conference USA



Tarrytown, 21 May 2019

Safe Harbor Statement

This presentation contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of clinical trials, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. Fresenius does not undertake any responsibility to update the forward-looking statements contained in this presentation.

A Global Leader In HealthCare Products And Services



~€33.5 bn in Sales
(as of Dec. 31, 2018)

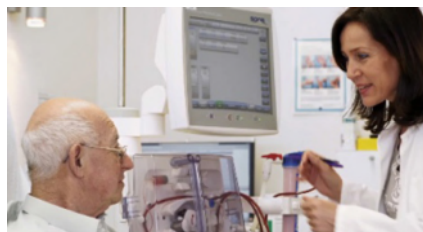
**Strong portfolio
of products** (30% of sales)
and services (70% of sales)

**Total Shareholder Return:
10-year CAGR: ~15%**

**Global presence in
100+ countries**

**283,000+ employees
worldwide**
(as of March 31, 2019)

Strong and Balanced Health Care Portfolio



Ownership: ~31%

Dialysis Products Health Care Services

- Dialysis services
- Hemodialysis products
- Peritoneal dialysis products
- Care coordination

Sales 2018: €16.5 bn



Ownership: 100%

Hospital Supplies

- IV drugs
- Biosimilars
- Clinical nutrition
- Infusion therapy
- Medical devices/
Transfusion technology

Sales 2018: €6.5 bn



Ownership: 100%

Hospital Operation

- Acute care
- Outpatient services

Sales 2018: €9.0 bn¹



Ownership: 77%

Projects and Services for Hospitals

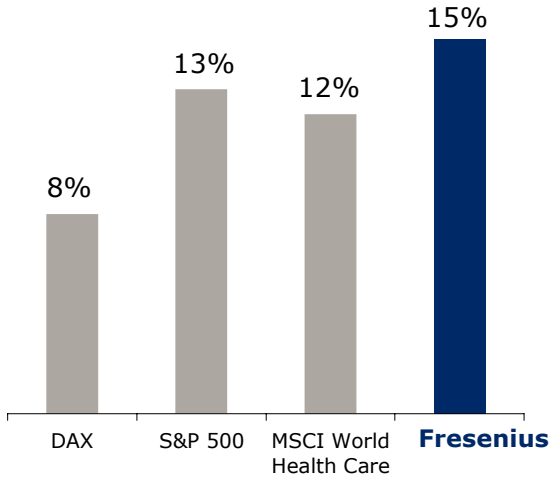
- Post-acute care
- Project development & Planning
- Turnkey construction
- Maintenance & Technical and total operational management

Sales 2018: €1.7 bn¹

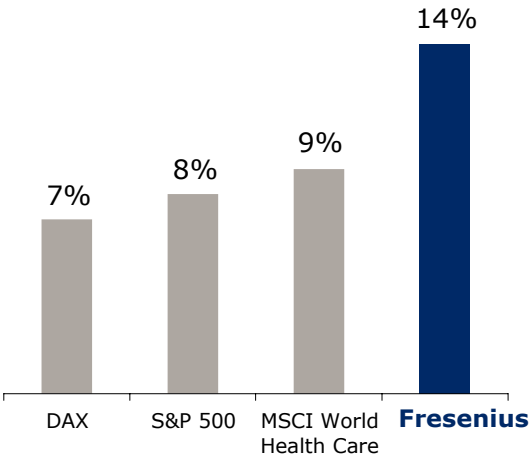
¹ Reflects the transfer of German post-acute care business from Fresenius Helios to Fresenius Vamed as of July 1, 2018

Total Shareholder Return – CAGR, Rounded

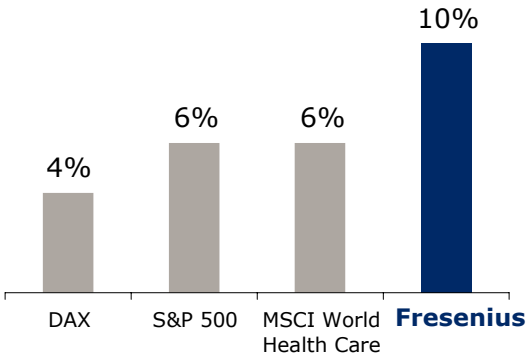
10 years



15 years



20 years



Source: Bloomberg; dividends reinvested, as of Dec 31, 2018

Fresenius Medical Care: Global Dialysis Market Leader

- The world's leading provider of dialysis products and services treating more than 335,000 patients¹ in ~3,950 clinics¹
- Provide highest standard of product quality and patient care

 Dialysis products

 Dialysis services

 Complete therapy offerings

-
- Expansion in Care Coordination and global dialysis service opportunities; enter new geographies

Market Dynamics

Global Dialysis Market 2018:

- ~€71 bn
- ~6% patient growth p.a.

Growth Drivers:

- Aging population, increasing incidence of diabetes and high blood pressure, treatment quality improvements



¹ As of March 31, 2019

Fresenius Kabi: A Leading Global Hospital Supplier

- Comprehensive product portfolio for critically and chronically ill patients
- Strong Emerging Markets presence
- Leading market positions in four product segments



Generic IV Drugs



Clinical Nutrition



Infusion Therapy



Medical Devices /
Transfusion Technology



Biosimilars

- Focus on organic growth through geographic product rollouts and new product launches
- Development of biosimilars with a focus on oncology and autoimmune diseases

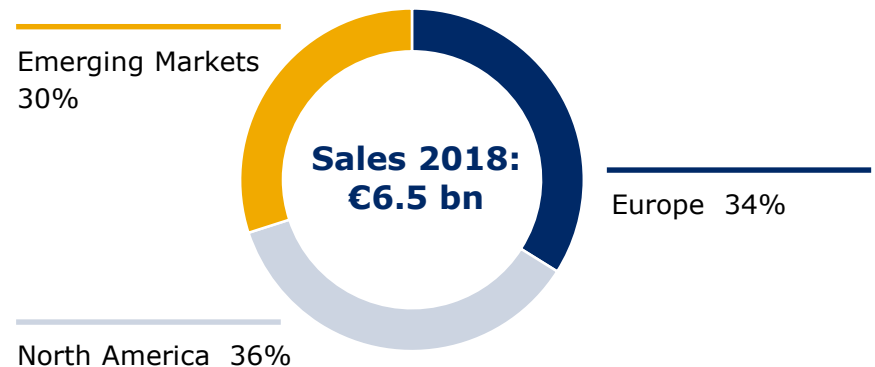
Market Dynamics

Global Addressable Market 2018:

- ~€81 bn

Growth Drivers:

- Patent expirations, rising demand for health care services, higher health care spending in Emerging Markets



Fresenius Helios: Europe's Largest Private Hospital Operator

Helios Germany

- ~5%¹ share in German acute care hospital market
- Organic growth based on growing number of admissions and reimbursement rate increases
- Ranks as quality leader in the German hospital sector: defined quality targets, publication of medical treatment results, peer review processes
- Key medical indicators, e.g. mortality rate for heart failure, pneumonia below German average



Acute Care



Outpatient

Market Dynamics

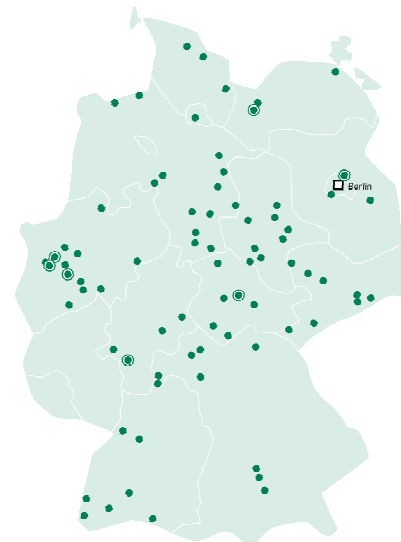
German Acute Care Hospital Market:

- ~€102 bn²

Growth Drivers:

- Aging population leading to increasing hospital admissions

Largest network & nationwide presence



86 hospitals
~29,000 beds
~1.2 million inpatient admissions p.a.
~4.1 million outpatient admissions p.a.

As of March 31, 2019

¹ Based on sales

² German Federal Statistical Office 2018; total costs, gross of the German hospitals less academic research and teaching

Fresenius Helios: Europe's Largest Private Hospital Operator

Helios Spain

- ~€3.0 bn sales in 2018
- ~12%¹ share in Spanish private hospital market
- Market leader in size and quality with excellent growth prospects
- Broad revenue base with privately insured patients, PPPs, self-pay and Occupational Risk Prevention (ORP)
- Strong management team with proven track record
- Cross-selling opportunities



Acute Care



Outpatient



Occupational Risk Prevention

¹ Based on sales

² Market data based on company research. Market definition does neither include Public Private Partnerships (PPP) nor Occupational Risk Prevention centers (ORP)

Market Dynamics

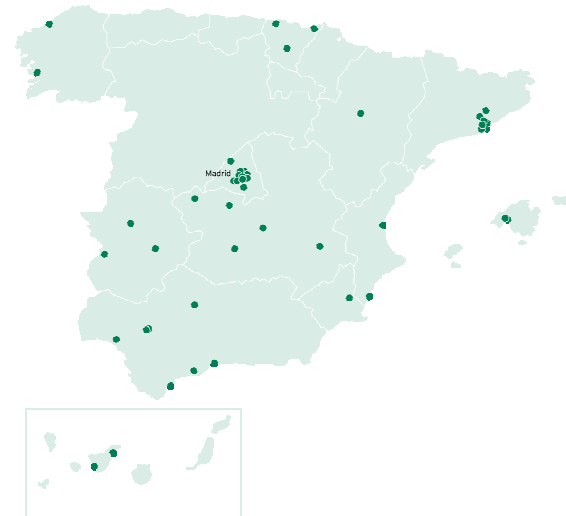
Spanish Private Hospital Market:

- ~€14 bn²

Growth Drivers:

- Aging population, increasing number of privately insured patients, greenfield projects, market consolidation

Quirónsalud hospitals in every major metropolitan region of Spain



47 hospitals
~7,000 beds
~12.9 m outpatient admissions p.a.
~0.4 m inpatient admissions p.a.

As of March 31, 2019

Fresenius Vamed: Leading Global Hospital Projects and Services Specialist

- Manages hospital construction/expansion projects and provides services for health care facilities worldwide
- Offers project development, planning, turnkey construction, maintenance as well as technical management, and total operational management
- Strong track record: More than 900 projects in over 90 countries completed
- Leading European post-acute care provider operating in five European countries



Projects



Services



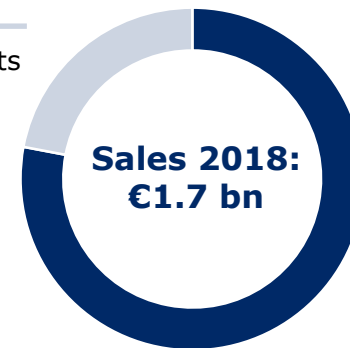
Post-acute care

Market Dynamics

Growth Drivers:

- Emerging Market demand for building and developing hospital infrastructure
- Outsourcing of non-medical services from public to private operators

Emerging Markets
22%



Europe 78%

Fresenius Group: Capital deployment centers on sustainable long-term value creation



Re-investments in own business

Fuel organic growth with low-risk high-return investments



Strategic acquisitions

Short-term focus on small bolt-on acquisitions; long-term rigorous pursuit of inorganic growth trajectory



Dividends

26 years of consecutive dividend increases; CAGR of ~16%



Share buy backs

Currently more attractive growth opportunities in operating investments

Fresenius Group: Healthy Growth Targets 2020 - 2023



 **Growing Markets with High Entry Barriers**

 **Attractive markets**

 **Marketing of existing value chain**

 **Attractive Product Pipeline**

 **Market consolidation**

 **Strengthening and extension of value chain**

 **Entry into attractive biosimilars business**

 **Synergies**

 **Development of post-acute care business**

 **Strong Emerging Markets Presence**

 **Greenfield investments in Spain**

 **Expansion of geographic presence**

 **Further Internationalization**

Fresenius Group: Healthy Growth Targets 2020 – 2023 (CAGRs)



Organic sales growth

4 – 7% (plus ~1% small to mid-size acquisitions)

Organic net income¹ growth

5 – 9% (plus ~1% small to mid-size acquisitions)

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

Before special items

Financial Review Q1/19



Q1/19 Highlights

- **Solid start to the year; growth investments on track**
- **Fresenius Kabi with continued good growth in Q1/19**
- **Helios Germany stabilized; Helios Spain with continued dynamic growth**
- **Fresenius Medical Care with strong financial performance supported by agreements that materialized earlier than planned**
- **Fresenius Medical Care closes NxStage transaction**
- **Group guidance confirmed despite expected earnings dilution from NxStage**

Fresenius Kabi: Off to a good start to the year

IV Generics in North America

- Tough prior-year comp
- More competition for selected molecules
- 36 Kabi-marketed IV drugs currently designated in shortage vs. 37 at Q4/18
- 4 new product launches YTD; on track to meet expectation of ~15 launches
- Stable prices in our base product portfolio

Biosimilars

- Earlier than expected EU launch of Idacio[®] (Adalimumab) imminent
- Preparations for launch in individual EU countries well underway
- Small sales contribution from Idacio[®] expected in 2019



Clinical Nutrition

- Excellent growth of parenteral nutrition especially in China
- Enteral Nutrition growth mainly driven by Latin America and Europe

Transfusion/Cell Technology business

- Good progress of carve out
- Evaluation of all potential options

Fresenius Helios: Update

Helios Germany

Attractive employer for nurses

- Ca. 600 additional nurses hired in Q1/19
- Benign impact on P&L in 2019: all incremental nurses (net) placed in 2019 will be fully reimbursed

Collective labor agreements in line with expectations

- 2019 – 2020: Agreed salary increase of +2.5% p.a. with doctors' union Marburger Bund
- Agreed salary increase with labor union (nurses) ver.di of 3% for 2019, 2.5% starting 1 Jan 2020 and from 1 Nov 2020 by a further 1%

New business models

- Prevention 2.0
- Roll-out of occupational risk prevention

Helios Spain

Acquisition of two ORP companies

- New service offerings
- Complementary to existing ORP network

Clínica Medellín, Colombia

- Closing of transaction on April 25
- Annual sales of ~€50 million



Fresenius Group: Q1/19 Key Financials

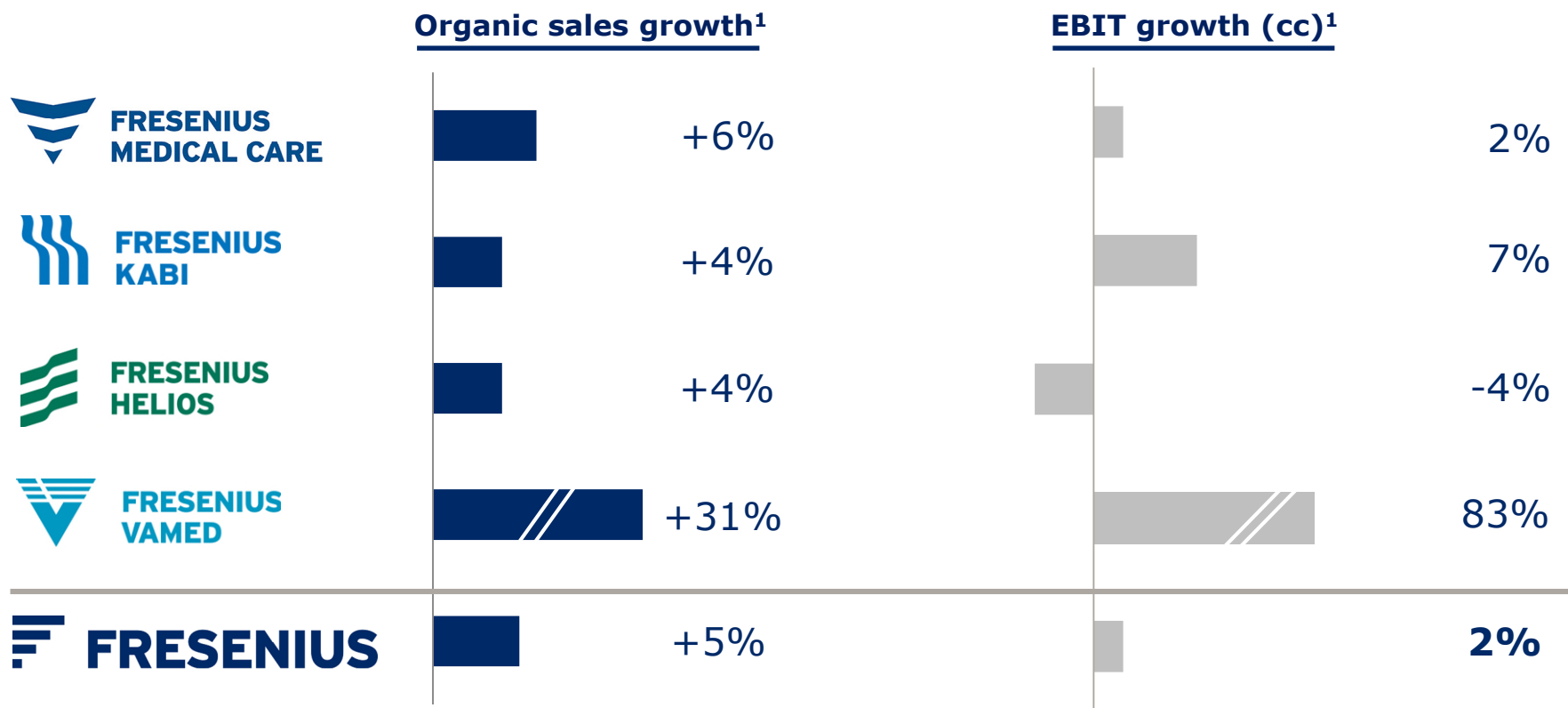
€m	Q1/19 ¹	IFRS 16 effect	special items	Q1/19 reported	Δ YoY cc ²
Sales	8,517	-22	-	8,495	5%
EBIT	1,111	19	-15	1,115	2%
Net interest	-133	-48	-3	-184	6%
Income taxes	-229	8	4	-217	16%
Net income³	465	-8	-4	453	0%
Balance sheet total	59,316	5,669	-	64,985	
Operating Cashflow	118	171	-	289	

¹ Before special items, adjusted for IFRS 16 effect

² On a comparable basis: Q1/18 adjusted for divestitures of Care Coordination activities at FMC

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA

Fresenius Group: Q1/19 Business Segment Growth



¹ On a comparable basis: Q1/18 adjusted for divestitures of Care Coordination activities at FMC; Q1/19 adjusted for IFRS 16 effect.

All figures before special items

Fresenius Kabi: Q1/19 Regional Highlights (1/2)

North America

- -2% organic growth
- Tough prior-year comp
- Easing of shortage tailwinds
- Continued significant launch activity
- Confirm FY/19 outlook: Low to mid-single-digit organic sales growth



Europe

- 3% organic growth
- Enteral nutrition with dynamic growth momentum
- Launch of biosimilar Idacio® (Adalimumab) imminent
- Confirm FY/19 outlook: Low to mid-single-digit organic sales growth



Fresenius Kabi: Q1/19 Regional Highlights (2/2)

Emerging Markets

China:

- 13% organic sales growth

Asia-Pacific ex China:


- 8% organic sales growth
- Very positive momentum

Latin America/Africa:

- 18% organic sales growth
- Continued strong growth expected



Total Emerging Markets

Confirm FY/19 outlook:
Likely double-digit organic sales growth 

Fresenius Kabi: Q1/19 EBIT Growth

€m	Q1/19	Δ YoY cc
North America Margin	245 39.3%	3% 170 bps
Europe Margin	87 15.2%	2% -10 bps
Asia-Pacific/Latin America/Africa Margin	104 20.6%	18% 150 bps
Corporate and Corporate R&D	-133	-4%
Total EBIT¹ Margin ¹	303 17.8%	7% 110 bps

¹ On a comparable basis: before special items and adjusted for IFRS 16 effects
Margin growth at actual rates

Fresenius Helios: Q1/19 Highlights

Helios Germany

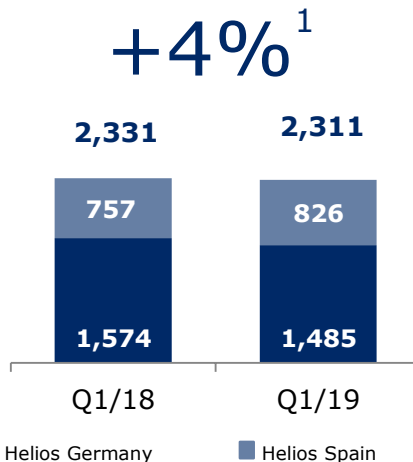
- Stabilized development with 2% organic sales growth on a tough prior-year quarter
- Good progress with preparatory structural activities

Helios Spain

- Outstanding organic sales growth of 9%
- Positive Easter effect

Sales

€m



¹ Organic sales growth



Fresenius Helios: Q1/19 Key Financials

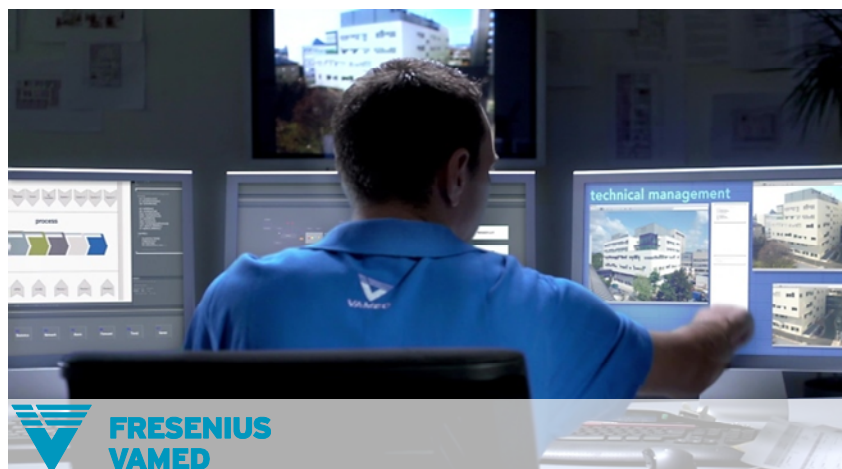
€m	Q1/19	Δ YoY
Total sales	2,311	-1%/4%¹
Thereof Helios Germany	1,485	-6%/1% ¹
Thereof Helios Spain	826	9%
Total EBIT²	266	-4%/-3%¹
Margin	11.5%	-40 bps
Thereof Helios Germany	149	-16%/-14% ¹
Margin	10.0%	-120 bps
Thereof Helios Spain	119	16%
Margin	14.4%	+80 bps
Thereof Corporate	-2	0%

¹ Adjusted for the post-acute care business transferred to Fresenius Vamed as of July 1, 2018

² Adjusted for IFRS 16 effect

Fresenius Vamed: Q1/19 Highlights

- Both Project and Service business contributing to the excellent organic sales growth of 31%
- Stronger collaboration between business segments contributing nicely to sales growth
- Order backlog at all-time high of €2,698 m; strong foundation for future growth



€m	Q1/19	Δ YoY
Total sales	440	77%
Thereof organic sales		31% ¹
Project business	108	17%
Service business	332	111% 41% ¹
Total EBIT²	11	83% 17% ¹
Order intake ³	383	47%
Order backlog ³	2,698	11% ⁴






¹ Without German post-acute care business acquired from Fresenius Helios as of July 1, 2018

² Adjusted for IFRS 16 effect

³ Project business only

⁴ Versus December 31, 2018

Fresenius Group: Q1/19 Cash Flow

€m	Operating CF ¹		Capex (net)		Free Cash Flow ^{1,2}	
	Q1/19	LTM Margin	Q1/19	LTM Margin	Q1/19	LTM Margin
 FRESENIUS KABI	132	14.2%	-140	-8.9%	-8	5.3%
 FRESENIUS HELIOS	91	6.1%	-88	-5.1%	3	1.0% ³
 FRESENIUS VAMED	-23	6.7%	-6	-1.8%	-29	4.9%
Corporate/Other	-17	n.a.	-24	n.a.	-41	n.a.
 FRESENIUS Excl. FMC	183	9.7%⁴	-258	-6.7%	-75	3.0%⁴
 FRESENIUS	118	10.7%	-457	-6.3%	-339	4.4%

¹ Adjusted for IFRS 16 effects




² Before acquisitions and dividends

³ Understated: 1.3% excluding €27 million of capex commitments from acquisitions

⁴ Margin incl. FMC dividend

Fresenius Group: 2019 Financial Outlook by Business Segment

€m (except otherwise stated)

		FY/18 Base	FY/19e ¹
	Sales growth (org)	6,544	3% - 6%
	EBIT growth (cc)	1,139 ²	3% - 6%
	Sales growth (org)	8,993	2% - 5%
	EBIT growth	1,052	-5% to -2%
	Sales growth (org)	1,688	~10%
	EBIT growth	110	15% - 20%

¹ Excluding transaction-related expenses, revaluations of biosimilars contingent liabilities, adjusted for IFRS 16 effects

² Before special items

Fresenius Group: 2019 Financial Guidance

€m (except otherwise stated)

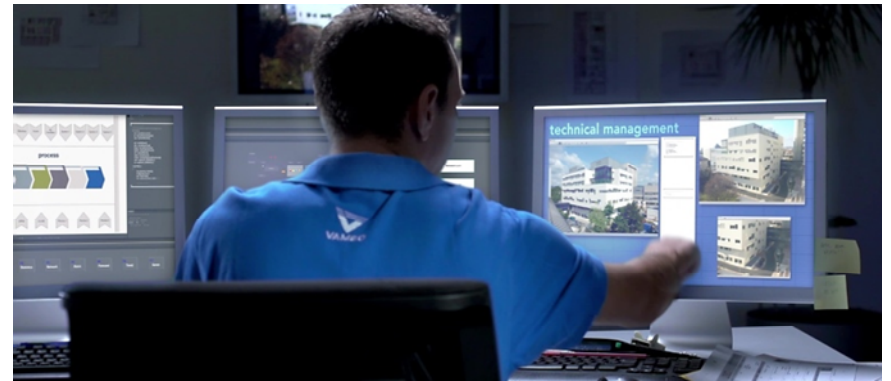
	FY/18 Base ¹	FY/19 ²
FRESENIUS		
Sales growth (cc)	33,009	3% - 6%
Net income³ growth (cc)	1,872	~0%

¹ Before special items and after adjustments

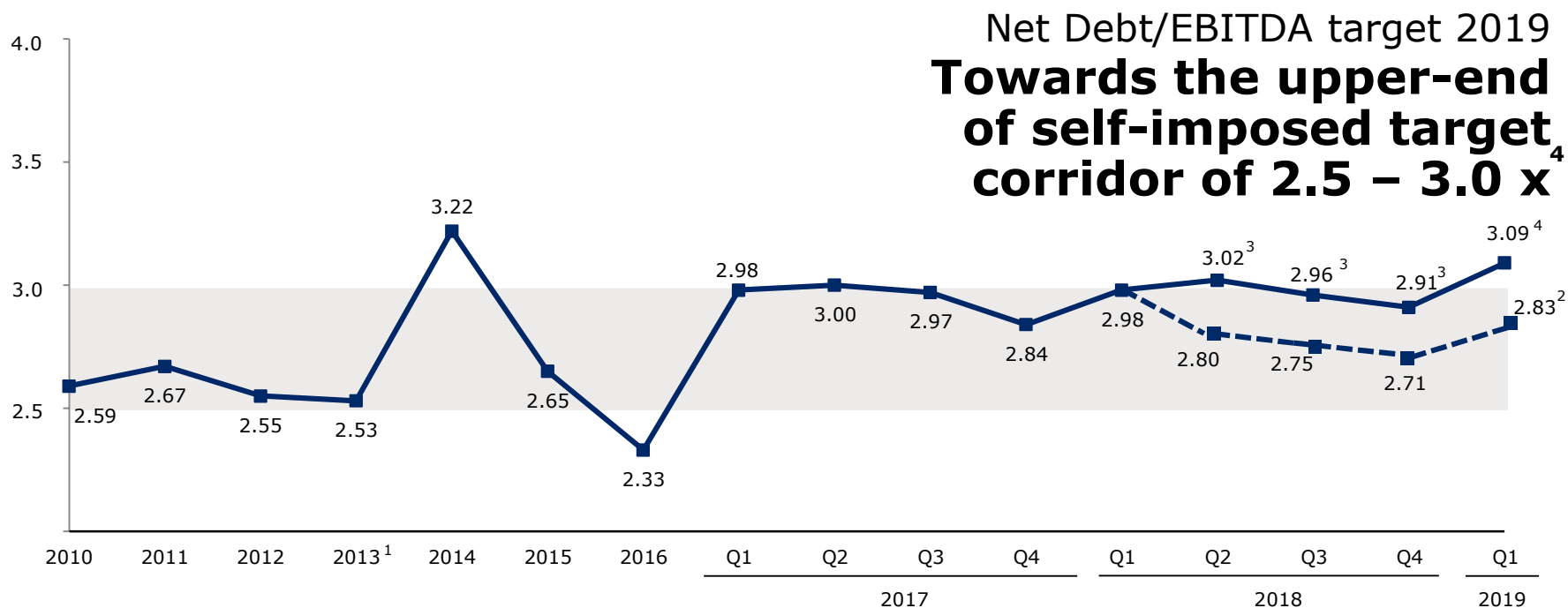
² Excluding transaction-related expenses, expenses associated with the cost optimization program at FMC, revaluations of biosimilars contingent liabilities, including operating results of NxStage, adjusted for IFRS 16 effects

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA

Attachments



Fresenius Group: Leverage Ratio



Before special items; pro forma closed acquisitions/divestitures
At LTM average FX rates for both EBITDA and net debt

¹ Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG

² Calculated at expected annual average exchange rates, for both net debt and EBITDA; excluding acquisition of NxStage; without potential unannounced acquisitions; adjusted for IFRS 16 effects (comparable to guidance from February 20, 2019)

³ Excluding proceeds from divestitures of Care Coordination activities

⁴ Calculated at expected annual average exchange rates, for both net debt and EBITDA; including acquisition of NxStage; without potential unannounced acquisitions; adjusted for IFRS 16 effects (comparable to updated guidance from May 2, 2019)

Fresenius Kabi: Q1/19 Organic Sales Growth by Regions

€m	Q1/19	Δ YoY organic
North America	623	-2%
Europe	573	3%
Asia-Pacific/Latin America/Africa	505	13%
Asia-Pacific	341	11%
Latin America/Africa	164	18%
Total sales	1,701	4%

Fresenius Kabi: Q1/19 Organic Sales Growth by Product Segment

€m	Q1/19	Δ YoY organic
IV Drugs	745	-1%
Infusion Therapy	207	5%
Clinical Nutrition	453	8%
Medical Devices/ Transfusion Technology	296	12%
Total sales	1,701	4%

Fresenius Helios: Key Metrics

	Q1/19	FY/18	Δ
No. of hospitals Germany	86	86	0%
- Acute care hospitals	83	83	0%
No. of hospitals Spain (Hospitals)	47	47	0%
No. of beds Germany	29,405	29,329	0%
- Acute care hospitals	28,878	28,802	0%
No. of beds Spain (Hospitals)	6,906	7,019	-2%
Admissions Germany (acute care)	312,302	1,218,199	
Admissions Spain (including outpatients)	3,704,104	13,318,066	

Attachments



FY/18 base for Fresenius Group Guidance FY/19

€m

Sales reported	33,530
Divestitures of Care Coordination activities at FMC (H1/18)	-521
Sales basis for growth rates	33,009
Net Income reported	2,027
Transaction Costs, Akorn, Biosimilars	25
Bridge Financing Costs Akorn	12
Revaluations of Biosimilars contingent liabilities	5
Impact of FCPA related charge	9
Gain related to divestitures of Care Coordination activities	-207
Net income (before special items)	1,871
Divestitures of Care Coordination activities at FMC (H1/18)	1
Net income basis for growth rates (before special items and after adjustments)	1,872

FY/18 base for Fresenius Medical Care Outlook FY/19

€m

Sales reported	16,547
Divestitures of Care Coordination activities at FMC (H1/18)	-521
Sales basis for growth rates	16,026
Net Income reported	1,982
Impact of FCPA related charge	28
Gain related to divestitures of Care Coordination activities	-673
Net income (before special items)	1,337
Divestitures of Care Coordination activities at FMC (H1/18)	4
Net income basis for growth rates (before special items and after adjustments)	1,341

FY/18 base for Fresenius Kabi Outlook FY/19

€m

Sales basis for growth rates	6,544
Transaction Costs Akorn, Biosimilars	34
Revaluations of Biosimilars contingent liabilities	7
EBIT (before special items = base for Kabi guidance)	1,139

The special items are reported in the Group Corporate/Other segment.

IFRS 16: Profit and Loss - Implications

€m

Expected IFRS 16 effect on 2019

Sales	➔	- ~€0.1 bn (discontinuation of sale-leaseback transactions at FMC NA)
EBITDA	➔	+ ~€1.0 bn (fewer rent expenses)
Depreciation and amortization	➔	- ~€0.9 bn (additional depreciation)
EBIT	➔	+ ~€0.1 bn
Interest	➔	- ~€0.2 bn (additional interest)
Net Income	➔	- ~€30 m

Rent-expenses will be replaced by **depreciation** and **interest-expenses** :

- Increase of EBITDA and EBIT
- Neutral or slightly negative impact on EAT (depending on life-phase of contracts because of higher interests in the first years of contract)

IFRS 16: Balance Sheet

€m

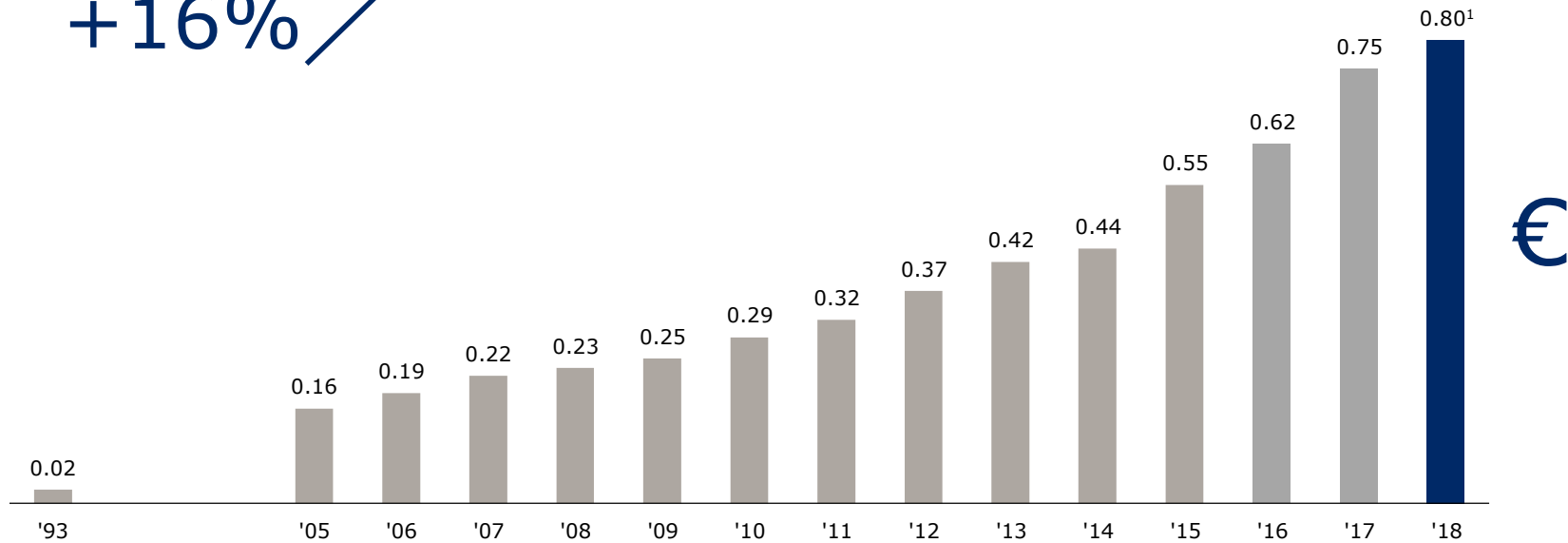
Expected IFRS 16 effect on 2019

Right-of-use-asset	➔	~€5.2 bn
Lease liability	➔	~€5.5 bn
Equity	➡	~-€0.3 bn
Leverage	➔	+ ~30-40 bps

Leases have to be recognized as a **right-of-use-asset** and **corresponding liability**

Fresenius Group: 26th Consecutive Dividend Increase

CAGR
+16%



Dividend growth aligned to EPS growth
Pay-out ratio: 24%

¹ Proposal

Financial Calendar / Contact

Financial Calendar

17 May 2019	Annual General Meeting
30 July 2019	Results Q2/19
29 October 2019	Results Q3/19

Please note that these dates could be subject to change.

Contact

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