

Roadshow Frankfurt



Frankfurt, 01 November 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 Health Care Products And Services



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

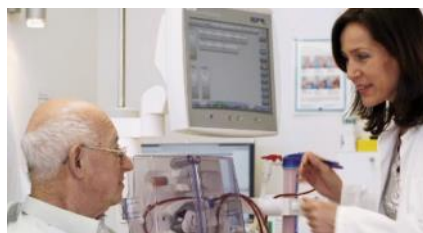
**Strong portfolio
of products** (30% of sales)
and services (70% of sales)

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

**Global presence in
100+ countries**

**292,000+ employees
worldwide**
(as of September 30, 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

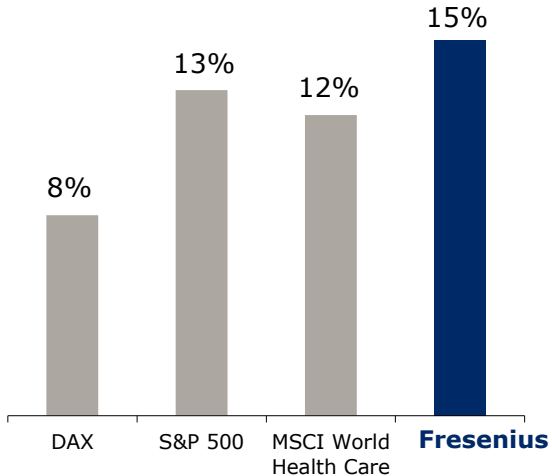
- Post-acute care
- Project development & Planning
- Turnkey construction
- Maintenance & Technical and total operational management

Sales 2018: €1.7 bn¹

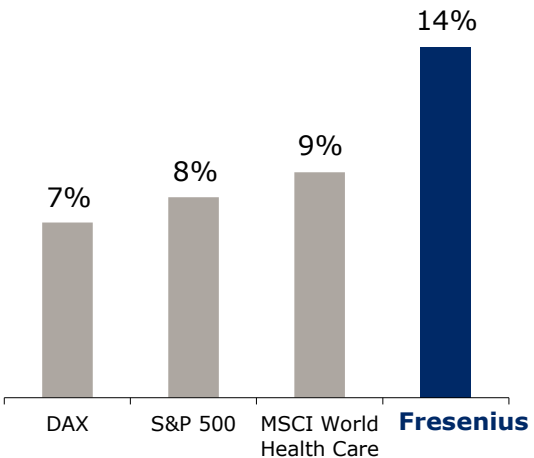
¹ Reflects the transfer of German post-acute care business from Fresenius Helios to Fresenius Vamed as of July 1, 2018

Total Shareholder Return – CAGR, Rounded

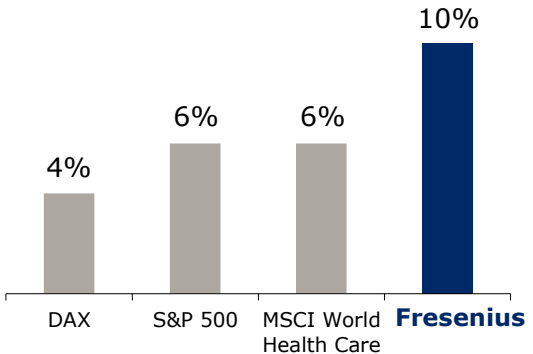
10 years



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 342,000 patients¹ in 4,003 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 September 30, 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

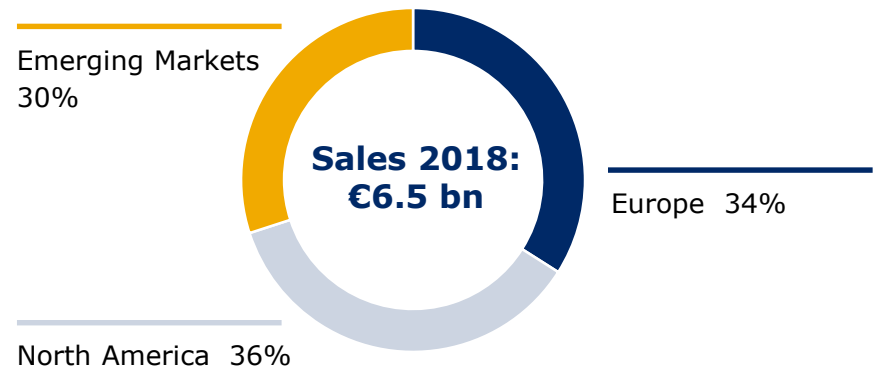
Market Dynamics

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

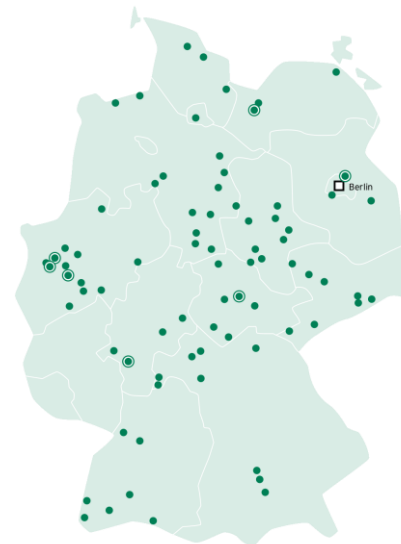
German Acute Care Hospital Market:

- ~€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 September 30, 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

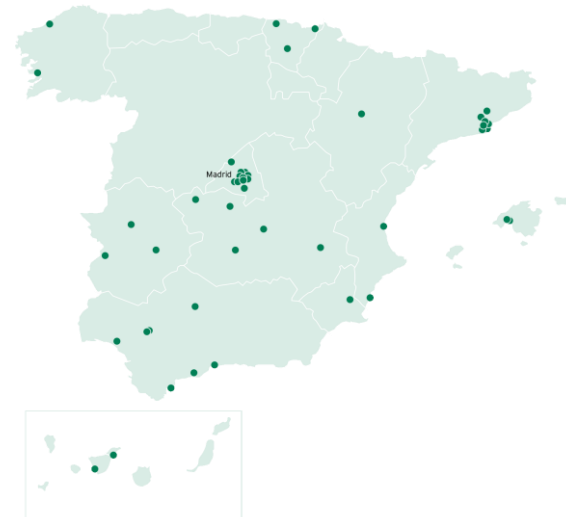
Spanish Private Hospital Market:

- ~€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



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

As of September 30, 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



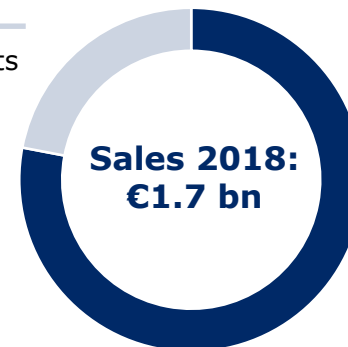
Post-acute care

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)

 FRESENIUS	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 Q3/19



Q3/19 Highlights

- **Strong organic sales growth across all business segments**
- **Growth investments proceeding according to plan**
- **Fresenius Kabi: excellent growth in Emerging Markets partially offsets softer development in North America**
- **Fresenius Helios showing excellent organic sales growth across all regions**
- **Fresenius Vamed: integration of post-acute care business from Helios completed**
- **Fresenius Medical Care: record growth in home dialysis in North America**
- **Group guidance confirmed**

Fresenius Kabi: Update

North America

- Increased competition for certain molecules
- The opioid market has not recovered as anticipated
- 31 Kabi-marketed IV drugs currently designated in shortage (vs. 36 at Q2/19)
- Low to mid-single-digit price erosion in our base product portfolio
- Product launches: with 12 YTD, on track to meet expectation of 15+ for the FY

Biosimilars

- Roll-out of Idacio® in additional 4 European countries in Q3/19 (9 in total)



Transfusion Medicine and Cell Therapies business

- Business remains important part of Fresenius Kabi
- Divisionalization paves the way for further profitable growth going forward

Fresenius Helios: Update

Helios Germany

Investment initiatives

- Employer of choice: Continued to attract meaningful number of nurses in Q3/19
- Vacant chief doctor positions now re-filled
- Good progress with transformation of MVZs (“outpatient centers”) within new business line Outpatient Services

DRG inflator

- Ongoing favorable reimbursement environment
- 2020 DRG inflator set at 3.66%
- Final price increase will be lower as it is subject to negotiations at the state level and individual hospital discounts



Fresenius Helios: Update

Helios Spain

Expansion in Spain

- Opening of two new outpatient centers in the cities of Toledo and Algeciras
- Acquisition of plot in the metropolitan area of Barcelona to develop a new mid-size hospital by 2022



Expansion in Latin America

- Acquisition of two additional hospitals in Colombia
 - ~€50 million of sales
 - ~300 beds
 - Expected closing in coming months

Fresenius Group: Q3/19 Key Financials

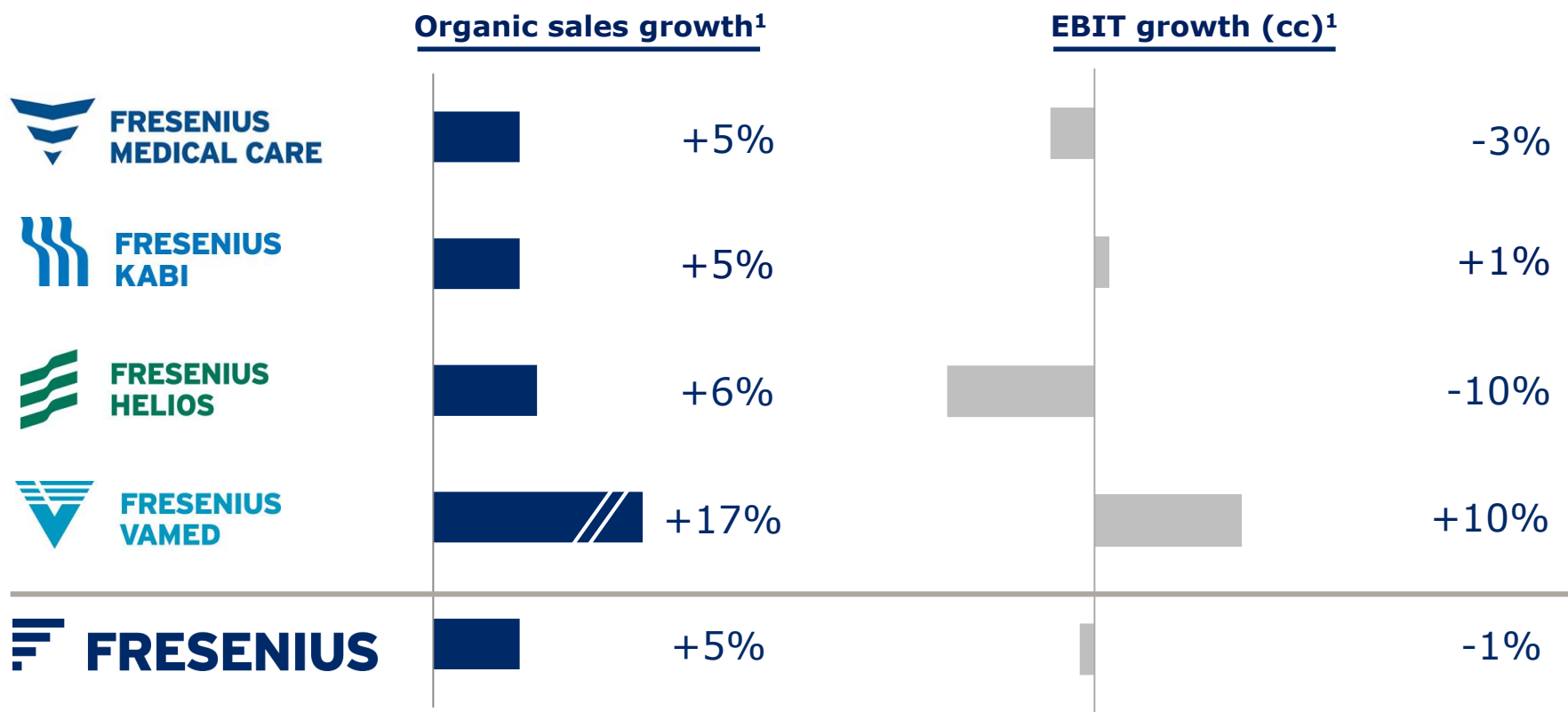
€m	Q3/19 ¹	IFRS 16 effect	special items	Q3/19 reported	Δ YoY cc ^{1,2}
Sales	8,877	-35	-	8,842	6%
EBIT	1,130	23	-24	1,129	-1%
Net interest	-124	-47	-1	-172	15%
Income taxes	-232	5	25	-202	-10%
Net income³	453	-8	-1	444	0%
Balance sheet total	61,092	5,667	-	66,759	
Operating Cashflow	1,298	185	-	1,483	

¹ Before special items, adjusted for IFRS 16 effect

² On a comparable basis: Q3/18 adjusted for divestitures of Care Coordination activities at FMC, before special items

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

Fresenius Group: Q3/19 Business Segment Growth



¹ On a comparable basis: Q3/18 adjusted for divestitures of Care Coordination activities at FMC; Q3/19 adjusted for IFRS 16 effect.

All figures before special items

Fresenius Kabi: Q3/19 Regional Highlights (1/2)

North America

- -4% organic growth
- Increasingly intense competitive environment for certain molecules
- Further easing of shortage tailwinds
- FY/19 outlook change: Slight organic sales decline (before: Low single-digit organic sales growth)

Europe

- 4% organic growth
- Strong growth of enteral nutrition business
- Confirm FY/19 outlook: Low to mid-single-digit organic sales growth



Fresenius Kabi: Q3/19 Regional Highlights (2/2)

Emerging Markets

China:

- 18% organic sales growth
- Continued positive momentum

Asia-Pacific ex China:

- 19% organic sales growth

Latin America/Africa:

- 16% organic sales growth



Total Emerging Markets

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

Fresenius Kabi: Q3 & Q1-3/19 EBIT Growth

€m	Q3/19	Δ YoY cc	Q1-3/19	Δ YoY cc
North America Margin	225 36.3%	-8% -180 bps	703 38.7%	-2% 20 bps
Europe Margin	75 13.3%	-11% -230 bps	241 14.1%	-6% -150 bps
Asia-Pacific/Latin America/Africa Margin	135 23.4%	34% 330 bps	352 21.6%	24% 200 bps
Corporate and Corporate R&D	-129	-3%	-379	-2%
Total EBIT¹ Margin ¹	306 17.4%	1% -60 bps	917 17.8%	4% 20 bps

¹ On a comparable basis: before special items and adjusted for IFRS 16 effects

Margin growth at actual rates

Fresenius Helios: Q3/19 Highlights

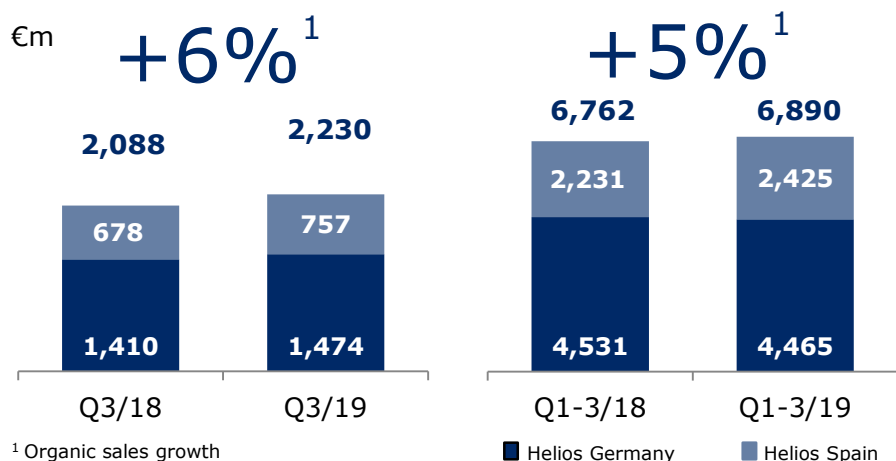
Helios Germany

- Strong organic sales growth of 5%; positive admissions development
- Sales growth supported by reclassification of nursing staff funding from other income to sales (low double-digit € million amount)
- EBIT impacted by ongoing investments in measures to counter regulatory headwinds

Helios Spain

- Healthy organic sales growth of 9%; decline in admissions during hot summer months not as pronounced as in prior year
- EBIT development impacted by costs for temporary workers

Sales



¹ Organic sales growth



Fresenius Helios: Q3 & Q1-3/19 Key Financials

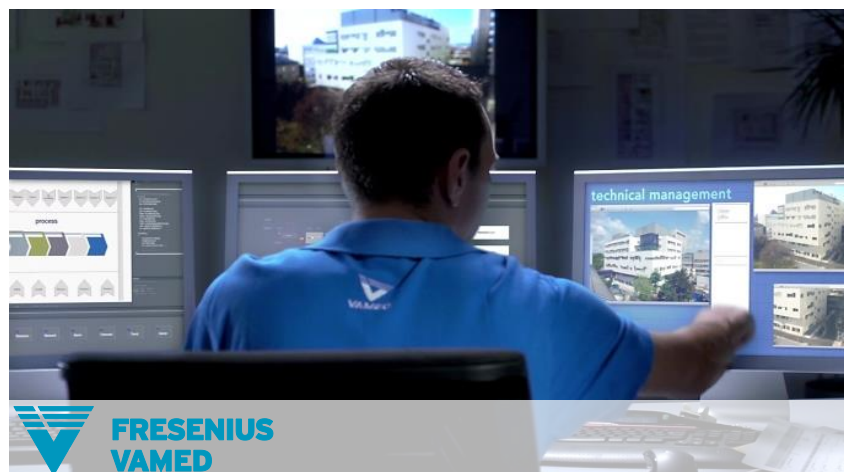
€m	Q3/19	Δ YoY	Q1-3/19	Δ YoY
Total sales	2,230	7%	6,890	2%/5%¹
Thereof Helios Germany	1,474	5%	4,465	-1%/4% ¹
Thereof Helios Spain	757	12%	2,425	9%
Total EBIT²	183	-10%	723	-7%/-5%¹
Margin	8.2%	-160 bps	10.5%	-100 bps
Thereof Helios Germany	130	-9%	433	-11%/-9% ¹
Margin	8.8%	-130 bps	9.7%	-110 bps
Thereof Helios Spain	56	-5%	300	5%
Margin	7.4%	-130 bps	12.4%	-40 bps
Thereof Corporate	-3	--	-10	--

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

- Strong Q3/19 with 17% organic sales growth
- Both, service business and project business contributed to strong growth in Q3/19



€m	Q3/19	Δ YoY	Q1-3/19	Δ YoY
Total sales	562	18%	1,469	48%
Thereof organic sales		17%		24% ¹
Service business	349	11%	1,025	60% 29% ¹
Project business	213	32%	444	26%
Total EBIT²	34	10%	65	33% 0% ¹
Order intake ³	240	114%	738	30%
Order backlog ³			2,711	12% 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: Cash Flow

€m	Operating CF ¹		Capex (net)		Free Cash Flow ^{1,2}	
	Q3/19	LTM Margin	Q3/19	LTM Margin	Q3/19	LTM Margin
 FRESENIUS KABI	362	13.4%	-179	-10.0%	183	3.4%
 FRESENIUS HELIOS	183	7.0%	-90	-4.7%	93	2.3% ³
 FRESENIUS VAMED	27	3.2%	-10	-1.6%	17	1.6%
Corporate/Other	11	n.a.	-13	n.a.	-2	n.a.
 FRESENIUS Excl. FMC	583	9.5%⁴	-292	-6.9%	291	2.6%⁴
 FRESENIUS	1,298	10.4%	-576	-6.6%	722	3.8%




¹ Adjusted for IFRS 16 effect

² Before acquisitions and dividends

³ Understated: 2.6% 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	Q1-3/19 Actual ¹	FY/19e ¹	FY/19 ¹ New
 FRESENIUS KABI	Sales growth (org)	6,544	4%	3% - 6%	<input checked="" type="checkbox"/>
	EBIT growth (cc)	1,139 ²	4%	3% - 6%	<input checked="" type="checkbox"/>
 FRESENIUS HELIOS	Sales growth (org)	8,993	5%	2% - 5%	<input checked="" type="checkbox"/>
	EBIT growth	1,052	-7%	-5% to -2%	<input checked="" type="checkbox"/>
 FRESENIUS VAMED	Sales growth (org)	1,688	24%	~10%	<input checked="" type="checkbox"/>
	EBIT growth	110	33%	15% - 20%	<input checked="" type="checkbox"/>

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

² Before special items

Fresenius Group: 2019 Financial Guidance

€m (except otherwise stated)	FY/18 Base ¹	Q1-3/19 Actual ²	FY/19e ²	FY/19e ² New
FRESENIUS Sales growth (cc)	33,009	6%	4% - 7%	<input checked="" type="checkbox"/>
Net income³ growth (cc)	1,872	0%	~0%	<input checked="" type="checkbox"/>

¹ Before special items and after adjustments

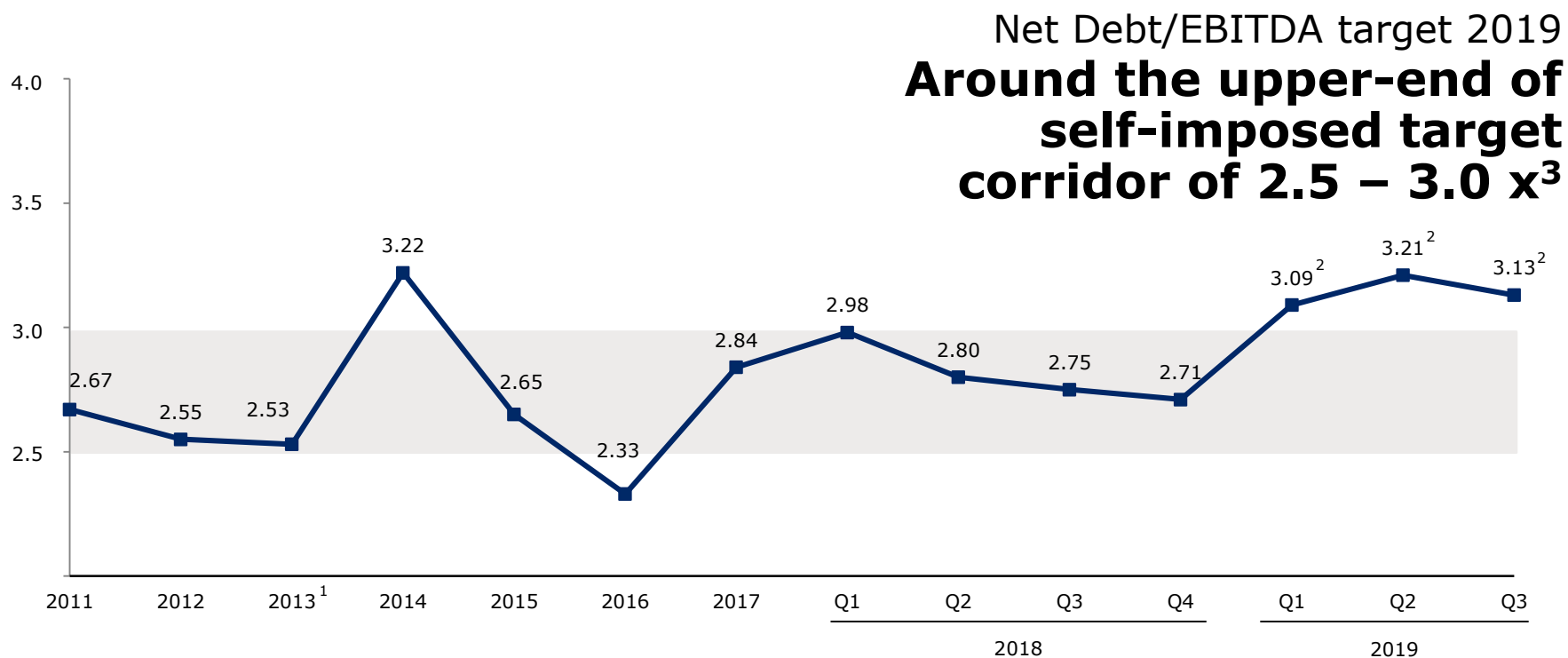
² Excluding transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of care coordination activities, expenses associated with the cost optimization program at FMC, including operating results of NxStage, adjusted for IFRS 16 effect

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 Including acquisition of NxStage; adjusted for IFRS 16 effects

³ 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: Organic Sales Growth by Regions

€m	Q3/19	Δ YoY organic	Q1-3/19	Δ YoY organic
North America	619	-4%	1,815	-3%
Europe	564	4%	1,709	3%
Asia-Pacific/Latin America/Africa	578	17%	1,629	15%
Asia-Pacific	406	18%	1,121	15%
Latin America/Africa	172	16%	508	16%
Total sales	1,761	5%	5,153	4%

Fresenius Kabi: Organic Sales Growth by Product Segment

€m	Q3/19	Δ YoY organic	Q1-3/19	Δ YoY organic
IV Drugs	746	-2%	2,202	-1%
Infusion Therapy	208	7%	621	3%
Clinical Nutrition	492	10%	1,416	9%
Medical Devices/ Transfusion Technology	315	14%	914	11%
Total sales	1,761	5%	5,153	4%

Fresenius Helios: Key Metrics

	Q1-3/19	FY/18	Δ
No. of hospitals Helios Germany	86	86	0%
- Acute care hospitals	83	83	0%
No. of hospitals Helios Spain (Hospitals)	50	47	6%
No. of beds Helios Germany	28,934	29,329	-1%
- Acute care hospitals	28,407	28,802	-1%
No. of beds Helios Spain (Hospitals)	7,126	7,019	2%
Admissions Helios Germany (acute care)	908,341	1,218,199	
Admissions Helios Spain (including outpatients)	10,476,730	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)

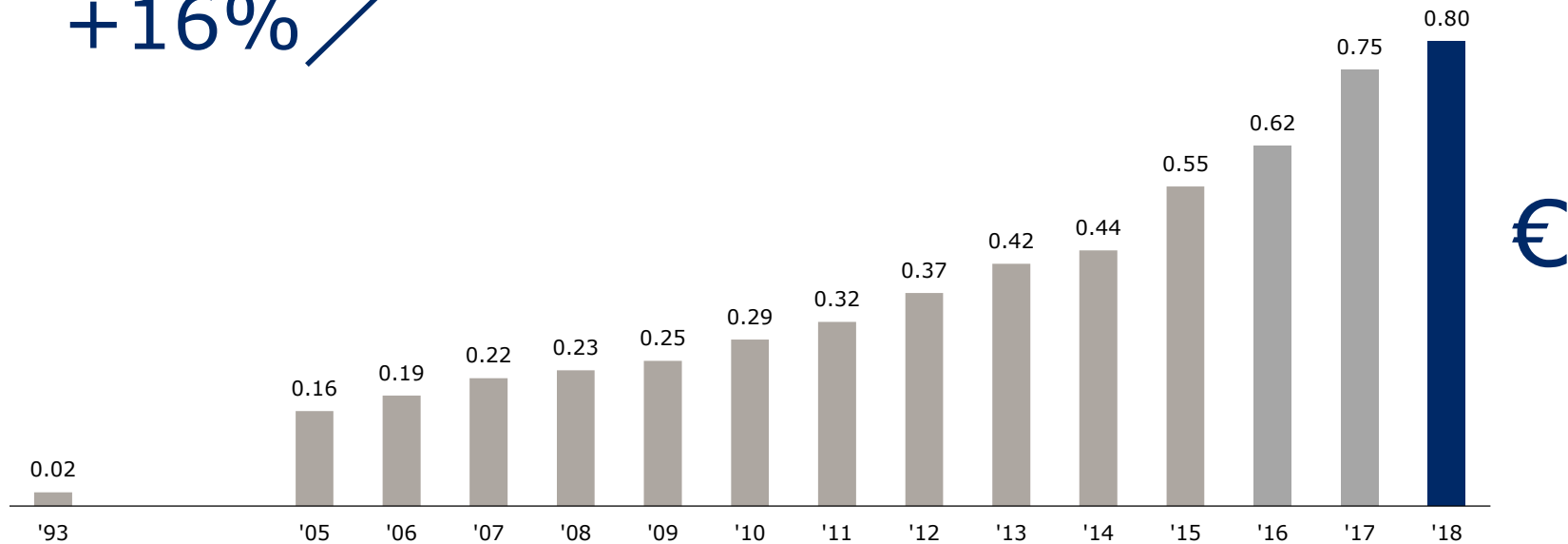
IFRS 16: Balance Sheet

€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%

Financial Calendar / Contact

Financial Calendar

20 February 2020	Results FY/19
06 May 2020	Results Q1/20
20 May 2020	Annual General Meeting
30 July 2020	Results Q2/20
29 October 2020	Results Q3/20

Please note that these dates could be subject to change.

Contact

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