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FRESENIUS HELIOS

Capital Markets Day 2018

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Agenda

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08:35 – 08:50	**Introduction,** Stephan Sturm	
08:50 – 09:20	**Fresenius Helios – Business Overview,** Francesco De Meo	15 – 31
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10:40 – 11:00	**Break**	
11:00 – 11:40	**Quirónsalud – Overview,** Héctor Ciria	79 – 109
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12:00 – 13:00	**Lunch Buffet**	
13:00 – 13:20	**Views on Health Care Germany & Spain,** Andreas Meier-Hellmann, Leticia Moral	113 – 135
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Today´s Presenters

Today's Presenters

Stephan Sturm

Chairman of the Management Board
Fresenius Management SE

Rachel Empey

Chief Financial Officer
Fresenius Management SE

Stephan Sturm, 54, became Chairman of the Management Board of Fresenius (equivalent to President and CEO) on July 1, 2016, after serving for 11 and a half years as the company's Chief Financial Officer. Before joining Fresenius in 2005, he was a Managing Director of Credit Suisse First Boston (CSFB), from 2000 as Head of Investment Banking for Germany and Austria, and also served on CSFB's European Management Committee. During his more than 13 years in investment banking, Stephan Sturm held various executive positions with BHF-Bank, Union Bank of Switzerland, and CSFB in Frankfurt and London. Prior to entering investment banking in 1991, he was a management consultant at McKinsey & Co in Duesseldorf and Frankfurt. Stephan Sturm holds a degree in Business from Mannheim University.

Rachel Empey, 41, is Chief Financial Officer of Fresenius and a member of the Fresenius Management Board. Before joining Fresenius on August 1, 2017, she served as Chief Financial and Strategy Officer of Telefónica Deutschland Holding AG and member of the Telefónica Deutschland Management Board, starting in 2011. Previously, Rachel Empey held a number of key international finance and controlling positions in the Telefónica group. She started her career as an auditor at Ernst & Young and a business analyst at Lucent Technologies. Rachel Empey, who is British, is a chartered accountant and holds an MA (Hons) in Mathematical Sciences from the University of Oxford.

Today’s Presenters

Dr. Francesco De Meo

Member of the Management Board
Fresenius Management SE

Chief Executive Officer
Helios Health

Francesco De Meo, 54, joined the Management Board of Fresenius in January 2008 with responsibility for Fresenius Helios, and since March 2018 he has served as CEO on the Helios Health Management Board. He joined the Helios Management Board in 2001 with responsibility for human resources, legal affairs, research and science, and at the same time was also appointed Labor Relations Director. Francesco De Meo started his career at Helios in 2000 as Head of the Legal and Human Resources Departments. Before that, he was director of Rauser AG, a management consultancy in Reutlingen, Germany, and practiced as an attorney. Francesco De Meo holds a doctorate in Law from Tübingen University.

Daniela Hommel

Chief Financial Officer
Helios Health

Daniela Hommel, 43, became Chief Financial Officer of the Helios Health Management Board in March 2018. Before joining Fresenius as Senior Vice President Corporate Compliance in 2012, she worked as an auditor at KPMG in Frankfurt for several years, becoming a partner in 2008. Daniela Hommel holds a degree in Business Administration from Martin Luther University Halle-Wittenberg in Germany, and the Virginia Polytechnic Institute and State University in Blacksburg, Virginia, USA.

Today's Presenters

Prof. Dr. Ralf Kuhlen

Chief Medical Officer
Helios Health

Enrico Jensch

Chief Operating Officer
Helios Health

Ralf Kuhlen, 52, became Chief Medical Officer of the Helios Health Management Board in May 2018 after serving almost eight years as Medical Director of the Helios Management Board. Before joining Helios in 2007 as Head of Intensive Care at Helios Hospital Berlin-Buch, he held various positions including Medical Director at Aachen intensive care University Hospital and later Deputy Medical Director at Aachen University, where he was appointed as professor for anesthesia in 2003.

Enrico Jensch, 48, became Chief Operating Officer of the Helios Health Management Board in March 2018, after being responsible as Managing Director for Helios International since 2015 and for the Helios region Center since 2012. Before that, he was Managing Director for the Helios hospitals Bad Saarow and Schwerin. He joined Helios in 2006 as Head of Human Resources, from the acquired Humaine Hospital Group. Enrico Jensch studied law at Berlin University and also holds a degree in Hospital Management / Business Administration for the health care sector.

Today’s Presenters

Franzel Simon

Chief Executive Officer
Helios Kliniken

Franzel Simon, 51, joined the Fresenius Helios Management Board in March 2018 as Chief Executive Officer, including responsibility for legal affairs, transactions and corporate communications. Previously, he held various positions within Helios, including management of the Helios region North since 2006 and Managing Director for the Helios hospitals Schkeuditz and Schwerin. Before starting at Helios in 2001 as assistant to the managing director, he held a number of administrative positions in various hospitals. Franzel Simon holds a degree in Business Administration from Aachen University of Applied Sciences.

Héctor Ciria

Chief Executive Officer
Quirónsalud

Héctor Ciria, 39, became Quirónsalud’s Chief Executive Officer (CEO) in March 2017. He joined Quirónsalud (formerly IDCsalud) in 2012 as CFO, Strategy & Corporate Development after IDCsalud was acquired by CVC Capital Partners. Prior to IDCsalud, he was a principal at Apax Partners, where he worked for five years in the health care team, based in Madrid, London and New York. He started his career at McKinsey & Co. in Madrid. Héctor Ciria graduated in Civil Engineering, with a dual degree from both UPC (Barcelona) and ENPC (Paris). He also holds a Master of Science in Aeronautics from MIT (Cambridge, Massachusetts) and an MBA from Columbia Business School (New York).

Today’s Presenters

Jörg Reschke

Chief Financial Officer
Helios Kliniken

Adolfo Fernández Valmayor

IT & Digital Transformation Director
Quirónsalud

Jörg Reschke, 46, was appointed Chief Financial Officer of the Fresenius Helios Management Board in 2010, and is today responsible for IT strategy, Procurement and Pharmacy. From 2006 until 2010, he headed Helios’ Berlin-Brandenburg region after serving as Head of Administration at Helios Hospital Berlin-Buch and Managing Director of Helios Hospital Aue. Jörg Reschke started his career in 1996 in Helios’ central procurement division. He holds a degree in Economics.

Adolfo Fernández Valmayor, 52, was appointed as IT & Digital Transformation Director and member of Quirónsalud’s Management Committee in 2015, after the merger of IDCsalud and Quirón. Before joining Quirónsalud in November 2011 as General Manager, Adolfo Valmayor worked at IBM and founded his own IT consultancy company in 1992, which was integrated into Bull (now part of ATOS group) in 2007. He graduated in Industrial Engineering from Universidad Politécnica de Madrid and holds an Executive MBA from IESE University.

Today's Presenters

Dr. Leticia Moral

Quality & Innovation Director
Quirónsalud

Prof. Dr. Andreas Meier-Hellmann

Chief Medical Officer
Helios Kliniken

Leticia Moral, 58, joined Quirónsalud's Management Committee (formerly IDCsalud) in 2014, with responsibility for Quality and Innovation. Prior to Quirónsalud, she was a partner in Globesalud, a specialized health consulting firm with projects in Latin America, the Middle East, and Spain. She was General Director of Servicio Madrileño de Salud from 2001 to 2004, during which time she was responsible for the planning and management of a public hospital network and primary care centers in the Madrid region. Previously, Leticia Moral was General Manager of a private health care company and held other relevant positions in the sector. A medical doctor specialized in psychiatry, she earned a PhD at the University of Valladolid and also holds a Master's degree in Health Care and Hospital Management.

Professor Andreas Meier-Hellmann, 58, became Medical Director of the Helios Management Board in May 2018. Since 2007, he has been a member of the Medical Advisory Board of Helios Hospitals. Prior to that, he was Chief Consultant of the Department of Anesthesia, Intensive Care and Pain Management at Helios Hospital Erfurt and Deputy Medical Director of the Department of Anesthesia and Intensive Care at Friedrich Schiller University in Jena. Before becoming a specialist in anesthesia in 1994 and shortly afterwards receiving his post-doctorate qualification, Andreas Meier-Hellmann completed his medical studies and his doctorate at the Free University of Berlin.

Today’s Presenters

Dr. Pedro Rico

COO of Private Hospitals
Quirónsalud

Pedro Rico, 47, joined Quirónsalud’s Management Board in April 2015 as COO of private hospitals. He has held several management positions in the group over the last 12 years, as Medical, Quality and Research Director, Regional Manager of Galicia, País Vasco and Canary Islands, and Hospital General Manager of Quirónsalud A Coruña. Before joining Quirónsalud in 2006, Pedro Rico was an internal medicine physician and responsible for the emergency room in a public referral hospital in Galicia. He also was Chief of Residents and responsible for the Evidence-based Medicine Training Program. He specialized in internal medicine, with a degree from Universidad Santiago de Compostela. He also holds several several Master's-level certifications in Health Care Management from IESE University and Universidad Pompeu Fabra.

Today's Presenters

Olaf Jedersberger

Chief Operating Officer

Helios Kliniken

Olaf Jedersberger, 47, has been Chief Operating Officer of the Helios Management Board since 2008, and has served since 2010 as Managing Director of the operating business, including responsibility for budget, rehabilitation, medical care centers and nursing facilities. Prior to that, he was responsible for Helios' Central region. He joined Helios as Head of Controlling at Helios Hospital Erfurt, where he became Managing Director in 2002. Olaf Jedersberger studied Business Administration at the University of Erlangen-Nuremberg and started his career as a regional government consultant.

Corinna Glenz

Regional Director

Helios Kliniken

Corinna Glenz, 45, was appointed Regional Director for Helios' Central region, including 19 hospitals in Hessen, Thuringia and the Franconia region, in March 2018, after being responsible for other regions including South and Mid-West Germany for the previous six years. She joined Helios in 2006 as a Managing Director for Helios Hospitals Bad Schwalbach and Idstein, after serving several years in positions for Fresenius University of Applied Sciences and managing a hospital for Wittgensteiner Kliniken. Corinna Glenz holds a degree in Chemistry from the Fresenius University of Applied Sciences.

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.

Capital Markets Day, 8 June 2018

Helios.health

Fresenius Helios Business Overview

Francesco De Meo – CEO Helios Health

Helios.health

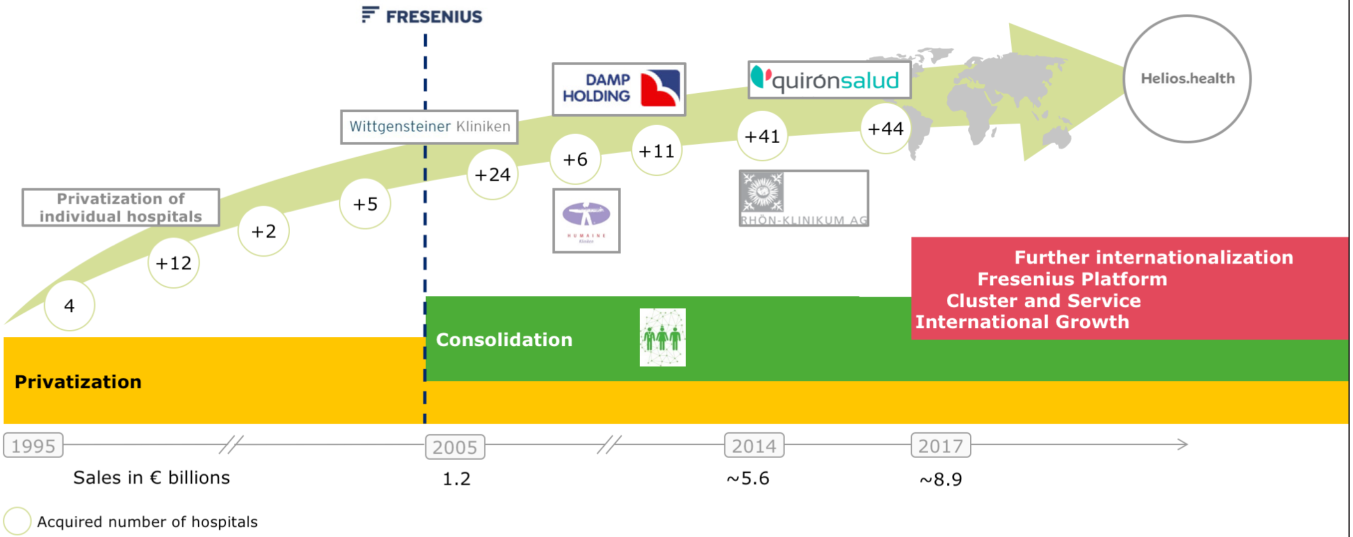
Key Take-Aways

- Successful across different health care markets
- Learn from each other, learn from the best
- Best practice transfers drive international transformation
- Prepared for further regional expansion

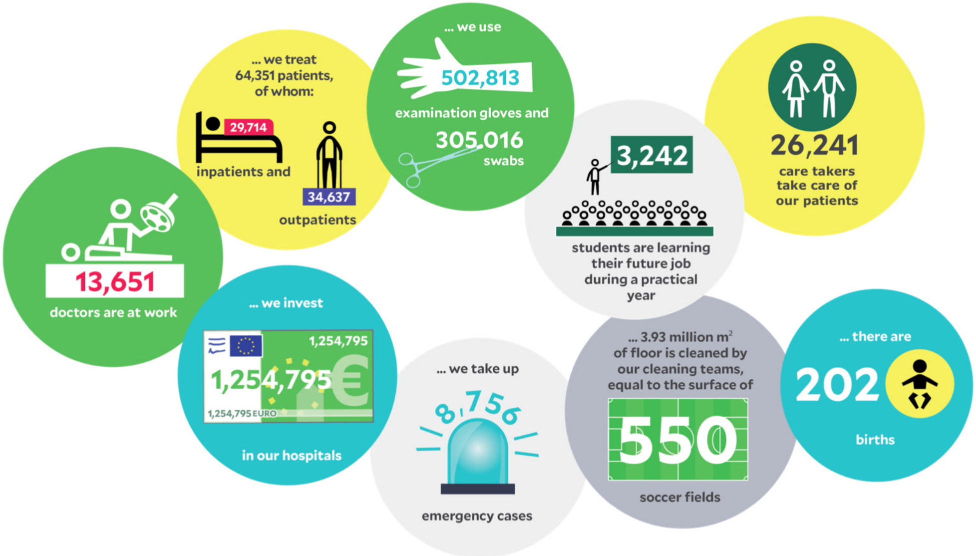
Helios.health

Overview Helios

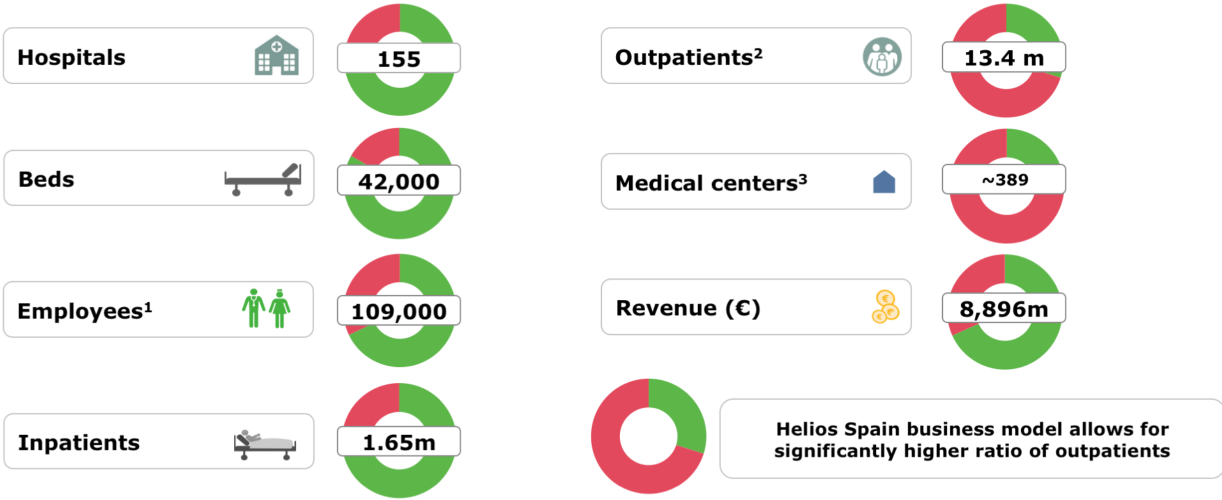
Helios Milestones



Any Single Day at Helios in Europe



Helios KPIs



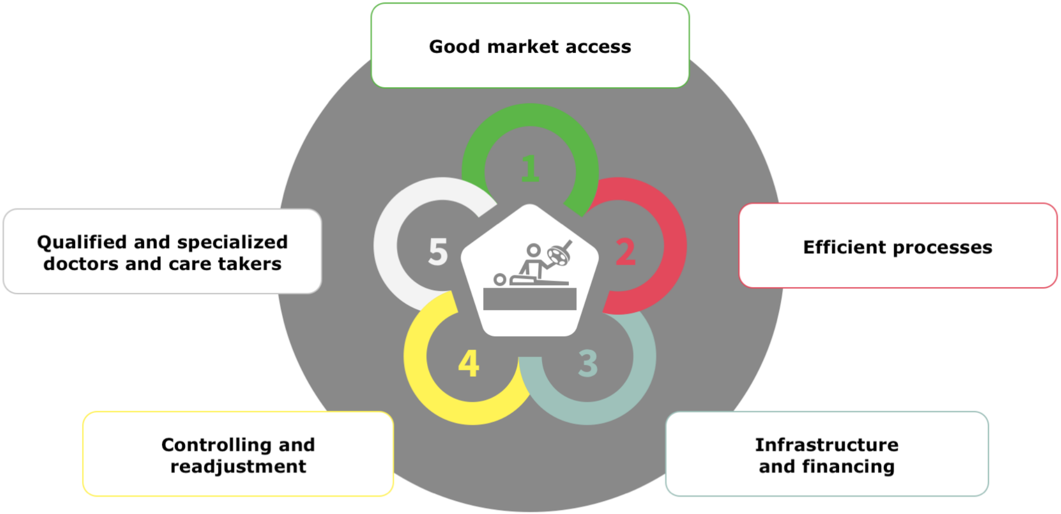
Spain Germany

[1] Includes doctors under mercantile relationship [2] Includes 2.2 million Emergency Room cases [3] Includes 89 outpatient clinics (Germany) and ~300 ORPs (Spain)

Helios.health

The Helios Value Approach

Prerequisites to Provide High-Quality and Cost-Efficient Health Care



Helios.health

What Makes the Difference

Business Comparison

Regulation Density	**Medium with local variations** • Depending on state-by-state regulations • Variable health care models (PPP) • No sector boundaries	**High and nationwide** • Low flexibility for state-specific regulations • Uniform health care models • Strict sector boundaries
Insurance System	• Private full-coverage insurance additional to public insurance • ~20% of population with private coverage	• Private full-coverage insurance instead of public insurance • Complementary private insurance • ~11% of population with private coverage
Financing	**Multiple financing models**	**Separate financing models**
Growth Opportunities	**In a dynamic market** • Consolidation opportunities • Greenfield and ORP • Digitalization for services and growth	**In a largely saturated market** • Rare privatization or consolidation • Outpatient growth against boundaries • Process digitalization

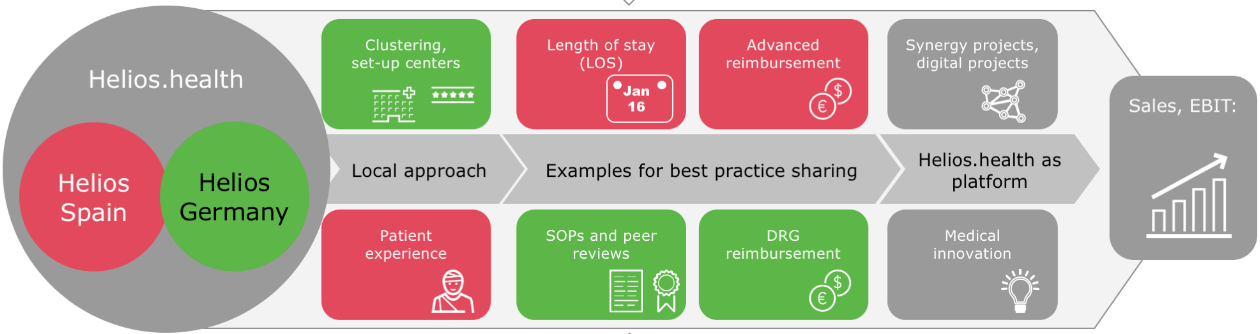
Strategy by Country

Continued focus on growth areas	Growth	Growth perspective by portfolio sharpening: clusters, centers, minimum quantities, integrated outpatient care
Continue ORP and outpatient activities		Develop outpatient activities
Technical and digital solutions: high-quality and marketing-centered applications	Innovation	Medical and structural solutions: high-quality and process-centered applications
Increasing cost efficiency while maintaining service leadership	Processes	Developing cost leadership nearer to an "industrial" level while increasing the service level

Helios to benefit from experiences of offering its business model in different markets with different conditions, challenges and opportunities

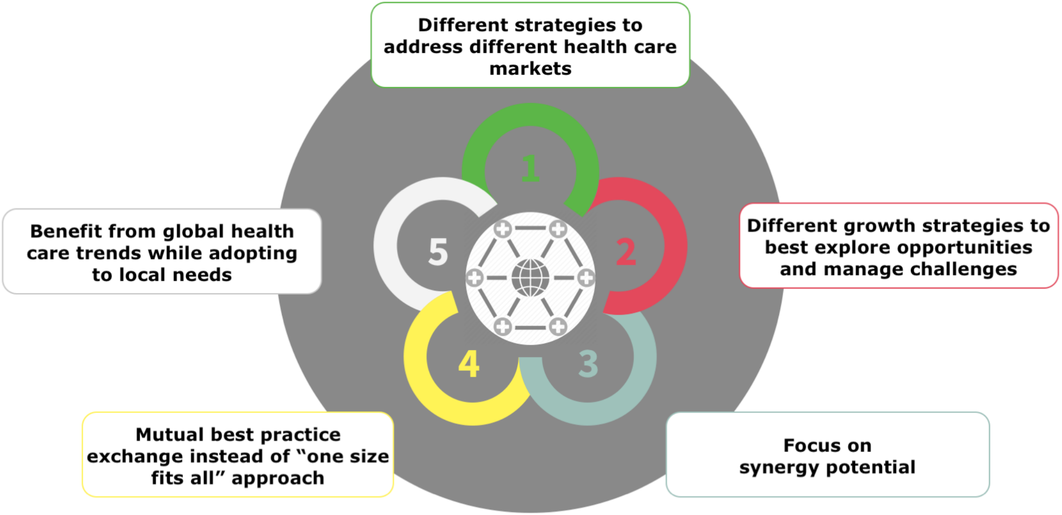
Best Practice Transfer

Market conditions in Germany
Strict sector boundaries and trend toward outpatient care, future minimum staffing requirements and minimum quantities



Market conditions in Spain
Focus on quality leadership, efficient and effective processes, future changes in reimbursement scheme

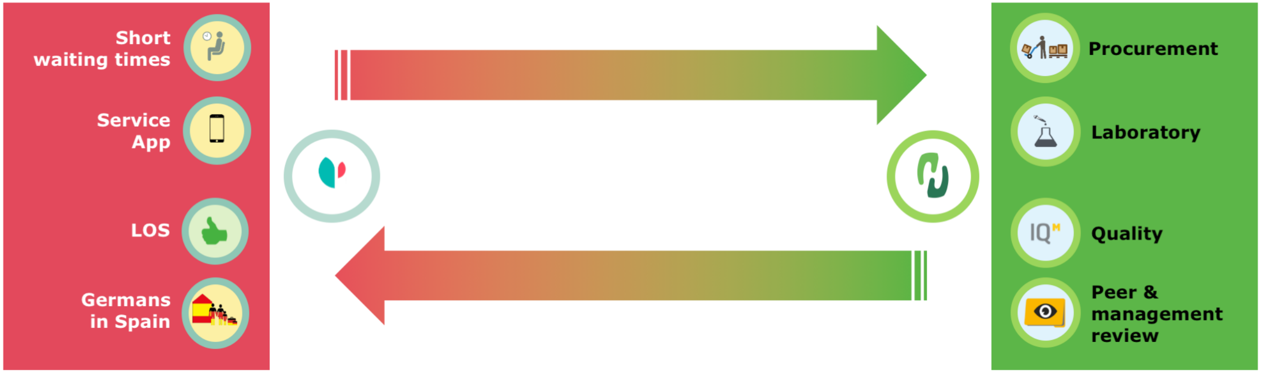
Best in Class: Adopting to Market Specifics and Fostering Know-How Transfer



From Best Practice Transfer to an International Transformation

Portfolio Sharpening - New Growth Prospects

Learning by Integration



Constant interaction to develop best practice and achieve synergies across the group

Processes Services Results

The Best of Both Worlds

Capital Markets Day, 8 June 2018

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A Medical View Across Borders

Ralf Kuhlen, MD, PhD – CMO Helios Health

The Best of Both Worlds

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Key Take-Aways

- Helios has a patient-centered vision
- Spanish health care system has excellent quality while being very efficient
- Medicine has no borders – good medicine has
- Good medicine and economic success fit together

Our Patient Centered Vision

1

Patient diagnosis completed
- All data available
- Treatment options illustrated
- All questions answered
- Decisions taken and documented

Sectorial separation of health care

2

Hospital stay

follows a structured treatment plan
- Steps and timelines shared with patient before admission
- No waiting times!

Traditions Attitude

3

Enhanced recovery protocols
- No unnecessary immobilization
- Modern minimal invasive techniques
- Risk – and complication management

Patients expectations

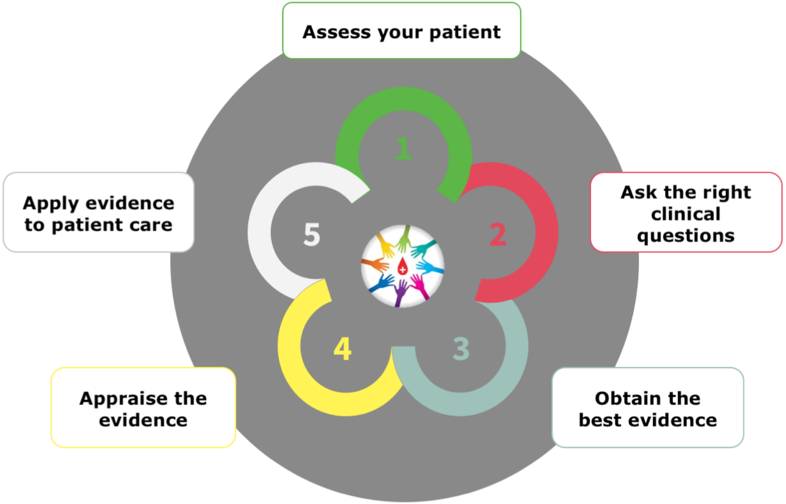
4

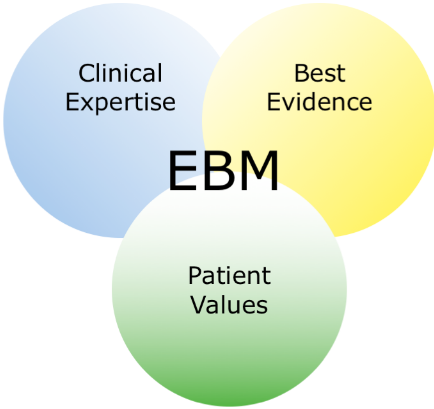
Discharge

and further treatment are planned in advance
- All steps, appointments and timelines shared with patient
- Patient data are shared, no information is lost

Sectorial separation of health care

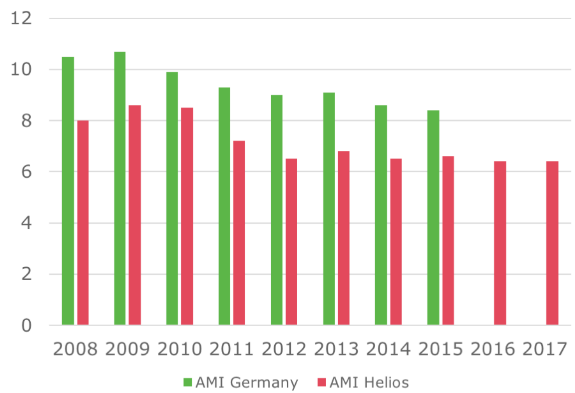
Evidence-Based Medicine (EBM) – a Global Standard for Patient-Centered Care



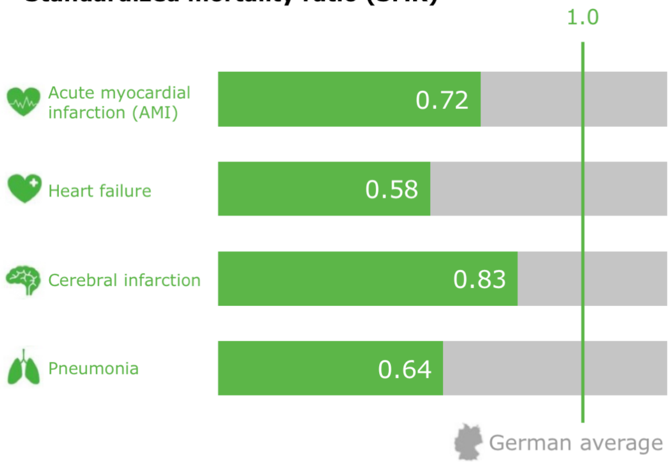


Quality First!

Acute myocardial infarction (AMI)

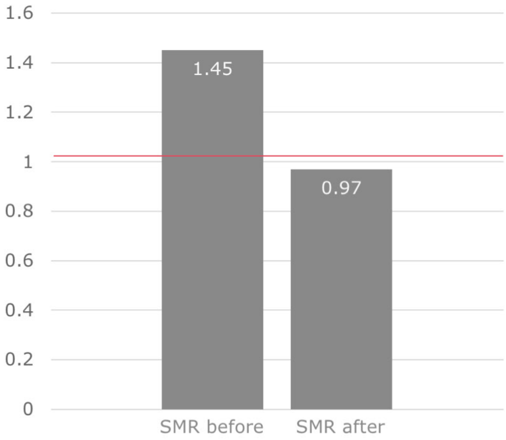


Standardized mortality ratio (SMR)

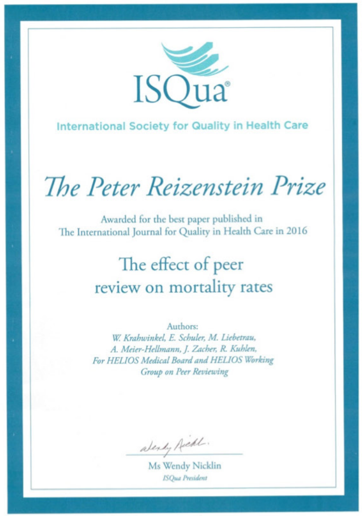


Peer Review

Proven Success in Germany!



Cumulative mortality effect peer reviews



ISQua®

International Society for Quality in Health Care

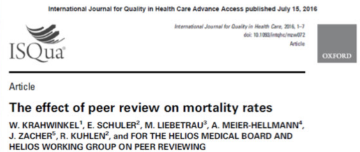
The Peter Reizenstein Prize

Awarded for the best paper published in
The International Journal for Quality in Health Care in 2016

The effect of peer
review on mortality rates

Authors:
W. Krahwinkel, E. Schuler, M. Liebetrau,
A. Meier-Hellmann, J. Zacher, R. Kuhlen,
For HELIOS Medical Board and HELIOS Working
Group on Peer Reviewing

Ms Wendy Nicklin
ISQua President



International Journal for Quality in Health Care Advance Access published July 15, 2016

ISQua®

International Journal for Quality in Health Care, 2016, 1–7
doi: 10.1093/intqhc/mzw072
Article

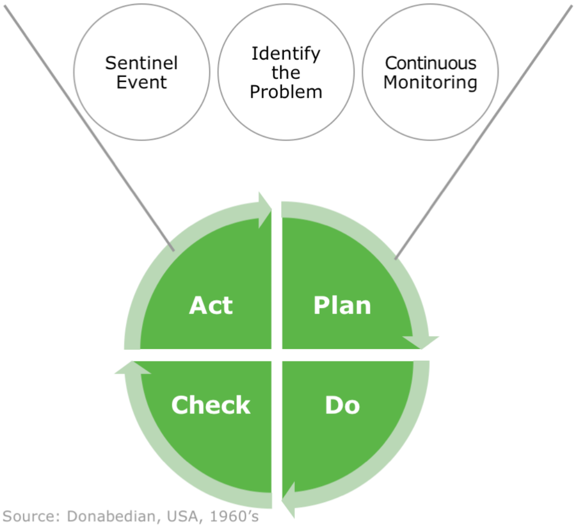
OXFORD

Article

The effect of peer review on mortality rates

W. KRAHWINKEL[1], E. SCHULER[2], M. LIEBETRAU[3], A. MEIER-HELLMANN[4], J. ZACHER[5], R. KUHLEN[2], and FOR THE HELIOS MEDICAL BOARD AND HELIOS WORKING GROUP ON PEER REVIEWING

Two Standard Quality Management Cycles



Source: Donabedian, USA, 1960's

Days Spent as Inpatient Every Year?

1.8

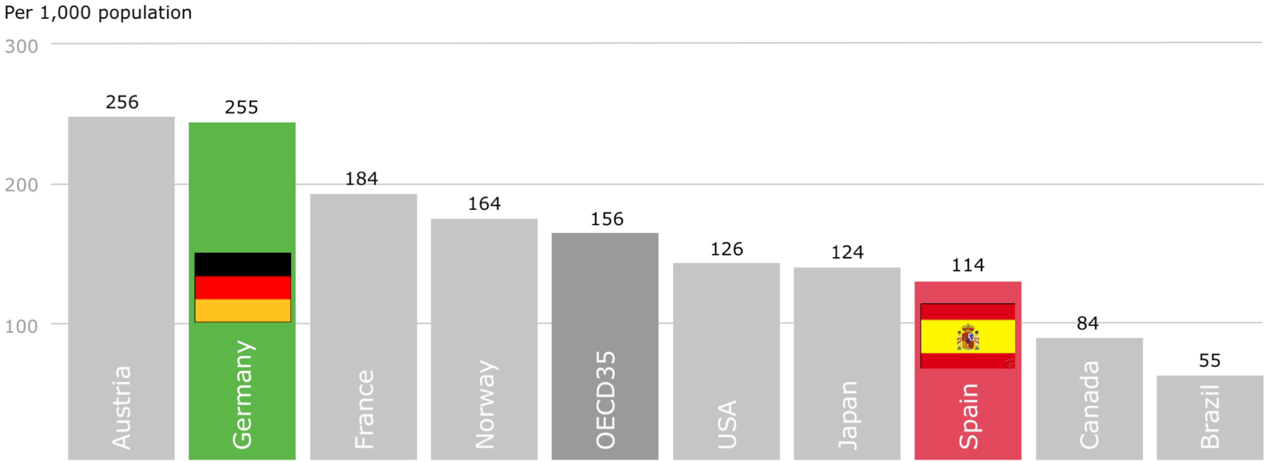
0.9

0.7

0.6

Health Care Utilization across Borders

Hospital discharges, 2015 (or nearest year)



Factors to Compare Health Care Systems

Health status

Health care system

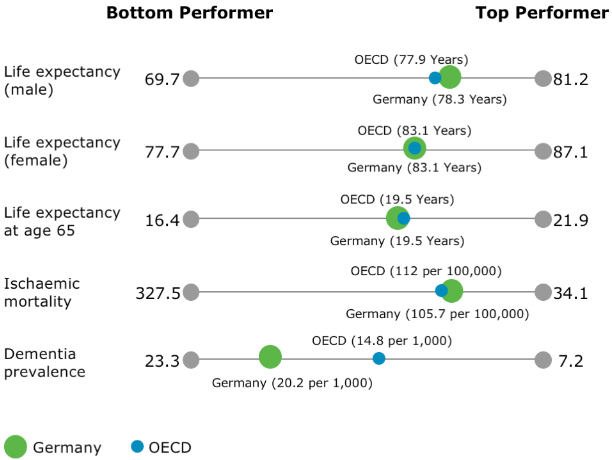
- Access
- Quality
- Expenditure & financing
- Health care resources
- Sectorial structure

Risk factors

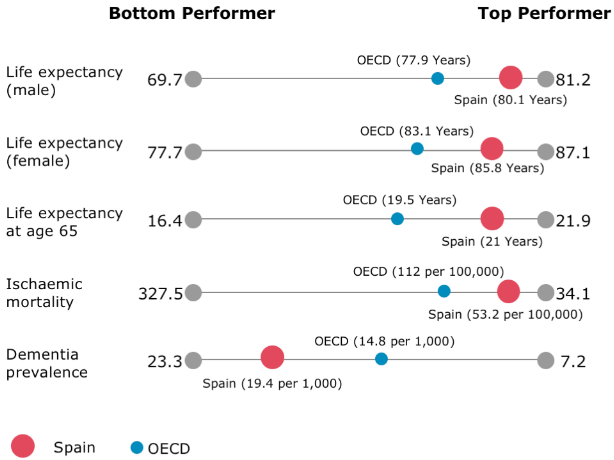
Epidemiologic, demographic, economic, social and cultural context

OECD Comparison on Health Status

Health Status Germany:



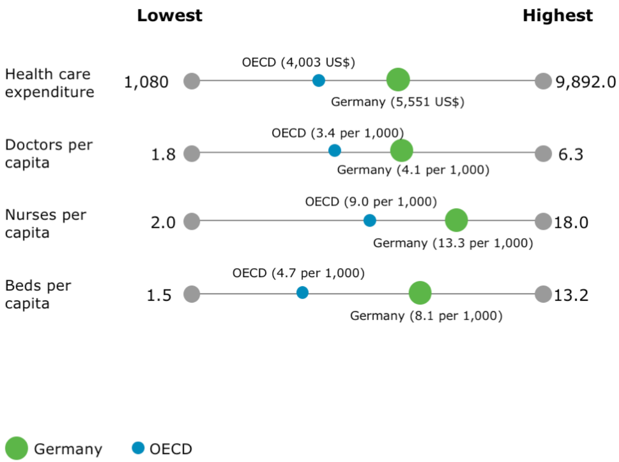
Health Status Spain:



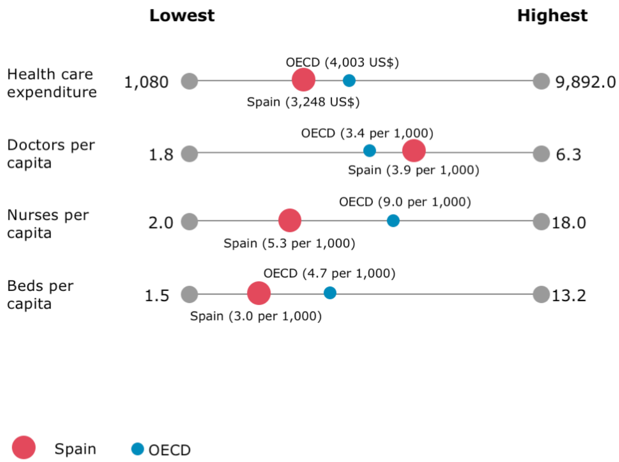
Source: OECD Health Statistics

OECD Comparison on Health Care Resources

Health care resources Germany:

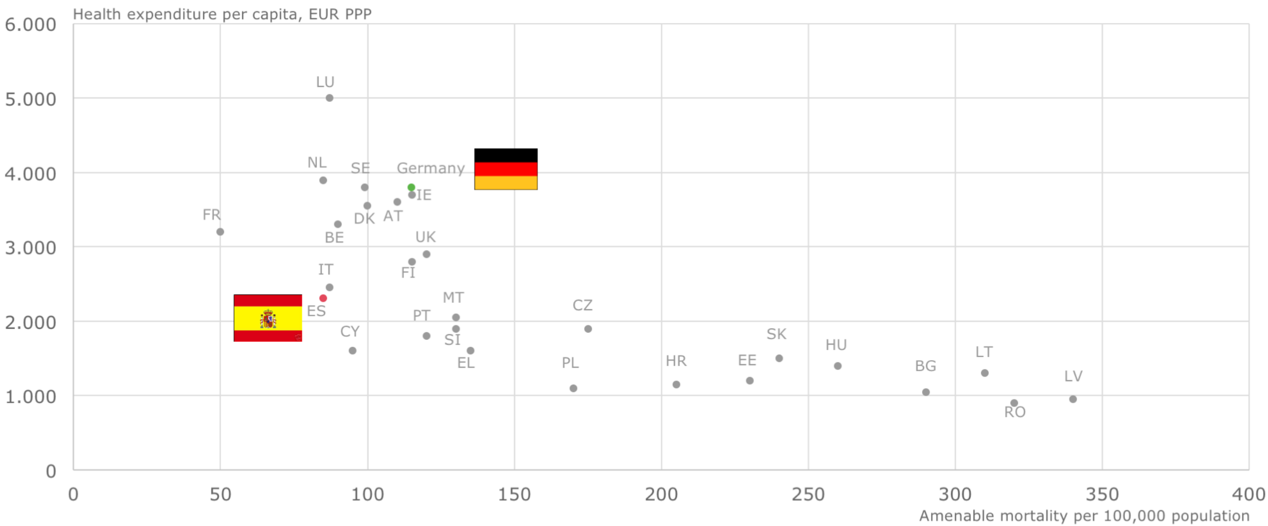


Health care resources Spain:



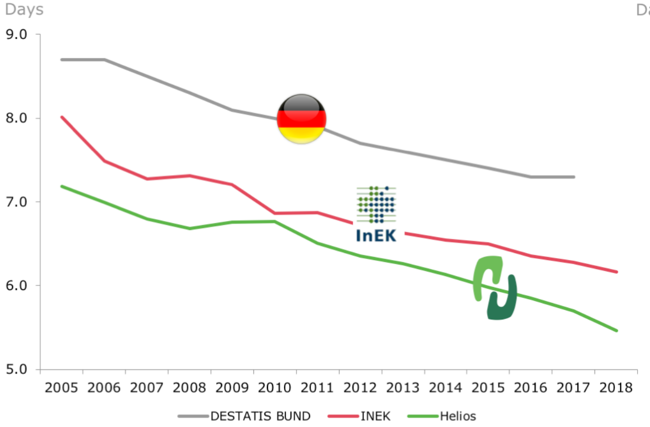
Source: OECD Health Statistics

Different Health Care Systems – Different Efficiencies



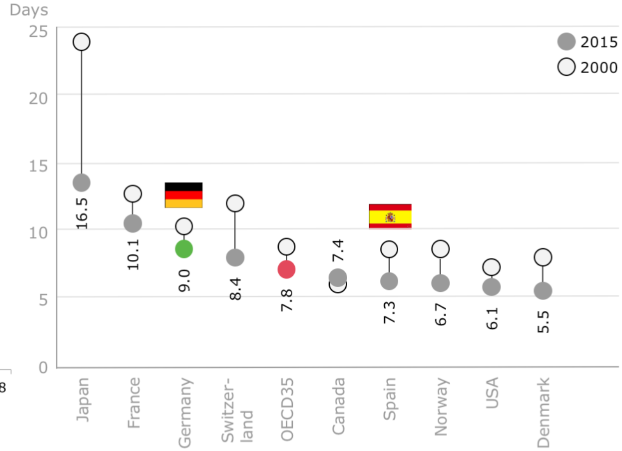
Source: OECD Health Statistics

Process – the LOS as an Indicator



LOS acute care DRG comparison

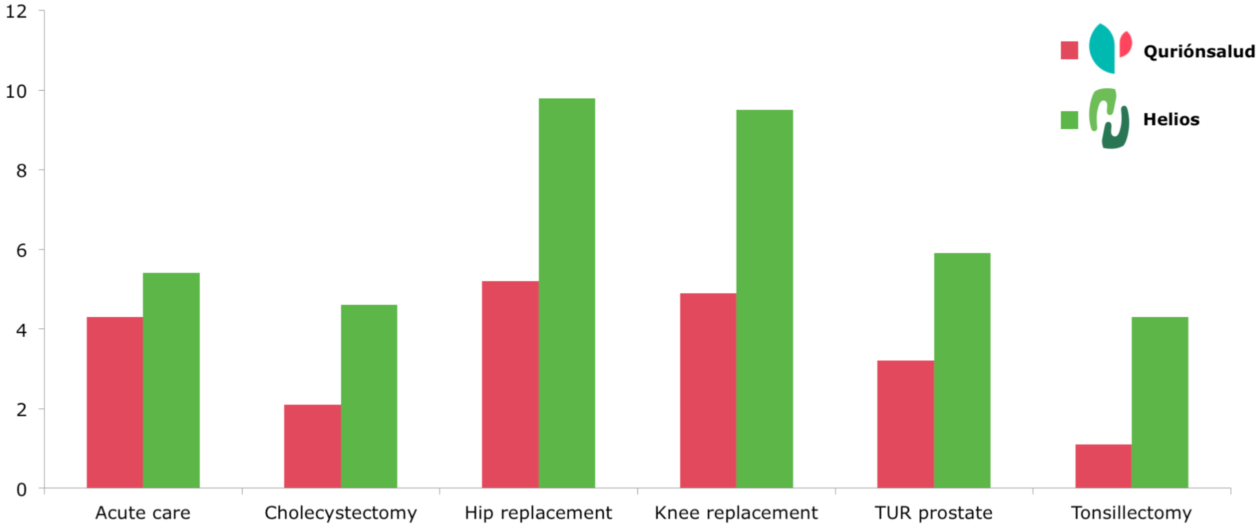
Average LOS in hospital, 2000 and 2015 (or nearest year)



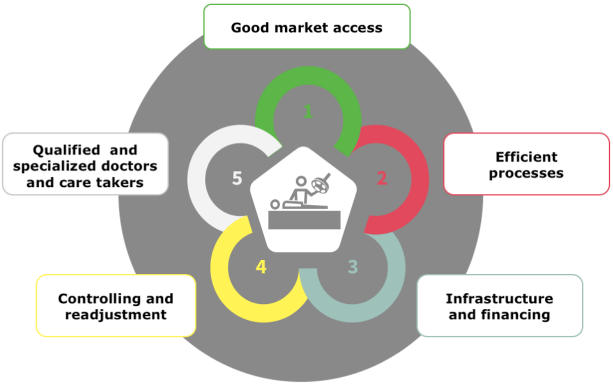
LOS all hospital stays, incl. mental disease

Source: OECD Health Statistics

Examples for LOS Differences



Medicine Aware of its Borders and Limits?



The WHO Health Systems Framework

System building blocks

- Leadership / governance
- Health care financing
- Health workforce
- Medical products, technologies
- Information and research
- Service delivery

Access Coverage

Quality Safety

Goals / outcomes

- Improved health (level and equity)
- Responsiveness
- Financial risk protection
- Improved efficiency

Capital Markets Day, 8 June 2018

Helios Germany Overview

Franzel Simon – CEO Helios Kliniken

Helios

The Best of Both Worlds

Key Take-Aways

- Attractive business with high entry barriers
- Regulatory framework offers challenges and opportunities
- Helios Germany is the ideal partner for cross-sectoral care
- Pioneer in new care models
- Excellently prepared for the future

Corporate Management Team

Franzel Simon
Chief Executive Officer (CEO)

Armin Engel
Chief Service Officer (CSO)

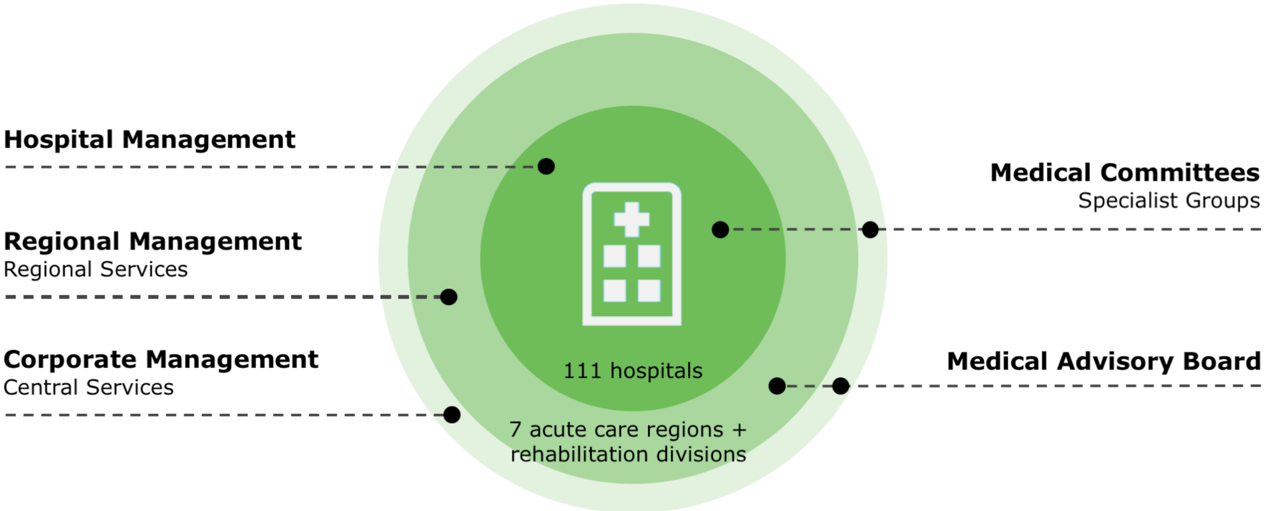
Karin Gräppi
Chief Labor Officer (CLO)

Olaf Jedersberger
Chief Operating Officer (COO)

Andreas Meier-Hellmann
Chief Medical Officer (CMO)

Jörg Reschke
Chief Financial Officer (CFO)

Local Responsibility – Company-Wide Networking



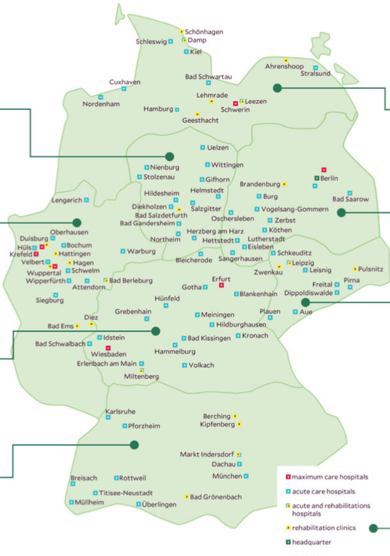
Extended Management Team

Reiner Micholka
Regional Manager
Lower Saxony Region

Manuel Berger
Regional Manager
North Rhine-Westphalia Region

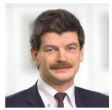
Corinna Glenz
Regional Manager
Central Region

Marcus Sommer
Regional Manager
South Region



Marc Baenkler
Regional Manager
North Region

Mate Ivančić
Regional Manager
Central-North Region



Roland Bantle
Regional Manager
East Region

Jan Leister
Manager
Helios Rehabilitation Clinics

Helios

Medical Advisory Board and Specialist Groups

The Helios Medical Advisory Board

Our Medical Advisory Board and 27 Specialist Groups guarantee the further development of medicine and quality. They provide support to management, develop medical concepts, adopt standards and make recommendations for action.

All therapy-relevant purchasing decisions are made exclusively according to medical criteria.

Helios

Strategic Objectives

Helios's target matrix for medical and economic success:

Increase in patient benefit and quality leadership	Development of Helios as a know-how-driven group
Patient benefit	**Knowledge**
Profitability	**Growth**
Sustainable development of hospitals	Selective growth and strengthening of market position

Helios

74,000 employees in Germany

Promoting the compatibility of job and private life – providing 32 kindergartens, flexible working hours, job-sharing offers

350 different occupational areas

Training: 49 training centers for more than 3,000 young people

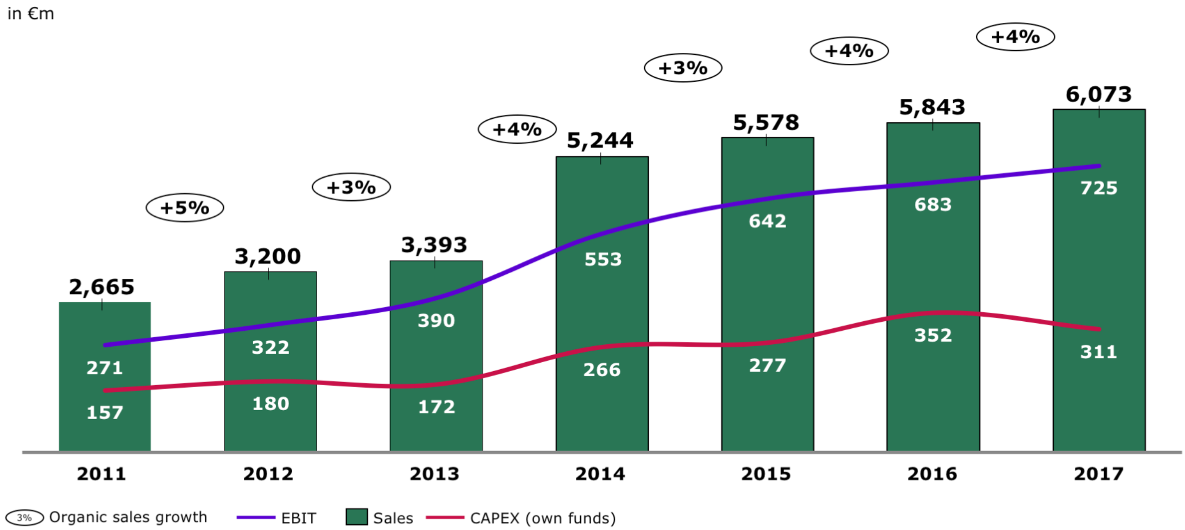
Three simulation centers.
Amboss knowledge platform: free access for around 12,000 doctors

€30 million for training and development

Employee health – different courses available at all locations

Helios Plus card: free supplemental health insurance providing private patient comfort and treatment by a senior physician

Sales and EBIT Development – Steady Growth



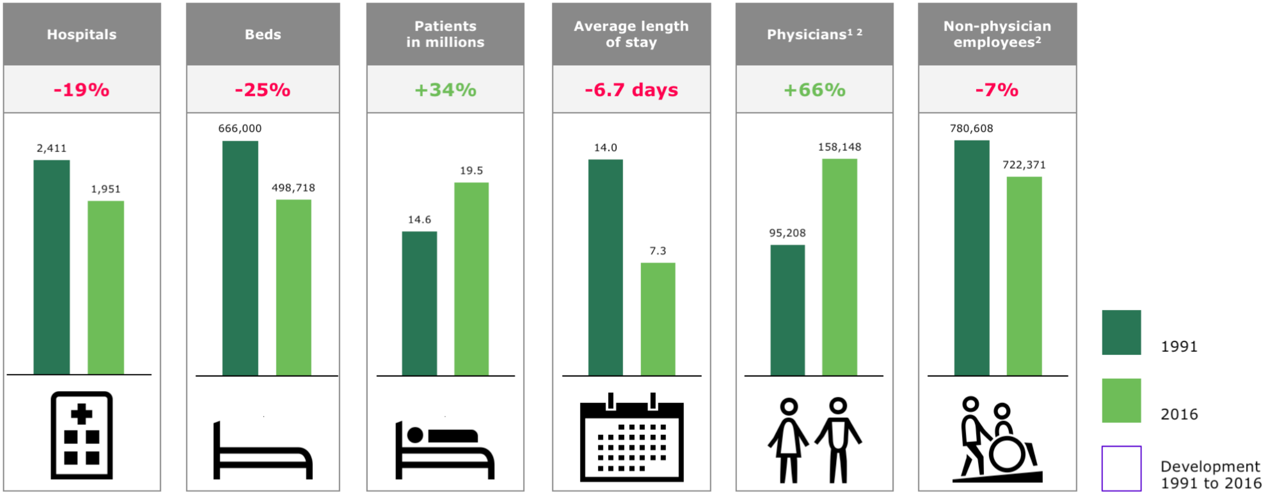
Helios

The Acute Care Hospital Market in Germany

	Public	Non-Profit	Private	Helios
Hospitals	570 (29.2%)	674 (34.5%)	707 (36.2%)	88 (4.5%)
In-Patient Cases	9.8m (49.0%)	6.41m (34.2%)	3.16m (16.8%)	1.23m (6.1%)
Beds	238,803 (47.9%)	166,858 (33.4%)	93,057 (18.7%)	29,618 (5.9%)
Length of stay (days)	7.3	7.0	7.7	6.4

Based on most recent available data of the German Federal Statistical Office (2016) and respective internal Helios data

German Hospital Market – Major Trends



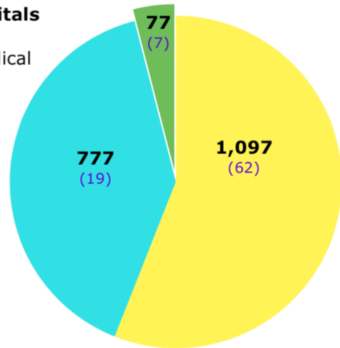
[1] full-time physicians [2] On a full-time basis converted | Source: German Federal Statistical Office

Hospital Landscape in Germany

Hospital care levels in Germany (Helios)
In Germany, we have 1,951 acute care hospitals which fall into 3 main categories:

Maximum care hospitals
Cover almost all fields and provide some medical research

Major regional hospitals
Cover additionally some regional departments, such as dermatology, orthopedics and gynecology



General hospitals
Cover the medical fields of surgery and internal medicine

Source: German Federal Statistical Office,
Maximum care hospitals are defined as acute care hospitals with >800 beds

Dual Hospital Financing in Germany

In accordance with the Hospital Financing Law (KHG) (Section 1)

- Hospital planning is carried out at the state level
- Must be included in the state hospital plan
- Approved specialist departments

"Who pays the hospital?"

The principle of **Dual Financing** ("two different pots")

The hospital budget: Billed DRGs should cover the running costs (personnel, medicines, utilities, etc.)

The public purse: General and specific appropriations to finance construction and the purchase of medical equipment and facilities

Hospital Sales

DRG Budget Process

Hospital admissions x Case mix index

=

Sum of relative cost weights

(Bewertungsrelationen)

x

Base rate (Basisfallwert)

=

Budget

Example: Hospital Admission Franklin

Justin Franklin (fund manager, 33) appendectomy, released from hospital after 3 days

Invoicing Admission Franklin:

Relative Cost Weight:	1.0
x Base rate	€3,500*
= Payment	**€3,500**

Budget

Hospital:

Relative Cost Weight:	1.0
x Admissions	10,000
x Payment/Admission	€3,500*
= Proceeds	**€35m**

* The exact Federal base rate (Bundesbasisfallwert) for 2018 is: €3,467.30

Changes in Hospital Financing 2019 and Beyond

Content of coalition contract

- Extending the structural fund
- Financing wages for incremental nurses
- Forming clusters and centers
- GBA[1] requirement for emergency services

[1] Gemeinsamer Bundesausschuss (Joint Federal Committee)

Opportunities for Helios Germany

- Financial support to accelerate market consolidation
- Bundling of services
- Additional sales following possible center and quality surcharges
- Elimination of *Fixkosten-degressionsabschlag* (FDA) through centers confirmation in the hospital plan
- Competitors ceasing to provide emergency services

Changes in Hospital Financing 2019 and Beyond

Contents of coalition contract

- Introduction of minimum nursing staff levels
- Further negative DRG catalog effects
- Rising FDA (*Fixkostendegressionsabschlag*) discounts through volume expansion starting in 2019

Challenges for Helios Germany

- Higher costs
- Sales impacted by negative catalog effects, in particular cardiology
- Sales impacted by increasing discounts

Minimum Quantities and Forming Centers

- From "everyone does everything" toward specialization
- As early as 2017, Helios voluntarily started Medical Specialist Groups
- Now a mandatory requirement of both health insurers and the government!
- Tangible quality increase through minimum quantities and creation of centers. But an initial decrease in sales through the startup effect, as efficiency in the hospitals declines and not all efficiencies benefit the hospitals directly

Helios

Growth Factors

1. Forming centers for single services, with lighthouse projects
   → increase number of cases and improve quality after initial phase
2. Decreasing number of emergency service providers
   → growing number of cases for remaining providers
3. Closing hospitals due to requirements of the structural fund
   → continued market consolidation, therefore fewer hospitals competing with Helios
4. Increasing the service quality for patients and their families
   → patient loyalty
5. Development of new business areas (e.g. outpatients, ORP, third party hospital management)
6. Increased integration of outpatient and inpatient treatment
7. Selective acquisition of hospitals in Germany

Helios

Summary

- Anticipated political regulations will impact financial performance
- Helios Germany has taken decisive measures to counteract regulatory challenges:
  - Superior medical quality
  - Digitalization
  - Clustering
  - Cross-sectoral care
  - Development of new care models
  - Sharpening of hospital portfolio
- Helios Germany is excellently prepared for the future!

quirónsalud

La salud persona a persona

Quirónsalud Overview

Héctor Ciria – CEO Quirónsalud

8 June 2018

The Best of Both Worlds

Key Take-Aways

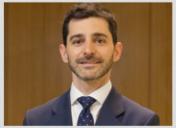
- Leading hospital group in Spain
- Spanish market offers diverse range of financing models
- Multiple opportunities for growth
- Top priorities are medical quality, patient experience and digital transformation

Agenda

Quirónsalud Management Team

Today's speakers

Víctor Madera
Chairman
(non-executive)



Héctor Ciria
CEO

5 support areas

Miguel Mascaró
Finance & Control (CFO)

Adolfo Fdez. Valmayor
IT & Digital Transformation

Juan Carlos González
Talent & Organization

Julio Fdez Llamazares
Communication

Leticia Moral
Quality & Innovation

3 operating areas ("COOs")

Pedro Rico
Private Hospitals

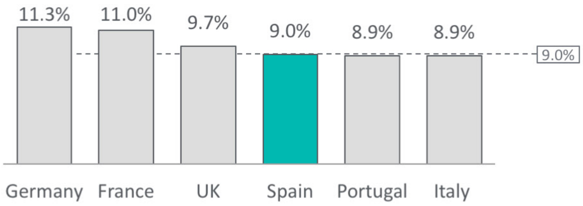
Juan Antonio Álvaro
Public Hospitals Madrid

Fernando Camino
Occupational Risk
Prevention (ORP)

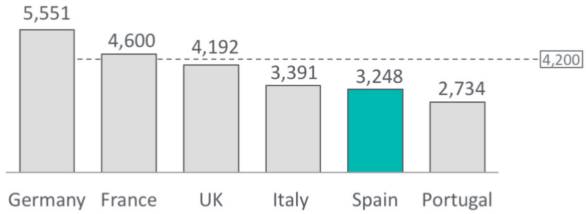
Agenda

Spain vs. European Peers

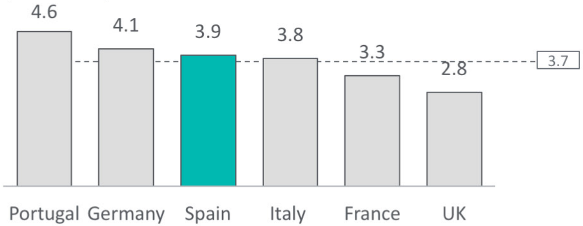
Total health care expenditure
(% of GDP)



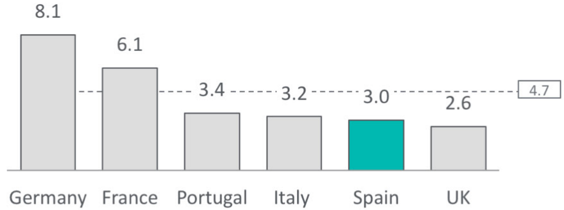
Total health care expenditure
(US$ PPP per capita)



Physicians density
(x 1,000 inhab.)



Hospital beds density
(x 1,000 inhab.)



Source: OECD 2017, based on data from 2015 and 2016

Spanish Health Care System Snapshot

Public System	Universal coverage (100% population) 47 million users	For free No copayments Financed with taxes	70% of total expenditure
Private System	Duplicative 10 million insured (~20% of population)	Paid by users ~€770/year per user	30% of total expenditure

Private system supports public system by releasing resources

Why pay for private insurance?

- Shorter waiting times
- Direct access to specialist doctor
- Freedom to choose doctor
- Comfortable hotel services (e.g. single room)

Source: Ministerio de Sanidad y Consumo, IDIS, DBK, Company Internal Estimates

Care Delivery Market in Spain Amounts to ~€60bn

Spain GDP ‘17 €1.2 trillion

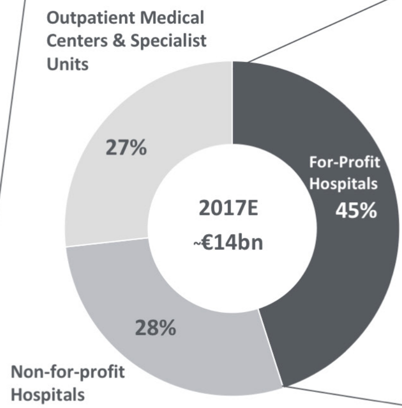
Total health care expenditure ‘17E ~€100bn

Care Delivery Market ~€60bn

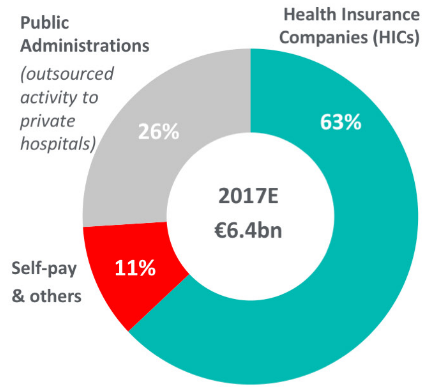
Public Network: >€45bn
- Primary Care
- 286 Public acute hospitals* (including some PPP contracts)
  - 5 hospitals quirónsalud

Private Network: ~€14bn
- Outpatient medical centers
- 290 acute hospitals*
  - 39 hospitals quirónsalud

Private Network



For-Profit Private Hospitals, Sales by Payor



Excluding Occupational Risk Prevention (ORP)

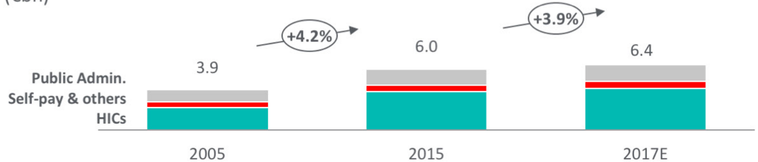
* Excludes geriatric and psychiatric hospitals, rehabilitation hospitals, etc. If those are added, total number of hospitals in the Public Network amounts to 355, and in the Private Network to 444

Source: Ministerio de Sanidad y Consumo, CNH 2017, IDIS, Company Internal Estimates

Spanish For-Profit Private Hospitals Growth

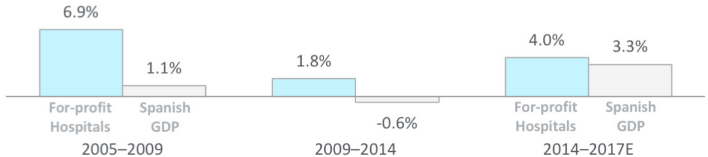
For-Profit Private Hospital Market

(€bn)



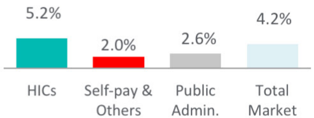
4% CAGR historically Expected to continue growing at 3%–4% p.a.

Private hospital market vs. Spanish GDP growth

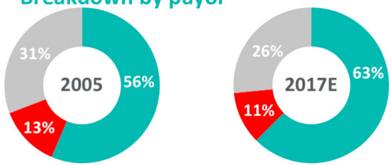


Sector growth above GDP in all economic cycles

Sales CAGR 2005-2017E



Breakdown by payor



Growth fueled by Health Insurance Companies (HICs)

Source: OECD 2015, IDIS, DBK, Company Internal Estimates

Agenda

Quirónsalud Group Snapshot

#1 hospital group in Spain

~ **€2.8bn** sales in 2017, **+10%** vs ‘16 (+6% organic)

>**100** health care centers, including **45** hospitals with c.**7,000** beds

~ **40,000** employees

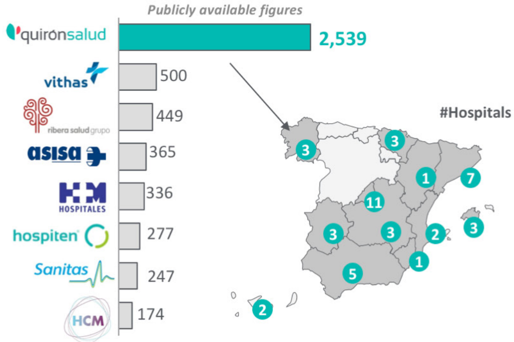
Over **300** ORP centers, direct access to **5 million** workers

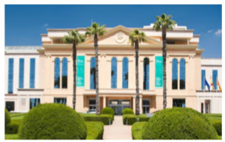
Strong commitment to **quality**, **education** and **innovation**

Already present in **LatAm**

Largest Spanish hospital operator

(2016 Sales in €million)





Source: annual accounts, internal analysis, press releases

Quirónsalud Group KPIs

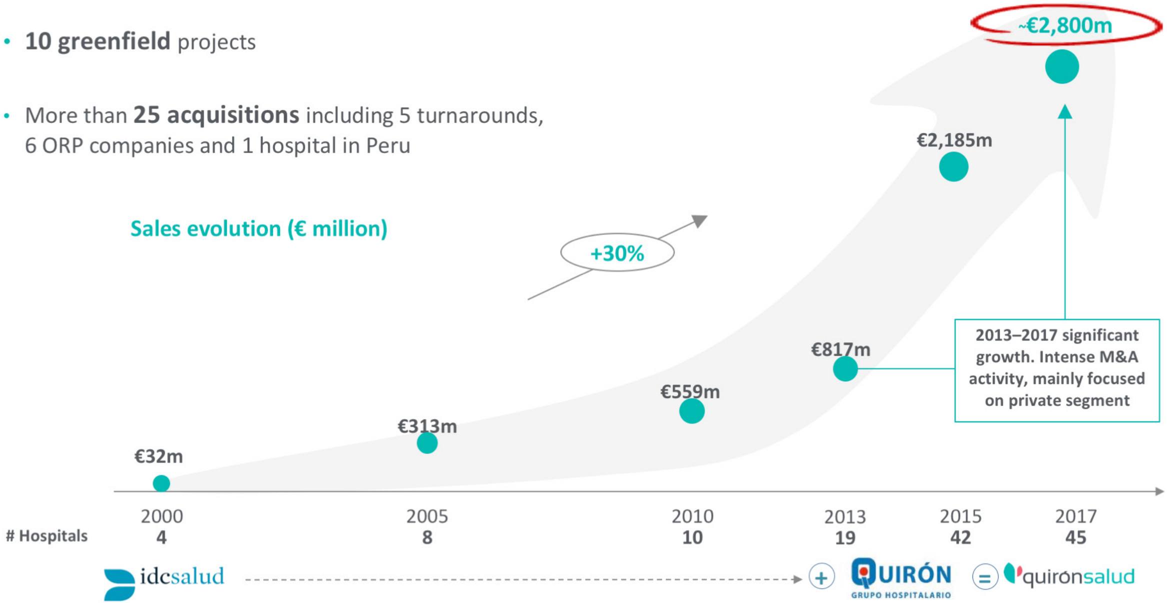
	2017	Total Growth YoY*
Outpatient consultancies	8.6 million	+12%
Emergencies	2.6 million	+8%
Inpatient		
Patient Days	1.5 million	+5%
Discharges	350 thousand	+5%
Avg. Length of Stay	4.3 days	–
Occupation rate	62%	+ 1 p.p.
Surgeries	400 thousand	+8%

* Includes organic and inorganic growth

A History of Growth

- Sustained **organic growth**, above market
- **10 greenfield** projects
- More than **25 acquisitions** including 5 turnarounds, 6 ORP companies and 1 hospital in Peru

Sales evolution (€ million)



Over the Last 4 Years, M&A Has Played a Transformational Role

20 acquisitions between 2014–2017…

1 **Creation of Spanish market leader (#1 Group acquired #2)**

idcsalud + QUIRÓN GRUPO HOSPITALARIO = quirónsalud

2 **Acquisition of prestigious hospitals in local markets**

Illustrative

3 **Creation of market leader in ORP sector**

Fraternidad Muprespa PREVENCIÓN | Sociedad de Prevención de FREMAP | unipresalud | MC PREVENCIÓN | Medycsa | Servicio Balear de Prevención

quirónprevención

… with significant value creation

About **€100m** of annual synergies, most of them already realized and in a steady state

Mainly coming from…

- Procurement
- Internalization of services (laboratory, cleaning, catering, etc)
- ORP network rationalization
- Headquarters

Development of Permanent Improvement Program

Our People

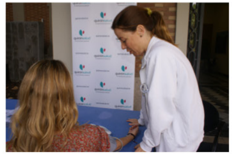
More than **32,000** employees and **8,000** mercantile doctors

75% female and **74%** indefinite contracts

Among **Top 10 employers** in Spain

Unifying cultures after 20 acquisitions in the last 4 years

Quirónsalud Campus corporate university



quirónsalud campus
conocimiento e innovación

Prestigious Hospitals in Every Large Spanish City

Top 10 Spanish provinces

Province	Population (million)	Quirónsalud # hospitals
Madrid	6.5	11
Barcelona	5.6	7
Valencia	2.5	1
Sevilla	1.9	2
Alicante	1.8	1
Málaga	1.6	2
Murcia	1.5	1
Vizcaya	1.1	1
La Coruña	1.1	1
I. Baleares	1.1	3

Celebrities at Quirónsalud

Ruber
HOSPITAL RUBER INTERNACIONAL
Grupo quirónsalud

Hospital Universitario quirónsalud Madrid

Hospital Universitari Dexeus
Grupo quirónsalud

Hospital Universitari General de Catalunya
Grupo quirónsalud

CENTRO MÉDICO TEKNON
Grupo quirónsalud

Management Priority on Quality and Patient Experience

Top quality standards and certifications

EFQM
Committed to excellence

La Fundación Jiménez Díaz recibe el sello de calidad EFMQ 5 Star 650+ por su excelente gestión

21 de mayo 2018

#1

Accredited by
The Joint Commission

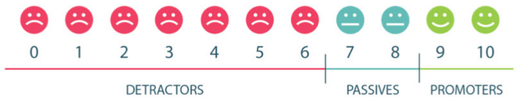
CM Teknon

Focus on patient experience

Collaboration with Cleveland Clinic

Cleveland Clinic

Continuous monitoring of NPS



International Seminar on Patient Safety and Clinical Excellence, 5th edition in May 2018

5th International Seminar on Patient Safety and Clinical Excellence

Embracing the New Digital Opportunities

Internal Developments

Processes standardization
(Efficiency & Quality)

Patient experience

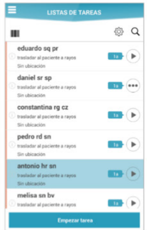
Growth opportunities

Human talent

Care Management System (Casiopea)

Fully integrated health care system with doctors …

… porters, nurses…



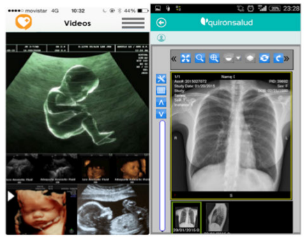
… and management

Patient Portal (app & web)

- Started in Q4 2016
- +700,000 patients registered
- +1 million appointments
- ~10% of Quirónsalud's total outpatient consultations

Online appointment

Access to medical records



Equipped with the Latest Technology

Cutting-edge high-tech equipment

86 MRIs

60 Multi-sliced CT scans

23 Linear accelerators

12 PET-CTs

5 Da Vinci surgical robots

4 SPECT-TCs

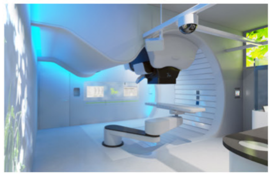
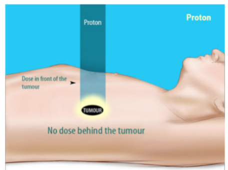
1 Gamma Knife

1 Cyber Knife






1st proton beam therapy center in Spain, to be opened in Q4 2019

Agenda

Quirónsalud Group Structure & Business Units

Simplified

quirónsalud

Hospitals

quirónsalud

Fundación Jiménez Díaz · Hospital Ruber Internacional · Centro Médico Teknon

- Health care services
- 45 hospitals, 81 medical centers
- Real Estate owned in 30 hospitals

ORPs

quirónprevención

- Health & Safety at workplace
- Over 300 centers
- 5 million workers covered

Transversal Units (internal services)

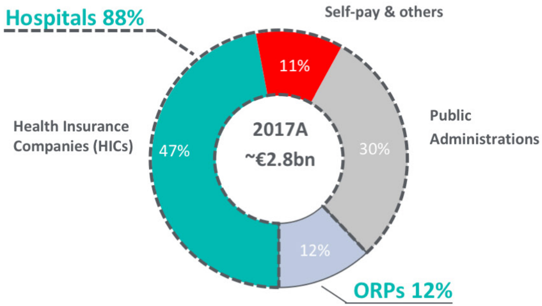
Health Diagnostic

- Laboratory
- Radiology
- Pathology

bepers

- Non-health care services (cleaning, kitchen, cafeteria, maintenance, etc.)
- Central procurement unit
- IT & call center

Sales Breakdown

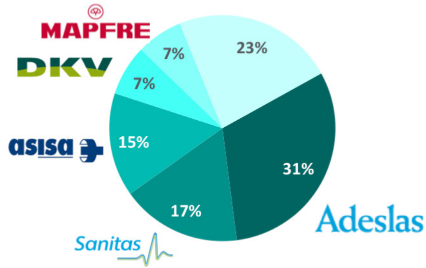


Hospital Private Activity

HICs

- Quirónsalud has agreements with all relevant HICs
- 90% national and 10% international
- National HICs
  - Market growth at 4–5% p.a.
  - Top 5 control close to 80% of market
  - Quirónsalud has improved its positioning vis-à-vis HICs, establishing recurrent win-win relationships
- International HICs cover the travel segment and medical tourism

HICs market share 2017



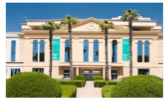
Source: ICEA

Self-pay

- Prestige and quality
- Activity is generated from
  - Highly reputed specialists offering private services only
  - Patients without private health insurance
  - Treatments not covered by insurance plans (plastic surgery, fertility)

Ruber Internacional (Madrid)

CM Teknon (Barcelona)



Quirónsalud Madrid

Quirónsalud Marbella

Hospital Public Activity – General Overview

Long-Term Contracts

- 5 hospitals: 4 in Madrid and 1 in Catalonia
- Stable and secure contracts
  - Terms: 30 years in Madrid, 10 in Catalonia
  - Expiration dates in Madrid 2036-2041
  - Tariffs adjusted by CPI
- Hospitals integrated in public network with assigned population area
- Revenue model: (i) capitation fee or (ii) DRG /Activity

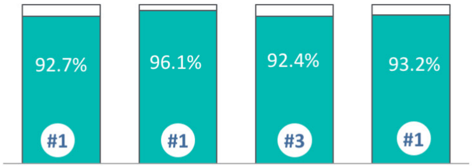
Short-Term Contracts

- Outsourced activity to private players, typically to reduce surgical waiting lists
- Variable length of contracts (typically 2–5 years)
- More than 10 Quirónsalud hospitals, broad geographical distribution

Hospital Public Activity – Patient Satisfaction in Madrid

2017 Patient Satisfaction Survey in Madrid

SaludMadrid



Quirónsalud	FJD	Hosp. Villalba	Hosp. Rey Juan Carlos	Hosp. Infanta Elena
Complexity	Group III	Group II		Group I
# Hospitals	8	13		6

Evolution of Quirónsalud hospitals in satisfaction rankings

		2010	2011	2012	2013	2014	2015	2016	2017
Group III	FJD	1	2	1	1	1	1	1	1
Group II	Hosp. Villalba	-	-	-	-	-	1	2	1
	Hosp. Rey Juan Carlos	-	-	1	1	1	2	1	3
Group I	Hosp. Infanta Elena	2	1	2	1	2	1	2	1

Quirónsalud hospitals consistently lead the user satisfaction rankings in Madrid's public system

Source: Servicio Madrileño de Salud

ORP Business Unit

Leader in a ~€1.3bn market

Publicly available figures

Main Groups	quirónprevención	Cualtis	ASPY Salud	Grupo Preving	MAS Prevención
Rank by Sales	#1	#2	#3	#4	#5
ORP Centers (approx.)	300	130	200	200	60

Growth & synergies in the ORP sector

- Sector is growing thanks to **positive cycle**
- Further expected **synergies**

	2016	2017	2018E
Spain GDP growth	3.3%	3.1%	2.7%
Unemployment rate	19%	17%	15%

Large potential for hospital growth (cross-referral)

- **5 million** workers covered
- **2 million** medical checkups per year
- **300** ORP centers network
- **New services** contracted with Quirónsalud: laboratory, imaging, etc.
- **Direct dialog** with largest Spanish corporates (Ibex 35)

Source: annual accounts, internal analysis, Aspren, press releases

Agenda

Integration with Fresenius Helios on Track, Promising Start

Agenda

Organic Growth in all Segments

Positive macro trends ...

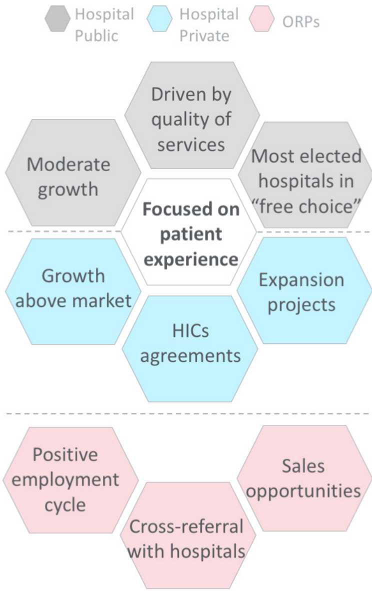
- Spain is leading growth in EU
  - **+2.7%** GDP '18E growth
  - **Reducing unemployment**

REUTERS

Spain raises 2018 growth forecast to 2.7 pct of GDP

- Private hospital market to grow at **3–4%,** outperforming Spanish GDP

Top line growth in all units ...



Various efficiency levers ...

- Internalization of services (Transversal Units)

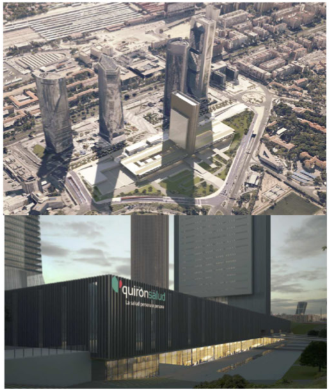
Health Diagnostic → Laboratory

bepers → Kitchen, Cleaning

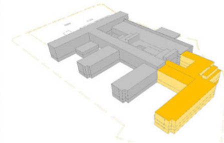
- Corporate projects
  - Shared services centers
  - IT systems convergence
  - Revenue assurance program
- Permanent operational improvement program

New Greenfield Centers – 5 Openings Within the Next 3 Years

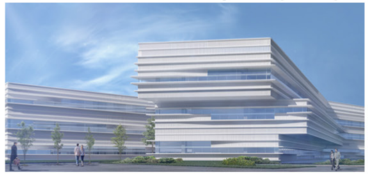
Torre Vida Project (2020)



Quirónsalud Madrid new hospitalization building (2018-2019)



Alcalá de Henares Hospital (2020)



Proton Therapy Center (2019)

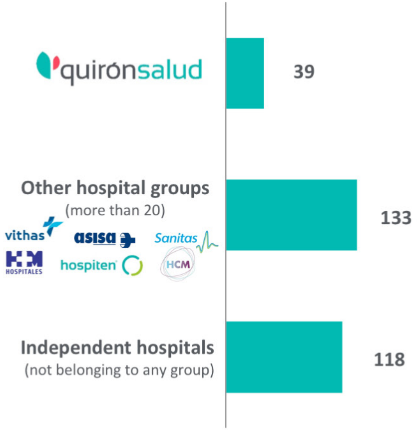
Córdoba Hospital (2018)

Inorganic – Further M&A Opportunities

Spain

Selective opportunities in a still fragmented private market

 # Acute hospitals in private network



Source: CNH 2017

LatAm

Analyzing opportunities in growing markets

- Present in Peru since Jan '17
  - Positive performance in our 1st year. Above expectations
- Some countries in Latin America could be attractive
  - Improving regulatory and institutional conditions
  - Relevant market sizes, with growth potential
  - Opportunities for market consolidation

Capital Markets Day, 8 June 2018

Helios.health

Views on Health Care – Germany

Andreas Meier-Hellmann – CMO Helios Kliniken

The Best of Both Worlds

Helios.health

Key Take-Aways

- Increasing efficiency while maintaining superior quality levels
- Scale matters – creation of specialized medical centers fosters quality improvements

The German Hospital Market

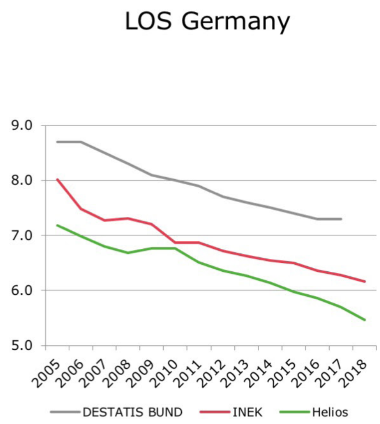
External factors on efficiency

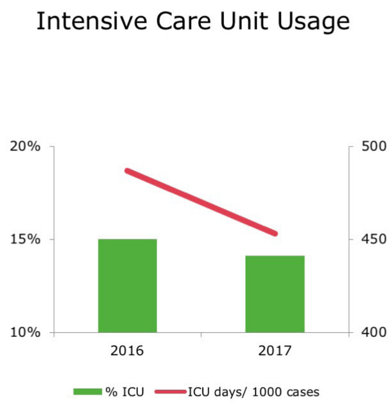
- Fixed prices
- Given nurse-to-patient-ratio in near future
- Too many hospitals

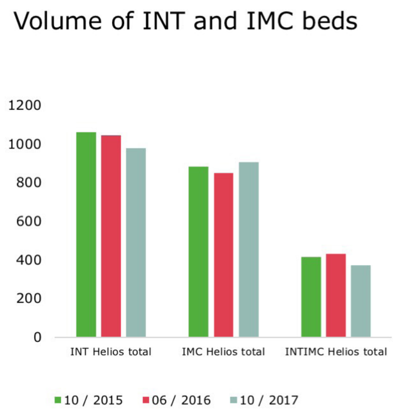
Steerable factors we focus on

- Extended length of stay
- Too many intensive care beds
- Strict separation of outpatient and inpatient care
- Complex medical interventions in too many hospitals with insufficient frequency

LOS and Use of Intensive Care Resources







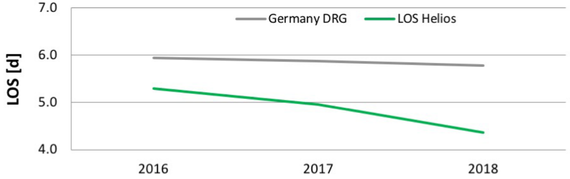
LOS = Length of stay INEK = German Institute for Hospital Reimbursement DESTATIS BUND = German statistical data
ICU = Intensive Care Unit INT = Intensive Care IMC = Intermediate Care

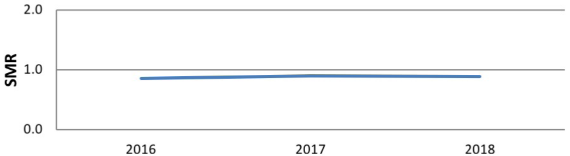
Too Many Beds / Extended LOS

- Standard Operating Procedures (SOPs) with clear setting of patient pathways improve patient outcome
- SOPs decrease LOS
- Introduction of SOPs for an increased number of patient cohorts
- Our excellent track-record of quality management demonstrates that we can sustainably improve treatment & care of our patients

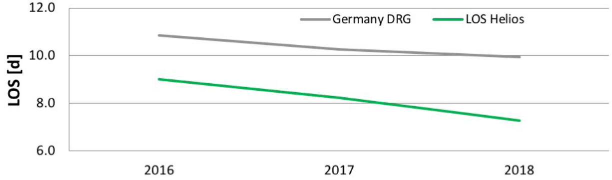
SOPs Decrease LOS

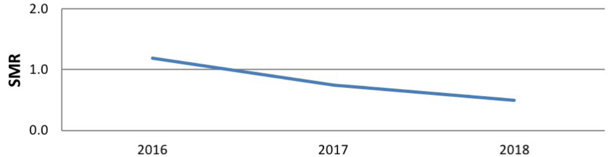
AMI w/PCI
2016 till 2018/04 (2018 after SOP implementation)





Hip replacement, Coxarthrosis
2016 till 2018/04 (before and after SOP implementation)





Increasing efficiency while maintaining superior medical quality levels

SOP = Standard Operating Procedures LOS = Length of stay AMI = Acute Myocardial Infarction PCI = Percutaneous Coronary Intervention
SMR = Standard Mortality Rate

Strict Separation of Outpatient and Inpatient Market

What we can learn from Spain

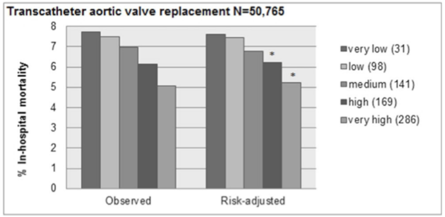
125,000 saved days (≈350 beds) due to supply of small interventions in outpatient setting!

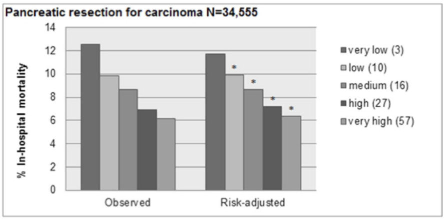
What will we do in Germany

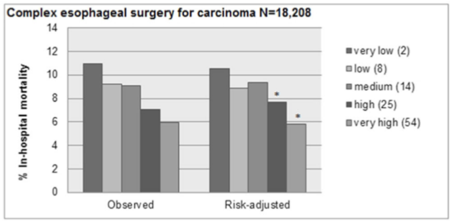
- Seizing opportunities to penetrate the outpatient market:
  - Building units for outpatient surgery
  - Extending the offer of outpatient medicine

Proven Inverse Correlation Between Case Numbers and Mortality

- Centralization
- Creating medical centers with a volume at least as high as or even higher than the biggest centers we currently have in Germany



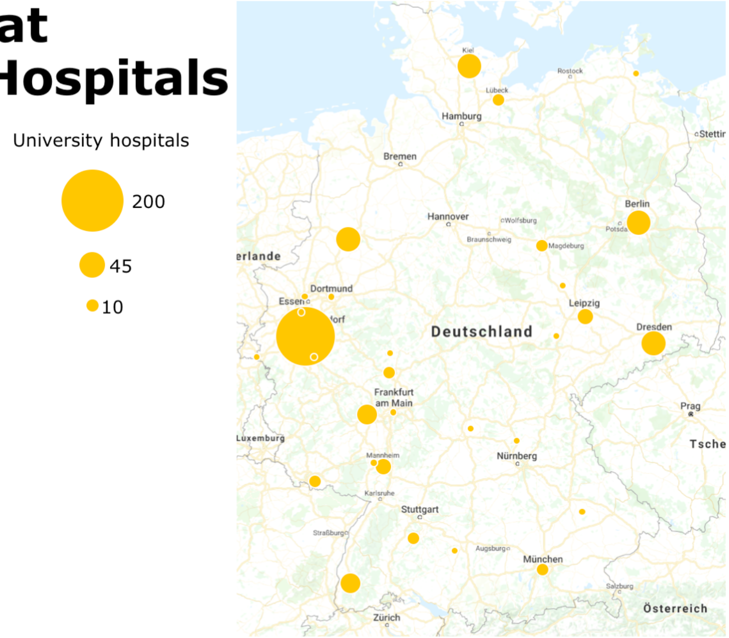




Nimptsch U, Mansky T. BMJ Open 2017;7:e016184. doi:10.1136/bmjopen-2017-016184

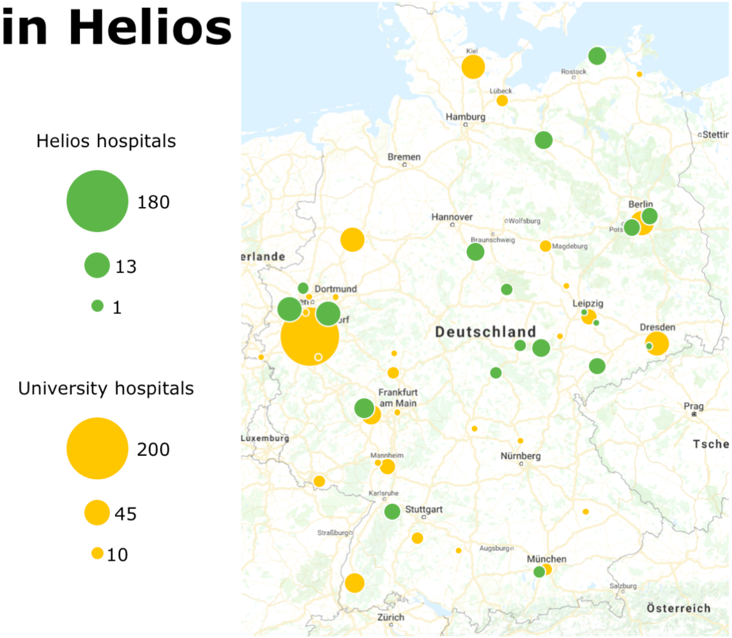
Oesophagectomies at German University Hospitals

Location	Cases
Uni Köln	185
Charité – Berlin	82
Uni Dresden	76
Uni Münster	73
Uni Freiburg	72
Uni Heidelberg	58
Uni Mainz	58
Uni Kiel	48



Oesophagectomies in Helios

Location	Cases
HSK Wiesbaden	22
EvB Berlin	20
Krefeld	17
Hildesheim	16
Berlin-Buch	14
Erfurt	13
Wuppertal	12
Hanseklinikum Stralsund	10
Pforzheim	10
Schwerin	10
Total	**172**



A Lighthouse (in the North Sea)

Location	Cases
HSK Wiesbaden	22
EvB Berlin	20
Krefeld	17
Hildesheim	16
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Erfurt	13
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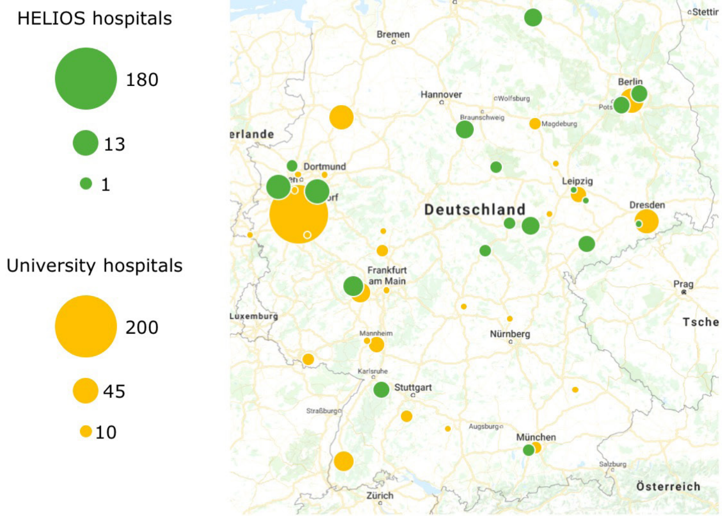


Scale Fosters Medical Quality Improvements

- First complete centralizations of complex medical interventions started
- Helios has critical size of hospitals to create medical centers with at least as many or more patients than the largest provider in Germany

Intervention	University hospital with highest number of interventions (n)	All Helios hospitals (n)
Pancreatectomy	Heidelberg 543	632
Cystectomy	Munich 126	437

- Growing efforts to educate patients on quality/mortality implications likely to overcome resistance to travel larger distances
- Virtuous circle: Increase of quality and reputation will attract even more patients

Further decrease of LOS and centralization of complex medical interventions will provide sustainable growth in Germany!

Capital Markets Day, 8 June 2018

Helios.health

Views on Health Care – Spain

Leticia Moral, MD, PhD –
Quality & Innovation Director Quirónsalud

The Best of Both Worlds

Key Take-Aways

- Positive patient experience is key driver of Quirónsalud's growth
- Integration of outpatient and inpatient care drives improved efficiency
- Cross-border knowledge transfer between Quirónsalud and Helios improves clinical practice

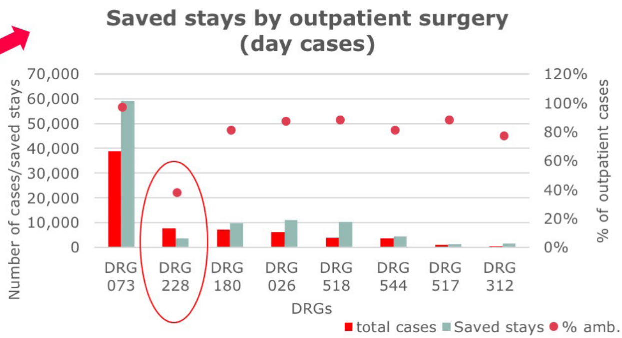
Integration of Outpatient and Inpatient Care Drives Improved Efficiency

	2017	2016
Average length of stay (days)	4.25	4.29
% Substitution index in ambulatory surgery*	67.3%	67.2%

Hip replacement	2017	2016	Dif.	
			absolute	%
Number of cases	4,391	3,996	395	10%
Length of stay	6.32	6.95	-0.63	-9%
Total real stays	27,751	27,772		

LOS reduction in hip replacement increases the activity by 10% and saves 7.58 beds/day

* % of major surgeries performed as day cases (outpatient)
Quirónsalud data base 2017; APR DRG 32.0 version



Example: Performing ~ 72,000 surgical procedures as outpatient surgery (day cases) saves 125,000 stays per year = 350 beds daily

… and gives us the opportunity to improve DRGs with "low" outpatient rate (e.g. DRG 228 Hernia procedures)

(Assumption) Saved days = length of stay of inpatient cases X nº of ambulatory surgeries

Positive Patient Experience as Key Driver of Quirónsalud’s Growth

Patients want …

- Services provided on time
- Empathy, their educational, emotional, and spiritual needs taken care of

Patients expect …

- High quality & safe care
- Innovative & affordable care

Patient Experience

We have to offer …

- Patient-centered care:
  - “Care & caring” program: we teach our employees how to treat patients
  - Focus groups with patients to improve services
  - Daily monitoring of patient experience through Net Promoter Score (NPS): 184,117 patients in year 2017
- Good accessibility, short waiting list: process standardization and on time control of waiting times
  - Outpatient: less than 15 days, less than 15 minutes
  - Emergency Department: first medical attention under 30 minutes

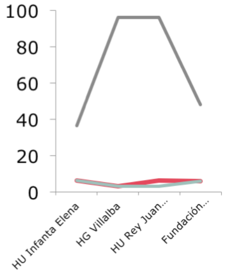
We have to guarantee …

- High quality & safe care
- Innovative & affordable care
- Efficiency

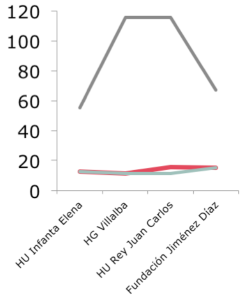
Positive Patient Experience + Short Waiting Times = Success

Madrid Public Network	Spanish private hospital market

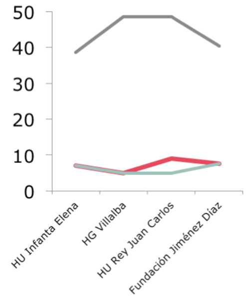
Rate of complaints (1/10,000 acts)



Average time on surgical waiting list (days)

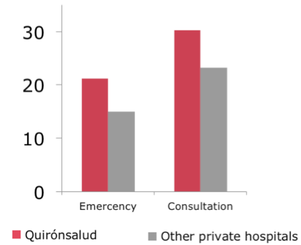


Average time on outpatient waiting list (days)



Quirónsalud Highest Regional Score Lowest Regional Score

Net Promoter Score (NPS) for outpatient activity (IDIS 2017)



NPS of other leading companies

42% 35% 20% 17% 16% -9% -15%

* http://www.madrid.org/cs/Satellite?cid=1354183538063&language=es&pagename=PortalSalud%2FPage%2FPTSA_servicioPrincipal&vest=1354183538063 as of 28 May 2018

Quirónsalud hospitals lead rankings

Excellent Clinical Practice & Patient Safety Have Always Been Central to Quirónsalud …

… being part of Fresenius Helios gave us the opportunity to implement an additional tool on corporate level to further improve clinical practice and patient safety

Before Helios		With Helios	
Before 2015	**2015–2016**	**2017–2018**	**2019 and beyond**
Achieving the highest standards of quality outcomes resulted from an individual objective for each hospital and medical team	• Internal benchmarking • External benchmarking with Spanish hospitals & international standards (AHRQ)	• 46 quality indicators adapted to Spanish healthcare • First peer reviews focused on hip fracture in patients older than 65 years	• Increase number of peer reviews in the same process + start with other processes • Extend quality measures to other groups of Spanish private hospitals

Volume | Mortality

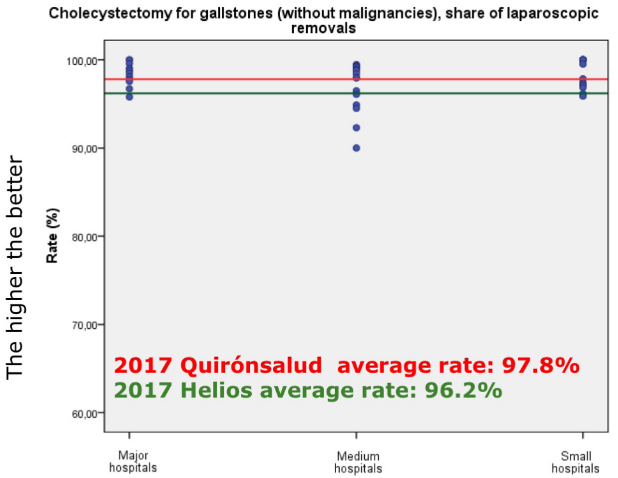
AHRQ indicators

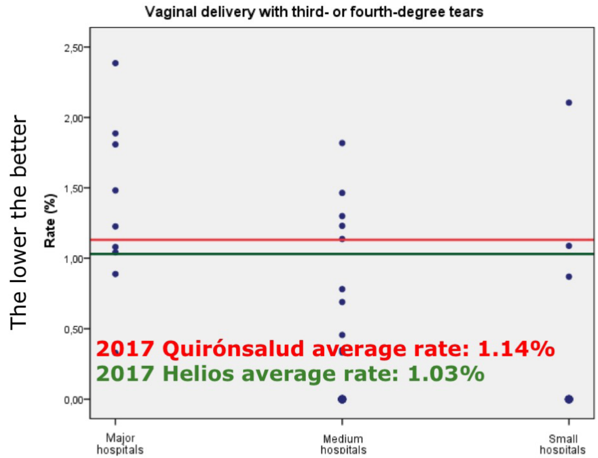
Utilization | Safe practices

AHRQ = Agency for Healthcare Research and Quality

Benchmarking in quality indicators

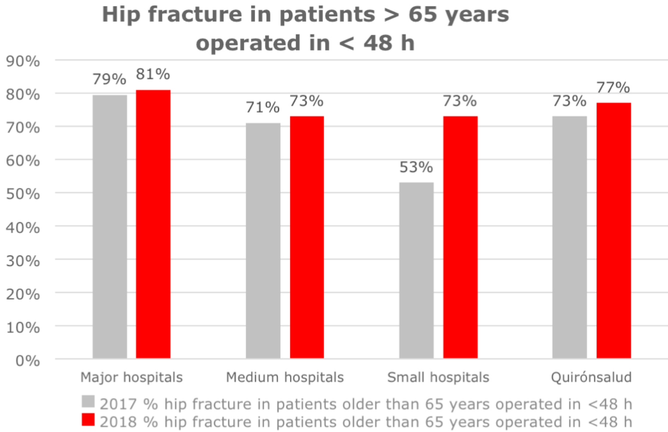
Example: Results of 2 out of 46 adapted indicators

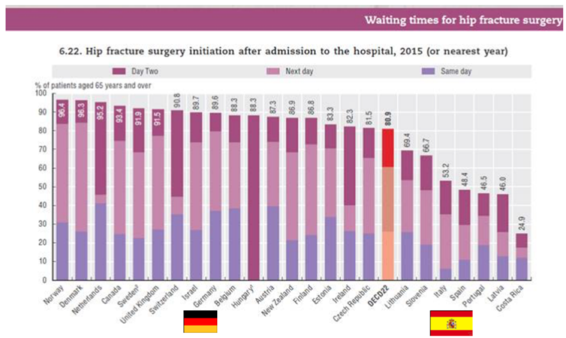




Preliminary Results of Peer Review: Overall Improvement From 73% to 77%

Our target: First to achieve OECD average, German average … and Norwegian average





Quirónsalud performs better than Spanish average

Quirónsalud's Strategies to Treat Complex Cases

Before Helios

1. **Continuous monitoring of complications & mortality: AHRQ volume + mortality indicators**
2. **Multi-hospital medical teams:**
   - ✓ Maintains accessibility for patients
   - ✓ Guarantees experience of medical teams
3. **Promoting Quirónsalud network: referring patients from small hospitals to large hospitals**

With Helios

4. **Concentrating complex services in cities with more than one Quirónsalud hospital (first project: Heart Department in Barcelona).**

Capital Markets Day, 8 June 2018

Helios.health

Cost Synergies by Integration

Enrico Jensch – COO Helios Health
Pedro Rico Pérez – COO Private Hospitals Quirónsalud

The Best of Both Worlds

Helios.health

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

Drivers

Spain

- No boundaries between inpatient and outpatient sectors
- Fragmented private hospital market
- Growing private insurance market

Germany

- High level of price stability
- Additional revenue for specialized services ("Wahlleistung") or premium quality

Limits

Spain

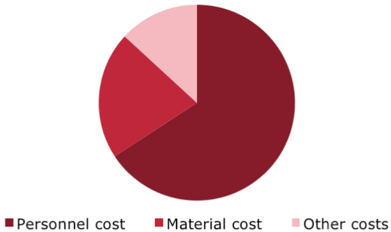
- Elevated DSO/DPO (days sales/payments outstanding)
- Limited growth in public sector

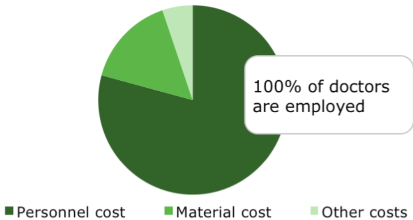
Germany

- Inflexible pricing system
- Sector boundaries
- Regulatory requirements
- No greenfield projects in public setting

Analysis of Cost Drivers to Identify Synergies

Cost ratios are different but cost drivers are similar





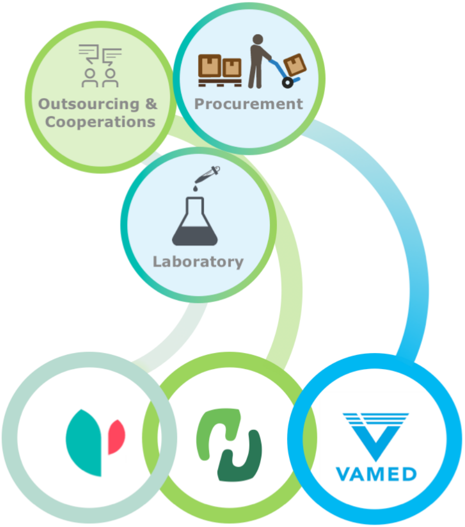
Spain

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?

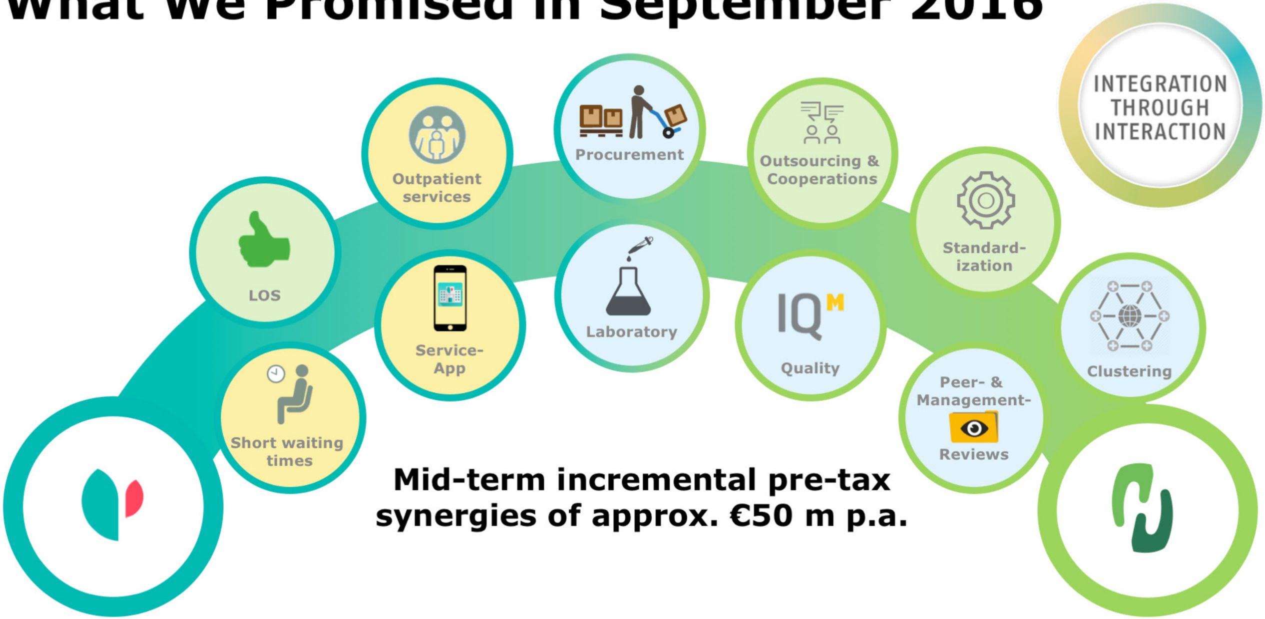
Together we are stronger

- 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



Mid-term incremental pre-tax synergies of approx. €50 m p.a.

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

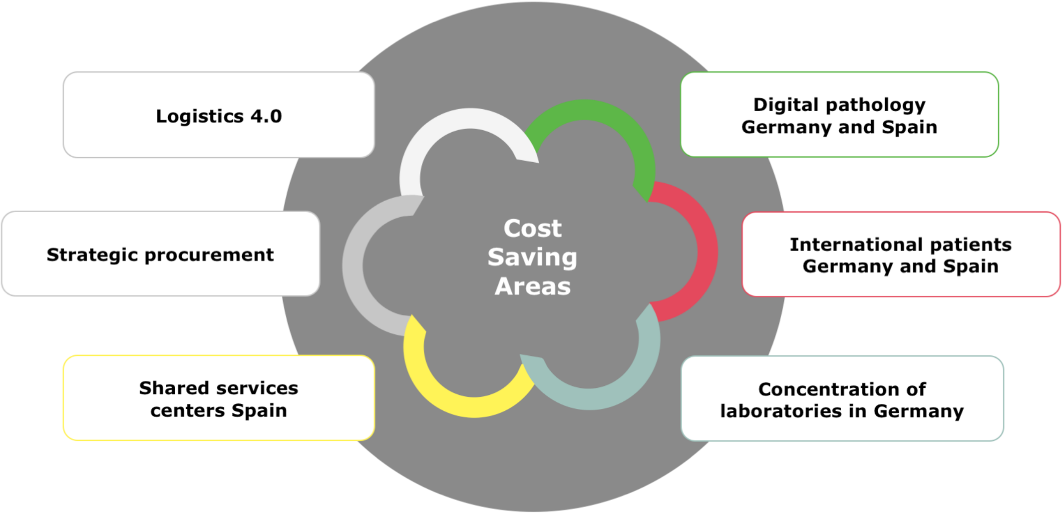
Laboratory: ~€10 million p.a.

- 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

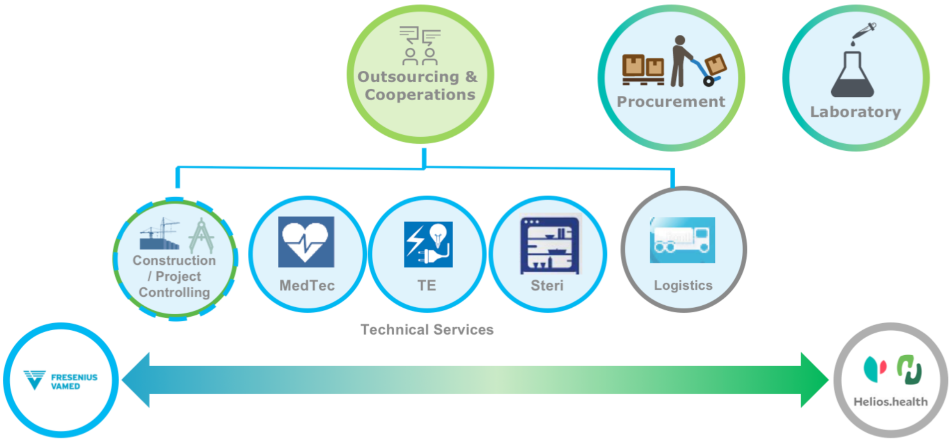
Portfolio Synergies from Fresenius Platform

Bundle expertise/volumes

Generate savings

Use resources more efficiently

Focus on core business within Fresenius platform



Best Practice – Next Steps

Laboratory

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

Construction / Project Controlling

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

MedTec

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

Logistics

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

TE

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

Steri

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

Capital Markets Day, 8 June 2018

Helios Germany Efficiency

Olaf Jedersberger – COO Helios Kliniken
Corinna Glenz – Director Helios Kliniken Central Region

Helios

The Best of Both Worlds

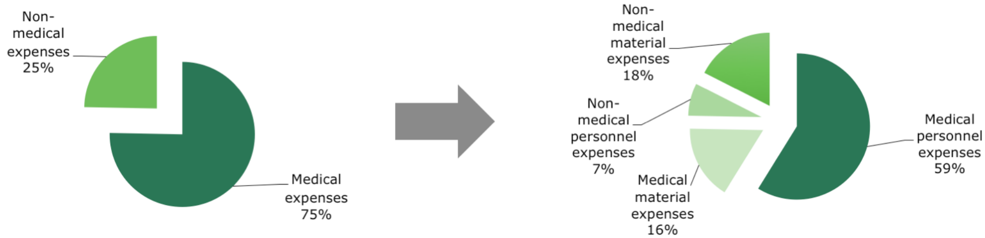
Key Take-Aways

- Cost-cutting measures almost fully exploited
- Going forward, process optimization is key to increasing productivity
- Best in class measurement of productivity implemented

Cost Leadership

Objective: Maintaining cost leadership in Germany

Cost drivers in our 88 acute care hospitals:

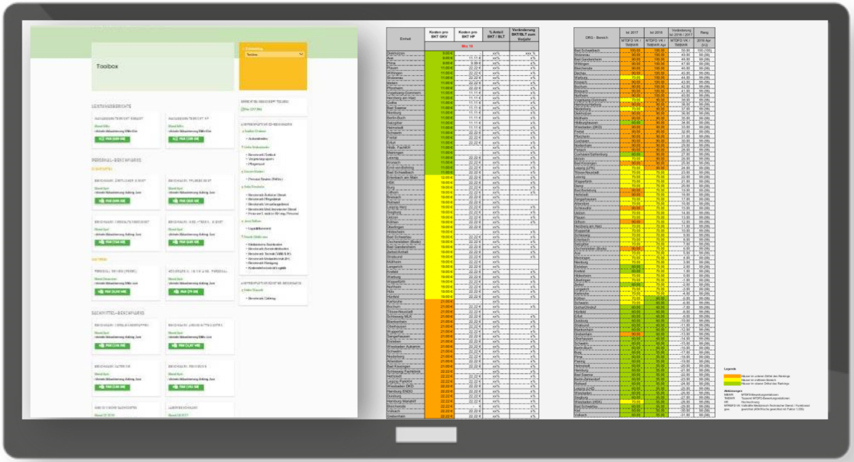


Limited impact of mere cost-cutting

Current scope of action:
Increasing productivity through (more) efficient internal processes and structures

Helios

Benchmarking Drives Efficiency



Toolbox

- available online for all Helios Germany acute care hospitals

Benchmarks

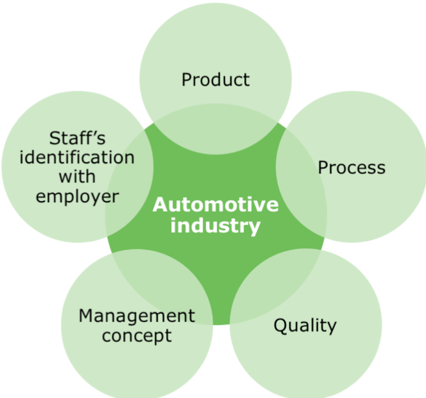
- Personnel/staffing
- (Non-)/medical material
- Others

Reporting packages

- Updated regularly (monthly/quarterly)

Productivity in Hospitals?

Cost Leadership	Productivity	Economic Focus	Industrialization



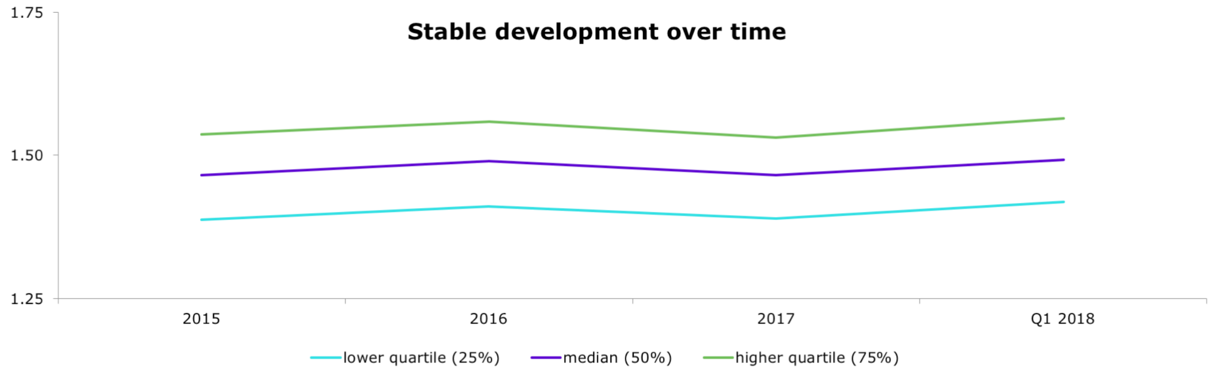
Lesson learned:
Medical treatment process = Production process

Cost leadership as the result of optimized procedures – for us:
Optimization of medical productivity through standardization

How productive is our medical treatment process?
We measure medical productivity!

Helios Measures Medical Productivity

Medical costs



Defining parameters to increase productivity

Process Optimization through Standardization

"Optimal patient paths" as a lean management concept

SOP in medicine

Avoiding wastage

- Streamlining processes
- Resource efficiency

Best practice

Forming cluster and benchmarking structures, processes and costs

Cluster	Criteria (2017)	#
Cluster 1	Revenue > 200m €	6
Cluster 2	Revenue > 75m €	14
Cluster 3	Revenue > 45m €	15
Cluster 4	Revenue > 30m €	14
Cluster 5	Revenue < 30m €	19
Location	Location	6
Heart	Heart	2
"Belegklinik"	"Belegklinik"	4
Psychiatry	Psychiatry	2
Special clinic	Special clinic	3

Innovations

- Medical technology
- Digitalization

Continuous medical and economic monitoring and assessment of market and innovations (e.g. Da Vinci)

Building structures reflecting medical processes and contents

Architectural design of efficient routing and formation of medical centers in buildings (e.g. new building HSK)

Lean management in administrative processes

Helios

Helios Dr. Horst Schmidt Kliniken (HSK), Wiesbaden, Germany

Key Facts & Figures

Maximum care provider for the state capital, Wiesbaden (Hesse)

32 medical departments and institutes

Academic teaching hospital of the University of Mainz

850 Somatic beds
150 Psychiatric and psychosomatic beds

45,000 Inpatients per year
>100,000 Outpatients per year

2,250 Employees (1,744 FTEs)

Helios

HSK – The Starting Point

- Opening in 1982 – even then already a loss-making business
- Several flagship medical departments
- Each chief physician rules as sovereign king over his department
- Business operations are determined by local politics
- No investments in maintenance
- Outsourcing of capital-intensive divisions
- Various restructuring attempts

HSK – The Starting Point

2011

Decision to partly privatize the hospital – the external partner becomes minority shareholder while assuming full accountability for business operations and financial success

*Against privatization – Sign here

2012

Acquisition of HSK by Rhön Kliniken AG and start of restructuring measures

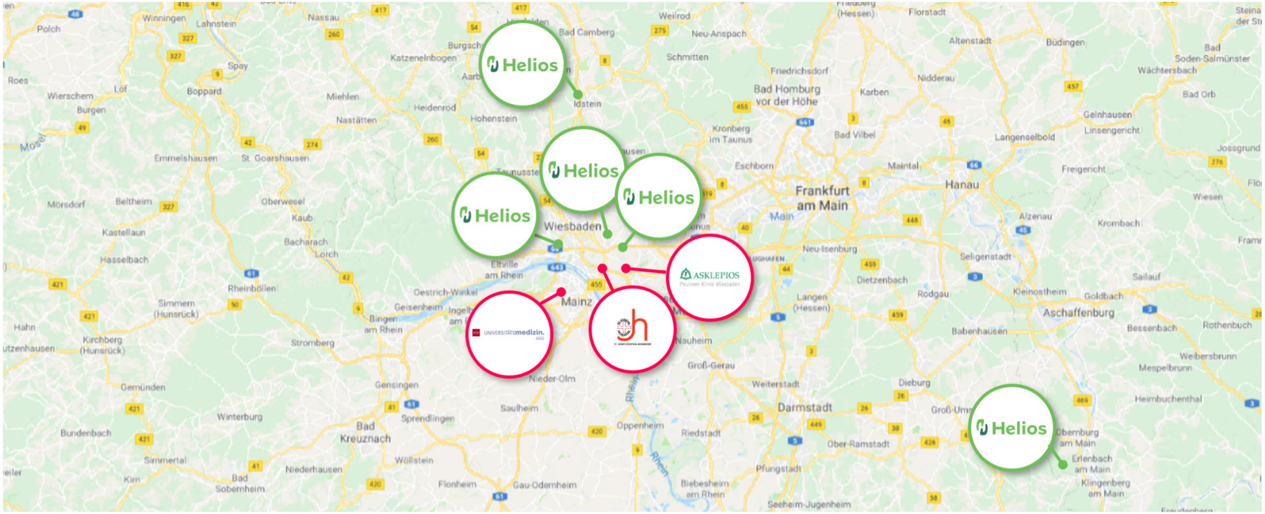
2014

Acquisition of HSK by the Helios hospital group

HSK – The Starting Point

- Chief physician vacancies in three departments: general surgery, neurology, internal medicine; generally declining case numbers
- 390 FTEs staffing surplus
- Monthly losses
- Lack of investment
- Critical public and critical local politics

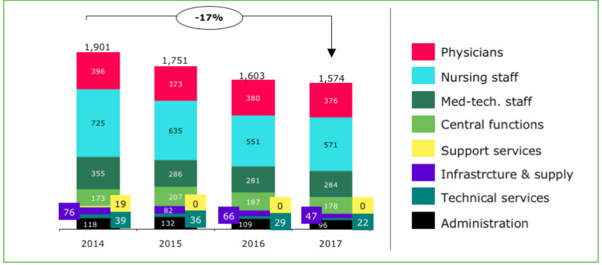
HSK as Part of a Region



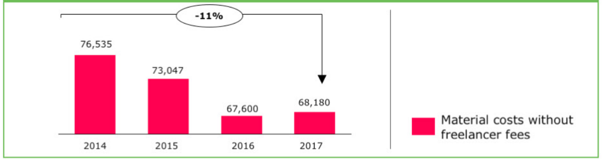
Our Way to Success – Step 1

Classic Earnings Improvement Measures

Development of headcount without training positions



Development of medical supply & material costs without freelancer fees 2014 - 2017



Helios

Our Way to Success – Step 2

The New Hospital Building as an Opportunity – What Are Our Objectives?

- Creating a modern compact building, that is attractive for employees and patients
- Optimizing workflows and processes alongside architectural structures
- Reducing legwork for patients and employees
- Concentrating and centralizing core areas, such as OR and ICU
- Expanding the range of services and attractive accommodations for private patients
- Evolving the HSK to a center of excellence in a regional network

The New Hospital Building

Construction Project

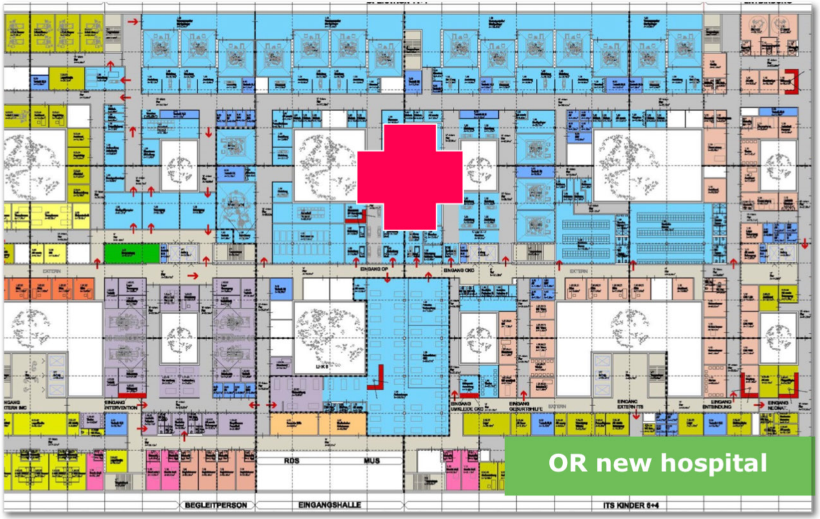
- Total area of 96,000 m² – ca. 630 family homes
- Total costs of more than €263 million; €68 million thereof financed by public funds
- Construction field situated next to current hospital building; total area of hospital, incl. delivery area and construction field: 190,000 m²
- Continuation of the buildings housing the psychiatric unit, pathologic department, laboratories, department for hygiene and hospital general administration
- Completion: end of year 2020

Enhancing Productivity Using Building Standards and SOPs?

30 FTEs Transportation service

vs.

Max. 10 FTEs Transportation service plus automatic transport system



OR new hospital

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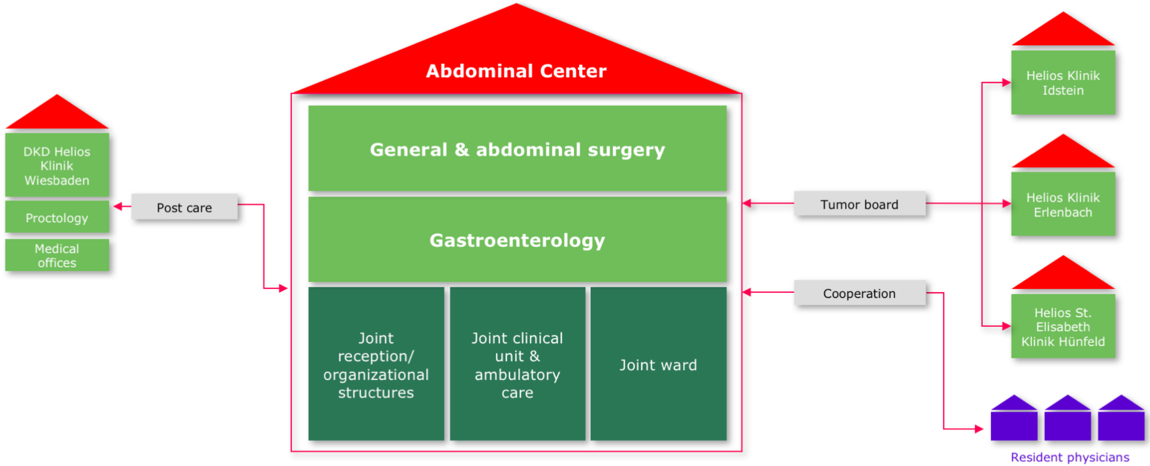
The HSK as the Hub of a Network



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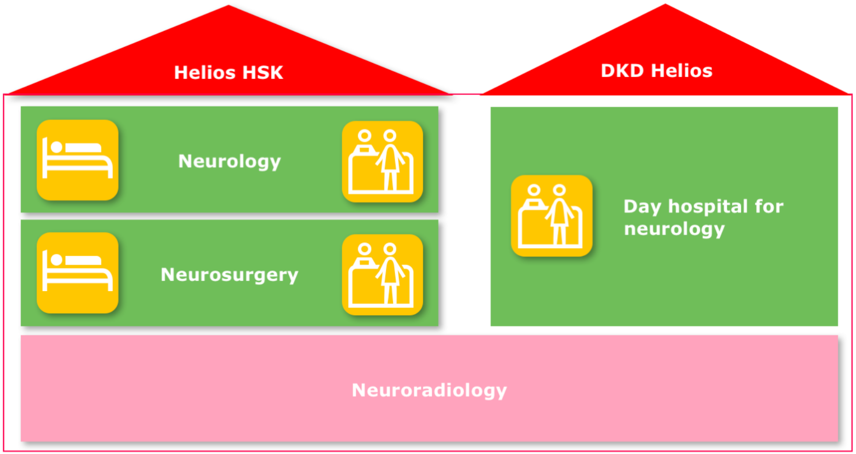
The HSK as the Hub of a Network



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The HSK as the Hub of a Network

Helios HSK ↔ **DKD Helios**

expert exchange

Neurooncology	Headache
Neuropaediatrics	Neuromuscular diseases
Neurosurgery	Pain management

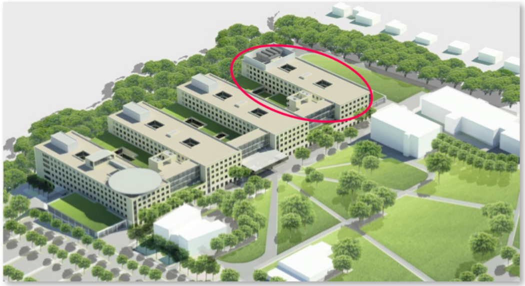
Stroke

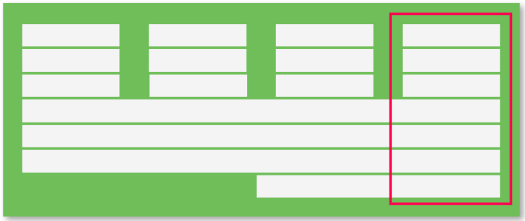
Neuroimmunology (Multiple Sclerosis)

Movement Disorders (Parkinson)

Helios

The HSK as the Hub of a Network





Woman & Child Center

- Private patient ward pediatrics and obstetrics
- Pediatric ward
- Gynecological and obstetrical ward
- Delivery room unit, C-section OR, pediatric ICU, neonatology
- Pediatric ER, pediatric Day Hospital, Sociopediatric center, special pediatric outpatient care

Helios

Helios

quirónsalud
La salud persona a persona

Quirónsalud – Digital Transformation

Adolfo Valmayor
IT & Digital Transformation Director Quirónsalud

8 June 2018

The Best of Both Worlds

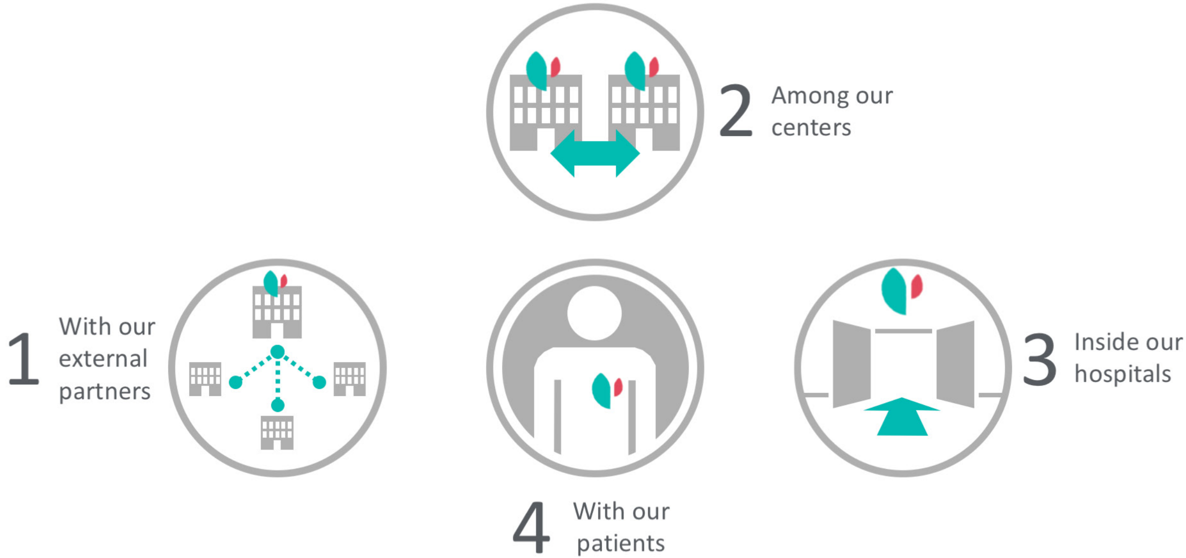
Key Take-Aways

- Digital is not optional
- Opportunity to change doctor-patient-relationship
  - real time
  - transparency
  - personalization


4%
DECREASE
IN LOSS OF
FUNCTION
ON ADMISSION
Tab
0 Pasos
72 LPM
97 %
Hospital Universitario
Fundación Jiménez Díaz
Grupo quirónsalud

... or present

Working along 4 Transformation Axes



With External Partners … Digital Transformation

1

57 primary care centers

Ambulances

140 Nursing homes

Brain stroke Ceuta y Melilla

Torrevieja-Orihuela

Online authorizations

Integration with the environment

Among our Centers… Digital Transformation

2

Brain Stroke Madrid

All medical services

Remote ICUs Catalonia

Digital Pathological Anatomy

Standardization for productivity

Inside Our Hospitals …

Digital Transformation

3

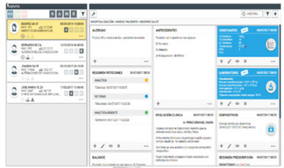
Doctors
Alerts, test results, picture sharing (dermatology, allergy)

Nurses
Care plan, data input, alerts, drugs administration oncology

Porters
Alerts, patient moves

Cleaning & maintenance
Alerts, To-do's

Tablet for mobility



Room integration

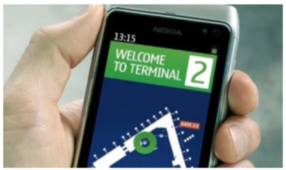
Efficiency by productivity

Inside our Hospitals … Digital Transformation

3

- Auto admission
- Virtual ticket
- Indoor guidance
- Consent signing

"From kiosks to mobile"



Surgery patient tracking
- Real-time information to family
- Automatic time data entry with bracelets
- Operating theaters plan follow-up

Fragile patients program
900 steps

Best patient experience

4

Transparency and personalization

With our Patients …

Digital Transformation

4

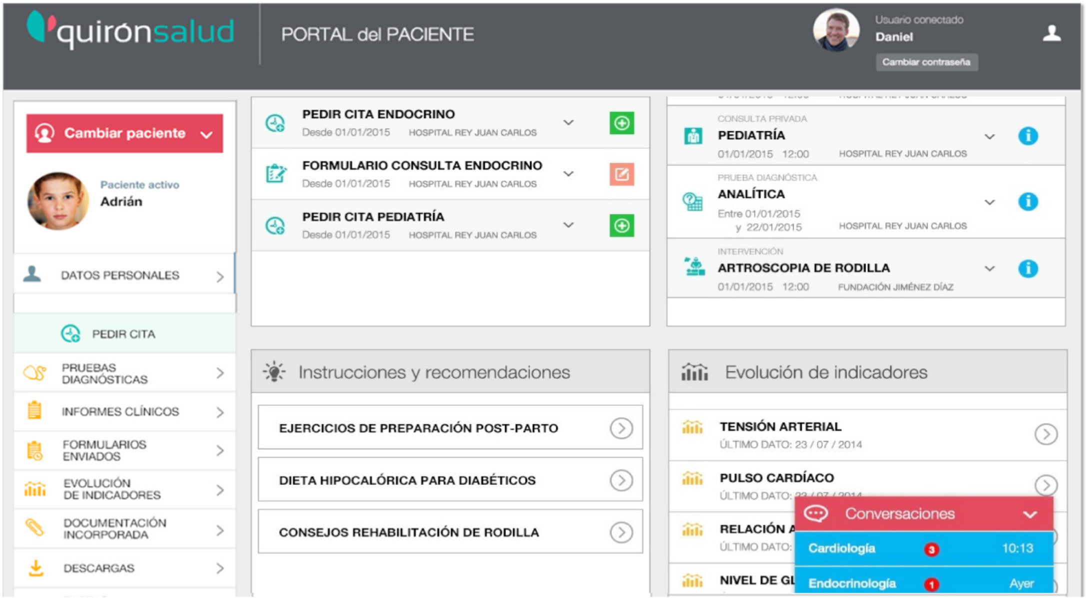
More than 700,000 patients in portal (>56% active patients in last 6 months)

Over 5,000,000 access to medical record, 1,000,000 appointments, 450,000 certificates of assistance

In their hands

And their families…

Patient Portal. Web Services



Capital Markets Day, 8 June 2018

Helios – Innovation & Digitalization

Jörg Reschke – CFO Helios Kliniken

Helios

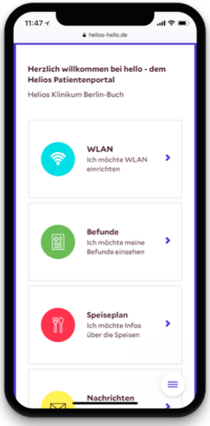
The Best of Both Worlds

Helios

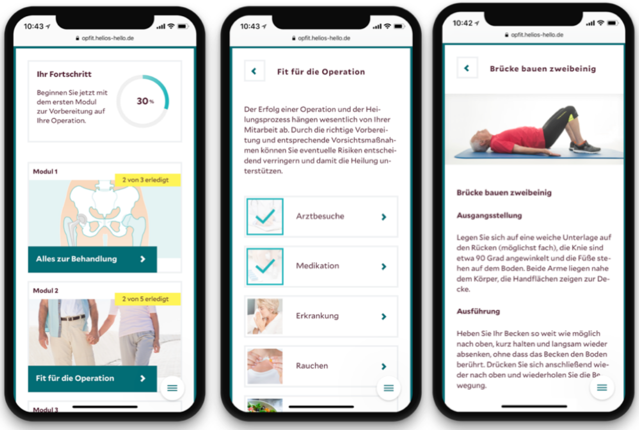
Key Take-Aways

- Smart solutions …
  … keeping in touch with patients
  … supporting the diagnostic and treatment process
- Digitalization fosters the connection with our partners
- A standardized data bridge is the way for exchange; data security and data protection is the frame

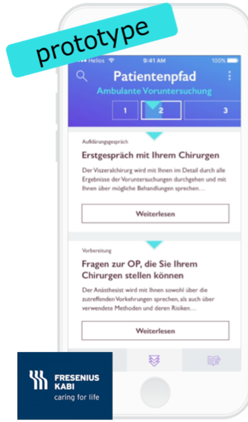
Smart Helios – Product Portfolio



hello
Patient portal

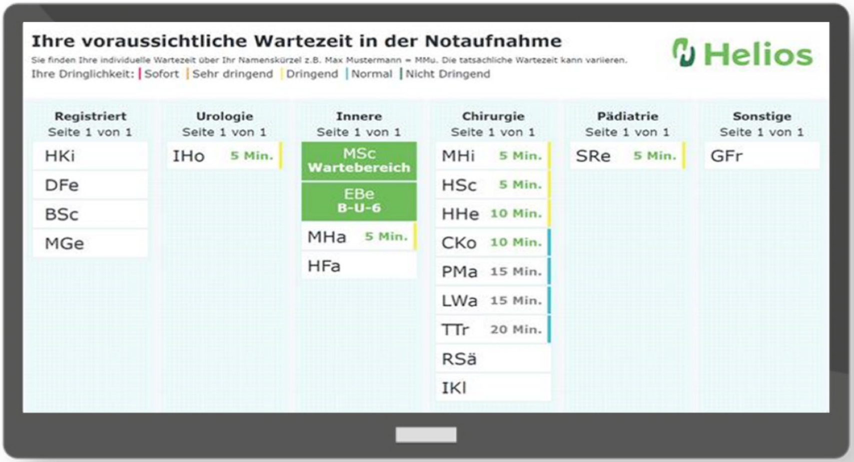


OPFIT
Patient education and engagement Web service for hip replacement patients



GUIDE ME
Digital companion and market-place for home care

Waiting Times Display



Monitor in the waiting area of the emergency department

✓ **Individual waiting time**

✓ **Pseudonym**

Emergency department

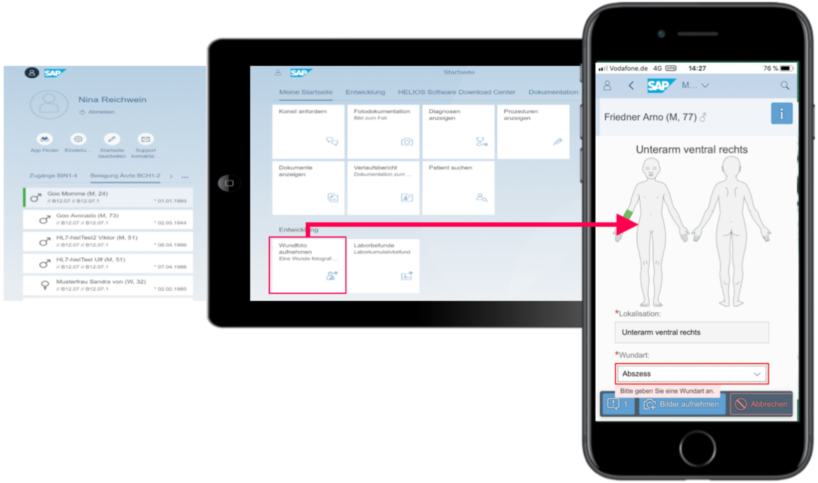
- Launched
- Roll-out in 5 departments

Outpatient care

- Start testing: 06/2018

Mobile Hospital App "Wound Documentation"

- Medical service order
- Photo documentation
- Progress report
- Diagnosis view
- Procedures view
- Document view



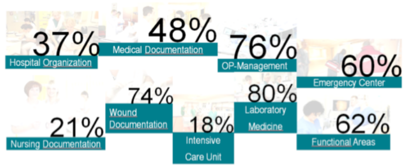
Helios

Helios Status of Digitalization (EMR)

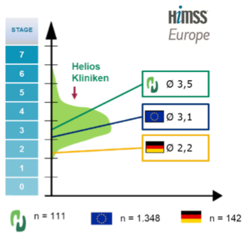
Clinical processes being evaluated

Digitalization Cockpit

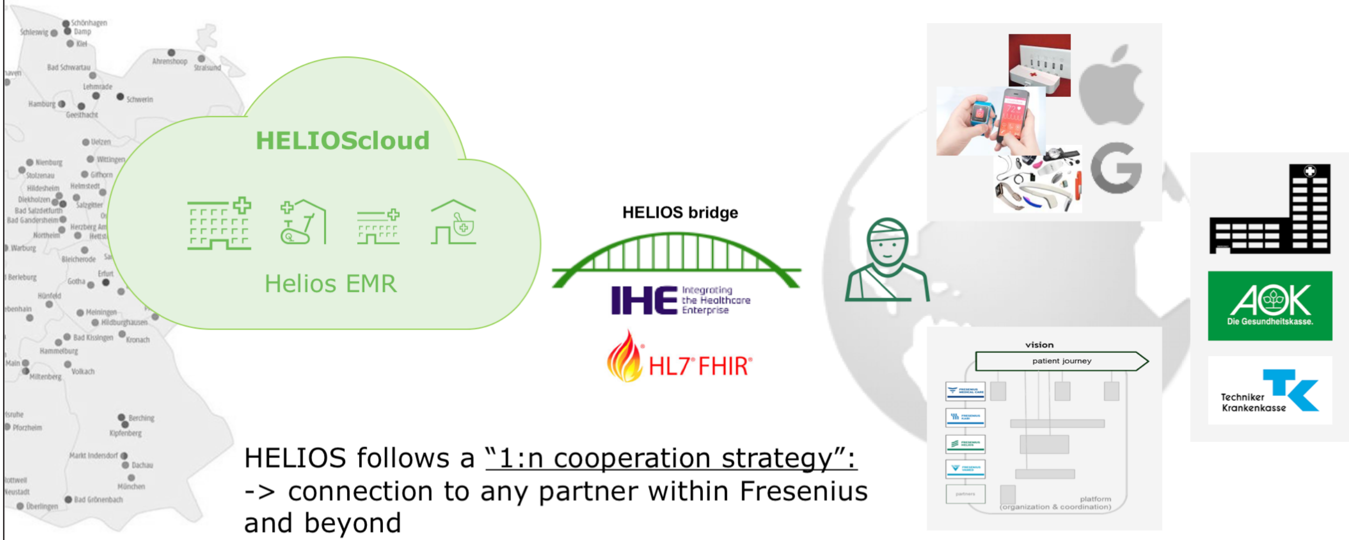
Clinical processes being evaluated



STAGE	HIMSS Analytics EMRAM EMR Adoption Model Cumulative Capabilities
7	Complete EMR, Data Analytics to improve care
6	Physician Documentation (templates), Full CDSS, Closed Loop Medical Administration
5	Full R-PACS
4	CPOE; Clinical Decision Support (clinical protocols)
3	Clinical Documentation, CDSS (error checking)
2	CDR, Controlled Medical Vocabulary, CDS, HIE Capable
1	All Three Ancillaries Installed – Lab, Rad, Pharmacy
0	All Three Ancillaries Not Installed

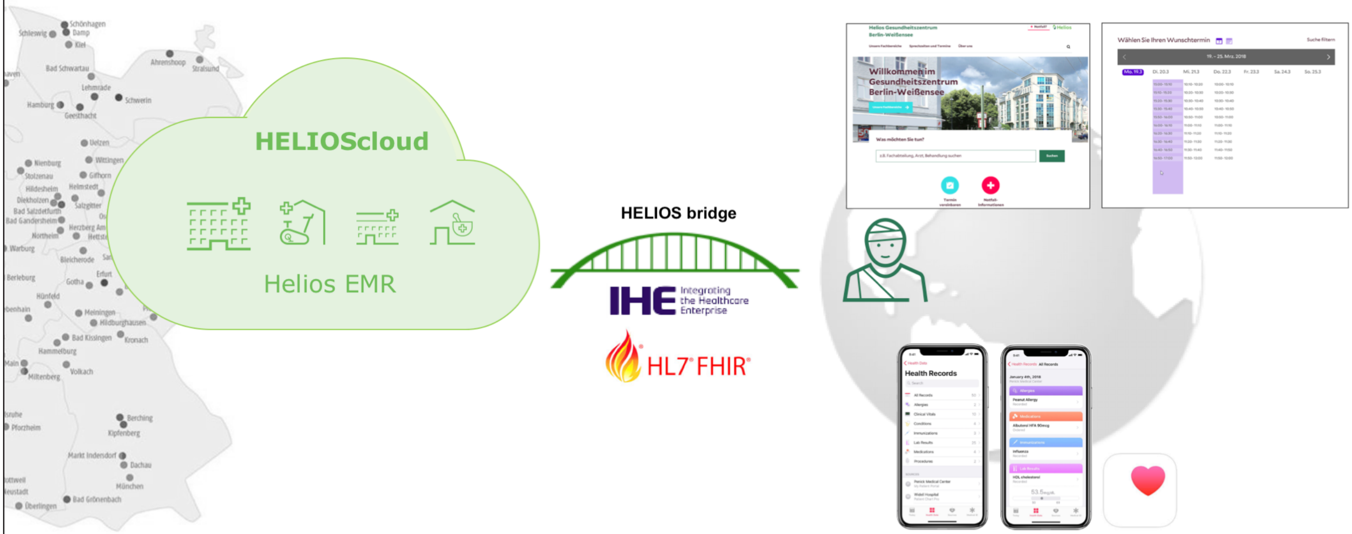


Helios Bridge Ensures Connectivity

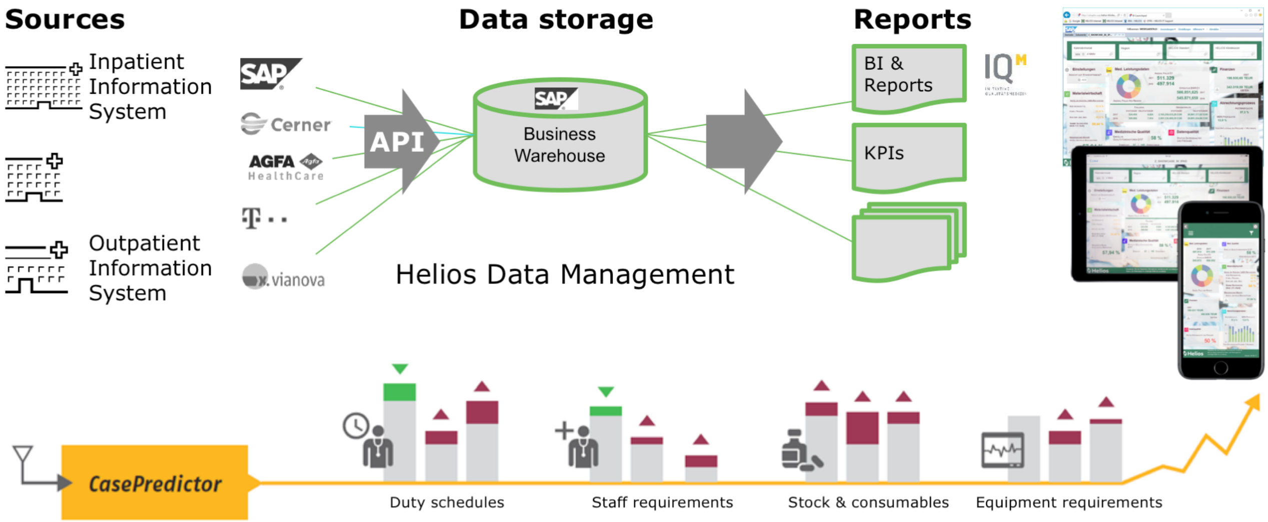


HELIOS follows a "1:n cooperation strategy":
-> connection to any partner within Fresenius and beyond

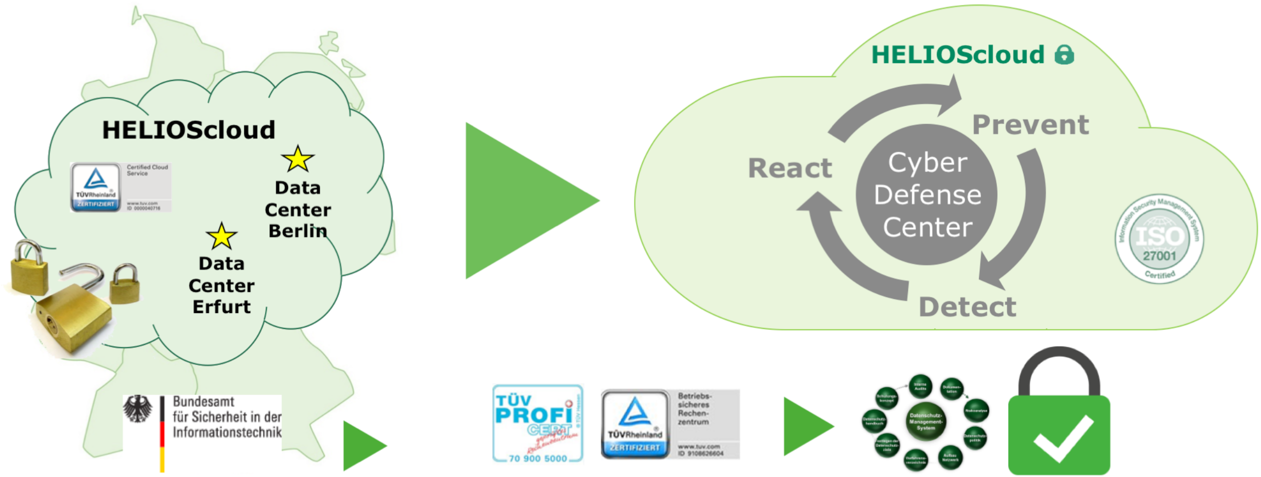
Patient Portal and Electronic Medical Record



Big Data


Sources
Inpatient Information System
Outpatient Information System
SAP
Cerner
AGFA HealthCare
vianova
API
Data storage
SAP
Business Warehouse
Helios Data Management
Reports
BI & Reports
KPIs
CasePredictor
Duty schedules
Staff requirements
Stock & consumables
Equipment requirements

Actions for Data Security at Helios



Risk identification

Availability

Security

Best Practice Transfer

Mobility apps practices

Patient portal know-how

Future app for German patients in Spain

GDPR implementation

Video conference systems

Health care outcome data benchmark

Procurement of software providers

Cybersecurity protocols

Constant interaction to develop digital best practice

Capital Markets Day, 8 June 2018

Fresenius Helios CFO Update

Daniela Hommel – CFO Helios Health

The Best of Both Worlds

Key Take-Aways

- Financials as of December 31, 2017 determined by local structures
- Sales and EBIT growth expected from combining the best of both worlds
- Growth supported by sharpened portfolio and investments

Where We Stand – Financials 2017: 1+1=2

(€ in millions)	Income statement
Sales	8,668
EBIT	1,052
EBIT margin	12.1%
Net income	728

Operating cash flow and Capex

Operating cash flow: 733

Capex: 415

Employees

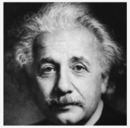
105,927

Meaningful Financial KPIs

KPIs	Different Health Care Systems

Not everything that counts can be counted, and not everything that can be counted counts.

Albert Einstein
(1879-1955)



Meaningful KPIs = KPIs that use **standardization** where possible and allow **differences** where necessary AND allow **inherent limitations** (i.e. patient first)

How Can 1+1 Be >2 in Sales?

	Helios Germany	Helios Spain
Sales	€6.1 bn	€2.6 bn
Inpatient/ Outpatient	1.3 m/4.0 m	0.4 m/11.2 m
DRG-alike revenues	81%	17%
DSO	52	138
Bad debt expense ratio (inpatients)	0.2%	0.2%

Helios.health

Patient number and payor structure are different

We use the knowledge of both systems to attract more patients.

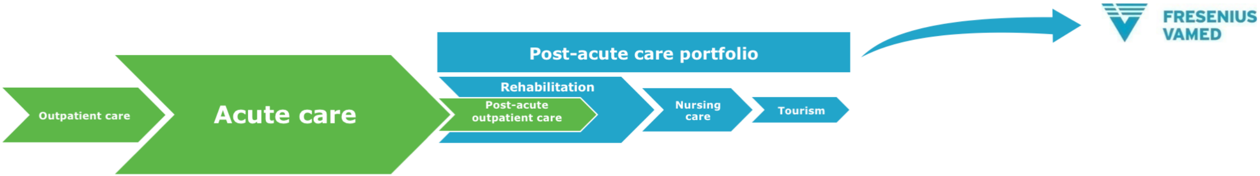
Sales ↗

How Can 1+1 Be <2 on the Cost Side?

	Helios Germany	Helios Spain	Helios.health
Personnel expense ratio*	61%	51%	Operating expenses amount to **~80-85%** of sales
Medical expense ratio	20%	21%	These costs are adjustable in arrears only
Other operating expense ratio	~4%	~9%	We use **best practices from both countries** to continuously look for **synergies** and **efficiencies**
EBIT	€725 m	€327 m	

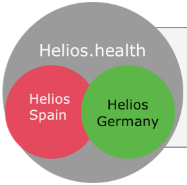
* Adjusted for mercantile doctors to be comparable

New Growth Prospects by Sharpening our Portfolio



	Reported financials 2017: Helios	Reported financials 2017: Helios.health	Effect of portfolio sharpening	Pro forma financials 2017: Helios	Pro forma financials 2017: Helios.health
Sales (€)	6,074 m	8,668 m	~440 m	5,634 m	8,228 m
EBIT (€)	725 m	1,052 m	~36 m	689 m	1,016 m
EBIT margin	11.9%	12.1%		12.2%	12.3%

1+1 Can Be >2 by Investing in the Future



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Platform for investments in the future

Good market access	**Define treatment structure for international patients**
Efficient processes	**Establish structures for joint lab services, joint procurement, etc.**
Infrastructure	**Establish Logistics 4.0 and pursue further digital initiatives**
Controlling and readjustment	**Define structures for further use of SOPs and peer reviews**
Qualified and specialized personnel	**Create an attractive and future-oriented work environment**

Capital Markets Day, 8 June 2018

Helios.health

Fresenius Helios Summary & Outlook

Francesco De Meo – CEO Helios Health

The Best of Both Worlds

Helios.health

Just to Reiterate …

Helios.health

Key Take-Aways Germany

- Attractive business with high entry barriers
- Regulatory framework offers challenges & opportunities
- Helios Germany is the ideal partner for cross-sectoral care
- Pioneer in new care models
- Excellently prepared for the future

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Key Take-Aways Spain

- Leading hospital group in Spain
- Spanish market offers diverse range of financing models
- Multiple opportunities for growth
- Top priorities are medical quality, patient experience and digital transformation

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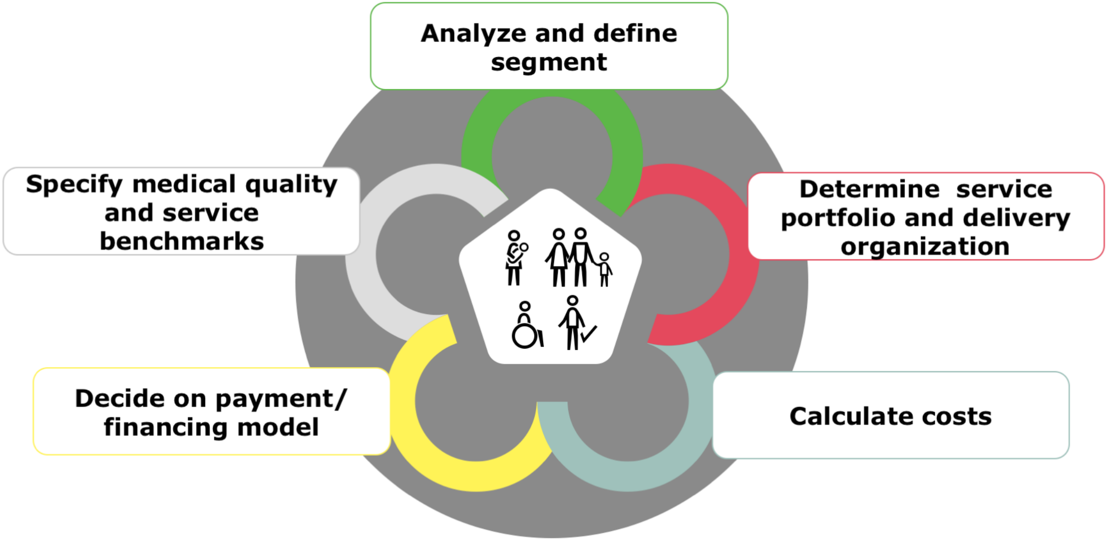
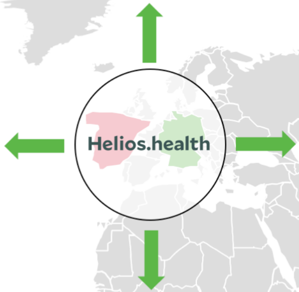
A (more) International Approach

Helios as Health Care Provider for a Defined Patient Segment in Any Given Market



International Acquisition Strategy



Target evaluation

Acquisition focus on acute and outpatient care

Market size – economies of scale as prerequisite for synergies

Stable political environment

Favorable reimbursement scheme & sustainable funding

Best practice transfer drives international transformation

Establish Helios as <u>the</u> provider of affordable high-quality <u>and</u> cost-efficient health care

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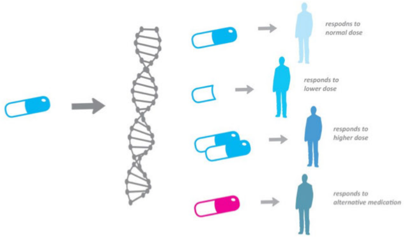
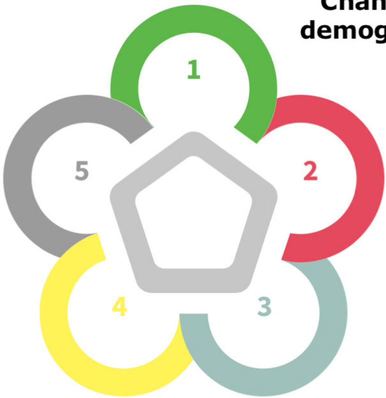
Ready for Smart Transformation

Five Megatrends in Health Care



Precision replaces intuition



Changes in demographics

Focus on customer experience & expectations

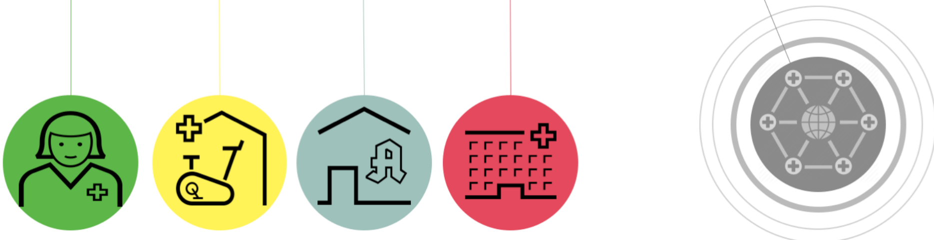
Google DeepMind

IBM Watson Analytics

Big data

Internet of things

New Business Models Ahead

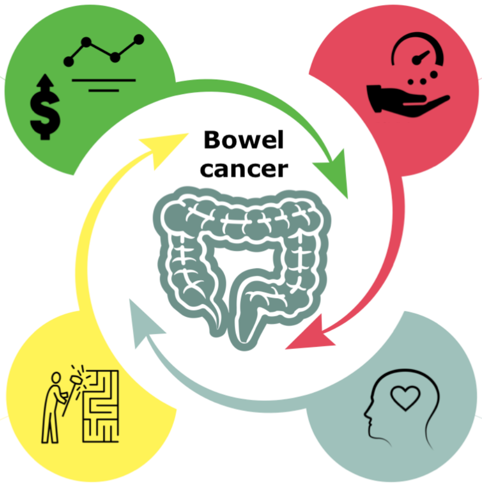


A facilitated health care platform will allow all market players to focus on their unique core competencies

An Example for Platform Advantages

High prevalence & intensive costs

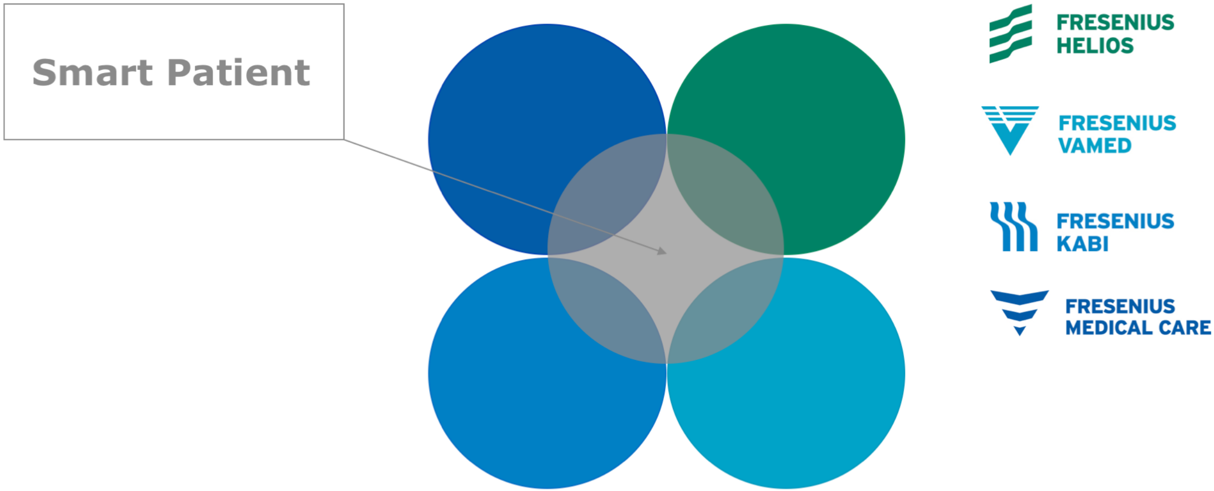
Lifelong challenges & frequent hospitalization



Complex treatment pathways & diverse provider involvement

Frequent comorbidities & strong emotional impact

Smart Patient within the Fresenius Platform



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Key Take-Aways Summary

- Successful across different health care markets
- Learn from each other, learn from the best
- Best practice transfers drive international transformation
- Prepared for further regional expansion

FINANCIAL CALENDAR / CONTACT

Financial Calendar

31 July 2018	Results Q2/2018
30 October 2018	Results Q3/2018

Please note that these dates could be subject to change.

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