

Conference Call – Q3/2016 Results



Bad Homburg, 27 October 2016

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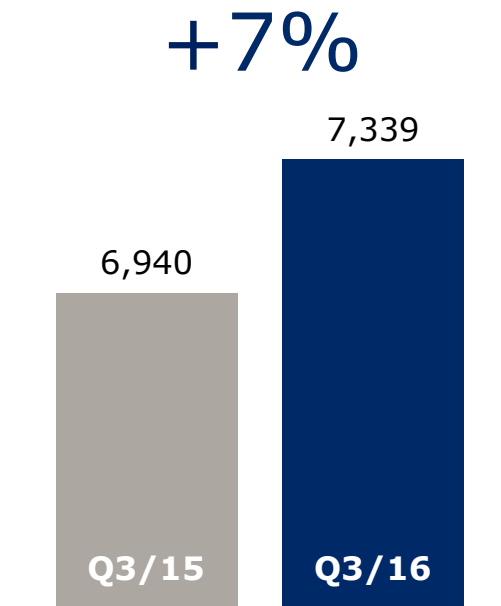
Fresenius Group: Q3/2016 Highlights

- Acquisition of Quirónsalud creates European leader in hospital operations**
- Fresenius Medical Care celebrates 20th anniversary**
- Acceleration of sales growth**
- Strong earnings growth**
- Group earnings guidance improved**
- New mid-term targets in February 2017**

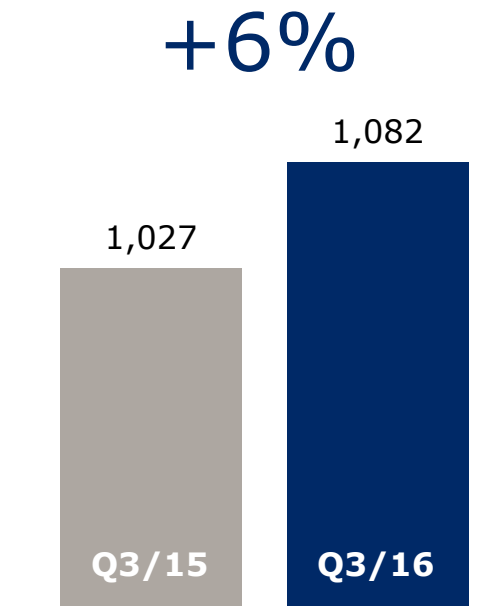
Fresenius Group: Q3/2016 Key Financials

Sales

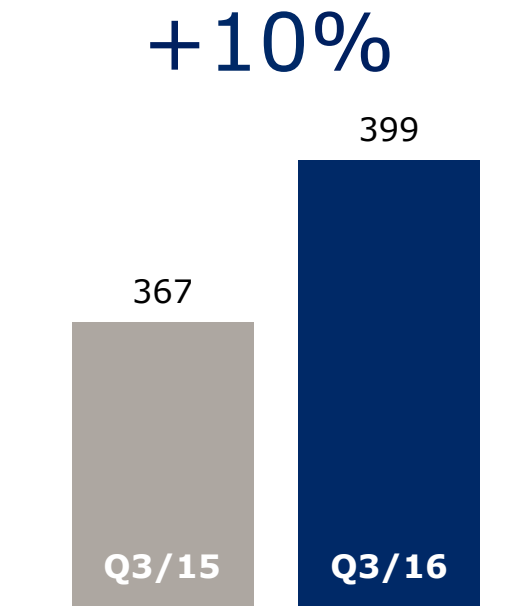
€m



EBIT



Net Income



Constant currency growth rates
2015 EBIT before special items
Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items

Fresenius Group: Profit and Loss Statement

€m	Q3/2016	Δ Q3 YoY ¹	Q1-3/2016	Δ Q1-3 YoY ¹
Sales	7,339	7%	21,345	6%
EBIT ²	1,082	6%	3,092	9%
Net interest	-142	2%	-433	8%
Income taxes ²	-255	2%	-746	-7%
Net income ^{2,3}	399	10%	1,154	15%

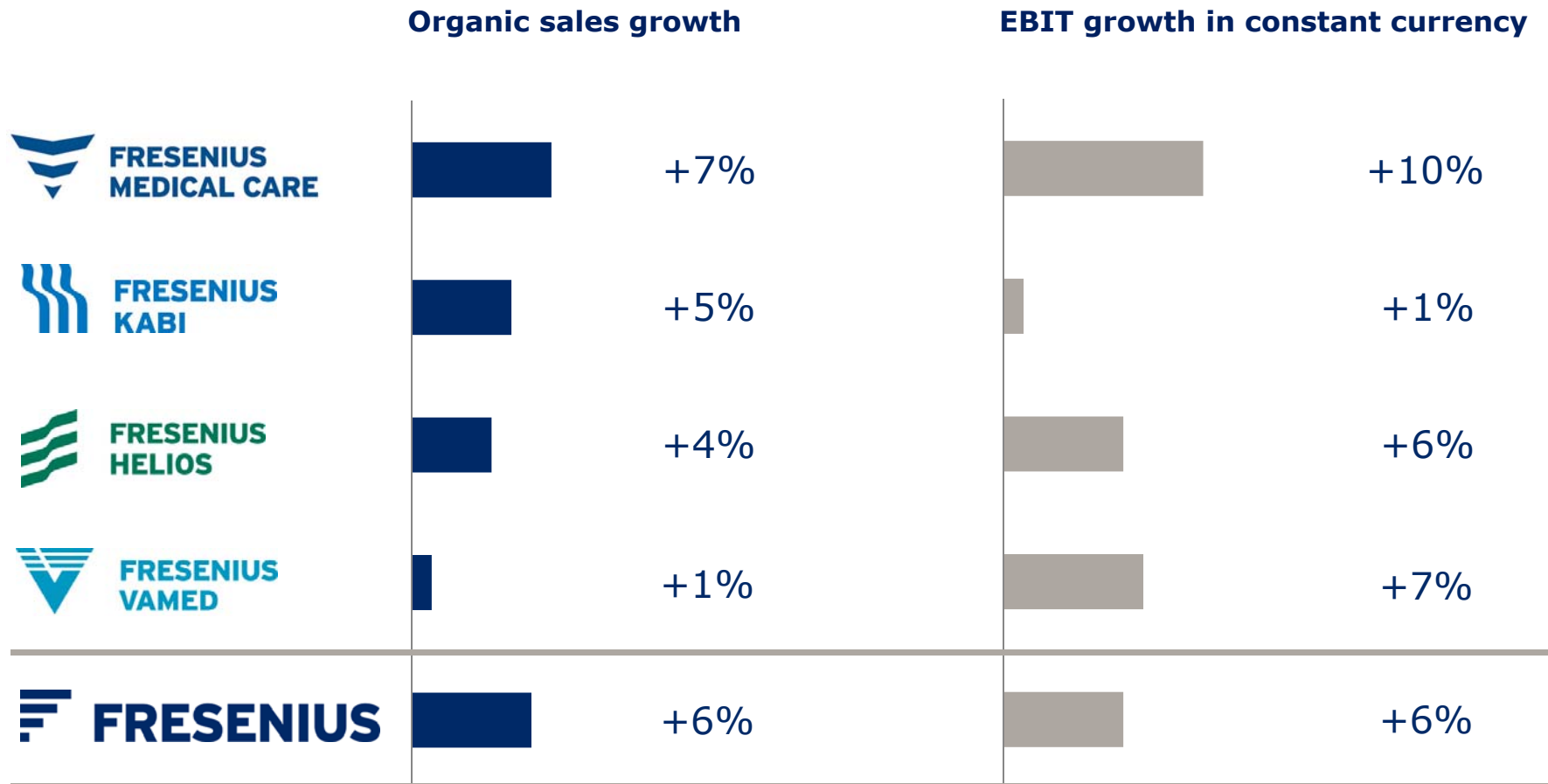
¹ Constant currency growth rates

² 2015 before special items

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

For a detailed overview of special items please see the reconciliation tables on slides 27-28.

Fresenius Group: Q3/2016 Key Financials



2015 EBIT before special items

Fresenius Kabi (1/2)

North America

- **2% organic sales growth** in Q3/16 despite tough PY quarter
- **Gradual easing of IV drug shortages:** 16 Kabi-marketed products currently designated in shortage vs. 17 at the end of Q2/16
- **6 product launches YTD;** confirm top end of 6 to 10 target range for FY/16

Product Name	Product Group	Launch Date
Amikacin	Anti-infective	Q1
Linezolid	Anti-infective	Q2
Chloramphenicol	Anti-infective	Q2
SmofLipid	Lipid emulsion	Q3
Daptomycin	Anti-infective	Q3
Ketorolac (pre-filled syringe)	Analgesic	Q3

- **Increase outlook:** Low to mid single-digit organic sales growth for FY/16 (Previous: Low single-digit)

Europe

- **3% organic sales growth** in Q3/16
- **On track to meet outlook** of low to mid single-digit organic sales growth for FY/16



Fresenius Kabi (2/2)

Emerging Markets

China

- **9%** organic sales growth in Q3/16
- New tender rules:
 - 10 out of 31 provinces have finalized tender process
 - Expect low single-digit price impact in FY16
- Sustainable double-digit volume growth expected

Asia-Pacific ex China

- **10%** organic sales growth in Q3/16

Latin America/Africa

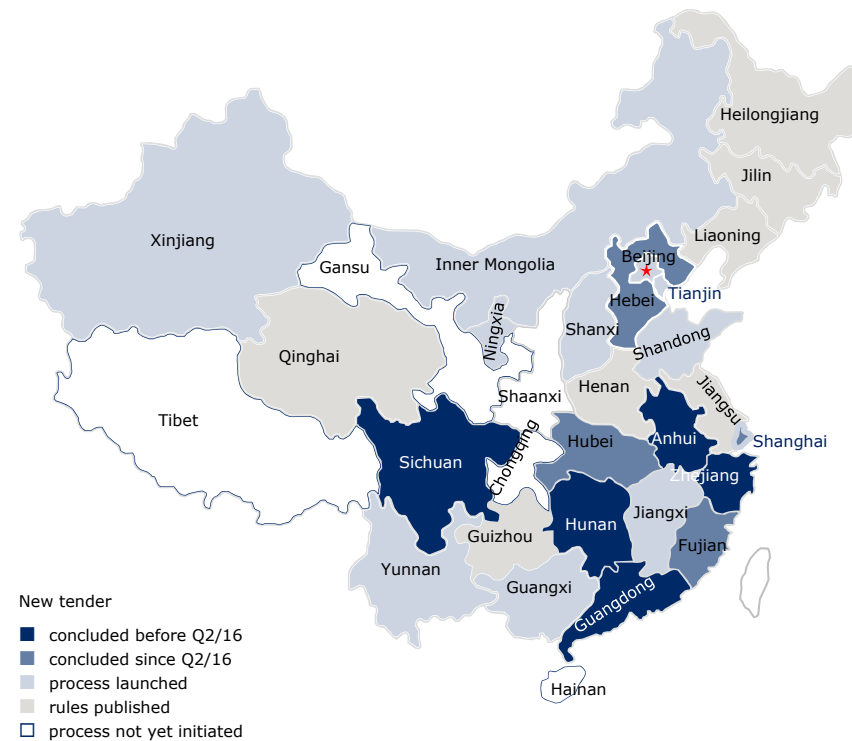
- **7%** organic sales growth in Q3/16

Emerging Markets overall

- **On track** to meet FY/16 outlook of likely low double-digit organic sales growth

China tender situation:

Applicable to Kabi's Pharmaceutical and Nutrition business



Disclaimer: This update is only intended to give a general picture of the drug purchase tendering status of each province / direct-controlled city in China. The status may vary between type of drugs, specific products or specific area /hospital.

Fresenius Kabi: EBIT

€m	Q3/2016	Δ Q3 YoY ¹	Q1-3/2016	Δ Q1-3 YoY ¹
Europe Margin	80 15.4%	-2% -70 bps	243 15.5%	-3% -90 bps
North America Margin	216 39.9%	7% 170 bps	669 41.1%	11% 220 bps
Asia-Pacific/Latin America/Africa Margin	94 21.0%	11% 80 bps	245 19.4%	18% 220 bps
Corporate and Corporate R&D	-90	-26%	-241	-20%
Total EBIT Margin	300 19.9%	1% -20 bps	916 20.6%	7% 90 bps

¹ Constant currency growth rates

2015 before special items
Margin growth at actual rates

For a detailed overview of special items please see the reconciliation tables on slides 27-28.

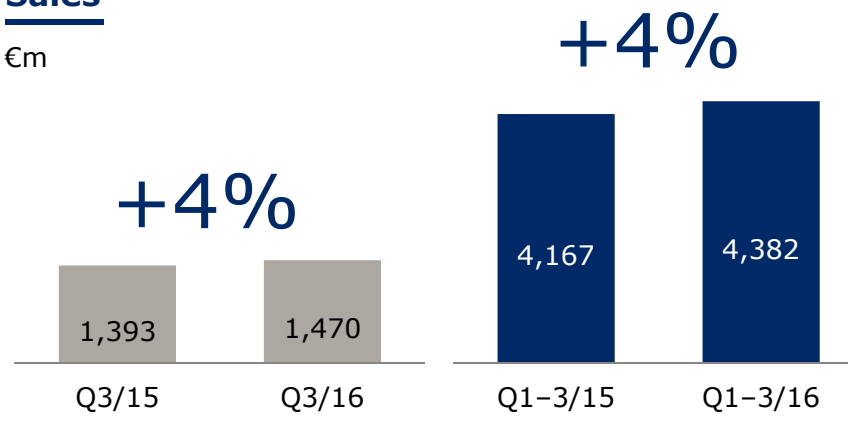
Fresenius Helios

Germany

- **4% organic sales growth** in Q3/16 driven by admissions increase
- **Ongoing favorable reimbursement** environment: 2017 DRG inflator set at **2.50%**

Sales¹

€m



¹ Organic sales growth

Quirónsalud

- **Closing** process and **debt financing** progressing
- **On track** to meet **FY/16 outlook**:
 - Sales of €2.5 bn
 - EBITDA of €460 to 480 m



Fresenius Helios: EBIT

€m	Q3/2016	Δ Q3 YoY	Q1-3/2016	Δ Q1-3 YoY
Total sales	1,470	6%	4,382	5%
EBIT	174	5%	506	7%
Established clinic portfolio Margin	12.0%	20 bps	11.6%	30 bps
Acquisitions / Divestitures (consolidation / deconsolidation <1 yr) Margin	1 6.3%	-- --	1 3.3%	-- --
Total EBIT	175	6%	507	7%
Margin	11.9%	10 bps	11.6%	30 bps

2015 before special items

For a detailed overview of special items please see the reconciliation tables on slides 27-28.

Fresenius Vamed

- **1% organic sales growth** in Q3/16 reflects typical quarterly fluctuations of project business
- **Continued strong order intake** with good regional diversification








€m	Q3/ 2016	Δ	Q1-3/ 2016	Δ
Project business	130	-1%	325	-2%
Service business	138	1%	415	4%
Total sales	268	0%	740	1%
Total EBIT	15	7%	31	3%
Order intake ¹	209	9%	674	42%
Order backlog ¹			1,995	21% ²

¹ Project business only

² Versus December 31, 2015

Fresenius Group: Cash Flow




€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q3/2016	LTM Margin	Q3/2016	LTM Margin	Q3/2016	LTM Margin
 FRESENIUS KABI	311	16.2%	-83	-5.4%	228	10.8%
 FRESENIUS HELIOS	207	11.5%	-74	-5.3%	133	6.2% ³
 FRESENIUS VAMED	21	10.6%	-2	-0.8%	19	9.8%
Corporate/Other	-3	n.a.	-2	n.a.	-5	n.a.
 FRESENIUS Excl. FMC	536	14.4% ²	-161	-5.1%	375	9.3% ²
 FRESENIUS	929	12.0%	-372	-5.5%	557	6.5%

¹ Before acquisitions and dividends




² Margin incl. FMC dividend

³ Understated: 7.1% excluding €51 million of capex commitments from acquisitions

Fresenius Group: 2016 Financial Outlook by Business Segment

		Old	New	
 FRESENIUS KABI	Sales growth organic	3% – 5%	4% – 6%	⬆️
	EBIT growth (cc)	3% – 5%	4% – 6%	⬆️
 FRESENIUS HELIOS	Sales growth organic	3% – 5%	unchanged	☑️
	EBIT	€670 – 700 m	unchanged	☑️
 FRESENIUS VAMED	Sales growth organic	5% – 10%	unchanged	☑️
	EBIT growth	5% – 10%	unchanged	☑️

Fresenius Group: 2016 Financial Guidance

		2015	2016		
		Actual	Old	New	
 FRESENIUS	Sales growth constant currency	€27.6 bn	6% – 8%	unchanged	
	Net income¹ growth constant currency	€1,423 m	11% – 14%	12% – 14%	

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items

Attachments



Financial results by business segment

		Q3/2016	Δ Q3 YoY
 FRESENIUS MEDICAL CARE	Sales	US\$4,598 m	9%
	EBIT	US\$670 m	9%
 FRESENIUS KABI	Sales	€1,511 m	1%
	EBIT¹	€300 m	0%
 FRESENIUS HELIOS	Sales	€1,470 m	6%
	EBIT¹	€175 m	6%
 FRESENIUS VAMED	Sales	€268 m	0%
	EBIT	€15 m	7%

¹ 2015 before special items

For a detailed overview of special items please see the reconciliation tables on slides 27-28.






Fresenius Group: Overview – Calculation of Noncontrolling Interest

€m	Q1-3/2016	FY/2015
Earnings before tax and noncontrolling interest	2,659	3,262
Taxes	-746	-965
Noncontrolling interest, thereof	-759	-939
Fresenius Medical Care net income not attributable to Fresenius (Q1-3/16: ~69%)	-530	-641
Noncontrolling interest holders in Fresenius Medical Care (Q1-3/16: US\$217 m according to Fresenius Medical Care's Financial Statements)	-195	-256
Noncontrolling interest holders in Fresenius Kabi (-€27 m), Fresenius Helios (-€1 m), Fresenius Vamed (-€1 m) and due to Fresenius Vamed's 23% external ownership (-€5 m)	-34	-42
Net income attributable to Fresenius SE & Co. KGaA	1,154	1,358

Fresenius Group: Cash Flow

€m	Q3/2016	LTM Margin	Q3/2015	LTM Margin	Δ YoY
Operating Cash Flow	929	12.0%	900	11.3%	3.2%
Capex (net)	-372	-5.5%	-327	-5.2%	-13.8%
Free Cash Flow (before acquisitions and dividends)	557	6.5%	573	6.1%	-2.8%
Acquisitions (net)	-40		-47		
Dividends	-58		-59		
Free Cash Flow (after acquisitions and dividends)	459	3.1%	-467	1.4%	-1.7%

Fresenius Group: Cash Flow

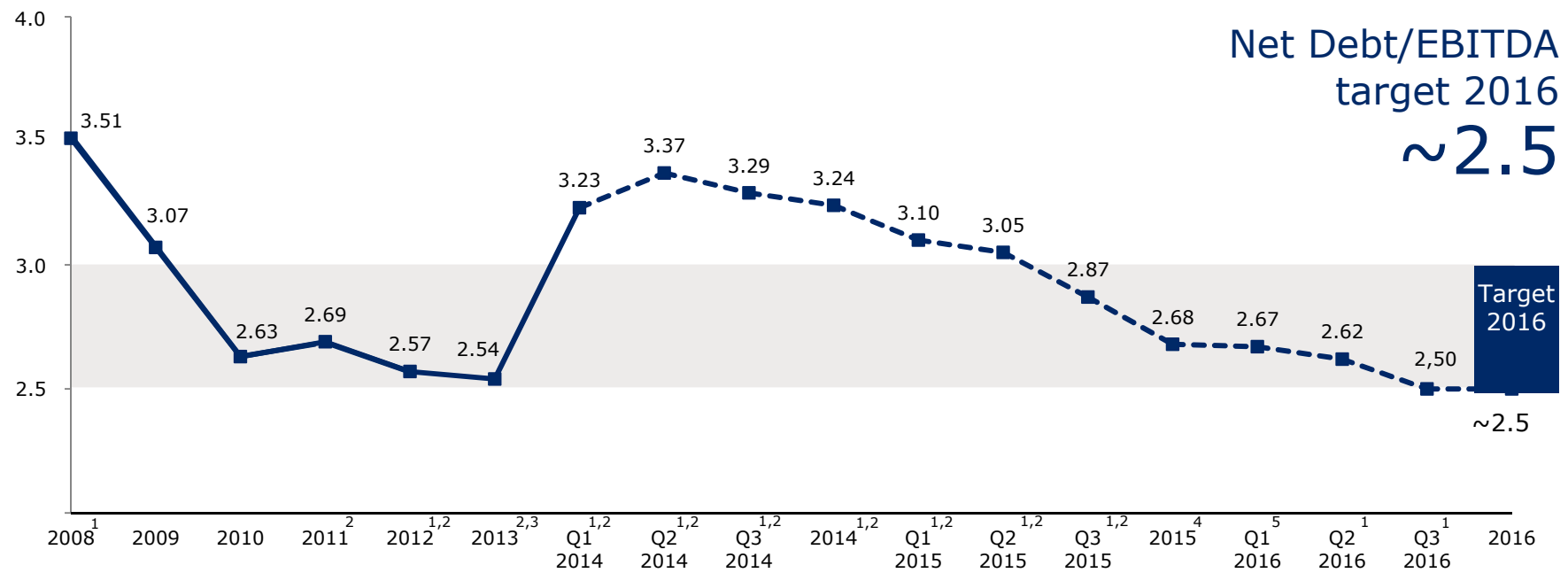
€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q1-3/2016	LTM Margin	Q1-3/2016	LTM Margin	Q1-3/2016	LTM Margin
 FRESENIUS KABI	646	16.2%	-208	-5.4%	438	10.8%
 FRESENIUS HELIOS	437	11.5%	-176	-5.3%	261	6.2% ³
 FRESENIUS VAMED	22	10.6%	-6	-0.8%	16	9.8%
Corporate/Other	-7	n.a.	-5	n.a.	-12	n.a.
 FRESENIUS Excl. FMC	1,098	14.4% ²	-395	-5.1%	703	9.3% ²
 FRESENIUS	2,259	12.0%	-1,052	-5.5%	1,207	6.5%

¹ Before acquisitions and dividends

² Margin incl. FMC dividend

³ Understated: 7.1% excluding €51 million of capex commitments from acquisitions

Fresenius Group: Leverage Ratio



¹ Pro forma acquisitions; before special items

² Adjusted due to debt issuance cost restatement (U.S. GAAP standard ASU 2015-03)

³ Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG; before special items

⁴ Before special items

⁵ 2015 before special items

At annual average FX rates for both EBITDA and net debt

Fresenius Kabi: Organic Sales Growth by Product Segment

€m	Q3/2016	Organic Growth	Q1-3/2016	Organic Growth
IV Drugs	620	2%	1,871	5%
Infusion Therapy	217	3%	636	5%
Clinical Nutrition	403	7%	1,173	7%
Medical Devices/ Transfusion Technology	271	7%	777	5%
Total sales	1,511	5%	4,457	6%

Fresenius Kabi: Organic Sales Growth by Regions

€m	Q3/2016	Organic Growth	Q1-3/2016	Organic Growth
Europe	521	3%	1,569	2%
North America	542	2%	1,628	5%
Asia-Pacific	290	9%	821	8%
Latin America/Africa	158	7%	439	16%
Total sales	1,511	5%	4,457	6%

Fresenius Helios: Strong Sales Growth

€m	Q3/2016	Δ Q3 YoY	Q1-3/2016	Δ Q1-3 YoY
Established clinic portfolio	1,454	4%	4,352	4%
Acquisitions (consolidation <1 yr)	16	n.a.	30	n.a.
Total Sales	1,470	6%	4,382	5%

2015 before special items

For a detailed overview of special items please see the reconciliation tables on slides 27-28.

Fresenius Helios: Performance Indicators

	Q1-3/2016	Q1-3/2015	Change
No. of hospitals ¹	112	111	1%
- Acute care clinics	88	87	1%
- Post-acute care clinics	24	24	0%
No. of beds ¹	34,701	34,076	2%
- Acute care clinics	29,613	28,914	2%
- Post-acute care clinics	5,088	5,162	-1%
Admissions			
- Acute care (inpatient)	923,134	891,654	4%
Occupancy			
- Post-acute care	83%	83%	
Average length of stay (days)			
- Acute care ²	6.4	6.5	
- Post-acute care	26.1	26.5	

¹ December 31, 2015

² German average (2015): 7.3

Fresenius Group: Key Figures According to IFRS

	Q1-3/2016 U.S. GAAP	Q1-3/2016 IFRS
Sales	21,345	21,651
EBIT	3,092	3,071 ¹
Net interest	-433	-433
Net income adj.	1,154 ²	1,131 ^{1,2}
Net income	1,154 ²	1,118 ^{2,3}
Operating cash flow	2,259	2,273
Balance sheet total	44,075	44,319

¹ Before special items relating to Fresenius Kabi's efficiency program of €13 million according to IFRS

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA after special items (IFRS)

Reconciliation according to U.S. GAAP Q3 2016 / Q3 2015

The Group's U.S. GAAP financial results as of September 30, 2016 do not include special items, whereas the U.S. GAAP financial results as of September 30, 2015 include special items. Net income attributable to shareholders of Fresenius SE&Co. KGaA was adjusted for these special items. The table below shows the special items and the reconciliation from net income (before special items) to earnings according to U.S. GAAP.

€m	Q3/2015 before special items	efficiency program KABI	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	Q3/2015 according to U.S. GAAP (incl. special items)
Sales	6,940				6,940
EBIT	1,027	-10	-4	0	1,013
Interest result	-146				-146
Net income before taxes	881	-10	-4	0	867
Income taxes	-262	4			-258
Net income	619	-6	-4	0	609
Noncontrolling interest	-252				-252
Net income attributable to shareholders of Fresenius SE & Co. KGaA	367	-6	-4	0	357

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

Reconciliation according to U.S. GAAP Q1–3 2016 / Q1–3 2015

The Group's U.S. GAAP financial results as of September 30, 2016 do not include special items, whereas the U.S. GAAP financial results as of September 30, 2015 include special items. Net income attributable to shareholders of Fresenius SE&Co. KGaA was adjusted for these special items. The table below shows the special items and the reconciliation from net income (before special items) to earnings according to U.S. GAAP.

€m	Q1–3/2015 before special items	efficiency program KABI	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	Q1–3/2015 according to U.S. GAAP (incl. special items)
Sales	20,369				20,369
EBIT	2,849	-50	-12	34	2,821
Interest result	-476				-476
Net income before taxes	2,373	-50	-12	34	2,345
Income taxes	-703	16	2		-685
Net income	1,670	-34	-10	34	1,660
Noncontrolling interest	-661				-661
Net income attributable to shareholders of Fresenius SE & Co. KGaA	1,009	-34	-10	34	999

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

Financial Calendar / Contact

Financial Calendar 2017

22.02.2017	Report on Fiscal Year 2016
03.05.2017	Report on 1 st quarter 2017
12.05.2017	Annual General Meeting, Frankfurt/Main
01.08.2017	Report on 2 nd quarter 2017
02.11.2017	Report on 3 rd quarter 2017

Please note that these dates could be subject to change.

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