



# A Leading Global Health Care Group

Commerzbank Sector Conference  
September 8, 2014



For detailed financial information please see our annual/quarterly reports and/or conference call materials on [www.fresenius.com/ir](http://www.fresenius.com/ir).

**Frankfurt stock exchange (DAX30): FRE**  
**US ADR program (OTC): FSNUY**

## 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.

# Strong and Balanced Health Care Portfolio



Ownership: 31%

Dialysis products and services



Ownership: 100%

Hospital supplies



Ownership: 100%

Hospital operations



Ownership: 77%

Hospital projects and services

## 2013 Group Net Income Contribution

25%

46%

26%

3%

## Favorable Industry Dynamics



### Aging population and higher incidence of chronic diseases

*World population age 60+ will more than double by 2050 to >2 bn (OECD)*



### Increasing health care spending in emerging markets

*Increasing health care coverage and per capita spending (e.g. India: US\$59, China: US\$278, vs. USA: US\$8,608; WHO)*



### Continuing growth of generics

*Approx. US\$19 bn branded IV drug sales (base: 2013) go off-patent in the U.S. by 2023*

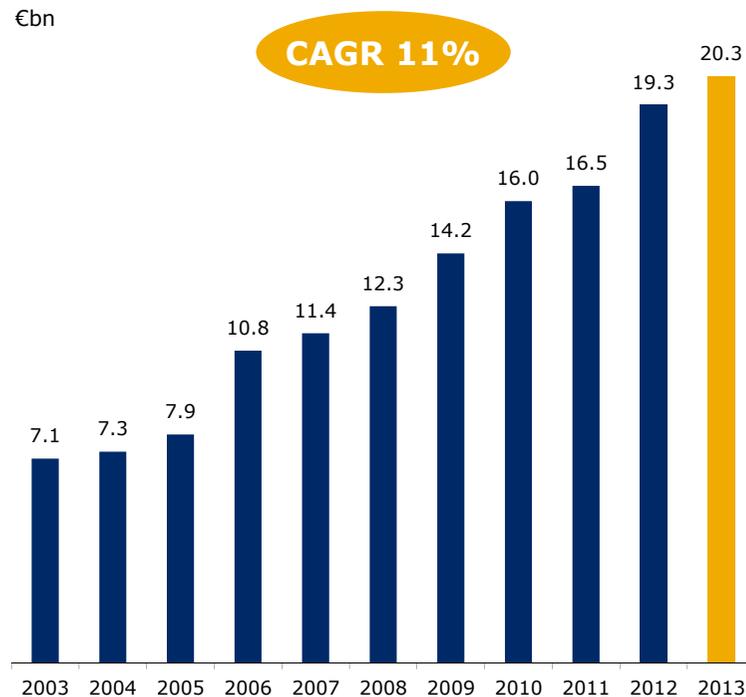


### Rise of private providers in health care services

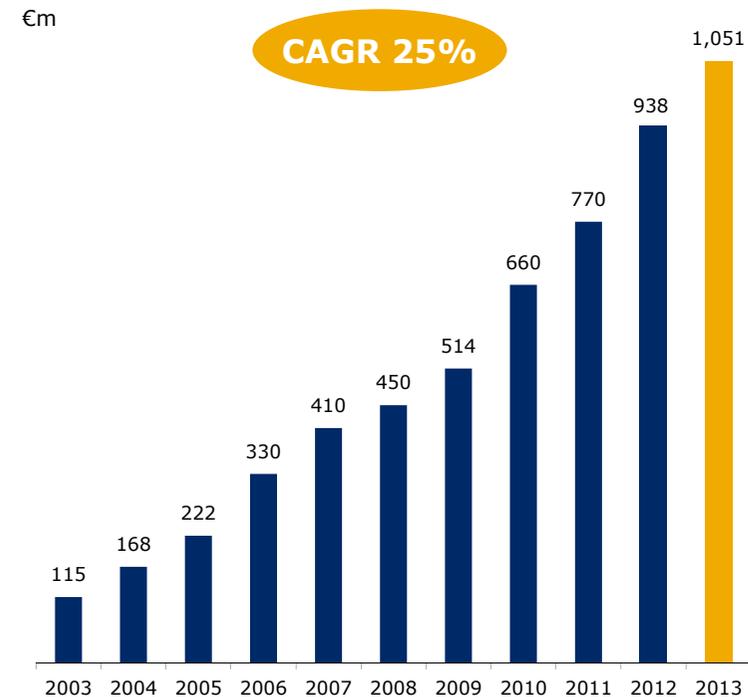
*Further privatization of German hospital market  
Global opportunity to provide dialysis services (e.g. China, India)*

# Fresenius Group 2013: New Sales and Earnings Records – >€1 billion Net Income One Year Ahead of Plan

## Sales



## Net Income<sup>1</sup>



<sup>1</sup> Before special items

## Fresenius Group: Financial Results

	<b>Sales</b>	<b>EBIT<sup>1</sup></b>	<b>Net income<sup>1</sup></b>
H1/14	€10,733 m	€1,403 m	€487 m
Growth at constant currency rates	12%	0%	3%
Growth at actual currency rates	7%	-3%	1%

<sup>1</sup> Before one-time items

## Fresenius Group: Financial Results by Business Segment

H1/14

	<b>Fresenius Medical Care</b>	<b>Fresenius Kabi</b>	<b>Fresenius Helios</b>	<b>Fresenius Vamed</b>
Sales Growth	US\$7,398 m 5%	€2,466 m -2%	€2,521m 49%	€398 m -5%
EBIT Growth	US\$1,001 m -4%	€411 m -12%	€250 m 40%	€15m 0%

## Q2/2014 Business Update

### Operations & Markets



#### North America

- Propofol market share down by 3%-5% since Q1, additional 7%-8% attributable to IMS reporting change
- Drug shortage Sodium Chloride 0.9% (500/1000 ml) – Kabi supply started in Q2; sales ~€3 m

#### Europe / Asia-Pacific / Latin America

- Europe: 3% organic sales growth (Q1: -2%); 5% organic sales growth excl. HES; no further impact from Russia distribution change
- Asia-Pacific: 9% organic sales growth (Q1: 3%); 11% organic sales growth excl. HES; 2013 China price cuts no longer impacting growth
- Q2 acquisitions in Brazil and Ecuador – expanding product portfolio and market presence; FY 2013 sales ~€47 m
- HES: €18 m sales decline yoy; Q2 sales stabilized at Q1 level



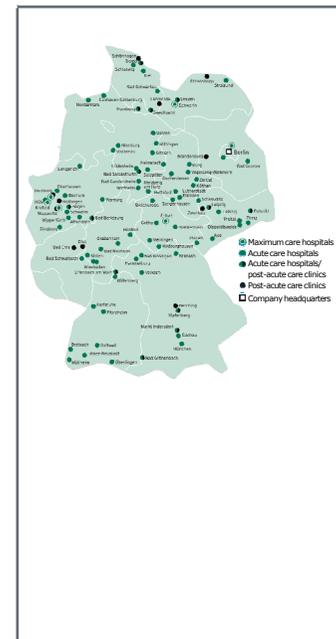
# Q2/2014 Business Update

## Operations & Markets



### Integration of Rhön-Klinikum hospitals

- Process fully on track
- ~€85 m cost synergies p.a. by 2015 confirmed – delayed by approx. one quarter due to later transaction closing
- ~€80 m integration cost confirmed – 2014/2015 phasing details in Q3 call
- 12-15% mid-term EBIT margin target for newly acquired facilities confirmed
- Rhön’s 265-bed Cuxhaven hospital acquired following antitrust approval; expected completion July 31, annual sales ~€40 m
- Hospital network venture between HELIOS, Rhön-Klinikum, Asklepios expected to start in Q4



## Fresenius Group: 2014 Financial Outlook by Business Segment / New: HELIOS incl. Acquired Rhön Hospitals

		Old	New
<b>Fresenius Kabi</b>	Sales growth organic	4% – 6%	✓
	EBIT margin	16.5% – 18%	✓
<b>Fresenius Helios<sup>1</sup></b>	Sales growth organic	3% – 5%	✓
	Sales contribution acquired hospitals		~€1.8 bn
	Sales growth acquired hospitals organic		3% – 5%
	EBIT Helios+Rhön hospitals		€540 – 560 m
<b>Fresenius Vamed</b>	Sales growth organic	5% – 10%	✓
	EBIT growth	5% – 10%	✓

<sup>1</sup> Before integration costs for acquired hospitals and disposal gains (two HELIOS hospitals; Rhön stake )

## Fresenius Group: 2014 Financial Outlook

	Old	New <sup>1</sup>
Revenue growth at constant currency	12% - 15%	14% - 16%
Net income growth <sup>2</sup> at constant currency	2% - 5%	✓

<sup>1</sup> Following acquisitions at Fresenius Medical Care

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA before integration costs (Fenwal; acquired Rhön hospitals) and disposal gains (two HELIOS hospitals; Rhön stake)  
Guidance includes acquired Rhön hospitals

# Fresenius Group: Attractive Mid-Term Growth Prospects

New Stretch Target 2017  
~€30 billion Sales  
€1.4 to €1.5 billion Net Income



**Strong and Balanced Health Care Portfolio**

## Attachments



## Fresenius Group: Profit and Loss Statement

€m	Q2/14	H1/14	Growth Q2/14 YoY	
			actual rates	constant rates
Sales	5,521	10,733	8%	13%
EBIT <sup>1</sup>	760	1,403	1%	5%
Net interest	-145	-283	3%	-1%
Income taxes	-199	-332	-18%	-23%
Net income <sup>2</sup>	259	487	0%	3%

<sup>1</sup> 2014 before integration costs (Fenwal - Q2: €2 m / H1: €3 m; acquired Rhön hospitals - Q2: €8 m / H1: €8 m) and disposal gains (two HELIOS hospitals - Q2: €0 m / H1: €22 m; Rhön Stake - Q2: €35 m / H1: €35 m); 2013 before integration costs (Fenwal - Q2: €20 m; H1: €27 m)

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs (Fenwal - Q2: €1 m / H1: €2 m; acquired Rhön hospitals - Q2: €6 m / H1: €6 m) and disposal gains (two HELIOS hospitals - Q2: €0 m / H1: €21 m; Rhön Stake - Q2: €34 m / H1: €34 m); 2013 before integration costs (Fenwal - Q2: €15 m; H1: €20 m)

## Fresenius Kabi: Organic Sales Growth Accelerating

€m	Organic Growth			
	H1/14	H1/13	H1 YoY	Q2 YoY
Infusion Therapy	476	500	1%	3%
I.V. Drugs	868	893	1%	3%
Clinical Nutrition	662	663	5%	8%
Medical Devices/ Transfusion Technology	460	463	2%	2%
<b>Total sales</b>	<b>2,466</b>	<b>2,519</b>	<b>2%</b>	<b>4%</b>

## Fresenius Kabi: Organic Sales Growth Accelerating

€m	H1/14	H1/13	Organic Growth	
			H1 YoY	Q2 YoY
Europe	1,024	1,030	1%	3%
North America	747	784	0%	1%
Asia-Pacific	464	456	6%	9%
Latin America/Africa	231	249	11%	11%
<b>Total sales</b>	<b>2,466</b>	<b>2,519</b>	<b>2%</b>	<b>4%</b>

## Fresenius Kabi: EBIT Margin Fully in Line with Guidance

€m	Q2/14	H1/14	H1/13	Growth Q2 YoY
Europe Margin	81 15.5%	150 14.6%	178 17.3%	-14%
North America Margin	139 38.1%	286 38.3%	291 37.1%	1%
Asia-Pacific/Latin America/Africa Margin	59 16.2%	108 15.5%	120 17.0%	7%
Corporate and Corporate R&D	-69	-133	-120	-28%
<b>Total EBIT Margin</b>	<b>210 16.8%</b>	<b>411 16.7%</b>	<b>469 18.6%</b>	<b>-9% - 5%cc</b>

EBIT excluding integration costs (Fenwal - Q2: €2million / H1: €3 million)

## Fresenius Helios: Sales and EBIT Growth Driven by First-Time Consolidation of Rhön Hospitals

€m	Q2/14	H1/14	H1/13	Growth Q2 YoY
<b>Total sales</b>	<b>1,294</b>	<b>2,521</b>	<b>1,695</b>	<b>52%</b>
<b>EBIT</b>				
Established clinic portfolio	96	184	175	7%
Margin	11.2%	10.7%	10.6%	
Acquisitions / Divestitures (consolidation / deconsolidation <1 yr)	40	66	4	
<b>Total EBIT</b>	<b>136</b>	<b>250</b>	<b>179</b>	<b>48%</b>
<b>Margin</b>	<b>10.5%</b>	<b>9.9%</b>	<b>10.6%</b>	

Before integration costs (acquired Rhön hospitals: €8 million) and disposal gains (two HELIOS hospitals: €22 million; Rhön stake: €35 million)

## Fresenius Helios: Performance Indicators

	H1/14	H1/13	Change
<b>No. of hospitals<sup>1</sup></b>	110	74	49%
- Acute care clinics	86	51	69%
- Post-acute care clinics	24	23	4%
<b>No. of beds<sup>1</sup></b>	34,048	23,502	45%
- Acute care clinics	28,905	18,885	53%
- Post-acute care clinics	5,143	4,617	11%
<b>Admissions</b>			
- Acute care (inpatient)	557,820	383,050	46%
<b>Occupancy</b>			
- Post-acute care	82%	82%	
<b>Average length of stay (days)</b>			
- Acute care	6.6	6.6	
- Post-acute care	26.8	27.2	

<sup>1</sup> December 31, 2013

## Fresenius Helios: 2013 Clinic Development Plan

	Years in Portfolio								Total
	<1	1	2	3	4	5	6	>6	
No. of clinics	-	12	3	1	-	6	4	48	74
Revenue (€m)	-	390	155	38	-	196	312	2,198	3,289
<b>Target</b>									
EBIT margin (%)	-	2.0	4.0	6.0	8.0	10.0	12.0	12.0-15.0	
EBIT (€m)	-	7.8	6.2	2.3	-	19.6	37.4	263.8	337.1
<b>Reported</b>									
EBIT margin (%)	-	11.4	0.5	3.4	-	7.5	12.8	13.0	11.8
EBIT (€m)	-	44.6	0.8	1.3	-	14.7	39.9	285.9	387.2
No. of clinics > target	-	9	1	-	-	2	2	17	31
No. of clinics < target	-	3	2	1	-	4	2	31	43

IFRS

## Fresenius Vamed: Sales and EBIT in Line with Expectations

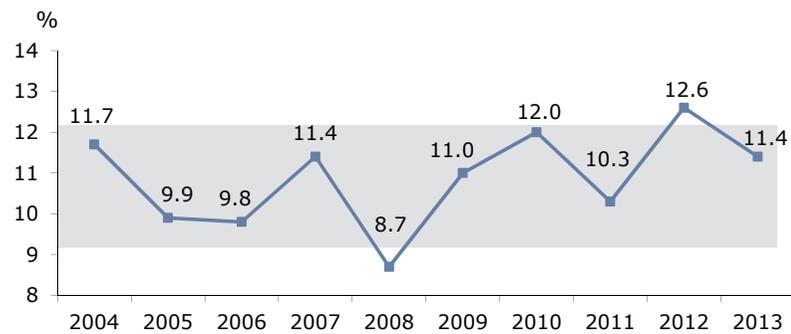
€m	H1/14	H1/13	Growth
Project business	173	208	-17%
Service business	225	213	6%
<b>Total sales</b>	<b>398</b>	<b>421</b>	<b>-5%</b>
<b>Total EBIT</b>	<b>15</b>	<b>15</b>	<b>0%</b>
<b>Margin</b>	<b>3.8%</b>	<b>3.6%</b>	
<b>Order intake<sup>1</sup></b>	<b>300</b>	<b>311</b>	<b>-4%</b>
<b>Order backlog<sup>1</sup></b>	<b>1,262</b>	<b>1,139<sup>2</sup></b>	<b>11%</b>

<sup>1</sup> Project business only

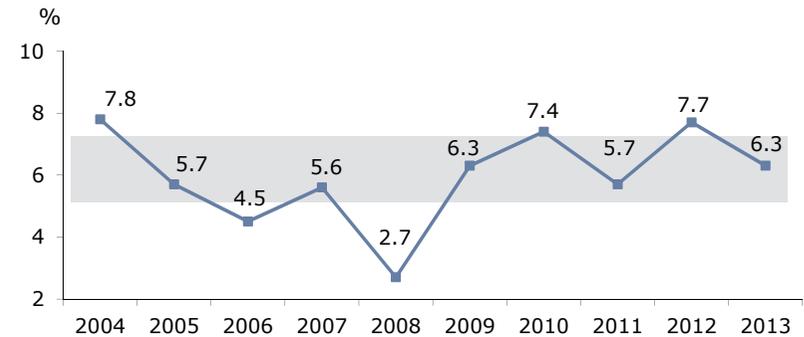
<sup>2</sup> December 31, 2013

# Consistent Cash Generation and Proven Track Record of Deleveraging

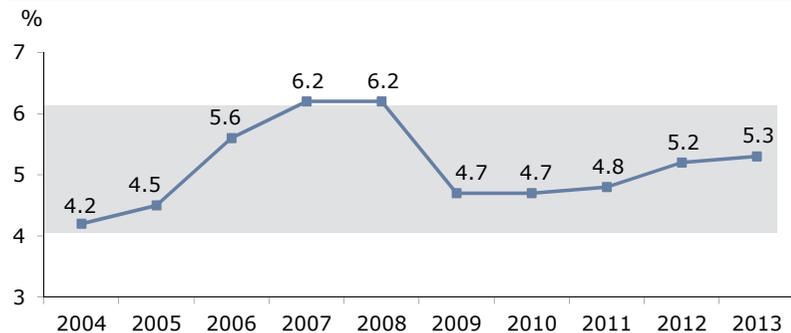
### CFFO margin



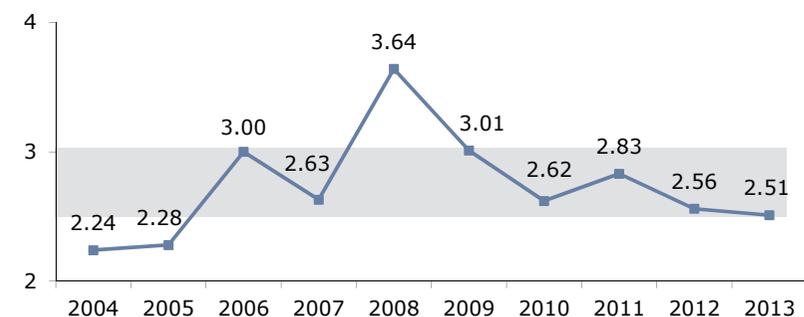
### FCF margin (before acquisitions & dividends)



### Capex in % of sales



### Net Debt / EBITDA



## Cash Flow Development LTM

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	LTM H1/14	LTM Margin	LTM H1/14	LTM Margin	LTM H1/14	LTM Margin
	465	9.4%	-335	-6.8%	130	2.6%
	383	9.1%	-204	-4.9%	179	4.2% <sup>3</sup>
	-34	-3.4%	-10	-1.0%	-44	-4.4%
Corporate/ Other	7	n/a	-6	n/a	1	n/a
 <b>FRESENIUS</b> excl. FMC	<b>821</b>	<b>8.8%<sup>2</sup></b>	<b>-555</b>	<b>-5.4%</b>	<b>266</b>	<b>3.4%<sup>2</sup></b>
 <b>FRESENIUS</b> Group	<b>2,123</b>	<b>10.1%</b>	<b>-1,163</b>	<b>-5.5%</b>	<b>960</b>	<b>4.6%</b>

<sup>1</sup> Before Acquisitions and Dividends

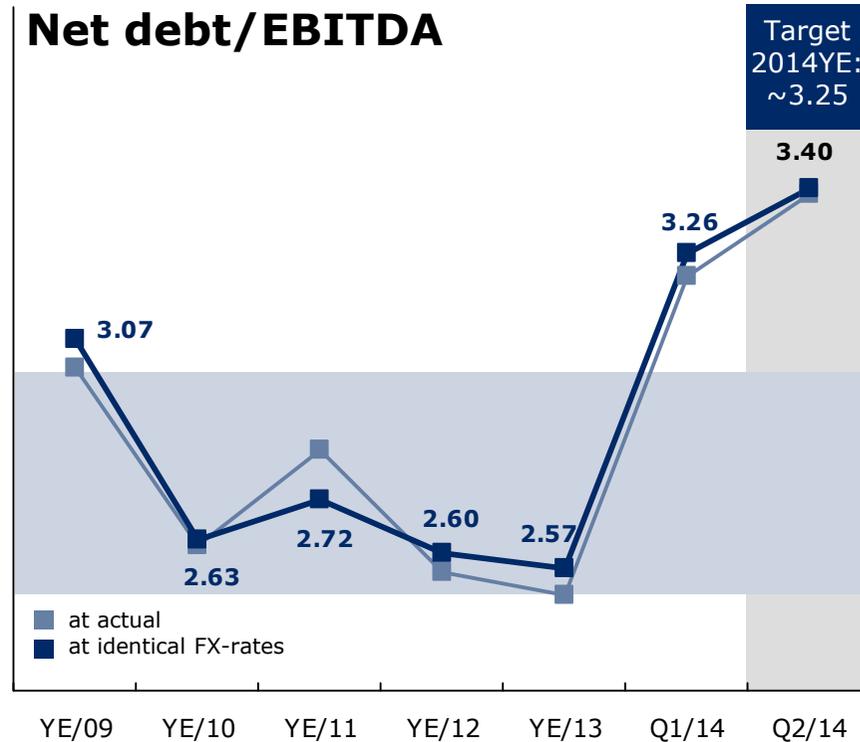
<sup>2</sup> Incl. FMC dividend

<sup>3</sup> Understated: 5.3% excluding €44 million of capex commitments from acquisitions

Margin = in % of sales

# Fresenius Group: Debt and Interest Ratios

	Jun 30, 2014	Dec 31, 2013
Debt (€m) thereof 42% US\$ denominated	<b>14,527</b>	<b>12,804</b>
Net debt (€m)	<b>13,457</b>	<b>11,940</b>
Net debt/EBITDA	<b>3.39<sup>1,2</sup></b>	<b>2.51<sup>3</sup></b>
EBITDA/Interest	<b>6.6</b>	<b>6.7</b>



<sup>1</sup> Before integration costs (Fenwal: €3 million; acquired Rhön hospitals: €8 million) and disposal gains (two HELIOS hospitals: €22 million; Rhön stake: €35 million)

<sup>2</sup> Pro forma including Rhön hospitals and excluding two HELIOS hospitals

<sup>3</sup> 2013 before integration costs (Fenwal: €54 million); pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG (€2.18 bn)

## Share Information

### Share key facts

Number of shares <sup>1</sup>	540,511,632
WKN / ISIN	578560 / DE0005785604
Ticker symbol	FRE
Bloomberg symbol	FRE GR
Reuters symbol	FREG.de

### ADR key facts

Ratio	4 ADRs = 1 ordinary share
ADR CUSIP / ISIN	35804M105 / US35804M1053
Ticker symbol	FSNUY
Exchange	OTCQX International Premier
Structure	Sponsored Level I ADR
Depository bank	Deutsche Bank

<sup>1</sup> As of August 1, 2014

## Financial Calendar 2014

04.11.2014      Report on 1<sup>st</sup> – 3<sup>rd</sup> quarter 2014

Please note that these dates could be subject to modifications.

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