

Bank of America Merrill Lynch 2017 Healthcare Conference



Las Vegas, 16 May 2017

Safe Harbor Statement

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

A Global Leader In HealthCare Products And Services



~€29.5 bn in Sales
(as of Dec. 31, 2016)

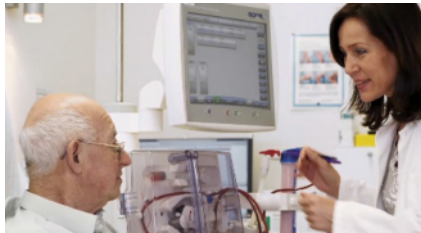
**Strong portfolio
of products** (30% of sales)
and services (70% of sales)

**Total Shareholder Return:
10-year CAGR: ~17%**

**Global presence in
100+ countries**

**260,000+ employees
worldwide**
(as of March 31, 2017)

Strong, Diversified Product And Service Portfolio



Ownership: 31%

Dialysis Products
Healthcare Services

Sales 2016: €16.6 bn



Ownership: 100%

Hospital Supplies
and Services

Sales 2016: €6.0 bn



Ownership: 100%

Hospital Operations

Sales 2016: €5.8 bn

**Sales 2016 pro-forma
Quirónsalud: ~€8.4 bn**



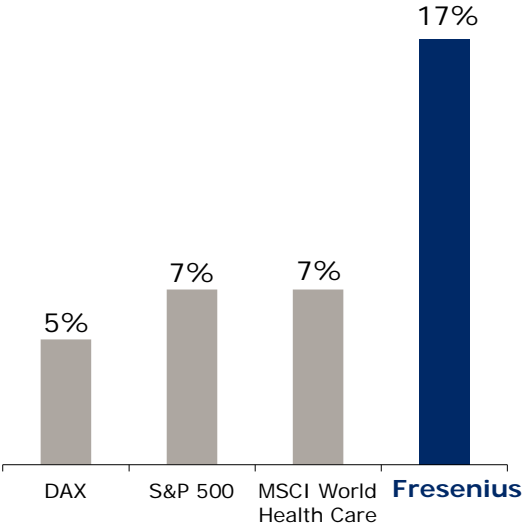
Ownership: 77%

Hospital Projects
and Services

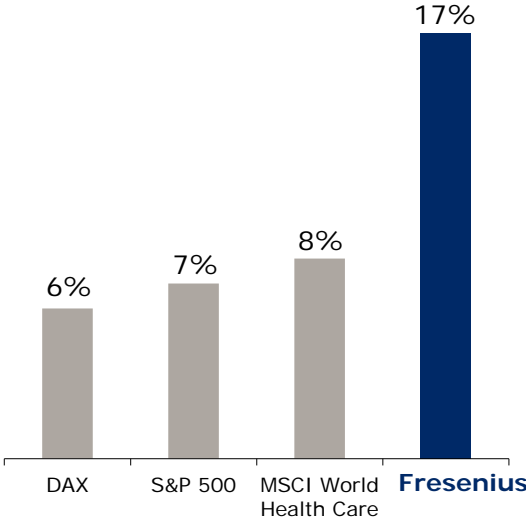
Sales 2016: €1.2 bn

Total Shareholder Return – CAGR, rounded

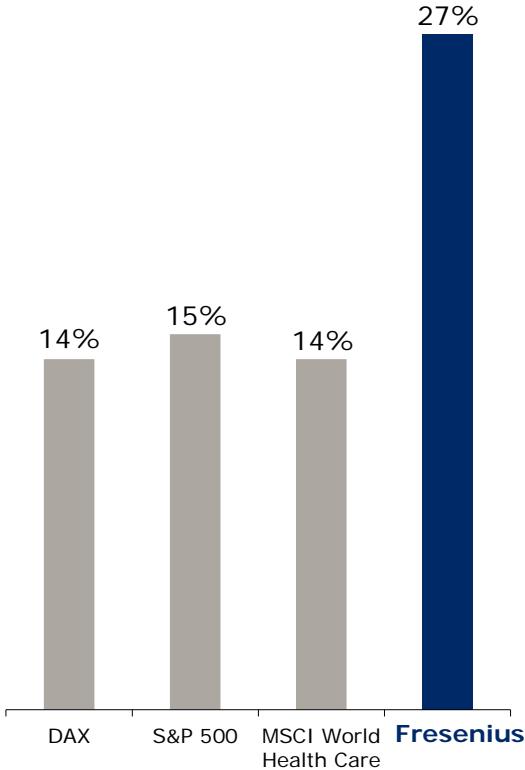
15 years



10 years



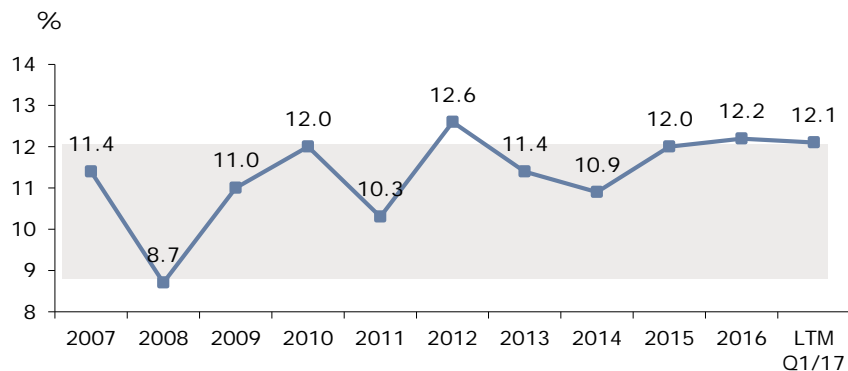
5 years



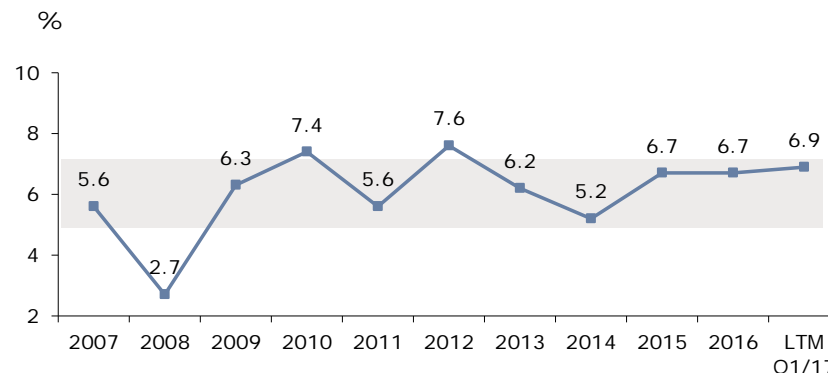
Source: Bloomberg; dividends reinvested

Fresenius Group Consistent Cash Generation And Proven Track Record of Deleveraging

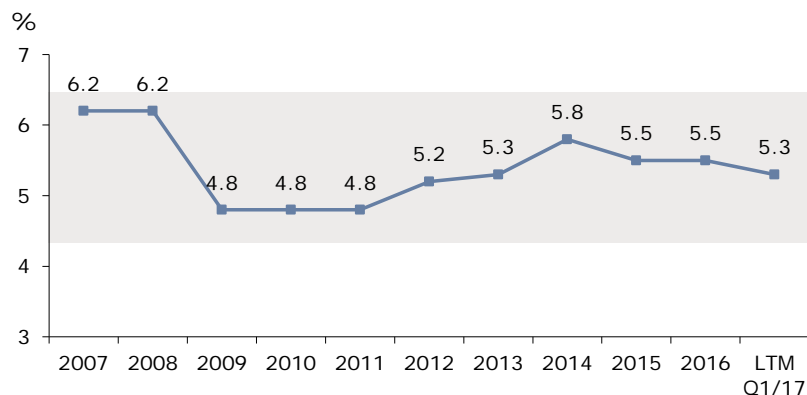
CFFO margin



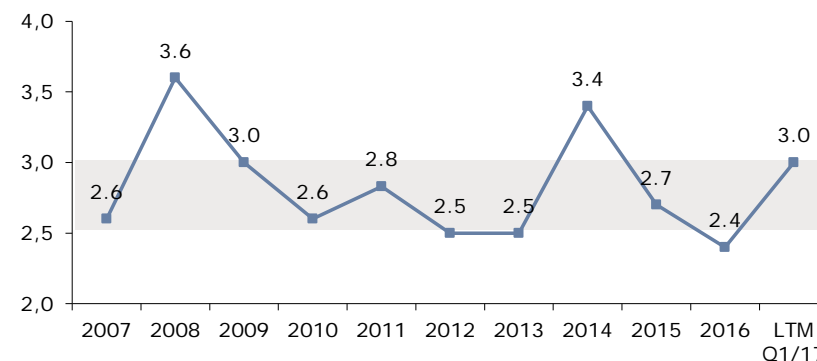
FCF margin (before acquisitions & dividends)



Capex gross, in % of sales



Net Debt / EBITDA^{1,2}



¹ At actual FX rates for both Net Debt and EBITDA

² Pro Forma acquisitions, before special items

Fresenius Medical Care: Global Dialysis Market Leader

- The world's leading provider of dialysis products and services treating 310,473 patients in 3,654 clinics¹
- Provide highest standard of product quality and patient care

 Dialysis products

 Dialysis services

 Complete therapy offerings

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

Market Dynamics

Global Dialysis Market 2016:

- ~US\$76 bn
- ~6% patient growth p.a.

Growth Drivers:

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



¹ As of March 31, 2017

Fresenius Kabi: A Leading Global Hospital Supplier

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



Generic IV Drugs



Clinical Nutrition



Infusion Therapy



Medical Devices /
Transfusion Technology

- Focus on organic growth through geographic product rollouts and new product launches

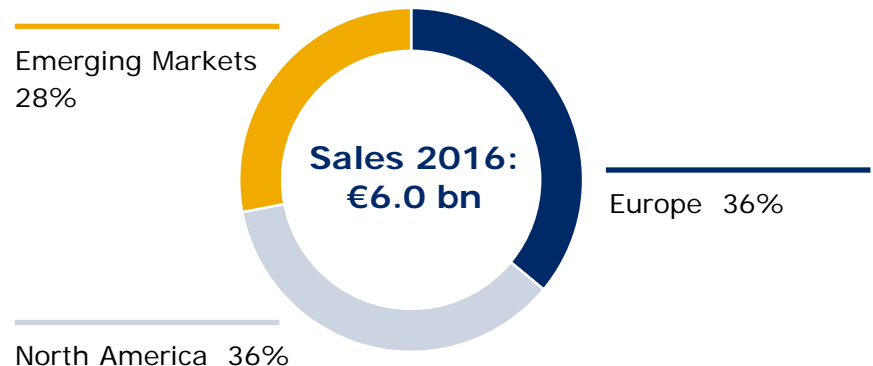
Market Dynamics

Global Addressable Market 2016:

- >€48 bn

Growth Drivers:

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



Fresenius Helios: Europe's largest private hospital operator

Helios Kliniken Germany

- ~6% share in German acute care hospital market
- Solid organic growth based on growing number of admissions and reimbursement rate increases
- Strong track record in hospital acquisitions and operation
- Ranks as quality leader in the German hospital sector: defined quality targets, publication of medical treatment results, peer review processes
- Key medical indicators, e.g. mortality rate for heart failure, pneumonia below German average

Market Dynamics

German Acute Care Hospital Market:

- ~€94 bn¹

Growth Drivers:

- Aging population leading to increasing hospital admissions, further market consolidation

Largest network & nationwide presence



112 hospitals
 ~35,000 beds
 ~1.3 million inpatient admissions p.a.
 ~3.9 million outpatient admissions p.a.

As of March 31, 2017

 Acute Care

 Rehab

 Outpatient

¹ German Federal Statistical Office 2016; total costs, gross of the German hospitals less academic research and teaching

Fresenius Helios: Europe's largest private hospital operator

Quirónsalud Spain

- ~€2.5bn sales in 2016
- ~10% share in Spanish private hospital market
- Market leader in size and quality with excellent growth prospects
- Broad revenue base with privately insured patients, PPPs, self-pay and Occupational Risk Prevention (ORP)
- Strong management team with proven track record
- Cross-selling opportunities



Acute Care



Outpatient



Occupational Risk Prevention

Market Dynamics

Spanish Private Hospital Market:

- ~€13 bn¹

Growth Drivers:

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

Quirónsalud hospitals in every major metropolitan region of Spain



44 hospitals
6,600 beds
~ 9.4 m outpatient admissions p.a.
~ 320,000 inpatient admissions p.a.

As of March 31, 2017

¹ Market data based on company research. Market definition does neither include Public Private Partnerships (PPP) nor Occupational Risk Prevention centers (ORP).

Fresenius Vamed: Leading Global hospital Projects And Services Specialist

- Manages hospital construction/expansion projects (51% of sales) and provides services (49% of sales) for health care facilities worldwide



Projects



Services

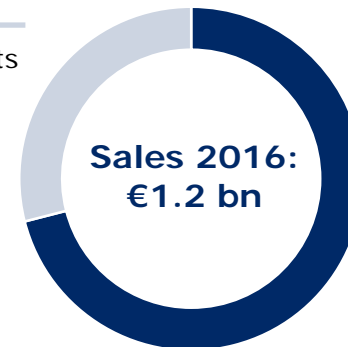
- Offers project development, planning, turnkey construction, maintenance as well as technical management, and total operational management
- Strong track record: More than 800 projects in 79 countries completed

Market Dynamics

Growth Drivers:





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

Emerging Markets
29%



Europe 71%

Fresenius Group: 2017 Financial Outlook by Business Segment

€m except otherwise stated		2016 ¹ Base	2017e ¹ Previous	Q1/2017 ¹ Actual	2017e ¹ New	
 FRESENIUS KABI	Sales growth (org)	6,007	5% – 7%	7%		<input checked="" type="checkbox"/>
	EBIT growth (cc)	1,171	5% – 7%	2%	6% – 8% ²	
 FRESENIUS HELIOS	Sales growth (org)	5,843 ³	3% – 5% ³	5%		<input checked="" type="checkbox"/>
	Sales (reported)	5,843 ³	~8.6 bn ⁴	2.0 bn		<input checked="" type="checkbox"/>
	EBIT	683 ³	1,020–1,070 ⁵	255		<input checked="" type="checkbox"/>
 FRESENIUS VAMED	Sales growth (org)	1,160	5% – 10%	2%		<input checked="" type="checkbox"/>
	EBIT growth	69	5% – 10%	-14%		<input checked="" type="checkbox"/>

¹ All data according to IFRS




² Before transaction costs of ~€50 million for the acquisitions of Akorn, Inc. and Merck KGaA's biosimilars business; before expected expenditures for the further development of Merck KGaA's biosimilars business of ~€50 million (expected closing H2/17)

³ HELIOS Kliniken Germany, excluding Quirónsalud

⁴ Thereof Quirónsalud (11 months consolidated): ~€2.5bn

⁵ Thereof Quirónsalud (11 months consolidated): EBIT of €300 to €320m

Fresenius Group: 2017 Financial Guidance

€m except otherwise stated	2016 ¹ Base	2017e ¹ Previous	Q1/2017 ¹ Actual	2017e ¹ New
 FRESENIUS				
Sales growth (cc)	29,471	15% – 17%	17%	
Net income² growth (cc)	1,560	17% – 20%	26%	19% – 21% ³ 

¹ All data according to IFRS

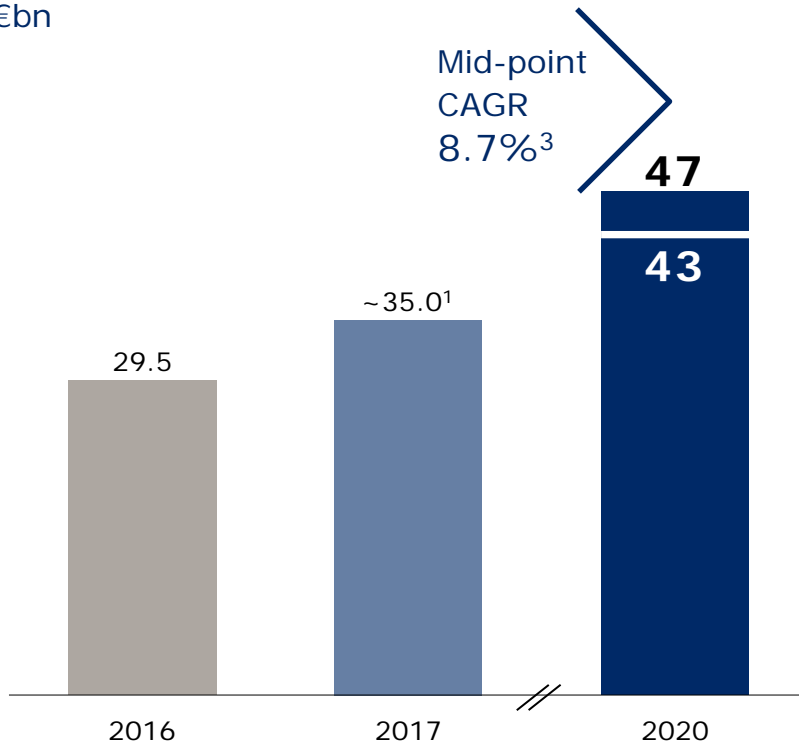
² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ Before transaction costs of ~€50 million for the acquisitions of Akorn, Inc. and Merck KGaA's biosimilars business; before expected expenditures for the further development of Merck KGaA's biosimilars business of ~€50 million (expected closing H2/17)

Fresenius Group: Ambitious Mid-Term Targets

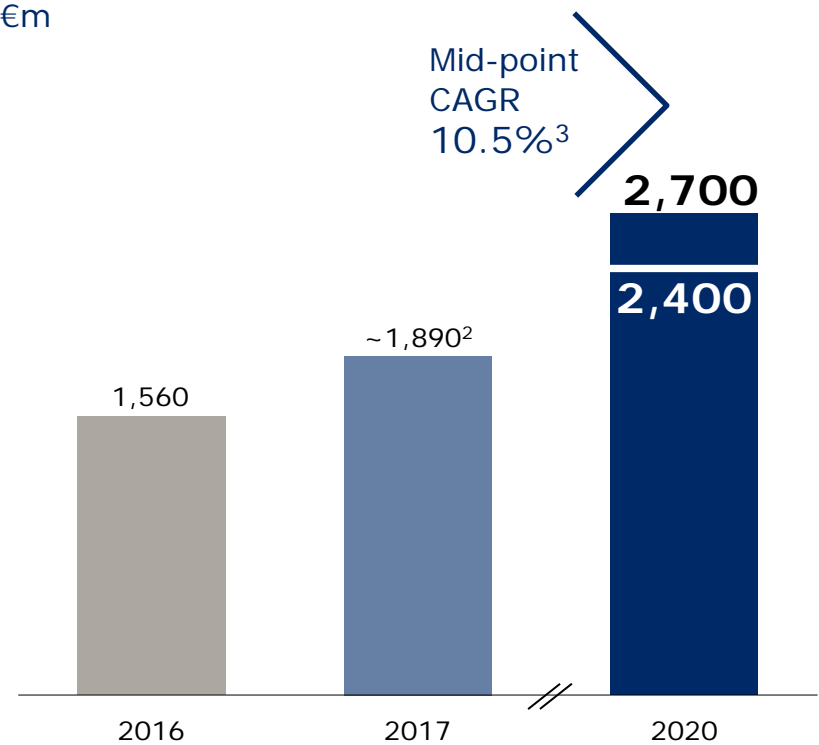
Sales

€bn



Net Income

€m



¹ Mid-point of the February 2017 sales guidance, adjusted for current exchange rates

² Mid-point of the February 2017 net income guidance, adjusted for current exchange rates

³ Calculated on the basis of the mid-point of the 2020 target range

At current exchange rates; excluding strategic acquisitions; at current IFRS rules

Fresenius Group: Q1/2017 Highlights



Fresenius Kabi's U.S. business well positioned for the next decade: Acquisition of Akorn and Merck KGaA's biosimilars business



HELIOS internationalization: Successful closing of Quirónsalud acquisition



All business segments contributed to strong organic sales growth



Excellent earnings growth



Group earnings guidance raised on a like-for-like basis¹

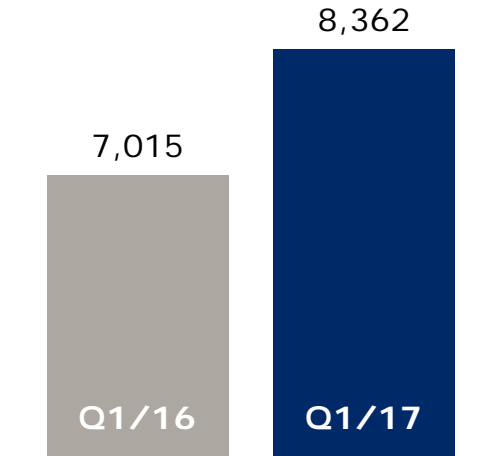
¹ Before transaction costs of ~€50 million for the acquisitions of Akorn, Inc. and Merck KGaA's biosimilars business; before expected expenditures for the further development of Merck KGaA's biosimilars business of ~€50 million (expected closing H2/17)

Fresenius Group: Q1/2017 Key Financials

Sales

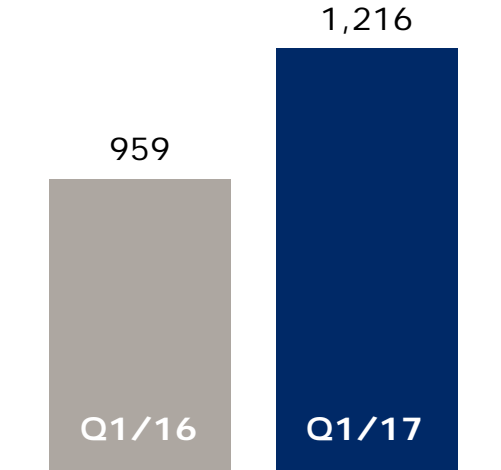
€m

+17%



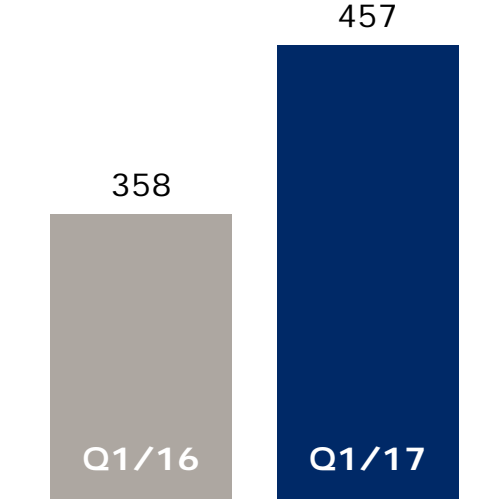
EBIT

+25%



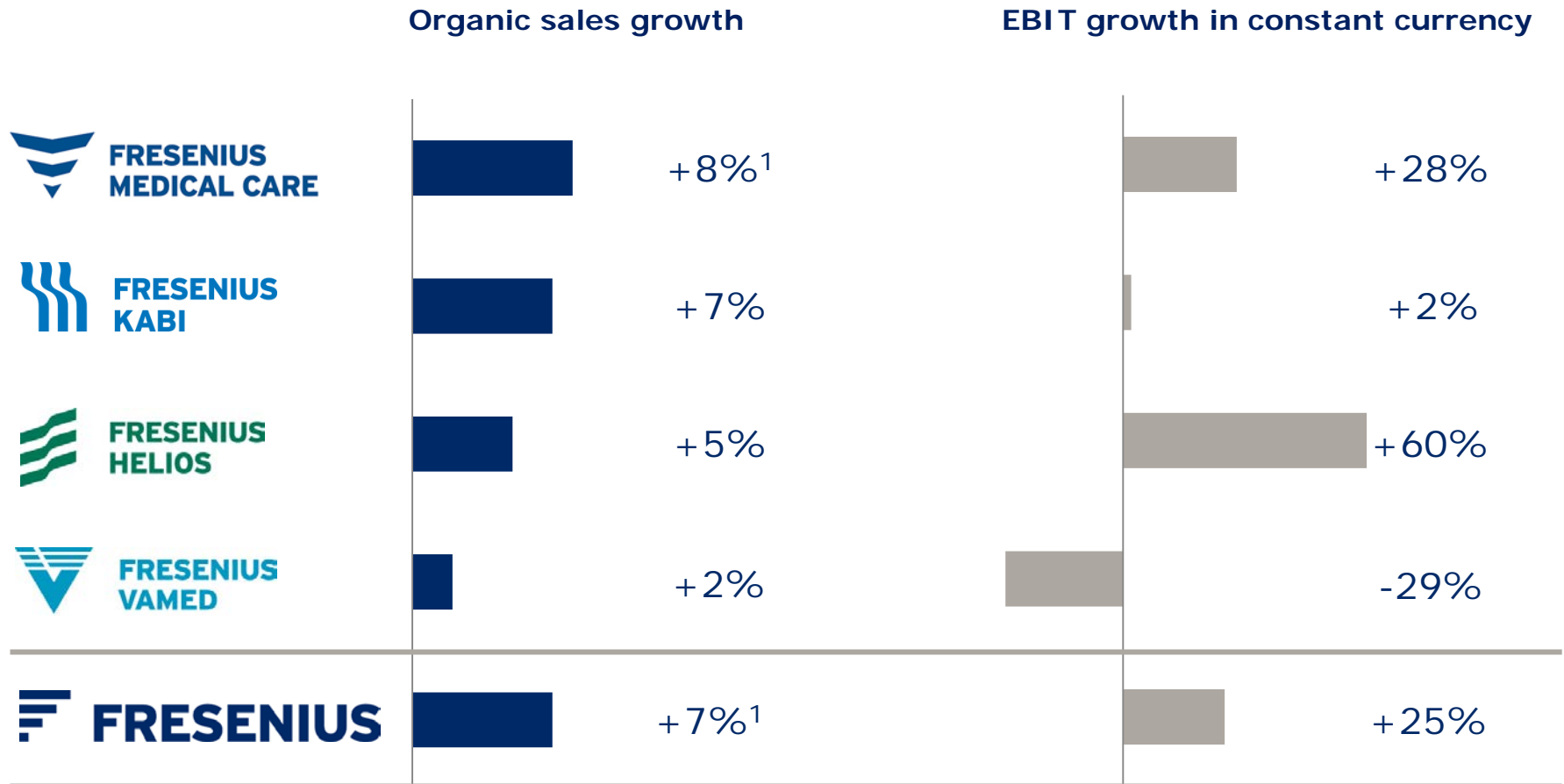
Net Income

+26%



Constant currency growth rates
Net income attributable to shareholders of Fresenius SE & Co. KGaA

Fresenius Group: Q1/2017 Business Segment Growth




¹ Excluding the agreement with the United States Departments of Veterans Affairs and Justice at Fresenius Medical Care North America

Fresenius Kabi (1/2)

North America

- **4% organic sales growth** despite tough Q1/16 comp
- **Gradual easing of IV drug shortages:** 15 Kabi-marketed products currently designated in shortage vs. 16 at YE 2016
- **New product launches:** expected to be **back-end loaded in FY/17;** confirm 10+ target
- **2016 Pharmaceutical Supplier of the Year**
- **Confirm FY/17 outlook: mid-single-digit** organic sales growth 

Europe

- **7% organic sales growth**
- **Improved contract manufacturing business**
- **Confirm FY/17 outlook: low to mid-single-digit** organic sales growth 



Fresenius Kabi (2/2)

Emerging Markets

China

- **10% organic sales growth**
- New tender rules:
 - 13 out of 31 provinces have concluded a tender process; introduction of new tender policy slower than anticipated; now expected to be mostly completed end of 2017
 - Expect low single-digit price impact in FY/17
- Continued double-digit volume growth projected

Asia-Pacific ex China: strong organic growth of 11%

Latin America/Africa: 14% organic sales growth



Emerging Markets overall

- **FY/17 outlook raised: At least 10% organic sales growth** (before: likely double-digit organic sales growth)



Fresenius Kabi: Organic Sales Growth by Regions

€m	Q1/2017	Organic Growth
Europe	544	7%
North America	619	4%
<i>Asia-Pacific</i>	280	10%
<i>Latin America/Africa</i>	161	14%
Asia-Pacific/Latin America/Africa	441	12%
Total sales	1,604	7%

Fresenius Kabi: Organic Sales Growth by Product Segment

€m	Q1/2017	Organic Growth
IV Drugs	702	6%
Infusion Therapy	227	9%
Clinical Nutrition	407	8%
Medical Devices/ Transfusion Technology	268	7%
Total sales	1,604	7%

Fresenius Kabi: EBIT

€m	Q1/2017	Δ Q1 YoY ¹
Europe Margin	80 14.7%	3% -30 bps
North America Margin	236 38.1%	-2% -220 bps
Asia-Pacific/Latin America/Africa Margin	86 19.5%	26% 170 bps
Corporate and Corporate R&D	-89	-14%
Total EBIT Margin	313 19.5%	2% -110 bps

¹ Constant currency growth rates

Margin growth at actual rates

Fresenius Helios

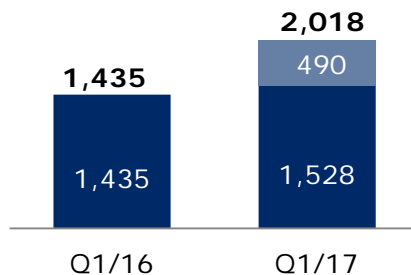
HELIOS Kliniken

- Excellent organic sales growth (+5%) driven by solid admissions growth
- Opening of new hospital building in Duisburg (Germany)



Sales¹
€m

+5%



¹ Organic sales growth

■ HELIOS Kliniken

■ Quirónsalud

Quirónsalud

- Consolidated since February 1, 2017
- Off to an excellent start: Strong sales and EBIT development
- First proton beam therapy center in Spain



Fresenius Helios: Key Financials

€m	Q1/2017	Δ Q1 YoY
Total sales	2,018	41%
Thereof HELIOS Kliniken	1,528	6%
Thereof Quirónsalud	490	--
Total EBIT Margin	255 12.6%	60% 150 bps
Thereof HELIOS Kliniken Margin	181 11.8%	14% 70 bps
Thereof Quirónsalud Margin	74 15.1%	-- --

Fresenius Vamed

- **2% organic sales growth** in Q1/17 reflects typical quarterly fluctuations of project business
- **Solid order intake**
- **Order backlog at all-time high**








€m	Q1/2017	Δ
Project business	77	-9%
Service business	146	10%
Total sales	223	2%
Total EBIT	6	-14%
Order intake ¹	220	-7%
Order backlog ¹	2,104	7% ²

¹ Project business only

² Versus December 31, 2016

Fresenius Group: Cash Flow

€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q1/2017	LTM Margin	Q1/2017	LTM Margin	Q1/2017	LTM Margin
 FRESENIUS KABI	192	17.4%	-84	-5.7%	108	11.7%
 FRESENIUS HELIOS	184	11.5%	-45	-5.5%	139	6.0% ³
 FRESENIUS VAMED	-44	0.1%	-1	-0.9%	-45	-0.8%
Corporate/Other	-26	n.a.	-3	n.a.	-29	n.a.
 FRESENIUS Excl. FMC	306	13.6% ²	-133	-5.3%	173	8.3% ²
 FRESENIUS	476	12.1%	-328	-5.2%	148	6.9%

¹ Before acquisitions and dividends

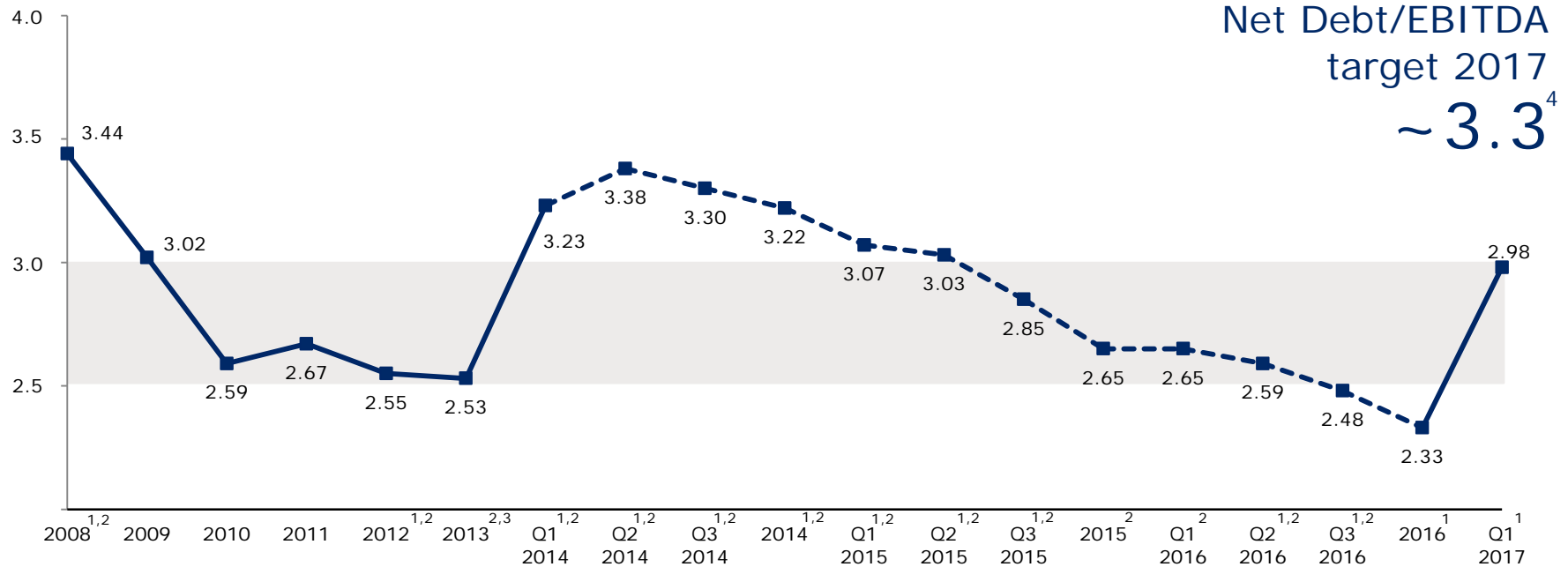
² Margin incl. FMC dividend

³ Understated: 6.5% excluding €37 million of capex commitments from acquisitions

Fresenius Group: Cash Flow

€m	Q1/2017	LTM Margin	Δ YoY
Operating Cash Flow	476	12.1%	41.7%
Capex (net)	-328	-5.2%	1.8%
Free Cash Flow (before acquisitions and dividends)	148	6.9%	--
Acquisitions (net)	-5,468		
Dividends	-73		
Free Cash Flow (after acquisitions and dividends)	-5,393	-14.3%	--

Fresenius Group: Leverage Ratio



¹ Pro forma acquisitions

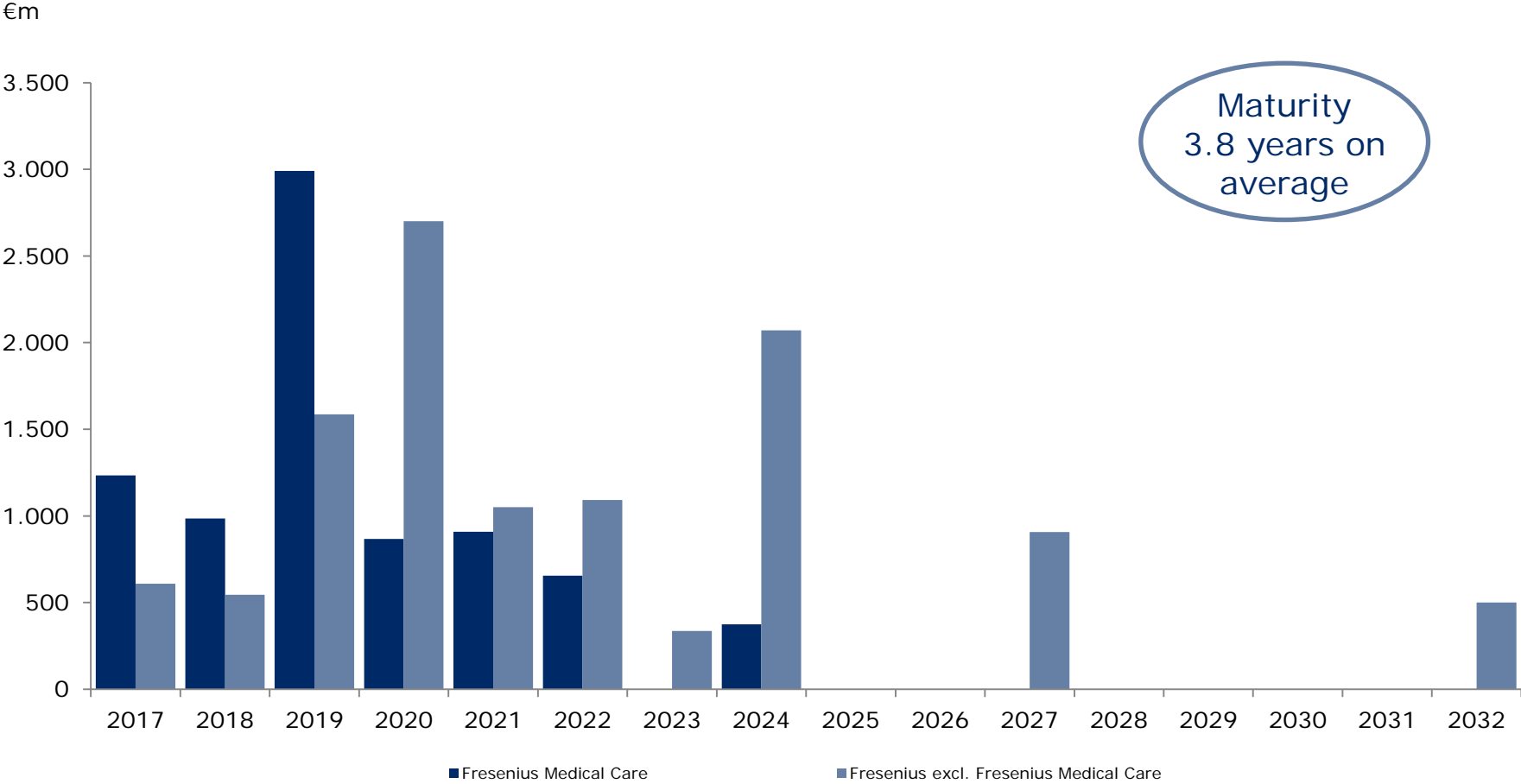
² Before special items

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

⁴ Pro forma acquisitions of Akorn, Inc. and Merck KGaA's biosimilars business; before transaction costs of ~€50 million; excluding further potential acquisitions

At annual average FX rates for both EBITDA and net debt

Fresenius Group Debt Maturity Profile¹



¹ March 31, 2017; based on utilization of major financing instruments

Acquisition of Akorn & Merck KGaA's Biosimilars Business



Safe Harbor Statement

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Akorn: Transaction Highlights

- ✓ **Complementary product portfolio and pipeline diversifies Fresenius Kabi's IV generics offering**
- ✓ **Access to additional distribution channels: retail, clinics and physicians**
- ✓ **Adds growth potential in attractive adjacent segments such as ophthalmology and clinical dermatology**
- ✓ **Substantial cost and growth synergies paired with limited integration complexity**
- ✓ **Fully debt-financed**
- ✓ **Accretive to Group net income¹ from 2018**



¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA; before integration costs

Akorn: Financially Sound Acquisition

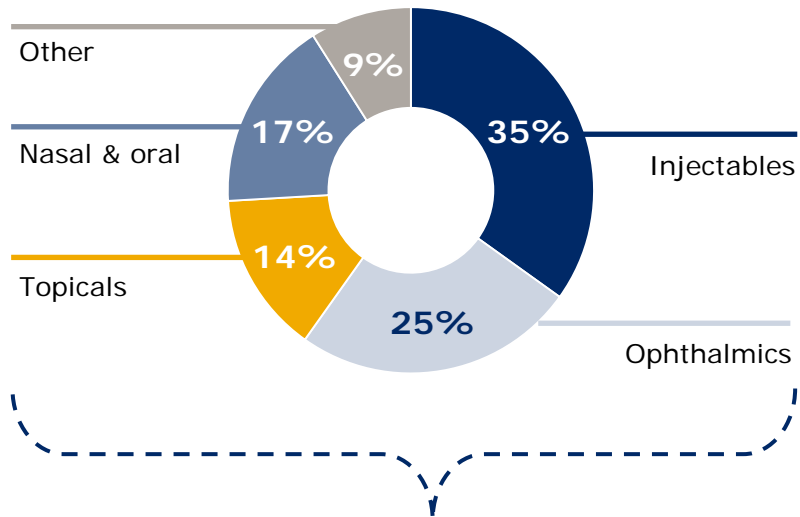
Cash purchase price	US\$4.30 bn for 100% of Akorn shares (US\$34/share)
Assumed net debt¹	~US\$0.45 bn
Amortization charge	Initially ~US\$130 m p.a.
Synergies	~US\$100 m p.a. before tax mid-term, progressive ramp-up
Integration costs	~US\$140 m before tax in total for 2018 - 2022
Financing	Broad mix of € and US\$ debt instruments at ~4% p.a.
Tax rate	~35%
EPS²	Accretive in 2018 (excluding integration costs), from 2019 (including integration costs)
Closing	Expected by early 2018

¹ Projected net debt as of December 31, 2017

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

Akorn: Complementary Product Portfolio and Distribution Channels

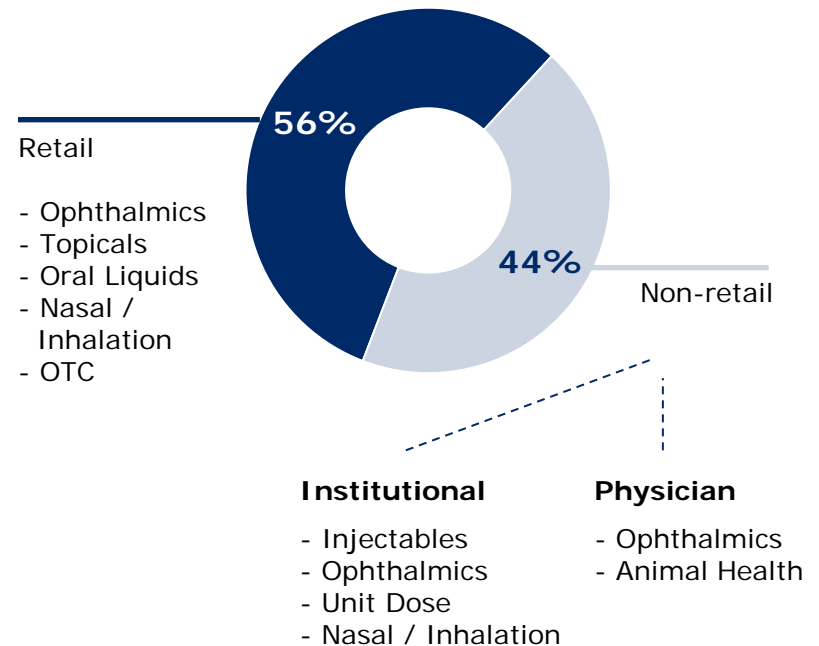
Dosage forms



Common characteristics





- Mostly sterile
- Non-solid
- Generic
- Specialized manufacturing

Distribution channels



Note: Sales mix based on 2016 data

Akorn: Diversified U.S. Portfolio

	Current Portfolio		Pipeline	
	 FRESENIUS KABI	 AKORN	 FRESENIUS KABI	 AKORN
Total Products	137	173	55	85
IV Analgesics & Anesthetics	●●●	●	●●	●
IV Anti-Infectives	●●●	●	●	●●
IV Critical Care	●●●	●●	●●●	●●●
IV Oncolytics	●●●	●	●●●	●
Nutrition & IV Solutions	●	●	●●	
<hr/>				
Ophthalmics		●●●		●●●
Topicals		●		●●
Orals	●	●●●		●
Nasal / Otics / Consumer Health		●●		●
Animal Health		●		●

●●● strong ●● medium ● light

Akorn: Detailed and Comprehensive Due Diligence

Process

- Bilateral exchange with Akorn since 11/2016
- Very comprehensive due diligence over more than two months covering all functional areas
- Virtual data room, management presentations and expert meetings
- Multiple visits of all manufacturing plants
- Detailed bottom-up business plan
- Internal resources supported by external advisers and specialists in new product areas

Addressed areas

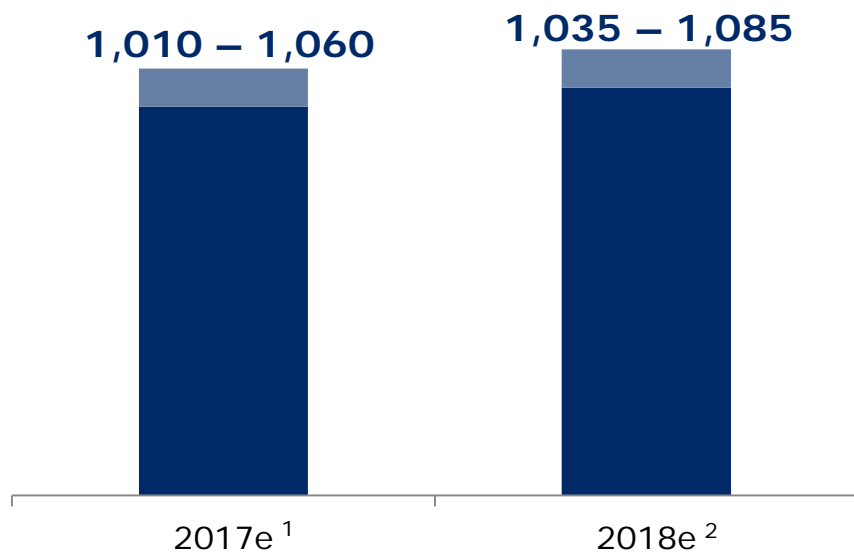
- ANDA pipeline, related regulatory approvals and R&D costs
- New distribution channels and Akorn's strengths
- Sales practices, pricing history and related customer perception
- Competition in key product areas
- Plant status (technical and regulatory) and future manufacturing strategy
- Serialization readiness
- Accounting issues and internal control systems
- Current trading



Akorn: Financial Outlook

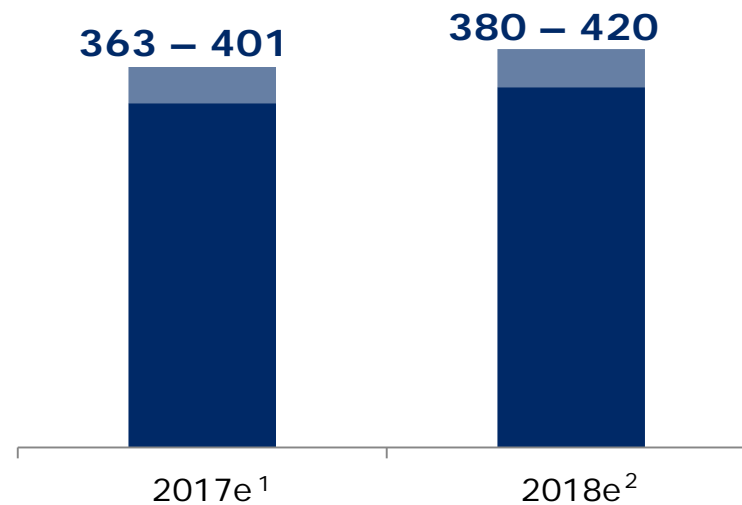
Sales

US\$ m



Adj. EBITDA

US\$ m



¹ Akorn announced on April 24, 2017, that based on a preliminary review of Q1 results, it is reaffirming its previously announced 2017 guidance (including revenue of US\$1,010 to 1,060 million and adjusted EBITDA of US\$363 to 401 million), excluding any one-time costs related to the transaction with Fresenius Kabi

² Fresenius Kabi business plan

Biosimilars: Transaction Highlights



Strategic step to enhance Fresenius Kabi's position as a leading player in the injectable pharmaceuticals market



Direct access to attractive biosimilars development platform



Experienced team of biosimilars experts with excellent development know-how



Highly variable consideration strictly tied to development targets



EBITDA break-even in 2022



High triple-digit million sales from 2023 onwards



Biosimilars: Sound Risk/Reward Ratio

Purchase price	€170 m upfront payment
Milestone payments	Up to €500 m, strictly tied to achievement of development targets
Sales	First sales in 2019, ramp-up to high triple-digit € million from 2023 onwards
Royalties	Single-digit percentage royalties based on sales
EPS¹	Significantly accretive from 2023 onwards
Self-imposed investment ceiling	€1.4 bn incl. upfront and milestone payments as well as ramp-up of R&D and M&S expenses until EBITDA break-even in 2022
Financing	Mainly free cash flow
Closing	Expected in H2/2017

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

Biosimilars: Highly Attractive Platform



Background: Established in 2012 as a Business Unit within the biopharmaceutical development/production network of Merck KGaA



Pipeline: Single-digit number of molecules in oncology and autoimmune diseases

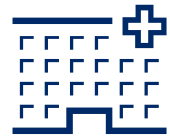


Organization: Core team of >70 experts located in Aubonne and Vevey, Switzerland



Network: External partners supporting development, documentation and regulatory affairs

Merck Biopharma provides support in manufacturing (one production suite reserved for biosimilars), analytics, regulatory, quality, safety and clinical operations.



GPOs

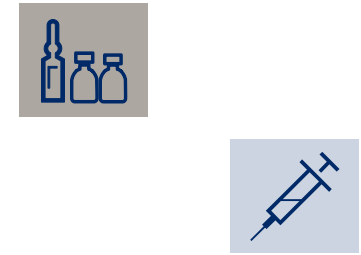
Institutional



Clinics & Physicians



Retail Pharmacies



- Injectables
- Infusion solution
- Clinical nutrition
- Medical devices

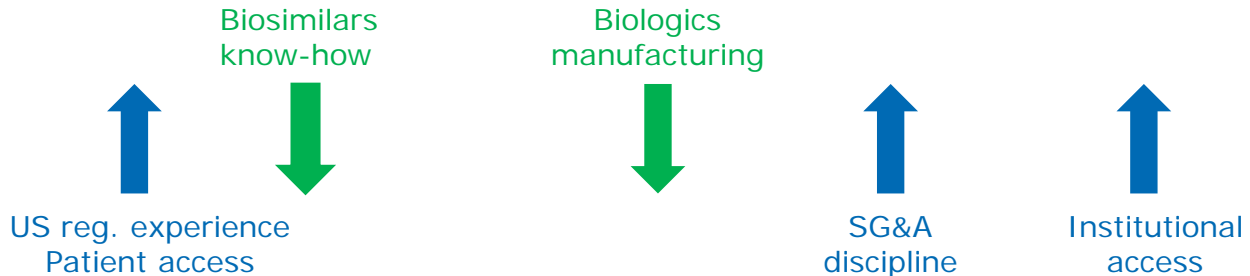
- Others (e.g. Otics, oral liquid, ophthalmics)
- Biosimilars
- Pre-filled syringe
- Transfusion technology

- Good market penetration
- Light market penetration
- Not yet marketed

Who Brings What to a Great Party?



Biosimilars



Combined Implications of Transactions on Group Financials

	12/2017e	12/2018e	12/2019e	12/2020e	12/2021e
Net debt / EBITDA	~3.3	~3.0			
Accretion before¹		neutral	positive		
Accretion fully loaded²		dilutive		neutral	positive
2020 earnings target confirmed					

¹ Before amortization and integration costs

² After amortization and after integration costs

Financial Calendar / Contact

Financial Calendar 2017

01.08.2017 Report on 2nd quarter 2017

02.11.2017 Report on 3rd quarter 2017

Please note that these dates could be subject to change.

Contact

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