

## Roadshow Dublin



19 June 2018

## Safe Harbor Statement

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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

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**~€33.9 bn in Sales**  
(as of Dec. 31, 2017)

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

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

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**Global presence in  
100+ countries**

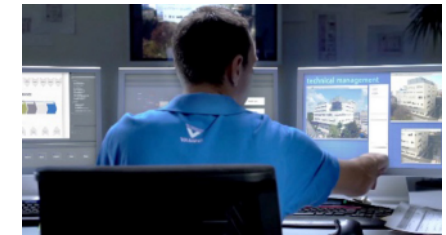
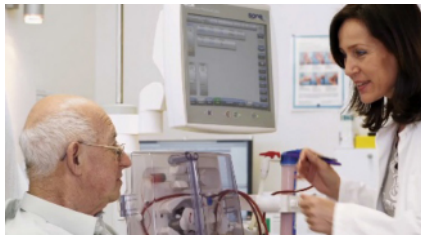
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**275,000+ employees  
worldwide**  
(as of March 31, 2018)

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# Strong and Balanced Health Care Portfolio



Ownership: ~31%

Ownership: 100%

Ownership: 100%

Ownership: 77%

## Dialysis Products Health Care Services

- Dialysis services
- Hemodialysis products
- Peritoneal dialysis products
- Care coordination

## Hospital Supplies

- IV drugs
- Biosimilars
- Clinical nutrition
- Infusion therapy
- Medical devices/  
Transfusion technology

## Hospital Operation

- Acute care
- Outpatient services

## Projects and Services for Hospitals

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

Sales 2017: €17.8 bn

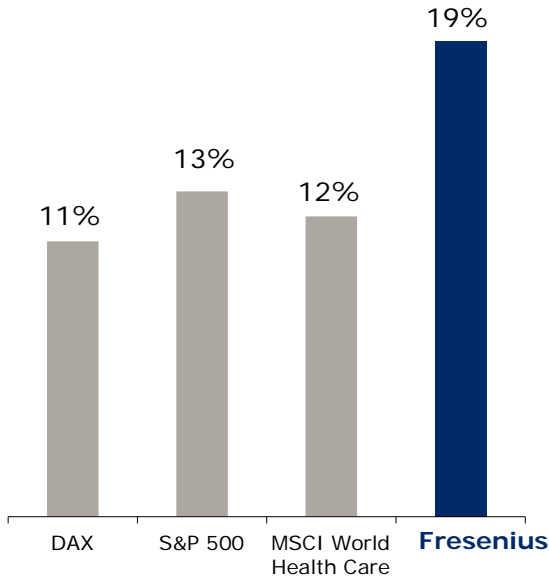
Sales 2017: €6.4 bn

Sales 2017: €8.7 bn

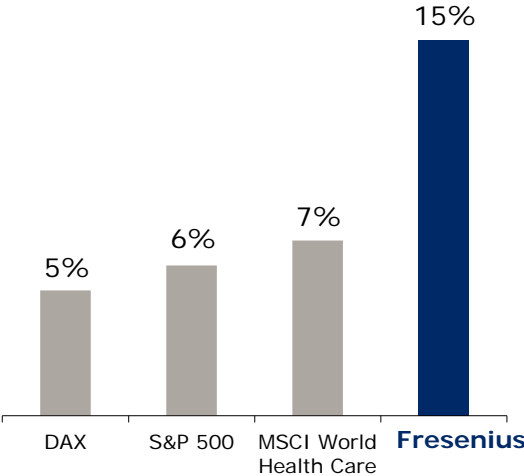
Sales 2017: €1.2 bn

# Total Shareholder Return – CAGR, rounded

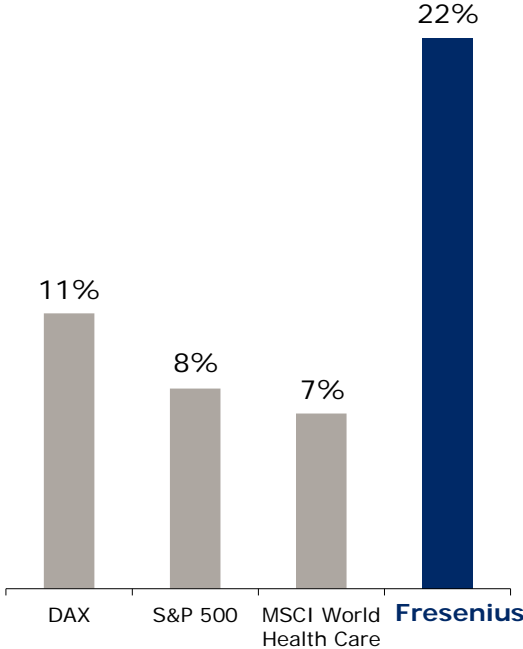
## 5 years



## 10 years



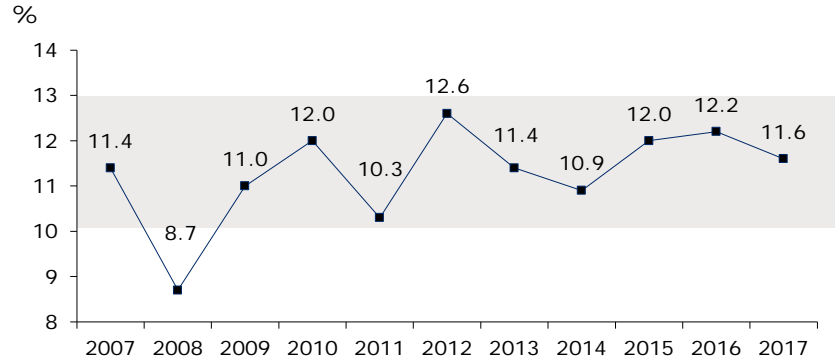
## 15 years



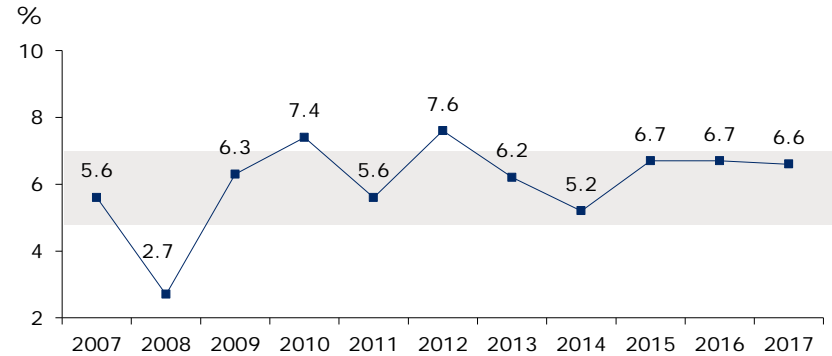
Source: Bloomberg; dividends reinvested, as of Dec 31, 2017

# Fresenius Group Consistent Cash Generation

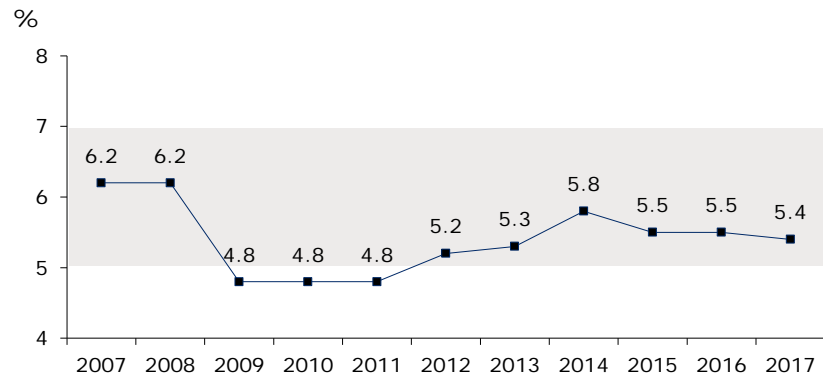
## CFFO margin



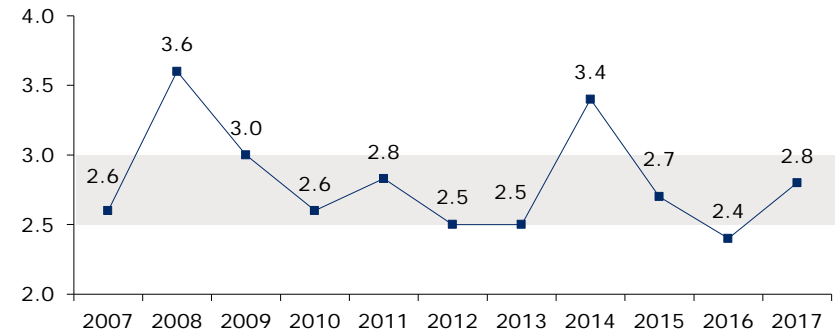
## FCF margin (before acquisitions & dividends)



## Capex gross, in % of sales



## Net Debt / EBITDA<sup>1</sup>



<sup>1</sup> Net debt at year-end exchange rate; EBITDA at LTM average exchange rates; before special items; pro forma acquisitions

# Fresenius Medical Care: Global Dialysis Market Leader

- The world's leading provider of dialysis products and services treating more than 320,000 patients<sup>1</sup> in ~3,750 clinics<sup>1</sup>
- Provide highest standard of product quality and patient care

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 Dialysis products

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 Dialysis services

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 Complete therapy offerings

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

## Market Dynamics

### Global Dialysis Market 2017:

- ~€70 bn
- ~6% patient growth p.a.

### Growth Drivers:

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



<sup>1</sup> As of December 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
- Development of biosimilars with a focus on oncology and autoimmune diseases

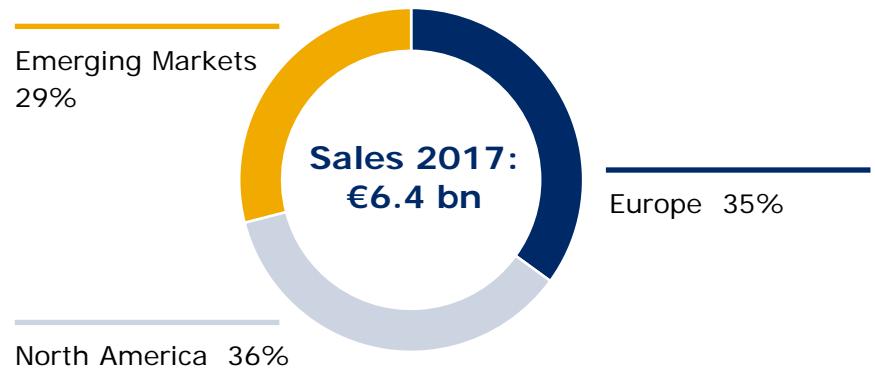
## Market Dynamics

### Global Addressable Market 2017:

- ~€81 bn

### Growth Drivers:

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





# Fresenius Helios: Europe's largest private hospital operator

## Helios Germany

- ~6%<sup>1</sup> share in German acute care hospital market
- Organic growth based on growing number of admissions and reimbursement rate increases
- Ranks as quality leader in the German hospital sector: defined quality targets, publication of medical treatment results, peer review processes
- Key medical indicators, e.g. mortality rate for heart failure, pneumonia below German average

### Market Dynamics

#### German Acute Care Hospital Market:

- ~€98 bn<sup>2</sup>

#### Growth Drivers:

- Aging population leading to increasing hospital admissions

### Largest network & nationwide presence



111 hospitals  
 ~35,000 beds  
 ~1.3 million inpatient admissions p.a.  
 ~4.0 million outpatient admissions p.a.

As of December 31, 2017

 Acute Care

 Outpatient

<sup>1</sup> Based on sales

<sup>2</sup> German Federal Statistical Office 2017; total costs, gross of the German hospitals less academic research and teaching

# Fresenius Helios: Europe's largest private hospital operator

## Helios Spain

- ~€2.6bn<sup>1</sup> sales in 2017
- ~11% 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

<sup>1</sup> Eleven months contribution of Helios Spain

<sup>2</sup> Market data based on company research. Market definition does neither include Public Private Partnerships (PPP) nor Occupational Risk Prevention centers (ORP).

### Market Dynamics

#### Spanish Private Hospital Market:

- ~€14 bn<sup>2</sup>

#### Growth Drivers:

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

#### Quirónsalud hospitals in every major metropolitan region of Spain



45 hospitals  
6,650 beds  
~ 11.2 m outpatient admissions p.a.  
~ 350,000 inpatient admissions p.a.

As of December 31, 2017

# Fresenius Vamed: Leading Global hospital Projects And Services Specialist

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



Projects



Services



Post acute Care

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- Offers project development, planning, turnkey construction, maintenance as well as technical management, and total operational management
- Strong track record: More than 800 projects in over 80 countries completed

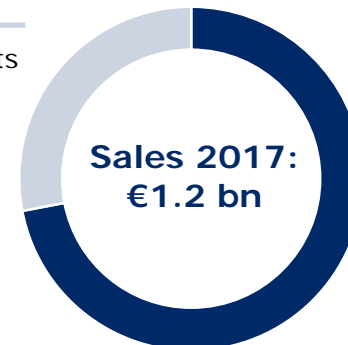
## Market Dynamics

### Growth Drivers:

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

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Emerging Markets  
28%



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Europe 72%

## Portfolio Sharpening: Highlights

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**Both business units to focus on core competencies**

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**Pure play strategy**

- **Helios to concentrate on acute care and outpatient services**
  - **Vamed to strengthen position in post-acute care in Europe**
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**Helios well positioned to foster international growth in acute care**

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**Fresenius Platform - intensified cooperation**




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## Portfolio Sharpening: Transaction Details

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<b>Transaction</b>	<ul style="list-style-type: none"><li>• <b>38 facilities in Germany to be transferred to Vamed, including</b><ul style="list-style-type: none"><li>• 24 health care facilities focused on post-acute care with ~4.800 beds</li><li>• 12 nursing homes with ~900 beds</li><li>• 2 hotels</li></ul></li><li>• 13 service companies</li><li>• ~7,700 employees</li></ul>
<b>Transaction volume</b>	<b>€485 million incl. €15 million net debt</b>
<b>Sales</b>	<b>~€460 million for FY/18e</b>
<b>EBIT</b>	<b>~€37 million for FY/18e</b>
<b>Financing</b>	<b>internally</b>
<b>Closing</b>	<b>Consolidation 1 July 2018</b>

# Fresenius Group: 2018 Financial Outlook by Business Segment

€m (except otherwise stated)		FY/17 Base	Original FY/18e <sup>1</sup>	After portfolio sharpening FY/18e <sup>1</sup>
	<b>Sales growth (org)</b>	6,358	4% - 7%	<input checked="" type="checkbox"/>
	<b>EBIT growth (cc)</b>	1,177 <sup>2</sup>	-3% to -6 % <sup>2</sup>	<input checked="" type="checkbox"/>
	EBIT growth (cc) excl. biosimilars	1,237 <sup>3</sup>	~2% - 5% <sup>3</sup>	<input checked="" type="checkbox"/>
	<b>Sales growth (org)</b>	8,668 <sup>4</sup>	3% - 6% <sup>5</sup>	<input checked="" type="checkbox"/>
	<b>EBIT growth</b>	1,052 <sup>4</sup>	7% - 10%	<b>5% - 8%</b>
	<b>Sales growth (org)</b>	1,228	5% - 10%	<input checked="" type="checkbox"/>
	<b>EBIT growth</b>	76	5% - 10%	<b>32% - 37%</b>

<sup>1</sup> Excluding effects of the Akorn, NxStage and Sound Physicians transactions

<sup>2</sup> Before special items (i.e., transaction-related effects); including expenditures for further development of biosimilars business (€60 m in FY/17 and expected expenditures of ~€160 m in FY/18)

<sup>3</sup> Before special items (i.e., transaction-related effects); excluding expenditures for further development of biosimilars business (€60 m in FY/17 and expected expenditures of ~€160 m in FY/18)

<sup>4</sup> Helios Spain consolidated for 11 months

<sup>5</sup> Organic growth reflects 11 months contribution of Helios Spain in 2018

# Fresenius Group: 2018 Financial Guidance Confirmed

€m (except otherwise stated)	FY/17 Base	Original FY/18e <sup>1</sup>	After portfolio sharpening FY/18e <sup>1</sup>	
<b>FRESENIUS</b>	<b>Sales growth (cc)</b>	33,400 <sup>2</sup>	5% - 8%	<input checked="" type="checkbox"/>
	<b>Net income<sup>3</sup> growth (cc)</b>	1,816 <sup>4</sup>	6% - 9% <sup>5</sup>	<input checked="" type="checkbox"/>
	Net income <sup>3</sup> growth (cc) excl. Biosimilars	1,859 <sup>6</sup>	~10% - 13% <sup>7</sup>	<input checked="" type="checkbox"/>

<sup>1</sup> Excluding effects of the Akorn, NxStage and Sound Physicians transactions

<sup>2</sup> 2017 base adjusted for IFRS 15 adoption (deduction of €486 m at Fresenius Medical Care)

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>4</sup> Before special items (before transaction-related effects, book gain from the U.S. tax reform and FCPA provision)

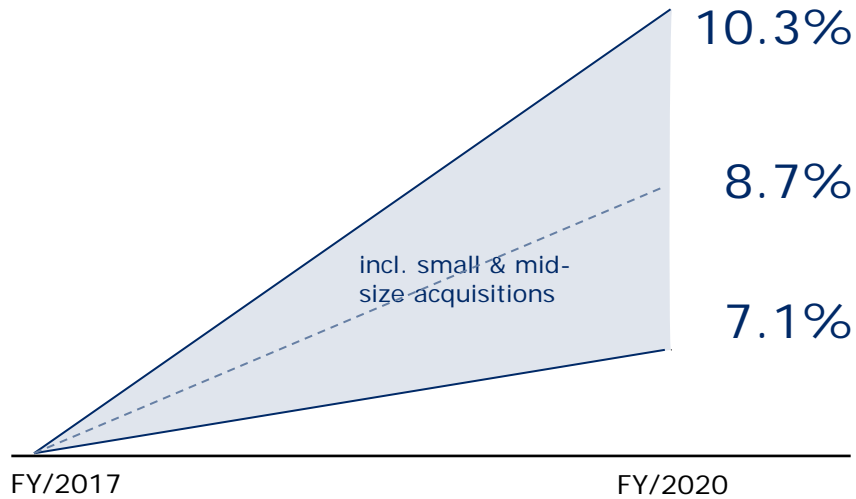
<sup>5</sup> Before special items (i.e., transaction-related effects); including expenditures for further development of biosimilars business (€43 m after tax in FY/17 and expected expenditures of -€120 m after tax in FY/18)

<sup>6</sup> Adjusted net income: before transaction-related effects, expenditures for further development of biosimilars business, book gain from the U.S. tax reform and FCPA provision

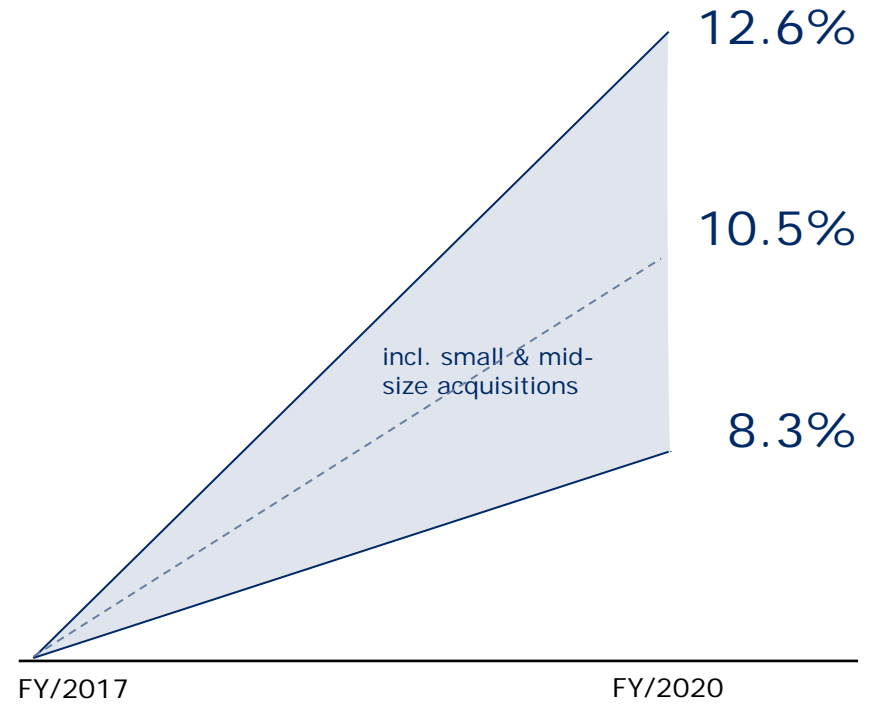
<sup>7</sup> Before special items (i.e., transaction-related effects); excluding expenditures for further development of biosimilars business (€43 m after tax in FY/17 and expected expenditures of -€120 m after tax in FY/18)

# Fresenius Group: 2020 Mid-Term Growth Targets Confirmed

## Sales CAGR



## Net Income CAGR



At constant exchange rates and IFRS rules as of Feb 2017  
Net income attributable to shareholders of Fresenius SE & Co. KGaA



# Financial Review Q1/18



## Fresenius Group: Q1/18 Highlights

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**Strong start to the year despite very tough prior-year comp**

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**Healthy earnings growth in constant currency - Fresenius Kabi's performance standing out**

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**FMC optimizes U.S. Care Coordination portfolio and strengthens vertically integrated dialysis business**

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**Group guidance confirmed**

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# Fresenius Group: Current Topics (1/2)

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## AKORN

- Fresenius terminated merger agreement with Akorn, due to Akorn's failure to fulfill several closing conditions
- Akorn filed a lawsuit against Fresenius in Delaware, USA, for consummation of the merger agreement
- Fresenius filed a counterclaim on April 30, 2018
- Strategic rationale for expanding product offering in North America was and remains valid



## HES

- EU Commission (EC) suspended decision to withdraw HES from the market in Europe
- Several Member States raised concerns on draft decision of EC due to lack of full consideration of all medical & technical arguments
- The procedure has now been referred back to PRAC for further consideration
- Kabi's FY/18 outlook still considers meaningful risk adjustment



# Fresenius Group: Current Topics (2/2)

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## Pricing Environment North America

- Strong Q1/18 financial performance of Fresenius Kabi NA
- Continued low single-digit price decline for base business in 2018
- Nothing 'out of the ordinary' in generic injectables market

## Biosimilars

- Improving political environment:
  - France aims to have 80% biosimilars penetration by 2022
  - US: All biosimilars of reference product will now be eligible for pass-through status as part of the 340b program

## Helios

- Preparatory measures for minimum nursing staff levels
- Clustering and digitalization efficiencies will have a more mid-term effect



# Fresenius Group: Q1/18 Profit and Loss Statement

€m	Q1/18	Δ YoY cc
Sales	<b>8,121</b>	7% <sup>1</sup>
EBIT	<b>1,054</b>	-5%/3% <sup>2</sup>
EBIT (excl. biosimilars)	<b>1,089</b>	-2%/6% <sup>2</sup>
Net interest	<b>-146</b>	-1%
Income taxes	<b>-191</b>	32%
<b>Net income</b>	<b>450</b>	7%
<b>Net income (excl. biosimilars)</b>	<b>476</b>	12%

<sup>1</sup> Growth rate adjusted for IFRS 15 adoption

<sup>2</sup> Excluding VA agreement

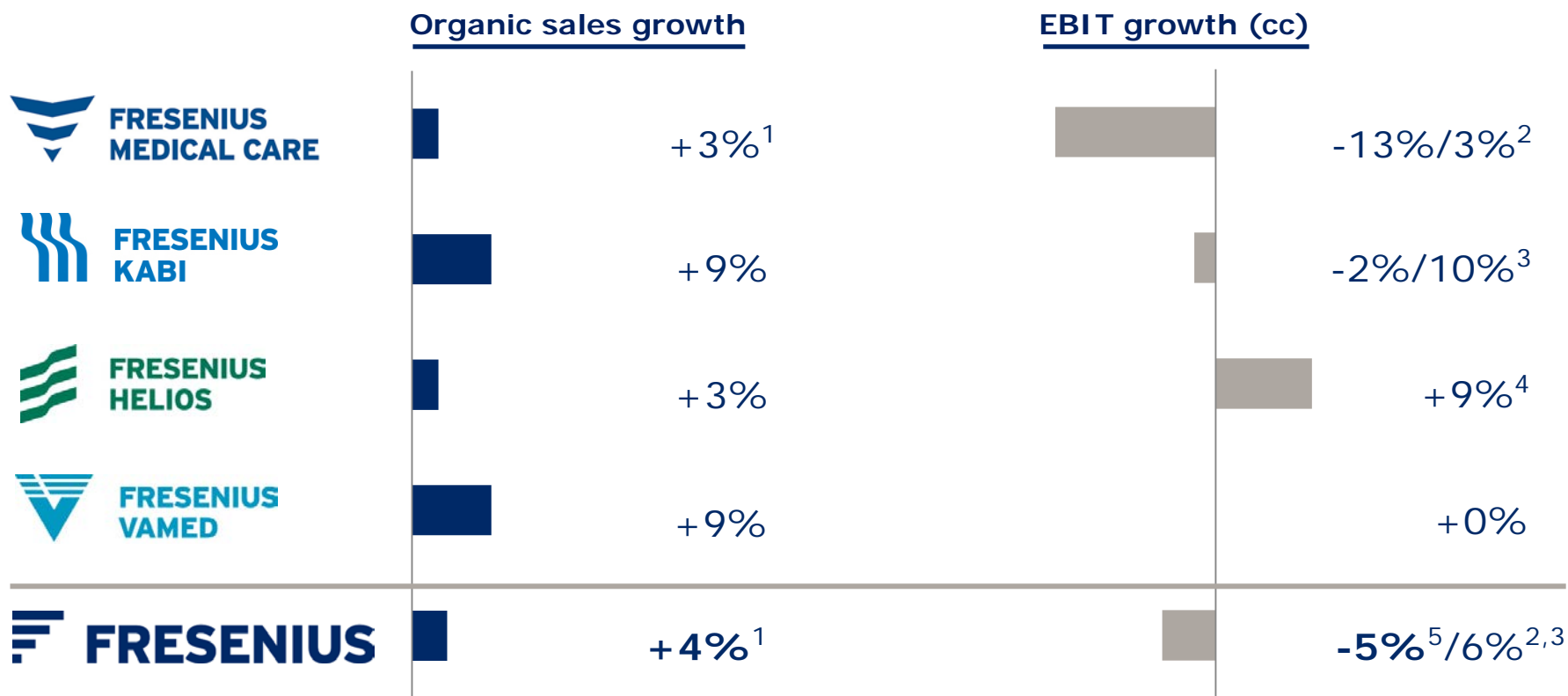
All figures before special items (i.e., expenses related to (i) the Akorn transaction, and (ii) the re-valuation of Sound Physicians' share-based payment program caused by its announced divestiture)

All growth rates in constant currency (cc)

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

For a detailed overview of special items please see the reconciliation table on slide 36.

# Fresenius Group: Q1/18 Business Segment Growth



<sup>1</sup> Growth rates adjusted for IFRS 15 adoption

<sup>2</sup> Excl. VA agreement

<sup>3</sup> Excl. biosimilars

<sup>4</sup> Helios Spain only consolidated for two months in Q1/17

<sup>5</sup> Excl. biosimilars: -2%

All figures before special items

For a detailed overview special items please see the reconciliation table on slide 36.

# Fresenius Kabi: Q1/18 Regional Highlights (1/2)

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## North America

- 10% organic sales growth
- 32 Kabi-marketed IV drugs currently designated in shortage (vs. 24 at Q4/17)
- 3 product launches YTD; confirm 15+ target
- Confirm FY/18 outlook: Mid-single-digit organic sales growth



## Europe

- 3% organic sales growth
- Enteral nutrition continues to drive growth
- Confirm FY/18 outlook: Low to mid-single-digit organic sales growth



# Fresenius Kabi: Q1/18 Regional Highlights (2/2)

## Emerging Markets

### China

- 16% organic sales growth
- New tender rules:
  - Introduction of new tender policy expected to be completed mid 2018
  - Expectation for FY/18 unchanged - low to mid single-digit price decline and continued double-digit volume growth

Asia-Pacific ex China: 13% organic sales growth

Latin America/Africa: 10% organic sales growth



### Total Emerging Markets

Confirm FY/18 outlook: likely double-digit organic sales growth





## Fresenius Kabi: Q1/18 EBIT Growth

€m	Q1/18	Δ YoY cc
North America Margin	222 37.6%	8% -50 bps
Europe Margin	85 15.3%	8% 60 bps
Asia-Pacific/Latin America/Africa Margin	87 19.1%	12% -40 bps
Corporate and Corporate R&D	-126	-45%
<b>Total EBIT<sup>1</sup></b> Margin <sup>1</sup>	<b>268</b> 16.7%	<b>-2%</b> -280 bps
<b>Total EBIT excl. Biosimilars<sup>1</sup></b> Margin <sup>1</sup>	<b>303</b> 18.9%	<b>10%</b> -60 bps

Margin growth at actual rates

<sup>1</sup> Before special items

For a detailed overview of special items please see the reconciliation table on slides 36.

# Fresenius Helios

## Helios Germany

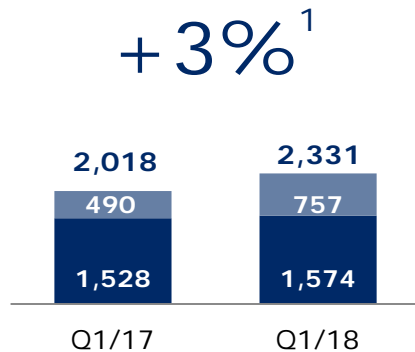
- Solid organic sales growth
- Additional “DRG catalogue effects”, minimum nursing staff levels and lack of privatization opportunities impact financial performance

## Helios Spain


- One additional month of consolidation in Q1/18
- Softer start to the year driven by a pronounced Easter effect
- Acceleration of organic growth expected in Q2

### Sales

€m



<sup>1</sup> Organic sales growth

 Helios Germany

 Helios Spain



## Fresenius Helios: Q1/18 Key Financials

€m	Q1/18	Δ YoY
<b>Total sales</b>	<b>2,331</b>	<b>16%</b>
Thereof Helios Germany	1,574	3%
Thereof Helios Spain <sup>1</sup>	757	54%
<b>Total EBIT</b>	<b>278</b>	<b>9%</b>
Margin	11.9%	-70 bps
Thereof Helios Germany	177	-2%
Margin	11.2%	-60 bps
Thereof Helios Spain <sup>1</sup>	103	39%
Margin	13.6%	-150 bps
Thereof Corporate	-2	--

<sup>1</sup> Consolidated since 1 February 2017

# Fresenius Vamed

- Strong Q1/18: Organic sales growth of 9%
- Excellent order intake of €260m
- Order backlog at all-time high








€m	Q1/18	Δ YoY
<b>Total sales</b>	<b>249</b>	<b>12%</b>
Project business	92	19%
Service business	157	8%
<b>Total EBIT</b>	<b>6</b>	<b>0%</b>
Order intake <sup>1</sup>	260	18%
Order backlog <sup>1,2</sup>	2,391	11%

<sup>1</sup> Project business only

<sup>2</sup> Versus December 31, 2017

# Fresenius Group: Cash Flow

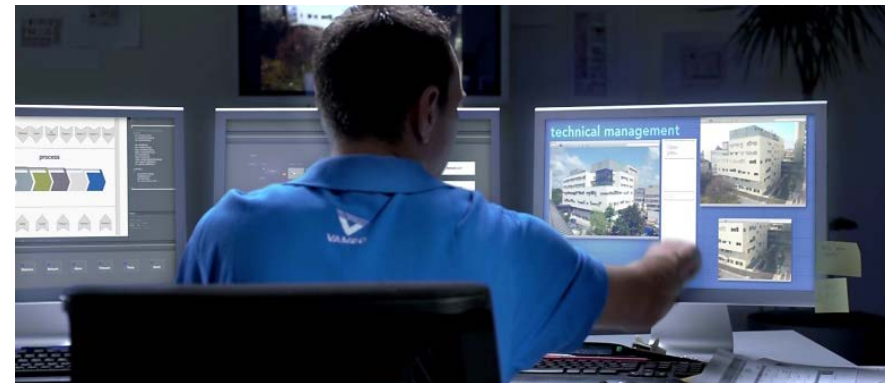
€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	Q1/18	LTM Margin	Q1/18	LTM Margin	Q1/18	LTM Margin
 <b>FRESENIUS KABI</b>	226	16.4%	-96	-6.8%	130	9.6%
 <b>FRESENIUS HELIOS</b>	97	7.2%	-65	-4.8%	32	2.4% <sup>2</sup>
 <b>FRESENIUS VAMED</b>	-42	3.5%	-2	-0.6%	-44	2.9%
Corporate/Other	0	n.a.	-10	n.a.	-10	n.a.
 <b>FRESENIUS</b> Excl. FMC	<b>281</b>	<b>11.0%<sup>3</sup></b>	<b>-173</b>	<b>-5.5%</b>	<b>108</b>	<b>5.5%<sup>3</sup></b>
 <b>FRESENIUS</b>	<b>236</b>	<b>11.0%</b>	<b>-391</b>	<b>-5.3%</b>	<b>-155</b>	<b>5.7%</b>

<sup>1</sup> Before acquisitions and dividends

<sup>2</sup> Understated: 2.9% excluding €45 million of capex commitments from acquisitions

<sup>3</sup> Margin incl. FMC dividend

# Attachments



## Fresenius Group: Calculation of Noncontrolling Interest

€m	Q1/18	Q1/17
Earnings before tax and noncontrolling interest	908	1,059
Taxes	-191	-308
Noncontrolling interest, thereof	-267	-294
Fresenius Medical Care net income not attributable to Fresenius (Q1/18: ~69%)	-204	-212
Noncontrolling interest holders in Fresenius Medical Care	-51	-69
Noncontrolling interest holders in Fresenius Kabi (-€9 m), Fresenius Helios (-€2 m), and due to Fresenius Vamed's 23% external ownership (-€1m)	-12	-13
<b>Net income attributable to Fresenius SE &amp; Co. KGaA</b>	<b>450</b>	<b>457</b>

Before special items

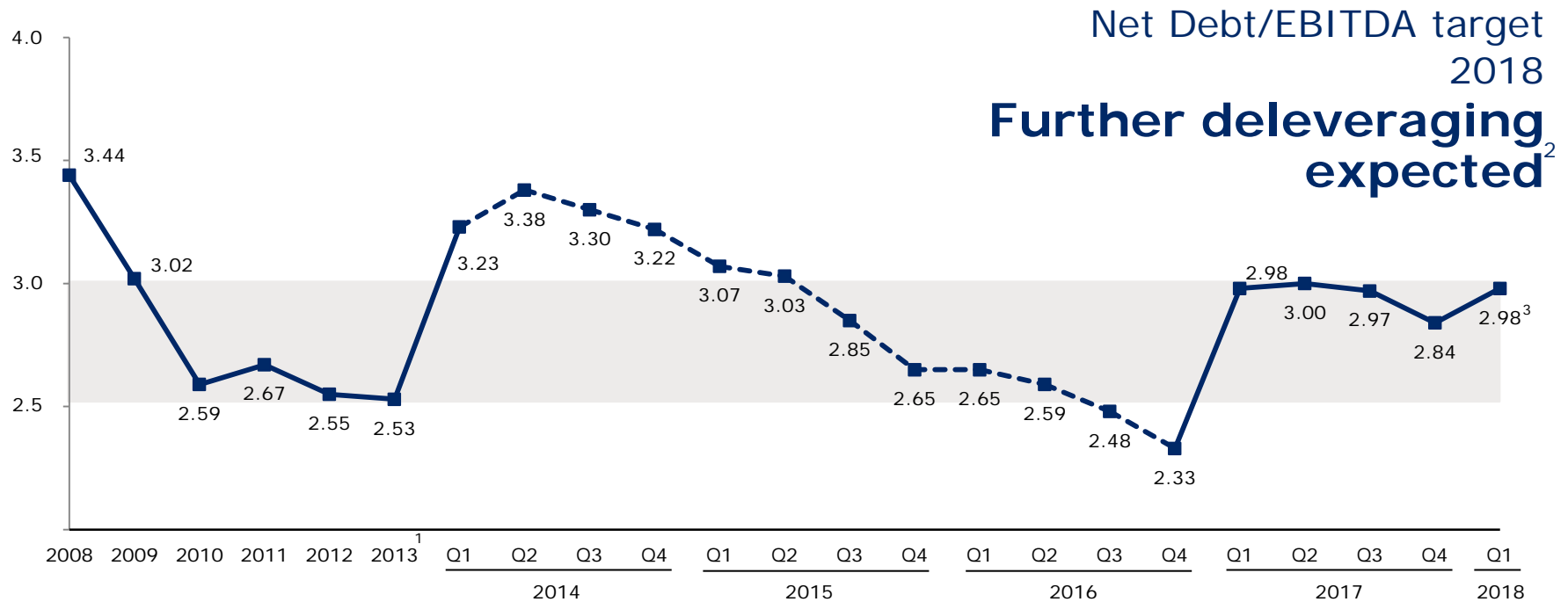
For a detailed overview of special items please see the reconciliation table on slide 36.

## Fresenius Group: Cash Flow

€m	Q1/18	LTM Margin	Δ YoY
<b>Operating Cash Flow</b>	<b>236</b>	<b>11.0%</b>	<b>-50%</b>
Capex (net)	-391	-5.3%	-19%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>-155</b>	<b>5.7%</b>	<b>--</b>
Acquisitions (net)	-189		
Dividends	-45		
<b>Free Cash Flow</b> (after acquisitions and dividends)	<b>-389</b>	<b>1.3%</b>	<b>93%</b>



# Fresenius Group: Leverage Ratio



Before special items; pro forma closed acquisitions  
At LTM average FX rates for both EBITDA and net debt

<sup>1</sup> Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG

<sup>2</sup> Calculated at expected annual average exchange rates, for both net debt and EBITDA; excluding effects of the Akorn, NxStage and Sound Physicians transactions; excluding further potential acquisitions; at current IFRS rules

<sup>3</sup> Excluding Akorn, NxStage and Sound Physicians transactions

## Fresenius Kabi: Organic Sales Growth by Regions

€m	Q1/18	Δ YoY organic
North America	591	10%
Europe	557	3%
Asia-Pacific/Latin America/Africa	455	13%
Asia-Pacific	301	15%
Latin America/Africa	154	10%
<b>Total sales</b>	<b>1,603</b>	<b>9%</b>

## Fresenius Kabi: Organic Sales Growth by Product Segment

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€m	Q1/18	Δ YoY organic
IV Drugs	679	8%
Infusion Therapy	236	11%
Clinical Nutrition	435	14%
Medical Devices/ Transfusion Technology	253	1%
<b>Total sales</b>	<b>1,603</b>	<b>9%</b>

# Reconciliation Q1/18

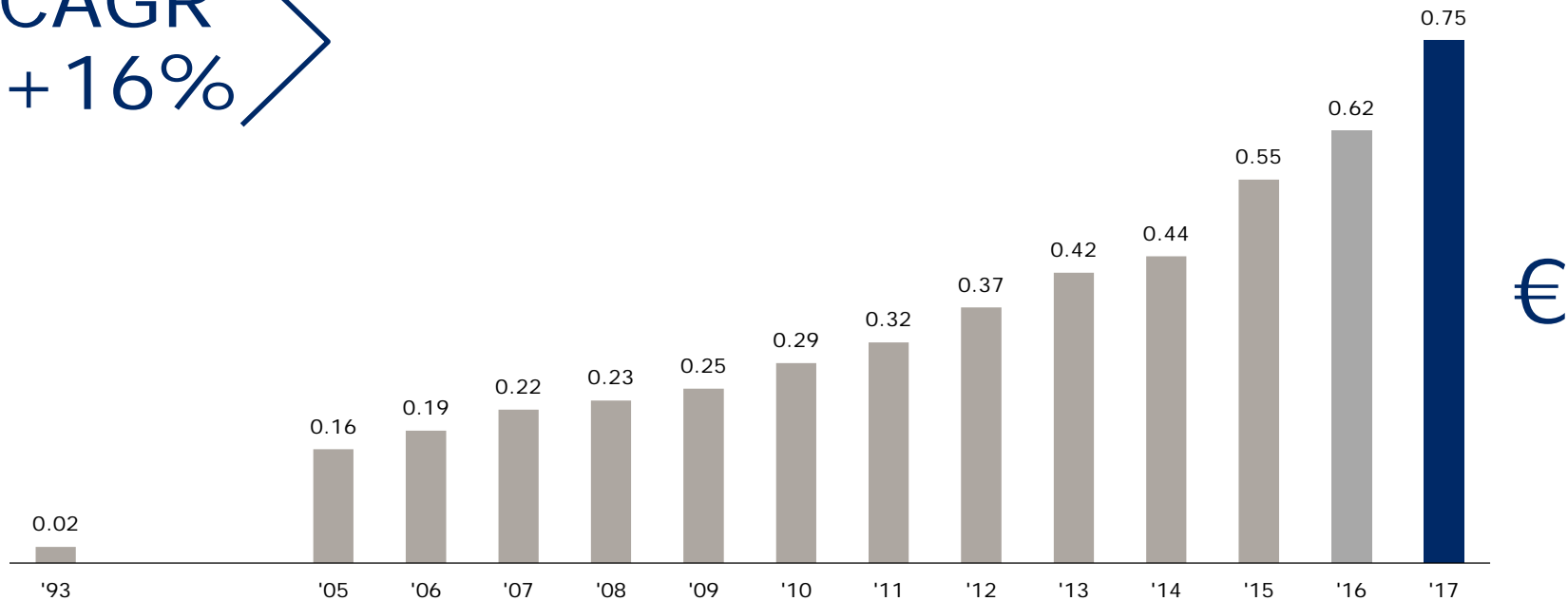
Consolidated results for Q1/2018 include special items related to the Akorn transaction. These are mainly transaction costs in the form of legal and consulting fees as well as costs of the financing commitment for the Akorn transaction. Moreover special items arose from the announced divestiture of Sound Physicians due to the initial increase in valuation of the Sound Physicians' share based payment program. The following presentation shows the corresponding reconciliation to the IFRS values. There were no special items in Q1/2017.

€m	Q1/2018 Before special items and before expenses for biosimilars business	Expenses for the further development of the biosimilars business	Before special items	Special items (transaction-related effects Akorn)	Special items (transaction-related effects Sound Physicians)	After special items (IFRS reported)
<b>Sales</b>	<b>8,121</b>		<b>8,121</b>			<b>8,121</b>
<b>EBIT</b>	<b>1,089</b>	<b>-35</b>	<b>1,054</b>	<b>-5</b>	<b>-13</b>	<b>1,036</b>
Net interest	-144	-2	-146	-3		-149
<b>Net income before taxes</b>	<b>945</b>	<b>-37</b>	<b>908</b>	<b>-8</b>	<b>-13</b>	<b>887</b>
Income taxes	-202	11	-191	2		-189
<b>Net income</b>	<b>743</b>	<b>-26</b>	<b>717</b>	<b>-6</b>	<b>-13</b>	<b>698</b>
Noncontrolling interest	-267		-267		9	-258
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>476</b>	<b>-26</b>	<b>450</b>	<b>-6</b>	<b>-4</b>	<b>440</b>

The transaction-related effects are reported in the Group Corporate/Other segment.

# Fresenius Group: 25th Consecutive Dividend Increase

CAGR  
+16%



Dividend growth aligned to EPS growth  
Pay-out ratio: 23%

# Financial Calendar / Contact

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## Financial Calendar

31 July 2018                      Results Q2/2018

30 October 2018                 Results Q3/2018

Please note that these dates could be subject to change.

## Contact

Investor Relations

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