



# A Leading Global Health Care Group

Exane BNP Paribas 17<sup>th</sup> Health Care Conference, March 17, 2015



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

## 2014 Group Net Income Contribution

22%

43%

37%

3%

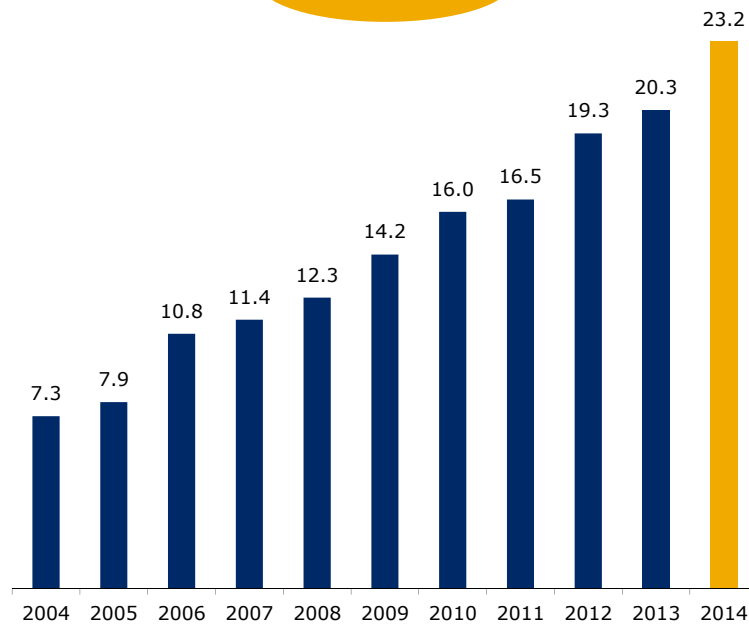
Corporate: -5%

# Fresenius Group: Sales and Net Income Reach All-Time Highs

## Sales

€bn

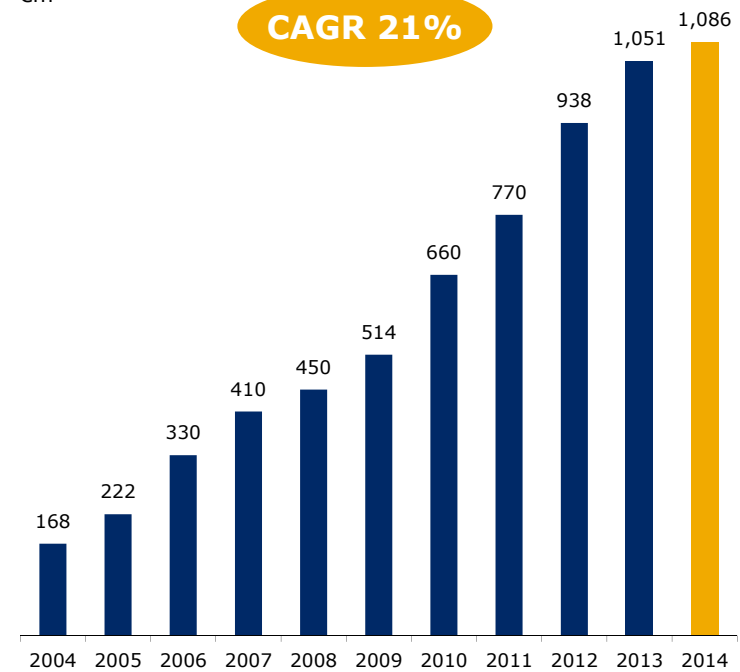
**CAGR 12%**



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

€m

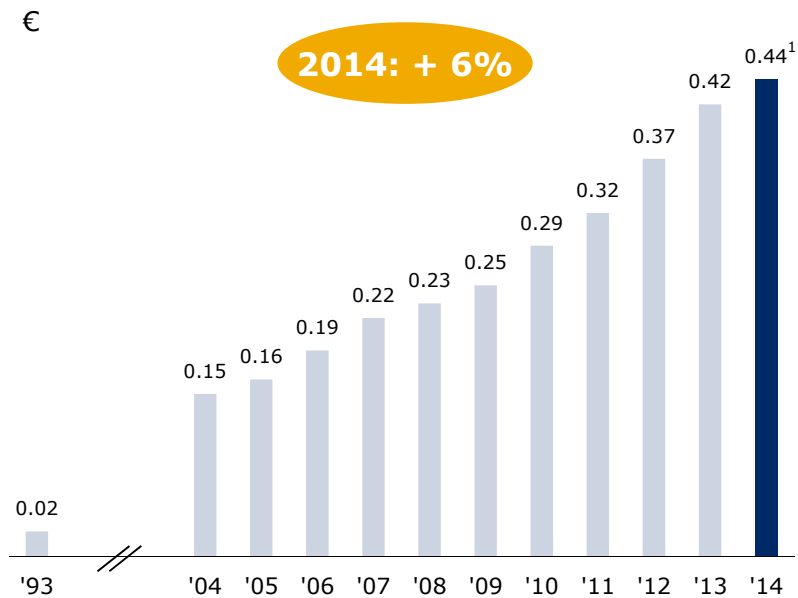
**CAGR 21%**



<sup>1</sup> Before special items

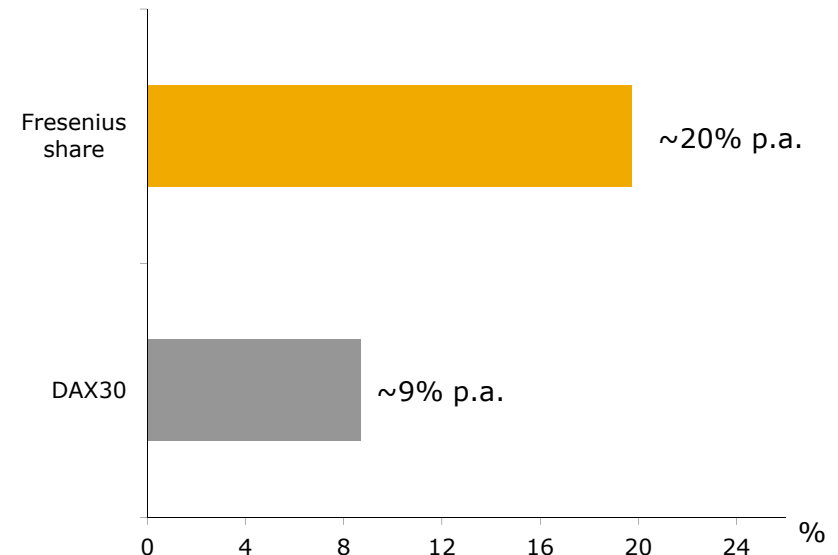
# Fresenius Group: Dividend Development and Total Shareholder Return

## 22<sup>nd</sup> consecutive dividend increase



**Dividend growth aligned to EPS growth**  
**Pay-out ratio: 22%**

## Total Return: Fresenius outperforms index



**Compounded annual total return**  
**Dec 31, 2004 – Dec 31, 2014**

<sup>1</sup> Proposal 1993-2013 stock split-adjusted; 2013 pre split: €1.25





Source: Bloomberg; dividends reinvested

## Fresenius Group: Financial Results

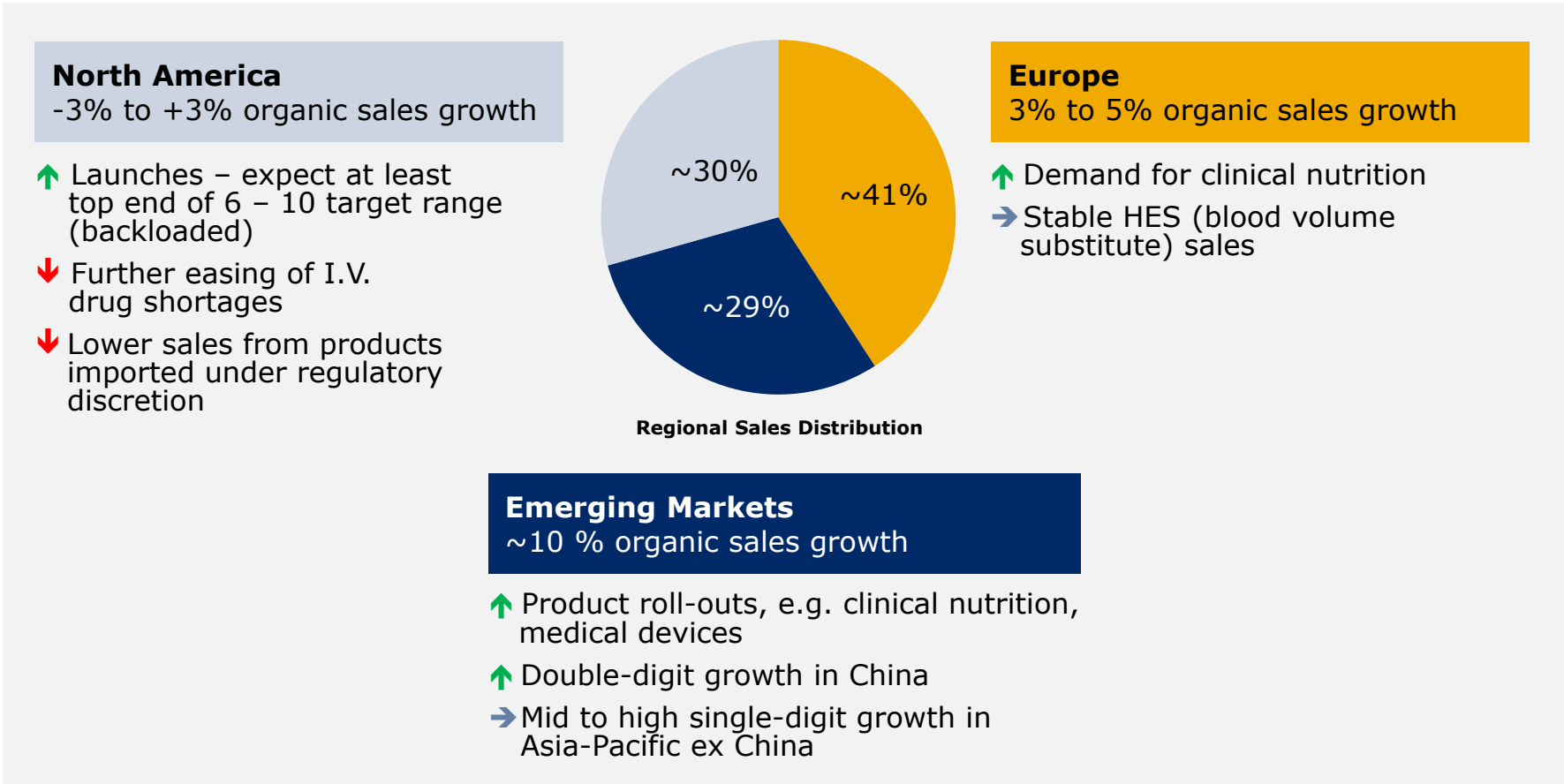
		Q4/14	FY/14
<b>Sales</b>		€6,520 m	€23,231 m
	Growth cc	20%	16%
	Growth actual rates	23%	14%
<b>EBIT<sup>1</sup></b>		€935 m	€3,158 m
	Growth cc	7%	4%
	Growth actual rates	11%	4%
<b>Net income<sup>1</sup></b>		€318 m	€1,086 m
	Growth cc	5%	4%
	Growth actual rates	7%	3%

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

## Fresenius Group: Financial Results by Business Segment

		Q4/14	Growth Q4 YoY	FY/14	Growth FY YoY
 <b>FRESENIUS MEDICAL CARE</b>	Sales	US\$4,320 m	<b>12%</b>	US\$15,832 m	<b>8%</b>
	EBIT	US\$663 m	<b>0%</b>	US\$2,255 m	<b>0%</b>
 <b>FRESENIUS KABI</b>	Sales	€1,386 m	<b>11%</b>	€5,146 m	<b>3%</b>
	EBIT	€239 m	<b>3%</b>	€873 m	<b>-6%</b>
 <b>FRESENIUS HELIOS</b>	Sales	€1,361 m	<b>59%</b>	€5,244 m	<b>55%</b>
	EBIT	€156 m	<b>44%</b>	€553 m	<b>42%</b>
 <b>FRESENIUS VAMED</b>	Sales	€387 m	<b>6%</b>	€1,042 m	<b>2%</b>
	EBIT	€32 m	<b>7%</b>	€59 m	<b>7%</b>

# Fresenius Kabi: 2015 Regional Growth Prospects





## Fresenius Kabi: Efficiency Program Initiated

Program designed to maintain cost leadership and increase profitability

- Increase efficiency in production
- Streamline administrative structures
- Implementation costs: ~€100 million in 2015; 50% cash-effective
- Geographic split: Europe 2/3, Asia-Pacific/Latin America/Africa 1/3
- Full annual savings run rate of ~€40 million by 2018, initial savings of ~€10 million in 2015, linear build-up

## Fresenius Kabi: New Mid-Term Expectations



5% - 8% Sales Growth  
organic

6% - 10% EBIT Growth  
constant currency



### Growth Drivers

#### Growing Markets

- €29 bn global market; 4% growth
- Consolidation driven by higher quality standards

#### Attractive Product Pipeline

- 120 I.V. drug launch projects worldwide
- Regional product roll-outs, e.g. clinical nutrition in U.S. and emerging markets

#### Strong Emerging Markets Presence

- Long-standing presence, local production and cost structures
- China largest market; ~€550m 2014 sales; expect to grow at double-digit rates

## Fresenius Helios: Integration Fully on Track

- Operating business in great shape:
  - 4% organic sales growth
  - ~€1.8 bn sales contribution from acquired hospitals in 2014; EBIT margin increased to 8.8%
  
- Integration fully on track, below cost budget:

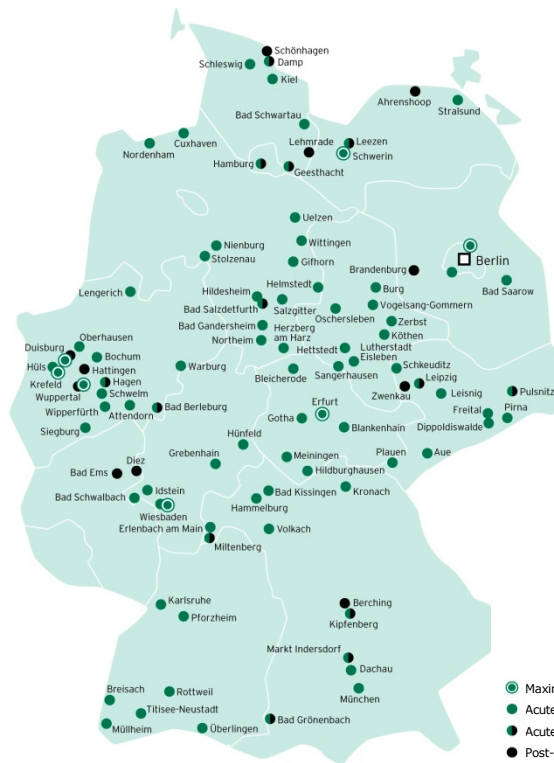
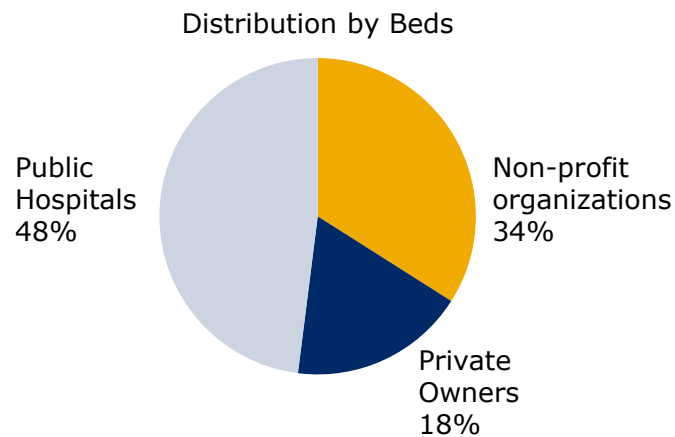
	Target	2014	2015e
Synergies clinic level	➔ ~€85 m p.a. straight-line build-up between now and spring 2016	~40%	~60% (H1/2016)
Integration cost	➔ lower end of ~€60-80 m range	~€50 m	~€10 m

- Mid-term EBIT margin target of 12 – 15% (upper half) in line with HELIOS' hospital development plan

# Fresenius Helios: Best Positioned in German Acute Care Market

**German acute care market  
€87 bn**

**Largest network  
110 hospitals**

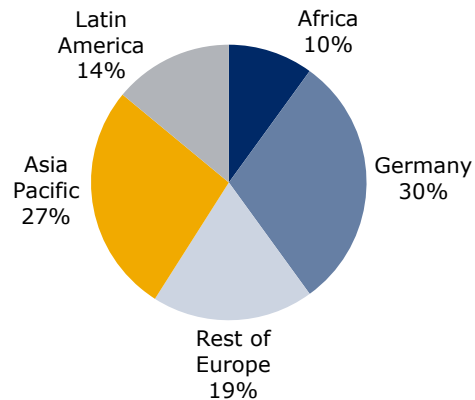


- ~29.100 acute care beds
- ~1.2 million inpatient admissions
- ~3.0 million outpatient admissions

**HELIOS is the leading hospital operator  
Market share: ~6%**

# Fresenius Vamed: Expanded and Diversified Geographic Presence

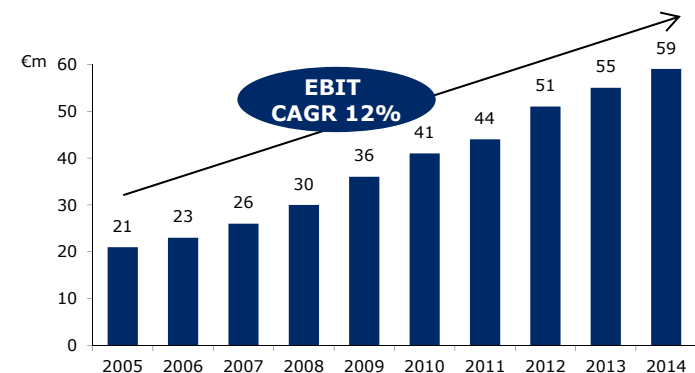
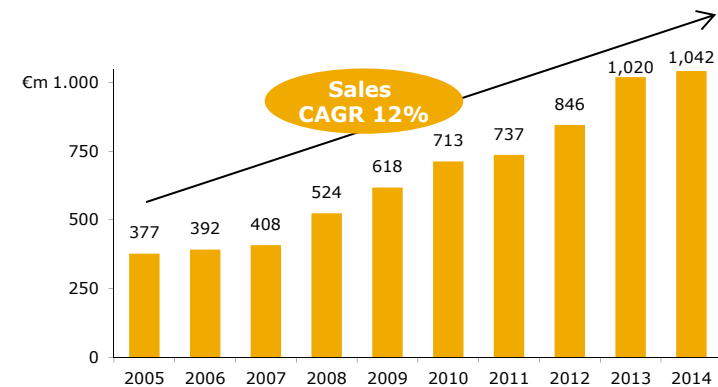
- Project delays in Russia/Ukraine leading to flat organic sales growth
- €1.7 bn German university hospital project (construction, 30-year technical management contract) on track, started in Q4
- Expanded geographic presence – entry into seven local markets – 3% contribution to 2014 project sales
- €840 million 2014 order intake (+13%) in project business, diversified regional split:



German university hospital: 50:50 contract VAMED and consortium partner

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## Sustained Double-Digit Sales and EBIT Growth



## Fresenius Group: 2015 Financial Outlook by Business Segment

<b>Fresenius Kabi</b>	Sales growth <sub>organic</sub>	3% – 5%
	EBIT growth <sub>constant currency</sub>	4% – 6%
<b>Fresenius Helios</b>	Sales growth <sub>organic</sub>	3% – 5%
	Sales growth <sub>reported</sub>	6% – 9%
	EBIT	€630 – 650 m
<b>Fresenius Vamed</b>	Sales growth <sub>organic</sub>	single digit %
	EBIT growth	5% – 10%

## Fresenius Group: 2015 Financial Outlook

Revenue growth  
at constant currency

7% – 10%

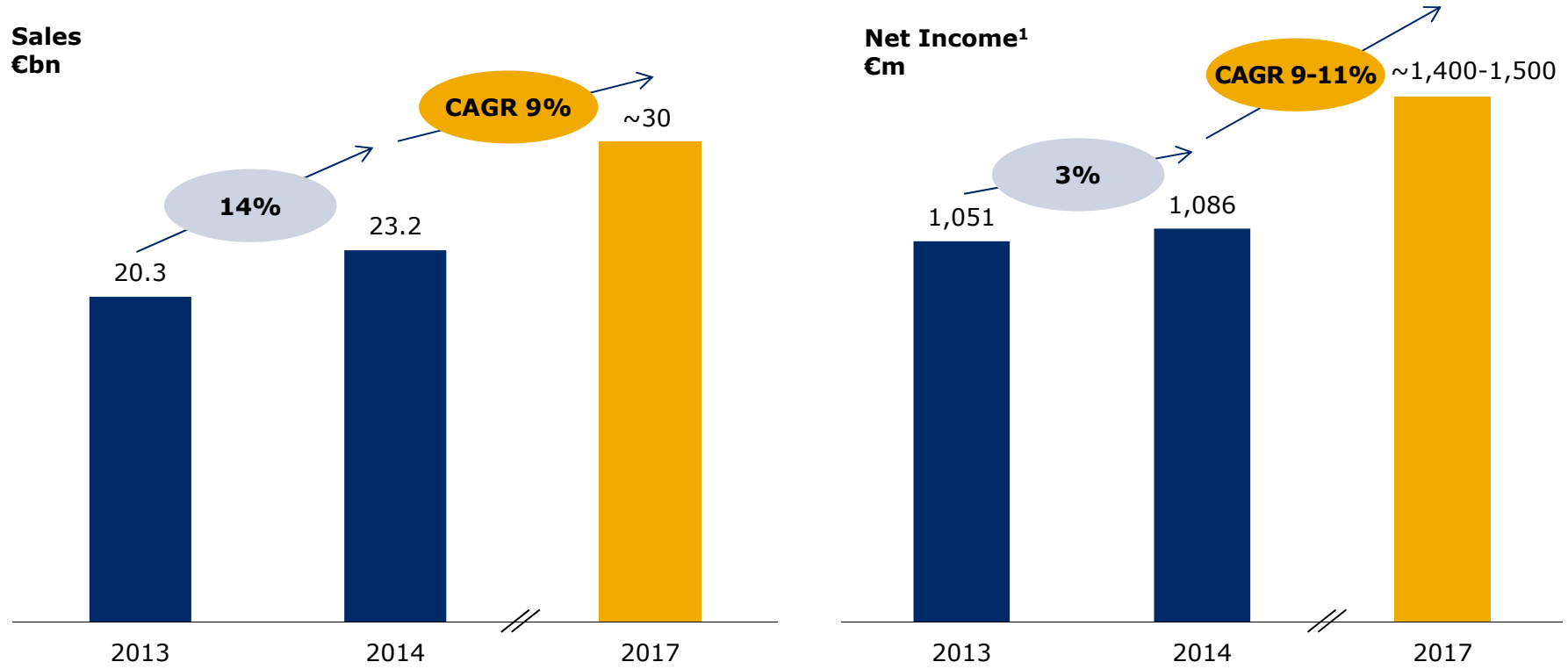
Net income growth<sup>1</sup>  
at constant currency

9% – 12%

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before integration costs (hospitals of Rhön-Klinikum AG ~€10 million before tax), before costs for efficiency program at Fresenius Kabi (~€100 million before tax) and gain from the divestment of two HELIOS hospitals (€34 million before tax); 2014 before special items

# Fresenius Group: Confirming 2017 Target / Exceeding Target at Current FX Rates

~€30 billion Sales; €1.4 to €1.5 billion Net Income





## Attachments



## Fresenius Group: Profit and Loss Statement

€m	Q4/14	Growth Q4 YoY		FY/14	Growth FY YoY	
		actual rates	constant rates		actual rates	constant rates
Sales	6,520	23%	20%	23,231	14%	16%
EBIT <sup>1</sup>	935	11%	7%	3,158	4%	4%
Net interest	-171	-27%	-22%	-602	-3%	-4%
Income taxes	-196	-5%	0%	-725	-6%	-7%
Net income <sup>2</sup>	318	7%	5%	1,086	3%	4%

<sup>1</sup> 2014 before integration costs (Fenwal – Q4: €44 m / FY: €50 m; acquired Rhön hospitals – Q4: €39 m / FY: €51 m) and disposal gains (two HELIOS hospitals – Q4: n.a. / FY: €22 m; Rhön Stake – Q4: n.a. / FY: €35 m); 2013 before integration costs (Fenwal – Q4: €20 m; FY: €54 m)

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2014 before integration costs (Fenwal Q4: €29 m / FY: €33 m; acquired Rhön hospitals Q4: €32 m / FY: €41 m) and disposal gains (two HELIOS hospitals – Q4: n.a. / FY: €21 m; Rhön Stake – Q4: n.a. / FY: €34 m); 2013 before integration costs (Fenwal – Q4: €14 m; FY: €40 m)

## Fresenius Kabi: Strong Organic Sales Growth in Q4

€m	Q4/14	Organic Growth Q4 YoY	FY/14	Organic Growth FY YoY
Infusion Therapy	253	5%	977	3%
I.V. Drugs	500	11%	1,813	4%
Clinical Nutrition	364	7%	1,384	7%
Medical Devices/ Transfusion Technology	268	3%	972	3%
<b>Total sales</b>	<b>1,386</b>	<b>7%</b>	<b>5,146</b>	<b>4%</b>

## Fresenius Kabi: Strong Organic Sales Growth in Q4

€m	Q4/14	Organic Growth Q4 YoY	FY/14	Organic Growth FY YoY
Europe	564	7%	2,102	3%
North America	413	6%	1,531	1%
Asia-Pacific	264	5%	987	7%
Latin America/Africa	145	15%	526	14%
<b>Total sales</b>	<b>1,386</b>	<b>7%</b>	<b>5,146</b>	<b>4%</b>

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

€m	Q4/14	Growth Q4 YoY	FY/14	Growth FY YoY
Europe Margin	118 20.9%	16% 160 bps	345 16.4%	-3% -100 bps
North America Margin	138 33.4%	18% 130 bps	557 36.4%	2% 50 bps
Asia-Pacific/Latin America/Africa Margin	59 14.4%	7% -80 bps	239 15.8%	2% -70 bps
Corporate and Corporate R&D	-76	-77%	-268	-26%
<b>Total EBIT</b> Margin	<b>239</b> 17.2%	<b>3%</b> 0% cc -120 bps	<b>873</b> 17.0%	<b>-6%</b> -4% cc -150 bps

EBIT excluding integration costs (Fenwal – Q4: €44 million / FY: €50 million)

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

€m	Q4/14	Growth Q4 YoY	FY/14	Growth FY YoY
<b>Total sales</b>	<b>1,361</b>	<b>59%</b>	<b>5,244</b>	<b>55%</b>
<b>EBIT</b>				
Established clinic portfolio	108	7%	395	5%
Margin	12.4%	20 bps	11.4%	0 bps
Acquisitions / Divestitures (consolidation / deconsolidation <1 yr)	48		158	
Margin	9.8%		8.8%	
<b>Total EBIT</b>	<b>156</b>	<b>44%</b>	<b>553</b>	<b>42%</b>
<b>Margin</b>	<b>11.5%</b>	<b>-120 bps</b>	<b>10.5%</b>	<b>-100 bps</b>

Before integration costs (acquired Rhön hospitals: €51 million) and disposal gains (two HELIOS hospitals: €22 million; Rhön stake: €35 million)

## Fresenius Helios: Performance Indicators

	2014	2013	Change
<b>No. of hospitals</b>	110	74	49%
- Acute care clinics	86	51	68%
- Post-acute care clinics	24	23	4%
<b>No. of beds</b>	34,188	23,502	45%
- Acute care clinics	29,068	18,885	54%
- Post-acute care clinics	5,120	4,617	11%
<b>Admissions</b>			
- Acute care (inpatient)	1,148,473	754,703	52%
<b>Occupancy</b>			
- Post-acute care	83%	83%	
<b>Average length of stay (days)</b>			
- Acute care	6.6	6.6	
- Post-acute care	26.5	26.5	
<b>Bad debt in % of sales</b>	0.3%	0.2%	

## Fresenius Helios: 2014 Clinic Development Plan

	Years in Portfolio								Total <sup>1</sup>
	<1	1	2	3	4 <sup>1</sup>	5	6	>6	
No. of clinics	-	-	12	3	40	-	6	49	110
Revenue (€m)	-	-	401	160	1,799	-	205	2,515	5,080
<b>Target</b>									
EBIT margin (%)	-	2.0	4.0	6.0	8.0	10.0	12.0	12.0-15.0	
EBIT (€m)	-	-	16.0	9.6	143.9	-	24.6	301.8	495.9
<b>Reported</b>									
EBIT margin (%)	-	-	8.1	4.8	7.9	-	8.8	13.5	10.6
EBIT (€m)	-	-	32.4	7.7	141.2	-	18.0	338.3	537.6
No. of clinics > target	-	-	8	1	19	-	2	22	52
No. of clinics < target	-	-	4	2	21	-	4	27	58

<sup>1</sup> includes all hospitals acquired from Rhön Klinikum, €29 m integration costs allocated to individual hospitals.



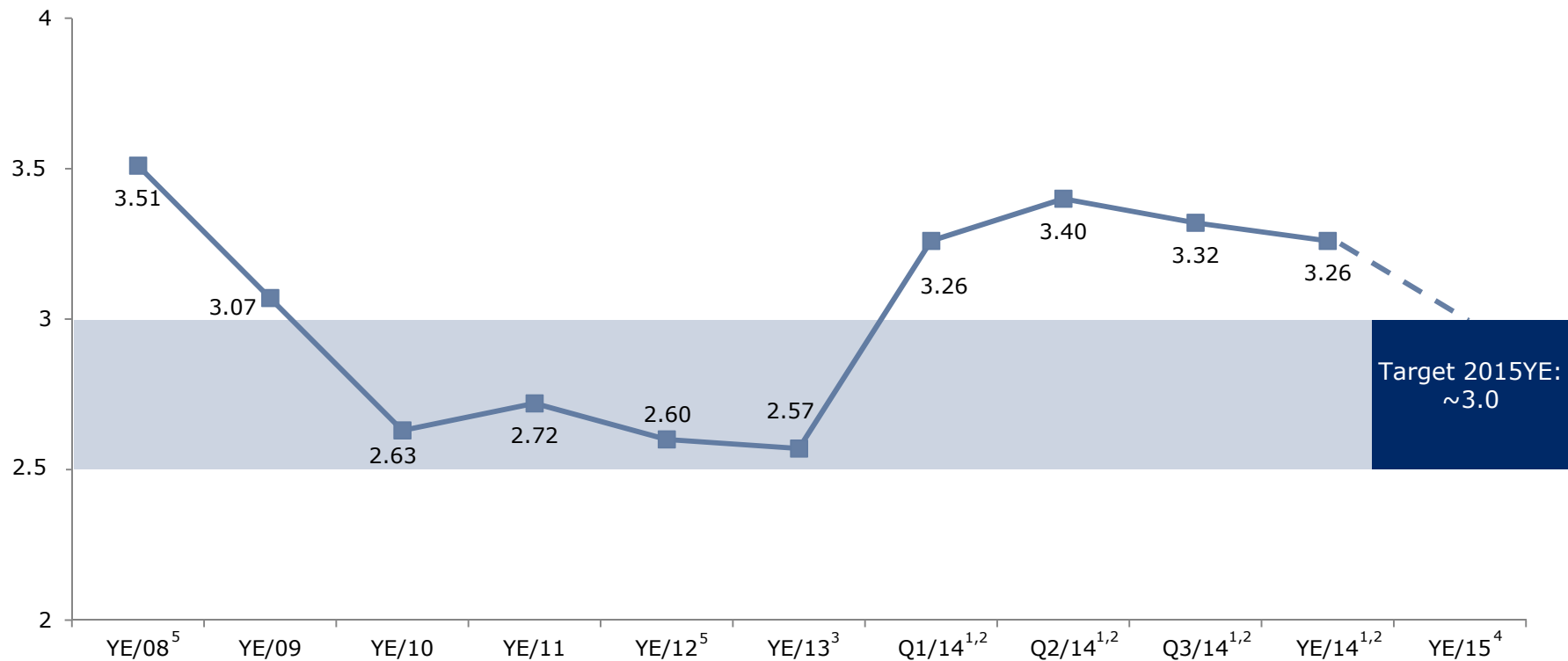
## Fresenius Vamed: Sales and EBIT in Line with Expectations

€m	Q4/14	Growth Q4 YoY	FY/14	Growth FY YoY
Project business	252	0%	558	-4%
Service business	135	17%	484	11%
<hr/> Total sales	387	6%	1,042	2%
Total EBIT	32	7%	59	7%
Margin	8.3%	10 bps	5.7%	30 bps
Order intake <sup>1</sup>	162	n.a.	840	13%
Order backlog <sup>1</sup>			1,398	23%

<sup>1</sup> Project business only

# Fresenius Group: Leverage Ratio

## Net debt/EBITDA (at annual average FX rates for both EBITDA and net debt)



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

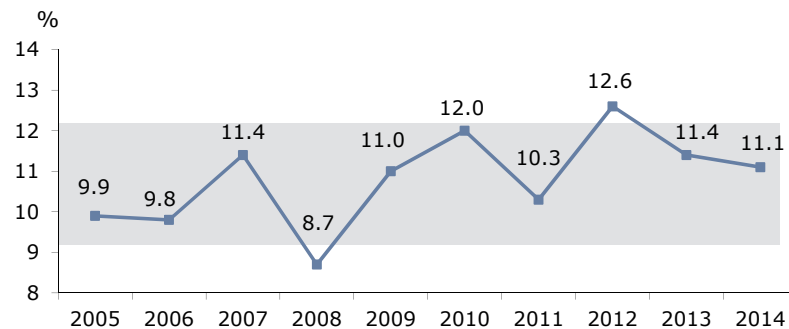
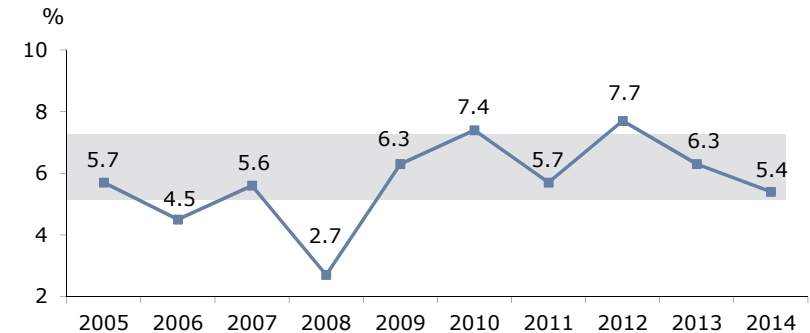
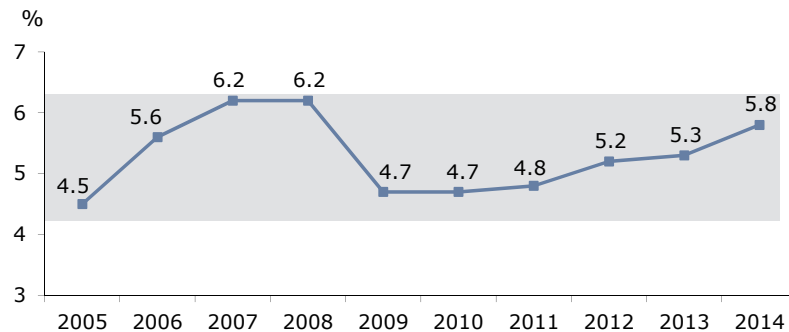
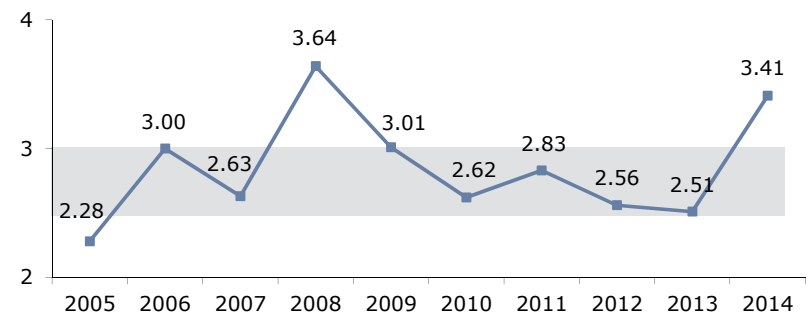
<sup>2</sup> Pro forma including Rhön hospitals and FME acquisitions, excluding two Helios hospitals

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






<sup>4</sup> Before special items; without major acquisitions

<sup>5</sup> Pro forma acquisitions; before special items

# Fresenius Group: 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 2014

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	FY/14	Margin	FY/14	Margin	FY/14	Margin
	641	12.5%	-352	-6.9%	289	5.6%
	558	10.6%	-263	-5.0%	295	5.6% <sup>3</sup>
	-9	-0.9%	-9	-0.8%	-18	-1.7%
Corporate/ Other	-6	n.a.	-7	n.a.	-13	n.a.
 <b>FRESENIUS</b> excl. FMC	<b>1,184</b>	<b>11.0%</b> <sup>2</sup>	<b>-631</b>	<b>-5.5%</b>	<b>553</b>	<b>5.5%</b> <sup>2</sup>
 <b>FRESENIUS</b> Group	<b>2,585</b>	<b>11.1%</b>	<b>-1,323</b>	<b>-5.7%</b>	<b>1,262</b>	<b>5.4%</b>

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

<sup>2</sup> Margin incl. FMC dividend

<sup>3</sup> Understated: 6.8% excluding €62 million of capex commitments from acquisitions

Margin = in % of sales

## Share Information

### Share key facts

Number of shares <sup>1</sup>	541,532,600
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 December 31, 2014

## Financial Calendar 2015

30.04.2015	Report on 1 <sup>st</sup> quarter 2015
20.05.2015	Annual General Meeting, Frankfurt/Main
30.07.2015	Report on 2 <sup>nd</sup> quarter 2015
29.10.2015	Report on 3 <sup>rd</sup> quarter 2015

Please note that these dates could be subject to change.

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