



# A Leading Global Health Care Group

Berenberg Bank & Goldman Sachs – 4<sup>th</sup> German Corporate Conference  
September 22, 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.

## Outlook Update for 2015 and Beyond

- **Dividend increase > 20%**
- **2017 net income target** (€1.4 to €1.5 bn)  
will be reached **2 years ahead of schedule**
- **New mid-term targets in February 2016**

# 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%

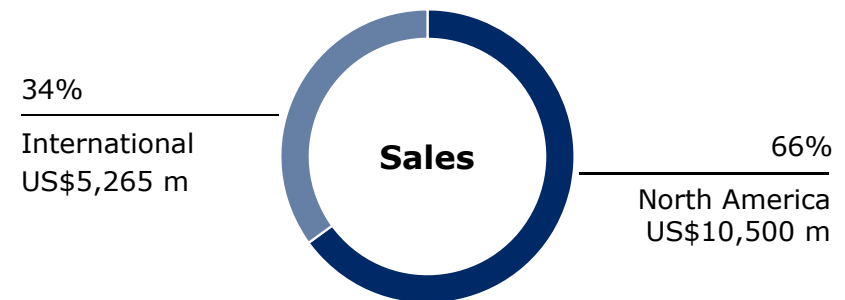
3%

Corporate: -5%

## Fresenius Medical Care: Global Market Leader in Dialysis

- Provide highest standard of care globally to more than 286,000 patients; delivering ~43 million treatments p.a.
- High quality dialysis products & services
  - Complete therapy offerings
  - Vertically integrated
- Service portfolio expansion in the field of Care Coordination
- Global clinic acquisitions and expansion into new geographies to support future growth

### 2014 Sales by Region

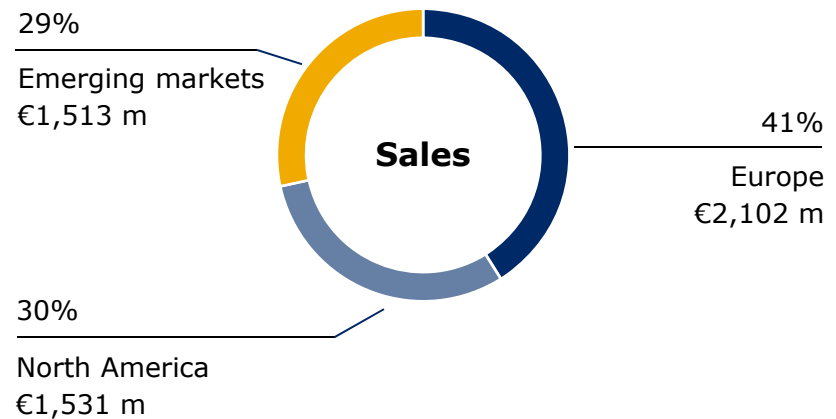


2014 Sales: US\$15,832 m; EBIT: US\$2,255 m

# Fresenius Kabi: A Worldwide Leading Hospital Supplier

- Comprehensive product portfolio for critically and chronically ill patients:
  - IV Drugs
  - Clinical Nutrition
  - Infusion Therapy
  - Medical Devices / Transfusion Technology
- Leading market positions; global market: >€29 bn<sup>1</sup>
- Focus on organic growth driven by geographic product rollout and robust pipeline plus selective acquisitions

## 2014 Sales by Region



<sup>1</sup> Addressable market

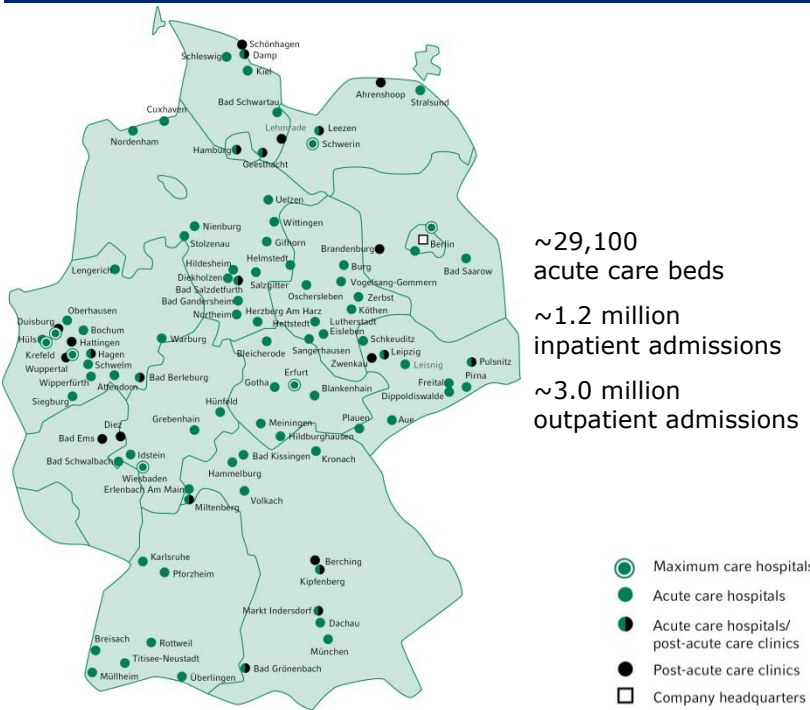
**2014 Sales: €5,146 m; EBIT: €873 m**

# Fresenius Helios: Leading Private Hospital Operator in Germany

- Acute and post-acute care in 111 proprietary hospitals<sup>1</sup>
- High-quality medical care (e.g. mortality rate for heart failure and pneumonia >30% below German average)
- Strong track record in hospital operations and acquisitions: targeting 12 – 15% EBIT margin within 6 years per individual clinic location
- Landmark acquisition of 41 hospitals from Rhön-Klinikum provides excellent long-term growth opportunities

<sup>1</sup> As of December 31, 2014

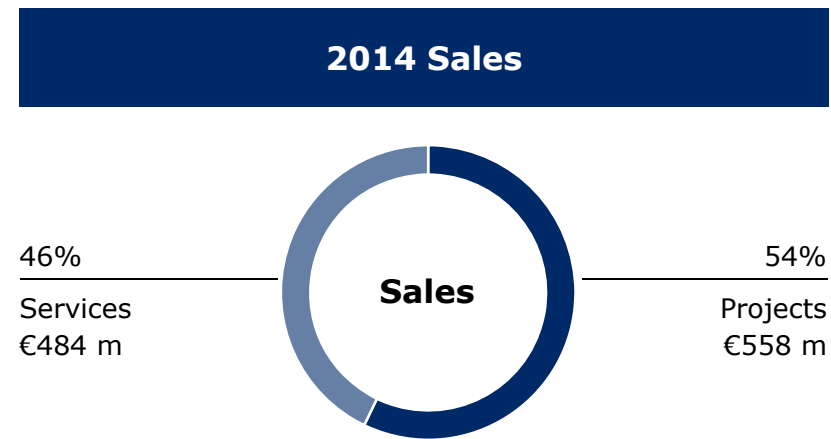
**Majority of population has access to a HELIOS hospital within one hour's drive**



**2014 Sales: €5,244 m; EBIT: €553 m**

## Fresenius Vamed: A Leading Global Specialist in Hospital Projects and Services

- Specialized in project development building hospital infrastructure and providing hospital services (technical services and operational management)
- Track record:
  - >710 health care projects in 77 countries successfully completed
  - Services provided to 510 hospitals and 130,000 beds globally
- Continuous demand for hospital infrastructure and operating efficiency; key markets Europe, Asia-Pacific, Africa



**2014 Sales: €1,042 m; EBIT: €59 m**



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

## Sales

€bn

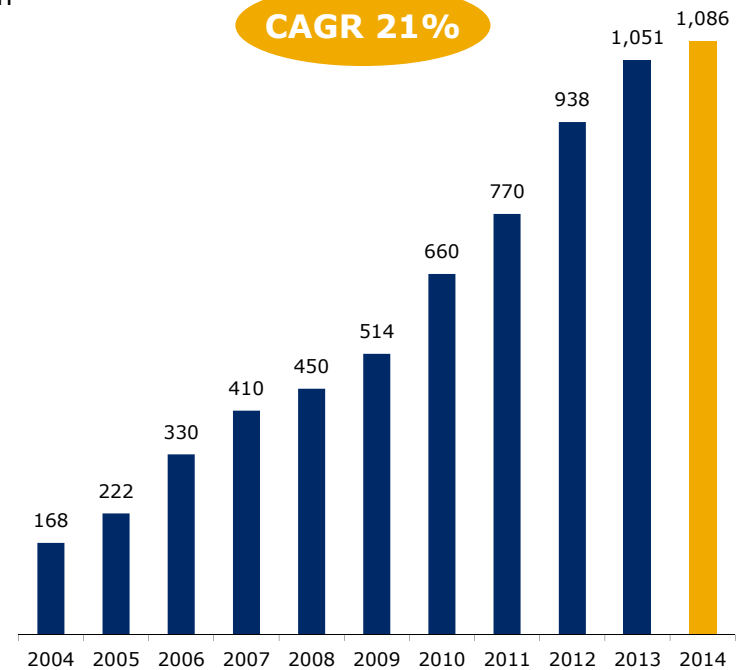
**CAGR 12%**



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

€m

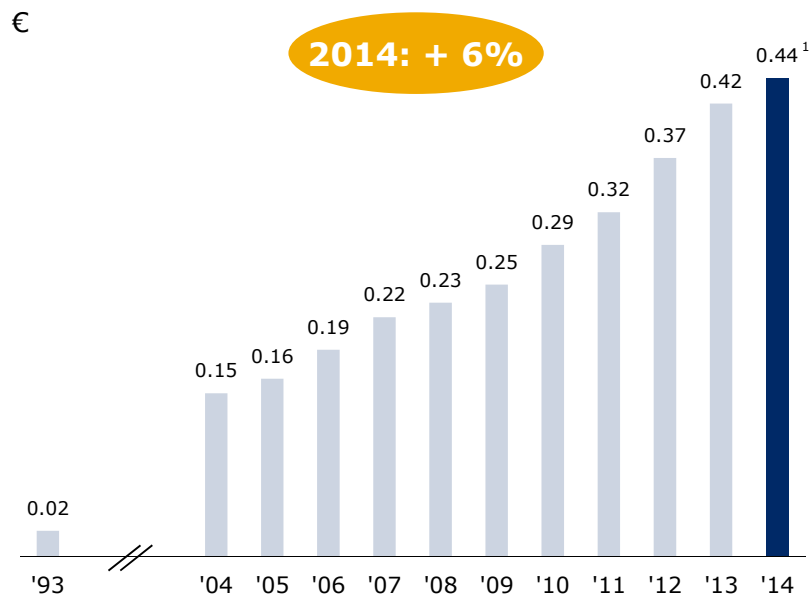
**CAGR 21%**



<sup>1</sup> Before special items

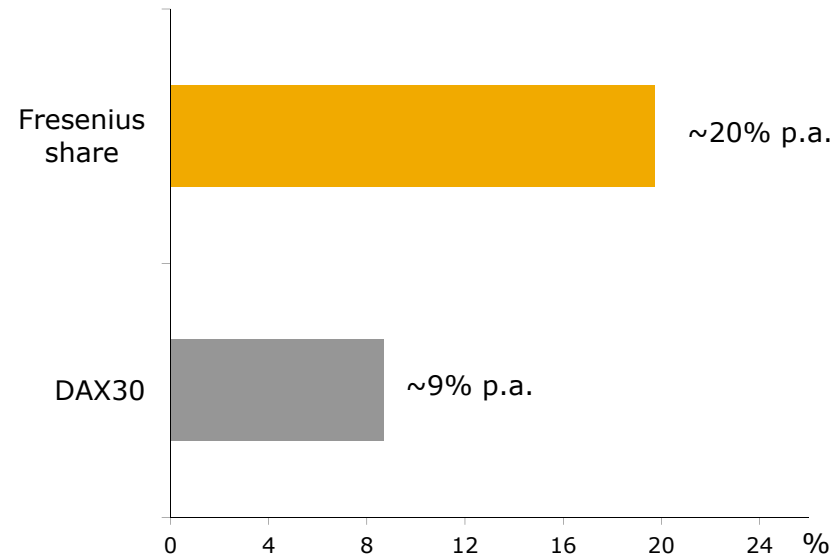
# Fresenius Group: Dividend Development and Total Shareholder Return

## 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**

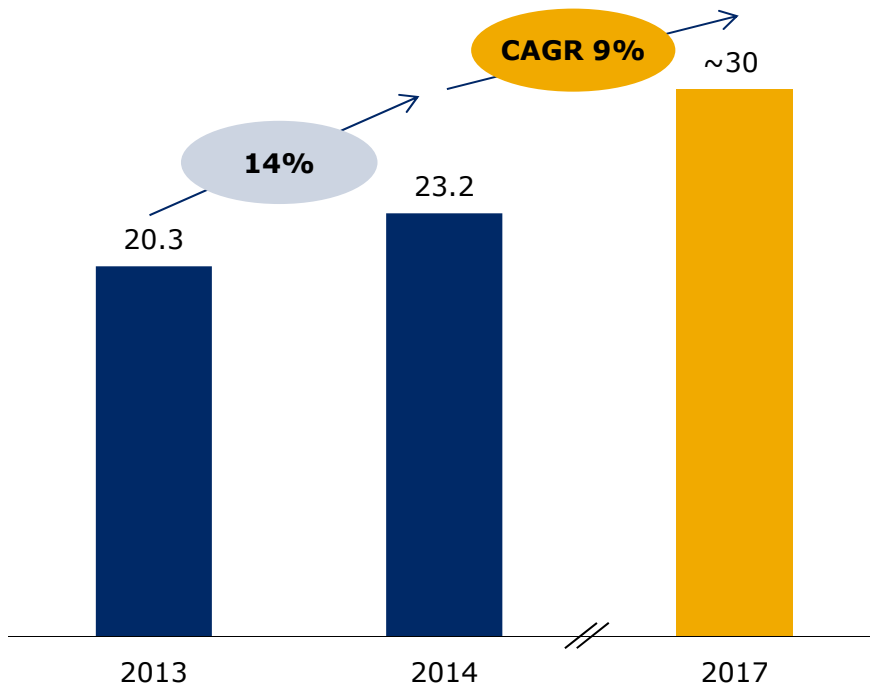
<sup>1</sup> Proposal 1993-2013 stock split-adjusted; 2013 pre split: €1.25

Source: Bloomberg; dividends reinvested

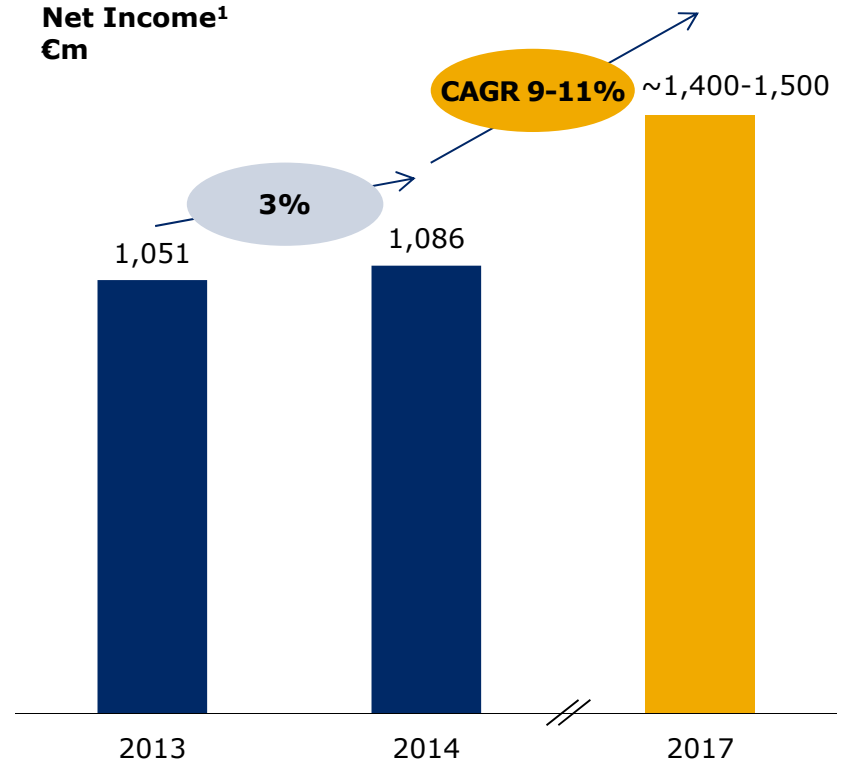
# Fresenius Group: Confirming 2017 Target / Exceeding Target at Current FX Rates

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

Sales  
€bn



Net Income<sup>1</sup>  
€m



<sup>1</sup> Before special items

## Financials Q2/15







## Fresenius Group: Financial Results

		Q2/15	H1/15
<b>Sales</b>		€6,946 m	€13,429 m
	Growth cc	13%	13%
	Growth actual rates	26%	25%
<b>EBIT<sup>1</sup></b>		€971 m	€1,822 m
	Growth cc	12%	15%
	Growth actual rates	28%	30%
<b>Net income<sup>1</sup></b>		€350 m	€642 m
	Growth cc	22%	19%
	Growth actual rates	35%	32%

<sup>1</sup> Before special items

For a detailed overview of special items please see the reconciliation tables on slides 31-32.

## Fresenius Group: Financial Results by Business Segment

		Q2/15	Growth Q2 YoY	H1/15	Growth H1 YoY
 <b>FRESENIUS MEDICAL CARE</b>	Sales	US\$4,199 m	<b>9%</b>	US\$8,159 m	<b>10%</b>
	EBIT	US\$547 m	<b>-2%</b>	US\$1,051 m	<b>5%</b>
 <b>FRESENIUS KABI</b>	Sales	€1,538 m	<b>23%</b>	€2,932 m	<b>19%</b>
	EBIT <sup>1</sup>	€314 m	<b>50%</b>	€571 m	<b>39%</b>
 <b>FRESENIUS HELIOS</b>	Sales	€1,383 m	<b>7%</b>	€2,774 m	<b>10%</b>
	EBIT <sup>1</sup>	€160 m	<b>18%</b>	€307 m	<b>23%</b>
 <b>FRESENIUS VAMED</b>	Sales	€255 m	<b>23%</b>	€463 m	<b>16%</b>
	EBIT	€9 m	<b>0%</b>	€16 m	<b>7%</b>

<sup>1</sup> Before special items

For a detailed overview of special items please see the reconciliation tables on slides 31-32.

## Q2 Business Segment Update



### Accelerated sales and EBIT growth

#### Regional development

##### North America

- IV drug shortages persisting
- 5 product launches YTD
- Expected 2015 organic sales growth range now 8% to 12%

##### Europe

- Continued strong business momentum with 5% organic sales growth
- Timing of contract manufacturing orders suggest slightly lower H2 sales growth

##### Emerging Markets

- Organic sales growth expected to accelerate in H2, FY organic sales growth now forecast to reach high single digits
- Sale of €100 m Australian oncology compounding activities to streamline business, transaction expected to be closed by year-end

#### Kabi efficiency program

- €100 m efficiency program fully on track;  
€30 m booked in Q2, remainder of approx. €60 m back-loaded in 2015

## Q2 Business Segment Update



### Hospital business fully on track

- 100 bps sequential margin expansion reflects continued successful integration of acquired Rhön hospitals
- Fully on track to meet full-year guidance



### Strong organic sales growth

- Project business drives organic sales growth (31% organic sales growth), continued strong sales growth momentum in service business (11% organic sales growth)
- Fully on track to meet full-year guidance



## Fresenius Group: Increased Outlook for Fresenius Kabi

		Old	New
<b>Fresenius Kabi</b>	Sales growth organic	4% – 7%	6% – 8%
	EBIT growth constant currency	11% – 14%	18% – 21%
<b>Fresenius Helios</b>	Sales growth organic	3% – 5%	✓ ✓ ✓
	Sales growth reported	6% – 9%	
	EBIT	€630 – 650 m	
<b>Fresenius Vamed</b>	Sales growth organic	single-digit %	✓ ✓
	EBIT growth	5% – 10%	

## Fresenius Group: Increased Earnings Guidance

	<b>Old</b>	<b>New</b>
Revenue growth at constant currency	7% – 10%	8% – 10%
Net income growth <sup>1</sup> at constant currency	13% – 16%	18% – 21%

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

## Attachments



## Fresenius Group: Profit and Loss Statement

€m	Q2/15	Growth Q2 YoY		H1/15	Growth H1 YoY	
		actual rates	constant rates		actual rates	constant rates
Sales	6,946	26%	13%	13,429	25%	13%
EBIT <sup>1</sup>	971	28%	12%	1,822	30%	15%
Net interest	-165	-14%	-1%	-330	-17%	-4%
Income taxes <sup>1</sup>	-234	-18%	-2%	-441	-33%	-16%
Net income <sup>2</sup>	350	35%	22%	642	32%	19%

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items

For a detailed overview of special items please see the reconciliation tables on slides 31-32.

## Fresenius Kabi: Strong Organic Sales Growth

€m	Q2/15	Organic Growth Q2 YoY	H1/15	Organic Growth H1 YoY
I.V. Drugs	646	28%	1,191	17%
Clinical Nutrition	400	7%	772	8%
Infusion Therapy	237	0%	468	0%
Medical Devices/ Transfusion Technology	255	-2%	501	-1%
<b>Total sales</b>	<b>1,538</b>	<b>11%</b>	<b>2,932</b>	<b>8%</b>

## Fresenius Kabi: Strong EBIT Growth

€m	Q2/15	Growth Q2 YoY	H1/15	Growth H1 YoY
Europe	91	12%	174	16%
Margin	17.0%	150 bps	16.5%	190 bps
North America	227	63%	403	41%
Margin	41.0%	290 bps	39.3%	100 bps
Asia-Pacific/Latin America/Africa	70	19%	133	23%
Margin	15.5%	-70 bps	15.6%	10 bps
Corporate and Corporate R&D	-74	-7%	-139	-5%
<b>Total EBIT</b>	<b>314</b>	<b>50%</b>	<b>571</b>	<b>39%</b>
at constant currency		26%		18%
<b>Margin</b>	<b>20.4%</b>		<b>19.5%</b>	

EBIT before special items

For a detailed overview of special items please see the reconciliation tables on slides 31-32.

## Fresenius Helios: Sales Growth

€m	Q2/15	Growth Q2 YoY	H1/15	Growth H1 YoY
Established clinic portfolio	1,320	2%	2,583	3%
Acquisitions (consolidation <1 yr)	63		191	
<b>Total sales</b>	<b>1,383</b>	<b>7%</b>	<b>2,774</b>	<b>10%</b>

## Fresenius Helios: Strong EBIT margin increase

€m	Q2/15	Growth Q2 YoY	H1/15	Growth H1 YoY
<b>Total sales</b>	<b>1,383</b>	<b>7%</b>	<b>2,774</b>	<b>10%</b>
<b>EBIT</b>				
Established clinic portfolio	155	15%	298	20%
Margin	11.7%	120 bps	11.5%	160 bps
Acquisitions	5		9	
(consolidation <1 yr)				
Margin	7.9%		4.7%	
<b>Total EBIT</b>	<b>160</b>	<b>18%</b>	<b>307</b>	<b>23%</b>
<b>Margin</b>	<b>11.6%</b>	<b>110 bps</b>	<b>11.1%</b>	<b>120 bps</b>

EBIT before special items

For a detailed overview of special items please see the reconciliation tables on slides 31-32.



## Fresenius Helios: Performance Indicators

	H1/15	H1/14	Change
<b>No. of hospitals<sup>1</sup></b>	<b>111</b>	<b>110</b>	<b>1%</b>
- Acute care clinics	87	86	1%
- Post-acute care clinics	24	24	0%
<b>No. of beds<sup>1</sup></b>	<b>34,391</b>	<b>34,188</b>	<b>1%</b>
- Acute care clinics	29,218	29,068	1%
- Post-acute care clinics	5,173	5,120	1%
<b>Admissions</b>			
- Acute care (inpatient)	597,820	557,820	7%
<b>Occupancy</b>			
- Post-acute care	81%	82%	
<b>Average length of stay (days)</b>			
- Acute care <sup>2</sup>	6.5	6.6	
- Post-acute care	26.7	26.8	

<sup>1</sup> December 31, 2014

<sup>2</sup> German average (2013): 7.5

## 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	111
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: Strong Sales Growth

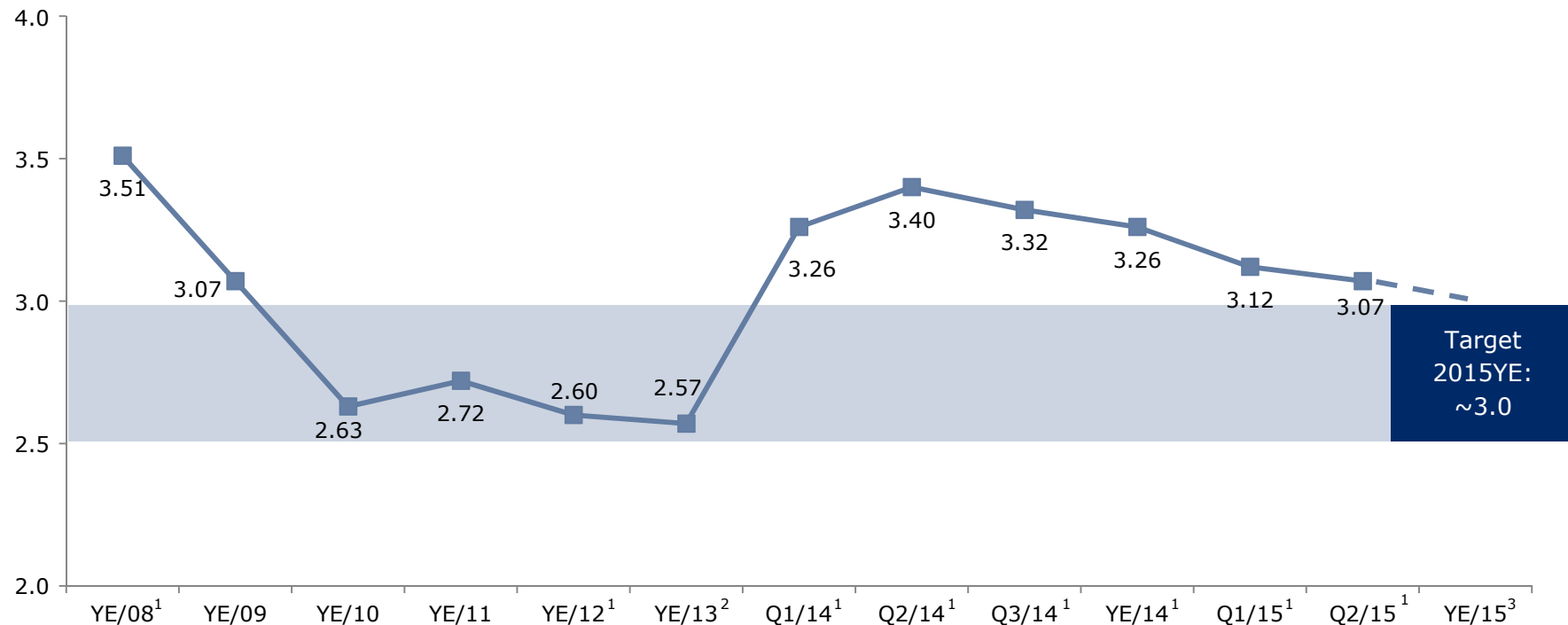
€m	Q2/15	Growth Q2 YoY	H1/15	Growth H1 YoY
Project business	122	31%	202	17%
Service business	133	17%	261	16%
<hr/> Total sales	255	23%	463	16%
Total EBIT	9	0%	16	7%
Margin	3.5%	-80 bps	3.5%	-30 bps
Order intake <sup>1</sup>	92	-50%	284	-5%
Order backlog <sup>1</sup>			1,479	6% <sup>2</sup>

<sup>1</sup> Project business only

<sup>2</sup> December 31, 2014

# Fresenius Group: Leverage Ratio

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

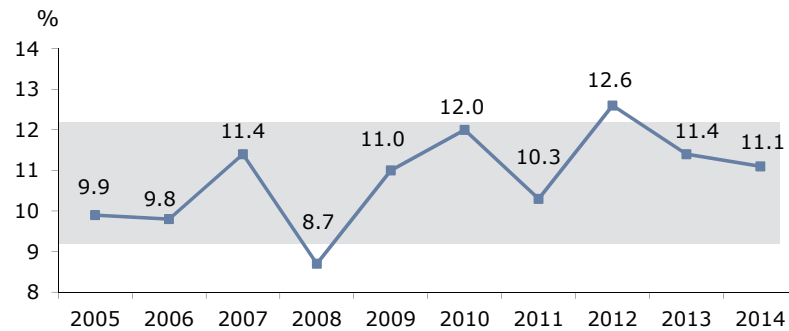
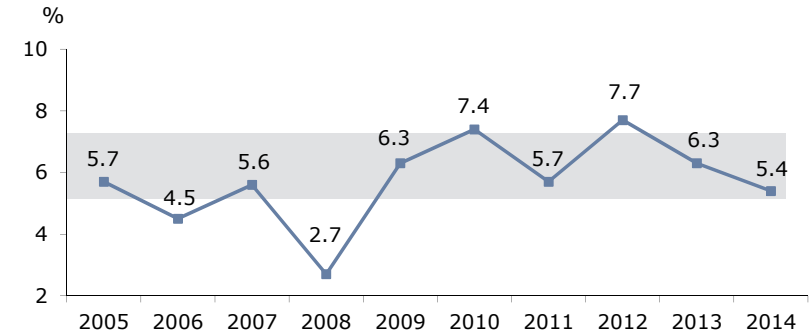
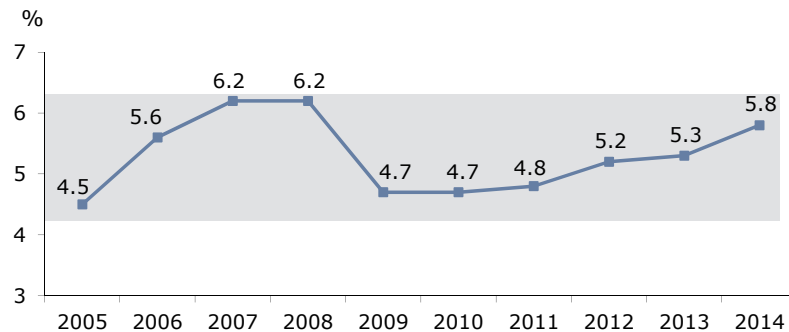
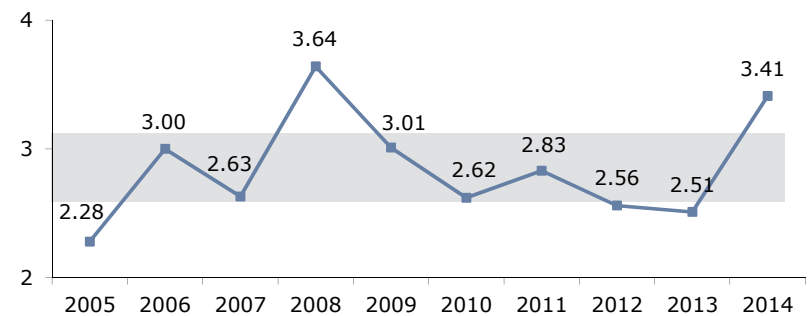


<sup>1</sup> Pro forma acquisitions; before special items






<sup>2</sup> Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG; before special items

<sup>3</sup> Before special items; without major acquisitions

# 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 LTM

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	LTM H1/15	LTM Margin	LTM H1/15	LTM H1/15	LTM H1/15	LTM Margin
	780	13.9%	-354	-6.3%	426	7.6%
	584	10.6%	-261	-4.7%	323	5.9% <sup>3</sup>
	9	0.8%	-12	-1.1%	-3	-0.3%
Corporate/ Other	-24	n.a.	-11	n.a.	-35	n.a.
 <b>FRESENIUS</b> excl. FMC	<b>1,349</b>	<b>11.7%<sup>2</sup></b>	<b>-638</b>	<b>-5.2%</b>	<b>711</b>	<b>6.5%<sup>2</sup></b>
 <b>FRESENIUS</b> Group	<b>3,086</b>	<b>11.9%</b>	<b>-1,396</b>	<b>-5.4%</b>	<b>1,690</b>	<b>6.5%</b>

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

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

<sup>3</sup> Understated: 6.8% excluding €53 million of capex commitments from acquisitions

Margin = in % of sales

## Reconciliation according to U.S. GAAP – Q2 2015 / Q2 2014

The Group's U.S. GAAP financial results as of June 30, 2015 and June 30, 2014 comprise 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	Q2/2015 before special items	efficiency program	integration costs for acquired Rhön hospitals	Q2/2015 according to U.S. GAAP (incl. special items)	Q2/2014 before special items	Fenwal integration costs	integration costs for acquired Rhön hospitals	disposal gain from Rhön stake	Q2/2014 according to U.S. GAAP (incl. special items)
<b>Sales</b>	6,946			6,946	5,521				5,521
<b>EBIT</b>	<b>971</b>	<b>-30</b>	<b>-6</b>	<b>935</b>	<b>760</b>	<b>-2</b>	<b>-8</b>	<b>35</b>	<b>785</b>
Interest result	-165			-165	-145				-145
<b>Net income before taxes</b>	<b>806</b>	<b>-30</b>	<b>-6</b>	<b>770</b>	<b>615</b>	<b>-2</b>	<b>-8</b>	<b>35</b>	<b>640</b>
Income taxes	-234	9	2	-223	-199	1	2	-1	-197
<b>Net income</b>	<b>572</b>	<b>-21</b>	<b>-4</b>	<b>547</b>	<b>416</b>	<b>-1</b>	<b>-6</b>	<b>34</b>	<b>443</b>
Less noncontrolling interest	-222			-222	-157				-157
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>350</b>	<b>-</b> <b>21</b>	<b>-4</b>	<b>325</b>	<b>259</b>	<b>-1</b>	<b>-6</b>	<b>34</b>	<b>286</b>

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

## Reconciliation according to U.S. GAAP – H1 2015 / H1 2014

The Group's U.S. GAAP financial results as of June 30, 2015 and June 30, 2014 comprise 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	H1/2015 before special items	efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	H1/2015 according to U.S. GAAP (incl. special items)	H1/2014 before special items	Fenwal integration costs	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	disposal gain from Rhön stake	H1/2014 according to U.S. GAAP (incl. special items)
<b>Sales</b>	13,429				13,429	10,733					10,733
<b>EBIT</b>	<b>1,822</b>	<b>-40</b>	<b>-8</b>	<b>34</b>	<b>1,808</b>	<b>1,403</b>	<b>-3</b>	<b>-8</b>	<b>22</b>	<b>35</b>	<b>1,449</b>
Interest result	-330				-330	-283					-283
<b>Net income before taxes</b>	<b>1,492</b>	<b>-40</b>	<b>-8</b>	<b>34</b>	<b>1,478</b>	<b>1,120</b>	<b>-3</b>	<b>-8</b>	<b>22</b>	<b>35</b>	<b>1,166</b>
Income taxes	-441	12	2		-427	-332	1	2	-1	-1	-331
<b>Net income</b>	<b>1,051</b>	<b>-28</b>	<b>-6</b>	<b>34</b>	<b>1,051</b>	<b>788</b>	<b>-2</b>	<b>-6</b>	<b>21</b>	<b>34</b>	<b>835</b>
Less noncontrolling interest	-409				-409	-301					-301
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>642</b>	<b>-28</b>	<b>-6</b>	<b>34</b>	<b>642</b>	<b>487</b>	<b>-2</b>	<b>-6</b>	<b>21</b>	<b>34</b>	<b>534</b>

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



## Share Information

### Share key facts

Number of shares <sup>1</sup>	543,478,807
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 June 30, 2015

## Financial Calendar 2015

29.10.2015      Report on 3<sup>rd</sup> quarter 2015

Please note that these dates could be subject to change.

### Contact

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