



# A Leading Global Health Care Group

J.P. Morgan Global High Yield & Leveraged Finance Conference  
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## 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.

# Agenda

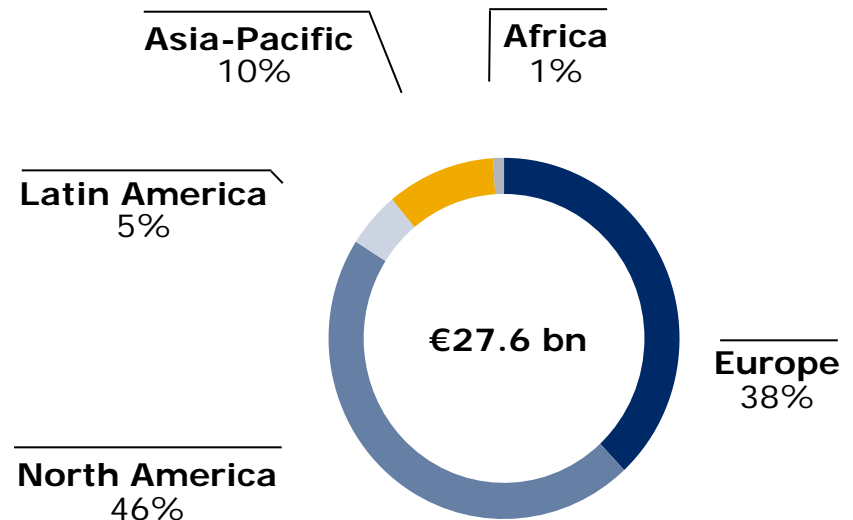
- Company Overview
- Business Segments
  - Fresenius Medical Care
  - Fresenius Kabi
  - Fresenius Helios
  - Fresenius Vamed
- Summary and Outlook
- Appendix

# Company Overview



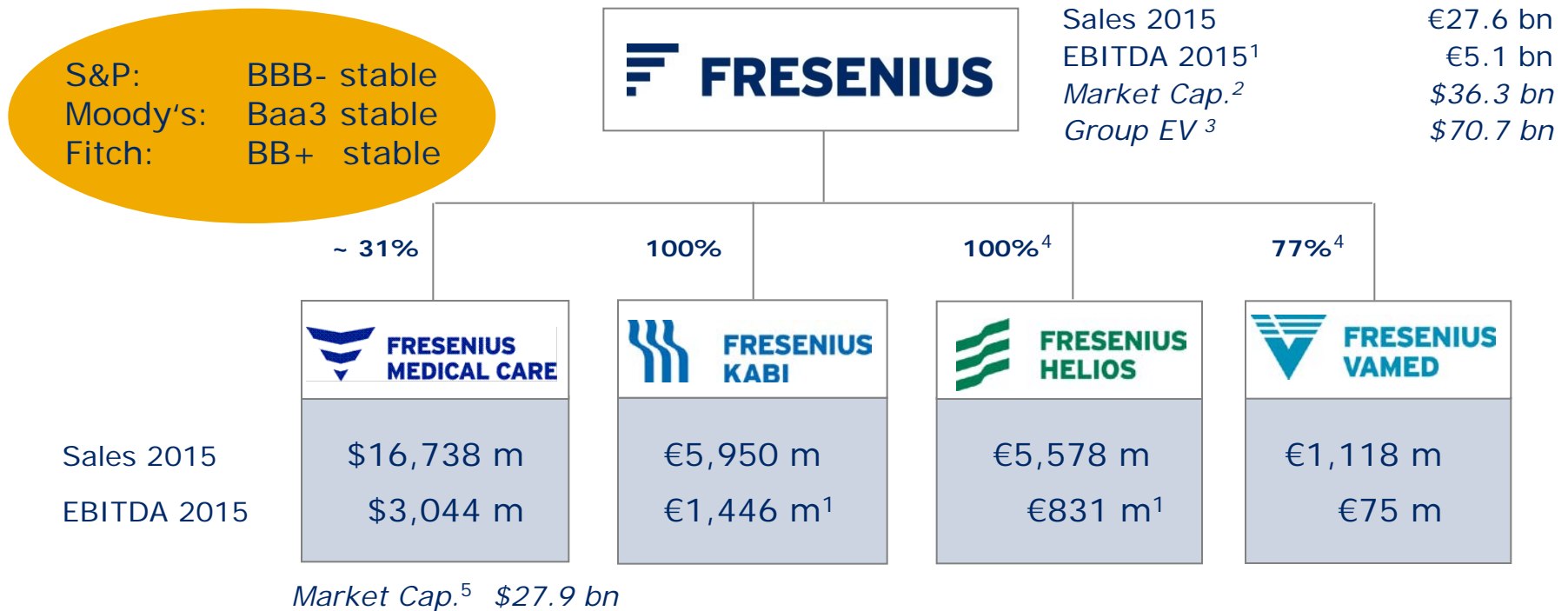
# Fresenius Group: A Global Leader in Health Care Products and Services

- Sales €27.6 bn, net income<sup>1</sup> €2.4 bn for FY 2015
- Strong and well-diversified portfolio
- Leading market positions
- Global presence in approx. 100 countries
- Long-term opportunities in growing, non-cyclical markets



1 – Net income incl. attributable to non-controlling interest, before special items but including **GranuFlo®/NaturaLyte®** settlement costs (-€54 million before tax; -€10 million after tax)

# Fresenius Group: Strong and Balanced Health Care Portfolio



1 – Before special items

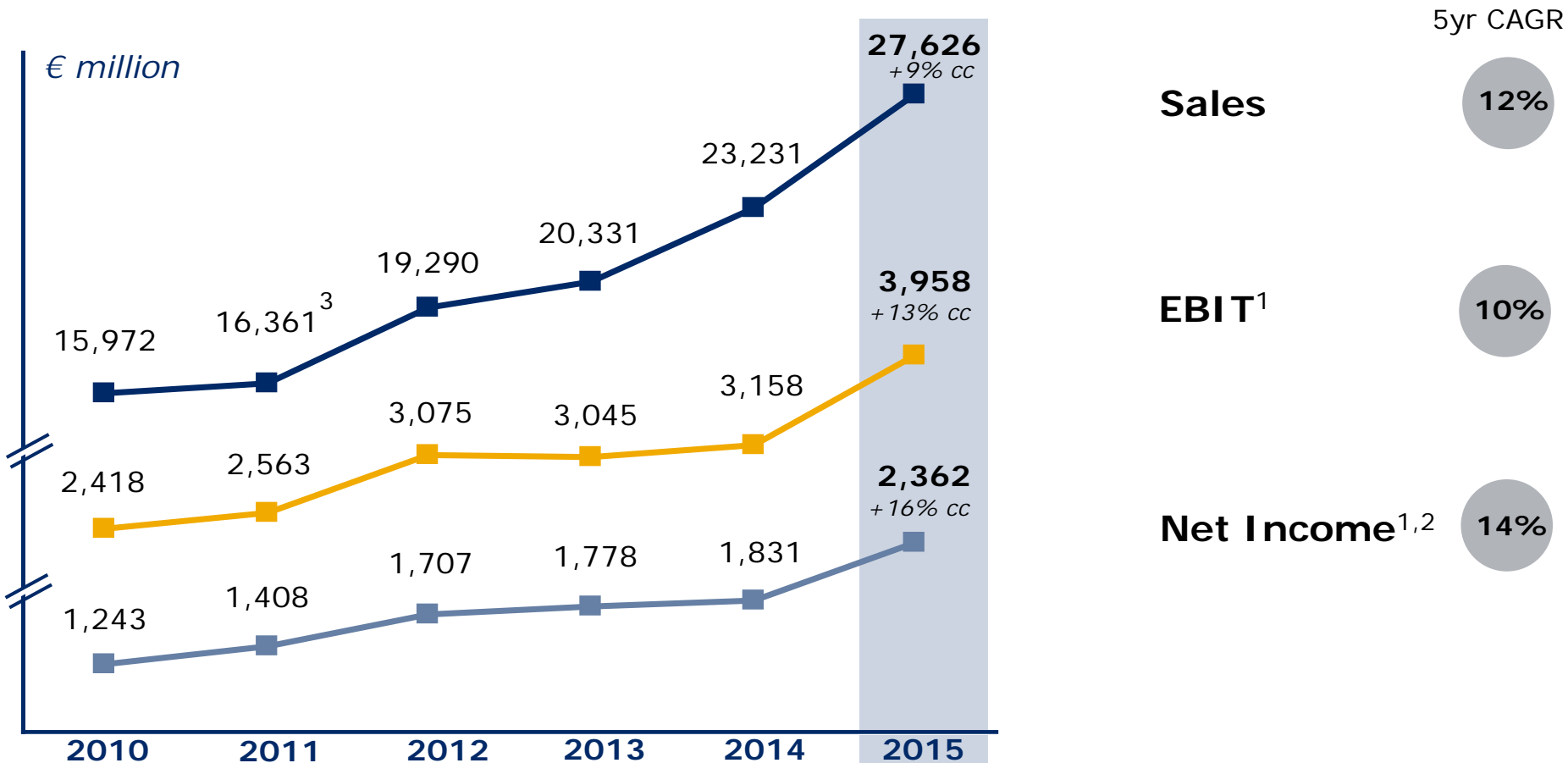
2 – Based on consolidated market capitalization of FSE as of January 29, 2016

3 – Based on consolidated market capitalization of FSE and FME as of January 29, 2016 and consolidated net debt as of December 31, 2015

4 – Held by Fresenius ProServe GmbH, a wholly owned subsidiary of FSE

5 – Based on market capitalization of FME as of January 29, 2016

# Fresenius Group: Financial Results

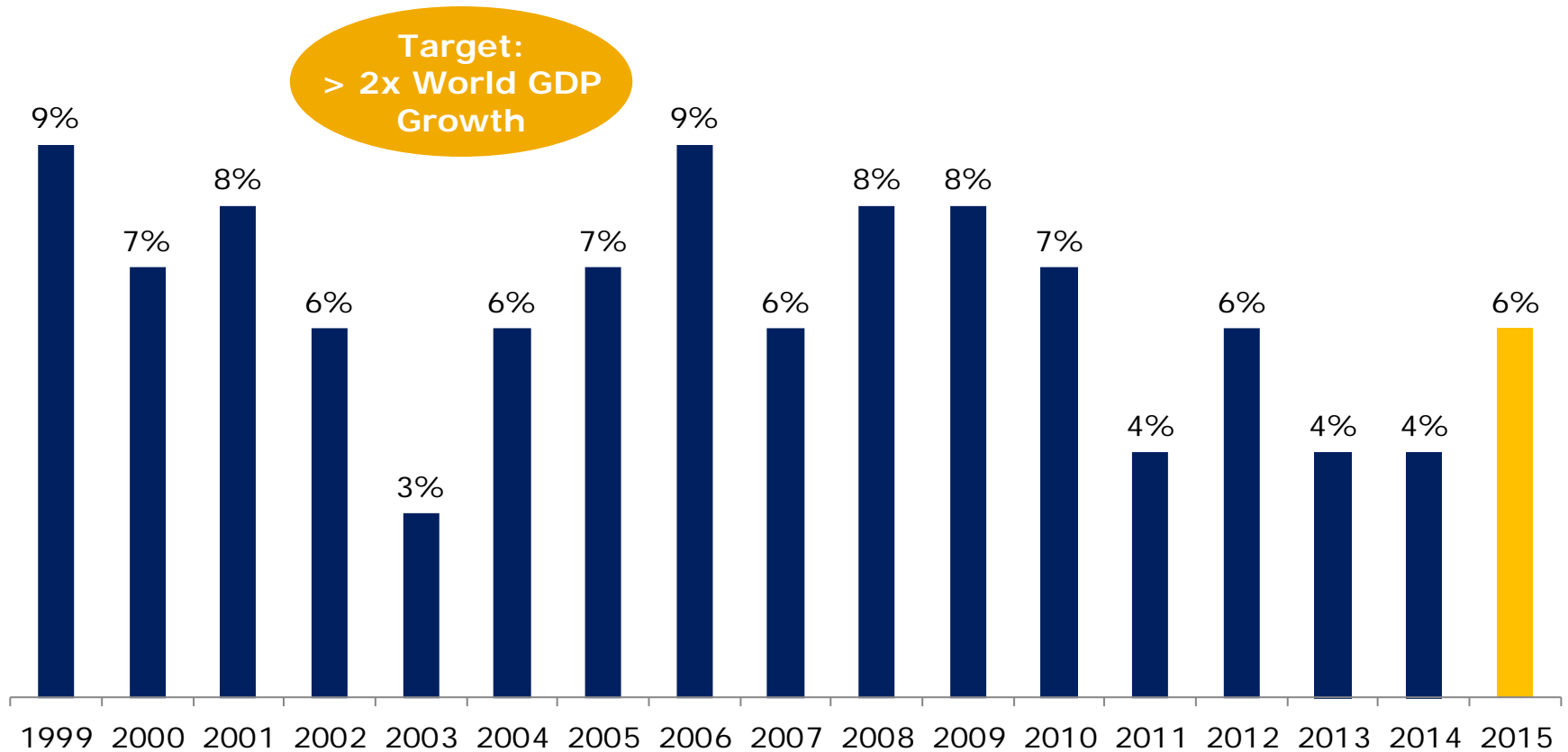


1 – Before special items but including **GranuFlo®/NaturaLyte®** settlement costs (-€54 million before tax; -€10 million after tax)

2 – Incl. attributable to non-controlling interest

3 – 2011 sales were adjusted by -€161 m according to a U.S. GAAP accounting change. This solely relates to Fresenius Medical Care North America.

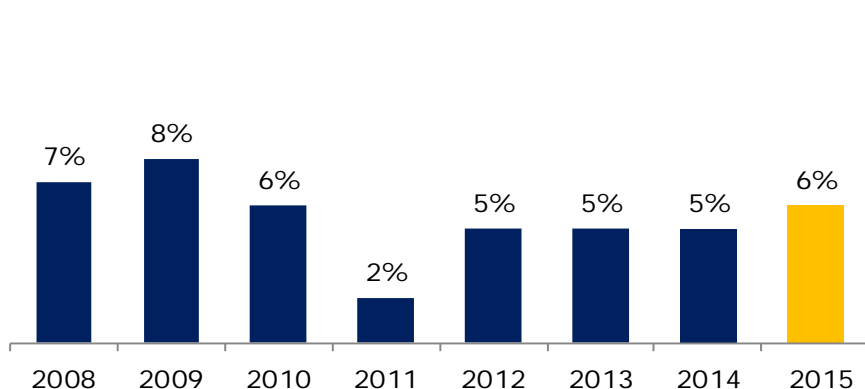
# Fresenius Group: Organic Growth 1999 – 2015



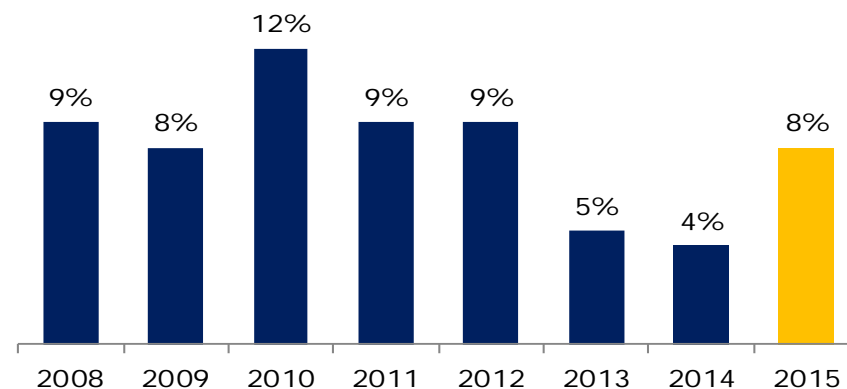


# Fresenius Group: Sustainable Organic Sales Growth in all Business Segments

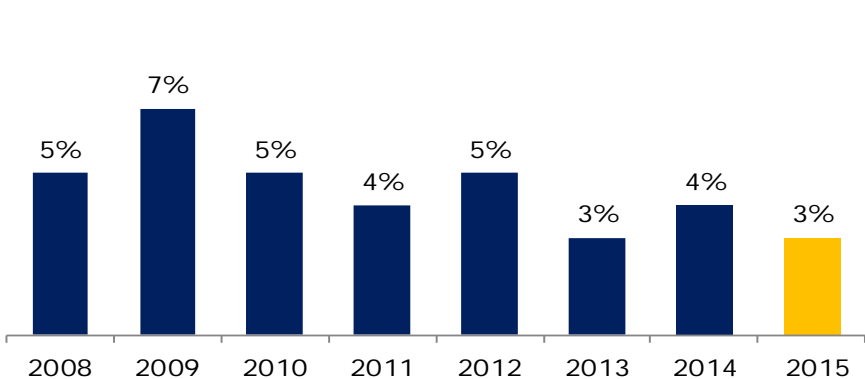
Fresenius Medical Care



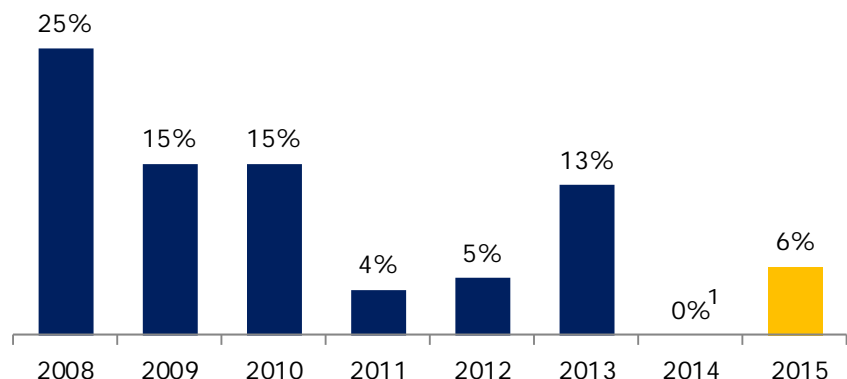
Fresenius Kabi



Fresenius Helios



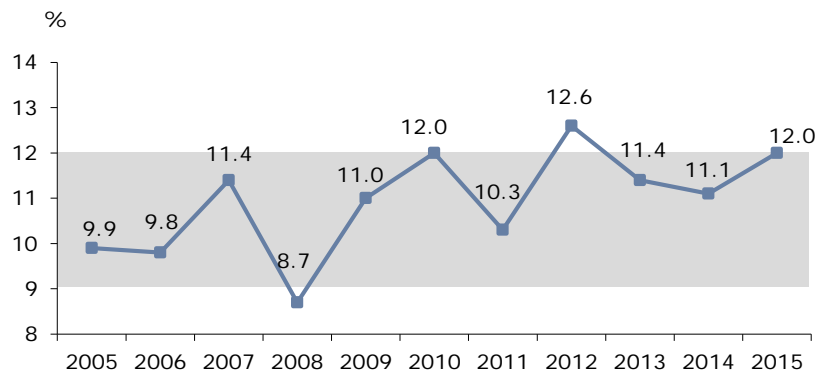
Fresenius Vamed



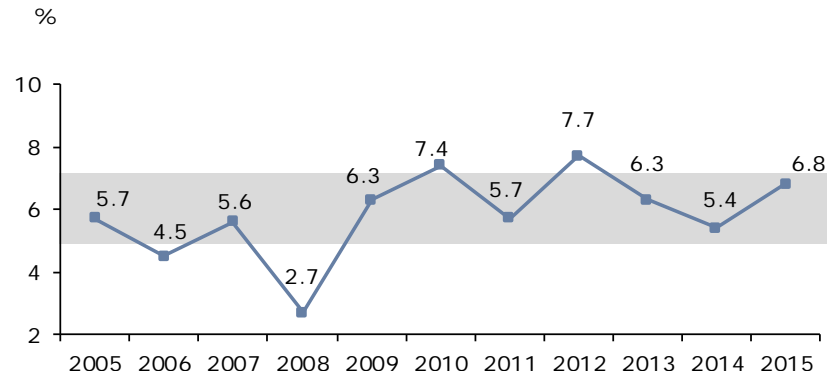
1 – Due to project delays in Russia and Ukraine

# Fresenius Group: Consistent Cash Generation and Proven Track Record of Deleveraging

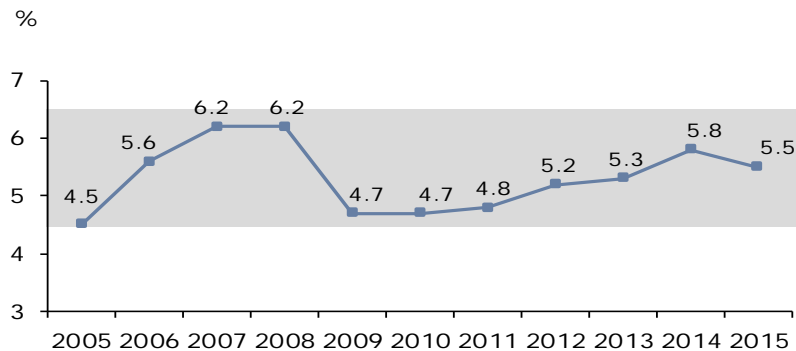
### CCFO margin



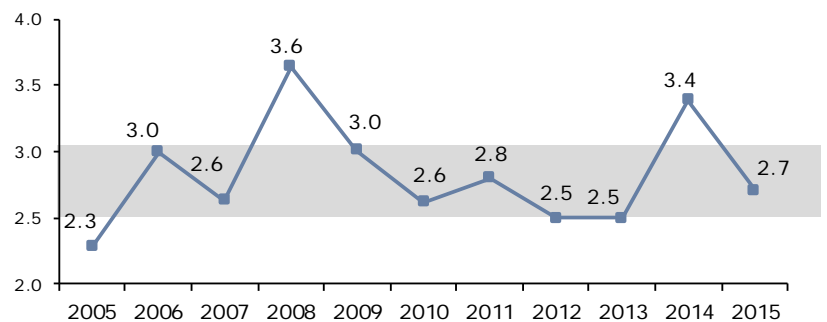
### FCF margin (before acquisitions & dividends)



### CAPEX in % of sales



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



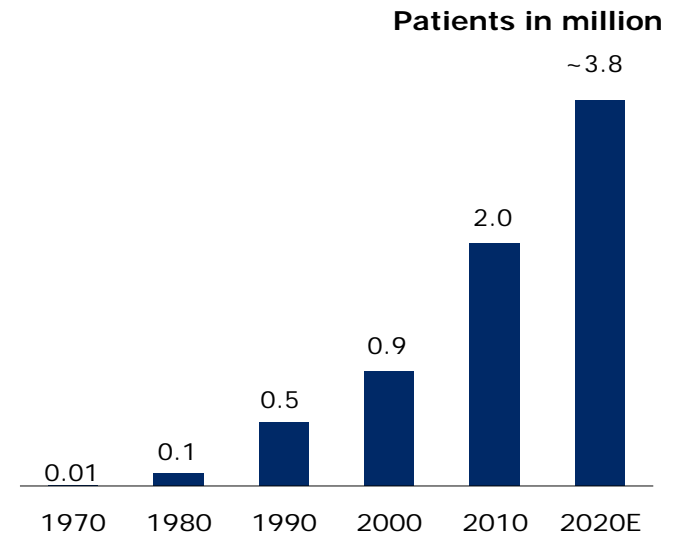
1 – At actual FX rates for both EBITDA and net debt; 2011-2015 adjusted due to debt issuance cost restatement (U.S. GAAP standard ASU 2015-03)

# Business Segments



# Fresenius Medical Care: Global Market Leader in Dialysis

- World leader in dialysis products and services treating 294,381 patients in 3,418 clinics worldwide<sup>1</sup>
- Provide highest standard of patient care
  - Vertical integration
  - High quality products & services
  - Complete therapy offerings
- Leader in growing market
  - Dialysis market growing 4% cc and estimated to reach around \$100 bn by 2020
  - ~6% patient growth p.a. driven by age, life style and mortality reduction



1 – As of December 31, 2015

## Fresenius Medical Care: Key Figures 2015

<i>\$ million</i>	<b>FY 2015</b>	<b>FY 2014</b>	<b>Growth</b>
<b>Total Sales</b>	<b>16,738</b>	<b>15,832</b>	<b>+6%</b> <sup>1</sup>
<b>EBITDA</b>	<b>3,044</b>	<b>2,954</b>	<b>+3%</b>
<i>EBITDA margin</i>	<i>18.2%</i>	<i>18.7%</i>	
<b>EBIT, excluding special items</b> <sup>2</sup>	<b>2,388</b>	<b>2,271</b>	<b>+5%</b>
<i>EBIT margin</i>	<i>14.3%</i>	<i>14.4%</i>	
<b>Net Income, excluding special items</b> <sup>2,3</sup>	<b>1,082</b>	<b>1,058</b>	<b>+2%</b>

1 – 6% organic growth, 6% acquisitions, -1% divestitures, -5% currency effects

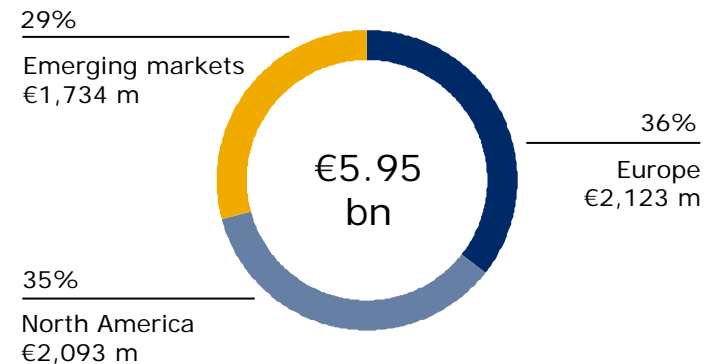
2 – Divestiture of dialysis business in Venezuela, sale of the European marketing rights to Vifor and settlement costs for an agreement in principle for the GranuFlo® case in 2015 as well as closing of manufacturing plants in 2014

3 – Net Income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

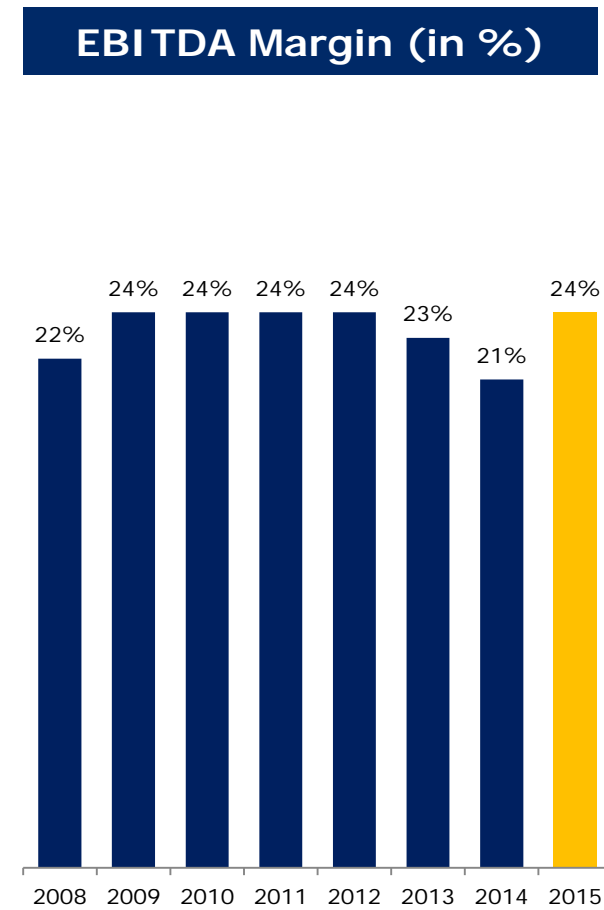
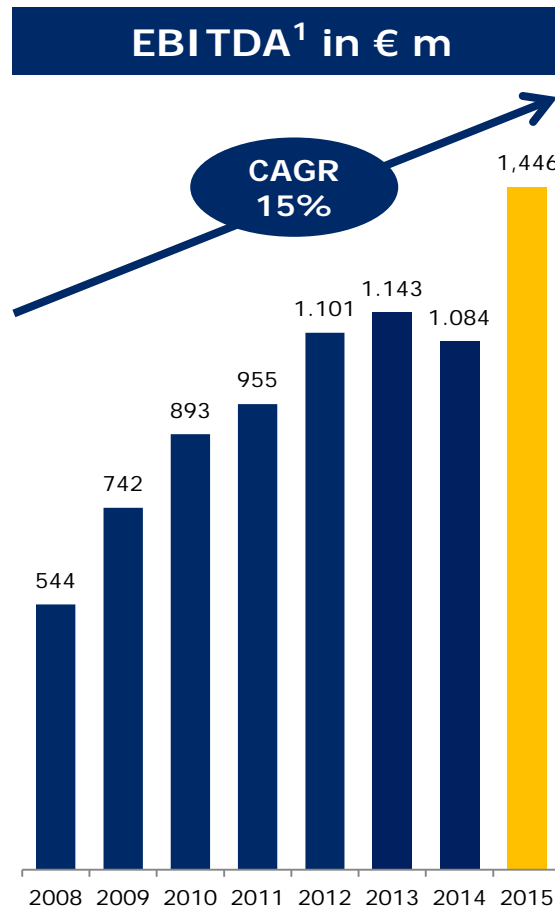
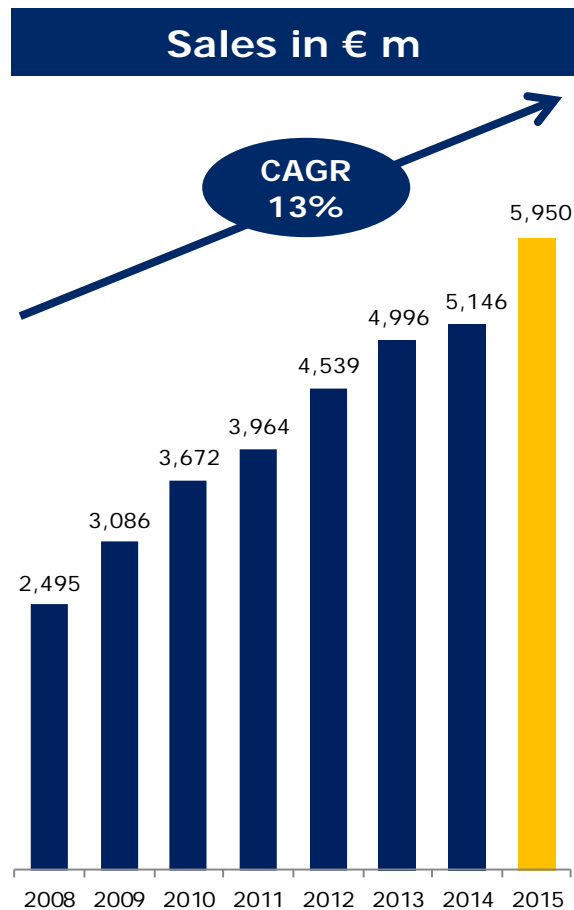
# Fresenius Kabi: A Worldwide Leading Hospital Supplier

- Comprehensive product portfolio for critically and chronically ill patients
  - Generic I.V. Drugs
  - Clinical Nutrition
  - Infusion Therapy
  - Medical Devices / Transfusion Technology
- Global addressable market: >€33 bn
- Leading market positions
- Focus on organic growth driven by geographic product rollout and robust product pipeline
- Aim to expand the business through selective acquisitions

## 2015 Sales by Region



# Fresenius Kabi: Strong Growth Track Record & High Profitability



1 – Before special items

# Fresenius Kabi: Key Figures 2015

<i>€ million</i>	<b>FY 2015</b>	<b>FY 2014</b>	<b>Growth</b>
<b>Sales</b>	<b>5,950</b>	<b>5,146</b>	<b>+16%</b> <sup>1</sup>
- I.V. Drugs	2,429	1,813	+34%
- Clinical Nutrition	1,560	1,384	+13%
- Infusion Therapy	914	977	-6%
- Medical Devices/ Transfusion Technology	1,047	972	+8%
<b>EBITDA</b> <sup>2</sup>	<b>1,446</b>	<b>1,084</b>	<b>+33%</b>
<i>EBITDA margin</i>	24.3%	21.1%	
<b>EBIT</b> <sup>2</sup>	<b>1,189</b>	<b>873</b>	<b>+36%</b>
<i>EBIT margin</i>	20.0%	17.0%	
<b>Net Income</b> <sup>3</sup>	<b>669</b>	<b>468</b>	<b>+43%</b>

1 – 8% organic growth, 1% acquisitions, -2% divestitures, 9% currency effects

2 – Before special items

3 – Net income attributable to shareholders of Fresenius Kabi AG; before special items



# Fresenius Helios: Leading Hospital Operator in Germany

- German Acute Care Hospital Market:  
~€91 bn<sup>1</sup>, thereof 18% privatized
- ~ 6% share in German Acute Care Hospital Market
- High-quality medical care
- Solid organic growth based on growing number of admissions and reimbursement rate increases
- Strong track record in hospital operations and acquisitions: targeting 12 – 15% EBIT margin within 6 years per individual clinic location
- Negligible bad debt ratio due to comprehensive insurance coverage of German population

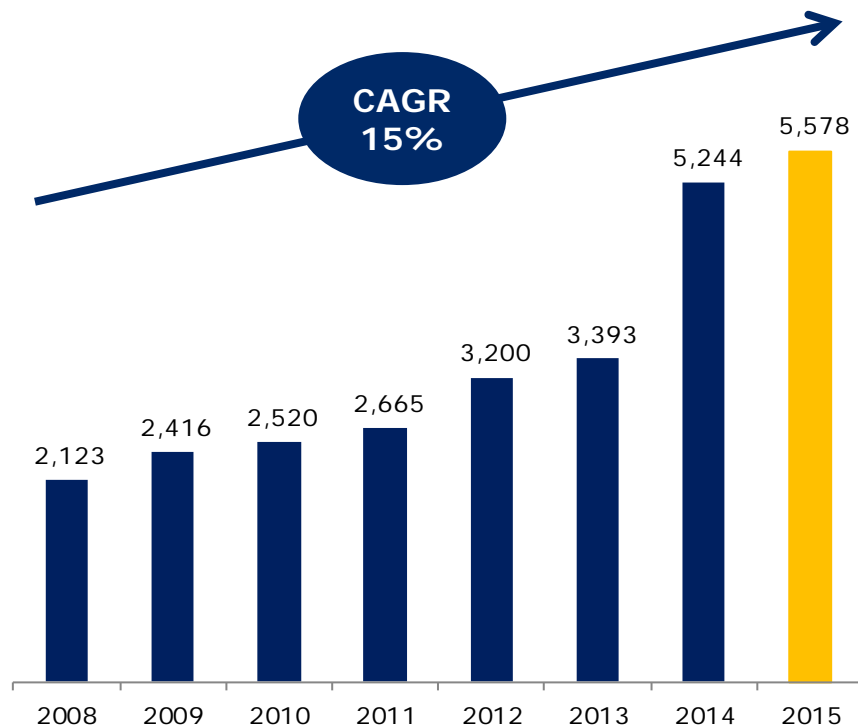
1 – German Federal Statistical Office 2015; total costs, gross of the German hospitals less academic research and teaching  
2 – As of December 31, 2015

## Largest Network with 111 Hospitals <sup>2</sup>

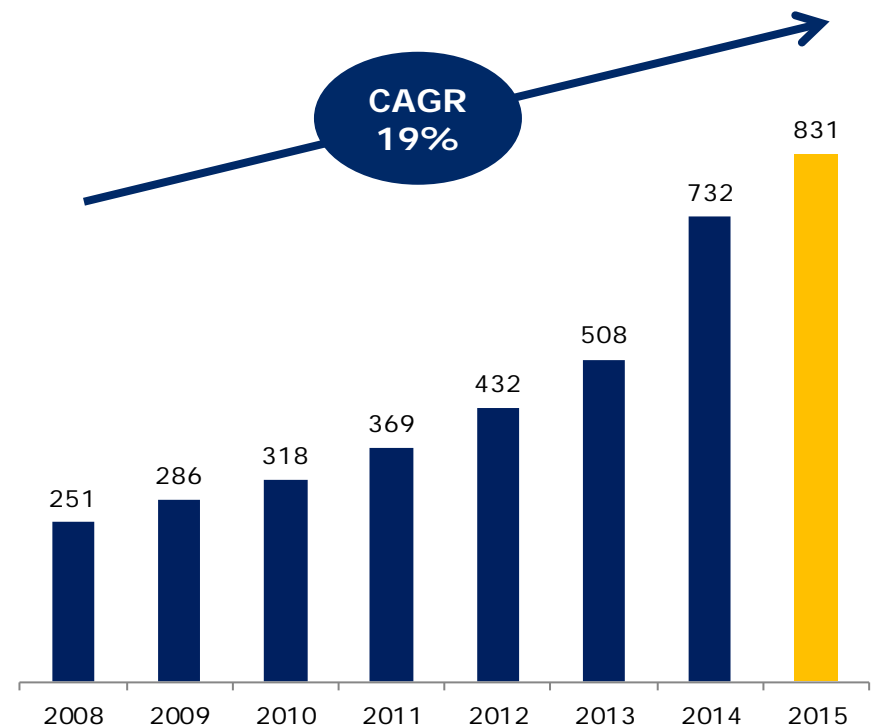


# Fresenius Helios: Strong Growth Track Record & Increased Profitability

Sales in € m



EBITDA<sup>1</sup> in € m



1 – Before special items

## Fresenius Helios: Key Figures 2015

<i>€ million</i>	<b>FY 2015</b>	<b>FY 2014</b>	<b>Growth</b>
<b>Total Sales</b>	<b>5,578</b>	<b>5,244</b>	<b>+6%</b> <sup>1</sup>
<b>EBITDA</b> <sup>2</sup>	<b>831</b>	<b>732</b>	<b>+14%</b>
<i>EBITDA margin</i>	<i>14.9%</i>	<i>14.0%</i>	
<b>EBIT</b> <sup>2</sup>	<b>640</b>	<b>553</b>	<b>+16%</b>
<i>EBIT margin</i>	<i>11.5%</i>	<i>10.5%</i>	
<b>Net Income</b> <sup>3</sup>	<b>483</b>	<b>400</b>	<b>+21%</b>

1 – 3% organic growth, 4% acquisitions, -1% divestitures

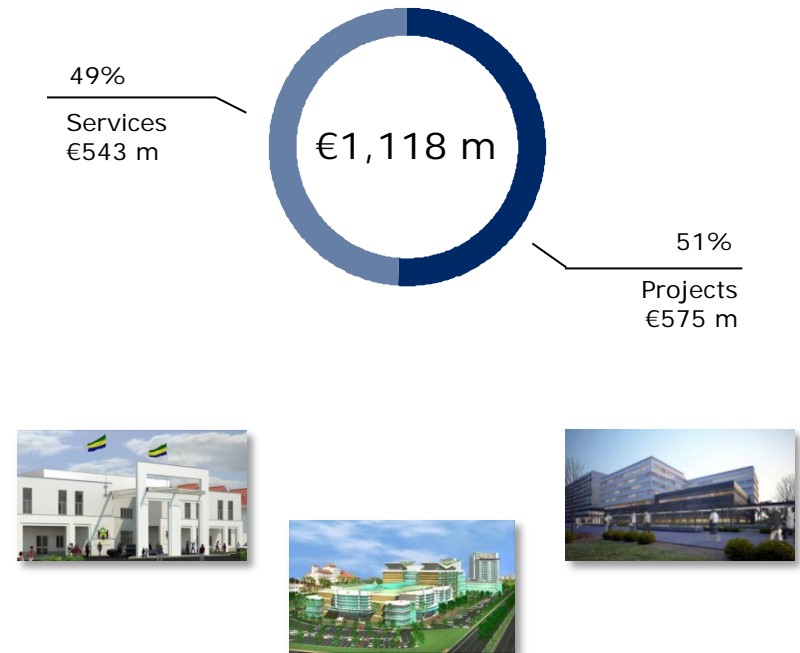
2 – Before special items

3 – Net income attributable to shareholders of HELIOS Kliniken GmbH; before special items

# 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:
  - >760 health care projects in 78 countries successfully completed
  - Services provided to > 550 hospitals and 135,000 beds globally
- Continuous demand for hospital infrastructure and operating efficiency; key markets Europe, Asia-Pacific, Africa

## 2015 Sales by Business



## Fresenius Vamed: Key Figures 2015

<i>€ million</i>	<b>FY 2015</b>	<b>FY 2014</b>	<b>Growth</b>
<b>Total Sales</b>	<b>1,118</b>	<b>1,042</b>	<b>+7%</b> <sup>1</sup>
<b>EBITDA</b>	<b>75</b>	<b>71</b>	<b>+6%</b>
<i>EBITDA margin</i>	<i>6.7%</i>	<i>6.8%</i>	
<b>EBIT</b>	<b>64</b>	<b>59</b>	<b>+8%</b>
<i>EBIT margin</i>	<i>5.7%</i>	<i>5.7%</i>	
<b>Net Income</b> <sup>2</sup>	<b>44</b>	<b>41</b>	<b>+7%</b>

1 – 6% organic growth, 1% currency effects

2 – Net income attributable to shareholders of VAMED AG

# Summary and Outlook



## Fresenius Group: 2016 Financial Guidance

Sales growth  
at constant currency

6% – 8%

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

8% – 12%

1 - Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items but including **GranuFlo®/NaturalLyte®** settlement costs (-€54 million before tax; -€10 million after tax)

## Fresenius Group: 2016 Financial Outlook by Business Segment

<b>Fresenius Kabi</b>	Sales growth <sup>organic</sup> EBIT <sup>constant currency</sup>	low single-digit roughly flat
<b>Fresenius Helios</b>	Sales growth <sup>organic</sup> EBIT	3% – 5% €670 – 700 m
<b>Fresenius Vamed</b>	Sales growth <sup>organic</sup> EBIT growth	5% – 10% 5% – 10%



# Fresenius Group: New Mid-Term Growth Targets

FY 2019<sup>1</sup>

~ €36-40 billion sales

€2.0 to €2.25 billion net income<sup>2</sup>



## Strong and Balanced Health Care Portfolio

1 – At comp. FX rates, including small and mid-size acquisitions, EAT CAGR at mid-point of guidance: 10.5%. Previous implied EAT CAGR of mid-term target: 8.4%

2 – Excl. attributable non-controlling interest

# Fresenius Group: Ideal Strategic Posture to Benefit from Major Healthcare Trends



## Aging population and higher incidence of chronic diseases

*World population aged 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: \$215, China: \$646, vs. USA: \$9,146; WHO)*



## Continuing growth of generics

*Approx. \$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: Investment Highlights

Diversified revenue base with four strong business segments

Global presence in growing, non-cyclical markets

Leading market positions

Proven ability to integrate acquisitions

Clear track record of and commitment to de-leveraging

Strong financial performance and cash flow generation

# Appendix



## Fresenius Group: Financial Results

		FY 2015	FY 2014
<b>Sales</b>		€27,626 m	€23,231 m
	Growth cc	9%	
	Growth actual rates	19%	
<b>EBIT<sup>1</sup></b>		€3,958 m	€3,158 m
	Growth cc	13%	
	Growth actual rates	25%	
<b>Net income<sup>1,2</sup></b>		€2,362 m	€1,831 m
	Growth cc	16%	
	Growth actual rates	29%	

1 – Before special items but including **GranuFlo®/NaturaLyte®** settlement costs (-€54 million before tax; -€10 million after tax)

2 – Incl. attributable to non-controlling interest

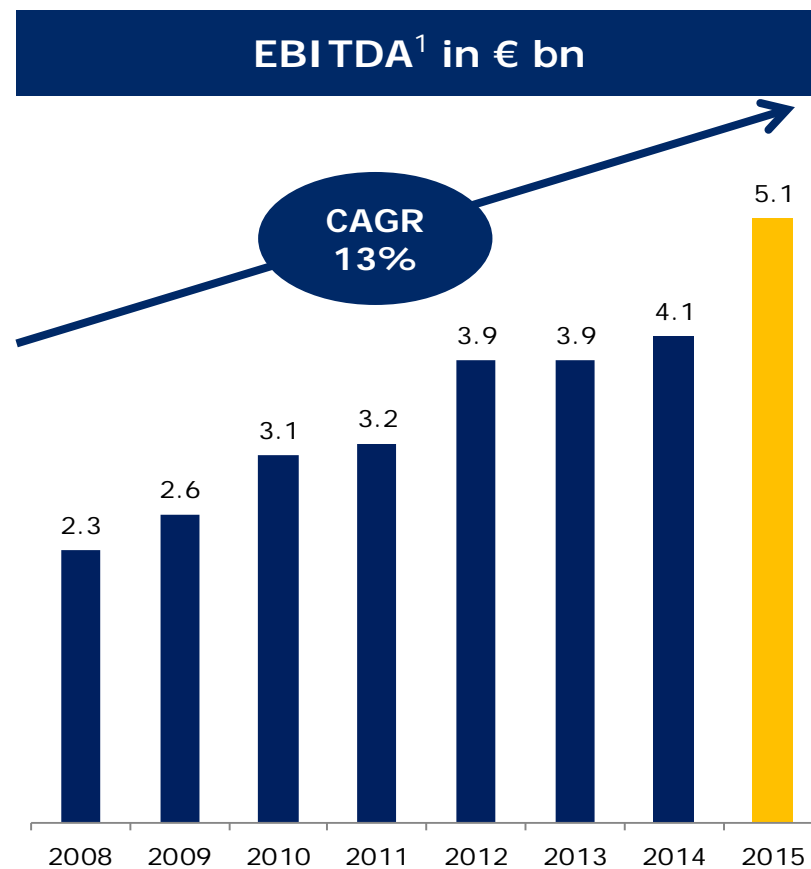
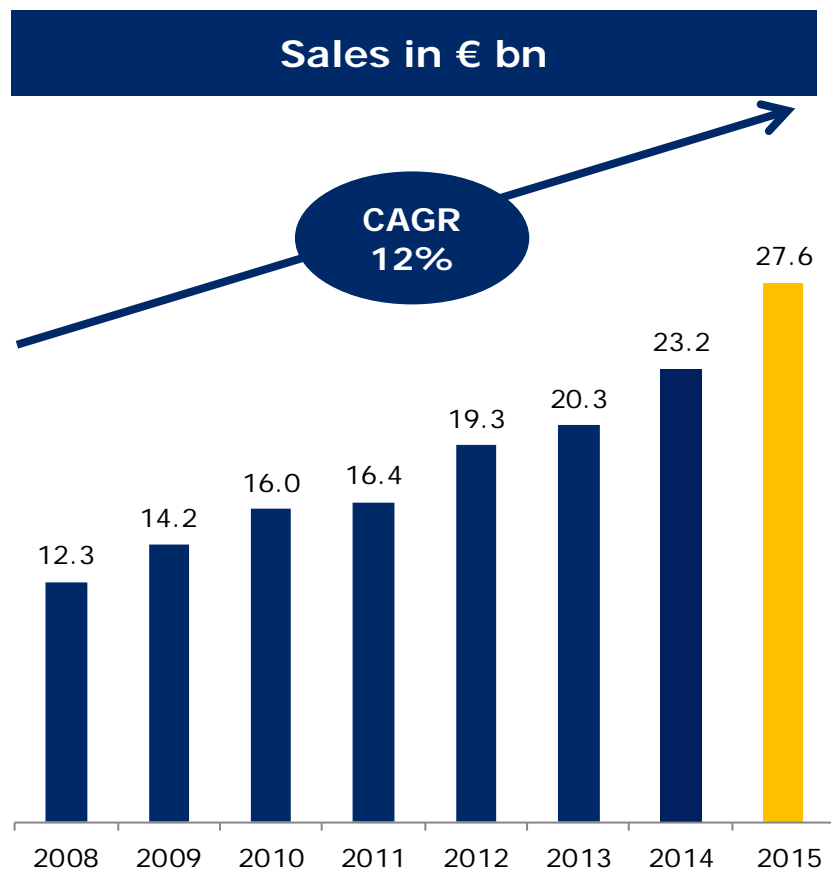
## Fresenius Group: Financial Results by Business Segment

FY 2015	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
Sales Growth	\$16,738 m 6%	€5,950 m 16%	€5,578 m 6%	€1,118 m 7%
EBIT Growth	\$2,388 m <sup>1</sup> 5%	€1,189 m <sup>2</sup> 36%	€640 m <sup>2</sup> 16%	€64 m 8%

1 – Excluding special items: Divestiture of dialysis business in Venezuela, sale of the European marketing rights to Vifor and settlement costs for an agreement in principle for the GranuFlo® case in 2015 as well as closing of manufacturing plants in 2014

2 – Before special items

# Fresenius Group: Demonstrated Strong Sales and EBITDA Growth



1 – Before special items

# Fresenius Group: Key Figures 2015

<i>€ million</i>	<b>FY 2015</b>	<b>FY 2014</b>	<b>Change actual rates</b>	<b>Change constant rates</b>
<b>Sales</b>	<b>27,626</b>	<b>23,231</b>	<b>+19%</b>	<b>+9%</b>
<b>EBITDA<sup>2</sup></b>	<b>5,073</b>	<b>4,095</b>	<b>+24%</b>	<b>+12%</b>
<b>EBIT<sup>2,4</sup></b>	<b>3,958</b>	<b>3,158</b>	<b>+25%</b>	<b>+13%</b>
Interest, net	-613	-602	-2%	+8%
<b>EBT</b>	<b>3,345</b>	<b>2,556</b>	<b>+31%</b>	<b>+17%</b>
Taxes <sup>2</sup>	-983	-725	-36%	-21%
<b>Net Income<sup>3,4</sup></b>	<b>2,362</b>	<b>1,831</b>	<b>+29%</b>	<b>+16%</b>
<b>Employees</b>	<b>222,305</b>	<b>216,275</b>		

1 – 6% organic growth, 4% acquisitions, -1% divestitures, 10% currency effects







2 – Before special items

3 – Net income incl. attributable to non-controlling interest; before special items

4 – Including **GranuFlo®/Naturalyte®** settlement costs (-€54 million before tax; -€10 million after tax)



# Fresenius Group: Cash Flow Development 2015

€ million	Operating CF		CAPEX (net)		Free Cash Flow <sup>1</sup>	
	913	15.3%	-324	-5.4%	589	9.9%
	618	11.1%	-271	-4.9%	347	6.2% <sup>3</sup>
	53	4.7%	-11	-0.9%	42	3.8%
Corporate/ Other	-24	n.a.	-12	n.a.	-36	n.a.
	<b>1,560</b>	<b>13.0%</b> <sup>2</sup>	<b>-618</b>	<b>-4.9%</b>	<b>942</b>	<b>8.1%</b> <sup>2</sup>
	1,767	11.7%	-844	-5.6%	923	6.1%
	<b>3,327</b>	<b>12.0%</b>	<b>-1,462</b>	<b>-5.2%</b>	<b>1,865</b>	<b>6.8%</b>

Margin = in % of sales

1 – Before acquisitions and dividends

3 – Understated: 7.0% excluding €44 million of capex commitments from acquisitions

2 – Margin incl. FMC dividend

## Reconciliation according to U.S. GAAP FY 2015 / FY 2014

The Group's U.S. GAAP financial results as of December 31, 2015 and December 31, 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.

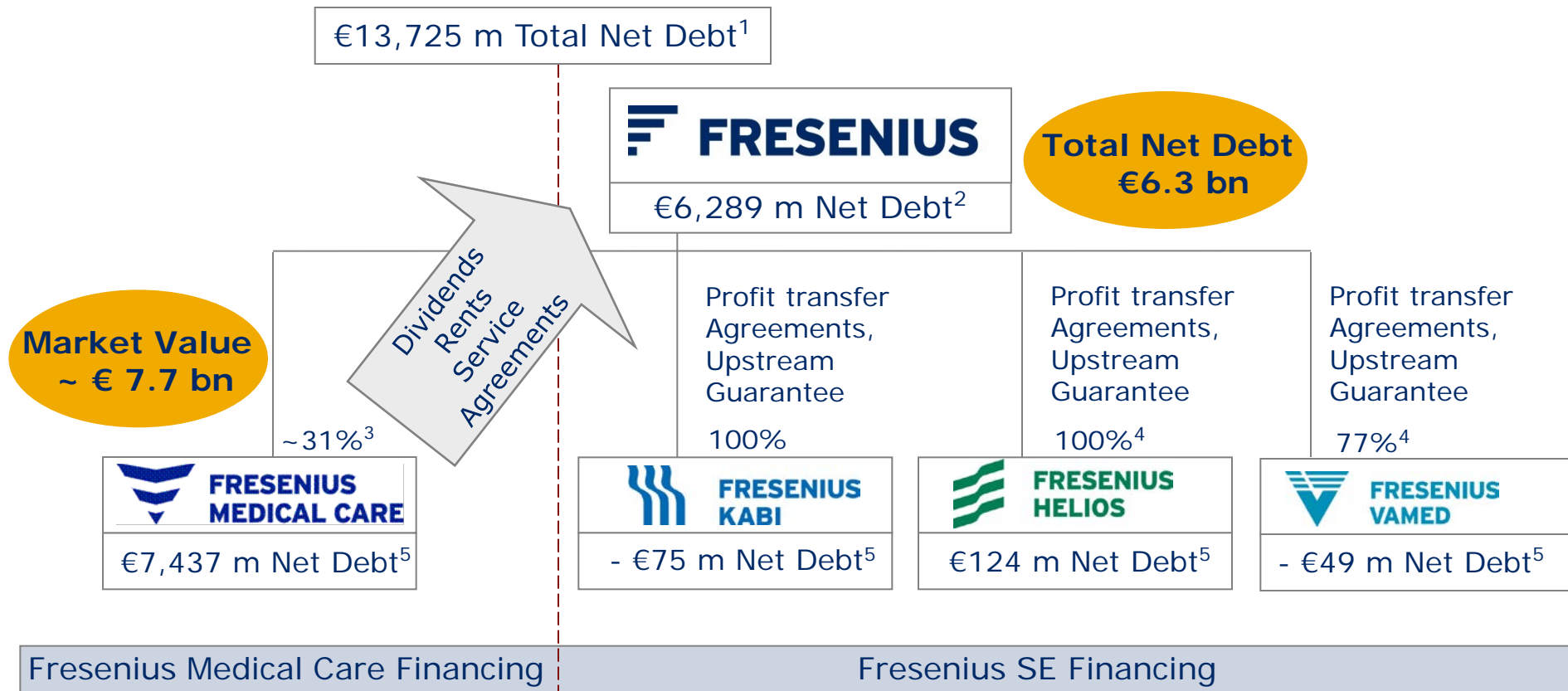
€m	FY/2015 before special items	efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	FY/2015 according to U.S. GAAP (incl. special items)	FY/2014 before special items	Fenwal integration costs	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	disposal gain from Rhön stake	FY/2014 according to U.S. GAAP (incl. special items)
<b>Sales</b>	27,626				27,626	23,231					23,231
<b>EBIT</b>	<b>3,958</b>	<b>-105</b>	<b>-12</b>	<b>34</b>	<b>3,875</b>	<b>3,158</b>	<b>-50</b>	<b>-51</b>	<b>22</b>	<b>35</b>	<b>3,114</b>
Interest result	-613				-613	-602					-602
<b>Net income before taxes</b>	<b>3,345</b>	<b>-105</b>	<b>-12</b>	<b>34</b>	<b>3,262</b>	<b>2,556</b>	<b>-50</b>	<b>-51</b>	<b>22</b>	<b>35</b>	<b>2,512</b>
Income taxes	-983	16	2		-965	-725	17	10	-1	-1	-700
<b>Net income</b>	<b>2,362</b>	<b>-89</b>	<b>-10</b>	<b>34</b>	<b>2,297</b>	<b>1,831</b>	<b>-33</b>	<b>-41</b>	<b>21</b>	<b>34</b>	<b>1,812</b>
Less noncontrolling interest	-939				-939	-745					-745
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>1,423</b>	<b>-89</b>	<b>-10</b>	<b>34</b>	<b>1,358</b>	<b>1,086</b>	<b>-33</b>	<b>-41</b>	<b>21</b>	<b>34</b>	<b>1,067</b>

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

# Financing Facilities and Debt Structure



# Fresenius Group: Current Debt and Cash Flow Structure – December 31, 2015



1 – External debt as of December 31, 2015

2 – Incl. Fresenius Finance B.V. and other financing subsidiaries

3 – Controlling stake

4 – As held by Fresenius ProServe GmbH, a wholly owned subsidiary of Fresenius SE & Co. KGaA, which provides the guarantees

5 – Incl. subsidiaries

# Fresenius Group: Capitalization – December 31, 2015

	in € million	in \$ million <sup>4</sup>	% of total cap	EBITDA LTM x
FSE 2013 Credit Agreement: Term Loan A (€, US-\$)	1,774	1,932	2.7%	
FSE 2013 Credit Agreement: Term Loan B (US-\$)	449	489	0.7%	
Senior Notes (€, US-\$)	2,750	2,994	4.3%	
Convertible Bonds	469	511	0.7%	
Schuldschein Loans	917	998	1.4%	
Other debt less total debt issuance costs, gross	492	536	0.8%	
<b>Total Debt (FSE excl. FMC), gross</b>	<b>6,852</b>	<b>7,459</b>	<b>10.6%</b>	
Cash (excl. FMC)	539	587	0.8%	
<b>Total debt (FSE excl. FMC), net</b>	<b>6,313</b>	<b>6,872</b>	<b>9.8%</b>	
Total FMC debt, net <sup>1</sup>	7,412	8,069	11.4%	
<b>Total consolidated debt, net</b>	<b>13,725</b>	<b>14,942</b>	<b>21.2%</b>	<b>2.7x</b> <sup>3</sup>
Market capitalization <sup>2</sup>	51,101	55,802	78.8%	10.0x
<b>Total capitalization</b>	<b>64,826</b>	<b>70,744</b>	<b>100.0%</b>	<b>12.6x</b>
<b>FSE Group EBITDA<sup>3</sup></b>				<b>5,127</b>

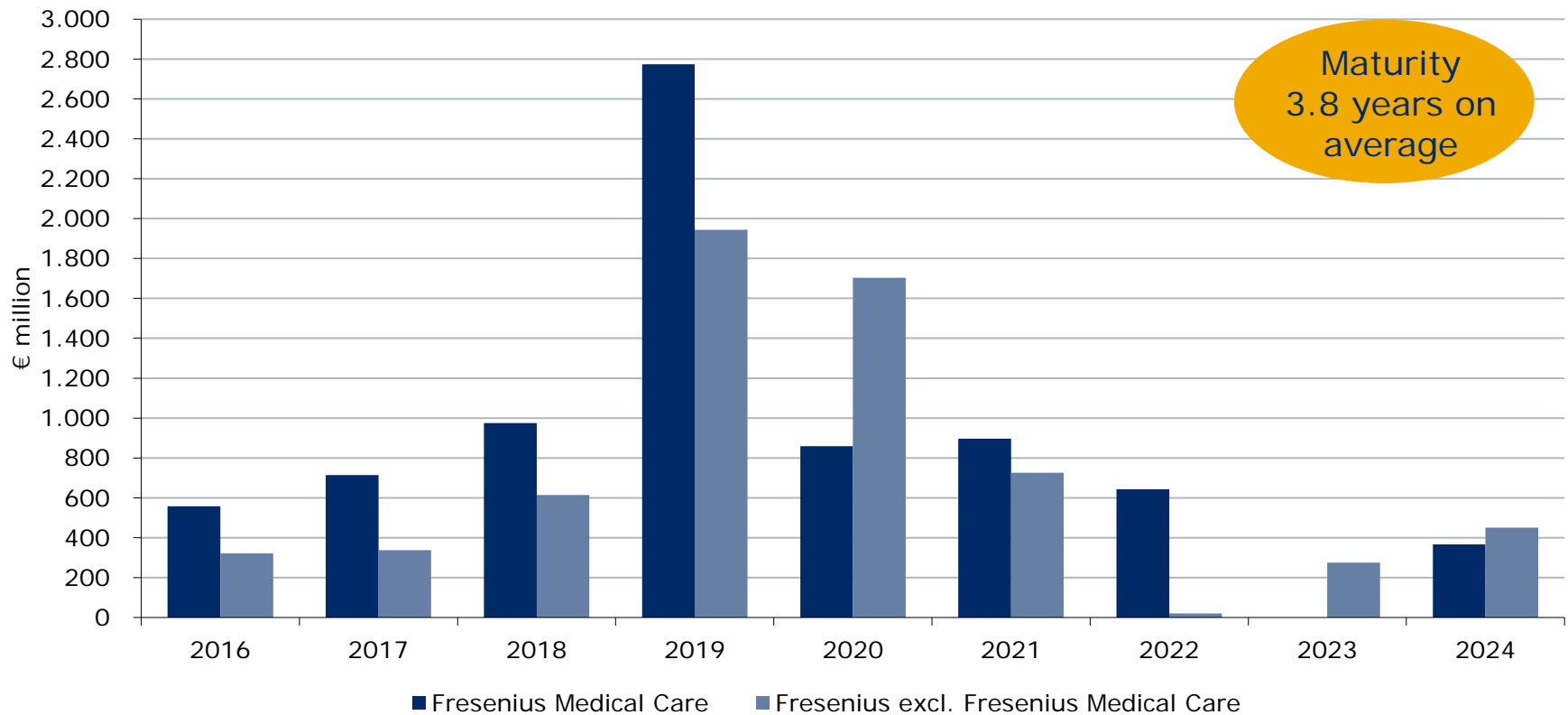
1 - Net of Cash and intercompany adjustments

2 - Based on market capitalization for FSE and FMC as of January 29, 2016

3 - Before special items

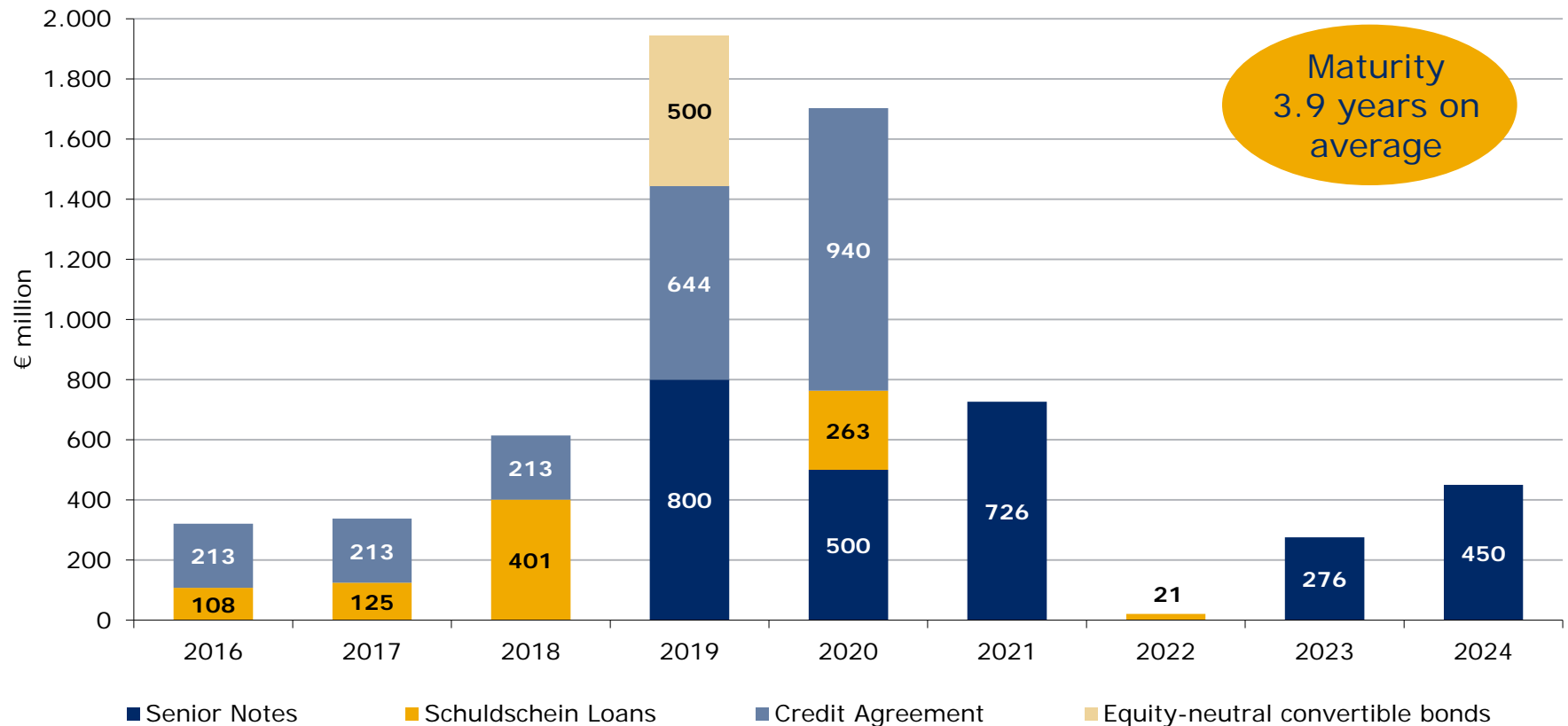
4 - Exchange rate as of December 31, 2015, except for market capitalization which uses exchange rate as of January 29, 2016

# Fresenius Group: Debt Maturity Profile<sup>1</sup> – December 31, 2015



1 – Based on utilization of major financing instruments

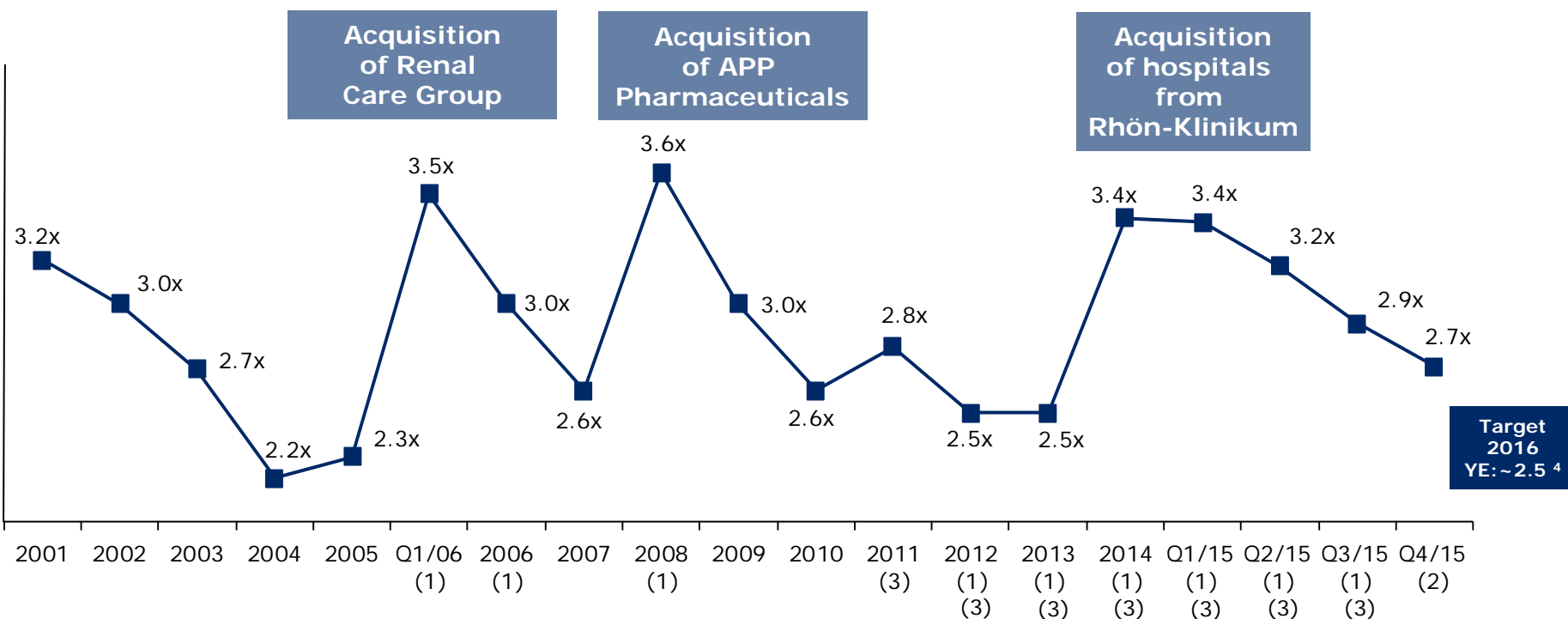
# Fresenius Group excl. FMC: Debt Maturity Profile<sup>1</sup> – December 31, 2015



1 – Based on utilization of major financing instruments

# Fresenius Group: Proven Track Record of Deleveraging

## Net debt/EBITDA



1 – Pro forma acquisitions; before special items

2 – Before special items

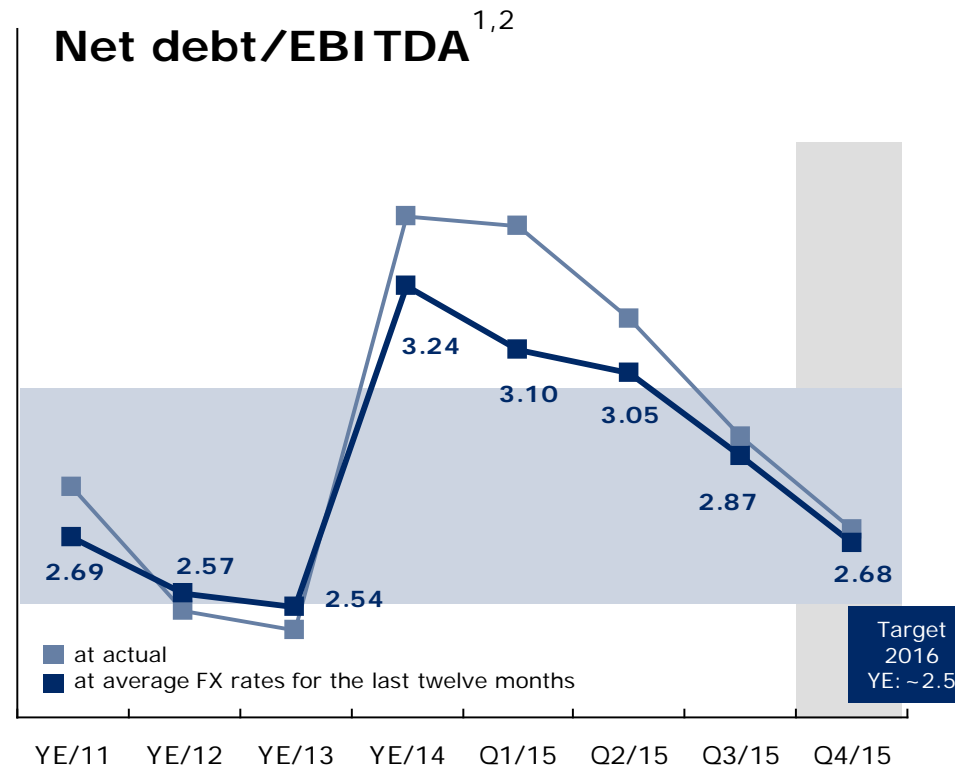
3 – Adjusted due to debt issuance cost restatement (U.S. GAAP standard ASU 2015 – 03)

4 – At average annual FX rates for both net debt and EBITDA; before special items



# Fresenius Group: Debt and Interest Ratios

	Dec 31, 2015	Dec 31, 2014
Debt (€m) thereof 52% \$ denominated	14,769	15,454
Net debt (€m)	13,725	14,279
Net debt/EBITDA <sup>1,2,3</sup>	2.68	3.24 <sup>4</sup>
EBITDA/Interest <sup>3</sup>	8.4	6.8



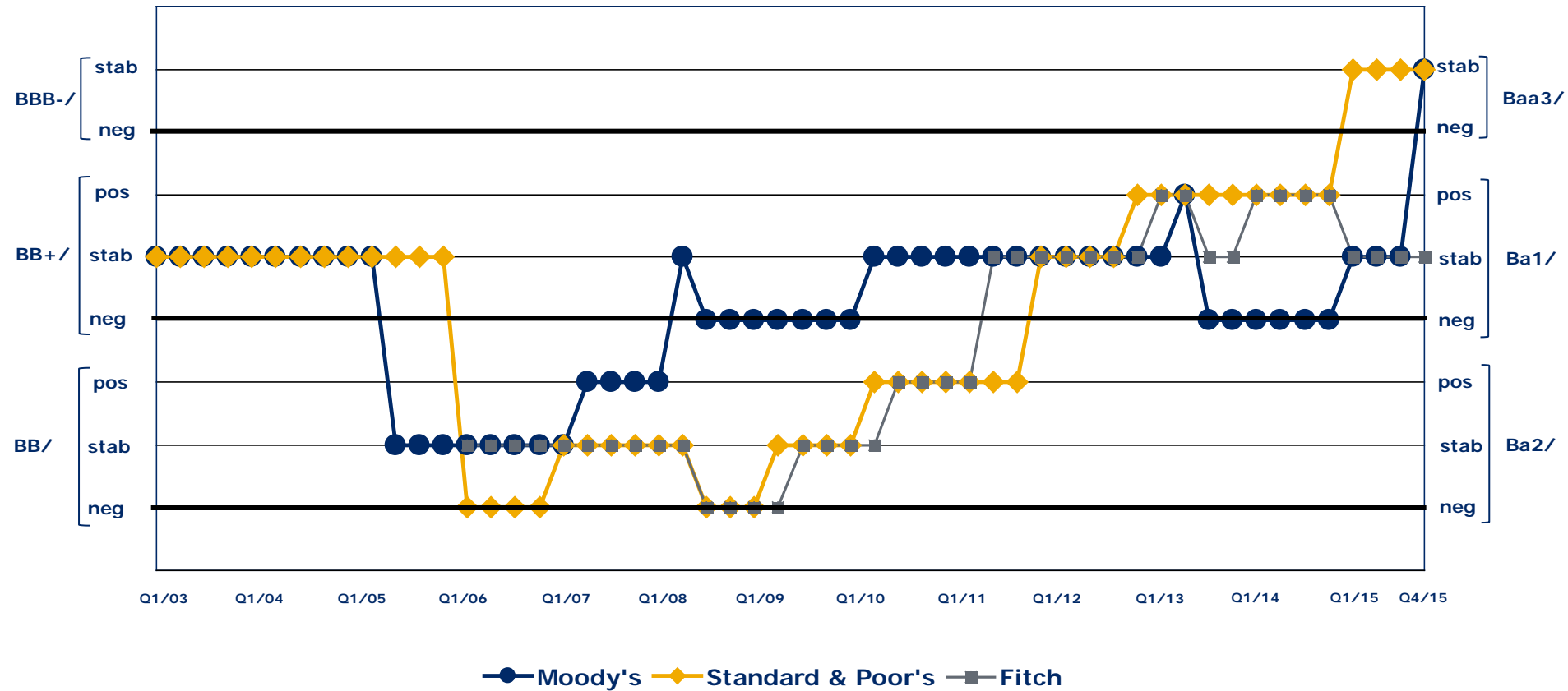
1 – At average annual FX rates for both net debt and EBITDA

2 – Adjusted due to debt issuance cost restatement (U.S. GAAP standard ASU 2015-03)

3 – Before special items

4 – Proforma including acquired Rhön hospitals and FME acquisitions, excluding two Helios hospitals

# Fresenius SE & Co. KGaA: Rating Development over Time





# A Leading Global Healthcare Group

