

A Leading Global Health Care Group



Barclays – High Yield and Leveraged Finance Conference
September 19, 2016 – London

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

1 Company Overview

2 Business Segments

- Fresenius Medical Care
- Fresenius Kabi
- Fresenius Vamed
- Fresenius Helios

3 Acquisition of Quirónsalud

4 Financial Overview

5 Financing Facilities and Debt Structure

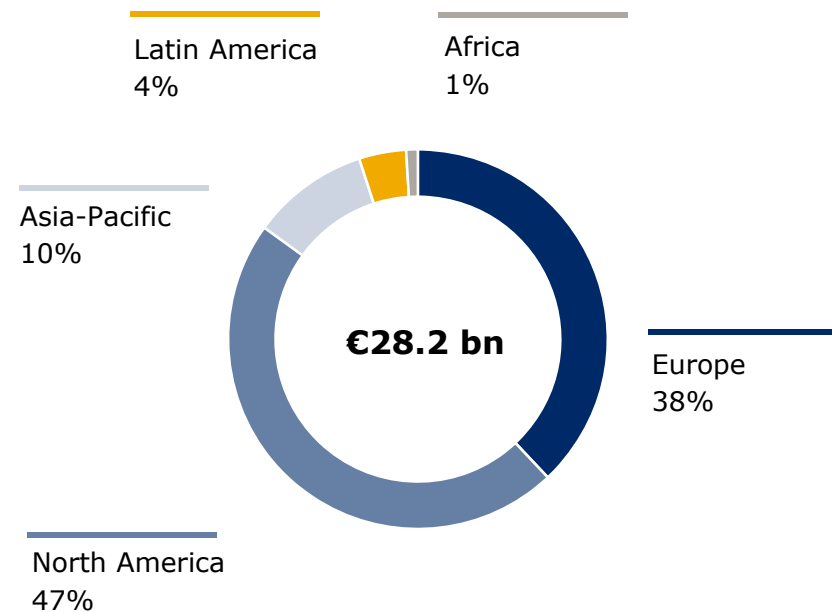
6 Summary and Outlook

Company Overview



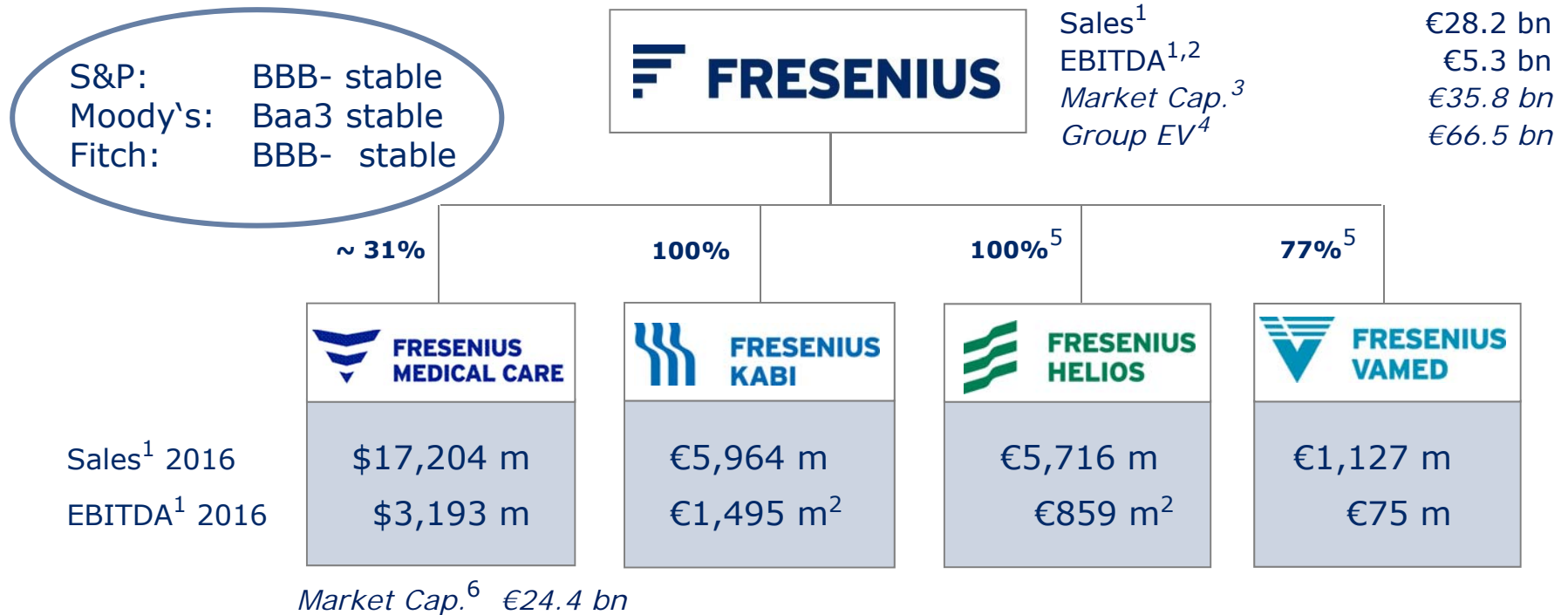
Fresenius Group: A Global Leader in Health Care Products and Services

- Sales €28.2 bn, net income¹ €2.5 bn in LTM June 30, 2016
- Strong and well-diversified portfolio
- Leading market positions
- Global presence
- Long-term opportunities in growing, non-cyclical markets



1 – Net income incl. attributable to non-controlling interest, 2015 before special items

Fresenius Group: Strong and Balanced Health Care Portfolio



1 – LTM June 30, 2016

2 – 2015 before special items

3 – Based on market capitalization of FSE as of August 31, 2016

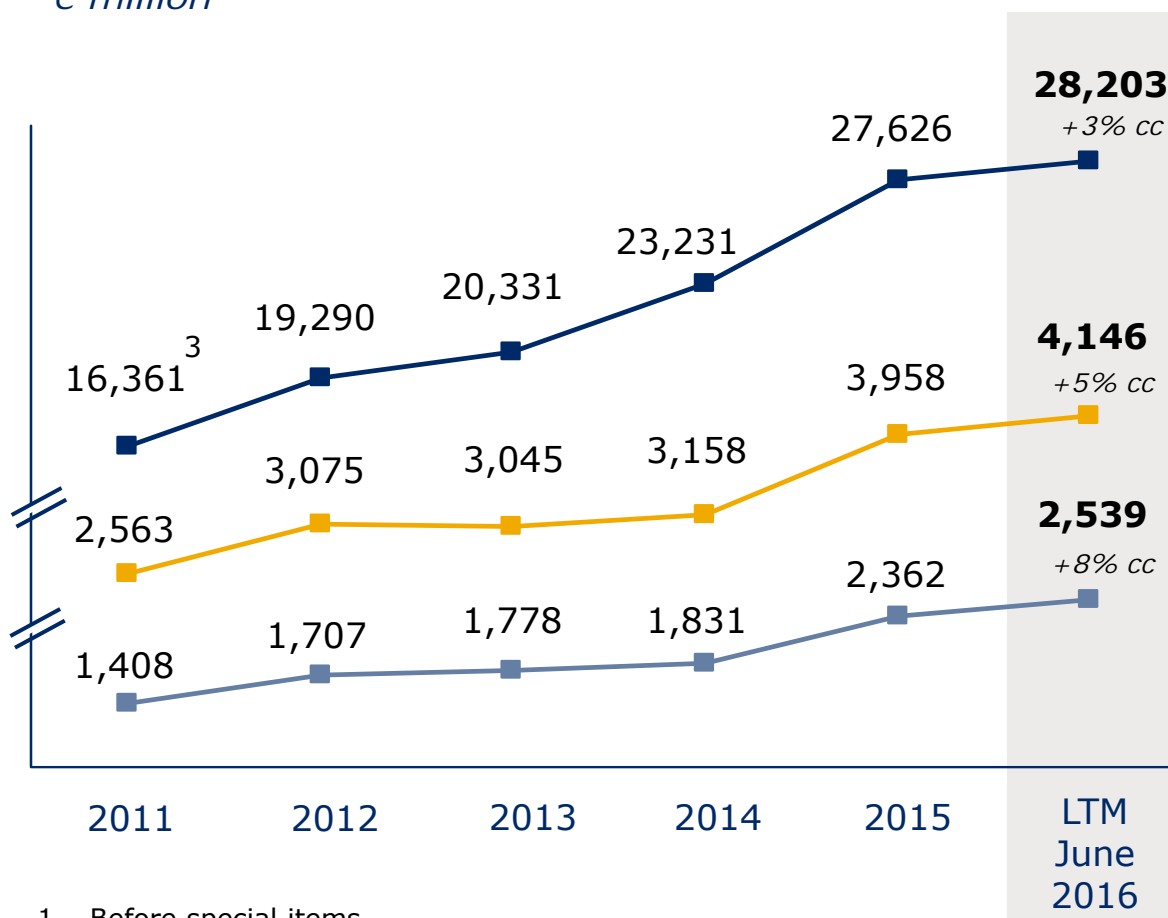
4 – Based on consolidated market capitalization of FSE and FME as of August 31, 2016 and consolidated net debt as of June 30, 2016

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

6 – Based on market capitalization of FME as of August 31, 2016

Fresenius Group: Financial Results

€ million



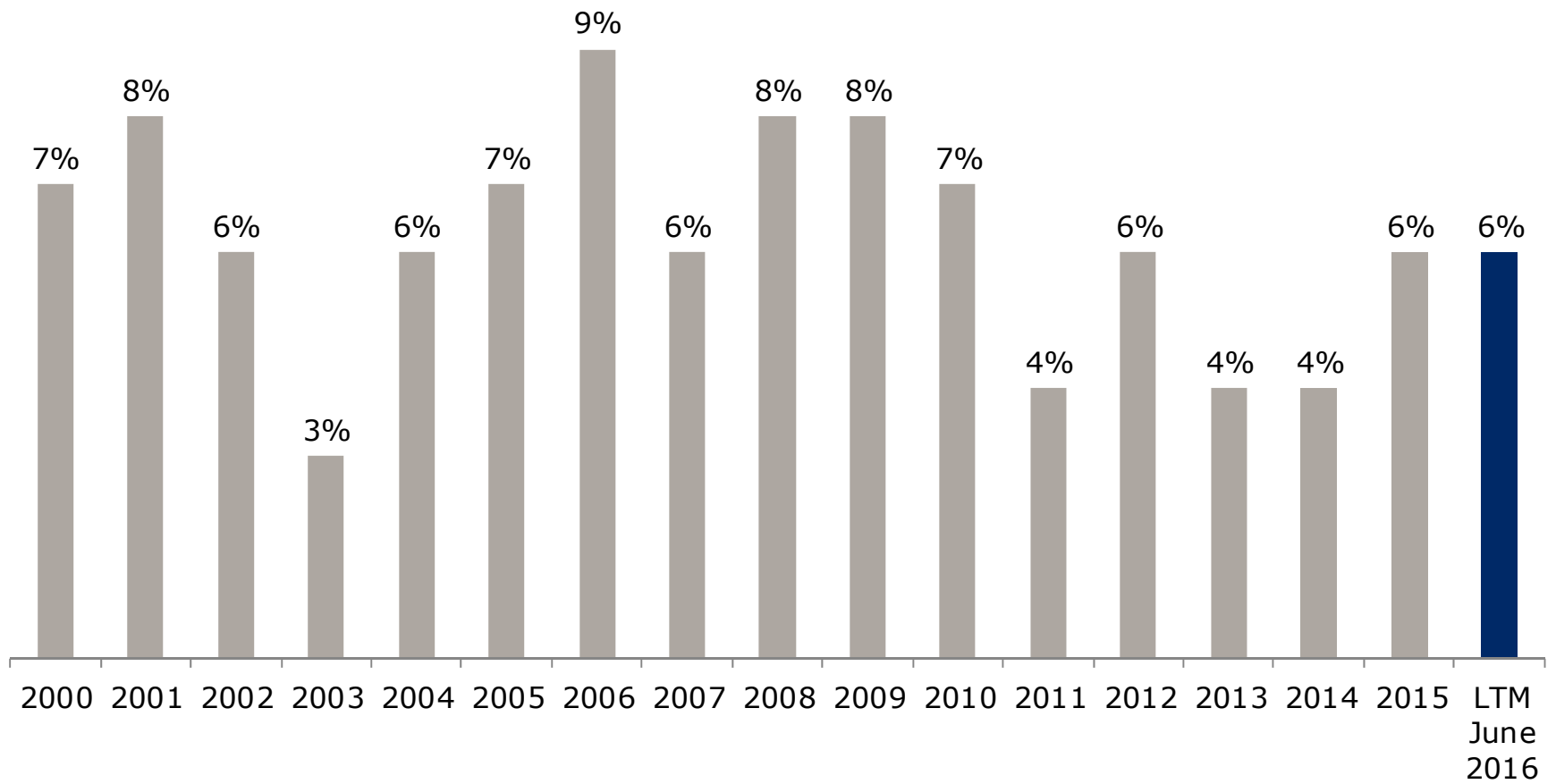
	<u>5yr CAGR</u>
Sales	12%
EBIT¹	10%
Net Income^{1,2}	13%

1 - Before special items

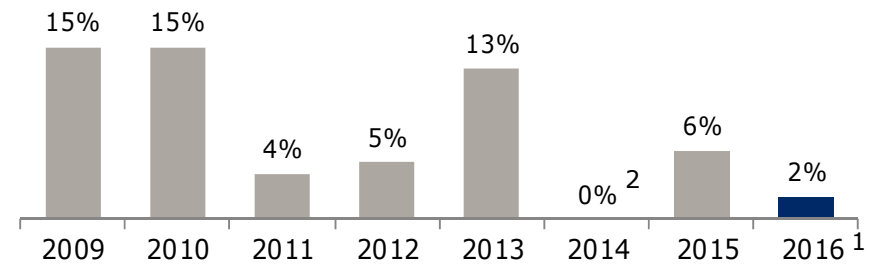
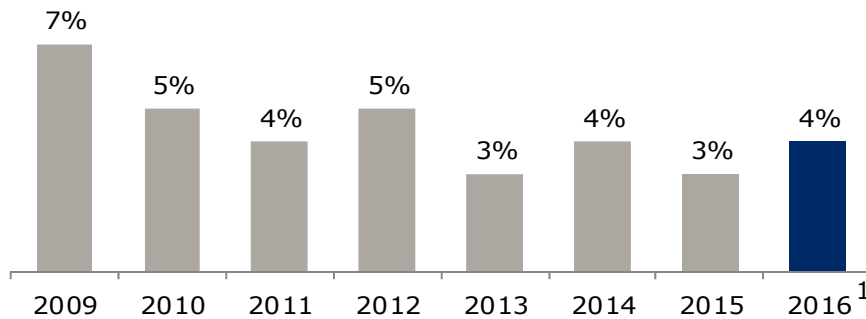
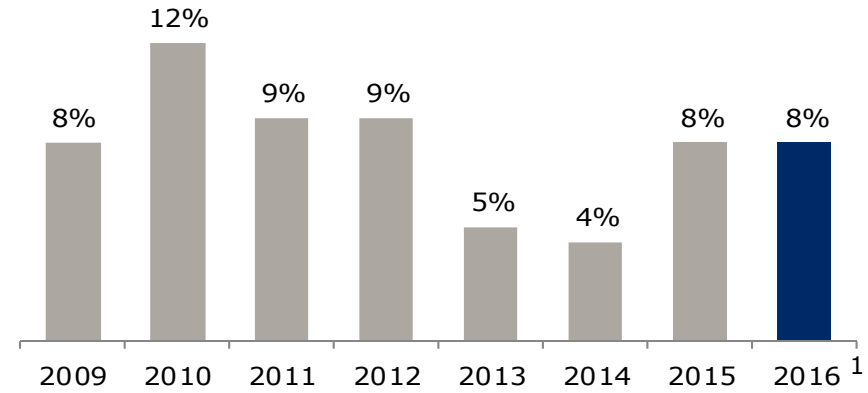
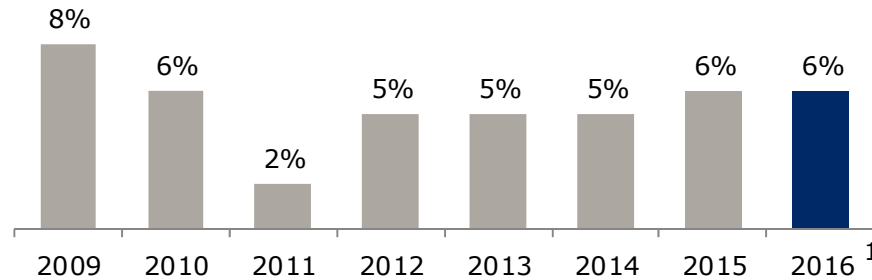
2 - Incl. attributable to non-controlling interest

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: Sustainable Organic Sales Growth



Fresenius Group: Sustainable Organic Sales Growth in all Business Segments



1 - LTM June 30, 2016

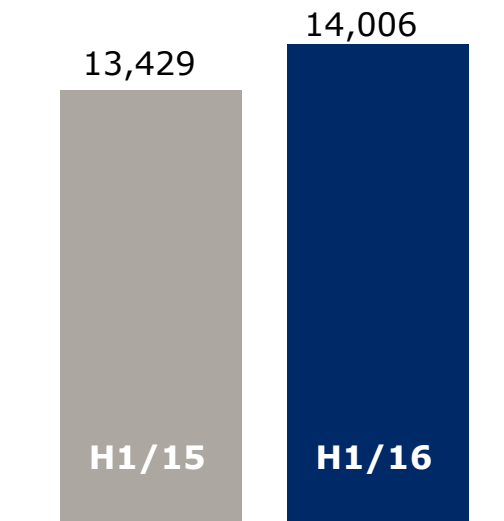
2 - Due to project delays in Russia and Ukraine

Fresenius Group: Key Financials H1/2016

€ million

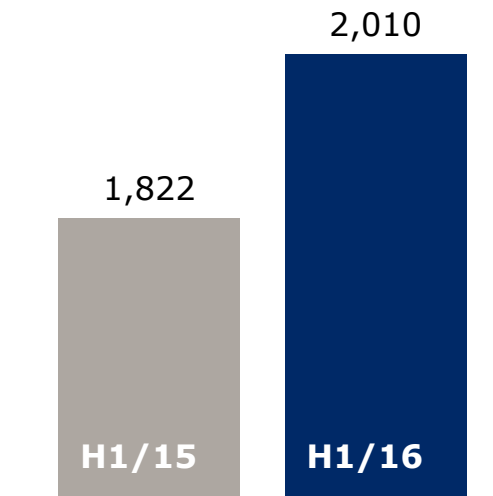
Sales

+4% (+6% cc)



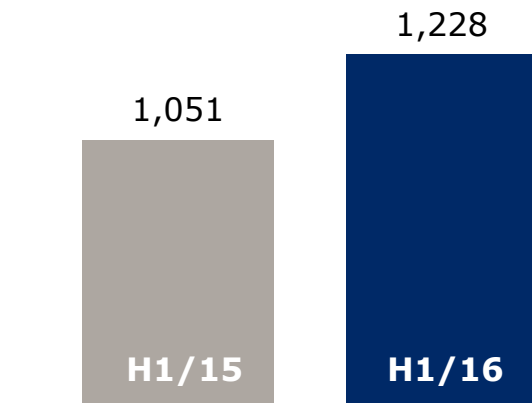
EBIT ¹

+10% (+11% cc)



Net Income ²

17% (+17% cc)



1 – 2015 before special items

2 – Incl. attributable to non-controlling interest, 2015 before special items

Business Segments

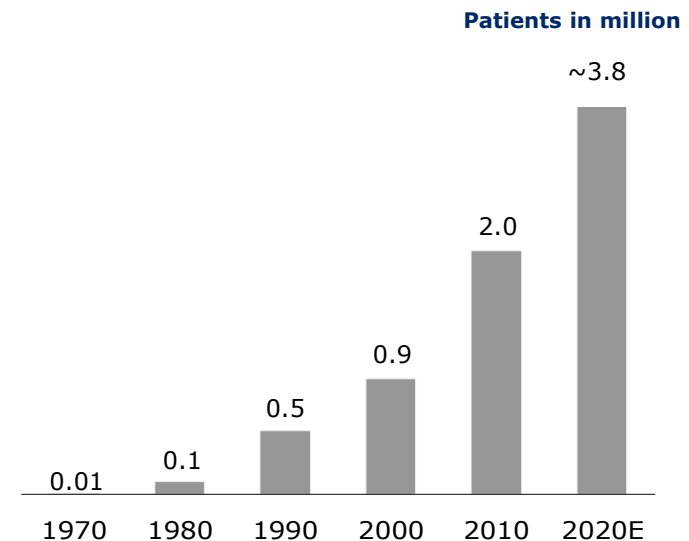


Fresenius Medical Care: Global Market Leader in Dialysis

- World leader in dialysis products and services treating 301,548 patients in 3,504 clinics worldwide ¹
- 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
 - Patient growth driven by age, life style and mortality reduction
 - Growth opportunities in emerging markets

Industry Dynamics






~6% global patient growth p.a.
~3.8 million patients by 2020 expected








1 – As of June 30, 2016

Fresenius Medical Care: Market Leader in All Regions ¹








North America

Provider	Patients	Countries
 FRESENIUS MEDICAL CARE	186,100	2
 DaVita	185,200	1
 U.S. RENAL CARE	24,000	1
 DCI	15,200	1
 AMERICAN RENAL	13,800	1






Latin America

Provider	Patients	Countries
 FRESENIUS MEDICAL CARE	29,920	7
 Baxter	8,270	3
 DIAVERUM	4,730	3
 DaVita	3,250	1
 B BRAUN	1,530	2

Europe, Middle East, Africa

Provider	Patients	Countries
 FRESENIUS MEDICAL CARE	58,500	26
 DIAVERUM	24,200	15
 KFH	18,700	1
 B BRAUN	18,300	22
 PHV-Der Dialysepartner	7,000	1
 DaVita	4,290	4
 Baxter	2,290	3

Asia Pacific

Provider	Patients	Countries
 FRESENIUS MEDICAL CARE	27,000	12
 B BRAUN	5,300	6
Showai-Kai	5,150	5
 Tokushukai Group Aiming for the society in which anybody	4,030	1
 DaVita	3,300	5
 DIAVERUM	550	2

1 – Company data and internal estimates, as of June 30, 2015

Fresenius Medical Care: Key Figures H1/2016

<i>\$ million</i>	H1/2016	H1/2015	Growth
Total Sales	8,626	8,159	+6% ¹
EBITDA <i>margin</i>	1,557 18.1%	1,408 17.3%	+11%
EBIT <i>margin</i>	1,181 13.7%	1,051 12.9%	+12%
Interest, net	-208	-204	-2%
EBT	973	847	+15%
Taxes	-306	-273	-12%
Non-controlling interest	-145	-124	-17%
Net Income ²	522	450	+16%

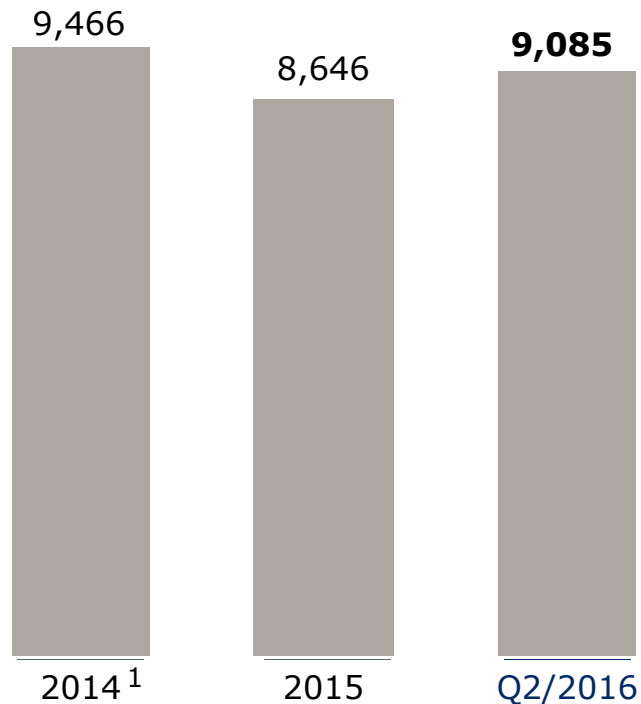
1 – 7% organic growth, 1% acquisitions, 0% divestitures, -2% currency effects

2 – Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

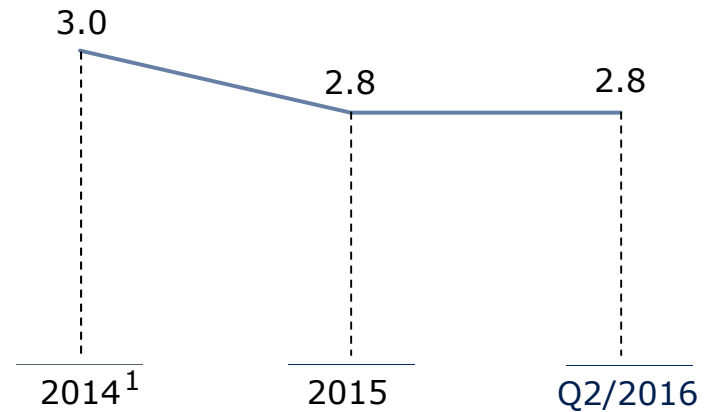
Fresenius Medical Care: Leverage Ratio and Ratings

Total debt

\$ million



Total Debt/EBITDA



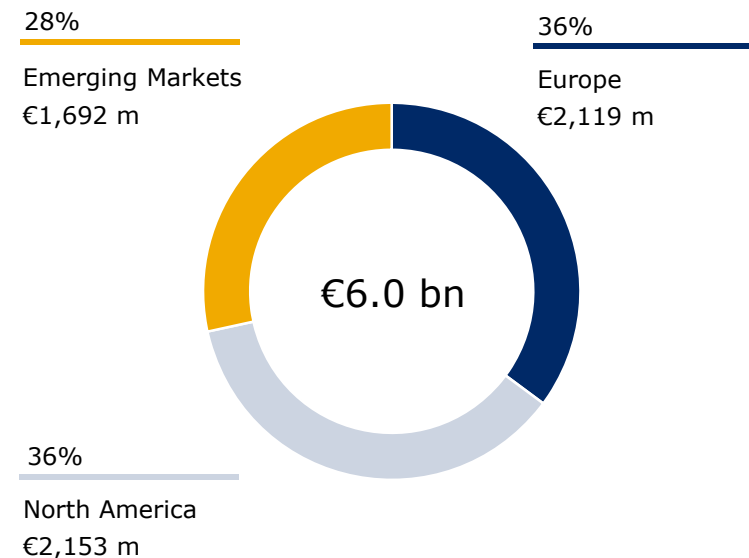
	Current Ratings	S&P	Moody's	Fitch
Company		BBB-	Ba1	BBB-
Outlook		stable	stable	stable

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

Fresenius Kabi: A Worldwide Leading Hospital Supplier

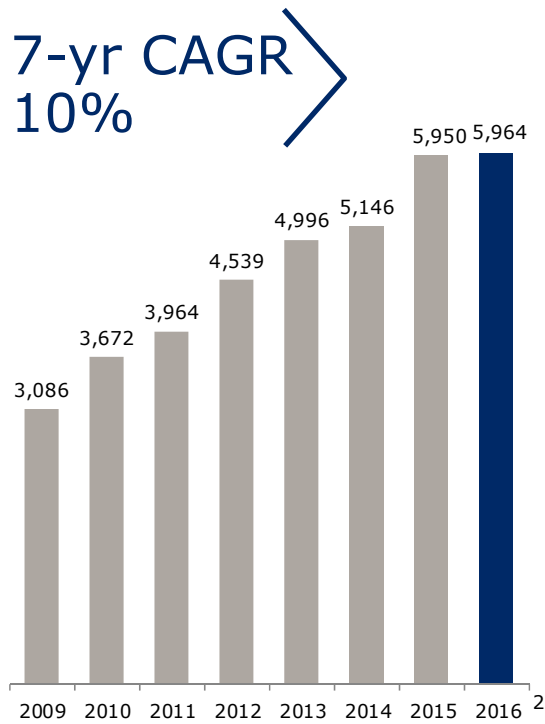
- Comprehensive product portfolio for critically and chronically ill patients:
 - Generic I.V. Drugs
 - Clinical Nutrition
 - Infusion Therapy
 - Medical Devices / Transfusion Technology
- Global addressable market: >€33 bn
- Leading market positions
- Focus on organic growth driven by geographic product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

LTM June 30, 2016 Sales by Region

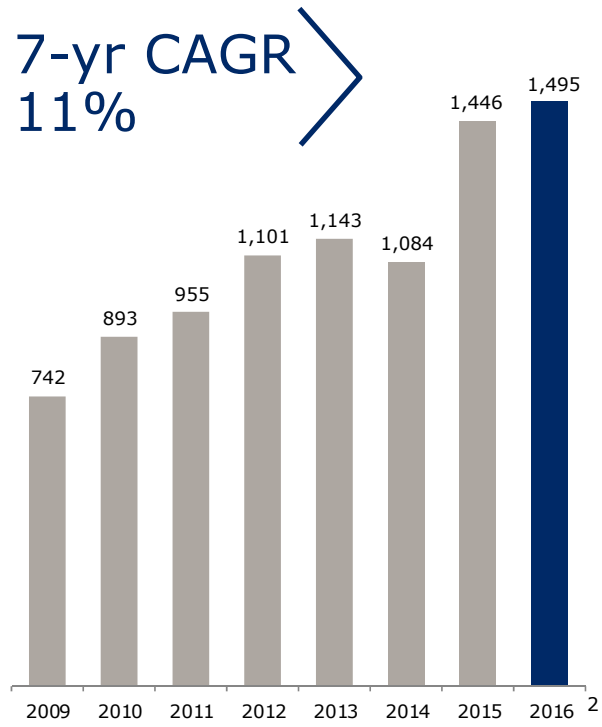


Fresenius Kabi: Strong Growth Track Record & High Profitability

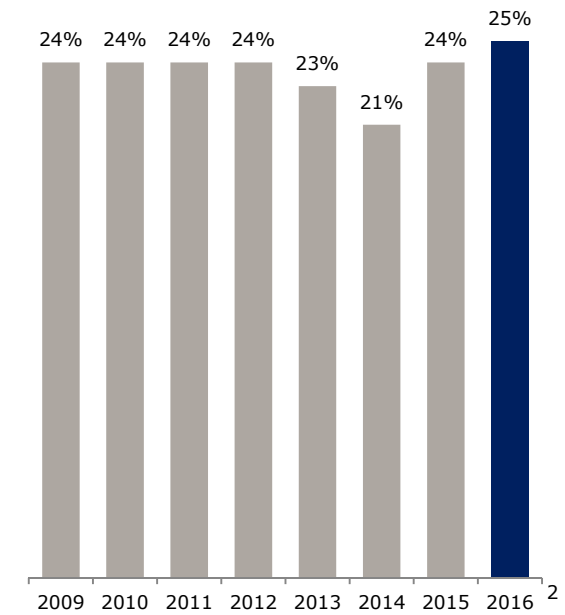
Sales in € m



EBITDA¹ in € m



EBITDA¹ Margin



1 – Before special items

2 – LTM June 30, 2016

Fresenius Kabi: Key Figures H1/2016

<i>€ million</i>	H1/2016	H1/2015	Growth
Sales	2,946	2,932	0% ¹
- I.V. Drugs	1,251	1,191	+5%
- Clinical Nutrition	770	772	0%
- Infusion Therapy	419	468	-10%
- Medical Devices/ Transfusion Technology	506	501	1%
EBITDA ² <i>margin</i>	740 25.1%	691 23.6%	+7%
EBIT ² <i>margin</i>	616 20.9%	571 19.5%	+8%
Net Income ³	359	309	+16%

1 – 6% organic growth, 0% acquisitions, -2% divestitures, -4% currency effects

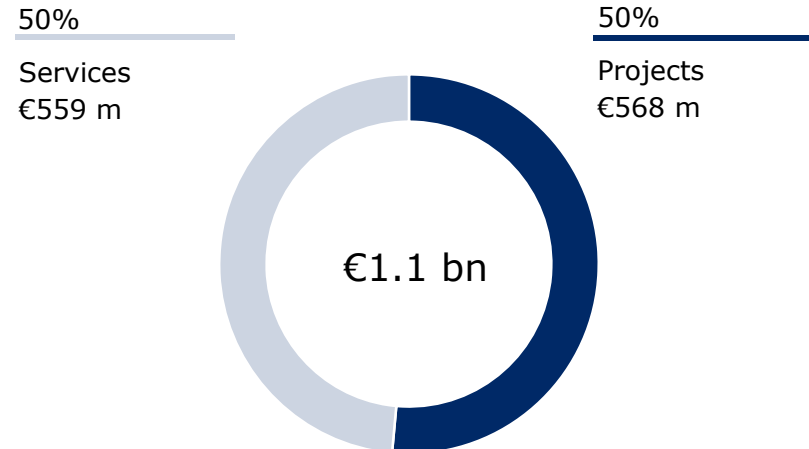
2 – 2015 before special items

3 – Net income attributable to shareholders of Fresenius Kabi AG, 2015 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

LTM June 30, 2016 Sales by Business



Fresenius Helios: Leading Hospital Operator in Germany

- German Acute Care Hospital Market:
~€91 bn¹, 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

Largest Network with 112 Hospitals²

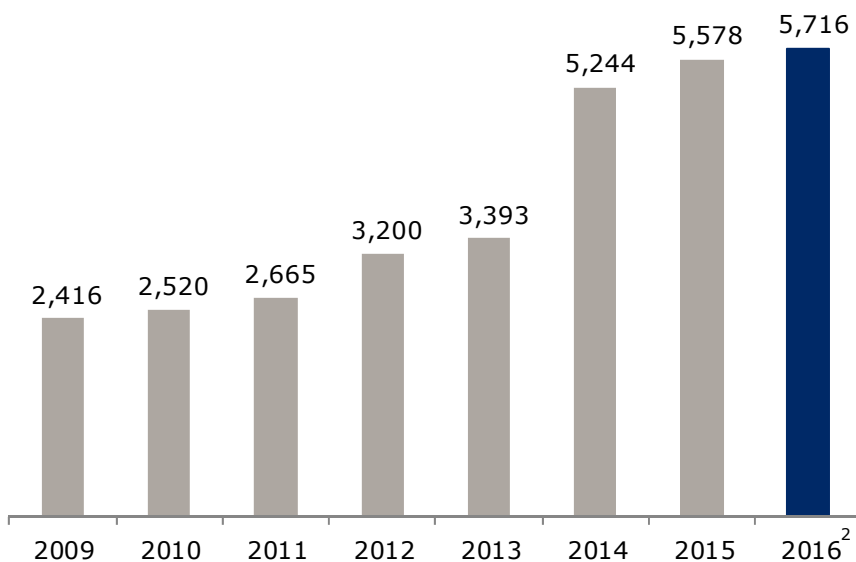


1 – German Federal Statistical Office 2015; total costs, gross of the German hospitals less academic research and teaching
2 – As of June 30, 2016

Fresenius Helios: Strong Growth Track Record & High Profitability

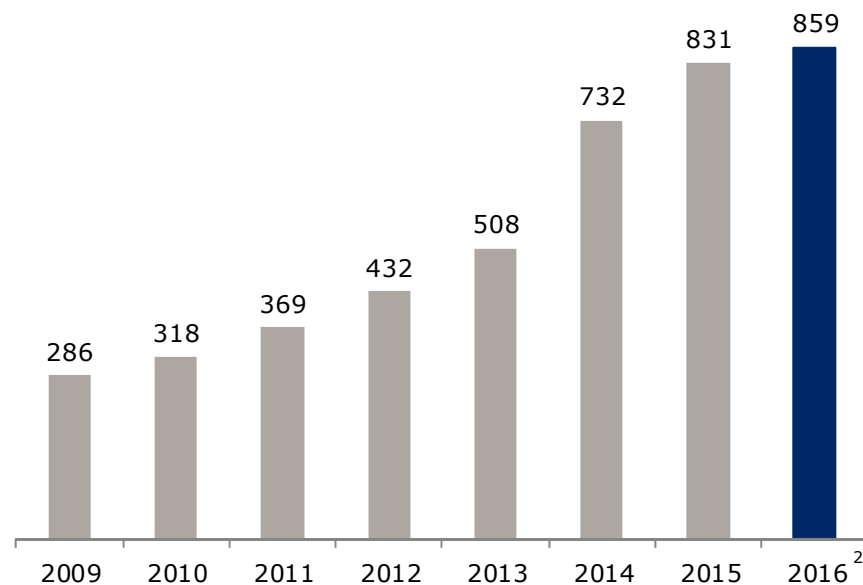
Sales in € m

7-yr CAGR
13%



EBITDA¹ in € m

7-yr CAGR
17%



1 – Before special items

2 – LTM June 30, 2016

Fresenius Helios: Key Figures H1/2016

<i>€ million</i>	H1/2016	H1/2015	Growth
Total Sales	2,912	2,774	+5% ¹
EBITDA ² <i>margin</i>	427 14.7%	399 14.4%	+7%
EBIT ² <i>margin</i>	332 11.4%	307 11.1%	+8%
Net Income ³	262	226	+16%

1 – 4% organic growth, 1% acquisitions, 0% divestitures, 0% currency effects

2 – 2015 before special items

3 – Net income attributable to shareholders of HELIOS Kliniken GmbH, 2015 before special items

Acquisition of Quirónsalud



Transaction Highlights



Market leader in size and quality with **excellent growth prospects**



Strong management team with **proven track record** and **ongoing commitment** to Fresenius



Combination forms powerful platform for **knowledge & best practice transfer**



Substantial **cost and growth synergies**



Highly accretive from 2017 – leverage back to current levels after 1.5 years



New mid-term targets for **Fresenius Group** as part of its FY 2016 reporting



Excellent Reputation in the Spanish Hospital Market

Market leader

Quality leader

Nationwide footprint

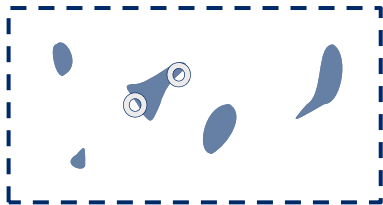


Economies of scale

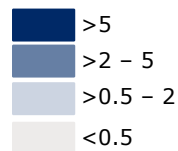
Strong revenue growth potential

Payor diversity / strong revenue base

Hospital Network With Clear Focus on Large Metropolitan Areas



Population per region (in m)



43 hospitals,
39 outpatient centers
~300 ORP centers



~€2.5bn Sales (2016e)



€460 - 480m EBITDA
(2016e)



6,600 beds and
35,000 staff



9.4m outpatient
admissions p.a.



320,000 inpatient
admissions p.a.

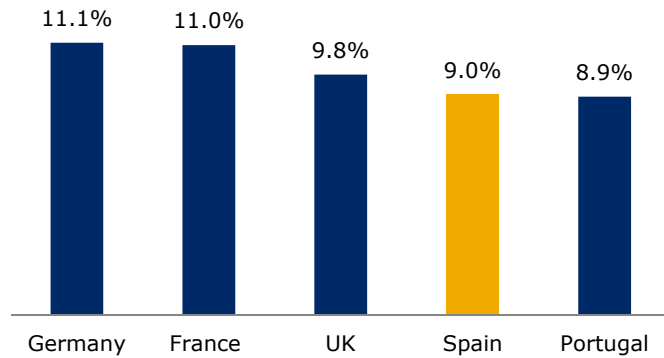


Spanish Health Care Market – Key Facts



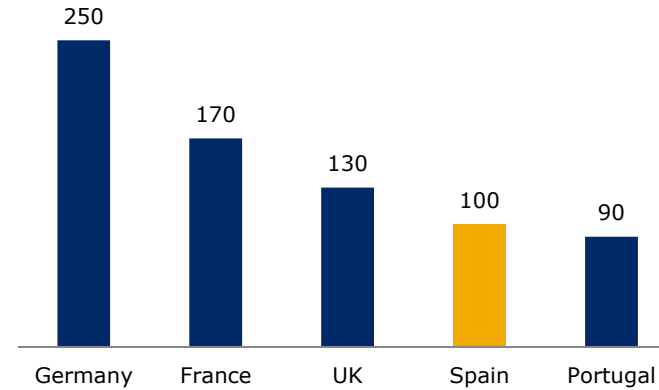
Total health care expenditure

(% of GDP)



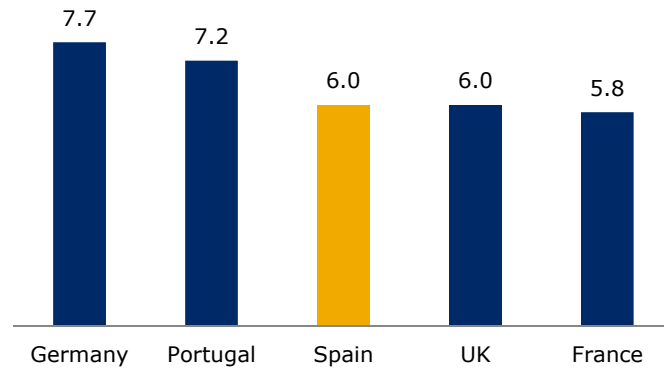
Hospital discharges

(per 1,000 inhabitants)



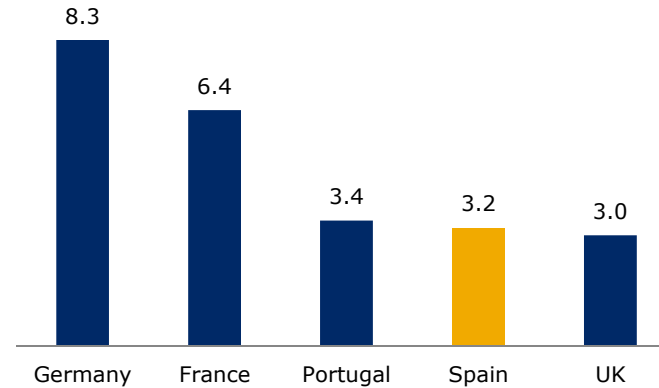
Average length of stay

(days)





Hospital beds

(per 1,000 inhabitants)



Source: OECD

Private Health Care System in Spain

		
NHS	Public insurance tax-funded	Public insurance funded by social security contributions
HIC	Private full coverage insurance additional to public insurance	Private full coverage insurance instead of public insurance Complement-ary private insurance
ACCESS	Available for everyone	Employees with annual salary > ~€56,000 civil servants, self employed
DURATION	Short-term contracts (1y), facilitate termination and switch	Switch from private to other private or public insurance complicated
QUANTITY	9.4 million insurance holders ~20% of total population*	8.8 million insurance holders ~11% of total population
PREMIUM Ø	€70 per month	€240 per month

NHS = National Health Care System; HIC = Health Insurance Companies

* Expectation: mid-term CAGR +1.5%

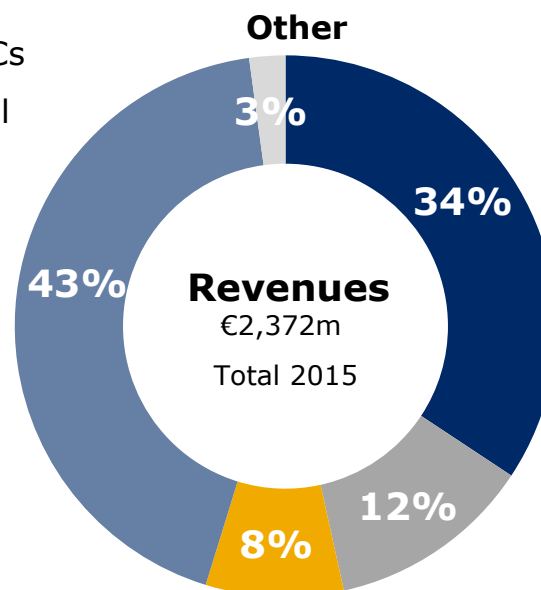
Broad Revenue Base of Quirónsalud Driven by Diversified Payor and Patient Split

Private - HIC

- **Agreements with all** relevant HICs
- **Full reimbursement** of all medical services

Self pay

- **Treatments not covered by HIC/NHS** (e.g. plastic surgery, dental and drugs)
- **Medical tourism**



Public – NHS (PPPs)

- **5 long-term concession hospitals** (4 in Madrid and 1 in Barcelona)
- **Remuneration per capita** within assigned coverage area, **additional remuneration** for “free-choice” patients

Occupational Risk Prevention

- **Only private hospital provider with ORP services** in Spain
~300 centers:
>4m employees contracted;
>1.7m check-ups p.a.
- **Cross-selling opportunities**

HIC = Health Insurance Companies; NHS = National Health Care System

Structural Growth Drivers

Health care expenditure per capita in Spain below EU average

Close dovetailing of inpatient and outpatient care

Public – NHS (PPPs)

Expansion of existing facilities

Greenfield projects

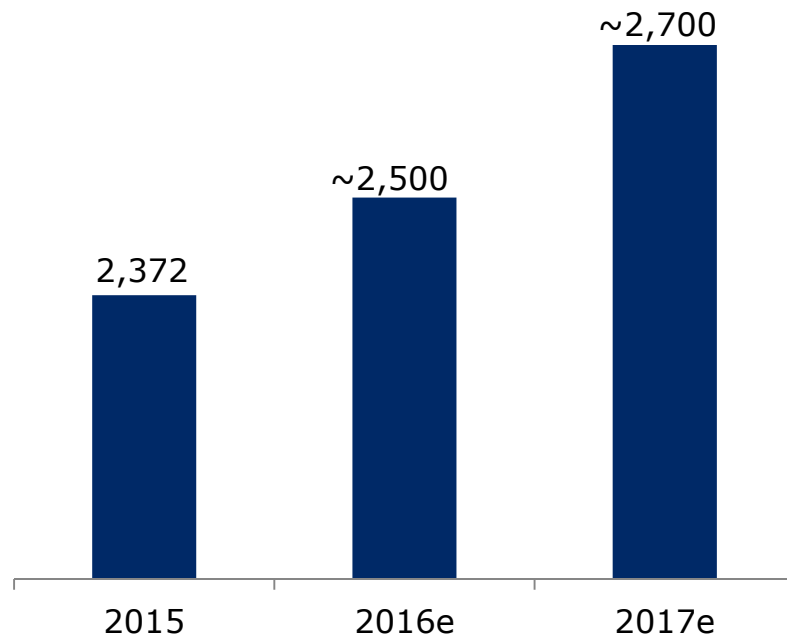
Acquisition of private hospitals



Financial Outlook

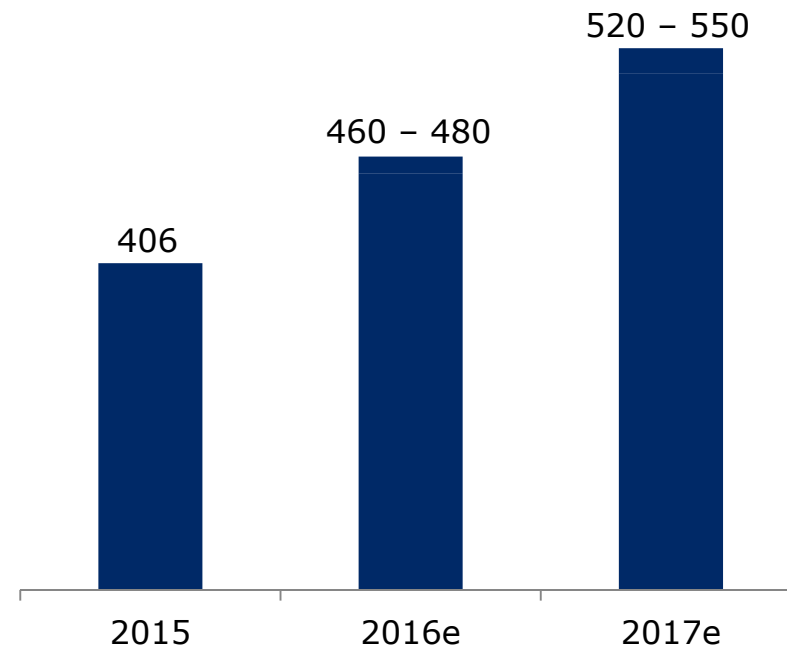
Sales

€m



EBITDA

€m



Financially Sound Acquisition (I)

Depreciation	<ul style="list-style-type: none">• ~4% of sales in FY16; good proxy for following years
Amortization	<ul style="list-style-type: none">• Initially ~€150m¹ p.a.
Cost of Debt	<ul style="list-style-type: none">• ~2.0%
Tax rate	<ul style="list-style-type: none">• 25%
EAT bef. amortization	<ul style="list-style-type: none">• 2017e >€200m
CAPEX	<ul style="list-style-type: none">• ~4% of sales in FY16; good proxy for following years

1 – preliminary, before final
PPA

Financially Sound Acquisition (II)

Total consideration	<ul style="list-style-type: none">• €5.76bn (on a cash and debt-free basis)• Approx. 10.8x¹ EBITDA 2017e
Financing	<ul style="list-style-type: none">• Issuance of ~6.1m shares valued at €400m to Victor Madera• Balance of the purchase price debt-financed
Net debt/EBITDA	<ul style="list-style-type: none">• 2016 pro forma ~3.1x• 2017e back within 2.5 – 3.0x range

1 – based on mid-point of projected 2017 EBITDA range of €520 – €550m

Financial Overview



Fresenius Group: Key Figures H1/2016







<i>€ million</i>	H1/2016	H1/2015	Change actual rates	Change constant rates
Sales	14,006	13,429	+4% ¹	+6%
EBITDA ²	2,576	2,364	+9%	10%
EBIT ²	2,010	1,822	+10%	11%
Interest, net	-291	-330	+12%	+11%
EBT ²	1,719	1,492	+15%	+16%
Taxes ²	-491	-441	-11%	-12%
Net Income ³	1,228	1,051	+17%	+17%
Employees	227,856	220,339		

1 – 6% organic growth, 1% acquisitions, -1% divestitures, -2% currency effects

2 – 2015 before special items

3 – Net income incl. attributable to non-controlling interest, 2015 before special items

Fresenius Group: Cash Flow Development LTM June 30, 2016

€ million	Operating CF		Capex (net)		Free Cash Flow ¹	
	LTM	LTM Margin	LTM	LTM Margin	LTM	LTM Margin
 FRESENIUS KABI	894	15.0%	-305	-5.1%	589	9.9%
 FRESENIUS HELIOS	617	10.8%	-292	-5.1%	325	5.7% ³
 FRESENIUS VAMED	98	8.7%	-8	-0.7%	90	8.0%
Corporate/Other	8	n.a.	-11	n.a.	-3	n.a.
 FRESENIUS Excl. FMC	1,617	13.3%²	-616	-4.8%	1,001	8.5%²
 FRESENIUS MEDICAL CARE	1,789	11.5%	-921	-5.9%	868	5.6%
 FRESENIUS Group	3,406	12.1%	-1,537	-5.5%	1,869	6.6%

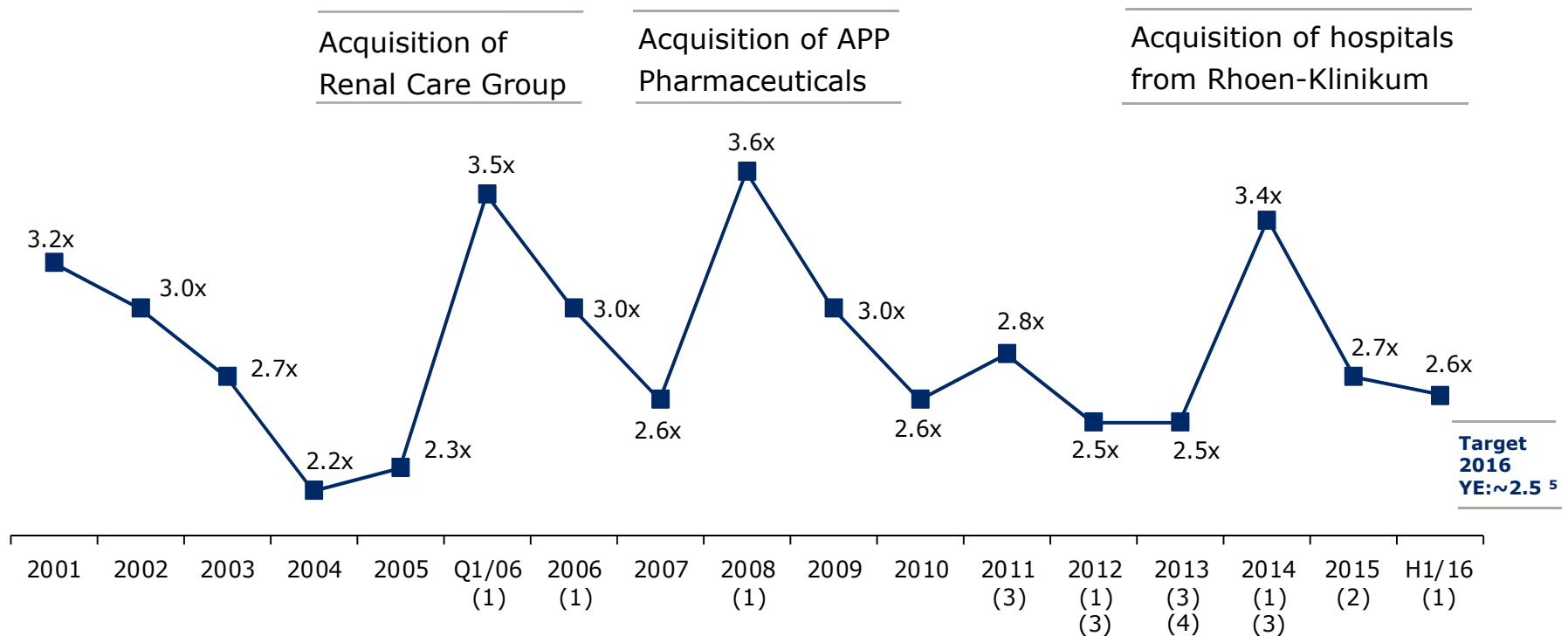
1 – Before acquisitions and dividends

2 – Margin incl. FMC dividend

3 – Understated: 6.6% excluding €55 million of capex commitments from acquisitions

Fresenius Group: Proven Track Record of Deleveraging

Net Debt/EBITDA



1 – Pro forma acquisitions, before special items

2 – Before special items

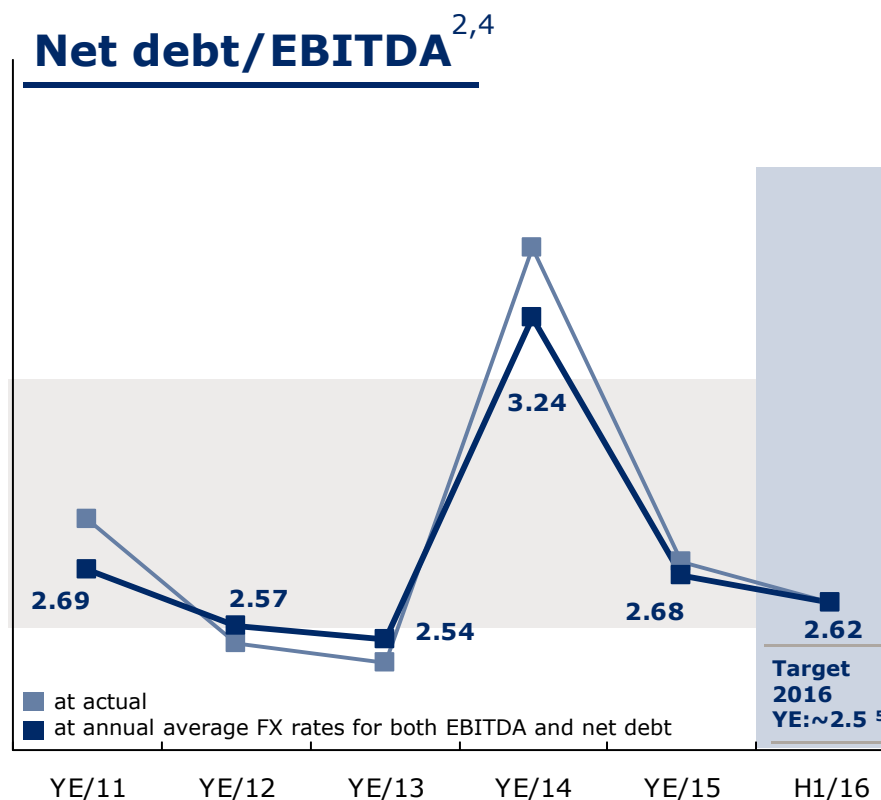
3 – Adjusted due to debt issuance cost restatement (U.S. GAAP standard ASU 2015 – 03)

4 – Pro forma excluding advances made for the acquisition of hospitals from Rhoen-Klinikum AG, before special items

5 – At annual average FX rates for both EBITDA and net debt, excluding potential acquisitions

Fresenius Group: Debt and Interest Ratios

	June 30, 2016	Dec 31, 2015
Debt (€m)	14,960	14,769
thereof 48% \$ denominated		
Net debt (€m)	13,862	13,725
Net debt/EBITDA ^{1,2}	2.62	2.68
EBITDA/Interest ³	8.9	8.3



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

2 – Pro forma acquisitions; before special items

3 – Pro special items

4 – 2011 – 2014 adjusted due to debt issuance cost restatement (U.S. GAAP standard ASU 2015-03)

5 – At annual average FX rates for both EBITDA and net debt, without large unannounced acquisitions

Fresenius Group: Capitalization – June 30, 2016

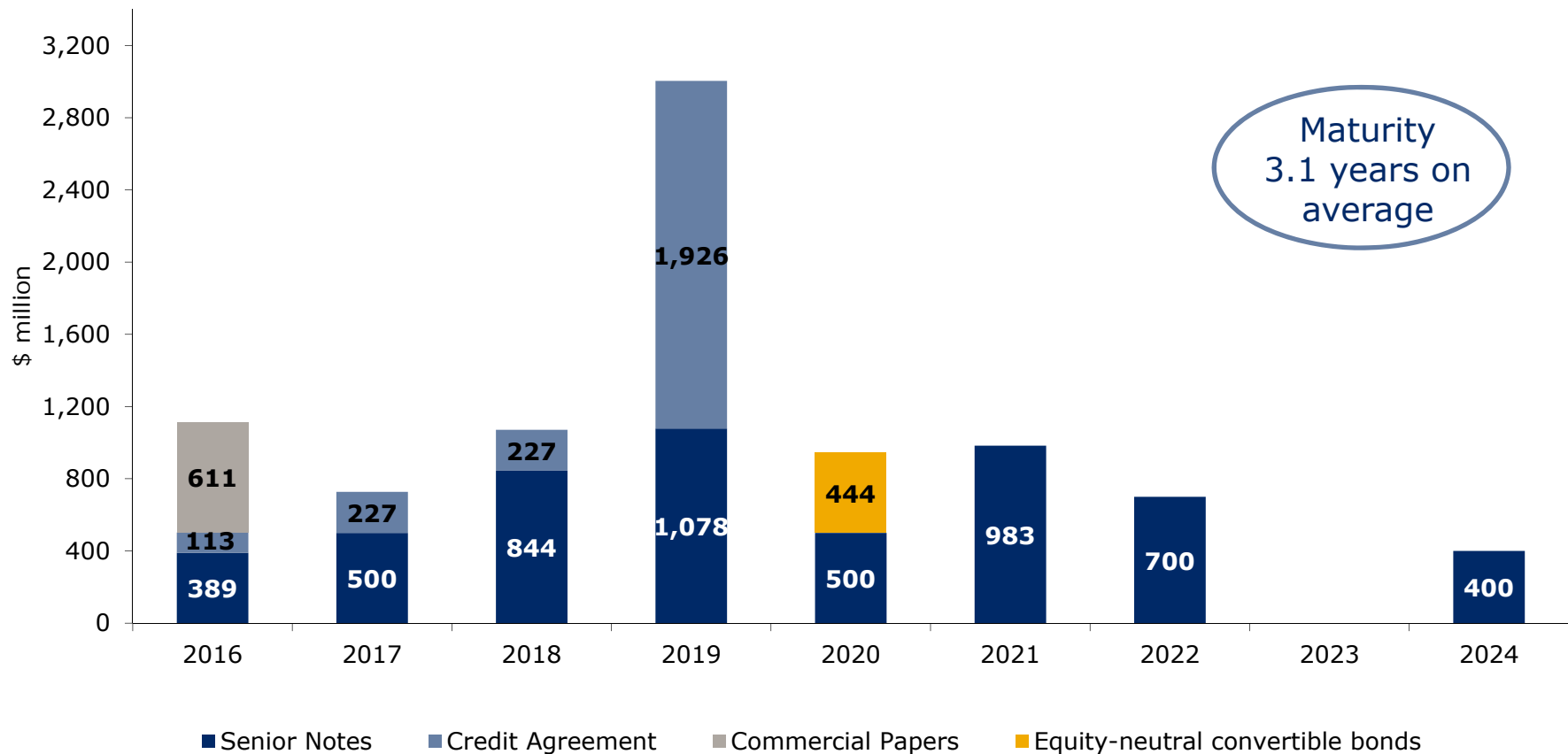
	in € million	in \$ million ³	% of total cap	EBITDA LTM x
FSE 2013 Credit Agreement: Revolver (€, US-\$)	0	0	0.0%	
FSE 2013 Credit Agreement: Term Loan A (€, US-\$)	1,657	1,840	2.5%	
Senior Notes (€, US-\$)	2,738	3,040	4.1%	
Convertible Bonds	473	525	0.7%	
Schuldschein Loans	1,169	1,298	1.8%	
Commercial Paper	190	211	0.3%	
Other debt less total debt issuance costs, gross	574	637	0.9%	
Total Debt (FSE excl. FMC), gross	6,801	7,551	10.2%	
Cash (excl. FMC)	459	510	0.7%	
Total debt (FSE excl. FMC), net	6,342	7,041	9.5%	
Total FMC debt, net	7,532	8,362	11.3%	
Consolidation Adjustments	(12)	(13)		
Total consolidated debt, net	13,862	15,390	20.8%	2.6x²
Market capitalization ¹	52,639	58,598	79.2%	10.0x
Total capitalization	66,501	73,988	100.0%	12.6x
FSE Group EBITDA²				5,295

1 – Based on market capitalization for FSE and FMC as of August 31, 2016

2 – 2015 before special items; pro forma acquisitions

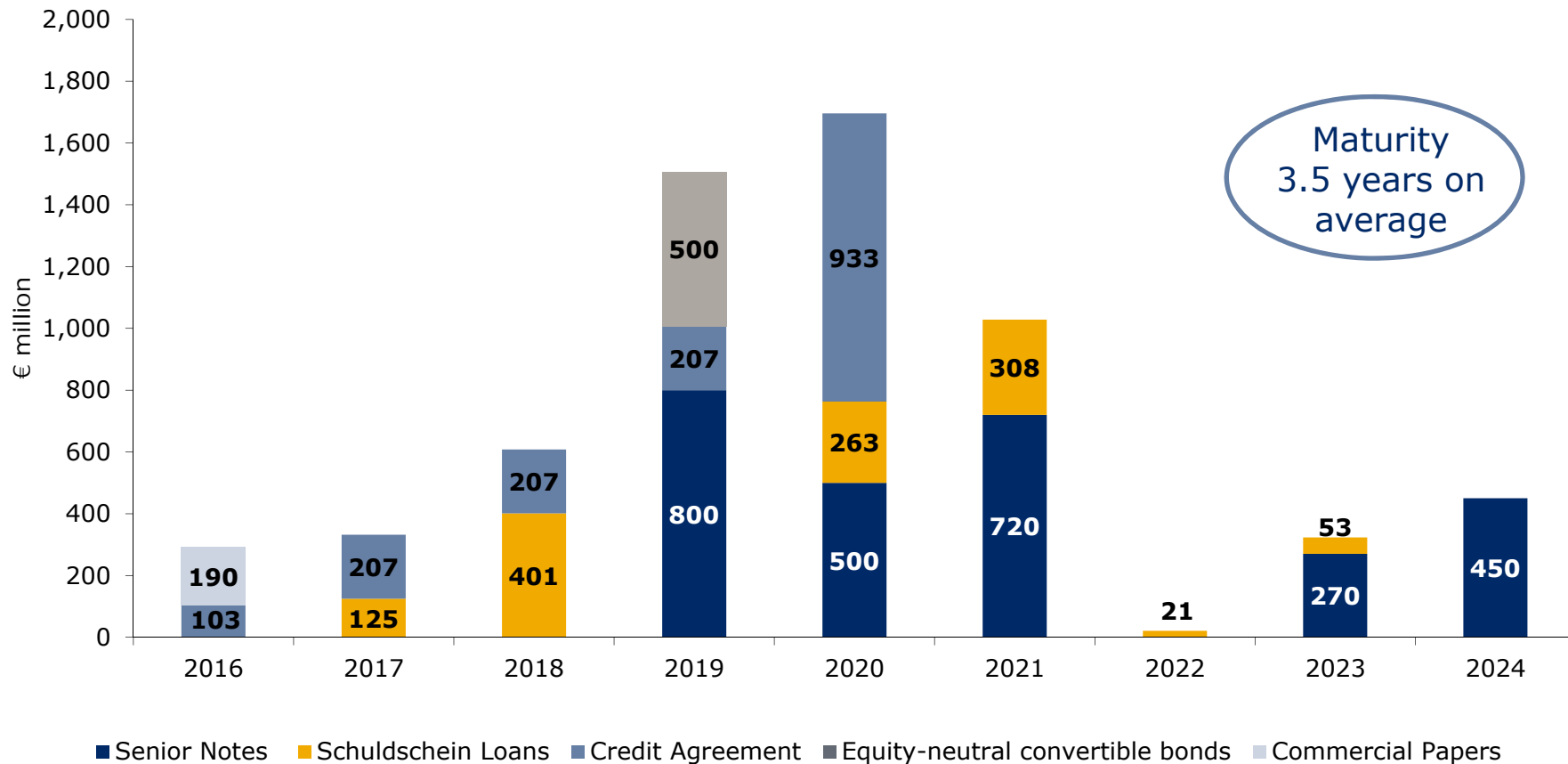
3 – Exchange rate as of as of June 30, 2016, except for market capitalization which uses exchange rate as of as of August 31, 2016

Fresenius Medical Care: Debt Maturity Profile¹ - June 30, 2016



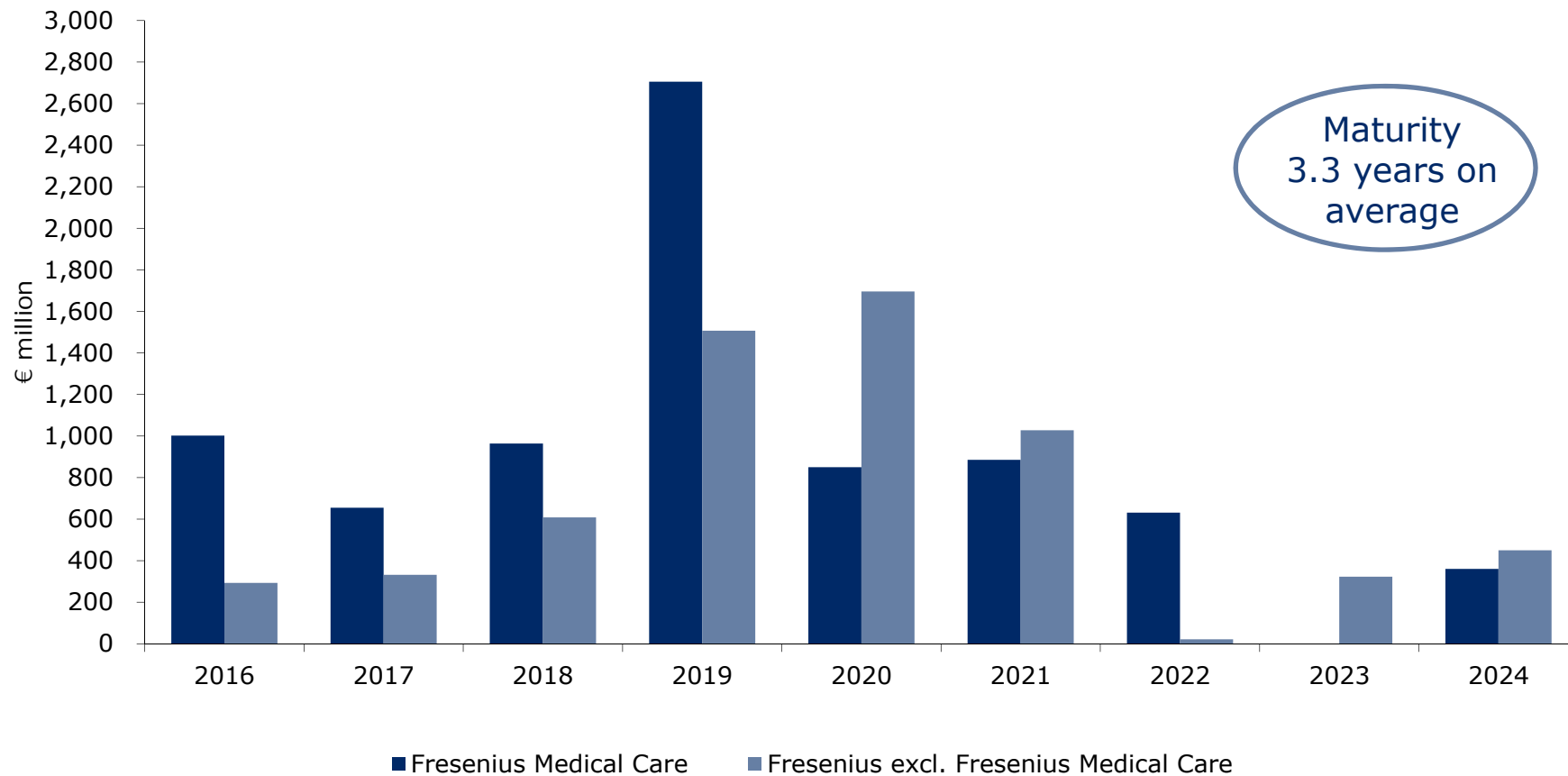
1 – Based on utilization of major financing instruments

Fresenius Group ex. Fresenius Medical Care: Debt Maturity Profile¹ - June 30, 2016



1 – Based on utilization of major financing instruments

Fresenius Group: Debt Maturity Profile¹ - June 30, 2016



1 - Based on utilization of major financing instruments

Summary and Outlook



Fresenius Medical Care: 2016 Financial Outlook



Revenue growth
at constant currency

+7% - 10%




Net Income growth
at current exchange rate

+15% - 20%



- Including savings from the Global Efficiency Program
- Acquisitions 2015/2016 are not included
- Net income growth based on \$1,057 million in 2015 ¹

1 – Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA (\$1,029 million), including **GranuFlo®/NaturaLyte®** agreement in principle (+\$37 million) and excluding acquisitions in 2015 of \$9 million

Fresenius Group: 2016 Financial Outlook by Business Segment

		Old	New	
 FRESENIUS KABI	Sales growth organic	low single-digit	3% – 5%	⬆️
	EBIT constant currency	roughly flat	3% – 5%	⬆️
 FRESENIUS HELIOS	Sales growth organic	3% – 5%	unchanged	☑️
	EBIT	€670 – 700 m	unchanged	☑️
 FRESENIUS VAMED	Sales growth organic	5% – 10%	unchanged	☑️
	EBIT growth	5% – 10%	unchanged	☑️

Fresenius Group: 2016 Financial Guidance

		2015	2016		
		Actual	Old	New	
FRESENIUS	Sales growth constant currency	€27.6 bn	6% – 8%	unchanged	
	Net income¹ growth constant currency	€1,423 m	8% – 12%	11% – 14%	

1 – Net income attributable to shareholders of Fresenius SE&Co. KGaA; 2015 before special items

Fresenius Group: Confirming mid-term growth targets

2019:

- ☑ €36 - 40 billion in sales
- ☑ €2.0 - 2.25 billion in net income

At **comparable exchange rates**

Includes **small** and **mid-size acquisitions**

EAT CAGR at mid-point of mid-term target: **10.5%**
(Previous implied EAT CAGR of mid-term target: 8.4%)

Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before special items

Aging Population and Higher Incidence of Chronic Diseases

60+

World population age **60+** will reach **>2 bn by 2050¹**

80+

World population age **80+** will reach **~400 million by 2050¹**



In 2050, **80%** of older people will live in Developing and Emerging Markets¹

52m

Deaths due to Chronic Diseases are projected to increase from 38 million in 2012 to **52 million** by 2030²



1 - WHO: 10 facts on aging and the life course

2 - WHO: Global status report on non communicable diseases

Increasing Health Care Spending



Increasing health expenditure per capita
(2014 vs. 2004 - USA US\$9,403 (+147%),
China: US\$420 (+592%),
India: US\$75 (+277%)¹

1/3

By 2022, **one third of all global health expenditure** will occur in Emerging Economies²

~4%

Health care spending in developed countries is growing steadily (2012-2022 with **~4% p.a.**)²



1 - World Bank: Health expenditure per capita;

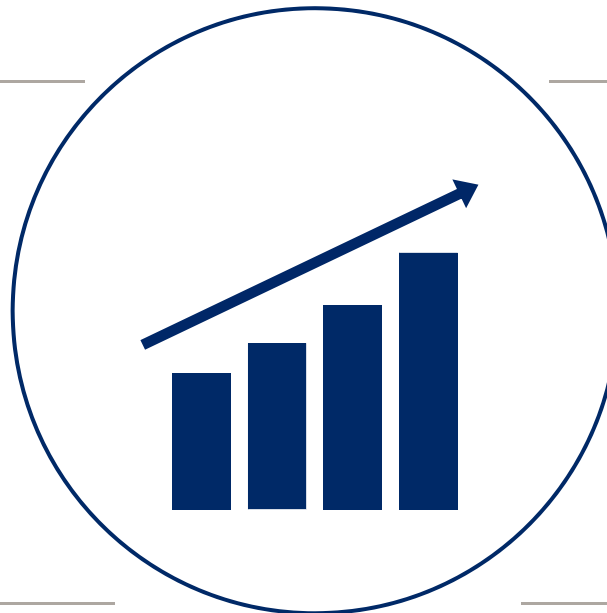
2 - World Economic Forum: Health Systems Leapfrogging in Emerging Economies – Project Paper (2014)

Investment Highlights

Diversified revenue and earnings 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 earnings development and cash flow generation

