

# J. P. Morgan 2015 Healthcare Conference

---

January 12-13, 2015  
San Francisco



**FRESENIUS  
MEDICAL CARE**

**Safe Harbor Statement:** This presentation includes certain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Act of 1934, as amended. The Company has based these forward-looking statements on its views with respect to future events and financial performance. Actual results could differ materially from those included in the forward-looking statements due to various risk factors and uncertainties, including changes in business, economic competitive conditions, regulatory reforms, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings and the availability of financing. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. These and other risks and uncertainties are discussed in detail in Fresenius Medical Care AG & Co. KGaA's (FMC AG & Co. KGaA) reports filed with the Securities and Exchange Commission (SEC) and the German Exchange Commission (Deutsche Börse).

Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this presentation is subject to change without notice and the company does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable law and regulations.

**If not mentioned differently the term net income refers to the net income attributable to the shareholders of Fresenius Medical Care AG Co. KGaA independent of being the reported or the adjusted number. Amounts are in US-\$ if not mentioned otherwise.**

# 1

---

## Business Update

Q3 and Nine Month 2014

# Strong Operational Performance in Q3

	Q3 2014 in \$ millions	Growth in %
Net Revenue	4,113	12
Earnings before interest and tax (EBIT)	590	6
Net income, reported	271	(1)
Earnings per share (EPS), reported	0.89	(1)

- ▶ Guidance confirmed for 2014
- ▶ Global Efficiency Program (GEP) on track
- ▶ Further sequential growth acceleration supported by all major regions
- ▶ Important steps towards expanding „care coordination“ business

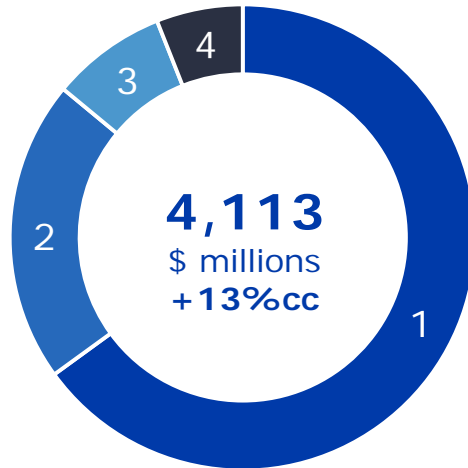
# Revenue Breakdown Q3 2014

## North America

Revenue	\$ 2,710 m	+ 11%
Organic growth		+ 5%

## International ~ 34% of total revenue

Revenue	\$ 1,386 m	+ 16%cc
Organic growth		+ 8%
Europe	\$ 784 m	+ 7%cc
Asia-Pacific	\$ 387 m	+ 41%cc
Latin America	\$ 215 m	+ 18%cc



1	North America	66%
2	Europe/Middle East/Africa	20%
3	Asia-Pacific	9%
4	Latin America	5%

cc = constant currency

# 2014 Guidance confirmed

In \$	2014 E
Revenue	~ 15.2 bn
EBIT	~ 2.2bn
Net income	1 –1.05bn

- ▶ Outlook excludes potential net cost savings of up to \$60 m before taxes for 2014
- ▶ Investments in quality/compliance systems and legal cost to continue to comply with standards
- ▶ Outlook excludes revenue contribution of ~\$500 m from acquisitions (until end of Q3)

# Summary

- ▶ Third quarter shows further improvement from second quarter
- ▶ The global efficiency program (GEP) is on track
- ▶ Good organic growth overall
- ▶ Strong operational performance in products as well as services
- ▶ Integration of recent acquisitions in Care Coordination well on track
- ▶ Very Strong Cash Flow generation

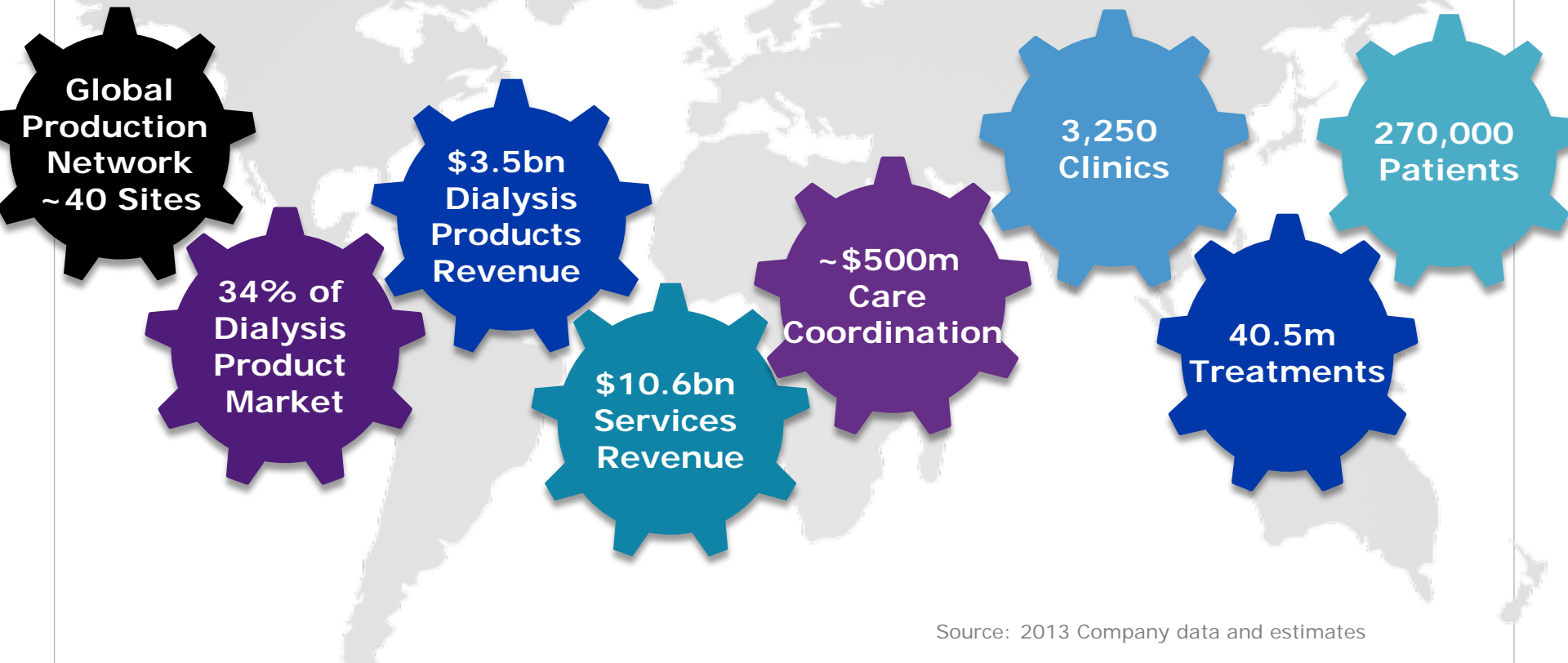
# 2

---

## Market Dynamics & Strategy

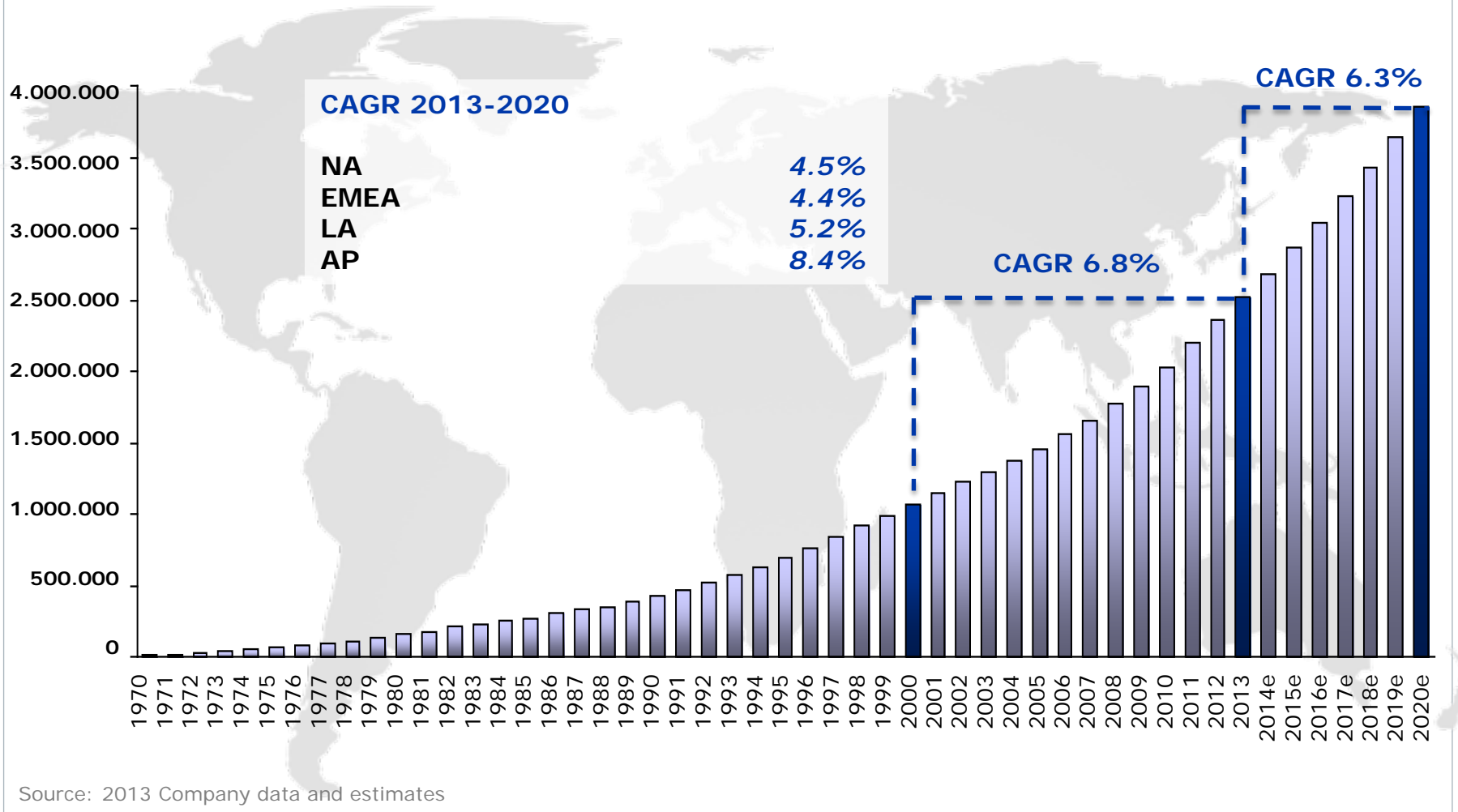


# Fresenius Medical Care Today

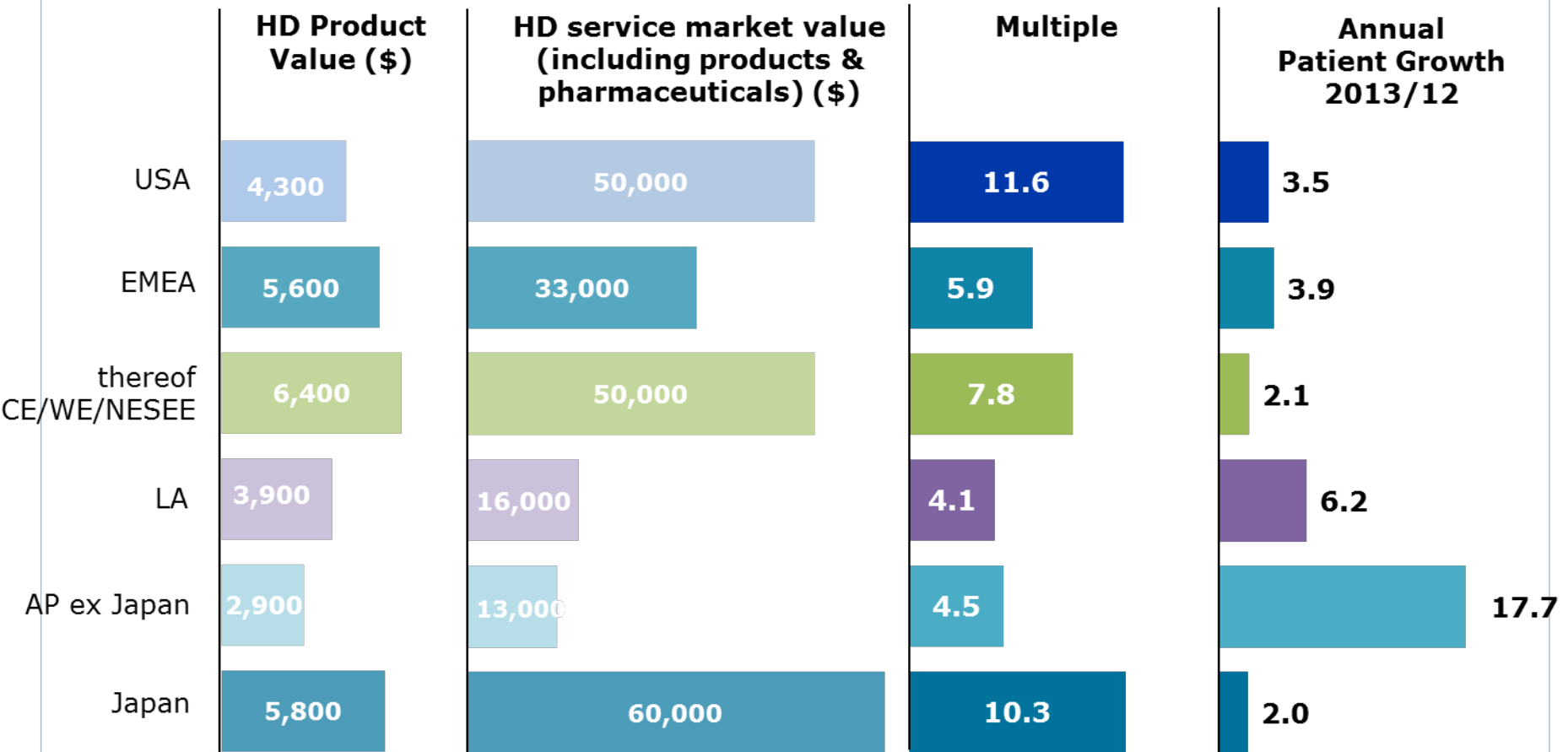


Source: 2013 Company data and estimates

# Development of Dialysis Patient Numbers



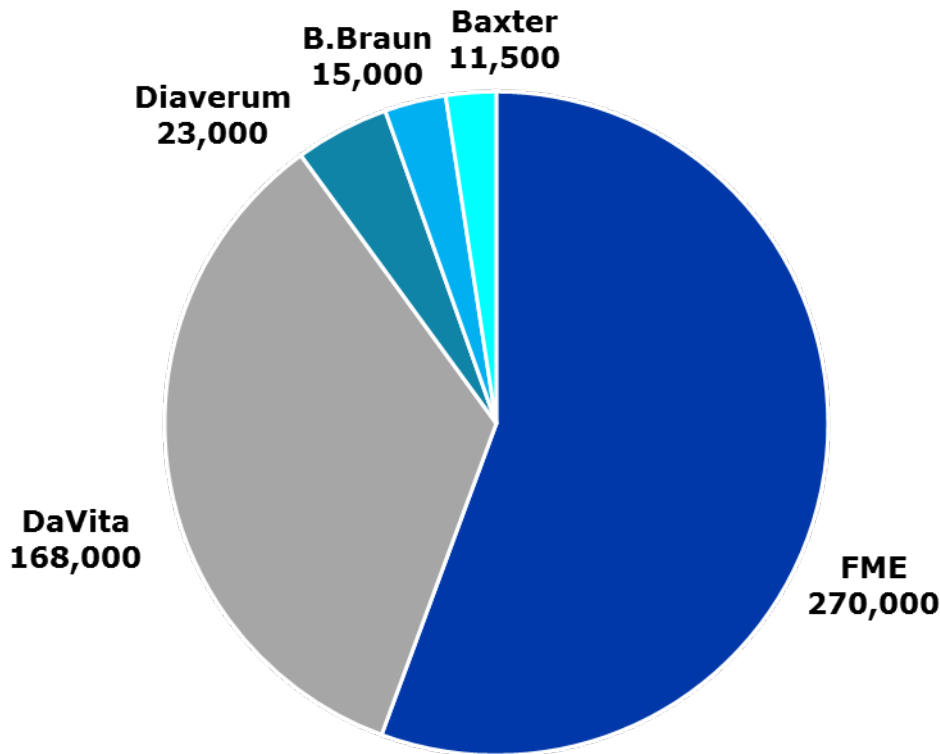
# Global Market Potential (Per Patient/Per Year)



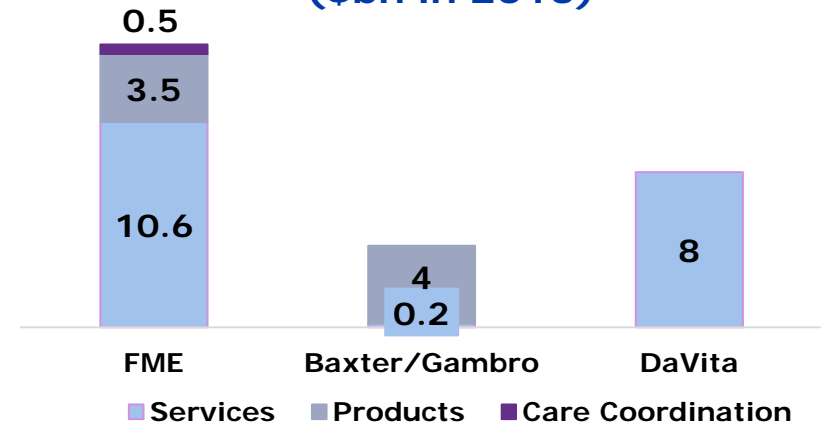
Source: 2013 Company data and estimates

# Vertical Integration Enables Extension of Renal Care

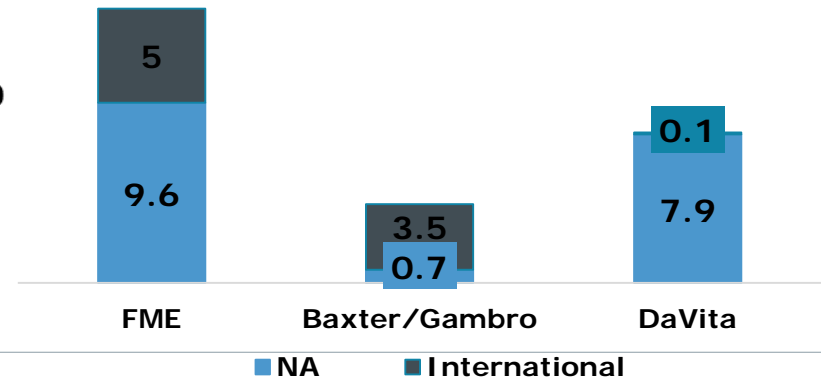
**Patients by Provider in 2013**



**Revenue by Business Segment (\$bn in 2013)**

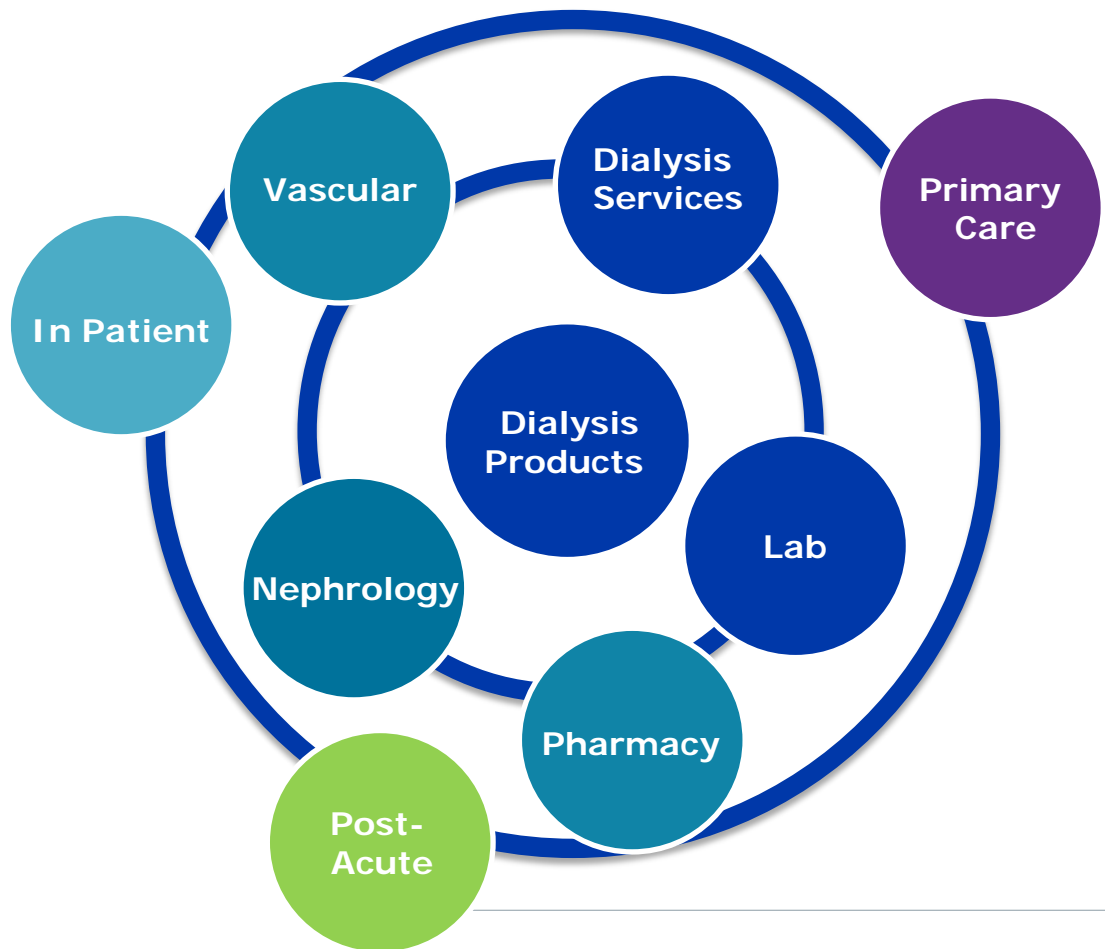


**Revenue by Region (\$bn in 2013)**



Source: 2013 Company data and estimates

# Our Vision of Care Coordination



# Objectives and Strategy for GEP



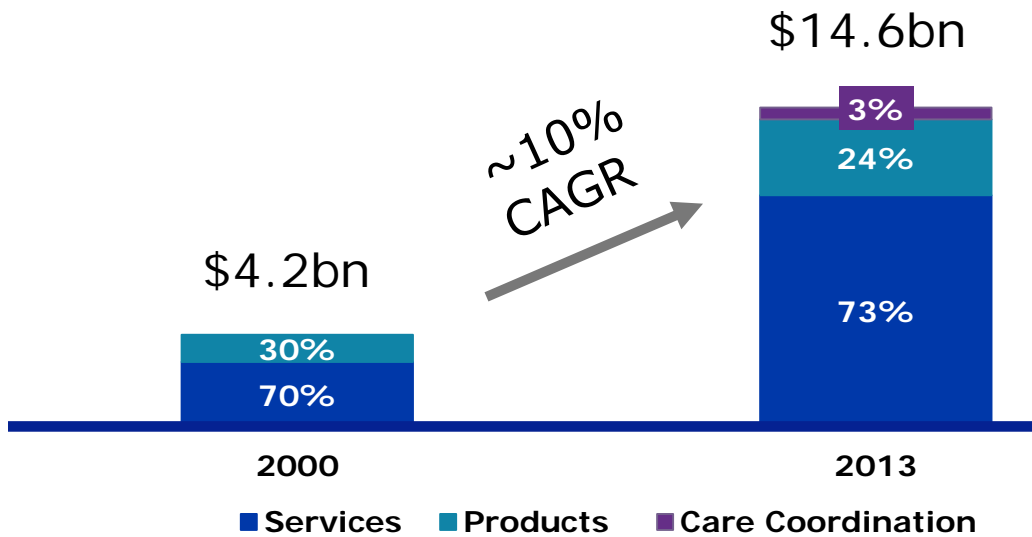
## OBJECTIVES

- Identify efficiency potential
- Enhance overall competitiveness
- Liberate resources for reinvestment
- Achieved sustained efficiency gains over multiple years

## APPROACH

- 18 projects active with monthly results review to ensure execution and delivery
- Owned and led by 2 executives with a dedicated full-time team

# 2020 Vision



## Drivers

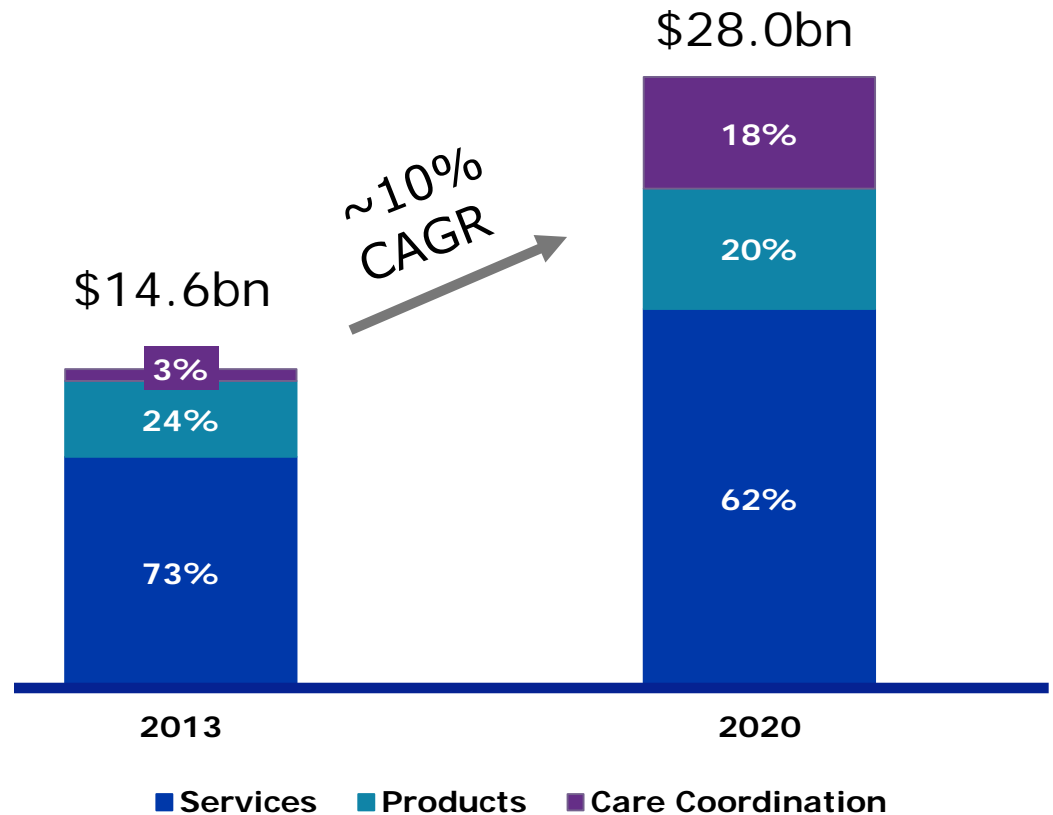
- Market consolidation globally
- Introduction of single use therapy in FME clinics
- International expansion
- Starting expansion into Care Coordination

Source: 2013 Company data and estimates

# 2020 Vision

## Drivers

- Compliant, profitable growth
- Pushing our core beyond 128 countries with products; and >40 countries with dialysis care
- Recognize that moving beyond our core brings businesses with different risk and margin profiles
- Reimbursement pressure is a fact of life



Source: 2013 Company data and estimates



CREATING A FUTURE WORTH LIVING.  
FOR DIALYSIS PATIENTS.  
WORLDWIDE.  
EVERY DAY.

Thank you very much for your attention!

# 3

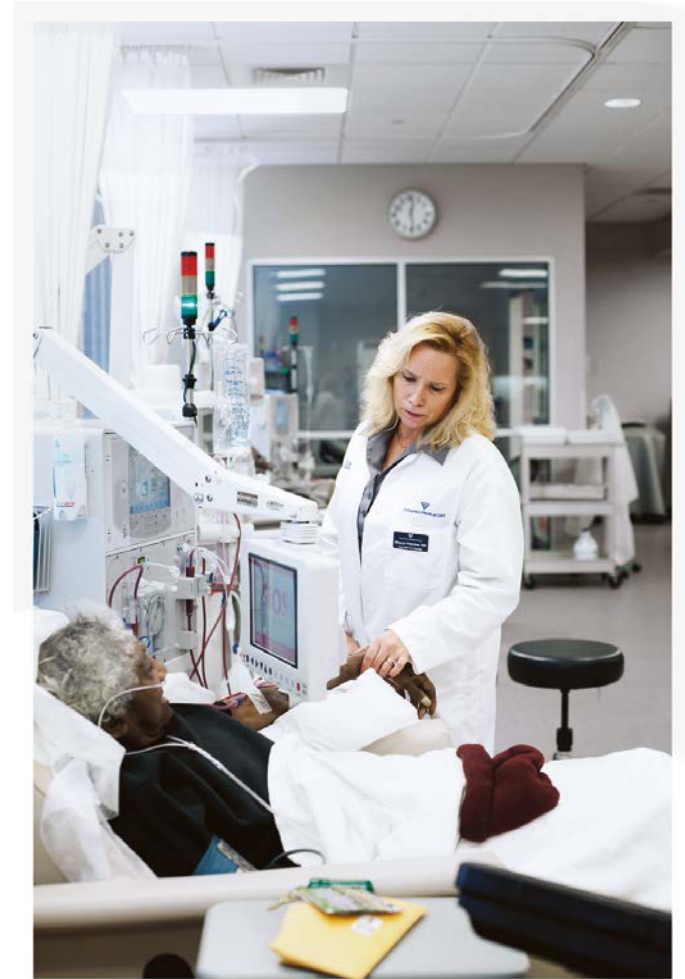
---

## Appendix

# Fresenius Medical Care – The World's Leading Dialysis Company

- ▶ Operates in more than 120 countries
- ▶ The only vertical integrated listed dialysis company
- ▶ Founded in 1996 and member of the DAX30 since 1999
- ▶ Market capitalization of more than €18 BN\* (2001: ~ €6.2 BN)
- ▶ High innovation competence
- ▶ Investment largely insensitive to economic developments

\* As of January 5, 2015



# Dialysis Treatment (I)

## Technology and Products

### Dialysis Treatment

#### Haemodialysis (HD) Therapy

Fresenius Medical Care is committed to supporting clinicians reduce their dialysis patients' risks for cardiovascular morbidity and mortality by offering innovative products and services at every stage of haemodialysis therapy.

This includes supplying the most technologically advanced haemodialysis machines and consumables; offering complete dialysis care in our state-of-the-art dialysis centres; and installing and maintaining water treatment facilities for safe and effective dialysis.



5008 Therapy System

# Dialysis Treatment (II)

## Technology and Products

### Dialysis Treatment

#### Peritoneal Dialysis (PD) Therapy







Our peritoneal dialysis (PD) systems are designed to ensure patient well-being and the highest level of safety and reliability.








Innovative PIN and DISC technology with our systems allow optimal treatment safety and improved compliance for dialysis treatment at home.















stay•safe®

# We are the World's Leading Provider of Dialysis Services

North America		
Provider	Patients	Countries
 FRESENIUS MEDICAL CARE	171,440	2
 Davyita.	163,000	1
 DCi	14,000	1
 U.S. RENAL CARE	14,000	1
 AMERICAN RENAL	9,450	1
 DSI	6,550	1

Europe, Middle East, Africa		
Provider	Patients	Countries
 FRESENIUS MEDICAL CARE	51,540	23
 KfH	18,500	2
 DIAVERUM	18,500	14
 B BRAUN	11,500	17
 RHV-Der Dialysepartner	6,900	1
 Baxter	2,750	3
 Davyita.	1,650	4

Latin America		
Provider	Patients	Countries
 FRESENIUS MEDICAL CARE	29,270	8
 Baxter	8,750	2
 DIAVERUM	4,250	3
 Davyita.	1,650	1
 B BRAUN	850	1

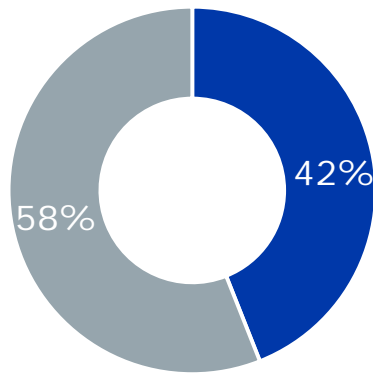
Asia Pacific		
Provider	Patients	Countries
 FRESENIUS MEDICAL CARE	17,870	12
 Zenjin-Kai	6,000	1
 医療法人社団 松和会 Medical Corporation SHOWAKAI	5,000	1
 徳洲会グループ TOKUSHUKAI GROUP	4,000	1
 B BRAUN	2,650	5
 Davyita.	1,750	5
 DIAVERUM	300	1

Source: 2013 Company data and estimates

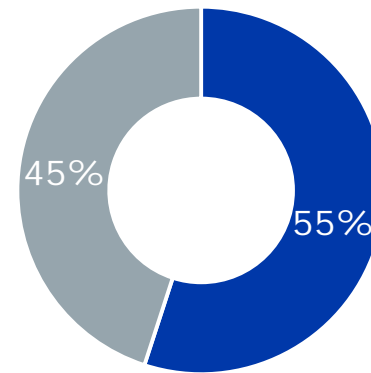
# Market Position by Major Product Groups 2013

	Position 1
Dialyzers	FME
Dialysis machines	FME
Hemodialysis concentrates	FME
Bloodlines	FME
Peritoneal dialysis products	Baxter

### Dialyzers



### Dialysis machines

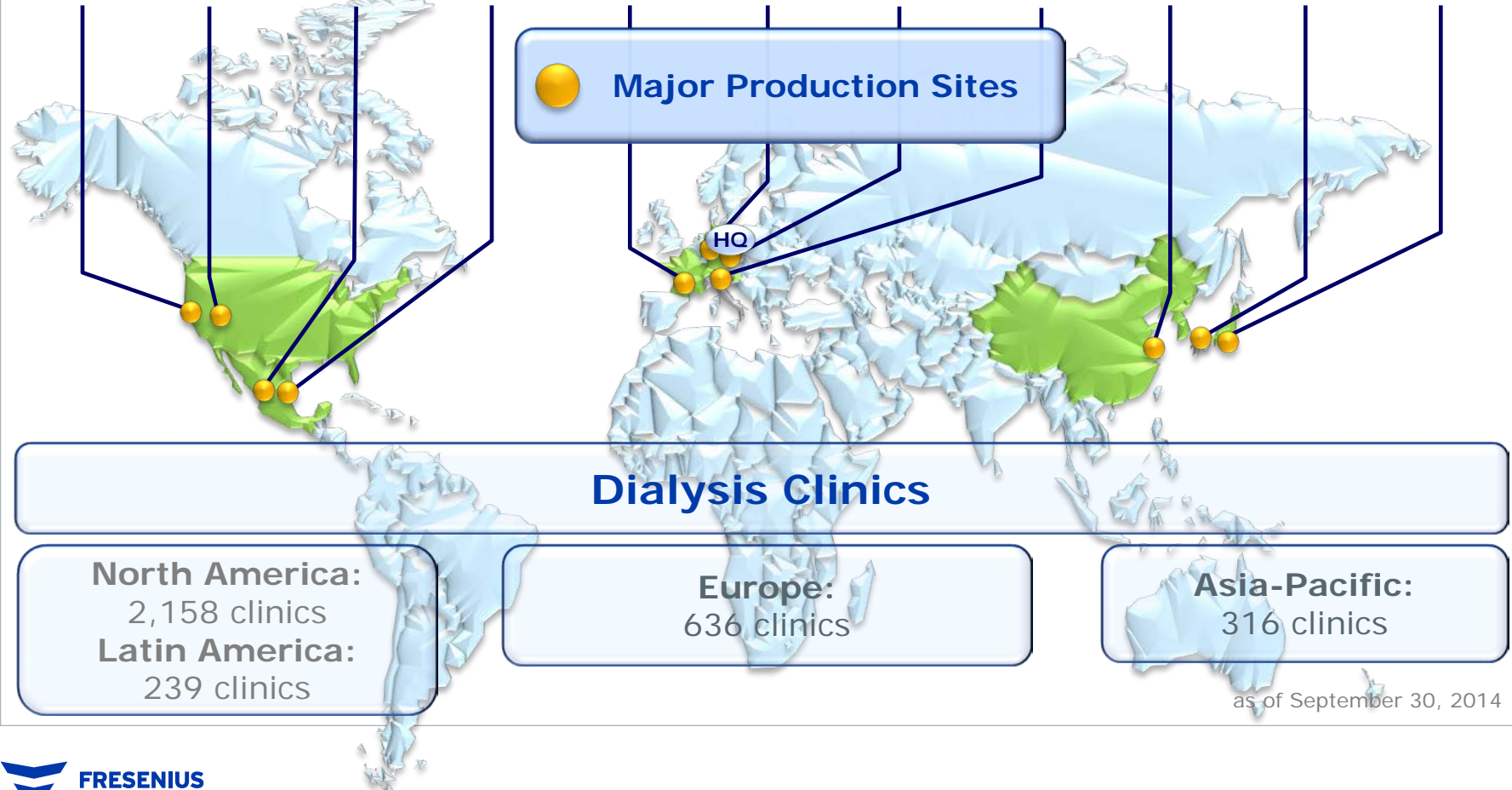


Sold around 106,000,000 dialyzers in 2013

# Global Presence Products & Services



Concord U.S.    Ogden U.S.    Guadalajara Mexico    Reynosa Mexico    L' Arbresle France    St. Wendel Germany    Schweinfurt Germany    Cremona Italy    JiangSu China    Buzen Japan    Inukai Japan



as of September 30, 2014



## Q3 Profit & Loss

	Q3 2013 in \$ millions	Q3 2014 in \$ millions	Growth in %
Net revenue	3,666	<b>4,113</b>	12
Operating income (EBIT)	557	<b>590</b>	6
EBIT-margin in %	15.2	<b>14.3</b>	
Net interest expense	103	<b>99</b>	
Income before taxes	454	<b>491</b>	8
Income tax expense	148	<b>162</b>	
Tax rate in %	32.6	<b>32.9</b>	
Non-controlling interest	33	<b>58</b>	
Net income	273	<b>271</b>	(1)

## 9M Profit & Loss

	9M 2013 in \$ millions	9M 2014 in \$ millions	Growth in %
Net revenue	10,743	<b>11,511</b>	7
Operating income (EBIT)	1,595	<b>1,591</b>	-
EBIT-margin in %	14.8	<b>13.8</b>	
Net interest expense	310	<b>294</b>	
Income before taxes	1,285	<b>1,297</b>	1
Income tax expense	421	<b>440</b>	
Tax rate in %	32.8	<b>33.9</b>	Adjusted tax rate * 32.6%
Non-controlling interest	103	<b>147</b>	
Net income	761	<b>710</b>	(7) Adjusted net income \$728 m

\* Adjusted for special tax impact of \$18 m

# Revenue Growth in Dialysis Services

	Q3 2013 in \$ millions	<b>Q3 2014</b> in \$ millions	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
North America	2,224	<b>2,498</b>	12	12	5.8	3.5
International	589	<b>699</b>	19	25	8.6	3.9
<b>Total Dialysis Services</b>	<b>2,813</b>	<b>3,197</b>	<b>14</b>	<b>15</b>	<b>6.3</b>	<b>3.6</b>



	9M 2013 in \$ millions	<b>9M 2014</b> in \$ millions	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
North America	6,485	<b>7,015</b>	8	8	4.8	3.4
International	1,750	<b>1,913</b>	9	15	7.7	4.3
<b>Total Dialysis Services</b>	<b>8,235</b>	<b>8,928</b>	<b>8</b>	<b>10</b>	<b>5.4</b>	<b>3.7</b>

cc = constant currency

# Quality Outcomes

% of patients	U.S.		EMEA		Asia-Pacific	
	Q2 2014	<b>Q3 2014</b>	Q2 2014	<b>Q3 2014</b>	Q2 2014	<b>Q3 2014</b>
Kt/V $\geq$ 1.2	97	<b>97</b>	96	<b>95</b>	97	<b>97</b>
No catheter (>90 days)	83	<b>83</b>	83	<b>83</b>	92	<b>92</b>
Hemoglobin = 10 – 12 g/dl	74	<b>73</b>	63	<b>75</b>	59	<b>59</b>
Hemoglobin = 10 – 13 g/dl (International)	79	<b>78</b>	77	<b>76</b>	67	<b>67</b>
Albumin $\geq$ 3.5 g/dl	82	<b>82</b>	89	<b>90</b>	91	<b>91</b>
Phosphate $\leq$ 5.5 mg/dl	63	<b>64</b>	77	<b>76</b>	71	<b>71</b>
Calcium 8.4 – 10.2 mg/dl	84	<b>84</b>	78	<b>75</b>	74	<b>75</b>
Hospitalization days, per patient	9.4	<b>8.9</b>	9.4	<b>9.5</b>	4.2	<b>4.2</b>

# Revenue Growth in Dialysis Products (external)

		Q3 2013 in \$ millions	<b>Q3 2014</b> in \$ millions	Growth in %	Growth in %cc
<b>Product Revenue</b>		<b>853</b>	<b>916</b>	<b>7</b>	<b>7</b>
of which North America		212	<b>212</b>	-	-
of which International		633	<b>687</b>	9	9
		9M 2013 in \$ millions	<b>9M 2014</b> in \$ millions	Growth in %	Growth in %cc
<b>Product Revenue</b>		<b>2,508</b>	<b>2,583</b>	<b>3</b>	<b>3</b>
of which North America		614	<b>609</b>	(1)	(1)
of which International		1,869	<b>1,930</b>	3	3

cc = constant currency

# Cash Flow

	Q3 2013 in \$ millions	<b>Q3 2014</b> in \$ millions	Growth in %
<b>Operating cash flow</b>	<b>605</b>	<b>712</b>	<b>18</b>
Capital expenditures, net	(175)	(224)	
<b>Free cash flow</b>	<b>430</b>	<b>488</b>	<b>13</b>
Free cash flow, after acquisitions and investments	235	(125)	
	9M 2013 in \$ millions	<b>9M 2014</b> in \$ millions	Growth in %
<b>Operating cash flow</b>	<b>1,446</b>	<b>1,274</b>	<b>(12)</b>
Capital expenditures, net	(494)	(639)	
<b>Free cash flow</b>	<b>952</b>	<b>635</b>	<b>(33)</b>
Free cash flow, after acquisitions and investments	673	(410)	

A reconciliation to the most directly comparable U.S. GAAP financial measures is provided in the attachments

# Financial Calendar \*

Feb 25, 2015	Report on Fiscal Year 2014
Apr 30, 2015	Report on 1 <sup>st</sup> quarter 2015
May 19, 2015	Annual General Meeting
Jul 30, 2015	Report on 2 <sup>nd</sup> quarter 2015
Oct 29, 2015	Report on 3 <sup>rd</sup> quarter 2015
Feb 25, 2016	Report on Fiscal Year 2015

\* Please notice that these dates might be subject to change

# Contacts

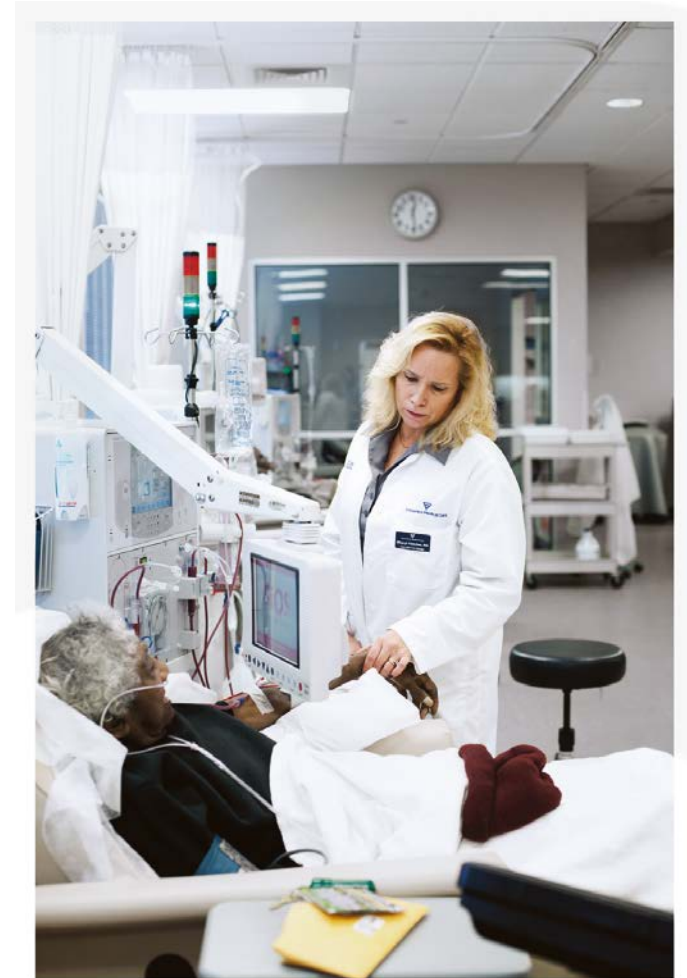
## Fresenius Medical Care

Investor Relations  
Else-Kröner-Str. 1  
61352 Bad Homburg v.d.H.

[www.fmc-ag.com](http://www.fmc-ag.com)

Ticker: FME or FMS (NYSE)  
WKN: 578 580  
ISIN: DE00057858002

- ▶ **Oliver Maier**  
Head of Investor Relations and  
Corporate Communications  
Tel: +49 6172 609 2601  
Email: [oliver.maier@fmc-ag.com](mailto:oliver.maier@fmc-ag.com)





# J. P. Morgan 2015 Healthcare Conference

---

January 12 - 13, 2015  
San Francisco



**FRESENIUS  
MEDICAL CARE**