



# Goldman Sachs Global Healthcare Conference

Rancho Palos Verdes | June 7, 2016

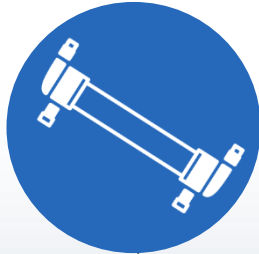


# Fresenius Medical Care today

Every **0.7** seconds we **provide**  
a **dialysis treatment**  
somewhere on the globe



**37**  
production sites



**120,000,000**  
sold dialyzers



**3,418**  
clinics



**294,381**  
patients



**44,596,446**  
dialysis treatments



**104,033**  
employees



# AGENDA



**Market dynamics**

**1**

Business update: Q1 2016

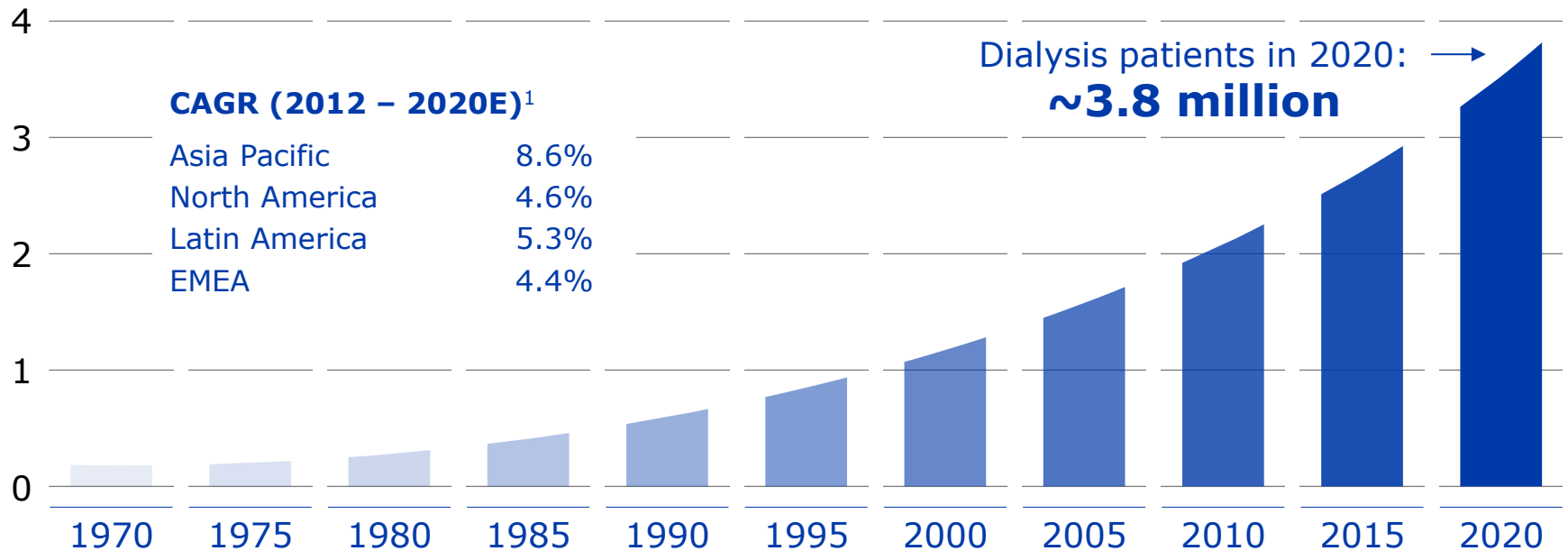
**2**

Financials & outlook

**3**

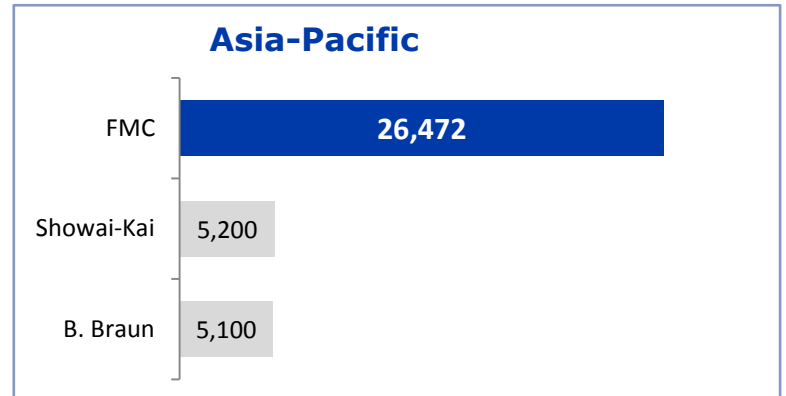
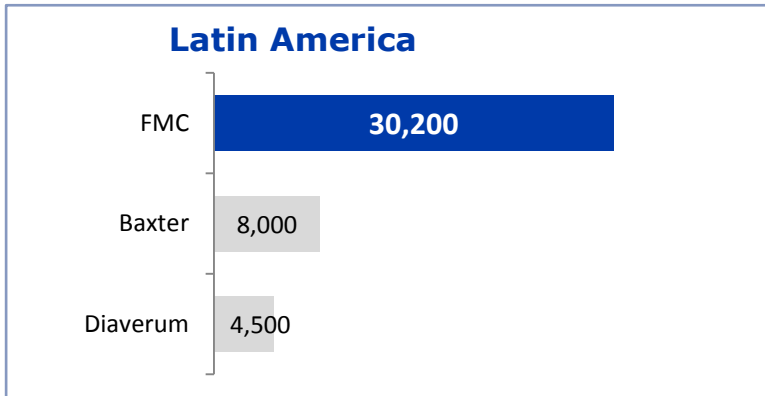
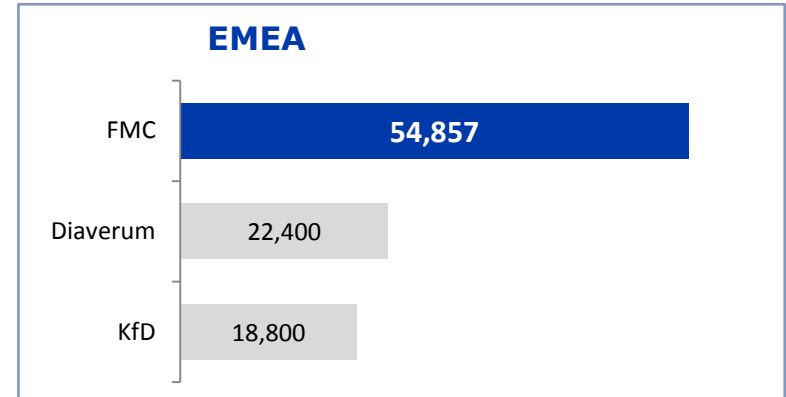
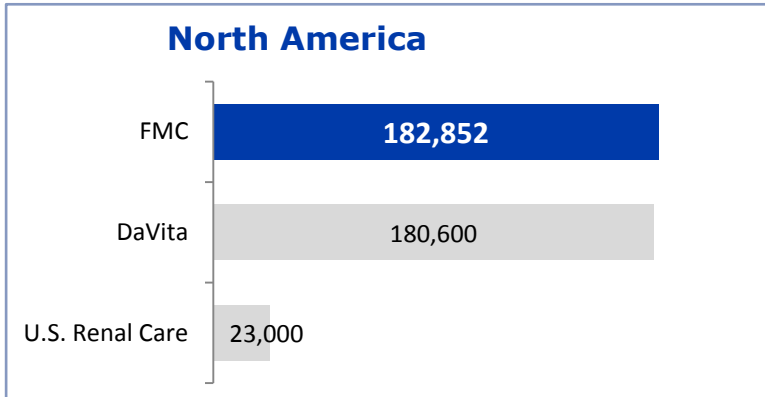
# Expected global dialysis patient growth

- ▶ Expected patient growth of around 6% p.a.
- ▶ Driven by age, lifestyle and higher life expectancy



<sup>1</sup> Internal estimates

# Dialysis services worldwide: Patients treated<sup>1</sup>



**USD  
~73bn  
Market**

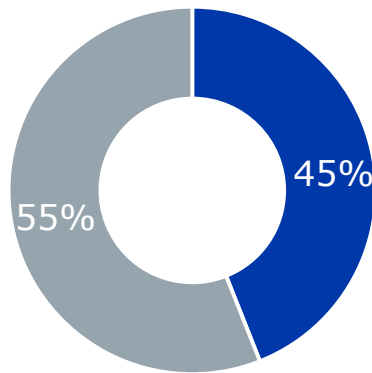
**We lead in every major market,  
treating > 290,000 patients worldwide**

<sup>1</sup> as of December 31, 2015, based on company statements and own estimates.

# Market position by major product groups 2015

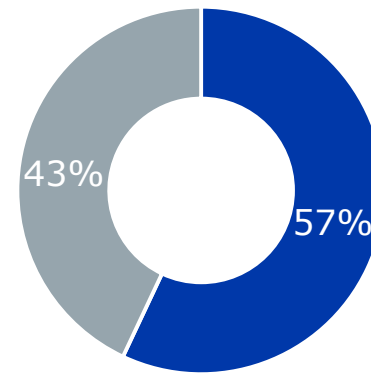
	<b>Position 1</b>
Dialyzers	FMC
Dialysis machines	FMC
Hemodialysis concentrates	FMC
Bloodlines	FMC
Peritoneal dialysis products	Baxter

## Dialyzers



■ FME  
■ Competitors

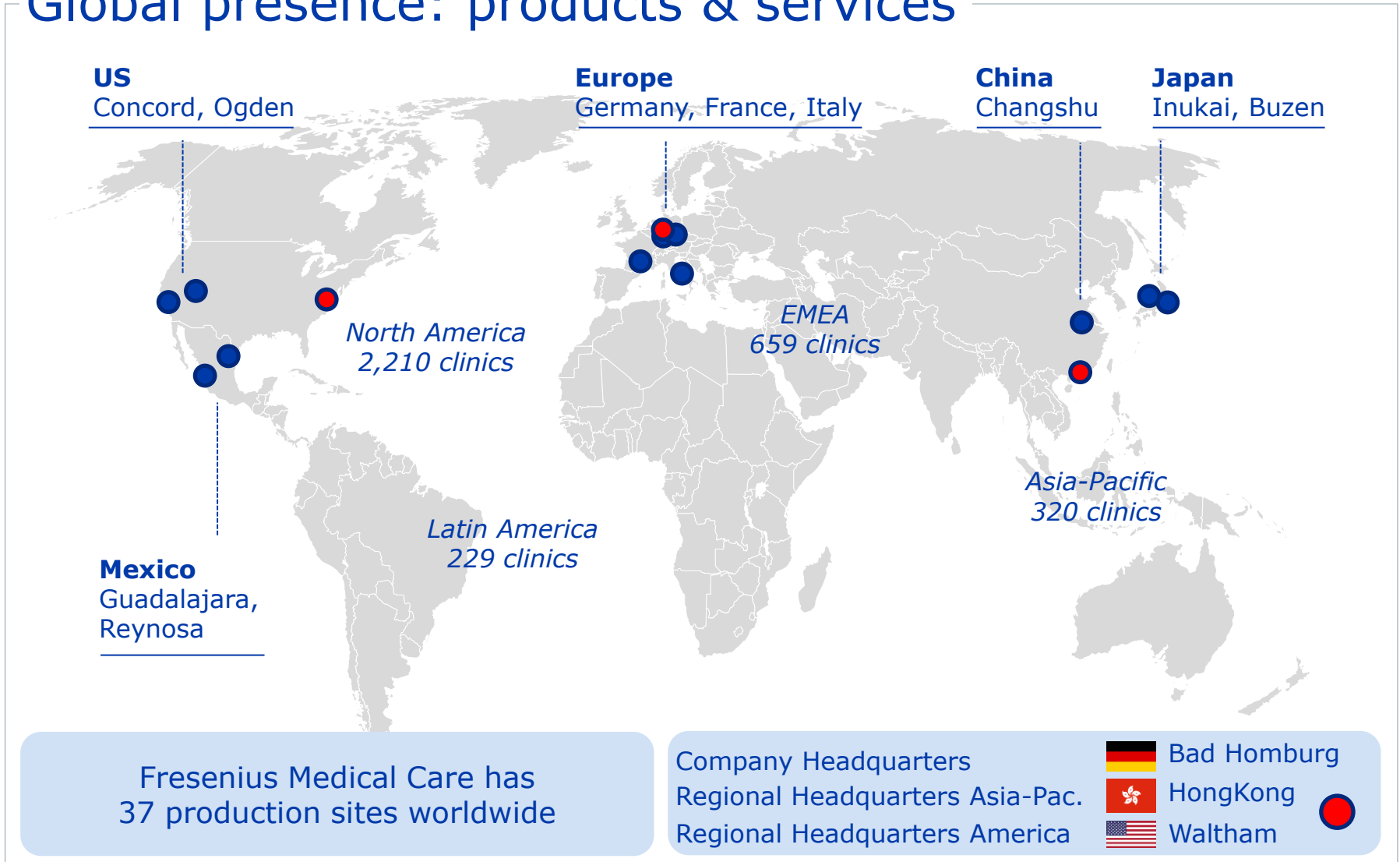
## Dialysis machines



Sold around 120 million dialyzers in 2015



# Global presence: products & services



# AGENDA



Market dynamics

1

**Business update: Q1 2016**

**2**

Financials & outlook

3

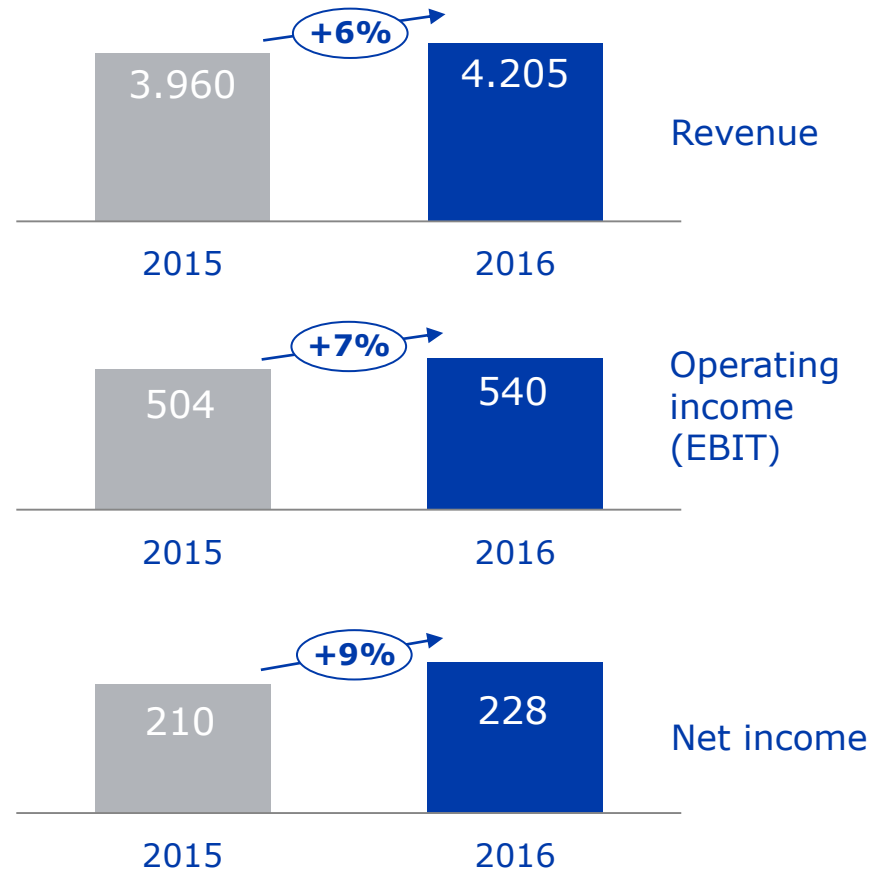


# Strong start to the year

## Q1 2016 Highlights

- ▶ Strong growth in group revenue and net income
- ▶ Excellent development in North American business
- ▶ EMEA, Asia Pacific and Latin America impacted by foreign currency headwinds
- ▶ Care Coordination with good organic growth
- ▶ First quarter performance in line to achieve full year guidance

## Q1 2016 Performance (US\$ million)



Diagrams: different scales applied

# Solid organic growth in all regions

## North America

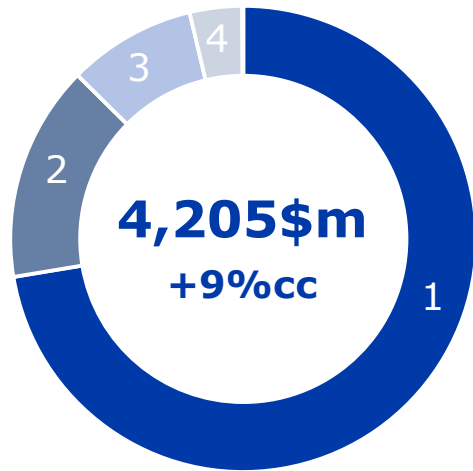
US\$ million

Revenue	3,044	+10%
Organic growth		+7%

## EMEA, Asia-Pacific, Latin America

US\$ million

Revenue	1,158	+7% <sup>cc</sup>
Organic growth		+7%



1	North America	72%
2	EMEA	15%
3	Asia-Pacific	9%
4	Latin America	4%

## EMEA

Revenue	631	+5% <sup>cc</sup>
Organic growth		+4%

## Asia-Pacific

Revenue	374	+10% <sup>cc</sup>
Organic growth		+11%

## Latin America

Revenue	153	+5% <sup>cc</sup>
Organic growth		+12%

cc = constant currency, corporate revenue = \$3m

# Taking care of patients through global footprint



► Providing care to over **294,000 patients (+2%)**:

North America ~ 183,000  
 EMEA ~ 55,000  
 Latin America ~ 29,000  
 Asia-Pacific ~ 27,000

	<b>Clinics</b> as of Mar 31, 2016	De novo Q1 2016	Acquired Q1 2016
<b>Total</b>	<b>3,432</b>	<b>+22</b>	<b>+6</b>
Growth year on year	+1%		
North America	2,224	+10	+6
Growth year on year	+2%		
EMEA, Latin America, Asia-Pacific	1,208	+12	-
Growth year on year	-		

# Quality outcomes remain stable

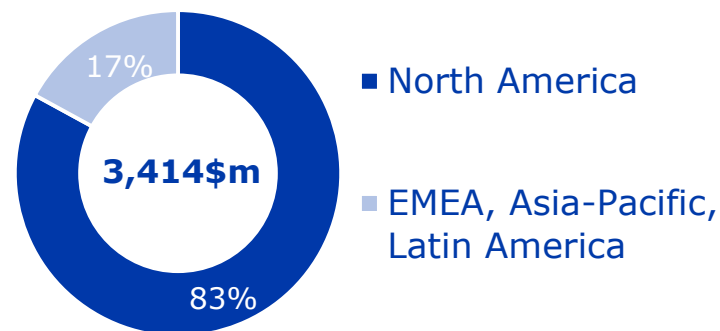
% of patients	North America		EMEA		Latin America <sup>1</sup>		Asia-Pacific <sup>1</sup>	
	Q4 2015	Q1 2016	Q4 2015	Q1 2016	Q4 2015	Q1 2016	Q4 2015	Q1 2016
Kt/V ≥ 1.2	98	<b>98</b>	96	<b>96</b>	92	<b>92</b>	97	<b>97</b>
No catheter (>90 days)	84	<b>85</b>	82	<b>82</b>	83	<b>82</b>	91	<b>91</b>
Hemoglobin = 10 – 12 g/dl	72	<b>72</b>	77	<b>78</b>	52	<b>52</b>	60	<b>58</b>
Hemoglobin = 10 – 13 g/dl (International)	78	<b>77</b>	77	<b>77</b>	69	<b>68</b>	68	<b>66</b>
Albumin ≥ 3.5 g/dl	81	<b>82</b>	92	<b>91</b>	90	<b>90</b>	89	<b>89</b>
Phosphate ≤ 5.5 mg/dl	64	<b>64</b>	79	<b>78</b>	75	<b>75</b>	72	<b>70</b>
Calcium 8.4 – 10.2 mg/dl	84	<b>84</b>	77	<b>74</b>	75	<b>76</b>	75	<b>74</b>
Hospitalization days, per patient	10.0	<b>10.0</b>	9.4	<b>9.4</b>	3.5	<b>3.5</b>	4.2	<b>4.3</b>

<sup>1</sup> Outcome data in these regions might be more volatile over time as clinic data will be added

# Health Care revenue continues to grow

	<b>Q1 2016</b> US\$ million	<b>Q1 2015</b> US\$ million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
North America	<b>2,832</b>	2,571	10	10	8	4
of which Care Coordination	<b>522</b>	434	20	20	17	-
EMEA, Asia-Pacific, Latin America	<b>582</b>	611	(5)	6	7	4
<b>Total Health Care</b>	<b>3,414</b>	<b>3,182</b>	<b>7</b>	<b>9</b>	<b>7</b>	<b>4</b>

- ▶ 5% increase in dialysis treatments
- ▶ Higher revenue supported by favorable payer development
- ▶ Care Coordination with good organic growth



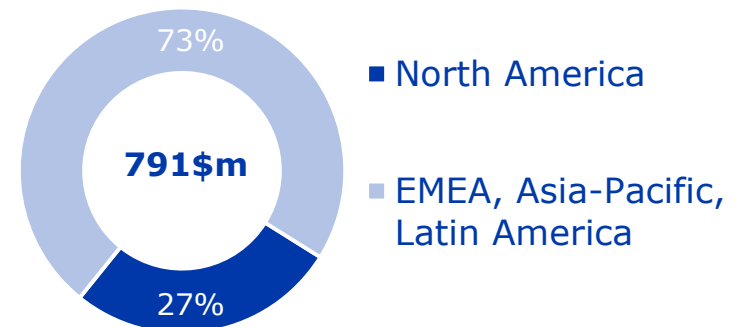
cc = constant currency



# Dialysis Products show good demand

	<b>Q1 2016</b> US\$ million	<b>Q1 2015</b> US\$ million	Growth in %	Growth in %cc
North America	212	200	6	6
EMEA, Asia-Pacific, Latin America	576	569	1	8
Corporate	3	9	(63)	(62)
<b>Total Dialysis Products</b>	<b>791</b>	<b>778</b>	<b>2</b>	<b>6</b>

- ▶ Increased sales of dialyzers, machines and bloodlines
- ▶ Solid growth despite strong comparable first half 2015
- ▶ Foreign currency headwinds outside North America
- ▶ Global PD growth at 4% yoy (cc); North American PD growth at 15% yoy



PD = Peritoneal Dialysis, yoy = year-over-year, cc = constant currency

# AGENDA



Market dynamics

1

Business update: Q1 2016

2

**Financials & outlook**

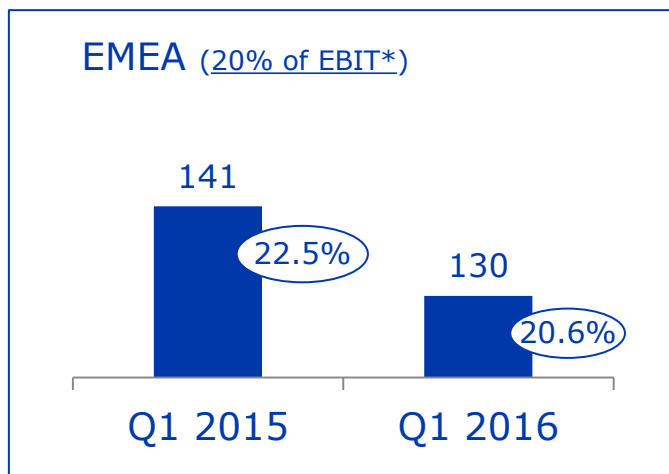
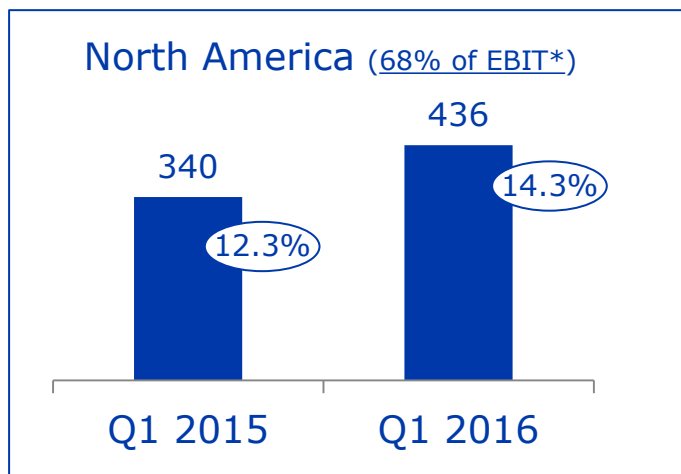
**3**

## Profit grows faster than top line

	<b>Q1 2016</b> in \$ million	Q1 2015 in \$ million	Growth in %
<b>Net revenue</b>	<b>4,205</b>	3,960	6
<b>Operating income (EBIT)</b>	<b>540</b>	504	7
<i>EBIT-margin in %</i>	<b>12.8</b>	12.7	(10bp)
Net interest expense	<b>105</b>	102	3
Income before taxes	<b>435</b>	402	8
Income tax expense	<b>138</b>	138	-
<i>Tax rate in %</i>	<b>31.8</b>	34.4	(250bp)
Non-controlling interest	<b>69</b>	54	25
<b>Net income</b>	<b>228</b>	210	9

- ▶ Revenue increased by 9% constant-currency, in line with full-year guidance
- ▶ Lower income tax expense due to increased noncontrolling interest in the US and lower tax rates in certain tax jurisdictions
- ▶ Net income supported by lower cost for healthcare supplies and savings from Global Efficiency Program

# North America again with strong margin increase

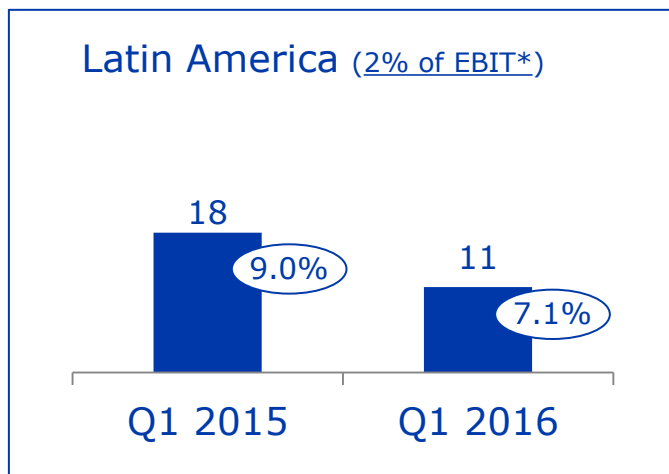
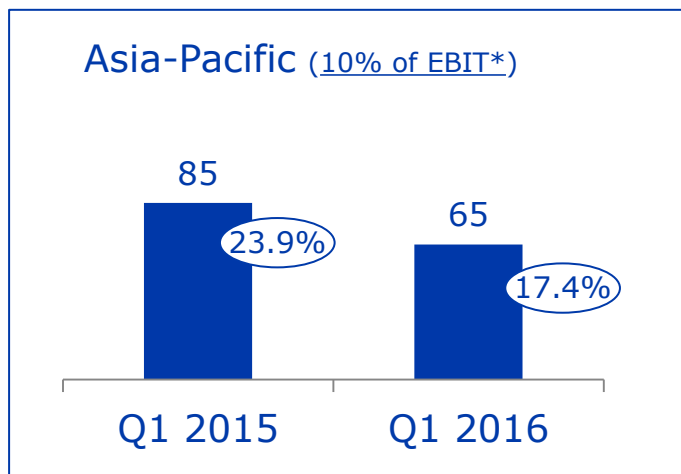


in US\$ million

■ EBIT

○ EBIT-margin

Diagrams: different scales applied

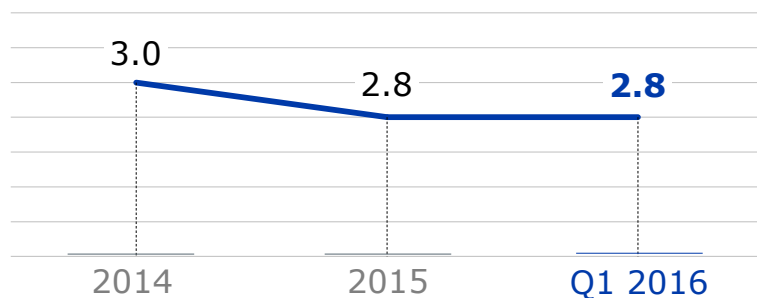


# Cash flow development and credit profile

Days sales outstanding (DSO) at 74 days worldwide.

	<b>Q1 2016</b> in \$ million	<b>Q1 2015</b> in \$ million
<b>Operating cash flow</b>	<b>180</b>	<b>447</b>
in % of revenue	4.3	11.3
Capital expenditures, net	(246)	(197)
<b>Free cash flow</b>	<b>(66)</b>	<b>250</b>
Free cash flow, after acquisitions and investments	(157)	239

## Total debt/EBITDA-ratio



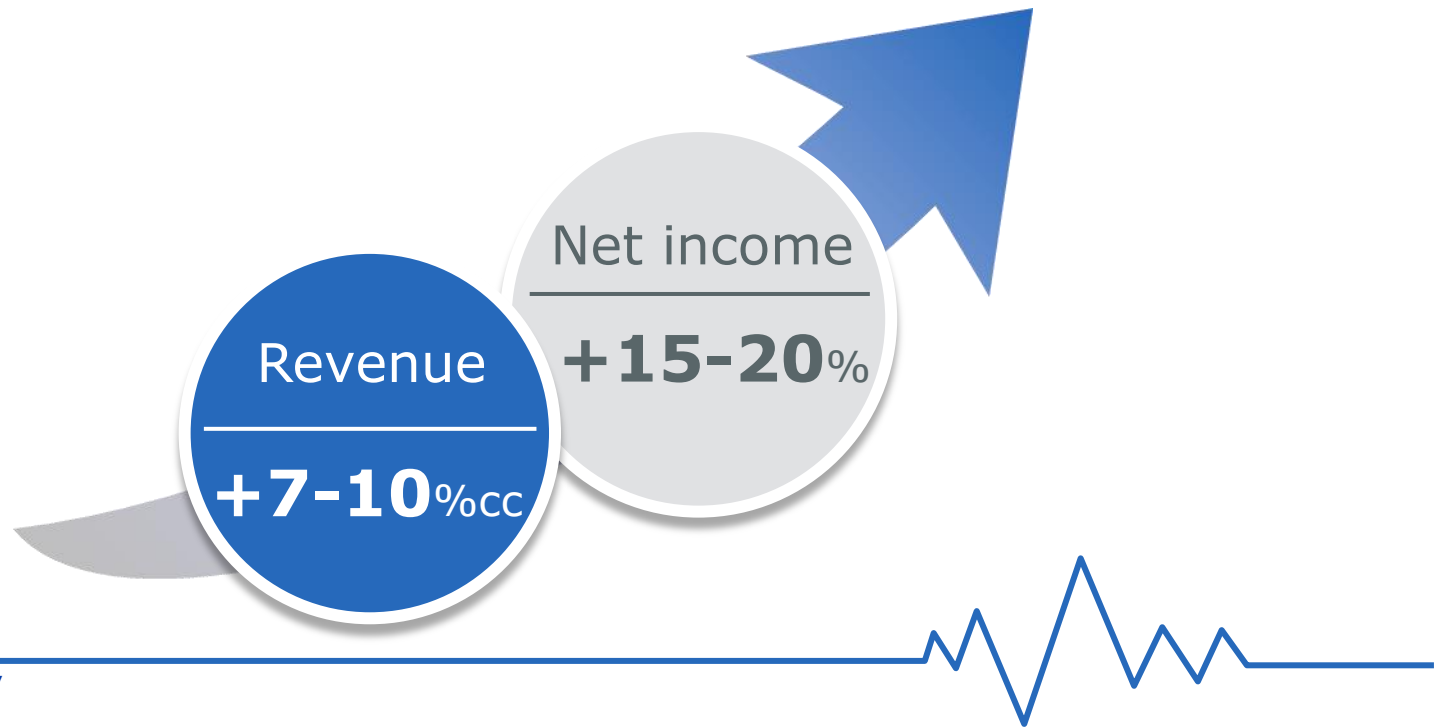
## Current ratings

	<b>S&amp;P</b>	<b>Moody's</b>	<b>Fitch</b>
Company	BBB-	Ba1	BB+
Outlook	stable	stable	stable

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



# Outlook 2016 confirmed



- ▶ 2016 net income growth outlook is based on current exchange rates
- ▶ Savings from the Global Efficiency Program are included
- ▶ Acquisitions 2015/2016 are not included
- ▶ Net income growth based on US\$ 1,057 million in 2015

# 2020 growth strategy

**Opening up  
new business  
areas**

**Growing in our  
core business**

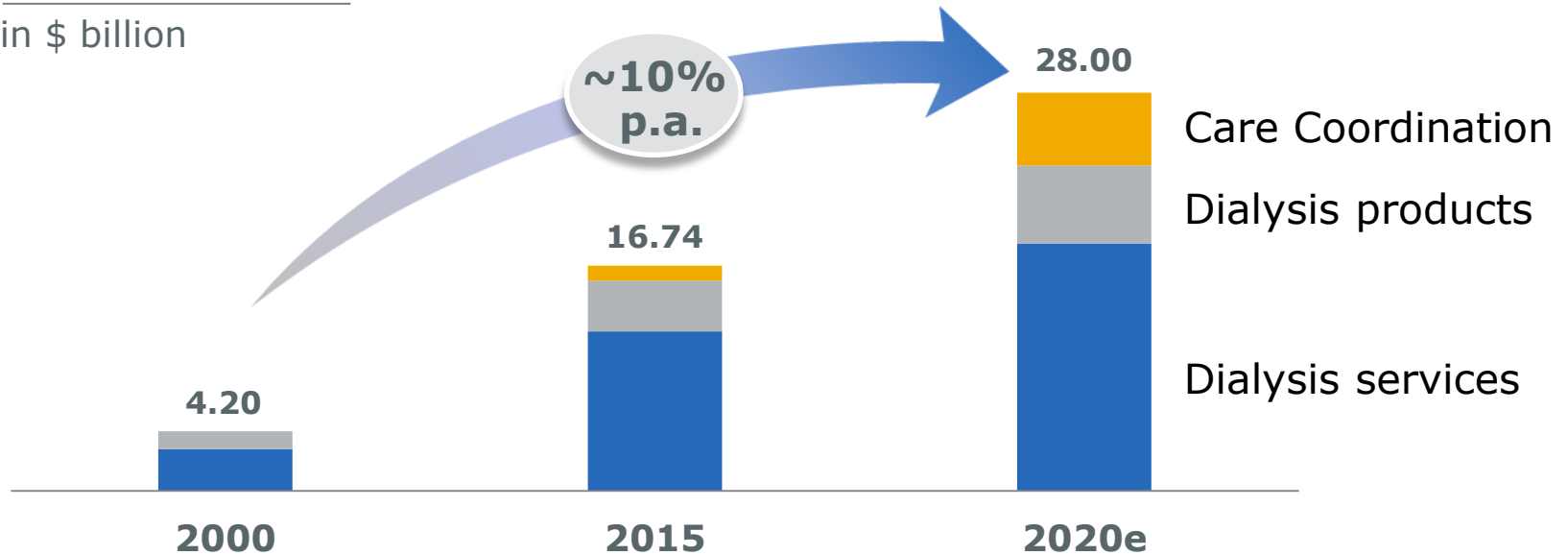


**Enhancing  
products and  
treatments**

**Increasing  
flexibility and  
efficiency**

# Long-term goals up to 2020

Revenue  
in \$ billion



- ▶ We expect an average increase in net income in the high single-digit percentage range for the same period.
- ▶ We will continue to grow our dialysis services and products business.
- ▶ We plan to further expand our Care Coordination activities.

# 20 YEARS

CREATING A FUTURE  
WORTH LIVING

# Attachment 1

Reconciliation of non-US-GAAP financial measures to the most comparable US-GAAP measure

US\$ million

<b>Debt</b>	FY 2014 <sup>1)</sup>	FY 2015	<b>Q1 2016</b>
Short term borrowings	133	109	349
+ Short term borrowing from related parties	5	19	64
+ Current portion of long-term debt and capital lease obligations	314	664	678
+ Long-term debt and capital lease obligations less current portion	9,014	7,854	7,848
<b>TOTAL debt</b>	<b>9,466</b>	<b>8,646</b>	<b>8,939</b>

<b>EBITDA</b>	FY 2014 <sup>2)</sup>	FY 2015 <sup>2)</sup>	<b>Q1 2016</b>
Last twelve month operating income (EBIT)	2,347	2,327	2,363
+ Last twelve month depreciation and amortization	716	717	723
+ Non-cash charges	57	83	84
<b>EBITDA (annualized)</b>	<b>3,120</b>	<b>3,127</b>	<b>3,170</b>
<b>Total Debt <sup>1)</sup> / EBITDA</b>	<b>3.0</b>	<b>2.8</b>	<b>2.8</b>

1) Reclassification of debt issuance costs from current / non-current assets to long-term liabilities

2) EBITDA: including largest acquisitions



# Attachment 2

Reconciliation of non-US-GAAP financial measures to the most comparable US-GAAP measure

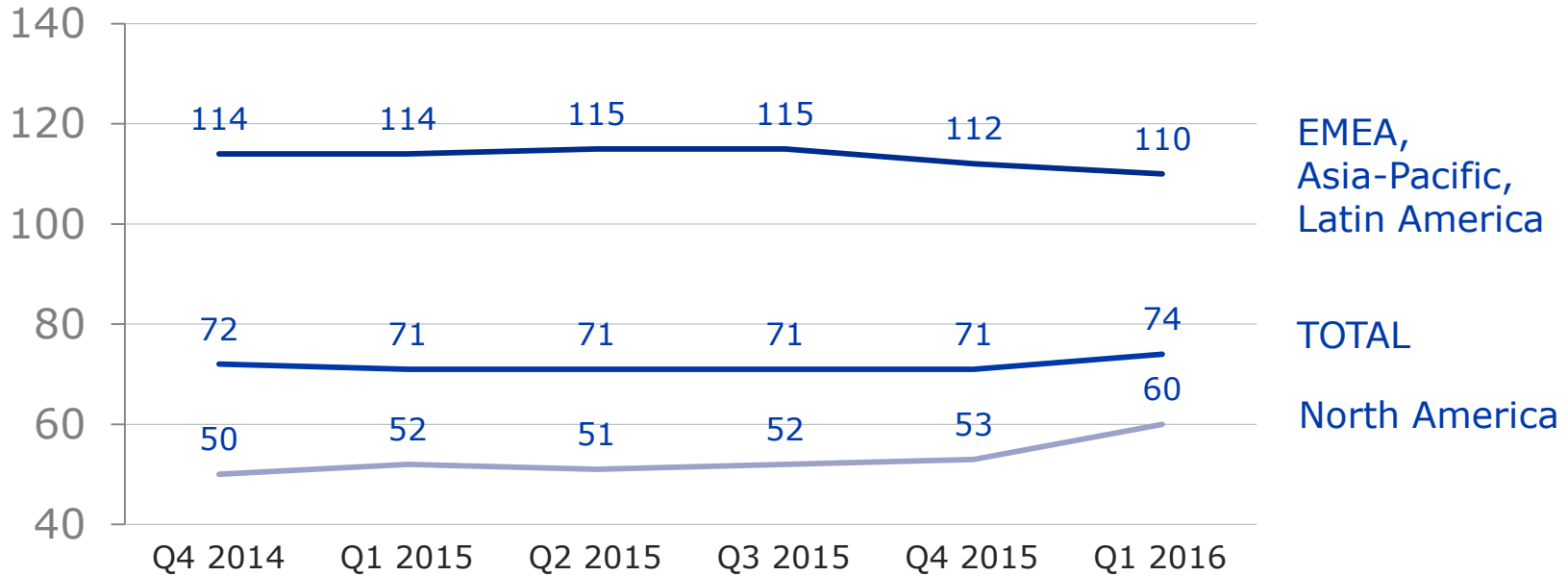
US\$ million

<b>Cash Flow</b>	Q1 2015	Q1 2016
Acquisitions, investments and net purchases of intangible assets	(22)	(91)
+ Proceeds from divestitures	11	-
= Acquisitions and investments, net of divestitures	(11)	(91)

<b>Capital expenditures, net</b>	Q1 2015	Q1 2016
Purchase of property, plant and equipment	(201)	(250)
- Proceeds from sale of property, plant & equipment	4	4
= Capital expenditure, net	(197)	(246)

# Day sales outstanding (DSO)

in days



- ▶ The DSO increase in the North America Segment is largely due to a delay in invoicing within the quarter.

## Patients, treatments, clinics

	<b>Clinics</b> as of Mar. 31, 2016	<b>Patients</b> as of Mar. 31, 2016	<b>Treatments</b> Q1 2016, in million
North America	2,224	182,808	7.1
Growth in %	2	3	6
EMEA	658	55,197	2.1
Asia-Pacific	323	26,713	1.0
Latin America	227	29,325	1.2
<b>Total</b>	<b>3,432</b>	<b>294,043</b>	<b>11.3</b>
Growth in %	1	2	5

## Exchange rates

		Q1 2015	FY 2015	Q1 2016
<b>€:\$</b>	Period end	1.0759	1.0887	1.1385
	Average	1.1261	1.1095	1.1020
<b>\$:CNY</b>	Period end	6.2004	6.4855	6.4571
	Average	6.2367	6.2851	6.5427
<b>\$:RUB</b>	Period end	58.0351	74.1009	67.0225
	Average	63.0147	61.3538	74.8191
<b>\$:ARS</b>	Period end	8.8095	12.9825	14.6423
	Average	8.6890	9.2570	14.4491

## U.S. dialysis days per quarter

	Q1	Q2	Q3	Q4	Full year
2014	76	78	79	80	313
2015	76	78	79	79	312
2016	78	78	79	79	314
2017	77	78	79	78	312

**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 after minorities 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. The term EMEA refers to the region Europe, Middle East and Africa. Amounts are in US-\$ if not mentioned otherwise.

**Constant currency:** Changes in revenue include the impact of changes in foreign currency exchange rates. We use the non-GAAP financial measure “at constant exchange rates” in our filings to show changes in our revenue without giving effect to period-to-period currency fluctuations. Under U.S. GAAP, revenues received in local (non-U.S. dollar) currency are translated into U.S. dollars at the average exchange rate for the period presented. When we use the term “constant currency,” it means that we have translated local currency revenues for the current reporting period into U.S. dollars using the same average foreign currency exchange rates for the conversion of revenues into U.S. dollars that we used to translate local currency revenues for the comparable reporting period of the prior year. We then calculate the change, as a percentage, of the current period revenues using the prior period exchange rates versus the prior period revenues. This resulting percentage is a non-GAAP measure referring to a change as a percentage “at constant exchange rates.”

We believe that revenue growth is a key indication of how a company is progressing from period to period and that the non-GAAP financial measure constant currency is useful to investors, lenders, and other creditors because such information enables them to gauge the impact of currency fluctuations on its revenue from period to period. However, we also believe that data on constant currency period-over-period changes have limitations, particularly as the currency effects that are eliminated could constitute a significant element of our revenue and could significantly impact our performance. We therefore limit our use of constant currency period-over-period changes to a measure for the impact of currency fluctuations on the translation of local currency revenue into U.S. dollars. We do not evaluate our results and performance without considering both constant currency period-over-period changes in non-U.S. GAAP revenue on the one hand and changes in revenue prepared in accordance with U.S. GAAP on the other. We caution the readers of this report to follow a similar approach by considering data on constant currency period-over-period changes only in addition to, and not as a substitute for or superior to, changes in revenue prepared in accordance with U.S. GAAP. We present the fluctuation derived from U.S. GAAP revenue next to the fluctuation derived from non-GAAP revenue. Because the reconciliation is inherent in the disclosure, we believe that a separate reconciliation would not provide any additional benefit.

## Financial calendar \*

Aug 2, 2016	Report on 2 <sup>nd</sup> quarter 2016
Oct 27, 2016	Report on 3 <sup>rd</sup> quarter 2016
June 7, 2016	Jefferies Healthcare Conference, NY
June 9, 2016	Deutsche Bank European Lev Finance Conference, London
June 10, 2016	dbAccess German, Swiss & Austrian Conference, Berlin
June 22, 2016	Citi European Healthcare Conference, London
June 23, 2016	J.P. Morgan European Healthcare Conference, London

\* Please note that dates and/or participation might be subject to change



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