



# Berenberg & Goldman Sachs German Corporate Conference

Munich | September 20, 2016



**FRESENIUS  
MEDICAL CARE**



CREATING A FUTURE  
WORTH LIVING

**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.

# Fresenius Medical Care today

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



**37**

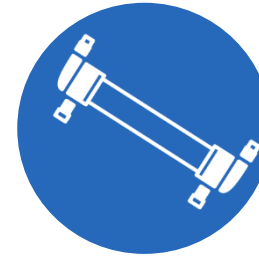
Production sites



**3,504**  
clinics



**301,548**  
patients



**22,821,121**  
dialysis treatments  
(1st half 2016)



**106,556**  
employees



# AGENDA



**Market dynamics**

**1**

Business update: Q2 2016

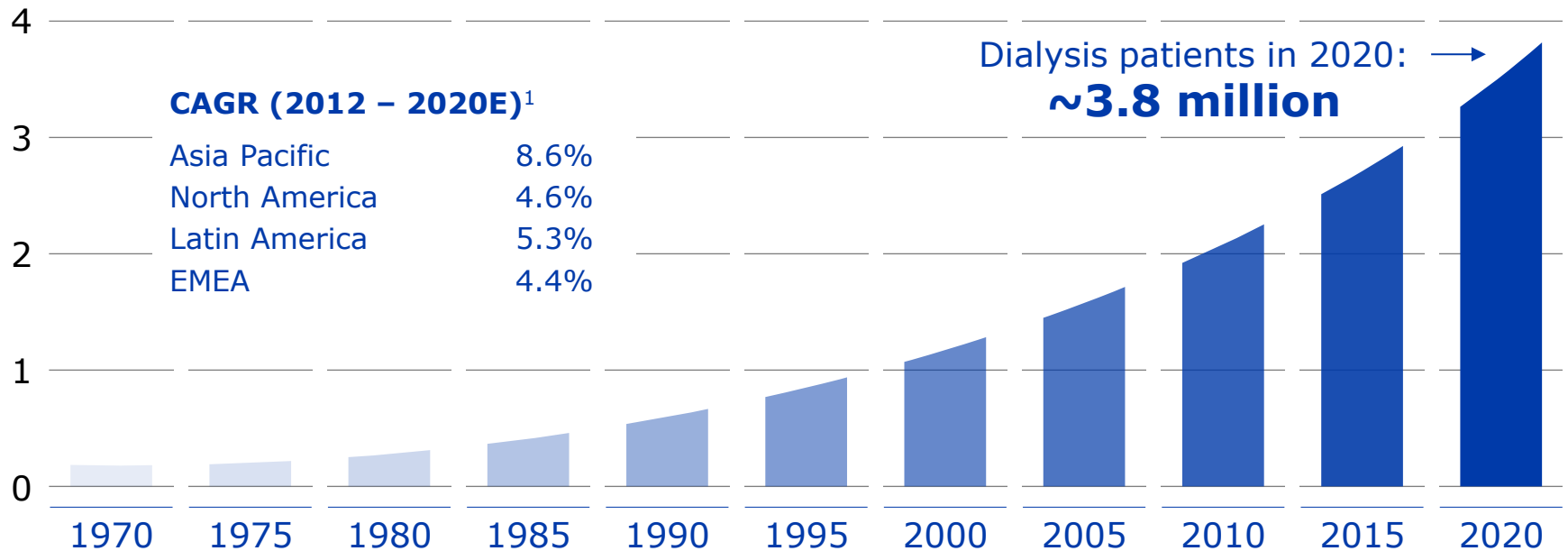
**2**

Financials & outlook

**3**

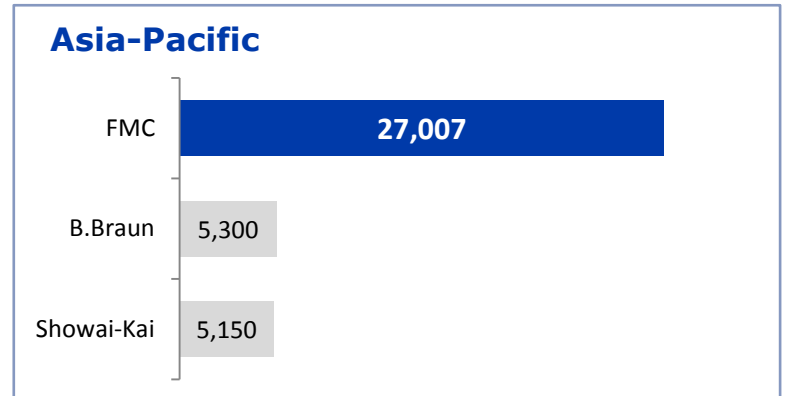
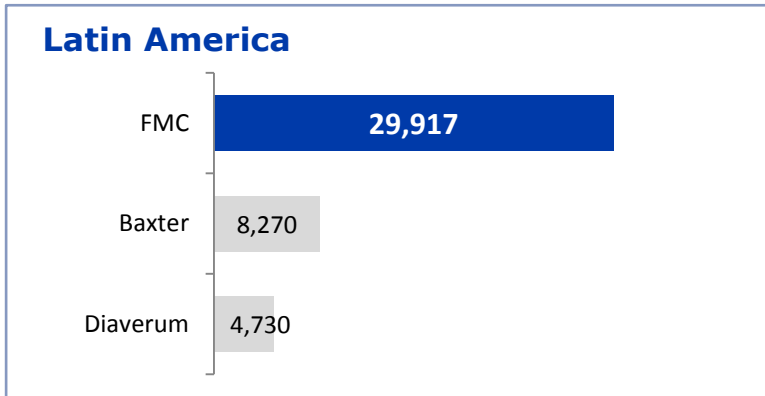
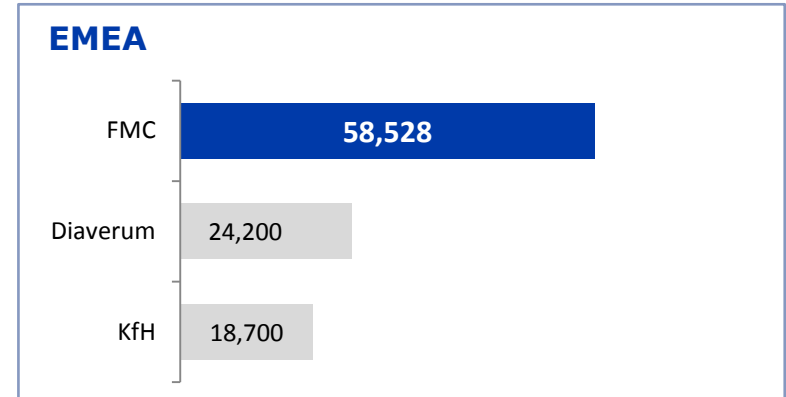
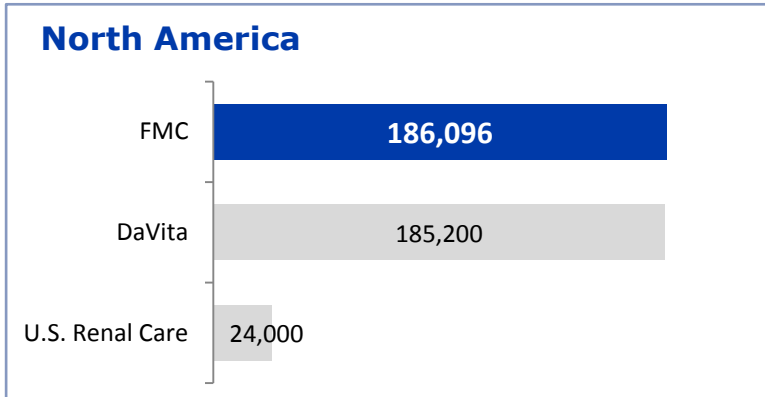
# Expected global dialysis patient growth

- ▶ 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**

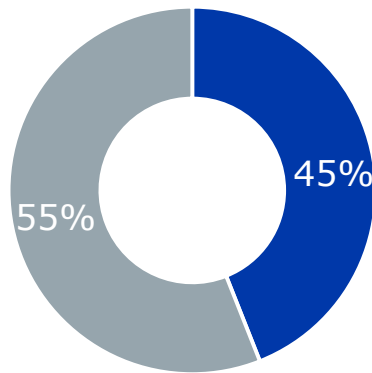
**We lead in every major market,  
treating > 290,000 patients worldwide**

<sup>1</sup> as of June 30, 2015, based on company statements and own estimates.

# Market position by major product groups 2015

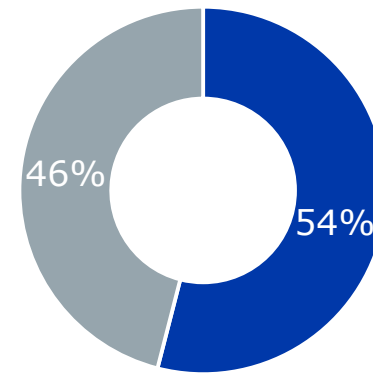
	<b>Position 1</b>
Dialyzers	FMC
Dialysis machines	FMC
Hemodialysis concentrates	FMC
Bloodlines	FMC
Peritoneal dialysis products	Baxter

## Dialyzers



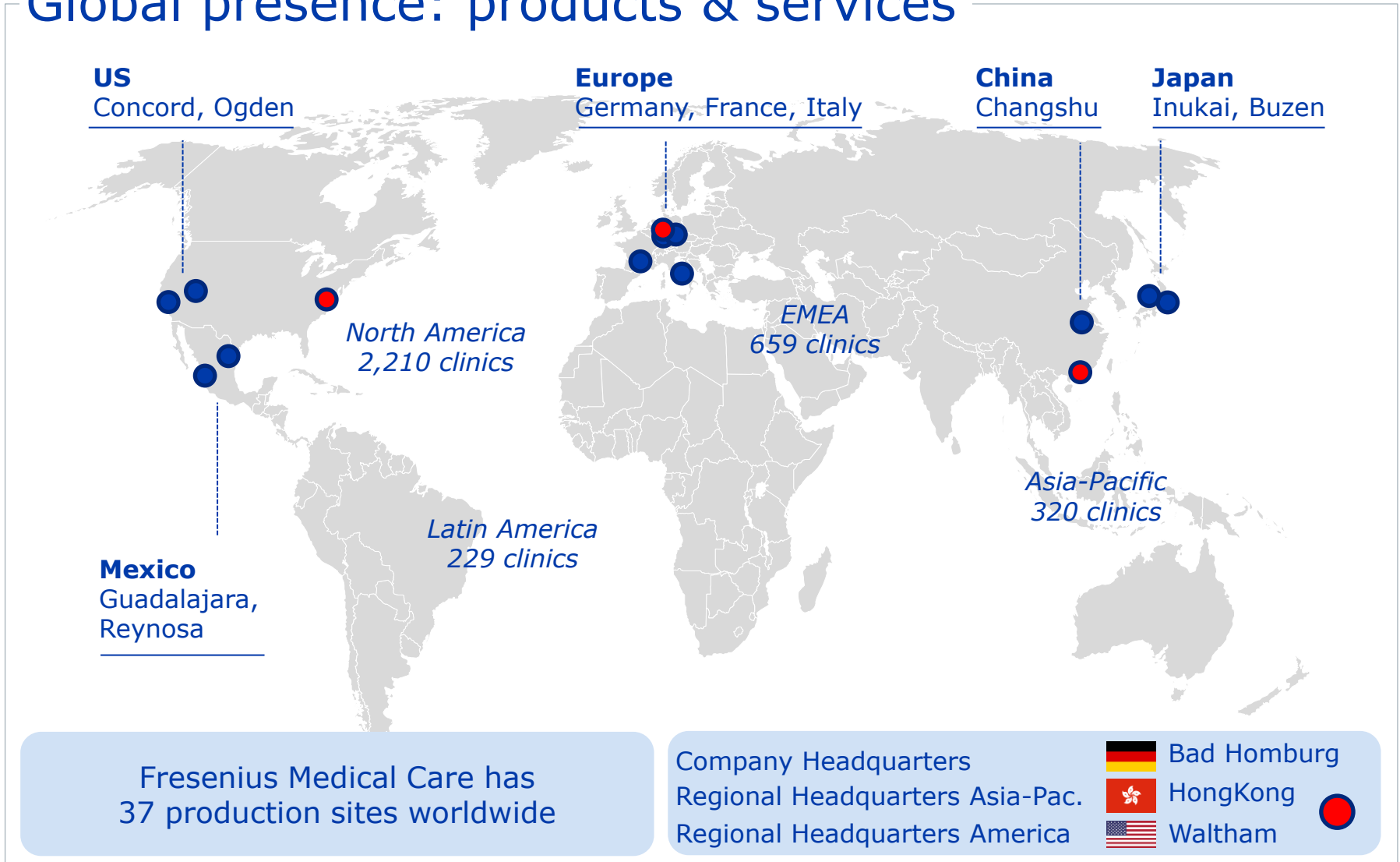
■ FME  
■ Competitors

## Dialysis machines



Sold around 120 million dialyzers in 2015

# Global presence: products & services





# AGENDA



Market dynamics

1

**Business update: Q2 2016**

**2**

Financials & outlook

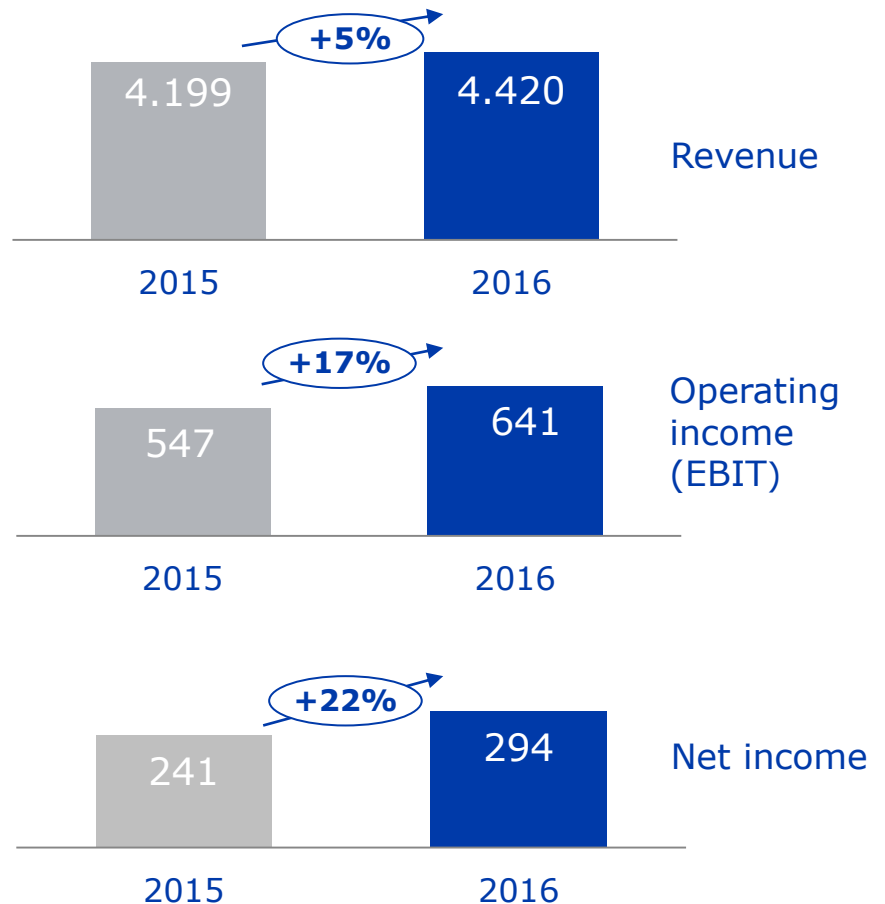
3

# Q2: Accelerated earnings growth

## Q2 2016 Highlights

- ▶ Solid revenue growth driven by very good results in health care services
- ▶ North America again with excellent operating performance
- ▶ Care Coordination continues to show significant top-line growth
- ▶ New innovative hemodialysis therapy system 6008 launched in May
- ▶ For the first time providing services to more than 300,000 patients worldwide
- ▶ On track to achieve full year guidance

## Q2 2016 Performance (US\$ million)



# Q2: Solid revenue development in all segments

## North America

US\$ million

Revenue	3,168	+8%
Organic growth		+7%

## EMEA

US\$ million

Revenue	676	+3%cc
Organic growth		0%

## Asia-Pacific

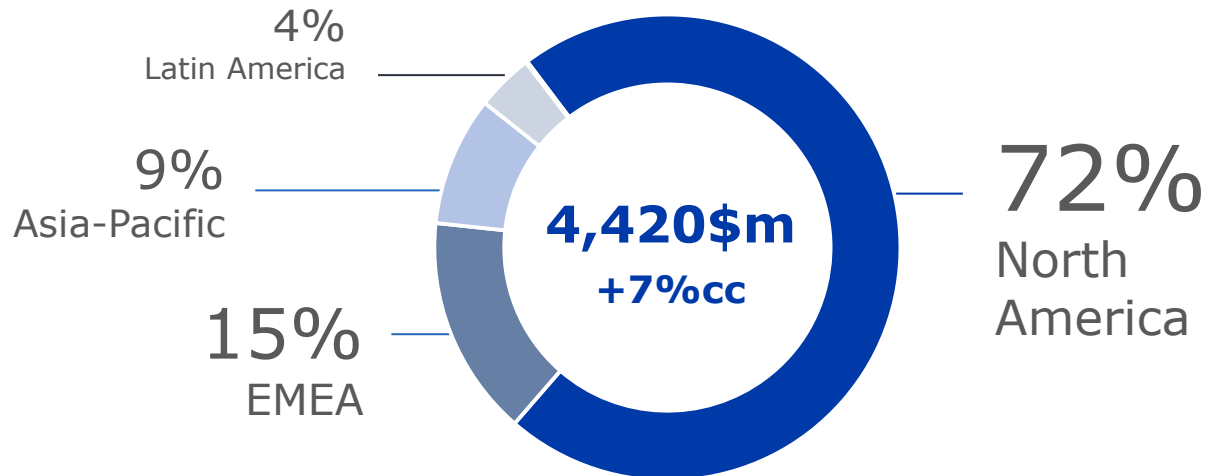
US\$ million

Revenue	397	+6%cc
Organic growth		+7%

## Latin America

US\$ million

Revenue	175	+9%cc
Organic growth		+17%



cc = constant currency, corporate revenue = \$4m

## Q2: Quality outcomes remain stable

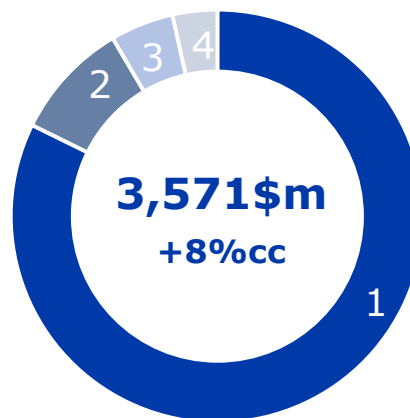
% of patients	North America		EMEA		Latin America <sup>1</sup>		Asia-Pacific <sup>1</sup>	
	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016
Kt/V ≥ 1.2	98	98	96	96	92	92	97	97
No catheter (>90 days)	84	85	81	82	82	82	91	91
Hemoglobin = 10 – 12 g/dl	73	72	77	78	52	52	58	58
Hemoglobin = 10 – 13 g/dl (International)	78	77	77	77	69	68	66	66
Albumin ≥ 3.5 g/dl	81	82	90	91	90	90	87	89
Phosphate ≤ 5.5 mg/dl	63	64	76	78	77	75	71	70
Calcium 8.4 – 10.2 mg/dl	83	84	73	74	74	76	75	74
Hospitalization days, per patient	10.0	10.0	9.4	9.4	3.6	3.5	4.0	4.3

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

## Q2: Health care services revenue continues to grow

	Q2 2016 US\$ million	Q2 2015 US\$ million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
<b>Total health care</b>	<b>3,571</b>	<b>3,345</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>3</b>
North America	<b>2,938</b>	2,722	8	8	7	3
of which Care Coordination	<b>564</b>	468	21	21	17	n.a.
EMEA	<b>331</b>	309	7	9	3	3
Asia-Pacific	<b>177</b>	164	8	2	4	5
Latin-America	<b>125</b>	139 <sup>1</sup>	(10) <sup>1</sup>	18*	19	2

- ▶ 4% increase in dialysis treatments
- ▶ Positive impact from a higher volume with commercial payers
- ▶ Care Coordination with significant organic growth



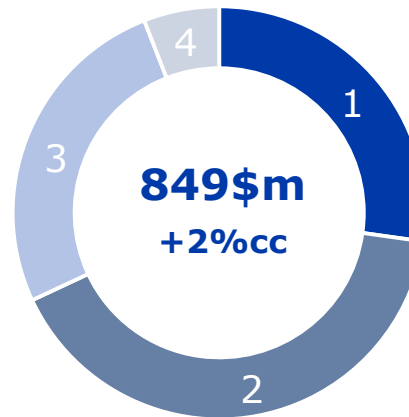
1	North America	82%
2	EMEA	9%
3	Asia-Pacific	5%
4	Latin America	4%

<sup>1</sup> Pro-forma health care services revenue, reflecting sale of Fresenius Medical Care's clinics in Venezuela in July 2015 (\$11 million revenue in Q2 2015).

## Q2: Dialysis products grow despite strong Q2 2015

	<b>Q2 2016</b> US\$ million	<b>Q2 2015</b> US\$ million	Growth in %	Growth in %cc
<b>Total dialysis products</b>	<b>849</b>	<b>854</b>	<b>(1)</b>	<b>2</b>
North America	230	224	2	2
EMEA	345	359	(4)	(3)
Asia-Pacific	220	212	4	9
Latin America	50	53	(5)	8
Corporate	4	6	(30)	(31)

- ▶ Increased sales of dialyzers and machines
- ▶ Very tough comparison due to exceptionally strong performance in the comparable quarter last year
- ▶ Foreign currency headwinds outside of North America



1	North America	27%
2	EMEA	41%
3	Asia-Pacific	26%
4	Latin America	6%

# AGENDA



Market dynamics

1

Business update: Q2 2016

2

**Financials & outlook**

**3**

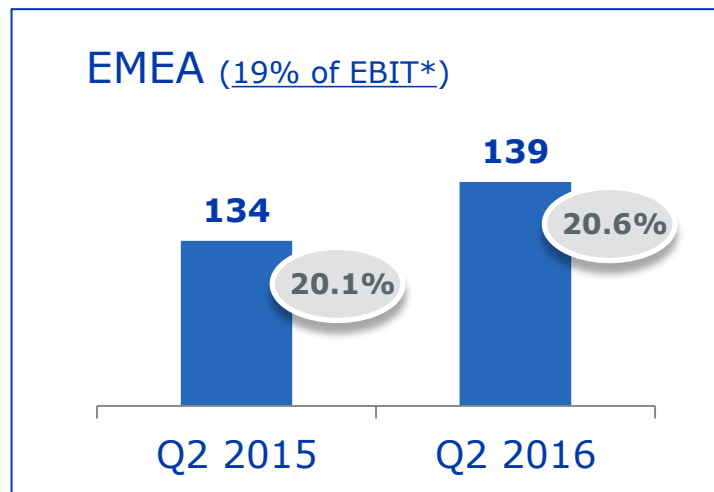
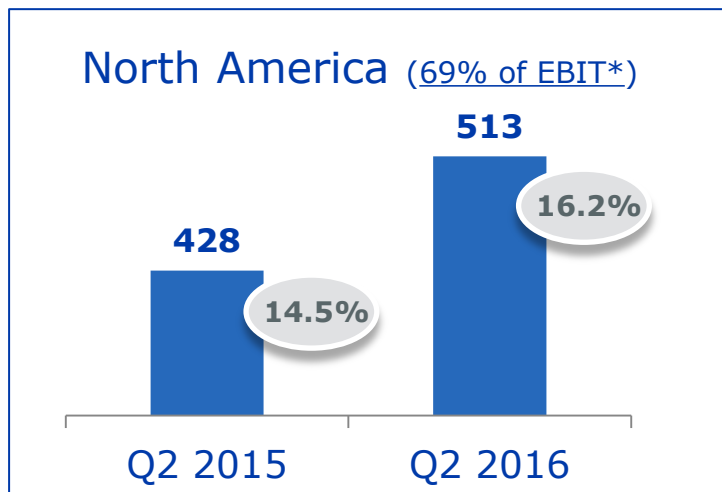
## Q2/H1: Strong profit increase

	<b>Q2 2016</b> US\$ million	Q2 2015 US\$ million	Growth in %	<b>H1 2016</b> US\$ million	H1 2015 US\$ million	Growth in %
<b>Net revenue</b>	<b>4,420</b>	4,199	5	<b>8,626</b>	8,159	6
<b>Operating income (EBIT)</b>	<b>641</b>	547	17	<b>1,181</b>	1,051	12
<i>EBIT-margin in %</i>	<b>14.5</b>	13.0	150bp	<b>13.7</b>	12.9	80bp
Net interest expense	<b>102</b>	102	1	<b>208</b>	204	2
Income before taxes	<b>539</b>	445	21	<b>973</b>	847	15
Income tax expense	<b>169</b>	135	24	<b>306</b>	273	12
<i>Tax rate in %</i>	<b>31.3</b>	30.4	90bp	<b>31.5</b>	32.2	(70bp)
Non-controlling interest	<b>76</b>	69	11	<b>145</b>	124	17
<b>Net income</b>	<b>294</b>	241	22	<b>522</b>	450	16

- ▶ Revenue for the first half increased by 8% constant currency, in line with full-year guidance.
- ▶ Net income supported by lower cost for healthcare supplies and savings from Global Efficiency Program.



# Q2: Margin improvement across all segments

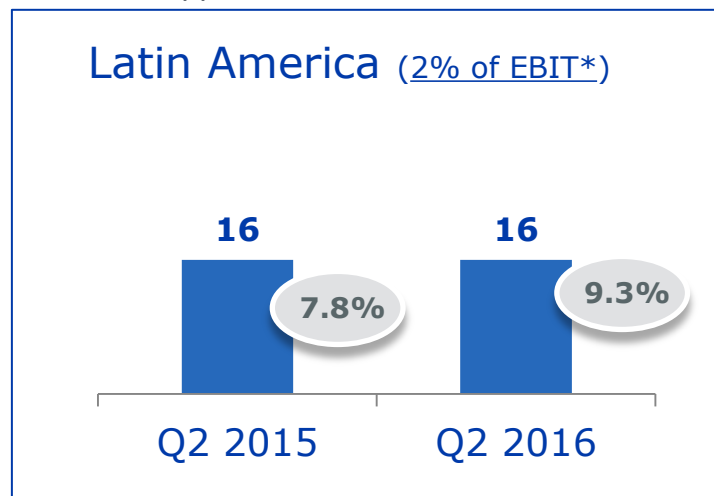
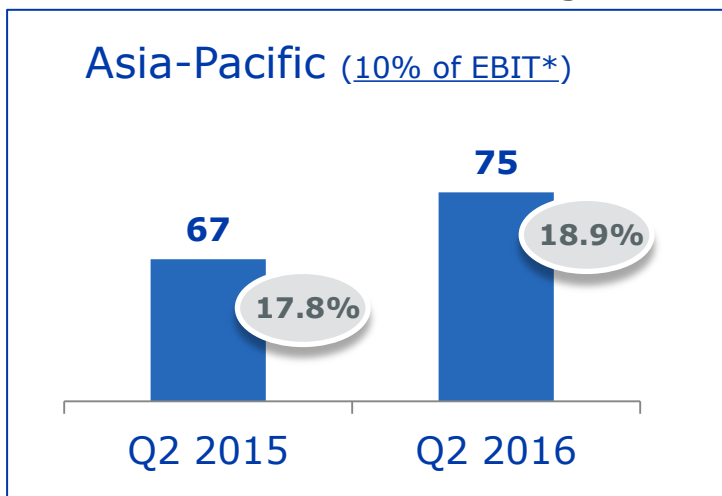


in US\$ million

■ EBIT

○ % EBIT-margin

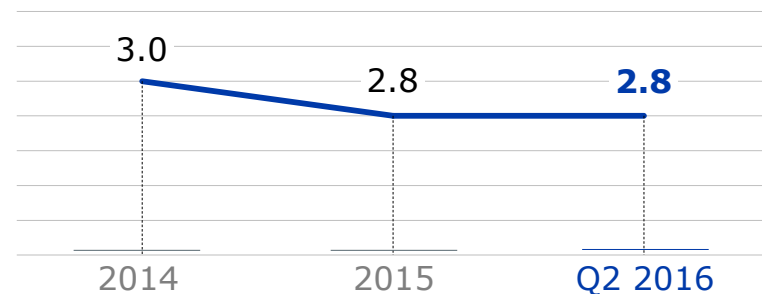
Diagrams: different scales applied



## Q2: Cash flow development and credit profile

	<b>Q2 2016</b>	<b>H1 2016</b>	Q2 2015	H1 2015
	in \$ million		in \$ million	
<b>Operating cash flow</b>	<b>678</b>	<b>857</b>	<b>385</b>	<b>832</b>
in % of revenue	15.3	9.9	9.2	10.2
Capital expenditures, net	(252)	(498)	(214)	(411)
<b>Free cash flow</b>	<b>426</b>	<b>359</b>	<b>171</b>	<b>421</b>
Free cash flow, after acquisitions and investments	359	202	116	355

### Total debt/EBITDA-ratio

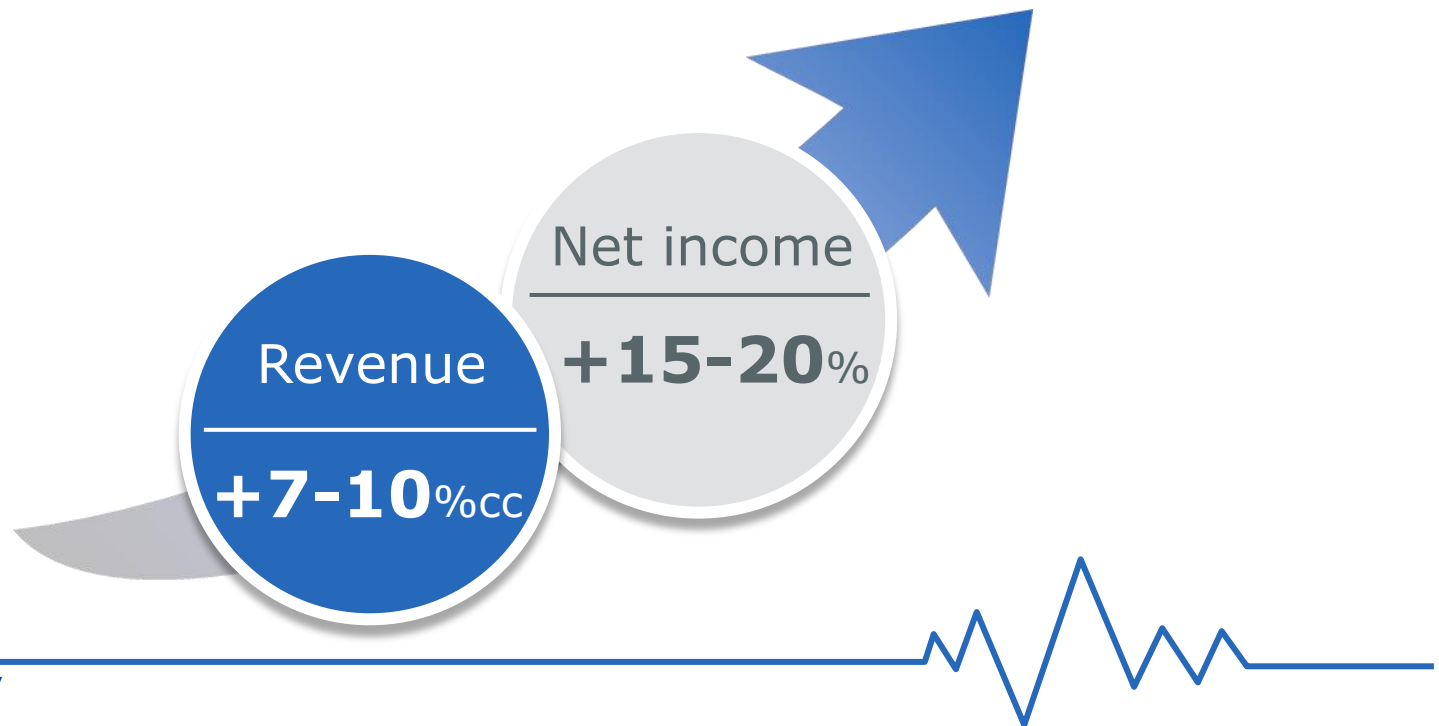


### Current ratings

	<b>S&amp;P</b>	<b>Moody's</b>	<b>Fitch</b>
Company	BBB-	Ba1	BBB-
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**

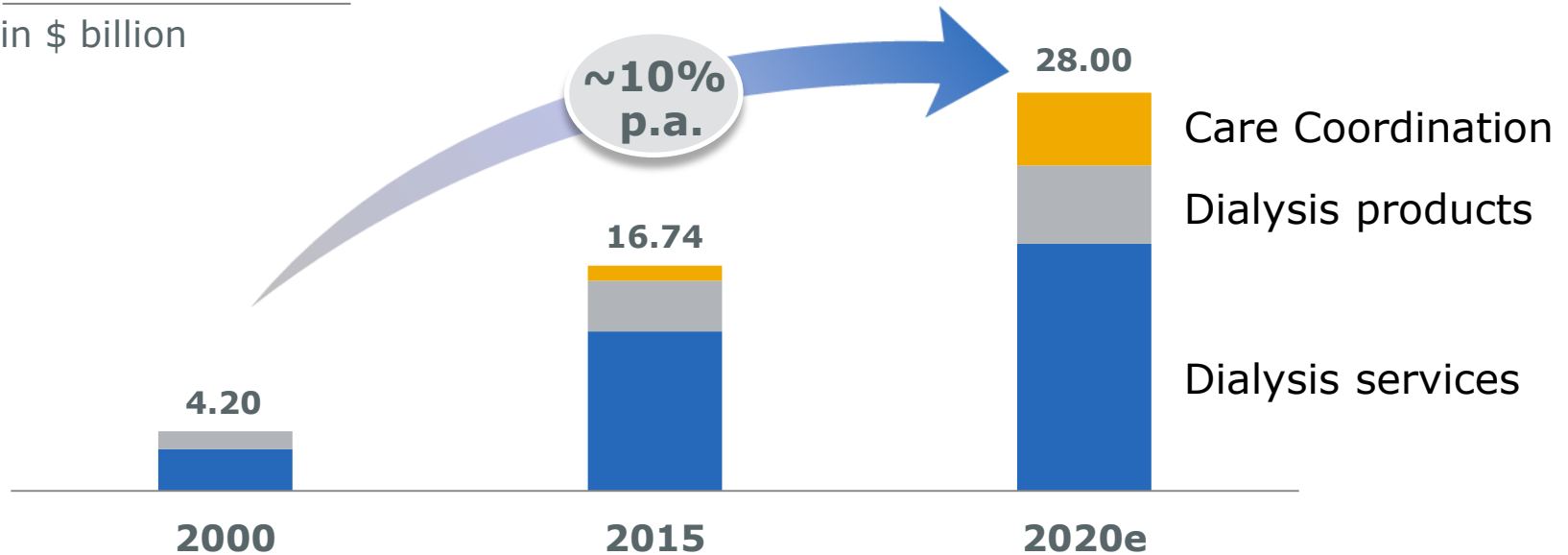


**Enhancing  
products and  
treatments**

**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>Q2 2016</b>
Short term borrowings	133	109	705
+ Short term borrowing from related parties	5	19	3
+ Current portion of long-term debt and capital lease obligations	314	664	675
+ Long-term debt and capital lease obligations less current portion	9,014	7,854	7,702
<b>TOTAL debt</b>	<b>9,466</b>	<b>8,646</b>	<b>9,085</b>

<b>EBITDA</b>	FY 2014 <sup>2)</sup>	FY 2015 <sup>2)</sup>	<b>Q2 2016 <sup>2)</sup></b>
Last twelve month operating income (EBIT)	2,347	2,327	2,466
+ Last twelve month depreciation and amortization	716	717	739
+ Non-cash charges	57	83	89
<b>EBITDA (annualized)</b>	<b>3,120</b>	<b>3,127</b>	<b>3,294</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>	Q2 2015	<b>Q2 2016</b>	H1 2015	<b>H1 2016</b>
Acquisitions, investments and net purchases of intangible assets	(79)	(213)	(101)	(304)
+ Proceeds from divestitures	24	146	35	147
= Acquisitions and investments, net of divestitures	(55)	(67)	(66)	(157)
<b>Capital expenditures, net</b>	Q2 2015	<b>Q2 2016</b>	H1 2015	<b>H1 2016</b>
Purchase of property, plant and equipment	(217)	(256)	(418)	(506)
- Proceeds from sale of property, plant & equipment	3	4	7	8
= Capital expenditure, net	(214)	(252)	(411)	(498)



# H1: Health care services & product revenue

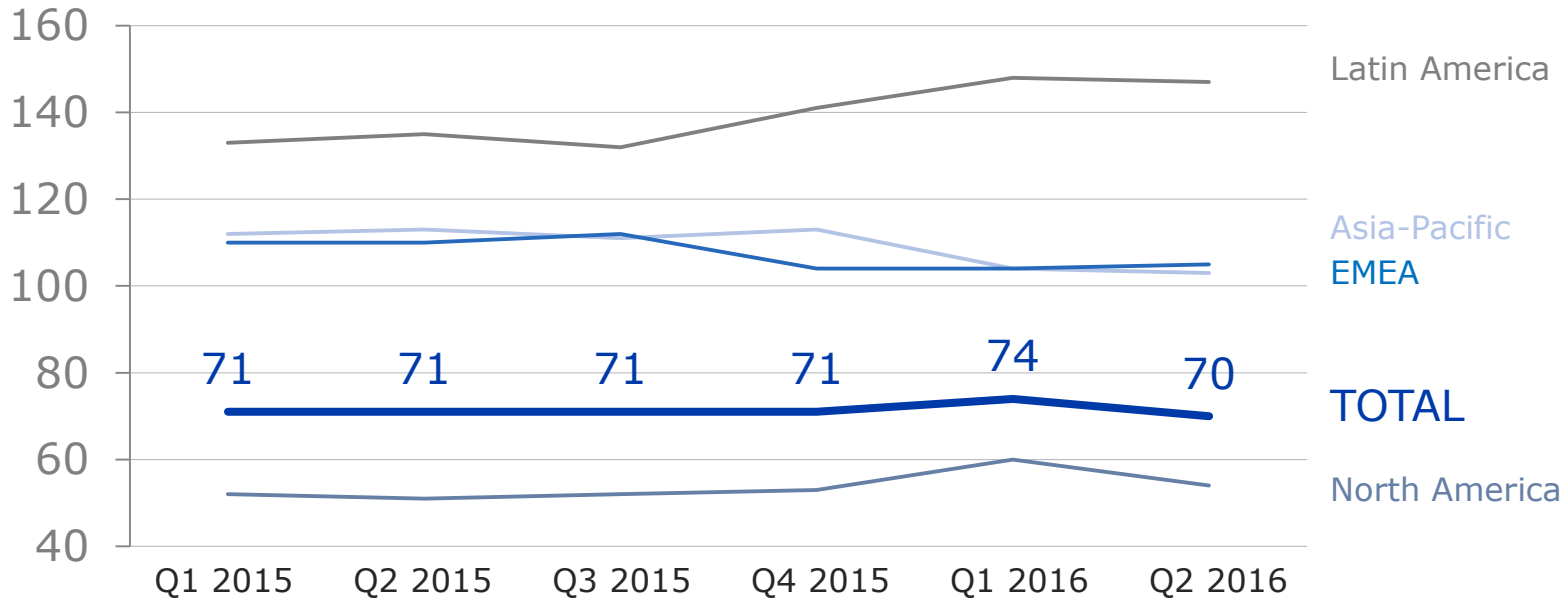
	H1 2016 US\$ million	H1 2015 US\$ million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
<b>Total health care services</b>	<b>6,985</b>	<b>6,527</b>	<b>7</b>	<b>9</b>	<b>7</b>	<b>4</b>
North America	<b>5,770</b>	5,293	9	9	7	3
of which Care Coordination	<b>1,086</b>	902	20	20	17	-
EMEA	<b>632</b>	610	4	8	3	4
Asia-Pacific	<b>345</b>	328	5	3	4	6
Latin-America	<b>238</b>	296	(20)	9	17	2

	H1 2016 US\$ million	H1 2015 US\$ million	Growth in %	Growth in %cc
<b>Total dialysis products</b>	<b>1,641</b>	<b>1,632</b>	<b>1</b>	<b>4</b>
North America	442	424	4	4
EMEA	675	687	(2)	1
Asia-Pacific	426	401	6	12
Latin America	90	105	(14)	2
Corporate	8	15	(48)	(48)

cc = constant currency

# Day sales outstanding (DSO)

in days



- ▶ The DSO increase in the North America Segment in Q1 2016 is mainly due to an adjustment which impacted invoicing. This effect was largely resolved in Q2 2016.

# H1: Patients, treatments, clinics

	<b>Patients</b> as of June 30, 2016	<b>Treatments</b> H1 2016, in million	<b>Clinics</b> as of June 30, 2016
North America	186,096	14.2	2,249
Growth in %	4	5	2
EMEA	58,528	4.3	700
Asia-Pacific	27,007	1.9	324
Latin America	29,917	2.3	231
<b>Total</b>	<b>301,548</b>	<b>22.8</b>	<b>3,504</b>
Growth in %	4	4	2

## Exchange rates

		Q2 2015	H1 2015	Q2 2016	H1 2016
<b>€:\$</b>	Period end	1.119	1.119	1.110	1.110
	Average	1.105	1.116	1.129	1.116
<b>\$:CNY</b>	Period end	6.200	6.200	6.643	6.643
	Average	6.204	6.221	6.543	6.539
<b>\$:RUB</b>	Period end	55.729	55.729	64.421	64.421
	Average	52.674	57.932	65.828	70.165
<b>\$:ARS</b>	Period end	9.105	9.105	14.911	14.911
	Average	8.960	8.822	14.211	14.326

## 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

**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 \*

Oct 27, 2016	Report on 3 <sup>rd</sup> quarter 2016
Sep 21, 2016	Baader Investment Conference, Munich
Sep 22, 2016	Bernstein's Strategic Decision Conference, London
Sep 29, 2016	JP Morgan Investor Forum, Milan
Nov 7, 2016	Credit Suisse Healthcare Conference, Scottsdale
Nov 14-16, 2016	BofAML German Corporate Days Asia, Singapore/Hong Kong
Nov 17, 2016	HSBC Healthcare Day, Frankfurt

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

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