



# JP Morgan Healthcare Conference

San Francisco | January 9-10, 2017



**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 minority interests 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



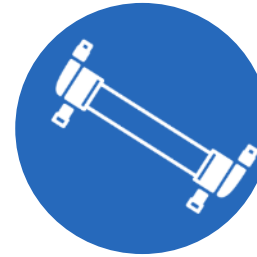
**37**  
Production sites



**3,579**  
clinics



**306,366**  
patients



**34,654,614**  
dialysis treatments  
(9m 2016)



**108,851**  
employees



# Our business profile

Percentage of 9m 2016 revenue

## Health care services

### Dialysis services



Therapies & laboratory services for patients with chronic kidney failure

\$9.0bn **68%**

### Care Coordination



Businesses supporting dialysis, e.g. vascular services

\$1.7bn **13%**

## Products

### Dialysis products



e.g., dialysis machines, dialyzers & bloodline systems

\$2.5bn **19%**

# AGENDA



Dialysis facts & figures

1

Business update: Q3 2016

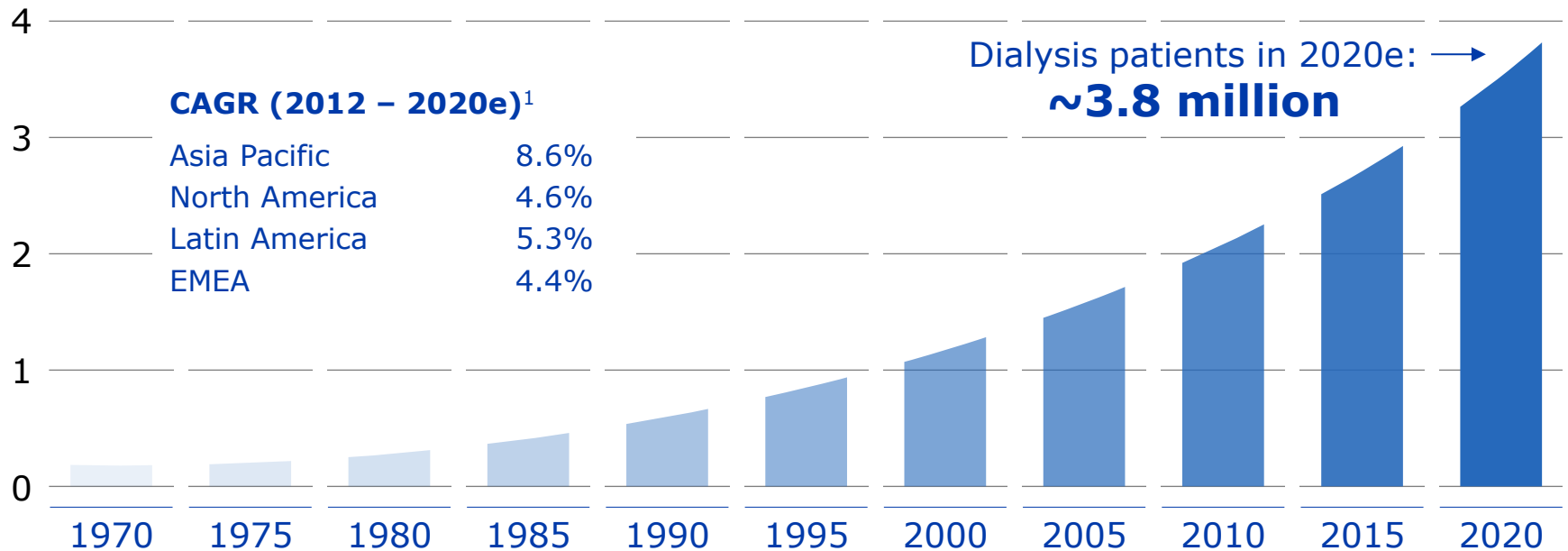
2

Outlook & growth strategy

3

# Expected global dialysis patient growth

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

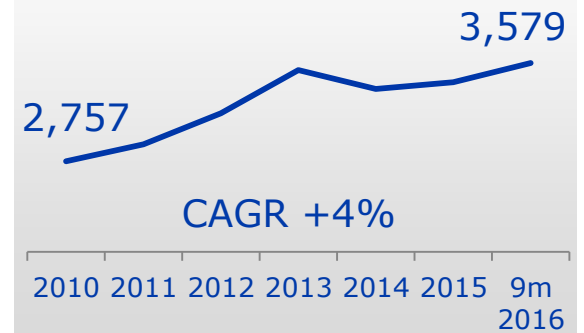
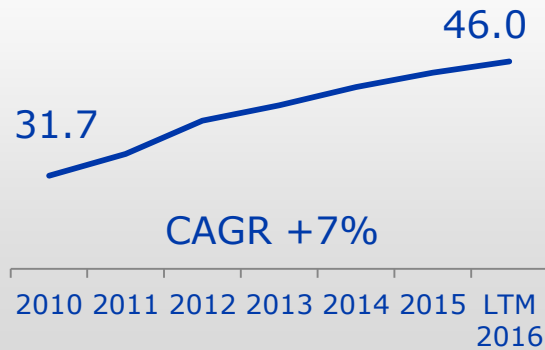
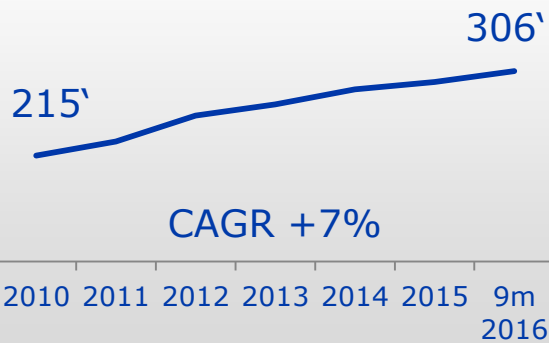


<sup>1</sup> Internal estimates

# Fresenius Medica Care - global footprint

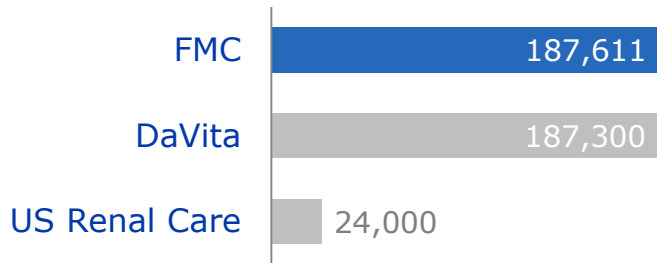
9m 2016

	Patients	Treatments (m)	Clinics
North America	187,611	21.5	2,277
EMEA	59,233	6.6	701
Asia-Pacific	29,358	3.0	369
Latin America	30,164	3.6	232
<b>Total</b>	<b>306,366</b>	<b>34.7</b>	<b>3,579</b>

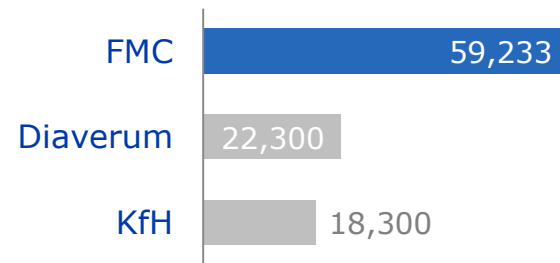


# Dialysis services worldwide: Patients treated<sup>1</sup>

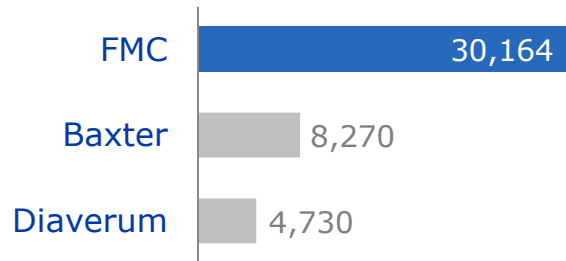
## North America



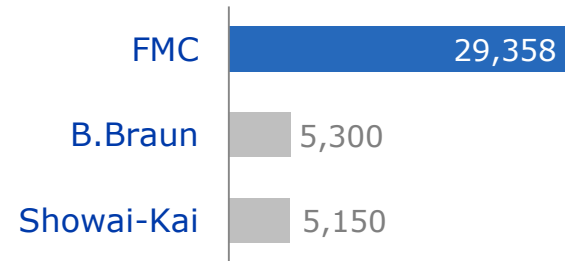
## EMEA



## Latin America



## Asia-Pacific



USD  
~73bn  
Market

We lead in every major market,  
treating > 306,000 patients worldwide

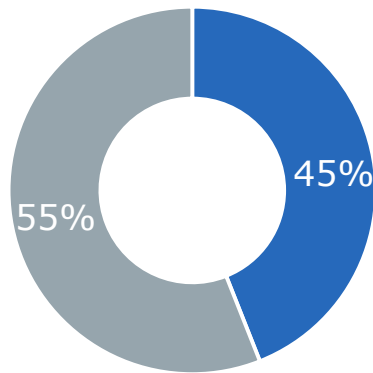
<sup>1</sup> based on company statements and FME estimates



# Market position by major product groups 2015

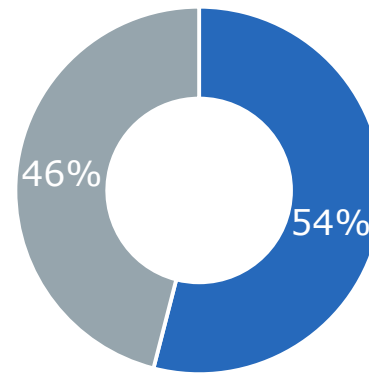
	<b>Position 1</b>
Dialyzers	FME
Dialysis machines	FME
Hemodialysis concentrates	FME
Bloodlines	FME
Peritoneal dialysis products	Baxter

## Dialyzers



- FME
- Competitors

## Dialysis machines



# AGENDA



Dialysis facts & figures

1

**Business update: Q3 2016**

2

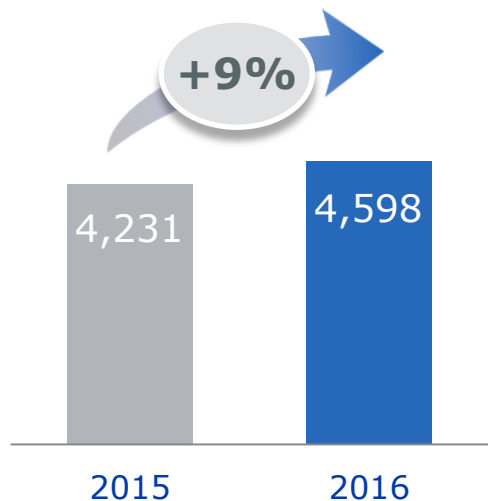
Outlook & growth strategy

3

## Q3: Strong performance to deliver on fiscal year

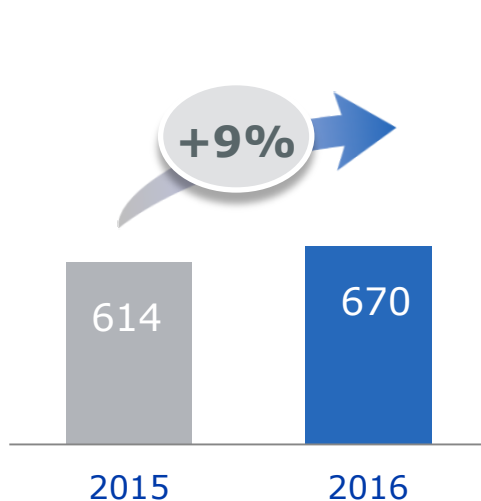
### Revenue

in \$m



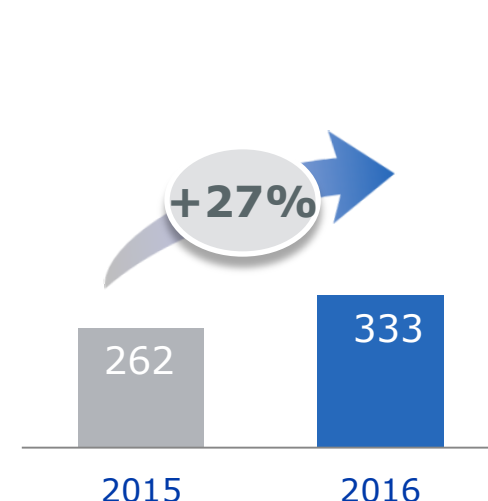
### EBIT

in \$m



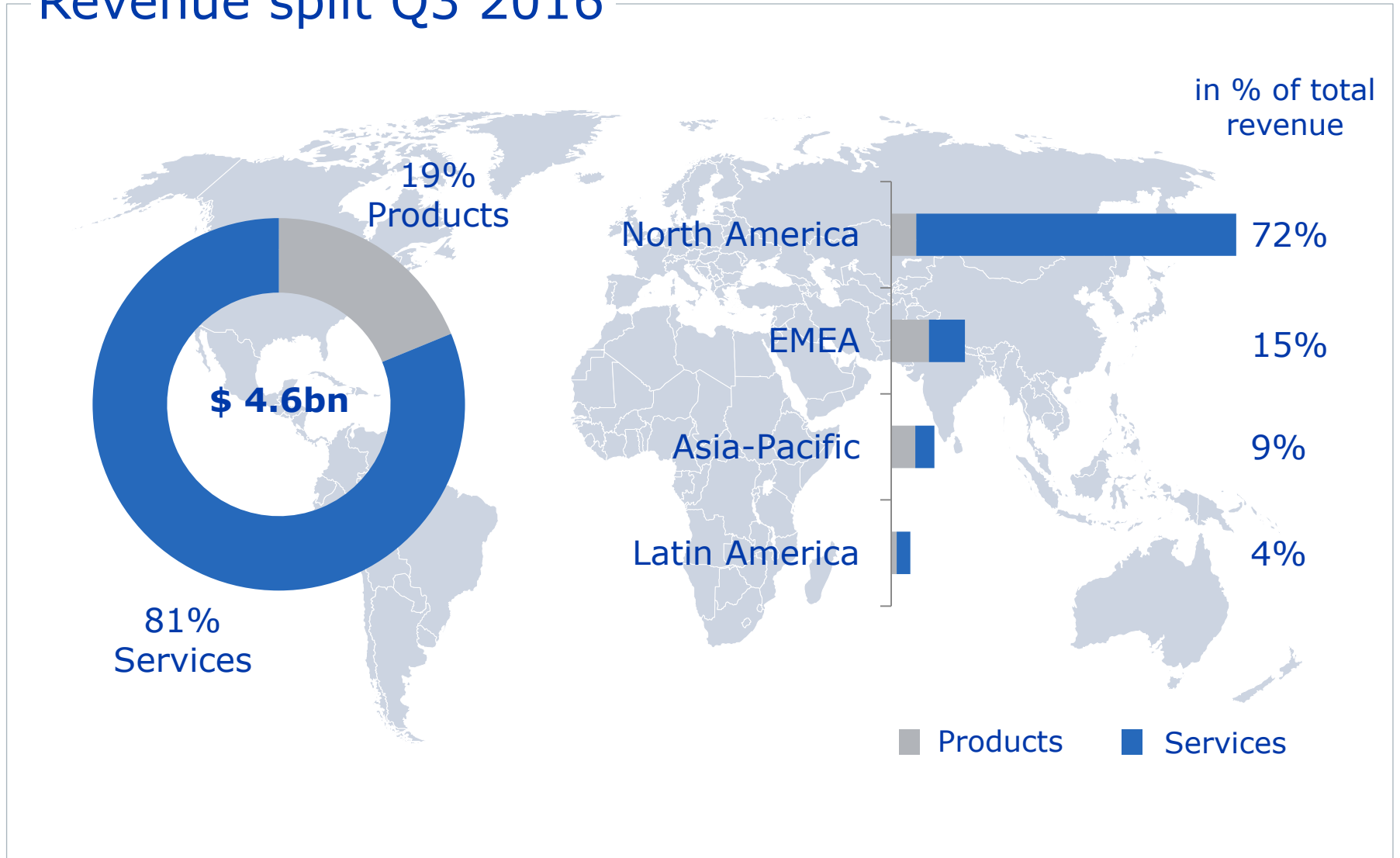
### Net income

in \$m



- ▶ Strong revenue growth due to positive results in Health Care services
- ▶ Segments Asia-Pacific and Latin America with very strong performance
- ▶ Care Coordination again with significant top-line growth
- ▶ On track to achieve full-year guidance

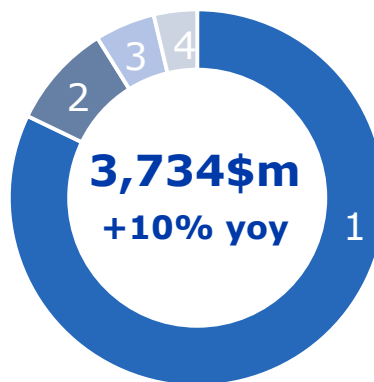
# Revenue split Q3 2016



# Health Care services with strong revenue growth

	Q3 2016 US\$ million	Q3 2015 US\$ million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
<b>Total health care</b>	<b>3,734</b>	<b>3,402</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>3.0</b>
North America	3,068	2,794	10	10	7	3.3 <sup>1</sup>
of which Care Coordination	618	480	29	29	24	n.a.
EMEA	335	309	8	10	3	3.8
Asia-Pacific	192	168	15	3	4	4.3
Latin-America	139	131	6	31	32	2.0

- ▶ 5% increase in dialysis treatments and number of patients
- ▶ Care Coordination with ongoing significant organic growth



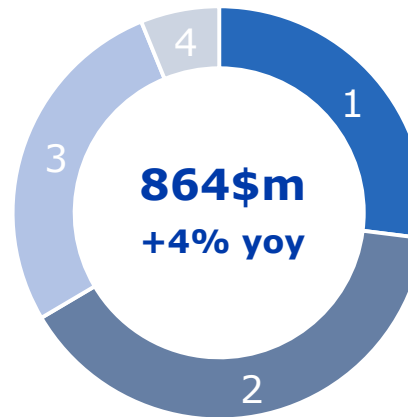
- 1 North America 82%
- 2 EMEA 9%
- 3 Asia-Pacific 5%
- 4 Latin America 4%

<sup>1</sup> U.S. (excl. Mexico)

# Dialysis products with robust growth

	<b>Q3 2016</b> US\$ million	<b>Q3 2015</b> US\$ million	Growth in %	Growth in %cc
<b>Total dialysis products</b>	<b>864</b>	<b>829</b>	<b>4</b>	<b>5</b>
North America	232	219	7	7
EMEA	340	350	(3)	(1)
Asia-Pacific	235	210	11	12
Latin America	53	45	19	18
Corporate	4	5	(43)	(43)

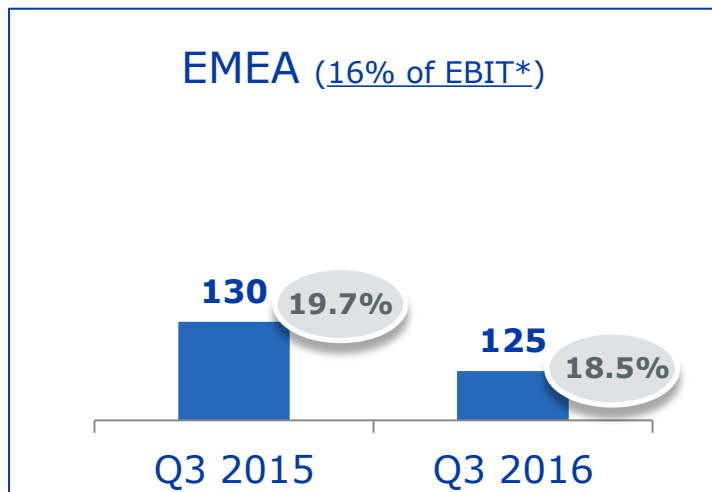
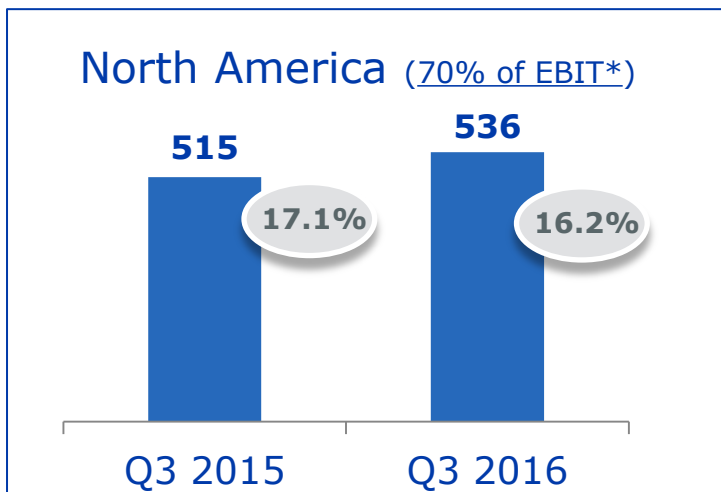
- ▶ Increased sales in line with total patient growth (machines, dialyzers, acute care)
- ▶ Strong results in North America and Asia-Pacific segment
- ▶ Foreign currency impact neutral on group level



1	North America	27%
2	EMEA	39%
3	Asia-Pacific	27%
4	Latin America	6%

cc = constant currency

# Q3 – regional margin profile

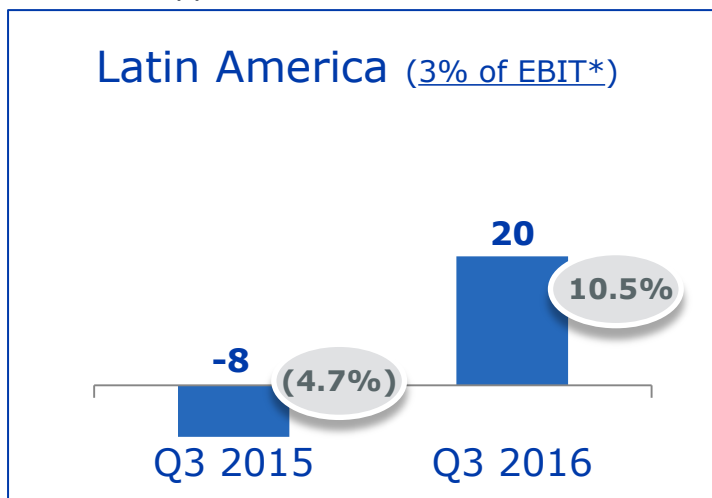
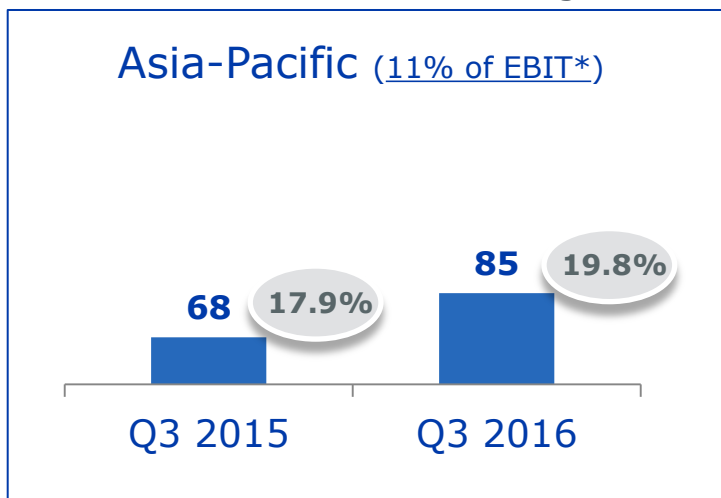


in US\$ million

■ EBIT

○ EBIT-margin

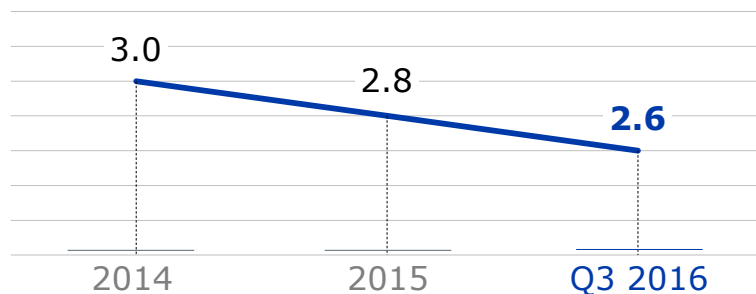
Diagrams: different scales applied



# Cash flow development and credit profile

	<b>Q3 2016</b>	Q3 2015	<b>9m 2016</b>	9m 2015
	US\$ million	US\$ million	US\$ million	US\$ million
<b>Operating cash flow</b>	<b>439</b>	<b>579</b>	<b>1,296</b>	<b>1,412</b>
in % of revenue	9.5	13.7	9.8	11.4
Capital expenditures, net	(236)	(224)	(734)	(636)
<b>Free cash flow</b>	<b>203</b>	<b>355</b>	<b>562</b>	<b>776</b>
Free cash flow, after acquisitions and investments	166	298	368	652

## 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.



# AGENDA



Dialysis facts & figures

1

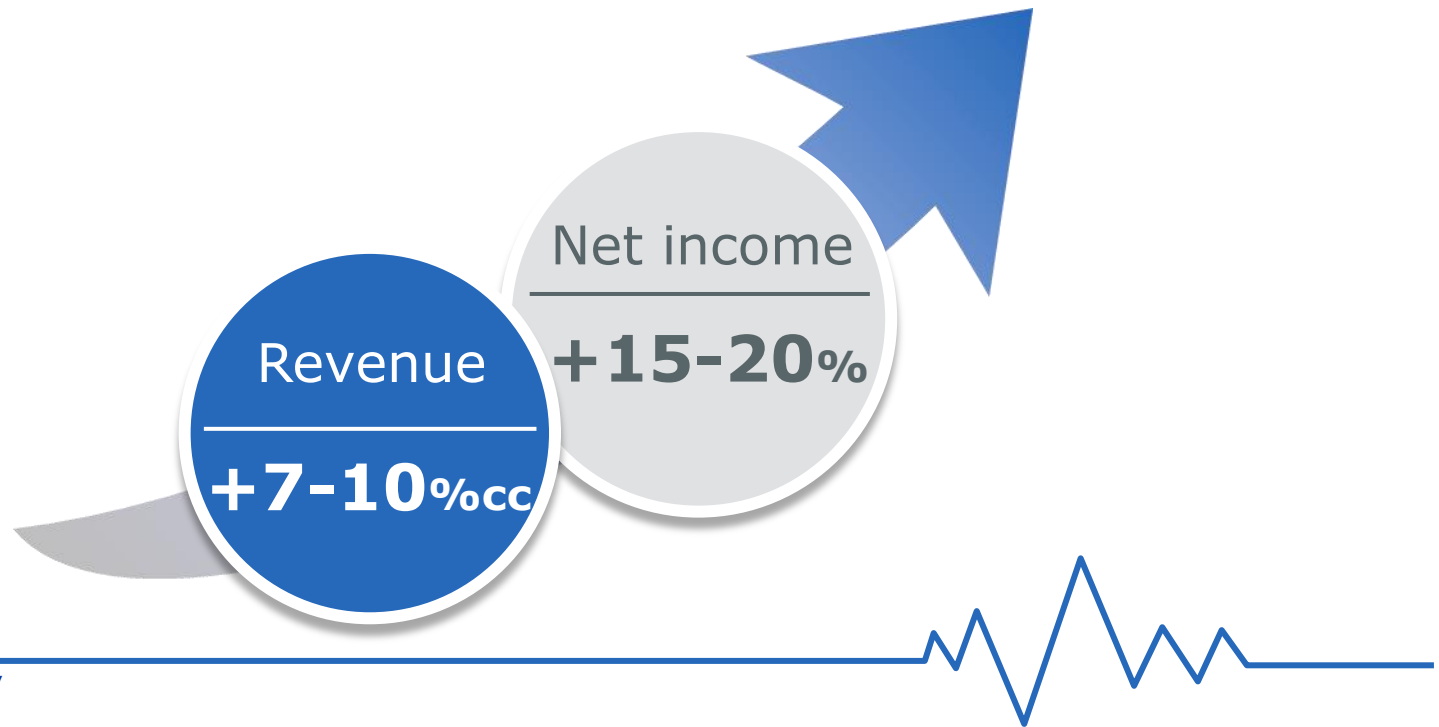
Business update: Q3 2016

2

**Outlook & growth strategy**

**3**

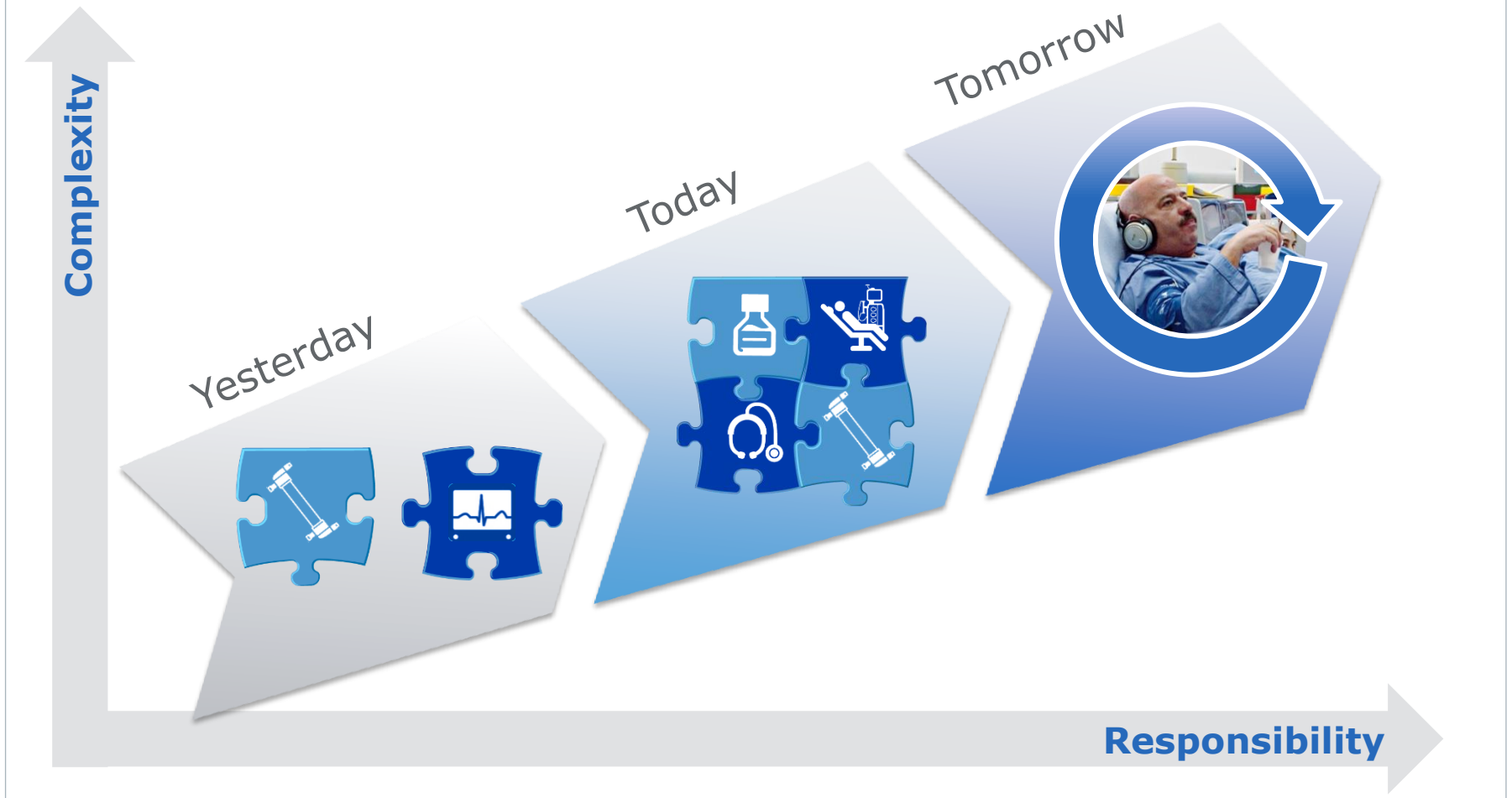
# Outlook 2016 confirmed



- ▶ 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

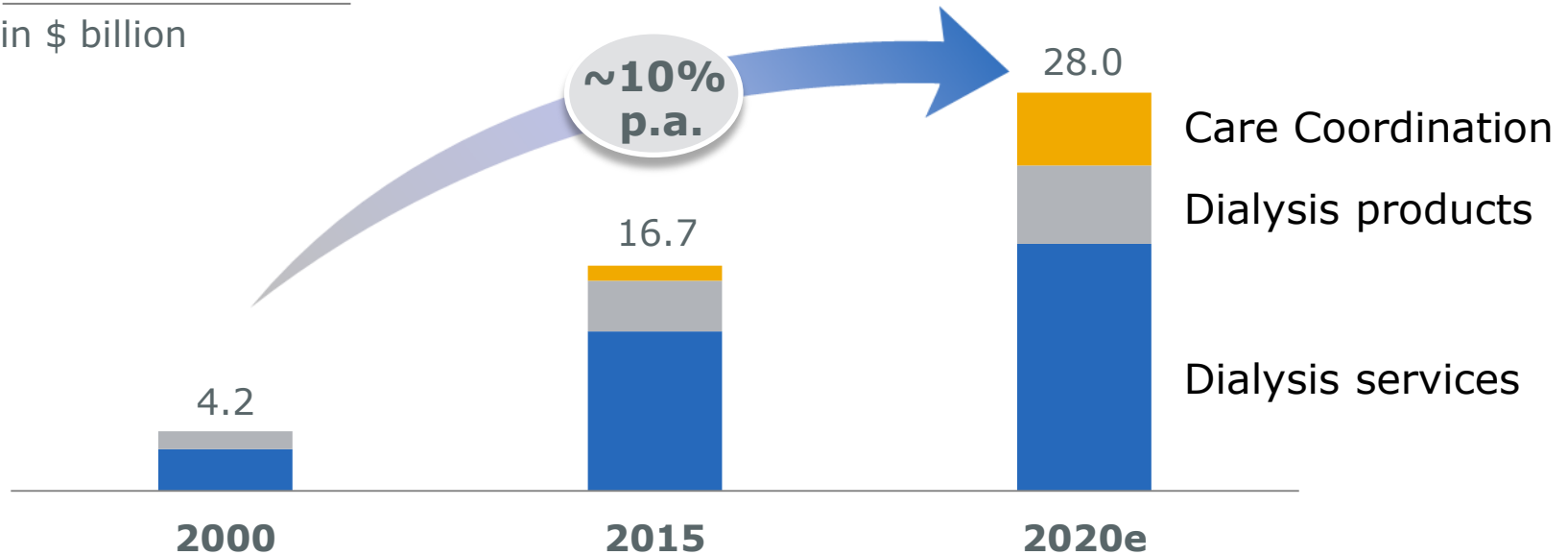
# Changing health care systems

Example: Reimbursement in the U.S. health care system



# 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

# Back up

## EBIT increase in line with revenue growth

	<b>Q3 2016</b> US\$ million	Q3 2015 US\$ million	Growth in %	<b>9m 2016</b> US\$ million	9m 2015 US\$ million	Growth in %
<b>Net revenue</b>	<b>4,598</b>	4,231	9	<b>13,224</b>	12,390	7
<b>Operating income (EBIT)</b>	<b>670</b>	614	9	<b>1,851</b>	1,665	11
<i>EBIT-margin in %</i>	<b>14.6</b>	14.5	10bp	<b>14.0</b>	13.4	60bp
Net interest expense	<b>100</b>	100	1	<b>308</b>	304	1
Income before taxes	<b>570</b>	514	11	<b>1,543</b>	1,361	13
Income tax expense	<b>164</b>	168	(2)	<b>471</b>	441	7
<i>Tax rate in %</i>	<b>28.8</b>	32.8	(400bp)	<b>30.5</b>	32.4	(190bp)
Non-controlling interest	<b>73</b>	84	(13)	<b>217</b>	207	5
<b>Net income</b>	<b>333</b>	262	27	<b>855</b>	713	20

- ▶ Revenue for the first nine months increased by 8% at constant currency, in line with full-year guidance
- ▶ Net income growth of +17% in Q3, excluding special items

# 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>9m 2016</b>
Short term debt	133	109	721
+ Short term debt from related parties	5	19	99
+ Current portion of long-term debt and capital lease obligations	314	664	891
+ Long-term debt and capital lease obligations less current portion	9,014	7,854	7,174
<b>TOTAL debt</b>	<b>9,466</b>	<b>8,646</b>	<b>8,885</b>

<b>EBITDA</b>	FY 2014 <sup>2)</sup>	FY 2015 <sup>2)</sup>	<b>9m 2016 <sup>2)</sup></b>
Last twelve month operating income (EBIT)	2,347	2,327	2,519
+ Last twelve month depreciation and amortization	716	717	755
+ Non-cash charges	57	83	101
<b>EBITDA (annualized)</b>	<b>3,120</b>	<b>3,127</b>	<b>3,375</b>
<b>Total Debt <sup>1)</sup> / EBITDA</b>	<b>3.0</b>	<b>2.8</b>	<b>2.6</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>	Q3 2015	<b>Q3 2016</b>	9m 2015	<b>9m 2016</b>
Acquisitions, investments and net purchases of intangible assets	(65)	(83)	(166)	(387)
+ Proceeds from divestitures	8	46	42	193
= Acquisitions and investments, net of divestitures	(57)	(37)	(124)	(194)
<b>Capital expenditures, net</b>	Q3 2015	<b>Q3 2016</b>	9m 2015	<b>9m 2016</b>
Purchase of property, plant and equipment	(230)	(242)	(647)	(748)
- Proceeds from sale of property, plant & equipment	6	6	11	14
= Capital expenditure, net	(224)	(236)	(636)	(734)

# Attachment 3

Reconciliation of non US-GAAP financial measures to the most directly comparable US-GAAP financial measures: impact of divestment of dialysis business in Venezuela and sale of the European marketing rights for certain renal pharmaceuticals to our joint venture Vifor Fresenius Medical Care Renal Pharma in 2015.

US\$ million

	Q3 2015	Q3 2016	9M 2015	9M 2016
<b>Operating income (EBIT)</b>	<b>614</b>	<b>670</b>	<b>1,665</b>	<b>1,851</b>
Special items	18	-	18	-
Divestment of dialysis service business in Venezuela	26	-	26	-
Sale of European marketing rights to JV	(8)	-	(8)	-
Operating income (EBIT) excluding special items	<b>632</b>	<b>670</b>	<b>1,683</b>	<b>1,851</b>

	Q3 2015	Q3 2016	9M 2015	9M 2016
<b>Net income</b>	<b>262</b>	<b>333</b>	<b>713</b>	<b>855</b>
Special items	22	-	22	-
Divestment of dialysis service business in Venezuela	27	-	27	-
Sale of European marketing rights to JV	(5)	-	(5)	-
Net income excluding special items	<b>284</b>	<b>333</b>	<b>735</b>	<b>855</b>

## 9m 2016 - Health Care services & product revenue

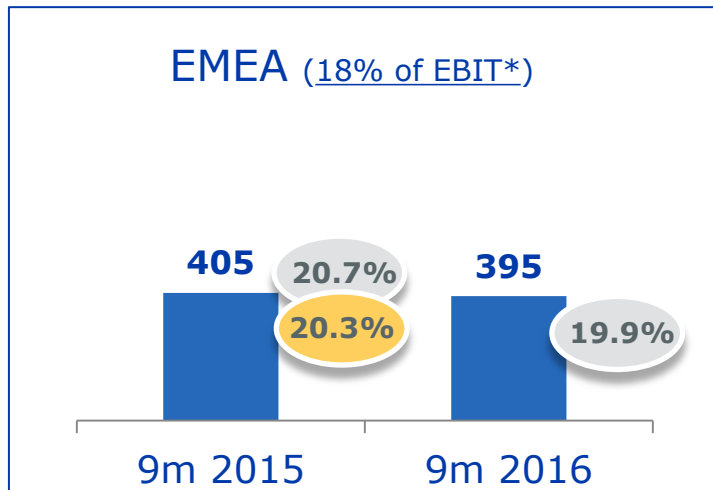
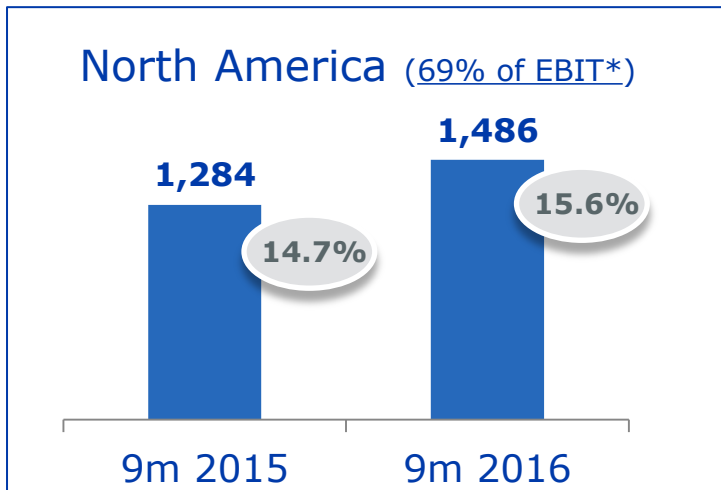
	9M 2016 US\$ million	9M 2015 US\$ million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
<b>Total health care services</b>	<b>10,720</b>	<b>9,929</b>	<b>8</b>	<b>9</b>	<b>7</b>	<b>3.3</b>
North America	8,838	8,087	9	9	7	3.7 <sup>1</sup>
of which Care Coordination	1,704	1,382	23	23	19	-
EMEA	967	919	5	9	3	3.7
Asia-Pacific	538	496	9	3	4	4.9
Latin-America	377	427	(12)	16	22	1.9

	9M 2016 US\$ million	9M 2015 US\$ million	Growth in %	Growth in %cc
<b>Total dialysis products</b>	<b>2,504</b>	<b>2,461</b>	<b>2</b>	<b>4</b>
North America	674	643	5	5
EMEA	1,015	1,037	(2)	-
Asia-Pacific	660	611	8	12
Latin America	143	149	(4)	7
Corporate	12	21	(47)	(47)

<sup>1</sup> U.S. (excl. Mexico)

cc = constant currency

# 9m 2016 - maintaining high margin profile



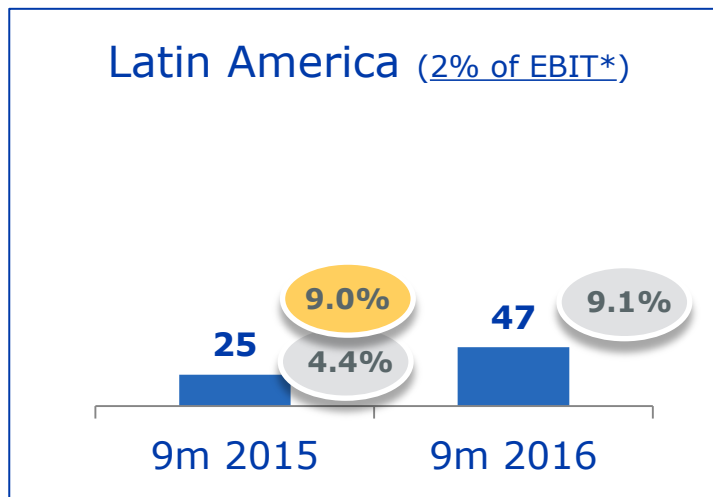
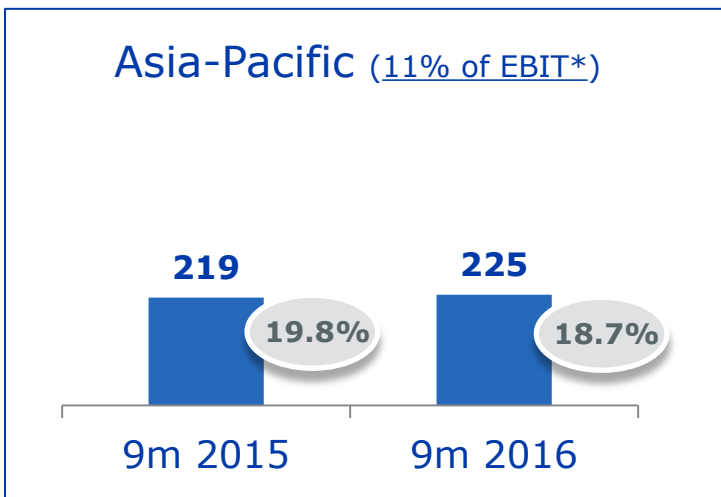
in US\$ million

■ EBIT

○ % EBIT-margin

○ % EBIT-margin\*\* (adjusted)

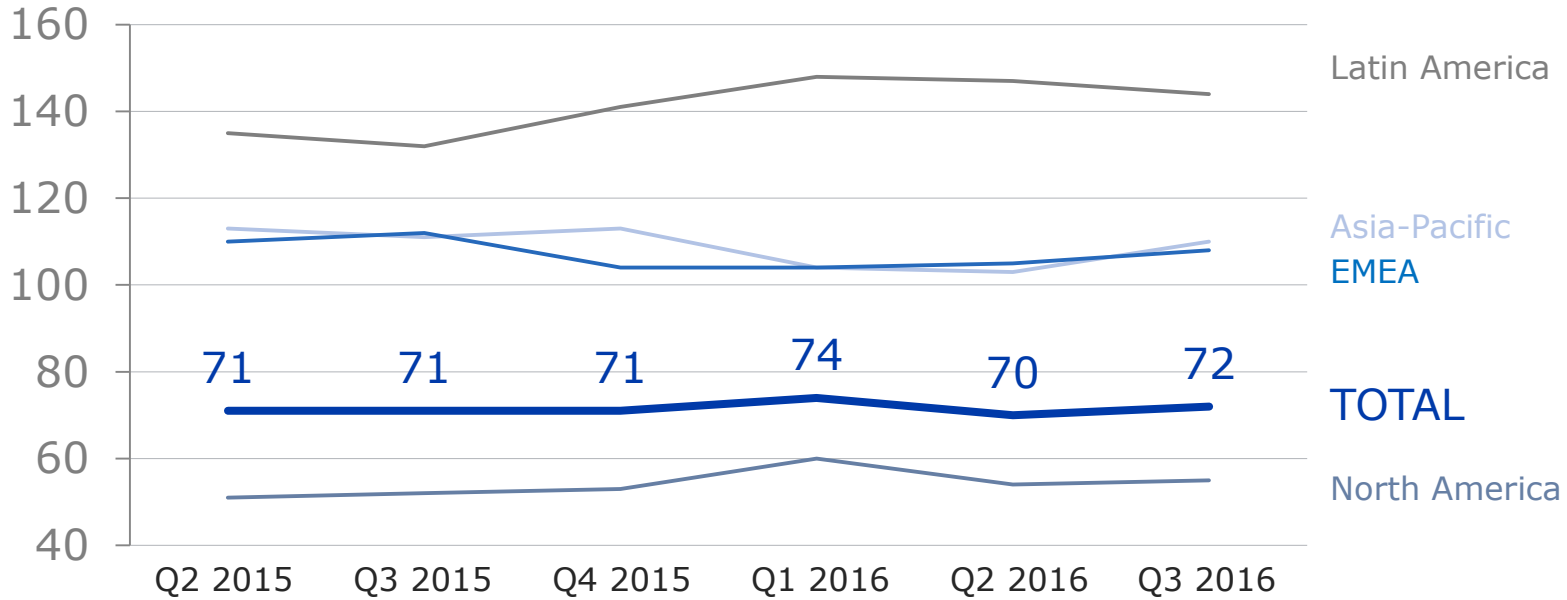
Diagrams: different scales applied



\*excl. Corporate // \*\* for details see attachment 3, page 27

# Day sales outstanding (DSO)

in days



► The DSO increase is largely due to ordinary business fluctuations.

## Exchange rates

		Q3 2015	9m 2015	Q3 2016	9m 2016
<b>€:\$</b>	Period end	1.120	1.120	1.116	1.116
	Average	1.112	1.114	1.117	1.116
<b>\$:CNY</b>	Period end	6.356	6.356	6.672	6.672
	Average	6.304	6.249	6.666	6.582
<b>\$:RUB</b>	Period end	65.377	65.377	63.179	63.179
	Average	63.242	59.761	64.583	68.252
<b>\$:ARS</b>	Period end	9.450	9.450	15.297	15.297
	Average	9.246	8.968	14.940	14.536

## U.S. dialysis days per quarter

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

**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 \*

Feb 22, 2017	Report on 4 <sup>th</sup> quarter 2016
May 3, 2017	Report on 1 <sup>st</sup> quarter 2017
May 11, 2017	Annual General Meeting, Frankfurt
Jan 9-10, 2017	JP Morgan Healthcare Conference, San Francisco
Jan 10, 2017	Commerzbank Investment Seminar, New York
Jan 17-18, 2017	Kepler Cheuvreux German Corporate Conference, Frankfurt

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

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