

# Exane BNP Paribas Healthcare Conference

---

Paris | March 14, 2017



**FRESENIUS  
MEDICAL CARE**

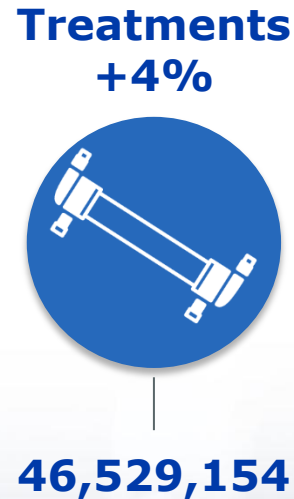
**Safe harbor statement:** This presentation includes certain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Act of 1934, as amended. The Company has based these forward-looking statements on current estimates and assumptions made to the best of our knowledge. 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) Annual Report on Form 20-F under the heading "Forward-Looking Statements" and under the headings in that report referred to therein, and in FMC AG & Co. KGaA's other 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. The term EMEA refers to the region Europe, Middle East and Africa. Amounts are in US-\$ if not mentioned otherwise.

# Fresenius Medical Care – global footprint in 2016

Every **0.7 seconds**  
we provide a dialysis treatment



# Our revenue profile

Percentage of FY 2016 revenue (US\$)

## Health care services

### Dialysis services



Therapies & laboratory services for patients with chronic kidney failure

**12.2bn 68%**

### Care Coordination



North America - Businesses supporting dialysis, e.g. vascular services

**2.3bn 13%**

## Products

### Dialysis products



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

**3.4bn 19%**



## Dialysis market update

1

Q4 & FY 2016 Financials

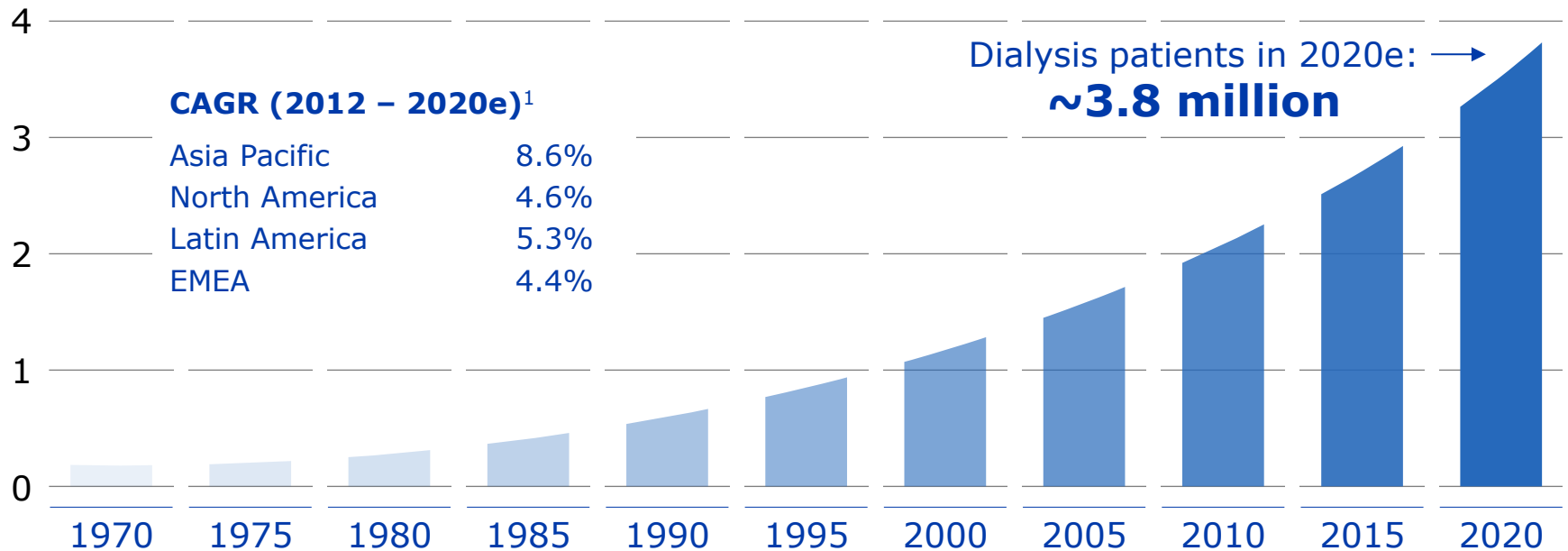
2

Outlook

3

# Expected global dialysis patient growth

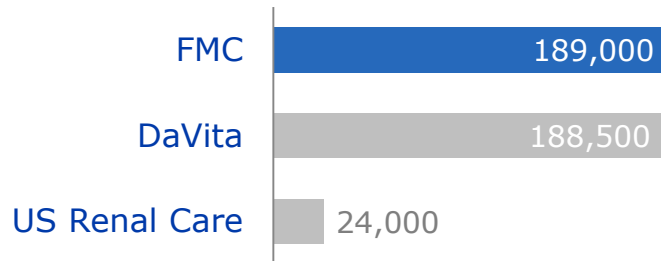
- ▶ Expected patient growth of around 6% p.a.
- ▶ Driven by age, lifestyle and higher life expectancy



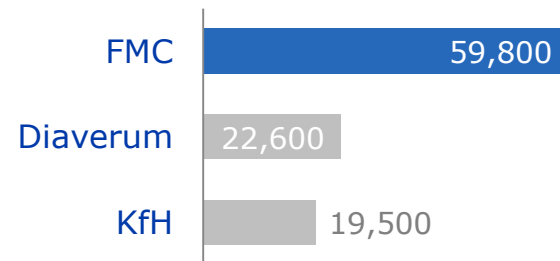
<sup>1</sup> Internal estimates as of Dec. 31, 2015

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

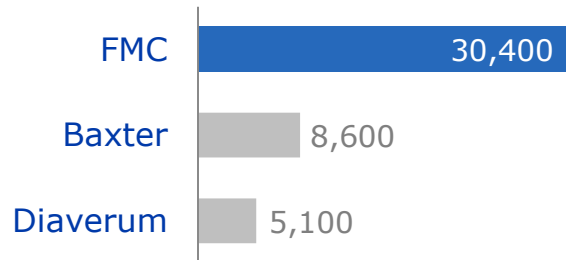
## North America



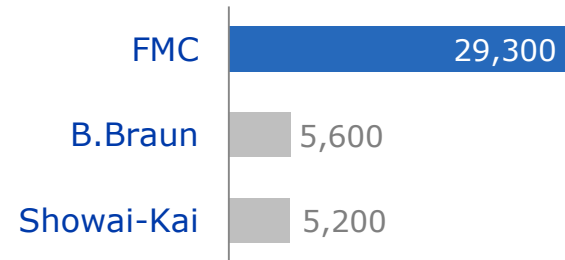
## EMEA



## Latin America



## Asia-Pacific



USD  
~73bn  
Market

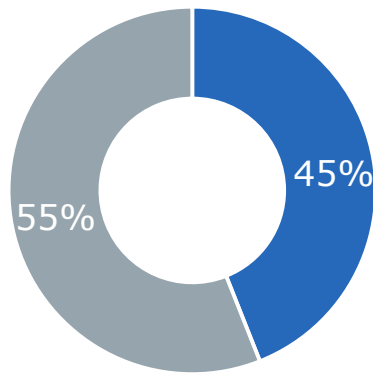
We lead in every major market,  
treating > 306,000 patients worldwide

<sup>1</sup> based on company statements and FME estimates as of Q4 2016

# Market position by major product groups<sup>1</sup>

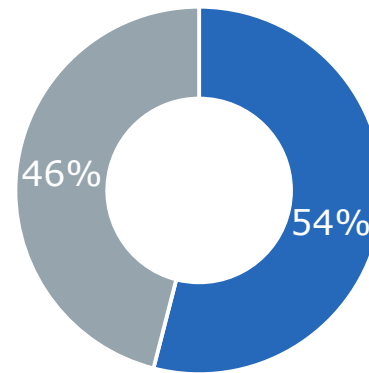
	<b>Position 1</b>
Dialyzers	FME
Dialysis machines	FME
Hemodialysis concentrates	FME
Bloodlines	FME
Peritoneal dialysis products	Baxter

## Dialyzers



- FME
- Competitors

## Dialysis machines

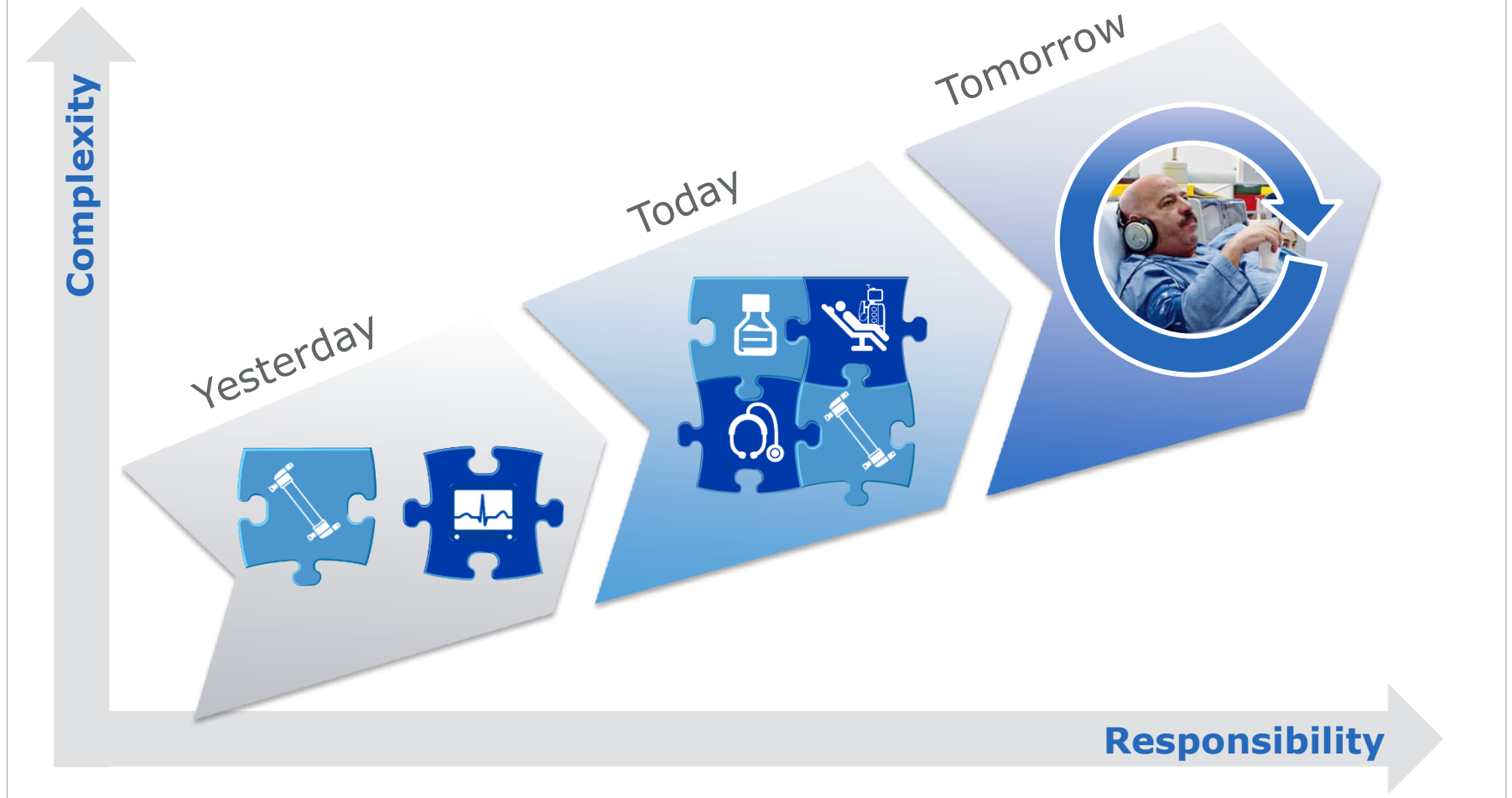


<sup>1</sup> as of Dec. 31, 2016 / Dialysis machines market share as of Dec. 31, 2015



# Changing health care systems

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





Dialysis market update

1

**Q4 & FY 2016 Financials**

2

Outlook

3

## 2016 – Record year

	<b>FY 2016</b> US\$ million	<b>FY 2015</b> US\$ million	Growth in %	Growth in %cc
<b>Revenue</b>	<b>17,911</b>	<b>16,738</b>	<b>7</b>	<b>8</b>
<b>Operating profit (EBIT)</b>	<b>2,638</b>	<b>2,327</b>	<b>13</b>	
<b>Net income<sup>1</sup></b>	<b>1,243</b>	<b>1,029</b>	<b>21</b>	
<b>Net income</b> <i>(according to guidance)<sup>2</sup></i>	<b>1,228</b>	<b>1,057</b>	<b>16</b>	
<b>Basic EPS [US\$]</b>	<b>4.07</b>	<b>3.38</b>	<b>20</b>	

- ▶ Ambitious targets for 2016 achieved
- ▶ Very good performance in Health Care Services, particularly in North America
- ▶ Care Coordination delivered significant organic growth (+20%)
- ▶ 80 bp increase of EBIT margin (14.7%) supported by Global Efficiency Program and lower cost for healthcare supplies
- ▶ Proposed dividend increase of 20% to EUR 0.96 for fiscal 2016

<sup>1</sup> Net income attr. to shareholders of FME | <sup>2</sup> for details see attachment 4, page 26

# 2016 - organic growth trend continued

## North America

US\$ million

Revenue	12,886	+9%
Organic growth		+7%

## EMEA

US\$ million

Revenue	2,667	+1%
Organic growth		+2%

## Asia-Pacific

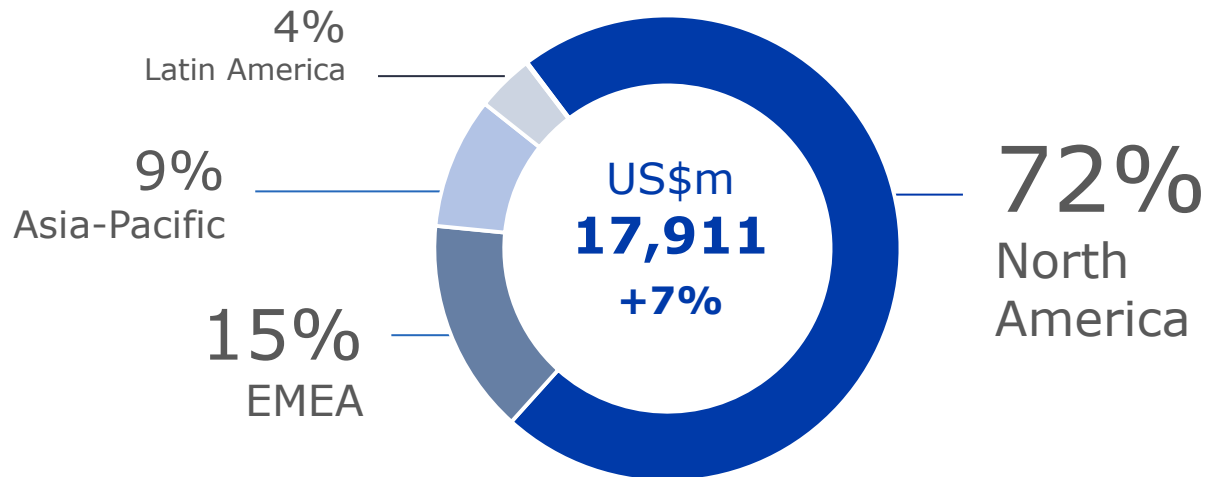
US\$ million

Revenue	1,632	+9%
Organic growth		+8%

## Latin America

US\$ million

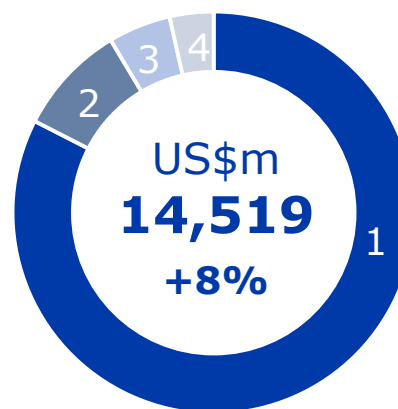
Revenue	712	-7%
Organic growth		+17%



# Health Care Services - continued strong growth

Revenue	FY 2016 US\$ million	FY 2015 US\$ million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
<b>Total Health Care</b>	<b>14,519</b>	<b>13,392</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>3.2</b>
North America	11,982	10,932	10	10	8	3.6 <sup>1</sup>
of which Care Coordination	2,307	1,882	23	23	20	n.a.
EMEA	1,294	1,226	6	9	3	3.6
Asia-Pacific	730	667	9	3	4	4.7
Latin America	513	567	(9)	15	20	1.9

- ▶ Increased US organic revenue per treatment by US\$ 5 to US\$ 351
- ▶ Growth in same market dialysis treatments by 3.2%
- ▶ Care Coordination with ongoing significant organic growth
- ▶ Contributions from acquisitions



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

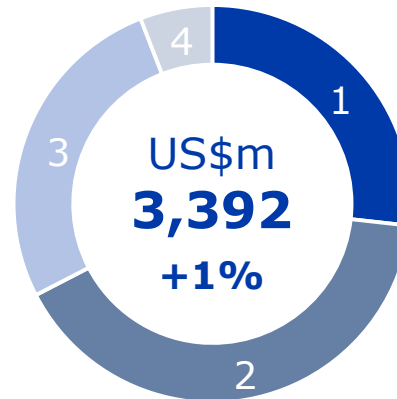
<sup>1</sup> U.S. (excl. Mexico)

cc = constant currency

# Stable Dialysis Products development

	<b>FY 2016</b> US\$ million	<b>FY 2015</b> US\$ million	Growth in %	Growth in %cc
<b>Total Dialysis Products</b>	<b>3,392</b>	<b>3,346</b>	<b>1</b>	<b>4</b>
North America	904	881	3	3
EMEA	1,373	1,403	(2)	--
Asia-Pacific	902	835	8	12
Latin America	199	199	--	7
Corporate	14	28	(48)	(48)

- ▶ Revenue growth in line with global patient growth
- ▶ Strong results in North America and Asia-Pacific segment



1	North America	27%
2	EMEA	40%
3	Asia-Pacific	27%
4	Latin America	6%

cc = constant currency

## EBIT increase ahead of revenue growth

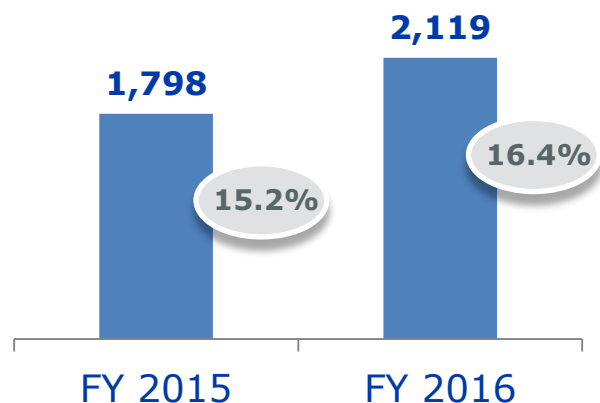
	<b>Q4 2016</b> US\$ million	Q4 2015 US\$ million	Growth in %	<b>FY 2016</b> US\$ million	FY 2015 US\$ million	Growth in %
<b>Net revenue</b>	<b>4,687</b>	4,348	8	<b>17,911</b>	16,738	7
<b>Operating income (EBIT)</b>	<b>786</b>	662	19	<b>2,638</b>	2,327	13
<i>EBIT-margin in %</i>	<b>16.8</b>	15.2	160bp	<b>14.7</b>	13.9	80bp
Net interest expense	<b>98</b>	88	11	<b>406</b>	391	4
Income before taxes	<b>688</b>	574	20	<b>2,232</b>	1,936	15
Income tax expense	<b>212</b>	180	18	<b>683</b>	623	10
<i>Tax rate in %</i>	<b>30.8</b>	31.4	(60bp)	<b>30.6</b>	32.1	(150bp)
Non-controlling interest	<b>88</b>	77	15	<b>306</b>	284	8
<b>Net income<sup>1</sup></b>	<b>388</b>	317	23	<b>1,243</b>	1,029	21

- ▶ Revenue for fiscal 2016 increased by 8% at constant currency (+7% excl. acquisition impacts of 2015 & 2016), in line with guidance
- ▶ Net income growth of 16% in fiscal 2016 based on guidance assumptions for 2016<sup>2</sup>

1 Net income attr. to shareholders of FME | 2 for details see attachment 4, page 26

# FY 2016 – regional margin profile

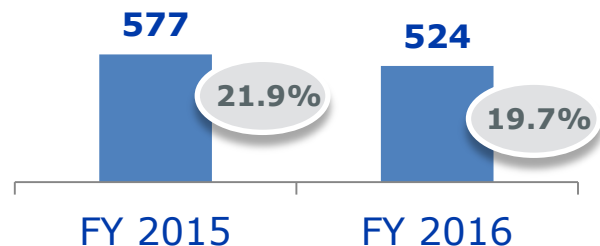
North America (70% of EBIT<sup>1</sup>)



- ▶ Profitability increase driven by lower costs for health care supplies and higher volume with commercial payors
- ▶ Care Coordination at the lower end of the margin guidance (~3%)
- ▶ 2015 basis includes US\$ 60m for Granuflo settlement expense<sup>2</sup>

Diagrams: different scales applied

EMEA (17% of EBIT<sup>1</sup>)



- ▶ Prior year impacted by a gain from the sale of our European pharma marketing rights<sup>2</sup>
- ▶ 2016 affected by higher bad debt expense, lower income from equity method investees and unfavorable foreign exchange effects

in US\$ million

■ EBIT

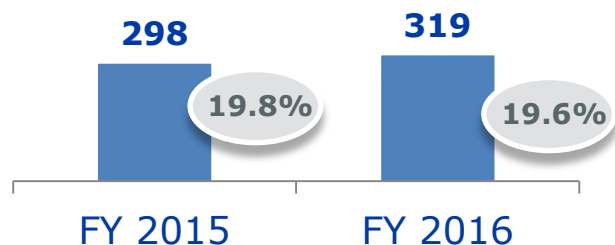
○ % EBIT-margin

1 excl. Corporate | 2 details on attachment 3, page 25



# FY 2016 – regional margin profile

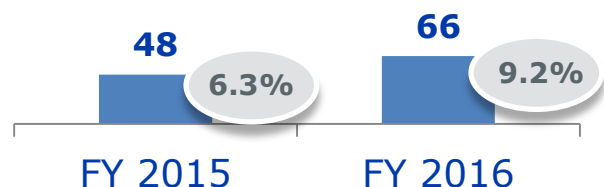
## Asia-Pacific (11% of EBIT<sup>1</sup>)



- ▶ Continued increase in operating profit
- ▶ Unfavorable fx effects
- ▶ Increased costs related to Management Board changes

Diagrams: different scales applied

## Latin America (2% of EBIT<sup>1</sup>)



- ▶ 2015 impacted by loss from the divestment of the Dialysis Services business in Venezuela<sup>2</sup>
- ▶ Revenue increase driven by reimbursement rate increases
- ▶ 2016 affected by higher bad debt expense, unfavorable fx effects and impacts from inflation

in US\$ million

■ EBIT

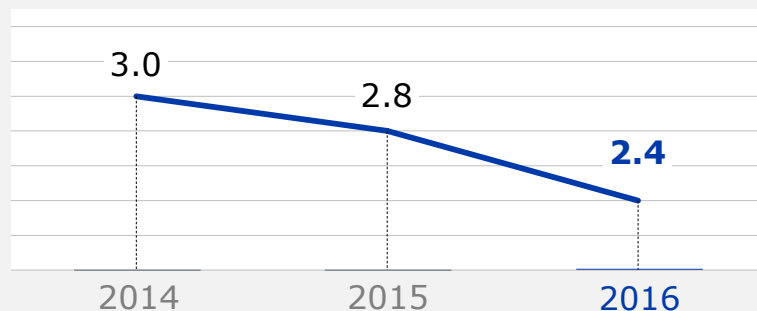
○ % EBIT-margin

1 excl. Corporate | 2 details on attachment 3, page 25

# Strong cash flow development and deleveraging

	Q4 2016	Q4 2015	Growth	FY 2016	FY 2015	Growth
	US\$ million	US\$ million	in %	US\$ million	US\$ million	in %
<b>Operating cash flow</b>	<b>844</b>	<b>548</b>	<b>54</b>	<b>2,140</b>	<b>1,960</b>	<b>9</b>
in % of revenue	18.0	12.6	540bp	11.9	11.7	20bp
Capital expenditures, net	(279)	(299)	(7)	(1,012)	(935)	8
<b>Free cash flow</b>	<b>565</b>	<b>249</b>	<b>127</b>	<b>1,128</b>	<b>1,025</b>	<b>10</b>
Free cash flow, after acquisitions and investments	392	307	28	761	959	(21)

## Total debt/EBITDA-ratio



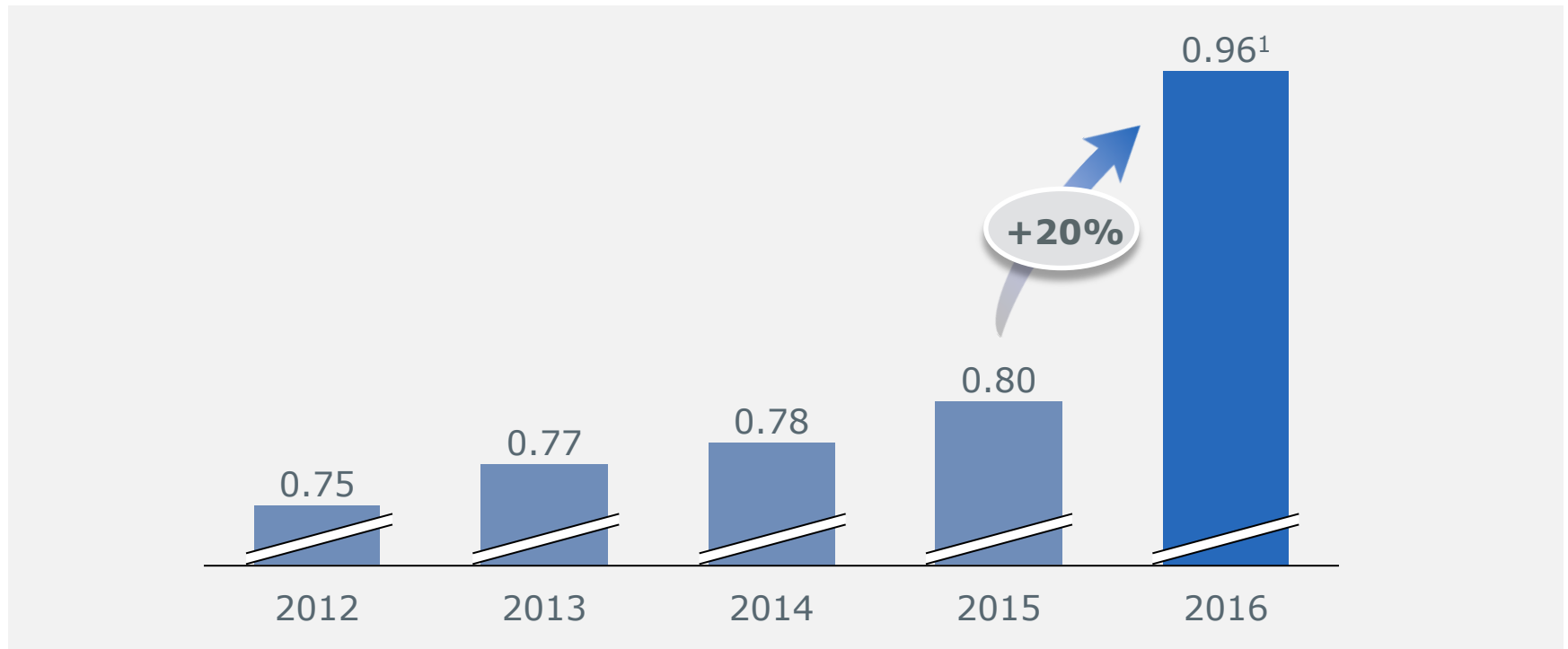
## Current ratings

	S&P	Moody's	Fitch
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.

# 20<sup>th</sup> consecutive dividend increase

Dividend per share in EUR



- ▶ Continuously delivering returns to shareholders
- ▶ Dividend proposal in line with net income growth

<sup>1</sup> proposed dividend for approval at the AGM on May 11, 2017



Business update

1

Q4 & FY 2016 Financials

2

**Outlook**

3

# Outlook<sup>1</sup>

	<b>Guidance 2017</b>	<b>2016 base</b> (IFRS/€m)
Revenue growth	<b>8 to 10%</b>	16,570
Net income growth	<b>7 to 9%</b>	1,144

	<b>Vision 2020</b> (2014-2020, avg. % p.a.)	<b>2020<sup>2</sup></b> (IFRS/€bn)
Revenue growth	<b>~ 10</b>	<b>24</b>
Net income growth	<b>high single digit</b>	

## Assumptions:

- ▶ Numbers at constant currency, 2017 target excl. effect from agreement with United States Departments of Veterans Affairs and Justice
- ▶ Net income refers to net income attributable to shareholders of FMC AG & Co. KGaA

<sup>1</sup> Outlook based on constant currencies | <sup>2</sup> US-GAAP US\$ 28bn target translated to IFRS/€ with fx rates as of the beginning of 2017

# Back-up

---



**FRESENIUS  
MEDICAL CARE**

# 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>FY 2016</b>
Short term debt	133	109	603
+ Short term debt from related parties	5	19	3
+ Current portion of long-term debt and capital lease obligations	314	664	763
+ Long-term debt and capital lease obligations less current portion	9,014	7,854	7,203
<b>TOTAL debt</b>	<b>9,466</b>	<b>8,646</b>	<b>8,572</b>

<b>EBITDA</b>	FY 2014 <sup>2)</sup>	FY 2015	<b>FY 2016<sup>2</sup></b>
Last twelve month operating income (EBIT)	2,347	2,327	2,626
+ Last twelve month depreciation and amortization	716	717	784
+ Non-cash charges	57	83	99
<b>EBITDA (annualized)</b>	<b>3,120</b>	<b>3,127</b>	<b>3,509</b>
<b>Total Debt<sup>1)</sup> / EBITDA</b>	<b>3.0</b>	<b>2.8</b>	<b>2.4</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>	Q4 2015	<b>Q4 2016</b>	FY 2015	<b>FY 2016</b>
Acquisitions, investments and net purchases of intangible assets	(151)	(191)	(317)	(578)
+ Proceeds from divestitures	209	18	251	211
= Acquisitions and investments, net of divestitures	(58)	(173)	(66)	(367)
<b>Capital expenditures, net</b>	Q4 2015	<b>Q4 2016</b>	FY 2015	<b>FY 2016</b>
Purchase of property, plant and equipment	(306)	(282)	(953)	(1,030)
- Proceeds from sale of property, plant & equipment	7	3	18	18
= Capital expenditure, net	(299)	(279)	(935)	(1,012)



# 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

	Q4 2015	Q4 2016	FY 2015	FY 2016
<b>Operating income (EBIT)</b>	<b>662</b>	<b>786</b>	<b>2,327</b>	<b>2,638</b>
Special items	42	-	61	-
<i>Divestment of dialysis service business in Venezuela</i>	-	-	26	-
<i>Sale of European marketing rights to JV</i>	(18)	-	(25)	-
<i>Settlement costs for an agreement in principle GranuFlo</i>	60	-	60	-
Operating income (EBIT) excluding special items	<b>704</b>	<b>786</b>	<b>2,388</b>	<b>2,638</b>
	Q4 2015	Q4 2016	FY 2015	FY 2016
<b>Net income</b>	<b>317</b>	<b>388</b>	<b>1,029</b>	<b>1,243</b>
Special items	30	-	53	-
<i>Divestment of dialysis service business in Venezuela</i>	-	-	27	-
<i>Sale of European marketing rights to JV</i>	(7)	-	(11)	-
<i>Settlement costs for an agreement in principle GranuFlo</i>	37	-	37	-
Net income excluding special items	<b>347</b>	<b>388</b>	<b>1,082</b>	<b>1,243</b>

# Attachment 4

Reconciliation of non U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures

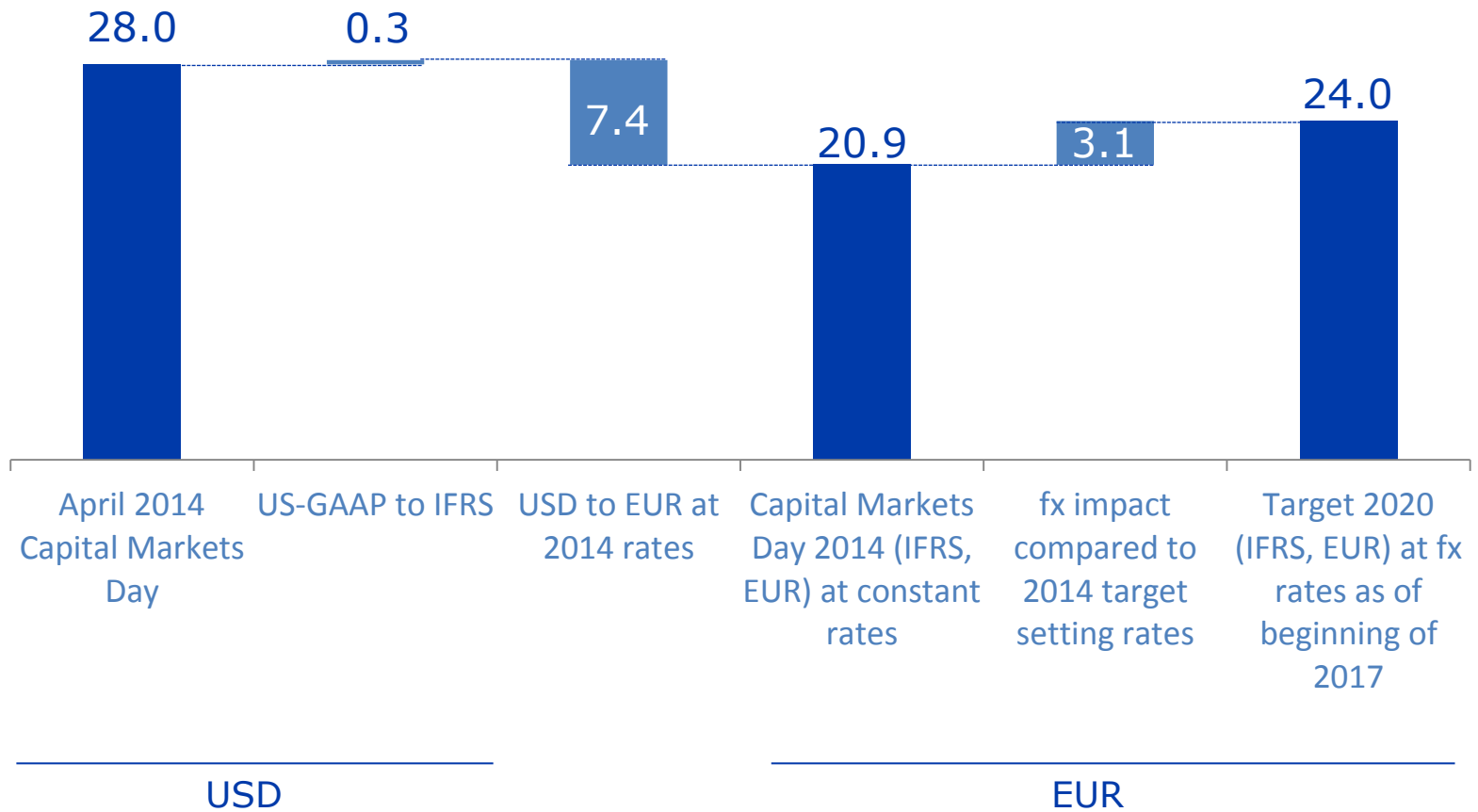
Operating performance excluding acquisition impact and special items – basis for guidance 2016

US\$ million	FY 2015	FY 2016
<b>Revenue</b>	<b>16,738</b>	<b>17,911</b>
Contributions from acquisitions closed in 2015 and 2016	(74)	(275)
<b>Revenue excluding acquisition impact</b>	<b>16,664</b>	<b>17,636</b>
<b>Operating income (EBIT)</b>	<b>2,327</b>	<b>2,638</b>
Contributions from acquisitions closed in 2015 and 2016	(16)	(39)
Settlement costs for an agreement in principle GranuFlo	60	--
<b>Operating income (EBIT) excluding acquisition impact and special items</b>	<b>2,371</b>	<b>2,599</b>
<b>Net income<sup>1</sup></b>	<b>1,029</b>	<b>1,243</b>
Contributions from acquisitions closed in 2015 and 2016	(9)	(15)
Settlement costs for an agreement in principle GranuFlo	37	--
<b>Net income excluding acquisition impact and special items<sup>1</sup></b>	<b>1,057</b>	<b>1,228</b>

1) attributable to shareholders of FMC AG & Co. KGaA

# Reconciliation of 2020 revenue target

in bn



## Q4 2016 - Health Care Services & Product revenue

	Q4 2016 US\$ million	Q4 2015 US\$ million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
<b>Total Health Care Services</b>	<b>3,799</b>	<b>3,462</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>2.8</b>
North America	3,144	2,845	11	11	9	3.2 <sup>1</sup>
of which Care Coordination	603	501	20	20	22	-
EMEA	327	306	7	10	4	3.3
Asia-Pacific	192	171	12	5	4	3.6
Latin-America	136	140	(3)	14	14	1.9

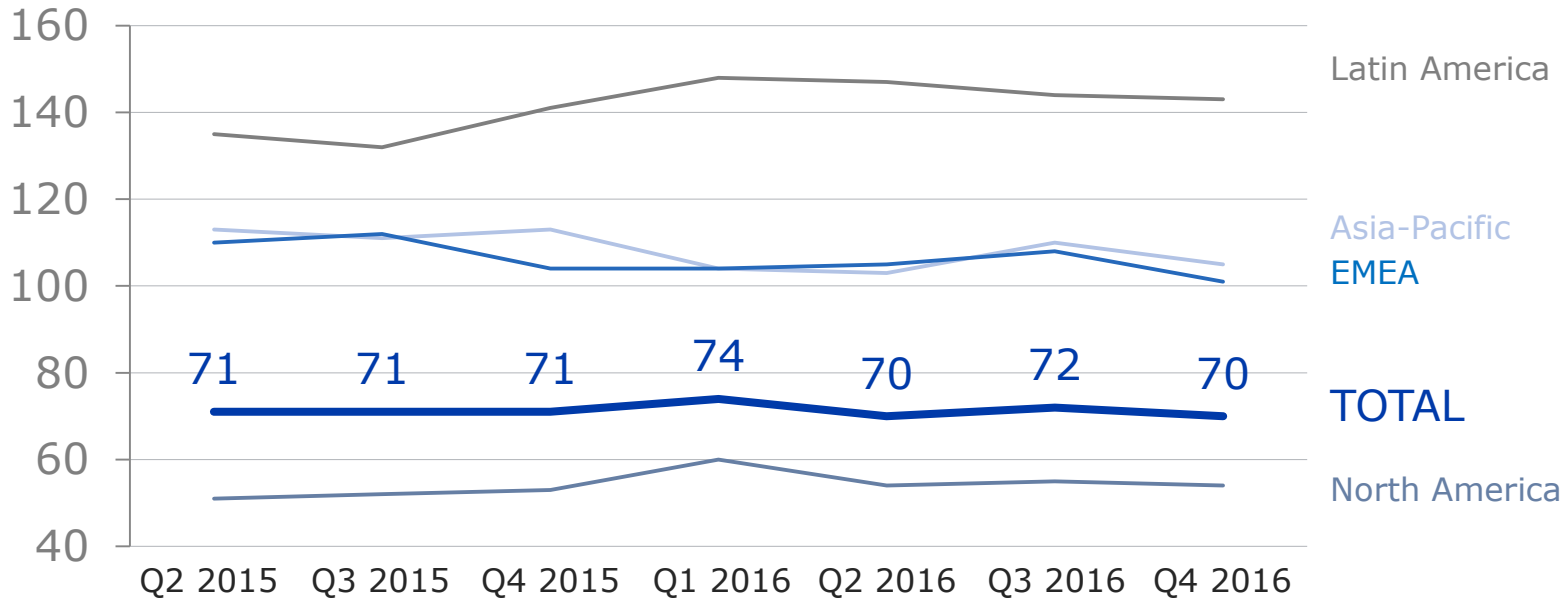
	Q4 2016 US\$ million	Q4 2015 US\$ million	Growth in %	Growth in %cc
<b>Total Dialysis Products</b>	<b>888</b>	<b>886</b>	<b>--</b>	<b>2</b>
North America	230	239	(4)	(4)
EMEA	357	367	(3)	--
Asia-Pacific	241	223	8	10
Latin America	56	50	11	7
Corporate	4	7	(53)	(52)

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

cc = constant currency

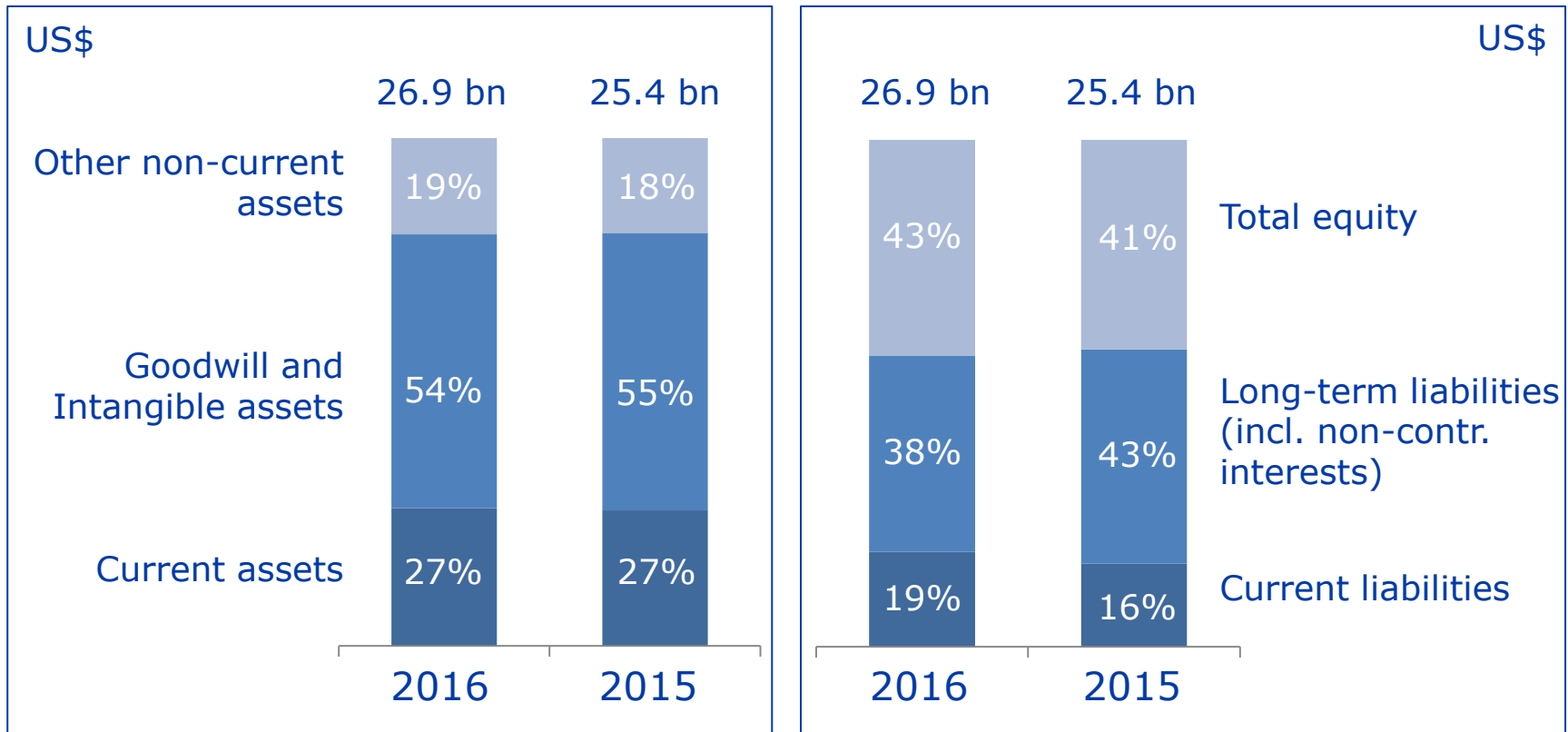
# Day sales outstanding (DSO)

in days



- ▶ The slightly lower DSO rate is based on good payment collection esp. in EMEA and Asia Pacific.

# Balance sheet remains solid



## FY 2016 - patients, treatments, clinics

	<b>Patients</b> as of Dec. 31, 2016	<b>Treatments</b> 12m 2016, in million	<b>Clinics</b> as of Dec. 31, 2016
North America	188,987	28.9	2,306
Growth in %	3	4	4
EMEA	59,767	8.9	711
Asia-Pacific	29,328	4.0	374
Latin America	30,389	4.8	233
<b>Total</b>	<b>308,471</b>	<b>46.5</b>	<b>3,624</b>
Growth in %	5	4	6

# Recent M&A activities



Q3 2016

Q4 2016

H1 2017 (e)<sup>1</sup>

- ▶ Intensified focus on India as a key market in Asia Pacific
- ▶ Dialysis Service segment backed by well established product business

- ▶ Access to a unique product portfolio in the field of extracorporeal lung and heart assist
- ▶ Lung support treatments similar to hemodialysis

- ▶ Leverage FMEs core competence of operating outpatient facilities
- ▶ Roll out Care Coordination services outside the US

Dialysis

New products

Care Coordination

<sup>1</sup> subject to closing, which is expected in H1 2017



## U.S. dialysis days per quarter

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

## Exchange rates

		Q4 2015	FY 2015	Q4 2016	FY 2016
<b>\$:€</b>	Period end	1.0887	1.0887	1.0541	1.0541
	Average	1.0953	1.1095	1.0789	1.1069
<b>\$:CNY</b>	Period end	6.4855	6.4855	6.9445	6.9445
	Average	6.3914	6.2851	6.8299	6.6422
<b>\$:RUB</b>	Period end	74.1009	74.1009	60.9999	60.9999
	Average	66.1070	61.3538	63.0222	66.9840
<b>\$:ARS</b>	Period end	12.9825	12.9825	15.8602	15.8602
	Average	10.1201	9.2570	15.4456	14.7567
<b>\$:BRL</b>	Period end	3.9604	3.9604	3.2544	3.2544
	Average	3.8473	3.3352	3.2947	3.4837

**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<sup>1</sup>

May 3, 2017	Report on 1 <sup>st</sup> quarter 2017
May 11, 2017	Annual General Meeting, Frankfurt
June 8, 2017	Capital Markets Day, Frankfurt
Mar 14, 2017	Exane BNP Paribas Healthcare Conference, Paris
Mar 30, 2017	Bankhaus Lampe Conference, Baden-Baden
Jun 13, 2017	Goldman Sachs Global Healthcare Conference, Rancho Palos Verdes
Jun 14, 2017	Deutsche Bank European Lev. Fin. Conference, London

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

# Contacts

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

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

► **Dr. Dominik Heger**

Head of Investor Relations and  
Corporate Communications

Tel: +49-(0) 6172-609-2601

Email: [dominik.heger@fmc-ag.com](mailto:dominik.heger@fmc-ag.com)

► **Robert Adolph**

Director Investor Relations

Tel.: +49-(0) 6172-609-2477

Email: [robert.adolph@fmc-ag.com](mailto:robert.adolph@fmc-ag.com)

► **Juliane Beckmann**

Senior Manager Investor Relations

Tel.: +49-(0) 6172-609-5216

Email: [juliane.beckmann@fmc-ag.com](mailto:juliane.beckmann@fmc-ag.com)

► **Terry Morris**

VP Investor Relations North America

Tel: +1- 800-948-2538

Email: [terry.morris@fmc-na.com](mailto:terry.morris@fmc-na.com)



# Exane BNP Paribas Healthcare Conference

---

Paris | March 14, 2017



**FRESENIUS  
MEDICAL CARE**