

# J.P. Morgan European Healthcare Conference

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London | June 22, 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 Euro if not mentioned otherwise.

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Outlook

# Fresenius Medical Care – global footprint

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



Numbers as of March 2017, treatments: last 12 month

# Our solid revenue profile

Percentage of FY 2016 revenue (€, IFRS)

## Health care services

### Dialysis Services



Therapies & laboratory services for patients with chronic kidney failure

**11.3bn**      **68%**

### Care Coordination



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

**2.2bn**      **14%**

## Products

### Dialysis Products



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

**3.1bn**      **18%**

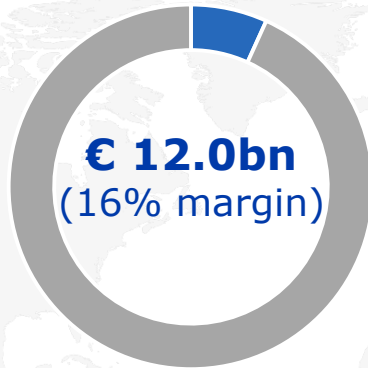
# Delivering across all regions

Service revenue  Product revenue

## North America

73% of total revenue

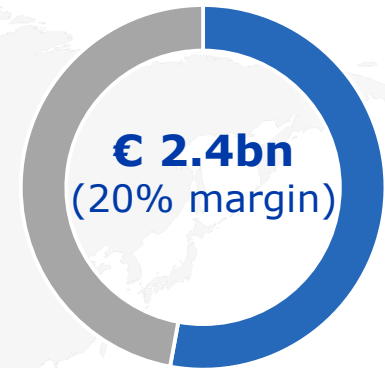
Patients	Clinics
~189,000	~2,300
+3%	+4%



## EMEA

14% of total revenue

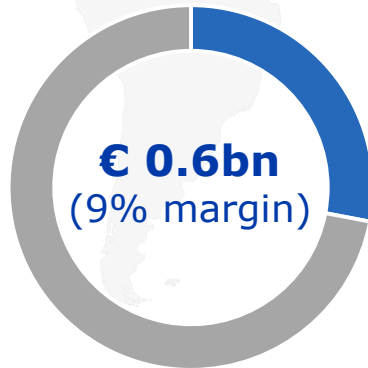
Patients	Clinics
~60,000	~710
+9%	+8%



## Latin America

4% of total revenue

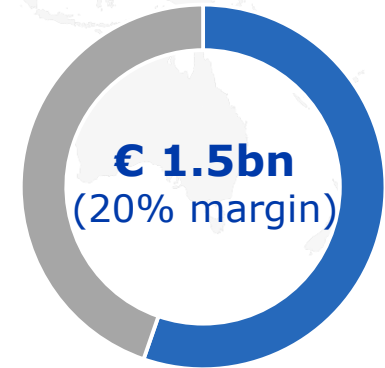
Patients	Clinics
~30,000	~230
+1%	+2%



## Asia-Pacific

9% of total revenue

Patients	Clinics
~29,000	~370
+11%	+17%

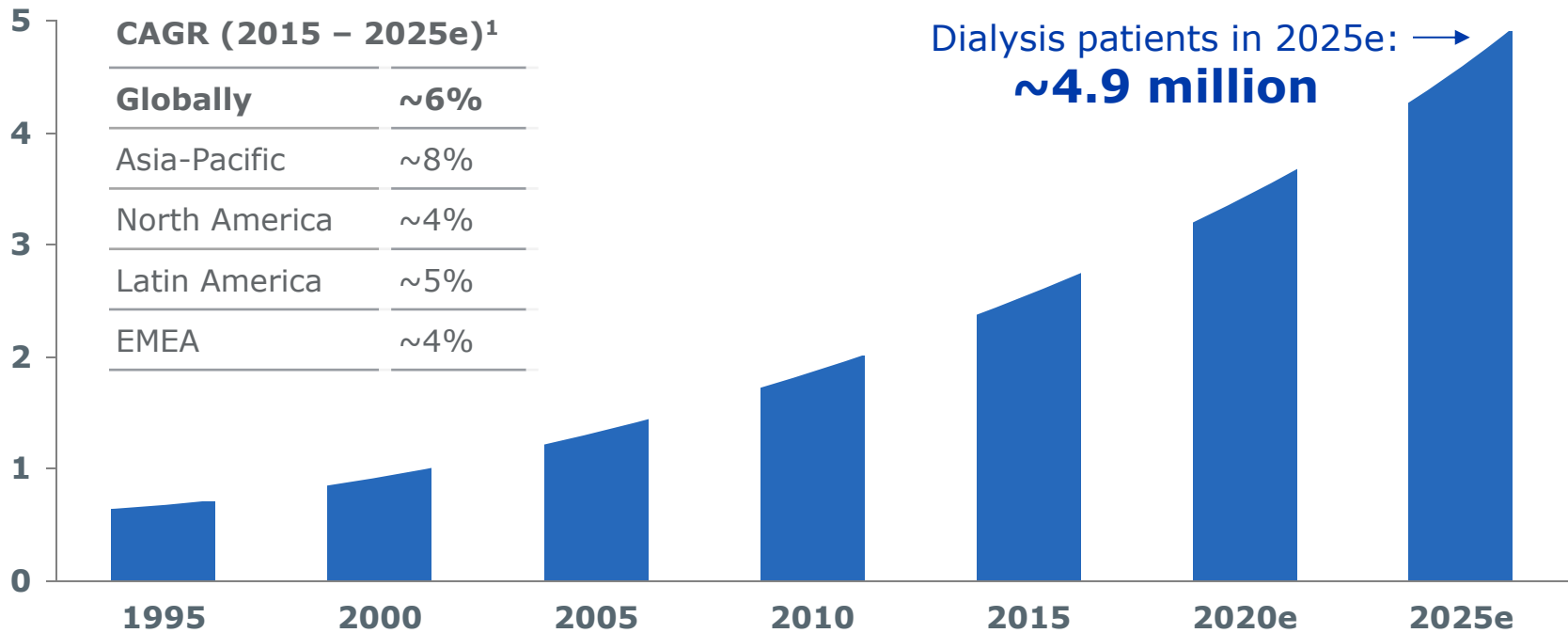


Segment revenue FY 2016, according to IFRS in EUR bn, number of patients and clinics as of YE 2016, yoy change

# Organic growth drivers

## Patient growth driven by

- ▶ age, lifestyle and higher life expectancy
- ▶ increasing wealth and access to medical treatments



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

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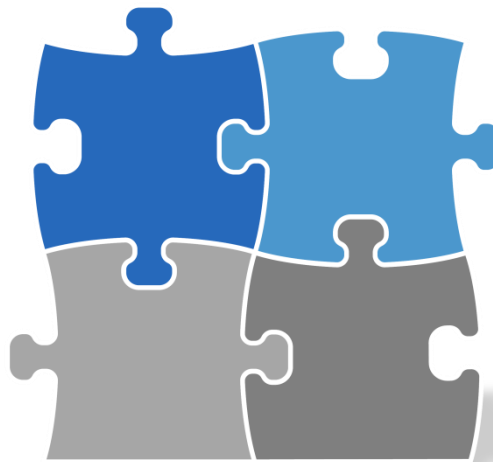
Outlook



# Strategy – Core competencies

INNOVATING  
PRODUCTS

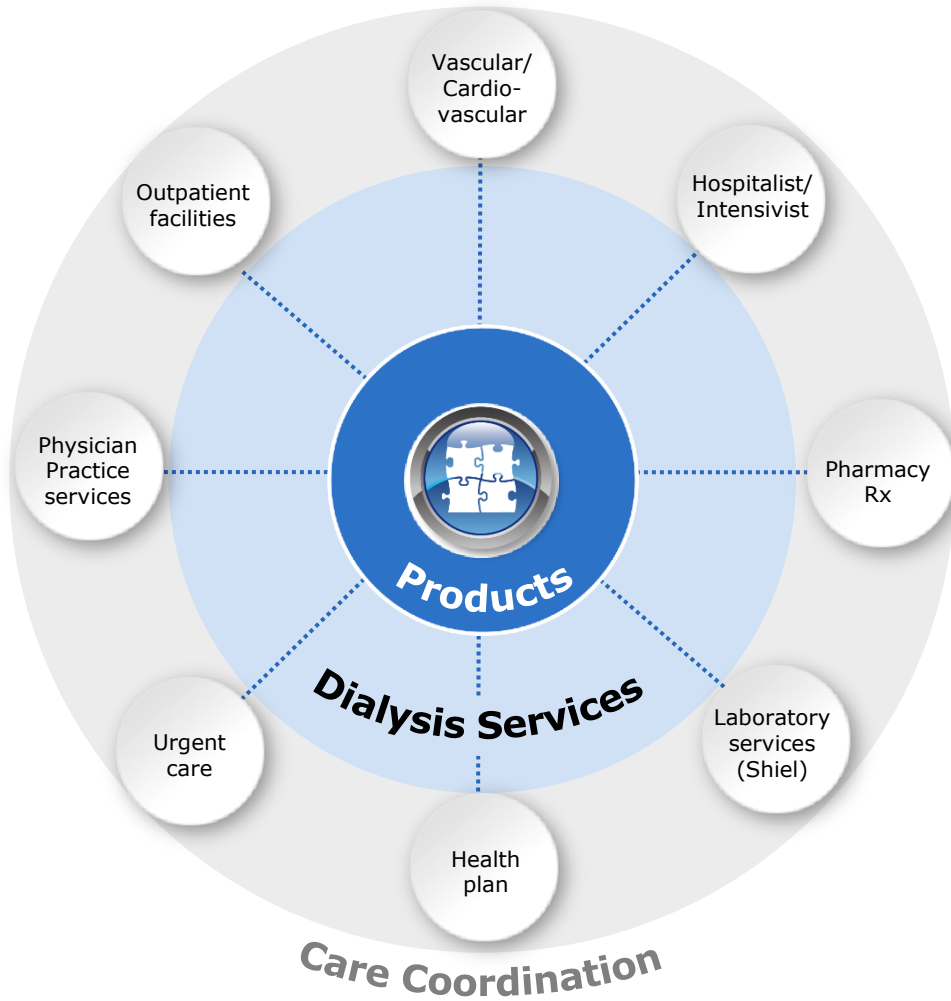
STANDARDIZING  
MEDICAL PROCEDURES



COORDINATING  
PATIENTS EFFICIENTLY

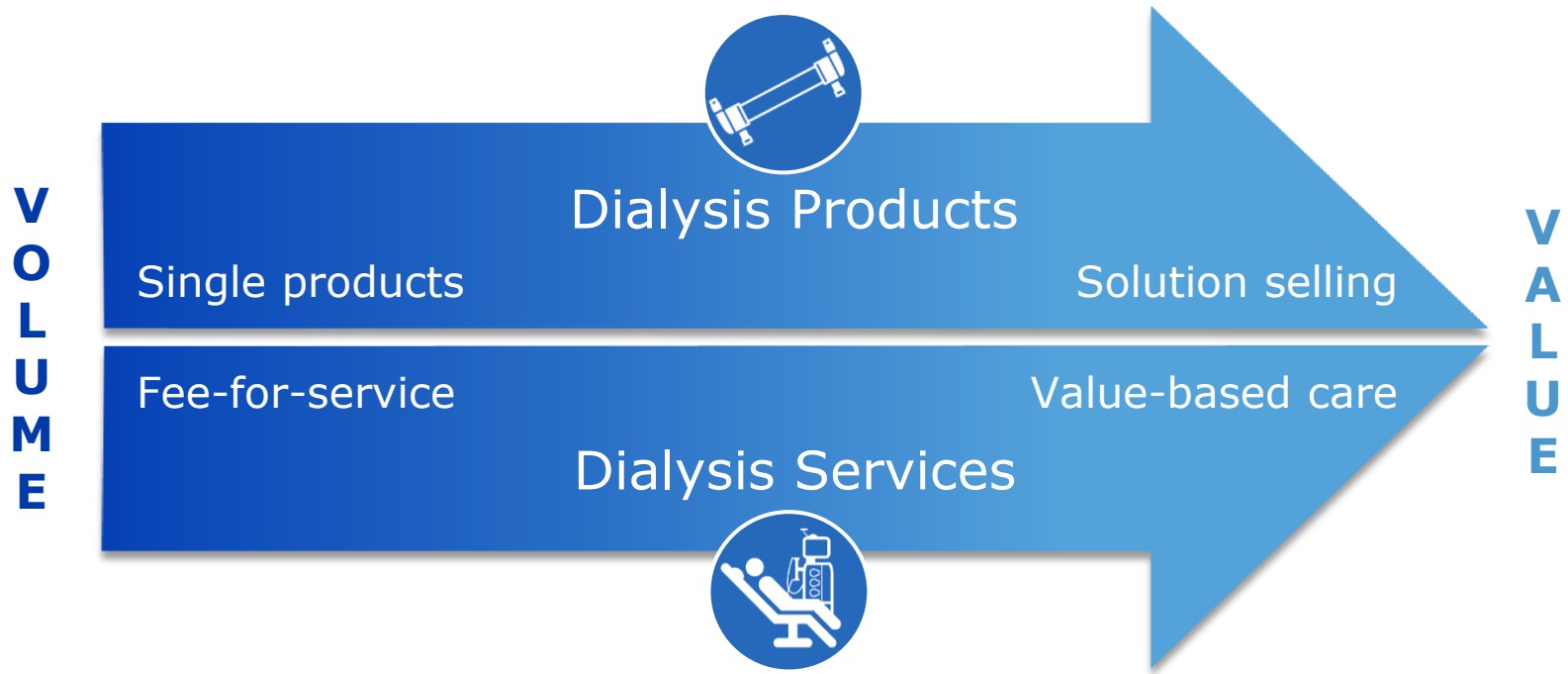
OPERATING  
OUTPATIENT FACILITIES

# Strategy – Leverage core competencies



# Strategy – From volume to value

Tailored offerings according to market maturity



# From volume to value – Dialysis Products

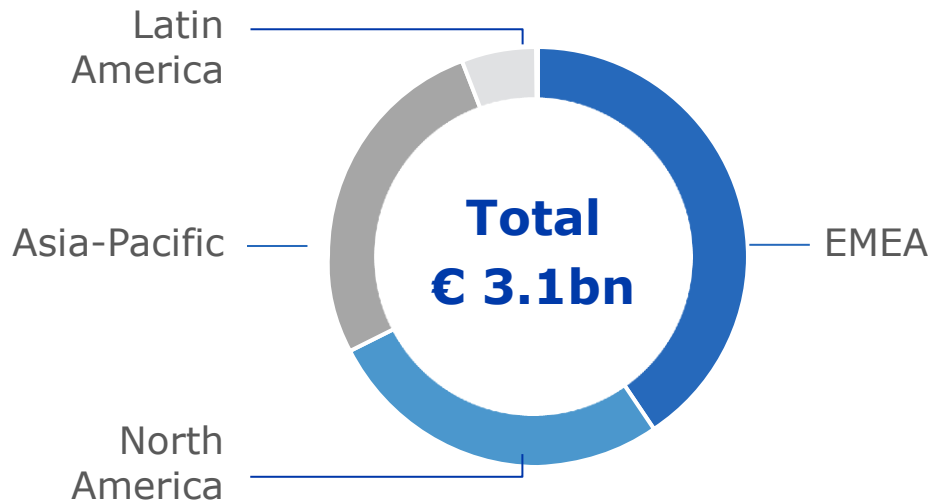
**Volume**



**Value**

## Product revenue by region

FY 2016



- ▶ Delivering products to more than 120 countries
- ▶ Launch of new 6008 machine
- ▶ Increase R&D spend and close-to-market approach
- ▶ Drive solution selling
- ▶ New extracorporeal applications (e.g., Xenios)

Numbers according to IFRS in EUR bn; EUR-USD FX rates: 0.903 (2016)

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

Dialyzers  
Dialysis machines  
Hemodialysis concentrates  
Bloodlines

Peritoneal dialysis products



#2

## Innovating for the patient

### R&D 2016

- ▶ Spend 147 Euro million (+14%)
- ▶ 5% of product revenue
- ▶ 7,748 patents
- ▶ 794 employees, FTE (+22%)

### 6008 - new dialysis machine

- ▶ Innovative and userfriendly
- ▶ Technologies for lower ramp up time, faster cleaning, safer treatments
- ▶ Allow skilled nurses more time with patients

<sup>1</sup> as of Dec. 31, 2016

# From volume to value – Dialysis Services

**Volume**

Fee-for-service

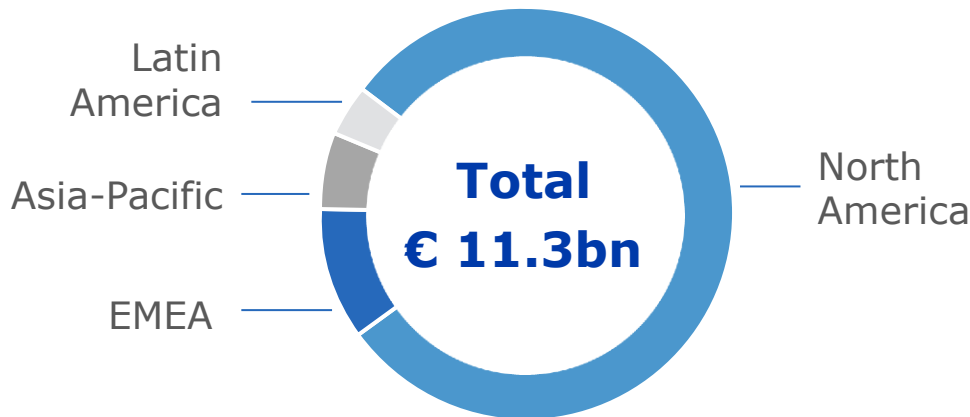
**Dialysis Services**

Value-based care

**Value**

## Service revenue by region

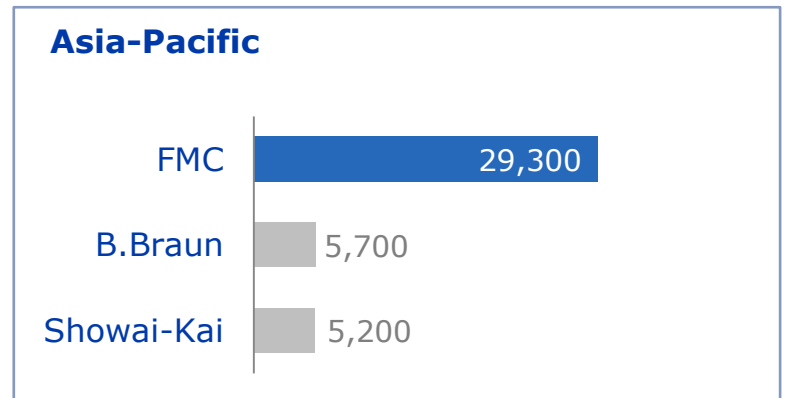
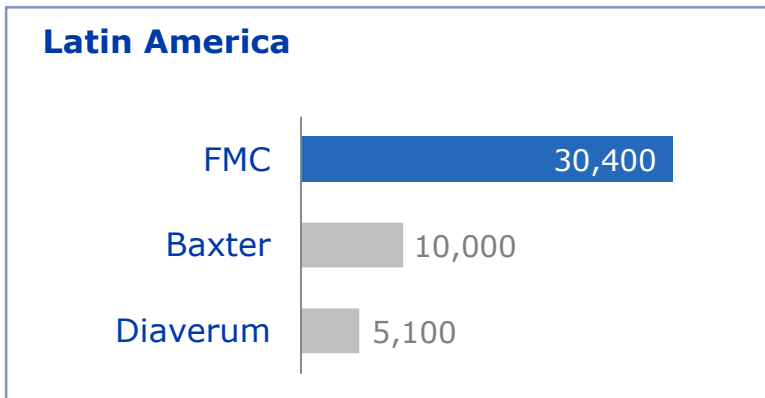
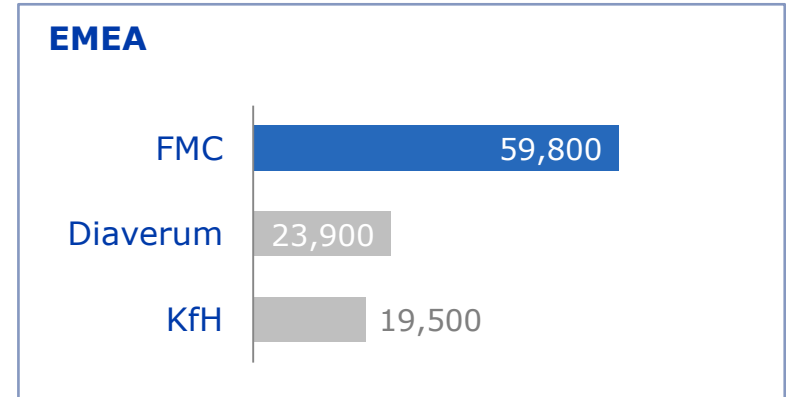
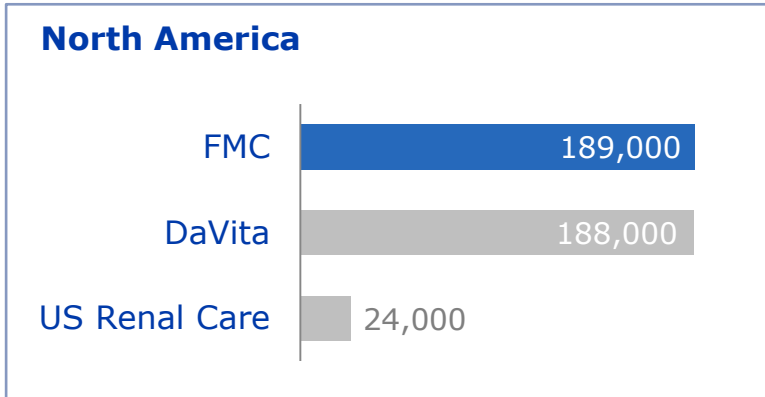
FY 2016



- ▶ Delivering services in more than 45 countries
- ▶ Expand into new markets (e.g., 2nd largest provider in India)
- ▶ Global patient growth projection: +6% CAGR
- ▶ Drive value-based care

Numbers according to IFRS in EUR bn; EUR-USD FX rates: 0.903 (2016)

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

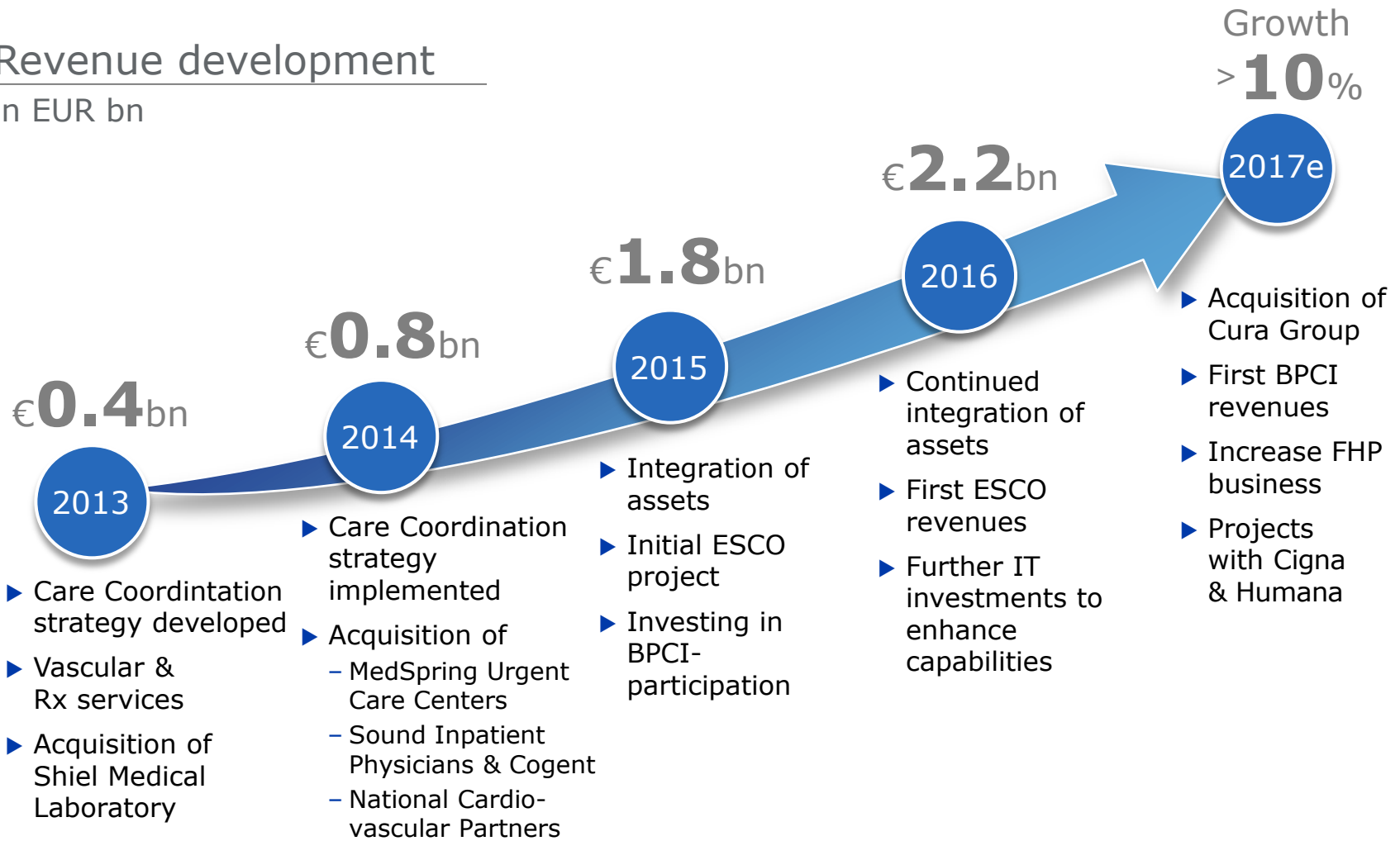


**USD ~73bn Market** We lead in every major market, treating > 300,000 patients worldwide

<sup>1</sup> based on company statements and FME estimates as of Dec. 31, 2016

# Creating added value – Care Coordination

Revenue development  
in EUR bn

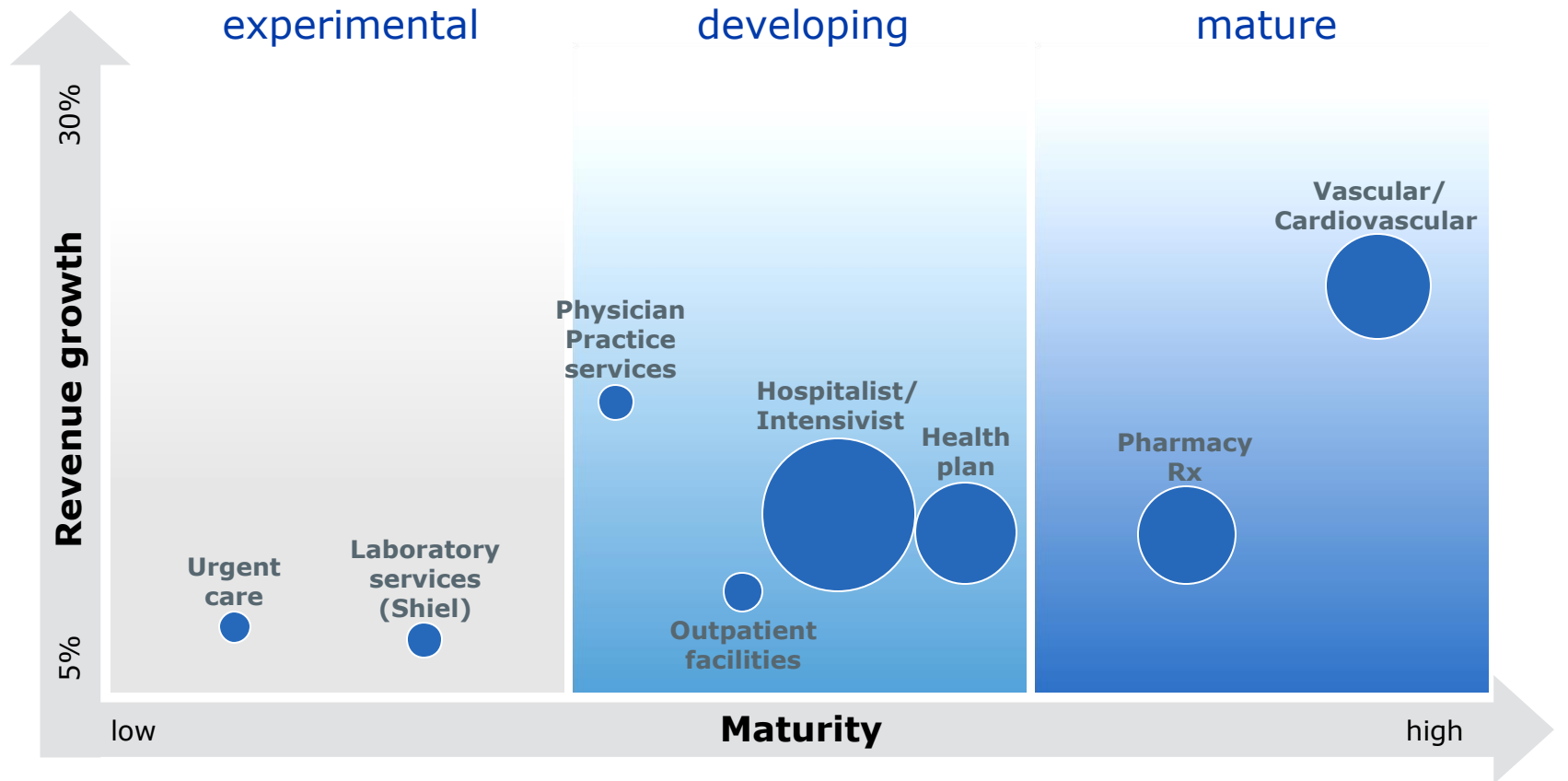


Numbers according to IFRS in EUR bn (EUR-USD average FX rates of respective fiscal year applied).



# Our portfolio of Care Coordination businesses

## Mid-term revenue and growth profile



Size of bubble indicates absolute revenue contribution. Positioning of bubble illustrative.

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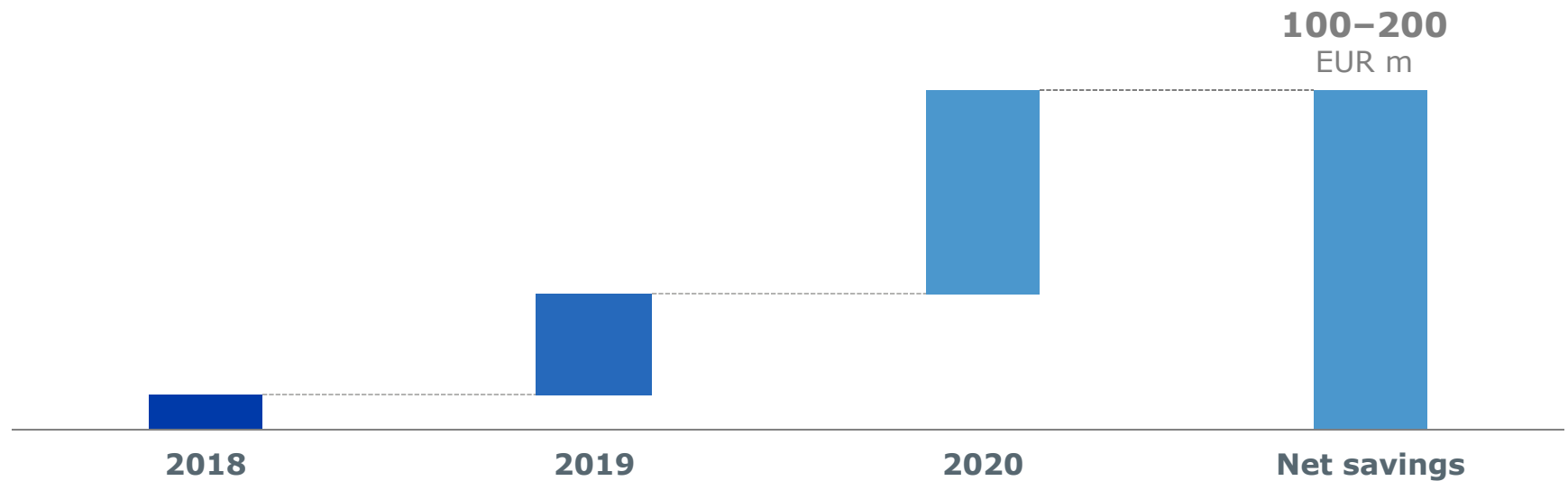
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# Global Efficiency Program II



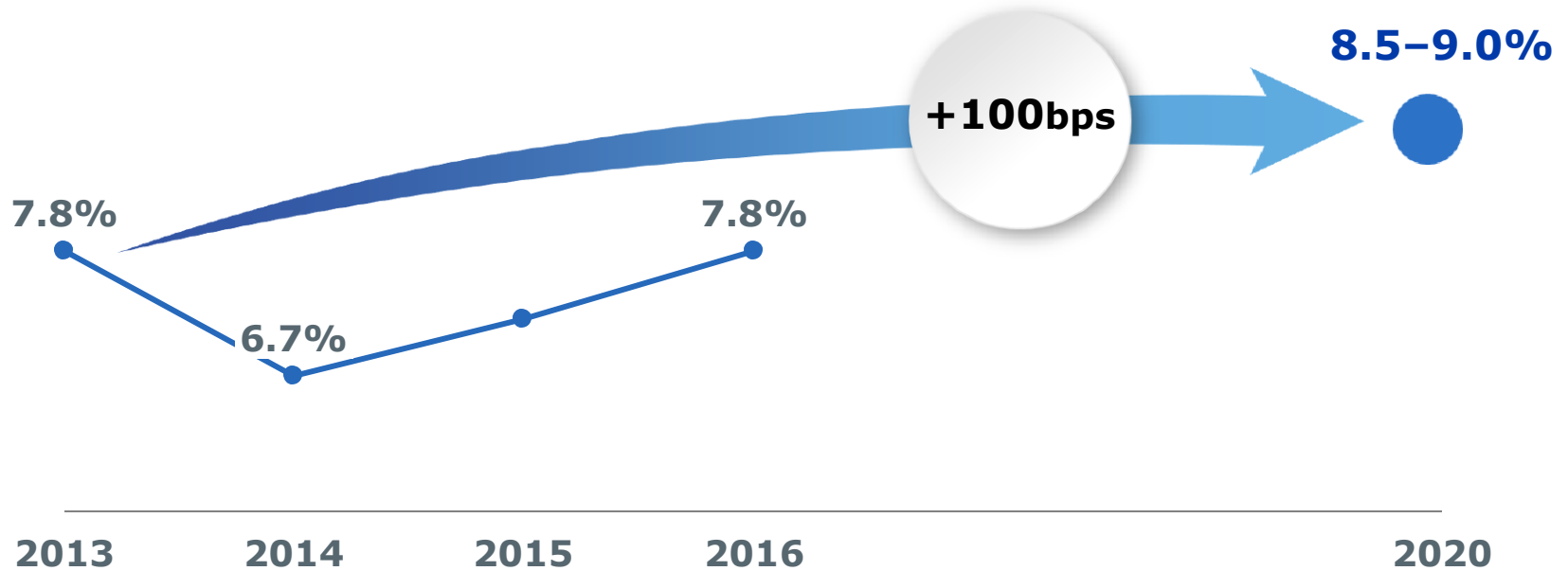
## Drivers

- ▶ GEP 2<sup>nd</sup> harvest
- ▶ Global collaboration
- ▶ Standardization
- ▶ Automation



# Commitment to ROIC improvement

Return on Invested Capital<sup>1</sup> (ROIC)



- ▶ Long-term value creation based on accretive acquisitions and organic growth
- ▶ New business segment Care Coordination is capital light

<sup>1</sup> Based on net operating profit after tax and average invested capital. All figures EUR / IFRS.

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# Excellent start to the year

	Q1 2017 € million	Q1 2016 € million	Growth in %	Growth in %cc
<b>Revenue</b>	<b>4,548</b>	<b>3,916</b>	<b>16</b>	<b>12</b>
<b>Revenue</b> <i>(excl. VA agreement)<sup>1</sup></i>	<b>4,448</b>	<b>3,916</b>	<b>14</b>	<b>10</b>
<b>Operating profit (EBIT)</b>	<b>651</b>	<b>497</b>	<b>31</b>	<b>28</b>
<b>EBIT</b> <i>(excl. VA agreement)<sup>1</sup></i>	<b>552</b>	<b>497</b>	<b>11</b>	<b>8</b>
<b>Net income<sup>2</sup></b>	<b>308</b>	<b>213</b>	<b>45</b>	<b>41</b>
<b>Net income<sup>2</sup></b> <i>(excl. VA agreement)<sup>1</sup></i>	<b>249</b>	<b>213</b>	<b>17</b>	<b>14</b>
<b>Basic EPS [€]</b>	<b>1.01</b>	<b>0.70</b>	<b>44</b>	<b>41</b>

- ▶ Strong growth in group revenue and net income
- ▶ Additional tailwind through currency effects and agreement with the US Department of Veterans Affairs and Justice (VA agreement)
- ▶ First quarter in line to achieve full year guidance

<sup>1</sup> Excl. VA agreement (€100m revenue, €99m EBIT, €59m net income) | <sup>2</sup> Net income attr. to shareholders of FME | cc = constant currency

# Strong top-line growth across all regions

## North America<sup>1</sup>

	€ million	
Revenue <sup>1</sup>	3,275	+14%
Organic growth		+9%

## Asia-Pacific

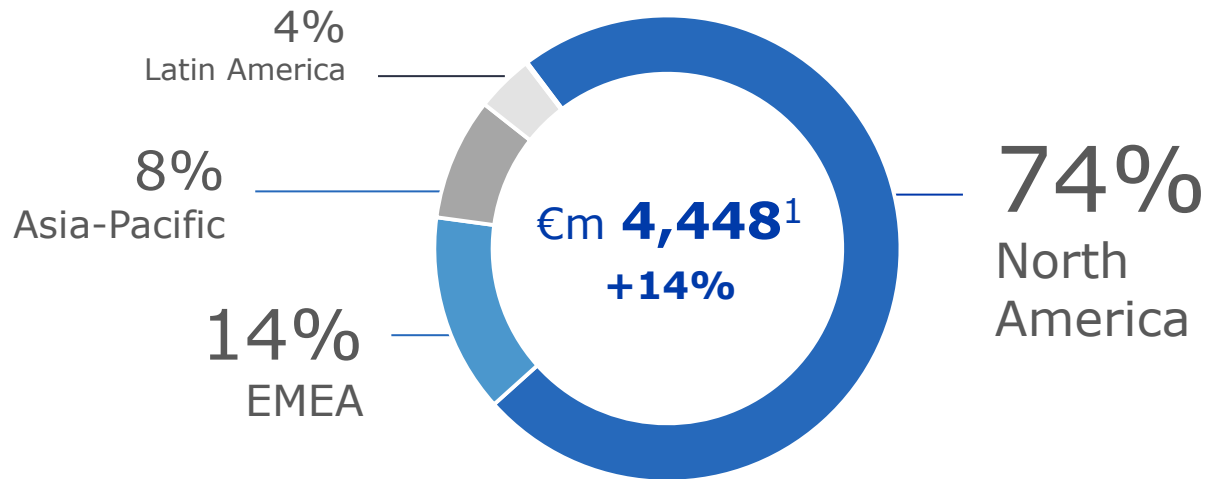
	€ million	
Revenue	378	+11%
Organic growth		+6%

## EMEA

	€ million	
Revenue	614	+7%
Organic growth		+2%

## Latin America

	€ million	
Revenue	177	+28%
Organic growth		+17%

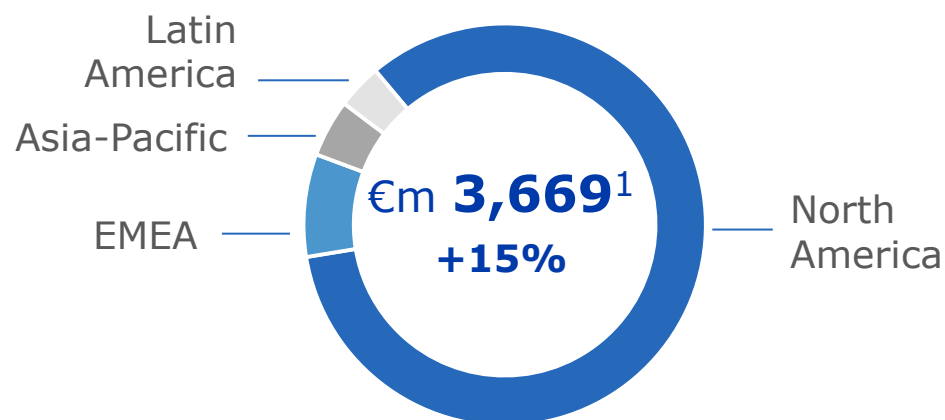


<sup>1</sup> Excl. VA agreement (€100m)

# Health Care Services continue to perform well

Revenue	Q1 2017 € million	Q1 2016 € million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
<b>Total Health Care<sup>1</sup></b>	<b>3,669</b>	<b>3,199</b>	<b>15</b>	<b>11</b>	<b>9</b>	<b>3</b>
North America <sup>1</sup>	3,065	2,671	15	11	10	3
of which Care Coordination	691	499	39	34	27	-
EMEA	303	273	11	9	3	4
Asia-Pacific	169	153	11	5	4	4
Latin America	132	102	29	22	20	2

- ▶ Strong organic revenue growth in North America, mainly driven by higher US revenue per treatment
- ▶ Care Coordination again with significant top-line growth
- ▶ Headwind of one less dialysis day



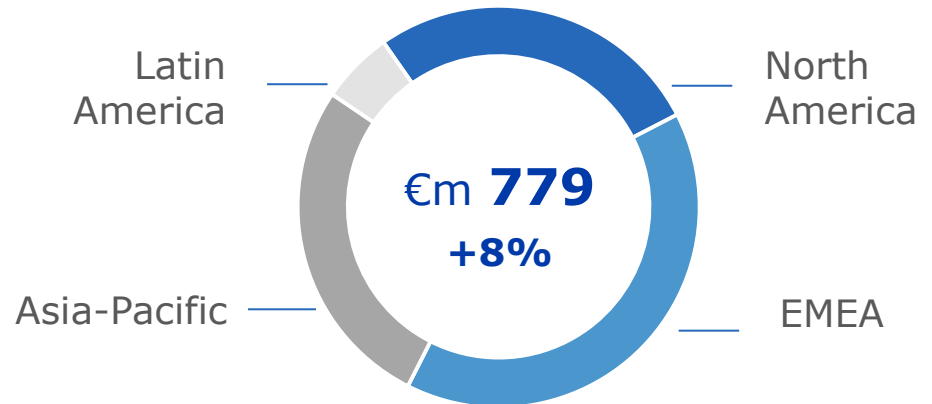
<sup>1</sup> Excl. VA agreement (€100m) | cc = constant currency



# Dialysis Products show good demand

	Q1 2017 € million	Q1 2016 € million	Growth in %	Growth in %cc
<b>Total Health Care Products</b>	<b>779</b>	<b>717</b>	<b>8</b>	<b>6</b>
<b>Dialysis Products</b>	<b>758</b>	<b>704</b>	<b>8</b>	<b>5</b>
North America	210	191	9	6
EMEA	290	286	1	1
Asia-Pacific	209	187	11	8
Latin America	45	37	23	6
<b>Non-Dialysis Products</b>	<b>21</b>	<b>13</b>	<b>63</b>	<b>63</b>

- ▶ Solid growth across all regions, especially Asia-Pacific
- ▶ Increased sales of dialyzers, machines and non-dialysis acute products

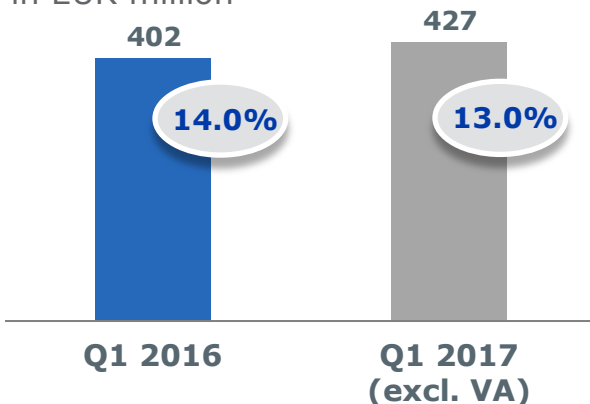


cc= constant currency

# Q1 2017 – regional margin profile

## North America (71% of EBIT<sup>1</sup>)

in EUR million

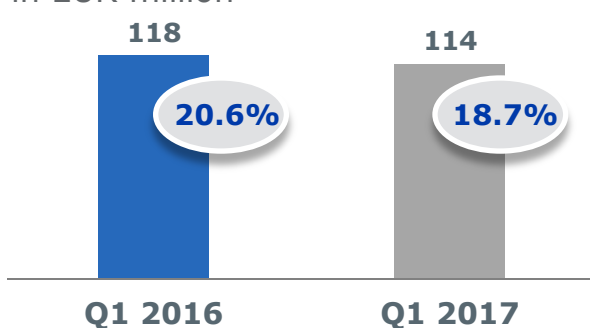


- ▶ Stable margin in dialysis business, despite one dialysis day less in Q1 2017
- ▶ Positive impact from improved payor mix, lower cost for health care supplies and realization of BPCI revenues
- ▶ Positive development affected by typical seasonality of US labour cost
- ▶ Care Coordination margins improved sequentially

Diagrams: different scales applied

## EMEA (16% of EBIT<sup>1</sup>)

in EUR million



- ▶ EBIT margin decrease mainly due to unfavorable impact from acquisitions and volumes (1 less dialysis day)
- ▶ Lower income from equity method investees (higher development cost)

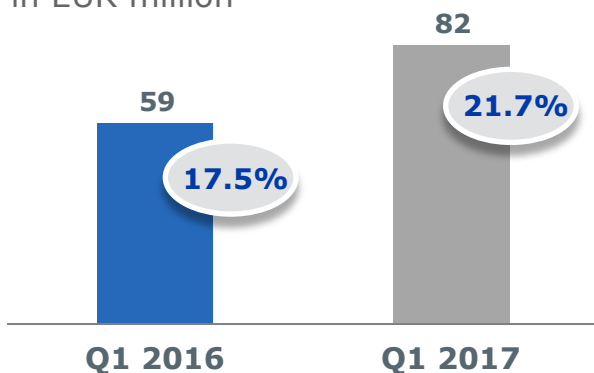
■ EBIT    % EBIT-margin

<sup>1</sup> Excl. Corporate

# Q1 2017 – regional margin profile

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

in EUR million

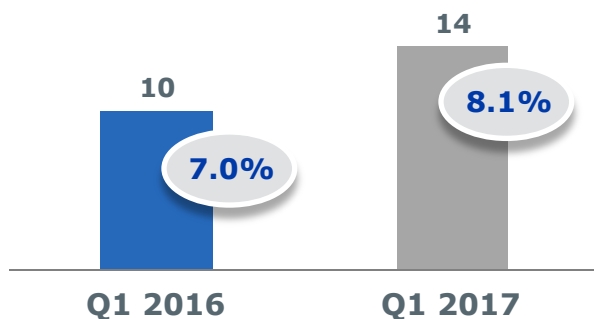


- ▶ EBIT margin increase mainly driven by improved revenue mix
- ▶ Positive base effect (prior year's cost impact from changes in Management Board)

Diagrams: different scales applied

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

in EUR million



- ▶ EBIT margin increase mainly driven by higher reimbursement rates in the region
- ▶ Negative impact from higher cost related to inflation and higher bad debt expense

■ EBIT    % EBIT-margin

<sup>1</sup> Excl. Corporate

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# 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:

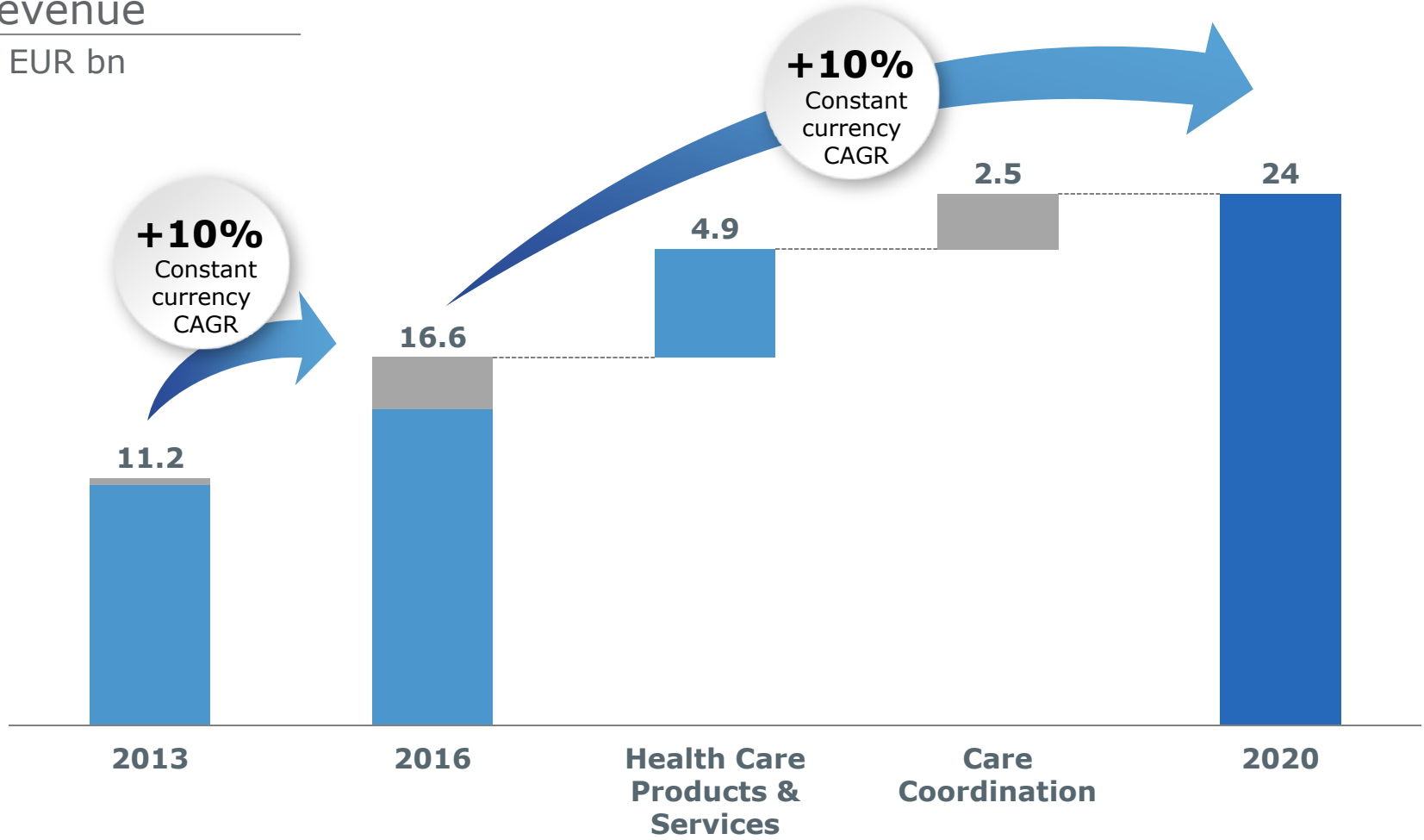
- ▶ Numbers at constant currency, 2017 target excl. effect from agreement with United States Departments of Veterans Affairs and Justice
- ▶ Net income refers to net income attributable to shareholders of FMC AG & Co. KGaA

<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

# Revenue and growth until 2020

## Revenue

in EUR bn



All figures and estimates EUR / IFRS.

# Back-up

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**FRESENIUS  
MEDICAL CARE**

# Attachment 1

Reconciliation of non-IFRS financial measures to the most comparable IFRS measure

€ million

<b>Debt</b>	FY 2015	FY 2016	<b>Q1 2017</b>
Short term debt	101	572	697
+ Short term debt from related parties	18	3	119
+ Current portion of long-term debt and capital lease obligations	610	724	715
+ Long-term debt and capital lease obligations less current portion	7,214	6,833	6,739
<b>TOTAL debt</b>	<b>7,943</b>	<b>8,132</b>	<b>8,270</b>
Cash	516	709	671
<b>Net debt</b>	<b>7,427</b>	<b>7,423</b>	<b>7,599</b>
<b>EBITDA</b>	FY 2015	FY 2016 <sup>1</sup>	<b>Q1 2017<sup>1</sup></b>
Last twelve month operating income (EBIT)	2,129	2,397	2,558
+ Last twelve month depreciation and amortization	648	710	733
+ Non-cash charges	47	66	74
<b>EBITDA (annualized)</b>	<b>2,824</b>	<b>3,173</b>	<b>3,365</b>
<b>Total Net Debt <sup>1)</sup> / EBITDA</b>	<b>2.6</b>	<b>2.3</b>	<b>2.3</b>

<sup>1</sup> EBITDA: including largest acquisitions



# Attachment 2

Reconciliation of non-IFRS financial measures to the most comparable IFRS measure

€ million

## Cash Flow

	Q1 2016	Q1 2017
Acquisitions, investments and net purchases of intangible assets	(83)	(160)
+ Proceeds from divestitures	-	-
= Acquisitions and investments, net of divestitures	(83)	(160)

## Capital expenditures, net

	Q1 2016	Q1 2017
Purchase of property, plant and equipment	(227)	(197)
- Proceeds from sale of property, plant & equipment	4	2
= Capital expenditure, net	(223)	(195)

# Attachment 3

Reconciliation of non IFRS financial measures to the most directly comparable IFRS financial measures

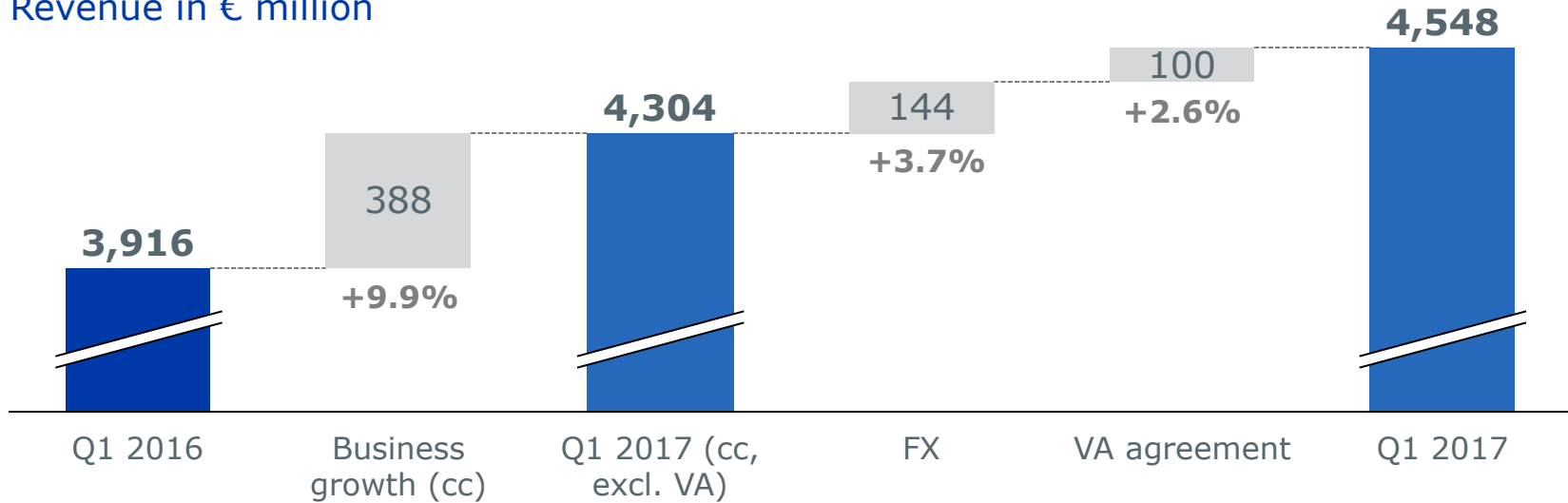
Operating performance excluding VA agreement – basis for guidance 2017

€ million	Q1 2016	Q1 2017
<b>Revenue</b>	<b>3,916</b>	<b>4,548</b>
VA agreement	-	(100)
<b>Revenue excluding VA agreement</b>	<b>3,916</b>	<b>4,448</b>
<b>Operating income (EBIT)</b>	<b>497</b>	<b>651</b>
VA agreement	-	(99)
<b>Operating income (EBIT) excluding VA agreement</b>	<b>497</b>	<b>552</b>
<b>Net income<sup>1</sup></b>	<b>213</b>	<b>308</b>
VA agreement	-	(59)
<b>Net income<sup>1</sup> excluding VA agreement</b>	<b>213</b>	<b>249</b>

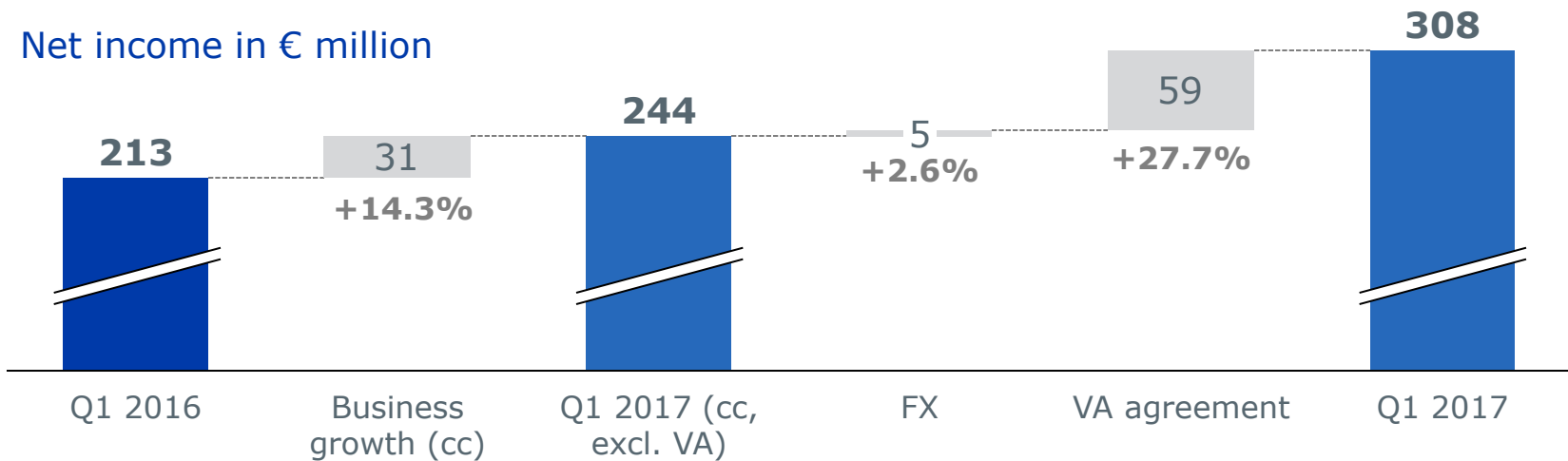
<sup>1</sup> attributable to shareholders of FMC AG & Co. KGaA

# Q1 revenue and net income reconciliation

Revenue in € million



Net income in € million



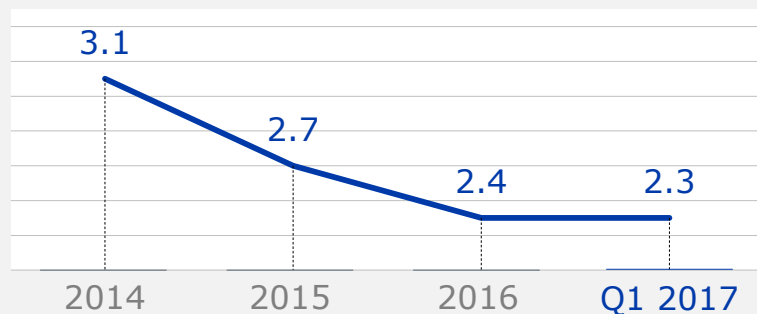
FX = foreign exchange effects | cc= constant currency

# Q1 cash flow impacted by seasonality in invoicing

Days sales outstanding (DSO) at 73 days worldwide.

	Q1 2017 <sup>1</sup> in € million	Q1 2016 in € million
<b>Operating cash flow</b>	<b>170</b>	<b>163</b>
in % of revenue	3.7	4.2
Capital expenditures, net	(195)	(223)
<b>Free cash flow</b>	<b>(25)</b>	<b>(60)</b>
Free cash flow, after acquisitions and investments	(185)	(143)

## Net debt/EBITDA



## Current ratings

	S&P	Moody's	Fitch
Company	BBB-	Baa3	BBB-
Outlook	stable	stable	stable

<sup>1</sup> Incl. \$205m (€193m) cash contribution from VA agreement

## Q1 2017 - patients, treatments, clinics

	<b>Patients</b> as of Mar. 31, 2017	<b>Treatments</b> Q1 2017, in million	<b>Clinics</b> as of Mar. 31, 2017
North America	190,480	7.2	2,323
Growth in %	4	3	4
EMEA	60,168	2.3	722
Asia-Pacific	29,639	1.0	377
Latin America	30,186	1.2	232
<b>Total</b>	<b>310,473</b>	<b>11,744,442</b>	<b>3,654</b>
Growth in %	6	4	6

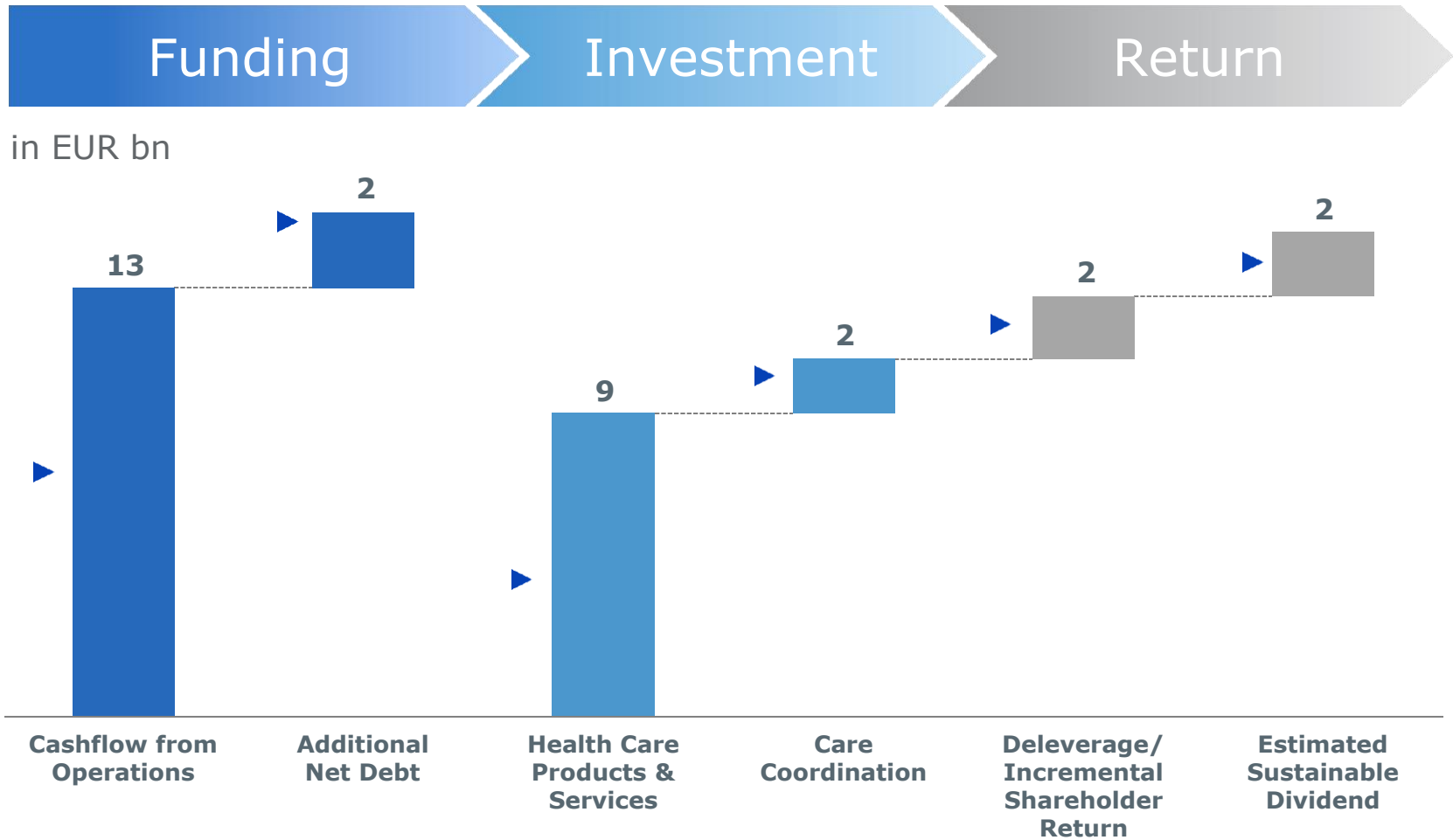
## Financial targets

<b>Revenue growth</b> Average annual, constant currency	<b>2016</b>	<b>2017<sup>1</sup> – 2020</b>
Products	3.6%	5–7%
Services	6.8%	6–8%
Care Coordination	24.1%	15–20%
<b>Total revenue growth</b>	<b>8.2%</b>	<b>~10%</b>

<b>Net income and EPS<sup>2</sup></b> Average annual, constant currency	<b>2016</b>	<b>2017<sup>1</sup> – 2020</b>
Net Income growth rate	15.9%	High single digit
EPS growth rate	15.4%	High single digit

<sup>1</sup> Excluding impact related to an agreement with the United States Department of Veterans Affairs and Justice. <sup>2</sup> Excluding settlement costs for an agreement in principle for the GranuFlo case. All figures and estimates EUR / IFRS.

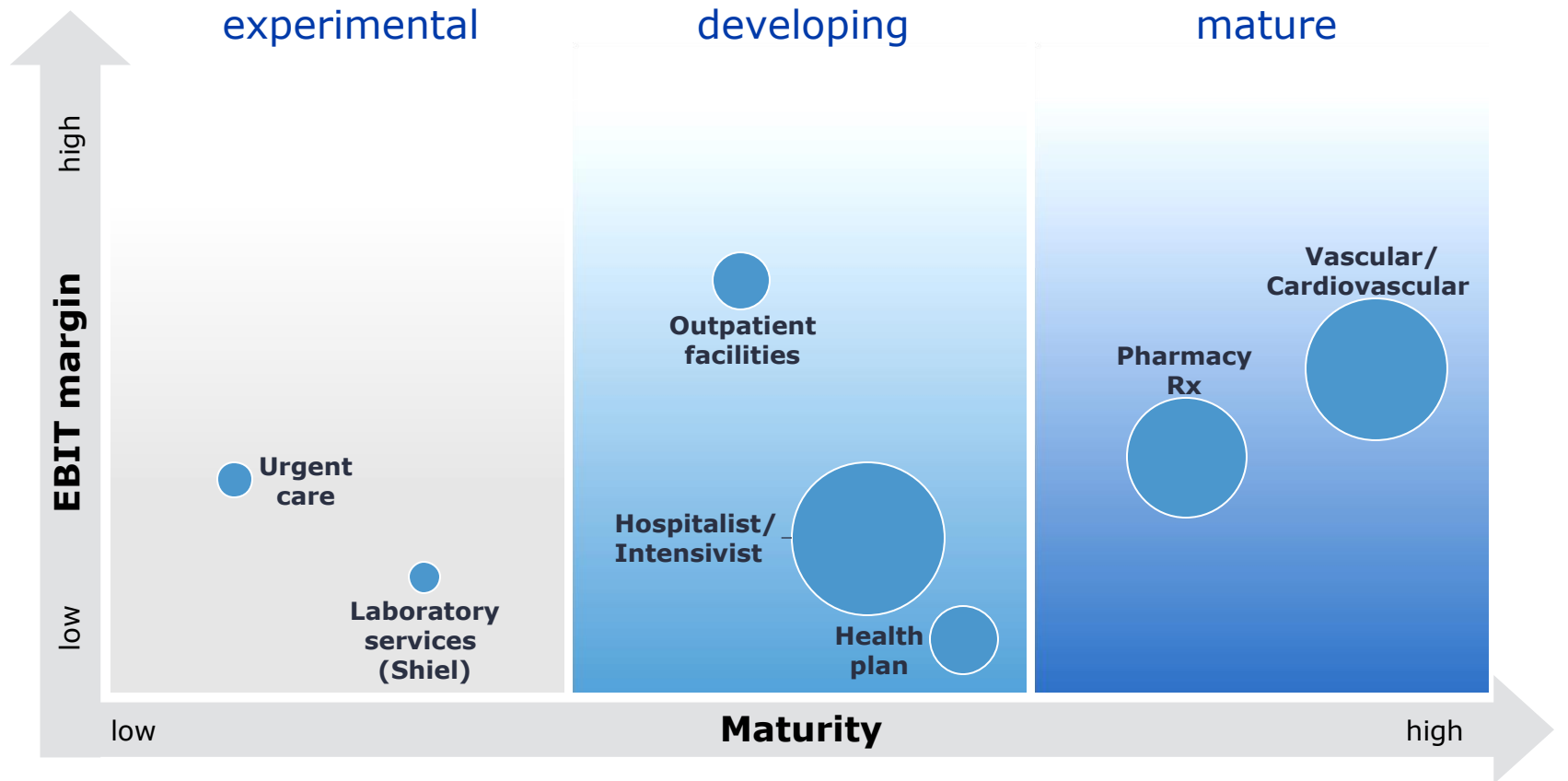
# Capital allocation 2014 – 2020



Arrows indicate current picture of capital allocation based on cumulated actuals to date. All figures EUR based under IFRS and round to bn.

# Our portfolio of Care Coordination businesses

Mid-term high single-digit EBIT margin average targeted



Size of bubble indicates absolute EBIT contribution. Positioning of bubble illustrative.



# Value-based care models

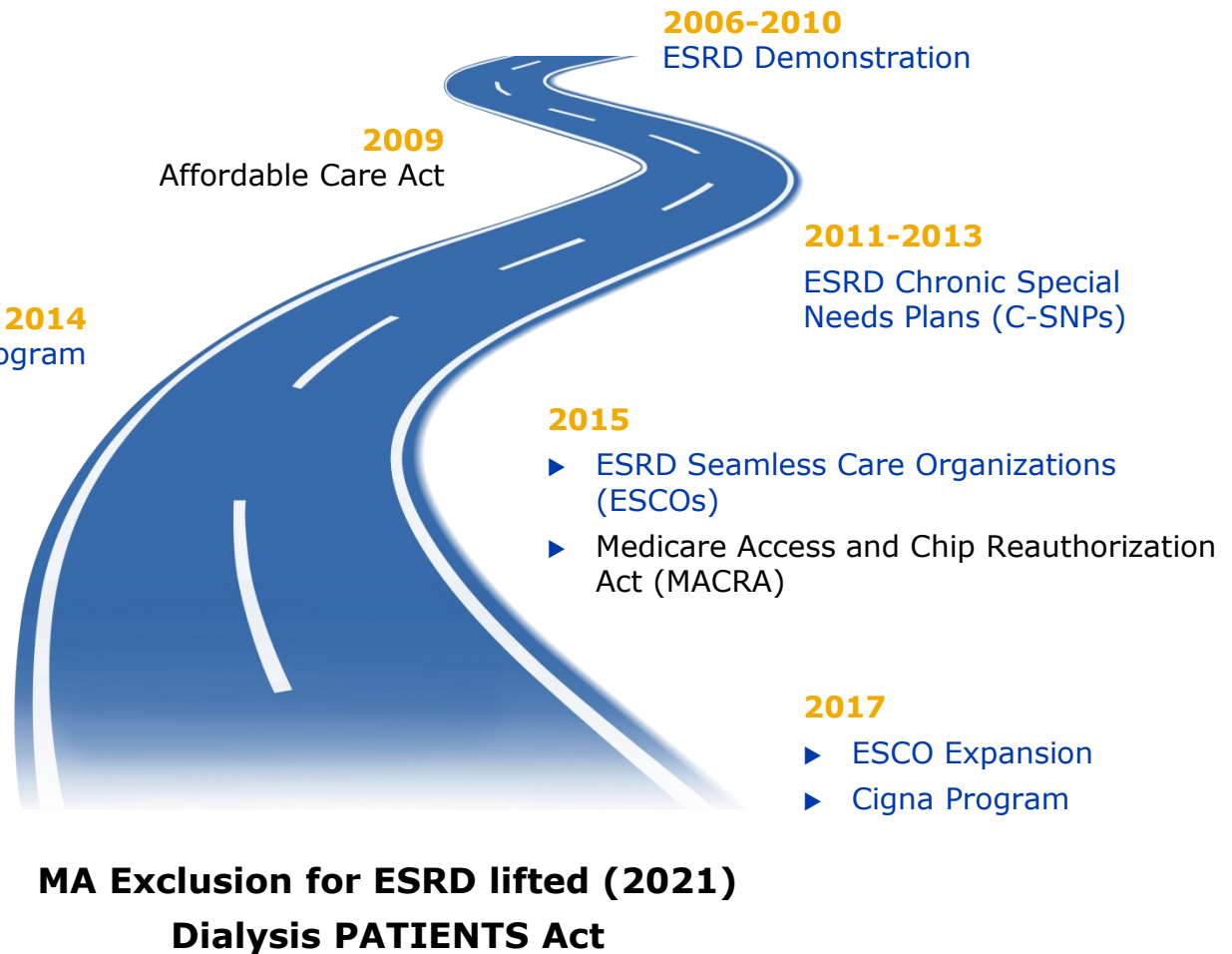
## Volume

- ▶ Fee-for-Service
- ▶ Focus on single products/services
- ▶ Networks and coordinated care not incentivized
- ▶ IT mainly used for recording patient data

## Value

- ▶ Outcome-based reimbursement
- ▶ Focus on solutions and holistic care
- ▶ Higher connectivity and networks enable better outcomes
- ▶ Advanced analytics: IT and data used for predictive modeling

# The path to value



# Financial calendar<sup>1</sup>

Aug 1, 2017 | Report on 2<sup>nd</sup> quarter 2017

Nov 2, 2017 | Report on 3<sup>rd</sup> quarter 2017

Jun 21, 2017 | Citi European Healthcare Conference, London

Jun 22, 2017 | JPM European Healthcare Conference, London

Jun 22, 2017 | dbAccess Conference, Berlin

Aug 29, 2017 | Commerzbank Sector Conference, Frankfurt

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

**Constant currency:** Changes in revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items include the impact of changes in foreign currency exchange rates. We use the non-IFRS financial measure “at constant exchange rates” or constant currency in our filings to show changes in our revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items without giving effect to period-to-period currency fluctuations. Under IFRS, amounts received in local (non-Euro) currency are translated into Euros at the average exchange rate for the period presented. Once we translate the local currency for the constant currency, we then calculate the change, as a percentage, of the current period using the prior period exchange rates versus the prior period. This resulting percentage is a non-IFRS measure referring to a change as a percentage “at constant currency.”

We believe that the non-IFRS 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 a company's revenue, operating income and other items from period to period. However, we also believe that the usefulness of data on constant currency period-over-period changes is subject to limitations, particularly if the currency effects that are eliminated constitute a significant element of our revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items and 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 into Euros. We do not evaluate our results and performance without considering both constant currency period-over-period changes in non-IFRS revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items and changes in revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items prepared in accordance with IFRS. 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, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items prepared in accordance with IFRS. We present the growth rate derived from IFRS measures next to the growth rate derived from non-IFRS measures such as revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items. Because the reconciliation is inherent in the disclosure, we believe that a separate reconciliation would not provide any additional benefit.

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# J.P. Morgan European Healthcare Conference

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London | June 22, 2017



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