

**GOLDMAN SACHS EUROPEAN  
MEDTECH AND HEALTHCARE  
SERVICES CONFERENCE, LONDON**

SEPTEMBER 04, 2019

**CARE  
AND  
LIVE**



**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. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy or might not even be anticipated. The Company has based these forward-looking statements on current estimates and assumptions which we believe are reasonable and which are 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 or competitive conditions, changes in reimbursement, regulatory compliance issues, regulatory reforms, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, cyber security issues 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 Frankfurt Stock Exchange (Frankfurter Wertpapierbörse).

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.





# AGENDA

**1** AT A GLANCE

2 STRATEGY

3 Q2 2019 FINANCIALS

4 OUTLOOK

## ■ 2018: GROWTH CONTINUED



+5% Clinics  
**3,928**



+4% Patients  
**333,331**



+4% Treatments  
**50,027,579**

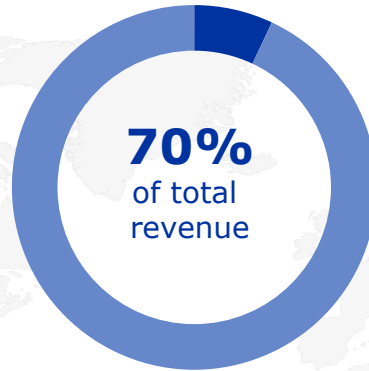


Quality remains  
on a consistently  
**high level**

# 2018: €16.5BN REVENUE

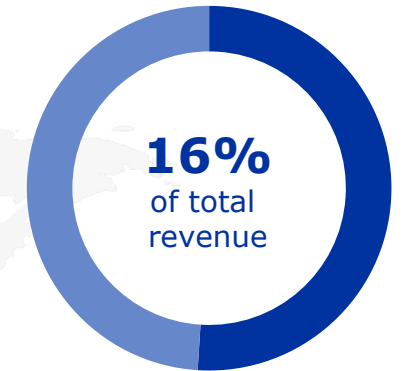
## NORTH AMERICA

Revenue	EBIT <sup>1</sup>	Patients	Clinics
€11.5bn	€2,655m	~204,100	~2,500
-6%cc	+33%cc	+3%	+6%



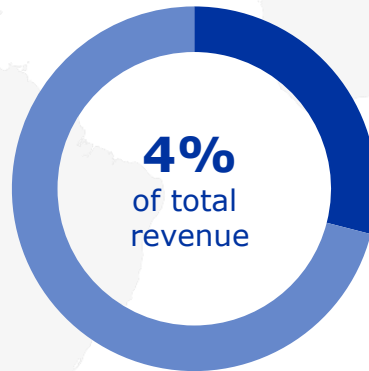
## EMEA

Revenue	EBIT	Patients	Clinics
€2.6bn	€399m	~65,000	~775
+4%cc	-10%cc	+4%	+4%



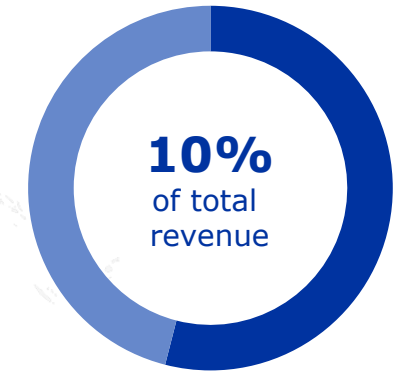
## LATIN AMERICA

Revenue	EBIT	Patients	Clinics
€0.7bn	€29m	~32,700	~230
+22%cc	-65%cc	+4%	-1%



## ASIA-PACIFIC

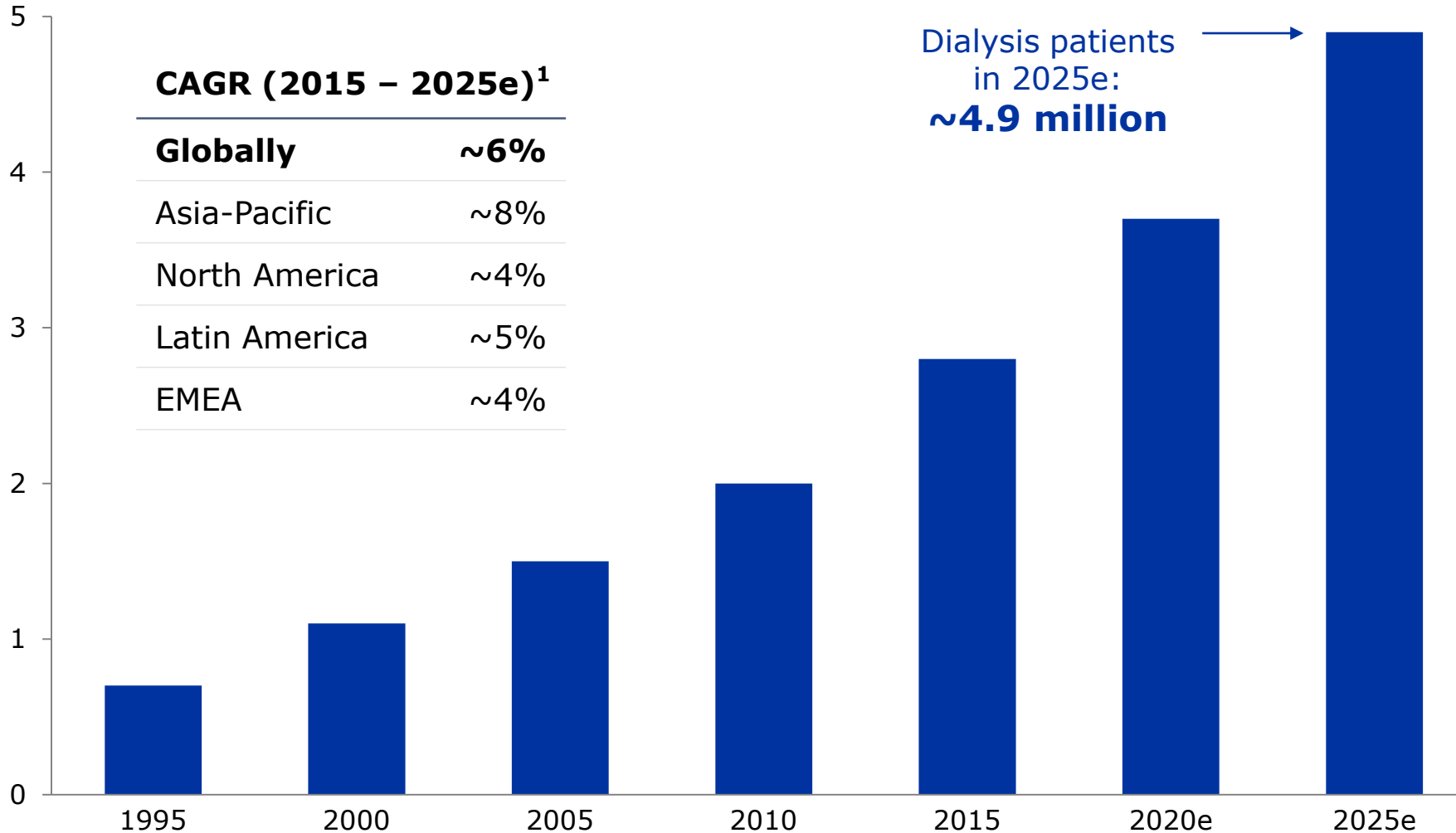
Revenue	EBIT	Patients	Clinics
€1.7bn	€304m	~31,500	~390
+8%cc	-1%cc	+6%	+3%



Segment revenue FY 2018, number of patients and clinics as of YE 2018, yoy change | 1 Including gain from divestiture of Care Coordination activities

Service revenue  Product revenue

# ORGANIC GROWTH DRIVERS



**PATIENT GROWTH DRIVEN BY:**

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

**2018 global patient number grew by 6%**

<sup>1</sup> Internal estimates as of Dec. 31, 2017



# AGENDA

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# STRATEGY – CORE COMPETENCIES

**INNOVATING  
PRODUCTS**

**COORDINATING  
PATIENTS EFFICIENTLY**

**STANDARDIZING  
MEDICAL PROCEDURES**

**OPERATING  
OUTPATIENT FACILITIES**



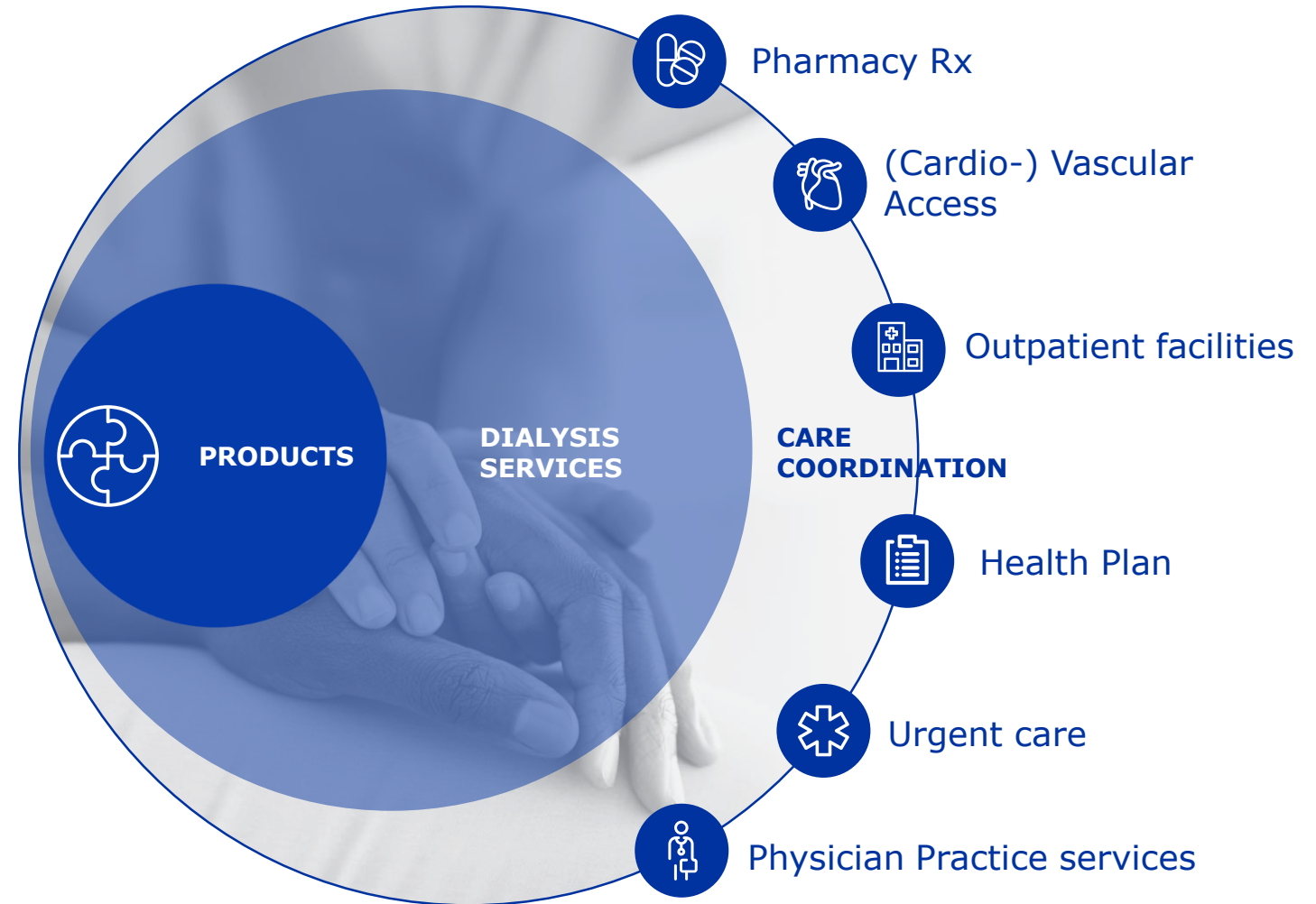


# ■ GLOBAL MARKET LEADER IN DIALYSIS

- Innovate for enhancing patient care
- Market leading high quality products
- Solution selling

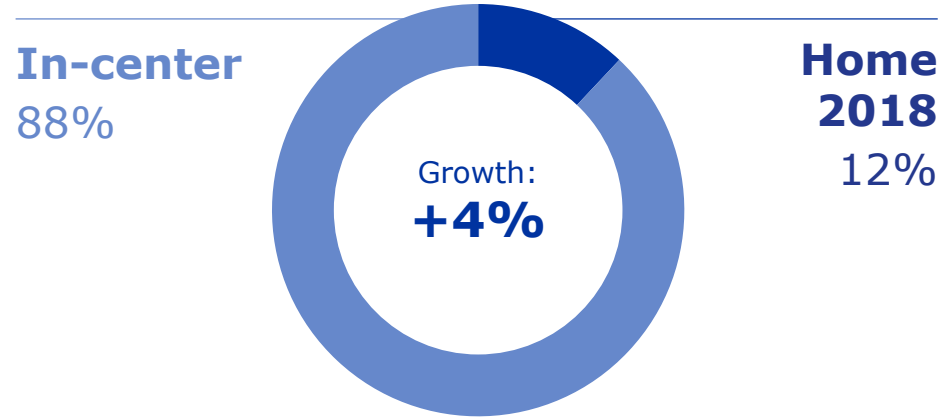
- Standardized medical procedures
- Enable best treatment outcomes
- Capture growth in developing markets

- Coordinating patients efficiently
- Data analytics & predictive modelling
- Develop & enhance value based care

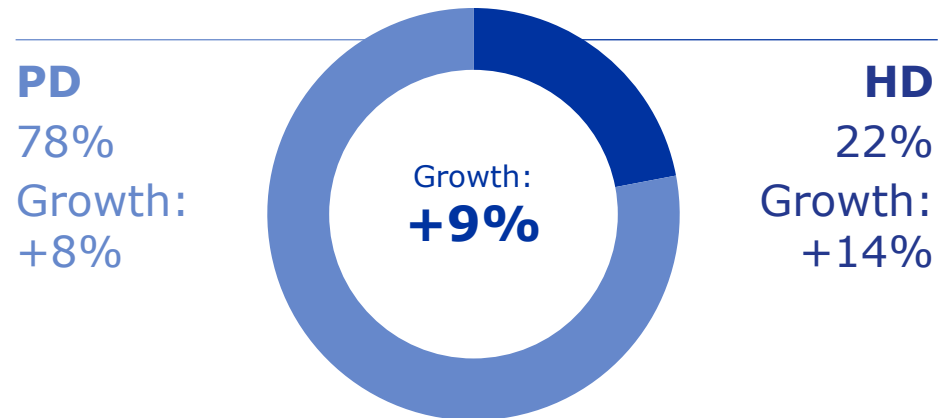


# ■ DELIVERING ON OUR HOME STRATEGY

SPLIT OF  
**TOTAL**  
TREATMENTS  
U.S. 2018



SPLIT OF  
**HOME**  
TREATMENTS  
U.S. 2018



- Target 2022:  
15%+ of treatments performed  
in a home setting
- Investing into expansion of  
home treatments
  - patient education
  - home training clinics
  - distribution infrastructure
  - home machines
- Increasing awareness for early  
recognition of CKD to ensure  
smooth transition to dialysis

# ■ CAPTURE GROWTH IN DEVELOPING ECONOMIES

## DEVELOPING ECONOMIES – EXAMPLE CHINA

HEALTHCARE  
**EXPENDITURE**  
IN % GDP

6%

**\$12.3tr**  
2017



POPULATION  
**DIABETICS**  
IN % TOTAL  
POPULATION

11%

**1.4bn**

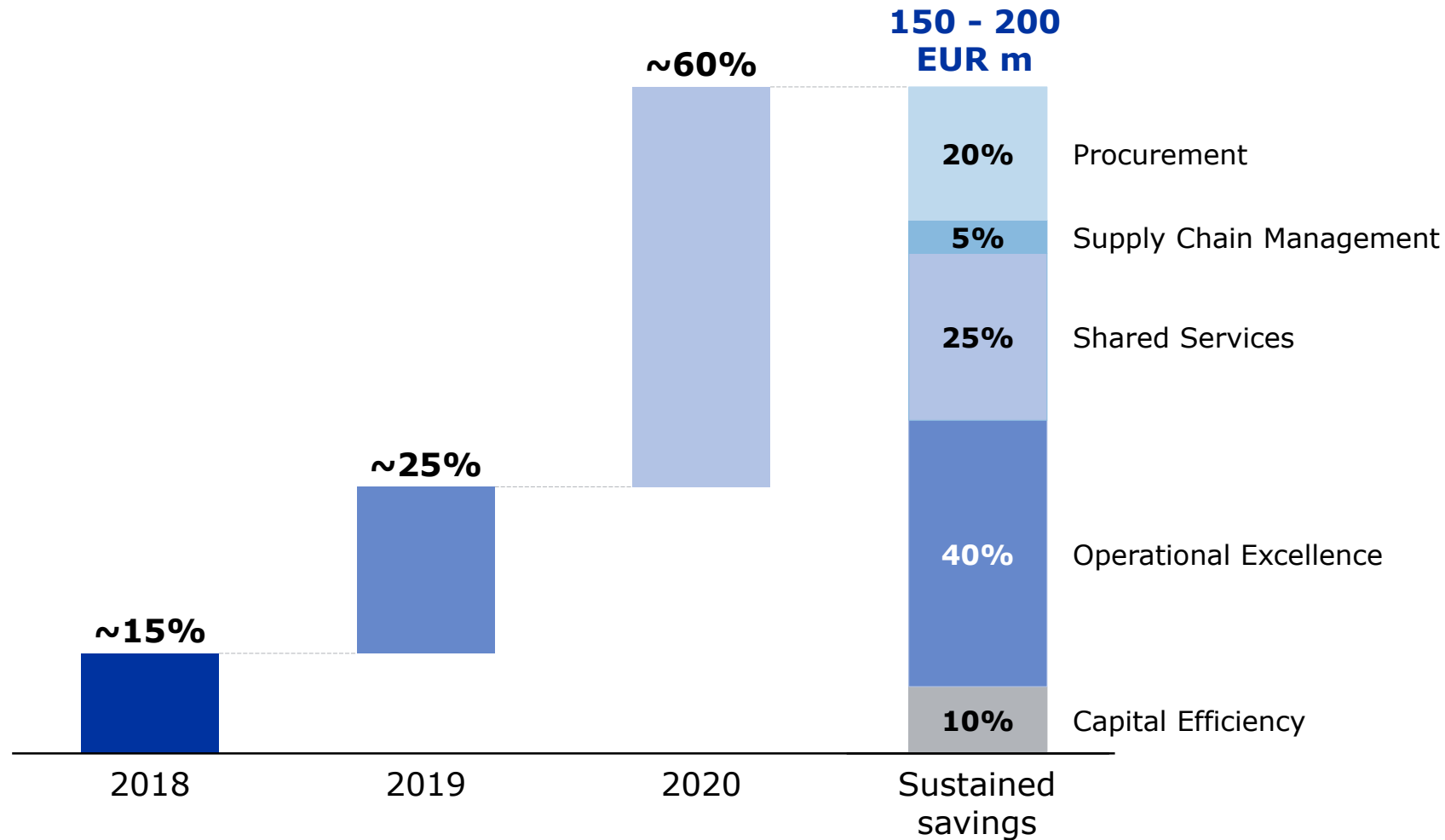


- Early mover in developing economies with products first
- Leverage experience from the products business into the service business – e.g. advancing in the Chinese market with own dialysis clinics and renal hospitals
- Investing in manufacturing capacities in the growing and upcoming markets
- Expand Care Coordination outside North America
- Transfer know-how into new markets

Source: WORLD BANK

# GLOBAL EFFICIENCY PROGRAM II

## SUSTAINED SAVINGS 2018 - 2020

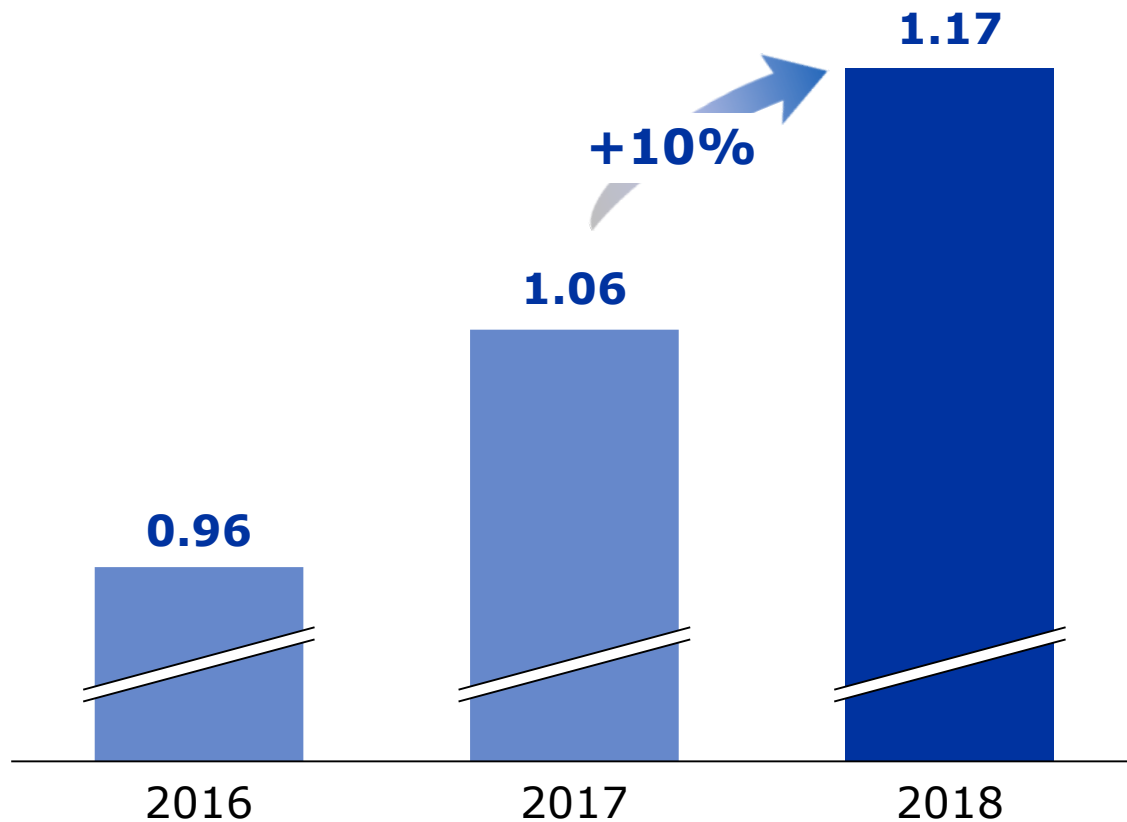


### 2018 AHEAD OF SCHEDULE

- Projects already positively contributed in the first year of the program
- 15% sustained savings generated in 2018 instead of originally targeted 10%

# ■ DIVIDEND INCREASE AND SHARE BUYBACK

## DIVIDEND PER SHARE IN EURO



### DIVIDEND 2018

- 22<sup>nd</sup> consecutive dividend increase
- Dividend reflects investments in future growth
- We remain committed to our ambitious goal for the dividend development to be closely aligned with our growth in earnings per share, while maintaining dividend continuity.

### SHARE BUYBACK

- Volume: up to EUR 1bn
- Time horizon: 2019-2020

# ■ 2019 WILL BE AN INVESTMENT YEAR

## FOCUS ON

- Resolving identified operational issues
- Invest around €100 million in 2019 cost optimization program
  - Further steps to improve cost base
  - Accretive to net income already in 2020
  - Additional efforts to GEP II
- GEP II with increasing contribution
- Share buyback: create additional shareholder return
- Capturing growth in developing economies
- Investing in growth of U.S. home treatments
- Integration of NxStage and realizing synergies



## OPPORTUNITIES

- Higher contributions from GEP II
- Faster recovery of commercial volumes
- Higher contribution from expansion in developing economies



## RISKS

- Lower than expected contribution from de novo clinics and acquisitions
- Legislative activities
- Unforeseen regulatory changes



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4 OUTLOOK

## ■ Q2 2019: UPDATE



- Underlying Q2 business development in line with expectations
- Healthy growth of U.S. dialysis business
- Negative effect from ESCOs, based on reports for prior plan years
- Execution of investment plan for home dialysis, cost optimization program, GEP II and expansion in China on track



# ■ Q2 2019: SOLID SECOND QUARTER<sup>1</sup>

	<b>Q2 2019</b> € million	<b>Q2 2018</b> € million	<b>Growth</b> in %	<b>Growth</b> in %cc
<b>Revenue</b>	<b>4,345</b>	<b>4,214</b>	<b>3</b>	<b>0</b>
Revenue adjusted	4,284	3,956	8	5
<b>Operating income (EBIT)</b>	<b>521</b>	<b>1,401</b>	<b>-63</b>	<b>-65</b>
EBIT adjusted	491	558	-12	-17
<b>Net income<sup>2</sup></b>	<b>254</b>	<b>994</b>	<b>-74</b>	<b>-76</b>
Net income <sup>2</sup> adjusted	279	308	-9	-14

cc = at constant currency

- Tailwind from FX effects
- Strong adjusted revenue growth continued
- Development of net income impacted by a reduction in patient attribution and a decreasing savings rate for ESCOs, based on recent reports for prior plan years

1 For a detailed reconciliation for revenue and net income please refer to chart 19 | 2 Attributable to shareholders of Fresenius Medical Care AG & Co KGaA | The effect of a reduction in patient attribution and a decreasing savings rate for ESCOs, based on recent reports for prior plan years ("ESCO effect") in Q2 2019 was: revenue EUR -41 million (EUR -38 million cc), EBIT EUR -41 million (EUR -38 million cc) and net income EUR -26 million (EUR -24 million cc).

# ■ Q2 2019: STRONG ORGANIC GROWTH CONTINUED

## NORTH AMERICA

€ million

<b>Revenue</b>	<b>3,061</b>	-3% <sup>cc</sup>
Organic growth		4%

## EMEA

€ million

<b>Revenue</b>	<b>648</b>	0% <sup>cc</sup>
Organic growth		-1%

## ASIA-PACIFIC

€ million

<b>Revenue</b>	<b>458</b>	7% <sup>cc</sup>
Organic growth		7%

## LATIN AMERICA

€ million

<b>Revenue</b>	<b>172</b>	26% <sup>cc</sup>
Organic growth		24%

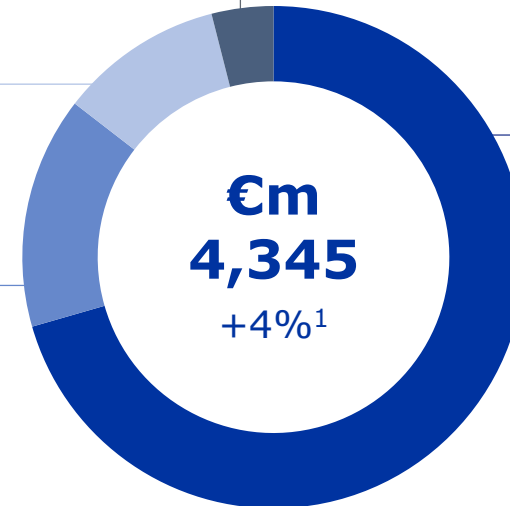
<sup>1</sup> Organic growth

cc = at constant currency

Latin America  
4%

Asia-Pacific  
11%

EMEA  
15%

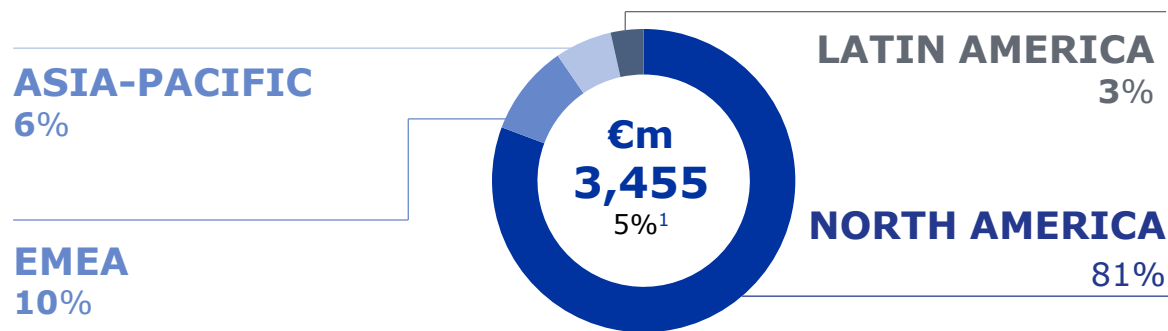


North America  
70%

- North America negatively impacted by the divestitures of Care Coordination activities in 2018
- Growth in Asia-Pacific and Latin America remains on a high level

# ■ Q2 2019 SERVICES: HEALTHY ORGANIC GROWTH CONTINUED

	Q2 2019 € million	Q2 2018 € million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
<b>Total</b>	<b>3,455</b>	<b>3,385</b>	<b>2</b>	<b>-2</b>	<b>5</b>	<b>4</b>
North America	2,789	2,761	1	-5	4	4 <sup>2</sup>
of which Care Coordination	278	529	-47	-50	-7	
EMEA	335	315	6	7	5	3
Asia-Pacific	210	191	10	7	6	7
of which Care Coordination	57	49	16	15	7	
Latin America	121	118	2	28	25	2



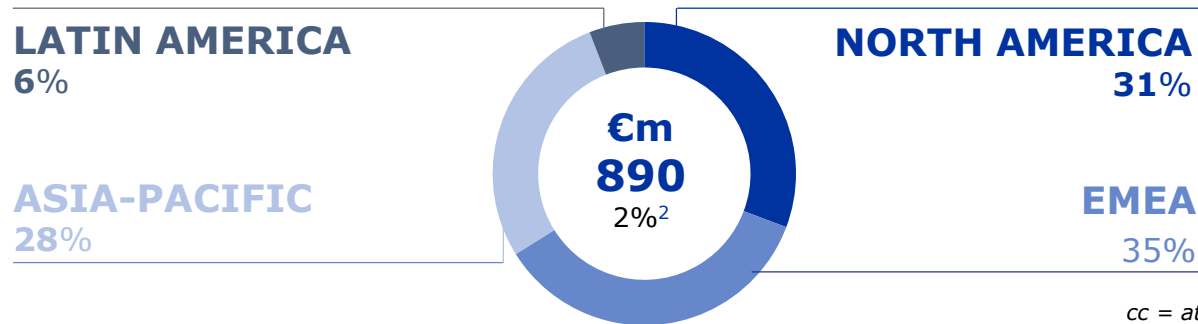
- **North America** growth negatively impacted by Care Coordination divestitures
- **EMEA** positive development due to organic growth and acquisitions
- **Asia-Pacific** growth driven by same market treatment growth and acquisitions

<sup>1</sup> Organic growth | <sup>2</sup> U.S. (excl. Mexico)

cc = at constant currency

# ■ Q2 2019 PRODUCTS: STRONG GROWTH

	Q2 2019 € million	Q2 2018 € million	Growth in %	Growth in %cc	Organic growth in %
<b>Total Health Care Products</b>	<b>890</b>	<b>829</b>	<b>7</b>	<b>6</b>	<b>2</b>
<b>Dialysis Products</b>	<b>873</b>	<b>811</b>	<b>8</b>	<b>6</b>	<b>2</b>
North America	272 <sup>1</sup>	210	29	21	4
EMEA	296	319	-7	-7	-6
Asia-Pacific	248	231	7	7	7
Latin America	51	46	14	20	21
<b>Non-Dialysis Products</b>	<b>17</b>	<b>18</b>	<b>-8</b>	<b>-8</b>	<b>-8</b>



cc = at constant currency

- **North America** supported by NxStage acquisition
- **EMEA** lower revenue mainly due to lower sales of dialyzers to North Africa and the Middle East
- **Asia-Pacific** dialyzers, acute care products, bloodlines, machines, hemodialysis solutions

<sup>1</sup> Includes a positive contribution of €79 million from the NxStage acquisition and a negative effect of €18 million from IFRS 16 implementation | <sup>2</sup> Organic growth

## ■ PRESIDENT TRUMP 'S EXECUTIVE ORDER

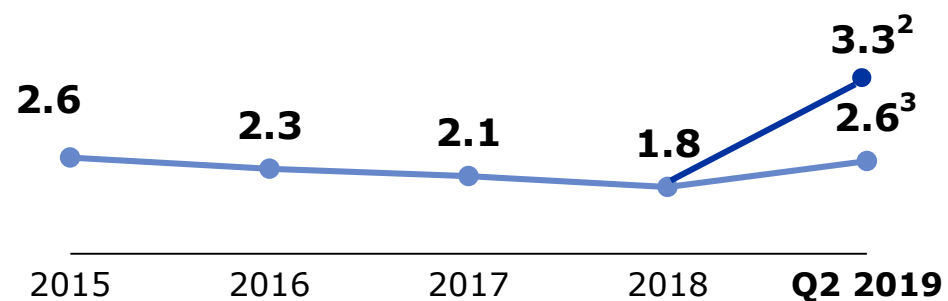


- Executive Order confirms company strategy for
  - increasing home treatments and
  - value based compensation models
- One mandatory and four voluntary models
- Some very relevant details have not been disclosed yet
- We will use the lessons learned from our ESCO experience with the lack of claims transparency and moving benchmark targets in our discussions with the U.S. government on future models

# ■ Q2 2019: CASH FLOW, NET LEVERAGE RATIO & CURRENT RATINGS

	Q2 2019 € million	Q2 2018 € million
<b>Operating cash flow</b>	<b>852</b>	<b>656</b>
in % of revenue	19.6	15.6%
Capital expenditures, net	-293	-227
<b>Free cash flow</b>	<b>559</b>	<b>429</b>
Free cash flow, after net acquisitions and investments, incl. net investments in securities	476	1,927

## NET LEVERAGE RATIO (NET DEBT/EBITDA)<sup>1</sup>



Current ratings <sup>4</sup>	S&P	Moody's	Fitch
Rating	BBB	Baa3	BBB-
Outlook	stable	stable	stable

1 EBITDA: including acquisitions & divestitures with a purchase price above €50m and excluding (gain) loss related to divestitures of Care Coordination activities and excluding NxStage related transaction costs |  
 2 Incl. IFRS 16 | 3 Excl. IFRS 16 | 4 Latest update: S&P: May 23, 2019; Moody's: May 15, 2018; Fitch: March 8, 2018



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**4** **OUTLOOK**

## ■ OUTLOOK CONFIRMED<sup>1</sup>

(cc)	TARGETS 2019	2018 BASE (in € million)
Revenue growth adjusted	3 to 7%	16,026
Net income growth adjusted	(2) to 2%	1,341

(cc)	TARGETS 2020
Revenue growth adjusted	Mid to high single digit growth rate
Net income growth adjusted	Mid to high single digit growth rate

1 Targets for 2019 and 2020 are in constant currency. These targets as well as the 2018 base are and will be adjusted in order to make the business performance in the respective periods comparable for items such as: FCPA related charges, the IFRS 16 implementation, the contributions from Sound in H1 2018, the gain (loss) related to divestitures of Care Coordination activities and expenses for the cost optimization program. All effects from the NxStage acquisition are excluded from the targets for 2019 and 2020.





**BACKUP**

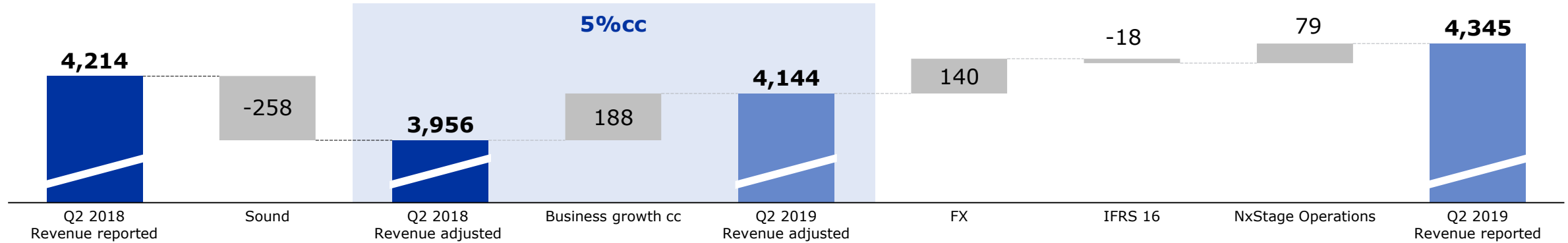
## ■ Q2 2019: PROFIT AND LOSS<sup>1</sup>

	Q2 2019 € million	Q2 2018 € million	Growth in %	Growth in %cc
<b>Revenue</b>	<b>4,345</b>	<b>4,214</b>	<b>3</b>	<b>0</b>
Revenue adjusted	4,284	3,956	8	5
<b>EBIT</b>	<b>521</b>	<b>1,401</b>	<b>-63</b>	<b>-65</b>
<i>EBIT margin in %</i>	<i>12.0</i>	<i>33.3</i>	<i>-21.3pp</i>	<i>-21.5pp</i>
EBIT adjusted	491	558	-12	-17
<i>EBIT adjusted margin in %</i>	<i>11.5</i>	<i>14.1</i>	<i>-2.6pp</i>	<i>-2.9pp</i>
Net interest expense	114	85	35	30
Income before taxes	407	1,316	-69	-71
Income tax expense	92	261	-65	-67
<i>Tax rate in %</i>	<i>22.7</i>	<i>19.8</i>	<i>2.9</i>	<i>2.9</i>
Non-controlling interest	61	61	-1	-6
<b>Net income</b>	<b>254</b>	<b>994</b>	<b>-74</b>	<b>-76</b>
Net income adjusted	279	308	-9	-14

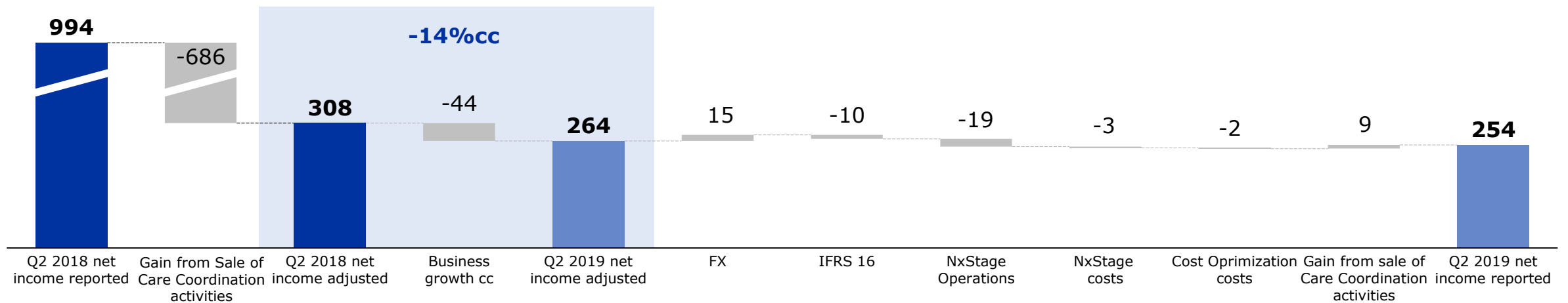
<sup>1</sup> For a detailed reconciliation for revenue and net income please refer to chart 28

# ■ Q2 2019: REVENUE AND NET INCOME GROWTH

## REVENUE ADJUSTED, € MILLION – TARGET: 3–7%CC GROWTH



## NET INCOME ADJUSTED, € MILLION – TARGET: (2)–2%CC GROWTH



# ■ Q2 2019: RECONCILIATION ADJUSTMENTS

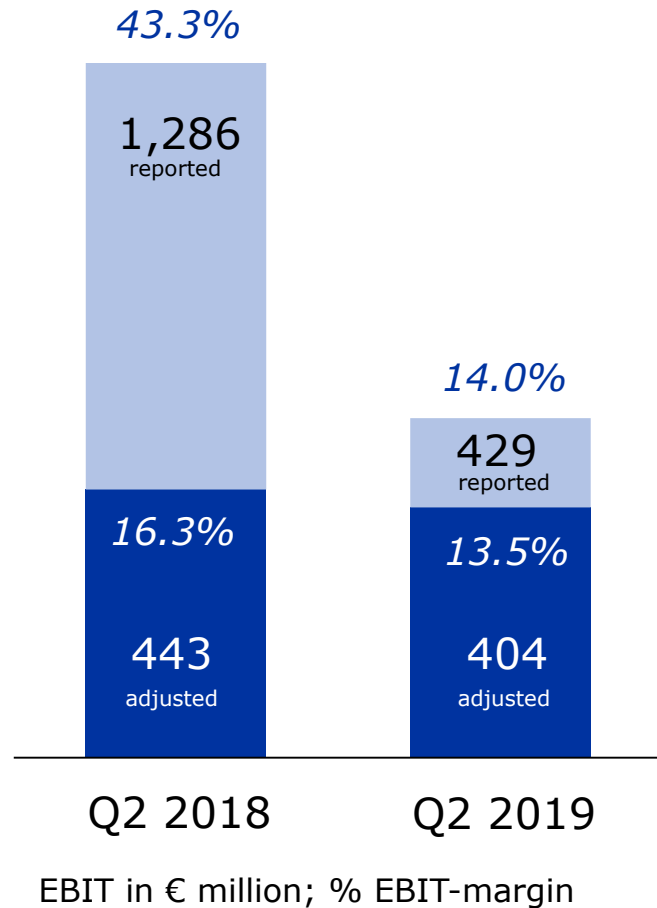
RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO THE MOST DIRECTLY COMPARABLE IFRS FINANCIAL MEASURES

	Q2 2019 € million	Q2 2018 € million
<b>Revenue</b>	<b>4,345</b>	<b>4,214</b>
IFRS 16 implementation	18	
NxStage operations	-79	
Sound Q2 2018 <sup>1</sup>		-258
<b>Revenue adjusted</b>	<b>4,284</b>	<b>3,956</b>
<b>Net income<sup>2</sup></b>	<b>254</b>	<b>994</b>
IFRS 16 implementation	10	
NxStage operations	19	
NxStage costs	3	
Cost Optimization costs	2	
Sound Q2 2018 <sup>1</sup>		0
(Gain) loss related to divestitures of Care Coordination activities	-9	-686
<b>Net income<sup>2</sup> adjusted</b>	<b>279</b>	<b>308</b>

1 Contribution of Sound Physicians | 2 Attributable to shareholders of FMC AG & Co. KGaA

# ■ Q2 2019: REGIONAL MARGIN PROFILE

## NORTH AMERICA (71% OF EBIT<sup>1</sup>)



### DIALYSIS BUSINESS MARGIN OF 15.4%

- **Positive:** Higher utilization of oral based ancillaries, favorable effects from the IFRS 16 implementation
- **Negative:** Higher personnel expense, costs associated with NxStage, prior year effect from consent agreement
- U.S. revenue per treatment \$358 (Q2 2018: \$354)  
U.S. cost per treatment \$297<sup>2</sup> (Q2 2018: \$289)

### CARE COORDINATION MARGIN OF 0.3%

- **Negative:** Prior year effect related to divestiture of Care Coordination activities, effect of a reduction in patient attribution and a decreasing savings rate for ESCOs, based on recent reports for prior plan years and unfavorable margin effect for oral based ancillaries

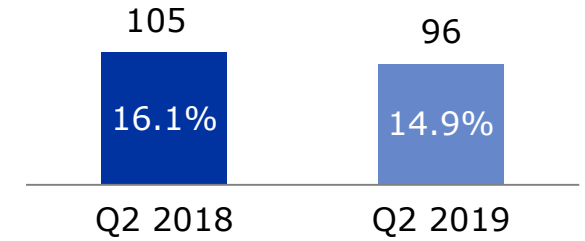
<sup>1</sup> Excl. Corporate | <sup>2</sup> Excl. the effects from IFRS 16 implementation

# ■ Q2 2019: REGIONAL MARGIN PROFILE

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

### Operating income margin development reflects

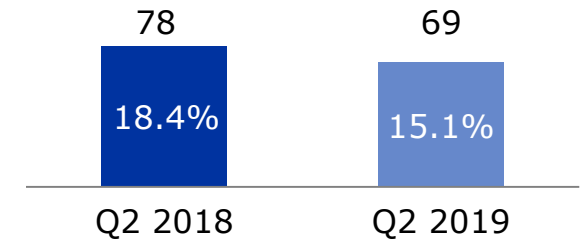
- **Positive:** IFRS 16 implementation, favorable outcome from legal proceedings and impact from acquisitions
- **Negative:** Lower product sales, unfavorable impact from inventory revaluation, higher personnel expense



## ASIA-PACIFIC (12% of EBIT<sup>1</sup>)

### Operating income margin development impacted by

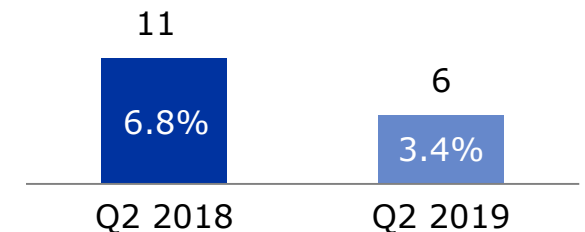
- **Positive:** IFRS 16 implementation
- **Negative:** Unfavorable impact from growth in lower margin businesses, unfavorable foreign currency transaction effects



## LATIN AMERICA (<1% of EBIT<sup>1</sup>)

### Operating income margin development reflects

- **Positive:** IFRS 16 implementation, favorable foreign currency transaction effects
- **Negative:** Hyperinflation impact in Argentina and higher bad debt expense



EBIT in € million; % EBIT-margin

Diagrams: different scales applied | 1 Excl. Corporate

# ■ H1 2019: PROFIT AND LOSS

	<b>H1 2019</b> € million	<b>H1 2018</b> € million	<b>Growth</b> in %	<b>Growth</b> in %cc
<b>Revenue</b>	<b>8,478</b>	<b>8,189</b>	<b>4</b>	<b>(1)</b>
Revenue adjusted	8,409	7,680	9	5
<b>EBIT</b>	<b>1,058</b>	<b>1,898</b>	<b>-44</b>	<b>-47</b>
<i>EBIT margin in %</i>	<i>12.5</i>	<i>23.2</i>	<i>-10.7pp</i>	<i>10.8pp</i>
EBIT adjusted	1,042	1,064	-2	-7
<i>EBIT adjusted margin in %</i>	<i>12.4</i>	<i>13.9</i>	<i>-1.5pp</i>	<i>-1.6pp</i>
Net interest expense	-222	-168	33	27
Income before taxes	836	1,730	-52	-54
Income tax expense	193	345	-44	-47
<i>Tax rate in %</i>	<i>23.1</i>	<i>20.0</i>	<i>3.1pp</i>	<i>3.2pp</i>
Non-controlling interest	118	112	5	-2
<b>Net income</b>	<b>525</b>	<b>1,273</b>	<b>-59</b>	<b>-61</b>
Net income adjusted	597	604	-1	-6

# ■ H1 2019: RECONCILIATION ADJUSTMENTS

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO THE MOST DIRECTLY COMPARABLE IFRS FINANCIAL MEASURES

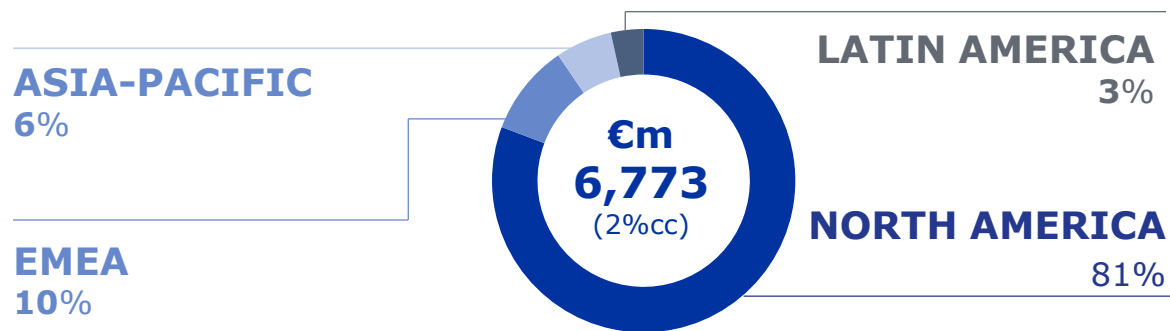
	<b>H1 2019</b> € million	<b>H1 2018</b> € million
<b>Revenue</b>	<b>8,478</b>	<b>8,189</b>
IFRS 16 implementation	40	
NxStage operations	-109	
Sound H1 2018 <sup>1</sup>		-509
<b>Revenue adjusted</b>	<b>8,409</b>	<b>7,680</b>
<b>Net income<sup>2</sup></b>	<b>525</b>	<b>1,273</b>
IFRS 16 implementation	28	
NxStage operations	33	
NxStage costs	15	
Cost Optimization costs	5	
Sound H1 2018 <sup>1</sup>		5
(Gain) loss related to divestitures of Care Coordination activities	-9	-674
<b>Net income<sup>2</sup> adjusted</b>	<b>597</b>	<b>604</b>

1 Contribution of Sound Physicians | 2 Attributable to shareholders of FMC AG & Co. KGaA



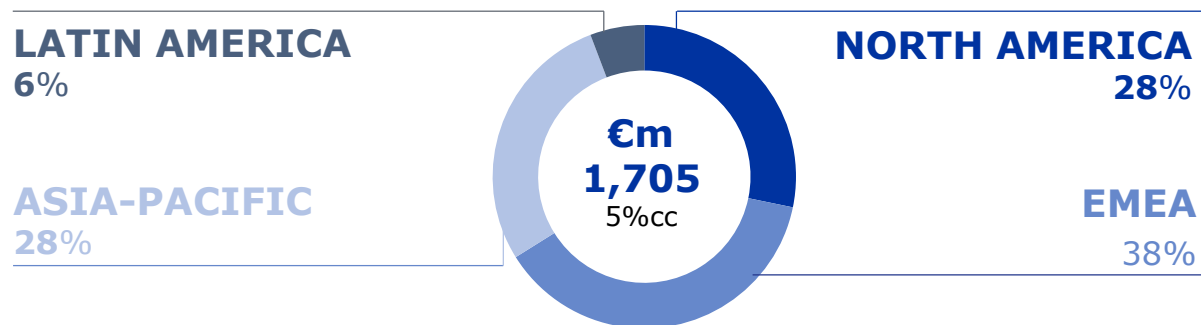
# ■ H1 2019 SERVICES

	<b>H1 2019</b> € million	<b>H1 2018</b> € million	<b>Growth</b> in %	<b>Growth</b> in %cc	<b>Organic growth</b> in %	<b>Same market growth</b> in %
<b>Total</b>	<b>6,773</b>	<b>6,594</b>	<b>3</b>	<b>-2</b>	<b>6</b>	<b>4</b>
North America	5,469	5,351	2	-5	5	4
of which Care Coordination	586	1,045	-44	-48	0	
EMEA	659	629	5	6	5	4
Asia-Pacific	409	375	9	5	5	7
of which Care Coordination	109	94	15	14	6	
Latin America	236	239	-2	24	21	2



# ■ H1 2019 PRODUCTS

	<b>H1 2019</b> € million	<b>H1 2018</b> € million	<b>Growth</b> in %	<b>Growth</b> in %cc	<b>Organic growth</b> in %
<b>Total Health Care Products</b>	<b>1,705</b>	<b>1,595</b>	<b>7</b>	<b>5</b>	<b>3</b>
<b>Dialysis Products</b>	<b>1,669</b>	<b>1,557</b>	<b>7</b>	<b>5</b>	<b>3</b>
North America	479	395	21	13	5
EMEA	642	659	-3	-2	-2
Asia-Pacific	477	439	9	7	8
Latin America	98	95	4	10	10
<b>Non-Dialysis Products</b>	<b>36</b>	<b>38</b>	<b>-6</b>	<b>-5</b>	<b>-5</b>



# DEBT

## RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO THE MOST DIRECTLY COMPARABLE IFRS FINANCIAL MEASURES

€ million	Q2 2019 excl. IFRS 16	Q2 2019	2018	2017
<b>Debt</b>				
Short term debt	1,358	1,358	1,205	760
+ Short term debt from related parties	77	77	189	9
+ Current portion of long-term debt	1,516	1,509	1,107	884
+ Current portion of long-term lease liabilities	-	603	-	-
+ Current portion of long-term lease liabilities from related parties	-	16	-	-
+ Long-term debt, less current portion	5,895	5,923	5,045	5,795
+ Long-term lease liabilities, less current portion	-	3,810	-	-
+ Long-term lease liabilities from related parties, less current portion	-	114	-	-
<b>Total debt</b>	<b>8,846</b>	<b>13,410</b>	<b>7,546</b>	<b>7,448</b>
Cash and cash equivalents	922	922	2,146	978
<b>Total net debt</b>	<b>7,924</b>	<b>12,488</b>	<b>5,400</b>	<b>6,470</b>

# EBITDA

## RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO THE MOST DIRECTLY COMPARABLE IFRS FINANCIAL MEASURES

€ million	Q2 2019 excl. IFRS 16	Q2 2019	2018	2017
<b>EBITDA<sup>1</sup></b>				
Last twelve month operating income (EBIT)	2,178	2,653	2,215	2,372
+ Last twelve month depreciation and amortization	802	1,141	716	731
+ Non-cash charges	45	45	45	51
<b>EBITDA (annualized)</b>	<b>3,025</b>	<b>3,839</b>	<b>2,976</b>	<b>3,154</b>
<b>Net leverage ratio (Net debt/EBITDA)</b>	<b>2.6</b>	<b>3.3</b>	<b>1.8</b>	<b>2.1</b>

<sup>1</sup> EBITDA: including acquisitions & divestitures with a purchase price above €50m and excluding (gain) loss related to divestitures of Care Coordination activities and excluding NxStage related transaction costs

# ■ ACQUISITIONS & INVESTMENTS AND CAPITAL EXPENDITURES

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO THE MOST DIRECTLY COMPARABLE IFRS FINANCIAL MEASURES

€ million	Q2 2019	Q2 2018
<b>Acquisitions and investments</b>		
Acquisitions, investments and net purchases of intangible assets	-94	-164
- Proceeds from divestitures	11	1,662
= Acquisitions and investments, net of divestitures	-83	1,498
Thereof investments in securities, net of divestitures	-8	-2

	Q2 2019	Q2 2018
<b>Capital expenditures, net</b>		
Purchase of property, plant and equipment	-296	-244
- Proceeds from sale of property, plant & equipment	3	17
= Capital expenditure, net	-293	-227

# ■ Q2 2019: EFFECTS ACCORDING TO IFRS 16

## EFFECTS INCLUDING NXSTAGE

Balance Sheet	June 30, 2019 € million
<b>Assets</b>	<b>4,172</b>
Right-of-use assets	4,227
Machinery and equipment	1
Other assets	-56
<b>Liabilities</b>	<b>4,172</b>
Lease liabilities	4,543
Other financial debt	20
Other liabilities	-217
Equity	-174

Profit and loss statement	Q2 2019 € million
<b>Revenue</b>	<b>-18</b>
Profit from sale-leaseback transactions	-5
Rental expenses	-206
<b>EBITDA</b>	<b>201</b>
Depreciation expense	-171
<b>EBIT</b>	<b>30</b>
Net interest expenses	43
Taxes	-3
<b>Net Income</b>	<b>-10</b>

Cash flow statement	Q2 2019 € million
Cash provided by operating activities	151
Cash used in investing activities	-13
Cash used in financing activities	-138
<b>Total</b>	<b>0</b>

- Net leverage ratio increased by 0.7.

# ■ UPDATE: ESTIMATED EFFECTS ACCORDING TO IFRS 16

## ESTIMATED EFFECTS INCLUDING NXSTAGE

Balance Sheet	Impact 2019e ~ € million
<b>Assets</b>	
Right-of-use assets	4,010
Machinery and equipment	80
<b>Liabilities</b>	
Lease liabilities	4,290
Other financial debt	90
Other liabilities	-90
Equity	-200

Profit and loss statement	Impact 2019e ~ € million
<b>Revenue</b>	<b>-110</b>
Profit from sale-leaseback transactions	-40
Rental expenses	-820
<b>EBITDA</b>	<b>780</b>
Depreciation expense	-700
<b>EBIT</b>	<b>80</b>
Net interest expenses	170
Taxes	-20
<b>Net Income</b>	<b>-70</b>

Cash flow statement	Impact 2019e ~ € million
Cash provided by operating activities	620
Cash used in investing activities	-90
Cash used in financing activities	-530
<b>Total</b>	<b>0</b>

- Net leverage ratio will increase by about 0.6.

# ■ NXSTAGE: EXCLUDED FROM THE TARGETS 2019 AND 2020

## EFFECTS FROM THE NXSTAGE ACQUISITION

- All effects from the NxStage acquisition are excluded from the company's communicated targets 2019 and 2020.
- Total integration costs of around EUR 50 to EUR 75 million over the three years following the closing of the transaction (not reflected in table below).
- Full year effect of incremental intangible assets amortization to be in the range of EUR 70 to 80 million for the first two years, then drop to EUR 45 to 55 million thereafter (reflected in table below).

Estimated effects of the NxStage acquisition excluding integration costs:

EUR million <sup>1</sup>	2019	2020
<b>Revenue</b>	<b>240 to 260</b>	<b>310 to 330</b>
Operating income (EBIT)	-30 to -20	20 to 30
Interest	-75 to -65	-85 to -75
<b>Net income</b>	<b>-75 to -65</b>	<b>-40 to -30</b>

<sup>1</sup> The numbers are excluding effects from the implementation of IFRS 16 and excluding integration costs. 2019 estimates cover the period starting on February 21, 2019 (closing date) until year-end 2019.



# ■ 2018: PROFIT AND LOSS<sup>1</sup>

	2018 € million	2017 € million	Growth in %	Growth in %cc
<b>Revenue</b>	<b>16,547</b>	<b>17,784</b>	<b>-7</b>	<b>-2</b>
Revenue on a comparable basis	16,547	16,739	-1	4
Revenue adjusted	16,547	16,645	-1	4
<b>EBIT</b>	<b>3,038</b>	<b>2,362</b>	<b>29</b>	<b>33</b>
<i>EBIT margin in %</i>	<i>18.4</i>	<i>13.3</i>	<i>5.1pp</i>	<i>4.8pp</i>
EBIT on a comparable basis	2,346	2,278	3	6
EBIT adjusted	2,346	2,409	3	1
<i>EBIT adjusted margin in %</i>	<i>14.2</i>	<i>14.5</i>	<i>-0.3pp</i>	<i>-0.6pp</i>
Net interest expense	301	365	-17	-14
Income before taxes	2,737	1,997	37	42
Income tax expense	511	443	15	21
<i>Tax rate in %</i>	<i>18.7</i>	<i>22.2</i>	<i>-3.5pp</i>	<i>-3.3pp</i>
Non-controlling interest	244	274	-11	-7
<b>Net income</b>	<b>1,982</b>	<b>1,280</b>	<b>55</b>	<b>60</b>
Net income on a comparable basis	1,377	1,242	11	14
Net income adjusted	1,185	1,162	2	4

1 For a detailed reconciliation please refer to chart 42

# 2018: RECONCILIATION ADJUSTMENTS

## RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO THE MOST DIRECTLY COMPARABLE IFRS FINANCIAL MEASURES

	2018 € million	2017 € million
<b>Revenue</b>	<b>16,547</b>	<b>17,784</b>
IFRS 15 Implementation		-486
Sound H2 2017 <sup>1</sup>		-559
<b>Revenue on a comparable basis</b>	<b>16,547</b>	<b>16,739</b>
VA Agreement <sup>2</sup>		-94
<b>Revenue adjusted</b>	<b>16,547</b>	<b>16,645</b>
<b>Net income<sup>5</sup></b>	<b>1,982</b>	<b>1,280</b>
(Gain) loss related to divestitures of Care Coordination activities	-673	
Sound H2 2017 <sup>1</sup>		-38
2018 FCPA Related Charge	28	
U.S. Ballot Initiatives <sup>3</sup>	40	
<b>Net income<sup>5</sup> on a comparable basis</b>	<b>1,377</b>	<b>1,242</b>
VA Agreement <sup>2</sup>		-51
Natural Disaster Costs <sup>4</sup>		11
2017 FCPA Related Charge		200
U.S. Tax Reform (excl. Sound H2 2017) <sup>6</sup>	-192	-240
<b>Net income<sup>5</sup> adjusted</b>	<b>1,185</b>	<b>1,162</b>

1 Sound H2 2017: contribution of Sound Physicians | 2 VA Agreement: Agreement with the United States Departments of Veterans Affairs and Justice | 3 U.S. Ballot Initiatives: contributions to the opposition to the ballot initiatives in the U.S. | 4 Natural Disaster Costs: three hurricanes and an earthquake | 5 Attributable to shareholders of FMC AG & Co. KGaA | 6 U.S. Tax Reform: impacts from U.S. tax reform

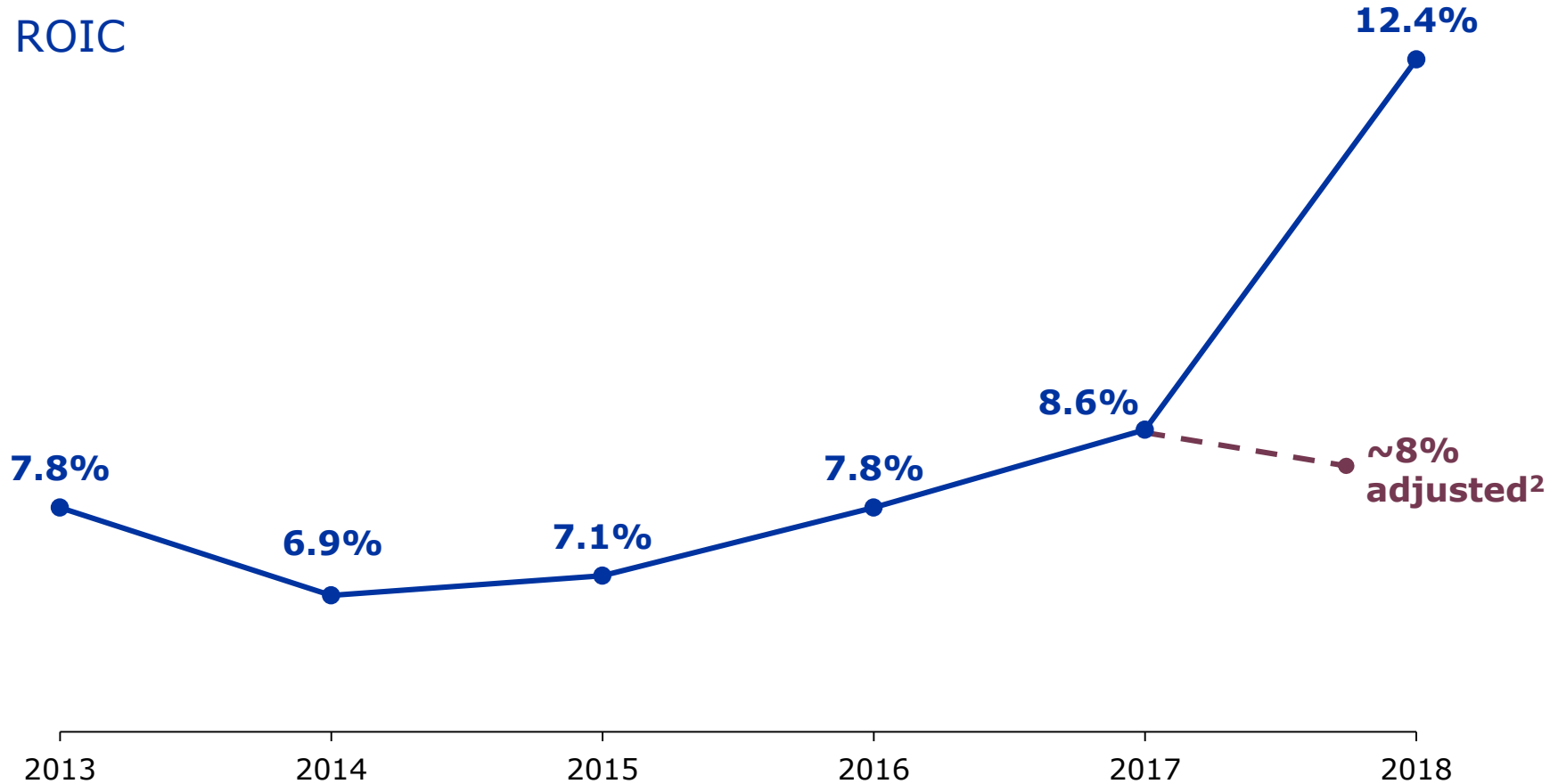
# ■ BASIS FOR TARGETS 2019

## 2018 BASE FOR TARGETS 2019 ON A QUARTERLY BASIS

EUR million	FY 2018	Q1 2018	Q2 2018	Q3 2018	Q4 2018
<b>Revenue</b>	<b>16,547</b>	<b>3,976</b>	<b>4,214</b>	<b>4,058</b>	<b>4,300</b>
Sound H1 2018 <sup>1</sup>	-521	-251	-258	-7	-5
<b>Revenue adjusted</b>	<b>16,026</b>	<b>3,725</b>	<b>3,956</b>	<b>4,051</b>	<b>4,295</b>
<b>EBIT</b>	<b>3,038</b>	<b>497</b>	<b>1,401</b>	<b>527</b>	<b>613</b>
Sound H1 2018 <sup>1</sup>	-14	-4	-10	0	0
(Gain) loss related to div. of Care Co.	-809	13	-833	-10	21
2018 FCPA related charge	77	0	0	75	2
<b>EBIT adjusted</b>	<b>2,292</b>	<b>506</b>	<b>558</b>	<b>592</b>	<b>636</b>
<b>Net income<sup>2</sup></b>	<b>1,982</b>	<b>279</b>	<b>994</b>	<b>285</b>	<b>425</b>
Sound H1 2018 <sup>1</sup>	4	4	0	0	0
(Gain) loss related to div. of Care Co.	-673	13	-686	-17	17
2018 FCPA related charge	28	0	0	75	-47
<b>Net income<sup>2</sup> adjusted</b>	<b>1,341</b>	<b>296</b>	<b>308</b>	<b>343</b>	<b>395</b>

1 Contribution of Sound Physicians | 2 Attributable to shareholders of FMC AG & Co. KGaA

# ■ RETURN ON INVESTED CAPITAL<sup>1</sup> (ROIC)



- Long-term value creation based on accretive acquisitions and organic growth
- ROIC adjusted<sup>2</sup> (esp. for divestitures of Care Coordination activities): around 8.0%

<sup>1</sup> Based on net operating profit after tax & average invested capital; adjusted for largest acquisitions and divestitures |

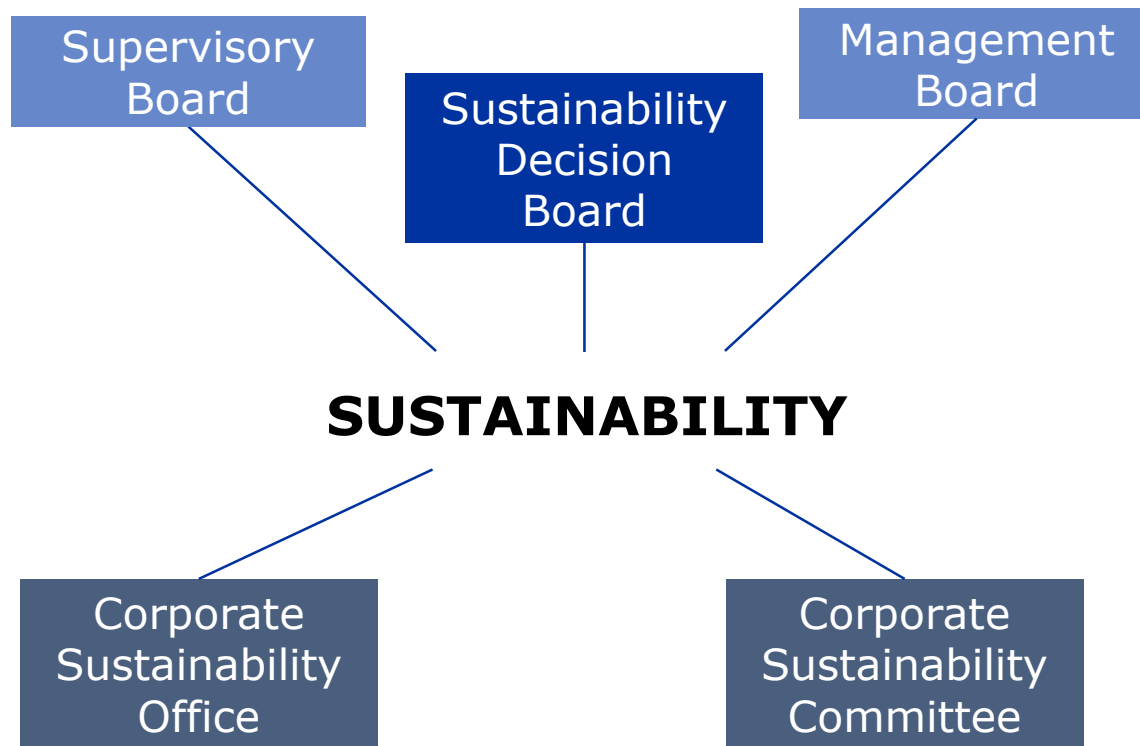
<sup>2</sup> Adjusted for the divestiture of Care Coordination activities, FCPA related charge, U.S. Ballot Initiatives, U.S. tax reform / including these effects, ROIC for FY 2018 was 12.4%

## ■ Q2 2019: QUALITY OUTCOMES REMAIN ON HIGH LEVEL<sup>1</sup>

	NORTH AMERICA		EMEA		LATIN AMERICA		ASIA-PACIFIC	
<b>% of patients</b>	<b>Q2 2019</b>	Q2 2018	<b>Q2 2019</b>	Q2 2018	<b>Q2 2019</b>	Q2 2018	<b>Q2 2019</b>	Q2 2018
Kt/V ≥ 1.2	<b>97</b>	98	<b>94</b>	95	<b>90</b>	91	<b>96</b>	96
Hemoglobin = 10–12 g/dl	<b>71</b>	73	<b>82</b>	83	<b>50</b>	52	<b>56</b>	57
Calcium = 8.4–10.2 mg/dl	<b>84</b>	85	<b>79</b>	79	<b>77</b>	78	<b>73</b>	74
Albumin ≥ 3.5 g/dl	<b>81</b>	80	<b>89</b>	90	<b>92</b>	91	<b>90</b>	89
Phosphate ≤ 5.5 mg/dl	<b>60</b>	62	<b>79</b>	78	<b>76</b>	76	<b>64</b>	66
Patients without catheter (after 90 days)	<b>82</b>	83	<b>79</b>	80	<b>79</b>	80	<b>85</b>	87
<b>in days</b>								
Days in hospital per patient year	<b>10.3</b>	10.9	<b>7.6</b>	7.8	<b>4.2</b>	4.1	<b>2.7</b>	3.6

<sup>1</sup> Definitions of quality parameters cf. 2018 Annual Report, Section "Non-Financial Group Report" page 87

# ■ SUSTAINABILITY GOVERNANCE STRUCTURE



## GLOBAL SUSTAINABILITY GOVERNANCE

- At Fresenius Medical Care, sustainability is firmly established at Board level.
- Responsibility for the Company's sustainability efforts lies with the Sustainability Decision Board (headed by the CEO).
- The Sustainability Decision Board and the Corporate Sustainability Committee enable the Corporate Sustainability Office to manage Fresenius Medical Care's sustainability program.
- The Corporate Sustainability Committee has an advisory and steering role. It consists of senior representatives of all regions and global functions.

# ■ EXCHANGE RATES, U.S. DIALYSIS DAYS PER QUARTER, DEFINITIONS

## EXCHANGE RATES

Euro vs.		H1 2019	H1 2018	FY 2018
<b>€:\$</b>	Period end	1.138	1.166	1.145
	Average	1.130	1.210	1.181
<b>€:CNY</b>	Period end	7.819	7.717	7.875
	Average	7.668	7.709	7.808
<b>€:RUB</b>	Period end	71.597	73.158	79.715
	Average	73.744	71.928	74.026
<b>€:ARS</b>	Period end	48.226	33.603	43.039
	Average	46.839	26.103	32.984
<b>€:BRL</b>	Period end	4.351	4.488	4.444
	Average	4.342	4.141	4.308

## U.S. DIALYSIS DAYS PER QUARTER

	Q1	Q2	Q3	Q4	Full year
<b>2019</b>	<b>76</b>	<b>78</b>	<b>79</b>	<b>80</b>	<b>313</b>
2018	77	78	78	80	313
2017	77	78	79	79	313
2016	78	78	79	79	314
2015	76	78	79	79	312

## DEFINITIONS

<b>cc</b>	Constant currency
<b>HD</b>	Hemodialysis
<b>PD</b>	Peritoneal dialysis
<b>Net income</b>	Net income attributable to shareholders of FME
<b>Sound Q2 2018</b>	Contribution of Sound Physicians on the profit and loss statement in the second quarter 2018

# ■ FINANCIAL CALENDAR 2019<sup>1</sup>

## REPORTING DATES & AGM

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<b>October 29</b>	Report on 3rd quarter 2019
<b>November 14</b>	Quarterly financial report within the 2nd half-year (Q3)

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## CONFERENCES & MEET THE MANAGEMENT

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<b>September 09</b>	Morgan Stanley Global Healthcare Conference, New York
<b>September 19</b>	Bank of American Merrill Lynch Global Healthcare Conference, London
<b>September 23</b>	Berenberg & Goldman Sachs German Corporate Conference, Munich
<b>September 25</b>	Bernstein Strategic Decision Conference, London

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<sup>1</sup> Please note that dates and/or participation might be subject to change



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