

# CARE AND LIVE

## **EVERCORE ISI HEALTHCARE CONFERENCE**

DECEMBER 4, 2019  
BOSTON



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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

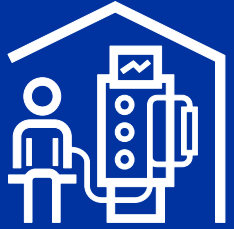
**1** AT A GLANCE

2 STRATEGY

3 Q3 2019 FINANCIALS

4 OUTLOOK

## ■ 2018: GROWTH CONTINUED



+5% Clinics  
**3,928**



+4% Patients  
**333,331**



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

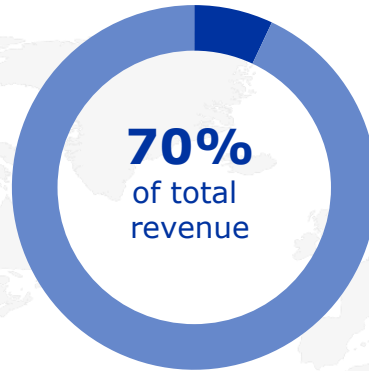


Quality remains  
on a consistently  
**high level**

# 2018: €16.5BN REVENUE

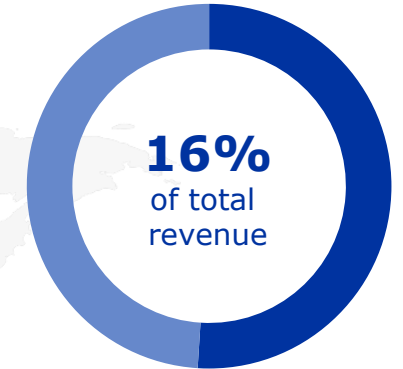
## NORTH AMERICA

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



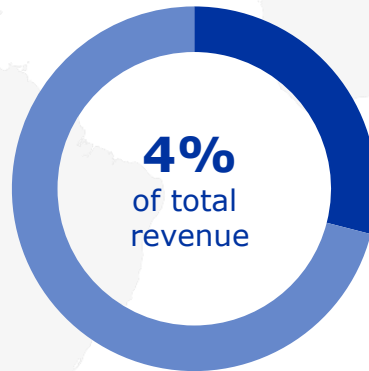
## EMEA

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



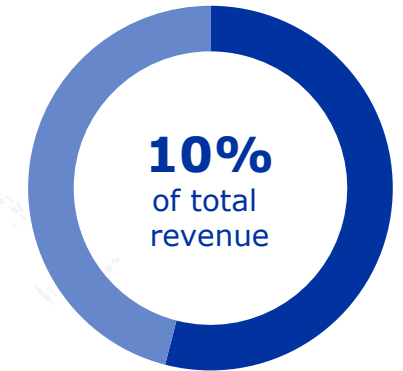
## LATIN AMERICA

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



## ASIA-PACIFIC

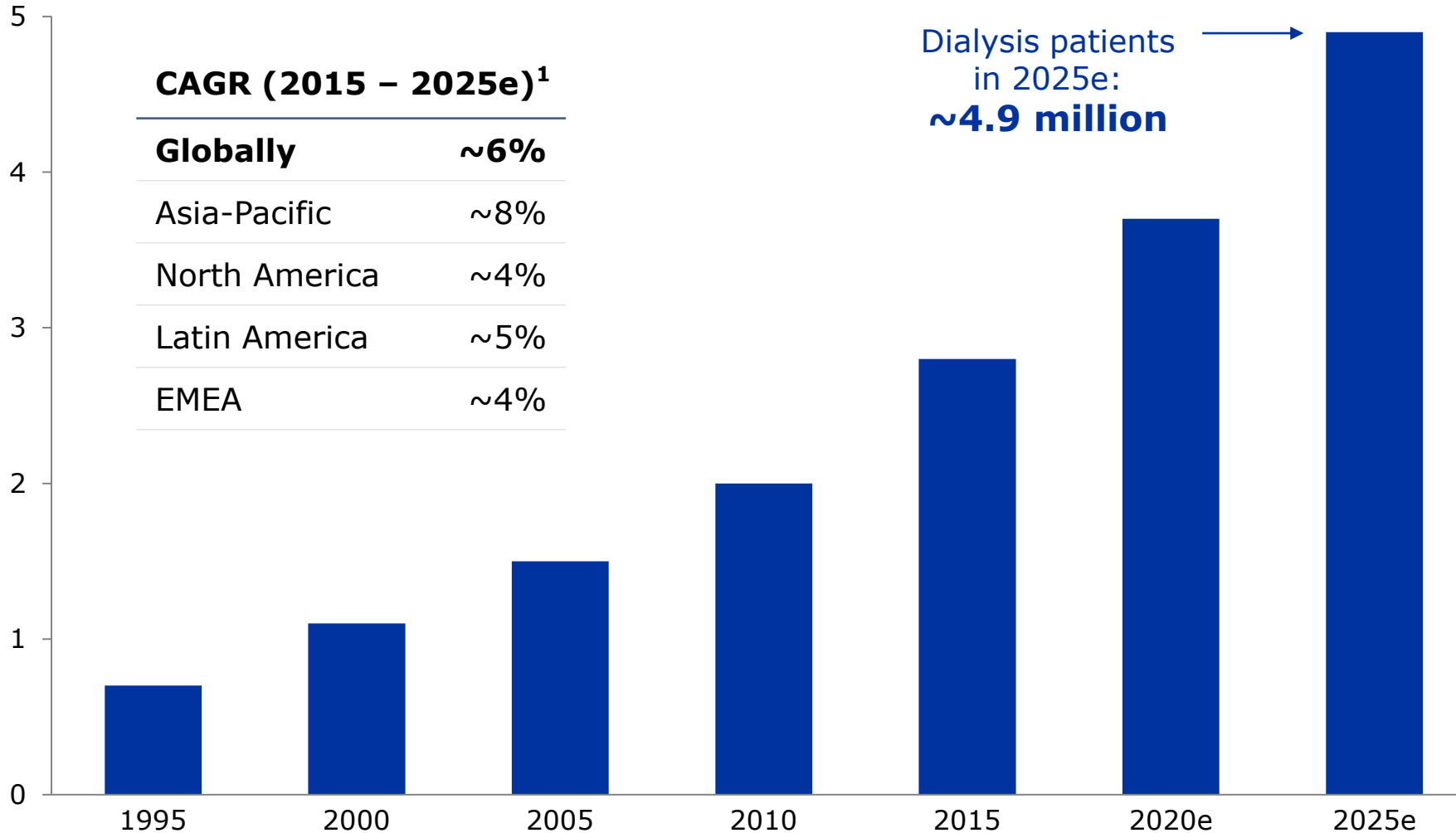
| Revenue | EBIT  | Patients | Clinics |
|---------|-------|----------|---------|
| €1.7bn  | €304m | ~31,500  | ~390    |
| +8%cc   | -1%cc | +6%      | +3%     |



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

**1** AT A GLANCE

**2** STRATEGY

**3** Q2 2019 FINANCIALS

**4** OUTLOOK

# STRATEGY – CORE COMPETENCIES

**INNOVATING  
PRODUCTS**

**COORDINATING  
PATIENTS EFFICIENTLY**



**STANDARDIZING  
MEDICAL PROCEDURES**

**OPERATING  
OUTPATIENT FACILITIES**

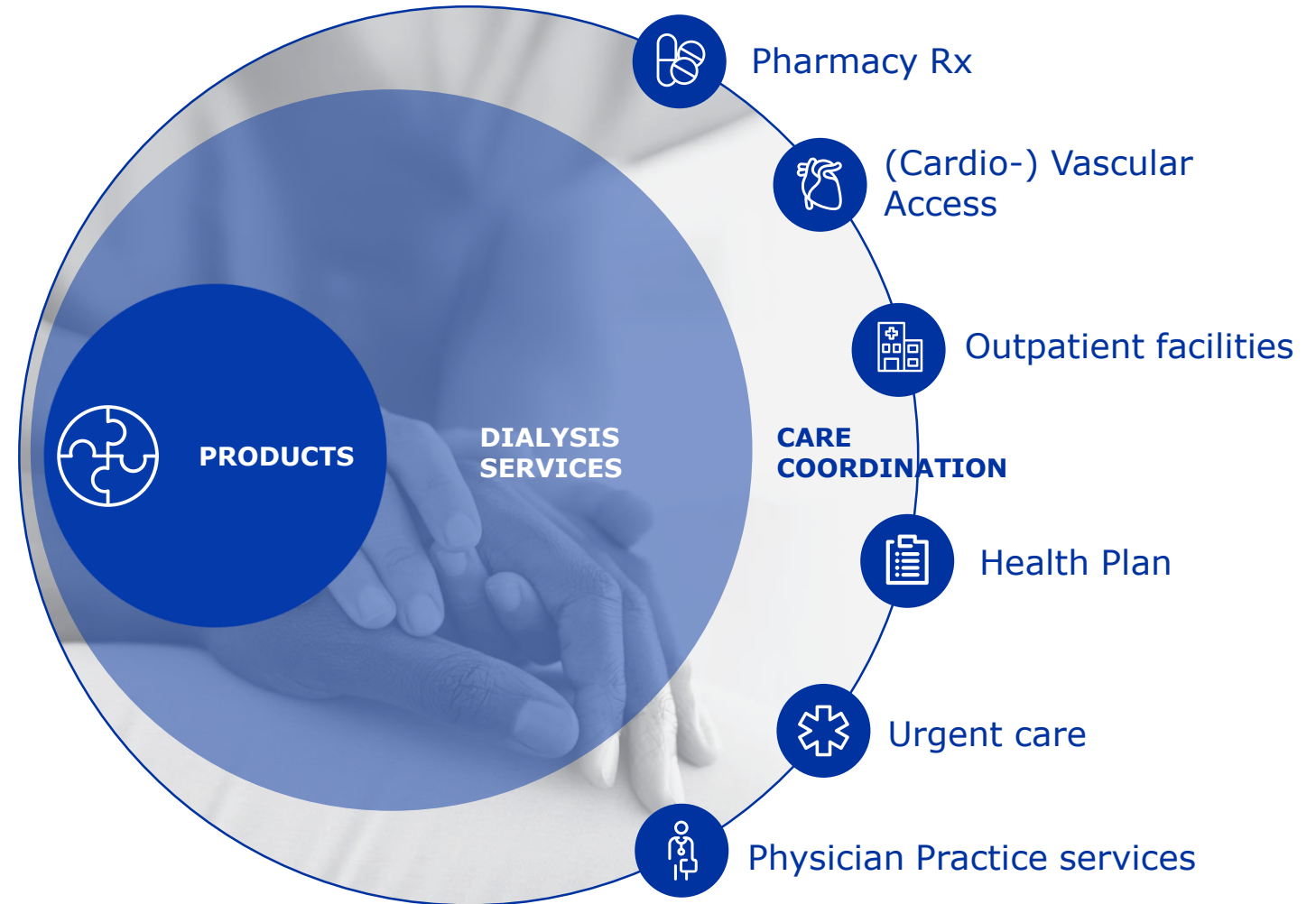


# ■ GLOBAL MARKET LEADER IN DIALYSIS

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

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

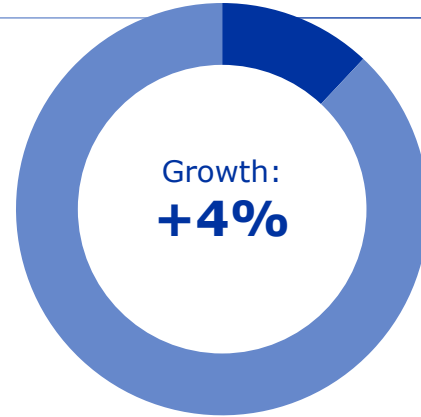
- Coordinating patients efficiently
- Data analytics & predictive modelling
- Develop & enhance value based care



# ■ DELIVERING ON OUR HOME STRATEGY

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

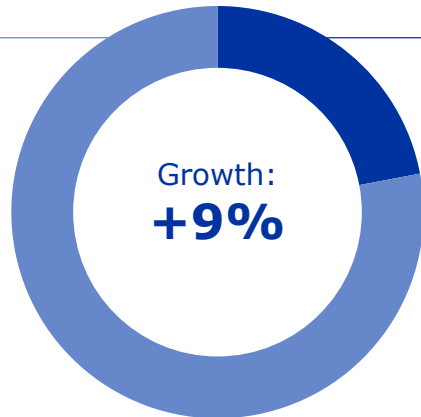
**In-center**  
88%



**Home**  
**2018**  
12%

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

**PD**  
78%  
Growth:  
+8%



**HD**  
22%  
Growth:  
+14%

- 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**  
2017

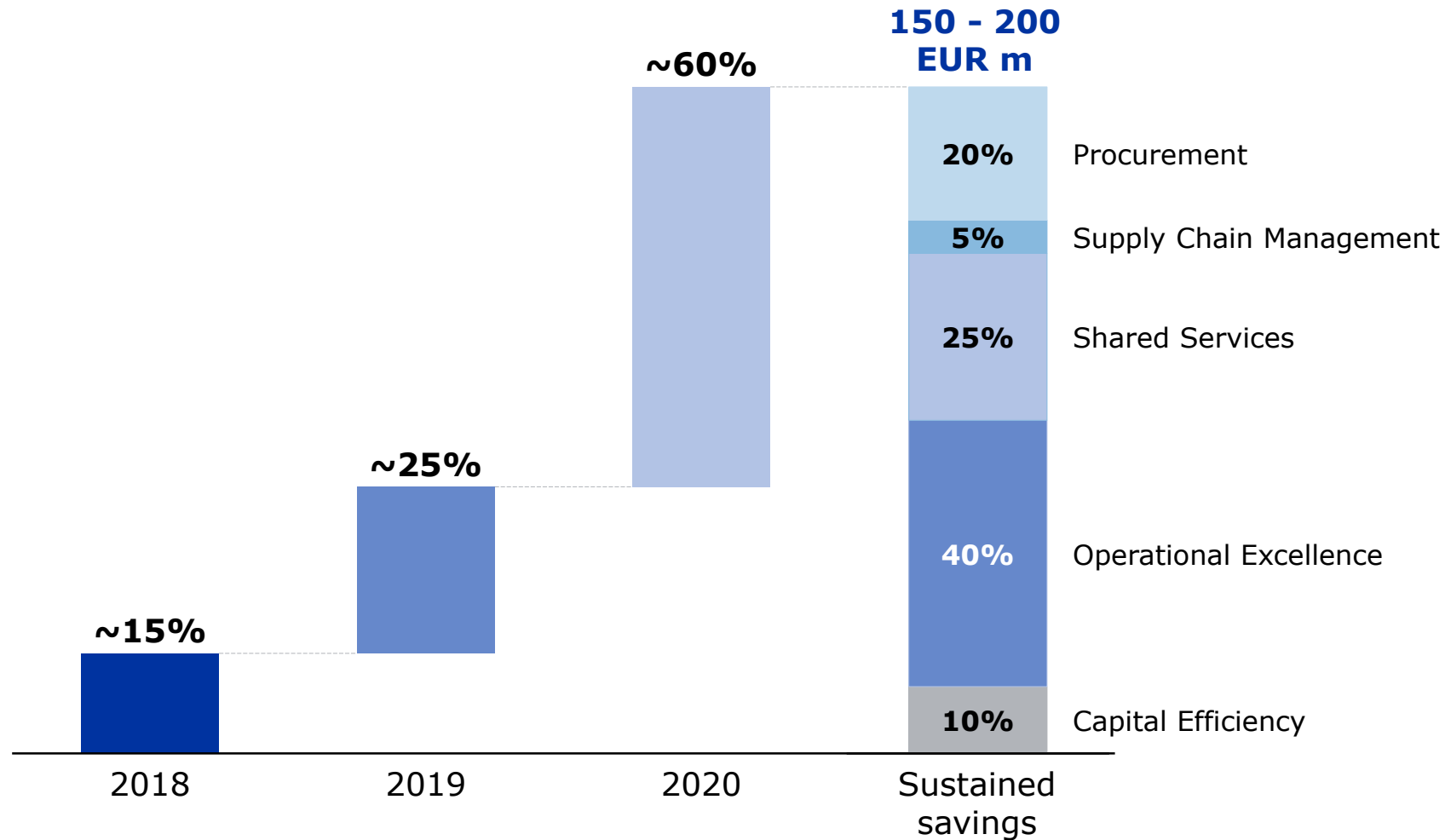


- Early mover in developing economies with products first
- Leverage experience from the products business into the service business – e.g. advancing in the Chinese market with own dialysis clinics and renal hospitals
- Investing in manufacturing capacities in the growing and upcoming markets
- Expand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

Source: WORLD BANK

# GLOBAL EFFICIENCY PROGRAM II

## SUSTAINED SAVINGS 2018 - 2020

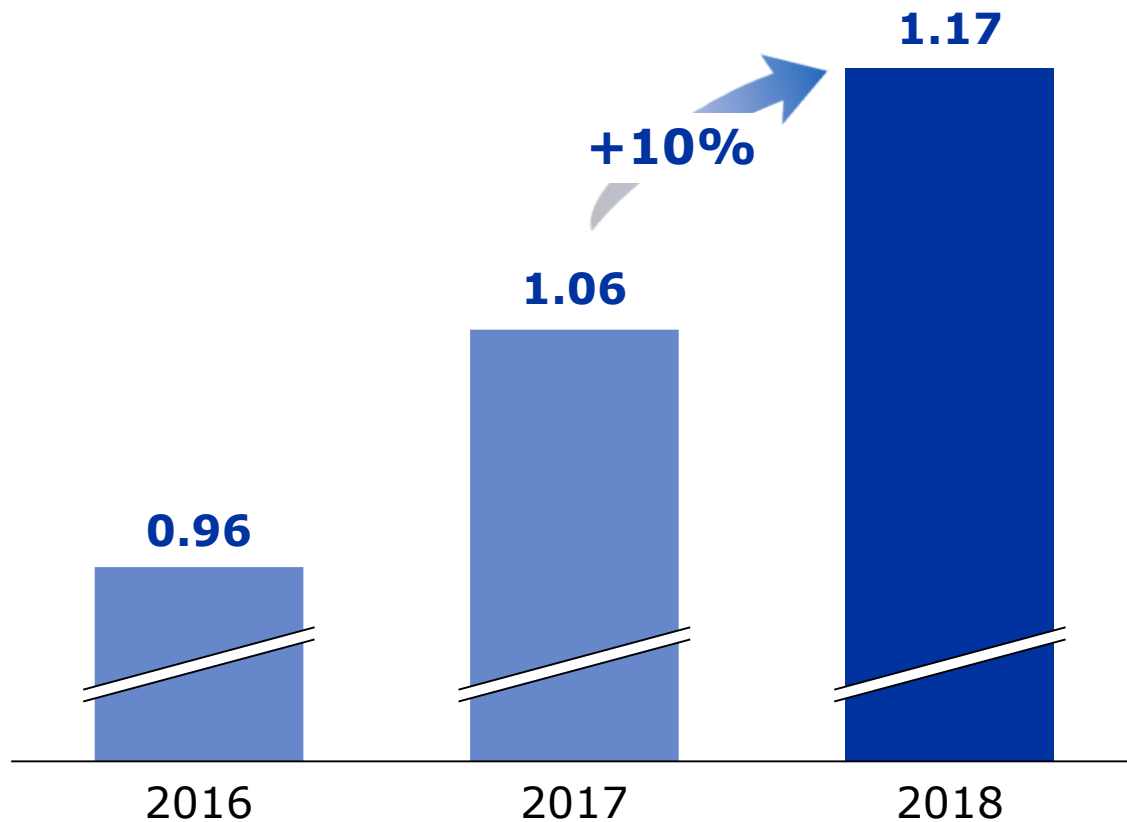


### 2018 AHEAD OF SCHEDULE

- 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



# AGENDA

1 AT A GLANCE

2 STRATEGY

**3 Q3 2019 FINANCIALS**

4 OUTLOOK

## ■ Q3 2019: FORWARD MOMENTUM



- Continued strong organic growth across all regions
- North America:
  - Robust growth of dialysis business with record growth in home
  - Strong product growth supported by NxStage
  - Care Coordination with negative effect from ESCOs
- Asia-Pacific: 4008A launched in China in September
- Cost Optimization initiatives on track



## ■ Q3 2019: GROWTH CONTINUED<sup>1</sup>

|                                  | <b>Q3 2019</b><br>€ million | <b>Q3 2018</b><br>€ million | <b>Growth</b><br>in % | <b>Growth</b><br>in %cc |
|----------------------------------|-----------------------------|-----------------------------|-----------------------|-------------------------|
| <b>Revenue</b>                   | <b>4,419</b>                | <b>4,058</b>                | <b>9</b>              | <b>6</b>                |
| Revenue adjusted                 | 4,375                       | 4,051                       | 8                     | 5                       |
| <b>Operating income (EBIT)</b>   | <b>595</b>                  | <b>527</b>                  | <b>13</b>             | <b>9</b>                |
| EBIT adjusted                    | 599                         | 592                         | 1                     | -3                      |
| <b>Net income<sup>2</sup></b>    | <b>333</b>                  | <b>285</b>                  | <b>17</b>             | <b>12</b>               |
| Net income <sup>2</sup> adjusted | 363                         | 343                         | 6                     | 2                       |

- 5.2% organic revenue growth
- Continued tailwind from FX effects
- Adjusted revenue and net income growth in line with guidance

cc = at constant currency

<sup>1</sup> For a detailed reconciliation for revenue and net income please refer to chart 27 | <sup>2</sup> Attributable to shareholders of Fresenius Medical Care AG & Co KGaA

# ■ Q3 2019: ROBUST GROWTH ACROSS ALL REGIONS

## NORTH AMERICA

€ million

|                |              |                  |
|----------------|--------------|------------------|
| <b>Revenue</b> | <b>3,073</b> | 3% <sup>cc</sup> |
| Organic growth |              | 3%               |

## EMEA

€ million

|                |            |                  |
|----------------|------------|------------------|
| <b>Revenue</b> | <b>683</b> | 9% <sup>cc</sup> |
| Organic growth |            | 9%               |

## ASIA-PACIFIC

€ million

|                |            |                  |
|----------------|------------|------------------|
| <b>Revenue</b> | <b>475</b> | 9% <sup>cc</sup> |
| Organic growth |            | 8%               |

## LATIN AMERICA

€ million

|                |            |                   |
|----------------|------------|-------------------|
| <b>Revenue</b> | <b>182</b> | 20% <sup>cc</sup> |
| Organic growth |            | 15%               |

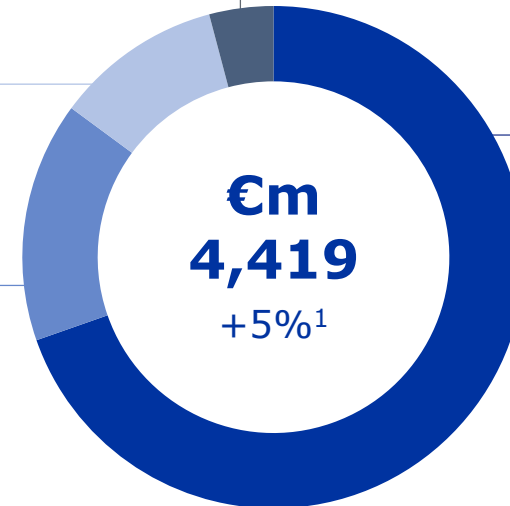
1 Organic growth | 2 "ESCO effect"

cc = at constant currency

Latin America  
4%

Asia-Pacific  
11%

EMEA  
15%

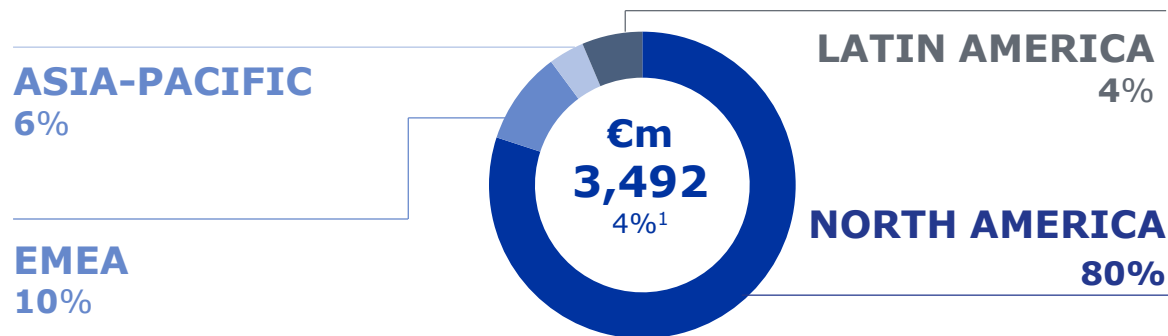


North America  
70%

- Organic business growth across all regions
- North America negatively affected by the reduction in patient attribution and a decreasing savings rate for ESCOs based on recent reports under discussion for current and prior plan years<sup>2</sup>
- High growth in EMEA and Asia-Pacific

# ■ Q3 2019 SERVICES: CONTINUED SOLID GROWTH

| Revenue                     | Q3 2019<br>€ million | Q3 2018<br>€ million | Growth<br>in % | Growth<br>in %cc | Organic<br>growth<br>in % | Same market<br>treatment<br>growth<br>in % |
|-----------------------------|----------------------|----------------------|----------------|------------------|---------------------------|--|
| <b>Health Care Services</b> | <b>3,492</b>         | <b>3,258</b>         | <b>7</b>       | <b>4</b>         | <b>4</b>                  | <b>4</b>                                   |
| North America               | 2,795                | 2,628                | 6              | 2                | 3                         | 4 <sup>2</sup>                             |
| of which Care Coordination  | 273                  | 300                  | -9             | -13              | -12                       |  |
| EMEA                        | 343                  | 314                  | 9              | 8                | 7                         | 4  |
| Asia-Pacific                | 223                  | 194                  | 15             | 9                | 8                         | 7  |
| of which Care Coordination  | 64                   | 54                   | 20             | 16               | 9                         |  |
| Latin America               | 131                  | 122                  | 8              | 26               | 20                        | 3  |



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

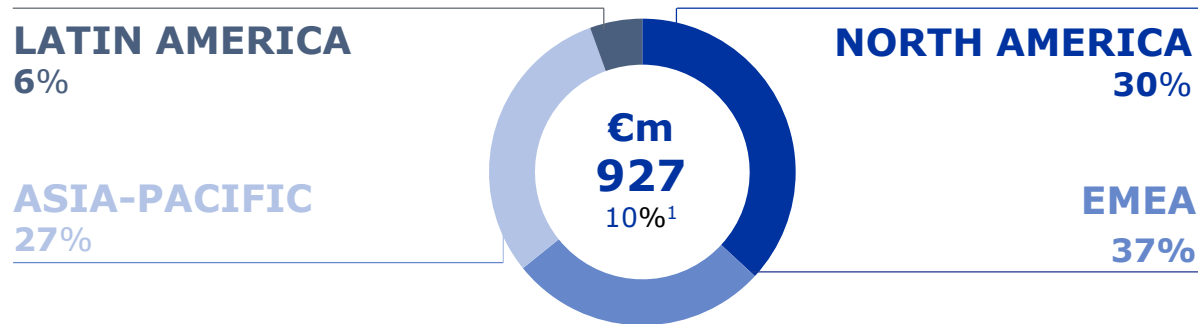
cc = at constant currency

- North America**  
 Growth driven by same market treatment growth but negatively affected by adjustments for accounts receivable in legal dispute
- EMEA**  
 Positive development due to same market treatment growth and organic revenue per treatment growth
- Asia-Pacific**  
 Growth driven by same market treatment growth and contributions from acquisitions

# Q3 2019 PRODUCTS: STRONG CONTRIBUTIONS FROM ALL SEGMENTS

| Revenue                      | Q3 2019<br>€ million | Q3 2018<br>€ million | Growth<br>in % | Growth<br>in %cc | Organic<br>growth<br>in % |
|------------------------------|----------------------|----------------------|----------------|------------------|---------------------------|
| <b>Health Care Products</b>  | <b>927</b>           | <b>800</b>           | <b>16</b>      | <b>13</b>        | <b>10</b>                 |
| <b>Dialysis Products</b>     | <b>907</b>           | <b>782</b>           | <b>16</b>      | <b>13</b>        | <b>9</b>                  |
| North America                | 278                  | 215                  | 30             | 24               | 10                        |
| EMEA                         | 320                  | 288                  | 11             | 10               | 11                        |
| Asia-Pacific                 | 252                  | 227                  | 11             | 9                | 9                         |
| Latin America                | 51                   | 49                   | 3              | 5                | 4                         |
| <b>Non-Dialysis Products</b> | <b>20</b>            | <b>18</b>            | <b>14</b>      | <b>14</b>        | <b>14</b>                 |

- **North America**  
NxStage acquisition drives dialysis product revenues
- **EMEA**  
Higher sales of dialyzers and bloodlines
- **Asia-Pacific**  
Growth triggered by increased sales of dialyzers and bloodlines



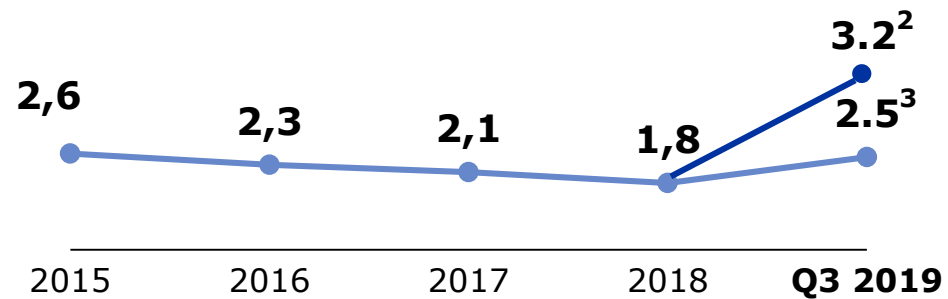
1 Organic growth

cc = at constant currency

# ■ Q3 2019: CASH FLOW, NET LEVERAGE RATIO & CURRENT RATINGS

|   | Q3 2019<br>€ million | Q3 2018<br>€ million |
|---|----------------------|----------------------|
| <b>Operating cash flow</b>  | <b>868</b>           | <b>753</b>           |
| in % of revenue   | 19.7                 | 18.6                 |
| Capital expenditures, net   | -284                 | -257                 |
| <b>Free cash flow</b>   | <b>584</b>           | <b>496</b>           |
| Free cash flow, after net acquisitions and investments, incl. net investments in securities | 516                  | 39                   |

## 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 with a sales price above €50m and excluding NxStage related transaction costs | 2 Incl. IFRS 16 | 3 Excl. IFRS 16 | 4 Latest update: S&P: May 23, 2019; Moody's: October 7, 2019; Fitch: March 8, 2018



# AGENDA

**1** AT A GLANCE

**2** STRATEGY

**3** Q3 2019 FINANCIALS

**4** **OUTLOOK**

# ■ OUTLOOK<sup>1</sup>

| (cc)                       | TARGETS 2019 | 2018 BASE<br>(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**



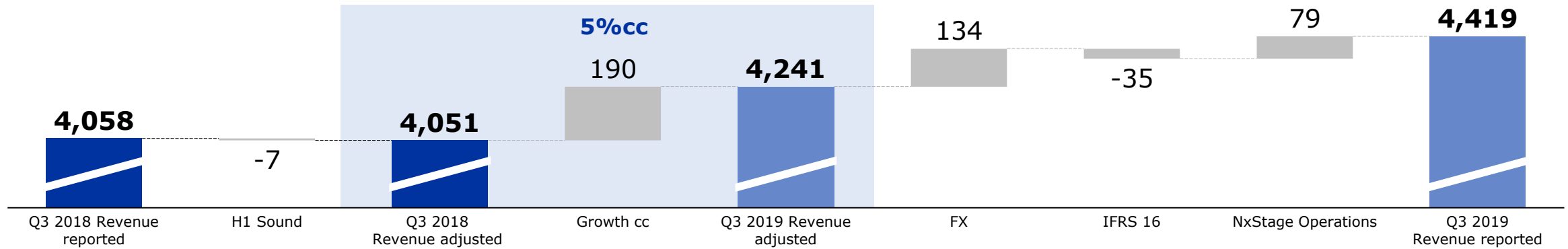
# ■ Q3 2019: PROFIT AND LOSS<sup>1</sup>

|                                  | <b>Q3 2019</b><br>€ million | <b>Q3 2018</b><br>€ million | <b>Growth</b><br>in % | <b>Growth</b><br>in %cc |
|----------------------------------|-----------------------------|-----------------------------|-----------------------|-------------------------|
| <b>Revenue</b>                   | <b>4,419</b>                | <b>4,058</b>                | <b>9</b>              | <b>6</b>                |
| Revenue adjusted                 | 4,375                       | 4,051                       | 8                     | 5                       |
| <b>EBIT</b>                      | <b>595</b>                  | <b>527</b>                  | <b>13</b>             | <b>9</b>                |
| <i>EBIT margin in %</i>          | <i>13.5</i>                 | <i>13.0</i>                 | <i>0.5pp</i>          | <i>0.4pp</i>            |
| EBIT adjusted                    | 599                         | 592                         | 1                     | -3                      |
| <i>EBIT adjusted margin in %</i> | <i>13.7</i>                 | <i>14.6</i>                 | <i>-0.9pp</i>         | <i>-1.0pp</i>           |
| Net interest expense             | 105                         | 76                          | 38                    | 33                      |
| Income before taxes              | 490                         | 451                         | 9                     | 5                       |
| Income tax expense               | 98                          | 102                         | -3                    | -7                      |
| <i>Tax rate in %</i>             | <i>20.2</i>                 | <i>22.7</i>                 | <i>-2.5pp</i>         | <i>-2.4pp</i>           |
| Non-controlling interest         | 59                          | 64                          | -8                    | -12                     |
| <b>Net income<sup>2</sup></b>    | <b>333</b>                  | <b>285</b>                  | <b>17</b>             | <b>12</b>               |
| Net income adjusted              | 363                         | 343                         | 6                     | 2                       |

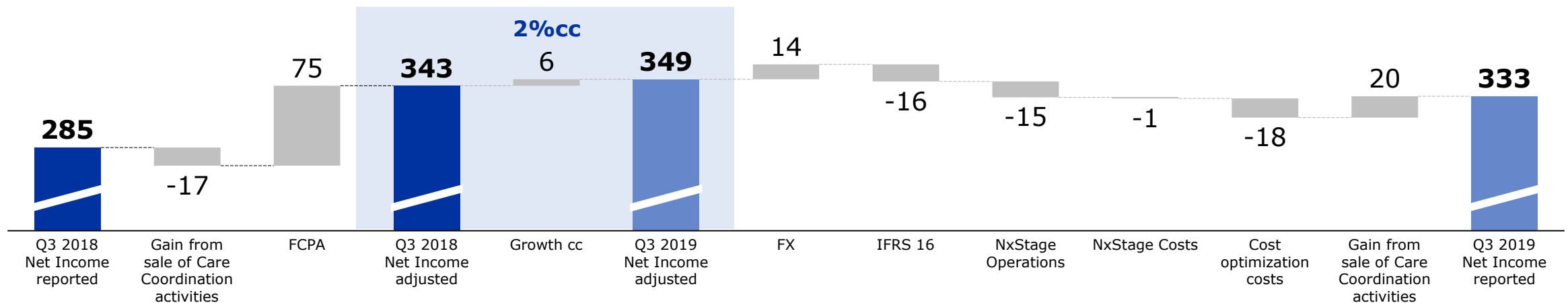
<sup>1</sup> For a detailed reconciliation for revenue and net income please refer to chart 27 | <sup>2</sup> Attributable to shareholders of Fresenius Medical Care AG & Co KGaA

# ■ Q3 2019: REVENUE AND NET INCOME GROWTH

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



## NET INCOME ADJUSTED, € MILLION – TARGET: -2 TO 2%CC GROWTH



# ■ Q3 2019: RECONCILIATION ADJUSTMENTS

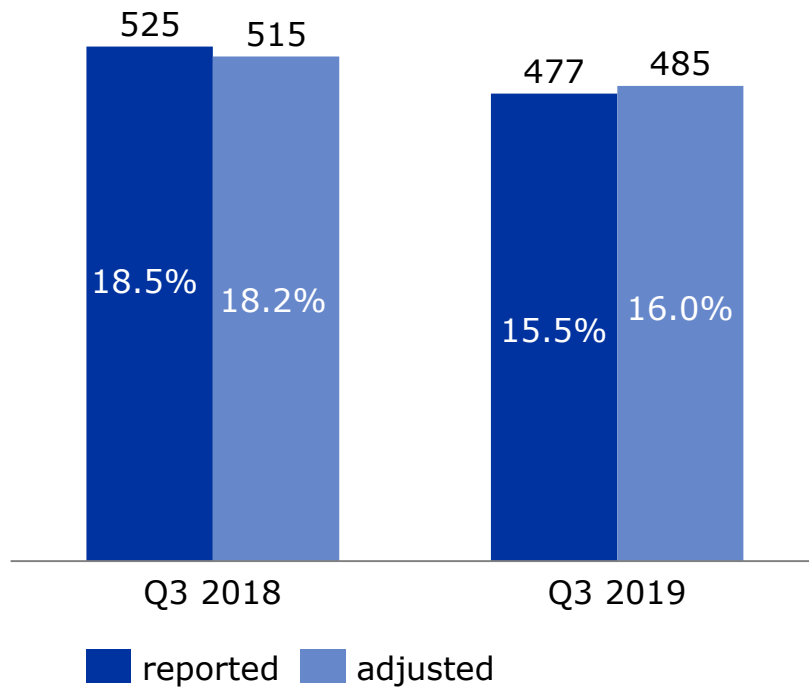
RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO THE MOST DIRECTLY COMPARABLE IFRS FINANCIAL MEASURES

|   | Q3 2019<br>€ million | Q3 2018<br>€ million |
|---|----------------------|----------------------|
| <b>Revenue</b>  | <b>4,419</b>         | <b>4,058</b>         |
| IFRS 16 implementation  | 35                   |                      |
| NxStage operations  | -79                  |                      |
| H1 Sound <sup>1</sup>   |                      | -7                   |
| <b>Revenue adjusted</b>   | <b>4,375</b>         | <b>4,051</b>         |
| <b>Net income<sup>2</sup></b>                                       | <b>333</b>           | <b>285</b>           |
| IFRS 16 implementation  | 16                   |                      |
| NxStage operations  | 15                   |                      |
| NxStage costs   | 1                    |                      |
| Cost Optimization costs   | 18                   |                      |
| H1 Sound <sup>1</sup>   |                      | 0                    |
| (Gain) loss related to divestitures of Care Coordination activities | -20                  | -17                  |
| FCPA  |                      | 75                   |
| <b>Net income<sup>2</sup> adjusted</b>                              | <b>363</b>           | <b>343</b>           |

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

# ■ Q3 2019: REGIONAL MARGIN PROFILE

## NORTH AMERICA (70% OF EBIT<sup>1</sup>)



EBIT in € million; % EBIT-margin

### DIALYSIS BUSINESS MARGIN OF 17.9%

- **Positive:** Remeasurement effect on the fair value of Humacyte, Inc., higher utilization of oral based ancillaries with favorable margins
- **Negative:** Higher personnel expense, revenue recognition adjustment for accounts receivable in legal dispute, impact from income attributable to a consent agreement on certain pharmaceuticals in 2018, Cost optimization costs, NxStage integration and operational costs
- U.S. revenue per treatment \$347 (Q3 2018: \$356)  
U.S. cost per treatment \$292<sup>2</sup> (Q3 2018: \$290)

### CARE COORDINATION MARGIN OF -8.3%

- **Positive:** Higher volumes for vascular services
- **Negative:** ESCO effect, lower gains from the divestiture of Care Coordination activities and unfavorable margin effect for oral based ancillaries

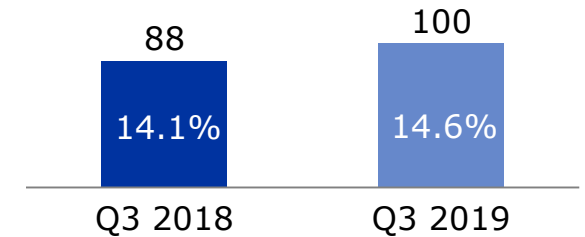
<sup>1</sup> Excl. Corporate | <sup>2</sup> Excl. the effects from IFRS 16 implementation

# ■ Q3 2019: REGIONAL MARGIN PROFILE

## EMEA (15% of EBIT<sup>1</sup>)

### Operating income margin development reflects

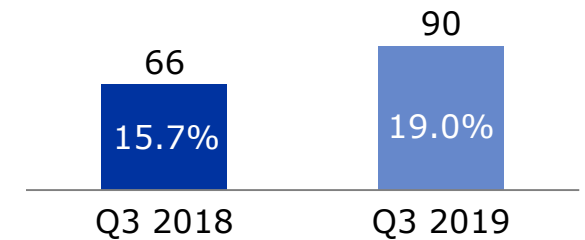
- **Positive:** Higher product sales, favorable foreign currency transaction effects
- **Negative:** Higher bad debt expense, higher personnel expense in certain countries



## ASIA-PACIFIC (13% of EBIT<sup>1</sup>)

### Operating income margin development reflects

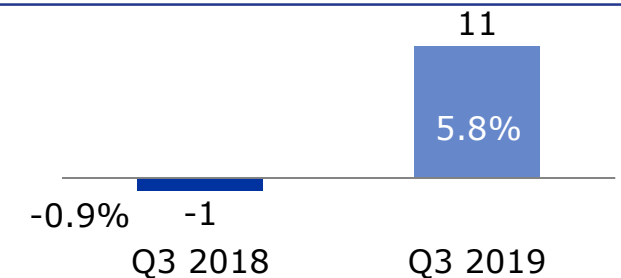
- **Positive:** Business growth, favorable foreign currency transaction effects
- **Negative:** Unfavorable mix effect from acquisitions with lower margins, higher start-up and operating costs in Care Coordination



## LATIN AMERICA (2% of EBIT<sup>1</sup>)

### Operating income margin development reflects

- **Positive:** Reimbursement rate increases mitigating inflationary cost increases



EBIT in € million; % EBIT-margin

Diagrams: different scales applied | 1 Excl. Corporate

## ■ 9M 2019: PROFIT AND LOSS<sup>1</sup>

|                                  | <b>9M 2019</b><br>€ million | <b>9M 2018</b><br>€ million | <b>Growth</b><br>in % | <b>Growth</b><br>in %cc |
|----------------------------------|-----------------------------|-----------------------------|-----------------------|-------------------------|
| <b>Revenue</b>                   | <b>12,897</b>               | <b>12,247</b>               | <b>5</b>              | <b>1</b>                |
| Revenue adjusted                 | 12,784                      | 11,731                      | 9                     | 5                       |
| <b>EBIT</b>                      | <b>1,653</b>                | <b>2,425</b>                | <b>-32</b>            | <b>-35</b>              |
| <i>EBIT margin in %</i>          | <i>12.8</i>                 | <i>19.8</i>                 | <i>-7.0pp</i>         | <i>-7.1pp</i>           |
| EBIT adjusted                    | 1,641                       | 1,656                       | -1                    | -5                      |
| <i>EBIT adjusted margin in %</i> | <i>12.8</i>                 | <i>14.1</i>                 | <i>-1.3pp</i>         | <i>-1.4pp</i>           |
| Net interest expense             | 327                         | 244                         | 34                    | 29                      |
| Income before taxes              | 1,326                       | 2,181                       | -39                   | -42                     |
| Income tax expense               | 292                         | 448                         | -35                   | -37                     |
| <i>Tax rate in %</i>             | <i>22.0</i>                 | <i>20.5</i>                 | <i>1.5pp</i>          | <i>1.6pp</i>            |
| Non-controlling interest         | 177                         | 176                         | 0                     | -5                      |
| <b>Net income<sup>2</sup></b>    | <b>857</b>                  | <b>1,557</b>                | <b>-45</b>            | <b>-47</b>              |
| Net income adjusted              | 961                         | 946                         | 2                     | -3                      |

1 For a detailed reconciliation for revenue and net income please refer to chart 31 | 2 Attributable to shareholders of Fresenius Medical Care AG & Co KGaA

# ■ 9M 2019: RECONCILIATION ADJUSTMENTS

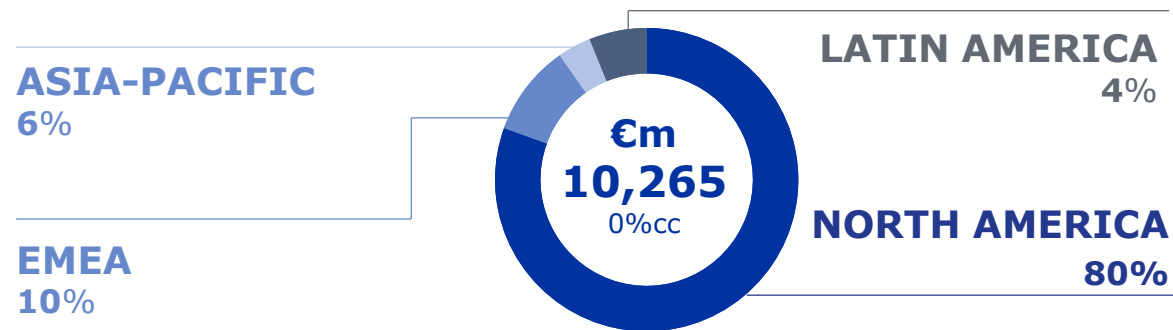
RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO THE MOST DIRECTLY COMPARABLE IFRS FINANCIAL MEASURES

|   | 9M 2019<br>€ million | 9M 2018<br>€ million |
|---|----------------------|----------------------|
| <b>Revenue</b>  | <b>12,897</b>        | <b>12,247</b>        |
| IFRS 16 implementation  | 75                   |                      |
| NxStage operations  | -188                 |                      |
| H1 Sound <sup>1</sup>   |                      | -516                 |
| <b>Revenue adjusted</b>   | <b>12,784</b>        | <b>11,731</b>        |
| <b>Net income<sup>2</sup></b>                                       | <b>857</b>           | <b>1,557</b>         |
| IFRS 16 implementation  | 45                   |                      |
| NxStage operations  | 49                   |                      |
| NxStage costs   | 16                   |                      |
| Cost Optimization costs   | 23                   |                      |
| H1 Sound <sup>1</sup>   |                      | 4                    |
| (Gain) loss related to divestitures of Care Coordination activities | -29                  | -690                 |
| FCPA  |                      | 75                   |
| <b>Net income<sup>2</sup> adjusted</b>                              | <b>961</b>           | <b>946</b>           |

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

## ■ 9M 2019 SERVICES

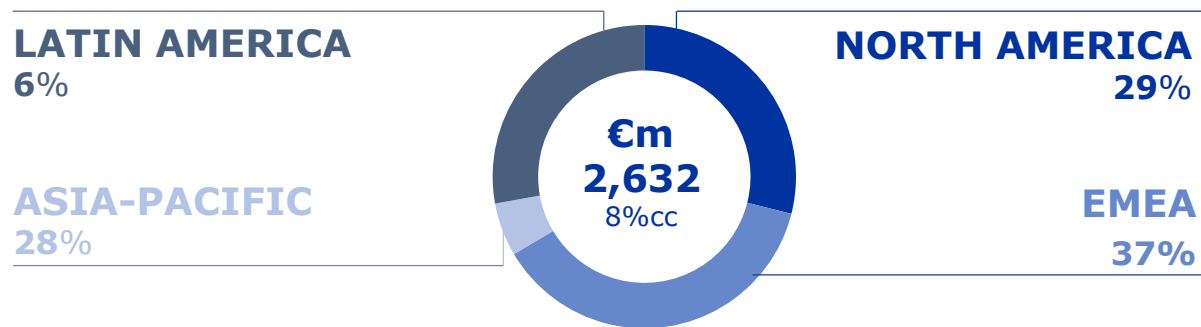
| Revenue                    | 9M 2019<br>€ million | 9M 2018<br>€ million | Growth<br>in % | Growth<br>in %cc | Organic<br>growth<br>in % | Same market<br>treatment<br>growth<br>in % |
|----------------------------|----------------------|----------------------|----------------|------------------|---------------------------|--|
| <b>Total</b>               | <b>10,265</b>        | <b>9,852</b>         | <b>4</b>       | <b>0</b>         | <b>5</b>                  | <b>4</b>                                   |
| North America              | 8,264                | 7,979                | 4              | -3               | 4                         | 4  |
| of which Care Coordination | 859                  | 1,345                | -36            | -40              | -4                        |  |
| EMEA                       | 1,002                | 943                  | 6              | 7                | 6                         | 4  |
| Asia-Pacific               | 632                  | 569                  | 11             | 7                | 6                         | 7  |
| of which Care Coordination | 173                  | 148                  | 17             | 14               | 7                         |  |
| Latin America              | 367                  | 361                  | 2              | 24               | 21                        | 2  |





# ■ 9M 2019 PRODUCTS

| Revenue                           | 9M 2019<br>€ million | 9M 2018<br>€ million | Growth<br>in % | Growth<br>in %cc | Organic<br>growth<br>in % |
|-----------------------------------|----------------------|----------------------|----------------|------------------|---------------------------|
| <b>Total Health Care Products</b> | <b>2,632</b>         | <b>2,395</b>         | <b>10</b>      | <b>8</b>         | <b>5</b>                  |
| <b>Dialysis Products</b>          | <b>2,576</b>         | <b>2,339</b>         | <b>10</b>      | <b>8</b>         | <b>5</b>                  |
| North America                     | 757                  | 610                  | 24             | 17               | 7                         |
| EMEA                              | 926                  | 909                  | 2              | 2                | 2                         |
| Asia-Pacific                      | 728                  | 666                  | 9              | 8                | 8                         |
| Latin America                     | 149                  | 144                  | 4              | 8                | 7                         |
| <b>Non-Dialysis Products</b>      | <b>56</b>            | <b>56</b>            | <b>1</b>       | <b>1</b>         | <b>1</b>                  |



# ■ DEBT

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

| € million  | Q3 2019<br>excl. IFRS 16 | Q3 2019       | 2018         | 2017         |
|--|--------------------------|---------------|--------------|--------------|
| <b>Debt</b>  |                          |               |              |              |
| Short term debt  | 1,566                    | 1,566         | 1,205        | 760          |
| + Short term debt from related parties                                   | 358                      | 358           | 189          | 9            |
| + Current portion of long-term debt                                      | 965                      | 971           | 1,107        | 884          |
| + Current portion of long-term lease liabilities                         | -                        | 628           | -            | -            |
| + Current portion of long-term lease liabilities from related parties    | -                        | 16            | -            | -            |
| + Long-term debt, less current portion                                   | 6,030                    | 6,086         | 5,045        | 5,795        |
| + Long-term lease liabilities, less current portion                      | -                        | 3,936         | -            | -            |
| + Long-term lease liabilities from related parties, less current portion | -                        | 108           | -            | -            |
| <b>Total debt</b>  | <b>8,919</b>             | <b>13,669</b> | <b>7,546</b> | <b>7,448</b> |
| Cash and cash equivalents  | 965                      | 965           | 2,146        | 978          |
| <b>Total net debt</b>  | <b>7,954</b>             | <b>12,704</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   | Q3 2019<br>excl. IFRS 16 | Q3 2019      | 2018         | 2017         |
|---|--------------------------|--------------|--------------|--------------|
| <b>EBITDA<sup>1</sup></b>                         |                          |              |              |              |
| Last twelve month operating income (EBIT)         | 2,233                    | 2,523        | 2,215        | 2,372        |
| + Last twelve month depreciation and amortization | 849                      | 1,365        | 716          | 731          |
| + Non-cash charges                                | 46                       | 46           | 45           | 51           |
| <b>EBITDA (annualized)</b>                        | <b>3,128</b>             | <b>3,934</b> | <b>2,976</b> | <b>3,154</b> |
| <b>Net leverage ratio (Net debt/EBITDA)</b>       | <b>2.5</b>               | <b>3.2</b>   | <b>1.8</b>   | <b>2.1</b>   |

1 EBITDA: including acquisitions & divestitures with a purchase price above €50m and excluding (gain) loss related to divestitures of Care Coordination activities with a sales price above €50m 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  | Q3 2019 | Q3 2018 |
|--|---------|---------|
| <b>Acquisitions and investments</b>                              |         |         |
| Acquisitions, investments and net purchases of intangible assets | -101    | -462    |
| - Proceeds from divestitures                                     | 33      | 5       |
| = Acquisitions and investments, net of divestitures              | -68     | -457    |
| Thereof investments in securities, net of divestitures           | -3      | -180    |

|   | Q3 2019 | Q3 2018 |
|---|---------|---------|
| <b>Capital expenditures, net</b>                    |         |         |
| Purchase of property, plant and equipment           | -291    | -266    |
| - Proceeds from sale of property, plant & equipment | 7       | 9       |
| = Capital expenditure, net                          | -284    | -257    |

# ■ Q3 2019: EFFECTS ACCORDING TO IFRS 16

## EFFECTS INCLUDING NXSTAGE

| Balance Sheet           | September 30, 2019<br>€ million |
|-------------------------|---------------------------------|
| <b>Assets</b>           | <b>4,319</b>                    |
| Right-of-use assets     | 4,362                           |
| Machinery and equipment | 15                              |
| Other assets            | -58                             |
| <b>Liabilities</b>      | <b>4,319</b>                    |
| Lease liabilities       | 4,689                           |
| Other financial debt    | 61                              |
| Other liabilities       | -236                            |
| Equity                  | -195                            |

| Profit and loss statement               | Q3 2019<br>€ million |
|---|----------------------|
| <b>Revenue</b>                          | <b>-35</b>           |
| Profit from sale-leaseback transactions | -21                  |
| Rental expenses                         | -220                 |
| <b>EBITDA</b>                           | <b>199</b>           |
| Depreciation expense                    | -178                 |
| <b>EBIT</b>                             | <b>21</b>            |
| Net interest expenses                   | 43                   |
| Taxes                                   | -6                   |
| <b>Net Income</b>                       | <b>-16</b>           |

| Cash flow statement                   | Q3 2019<br>€ million |
|---------------------------------------|----------------------|
| Cash provided by operating activities | 153                  |
| Cash used in investing activities     | -14                  |
| Cash used in financing activities     | -139                 |
| <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<br>~ € million |
|-------------------------|-----------------------------|
| <b>Assets</b>           |                             |
| Right-of-use assets     | 4,220                       |
| Machinery and equipment | 100                         |
| <b>Liabilities</b>      |                             |
| Lease liabilities       | 4,570                       |
| Other financial debt    | 100                         |
| Other liabilities       | -170                        |
| Equity                  | -180                        |

| Profit and loss statement               | Impact 2019e<br>~ € million |
|---|-----------------------------|
| <b>Revenue</b>                          | <b>-110</b>                 |
| Profit from sale-leaseback transactions | -40                         |
| Rental expenses                         | -820                        |
| <b>EBITDA</b>                           | <b>780</b>                  |
| Depreciation expense                    | -680                        |
| <b>EBIT</b>                             | <b>100</b>                  |
| Net interest expenses                   | 170                         |
| Taxes                                   | -20                         |
| <b>Net Income</b>                       | <b>-50</b>                  |

| Cash flow statement                   | Impact 2019e<br>~ € 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.

# ■ 2018: PROFIT AND LOSS<sup>1</sup>

|                                  | 2018<br>€ million | 2017<br>€ million | Growth<br>in % | Growth<br>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 40

# 2018: RECONCILIATION ADJUSTMENTS

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

|   | <b>2018</b><br>€ million | <b>2017</b><br>€ 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



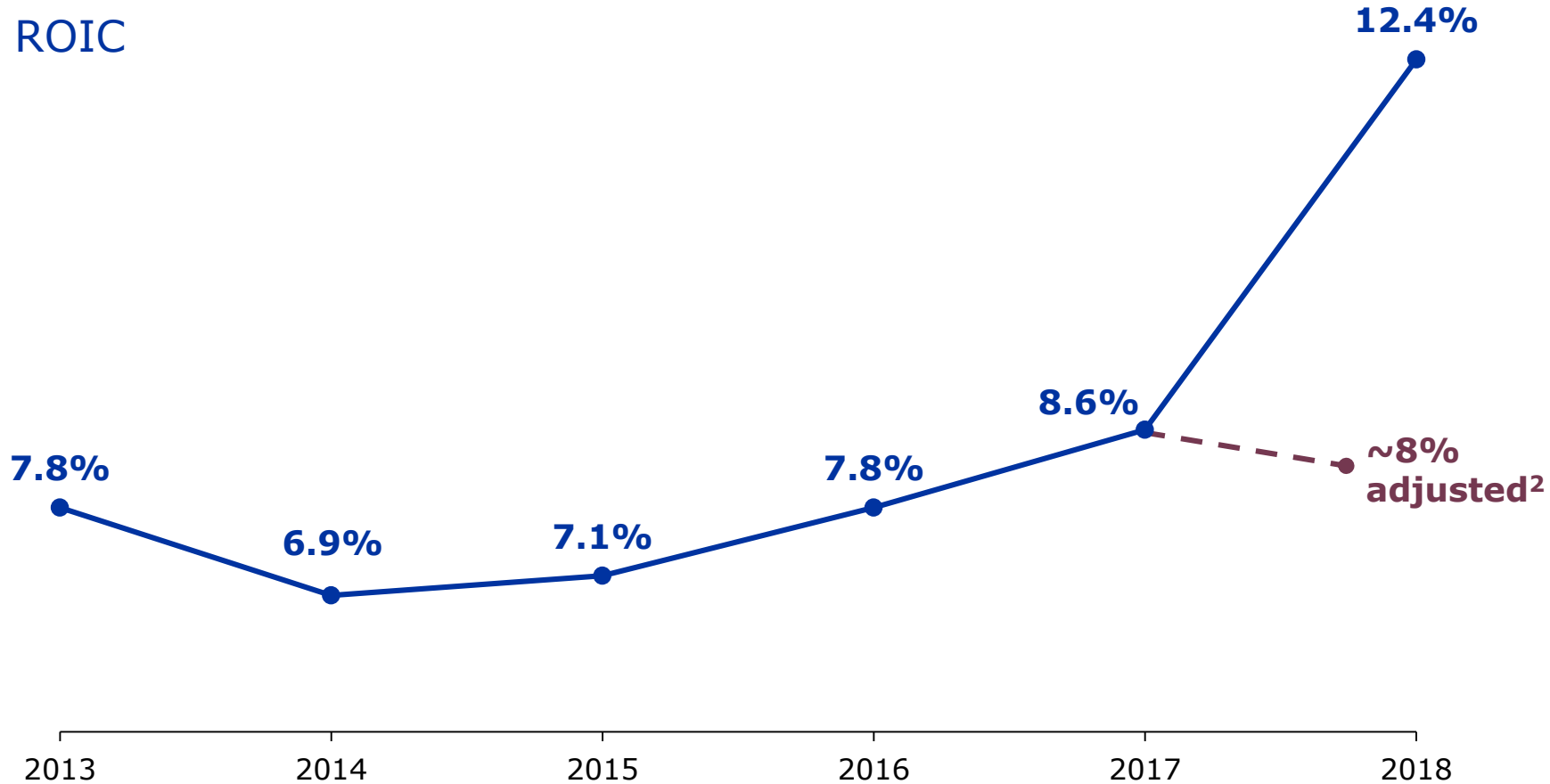
# ■ BASIS FOR TARGETS 2019

## 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 |

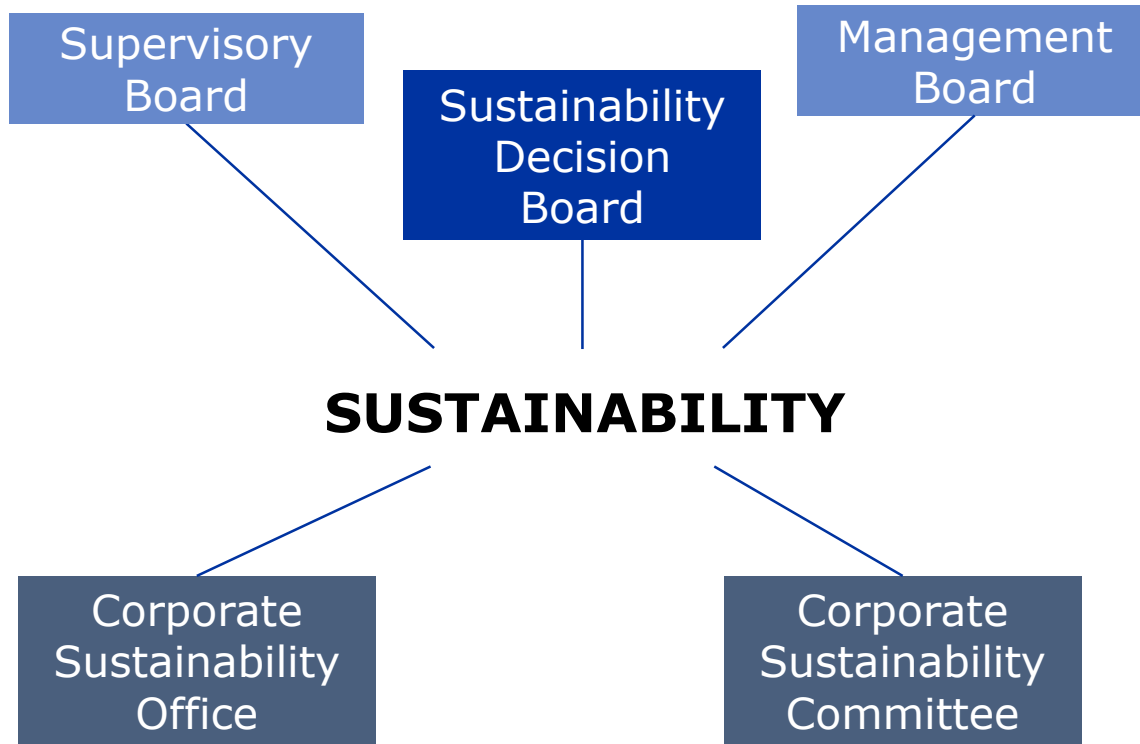
<sup>2</sup> Adjusted for the divestiture of Care Coordination activities, FCPA related charge, U.S. Ballot Initiatives, U.S. tax reform / including these effects, ROIC for FY 2018 was 12.4%

## ■ Q3 2019: QUALITY OUTCOMES REMAIN ON HIGH LEVEL<sup>1</sup>

|  | NORTH AMERICA  |         | EMEA           |         | LATIN AMERICA  |         | ASIA-PACIFIC   |         |
|--|----------------|---------|----------------|---------|----------------|---------|----------------|---------|
| <b>% of patients</b>                         | <b>Q3 2019</b> | Q3 2018 | <b>Q3 2019</b> | Q3 2018 | <b>Q3 2019</b> | Q3 2018 | <b>Q3 2019</b> | Q3 2018 |
| Kt/V ≥ 1.2                                   | <b>97</b>      | 97      | <b>94</b>      | 94      | <b>91</b>      | 91      | <b>95</b>      | 96      |
| Hemoglobin = 10–12 g/dl                      | <b>71</b>      | 72      | <b>82</b>      | 82      | <b>50</b>      | 53      | <b>52</b>      | 58      |
| Calcium = 8.4–10.2 mg/dl                     | <b>82</b>      | 85      | <b>79</b>      | 80      | <b>77</b>      | 75      | <b>71</b>      | 73      |
| Albumin ≥ 3.5 g/dl                           | <b>80</b>      | 80      | <b>90</b>      | 90      | <b>90</b>      | 91      | <b>88</b>      | 89      |
| Phosphate ≤ 5.5 mg/dl                        | <b>60</b>      | 61      | <b>80</b>      | 79      | <b>76</b>      | 76      | <b>65</b>      | 67      |
| Patients without catheter<br>(after 90 days) | <b>82</b>      | 83      | <b>78</b>      | 79      | <b>80</b>      | 80      | <b>83</b>      | 87      |
| <b>in days</b>                               |                |         |                |         |                |         |                |         |
| Days in hospital per patient year            | <b>10.1</b>    | 10.8    | <b>7.5</b>     | 7.7     | <b>4.2</b>     | 4.2     | <b>2.4</b>     | 3.5     |

<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.     |            | 9M 2019 | 9M 2018 | FY 2018 |
|--------------|------------|---------|---------|---------|
| <b>€:\$</b>  | Period end | 1.089   | 1.158   | 1.145   |
|              | Average    | 1.124   | 1.194   | 1.181   |
| <b>€:CNY</b> | Period end | 7.778   | 7.966   | 7.875   |
|              | Average    | 7.713   | 7.779   | 7.808   |
| <b>€:RUB</b> | Period end | 70.756  | 76.142  | 79.715  |
|              | Average    | 73.085  | 73.395  | 74.026  |
| <b>€:ARS</b> | Period end | 62.609  | 47.423  | 43.039  |
|              | Average    | 50.014  | 29.845  | 32.984  |
| <b>€:BRL</b> | Period end | 4.529   | 4.654   | 4.444   |
|              | Average    | 4.365   | 4.297   | 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>H1 Sound</b>   | Contribution of Sound Physicians on the profit and loss statement in 2018 |

# ■ FINANCIAL CALENDAR 2019 AND 2020<sup>1</sup>

## REPORTING DATES & AGM

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|                          |                                   |
|--------------------------|-----------------------------------|
| <b>February 20, 2020</b> | Report on FY 2019                 |
| <b>May 6, 2020</b>       | Report on 1st quarter 2020        |
| <b>May 19, 2020</b>      | Annual General Meeting, Frankfurt |
| <b>July 30, 2020</b>     | Report on 2nd quarter 2020        |
| <b>October 29, 2020</b>  | Report on 3rd quarter 2020        |

## CONFERENCES

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|                            |   |
|----------------------------|---|
| <b>December 5, 2019</b>    | Société General "The Premium Review" Conference, Paris              |
| <b>January 13, 2020</b>    | J.P. Morgan Healthcare Conference, San Francisco                    |
| <b>January 15, 2020</b>    | Commerzbank Investment Seminar, New York                            |
| <b>January 16, 2020</b>    | Oddo BHF Forum, Lyon  |
| <b>January 20-21, 2020</b> | UniCredit & Kepler Cheuvreux German Corporate Conference, Frankfurt |

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

# CONTACTS

## FME INVESTOR RELATIONS

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