



# A Leading Global Health Care Group

BNP Paribas – High Yield & Leveraged Finance Conference  
January 14, 2016 – London



## Safe Harbor Statement

This presentation contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of clinical trials, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. Fresenius does not undertake any responsibility to update the forward-looking statements contained in this presentation.

# Agenda

- Company Overview
- Business Segments
  - Fresenius Medical Care
  - Fresenius Kabi
  - Fresenius Helios
  - Fresenius Vamed
- Financial Overview
- Financing Facilities and Debt Structure
- Summary and Outlook

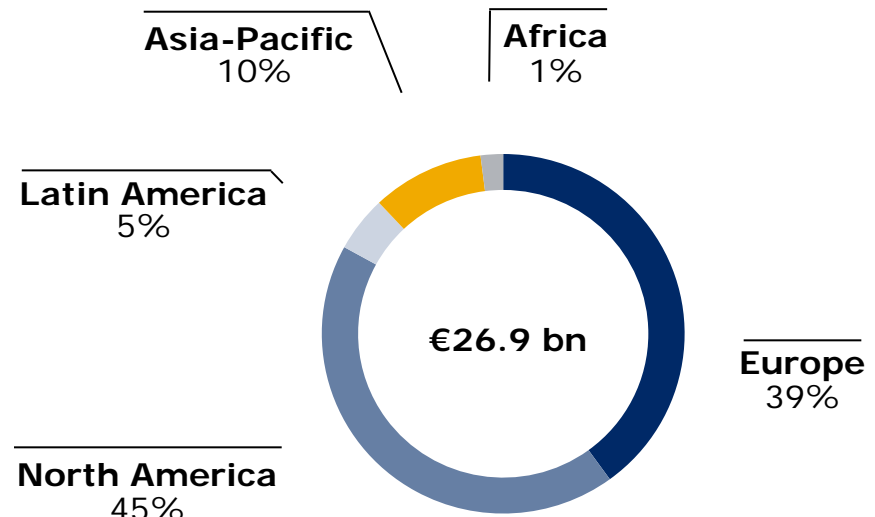


# Company Overview



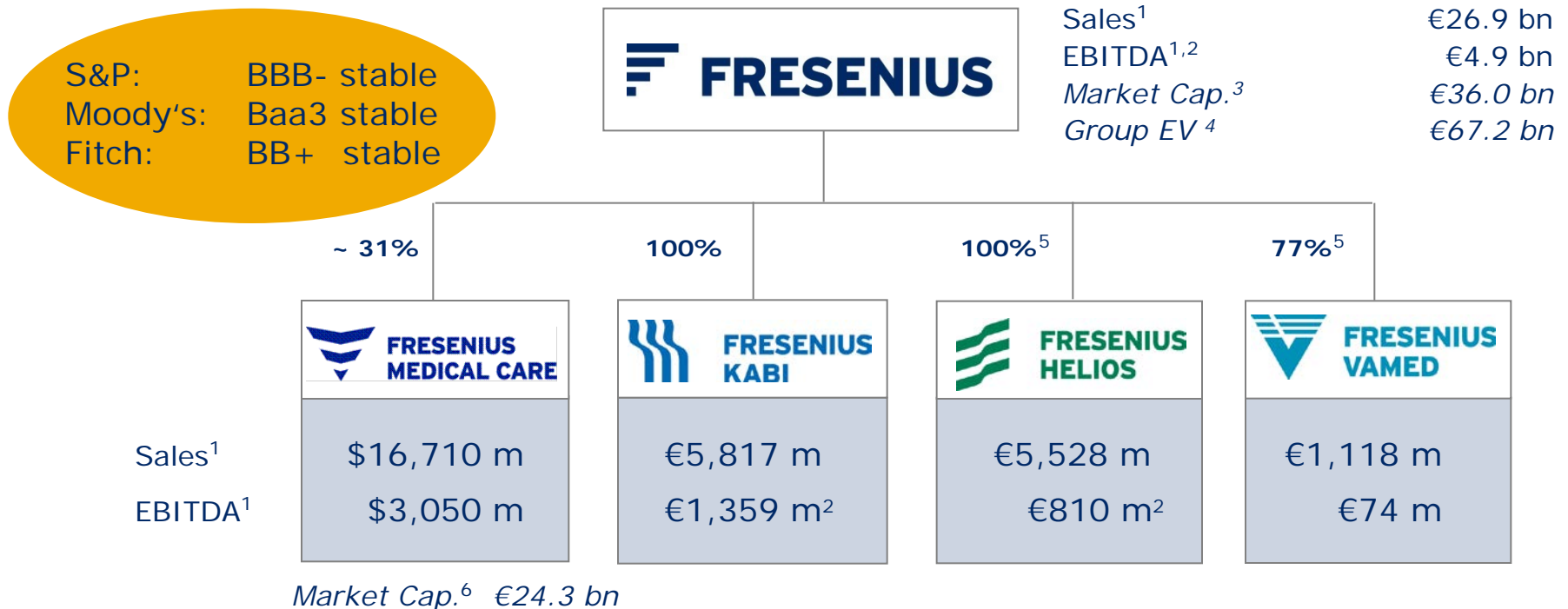
# Fresenius Group: A Global Leader in Health Care Products and Services

- Sales €26.9 bn, net income<sup>1</sup> €2.2 bn  
LTM September 2015
- Strong and well-diversified portfolio
- Leading market positions
- Global presence in approx. 100 countries
- Long-term opportunities in growing, non-cyclical markets



1 – Net income incl. attributable to non-controlling interest, before special items

# Fresenius Group: Strong and Balanced Health Care Portfolio



1 – LTM September 2015

2 – Before special items

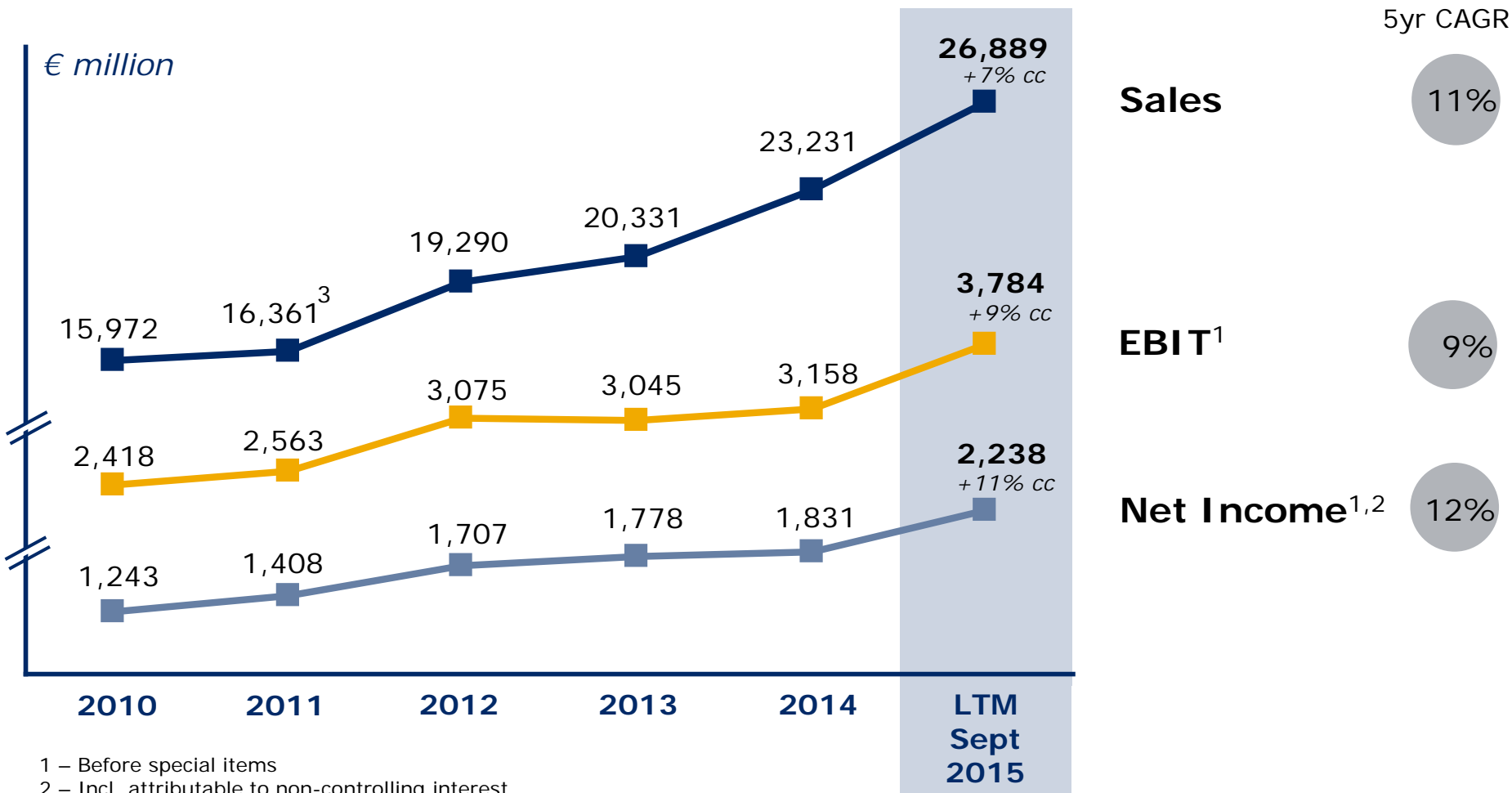
3 – Market capitalization of FSE as of December 30, 2015

4 – Based on consolidated market capitalization of FSE and FME as of December 30, 2015 and consolidated net debt as of September 30, 2015

5 – Held by Fresenius ProServe GmbH, a wholly owned subsidiary of FSE

6 – Based on market capitalization of FME as of December 30, 2015

# Fresenius Group: Financial Results

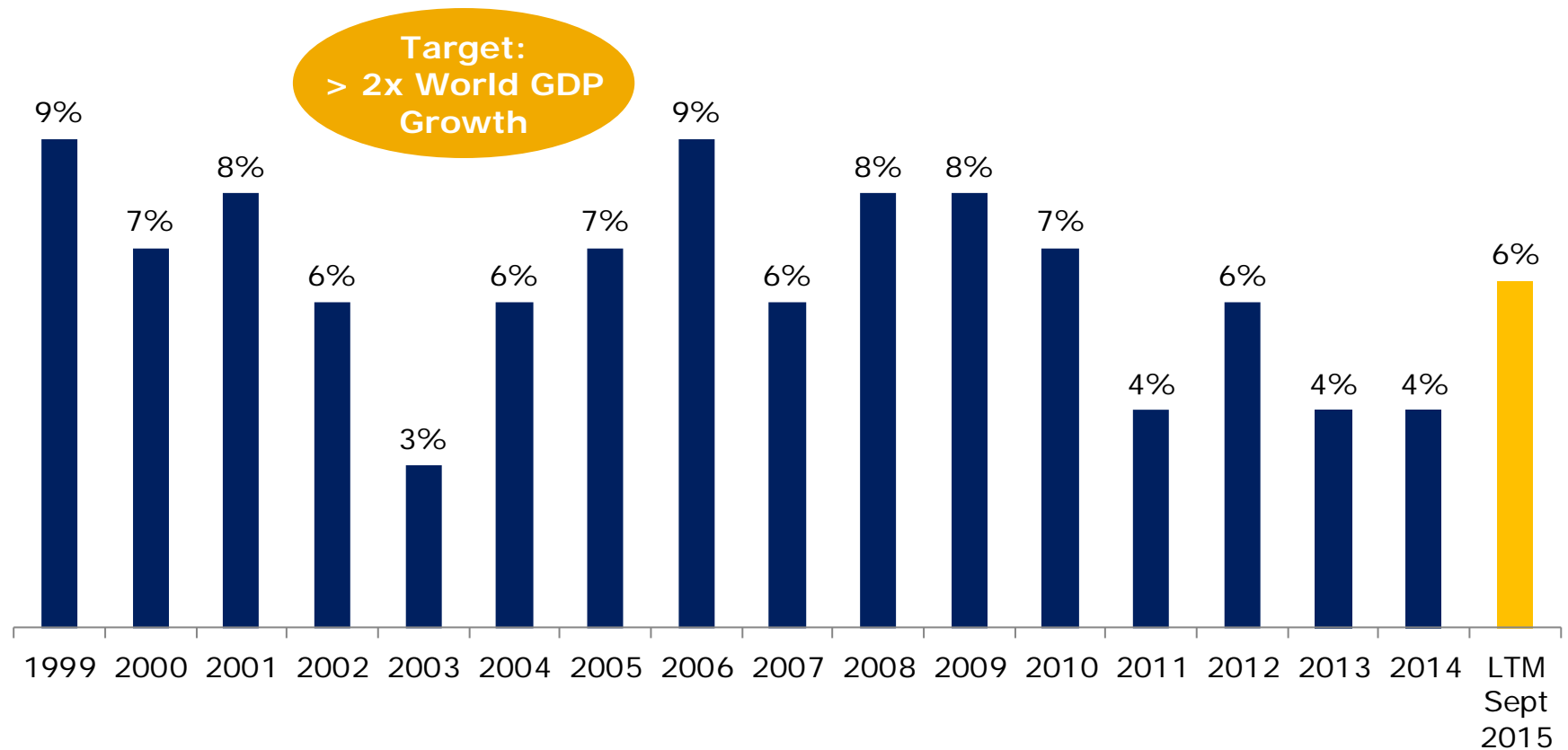


1 – Before special items

2 – Incl. attributable to non-controlling interest

3 – 2011 sales were adjusted by -€161 m according to a U.S. GAAP accounting change. This solely relates to Fresenius Medical Care North America.

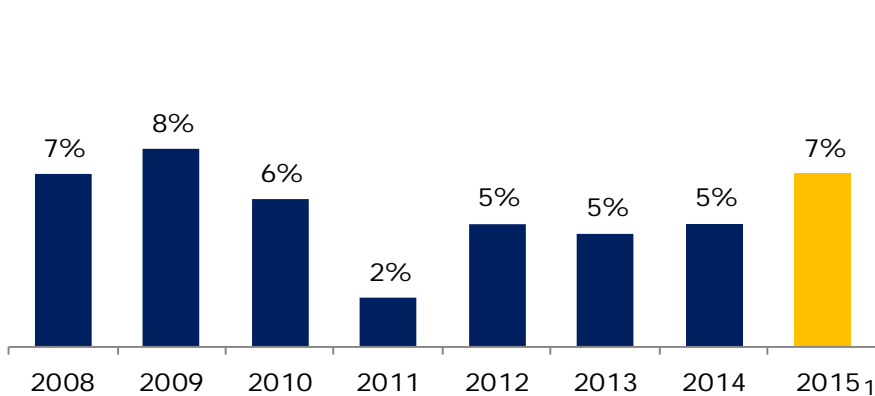
# Fresenius Group: Organic Growth 1999 – 2015



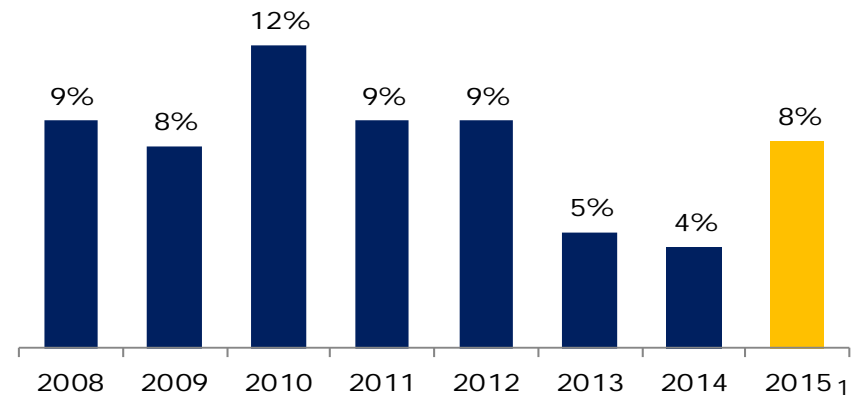


# Fresenius Group: Sustainable Organic Sales Growth in all Business Segments

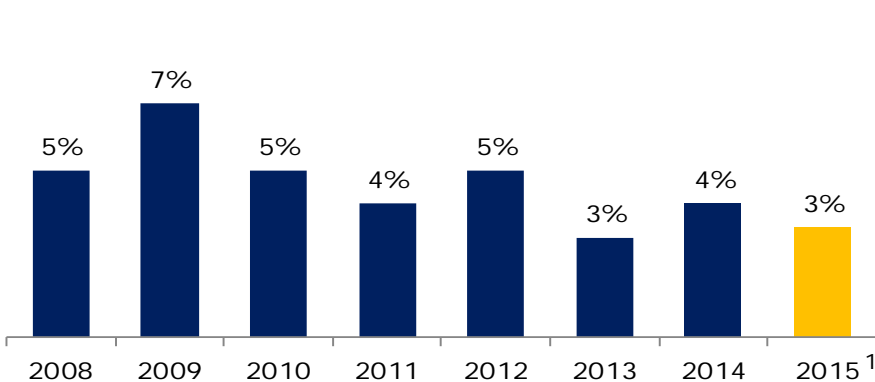
**Fresenius Medical Care**



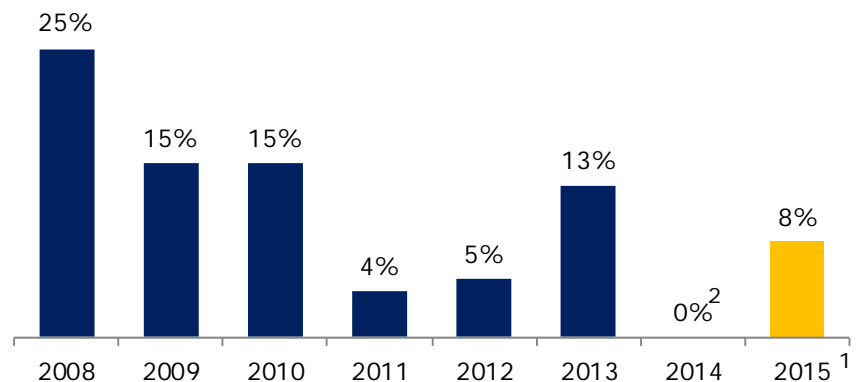
**Fresenius Kabi**



**Fresenius Helios**



**Fresenius Vamed**



1 – LTM September

2 – Due to project delays in Russia and Ukraine

## Fresenius Group: Financial Results

		Q1-Q3/15	Q1-Q3/14
<b>Sales</b>		€20,369 m	€16,711 m
	Growth cc	11%	
	Growth actual rates	22%	
<b>EBIT<sup>1</sup></b>		€2,849 m	€2,223 m
	Growth cc	14%	
	Growth actual rates	28%	
<b>Net income<sup>1,2</sup></b>		€1,670 m	€1,263 m
	Growth cc	17%	
	Growth actual rates	32%	

1 – Before special items

2 – Incl. attributable to non-controlling interest

## Fresenius Group: Financial Results by Business Segment

Q1-Q3/2015	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
Sales Growth	\$12,390 m 8%	€4,431 m 18%	€4,167 m 7%	€731 m 12%
EBIT Growth	\$1,665 m 5%	€872 m <sup>1</sup> 38%	€472 m <sup>1</sup> 19%	€30 m 11%

1 – Before special items

# Business Segments

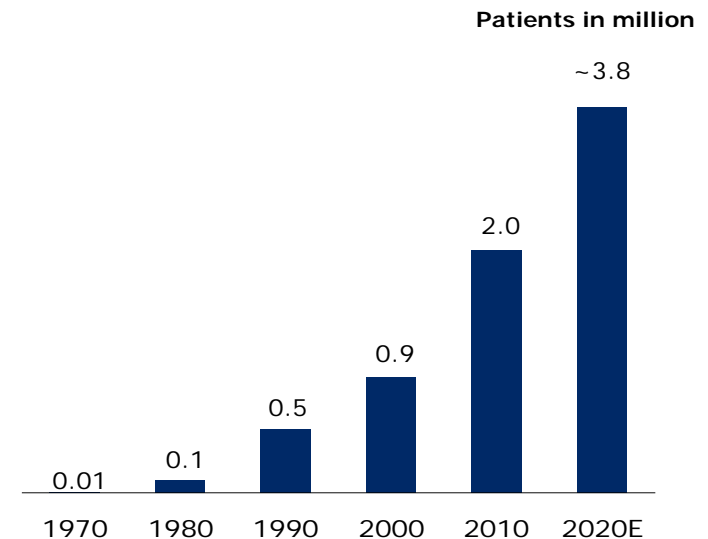


# Fresenius Medical Care: Global Market Leader in Dialysis

- World leader in dialysis products and services treating 290,250 patients in 3,402 clinics worldwide<sup>1</sup>
- Provide highest standard of patient care
  - Vertical integration
  - High quality products & services
  - Complete therapy offerings
- Leader in growing market
  - Dialysis market growing 4% cc and estimated to reach around \$100 bn by 2020
  - Patient growth driven by age, life style and mortality reduction
  - Growth opportunities in emerging markets

## Industry Dynamics

- ~6% global patient growth p.a.
- ~3.8 million patients by 2020 expected



1 – As of September 30, 2015

# Fresenius Medical Care: Market Leader in All Regions<sup>1</sup>

## North America

Provider	Patients	Countries
FRESENIUS MEDICAL CARE	180,250	2
Davita	179,000	1
U.S. RENAL CARE	16,100	1
DCi	14,800	1
AMERICAN RENAL ASSOCIATES	12,300	1
DSI	7,440	1

## Latin America

Provider	Patients	Countries
FRESENIUS MEDICAL CARE	30,120	7
Baxter	8,990	2
DIAVERUM	4,500	3
Davita	2,470	1
B BRAUN	930	1

## Europe, Middle East, Africa

Provider	Patients	Countries
FRESENIUS MEDICAL CARE	53,890	25
DIAVERUM	22,100	15
KFH	18,800	1
B BRAUN	13,900	18
RHV - Der Dialysepartner	6,900	1
Davita	4,000	4
Baxter	2,660	3

## Asia Pacific

Provider	Patients	Countries
FRESENIUS MEDICAL CARE	26,000	12
医療法人社団 松和会 MEIRIKAI CORPORATION SHOUWAKAI	5,100	1
徳洲会グループ TOKUSHUKAI GROUP	4,000	1
B BRAUN	3,880	5
Davita	2,060	5
DIAVERUM	500	1

1 – Company data and estimates, as of September 30, 2015

## Fresenius Medical Care: Key Figures Q1-Q3/2015

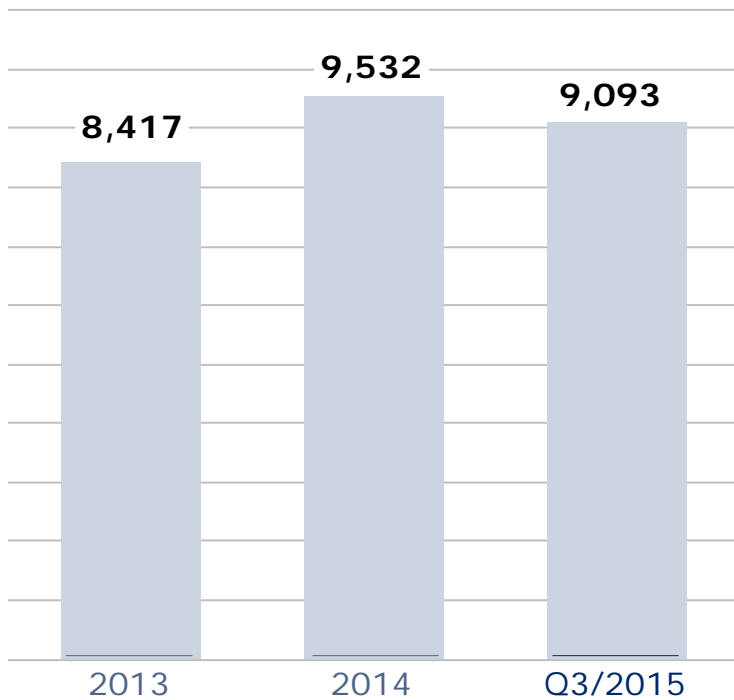
<i>\$ million</i>	Q1-Q3/2015	Q1-Q3/2014	Growth
<b>Total Sales</b>	<b>12,390</b>	<b>11,511</b>	<b>+8%<sup>1</sup></b>
<b>EBITDA</b>	<b>2,202</b>	<b>2,105</b>	<b>+5%</b>
<i>EBITDA margin</i>	<i>17.8%</i>	<i>18.3%</i>	
<b>EBIT</b>	<b>1,665</b>	<b>1,591</b>	<b>+5%</b>
<i>EBIT margin</i>	<i>13.4%</i>	<i>13.8%</i>	
<b>Net income<sup>2</sup></b>	<b>713</b>	<b>710</b>	<b>+0%</b>

1 – 7% organic growth, 7% acquisitions, -1% divestitures, -5% currency effects

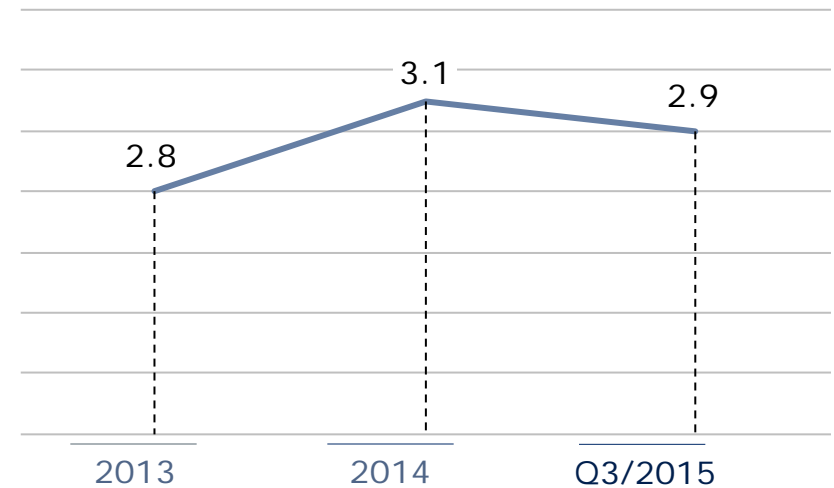
2 – Net Income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

# Fresenius Medical Care: Leverage Ratio and Ratings

**Total debt**  
\$ million



**Debt/EBITDA**



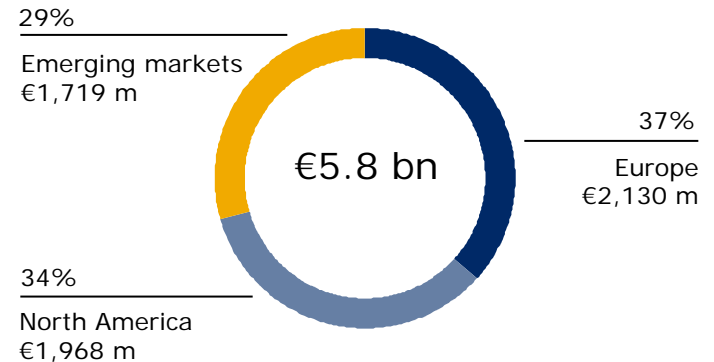
Current Ratings	S&P	Moody's	Fitch
Company	BBB-	Ba1	BB+
Outlook	stable	stable	stable



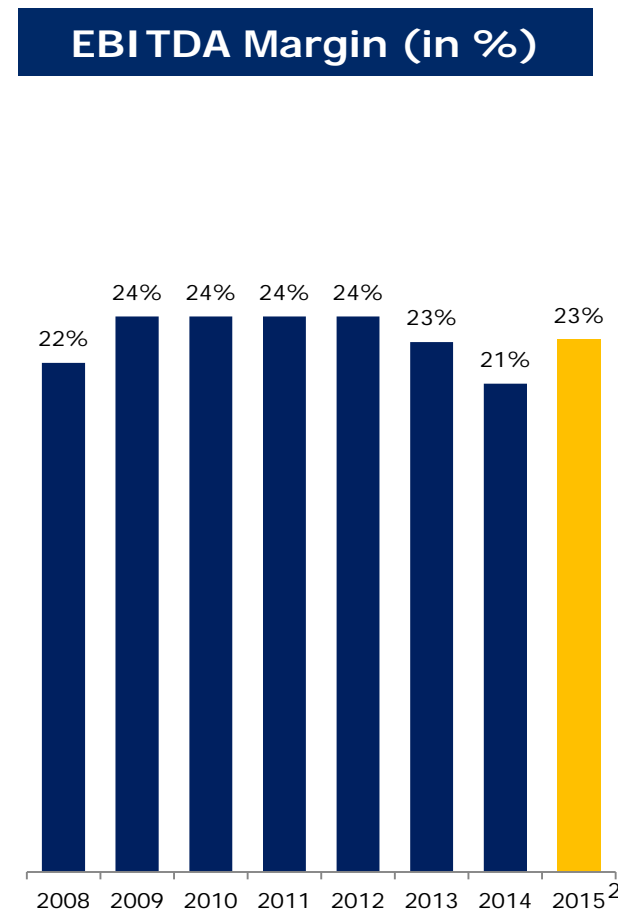
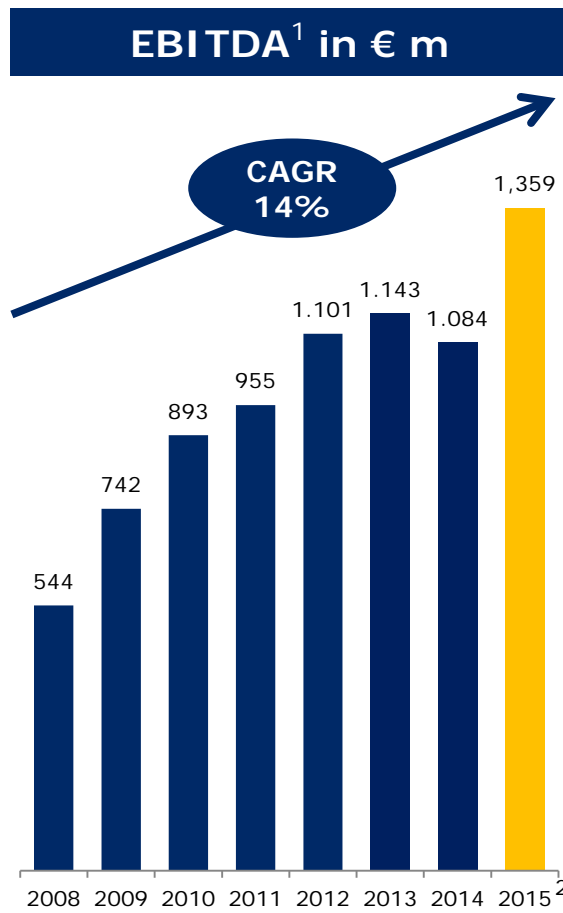
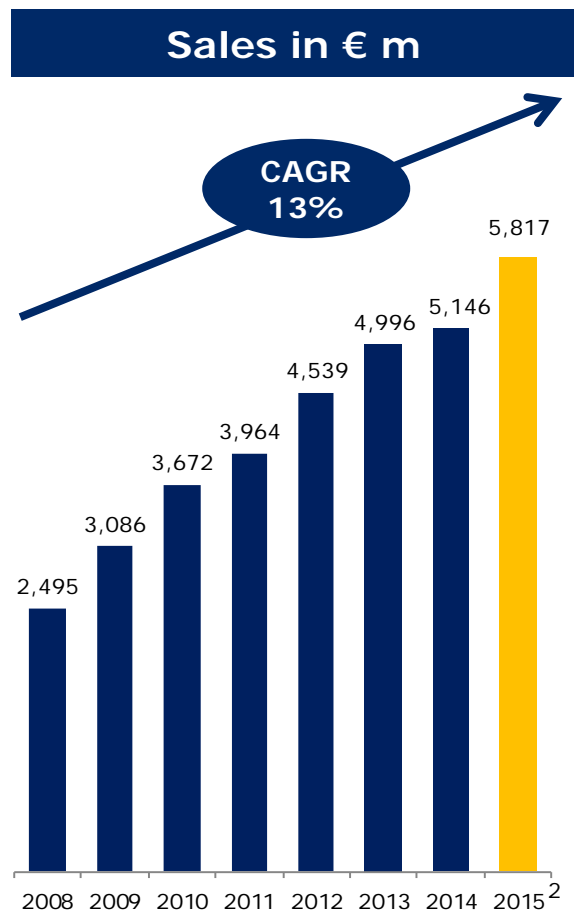
# Fresenius Kabi: A Worldwide Leading Hospital Supplier

- Comprehensive product portfolio for critically and chronically ill patients
  - IV Drugs
  - Clinical Nutrition
  - Infusion Therapy
  - Medical Devices / Transfusion Technology
- Global addressable market: >€29 bn
- Leading market positions
- Focus on organic growth driven by geographic product rollout and robust product pipeline
- Aim to expand the business through selective acquisitions

## LTM September 2015 Sales by Region



# Fresenius Kabi: Strong Growth Track Record & High Profitability



1 – Before special items

2 – LTM September

# Fresenius Kabi: Key Figures Q1-Q3/2015

<i>\$ million</i>	<b>Q1-Q3/2015</b>	<b>Q1-Q3/2014</b>	<b>Growth</b>
<b>Sales</b>	<b>4,431</b>	<b>3,760</b>	<b>+18%</b> <sup>1</sup>
- I.V. Drugs	1,802	1,312	+37%
- Clinical Nutrition	1,167	1,020	+14%
- Infusion Therapy	704	724	-3%
- Medical Devices/ Transfusion Technology	758	704	+8%
<b>EBITDA</b> <sup>2</sup>	<b>1,060</b>	<b>785</b>	<b>+35%</b>
<i>EBITDA margin</i>	23.9%	20.9%	
<b>EBIT</b> <sup>2</sup>	<b>872</b>	<b>634</b>	<b>+38%</b>
<i>EBIT margin</i>	19.7%	16.9%	
<b>Net income</b> <sup>3</sup>	<b>479</b>	<b>337</b>	<b>+42%</b>

1 – 9% organic growth, 1% acquisitions, -2% divestitures, 10% currency effects

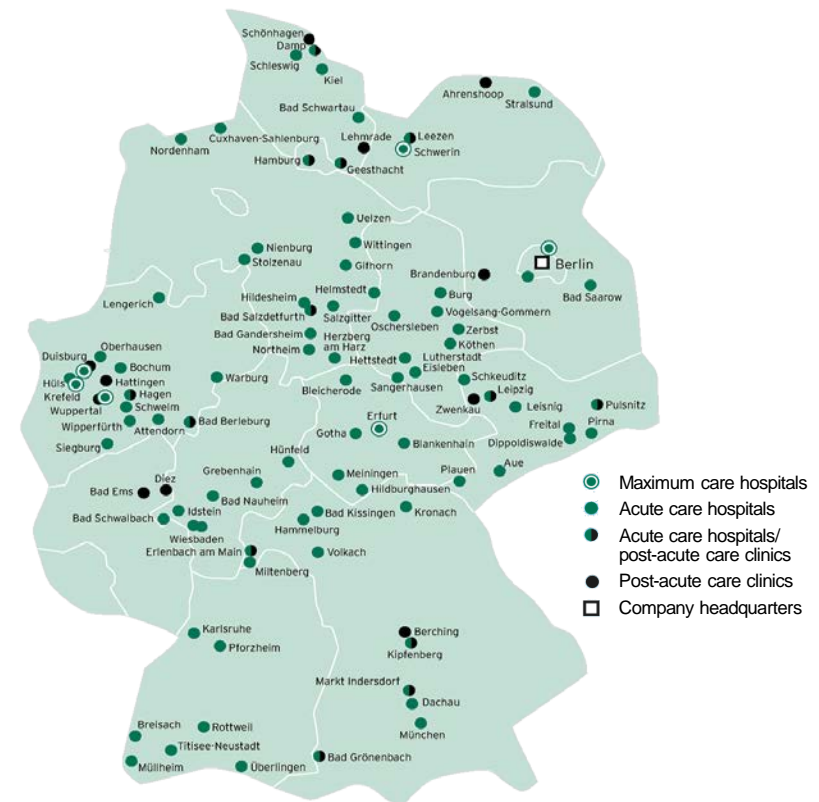
2 – Before special items

3 – Net income attributable to shareholders of Fresenius Kabi AG; before special items

# Fresenius Helios: Leading Hospital Operator in Germany

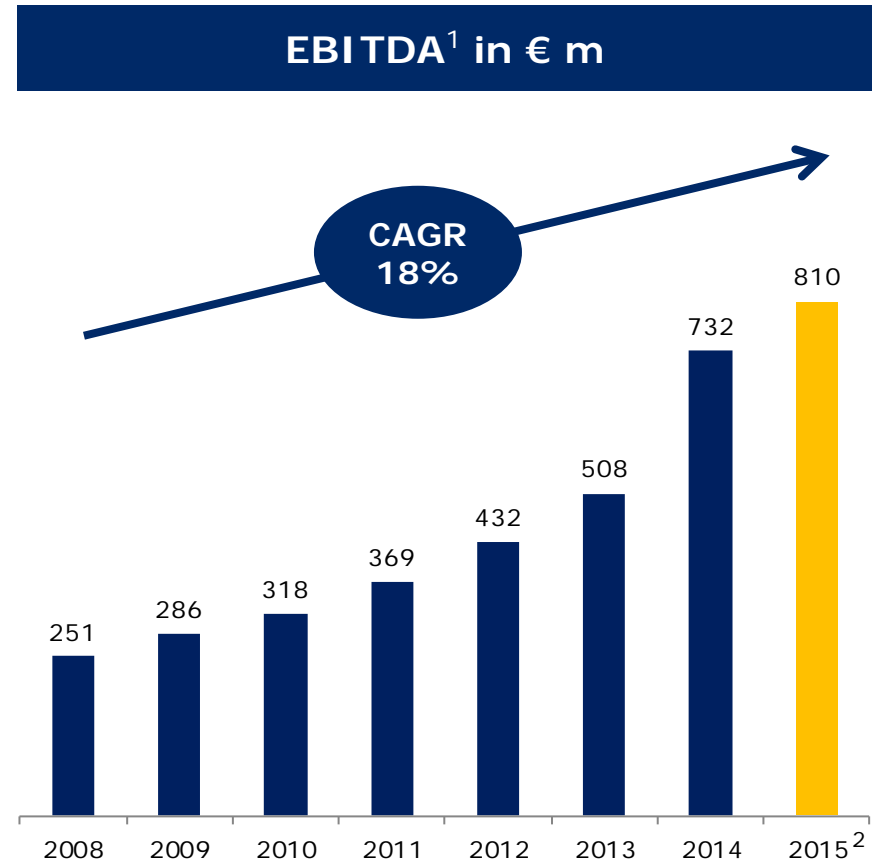
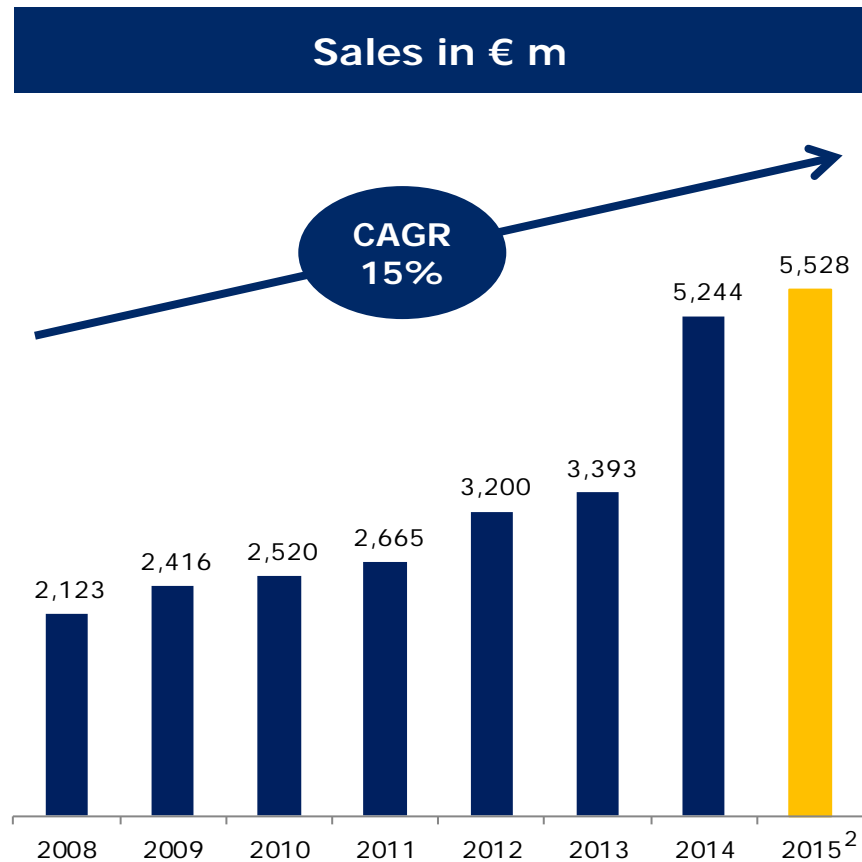
- German Acute Care Hospital Market:  
~€87 bn<sup>1</sup>, thereof 18% privatized
- 6% share in German Acute Care Hospital Market
- High-quality medical care
- Solid organic growth based on growing number of admissions and reimbursement rate increases
- Strong track record in hospital operations and acquisitions: targeting 12 – 15% EBIT margin within 6 years per individual clinic location
- Negligible bad debt ratio due to comprehensive insurance coverage of German population

## Largest Network with 111 Hospitals



1 – German Federal Statistical Office 2014; total costs, gross of the German hospitals less academic research and teaching

# Fresenius Helios: Strong Growth Track Record & Increased Profitability



1 – Before special items  
2 – LTM September

## Fresenius Helios: Key Figures Q1-Q3/2015

<i>\$ million</i>	Q1-Q3/2015	Q1-Q3/2014	Growth
<b>Total Sales</b>	<b>4,167</b>	<b>3,883</b>	<b>+7%</b> <sup>1</sup>
<b>EBITDA</b> <sup>2</sup>	<b>612</b>	<b>534</b>	<b>+15%</b>
<i>EBITDA margin</i>	<i>14.7%</i>	<i>13.8%</i>	
<b>EBIT</b> <sup>2</sup>	<b>472</b>	<b>397</b>	<b>+19%</b>
<i>EBIT margin</i>	<i>11.3%</i>	<i>10.2%</i>	
<b>Net income</b> <sup>3</sup>	<b>352</b>	<b>286</b>	<b>+23%</b>

1 – 3% organic growth, 5% acquisitions, -1% divestitures

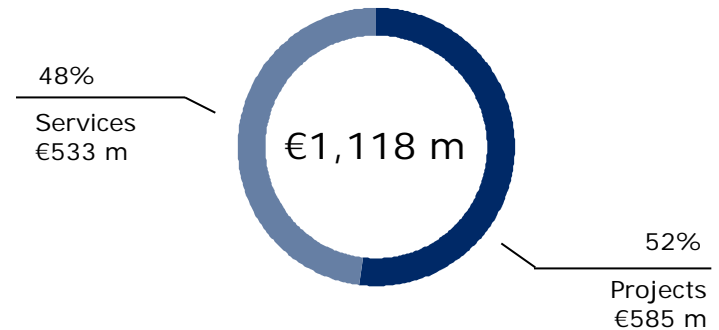
2 – Before special items

3 – Net income attributable to shareholders of HELIOS Kliniken GmbH; before special items

# Fresenius Vamed: A Leading Global Specialist in Hospital Projects and Services

- Specialized in project development building hospital infrastructure and providing hospital services (technical services and operational management)
- Track record:
  - >710 health care projects in 77 countries successfully completed
  - Services provided to 510 hospitals and 130,000 beds globally
- Continuous demand for hospital infrastructure and operating efficiency; key markets Europe, Asia-Pacific, Africa

## LTM September 2015 Sales by Business

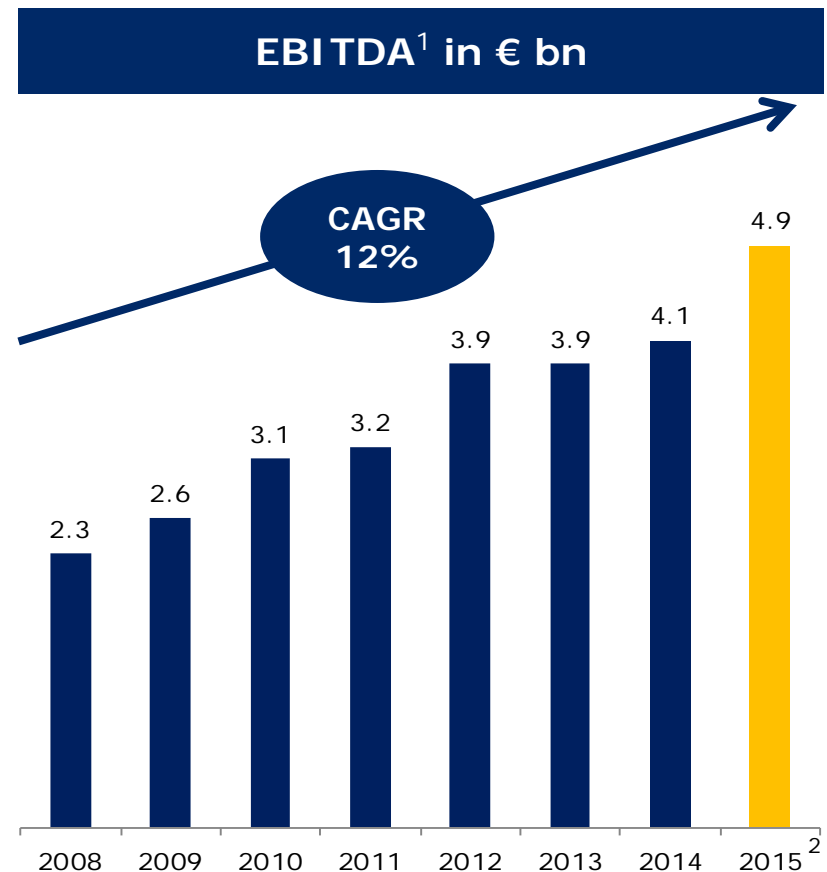
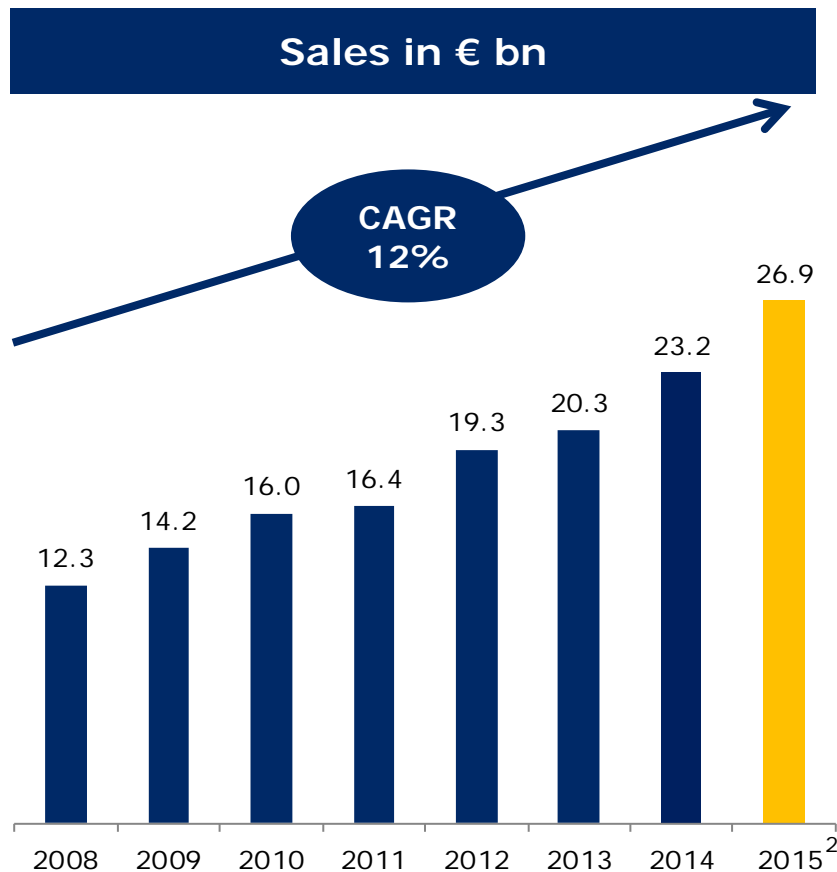


# Financial Overview





# Fresenius Group: Demonstrated Strong Sales and EBITDA Growth



1 – Before special items

2 – LTM September

## Fresenius Group: Key Figures Q1-Q3/2015







<i>€ million</i>	Q1-Q3/2015	Q1-Q3/2014	Change actual rates	Change constant rates
<b>Sales</b>	<b>20,369</b>	<b>16,711</b>	<b>+22%</b> <sup>1</sup>	<b>+11%</b>
<b>EBITDA</b> <sup>2</sup>	<b>3,674</b>	<b>2,905</b>	<b>+26%</b>	<b>+13%</b>
<b>EBIT</b> <sup>2</sup>	<b>2,849</b>	<b>2,223</b>	<b>+28%</b>	<b>+14%</b>
Interest, net	-476	- 431	-10%	+1%
<b>EBT</b> <sup>2</sup>	<b>2,373</b>	<b>1,792</b>	<b>+32%</b>	<b>+17%</b>
Taxes <sup>2</sup>	-703	-529	-33%	-17%
<b>Net income</b> <sup>3</sup>	<b>1,670</b>	<b>1,263</b>	<b>+32%</b>	<b>+17%</b>
<b>Employees</b>	<b>220,853</b>	<b>214,401</b>		

1 – 6% organic growth, 5% acquisitions, 11% currency effects

2 – Before special items

3 – Net income incl. attributable to non-controlling interest; before special items

# Fresenius Group: Cash Flow Development LTM September 30, 2015

€ million	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	798	13.7%	-337	-5.8%	461	7.9%
	540	9.8%	-258	-4.7%	282	5.1% <sup>3</sup>
	-9	-0.8%	-11	-1.0%	-20	-1.8%
Corporate/ Other	-16	n.a.	-9	n.a.	-25	n.a.
	<b>1,313</b>	<b>11.2%</b> <sup>2</sup>	<b>-615</b>	<b>-5.0%</b>	<b>698</b>	<b>6.2%</b> <sup>2</sup>
	1,728	12.0%	-792	-5.5%	936	6.5%
	<b>3,041</b>	<b>11.3%</b>	<b>-1,407</b>	<b>-5.2%</b>	<b>1,634</b>	<b>6.1%</b>

Margin = in % of sales

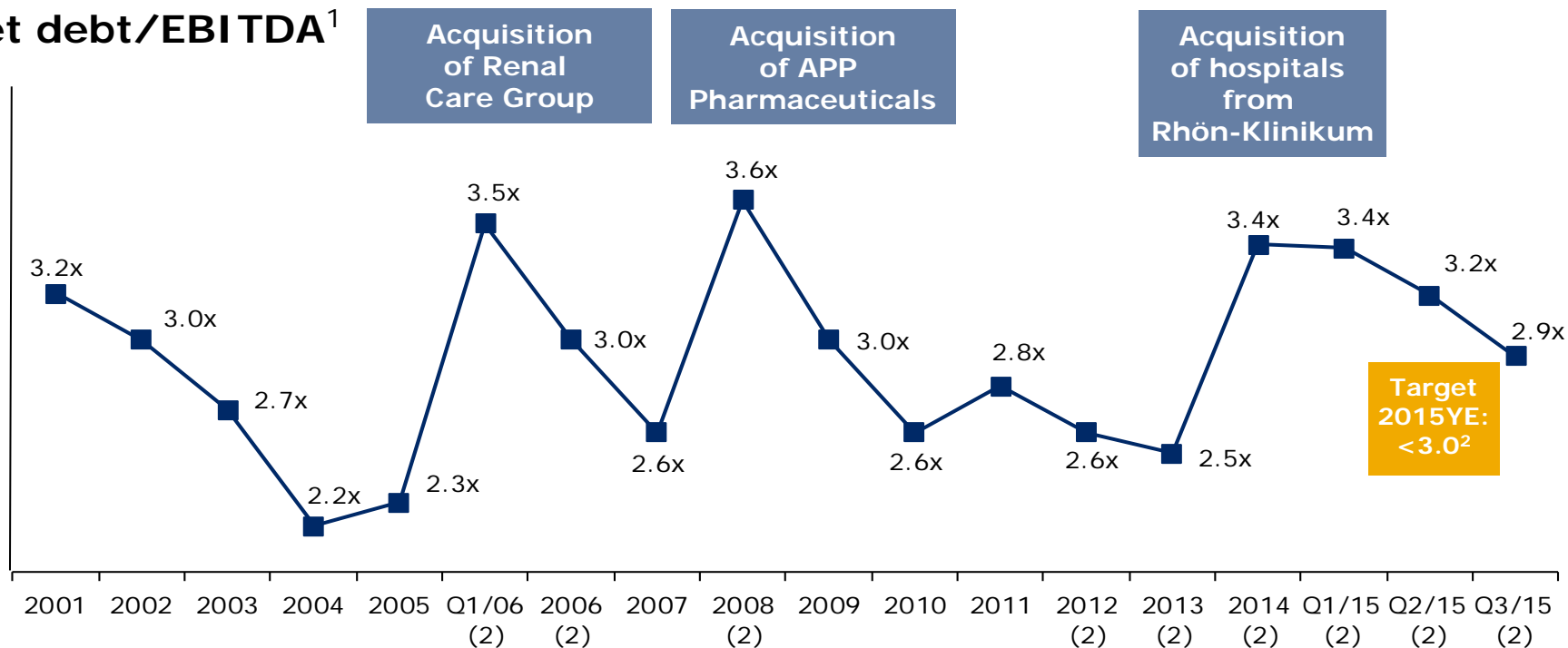
1 – Before acquisitions and dividends

3 – Understated: 5.8% excluding €37 million of capex commitments from acquisitions

2 – Margin incl. FMC dividend

# Fresenius Group: Proven Track Record of Deleveraging

## Net debt/EBITDA<sup>1</sup>

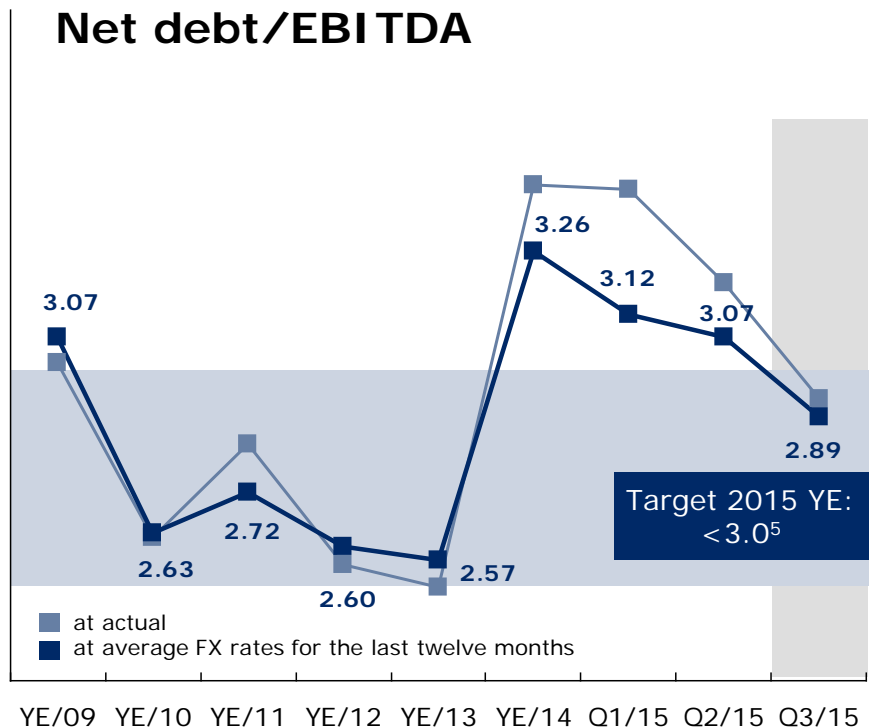


1 – At average exchange rates for the last twelve months for both net debt and EBITDA; before special items

2 – Pro forma acquisitions; before special items

# Fresenius Group: Debt and Interest Ratios

	Sept 30, 2015	Dec 31, 2014
Debt (€m)	15,237	15,454
thereof 51% \$ denominated		
Net debt (€m)	14,262	14,279
Net debt/EBITDA	2.93 <sup>1,2</sup>	3.41 <sup>3,4</sup>
EBITDA/Interest	7.7 <sup>2</sup>	6.8 <sup>3</sup>



1 – Pro forma including Fresenius Medical Care acquisitions

2 – Before integration costs, disposal gains (two HELIOS hospitals) and costs for Fresenius Kabi efficiency program

3 – Before integration costs and disposal gains (two HELIOS hospitals; Rhön stake)

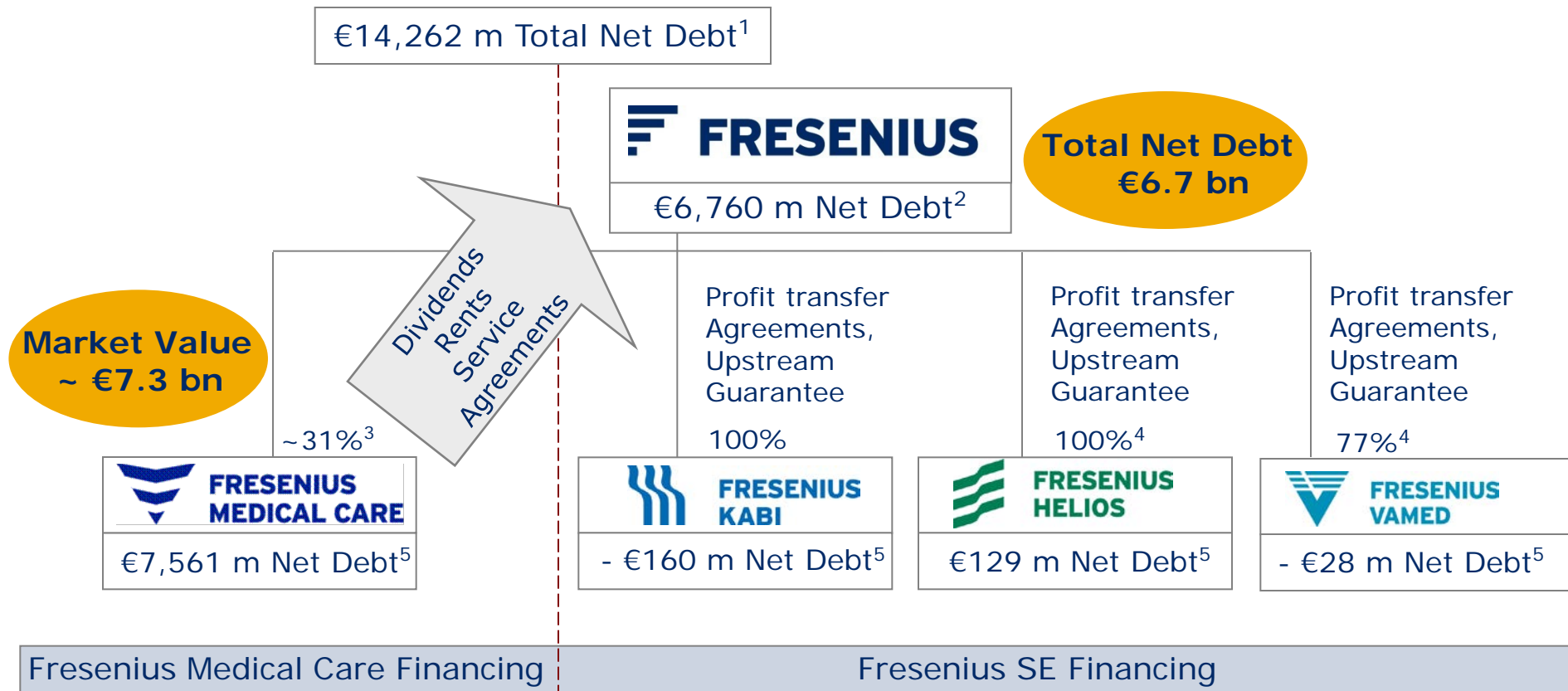
4 – Pro forma including acquired Rhön hospitals and Fresenius Medical Care acquisitions; excluding two HELIOS hospitals

5 – At average exchange rates for the last twelve months for both net debt and EBITDA; before special items

# Financing Facilities and Debt Structure



# Fresenius Group: Current Debt and Cash Flow Structure – September 30, 2015



1 – External debt as of September 30, 2015

2 – Incl. Fresenius Finance B.V. and other financing subsidiaries

3 – Controlling stake

4 – As held by Fresenius ProServe GmbH, a wholly owned subsidiary of Fresenius SE & Co. KGaA, which provides the guarantees

5 – Incl. subsidiaries

# Fresenius Group: Capitalization – September 30, 2015

	€ million	\$ million <sup>4</sup>	% of total cap	EBITDA LTM x
FSE 2013 Credit Agreement: Revolver (€, \$)	179	200	0.3%	
FSE 2013 Credit Agreement: Term Loan A (€, \$)	1,806	2,023	2.7%	
FSE 2013 Credit Agreement: Term Loan B (\$)	437	490	0.6%	
Senior Notes (€, \$)	2,734	3,063	4.0%	
Convertible Bonds	467	523	0.7%	
Euro Notes	917	1,027	1.4%	
Commercial Paper	220	246	0.3%	
Other debt, gross	426	477	0.6%	
<b>Total Debt (FSE excl. FMC), gross</b>	<b>7,186</b>	<b>8,050</b>	<b>10.6%</b>	
Cash (excl. FMC)	420	471	0.6%	
<b>Total debt (FSE excl. FMC), net</b>	<b>6,766</b>	<b>7,579</b>	<b>10.0%</b>	
Total FMC debt, net <sup>1</sup>	7,496	8,398	11.2%	
<b>Total consolidated debt, net</b>	<b>14,262</b>	<b>15,977</b>	<b>21.2%</b>	<b>2.9x</b> <sup>3</sup>
Market capitalization <sup>2</sup>	52,984	57,891	78.8%	10.9x
<b>Total capitalization</b>	<b>67,246</b>	<b>73,868</b>	<b>100.0%</b>	<b>13.8x</b>
<b>FSE Group EBITDA<sup>3</sup></b>				<b>4,870</b>

1 - Net of Cash and intercompany adjustments

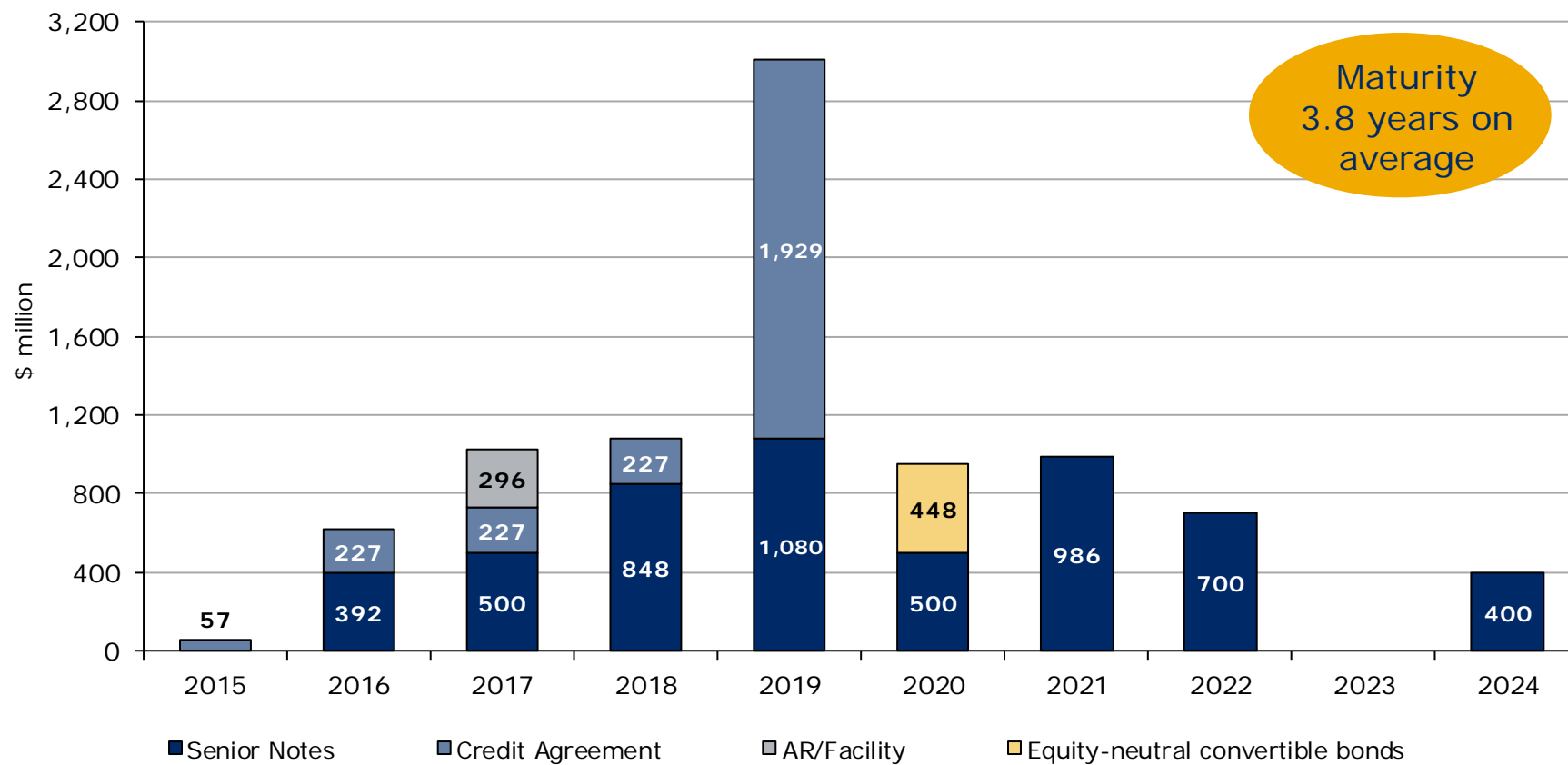
2 - Based on market capitalization for FSE and FMC as of December 30, 2015

3 - Before special items

4 - Exchange rate as of September 30, 2015, except for market capitalization which uses exchange rate as of December 30, 2015

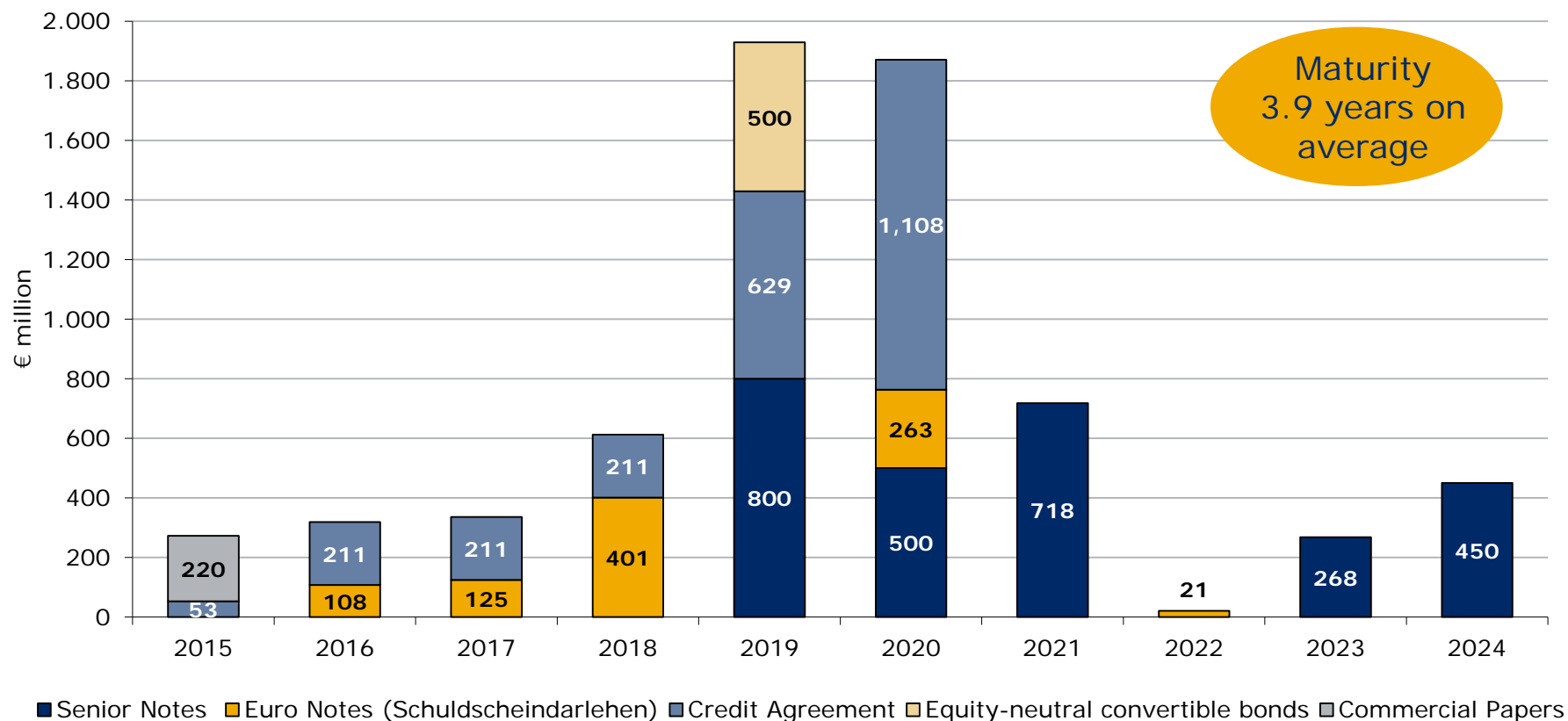


# Fresenius Medical Care: Debt Maturity Profile<sup>1</sup> – September 30, 2015



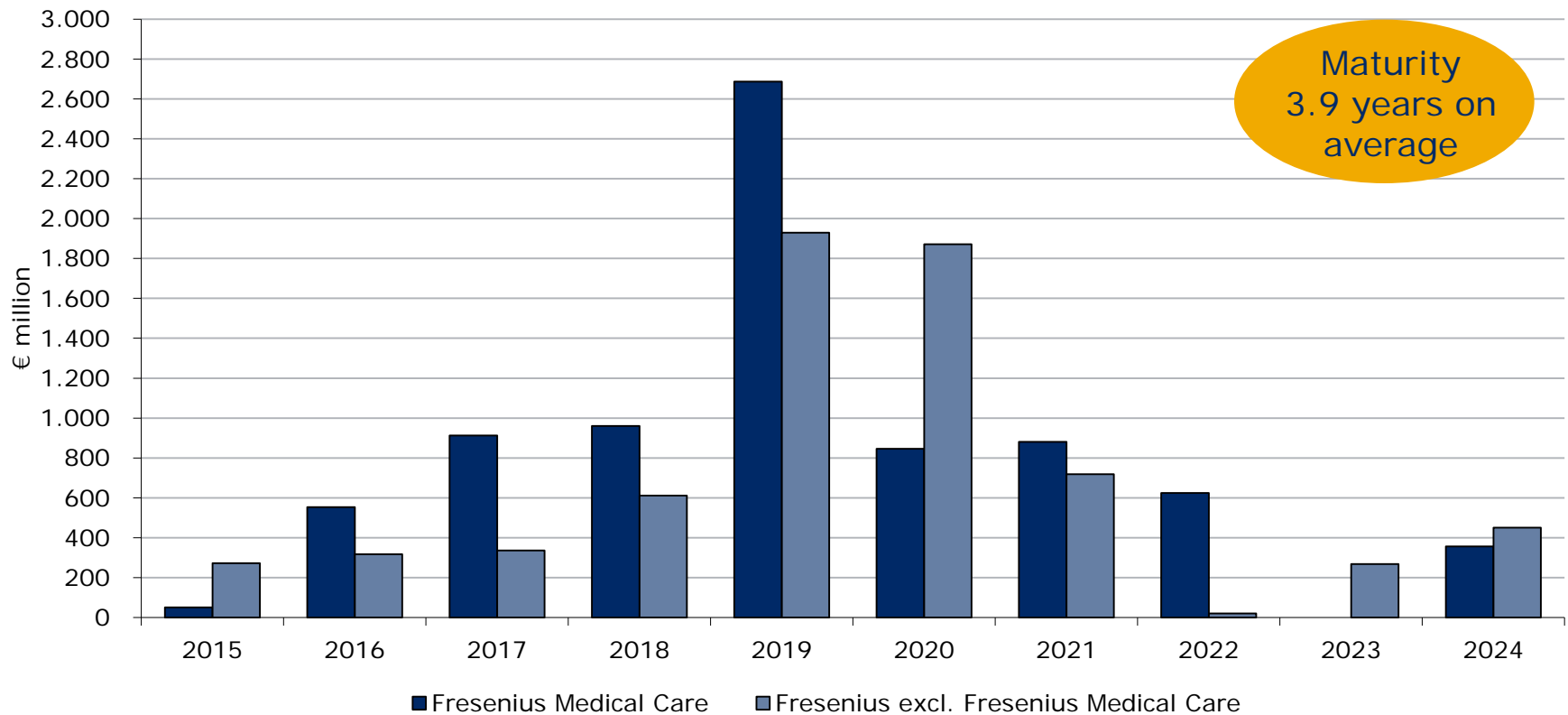
1 – Based on utilization of major financing instruments

# Fresenius Group excl. FMC: Debt Maturity Profile<sup>1</sup> – September 30, 2015



1 – Based on utilization of major financing instruments

# Fresenius Group: Debt Maturity Profile<sup>1</sup> – September 30, 2015



1 – Based on utilization of major financing instruments

# Summary and Outlook










## Fresenius Medical Care: Financial Outlook

	2015E	2016 Projection
<b>Sales</b>	5-7% 10-12% cc	7-10% cc
<b>Net Income</b>	0-5%	15-20%

- Based on current exchange rates
- Including savings from the Global Efficiency Program
- Potential acquisitions not included
- Based on the execution and the operating cost investments within Care Coordination - in line with FME's 2020 strategy

# Fresenius Group: New Outlook for Fresenius Kabi and Fresenius Vamed

		Previous	New <sup>1</sup>	
<b>Fresenius Kabi</b>	Sales growth organic	6% – 8%	~ 8%	
	EBIT growth constant currency	18% – 21%	19% – 22%	
<b>Fresenius Helios</b>	Sales growth organic	3% – 5%	3% – 5%	
	Sales growth reported	6% – 9%	6% – 9%	
	EBIT	€630 – 650 m	€630 – 650 m	
<b>Fresenius Vamed</b>	Sales growth organic	single-digit %	5% – 10%	
	EBIT growth	5% – 10%	5% – 10%	

1 – Post Q3 earnings release

## Fresenius Group: Increased Earnings Guidance

	Previous	New <sup>1</sup>	
Revenue growth at constant currency	8% – 10%	8% – 10%	✓
Net income growth <sup>2</sup> at constant currency	18% – 21%	20% – 22%	↑
Net Debt/EBITDA <sup>3</sup>	~ 3.0x	< 3.0x	↑

1 - Post Q3 earnings release

2 - Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before integration costs for hospitals of Rhön-Klinikum AG (€12 m before tax), before costs for efficiency program at Fresenius Kabi (~€100 m before tax) and disposal gains from the divestment of two HELIOS hospitals (€34 m before tax); 2014 before special items

3 - At average exchange rates for the last twelve months for both net debt and EBITDA; before special items

# Fresenius Group: Ideal Strategic Posture to Benefit from Major Healthcare Trends



## Aging population and higher incidence of chronic diseases

*World population aged 60+ will more than double by 2050 to >2 bn (OECD)*



## Increasing health care spending in emerging markets

*Increasing health care coverage and per capita spending (e.g. India: \$157, China: \$480, vs. USA: \$8,895; WHO)*



## Continuing growth of generics

*Approx. \$19 bn branded IV drug sales (base: 2013) go off-patent in the U.S. by 2023*



## Rise of private providers in health care services

*Further privatization of German hospital market  
Global opportunity to provide dialysis services (e.g. China, India)*



## Fresenius Group: Attractive Mid-Term Growth Prospects Exceeding Target at Current FX Rates

- Mid-Term Target as released early 2014: ~ €30 billion sales, €1.4 to €1.5 billion net income<sup>1</sup> by 2017
- 2017 net income target will be reached **2 years ahead of schedule**; new mid-term targets in February 2016



**Strong and Balanced Health Care Portfolio**

1 – Excl. attributable non-controlling interest

## Fresenius Group: Investment Highlights

Diversified revenue base with four strong business segments

Global presence in growing, non-cyclical markets

Leading market positions

Proven ability to integrate acquisitions

Clear track record of and commitment to de-leveraging

Strong financial performance and cash flow generation



# A Leading Global Healthcare Group

