

# Goldman Sachs 10<sup>th</sup> Annual European Medtech and Healthcare Services Conference

September 4, 2013



## 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.

## Fresenius Group: Financial Results

	Sales	EBIT <sup>1</sup>	Net income <sup>1</sup>
H1/13	€9,987 m	€1,448 m	€482 m
Growth at constant currency rates	9%	2%	12%
Growth at actual currency rates	8%	1%	11%

<sup>1</sup> Before one-time items

## Fresenius Group: Financial Results by Business Segment

H1/13	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
Sales Growth	US\$7,076 m 6%	€2,519 m 13%	€1,695 m 11%	€421 m 21%
EBIT Growth	US\$1,038 m -5%	€469 m 4%	€179 m 19%	€15 m 7%

## Q2 Business Update

### Operations & Markets



#### FDA inspections

- Significant remediation efforts ongoing; Kalyani plant start-up underway
- Confirm previous estimate of up to €50 million net one-time charges<sup>1</sup> to remediate manufacturing issues

#### U.S. drug shortages / Propofol

- Shortage list mid-July: 101 I.V. drugs; 31 marketed by Kabi (end of April: 98 I.V. drugs; 28 marketed by Kabi)
- Propofol: June shipments 20% above May volumes; expect July shipments similar to June

#### Fenwal integration on track

- European operations fully integrated into Kabi organization
- APP und Fenwal U.S. headquarters combined



<sup>1</sup> After Calea investment gain

# Q2 Business Update

## Operations & Markets



### Additional funding for German hospitals

- Expect ~€10 – 15 million earnings upside for 2013 and ~€20 million upside for 2014

### Clinic development plan – new, ambitious target

- 12 – 15% EBIT margin vs. 15% EBITDA previously; FY 2012 D&A was 3.4%
- Acute care and post-acute care clinics included
- Implementation period: 6 yrs vs. 5 yrs




### €173 million turnkey hospital project in Austria

- Largest single order in VAMED history



# Q2 Business Update

## Strategic Initiatives



**FRESENIUS  
KABI**

**Emerging markets expansion**

- Acquisition of JYM infusion and nutrition pump business in China – platform for future medical device growth in Asia
- Acquisition of two compounding centers in Colombia – grow clinical nutrition business in Latin America
- Promising acquisition pipeline to expand presence in fast-growing markets

**U.S. product approvals/launches**

- 510(k) clearance for AGILIA infusion system
- Regulatory discretion to import injectable nutrition products
- 2 I.V. drugs




**FRESENIUS  
BIOTECH**

**Sale of Fresenius Biotech**

- Positive effect on 2013 Group earnings, forecast H2/13 EBIT loss of ~€10 million will not materialize





## Fresenius Group: Financial Outlook by Business Segment Raised or Fully Confirmed

		Previous	New	
<b>Fresenius Kabi</b>	Sales growth cc	12% – 14%		✓
	Sales growth organic	3% – 5%		✓
	EBIT margin excl. Fenwal	19% – 20%		✓
	EBIT margin incl. Fenwal	18% – 19%		✓
<b>Fresenius Helios</b>	Sales growth organic	3% – 5%		✓
	EBIT	€360 – €380 m	€370 – €395 m	↑
<b>Fresenius Vamed</b>	Sales growth	8% – 12%		✓
	EBIT growth	5% – 10%		✓

2013 Fresenius Kabi EBIT guidance excluding Fenwal integration costs (~€50 million).



## Fresenius Group: Earnings Outlook Raised

	Previous	New
Revenue growth at constant currency	7% – 10%	
Net income growth <sup>1</sup> at constant currency	7% – 12%	11% – 14% 

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2013 adjusted for Fenwal integration costs (~€50 million pre-tax); 2012 adjusted for a non-taxable investment gain of €34 million and other one-time costs of €17 million at Fresenius Medical Care and for one-time costs of €29 million related to the offer to RHÖN-KLINIKUM AG shareholders.

## Fresenius Group: Profit and Loss Statement

€m	Q2/13	H1/13	Growth Q2/13 YoY	
			actual rates	constant rates
Sales	5,097	9,987	6%	7%
EBIT <sup>1</sup>	752	1,448	-3%	-2%
Net interest	-150	-313	10%	8%
Income taxes	-168	-323	12%	10%
Net income <sup>2</sup>	258	482	10%	11%

<sup>1</sup> 2013 adjusted for Fenwal integration costs (Q2: €20 million; H1: €27 million)

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA, 2013 adjusted for Fenwal integration costs (Q2: €15 million; H1: €20 million)

2012 adjusted for investment gain of €34 million at Fresenius Medical Care (Q2: €4 million; H1: €34 million ) and for one-time costs related to the offer to RHÖN-KLINIKUM AG shareholders (Q2: €26 million).

## Fresenius Kabi: Organic Sales Growth Fully in Line with Guidance

€m	H1/13	H1/12	Organic Growth
Europe	1,030	974	2%
North America	784	609	6%
Asia-Pacific	456	415	6%
Latin America/Africa	249	236	9%
<b>Total sales</b>	<b>2,519</b>	<b>2,234</b>	<b>4%</b>

## Fresenius Kabi: Organic Sales Growth Fully in Line with Guidance

€m	H1/13	H1/12	Organic Growth
Infusion Therapy	500	500	4%
I.V. Drugs	893	847	7%
Clinical Nutrition	663	648	4%
Medical Devices/ Transfusion Technology	463	239	0%
<b>Total sales</b>	<b>2,519</b>	<b>2,234</b>	<b>4%</b>

## Fresenius Kabi: EBIT Margin Fully in Line with Guidance

€m	H1/13	H1/12	Growth
Europe Margin	178 17.3%	192 19.7%	-7%
North America Margin	291 37.1%	250 41.1%	16%
Asia-Pacific/Latin America/Africa Margin	120 17.0%	131 20.1%	-8%
Corporate and Corporate R&D	-120	-121	1%
<b>Total EBIT (incl. Fenwal) Margin</b>	<b>469 18.6%</b>	<b>452 20.2%</b>	<b>4%</b>
<b>Total EBIT (excl. Fenwal) Margin</b>	<b>451 19.8%</b>	<b>452 20.2%</b>	<b>0%</b>

H1/13 EBIT excluding Fenwal integration costs of €27 million.

## Fresenius Helios: Excellent Sales and EBIT Growth

€m	H1/13	H1/12	Growth
<b>Total sales</b>	<b>1,695</b>	<b>1,525</b>	<b>11%</b>
<b>EBIT</b>			
Established clinic portfolio	175	152	15%
Margin	11.0%	10.0%	
Acquisitions / Divestitures (consolidation / deconsolidation <1 yr)	4	-2	
<b>Total EBIT</b>	<b>179</b>	<b>150</b>	<b>19%</b>
<b>Margin</b>	<b>10.6%</b>	<b>9.8%</b>	

2012 adjusted for post-acute care clinic Zihlschlacht – transferred to Fresenius Vamed as per January 1, 2013.

## Fresenius Vamed: Excellent Sales and EBIT Growth

€m	H1/13	H1/12	Growth
Project business	208	184	13%
Service business	213	164	30%
<b>Total sales</b>	<b>421</b>	<b>348</b>	<b>21%</b>
<b>Total EBIT</b>	<b>15</b>	<b>14</b>	<b>7%</b>
Margin	3.6%	4.0%	
<b>Order intake<sup>1</sup></b>	<b>311</b>	<b>156</b>	<b>99%</b>
<b>Order backlog<sup>1</sup></b>	<b>1,089</b>	<b>987<sup>2</sup></b>	<b>10%</b>

<sup>1</sup> Project business only

<sup>2</sup> December 31, 2012






2012 adjusted for post-acute care clinic Zihlschlacht

## Fresenius Group: Cash Flow

€m	Q2/13	LTM Margin	Q2/12	LTM Margin	Growth YoY
<b>Operating Cash Flow</b>	<b>503</b>	<b>11.2%</b>	<b>598</b>	<b>12.3%</b>	<b>-16%</b>
Capex (net)	-228	-5.0%	-206	-4.7%	-11%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>275</b>	<b>6.2%</b>	<b>392</b>	<b>7.6%</b>	<b>-30%</b>
Acquisitions (net)	-16		-100		84%
Dividends	-396		-350		-13%
<b>Free Cash Flow</b> (after acquisitions and dividends)	<b>-137</b>	<b>-0,1%</b>	<b>-58</b>	<b>-6.3%</b>	<b>-136%</b>



## Cash Flow Development






€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	Q2/13	LTM Margin	Q2/13	LTM Margin	Q2/13	LTM Margin
	106	11.3%	-62	-5.5%	44	5.8%
	47	7.2%	-27	-5.1%	20	2.1% <sup>3</sup>
	-42	-2.2%	-4	-1.3%	-46	-3.5%
Corporate/ Other	-9	n/a	-3	n/a	-12	n/a
 <b>FRESENIUS</b> excl. FMC	<b>102</b>	<b>8.9%<sup>2</sup></b>	<b>-96</b>	<b>-5.0%</b>	<b>6</b>	<b>3.9%<sup>2</sup></b>
 <b>FRESENIUS</b> Group	<b>503</b>	<b>11.2%</b>	<b>-228</b>	<b>-5.0%</b>	<b>275</b>	<b>6.2%</b>

<sup>1</sup> Before Acquisitions and Dividends

<sup>2</sup> Incl. FMC dividend

<sup>3</sup> Understated: 3.0% excluding €28 million of capex commitments from acquisitions

## Cash Flow Development LTM

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	LTM H1/13	LTM Margin	LTM H1/13	LTM Margin	LTM H1/13	LTM Margin
	546	11.3%	-268	-5.5%	278	5.8%
	241	7.2%	-169	-5.1%	72	2.1% <sup>3</sup>
	-20	-2.2%	-12	-1.3%	-32	-3.5%
Corporate/ Other	-26	n/a	-11	n/a	-37	n/a
 <b>FRESENIUS</b> excl. FMC	<b>741</b>	<b>8.9%<sup>2</sup></b>	<b>-460</b>	<b>-5.0%</b>	<b>281</b>	<b>3.9%<sup>2</sup></b>
 <b>FRESENIUS</b> Group	<b>2,249</b>	<b>11.2%</b>	<b>-1,010</b>	<b>-5.0%</b>	<b>1,239</b>	<b>6.2%</b>

<sup>1</sup> Before Acquisitions and Dividends

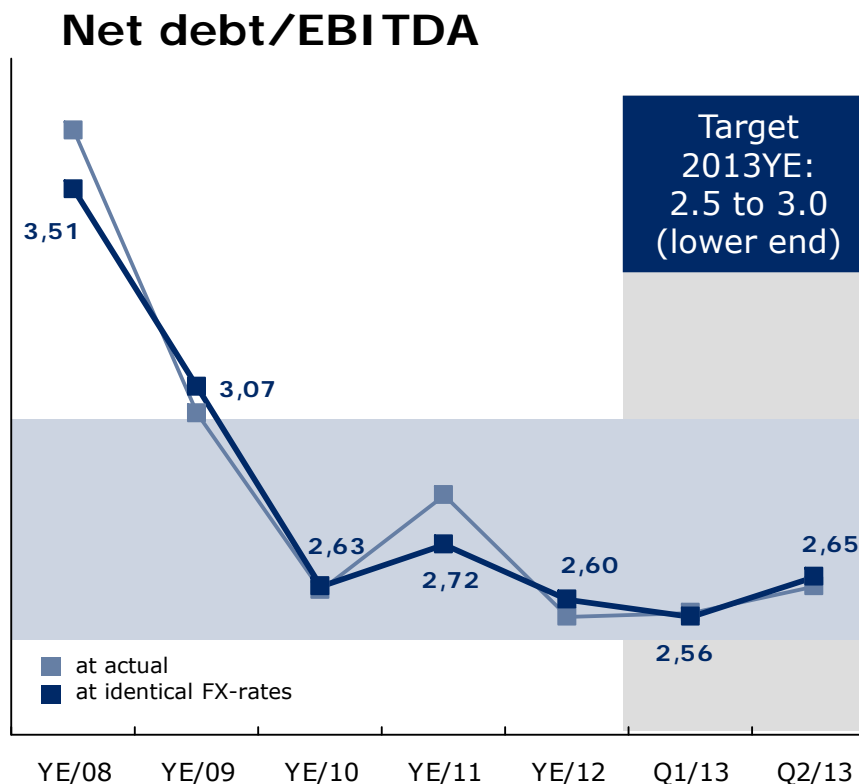
<sup>2</sup> Incl. FMC dividend

<sup>3</sup> Understated: 3.0% excluding €28 million of capex commitments from acquisitions

Margin = in % of sales

# Fresenius Group: Debt and Interest Ratios

	Jun 30, 2013	Dec 31, 2012
Debt (€m) thereof 52% US\$ denominated	11,204	11,028
Net debt (€m)	10,362	10,143
Net debt/EBITDA	2.63 <sup>1,2</sup>	2.56 <sup>3,4</sup>
EBITDA/Interest	5.9	5.8



<sup>1</sup> Pro forma Fenwal

<sup>2</sup> Adjusted for one-time costs (-€1 million) related to the offer to the shareholders of RHÖN-KLINIKUM AG, for other one-time costs (€86 million) at Fresenius Medical Care as well as one-time integration costs (€27 million) at Fenwal

<sup>3</sup> Pro forma including Liberty Dialysis Holdings, Inc., Damp Group, and Fenwal

<sup>4</sup> Adjusted for one-time costs (€6 million) related to the offer to the shareholders of RHÖN-KLINIKUM AG and for other one-time costs (€86 million) at Fresenius Medical Care.

## Share Information

### Share key facts

Number of shares <sup>1</sup>	178,432,957
WKN / ISIN	578560 / DE0005785604
Ticker symbol	FRE
Bloomberg symbol	FRE GR
Reuters symbol	FREG.de

### ADR key facts

Ratio	8 ADRs = 1 ordinary share
ADR CUSIP / ISIN	35804M105 / US35804M1053
Ticker symbol	FSNUY
Exchange	OTC-market
Structure	Sponsored Level I ADR
Depository bank	Deutsche Bank

<sup>1</sup> As of June 30, 2013

## Financial Calendar 2013

05.11.2013      Report on 1<sup>st</sup> – 3<sup>rd</sup> quarter 2013

### **Contact**

Birgit Grund      SVP Investor Relations Fresenius SE & Co. KGaA

Telephone:      +49 6172 608-2485

e-mail:      Birgit.Grund@fresenius.com

For further information and current news: <http://www.fresenius.com>