

# Kepler Cheuvreux One Stop Shop Amsterdam

June 26, 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: 100 Years of Forward Looking Healthcare

Oct. 1 - the day it all began



**1912**

Introduction of dialysis machines and dialyzers



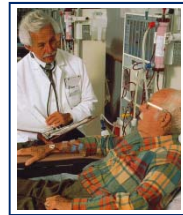
**1966**

IPO



**1986**

No. 1 in dialysis worldwide



**1996**

No. 1 in German hospital operations



**2005**

No. 1 in Transfusion Technology worldwide



**2012**

**1994: Sales >€1 bn**

**2006: Sales >€10 bn**

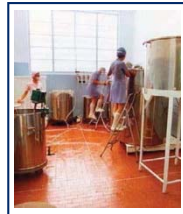
**2013e: Sales >€20 bn**

**1955**



Expansion of the infusion solutions product range

**1977**



Entry into emerging markets (Brazil)

**1996**



Expansion into hospital projects and services



**1999**



No. 1 in Infusion and Nutrition Therapy in Europe



**2008**



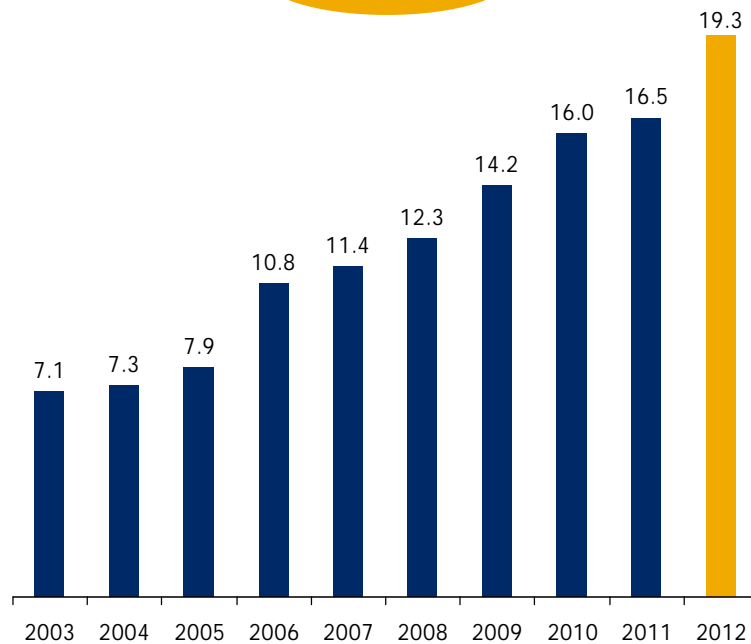
Top 5 in generic IV drugs worldwide

# Fresenius Group: A Decade of Consistent Growth

## Sales

€bn

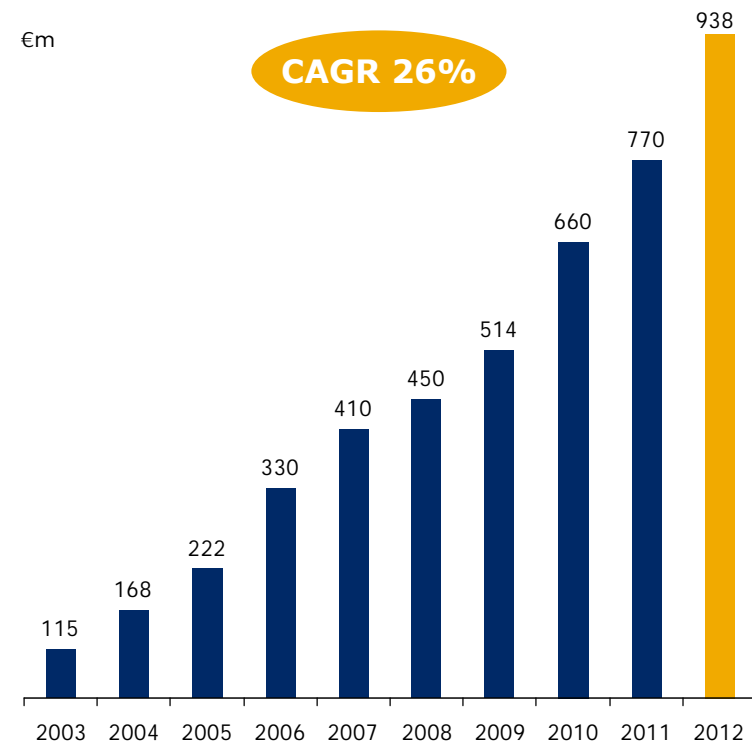
**CAGR 12%**



## Net Income

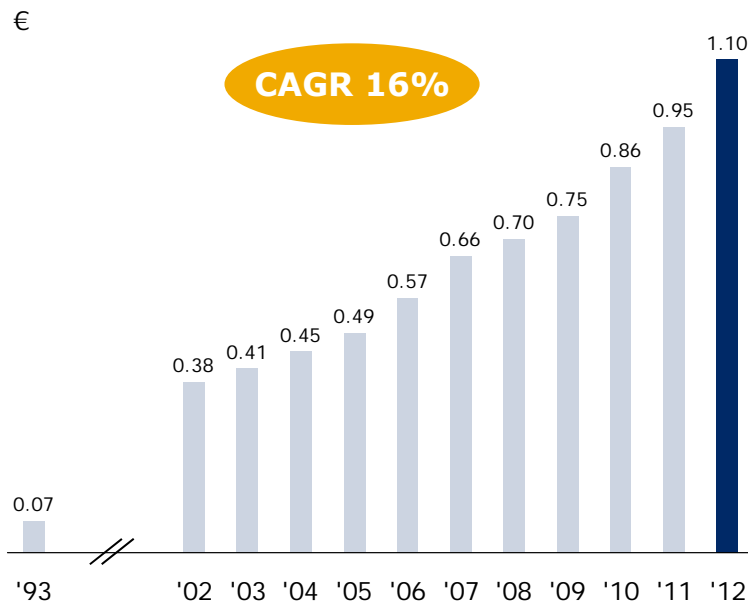
€m

**CAGR 26%**



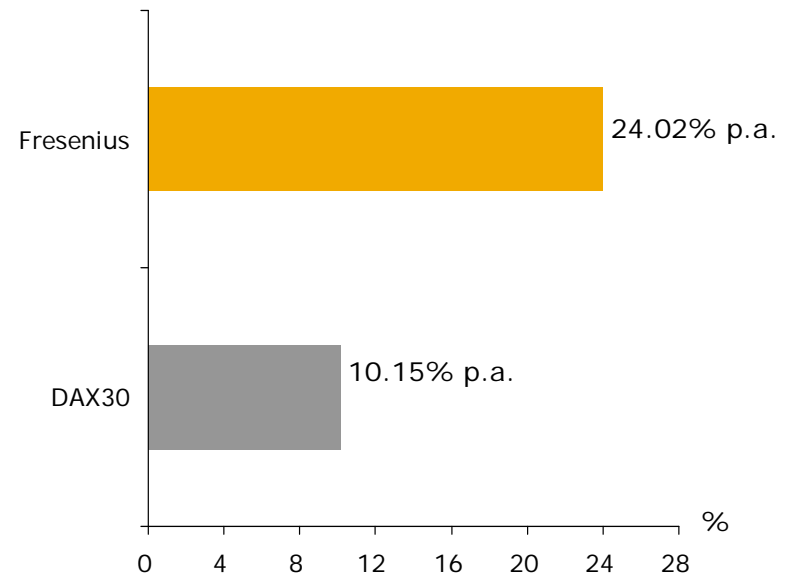
# Fresenius Group: Attractive Long-term Shareholder Returns

**20<sup>th</sup> consecutive dividend increase  
2012: +16%**



**New dividend policy – align dividend growth with EPS<sup>1</sup> growth – broadly maintain current pay-out ratio**

**Fresenius outperforms index**



**Compounded annual total return  
Dec 31, 2002 – Dec 31, 2012**

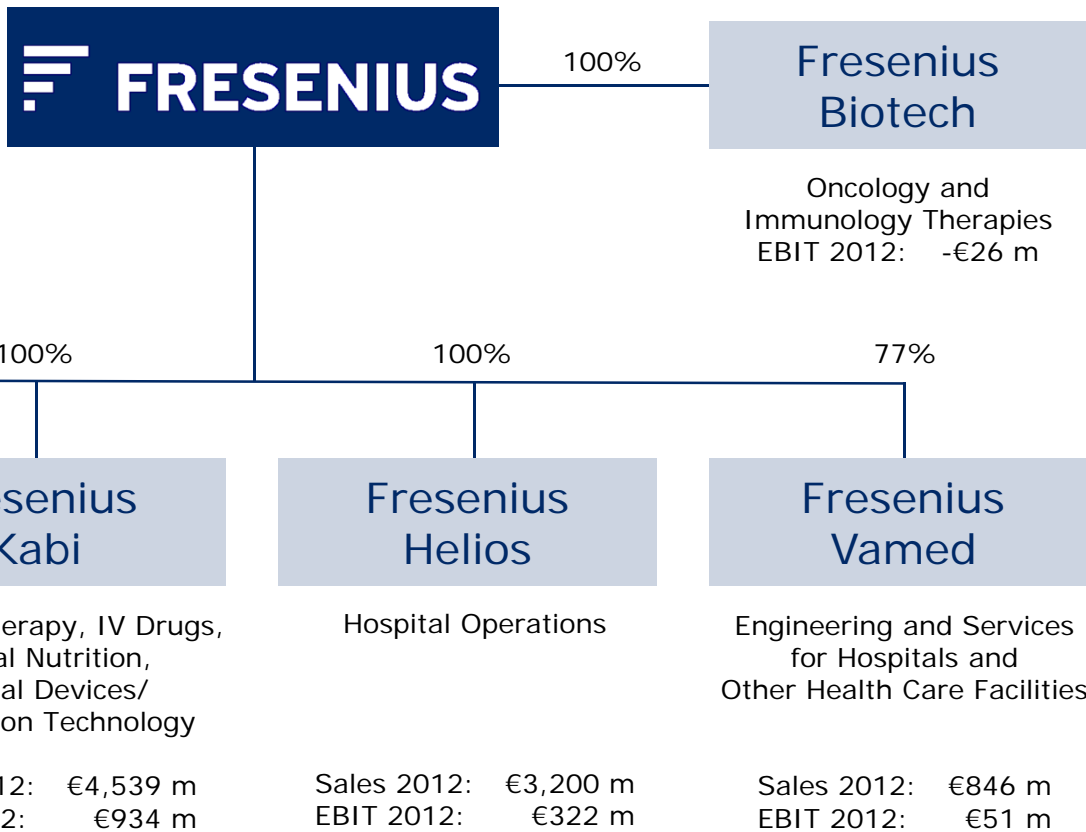
<sup>1</sup> Before one-time items

Source: Bloomberg; dividends reinvested

# Achieving Profitable Growth in Attractive Health Care Segments

**Frankfurt listing (DAX30): FRE**  
**US ADR program (OTC): FSNUY**

Sales 2012: €19.3 bn  
 EBIT 2012: €3,075 m



Fresenius Medical Care is fully consolidated in the financial statements of Fresenius SE & Co. KGaA

## Fresenius Group: Financial Results

	<b>Sales</b>	<b>EBIT<sup>1</sup></b>	<b>Net income<sup>1</sup></b>
Q1/13	€4,890 m	€696 m	€224 m
Growth at constant currency rates	12%	6%	12%
Growth at actual currency rates	11%	5%	12%

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

## Fresenius Group: Financial Results by Business Segment

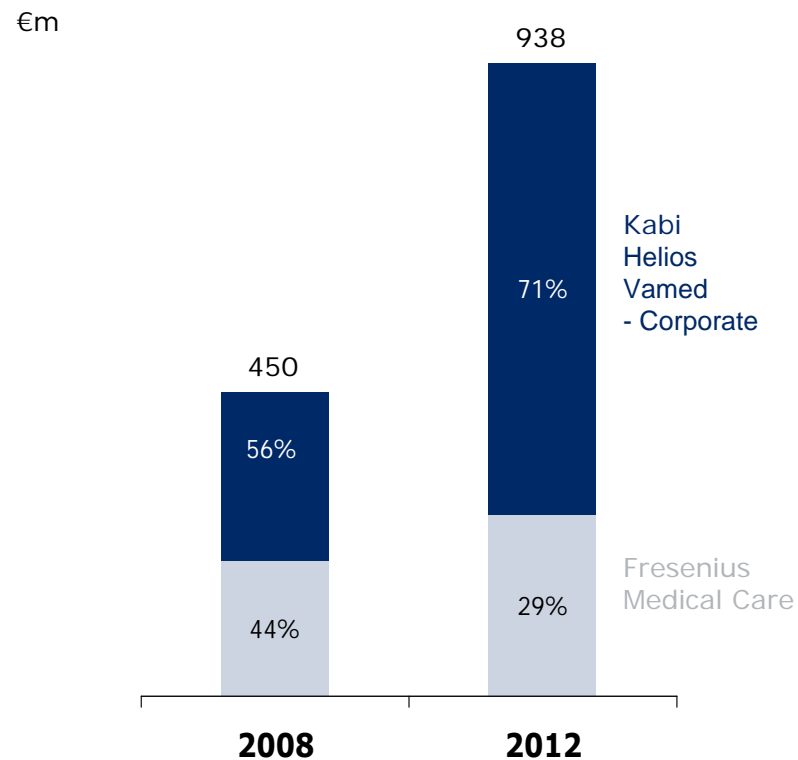
Q1/13

	<b>Fresenius Medical Care</b>	<b>Fresenius Kabi</b>	<b>Fresenius Helios</b>	<b>Fresenius Vamed</b>
Sales Growth	US\$3,464 m 7%	€1,260 m 15%	€841 m 18%	€184 m 23%
EBIT Growth	US\$493 m -2%	€237 m 10%	€87 m 28%	€5 m 0%

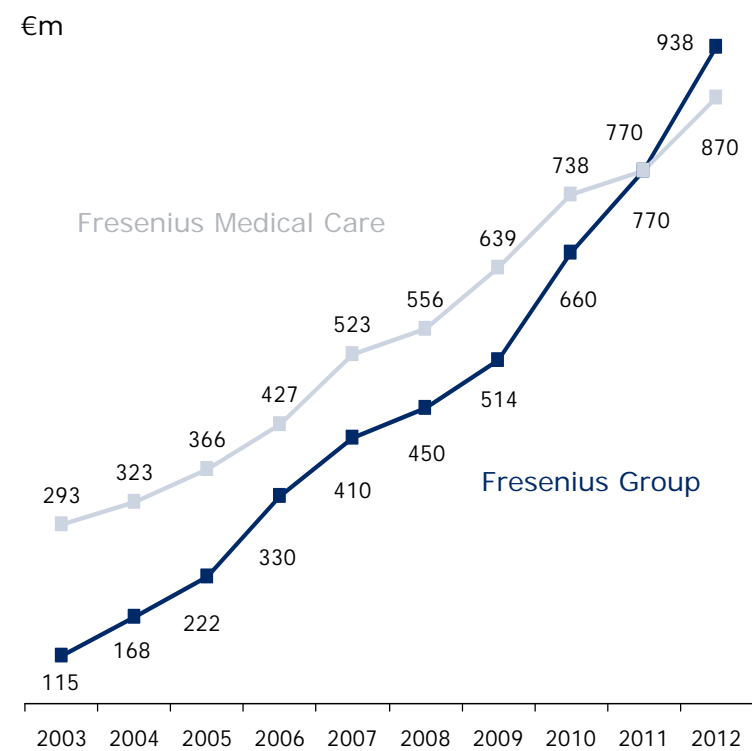


# Fresenius Group: Distribution and Development of Net Income

## Net income

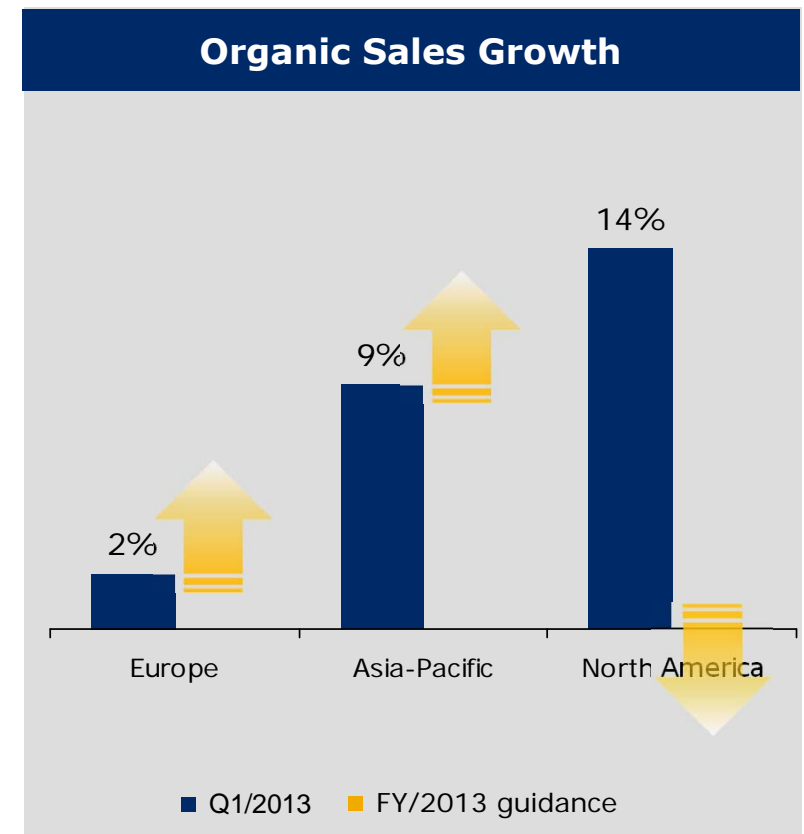


## Net Income Fresenius Group and Fresenius Medical Care



## Fresenius Kabi: Update Q1/13

- Excellent start into the year
  - 7% organic sales growth; 20.0% EBIT margin excl. Fenwal
- Europe
  - 2% organic growth on shortage-inflated Q1/12 base; Clinical Nutrition growth expected to accelerate
  - I.V. drug launch schedule backloaded in 2013, frontloaded in 2012
  - Expect mid single-digit growth in FY/2013
- Asia-Pacific
  - 9% organic growth on top of strongest 2012 quarter
  - Back to double-digit growth in FY/2013
- North America
  - 14% organic growth – strong start
  - Expect to maintain majority Propofol market share in 2013
  - Shortage situation unchanged – gradual easing assumed
  - FY/2013: expect low to mid single-digit percent sales decrease – fully baked into Kabi 2013 guidance



## Fresenius Helios: Update Q1/13

- 5% organic sales growth – at upper end of guidance
- Excellent EBIT margin increase to 11.2% (+140 bps) in established clinics
- Wage contracts in place for >80% of HELIOS employees until end of 2013 and for ~40% until end of 2014; average increase of <3% p.a. fully in line with budget assumptions
- Hospital transaction market – awarded/acquired revenue YTD: ~€200 m; projects ~€120 million in revenue pending



## Fresenius Vamed: Update Q1/13

- Excellent quarter with 10% organic sales growth; EBIT fully in line with expectations
- 15% organic sales growth in service business, now serving 355 health care facilities with >100,000 beds
- Update on Italian market expansion – 5 new contracts for maintenance/technical management of medical equipment, serving ~3,800 hospital beds
- Further expansion into CIS countries
  - €48 million turnkey project in Moscow
  - €11 million medical equipment contracts in Turkmenistan



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

<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	✓
<b>Fresenius Vamed</b>	Sales growth	8% – 12%	✓
	EBIT growth	5% – 10%	✓

## Fresenius Group: Financial Outlook Fully Confirmed

<b>Revenue growth</b> at constant currency	7% – 10% 
<b>Net income growth<sup>1</sup></b> at constant currency	7% – 12% 

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA adjusted for one-time integration costs of Fenwal (~€50 million pre-tax)

# Attachments



## Fresenius Group: Profit and Loss Statement

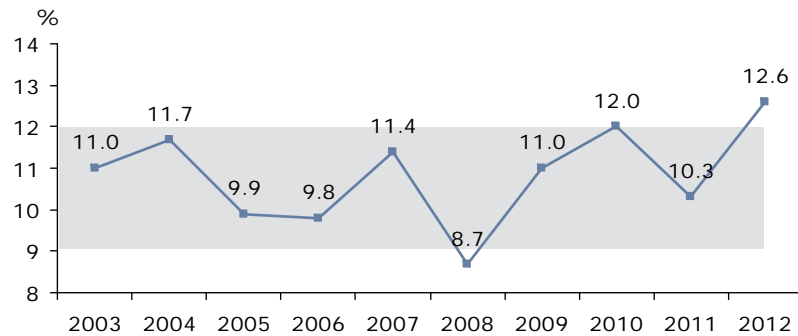
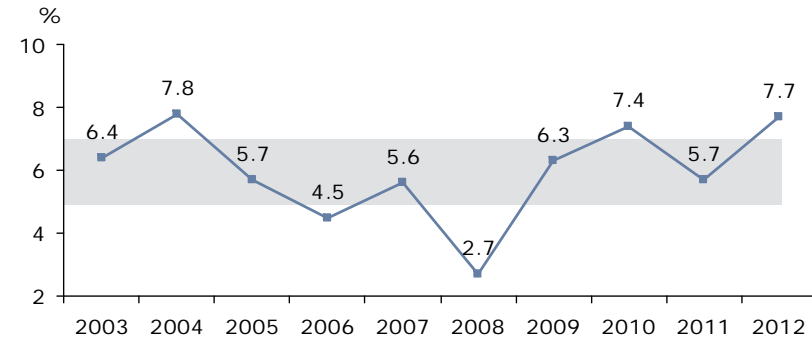
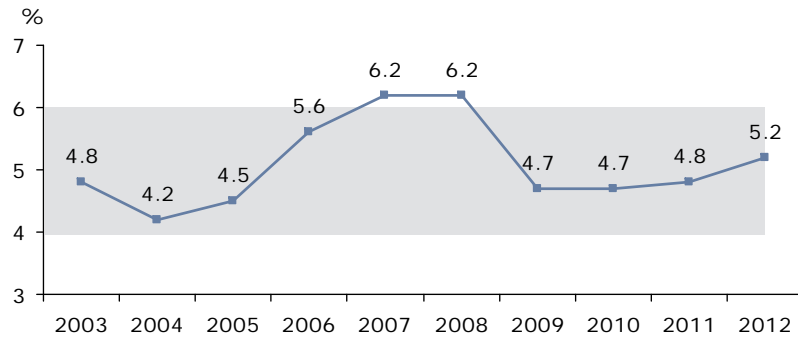
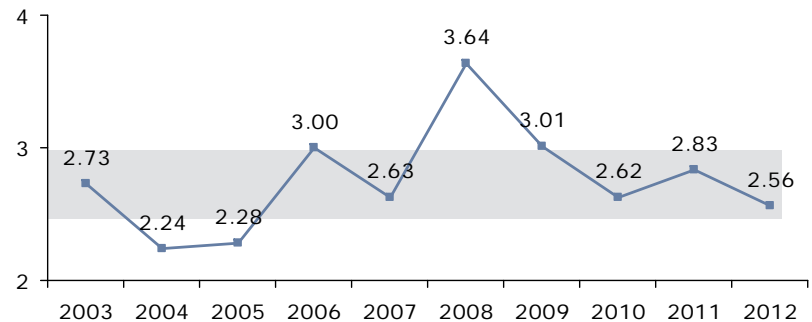
€m	Q1/13	Q1/12	Growth Q1/13 YoY	
			actual rates	constant rates
Sales	4,890	4,419	11%	12%
EBIT <sup>1</sup>	696	661	5%	6%
Net interest	-163	-147	-11%	-12%
Income taxes	-155	-156	1%	0%
Net income <sup>2</sup>	224	200	12%	12%

<sup>1</sup> 2013 adjusted for one-time integration costs of Fenwal of €7 million






<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA, 2013 adjusted for one-time integration costs of Fenwal of €5 million, 2012 adjusted for a non-taxable investment gain of €30 million at Fresenius Medical Care.



# Fresenius Group: Consistent Cash Generation and Proven Track Record of Deleveraging

**CFFO margin**

**FCF margin (before acquisitions & dividends)**

**Capex in % of sales**

**Net Debt / EBITDA**


## Cash Flow Development

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	Q1/13	LTM Margin	Q1/13	LTM Margin	Q1/13	LTM Margin
	132	13.5%	(56)	(5.5%)	76	8.0%
	33	7.2%	(19)	(5.2%)	14	2.0% <sup>3</sup>
	45	4.0%	(1)	(1.3%)	44	2.7%
Corporate/ Other	-5	n/a	(1)	n/a	-6	n/a
 <b>FRESENIUS</b> excl. FMC	<b>205</b>	<b>10.6%</b> <sup>2</sup>	<b>(77)</b>	<b>(5.0%)</b>	<b>128</b>	<b>5.6%</b> <sup>2</sup>
 <b>FRESENIUS</b> Group	<b>444</b>	<b>11.9%</b>	<b>(188)</b>	<b>(5.0%)</b>	<b>256</b>	<b>6.9%</b>

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

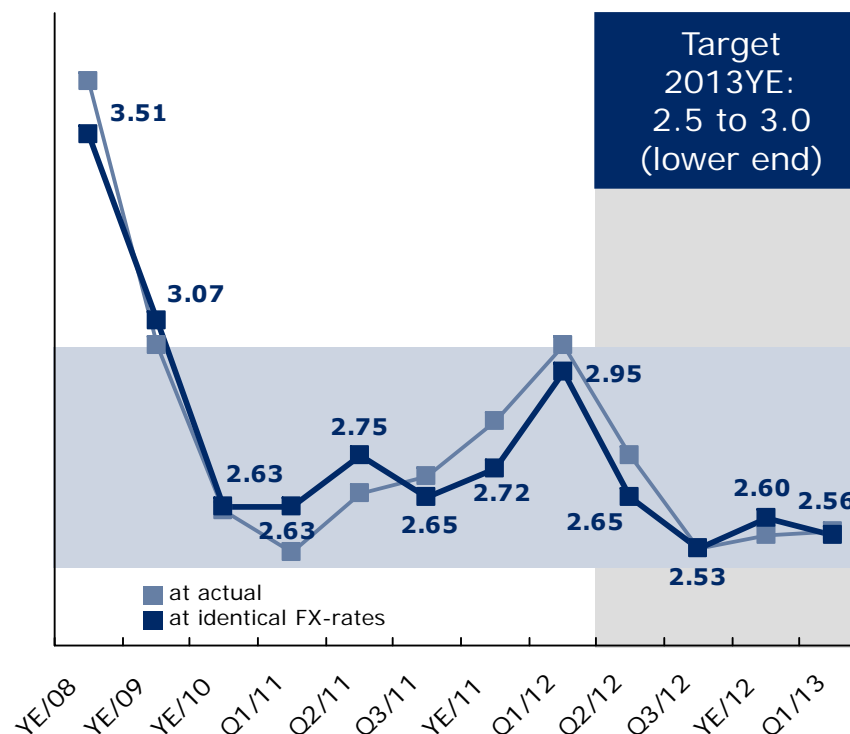
<sup>2</sup> Incl. FMC dividend

<sup>3</sup> Understated: 2.8% excluding €25 million of capex commitments from acquisitions

## Fresenius Group: Debt and Interest Ratios

	Mar 31, 2013	Dec 31, 2012
Debt (€m)	<b>11,024</b>	<b>11,028</b>
thereof 54% US\$ denominated		
Net debt (€m)	<b>10,174</b>	<b>10,143</b>
Net debt/EBITDA	<b>2.57<sup>1,2</sup></b>	<b>2.56<sup>3,4</sup></b>
EBITDA/Interest	<b>5.5</b>	<b>5.8</b>

### Net debt/EBITDA



<sup>1</sup> Pro forma Fenwal

<sup>2</sup> Adjusted for one-time costs (€6 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 (€7 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.

## Fresenius Kabi: Strong Organic Sales Growth

€m

	Q1/13	Q1/12	Organic Growth
Infusion Therapy	250	246	5%
I.V. Drugs	460	410	13%
Clinical Nutrition	326	316	5%
Medical Devices/ Transfusion Technology	224	120	-1%
<b>Total sales</b>	<b>1,260</b>	<b>1,092</b>	<b>7%</b>

## Fresenius Kabi: Strong Organic Sales Growth

€m	Q1/13	Q1/12	Organic Growth
Europe	517	487	2%
North America	401	292	14%
Asia-Pacific	223	199	9%
Latin America/Africa	119	114	9%
<b>Total sales</b>	<b>1,260</b>	<b>1,092</b>	<b>7%</b>

## Fresenius Kabi: EBIT Margin at Upper End of Guidance

€m	Q1/13	Q1/12	Growth
Europe Margin	84 16.2%	96 19.7%	-13%
North America Margin	154 38.4%	114 39.0%	35%
Asia-Pacific/Latin America/Africa Margin	65 19.0%	58 18.5%	12%
Corporate and Corporate R&D	-66	-53	-25%
<b>Total EBIT (incl. Fenwal) Margin</b>	<b>237 18.8%</b>	<b>215 19.7%</b>	<b>10%</b>
<b>Total EBIT (excl. Fenwal) Margin</b>	<b>231 20.0%</b>	<b>215 19.7%</b>	<b>7%</b>

## Fresenius Helios: Excellent Sales and EBIT Growth

€m	Q1/13	Q1/12	Growth
<b>Total sales</b>	<b>841</b>	<b>710</b>	<b>18%</b>
<b>EBIT</b>			
Established clinic portfolio	83	69	20%
Margin	11.2%	9.8%	
Acquisitions / Divestitures (consolidation / deconsolidation <1 yr)	4	-1	
<b>Total EBIT</b>	<b>87</b>	<b>68</b>	<b>28%</b>
<b>Margin</b>	<b>10.3%</b>	<b>9.6%</b>	

2012 adjusted for post-acute care clinic Zihlschlacht – transferred to Fresenius Vamed.

## Fresenius Helios: 2012 Clinic Development Plan

	Years in portfolio							Total
	<1	1	2	3	4	5	>5	
No. of clinics	6	2	1	-	6	4	31	50
Revenue (€m)	227	155	36	-	192	294	1,910	2,814
<b>Target</b>								
EBITDA margin (%)	-	3.0	6.0	9.0	12.0	15.0	15.0	
EBITDA (€m)	-	4.7	2.2	-	23.0	44.1	286.5	360.5
<b>Reported</b>								
EBITDA margin (%)	-	-3.3	7.4	-	11.0	15.4	17.5	14.1
EBITDA (€m)	-1.1	-5.2	2.7	-	21.2	45.1	334.8	397.5
No. of clinics > target	-	1	1	-	3	3	19	27
No. of clinics < target	-	1	-	-	3	1	12	17

IFRS



## Fresenius Vamed: Excellent Sales Growth, EBIT Fully in Line with Expectations

€m	Q1/13	Q1/12	Growth
Project business	82	77	6%
Service business	102	72	42%
<b>Total sales</b>	<b>184</b>	<b>149</b>	<b>23%</b>
<b>Total EBIT</b>	<b>5</b>	<b>5</b>	<b>0%</b>
<b>Margin</b>	<b>2.7%</b>	<b>3.4%</b>	
<b>Order intake<sup>1</sup></b>	<b>93</b>	<b>104</b>	<b>-11%</b>
<b>Order backlog<sup>1</sup></b>	<b>998</b>	<b>987<sup>2</sup></b>	<b>1%</b>

<sup>1</sup> Project business only

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

2012 adjusted for post-acute care clinic Zihlschlacht

## Share Information

### Share key facts

Number of shares <sup>1</sup>	178,307,893
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 April 30, 2013

## Financial Calendar

30.07.2013	Report on 1 <sup>st</sup> half 2013
05.11.2013	Report on 1 <sup>st</sup> – 3 <sup>rd</sup> quarter 2013

### **Contact**

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