

Bank of America Merrill Lynch Global Healthcare Conference



London, 14 September 2017

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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.

A Global Leader In HealthCare Products And Services



~€29.5 bn in Sales
(as of Dec. 31, 2016)

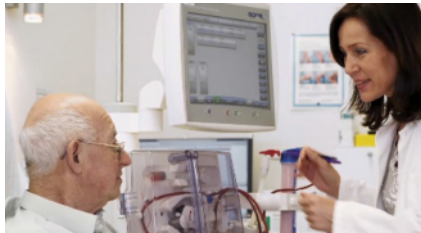
**Strong portfolio
of products (30% of sales)
and services (70% of sales)**

**Total Shareholder Return:
10-year CAGR: ~17%**

**Global presence in
100+ countries**

**260,000+ employees
worldwide
(as of June 30, 2017)**

Strong, Diversified Product And Service Portfolio



Ownership: 31%

Dialysis Products
Healthcare Services

Sales 2016: €16.6 bn



Ownership: 100%

Hospital Supplies
and Services

Sales 2016: €6.0 bn



Ownership: 100%

Hospital Operations

Sales 2016: €5.8 bn

**Sales 2016 pro-forma
Quirónsalud: ~€8.4 bn**



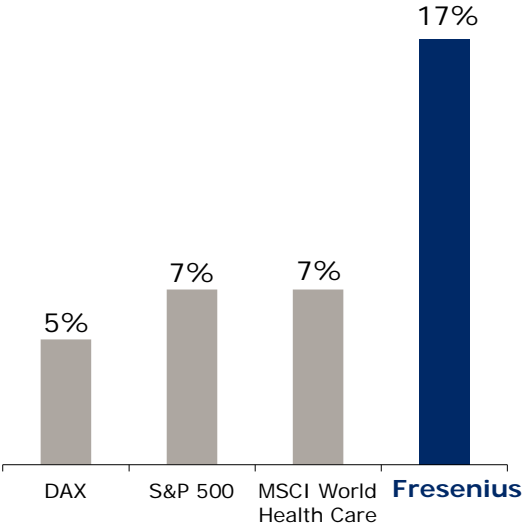
Ownership: 77%

Hospital Projects
and Services

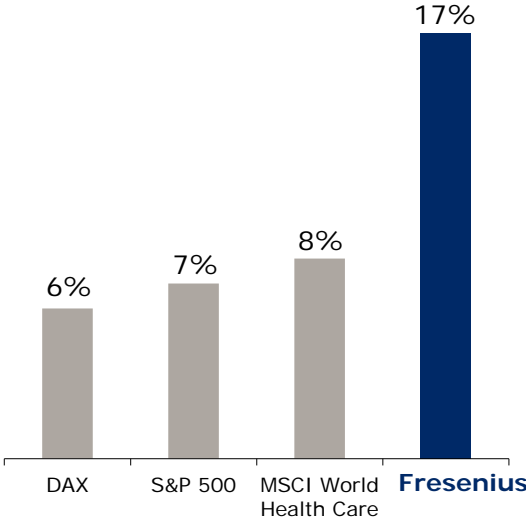
Sales 2016: €1.2 bn

Total Shareholder Return – CAGR, rounded

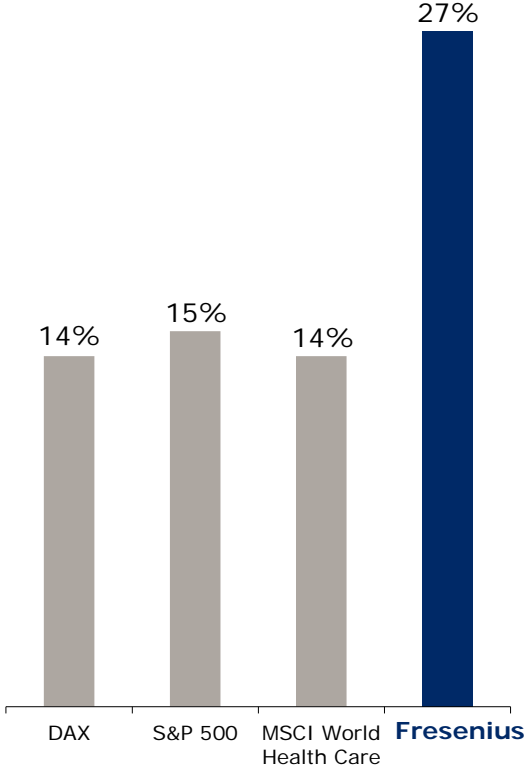
15 years



10 years



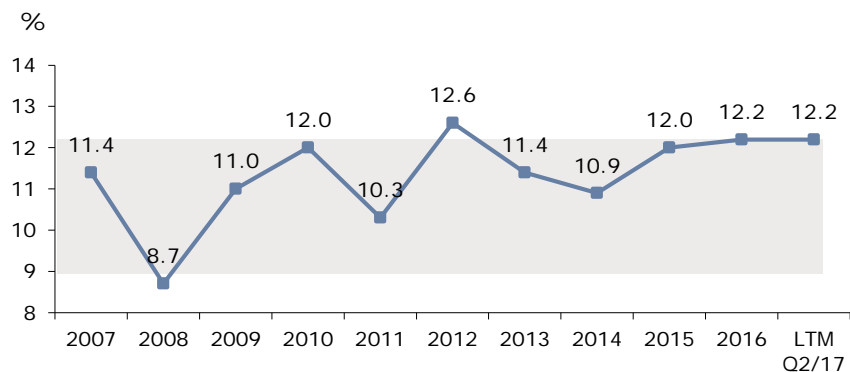
5 years



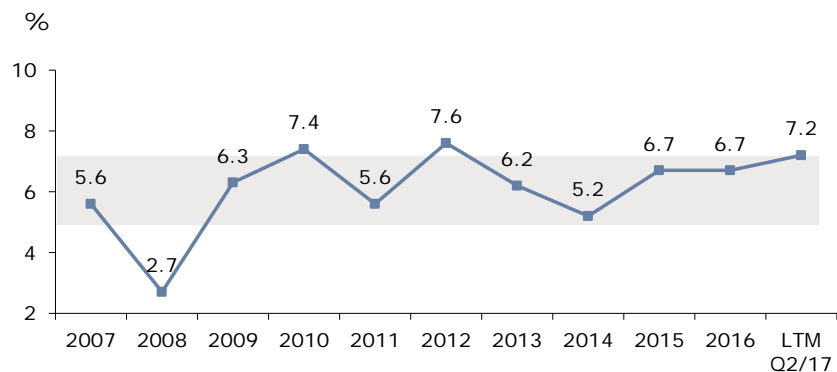
Source: Bloomberg; dividends reinvested

Fresenius Group Consistent Cash Generation And Proven Track Record of Deleveraging

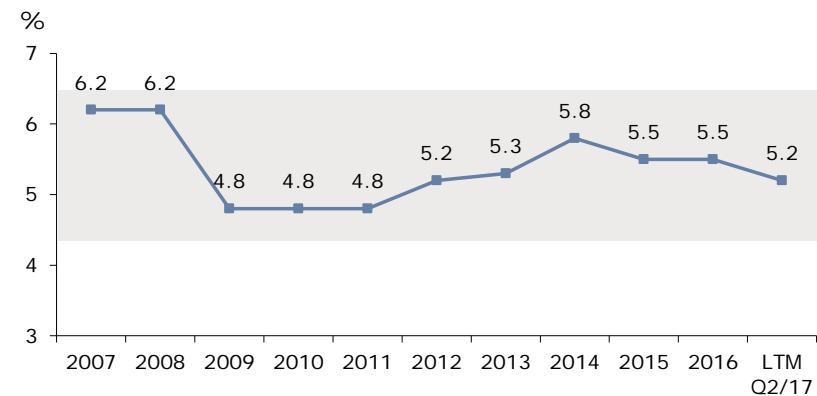
CFFO margin



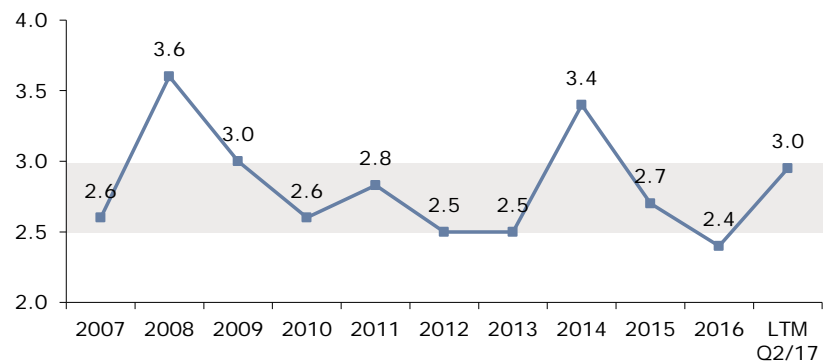
FCF margin (before acquisitions & dividends)



Capex gross, in % of sales



Net Debt / EBITDA^{1,2}



¹ At actual FX rates for both Net Debt and EBITDA

² Pro Forma acquisitions, before special items

Fresenius Medical Care: Global Dialysis Market Leader

- The world's leading provider of dialysis products and services treating 315,305 patients¹ in 3,690 clinics¹
- Provide highest standard of product quality and patient care

 Dialysis products

 Dialysis services

 Complete therapy offerings

- Expansion in Care Coordination and global dialysis service opportunities; enter new geographies

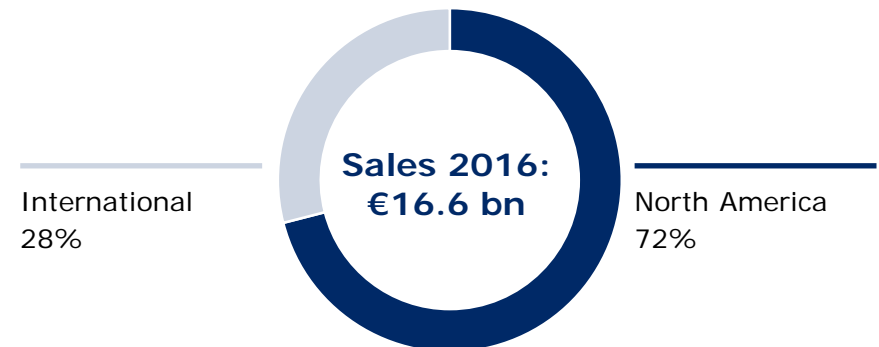
Market Dynamics

Global Dialysis Market 2016:

- ~US\$76 bn
- ~6% patient growth p.a.

Growth Drivers:

- Aging population, increasing incidence of diabetes and high blood pressure, treatment quality improvements



¹ As of June 30, 2017

Fresenius Kabi: A Leading Global Hospital Supplier

- Comprehensive product portfolio for critically and chronically ill patients
- Strong Emerging Markets presence
- Leading market positions in four product segments



Generic IV Drugs



Clinical Nutrition



Infusion Therapy



Medical Devices /
Transfusion Technology

- Focus on organic growth through geographic product rollouts and new product launches

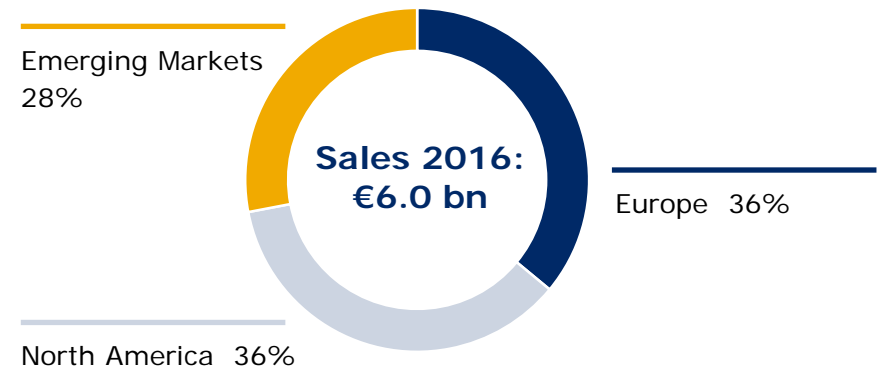
Market Dynamics

Global Addressable Market 2016:

- >€48 bn

Growth Drivers:

- Patent expirations, rising demand for health care services, higher health care spending in Emerging Markets



Fresenius Helios: Europe's largest private hospital operator

Helios Kliniken Germany

- ~6% share in German acute care hospital market
- Solid organic growth based on growing number of admissions and reimbursement rate increases
- Strong track record in hospital acquisitions and operation
- Ranks as quality leader in the German hospital sector: defined quality targets, publication of medical treatment results, peer review processes
- Key medical indicators, e.g. mortality rate for heart failure, pneumonia below German average

Market Dynamics

German Acute Care Hospital Market:

- ~€94 bn¹

Growth Drivers:

- Aging population leading to increasing hospital admissions, further market consolidation

Largest network & nationwide presence



112 hospitals
 ~35,000 beds
 ~1.3 million inpatient admissions p.a.
 ~3.9 million outpatient admissions p.a.

As of June 30, 2017

 Acute Care

 Rehab

 Outpatient

¹ German Federal Statistical Office 2016; total costs, gross of the German hospitals less academic research and teaching

Fresenius Helios: Europe's largest private hospital operator

Quirónsalud Spain

- ~€2.5bn sales in 2016
- ~10% share in Spanish private hospital market
- Market leader in size and quality with excellent growth prospects
- Broad revenue base with privately insured patients, PPPs, self-pay and Occupational Risk Prevention (ORP)
- Strong management team with proven track record
- Cross-selling opportunities



Acute Care



Outpatient



Occupational Risk Prevention

Market Dynamics

Spanish Private Hospital Market:

- ~€13 bn¹

Growth Drivers:

- Aging population, increasing number of privately insured patients, greenfield projects, market consolidation

Quirónsalud hospitals in every major metropolitan region of Spain



44 hospitals
6,600 beds
~ 9.4 m outpatient admissions p.a.
~ 320,000 inpatient admissions p.a.

As of June 30, 2017

¹ Market data based on company research. Market definition does neither include Public Private Partnerships (PPP) nor Occupational Risk Prevention centers (ORP).

Fresenius Vamed: Leading Global hospital Projects And Services Specialist

- Manages hospital construction/expansion projects (51% of sales) and provides services (49% of sales) for health care facilities worldwide



Projects



Services

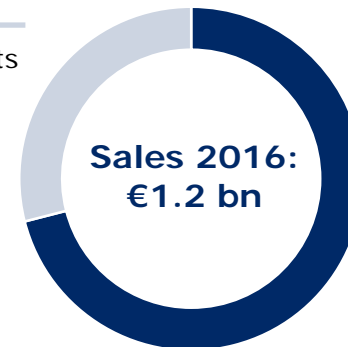
- Offers project development, planning, turnkey construction, maintenance as well as technical management, and total operational management
- Strong track record: More than 800 projects in 79 countries completed

Market Dynamics

Growth Drivers:




- Emerging Market demand for building and developing hospital infrastructure
- Outsourcing of non-medical services from public to private operators

Emerging Markets
29%



Europe 71%

Fresenius Group: 2017 Financial Outlook by Business Segment

€m except otherwise stated		2016 Base	2017e Previous	H1/17 Actual	2017e New
 FRESENIUS KABI	Sales growth (org)	6,007	5% – 7%	7%	<input checked="" type="checkbox"/>
	EBIT growth (cc)	1,171	6% – 8% ¹	6% ⁵	<input checked="" type="checkbox"/>
 FRESENIUS HELIOS	Sales growth (org)	5,843 ²	3% – 5% ²	4% ²	<input checked="" type="checkbox"/>
	Sales (reported)	5,843 ²	~8.6bn ³	4.3bn	<input checked="" type="checkbox"/>
	EBIT	683 ²	1,020–1,070 ⁴	537	<input checked="" type="checkbox"/>
 FRESENIUS VAMED	Sales growth (org)	1,160	5% – 10%	2%	<input checked="" type="checkbox"/>
	EBIT growth	69	5% – 10%	6%	<input checked="" type="checkbox"/>

¹ Before transaction costs of ~€50 million for the acquisitions of Akorn, Inc. and Merck KGaA's biosimilars business; before expected expenditures for the further development of Merck KGaA's biosimilars business of ~€60 million

² HELIOS Kliniken Germany, excluding Quirónsalud


³ Thereof Quirónsalud (11 months consolidated): ~€2.5bn

⁴ Thereof Quirónsalud (11 months consolidated): €300 to €320m

⁵ Before special items

All data according to IFRS

Fresenius Group: 2017 Financial Guidance

€m except otherwise stated		2016 Base	2017e Previous	H1/17 Actual	2017e New
 FRESENIUS	Sales growth (cc)	29,471	15% – 17%	17%	<input checked="" type="checkbox"/>
	Net income¹ growth (cc)	1,560	19% – 21% ²	23% ³	<input checked="" type="checkbox"/>

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

² Before transaction costs of –€50 million for the acquisitions of Akorn, Inc. and Merck KGaA's biosimilars business; before expected expenditures for the further development of Merck KGaA's biosimilars business of ~€60 million

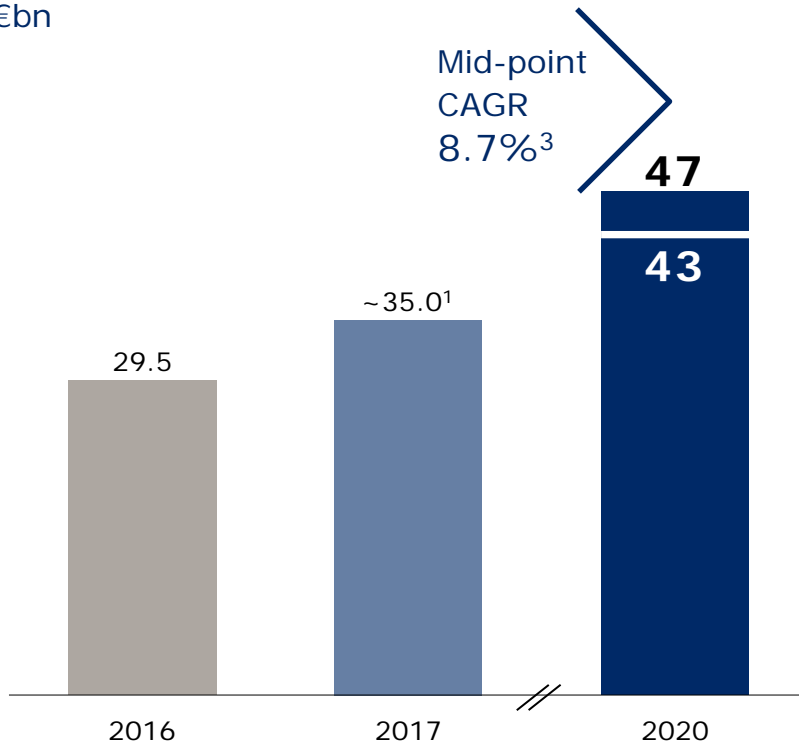
³ Before special items

All data according to IFRS

Fresenius Group: Ambitious Mid-Term Targets

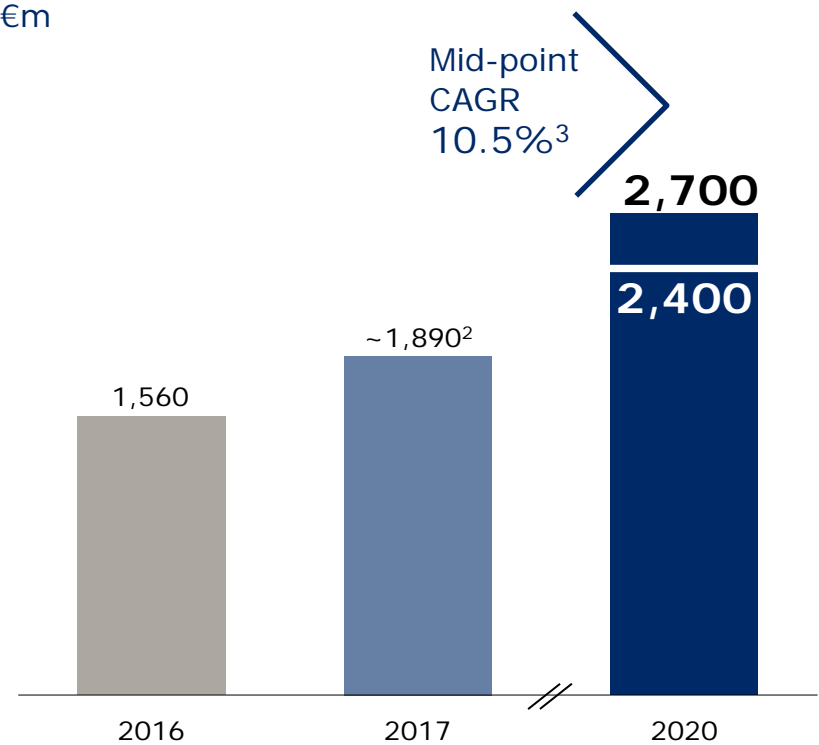
Sales

€bn



Net Income

€m



¹ Mid-point of the February 2017 sales guidance, adjusted for exchange rates as of February 2017

² Mid-point of the February 2017 net income guidance, adjusted for exchange rates as of February 2017

³ Calculated on the basis of the mid-point of the 2020 target range

At February 2017 exchange rates; excluding strategic acquisitions; at current IFRS rules

Fresenius Kabi: Update Acquisition Projects



- No change in 2018 expectations¹
- Transaction offers offensive and defensive merits
- Akorn shareholders approved merger agreement with vast majority
- Closing targeted for 2017



- Closing 31 August 2017
- Improving regulatory environment
- Product pipeline: All studies well on track
- Adalimumab: Filing for European approval expected for Q4/17



¹ Assuming the transaction closes at the end of 2017, Fresenius Kabi projects 2018 sales from this business of US\$1,035 to 1,085 million, and EBITDA before integration costs of approximately US\$380 to 420 million.

Fresenius Group: Q2/17 Highlights

 **Strong sales growth across all business segments**

 **Ongoing excellent earnings growth**

 **Group guidance confirmed**

 **Quirónsalud fully in line with expectations**

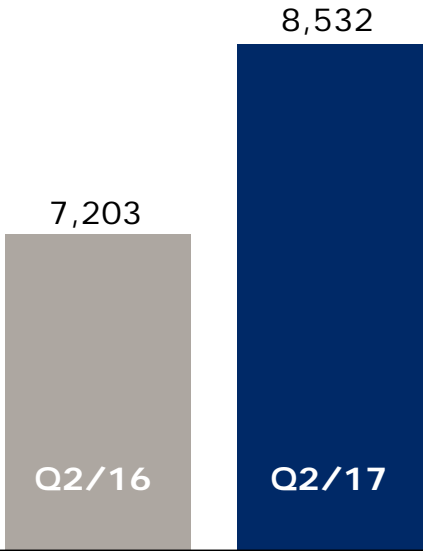
 **Rachel Empey appointed as Group CFO**

Fresenius Group: Q2/17 Key Financials

Sales

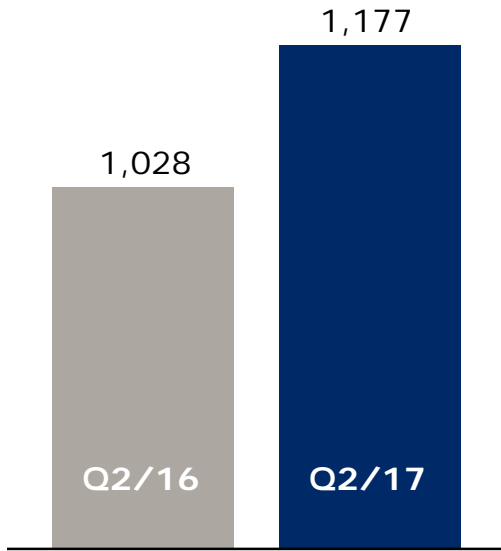
€m

+17%



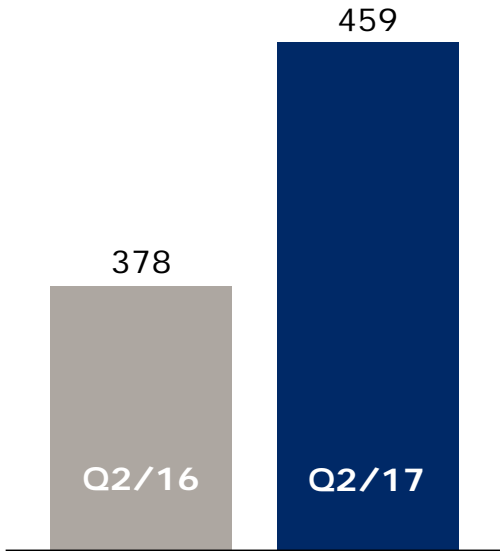
EBIT

+13%



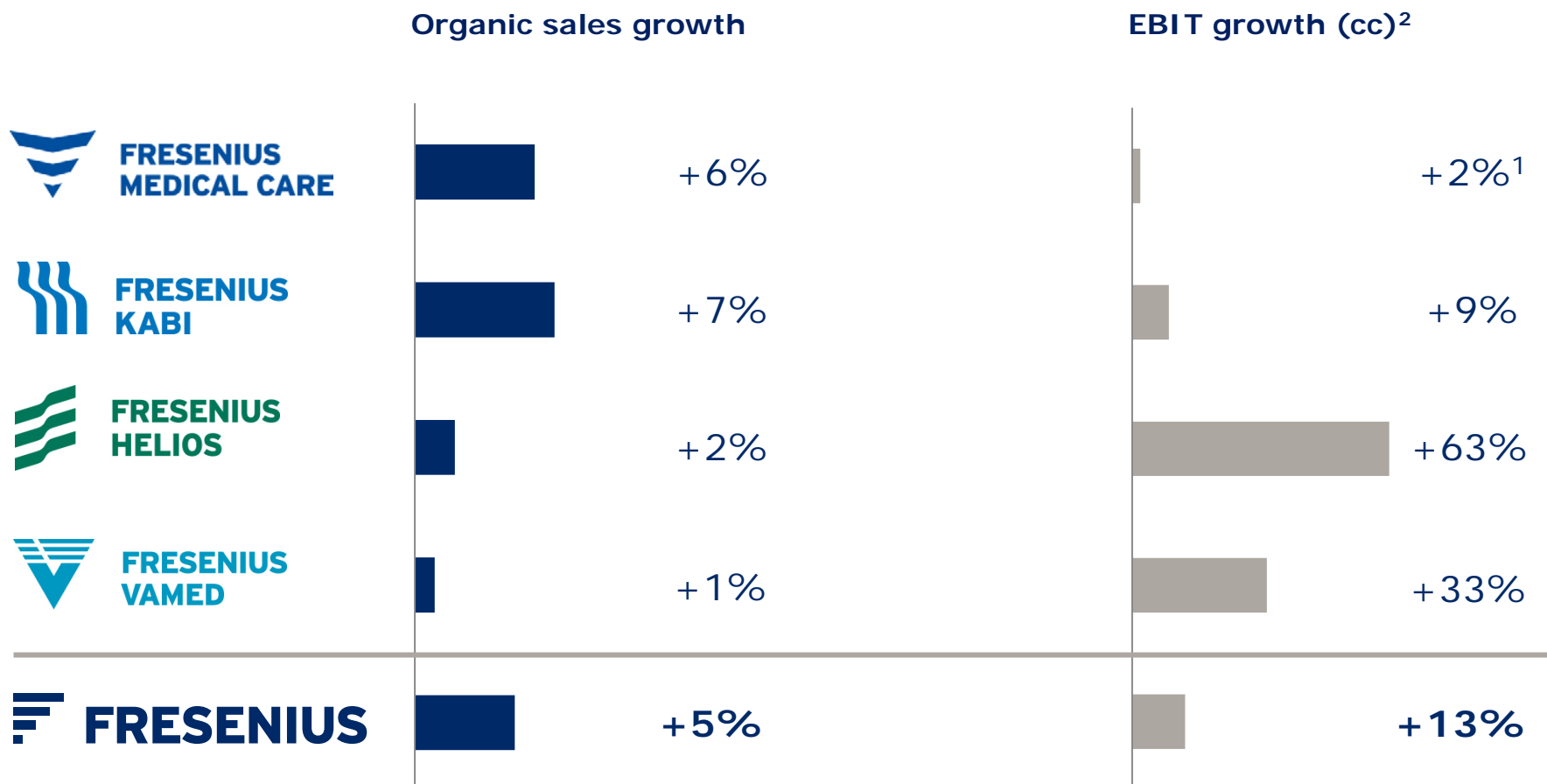
Net Income

+21%



Constant currency growth rates (cc)
 EBIT and net income before special items
 Net income attributable to shareholders of Fresenius SE & Co. KGaA

Fresenius Group: Q2/17 Business Segment Growth



¹ Excluding the agreement with the United States Departments of Veterans Affairs and Justice at Fresenius Medical Care

² Before special items

Fresenius Kabi: Q2/17 Regional Highlights (1/2)

North America

- 9% organic sales growth
- 17 Kabi-marketed IV drugs currently designated in shortage (vs. 15 at Q1/17)
- 4 product launches YTD; confirm 10+ target
- Confirm FY/17 outlook: mid-single-digit organic sales growth



Europe

- 4% organic sales growth
- Confirm FY/17 outlook: low to mid-single-digit organic sales growth



Fresenius Kabi: Q2/17 Regional Highlights (2/2)

Emerging Markets

China

- 12% organic sales growth
- New tender rules:
 - 16 of 31 provinces have concluded a tender process; introduction of new tender policy expected to be mostly completed end of 2017
 - Expect low to mid single-digit price impact in FY/17
 - Continued double-digit volume growth projected

Asia-Pacific ex China: 6% organic sales growth

Latin America/Africa: 8% organic sales growth despite tough comp



Total Emerging Markets

Confirm FY/17 outlook: at least 10% organic sales growth



Fresenius Kabi: Organic Sales Growth by Regions

€m	Q2/17	Δ YoY organic	H1/17	Δ YoY organic
Europe	553	4%	1,097	6%
North America	568	9%	1,187	6%
<i>Asia-Pacific</i>	<i>302</i>	<i>10%</i>	<i>582</i>	<i>10%</i>
<i>Latin America/Africa</i>	<i>175</i>	<i>8%</i>	<i>336</i>	<i>11%</i>
Asia-Pacific/Latin America/Africa	477	10%	918	10%
Total sales	1,598	7%	3,202	7%

Fresenius Kabi: Organic Sales Growth by Product Segment

€m	Q2/17	Δ YoY organic	H1/17	Δ YoY organic
IV Drugs	680	10%	1,382	8%
Infusion Therapy	228	4%	455	7%
Clinical Nutrition	420	8%	827	8%
Medical Devices/ Transfusion Technology	270	3%	538	5%
Total sales	1,598	7%	3,202	7%

Fresenius Kabi: Q2 & H1/17 EBIT Growth

€m	Q2/17	Δ YoY cc	H1/17	Δ YoY cc
Europe Margin	84 15.2%	0% -50 bps	164 14.9%	1% -50 bps
North America Margin	220 38.7%	11% 90 bps	456 38.4%	4% -70 bps
Asia-Pacific/Latin America/Africa Margin	86 18.0%	5% -130 bps	172 18.7%	15% 10 bps
Corporate and Corporate R&D	-81	2%	-170	-5%
Total EBIT Margin	309 19.3%	9% 40 bps	622 19.4%	6% -40 bps

Before special items
Margin growth at actual rates

For a detailed overview of special items please see the reconciliation tables on slides 26-27.

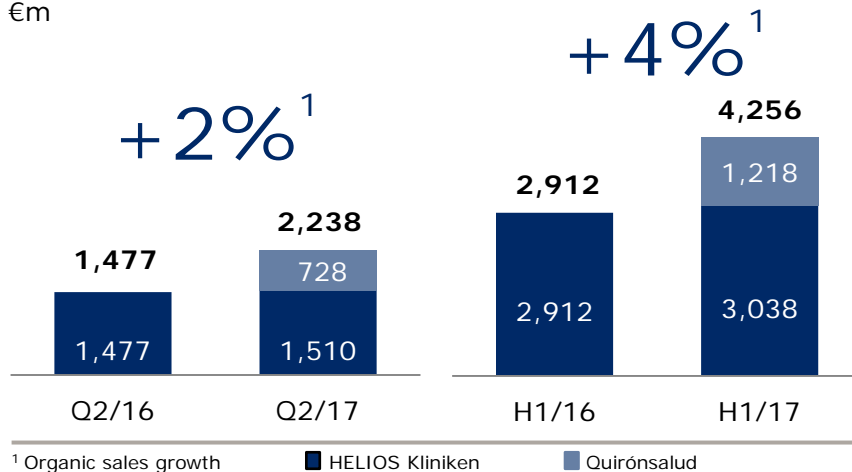
Fresenius Helios: Q2 & H1/17 Highlights

HELIOS Kliniken

- Wage contracts in place for medical and non-medical employees until end of 2018; average increase of ~2.5% p.a., in line with budget assumptions
- New proton beam therapy center for Berlin-Buch projected, scheduled opening 2021

Sales

€m



Quirónsalud

- 11% sales growth in H1/17
- EBIT growth exceeds sales growth; synergies of merger between IDCsalud and Quirón provide tailwind
- Typical summer slump will impact Q3/17 result



Fresenius Helios: Q2 & H1/17 Key Financials

€m	Q2/17	Δ YoY	H1/17	Δ YoY
Total sales	2,238	52%	4,256	46%
Thereof HELIOS Kliniken	1,510	2%	3,038	4%
Thereof Quirónsalud	728	--	1,218	--
Total EBIT	282	63%	537	62%
Margin	12.6%	90 bps	12.6%	120 bps
Thereof HELIOS Kliniken	178	3%	359	8%
Margin	11.8%	10 bps	11.8%	40 bps
Thereof Quirónsalud	104	--	178	--
Margin	14.3%	--	14.6%	--

Quirónsalud: Integration Status and Growth Prospects

Integration process

- Procurement analysis phase successfully completed; implementation phase commenced (e.g. lab disposables)
- Openness to learn from the best e.g. compare experience on medical practices

Growth prospects

- €50m greenfield investment project in Córdoba Andalusia on track:
 - 115 bed hospital provides state-of-the-art medical equipment and care
 - Opening expected for June 2018
- €31m hospital expansion in Pozuelo, Madrid
 - 2 additional operating theatres, 25 new examination rooms, 7 additional intensive care beds, new state-of-the-art MRI

Strong position

- PPP contracts in place up to 2041
- Four Quirónsalud hospitals ranked in Top 10 of Hospital Excellence Index (HEI)



Fresenius Vamed: Q2 & H1/17 Highlights

- 2% sales growth in Q2/17 reflects typical quarterly fluctuations of project business
- Solid order intake; order backlog at all-time high
- New projects in Papua New Guinea and Mongolia








€m	Q2/17	Δ YoY	H1/17	Δ YoY
Project business	107	-3%	184	-6%
Service business	151	5%	297	7%
Total sales	258	2%	481	2%
Total EBIT	11	22%	17	6%
Order intake ¹	192	-16%	412	-11%
Order backlog ¹			2,188	12% ²

¹ Project business only

² Versus December 31, 2016

Fresenius Group: Q2/17 & LTM Cash Flow

€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q2/17	LTM Margin	Q2/17	LTM Margin	Q2/17	LTM Margin
 FRESENIUS KABI	203	16.9%	-82	-5.9%	121	11.0%
 FRESENIUS HELIOS	120	9.7%	-79	-5.2%	41	4.5% ³
 FRESENIUS VAMED	16	-0.2%	2	-0.5%	18	-0.7%
Corporate/Other	-14	n.a.	-5	n.a.	-19	n.a.
 FRESENIUS Excl. FMC	325	12.4% ²	-164	-5.2%	161	7.2% ²
 FRESENIUS	1,207	12.2%	-357	-5.0%	850	7.2%

¹ Before acquisitions and dividends

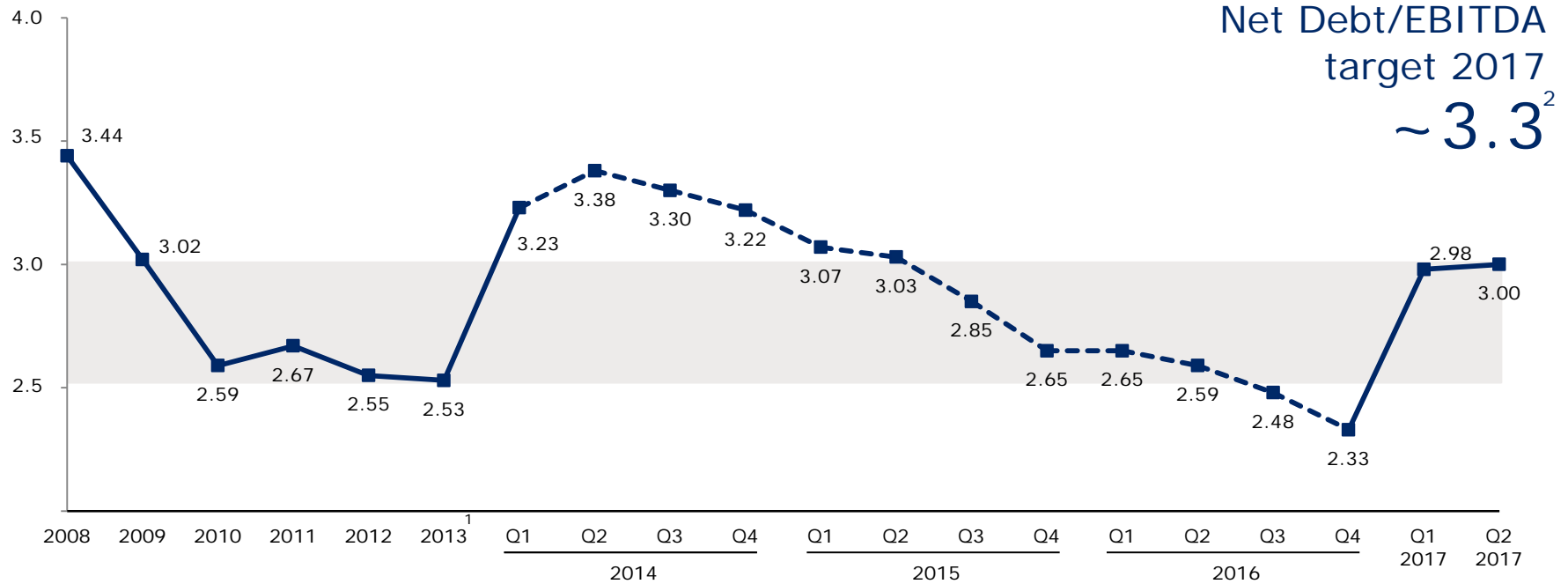
² Margin incl. FMC dividend

³ Understated: 5.0% excluding €36 million of capex commitments from acquisitions

Fresenius Group: Cash Flow

€m	Q2/17	LTM Margin	Q2/16	LTM Margin	Δ YoY
Operating Cash Flow	1,207	12.2 %	997	12.0%	21%
Capex (net)	-357	-5.0%	-350	-5.5%	-2%
Free Cash Flow (before acquisitions and dividends)	850	7.2%	647	6.5%	31%
Acquisitions (net)	-380		-68		
Dividends	-722		-545		
Free Cash Flow (after acquisitions and dividends)	-252	-14.6%	34	3.1%	--

Fresenius Group: Leverage Ratio



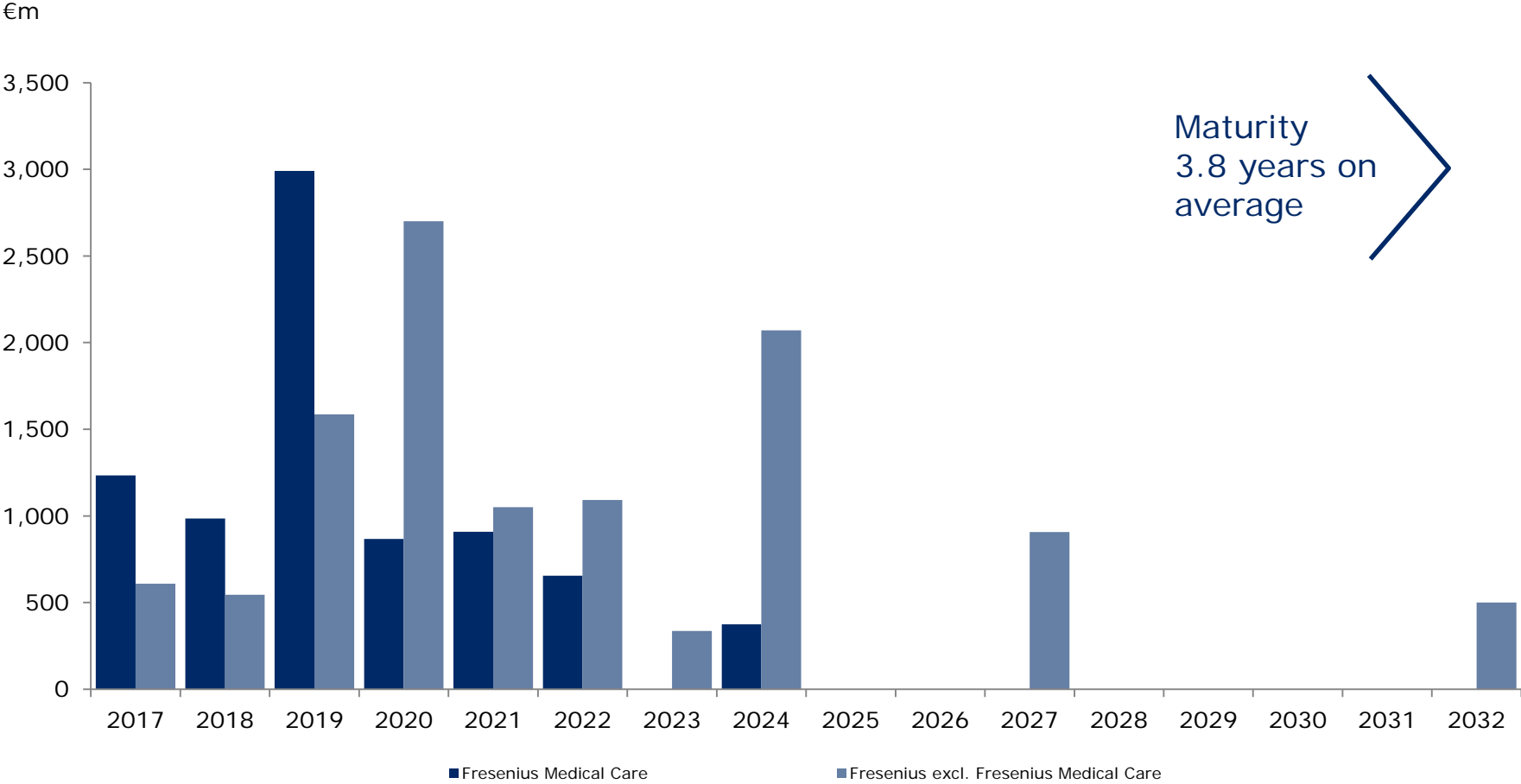
¹ Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG

² Pro forma acquisitions of Akorn, Inc. and Merck KGaA's biosimilars business; before transaction costs of ~€50 million; excluding further potential acquisitions

Before special items; pro forma acquisitions

At annual average FX rates for both EBITDA and net debt

Fresenius Group Debt Maturity Profile¹



¹ March 31, 2017; based on utilization of major financing instruments

Acquisition of Akorn & Merck KGaA's Biosimilars Business



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Akorn: Transaction Highlights



Complementary product portfolio and pipeline diversifies Fresenius Kabi's IV generics offering



Access to additional distribution channels: retail, clinics and physicians



Adds growth potential in attractive adjacent segments such as ophthalmology and clinical dermatology



Substantial cost and growth synergies paired with limited integration complexity



Fully debt-financed



Accretive to Group net income¹ from 2018



¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA; before integration costs

Akorn: Financially Sound Acquisition

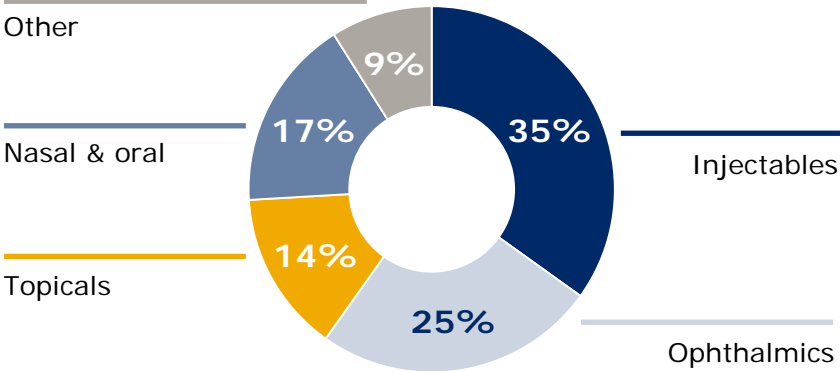
Cash purchase price	US\$4.30 bn for 100% of Akorn shares (US\$34/share)
Assumed net debt¹	~US\$0.45 bn
Amortization charge	Initially ~US\$130 m p.a.
Synergies	~US\$100 m p.a. before tax mid-term, progressive ramp-up
Integration costs	~US\$140 m before tax in total for 2018 - 2022
Financing	Broad mix of € and US\$ debt instruments at ~4% p.a.
Tax rate	~35%
EPS²	Accretive in 2018 (excluding integration costs), from 2019 (including integration costs)
Closing	Targeted for 2017

¹ Projected net debt as of December 31, 2017

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

Akorn: Complementary Product Portfolio and Distribution Channels

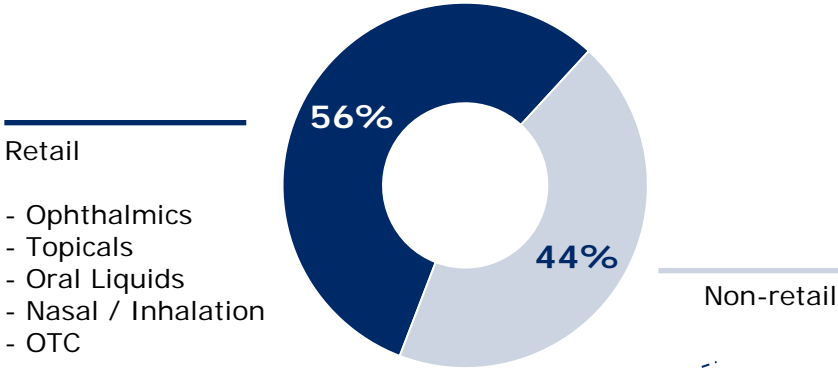
Dosage forms



Common characteristics

- Mostly sterile
- Non-solid
- Generic
- Specialized manufacturing

Distribution channels







- Retail**
- Ophthalmics
 - Topicals
 - Oral Liquids
 - Nasal / Inhalation
 - OTC

- Institutional**
- Injectables
 - Ophthalmics
 - Unit Dose
 - Nasal / Inhalation
- Physician**
- Ophthalmics
 - Animal Health

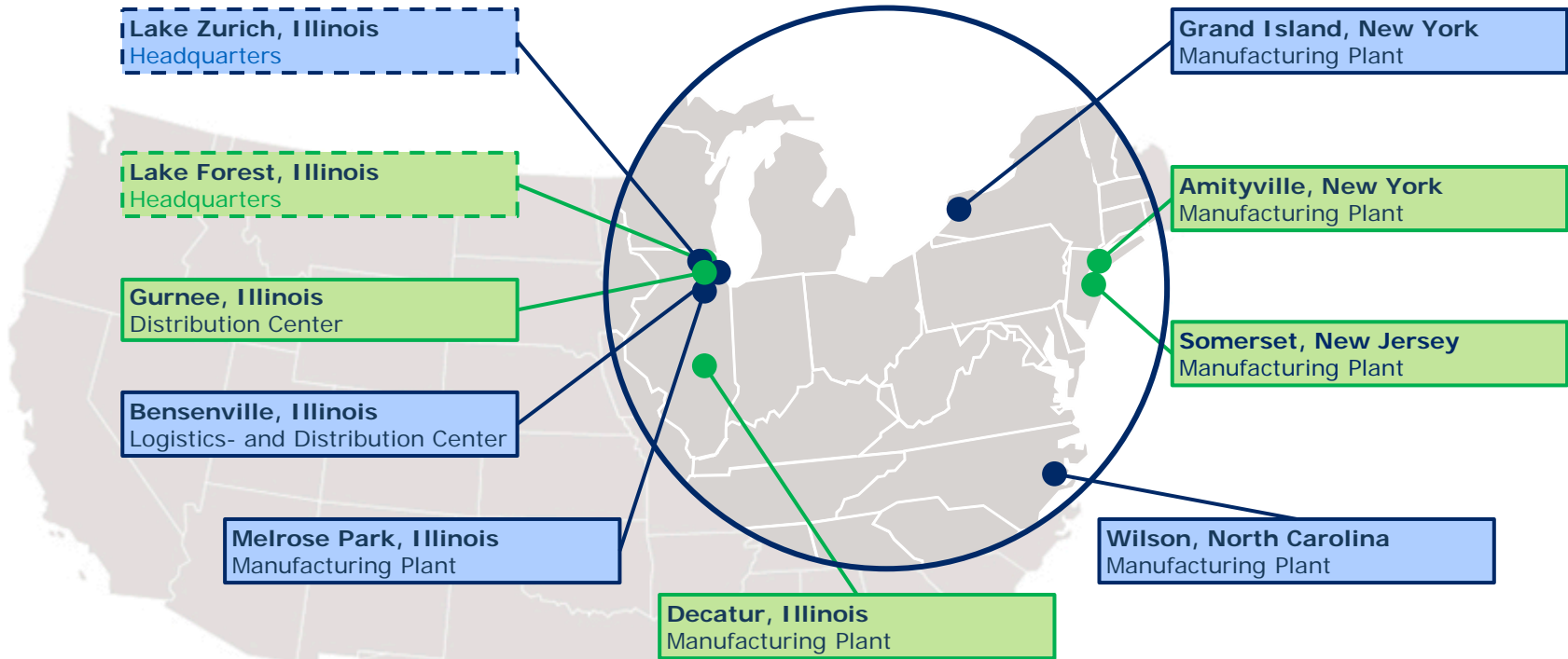
Note: Sales mix based on 2016 data

Akorn: Diversified U.S. Portfolio

	Current Portfolio		Pipeline	
	 FRESENIUS KABI	 AKORN	 FRESENIUS KABI	 AKORN
Total Products	137	173	55	85
IV Analgesics & Anesthetics	●●●	●	●●	●
IV Anti-Infectives	●●●	●	●	●●
IV Critical Care	●●●	●●	●●●	●●●
IV Oncolytics	●●●	●	●●●	●
Nutrition & IV Solutions	●	●	●●	
<hr/>				
Ophthalmics		●●●		●●●
Topicals		●		●●
Orals	●	●●●		●
Nasal / Otics / Consumer Health		●●		●
Animal Health		●		●

●●● strong ●● medium ● light

Akorn: Concentrated U.S. Footprint



- Akorn Headquarters
- Akorn location
- Fresenius Kabi Headquarters
- Fresenius Kabi location

Akorn plants outside the U.S.

- Hettingen, Switzerland
Manufacturing Plant
- Paonta Sahib, India
Manufacturing Plant

Akorn: Detailed and Comprehensive Due Diligence

Process

- Bilateral exchange with Akorn since 11/2016
- Very comprehensive due diligence over more than two months covering all functional areas
- Virtual data room, management presentations and expert meetings
- Multiple visits of all manufacturing plants
- Detailed bottom-up business plan
- Internal resources supported by external advisers and specialists in new product areas

Addressed areas

- ANDA pipeline, related regulatory approvals and R&D costs
- New distribution channels and Akorn's strengths
- Sales practices, pricing history and related customer perception
- Competition in key product areas
- Plant status (technical and regulatory) and future manufacturing strategy
- Serialization readiness
- Accounting issues and internal control systems
- Current trading



Biosimilars: Transaction Highlights



Strategic step to enhance Fresenius Kabi's position as a leading player in the injectable pharmaceuticals market



Direct access to attractive biosimilars development platform



Experienced team of biosimilars experts with excellent development know-how



Highly variable consideration strictly tied to development targets



EBITDA break-even in 2022



High triple-digit million sales from 2023 onwards



Biosimilars: Sound Risk/Reward Ratio

Purchase price	€156 m upfront payment
Milestone payments	Up to €500 m, strictly tied to achievement of development targets
Sales	First sales in 2019, ramp-up to high triple-digit € million from 2023 onwards
Royalties	Single-digit percentage royalties based on sales
EPS¹	Significantly accretive from 2023 onwards
Self-imposed investment ceiling	€1.4 bn incl. upfront and milestone payments as well as ramp-up of R&D and M&S expenses until EBITDA break-even in 2022
Financing	Mainly free cash flow
Closing	31 August 2017

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

Biosimilars: Highly Attractive Platform



Background: Established in 2012 as a Business Unit within the biopharmaceutical development/production network of Merck KGaA



Pipeline: Single-digit number of molecules in oncology and autoimmune diseases



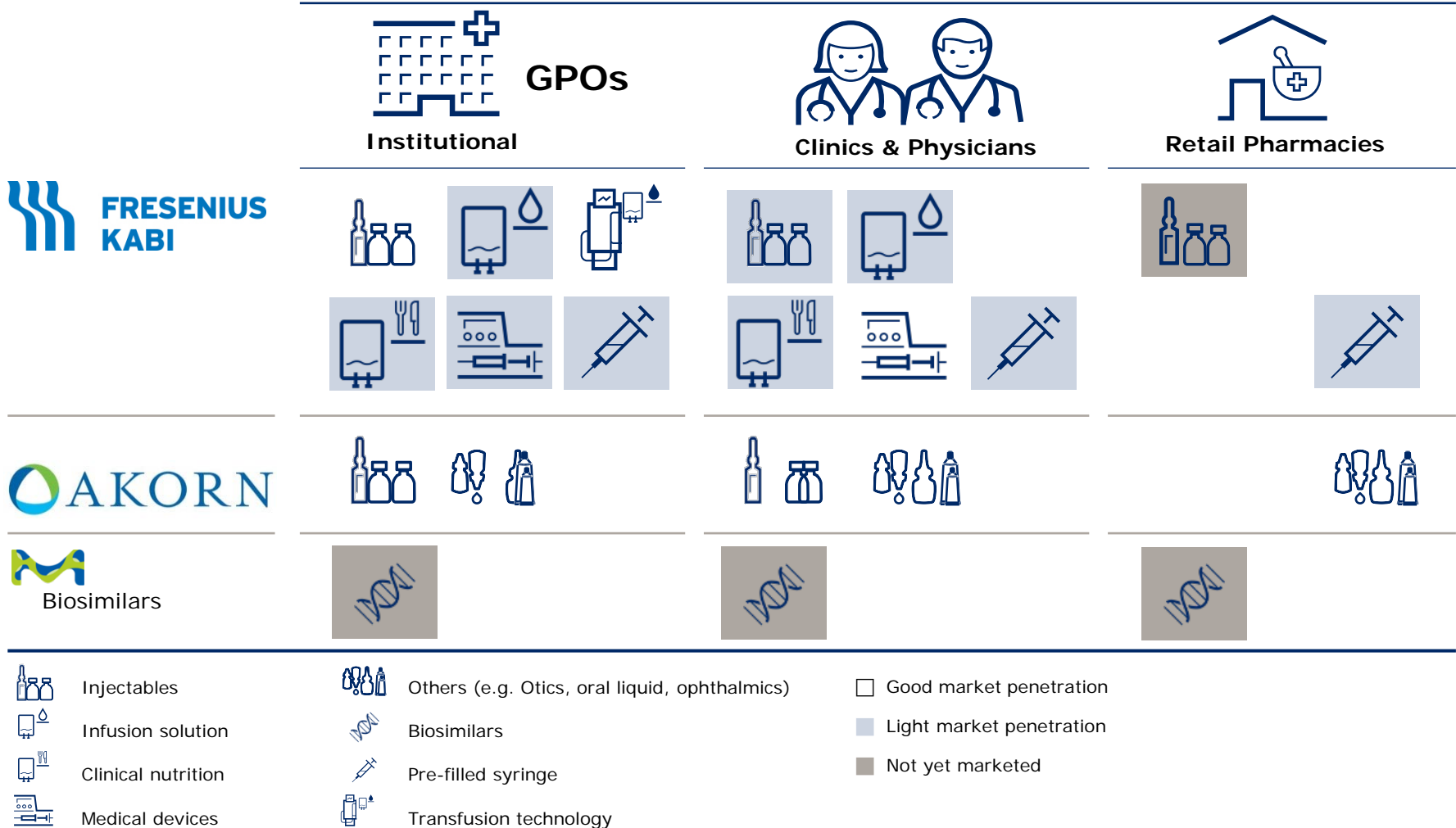
Organization: Core team of >70 experts located in Aubonne and Vevey, Switzerland



Network: External partners supporting development, documentation and regulatory affairs

Merck Biopharma provides support in manufacturing (one production suite reserved for biosimilars), analytics, regulatory, quality, safety and clinical operations.

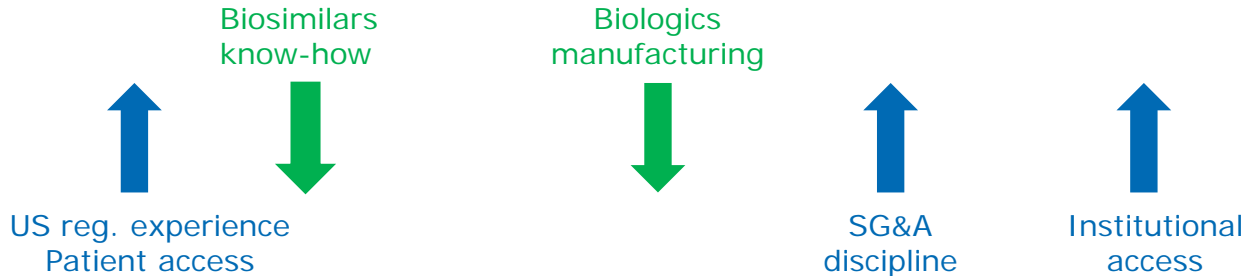
Expanding U.S. Market Access



Who Brings What to a Great Party?



Biosimilars



Financial Calendar / Contact

Financial Calendar 2017

02.11.2017	Report on 3 rd quarter 2017
18.05.2018	Annual General Meeting

Please note that these dates could be subject to change.

Contact

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