

Roadshow USA



2 - 4 October 2018

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.

A Global Leader In HealthCare Products And Services



~€33.9 bn in Sales
(as of Dec. 31, 2017)

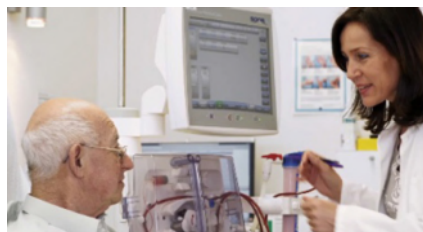
**Strong portfolio
of products** (30% of sales)
and services (70% of sales)

**Total Shareholder Return:
10-year CAGR: ~15%**

**Global presence in
100+ countries**

**273,000+ employees
worldwide**
(as of June 30, 2018)

Strong and Balanced Health Care Portfolio



Ownership: ~31%

Dialysis Products Health Care Services

- Dialysis services
- Hemodialysis products
- Peritoneal dialysis products
- Care coordination

Sales 2017: €17.8 bn



Ownership: 100%

Hospital Supplies

- IV drugs
- Biosimilars
- Clinical nutrition
- Infusion therapy
- Medical devices/
Transfusion technology

Sales 2017: €6.4 bn



Ownership: 100%

Hospital Operation

- Acute care
- Outpatient services

Sales 2017: €8.7 bn



Ownership: 77%

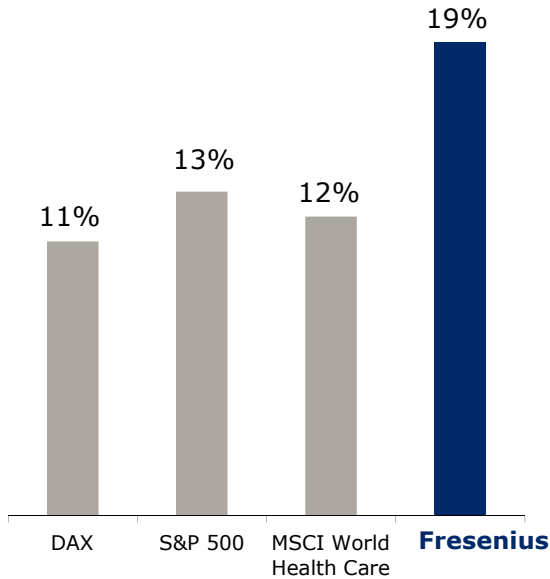
Projects and Services for Hospitals

- Post-acute care
- Project development & Planning
- Turnkey construction
- Maintenance & Technical and total operational management

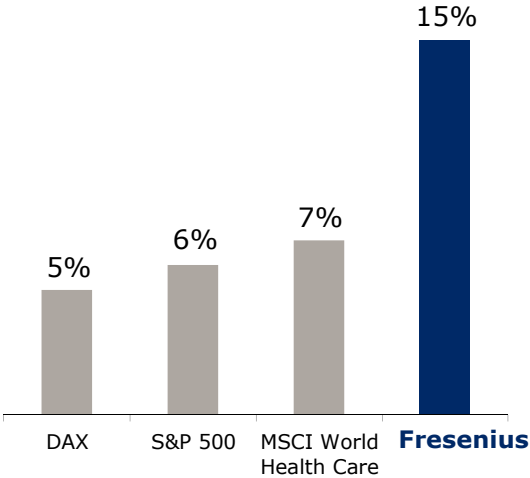
Sales 2017: €1.2 bn

Total Shareholder Return – CAGR, Rounded

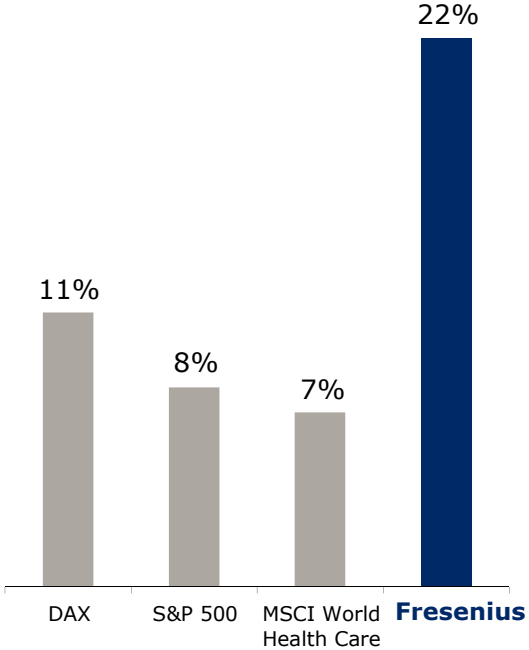
5 years



10 years



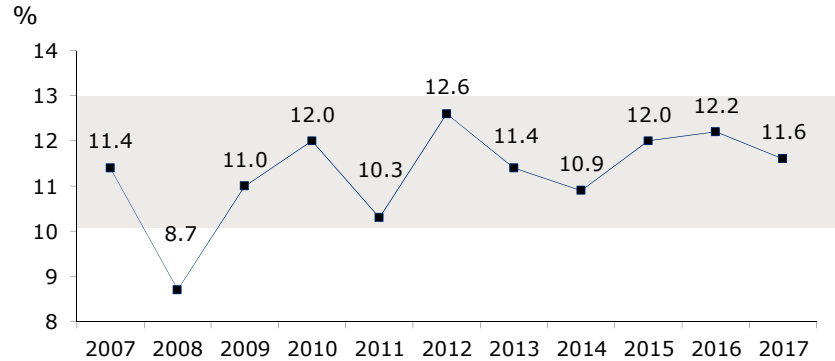
15 years



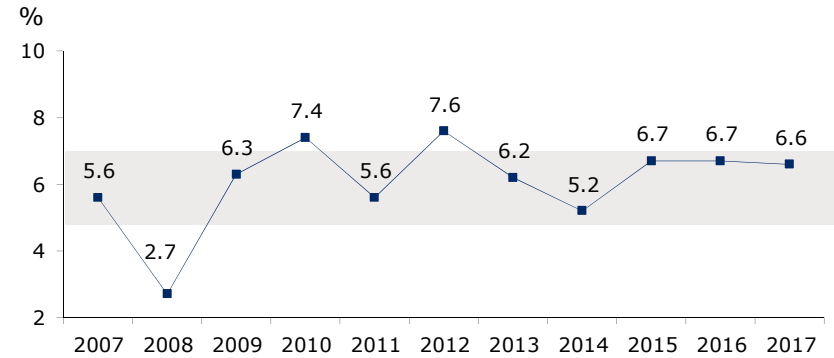
Source: Bloomberg; dividends reinvested, as of Dec 31, 2017

Fresenius Group Consistent Cash Generation

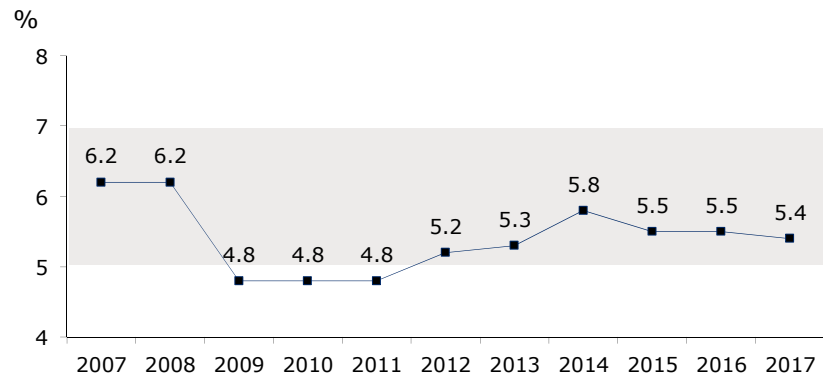
CFFO margin



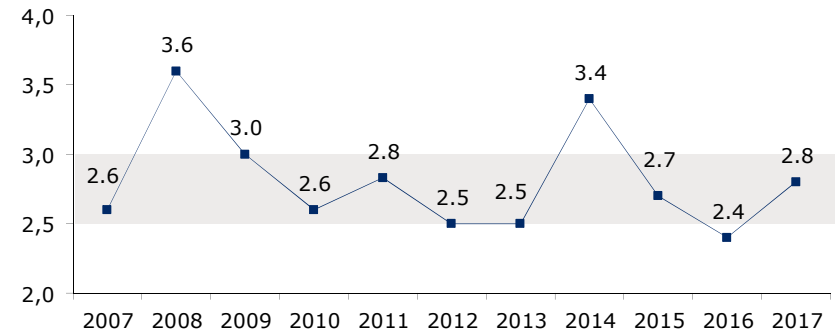
FCF margin (before acquisitions & dividends)



Capex gross, in % of sales



Net Debt / EBITDA¹



¹ Net debt at year-end exchange rate; EBITDA at LTM average exchange rates; before special items; pro forma acquisitions

Fresenius Medical Care: Global Dialysis Market Leader

- The world's leading provider of dialysis products and services treating more than 325,000 patients¹ in ~3,800 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 2017:

- ~€70 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, 2018

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
- Development of biosimilars with a focus on oncology and autoimmune diseases

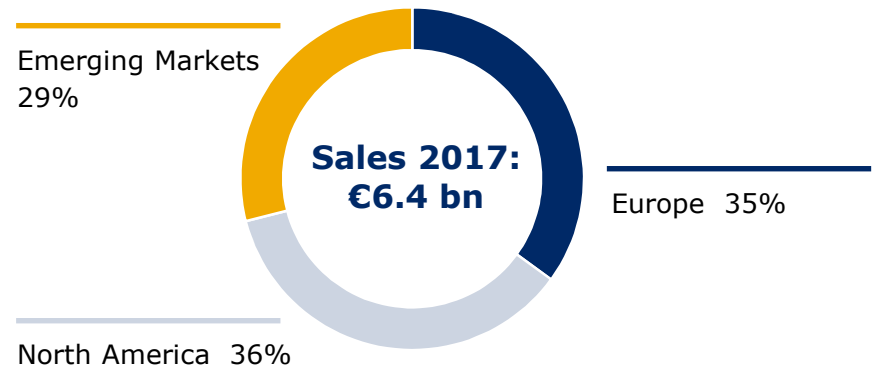
Market Dynamics

Global Addressable Market 2017:

- ~€81 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 Germany

- ~6%¹ share in German acute care hospital market
- Organic growth based on growing number of admissions and reimbursement rate increases
- 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:

- ~€98 bn²

Growth Drivers:

- Aging population leading to increasing hospital admissions

Largest network & nationwide presence



87 acute care hospitals
 ~29,400 beds
 ~1.2 million inpatient admissions p.a.
 ~4.0 million outpatient admissions p.a.

As of July 2018

 Acute Care

 Outpatient

¹ Based on sales

² German Federal Statistical Office 2017; total costs, gross of the German hospitals less academic research and teaching

Fresenius Helios: Europe's Largest Private Hospital Operator

Helios Spain

- ~€2.6bn¹ sales in 2017
- ~11% 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

¹ Eleven months contribution of Helios Spain

² Market data based on company research. Market definition does neither include Public Private Partnerships (PPP) nor Occupational Risk Prevention centers (ORP).

Market Dynamics

Spanish Private Hospital Market:

- ~€14 bn²

Growth Drivers:

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

Quirónsalud hospitals in every major metropolitan region of Spain



45 hospitals
~6,700 beds
~11.2 m outpatient admissions p.a.
~350,000 inpatient admissions p.a.

As of July 2018

Fresenius Vamed: Leading Global Hospital Projects and Services Specialist

- Manages hospital construction/expansion projects (49% of sales) and provides services (51% of sales) for health care facilities worldwide
- Offers project development, planning, turnkey construction, maintenance as well as technical management, and total operational management
- Strong track record: More than 800 projects in over 80 countries completed
- Leading European post-acute care provider with 63 inpatient health care facilities in five European countries



Projects



Services



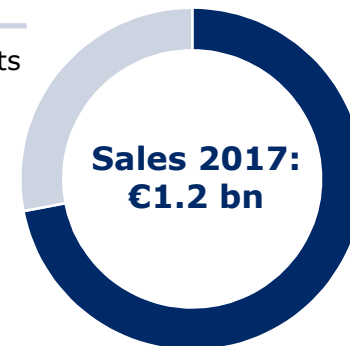
Post-acute care

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
28%



Europe 72%

Fresenius Group: 2018 Financial Outlook by Business Segment

€m (except otherwise stated)		FY/17 Base	H1/18 Actual	FY/18e ¹	FY/18 ¹ New
 FRESENIUS KABI	Sales growth (org)	6,358	7%	4% - 7%	<input checked="" type="checkbox"/>
	EBIT growth (cc)	1,177 ²	-1% ⁶	-6% to -3% ²	-2% to 1% ²
	EBIT growth (cc) excl. biosimilars	1,237 ³	10% ⁶	~2% - 5% ³	~6% - 9% ³
 FRESENIUS HELIOS	Sales growth (org)	8,668 ⁴	4%	3% - 6% ⁵	<input checked="" type="checkbox"/>
	EBIT growth	1,052 ⁴	6%	5% - 8% ⁷	<input checked="" type="checkbox"/>
 FRESENIUS VAMED	Sales growth (org)	1,228	5%	5% - 10%	<input checked="" type="checkbox"/>
	EBIT growth	76	6%	32% - 37% ⁸	<input checked="" type="checkbox"/>

¹ Excluding effects of the Akorn and NxStage transactions and gains from divestitures of Care Coordination activities

² Before special items; including expenditures for further development of biosimilars business (€60 m in FY/17 and expected expenditures of ~€160 m in FY/18)

³ Before special items; excluding expenditures for further development of biosimilars business (€60 m in FY/17 and expected expenditures of ~€160 m in FY/18)

⁴ Helios Spain consolidated for 11 months

⁵ Organic growth reflects 11 months contribution of Helios Spain in 2018

⁶ Before special items

⁷ Before transfer of the German inpatient post-acute care business from Helios to Vamed: 7% - 10%

⁸ Before transfer of the German inpatient post-acute care business from Helios to Vamed: 5% - 10%

For a detailed overview of special items please see the reconciliation tables on slides 34-35.

Fresenius Group: 2018 Financial Guidance

€m (except otherwise stated)	FY/17 Base	H1/18 Actual	FY/18e ¹	FY/18 ¹
FRESENIUS				
Sales growth (cc)	32,842 ²	6% ⁸	5% - 8%	<input checked="" type="checkbox"/>
Net income³ growth (cc)	1,804 ⁴	7%	6% - 9% ⁵	<input checked="" type="checkbox"/>
Net income³ growth (cc) excl. Biosimilars	1,847 ⁶	12%	~10% - 13% ⁷	<input checked="" type="checkbox"/>

¹ Excluding effects of the Akorn and NxStage transactions and gains from divestitures of Care Coordination activities

² 2017 base adjusted for IFRS 15 adoption (deduction of €486 million at Fresenius Medical Care) and divestitures of Care Coordination activities (deduction of €558 million at Fresenius Medical Care)

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA

⁴ Before special items, i.e. expenses related to the Akorn and NxStage transactions, gains from divestitures of Care Coordination activities (deduction of €12 million at Fresenius Medical Care), book gain from the U.S. tax reform and FCPA provision

⁵ Before special items (i.e. expenses related to the Akorn and NxStage transactions and gains from divestitures of Care Coordination activities; including expenditures for further development of biosimilars business (€43 m after tax in FY/17 and expected expenditures of ~€120 m after tax in FY/18)

⁶ Adjusted net income: Before special items (i.e. expenses related to the Akorn and NxStage transactions and gains from divestiture of Care Coordination activities (deduction of €12 million at Fresenius Medical Care), book gain from the U.S. tax reform and FCPA provision), before expenditures for further development of biosimilars business

⁷ Before special items (i.e. expenses related to the Akorn and NxStage transactions and gains from divestitures of Care Coordination activities; excluding expenditures for further development of biosimilars business (€43 m after tax in FY/17 and expected expenditures of ~€120 m after tax in FY/18)

⁸ Growth rate adjusted for IFRS 15 adoption (H1/17 base: €16,624 million)

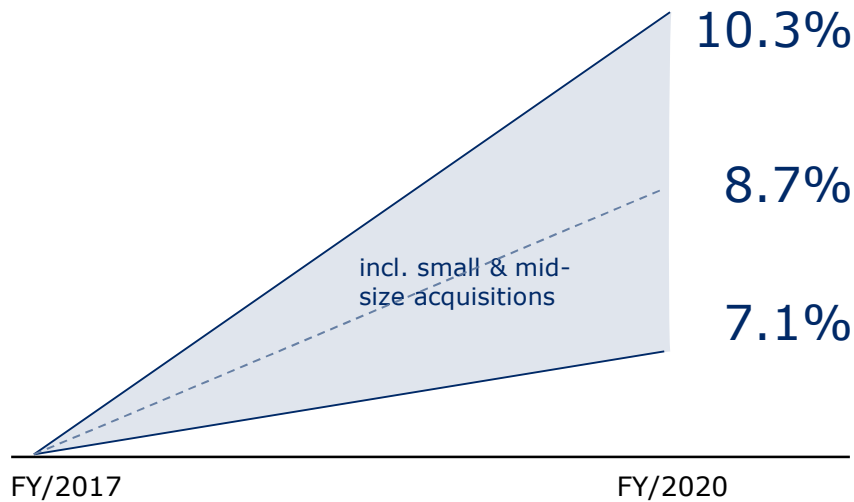
For a detailed overview of special items please see the reconciliation tables on slides 34-35.

Basis for guidance

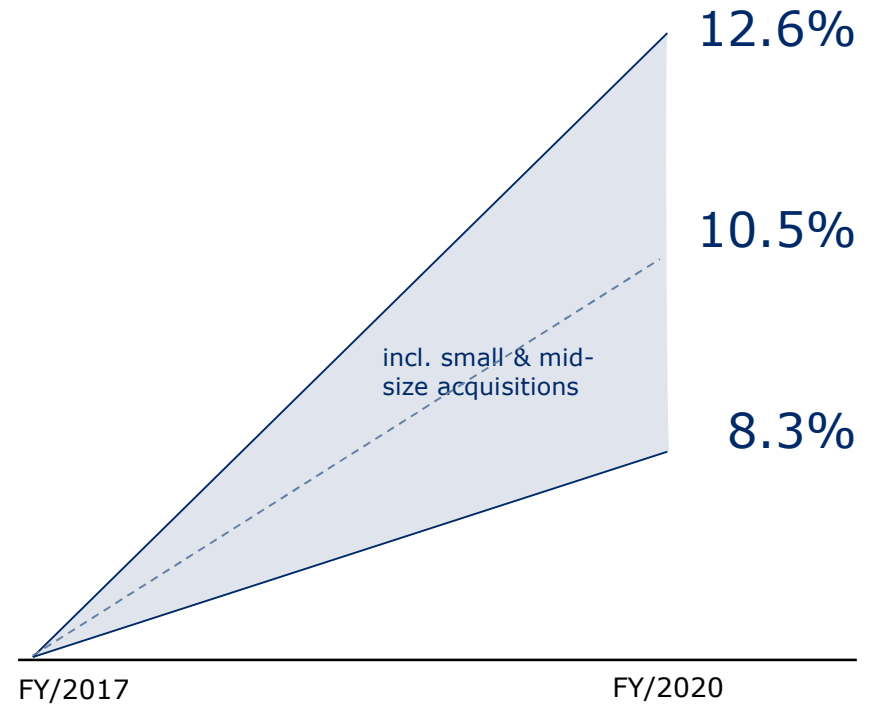
€m	2017	Targets 2018
Sales reported	33,886	
adjustments from IFRS 15	-486	
divestitures of Care Coordination activities at FMC	-558	
Basis sales guidance	32,842	5-8%
Net income reported	1,814	
Acquisition-related expenses	43	
Book gain from U.S. tax reform	-103	
FCPA provision	62	
divestitures of Care Coordination activities at FMC	-12	
Basis net income before special items guidance	1,804	6-9%
Adjustments for guidance comparison: Expenditures for further development of biosimilars business	43	
Basis net income guidance excluding biosimilars	1,847	~10-13%

Fresenius Group: 2020 Mid-Term Growth Targets Confirmed

Sales CAGR



Net Income CAGR



At constant exchange rates and IFRS rules as of Feb 2017
Net income attributable to shareholders of Fresenius SE & Co. KGaA

Financial Review Q2 & H1/18



Fresenius Group: Q2/18 Highlights



Ongoing healthy sales and earnings growth (cc) across all business segments



Fresenius Kabi's financial performance standing out – segment guidance increased



Preparatory structural measures for regulatory requirements weigh on Helios Germany



FMC optimized U.S. Care Coordination portfolio



Successful transfer of German inpatient rehabilitation business from Helios to Vamed

Fresenius Group: Current Topics

Pricing Environment North America

- Continue to see “nothing out of the ordinary” in U.S. injectables market
- Still low single-digit price declines for our base portfolio of injectable generics

Kabi growth initiatives

- Significant investment projects in U.S. plants to increase capacity and foster automation
- New compounding center in Massachusetts
- Enteral Nutrition – New production facility planned in China
- Parenteral Nutrition – steep ramp-up of SMOFlipid in the U.S. and further broadening of portfolio
- Won major Canadian pump tender

Biosimilars

- Progress of product pipeline according to plan
- Conditions for first small development milestone payment fulfilled in Q2/18; becomes cash-relevant in Q3/18

Helios

- Financial performance of Helios Germany impacted by:
 - Additional “DRG catalogue effects”
 - Preparatory structural activities (e.g. clustering) for anticipated regulatory measures
- Helios Spain continues to seize opportunities



Financial Review Q2/18



Fresenius Group: Q2 & H1/18 Profit and Loss Statement

€m	Q2/18	Δ YoY cc	H1/18	Δ YoY cc
Sales	8,382	5% ¹	16,503	6% ¹
EBIT	1,145	2%	2,199	-2%/2% ²
EBIT (excl. biosimilars)	1,182	5%	2,271	1%/5% ²
Net interest	-151	7%	-297	3%
Income taxes	-233	13%	-424	23%
Net income	472	7%	922	7%
Net income (excl. biosimilars)	499	12%	975	12%

¹ Growth rate adjusted for IFRS 15 adoption

² Excluding VA agreement

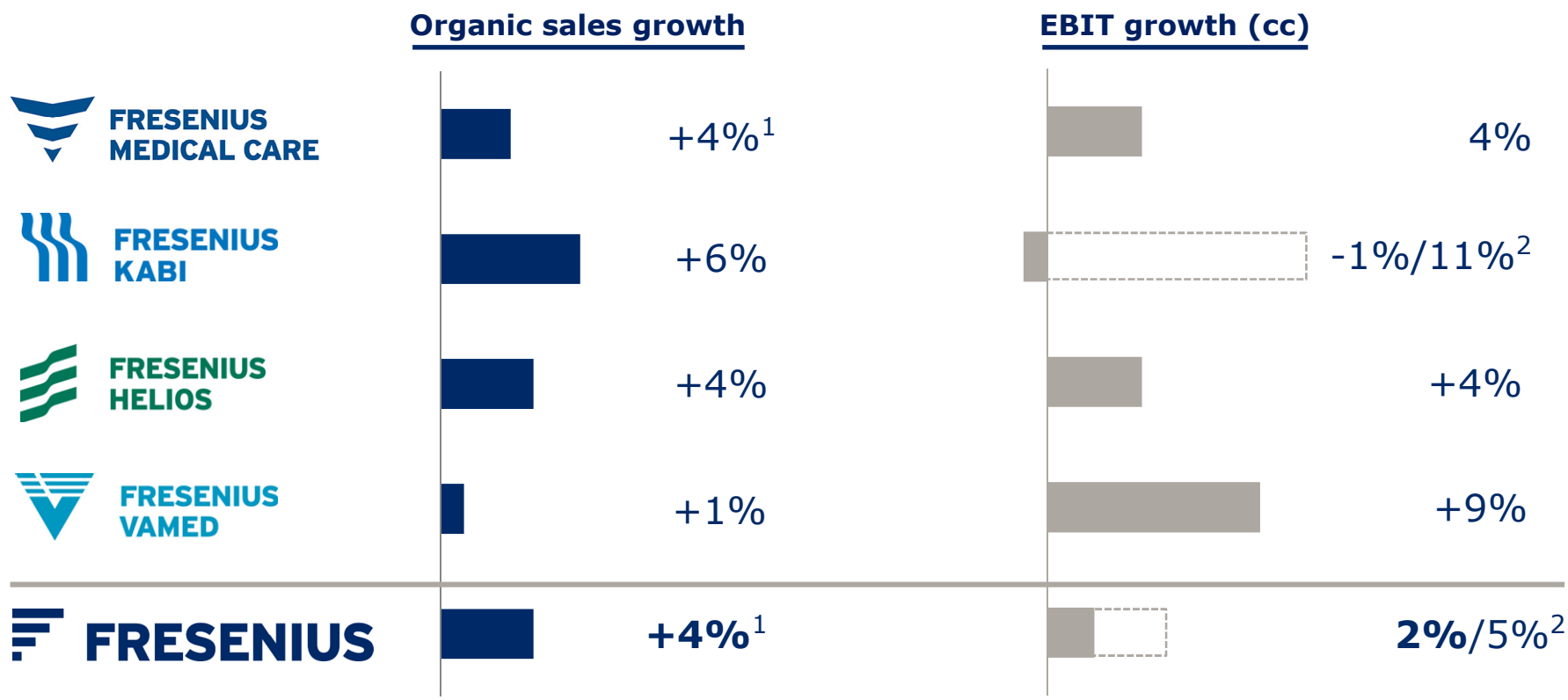
All figures before special items (i.e. the Akorn and NxStage transactions and gains from divestitures of Care Coordination activities at Fresenius Medical Care)

All growth rates in constant currency (cc)

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

For a detailed overview of special items please see the reconciliation tables on slides 34-35.

Fresenius Group: Q2/18 Business Segment Growth



¹ Growth rates adjusted for IFRS 15 adoption


² Excl. biosimilars

All figures before special items

For a detailed overview special items please see the reconciliation table on slide 34.


Fresenius Kabi: Q2/18 Regional Highlights (1/2)

North America

- 4% organic sales growth
- 35 Kabi-marketed IV drugs currently designated in shortage (vs. 24 at Q4/17)
- 6 product launches YTD; confirm 15+ target
- Confirm FY/18 outlook: Mid-single-digit organic sales growth 



Europe

- 3% organic sales growth
- Enteral nutrition continues to drive growth
- Confirm FY/18 outlook: Low to mid-single-digit organic sales growth 

Fresenius Kabi: Q2/18 Regional Highlights (2/2)

Emerging Markets

China

- 10% organic sales growth
- Tender rules:
 - Introduction of new tender policy is now completed
 - Expectation for FY/18 unchanged – low to mid single-digit price decline and continued double-digit volume growth

Asia-Pacific ex China: 14% organic sales growth

Latin America/Africa: 10% organic sales growth



Total Emerging Markets

Strengthen FY/18 outlook:
Double-digit organic sales growth



Fresenius Kabi: Q2 & H1/18 EBIT Growth

€m	Q2/18	Δ YoY cc	H1/18	Δ YoY cc
North America Margin	220 40.1%	7% 140 bps	442 38.8%	7% 40 bps
Europe Margin	89 15.8%	8% 60 bps	174 15.5%	8% 60 bps
Asia-Pacific/Latin America/Africa Margin	96 19.5%	20% 150 bps	183 19.3%	16% 60 bps
Corporate and Corporate R&D	-116	-51%	-242	-48%
Total EBIT¹ Margin ¹	289 18.0%	-1% -130 bps	557 17.4%	-1% -200 bps
Total EBIT excl. Biosimilars¹ Margin ¹	326 20.3%	11% 100 bps	629 19.6%	10% 20 bps

Margin growth at actual rates

¹ Before special items

For a detailed overview of special items please see the reconciliation tables on slides 34-35.

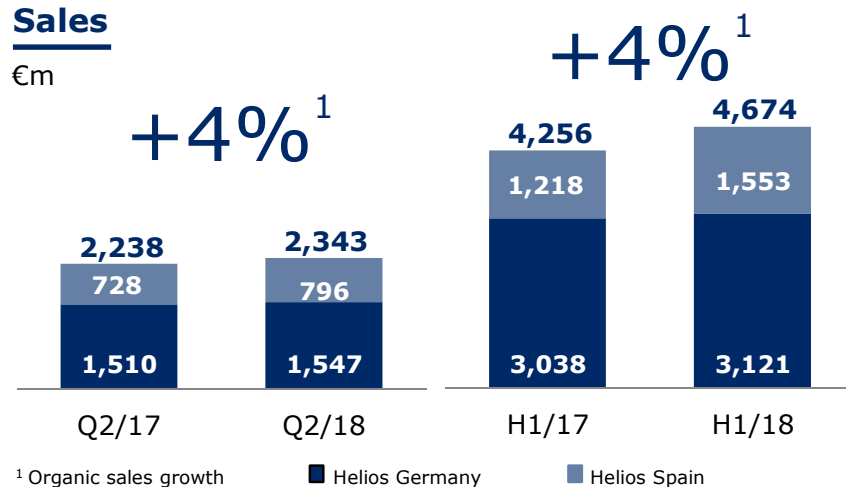
Fresenius Helios

Helios Germany

- 3% organic sales growth in Q2/18
- Additional “DRG catalogue effects” and preparatory structural activities for anticipated regulatory measures impact earnings development

Helios Spain

- Excellent sales growth of 9% in Q2/18
- Additional month of consolidation contributed significantly to 28% sales growth in H1/18
- Accelerated organic sales growth
 - 8% in Q2/18
 - 5% in H1/18



Fresenius Helios: Q2 & H1/18 Key Financials

€m	Q2/18	Δ YoY	H1/18	Δ YoY
Total sales	2,343	5%	4,674	10%
Thereof Helios Germany	1,547	2%	3,121	3%
Thereof Helios Spain ¹	796	9%	1,553	28%
Total EBIT	293	4%	571	6%
Margin	12.5%	-10 bps	12.2%	-40 bps
Thereof Helios Germany	168	-6%	345	-4%
Margin	10.9%	-90 bps	11.1%	-70 bps
Thereof Helios Spain ¹	124	19%	227	28%
Margin	15.6%	130 bps	14.6%	0 bps
Thereof Corporate	1	--	-1	--

¹ Consolidated since February 1, 2017

Fresenius Vamed

- Strong H1/18 with 5% organic sales growth
- Ongoing healthy growth of service business in Q2/18
- Good order intake of €195m in Q2/18
- Transfer of post-acute care business from Helios to Vamed as of July 1st, 2018
- Small acquisition to strengthen medical-technical service business in the UK








€m	Q2/18	Δ YoY	H1/18	Δ YoY
Total sales	266	3%	515	7%
Project business	99	-7%	191	4%
Service business	167	11%	324	9%
Total EBIT	12	9%	18	6%
Order intake ¹	195	2%	455	10%
Order backlog ^{1,2}			2,372	10%

¹ Project business only

² Versus December 31, 2017

Fresenius Group: Cash Flow

€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q2/18	LTM Margin	Q2/18	LTM Margin	Q2/18	LTM Margin
 FRESENIUS KABI	228	16.8%	-104	-7.1%	124	9.7%
 FRESENIUS HELIOS	162	7.6%	-99	-5.0%	63	2.6% ²
 FRESENIUS VAMED	-14	1.1%	-3	-1.0%	-17	0.1%
Corporate/Other	-12	n.a.	-6	n.a.	-18	n.a.
 FRESENIUS Excl. FMC	364	11.2% ³	-212	-5.7%	152	5.5% ³
 FRESENIUS	1,020	10.5%	-440	-5.5%	580	5.0%

¹ Before acquisitions and dividends

² Understated: 3.1% excluding €41 million of capex commitments from acquisitions

³ Margin incl. FMC dividend

Fresenius Group: Calculation of Noncontrolling Interest

€m	H1/18	H1/17
Earnings before tax and noncontrolling interest	1,902	2,067
Taxes	-424	-589
Noncontrolling interest, thereof	-556	-562
Fresenius Medical Care net income not attributable to Fresenius (H1/18: ~69%)	-417	-400
Noncontrolling interest holders in Fresenius Medical Care	-112	-138
Noncontrolling interest holders in Fresenius Kabi (-€18 m), Fresenius Helios (-€6 m), and due to Fresenius Vamed's 23% external ownership (-€3 m)	-27	-24
Net income attributable to Fresenius SE & Co. KGaA	922	916

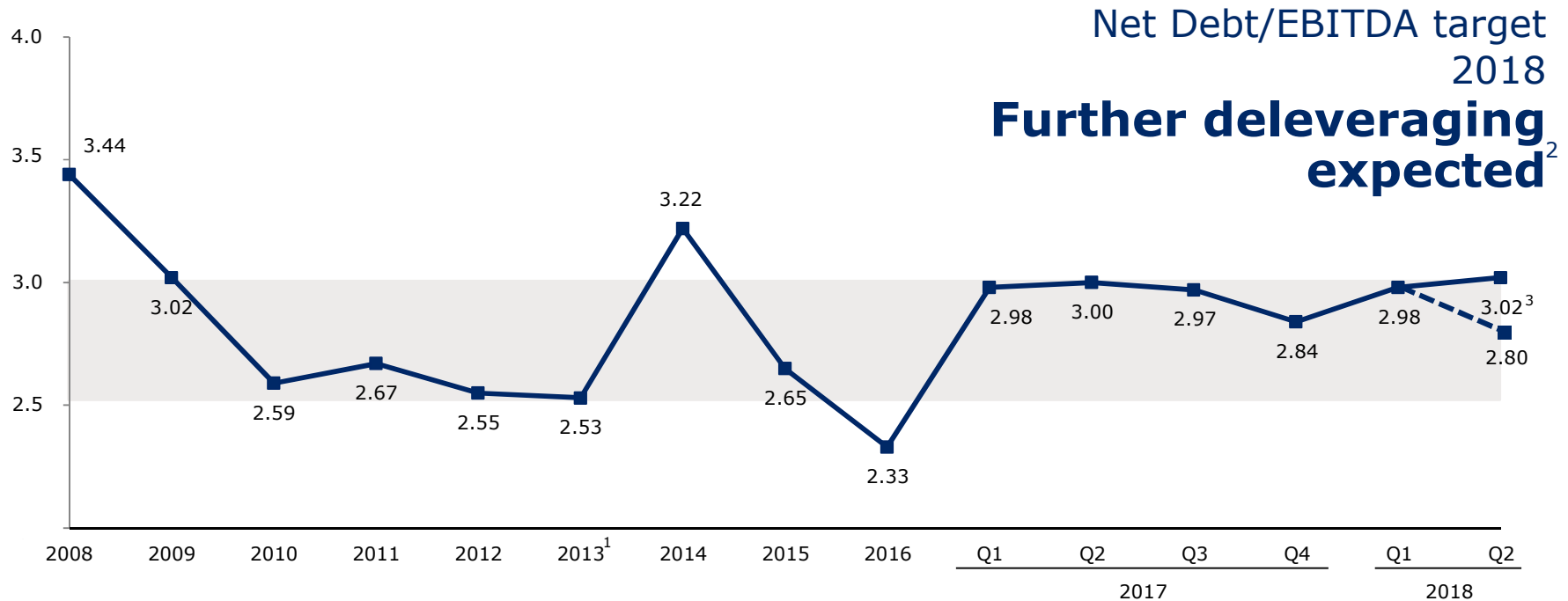
Before special items

For a detailed overview of special items please see the reconciliation tables on slides 34-35.

Fresenius Group: Cash Flow

€m	Q2/18	LTM Margin	Δ YoY
Operating Cash Flow	1,020	10.5%	-15%
Capex (net)	-440	-5.5%	-23%
Free Cash Flow (before acquisitions and dividends)	580	5.0%	-32%
Acquisitions (net)	1,479		
Dividends	-728		
Free Cash Flow (after acquisitions and dividends)	1,331	6.1%	--

Fresenius Group: Leverage Ratio



Before special items; pro forma closed acquisitions/divestitures
At LTM average FX rates for both EBITDA and net debt

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

² Calculated at expected annual average exchange rates, for both net debt and EBITDA; excluding expenses related to (i) the Akorn transaction, (ii) NxStage acquisition; excluding gains from divestitures of Care Coordination activities; excluding further potential acquisitions; at current IFRS rules

³ Excluding proceeds from divestitures of Care Coordination activities

Fresenius Kabi: Organic Sales Growth by Regions

€m	Q2/18	Δ YoY organic	H1/18	Δ YoY organic
North America	549	4%	1,140	7%
Europe	563	3%	1,120	3%
Asia-Pacific/Latin America/Africa	492	11%	947	12%
Asia-Pacific	326	11%	627	13%
Latin America/Africa	166	10%	320	10%
Total sales	1,604	6%	3,207	7%

Fresenius Kabi: Organic Sales Growth by Product Segment

€m	Q2/18	Δ YoY organic	H1/18	Δ YoY organic
IV Drugs	647	1%	1,326	4%
Infusion Therapy	239	10%	475	10%
Clinical Nutrition	445	10%	880	12%
Medical Devices/ Transfusion Technology	273	6%	526	4%
Total sales	1,604	6%	3,207	7%

Reconciliation Q2/18

Consolidated results for Q2/2018 include special items related to the Akorn transaction. These are mainly transaction costs in the form of legal and consulting fees as well as costs of the financing commitment for the Akorn transaction. Moreover special items arose from gains/losses of divestitures of Care Coordination activities at Fresenius Medical Care. The following presentation shows the corresponding reconciliation to the IFRS values.

€m	Q2/2018 Before special items and before expenses for biosimilars business	Expenses for the further development of the biosimilars business	Before special items	Special items (transaction-related effects Akorn)	Special items (gain from divestitures of Care Coordination activities)	After special items (IFRS reported)
Sales	8,382		8,382			8,382
EBIT	1,182	-37	1,145	-35	833	1,943
Net interest	-149	-2	-151	-4		-155
Net income before taxes	1,033	-39	994	-39	833	1,788
Income taxes	-245	12	-233	8	-147	-372
Net income	788	-27	761	-31	686	1,416
Noncontrolling interest	-289		-289		-475	-764
Net income attributable to shareholders of Fresenius SE & Co. KGaA	499	-27	472	-31	211	652

The special items are reported in the Group Corporate/Other segment.

Reconciliation H1/18

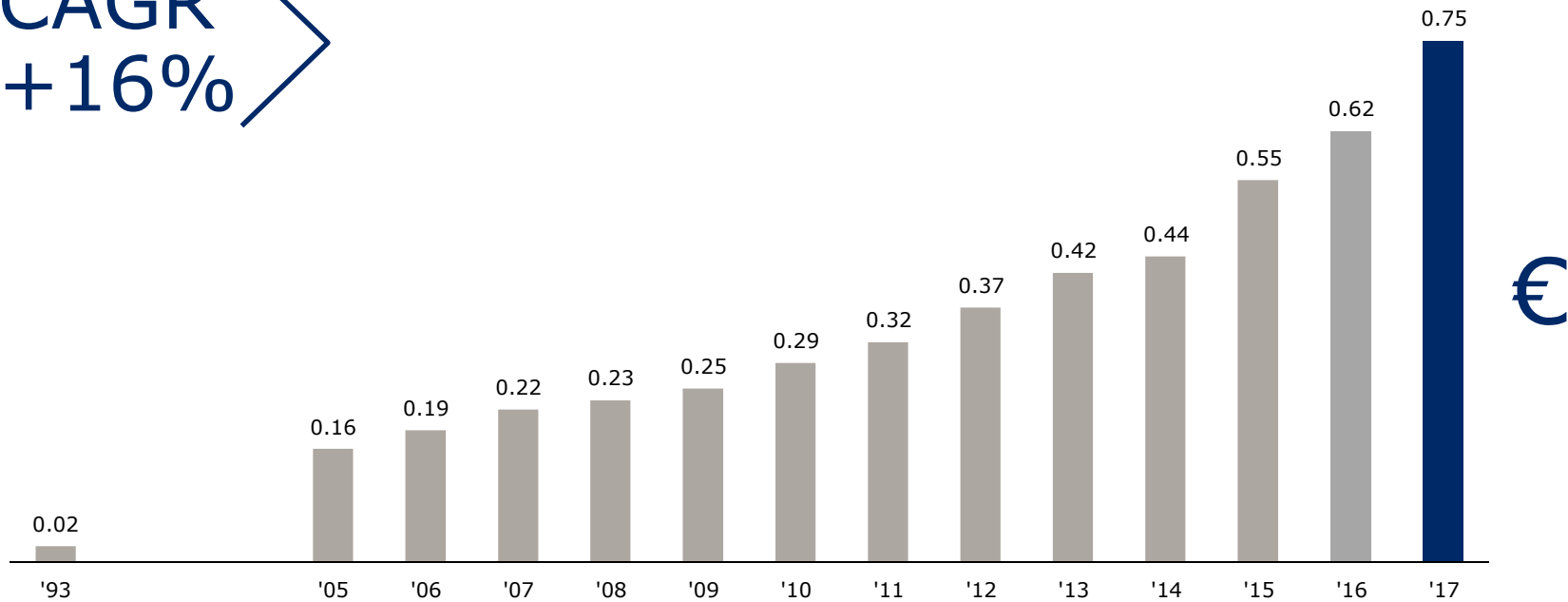
Consolidated results for H1/2018 include special items related to the Akorn transaction. These are mainly transaction costs in the form of legal and consulting fees as well as costs of the financing commitment for the Akorn transaction. Moreover special items arose from gains/losses of divestitures of Care Coordination activities at Fresenius Medical Care. The following presentation shows the corresponding reconciliation to the IFRS values.

€m	H1/2018 Before special items and before expenses for biosimilars business	Expenses for the further development of the biosimilars business	Before special items	Special items (transaction-related effects Akorn)	Special items (gain from divestitures of Care Coordination activities)	After special items (IFRS reported)
Sales	16,503		16,503			16,503
EBIT	2,271	-72	2,199	-40	820	2,979
Net interest	-293	-4	-297	-7		-304
Net income before taxes	1,978	-76	1,902	-47	820	2,675
Income taxes	-447	23	-424	10	-147	-561
Net income	1,531	-53	1,478	-37	673	2,114
Noncontrolling interest	-556		-556		-466	-1,022
Net income attributable to shareholders of Fresenius SE & Co. KGaA	975	-53	922	-37	207	1,092

The special items are reported in the Group Corporate/Other segment.

Fresenius Group: 25th Consecutive Dividend Increase

CAGR
+16%



Dividend growth aligned to EPS growth
Pay-out ratio: 23%

Financial Calendar / Contact

Financial Calendar

30 October 2018

Results Q3/2018

17 May 2019

Annual General Meeting

Please note that these dates could be subject to change.

Contact

Investor Relations

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