



# Conference Call – Q2/2015 Results

July 30, 2015



## 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

		Q2/15	H1/15
<b>Sales</b>		€6,946 m	€13,429 m
	Growth cc	13%	13%
	Growth actual rates	26%	25%
<b>EBIT<sup>1</sup></b>		€971 m	€1,822 m
	Growth cc	12%	15%
	Growth actual rates	28%	30%
<b>Net income<sup>1</sup></b>		€350 m	€642 m
	Growth cc	22%	19%
	Growth actual rates	35%	32%

<sup>1</sup> Before special items

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

## Fresenius Group: Financial Results by Business Segment

		Q2/15	Growth Q2 YoY	H1/15	Growth H1 YoY
 <b>FRESENIUS MEDICAL CARE</b>	Sales	US\$4,199 m	9%	US\$8,159 m	10%
	EBIT	US\$547 m	-2%	US\$1,051 m	5%
 <b>FRESENIUS KABI</b>	Sales	€1,538 m	23%	€2,932 m	19%
	EBIT <sup>1</sup>	€314 m	50%	€571 m	39%
 <b>FRESENIUS HELIOS</b>	Sales	€1,383 m	7%	€2,774 m	10%
	EBIT <sup>1</sup>	€160 m	18%	€307 m	23%
 <b>FRESENIUS VAMED</b>	Sales	€255 m	23%	€463 m	16%
	EBIT	€9 m	0%	€16 m	7%

<sup>1</sup> Before special items

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

## Q2 Business Segment Update



### Accelerated sales and EBIT growth

#### Regional development

##### North America

- IV drug shortages persisting
- 5 product launches YTD
- Expected 2015 organic sales growth range now 8% to 12%

##### Europe

- Continued strong business momentum with 5% organic sales growth
- Timing of contract manufacturing orders suggest slightly lower H2 sales growth

##### Emerging Markets

- Organic sales growth expected to accelerate in H2, FY organic sales growth now forecast to reach high single digits
- Sale of €100 m Australian oncology compounding activities to streamline business, transaction expected to be closed by year-end

#### Kabi efficiency program

- €100 m efficiency program fully on track;  
€30 m booked in Q2, remainder of approx. €60 m back-loaded in 2015

## Q2 Business Segment Update



### Hospital business fully on track

- 100 bps sequential margin expansion reflects continued successful integration of acquired Rhön hospitals
- Fully on track to meet full-year guidance



### Strong organic sales growth

- Project business drives organic sales growth (31% organic sales growth), continued strong sales growth momentum in service business (11% organic sales growth)
- Fully on track to meet full-year guidance

## Group Financials Q2/15 – Outlook 2015



## Fresenius Group: Profit and Loss Statement

€m	Q2/15	Growth Q2 YoY		H1/15	Growth H1 YoY	
		actual rates	constant rates		actual rates	constant rates
Sales	6,946	26%	13%	13,429	25%	13%
EBIT <sup>1</sup>	971	28%	12%	1,822	30%	15%
Net interest	-165	-14%	-1%	-330	-17%	-4%
Income taxes <sup>1</sup>	-234	-18%	-2%	-441	-33%	-16%
Net income <sup>2</sup>	350	35%	22%	642	32%	19%

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items

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



## Fresenius Kabi: Strong EBIT Growth

€m	Q2/15	Growth Q2 YoY	H1/15	Growth H1 YoY
Europe	91	12%	174	16%
Margin	17.0%	150 bps	16.5%	190 bps
North America	227	63%	403	41%
Margin	41.0%	290 bps	39.3%	100 bps
Asia-Pacific/Latin America/Africa	70	19%	133	23%
Margin	15.5%	-70 bps	15.6%	10 bps
Corporate and Corporate R&D	-74	-7%	-139	-5%
<b>Total EBIT</b>	<b>314</b>	<b>50%</b>	<b>571</b>	<b>39%</b>
at constant currency		26%		18%
<b>Margin</b>	<b>20.4%</b>		<b>19.5%</b>	

EBIT before special items

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






## Fresenius Helios: Strong EBIT margin increase

€m	Q2/15	Growth Q2 YoY	H1/15	Growth H1 YoY
<b>Total sales</b>	<b>1,383</b>	<b>7%</b>	<b>2,774</b>	<b>10%</b>
<b>EBIT</b>				
Established clinic portfolio	155	15%	298	20%
Margin	11.7%	120 bps	11.5%	160 bps
Acquisitions	5		9	
(consolidation <1 yr)	7.9%		4.7%	
Margin				
<b>Total EBIT</b>	<b>160</b>	<b>18%</b>	<b>307</b>	<b>23%</b>
<b>Margin</b>	<b>11.6%</b>	<b>110 bps</b>	<b>11.1%</b>	<b>120 bps</b>

EBIT before special items

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

## Cash Flow Development

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	Q2/15	LTM Margin	Q2/15	LTM Margin	Q2/15	LTM Margin
	271	13.9%	-79	-6.3%	192	7.6%
	117	10.6%	-51	-4.7%	66	5.9% <sup>3</sup>
	-7	0.8%	-6	-1.1%	-13	-0.3%
Corporate/ Other	-10	n.a.	-2	n.a.	-12	n.a.
 excl. FMC	<b>371</b>	<b>11.7%</b> <sup>2</sup>	<b>-138</b>	<b>-5.2%</b>	<b>233</b>	<b>6.5%</b> <sup>2</sup>
 Group	<b>720</b>	<b>11.9%</b>	<b>-332</b>	<b>-5.4%</b>	<b>388</b>	<b>6.5%</b>

<sup>1</sup> Before acquisitions and dividends

<sup>2</sup> Margin incl. FMC dividend

<sup>3</sup> Understated: 6.8% excluding €53 million of capex commitments from acquisitions

## Fresenius Group: Increased Outlook for Fresenius Kabi

		Old	New
<b>Fresenius Kabi</b>	Sales growth organic	4% – 7%	6% – 8%
	EBIT growth constant currency	11% – 14%	18% – 21%
<b>Fresenius Helios</b>	Sales growth organic	3% – 5%	✓ ✓ ✓
	Sales growth reported	6% – 9%	
	EBIT	€630 – 650 m	
<b>Fresenius Vamed</b>	Sales growth organic	single-digit %	✓ ✓
	EBIT growth	5% – 10%	

## Fresenius Group: Increased Earnings Guidance

	Old	New
Revenue growth at constant currency	7% – 10%	8% – 10%
Net income growth <sup>1</sup> at constant currency	13% – 16%	18% – 21%

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before integration costs for hospitals of Rhön-Klinikum AG (~€10 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

## Attachments



## Fresenius Group: Overview – Calculation of Noncontrolling Interest

€m

Earnings before tax and noncontrolling interest

Taxes

Noncontrolling interest, thereof

Fresenius Medical Care net income not attributable to Fresenius (Q2/15: ~69%)

Noncontrolling interest holders in Fresenius Medical Care (H1/15: US\$124 m according to Fresenius Medical Care's Financial Statements)

Noncontrolling interest holders in Fresenius Kabi (-€14 m), Fresenius Helios (-€4 m) and due to Fresenius Vamed's 23% external ownership (-€2 m)

Net income attributable to Fresenius SE & Co. KGaA

**H1/15**

**FY/14**

1,478

2,512

-427

-700

-409

-745

-279

-542

-110

-161

-20

-42

642

1,067






## Fresenius Group: Cash Flow

€m	Q2/15	LTM Margin	Q2/14	LTM Margin	Growth YoY
<b>Operating Cash Flow</b>	<b>720</b>	<b>11.9%</b>	<b>610</b>	<b>10.1%</b>	<b>18%</b>
Capex (net)	-332	-5.4%	-289	-5.5%	-15%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>388</b>	<b>6.5%</b>	<b>321</b>	<b>4.6%</b>	<b>21%</b>
Acquisitions (net)	-61		-161		62%
Dividends	-476		-429		-11%
<b>Free Cash Flow</b> (after acquisitions and dividends)	<b>-149</b>	<b>0.1%</b>	<b>-269</b>	<b>-14.9%</b>	<b>45%</b>

Margin = in % of sales



## Cash Flow Development LTM

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	LTM H1/15	LTM Margin	LTM H1/15	LTM H1/15	LTM H1/15	LTM Margin
	780	13.9%	-354	-6.3%	426	7.6%
	584	10.6%	-261	-4.7%	323	5.9% <sup>3</sup>
	9	0.8%	-12	-1.1%	-3	-0.3%
Corporate/ Other	-24	n.a.	-11	n.a.	-35	n.a.
 excl. FMC	<b>1,349</b>	<b>11.7%<sup>2</sup></b>	<b>-638</b>	<b>-5.2%</b>	<b>711</b>	<b>6.5%<sup>2</sup></b>
 Group	<b>3,086</b>	<b>11.9%</b>	<b>-1,396</b>	<b>-5.4%</b>	<b>1,690</b>	<b>6.5%</b>

<sup>1</sup> Before acquisitions and dividends

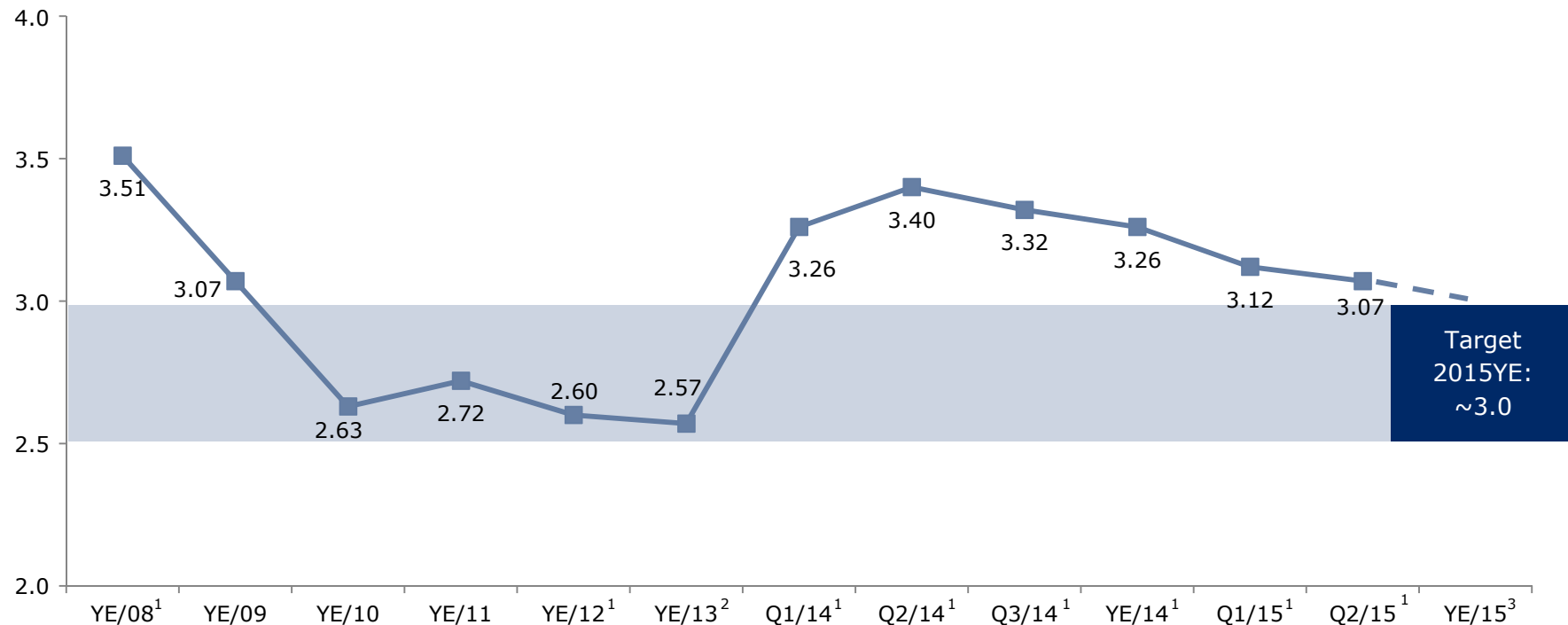
<sup>2</sup> Margin incl. FMC dividend

<sup>3</sup> Understated: 6.8% excluding €53 million of capex commitments from acquisitions

Margin = in % of sales

# Fresenius Group: Leverage Ratio

**Net debt/EBITDA (at annual average FX rates for both EBITDA and net debt)**



<sup>1</sup> Pro forma acquisitions; before special items

<sup>2</sup> Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG; before special items

<sup>3</sup> Before special items; without major acquisitions

## Fresenius Kabi: Strong Organic Sales Growth

€m	Q2/15	Organic Growth Q2 YoY	H1/15	Organic Growth H1 YoY
I.V. Drugs	646	28%	1,191	17%
Clinical Nutrition	400	7%	772	8%
Infusion Therapy	237	0%	468	0%
Medical Devices/ Transfusion Technology	255	-2%	501	-1%
<b>Total sales</b>	<b>1,538</b>	<b>11%</b>	<b>2,932</b>	<b>8%</b>

## Fresenius Kabi: Strong Organic Sales Growth

€m	Q2/15	Organic Growth Q2 YoY	H1/15	Organic Growth H1 YoY
Europe	534	5%	1,052	5%
North America	553	24%	1,026	13%
Asia-Pacific	296	4%	564	4%
Latin America/Africa	155	14%	290	11%
<b>Total sales</b>	<b>1,538</b>	<b>11%</b>	<b>2,932</b>	<b>8%</b>

## Fresenius Helios: Sales Growth

€m	Q2/15	Growth Q2 YoY	H1/15	Growth H1 YoY
Established clinic portfolio	1,320	2%	2,583	3%
Acquisitions (consolidation <1 yr)	63		191	
<b>Total sales</b>	<b>1,383</b>	<b>7%</b>	<b>2,774</b>	<b>10%</b>

## Fresenius Helios: Performance Indicators

	H1/15	H1/14	Change
<b>No. of hospitals<sup>1</sup></b>	<b>111</b>	<b>110</b>	<b>1%</b>
- Acute care clinics	87	86	1%
- Post-acute care clinics	24	24	0%
<b>No. of beds<sup>1</sup></b>	<b>34,391</b>	<b>34,188</b>	<b>1%</b>
- Acute care clinics	29,218	29,068	1%
- Post-acute care clinics	5,173	5,120	1%
<b>Admissions</b>			
- Acute care (inpatient)	597,820	557,820	7%
<b>Occupancy</b>			
- Post-acute care	81%	82%	
<b>Average length of stay (days)</b>			
- Acute care <sup>2</sup>	6.5	6.6	
- Post-acute care	26.7	26.8	

<sup>1</sup> December 31, 2014

<sup>2</sup> German average (2013): 7.5

## Fresenius Helios: Sales Influence Hospital Acquisitions / Divestitures

### Acquisitions

Hospitals from  
Rhön-Klinikum

### Annualized sales

~€1.9 bn    ~70% consolidated as of  
January 1, 2014

~20% consolidated as of  
March 1, 2014

HSK consolidated as of  
June 30, 2014

~€40 m    Cuxhaven consolidated as of  
August 1, 2014

Diekholzen

~€8 m    consolidated as of  
April 1, 2015

### Divestitures

Hospitals Borna, Zwenkau

~€90 m    Deconsolidated as of  
February 1, 2014

## Fresenius Vamed: Strong Sales Growth

€m	Q2/15	Growth Q2 YoY	H1/15	Growth H1 YoY
Project business	122	31%	202	17%
Service business	133	17%	261	16%
<hr/> Total sales	255	23%	463	16%
Total EBIT	9	0%	16	7%
Margin	3.5%	-80 bps	3.5%	-30 bps
Order intake <sup>1</sup>	92	-50%	284	-5%
Order backlog <sup>1</sup>			1,479	6% <sup>2</sup>

<sup>1</sup> Project business only

<sup>2</sup> December 31, 2014



## Fresenius Group: Key Figures According to IFRS

€m	H1/15 U.S. GAAP	H1/15 IFRS
Sales	13,429	13,622
EBIT <sup>1</sup>	1,822	1,819
Net interest	-330	-330
Net income <sup>2</sup>	642	634
Net income <sup>3</sup>	642	629
Operating Cash flow	1,251	1,257
Balance sheet total	42,271	42,370

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA, before special items

## Reconciliation according to U.S. GAAP – Q2 2015 / Q2 2014

The Group's U.S. GAAP financial results as of June 30, 2015 and June 30, 2014 comprise special items. Net income attributable to shareholders of Fresenius SE&Co. KGaA was adjusted for these special items. The table below shows the special items and the reconciliation from net income (before special items) to earnings according to U.S. GAAP.

€m	Q2/2015 before special items	efficiency program	integration costs for acquired Rhön hospitals	Q2/2015 according to U.S. GAAP (incl. special items)	Q2/2014 before special items	Fenwal integration costs	integration costs for acquired Rhön hospitals	disposal gain from Rhön stake	Q2/2014 according to U.S. GAAP (incl. special items)
<b>Sales</b>	6,946			6,946	5,521				5,521
<b>EBIT</b>	<b>971</b>	<b>-30</b>	<b>-6</b>	<b>935</b>	<b>760</b>	<b>-2</b>	<b>-8</b>	<b>35</b>	<b>785</b>
Interest result	-165			-165	-145				-145
<b>Net income before taxes</b>	<b>806</b>	<b>-30</b>	<b>-6</b>	<b>770</b>	<b>615</b>	<b>-2</b>	<b>-8</b>	<b>35</b>	<b>640</b>
Income taxes	-234	9	2	-223	-199	1	2	-1	-197
<b>Net income</b>	<b>572</b>	<b>-21</b>	<b>-4</b>	<b>547</b>	<b>416</b>	<b>-1</b>	<b>-6</b>	<b>34</b>	<b>443</b>
Less noncontrolling interest	-222			-222	-157				-157
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>350</b>	<b>-</b> <b>21</b>	<b>-4</b>	<b>325</b>	<b>259</b>	<b>-1</b>	<b>-6</b>	<b>34</b>	<b>286</b>

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

## Reconciliation according to U.S. GAAP – H1 2015 / H1 2014

The Group's U.S. GAAP financial results as of June 30, 2015 and June 30, 2014 comprise special items. Net income attributable to shareholders of Fresenius SE&Co. KGaA was adjusted for these special items. The table below shows the special items and the reconciliation from net income (before special items) to earnings according to U.S. GAAP.

€m	H1/2015 before special items	efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	H1/2015 according to U.S. GAAP (incl. special items)	H1/2014 before special items	Fenwal integration costs	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	disposal gain from Rhön stake	H1/2014 according to U.S. GAAP (incl. special items)
<b>Sales</b>	13,429				13,429	10,733					10,733
<b>EBIT</b>	1,822	-40	-8	34	1,808	1,403	-3	-8	22	35	1,449
Interest result	-330				-330	-283					-283
<b>Net income before taxes</b>	1,492	-40	-8	34	1,478	1,120	-3	-8	22	35	1,166
Income taxes	-441	12	2		-427	-332	1	2	-1	-1	-331
<b>Net income</b>	1,051	-28	-6	34	1,051	788	-2	-6	21	34	835
Less noncontrolling interest	-409				-409	-301					-301
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	642	-28	-6	34	642	487	-2	-6	21	34	534

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

## Share Information

### Share key facts

Number of shares <sup>1</sup>	543,478,807
WKN / ISIN	578560 / DE0005785604
Ticker symbol	FRE
Bloomberg symbol	FRE GR
Reuters symbol	FREG.de

### ADR key facts

Ratio	4 ADRs = 1 ordinary share
ADR CUSIP / ISIN	35804M105 / US35804M1053
Ticker symbol	FSNUY
Exchange	OTCQX International Premier
Structure	Sponsored Level I ADR
Depository bank	Deutsche Bank

<sup>1</sup> As of June 30, 2015

## Financial Calendar 2015

29.10.2015      Report on 3<sup>rd</sup> quarter 2015

Please note that these dates could be subject to change.

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