



# Health Care Worldwide

Goldman Sachs - EMEA Leveraged Finance Conference  
October 8, 2015 - London



## 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.

## Agenda

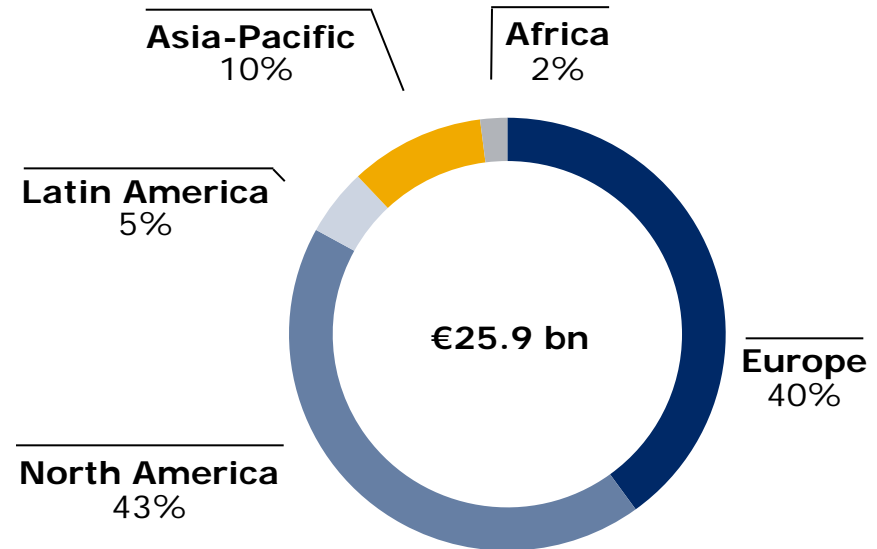
- Company Overview
- Business Segments
  - Fresenius Medical Care
  - Fresenius Kabi
  - Fresenius Helios
  - Fresenius Vamed
- Financial Overview
- Financing Facilities and Debt Structure
- Summary and Outlook

# Company Overview



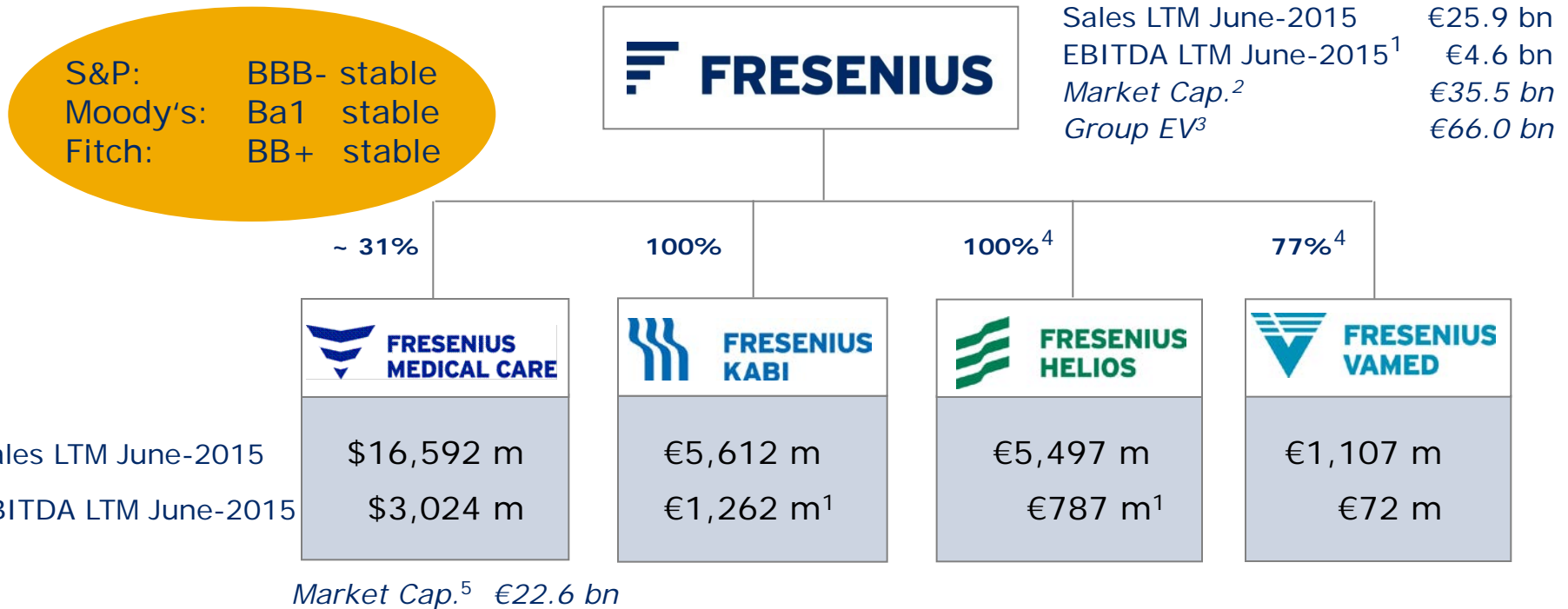
# Fresenius Group: A Global Leader in Health Care Products and Services

- Sales €25.9 bn, net income<sup>1</sup> €2.1 bn  
LTM June 2015
- Strong and well-diversified portfolio
- Global presence in approx. 100 countries
- Long-term opportunities in growing,  
non-cyclical markets
- Leading market positions



1 – Net income incl. attributable to non-controlling interest, before one-time items

# Fresenius Group: Strong and Balanced Health Care Portfolio



1 – Before special items

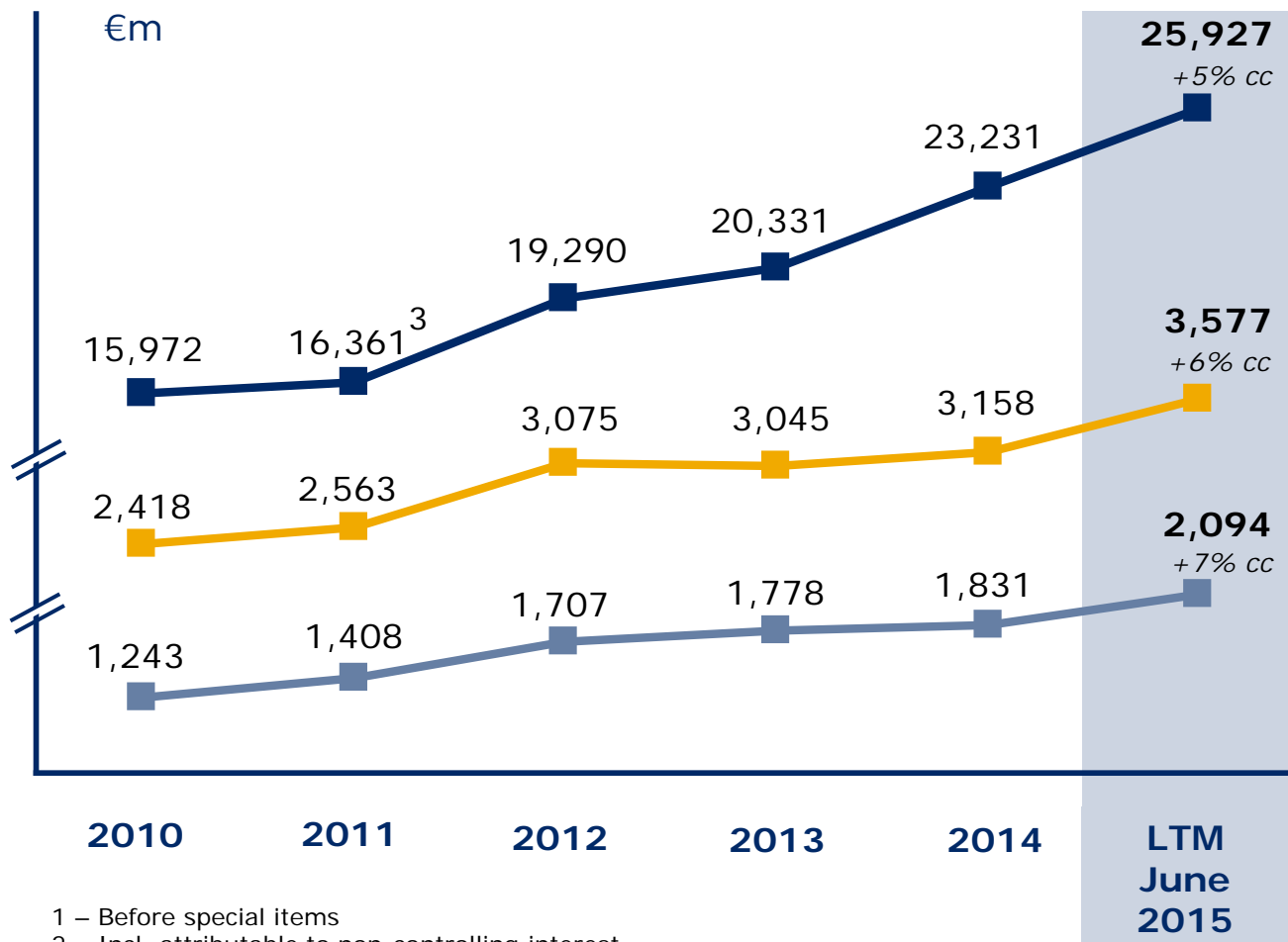
2 – Based on market cap of FSE as of September 21, 2015

3 – Based on consolidated market capitalization of FSE and FME as of as of September 21, 2015 and consolidated net debt as of June 30, 2015

4 – Held by Fresenius ProServe GmbH, a wholly owned subsidiary of FSE

5 – Based on market cap of FME as of September 21, 2015

# Fresenius Group: Financial Results



**Sales**  
5-year CAGR: 10%

**EBIT<sup>1</sup>**  
5-year CAGR: 8%

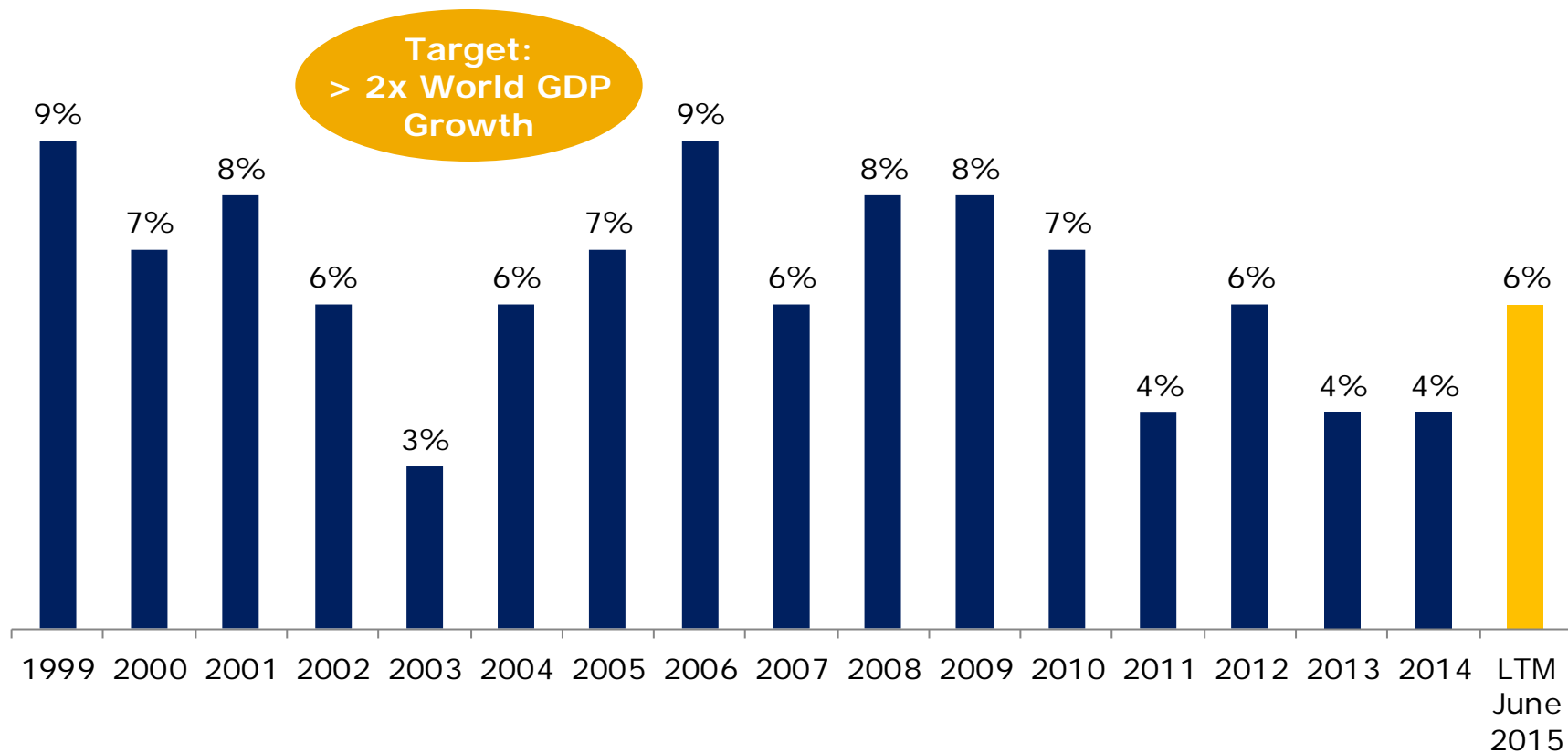
**Net Income<sup>1,2</sup>**  
5-year CAGR: 11%

1 – Before special items

2 – Incl. attributable to non-controlling interest

3 – 2011 sales were adjusted by -€161m according to a U.S. GAAP accounting change. This solely relates to Fresenius Medical Care North America.

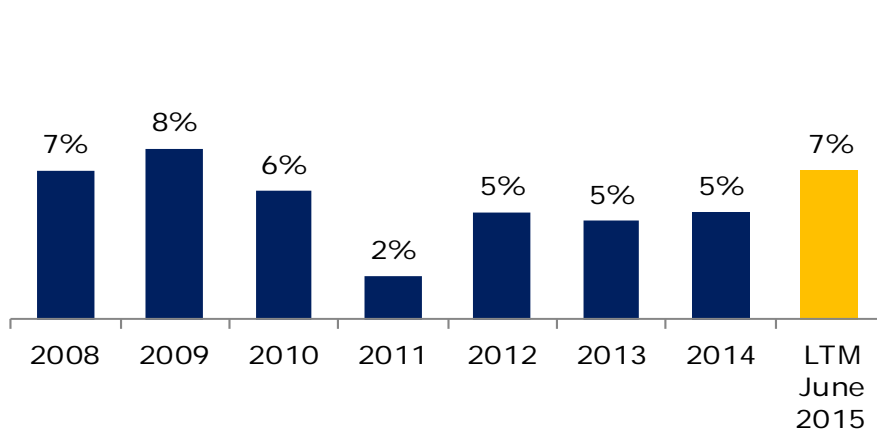
# Fresenius Group: Organic Growth 1999 – 2015



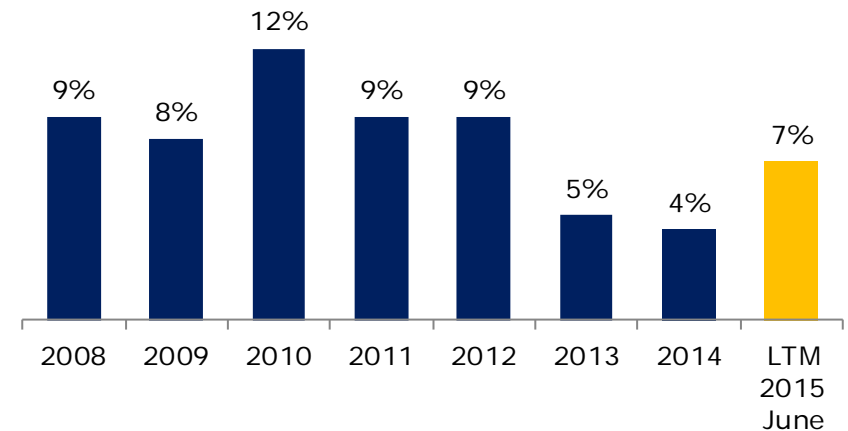


# Fresenius Group: Sustainable Organic Sales Growth in all Business Segments

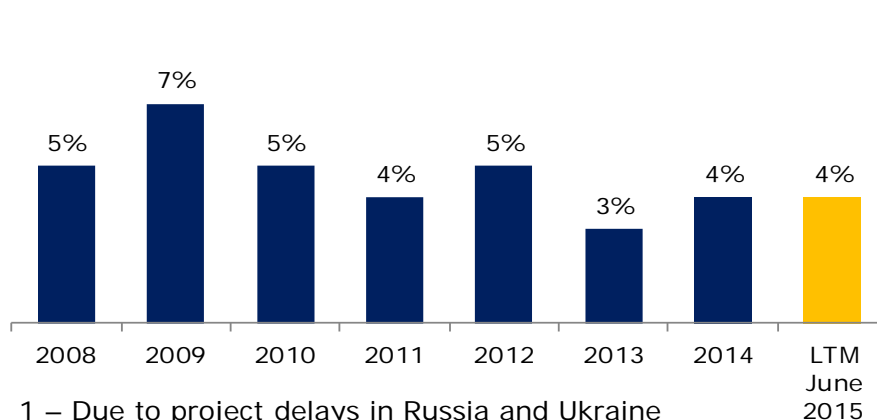
Fresenius Medical Care



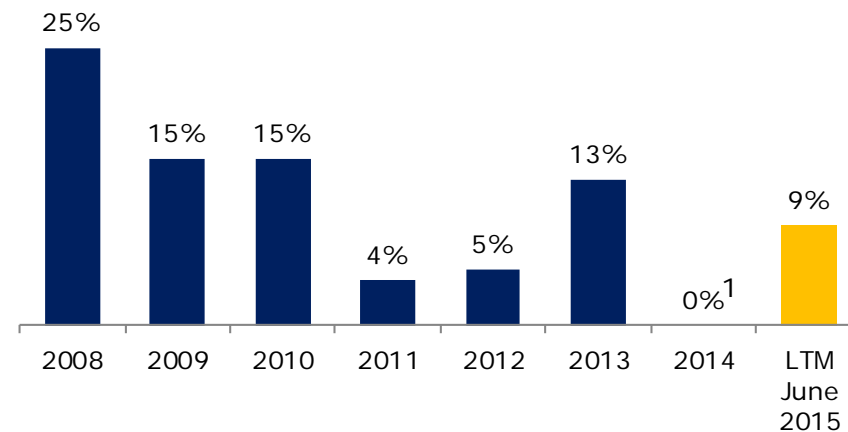
Fresenius Kabi



Fresenius Helios



Fresenius Vamed



1 – Due to project delays in Russia and Ukraine

## Fresenius Group: Financial Results

		H1/15	H1/14
<b>Sales</b>		€13,429 m	€10,733 m
	Growth cc	13%	
	Growth actual rates	25%	
<b>EBIT<sup>1</sup></b>		€1,822 m	€1,403 m
	Growth cc	15%	
	Growth actual rates	30%	
<b>Net income<sup>1,2</sup></b>		€1,051 m	€788 m
	Growth cc	18%	
	Growth actual rates	33%	

1 – Before special items

2 – Incl. attributable to non-controlling interest

## Fresenius Group: Financial Results by Business Segment

H1/2015	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed
Sales Growth	\$8,159 m 10%	€2,932 m 19%	€2,774 m 10%	€463 m 16%
EBIT <sup>1</sup> Growth	\$1,051 m 5%	€571 m 39%	€307 m 23%	€16 m 7%

1 – Before special items

# Business Segments

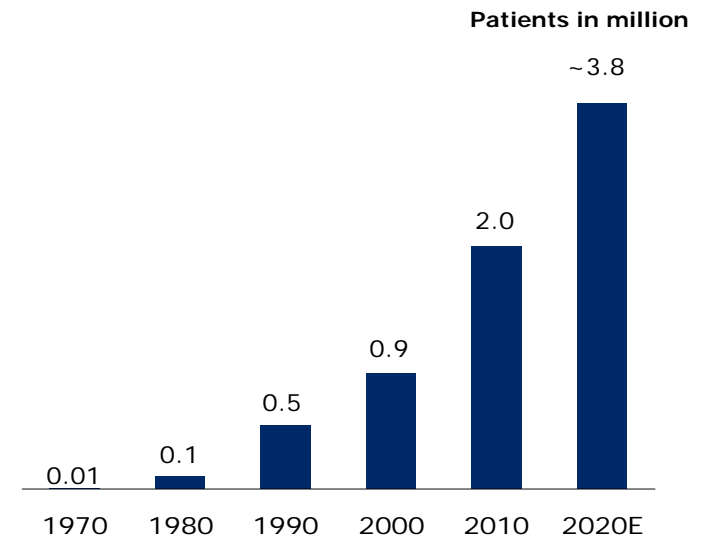


# Fresenius Medical Care: Global Market Leader in Dialysis

- World leader in dialysis products and services treating 289,610 patients in 3,421 clinics worldwide<sup>1</sup>
- Provide highest standard of patient care
  - Vertical integration
  - High quality products & services
  - Complete therapy offerings
- Leader in growing market
  - Dialysis market growing 4% cc and estimated to reach around \$100 bn by 2020
  - Patient growth driven by age, life style and mortality reduction

## Industry Dynamics

- ~6% global patient growth p.a.
- ~3.8 million patients by 2020 expected



1 – As of June 30, 2015

# Fresenius Medical Care: Market Leader in All Regions<sup>1</sup>

## North America

Provider	Patients	Countries
FRESENIUS MEDICAL CARE	177,720	2
Davita.	176,200	1
U.S. RENAL CARE	16,050	1
DCi	14,800	1
AMERICAN RENAL ASSOCIATES	12,250	1
DSI	7,430	1

## Latin America

Provider	Patients	Countries
FRESENIUS MEDICAL CARE	32,320	8
Baxter	8,990	2
DIAVERUM	4,400	3
Davita.	2,370	1
B BRAUN	930	1

## Europe, Middle East, Africa

Provider	Patients	Countries
FRESENIUS MEDICAL CARE	53,550	25
DIAVERUM	21,300	15
KFH	18,800	1
B BRAUN	13,900	18
RHV - Der Dialysepartner	6,900	1
Davita.	3,590	4
Baxter	2,660	3

## Asia Pacific

Provider	Patients	Countries
FRESENIUS MEDICAL CARE	26,020	12
医療法人社団 松和会 MEDICAL CORPORATION SHOKWAKAI	5,100	1
徳洲会グループ TOKUSHUKAI GROUP	4,000	1
B BRAUN	3,880	5
Davita.	1,830	5
DIAVERUM	340	1

1 – Company data and estimates, as of June 30, 2015

## Fresenius Medical Care: Key Figures H1/2015

<i>\$ million</i>	H1/2015	H1/2014	Growth
<b>Total Sales</b>	<b>8,159</b>	<b>7,398</b>	<b>+10%<sup>1</sup></b>
<b>EBITDA</b>	<b>1,408</b>	<b>1,337</b>	<b>+5%</b>
<i>EBITDA margin</i>	<i>17.3%</i>	<i>18.1%</i>	
<b>EBIT</b>	<b>1,051</b>	<b>1,001</b>	<b>+5%</b>
<i>EBIT margin</i>	<i>12.9%</i>	<i>13.5%</i>	
<b>Net income<sup>2</sup></b>	<b>450</b>	<b>439</b>	<b>+3%</b>

1 – 8% organic growth, 9% acquisitions, -1% divestitures, -6% currency effects

2 – Net Income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

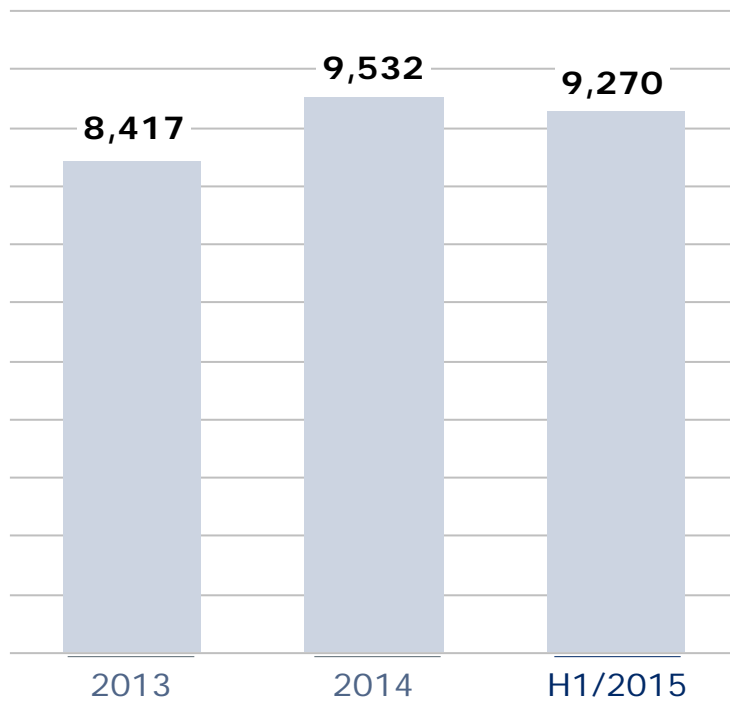
## Fresenius Medical Care: Cash Flow H1/2015

<i>\$ million</i>	H1/2015	H1/2014
<b>Operating Cash Flow</b>	<b>832</b>	<b>562</b>
<i>Operating Cash Flow Margin</i>	<i>10.2%</i>	<i>7.6%</i>
Capex (net)	<b>-411</b>	<b>-415</b>
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>421</b>	<b>147</b>
<i>Free Cash Flow Margin</i>	<i>5.2%</i>	<i>2.0%</i>
<b>Free Cash Flow</b> (after acquisitions and investments)	<b>355</b>	<b>-285</b>

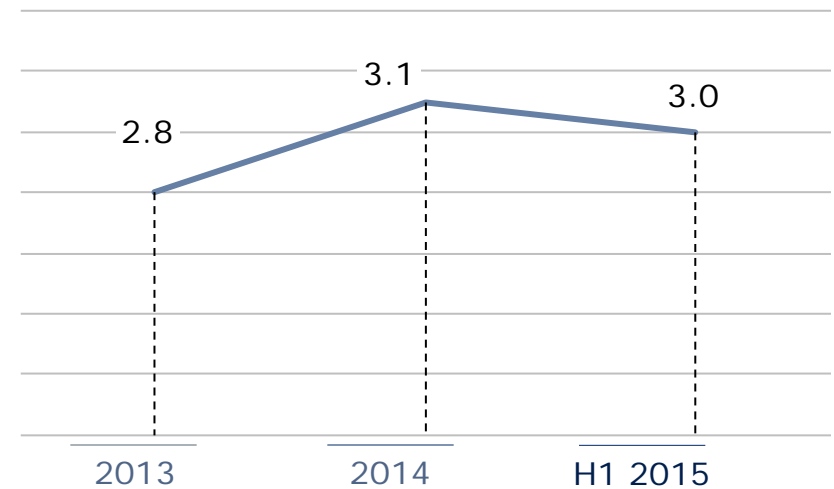


# Fresenius Medical Care: Leverage Ratio and Ratings

**Total debt**  
\$ million



**Debt/EBITDA**

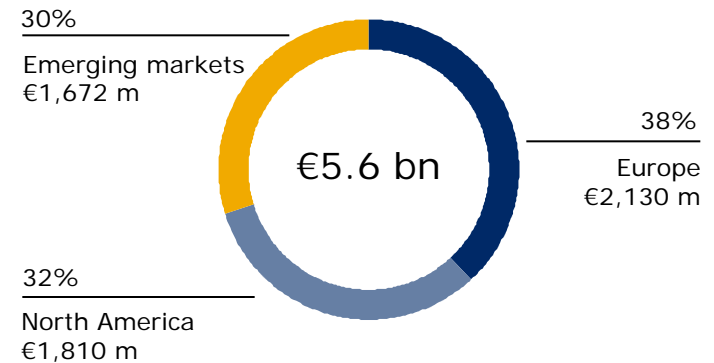


Current Ratings	S&P	Moody's	Fitch
Company	BBB-	Ba1	BB+
Outlook	stable	stable	stable

# Fresenius Kabi: A Worldwide Leading Hospital Supplier

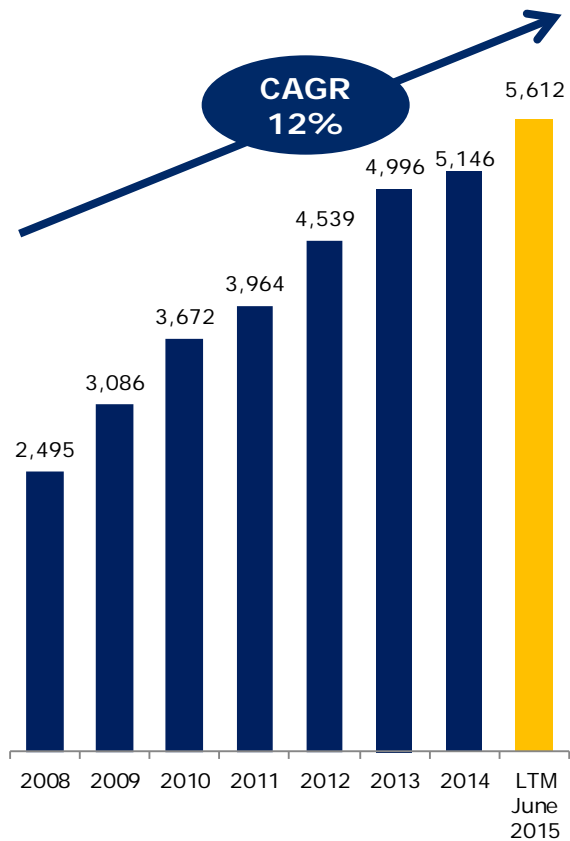
- Comprehensive product portfolio for critically and chronically ill patients
  - IV Drugs
  - Clinical Nutrition
  - Infusion Therapy
  - Medical Devices / Transfusion Technology
- Global addressable market: >€29 bn
- Leading market positions
- Focus on organic growth driven by geographic product rollout and robust product pipeline
- Aim to expand the business through selective acquisitions

## LTM June 2015 Sales by Region

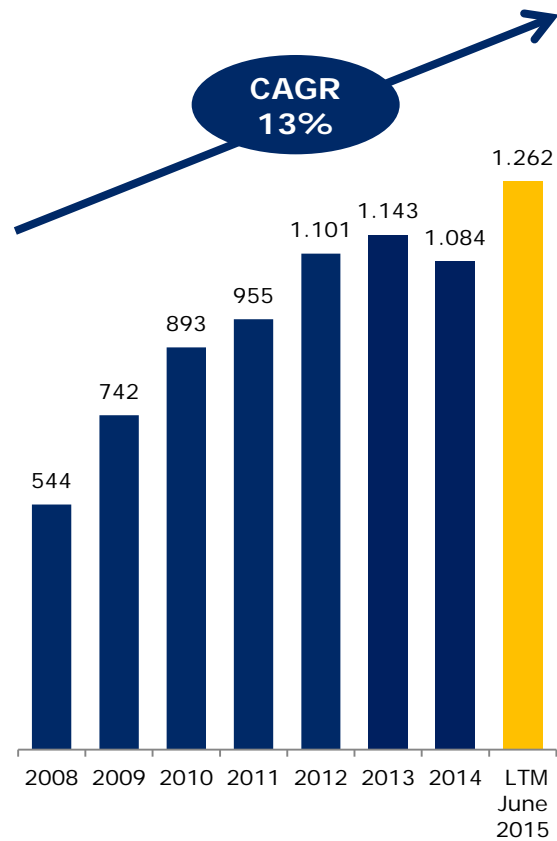


# Fresenius Kabi: Strong Growth Track Record & High Profitability

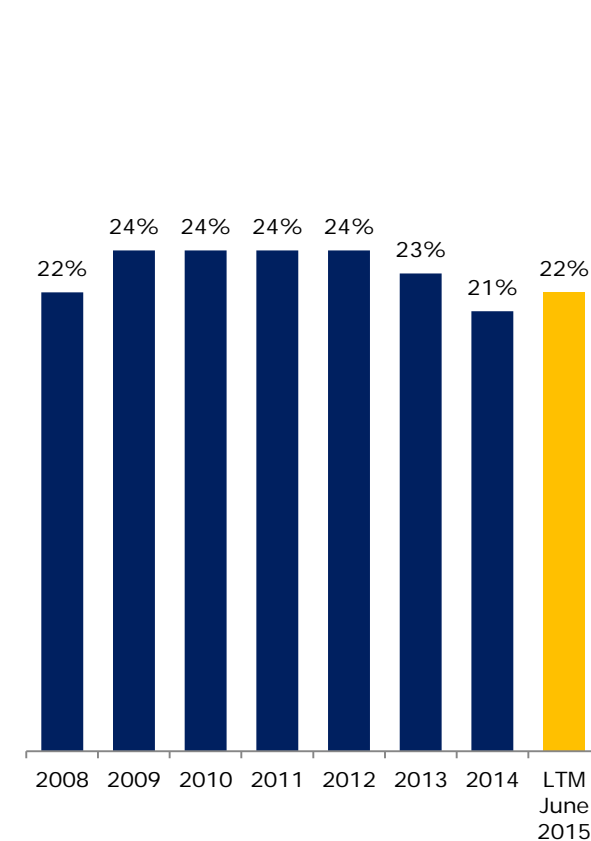
**Sales in € m**



**EBITDA<sup>1</sup> in € m**



**EBITDA Margin (in %)**



1 – Before special items

# Fresenius Kabi: Key Figures H1/2015

<i>€ million</i>	<b>H1/2015</b>	<b>H1/2014</b>	<b>Growth</b>
<b>Sales</b>	<b>2,932</b>	<b>2,466</b>	<b>+19%</b> <sup>1</sup>
- I.V. Drugs	1,191	868	+37%
- Clinical Nutrition	772	662	+17%
- Infusion Therapy	468	476	-2%
- Medical Devices/ Transfusion Technology	501	460	+9%
<b>EBITDA</b> <sup>2</sup>	<b>691</b>	<b>513</b>	<b>+35%</b>
<i>EBITDA margin</i>	23.6%	20.8%	
<b>EBIT</b> <sup>2</sup>	<b>571</b>	<b>411</b>	<b>+39%</b>
<i>EBIT margin</i>	19.5%	16.7%	
<b>Net income</b> <sup>3</sup>	<b>309</b>	<b>217</b>	<b>+42%</b>

1 – 8% organic growth, 1% acquisitions, -1% divestitures, 11% currency effects

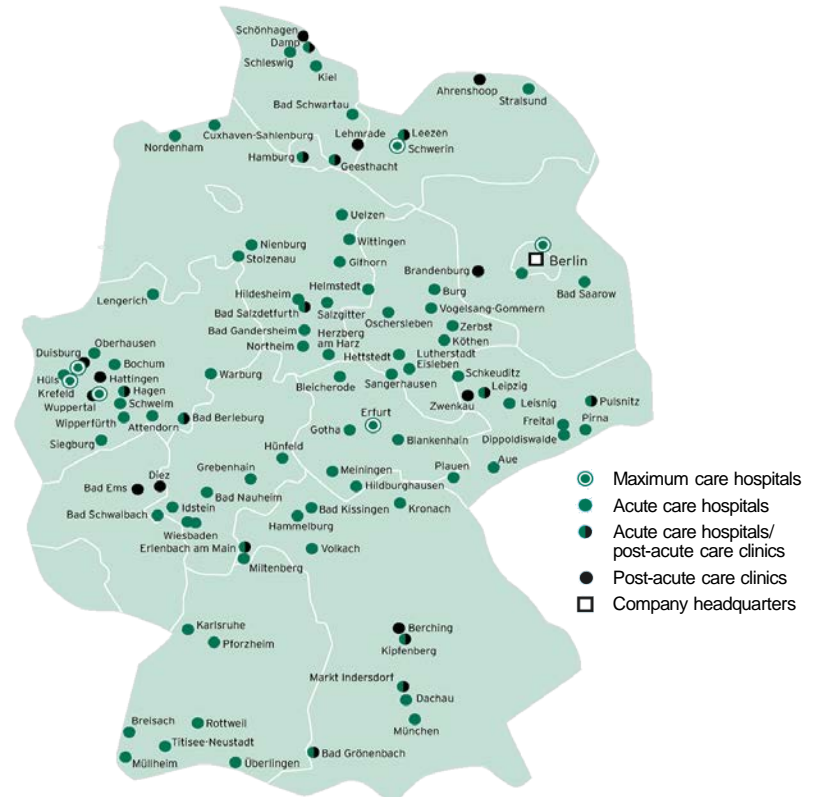
2 – Before special items

3 – Net income attributable to shareholders of Fresenius Kabi AG; before special items

# Fresenius Helios: Leading Hospital Operator in Germany

- German Acute Care Hospital Market: ~€87 bn<sup>1</sup>, thereof 18% privatized
- 6% share in German Acute Care Hospital Market
- High-quality medical care, e.g., mortality rate for heart failure and pneumonia lower than German average (-30%), quality management system, transparency of medical outcomes
- Strong track record in hospital operations and acquisitions: targeting 12 – 15% EBIT margin within 6 years per individual clinic location
- Negligible bad debt ratio due to comprehensive population insurance coverage

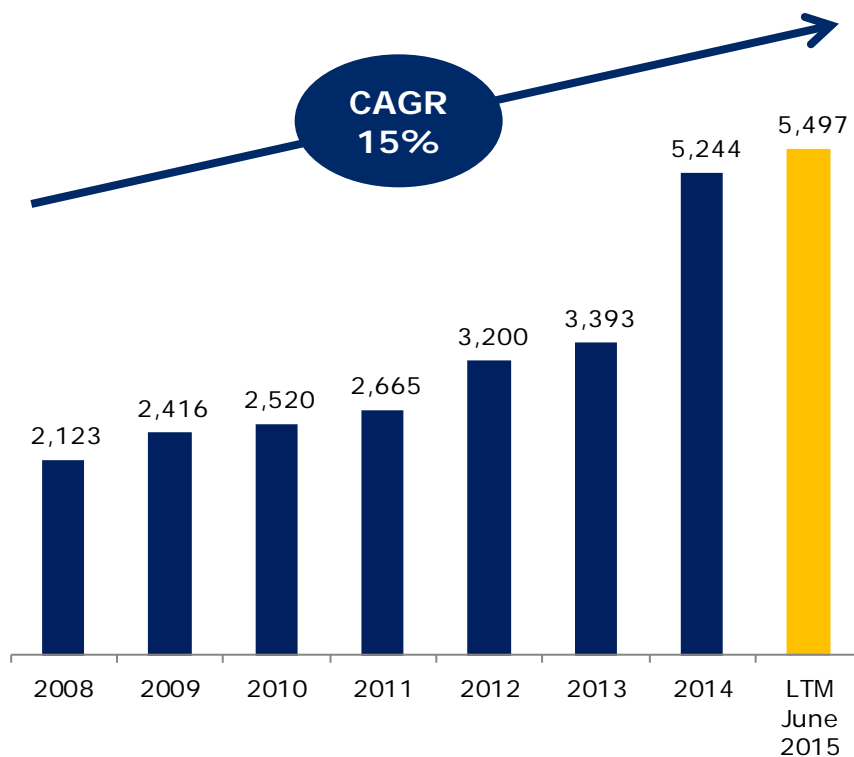
## Largest Network with 111 Hospitals



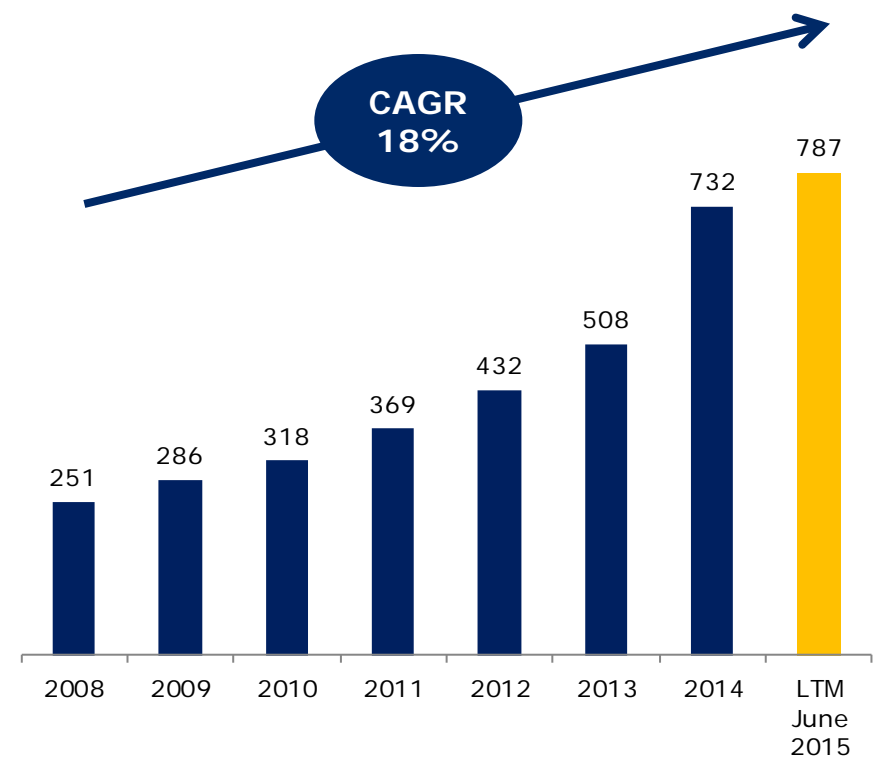
1 – German Federal Statistical Office 2014; total costs, gross of the German hospitals less academic research and teaching

# Fresenius Helios: Strong Growth Track Record & Increased Profitability

**Sales in € m**



**EBITDA<sup>1</sup> in € m**



1 – Before special items

## Fresenius Helios: Key Figures H1/2015

<i>€ million</i>	<b>H1/2015</b>	<b>H1/2014</b>	<b>Growth</b>
<b>Sales</b>	<b>2,774</b>	<b>2,521</b>	<b>+10%<sup>1</sup></b>
<b>EBITDA<sup>2</sup></b>	<b>399</b>	<b>344</b>	<b>+16%</b>
<i>EBITDA margin</i>	<i>14.4%</i>	<i>13.6%</i>	
<b>EBIT<sup>2</sup></b>	<b>307</b>	<b>250</b>	<b>+23%</b>
<i>EBIT margin</i>	<i>11.1%</i>	<i>9.9%</i>	
<b>Net income<sup>3</sup></b>	<b>226</b>	<b>179</b>	<b>+26%</b>

1 – 3% organic growth, 8% acquisitions, -1% divestitures

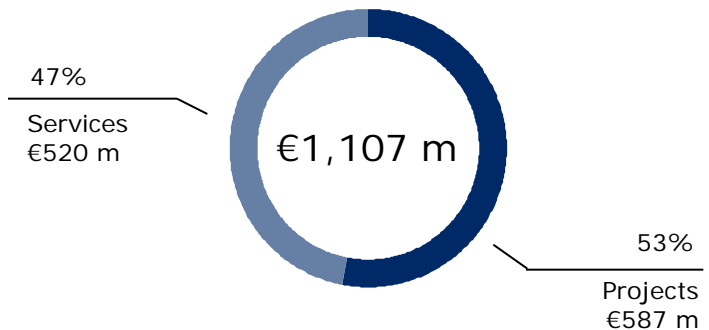
2 – Before special items

3 – Net income attributable to shareholders of HELIOS Kliniken GmbH; before special items

# Fresenius Vamed: A Leading Global Specialist in Hospital Projects and Services

- Specialized in project development building hospital infrastructure and providing hospital services (technical services and operational management)
- Track record:
  - >710 health care projects in 77 countries successfully completed
  - Services provided to 510 hospitals and 130,000 beds globally
- Continuous demand for hospital infrastructure and operating efficiency; key markets Europe, Asia-Pacific, Africa

## LTM June 2015 Sales by Business

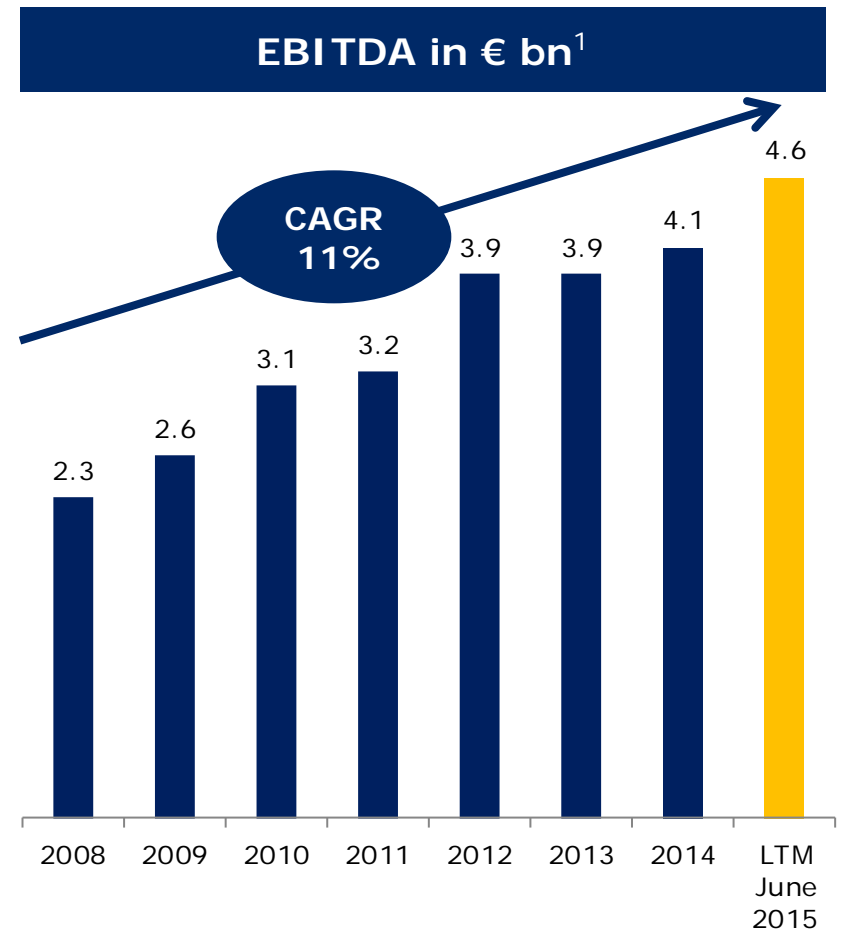
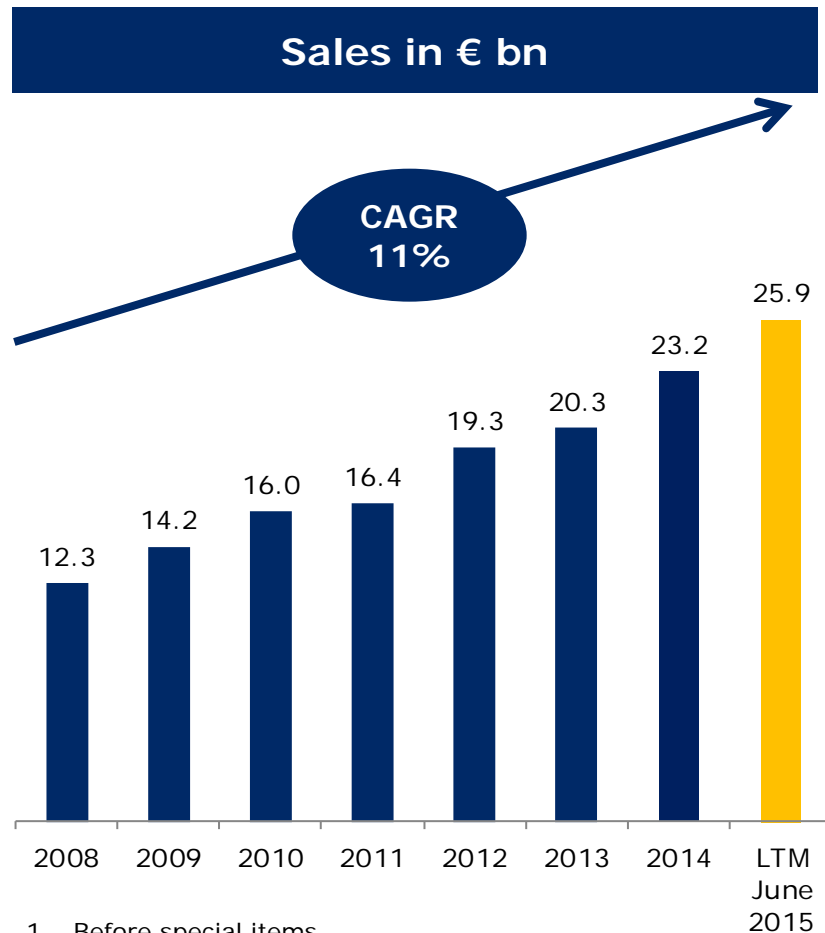




# Financial Overview



# Fresenius Group: Demonstrated Strong Sales and EBITDA Growth



1 – Before special items

# Fresenius Group: Key Figures H1/2015

<i>€ million</i>	H1/2015	H1/2014	Change actual rates	Change constant rates
<b>Sales</b>	<b>13,429</b>	<b>10,733</b>	<b>+25%</b>	<b>+13%</b> <sup>1</sup>
<b>EBITDA</b> <sup>2</sup>	<b>2,364</b>	<b>1,854</b>	<b>+28%</b>	<b>+13%</b>
<b>EBIT</b> <sup>2</sup>	<b>1,822</b>	<b>1,403</b>	<b>+30%</b>	<b>+15%</b>
Interest, net	-330	- 283	-17%	-4%
<b>EBT</b> <sup>2</sup>	<b>1,492</b>	<b>1,120</b>	<b>+33%</b>	<b>+18%</b>
Taxes <sup>2</sup>	-441	-332	-33%	-16%
<b>Net income</b> <sup>3,4</sup>	<b>1,051</b>	<b>788</b>	<b>+33%</b>	<b>+18%</b>
<b>Employees</b>	<b>220,339</b>	<b>209,933</b>		







1 – 7% organic growth, 7% acquisitions, -1% divestitures

2 – Before special items

3 – Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items

4 – Incl. attributable to non-controlling interest

# Fresenius Group: Cash Flow Development LTM

€ million	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.
	<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>
	1,737	12.9%	-758	-5.6%	979	7.3%
	<b>3,086</b>	<b>11.9%</b>	<b>-1,396</b>	<b>-5.4%</b>	<b>1,690</b>	<b>6.5%</b>

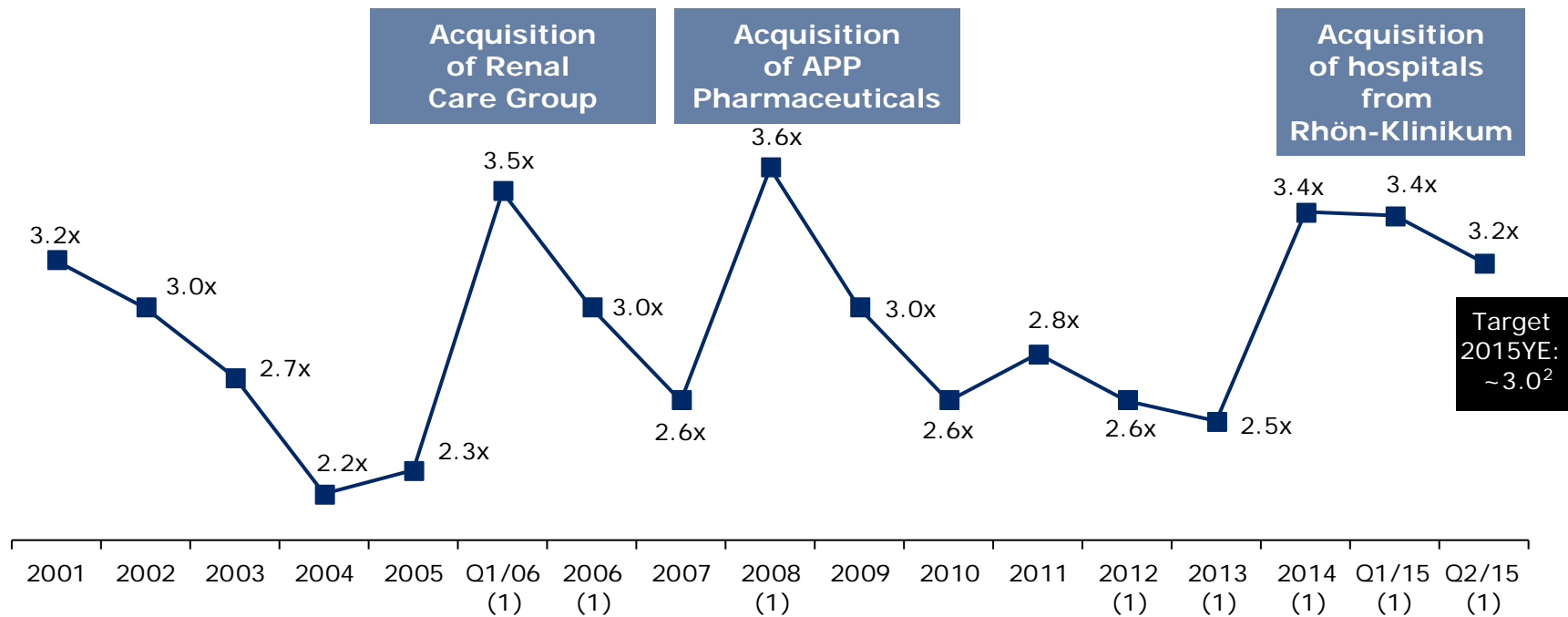
Margin = in % of sales

1 – Before acquisitions and dividends

3 – Understated: 6.8% excluding €53 million of capex commitments from acquisitions

2 – Margin incl. FMC dividend

# Fresenius Group: Proven Track Record of Deleveraging

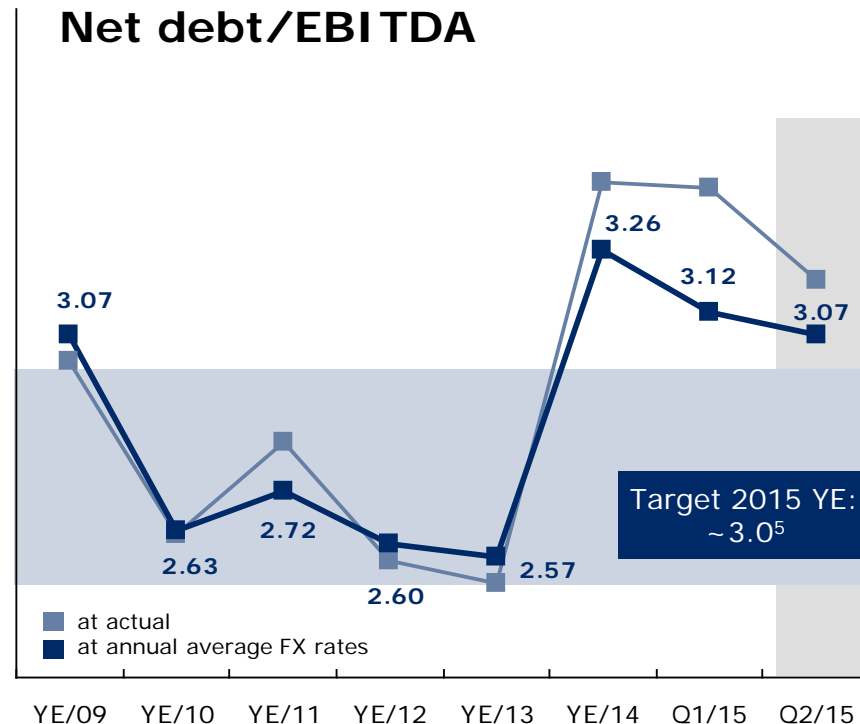


1 – Pro forma acquisitions; before special items

2 – At annual average exchange rates for both net debt and EBITDA; without major acquisitions; before special items

# Fresenius Group: Debt and Interest Ratios

	Jun 30, 2015	Dec 31, 2014
Debt (€m)	15,661	15,454
thereof 51% \$ denominated		
Net debt (€m)	14,744	14,279
Net debt/EBITDA	3.19 <sup>1,2</sup>	3.41 <sup>3,4</sup>
EBITDA/Interest	7.2 <sup>2</sup>	6.8 <sup>3</sup>



1 - Pro forma including Fresenius Medical Care acquisitions; excluding two HELIOS hospitals

2 - Before integration costs, disposal gains (two HELIOS hospitals) and costs for Fresenius Kabi efficiency program

3 - Before integration costs and disposal gains (two HELIOS hospitals; Rhön stake)

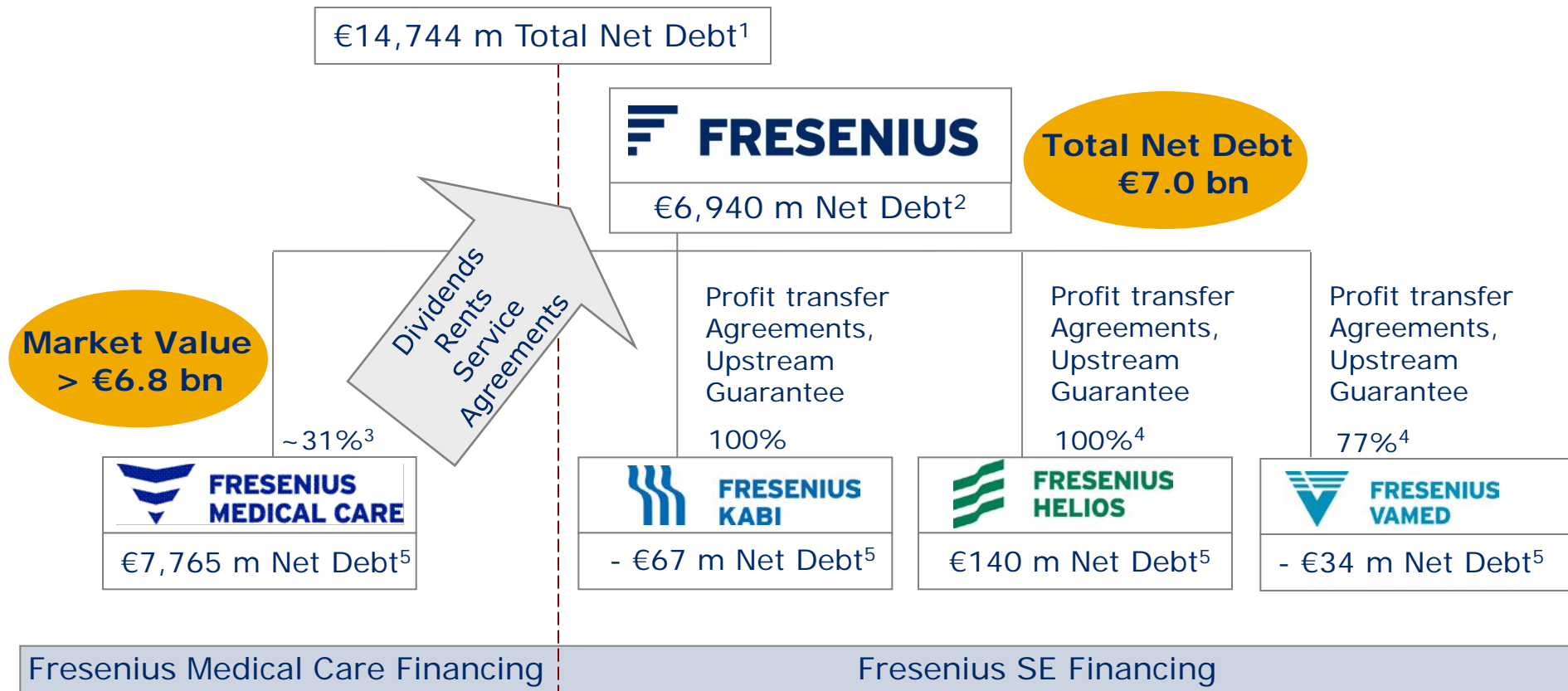
4 - Pro forma including acquired Rhön hospitals and Fresenius Medical Care acquisitions; excluding two HELIOS hospitals

5 - At annual average exchange rates for both net debt and EBITDA; without major acquisitions; before special items

# Financing Facilities and Debt Structure



# Fresenius Group: Current Debt and Cash Flow Structure - June 30, 2015



1 – External debt as of June 30, 2015

2 – Incl. Fresenius Finance B.V. and other financing subsidiaries

3 – Controlling stake

4 – As held by Fresenius ProServe GmbH, a wholly owned subsidiary of Fresenius SE & Co. KGaA, which provides the guarantees

5 – Incl. subsidiaries



# Fresenius Group: Capitalization - June 30, 2015 & Pro Forma<sup>1</sup>

	Q2-2015		adjusted for September Issuance		% of total cap	EBITDA LTM x
	€ million	\$ million <sup>5</sup>	€ million	\$ million <sup>5</sup>		
FSE 2013 Credit Agreement: Term Loan A	1,858	2,079	1,858	2,079	2.8%	
FSE 2013 Credit Agreement: Term Loan B	439	491	439	491	0.7%	
Senior Notes	3,187	3,566	2,465	2,758	3.7%	
<b><i>New Senior Notes</i></b>			268	300	0.4%	
Convertible Bonds	464	519	464	519	0.7%	
Euro Notes	917	1,026	917	1,026	1.4%	
Commercial Paper	130	145	584	653	0.9%	
Other debt, gross	381	426	381	426	0.6%	
<b>Total Debt (FSE excl. FMC), gross</b>	<b>7,376</b>	<b>8,253</b>	<b>7,376</b>	<b>8,253</b>	<b>11.2%</b>	
Cash (excl. FMC)	397	444	397	444	0.6%	
<b>Total debt (FSE excl. FMC), net</b>	<b>6,979</b>	<b>7,809</b>	<b>6,979</b>	<b>7,809</b>	<b>10.6%</b>	
Total FMC debt, net <sup>2</sup>	7,765	8,688	7,765	8,688	11.8%	
<b>Total consolidated debt, net</b>	<b>14,744</b>	<b>16,497</b>	<b>14,744</b>	<b>16,497</b>	<b>22.4%</b>	<b>3.2x<sup>3</sup></b>
Market capitalization <sup>3</sup>	51,296	57,708	51,296	57,708	77.6%	11.1x
<b>Total capitalization</b>	<b>66,040</b>	<b>74,205</b>	<b>66,040</b>	<b>74,205</b>	<b>100.0%</b>	<b>14.3x</b>
<b>FSE Group EBITDA<sup>4</sup></b>						<b>4,605</b>

1 - Pro Forma Senior Notes Issuance, US\$ 300 million, as of September 25, 2015

2 - Net of Cash and intercompany adjustments

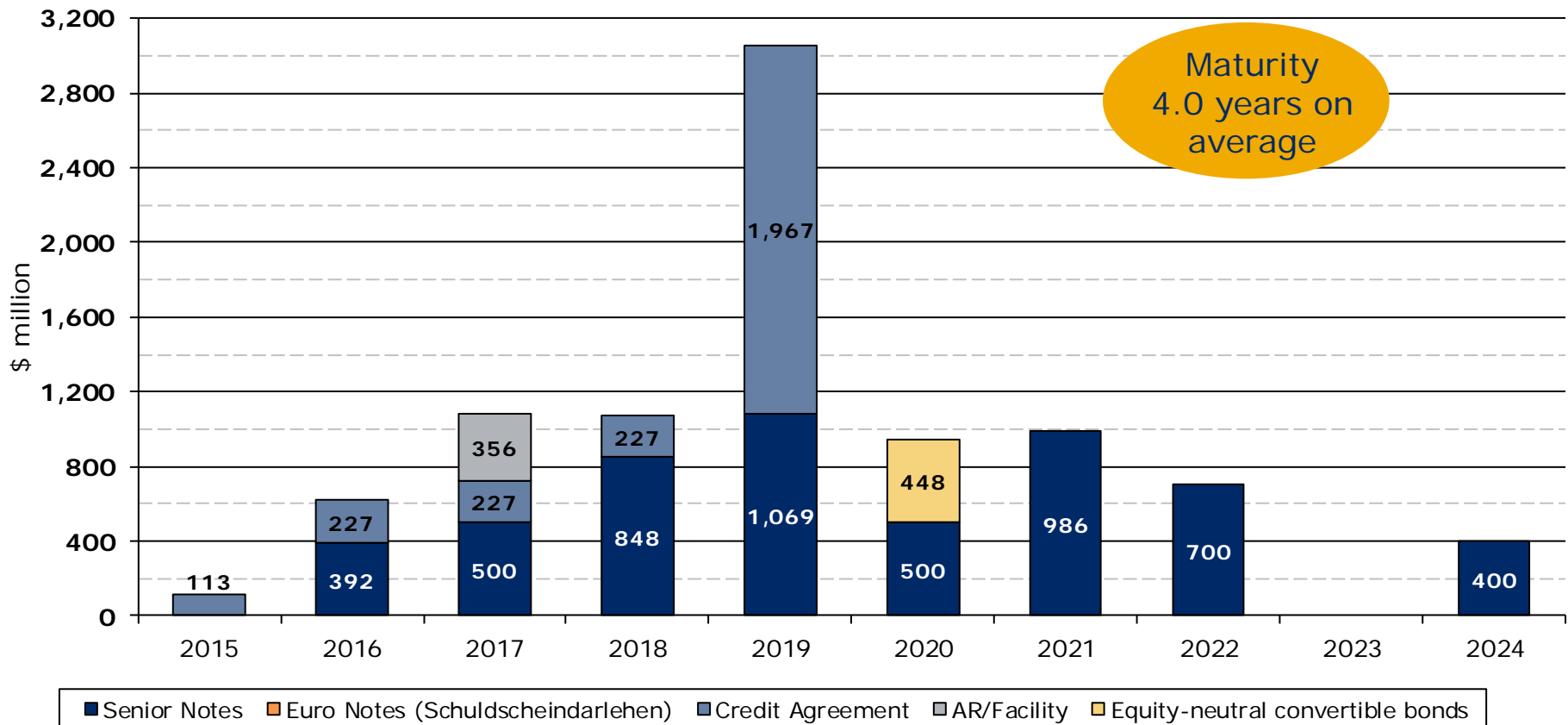
3 - Based on market capitalization for FSE and FMC as of September 21, 2015

4 - Before special items

5 - Exchange rate as of June 30, 2015, except for market capitalization which uses exchange rate as of September 21, 2015

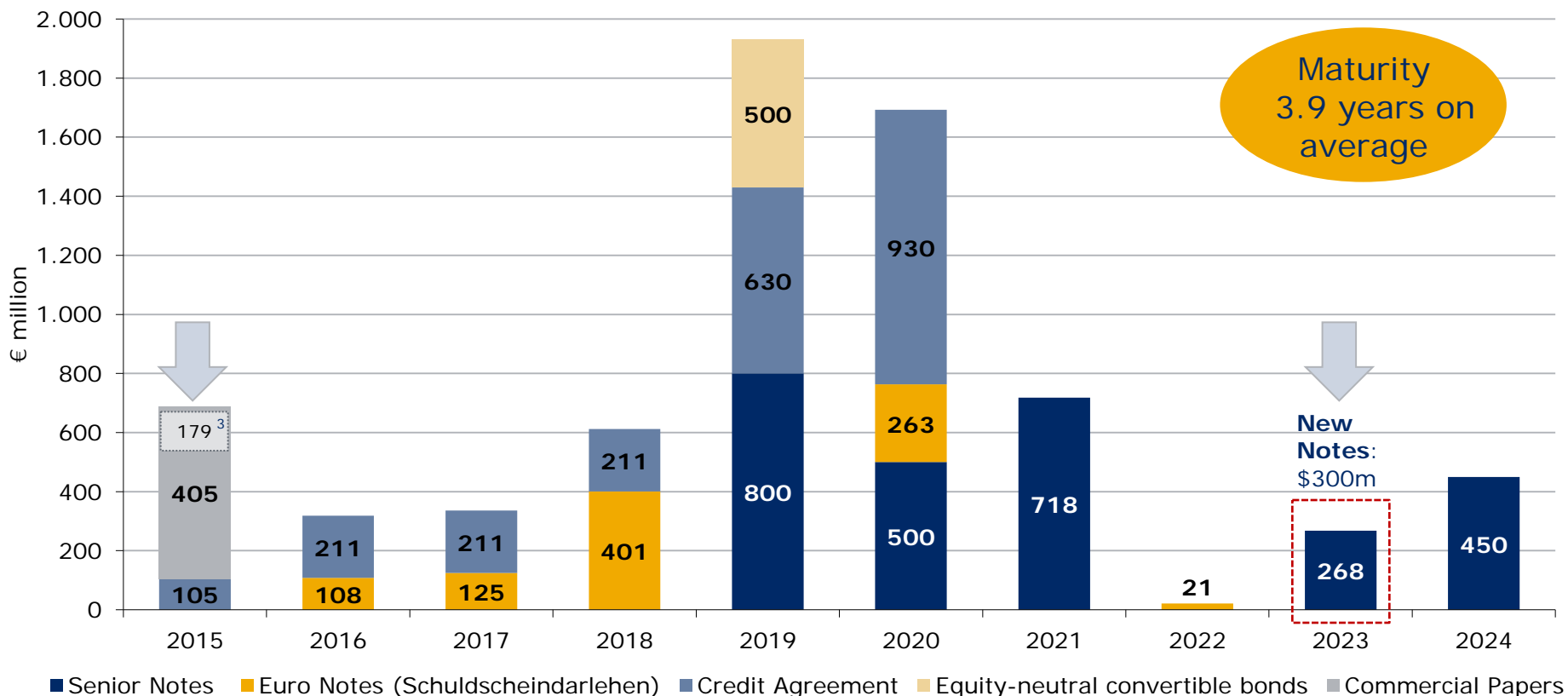
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# Fresenius Medical Care: Debt Maturity Profile<sup>1</sup> - June 30, 2015



1 – Based on utilization of major financing instruments

# Fresenius Group excl. FMC: Debt Maturity Profile<sup>1</sup> - June 30, 2015 Pro Forma<sup>2</sup>

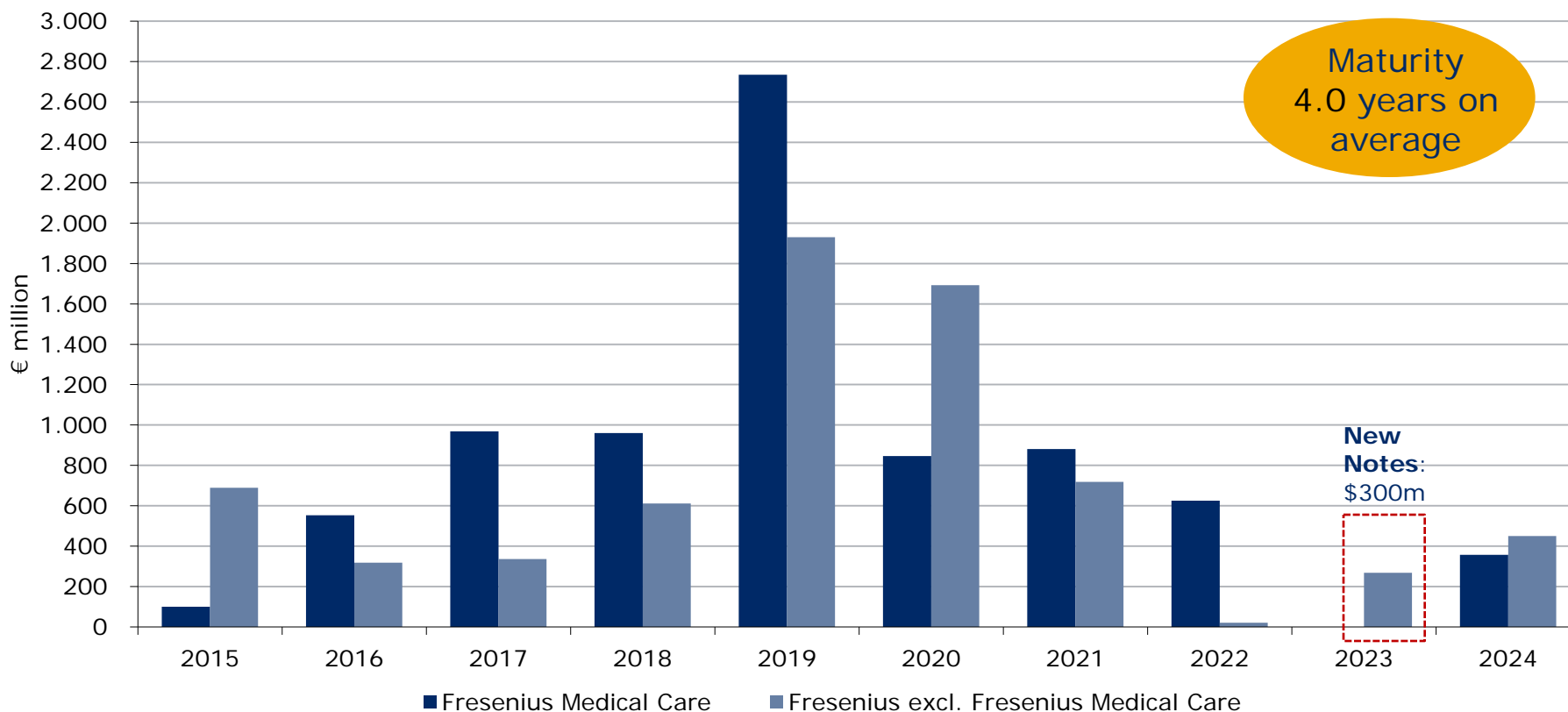


1 – Based on utilization of major financing instruments

2 – Pro Forma Senior Notes Issuance, US\$ 300 million, as of September 25, 2015

3 – Further long-term refinancing planned

# Fresenius Group: Debt Maturity Profile<sup>1</sup> - June 30, 2015 Pro Forma<sup>2</sup>



1 – Based on utilization of major financing instruments

2 – Pro Forma Senior Notes Issuance, US\$ 300 million, as of September 25, 2015

# Summary and Outlook



## Fresenius Medical Care: Financial Outlook

	2015E	2016 Projection
<b>Sales</b>	5-7% 10-12%cc	7-10% cc
<b>Net Income</b>	0-5%	15 -20%

- The 2015 outlook and the projections for 2016 are based on current exchange rates and include savings from the Global Efficiency Program
- Potential acquisitions are not included
- The outlook is based on the execution and the operating cost investments within Care Coordination - in line with our 2020 strategy
- Topline revenue alignment for 2016 since we expect some of the initiatives in Care Coordination operations to be delayed into the following years

## 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%

1 - 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



# Fresenius Group: Ideal Strategic Posture to Benefit from Major Healthcare Trends



## Aging population and higher incidence of chronic diseases

*World population aged 60+ will more than double by 2050 to >2 bn (OECD)*



## Increasing health care spending in emerging markets

*Increasing health care coverage and per capita spending (e.g. India: \$157, China: \$480, vs. USA: \$8,895; WHO)*



## Continuing growth of generics

*Approx. \$19 bn branded IV drug sales (base: 2013) go off-patent in the U.S. by 2023*



## Rise of private providers in health care services

*Further privatization of German hospital market  
Global opportunity to provide dialysis services (e.g. China, India)*

## Fresenius Group: Attractive Mid-Term Growth Prospects Exceeding Target at Current FX Rates

- Mid-Term Target as released early 2014: ~ €30 billion sales, €1.4 to €1.5 billion net income<sup>1</sup> by 2017
- 2017 net income target will be reached **2 years ahead of schedule**; new mid-term targets in February 2016



**Strong and Balanced Health Care Portfolio**

1 – Excl. attributable non-controlling interest

## Fresenius Group: Investment Highlights

Leading market positions

Diversified revenue base with four strong business segments

Global presence in growing, non-cyclical markets

Proven ability to integrate acquisitions

Clear track record of and commitment to de-leveraging

Strong financial performance and cash flow generation

# Health Care Worldwide

