

Conference Call – Q3/17 Results



Bad Homburg, 2 November 2017

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: Q3/17 Highlights

- Ongoing strong sales growth**
- Continued healthy earnings growth**
- Group guidance confirmed**
- Strong Cashflow**
- Strategic position further strengthened**

Fresenius Kabi: Update on Acquisition Projects



- FTC review: Disposal process fully on track
- Closing targeted for end of 2017
- Q3 performance below expectations
- Achievement of 2018 expectation challenging
- Strategic rationale unchanged: Deal offers offensive and defensive merits
- Pre-closing integration preparation progressing well

BIOSIMILARS

- Consolidated since 1st September 2017
- Product pipeline: All studies remain well on track
- Filing for Adalimumab imminent
- Regulatory environment further improving



Fresenius Kabi: Update on US Generic IV Drug Market

Unchanged pricing environment in 2017

- Injectables are fundamentally different from solids; beware of 'read-across'
- Last five years annual ASP erosion across Fresenius Kabi's US injectables portfolio in low single-digits¹
- Same magnitude in Q1-Q3/17 and FY17e
- Healthy volume growth more than offsets price decline

Part of the solution to manage health care expenses

- Generic drugs represent 89% of US prescriptions but just 26% of costs²
- ASP of a sterile Fresenius Kabi injectable drug sold in the US approx. US\$5

¹ IMS Health data

² Association for Accessible Medicines, 2017

Convinced of sustainable growth opportunities in US IV drug market

- US\$250 million expansion of pharmaceutical manufacturing site in Melrose Park, IL
- Creation of state-of-the-art operations campus
- Breadth and depth of product offering as key success factor



Financial Review Q3/2017



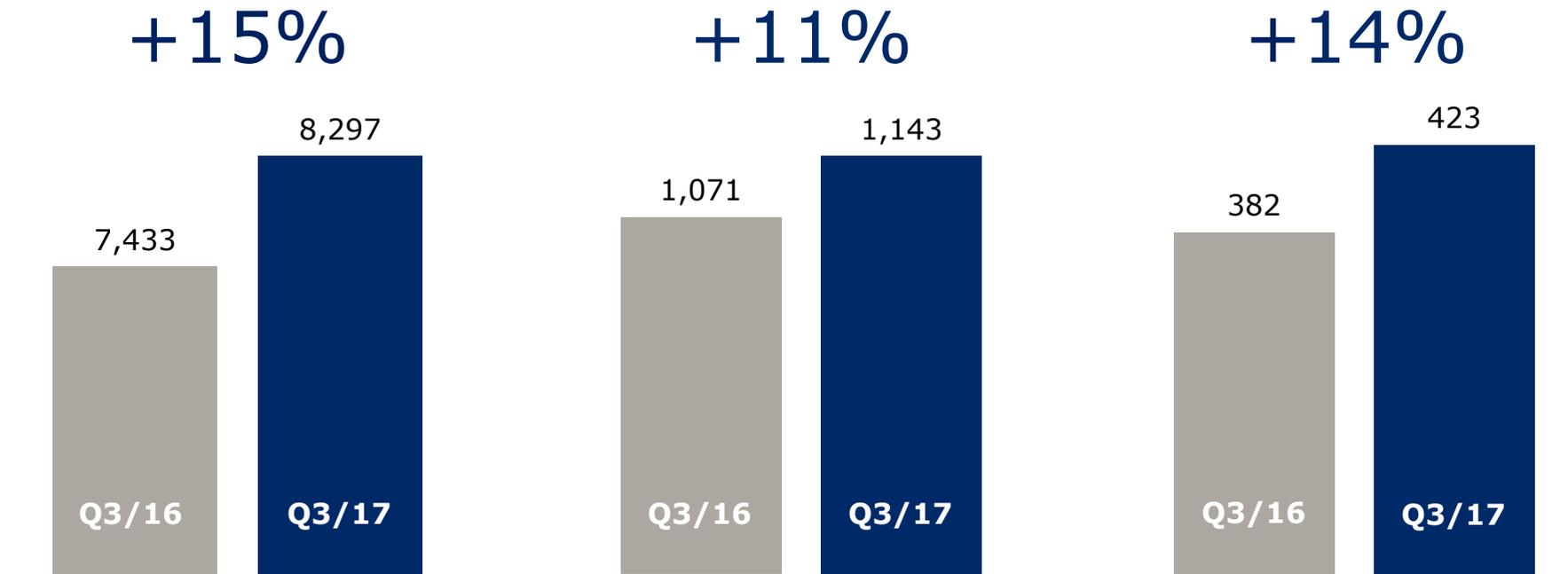
Fresenius Group: Q3/17 Key Financials

Sales

Adjusted EBIT

Adjusted Net Income

€m



All figures consistent with scope of original guidance: before acquisition-related expenses, before expenditures for further development of biosimilars business

All growth rates in constant currency (cc)

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

For a detailed overview of adjustments please see the reconciliation tables on slides 27-28.

Fresenius Group: Q3 & Q1-3/17 Profit and Loss Statement

€m	Q3/17	Δ YoY cc	Q1-3/17	Δ YoY cc
Sales	8,297	15%	25,191	16%
EBIT (adjusted) ¹	1,143	11%	3,536	16%
EBIT ²	1,129	9%	3,522	15%
Net interest ²	-158	-14%	-484	-12%
Income taxes ²	-266	-7%	-855	-16%
Net income (adjusted)^{1,3}	423	14%	1,339	20%
Net income³	396	7%	1,303	17%

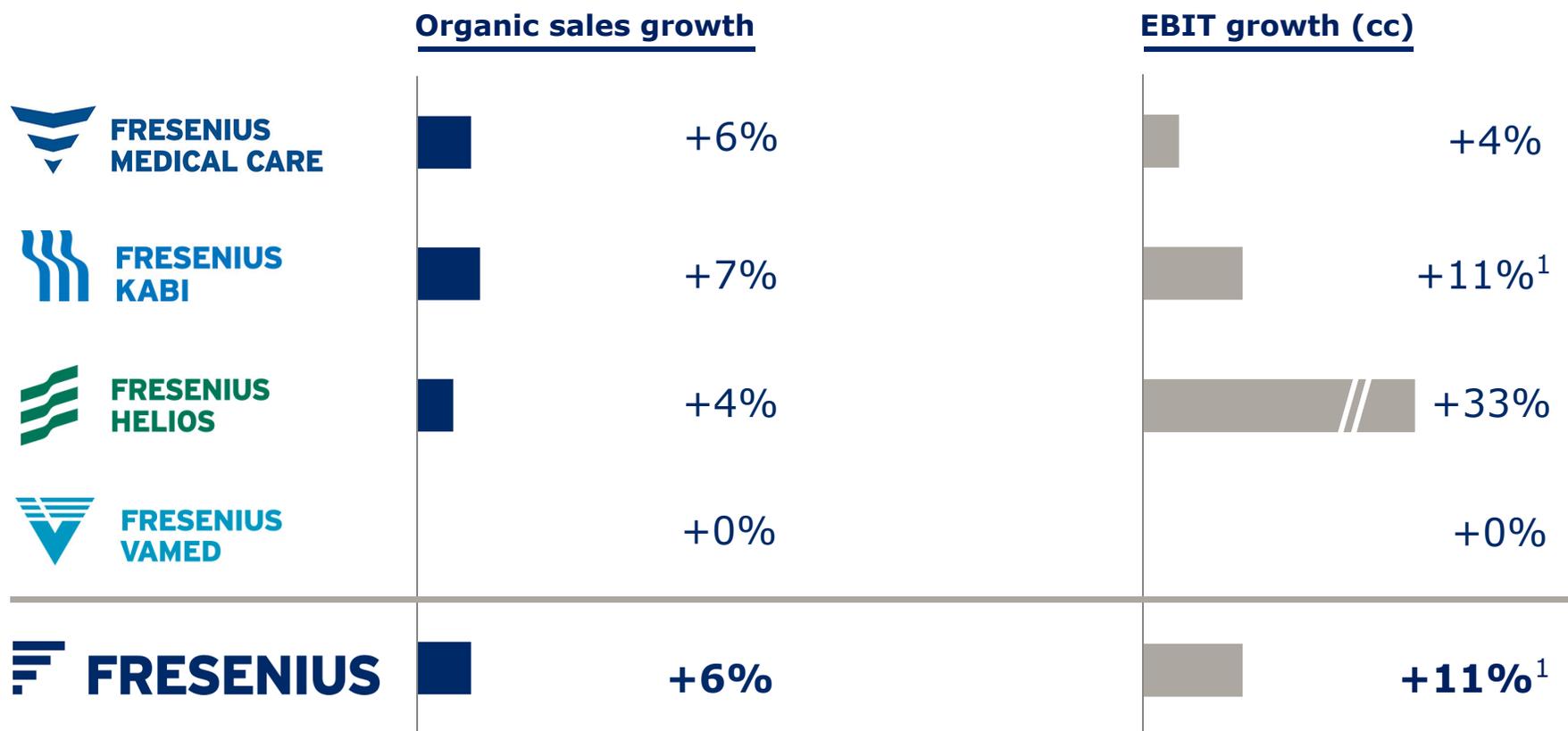
¹ Consistent with scope of original guidance: before acquisition-related expenses, before expenditures for further development of biosimilars business

² Before acquisition-related expenses

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

For a detailed overview of adjustments please see the reconciliation tables on slides 27-28.

Fresenius Group: Q3/17 Business Segment Growth



¹ Growth rate consistent with scope of original guidance: before acquisition-related expenses, before expenditures for further development of biosimilars business

For a detailed overview of adjustments please see the reconciliation tables on slides 27-28.

Fresenius Kabi: Q3/17 Regional Highlights (1/2)

North America

- 7% organic sales growth
- 20 Kabi-marketed IV drugs currently designated in shortage (vs. 17 at Q2/17)
- 6 product launches YTD; confirm 10+ target
- Confirm FY/17 outlook: Mid-single-digit organic sales growth



Europe

- 4% organic sales growth
- Positive development in virtually all product segments
- Confirm FY/17 outlook: Low to mid-single-digit organic sales growth



Fresenius Kabi: Q3/17 Regional Highlights (2/2)

Emerging Markets

China

- 12% organic sales growth
- New tender rules:
 - 21 of 31 provinces have concluded a tender process; introduction of new tender policy now expected to be completed early 2018
 - Expectation for FY/17 unchanged - low to mid single-digit price impact and continued double-digit volume growth

Asia-Pacific ex China: 12% organic sales growth

Latin America/Africa: 8% organic sales growth



Total Emerging Markets

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



Fresenius Kabi: Q3 & Q1-3/17 EBIT Growth

€m	Q3/17	Δ YoY cc	Q1-3/17	Δ YoY cc
North America Margin	203 37.0%	3% -170 bps	659 38.0%	4% -100 bps
Europe Margin	80 14.9%	5% 10 bps	244 14.9%	3% -20 bps
Asia-Pacific/Latin America/Africa Margin	100 21.1%	11% 10 bps	272 19.5%	13% 10 bps
Corporate and Corporate R&D	-100	-4%	-270	-5%
Total EBIT¹ Margin ¹	283 18.1%	6% -50 bps	905 19.0%	6% -40 bps
Total adjusted EBIT² Margin ²	297 19.0%	11% 40 bps	919 19.3%	7% -10 bps

Margin growth at actual rates

¹ Before acquisition-related expenses

² Consistent with scope of original guidance: before acquisition-related expenses,
before expenditures for further development of biosimilars business

For a detailed overview of special items please see the reconciliation tables on slides 27-28.

Fresenius Helios: Q3 & Q1-Q3/17 Highlights

Helios Kliniken



- Organic growth in line with expectations
- Ongoing favorable reimbursement environment: 2018 DRG inflator set at 2.97%
- Roll-out of new brand image 

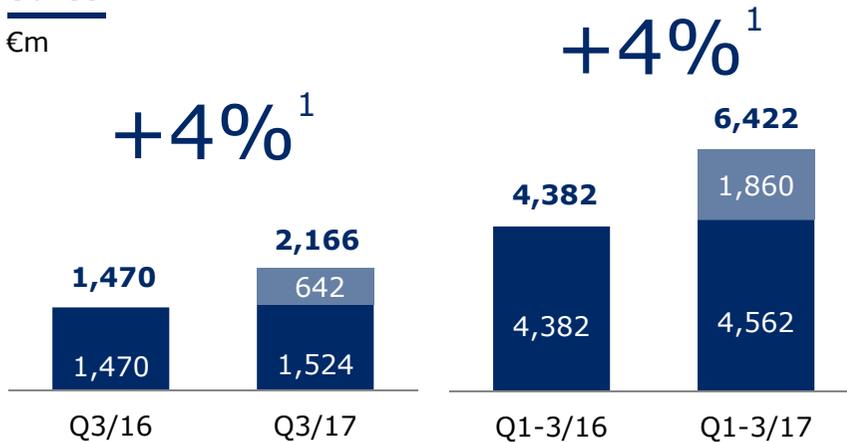
Quirónsalud



- Soft summer quarter as expected
- Solid YoY growth:
 - 10% sales growth in Q1-Q3/17
 - EBIT growth exceeds sales growth

Sales

€m



¹ Organic sales growth

■ HELIOS Kliniken

■ Quirónsalud



Fresenius Helios: Q3 & Q1-3/17 Key Financials

€m	Q3/17	Δ YoY	Q1-3/17	Δ YoY
Total sales	2,166	47%	6,422	47%
Thereof Helios Kliniken	1,524	4%	4,562	4%
Thereof Quirónsalud ¹	642	--	1,860	--
Total EBIT	232	33%	769	52%
Margin	10.7%	-120 bps	12.0%	40 bps
Thereof Helios Kliniken	190	9%	549	8%
Margin	12.5%	60 bps	12.0%	40 bps
Thereof Quirónsalud ¹	42	--	220	--
Margin	6.5%	--	11.8%	--

¹ Consolidated since 1 February 2017

Fresenius Vamed: Q3 & Q1-Q3/17 Highlights

- 1% organic sales growth YTD reflects typical quarterly fluctuations of project business
- Continued strong order intake; new projects in Germany, Zambia and Equatorial Guinea
- Two acquisitions to strengthen service business



€m	Q3/17	Δ YoY	Q1-3/17	Δ YoY
Project business	117	-10%	301	-7%
Service business	150	9%	447	8%
Total sales	267	0%	748	1%
Total EBIT	15	0%	32	3%
Order intake ¹	285	36%	697	3%
Order backlog ¹			2,345	20% ²

¹ Project business only

² Versus December 31, 2016

Fresenius Group: Q3/17 & LTM Cash Flow

€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q3/17	LTM Margin	Q3/17	LTM Margin	Q3/17	LTM Margin
 FRESENIUS KABI	245 ²	15.6% ²	-96	-6.0%	149	9.6%
 FRESENIUS HELIOS	256	9.5%	-102	-5.1%	154	4.4% ³
 FRESENIUS VAMED	35	1.0%	-3	-0.6%	32	0.4%
Corporate/Other	-10	n.a.	-4	n.a.	-14	n.a.
 FRESENIUS Excl. FMC	526	11.7%⁴	-205	-5.2%	321	6.5%⁴
 FRESENIUS	1,138	12.5%	-431	-5.0%	707	7.5%

¹ Before acquisitions and dividends

² Including the cash prepayment of €45 million for biosimilars business (LTM: 16.3% operating cashflow margin excl. cash prepayment biosimilars)

³ Understated: 4.9% excluding €37 million of capex commitments from acquisitions

⁴ Margin incl. FMC dividend

Fresenius Group: 2017 Financial Outlook by Business Segment

€m (except otherwise stated)		FY/16 Base	FY/17e Previous	Q1-3/17 Actual	FY/17e New
 FRESENIUS KABI	Sales growth (org)	6,007	5% – 7%	7%	<input checked="" type="checkbox"/>
	EBIT growth (cc)	1,171	6% – 8% ¹	7% ²	<input checked="" type="checkbox"/>
 FRESENIUS HELIOS	Sales growth (org)	5,843 ³	3% – 5% ³	4% ³	<input checked="" type="checkbox"/>
	Sales (reported)	5,843 ³	~8.6bn ⁴	6.4bn	<input checked="" type="checkbox"/>
	EBIT	683 ³	1,020–1,070 ⁵	769	<input checked="" type="checkbox"/>
 FRESENIUS VAMED	Sales growth (org)	1,160	5% – 10%	1%	<input checked="" type="checkbox"/>
	EBIT growth	69	5% – 10%	3%	<input checked="" type="checkbox"/>

¹ Before acquisition-related expenses of ~€50 million; before expected expenditures for further development of biosimilars business of ~€60 million

² Consistent with scope of original guidance: before acquisition-related expenses, before expenditures for further development of biosimilars business

³ Helios Kliniken Germany, excluding Quirónsalud

⁴ Thereof Quirónsalud (11 months consolidated): ~€2.5bn

⁵ Thereof Quirónsalud (11 months consolidated): €300 to €320m

For a detailed overview of adjustments please see the reconciliation tables on slides 27-28.

Fresenius Group: 2017 Financial Guidance

€m (except otherwise stated)	FY/16 Base	FY/17e Previous	Q1-3/17 Actual	FY/17e New
FRESENIUS				
Sales growth (cc)	29,471	15% – 17%	16%	<input checked="" type="checkbox"/>
Net income¹ growth (cc)	1,560	19% – 21% ²	20% ³	<input checked="" type="checkbox"/>

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

² Before acquisition-related expenses of ~€50 million; before expected expenditures for further development of biosimilars business of ~€60 million

³ Consistent with scope of original guidance: before acquisition-related expenses, before expenditures for further development of biosimilars business

For a detailed overview of adjustments please see the reconciliation tables on slides 27-28.

Attachments



Fresenius Group: Financial Results by Business Segment

€m		Q3/17	Δ YoY
 FRESENIUS MEDICAL CARE	Sales	4,336	3%
	EBIT	608	0%
 FRESENIUS KABI	Sales	1,562	3%
	EBIT¹	283	1%
 FRESENIUS HELIOS	Sales	2,166	47%
	EBIT	232	33%
 FRESENIUS VAMED	Sales	267	0%
	EBIT	15	0%

¹ Before acquisition-related expenses

For a detailed overview of adjustments please see the reconciliation tables on slides 27-28.

Fresenius Group: Calculation of Noncontrolling Interest

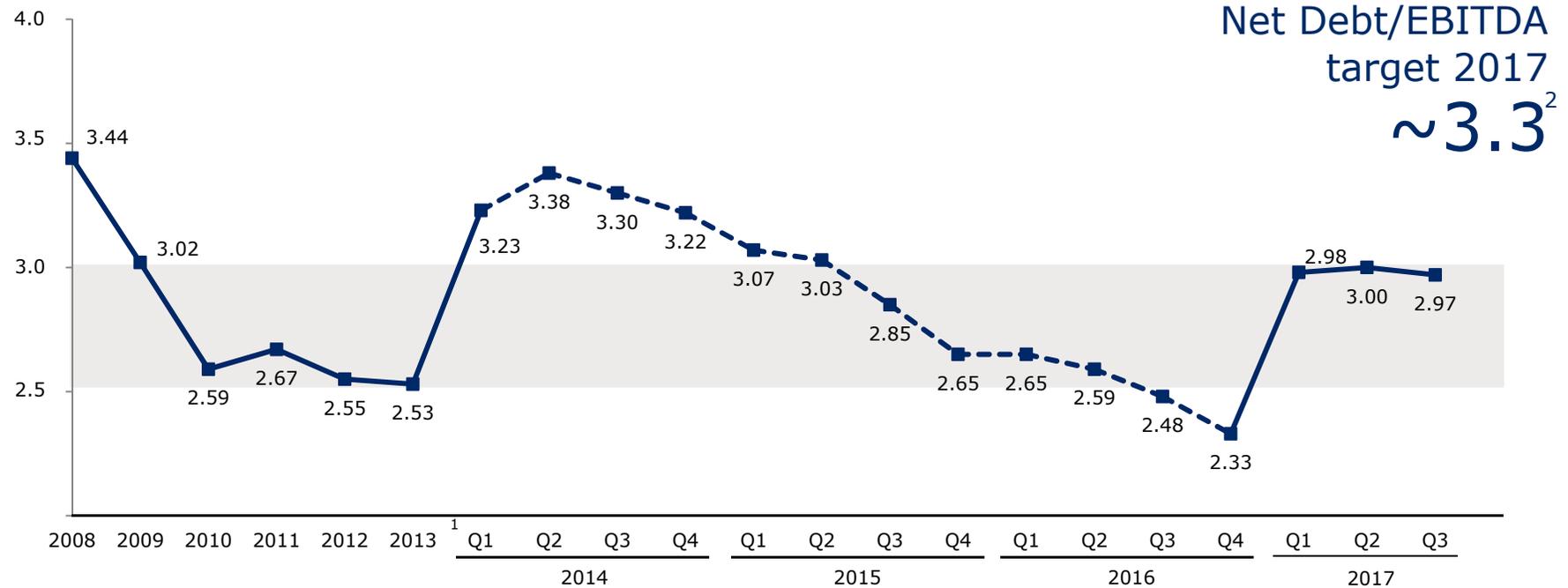
€m	Q1-3/17	Q1-3/16
Earnings before tax and noncontrolling interest	3,038	2,625
Taxes	-855	-739
Noncontrolling interest, thereof	-854	-768
Fresenius Medical Care net income not attributable to Fresenius (Q1-3/17: ~69%)	-612	-539
Noncontrolling interest holders in Fresenius Medical Care	-199	-195
Noncontrolling interest holders in Fresenius Kabi (-€29 m), Fresenius Helios (-€8 m), and due to Fresenius Vamed's 23% external ownership (-€6m)	-43	-34
Net income attributable to Fresenius SE & Co. KGaA	1,329	1,118

Before acquisition-related expenses

Fresenius Group: Cash Flow

€m	Q3/17	LTM Margin	Q3/16	LTM Margin	Δ YoY
Operating Cash Flow	1,138	12.5 %	940	11.9%	21%
Capex (net)	-431	-5.0%	-383	-5.5%	-13%
Free Cash Flow (before acquisitions and dividends)	707	7.5%	557	6.4%	27%
Acquisitions (net)	-227		-40		
Dividends	-68		-58		
Free Cash Flow (after acquisitions and dividends)	412	-14.4%	459	3.0%	-10.0%

Fresenius Group: Leverage Ratio



Before special items; pro forma acquisitions
At annual 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 Pro forma acquisitions of Akorn, Inc. and Fresenius Kabi's biosimilars business; before acquisition-related expenses of ~€50 million; excluding further potential acquisitions

Fresenius Kabi: Organic Sales Growth by Product Segment

€m	Q3/17	Δ YoY organic	Q1-3/17	Δ YoY organic
IV Drugs	648	9%	2,030	8%
Infusion Therapy	221	4%	676	6%
Clinical Nutrition	427	10%	1,254	9%
Medical Devices/ Transfusion Technology	266	0%	804	3%
Total sales	1,562	7%	4,764	7%

Fresenius Kabi: Organic Sales Growth by Regions

€m	Q3/17	Δ YoY organic	Q1-3/17	Δ YoY organic
Europe	538	4%	1,635	5%
North America	549	7%	1,736	6%
Asia-Pacific/Latin America/Africa	475	10%	1,393	10%
Asia-Pacific	312	12%	894	11%
Latin America/Africa	163	8%	499	10%
Total sales	1,562	7%	4,764	7%

Fresenius Helios: Performance Indicators

	Q1-3/17	Q1-3/16	Δ YoY
No. of hospitals ¹	111	112	-1%
- Acute care clinics	88	88	0%
- Post-acute care clinics	23	24	-4%
No. of beds ¹	34,492	34,706	-1%
- Acute care clinics	29,400	29,618	-1%
- Post-acute care clinics	5,092	5,088	0%
Admissions			
- Acute care (inpatient)	933,905	923,134	1%
Occupancy			
- Post-acute care	83%	83%	
Average length of stay (days)			
- Acute care ²	6.2	6.4	
- Post-acute care	25.9	26.1	

¹ October 31, 2017; December 31, 2016

² German average (2016): 7.3

Reconciliation Q3/17

The table below shows the adjustments and the reconciliation from net income according to guidance, i.e. before acquisition-related expenses and before expenditures for further development of biosimilars business to net income according to IFRS.

€m	Q3/17				
	Before acquisition-related expenses and before expenditures for further development of biosimilars business	Expenditures for further development of biosimilars business	Before acquisition-related expenses	Acquisition-related expenses	IFRS reported
Sales	8,297		8,297		8,297
EBIT	1,143	-14	1,129	-15	1,114
Net interest	-158		-158	-5	-163
Net income before taxes	985	-14	971	-20	951
Income taxes	-270	4	-266	3	-263
Net income	715	-10	705	-17	688
Noncontrolling interest	-292		-292		-292
Net income attributable to shareholders of Fresenius SE & Co. KGaA	423	-10	413	-17	396

The acquisition-related expenses are reported in the Group Corporate/Other segment.

Reconciliation Q1-3/17

The table below shows the adjustments and the reconciliation from net income according to guidance, i.e. before acquisition-related expenses and before expenditures for further development of biosimilars business to net income according to IFRS.

€m	Q1-3/17				
	Before acquisition-related expenses and before expenditures for further development of biosimilars business	Expenditures for further development of biosimilars business	Before acquisition-related expenses	Acquisition-related expenses	IFRS reported
Sales	25,191		25,191		25,191
EBIT	3,536	-14	3,522	-25	3,497
Net interest	-484		-484	-8	-492
Net income before taxes	3,052	-14	3,038	-33	3,005
Income taxes	-859	4	-855	7	-848
Net income	2,193	-10	2,183	-26	2,157
Noncontrolling interest	-854		-854		-854
Net income attributable to shareholders of Fresenius SE & Co. KGaA	1,339	-10	1,329	-26	1,303

The acquisition-related expenses are reported in the Group Corporate/Other segment.

Financial Calendar / Contact

Financial Calendar

27 February 2018	Results FY 2017
3 May 2018	Results Q1/2018
18 May 2018	Annual General Meeting
31 July 2018	Results Q2/2018
30 October 2018	Results Q3/2018

Please note that these dates could be subject to change.

Contact

Investor Relations

Fresenius SE & Co. KGaA

phone: +49 6172 608-2485

e-mail: ir-fre@fresenius.com

For further information and current news: www.fresenius.com

Follow us on Twitter www.twitter.com/fresenius_ir

and LinkedIn: www.linkedin.com/company/fresenius-investor-relations