



A Leading Global Health Care Group



Bank of America Merrill Lynch – Leveraged Finance Conference 2016
November 29, 2016 – Boca Raton

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

1 Company Overview

2 Business Segments

- Fresenius Kabi
- Fresenius Vamed
- Fresenius Helios

3 Acquisition of Quirónsalud

4 Financial Overview

5 Financing Facilities and Debt Structure

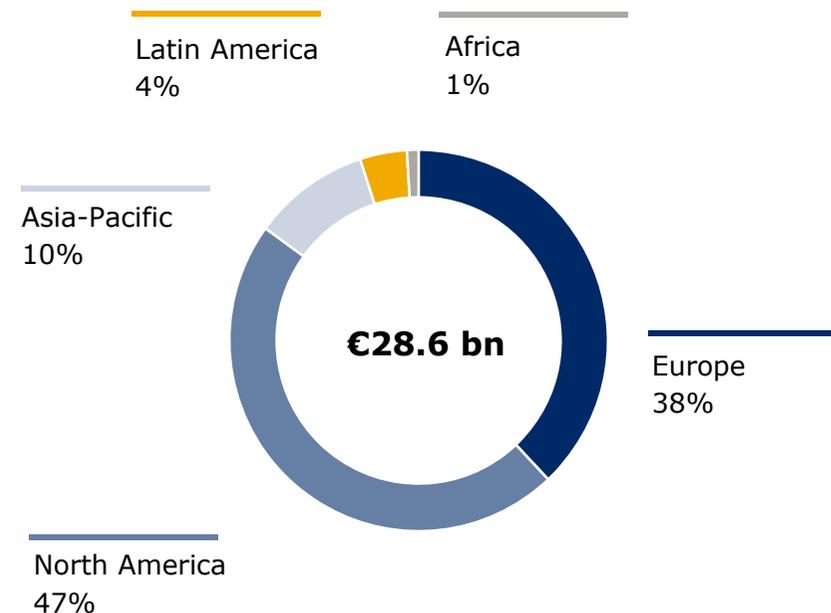
6 Summary and Outlook

Company Overview



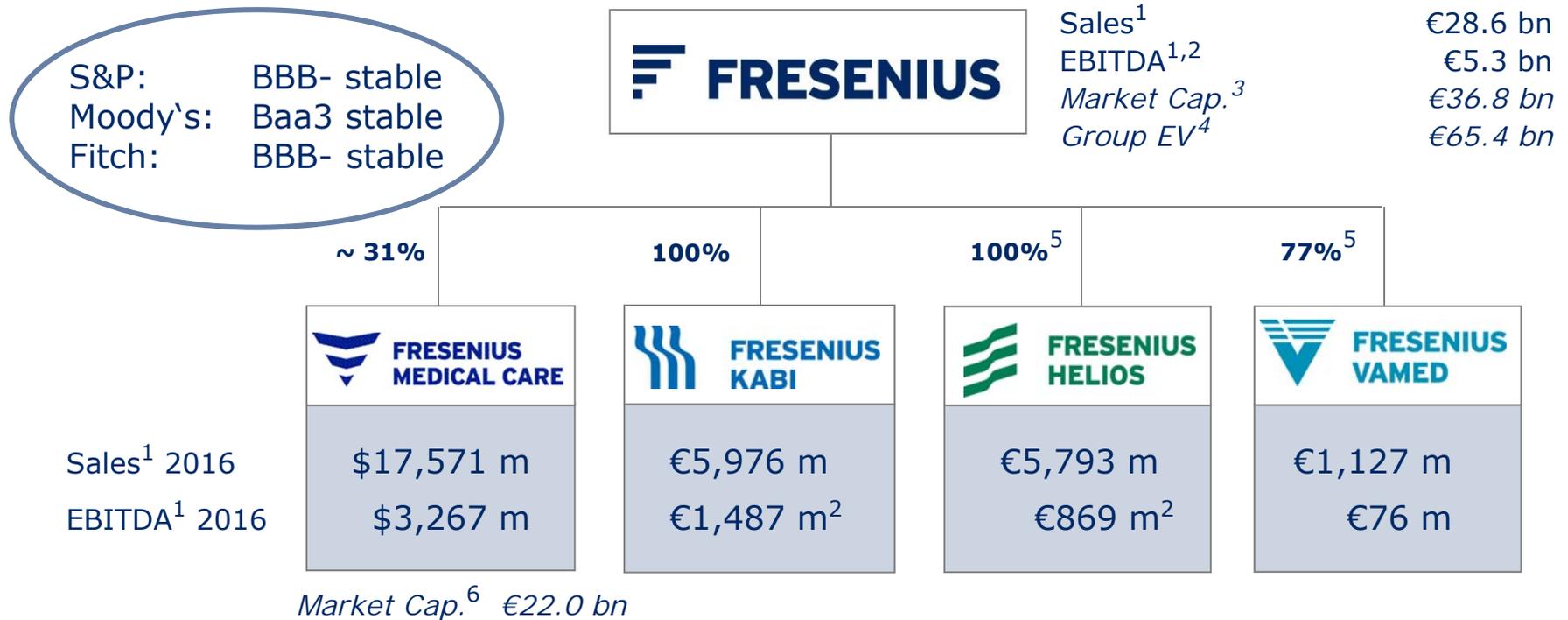
Fresenius Group: A Global Leader in Health Care Products and Services

- Sales €28.6 bn, net income¹ €2.6 bn in LTM September 30, 2016
- Strong and well-diversified portfolio
- Leading market positions
- Global presence
- Long-term opportunities in growing, non-cyclical markets



1 – Net income incl. attributable to non-controlling interest, 2015 before special items

Fresenius Group: Strong and Balanced Health Care Portfolio



1 - LTM September 30, 2016

2- 2015 before special items

3 - Based on market capitalization of FSE as of November 15, 2016

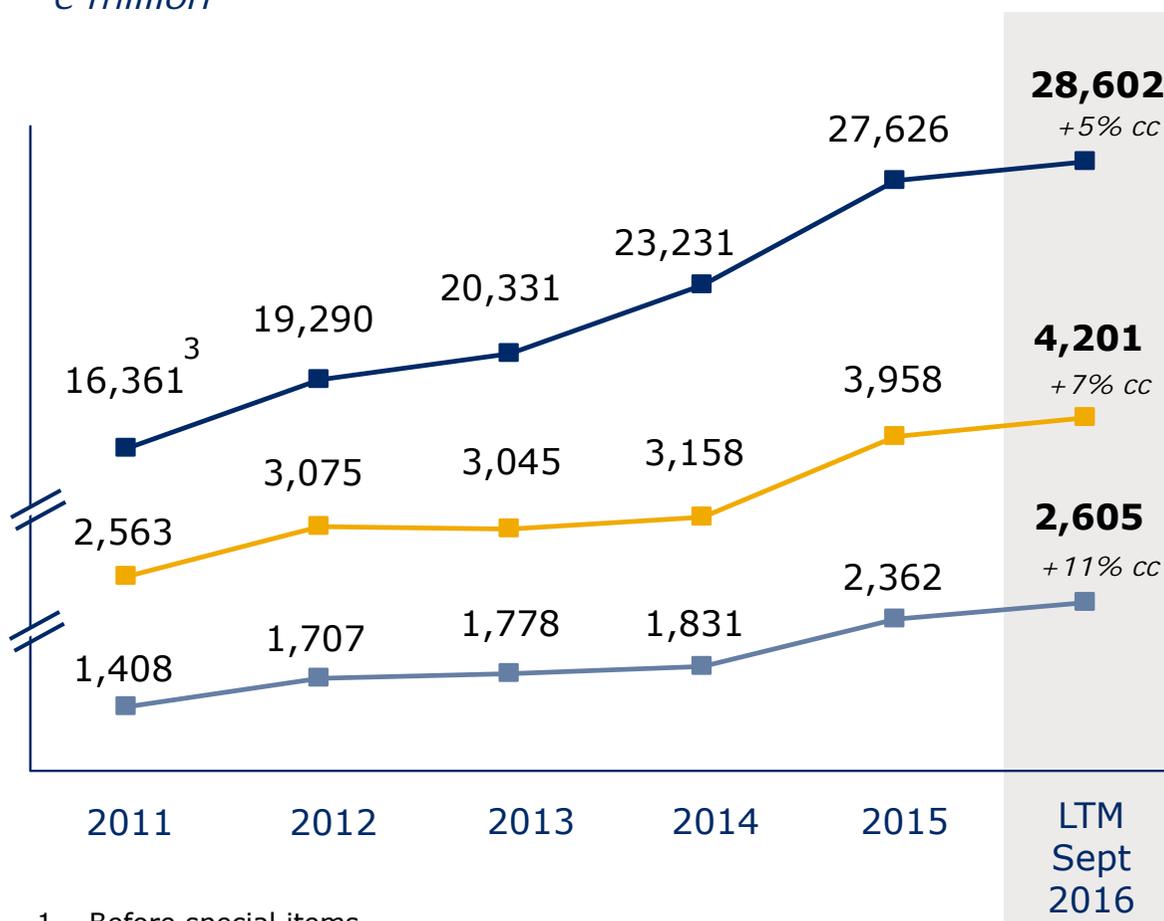
4 - Based on consolidated market capitalization of FSE and FME as of November 15, 2016 and consolidated net debt as of Sept 30, 2016

5 - Held by Fresenius ProServe GmbH, a wholly owned subsidiary of FSE

6 - Based on market capitalization of FME as of November 15, 2016

Fresenius Group: Financial Results

€ million



Sales

12%

EBIT¹

10%

Net Income^{1,2}

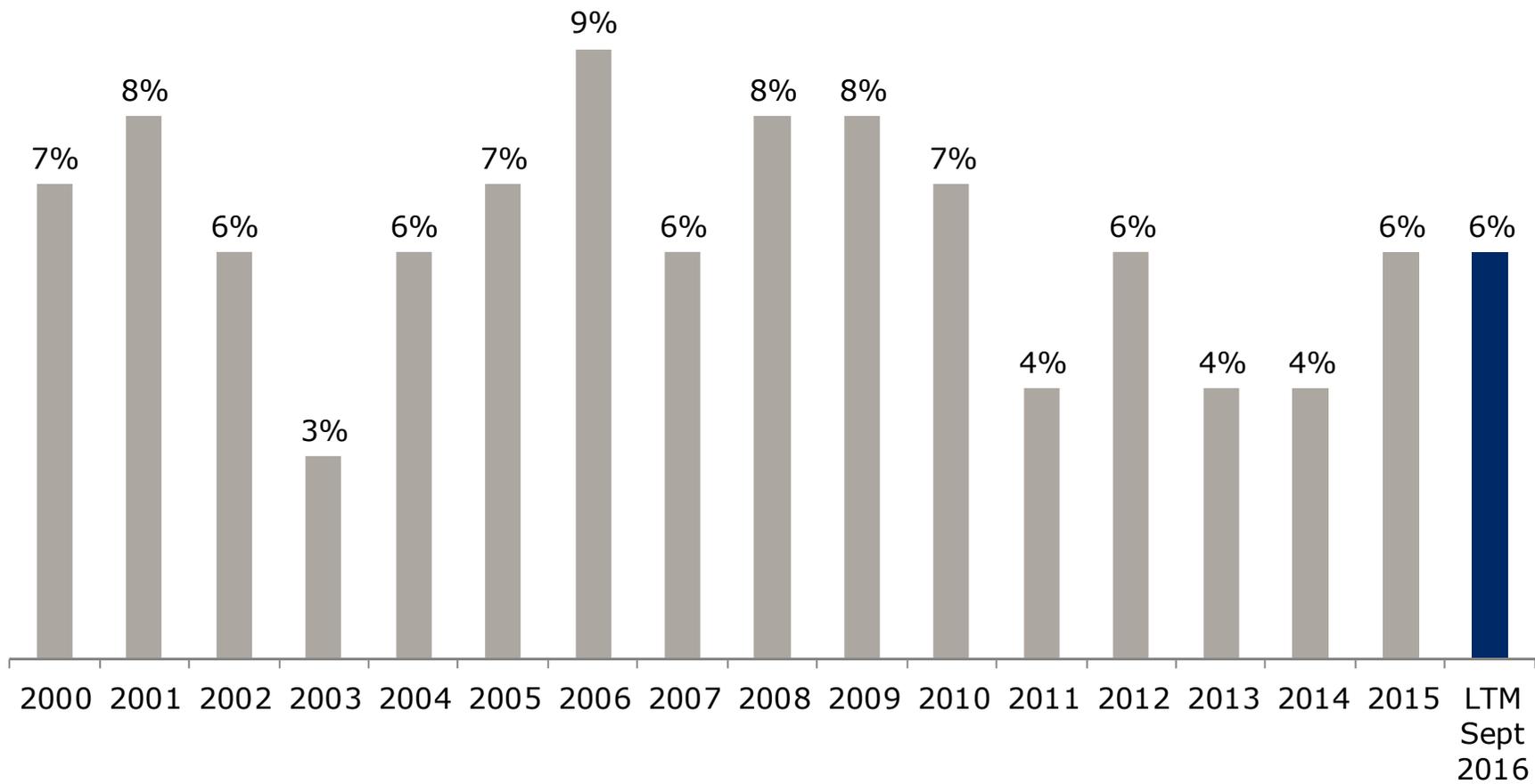
13%

1 - Before special items

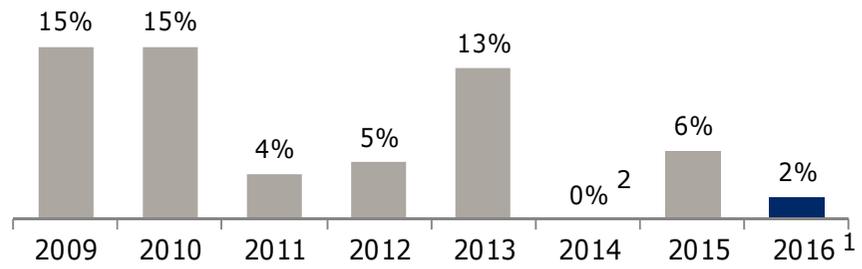
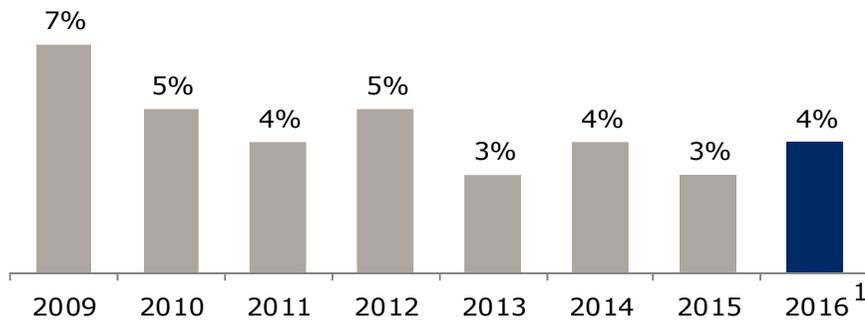
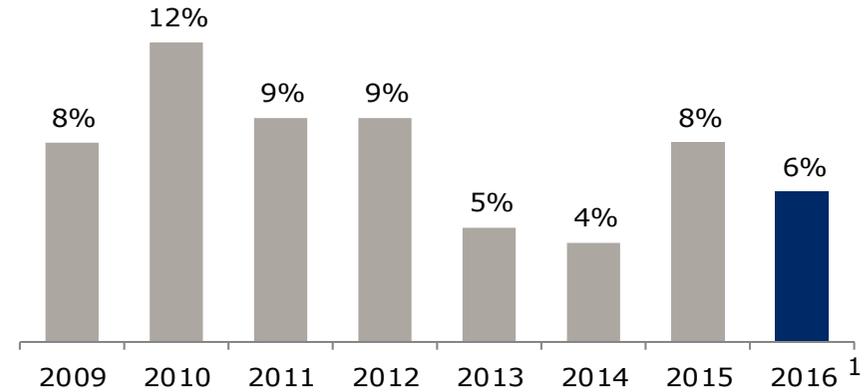
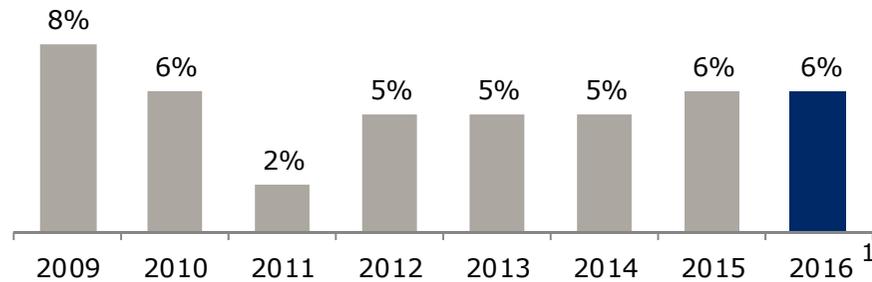
2 - Incl. attributable to non-controlling interest

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

Fresenius Group: Sustainable Organic Sales Growth



Fresenius Group: Sustainable Organic Sales Growth in all Business Segments

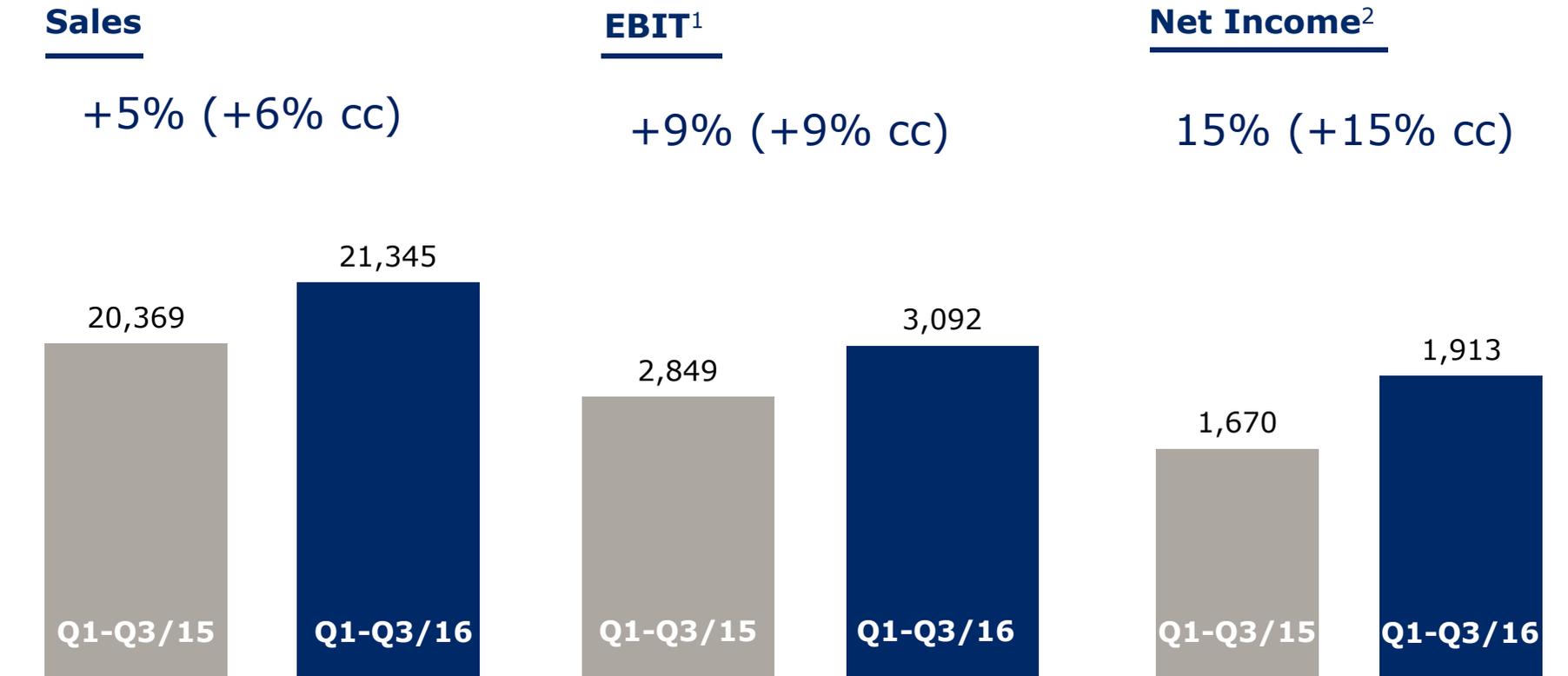


1 - LTM September 30, 2016

2 - Due to project delays in Russia and Ukraine

Fresenius Group: Key Financials Q1-Q3/2016

€ million



1 – 2015 before special items

2 – Incl. attributable to non-controlling interest, 2015 before special items

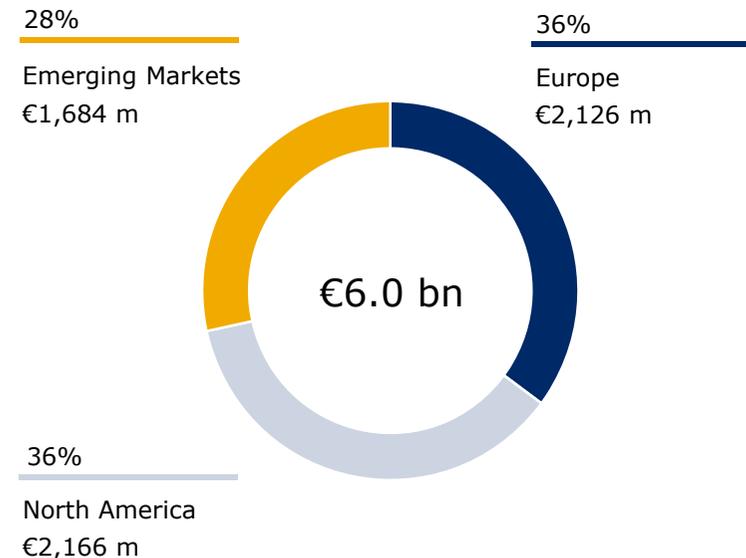
Business Segments



Fresenius Kabi: A Worldwide Leading Hospital Supplier

- Comprehensive product portfolio for critically and chronically ill patients:
 - Generic I.V. Drugs
 - Clinical Nutrition
 - Infusion Therapy
 - Medical Devices / Transfusion Technology
- Global addressable market: >€33 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

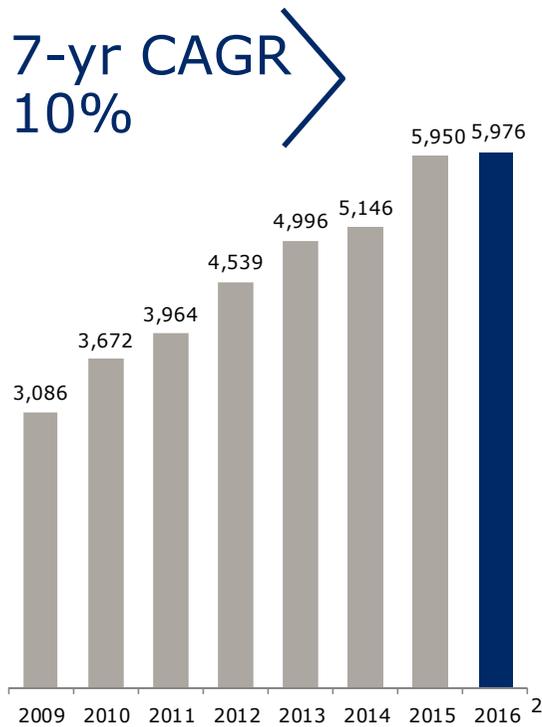
LTM Sept 30, 2016 Sales by Region



Fresenius Kabi: Strong Growth Track Record & High Profitability

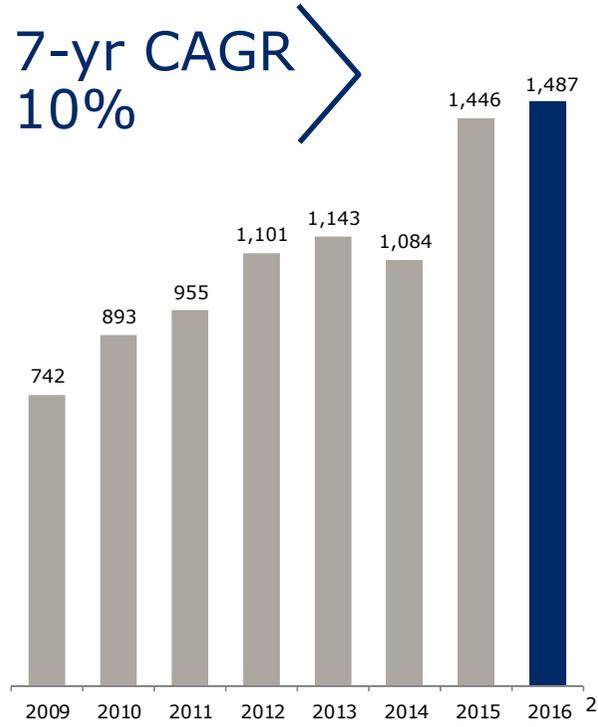
Sales

€ million

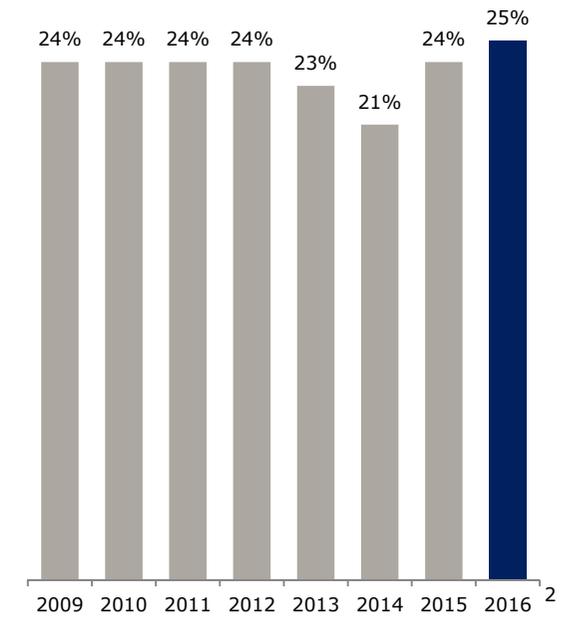


EBITDA¹

€ million



EBITDA¹ Margin



1 – Before special items
2 – LTM September 30, 2016

Fresenius Kabi: Key Figures Q1-Q3/2016

<i>€ million</i>	Q1-Q3/2016	Q1-Q3/2015	Growth
Sales	4,457	4,431	+1% ¹
- I.V. Drugs	1,871	1,802	+4%
- Clinical Nutrition	1,173	1,167	+1%
- Infusion Therapy	636	704	-10%
- Medical Devices/ Transfusion Technology	777	758	+3%
EBITDA ² <i>margin</i>	1,101 24.7%	1,060 23.9%	+4%
EBIT ² <i>margin</i>	916 20.6%	872 19.7%	+5%
Net Income ³	532	479	+11%

1 – 6% organic growth, 0% acquisitions, -2% divestitures, -3% currency effects

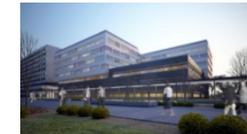
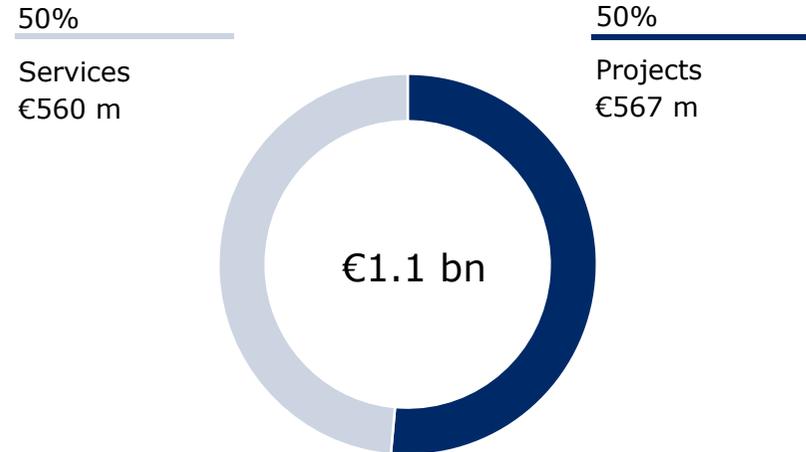
2 – 2015 before special items

3 – Net income attributable to shareholders of Fresenius Kabi AG, 2015 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:
 - >760 health care projects in 78 countries successfully completed
 - Services provided to > 550 hospitals and 135,000 beds globally
- Continuous demand for hospital infrastructure and operating efficiency; key markets: Europe, Asia-Pacific, Africa

LTM Sept 30, 2016 Sales by Business



Fresenius Helios: Leading Hospital Operator in Germany

- German Acute Care Hospital Market:
~€91 bn¹, thereof 18% privatized
- ~ 6% share in German Acute Care Hospital Market
- High-quality medical care
- Solid organic growth based on growing number of admissions and reimbursement rate increases
- 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 insurance coverage of German population

Largest Network with 112 Hospitals²



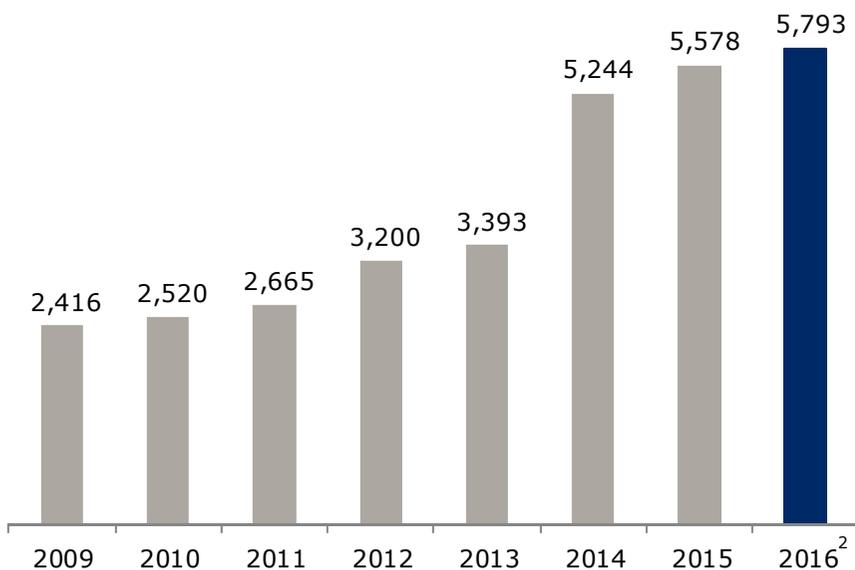
1 – German Federal Statistical Office 2015; total costs, gross of the German hospitals less academic research and teaching
2 – As of June 30, 2016

Fresenius Helios: Strong Growth Track Record & High Profitability

Sales

€ million

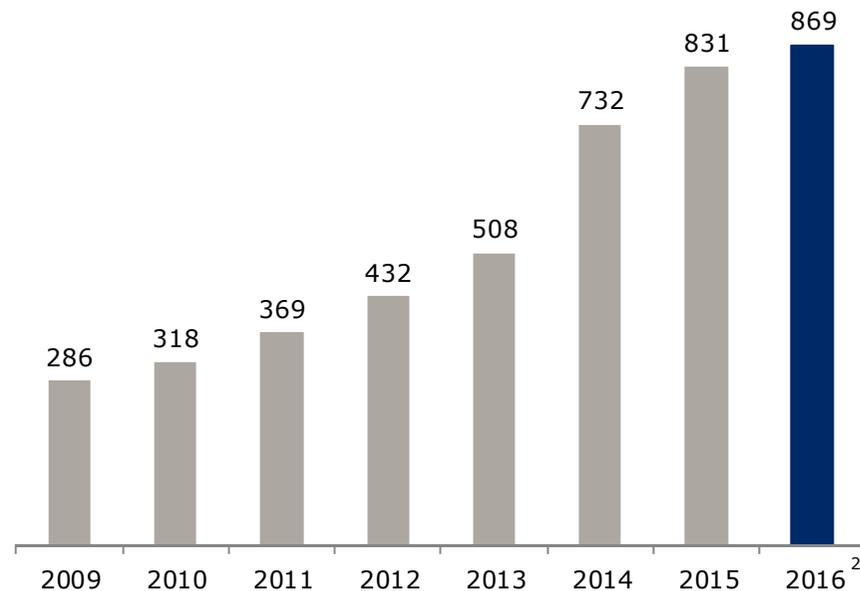
7-yr CAGR
13%



EBITDA¹

€ million

7-yr CAGR
17%



1 – Before special items

2 – LTM September 30, 2016

Fresenius Helios: Key Figures Q1-Q3/2016

<i>€ million</i>	Q1-Q3/2016	Q1-Q3/2015	Growth
Total Sales	4,382	4,167	+5%¹
EBITDA² <i>margin</i>	650 14.8%	612 14.7%	6%
EBIT² <i>margin</i>	507 11.6%	472 11.3%	+7%
Net Income³	402	352	+14%

1 – 4% organic growth, 1% acquisitions, 0% divestitures, 0% currency effects

2 – 2015 before special items

3 – Net income attributable to shareholders of HELIOS Kliniken GmbH, 2015 before special items

Acquisition of Quirónsalud



Acquisition Highlights



Market leader in size and quality with **excellent growth prospects**



Strong management team with **proven track record** and **ongoing commitment** to Fresenius



Combination forms powerful platform for **knowledge & best practice transfer**



Substantial **cost and growth synergies**



Highly accretive from 2017 – leverage back to current levels after 1.5 years



New mid-term targets for **Fresenius Group** as part of its FY 2016 reporting



Excellent Reputation in the Spanish Hospital Market



Market leader

Quality leader

Nationwide footprint



Economies of scale

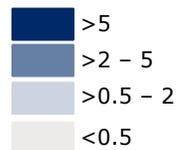
Strong revenue growth potential

Payor diversity / strong revenue base

Hospital Network With Clear Focus on Large Metropolitan Areas



Population per region (in m)



43 hospitals,
39 outpatient centers
~300 ORP centers



~€2.5bn Sales (2016e)



€460 - 480m EBITDA
(2016e)



6,600 beds and
35,000 staff



9.4m outpatient
admissions p.a.



320,000 inpatient
admissions p.a.

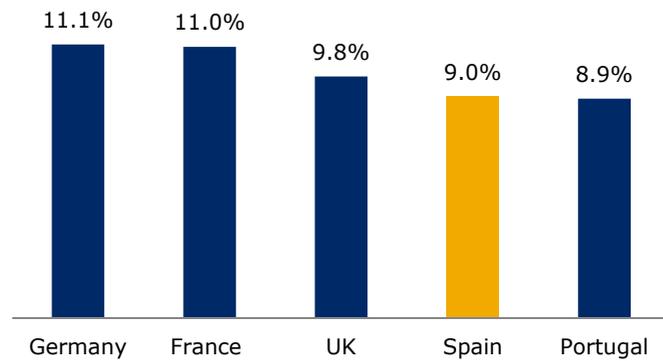


Spanish Health Care Market – Key Facts



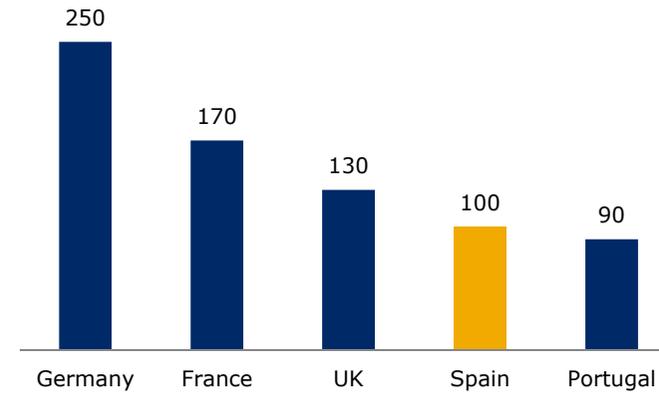
Total health care expenditure

(% of GDP)



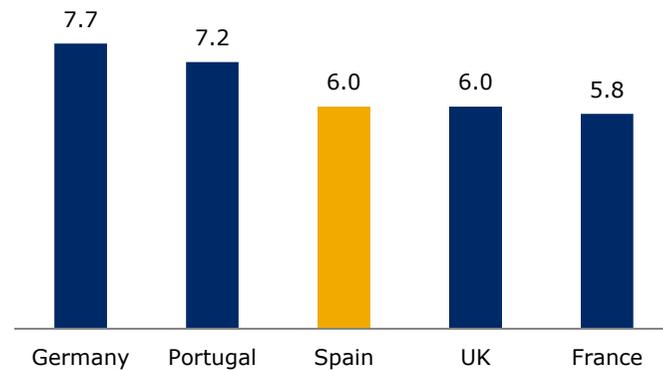
Hospital discharges

(per 1,000 inhabitants)



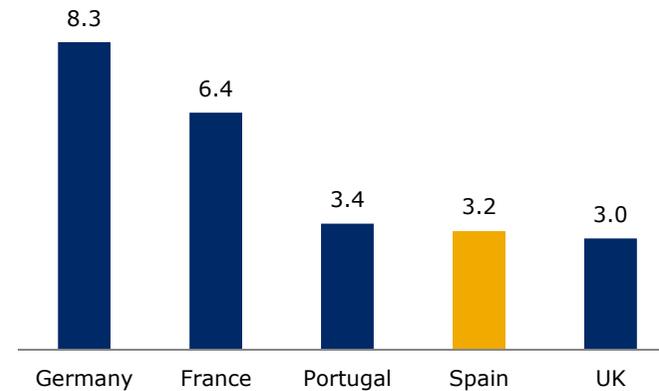
Average length of stay

(days)



Hospital beds

(per 1,000 inhabitants)



Source: OECD

Private Health Care System in Spain

			
NHS	Public insurance tax-funded	Public insurance funded by social security contributions	
HIC	Private full coverage insurance additional to public insurance	Private full coverage insurance instead of public insurance	Complement- ary private insurance
ACCESS	Available for everyone	Employees with annual salary > ~€56,000 civil servants, self employed	
DURATION	Short-term contracts (1y), facilitate termination and switch	Switch from private to other private or public insurance complicated	
QUANTITY	9.4 million insurance holders ~20% of total population*	8.8 million insurance holders ~11% of total population	
PREMIUM Ø	€70 per month	€240 per month	

NHS = National Health Care System; HIC = Health Insurance Companies

* Expectation: mid-term CAGR +1.5%

Structural Growth Drivers

Health care expenditure per capita in Spain below EU average

Close dovetailing of inpatient and outpatient care

Public – NHS (PPPs)

Expansion of existing facilities

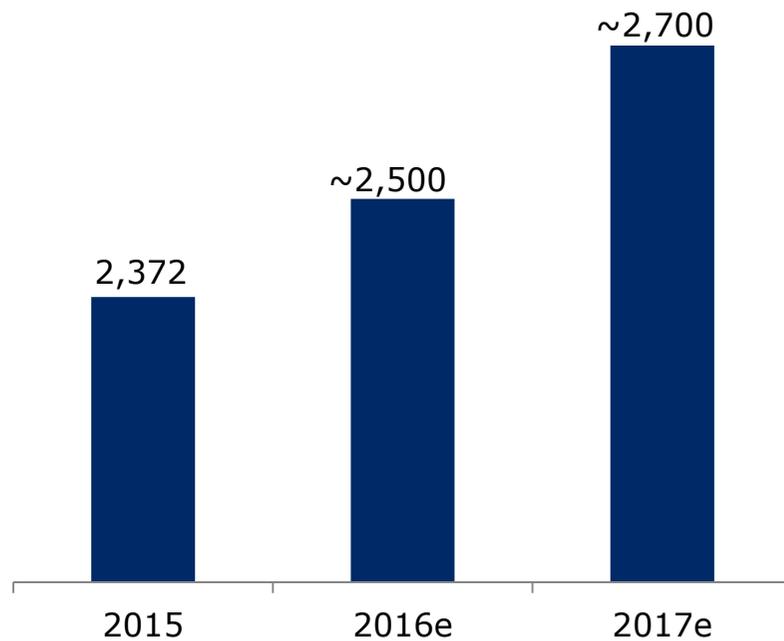
Greenfield projects

Acquisition of private hospitals

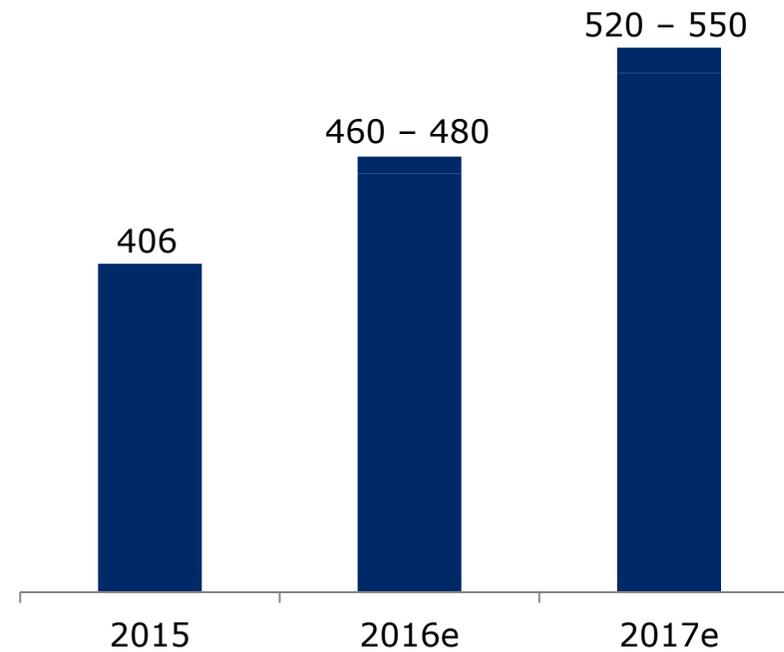


Financial Outlook

Sales *€ million*



EBITDA *€ million*



Financially Sound Acquisition

Total consideration	<ul style="list-style-type: none">• €5.76bn (on a cash and debt-free basis)• Approx. 10.8x¹ EBITDA 2017e
Financing	<ul style="list-style-type: none">• Issuance of ~6.1m shares valued at €400m to Victor Madera• Balance of the purchase price debt-financed
Net debt/EBITDA	<ul style="list-style-type: none">• 2016 pro forma ~3.1x• 2017e back within 2.5 – 3.0x range

1 – based on mid-point of projected 2017 EBITDA range of €520 – €550m

Financial Overview



Fresenius Group: Key Figures Q1-Q3/2016

<i>€ million</i>	Q1-Q3/2016	Q1-Q3/2015	Change actual rates	Change constant rates
Sales	21,345	20,369	+5%	+6%¹
EBITDA²	3,949	3,674	+7%	+8%
EBIT²	3,092	2,849	+9%	+9%
Interest, net	-433	-476	-9%	+8%
EBT	2,659	2,373	+12%	+13%
Taxes ²	-746	-703	-6%	-7%
Net Income³	1,913	1,670	+15%	+15%
Employees	231,432	222,305⁴		

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

2 – 2015 before special items

3 – Net income incl. attributable to non-controlling interest, 2015 before special items

4 – As of December 31, 2015

Fresenius Group: Cash Flow Development Q1-Q3/2016

€ million	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q1-3/2016	LTM Margin	Q1-3/2016	LTM Margin	Q1-3/2016	LTM Margin
 FRESENIUS KABI	646	16.2%	-208	-5.4%	438	10.8%
 FRESENIUS HELIOS	437	11.5%	-176	-5.3%	261	6.2% ³
 FRESENIUS VAMED	22	10.6%	-6	-0.8%	16	9.8%
Corporate/Other	-7	n.a.	-5	n.a.	-12	n.a.
 FRESENIUS Excl. FMC	1,098	14.4% ²	-395	-5.1%	703	9.3% ²
 FRESENIUS MEDICAL CARE	1,161	12.0%	-657	-5.6%	504	6.5%
 FRESENIUS	2,259	12.0%	-1,052	-5.5%	1,207	6.5%

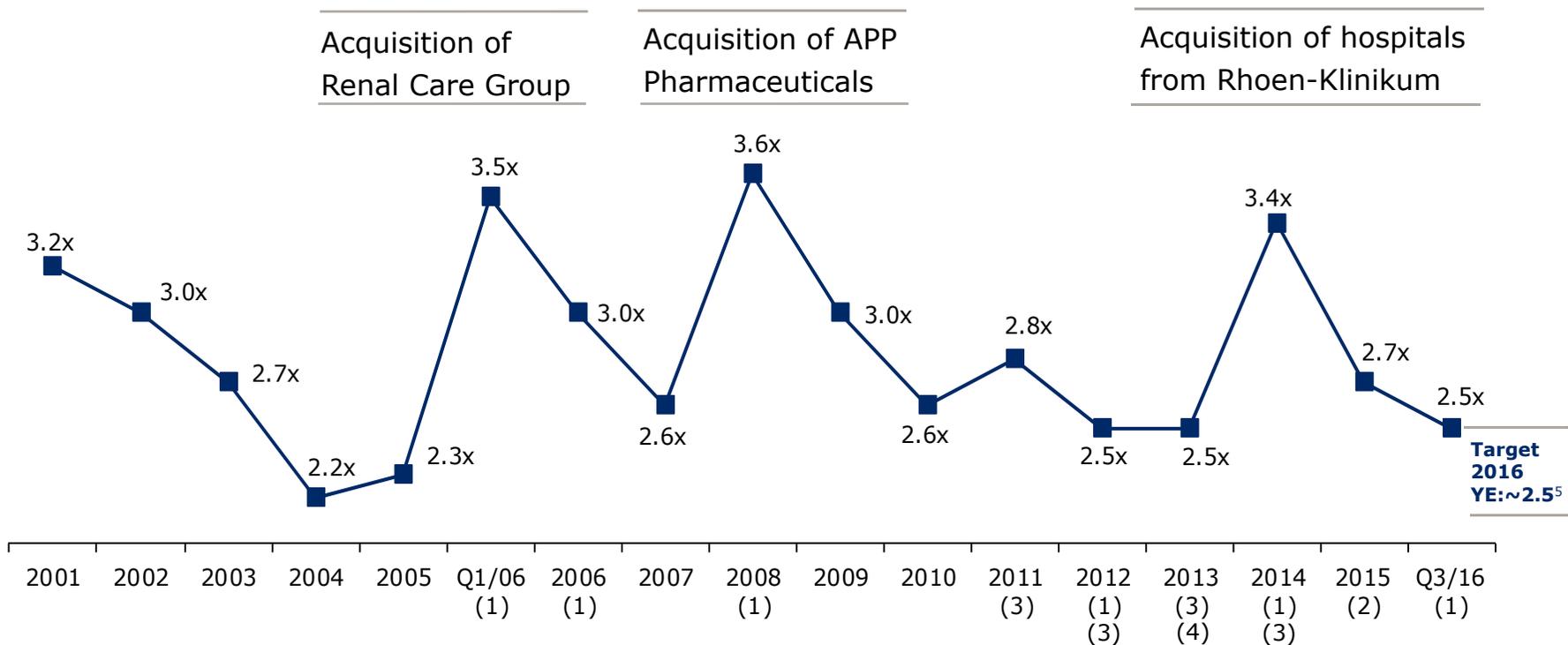
1 – Before acquisitions and dividends

2 – Margin incl. FMC dividend

3 – Understated: 7.1% excluding €51 million of capex commitments from acquisitions

Fresenius Group: Proven Track Record of Deleveraging

Net Debt/EBITDA



1 – Pro forma acquisitions, before special items

2 – Before special items

3 – Adjusted due to debt issuance cost restatement (U.S. GAAP standard ASU 2015 – 03)

4 – Pro forma excluding advances made for the acquisition of hospitals from Rhoen-Klinikum AG, before special items

5 – At annual average FX rates for both EBITDA and net debt, excluding potential acquisitions

Fresenius Group: Capitalization – September 30, 2016

	€ million	\$ million ³	% of total cap	EBITDA LTM x
FSE 2013 Credit Agreement: Revolver (€, US-\$)	0	0	0.0%	
FSE 2013 Credit Agreement: Term Loan A (€, US-\$)	1,602	1,788	2.4%	
Senior Notes (€, US-\$)	2,736	3,054	4.2%	
Convertible Bonds	475	530	0.7%	
Schuldschein Loans	1,167	1,302	1.8%	
Commercial Paper	190	212	0.3%	
Other debt less total debt issuance costs, gross	496	554	0.8%	
Total Debt (FSE excl. FMC), gross	6,666	7,440	10.2%	
Cash (excl. FMC)	621	693	0.9%	
Total debt (FSE excl. FMC), net	6,045	6,747	9.2%	
Total FMC debt, net	7,397	8,256	11.3%	
Consolidation Adjustments	(97)	(108)		
Total consolidated debt, net	13,345	14,894	20.4%	2.5x²
Market capitalization ¹	52,048	56,029	79.6%	9.7x
Total capitalization	65,392	70,923	100.0%	12.2x
Group EBITDA²				5,355

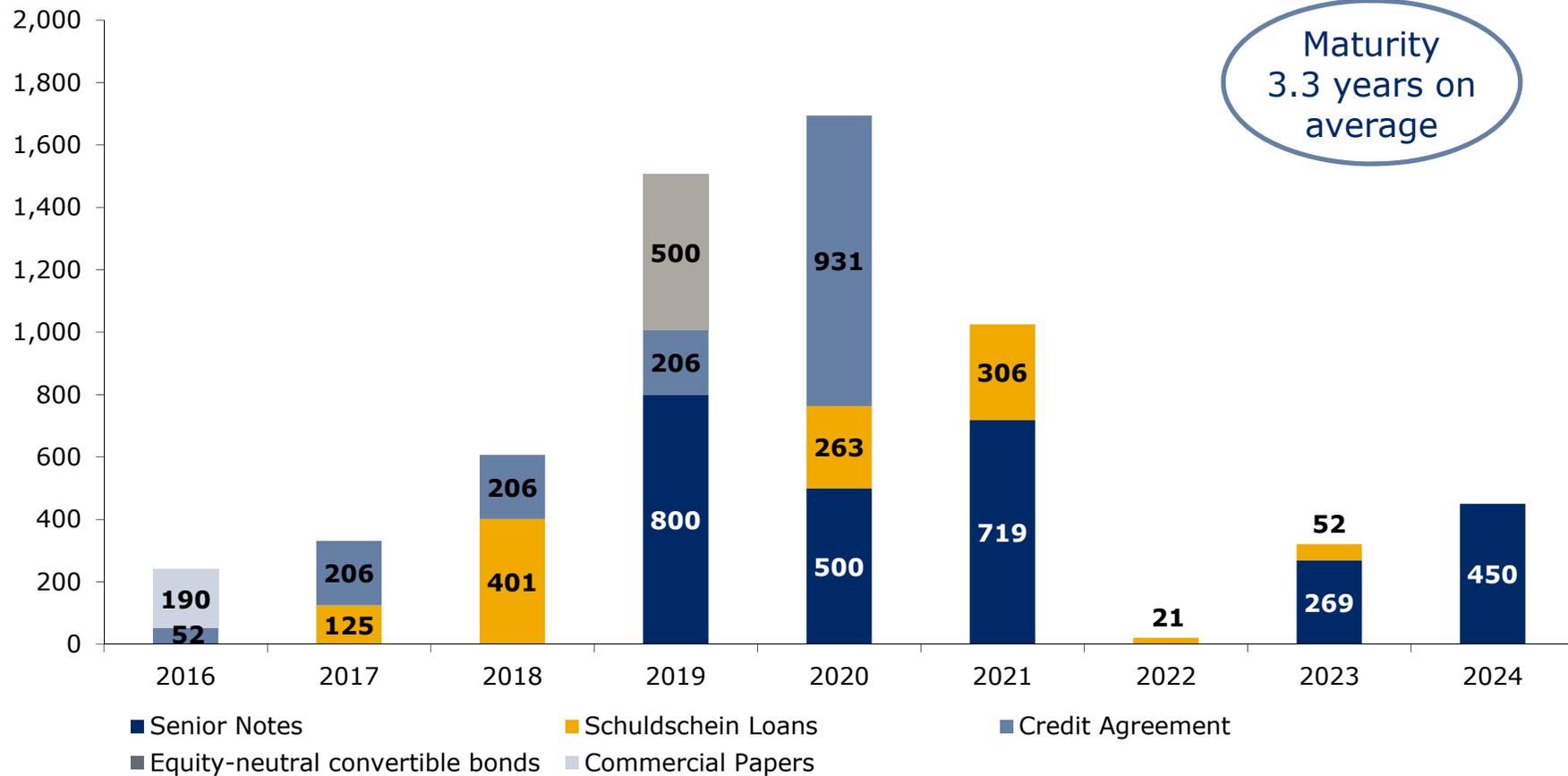
1 – Based on market capitalization for FSE and FMC as of November 15, 2016

2 – 2015 before special items; pro forma acquisitions

3 – Exchange rate as of as of Sept 30, 2016, except for market capitalization which uses exchange rate as of November 15, 2016

Fresenius Group excl. Fresenius Medical Care: Debt Maturity Profile¹ September 30, 2016

€ million



1 - Based on utilization of major financing instruments

Summary and Outlook



Fresenius Medical Care: 2016 Financial Outlook confirmed



Revenue growth
at constant currency

+7% - 10%

Net Income growth
at current exchange rate

+15% - 20%

- 2016 net income growth outlook is based on current exchange rates
- Savings from the global Efficiency Program are included
- Acquisitions 2015/2016 are not included
- Net income growth based on \$1,057 million in 2015 ¹

1 – Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA (\$1,029 million), including **GranuFlo®/NaturaLyte®** agreement in principle (+\$37 million) and excluding acquisitions in 2015 of \$9 million

Fresenius Group: 2016 Financial Outlook by Business Segment

		Old	New	
 FRESENIUS KABI	Sales growth organic	3% – 5%	4% – 6%	⬆️
	EBIT growth (cc)	3% – 5%	4% – 6%	⬆️
 FRESENIUS HELIOS	Sales growth organic	3% – 5%	unchanged	☑️
	EBIT	€670 – 700 m	unchanged	☑️
 FRESENIUS VAMED	Sales growth organic	5% – 10%	unchanged	☑️
	EBIT growth	5% – 10%	unchanged	☑️

Fresenius Group: 2016 Financial Guidance

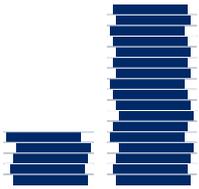
		2015	2016		
		Actual	Old	New	
 FRESENIUS	Sales growth constant currency	€27.6 bn	6% – 8%	unchanged	
	Net income¹ growth constant currency	€1,423 m	11% – 14%	12% – 14%	

1- Net income attributable to shareholders of Fresenius SE&Co. KGaA; 2015 before special items

Aging Population and Increasing Healthcare Spending

60+

- **Aging population** and higher incidence of **chronic diseases**
World population age 60+ will reach >2bn by 2050 (WHO)



- *Increasing health expenditure per capita, 2014 vs. 2004 – **USA \$9,403** (+147%), **China: \$420** (+592%), **India: \$75** (+277%)¹*

1/3

- By 2022, one third of all global health expenditure will occur in Emerging Economies²

1 – World Bank: Health expenditure per capita

2 – World Economic Forum: Health Systems Leapfrogging in Emerging Economies – Project Paper (2014)

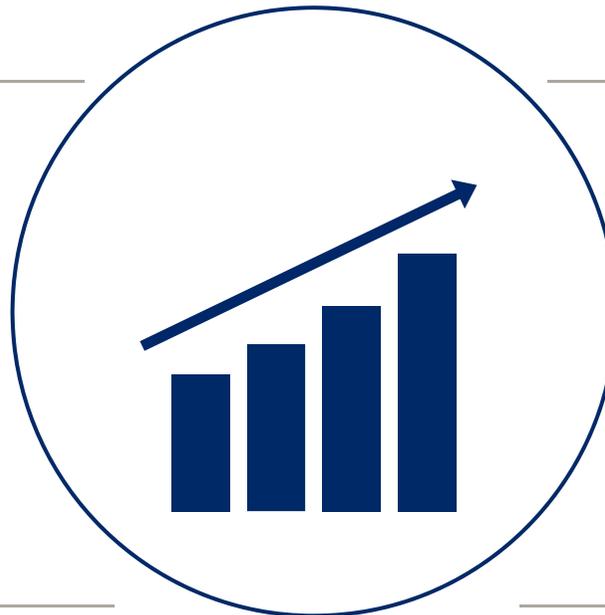
3 – WHO: Global status report on non communicable diseases

Investment Highlights

Diversified revenue and earnings base with four strong business segments

Global presence in growing, non-cyclical markets

Leading market positions



Proven ability to integrate acquisitions

Clear track record of and commitment to de-leveraging

Strong earnings development and cash flow generation

