

Conference Call – Q1/2017 Results



Bad Homburg, 3 May 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: Q1/2017 Highlights

-  **Fresenius Kabi's U.S. business well positioned for the next decade: Acquisition of Akorn and Merck KGaA's biosimilars business**
-  **HELIOS internationalization: Successful closing of Quirónsalud acquisition**
-  **All business segments contributed to strong organic sales growth**
-  **Excellent earnings growth**
-  **Group earnings guidance raised on a like-for-like basis¹**

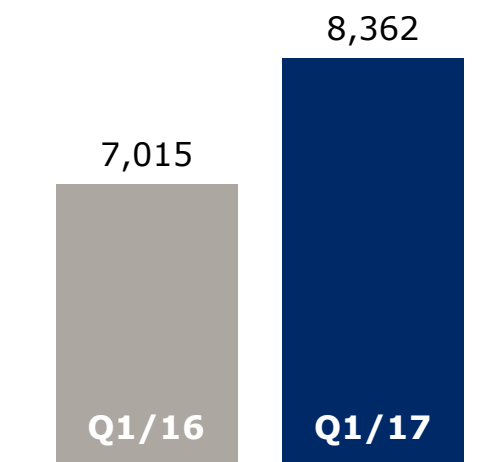
¹ Before transaction costs of ~€50 million for the acquisitions of Akorn, Inc. and Merck KGaA's biosimilars business; before expected expenditures for the further development of Merck KGaA's biosimilars business of ~€50 million (expected closing H2/17)

Fresenius Group: Q1/2017 Key Financials

Sales

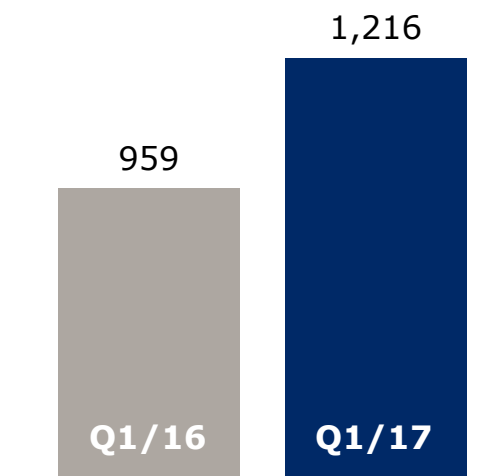
€m

+17%



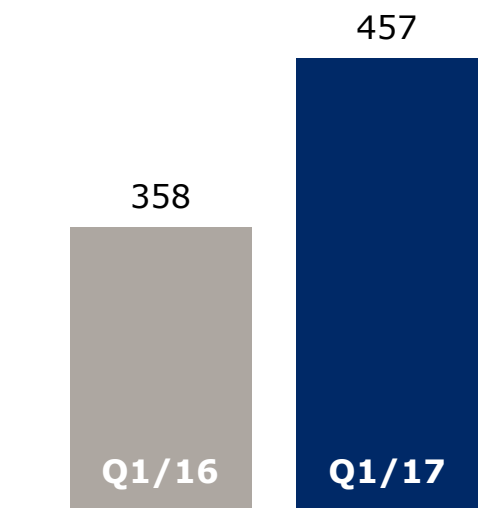
EBIT

+25%



Net Income

+26%



Constant currency growth rates
Net income attributable to shareholders of Fresenius SE & Co. KGaA

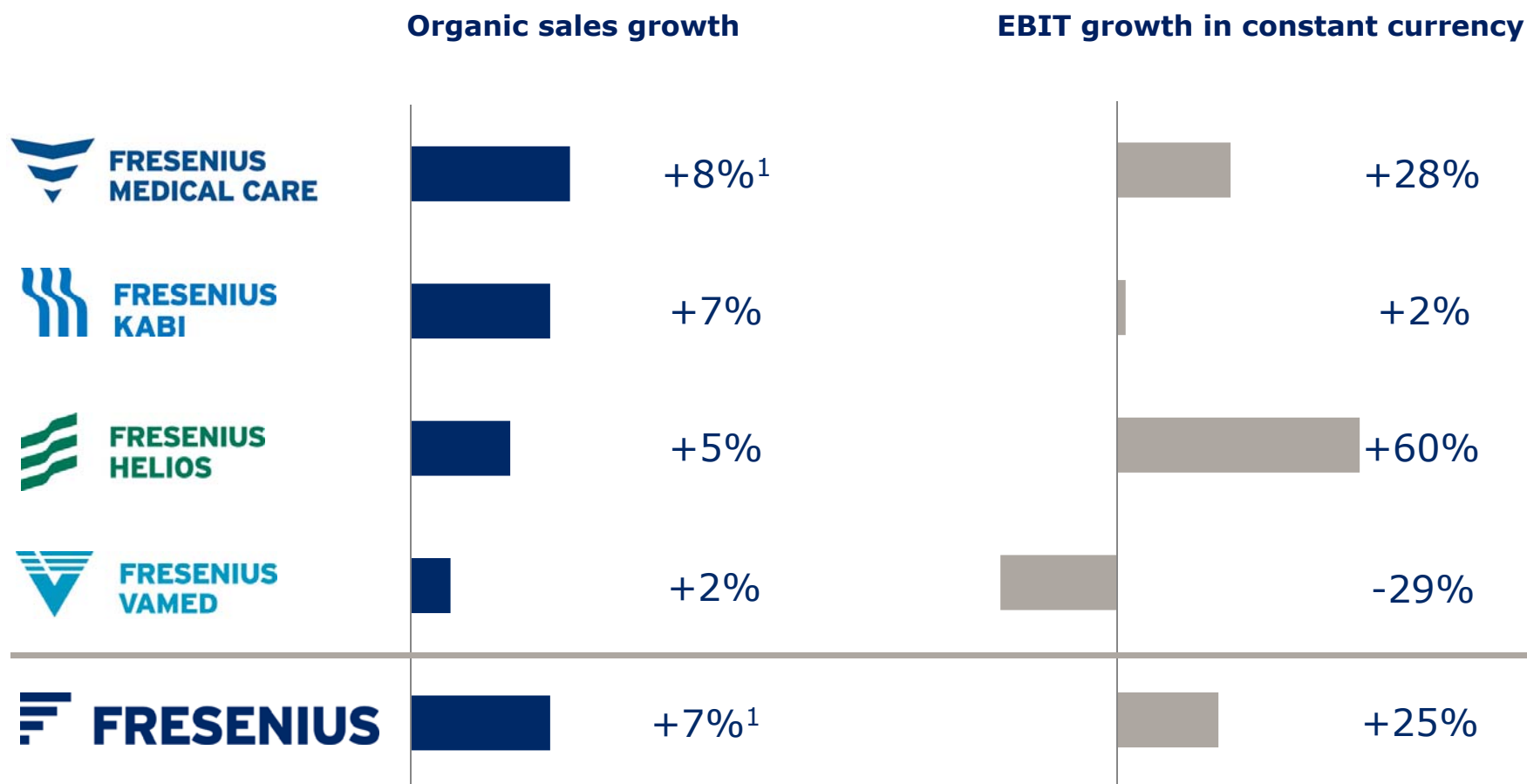
Fresenius Group: Profit and Loss Statement

€m	Q1/2017	Δ Q1 YoY ¹
Sales	8,362	17%
EBIT	1,216	25%
Net interest	-157	-3%
Income taxes	-308	-31%
Net income ²	457	26%

¹ Constant currency growth rates

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

Fresenius Group: Q1/2017 Business Segment Growth



¹ Excluding the agreement with the United States Departments of Veterans Affairs and Justice at Fresenius Medical Care North America

Fresenius Kabi (1/2)

North America

- **4% organic sales growth** despite tough Q1/16 comp
- **Gradual easing of IV drug shortages:** 15 Kabi-marketed products currently designated in shortage vs. 16 at YE 2016
- **New product launches:** expected to be **back-end loaded in FY/17;** confirm 10+ target
- **2016 Pharmaceutical Supplier of the Year**
- **Confirm FY/17 outlook: mid-single-digit** organic sales growth 

Europe

- **7% organic sales growth**
- **Improved contract manufacturing business**
- **Confirm FY/17 outlook: low to mid-single-digit** organic sales growth 



Fresenius Kabi (2/2)

Emerging Markets

China

- **10% organic sales growth**
- New tender rules:
 - 13 out of 31 provinces have concluded a tender process; introduction of new tender policy slower than anticipated; now expected to be mostly completed end of 2017
 - Expect low single-digit price impact in FY/17
- Continued double-digit volume growth projected

Asia-Pacific ex China: strong organic growth of 11%

Latin America/Africa: 14% organic sales growth



Emerging Markets overall

- **FY/17 outlook raised: At least 10% organic sales growth**
(before: likely double-digit organic sales growth)



Fresenius Kabi: EBIT

€m	Q1/2017	Δ Q1 YoY ¹
Europe Margin	80 14.7%	3% -30 bps
North America Margin	236 38.1%	-2% -220 bps
Asia-Pacific/Latin America/Africa Margin	86 19.5%	26% 170 bps
Corporate and Corporate R&D	-89	-14%
Total EBIT Margin	313 19.5%	2% -110 bps

¹ Constant currency growth rates

Margin growth at actual rates

Fresenius Helios

HELIOS Kliniken

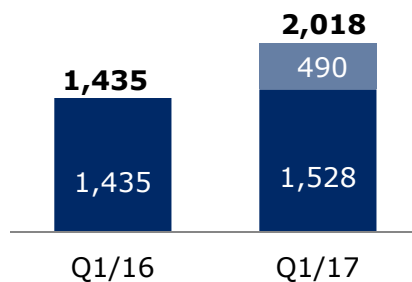
- **Excellent organic sales growth (+5%)** driven by solid **admissions growth**
- **Opening of new hospital building in Duisburg (Germany)**



Sales¹

€m

+5%



¹ Organic sales growth

■ HELIOS Kliniken

■ Quirónsalud

Quirónsalud

- **Consolidated since February 1, 2017**
- **Off to an excellent start: Strong sales and EBIT development**
- **First proton beam therapy center in Spain**



Fresenius Helios: Key Financials

€m	Q1/2017	Δ Q1 YoY
Total sales	2,018	41%
Thereof HELIOS Kliniken	1,528	6%
Thereof Quirónsalud	490	--
Total EBIT	255	60%
Margin	12.6%	150 bps
Thereof HELIOS Kliniken	181	14%
Margin	11.8%	70 bps
Thereof Quirónsalud	74	--
Margin	15.1%	--

Fresenius Vamed

- **2% organic sales growth** in Q1/17 reflects typical quarterly fluctuations of project business
- **Solid order intake**
- **Order backlog at all-time high**



€m	Q1/2017	Δ
Project business	77	-9%
Service business	146	10%
Total sales	223	2%
Total EBIT	6	-14%
Order intake ¹	220	-7%
Order backlog ¹	2,104	7% ²

¹ Project business only

² Versus December 31, 2016

Fresenius Group: Cash Flow

€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q1/2017	LTM Margin	Q1/2017	LTM Margin	Q1/2017	LTM Margin
 FRESENIUS KABI	192	17.4%	-84	-5.7%	108	11.7%
 FRESENIUS HELIOS	184	11.5%	-45	-5.5%	139	6.0% ³
 FRESENIUS VAMED	-44	0.1%	-1	-0.9%	-45	-0.8%
Corporate/Other	-26	n.a.	-3	n.a.	-29	n.a.
 FRESENIUS Excl. FMC	306	13.6% ²	-133	-5.3%	173	8.3% ²
 FRESENIUS	476	12.1%	-328	-5.2%	148	6.9%

¹ Before acquisitions and dividends

² Margin incl. FMC dividend

³ Understated: 6.5% excluding €37 million of capex commitments from acquisitions

Fresenius Group: 2017 Financial Outlook by Business Segment

€m except otherwise stated		2016 ¹ Base	2017e ¹ Previous	Q1/2017 ¹ Actual	2017e ¹ New	
 FRESENIUS KABI	Sales growth (org)	6,007	5% – 7%	7%		☑
	EBIT growth (cc)	1,171	5% – 7%	2%	6% – 8% ²	📈
 FRESENIUS HELIOS	Sales growth (org)	5,843 ³	3% – 5% ³	5%		☑
	Sales (reported)	5,843 ³	~8.6 bn ⁴	2.0 bn		☑
	EBIT	683 ³	1,020–1,070 ⁵	255		☑
 FRESENIUS VAMED	Sales growth (org)	1,160	5% – 10%	2%		☑
	EBIT growth	69	5% – 10%	-14%		☑

¹ All data according to IFRS

² Before transaction costs of ~€50 million for the acquisitions of Akorn, Inc. and Merck KGaA's biosimilars business; before expected expenditures for the further development of Merck KGaA's biosimilars business of ~€50 million (expected closing H2/17)

³ HELIOS Kliniken Germany, excluding Quirónsalud

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

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

Fresenius Group: 2017 Financial Guidance

€m except otherwise stated		2016 ¹ Base	2017e ¹ Previous	Q1/2017 ¹ Actual	2017e ¹ New
 FRESENIUS	Sales growth (cc)	29,471	15% – 17%	17%	
	Net income² growth (cc)	1,560	17% – 20%	26%	19% – 21% ³ 

¹ All data according to IFRS

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ Before transaction costs of ~€50 million for the acquisitions of Akorn, Inc. and Merck KGaA's biosimilars business; before expected expenditures for the further development of Merck KGaA's biosimilars business of ~€50 million (expected closing H2/17)

Attachments



Financial results by business segment

		Q1/2017	Δ Q1 YoY
 FRESENIUS MEDICAL CARE	Sales	€4,548 m	16%
	EBIT	€651 m	31%
 FRESENIUS KABI	Sales	€1,604 m	9%
	EBIT	€313 m	3%
 FRESENIUS HELIOS	Sales	€2,018 m	41%
	EBIT	€255 m	60%
 FRESENIUS VAMED	Sales	€223 m	2%
	EBIT	€6 m	-14%

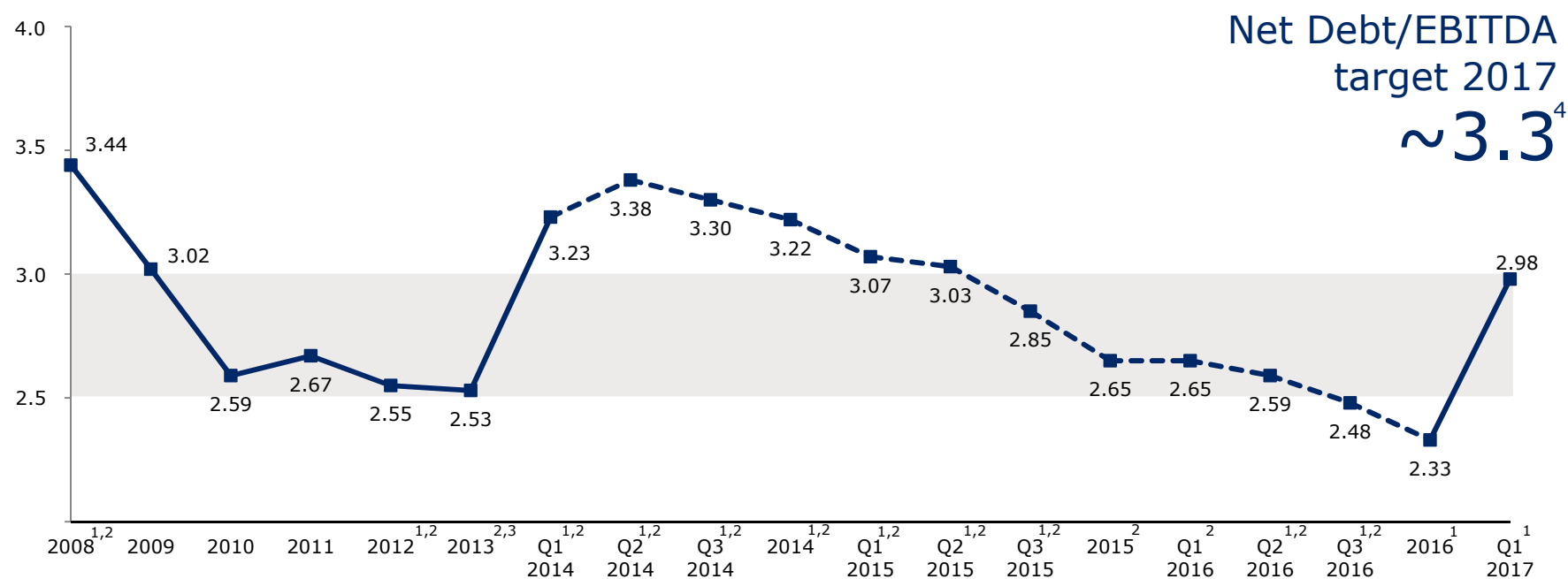
Fresenius Group: Overview – Calculation of Noncontrolling Interest

€m	Q1/2017	Q1/2016
Earnings before tax and noncontrolling interest	1,059	807
Taxes	-308	-229
Noncontrolling interest, thereof	-294	-220
Fresenius Medical Care net income not attributable to Fresenius (Q1/17: ~69%)	-212	-148
Noncontrolling interest holders in Fresenius Medical Care	-69	-62
Noncontrolling interest holders in Fresenius Kabi (-€9 m), Fresenius Helios (-€3 m), and due to Fresenius Vamed's 23% external ownership (-€1 m)	-13	-10
Net income attributable to Fresenius SE & Co. KGaA	457	358

Fresenius Group: Cash Flow

€m	Q1/2017	LTM Margin	Δ YoY
Operating Cash Flow	476	12.1%	41.7%
Capex (net)	-328	-5.2%	1.8%
Free Cash Flow (before acquisitions and dividends)	148	6.9%	--
Acquisitions (net)	-5,468		
Dividends	-73		
Free Cash Flow (after acquisitions and dividends)	-5,393	-14.3%	--

Fresenius Group: Leverage Ratio



¹ Pro forma acquisitions

² Before special items

³ Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG

⁴ Pro forma acquisitions of Akorn, Inc. and Merck KGaA's biosimilars business; before transaction costs of ~€50 million; excluding further potential acquisitions

At annual average FX rates for both EBITDA and net debt

Fresenius Kabi: Organic Sales Growth by Product Segment

€m	Q1/2017	Organic Growth
IV Drugs	702	6%
Infusion Therapy	227	9%
Clinical Nutrition	407	8%
Medical Devices/ Transfusion Technology	268	7%
Total sales	1,604	7%

Fresenius Kabi: Organic Sales Growth by Regions

€m	Q1/2017	Organic Growth
Europe	544	7%
North America	619	4%
<i>Asia-Pacific</i>	<i>280</i>	<i>10%</i>
<i>Latin America/Africa</i>	<i>161</i>	<i>14%</i>
Asia-Pacific/Latin America/Africa	441	12%
Total sales	1,604	7%

HELIOS Kliniken: Performance Indicators

	Q1/2017	Q1/2016	Change
No. of hospitals ¹	112	112	0%
- Acute care clinics	88	88	0%
- Post-acute care clinics	24	24	0%
No. of beds ¹	34,533	34,706	0%
- Acute care clinics	29,361	29,618	-1%
- Post-acute care clinics	5,172	5,088	2%
Admissions			
- Acute care (inpatient)	325,558	308,586	5%
Occupancy			
- Post-acute care	79%	76%	
Average length of stay (days)			
- Acute care ²	6.3	6.4	
- Post-acute care	25.9	25.3	

¹ December 31, 2016

² German average (2015): 7.3

Financial Calendar / Contact

Financial Calendar 2017

12.05.2017	Annual General Meeting, Frankfurt/Main
01.08.2017	Report on 2 nd quarter 2017
02.11.2017	Report on 3 rd quarter 2017

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