

Conference Call – Q2/17 Results



Bad Homburg, 1 August 2017

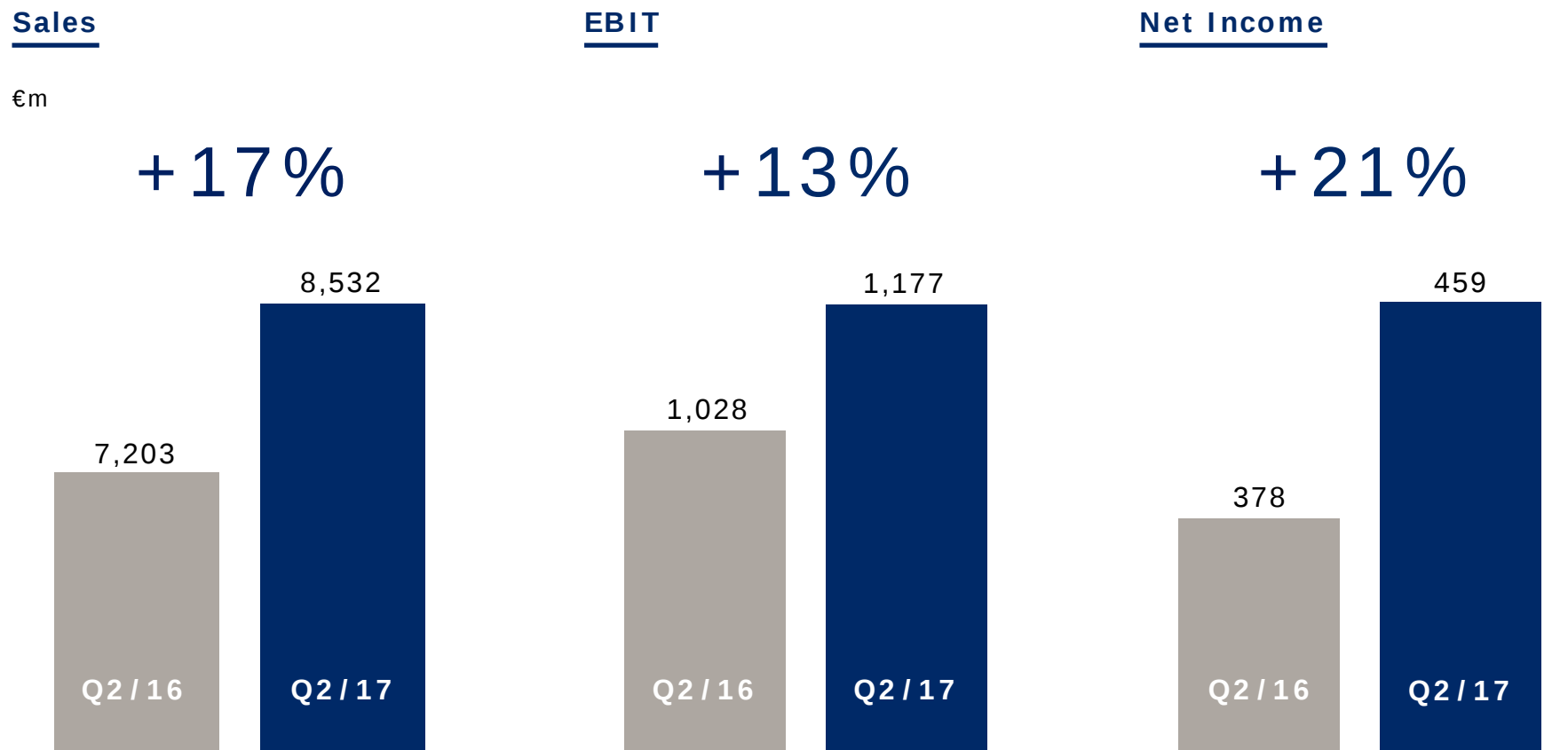
Safe Harbor Statement

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: Q2 / 17 Highlights

-  **Strong sales growth across all business segments**
-  **Ongoing excellent earnings growth**
-  **Group guidance confirmed**
-  **Quirónsalud fully in line with expectations**
-  **Rachel Empey appointed as Group CFO**

Fresenius Group: Q2 / 17 Key Financials



Constant currency growth rates (cc)
EBIT and net income before special items
Net income attributable to shareholders of Fresenius SE & Co. KGaA

Fresenius Group: Q2 & H1 / 17 Profit and Loss Statement

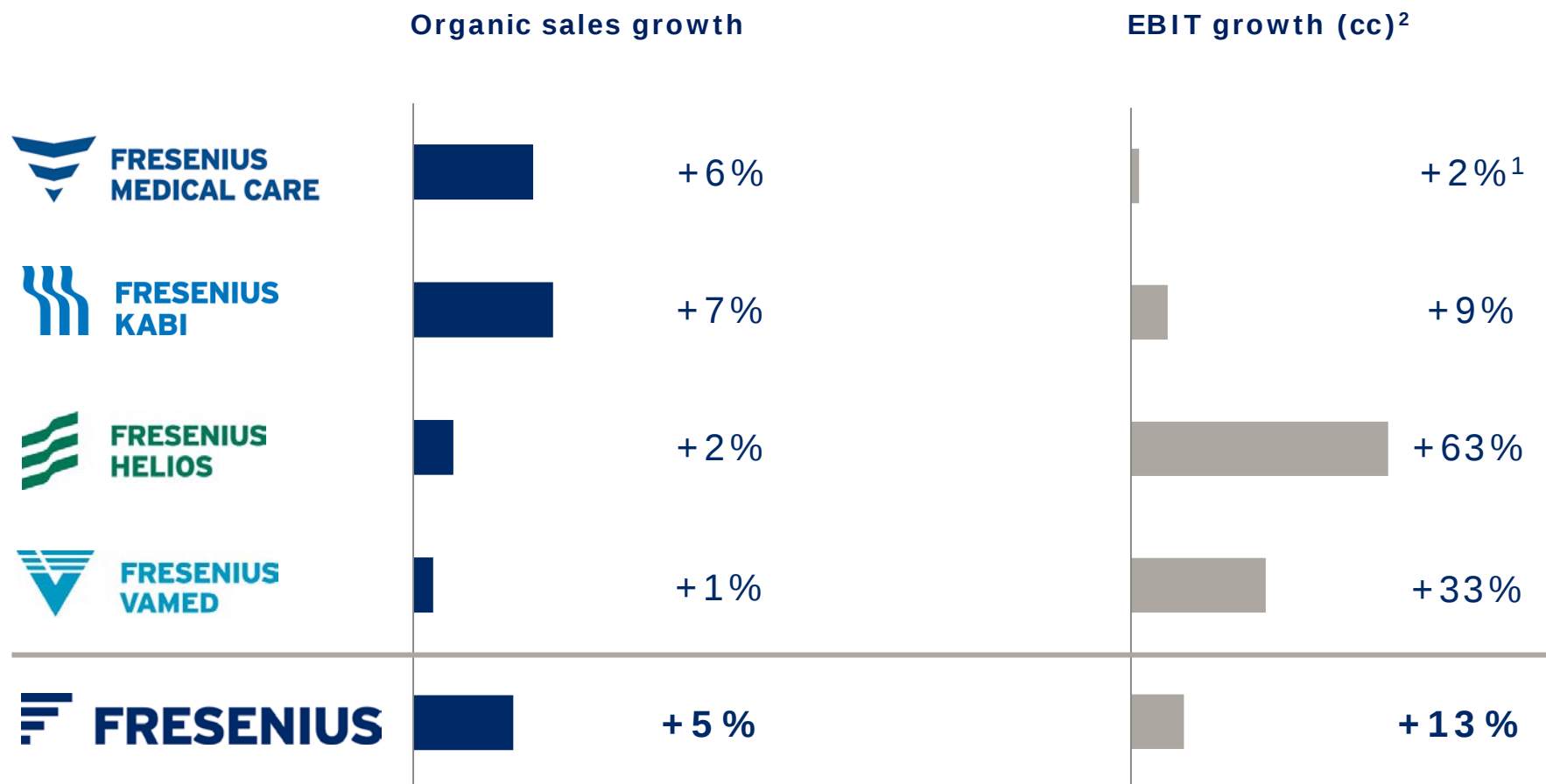
€m	Q2/17	Δ YoY cc	H1/17	Δ YoY cc
Sales	8,532	17%	16,894	17%
EBIT	1,177	13%	2,393	19%
Net interest	-169	-18%	-326	-10%
Income taxes	-281	-11%	-589	-21%
Net income ¹	459	21%	916	23%

¹ 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 Group: Q2 / 17 Business Segment Growth



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

² Before special items

Fresenius Kabi: Q2 / 17 Regional Highlights (1 / 2)

North America

- 9% organic sales growth
- 17 Kabi-marketed IV drugs currently designated in shortage (vs. 15 at Q1/17)
- 4 product launches YTD; confirm 10+ target
- Confirm FY/17 outlook: mid-single-digit organic sales growth



Europe

- 4% organic sales growth
- Confirm FY/17 outlook: low to mid-single-digit organic sales growth



Fresenius Kabi: Q2 / 17 Regional Highlights (2 / 2)

Emerging Markets

China

- 12% organic sales growth
- New tender rules:
 - 16 of 31 provinces have concluded a tender process; introduction of new tender policy expected to be mostly completed end of 2017
 - Expect low to mid single-digit price impact in FY/17
 - Continued double-digit volume growth projected

Asia-Pacific ex China: 6% organic sales growth

Latin America/Africa: 8% organic sales growth despite tough comp



Total Emerging Markets

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



Fresenius Kabi: Q2 & H1 / 17 EBIT Growth

€m	Q2/17	Δ YoY cc	H1/17	Δ YoY cc
Europe Margin	84 15.2%	0% -50 bps	164 14.9%	1% -50 bps
North America Margin	220 38.7%	11% 90 bps	456 38.4%	4% -70 bps
Asia-Pacific/Latin America/Africa Margin	86 18.0%	5% -130 bps	172 18.7%	15% 10 bps
Corporate and Corporate R&D	-81	2%	-170	-5%
Total EBIT Margin	309 19.3%	9 % 40 bps	622 19.4%	6 % -40 bps

Before special items

Margin growth at actual rates

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

Fresenius Kabi: Update Acquisition Projects



- No change in 2018 expectations¹
- Transaction offers offensive and defensive merits
- Akorn shareholders approved merger agreement with vast majority
- Closing targeted for 2017



- Closing expected Q3/17
- Improving regulatory environment
- Product pipeline: All studies well on track
- Adalimumab: Filing for European approval expected for Q4/17



¹ Assuming the transaction closes at the end of 2017, Fresenius Kabi projects 2018 sales from this business of US\$1,035 to 1,085 million, and EBITDA before integration costs of approximately US\$380 to 420 million.

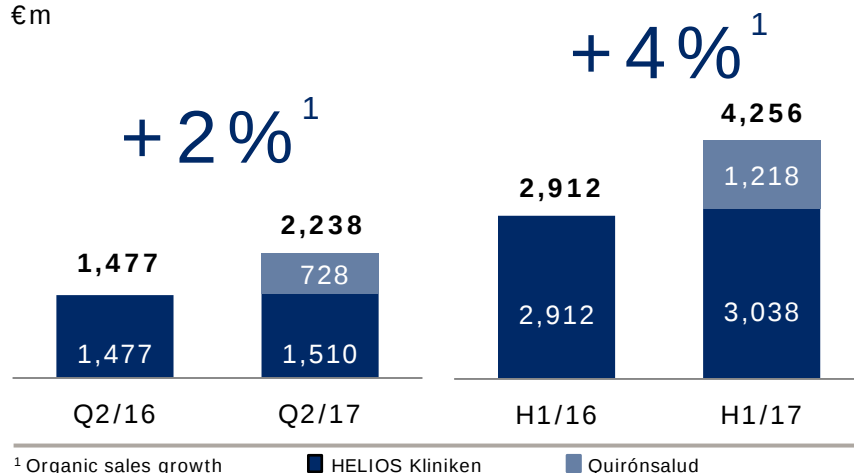
Fresenius Helios: Q2 & H1 / 17 Highlights

HELIOS Kliniken

- Wage contracts in place for medical and non-medical employees until end of 2018; average increase of ~2.5% p.a., in line with budget assumptions
- New proton beam therapy center for Berlin-Buch projected, scheduled opening 2021

Sales

€m



Quirónsalud

- 11% sales growth in H1/17
- EBIT growth exceeds sales growth; synergies of merger between IDCsalud and Quirón provide tailwind
- Typical summer slump will impact Q3/17 result



Fresenius Helios: Q2 & H1 / 17 Key Financials

€m	Q2/17	Δ YoY	H1/17	Δ YoY
Total sales	2,238	52 %	4,256	46 %
Thereof HELIOS Kliniken	1,510	2 %	3,038	4 %
Thereof Quirónsalud	728	--	1,218	--
Total EBIT	282	63 %	537	62 %
Margin	12.6 %	90 bps	12.6 %	120 bps
Thereof HELIOS Kliniken	178	3 %	359	8 %
Margin	11.8 %	10 bps	11.8 %	40 bps
Thereof Quirónsalud	104	--	178	--
Margin	14.3 %	--	14.6 %	--

Quirónsalud: Integration Status and Growth Prospects

Integration process

- Procurement analysis phase successfully completed; implementation phase commenced (e.g. lab disposables)
- Openness to learn from the best e.g. compare experience on medical practices

Growth prospects

- €50m greenfield investment project in Córdoba Andalusia on track:
 - 115 bed hospital provides state-of-the-art medical equipment and care
 - Opening expected for June 2018
- €31m hospital expansion in Pozuelo, Madrid
 - 2 additional operating theatres, 25 new examination rooms, 7 additional intensive care beds, new state-of-the-art MRI

Strong position

- PPP contracts in place up to 2041
- Four Quirónsalud hospitals ranked in Top 10 of Hospital Excellence Index (HEI)



Fresenius Vamed: Q2 & H1 / 17 Highlights

- 2% sales growth in Q2/17 reflects typical quarterly fluctuations of project business
- Solid order intake; order backlog at all-time high
- New projects in Papua New Guinea and Mongolia



€m	Q2/17	Δ YoY	H1/17	Δ YoY
Project business	107	-3%	184	-6%
Service business	151	5%	297	7%
Total sales	258	2 %	481	2 %
Total EBIT	11	22 %	17	6 %
Order intake ¹	192	-16%	412	-11%
Order backlog ¹			2,188	12% ²

¹ Project business only

² Versus December 31, 2016

Fresenius Group: Q2 / 17 & LTM Cash Flow

€m	Operating CF		Capex (net)		Free Cash Flow ¹	
	Q2/17	LTM Margin	Q2/17	LTM Margin	Q2/17	LTM Margin
 FRESENIUS KABI	203	16.9%	-82	-5.9%	121	11.0%
 FRESENIUS HELIOS	120	9.7%	-79	-5.2%	41	4.5% ³
 FRESENIUS VAMED	16	-0.2%	2	-0.5%	18	-0.7%
Corporate / Other	-14	n.a.	-5	n.a.	-19	n.a.
 FRESENIUS Excl. FMC	325	12.4 %²	-164	-5.2 %	161	7.2 %²
 FRESENIUS	1,207	12.2 %	-357	-5.0 %	850	7.2 %

¹ Before acquisitions and dividends

² Margin incl. FMC dividend

³ Understated: 5.0% excluding €36 million of capex commitments from acquisitions

Fresenius Group: 2017 Financial Outlook by Business Segment

€m except otherwise stated		2016 Base	2017e Previous	H1/17 Actual	2017e New
 FRESENIUS KABI	Sales growth (org)	6,007	5% – 7%	7%	✓
	EBIT growth (cc)	1,171	6% – 8% ¹	6% ⁵	✓
 FRESENIUS HELIOS	Sales growth (org)	5,843 ²	3% – 5% ²	4% ²	✓
	Sales (reported)	5,843 ²	~8.6bn ³	4.3bn	✓
	EBIT	683 ²	1,020–1,070 ⁴	537	✓
 FRESENIUS VAMED	Sales growth (org)	1,160	5% – 10%	2%	✓
	EBIT growth	69	5% – 10%	6%	✓

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 Q3/17)

² HELIOS Kliniken Germany, excluding Quirónsalud

³ Thereof Quirónsalud (11 months consolidated): ~€2.5bn

⁴ Thereof Quirónsalud (11 months consolidated): €300 to €320m

⁵ Before special items

All data according to IFRS

Fresenius Group: 2017 Financial Guidance

€m except otherwise stated		2016 Base	2017e Previous	H1/17 Actual	2017e New
 FRESENIUS	Sales growth (cc)	29,471	15% – 17%	17%	
	Net income¹ growth (cc)	1,560	19% – 21% ²	23% ³	

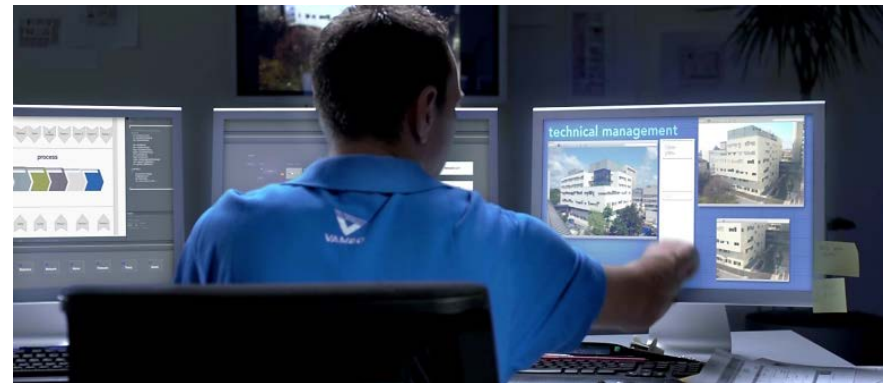
¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

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 Q3/17)

³ Before special items

All data according to IFRS

Attachments



Fresenius Group: Financial results by business segment

€m		Q2/17	Δ YoY
 FRESENIUS MEDICAL CARE	Sales	4,471	11%
	EBIT	584	2%
 FRESENIUS KABI	Sales	1,598	8%
	EBIT ¹	309	11%
 FRESENIUS HELIOS	Sales	2,238	52%
	EBIT	282	63%
 FRESENIUS VAMED	Sales	258	2%
	EBIT	11	22%

¹ Before special items

Fresenius Group: Calculation of Noncontrolling Interest

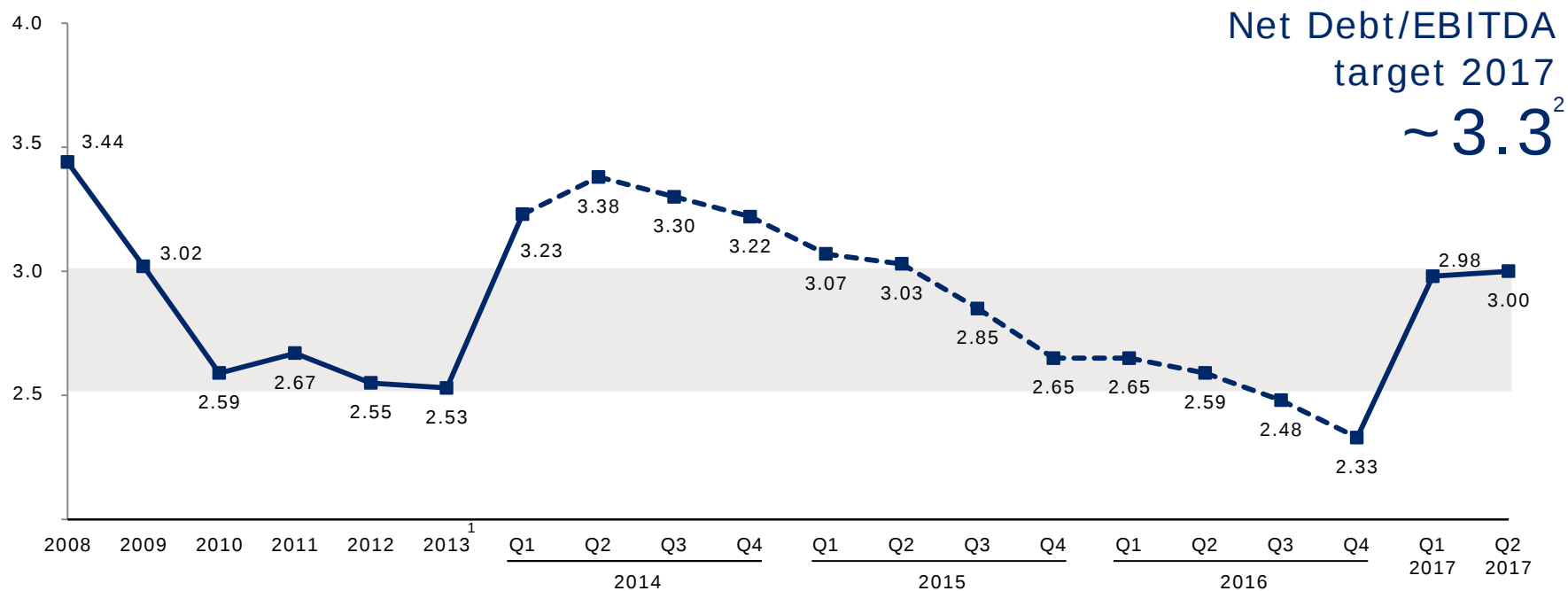
€m	H1/17	H1/16
Earnings before tax and noncontrolling interest	2,067	1,696
Taxes	-589	-480
Noncontrolling interest, thereof	-562	-480
Fresenius Medical Care net income not attributable to Fresenius (H1/17: ~69%)	-400	-329
Noncontrolling interest holders in Fresenius Medical Care	-138	-130
Noncontrolling interest holders in Fresenius Kabi (-€17 m), Fresenius Helios (-€4 m), and due to Fresenius Vamed's 23% external ownership (-€3 m)	-24	-21
Net income attributable to Fresenius SE & Co. KGaA	916	736

Before special items

Fresenius Group: Cash Flow

€m	Q2/17 LTM Margin		Q2/16 LTM Margin		Δ YoY
Operating Cash Flow	1,207	12.2 %	997	12.0 %	21 %
Capex (net)	-357	-5.0 %	-350	-5.5 %	-2 %
Free Cash Flow (before acquisitions and dividends)	850	7.2 %	647	6.5 %	31 %
Acquisitions (net)	-380		-68		
Dividends	-722		-545		
Free Cash Flow (after acquisitions and dividends)	-252	-14.6 %	34	3.1 %	--

Fresenius Group: Leverage Ratio



¹ Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG

² Pro forma acquisitions of Akorn, Inc. and Merck KGaA's biosimilars business; before transaction costs of ~€50 million; excluding further potential acquisitions

Before special items; pro forma acquisitions

At annual average FX rates for both EBITDA and net debt

Fresenius Kabi: Organic Sales Growth by Product Segment

€m	Q2/17	Δ YoY organic	H1/17	Δ YoY organic
IV Drugs	680	10%	1,382	8%
Infusion Therapy	228	4%	455	7%
Clinical Nutrition	420	8%	827	8%
Medical Devices/ Transfusion Technology	270	3%	538	5%
Total sales	1,598	7 %	3,202	7 %

Fresenius Kabi: Organic Sales Growth by Regions

€m	Q2/17	Δ YoY organic	H1/17	Δ YoY organic
Europe	553	4%	1,097	6%
North America	568	9%	1,187	6%
<i>Asia-Pacific</i>	<i>302</i>	<i>10%</i>	<i>582</i>	<i>10%</i>
<i>Latin America/Africa</i>	<i>175</i>	<i>8%</i>	<i>336</i>	<i>11%</i>
Asia-Pacific/Latin America/Africa	477	10%	918	10%
Total sales	1,598	7 %	3,202	7 %

Fresenius Helios: Performance Indicators

	H1/17	H1/16	Δ YoY
No. of hospitals ¹	112	112	0%
- Acute care clinics	88	88	0%
- Post-acute care clinics	24	24	0%
No. of beds ¹	34,567	34,706	0%
- Acute care clinics	29,395	29,618	-1%
- Post-acute care clinics	5,172	5,088	2%
Admissions			
- Acute care (inpatient)	630,334	618,444	2%
Occupancy			
- Post-acute care	82%	80%	
Average length of stay (days)			
- Acute care ²	6.3	6.4	
- Post-acute care	26.0	26.3	

¹ December 31, 2016

² German average (2015): 7.3

Reconciliation Q2 / 17

The Group's financial results as of June 30, 2017 include 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.

€m	Q2/17 (before special items)	Transaction costs biosimilars and Akorn	Q2/17 (incl. special items)
Sales	8,532		8,532
EBIT	1,177	-10	1,167
Net interest	-169	-3	-172
Net income before taxes	1,008	-13	995
Income taxes	-281	4	-277
Net income	727	-9	718
Noncontrolling interest	-268		-268
Net income attributable to shareholders of Fresenius SE & Co. KGaA	459	-9	450

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

Reconciliation H1 / 17

The Group's financial results as of June 30, 2017 include 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.

€m	H1/17 (before special items)	Transaction costs biosimilars and Akorn	H1/17 (incl. special items)
Sales	16,894		16,894
EBIT	2,393	-10	2,383
Net interest	-326	-3	-329
Net income before taxes	2,067	-13	2,054
Income taxes	-589	4	-585
Net income	1,478	-9	1,469
Noncontrolling interest	-562		-562
Net income attributable to shareholders of Fresenius SE & Co. KGaA	916	-9	907

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

Financial Calendar / Contact

Financial Calendar

02.11.2017 Report on 3rd quarter 2017

18.05.2018 Annual General Meeting

Please note that these dates could be subject to change.

Contact

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