

Q2 2018

Conference call | July 31, 2018

Rice Powell - CEO
Mike Brosnan - CFO

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Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this presentation is subject to change without notice and the company does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable law and regulations.

If not mentioned differently the term net income after minorities refers to the net income attributable to the shareholders of Fresenius Medical Care AG Co. KGaA. The term EMEA refers to the region Europe, Middle East and Africa. Amounts are in Euro if not mentioned otherwise.

AGENDA – Q2 2018



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Q2 2018: On track to achieve 2018 targets



+3% Clinics: 3,815



+3% Patients: 325,188



+3% Treatments: 12,410,835



Quality remains on a consistently high level

Q2 2018: Quality outcomes remain on high level¹

	North America		EMEA		Latin America		Asia-Pacific	
% of patients	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Kt/V > 1.2	98	98	95	95	91	93	96	96
Hemoglobin = 10–12 g/dl	73	73	82	78	52	51	57	58
Calcium = 8.4–10.2 mg/dl	85	84	79	74	78	78	74	74
Albumin ≥ 3.5 g/dl	80	78	90	86	91	91	89	87
Phosphate ≤ 5.5 mg/dl	61	62	78	75	76	77	66	69
Patients without catheter (after 90 days)	83	84	80	81	80	81	87	88
in days								
Days in hospital per patient year	10.1	10.1	7.6	7.5	4.1	3.9	3.6	3.9

¹ Definitions cf. Annual Report 2017, Section “Non-Financial Group Report”

Q2 2018: Highlights

- ▶ Results continue to be impacted by strong currency headwinds
- ▶ Solid organic growth across the board, North America products business continues strong performance
- ▶ Care Coordination margin improvement and revenue decline as expected
- ▶ Calcimimetics continue to evolve
- ▶ Efficient divestment of Sound Physicians
- ▶ ESRD PPS draft rule for 2019 proposes increase of 1.7%

Q2 2018: Reconciliation adjustments

Reconciliation of non-IFRS financial measures to the most directly comparable IFRS financial measures

€ million	Q2 2017	Q2 2018	Growth in %	Growth in %cc
Revenue	4,471	4,214	(6)	2
Effect from IFRS 15 implementation	(131)			
Revenue on a comparable basis	4,340	4,214	(3)	5
VA Agreement	2			
Revenue adjusted	4,342	4,214	(3)	5
Operating income (EBIT)	583	1,401	140	162
(Gain) loss related to divestitures of Care Coordination activities		(833)		
EBIT on a comparable basis	583	568	(3)	4
VA Agreement	8			
EBIT adjusted	591	568	(4)	2
Net income	269	994	270	303
(Gain) loss related to divestitures of Care Coordination activities		(686)		
Net income on a comparable basis	269	308	15	22
VA Agreement	5			
U.S. tax reform		(35)		
Net income adjusted	274	273	0	6

Q2 2018: Net income growth as expected¹

	Q2 2018 € million	Q2 2017 € million	Growth in %	Growth in %cc
Revenue	4,214	4,471	(6)	2
Revenue on a comparable basis	4,214	4,340	(3)	5
Revenue adjusted	4,214	4,342	(3)	5
EBIT	1,401	583	140	162
EBIT on a comparable basis	568	583	(3)	4
EBIT adjusted	568	591	(4)	2
Net income	994	269	270	303
Net income on a comparable basis	308	269	15	22
Net income adjusted	273	274	0	6

- ▶ Revenue growth on a comparable basis accelerated in Q2 to 5%cc
- ▶ Net income growth on a comparable basis further improved in Q2 to 22%cc

¹ For a detailed reconciliation please refer to chart 7

Q2 2018: Organic growth across all regions

North America

€ million

Revenue	2,971	0%cc
Organic growth		+3%

Asia-Pacific

€ million

Revenue	422	+7%cc
Organic growth		+6%

EMEA

€ million

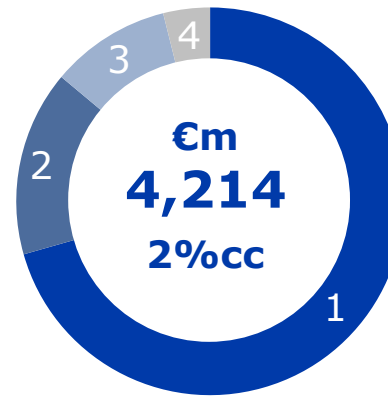
Revenue	652	+5%cc
Organic growth		+4%

Latin America

€ million

Revenue	164	+11%cc
Organic growth		+10%

- ▶ Contributions from all regions to organic growth
- ▶ North America growth impacted by currency headwinds and expected lower Care Coordination revenue

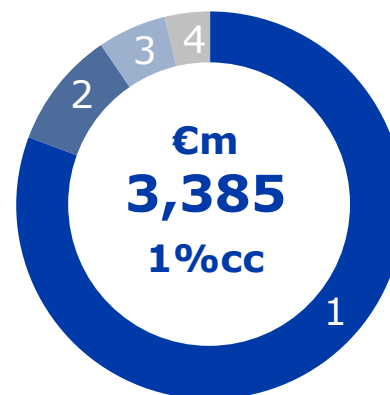


1	North America	71%
2	EMEA	15%
3	Asia-Pacific	10%
4	Latin America	4%

Q2 2018 Services: Organic growth accelerated

Revenue	Q2 2018 € million	Q2 2017 € million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
Total	3,385	3,649	(7)	1	3	3
North America	2,761	3,017	(8)	(1)	2	2
of which Care Coordination	529	698	(24)	(18)	(22)	-
EMEA	315	310	2	5	3	3
Asia-Pacific	191	191	0	7	6	7
of which Care Coordination	49	39	24	32	12	-
Latin America	118	131	(10)	15	12	1

- ▶ North American Care Coordination business impacted by decline in the pharmacy business and implementation of IFRS 15
- ▶ Growth in Asia-Pacific strongly supported by organic growth

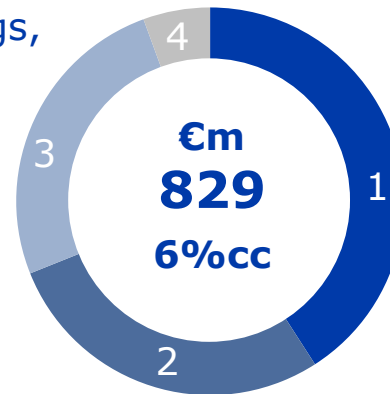


1	North America	82%
2	EMEA	9%
3	Asia-Pacific	6%
4	Latin America	3%

Q2 2018 Products: Solid growth continued

	Q2 2018 € million	Q2 2017 € million	Growth in %	Growth in %cc
Total Health Care Products	829	822	1	6
Dialysis Products	811	801	1	6
North America	210	208	1	10
EMEA	319	311	2	5
Asia-Pacific	231	226	2	6
Latin America	46	52	(12)	2
Non-Dialysis Products	18	21	(8)	(8)

- ▶ North America: Higher sales of renal drugs, machines and HD solutions/concentrates
- ▶ EMEA: Increased sales of dialyzers, machines, bloodlines, products for acute care and renal pharmaceuticals
- ▶ Asia-Pacific: Growth in sales of chronic HD products



1	EMEA	41%
2	Asia-Pacific	28%
3	North America	25%
4	Latin America	6%

Conclusion

- ▶ Solid underlying business growth, acceleration in H2 as forecasted
- ▶ NxStage closing H2 of 2018
- ▶ On track to deliver on revenue and net income growth target

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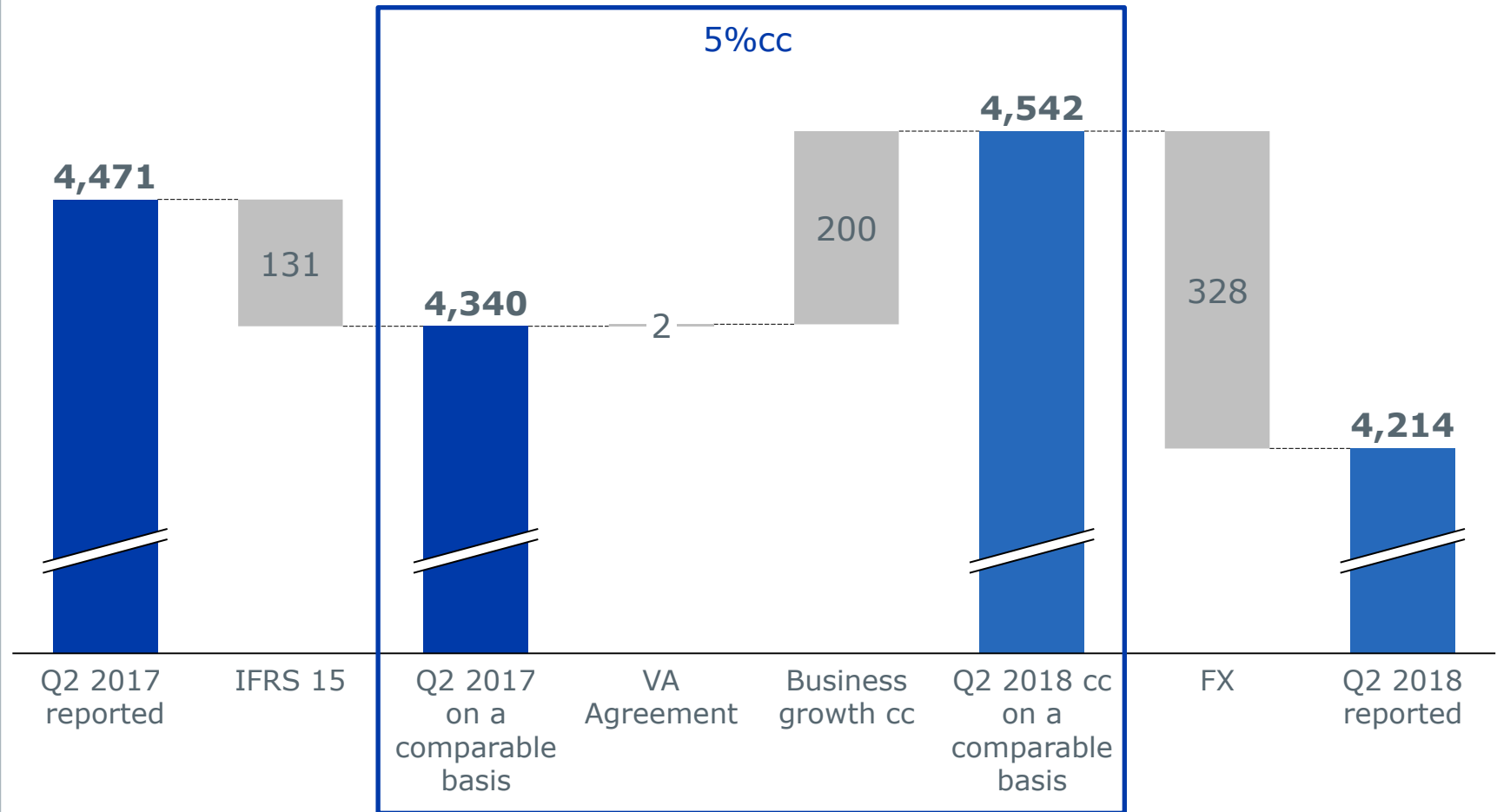
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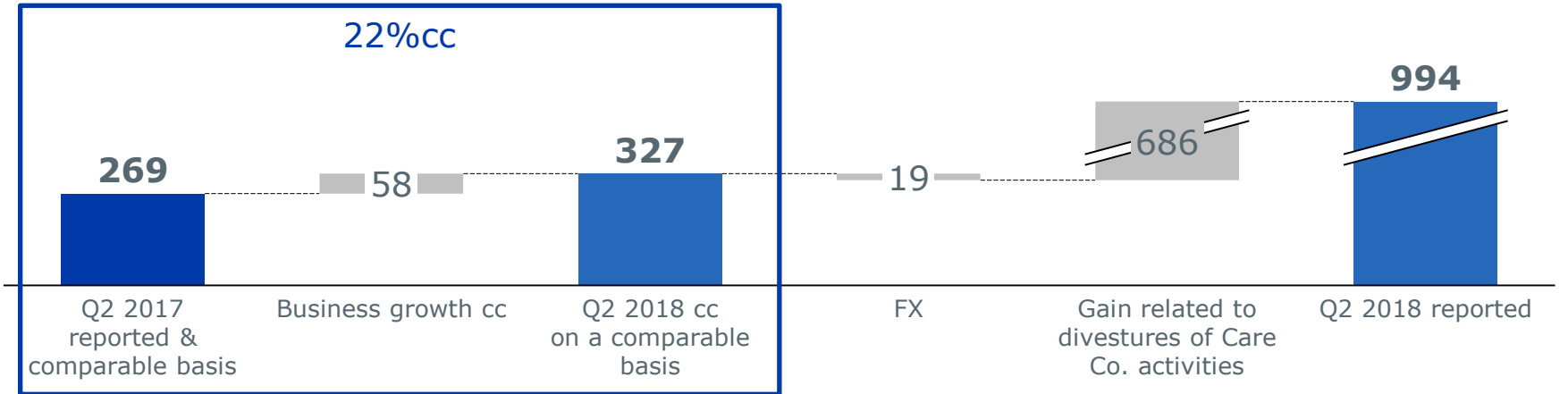
Q2 2018: Revenue growth on track

Revenue on a comparable basis, € million – target: 5-7%cc growth

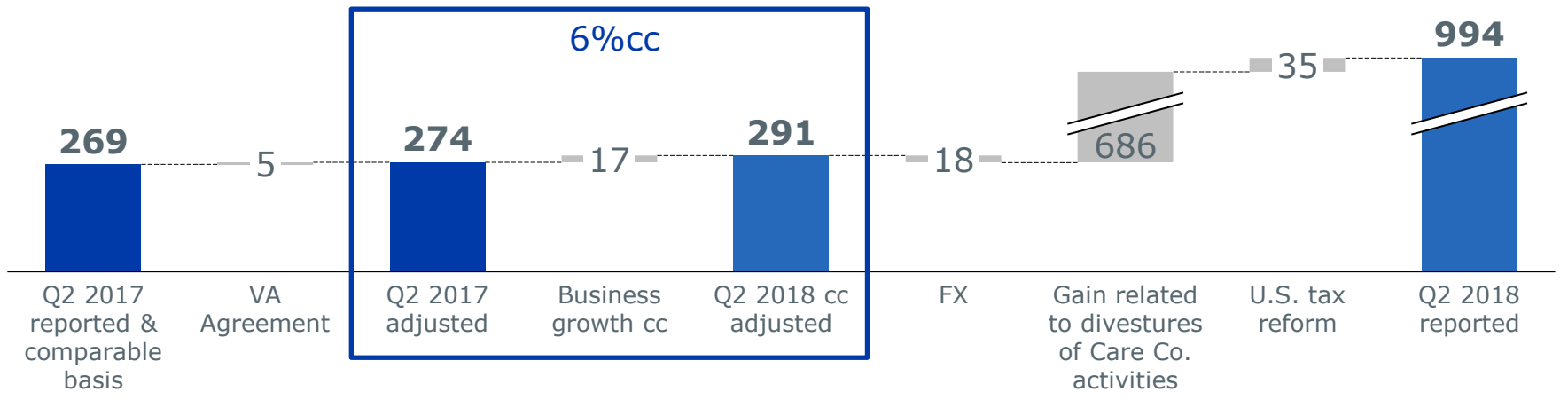


Q2 2018: Net income growth

Net income on a comparable basis, € million – target: 13–15%cc growth

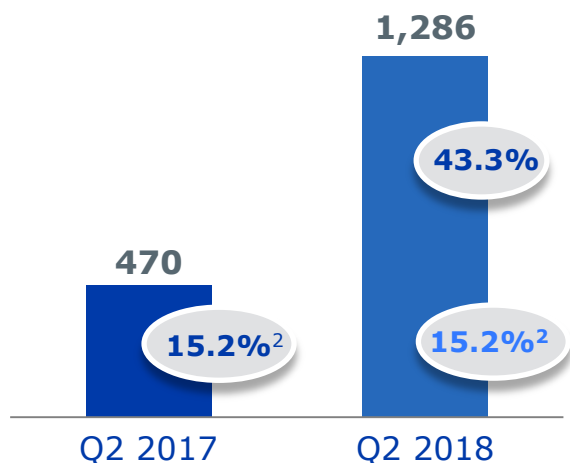


Net income adjusted, € million – target: 7–9%cc growth



Q2 2018: Regional margin profile

North America (70% of EBIT^{1,2})



► Solid Dialysis business margin of 17.1% reflects

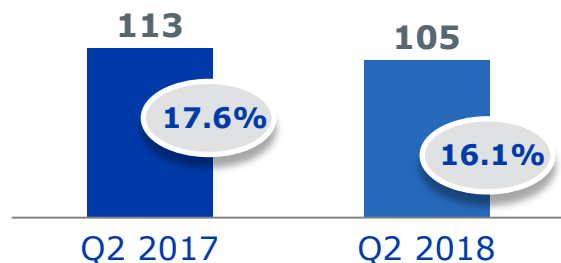
- Negative: lower revenue from commercial payors, higher implicit price concessions (IFRS 15), the implementation of the PAMA oral-only provision as well as increased property and other occupancy related costs
- Positive: lower costs for Health Care supplies and implementation of IFRS 15
- U.S. revenue per treatment, adj. for IFRS 15, increased to \$354 (Q2 2017: \$341); U.S. cost per treatment, adj. for IFRS 15, increased to \$286 (Q2 2017: \$272)

► Care Coordination margin of 6.7%² reflects

- Positive: prior year change in fair value of subsidiary share-based compensation, pharmacy services, the implementation of the PAMA oral-only provision and lower bad debt expense
- Negative: lower reimbursement for cardiovascular and endovascular services

Q2 2018: Regional margin profile

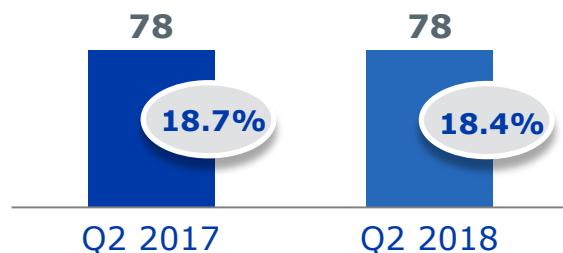
EMEA (16% of EBIT^{1,2})



▶ Operating profit margin development reflects

- Negative: lower income from equity method investees, higher personnel costs in certain countries, increased bad debt expense

Asia-Pacific (12% of EBIT^{1,2})

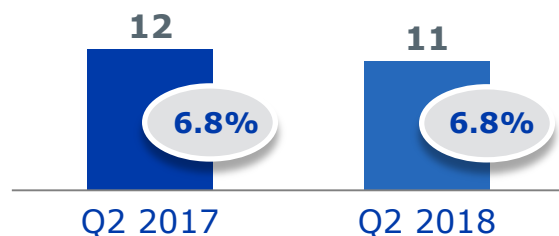


▶ Operating profit margin development impacted by

- Negative: foreign currency transaction effects and increased costs related to business growth (mainly China)

▶ Care Coordination margin of 11.8% positively impacted by acquisitions

Latin America (2% of EBIT^{1,2})



▶ Operating profit margin development reflects

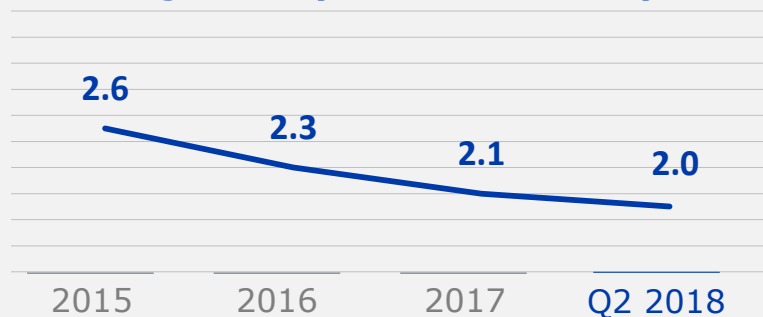
- Positive: foreign currency translation effects
- Negative: higher bad debt expense

Q2 2018: Cash flow & net leverage ratio

	Q2 2018 in € million	Q2 2017 in € million
Operating cash flow	656	883
in % of revenue	15.6%	19.7%
Capital expenditures, net	(227)	(193)
Free cash flow	429	690
Free cash flow, after acquisitions and investments	1,927	508

Days sales outstanding (DSO) at 82 days worldwide.

Net leverage ratio (Net debt/EBITDA) ¹

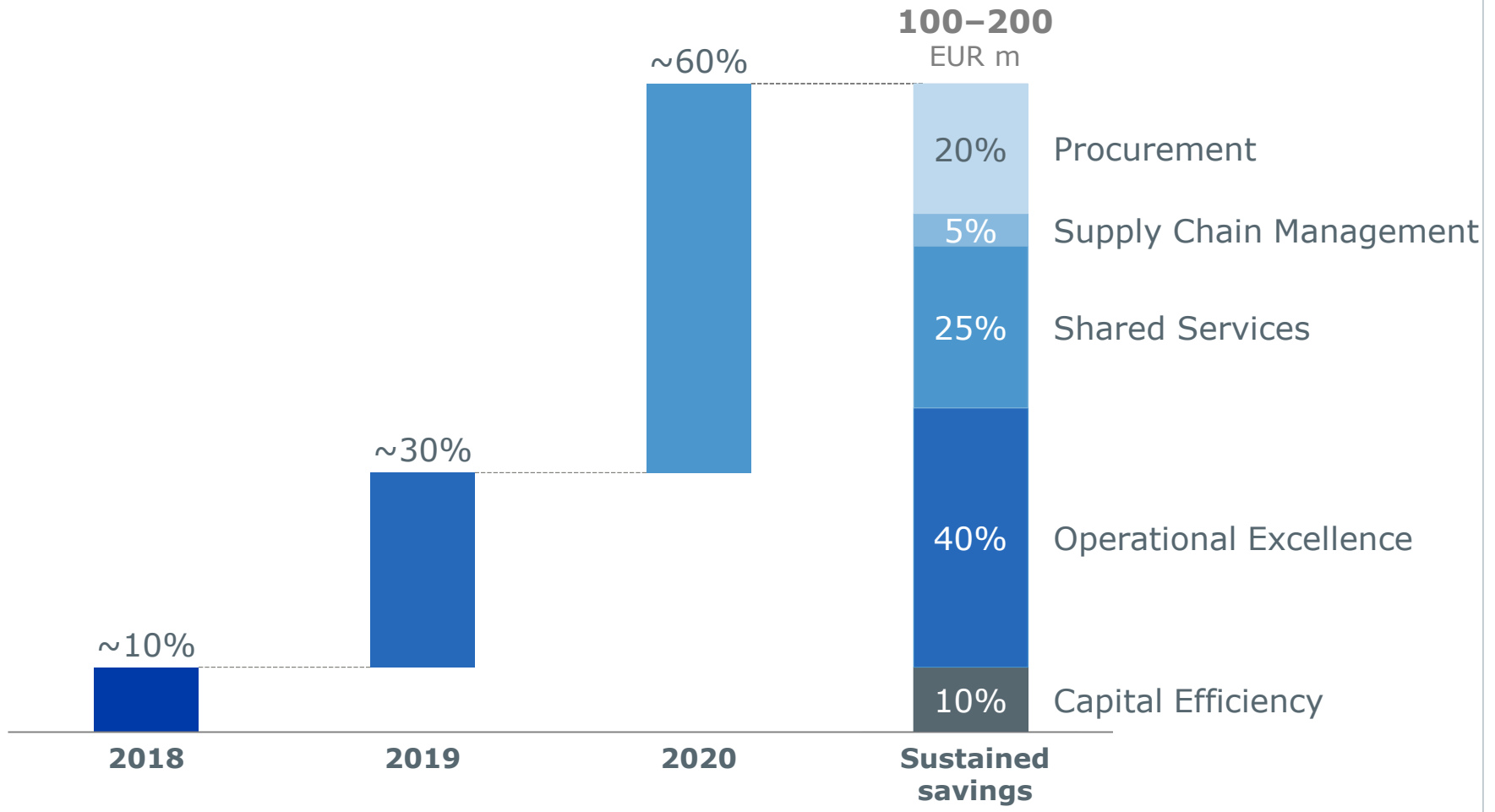


Current ratings²

	S&P	Moody's	Fitch
Rating	BBB-	Baa3	BBB-
Outlook	positive	stable	stable

Global Efficiency Program

GEP II – sustained savings 2018 - 2020



Basis for targets 2018

Reconciliation of non-IFRS financial measures to the most directly comparable IFRS financial measures.

€ million	2017	Targets 2018
Revenue	17,784	
Effect from IFRS 15 implementation	(486)	
Sound H2 2017 ¹	(559)	
Revenue on a comparable basis	16,739	Growth: 5-7%cc
Net income²	1,280	
Sound H2 2017 ¹	(38)	
Net income² on a comparable basis	1,242	Growth: 13-15%cc
VA agreement ³	(51)	
Natural Disaster Costs ⁴	11	
FCPA related charge	200	
U.S. tax reform ⁵ (excl. Sound H2 2017 ¹)	(240)	
Net income² adjusted	1,162	Growth: 7-9%cc

¹ Contribution of Sound Physicians | ² Attributable to shareholders of FME | ³ Agreement with the United States Departments of Veterans Affairs and Justice | ⁴ Three hurricanes and an earthquake | ⁵ Remeasurement of deferred tax balances as a result of U.S. tax reform

Outlook¹

	Targets 2018	2017 base (in € million)
Revenue growth on a comparable basis	5 to 7%	16,739
Net income growth on a comparable basis	13 to 15%	1,242
Net income growth adjusted	7 to 9%	1,162
	Targets 2020 (2014-2020, avg. % p.a.)	2020 (in € billion)
Revenue growth	~10%	24
Net income growth	high single digit	

¹ Outlook based on constant currencies, excl. effects from NxStage acquisition and (Gain) loss related to divestitures of Care Coordination activities. For a detailed reconciliation of 2017 & H1 2018 figures please refer to charts 20 & 29. Targets 2020 exclude the effects from IFRS 15 implementation, NxStage acquisition, Sound Physicians divestment and impacts from U.S. tax reform.

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Your questions are welcome

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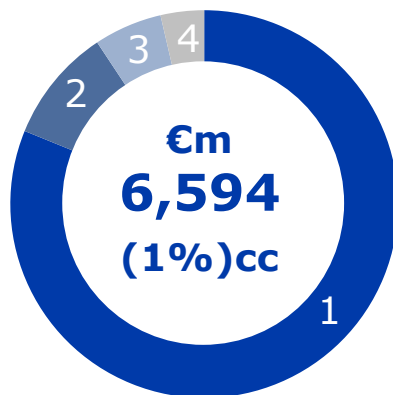
H1 2018: Profit and loss¹

	H1 2018 € million	H1 2017 € million	Growth in %	Growth in %cc
Revenue	8,189	9,019	(9)	0
Revenue on a comparable basis	8,189	8,749	(6)	3
Revenue adjusted	8,189	8,651	(5)	4
EBIT	1,898	1,235	54	68
<i>EBIT margin in %</i>	<i>23.2</i>	<i>13.7</i>	<i>9.5pp</i>	<i>9.3pp</i>
EBIT on a comparable basis	1,078	1,235	(13)	(5)
EBIT adjusted	1,078	1,144	(6)	3
<i>EBIT adjusted margin in %</i>	<i>13.2</i>	13.2	0.0pp	(0.2pp)
Net interest expense	164	188	(12)	(5)
Income before taxes	1,734	1,047	66	82
Income tax expense	349	332	5	15
<i>Tax rate in %</i>	<i>20.1</i>	<i>31.7</i>	<i>(11.6)pp</i>	<i>(11.5)pp</i>
Non-controlling interest	112	138	(19)	(9)
Net income	1,273	577	121	141
Net income on a comparable basis	599	577	4	13
Net income adjusted	517	523	(1)	7

¹ For a detailed reconciliation please refer to chart 29

H1 2018 Services

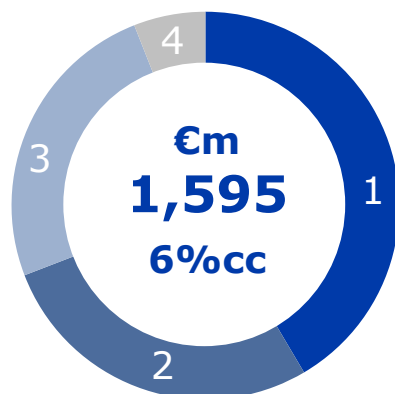
Revenue	H1 2018 € million	H1 2017 € million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
Total	6,594	7,418	(11)	(1)	2	3
North America	5,351	6,182	(13)	(3)	2	2
of which Care Coordination	1,045	1,389	(25)	(16)	21	-
EMEA	629	613	3	5	2	3
Asia-Pacific	375	360	4	13	6	5
of which Care Coordination	94	59	59	73	14	-
Latin America	239	263	(9)	15	12	1



1	North America	81%
2	EMEA	9%
3	Asia-Pacific	6%
4	Latin America	4%

H1 2018 Products

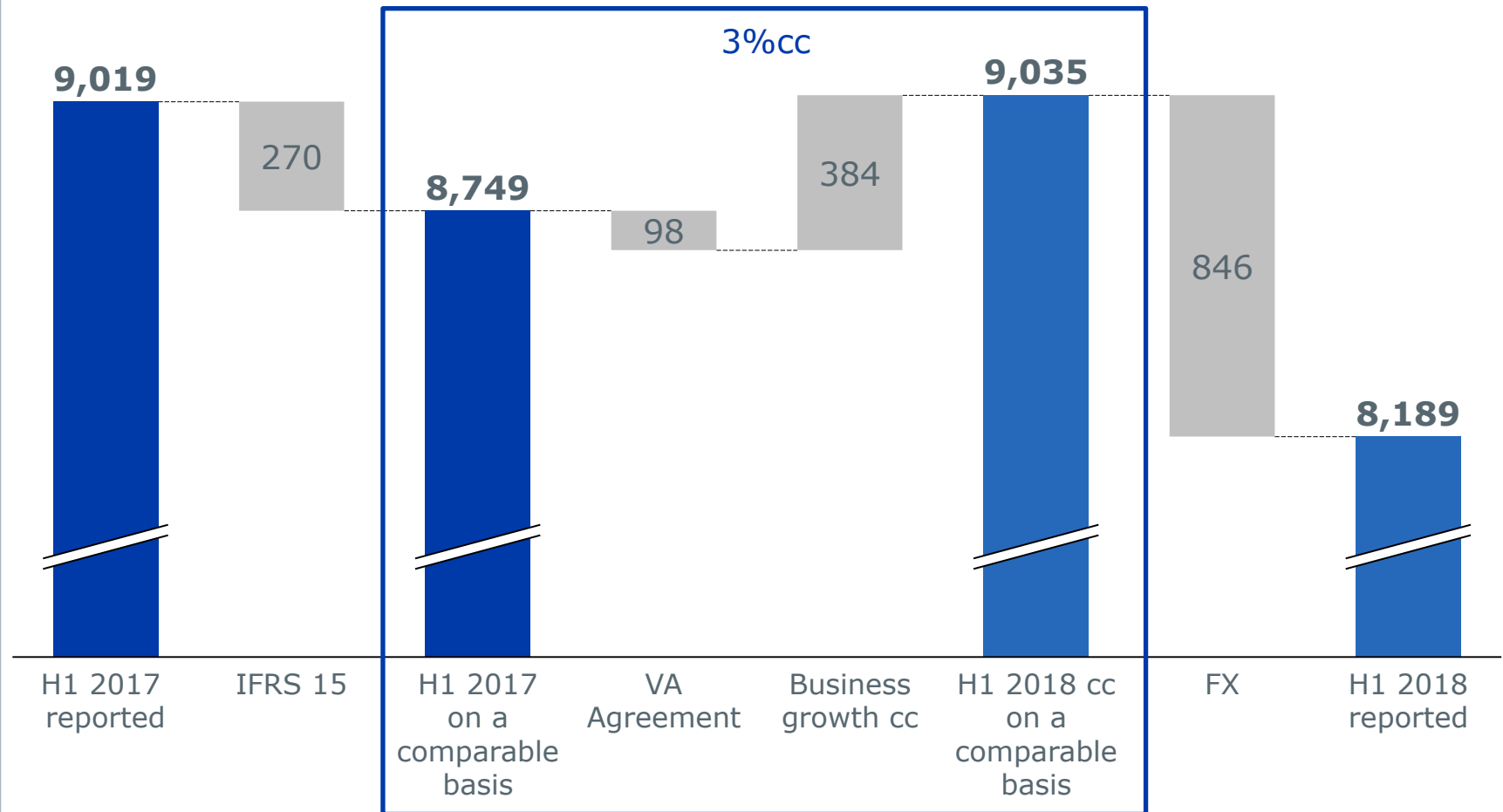
	Q2 2018 € million	Q2 2017 € million	Growth in %	Growth in %cc
Total Health Care Products	1,595	1,601	0	6
Dialysis Products	1,557	1,560	0	7
North America	395	418	(5)	6
EMEA	621	601	3	6
Asia-Pacific	439	435	1	7
Latin America	95	97	(2)	13
Non-Dialysis Products	38	41	(7)	(7)



- 1 EMEA 41%
- 2 Asia-Pacific 28%
- 3 North America 25%
- 4 Latin America 6%

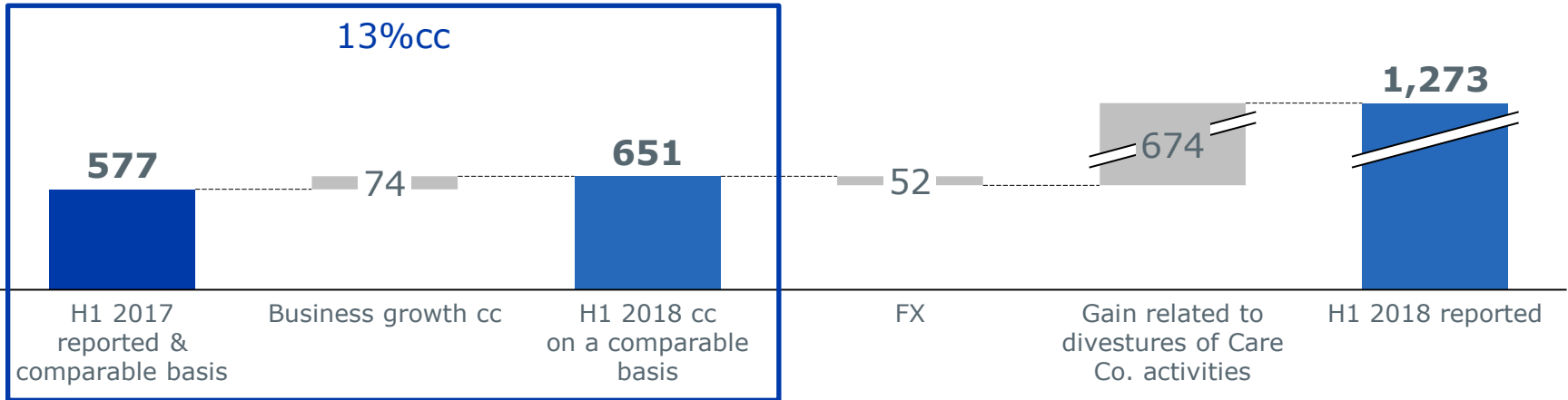
H1 2018: Revenue reconciliation

Revenue on a comparable basis, € million – target: 5-7%cc growth

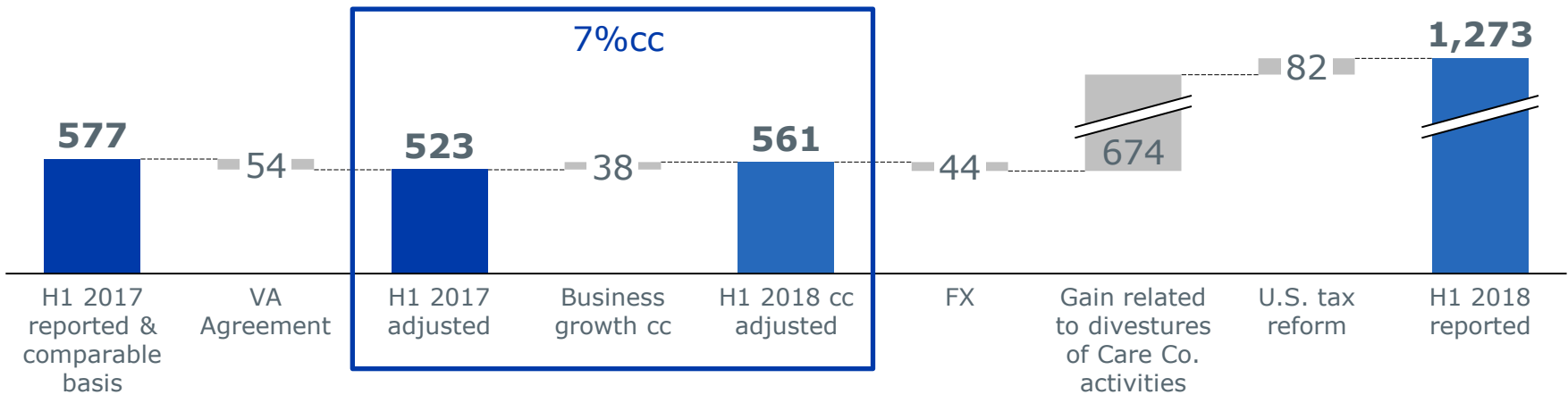


H1 2018: Net income reconciliation

Net income on a comparable basis, € million – target: 13–15%cc growth



Net income adjusted, € million – target: 7–9%cc growth



H1 2018: Reconciliation adjustments

Reconciliation of non-IFRS financial measures to the most directly comparable IFRS financial measures

€ million	H1 2017	H1 2018	Growth in %	Growth in %cc
Revenue	9,019	8,189	(9)	0
Effect from IFRS 15 implementation	(270)			
Revenue on a comparable basis	8,749	8,189	(6)	3
VA Agreement	(98)			
Revenue adjusted	8,651	8,189	(5)	4
Operating income (EBIT)	1,235	1,898	54	68
(Gain) loss related to divestitures of Care Coordination activities		(820)		
EBIT on a comparable basis	1,235	1,078	(13)	(5)
VA Agreement	(91)			
EBIT adjusted	1,144	1,078	(6)	3
Net income	577	1,273	121	141
(Gain) loss related to divestitures of Care Coordination activities		(674)		
Net income on a comparable basis	577	599	4	13
VA Agreement	(54)			
U.S. tax reform		(82)		
Net income adjusted	523	517	(1)	7

Q2 2018: Profit and loss¹

	Q2 2018 € million	Q2 2017 € million	Growth in %	Growth in %cc
Revenue	4,214	4,471	(6)	2
Revenue on a comparable basis	4,214	4,340	(3)	5
Revenue adjusted	4,214	4,342	(3)	5
EBIT	1,401	583	140	162
<i>EBIT margin in %</i>	33.3	13.0	20.3pp	20.6pp
EBIT on a comparable basis	568	583	(3)	4
EBIT adjusted	568	591	(4)	2
<i>EBIT adjusted margin in %</i>	13.5	13.6	(0.1)pp	(0.3)pp
Net interest expense	84	95	(11)	(6)
Income before taxes	1,317	488	170	194
Income tax expense	262	150	74	91
<i>Tax rate in %</i>	19.9	30.8	(10.9)pp	(10.8)pp
Non-controlling interest	61	69	(12)	(4)
Net income	994	269	270	303
Net income on a comparable basis	308	269	15	22
Net income adjusted	273	274	0	6

¹ For a detailed reconciliation please refer to chart 7

Debt and EBITDA

Reconciliation of non-IFRS financial measures to the most comparable IFRS measure

€ million

Debt	FY 2016	FY 2017	H1 2018
Short term debt	572	760	873
+ Short term debt from related parties	3	9	3
+ Current portion of long-term debt and capital lease obligations	724	884	898
+ Long-term debt and capital lease obligations less current portion	6,833	5,795	5,490
Total debt	8,132	7,448	7,264
Cash and cash equivalents	709	978	1,657
Total net debt	7,423	6,470	5,607
EBITDA	FY 2016 ¹	FY 2017 ¹	H1 2018¹
Last twelve month operating income (EBIT)	2,398	2,372	2,095
+ Last twelve month depreciation and amortization	710	731	694
+ Non-cash charges	65	51	50
EBITDA (annualized)	3,173	3,154	2,839
Net leverage ratio (Net debt/EBITDA)	2.3	2.1	2.0

¹ EBITDA: including acquisitions & divestitures with a purchase price above €50m and in 2018 excluding (gain) loss related to divestitures of Care Coordination activities

Cash Flow and Capital Expenditures

Reconciliation of non-IFRS financial measures to the most comparable IFRS measure

€ million

Cash Flow

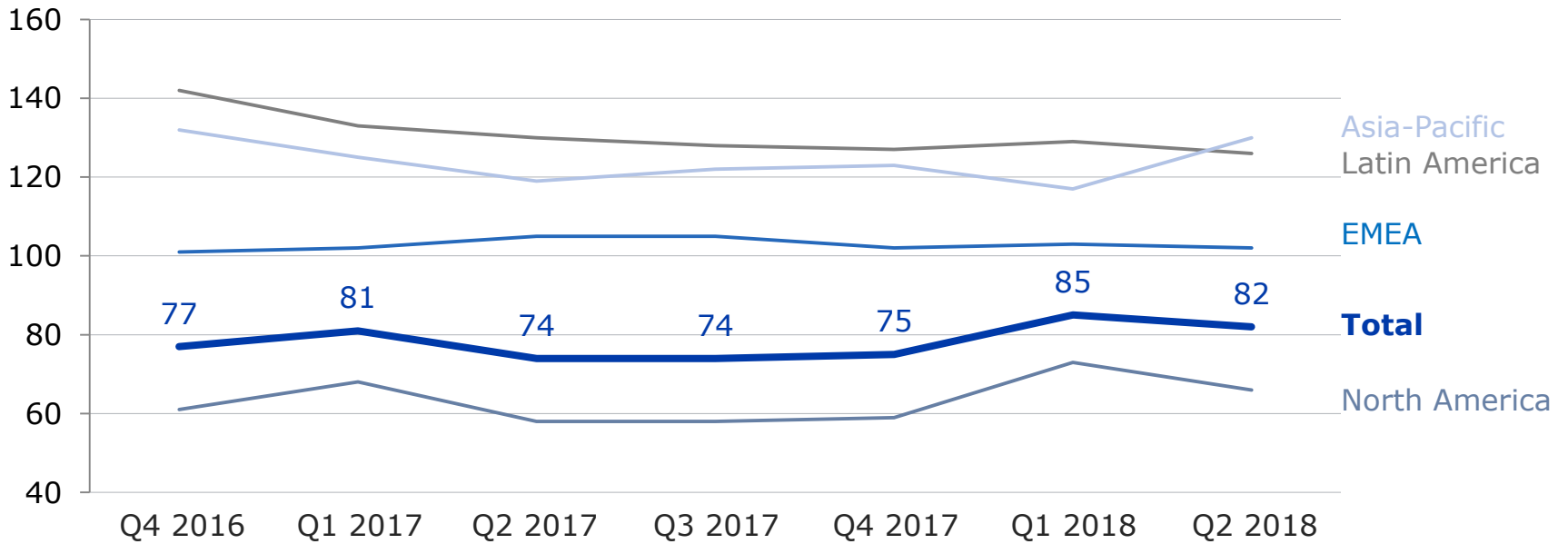
	Q2 2017	Q2 2018	H1 2017	H1 2018
Acquisitions, investments and net purchases of intangible assets	(191)	(164)	(352)	(345)
- Proceeds from divestitures	9	1,662	10	1,662
= Acquisitions and investments, net of divestitures	(182)	1,498	(342)	1,317

Capital expenditures, net

	Q2 2017	Q2 2018	H1 2017	H1 2018
Purchase of property, plant and equipment	(206)	(244)	(404)	(466)
- Proceeds from sale of property, plant & equipment	13	17	16	20
= Capital expenditure, net	(193)	(227)	(388)	(446)

Day sales outstanding (DSO)

in days



2016 and 2017 quarters adjusted for IFRS 9 & 15 implementation

H1 2018: Patients, treatments, clinics

	Patients as of June 30, 2018	Treatments H1 2018, in million	Clinics as of June 30, 2018
North America	199,527	15,134,388	2,439
<i>Growth in %</i>	3	3	4
EMEA	63,589	4,794,593	758
<i>Growth in %</i>	4	4	4
Asia-Pacific	30,578	2,143,059	385
<i>Growth in %</i>	2	2	(1)
Latin America	31,494	2,492,959	233
<i>Growth in %</i>	4	4	1
Total	325,188	24,564,999	3,815
<i>Growth in %</i>	3	3	3

U.S. dialysis days per quarter

	Q1	Q2	Q3	Q4	Full year
2015	76	78	79	79	312
2016	78	78	79	79	314
2017	77	78	79	79	313
2018	77	78	78	80	313

Exchange rates

		H1 2017	FY 2017	H1 2018
€:\$	Period end	1.141	1.199	1.166
	Average	1.083	1.130	1.210
€:CNY	Period end	7.739	7.804	7.717
	Average	7.445	7.629	7.709
€:RUB	Period end	67.545	69.392	73.158
	Average	62.806	65.938	71.928
€:ARS	Period end	18.956	22.639	33.603
	Average	17.028	18.754	26.103
€:BRL	Period end	3.760	3.973	4.488
	Average	3.443	3.605	4.141

Definitions

cc	Constant currency
HD	Hemo dialysis
PD	Peritoneal dialysis
Net income	Net income attributable to shareholders of FME
Sound H2 2017	Contribution of Sound Physicians on the profit and loss statement in the second half year 2017
U.S. Tax Reform	U.S. Tax Reform: impacts from U.S. tax reform
VA Agreement	Agreement with the United States Departments of Veterans Affairs and Justice

Financial calendar 2018¹

Oct 30	Report on 3 rd quarter 2018
Aug 28	Commerzbank Sector Conference, Frankfurt
Sep 05	Goldman Sachs Medtech & Healthcare Services Conference, London
Sep 06	Wells Fargo Securities Healthcare Conference, Boston
Sep 12	Bank of America Merrill Lynch Global Healthcare Conference, London
Sep 14	Morgan Stanley Global Healthcare Conference, New York
Sep 24	Berenberg & Goldman Sachs German Corporate Conference, Munich
Sep 25	Baader Investment Conference, Munich
Sep 26	Bernstein Strategic Decision Conference, London
Sep 27	JP Morgan Milan Forum, Milan

Contacts

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Constant currency: Changes in revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items include the impact of changes in foreign currency exchange rates. We use the non-IFRS financial measure “at constant exchange rates” or constant currency in our filings to show changes in our revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items without giving effect to period-to-period currency fluctuations. Under IFRS, amounts received in local (non-Euro) currency are translated into Euros at the average exchange rate for the period presented. Once we translate the local currency for the constant currency, we then calculate the change, as a percentage, of the current period using the prior period exchange rates versus the prior period. This resulting percentage is a non-IFRS measure referring to a change as a percentage “at constant currency.”

We believe that the non-IFRS financial measure constant currency is useful to investors, lenders, and other creditors because such information enables them to gauge the impact of currency fluctuations on a company's revenue, operating income and other items from period to period. However, we also believe that the usefulness of data on constant currency period-over-period changes is subject to limitations, particularly if the currency effects that are eliminated constitute a significant element of our revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items and significantly impact our performance. We therefore limit our use of constant currency period-over-period changes to a measure for the impact of currency fluctuations on the translation of local currency into Euros. We do not evaluate our results and performance without considering both constant currency period-over-period changes in non-IFRS revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items and changes in revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items prepared in accordance with IFRS. We caution the readers of this report to follow a similar approach by considering data on constant currency period-over-period changes only in addition to, and not as a substitute for or superior to, changes in revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items prepared in accordance with IFRS. We present the growth rate derived from IFRS measures next to the growth rate derived from non-IFRS measures such as revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items. Because the reconciliation is inherent in the disclosure, we believe that a separate reconciliation would not provide any additional benefit.