Acquisition of NxStage Medical to strengthen the vertically integrated dialysis business

Conference Call | August 7, 2017
Disclaimer Regarding Forward-Looking Statements

This presentation contains forward-looking statements, including statements regarding Fresenius Medical Care’s planned acquisition of NxStage Medical, Inc., the expected timing of the closing of the transaction, the synergies expected to be achieved from the transaction, and the expected benefits to Fresenius Medical Care’s business, product offerings and profitability and other expected financial impacts of the transaction. Actual results could differ materially from those expressed or implied in these forward-looking statements due to certain factors, including, among others: the failure or inability of either Fresenius Medical Care or NxStage Medical, Inc. to satisfy closing conditions or obtain approvals necessary to close the transaction; unexpected costs or delays associated with efforts to obtain the regulatory or other approvals necessary to close the transaction; risks associated with litigation or regulatory actions related to the transaction; unanticipated difficulties and expenditures in connection with integration programs; customer and shareholder reaction to the transaction; significant transaction costs and assumption of unknown liabilities; changes in business, economic and competitive conditions; regulatory reforms; foreign exchange rate fluctuations; risks and uncertainties in litigation or investigative proceedings, whether or not related to the transaction; and the availability of financing. These and other risks and uncertainties are detailed in Fresenius Medical Care AG & Co. KGaA’s reports filed with the U.S. Securities and Exchange Commission. Fresenius Medical Care AG & Co. KGaA does not undertake any responsibility to update the forward-looking statements in this presentation.
Why now?

Opportunity to position FME as a global leader in home dialysis

Continue delivering superior patient care and outcomes in lower cost of care alternate settings

Position FME to benefit from growing trend towards home-based therapies across disease states including ESRD

Entrance into the attractive critical care segment in North America

Leverage FME’s vertically integrated platform to drive faster penetration and enhanced Care Coordination
NxStage Medical: Facts & Figures

- Founded in 1998
- IPO in 2005
- Patients in 21 countries have been treated with NxStage products
  - 3,400 employees
    - 700 in the U.S.
    - 2,700 outside the U.S., primarily in manufacturing
- 2016 revenue of USD 366 million
NxStage Medical: Successful R&D Track Record

System One®
(Critical Care)

2003

2005

2006

2007

2008

2010

2011

2013

2014

2015

pureflow™

Streamline

Nx STEPS
Simple Steps for Success at Home

Nx2me®
Connected Health

Streamline EXPRESS

buttonhole®

TPE

Dosing Calculator

System One®
Nocturnal

NxStage Medical
Successful R&D Track Record

System One®
(Home)

System One®
TPE

Nx2me®
Connected Health

Streamline EXPRESS

buttonhole®

TPE

Dosing Calculator

System One®
Nocturnal

FRESENIUS MEDICAL CARE
Complementary innovative patient preferred products portfolio

- Patient preferred products in home hemodialysis complementary to FME portfolio with excellent growth prospects
- Strong and growing presence in attractive critical care segment
- Highly attractive pipeline of potential innovative renal products best suited for major evolving patient care trends
- Nx2Me Connected Health platform to automate information exchange and enhance the patient experience

Products and Services Overview

**SystemOne Products**
Home and critical care hemodialysis machines and disposables

**In-Center Products**
In-center hemodialysis disposables

**Kidney Care Services**
21 dialysis centers in 13 states
Dialysis Industry: Continued Organic Growth

Patient growth driven by
- Age, lifestyle and higher life expectancy
- Increased access to medical treatments

CAGR (2015 – 2025e)\(^1\)

<table>
<thead>
<tr>
<th>Region</th>
<th>CAGR (%)</th>
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<tbody>
<tr>
<td>Globally</td>
<td>~6%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>~8%</td>
</tr>
<tr>
<td>North America</td>
<td>~4%</td>
</tr>
<tr>
<td>Latin America</td>
<td>~5%</td>
</tr>
<tr>
<td>EMEA</td>
<td>~4%</td>
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Dialysis patients in 2025e: ~4.9 million

\(^1\) Internal estimates as of Dec. 31, 2016
Home Dialysis Segment: Increasing Penetration

- Address the evolving needs and expectations of patients
- 82% of patients and families fully educated on their treatment options would select a home modality\(^1\)

### Home dialysis advantages

- More engaged patients, taking responsibility for their wellbeing while reducing cost of care supporting our value based strategy
- Flexibility to tailor the therapy around the patient’s lifestyle while delivering positive clinical results
- Higher patient satisfaction in home environment

### Trends in home dialysis in the U.S.

(number of ESRD cases in thousands) 2004-2014\(^2\)

Data Source: [https://www.usrds.org/2016/view/v2_01.aspx](https://www.usrds.org/2016/view/v2_01.aspx) (figure 1.19)

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\(^1\) Devoe et al., American Journal of Kidney Disease, 2016

\(^2\) ESRD and Fresenius Medical Care. FME Home Dialysis represents unique patients with any time on HHD or PD
Home Dialysis Segment: Opportunity

- Significant growth opportunity in home modalities

Home dialysis treatment by modality in 2016
(in % of ESRD cases)

- HHD: 2.0%
- HPD: 9.9%
- Total Home U.S.: 11.9%

Data Source: Fresenius Medical Care

FME home dialysis patients in the U.S.
(in % of FME patients in the U.S.)

- 2012: 6.6%
- 2014: 9.9%
- 2016: 10.2%
- 2022E: 15%+

Data Source: Fresenius Medical Care

Significant growth opportunity in home modalities
Acquisition Rationale

FRESENIUS MEDICAL CARE

The world’s largest provider of dialysis products and services

Superior home dialysis technology

Outstanding manufacturing & marketing capabilities

Existing FME integration of home patients
77% Pharmacy | 7% Health Plan | 6% Vascular Access

Significant player in critical care for acute kidney injury / failure

Care

Coordination

FRESENIUS MEDICAL CARE
Transaction Highlights

**Purchase Price**
- USD 30.00 per share in cash for acquisition of 100% of NxStage Medical shares
- Enterprise value of USD 2.0 billion or around EUR 1.7 billion\(^1\)

**EPS Impact**
- Accretive to EPS in year 3 from closing
- Accretive to ROIC in year 4 from closing

**Financing**
- All cash transaction financed with debt
- Potentially adding 60-70 bp to net debt / EBITDA after closing

**Closing & Timing**
- Transaction closing expected in 2018
- Customary conditions as required by U.S. and German authorities

\(^1\) Assumes 1 EUR/USD exchange rate of 1.18 as of August 04, 2017
Transaction Highlights

Synergy Potential

- Initial net cost synergies potential of approximately USD 80 to 100 million p.a. before tax over 3 to 5 years is expected

Key Synergy Drivers

- Labor efficiencies
- SG&A
- Manufacturing
- Distribution
- Facility cost avoidance
- CAPEX

Integration Costs

- Integration costs of around USD 150 million in the first 3 years from announcement are assumed
Well positioned for 2020 and Beyond

2020+

- Leading vertically integrated dialysis provider
- Global leader in home dialysis
- Covering evolving needs of patients and enhance clinical outcomes
- Leveraging assets and capabilities
- Improving cost of care
Your Questions are Welcome

Conference call | August 7, 2017
### Financial Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>November 2, 2017</td>
<td>Report on 3rd quarter 2017</td>
</tr>
<tr>
<td>August 29, 2017</td>
<td>Commerzbank Sector Conference, Frankfurt</td>
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<tr>
<td>September 6, 2017</td>
<td>Wells Fargo Conference, Boston</td>
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<tr>
<td>September 11-12, 2017</td>
<td>Morgan Stanley Global Healthcare Conference, New York</td>
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<tr>
<td>September 18-19, 2017</td>
<td>Berenberg &amp; Goldman Sachs German Corp. Conference, Munich</td>
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<tr>
<td>September 20, 2017</td>
<td>Baader Investment Conference, Munich</td>
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1 Please note that dates and/or participation might be subject to change
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