



# Fresenius Medical Care AG & Co. KGaA

## COMPLETE OVERVIEW OF THE RESULTS FOR THE FIRST QUARTER

**2019**

May 2, 2019

---

### Investor Relations

phone: +49 6172 609 2525

email: [ir@fmc-ag.com](mailto:ir@fmc-ag.com)

### Content:

Statement of earnings	page 2
Segment information	page 3
Balance sheet	page 4
Cash flow	page 5
Revenue development	page 6
Key metrics	page 7
Quality data	page 8
Reconciliation	page 9
Reconciliation non-IFRS	page 10

### *Disclaimer*

This release contains forward-looking statements that are subject to various risks and uncertainties. Actual results could differ materially from those described in these forward-looking statements due to certain factors, including changes in business, economic and competitive conditions, regulatory reforms, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, 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 release.

## Statement of earnings

in € million, except share data, unaudited

Three month ended March 31

	2019	2018	Change	Change at cc
Health Care Services	3,317	3,209	3.4%	-2.1%
Health Care Products	816	767	6.3%	4.3%
<b>Total revenue</b>	<b>4,133</b>	<b>3,976</b>	<b>3.9%</b>	<b>-0.8%</b>
Costs of revenue	2,867	2,773	3.4%	-1.3%
Gross profit	1,266	1,203	5.2%	0.2%
Selling, general and administrative	715	679	5.4%	0.0%
(Gain) loss related to divestitures of Care Coordination activities	-	13	n.a.	n.a.
Research and development	34	32	5.4%	3.0%
Income from equity method investees	(20)	(18)	11.9%	11.5%
<b>Operating income (EBIT)</b>	<b>537</b>	<b>497</b>	<b>8.0%</b>	<b>3.2%</b>
Operating income margin in %	13.0%	12.5%		
Interest income	(28)	(25)	12.5%	9.4%
Interest expense	136	108	26.0%	20.3%
Interest expense, net	108	83	30.0%	23.6%
<b>Income before taxes</b>	<b>429</b>	<b>414</b>	<b>3.6%</b>	<b>-0.8%</b>
Income tax expense	101	84	19.8%	15.3%
<b>Net income</b>	<b>328</b>	<b>330</b>	<b>-0.6%</b>	<b>-5.0%</b>
Net income attributable to noncontrolling interests	57	51	11.4%	3.3%
<b>Net income attributable to shareholders of FMC-AG &amp; Co. KGaA</b>	<b>271</b>	<b>279</b>	<b>-2.8%</b>	<b>-6.5%</b>
<b>Operating income (EBIT)</b>	<b>537</b>	<b>497</b>	<b>8.0%</b>	<b>3.2%</b>
Depreciation and amortization	362	175	107.1%	96.6%
<b>EBITDA</b>	<b>899</b>	<b>672</b>	<b>33.8%</b>	<b>27.6%</b>
EBITDA margin in %	21.8%	16.9%		
Weighted average number of shares	306,659,364	306,453,070		
<b>Basic earnings per share</b>	<b>€0.88</b>	<b>€0.91</b>	<b>-2.9%</b>	<b>-6.5%</b>
<b>Basic earnings per ADS</b>	<b>€0.44</b>	<b>€0.45</b>	<b>-2.9%</b>	<b>-6.5%</b>

Based on the IFRIC agenda decision relating to the applicability of IAS 12 to the accounting for interest and penalties related to income taxes and an interpretation issued by the Accounting Standards Committee of Germany (ASCG) approved in September 2018 interest and penalties related to income taxes have been reclassified from income tax expense to interest expense, net in the amount of €3 million for the three months ended March 31, 2018.

**Segment information**

unaudited

Three month ended March 31

	2019	2018	Change	Change at cc
<b>Total</b>				
Revenue in € million	4,133	3,976	3.9%	-0.8%
Operating income (EBIT) in € million	537	497	8.0%	3.2%
Operating income margin in %	13.0%	12.5%		
Delivered EBIT in € million	480	446	7.6%	3.2%
Days sales outstanding (DSO)	83	85		
Employees (full-time equivalents)	118,308	114,831		
<b>North America</b>				
Revenue in € million	2,887	2,774	4.0%	-3.9%
Operating income (EBIT) in € million	372	362	2.8%	-3.5%
Operating income margin in %	12.9%	13.1%		
Delivered EBIT in € million	319	314	1.6%	-4.4%
Days sales outstanding (DSO)	72	73		
<b>U.S.</b>				
Revenue per dialysis treatment in US\$	355	348	2.1%	n.a.
Cost per dialysis treatment in US\$ <sup>1</sup>	301	289	4.0%	n.a.
<b>EMEA</b>				
Revenue in € million	653	636	2.6%	4.1%
Operating income (EBIT) in € million	138	109	26.5%	27.3%
Operating income margin in %	21.1%	17.1%		
Delivered EBIT in € million	136	108	26.1%	26.9%
Days sales outstanding (DSO)	96	103		
<b>Asia-Pacific</b>				
Revenue in € million	428	392	9.2%	5.9%
Operating income (EBIT) in € million	95	74	27.6%	24.5%
Operating income margin in %	22.1%	19.0%		
Delivered EBIT in € million	93	72	28.6%	25.6%
Days sales outstanding (DSO)	117	117		
<b>Latin America</b>				
Revenue in € million	161	170	-5.2%	14.2%
Operating income (EBIT) in € million	11	14	-19.3%	-24.2%
Operating income margin in %	7.1%	8.3%		
Delivered EBIT in € million	11	14	-21.3%	-26.4%
Days sales outstanding (DSO)	120	129		
<b>Corporate</b>				
Revenue in € million	4	4	14.4%	14.2%
Operating income (EBIT) in € million	(79)	(62)	27.3%	25.1%
Delivered EBIT in € million	(79)	(62)	27.4%	25.1%

<sup>1</sup> 2019 excluding the effects from the implementation of IFRS 16

cc = 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 calculate these non-IFRS financial measures at constant exchange rates 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 euro 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. The single quarter results are calculated as the variance between the current year-to-date results less the preceding quarter's year-to-date which makes the single quarter subject to further foreign exchange fluctuation. This resulting percentage is a non-IFRS measure referring to a change as a percentage at constant currency. These currency-adjusted financial measures are identifiable by the designated term "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, net income attributable to shareholders of FMC-AG & Co. KGaA and other items from period to period. However we 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 euro. 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. As the reconciliation is inherent in the disclosure, we believe that a separate reconciliation would not provide any additional benefit.

**Balance sheet**

in € million, except net leverage ratio	March 31 <b>2019</b> (unaudited)	March 31 <b>2019</b> (unaudited)	December 31 <b>2018</b> (audited)
<b>Assets</b>			
Current assets	7,501		7,847
Goodwill and intangible assets	14,993		12,891
Right of use assets	4,311		-
Other non-current assets	5,548		5,504
<b>Total assets</b>	<b>32,353</b>		<b>26,242</b>
<b>Liabilities and equity</b>			
Current liabilities	7,363		6,268
Non-current liabilities	11,763		7,072
Total equity	13,227		12,902
<b>Total liabilities and equity</b>	<b>32,353</b>		<b>26,242</b>
<b>Equity/assets ratio</b>	<b>41%</b>		<b>49%</b>
		excluding IFRS 16 implementation	
<b>Debt</b>			
Short-term debt	1,320	1,320	1,205
Short-term debt from related parties	107	107	189
Current portion of long-term debt	1,512	1,516	1,107
Current portion of long-term lease liabilities	615	-	-
Current portion of long-term lease liabilities from related parties	16	-	-
Long-term debt, less current portion	5,681	5,690	5,045
Long-term lease liabilities, less current portion	3,864	-	-
Long-term lease liabilities from related parties, less current portion	117	-	-
<b>Total debt</b>	<b>13,232</b>	<b>8,633</b>	<b>7,546</b>
Cash and cash equivalents	959	959	2,146
<b>Total net debt</b>	<b>12,273</b>	<b>7,674</b>	<b>5,400</b>
<b>Annualized EBITDA<sup>1</sup></b>			
<b>Operating income (EBIT)</b>	<b>2,898</b>	<b>2,244</b>	<b>2,215</b>
Depreciation and amortization	937	770	716
Non-cash charges	45	45	45
<b>Annualized EBITDA</b>	<b>3,880</b>	<b>3,059</b>	<b>2,976</b>
<b>Net leverage ratio</b>	<b>3.2</b>	<b>2.5</b>	<b>1.8</b>

<sup>1</sup> EBITDA : including largest acquisitions and divestitures and excluding the gain related to divestitures of Care Coordination activities and NxStage related transaction costs.

## Cash flow statement

in € million, unaudited

Three month ended March 31

	<b>2019</b>	<b>2018</b>
<b>Operating activities</b>		
Net income	328	330
Depreciation / amortization	362	175
Change in working capital and other non-cash items	(614)	(550)
<b>Net cash provided by (used in) operating activities</b>	<b>76</b>	<b>-45</b>
In percent of revenue	1.8%	-1.1%
<b>Investing activities</b>		
Purchases of property, plant and equipment	(201)	(221)
Proceeds from sale of property, plant and equipment	2	3
Capital expenditures, net	(199)	(218)
<b>Free cash flow</b>	<b>(123)</b>	<b>(263)</b>
In percent of revenue	-3.0%	-6.6%
Acquisitions and investments, net of cash acquired, and purchases of intangible assets	(1,829)	(181)
Proceeds from divestitures	11	-
Acquisitions and investments, net of divestitures	(1,818)	(181)
<b>Free cash flow after investing activities</b>	<b>(1,941)</b>	<b>(444)</b>

**Revenue development**

in € million, unaudited

	<b>2019</b>	<b>2018</b>	<b>Change</b>	<b>Change at cc</b>	<b>Organic growth</b>	<b>Same market treatment growth<sup>1</sup></b>
<b>Three month ended March 31</b>						
<b>Total revenue</b>	<b>4,133</b>	<b>3,976</b>	<b>3.9%</b>	<b>-0.8%</b>	<b>6.0%</b>	
Health Care Services	3,317	3,209	3.4%	-2.1%	6.3%	3.5%
Thereof Dialysis Care revenue	2,957	2,648	11.7%	6.0%	6.2%	3.5%
Thereof Care Coordination revenue	360	561	-35.8%	-40.1%	7.0%	
Health Care Products	816	767	6.3%	4.3%	4.9%	
<b>North America</b>	<b>2,887</b>	<b>2,774</b>	<b>4.0%</b>	<b>-3.9%</b>	<b>6.0%</b>	
Health Care Services	2,680	2,590	3.5%	-4.4%	6.0%	3.7% <sup>2</sup>
Thereof Dialysis Care revenue	2,372	2,075	14.3%	5.6%	5.8%	3.7% <sup>2</sup>
Thereof Care Coordination revenue	308	515	-40.2%	-44.7%	7.4%	
Health Care Products	207	184	12.2%	3.7%	5.5%	
<b>EMEA</b>	<b>653</b>	<b>636</b>	<b>2.6%</b>	<b>4.1%</b>	<b>3.9%</b>	
Health Care Services	324	314	3.1%	5.2%	4.6%	3.9%
Health Care Products	329	322	2.2%	3.0%	3.3%	
Thereof Dialysis Products	310	302	2.5%	3.3%	3.7%	
Thereof Non-Dialysis Products	19	20	-3.0%	-3.0%	-3.0%	
<b>Asia-Pacific</b>	<b>428</b>	<b>392</b>	<b>9.2%</b>	<b>5.9%</b>	<b>6.5%</b>	
Health Care Services	199	184	8.3%	3.9%	5.0%	7.1%
Thereof Dialysis Care revenue	147	138	6.5%	1.3%	5.1%	7.1%
Thereof Care Coordination revenue	52	46	13.8%	11.7%	4.8%	
Health Care Products	229	208	10.0%	7.7%	7.7%	
<b>Latin America</b>	<b>161</b>	<b>170</b>	<b>-5.2%</b>	<b>14.2%</b>	<b>12.5%</b>	
Health Care Services	114	121	-5.2%	19.6%	17.2%	0.7%
Health Care Products	47	49	-5.2%	0.9%	1.1%	
<b>Corporate</b>	<b>4</b>	<b>4</b>	<b>14.4%</b>	<b>14.2%</b>		

<sup>1</sup> same market treatment growth = organic growth less price effects

<sup>2</sup> U.S. (excl. Mexico), same market treatment growth North America: 3.3% for the three months ended March 31 2019

## Key metrics North America segment

unaudited

Three month ended March 31

	2019	2018	Change	Change at cc
<b>Dialysis</b>				
Revenue in € million	2,579	2,259	14.1%	5.5%
Operating income (EBIT) in € million	332	349	-4.7%	-10.4%
Operating income margin in %	12.9%	15.4%		
Delivered EBIT in € million	285	304	-6.4%	-11.7%
<b>Care Coordination</b>				
Revenue in € million	308	515	-40.2%	-44.7%
Operating income (EBIT) in € million	40	13	202.8%	179.8%
Operating income margin in %	13.0%	2.6%		
Delivered EBIT in € million	34	10	253.0%	226.2%

## Key metrics Care Coordination

unaudited

Three month ended March 31

	2019	2018	Change	Change at cc
<b>North America</b>				
Member months under medical cost management <sup>1</sup>	170,903	165,797	3.1%	
Medical cost under management (in € million) <sup>1</sup>	1,071	1,189	-9.9%	-16.8%
Care Coordination patient encounters <sup>1</sup>	272,353	1,957,694	-86.1%	

<sup>1</sup> The metrics may be understated due to a physician mapping issue related to the BPCI program within a CMS system which has not yet been resolved. Additionally, data presented for the BPCI and ESCO metrics are subject to finalization by CMS, which may result in changes from previously reported metrics.

## Key metrics Dialysis Care Services

unaudited

Three month ended March 31

	Clinics	Growth in %	De novos	Patients	Growth in %	Treatments	Growth in %
<b>Total</b>	<b>3,971</b>	5%	29	<b>336,716</b>	4%	12,561,531	3%
North America	2,559	6%	15	205,775	4%	7,707,848	3%
EMEA	782	4%	4	65,833	4%	2,475,702	4%
Asia-Pacific	398	3%	8	31,674	5%	1,099,404	4%
Latin America	232	0%	2	33,434	6%	1,278,577	4%

## Quality data<sup>1</sup>

in % of patients

	North America		EMEA		Latin America		Asia-Pacific	
<b>% of patients</b>	<b>Q1 2019</b>	Q1 2018	<b>Q1 2019</b>	Q1 2018	<b>Q1 2019</b>	Q1 2018	<b>Q1 2019</b>	Q1 2018
Kt/V ≥ 1.2	97	97	94	95	90	92	95	96
Hemoglobin = 10–12 g/dl	70	71	82	83	49	52	56	57
Calcium = 8.4–10.2 mg/dl	85	85	79	80	77	78	74	74
Albumin ≥ 3.5 g/dl	81	80	89	88	91	90	90	89
Phosphate ≤ 5.5 mg/dl	60	62	80	81	76	76	66	68
Patients without catheter (after 90 days)	83	83	79	80	80	80	85	87
<b>in days</b>								
Days in hospital per patient year	10.3	11	7.5	7.8	4.3	4	3.0	3.6

<sup>1</sup> Definitions of quality parameters cf. Annual Report 2018, Section "Non-Financial Group Report" (page 87)



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

in € million, unaudited

Three month ended March 31

	2019	2018
<b>Delivered EBIT reconciliation</b>		
<b>Total</b>		
Operating income (EBIT)	537	497
less noncontrolling interests	(57)	(51)
Delivered EBIT	480	446
<b>North America</b>		
Operating income (EBIT)	372	362
less noncontrolling interests	(53)	(48)
Delivered EBIT	319	314
<b>Dialysis</b>		
Operating income (EBIT)	332	349
less noncontrolling interests	(47)	(45)
Delivered EBIT	285	304
<b>Care Coordination</b>		
Operating income (EBIT)	40	13
less noncontrolling interests	(6)	(3)
Delivered EBIT	34	10
<b>EMEA</b>		
Operating income (EBIT)	138	109
less noncontrolling interests	(2)	(1)
Delivered EBIT	136	108
<b>Asia-Pacific</b>		
Operating income (EBIT)	95	74
less noncontrolling interests	(2)	(2)
Delivered EBIT	93	72
<b>Dialysis</b>		
Operating income (EBIT)	89	68
less noncontrolling interests	(2)	(2)
Delivered EBIT	87	66
<b>Care Coordination</b>		
Operating income (EBIT)	6	6
less noncontrolling interests	0	0
Delivered EBIT	6	6
<b>Latin America</b>		
Operating income (EBIT)	11	14
less noncontrolling interests	0	0
Delivered EBIT	11	14
<b>Corporate</b>		
Operating income (EBIT)	(79)	(62)
less noncontrolling interests	0	0
Delivered EBIT	(79)	(62)
<b>Reconciliation of net cash provided by operating activities to EBITDA<sup>1</sup></b>		
<b>Total EBITDA</b>	<b>899</b>	<b>672</b>
Interest expense, net	(108)	(83)
Income tax expense	(101)	(84)
Change in working capital and other non-cash items	(614)	(550)
<b>Net cash provided by operating activities</b>	<b>76</b>	<b>(45)</b>

<sup>1</sup> EBITDA is the basis for determining compliance with certain covenants in Fresenius Medical Care's long-term debt instruments.

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

in € million, except share data, unaudited

	Results 2019	IFRS 16 Implementation	NxStage operations	NxStage costs	Cost optimization costs	Results 2019 Adjusted	Results 2018	Sound Q1 <sup>1</sup>	(Gain) loss related to divestitures of Care Coordination activities	Results 2018 Adjusted	Change (adjusted results)	Change (adjusted results) at cc
<b>Three month ended March 31</b>												
<b>Total revenue</b>	<b>4,133</b>	22	(30)			<b>4,125</b>	<b>3,976</b>	(251)		<b>3,725</b>	<b>10.7%</b>	<b>5.6%</b>
Health Care Services	3,317		(1)			3,316	3,209	(251)		2,958	12.1%	6.2%
Health Care Products	816	22	(29)			809	767			767	5.5%	3.6%
<b>North America</b>	<b>2,887</b>	22	(30)			<b>2,879</b>	<b>2,774</b>	(251)		<b>2,523</b>	<b>14.1%</b>	<b>5.4%</b>
Health Care Services	2,680		(1)			2,679	2,590	(251)		2,339	14.5%	5.8%
thereof Dialysis Care	2,372		(1)			2,371	2,075			2,075	14.2%	5.6%
thereof Care Coordination	308					308	515	(251)		264	16.5%	7.7%
Health Care Products	207	22	(29)			200	184			184	8.6%	0.4%
<b>EBITDA</b>	<b>899</b>	(184)	3	16	4	<b>738</b>	<b>672</b>	(9)	13	<b>676</b>	<b>9.2%</b>	<b>4.3%</b>
<b>Total operating income (EBIT)</b>	<b>537</b>	(17)	11	16	4	<b>551</b>	<b>497</b>	(4)	13	<b>506</b>	<b>9.0%</b>	<b>4.1%</b>
<b>North America</b>	<b>372</b>	(13)	11	16	4	<b>390</b>	<b>362</b>	(4)	13	<b>371</b>	<b>5.2%</b>	<b>-1.3%</b>
Dialysis	332	(11)	11	16	4	352	349			349	1.0%	-5.2%
Care Coordination	40	(2)				38	13	(4)	13	22	72.4%	59.3%
<b>EMEA</b>	<b>138</b>	(1)				<b>137</b>	<b>109</b>			<b>109</b>	<b>25.8%</b>	<b>26.7%</b>
<b>Asia-Pacific</b>	<b>95</b>	(1)				<b>94</b>	<b>74</b>			<b>74</b>	<b>26.4%</b>	<b>23.3%</b>
Dialysis	89	(1)				88	68			68	29.8%	26.4%
Care Coordination	6	0				6	6			6	-10.6%	-10.2%
<b>Latin America</b>	<b>11</b>	0				<b>11</b>	<b>14</b>			<b>14</b>	<b>-20.9%</b>	<b>-27.0%</b>
<b>Corporate</b>	<b>(79)</b>	(2)				<b>(81)</b>	<b>(62)</b>			<b>(62)</b>	<b>29.4%</b>	<b>27.0%</b>
<b>Interest expense, net</b>	<b>108</b>	(42)	(8)			<b>58</b>	<b>83</b>	(10)		<b>73</b>	<b>-19.5%</b>	<b>-23.0%</b>
<b>Income tax expense</b>	<b>101</b>	7	5	4	1	<b>118</b>	<b>84</b>	2		<b>86</b>	<b>36.6%</b>	<b>30.9%</b>
<b>Net income attributable to noncontrolling interests</b>	<b>57</b>					<b>57</b>	<b>51</b>			<b>51</b>	<b>11.3%</b>	<b>3.1%</b>
<b>Net income<sup>2</sup></b>	<b>271</b>	18	14	12	3	<b>318</b>	<b>279</b>	4	13	<b>296</b>	<b>7.6%</b>	<b>3.1%</b>
<b>Basic earnings per share</b>	<b>€0.88</b>	€0.06	€0.05	€0.04	€0.01	<b>€1.04</b>	<b>€0.91</b>	€0.01	€0.04	<b>€0.96</b>	<b>7.5%</b>	<b>3.0%</b>

<sup>1</sup> Contribution of Sound Physicians

<sup>2</sup> Attributable to shareholders of FMC-AG & Co. KGaA