



ANNUAL GENERAL MEETING

Fresenius Medical Care AG & Co. KGaA

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*2019 will be a year of investment –
in the benefit of our patients,
in innovation, efficiency
and areas of growth.*

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Speech
Rice Powell

CEO

May 16, 2019
Frankfurt/Main

- The spoken word shall prevail -

Dear shareholders!

It is my great pleasure to welcome you to the Annual General Meeting of Fresenius Medical Care.

Our vision is to create a future worth living for our patients. Worldwide. Every day. This vision is what drives us forward.

Fresenius Medical Care is the world's leading provider of dialysis products and services. In 2018, we treated more than 330,000 patients, up four percent on 2017. We perform one dialysis treatment every 0.6 second – which means that roughly 80 people have been treated since I started speaking. We provided approximately 50 million treatments in 2018, benefiting patients in more than 3,900 dialysis clinics in approximately 50 countries. This is approximately five percent more clinics than in 2017.

More patients, more treatments and more clinics. A growing number of people around the world can enjoy a better quality of life thanks to our products and services.

Key figures in 2018

To fulfill our vision, we need to be able to provide comprehensive care to our dialysis patients around the world. The figures show that we also managed to grow in economic terms in 2018:

- We generated revenue of 16.55 billion euros, representing a decline of two percent at constant currency.
- Adjusted for the effect of IFRS 15 implementation and the contributions from the Sound Physicians business, which we divested in the second half of 2018, we have an increase of four percent – at constant currency and on a comparable basis.
- Net income was 1.98 billion euros, or 1.38 billion euros on a comparable basis after adjusting for currency effects – up 14 percent on 2017.
- This equates to earnings per share on a comparable basis of 4.49 euros, 14 percent higher again when adjusted for currency effects.

2018 share price performance

2018 was a year that did not meet our – or undoubtedly your – expectations. Over the twelve-month period, we had to adjust the ambitious targets we had set ourselves. I am thankful that you continued to place your trust in our company's strengths at such a challenging time. We will do our utmost to maintain your trust in us.

If you take a look at the development of our share price over the year, it will become immediately clear that we entered a difficult phase in the fall. There were several reasons for this. In Europe, we were not awarded the contract for some public tenders as we had expected. In the U.S., we treated fewer privately insured patients. Additionally, our business was influenced by hyperinflation in Argentina. But we were not alone in contending with adverse conditions. Germany's leading index posted its largest annual loss since 2008 with an 18-percent drop, and 2018 was the worst year in a decade for the U.S. stock exchanges.

I am pleased we were able to demonstrate that a setback like this does not throw us off course. On the contrary, we have since done everything in our power to reward your trust. I believe this is reflected in the performance of our share price, which rose 26 percent between January and May 2019.

22nd consecutive dividend increase

These developments demonstrate that we have retained our excellent market position. We are the market leader in dialysis, and we are continuing to grow – on a sustainable basis. Our dividend also confirms our enduring growth: Our dividend has increased for the 22nd consecutive year. I take pride in that. This shows very clearly that our strategy generates sustainable and ongoing growth. We continue to use our expertise and vertical integration to successfully anticipate trends and changes. We want you to share in this success and are proposing the highest dividend we have ever paid – 1.17 euros per share. A ten-percent increase on last year.

Rising number of patients

There are other beneficiaries of our success. The fact that we can open more clinics and continuously improve our products and services helps our patients. We provide care for people with chronic kidney failure. Around 3.4 million of these patients around the world are dependent on dialysis treatment. It is they who motivate us in everything that we think and do. The number of people who require dialysis to survive is steadily increasing at a relatively constant global rate of around six percent every year.

This rise in the number of patients also increases cost pressure on health care systems, which are testing and implementing new approaches around the globe to tackle these challenges.

Care Coordination

In many countries, but especially in the U.S., we see a trend in health care systems towards value-based and thus holistic care. Value-based models change the role of health care providers; they support higher quality outcomes for our patients while keeping costs low. For us, this means we are not only responsible for dialysis treatment, but also for our patient's medical well-being beyond dialysis.

We have endorsed this trend right from the start, because we understand our dialysis patients' needs best. Several years ago, we created our "Care Coordination" business segment to coordinate overall medical care. It encompasses all services that help us provide comprehensive care to our dialysis patients. Care Coordination complements our range of dialysis products and services as a third strategic pillar, providing a convincing answer to the changes taking place in health care systems.

One of our first major investments in this area was Sound Physicians. Sound is a network of physicians that provides medical services across the acute episode of care – through emergency medicine, critical care, hospital medicine and transitional care. Our aim was to find out more about how to treat patients efficiently and coordinate treatment – outside the dialysis environment – to ensure the best possible outcome.

We learned a great deal. We identified key areas of potential by looking at the issue from a new angle, and optimized our processes accordingly. This marked a fundamental milestone that confirms our strategy in the area of Care Coordination. By successfully transferring knowledge from Sound Physicians to other areas of Care Coordination, we are now in an even better position to provide comprehensive and

high-quality care to our patients, while also helping the health care system to reduce costs.

Share buy-back

The logical next step was therefore to sell Sound Physicians at an attractive price and to use the capital freed up in this way to make additional targeted growth investments. A portion of these investments will go to you – our shareholders – in the form of a share buy-back program of up to one billion euros over the next two years. That means you benefit from this decision directly.

Thanks to these recent divestments, our Care Coordination portfolio is now even more focused. Moving ahead, we will continue to stick to our strategy in the area of Care Coordination. In the U.S., as well as in other health care systems, we intend to continue creating added value in Care Coordination for our patients and health care systems, and therefore for you.

Value-based care/ESRD Seamless Care Organizations (ESCOs)

The United States is an excellent example of how national health care systems can shape the transition to value-based care. As Secretary of Health and Human Services Alex Azar emphasized in March, the U.S. government wants to create better incentives – different than service-based payment more towards remuneration for improved treatment outcomes. This puts a greater focus on patients' overall well-being. I am delighted to say that we not only anticipated the U.S. government's desire for change. We are already well-established in the U.S. market, in which we generate approximately 70 percent of our revenue, and are actively driving change by systematically and strategically gearing our actions to creating added value for our patients.

Our commitment to value-based care is demonstrated in the U.S., for example, by our participation in a comprehensive care model for state-insured patients with chronic kidney failure. The ESCO program is a pilot project for providing seamless care to dialysis patients. Fresenius Medical Care is the largest provider in the ESCO pilot, covering around 80 percent of all ESCO patients. By providing extensive care, we have improved treatment outcomes, with a six-percent decrease in the number of days spent in hospital by patients in the first year of the ESCO program. Patients who are in better health and spend less time in hospital – that is our goal. It is one that also benefits payors.

But value-based care is not the only way to relieve cost pressure on health care systems. The U.S. Secretary of Health and Human Services also called for a better and more flexible range of treatments for patients with kidney failure. 88 percent of all global patients receive dialysis treatment at a clinic. However, patients who are treated at home get to stay in a familiar environment and generally enjoy better health. That also leads to cost savings.

Home dialysis

We put our patients' needs first with a wide range of treatment options. Patients can choose for themselves where they want to be treated at any particular point in time. This freedom to make their own choices is a key pillar of our vision of improving our patients' quality of life. Home dialysis is becoming increasingly appealing to both health care systems and patients. We have already responded to this trend with our move towards value-based care and made the necessary arrangements. One example is the acquisition of NxStage, which we successfully completed in 2019. NxStage develops,

produces, and markets dialysis equipment and other products for home dialysis and intensive care. NxStage's dialysis equipment features a highly convenient user interface. As a result, we can now market an easy-to-use, innovative high-end product for home hemodialysis. But take a look at the device yourself – you can find a model in our product display in the foyer. The acquisition of NxStage will have a positive impact across the entire value chain in our vertically integrated business, and help us to expand value-based care.

Home dialysis is the treatment of choice for many patients. Of all the different forms of treatment, home hemodialysis is by far the fastest growing. Instead of having to travel to a dialysis center three times a week for three to six hours of treatment, home dialysis patients can carry it out in their own home. That means more flexibility in their everyday lives, increased self-determination, and a better quality of life. At the same time, it can reduce health care costs, mainly because patients spend less time in hospital. By 2022, our aim is to boost the share of home dialysis treatments in the U.S. from twelve percent at present to at least 15 percent.

Entering new markets: 4008A (China/India)

Home dialysis also offers attractive growth potential for our company outside the U.S. – for example in emerging markets with a weaker infrastructure and a lack of clinics and trained staff. What is most important in these regions is that people suffering from chronic kidney failure have access to life-saving dialysis in the first place.

In addition to home dialysis, we can achieve this by adapting our product portfolio. For example, we developed the 4008A dialysis machine specifically for the needs of emerging countries. It is

particularly robust, easy to use and meets the highest safety standards at an affordable price. Various countries in the Asia-Pacific region will be able to benefit from this soon. One country where the 4008A will be marketed is China. China is already our second largest product market after the U.S.

We intend to grow our services business in China, and see considerable potential here: Only 45 percent of Chinese patients with chronic kidney failure currently have access to treatment. In the last two years, we have already taken important steps, opening our first Fresenius Medical Care dialysis center and making various acquisitions. We have several renal hospitals and dialysis centers in the pipeline. We also inaugurated a production site in Beijing and are planning 100 new dialysis centers in China over the next five years. As you can see, we are optimistic about the future.

Innovation

The outlook is very encouraging for research and development. We want to offer our patients even better treatment by employing new technology. Thanks to our 2018 investment in Humacyte, a U.S. biotech company, we have secured the rights to market an engineered blood vessel based on human plasma. Following approval, we intend to make this available to our patients for vascular access. The advantages compared to conventional options are its higher resilience and the lower risk of complications. Patients benefit from fewer medical procedures and from a vascular access that is self-healing and therefore longer-lasting. Our investment in Humacyte takes us a step closer to achieving our vision to create a future worth living for our patients.

Employees

It is our commitment to this vision and to our patients that unites us here at Fresenius Medical Care. Every day, some 113,000 employees around the world work to ensure that our vision becomes reality. It impresses me time and time again to see how our teams in over 60 countries across the globe pull together. Without the commitment of each and every one of these individuals, we would not be standing where we are today.

I would like to take this opportunity to thank all of our employees most sincerely for their commitment. I am sure that all of our new colleagues joining us around the world this year will also contribute to our success with their expertise and drive. The same applies to our new colleague on the Management Board, Dr. Katarzyna Mazur-Hofsäß. She has been responsible for the EMEA region since September 1, 2018. Katarzyna will introduce herself later, so I will let her speak directly to you. We intend to continue growing the number of staff and expect to hire around 500 new employees this year in Germany alone. Please join me in thanking our employees for their dedication and commitment to our patients and Fresenius Medical Care.

Outlook

I was very pleased to announce some good news in the first quarter: Investigations with the U.S. authorities into an alleged breach of U.S. foreign anti-corruption law are now officially closed after seven years. We are very happy with the resolutions we have reached. After conducting a thorough examination of the cases, we have entrenched ethical and compliant behavior even more firmly in our corporate culture in recent years. We have also significantly expanded our compliance program and further improved our internal monitoring

mechanisms. After all, good, sustainable compliance also plays a role in improving our range of products and services for our patients. This remains our most important task.

On this positive note, let's look ahead to the future. 2019 will also be a year of investment. We will be investing to the benefit of our patients, in innovation, efficiency and areas of growth. We have already taken important steps in this direction:

We want to continuously improve dialysis care in a number of ways. Because we are vertically integrated, we are ideally placed to develop innovations for a range of applications, from diagnosis to treatment. For example, we ask how can we automate treatment procedures, both in-center and for home dialysis?

Another area of innovation is regenerative medicine. Here, we are taking a multi-pronged approach and investing in promising technologies and research methods via our subsidiaries Unicyte and Fresenius Medical Care Ventures. Most of these are still in the early stages of development. All these activities will help us to steadily improve the quality of care while simultaneously addressing increasing cost pressure in the health care sector.

We have also taken steps to boost our efficiency: In the second phase of our global efficiency program, we will continue the improvements we started in 2014, harnessing global synergies and continually optimizing our cost basis. We are slightly ahead of schedule. By 2020, we expect annual savings of between 150 and 200 million euros.

As part of our U.S.-focused cost optimization program, we are making additional efforts to raise efficiency. To improve our competitive

standing, we will invest around 100 million euros in the U.S. services business this year. This should have a positive impact on our net income as early as 2020.

Finally, we also intend to realize growth potential more quickly and effectively in 2019. As already mentioned, China represents a key growth market for us. In 2019, we will increase our investments in growth markets such as China, where chronic diseases are on the rise. At the same time, the national health care system is about to enter a key stage of development. We intend to benefit from growth in this key market.

As the market leader, we possess expertise and decades of experience in dialysis around the world. I am personally committed to ensuring that our patients reap even more benefits from this superior knowledge. That is why we set up a Global Medical Office in March 2019. This team is tasked with evaluating coordinated data from clinical science research and medical practice on a global basis and using it to improve treatment outcomes. Because better treatments lead to better outcomes, benefiting both our patients and the health care systems.

The trend towards coordinated and holistic patient care is gaining traction in more and more countries around the world: Over 500 pilot programs have already been launched globally aimed at evaluating the potential of integrated health care models. This confirms that we are on the right path with our strategy of systematically optimizing our range of products and services in the area of value-based care.

We expect our earnings to develop more moderately in 2019 on account of these planned investments. For the 2019 financial year, we

anticipate adjusted revenue growth of between three and seven percent. Adjusted net income is set to be within the range from minus two percent to plus two percent.

For the 2020 financial year, we expect to see mid-to-high single-digit growth in adjusted revenue and adjusted net income.

Dear shareholders, I think you now have a good idea why it is worth continuing to invest in Fresenius Medical Care. In an increasingly complex environment, we are continuing to lay the foundation for strong growth, as you have come to expect from us. As the global market leader, we will continue to actively shape the future of dialysis with our expertise, with our research and development and by tapping new markets. For the benefit of our patients.

You know what it is that motivates each of us at Fresenius Medical Care: It is the vision of creating a future worth living for our patients. Worldwide. Every day.

Thank you!

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