



# Fresenius Medical Care AG & Co. KGaA

## COMPLETE OVERVIEW OF THE RESULTS FOR THE FIRST QUARTER 2018

May 3, 2018

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### *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.

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**Statement of earnings**

in € million, except share data, unaudited

Three months ended March 31

	2018	2017	Change	Change at cc
Health Care Services	3,209	3,769	-14.9%	-2.8%
Health Care Products	767	779	-1.5%	6.4%
<b>Total revenue</b>	<b>3,976</b>	<b>4,548</b>	<b>-12.6%</b>	<b>-1.2%</b>
Costs of revenue	2,773	2,956	-6.2%	6.6%
Gross profit	1,203	1,592	-24.4%	-15.7%
Selling, general and administrative	692	924	-25.1%	-16.2%
Research and development	32	32	-0.7%	5.0%
Income from equity method investees	(18)	(15)	20.3%	21.7%
<b>Operating income (EBIT)</b>	<b>497</b>	<b>651</b>	<b>-23.7%</b>	<b>-15.2%</b>
Interest income	(24)	(29)	-15.8%	-13.6%
Interest expense	104	121	-14.2%	-6.9%
Interest expense, net	80	92	-13.8%	-4.8%
<b>Income before taxes</b>	<b>417</b>	<b>559</b>	<b>-25.4%</b>	<b>-16.9%</b>
Income tax expense	87	182	-52.0%	-47.1%
<b>Net income</b>	<b>330</b>	<b>377</b>	<b>-12.5%</b>	<b>-2.4%</b>
Less: Net income attributable to noncontrolling interests	51	69	-25.7%	-14.4%
<b>Net income attributable to shareholders of FMC AG &amp; Co. KGaA</b>	<b>279</b>	<b>308</b>	<b>-9.6%</b>	<b>0.3%</b>
<b>Operating income (EBIT)</b>	<b>497</b>	<b>651</b>	<b>-23.7%</b>	<b>-15.2%</b>
Depreciation and amortization	175	190	-7.9%	2.1%
<b>EBITDA</b>	<b>672</b>	<b>841</b>	<b>-20.1%</b>	<b>-11.3%</b>
EBITDA margin	16.9%	18.5%		
Weighted average number of shares	306,453,070	306,241,321		
<b>Basic earnings per share</b>	<b>€0.91</b>	<b>€1.01</b>	<b>-9.7%</b>	<b>0.2%</b>
<b>Basic earnings per ADS</b>	<b>€0.45</b>	<b>€0.50</b>	<b>-9.7%</b>	<b>0.2%</b>
<b>In percent of revenue</b>				
Costs of revenue	69.7%	65.0%		
Gross profit	30.3%	35.0%		
<b>Operating income (EBIT)</b>	<b>12.5%</b>	<b>14.3%</b>		
<b>Net income attributable to shareholders of FMC AG &amp; Co. KGaA</b>	<b>7.0%</b>	<b>6.8%</b>		

## Segment information

unaudited

Three months ended March 31

	2018	2017	Change	Change at cc
<b>Total</b>				
Revenue in € million	3,976	4,548	-12.6%	-1.2%
Operating income (EBIT) in € million	497	651	-23.7%	-15.2%
Operating income margin in %	12.5%	14.3%		
Delivered EBIT in € million	446	582	-23.5%	-15.3%
Days sales outstanding (DSO) <sup>1</sup>	85	81		
Employees (full-time equivalents)	114,831	110,530		
<b>North America</b>				
Revenue in € million	2,774	3,375	-17.8%	-5.1%
Operating income (EBIT) in € million	362	526	-31.1%	-21.4%
Operating income margin in %	13.1%	15.6%		
Delivered EBIT in € million	314	459	-31.7%	-22.3%
Days sales outstanding (DSO) <sup>1</sup>	73	68		
<b>U.S.</b>				
Revenue per dialysis treatment in US\$ <sup>2</sup>	348	342	1.5%	n.a.
Cost per dialysis treatment in US\$ <sup>3</sup>	288	276	4.2%	n.a.
<b>EMEA</b>				
Revenue in € million	636	614	3.6%	5.9%
Operating income (EBIT) in € million	109	114	-4.8%	-4.3%
Operating income margin in %	17.1%	18.7%		
Delivered EBIT in € million	108	114	-4.8%	-4.2%
Days sales outstanding (DSO) <sup>1</sup>	103	102		
<b>Asia-Pacific</b>				
Revenue in € million	392	378	3.7%	13.5%
Operating income (EBIT) in € million	74	82	-9.3%	-3.8%
Operating income margin in %	19.0%	21.7%		
Delivered EBIT in € million	72	80	-10.0%	-4.7%
Days sales outstanding (DSO) <sup>1</sup>	117	125		
<b>Latin America</b>				
Revenue in € million	170	177	-4.0%	17.4%
Operating income (EBIT) in € million	14	14	-2.0%	10.2%
Operating income margin in %	8.3%	8.1%		
Delivered EBIT in € million	14	14	-1.9%	10.3%
Days sales outstanding (DSO) <sup>1</sup>	129	133		
<b>Corporate</b>				
Revenue in € million	4	4	-21.4%	-20.9%
Operating income (EBIT) in € million	(62)	(85)	-26.6%	-23.8%
Delivered EBIT in € million	(62)	(85)	-26.6%	-23.8%

<sup>1</sup> Concurrent with the implementation of IFRS 15 and IFRS 9 prior year data has been adjusted to conform to the current year's presentation.

<sup>2</sup> Excl. the effects from the VA Agreement and IFRS 15 implementation, incl. these adjustments revenue per dialysis treatment was \$371 for the three months ended March 31, 2017.

<sup>3</sup> Excl. the effects from IFRS 15 implementation, incl. IFRS 15 cost per dialysis treatment was \$290 for the three months ended March 31, 2017.

## Balance sheet

in € million, except net leverage ratio	March 31	December 31
	<b>2018</b>	<b>2017</b>
	(unaudited)	(audited)
<b>Assets</b>		
Current assets	6,844	6,374
Goodwill and intangible assets	12,517	12,787
Other non-current assets	4,796	4,864
<b>Total assets</b>	<b>24,157</b>	<b>24,025</b>
<b>Liabilities and equity</b>		
Current liabilities	5,428	5,300
Non-current liabilities	7,818	7,897
Total equity	10,911	10,828
<b>Total liabilities and equity</b>	<b>24,157</b>	<b>24,025</b>
<b>Equity/assets ratio</b>	<b>45%</b>	<b>45%</b>
<b>Debt</b>		
Short-term debt	1,011	760
Short-term debt from related parties	41	9
Current portion of long-term debt and capital lease obligations	872	884
Long-term debt and capital lease obligations, less current portion	5,797	5,795
<b>Total debt</b>	<b>7,721</b>	<b>7,448</b>
Cash and cash equivalents	846	978
<b>Total net debt</b>	<b>6,875</b>	<b>6,470</b>
<b>Annualized EBITDA<sup>1</sup></b>		
<b>Operating income (EBIT)</b>	<b>2,199</b>	<b>2,372</b>
Depreciation and amortization	717	731
Non-cash charges	51	51
<b>Annualized EBITDA</b>	<b>2,967</b>	<b>3,154</b>
<b>Net leverage ratio</b>	<b>2.3</b>	<b>2.1</b>

<sup>1</sup> EBITDA : including largest acquisitions and divestitures.

## Cash flow statement

in € million, unaudited

Three months ended  
March 31

	2018	2017
<b>Operating activities</b>		
Net income	330	377
Depreciation / amortization	175	190
Change in working capital and other non-cash items	(550)	(397)
<b>Net cash provided by, (used in) operating activities</b>	<b>(45)</b>	<b>170</b>
In percent of revenue	-1.1%	3.7%
<b>Investing activities</b>		
Purchases of property, plant and equipment	(221)	(197)
Proceeds from sale of property, plant and equipment	3	2
Capital expenditures, net	(218)	(195)
<b>Free cash flow</b>	<b>(263)</b>	<b>(25)</b>
In percent of revenue	-6.6%	-0.6%
Acquisitions and investments, net of cash acquired, and purchases of intangible assets	(181)	(160)
Proceeds from divestitures	-	-
Acquisitions and investments, net of divestitures	(181)	(160)
<b>Free cash flow after investing activities</b>	<b>(444)</b>	<b>(185)</b>

## Revenue development

in € million, unaudited

	2018	2017	Change	Change at cc	Organic growth	Same market treatment growth <sup>1</sup>
<b>Three months ended March 31</b>						
<b>Total revenue</b>	<b>3,976</b>	<b>4,548</b>	<b>-12.6%</b>	<b>-1.2%</b>	<b>2.8%</b>	
Health Care Services	3,209	3,769	-14.9%	-2.8%	2.0%	2.3%
Thereof Dialysis Care revenue	2,648	3,058	-13.4%	-1.3%	4.2%	2.3%
Thereof Care Coordination revenue	561	711	-21.2%	-9.3%	-7.9%	
Health Care Products	767	779	-1.5%	6.4%	6.5%	
<b>North America</b>	<b>2,774</b>	<b>3,375</b>	<b>-17.8%</b>	<b>-5.1%</b>	<b>1.3%</b>	
Health Care Services	2,590	3,165	-18.2%	-5.5%	1.3%	2,3%
Thereof Dialysis Care revenue	2,075	2,474	-16.1%	-3.2%	4.0%	2,3%
Thereof Care Coordination revenue	515	691	-25.5%	-14.0%	-8.7%	
Health Care Products	184	210	-12.1%	1.4%	1.4%	
<b>EMEA</b>	<b>636</b>	<b>614</b>	<b>3.6%</b>	<b>5.9%</b>	<b>4.1%</b>	
Health Care Services	314	303	3.6%	5.7%	1.7%	2.4%
Health Care Products	322	311	3.6%	6.2%	6.4%	
Thereof Dialysis Products	302	290	4.2%	7.0%	7.3%	
Thereof Non-Dialysis Products	20	21	-6.1%	-5.7%	-5.7%	
<b>Asia-Pacific</b>	<b>392</b>	<b>378</b>	<b>3.7%</b>	<b>13.5%</b>	<b>7.0%</b>	
Health Care Services	184	169	8.5%	20.0%	5.5%	4.2%
Thereof Dialysis Care revenue	138	149	-7.6%	2.3%	4.0%	4.2%
Thereof Care Coordination revenue	46	20	129.6%	153.6%	15.7%	
Health Care Products	208	209	-0.2%	8.3%	8.2%	
<b>Latin America</b>	<b>170</b>	<b>177</b>	<b>-4.0%</b>	<b>17.4%</b>	<b>15.8%</b>	
Health Care Services	121	132	-8.4%	14.7%	12.4%	1.1%
Health Care Products	49	45	8.7%	25.4%	25.6%	
<b>Corporate</b>	<b>4</b>	<b>4</b>	<b>-21.4%</b>	<b>-20.9%</b>		

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

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.

**Key metrics North America segment**

unaudited

Three months ended March 31

	2018	2017	Change	Change at cc
<b>Dialysis</b>				
Revenue in € million	2,259	2,684	-15.8%	-2.8%
Operating income (EBIT) in € million	349	527	-33.7%	-24.4%
Operating income margin in %	15.4%	19.6%		
Delivered EBIT in € million	304	467	-34.9%	-25.9%
<b>Care Coordination</b>				
Revenue in € million	515	691	-25.5%	-14.0%
Operating income (EBIT) in € million	13	(1)	-1684.8%	-1929.5%
Operating income margin in %	2.6%	-0.1%		
Delivered EBIT in € million	10	(8)	-228.3%	-248.1%

**Key metrics Care Coordination**

unaudited

Three months ended March 31

	2018	2017	Change	Change at cc
<b>North America</b>				
Member months under medical cost management <sup>1</sup>	165,672	141,950	16.7%	
Medical cost under management (in € million) <sup>1</sup>	1,186	1,004	18.1%	36.3%
Care Coordination patient encounters <sup>1</sup>	1,957,694	1,608,179	21.7%	

<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 months ended March 31, 2018

	Clinics	Growth in %	De novos	Patients	Growth in %	Treatments	Growth in %
<b>Total</b>	<b>3,790</b>	4%	35	<b>322,253</b>	4%	<b>12,154,164</b>	3%
North America	2,419	4%	24	197,339	4%	7,473,764	3%
EMEA	754	4%	2	63,114	5%	2,387,160	5%
Asia-Pacific	385	2%	9	30,194	2%	1,060,114	2%
Latin America	232	0%		31,606	5%	1,233,126	4%

**Quality data<sup>1</sup>**

in % of patients

	North America		EMEA		Latin America		Asia-Pacific	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Kt/v ≥ 1.2	<b>98</b>	98	<b>95</b>	95	<b>92</b>	93	<b>96</b>	96
Hemoglobin = 10-12 g/dl	<b>72</b>	72	<b>83</b>	82	<b>52</b>	52	<b>57</b>	59
Calcium = 8.4-10.2 mg/dl	<b>85</b>	84	<b>80</b>	77	<b>78</b>	78	<b>74</b>	75
Albumin ≥ 3.5 g/dl	<b>79</b>	78	<b>88</b>	88	<b>90</b>	90	<b>89</b>	87
Phosphate ≤ 5.5 mg/dl	<b>62</b>	63	<b>81</b>	79	<b>76</b>	75	<b>68</b>	67
Patients without catheter (after 90 days)	<b>82</b>	83	<b>80</b>	81	<b>80</b>	81	<b>87</b>	89
<b>in days</b>								
Days in hospital per patient year	<b>10.2</b>	10.2	<b>7.6</b>	7.9	<b>4.0</b>	4.0	<b>3.6</b>	4.0

<sup>1</sup> Definitions cf. Annual Report 2017, Section "Non-Financial Group Report"



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

in € million, unaudited

 Three months ended  
March 31

	2018	2017
<b>Delivered EBIT reconciliation</b>		
<b>Total</b>		
Operating income (EBIT)	497	651
less noncontrolling interests	(51)	(69)
Delivered EBIT	446	582
<b>North America</b>		
Operating income (EBIT)	362	526
less noncontrolling interests	(48)	(67)
Delivered EBIT	314	459
<b>Dialysis</b>		
Operating income (EBIT)	349	527
less noncontrolling interests	(45)	(60)
Delivered EBIT	304	467
<b>Care Coordination</b>		
Operating income (EBIT)	13	(1)
less noncontrolling interests	(3)	(7)
Delivered EBIT	10	(8)
<b>EMEA</b>		
Operating income (EBIT)	109	114
less noncontrolling interests	(1)	0
Delivered EBIT	108	114
<b>Asia-Pacific</b>		
Operating income (EBIT)	74	82
less noncontrolling interests	(2)	(2)
Delivered EBIT	72	80
<b>Dialysis</b>		
Operating income (EBIT)	68	79
less noncontrolling interests	(2)	(2)
Delivered EBIT	66	77
<b>Care Coordination</b>		
Operating income (EBIT)	6	3
less noncontrolling interests	0	0
Delivered EBIT	6	3
<b>Latin America</b>		
Operating income (EBIT)	14	14
less noncontrolling interests	0	0
Delivered EBIT	14	14
<b>Corporate</b>		
Operating income (EBIT)	(62)	(85)
less noncontrolling interests	0	0
Delivered EBIT	(62)	(85)
<b>Reconciliation of net cash provided by operating activities to EBITDA<sup>1</sup></b>		
<b>Total EBITDA</b>	<b>672</b>	<b>841</b>
Interest expense, net	(80)	(92)
Income tax expense	(87)	(182)
Change in working capital and other non-cash items	(550)	(397)
<b>Net cash provided by operating activities</b>	<b>(45)</b>	<b>170</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, unaudited

 Three months ended  
March 31

	2018	2017
<b>Operating performance excluding special items</b>		
<b>Revenue</b>		
<b>Total</b>		
<b>Revenue</b>	<b>3,976</b>	<b>4,548</b>
VA Agreement <sup>1</sup>		(100)
Effect from IFRS 15 implementation		(139)
<b>Revenue adjusted and excluding special items</b>	<b>3,976</b>	<b>4,309</b>
<b>Health Care Services revenue</b>		
<b>Health Care Services revenue</b>	<b>3,209</b>	<b>3,769</b>
VA Agreement		(100)
Effect from IFRS 15 implementation		(139)
<b>Health Care Services revenue adjusted and excluding special items</b>	<b>3,209</b>	<b>3,530</b>
<b>North America</b>		
<b>Revenue</b>	<b>2,774</b>	<b>3,375</b>
VA Agreement		(100)
Effect from IFRS 15 implementation		(139)
<b>Revenue adjusted and excluding special items</b>	<b>2,774</b>	<b>3,136</b>
<b>Health Care Services revenue</b>		
<b>Health Care Services revenue</b>	<b>2,590</b>	<b>3,165</b>
VA Agreement		(100)
Effect from IFRS 15 implementation		(139)
<b>Health Care Services revenue adjusted and excluding special items</b>	<b>2,590</b>	<b>2,926</b>
<b>Dialysis Care Services revenue</b>		
<b>Dialysis Care Services revenue</b>	<b>2,075</b>	<b>2,474</b>
VA Agreement		(100)
Effect from IFRS 15 implementation		(88)
<b>Dialysis Care Services revenue adjusted and excluding special items</b>	<b>2,075</b>	<b>2,286</b>
<b>Care Coordination revenue</b>		
<b>Care Coordination revenue</b>	<b>515</b>	<b>691</b>
Effect from IFRS 15 implementation		(51)
<b>Care Coordination revenue adjusted</b>	<b>515</b>	<b>640</b>
<b>Operating income (EBIT)</b>		
<b>Total</b>		
<b>Operating income (EBIT)</b>	<b>497</b>	<b>651</b>
VA Agreement		(99)
Initial Sound Valuation Impact <sup>2</sup>	13	
<b>Operating income (EBIT) adjusted and excluding special items</b>	<b>510</b>	<b>552</b>
<b>North America</b>		
<b>Operating income (EBIT)</b>	<b>362</b>	<b>526</b>
VA Agreement		(99)
Initial Sound Valuation Impact	13	
<b>Operating income (EBIT) adjusted and excluding special items</b>	<b>375</b>	<b>427</b>
<b>Dialysis operating income (EBIT)</b>		
<b>Dialysis operating income (EBIT)</b>	<b>349</b>	<b>527</b>
VA Agreement		(99)
<b>Dialysis operating income (EBIT) excluding special items</b>	<b>349</b>	<b>428</b>
<b>Care Coordination operating income (EBIT)</b>		
<b>Care Coordination operating income (EBIT)</b>	<b>13</b>	<b>(1)</b>
Initial Sound Valuation Impact	13	
<b>Care Coordination operating income (EBIT) adjusted</b>	<b>26</b>	<b>(1)</b>
<b>Net income<sup>3</sup></b>		
<b>Net income<sup>3</sup></b>	<b>279</b>	<b>308</b>
VA Agreement		(59)
U.S. Tax Reform <sup>4</sup>	(48)	
Initial Sound Valuation Impact	13	
<b>Net income<sup>3</sup> adjusted and excluding special items</b>	<b>244</b>	<b>249</b>

<sup>1</sup> VA Agreement: Agreement with the United States Departments of Veterans Affairs and Justice

<sup>2</sup> Initial increase in valuation of Sound Physicians' share based payment program caused by sale of Sound Physicians

<sup>3</sup> Attributable to shareholders of FMC AG & Co. KGaA

<sup>4</sup> U.S. Tax Reform: impacts from U.S. tax reform