

24th February 2016

Healthcare

Fresenius SE

Price EUR57.73

FY 2015 results

Fair Value EUR68 (+18%)

BUY

Bloomberg	FRE GR
Reuters	FREG.DE
12-month High / Low (EUR)	69.8 / 48.2
Market Cap (EUR)	31,506
Avg. 6m daily volume (000)	1,653

ANALYSIS

- Fresenius SE has reported FY 2015 revenue of EUR27.626, in line with the consensus at EUR27.754bn and within the communicated guidance range of 8-10% cc, since the company ended the year with top-line growth of 9% cc. Going down the PnL and, as was the case for FMC, after re-including one-offs (granuflo), results were in line with the consensus: EBIT and net income of EUR4.012m and EUR1433m respectively, while the consensus was at EUR4.018m and EUR1.427m respectively.

(EURm exc./share)	FY 14	FY 15	y/y	FY 15 cs	Delta
Revenue	23,231	27,626	18.9%	27,754	-0.5%
EBIT	3,158	3,958	25.3%	4,018	-1.5%
EBIT margin %	13.6%	14.3%		14.5%	
Adjusted Net Income	1,086	1,423	31.0%	1,427	-0.3%
Adjusted EPS	1.97	2.61	32.5%	2.62	-0.4%

- KABI guidance for organic sales growth of 8% was reached. Note that while 2016 guidance might appear conservative at first sight, the business grew steadily in 2015 triggering three guidance upgrades. As such, low single-digit top-line growth and flat EBIT in cc should be viewed as a sign of sustainability for the division's growth prospects.
- 2019 targets imply a 7% and 8.5% CAGR for the top-line and EPS. Our estimates are within the company's 2019 sales and net income target ranges i.e. EUR36-40bn and EUR2.0-2.5m respectively.

VALUATION

- We reiterate our BUY rating and EUR68 fair value

NEXT CATALYSTS

- Today 2.00pm CET FY results conference call (UK +44 203 481 9014, US + 1 631 302 6547, ID Fresenius)

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Distribution of stock ratings

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