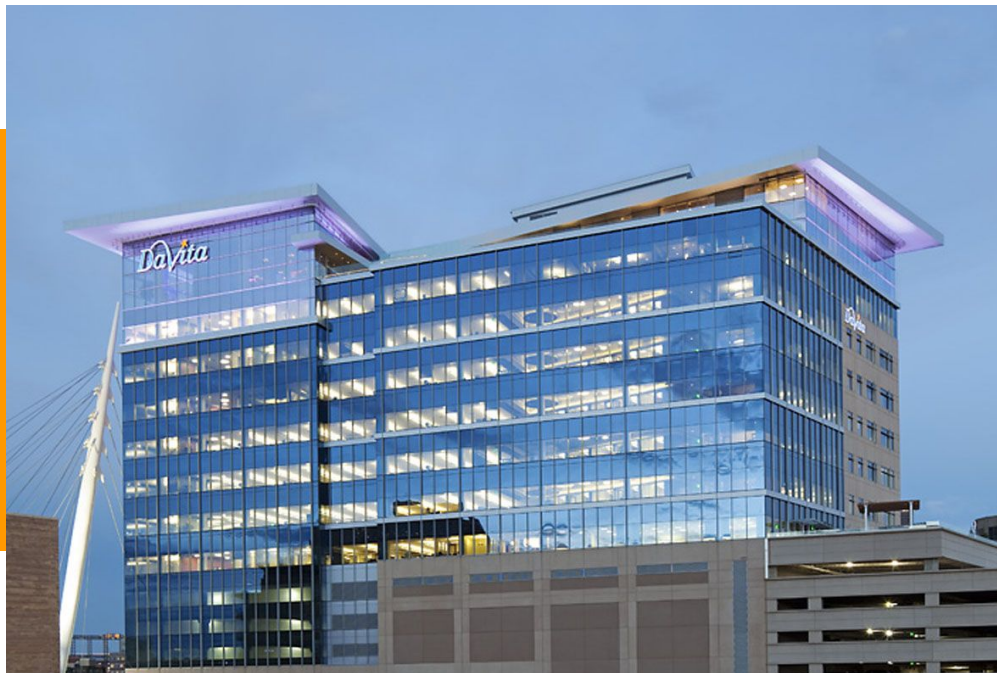


DaVita Healthcare Partners, Inc

Eduardo Delgadillo Alfaro, Tony Lim, Amy Shekarchi, Neville Tarapore, Eshane Wang



1.7M
Patients

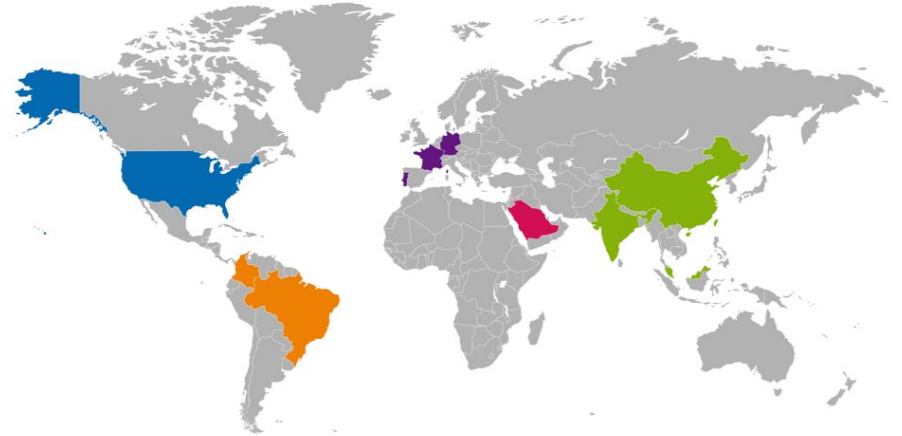
70,800+
DaVita Teammates

10
Countries

Background

— — —

- Two major divisions
 - DaVita Kidney Care
 - DaVita Medical Group
- U.S. network:
 - 2,510 outpatient dialysis centers
 - Approximately 900 hospitals with acute inpatient dialysis services





80
Patients

18
Machines/Seats

17
Team Members

1
Medical Director

\$4M
Revenue

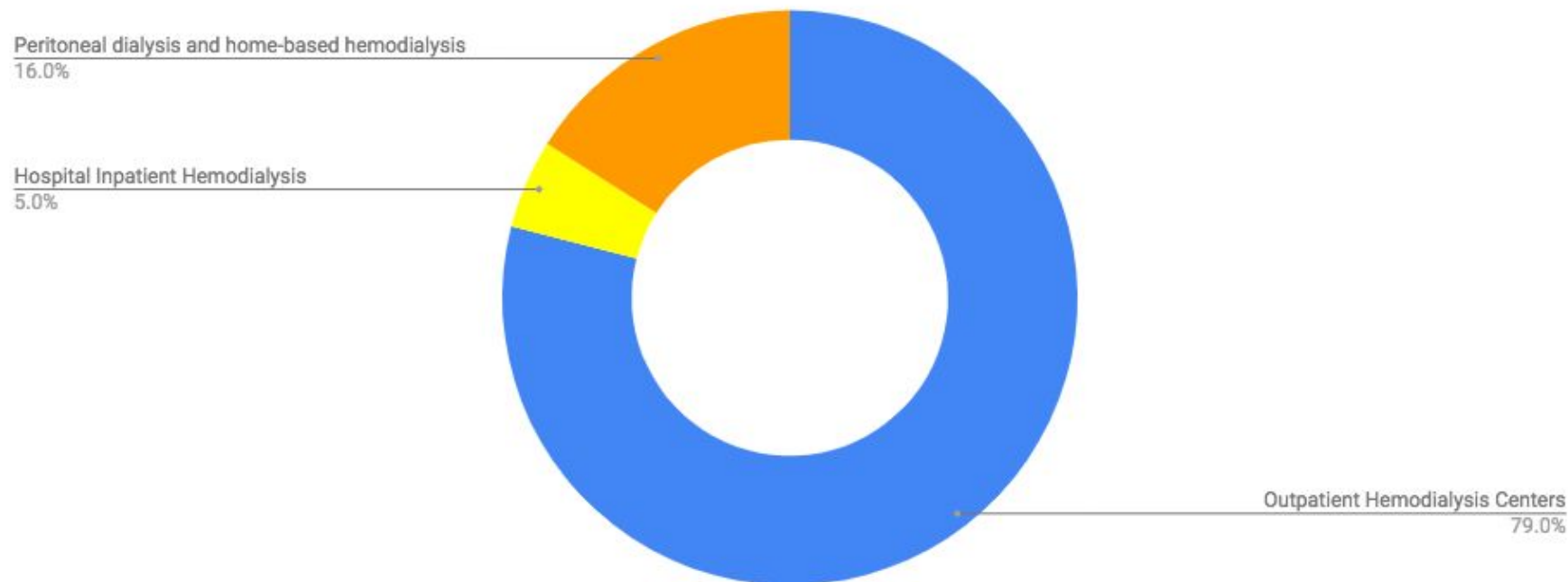
Revenues & Acquisitions

Consolidated Statements of Income (dollars in thousands, except per share data)

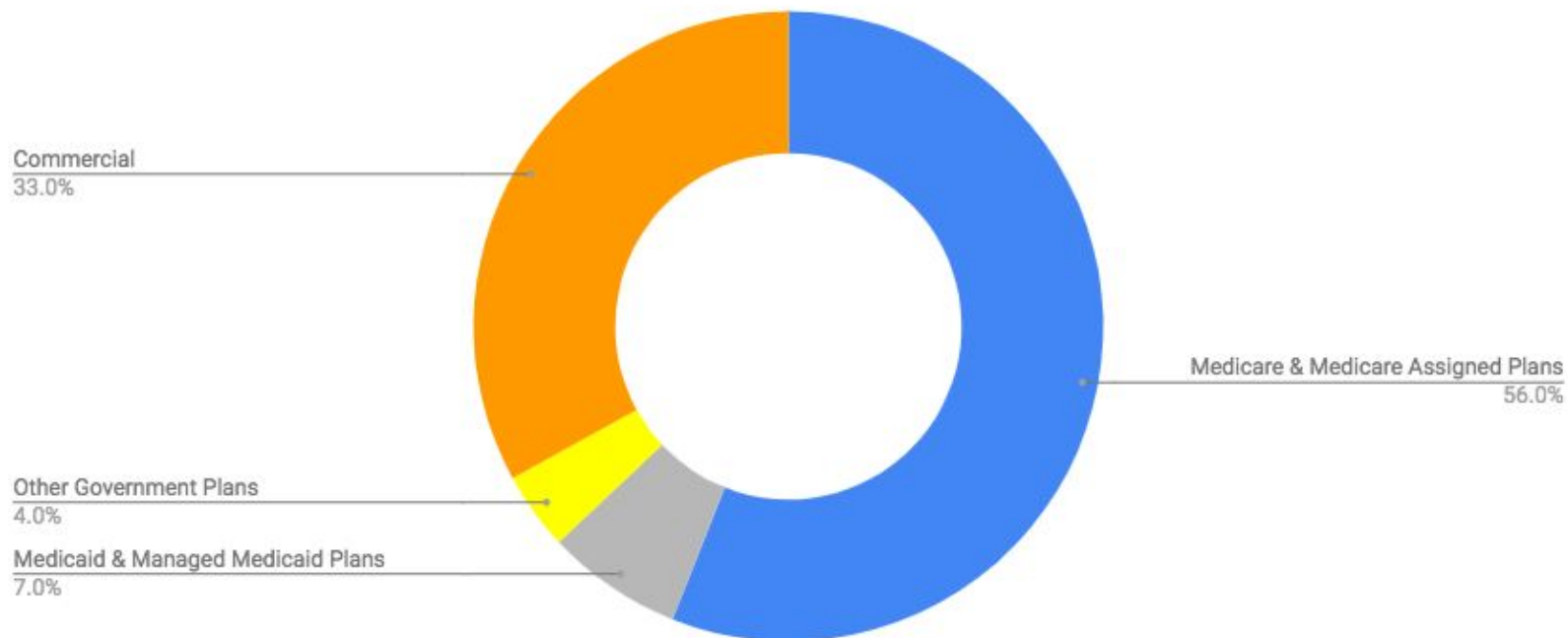
	Year ended December 31,		
	2017	2016	2015
Dialysis and related lab patient service revenues	\$ 10,093,670	\$ 9,727,360	\$ 9,155,447
Less: Provision for uncollectible accounts	(485,398)	(431,308)	(412,905)
Net dialysis and related lab patient service revenues	9,608,272	9,296,052	8,742,542
Other revenues	1,268,362	1,411,415	1,239,703
Total net revenues	10,876,634	10,707,467	9,982,245

	Year ended December 31,		
	2017	2016	2015
Cash flows from investing activities:			
Acquisitions	(803,879)	(563,856)	(96,469)

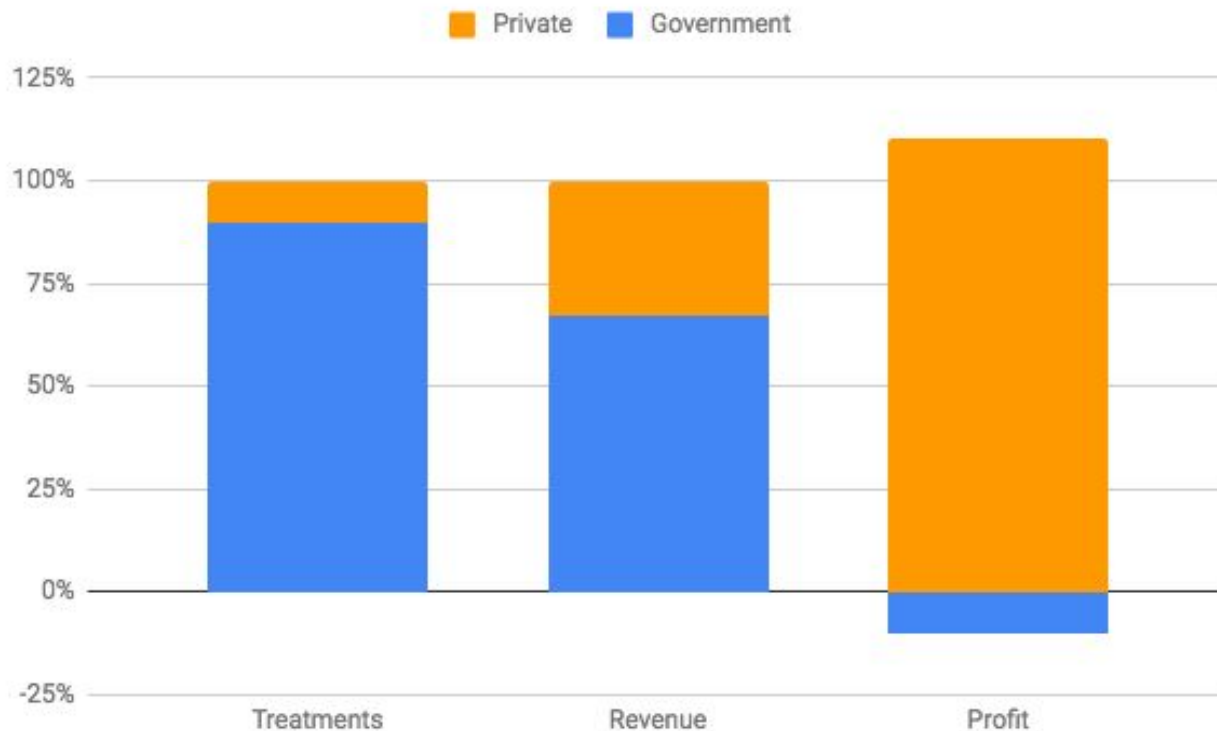
Dialysis Revenue by Modality



Payor Mix

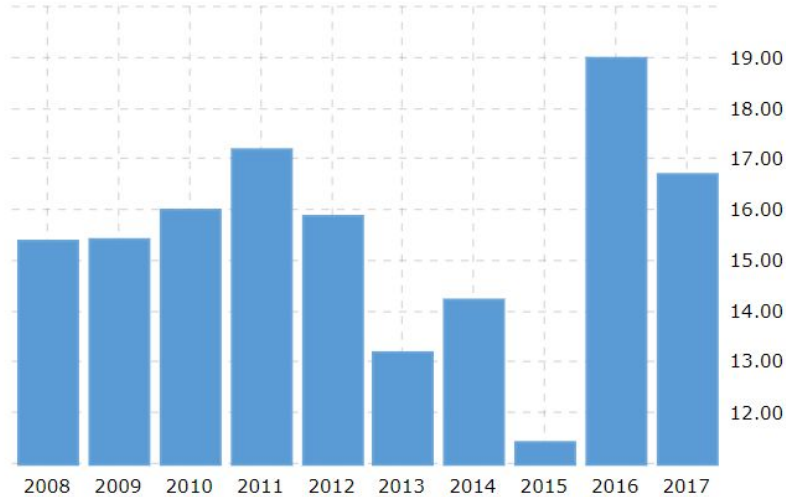


Private vs. Government



Financial Trends

DVA - Operating Margin
Annual Values



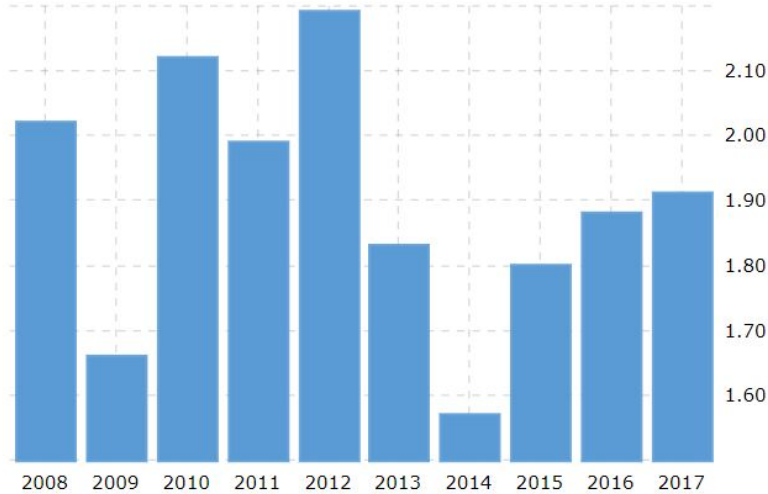
DVA - ROA - Return on Assets
Annual Values



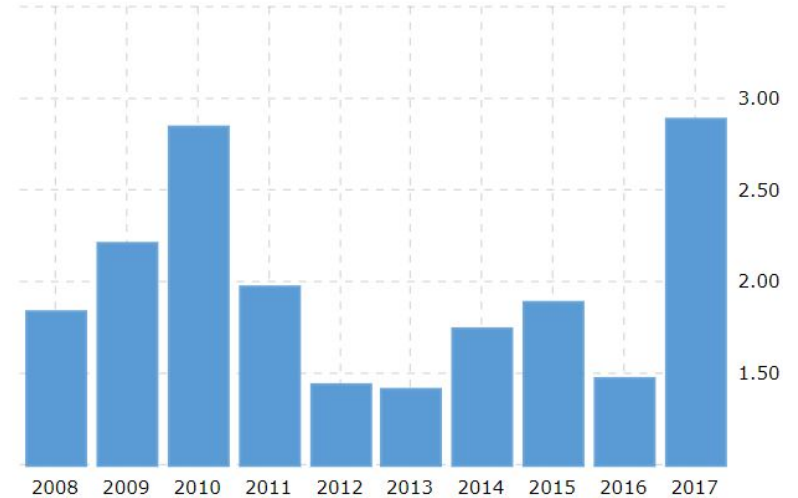
Strength of Balance Sheet

— — —

DVA - Debt/Equity Ratio
Annual Values



DVA - Current Ratio
Annual Values



Fresenius Medical Care



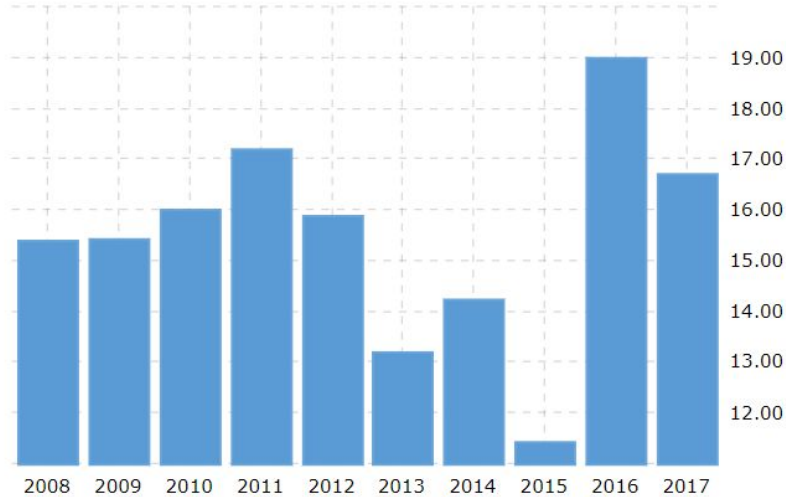
DaVita vs. Fresenius Stock Prices



Operating Margin Comparison

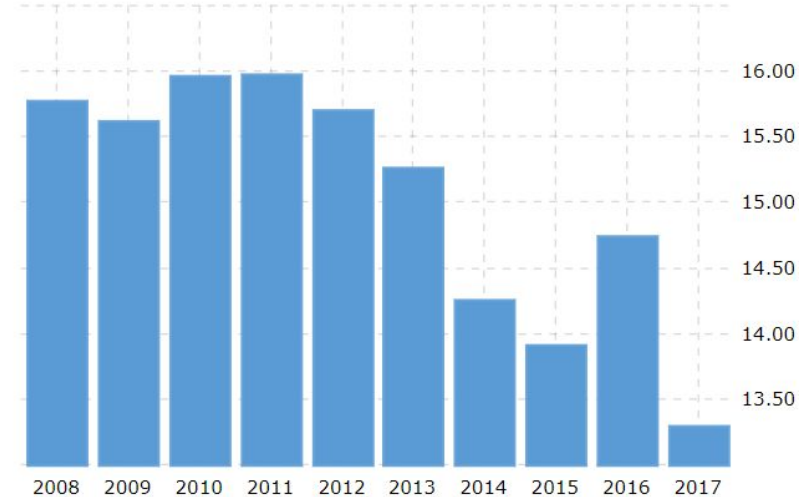
DaVita

DVA - Operating Margin
Annual Values



Fresenius

FMS - Operating Margin
Annual Values



Return on Assets Comparison

DaVita

DVA - ROA - Return on Assets
Annual Values



Fresenius

FMS - ROA - Return on Assets
Annual Values



Current Challenges

— — —

- Complex federal and state health regulations and laws
- Medicare and Medicaid payment rules and regulations
- Disruptions in federal government
 - Individual mandate (ACA)



History of Fraud

2012

\$495M

- Atlanta whistleblower case settlement

2014

\$389M

- Kickback incentives to doctors settlement

2018

\$38.5M

- Colorado wrongful death lawsuits

\$270M

- Medicare coding fraud

Impacts of Changing Payment Reform

2010

Affordable Care Act

- Insurance Exchanges
- Tax provisions for insurers
- Broader regulatory requirements
- FFS to P4P

2011

Budget Control Act

- Reduce Medicare payments yearly through 2027

2017

ESRD Prospective Payment System

- 2% bundled payment reduction based on quality measures

2018

Prop 8 (CA)

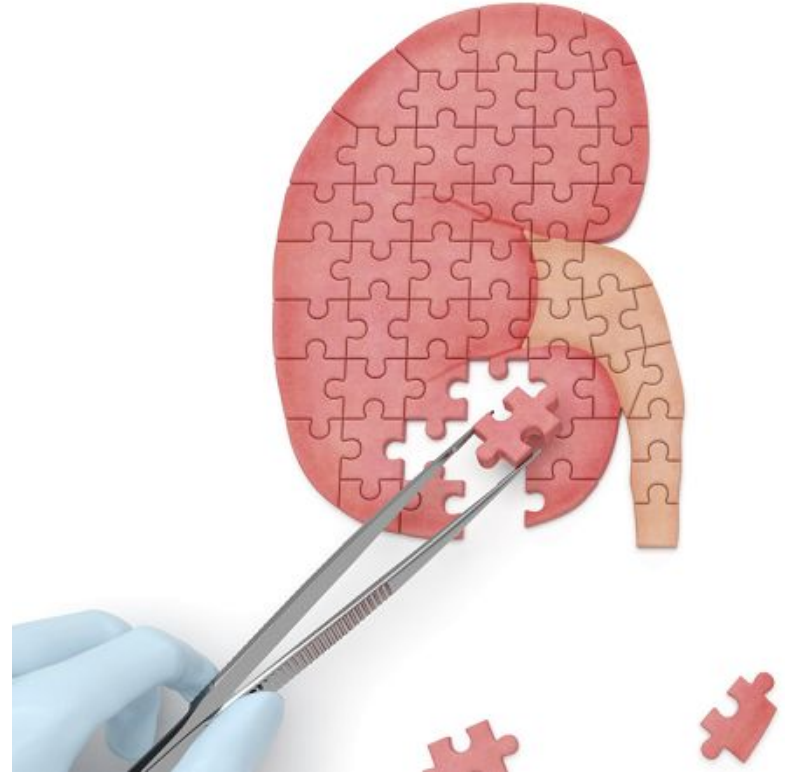
- Profit cap



Future Directions and Innovations

— — —

- Growing international presence
- Care coordination projects
- Private insurer and pharmaceutical partnerships
 - Highmark in 2018, Amgen in 2017
- Risk management and treatment software



We would recommend investing in DaVita because:

1. Good and consistent operating margin
2. Historically high ROA
3. Low debt/equity ratio
4. Dialysis treatment is a life-saving and a growing service
5. Expanding global presence