



FRESENIUS MEDICAL CARE

Sweetwater, TN | 15-Year Absolute NNN Lease | Corporate Guarantee

Actual Location

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FRESENIUS MEDICAL CARE

783 NEW HIGHWAY 68, SWEETWATER, TENNESSEE 37874

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\$18.5 B

FRESENIUS MEDICAL CARE
GENERATED \$18.5 BILLION IN
REVENUE FOR 2018⁽¹⁾

BBB-

FRESENIUS MEDICAL CARE HOLDINGS,
INC. (GUARANTOR) HAS AN INVESTMENT
GRADE CREDIT RATING FROM S&P


Fresenius
Medical Care
Skyway Dialysis

TENANT OVERVIEW

FRESENIUS MEDICAL CARE
SWEETWATER, TN

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(1) All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. Lease is guaranteed by the US entity, Fresenius Medical Care Holdings, Inc.

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FRESENIUS MEDICAL CARE⁽¹⁾

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases of which around 3.4 million patients worldwide regularly undergo dialysis treatment. Through its network of 3,928 dialysis clinics, Fresenius Medical Care provides dialysis treatments for 333,331 patients around the globe. Fresenius Medical Care has over 112,658 employees in more than 50 countries. Fresenius Medical Care is also the leading provider of dialysis products such as dialysis machines or dialyzers. Along with the core business, the company focuses on expanding the range of related medical services in the field of Care Coordination. Fresenius Medical Care is listed on the Frankfurt Stock Exchange (FME) and on the New York Stock Exchange (FMS).

- ▶ \$18.5 BILLION IN REVENUE / \$11.5 BILLION NET WORTH (2018)
- ▶ AVERAGE ANNUAL GROWTH OF 15% OVER THE LAST 20 YEARS
- ▶ INVESTMENT GRADE TENANT - S&P RATED BBB- / MOODY'S RATED BAA3⁽²⁾
- ▶ FRESENIUS MEDICAL CARE EMPLOYS MORE THAN 112,658 PEOPLE, INCLUDING OVER 60,000 IN NORTH AMERICA
- ▶ FRESENIUS MEDICAL CARE SERVES 333,331 PATIENTS IN MORE THAN 50 COUNTRIES ACROSS 3,928 CLINICS
- ▶ EVERY 0.6 SECONDS A DIALYSIS TREATMENT IS PERFORMED BY FRESENIUS MEDICAL CARE

FRESENIUS MEDICAL CARE AT A GLANCE



333,331
PATIENTS
SERVED



50 M
TREATMENTS



3,928
CLINICS
WORLDWIDE



42
PRODUCTION
SITES



112,658
EMPLOYEES

(1) All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. Lease is guaranteed by the US entity, Fresenius Medical Care Holdings, Inc.

Sources: www.freseniusmedicalcare.com, Yahoo Finance, Standard & Poor's, Moody's.

(2) S&P Credit Rating is for Fresenius Medical Care Holdings, Inc., the Lease Guarantor

Source: www.freseniusmedicalcare.com.

NEW 15-YEAR ABSOLUTE NNN LEASE

NO LANDLORD MAINTENANCE
RESPONSIBILITIES

ANNUAL CPI INCREASES

CPI INCREASES
CAPPED AT 2%

**Fresenius
Medical Care**
Skyway Dialysis

INVESTMENT OVERVIEW

FRESENIUS MEDICAL CARE
SWEETWATER, TN

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INVESTMENT OVERVIEW

NEW 15-YEAR LEASE WITH ANNUAL CPI INCREASES

New 15-year Absolute NNN lease with annual CPI rent increases (Capped at 2%). There are an additional three, 5-Year Renewal Option Periods.

ABSOLUTE NNN LEASE

Unlike the standard dialysis center leases with significant Landlord responsibilities (such as roof, structure, parking lot and HVAC replacement), the Subject Property has an absolute NNN lease structure that provides an investor with a long-term, passive income stream with no landlord maintenance responsibilities whatsoever.

WELL-ESTABLISHED LOCATION WITH STRONG DEMOGRAPHICS

The Subject Property has a 10-year operational history at this location and is situated along New Highway 68, the main east-west corridor in Sweetwater. The facility is located near Subway, Walmart, Sonic Drive-In, Dollar Tree, Taco Bell, Walgreens, Domino's Pizza, BB&T Bank, Pizza Hut, O'Reilly Auto Parts and many regional retailers. Since year 2000, the region has experienced a 14.2% percent increase in population as a major retail hub and midway point between Knoxville and Chattanooga.

INVESTMENT GRADE TENANT

Fresenius Medical Care Holdings, Inc., the Guarantor under the Lease, carries an Investment Grade Credit Rating of "BBB-" from S&P and "Baa3" from Moody's. Unlike many other dialysis center leases, the Guarantee does not expire at the end of the primary term. The lease is guaranteed by Fresenius Medical Care Holdings, Inc.

FRESENIUS MEDICAL CARE⁽¹⁾

- Fresenius Medical Care reported \$18.5 Billion in revenue and a net worth of \$11.5 Billion (2018)
- Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases of which approximately 3.4 million patients worldwide regularly undergo dialysis treatment
- Revenue in North America, approximately 72% of Fresenius Medical Care's total revenue, increased 8% from the previous year
- Fresenius Medical Care serves 333,331 patients in more than 50 countries across 3,928 clinics
- Fresenius Medical Care employs more than 112,658 people in more than 50 countries around the world, which includes over 60,000 in North America

(1) All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. Lease is guaranteed by the US entity, Fresenius Medical Care Holdings, Inc., which carries an investment grade credit rating of "BBB-" from S&P and "Baa3" from Moody's.
Sources: www.freseniusmedicalcare.com, Yahoo Finance, Standard & Poor's, Moody's, www.monroecountychamber.org



Shaded parcel is approximate and the actual property boundary may vary. Buyer will need to verify during their Due Diligence period.

OFFERING HIGHLIGHTS

FRESENIUS MEDICAL CARE | SWEETWATER, TN

783 NEW HIGHWAY 68, SWEETWATER, TENNESSEE 37874

OFFERING PRICE

\$2,962,157

CAP RATE

5.75%

Net Operating Income	\$170,324
Lease Type	Absolute NNN
Lease Commencement	12/21/2018
Lease Expiration Date	12/31/2033
Year Built	2009 ⁽¹⁾
Rentable Area	8,753 SF ⁽¹⁾
Lot Size	1.172 Acres ⁽¹⁾
Increases	Annual CPI Increases (Capped at 2%)
Options	(3) Five-Year Options
Guarantor	Fresenius Medical Care Holdings, Inc. ⁽¹⁾
S&P Rating	BBB- / Stable (Investment Grade) ⁽¹⁾

(1) Rentable Area, Lot Size, Year Built, Guarantor, and S&P Rating are estimates. Buyer is responsible for verifying during the Due Diligence process.

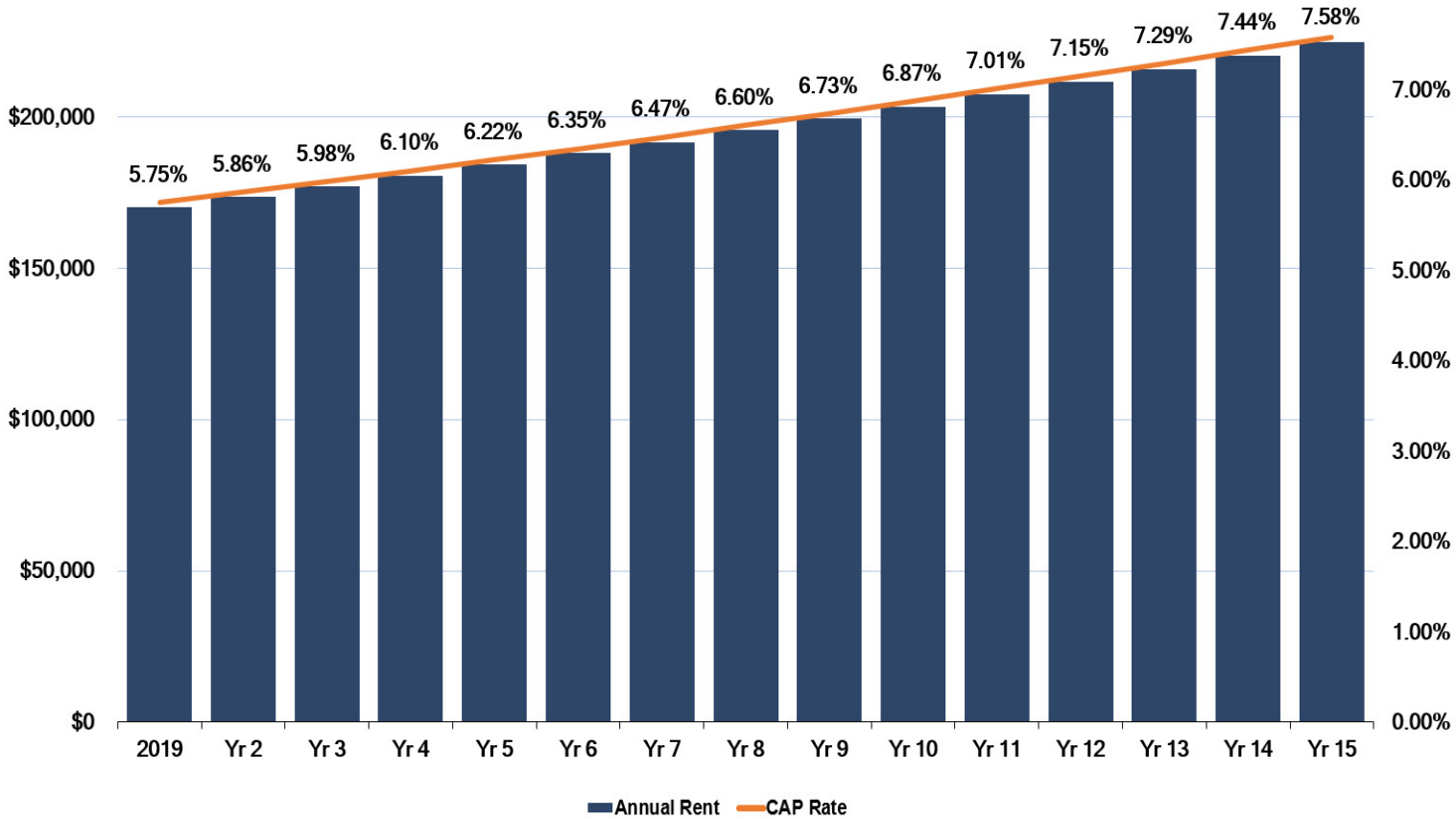
RENT ROLL

TENANT INFO		LEASE TERMS		CURRENT	RENT INCREASES		LEASE	
GUARANTOR	RENTABLE AREA	COMMENCEMENT	EXPIRATION	ANNUAL BASE RENT	YEARS 1-15	OPTIONS	NEXT ESCALATION	TYPE
FRESENIUS MEDICAL CARE HOLDINGS, INC.	8,753 SF ⁽¹⁾	12/21/2018	12/31/2033	\$170,324	CPI INCREASES (CAPPED AT 2%)	3, 5-YEAR RENEWAL OPTIONS	1/2020	ABSOLUTE NNN

RENT SCHEDULE⁽²⁾

Lease Years	Possible Increases	Annual Rent
2019	CPI Capped at 2%	\$170,324
Year 2	CPI Capped at 2%	\$173,730
Year 3	CPI Capped at 2%	\$177,205
Year 4	CPI Capped at 2%	\$180,749
Year 5	CPI Capped at 2%	\$184,364
Year 6	CPI Capped at 2%	\$188,051
Year 7	CPI Capped at 2%	\$191,812
Year 8	CPI Capped at 2%	\$195,649
Year 9	CPI Capped at 2%	\$199,562
Year 10	CPI Capped at 2%	\$203,553
Year 11	CPI Capped at 2%	\$207,624
Year 12	CPI Capped at 2%	\$211,776
Year 13	CPI Capped at 2%	\$216,012
Year 14	CPI Capped at 2%	\$220,332
Year 15	CPI Capped at 2%	\$224,739

CAP RATE GROWTH CHART⁽²⁾



(2) Lease increases annually by CPI (Capped at 2%). Chart assumes 2% annual increases. Pro forma returns shown above are not guaranteed and does not take into consideration any unforeseen expenses. Buyer must conduct their own due diligence to confirm these estimates.

10-YEAR OCCUPATIONAL HISTORY

THE SUBJECT PROPERTY IS THE ONLY FRESENIUS MEDICAL CARE FACILITY IN SWEETWATER, THE NEXT NEAREST FRESENIUS LOCATION IS 14 MILES AWAY

REGIONAL RETAIL HUB

SWEETWATER IS MIDWAY BETWEEN CHATTANOOGA AND KNOXVILLE, SERVING AS THE REGION'S MAIN RETAIL, COMMERCIAL AND ECONOMIC HUB



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LOCATION & MARKET OVERVIEW

FRESENIUS MEDICAL CARE
SWEETWATER, TN

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LOCATION OVERVIEW



WELL-ESTABLISHED
DIALYSIS CENTER WITH
A 10-YEAR OPERATIONAL
HISTORY IN SWEETWATER

REGIONAL RETAIL AND
COMMERCIAL HUB
SITUATED MIDWAY
BETWEEN KNOXVILLE
AND CHATTANOOGA

THE POPULATION IN
MONROE COUNTY HAS
GROWN 14.2% SINCE
YEAR 2000

TENNESSEE RANKED #12 ON 2018 FORBES LIST OF “BEST STATES FOR BUSINESS”

It is of no surprise the gem of the Great Smoky Mountains was recognized on the 2018 Forbes list of “Best States for Business”. With a Moody’s Bond Rating of “Aaa” and the cost of doing business 4.7% below the national average, Tennessee is a dynamic mix of preserved battlegrounds and relics of the Civil War, unrivaled blends of rockabilly and bluegrass, breathtaking outdoor adventure and savory farm-to-table cuisine. While ridge upon ridge of forest straddles the border between North Carolina and Tennessee, the Great Smoky Mountains National Park is notably America’s most visited national park. A hiker’s paradise with over 800 miles of maintained trails and backcountry camping, the Smokies is a sanctuary for a magnificent array of animals and plant life. Aside from the majestic scenery, Tennessee boasts award-winning regional medical centers and top notch education. Marking the third year in a row, Covenant Health was named one of “America’s Best Employers” by Forbes Magazine. As the region’s largest employer, this healthcare network has nine acute-care hospitals, more than 10,000 employees, 1,500 affiliated physicians and delivers quality care to thousands of patients throughout East Tennessee. Demographic trends in the region reflect an 8% increase in population between 2008 and 2017, a faster pace than the nation itself. Health services is consistently one of the area’s fastest growing sectors in tandem with the state’s right-to-work legislation and historically low unionization rates of 5.7%. Nashville alone is home to more than 500 health care companies with operations working on a multi-state, national or international basis and 17 publicly traded health care companies.

The region has experienced impressive growth in annual venture capital investment dollars, specifically 26 investments totaling over \$940 million into health care ventures from 2005 to 2015. New ventures are the driving force in this ecosystem and are leading the way in capturing the attention of regional and national investors. A recent study conducted by the University of Tennessee estimates that by 2040, the state’s population is expected to grow to 7.84 million residents, with expected growth of about 50,000 per year.

Sources: www.forbes.com, www.tnvacation.com, www.monroecountychamber.org, www.news.utk.edu





Shaded parcel is approximate and the actual property boundary may vary. Buyer will need to verify during their Due Diligence period.

AERIAL VIEW

The subject property is located at 783 New Highway 68 on the main east-west retail corridor through the city of Sweetwater. Serving as a major retail and commercial hub, Sweetwater is situated midway between Knoxville and Chattanooga.



HOUSEHOLD INCOME

YEAR 2018	1 MILE	3 MILES	5 MILES
AVERAGE	\$48,990	\$49,372	\$50,753
MEDIAN	\$34,493	\$38,625	\$40,307

POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2023 Projection Total Population	2,397	8,155	13,745
2018 Census Total Population	2,331	7,863	13,148
2010 Census Total Population	2,319	7,787	12,922

Source: Marcus & Millichap Research Services, CoStar



TENNESSEE

Recognized on the 2018 Forbes list of “Best States for Business”, Tennessee is also known as the gem of the Great Smoky Mountains. With a Moody’s Bond Rating of “Aaa” and the cost of doing business 4.7% below the national average, Tennessee is an eclectic mix of historical landmarks of the Civil War, revolutionary sounds of jazz and rock ‘n’ roll, majestic landscapes and award-winning eateries. While ridge upon ridge of forest straddles the border between North Carolina and Tennessee, the Great Smoky Mountains National Park is notably America’s most visited national park. A hiker’s paradise with over 800 miles of maintained trails and backcountry camping, the Smokies is a sanctuary for a magnificent array of animals and plant life. Aside from the majestic scenery, Tennessee boasts premier regional medical centers and top-tier education. Marking the third year in a row, Covenant Health was named one of “America’s Best Employers” by Forbes Magazine. As the region’s largest employer, this healthcare network has nine acute-care hospitals, more than 10,000 employees, 1,500 affiliated physicians and delivers quality care to thousands of patients throughout East Tennessee. Demographic trends in the region reflect an 8% increase in population between 2008 and 2017, a faster pace than the nation itself. Health services is consistently one of the area’s fastest growing sectors in tandem with the state’s right-to-work legislation and historically low unionization rates of 5.7%. Nashville alone is home to more than 500 health care companies with operations working on a multi-state, national or international basis and 17 publicly traded health care companies.

The soundtrack of America was made in Tennessee. The birth of rock and soul music involves much more than guitars and drumsticks. Showcasing the story of musical pioneers, the great state of Tennessee is the most musically charged place in the nation. With a healthy reputation as the urban playground of music, history and world-class attractions, come and feel the passion for sound, BBQ and a unique culture that pulses throughout the state. Tennessee is filled with regional crafts, galleries, heavily-wooded terrain and distilleries. A weekend exploring Chattanooga and Knoxville, Nashville and Memphis will turn anyone into a lifelong fan.



“MUSIC CITY USA”
DOWNTOWN NASHVILLE



FRESENIUS MEDICAL CARE | Sweetwater, TN | 15-Year Absolute NNN Lease

Corporate Guarantee

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