



7,261  
CARS PER DAY

HIGHLAND BLVD



ABSOLUTE NNN LEASE | ANNUAL RENT INCREASES | INVESTMENT GRADE

FRESENIUS MEDICAL CARE

NATCHEZ, MS



FRESENIUS  
MEDICAL CARE



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# ABSOLUTE NNN LEASE

SUPERIOR IN COMPARISON TO THE STANDARD  
DOUBLE NET LEASE FROM FRESENIUS AND DAVITA

# LEASE COMPARISON

FRESENIUS MEDICAL CARE  
NATCHEZ, MS

Marcus & Millichap

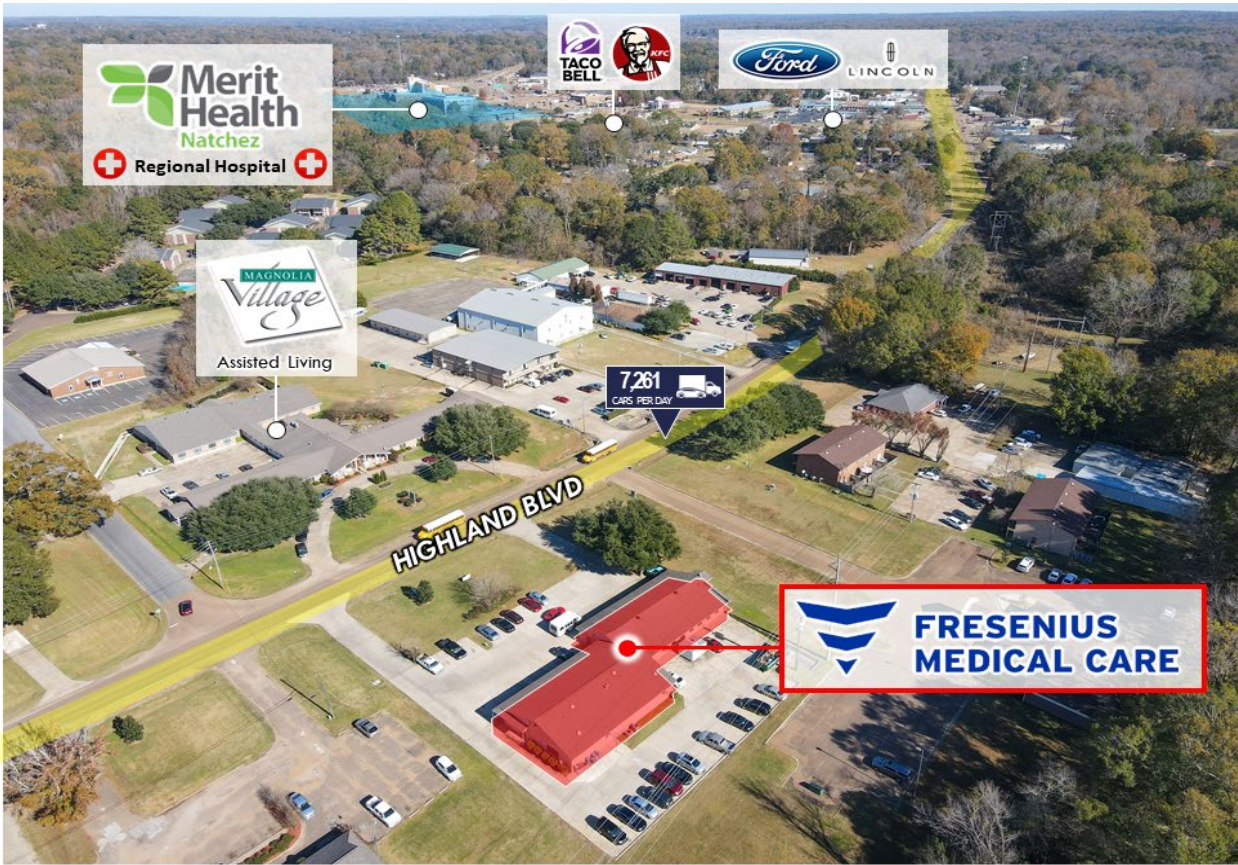
This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap ACT ID ZAC0940015

# STANDARD DIALYSIS CENTER LEASES VS. SUBJECT PROPERTY<sup>(1)</sup>

	DaVita Dialysis Standard Lease	<b>SUBJECT PROPERTY</b> Fresenius Medical Care	Fresenius Medical Care Standard Lease
Primary Lease Term	15 Years	<b>17 Years</b> (Original 20-year term)	15 Years
Lease Type	Double Net (Landlord responsibilities include repairs to the roof and structure as well as replacement of the HVAC and parking lot)	<b>Absolute NNN</b> (No landlord maintenance responsibilities whatsoever)	Double Net (Landlord responsibilities include repairs to the roof and structure as well as replacement of the HVAC and parking lot)
Rent Increases	10% every 5-years	<b>Annual CPI Increases</b> (1% min, 2% max)	10% every 5-years, or 1.7% annually

# SUBJECT PROPERTY LEASE HIGHLIGHTS<sup>(1)</sup>

- ▶ Absolute NNN lease - Eliminates the risk during the primary term of the Lease of having to repair or replace the roof, structure, HVAC or the parking lot during the lease term
- ▶ 17 years remaining on original 20-year lease term - An additional two years of lease term over the standard Fresenius lease, which is typically 15 years
- ▶ Annual rent escalations (Minimum 1% - Maximum 2% based on CPI) - Immediate upside in rent



(1) Lease Comparisons and cash flow projections are for informational purposes only and subject to change. Proforma returns contained herein do not take into consideration any unforeseen expenses, if any. Buyer must verify and conduct their own Due Diligence.



\$18.03B<sup>(1)</sup>

FRESENIUS MEDICAL CARE GENERATED  
\$18.03 BILLION IN REVENUE FOR THE  
TRAILING 12 MONTHS<sup>(1)</sup>

BBB

FRESENIUS MEDICAL CARE HOLDINGS  
INC. (LEASE GUARANTOR) HAS AN  
INVESTMENT GRADE “BBB” CREDIT  
RATING FROM S&P

\$11.96B<sup>(1)</sup>

FRESENIUS MEDICAL CARE HAS A TOTAL  
NET WORTH OF \$11.96 BILLION FOR 2019

# TENANT OVERVIEW

FRESENIUS MEDICAL CARE  
NATCHEZ, MS

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(1) As of Q32020. All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. Lease is guaranteed by the U.S. entity, Fresenius Medical Care Holdings, Inc.

## COMPANY OVERVIEW<sup>(1)</sup>



### CREATING A FUTURE WORTH LIVING FOR PATIENTS WORLDWIDE

Fresenius Medical Care is the world's leading provider of products and services for people with chronic kidney failure. Around 3.5 Million patients with this disease worldwide regularly undergo dialysis treatment. Dialysis is a vital blood cleansing procedure that substitutes the function of the kidney in case of kidney failure. Fresenius Medical Care offers products and services along the entire dialysis value chain from a single source. We care for more than 349,000 patients in our global network of more than 4,000 dialysis clinics. At the same time, we operate 45 production sites on all continents, to provide dialysis products such as dialysis machines, dialyzers and related disposables. Fresenius Medical Care has more than 126,000 employees in around 50 countries. Our strategy is geared toward sustainable growth. We aim to continuously improve the quality of life of patients with kidney disease by offering innovative products and treatment concepts of the highest quality. Fresenius Medical Care is listed on the Frankfurt Stock Exchange (FME) and the New York Stock Exchange (FMS).

- ▶ \$18.03 BILLION IN REVENUE (TTM Q3 2020) / \$13.2 BILLION NET WORTH (2019)
- ▶ FRESENIUS MEDICAL CARE PERFORMED APPROXIMATELY 52 MILLION DIALYSIS TREATMENTS IN 2019
- ▶ INVESTMENT GRADE GUARANTOR - S&P RATED BBB/STABLE & MOODY'S RATED BAA3/STABLE<sup>(2)</sup>
- ▶ AVERAGE ANNUAL GROWTH OF 15% OVER THE LAST 20 YEARS
- ▶ FRESENIUS MEDICAL CARE EMPLOYS MORE THAN 120,600 PEOPLE, INCLUDING OVER 67,000 IN NORTH AMERICA
- ▶ FRESENIUS MEDICAL CARE SERVES 345,000 PATIENTS IN MORE THAN 50 COUNTRIES ACROSS 4,000 CLINICS
- ▶ EVERY 0.6 SECONDS A DIALYSIS TREATMENT IS PERFORMED BY FRESENIUS MEDICAL CARE

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

Sources: [www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com), Yahoo Finance, Standard & Poor's, Moody's.

(2) Fresenius Medical Care Holdings, Inc., the Guarantor under the Lease, has been rated "BBB/Stable" from S&P and carries a rating of "Baa3/Stable" from Moody's, which are both Investment Grade according to each agency's credit rating scales. This information must be verified by Buyer.

Sources: [www.standardandpoors.com](http://www.standardandpoors.com), [www.moody.com](http://www.moody.com)

## FRESENIUS AT A GLANCE<sup>(1)</sup>



4,000  
DIALYSIS  
CENTERS



120,600  
EMPLOYEES  
WORLDWIDE



3.5 MILLION  
PATIENTS UNDERGO  
DIALYSIS TREATMENT



135,000  
HEMODIALYSIS  
MACHINES



349,000  
PATIENTS  
SERVED



52 MILLION  
TREATMENTS  
PER YEAR



350  
RESEARCH  
SITES



45  
PRODUCTION  
SITES



We are the only company in our industry bringing together our expertise in patient care with the development of industry-leading technologies, products and services. We take great pride in the superior care we give to our patients and the best-in-class service we provide to our customers.



**BILL VALLE**  
CEO

Fresenius Medical Care  
North America

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

Sources: [www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com), Yahoo Finance, Standard & Poor's, Moody's.

# ANNUAL RENT INCREASES

1-2% ANNUAL INCREASES  
(BASED ON CPI)

# INVESTMENT OVERVIEW

FRESENIUS MEDICAL CARE  
NATCHEZ, MS

Marcus & Millichap

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# INVESTMENT OVERVIEW<sup>(1)</sup>

## RARE 20-YEAR ORIGINAL LEASE TERM WITH ANNUAL CPI INCREASES

20-year (17-years remaining) Absolute NNN lease with annual CPI rent increases (1% floor, 2% max). 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. (See Market Lease Comparison)

## WELL-ESTABLISHED LOCATION IN CLOSE PROXIMITY TO MERIT HEALTH HOSPITAL

Fresenius has a 39-year operational history at this location situated just one-mile from Merit Health Natchez, a 179-bed acute care facility providing an array of medical services to patients in five Mississippi counties and two Louisiana parishes.

## INVESTMENT GRADE LEASE GUARANTOR<sup>(1)</sup>

Fresenius Medical Care Holdings, Inc., the Guarantor under the Lease, has been rated “BBB/Stable” by S&P and carries a rating of “Baa3/Stable” from Moody’s, which are both Investment Grade according to each agency’s credit rating scales. This information must be verified by Buyer.

## FRESENIUS MEDICAL CARE CORPORATE LEASE<sup>(1)</sup>

- Fresenius Medical Care reported \$18.03 Billion in revenue (TTM Q3 2020) and a net worth of \$13.2 Billion (2019)
- Fresenius Medical Care is the world’s largest provider of products and services for individuals with renal diseases of which approximately 3.5 Million patients worldwide regularly undergo dialysis treatment
- Fresenius Medical Care performed 52 Million dialysis treatments in 2019
- Every 0.6 seconds Fresenius Medical Care provides a dialysis treatment (2019)
- Fresenius Medical Care serves 349,000 patients in more than 50 countries across 4,000 clinics

<sup>(1)</sup> Fresenius Medical Care Holdings, Inc., the Guarantor under the Lease, has been rated “BBB/Stable” from S&P and carries a rating of “Baa3/Stable” from Moody’s, which are both Investment Grade according to each agency’s credit rating scales. This information must be verified by Buyer.

Sources: www.standardandpoors.com, www.moody.com www.freseniusmedicalcare.com, Yahoo Finance

## FRESENIUS MEDICAL CARE CONTINUES SOLID REVENUE AND STRONG EARNINGS GROWTH IN THE THIRD QUARTER

October 29, 2020 | Fresenius Medical Care Press Release

- Operations maintained despite COVID-19, impact on patients minimized
- Financial targets for FY 2020 confirmed inclusive of anticipated COVID-19 effects

“The global COVID-19 pandemic has posed further challenges to us in the third quarter; and it will be a sizable challenge to be managed also in the months to come”, said Rice Powell, Chief Executive Officer of Fresenius Medical Care. “It is at times like these that the value of our strong network, of our vertically integrated, resilient business model and of the commitment of our entire Fresenius Medical Care team becomes evident – and proves to be decisive for fostering the wellbeing of our patients as well as creating value for our shareholders. On the back of our strong earnings development in the first nine months, we confirm our outlook for the financial year 2020. Thanks to the lessons learned from the first phase of the pandemic and our highly committed team, I am very confident that our company will successfully cope with COVID-19.”





OFFERING HIGHLIGHTS

FRESENIUS MEDICAL CARE

312 HIGHLAND BOULEVARD, NATCHEZ, MS 39120



FRESENIUS  
MEDICAL CARE

OFFERING PRICE

CAP RATE

AVERAGE CASH-ON-CASH YEARS 1-10

\$2,073,199

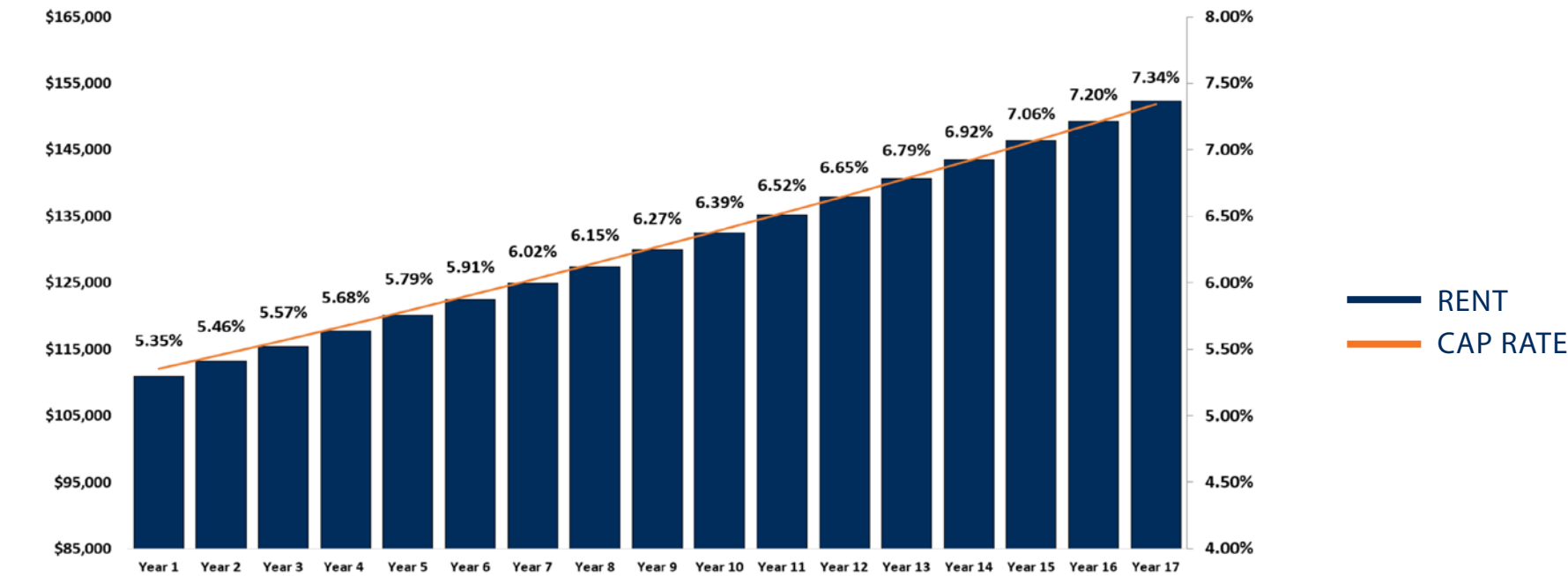
5.35%

6.73%

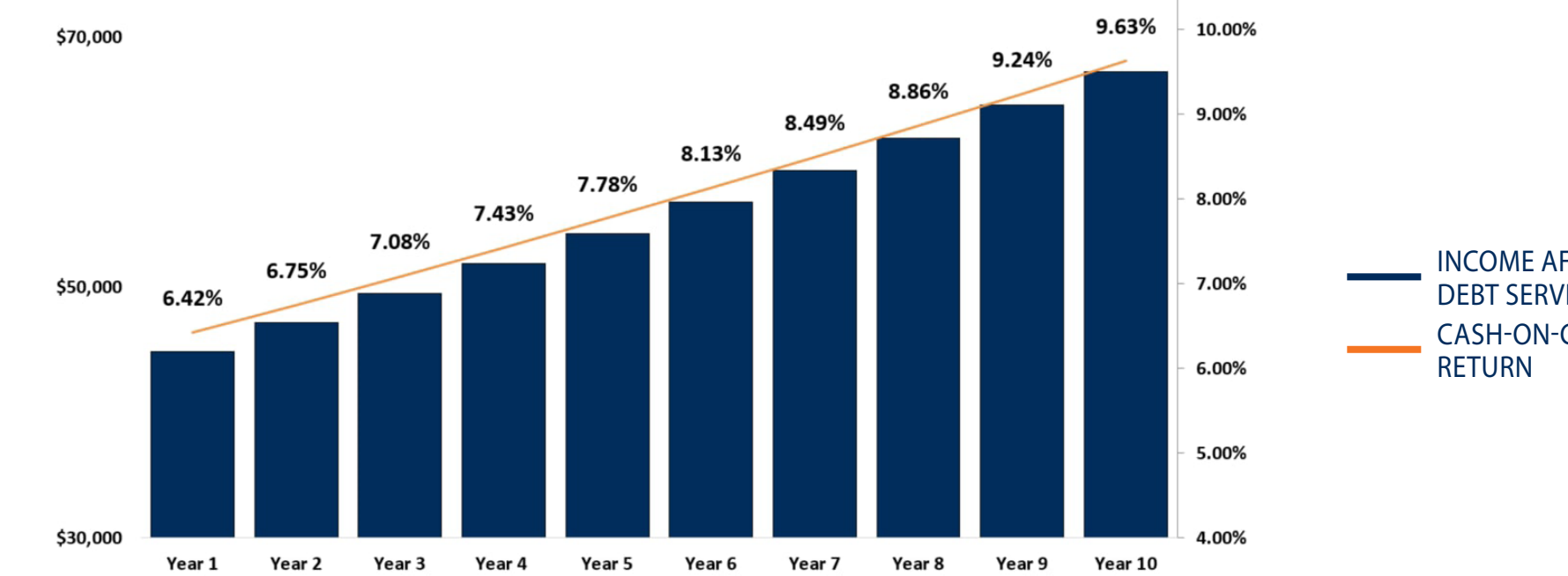
Lease Overview <sup>(1)</sup>		Potential Loan Scenario <sup>(3)</sup>	
Net Operating Income	\$110,916	Program	10-Yr Fixed Rate
Lease Type	Absolute NNN	Interest Rate	3.50% - 3.75%
Lease Commencement	12/28/2017	Down Payment	\$725,619
Lease Expiration Date	12/31/2037	LTV	65% - 70%
Year Built / Renovated	1982 / 2015 <sup>(1)</sup>	Amortization	30 Years
Rentable Area	7,324 SF <sup>(1)</sup>	10-Year Average Cash-on-Cash Return <sup>(2,3)</sup>	6.73%
Lot Size	0.79 Acres <sup>(1)</sup>	For questions on financing contact Farhan Kabani:	
Increases	Annual CPI Increases (1% Floor, 2% Max)	Farhan Kabani	
Options	(3) Five-Year Options	Mark One Capital	
		972.755.5301 direct	
Tenant	Renal Care Group, Inc. <sup>(1)</sup>	214.636.2595 mobile	
		888.317.1845 myfax	
Guarantor	Fresenius Medical Care Holdings, Inc. <sup>(1)</sup>	Farhan.Kabani@markonecapital.com	

(1) Year Built, Rentable Area, Lot Size, Lease Terms, Tenant and Lease Guarantor are approximate. Buyer will need to verify the accuracy of all information shown above during their Due Diligence period.  
(2) Potential Cash Flow chart assumes a 10-Year Fixed Interest Rate program with a 10-Year Maturity along with 2% annual rent increases. Lease includes annual CPI increases (1% floor, 2% max).  
(3) Pro forma returns are based on gross annual rent only and not guaranteed. Pro forma returns do not take into consideration any unforeseen market conditions that could negatively impact the Subject Property. Buyer must conduct their own due diligence to confirm the accuracy of these estimates. Financing options shown are subject to market changes.

POTENTIAL CAP RATE GROWTH<sup>(2,3)</sup>



POTENTIAL CASH-ON-CASH<sup>(2,3)</sup>



IN CLOSE PROXIMITY TO REGIONAL HOSPITAL

MERIT HEALTH NATCHEZ

- 179-BED ACUTE CARE FACILITY SERVING FIVE COUNTIES AND TWO LOUISIANA PARISHES
- EMERGENCY DEPARTMENT AND TRAUMA CARE
- ACCREDITATIONS FROM JOINT COMMISSION AND AMERICAN COLLEGE

LOCATION/MARKET  
OVERVIEW

FRESENIUS MEDICAL CARE  
NATCHEZ, MS

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LOCATION OVERVIEW



SITUATED WITHIN ONE-MILE FROM REGIONAL HOSPITAL

WELL-ESTABLISHED DIALYSIS FACILITY WITH 39-YEAR OPERATIONAL HISTORY

SITUATED ALONG MAIN ROAD WITH EXCELLENT VISIBILITY AND ACCESS

NATIONAL TENANTS IN THE SURROUNDING TRADE AREA INCLUDE WALGREENS, WALMART, DOLLAR GENERAL, NAPA AUTO, WENDY'S, TACO BELL, AND MANY MORE

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DEMOGRAPHICS



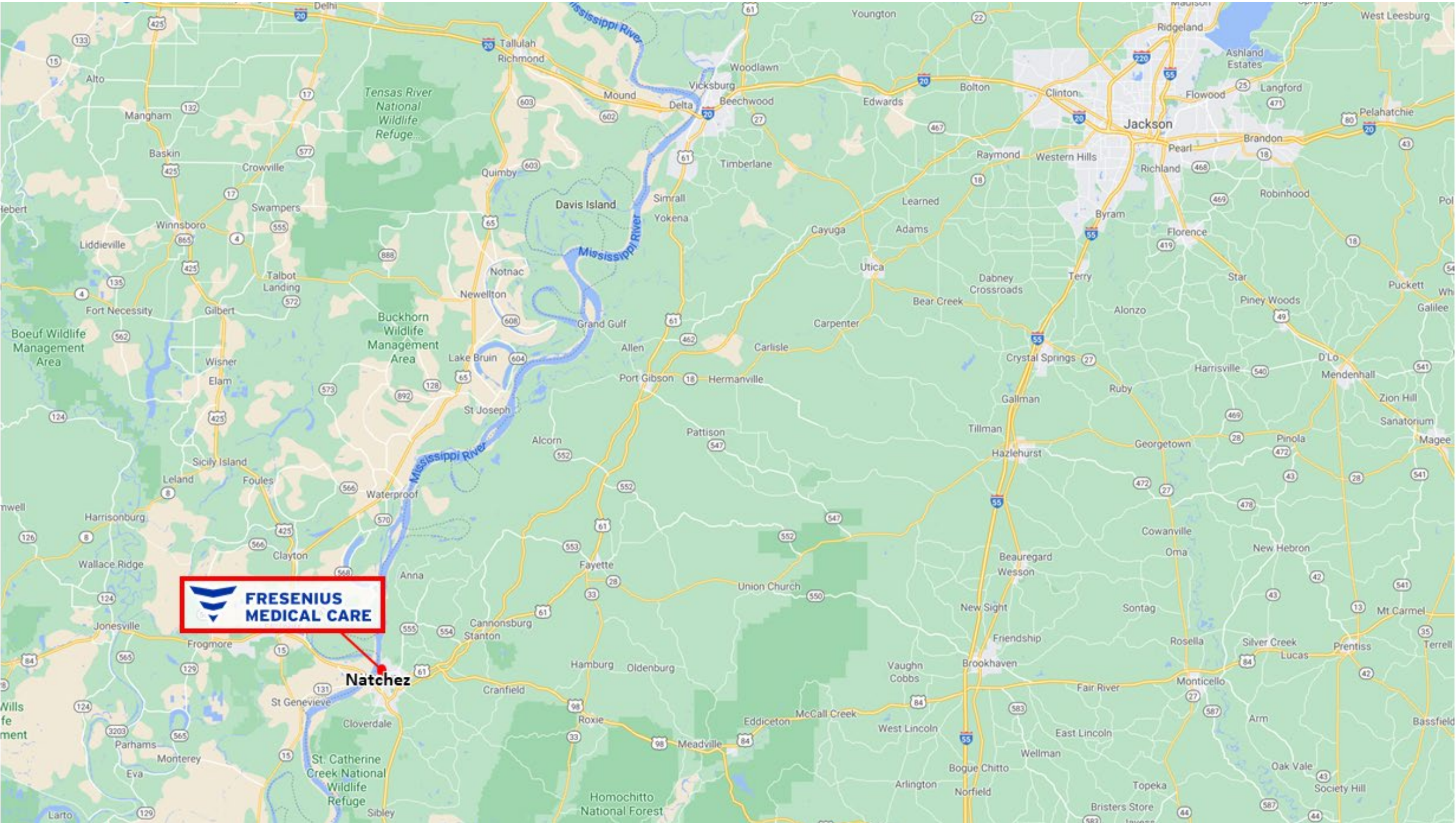
HOUSEHOLD INCOME

YEAR 2020	1 MILE	3 MILES	5 MILES
AVERAGE	\$73,863	\$60,102	\$54,128
MEDIAN	\$44,023	\$37,491	\$34,036

POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2025 Projection Total Population	1,450	10,722	23,679
2020 Census Total Population	1,466	10,855	24,058
2010 Census Total Population	1,515	11,187	25,040

Source: Marcus & Millichap Research Services, CoStar





## NATCHEZ, MISSISSIPPI

Natchez is the county seat of Adams County and situated along the Mississippi River. It's the oldest settlement on the Mississippi River and there are more antebellum houses in Natchez than any other place in the U.S. Festivals and celebrations occur often throughout the year and there are great outdoor attractions including golf, tennis, hiking, biking and fishing. The city is located approximately 90 miles southwest of Jackson, the capital of Mississippi and approximately 85 miles north of Baton Rouge, LA.

The subject property is situated within one-mile of the Merit Health Hospital, an 179-bed acute care facility serving the surrounding five counties and two Louisiana parishes.

According to the Dialysis Patient Citizens Education Center ([www.dpcedcenter.org](http://www.dpcedcenter.org)), there are 9,272 patients on dialysis treatment in the state of Mississippi. The number of global patients requiring continuous renal replacement therapy is set to rise to 1.6 million by 2030. As of 2018, 550,000 people are receiving life-sustaining dialysis treatment.



ACTUAL LOCATION





ABSOLUTE NNN LEASE | ANNUAL RENT INCREASES | INVESTMENT GRADE

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