



J.P. Morgan Healthcare Conference
January 2018



DaVita Inc. and its representatives may from time to time make written and oral forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (“PSLRA”), including statements in this presentation, filings with the Securities and Exchange Commission (“SEC”), reports to stockholders and in meetings with investors and analysts. All such statements in or during this presentation or other meetings, other than statements of historical fact, are forward-looking statements and as such are intended to be covered by the safe harbor for “forward-looking statements” provided by the PSLRA. Without limiting the foregoing, statements including the words “expect,” “will,” “plan,” “anticipate,” “believe,” “forecast,” “guidance,” “outlook,” “goals” and similar expressions are intended to identify forward-looking statements.

These forward-looking statements could include but are not limited to statements that identify uncertainties or trends or discuss the possible future effects of uncertainties or trends and statements regarding our future operations, financial condition and prospects, including the expected use of proceeds from the DMG sale transaction, the anticipated timing of the closing of the DMG sale transaction, and how we intend to operate our business and the types of investments we might pursue after the DMG sale transaction closes, the expected impact of federal tax reform legislation, expectations regarding changes in patient charitable premium assistance and the impact of such changes, the expected impact of the policy change for Medicaid patients seeking Affordable Care Act (ACA) plans, including our future operating income and other impacts of this policy change, expectations for treatment growth rates, revenue per treatment, expense growth, levels of the provision for uncollectible accounts receivable, operating income, adjusted operating income, cash flow, operating cash flow, free cash flow, estimated tax rates, estimated charges and accruals, our ability to recover any losses related to legal proceedings from third parties, capital expenditures, the development of new dialysis centers and dialysis center acquisitions, government and commercial payment rates, Medicare reimbursement outlook, revenue estimating risk and the impact of our level of indebtedness on our financial performance, including earnings per share.

Our actual results could differ materially from any forward-looking statements due to numerous factors that involve substantial known and unknown risks and uncertainties. These risks and uncertainties include, among other things, and are qualified in their entirety by reference to the full text of those risk factors in our SEC filings relating to: the concentration of profits generated by higher-paying commercial payor plans for which there is continued downward pressure on average realized payment rates, and a reduction in the number of patients under such plans, including as a result of restrictions or prohibitions on the use and/or availability of charitable premium assistance, which may result in the loss of revenues or patients, or our making incorrect assumptions about how our patients will respond to any change in financial assistance from charitable organizations; the extent to which the ongoing implementation of healthcare exchanges or changes in or new legislation, regulations or guidance, or enforcement thereof, including among other things those regarding the exchanges, results in a reduction in reimbursement rates for our services from and/or the number of patients enrolled in higher-paying commercial plans; a reduction in government payment rates under the Medicare End Stage Renal Disease program or other government-based programs; the impact of the Medicare Advantage benchmark structure; risks arising from potential and proposed federal and/or state legislation or regulation, including healthcare-related and labor-related legislation or regulation, that could have a material adverse effect on our operations and profitability; the impact of the changing political environment and related developments on the current health care marketplace and on our business, including with respect to the future of the ACA, the exchanges and many other core aspects of the current health care marketplace; uncertainties related to the impact of federal tax reform legislation; changes in pharmaceutical or anemia management practice patterns, payment policies, or pharmaceutical pricing; legal compliance risks, including our continued compliance with complex government regulations and the provisions of our current corporate integrity agreement and current or potential investigations by various government entities and related government or private-party proceedings, and restrictions on our business and operations required by our corporate integrity agreement and other current or potential settlement terms, and the financial impact thereof and our ability to recover any losses related to such legal matters from third parties; continued increased competition from large- and medium-sized dialysis providers that compete directly with us; our ability to reduce administrative expenses while maintaining targeted levels of service and operating performance; our ability to maintain contracts with physician medical directors, changing affiliation models for physicians, and the emergence of new models of care introduced by the government or private sector, that may erode our patient base and reimbursement rates, such as accountable care organizations, independent practice associations and integrated delivery systems; our ability to complete acquisitions, mergers or dispositions that we might be considering or announce, or to integrate and successfully operate any business we may acquire or have acquired or to successfully expand our operations and services to markets outside the United States, or to businesses outside of dialysis; noncompliance by us or our business associates with any privacy laws or any security breach involving the misappropriation, loss or other unauthorized use or disclosure of confidential information; the variability of our cash flows; the risk that we might invest material amounts of capital and incur significant costs in connection with the growth and development of our international operations, yet we might not be able to operate them profitably anytime soon, if at all; risks arising from the use of accounting estimates, judgments and interpretations in our financial statements; impairment of our goodwill or other intangible assets; the risks and uncertainties associated with the timing, conditions and receipt of regulatory approvals and satisfaction of other closing conditions of the DMG sale transaction; potential disruption in connection with the DMG sale transaction making it more difficult to maintain business and operational relationships; uncertainties related to our use of proceeds from the DMG sale transaction, including our ability to repurchase stock; the risk that laws regulating the corporate practice of medicine could restrict the manner in which DMG conducts its business; the risk that the cost of providing services under DMG’s agreements may exceed our compensation; the risk that reductions in reimbursement rates, including Medicare Advantage rates, and future regulations may negatively impact DMG’s business, revenue and profitability; the risk that DMG may not be able to successfully establish a presence in new geographic regions or successfully address competitive threats that could reduce its profitability; the risk that a disruption in DMG’s healthcare provider networks could have an adverse effect on DMG’s business operations and profitability; the risk that reductions in the quality ratings of health maintenance organization plan customers of DMG could have an adverse effect on DMG’s business; the risk that health plans that acquire health maintenance organizations may not be willing to contract with DMG or may be willing to contract only on less favorable terms; and uncertainties associated with the risk factors set forth in our most recent quarterly report on Form 10-Q for the quarter ended September 30, 2017, and the other risks discussed in our subsequent periodic and current reports filed with the SEC from time to time.

All forward-looking statements in this presentation are based on information available to us on the date of this presentation. We undertake no obligation to publicly update or revise any of our guidance, the assessment of the underlying assumptions or other forward-looking statements, whether as a result of changed circumstances, new information, future events or otherwise.

During this presentation we will discuss certain non-GAAP financial measures. A reconciliation of these non-GAAP measures to the most comparable GAAP financial measures can be found elsewhere in this presentation.

Summary

What is the same?

- Risks
 - Regulatory / policy
 - Margin
- Steady growth industry
- Strong market position
- Clinical & operational excellence
- Integrated care optionality

What is new?

- DMG divestiture / capital for share repurchases
- California ballot initiative
- Medicare rate updates scheduled to grow in 2019
- Tax reform



DaVita Medical
Group Sale

Kidney Care

Capital
Generation and
Deployment

Sale of DMG

- \$4.9 billion¹
- Expected use of proceeds
 - Significant stock repurchases
 - Repay debt
 - Growth investments

1. Subject to customary adjustments



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Kidney Care

- Overview
- US Dialysis
- Integrated Care
- International

Kidney Care at a glance

• US Facilities ¹	2,470
• LTM Treatments (US) ¹	27.9M
• Kidney Care LTM Net Revenue ²	\$10.8B
• 2018 OI Guidance	\$1.5B-\$1.6B

1. As of September 30, 2017

2. LTM as of September 30, 2017

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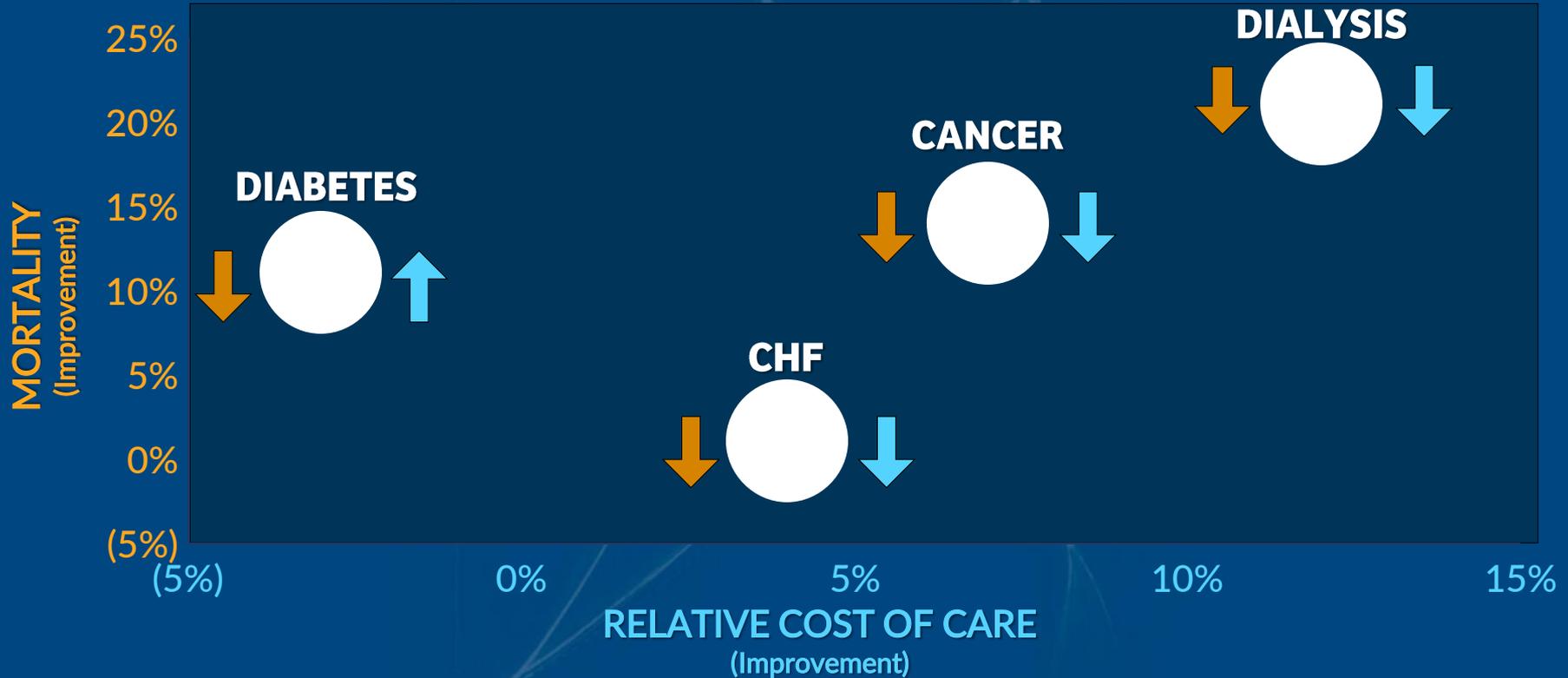
★ Typical dialysis center

- 80 patients
- 17 teammates
 - 5 nurses
 - 8 techs
 - 4 other
- Medical Director
- 18 machines & chairs
- \$4M revenue



★ Distinctive outcomes (with CMS)

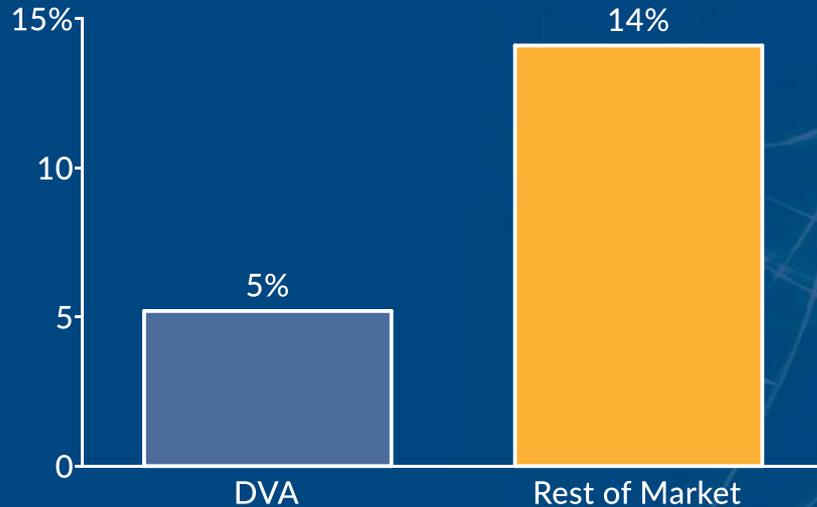
2005 to 2015



Source: USRDS 2017 report; adjusted mortality (deaths per 1,000 patient-years) among ESRD patients and comorbidity-specific Medicare populations aged 65 & older; per capita cost of care adjusted by National Health Expenditure inflation
 Source: Milliman 2016 report for cancer cost of care; cost trend available for 2004-2014

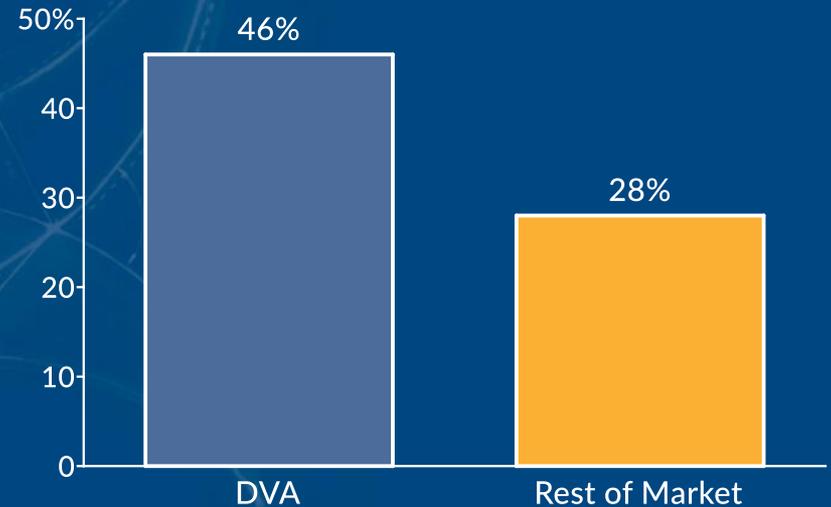
Strong company clinical outcomes

QIP Penalty Facilities



~3x better

% of Four- and Five-Star Centers

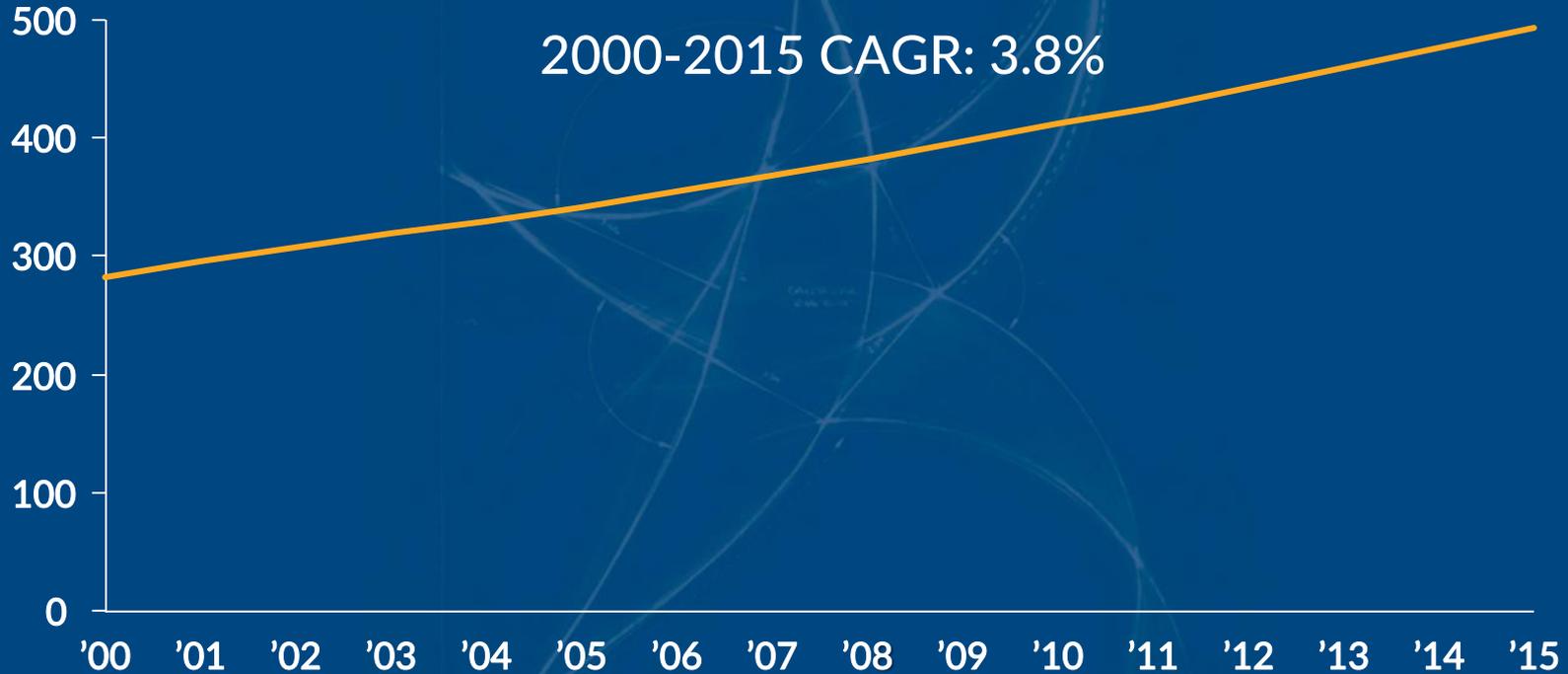


~2x better

Note: Data are based on 2013-2015 outcomes and CMS chain ownership, which are obtained via CROWNWeb and do not reflect acquisitions that did not have a change of direct ownership.

Stable historical industry growth

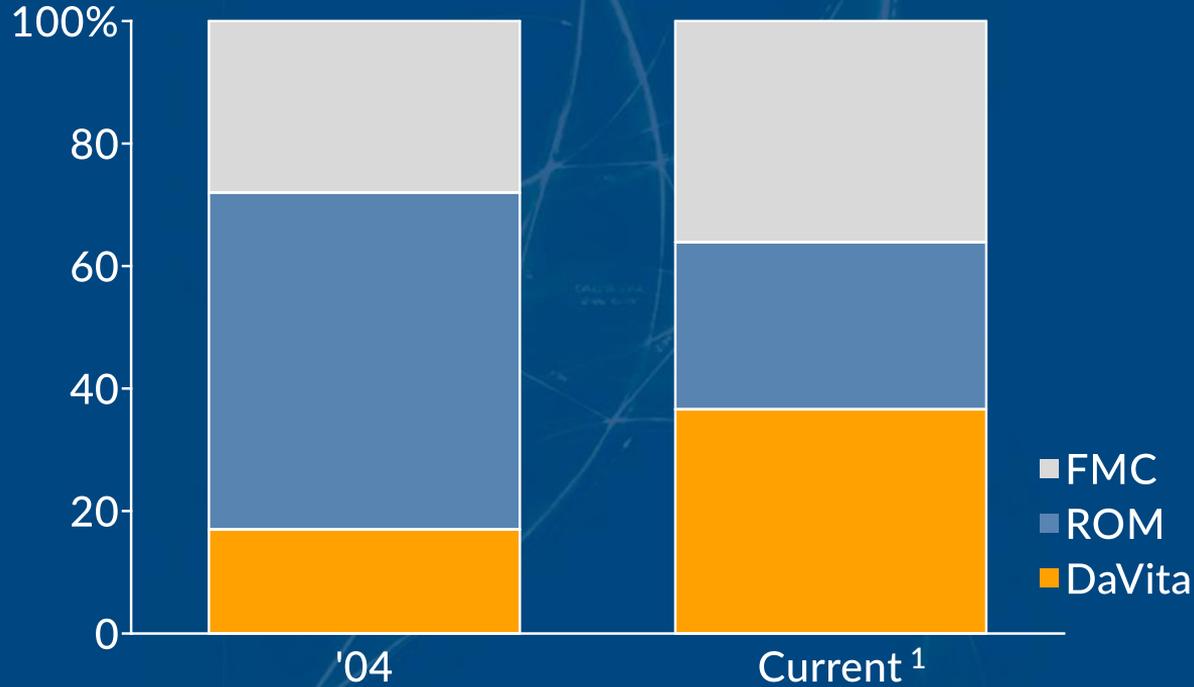
US dialysis patients (000s)



Source: USRDS

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Consolidated industry



Source: ESRD Networks.

1. Represents latest available data as of 2016.

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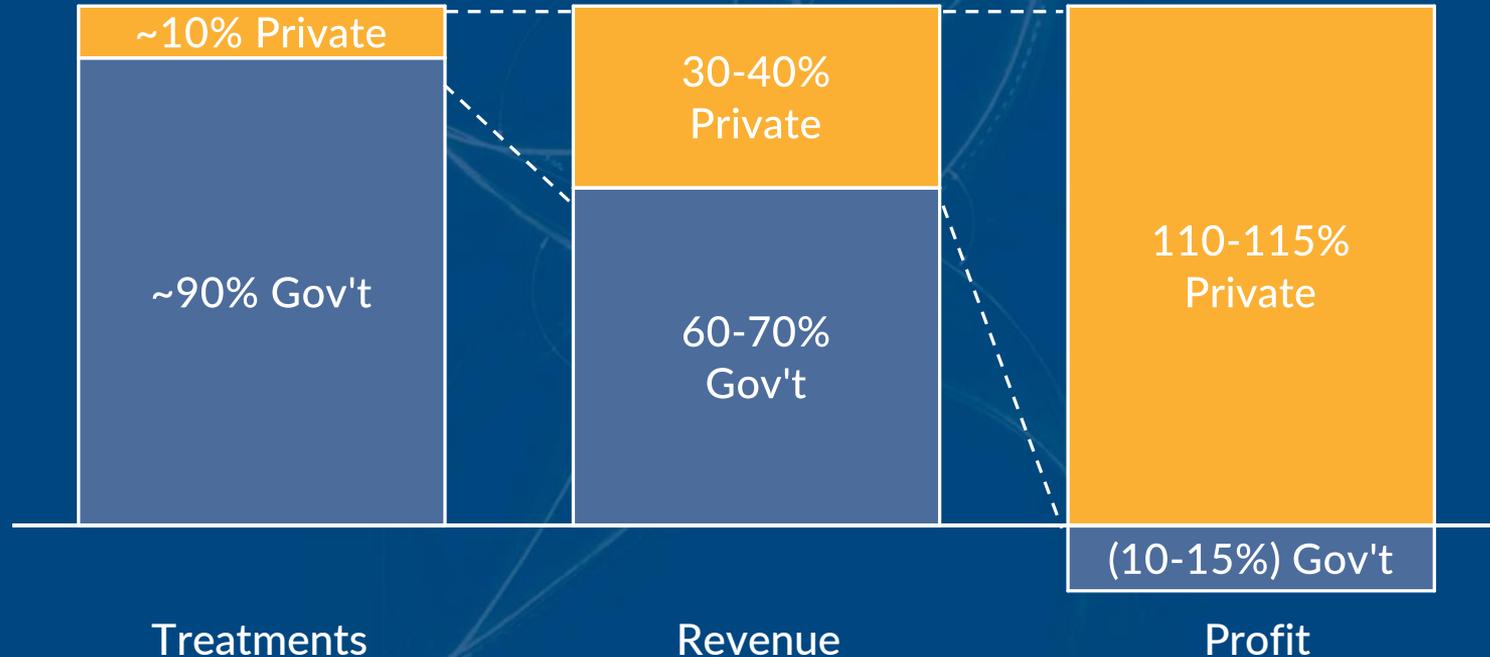
Kidney Care

- Overview
- US Dialysis
- Integrated Care
- International

Financial trilogy

$$\begin{array}{c} \text{\# of} \\ \text{Treatments} \end{array} \times \left[\begin{array}{c} \text{Revenue / Tx} \\ - \\ \text{Expense / Tx} \end{array} \right]$$

★ Private payors subsidize government



Revenue per treatment drivers

Medicare Rate

- Scheduled to grow in 2019 and beyond

Medicare Advantage

- Market negotiated rates above Medicare

Commercial Rate

- Normal negotiation environment

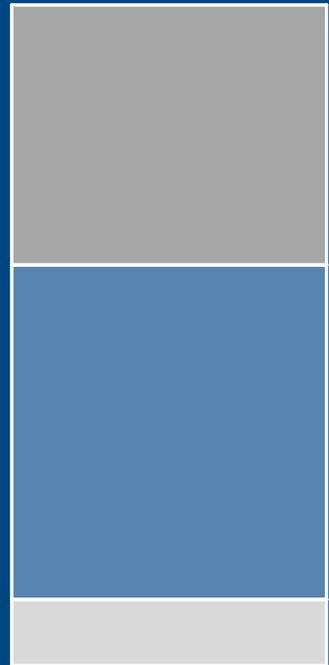
Commercial Mix

- ACA and regulatory uncertainty

Medicare annual updates

- Medicare market basket updates:
 - 2014: 2.8% minus 2.8%
 - 2015: 1.6% minus 1.6%
 - 2016: 1.4% minus 1.25%
 - 2017: 1.8% minus 1.25%
 - 2018: 1.3% minus 1.0%
 - 2019+: scheduled market basket
- Swing: Possible policy changes

Cost per treatment

Component	Outlook
	<ul style="list-style-type: none">• ~2-3%/yr
<ul style="list-style-type: none">• Other costs²	<ul style="list-style-type: none">• ~(1%)/yr
<ul style="list-style-type: none">• G&A and other corporate	<ul style="list-style-type: none">• ~in-line with tx

Source: 2017 Capital Markets Day presentation outlook through 2020

1) Excludes potential impact of any legislatively mandated changes to staffing ratios (e.g., SB349 in California)

2) Excludes calcimimetics

Dynamic pharma landscape

Anemia Management

- New entrants
- Innovations

Calcimimetics

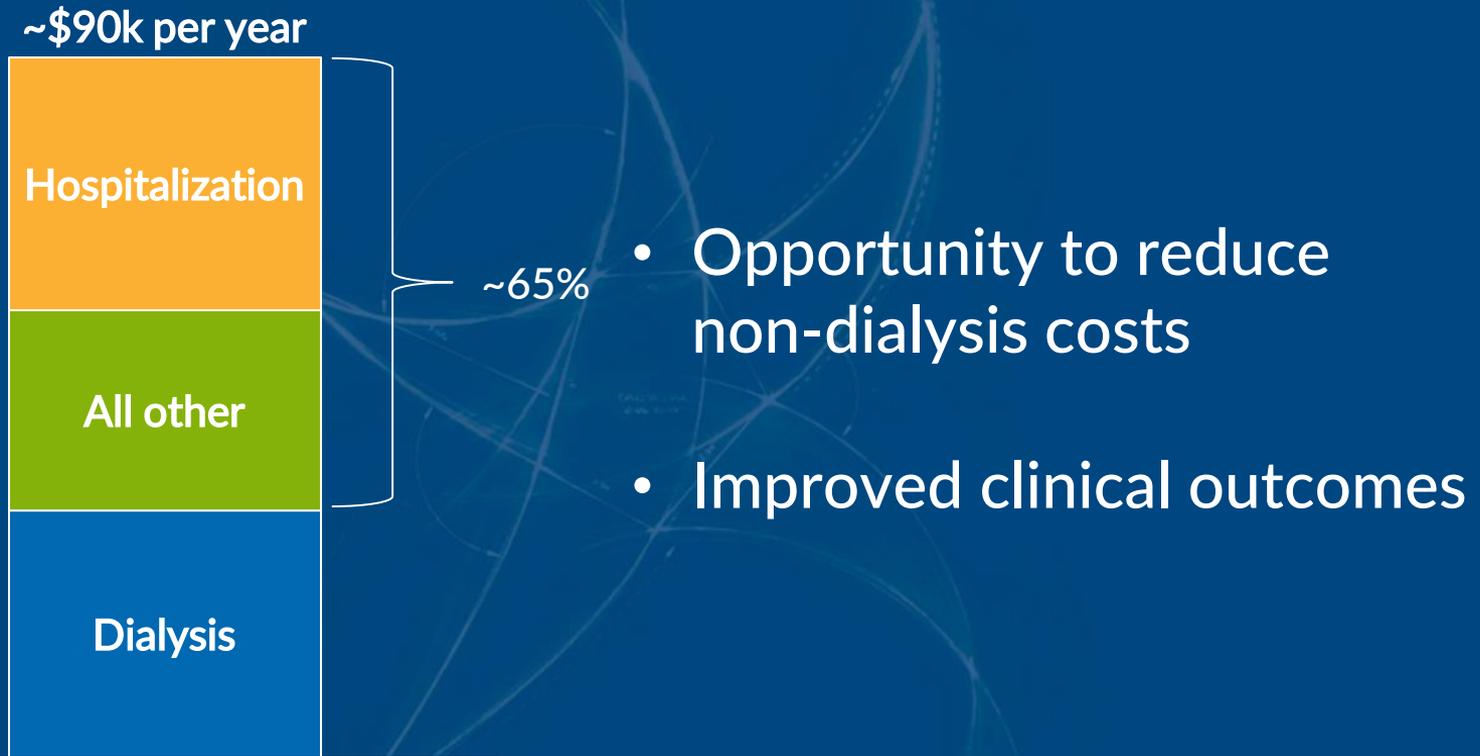
- IV entry
- Bundled effective January 1
- Potential oral generics



Kidney Care

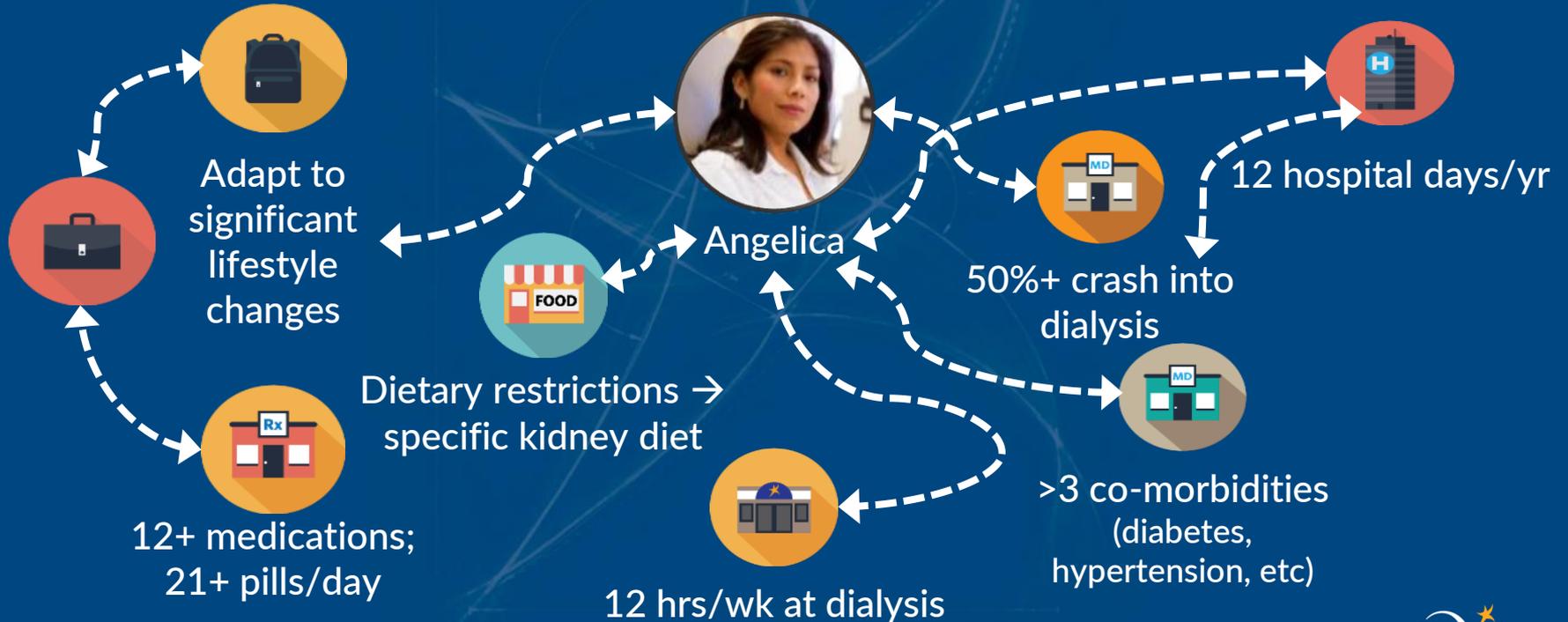
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Integrated care opportunity



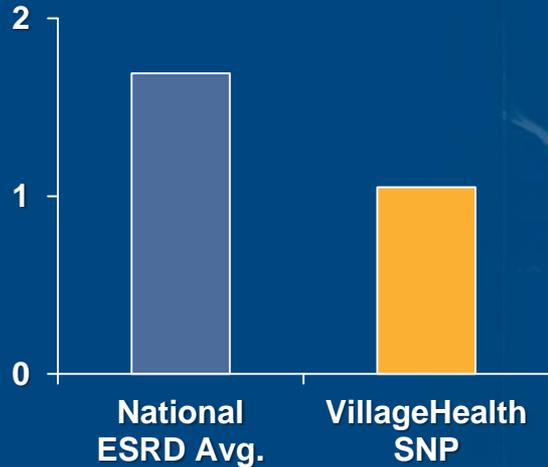
Note: 2015 claim data for Medicare dialysis patients; 2017 Annual Data Report by USRDS

Need for care coordination



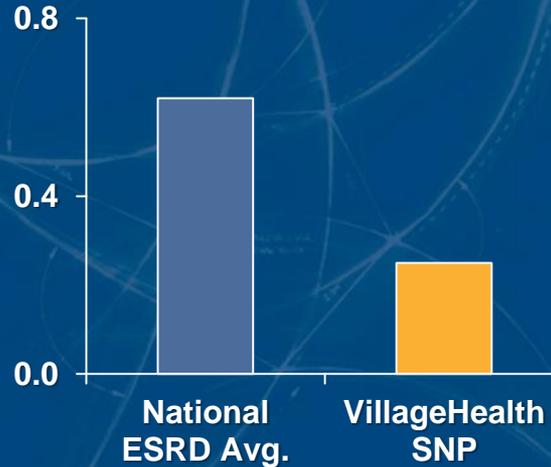
Success with coordinated care

Hospitalizations



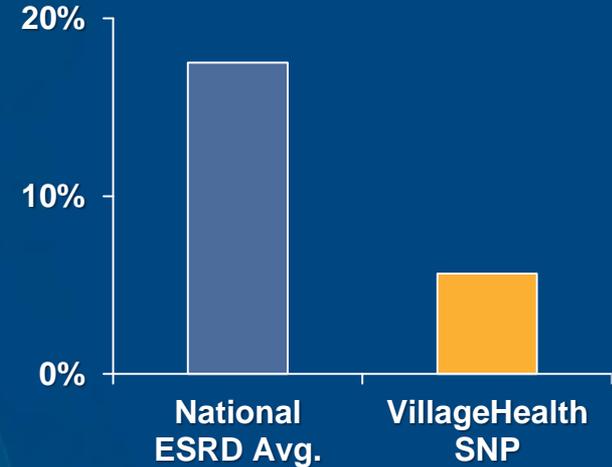
38% Better

Readmissions



59% Better

Catheters



68% Better

Integrated Kidney Care vehicles

- Current demonstrations: Special Needs Plans, ESCOs
- Pursuing sustainable and scalable demonstrations: PATIENTS Act



Kidney Care

- Overview
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Evolution of international



OI Guidance: Breakeven during 2018

International Summary

What is the same?

- Subscale in some countries
- Profitable countries: 2/3 of revenue
- Expect OI breakeven during 2018
- Focus on core markets

What is new?

- Management team and organization
- G&A in line with scale



DaVita Medical
Group Sale

Kidney Care

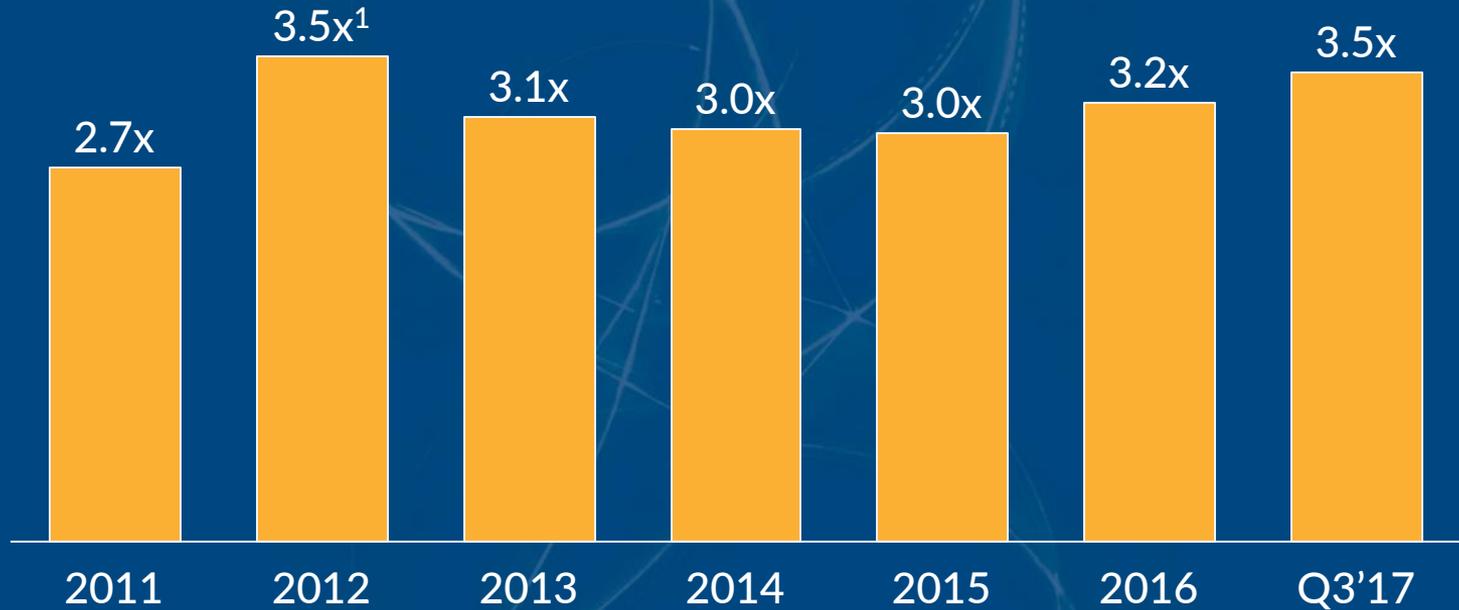
Capital
Generation and
Deployment

Tax reform impact

- Estimate 26% - 27.5% tax rate in FY 2018 ¹
 - Compares to 39% - 40% guidance for FY 2017 ¹
- Short-term cash flow benefit from accelerated depreciation
- No expected near-term impact on interest deductibility
- Expect one-time net benefit in deferred tax balances in Q4 2017
 - Estimated in excess of \$200M

1. Effective tax rate on adjusted net income from continuing operations attributable to DaVita Inc.

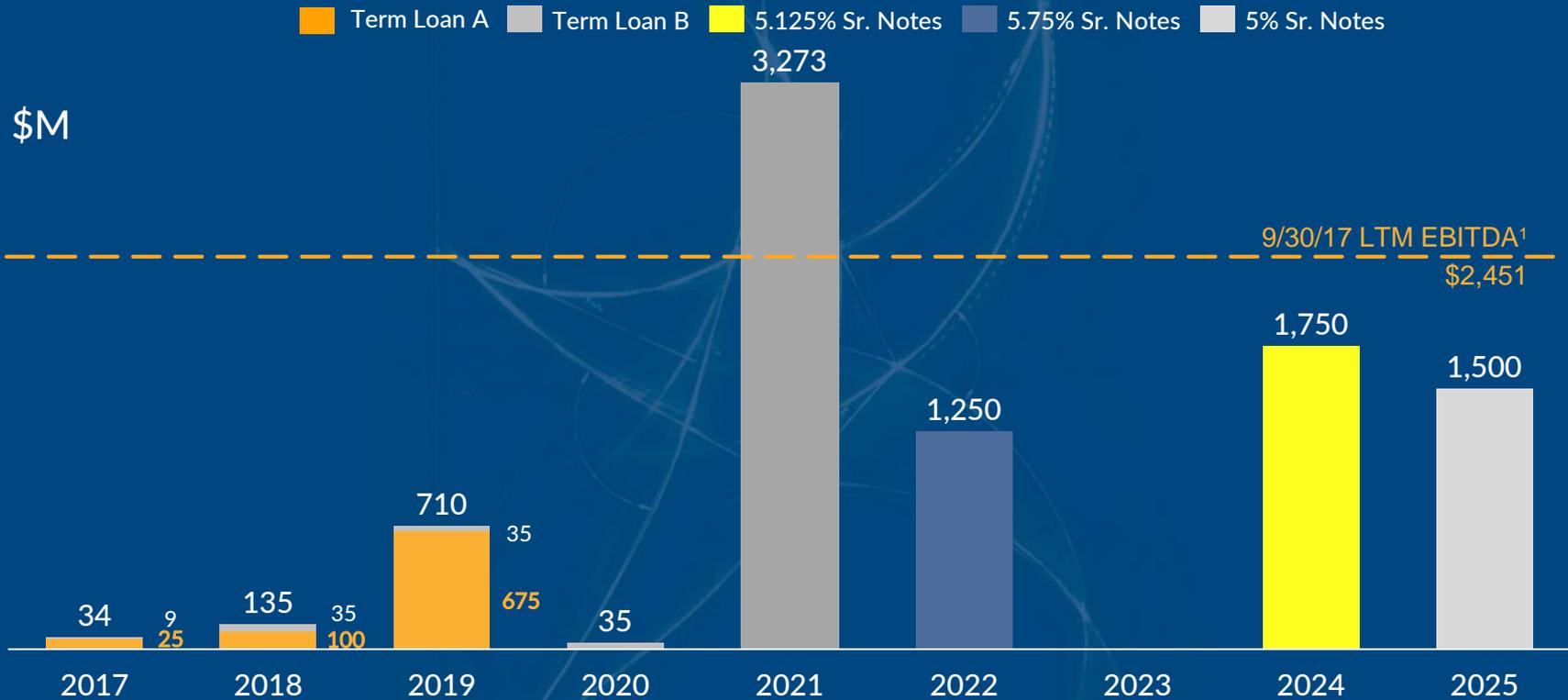
Leverage ratio



Note: Non-GAAP, leverage ratio as defined in Credit Agreement

1. HCP acquisition - November 2012

Debt maturities

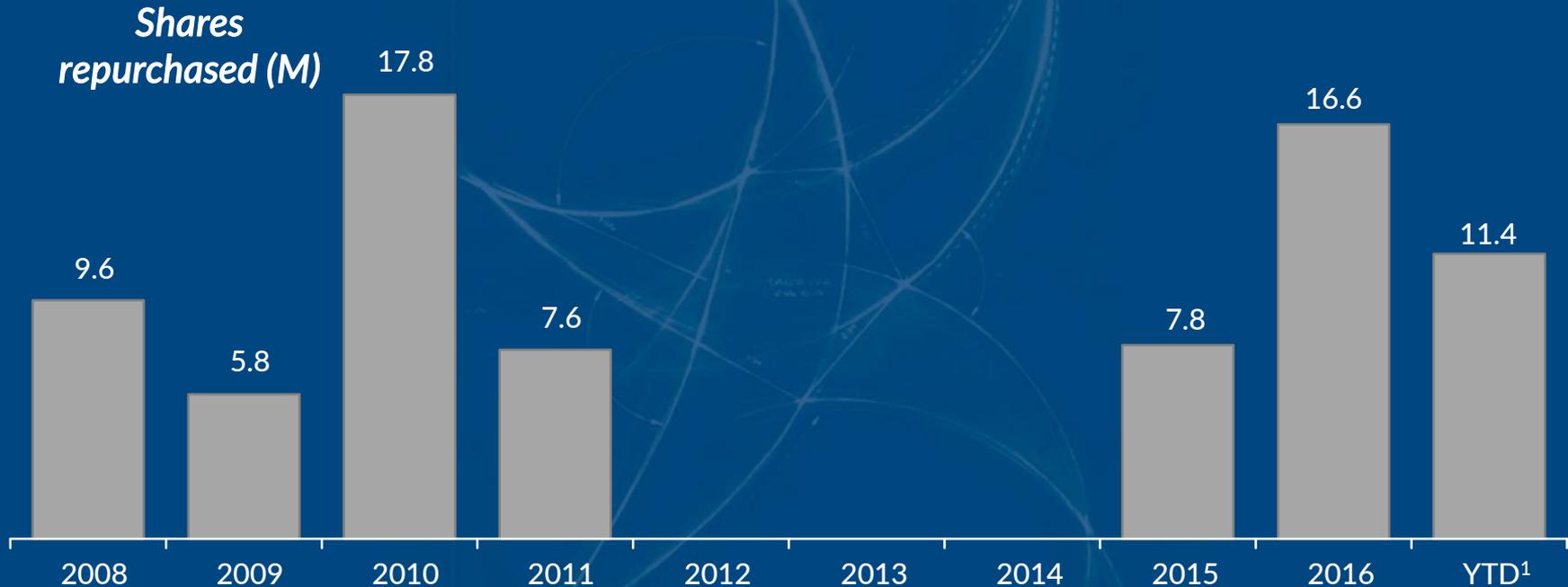


1. EBITDA as defined per the Credit Agreement. EBITDA per the Credit Agreement is a non-GAAP measure.

2. \$1,000 revolver expires in 2019

Note: Does not include maturities of other debt of \$480 or the post-closing impact of the pending DMG divestiture

\$3.7 billion of share repurchases



Note: The Company performed a stock split in 2013 and all prior periods have been adjusted for the stock split.

1. As of November 7, 2017



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Reconciliations for non-GAAP measures

Calculation of the Leverage Ratio

Under the senior secured credit facilities (Credit Agreement), the leverage ratio is defined as all funded debt plus the face amount of all letters of credit issued, minus cash and cash equivalents, including short-term investments, divided by "Consolidated EBITDA". The leverage ratio determines the interest rate margin payable by the Company for its Term Loan A and revolving line of credit under the Credit Agreement by establishing the margin over the base interest rate (LIBOR) that is applicable. The following leverage ratio was calculated using "Consolidated EBITDA" as defined in the Credit Agreement. The calculation below is based on the last twelve months of "Consolidated EBITDA", pro forma for routine acquisitions that occurred during the period. The Company's management believes the presentation of "Consolidated EBITDA" is useful to users to enhance their understanding of the Company's leverage ratio under its Credit Agreement. The leverage ratio calculated by the Company is a non-GAAP measure and should not be considered a substitute for debt to net income attributable to DaVita Inc., net income attributable to DaVita Inc. or total debt as determined in accordance with United States generally accepted accounting principles (GAAP). The Company's calculation of its leverage ratio might not be calculated in the same manner as, and thus might not be comparable to, similarly titled measures by other companies.

	Year ended December 31,						Rolling 12
	2011	2012	2013	2014	2015	2016	months ended September 30, 2017
Net income attributable to DaVita Inc.	\$ 478,001	\$ 536,017	\$ 633,446	\$ 723,114	\$ 269,732	\$ 879,874	\$ 517,949
Income taxes	315,726	360,040	381,013	446,343	295,726	455,813	365,807
Interest expense	224,909	269,037	397,847	382,568	382,522	384,946	391,181
Depreciation and amortization	267,315	343,646	528,737	590,935	638,024	720,252	782,304
Goodwill and other asset impairment charges	24,000	-	-	-	210,234	296,408	744,931
Noncontrolling interests and equity investment income, net	95,748	108,604	126,627	162,294	172,525	170,857	180,449
Stock-settled stock-based compensation	48,718	45,384	59,998	56,744	56,899	37,970	37,098
Loss contingency reserve	-	-	397,000	17,000	-	-	-
Debt refinancing and redemption charges	-	10,963	-	97,548	48,072	-	-
Settlement charge	-	-	-	-	495,000	-	-
Gain on changes in ownership interest, net	-	-	-	-	-	(404,165)	(23,402)
Gain on settlement, net	-	-	-	-	-	-	(529,504)
Other	80,029	658,651	(13,200)	25,576	(28,600)	43,063	(16,186)
"Consolidated EBITDA"	\$ 1,534,446	\$ 2,332,342	\$ 2,511,468	\$ 2,502,122	\$ 2,540,134	\$ 2,585,018	\$ 2,450,627
	Year ended December 31,						Rolling 12
	2011	2012	2013	2014	2015	2016	months ended September 30, 2017
Total debt, excluding debt discount and other deferred financing costs	\$ 4,512,811	\$ 8,575,870	\$ 8,433,603	\$ 8,519,642	\$ 9,226,330	\$ 9,192,229	\$ 9,166,430
Letters of credit issued	47,711	116,139	70,553	96,424	93,524	96,915	94,779
	\$ 4,560,522	\$ 8,692,009	\$ 8,504,156	\$ 8,616,066	\$ 9,319,854	\$ 9,289,144	\$ 9,261,209
Less: Cash and cash equivalents including short-term investments (excluding DMG's physician owned entities cash)	(393,752)	(533,748)	(826,295)	(1,190,241)	(1,816,709)	(1,107,761)	(804,698)
Consolidated net debt	\$ 4,166,770	\$ 8,158,261	\$ 7,677,861	\$ 7,425,825	\$ 7,503,145	\$ 8,181,383	\$ 8,456,511
Last twelve months "Consolidated EBITDA"	\$ 1,534,446	\$ 2,332,342	\$ 2,511,468	\$ 2,502,122	\$ 2,540,134	\$ 2,585,018	\$ 2,450,627
Leverage ratio	2.7x	3.5x	3.1x	3.0x	3.0x	3.2x	3.5x