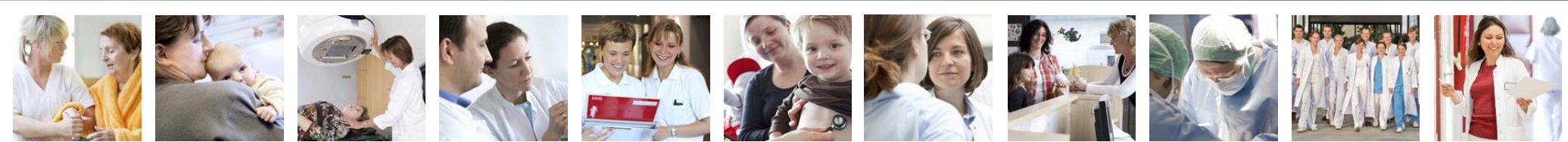


# First Quarter 2018 Results

## 4 May 2018



**RHÖN-KLINIKUM**  
AKTIENGESELLSCHAFT

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- For computational reasons, rounding differences of  $\pm$  one unit (€, %, etc.) may occur in the tables.
- Glossary: € = Euro; \$ = (US)Dollar; (F)Y = (financial) year(s); M = month(s); % = percentage; a = actual; acc. = according; approx. = approximately; e = expected; k = thousand(s); m = million(s);

- **Dynamic and good start to 2018. Volume growth within anticipated range, disproportional rise of EBITDA and net profit**
  - ✓ Revenues +3.9%/EBITDA + 8.2%/Net Profit + 23.8%
  - ✓ 216,602 total patient contacts (+2.1%)
- **Important milestones of flagship “Campus Bad Neustadt” achieved**
  - ✓ Initiation for **interior construction** of main hospital building and wards
  - ✓ Topping-out ceremony for our **new outpatient-centre**
  - ✓ Construction **start of infrastructure facilities** e.g. multi-storey car park
  - ✓ Campus will be completed **on time; start of operations 01/2019**
- **Focus on digitalization of clinical/admin processes for more efficiency**
  - ✓ Medical cockpit
  - ✓ Digital anamneses
  - ✓ Digital processing of radiology images
  - ✓ Semantic coding assistance
- **Supervisory Board decided to reorganize composition of Management Board**
  - ✓ Dr. Dr. Martin Siebert recalled from Management Board
  - ✓ **Dr. Gunter Weiß** appointed as new member with effect from 1 May 2018 as suggested by CEO



# Key P&L figures

## First quarter of 2018

Performance* in € millions	Q1 2018		vs. Q1 2017
Revenue	311.7	100.0%	3.9%
Personnel exp.	-199.7	64.1%	1.3%
Cost of materials	-92.8	29.8%	11.3%
Other expenses	-28.2	9.0%	-9.3%
EBITDA	27.6	8.9%	8.2%
D&A	-15.1	4.9%	3.4%
EBIT	12.5	4.0%	14.7%
Interest result	-0.1	0.0%	-75.0%
Net profit	10.4	3.3%	+23.8%

**SALES: Q1 with moderate growth of +2.5% after anticipated regulatory cutbacks and subtraction of adjustments...**

- (-) 2.4% Spinraza effect
- (+) 1.0% MDK corrections

**COSTS: YoY-comparison affected by one-off for management realignment within personnel expenses in Q1 2017 and...**

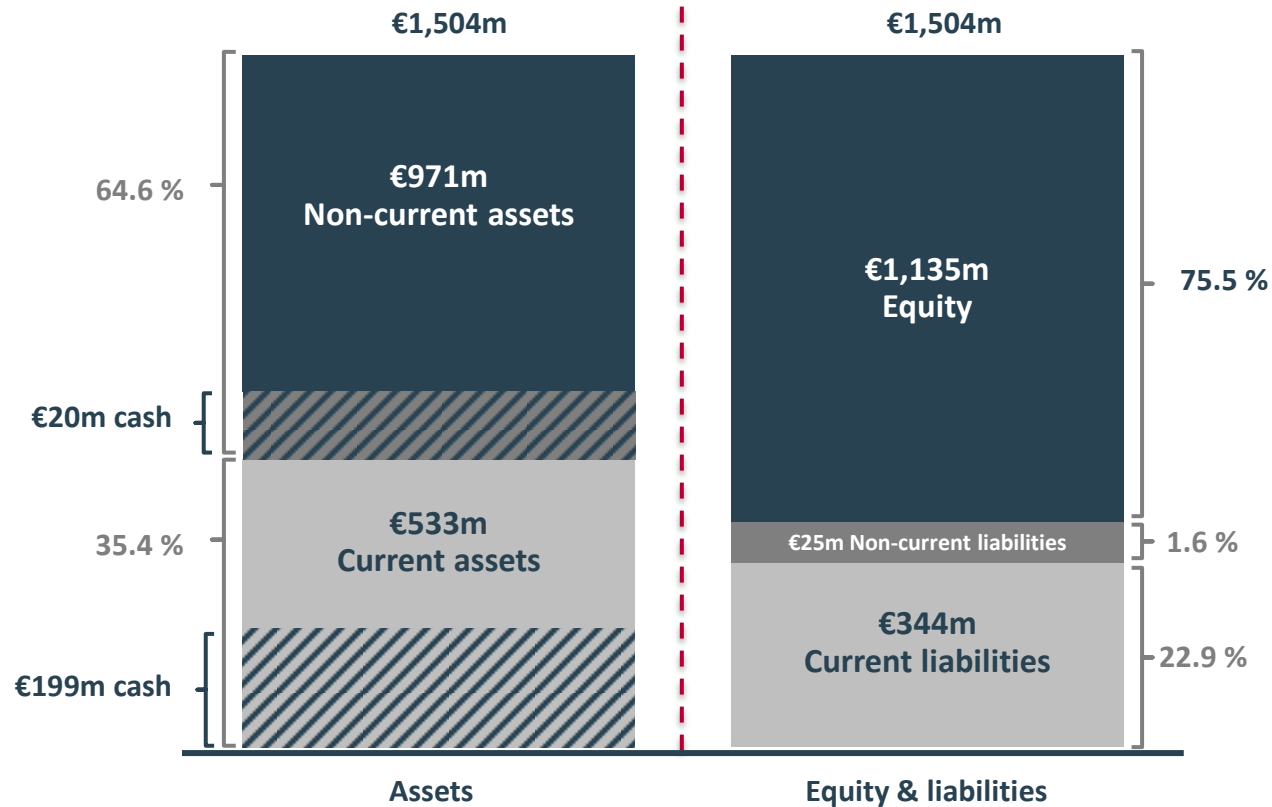
- Rise in material costs caused by Spinraza (no EBITDA effect)
- Other expenses without MDK corrections
- IFRS 9 impairment on financial assets with -0.12% on EBITDA

**MARGINS: Based on above statements, margin situation improves significantly, despite still missing one-off effect from separate accounting in Q1 (expected within few months)...**

- EBITDA margin at 8.9% (+820 bps)
- EBIT up by 14.7% in spite of small rise in D&A
- Net at 3.3% and up by +23.8%, also influenced by low interest result and low tax rate

\* detailed and comprehensive P&L in Q1 2018 report

# Core balance sheet positions as of 31 March 2018



Sustainable and strong  
key figures...

- Cash (~ €219m)
- Equity (~ 76%)

The management board and supervisory board will propose to the Annual General Meeting on 6 June 2018 the distribution of a

**dividend of € 0.22 per share**

(total dividend sum of **€ 14.7m** based on 66.9m shares)

“A **dividend of € 0.22 per share** corresponds to a **payout ratio** of approx. **40 %**. With this ratio RHÖN-KLINIKUM AG safeguards the **medium-term ability to fulfill its capex-needs** yet also allows its **shareholders to participate in the success** of the company.”

- **Stephan Holzinger (CEO/CFO)**

Corporate communications, IR, corporate development, accounting, tax, controlling, corporate finance, HR, legal, data protection, compliance, internal audit, digital transformation and corporate offices

- **Prof. Dr. Bernd Griewing (CMO)**

Medical board, patient safety, quality management and hygiene, medical process management, network medicine, innovations and clinical sites Bad Neustadt and Frankfurt (Oder)

- **Dr. Gunther K. Weiss (COO)**

Procurement management, construction and technology, IT and clinical sites Bad Berka, Giessen and Marburg



### Organic growth +3.0% to 3.5% p.a.

- Average DRG prices  
**+2.7%**
- Average DRG volumes  
(case mix)  
**+1.0% to 2.0%**
- Discounts on additional  
volumes and DRG  
catalogue effect (cardio)  
approx. **-1.25%**

### Other impacts on Top Line

- “Spinraza” effect with  
approx. **+€ 20m**
- IFRS 15 conversion  
with **-€ 10 to 15m** due  
to different disclosure  
of MDK corrections

### Inflation on input prices

- Wages  
**+2.0 % to 3.0%**
- Material costs  
**+1.0% to 1.5%**

### One-off effects on EBITDA

- Separate accounting  
**+€ 20m**
- Campus migration  
approx. **-€ 1.5m**
- Efficiency measures  
with positive **small  
single digit € m effect**

**GUIDANCE  
FY 2018**

- **Group revenues**
- **Group EBITDA**

**€ 1.24bn +/- 5%**

**€ 117.5m to € 127.5m**

**fully  
confirmed**



- **23 February 2018**      **Preliminary results for financial year 2017**  
**Conference call**
- **29 March 2018**      **Publication of annual financial report 2017**  
**Press conference**
- **4 May 2018**      **Publication of interim report for the quarter ending 31 March 2018**
- **6 June 2018**      **Annual General Meeting (Stadthalle Bad Neustadt)**
- **2 August 2018**      **Publication of the half-year financial report as of 30 June 2018**
- **9 November 2018**      **Publication of interim report for the quarter ending 30 Sept 2018**  
**Conference call**

All dates could be subject to modification

**Federal Level**

1

Layer

**Total hospital system budget**

- Wage sum increase as main reference number for DRG inflation in **2018: +2.97%**
- Sector-specific cost index +2.11%

**State Level**

2

Layer

**Base rates and case-mix volume for each state**

- Negotiations between hospital association and statutory health insurance funds
- Effective price hike depends on regional distribution
- 2018 base rate for RHÖN portfolio approx. **+2.7%**

**Hospital Level**

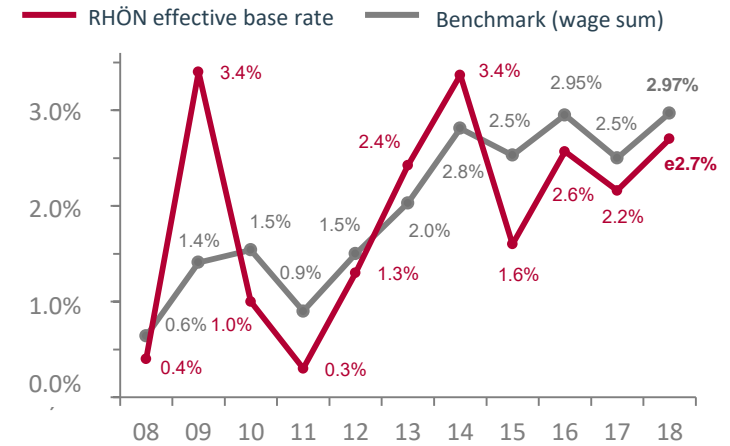
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Layer

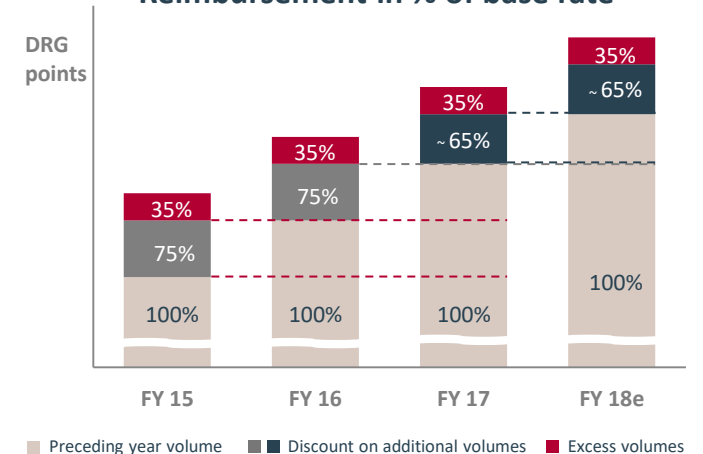
**Individual hospital volumes and reimbursement**

- Negotiation of volume “budgets” between clinic and health insurance funds
- **Additional volumes inside the budget reimbursed at ~65 to 75% for 3 years** (→ e.g. ø-vol. growth assumption of +1.5% p.a. leads over 3Y to a revenue discount of approx. -1.4% for these underlying DRG cases).
- **Volumes outside the budget reimbursed at only 35%**

**Average base rate increase in states with RHÖN hospitals**  
(weighted by RHÖN case mix)

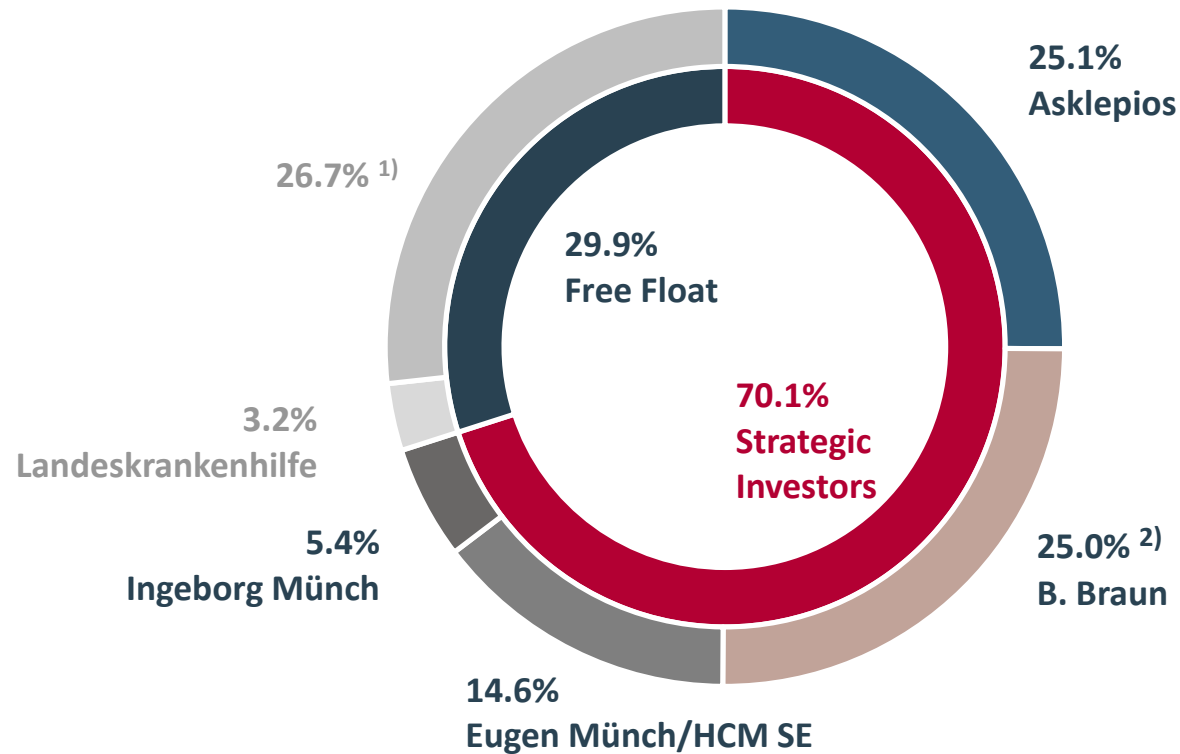


**Reimbursement in % of base rate**



### Shareholder Structure

as of 31 March 2018, according to the most recent notifications of voting rights at that time



<sup>1)</sup> Shareholders with less than 3% of total voting rights

<sup>2)</sup> B. Braun placed a discretionary order to acquire a further up to 4.97% of voting rights (3,330,074 voting rights) by 23 July 2018 inclusive according to the Manager's Transaction notification of 24 July 2017

# Appendix

## IR contact information

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### Contact

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