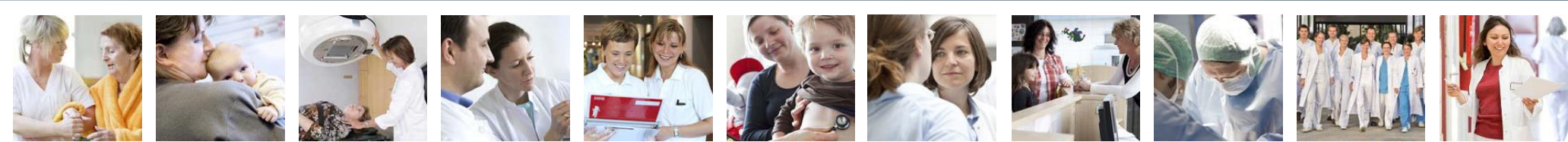


Preliminary Results for FY 2016

February 24, 2017



Stephan Holzinger, CEO

Dr. Kai G. Klinger



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);

- **Campus Bad Neustadt**
 - First-time consolidation and integration of *Kreisklinik* accomplished
 - Opening of fully refurbished 240-bed psychosomatic clinic in May
 - Excellent progress at all construction levels; start of operations in 2019
- **AGM** in June with broad support for all agenda points incl. tax-driven profit transfer agreements
- Slight shifts in **strategic** shareholder base
 - **Eugen Münch** increased to **10.04%** by end-August; option to acquire **4.38%** by August 2017
 - **B. Braun Melsungen AG** held **21.6%** at end-2016
- Cognitive computing and venture initiatives
 - Promising results from comprehensive pilot project with cognitive computing system *IBM Watson* at our Marburg site
 - First investments with venture vehicle RHÖN-Innovation GmbH
- Net cash position at year-end of approx. **€ 300m**
- Realignment of **management structure**



Earnings Influenced by Significant One-off Effects

Cases

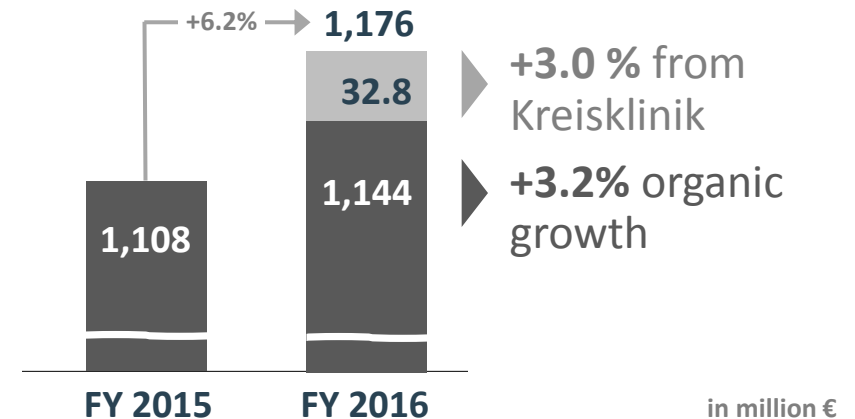
- Organic volume growth **+1.2%** (DRG case-mix-points)
- +3.0% more organic inpatient and outpatient cases
- Total number of treated patients 813,747 (+6.4%)

Earnings

- Reported EBITDA **€ 157m**
(incl. € 42m transaction-related one-off)
- EBITDA without positive one-off **€ 115m**
- Reported net profit **€ 59m**
(incl. € 35.5m value adjustment on MIT)

* All figures are preliminary and not audited

Revenues



UKGM

- FY 2016 revenues **+5.0% ****
- Full year EBITDA-margin **8.0% ****

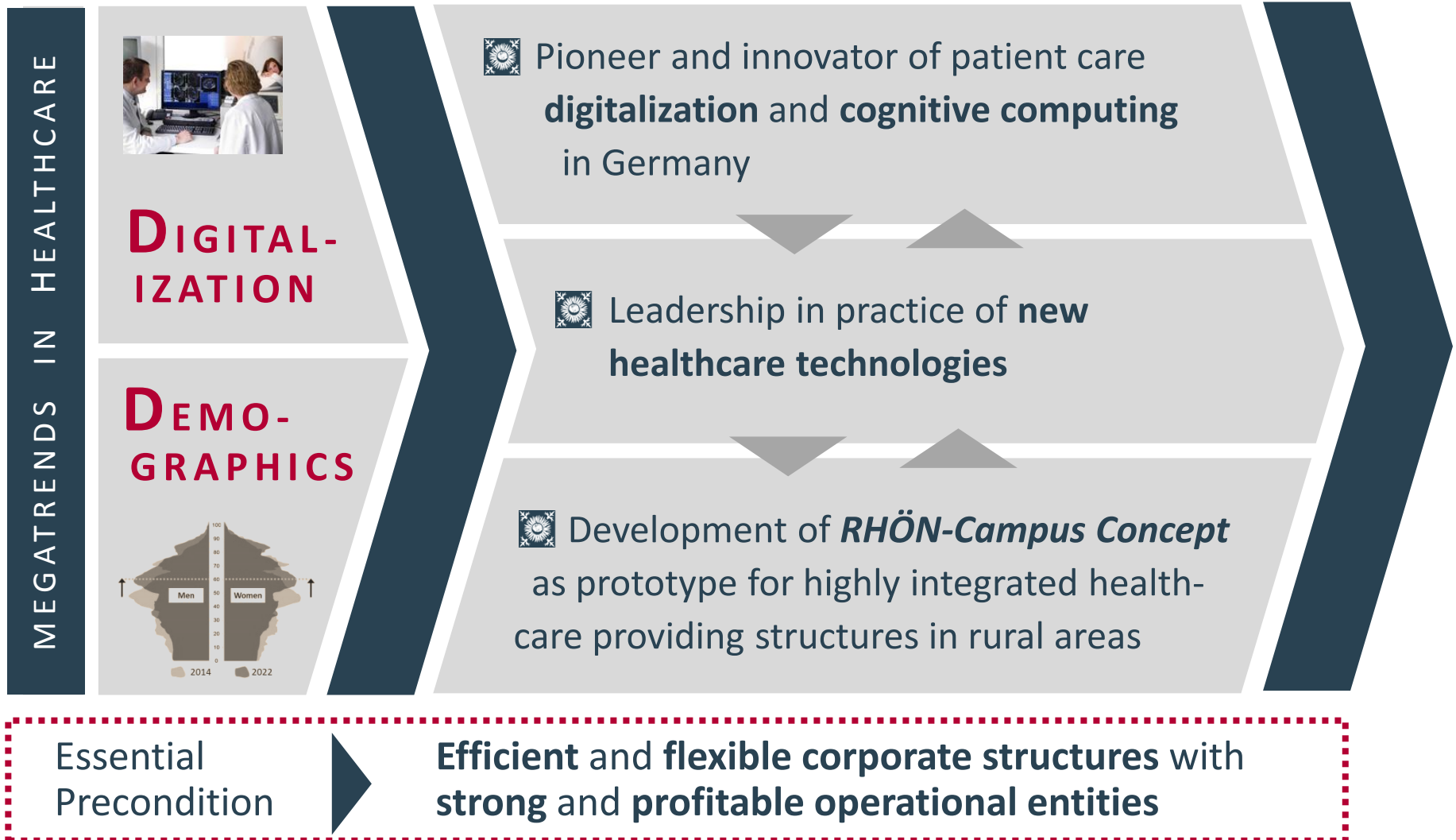
** based on local GAAP (HGB), not audited or reviewed

- **Stephan Holzinger** as new group CEO from February 1, 2017
 - Member of the supervisory board of RHÖN-KLINIKUM since 2013 (and later also at UKGM)
 - Corporate experience (BMW, Raytheon) plus some 20 years of broad skills as entrepreneur in various areas
- **New allocation of departments**
 - *Stephan Holzinger* (CEO) – Strategy; Corporate communication; investor relations & corporate finance; accounting, tax & controlling; IT & cognitive computing; compliance; internal audit; Giessen and Marburg sites (UKGM)
 - *Dr. Dr. Martin Siebert* (Deputy CEO) – Procurement, logistics & services, building & infrastructure; HR; legal; Bad Berka and Frankfurt/Oder sites
 - *Prof. Dr. Bernd Griewing* (CMO) – Medical board, innovation & network medicine, quality, hygiene & patient safety, medical process Mgt., Bad Neustadt sites
- **Martin Menger** and **Jens-Peter Neumann** have been recalled from the management board



First Thoughts on Strategic Emphases

eHealth and Campus Concept as Key Future Initiatives



Full financial outlook will be provided later in H1 2017

- Parts of corporate strategy as well as 2017 business plan are under high scrutiny
- It must be assumed that group EBITDA for 2017 will be impacted by structural burdens as well as negative one-time items and should be considerably lower than the 2016 EBITDA without transaction-related one-off effects (~ € 115m).
- Indication for top-line development in 2017: **€ 1.20bn to 1.23bn** group revenues
 - Average DRG price hike in 2017 for group portfolio: approx. **+2.0%**
 - Expected organic volume growth (case mix): **+1.0% to +2.0%**
 - Organic **DRG growth** still **penalized** by a discount on agreed additional volumes between 25% to 50% with reference to 2014. This reduces DRG revenue growth by approx. **-1.3%** in current year*.

* under mid point assumption of 1-2% more case mix points p.a. since 2014

FY 2017

- February 24, 2017 Preliminary results for financial year 2016
- April 7, 2017 Press conference: publication of annual financial report 2016
- May 5, 2017 Publication of interim report for the quarter ending March 31, 2017
- June 7, 2017 Annual General Meeting (Jahrhunderthalle Frankfurt)
- August 3, 2017 Publication of the half-year financial report as of June 30, 2017
- November 10, 2017 Publication of interim report for the quarter ending Sept 30, 2017

All dates could be subject to modification

Contact

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Federal Level

Layer

1

Total hospital system budget

- Wage sum increase as main reference number for DRG inflation in **2017: +2.5%**
- Sector-specific cost index +1.54%

State Level

Layer

2

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
- 2017 base rate for RHÖN portfolio at approx. **+2.0%***

Hospital Level

Layer

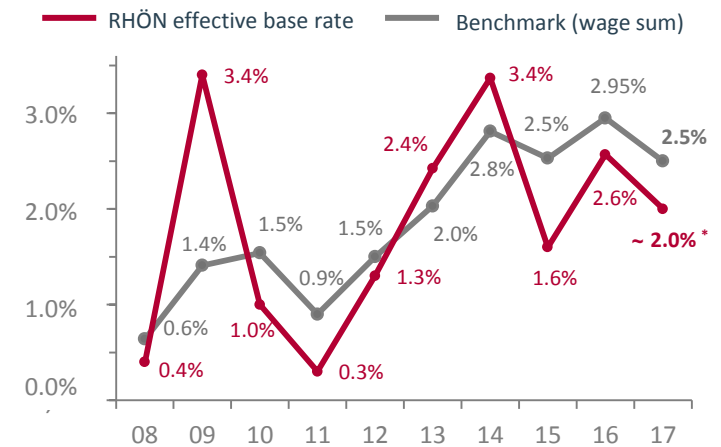
3

Individual hospital volumes and reimbursement

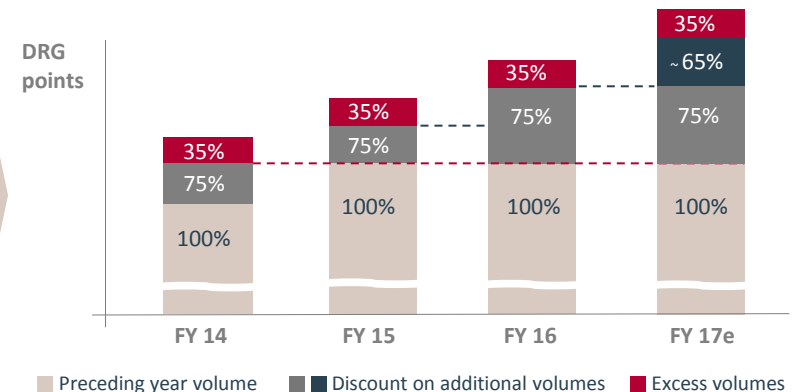
- Negotiation of volume "budgets" between clinic and health insurance funds about additional volumes
- Additional volumes inside the budget reimbursed at ~65 to 75% for 3 years.** Volumes outside the budget reimbursed at only 35%
(→ e.g. \emptyset -vol.-growth assumption of +1.5% p.a. leads over 3Y to a discount in current year of approx. **-1.3%**)

* under the assumption that State of Hesse base rate will be at +2.4%

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

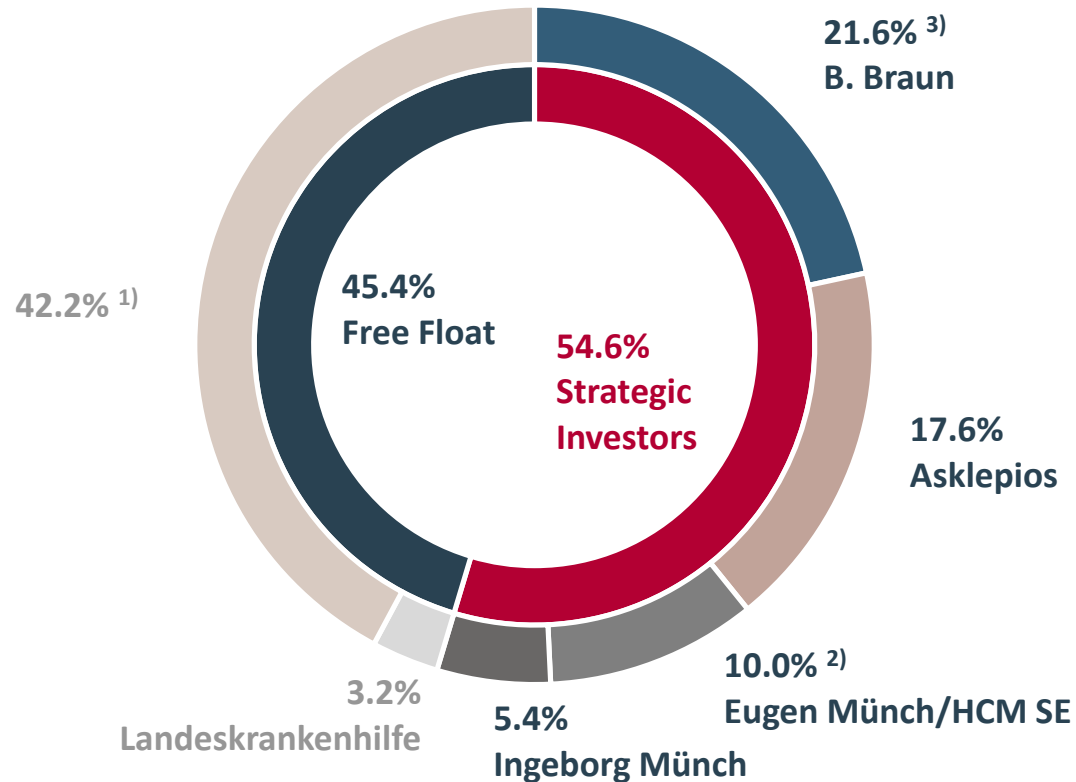


Reimbursement in % of base rate



Shareholder Structure

as of **December 31, 2016**, according to the most recent notifications of voting rights at that time



¹⁾ Shareholders with less than 3% of total voting rights

²⁾ According to the notification of August 25, 2016 HCM SE has in addition the option to acquire another 4.38% of the voting rights (2,930,000 voting rights) under a forward purchase agreement within the next twelve months

³⁾ Based on the notification of voting rights and managers' transactions as of Dec. 31, 2016