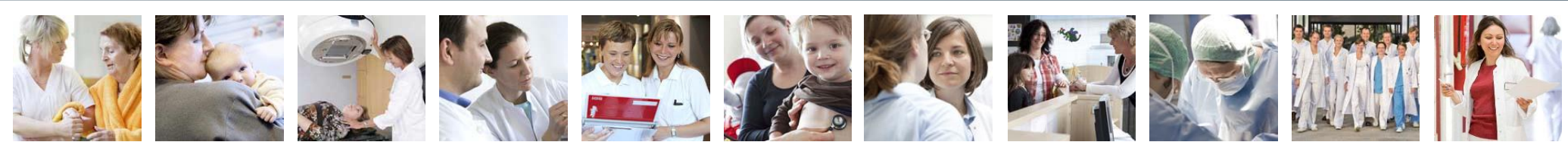


First Half-Year Results 2017

3 August 2017



Stephan Holzinger, CEO

Dr. Kai G. Klinger



RHÖN-KLINIKUM
AKTIENGESELLSCHAFT

- This document has been prepared by RHÖN-KLINIKUM AG (“RHÖN-KLINIKUM” or “the Company”) for information purposes only, solely for use during this presentation. It must be treated confidentially by attendees at such presentation and must not be distributed, passed on or otherwise disclosed.
- This presentation contains forward-looking statements that reflect the management’s current views with respect to certain future events and financial performance. A number of factors could cause actual results to differ materially from those projected or implied in such statements. The Company, its advisers and representatives accept no obligation to update any forward-looking statements set forth herein or to adjust them to future events or developments. Further, this presentation contains market, price and performance data which have been obtained from Company and public sources. The Company believes that such information is accurate as of the date of this presentation. The information contained in this document has not been independently verified, and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. Neither the Company nor any of its respective affiliates, advisers and representatives shall have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this document, or its contents, or otherwise arising in connection with this document.
- Nothing in this presentation is intended as, or constitutes an, offer or invitation to purchase or sell any RHÖN-KLINIKUM securities, and neither it nor part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.
- This presentation is not an offer of securities for sale or any solicitation to buy or sell RHÖN-KLINIKUM securities in the United States of America. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the US Securities Act of 1933, as amended.
- This presentation is intended for distribution in the United Kingdom only to: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or the Order; (ii) persons falling within Article 49(2)(a) to (d) of the Order or to those persons to whom it can otherwise be lawfully distributed, or all such persons together being referred to as relevant persons. This presentation is directed only toward relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.
- The information in this presentation is given in confidence, and the recipients of this presentation should not base any behaviours in relation to qualifying investments or relevant products, as defined in the Financial Services Markets Act 2000, or FSMA, and the Code of Market Conduct, made pursuant to the FSMA, which would amount to market abuse for the purposes of the FSMA on the information in this presentation until after the information has been made generally available. Nor should the recipient use the information in this presentation in any way that would constitute “market abuse.”
- This document is given in conjunction with an oral presentation and should not be taken out of context.
- 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);

- **Weaker volume growth**
 - Inpatient and outpatient cases grew by **+2.1% to 422,950 cases**
 - **Decrease in DRG case mix points** in Q2 cancels out growth in Q1 (main reasons: DRG catalogue effect, MDK corrections, shift in demand)
- **UKGM separate accounting**
 - Groundbreaking **settlement** with **extra compensation of €15m p.a.** by State of Hesse
- **AGM 2017** with broad approval for major agenda points
 - **Dr Annette Beller** confirmed as Supervisory Board member
- **Campus Bad Neustadt**
 - **Extension** of in-patient units through second building phase with **new out-patient centre** offering advanced medical services
 - **Construction measures** for new ambulatory centre already started, **completion by end of 2018**
- **Asklepios** raised its **strategic investment** in RHÖN to **25.1%** on 18 May 2017



Key P&L Figures

First Half Year 2017

Performance* in € millions	H1 2017		vs. H1 2016
Revenue	598.4	100.0%	1.3%
Personnel exp.	-391.5	65.4%	3.8%
Cost of materials	-169.2	28.3%	2.2%
Other expenses	-62.5	10.5%	6.2%
EBITDA	50.2	8.4%	-51.5%
D & A	-29.3	4.9%	-0.7%
EBIT	20.9	3.5%	-71.7%
Interest result	-0.6	0.1%	-61.7%
Net profit	16.9	2.8%	-75.6%

Half-year results reflect an ambitious corporate environment

- Revenue growth burdened by weaker volumes and challenging 2017 reimbursement scheme
- Realignment of corporate structures led to rise in personnel expenses through compensation payments in H1 with expected further outflows in H2
- Increase in other expenses: intensified MDK assessments on high CMI/revenue cases, higher maintenance costs and outlays for digitalization
- Positive one-off in 2016: a €40.6m mandatory provision release from lapsed SPA warranties with Fresenius Helios

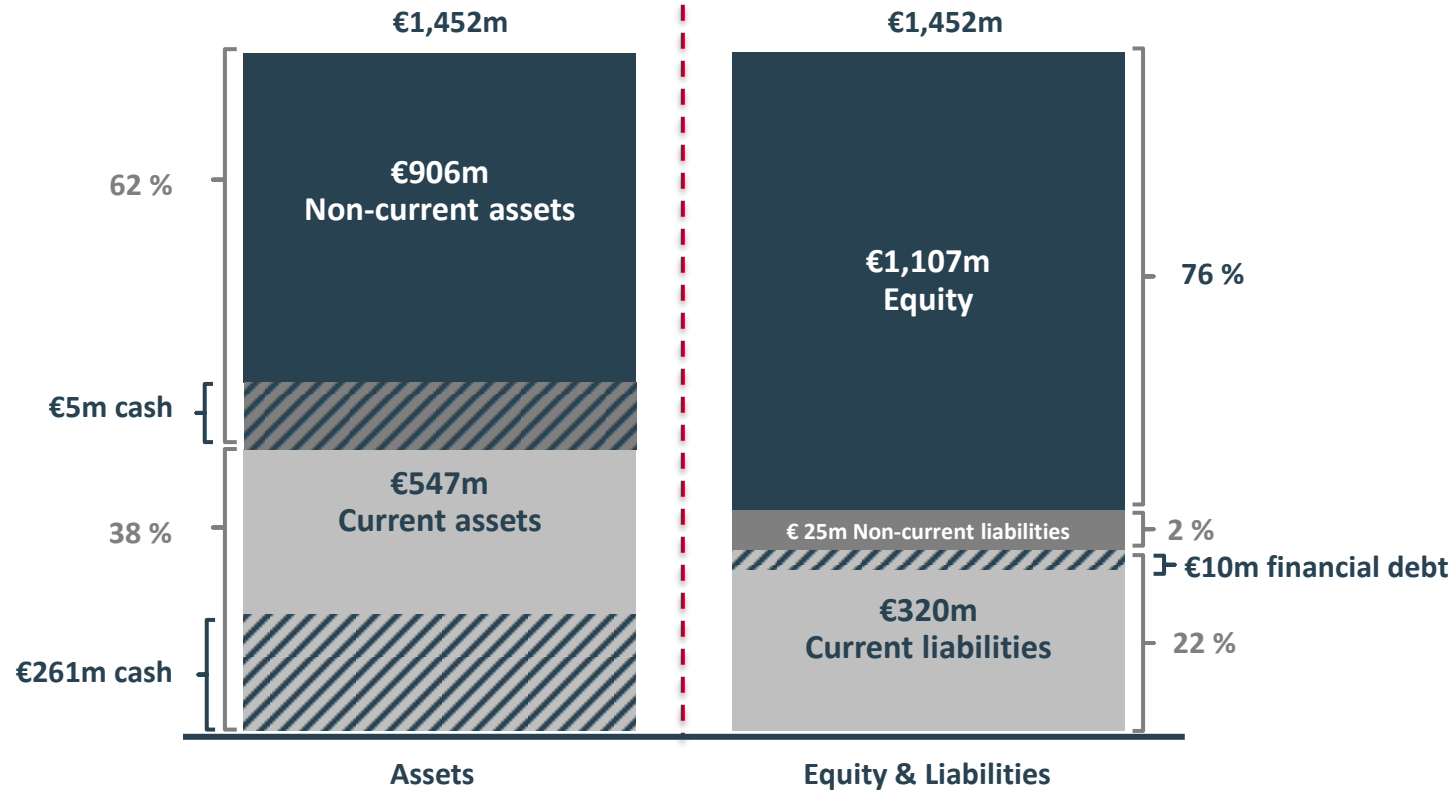
* detailed and comprehensive P&L in H1 2017 report

- **UKGM with positive revenue development H1 2017**
 - Revenues **+2.8%** (yoy)
 - EBITDA margin **6.3%**

- **Breakthrough solution with State of Hesse in separate accounting**
 - UKGM receives **additional €15m p.a.** from 2017 onwards
 - Contractual consideration of future **wage and cost inflation**
 - **€13m** grant for capex
 - **Investment commitment** of approx. **€100m** over five years
 - Expected to become final and effective in autumn 2017



Core Balance Sheet Figures as of 30 June 2017



- Gradually decreasing net cash position of **€256m**
- Sustainable equity ratio of **76%**

Rollout of comprehensive improvement programme with high priority package of measures

- Stem MDK reviews and corrections
 - Effectiveness and benchmarking of staff allocation
 - Capacity utilisation and medical offer for each location in terms of earnings contribution
 - Continuous optimisation of admin structures, procurement, use of materials and maintenance
- Short-term goal: **unlock earnings potential** to enhance underlying EBITDA margin level >10%

First impressions of future regulatory landscape

- Minimum personnel standards in nursing to be introduced in 2018 and valid from 2019
- Implementation and mode of operation of quality as reimbursement component rather vague
- DRG catalogue cuts for cardio and special orthopaedics will remain

GUIDANCE FY 2017	■ Group revenues	€1.20bn to €1.23bn	} FULLY CONFIRMED
	■ Group EBITDA	€85m to €105m	

FY 2017

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

All dates could be subject to modification

Contact

Dr. Kai Gregor Klinger, SVP, Investor Relations, Corporate Finance, M&A
Tel +49-9771-65-1318, e-mail ir@rhoen-klinikum-ag.com

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 approx. **+2.2%**

Hospital Level

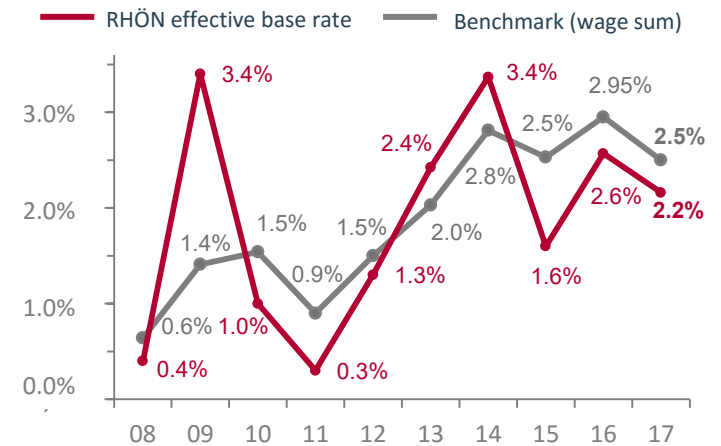
Layer

3

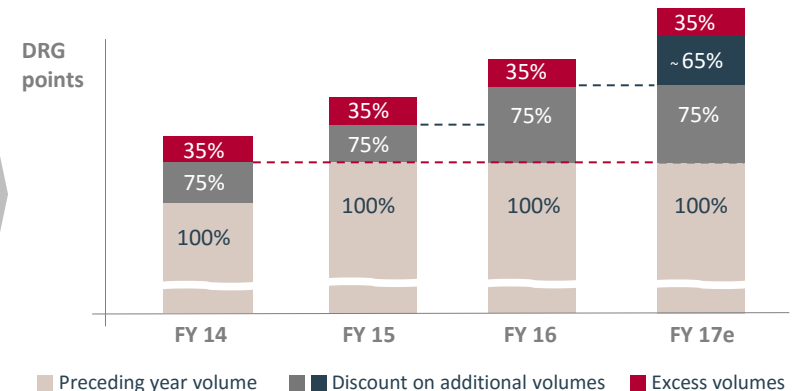
Individual hospital volumes and reimbursement

- 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. \emptyset -vol.-growth assumption of +1.5% p.a. leads over 3Y to a revenue discount of approx. -1.3% 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)

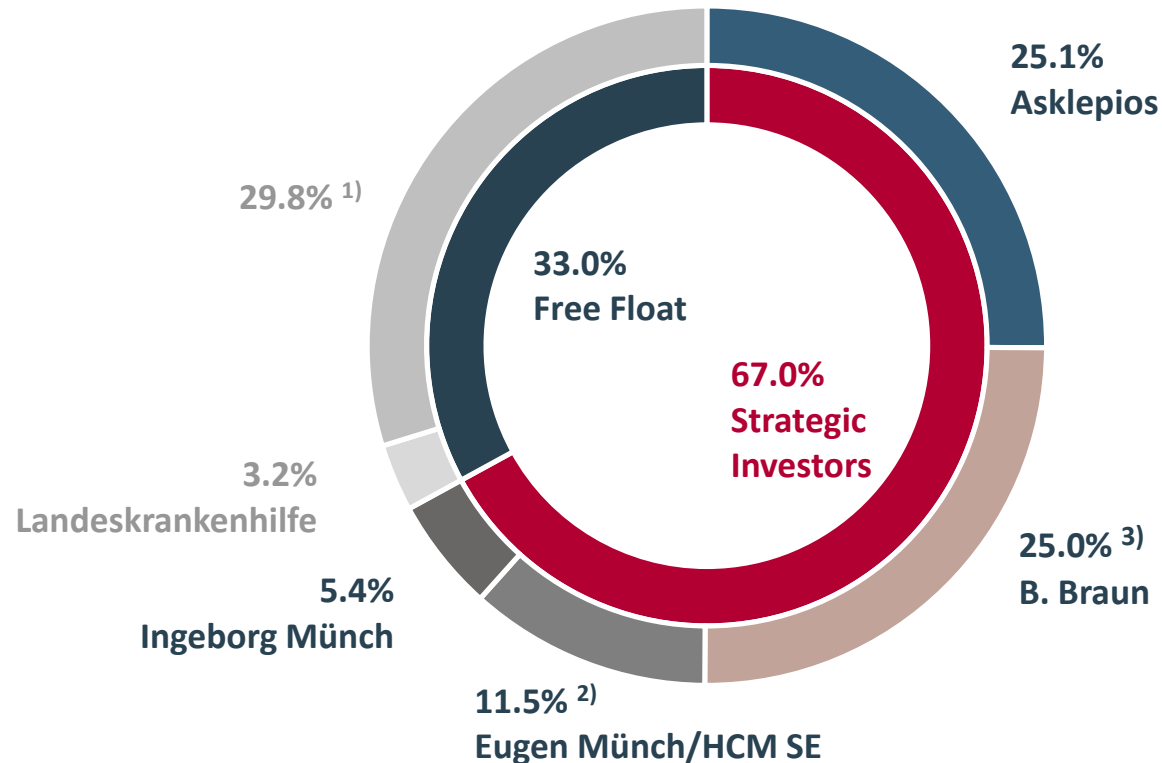


Reimbursement in % of base rate



Shareholder Structure

as of 30 June 2017, 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 1 March 2017, HCM SE has also the option to acquire another 5.87% of the voting rights (3,930,000 voting rights) within the scope of a forward share purchase agreement until 23 November 2017.

³⁾ B. Braun placed a discretionary order to acquire another up to 4.97% of voting rights (3,330,074 voting rights) up to and including 23 July 2018 according to the Manager's Transaction notification of 24 July 2017.