



Quarterly Statement - Q1 2023
RHÖN-KLINIKUM Aktiengesellschaft

BUSINESS PERFORMANCE

MATERIAL EVENTS AND SECTOR-SPECIFIC ENVIRONMENT

As in the economy as a whole, the first quarter of financial year 2023 at RHÖN-KLINIKUM AG continued to be dominated by the impact of the geopolitical risks resulting from the war in Ukraine, rising energy and commodity prices, supply chain problems and inflation.

By introducing a gas and electricity price brake in the middle of December 2022, the German Federal Parliament (Bundestag) adopted relief payments for hospitals from financial year 2023. Given the steep hike in energy prices and hospitals' heavy reliance on natural gas, a total of € 6 billion has been earmarked for the period from 1 October 2022 to 30 April 2024.

For the university hospital Universitätsklinikum Gießen und Marburg (UKGM), an agreement was reached at the end of lengthy, marathon negotiations between the Federal State and the managers of the Group, the universities and UKGM on its entitlement to investment funding. This agreement was signed at the end of February. After RHÖN-KLINIKUM AG already in the past had invested over € 750 million in the Giessen and Marburg university hospitals from own funds, the next ten years will now see further amounts totalling nearly € 850 million being invested in healthcare delivery, research and teaching. Federal state funding totalling roughly € 530 million coupled with the investment of roughly € 320 million from own funds will enable the two hospitals to keep pace with medical, technical and structural developments.

After several weeks of industrial action and intense negotiations, UKGM and the trade union Verdi on 14 April 2023 agreed on the offer made by UKGM for a key issues paper on the conclusion of a "job protection and relief collective agreement for UKGM and UKGM Service GmbH". Specifically, the key issues paper provides for relief in updating the nurse staffing levels as defined for direct patient care on all wards having their own beds as well as flexible, shift-based staffing (nursing staff regulation (Pflegepersonalregelung PPR 2.0)) for wards and functional units. The subsequent negotiations on the final text, to be completed by 30 September 2023, are to result in the new "collective agreement for job protection and relief at UKGM" that is to apply with retroactive effect to 1 April 2023.

Many hospitals will have to close down due to the huge cost pressures and in the wake of the planned hospital reform. Coming on top of that are the massive cost hikes hospitals face for energy, medical goods and services which they cannot refinance. Many different structural changes as well as new care delivery forms and regional healthcare networks are needed to preserve the efficiency of the healthcare system.

TREND IN SERVICE VOLUMES

Our acute inpatient capacities are unchanged at 5,445 beds (31 December 2022: 5,445 beds).

Patient numbers at our hospitals and medical care centres developed as follows:

January to March	2023	2022	Change absolute	%
Inpatient and semi-inpatient treatments at our				
Acute hospitals	49,282	46,770	2,512	5.4
Rehabilitation hospitals and other facilities	1,308	1,116	192	17.2
	50,590	47,886	2,704	5.6
Outpatient treatments at our				
Acute hospitals	121,164	112,583	8,581	7.6
Medical care centres	56,435	53,852	2,583	4.8
	177,599	166,435	11,164	6.7
Total	228,189	214,321	13,868	6.5

NET ASSETS POSITION AND RESULTS OF OPERATIONS

The Group's revenue and earnings performance during the first three months of 2023 compared with the same period of the previous year is as follows:

January to March	2023 € m	2022 € m	Change € m	%
Revenues	361.5	347.3	14.2	4.1
EBITDA	22.5	19.8	2.7	13.6
EBIT	6.2	2.5	3.7	148.0
EBT	6.8	1.8	5.0	277.8
Consolidated profit	6.4	1.3	5.1	392.3

Revenues rose 4.1% compared with the same period last year. EBITDA improved by 13.6% to reach € 22.5 million. Consolidated profit stood at € 6.4 million.

Despite the discontinuation of reimbursement from the German legislator related to the COVID-19 legislation, revenues for the first three months of fiscal year 2023 increased by € 14.2 million or 4.1% to € 361.5 million on the back of a 6.5% increase in the number of inpatients and outpatients treated. During the same period of the previous year, this item still included € 21.1 million in income in connection with COVID-19 legislation, which essentially related to income from relief payments for bed capacities kept available.

The rise in other income by € 11.2 million or 22.1% is attributable among other things to higher income from ancillary and incidental activities (€ 3.7 million) – resulting, among other things, from higher sales of drugs and cytostatics – as well as to reimbursements by the legislator from the Health Fund (Gesundheitsfonds) to compensate for higher energy costs (€ 2.8 million). Also included is an amount of € 5.0 million in reversals of liabilities from previous years recognised in the income statement.

Compared with the same period last year, materials and consumables used witnessed a rise in the first three months of 2023, disproportionate to the rise in revenues, by € 12.4 million or 11.6% due to higher purchasing prices. The cost-of-materials ratio climbed from 31.0% to 33.2%.

With a decline in the employee headcount, the rise in the employee benefits expense of the first three months of financial year 2023 compared with the same period of the previous year by

€ 6.6 million or 2.8% to € 239.1 million is attributed to general wage increases. The personnel expense ratio declined from 66.9% to 66.1%.

Other expenses increased from € 37.9 million by € 3.4 million or 9.1% to reach € 41.3 million. The increase is mainly attributable to expenditures for maintenance and servicing requirements.

Thanks to a generally positive development of interest rates, the finance result improved from - € 0.8 million by € 1.4 million to + € 0.6 million.

At an unchanged rate of taxation, the income tax expense item stands nearly at the previous year's level. This is the result of a tax assessment basis that is roughly unchanged compared with the same period of the previous year.

With regard to net assets, we refer to the following overview:

	31 March 2023		31 Dec. 2022	
	€ m	%	€ m	%
ASSETS				
Non-current assets	1,007.3	58.2	1,016.3	59.6
Current assets	722.9	41.8	688.6	40.4
	1,730.2	100.0	1,704.9	100.0
EQUITY AND LIABILITIES				
Shareholders' equity	1,257.6	72.7	1,251.4	73.4
Non-current liabilities	157.3	9.1	162.4	9.5
Current liabilities	315.3	18.2	291.1	17.1
	1,730.2	100.0	1,704.9	100.0

OTHER INFORMATION

Employees

On 31 March 2023, the Group of RHÖN-KLINIKUM AG employed 18,113 persons (31 December 2022: 18,140).

Employees	31 March 2023	31 Dec. 2022	Change	
			absolute	%
Hospitals	15,990	16,015	-25	-0.2
Medical care centres	326	329	-3	-0.9
Service companies	1,797	1,796	1	0.1
Total	18,113	18,140	-27	-0.1

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

	31 March 2023		31 Dec. 2022	
	€ '000	%	€ '000	%
ASSETS				
Non-current assets				
Goodwill and other intangible assets	178,191	10.3	179,319	10.5
Property, Plant and Equipment	814,799	47.1	822,495	48.3
Investment property	79	0.0	316	0.0
Investments accounted for using the equity method	544	0.0	513	0.0
Deferred tax assets	607	0.0	358	0.0
Other financial assets	13,089	0.8	13,335	0.8
	1,007,309	58.2	1,016,336	59.6
Current assets				
Inventories	33,862	2.0	33,318	2.0
Trade receivables	228,107	13.2	228,602	13.4
Other financial assets	344,483	19.9	332,685	19.5
Other assets	24,036	1.4	12,514	0.7
Current income tax assets	4,198	0.2	4,155	0.2
Cash and cash equivalents	88,210	5.1	77,334	4.6
	722,896	41.8	688,608	40.4
	1,730,205	100.0	1,704,944	100.0

	31 March 2023		31 Dec. 2022	
	€ '000	%	€ '000	%
EQUITY AND LIABILITIES				
Shareholders' equity				
Issued share capital	167,406	9.7	167,406	9.8
Capital reserve	574,168	33.2	574,168	33.7
Other reserves	488,356	28.2	482,304	28.3
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,229,854	71.1	1,223,802	71.8
Non-controlling interests in equity	27,774	1.6	27,631	1.6
	1,257,628	72.7	1,251,433	73.4
Non-current liabilities				
Financial liabilities	141,700	8.2	141,675	8.3
Provisions for post-employment benefits	588	0.0	519	0.0
Other financial liabilities	14,961	0.9	20,234	1.2
	157,249	9.1	162,428	9.5
Current liabilities				
Financial liabilities	8,666	0.5	7,966	0.5
Trade payables	63,113	3.6	69,986	4.1
Current income tax liabilities	9,997	0.6	11,205	0.6
Other provisions	32,827	1.9	33,964	2.0
Other financial liabilities	12,341	0.7	11,576	0.7
Other liabilities	188,384	10.9	156,386	9.2
	315,328	18.2	291,083	17.1
	1,730,205	100.0	1,704,944	100.0

CONSOLIDATED INCOME STATEMENT, JANUARY TO MARCH 2023

January to March	2023		2022	
	€ '000	%	€ '000	%
Revenues	361,500	100.0	347,289	100.0
Other income	61,639	17.1	50,465	14.5
	423,139	117.1	397,754	114.5
Materials and consumables used	119,939	33.2	107,498	31.0
Employee benefits expense	239,051	66.1	232,473	66.9
Other expenses	41,308	11.5	37,869	10.9
Result of impairment on financial assets (expenditure)	313	0.1	90	0.0
	400,611	110.9	377,930	108.8
Interim result (EBITDA)	22,528	6.2	19,824	5.7
Depreciation/amortisation and impairment	16,309	4.5	17,290	5.0
Operating result (EBIT)	6,219	1.7	2,534	0.7
Result of investments accounted for using the equity method	31	0.0	10	0.0
Finance income	1,426	0.4	60	0.0
Finance expenses	-833	-0.2	-773	-0.2
Result of impairment on financial investments (expenditure)	-40	0.0	-81	0.0
Finance result (net)	584	0.2	-784	-0.2
Earnings before taxes (EBT)	6,803	1.9	1,750	0.5
Income taxes	401	0.1	415	0.1
Consolidated profit	6,402	1.8	1,335	0.4
of which				
non-controlling interests	143	0.0	335	0.1
shareholders of RHÖN-KLINIKUM AG	6,259	1.8	1,000	0.3
Earnings per share in €				
undiluted	0.09		0.01	
diluted	0.09		0.01	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, JANUARY TO MARCH 2023

January to March	2023 € '000	2022 € '000
Consolidated profit	6,402	1,335
of which		
non-controlling interests	143	335
shareholders of RHÖN-KLINIKUM AG	6,259	1,000
Changes in fair value through other comprehensive income (FVOCI)	-247	220
Income taxes	39	-35
Other comprehensive income (changes in fair value through other comprehensive income) not subsequently reclassified to income statement	-208	185
Revaluation of defined benefit pension plans	1	11
Income taxes	0	- 2
Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement	1	9
Other comprehensive income ¹	-207	194
of which		
non-controlling interests	-	-
shareholders of RHÖN-KLINIKUM AG	-207	194
Total comprehensive income	6,195	1,529
of which		
non-controlling interests	143	335
shareholders of RHÖN-KLINIKUM AG	6,052	1,194

¹ Sum of value changes recognised at equity.

The present document is a Quarterly Statement pursuant to section 53 of the Exchange Rules for the Frankfurter Wertpapierbörse (FWB) and does not constitute an interim report within the meaning of International Accounting Standard 34. This Quarterly Statement should be read together with the Annual Report for Financial Year 2022 and the additional information contained therein. In the Quarterly Statement the same accounting policies already adopted by the European Union were applied as in the Consolidated Financial Statements for the financial year ending on 31 December 2022.

With regard to new or amended Standards and Interpretations exceeding such scope to be applied as of 1 January 2023 or subsequent years and already adopted by the European Union, we refer to the statements made in the Consolidated Financial Statements as at 31 December 2022. In the first three months of 2023 there were no new or amended Standards and Interpretations exceeding such scope to be applied as of 1 January 2023 or subsequent years and already adopted by the European Union.

For computational reasons, rounding differences of \pm one unit (€, %, etc.) may occur in the tables.

IMPRINT

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This Interim Statement is also available in German.