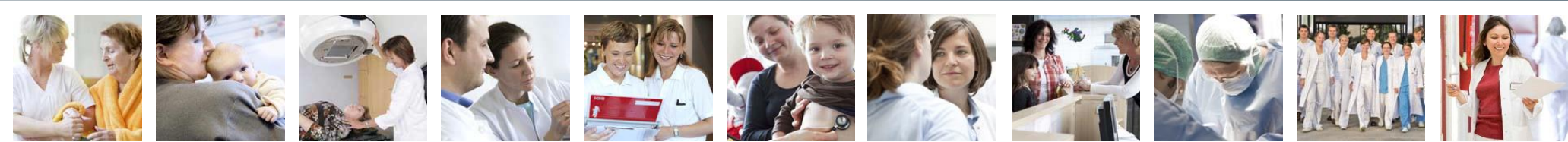


Results for the First Nine Months of 2018

9 November 2018



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RHÖN-KLINIKUM
AKTIENGESELLSCHAFT

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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)

- **RHÖN delivers as promised on key figures** despite a challenging regulatory landscape
 - ✓ Revenues €928.5m/EBITDA margin 11.0%/net profit margin 5.1%
 - ✓ Inpatient and outpatient cases rise to 644,177 (+2.0%)
- Effects from **UKGM separate accounting contract** can be accounted for as the **third party comparison by KPMG** has taken place
- **Significant progress** in the **strategic deployment** of our **digital lighthouse projects**
(Among others: Medical Cockpit, Semantic Coding Assistance, Digital Anamneses, Doctors Portal, Electronic Patient Record)
- **LKH increases shareholding** to 5.21% (+2.02%)
- Strategic milestone project **“Campus Bad Neustadt”** in final stage for opening on **6 December**

“RHÖN Campus Strategy“

*High-quality **integrated care** for rural areas with first-of-its-kind **Campus** at our Bad Neustadt site*



Our new inpatient centre



Our new ambulatory centre

Key P&L figures

First Nine Months of 2018

Performance ¹⁾ in € millions	9M 2018		vs. 9M 2017
Revenue	928.5	100.0%	2.9%
Personnel exp.	-593.1	63.9%	1.0%
Cost of materials	-279.1	30.1%	9.2%
Other expenses	-88.1	9.5%	-6.3%
EBITDA	102.5	11.0%	32.1%
D&A	-45.3	4.8%	2.7%
EBIT	57.2	6.2%	70.7%
Income tax	-9.0	1.0%	57.9%
Net profit	47.6	5.1%	76.3%

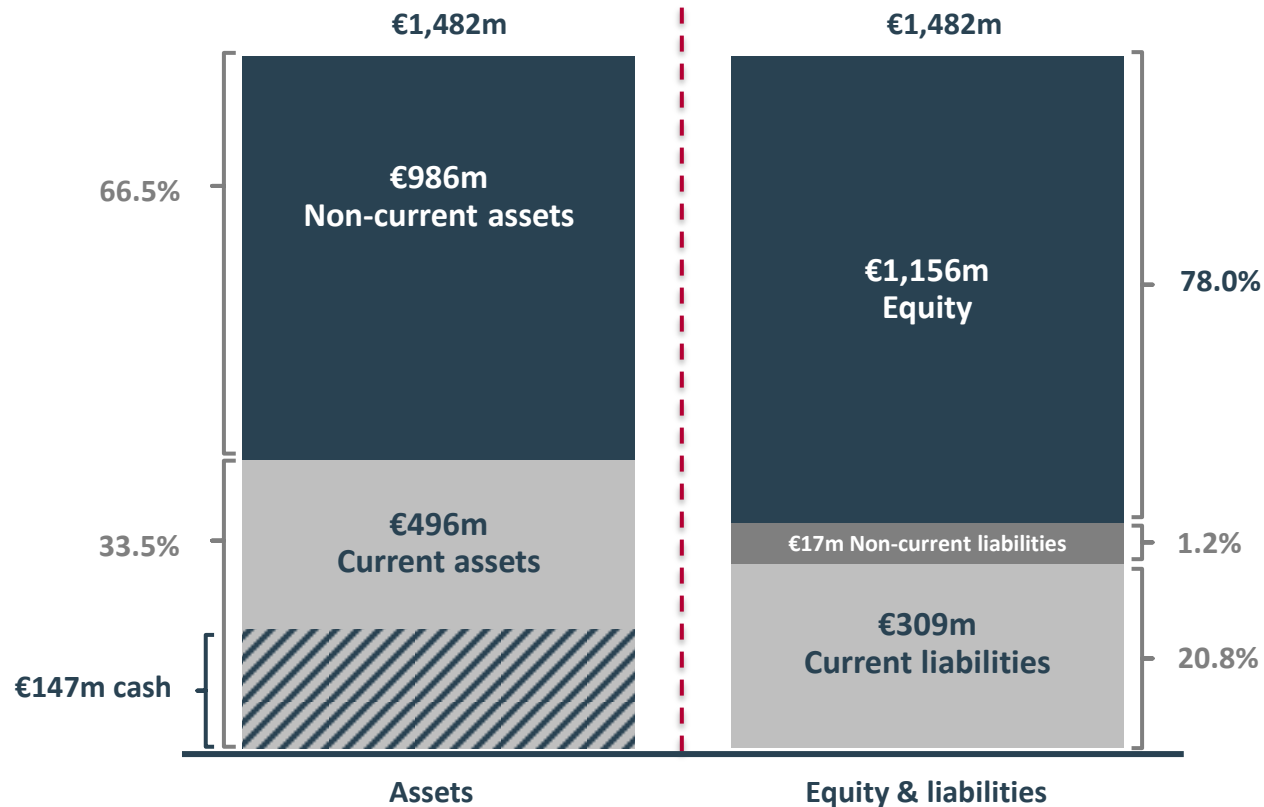
Effectiveness of separate accounting provides a positive € 20m one-off EBITDA effect

- Solid revenue increase²⁾ of +2.9% despite slight decline in inpatient cases and tough regulatory backdrop
- YoY-change of +1.0% influenced by a small single-digit million euro onetime payment for MGMT realignment in prior year, positive effects from separate accounting and anticipated tariff increases
- Cost of materials within forecasted range and only up by +1.3% after deduction of the SPINRAZA effect
- Other expenses without MDK-corrections down by -6.3%
- **EBITDA margin of 11.0% includes € 20m one-off from separate accounting**
- **EBIT/Net profit margins likewise positively affected**

¹⁾ Detailed and comprehensive P&L in 9M 2018 report

²⁾ Revenue adjustments: +2.2% SPINRAZA; -1.0% IFRS15 MDK corrections

Core balance sheet positions as of 30 September 2018



*multi-tier
finance
strategy*



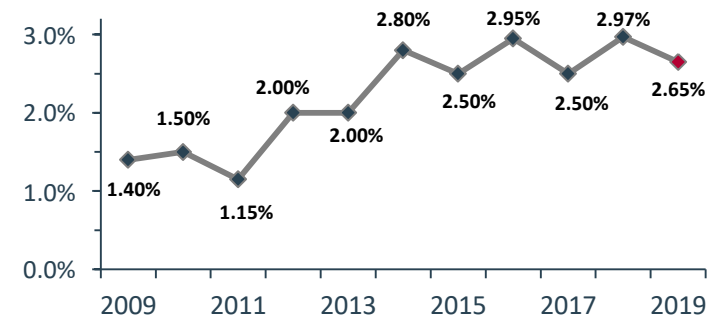
- Continued strong cash position and sustainable equity ratio
- €100m promissory note loan (Schuldscheindarlehen) issued¹⁾
- €100m syndicated loan facility not drawn

¹⁾ Not part of the balance sheet shown. Issue Date 25 Oct. 2018

First insights into regulation for 2019...

- +2.65% as an initial DRG inflator
- Catalogue effect again with price cuts on material intensive services like cardio and special orthopaedics
- Negotiations for actual federal state base rates expected for Q1
- Due to the PpUGV, minimum staffing levels in nursing care within four care sensitive units (cardio, emergency, geriatrics and ICU) based on specific nurse-to-patient-ratios within day/night shift will be introduced

General wage sum increase (initial DRG inflator)



Additional regulation of the German hospital sector based on PpSG legislative draft...

- Fixed cost depression discount should remain at a level of -35%
- Minimum staffing levels for neurology and heart surgery as of 2020
- Additional hired nursing staff announced to be fully remunerated
- Care-allowance shall be separated from the DRG-system
- Legislative process on the adoption of quality as reimbursement criterion is delayed

**GUIDANCE
FY 2018**

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

€ 1.24bn +/- 5%

€ 117.5m to € 127.5m

**FULLY
CONFIRMED**

- 22 February 2019 **Preliminary results for financial year 2018
Conference call**
- 29 March 2019 **Publication of annual financial report 2018
Annual Press Conference**
- 10 April 2019 **Capital Markets Day (Campus Bad Neustadt)**
- 3 May 2019 **Publication of interim report for the quarter ending 31 March 2019**
- 5 June 2019 **Annual General Meeting (Stadthalle Bad Neustadt)**
- 1 August 2019 **Publication of the half-year financial report as of 30 June 2019**
- 8 November 2019 **Publication of interim report for the quarter ending 30 Sept 2019
Conference call**

All dates could be subject to modification

Federal Level

Layer **1**

Total hospital system budget

- Wage sum increase as main reference number for DRG inflation in **2019: +2.65%**
- Sector-specific cost index +1.96%

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
- 2018 base rate for RHÖN portfolio **+2.89%**

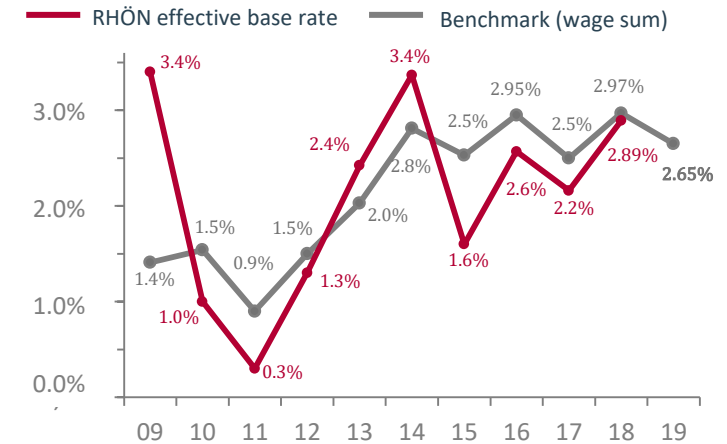
Hospital Level

Layer **3**

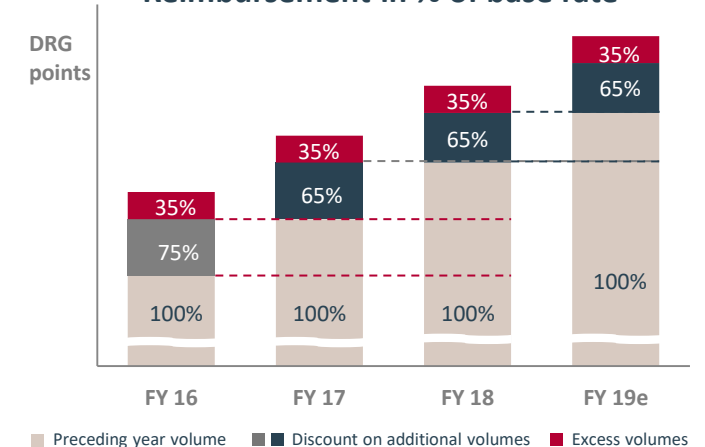
Individual hospital volumes and reimbursement

- Negotiation of volume “budgets” between hospital and health insurance funds
- Additional volumes within the budget reimbursed at 65%** for 3 years (→ e.g. ø-vol. growth assumption of +1.5% p.a. leads over 3Y to a revenue discount of approx. -1.6% 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)

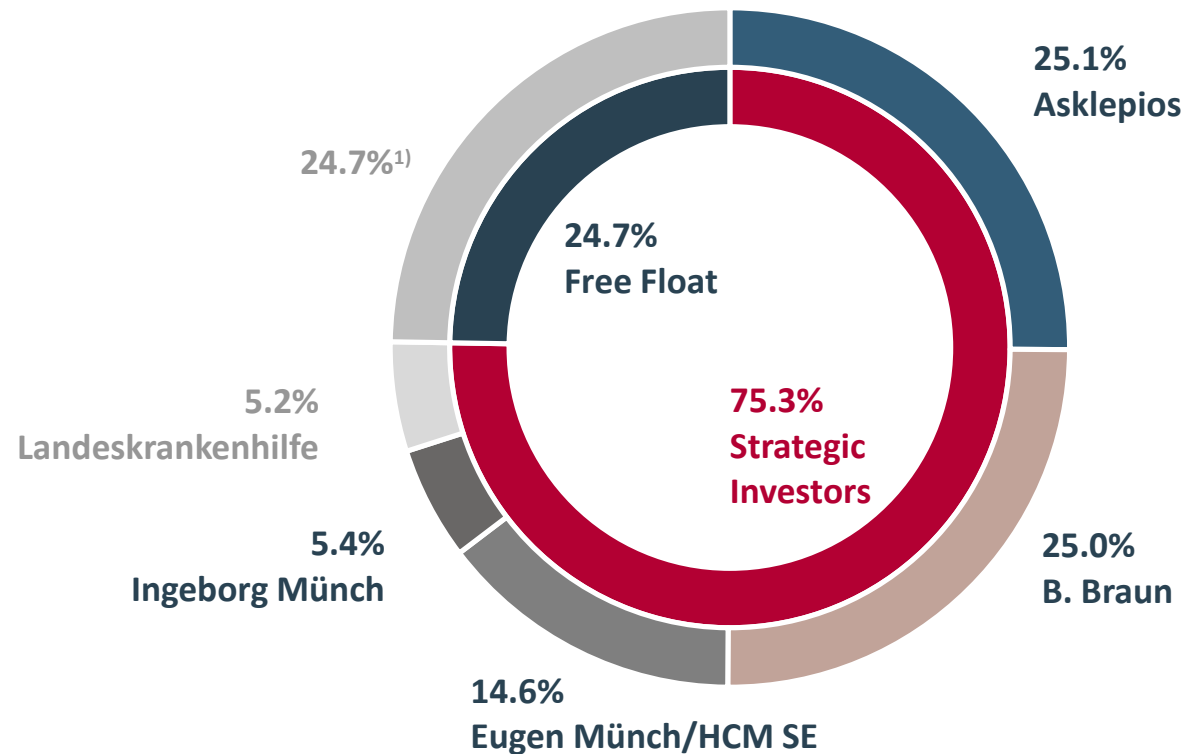


Reimbursement in % of base rate



Shareholder Structure

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



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

Appendix

IR contact information

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