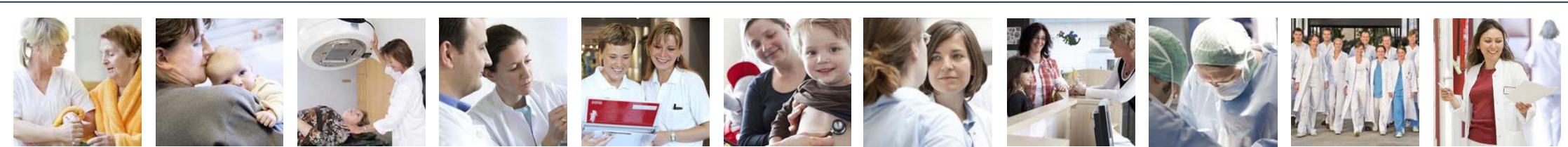


RHÖN-KLINIKUM AG

First Half-Year Results 2016

August 4, 2016



Jens-Peter Neumann, CFO
Dr. Kai G. Klinger



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); bn = billion(s);

A stable and focused quarter

- **AGM 2016:** broad support for all agenda points incl. tax-driven profit transfer agreements
- **€53.6m dividend** paid out on June 10, 2016
- **Organic volume** development well on track with approx. **+2% more DRG case-mix-points** in first six months and **+7.6%** inpatient and outpatient **cases**
- Improvement of case severity (case mix index) as crucial driver for organic growth underlines positioning as high-end healthcare provider
- Total number of treated patients grew by **+11.1%** to **414,403** in H1 2016 (incl. Kreisklinik Bad Neustadt)

Key P&L Figures H1 2016

Performance* in € millions	H1 2016		vs. H1 2015
Revenue	590.6	100.0%	+6.3%
Personnel exp.	-377.4	63.9%	+7.4%
Cost of materials	-165.5	28.0%	+4.8%
EBITDA	103.4	17.5%	+23.3%
D & A	-29.5	5.0%	-1.8%
EBIT	73.9	12.5%	+37.4%
Interest result	-0.4	0.0%	-69.3%
Net profit	69.6	11.8%	+39.9%

Resilient performance ...

- +3.5% organic revenue growth
- slightly higher fixed cost base due to integration of “Kreisklinik”

- First saving effects on materials

... with support from extraordinary items

- includes +€40.6m mandatory provision release from lapsed SPA warranties
- previous year figure with small one-off
- enhanced interest result from fully redeemed bond in Q1
- net profit and EPS benefits from low tax ratio

* detailed and comprehensive P&L in H1 2015 report

UKGM H1 2016* shows further improvement

- Revenue growth +4.1% yoy
- EBITDA margin 8.0%
- Fully on track with operational goals and profitability



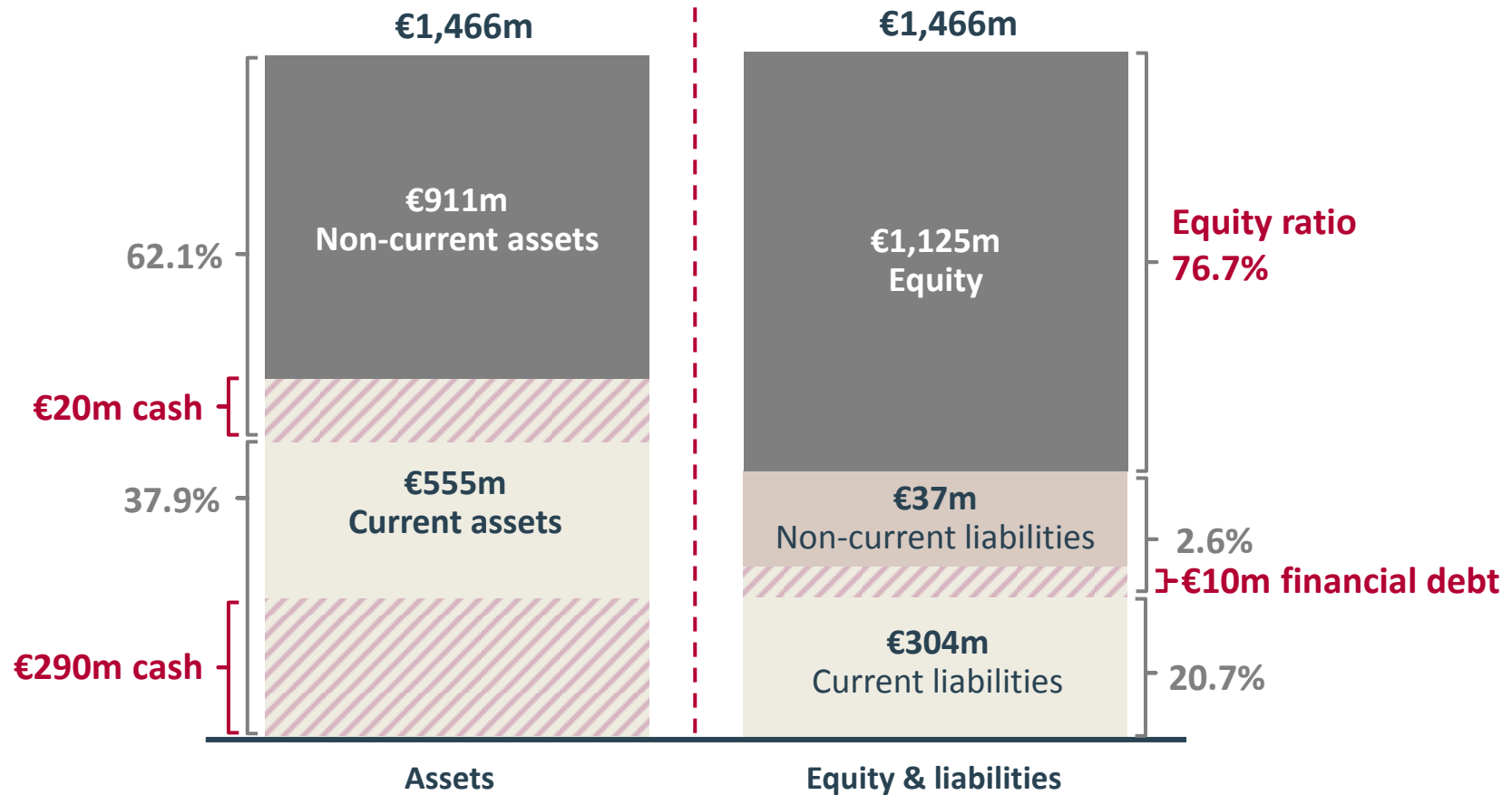
Update on Bad Neustadt campus building project

- Notable progress at all construction levels
 - Foundation and basement completed
 - 40% of structural shell work already done
- Well ahead of schedule



* based on local GAAP (HGB), not audited or reviewed, adjusted on annualized accounting correction between 2014 and 2015

Core Balance Sheet Figures as of June 30, 2016



Solid balance sheet with continuing strong cash position

- Net cash position **€ 300m**
- Equity ratio of **>75%** with sufficient headroom for growth

First view of regulatory landscape in 2017

- Three-year fixed-cost discount replaces discounts on additional volumes
- Extra charge for maintenance of 0.8% redirected into new extra charge for nursing based on staff statistics
- DRG catalogue of 2017
 - Potential price adjustments on material cost intensive services (like Cardio or special orthopedics)
 - Current draft of German DRG Institute (InEK) targets cuts over all material cost reimbursements
- Release of national *Wage Sum Inflator* will be next reference point for 2017 pricing in mid September



Steady course throughout the year

- Allocation and materialization of extraordinary effects broadly in line with underlying assumption
- Overall budget targets of 2016 are attainable

GUIDANCE FY 2016

- **Group revenues** € 1.17bn to 1.20bn
- **EBITDA** € 155m to 165m

**FULLY
CONFIRMED**

MAIN LEVERS

- Organic revenue growth +3 to 4%
(Volumes +1 to 2%; DRG prices ~ +2.6%; discount from volume freeze ~ -1.1%; Kreisklinik ~ +2.9%)
- Input prices: wages +2.5 to 3%; material costs +1.5 to 2%
- Positive and negative one-time effects in low double-digit millions
- Still limited privatization and other M&A opportunities in core business

FY 2016

- **February 26, 2016** Preliminary results for financial year 2015
- **April 15, 2016** Press conference: publication of annual financial report 2015
- **May 6, 2016** Publication of interim report for the quarter ending March 31, 2016
- **June 8, 2016** **Annual General Meeting (Jahrhunderthalle Frankfurt)**
- **August 4, 2016** **Publication of the half-year financial report as of June 30, 2016**
- **November 4, 2016** Publication of interim report for the quarter ending Sept 30, 2016

All dates could be subject to modification

Contact

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Federal Level 1

Layer

- ### Total hospital system budget
- Wage sum increase as main reference number for DRG inflation in **2016: +2.95** (2015: +2.53%)
 - Sector-specific cost index **+1.57%**

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
 - 2016 base rate for RHÖN portfolio **+2.6%** (weak increase in state of Bavaria only at +1.74%)

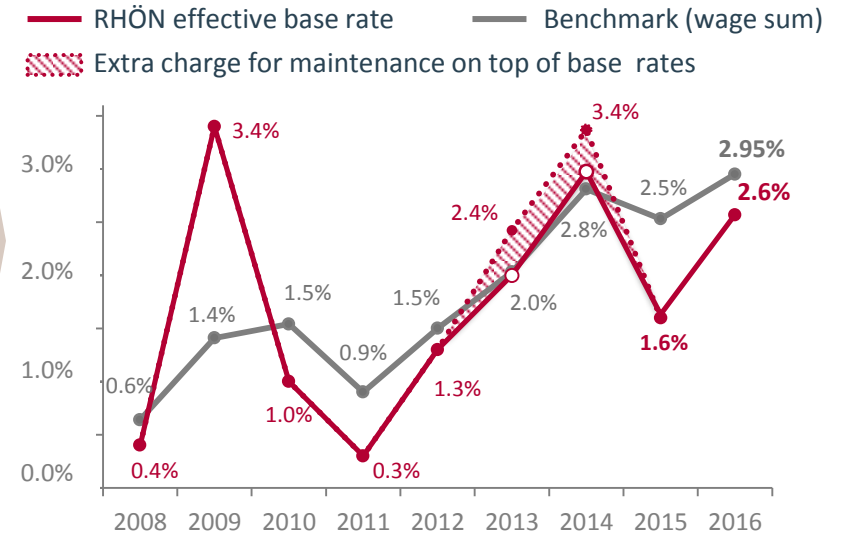
Hospital Level 3

Layer

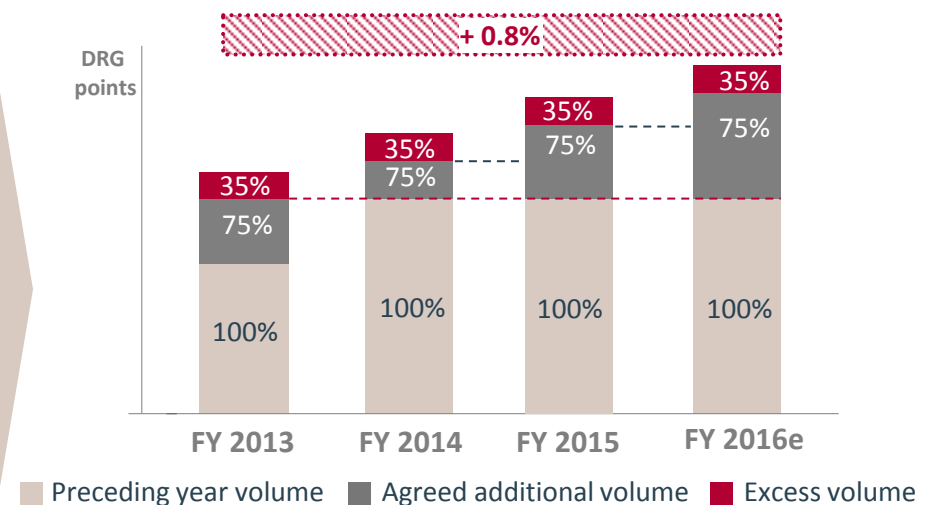
- ### Individual hospital volumes and reimbursement
- Negotiation of volume “budgets” between clinic and health insurance funds about additional volumes
 - Volumes outside the budget reimbursed at only 35%; **additional volumes inside the budget reimbursed at 75% for 3 years** (e.g. \emptyset -growth assumption of +1.5% p.a. leads over 3Y to a discount in current year of approx. **-1.1%**)

Average base rate increase in states with RHÖN hospitals

(weighted by RHÖN case mix)

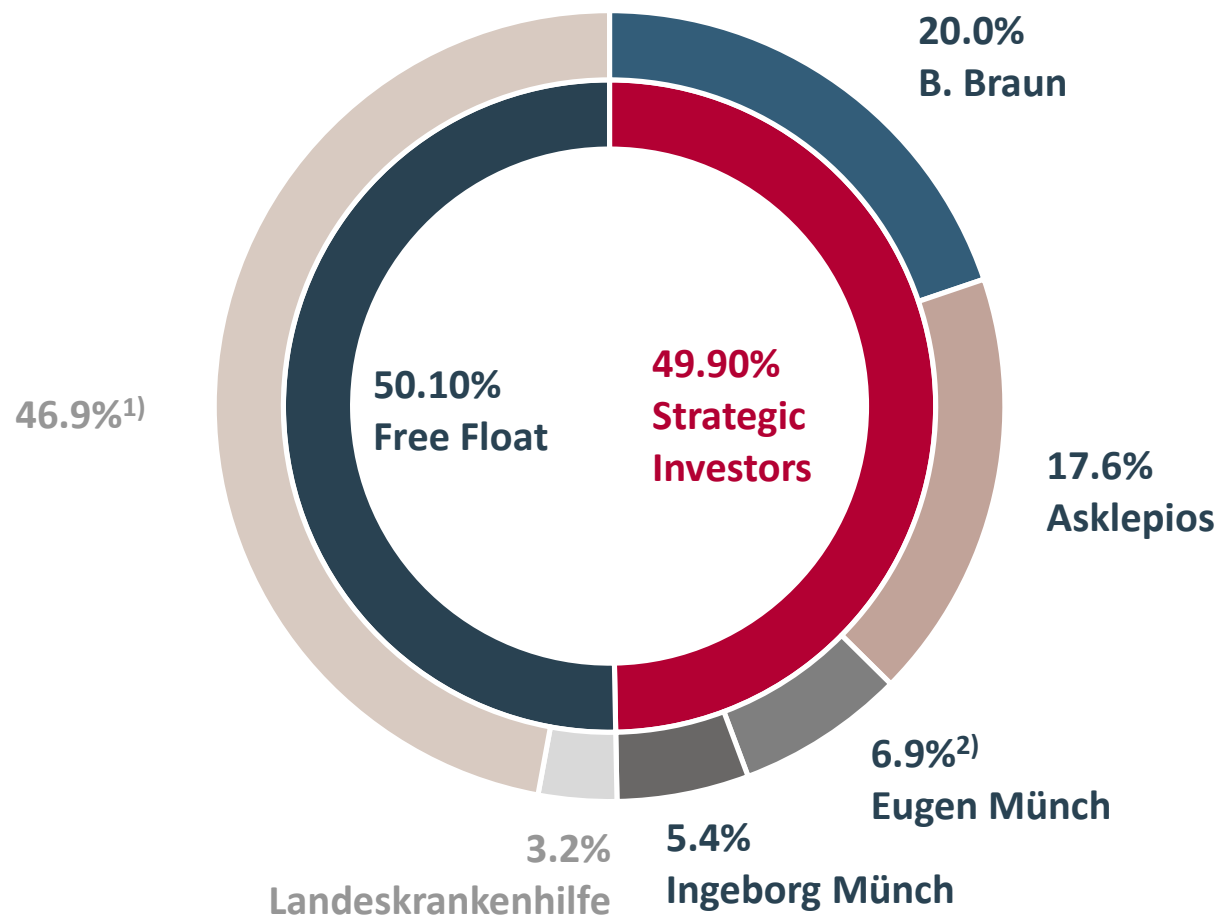


Reimbursement in % of base rate



Like-for-like shareholder structure after capital reduction in 2015

as of 30 June 2016, according to the most recent notifications of voting rights at that time



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

²⁾ Under the assumption "not tendered" in the course of share repurchase 2015