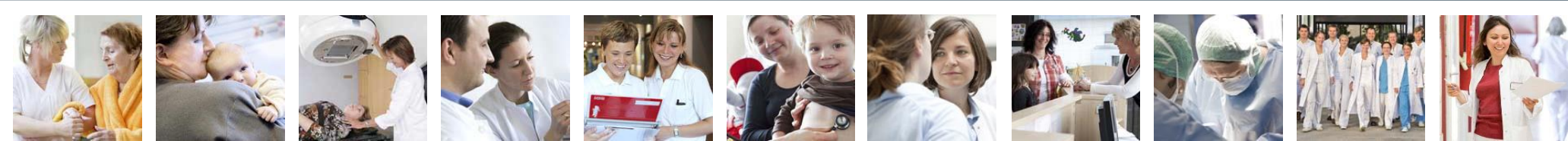


Preliminary Results for FY 2017

23 February 2018



Stephan Holzinger, CEO



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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); bn = billion(s)

- **New agreement on separate accounting signed**
 - Final **contract closing** with the State of Hesse accomplished in Q4 2017
 - Already approved in state budget by the Hesse parliament in Q1 2018
 - **Validation** by auditor to be finalized in 2018
- **Transforming “Campus Concept” through digital innovations**
 - **Artificial intelligence cooperation** with **Mindbreeze** successfully on track
 - **Medical Cockpit** and **Digital Patient Record** to streamline processes
- **Substantial progress at Campus Bad Neustadt construction site**
- **Corporate change measures implemented**
 - **Halting** the escalation in MDK reviews and corrections
 - Staff **benchmarking** and **realignment** of management structures
 - **Revision** of service contracts
- **Stakes of strategic shareholders increasing***
 - Eugen Münch/HCM SE at 14.6%; Ingeborg Münch at 5.4%
 - B. Braun at 25.0% plus discretionary order (up to 4.97%)
 - Asklepios at 25.1%

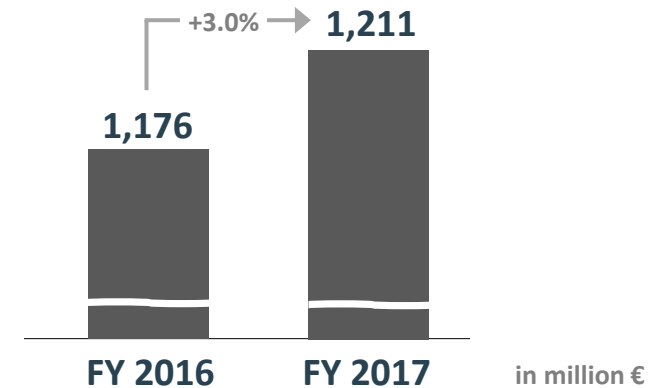


*According to the most recent voting rights and managers' transactions notifications in 2017

Cases

- Volume growth **-1.2%**
(DRG case-mix-points)
- **+2.8%** more inpatient and outpatient cases
- Total number of treated patients **836,387**

Revenues



Earnings & Cash

- EBITDA **€ 98m**
- Net Profit **€ 37m**
- Net Cash **approx. € 258m**

UKGM

- FY 2017 revenues **+2.9% ****
- Full year EBITDA-margin **6.3% ****

* All figures are preliminary and not audited

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

Strategic Focus

Campus Concept and eHealth as Key Projects

„NEW RHÖN“ Business Approach



CAMPUS CONCEPT



High-quality **integrated care for rural areas** with a first-of-its-kind **prototype opening** at our Bad Neustadt site at the turn of 2018/19*



E-HEALTH Strategy



... combined with our **claim** to be Germany's **pioneer and innovator** in **hospital digitalization**, thus generating efficiency increases

Existing Portfolio



Bad Neustadt



UKGM



Bad Berka



Frankfurt (Oder)

Precondition

- efficient corporate structures
- strong and profitable margins

External growth strategy

Rollout of  Campus Concept

*Migration of Campus clinics planned for Q4 2018, migration of RHÖN-Kreislinnik planned for Q1 2019

Outlook 2018

Assumptions & Key Drivers

Organic growth +3.0% to 3.5% p.a.

- Average DRG prices
+2.7%
- Average DRG volumes (case mix)
+1.0% to 2.0%
- Discounts on additional volumes and DRG catalogue effect (cardio)
approx. **-1.25%**

Other Impacts on Top Line

- “Spinraza” effect with
approx. **+€ 20m**
- IFRS 15 conversion
with **-€ 10 to 15m** due
to different disclosure
of MDK corrections

Inflation on input prices

- Wages
+2.0 % to +3.0%
- Material costs
+1.0% to 1.5%

One-Off Effects on EBITDA

- Separate accounting
+€ 20m
- Campus migration
approx. **-€ 1.5m**
- Efficiency measures
with positive **small
single digit € m effect**

**GUIDANCE
FY 2018**

- **Group revenues** **€ 1.24bn +/- 5%**
- **Group EBITDA** **€ 117.5m to € 127.5m**



- **23 February 2018** Preliminary results for financial year 2017
Conference call
- **29 March 2018** Publication of annual financial report 2017
Press conference
- **4 May 2018** Publication of interim report for the quarter ending 31 March 2018
- **6 June 2018** Annual General Meeting (Stadthalle Bad Neustadt)
- **2 August 2018** Publication of the half-year financial report as of 30 June 2018
- **9 November 2018** Publication of interim report for the quarter ending 30 Sept 2018

All dates could be subject to modification

Appendix

Price Regulation in 2018 at a Glance

Federal Level

Layer

1

Total hospital system budget

- Wage sum increase as main reference number for DRG inflation in **2018: +2.97%**
- Sector-specific cost index +2.11%

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 approx. **+2.7%**

Hospital Level

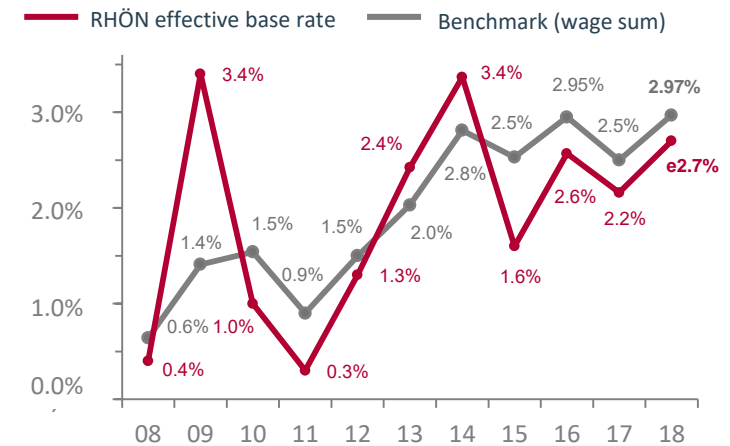
Layer

3

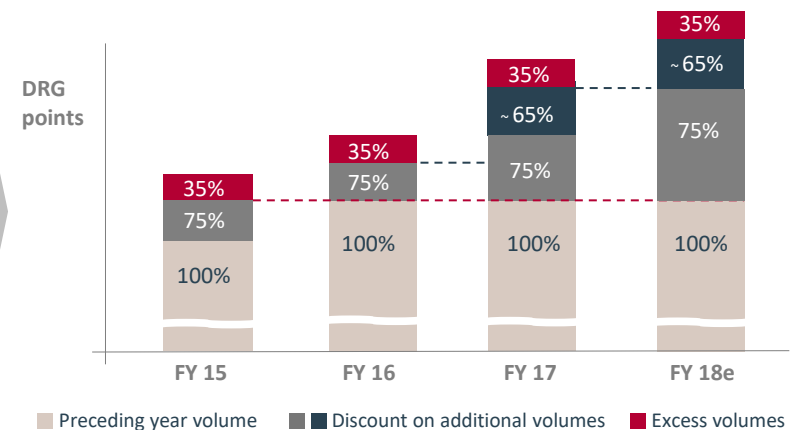
Individual hospital volumes and reimbursement

- 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. -1.4% 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)

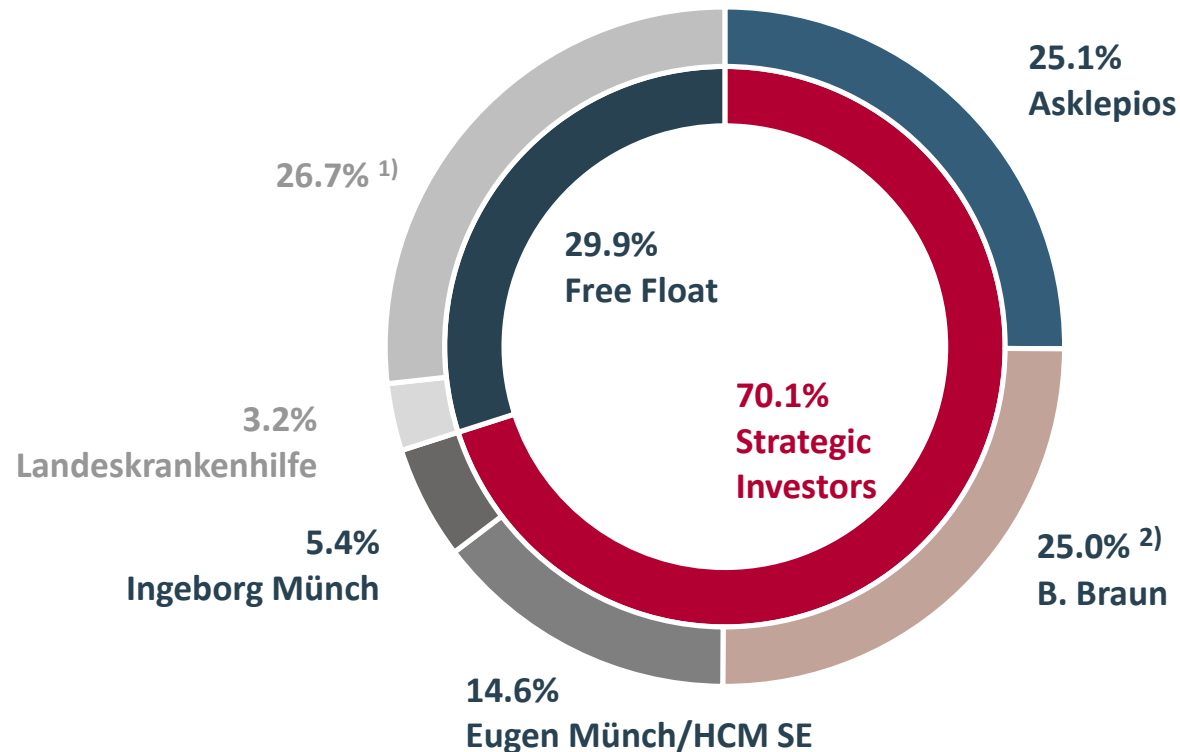


Reimbursement in % of base rate



Shareholder Structure

as of **31 December 2017**, according to the most recent notifications of voting rights at that time



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

²⁾ B. Braun placed a discretionary order to acquire a further up to 4.97% of voting rights (3,330,074 voting rights) by 23 July 2018 inclusive according to the Manager's Transaction notification of 24 July 2017