

# First Half-Year 2020 Results

6 August 2020



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); N/A = not applicable; RHÖN = RHÖN-KLINIKUM Aktiengesellschaft; Asklepios = Asklepios Kliniken GmbH & Co. KGaA, AMR = AMR Holding GmbH

# Key aspects of H1 2020

## Takeover bid by Asklepios



- **Asklepios** has successfully completed the voluntary public takeover bid.
- **RHÖN** will remain a **stock-listed** and **independent** company.
- **Management Board of RHÖN welcomes** the new partnership with Asklepios.
- **Together** with Asklepios, RHÖN can make an even **greater contribution to medical progress** and **sustainable healthcare**.
- **UKGM** will play a **major role** in the strategic partnership **as a medical lighthouse project**.
- RHÖN and Asklepios will **complement each other strategically** and achieve the best possible use of the Group's **economies of scale** (incl. IT and procurement).

# Key aspects of H1 2020

## COVID-19 Pandemic\*



➤ The fact that the care of all patients has been successful in this exceptional situation is due to the **dedicated commitment of our employees at all clinic locations**, who have shown team spirit, commitment and great compassion for all patients and their relatives. **We express our sincere thanks for this.**

➤ **RHÖN is economically more affected** by the corona pandemic than other competitors due to its portfolio structure.

➤ We regularly **treat more complicated and therefore more highly remunerated cases** than many other clinic operators.

➤ During the corona pandemic, we **postponed or cancelled scheduled operations** in response to regulatory reserve capacities, as far as medically justifiable.

➤ We expect that the return to **"normal operations" will take longer than the phase of reduced operations** at the beginning of the COVID 19 pandemic.

➤ The **number of patients reduced by 8.8%** compared to the first six months of 2019. In total we treated **394,558 patients**.

➤ **EBITDA** for the first six months is **impacted by transaction related costs** of approx. € 7.7m **and redundancy payments** to a former member of the management board of € 2.3m.



\*Please find full story within H1 report 2020 under "Letter to shareholders" and "Group Interim report".

# Key P&L figures

## First Half-Year of 2020\*

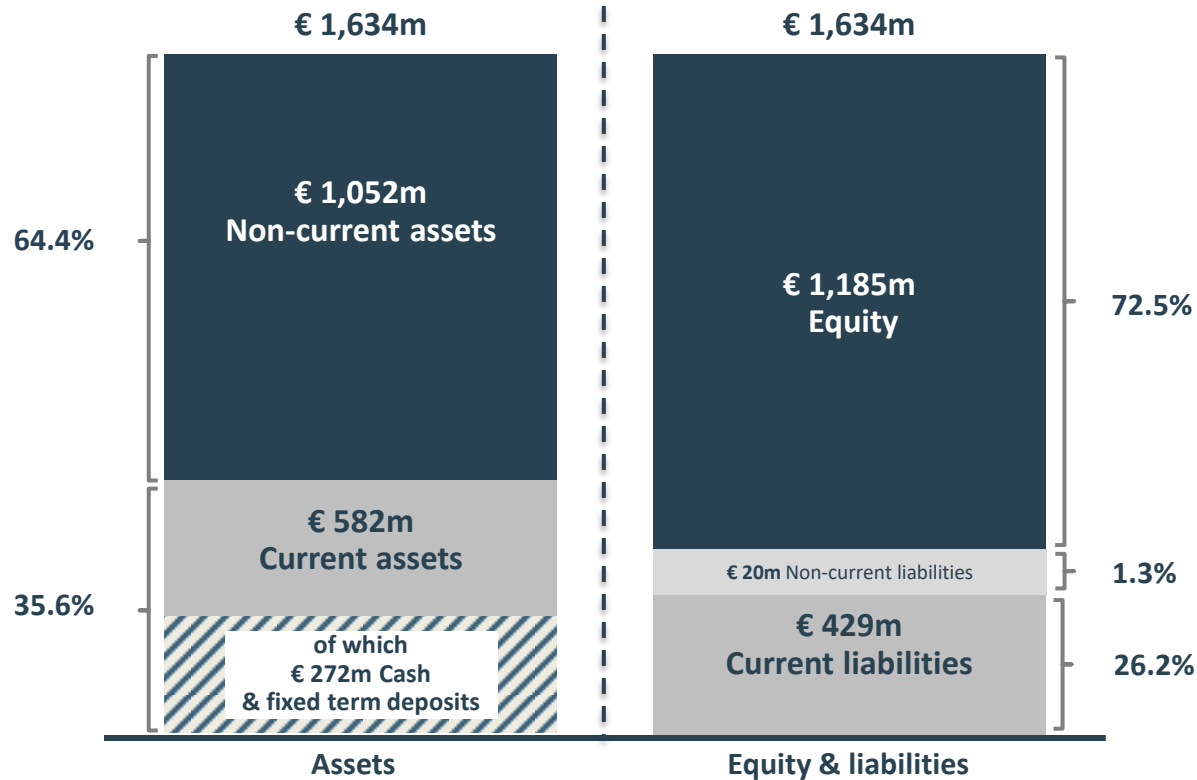
Performance in € millions	H1 2020		vs. H1 2019
Revenue	<b>670.5</b>	100.0%	4.1%
Other income	<b>99.0</b>	14.8%	-6.1%
Cost of materials	<b>-206.5</b>	-30.8%	5.4%
Personnel exp.	<b>-452.3</b>	-67.4%	5.6%
Other expenses	<b>-75.2</b>	-11.2%	17.0%
EBITDA	<b>35.5</b>	5.3%	-41.7%
D&A	<b>-34.1</b>	-5.1%	-0.6%
EBIT	<b>1.4</b>	0.2%	-94.7%
Income tax	<b>-1.7</b>	-0.3%	-68.5%
Net profit	<b>-3.7</b>	-0.6%	-118.0%

### Figures for the first half of 2020 are only conditionally comparable to the same period of the previous year:

- Revenues include COVID-19 compensation payments of € 50.8m. Further deviations result from the DRG carve-out of nursing care applicable from 2020 onwards as well as less treated patients within in- and outpatient services because of Covid-19. Previous year's figure was supported by € 8.9m non-periodic sales of university outpatient clinics.
- Decrease in other income is mainly attributable to a release of provisions for legal and tax risks amounting to € 15.3m in Q2 2019.
- Increase in the cost of materials was due to the sharp rise in the price of security items for treating COVID-19 patients, which are barely covered by the federal compensation payments based on Covid-19 legislation.
- General pay rises, an increase in the number of employees and one-off expenses of € 2.3m due to a redundancy agreement with a former management board member led to a hike in personnel expenses.
- Other expenses went up primarily because of consulting services in connection with the takeover bid from Asklepios.
- EBITDA for the first six months is impacted by transaction related costs of approx. € 7.7m and redundancy payments to a former member of the management board of € 2.3m.

\* Detailed and comprehensive P&L in H1 2020 report.

# Core balance sheet positions as of 30 June 2020



**Solid balance sheet and  
sustainable financial figures**

- ✓ Strong equity ratio of 72.5%
- ✓ Net liquidity of € 99.1m

<b>GUIDANCE 2020</b>	<b>Group REVENUES</b>	<b>€ 1.4bn +/- 5%</b>
	<b>Group EBITDA</b>	<b>€ 72.5m to € 82.5m</b>

## **Focus on economic management of the COVID-19 pandemic**

The corona pandemic will remain the dominant challenge for the healthcare sector for the rest of 2020. Even though RHÖN-KLINIKUM AG is in a sound economic position, we will see the effects of the corona pandemic on our results in the 2020 financial year.

A final assessment of the effects of the COVID 19 pandemic on our core business is still not possible with sufficient probability at present, mainly because it is currently still unclear to what extent the respective federal states intend to provide services for the clinic operators.

Against this background, our planning is subject to the possible effects of the COVID-19 pandemic.

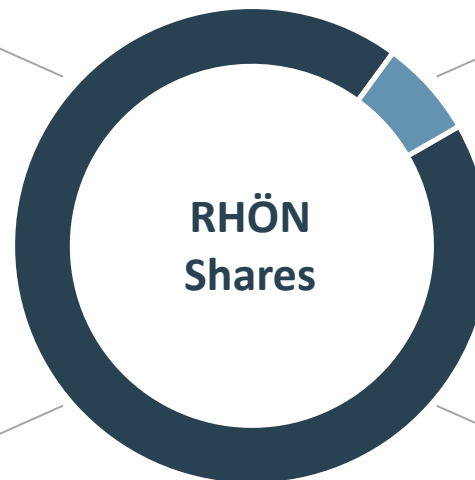
## **Amended dividend proposal in light of the COVID-19 pandemic**

Against the background of the economic challenges and the continuing uncertainties regarding the further effects of the COVID 19 pandemic, the high compensation payments of € 51.6m (as of 30 June 2020) to date and the financial burdens of the public takeover bid on our earnings and liquidity position, the Management Board of RHÖN-KLINIKUM AG will propose at the Annual General Meeting on 19 August 2020 that no dividend be paid this year.



After completion of the takeover bid and contribution of 92.27% of the voting rights in RHÖN to AMR, **Asklepios** and **Dr. Bernard gr. Broermann** together with **Eugen Münch** hold a total of **93.38%** of the voting rights in RHÖN (as of 24 July 2020).

Of these, **7.6%** of the voting rights are attributable to **Mr. Eugen Münch**, that he contributed to AMR Holding GmbH via **HCM SE**, which he controls.



**6.62%**  
Free float

**93.38%**  
**AMR Holding GmbH**  
**Dr. Bernard gr.**  
**Broermann**  
**HCM SE (Eugen Münch)**

\*As of **28 July 2020**, according to the most recent notifications of voting rights at that time.

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## Financial Calendar

upcoming events in 2020

- **19 August 2020**  
Virtual Annual General Meeting
- **6 November 2020**  
Publication of Q3 financial report 2020