



Quarterly Statement - Q3 2021  
RHÖN-KLINIKUM Aktiengesellschaft

# BUSINESS PERFORMANCE

## MATERIAL EVENTS AND SECTOR-SPECIFIC ENVIRONMENT

The fourth wave of the COVID-19 pandemic at first seemed to be more moderate than the previous pandemic phases. In the meantime, however, we are experiencing an exponential increase in infections, which, together with the seasonal spectrum of disease, may lead to a sustained worsening of the situation in hospitals. Yet, unlike at the beginning of the pandemic, we are taking advantage of extensive experience in the treatments of COVID-19 patients and hope for well-manageable courses of the disease due to the current vaccination rate. At the same time, we note that a further increase in the vaccination rate combined with the so-called booster vaccinations and a consistent implementation of the COVID-19 access restrictions are essential to break the fourth wave.

The current situation at our clinics gives us confidence and allows us to continue to provide a high level of care for non-COVID patients. The corresponding development is reflected in both our figures for the first nine months and our outlook for the full year 2021. Thanks to the positive business performance in the first nine months of financial year 2021, the Board of Management of RHÖN-KLINIKUM AG on 8 October 2021 decided to adjust the previous forecast for earnings before interest, tax and depreciation/amortisation (EBITDA) for financial year 2021 (put at between € 72.5 million and € 82.5 million). For financial year 2021 the Board of Management of the Company now expects an EBITDA of between € 92 million and € 102 million. The forecast for revenues for financial year 2021 of € 1.4 billion within a range of +/- 5% is maintained.

This forecast reflects the heightened regulatory interference by the German legislator, such as the Regulation on Nursing Staff Floors (Pflegepersonaluntergrenzenverordnung, PpUGV) and the Nursing Staff Strengthening Act (Pflegepersonalstärkungsgesetz, PpSG). We also note considerable uncertainties in the forecast in terms of the further course of the COVID-19 pandemic and any regulatory measures impacting our remuneration structure in 2021.

But for all our optimism we do have to observe that the selfless, outstanding commitment of our employees over a period of now one and a half years – similar to the trend seen nationally – is taking its toll in terms of increasingly exhausted medical staff. It is proving difficult to fill vacancies due to the current situation on the jobs market.

We see our most pressing tasks in the following areas of action: strengthening nursing and medical care, ensuring that hospitals concentrate on their core activities, and pooling special know-how. We are tackling these areas with the involvement of our employees as we take advantage of our collaboration with the companies of the Asklepios Kliniken GmbH & Co. KGaA group.

We wholly welcome the wish of the exploratory coalition partners SPD, Bündnis 90/Die Grünen and FDP to make preparedness and prevention a guiding principle of German healthcare policy. The basic idea of more cross-sector cooperation is also a sensible one, but should be accompanied by a radical reduction in sectoral boundaries – particularly between outpatient and inpatient care – as it is worked out in detail.

Currently what we really need is solution-based approaches to reduce the significant investment backlog in the German healthcare industry, and we appeal to the exploratory coalition partners to explicitly address this issue. Investments in digitalisation make good sense and are inevitable, but are not an end in themselves. Moreover, the German healthcare industry badly needs significantly more investment in building infrastructure and medical technology. In future, violations of the

principle of dual financing must no longer be condoned. Instead, effective sanction mechanisms must be put in place.

## TREND IN SERVICE VOLUMES

As at 30 September 2021, we operate eight hospitals with 5,414 beds at a total of five sites:

	Hospitals	Beds
<b>As at 31 December 2020</b>	<b>8</b>	<b>5,304</b>
Change in capacities	-	110
<b>As at 30 September 2021</b>	<b>8</b>	<b>5,414</b>

Of the change in capacities compared with 31 December 2020, 102 beds/places are essentially accounted for by the expansion of patient supply in the area of psychosomatic rehabilitation with the opening of the new building at the Bad Neustadt a. d. Saale site in August of the current financial year.

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

January to September	2021	2020	Change	
			absolute	%
Inpatient and semi-inpatient treatments at our				
Acute hospitals	143,541	144,189	-648	-0.4
Rehabilitation hospitals and other facilities	3,313	3,006	307	10.2
	146,854	147,195	-341	-0.2
Outpatient treatments at our				
Acute hospitals	330,362	321,999	8,363	2.6
Medical care centres	155,667	137,957	17,710	12.8
	486,029	459,956	26,073	5.7
<b>Total</b>	<b>632,883</b>	<b>607,151</b>	<b>25,732</b>	<b>4.2</b>

Whereas the number of patients treated on an inpatient and semi-inpatient basis due to the COVID-19 pandemic is still slightly in decline, the number of outpatient cases rose by 26,073 patients or 5.7%.

## NET ASSETS POSITION AND RESULTS OF OPERATIONS

The Group's revenue and earnings performance during the first nine months of 2021 compared with the same period of the previous year is as follows:

January to September	2021	2020	Change	
			€ m	%
Revenues	1,030.6	1,018.7	11.9	1.2
EBITDA	71.1	60.8	10.3	16.9
EBIT	18.1	9.3	8.8	94.6
EBT	16.7	5.7	11.0	193.0
Consolidated result	15.5	2.3	13.2	573.9

Compared with the same period last year, we record a rise in revenues by 1.2%. EBITDA improved by 16.9% to reach € 71.1 million. Consolidated profit stands at € 15.5 million and is thus € 13.2 million above the previous year's level.

Revenues of the first nine months of financial year 2021 include € 40.3 million (previous year: € 70.6 million) of income in connection with COVID-19 legislation, which essentially relates to income from payments for bed capacities kept available. These expired on 15 June 2021.

Other income, at € 145.1 million (previous year: € 145.3 million), is nearly at the previous year's level. Reimbursements recorded under this item in the previous year for maternal leave, income from integration grants as well as reimbursements of personnel costs for quarantined employees were netted with the employee benefits expense to make them more comprehensible for users of financial statements. The previous year's statement of other income was adjusted in the income statement from € 152.7 million by € 7.4 million to € 145.3 million. The previous year's statement of the employee benefits expense item was adjusted in the income statement from € 683.2 million by € 7.4 million to € 675.8 million.

Compared with the same period last year, the only slight increase in materials and consumables used by € 0.2 million or 0.1% in the first nine months of 2021 was disproportionately moderate to the rise in revenues.

The rise in the employee benefits expense of the first nine months of financial year 2021 compared with the same period of the previous year by € 11.3 million or 1.7% to € 687.1 million is essentially attributed to general wage increases.

Other expenses declined from € 109.8 million by € 9.2 million or 8.4% to € 100.6 million.

The result from the impairment on financial assets results from the adoption of IFRS 9, which among other things governs the future expected losses of financial assets.

In the first nine months of financial year 2021, the negative finance result declined from € 3.5 million by € 2.1 million to € 1.4 million.

Compared with the same period last year, the tax expense item declined by € 2.3 million to € 1.1 million. The decline is the result of a lower tax assessment basis at an unchanged rate of taxation as well as higher tax refunds from previous years.

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

	30 Sept. 2021		31 Dec. 2020	
	€ m	%	€ m	%
<b>ASSETS</b>				
Non-current assets	1,059.3	63.8	1,063.2	65.2
Current assets	600.8	36.2	566.5	34.8
	<b>1,660.1</b>	<b>100.0</b>	<b>1,629.7</b>	<b>100.0</b>
<b>EQUITY &amp; LIABILITIES</b>				
Shareholders' equity	1,210.2	72.9	1,190.2	73.0
Non-current liabilities	165.0	9.9	166.1	10.2
Current liabilities	284.9	17.2	273.4	16.8
	<b>1,660.1</b>	<b>100.0</b>	<b>1,629.7</b>	<b>100.0</b>

## OTHER INFORMATION

### Employees

On 30 September 2021, the Group of RHÖN-KLINIKUM AG employed 18,159 persons (31 December 2020: 18,449).

Employees	30 Sept. 2021	31 Dec. 2020	Change	
			absolute	%
Hospitals	16,147	16,486	-339	-2.1
Medical care centres	342	321	21	6.5
Service companies	1,670	1,642	28	1.7
<b>Total</b>	<b>18,159</b>	<b>18,449</b>	<b>-290</b>	<b>-1.6</b>

# CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT

## CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2021

	30 Sept. 2021		31 Dec. 2020	
	€ '000	%	€ '000	%
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill and other intangible assets	181,958	11.0	181,627	11.1
Property, plant and equipment	857,506	51.7	865,554	53.1
Investment property	1,523	0.1	2,208	0.1
Investments accounted for using the equity method	418	0.0	394	0.0
Deferred tax assets	730	0.0	1,472	0.1
Other financial assets	17,176	1.0	11,981	0.8
	<b>1,059,311</b>	<b>63.8</b>	<b>1,063,236</b>	<b>65.2</b>
<b>Current assets</b>				
Inventories	30,474	1.8	35,239	2.2
Trade receivables	192,506	11.6	193,900	11.9
Other financial assets	222,305	13.4	231,232	14.2
Other assets	13,930	0.8	11,968	0.7
Current income tax assets	2,503	0.2	3,140	0.2
Cash and cash equivalents	139,043	8.4	90,955	5.6
	<b>600,761</b>	<b>36.2</b>	<b>566,434</b>	<b>34.8</b>
	<b>1,660,072</b>	<b>100.0</b>	<b>1,629,670</b>	<b>100.0</b>

	30 Sept. 2021		31 Dec. 2020	
	€ '000	%	€ '000	%
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Issued share capital	167,406	10.1	167,406	10.3
Capital reserve	574,168	34.6	574,168	35.2
Other reserves	442,928	26.7	423,831	26.0
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,184,426	71.4	1,165,329	71.5
Non-controlling interests in equity	25,731	1.5	24,892	1.5
	<b>1,210,157</b>	<b>72.9</b>	<b>1,190,221</b>	<b>73.0</b>
<b>Non-current liabilities</b>				
Financial liabilities	148,537	8.9	148,460	9.1
Provisions for post-employment benefits	1,322	0.1	1,114	0.1
Other financial liabilities	15,121	0.9	16,498	1.0
	<b>164,980</b>	<b>9.9</b>	<b>166,072</b>	<b>10.2</b>
<b>Current liabilities</b>				
Financial liabilities	1,697	0.1	943	0.1
Trade payables	79,179	4.8	80,707	4.9
Current income tax liabilities	10,453	0.6	11,388	0.7
Other provisions	31,099	1.9	32,393	2.0
Other financial liabilities	12,538	0.8	14,922	0.9
Other liabilities	149,969	9.0	133,024	8.2
	<b>284,935</b>	<b>17.2</b>	<b>273,377</b>	<b>16.8</b>
	<b>1,660,072</b>	<b>100.0</b>	<b>1,629,670</b>	<b>100.0</b>

## CONSOLIDATED INCOME STATEMENT, JANUARY TO SEPTEMBER 2021

January to September	2021		2020 <sup>1</sup>	
	€ '000	%	€ '000	%
Revenues	1,030,551	100.0	1,018,715	100.0
Other income	145,133	14.1	145,318	14.2
	<b>1,175,684</b>	<b>114.1</b>	<b>1,164,033</b>	<b>114.2</b>
Materials and consumables used	317,145	30.8	316,964	31.1
Employee benefits expense	687,131	66.7	675,862	66.3
Other expenses	100,619	9.7	109,787	10.7
Result of impairment on financial assets	-270	0.0	-92	0.0
	<b>1,104,625</b>	<b>107.2</b>	<b>1,102,521</b>	<b>108.1</b>
Expense from deconsolidation of subsidiaries	0	0.0	732	0.1
<b>Interim result (EBITDA)</b>	<b>71,059</b>	<b>6.9</b>	<b>60,780</b>	<b>6.0</b>
Depreciation/amortisation and impairment	52,924	5.1	51,505	5.1
<b>Operating result (EBIT)</b>	<b>18,135</b>	<b>1.8</b>	<b>9,275</b>	<b>0.9</b>
Result of investments accounted for using the equity method	69	0.0	73	0.0
Finance income	434	0.0	167	0.0
Finance expenses	-2,113	-0.2	-3,535	-0.3
Result of impairment on financial investments	163	0.0	-241	0.0
<b>Finance result (net)</b>	<b>-1,447</b>	<b>-0.2</b>	<b>-3,536</b>	<b>-0.3</b>
<b>Earnings before taxes (EBT)</b>	<b>16,688</b>	<b>1.6</b>	<b>5,739</b>	<b>0.6</b>
Income taxes	1,144	0.1	3,408	0.4
<b>Consolidated profit</b>	<b>15,544</b>	<b>1.5</b>	<b>2,331</b>	<b>0.2</b>
of which				
<b>non-controlling interests</b>	<b>839</b>	<b>0.1</b>	<b>806</b>	<b>0.1</b>
<b>shareholders of RHÖN-KLINIKUM AG</b>	<b>14,705</b>	<b>1.4</b>	<b>1,525</b>	<b>0.1</b>
<b>Earnings per share in €</b>				
<b>undiluted</b>	<b>0.22</b>		<b>0.02</b>	
<b>diluted</b>	<b>0.22</b>		<b>0.02</b>	

<sup>1</sup> adjusted

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, JANUARY TO SEPTEMBER 2021

January to September	2021 € '000	2020 € '000
<b>Consolidated profit</b>	<b>15,544</b>	<b>2,331</b>
of which		
non-controlling interests	839	806
shareholders of RHÖN-KLINIKUM AG	14,705	1,525
Changes in fair value through other comprehensive income (FVOCI)	5,195	2,969
Income taxes	-822	-470
<b>Other comprehensive income (changes in fair value through other comprehensive income) not subsequently reclassified to income statement</b>	<b>4,373</b>	<b>2,499</b>
Revaluation of defined benefit pension plans	23	208
Income taxes	-4	- 33
<b>Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement</b>	<b>19</b>	<b>175</b>
<b>Other comprehensive income <sup>1</sup></b>	<b>4,392</b>	<b>2,674</b>
of which		
non-controlling interests	-	-
shareholders of RHÖN-KLINIKUM AG	4,392	2,674
<b>Total comprehensive income</b>	<b>19,936</b>	<b>5,005</b>
of which		
non-controlling interests	839	806
shareholders of RHÖN-KLINIKUM AG	19,097	4,199

<sup>1</sup> 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 2020 and the additional information contained therein. The same accounting and valuation methods already adopted by the European Union were applied in the Quarterly Statement as in the Consolidated Financial Statements for the financial year ending on 31 December 2020.

The amendments to IFRS 16 “Leases” adopted into European law by the European Union on 30 August 2021 provide for practical expedients in the form of an optional exemption from assessing whether a COVID-19-related rent concession is a lease modification. The practical expedients apply to rent concessions that reduce rent payments originally due by 30 June 2022. The amendments are to be applied to reporting periods beginning on or after 1 April 2021 and are of no practical relevance for RHÖN-KLINIKUM AG.

The amendments to the Standard IAS 16 adopted into European law by the European Union on 30 August 2021 prohibit companies from deducting from the cost of property, plant and equipment amounts received from selling items produced while the asset is brought to its location and condition necessary for it to be capable of operating. The amendments are to be applied to reporting periods beginning on or after 1 January 2022, and are of no practical relevance for the net assets, financial position and results of operations of RHÖN-KLINIKUM AG.

The amendments to IAS 37 adopted into European law on 30 August 2021 relate to clarifications of the meaning of “costs of fulfilling a contract”. The amendments are to be applied to reporting periods beginning on or after 1 January 2022, and are of no practical relevance for the net assets, financial position and results of operations of RHÖN-KLINIKUM AG.

By the amendment to IFRS 3 adopted into European law on 30 August 2021, the reference to the conceptual framework of IFRS is updated to refer to the conceptual concept updated in 2018. Moreover, IFRS 3 is supplemented by the requirement for purchasers to apply the provisions of IAS 37 or IFRIC 21 instead of the conceptual framework when identifying obligations assumed that fall under the scope of application of IAS 37 or IFRIC 21. The amendments are to be applied to reporting periods beginning on or after 1 January 2022 and are of no practical relevance for RHÖN-KLINIKUM AG.

On 28 June 2021 the amendments to the Standards relating to Annual Improvements to IFRS Standards – 2018-2020 Cycle – were adopted into European law. The amendments relate to the Standards IAS 16, IAS 37, IAS 41, IFRS 1, IFRS 3 and IFRS 9. The amendments are to be applied to reporting periods beginning on or after 1 January 2022, and for RHÖN-KLINIKUM AG are of no practical relevance for and/or have no material impact on the net assets, financial position and results of operations.

In the first nine months of 2021 there were no Standards and Interpretations exceeding such scope to be applied as of 1 January 2021 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.