

# Corporate News

Bad Neustadt / Saale | 6th November 2020

## **RHÖN-KLINIKUM AG – results for the first nine months 2020**

The first nine months of the current financial year were marked by new and unexpected developments. In this context, the work of the Board of Management and the employees of our Group was especially dominated by the handling of the COVID-19 pandemic and the takeover of RHÖN-KLINIKUM AG by Asklepios Kliniken GmbH & Co. KGaA.

### **Two big players – one common goal**

With Asklepios Kliniken GmbH & Co. KGaA and RHÖN-KLINIKUM AG, two innovative groups are joining forces for one common mission: together, we will develop and promote path breaking concepts of healthcare delivery to ensure we can continue providing excellent medical care. We will strategically complement each other at all levels and act within the network – creating outstanding value added, particularly given the tightening regulatory and demographic environment in the hospital sector.

Under one common roof we create the ideal basis for meeting the challenges of our sector head-on and taking advantage of the Group's economies of scale for each individual hospital in the best possible way. To this end – in addition to the targeted economies of scale in the areas of purchasing and IT – we are also focusing our joint efforts on optimising clinical procedures and processes in the best interests of our patients.

Particularly noteworthy is the already effective cooperation in the recruiting of additional nursing staff to successfully stem the increasing shortage of qualified employees. With the help of Asklepios Kliniken GmbH & Co. KGaA, for example, Universitätsklinikum Gießen und Marburg GmbH has succeeded in a first step in recruiting 22 urgently needed nurses, and many others will follow.

Universitätsklinikum Gießen und Marburg (UKGM) – the third-largest university hospital in Germany – plays a special key role in this partnership. With its five maximum and intermediate care hospital sites, RHÖN-KLINIKUM AG already today is a recognised name for excellent medical care with a direct tie-in to the two university hospitals and their research institutions. This strength has to be used in future also – in the best interests of patients and employees at all sites of the Asklepios Group.

In the roadshow, the Board of Management of RHÖN-KLINIKUM AG together with the Board of Management of Asklepios Kliniken GmbH & Co. KGaA visited all hospital sites of the Group of RHÖN-KLINIKUM AG and in constructive discussions with employees identified numerous areas with potential for cooperation. These include, among others, synergy potentials in the area of the Marburg ion beam therapy facility, cooperation in the field of radiopharmacy at the Bad Berka site as well as cooperation in pathology.

### **Challenge from corona**

As the spread of the coronavirus continues unabated, we face a big challenge as a hospital group. In terms of our medical competence we do see ourselves as well prepared for the tasks of the months lying ahead of us and are helped by the experiences gained from the “first wave”, but as the “second wave” approaches we also recognise with great concern the lack of mechanisms in place to compensate for the additional costs in the fourth quarter of 2020.

The need for the political players to take further action at all levels has become even more urgent in the months of October and November 2020. On the one hand it is indispensable to continue those measures adopted only up to the end of the third quarter of 2020 – in particular in the area of ICU beds and reimbursement payments for the costs of keeping beds available. Without such federal and state policy measures there is a considerable risk of insolvencies among urgently needed systemically relevant hospitals and an accompanying weakening of the indispensable structures needed to fight the pandemic. At the same time it is absolutely necessary to ensure treatment for non-COVID-19 patients. On the other hand, we appeal to politicians to increase the so badly needed government grants for investment projects. The Hospital Future Act (Krankenhauszukunftsgesetz, KHZG) is one step in the right direction. But the investments contemplated in this piece of legislation are not enough to remove the investment backlog in the German healthcare system. It is imperative to adhere to the principle of dual funding on which the German Hospital Financing Act is based.

### **Economic result**

In the first nine months of financial year 2020, RHÖN-KLINIKUM AG recorded consolidated revenues of Euro 1,018.7 million after Euro 970.8 million in the previous year. We thus succeeded in raising revenues by 4.9 percent compared with the same period last year. At Euro 60.8 million, EBITDA (earnings before interest, taxes, depreciation and amortisation) were down by Euro 36.7 million compared with the same level of the previous year (Euro 97.5 million).

The EBITDA margin was 6.0 percent. Taking account of depreciation/amortisation, financing costs and taxes, EBITDA resulted in a consolidated profit of Euro +2.3 million after Euro 37.8 million in the previous year. The calculated decline in earnings compared to the previous year is essentially due to positive one-off effects in the previous year. These included in particular the release of provisions for legal and tax risks of Euro 30.3 million as well as effects from the agreement on the remuneration of university outpatient clinics in the amount of Euro 6.7 million.

The decline in earnings compared with the previous year is essentially marked by positive one-off effects of  
The key figures of the first nine months of financial year 2020 also include transaction-related expenses in  
the amount of Euro 8.0 million. The decline in service volumes by roughly 6.2 percent versus the same  
period of the previous year compares with revenues resulting from COVID-19 legislation in the amount of  
roughly Euro 75.3 million.

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**RHÖN-KLINIKUM AG** is one of the largest healthcare providers in Germany. We offer excellent medical care with a direct tie-in to universities and research facilities. We treat over 860,000 patients every year at our five locations of Campus Bad Neustadt, Klinikum Frankfurt (Oder), Universitätsklinikum Gießen, Universitätsklinikum Marburg (UKGM) and Zentralklinik Bad Berka, and employ more than 18,000 persons. The innovative RHÖN Campus approach for cross-sector and future-oriented healthcare delivery in rural areas, the steadfast continuation of gradual digital transformation within the Company as well as use of telemedicine are important elements of our corporate strategy. RHÖN-KLINIKUM AG is an independent Company operating under the umbrella of Asklepios Kliniken GmbH & Co. KGaA.

[www.rhoen-klinikum-ag.com](http://www.rhoen-klinikum-ag.com)

**Interim Report First Nine Months Results 2020:**

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