

Corporate News

Bad Neustadt a. d. Saale | 4 August 2022

RHÖN-KLINIKUM AG closes first half of 2022 with increase in revenues

The first half of financial year 2022 was marked by the impacts of the COVID-19 pandemic and the geopolitical risks brought about by the war in Ukraine. The course of the pandemic prevented a return to normal due to the restrictions in the provision of services and medical staff on sick-leave.

The geopolitical developments culminated in a disruption in supply chains and an accompanying general rise in price levels. Whereas the Group subsidiaries of RHÖN-KLINIKUM AG were for the most part able to offset direct price increases in the area of energy thanks to delivery quantities contracted in the past, price increases with suppliers put a greater burden on the result. In the view of the Board of Management of RHÖN-KLINIKUM AG, the discord between the statutory reimbursement mechanisms on the one hand and the inflationary price trend on the other will end up having a considerable impact on the German healthcare industry. The Group therefore sees the very urgent need to quickly adjust the existing state base rates and other remuneration components to the current price level, also against the backdrop of the expired reimbursements in connection with the COVID-19 pandemic and calls on politicians to act promptly.

Dr Christian Höftberger, Chairman of the Board of Management of RHÖN-KLINIKUM AG, said: “Once again, the pandemic and the war in Europe is confronting us with extraordinary tasks. Looking forward, we are confident that we will continue our success in dealing with the related challenges, in particular the economic effects.”

We treated 427,344 patients in our hospitals and medical care centres in the first half of 2022, with the Group of RHÖN-KLINIKUM AG generating revenues of € 711.2 million, an EBITDA of € 52.8 million and a consolidated profit of € 12.8 million.

The COVID-19 pandemic completely laid bare the shortcomings in the existing healthcare policy with regard to investment funding. Contrary to the dual financing principle, such funding has not been made available to hospitals to a sufficient extent over the decades. This culminated in a chronic underfunding of the healthcare system.

RHÖN-KLINIKUM AG in principle welcomes the planned shift of certain hospital services to the outpatient area. At the same time, measures of the German legislator to significantly improve outpatient remuneration and additional investment funding to create further outpatient structures are required.

The measures restricting eligible professional groups set out in the draft of the Act to Stabilise the Finances of the Statutory Health Insurance Funds (SHIs) (*GKV-Finanzstabilisierungsgesetz*) are viewed critically. For hospitals it is stipulated that from 2024 only the nursing staff costs of certified nurses employed directly in the area of patient care on wards having their own beds will be eligible for inclusion in the nursing budget. This far too narrow interpretation fails to recognise the current labour market situation and is an obstacle to reducing the workload on nursing staff.

The Group also takes the view that the structure of the planned introduction of a defined measurement of the staffing levels according to the hospitals' need (*Pflegepersonalregelung 2.0* or *PPR 2.0*) in its current form is not suitable to relieve the workload on nursing staff and improve the quality of nursing. Rather, this provision is expected to create additional bureaucratic burdens in terms of a daily classification of nursing staff and an accompanying additional burden on nursing staff.

In June 2022, RHÖN-KLINIKUM AG terminated the agreement on the implementation of the white paper for the further development of university medicine (*Zukunftspapier für die Weiterentwicklung der hessischen Universitätsmedizin*) from 2017 between the Federal State of Hesse, Giessen and Marburg Universities including the related faculties of medicine, and Universitätsklinikum Gießen und Marburg (UKGM) observing the stipulated notice period. Not doing this would have meant the automatic renewal of the agreement for a further year.

The Board of Management of RHÖN-KLINIKUM AG welcomes the first steps towards normalisation in investment funding set out in the Letter of Intent (LoI) agreed with the Federal State of Hesse, but points out that contemplated investment funding, which, however, is still too low compared with other university hospitals, has to be supported by additional own funds. The general environment has changed significantly since the LOI was signed. Current developments are becoming more acute by the need to quickly overhaul the German healthcare system that has to be made more digital, put greater emphasis on the outpatient sector and be more resilient to crises.

The Board of Management of RHÖN-KLINIKUM AG continues to be interested in a follow-on agreement. "But to make Universitätsklinikum Gießen und Marburg GmbH well prepared for the future as well, we need not just a commitment in the long term but also a greater range of response options." Dr Christian Höftberger emphasised.

Full results are published in the Quarterly Statement at:

<https://en.rhoen-klinikum-ag.com/investor-relations/publications/interim-reports-quarterly-statements.html>

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RHÖN-KLINIKUM AG is one of the largest healthcare providers in Germany. The hospitals offer excellent medical care with a direct tie-in to universities and research facilities. Each year some 846,000 patients are treated at our five sites of Campus Bad Neustadt, Klinikum Frankfurt (Oder), Universitätsklinikum Gießen and Universitätsklinikum Marburg (UKGM) as well as Zentralklinik Bad Berka. The Company employs around 18,200 persons. The innovative RHÖN Campus approach for cross-sector and future-oriented healthcare delivery in rural areas, the steadfast continuation of the gradual digital transformation within the Company as well as the strategic partnership with Asklepios 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

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