



Quarterly Statement - Q3 2023  
RHÖN-KLINIKUM Aktiengesellschaft

# BUSINESS PERFORMANCE

## MATERIAL EVENTS AND SECTOR-SPECIFIC ENVIRONMENT

For RHÖN-KLINIKUM AG, as for the economy as a whole, the first nine months of financial year 2023 continued to be characterized by the considerable uncertainties in connection with geopolitical risks and their effects, rising energy and commodity prices and the associated high, albeit declining, level of inflation.

By introducing a gas and electricity price brake in the middle of December 2022, the German Federal Parliament (Bundestag) adopted relief payments for hospitals from financial year 2023. Given the steep hike in energy prices and hospitals' heavy reliance on natural gas, a total of € 6 billion – of which € 1.5 billion for indirect increases in energy costs as a lump sum payment based on hospital beds and € 4.5 billion in the form of individual hospital relief for direct increases in energy prices – were earmarked under the Gas and Heat Price Brake Act (Erdgas-Wärme-Preisbremsengesetz, EWPPBG) for the period from 1 October 2022 to 30 April 2024. On 3 August 2023, the Act Amending the EWPPBG and Amending the Electricity Price Brake Act (Gesetz zur Änderung des Strompreisbremsengesetz (StromPBG)) as well as Amending Other Energy Industry, Environmental and Social Legislation entered into force. This legislation is to implement adaptation measures in specific areas identified for this. Under these amendments, the funds in the amount of € 6 billion to provide relief for energy price increases for hospitals thus remain unchanged. Nonetheless, a reallocation was made. Since it is emerging that the amount of € 4.5 billion originally intended to compensate for direct increases in energy costs cannot be called in the full amount by the hospitals, an amount of € 2.5 billion of this will now be distributed likewise as a lump sum on the basis of bed numbers.

The hospital reform planned by the Federal Ministry of Health continues to be the dominant subject in the hospital sector. On 10 July 2023, the Federal Government and the States reached agreement on the key points of a hospital reform. On 22 September 2023, the Federal Ministry of Health tabled a first working draft for an act that is to contain provisions on improving the quality of care delivery in hospitals and reforming remuneration structures. The working draft is currently being reviewed by the involved Federal States. The planned legislation is slated to enter into force in the first quarter of 2024. It provides for reforming the system of purely volume-based DRG remuneration and introducing a remuneration component for the services of somatic hospitals for keeping capacities available that is largely independent of the services rendered. Under this scheme, the existing case flat rates (DRGs) are to be lowered. The level of financing capacity availability is linked to service groups which are assigned to the individual hospitals by the Federal States and which require compliance with uniformly defined quality criteria.

We are not yet able to gauge the specific effects of the reform on our hospitals at this time since the final details, in particular regarding the planned allocations of service groups and the terms of financing capacity availability, have not yet become known. Nonetheless, we believe the position of our hospitals makes us well prepared for the impending reform.

State financing is a challenge that has been weighing equally heavily on all hospitals in Germany for decades. But many hospitals now face the risk of closing down, particularly due to the general cost pressures and in the wake of the planned hospital reform. Coming on top of that are the massive cost hikes hospitals face for energy, medical goods and services which they cannot sufficiently refinance. Many different structural changes as well as new care delivery forms and regional healthcare networks are needed to preserve the efficiency of the healthcare system.

For the university hospital Universitätsklinikum Gießen und Marburg (UKGM), an agreement was reached at the end of lengthy, marathon negotiations between the Federal State and the managers of the Group, the universities and UKGM on its entitlement to investment funding. At the end of February 2023, the White Paper Agreement Plus was signed. After RHÖN-KLINIKUM AG already in the past had invested over € 750 million in the Giessen and Marburg university hospitals from own funds, the next ten years will now see further amounts totalling nearly € 850 million invested in healthcare delivery, research and teaching. Federal state funding totalling roughly € 529 million coupled with the investment of roughly € 319 million from own funds will enable the two hospitals to keep pace with medical, technical and structural developments.

## TREND IN SERVICE VOLUMES

Our acute inpatient capacities are nearly unchanged at 5,460 beds (31 December 2022: 5,445 beds).

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

January to September	2023	2022	Change	
			absolute	%
Inpatient and semi-inpatient treatments at our				
Acute hospitals	140,939	142,724	-1,785	-1.3
Rehabilitation hospitals and other facilities	4,000	3,795	205	5.4
	144,939	146,519	-1,580	-1.1
Outpatient attendances at our				
Acute hospitals	359,198	339,433	19,765	5.8
Medical care centres	160,457	155,670	4,787	3.1
	519,655	495,103	24,552	5.0
<b>Total</b>	<b>664,594</b>	<b>641,622</b>	<b>22,972</b>	<b>3.6</b>

## NET ASSETS POSITION AND RESULT OF OPERATIONS

The Group's revenue and earnings performance during the first nine months of 2023 compared with the same period of the previous year is as follows:

January to September	2023	2022	Change	
	€ m	€ m	€ m	%
Revenues	1,089.0	1,067.3	21.7	2.0
EBITDA	73.4	76.5	-3.1	-4.1
EBIT	24.3	24.3	0.0	0.0
EBT	27.9	21.5	6.4	29.8
Consolidated profit	23.8	17.8	6.0	33.7

Whilst revenues witnessed a slight rise by 2.0% compared with the same period of the previous year, EBITDA declined by 4.1% to € 73.4 million. Consolidated profit of the first nine months of financial year 2023 stands at € 23.8 million and is thus € 6.0 million or 33.7% above the previous year's level.

Despite the discontinued reimbursements by the German legislator in connection with COVID-19 legislation, revenues rose to € 1,089.0 million during the first nine months of financial year 2023 thanks to an increase in the total number of patient treatments by 3.6% (€ 21.7 million) or 2.0%. The trend in inpatient case numbers continues to feel the negative impact from the strike at Universitätsklinikum Giessen und Marburg early in the year. During the same period of the previous year, revenues still included € 56.2 million in income in connection with COVID-19 legislation, which essentially related to income from relief payments for bed capacities kept available.

The rise in other income by € 32.2 million or 20.1% is attributable among other things to higher income from ancillary and incidental activities (€ 16.1 million) – resulting, among other things, from higher sales of drugs and cytostatics – as well as to reimbursements by the legislator from the Health Fund (Gesundheitsfonds) to compensate for higher energy costs (€ 15.6 million). Also included is an amount of € 5.0 million in reversals of liabilities from previous years recognised in the income statement. Moreover, during the same period of the previous year this item still included € 3.7 million in income in connection with the COVID-19 pandemic.

Compared with the same period last year, materials and consumables used witnessed a rise in the first nine months of 2023, disproportionate to the rise in revenues, by € 30.6 million or 9.3% due to higher purchasing prices. The cost-of-materials ratio climbed from 30.7% to 32.9%.

With a slight decline in the average number of full-time employees, the rise in the employee benefits expense of the first nine months of financial year 2023 compared with the same period of the previous year by € 16.2 million or 2.3% to € 724.9 million is attributed to general wage increases. The personnel expense ratio climbed slightly from 66.4% to 66.6%.

Other expenses increased from € 114.9 million by € 9.4 million or 8.2% to reach € 124.4 million. The increase is in particular attributable to expenditures for maintenance and servicing requirements.

Thanks to a generally positive development of interest rates, the finance result improved from -€ 2.7 million by € 6.3 million to +€ 3.6 million.

At an unchanged tax rate, the tax expense item saw an increase compared with the same period last year by € 0.3 million due to a higher tax assessment basis.

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

	30 Sept. 2023		31 Dec. 2022	
	€ m	%	€ m	%
<b>ASSETS</b>				
Non-current assets	991.4	56.4	1,016.3	59.6
Current assets	766.9	43.6	688.6	40.4
	<b>1,758.3</b>	<b>100.0</b>	<b>1,704.9</b>	<b>100.0</b>
<b>LIABILITIES</b>				
Shareholders' equity	1,265.4	72.0	1,251.4	73.4
Long-term loan capital	157.1	8.9	162.4	9.5
Short-term loan capital	335.8	19.1	291.1	17.1
	<b>1,758.3</b>	<b>100.0</b>	<b>1,704.9</b>	<b>100.0</b>

## OTHER INFORMATION

### Employees

On 30 September 2023, the Group of RHÖN-KLINIKUM AG employed 18,158 persons (31 December 2022: 18,140):

Employees	30 Sept. 2023	31 Dec. 2022	Change	
			absolute	%
Hospitals	16,008	16,015	-7	0.0
Medical care centres	324	329	-5	-1.5
Service companies	1,826	1,796	30	1.7
<b>Total</b>	<b>18,158</b>	<b>18,140</b>	<b>18</b>	<b>0.1</b>

# CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT

## CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2023

	30 Sept. 2023		31 Dec. 2022	
	€ '000	%	€ '000	%
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill and other intangible assets	177,061	10.1	179,319	10.5
Property, Plant and Equipment	800,049	45.5	822,495	48.3
Investment property	-	-	316	0.0
Investments accounted for using the equity method	586	0.0	513	0.0
Deferred tax assets	223	0.0	358	0.0
Other financial assets	13,491	0.8	13,335	0.8
	<b>991,410</b>	<b>56.4</b>	<b>1,016,336</b>	<b>59.6</b>
<b>Current assets</b>				
Inventories	33,246	1.9	33,318	2.0
Trade receivables	233,276	13.3	228,602	13.4
Other financial assets	314,694	17.9	332,685	19.5
Other assets	26,770	1.5	12,514	0.7
Current income tax assets	5,174	0.3	4,155	0.2
Cash and cash equivalents	153,724	8.7	77,334	4.6
	<b>766,884</b>	<b>43.6</b>	<b>688,608</b>	<b>40.4</b>
	<b>1,758,294</b>	<b>100.0</b>	<b>1,704,944</b>	<b>100.0</b>

	30 Sept. 2023		31 Dec. 2022	
	€ '000	%	€ '000	%
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Issued share capital	167,406	9.5	167,406	9.8
Capital reserve	574,168	32.7	574,168	33.7
Other reserves	495,560	28.2	482,304	28.3
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,237,058	70.4	1,223,802	71.8
Non-controlling interests in equity	28,301	1.6	27,631	1.6
	<b>1,265,359</b>	<b>72.0</b>	<b>1,251,433</b>	<b>73.4</b>
<b>Non-current liabilities</b>				
Financial liabilities	141,751	8.1	141,675	8.3
Provisions for post-employment benefits	726	0.0	519	0.0
Other financial liabilities	14,611	0.8	20,234	1.2
	<b>157,088</b>	<b>8.9</b>	<b>162,428</b>	<b>9.5</b>
<b>Current liabilities</b>				
Financial liabilities	8,677	0.5	7,966	0.5
Trade payables	59,480	3.4	69,986	4.1
Current income tax liabilities	6,872	0.4	11,205	0.6
Other provisions	35,227	2.0	33,964	2.0
Other financial liabilities	10,840	0.6	11,576	0.7
Other liabilities	214,751	12.2	156,386	9.2
	<b>335,847</b>	<b>19.1</b>	<b>291,083</b>	<b>17.1</b>
	<b>1,758,294</b>	<b>100.0</b>	<b>1,704,944</b>	<b>100.0</b>

## CONSOLIDATED INCOME STATEMENT, JANUARY TO SEPTEMBER 2023

January to September	2023		2022	
	€ '000	%	€ '000	%
Revenues	1,088,955	100.0	1,067,253	100.0
Other income	192,672	17.7	160,444	15.0
	<b>1,281,627</b>	<b>117.7</b>	<b>1,227,697</b>	<b>115.0</b>
Materials and consumables used	358,100	32.9	327,491	30.7
Employee benefits expense	724,915	66.6	708,757	66.4
Other expenses	124,381	11.4	114,937	10.7
Result of impairment on financial assets (expenditure)	860	0.1	60	0.0
	<b>1,208,256</b>	<b>111.0</b>	<b>1,151,245</b>	<b>107.8</b>
<b>Interim result (EBITDA)</b>	<b>73,371</b>	<b>6.7</b>	<b>76,452</b>	<b>7.2</b>
Depreciation/amortisation and impairment	49,100	4.5	52,179	4.9
<b>Operating result (EBIT)</b>	<b>24,271</b>	<b>2.2</b>	<b>24,273</b>	<b>2.3</b>
Result of investments accounted for using the equity method	73	0.0	59	0.0
Finance income	5,965	0.6	462	0.0
Finance expenses	-2,850	-0.3	-3,030	-0.3
Result of impairment on financial investments (income; previous year: expenditure)	400	0.1	-223	0.0
<b>Finance result (net)</b>	<b>3,588</b>	<b>0.4</b>	<b>-2,732</b>	<b>-0.3</b>
<b>Earnings before taxes (EBT)</b>	<b>27,859</b>	<b>2.6</b>	<b>21,541</b>	<b>2.0</b>
Income taxes	4,028	0.4	3,705	0.3
<b>Consolidated profit</b>	<b>23,831</b>	<b>2.2</b>	<b>17,836</b>	<b>1.7</b>
of which				
<b>non-controlling interests</b>	<b>670</b>	<b>0.1</b>	<b>1,453</b>	<b>0.2</b>
<b>shareholders of RHÖN-KLINIKUM AG</b>	<b>23,161</b>	<b>2.1</b>	<b>16,383</b>	<b>1.5</b>
<b>Earnings per share in €</b>				
<b>undiluted</b>	<b>0.35</b>		<b>0.24</b>	
<b>diluted</b>	<b>0.35</b>		<b>0.24</b>	

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, JANUARY TO SEPTEMBER 2023

January to September	2023 € '000	2022 € '000
<b>Consolidated profit</b>	<b>23,831</b>	<b>17,836</b>
of which		
non-controlling interests	670	1,453
shareholders of RHÖN-KLINIKUM AG	23,161	16,383
Changes in fair value through other comprehensive income (FVOCI)	156	1,943
Income taxes	-25	-307
<b>Other comprehensive income (changes in fair value through other comprehensive income) not subsequently reclassified to income statement</b>	<b>131</b>	<b>1,636</b>
Revaluation of defined benefit pension plans	6	91
Income taxes	-1	- 14
<b>Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement</b>	<b>5</b>	<b>77</b>
<b>Other comprehensive income <sup>1</sup></b>	<b>136</b>	<b>1,713</b>
of which		
non-controlling interests	-	-
shareholders of RHÖN-KLINIKUM AG	136	1,713
<b>Total comprehensive income</b>	<b>23,967</b>	<b>19,549</b>
of which		
non-controlling interests	670	1,453
shareholders of RHÖN-KLINIKUM AG	23,297	18,096

<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 2022 and the additional information contained therein. In the Quarterly Statement the same accounting policies already adopted by the European Union were applied as in the Consolidated Financial Statements for the financial year ending on 31 December 2022.

With regard to new or amended Standards and Interpretations exceeding such scope to be applied as of 1 January 2023 or subsequent years and already adopted by the European Union, we refer to the statements made in the Consolidated Financial Statements as at 31 December 2022. In the first nine months of 2023 there were no new or amended Standards and Interpretations exceeding such scope to be applied as of 1 January 2023 or subsequent years 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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**Date of publication:**

Thursday, 9 November 2023

This Interim Statement is also available in German.