



# Quarterly Report

1. Quarterly 2021



## Foreword by the group management

### Ladies and gentlemen,

Asklepios embarked on an exceptionally challenging financial year in the first quarter of 2021. Even though the nationwide vaccination campaign is slowly gathering pace, the coronavirus pandemic continues to have a tight grip over the healthcare sector. As a healthcare group, we continued to shut down the provision of services at our approximately 170 facilities in response to the third wave of infections in order to keep intensive care beds free for COVID-19 patients and emergencies. Where medically justifiable, numerous elective surgeries were either postponed or cancelled, which led to a decline in patient numbers in the first quarter of 2021 as well. As such, Asklepios (not including the Rhön hospitals) reported a decline of more than 20% in the number of inpatients compared with the same quarter of the previous year. The pandemic did not start to have an impact on the development of patient numbers until mid-March in the first quarter of 2020. This development affects our business figures for the first quarter – though the published figures are comparable with the previous year only to a limited extent due to the first-time consolidation of Rhön.

We are continuing to receive compensation payments on the political front this year as well. However, they do not fully cover the revenue losses in healthcare caused by the pandemic as material costs have been increasing at the same time. Rehabilitation facilities and psychiatric hospitals in particular are being let down by politicians, and it is still not possible to foresee what the impact of this will be.

Despite the personal, financial and structural impacts, we are proud as a healthcare group to have made a direct

contribution to the fight against this catastrophic pandemic. As a hospital operator, we responded to the situation in the best way possible and provided a good level of healthcare at all times. We were prepared for the pandemic thanks to our state-of-the-art medical equipment, innovative treatment methods and scientific research. Despite the impact of the pandemic, we invested over EUR 76 million – including EUR 59 million of our own funds – in our facilities. This was possible because Asklepios' business operations are robust and sustainable.

Our hospitals and healthcare facilities are playing a major role in paving the way back to normality, which is a daily source of motivation for us. For example, public vaccination centres have been set up at our local hospital facilities in Harburg and Heidberg, which are operating as decentralised branches of the mass vaccination centre in Hamburg. Furthermore, coronavirus vaccinations are now also being offered at the medical centres of Group division Outpatient Medicine at locations such as Harz and in North Hesse. We cannot deliver this level of service without the indefatigable dedication of our roughly 67,000 employees. We would like to take this opportunity to thank them again for their efforts and the exceptional level of commitment they have shown. As a company, we are even now looking forward to the time after the pandemic and are standing by our long-term growth strategy, which includes extending our leading role in the digitalisation of the healthcare system and pressing ahead with the integration of Rhön so that together we can shape the future of healthcare. We look forward to this challenging task!

Kind regards

Hamburg, 27 May 2021

Kai Hankeln

Hafid Rifi

Joachim Gemmel

Prof. Dr. Christoph U. Herborn

Marco Walker

## Business performance in the first quarter of 2021

The first three months of the 2021 financial year continued to be marked by the ongoing coronavirus pandemic. In the period from January to March 2021, the healthcare facilities of the Asklepios Group cared for a total of 723,019 patients, 530,867 of whom (3M 2020: 583,107) were treated by Asklepios. As a result of postponing operations and keeping intensive care beds available, there was an overall decline in patient numbers of 9% year-on-year.

Asklepios employed an average of 50,050 full-time equivalents in the first quarter of the year, and 14,033 of these employees worked at the RHÖN hospitals. The total number of beds amounted to 31,414.

Because of the first-time consolidation of Rhön-Klinikum AG on 1 July 2020, the previous year's figures are not comparable. In the period from January to March 2021, consolidated revenue totalled EUR 1,221.0 million (3M 2020: EUR 915.0 million). EUR 117.8 million of this is attributable to revenue relating to compensation payments for the provision of bed capacity.

EBITDA amounted to EUR 89.9 million in the first three months of 2021 (3M 2020: EUR 80.8 million) with an EBITDA margin of 7.4% (3M 2020: 8.8%). The staff costs ratio was 69.4% (3M 2020: 67.6%). Absolute staff costs went up by EUR 229.7 million as a result of the rise in our full-time equivalents and the effects of collective wage agreements. The cost of materials ratio came to 24.6% in the first quarter of 2021 (3M 2020: 20.9%). We are still

seeing a higher absolute cost of materials due to the considerable coronavirus-driven cost increases for personal protective equipment and for hygiene and laboratory supplies. The other operating expenses ratio was 7.6%, with savings on advertising and travel expenses putting the figure below that of the previous year (3M 2020: 9.0%).

The significant rise in depreciation and amortisation, from EUR 55.9 million in the previous year to EUR 75.7 million, is largely due to the first-time consolidation of Rhön. Interest expenses came to EUR 11.5 million in the first quarter of 2021 (3M 2020: EUR 12.5 million).

Following the consolidated net loss as at 31 December 2020, consolidated net income (EAT) totalled a positive EUR 37 thousand in the first quarter of 2021 (3M 2020: EUR 9.7 million).

Net cash flow from operating activities came to EUR 149.2 million in the first quarter of 2021 (3M 2020: EUR 49.6 million). Investments including subsidies amounted to EUR 76.4 million. At EUR 59.2 million, the share of own funds was 77.4% in the first quarter of 2021 (3M 2020: 80.0%).

The Group's net debt came to EUR 2,186.8 million as at 31 March 2021 (31 December 2020: EUR 2,181.5 million). Cash and cash equivalents amounted to EUR 619.3 million (31 December 2020: EUR 548.5 million). The ratio of net debt to EBITDA for the past 12 months fell to 3.6x (31 December 2020: 3.8x).

## Forecast

Business development over the remainder of the year will hinge in particular on the speed at which Germany can vaccinate its entire population. At this moment in time, it is still impossible to determine when hospitals will be operating normally again and will be able to catch up on

the backlog of postponed operations that has been building over recent months. Asklepios will continue to play its part in the pandemic effort and ensure it delivers the best possible medical care. Furthermore, Asklepios will continue to set its sights on the goal of expanding digitalisation.

## Consolidated income statement

unaudited

TEUR	3 months 2021 <sup>3</sup>	3 months 2020 <sup>4</sup>
Revenue	1,221,010	914,965
Other operating income	109,420	57,457
<b>Total operating revenue</b>	<b>1,330,430</b>	<b>972,422</b>
Cost of materials	299,933	191,199
Staff costs	847,764	618,084
Other operating expenses	92,822	82,348
<b>Operating result/EBITDA<sup>1</sup></b>	<b>89,911</b>	<b>80,791</b>
Depreciation, amortisation and impairment – of intangible assets and of property, plant and equipment	75,699	55,883
<b>Operating result/EBIT<sup>2</sup></b>	<b>14,212</b>	<b>24,908</b>
Net investment income	12	1,835
Interest and similar income	444	180
Interest and similar expenses	-11,518	-12,671
<b>Net interest income</b>	<b>-11,074</b>	<b>-12,491</b>
<b>Net finance costs</b>	<b>-11,062</b>	<b>-10,657</b>
<b>Earnings before income taxes</b>	<b>3,151</b>	<b>14,251</b>
Income taxes	-3,114	-4,555
<b>Consolidated net income (EAT)</b>	<b>37</b>	<b>9,696</b>
<i>of which attributable to the parent company</i>	1,346	8,538
<i>of which attributable to non-controlling interests</i>	-1,310	1,158

<sup>1</sup> Earnings before interest, taxes and depreciation and amortisation

<sup>2</sup> Earnings before interest and taxes

<sup>3</sup> Including RHÖN 1 July 2020

<sup>4</sup> 2020 adjusted in line with the new corporate chart of accounts

## Consolidated statement of comprehensive income

unaudited

EUR '000	3 months 2021	3 months 2020
<b>Consolidated net income (EAT)</b>	<b>37</b>	<b>9,696</b>
Share in OCI of an associate accounted for using the equity method	0	164
<b>Total changes in value reclassified to profit or loss</b>	<b>0</b>	<b>164</b>
Change in actuarial gains (+)/losses (-) from defined benefit pension commitments and similar obligations	59,676	-8
Income taxes	-10,208	1,625
<b>Total changes in value not reclassified to profit or loss</b>	<b>49,469</b>	<b>1,617</b>
<b>Other comprehensive income (net of tax)</b>	<b>0</b>	<b>1,781</b>
<b>Total comprehensive income</b>	<b>49,505</b>	<b>11,477</b>
<i>of which attributable to the parent company</i>	50,780	10,327
<i>of which attributable to non-controlling interests</i>	-1,275	1,150

## Consolidated statement of cash flows

unaudited

TEUR	3 months 2021	3 months 2020
<b>EBITDA/ Gross cash flow</b>	<b>89,911</b>	<b>80,791</b>
<b>Cash flow from operating activities/ net cash flow</b>	<b>149,172</b>	<b>49,583</b>
<b>Cash flow from investing activities</b>	<b>-58,712</b>	<b>-138,454</b>
<b>Cash flow from financing activities</b>	<b>-19,626</b>	<b>264,359</b>
Change in cash and cash equivalents	70,834	175,488
Cash and cash equivalents as at 1 January	548,491	265,047
<b>Cash and cash equivalents as at 31 March</b>	<b>619,325</b>	<b>440,535</b>

## Consolidated statement of financial position

unaudited

EUR '000	31 Mar. 2021	31 Dec. 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	1,089,014	1,084,985
Property, plant and equipment	2,500,320	2,507,571
Right-of-use assets	430,570	440,807
Investments accounted for using the equity method	37,594	37,582
Financial assets	9,119	9,013
Receivables under German Hospital Financing Act	73,206	78,643
Other financial assets	1,632	1,760
Trade receivables	647	626
Other assets	59	62
Deferred taxes	135,100	145,681
<b>Total non-current assets</b>	<b>4,277,263</b>	<b>4,306,730</b>
<b>Current assets</b>		
Inventories	124,563	131,650
Receivables under German Hospital Financing Act	146,908	101,488
Other financial assets	549,832	506,518
Trade receivables	668,593	671,338
Current income tax assets	21,543	18,713
Other assets	46,533	26,201
Cash and cash equivalents	619,325	548,491
<b>Total current assets</b>	<b>2,177,297</b>	<b>2,004,399</b>
<b>TOTAL ASSETS</b>	<b>6,454,559</b>	<b>6,311,129</b>

## Consolidated statement of financial position

unaudited

EUR '000	31 Mar. 2021	31 Dec. 2020
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the parent company</b>		
Issued capital	101	101
Reserves	1,102,015	1,051,655
Non-controlling interests	539,395	540,794
<b>Total equity</b>	<b>1,641,510</b>	<b>1,592,550</b>
<b>Non-current liabilities</b>		
Trade payables	64	127
Financial liabilities	2,139,705	2,141,262
Lease liabilities	388,987	400,440
Pensions and similar obligations	336,840	396,139
Other provisions	301,457	306,088
Deferred taxes	60,330	60,100
Liabilities under German Hospital Financing Act	37,868	38,515
Other financial liabilities	51,654	57,895
Other liabilities	8,690	8,890
<b>Total non-current liabilities</b>	<b>3,325,595</b>	<b>3,409,457</b>
<b>Current liabilities</b>		
Trade payables	111,488	97,338
Financial liabilities	47,069	40,214
Lease liabilities	64,387	63,718
Pensions and similar obligations	7,153	8,483
Other provisions	343,346	301,357
Current income tax liabilities	25,438	25,911
Liabilities under German Hospital Financing Act	267,740	222,471
Other financial liabilities	191,781	196,930
Other liabilities	429,052	352,700
<b>Total current liabilities</b>	<b>1,487,454</b>	<b>1,309,121</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,454,559</b>	<b>6,311,129</b>

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**Disclaimer**

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**ASKLEPIOS**

Gesund werden. Gesund leben.