

Q3.2017

*Asklepios Kliniken
Verwaltungsgesellschaft mbH,
Hamburg*



*1 January –
30 September 2017*

FOREWORD BY THE GROUP'S MANAGEMENT

Ladies and gentlemen,

Asklepios is continuing its sustainable and profitable development. Our business performance over the past nine months has been largely stable. With around 1.7 million patients treated, we enjoyed the trust of a similar number of people as in the same period of the previous year. Accordingly, our revenue grew organically by 0.8% in the period between January and September. We had a slight increase in full-time equivalents of 0.9% to 34,932 in the same period.

Our EBITDA was lower than in the previous year at EUR 270.9 million, which meant that our EBITDA margin also declined by 0.6 percentage points as against the same period of the previous year. However, earnings were reduced by a mid-eight-figure amount in the first nine months as a result of extraordinary effects in risk provisions caused by changes in the regulatory environment.

Adjusted business results are in line with our expectations overall. We assume that we will have clarity on the risk provisions necessary by the end of the year.

Building on our solid results for the first nine months, we intend to advance Asklepios' ongoing strategic development. The issue of our new promissory note loan at the start of November as part of the Group's restructuring is an important component of the Group's future financing. The issue was oversubscribed, and met with such strong demand from national and international investors that we were able to raise proceeds of EUR 780 million in total on good terms. We have therefore succeeded in implementing one of Germany's biggest promissory note issues. The transaction is proof of the capital market's enormous trust in our business model. A stable financial structure is a key part of our Group strategy. In the weeks that remain until the end of the year and beyond, we will continue to highlight our core competence of "excellence" – in treatment, care, innovation and responsibility.

Hamburg, 23 November 2017



Kai Hankeln



Dr. Thomas Wolfram



Hafid Rifi



Marco Walker

GROUP KEY FIGURES

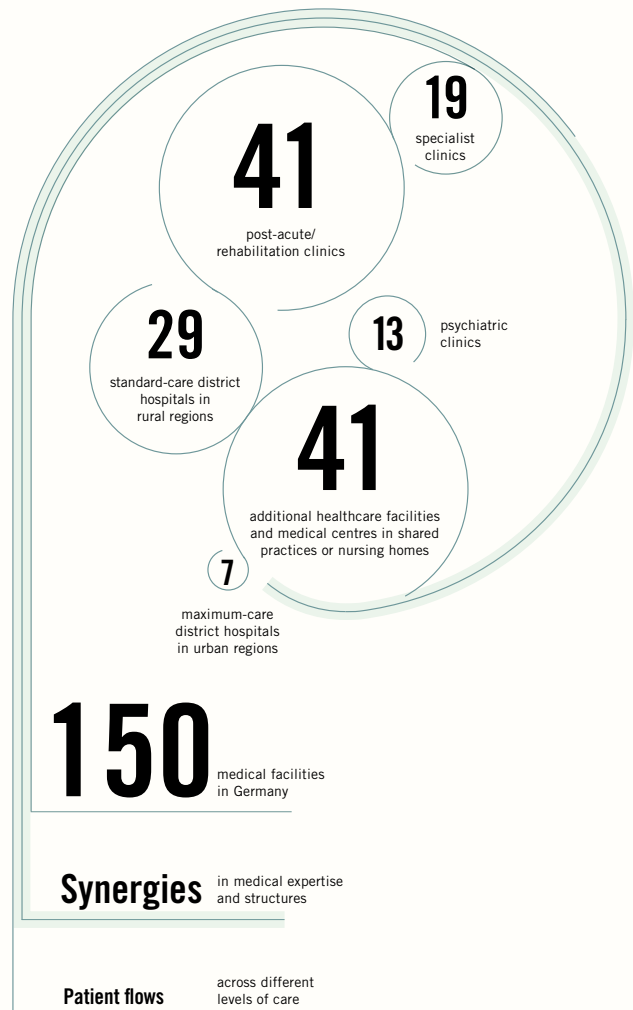
EUR million	9 months 2017	9 months 2016 ¹⁾	Change
Revenue	2,425.7	2,407.1	0.8%
EBITDA	270.9	283.7	-4.5%
EBITDA margin (in %)	11.2	11.8	-0.6 Pp
Consolidated net income	123.5	140.9	-12.3%
Net debt/EBITDA	1.7x	1.3x	+0.4
Patients	1,684,196	1,717,365	-1.9%
Valuation ratio	442,411	448,800	-1.4%
Employees (FTEs)	34,932	34,634	0.9%

¹⁾ Restated prior-year figures as at 30 September 2016 after Group restructuring

FINANCIAL CALANDER

23.11.2017	Report on the third quarter
26.04.2018	Annual Report 2017
24.05.2018	Report on the first quarter
23.08.2018	Report on the first half of the year
22.11.2018	Report on the third quarter

HEALTHCARE-CLUSTER



BUSINESS PERFORMANCE

The hospitals and medical facilities of the Asklepios Group cared for a total of 1,684,196 patients in the period from January to September 2017, 1.9% fewer than in the same period of the previous year (9M 2016: 1,717,365). Revenue increased slightly by 0.8% to EUR 2,425.7 million in total (9M 2016: EUR 2,407.1 million).

EBITDA amounted to EUR 270.9 million in the first nine months of 2017, down 4.5% on the same period of the previous year (9M 2016: EUR 283.7 million). The operating EBITDA margin was 11.2% (9M 2016: 11.8%). Although the cost of materials ratio was reduced to 21.5% in the first quarter of 2017 (9M 2016: 21.8%), the staff costs ratio climbed to 64.3% (9M 2016: 62.8%). The other expenses ratio (not including rental expenditure) was slightly lower than in the previous year at 8.3% (9M 2016: 8.4%).

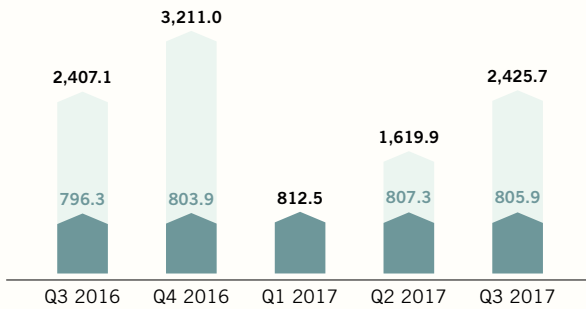
Consolidated net income for the period from January to September 2017 amounted to EUR 123.5 million in total (9M 2016: EUR 140.9 million), corresponding to a return on sales of 5.1% (9M 2016: 5.9%).

Net cash flow from operating activities amounted to EUR 262.4 million in the third quarter of 2017 (9M 2016: EUR 277.4 million), a decline of 5.4% as against the same period of the previous year. Gross investment amounted to EUR 158.5 million in the period under review (9M 2016: EUR 148.5 million), with a share of own funds of 69.7% (9M 2016: 64.3%).

The Asklepios Group's financial position is stable. The Group's net debt amounted to EUR 618.7 million as at 30 September 2017 (31 December 2016: EUR 289.9 million). The ratio of net debt to EBITDA was 1.7. Cash and cash equivalents amounted to EUR 235.6 million and unused credit facilities to EUR 463.1 million as at 30 September 2017. The Group thus has sufficient financial resources to fund further corporate growth.

ECONOMIC REPORT

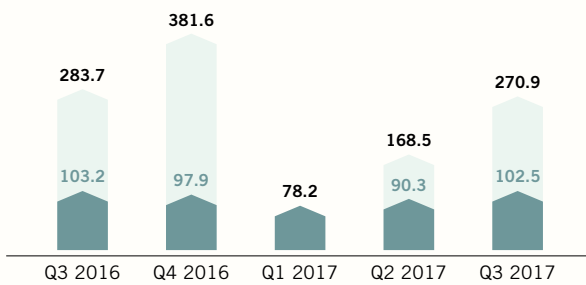
REVENUE PERFORMANCE



◆ Revenue performance in EUR million per quarter
 ◆ Revenue in EUR million (cumulative)

Revenue climbed by 0.8% from EUR 2,407.1 million to EUR 2,425.7 million in the first nine months. As an indicator of our revenue, the cost weight declined by 1.4% to 442,411 (9M 2016: 448,800 CW).

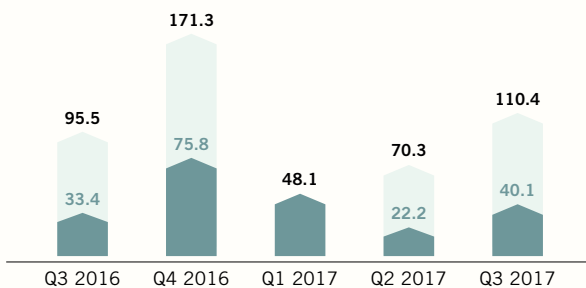
EBITDA



◆ EBITDA in EUR million per quarter
 ◆ EBITDA in EUR million (cumulative)

EBITDA decreased by EUR 12.8 million to EUR 270.9 million in the first nine months of 2017 (9M 2016: EUR 283.7 million). This corresponds to a margin of 11.2% (9M 2016: 11.8%) and a year-on-year difference of -4.5%. Earnings were reduced by a mid-eight-figure amount in the first nine months as a result of extraordinary effects in risk provisions caused by changes in the regulatory environment.

INVESTMENTS/OWN FUNDS



◆ Own funds in EUR million per quarter
 ◆ Own funds in EUR million (cumulative)

Asklepios invested EUR 110.4 million of its funds in its health-care facilities in the first nine months. Its share in total investments amounted to EUR 158.5 million or 69.7%.

SUPPLEMENTARY REPORT

Asklepios Kliniken Verwaltungsgesellschaft mbH issued a promissory note loan in the amount of EUR 780 million on 6 November 2017. MediClin AG has announced that the performance-based repayment of rent reductions granted in the past has now taken effect.

There were no other events of material significance to the financial position and performance of the Asklepios Group between 30 September 2017 and the publication of this report.

FORECAST

Asklepios reported organic revenue growth of 0.8% year-on-year in the third quarter of 2017, thereby falling short of the forecast for revenue development. The operating margin at EBITDA level was 11.2% in the third quarter of 2017, down on the previous year's level of 11.8%. The cost weight declined by 1.4% to 442,411 CW. The equity ratio was 42.7%.

The growth prospects of the Asklepios Group are positive thanks to its solid economic and financial foundation and its general forward-looking strategic concept. We expect an operative stable year-on-year EBITDA margin overall for the 2017 financial year as a whole. We are still examining the extent to

which MediClin's one-time expense will affect our earnings. Based on the forecast development of the pending budget negotiations, organic revenue growth for the full financial year will be at the lower end of our projections (1.5% to 2.5%). We also no longer think it possible to sustain a minor but lasting increase in our equity ratio as against the previous year as the ratio is no longer comparable following the issue of the new promissory note. As anticipated, equity rose by EUR 123.0 million to EUR 1,566.4 million in absolute terms.

CONSOLIDATED INCOME STATEMENT

(UNAUDITED)

EUR '000	9 months 2017	9 months 2016 ³⁾
Revenue	2,425,731	2,407,107
Other operating income	170,420	151,661
Total operating revenue	2,596,151	2,558,768
Cost of materials	522,071	524,473
Staff costs	1,559,562	1,507,015
Other operating expenses	243,583	243,571
Operating result/EBITDA¹⁾	270,936	283,709
Depreciation, amortisation and impairment on intangible assets and property, plant and equipment	107,855	95,934
Operating result/EBIT²⁾	163,082	187,775
Net investment income	4,012	9,411
Interest and similar income	1,063	728
Interest and similar expenses	-19,751	-29,295
Net interest income	-18,688	-28,567
Net finance costs	-14,676	-19,156
Earnings before income taxes	148,405	168,619
Income taxes	-24,860	-27,727
Consolidated net income for the period	123,545	140,892
<i>of which attributable to the parent company</i>	<i>96,393</i>	<i>116,502</i>
<i>of which attributable to non-controlling interests</i>	<i>27,152</i>	<i>24,390</i>

¹⁾ Earnings before interest, taxes and depreciation and amortisation

²⁾ Earnings before interest and taxes

³⁾ Restated prior-year figures as at 30 September 2016 after Group restructuring

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(UNAUDITED)

EUR '000	9 months 2017	9 months 2016 ¹⁾
Consolidated net income for the period	123,545	140,892
Share in OCI of an associate accounted for using the equity method	39	0
Measurement of financial assets	-729	-8,056
Income taxes	11	119
Reclassifications due to available-for-sale financial assets sold in the financial year	718	0
Total changes in value reclassified to profit or loss if certain conditions are met	39	-7,937
Change in actuarial gains (+)/losses (-) from defined benefit pension commitments and similar obligations	19,005	-106,424
Income taxes	-3,008	16,844
Total changes in value not reclassified to profit or loss	15,997	-89,580
Total changes in value recognised in equity (other comprehensive income)	16,036	-97,517
Total comprehensive income (total consolidated net income and other comprehensive income)	139,582	43,374
<i>of which attributable to the parent company</i>	<i>108,064</i>	<i>43,287</i>
<i>of which attributable to non-controlling interests</i>	<i>31,518</i>	<i>87</i>

¹⁾ Restated prior-year figures as at 30 September 2016 after Group restructuring

CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

EUR '000	9 months 2017	9 months 2016 ¹⁾
Consolidated net income for the period	123,545	140,892
Income taxes	24,860	27,727
Net interest income	18,688	28,567
Net investment income	-4,012	-9,411
Amortisation and impairment of intangible assets and depreciation and impairment of property, plant and equipment	107,855	95,934
Gross cash flow (EBITDA)	270,936	283,709
Other non-cash transactions	4,668	2,972
Changes in inventories, receivables and other assets	-61,412	-14,444
Changes in liabilities and provisions	73,219	26,583
Dividends received	4,012	9,411
Interest income	742	-3,610
Income taxes paid	-29,795	-27,223
Cash flow from operating activities/net cash flow	262,370	277,398
Investments in property, plant and equipment	-100,591	-90,101
Investments in intangible assets	-12,401	-4,543
Proceeds from the disposal of non-current assets	5,416	2,475
Acquisitions of subsidiaries, equity investments and financial assets	-171,407	-696
Net cash used in investing activities	-278,983	-92,865
Proceeds from borrowings	40,695	0
Proceeds from the repayment of financial liabilities	0	-101,228
Cash flow from hospital financing	-3,990	8,277
Interest expenses	-4,817	-18,846
Compensation payments/distributions	0	0
Changes in respect of parent company	0	66,999
Cash flow from financing activities	31,889	-44,783
Change in cash and cash equivalents	15,276	139,749
Cash and cash equivalents at the start of the period	220,364	86,858
Cash and cash equivalents at the end of the period	235,640	226,607

¹⁾ Restated prior-year figures as at 30 September 2016 after Group restructuring

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

EUR '000	30 September 2017	31 December 2016 ¹⁾
ASSETS		
Non-current assets		
Intangible assets	657,327	399,217
Property, plant and equipment	1,499,236	1,490,172
Investments accounted for using the equity method	424,987	14,042
Financial assets	4,509	310,983
Other financial assets	66,074	68,514
Trade receivables	0	66
Other assets	1,144	80
Deferred taxes	74,607	75,148
Total non-current assets	2,727,885	2,358,224
Current assets		
Inventories	116,525	103,110
Trade receivables	484,323	454,224
Current income tax assets	5,250	2,297
Other financial assets	77,313	73,919
Other assets	18,955	4,224
Cash and cash equivalents	235,640	220,364
Total current assets	938,006	858,138
Total ASSETS	3,665,890	3,216,362

¹⁾ Restated prior-year figures as at 30 September 2016 after Group restructuring

EUR '000	30 September 2017	31 December 2016 ¹⁾
EQUITY AND LIABILITIES		
Equity attributable to the parent company		
Issued capital	100	101
Reserves	1,147,936	1,013,714
Consolidated net profit	96,393	147,840
Non-controlling interests	321,934	281,749
Total equity	1,566,364	1,443,404
Non-current liabilities		
Trade payables	83	12
Financial liabilities	786,855	68,303
Finance lease liabilities	12,184	12,770
Pensions and similar obligations	246,291	268,272
Other provisions	214,950	219,628
Deferred taxes	51,458	45,428
Other financial liabilities	73,751	510,611
Other liabilities	8,167	9,151
Total non-current liabilities	1,393,739	1,134,175
Current liabilities		
Trade payables	52,905	71,363
Financial liabilities	67,534	13,591
Finance lease liabilities	1,049	860
Pensions and similar obligations	5,778	5,883
Other provisions	113,948	99,658
Current income tax liabilities	8,880	13,887
Other financial liabilities	195,032	214,292
Other liabilities	260,662	219,249
Total current liabilities	705,788	638,782
Total EQUITY AND LIABILITIES	3,665,890	3,216,362

¹⁾ Restated prior-year figures as at 30 September 2016 after Group restructuring

Imprint

Contact

Asklepios Kliniken GmbH
Investor Relations
Debusweg 3
61462 Königstein-Falkenstein

Tel.: + 49 (0) 61 74 90-11 24
Fax.: + 49 (0) 61 74 90-11 10

ir@asklepios.com
www.asklepios.com



Gesund werden, Gesund leben.

Disclaimer

This quarterly report contains forward-looking statements. Such forward-looking statements are based on certain assumptions and expectations at the time of publication of this annual report. They therefore involve risks and uncertainties, and the actual results may diverge considerably from those described in the forward-looking statements. Many of these risks and uncertainties are affected by factors that lie beyond Asklepios Kliniken GmbH's sphere of influence and that cannot be estimated with certainty from today's perspective. This includes future market conditions and economic developments, the conduct of other market participants, the achievement of expected synergy effects as well as decisions by legislators and policy makers. Asklepios Kliniken GmbH is not obliged to publish corrections to these forward-looking statements in order to reflect events or conditions occurring after the publication date of this material.