



# Quarterly Report

Q3 2021

## Foreword by the group management

### Ladies and gentlemen,

At well above 300 per 100,000 residents, Germany's nationwide seven-day incidence rate is higher than ever in the current COVID-19 pandemic that began in March 2020. In some German states the incidence rate has even risen to more than 1,000 per 100,000 people. The developments at our roughly 170 healthcare facilities reflect the situation one year ago, with the number of COVID-19 patients rising rapidly once again – though the figures are not yet as high as at the start of the pandemic. This may be attributable to progress in the vaccination campaign. As older people and high-risk groups in particular are fully vaccinated, hospitalisation of these patients has decreased. However, besides unvaccinated patients, we are also seeing older intensive care patients whose vaccine protection has worn off, partly because they have a weaker immune response due to their age, but mainly because they were the first to be vaccinated in the past year, meaning that a booster vaccination was urgently needed.

Throughout Germany, there are currently fewer intensive care beds than there were a year ago. This is largely due to the particularly noticeable shortage of specialist staff in these areas and the requirements under the Pflegepersonaluntergrenzenverordnung (PpUGV – German Nursing Staff Thresholds Regulation), which have intensified the situation. On 18 November, the Ministerial Conference of the Federal States therefore requested the temporary suspension of these regulations. At local level, health authorities and disaster management agencies are again calling for the postponement of elective surgeries – which in turn means a heavy burden for those concerned. In view of the high coronavirus numbers, politicians are focusing in particular on the vaccination campaign and thus increasing the availability of all vaccinations – including first, second and booster shots. We can only expressly support these measures.

Thanks to early investments in future-oriented fields such as digitalisation and strategic projects, as well as consistently high internally financed capital expenditure on our healthcare facilities, we are confident that we have a sound basis for weathering the ongoing COVID-19 pandemic well in economic terms. Our Group-wide COVID task force, made up of colleagues from the areas of medicine, hygiene, pharmacy, procurement and communications, as well as additional experts depending on how the situation develops, continuously evaluates our COVID measures. Overall, we therefore feel well prepared to continue fighting the pandemic and to fulfil our healthcare mandate and our responsibility to society.

In the period from January to September 2021, the nationwide vaccination campaign brought back a little normality. This could also be seen at our hospitals over the course of the first nine months of the 2021 financial year. The confidence that they could be treated without having to fear infection with COVID brought our patients back to our facilities. We thus cared for almost 2.4 million patients in the first three quarters of 2021. The temporary normalisation was also reflected in our economic development, with revenue and consolidated net income stabilising at their pre-crisis level. This was thanks not least to the consolidation and successful integration of Rhön Kliniken. Despite challenging conditions, we have not only grown increasingly close as a team over the past months, but have also benefited from one another's medical expertise and from valuable synergies.

We are convinced that with its strategy and with some 50,000 dedicated full-time equivalents behind it, Asklepios will make a major contribution to the continuing fight against the pandemic. We would like to thank all of our employees wholeheartedly for this.

Kind regards

Hamburg, 25 November 2021

Kai Hankeln

Hafid Rifi

Joachim Gemmel

Prof. Dr. Christoph U. Herborn

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## Business performance in the third quarter of 2021

In the first nine months of 2021, the business development of Asklepios Kliniken GmbH & Co. KGaA gradually stabilised as a result of the nationwide vaccination campaign and the associated slight improvement with regard to the COVID-19 pandemic. The growing utilisation of medical services in outpatient and inpatient care had a positive impact overall.

In the period from January to September 2021, the healthcare facilities of the Asklepios Group including Rhön Kliniken cared for a total of 2,395,112 patients. 554,135 of these were admitted as inpatients, while 1,840,977 were treated as outpatients. Asklepios had 49,910 full-time employees on average in the first nine months of 2021. The number of beds in place was 30,952.

The Asklepios Group's consolidated revenue totalled EUR 3,818.8 million in the period from January to September 2021, up 24.4% on the same period of the previous year (9M 2020: EUR 3,070.9 million). The main driving factor for the revenue increase was the acquisition of Rhön Kliniken in July 2020.

EBITDA amounted to EUR 387.9 million in the first nine months of 2021 (9M 2020: EUR 292.6 million) with an EBITDA margin of 10.2% (9M 2020: 9.5%). The staff costs ratio was 65.5% (9M 2020: 65.7%). In the third quarter of 2021, the cost of materials ratio came to 24.0% (9M 2020: 21.8%). The year-on-year increase resulted from COVID-related volume effects and cost increases for medical supplies, particularly for hygiene and protective clothing and for laboratory supplies. There was also a significant increase in the cost of materials for water, energy and fuel, particularly due to higher electricity and gas bills as

compared to the same period of the previous year. The other operating expenses ratio was 8.8% (9M 2020: 9.0%).

Consolidated net income (EAT) amounted to EUR 99.2 million for the period from January to September 2021. EAT in the same period of the previous year was negatively impacted by the first-time consolidation of Rhön Kliniken. The associated remeasurement as per IFRS 3 in the amount of EUR 139.0 million had a significant negative impact on net finance costs at the time, resulting in negative EAT of EUR –81.5 million for the first nine months of 2020. The previous year's figures therefore are not comparable. The return on revenue in the first nine months of 2021 was impacted by depreciation, amortisation and impairment of EUR 229.2 million (9M 2020: EUR 197.4 million) and net interest expenses of EUR 31.8 million (9M 2020: EUR 37.5 million). Net finance costs amounted to EUR –27.3 million (9M 2020: EUR –157.0 million). The EAT margin came to 2.6% (9M 2020: –2.6%).

In the third quarter of 2021, net cash flow from operating activities came to EUR 371.7 million (9M 2020: EUR 493.3 million). Investments including subsidies amounted to around EUR 217.6 million (9M 2020: EUR 209.9 million). At EUR 157.5 million, the share of own funds was 72.4% in the third quarter of 2021 (9M 2020: 70.4%).

The Group's net debt amounted to EUR 1,756.2 million as at 30 September 2021 (31 December 2020: EUR 1,930.7 million). Cash and cash equivalents amounted to EUR 697.7 million (31 December 2020: EUR 548.5 million). The ratio of net debt to EBITDA for the past 12 months was 3.4x (31 December 2020: 4.3x).

## Forecast

COVID infections have increased considerably throughout Germany, incidence rates have risen significantly and this is also reflected in our hospitals with a certain time lag. The COVID-19 pandemic will therefore affect the

rest of the financial year and the first few months of 2022 again and will impact the business development of Asklepios Kliniken.

## Consolidated income statement

unaudited

EUR '000	9 months 2021	9 months 2020
Revenue	3,818,751	3,070,904
Other operating income	319,836	184,419
	<b>4,138,587</b>	<b>3,255,323</b>
Cost of materials	916,740	669,445
Staff costs	2,499,832	2,017,282
Other operating expenses	334,149	275,951
<b>Operating result/EBITDA<sup>1</sup></b>	<b>387,865</b>	<b>292,645</b>
<b>Depreciation, amortisation and impairment</b>		
of intangible assets, of financial assets and property, plant and equipment, and of rightofuse assets	229,247	197,433
<b>Operating result/EBIT<sup>2</sup></b>	<b>158,618</b>	<b>95,212</b>
Income from equity investments	4,475	19,473
Remeasurement as per IFRS 3	0	-138,991
<b>Net investment income</b>	<b>4,475</b>	<b>-119,518</b>
Interest and similar income	2,107	1,026
Interest and similar expenses	-33,908	-38,558
<b>Net interest expenses</b>	<b>-31,801</b>	<b>-37,531</b>
<b>Net finance costs</b>	<b>-27,326</b>	<b>-157,050</b>
<b>Earnings before income taxes</b>	<b>131,292</b>	<b>-61,838</b>
Income taxes	-32,125	-19,624
<b>Consolidated net income for the period</b>	<b>99,167</b>	<b>-81,462</b>
<i>of which attributable to the parent company</i>	82,518	-100,026
<i>of which attributable to non-controlling interests</i>	16,649	18,564

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

<sup>2</sup> Operating earnings before interest and taxes

## Consolidated statement of comprehensive income

unaudited

EUR '000	9 months 2021	9 months 2020
<b>Consolidated net profit</b>	<b>99,167</b>	<b>-81,462</b>
Share in OCI of an associate accounted for using the equity method	0	1,034
<b>Total changes in value reclassified to profit or loss</b>	<b>0</b>	<b>1,034</b>
Change in actuarial gains (+)/losses (-) from defined benefit pension commitments and similar obligations	59,263	-3,774
Change in fair value of investments	0	-398
Income taxes	-10,208	660
<b>Total changes in value not reclassified to profit or loss</b>	<b>49,056</b>	<b>-3,512</b>
<b>Other comprehensive income (net of tax)</b>	<b>49,056</b>	<b>-2,478</b>
<b>Total comprehensive income</b>	<b>148,223</b>	<b>-83,940</b>
<i>of which attributable to the parent company</i>	<i>118,049</i>	<i>-102,482</i>
<i>of which attributable to non-controlling interests</i>	<i>30,174</i>	<i>18,542</i>

## Consolidated statement of cash flows

unaudited

EUR '000	9 months 2021	9 months 2020
EBITDA	387,865	292,645
Cash flow from operating activities	371,716	493,333
Cash flow from investing activities	-152,675	-713,154
Cash flow from financing activities	-69,844	601,777
<b>Change in cash and cash equivalents</b>	<b>149,197</b>	<b>259,089</b>
Cash and cash equivalents at the start of the period	548,491	265,047
<b>Cash and cash equivalents at the end of the period</b>	<b>697,688</b>	<b>647,003</b>

## Consolidated statement of financial position

unaudited

EUR '000	30 Sept. 2021	31 Dec. 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	1,080,522	1,084,985
Property, plant and equipment	2,476,502	2,507,571
Right of use assets <sup>1</sup>	411,745	440,807
Investments accounted for using the equity method	41,971	37,582
Financial assets	9,069	9,013
Receivables under German Hospital Financing Act	65,275	78,643
Other financial assets	1,652	1,760
Trade receivables	618	626
Other assets	61	62
Deferred taxes	126,890	145,681
<b>Total non-current assets</b>	<b>4,214,305</b>	<b>4,306,730</b>
<b>Current assets</b>		
Inventories	119,808	131,650
Receivables under German Hospital Financing Act	121,991	101,488
Trade receivables	713,348	671,338
Current income tax assets	22,349	18,713
Other financial assets	641,451	506,518
Other assets	38,306	26,201
Cash and cash equivalents	697,688	548,491
<b>Total current assets</b>	<b>2,354,941</b>	<b>2,004,399</b>
<b>TOTAL ASSETS</b>	<b>6,569,246</b>	<b>6,311,129</b>

<sup>1</sup> Including EUR 965 thousand in amortised assets from finance leases

## Consolidated statement of financial position

unaudited

EUR '000	30 Sept. 2021	31 Dec. 2020
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the parent company</b>		
Issued capital	101	101
Reserves	1,086,400	1,138,477
Consolidated net profit	82,518	-86,822
Non-controlling interests	570,009	540,794
<b>Total equity</b>	<b>1,739,028</b>	<b>1,592,550</b>
<b>Non-current liabilities</b>		
Trade payables	48	127
Financial liabilities	1,960,258	2,141,262
Lease liabilities <sup>1</sup>	370,731	400,440
Pensions and similar obligations	335,670	396,139
Other provisions	289,747	306,088
Liabilities under German Hospital Financing Act	37,912	38,515
Deferred taxes	60,539	60,100
Other financial liabilities	48,691	57,895
Other liabilities	8,501	8,890
<b>Total non-current liabilities</b>	<b>3,112,098</b>	<b>3,409,457</b>
<b>Current liabilities</b>		
Trade payables	105,212	97,338
Financial liabilities	223,661	40,214
Lease liabilities <sup>1</sup>	66,194	63,718
Pensions and similar obligations	7,073	8,483
Other provisions	368,071	301,357
Current income tax liabilities	22,865	25,911
Liabilities under German Hospital Financing Act	261,494	222,471
Other financial liabilities	195,051	196,930
Other liabilities	468,499	352,700
<b>Total current liabilities</b>	<b>1,718,120</b>	<b>1,309,121</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,569,246</b>	<b>6,311,129</b>

<sup>1</sup> Including EUR 6,738 thousand of amortised finance lease liabilities

**Kontakt**

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