



REPORT ON THE FIRST QUARTER OF 2018

Asklepios Kliniken GmbH & Co. KGaA, Hamburg

1 January - 31 March 2018

KEY FIGURES FIRST QUARTER OF 2018

EUR million	3 months 2018	3 months 2017	Change
Revenue	847.4	812.5	4.3 %
EBITDA	79.4	78.2	1.6 %
EBITDA margin	9.4 %	9.6 %	-0.2 Pp
Consolidated net income for the period	28.9	28.3	2.2 %
Patients	582,186	576,375	1.0 %
Cost weight	152,503	154,065	-1.0 %
Employees (FTEs)	35,004	34,884	0.3 %
	31 March 2018	31 Dec. 2017	Change
Net debt / EBITDA	2.2 x	2.2 x	-

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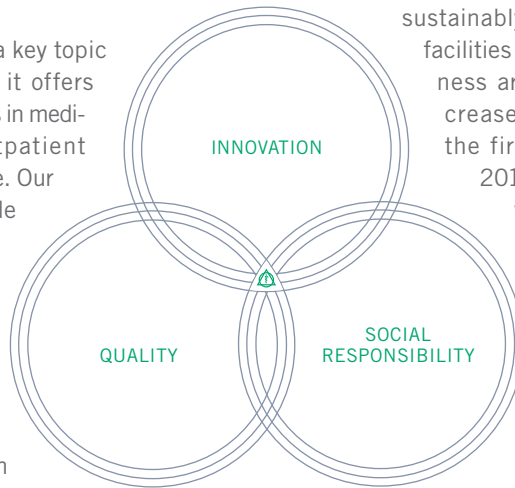
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FOREWORD BY THE GROUP MANAGEMENT

Ladies and gentlemen,

In the first quarter of 2018, Asklepios matched the positive development achieved in the previous financial year. More than 47,000 employees, including around 35,000 full-time employees, cared for our 582,186 patients in the period from January to March.

Digitalisation is a key topic at Asklepios, as it offers huge opportunities in medicine and in outpatient and inpatient care. Our focus with a wide range of digital application areas is always on improving the quality of treatment. And this is not possible without human interaction between patients and medical staff. For this reason, we are pleased to have recorded another slight increase in our full-time staff.



After all, without our employees we cannot put into practice the medical quality for which Asklepios stands.

At the same time, our economic stability and strong internal financing capability are important to enable us to invest sustainably in our healthcare facilities and innovative business areas. The 4.3% increase in our revenue in the first three months of 2018 as against the previous year and the stable operating result (EBITDA) are very pleasing.

Overall, the business results were in line with our expectations for 2018. For the next three quarters, we are aiming for a further increase in our revenue and a stable development in earnings.

Hamburg, 24 May 2018

Kai Hankeln

Dr. Thomas Wolfram

Hafid Rifi

Marco Walker

Prof. Dr. Christoph U. Herborn

BUSINESS PERFORMANCE IN THE FIRST QUARTER OF 2018

In the period from January to March 2018, the healthcare facilities of the Asklepios Group cared for a total of 582,186 patients, 1.0% more than in the same period of the previous year (3M 2017: 576,375). However, the number of cost weights decreased by 1.0% to 152,503 (3M 2017: 154,065).

Our revenue totalled EUR 847.4 million in the first quarter of 2018, up EUR 34.9 million or 4.3% year-on-year (3M 2017: EUR 812.5 million). We thus exceeded our forecast for revenue development (1.5% - 2.0%).

As expected, EBITDA improved slightly by 1.6% year-on-year to EUR 79.4 million in the first three months of 2018 (3M 2017: EUR 78.2 million). The operating EBITDA margin was 9.4% (3M 2017: 9.6%). In the first quarter of 2018, the cost of materials ratio came to 21.5% (3M 2017: 21.3%). The staff costs ratio increased to 66.5% (3M 2017: 66.1%). The other expenses ratio (not including rental expenditure) was up year-on-year at 8.1% (3M 2017: 7.9%).

Consolidated net income for the period from January to March 2018 amounted to EUR 28.9 million in total (3M 2017: EUR 28.3 million), corresponding to a return on sales of 3.4% (3M 2017: 3.5%).

In the first quarter of 2018, net cash flow from operating activities increased by EUR 2.6 million to EUR 53.2 million (3M 2017: EUR 50.6 million) and was thus up 5.1% year-on-year. Capital expenditure including subsidies amounted to EUR 50.7 million in the reporting period (3M 2017: EUR 60.6 million). In the first quarter of 2018, the share of own funds came to 68.5% (3M 2017: 79.3%).

The Asklepios Group's financial position is stable. As at 31 March 2018, the Group's net debt amounted to EUR 878.9 million (31 December 2017: EUR 874.6 million). The debt ratio came to 2.2 times the EBITDA of the past 12 months (31 December 2017: 2.2 times). The equity ratio of 35.6% was higher than at the end of 2017 (31 December 2017: 34.4%). Cash and cash equivalents amounted to EUR 496.8 million (31 December 2017: EUR 612.3 million) and unused credit facilities totalled EUR 461.6 million as at 31 March 2018. The Group thus has sufficient financial resources to fund further corporate growth.

Supplementary report

There were no events of material significance to the net assets, financial position and results of operations of the Asklepios Group between 31 March 2018 and the publication of this report.

Forecast

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 are anticipating a stable year-on-year development in the number of patients and cost weights for the 2018 financial year. Organic revenue growth will be between 1.5% and 2.0%. We expect a slight but sustained increase in EBITDA and a stable equity ratio.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

EUR '000	3 months 2018	3 months 2017
Revenue	847,404	812,532
Other operating income	61,028	53,891
Total operating revenue	908,432	866,423
Cost of materials	182,537	172,910
Staff costs	563,124	537,126
Other operating expenses	83,357	78,221
Operating result / EBITDA ¹⁾	79,414	78,166
Depreciation, amortisation and impairment on intangible assets and property, plant and equipment	36,117	35,721
Operating result / EBIT ²⁾	43,298	42,445
Net investment income	2,383	-51
Interest and similar income	178	335
Interest and similar expenses	-8,141	-6,795
Net interest income	-7,963	-6,460
Net finance costs	-5,579	-6,511
Earnings before income taxes	37,718	35,934
Income taxes	-8,807	-7,636
Consolidated net income for the period	28,911	28,298
<i>of which attributable to the parent company</i>	21,429	25,692
<i>of which attributable to non-controlling interests</i>	7,482	2,606

¹⁾ Earnings before interest, taxes and depreciation and amortisation

²⁾ Earnings before interest and taxes

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

EUR '000	3 months 2018	3 months 2017
Consolidated net income for the period	28,911	28,298
Share in OCI of an associate accounted for using the equity method	-34	0
Measurement of financial assets	0	-729
Income taxes	0	11
Reclassifications due to available-for-sale financial assets sold in the financial year	0	718
Total changes in value reclassified to profit or loss if certain conditions are met	-34	0
Change in actuarial gains (+)/ losses (-) from defined benefit pension commitments and similar obligations	0	0
Income taxes	0	0
Total changes in value not reclassified to profit or loss	0	0
Total changes in value recognised in equity (other comprehensive income)	-34	0
Total comprehensive income (total consolidated net income and other comprehensive income)	28,877	28,298
<i>of which attributable to the parent company</i>	<i>21,395</i>	<i>25,692</i>
<i>of which attributable to non-controlling interests</i>	<i>7,482</i>	<i>2,606</i>

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

EUR '000	3 months 2018	3 months 2017
Consolidated net income for the period	28,911	28,298
Income taxes	8,807	7,636
Net interest income	7,963	51
Net investment income	-2,383	6,460
Amortisation and impairment of intangible assets and depreciation and impairment of property, plant and equipment	36,117	35,721
Gross cash flow (EBITDA)	79,414	78,166
Other non-cash transactions	883	952
Changes in inventories, receivables and other assets	-56,259	28,196
Changes in liabilities and provisions	37,092	-50,193
Interest income	147	136
Income taxes paid	-8,044	-6,625
Cash flow from operating activities / net cash flow	53,234	50,632
Investments in intangible assets	-6,472	-29,820
Investments in property, plant and equipment	-44,206	-18,038
Proceeds from the disposal of non-current assets	998	2,642
Acquisitions of subsidiaries, equity investments and financial assets	-8,151	-69,655
Net cash used in investing activities	-57,831	-114,872
Proceeds from borrowings	20,000	0
Proceeds from the repayment of financial liabilities	-136,086	-6,384
Cash flow from hospital financing	5,984	-6,549
Interest expenses	-858	-1,309
Changes in respect of parent company	0	60,884
Cash flow from financing activities	-110,960	46,641
Change in cash and cash equivalents	-115,557	-17,599
Cash and cash equivalents at the start of the period	612,333	220,364
Cash and cash equivalents at the end of the period	496,776	202,766

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

EUR '000	31 March 2018	31 December 2017
ASSETS		
Non-current assets		
Intangible assets	658,461	655,714
Property, plant and equipment	1,542,514	1,546,773
Investments accounted for using the equity method	427,670	427,247
Financial assets	3,910	3,443
Other financial assets	87,884	67,302
Trade receivables	82	0
Other assets	513	1,025
Deferred taxes	73,254	78,968
Total non-current assets	2,794,288	2,780,472
Current assets		
Inventories	122,416	114,531
Trade receivables	530,842	500,469
Current income tax assets	7,493	5,758
Other financial assets	87,553	88,508
Other assets	22,634	10,938
Cash and cash equivalents	496,776	612,333
Total current assets	1,267,715	1,332,537
Total ASSETS	4,062,004	4,113,009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

EUR '000	31 March 2018	31 December 2017
EQUITY AND LIABILITIES		
Equity attributable to the parent company		
Issued capital	101	101
Reserves	1,093,073	939,096
Consolidated net profit	21,429	153,965
Non-controlling interests	331,192	323,418
Total equity	1,445,795	1,416,580
Non-current liabilities		
Trade payables	95	110
Financial liabilities	1,215,815	1,328,978
Finance lease liabilities	5,873	6,026
Pensions and similar obligations	276,503	276,559
Other provisions	197,679	215,311
Deferred taxes	46,126	53,885
Other financial liabilities	63,603	67,868
Other liabilities	7,491	7,530
Total non-current liabilities	1,813,185	1,956,268
Current liabilities		
Trade payables	70,158	83,763
Financial liabilities	159,890	157,921
Finance lease liabilities	6,900	6,943
Pensions and similar obligations	5,974	5,999
Other provisions	119,146	107,630
Current income tax liabilities	17,463	15,238
Other financial liabilities	171,577	155,710
Other liabilities	251,917	206,956
Total current liabilities	803,024	740,161
Total EQUITY AND LIABILITIES	4,062,004	4,113,009

FINANCIAL CALENDAR

<hr/> 26 April 2018	<hr/> Annual Report 2017
<hr/> 24 May 2018	<hr/> Report on the first quarter
<hr/> 23 August 2018	<hr/> Report on the first half of the year
<hr/> 22 November 2018	<hr/> Report on the third quarter

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