



## Press Release

**GAROFALO HEALTH CARE S.P.A.: BINDING AGREEMENTS SIGNED TODAY FOR THE ACQUISITION OF "GRUPPO VENETO DIAGNOSTICA E RIABILITAZIONE" (GVDR), ONE OF THE LEADING ACCREDITED PRIVATE DIAGNOSTIC CENTRES IN THE VENETO REGION**

**THE TRANSACTION ALLOWS GHC TO EXPAND IN THE STRATEGIC AREAS OF PADUA, VENICE AND TREVISO, THUS STRENGTHENING ITS PRESENCE IN THE VENETO REGION**

**THE ENTERPRISE VALUE OF THE TRANSACTION IS €24.0M**

**GVDR, ACCREDITED WITH THE REGIONAL HEALTHCARE SYSTEM, PROVIDES ABSOLUTE EXCELLENCE IN TERMS OF QUALITY OF CARE AND PATIENT FOCUS AND IS EQUIPPED WITH THE LATEST TECHNOLOGY**

**GVDR REPORTED IN 2021 REVENUES OF €12.0M - OF WHICH APPROX. 46% FROM ACTIVITIES WITH PRIVATE PATIENTS - AND ADJUSTED PRE-EFFICIENCIES NORMALIZED EBITDA <sup>(1)</sup> OF €2.8M, WITH A MARGIN OF 23.6% HIGHER THAN GROUP AVERAGE**

**KEY DEVELOPMENT STRATEGIES IDENTIFIED, WHICH WILL PRODUCE POSITIVE ECONOMIC EFFECTS ALREADY STARTING FROM FY2023**

**Rome, October 13, 2022** - Garofalo Health Care S.p.A. ("**GHC**"), listed on the Euronext STAR Milan market of the Italian Stock Exchange, announces that it has today signed binding contracts for the full acquisition of Gruppo Veneto Diagnostica e Riabilitazione S.r.l. ("**GVDR**"), founded in 1988 by the spouses Giuseppe Caraccio and Maria Stella Zaia (who currently hold a 56% stake in the company).

In line with GHC Group established practice of ensuring the full entrepreneurial, managerial and healthcare continuity of the entities acquired, upon completion of the transaction, Mr. Caraccio will retain his roles as Chief Medical Officer and Chairperson of the Board of Directors, while Ms. Zaia will retain her role as Chief Executive Officer.

### **GVDR's Profile**

GVDR is currently one of the leading diagnostic centres in the Veneto Region in terms of volume and quality of the services provided. It is accredited with the Regional Health System (SSR) and as of 2021 operates with a staff of approx. 200 people, of which 86 are employees. It has four locations: the main one in Cadoneghe in the province of Padua, one in Padua, one in Scorzè (near Venice), and one in Conegliano in the province of Treviso.

The Group is equipped with the latest technology and is licensed and accredited for the following specialties: diagnostic imaging, physical and rehabilitation medicine, outpatient poly-specialty and laboratory analysis. GVDR is also engaged in the field of occupational medicine and in this area has established specific agreements to provide services to companies for the complete and integrated management of all necessary to fulfil legislative obligations in the field of occupational-safety and training medicine. The Group in 2017 launched a phlebolympological rehabilitation service for patients with lymphedema and lipedema.

The transaction allows GHC to expand its presence in strategic locations in the Veneto Region - one of Italy's most virtuous Regions where overall, once the operation is finalized, the Group will now be present with 10 facilities.

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<sup>1)</sup> Adjusted EBITDA calculated in accordance with IFRS principles and normalized for non-recurring items (including - inter alia - operating grants, extra-Covid costs, prior year income and charges)



**Ms. Maria Laura Garofalo, Chief Executive Officer of the GHC Group**, stated: *“This operation confirms the consistency of our work with respect to a growth strategy by external lines unequivocally aimed at creating value. GVDR is a facility that already has an excellent quality profile and important growth prospects and, by joining GHC, it will have the opportunity to seize further development and efficiency opportunities. An added value also resides in the fact that in Giuseppe Caraccio and Maria Stella Zaia, founders of the Center, we have found two entrepreneurs with vision, values and management metrics common to those of GHC: they will remain at the helm of the company, giving continuity and development to a history of great success and consolidated relationship with the territory and patients”*.

**Mr. Giuseppe Caraccio, Chairman of the Board of Directors and Ms. Mariastella Zaia, CEO**, stated: *“The entry of GVDR in GHC will allow us to accelerate the growth path while maintaining the high levels of quality that have always distinguished us. We are sure that our decision will benefit patients and all our employees, doctors and collaborators.”*

### **GVDR performance**

In 2021 GVDR reported Revenues of approx. €12.0M, of which approx. 54% from accredited activities with the Veneto Region and approx. 46% from private activities, up approx. 10% on 2019 (year not affected by the Covid emergency).

The Adjusted and pre-efficiencies normalized EBITDA was approx. €2.8M, with a margin of 23.6% - higher than the Group average (18.7% in H1 2022 <sup>(2)</sup>).

Following the Due Diligence carried out, key development strategies have been identified related to: (i) the opening of a new building in front of the Cadoneghe facility in order to further expand private activities - with estimated impacts from FY2023, (ii) the increase of private activity at the current facilities - with estimated impacts already from FY2022, and (iii) the recognition of additional NHS budgets for the reduction of waiting lists - again with estimated impacts already from FY2022.

### **Terms and structure of the transaction**

The Enterprise Value of the transaction is €24.0M and the Equity Value, calculated on the basis of the provisional contractual Net Financial Position at June 30, 2022 - which also includes the Post-employment benefit provision of approx. €1.1M among the payables - is €24.9M.

The transaction will utilise own funds and also bank debt, as GHC has a Financing Line for new acquisitions (totaling €81M), for which it can draw down up to 80% of the purchase price.

The transaction is expected to be completed by the end of the year through a vehicle company wholly-owned by GHC.

The contracts signed today are subject to the usual conditions established to protect the purchaser and therefore renounceable only by the latter.

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<sup>2)</sup> GHC Group figures announced to the market on September 12, 2022



## **CONFERENCE CALL TO COMMENT ON THE ACQUISITION**

The Company announces that this afternoon, October 13, 2022, at 4.30PM (CET) a conference call shall be held for investors and analysts to comment on the announced acquisition.

The Group's Chief Executive Officer Ms. Maria Laura Garofalo, together with the top management, will take part in the conference call.

The call shall be held in Italian. A transcript of the call shall be made available also in English on the company website ([www.garofalohealthcare.com](http://www.garofalohealthcare.com), Investor Relations / Presentations section).

The details to access the conference call are as follow:

### **Dial In:**

Italy: +39 02 802 09 11

UK: +44 1 212818004

USA: +1 718 7058796

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GHC was supported for the legal aspects by Studio Legale Gianni & Origoni, for the tax and financial aspects by Crowe Bompani, for the administrative aspects by AEGV Servizi and for the labour law aspects by Mr. Pisani, with Mr. Enzo Santagati providing support for the authorisation to operate for fire prevention purposes. The sellers were assisted by Mr. Riccardo Borsari for the legal aspects and by Ms. Grazia Galazzo for the tax and financial aspects.

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### **The GHC Group**

The GHC Group, listed on the Euronext STAR segment of the Italian Stock Exchange, is an Italian accredited private healthcare leader operating through 28 healthcare clinics demonstrating excellence, located in Italy's strongest regions and offering a comprehensive range of services covering all areas of healthcare thanks to diversified specialties, the use of cutting-edge technologies and highly-qualified personnel. The Group in fact operates across eight regions in Northern and Central Italy (Piedmont, Lombardy, Veneto, Friuli-Venezia Giulia, Emilia Romagna, Liguria, Tuscany and Lazio), covering in the hospital sector acute admissions, long-term care, post-acute rehabilitations and outpatient services (the "Hospital Sector"), and in the social services and dependency care sector covering residential admissions and district outpatient services (the "Regional and Social-Care Sector").

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### **FOR FURTHER DETAILS:**

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