



## Press Release

### GAROFALO HEALTH CARE S.P.A.: BOARD OF DIRECTORS APPROVES Q1 2019 PRELIMINARY CONSOLIDATED RESULTS

#### EXCELLENT Q1 2019 RESULTS

**OPERATING EBITDA ADJUSTED<sup>(1)</sup> OF EURO 9.2 MILLION (+11.0%), OF WHICH EURO 0.7 MILLION DERIVING FROM CONTRIBUTION OVER 2 MONTHS OF POLIAMBULATORIO DALLA ROSA PRATI**

- Revenues of Euro 43.5 million, improving 9.1% compared to Euro 39.9 million in Q1 2018;
- Operating EBITDA Adjusted<sup>(1)</sup> of Euro 9.2 million, with a margin of 21.3% (20.9% in Q1 2018) and up 11.0% on Euro 8.3 million for Q1 2018;
- Negative Net Financial Position of Euro 6.6 million, with liquidity at March 31, 2019 of Euro 67.4 million, a surplus over the debt of Euro 60.8 million.

**Rome, May 24, 2019** – The Board of Directors of Garofalo Health Care S.p.A. (the “Company” or “GHC”), listed on the MTA segment of the Italian Stock Exchange and an accredited private healthcare leader, today approved the preliminary consolidated Revenues, Operating EBITDA Adjusted<sup>(1)</sup> and Net Financial Position at March 31, 2019, drawn up as per IAS/IFRS international accounting principles.

**Maria Laura Garofalo, Chief Executive Officer of GHC**, expresses “great satisfaction with the quarterly results which confirm the strong growth delivered in both revenue and EBITDA terms. These figures reflect excellent organic growth and the acquisition of the Poliambulatorio Dalla Rosa Prati, completed on February 5, 2019. A clinic which - in 2 months of consolidation - produced revenues of Euro 2.7 million and EBITDA of Euro 0.7 million, up approx. 10% on the previous year, bringing the acquisition multiplier under 8x EBITDA. In this regard, the commitment taken with the shareholders was further confirmed by the acquisition, completed on May 6, of the “Ospedali Privati Riuniti” of Bologna, with 2018 revenues of Euro 27.4 million. This transaction, thanks to the synergies and significant efficiencies estimated on the due diligence and apparent even from the day subsequent to closing, some of which with retrospective effect from January 1<sup>st</sup>, 2019, could bring the EBITDA margin within 12 months to over 20%”.

#### Consolidated Revenues Overview

GHC’s Q1 2019 consolidated revenues rose to Euro 43.5 million (from Euro 39.9 million for Q1 2018), up 9.1% thanks to organic growth<sup>(2)</sup> (+2.2%) and M&A’s (+6.9%, relating to the acquisition of Poliambulatorio Dalla Rosa Prati of Parma in February 2019).

Revenues in Euro millions	31/03/2019	31/03/2018	% vs. 2018	of which organic vs. 2018	of which M&A vs. 2018
<b>Total</b>	43.5	39.9	9.1%	2.2%	6.9%

<sup>(1)</sup> Operating EBITDA Adjusted defined as EBIT + depreciation & amortisation + provisions and write-downs + one-off costs (approx. Euro 0.6 million) incurred for the acquisition of Poliambulatorio Dalla Rosa Prati of Parma and the additional minority holdings in Casa di Cura Prof. Nobili

<sup>(2)</sup> From 2019, the organic scope includes also the results of the two companies acquired by GHC in 2017 (Fides Medica Group, acquired in June 2017 and comprising Fides Medica S.r.l. and its direct and indirect subsidiaries, and Casa di Cura Prof. Nobili S.p.A., acquired in December 2017) on the basis of their full contribution for the 12 months of 2018



### Consolidated Operating EBITDA Adjusted Overview

The margin growth, in terms of Operating EBITDA Adjusted, was 11.0%, with a significant contribution both from the organic component (+2.0%) and from the M&A component, concerning the acquisition of Poliambulatorio Dalla Rosa Prati of Parma completed on February 5, 2019 (+9.0%).

Operating EBITDA Adjusted of Euro 9.2 million, compared to Euro 8.3 million in the previous year, reflects the Group's core operations and is obtained by adjusting the Operating EBITDA by the one-off costs incurred by the Company for the acquisitions of Poliambulatorio Dalla Rosa Prati of Parma and of the additional minority holdings in Casa di Cura Prof. Nobili, totalling approx. Euro 0.6 million.

Operating EBITDA Adjusted indicates, in comparison with Q1 2018, lower operating costs of Euro 0.5 million deriving from the introduction of the IFRS 16 international accounting standard and the higher costs for the new structure of the Holding company for Euro 0.5 million.

The contribution of Poliambulatorio Dalla Rosa Prati, relating only to the months of February and March 2019, was approx. Euro 0.7 million.

In the first quarter of 2019, the Operating EBITDA Adjusted margin of the Group was 21.3%, also improving on 20.9% for the same period of the previous year.

Op. EBITDA Adj. in Euro millions	31/03/2019	31/03/2018	% vs. 2018	of which organic vs. 2018	of which M&A vs. 2018
<b>Total</b>	9.2	8.3	+11.0%	+2.0%	+9.0%
<b>Margin (%)</b>	21.3%	20.9%	-	-	-

### Consolidated Net Financial Position Overview

At March 31, 2019, the Net Financial Position (NFP) of GHC was a negative Euro 6.6 million, i.e. a surplus of cash over financial debt. This amount is based on liquidity of Euro 67.4 million and debt of approx. Euro 60.8 million, which includes additional Euro 10.5 million from the introduction of IFRS 16 (the Net Financial Position, excluding the IFRS 16 effect, would have been negative for Euro 17.1 million). This indicator, including the IFRS 16 effect, reduced by Euro 40.7 million over December 31, 2018.

The movement in the NFP at March 31, 2019 is due, in addition to the above-stated effects from the application of IFRS 16, to cash outflows for the M&A's executed in the period (for approx. Euro 20.2 million), to non-recurring components incurred for the one-off costs related to M&A's (approx. Euro 0.6 million) and for the Fides Group extension project related to the so called "ex-School" in Genoa (for approx. Euro 0.8 million), in addition to the change in the consolidation scope following the entry to the GHC Group, from February 2019, of Poliambulatorio Dalla Rosa Prati of Parma (whose NFP at March 31, 2019 was approx. Euro 7.8 million).

Net Financial Position in Euro millions	31/03/2019	31/12/2018	Change vs. 2018
<b>Total</b>	-6.6	-47.3	+40.7



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### **The GHC Group**

The GHC Group, listed on the Milan Stock Exchange, is an Italian accredited private healthcare leader operating through 21 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 six regions in Northern and Central Italy (Piedmont, Veneto, Emilia Romagna, Liguria, Tuscany and Lazio), covering in the hospital sector acute admissions, long hospitalization, post-acute rehabilitations and outpatient services (the "Hospital Sector"), and in the regional and social-care sector covering residential admissions and district outpatient services (the "Dependency Care Sector").

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### **FOR FURTHER DETAILS:**

Garofalo Health Care S.p.A.  
Mimmo Nesi - Investor Relator  
Tel. +39 06 68489231 - [ir@garofalohealthcare.com](mailto:ir@garofalohealthcare.com)  
Website: [www.garofalohealthcare.com](http://www.garofalohealthcare.com)

### **Press Office**

Close to Media  
Via Caradosso, 8 - Milan  
Tel.+39 02 7000 6237  
Luca Manzato - [luca.manzato@closetomedia.it](mailto:luca.manzato@closetomedia.it)  
Andrea Ravizza - [andrea.ravizza@closetomedia.it](mailto:andrea.ravizza@closetomedia.it)