



## Press Release

**GAROFALO HEALTH CARE S.P.A. TODAY SIGNS A BINDING CONTRACT TO ACQUIRE A CONTROLLING INTEREST IN DOMUS NOVA S.P.A., OWNER OF THE DOMUS NOVA AND SAN FRANCESCO MULTI-SPECIALIST PRIVATE HOSPITALS OF RAVENNA**

**DOMUS NOVA, WHICH CELEBRATES ITS 60TH ANNIVERSARY THIS YEAR, IS ACCREDITED WITH THE NATIONAL HEALTHCARE SERVICE AND IS A HEALTHCARE AND SOCIAL REFERENCE POINT FOR THE ENTIRE RAVENNA AREA**

**THE FACILITY ENJOYS AN EXCELLENT GEOGRAPHICAL POSITIONING, BEING SITUATED IN AN AREA, CALLED “VAST AREA”, WHICH COVERS APPROX. ONE-THIRD OF THE EMILIA-ROMAGNA REGION AND WHICH DOES NOT HAVE ANY COMPARABLE ACCREDITED PRIVATE HOSPITALS**

**DOMUS NOVA S.P.A. IN 2019 REPORTED ‘CORE’ REVENUES OF €30.9M AND PRE-SYNERGY NORMALIZED EBITDA OF €4.0M**

**BY JOINING THE GHC GROUP, DOMUS NOVA WILL BENEFIT FROM ALREADY IDENTIFIED STRUCTURAL AND ORGANISATIONAL SYNERGIES AND EFFICIENCIES THAT WILL PRODUCE A POSITIVE IMPACT ON MARGINS, WHICH, WHEN FULLY OPERATIONAL, WILL EXCEED THE GROUP AVERAGE**

**THE ENTERPRISE VALUE OF THE TRANSACTION (100%) IS €41.9M, CORRESPONDING TO AN EQUITY VALUE OF €33.7M**

**THE ACQUISITION IS PART OF THE GROUP’S ACQUISITION-LED GROWTH STRATEGY, WHICH - IN LESS THAN 3 YEARS FROM IPO - HAS SEEN GHC EXECUTE M&A’S FOR APPROX. €137M OF REVENUES AND APPROX. €29M OF EBITDA (BASED ON 2019 PRO-FORMA FIGURES)**

**THE ACQUISITION STRENGTHENS GHC’S PRESENCE IN EMILIA-ROMAGNA - ONE OF ITALY’S MOST VIRTUOUS REGIONS FOR HEALTHCARE - IN WHICH THE GROUP NOW HAS 8 FACILITIES AND AGGREGATE REVENUES OF OVER €136M (BASED ON 2019 PRO-FORMA FIGURES)**

**Rome, June 23, 2021** - Garofalo Health Care S.p.A. (“**GHC**”), listed on the STAR segment of the Italian Stock Exchange, announces the signing today of a binding contract for the acquisition, by a group of shareholders represented by the shareholders Stefano Grandi, Francesco Serra, Antonio Roversi and Cassa di Ravenna, of a 51.6% interest in Domus Nova S.p.A. (“**Domus Nova**” or the “**Company**”), owner of the multi-specialist private Domus Nova Hospital and of the San Francesco private Hospital, both located in Ravenna and National Healthcare Service accredited.

### **Domus Nova profile**

Domus Nova S.p.A. is the company that owns Domus Nova, an accredited private multi-specialty hospital in Ravenna, operating both as an inpatient and outpatient facility. Domus Nova is also the owner of the San Francesco private accredited Hospital, also located in Ravenna and taken over by the Company in April 2018 (therefore merged by incorporation into Domus Nova with accounting effects from January 1, 2018).

The facilities enjoy an excellent geographical positioning, being situated in an area, called “Vast Area”, which covers approx. one-third of the Region, which lacks comparable accredited private hospital facilities.



With reference to outpatient activities, the Company provides specialist services in all medical branches, as well as outpatient diagnostic imaging services and is equipped with the latest technology; there is also a decentralised Dialysis Center with continuous assistance equipped with 18 technical beds.

With reference to inpatient activities, it should be noted that the Company provides care services in the specialties of medicine and long-term care as well as in the various branches of surgery, mainly in orthopaedic surgery, in which it performs over 900 operations a year in prosthetic orthopaedic surgery.

In total, the two facilities have 252 beds. Finally, Domus Nova has over 200 employees, as well as an equal number of collaborators and consultants.

**Ms. Maria Laura Garofalo, Chief Executive Officer of the GHC Group**, stated: *"The acquisition of Domus Nova represents an important milestone for GHC on its growth journey. The facility, together with the Casa di Cura Prof. Nobili of Castiglione dei Pepoli, Ospedali Privati of Bologna (Villa Regina and Nigrisoli), Hesperia Hospital of Modena, Aesculapio of S. Felice sul Panaro and Poliambulatorio Dalla Rosa Prati of Parma already held by our Group, allows us in fact to cover the entire ridge of the Emilia-Romagna Region, which is one of Italy's most virtuous. It is our intention to develop the facility by further strengthening its positioning in the area"*.

**Mr. Stefano Grandi, current Chairman of the Board of Directors of the Company and son of one of the founding partners**, stated: *"The acquisition by GHC represents a great opportunity for Domus Nova, which joins the only listed healthcare group in Italy - ensuring its international visibility. Joining the GHC Group, which takes place on the facility's 60th anniversary, will ensure major growth for Domus Nova, which will increasingly become a reference point for the entire city of Ravenna"*.

#### **Domus Nova S.p.A. performance**

As of December 31, 2019, a year used as reference as not impacted by the Covid-19 health emergency, Domus Nova reported 2019 'core' revenues of approx. €30.9M<sup>(1)</sup>, of which €20.6M for inpatient services and approx. €10.2M for outpatient services (of which €4.4M for private activities). Domus Nova's normalized pre-synergy EBITDA was approx. €4.0M, with a 13.0% margin.

Following the Due Diligence carried out, considering the specialist Group know-how, structural and organisational synergies and efficiency gains were identified that can be achieved within the first 12 months and that will have a positive impact on the facility's margins, which, once fully operational, will exceed the Group average.

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

The Enterprise Value of the transaction (100%) is approx. €41.9M, corresponding to an Equity value of €33.7M. The acquisition also includes the instrumental real estate assets held by Domus Nova, which cover a total area of over 14,000sqm.

The contract was signed today with a group of shareholders representing a total of approx. 51.6% of the share capital, voting at both the Ordinary and Extraordinary Shareholders' Meetings, and is subject to the usual conditions provided for in such transactions and which can only be waived by the purchaser. In particular, it is specified that, as part of the agreement signed today, following the signing, GHC will present to all the other minority shareholders an irrevocable proposal to purchase their shares at the same financial conditions granted to the majority shareholders.

The closing of the transaction will take place by the end of July 2021 and the acquisition shall be executed directly by GHC S.p.A.. At this time, GHC will promptly inform the market in relation to the total subscriptions to the transaction received by the minority shareholders.

As settlement on closing GHC shall draw on both cash reserves generated by core operations and the funding raised from the recent reserved share capital increase through ABB of January 2021 (for the portion not yet utilised) and in addition, eventually, to bank funding.

#### **GHC Group profile post-transaction**

To highlight the size of the GHC Group post-acquisition, the aggregate Pro-Forma Group figures for 2019, a

<sup>1)</sup> Source: Domus Nova Financial Statements at 31.12.2019. The figure refers to the Revenues from sales and services

year not impacted by the Covid-19 health emergency, are provided below. These figures were based on GHC's Pro-Forma figures<sup>(2)</sup> and including the 12-months contribution of XRay One (acquired in July 2020), of Clinica S. Francesco (acquired in April 2021) and of Domus Nova (pre-synergies). Based on this elaboration, the GHC Group post-transaction would report Pro-Forma 2019 aggregate Revenues of approx. €293.0M, with Pro-Forma 2019 aggregate EBITDA of €57.2M and a total margin of 19.5%.

Highlights post-transaction (€M)	GHC '19 figures Pro-Forma <sup>(3)</sup> (a)	XRay One '19 figures <sup>(4)</sup> (b)	S. Francesco '19 figures <sup>(5)</sup> (c)	Domus Nova '19 figures (pre-synergies) (d)	GHC Full Potential Pro-Forma '19 aggregate figures (a+b+c+d)
<b>Revenues</b>	222.5	7.6	32.0	30.9	<b>293.0</b>
<b>EBITDA</b>	44.4	1.8	7.0	4.0	<b>57.2</b>
<b>Margin</b>	20.0%	23.7%	22.0%	13.0%	<b>19.5%</b>

### Delivery of the M&A strategy post-IPO

The acquisition of Domus Nova is part of the Group's acquisition-led growth strategy, which has seen GHC acquire 8 top-class entities in less than 3 years from IPO, which have always fully matched with the Group's clear and consistent M&A discipline. Overall, including the contribution of Domus Nova pre-synergies, the facilities acquired by GHC post-IPO have returned Revenues of €136.8M, with normalized EBITDA of €29.3M and a margin of 21.4% (aggregate figures of the acquired facilities refer to 2019, a year not impacted by Covid-19).

M&A Highlights – '19 figures (€M)	Acquisition date	Revenues <sup>(6)</sup> (a)	Norm. EBITDA <sup>(7)</sup> (b)	Margin (%) (b/a)
+ Poliamb. Dalla Rosa Prati	February 2019	15.5	3.9	25.4%
+ Ospedali Privati Riuniti	May 2019	26.5	5.1	19.4%
+ Centro Medico S. Biagio <sup>(8)</sup>	July 2019	18.0	6.2	34.3%
+ Centro Med. Uni. Castrense	September 2019	4.0	0.9	23.7%
+ Aesculapio	September 2019	2.3	0.3	12.9%
+ XRay One	July 2020	7.6	1.8	23.7%
+ Clinica S. Francesco	April 2021	32.0	7.0	22.0%
+ Domus Nova (pre-syn.)	June 2021	30.9	4.0	13.0%
<b>= M&amp;A post-IPO</b>		<b>136.8</b>	<b>29.3</b>	<b>21.4%</b>

\* \* \*

GHC received legal support from the Studio Legale Gianni & Origoni and tax and finance support from Crowe Bompani. The vendors received legal support by BLF Studio Legale.

<sup>2)</sup> GHC Group figures announced to the market on March 23, 2020

<sup>3)</sup> Reported EBITDA refers to the Op. EBITDA Adjusted figure, defined as EBIT + depreciation & amortisation + provisions and write-downs + non-core costs (approx. €3.5M in 2019 for M&A's incurred for the acquisitions and for the Stock Grant plan)

<sup>4)</sup> XRay One figures announced to the market on July 23, 2020. The EBITDA figures are pre-synergies and normalized, excluding the one-off and non-recurring components and the Holding costs

<sup>5)</sup> Clinica S. Francesco figures announced to the market on February 24, 2021. The EBITDA figures are pre-synergies and normalized, which exclude the one-off and non-recurring components and the Holding costs

<sup>6)</sup> Pro-Forma figures, i.e. considering the contribution of the facilities on a 12-months basis

<sup>7)</sup> The EBITDA figures are Pro-Forma and normalized - excluding the one-off and non-recurring components and the Holding costs

<sup>8)</sup> Centro Medico S. Biagio also includes the contribution of Bimar S.r.l.



\* \* \*

### **The GHC Group**

The GHC Group, listed on the Milan Stock Exchange, is an Italian accredited private healthcare leader operating through 26 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 Dependency Care Sector").

\* \* \*

### **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@closetoedia.it](mailto:luca.manzato@closetoedia.it)  
Lucia Nappa - [lucia.nappa@closetoedia.it](mailto:lucia.nappa@closetoedia.it)