

GHC – STAR Conference March 2024



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THE GHC GROUP: THE ONLY OPERATOR LISTED IN ITALY IN THE HEALTHCARE SECTOR

2

THE HEALTHCARE SECTOR: RESILIENT, PHYSIOLOGICALLY GROWING AND SUBJECT TO CONSOLIDATION

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**FY2023 RESULTS: GROWING PERFORMANCE DRIVEN BY PRIVATE "OUT-OF-POCKET"
12 MONTHS 2023 RESULTS OF THE AURELIA HOSPITAL GROUP: FIRST EFFICIENCY ACTIONS ALREADY VISIBLE**

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GHC OUTLOOK: SOLID ORGANIC GROWTH, STRONG M&A GROWTH AND VALORIZATION OF REAL ESTATE ASSETS

The GHC Group: the only operator listed in Italy in the healthcare sector

Garofalo Health Care Group (GHC)⁽¹⁾

- Leader in accredited private healthcare in Italy, founded and controlled by the Garofalo family
- > 65 years of history
- Geographical and sector diversification:
 - Present in 8 of the most attractive regions of Central and Northern Italy
 - Wide spectrum of services in the acute, post-acute, outpatient and social care sectors

**37 Healthcare facilities
in 8 Regions**

~53,000 admissions per year

**~2.6 million outpatient services
per year**

~2,500 beds

**~5,500 employees
and collaborators**

Financial results FY 2023 Actual

**368.7€M Revenues
67.1€M Op. EBITDA Adj.**

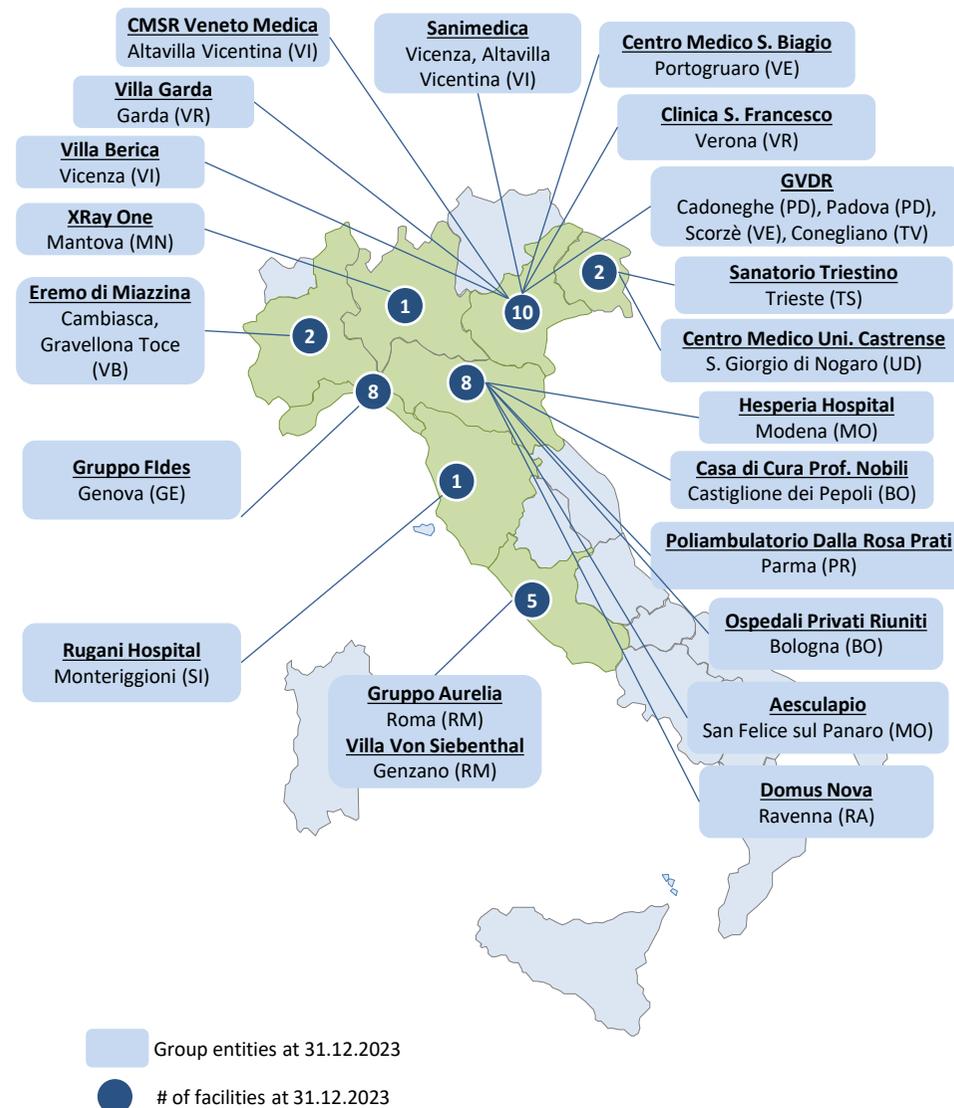
**18.2%
Op. EBITDA Adj. Margin**

**Like-for-Like Growth vs. '22
Revenues: approx. +3%
Op. EBITDA Adj.: approx. +8%**



**80.5% Cash Conversion⁽²⁾
2.8x Financial Leverage⁽³⁾**

Diversified geographical positioning in the most virtuous Regions



(1) Figures refer to 31.12.2023 including the 12 months contribution of Sanatorio Triestino, acquired in May 2023, and of Aurelia Hospital Group, acquired in November 2023

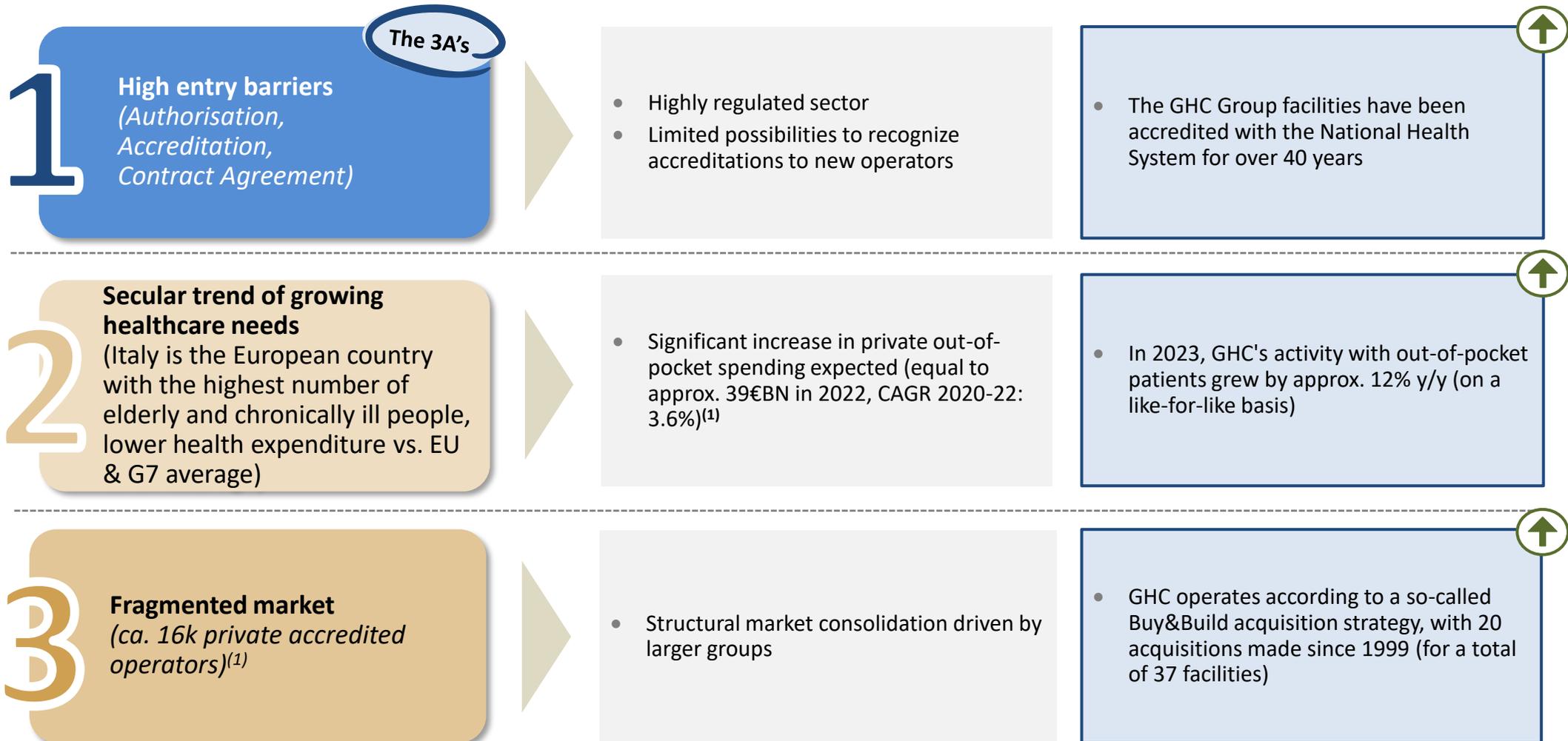
(2) Cash conversion defined as (Op. EBITDA Adjusted – Maintenance Capex) / Op. EBITDA Adjusted

(3) Calculated as the ratio between NFP and Operating EBITDA Adj. Pro-Forma of the last 12 months, thus including the 12 months contribution of the acquisition of Sanatorio Triestino (realized in May 2023) and of Aurelia Hospital Group (realized in November 2023)

The healthcare sector: resilient, physiologically growing and subject to consolidation

MARKET DISTINCTIVE ELEMENTS

GHC POSITIONING



(1) Report OASI 2023 (related to 2022 figures)

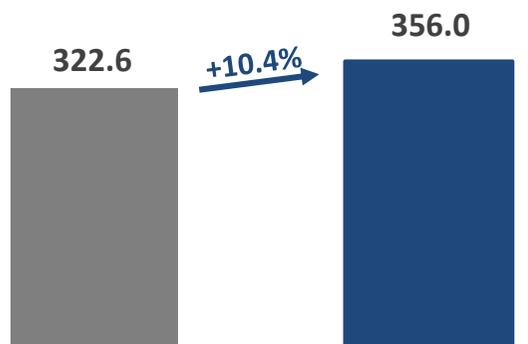
(2) Annuario Statistico del Servizio Sanitario Nazionale, 2020 (published in July 2022)

Results FY2023 (excluding Aurelia Hospital Group): growing performance driven by private "out-of-pocket" activity

Figures 2023 excluding Aurelia Hospital Group (acquired in November 2023)

Revenues (€M)⁽¹⁾

Organic growth driven by private "out-of-pocket"



FY2022

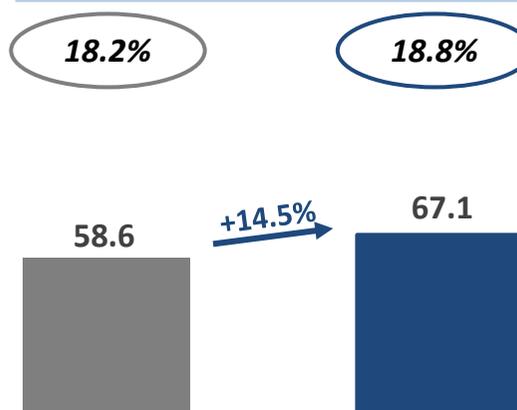
FY2023
excl. AH Group

Organic Like-for-Like Growth
+3% y/y
Private out-of-pocket growth
+12% y/y

Op. EBITDA Adjusted (€M)⁽¹⁾

Growing margins despite the inflationary context

Margin (%)



FY2022

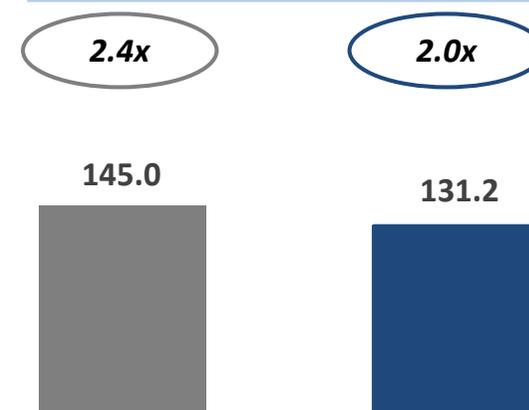
FY2023
excl. AH Group

Organic Like-for-Like Growth
+8% y/y
Marginality increase
+60 bps

Net Financial Position (€M)⁽¹⁾

Robust cash generation confirmed with decreasing leverage

Financial Leverage (x)



FY2022

FY2023
excl. AH Group

Acquired Sanatorio Triestino
17€M (EV)
Operating cash generation
approx. 40€M

(1) The data reported in this slide were communicated by the Company on the occasion of the approval of the economic-financial results relating to FY2023 (which took place on 14 March 2024). The detailed documentation can be consulted on the Company's website (www.garofalohealthcare.com) in the "Investor Relations / Price Sensitive Press Releases" sections

12 months 2023 results of the Aurelia Hospital Group: first efficiency actions already visible

Figures referred to 12 months 2023 of Aurelia Hospital Group (acquired in November 2023)

Revenues (€M)

Increase in healthcare activity recorded starting from the signing

Op. EBITDA Normalized (€M)⁽¹⁾

Execution of the first efficiency actions already visible

Implied Multiplier EV/EBITDA (x)

EV paid lower than the market value of the Real Estate assets alone

Margin (%)

6.5%

8.0%

Enterprise Value (€M)

71.4€M

85.0

+2.7%

87.3

5.5

+25%

7.0

13.0x

10.2x

@signing - July '23
(GHC '23E estimates)

FY2023

@signing - July '23
(GHC '23E estimates)

FY2023

Implied Multiplier
@signing - July '23

Implied Multiplier
@FY2023

2023 results affected by the liquidation process which arose due to irreconcilable differences between the shareholders, which, consequently, led to management inefficiencies mitigated only from the signing date

The acquisition includes the ownership of the instrumental Real Estate assets
~32,000smq in total

(1) EBITDA Normalized excludes some extraordinary items recorded during the year prior to the GHC acquisition

STRENGTHS OF THE EQUITY STORY

1.**CASH GENERATION**

Growing business
with strong cash
generation

2.**M&A**

Purchasing strategy
with proven “Buy” &
“Build” track record

3.**REAL ESTATE ASSETS**

Ownership of substantial
real estate assets
(still unexpressed)

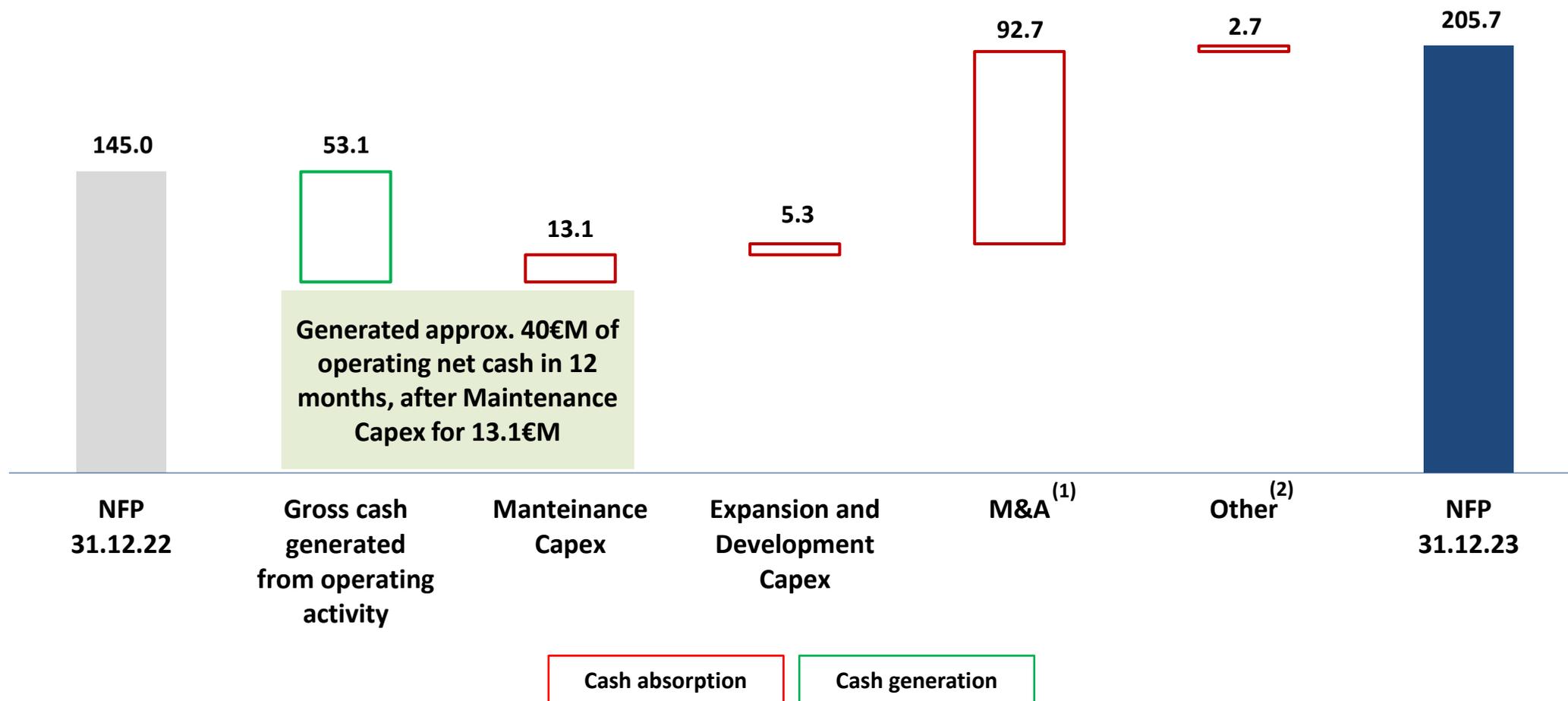
Strengths of the Equity Story : approx. 40€M of cash generation in the last 12 months

1.

CASH GENERATION

Growing business with strong cash generation

Cash generation Last 12 months (€M)



(1) Includes: acquisition of Sanatorio Triestino, of Aurelia Hospital Group and the price adjustment of GVDR. Figure relates to the recognized Enterprise Value (Price + Net Financial Position at 31.12.2023)

(2) Figure includes: extra-Covid costs (net of reimbursements), M&A costs, buy-back

Strengths of the Equity Story: multi-decade track record in M&A (Buy) and post-merger integration (Build)

2.

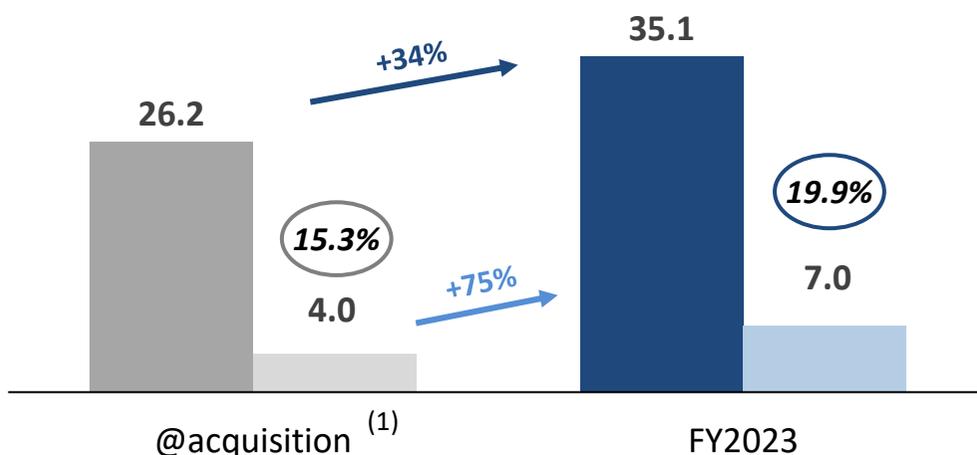
M&A

Purchasing strategy with proven “Buy” & “Build” track record

CASE STUDY: OSPEDALI PRIVATI RIUNITI (hospital)

Enterprise Value	50.0€M
EV / EBITDA @ acquisition (FY2019)	12.5x
EV / EBITDA @ FY2023	7.1x

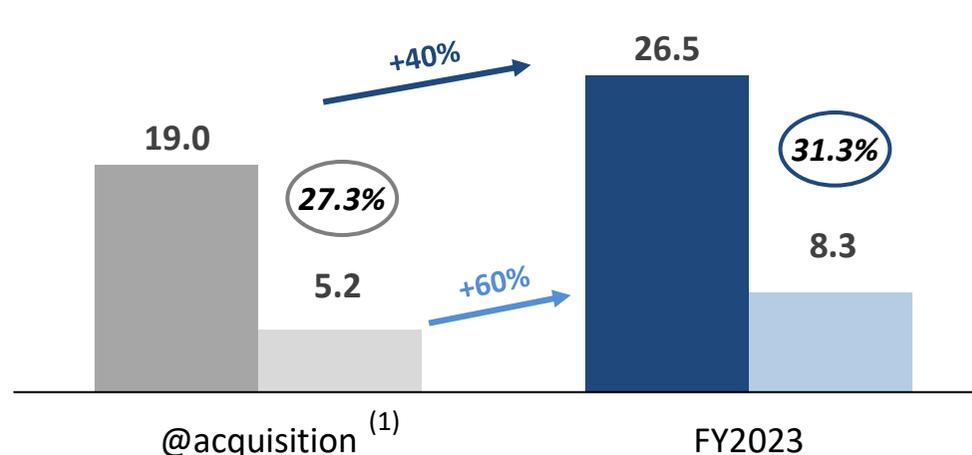
(€M)



CASE STUDY: S. BIAGIO E UNI. CASTRENSE (outpatient)

Enterprise Value	51.2€M
EV / EBITDA @ acquisition (FY2019)	9.8x
EV / EBITDA @ FY2023	6.2x

(€M)



(1) Values communicated by GHC during the acquisition (for OPR: May 2019, for Centro Medico S. Biagio and Università Castrense: July and September 2019)

Strengths of the Equity Story: substantial Real Estate assets owned

3.

REAL ESTATE ASSETS

Ownership of substantial real estate assets (still unexpressed)



Sanatorio Triestino and Aurelia Hospital Group (M&A 2023) include the ownership of the instrumental Real Estate assets for a total of approx. 40,000smq

Book value of Real Estate Assets⁽¹⁾	181.7€M	Total area⁽¹⁾	~250k sqm
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(1) Book Value as of 31.12.2023

Sector perspectives: exponentially growing healthcare needs, exacerbated by the waiting lists emergency



November 13th, 2023

*“In the comparison between 2022 and previous years of the pandemic, it emerges an unequivocal barrier to access constituted by long **waiting lists**, which in 2022 becomes the most frequent reason for giving up healthcare services deemed necessary for 3.8% of the population, compared to a reduction in the share of those who give up for economic reasons (2.9% in 2022)”*

Il Messaggero
#CONDIVISODAL1878

Liste d'attesa choc, fino a due anni per la visita salva-vita. È una sanità lumaca

CORRIERE DELLA SERA

Sanità: **liste d'attesa** per visite ed esami: ecco perché sono sempre più lunghe

la Repubblica

Sanità, **liste d'attesa troppo lunghe**: 2,5 milioni di italiani rinunciano alle visite

Sanità24 | 24 ORE

Cittadinanzattiva: è emergenza salute tra **infinite liste d'attesa** e rinuncia alle cure

QUOTIDIANO NAZIONALE

Sanità, **liste d'attesa choc**. "La mammografia? Ripassi tra due anni"

IL SECOLO XIX

SANITÀ
Liste di attesa infinite

DEVELOPMENT DRIVERS

HIGHLIGHTS

1.

SOLID ORGANIC GROWTH

- Significant growth of private 'out-of-pocket' activity in light of growing healthcare needs and also of possible partnerships with insurance or social security institutions

2.

STRONG M&A GROWTH

- Continuation of the Buy&Build strategy

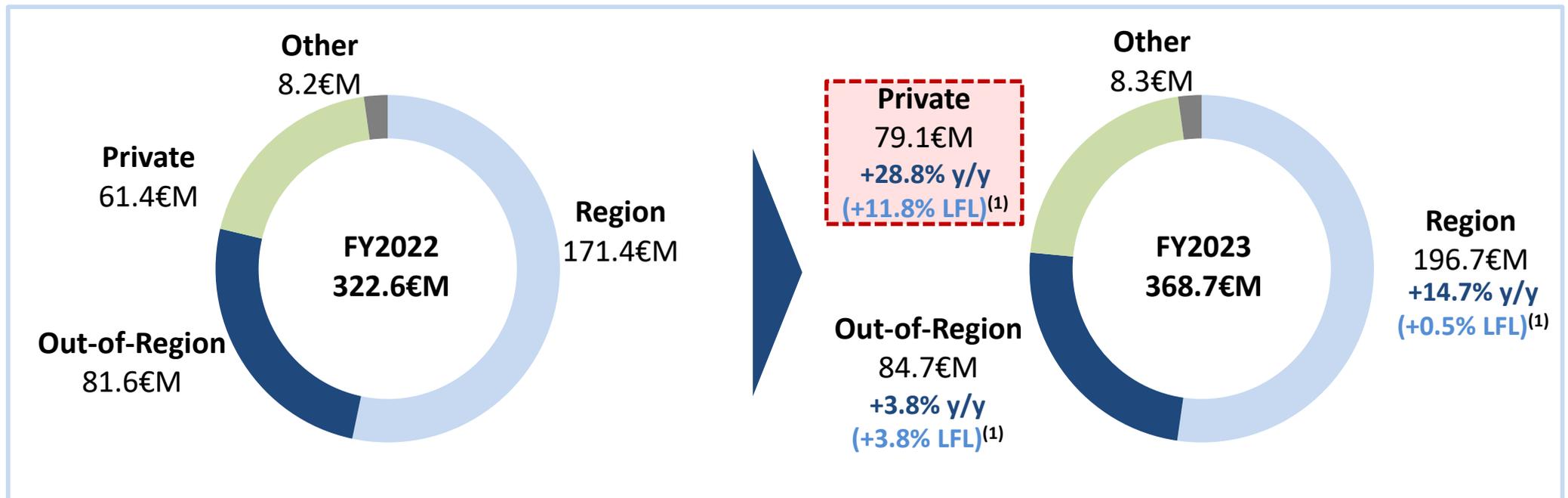
3.

REAL ESTATE ASSETS VALORIZATION

- Real Estate value to support potential "M&A Transformational"

1.

ORGANIC GROWTH



PROSPECTS FROM FY2023

Activity vs. Regional patients

- In the 3Y period 2021-2023 already recognized by the Regions incremental Extra Budgets for the reduction of waiting lists for a total of ~20€M, which it is estimated will be confirmed in the next few years

Activity vs. private patients (out-of-pocket)

- Development of the "out-of-pocket" private business, favored by the availability of state-of-the-art facilities and personnel of primary standing
- Possible partnerships with insurance or social security institutions

(1) Like-for-Like growth obtained excluding for 2023 the contribution of GVDR, of Sanatorio Triestino and of Aurelia Hospital Group

2.

STRONG M&A GROWTH

M&A DISCIPLINE

Transaction of strategic relevance

Diagnostic centres: Revenues >5€M
Acute care facilities: Revenues >10€M

Op. EBITDA Margin non dilutive in perspective
High "cash conversion"

Flexibility to evaluate "case by case" opportunities

- Facility accredited with National Healthcare System
- Significant portion of revenues from private patients
- Relevant potential synergies
- Favorable ownership structure (e.g. generational transition, etc)
- Excellent reputation
- Localization in virtuous regions and with favorable regulatory framework

STRATEGY

M&A STRATEGY 2022 and 2023 RECAP:

- December 2022: GVDR acquired (4 facilities) for an Enterprise Value of approx. 24€M
- May 2023: Sanatorio Triestino acquired (1 facility) for an Enterprise Value of approx. 17€M
- November 2023: acquired the asset perimeter of Aurelia 80 S.p.A., the operating holding company at the head of the Aurelia Group (4 facilities) for an Enterprise Value of approx. 71€M

M&A PERSPECTIVES:

- Continuation of the Buy&Build strategy
- Possibility of evaluating significant dimensional expansion through "M&A Transformational" (with internal resources)

3.

VALORIZATION OF REAL ESTATE ASSETS

✓

PHASE 1 FEASIBILITY ANALYSIS (completed)

Establishment of GHC Real Estate (100% controlled by GHC), preliminary analyzes of a technical-cadastral, corporate, patrimonial, financial and fiscal nature

✓

PHASE 2 CONCENTRATION OF VALUE

Completed 80% of value⁽¹⁾

Progressive transfer to GHC Real Estate of the Real Estate assets held by singles subsidiaries

PHASE 3 VALORIZATION (based on opportunity)

Potential use of Real Estate assets to support any “Transformational M&A”

(1) Value of the partial proportional demerger projects approved as of 31.12.2023