



# GHC – STAR CONFERENCE

## March 2022



*Health is your most valuable asset*

# The GHC Group today: leading operator thanks to a unique business model in Europe based on geographic and sector diversification...

## The Garofalo Health Care Group (GHC)

- Leading Group in Italian private accredited healthcare
- >60 years heritage on the Italian market, founded and managed by the Garofalo family
- Geographical and sector diversification:
  - Located in 8 of central and northern Italy's most attractive regions
  - Wide range of services in acute, post-acute, outpatient sectors and dependency care sector

## Leader in private accredited healthcare

### At IPO

18 Healthcare Facilities  
in 6 regions

~20,000 admissions per year

~1 million outpatient services  
per year

~1,260 beds

~1,800 employees  
and collaborators

### Today

28 Healthcare Facilities  
in 8 regions

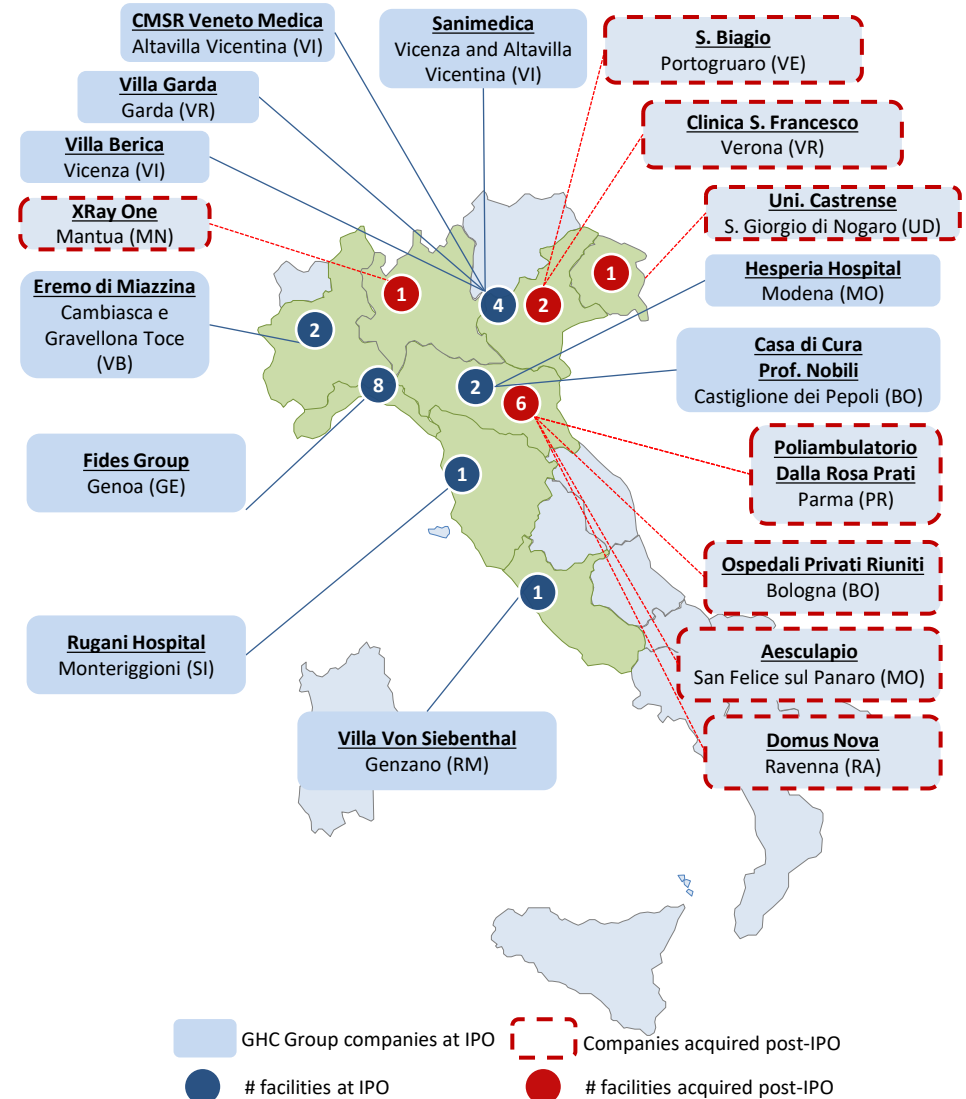
~40,700 admissions per year

~2.0 million outpatient services  
per year

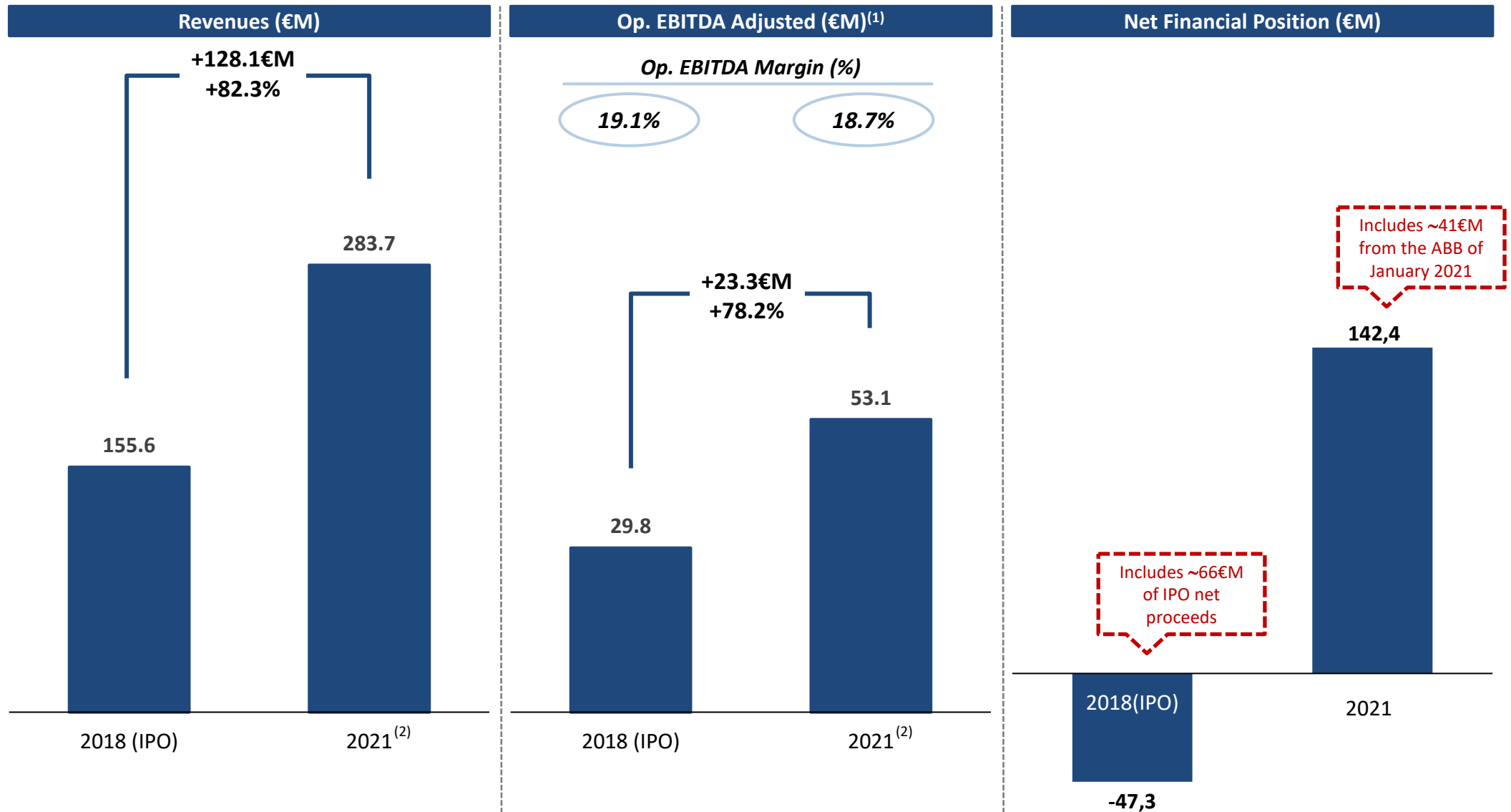
~1,760 beds

~4,000 employees  
and collaborators

## Diversified geographic positioning in Italy's most virtuous regions



# Group approximately doubled in size since IPO while maintaining performance best-in-class and a solid financial structure



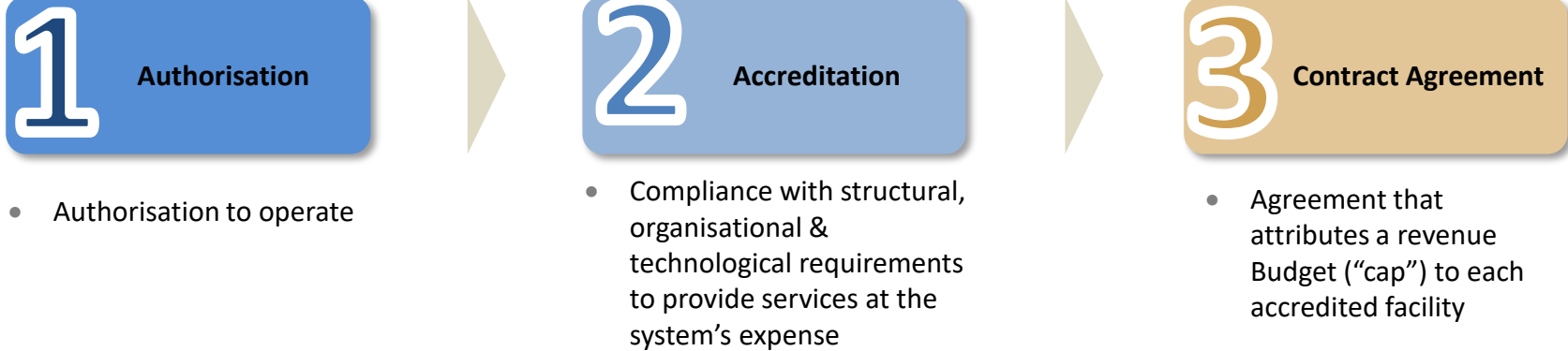
(1) Operating EBITDA Adjusted defined as EBIT + amortisation and depreciation + provisions + write-downs + adjustments (in 2021 totalling approx. 6.1M€, of which 3.1M€ due to “extra-Covid costs”, approx. 1.8M€ due to M&A costs and 1.3M€ to management incentive plans). FY 2020 adjustments of 3.5M€ concerned for 2.6M€ “extra-Covid costs”, for approx. 0.5M€ M&A costs and for 0.4M€ management incentive plans.

(2) 2021 figures approved by the GHC Board of Directors on March, 16 2022 and communicated to the market in the same date

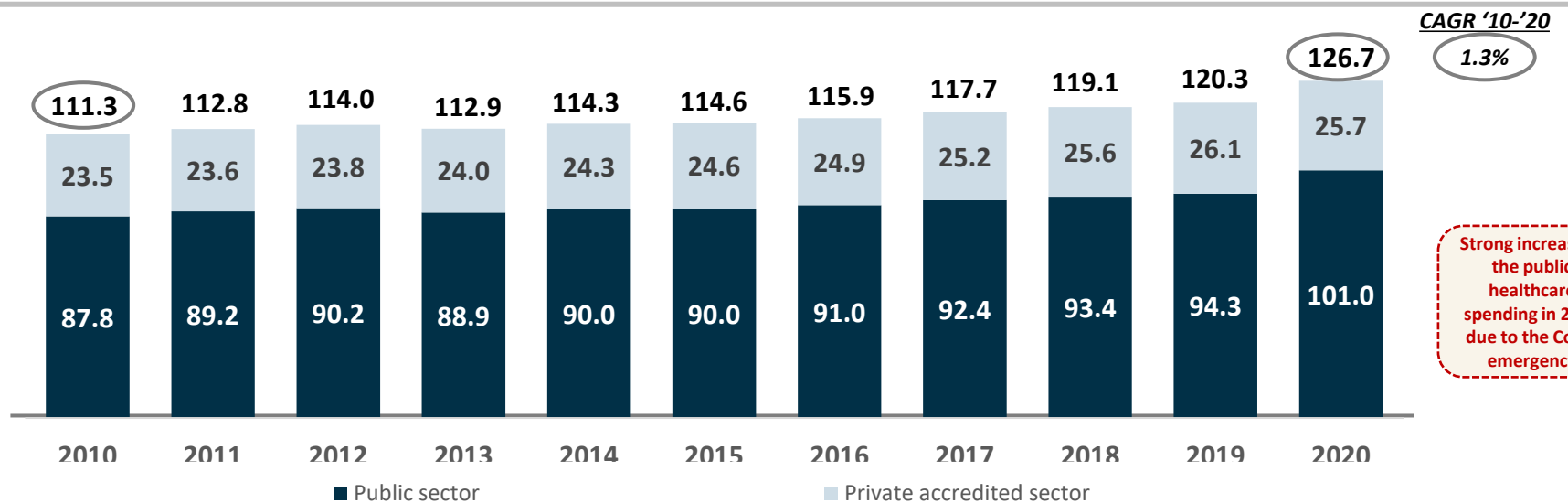
# The Italian healthcare sector is a 'safe-haven' asset due to high entry barriers and the a-cyclical nature of public healthcare spending...

THE HEALTHCARE SECTOR IS IDENTIFIABLE AS A 'SAFE-HAVEN' ASSET DUE TO HIGH ENTRY BARRIERS...

The 3As



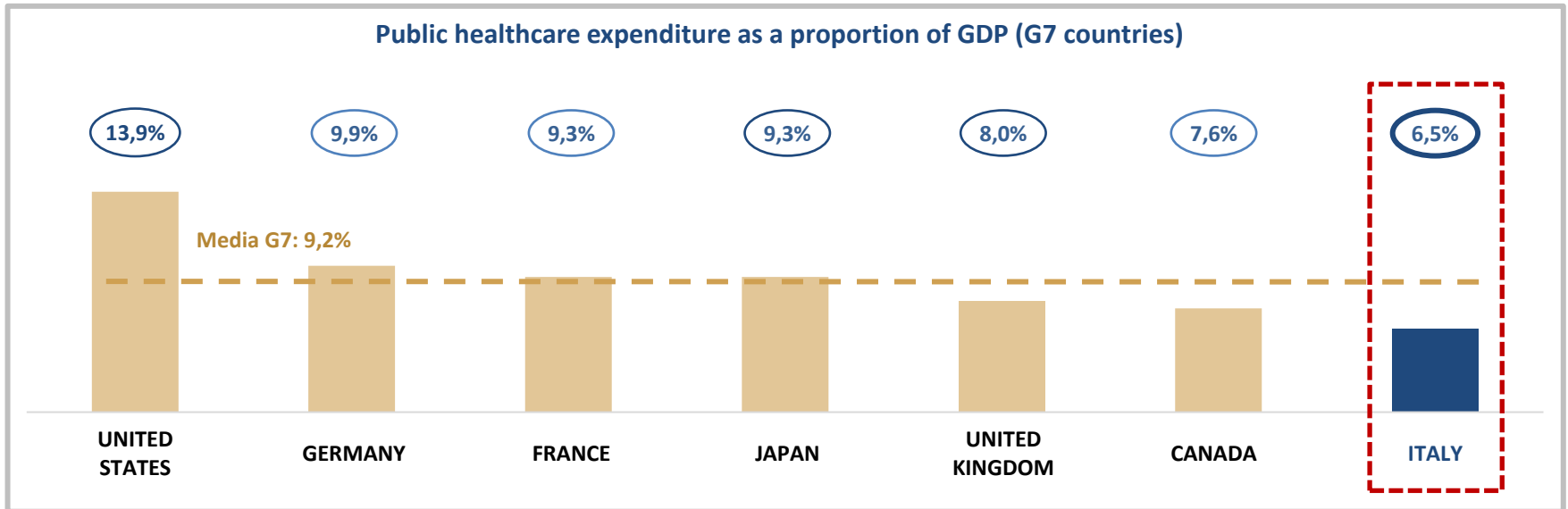
...AND THE STABLE, A-CYCLICAL NATURE OF PUBLIC HEALTHCARE SPENDING, INFLUENCED IN 2020 BY THE COVID EMERGENCY<sup>(1)</sup>



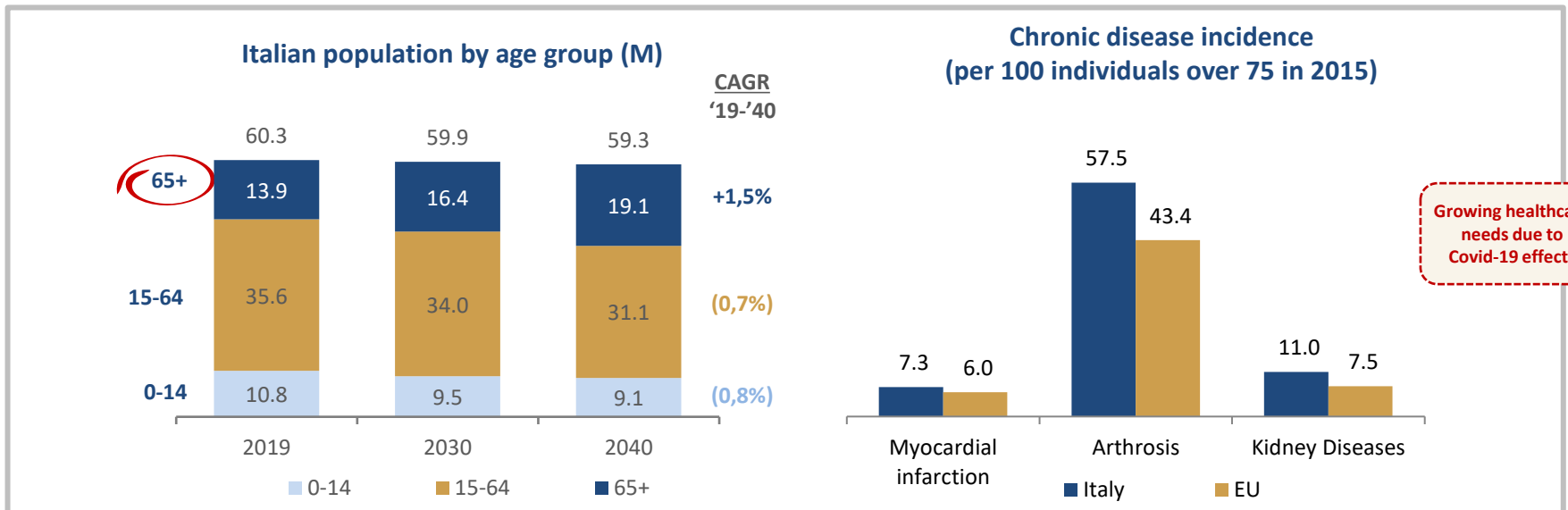
(1) OASI Report 2021 on 2020 figures

...which is, however, among the lowest at international level and not sufficient to face the secular trend of growing healthcare needs...

HEALTHCARE EXPENDITURE IN ITALY IS AMONGST THE LOWEST AT INTERNATIONAL LEVEL<sup>(1)</sup>...



...AND NOT SUFFICIENT TO FACE THE SECULAR TRENDS OF AN AGEING POPULATION AND INCREASING RATES OF CHRONIC DISEASES<sup>(2)</sup>

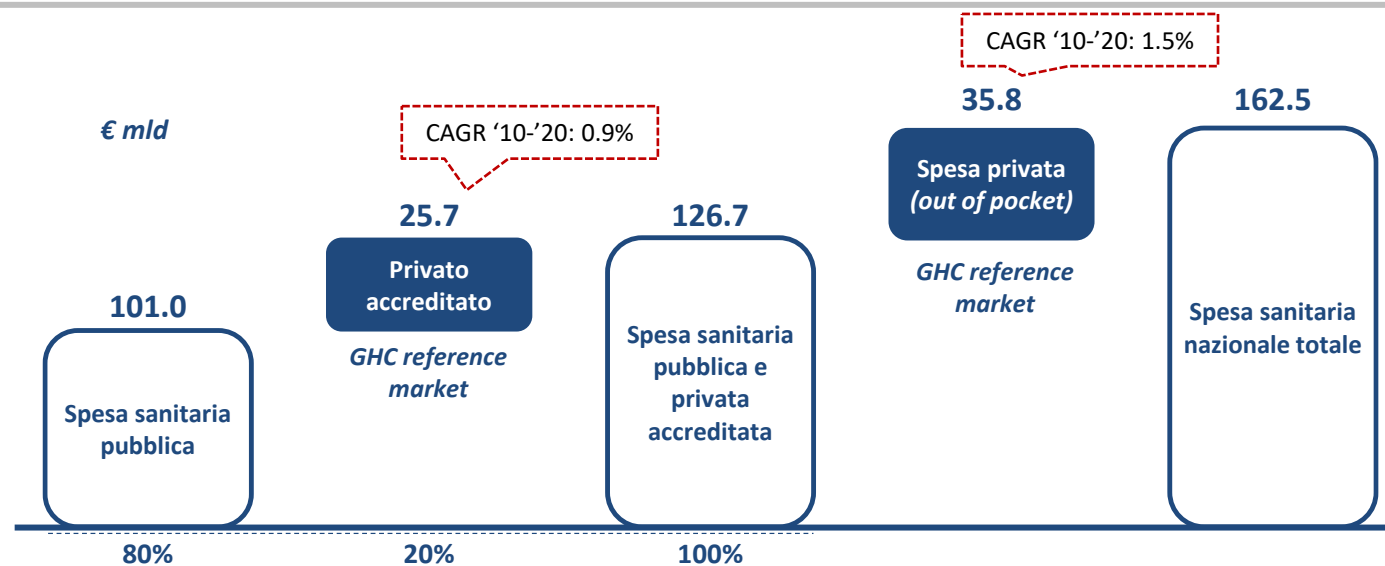


(1) Italian Private Hospital Association ("AIOP") 2021. Data for G7 countries (including Italy) refer to 2019

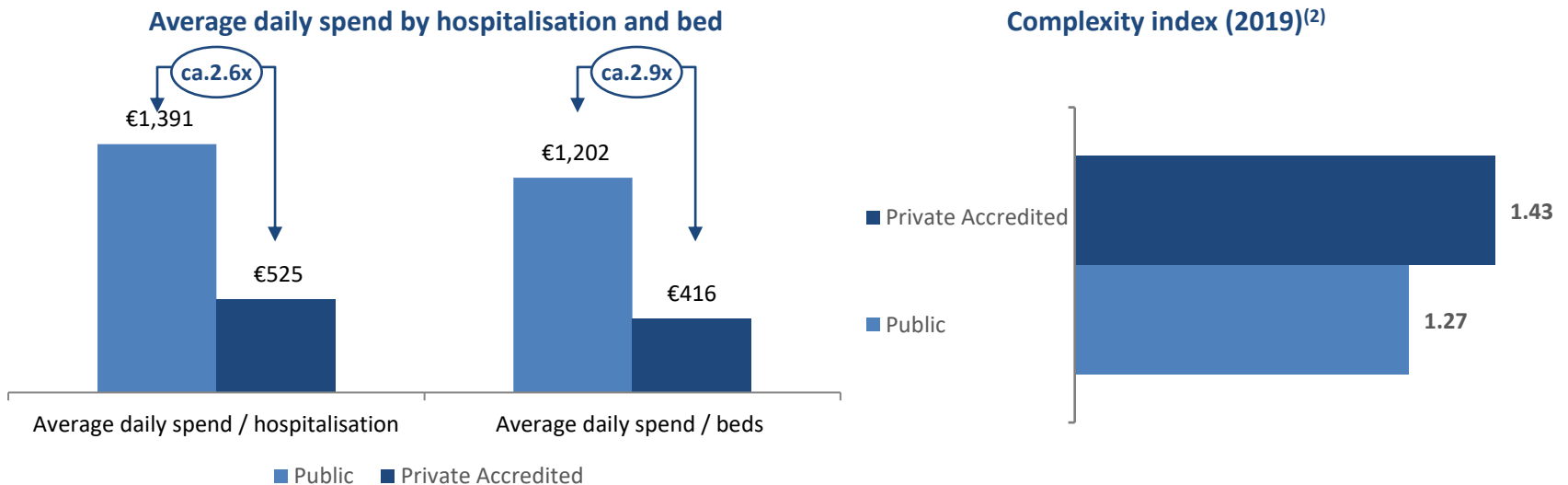
(2) OECD, Eurostat, "The 2021 Ageing Report". Istat report 2017, "The Elderly: health conditions in Italy and in the European Union"

# ... leading to a significant increase in the out-of-pocket and private accredited expenditure (more efficient)

**GROWING HEALTHCARE NEEDS WILL LEAD TO AN INCREASE IN THE OUT-OF-POCKET AND PRIVATE ACCREDITED SPENDING<sup>(1)</sup>...**



**...ALSO IN LIGHT OF ITS GREATER EFFICIENCY...**







Data on the acute sector of the hospital division

(1) 2021 OASI report on 2020 data, Italian Private Hospital Association ("AIOP") 2021 on 2019 data


(2) The complexity index is a concise measure of the complexity of the pathologies treated. It is calculated as the average of the weights assigned to each group of patients (based on DRGs) out of the total number of patients discharged

# Realized investments in cutting-edge technology to support growing regional healthcare needs, making facilities more attractive to out-Region and 'out-of-pocket' patients...

Facility (Region)	Investments	Highlights	Rationale
CMSR (Veneto)	 <p><b>3T Magnetic Resonance Imaging<sup>(1)</sup></b> <b>2.2€M</b></p>	<ul style="list-style-type: none"> <li>- Latest version of magnetic resonance systems</li> <li>- Guarantees high quality images and quick examinations</li> <li>- Has allowed the facility to become a point of reference for the two regional Multiple Sclerosis centres</li> </ul>	<p>Increased attractiveness of the facility for out-Region and private patients</p>
	 <p><b>Cardiac CT</b> <b>1.4€M</b></p>	<ul style="list-style-type: none"> <li>- Standards of excellence in equipment for cardiovascular exams</li> <li>- Permits very high fidelity image reproduction, able to provide, in a short time, a 3D reconstruction of the organ perfectly corresponding to a "live" shot</li> </ul>	
Villa Berica (Veneto)	 <p><b>1.5T Magnetic Resonance Imaging</b> <b>0.9€M</b></p>	<ul style="list-style-type: none"> <li>- Allows the highest quality MRI's, which are faster and more comfortable for the patient</li> <li>- Environmentally friendly due to "helium-free" operation</li> </ul>	<p>Increased attractiveness of the facility for out-Region and private patients</p>
Aesculapio (Emilia-Romagna)	 <p><b>1.5T Magnetic Resonance Imaging</b> <b>0.7M€</b></p>	<ul style="list-style-type: none"> <li>- This equipment enables every kind of RM exam to be carried out at the highest quality levels</li> <li>- Aesculapio is today among the very few accredited private outpatient clinics in the province of Modena with this technology</li> </ul>	<p>Provision of healthcare services to recover passive mobility</p>

(1) Including the investments required to allow the use of equipment

# ...along with structural expansion investments to increase and optimise production capacity

Facility (Region)	Investments	Highlights	Rationale
Villa Fernanda and S. Marta (Liguria)	 <p><b>Villa Fernanda</b> <b>4.2M€</b> <b>S. Marta</b> <b>ongoing</b></p>	<ul style="list-style-type: none"> <li>- Acquisition of a building located in Genoa that had been used as a school in order to relocate to this property the activities carried out at the Santa Marta facility</li> <li>- The renovation activities of Santa Marta are currently in progress</li> </ul>	<p>Expansion of the range of healthcare services with a focus on 'out-of-pocket' private patients</p>
Eremo di Miazzina (Piedmont)	 <p><b>Expansion of Istituto Raffaele Garofalo</b> <b>ongoing</b></p>	<ul style="list-style-type: none"> <li>- Acquisition of a building of around 4,000sqm opposite to Istituto Raffaele Garofalo, designed to improve hospital rehabilitation services, in addition to expanding and diversifying accredited specialist outpatient services which are today carried out at the IRG</li> </ul>	<p>Optimisation of the activities carried out at Eremo di Miazzina and Istituto Raffaele Garofalo</p>
Villa Garda (Veneto)	 <p><b>Expansion of Villa Garda</b> <b>0.8M€</b></p>	<ul style="list-style-type: none"> <li>- Expansion of the facility through a new construction next to the existing building</li> <li>- The investment also covers the expansion of the existing Lecture Hall to accommodate conferences and medical congresses</li> </ul>	<p>Optimisation of the areas within the facility to improve bed occupancy levels</p>
Aesculapio (Emilia-Romagna)	 <p><b>Creation of new clinic and rehabilitation spaces</b> <b>0.9M€</b></p>	<ul style="list-style-type: none"> <li>- This expansion project includes: (i) the installation of the new 1.5T MRI on the ground floor together with a 16-slice Philips CT scanner from the Villa Berica facility in Vicenza and (ii) the construction of five medical clinics and a space for rehabilitation activities</li> </ul>	<p>Provision of healthcare services to recover passive mobility</p>



Investment realized



# M&A strategy based on a clear 'discipline' that requires potential Targets to meet rigorous criteria

## M&A Discipline - Highlights

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

Non-dilutive Op. EBITDA Margin (also 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

## GHC distinctive characteristics



Direct involvement of GHC CEO



Expert, qualified M&A Team



Preferential access to decision makers



Entrepreneurial "cultural fit" with the Targets



Proven speed of execution



Lean "go/no-go" process

- Due Diligence process as "cognitive moment" of the Target
- Targets are often family-run and subject to generational handover

## M&A Track Record since IPO<sup>(1)</sup>

Revenues acquired since IPO

148.6€M

EBITDA Adjusted acquired since IPO

28.1€M  
~19.0% margin

Enterprise Value recognized

246.0€M

EV/EBITDA paid for the M&A's

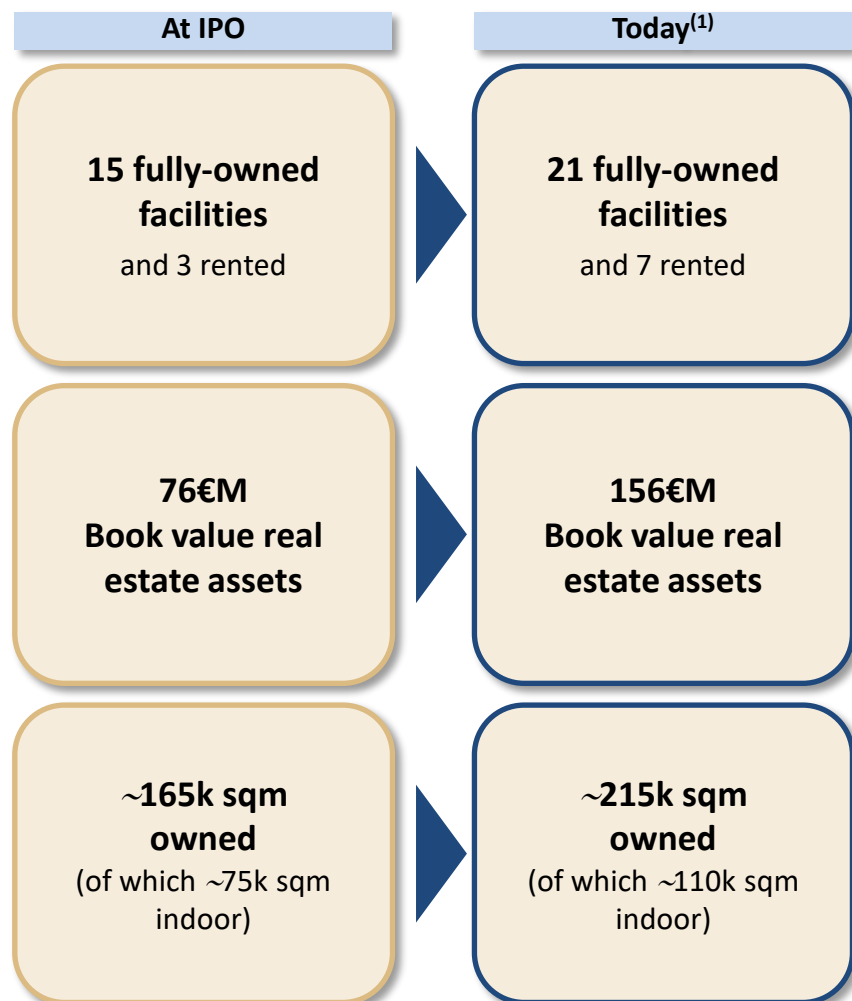
8.7x  
(vs. 9.6x at acquisition)

Note: Op. EBITDA calculated as EBIT + D&A + provisions and write offs

(1) M&A figures refer to FY2021 data for the facilities acquired in 2019 (Poliambulatorio Dalla Rosa Prati, Ospedali Privati Riuniti, Centro Medico S. Biagio, Centro Medico Università Castrense, Aesculapio), 2020 (XRy One) and 2021 (Clinica S. Francesco and Domus Nova, both on a Pro-Forma basis)

# Solidity of the Group guaranteed by the ownership of a large real estate assets portfolio

## Highlights of the Group real estate assets



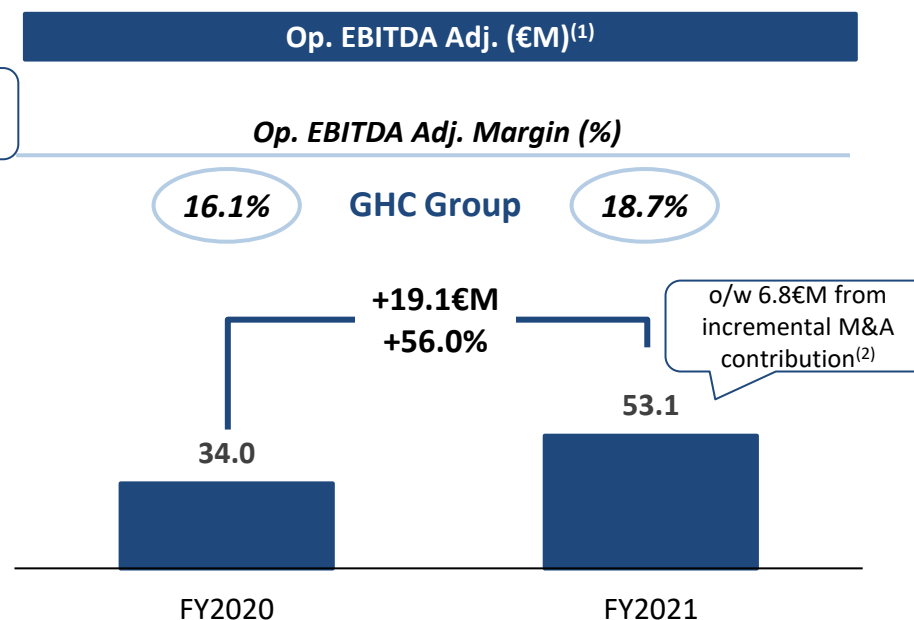
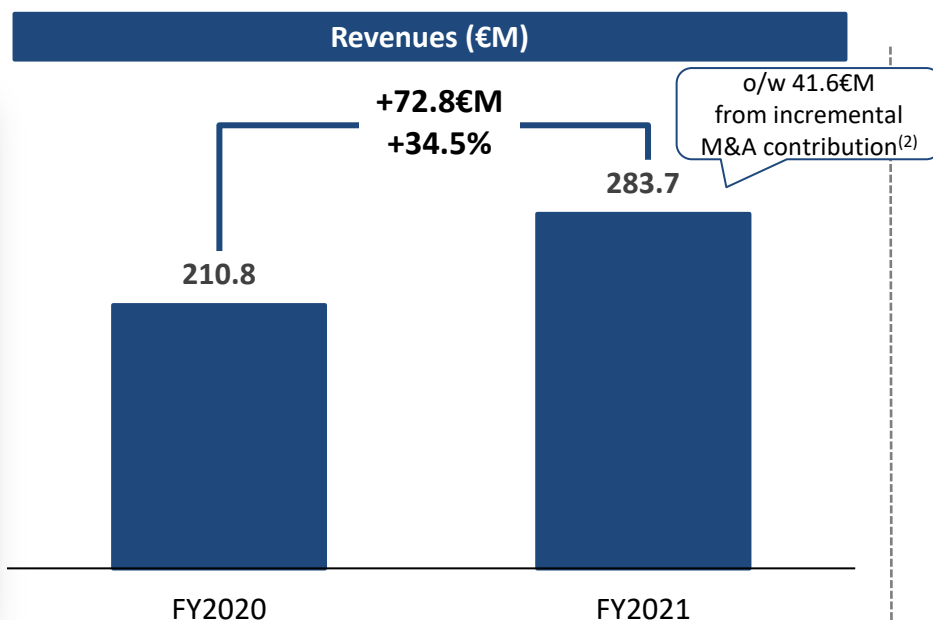
**Estimate of the fair value of the Real Estate assets: ~275€M<sup>(2)</sup>**

(1) Figure as of FY2021

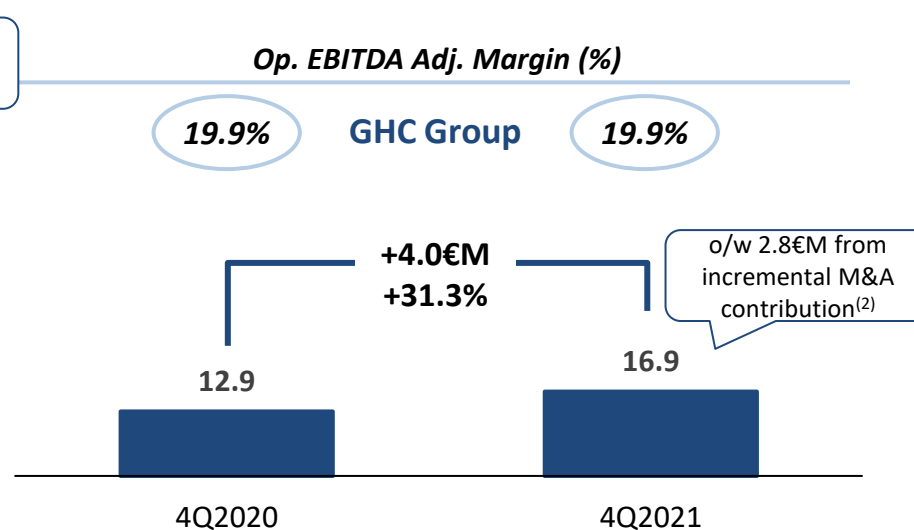
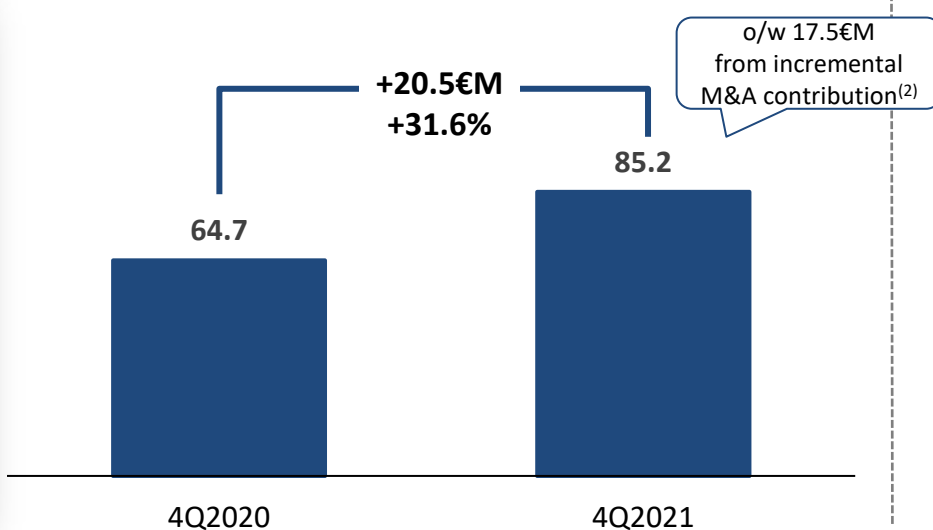
(2) Value recognized by Exane BNP Paribas in October, 2021 within its Equity Research note. This value has been estimated taking into account €2.5k/sqm on the indoor sqm owned by the Group

# Performance FY2021 significantly increased vs. FY2020...

FY2021 Results  
vs. FY2020



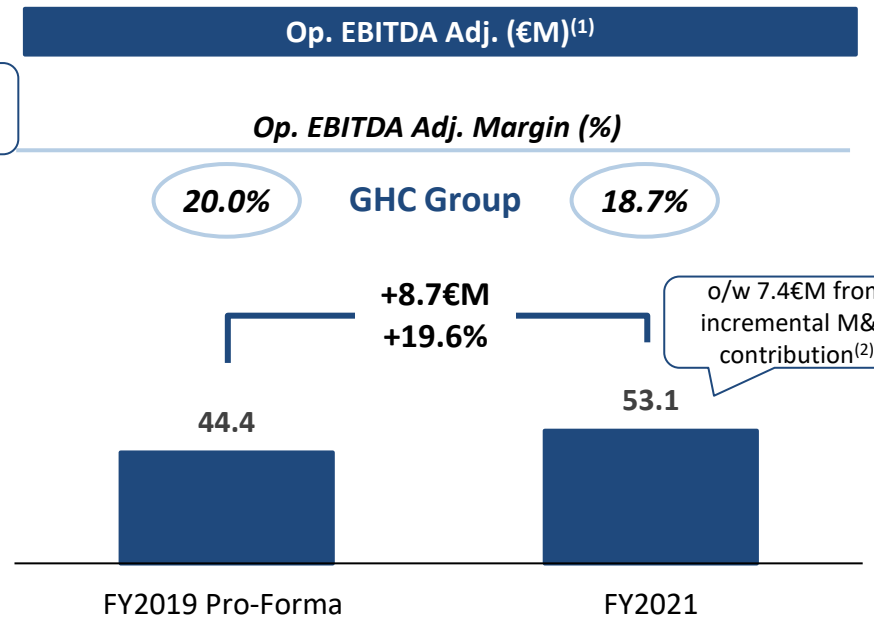
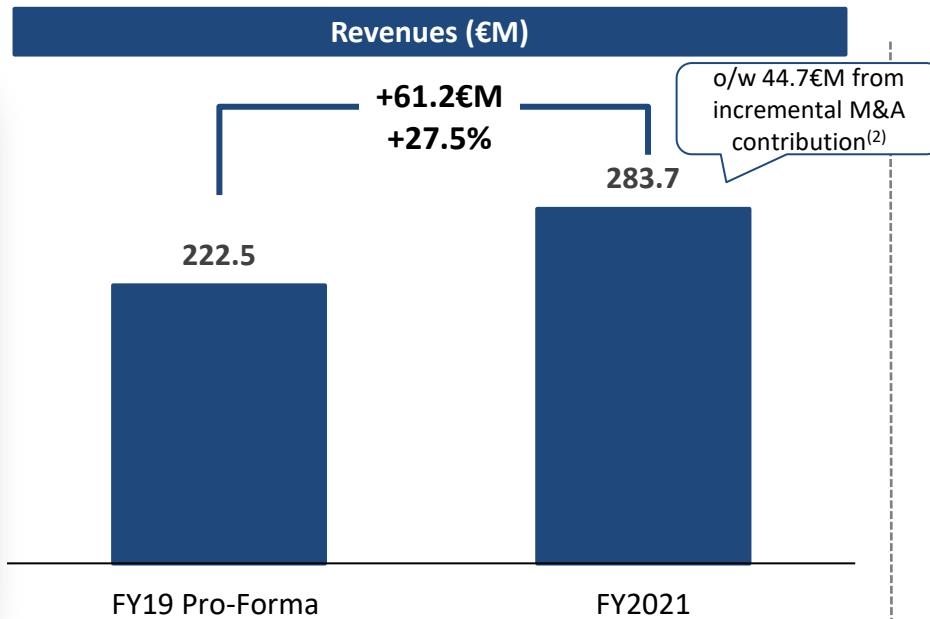
4Q2021 Results  
vs. 4Q2020



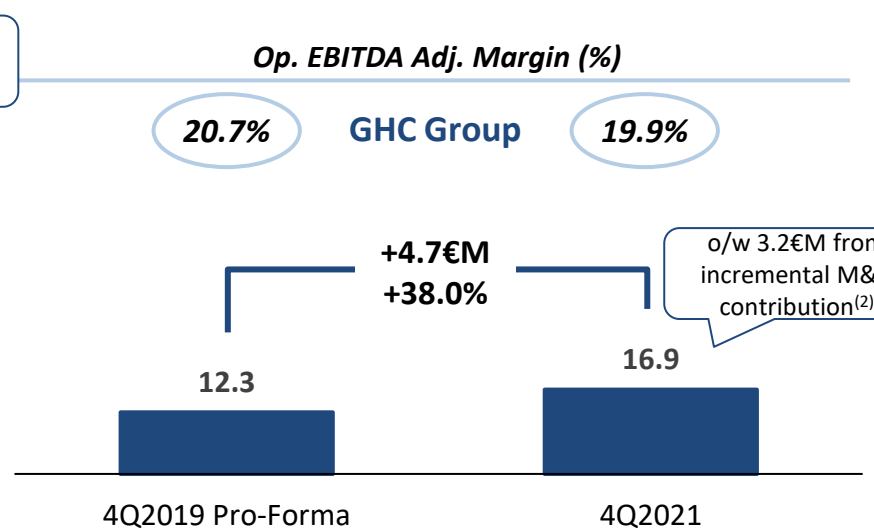
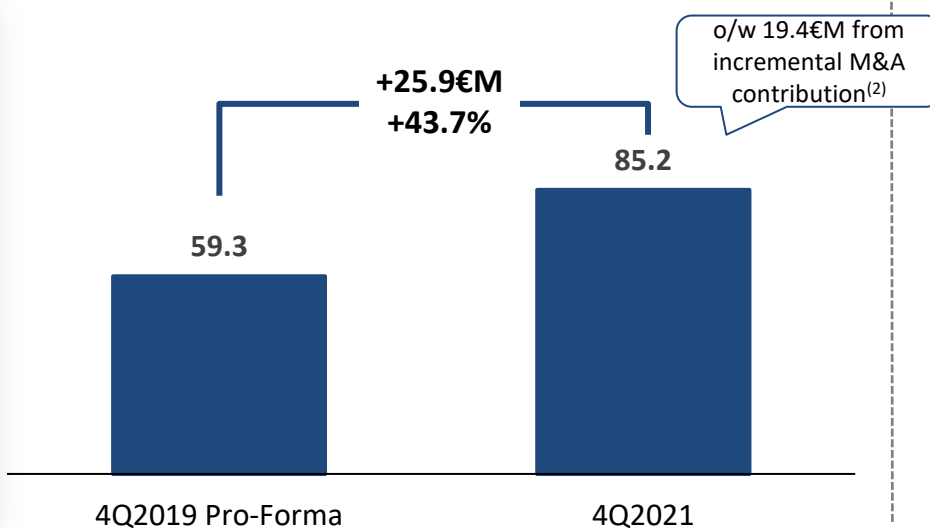
(1) Operating EBITDA Adjusted defined as EBIT + amortisation and depreciation + provisions + write-downs + adjustments

(2) Incremental M&A contribution refers to the contribution of Xray One (acquired in July 2020), Clinica S. Francesco (acquired in April 2021) and Domus Nova (acquired in July 2021)

FY2021 Results  
vs. FY2019PF



4Q2021 Results  
vs. 4Q2019PF



(1) Operating EBITDA Adjusted defined as EBIT + amortisation and depreciation + provisions + write-downs + adjustments

(2) Incremental M&A contribution refers to the contribution of Xray One (acquired in July 2020), Clinica S. Francesco (acquired in April 2021) and Domus Nova (acquired in July 2021)

# Substantial ESG-driven approach, being aware that "Health is the most precious asset that the human being can have"



## GHC'S SUSTAINABLE APPROACH

## ESG RATING

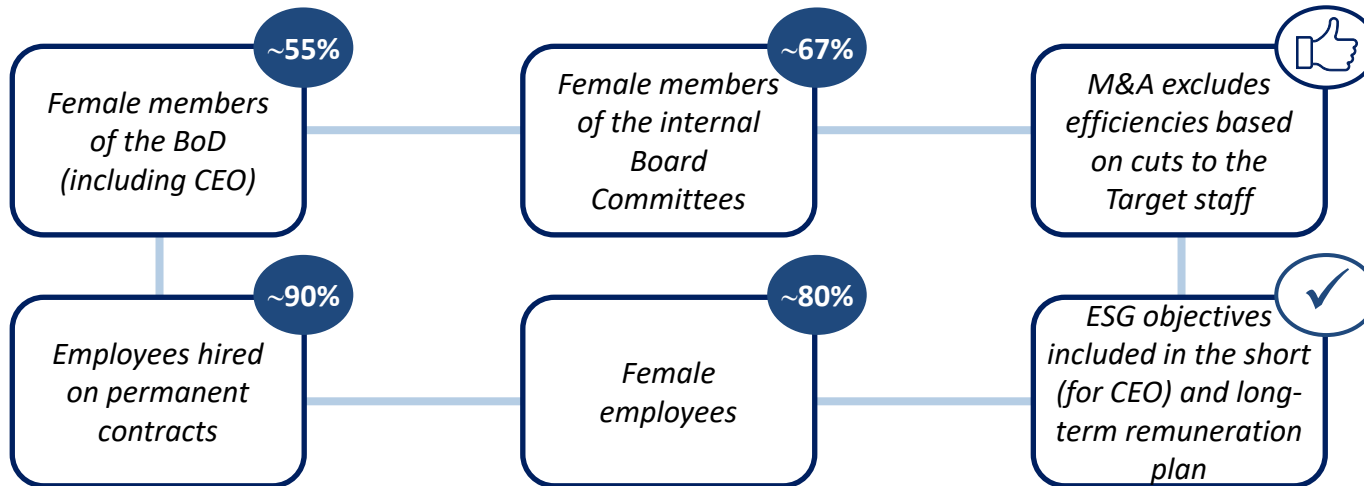


### RATINGS

- EEE (Full)
- EEE- (Excellent)
- EE+ (Very Strong)
- EE (Strong)
- EE- (Adequate)**
- E+ (Non compliant)
- E (Low)
- E- (Very Low)
- F (Lowest level)

**INV GRADE**

POSITIVE OUTLOOK



# Strategic role of healthcare in the post-Covid world confirmed by its inclusion among the strategic missions of the National Recovery and Resilience Plan

