



Servizi  
Italia

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# SERVIZI ITALIA S.P.A.

COMPANY PROFILE FOR INVESTORS

MAY 2024

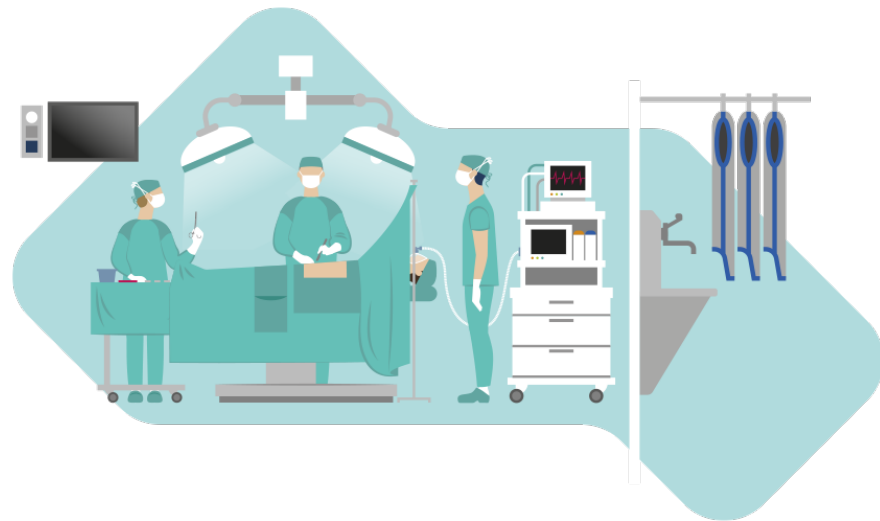
# BUSINESS OVERVIEW



## **WASH-HIRE SERVICES:** *we provide the bed linen and we provide the workwear*

**Laundry business:** supply, rental and washing of textile material in healthcare industry, including **homecare** and health residences.

Minor current presence in other industries (i.e. specific, high-quality service for national and international hotels, restaurants and catering).



## **STERILIZATION OF TEXTILES:** *by sanitizing the textiles we protect people*

**Sterilization of textile** (mainly Reusable Technical Textile) for O.T. coverings and beds and surgical gowns.

Supply of **procedural kits and surgical drapes**.

Supply of accessory parts made of **disposable material**.



## **STERILIZATION OF MEDICAL DEVICES:** *by sterilizing surgical equipment we reduce infection risks*

**Sterilization of surgical instruments and procedural kits** and related activities.

Full management of CSSDs for reprocessing and sterilization services for medical devices in O.T.

**Validation and systematic control of sterilization processes, equipment calibration and validation.**

# BUSINESS OVERVIEW

## WASH-HIRE

**75.4%**  
217.0 mln Eur

## TEXTILE STERILIZATION

**6.4%**  
18.4 mln Eur

## MD STERILIZATION

**18.2%**  
52.5 mln Eur



## FOCUS ON: 1Q2024 CONSOLIDATED REVENUES

### TEXTILE STERILIZATION

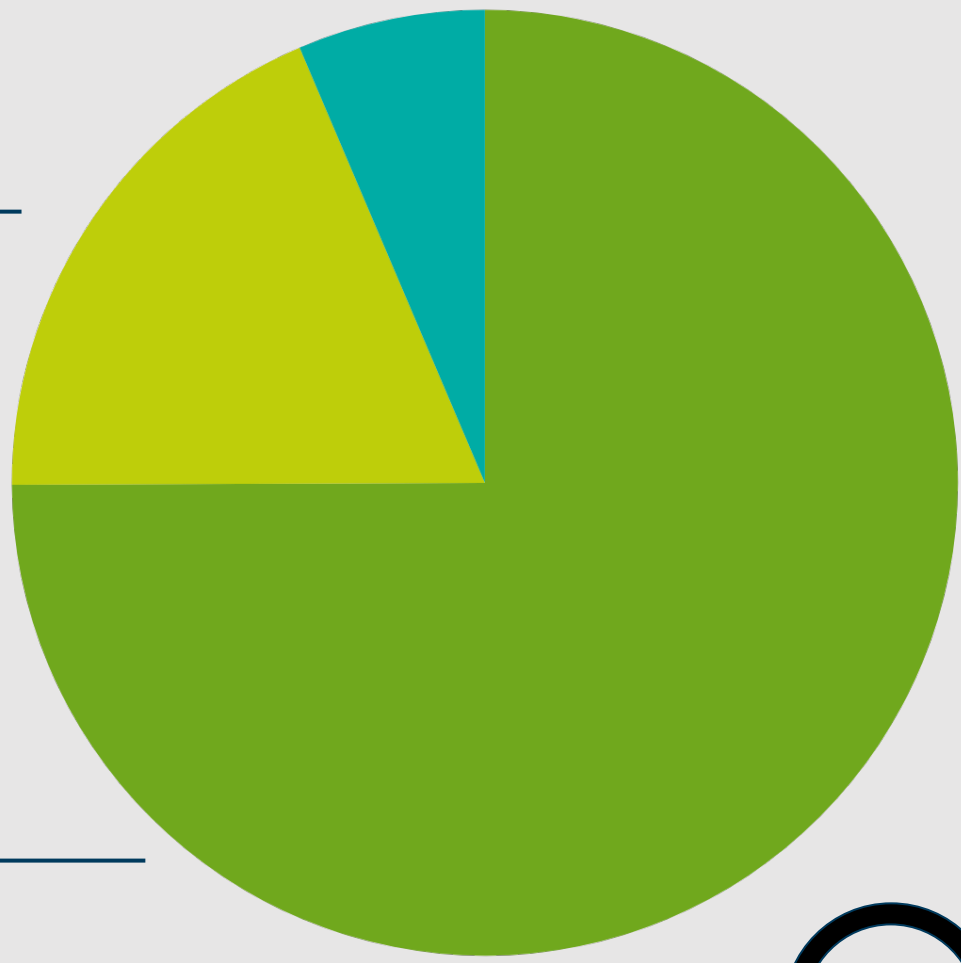
**6.3%**  
4.7 mln Eur

### MD STERILIZATION

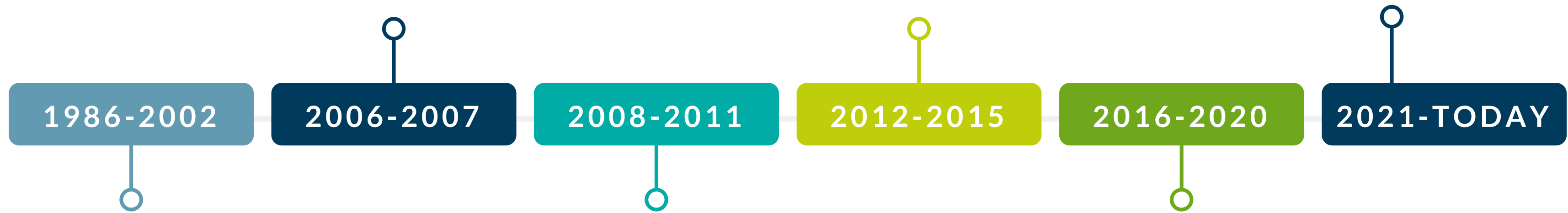
**18.7%**  
13.7 mln Eur

### WASH-HIRE

**74.9%**  
55.0 mln Eur



# GROUP EVOLUTION



## NEW PERSPECTIVES

Start of sterilization activities.  
2007: IPO at Milan Stock Exchange.  
Presentation to the international financial community.

## INTERNATIONAL DEVELOPMENT

2012: During the three-year period, laundry activities started in Brazil, Turkey and India.  
At the same time, sterilization activities also started in Albania and Turkey.

## HEALTHCARE STRATEGY

Focus on historic business: consolidating the leadership in public and private healthcare sector.  
Diversification of services in Brazil: starting of sterilization activities in the State of Sao Paulo

## THE EARLY DAYS

1986: Foundation of Servizi Italia, active in laundry sector.  
2002: Coopservice acquires 100% of SI share capital.

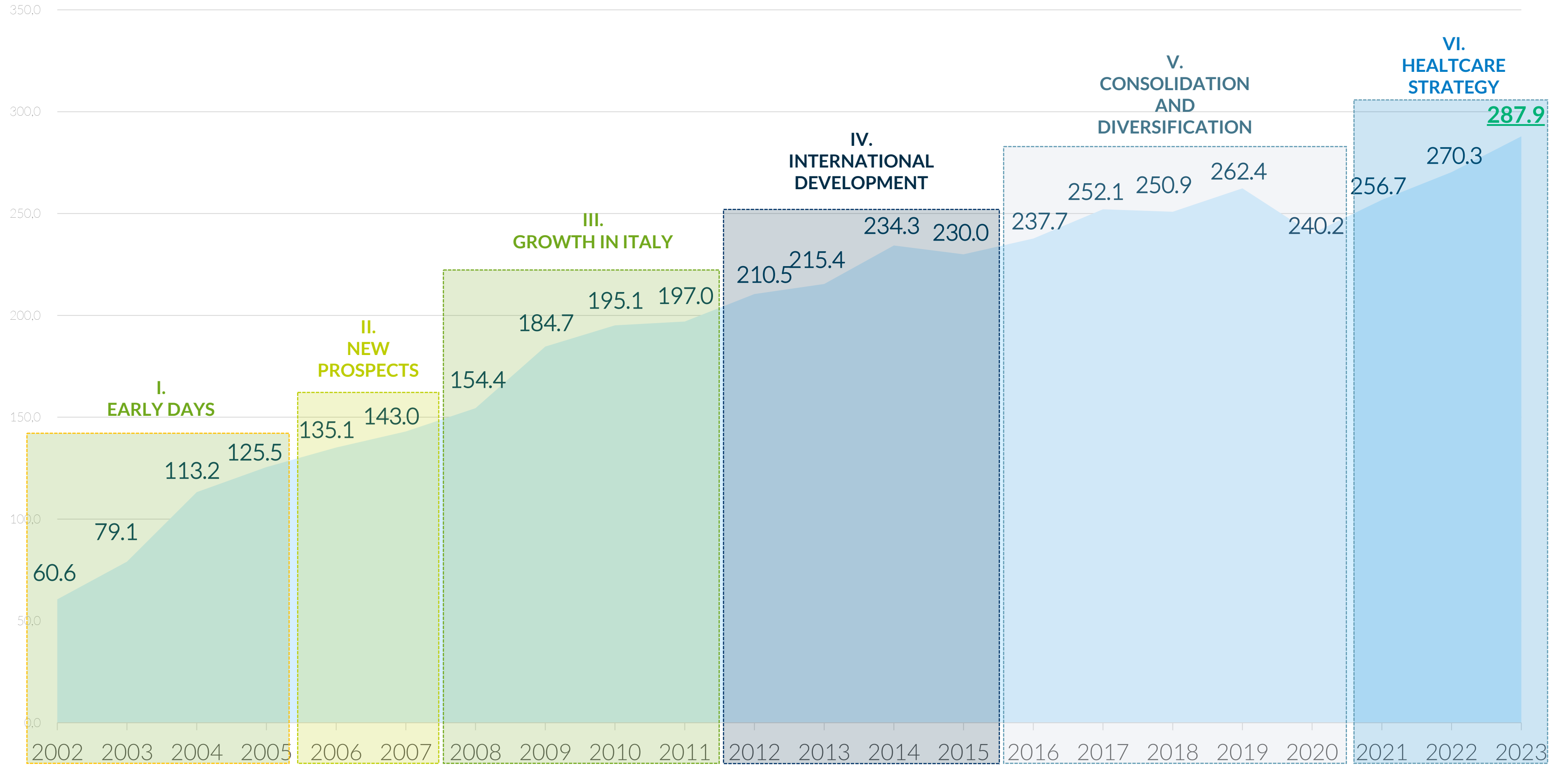
## GROWTH IN ITALY

Acquisitions in Italy in laundry industry.  
Development of sterilization business.  
STAR qualification at Italian Stock Exchange.

## CONSOLIDATION AND DIVERSIFICATION

Consolidation of presence in foreign markets with extension of sterilization activities in Brazil and Morocco.  
Diversification of business: mainly clinical engineering, homecare and nursing homes laundry services and Hotel&Restaurants laundry services.

# DEVELOPMENT PATH



# GLOBAL PRESENCE

6 countries

Over 20 laundry plants

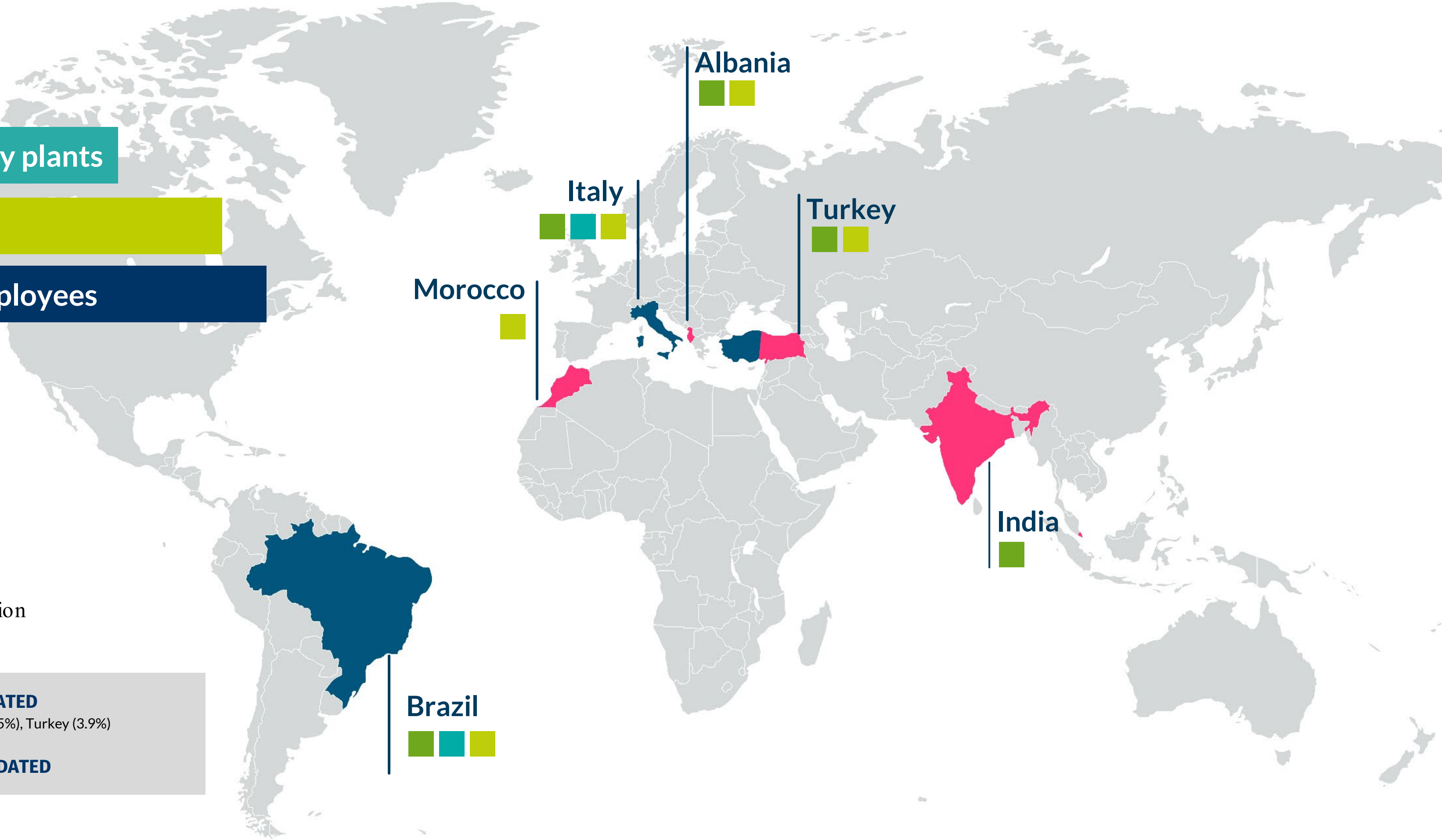
Over 50 CSSDs

Over 3,600 employees

- Wash-hire
- Textile sterilization
- MD sterilization

**FULLY CONSOLIDATED**  
Italy (85.6%), Brazil (10.5%), Turkey (3.9%)

**EQUITY CONSOLIDATED**



\*2023 Consolidated Revenues

# STRENGTHS

## Essential services

1

- Our services offered are essential, of first necessity and of public utility.
- A sustainable, crucial service which guarantees continuity even in emergency contexts, focusing on end users.

2

## Solutions provider

- Multi-service approach with a wide range of customized services and a wide production network.

3

## Value creation

- Optimization of costs and services for specific commercial synergies.
- Future focus on high added-value services.

4

## Customer satisfaction

- Rationalization and control of costs, as well social sustainability.

5

## Investment capacity

- High barriers on entry due to know-how and investments needed.
- Possibility and interest in establishing long-term relationships and projects.

6

## Long term contracts

- 4-year average for wash-hire contracts (volume based or fixed monthly fee)
- 6-year average for MD sterilization (volume based or fixed monthly fee)



# BUSINESS GROWTH STRATEGY

BUSINESS CONTINUITY

SUSTAINABLE GROWTH

VALUE FOR STAKEHOLDERS

SUSTAINABLE SUCCESS

## Management optimization

Guaranteeing **business continuity**, through continuous optimization and efficiency in production operations and in the service supply chain, in order to improve margins and business profitability.

## Focused international development

Identification of countries having specific characteristics of **potential growth**.

## Service diversification and cross-selling

Diversification and cross-selling opportunities within the healthcare sector, while **strengthening specific business areas**.

## Strengthening of presence on foreign markets

Optimization and development in the areas where we already are, offering an **integrated mix of services**

## Consolidation of leadership in Italy on historic business

Consolidate the **privileged partner position** of public/private healthcare sector, offering customers a technological, high quality and sustainable service.  
Enhance the quality of services to face aggressive competition which lowers the quality standards.

## E Environment

- Reduction of energy consumption and emissions
- Increase of production and purchase of energy from renewable sources
- Solutions for reducing water withdrawals
- Transition to a circular economy

## S Social

- Focus on work-life balance for employees
- Employees training and skills enhancement
- Gender equality
- New Diversity, Equity, Inclusion activities

## G Governance

- Integrity and Ethics
- Prevention of corruption
- Diversity policy for BoD and strategic holdings





12 laundry plants

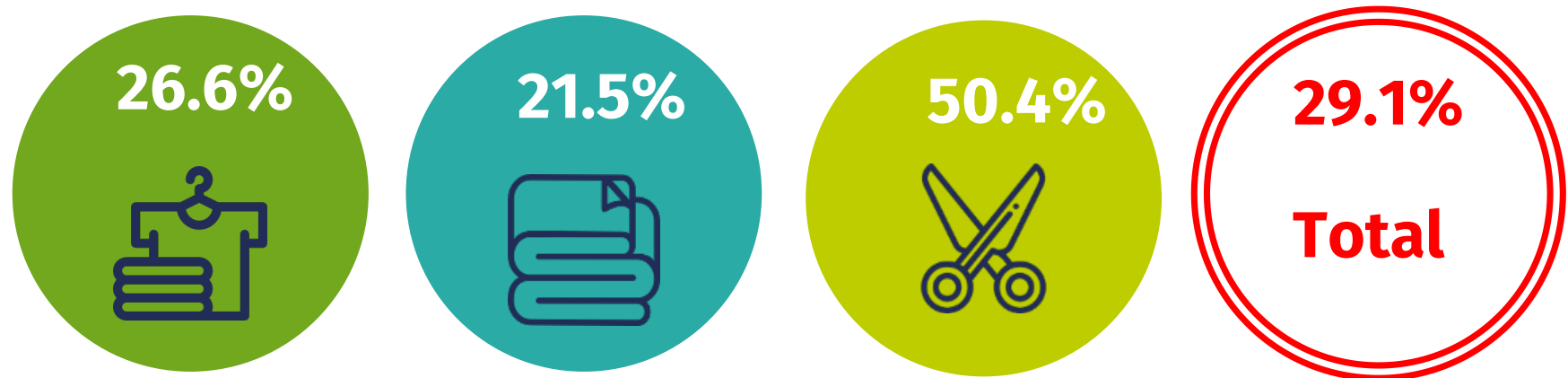
25 CSSDs

Revenues of Euro 248.9 mln\*

Market overview\*\*

- Italian Wash-hire Healthcare market turnover: **Euro 761 mln (2024P)**
  - **Highest International quality standards**
  - SI's customers are main Public hospitals and Healthcare Institutions
- **Outsourcing rate is high in laundry market but still low in sterilization of surgical instruments**
- **Undisputed market leader** in all the segments
- **Well positioned** in the areas of the Country
- Servizi Italia manages **more than 80,000 hospitalizations/day** and about **580,000 interventions/year**
- **Full range of services** and customizations
- Constant search and identification of **growing and diversification strategies** in order to keep and to improve margins

## Servizi Italia's healthcare market share in Italy



**Goals**

- **LEADERSHIP CONSOLIDATION**
- **SUSTAINABLE GROWTH**
- **COSTS AND CAPEX OPTIMIZATION**
- **MARGINS INCREASE**
- **SERVICE DIVERSIFICATION**

\*2023 consolidated revenues

\*\* For more details: Cerved DATABANK, Lavanderie Industriali, Ed. 2023

# BRAZIL



Market  
overview

- Wash-hire potential market is estimated in **Reais 840 mln**
  - **Over 700,000 Kg/day** of potential linen only in Sao Paulo
  - **~1,000 healthcare facilities** totaling over 92,500 beds
- **New potential outsourcing:** only 45% of wash-hire is currently outsourced and no sterilization service provider is present with an external central of sterilization

- **Significant player:** second player in Sao Paulo and second in Brazil
- Recognized in the market as **high quality provider**
- Well positioned in both **private and public** areas
- Leader in identifying **new solutions** for the clients
- **Deep market knowledge** acquired trough the years
- **Rental model** improved successfully



Goals

- **MARKET CONSOLIDATION IN SÃO PAULO**
- **START OF STERILIZATION BUSINESS**
- **ORGANIZATION AND MANAGEMENT EFFICIENCIES**
- **IDENTIFY FURTHER M&A DEVELOPMENT**

3 laundry plants

Fully consolidated

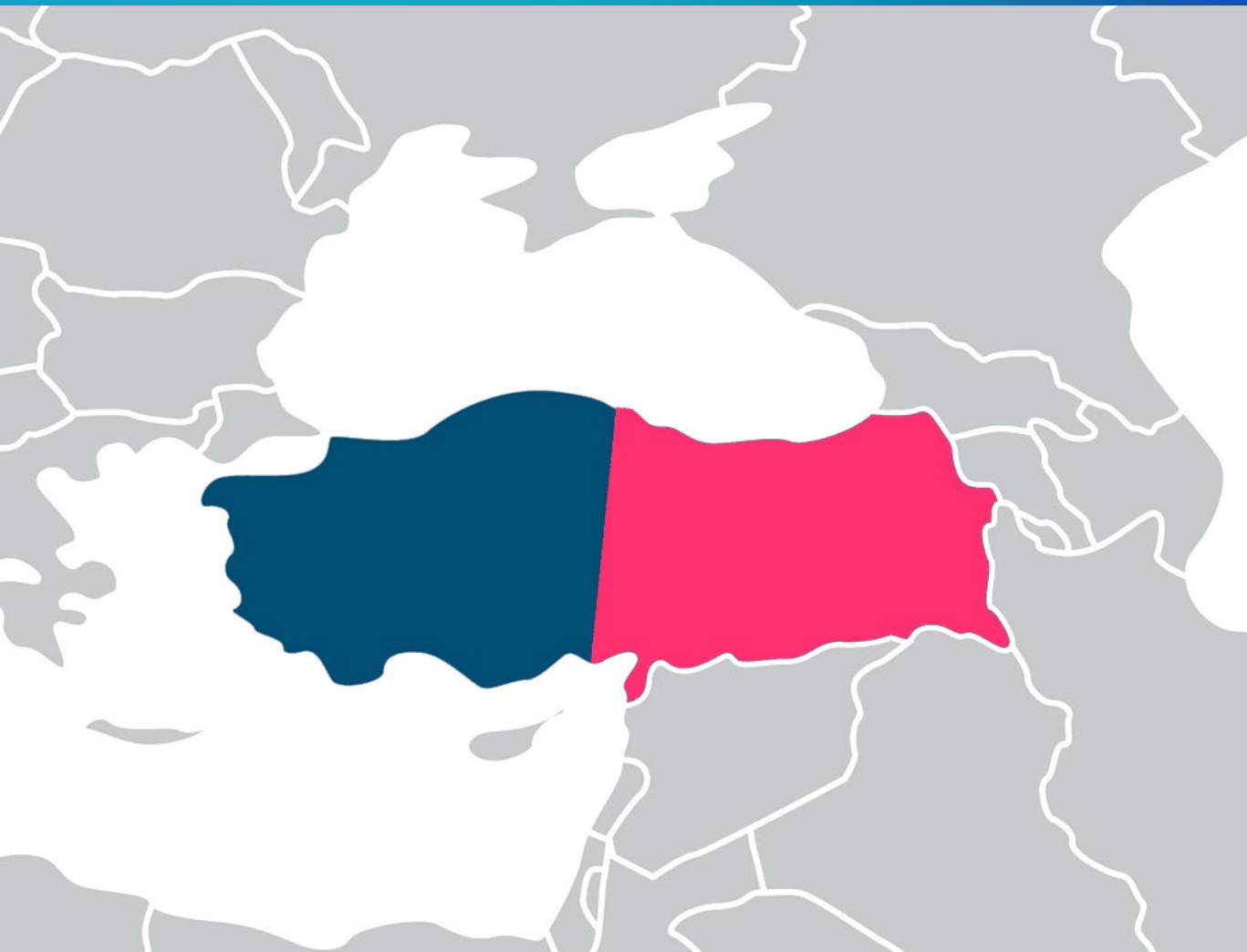
Revenues of Euro 32.3 mln\*

1 CSSD



\*2023 consolidated revenues equal to 163.8 mln BRL.

# TURKEY



Market  
overview

- About 6,000,000 surgical intervention/year
  - Construction of new PPP hospitals, increasing the nr of beds up to about 290,000 over the next few years
  - ~1,455 healthcare facilities totaling over 245,000 beds
- Low outsourcing rate in both laundry and sterilization businesses
- **Main player** of both laundry (Ankateks/Ergulteks) and sterilization (SAS) markets
- Recognized by the market as **high quality provider**
- **Achieved multiple high-complexity PPP contracts**, requiring International standards and with long term duration
- **Good margins and volumes market**

5 laundry plants

8 CSSDs

Laundry Fully consolidated

Sterilization Equity consolidated

Revenues of Euro 11.0 mln\*



- **GROWTH IN THE WHOLE COUNTRY**
- **ACHIEVEMENT OF NEW PPPs**
- **BE THE REFERENCE SERVICE PROVIDER**
- **IMPROVE LOCAL STANDARDS**
- **MANAGEMENT EFFICIENCY**



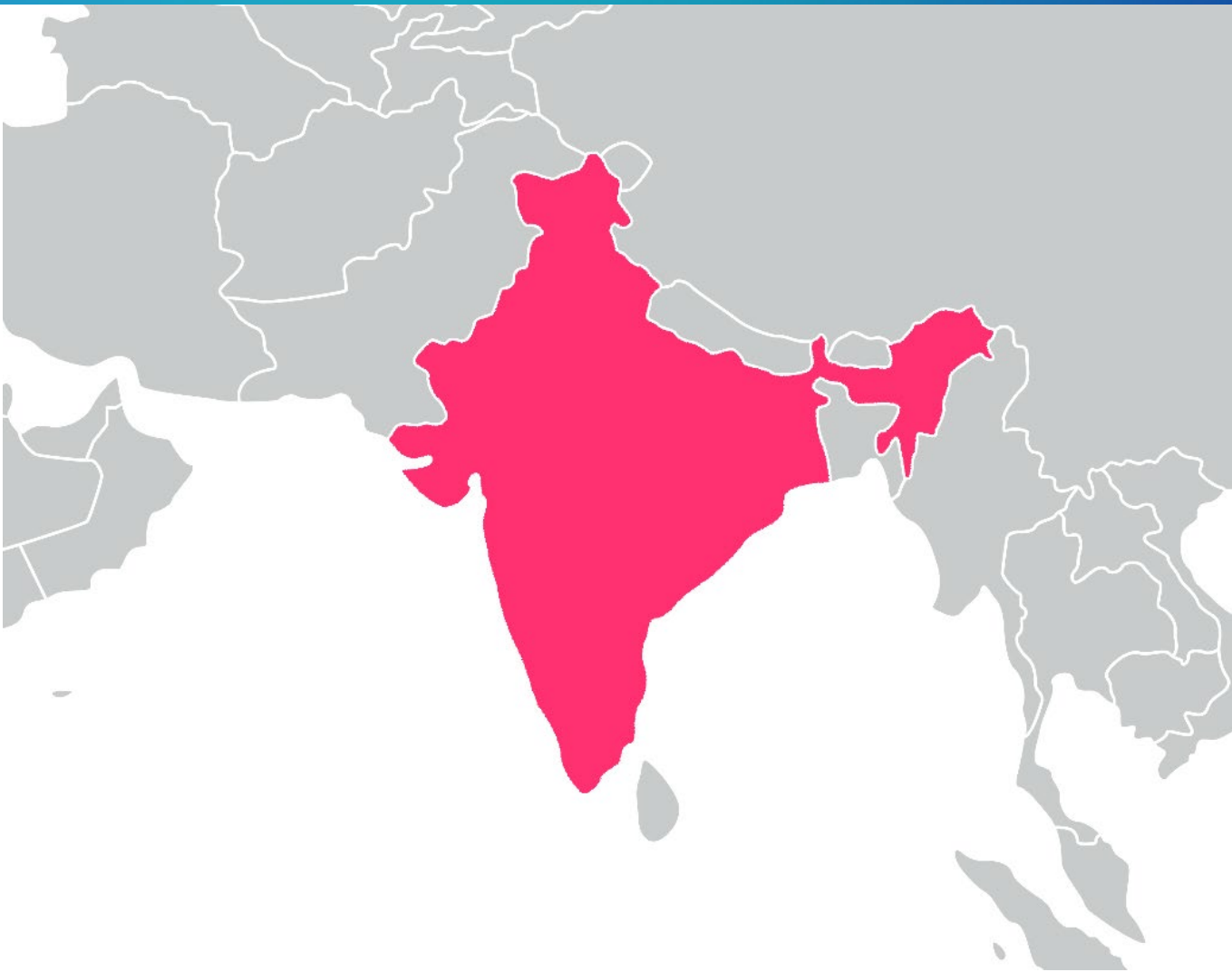
Laundry  
business



Sterilization  
business

\*Sum of (i) 2023 consolidated revenues of Ankateks (laundry) equal to 7.0 mln EUR or 229.6 mln TRY (included in SI consolidated revenues) and (ii) 100% of 2023 revenues of SAS (sterilization) equal to 4.0 mln EUR or 129.6 mln TRY (not included in consolidated revenues of SI group).

# INDIA



Market  
overview

- The Indian market has started to **outsource wash-hire activities**
  - **About 90,000 beds only in Delhi NCR**, totaling about kg 200,000,000 of linen
  - **Over 195,000 healthcare facilities throughout India**
- **Low outsourcing rate**

- Business developed greenfield and first volumes started in Oct-2015
- **Main player** in healthcare laundry business in India
- **Technologically advanced** laundry plant (Delhi area)
- Recognized by the market as **high quality provider**
- **Volumes steadily increasing**
- **High capacity plant** (45 tons/day, not fully reached)

1 laundry plant

Equity consolidated

Revenues of Euro 4.0 mln\*



SHUBHRAM



Goals

- **FULLY USE EXISTING PLANT CAPACITY**
- **INCREASE LOCAL QUALITY STANDARDS**
- **INCREASE OF AVERAGE PRICES**
- **CONTRACTS WITH FLAGSHIP HOSPITALS**

\*100% of 2023 revenues of Shubhram (not included in consolidated revenues of SI group). Revenues equal to 362.2 mln INR.

# ALBANIA



## Market overview

- Total value of contract awarded include **all public and private hospitals of Albania**
- More than **60,000 surgical intervention/year**

- **Unique player** in healthcare sterilization business
- Recognized by the market as **high quality provider**
- **Good margins and volumes** market
- Laundry market still fragmented

1 laundry plant

20 CSSDs and sub-CSSDs

Equity consolidated

Revenues of Euro 13.6 mln\*



Goals

- **COMPLETE THE DEVELOPMENT OF STERILIZATION ACTIVITIES**
- **IMPROVEMENT OF THE STANDARDS**

 **SaniService**

# CONSOLIDATED ECONOMIC RESULTS

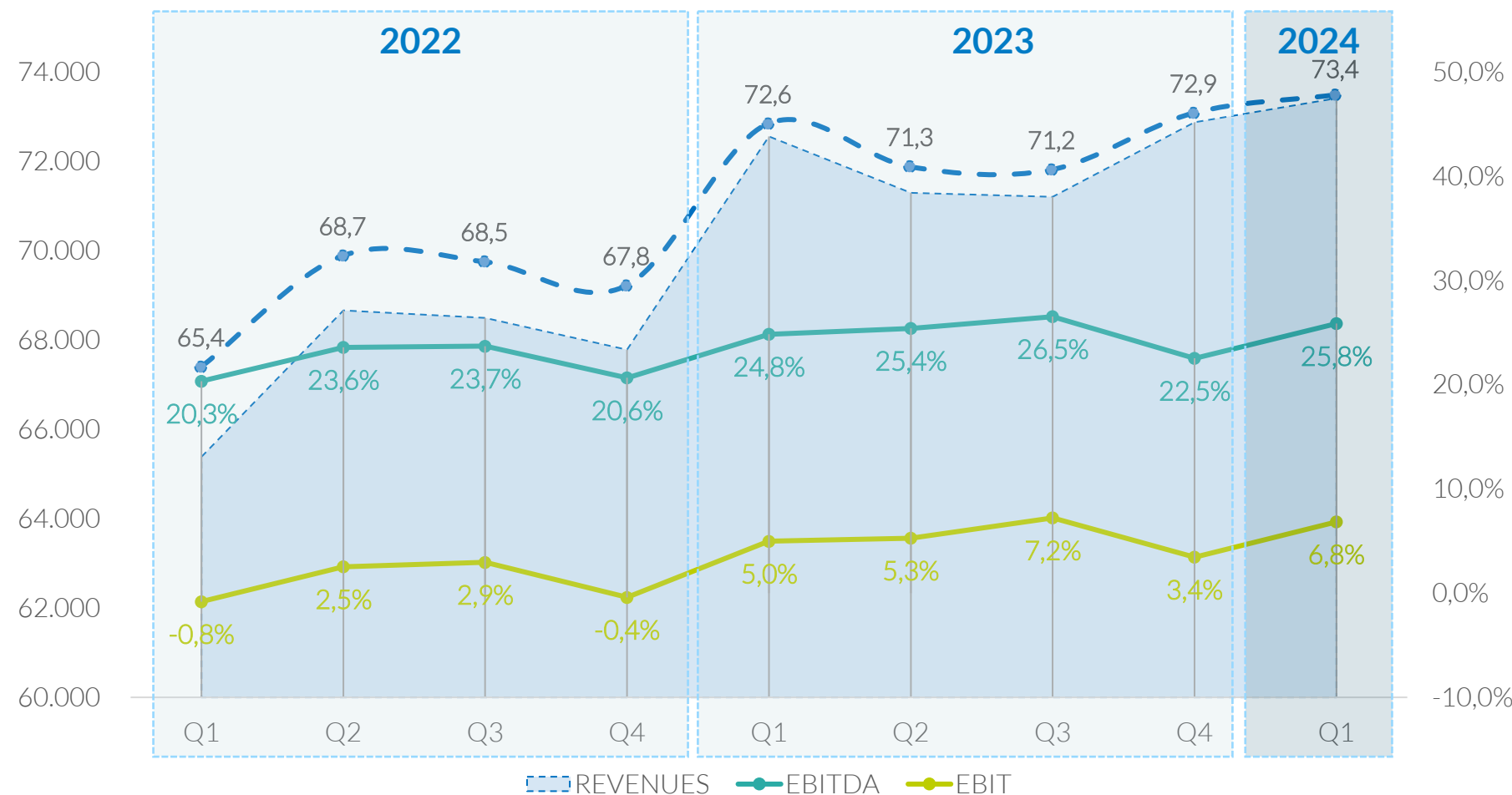
Servizi Italia P&L Consolidated ('000 Euro)	FY 2022	FY 2023	1Q 2023	1Q 2024
Revenues	270.313	287.915	72.555	73.408
Var. %		6,5%		1,2%
EBITDA	59.687	71.400	18.015	18.972
%	22,1%	24,8%	24,8%	25,8%
EBIT	2.928	15.000	3.605	5.012
%	1,1%	5,2%	5,0%	6,8%
Net income	3.429	5.331	2.311	2.412
%	1,3%	1,9%	3,2%	3,3%



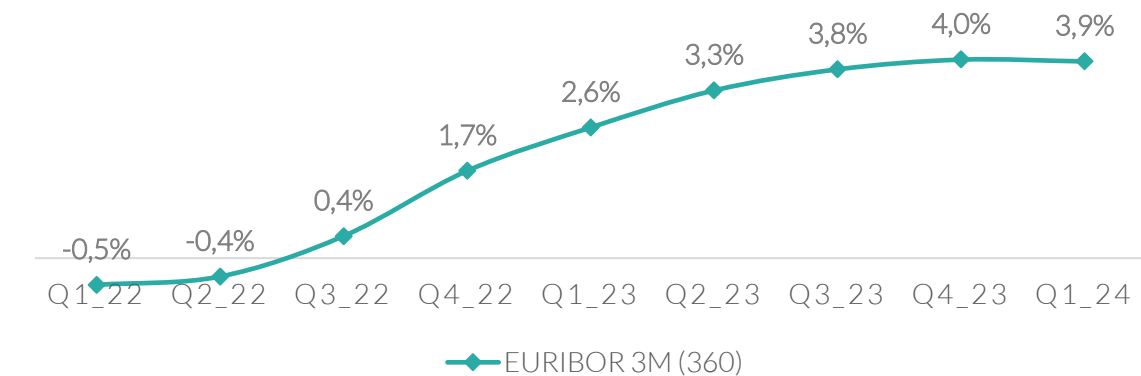
A significant **growth** in terms of revenues in 2023 (+8,1% organic compared to FY2022) supported both by **robust growth in wash-hire in Italy (+4.9%)** and by a rapid **recovery deriving from the price adjustment in the Turkey area (+67.7% at constant exchange rates)**. The Italy area as well benefits from the excellent performance in terms of revenues for the growth related to the inflation adjustments accrued and subscribed in the course of 2022 and in 2023.



**Surgical instruments sterilization** registered a significant increase for 9,6% YoY mainly due to higher operating activities recorded in the period in the Italy area and to the inflation adjustments accrued and subscribed in the course of 2022 and in 2023.



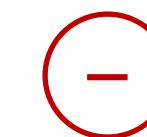
**Improved Net financial position YoY for Eur 2,3 mln** despite the tough energetic price context and the **continue increasing of interest rates**.



EBITDA margin (24.8%) and EBIT margin (5.2%) **record great performance in FY2023** and in Q1 2024 respectively **25,8%** and **6,8%**.



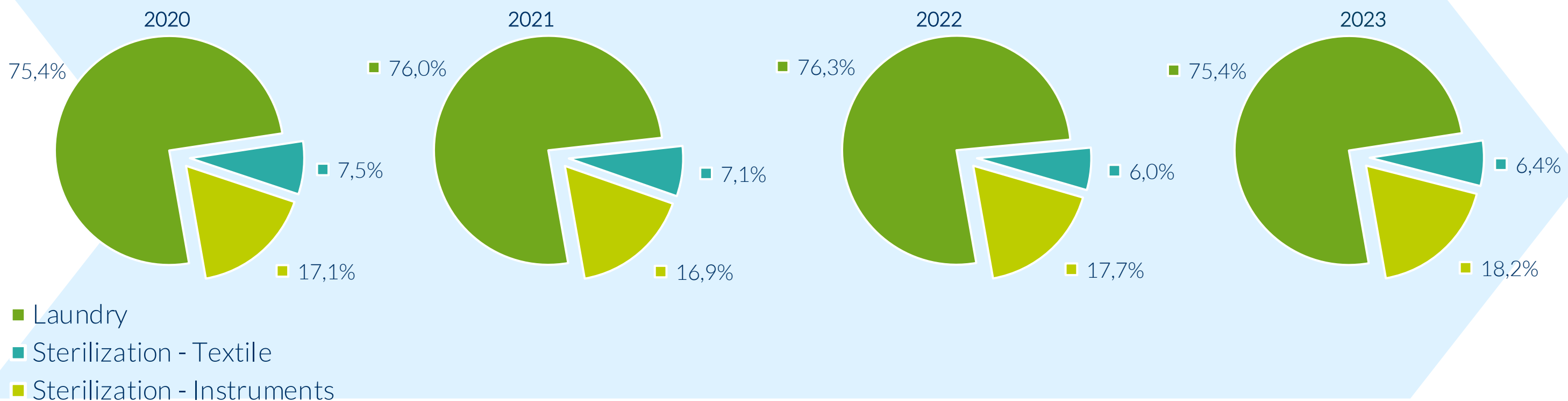
Brazil suffered for the increase of energy and **wood prices**. **Start-up phase** of new clients in wash-hire and **start-up costs** for the new sterilizations business



Turkey it's been impacted during 2022 by a huge increase of the inflation (**Hyperinflated economy**). We suffered the not aligned recovery of revenues trough the period compared to the fast increase of the costs of raw material and energy.

# ECONOMIC RESULTS – Sector breakdown

## SALES BREAKDOWN PER BUSINESS LINE



Surgical instr. sterilization was growing faster than laundry. Good signs from Steril C

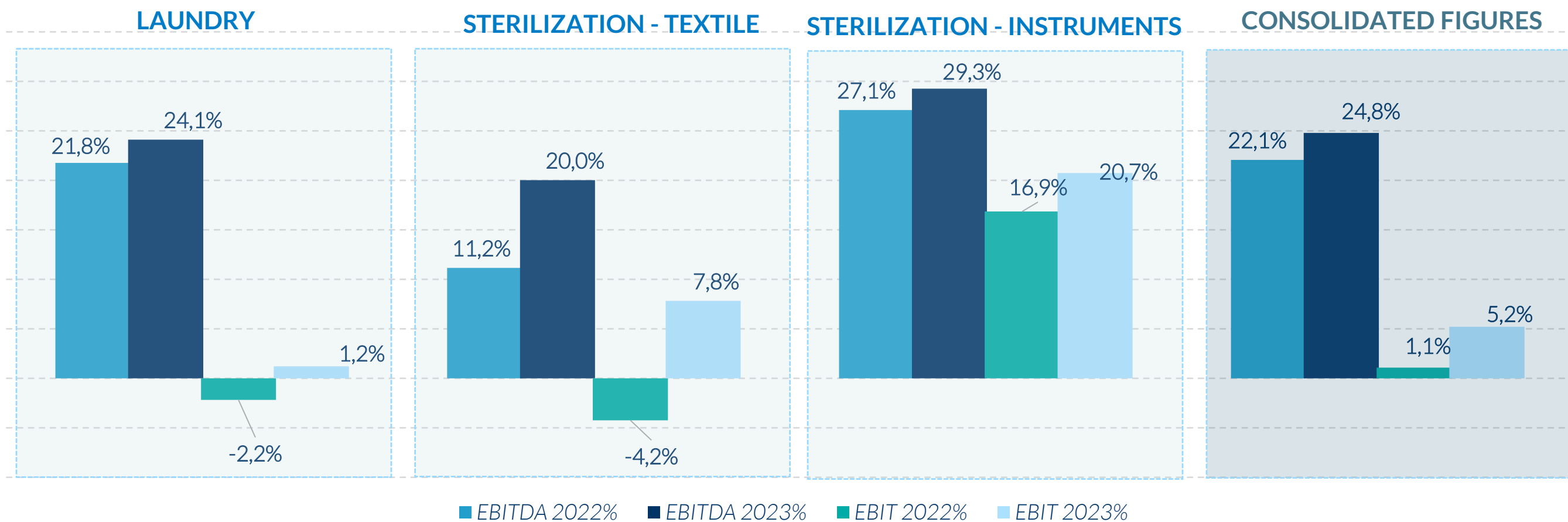
In emerging markets, laundry is still a growing business, with very interesting margins

Higher margins of sterilization businesses vs Laundry

2023 shows a growth in profitability due to decrease of energetic prices and a good performance in the operation.

Future results are expected to be supported by abroad laundry businesses and service diversification and develop of sterilization in Italy

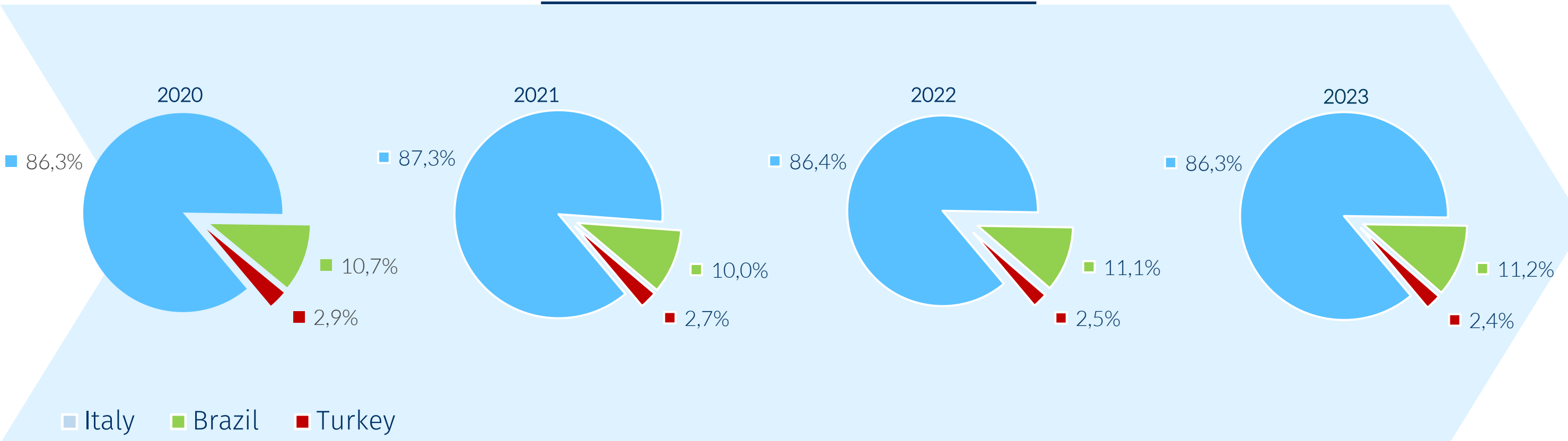
## PROFITABILITY PER BUSINESS LINE (2023-2022)



■ EBITDA 2022% ■ EBITDA 2023% ■ EBIT 2022% ■ EBIT 2023%

# ECONOMIC RESULTS – Geographic breakdown

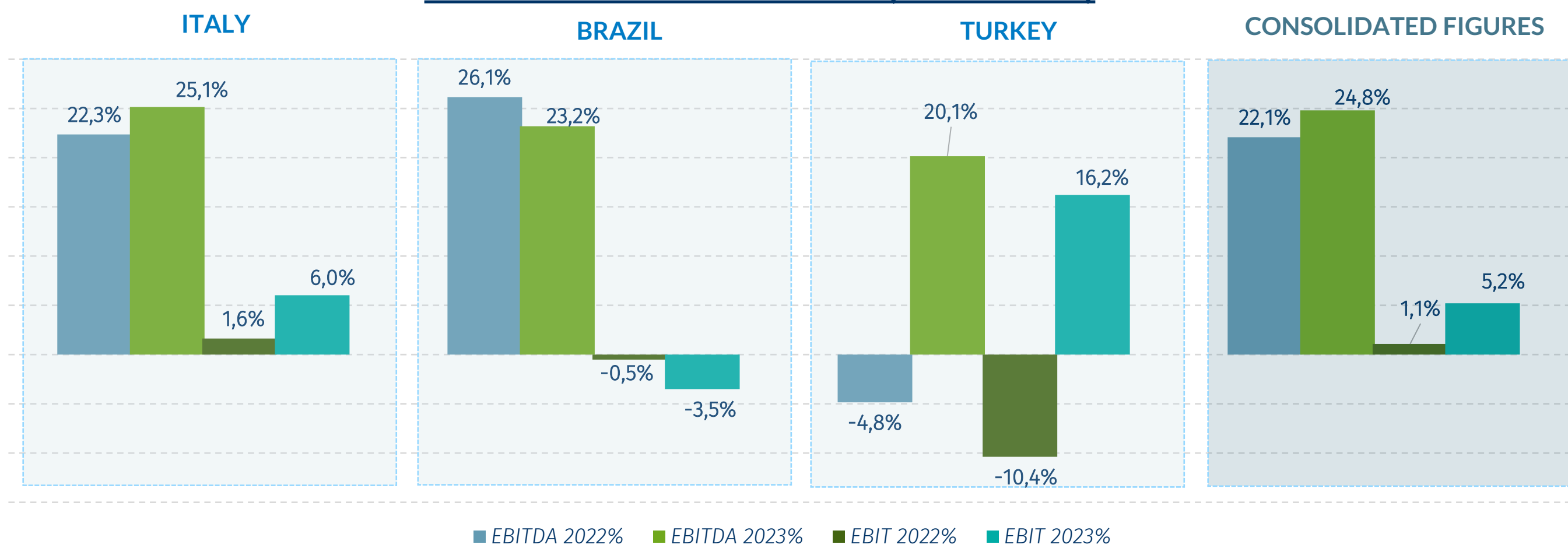
## SALES BREAKDOWN PER AREA



Servizi Italia aims at increasing market share in the country manned

Brazilian area is in a changing phase while Turkish market is recovering from the Hyperinflation context.

## PROFITABILITY PER AREA (2023-2022)



Equity consolidated businesses are not included in these results

Expect to continue the margins increase in Turkey and the recovery in Brazil due through the diversification

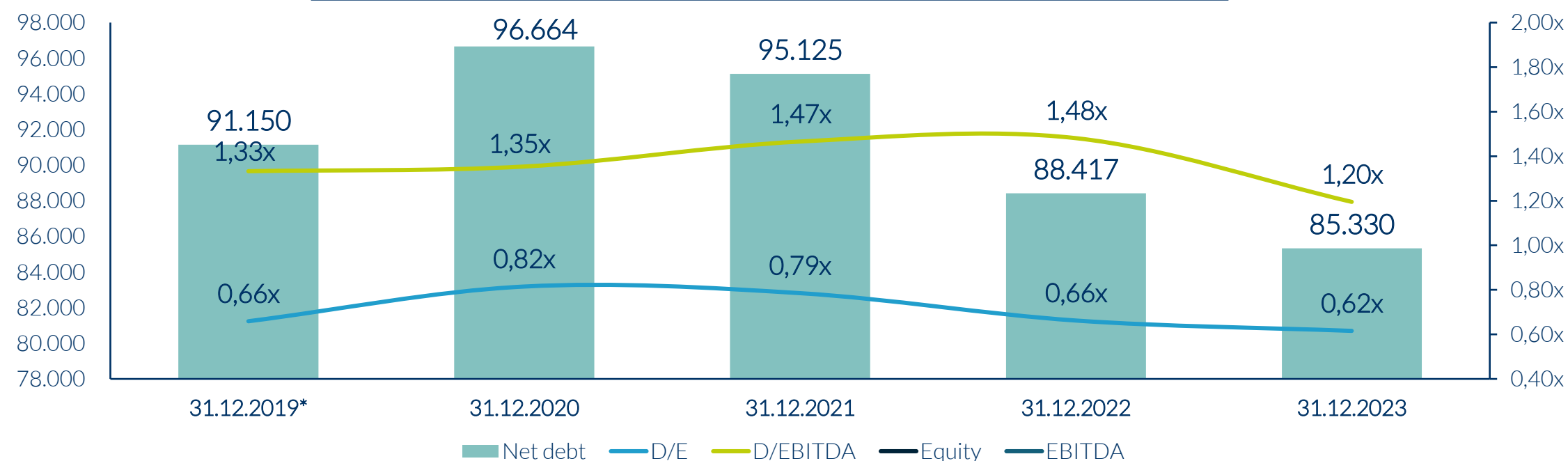


# CONSOLIDATED FINANCIAL RESULTS

Balance Sheet ('000 Euro)*	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023
Operating Net Working Capital	6.644	-5.964	-2.138	-9.006	-3.246
Other net current assets (liabilities)	-18.852	-11.446	-12.247	-7.264	-11.195
<b>Net Working Capital</b>	<b>-12.208</b>	<b>-17.410</b>	<b>-14.385</b>	<b>-16.269</b>	<b>-14.441</b>
Fixed assets - Medium/long term provis.	277.873	265.603	261.201	268.743	269.683
<i>'- of which IFRS16</i>	<i>35.783</i>	<i>31.717</i>	<i>28.759</i>	<i>28.210</i>	<i>28.246</i>
<b>Invested Capital</b>	<b>265.665</b>	<b>248.193</b>	<b>246.816</b>	<b>252.474</b>	<b>255.243</b>
Shareholders' Equity (B)	138.257	118.586	121.119	133.474	138.542
Net financial debt (A)	127.408	129.607	125.697	118.999	116.700
<i>'- of which IFRS16</i>	<i>36.258</i>	<i>32.943</i>	<i>30.572</i>	<i>30.582</i>	<i>31.370</i>
<b>Invested Capital</b>	<b>265.665</b>	<b>248.193</b>	<b>246.816</b>	<b>252.474</b>	<b>255.243</b>
<i>Gearing (A/A+B)</i>	<i>0,48x</i>	<i>0,52x</i>	<i>0,51x</i>	<i>0,47x</i>	<i>0,46x</i>
<i>Gearing (A/A+B) - Excl. IFRS16</i>	<i>0,40x</i>	<i>0,45x</i>	<i>0,44x</i>	<i>0,40x</i>	<i>0,38x</i>
<i>D/E (A/B)</i>	<i>0,92x</i>	<i>1,09x</i>	<i>1,04x</i>	<i>0,89x</i>	<i>0,84x</i>
<i>Debt/E (A/B) - Excl. IFRS16</i>	<i>0,66x</i>	<i>0,82x</i>	<i>0,79x</i>	<i>0,66x</i>	<i>0,62x</i>

\*Starting from 1.1.2019, IFRS16 accounting principle was adopted.

## NET DEBT HISTORICAL TREND PROFORMA\*



Operational investments and acquisitions of Servizi Italia are conducted with specific focus on keeping a balanced and healthy debt structure.

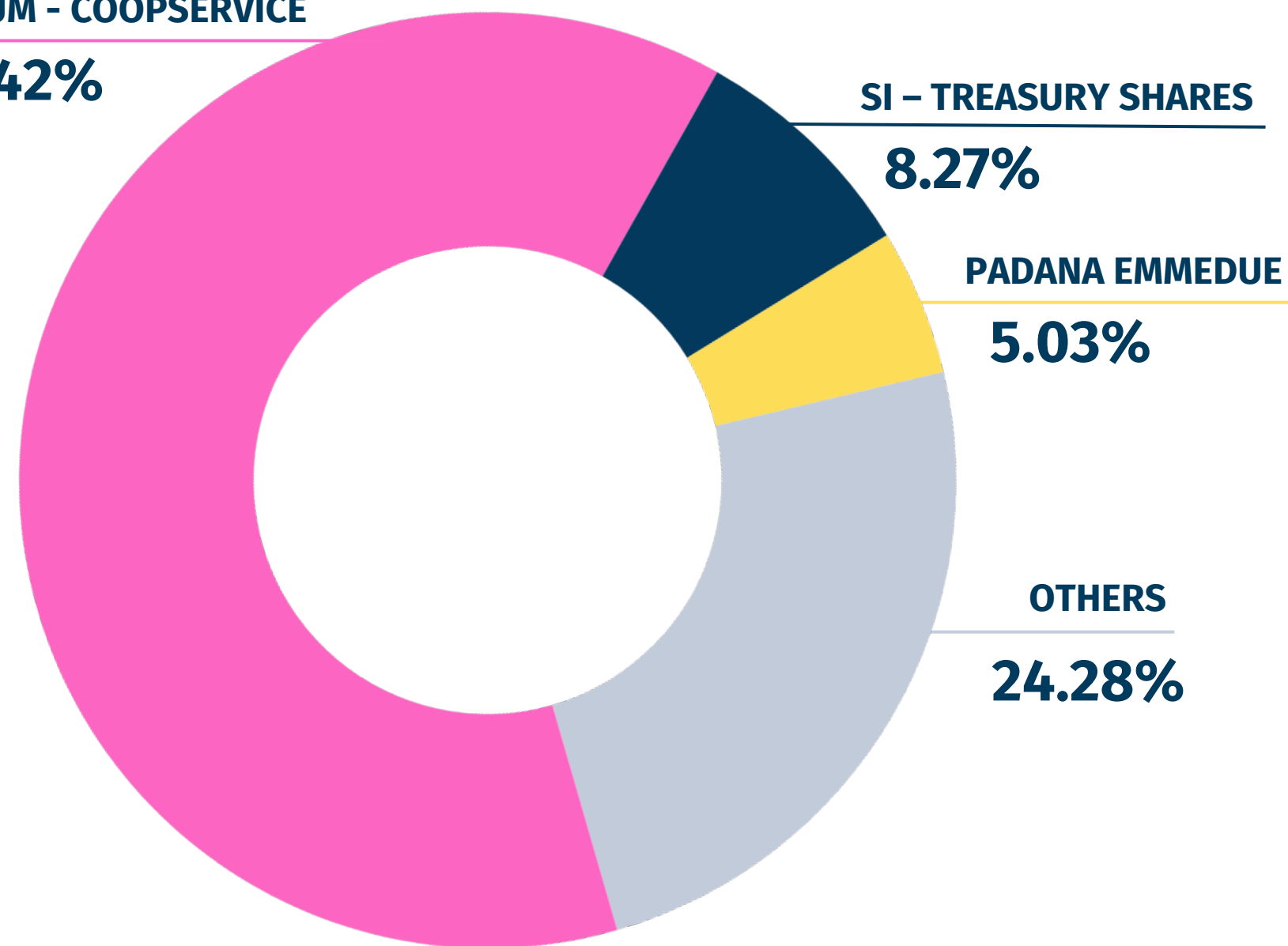
\*Net debt proforma without IFRS16 effect (started from 01.01.2019)

# STOCK EXCHANGE – Main details

## SHAREHOLDING STRUCTURE AS AT 17 MAY 2024

### AURUM - COOPSERVICE

62.42%

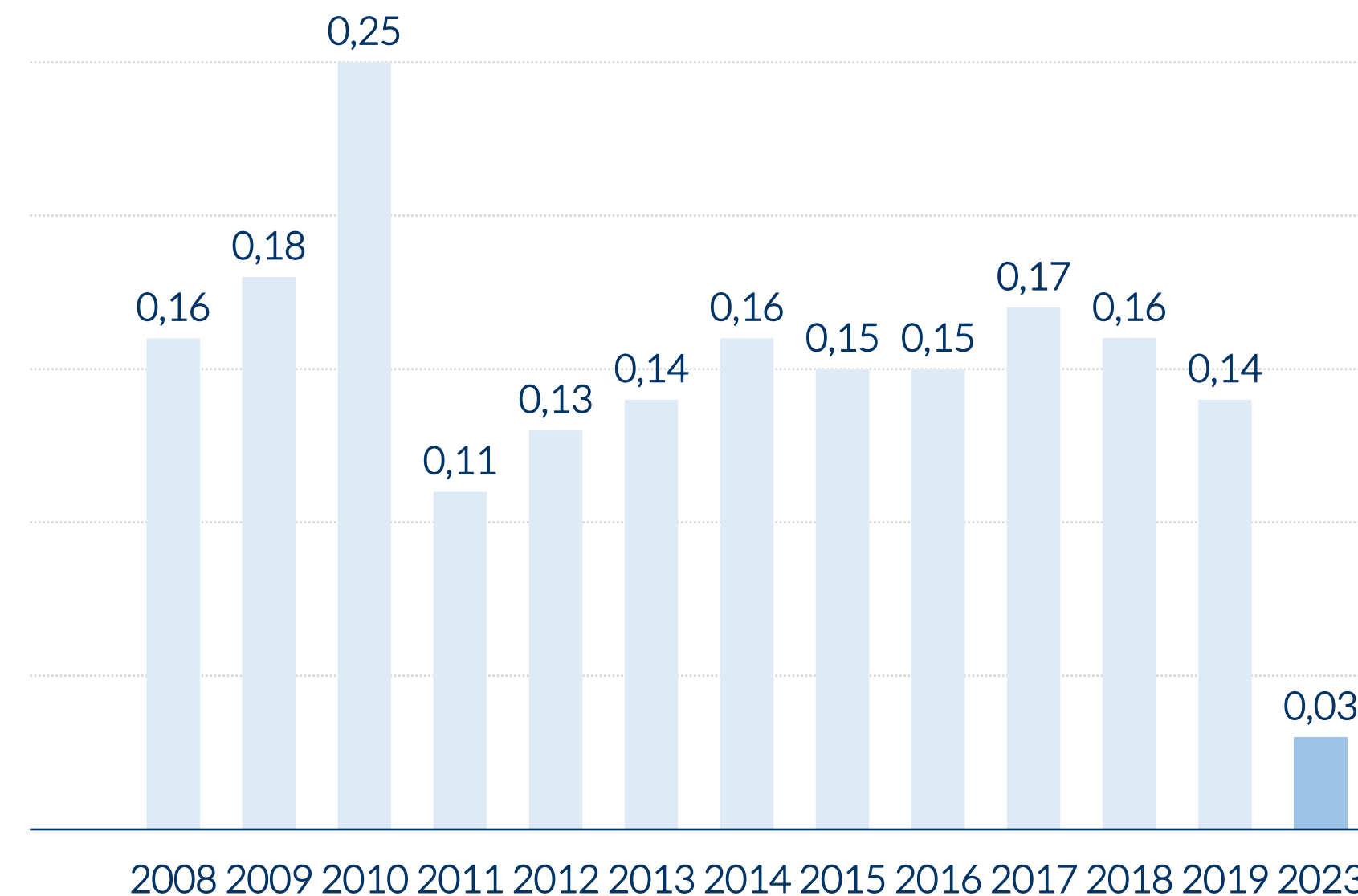


### Details on shares as at 15/05/2024

Share Capital ('000)	31,809
Share Price (Euro)	1.855
Market Cap ('000 Euro)	59,005

## ANALYST COVERAGE

	Reccomend.	TP (Euro)	Date
Intermonte SIM	Outperform	2.45	17/05/2024
MidCap Partners	Buy	2.10	16/05/2024



The Shareholders' meeting proposed to **disburse a dividend** of Euro 0,03 per share for the fiscal year closed as at 31 December 2023.

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Fully paid-up share capital: Euro 31,809,451

Founded: 1986

Tax ID Number and Parma Business Registry Code: 08531760158

Market: Euronext STAR Milan | Sector: Industrial

ISIN code for ordinary shares: IT 0003814537

Reuters: SRI.MI --- Bloomberg: SRI IM

Specialist: Intermonte SIM

Investor Relations Manager: Pietro Giliotti

Email: [investor@si-servizitalia.com](mailto:investor@si-servizitalia.com)

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