



Press Release

GAROFALO HEALTH CARE S.P.A.: BOARD OF DIRECTORS APPROVES 2018 PRELIMINARY CONSOLIDATED RESULTS.

- Revenues of Euro 154.9 million, up 13.4% on Euro 136.7 million for 2017 and 1.8% on Euro 152.2 million for 2017 Pro-Forma⁽¹⁾;
- Adjusted Operating EBITDA, neutralising the IPO costs ⁽²⁾, of Euro 29.1 million - with an 18.8% margin (18.2% in 2017) - up 16.9% on Euro 24.9 million for 2017 and 6.0% on Euro 27.4 million for 2017 Pro-Forma⁽¹⁾;
- Negative Net Financial Position (Net Cash) of Euro 47.3 million, with cash surplus over debt principally stemming from IPO net proceeds;
- Cash available at 31.12.2018 of Euro 92.3 million, derived from organic generation and from IPO net proceeds.

Rome, February 27, 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 Italian accredited private healthcare leader, today approved the preliminary consolidated Revenues, Adjusted Operating EBITDA⁽²⁾ and Net Financial Position at December 31, 2018, drawn up as per IAS/IFRS international accounting principles.

Consolidated Revenues Overview

GHC’s 2018 consolidated revenues rose to Euro 154.9 million (Euro 136.7 million for 2017), up 13.4% thanks to organic growth⁽³⁾ (+2,0%) and M&A’s (+11,4%, from the acquisitions of Fides Medica Group in June 2017 and of Casa di Cura Prof. Nobili in December 2017).

Revenues (in Euro millions)	2018	2017	% vs. 2017	of which organic vs. 2017	of which M&A vs. 2017
Total	154.9	136.7	+13.4%	+2.0%	+11.4%

2018 consolidated revenues grew 1.8% on 2017 Pro-Forma consolidated revenues, which have been calculated at like-for-like consolidation scope and amount to Euro 152.2 million.

Revenues (in Euro millions)	2018	2017 Pro-forma	% vs. 2017 Pro-forma	of which organic vs. 2017PF	of which M&A vs. 2017PF
Total	154.9	152.2	+1.8%	+1.8%	-

⁽¹⁾ The 2017 Pro-Forma figures retrospectively reflect at January 1, 2017 GHC’s two acquisitions 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)

⁽²⁾ Adjusted Operating EBITDA, neutralising the IPO costs, is defined as EBIT + depreciation and amortisation + provisions and write-downs + listing costs incurred and expensed to the Income Statement (this latter amounting to Euro 4.0 million)

⁽³⁾ At like-for-like consolidation scope, considering GHC’s two acquisitions 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)

Consolidated Adjusted Operating EBITDA Overview

2018 Adjusted Operating EBITDA, neutralising the IPO costs, of Euro 29.1 million was up 16.9% on Euro 24.9 million for the previous year, with both the organic component (+5.5%) and M&A's (+11.4%) strongly contributing.

This result - an indicator of Group core operations - adjusts Operating EBITDA for costs incurred by the company for its listing on the MTA segment of the Italian Stock Exchange and expensed in the year of approx. Euro 4.0 million⁽⁴⁾.

In 2018, the Group's Adjusted Operating EBITDA margin, neutralising the IPO costs, was 18.8%, also improving on 18.2% in the previous year.

Adj. Op. EBITDA (in Euro millions)	2018	2017	% vs. 2017	of which organic vs. 2017	of which M&A vs. 2017
Total	29.1 ⁽⁵⁾	24.9	+16.9%	5.5%	11.4%
Margin (%)	18.8%	18.2%	-	-	-

Consolidated Adjusted Operating EBITDA for 2018 grew 6.0% against Operating EBITDA for 2017 Pro-Forma, calculated to ensure like-for-like consolidation scope and amounting to Euro 27.4 million.

Adj. Op. EBITDA (in Euro millions)	2018	2017 Pro-forma	% vs. 2017 Pro-Forma	of which organic vs. 2017PF	of which M&A vs. 2017PF
Total	29.1 ⁽⁵⁾	27.4	+6.0%	+5.0%	+1.0%
Margin (%)	18.8%	18.0%	-	-	-

Consolidated Net Financial Position Overview

At December 31, 2018, the Net Financial Position (NFP) of GHC reported a cash surplus over debt of Euro 47.3 million, reflecting cash of Euro 92.3 million and debt of Euro 45.0 million. This indicator improved by Euro 79.7 million over December 31, 2017 (Euro 32.4 million).

The NFP at December 31, 2018 benefitted from IPO net proceeds (approx. Euro 66.1 million) and includes non-recurring components totaling Euro 6.2 million for the expansion projects at Gravello Toce and ex-Scuola, in addition to the advance payment of a portion of the acquisition price of Poliambulatorio Dalla Rosa Prati S.r.l..

Net Financial Position (in Euro millions)	31/12/2018	31/12/2017	Change vs. 2017
Total	-47.3	32.4	-79.7

The capacity of the company to generate cash is also represented by the cash-conversion indicator⁽⁶⁾, which for 2018 was 84%, rising on an average of 79% for the 2015-2017 three-year period.

⁽⁴⁾ Total listing costs of approx. Euro 7.3 million, of which approx. Euro 4.0 million expensed to the Income Statement and Euro 3.3 million recognised to Shareholders' Equity.

⁽⁵⁾ Adjusted Operating EBITDA, neutralising the IPO costs, calculated as per note (2)

⁽⁶⁾ Cash conversion defined as (Adj. Op. EBITDA – ordinary tangible and intangible Capex) as % of Adjusted Operating EBITDA



Maria Laura Garofalo, Chief Executive Officer of GHC, stated:

“The significantly improving 2018 results are particularly satisfying and indicate the Group’s capacity to deliver best-in-class operating and financial performances. The solid financial structure, with cash available of Euro 92.3 million at 31.12.2018, facilitates the rolling out of ambitious acquisition-led growth, as set out in the “Buy and Build” strategy and launched with the acquisition of the Poliambulatorio Dalla Rosa Prati of Parma and the further acquisition of the minority stakes in Casa di Cura Prof. Nobili in the initial months of the year.”

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FOR FURTHER DETAILS:

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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 19 healthcare facilities 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”).