

GHC - Company Overview

June 6, 2019



La salute è il bene più prezioso che l'uomo possa avere

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GHC OVERVIEW

- 
- 1 Leading private accredited patient care group with 60 year heritage and impressive financial results
 - 2 Diversified business model by geography and sector and capacity to generate synergies
 - 3 High quality of health and social-assistance services thanks to cutting-edge facilities headed by professionals of excellence in a patient-centered model

GHC DELIVERY POST IPO

- 4 Proven track record of organic and M&A growth, with 2 acquisitions completed post IPO and 3 acquisitions of minority stakes of already controlled companies
- 5 Seamless and effective integration platform already delivering visible results
- 6 Solid cash flow generation coupled with efficient financial structure, leaving room for further M&A firepower

Confirmed all the elements presented at IPO...

Elements presented at IPO

Excellent facilities with state-of-the-art equipment

- Several investments made in cutting-edge equipment including: 
- Da Vinci Xi, the most advanced robotic technology used for urologic surgery + new MOC (Computerized Bone Mineralometry) + new respirator to assist patients in sedation during resonances + magnetic resonance equipment upgrades (Hesperia Hospital)
- Philips Prodiva 1.5 Tesla, the latest generation of magnetic resonance instrumentation to support precision medicine (Rugani Hospital)
- Arthroscopic column for HD-3D operating room and an ultrasound system (Casa di Cura Prof. Nobili)
- Latest generation MOC + electrocardiographs (CMSR Veneto Medica)

Significant acquisition-led growth opportunities through non-dilutive acquisitions based on clear M&A discipline

- Acquisition of Poliambulatorio Dalla Rosa Prati completed (05/02/2019 - Parma) 
- Acquisition of Ospedali Privati Riuniti completed (06/05/2019 - Bologna)
- Acquisition of additional minorities in Casa di Cura Prof. Nobili⁽¹⁾ and Villa Garda
- Further M&A negotiations ongoing (one exclusivity agreement signed)

Consolidated ability to carry out organic growth projects able to improve and expand the case-mix of the services provided

- Pj. Gravellona Toce - ONGOING: 
- Eremo di Miazzina: 81 new RSA beds approved and accredited
- Istituto Raffaele Garofalo: took possession of the building with the start of works in 4Q2019
- Fides Group - Pj. Scuola: building acquired, restructuring initiated - ONGOING
- Della Rosa Prati - expansion project: start of renovation activities for the creation of new specialist clinics and a room for eye surgery - ONGOING
- Villa Garda - expansion project: + 10 accredited beds for outside region patients - municipal approval phase
- Ospedali Privati Riuniti - expansion project: under evaluation

(1) 98.8% of voting rights, considering the treasury shares held by Casa di Cura Prof. Nobili

...with growing economic and financial results in FY2018 and 1Q2019...

Elements presented at IPO

Best-in-class financial performance coupled with strong cash generation and solid financial structure

Post-IPO development

- 
- Revenues 2018: €155.6m vs €136.7m (+13.9%, of which 2.5% organic and 11.4% M&A)
 - Adj. Op. EBITDA⁽¹⁾: €29.8m vs 24.9m (+19.7%, of which 8.3% organic and 11.4% M&A)
 - Adj. Op. EBITDA Margin: 19.1% (vs. 18.2% in 2017)
 - Net Cash: €47.3m
 - Cash conversion: 87.5%

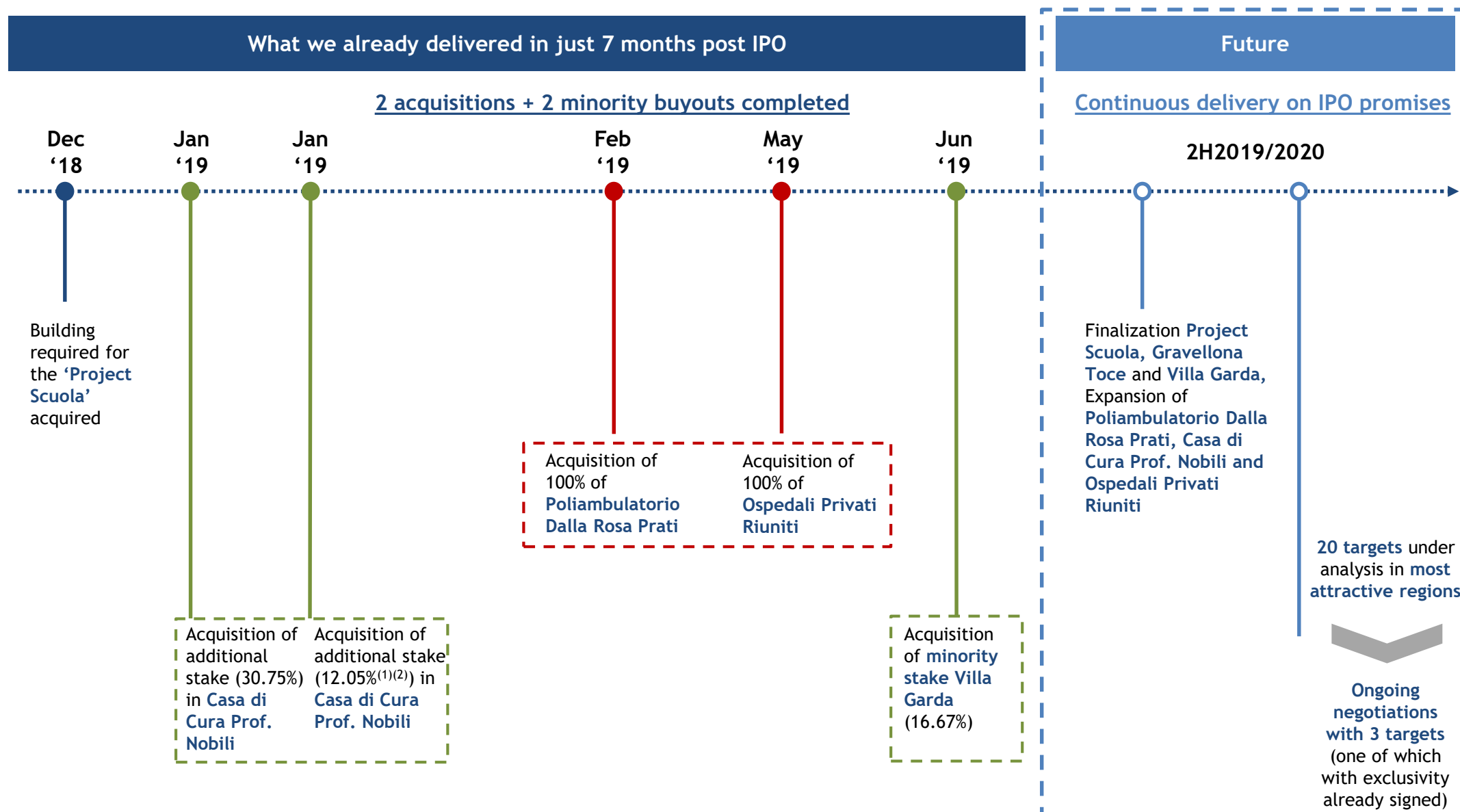
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- Revenues Q1 2019: €43.5m vs 39.9m (+9.1%, of which 2.2% organic and 6.9% M&A)
 - Adj. Op. EBITDA⁽²⁾: €9.2m vs €8.3m (+11.0%, of which 2.0% organic and 9.0% M&A)*
 - Adj. Op. EBITDA Margin: 21.3% (vs. 20.9% Q1 2018)
 - Net Cash: €6.6m*

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

(2) Adjusted Operating EBITDA defined as EBIT + depreciation & amortisation + provisions and write-downs + one-off costs (approx. €0.6m) incurred for the acquisition of Poliambulatorio Dalla Rosa Prati of Parma and the additional minority holdings in Casa di Cura Prof. Nobili

Note (*): figures include IFRS16 effect of €0.5m on EBITDA and of €10.5m on debt

...well ahead of timetable presented at IPO



(1) For a total of 95.35%

(2) 98.8% in terms of voting rights, taking into account the treasury shares owned by Casa di Cura Prof. Nobili.

GHC: leading private accredited patient care group with best-in-class financial performance...

Garofalo Health Care (GHC) Group⁽¹⁾

- Leading private accredited patient care group in Italy
- > 60 years of family heritage in the Italian healthcare market, founded by and controlled by the Garofalo family
- Wide geographical and services diversification:
 - 6 most attractive regions of Center and Northern Italy
 - Broad range of services in acute, post acute and outpatient care as well as dependency care

21 Patient Care Facilities

~27,500 admissions per year

~1,2 million outpatient treatments per year

~1,430 beds⁽²⁾

>2,000 employees and self-employed professionals

Q1 2019 Financials^(*)

€43.5m Revenues
(+9.1% vs Q1 2018)
€9.2m Adj. Operating EBITDA⁽³⁾
(+11.0% vs Q1 2018)

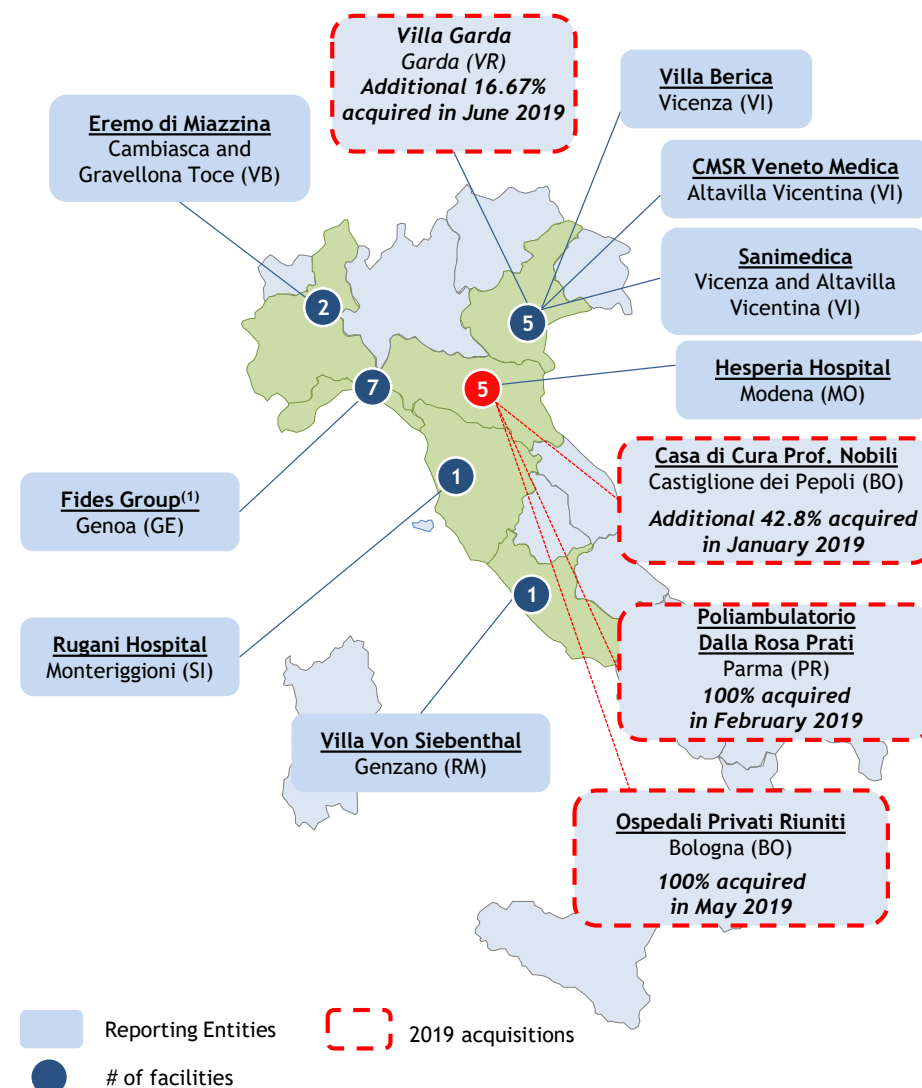
21.3% Adj. Operating EBITDA margin⁽³⁾

CAGR '16 – '18
12.0% Revenues
32.8% Adj. Operating EBITDA

Net Cash Position
€6.6m



Attractive Geographical Footprint



(1) Including figures from Poliambulatorio Dalla Rosa Prati S.r.l. and Ospedali Privati Riuniti S.p.A. acquired in 2019

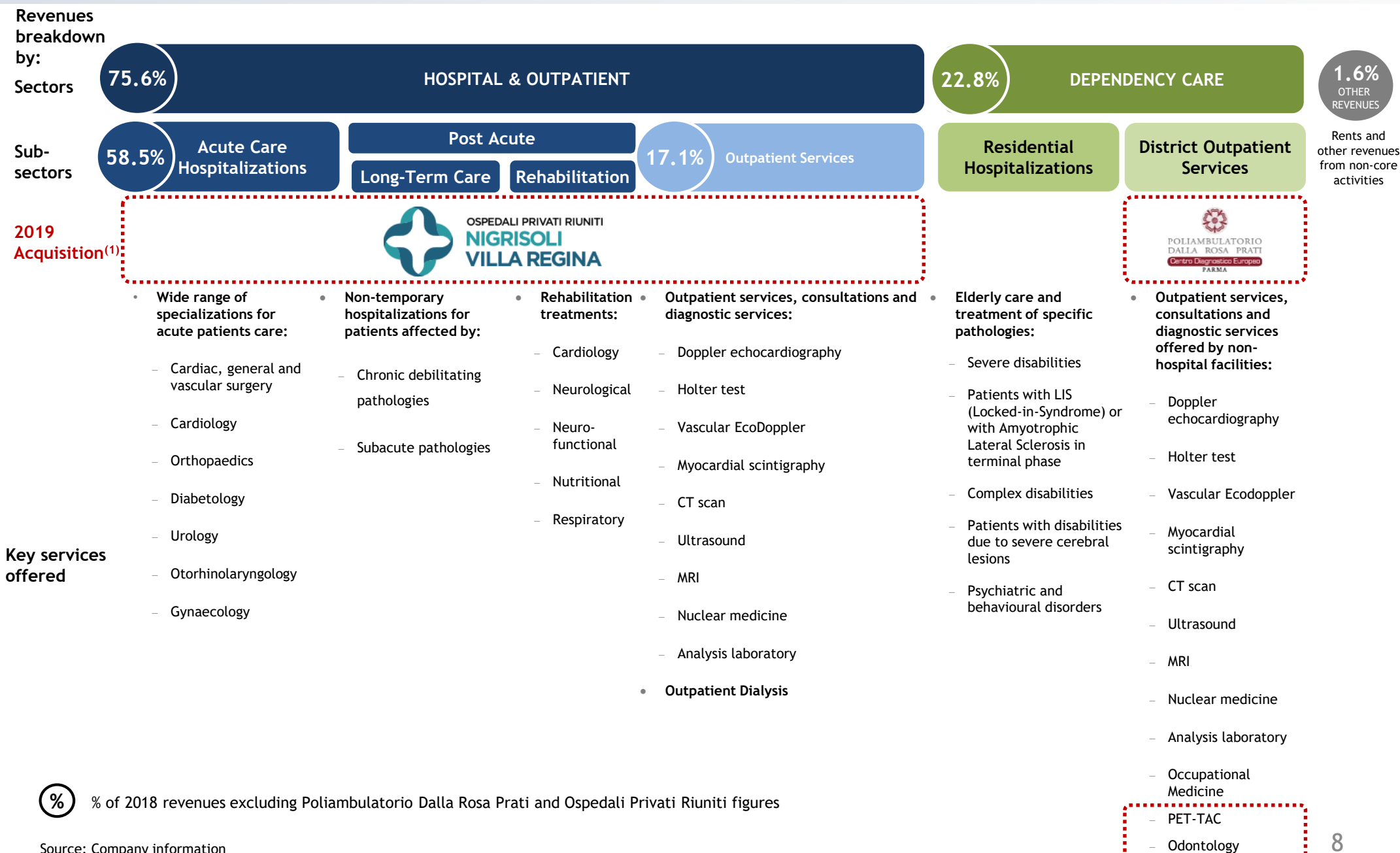
(2) 10 beds from Villa Garda obtained in 2019 are not included

(3) Adjusted Operating EBITDA defined as EBIT + depreciation & amortisation + provisions and write-downs + one-off costs (approx. €0.6m) incurred for the acquisition of Poliambulatorio Dalla Rosa Prati of Parma and the additional minority holdings in Casa di Cura Prof. Nobili

Note (*): Adjusted Operating EBITDA and Net Cash figures include respective IFRS16 effects of €0.5m (lower operating costs) and €10.5m (additional financial debt)

2

...able to offer diversified health and social assistance services...



Source: Company information

(1) GHC Group 2018 breakdown including contribution from Poliambulatorio Dalla Rosa Prati and OPR: 73% Hospital & Outpatient, 26% Dependency Care, 1% other revenues

... in well-invested facilities with cutting-edge equipment...

Well-invested facilities with premium quality standards

Medical Imaging



PET-TAC



Surgery (general and specialized)



Rehabilitation



Latest state-of-the-art equipment

Nuclear Total Body MRI (NMR)



- Most advanced imaging diagnostic technique on the market

CAT GE Optima CT540



- Used for advanced immunological therapy for the neoplasms treatment

Odontology Dental Center



- Activity started in 2018 by Poliambulatorio Dalla Rosa Prati

Da Vinci Xi



- Advanced robotic technology mainly used for urologic surgery

Comprehensive Real Estate ownership allows for high “stability”⁽¹⁾

At IPO

c.170k sqm indoor and outdoor area
o/w c.76k sqm indoor
e c.94k sqm outdoor
(of which 98% owned)

Today

c.200k sqm indoor and outdoor area
o/w c.90k sqm indoor
and c.110k sqm outdoor

15 fully-owned facilities

and 3 rented

€76m

Book value of facilities

18 fully-owned facilities

and 3 rented

€102m⁽²⁾

Book value of facilities

c.2,200k sqm buildable area

vs. ~€2,200 per sqm average construction cost of new hospital facilities⁽³⁾

Source: Company information.

(1) Excluding 4 facilities and 101 beds owned by Il Fiocco S.c.a.r.l

(2) Data for Poliambulatorio Dalla Rosa Prati and Ospedali Privati Riuniti are as of 31.12.2018 and ITA GAAP (leasing for Poliambulatorio Dalla Rosa Prati)

(3) Based on Istituto di Ricerche Economiche e Sociali (IRES) report analyzing hospital construction costs in Piedmont and the summary data published by the Architect association of Florence, based on standard complexity of the construction of the facility and excluding external areas

...led by top professionals, to build and reinforce GHC's reputation for the highest quality patient care

Renowned medical team contributing to the field of research

✓ GHC doctors are extremely active in the field of medical and scientific research...

of research articles published

5,500+
Hesperia
Hospital

200+
Villa Garda

110+
Fides
Medica

65+
Villa
Berica

40+
Villa Von
Siebenthal

✓ ...contributing to the development of innovative treatments...



NICE

CBT-ET⁽¹⁾ treatment for eating disorders developed with CREDO⁽²⁾

- Recommended by NICE⁽³⁾ in 2017

Villa Garda

✓ ...and well-recognised at the national and international level



expertscape

Dr. Calugi and Dr. Dalle Grave named top two eating disorders experts in Italy

Villa Garda



Dr. Ferrari responsible AMS⁽⁴⁾ for Italy and named 21 times chairman and 93 times relator at national and international congresses

Hesperia Hospital

Quality and clinical excellence recognition



Leading Cardiac Surgery Facility in Italy⁽⁵⁾

0.51% mortality rate

Hesperia Hospital



Accredited European Training Centre of Phlebology

Hesperia Hospital



Accredited center by Italian European Society of Interventional Radiology

Hesperia Hospital



Accredited as 2nd level High Complexity center by the Italian Society of Hand Surgery

Hesperia Hospital



National reference center for AMIS (Anterior Minimally Invasive Surgery) for hip replacement

Villa Berica



Accredited as EASO-COMs by the European Association of the Study of Obesity

Villa Garda

Source: Company information.

(1) Cognitive-Behavioral Therapy - Exercise Therapy.

(2) Centre for Research on Eating Disorders at Oxford.

(3) The National Institute for Health and Care Excellence is an executive non-departmental public body of the Department of Health in the United Kingdom.

(4) American Medical Systems.

(5) Programma Nazionale Esiti 2017, evaluation conducted by the Italian Ministry of Health to assess quality and organization of healthcare services.

	Description	Project update	Project value presented at IPO	Scheduled timeline
1 Project "Gravellona Toce" 	- Purchase a facility in Gravellona Toce providing post acute services - Focus the Eremo di Miazzina facility on the dependency care services and IRG on Hospital services - Start of operations expected in 2021	- Building taken into possession. Works to begin in 4Q2019 81 RSA beds approved by Piedmont Region that occupy the rehabilitation beds transferred to the original site in Gravellona Toce	€8.0m of which: €3.0m for purchasing the facility €5.0m for renovation activities	Q1 2019  Annual incremental revenues at full capacity: €2.5m Incremental annual EBITDA at full capacity: €1.1m
2 Project "Scuola" 	- Purchase a facility to transfer the dependency care activities of Santa Marta Santa Marta will be restructured refocusing its activities on private dependency care services - Start of operations at new facility expected from 2020	- Acquisition of building completed in January with deeds transfer - Renovation activities begun	€4.8m⁽¹⁾ of which: €1.7m for purchasing the facility €2.1m for renovation activities €1.0m for Santa Marta restructuring	Q1 2019  Annual incremental revenues at full capacity: €1.7m Incremental annual EBITDA at full capacity: €0.8m

...and launch of new expansion projects for the Poliambulatorio Dalla Rosa Prati and Villa Garda in 2019

	Description	Project update	Project value presented at IPO	Scheduled timeline
3 Project "Poliambulatorio Dalla Rosa Prati" 	- Renovation of the 1st floor of the building in front of the Poliambulatorio, which will host 8 clinics for private, self-paying patients - At the same time, the surgical operating room in the Poliambulatorio will be renewed to make it suitable for eye surgery	- The renovation work on the 1st floor has just begun and its conclusion is estimated in December 2019 - The provision of incremental activities is scheduled for January 2020	~€0.3m	4Q2019 - Conclusion of renovation activities 2020 - Provision of incremental activities Annual incremental revenues at full capacity: €1.0m⁽¹⁾ Incremental annual EBITDA at full capacity: €0.2m⁽¹⁾
4 Project "Villa Garda" 	- Obtained 10 additional accredited beds for the care of outside-Region eating disorder patients - New beds full availability expected by 1Q2020	Expansion project presented to the authorities and awaiting the necessary authorizations	~€0.8m	4Q2019 - Start of expansion activities 2020 - Provision of incremental activities Annual incremental revenues at full capacity: €0.5m⁽¹⁾ Incremental annual EBITDA at full capacity: €0.2m⁽¹⁾

(1) Estimated between the 3rd and 4th year from the start of incremental activities. Payback period of the investment equal to 3 years

Poliambulatorio Dalla Rosa Prati



Cash consideration	€19.1m
%	100%
EV	€28m

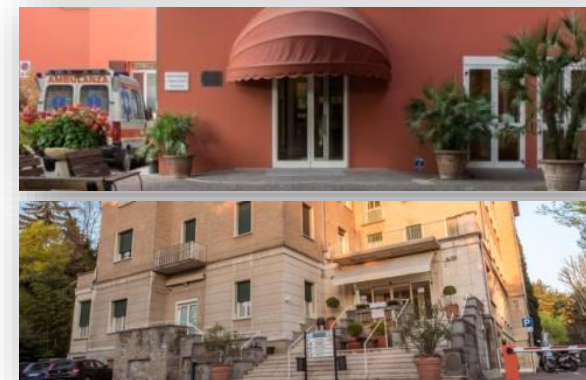
Acquisition timeline

- 21/12/2018 (IPO+42 days): preliminary contract signed
- 05/02/2019 (IPO+88 days): closing

Key Financials FY2018⁽¹⁾

- Revenues 2018: €15.0m
- Normalised EBITDA 2018: €3.3m
- EBITDA Margin (%): 22.2%

Ospedali Privati Riuniti



Nigrisoli

Villa Regina



Cash consideration	€66.7m
%	100%
EV	€50m

Acquisition timeline

- 03/05/2019 (IPO+177 days): preliminary contract signed
- 06/05/2019 (IPO+180 days): closing

Key Financials FY2018⁽¹⁾

- Revenues 2018: €27.4m⁽²⁾
- Normalized EBITDA 2018: €4.0m (PRE-SYNERGIES)
- EBITDA Margin (%): 14.6%

(1) Financial data are ITA GAAP

(2) Of which €26.0m coming from continued operations

... expected to generate significant synergies in the next 12 months for Ospedali Privati Riuniti



Illustrative data pre-synergies

Acquisition
multiple

12.5x

Op. EBITDA
Margin (%)

14.6%

Expected in 12 months

**Multiplier in line
with the one used in
previous acquisitions**

>20%

Efficiency
strategy

4,0

Source of main synergies:

- ✓ Orthopedic prostheses
- ✓ Generic medical materials
- ✓ Patient meal service
- ✓ Cleaning services
- ✓ Maintenance
- ✓ Professional consulting
- ✓ Reorganization of purchasing procedure

*The intervention will produce
efficiency improvements also
for other facilities
of the GHC Group*

Operating EBITDA
2018

Synergies

Operating EBITDA at regime
(in 12 months)

Facility Highlights

- 170 authorized beds⁽¹⁾, divided between Villa Regina (50, of which 33 are acute care and 17 rehabilitation and long-term care) and Nigrisoli (120, of which 69 are acute care and 51 are rehabilitation and long-term care)
- **Outpatient services:** general surgery, plastic surgery, gynecology, ophthalmology, orthopedics and traumatology, urology, otorhinolaryngology
- **Rehabilitation / long-term care services:** general medicine, functional rehabilitation, long-term care / extensive rehabilitation



New Board of Directors

Includes the CEOs of all the GHC facilities in Emilia Romagna



Guido Dalla Rosa
Prati
Chairman



Maria Laura
Garofalo
Director



Giovanni
Battista Pisani
Executive Director



Luigi
Gallina
Director

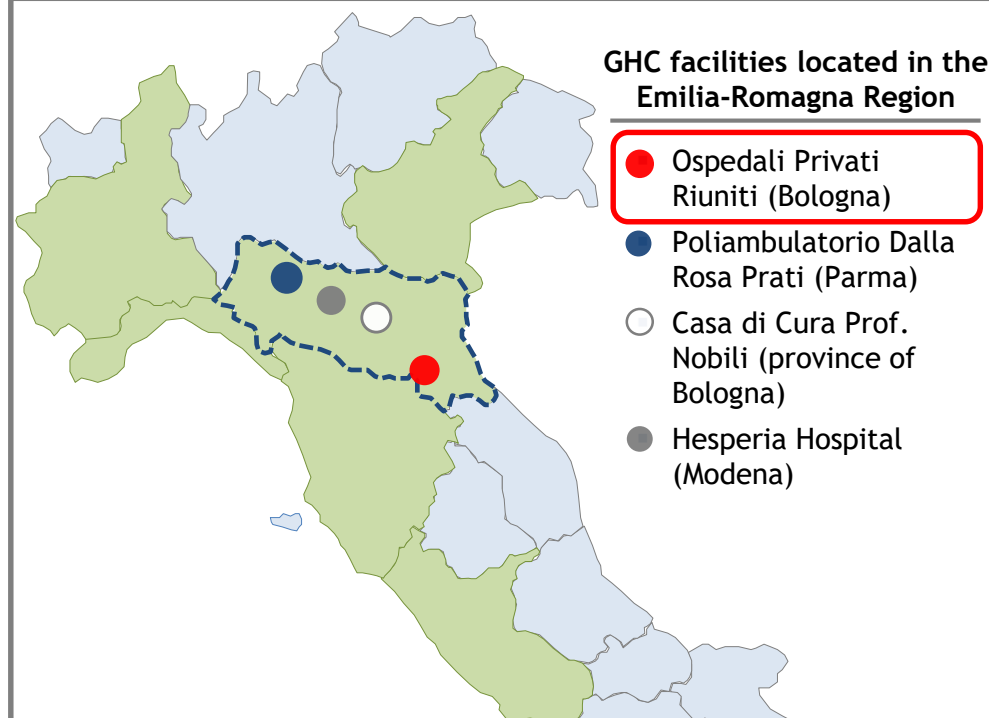


Claudio Zappi
Executive
Director

Transaction structure

- Total contribution: €66.7m (including OPR net cash of €16.7m)
 - Of which new Debt: €15m at a cost of 1.5% interest rate (below GHC group average)

Ideal Geographic Positioning



Emilia Romagna contributing c. €100m of revenues on a 12 month basis

 Regions where GHC facilities are located

(1) Of which 168 accredited with the National Healthcare System

4 ...+3 minority buyouts

Casa di Cura Prof. Nobili



Cash consideration

€2.6m

%

42.8%⁽¹⁾

Acquisition timeline

- 07/01/2019 (IPO+59 days): additional 30.75%
- 16/01/2019 (IPO+68 days): additional 12.05%

Key financial data

FY2018	1Q 2019
• Revenues: €9.3m	• Revenues: €2.7m
• Operating EBITDA: €1.2m	• Operating EBITDA: €0.6m
• EBITDA Margin (%): 12.8%	• EBITDA Margin (%): 23.0%

Villa Garda



Cash consideration

€4.0m

%

16.67%⁽²⁾

Acquisition timeline

- 05/06/2019 (IPO+211 days): acquisition of 16.67%

Key financial data

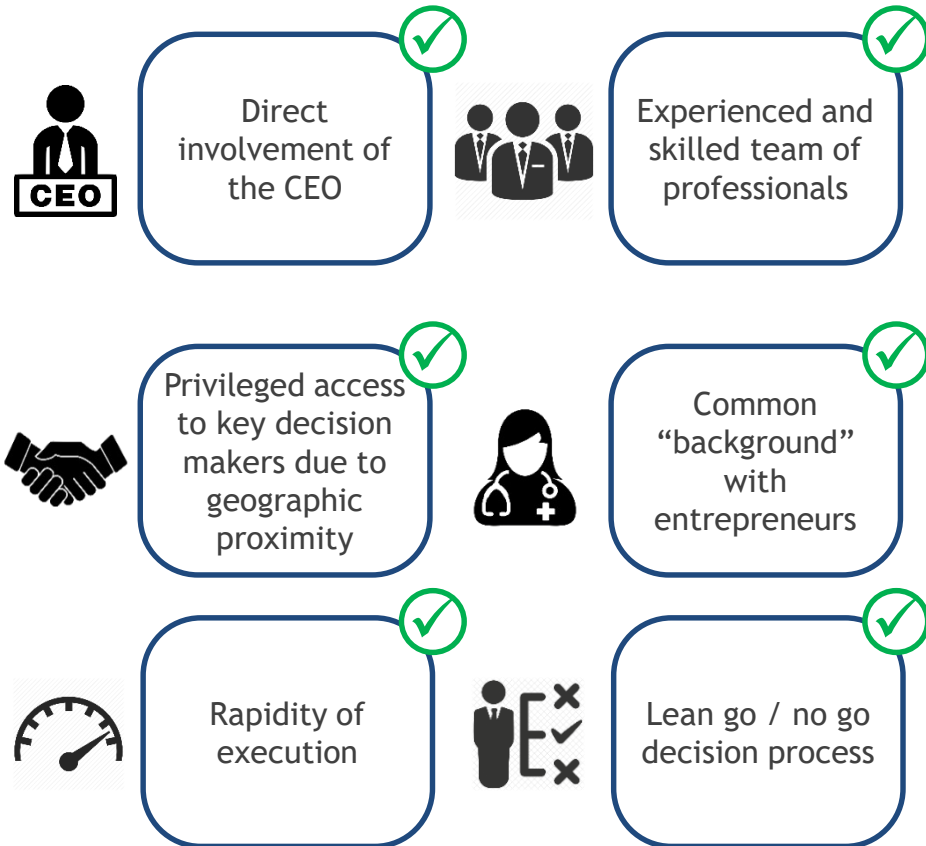
FY2018	1Q 2019
• Revenues: €9.1m	• Revenues: €2.3m
• Operating EBITDA: €1.7m	• Operating EBITDA: €0.5m
• EBITDA Margin (%): 18.3%	• EBITDA Margin (%): 20.6%

(1) Total GHC holding equal to 95.35% (98.8% of voting rights)

(2) Total GHC holding equal to 100%. It includes 50% of Prora + 50% of Fides Medica

...in accordance with the same strategy and M&A discipline presented at IPO

Consistency of the M&A strategy with the one presented at IPO



- Fit with GHC's values
- Presence in attractive regions
- Often family-owned businesses subject to turnover

Consistency of the M&A discipline with the one presented at IPO

- Reputation for medical excellence
- Stand-alone centers
- Size: Outpatient Services €3m+
- Accredited with the NHS
- Significant portion of private revenues
- Relevant potential synergies
- Multi-specialized and multi-modal services

LEGEND:  = consistency with IPO

Extensive M&A pipeline with 20 targets under analysis in Italy's strongest Regions

M&A Pipeline

20 Targets
under analysis



Current M&A negotiations ongoing

Target
#1

Poliambulatorio Dalla Rosa Prati



Target
#2

Ospedali Privati Riuniti



Target
#3

Exclusivity agreement signed

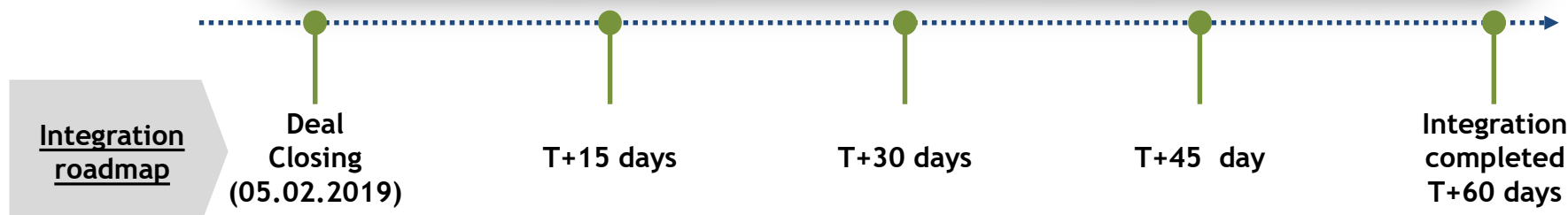
Target
#4

Non binding offer sent -
Exclusivity agreement pending

Target
#5

Preliminary discussions

Seamless and effective integration platform already delivering visible results

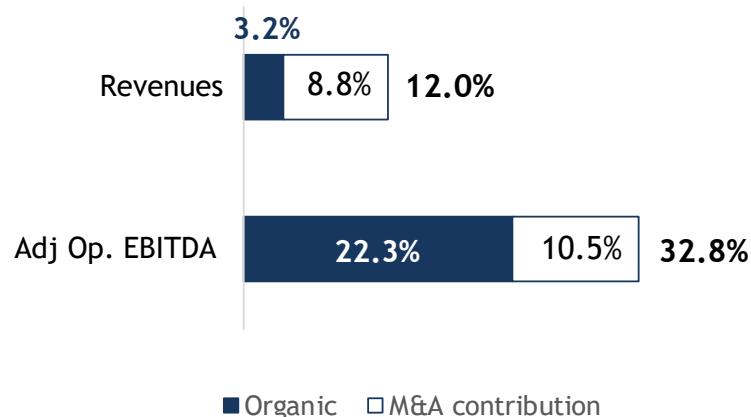


<u>GHC support</u>		<u>Task accomplished</u>
IT	START → 	Integration into the Group's IT systems
Administration & Reporting	START → 	Alignment to the consolidated accounts structure
Finance	START → 	Definition of treasury / liquidity needs
Planning	START → 	Budget analysis for 2019

FY2018 results delivered substantial growth, strong cash generation and solid financial structure...

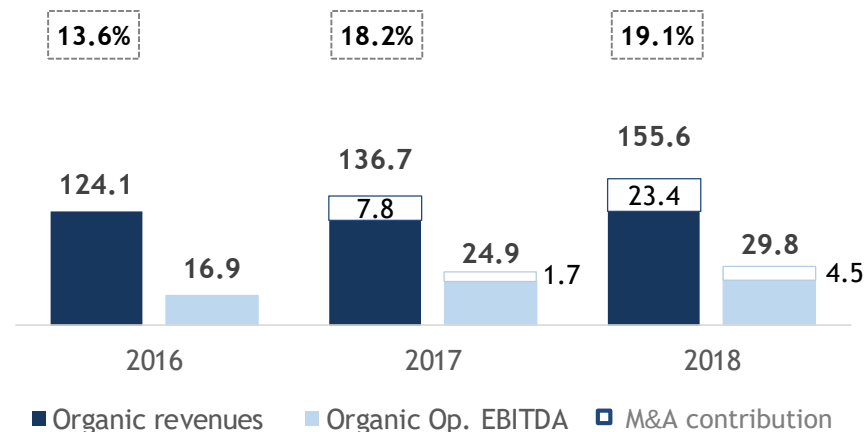
Unique combination of growth boosted by M&A...

CAGR 2016 - 2018



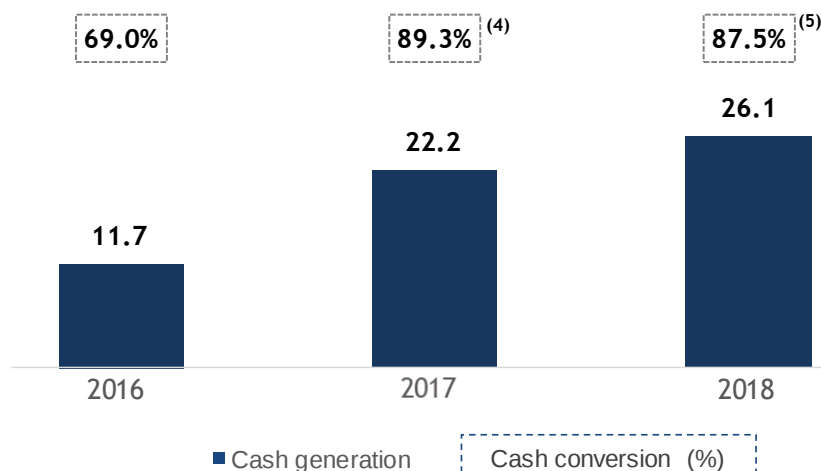
...best-in-class profitability...

Revenues (€m), Op. EBITDA⁽¹⁾ (€m) and margin evolution (%)



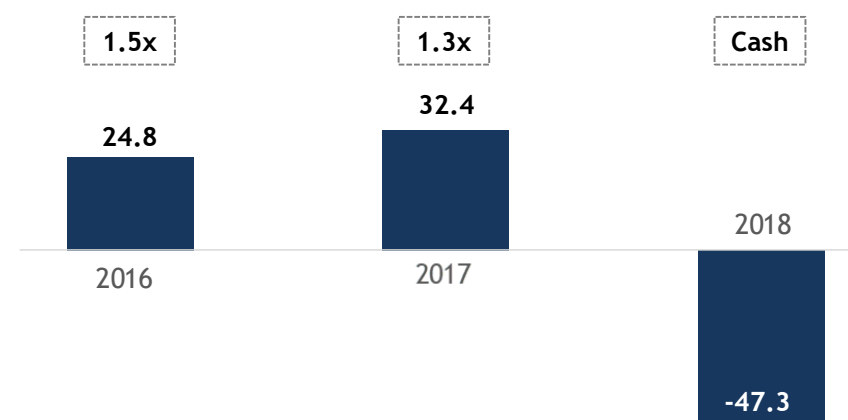
...strong cash generation⁽²⁾...

Cash generation (€m) and cash conversion (%) ⁽³⁾



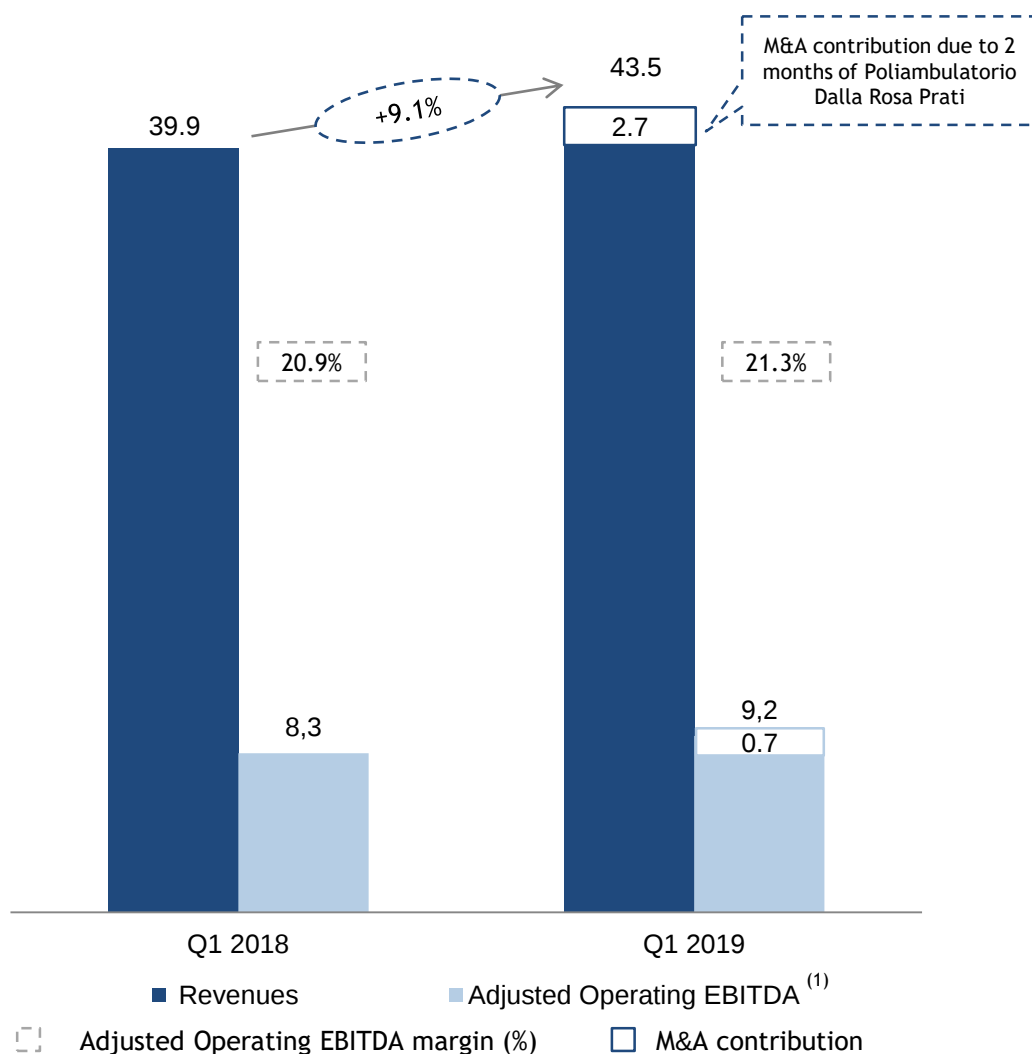
...and solid financial structure

Net financial position (NFP) (€m) and Leverage

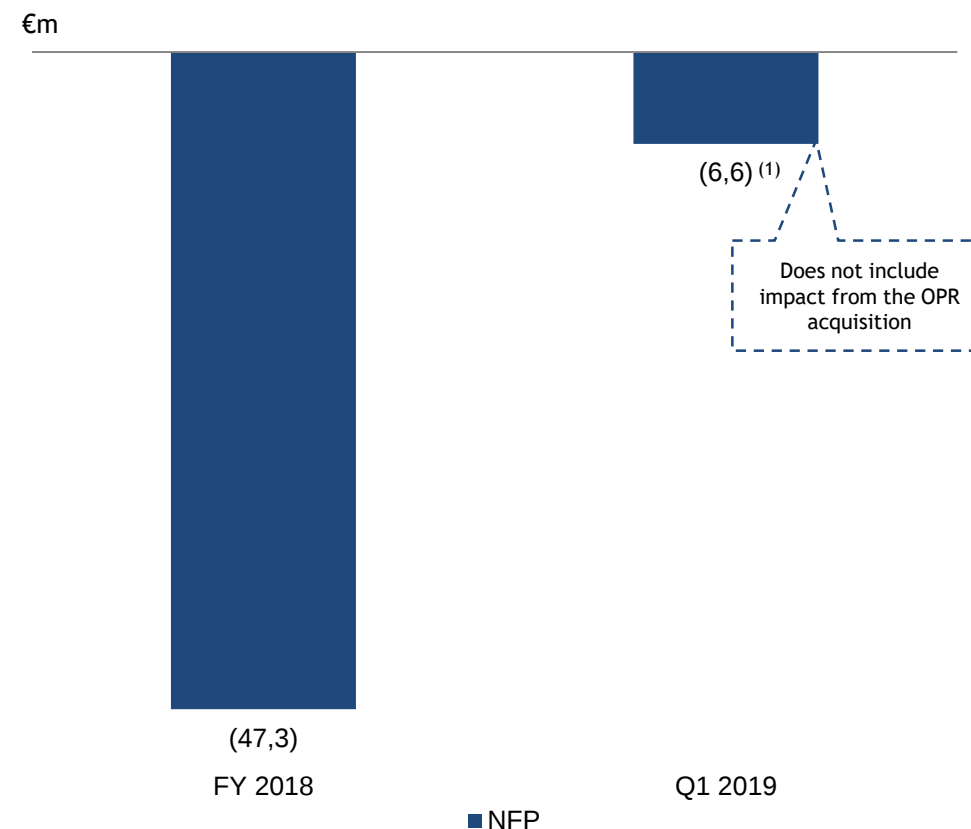


(1) Adjusted Op. EBITDA for 2018; (2) defined as Op. EBITDA - Ordinary tang. and int. Capex; (3) Defined as Op. EBITDA - Ordinary tang. and int. Capex as % of Op. EBITDA; (4) Ordinary tang. Capex for 2017 does not include the disposal of a building - considered as non-operating - dismissed by Fides Group and resulting in a €2.2m cash-in; (5) Ordinary tang. Capex for 2018 do not include investments related to organic growth projects Gravellona Toce and Scuola / advance payment of a portion of the acquisition price of Poliambulatorio Dalla Rosa Prati S.r.l. and compare to Adj Op. EBITDA

Solid growth in revenues and profitability...



...coupled with positive cash position



Reduction in Net Cash Position mainly driven by M&A activity (€20.8m) and extraordinary capex (€0.7m), impact of IFRS16 (€10.5m) and change in consolidation perimeter following the entry of Poliambulatorio Dalla Rosa Prati from February 2019 (€7.8m)

Note (*): Adjusted Operating EBITDA and Net Cash figures include respective IFRS16 effects of €0.5m (lower operating costs) and €10.5m (additional financial debt)

(1) Adjusted Operating EBITDA defined as EBIT + depreciation & amortisation + provisions and write-downs + one-off costs (approx. €0.6m) incurred for the acquisition of Poliambulatorio Dalla Rosa Prati of Parma and the additional minority holdings in Casa di Cura Prof. Nobili