



## Press Release

### **GAROFALO HEALTH CARE S.P.A.: THREE PRELIMINARY CONTRACTS SIGNED FOR THE ACQUISITION OF THREE DIAGNOSTIC CENTRE ENTITIES:**

- **CENTRO MEDICO SAN BIAGIO, IN PORTOGRUARO (VENICE)**
  - **CENTRO MEDICO UNIVERSITA' CASTRENSE, IN S. GIORGIO DI NOGARO (UDINE)**
  - **BIMAR, IN PORTOGRUARO (VENICE)**
- **The cumulative Enterprise Value of the three transactions is approx. Euro 51.2 million<sup>(1)</sup>, with an Equity Value of Euro 52.4 million, which takes account of the estimated net financial position of the three companies at June 30, 2019;**
  - **The acquisition extends the presence of GHC in Friuli-Venezia Giulia, while strengthening its position in Veneto, where the Group already operates through Villa Berica, Villa Garda, CMSR Veneto Medica and Sanimedica;**
  - **M&A plan presented during roadshow confirmed, with three transactions concerning four diagnostic centres and two acute facilities, in addition to the acquisition of three minority holdings of existing subsidiaries. All transactions completed on just 7 months since IPO.**

**Rome, June 26, 2019** – Garofalo Health Care S.p.A. (the “**Company**” or “**GHC**”), listed on the MTA segment of the Italian Stock Exchange, announces the signing today of three preliminary contracts for the acquisition, from spouses Vincenzo Martino and Pierina Loretta Bianco, of the entire share capital of Centro Medico San Biagio S.p.A. and of Bimar S.r.l. and of 80% of the share capital of Centro Medico Università Castrense S.r.l. (collectively, “**the Target**”).

The transaction's closing is forecast for July 31, 2019 with regards to the transfer of the Centro Medico San Biagio and Bimar investments, and by November 2019 for Centro Medico Università Castrense.

The Centro Medico San Biagio, located in Portogruaro (province of Venice) and operating in the diagnostics centre sector, both under the Veneto Region accredited and private healthcare system, provides specialist services in the areas of diagnostic imaging, echocardiography, outpatient ophthalmologic surgery, lower limb varices, sports medicine and dentistry.

The Centro Medico Università Castrense, located in San Giorgio di Nogaro (province of Udine) and also operating under the accredited system and privately, provides services of outpatient ophthalmological surgery, diagnostic imaging, sports medicine and dentistry. The company is in addition held for the remaining 20% by the Municipality of San Giorgio di Nogaro.

Bimar, located in Portogruaro (province of Venice), provides exclusively specialist private services.

The cumulative Enterprise Value of the three transactions is approximately Euro 51.2 million<sup>(1)</sup>, with an Equity Value of Euro 52.4 million, which takes account of the estimated net financial position of the three companies at June 30, 2019.

At December 31, 2018, the three companies reported overall revenues of approximately Euro 19.0 million<sup>(2)</sup>, with pre-efficiencies normalized EBITDA of approximately Euro 5.2 million. In particular, in the first four months of 2019, compared to the same period of the previous year, Centro Medico San Biagio reported an increase in revenues of approx. Euro 1.1 million and in EBITDA of approx. Euro 0.25 million, while Centro Medico Università Castrense and Bimar substantially confirmed the strong results of 2018.

The acquisition of Centro Medico San Biagio and Centro Medico Università Castrense shall be executed through a vehicle company entirely owned by GHC, while Bimar shall be acquired directly by GHC S.p.A.

<sup>(1)</sup> The price includes the value of 20% of the share capital of Centro Medico Università Castrense, currently owned by the Municipality of S. Giorgio di Nogaro

<sup>(2)</sup> Source: Financial Statements of the acquired companies at December 31, 2018. Aggregated figures, ITA GAAP



The transaction will be funded for Euro 20.0 million through a bank loan agreed with a leading Italian bank and for the remainder through own funds.

The contract in addition stipulates the release by the sellers of a guarantee of Euro 5.0 million against potential contingent liabilities.

**Maria Laura Garofalo, Chief Executive Officer of GHC,** stated: *"We are particularly satisfied with this transaction which brings to our Group entities demonstrating organisational excellence, while also placed among the leading Italian centres for eye surgery. These are efficient structures with excellent earnings creation, good cash flow, and, furthermore, growing significantly in 2019. The acquisition is a key strategic operation for GHC as, in addition to strengthening our presence in Veneto, allows us to extend our presence into a new particularly virtuous Region, that of Friuli-Venezia Giulia. I am also satisfied by the fact that we were able to comply, well in advance, with the commitments made with the investors during the roadshow. In approximately 7 months, we have in fact delivered three major acquisitions with a cumulative Enterprise Value of approx. Euro 129 million and a cumulative EBITDA which for 2019, on a 12 months basis and including only part of the expected efficiencies, is estimated at approx. Euro 14 million, with a margin in excess of that reported by the Group in first quarter of 2019 (that was 21.3%)".*

GHC received legal support from Attorney Patrizia Crudetti, in terms of tax matters from the Studio Bagnera & Associati and for the financial aspects from Deloitte Financial Advisory in the person of Luca Zesi. The sellers were supported by the Studio Giuriato of Padua and by Attorney Fabio Giachin.

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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 21 healthcare clinics 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").

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#### **FOR FURTHER DETAILS:**

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