



Press Release

GAROFALO HEALTH CARE S.P.A.: CLOSING COMPLETED FOR 100% ACQUISITION OF XRAY ONE, A DIAGNOSTIC CENTRE IN THE PROVINCE OF MANTUA

NEWLY ACQUIRED COMPANY GOVERNANCE STRUCTURE PUT IN PLACE

Rome, July 23, 2020 - Garofalo Health Care S.p.A. (“GHC”), listed on the MTA segment of the Italian Stock Exchange, announces - following on from that announced to the market on July 2, 2020 - the closing of the acquisition of 100% of the share capital of XRay One S.r.l. (“XRay One” or the “Target”), a diagnostic centre for diagnostic radiology and specialist medicine, accredited by the National Healthcare System and located in Poggio Rusco, in the province of Mantua.

XRay One, which operates both under the Lombardy Region accredited and private healthcare system, provides radiological / diagnostic imaging services and outpatient services for general surgery, orthopaedics and traumatology, neurology, dermosyphilopathy, ophthalmology, cardiology, gastroenterology, digestive surgery and endoscopy, obstetrics and gynaecology, physical medicine and rehabilitation, urology. The facility is also equipped with cutting-edge specialist technology, especially in the field of latest-generation high diagnostics.

The acquisition was executed through a vehicle company called GHC Project 5 S.r.l., entirely held by GHC. On closing, the governance of the Target was renewed with the appointment of the following directors: Dr. Giacomo Barbalace, already founder and existing Chief Executive Officer of the facility, as Chairperson and Chief Executive Officer, Attorney Maria Laura Garofalo and Mr. Raffaele Rinaldi Garofalo.

The Enterprise Value of the transaction is equal to Euro 13.6 million and implies a pre-synergies EV / EBITDA multiple of approx. 7.6x. The Equity Value, calculated based on a Net Financial Position at closing equal to approx. Euro 0.8 million, is equal to Euro 12.8 million.

For 2019 XRay One reported revenues of approximately Euro 7.6 million⁽¹⁾, and a normalized pre-synergies EBITDA of approximately Euro 1.8 million, with a 23.5% margin already higher than the Group average (equal to 20.0% in FY2019 on a Pro-Forma basis⁽²⁾).

The acquisition was financed using available resources for Euro 5.8 million, paid partly as a down payment upon signature of the preliminary contract and partly on closing, and for the remaining part through a bank loan signed with Crèdit Agricole Italia, as part of a previously signed credit line for a total amount of Euro 35 million and exclusively dedicated to M&A activities.

GHC received legal assistance from Ms. Patrizia Crudetti, and fiscal and financial assistance from Crowe AS Italia.

The vendors were assisted by Studio Benatti, in the person of Mr. Stefano Polacchini, and by Studio Tebaldi, in the person of Mr. Fabrizio Tebaldi.

⁽¹⁾ Source: Financial Statements of the acquired company at December 31, 2019. Figures are ITA GAAP

⁽²⁾ The 2019 Pro-Forma figures retrospectively reflect at January 1, 2019 the acquisitions made by GHC during the previous year. These Pro-Forma statements are drawn up on a voluntary basis and according to procedures agreed with the independent audit firm as per the International Standard of Related Services (“ISRS”) 4400 issued by the IAASB



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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 25 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 eight regions in Northern and Central Italy (Piedmont, Lombardy, Veneto, Friuli-Venezia Giulia, 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 Sector").

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FOR FURTHER DETAILS:

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