



# **“Acquisition of Casa di Cura Città di Roma Conference Call”**

**Monday, 21 July, 2025, 10:00 CET**

**MODERATORS:** Mrs. Maria Laura Garofalo, CEO  
Mr. Luigi Celentano, Chief Financial Officer  
Mr. Riccardo Rossetti, Head of Administration and Reporting and  
CEO of GHC Real Estate  
Mr. Marco Manili, Head of Finance, Planning and Control Aurelia  
Group  
Mr. Mimmo Nesi, Investor Relator & Chief Sustainability Officer



**OPERATOR:** Good morning, this is Chorus Call operator. Welcome to the presentation of the Città di Roma deal.  
After the initial presentation there will be an opportunity to ask questions.  
I would now like to turn the floor over to Mr. Mimmo Nesi, Investor Relator and Chief Sustainability Officer of GHC. Please.

**MIMMO NESI:** Good morning everyone, thank you very much for your time and availability.  
As you have seen, on Friday the Company announced the acquisition of Casa di Cura Città di Roma, which will be presented to the market today.  
I will briefly remind you that the call will be made in Italian and the transcript will also be made available shortly in English on the Company's website.  
I will briefly introduce those who are here in the room, so obviously the CEO of GHC Group, Mrs. Maria Laura Garofalo; the Group CFO, Mr. Luigi Celentano; the Head of Administration and Reporting and CEO of GHC Real Estate, Mr. Riccardo Rossetti; Mr. Marco Manili, Head of Finance, Planning and Control of Aurelia Hospital Group.  
At this point I leave the floor to the CEO for an initial presentation of the transaction and, following this, there will obviously be room for your questions.

**MARIA LAURA GAROFALO:** Good morning, everyone. As you have read, we have concluded this transaction, which is very important and very strategic for us, because it allows us, in the light of a project that we have already defined in recent months, and also already presented to the Region, obviously receiving the ok in the event that we won the auction, to start immediately with the grounding of this project, which will create an important enhancement in terms of marginality, and will also allow us to put all the Group's activities in order, so that the various facilities, Aurelia Hospital, European Hospital and Città di Roma, will each have their own distinct identity, without providing activities that may be in competition with each other.  
Initially, when we presented the Heart Centre project, we represented the fact that, at the conclusion of the structural completion of the expansion project, the cardiac surgery and cardiology of the European Hospital, which is currently provided here under accreditation, would be moved to Aurelia Hospital; and the motor, respiratory and neurological rehabilitation department, with 52 beds and a budget of 4.8 million, currently present in Aurelia Hospital, would be moved to European Hospital.  
Basically, there would have been an exchange of departments, of activities, between Aurelia Hospital and European Hospital.  
It is certain that in this way Aurelia would have brought home - and will continue to bring home - a great deal of added value in terms of value creation, while the European Hospital would have remained a bit of a hybrid, with a



marginality that in our opinion would have been insufficient even to guarantee a level of investment that would have been sufficient to maintain the high level of the services provided, because it would have been a facility with a rehabilitation department under accreditation, therefore with costs sustained by the public healthcare system, and a facility that would have provided all the other surgical specialities under a private regime.

This was the initial project, but it is a bit of a hybrid within the structure of a private hospital.

So, by acquiring Città di Roma, what are we going to do?

The problem with Città di Roma today is that it is a facility that was built in the 1960s by the three Garofalo brothers, of which my father, Raffaele Garofalo, was the eldest brother, also with a logic that at the time envisaged the construction of hospitals in a vertical line, whereas today they are all built in a horizontal line, because obviously this makes it possible to make organisational costs much more efficient, especially staffing costs.

Initially, Città di Roma, in the 1970s, was doing very well because it was an acute-care facility that was paid per day of inpatient care, whatever was done. With the reform of the healthcare system, however, DRGs were introduced, i.e. rates per single type of intervention, and, at the same time, all acute care facilities were assigned a budget.

Unfortunately, Città di Roma was allocated a fairly modest budget, just over €8 million, which could not cover the structural costs, to the point that two or three wards were closed.

After that, the structure of Città di Roma was reviewed and, when the agreement for the Heart Centre was made, it was also established that in Città di Roma, in the wards that remained empty, 80 Dependency Care beds would be authorised and accredited, of which 20 have already started and 60 are about to start. This would have been the final arrangement in Città di Roma.

We, on the other hand, have foreseen and presented in the Region that the rehabilitation of Aurelia, instead of being moved to European Hospital, will be moved to Città di Roma, and Città di Roma's acute department, with its budget of over 8 million, will be moved to the European Hospital. In this way we create a lot of value.

First of all, we create order, because Città di Roma will become a post-acute facility, therefore equipped with 52 rehabilitation beds and 80 Dependency Care beds, at the same time equipped with two haemodialysis rooms and diagnostic and specialised outpatient activities, both under private and accreditation regimes.

Instead, the European Hospital will become the “classic” multi-specialist acute care facility, as we have so many in the Group, providing acute care services under both accreditation and private regimes, and this will make a big leap in



terms of turnover for the European because, as it takes on more services under accreditation, the private sector will also go up a lot. This is in terms of turnover. This operation, however, will allow us a large cost recovery, so the 3 million euro EBITDA is also conservatively estimated because these only take into account the effect of the departmental moves that as I have described to you, but obviously this figure does not include all the managerial development of the facility.

The cost efficiencies will be considerable, because imagine that today there is one operating theatre in European and one operating theatre in Città di Roma: at that point, by eliminating one operating theatre, there will be a single operating theatre, which has the capacity to also accommodate the Città di Roma's accredited activity, so all the personnel dedicated to the Città di Roma's operating theatre will be eliminated.

By the way, this EBITDA does not include all the major efficiencies. We have left out of this result, in a prudential manner, some efficiencies, even if they are physiological, to present a number that could be prudential, because we like to surprise you, rather than disappoint you, but we have the same duplication of staffing costs also in the Day Hospital and in the wards, so all this will produce a great reduction in production costs.

Nor will there be what could be the complications of possible collective redundancies, which, even if justified, are always commitments, also in terms of cost. Instead, there will be none because, if you remember correctly, there are two Dependency Care wards in Città di Roma, each with 30 beds, which are in the process of receiving authorisation and accreditation, and which obviously have no staff at the moment.

We have done the maths: a maximum of two units will probably be left out of the absorption, but they will be placed in the turnover of nurses, so all the redundant staff, which is a lot, resulting from the grounding of this project, will be employed in the opening of the two Dependency Care units.

This project has already been discussed in the Region, because I wanted to participate in the auction certain that we could then proceed quickly on the realisation of this project. We had several meetings and we basically got the ok before the auction, so much so that as of today, although we are going to define the final contract and finalise it with the fulfilment of the main condition precedent, which is the transfer of the accreditation authorisation, i.e. from Casa di Cura Città di Roma to the Newco, which should take place around September, we are starting immediately, having signed the preliminary contract, as of today.

We expect the whole process to be concluded by 31 December. Obviously we will be very focused on this, but keep in mind that in the valuations we have made we have also taken into account a timeline that could extend by a few months.



I'll shut up now, because I've put so much "meat on the fire" that perhaps it's time to leave room for questions, if there's any passage that wasn't clear enough.

**OPERATOR:** This is Chorus Call operator. We will now begin the question and answer session. The first question is from Isacco Brambilla, Mediobanca. Please.

**ISACCO BRAMBILLA:** Good morning everyone, on my side I have two questions.

The first is a clarification: considering the last consideration on timing and discussions with the Region, for the 24 months should we consider by the end of 2027, so considering two years from 31 December this year?

Still on that, what kind of turnover should we imagine associated with this 3 million EBITDA? Or, if we want to look at it in another way, what margins could Città di Roma achieve once these efficiencies are grounded?

The second question is more about the effects on the Aurelia side: if you can simply tell us if, on the Capex side, there is any impact compared to the plan you shared in the past quarters.

**MARIA LAURA GAROFALO:** So I'll start on the Capex side and then, for the numbers, I'll leave the floor to Mr. Manili and Mr. Celentano.

On the Capex side, the project simply involves the construction of a gym on the top floor, so we have estimated an expenditure of around 100,000 euro. To realise the project, therefore, large investments will not be necessary.

Obviously I do not consider, in what I am representing to you, any investments, but for further development, which will therefore provide for further Revenues and further EBITDA. For example, I would certainly foresee in Città di Roma the restructuring of the outpatient diagnostics department, also renewing some equipment, in order to be able to develop private activity well, because Città di Roma is located in an urban area with a high population density.

However, this is not part of the realisation of the project. In order to realise the project, the investment may not be more than 100-150,000 euro.

On the timing side, we have said 24 months to go to full operation, and it is also a fairly conservative timeframe, but consider that from the moment we start, i.e., the wards are moved, at the latest I hope by the very first of 2026, already there we will have a great efficiency in terms of costs.

Let's say we don't see those three million in two years. We see most of them already in 2026, to be completed in 2027.

**LUIGI CELENTANO:** As far as the marginality of the operation is concerned, it must be said that when we speak of 3 million EBITDA and the contribution of this operation, we are referring to the combined effect that we will find, in terms of impact, on the three facilities, especially in terms of marginality.



In terms of Revenues, when fully operational, the operation is expected to contribute more than 20 million, between 20 and 21 million in additional Revenues, combined with these 3 million in additional EBITDA.

These 3 million, however, are distributed, in terms of contribution, over both the European Hospital and Città di Roma. In terms of marginality, therefore, we have 3 million, which relates to about 20 million, a little more than 20 million, in terms of overall contribution. Limited to Città di Roma, the marginality at regime, with the set-up that provides for the full deployment of the Dependency Care activities, the transfer of outpatient surgical activities to European, the reception of rehabilitation, and then the implementation of other activities related to dialysis, or to specialist and diagnostic activities, will be around 12-13%, as a marginality limited to Città di Roma.

Certainly, however, the operation should be seen as a whole, precisely because there is this rationalisation and reallocation of activities, which mainly involves European Hospital, obviously in addition to Città di Roma.

**MARIA LAURA GAROFALO:** I also wanted to emphasise, and we have all been aware of this, including the independent expert who did the evaluation, that there are further physiological efficiencies, which are part of the physiological efficiencies resulting from the move, but which we have prudently kept out, but which will certainly be realised.

Today, that is, the Città di Roma's surgery department employs 13 nurses. We did an in-depth analysis of European Hospital's current ward and its occupancy in order to assess whether - in order to accommodate the Città di Roma's surgery department's activity - there was a need to open another ward and, therefore, to take those units into European.

In fact, absolutely not: despite the significant growth in private activity that European has experienced over the last two years, two and a half years, growing by over 2.5 million, to date, with its current private activity, it is able to accommodate Città di Roma's surgical department in its surgery department. An in-depth study was made on this.

Obviously, when private activity increases, as it surely will for the reasons I mentioned at the beginning, that department will no longer be sufficient and another will have to be opened; at that point, however, the higher personnel costs will in any case be covered by the higher Revenues produced by the new department. There are no costs, therefore, because there are no Revenues either. The moment we open another department, it will mean that the private business is growing so much that we will have new Revenues that will cover those personnel costs.

Keep in mind that the company cost of a nurse is about 40,000 euros per year and 40,000 multiplied by 13 makes about half a million euros in EBITDA. If we



were to quietly turn that EBITDA from 3 to 3.5 million, imagine how much the acquisition multiple would drop further.

This is certain: it is part of the certain and physiological efficiency gains resulting exclusively from the shift of activities and not from development.

**OPERATOR:** The next question is from Emanuele Gallazzi, Equita. Please.

**EMANUELE GALLAZZI:** Good morning everyone and thank you very much for the details. On my side I have three questions.

The first one is a clarification on the timing part, in the sense that it is clear that there is a two-year timeframe to get up to speed on the Città di Roma part, but I was wondering if this shifts the timing on the remaining part of the Rome perimeter, so that efficiency improvement that should bring about 6 to 15 million EBITDA on the European Hospital and Aurelia Hospital part.

The second question: we have not dealt with Real Estate, you have indicated that in fact it is worth more than the price paid, if perhaps you can give us a comment on the Real Estate part; if I am not wrong, the Rome perimeter is starting to have a significant weight on the Real Estate portfolio, we should be at 25-30% of Group Book Value, if perhaps you can give us some update on the Lazio Real Estate strategy.

Last point, a more strategic one: with this acquisition, if I am not mistaken, Lazio is in fact coming very close to Veneto in terms of Group regional weight, in fact it is the third region for you. I was wondering if there was a further desire to strengthen in the Lazio Region, or if you are satisfied with the current perimeter. Thank you.

**MARIA LAURA GAROFALO:** With regard to the first question, concerning the timing, absolutely not, in the sense that in reality the 24 months depend precisely on the completion of the Aurelia works, i.e. the expansion activities needed to accommodate the cardiac surgery and cardiology of the European Hospital. This is because the Città di Roma project will be definitively concluded when the activities of the European Hospital can be transferred to the Aurelia Hospital, so it does not affect the timetable for the realisation of the Heart Centre project in the slightest, but the 24 months are exactly what is needed. Actually, something less, because we should start at the end of July - I'm referring to Aurelia Hospital, to the realisation of the expansion activities - and there are about 14 months, which we have contracted with the company that won the tender. In reality, these 24 months are simply dictated by the timing of the completion of the works combined with the Aurelia Heart Centre, because only then will we be able to transfer all the cardiac surgery and cardiology activities of the European in Aurelia.



In reality, however, more than three quarters of this project will be realised much sooner than 24 months, because the Aurelia rehabilitation will be transferred immediately to Città di Roma, and Città di Roma will therefore immediately transfer its surgical activity to European Hospital. We have seen, in fact, that the surgical activity in European Hospital fits there, as I said before, without having to open a new department.

If anything, what does not go there, pending the relocation of cardiac surgery and cardiology, is the general medicine department of Città di Roma, which, we agree with the Region, we will transfer to the Aurelia.

Initially we spoke only of a temporary transfer: that is, when the European will transfer cardiac surgery and cardiology to Aurelia, it will also take over general medicine. We are, however, negotiating with the Region the possibility of leaving general medicine of Città di Roma permanently in Aurelia, because this, without boring you on the technical part, would bring us a further cost efficiency of about EUR 140,000.

What are we going to do immediately? We are going to immediately transfer the Aurelia rehabilitation to Città di Roma and the Città di Roma surgery to European, so the bulk of the efficiency gains will take place in 2026.

The conclusion, for a small part of the project, will take place with the transfer of cardiac surgery and cardiology to Aurelia Hospital.

This as far as the timeline is concerned.

As far as Real Estate is concerned, the building in which Casa di Cura Città di Roma is located is 8,000 square metres.

We all like to make very prudential assessments: assuming a prudent reconstruction cost of 2,000 euro per square metre, which is very conservative, we arrive at 16 million euro.

Consider that, moreover, it is a valuable property, because it is located in a Roman area, Monteverde, with a high population density, a residential area. Surely the market value is higher than EUR 16 million.

As for the Roman Group's Real Estate project, we have not yet done any reasoning, because we are in a phase of restructuring the operational activity. We must first bring the management part up to speed and then see if we want to move the Real Estate to GHC Real Estate as well. However, we must first strengthen the business part, so that the rental costs do not have a negative impact, i.e. they are absorbed by the margins of the facility, which must be what we have planned and expect.

As far as further acquisitions in Lazio are concerned, no. Also because we have an M&A discipline that you know very well, which is very well outlined, so we have decided to grow in virtuous Regions.

I have to say that today, even though the Lazio Region is no longer in the recovery plan but is under commissioner status, this Region is very active, and this is also demonstrated by the significant budget increases we have obtained



for Aurelia Hospital, for example, where I remind you that we obtained, since the first month of acquisition, an incremental budget of 1.6 million for medicine; we then obtained 2 million this year for outpatient specialisation.

It is a Region that has adjusted the tariffs for dependency care activities, so we will have important improvements on Samadi, Villa Von Siebenthal and Hospice San Antonio da Padova.

Today, the Lazio Region, despite being a commissioned Region, is perhaps the one that is moving most favourably even compared to the acclaimed virtuous Regions.

However, it is not our project to grow further in Lazio. I repeat: unless an unmissable opportunity should present itself, which is not on the table today. We have other things on the table, but they are not in the Lazio Region.

This operation was absolutely worth doing and we could afford to do it. I am talking about the entire Aurelia Group and Città di Roma, therefore the facilities founded by my father and his brothers, because we knew them very well and therefore we knew perfectly well what we could extract, in terms of value, in a situation of non-conflict with the other shareholders.

This Group, remember, will give us great satisfaction in terms of value creation and, even more, we will realise what a great deal we did in acquiring it at the values that you all know.

This, I repeat, we were able to do because we knew what we could do with this Group, what kind of optimisation, what kind of planning, because we knew the realities we acquired very well.

I can tell you that we have other acquisitions on the table, which are not in the Lazio Region.

**OPERATOR:** The next question is a follow-up by Isacco Brambilla, Mediobanca. Please.

**ISACCO BRAMBILLA:** Thank you, two further questions on my side.

The first is related to this last point. Considering a Pro-Forma EBITDA that is now approaching 90 million, with this last acquisition, if we go and analyse the fire-power that you have left after this deal can we assume that there is another 50 million available, to invest on further deals, on further deals in the coming quarters?

The second question is actually beyond this acquisition. In May there was talk of discussions on possible budget increases, if I remember correctly in Lazio and potentially also in Friuli-Venezia Giulia and Veneto: if you can give us an update on this.

**MARIA LAURA GAROFALO:** As far as budget increases are concerned, in Lazio we had EUR 2 million for outpatient specialisation, we had rate increases for dependency care activities, which will bring us an overall increase of about EUR 2 million in terms



of tariffs, which goes directly to EBITDA.

We asked for the accreditation of the outpatient specialisation of the European Hospital, which is currently private and not accredited, with the allocation of a budget because we evaluated, also together with the Region, that the Local Healthcare Authority to which the European Hospital belongs is also that of Città di Roma. In fact, the project was possible precisely because both European and Città di Roma belong to the same Local Health Authority, so transferring Aurelia's rehabilitation, instead of to European, to Città di Roma can be done without any problem because both Città di Roma and European are in the same territorial area.

As for the other extra-budgets, in Veneto we are waiting to see if there will be any on the waiting lists, while there will certainly be some extra-budget in Friuli-Venezia Giulia. We know for sure that the Region has allocated approximately 15-18 million euros to increase the budget of the accredited private facilities, so Sanatorio Triestino will certainly receive some incremental budget, but as of today we are still discussing how this fund will be distributed among the various operators.

**LUIGI CELENTANO:** In Friuli, then, Sanatorio Triestino received an extra-budget, for now on outpatient activities, of 2.3 million, for specialist diagnostic activities and also outpatient surgery. Obviously this is to be seen as a differential compared to the previous year, so compared to the previous year it is 1 million more, but in any case it represents an extra-budget that should be read in full.

Coming to the fire-power, we have a fire-power in the order of 70-80 million at least, in order to always maintain those reference leverage thresholds that we are used to communicate and that we also have internally. Today, therefore, we have an availability and a fire-power, in the short term, higher than the 50 million you referred to.

**OPERATOR:** Mr. Nesi, there are currently no other questions.

**MIMMO NESI:** Perfect. Thank you very much for your time and, as IR department, we are at your disposal for further clarifications or questions. See you soon and thank you very much.