



“GHC Results 1H2025 Conference Call”

Thursday, 11 September, 2025, 4:30PM CET

MODERATORS: Mrs. Maria Laura Garofalo, CEO
Mr. Alessandro Maria Rinaldi, Chairman of the BoD
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 of Aurelia
Hospital Group
Mr. Mimmo Nesi, Investor Relator & Chief Sustainability Officer



OPERATOR: Good morning, this is Chorus Call. Welcome to the presentation of the GHC Group's results for the first half of 2025. After the initial presentation, there will be an opportunity to ask questions. I would now like to hand over to Mr. Mimmo Nesi, Investor Relator and Chief Sustainability Officer at GHC. Mr. Nesi, please.

MIMMO NESI: Good afternoon everyone, thank you very much for your time and availability. As you have seen, the company has announced its results for the first half of 2025, which we are presenting to the market today. I would like to briefly remind you that the call will be conducted in Italian and the transcript will also be made available in English shortly on the company's website.

I would like to briefly introduce those who are here in the room, namely the CEO of the GHC Group, Mrs. Maria Laura Garofalo; the Chairman of the Board of Directors, Mr. Alessandro Maria Rinaldi; the Group CFO, Mr. Luigi Celentano; the Head of Administration and Reporting, as well as CEO of GHC Real Estate, Mr. Riccardo Rossetti; Mr. Marco Manili, Head of Finance, Planning and Control of the Aurelia Hospital Group.

At this point, I will give the floor to the CEO for an initial presentation, followed, of course, by a Q&A session.

MARIA LAURA GAROFALO: Good evening, everyone. The 2025 half-year results have been satisfactory, in line with the forecasts we made at the beginning of the year, so much that the decrease in EBITDA we recorded in the first quarter was deliberately linked to a series of strategic choices we had made, which also concerned the offer of higher-cost services in some of our facilities, in particular the decision to attract and retain nationally and internationally renowned professionals, thus with the possibility of having a significant impact on both Revenues from Out-of-Region and private patients. This has happened, and in the second quarter, that decrease in EBITDA has essentially more than halved, and the trend will certainly continue in the coming months. We also take into account post-half-year Revenues, i.e., those of the last few months, which are very good, both compared to previous months and to our forecasts.

We are very satisfied with the Group's future prospects, which show increasingly significant organic growth, linked, of course, as we have seen since the beginning of the year, to a sharp increase in Out-of-Region patients and, in the second quarter, also in private patients, but linked above all to a significant allocation of extra-budget funds. We discussed this during the approval of the quarterly report with regard to the Siena facility, the Rugani Hospital, also in relation to the expected extra-budget increases allocated to the Roman Group, and this summer, in early August, incremental but structural budgets were also allocated in Friuli-Venezia Giulia, specifically to the Sanatorio Triestino and the Centro Medico Università Castrense facilities. In August, an agreement was



signed covering the three-year period 2026-2028, which sees an increase in the budget of approximately 1.5 million between the two facilities. We are also very satisfied with the new developments in the Lazio Region, which is proving to be a Region with great growth potential in terms of value creation, at least for our Group. The Region has approved a project to reorganize the territorial/psychiatric area. This new initiative will significantly improve tariffs for our Group, excluding Casa di Cura Città di Roma, which will also see a positive impact of approximately 350,000 euros. It mainly concerns the other facilities, namely the Hospice Sant'Antonio da Padova, Samadi, and Villa Von Siebenthal, for a total increase of approximately 1.4 million, which will obviously have a direct impact on EBITDA, as it does not entail production costs. As for Lazio, as I mentioned earlier, we had already started all the internal construction work on the new Heart Center, but in early August we also obtained the “building permit” for the new extension. These works also began on August 18, and according to the contract, they will take approximately 13 and a half months to complete. At this point, therefore, we can say with reasonable certainty that the new Aurelia Hospital Heart Center will be completed, with all the necessary authorizations and accreditations, by the end of 2026, so it should be up and running by the end of 2026. I would also like to refer back to what I was saying earlier about the new project and the new structure planned by the Lazio Region in the territorial/psychiatric area, because, in addition to the adjustment of tariffs, this project opens up the possibility of opening new accredited wards, with the costs being sustained by the Regional Healthcare Service. With regard to the needs that this project has highlighted in the various Regional areas, we have already applied to open a new 18-bed ward for the treatment of eating disorders and another 13 beds for “dual diagnosis” within Samadi, which currently has unused space. The Region is very enthusiastic about our request because, as you know, we have Villa Garda in Garda, which is a European center of excellence for the treatment of eating disorders, thanks to this protocol developed by our head physician, Professor Dalle Grave, who would oversee the establishment of this new department in Lazio. This increase in accredited beds would bring Samadi a total increase in Revenues of approximately 1.9 million and approximately 700,000 in EBITDA. As usual, I have covered several topics, so I would say that at this point we will stop and wait for your questions.

OPERATOR: We will now begin the Q&A session. The first question is from Emanuele Gallazzi, Equita. Please go ahead.

EMANUELE GALLAZZI: Good afternoon, everyone. Thank you for the introduction. I would like to start with three questions, perhaps it would be easier to go through them one by one. The first is about the top-line performance in the second quarter, where



Revenue growth continues to be strong. You mentioned 3% growth in private activity. I was wondering if you could give us a little more detail on the dynamics of Out-of-Region patients, the dynamics with the National Healthcare Service and Regional patients, and whether this growth rate is more or less similar across all the various facilities, or if there is a specific segment, Region, or facility that is contributing more than others. Thank you very much.

LUIGI CELENTANO: With regard to the performance in the second quarter, responding specifically to the issue of activity involving Out-of-Region and private patients, it was certainly a very positive quarter. Out-of-Region activity grew by approximately 10% compared to the same period last year, and we recorded significant growth of over 3% for private patients. The trend in activity involving private patients is fairly widespread, which we are seeing in all Regions and in all facilities. Out-of-Region activity obviously concerns acute care facilities first and foremost, so not all facilities are affected by this phenomenon. It mainly concerns facilities in Veneto and Emilia-Romagna, which are very attractive and continue to be very attractive both to professionals and, of course, to patients from other Regions. We expect this trend to continue in terms of Out-of-Region activity. In July, given that August is usually a rather slow month, the Out-of-Region trend confirmed the trend already recorded in the second quarter. I believe I have addressed everything that was asked.

EMANUELE GALLAZZI: Absolutely. Is this a dynamic that you continue to explain with the issue of waiting lists, which remain very long in Italy?

LUIGI CELENTANO: It is an issue that we have explained not so much in terms of waiting lists, but rather in terms of the attractiveness of our facilities, our doctors, the technology we offer, and the overall treatment provided by our facilities, which are centers of excellence in the areas and specialties in which they operate.

MARIA LAURA GAROFALO: It is also the result of our initiatives, which may have been a little more expensive in the first quarter, where, for example, in order to retain and attract doctors and professionals who are recognized nationally and internationally, and therefore have a significant number of Out-of-Region and private patients, we increased the number of robotic procedures in orthopedics, for example, compared to what we had planned and budgeted for. As you know, robotic prosthetics in orthopedics are slightly more expensive than traditional prosthetics. This has obviously also happened in other areas. For example, in order to attract leading professionals, we have also increased the number of robotic procedures in urology and general surgery, which obviously cost slightly more than procedures performed without robots. On the other hand, this is the future, so we are very careful in determining and defining a case mix of services



that allows us to consolidate our growth in a significant way, but also allows us to stay ahead of the competition in our sector, because in order to increase the number of Out-of-Region and private patients, we have to work on professionals, so first of all we have to make our facilities attractive to professionals.

EMANUELE GALLAZZI: If I may, my second question concerns Aurelia Hospital. The start of work on the Heart Center is certainly a positive sign, which then gives visibility to the process of improving efficiency in the Rome area. First of all, I was wondering: given the Capex in the first half of the year, you had indicated at the beginning of the year that it would be around 35 million, so I imagine that this Capex plan has been slightly delayed and is now more focused on 2026 than 2025, but please correct me if I am wrong. And, still on the subject of Aurelia, I wanted to understand two things: I saw in the press release that you indicated that there are one-off extra costs on the Aurelia in the first half of the year. If you could give us some indication there, and on the subject of financing of the Emergency Room, which was 3 million last year, if there is any news on that subject and on its visibility.

LUIGI CELENTANO: I'll go in order. As regards the Capex plan, that's correct: with the start of the construction works in August, and especially with the rescheduling of this contract, some items have been transferred to 2026, so we expect our total Capex to land in the range of 30-32 million, down from the 35-36 million you mentioned.

As for the one-offs in the first half of the year, they essentially concern two cases. One is simply an accounting impact that we had to recognize in the first half of the year for the Roman Group's facilities, due to the recalculation of employee vacation pay, because when we abandoned the previous supplier, and also the personnel management system, which belonged to Aurelia's previous history, these recalculations revealed that there was an inadequate amount of vacation pay compared to the vacation time actually available to employees. We therefore had to make this accounting adjustment, which is worth about half a million and will obviously not be repeated.

Another factor that came into play, and which we handled prudently, in my opinion, in the first half of the year, concerns the contribution that the Lazio Region, through the Local Healthcare Authorities, provided until last year to partially cover the increased labor costs resulting from the renewal of the national collective labor agreement. This is a matter that concerns the past, but there was a national agreement that required the Regions to cover 50% of the additional costs incurred by private accredited facilities. In recent months, the Region has informed us that it would no longer recognize this additional cost. Clearly, this is an open issue for us in our discussions with the Region, but



prudently and cautiously, we have decided not to recognize this contribution, which has an immediate impact on Aurelia's EBITDA, on the basis of this communication.

In short, these are the two macro phenomena, which do not change our outlook in terms of Revenues and expected margins on Aurelia for 2025, so we are still satisfied with the work being done and the results coming out of Aurelia and the Roman Group, to which we can add the aspects mentioned by the CEO regarding dependency care activities, in particular.

MARCO MANILI: As for the question on financing of the Emergency Room, we are absolutely on track. Obviously, our goal, I remind you, is to reach a volume of at least 25,000 accesses, and the volume recorded as of June 30 is absolutely in line with the final goal, so we can confirm that we will definitely achieve this extra production by the end of the year.

EMANUELE GALLAZZI: One last point on guidance. During the last conference call, you indicated Revenues of approximately 480 million, EBITDA of 84 million, and Net Debt of 190 million, clearly prior to the acquisition of Casa di Cura Città di Roma. Are all of these targets confirmed?

LUIGI CELENTANO: Yes, they are confirmed targets for all the measures you listed.

OPERATOR: The next question is from Isacco Brambilla, Mediobanca. Please.

ISACCO BRAMBILLA: Thank you. Good afternoon, everyone. Most of the topics have already been covered, but I have two questions.

The first is about Casa di Cura Città di Roma. If I am not mistaken, we should be approaching the closing date, based on the indication you gave at the time of the acquisition. Could you please give us an update on the integration plan, if you have seen anything different from what you expected in July?

The second question is also about inorganic growth: if you could remind us of the firepower you expect to have available between now and the end of the year and for 2026, also in qualitative terms, if you can give us some insight into how you intend to put it to work.

MARIA LAURA GAROFALO: As regards Casa di Cura Città di Roma, we fully confirm everything we discussed during our last call. So we expect to sign the final contract, I presume, by the end of October, or early November at the latest, because the signing of the final contract is essentially conditional upon the transfer of the accreditation authorization by the Region from the company in liquidation to the newco Casa di Cura Città di Roma S.r.l., which was set up by the liquidator and which will obviously acquire the business unit.



Our application was submitted to the Region on August 8, requesting the transfer of the accreditation authorization. In theory, the Region has about 45 days to respond to this request, so we are on schedule.

Moreover, we had a meeting last week with the Region on this issue, because we shared all the steps, which are quite complex, regarding the implementation of the project to upgrade the facility, in particular Città di Roma and European Hospital, the two facilities, with the transfer of the various departments as I explained to you in the last call. We worked at the end of July and in August to see the small adjustments to the requirements of the two departments that will have to accommodate Aurelia's rehabilitation; with the architect, therefore, we have put together a project that involves the adaptation of these two departments and the construction of a gym, works that should be completed by the end of November. In the meantime, the Region is obviously very cooperative on this front, so we can confirm everything we told you in our last call. In fact, we have been working flat out on this throughout the summer months.

LUIGI CELENTANO: As regards firepower, I can confirm what we said during the previous call, namely that in the short to medium term, always with reference to our target leverage level, we have a firepower of around 80 million. We are now going to close the Città di Roma deal and, in the long term, extending the horizon to 2026, the firepower can certainly be considered greater and can reabsorb the Città di Roma transaction, thus rebuilding itself to the order of the value I have indicated to you.

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

ISACCO BRAMBILLA: If you could give us some insight into the strategic priorities in terms of M&A, as far as possible.

MARIA LAURA GAROFALO: We are evaluating targets in the Veneto and Lombardy Regions. We have also begun in-depth analyses, but I don't think I can say anything more about that. However, yes, we are active in M&A.

OPERATOR: The next question is a follow-up from Emanuele Gallazzi, Equita. Please.

EMANUELE GALLAZZI: Two follow-up questions. One is still on the M&A side. What I was wondering, beyond the targets, is the context: are you seeing more competition? Are there any international groups interested? Is there a consolidation dynamic that is accelerating? Are financial players interested in entering the sector? If it is possible to have a little more detail on what you are seeing on the M&A front and the competitive environment, on this side.



The second point, on the other hand, concerns Net Working Capital because, in fact, after the first quarter, we saw an improvement in the second quarter, where there was actually a reduction in receivables. I was wondering if you could give us a little more detail on what you are seeing, on the willingness of the Regions to pay. If there are any delays in payment times, or in any case, what you are seeing now, in essence. Thank you.

MARIA LAURA GAROFALO: As far as M&A is concerned, our sector is increasingly attractive as an investment area, even for large companies and funds. Above all, going forward, investors tend to move towards sectors that are non-cyclical, such as ours, which, as we have seen, despite the headwinds, has always enjoyed sustained growth in both production volumes and margins. Let's remember that when we went public in 2018, we had a turnover of around 150 million, and today we are close to half a billion. The fact is that our competitors, i.e., industrial groups, are showing interest, but in fact, they have pursued an M&A strategy that, in my opinion, is not particularly careful, because if you do not grow in a measured and very careful manner, you end up with a very burdensome reality and financial structure. Certainly, therefore, we have many competitors, perhaps industrial groups, who enter competitions but are then unable to close the deal. Groups that are even larger than us in terms of production volumes, but then do not have the financial resources because they are heavily burdened by debt. We, on the other hand, as you know, as you have been able to ascertain over the years, have a very careful, very measured growth and M&A discipline, so we evaluate healthy facilities, or even less healthy facilities, but only when we are certain that the less healthy facility can then align itself with our economic and financial performance. We have always carried out transactions that have also involved an investment in terms of cash, but fortunately, having acquired healthy facilities, our cash flows have always increased.

Although we have grown significantly, we have done so while paying close attention to what we believed to be the strategic perspective for growth and value creation. Therefore, we have fundamentally increased Revenues, but also EBITDA and, consequently, cash flows in our businesses.

This allows us to potentially “keep the wheel turning” indefinitely because, as I always say, by being very careful about the limits of our financial leverage growth, we have always said that we should never exceed 3.5 times EBITDA, but we have never even reached 3 times EBITDA as financial leverage because, by acquiring in a measured and healthy manner, we have always added more EBITDA and more cash, so financial leverage, as you may have noticed, has always remained low.

Private equity funds, which do not have this financial problem, are certainly very interested, but in the businesses that interest us, which have been managed using our own metrics, entrepreneurs are unlikely to accept a depersonalization



of their business history, but always prefer another entity that can preserve and consolidate their business history, so we do not fear funds as competitors.

LUIGI CELENTANO: Turning to the question of working capital dynamics, it is correct that there was an improvement in the second quarter. This is something we expected and had also explained, just as we expect a further improvement in the third quarter of the year: this is a phenomenon that we measure physiologically, net of what may be temporary issues, perhaps related to the authorization of invoices that require longer than usual processing times, but these are essentially episodic events.

We therefore do not see any critical issues from the point of view of collection and payment times by the Local Healthcare Authorities.

OPERATOR: Mr. Nesi, there are no further questions at this time.

MIMMO NESI: Perfect. We thank you all for your time and, as the IR department, we are at your complete disposal for any further requests for information or questions. Have a good afternoon, everyone, thank you very much.