“GHC Results 9M2025 Conference Call”
Friday, 14 November, 2025, 3:00PM 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 nine months 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: Thank you very much and good afternoon, everyone. Thank you, as always, for your time and availability. We have just published our results for the first nine months of 2025, which are particularly satisfactory, and we will be discussing them 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 Financial 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, after which there will obviously be time for your questions.

MARIA LAURA GAROFALO: Good evening, everyone. We are very satisfied with the results of our nine-months period. We had already anticipated this in the first quarter, which recorded weaker margins than usual, that it was a strategic management decision, where for various reasons, not least of which was to retain important professionals, it was a choice mainly linked to the case mix of the services provided.

We also told you that, thanks to these choices, there would be a significant recovery during the year, which we can see in the latest quarterly results.

A very important, very strong quarter, despite not being the most favorable quarter of the year from a seasonal point of view, because we have July and August, when there is generally a slowdown in activity.

As you can see, however, we had an increase of approximately €16 million in Revenues and €3.7 million in EBITDA.

I am very pleased to point out, and we also have our Head of Planning, Finance, and Control for the Aurelia Group here, who has been very personally involved in these results, that half of this increase is linked precisely to the performance of the Aurelia Group, both in terms of turnover and EBITDA.

Furthermore, in the first nine months, the Aurelia Group also recorded an increase of over €1 million in its private sector activities.

We are very satisfied. Lazio is a Region where we are seeing incremental Revenues from the Regional Healthcare Service, and it is also important in terms of future projects, which include the Casa di Cura Città di Roma.

As far as the Aurelia Group is concerned, I am also very pleased to say that this increase in margins is not only linked to this significant increase in Revenues, which allows us to cover our fixed costs, but also to a series of initiatives that we have implemented with Mr. Manili to improve cost efficiency.
These measures mainly concern staffing, but their impact on the nine months figures were minimal, as they will mainly take effect from September and will only be fully visible over the 12 months of 2026.
I would also like to mention Casa di Cura Città di Roma. As you know, we signed the preliminary agreement in July, following the award. From that day onwards, even though we have not yet completed the closing of the transaction – in fact, I can anticipate that the closing will take place in mid-January 2026 – we have nevertheless taken over the management of the facility.
We have appointed a new General Manager, a woman with extensive experience, who has worked for an auditing firm and has also worked for at least twenty years in the healthcare sector, in another group, obviously smaller, but with situations similar to ours.
She immediately embraced the project, and work began in Rome on the two wards that will house the rehabilitation facilities of the Aurelia Hospital. The work will be completed by the end of 2025 and in early January, in agreement with the Region, which is collaborating extensively on the implementation of this new project, which involves a significant exchange of wards between Aurelia, Città di Roma, and European Hospital. Therefore, in early January, we will submit the application for authorization and accreditation of the 54 rehabilitation beds in Città di Roma. The process should be completed in no more than 90 days, so by March we should have transferred rehabilitation to Città di Roma and all acute cases from Città di Roma to European Hospital.
Obviously, the project will be completed with the launch of the new Heart Center, also here at Aurelia Hospital, and I would like to give you some updates on this as well: the work is progressing very well, and completion is scheduled for the end of 2026.
Internal work began about a year ago, with the reorganization and restructuring of the departments. Now, in August, as you know, work has also begun on the new wing, which will house two operating rooms, cardiac surgery recovery, and intensive care.
We are also very satisfied with the contractor, which is very efficient, very quick, and very fast, so we are satisfied.
Before closing, I would like to say that I am also very optimistic about the future outlook, not least because we have achieved these results and this significant growth in margins despite the negative impact, amounting to around half a million euros, caused by Terme del Friuli-Venezia Giulia.
You know that when we took over the Sanatorio Triestino, it already managed the thermal baths in Monfalcone and Arta Terme. Obviously, based on the

previous assumptions and tariffs, with Monfalcone closed for a year due to Legionnaires' disease, we incurred a significant loss that has impacted this nine-month period, these months, by about half a million euros. This impact will no longer be felt in 2026, because the contract expires in April 2026, but obviously I am personally taking steps to request a review of the tariffs, because part of the services provided by the facilities are paid for by the Regional Healthcare Service, therefore accredited, and the related increase in the budget.

I have also asked the two municipalities, Arta Terme and Monfalcone, to waive the rents, at least until the company becomes profitable, and it seems that this plan has been well received, so I am sure that this impact will not be felt.

Furthermore, next year in Friuli-Venezia Giulia, we have already been allocated an incremental budget of €1,300,000 for 2026 for the Sanatorio Triestino and Università Castrense, €1 million for the Sanatorio Triestino and €300,000 for the Università Castrense.

In addition, in 2026, we will also see a positive impact on the Aurelia Group in terms of dependency care tariffs, which affect Città di Roma, the Hospice San Antonio da Padova, Samadi, and Villa Von Siebenthal. In 2025, it will only have an impact on the last quarter, because the new tariffs came into effect in September this year. In the overall budget for 2025, therefore, we will have a positive impact of €400,000 and approximately €1 million in 2026.

There are also other projects, which I will not dwell on, both for the Aurelia Group and other facilities, which were set up this year and will bear fruit in 2026.

In short, we are very positive, we have worked hard, with many projects underway, but these figures give us great satisfaction.

Thank you for your attention. I will now leave the floor open for questions.

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

EMANUELE GALLAZZI: Good afternoon, everyone. Thank you very much for the introduction. I have three questions, and if you like, we can go through them one by one, which might be easier.

I would like to start with the third quarter, which was clearly very solid, very strong. Looking at the 9.6% growth in turnover, I was wondering if you could give us a breakdown between Out-of-Region, private and the National Healthcare Service. You indicated that Out-of-Region, as has been the case since the beginning of the year, continues to be an important driver of growth, but if it is possible to have more details on these trends.

LUIGI CELENTANO: The 9.6% growth in the quarter is actually concentrated mainly on Revenues from activities provided under agreement to regional patients. There was

quarter-on-quarter growth of 11% and Out-of-Region growth of around 19%. That is more or less the breakdown.
In terms of value, we basically have about €6 million more for the quarter on regional patients and about €3 million more, compared to the same quarter last year, on Out-of-Region patients.
These are the two main components of growth, limited to the quarter.

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

MARIA LAURA GAROFALO: I just wanted to add one consideration. It is clear that when accredited services increase, private services almost inevitably grow at a slightly slower rate. For us, this is essentially irrelevant; the important thing is that turnover grows in one sector or the other.
This fact has been linked both to the increase in budgets allocated to facilities for waiting lists, but it is also linked to the issue of tariffs for specialist outpatient care, because it is clear that, as tariffs decrease, more services need to be provided in order to reach the budget.
We have certainly mitigated the negative economic impact of lower margins, which, if I am not mistaken, cost the Group around €500,000. However, it is clear that by offering more accredited specialist outpatient services, those relating to the private sector have increased, albeit at a slightly slower rate.
In this regard, I would also like to point out that as a category, as an association, we have won the appeal on the so-called Tariff Decree, so from this point of view we will also have a significant return in economic terms, because these tariffs will have to be increased again. We do not know to what extent, but they will certainly increase, so much so that the Finance Ministry itself has allocated funds.
This is a very important fact, because it has allocated funds of around €100 million for the upward adjustment of specialist outpatient tariffs, but what I welcomed with even greater enthusiasm is that it has allocated €1,350,000,000 for the adjustment of hospital admission fees, of which €1 billion is for acute care and €350 million for post-acute care.
This is very important because there has been talk for a long time about adjusting the fees for acute care and admissions. Certainly, since they have been allocated for 2026 in the budget, they should already start next year.
This is another positive factor that adds to the growth of our margins.

EMANUELE GALLAZZI: Regarding the “Tariff Decree,” is the expectation to have visibility on what the final scenario will be at the beginning of 2026? How is the dialogue evolving?.

MARIA LAURA GAROFALO: We will certainly have visibility in 2026, even though the judge issued a very convoluted ruling, in the sense that he also used very irritated tones towards the government, which issued tariffs without conducting an in-depth analysis of the related production costs and without taking into account the negative opinion of the public agency for healthcare, expressed in an official document.

He upheld the appeal, but for practical reasons, according to the judge, he gave a year from the issuance of the ruling in September, i.e., until next September, to maintain these tariffs and allow time to rework and introduce new ones into the system.

This is a great contradiction because, at the moment when it declares them, clearly and almost heatedly, to be illegitimate, it cannot oblige operators to maintain them for a year.

Our lawyers at association level, because the appeal was brought by associations, are preparing letters requesting compensation for damages.

We will have the new tariffs in 2026, but we do not yet have full visibility, because all the regional tables will have to be reopened. The Ministry will have to issue a new tariff schedule and then, based on this new schedule, the individual Regions will have to reproduce their own; but theirs was the result of a series of meetings with individual associations at the regional level, except for Emilia-Romagna, which fully implemented the national decree. For example, Veneto set up a table and then chose compromise solutions.

So yes, we will have visibility in 2026.

EMANUELE GALLAZZI: Very clear. Looking at the trend in October and early November, there are some inconsistencies, is there anything you would like to highlight about how business is going in the fourth quarter?.

MARIA LAURA GAROFALO: October was an excellent month in terms of production. We will now analyze the costs, but I expect the trend to continue unabated.

EMANUELE GALLAZZI: One last point, then I'll leave it to the other analysts, on the subject of guidance. In the second quarter call, you confirmed Revenues of €480 million, EBITDA of €84 million, and Net Debt of around €190 million, which would increase if the Casa di Cura Città di Roma deal were to close. Do you still see these targets being met, or does the third quarter performance make you more positive? What is your feeling about the year-end closing?

LUIGI CELENTANO: With regard to guidance, we can confirm what we already said in our comments on the half-yearly report, because we had a plan, a schedule, including for these results, which targeted that level, both in terms of turnover, especially in terms of margins, and also in terms of Net Financial Position. The answer, therefore, is

that we can confirm what we already confirmed last time, i.e. the consensus gathered in the analysts' guidance.

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

ISACCO BRAMBILLA: Good afternoon, everyone. The first question is a follow-up on the topic of budget increase discussions you are having with the various Regions. We have already talked about Friuli-Venezia Giulia and, in part, Lazio. Could you tell us about the other Regions, if there is anything interesting to know, with an eye to 2026 and perhaps the years beyond?

The second question: many topics have already been touched upon, so I would like to take this opportunity to ask a slightly more technical question regarding the income statement items. This year, there have been few provisions between EBITDA and EBIT, at least fewer than in previous years: should we expect some catch-up at the end of the year, or a trend for 2025 in line with what we have seen in the first nine months?.

MARIA LAURA GAROFALO: I will answer the first question. As far as budgets are concerned, we currently only have visibility on a few Regions because, as you know, the Regions approve them during the year. We generally move quickly in the first few months of the year, so we anticipate activities, because we know that incremental budgets are communicated during the year.

This year, we expect something very good because the Finance Bill also includes funds for this purpose.

In addition, we are working hard, as far as Lazio is concerned, to obtain accreditation for specialist outpatient care at the European Hospital, which is not currently accredited and therefore only provides specialist outpatient services on a private basis.

This year, we have already submitted the application for accreditation, because we realized that the Local Healthcare Authority (ASL) in which the European Hospital is located has an unmet need for these services. I have also spoken to the regional authorities and I think I can be quite optimistic about this accreditation.

As things are progressing very well, we have already received, in response to our request, a sort of confirmation document from the Region, where we had requested additional accreditations for Samadi, which is a psychiatric facility, if I remember correctly, 13 beds for “dual diagnosis,” therefore with an incremental budget, and 18 beds for nutritional rehabilitation.

We have a project, especially for nutritional rehabilitation, in which the Region is very interested because, as you know, we have the European reference center for eating disorders at Villa Garda, with a treatment protocol developed by our head physician Prof. Dalle Grave, a cognitive-behavioral protocol that is

reviewed by delegations from universities around the world, who intend to replicate it in their own facilities.
The Region is aware of this know-how, so it is very interested in us bringing this protocol, both clinical and organizational, to Lazio as well.
This is the situation at the moment, but we will certainly have the most visibility in the first few months of next year.

RICCARDO ROSSETTI: Regarding the second point, yes, provisions for risks are lower, by approximately €2 million compared to the first nine months of 2024. €1 million of the difference derives from the release of a provision for bad debts thanks to the collection of a completely written-off receivable, therefore a positive one-off; the other €1 million difference derives from lower net provisions, mainly on healthcare disputes.
As you know, this is not a standardizable item, it clearly depends on the progress of healthcare disputes; however, at the end of the year, we see a possible realignment with last year's values, also due to the introduction of the implementing decree of the Gelli Law, which will require slightly more stringent criteria in the assessment of healthcare risks.
We are therefore ahead, partly due to a one-off item, which we will maintain; on the more typically healthcare side, however, we will probably have to realign with normal values towards the end of the year.

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

EMANUELE GALLAZZI: Two quick questions. One is about Capex: you had €22 million in Capex and indicated that the Rome project is in line with your expectations. I was wondering if, at this point, you can confirm that €30-32 million in Capex for 2025.
On the M&A side, are there any updates on the pipeline and dossiers you are looking at?

LUIGI CELENTANO: You have already said everything there is to say about Capex, in the sense that we are in line with our Capex plan, including for the project, so today we confirm the estimate we had already indicated previously, in the range of 30-32 million for the whole year.

MARIA LAURA GAROFALO: As far as M&A is concerned, I can confirm that we are working on several dossiers, so we are always active, but I don't think I can tell you any more than that.

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

ISACCO BRAMBILLA: An additional question regarding personnel costs. There is often discussion in the press about the government's need or desire to raise salaries in the public sector. Do you see any similar dynamics at the private operator level?
If I am not mistaken, there was a renegotiation not too many years ago, but it would be interesting to hear your point of view on this issue, with an eye toward 2026 and beyond.

MARIA LAURA GAROFALO: As far as doctors are concerned, absolutely not. In fact, doctors prefer us because the public sector imposes various restrictions on them.
From the point of view of nursing staff, however, they do have higher salaries in the public sector. It has always been this way, but ultimately it is a situation that we have always managed.
The remuneration of nurses in public hospitals is governed by a collective agreement that still provides for higher salaries, of around €200-300 net per month. Some nurses left during the year because public competitions were opened, but we replaced them all.
Obviously, for those nurses who we believe are not easily replaceable, such as some head nurses, operating room nurses, surgical technicians, or some Emergency Room nurses, we are already looking into forms of compensation that will not have a significant impact on the income statement.
In other cases, we want to adopt corporate welfare policies.
This is an issue that we have already partially addressed and are still studying for those positions that we believe we cannot afford to lose.

LUIGI CELENTANO: I would like to add something on this subject, because in 2020 there was the latest contract renewal for non-medical staff in acute care facilities, which is an important part of our world, and at the time, part of this increase in costs was covered by an increase in budgets by the Regions and Local Healthcare Authorities.
Last year, however, we managed, as the figures confirm, without any impact in terms of margins, an adjustment and renewal of the contract for healthcare personnel in outpatient facilities during 2024.
I imagine what you were referring to was the first of the two, that of acute care facilities, because the contract for outpatient facilities has actually been recently renewed.

MARIA LAURA GAROFALO: We also make decisions, for example, to show you how focused we are to this issue: we have a head nurse who we placed in the intensive care unit at Aurelia Hospital, who is particularly efficient and who won the public competition, but we absolutely did not want to lose him, so when the position of head nurse became vacant in the less demanding outpatient surgery and endoscopy department, we also gave him responsibility for that department,

with an increase in salary, which we would have had to pay for a third person anyway. He was very happy and will obviously be staying with us.
We study each case individually.

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

MIMMO NESI: Thank you, as always, for your time. We remain at your disposal as the IR office, and I would like to mention that next week we will be in London as guests of Jefferies at the Global Healthcare Conference. Good afternoon, thank you.