“GHC Results 1H2026 Conference Call”
Thursday, 10 September, 2026, 4:00PM 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
Mrs. Claudia Garofalo, Head of Finance
Mr. Marco Manili, COO Aurelia Hospital Group
Mr. Mimmo Nesi, Investor Relator & Chief Sustainability Officer

OPERATOR: Good morning, this is Chorus Call. Welcome to the GHC Group's presentation of its first-half 2026 results. Following 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 of the GHC Group. Mr. Nesi, please go ahead.

MIMMO NESI: Good afternoon, everyone. Thank you, as always, for your time and for joining us. As you may have seen, the Company has just issued the press release regarding the positive results for the first half of 2026, which we will be discussing today. I would just like to remind you that this conference call is being conducted in Italian and the transcript will be made available shortly, including in English, on the company's website. I would like to introduce those here in the room in Rome: the Chief Executive Officer of GHC Group, Mrs. Maria Laura Garofalo; the Group's Chief Financial Officer, Mr. Luigi Celentano; the Head of Administration and Reporting, and also Chief Executive Officer of GHC Real Estate, Mr. Riccardo Rossetti; the Head of Finance, Mrs. Claudia Garofalo; and Mr. Marco Manili, Chief Operating Officer of the Aurelia Hospital Group. I shall now hand over to the CEO for an initial overview, after which there will be time for your questions. Please go ahead.

MARIA LAURA GAROFALO: Good evening, everyone. First of all, I would like to say that we are satisfied – very satisfied, in fact – with our economic and financial results, as they are broadly in line with our plans.

We have recorded an increase in Revenues of €8.8M compared with last year, with an increase in EBITDA of €0.4M. Naturally, this result includes the full contribution of the newly acquired Casa di Cura Città di Roma, which – as I would remind everyone – we acquired at a loss in terms of EBITDA of around half a million, but which is now breaking even in terms of EBITDA and will therefore begin to generate a positive margin as it continues on its growth trajectory over the coming months until it reaches full capacity.

Net Profit stands at €15.2M and differs by approximately €4M from the previous year simply due to higher depreciation and higher provisions linked to new legislation, namely the Gelli Law, which imposes a new method of provisioning.

I would like to point out that these higher provisions do not translate into cash outflows, whilst the higher depreciation and amortisation charges are linked to the very significant investments we are making, particularly in the Roma Group, which will transform – as can already be seen from the group's figures – the Aurelia Group into a veritable "war machine".

We are therefore making investments which, as we all know, generate depreciation charges which, as we all know, affect profits, in order to create value: because I believe that this is what the market is asking us – to create

value. To create value, we need to invest; we have therefore invested heavily in a Group which, thanks to these investments, has managed to launch the first phase of its restructuring plan, which began on 1 August.
On 1 August, therefore, a restructuring plan was launched which sees the Roman Group's acute care facilities – namely Aurelia Hospital, European Hospital and Casa di Cura Città di Roma – organised according to a clear mission and a logical framework, without any overlap between the three facilities. The completion of the second phase includes the opening of the "Heart Center", for which we are making these investments which, I repeat, generate depreciation charges. The "Heart Center" will open in the early months of next year, but the first phase of this reorganisation and relaunch plan has already begun on 1 August.
We will therefore have a large hospital at the Aurelia Hospital, a European Hospital which will be an acute care facility providing low-and medium-complexity care, operating both on a private basis and under the national accreditation scheme, and we will have the Casa di Cura Città di Roma, which will be exclusively a post-acute care facility, with 54 rehabilitation beds. We had 90 long-term care beds and, moreover, as part of our ongoing discussions with the Region, we have also obtained authorisation to open a further 29-bed long-term care ward for maintenance care as early as the first few months of 2027. In fact, we have just now, in the very first days of September, begun work on the conversion of this floor, which had remained unused in the original layout. We had actually planned to move some doctors' surgeries there, but before doing so, we approached the Regional Authority to try to secure another operational ward instead, and so we have also obtained this authorisation and accreditation.
Another very important development, which recognises the fact that we are so active across our facilities, is that the Lazio Region has granted accreditation for the European Hospital's specialist and outpatient diagnostic services, allocating it a budget of €2.2M over 12 months, starting in September. This is an outcome we had already been working towards and which we have achieved to our great satisfaction, as it will completely transform the way the facility operates and delivers care.
So, let's say that these are all very important developments, obviously linked to the fact that we are investing in the transformation of our facilities.
At this point, I'd like to open the floor to questions, so that we can address any specific concerns.

OPERATOR: We will now begin the question-and-answer session. The first question is from Emanuele Gallazzi of Equita.

EMANUELE GALLAZZI: Good afternoon everyone and thank you very much for the introduction. I have several questions; if you don't mind, I'd like to go through them one by one to keep things simple.

The first is about M&A. The press release actually mentions that you are ready to capitalise on interesting M&A opportunities. I was wondering if you could give us a bit more information – within the limits of what you're able to disclose, of course – and whether, in terms of size and characteristics, it's reasonable to expect a transaction typical of GHC.

MARIA LAURA GAROFALO: As I said, I don't think I can say much more than that. We are actively involved, in particular, in a project that could well be completed shortly: it is a facility located in the usual Regions where we operate, an acute care facility, with improved performance compared to our own.

EMANUELE GALLAZZI: That's very clear. However, within the Rome business unit, the second quarter actually saw a marked improvement in profit margins, which rose to a record high of 13% since the acquisition. I was wondering if you could give us a few more details on this improving trend – which effectively marks the implementation of the turnaround plan within the Rome business unit – and if you could perhaps also provide an update on the Capex plan.

MARIA LAURA GAROFALO: We have here, amongst others, our Chief Operating Officer, to whom I offer my heartfelt congratulations, because with 14 construction sites – 15 if we include the "Heart Center" within the hospital – we have not only maintained operational continuity but, as he noted, improved our performance, increasing Revenues by €2M and EBITDA by a further €2M compared with last year, thereby rising from last year's 9.5% margin to 12% for the half-year and, in the last quarter, as high as 13%. Our margin is therefore on the rise, thanks in part to a series of measures implemented by our Chief Operating Officer, particularly on the cost side.

Mr. Manili, I'll hand over to you.

MARCO MANILI: I naturally confirm what the Chief Executive Officer has said; the key trends underlying the results mentioned relate primarily to significant growth across the entire private sector.

I would emphasise that these results were, of course, achieved whilst having only four or five rooms available for inpatient care; consequently, Aurelia Hospital in particular is undergoing a profound transformation. We therefore expect, once the works are completed, to have a much larger number of rooms available for private practice and, as a result, to achieve far more significant results in this regard.

At the same time, we have been working on cost-saving measures, which have mainly focused on staff costs, in areas where we have carried out organisational reviews – primarily the Emergency Room department and inpatient wards – and we have also taken steps to reduce all indirect costs, namely the facility's fixed costs, through renegotiations with key suppliers, particularly those of Aurelia Hospital.

I shall conclude by discussing everything relating to the Emergency Room department. As regards the number of visits, we are seeing an increase compared with the previous year, and this will clearly enable us to meet the visit target required to secure operational funding; it will also allow us to achieve Revenue growth linked to funding for visits not followed by admission, an area where we are seeing particularly strong growth. This will already lead to a significant increase in Revenue by 2026.

EMANUELE GALLAZZI: The third question concerns the Gelli Law. Could you help us to better understand the implications of the new law? What do you consider to be the appropriate level of provisions we should currently set aside for the Group, given its current scope? You mentioned that these are not cash provisions; I imagine this is because, from what we can gather from the press release, the measure – the law – is very prudent.

RICCARDO ROSSETTI: Good afternoon, this is Rossetti. The implementing decree of the Gelli Act came into force on 1 January 2026 and has essentially made it mandatory to assess risks not only in relation to existing litigation – that is, to be clear, claims for damages that patients have submitted to healthcare facilities – but also in relation to so-called "adverse clinical events", that is, events that occurred during the relevant period for which no claim for damages has yet been received, but which could potentially develop into a legal dispute and, consequently, could give rise to a contingent liability for the organisation. It is therefore clear that the number and range of cases that now need to be assessed are expanding. It is as though we are bringing forward the assessment of a risk that we would previously have carried out only when and if a claim had been received.

I have specified that these are contingent liabilities, precisely because they represent a provision for a future risk; however, as there is no current financial outlay, there is absolutely no impact on cash flow.

MARIA LAURA GAROFALO: This is also because it is not certain that it will actually result in a claim, as there is as yet no claim on the books; however, these are events that the company considers risky because certain incidents may have occurred that could potentially be contested by the patient, so the Gelli Law requires an assessment and the setting aside of provisions in this regard. These provisions

are therefore higher than those we set aside the previous year, when, of course, this type of case was not assessed or provisioned for.

RICCARDO ROSSETTI: Exactly. To answer your last question – which is more or less the level we expect – the premise is the same as always: this is not an item that follows a linear trend, either year-on-year or quarter-on-quarter, because it depends heavily on individual events that may occur.
So, if we compare it with last year, in the first half of the year we had an exceptionally low figure, partly because there were few claims and also because, as you will recall, we had released a provision for credit risks, having received €1M on a fully written-off debt. In this half-year, however, you will find that this item accounts for approximately 1.7% of Revenues.
We usually had a ratio of between 1% and 1.2% – slightly lower – and we consider a range of between 1% and 1.5% to be normal. It is now likely that, with the Gelli Law, the ratio will be closer to the upper end of this range, i.e. between 1.2% and 1.5%.
This is just to give you a general guide; it is not an item that follows a linear trend, either year-on-year or over the course of the year.

MARIA LAURA GAROFALO: I would like to add that, ultimately, the release of funds has also increased, simply because we have changed both the solicitor handling these disputes and the medical examiner compared to the previous situation. We have brought in leading experts – highly capable and widely recognised figures – who have helped us win several cases. For example, it was recently reported that we won an appeal. These are cases that were handled by the previous legal team at first instance and have now been taken over by the new team.
For instance, at the appeal stage – as reported last week – we won a case relating to a claim for which we had set aside €0.7M.
With regard to another claim, for example the European Hospital case involving €0.5M, we secured a stay of the first-instance judgement at the appeal stage, which obviously lays the groundwork for winning the case at the appeal stage as well. This case will probably be concluded in 2027, but in the meantime, this year we are securing a victory at second instance in the claim we mentioned earlier.
It is true that we set aside more provisions, but we also release more, because we manage claims-related litigation with great care.

EMANUELE GALLAZZI: One last question from me. In light of the performance in the first half of the year, I was wondering whether the guidance you provided after the first quarter – for revenue growth of around 3% and an EBITDA margin that is effectively stable, i.e. around €83M – still reflects your outlook for the year.

LUIGI CELENTANO: I'm Luigi Celentano. As regards the full-year figures, we are not far off what you indicated. Essentially, we expect a very slight decline; if we compare this with the analysts' consensus, which stood at around €504M, we expect to come in at around €503M – so a relatively modest deviation due to specific situations which we have addressed – let's say resolved – but which will nevertheless have a slight impact on the current year.
In terms of EBITDA, on the €503M I mentioned, we expect a margin in percentage terms of around 16.3%-16.4%, due both to this slight shortfall in Revenue, and due to a contingent liability relating to a claim previously mentioned by the Chief Executive Officer, which we have recognised in our profit and loss account this year, but in respect of which we have obtained a stay of execution of the judgement; in all likelihood, this will not be settled by the end of the year. This will, however, have an impact on EBITDA.
I hope I have provided you with the necessary context regarding the question you asked.

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

ISACCO BRAMBILLA: Thank you, and good afternoon to everyone. I have three questions, though we've actually already covered many of the key points. A follow-up on Capex. There was talk of a figure for the year of around €40M; if I understand correctly, there are many projects that have actually been brought forward, so I was wondering whether it might be more reasonable to assume a figure of between €40M and €45M for this year, or at any rate something that reflects this acceleration in the investment plan.
My second question is for clarification on the additional budget of €2.2M mentioned for the European Hospital. Is it correct to assume that this will come into effect from 2027?
My final question concerns the tariff decree. If I am not mistaken, September was supposed to be the time of year when it would become clear whether there was scope for any renegotiation of tariffs with the Regions. I was curious to know whether any talks are currently underway or whether there have been any developments since the last conference call we had in May.

LUIGI CELENTANO: I'll address the first point, regarding Capex. You've raised an issue that relates somewhat to the acceleration of certain projects we're undertaking to expand and refurbish the Aurelia facility, to which we must also add the investment we've initiated at Città di Roma concerning the new long-term care unit, for which we've received authorisation and which will come into operation next year, rather than the investments we have made in equipment and diagnostic facilities at the European Hospital, specifically in relation to the incremental National Healthcare Service budget.

Due to the combination of these factors, the Capex plan for the year is closer to the €45M mark, so it has moved up slightly, as you had indeed indicated.
As regards the European Hospital's National Healthcare Service budget, the main impact in terms of Revenue – but also in terms of margins – will certainly materialise during 2027; once fully operational this year, we will benefit from around a third of this, amounting to approximately €700–750k, as it comes into effect from 1 September. In terms of margins, this will represent around 50% of turnover.

MARIA LAURA GAROFALO: As regards the so-called "Tariff Decree", this decree was issued in August and differs very little from the previous one. We held a meeting as an association – as the news came out in late August or early September – and decided to challenge this decree as well. As it is very recent, no further information has been provided, but the tariffs have not changed significantly compared with the decree that had been annulled by the Regional Administrative Court.
Obviously, we have already absorbed that negative impact in the previous year, but I expect that, just as it was rejected the first time, it will be rejected a second time too, because the figures remain exactly the same.
Now I would also like to share some information that I think is important. Namely, that the European Hospital has very old and fully written-off receivables, dating from 2013 and 2014, owed by Libya.
As you will recall, we received around €1M from this transaction last year and took steps to collect the remaining amount, which stands at around €3M. The collection process has made significant progress and, as of today, the payment order has reached the Central Bank of Tripoli. It had arrived there before the summer, but the process was briefly held up because the Governor of the Bank of Tripoli resigned.
I understand that this resignation was not accepted, so for a period he simply carried out day-to-day operations; foreign bank transfers were obviously not included in this.
Normal operations should now be restored, including the handling of exceptional items, so I expect – though I cannot say exactly when – to receive these €3M, which have been fully written down, and which could be received as early as 2026. But if it is not received in 2026, I expect that this very significant item – which will have a major impact on the final section of the profit and loss account – will certainly be received in 2027. And, of course, it will also have an impact on the cash position. This struck me as a point worth noting.

ISACCO BRAMBILLA: Excuse me, just a quick question regarding the recent developments we've seen in interest rates. Could you just remind us of your exposure to fixed and variable rates? If I'm not mistaken, with the latest refinancing, the strategy had shifted

significantly towards hedging, meaning a move towards fixed rates. Could you simply remind us of this or confirm it?

LUIGI CELENTANO: We have an IRS, a hedge, covering around 60% of the outstanding debt; this hedge is currently at a fixed rate below current Euribor levels. Essentially, it is working, so from one perspective we are pleased with this. Clearly, the hope is that interest rates will remain as stable as possible.

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

MIMMO NESI: Perfect. We'd like to thank you for your time and, as the IR department, we're entirely at your disposal should you have any questions or require any clarification. We hope to hear from you again soon. Many thanks to you all, and have a good afternoon.