



Press Release

GAROFALO HEALTH CARE S.P.A.: BOARD OF DIRECTORS APPROVES H1 2020 CONSOLIDATED RESULTS

HALF-YEAR RESULTS AFFECTED BY NATIONAL AND LOCAL MEASURES THAT IMPOSED THE MANDATORY SUSPENSION OF ALL ACTIVITIES FROM MARCH (WITH THE EXCEPTION OF URGENT AND NON-DEFERRABLE INTERVENTIONS) AND PERMITTED ONLY A GRADUAL RESUMPTION FROM MAY

REVENUES OF ~€90M, CONTRACTING 3.2% ON H1 2019, ENTIRELY DUE TO THE REDUCED OUTPUT IMPOSED FROM MARCH, DAMPENING THE EXCELLENT RESULTS OF JANUARY AND FEBRUARY

SIGNIFICANT €9.6M NET FINANCIAL POSITION IMPROVEMENT VS. FY2019, DESPITE COVID EMERGENCY IMPACT

STRONG GROUP PERFORMANCE IN JULY AND AUGUST (FOR A TOTAL OF +19% IN TERMS OF REVENUES AND +88% IN TERMS OF OP. EBITDA ADJUSTED VS. 2019, AT LIKE-FOR-LIKE PERIMETER), THANKS TO THE EFFICIENT RESCHEDULING OF THE ACTIVITIES AND THE FULL USE OF THE PRODUCTION CAPACITY OF THE FACILITIES

MASSIVE €18M INVESTMENT PLAN FOR H2 2020 APPROVED, WITH PARTICULAR FOCUS ON NEW EQUIPMENT AND LATEST STATE OF THE ART TECHNOLOGY, TO TAP INTO ALL THE DEVELOPMENT OPPORTUNITIES ARISING FROM GROWING HEALTHCARE NEEDS, HEIGHTENED BY COVID-19 EMERGENCY

- Revenues of Euro 89.9m, decreasing 3.2% vs Euro 92.9m in H1 2019⁽¹⁾ entirely due to mandatory suspension of activities imposed from March to tackle the Covid-19 pandemic, with only gradual resumption permitted from May:
 - Period revenues impacted by the activities provided in support of the public healthcare system, which are still ongoing in some cases, hindering efficient use of the production capacity of the facilities. Remuneration recognized in H1 2020 for these activities was Euro 3.7m;
- Operating EBITDA Adjusted⁽²⁾ of Euro 11.2m, with a margin of 12.5%, decreasing on Euro 19.3m in H1 2019, entirely due to the measures outlined above:
 - Against H1 2019, Op. EBITDA Adjusted was affected by higher fixed costs due to the change in the consolidation scope following the M&A's, which were not fully absorbed by revenues (reduced in the period entirely as a result of the above measures);
 - M&A perimeter⁽³⁾ contribution of Euro 4.8m, with a margin of 17.6% (above Group average);
- Group Net Profit of Euro 1.2m (Euro 8.9m in H1 2019), impacted by the "extra-Covid costs" incurred by the Group in the period to deal with the health emergency and equal to Euro 1.6m;
- Net Financial Position of Euro 85.1m (debt of Euro 114.5m and liquidity of Euro 29.4m), improving Euro 9.6m vs. Euro 94.7m in FY2019:
 - NFP includes Euro 2.7m of advances, disbursed by the main Regions in which the Group operates, for the activities provided in support of the public healthcare system since the critical phase of the emergency;
- Buy & Build strategy set on IPO and based on M&A-led growth confirmed.

⁽¹⁾ The H1 2019 figures include only contributions of Poliambulatorio Dalla Rosa Prati di Parma (for 5 months) and Ospedali Privati Riuniti di Bologna (for 2 months)

⁽²⁾ Operating EBITDA Adjusted defined as EBIT + depreciation and amortisation + provisions and write-downs + non-core costs (these latter in H1 2020 totalling Euro 1.7m, of which approx. Euro 1.6m due to "extra-Covid costs" and approx. Euro 0.1m due to M&A costs. Non-core costs in H1 2019 of Euro 0.6m exclusively concern the M&A costs incurred for the acquisitions made in the previous year)

⁽³⁾ From 2019, the M&A perimeter includes the results of Poliambulatorio Dalla Rosa Prati di Parma, acquired on February 5, 2019, of Ospedali Privati Riuniti di Bologna, acquired on May 6, 2019, of Centro Medico S. Biagio and Bimar, acquired on July 25, 2019, of Centro Medico Università Castrense, acquired on September 17, 2019, and of Aesculapio, acquired on September 19, 2019



Rome, September 23, 2020 – The Board of Directors of Garofalo Health Care S.p.A. (“**GHC**” or the “**Company**”), listed on the MTA segment of the Italian Stock Exchange, today approved the Consolidated Half-Year Report at June 30, 2020, drawn up as per IAS/IFRS international accounting principles.

Maria Laura Garofalo, Chief Executive Officer of GHC stated: *"Given the major limitations and difficulties caused by the spread of Covid-19, I am particularly satisfied with the great resilience shown by the GHC facilities from the end of the lockdown period, with a significant increase in production from July compared to the same period of the previous year. I am also satisfied with the financial performances, with the net financial position improving by approx. Euro 10 million. We are now ready to take advantage of all the development opportunities that will arise as a result of the growing healthcare needs and for this reason we have approved a major investment plan of approx. Euro 18 million, of which approx. Euro 12 million in cutting-edge technology, for the second semester. I am also proud of the fact that our acquisition-led growth development project has gone ahead, with the acquisition of the XRay One diagnostic centre and will continue according to the original plans".*

COVID-19 overview

General introduction

After an extremely positive start of the year in January and February (+2.5% in terms of revenues and +18.0% in terms of Op. EBITDA Adjusted compared to 2019 Pro-Forma), the GHC Group’s H1 2020 consolidated figures reflect the impact of the Covid-19 health emergency in Italy, which, starting from March, led to national and local measures enforcing the suspension of all outpatient and hospitalisation activities (with the exception of urgent and non-deferrable procedures, i.e. those requiring intervention within 24 hours or 10 days).

GHC Group activities in “Phase 1”

The Group, in response to the situation outlined above, drew up and executed a series of actions and interventions to ensure the provision of healthcare and dependency care services in complete safety, while also ensuring that employees could work in strict compliance with the provisions from time to time issued.

These interventions were supported by ongoing monitoring and communication of the developing situation, also through periodic meetings between the Chief Executive Officer of the Group and the Chief Executive Officers / General Managers / Healthcare Managers of the subsidiaries. In this respect, monitoring and action plans were developed to assess the impacts of Covid-19 on the various operating areas and to contain its impacts.

Thanks to such a synergetic and co-ordinated emergency management, GHC has been able to curb the spread of Covid-19, significantly limiting the spread of the virus within its facilities (including dependency care clinics). This was made possible by specific actions, including:

- i) the definition of Group operating protocols, which has allowed each facility to operate according to safety standards that are both stringent and shared;
- ii) centralised management of the supply of Personal Protection Equipment (“PPE”), which has ensured the prompt and cost-effective provision of PPE for every facility;
- iii) constant sharing of technical-specialist expertise regarding the clinical and epidemiological aspects of the virus;
- iv) the temporary relocation of healthcare staff from one facility to another in line with the extraordinary requirements related to Covid-19 during the quarter.

In addition, it is noted that all GHC Group facilities actively collaborated in the period with the public healthcare system to tackle the pandemic. Specifically:

- the Casa di Cura Prof. Nobili, Rugani Hospital and Eremo di Miazzina, in collaboration with the local healthcare authorities, established wards dedicated to Covid-19 patients emerging from the acute phase, but still testing positive for the virus. These were equipped with 30, 20, and 32 beds, respectively. To ensure that this was carried out in complete safety, staff at all facilities were adequately trained, and suitable PPE was provided. Structural works were also undertaken to ensure the total separation of Covid-19 wards from other essential care areas.

- the Eremo di Miazzina also dedicated a further 15 beds to “post-Covid” patients, i.e. those testing negative for the virus but awaiting further clinical tests, and as such not yet ready to be discharged;
- the Hesperia Hospital of Modena collaborated with Modena General Hospital and the local healthcare authority to provide urgent oncological surgery for patients of the General Hospital and all the other hospitals managed by that healthcare authority. To do this, the facility opened to these patients a recovery ward equipped with 30 beds, operating theatres, intensive care facilities and all other auxiliary services, along with its own highly qualified staff;
- the Ospedali Privati Riuniti of Bologna provided 40 beds and four operating theatres for the Sant’Orsola-Malpighi and Maggiore Hospitals of Bologna, allowing non-deferrable oncological surgery to be provided for patients of those hospitals;
- specific rooms were set up within the Poliambulatorio Dalla Rosa Prati of Parma for the use of the oncological Day Hospital at Parma Hospital, allowing patients to continue their chemotherapy treatments in a safe and protected environment;
- finally, the Casa di Cura Villa Berica provided San Bortolo Hospital with pulmonary ventilators and intensive care nursing support.

Gradual resumption of GHC Group activities in “Phase 2”

Starting from May 4, with the easing of the restrictions previously imposed and the start of the so-called “Phase 2”, Group activities resumed, although in a progressive and non-uniform manner, in compliance with the national and local regulations from time to time issued.

Specifically:

- the Ospedali Privati Riuniti of Bologna was able to resume surgeries only from May 7, although to a limited extent due to the presence of medical staff from public hospitals (as part of the activities provided in support of the public healthcare system), while outpatient activities - particularly in terms of diagnostic imaging - could only resume from May 18;
- the Casa di Cura Prof. Nobili was only able to resume activities from May 18, with the partial restart of surgeries and exclusively to shorten the waiting list built up during the suspension period, while activities and wards were only fully reopened from June 3, following the total closure of the Covid ward;
- the Rugani Hospital, in view of the specific local healthcare authority motion, resumed activities only from May 18, while the full reopening of activities and of wards only took place from June 15, following the full closure of the Covid ward;
- the facilities of the Fides Group⁽⁴⁾, in view of the local rules issued, were only able to take on new patients from July.

In addition, Group activities in “Phase 2” were further impacted by the reduced production capacity in view of the public system support activities carried out by the Group. Specifically:

- the Covid-patient dedicated wards set up in “Phase 1” and indicated above remained open, until May 31 at Casa di Cura Prof. Nobili, until June 10 at Eremo di Miazzina and until June 15 at Rugani Hospital;
- the public system support activities provided by Ospedali Privati Riuniti of Bologna and Hesperia Hospital continued in May and June and are still ongoing, although to a reduced extent;
- the public system support activities provided by the Poliambulatorio Dalla Rosa Prati and outlined above continued throughout the month of May.

GHC Group activities in support of the re-start

All Group facilities have worked to ensure a quick recovery of activities in full compliance with the measures imposed at national and local level.

⁽⁴⁾ With the exception of the Villa S. Maria Psychiatric Rehabilitation Centre and of the “Comunità di Alloggio ad Utenza Psichiatrica” Le Note di Villa S. Maria

Among these, we highlight:

- the extension of the opening hours for certain diagnostic and outpatient services and of the operating theatres;
- extended weekend openings for some hospital facilities.

In addition, we indicate that on July 2, 2020, ahead of the full resumption of activities, the Company appointed Mr. Sergio Venturi, previously Regional Commissioner for COVID-19 for the Emilia-Romagna Region, to manage the organisational protocols for Covid-19 prevention and containment.

GHC Group H1 2020 consolidated key operating highlights

Consolidated Revenues Overview

In the first half of 2020, GHC consolidated revenues totalled Euro 89.9m, decreasing Euro 3.0m (-3.2%) on Euro 92.9m in H1 2019, which included only Poliambulatorio Dalla Rosa Prati of Parma (for five months) and Ospedali Privati Riuniti of Bologna (for two months).

Revenues in Euro millions	30/06/2020	30/06/2019	% vs. 1H2019
Total	89.9	92.9	-3.2%

Revenues for H1 2020 were affected by the suspension of all activities (except for urgent and non-deferrable interventions) imposed by national and local authorities from March to tackle the Covid-19 emergency, in addition to the only gradual recovery from May in which production capacity was still curtailed due to the support activities provided to the public healthcare system. In this regard, period revenues were impacted by the activities provided in support of the public healthcare system, which are still ongoing in some cases, hindering efficient use of the production capacity of the facilities. Remuneration recognized in H1 2020 for these activities was Euro 3.7m.

Considering the full contribution of the acquisitions completed during the previous year on the H1 2019 results, this effect would translate into a revenue reduction of Euro 25.8m (-22.3%) compared to H1 2019 Pro-forma, exclusively relating to the aspects outlined above.

Revenues in Euro millions	30/06/2020	30/06/2019 Pro-Forma	% vs.1H2019 Pro-Forma
Total	89.9	115.7	-22.3%

Highlighting the excellent Group performances in the months preceding the pandemic, revenues for the months of January and February 2020⁽⁵⁾ are presented below in comparison with the 2019 Pro-Forma figures (i.e. at like-for-like perimeter), showing an overall improvement of approx. Euro 0.9m (+2.5%).

Revenues in Euro millions	2020	2019 Pro-Forma	% vs.2019 Pro-Forma
January	17.7	17.6	+0.4%
February	19.5	18.7	+4.5%
Total	37.2	36.3	+2.5%

⁽⁵⁾ Management elaborations based on audited half-year figures

Consolidated Adjusted Operating EBITDA Overview

Consolidated Operating EBITDA Adjusted was Euro 11.2m, decreasing on Euro 19.3m in H1 2019 (-41.7%), which included only the contribution of Poliambulatorio Dalla Rosa Prati of Parma (for five months) and Ospedali Privati Riuniti of Bologna (for two months).

This decrease is exclusively due to the suspension of activities imposed from March as outlined above, in addition to the only progressive resumption from May. Against H1 2019, Op. EBITDA Adjusted was affected by higher fixed costs due to the change in the consolidation scope following the M&A's, which were not fully absorbed by revenues (reduced in the period entirely as a result of the above measures). These figures reflect however the prompt cost-cutting actions undertaken from April.

Op. EBITDA Adj. in Euro millions	30/06/2020	30/06/2019	% vs. 1H2019
Total	11.2	19.3	-41.7%

Overall, in the first half of 2020, the Operating EBITDA Adjusted margin of the Group was 12.5% (vs. 20.7% in the previous period): the reduced margin is entirely due to the effects of the measures imposed to tackle the Covid-19 pandemic and outlined above.

Op. EBITDA Adj. Margin (%)	30/06/2020	30/06/2019
Margin (%)	12.5%	20.7%

This effect would translate, at like-for-like perimeter, into a reduction in terms of Operating EBITDA Adjusted of Euro 13.2m (-53.9%) compared to the H1 2019 Pro-forma figure.

Op. EBITDA Adj. in Euro millions	30/06/2020	30/06/2019 Pro-Forma	% vs.1H2019 Pro-Forma
Total	11.2	24.4	-53.9%

The full validity of the business model, based on acquisition-led growth, is however confirmed by the performance of the M&A perimeter, which, although impacted by the suspension of activities related to Covid-19, reports a margin of 17.6% - ahead of the Group average.

Highlighting the excellent Group performances in the months preceding the pandemic, Operating EBITDA Adjusted for the months of January and February 2020⁽⁶⁾ are presented below in comparison with the 2019 Pro-Forma figures (i.e. at like-for-like perimeter), showing an overall improvement of approx. Euro 1.2m (+18.0%).

Op. EBITDA Adj. in Euro millions	2020	2019 Pro-Forma	% vs.2019 Pro-Forma
January	3.3	3.0	+12.0%
February	4.5	3.6	+23.0%
Total	7.8	6.6	+18.0%

Consolidated Operating Results Overview

EBIT Adjusted⁽⁷⁾ was Euro 5.0m, decreasing Euro 8.7m, from Euro 13.7m in H1 2019. This amount reflects: (i) amortisation, depreciation and write-downs of Euro 5.5m, increasing Euro 0.9m on H1 2019, mainly due to the change in the scope; (ii) Impairments and other provisions of Euro 0.8m, decreasing Euro 0.2m on

⁽⁶⁾ Management elaborations based on audited half-year figures

⁽⁷⁾ EBIT Adjusted defined as EBIT + non-core costs (these latter totalling Euro 1.7m in H1 2020, of which approx. Euro 1.6m due to "extra-Covid costs" and approx. Euro 0.1m due of M&A costs. Non-core costs in H1 2019 of Euro 0.6m exclusively concern the M&A costs incurred for the acquisitions made in the previous year)



H1 2019.

Pro-Forma H1 2019 EBIT Adjusted would amount to Euro 17.6m, in view of: (i) amortisation, depreciation and write-downs of Euro 5.7 million; (ii) Impairments and other provisions of Euro 1.1m.

Net financial charges of Euro 1.3m are reported in H1 2020 (Euro 0.6m in H1 2019). This increase is mainly due to higher financial charges of Euro 0.6m, rising from Euro 0.8m in H1 2019 to Euro 1.4m in H1 2020, mainly due to the M&A's gradually undertaken by the company over 2019, also through new financial debt. However, this overall increase in reality is based on a reduction in the average weighted cost of medium/long-term financial debt⁽⁸⁾, equal to 1.8% in H1 2020 vs. 1.9% in H1 2019.

The Adjusted Profit before Taxes⁽⁹⁾ was Euro 3.7m, decreasing Euro 9.4m from Euro 13.1m in H1 2019. The Pro-Forma Adjusted Profit before Taxes would amount to Euro 16.5m.

Consolidated net profit overview

The Group net profit in H1 2020 was Euro 1.2m (Euro 8.9m in H1 2019) and was impacted, in addition to the provisions in the period (non-deductible for tax purposes), also by Euro 1.6m of "extra-Covid costs" incurred by the Group to tackle the health emergency and concerning expenses for Personnel Protective Equipment ("PPE"), swabs / serological tests, the preparation and management of triage areas and the dedicated distancing pathways. The Pro-Forma H1 2019 Group Net Profit would amount to Euro 11.3m.

GHC Group consolidated balance sheet highlights at June 30, 2020

Consolidated Net Financial Position Overview

At June 30, 2020, the Net Financial Position ("NFP") of GHC was Euro 85.1m, improving Euro 9.6m over FY 2019 and comprising financial debt of Euro 114.5m and liquidity of Euro 29.4m.

Net Financial Position in Euro millions	30/06/2020	31/12/2019	Change vs. 2019
Total	85.1	94.7	-9.6
Financial leverage (x)	2.7x ⁽¹⁰⁾	2.1x	0.6x

The NFP at June 30, 2020 benefitted from the advances disbursed by the main regions in which the Group operates. These granted GHC hospitals - due to the Covid-19 emergency - a monthly advance of between 80% and 100%, according to each individual case, of the agreed regional and extra-regional production for the previous year or that of the budget agreement. The contribution of these advances collected in H1 2020 was Euro 2.7m.

Main outcomes of the Impairment test at June 30, 2020

In view of the particular environment shaped by the Covid-19 emergency in the first half of 2020, each Group subsidiary updated its long-term plan, taking into consideration for 2020 the effects of the ongoing pandemic and assuming a return to the situation assumed in the previously approved industrial plans by 2021. These operating and financial forecasts, shared with the parent Company, were approved by the Board of Directors of each of the Group subsidiaries and, on a consolidated basis, by the GHC Board of Directors. In view of the Covid-19 health emergency and taking account of Consob's clarification No. 8/20 of July 16, 2020, the Company considered it appropriate to appoint an independent expert to carry out the impairment tests on the intangible assets recognised to the financial statements as of 30.06.2020, which did not indicate any impairments.

The Group prudently also appointed an independent expert to carry out a "stress test", which similarly confirmed the correctness of the impairment test for all Group Cash Generating Units ("CGU").

⁽⁸⁾ Calculated, for each period, as the ratio between paid financial charges and the average medium/long-term debt (excluding financial payables to parent companies)

⁽⁹⁾ Defined as the Profit before Taxes + non-core costs as defined above

⁽¹⁰⁾ Calculated as the ratio between NFP and Operating EBITDA Adj. in the last 12 months based on Pro-Forma figures, i.e. including the full effect on H2 2019 of all acquisitions completed during the previous year



Subsequent events to June 30, 2020

On July 23, 2020, following on from that announced to the market on July 2, 2020, the Company finalized the acquisition of 100% of the share capital of XRay One S.r.l., a diagnostic centre for radiology and specialist medicine, accredited by the National Healthcare System and located in Poggio Rusco, in the province of Mantua. The acquisition was based on an Enterprise Value of Euro 13.6m and an Equity Value of Euro 12.8m.

In July and August, which featured the easing of the restrictions previously in place, the Group facilities, although still impacted by the public system support activities, registered a significant increase in the production levels compared to the same months of 2019, at like-for-like perimeter. In fact, based on the estimates already acquired by the Company, these performances would correspond to an increase of approx. 19% in terms of revenues and approx. 88% in terms of Op. EBITDA Adjusted compared to the same months of 2019 Pro Forma.

Finally, the Company has approved an ambitious investment plan of approx. Euro 18m for H2 2020, with particular focus on new equipment and latest state of the art technology, to tap into all the development opportunities arising from growing healthcare needs, heightened by Covid-19 emergency. These investments are already being rolled out.

Outlook

The excellent results delivered by the Group facilities following the easing of the restrictions, confirmed by significantly improved Revenues and Operating EBITDA Adjusted in July and August, highlight the Group's capacity to react quickly, through efficient management and the full use of the facilities' production capacity, which generally is only partly expressed in view of the budget limits.

Therefore, although amid continued uncertainty, in view of the recent Group performances and assuming that significant restrictions are not put in place in the near future, the Company expects strong results in the second half of 2020, enabling the partial recovery of the output lost in the first half of the year.

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The Executive Officer for Financial Reporting, Fabio Tomassini, states in accordance with paragraph 2, Article 154-bis of the Consolidated Finance Act that the accounting information in this press release corresponds to the underlying accounting documents, records and entries. The figures in this press release have not yet been audited.



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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 Care Sector").

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FOR FURTHER DETAILS:

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Consolidated Balance Sheet of the GHC Group at June 30, 2020

ASSETS <i>Euro thousands</i>	30/06/2020	o/w related parties	31/12/2019	o/w related parties
Goodwill	53,809		53,809	
Other intangible assets	122,722		122,826	
Property, plant and equipment	152,583		155,226	
Investment property	983		1,002	
Equity investments	802		1,009	
Other non-current financial assets	116		112	
Other non-current assets	934		1,007	
Deferred tax assets	5,134		4,661	
Total non-current assets	337,081		339,653	
Inventories	3,132		2,939	
Trade receivables	46,563		54,396	
Tax receivables	3,225		3,564	
Other receivables and current assets	3,228	718	3,327	633
Other current financial assets	457		42	2
Cash and cash equivalents	29,452		27,763	
Total Current Assets	86,056		92,031	
Total Assets	423,138		431,684	

Consolidated Balance Sheet of the GHC Group at June 30, 2020

LIABILITIES <i>Euro thousands</i>	30/06/2020	o/w related parties	31/12/2019	o/w related parties
Share capital	28,700		28,700	
Legal reserve	394		310	
Other reserves	161,656		149,780	
Group result for the period	1,249		13,142	
Total Group Shareholders' Equity	191,999		191,932	
Minority interest capital and reserves	63		82	
Minority interest result	(1)		12	
Total Shareholders' Equity	192,061		192,025	
Employee benefits	11,355		10,503	
Provisions for risks and charges	10,100		9,964	
Non-current financial payables	82,854	2,070	92,346	4,336
Deferred tax liabilities	45,826		45,458	
Derivative financial instrument liabilities - non-current	228		36	
Total Non-Current Liabilities	150,363		158,307	
Trade payables	27,687		33,358	
Current financial payables	31,893		30,101	
Tax payables	1,428		1,854	
Other current liabilities	19,707	1,643	16,039	3,208
Total Current Liabilities	80,715		81,352	
Total Liabilities	231,077		239,659	
Total Shareholders' Equity and Liabilities	423,138		431,684	

Consolidated Income Statement of the GHC Group at June 30, 2020

<i>Euro thousands</i>	H1 2020	o/w related parties	H1 2019	o/w related parties
Revenues from services	89,046		92,286	
Other revenues	855		573	
Total Revenues	89,901		92,859	
Raw materials and consumables	13,020		12,802	
Service costs	38,924	733	35,637	1,129
Personnel expenses	23,501		21,651	
Other operating costs	4,913		4,144	
Amortisation, depreciation and write-downs	5,499		4,569	
Impairments and other provisions	772		1,003	
Total Operating Costs	86,628		79,806	
EBIT	3,272		13,053	
Financial income	1		50	
Financial charges	(1,361)	(35)	(795)	(70)
Results of investments at equity	101		100	
Total Financial Income and Charges	(1,259)		(644)	
Profit before taxes	2,014		12,408	
Income taxes	765		3,506	
Net Profit	1,248		8,902	
Attributable to:				
Group Profit	1,249		8,894	
Minority interests	(1)		8	
Earnings per share – basic and diluted	0.02		0.11	

Consolidated Cash Flow Statement of the GHC Group at June 30, 2020

<i>Euro thousands</i>	30/06/2020	30/06/2019
Profit for the period	1,248	8,902
<i>Adjustments for:</i>		
- <i>Amortisation and depreciation</i>	5,475	4,323
- <i>Provisions for employee benefit liabilities</i>	283	808
- <i>Provisions for risks and charges</i>	772	1,003
- <i>Doubtful debt provision</i>	24	246
- <i>Change in investments in associates valued under the equity method</i>	(207)	(100)
- <i>Change in other non-current assets and liabilities</i>	70	46
- <i>Net change in deferred tax assets and liabilities</i>	210	288
- <i>Change in fair value of derivative instruments</i>	-	2
- <i>Payments for employee benefits</i>	(596)	(1,089)
- <i>Payments for provisions for risks and charges</i>	-	(328)
<i>Changes in operating assets and liabilities:</i>		
<i>(Increase) decrease in trade and other receivables</i>	7,649	(9,911)
<i>(Increase) decrease in inventories</i>	(193)	(50)
<i>Increase (decrease) in trade and other payables</i>	(5,671)	4,001
<i>Other current assets and liabilities</i>	1,611	1,885
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	10,675	10,026
CASH FLOW FROM INVESTING ACTIVITIES		
<i>Investments in intangible assets</i>	(197)	(69)
<i>Investments in tangible assets</i>	(2,536)	(1,514)
<i>(Investments)/disposals in financial assets</i>	-	(5,000)
<i>Sale of tangible assets</i>	37	-
<i>Dividends from associates</i>	188	100
<i>Acquisition of the Dalla Rosa Prati Group and Ospedali Privati Riuniti, net of cash acquired</i>	-	(70,228)
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(2,508)	(76,711)
CASH FLOW FROM FINANCING ACTIVITIES		
<i>Issue of medium/long term loans</i>	2,477	20,000
<i>Repayment of medium/long-term loans</i>	(5,898)	(2,640)
<i>Issue/(repayment) of short-term loans</i>	(632)	(2,388)
<i>Change in other non-current financial payables</i>	(2,266)	-
<i>(Acquisition) minority interests</i>	(10)	(5,866)
<i>(Acquisition) treasury shares</i>	(149)	(558)
NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)	(6,479)	8,548
TOTAL CASH FLOWS (D=A+B+C)	1,689	(58,137)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD (E)	27,763	92,287
CASH & CASH EQUIVALENTS AT END OF PERIOD (F=D+E)	29,452	34,150
Additional information:		
Interest paid	691	496
Income taxes paid	741	86



Consolidated Net Financial Position of the GHC Group at June 30, 2020

<i>Euro thousands</i>	30/06/2020	31/12/2019
A Cash	277	210
B Cash and cash equivalents	29,175	27,553
C Securities held-for-trading	-	-
D Liquidity (A) + (B) + (C)	29,452	27,763
E Current financial receivables	457	42
F Current bank payables	14,007	14,638
G Current portion of non-current debt	14,737	12,231
H Other current financial payables	3,149	3,231
I Current debt (F)+(G)+(H)	31,893	30,101
J Net current financial debt (I) - (E) - (D)	1,984	2,296
K Non-current bank payables	63,060	68,988
L Bonds issued	-	-
M Other non-current payables	19,793	23,358
N Derivative financial instrument liabilities - non-current	228	36
O Non-current financial debt (K) + (L) + (M) + (N)	83,082	92,381
P Net financial Position (J) + (O)	85,066	94,677