



Press Release

GAROFALO HEALTH CARE S.P.A.: IFCI S.P.A. ACCEPTS BINDING OFFER PRESENTED BY GHC FOR ACQUISITION OF “OSPEDALI PRIVATI RIUNITI” IN BOLOGNA

- **With the acquisition of Ospedali Privati Riuniti, GHC becomes a leading private accredited healthcare player in the Emilia-Romagna Region, adding to its existing presence with the Hesperia Hospital of Modena, the Casa di Cura Prof. Nobili of Castiglione dei Pepoli and the Poliambulatorio Dalla Rosa Prati of Parma;**
- **The transaction confirms the strength of the M&A plan presented at IPO by the GHC Group as part of its Buy & Build strategy;**
- **The Enterprise Value of the transaction, net of the current liquidity of OPR, is approximately Euro 50 million and takes account of the estimate of OPR’s net financial position at the investee’s transfer date.**

Rome, May 3, 2019 – Garofalo Health Care S.p.A. (the “**Company**” or “**GHC**”), listed on the MTA segment of the Italian Stock Exchange and an accredited private healthcare leader, announces that IFCI S.p.A. (“**IFCI**”) today formally accepted the binding offer of GHC for the full acquisition of Ospedali Privati Riuniti S.p.A. (“**OPR**”); the transfer of ownership is currently expected to take place on May 6, 2019, with the acquisition completed by a company wholly-owned by GHC.

OPR operates in the Italian private accredited healthcare sector through two accredited hospitals - both located in the City of Bologna: Nigrisoli Hospital and Villa Regina Private Hospital, with a combined n. 170 authorised beds, of which n. 168 accredited.

Nigrisoli is one of Bologna’s longest-standing hospitals and offers a broad range of medical and surgical in-patient services, in addition to many key diagnostic services. The Villa Regina Private Hospital is located on the outskirts of the historic centre of Bologna and provides numerous outpatient services and an equal number of in-patient services, both privately and through the National Health Service.

The Enterprise Value of the transaction, net of the current liquidity of OPR, is approximately Euro 50 million and takes account of the estimate of OPR’s net financial position at the investee’s transfer date.

OPR for 2018 reported revenues of Euro 27.4 million⁽¹⁾, of which Euro 26.0 from core operations⁽¹⁾; pre-synergies normalized EBITDA was approximately Euro 4.0 million.

GHC’s valuation of the acquisition takes into account possible and major efficiencies revealed on completion of due diligence and of the significant synergies expected to emerge over the coming 12 months. GHC expects these circumstances to permit OPR to grow EBITDA over the GHC Group’s best-in-class margin performances. In addition, OPR holds real estate assets covering approx. 20,000 square metres, alongside a buildable 1,300 square metres - recognised to the financial statements for Euro 24.5 million⁽¹⁾.

The acquisition of the entire share capital of OPR is of major strategic importance for GHC as strongly boosting its presence in Emilia-Romagna - considered one of Italy’s strongest and best in terms of the quality of its healthcare services.

The acquisition will be funded for Euro 15.0 million through a bank loan agreed with a leading Italian bank and for the remainder through own funds.

⁽¹⁾ Source: OPR 2018 Annual Accounts



The contract also stipulates the holding of a portion of the consideration in an escrow account to guarantee against potential adjustments in the net financial position of OPR and the arising of any contingent liabilities.

Maria Laura Garofalo, Chief Executive Officer of GHC, stated: *“We are greatly satisfied with the closing of this transaction, which provides major impetus to the growth of our Group. The target in fact is of significant strategic importance and of high-quality, as confirmed by the considerable interest from the major domestic and overseas healthcare players. The bidding process was highly challenging and resulted in us coming out on top in spite of the offers being quite close together. My satisfaction stems from the fact that with this transaction, just six months from listing, we have acquired controlling investments worth EBITDA of approx. 7.5 million, with a net investment of approx. Euro 78 million before synergies and efficiencies. My special thanks go to - in addition to my consolidated M&A team - the lawyers at Studio Gianni, Origoni, Grippo, Cappelli & Partners and in particular Mr. Franco Gianni who was personally at my side for the entirety of this intense process”.*

GHC was assisted by Studio Gianni, Origoni, Grippo, Cappelli & Partners. IFCI's advisors were Mr. Federico Maria Puddu, Ms. Annapaola Tonelli and Mr. Marco Tamburini of Studio Gnudi of Bologna.

* * *

The GHC Group

The GHC Group, listed on the Milan Stock Exchange, is an Italian accredited private healthcare leader operating through 19 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 six regions in Northern and Central Italy (Piedmont, Veneto, 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").

* * *

FOR FURTHER DETAILS:

Garofalo Health Care S.p.A.
Mimmo Nesi - Investor Relator
Tel. +39 06 68489231 - ir@garofalohealthcare.com
Website: www.garofalohealthcare.com

Press Office

Close to Media
Via Caradosso, 8 - Milan
Tel.+39 02 7000 6237
Luca Manzato - luca.manzato@closetomedia.it
Andrea Ravizza - andrea.ravizza@closetomedia.it