



Spire Healthcare

dbAccess UK & Ireland Conference

21 January 2025

Looking after you.



Spire Healthcare – Introduction

Leading independent healthcare group in the UK, with 38 hospitals and over 50 clinics, medical centres and consulting rooms

- Working in partnership with over 8,600 experienced consultants, delivering care to over 1 million inpatients, outpatients and daycase patients, and occupational health programme clients
- Leading private provider, by volume, of knee and hip operations in the United Kingdom
- Also delivering a range of private and NHS mental health, musculoskeletal and dermatological services under the Vita Health Group brand. Operating a network of private GPs and provides occupational health services to over 800 corporate clients
- Well-located and scalable hospitals, delivering successful and award-winning outcomes, positioning the group well with patients, consultants, the NHS, GPs and Private Medical Insurance ('PMI') providers
- Spire Healthcare is listed on the London Stock Exchange and is a member of the FTSE 250

A successful 6 years – business transformed, and committed to driving shareholder return

Built a solid foundation, unparalleled in the sector

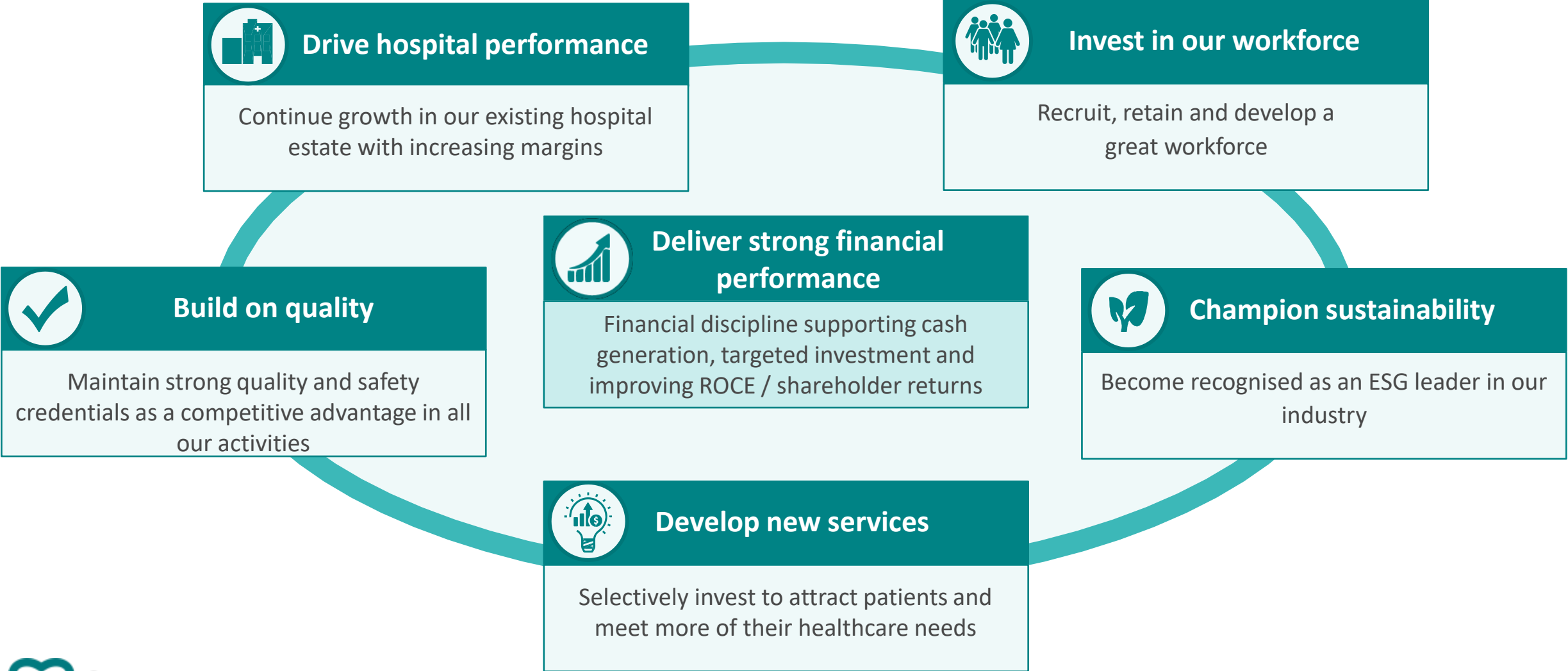
- **Improved Quality** – 98% inspected sites rated ‘Good’ or ‘Outstanding’; one ‘Good’ inspection in H1’24
- **Delivered Growth** – 6.1% revenue CAGR over 2018 to 2023
- **Invested in our People** – Record low vacancies and staff turnover low (12.7% for clinical colleagues); 39% reduction in agency spend vs H1 23
- **Reduced Bank Debt Leverage** – now at c2x (2018: 3.7x)



Driving margin and shareholder return

- 2023 EBITDA of £234m is the highest ever
- As of H1’24, Business on track and delivering: Adjusted EBITDA up 10.8%, Adjusted EBIT up 11.7% in H1’24 vs H1’23
- Guided range of Adjusted EBITDA in FY24 of £255m - £275m
- 2023 PBT of £38.8m is the best for last 5 years
- Hospitals Adjusted EBITDA margin in H1’24 improved vs H1’23 (+30 basis points to 18%)
- Savings and digitalisation progressing well (expected >£15m for FY24)
- Further information will be provided at the FY24 results on 6 March 2025

Our strategy: deliver strong financial performance underpinned by running great hospitals and developing and developing new services



How we are performing against our strategy

	Our 2024 guidance	H1 24 outturn
Revenue growth	<ul style="list-style-type: none"> Hospital business >5% 	<ul style="list-style-type: none"> ✓ Hospital business +5.4% (excl impact of Tunbridge Wells)
Vita	<ul style="list-style-type: none"> Vita revenue >£100m, adjusted EBITDA c.£10m 	<ul style="list-style-type: none"> ✓ Vita revenue £53.0m, adjusted EBITDA £5.1m
Margin	<ul style="list-style-type: none"> Margin improvement with >£15m of cost saving, weighted to H2 	<ul style="list-style-type: none"> ✓ Hospitals Adj EBITDA margin up 30bps to 18.0%; cost savings on track
Capex	<ul style="list-style-type: none"> FY24 - £95-105m 	<ul style="list-style-type: none"> ✓ £51.5m
Return on capital	<ul style="list-style-type: none"> ROCE 8-9% 	<ul style="list-style-type: none"> ✓ ROCE 7.6% (LTM) up from 7.5% at FY23
Bank debt leverage	<ul style="list-style-type: none"> <2.0x (ahead of any M&A) 	<ul style="list-style-type: none"> ✓ 2.1x down from 2.2x at 2023 YE
Group Adj EBITDA	<ul style="list-style-type: none"> FY24 in range £255-275m 	<ul style="list-style-type: none"> ✓ £130.6m

Delivering against our medium-term financial objectives and framework

		<u>2022</u>	<u>2023</u>	<u>H1'24</u>	<u>Target/framework measure</u>
Medium-term financial objectives	Hospital Growth	+8.3%	+10.8%	+5.4% ¹	>5% revenue CAGR
	Hospital EBITDA margin Hospital EBIT margin	17.0% 8.8%	17.6% 9.9%	18.0% 10.4%	EBITDA >21% EBIT >13%
	ROCE	6.2%	7.5%	7.6% (LTM)	>10%
	New Services revenue	£0m	£31.4m	£53.0m	>£50m of additional revenue
Payor Mix	Payor mix	73.1%	72.3%	72.5%	70-80% Private
	Organic capex	7.5% ²	6.2%	7.3% ³	6-7% of Revenue
	Cash conversion	92%	98%	88.4% (H1'23: 84.4%)	c.100%

¹ Spire Tunbridge Wells was sold to the local NHS Trust on 31 March 2024. Excluding Tunbridge Wells from the Hospitals Business results for H1 2023 and H1 2024 revenue growth is 5.4%. Hospital revenue rose 4.9% on an unadjusted basis. Impact to margin is immaterial

² Including investment deferred from 2021

³ Timing impact

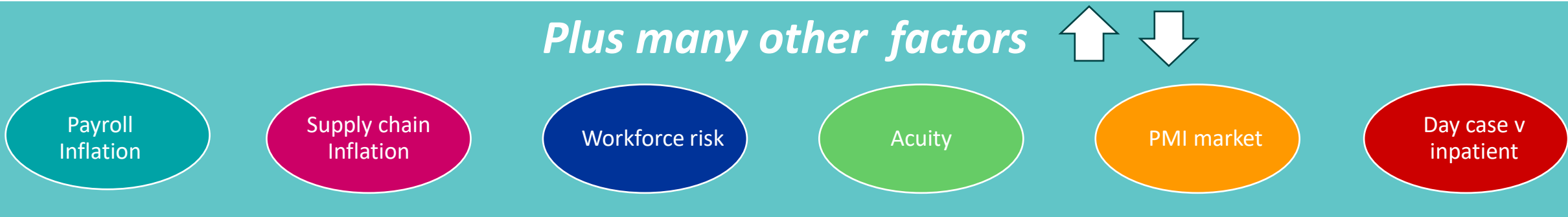
Transformation savings programme – at least £60m in annualised savings

Driver of Savings	% of total savings through to 2026 YE
Automation and digitalisation	c.50%
Centralisation (Hub admin centres)	c.10%
One best way (Operational efficiency)	c.20%
Standardisation (Robotic Process Automation)	c.20%

- Delivered £15m in 2022
- Delivered £15m in 2023
- Guiding to another £15m in 2024

Other levers will also impact margin trajectory

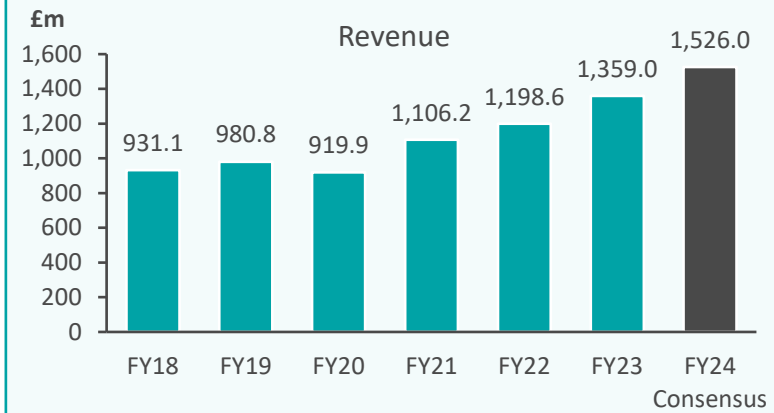
Example area and scenario		Margin sensitivity (holding all things equal)	What happened in 2023
Self-pay	<ul style="list-style-type: none"> • 1% increase in ARPC • 1% increase in volume 	<ul style="list-style-type: none"> • +0.2%pt change in margin • +0.1%pt change in margin 	<ul style="list-style-type: none"> • ARPC +10.1% • Volume -6.3%
NHS	<ul style="list-style-type: none"> • 1% increase in ARPC • 1% increase in volume 	<ul style="list-style-type: none"> • +0.2%pt change in margin • +0.06%pt change in margin 	<ul style="list-style-type: none"> • ARPC +8.4% • Volume +15.5%
Mix	<ul style="list-style-type: none"> • 5% fall in self-pay ophthalmology, replaced by orthopaedics • 1% switch in volume from self-pay to NHS 	<ul style="list-style-type: none"> • +0.2%pt change in margin • -0.7%pt change in margin 	<ul style="list-style-type: none"> • Not published • Not published



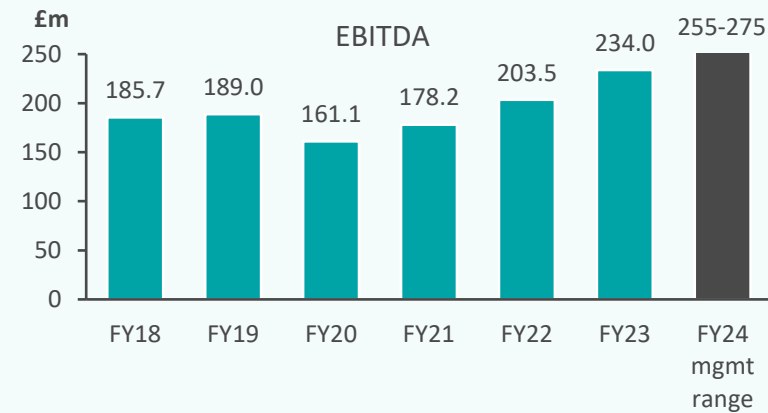
These factors are well understood, and we are managing them effectively

Financial Snapshot (Last 6 years)

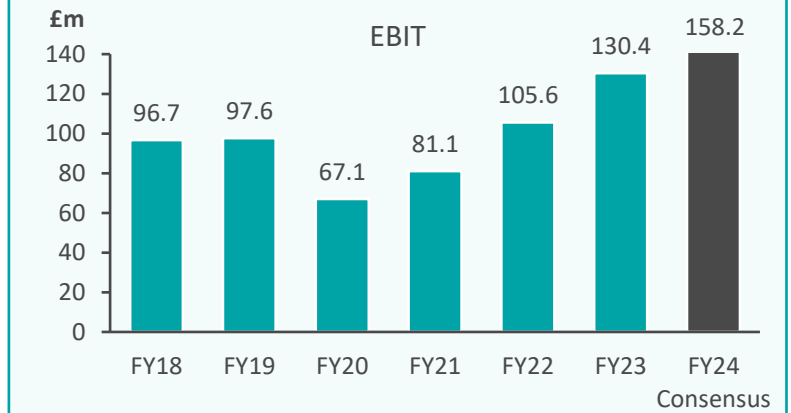
Revenue 6.1% CAGR



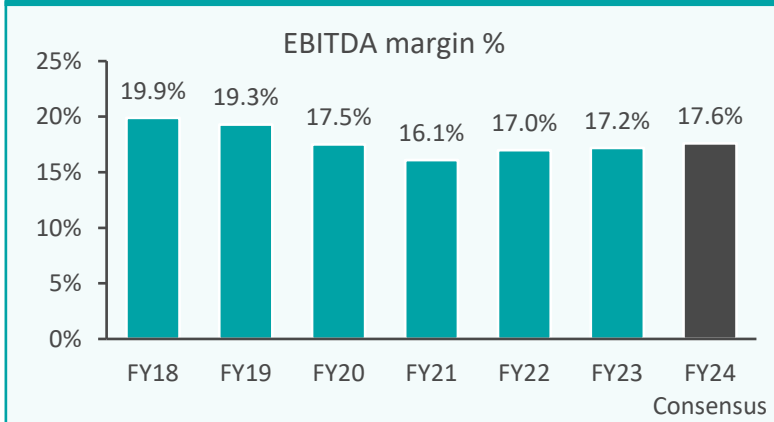
Highest ever EBITDA in FY23



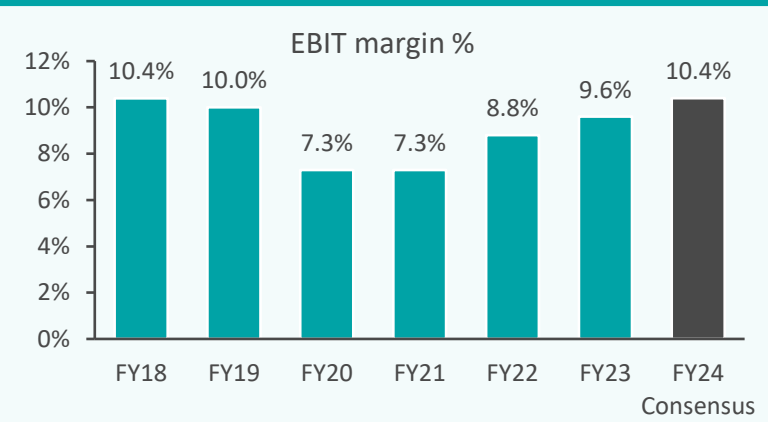
Strong Flow to EBIT



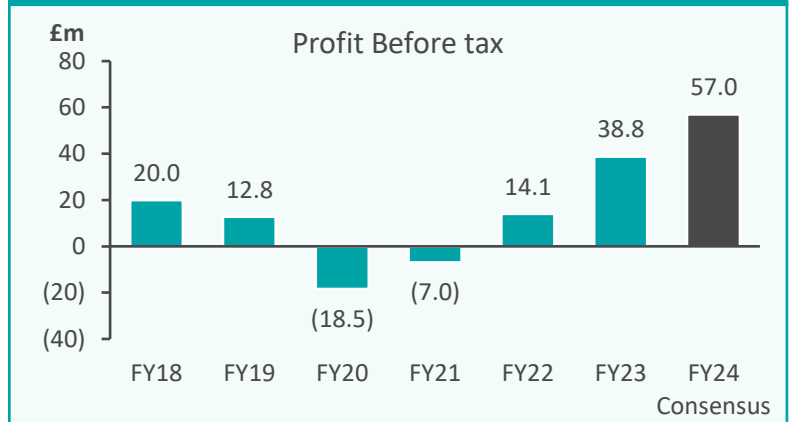
EBITDA margin up but diluted by IT costs & VITA



Strong growth in EBIT margin



Excellent conversion to Profit

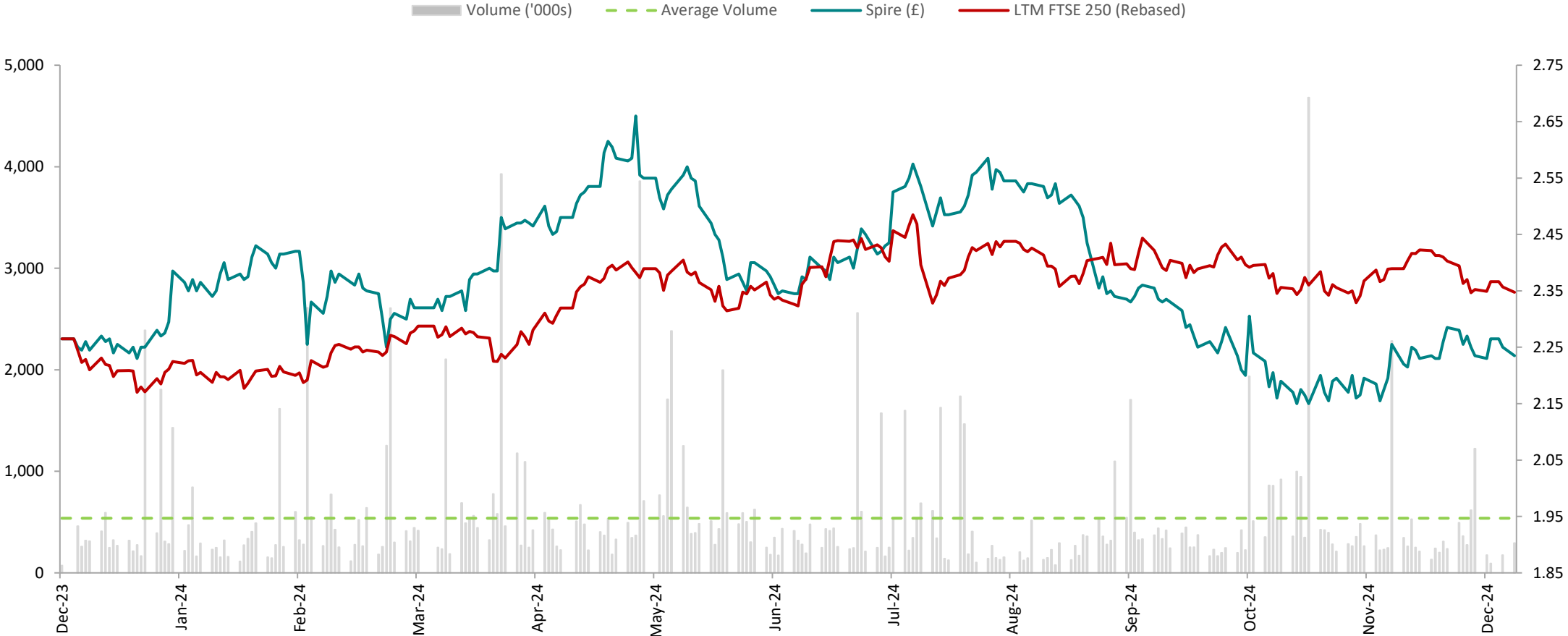




Spire Healthcare

Appendix slides

Share price performance – FY24



Source: Refinitiv Eikon

Looking after you.

Share register analysis – 2024

	Institution	Style	# of shares (31-Dec-24)	ISC% (31-Dec-24)	ISC% (31-Dec-23)	Absolute change (%ISC)
1	Mediclinic International	Corporate	119,923,335	29.78	29.67	0.10
2	Toscafund	Hedge fund	72,014,706	17.88	17.84	0.04
3	Fidelity	Value & Growth	42,747,815	10.61	10.00	0.61
4	Bridgemere Securities	Corporate	16,522,339	4.10	3.60	0.50
5	Vanguard	Index	15,121,279	3.75	3.21	0.54
6	BlackRock	Hybrid	12,445,518	3.09	3.02	0.07
7	Dimensional Fund Advisors	Quant	12,131,301	3.01	2.90	0.11
8	Schroder IM	Value & Growth	9,864,019	2.45	2.69	(0.24)
9	Harwood Capital	Special Situation	8,758,430	2.17	1.84	0.34
10	Invesco	Value & Growth	6,373,675	1.58	1.78	(0.19)
11	Lombard Odier IM	Hybrid	6,086,580	1.51	0.21	1.31
12	M&G	Value & Growth	5,777,951	1.43	1.02	0.41
13	Legal & General IM	Hybrid	4,918,085	1.22	1.35	(0.13)
14	Odyssean Investment Trust	Value & Growth	4,750,000	1.18	1.24	(0.06)
15	Hargreaves Lansdown	Retail	4,463,454	1.11	0.99	0.11
16	UBS collateral account	Trading	3,927,118	0.98	1.39	(0.42)
17	Aegon Asset Management UK	Growth	3,058,303	0.76	0.77	(0.01)
18	SSGA	Trading	3,046,028	0.76	0.78	(0.02)
19	Interactive Investor	Retail	2,692,369	0.67	0.63	0.04
20	abrdn	Value & Growth	2,484,421	0.62	1.27	(0.65)

Top 8 buyers in 2024					
	Institution	Style	ISC% (31-Dec-24)	ISC% (31-Dec-23)	% change in 2024
1	Lombard Odier IM	Hybrid	1.51	0.21	1.31
2	Fidelity	Value & Growth	10.61	10.00	0.61
3	Bridgemere Securities	Quant	4.10	3.60	0.50
4	M&G	Value & Growth	1.43	1.02	0.41
5	Barclays	Trading	0.45	0.08	0.37
6	Harwood Capital	Special Situation	2.17	1.84	0.34
7	Vanguard	Index	1.09	0.77	0.31
8	Gresham House	Value & Growth	0.52	0.23	0.28

New Holders

Clear Peak Capital: 0.12%

Top 8 sellers in 2024					
	Institution	Style	ISC% (31-Dec-24)	ISC% (31-Dec-23)	% change in 2024
1	Columbia Threadneedle	Value & Growth	0.01	1.33	(1.32)
2	abrdn	Value & Growth	0.62	1.27	(0.65)
3	Aviva	GARP	0.02	0.54	(0.52)
4	Norges Bank IM	Trading	0.30	0.77	(0.47)
5	BoNY Stocklending	Trading	0.27	0.70	(0.43)
6	UBS AG	Trading	1.15	1.51	(0.36)
7	HSBC	Trading	0.24	0.59	(0.35)
8	Goldman Sachs	Trading	0.01	0.33	(0.32)

Sell-outs

GVQ Investment Management: (0.27%)

NBC Global Finance: (0.20%)