

Helping to build a healthier Britain



Helping to build a healthier Britain

High-quality experiences

66

From the moment I entered the hospital, I was looked after by every person I came in contact with. I was treated with the utmost respect and made extremely comfortable. I felt completely safe"

Patient

Spire Healthcare hospital

66

Spire gave me a lot of flexible working. I feel like anything I'm going through; I can speak to them. We have time to have person-centred care, there is lots of training"

Colleague

Spire Healthcare

66

Fantastic service, same-day appointment, very helpful doctors and swift treatment. What more could you ask for?"

Patient

London Doctors Clinic

66

The critical incident support is very helpful, colleagues have found them to be supportive, compassionate and easy to access at work. The managers have found the responsiveness to be very timely"

Critical incident support client

Vita Health Group, part of Spire Healthcare

66

I wasn't coping with work for months but now I'm back at work and thriving. I know I can reach out if I need to and I have tools and techniques to help myself"

Patient

Vita Health Group, part of Spire Healthcare

66

They provide a responsive and personal service to us and service levels are excellent...they can be relied upon to provide a service above and beyond their remit and I would have no hesitation in recommending them"

Corporate client

Spire Occupational Health

66

We give people the resources and tools they need. Everyone is different and we look at what's going to be most beneficial for the patient"

Senior talking therapies practitioner

Vita Health Group, part of Spire Healthcare

66

Management and staff's unwavering dedication to patient care and commitment to facilitating practitioners in providing the best possible care makes it my first choice for my private practice"

Consultant

Spire Healthcare hospital



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Our strategy

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Sustainability

- Respect the environment
- Engage our people and communities
- Operate responsibly



Engaging with our stakeholders

- Patients
- Colleagues
- Consultants
- Suppliers
- Private Medical Insurers (PMI)
- NHS
- GPs
- Employers and corporates
- Regulators
- Investors/lenders
- Community



Our purpose

Making a positive difference to people's lives through outstanding personalised care

Brand campaign

We launched a targeted, multi-channel brand campaign in September with the theme, 'The sooner you're better, the better', which has seen strong results.



Scan here to watch our
TV advert



About us

Our purpose

Making a positive difference to people's lives through outstanding personalised care

Our strategy

Helping to meet Britain's healthcare needs by running great hospitals and developing new services

Who we are

Britain's largest independent healthcare company by turnover, operating across England, Wales and Scotland

What we provide

Spire Healthcare group offers a range of diagnostics and medical treatments from hospital and clinic to home. We have a nationwide network of independent GPs through Spire GP and London Doctors Clinic, offer a range of mental health, musculoskeletal and dermatological services via Vita Health Group and provide occupational health services to over 800 corporate clients through Spire Occupational Health and Vita Health Group.

For private patients

We offer treatments for patients who have private health insurance or wish to pay for their treatment. They are able to choose when and where they are treated, and benefit from excellent clinical outcomes.

For the NHS

We offer capacity, capability and flexibility, supporting the NHS by taking thousands of patients off waiting lists nationally at the same tariff prices as local NHS Trusts, and by delivering NHS services.

For businesses

We provide corporates with tailored, flexible support for their employees through occupational health and employee assistance programmes, helping employees to recover and stay healthy.

Our values



Driving clinical excellence



Doing the right thing



Caring is our passion



Keeping it simple



Delivering on our promises



Succeeding and celebrating together

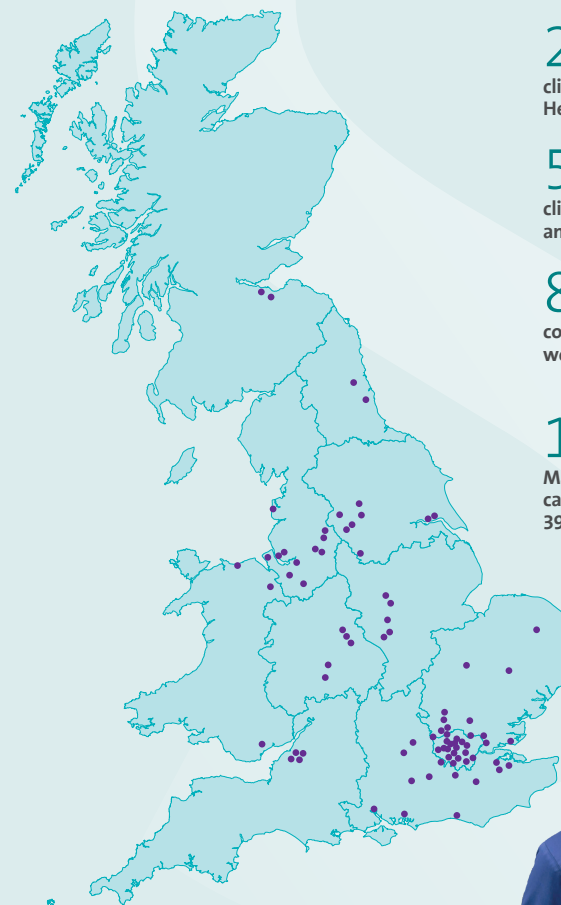


For more information see our business model on page 14

Where we operate

We provide people with more choice, and the opportunity to access the healthcare they need quickly and safely. Our dedicated and highly trained colleagues work hard to help them back to good health from a wide range of locations across the country.

• Clinical locations



Spire Healthcare in numbers

1.05m+

patients across the group

989,300

self-pay, insured and NHS patients cared for in 39 hospitals

16,800

colleagues across the group

99,000

GP appointments

24

clinic sites in Vita Health Group

800+

corporate occupational health clients

50+

clinics, consulting rooms and medical centres

137

GPs

8,650

consultants with whom we work in partnership

46,000+

people cared for by Vita Health Group since acquisition

15

Macmillan accredited cancer centres in 39 hospitals

1,120

musculoskeletal clinicians in Vita Health Group

12.6m

population able to access NHS services delivered by Vita Health Group

5

critical care units



The value we create

2023 financial highlights

£1,359.0m

revenue up 13.4% from 2022 including £31.4m
from acquired new services

6.8p

basic earnings per share 2.1p in 2022

17.6%*

adjusted EBITDA margin up 0.6 percentage
points from 2022 for the hospital business,
and 0.2 percentage points for the total
group after acquired new services

7.5%*

ROCE up from 6.2% in 2022

£15m

in efficiency savings delivered in 2023

£126.2m

operating profit up 32.3% from £95.4m
in 2022

2.1p

dividends per share up from 0.5p in 2022

£234.0m*

adjusted EBITDA up 15% from 2022

£84.4m

invested in upgrading and maintaining our
estate, down from £90.1m in 2022Largest UK private healthcare provider
by turnover* Refer to page 85 for a reconciliation of
non-GAAP financial measures

The value we create

Nurse Base

2023 highlights: building a healthier Britain



1.05m+

patients cared for across the group
(2022: 926,500)

989,300

self-pay, insured and NHS patients cared for
in 39 hospitals (2022: 926,500)

99,000

private GP consultations at Spire GP
and London Doctors Clinic
(2022: 32,900 Spire GP only)

3%

ahead of 2023 target emissions (27,017
tCO₂e achieved, target 27,750 tCO₂e)
(2022: 9% ahead, 25,854 tCO₂e achieved,
target 28,163 tCO₂e)

£40,000

donated in corporate charity fundraising
week (2022: £20,000)

430+

apprentices in Spire Healthcare
and Vita Health Group (2022: 550 in
Spire Healthcare only)

46,000+

people cared for by Vita Health Group
since acquisition (2023 full year: 225,380,
2022: 168,906)

98%

of locations rated Good or Outstanding or
the equivalent by regulators in England,
Scotland and Wales (2022: 98%)

23.5%

dry mixed waste recycled at sites only
(2022: 18%)

The value we create




We're helping to create a healthier and more productive Britain

Everything we do is geared up to help people return to good health, so they can get back to work and to what they love doing.

That's why we have evolved from being purely a hospital-based business to become a more integrated healthcare provider, able to care for people's physical and mental health needs, offering GP appointments and occupational health, as well as community and hospital care.

We also support the NHS to reduce waiting lists, particularly helping those waiting the longest, and contributed to the government's Elective Recovery Taskforce, which was set up to make better use of the country's healthcare capacity

 **Read more in Our market on page 16**

We're providing the highest quality care to patients and people

Quality and patient safety is at the heart of everything we do, and we receive excellent feedback from our patients and regulators.

Our governance, culture and systems for overseeing the practice of consultants has been transformed in recent years, while 98% of our inspected locations are rated 'Good' or 'Outstanding', or the equivalent by health inspectors in England, Scotland and Wales.

We have Freedom to Speak Up Guardians at clinical and non-clinical sites and available for remote colleagues, and have led the sector in this important safeguarding measure. 94% of patients in 2023 said they felt 'cared for' or 'looked after' in our hospitals.

 **Read more in Our strategy on page 20**




The value we create

We're boosting the UK economy

We support the UK economy by investing in skills, technology and infrastructure, boosting productivity and contributing to net zero.

We run one of the largest nurse apprenticeship programmes, and almost 4% of our permanent workforce – over 430 people – are apprentices. By growing and developing talented people, we are helping to address the shortage of skilled professionals in our sector.

We have committed over £360 million capital investment over the last five years, working closely with suppliers to develop partnerships that will deliver value for the wider community as well as our people, patients and their families

 **Read more in our Sustainability report on [page 36](#)**




We're delivering sustainable shareholder value

We have delivered another strong financial performance in 2023, in line with our plans, with sustained growth in revenue, earnings and EBIT margin.

With our track-record as a fast-growing company, Spire Healthcare represents a real opportunity for pension funds and other long-term capital to invest in much needed UK healthcare services and a sector that is resilient.

Looking ahead, our strategy is designed to achieve continued momentum in top-line growth, margin improvement and ROCE improvement.

 **Read more in our Financial review on [page 82](#)**

Chief executive officer's strategic review

Delivering on our strategy to create wider value



Highlights

96%

of patients rated their experience as 'Good' or 'Very Good', unchanged from 2022

13.4%

overall revenue increase compared to 2022

66

Our strategy is working, helping us deliver a strong set of results and strong profit growth, while enabling us to contribute in even greater measure to the nation's health, caring for over one million patients for the first time in 2023 and creating value through our hospitals and new services. Our number one priority will always be quality of care and patient safety. I thank all our colleagues and consultant partners for their tremendous contribution."

Justin Ash
Chief Executive Officer

Helping to create healthier workplaces and a healthier Britain

I am delighted to report on another year of strong progress across the group. Our strategy is helping us to meet the changing demands for healthcare, as we expand our reach beyond our hospitals and clinics to support Britain's healthcare system. For the first time, we cared for over one million patients in 2023. It is well known that there are long NHS waiting lists, and this is clearly a backdrop to the demand that we can help with, both through partnering with the NHS and offering high-quality private care. But the picture more broadly in the UK is of general ill health, which is leading to economic inactivity. Around 35 million working days are lost each year due to self-reported work-related ill health or injuries, and more than 60% of people say they have attended work despite their mental health being poor¹.

In that context, while hospital treatment will remain at the core of our activity for the foreseeable future, we are determined to be effective and relevant across all of the UK population's healthcare needs. That means helping to prevent ill health, through occupational health and primary care, supporting people if they need healthcare in the community and or a stay in hospital, right through to assisting people to recuperate, and returning to work and a normal healthy life.

Strong performance backed by greater efficiency

Our business is performing well, which is reflected in our strong financial performance. Our overall revenue in the year was £1,359.0 million, up 13.4% on 2022, while adjusted EBITDA was £234.0 million, up 15.0% compared to 2022. The growth in demand for self-pay healthcare has softened in 2023, and some of those customers are moving to PMI. We have altered our service mix to focus on more complex, usually insurance-based, services like complex cardiac care. The stand-out growth area in 2023 was insurance-based care with revenue up 14.3%, driven by partnerships with PMI providers and a growing market. You can read a full breakdown of these results in our financial review on page 82.

Our efficiency programmes are well on track, with a further £15 million in savings delivered in 2023. Inflation has raised costs, and wage pressure issues face all businesses, including in administrative and healthcare roles in some parts of the country. But we are committed to achieving 21% EBITDA margin by 2025, are well resourced and we have made sound investments that will enable us to grow. We have a structured digitalisation plan which will improve our interactions with patients, make life easier for our colleagues and practising consultants and remove costs. As we move into 2024, we will make further investments that deliver efficiencies both financially and in our working practices. Following the successful introduction of a hub model for administration in the south east, we will roll this out across the country in 2024, improving call handling, bookings and management of resources.

1. Sources: Nuffield Trust and Health and Safety Executive

Chief executive officer's strategic review continued

2023 saw another £84.4 million invested in the business. We opened a new outpatients and diagnostic centre at Spire Yale in Wales, following investment of £5.0 million. Spire Manchester and Spire Nottingham started to offer cardiac surgery, following investment of £3.4 million. We introduced our latest ophthalmic service at Spire Cambridge, following investment of £1.6 million. We also began or continued major hospital refurbishment programmes at sites including Portsmouth for £6.0 million, Claremont in Sheffield for £2.4 million, Cambridge for £1.5 million and Clare Park in Surrey for £1.5 million.

Safety and quality care

Something that will never change at Spire Healthcare is our ongoing investment in quality and patient safety. This is the bedrock to our operations and embedded in our purpose and culture.

In our latest survey, 96% of patients rated their experience as 'Very good' or 'Good', and I am pleased to confirm that 98% of our inspected locations are currently rated 'Good' or 'Outstanding', or the equivalent, by regulators in England, Scotland and Wales. We are awaiting reinspection of Spire Alexandra in Kent, our one remaining site which has a 'Requires Improvement' rating but has not been inspected since 2016/17.

We are making excellent progress in implementing the new NHS England Patient Safety Incident Response Framework (PSIRF). PSIRF promotes a new, more proportionate approach to responding to patient safety incidents within a wider system of improvement, with compassionate engagement and involvement of those affected by patient safety incidents. PSIRF is the biggest change for over a decade in how all NHS and independent medical settings review, investigate and share learnings from patient safety incidents. We are only obliged to implement this framework for NHS patients but are going much further to introduce it for everyone we care for and have worked with our teams throughout 2023 to trial new tools and techniques to deliver this well. We regularly consider all risks; you can read more in our Risks section on page 64.

Maximising our capacity to enable patient choice

Demand remains strong in the UK market. That's why it's so important that we invest in our people, our facilities and new services. Many people are looking for faster diagnosis and treatment, and healthcare is no longer an 'either or' choice between the NHS and private, as many people are making the most appropriate choices to suit their needs at different times of their lives. Our self-pay services provide patients with urgent access to specialists when they need them, while private medical insurance is becoming ever more desirable as a workforce benefit, both for responsible employers and individuals who are more conscious of their health.

We've also been pleased to launch a major new multichannel brand building campaign this year, with the key message 'The sooner you're better, the better'. We want to put our brand at the front-of-mind for people aged 35+ in particular, who are open to the idea of private healthcare or making a choice with their GP, positioning Spire Healthcare as the 'fast-track health service', getting people back to their lives, loved ones and the things they love, sooner.

Adding new services and expanding our proposition

Our journey towards becoming an integrated healthcare provider has moved on apace in 2023, with more than 4% of the group's revenue now from new services, through growth in our private GP, occupational health, musculoskeletal and NHS talking therapies services. We are supporting individuals, as well as employers looking to improve their employees' health and wellbeing, which ultimately reduces the strain and cost in the NHS. Prevention is becoming increasingly important to the overall healthcare agenda and we're moving into that space, which I believe lays the groundwork for exciting times ahead for Spire Healthcare.

We started this journey with the acquisition of The Doctors Clinic Group late last year, which increased our presence in private GP services and gave us access to the occupational health market. Good occupational health can enhance the health and wellbeing of people at work. The support we provide in workplaces helps to support many health issues, allowing early treatment of heart disease, diabetes



and hearing loss for example, which might otherwise have gone undetected and potentially worsen. Equally important is the support we provide to people returning to work after a period of ill health, such as advising employers on adjustments they can make to enable employees to settle back into work safely and comfortably, and stay in work. Our plan is to invest in occupational health through organic and inorganic growth, building pathways to the hospital business.

We have now restructured our two occupational health businesses, Soma Health and Maitland Medical, into Spire Occupational Health, while the GP business has been concentrated in London and is branded: London Doctors Clinic – part of Spire Healthcare.

In the last quarter of 2023, I was delighted with the acquisition of Vita Health Group (VHG) for a net cash consideration of £73.2 million, which takes us into critical new areas, covering both physical and mental health, expands further our occupational health capabilities, and makes Spire Healthcare the UK's largest independent sector healthcare provider by turnover. Revenue for VHG, since acquisition, was £18.3 million. I welcome Derrick Farrell, chief executive officer of VHG, who will continue to run the business.

VHG is the largest independent provider of NHS talking therapies, a fast-growing area, which makes a real difference to people's lives. Previously called Improving Access to Psychological Therapy (IAPT), but changed following NHS consultation in early 2023, NHS talking therapies provide counselling and effective psychological therapies to people experiencing the most common mental health problems: anxiety and depression. The business also provides mental health and employee assistance services for over 200 corporate employers and offers musculoskeletal support to relieve back, neck and limb problems. There are huge synergies with our existing businesses, for example referrals from musculoskeletal care to orthopaedics or, in cancer care, where we will now be able to provide much-needed mental health support to our patients. Much of VHG's business is through insurance, which increases our capabilities to our PMI customers; its occupational health business is also synergistic to Spire Occupational Health.

In December, we convened a roundtable event with the Institute for Public Policy Research and a variety of opinion formers to debate and explore the complex issues facing population health and the increasing role that occupational health services can play.

Chief executive officer's strategic review continued



We are also opening new daycase clinics to meet the growing healthcare needs in our communities. The first of these, our Spire Healthcare Abergele Clinic in north Wales, opened in early 2024, offering diagnostic services, as well as orthopaedic, ophthalmic, dermatological, and gynaecological treatments. A second clinic in Harrogate will open later in 2024.

Helping relieve the burden on the NHS

We continue to support the NHS in reducing waiting lists, providing care for some of those patients who have been waiting the longest. Our NHS talking therapies, delivered through our VHG brand, cover 1.2 million people in England and we also now offer NHS musculoskeletal services.

I am pleased that Spire Healthcare contributed to the government's Elective Recovery Taskforce for England, the outcome of which was a set of measures designed to help the independent sector play its part in reducing the backlog in healthcare. A key outcome which we welcome, was a commitment, by the government, to promoting patient choice, where all patients have the right to select a hospital – NHS or independent – where they can receive their care the quickest.

Supporting and developing our people

It is well reported that there is a chronic shortage of healthcare professionals in the UK and competition for talent in the workplace. Reducing colleague leaver rates and filling vacancies is a key challenge for all healthcare companies and much of our organisational focus and strategy is devoted to

continuous improvement in this area. In that context, no company can outsource the job of being a good employer – and that's very much our philosophy. We continue to need to manage vacancies, especially as the business grows, rising hourly rates for agency workers and a need to invest in colleague pay and reward to attract and retain the best talent. Read more on pages 18 and 27.

We seek to provide an inclusive environment, encouraging colleagues to thrive and celebrate their differences. Working hard to recruit and retain the best people, we offer colleagues the best working experience we can, with genuine opportunities to grow and develop their careers.

I am proud that the first graduation from our sector-leading nurse degree apprenticeship programme took place in November. We run the programme in partnership with the University of Sunderland, aiming to build a talent pipeline for our business and the broader healthcare sector. A new cohort of 12 nurses joined in December 2023 for 2024. The group has over 430 apprentices in all, 160 of which are nurse apprentices, representing around 4% of our total permanent workforce.

I was also delighted that we launched our new Driving Clinical Excellence in Practice Programme for existing nursing colleagues towards the end of the year. The programme is a bespoke educational initiative that includes a comprehensive framework of competencies and skills aligned to our values, quality objectives and priorities. It will also support nurse revalidation, promote better patient outcomes, patient experience and better use of resources.

Since 2021, we have recruited over 670 colleagues from overseas, including 115 overseas nurses recruited in 2023. Our overseas colleagues make a fantastic contribution to our business. We only actively recruit in 'green' countries under the World Health Organization definition, providing training and development to support their career.

We recognise and value the hard work and dedication of all our colleagues, and I believe it is vitally important that everyone is properly rewarded. That's why we supported eligible colleagues with a 5.5%

salary increase from September 2023, on top of a 5% rise in 2022 for most eligible colleagues. At that point, our lowest paid colleagues moved in-line with the Real Living Wage. I am also delighted that our colleague engagement score rose by 1 percentage point to 81% this year, with a fantastic response rate of 86%. VHG colleagues received an average salary rise of 5% in April. Read more on page 28.

Sustainability – adding value for our environment and communities

Having integrated sustainability into our business strategy, we continue to develop and advance our sustainability strategy, setting out specific goals for us to work towards. We are making good progress, and our aim is to lead the health sector in championing environment, social and governance issues.

We furthered our ambition to achieve net zero carbon status by 2030, with investment during the year in the removal of piped nitrous oxide systems, the installation of new solar panels (in all hospitals by 2024), increasing recycling and generating carbon reduction through the effective management of our waste, and the optimisation of our building management systems. Waste is managed more efficiently with 23.5% of dry mixed waste now recycled at our sites, carbon emissions are 3% ahead of target, despite green energy being harder to source, and we have saved 27,000 litres of water in a trial at two hospitals. VHG is progressing towards their targets in line with the 2015 Paris Agreement. You can read more about these efforts in our sustainability report on page 36.

When it comes to our communities, Spire Healthcare and its people always seek to make a difference that includes, but also goes beyond, the healthcare services we provide. That's why colleagues from our clinics, hospitals and central functions forge relationships with local communities and fundraise for local charities. Every year, we take on company-wide charity challenges and other community initiatives, raising thousands for good causes. Our charity week in June this year raised over £40,000 for a range of local and national charities.

Looking ahead

I'd like to thank the management team, all our leaders across the business, our hospital teams and support services, as well as all our consultant partners for their tremendous contributions to another impressive performance this year. I would also like to take this opportunity to welcome Professor Lisa Grant, our new group clinical director and chief nurse, who joined us following a successful 25-year career in the NHS holding a number of leadership and management roles; and Rachel King, who joined us as group people director, having most recently led the transformation of former national lottery operator Camelot's people strategy and culture.

2024 will be a key year as we continue to transform the business. Through our programme of investments in digital platforms, we will be driving further change and improvement, benefiting patients and colleagues, and generating significant efficiencies. Our new services will become material contributors to our operations and financial results, as we strive to provide a more integrated healthcare offering. I am excited about our prospects for 2024 and look forward to contributing in even greater measure to the nation's health in the year ahead. It should be an exciting year and I look forward to leading these programmes and updating shareholders on our progress.

Jitesh Sodha will be stepping down from the board at the AGM on 9 May 2024. Following the AGM, Jitesh will initially support the transition to his successor, before focusing on a number of strategic initiatives for the remainder of his notice period. I would like to take this opportunity to thank Jitesh for leading the transformation of our financial performance and his immense contribution to the group during his tenure. Jitesh will be succeeded by Harbant Samra. Harbant has been with the group since 2018, having most recently served as the deputy chief financial officer. Having worked closely with Harbant for many years, I am delighted to see him join the board.

Justin Ash
Chief Executive Officer