

# Spire Healthcare reports results for the year ended 31 December 2024

**6 March 2025**, Spire Healthcare Group plc (LSE: SPI) ('Spire Healthcare', 'the Group' or 'the Company'), a leading independent healthcare group in the UK, today announces its preliminary results for the year ended 31 December 2024 ('the period' or 'FY24').

*Good financial results, strong patient satisfaction and all core metrics in line with guidance*

## Summary group results

£m	Year ended 31 December			
	2024	2023	Variance	Comparable y/y growth <sup>(1)</sup>
Revenue	<b>1,511.2</b>	1,359.0	11.2%	6.2%
Adjusted EBITDA <sup>(3)</sup>	<b>260.0</b>	234.0	11.1%	9.0%
Adjusted operating profit (Adjusted EBIT)	<b>149.4</b>	130.4	14.6%	12.4%
Adjusting items included in operating profit	<b>(11.9)</b>	(4.2)	NM	NM
Operating profit	<b>137.5</b>	126.2	9.0%	NM
Profit before taxation	<b>38.3</b>	34.6	10.7%	NM
Adjusted profit before taxation	<b>50.2</b>	38.8	29.4%	NM
Profit after taxation	<b>26.0</b>	27.9	(6.8%)	NM
Basic earnings per share, pence	<b>6.3</b>	6.8	(7.4%)	NM
Adjusted basic earnings per share, pence (2)	<b>8.8</b>	7.9	11.4%	NM
Adjusted FCF <sup>(4)</sup>	<b>39.0</b>	48.0	(18.7%)	NM
Net bank debt <sup>(5)</sup>	<b>325.9</b>	315.7	3.2%	NM
Net bank debt / EBITDA covenant ratio	<b>2.0</b>	2.2	0.2	NM

## Delivered guidance, mitigating mix and cost

(Unless otherwise stated, y/y growth metrics and margin expansion metrics are presented on a comparable basis<sup>1</sup>)

- Revenue growth of 6.2% y/y; comprised of 5.5% y/y in Hospitals and 15.0% y/y from Primary Care services.
- Payor mix evolving with stronger performance in NHS revenue, up 8.8% y/y and Private patient revenue (PMI + Self-Pay) up 4.3% y/y.
- Group adj. EBITDA grew 9.0% to £260.0m. Reflecting price, acuity and cost saving benefits which provided mitigation to H2 impacts from payor mix changes and energy hedge roll off.
- Group adj. EBITDA margin of 17.2%. Within this, we saw good expansion in Hospitals margin, up 30 bps y/y to 18.0% and very strong expansion in Primary Care margin up 340 bps to 8.5%.
- Operating profit up 9.0% y/y on a stated basis to £137.5m, including adjusting items of £(11.9)m largely related to the transformation programme and previously disclosed remediation.
- ROCE<sup>(6)</sup> increased to 8.2% (FY23: 7.5%).
- Recommended final dividend of 2.3 pence per ordinary share (FY23: 2.1 pence per ordinary share).

## Strong strategic delivery of growth and efficiency

- **Cost savings accelerated:** delivering >£20m in FY24 through procurement standardisation, automating booking procedures, Patient Support Centres and implementing staffing models to reduce agency use.
- **Vita outperforming** management expectations with revenue of £107m and EBITDA £11m.
- **Three new Primary Care clinics** opened. Meeting more patient needs and driving referrals to nearby Hospitals.
- **Responded to NHS demand.** Increasing eRS slots and driving 20% y/y volume growth in Q4, with high Orthopaedic mix of over 60%.
- **Record levels of clinical permanent employment,** with turnover at an all-time low of 11.5%.
- **Leading on quality.** Average length of stay reduced for hip and knee procedures, Patient Safety Incident Response Framework implemented and Patient Survey showed 97% rated their experience as good / very good (up 1% from prior year).

## Outlook and current trading

**We are confident** in delivering mid-single digit y/y percentage Group revenue growth in FY25. This will be driven by the combination of structural market expansion, good growth prospects in Hospitals and the growing demand for our Primary Care services.

**We continue to see evolution in the underlying mix by payor group.** We anticipate strong overall demand for services, with growth in Private patients and a continued strategic partnership with the NHS. The growth in Private patients will be driven by Private Medical Insurers (PMIs), where they are reporting strong increases in policies written, which in turn will result in more activity; and working age patients increasingly being covered. The latter means we anticipate continued Self Pay (SP) switching to PMI, where our drivers for growth are focused on average revenue per case (ARPC) and mix management. As a reminder, SP procedures are our highest margin activities, followed by PMI, and NHS funded admissions.

**Cost savings are already delivering ahead of plan and we intend to accelerate this further.** With new savings of at least £30m in FY25, which are c£10m above our original plans. At the same time we are increasing our FY24-26 cumulative savings target to £80m (was previously £60m).

We expect a £(30)m EBITDA impact in FY25 as a result of National Insurance (NI) and National Minimum Wage (NMW), payor mix changes and the roll off of our energy hedge. We expect NI and NMW to add £18-20 million to operating costs on an annualised basis before mitigation, making the FY25 in-year impact c£13-15m. In FY25 we believe we can offset c£10m of NI, NMW, payor mix and energy costs combined through accelerated cost savings, driving high margin acuity mix and self-pay pricing changes.

**Bringing this together, we are guiding to FY25 adjusted EBITDA for the Group to be in the range of £270m to £285m.**

**We remain committed to our medium-term financial targets.** We continue to forecast ongoing revenue growth of greater than 5% for the Hospitals business. Vita is delivering ahead of plan and newly opened Spire Clinics are sending downstream revenue to nearby Hospitals. Our ambition is for Primary Care to become a >£40m EBITDA business in the medium term, delivered through significant contract wins in Mental Health/Occupational Therapy, more new Clinic openings and small M&A. Combining this together with accelerated savings, we expect to be able to neutralise NI/NMW and payor mix changes fully by 2027, enabling delivery of our medium-term ROCE and Hospital margin targets.

**Spire Healthcare has traded in-line with our expectations since the year end.**

### Justin Ash, Chief Executive Officer of Spire Healthcare, said:

“This is a good set of results, delivering all core guidance measures in a changing market. We saw revenue growth of 6.2% year-on-year and adjusted profit before tax growing 29.4%. Market fundamentals remain strong, with private medical insurance coverage growing significantly and a strong partnership with the NHS.

Our strategy is delivering. We broadened our range of services to meet more healthcare needs in our hospitals, our clinics, in the community and at home; welcomed more NHS patients and invested significantly in our Hospital staff. We are playing a pivotal role in helping employees stay in work or return to work; all whilst maintaining and improving our quality of care and levels of patient safety, which remain our number one priorities. I thank all our colleagues and consultant partners for their expertise and commitment.

We are excited about the future. We remain confident in the combination of structural market growth, supplemented by the potential of new Primary Care services to complement our hospitals, and a continued strategic partnership with the NHS helping to deliver waiting list reductions. In the year ahead, we will see pressure on costs as a result of National Insurance and Minimum Wage changes. However, we already have a successful efficiencies programme in place and intend to drive self-help measures even faster, partly offsetting the impact to operating costs.

I am excited about our prospects for 2025 and on behalf of Spire, we look forward to contributing in even greater measure to the nation’s health.”

### Footnotes:

1. On 31 March 2024, the Group sold the business operations and assets of Spire Tunbridge Wells to the local NHS Trust. On 18 October 2023, the Group purchased Vita Health Group. Therefore, where meaningful, we have presented certain financial information on a ‘Comparable Basis’ where we have deducted the contribution from Tunbridge Wells and presented Vita Health Group on a proforma basis assuming it was owned for 12 months in 2023.
2. Adjusted basic earnings per share is stated before the effects of Adjusting Items.
3. Adjusted EBITDA is calculated as Operating Profit, adjusted to add back depreciation, amortisation and Adjusting items, referred to hereafter as ‘Adjusted EBITDA’. Refer to page 11. For EBITDA for covenant purposes, refer to note 18.
4. Adjusted FCF (Free Cash Flow) is calculated as Adjusted EBITDA, less rent, capital expenditure cash flows and changes in working capital after adjusting for one-off items which are not related to the normal trading activity of the business. Rent cash flows are defined as interest on, and payment of, lease liabilities. Capital expenditure cash flows are defined as the Purchase of plant, property and equipment.
5. Net bank debt is defined as bank borrowings less cash and cash equivalents.
6. Return on capital employed (ROCE) is the ratio of the group’s Adjusted EBIT to total assets less cash, capital investments made in the last 12 months and current liabilities. In the prior year the ROCE outcome was adjusted for the impact of the Vita Health Group (VHG) acquisition. Refer to page 12.
7. The Hospitals Business relates to business operations performed at hospital sites. All other Group operations are referred to as ‘Primary Care’ and include the Doctors Clinic Group (DCG), Vita Health Group (VHG) and the Spire clinics (community facilities that offer a range of diagnostics and treatment that do not require an overnight stay). Unless otherwise stated, all metrics are on a Group basis.

The person responsible for making this announcement is: Mantraraj Budhdev, Company Secretary

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## About Spire Healthcare

[Spire Healthcare](#) is a leading independent healthcare group in the United Kingdom, running 38 hospitals and over 50 clinics, medical centres and consulting rooms across England, Wales and Scotland. It operates a network of private GPs and provides occupational health services to over 800 corporate clients.

Working in partnership with over 8,600 experienced consultants, Spire Healthcare delivered tailored, personalised care to over 1 million inpatients, outpatients and daycase patients, and occupational health programme clients, in 2023, and is the leading private provider, by volume, of [knee](#) and [hip](#) operations in the United Kingdom. It also delivers a range of private and NHS mental health, musculoskeletal and dermatological services under the Vita Health Group brand.

Spire Healthcare's well-located and scalable hospitals have delivered successful and award-winning outcomes, positioning the group well with patients, consultants, the NHS, GPs and Private Medical Insurance ('PMI') providers. 98% of Spire Healthcare's inspected locations are rated 'Good,' 'Outstanding' or the equivalent by health inspectors in England, Wales and Scotland.

Spire Healthcare is listed on the London Stock Exchange and is a member of the FTSE 250.

## Cautionary statement

This announcement contains inside information.

This announcement contains certain forward-looking statements relating to the business of Spire Healthcare Group plc (the "company") and its subsidiaries (collectively, the "group"), including with respect to the progress, timing and completion of the group's development, the group's ability to treat, attract, and retain patients and customers, its ability to engage consultants and GPs and to operate its business and increase referrals, the integration of prior acquisitions, the group's estimates for future performance and its estimates regarding anticipated operating results, future revenue, capital requirements, shareholder structure and financing. In addition, even if the group's actual results or development are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of the group's results or developments in the future. In some cases, you can identify forward-looking statements by words such as "could," "should," "may," "expects," "aims," "targets," "anticipates," "believes," "intends," "estimates," or similar words. These forward-looking statements are based largely on the group's current expectations as of the date of this announcement and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the group's expectations could be affected by, among other things, uncertainties involved in the integration of acquisitions or new developments, changes in legislation or the regulatory regime governing healthcare in the UK, poor performance by consultants who practice at our facilities, unexpected regulatory actions or suspensions, competition in general, the impact of global economic changes, risks arising out of health crises and pandemics, changes in tax rates, future business combinations or dispositions, and the group's ability to obtain or maintain accreditation or approval for its facilities or service lines. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made in this announcement will in fact be realised and no representation or warranty is given as to the completeness or accuracy of the forward-looking statements contained in this announcement.

The group is providing the information in this announcement as of this date, and we disclaim any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## Analyst and investor meeting

There will be a hybrid analyst and investor meeting today at 9.00am.

**In-person:** The presentation will be hosted from our offices in Blackfriars, 3 Dorset Rise, City of London, London EC4Y 8EN

**Virtually:** Webinar link [https://storm-virtual-uk.zoom.us/webinar/register/WN\\_-vkJpdWrT16nYL9RqMlr0w](https://storm-virtual-uk.zoom.us/webinar/register/WN_-vkJpdWrT16nYL9RqMlr0w)

Webinar ID: 837 0067 4053

The webinar will be available for replay shortly following the meeting through the company's investor website:

<https://investors.spirehealthcare.com/home/>

# Operating review

(Unless otherwise stated, y/y growth metrics and margin expansion metrics are presented on a comparable basis<sup>1</sup>)

## Our market

The demand for private healthcare remains strong. A number of key trends are affecting our market in the near to medium term:

### 1. Waiting lists and partnership with the NHS

NHS waiting lists remain at significant levels, at 7.46m treatments (end of 2023: 7.6m). In 2019, there were around 1,600 people waiting longer than a year for a procedure. Today, this number is c200,000 and the 18-week waiting target has not been met for almost 10 years. The new government seeks to reduce waiting lists and has recently launched a new partnership framework with the independent sector. The partnership seeks to involve local NHS and independent providers early in the planning process, increase patient awareness of the legal right to choose and move to long term contracts to underpin capital investment.

### 2. Private market

Demand for Self-Pay (SP) healthcare fell from the historic highs seen in 2023, but still significantly exceeds pre pandemic levels and demand remains strong in our core specialities of hip and knee surgery. We believe this dynamic is partly explained by the ongoing movement of patients who might previously have paid for their own treatment, who are increasingly being covered by employer Private Medical Insurance (PMI) policies. PMI penetration continues to grow significantly.

### 3. Healthcare workforce

Attracting and retaining the best people remains a focus for all healthcare providers, both public and private. Spire has launched workforce initiatives aimed at increasing our permanent employed staff, improving retention and engagement and growing our own talent through apprenticeship programmes. During 2024, above inflation pay rewards were implemented, particularly for clinical staff, which has supported an improvement in turnover rates and the lowest level of clinical vacancies for some time.

## Our purpose and model for success

Our purpose is to 'make a positive difference to people's lives through outstanding personalised care. Achieving this by running excellent hospitals and developing primary care services to provide people with more choice and the opportunity to access the healthcare they need.

Our model for success is driven by four main pillars:

- Building scale and access
- Investing in growth sectors
- Leading on quality
- Focusing on efficiency and expertise

Which supports the delivery of **strong financial performance and investor returns**.

## Build scale and access

**Hospitals:** The core of Spire's business remains the efficient operation of our 38 hospitals and we are the leading independent provider of orthopaedics procedures and many other services. Overall, hospital performance during the year was good, underpinned by strong structural demand for safe, high quality treatment with revenue up 5.5% y/y to £1.39bn (FY23: £1.33bn).

In the Private payor group (SP and PMI combined), we saw good revenue growth of 4.3% y/y. Admissions and Outpatient procedures grew 1% y/y, with stronger volume growth in PMI, and softer volumes in SP where we continue to see some switching to PMI. ARPC (Average Revenue Per Case) in Admissions grew 3.9% y/y, which has been driven by both acuity (complexity) and price. In SP, we have full control of pricing and proactively change our price points more frequently than any of our main competitors. In PMI, prices are adjusted annually in Q1 / Q2 each year and contain mechanisms linked to inflation, as well as pricing incentives to capture increased patient flow from insurance partners. The Private proportion of Hospital revenue during FY24 was 71.6% (FY23: 72.3%). This aligns with our aim for Private revenue to be in the range of 70-80%.

We saw increased activity from the NHS, ahead of our expectations, with revenue up 8.8% y/y and a focus on high acuity orthopaedic services which make up c60% of procedures. Additional NHS e-referral slots were opened up at the end of Q3, leading to increased NHS revenues during Q4. The Government has recently made a significant announcement around the reformation of elective care and building a sustainable NHS, which involves a new partnership agreement between the NHS and the private sector.

**Primary Care services:** grew significantly in FY24, growing revenue by 15.0% to £121.0 million (FY23: £31.4m). A large part of this growth has come from the acquisition of Vita Health Group, which was completed in October 2023. Vita is the largest independent NHS Talking Therapies provider and delivers musculoskeletal (physio) and dermatology services. Vita performed ahead of expectations in FY24, delivering £107m in revenue. Primary Care also includes our private GP services delivered through the London Doctors Clinic (LDC) brand, Spire Occupational Health services and our recently opened Spire Clinics which are focused on outpatient treatment, diagnostics and act as referral centres to our Hospitals. As our broader healthcare offering continues to be developed, income from this area will become increasingly material to the Group's performance.

## Invest in growth sectors

Spire wants to take a more proactive role in patients' care before and after a stay in hospital and provide wraparound care through a person's whole healthcare journey. Expanding our Primary Care services is core to this strategy, which includes outpatient and minor treatments, diagnostics, GP services, physio, mental health, occupational health, oncology and women's health. As discussed above, the acquisition of Vita was core to our initial buildout of Primary Care.

We are also driving Primary Care growth through the opening of new, outpatient led Clinics. Some of the clinics follow an 'outreach' model, opening close to existing hospitals and enabling the Group to move some of its outpatient functions and minor treatments away from hospitals. Others will be in completely new parts of the country where we do not currently have a presence, enabling us to meet the healthcare needs of more people and build relationships with new consultants. Our Harrogate and Norwich Clinics opened at the end of FY24, with Abergele Clinic open since April 2024. Abergele has already reached breakeven profitability, is on track to payback its capital investment within three years and has driven double its own revenue in referrals to the nearest Spire Hospitals.

Spire Occupational Health continues to develop in line with the Group's plan. The focus in FY24 was the integration of Soma Health and Maitland Medical, and rebranding them as Spire Occupational Health. Looking ahead, we are exploring opportunities for market consolidation. We are also seeking to streamline our offering to employers in 2025, with synergies between Spire Occupational Health and Vita.

We plan to further accelerate our Primary Care growth strategy, delivering a >£40m EBITDA business in the medium-term. Supported by more new Clinic openings, significant contract wins in Mental Health/Occupational Therapy, and small M&A.

### Leading on quality

In FY24, 98% of our inspected hospitals and clinics were rated 'Good', 'Outstanding' or the equivalent by regulators in England, Scotland and Wales. Spire hospitals in Edinburgh, Spire Clare Park in Farnham and Spire Cardiff were re-rated as good or equivalent. We are still awaiting reinspection of Spire Alexandra in Kent, our remaining site which has a 'requires improvement' rating and has not been inspected since 2016/17. All inspected Vita locations are rated 100% 'Good' by the CQC. In FY24, 97% of our patients rated their experience as 'very good' or 'good', while 95% of patients said they felt 'cared for' or 'looked after' in our hospitals, both up one percentage point from FY23.

Championing sustainability is core to the Group's strategy and we continue to implement the sustainability strategy we launched in 2022, which focuses on three areas: Respect the environment, Engage our people and communities, and Operate responsibly. We made further progress towards achieving net zero carbon status by 2030, with the installation of over 12,000 solar photovoltaic panels currently taking place at our 38 hospitals. Waste management initiatives saved 2,742 tonnes of CO<sub>2</sub> (FY23: 358 tonnes). Our journey towards achieving net zero carbon by 2030 is progressing, and in FY24 we were just short of our target, coming in (6)% under our goal. The sustainability committee has reviewed all 17 sustainability goals and in the coming year will review the net zero plan in light of changing external factors.

### Focusing on efficiency and expertise

We responded well to the external environment in the period. UK inflation pressures persisted and we also saw the additional cost impacts of changing payor mix, record levels of permanent employment in clinical staff and the roll off of our energy hedge in Q4. We responded effectively, with mitigation through accelerating efficiency savings, which delivered >£20m during the year (FY23: £15m).

To maximise performance in our hospitals, we are prioritising operational control, driving capacity and utilisation across our sites. We have a clear plan for growth and increased our ambition to cumulatively deliver more than £80 million in savings by 2026. We are seeing encouraging momentum from new initiatives such as workforce planning and scheduling tools, and the transformation of our pathology business, better buying and procurement. By leveraging hub ways of working, with procurement, administration and bookings for hospitals now moving to regional patient support centres rather than by hospital, we are driving consistency and value for money. It also gives us the opportunity to re-commission clinical space. We have improved the performance of core digital platforms such as our hospital management system, and delivered digital check-in for patients using a tablet, thereby saving time.

As a people business, investment in our workforce is critical to the health of Spire and delivering good patient outcomes. People costs, including clinical and non-clinical staff, represent >40% of our Group cost base. Spire supported eligible Hospital colleagues with an above inflation salary increase during FY24, implemented a new Hospital Rewards Framework and once again broadened our apprenticeship programme. We believe these efforts have helped us to achieve record levels of permanent employment, high retention, and a reduction in clinical turnover rates to an all-time low of 11.5%. In the annual survey of colleagues, 76% recorded that they were proud to work for Spire, down slightly vs FY23 (81%), but still a strong engagement score within a time of transformation for the business.

### Delivering strong financial performance and shareholder returns

(Unless otherwise stated, y/y growth metrics and margin expansion metrics are presented on a comparable basis<sup>1</sup>)

Spire Healthcare delivered good financial and operational performance during 2024. All core metrics were delivered in-line with guidance.

#### Revenue and profitability

Group Revenue in FY24 was up 6.2% to £1,511.2m (FY23: £1,359.0m), driven by the demand for private healthcare and our expansion into Primary Care. In the Hospitals business, revenue was up 5.5% y/y to £1,390m (FY23: £1,328m). Within this, we saw 1.9% y/y growth in Admissions and Outpatient Procedures, and strong growth in Admissions ARPC (average revenue per case), up 4.2% as a result of our focus on higher acuity (complexity) procedures. Primary Care Services revenues were up 15.0% to £121.0m.

Group adjusted EBITDA was £260.0m, up 9.0% y/y with a margin of 17.2% (FY23: £234.0m).

Hospitals adjusted EBITDA was £249.7m and showed good EBITDA margin progress, up 30 bps y/y to 18.0%. Delivered through price and acuity benefits, and transformation cost savings; whilst also seeing investment in hospital staff, payor mix changes and energy cost rises as discussed above.

Primary Care services generated EBITDA of £10.3m, with a very strong expansion in EBITDA margin of 340 bps to 8.5%. Primary Care services have lower EBITDA margins than the Group given they include a number of younger maturity services across the Spire Clinics and LDC. Over time, we expect these margins to increase through a combination of building scale and maturity.

Group operating profit was up 9.0% y/y on a stated basis to £137.5m, including adjusting items of £(11.9)m largely related to the transformation programme and previously disclosed remediation.

## Cashflow and investment

Total capital expenditure in FY24 was £112.1m (FY23: £84.4m). This was comprised of Hospital growth capex investment of c£40m, including major refurbishments at Spire Portsmouth and Spire Washington; and five new MRI scanners. We also deployed a growth investment of £13m towards supporting the Primary Care expansion strategy, including the openings of Spire Clinics in Abergele, Harrogate and Norwich. The remainder of capital spending was deployed towards the ongoing maintenance of our estate and IT infrastructure enhancement.

Net bank debt at the end of the year was £325.9m (vs £315.7m at 31 December 2023), with a cash balance of £41.2m (vs £49.6m at 31 December 2023). Our existing debt financing facilities have a total facility size of £425m and currently have headroom of £60m and an average interest rate of 5.85%. The Group entered an interest rate hedge agreement for its senior lending facility, of which 50% is currently hedged until February 2026 and our facilities are available until February 2027. Net bank debt / Adjusted EBITDA covenant ratio declined to 2.0x as at 31 December 2024 (FY23: 2.2x).

The Group continued to be cash generative during the period. Cash inflow from adjusted operating activities during the period was £241.7 m (FY23: £228.2m) which constitutes a cash conversion rate of 94% (FY23: 98%).

The strong operational performance resulted in adjusted EBIT rising by 12.4% y/y to £149.4m, leading to ROCE up by 70 bps to 8.2%.

In regard to our capital allocation strategy, the priority will be to invest for growth. This includes our core capital investment in the existing estate, alongside growth investment to support the Primary Care strategy. This investment will likely be a combination of small M&A and organic capex, with all investments and returns rigorously assessed against strategic and financial lenses such as ROCE and payback. We expect bank leverage to be maintained at c2x net bank debt / adjusted EBITDA in the normal course of business, with comfort to extend in the short term for selective M&A.

## Dividend

The Directors of Spire Healthcare have recommended the payment of a final dividend of 2.3 pence per share for the year ended 31 December 2024. Subject to shareholder approval at the forthcoming Annual General Meeting on 14 May 2025, the dividend will be paid on 20 June 2025 to shareholders of the Company at the close of business on 23 May 2025. This payment is in line with the Group's dividend policy whereby dividends will typically be set at 25-35% of Profit After Tax, provided bank leverage remains less than 2.5x.

## Board and Executive team changes

It was with great sorrow that we announced the death of Martin Angle, Deputy Chairman and independent Non-Executive Director in September 2024. Martin had a hugely successful and distinguished career with senior positions across banking, private equity and industry. He joined our Board in 2019 and was chair of the Audit and Risk Committee as well as a member of several other committees. We are grateful to Debbie White, senior independent director, for chairing the Audit and Risk Committee on an interim basis.

Jill Anderson will join as an independent Non-Executive Director on 6 March 2025 and will chair the Company's Audit and Risk Committee from the conclusion of our AGM in May. She will also become a member of the Remuneration Committee on appointment.

In addition, after over 10 years of service, Professor Dame Janet Husband will step down from the Board at our AGM in May 2025. Sir David Sloman will join as a non-independent Non-Executive Director on 6 March 2025. Sir David will become a member of the Company's Clinical Governance and Safety Committee on appointment and will replace Dame Janet as chair on 14 May 2025. He will also take on the role of Vice Chair from this date. As a result of Sir David's appointment with AXA UK and Ireland, the Company does not consider him to be independent.

Sir Ian Cheshire will become an additional member of the Remuneration Committee on 6 March 2025.

Harbant Samra was appointed as Chief Financial Officer in May 2024, succeeding Jitesh Sodha. Harbant joined Spire Healthcare in 2018 as Group Financial Controller and became Deputy CFO in 2022. We also look forward to welcoming Rebecca Harper to the new Executive Committee position of Group Corporate Affairs Director in April 2025.

## Footnotes:

1. On 31 March 2024, the Group sold the business operations and assets of Spire Tunbridge Wells to the local NHS Trust. On 18 October 2023, the Group purchased Vita Health Group. Therefore, where meaningful we have presented certain financial information on a 'Comparable Basis' where we have adjusted for the year-on-year (y/y) impact of Tunbridge Wells and presented Vita Health Group on a proforma basis assuming it was owned for 12 months in 2023.

# Financial review

## Selected financial information

(£m)	Year ended 31 December 2024			Year ended 31 December 2023		
	Total before Adjusting items	Adjusting items (note 10)	Total	Total before Adjusting items	Adjusting items (note 10)	Total
<b>Revenue</b>	<b>1,511.2</b>	–	<b>1,511.2</b>	1,359.0	–	1,359.0
Cost of sales	(827.6)	–	(827.6)	(734.8)	–	(734.8)
<b>Gross profit</b>	<b>683.6</b>	–	<b>683.6</b>	624.2	–	624.2
Other operating costs	(542.3)	(16.4)	(558.7)	(497.4)	(6.7)	(504.1)
Other income	8.1	4.5	12.6	3.6	2.5	6.1
<b>Operating profit</b>	<b>149.4</b>	<b>(11.9)</b>	<b>137.5</b>	130.4	(4.2)	126.2
Finance income	0.7	–	0.7	1.4	–	1.4
Finance costs	(99.9)	–	(99.9)	(93.0)	–	(93.0)
<b>Profit before taxation</b>	<b>50.2</b>	<b>(11.9)</b>	<b>38.3</b>	38.8	(4.2)	34.6
Taxation	(14.1)	1.8	(12.3)	(6.4)	(0.3)	(6.7)
<b>Profit for the period</b>	<b>36.1</b>	<b>(10.1)</b>	<b>26.0</b>	32.4	(4.5)	27.9
<b>Profit for the year attributable to owners of the Parent</b>	<b>35.5</b>	<b>(10.1)</b>	<b>25.4</b>	31.8	(4.5)	27.3
<b>Profit for the year attributable to non-controlling interest</b>	<b>0.6</b>	–	<b>0.6</b>	0.6	–	0.6
<b>Adjusted EBITDA <sup>(1)</sup></b>			<b>260.0</b>			234.0
<b>Basic earnings per share, pence</b>			<b>6.3</b>			6.8
Adjusted FCF <sup>(2)</sup>			<b>39.0</b>			48.0
Net cash from operating activities			<b>235.7</b>			215.5
Net bank debt <sup>(3)</sup>			<b>325.9</b>			315.7

1. Adjusted EBITDA is calculated as Operating Profit, adjusted to add back depreciation, amortisation and Adjusting items, referred to hereafter as 'Adjusted EBITDA' refer to page 11. For EBITDA for covenant purposes, refer to note 18.

2. Adjusted FCF (Free Cash Flow) is calculated as Adjusted EBITDA, less rent, capital expenditure cash flows and changes in working capital after adjusting for one-off items which are not related to the normal trading activity of the business. Rent cash flows are defined as interest on, and payment of, lease liabilities. Capital expenditure cash flows are defined as the purchase of property, plant and equipment.

3. Net bank debt is defined as bank borrowings less cash and cash equivalents

## Revenue

(Unless otherwise stated, y/y growth metrics and/or margin expansion metrics are presented on a comparable basis)

Group revenues increased 6.2% to £1,511.2m (2023: £1,359.0m) driven by the demand for private healthcare and our expansion into Primary Care.

In the Hospitals business, revenue was up 5.5% y/y to £1,390m (FY23: £1,328m). Within this, we saw 1.9% y/y growth in Admissions and Outpatient Procedures, and strong growth in Admissions ARPC (average revenue per case), up 4.2% as a result of our focus on higher acuity (complexity) procedures. Looking to the payor Groups, we saw increased activity from the NHS, ahead of our expectations, with revenue up 8.8% y/y and a focus on high acuity orthopaedic services. Private (Self Pay + PMI) remained in good growth, up 4.3% y/y, with strong volume and pricing in PMI; and softer volumes in Self-Pay where we continue to see switching to PMI.

Primary Care Services revenues were up 15.0% to £121.0m. Primary Care includes Vita Health Group, which was acquired at the end of 2023 and represents the majority of the business line. Vita is the largest independent NHS talking therapies provider and delivers musculoskeletal (physio) and dermatology services. Vita performed ahead of expectations in FY24, delivering £107m in revenue. Primary Care also includes our private GP services delivered through the London Doctors Clinic (LDC) brand, Spire Occupational Health services and our recently opened Spire Clinics which are focused on outpatient treatment, diagnostics and act as referral centres to our Hospitals. As our broader healthcare offering continues to be developed, income from this area will become increasingly material to the Group's performance.

## Revenue by location and payor

(£ million)	Year ended 31 December								
	2024			2023			Variance %		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
<b>Total revenue</b>	<b>1,390.2</b>	<b>121.0</b>	<b>1,511.2</b>	1,327.6	31.4	1,359.0	<b>4.7%</b>	<b>NM*</b>	<b>11.2%</b>
Of which:									
Inpatient	548.0	–	548.0	535.5	–	535.5	2.3%	NM*	2.3%
Day case	426.6	0.6	427.2	399.9	–	399.9	6.7%	NM*	6.8%
Out-patient	388.1	120.2	508.3	365.4	31.4	396.8	6.2%	NM*	28.1%
Other	27.5	0.2	27.7	26.8	–	26.8	2.6%	NM*	3.4%
<b>Total revenue</b>	<b>1,390.2</b>	<b>121.0</b>	<b>1,511.2</b>	1,327.6	31.4	1,359.0	<b>4.7%</b>	<b>NM*</b>	<b>11.2%</b>

\* Not meaningful due to the VHG acquisition in October 2023

(£m)	Year ended 31 December								
	2024			2023			Variance %		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Of which:									
PMI	662.4	1.6	664.0	615.7	0.8	616.5	7.6%	NM*	7.7%
Self-pay	332.9	8.0	340.9	344.0	7.8	351.8	(3.2%)	2.6%	(3.1%)
<b>Total Private</b>	<b>995.3</b>	<b>9.6</b>	<b>1,004.9</b>	959.7	8.6	968.3	<b>3.7%</b>	<b>11.6%</b>	<b>3.8%</b>
Total NHS	367.4	80.8	448.2	341.1	14.9	356.0	7.7%	NM*	25.9%
Other	27.5	30.6	58.1	26.8	7.9	34.7	2.6%	NM*	67.4%
<b>Total revenue</b>	<b>1,390.2</b>	<b>121.0</b>	<b>1,511.2</b>	1,327.6	31.4	1,359.0	<b>4.7%</b>	<b>NM*</b>	<b>11.2%</b>

\* Not meaningful due to the VHG acquisition in October 2023

## Hospitals Business Revenue on comparable basis (adjusted for the effect of Tunbridge Wells)

(£m)	Year ended 31 December								
	2024			2023			Variance %		
	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business
<b>Total Revenue</b>	<b>1,386.5</b>	<b>3.7</b>	<b>1,390.2</b>	1,314.8	12.8	1,327.6	<b>5.5%</b>	<b>NM*</b>	<b>4.7%</b>

\* Not meaningful due to period of trading for Tunbridge Wells hospital in 2024 being 3 months vs 12 months in 2023

## Primary Care Revenue on comparable basis (adjusted for the effect of the acquisition in 2023)

(£m)	2024				2023		Variance %	
	Primary Care	Primary Care as reported in 2023	Pro-forma adjustment for full year VHG	Pro-forma adjusted Primary Care	Primary Care as reported	Primary Care adjusted for pro-forma in 2023		
<b>Total Revenue</b>	<b>121.0</b>	31.4	73.8	105.2	<b>NM*</b>	<b>15%</b>		

\* Not meaningful due to period of trading for VHG in 2023

## Cost of sales and gross profit

(Unless otherwise stated, y/y growth metrics and/or margin expansion metrics are presented on a comparable basis)

For the Hospitals business, gross margin remained flat at 46.2%. Cost of sales increased in the period by £34.1m to £748.4m (2023: £714.3m). Increased costs are due to inflationary pressures and continued wage rate expansion, managed effectively through strong procurement processes, the benefit of an energy hedge for the majority of the year (which rolled off in early Q4) and our transformation cost savings programme, alongside optimisation of acuity, payor mix and pricing.

Primary Care gross margin decreased slightly to 34.5% from 34.7% as they include a number of younger maturity services across the Spire Clinics and LDC. Over time, we expect these margins to increase significantly through a combination of building scale and maturity.

Cost of sales is broken down, and presented as a percentage of revenue, as follows:

	2024		2023	
	Year ended 31 December		Year ended 31 December	
	£m	% of Group revenue	£m	% of Group revenue
Clinical staff	375.9	24.9%	304.1	22.4%
Direct costs	325.5	21.5%	312.4	23.0%
Medical fees	126.2	8.4%	118.3	8.7%
<b>Cost of sales</b>	<b>827.6</b>	<b>54.8%</b>	734.8	54.1%
Gross profit	683.6	45.2%	624.2	45.9%

Cost of sales is broken down, and presented as a percentage of relevant revenue split by operating segment, as follows:

(£ million)	Hospitals Business				Primary Care			
	% of Hospitals Business revenue		% of Hospitals Business revenue		% of Primary Care revenue		% of Primary Care revenue	
	2024	2023	2024	2023	2024	2023	2024	2023
Clinical staff	302.0	21.7%	285.9	21.5%	73.9	61.1%	18.2	58.0%
Direct costs	321.8	23.1%	311.7	23.5%	3.7	3.1%	0.7	2.2%
Medical fees	124.6	9.0%	116.7	8.8%	1.6	1.3%	1.6	5.1%
<b>Cost of sales</b>	<b>748.4</b>	<b>53.8%</b>	<b>714.3</b>	<b>53.8%</b>	<b>79.2</b>	<b>65.5%</b>	<b>20.5</b>	<b>65.3%</b>
Gross profit	641.8	46.2%	613.3	46.2%	41.8	34.5%	10.9	34.7%

### Other operating costs

For the Hospitals business other operating costs, excluding adjusting items, have increased by £25.4m, or 5.2% to £511.1m (2023: £485.7m). The main driver is increased central and non-clinical staff costs due to continued wage rate expansion and other inflationary pressures. Depreciation for the year was £106.4m (2023: £102.6m). The increase in depreciation is in line with expectations and is due to increased capex investment and RPI increases on properties. Operating margin for the year ended 31 December 2024 is 9.7% (2023: 9.6%). Operating margin, excluding adjusting items, is 10.3% up from 9.9% at 2023.

Other operating costs for the Primary Care business is £39.5m (2023: £11.7m). Depreciation and amortisation for the year was £4.2m (2023: £1.0).

### Adjusted EBITDA

(Unless otherwise stated, y/y growth metrics and/or margin expansion metrics are presented on a comparable basis)

Group adjusted EBITDA increased by 9.0% to £260.0m from £234.0m.

Hospitals adjusted EBITDA was £249.7m (2023: £233.8m) delivered through price and acuity benefits, and transformation cost savings, whilst also seeing investment in hospital staff, payor mix changes and energy cost rises as discussed above

Primary Care services adjusted EBITDA was £10.3m (2023: £0.2m), with a very strong expansion in EBITDA margin of 340 bps to 8.5%. Primary Care services have lower EBITDA margins than the Group given they include a number of younger maturity services across the Spire Clinics and LDC. Over time, we expect these margins to increase significantly through a combination of building scale and maturity.

### Share-based payments

During the period, grants were made to executive directors and other employees under the company's Long Term Incentive Plan. For the year ended 31 December 2024, the charge to the income statement is £4.2m (2023: £3.7m), or £4.7m inclusive of National Insurance (2023: £4.1m).

### Adjusting items

(£m)	Year ended 31 December	
	2024	2023
Asset acquisitions, disposals and aborted project costs	(2.8)	3.1
Business reorganisation and corporate restructuring costs	4.3	2.0
Remediation of regulatory compliance or malpractice costs	6.9	(0.9)
Clinic set up costs	1.9	–
Amortisation on acquired intangible assets	1.6	–
<b>Total pre-tax Adjusting items</b>	<b>11.9</b>	4.2
Income tax credit charge on Adjusting items	(1.8)	0.3
<b>Total post-tax Adjusting items</b>	<b>10.1</b>	4.5

Adjusting items comprise those matters where the directors believe the financial effect should be adjusted for, due to their nature, size or incidence, in order to provide a more accurate comparison of the group's underlying performance.

Asset acquisitions, disposals and aborted project costs is a credit of £2.8m and includes a profit of £4.5m relating to the sale of the Group's Tunbridge Wells hospital to Maidstone and Tunbridge Wells NHS Trust ("Trust") for £10.0m (refer to disposal note 24 for more details). In addition, there is £0.6m of integration and other acquisition costs relating to the Vita acquisition and £0.6m true up to provision on the DCG and Claremont acquisitions.

In the prior year, costs of £3.1m mainly relate to asset acquisitions of Vita and DCG.

Business reorganisation and corporate restructuring relates to the Group announcement of a strategic, group wide initiative in H2 21 that will enable a more efficient business operating model, including leveraging digital solutions and technology. As a result of this initiative, additional costs of £3.5m (2023: £2.0m) have been incurred in the period, bringing costs to date of £9.3m. This initiative is being implemented over several phases and is likely to be materially completed during 2026 as communicated at our capital markets event in April 2024. Future costs are not disclosed as a reliable estimate cannot be made due to the nature of the matter. £0.7m has been incurred in respect of restructuring costs relating to the DCG.

Remediation of regulatory compliance or malpractice costs reflect an increase in the provision in June 2024 of £4.6m (2023: £2.5m). The provision was established by Spire Healthcare in respect of implementing the recommendations of the Independent Inquiry including a detailed patient review and support for patients of Paterson. The project is complex and the process for review and settlement of claims, where relevant, takes some time. The detailed patient review has now reached the milestone of having contacted all living patients and invited them, where appropriate, to consultations to discuss their care. As a consequence, the rate of new claims has dropped significantly, as most patients now have their outcomes of their review and have initiated their claim, where relevant. Claims activity in the second half of the year has therefore been in line with the assumptions taken by management and the provision established at the half year. As a result there has been no subsequent increase in the provision. In addition, £1.7m of legal fees have been incurred for the ongoing inquests. Whilst it is possible that, as further information becomes available, an adjustment to this provision will be required, at this time it reflects management's best estimate of the costs and settlement of claims.

In the prior year the group has recognised a credit of £0.9 million in respect of Remediation of Regulatory Compliance or Malpractice Costs relating to Paterson. This comprised £2.5m funds received from its insurer and £0.9m reduction in provision which had been held to resolve the matter. This was offset by an increased separate provision in respect of Paterson by £2.5m.

Clinic set up costs relate to costs incurred for the set-up of the Abergele and Harrogate clinics prior to opening. The clinic in Abergele opened in February 2024 and Harrogate in January 2025.

£0.9m of amortisation on acquired intangible assets related to the customer contracts recognised on the acquisition of Vita in October 2023.

### Net finance costs

Net finance costs have increased by £7.6m to £99.2m (2023: £91.6m), mainly due to RPI increases on leases and a slightly higher average interest rate on bank borrowings.

### Taxation

The effective tax rate assessed for the year, all of which arises in the UK, differs from the standard weighted rate of corporation tax in the UK. The reconciliation of the actual tax charge to that at the domestic corporation tax rate is as follows:

(£m)	Year ended 31 December	
	2024	2023
Profit before taxation	38.3	34.6
Tax at the standard rate	9.6	8.1
Effects of:		
Expenses and income not deductible or taxable	1.1	3.2
Adjustment for movement on share-based payments	0.3	–
Tax adjustment for the super-deduction allowance	–	(0.8)
Adjustments in respect of prior year	1.3	(4.2)
Difference in tax rates	–	0.2
Deferred tax not previously recognised	–	0.2
Total tax charge	12.3	6.7

Corporation tax is calculated at 25.0% (2023: 23.5%) of the estimated taxable profit or loss for the year. The effective tax rate on profit before taxation for the year is 32.1%. The effective tax rate is higher than the UK rate due to the impact of prior year adjustments and non-deductible items. Excluding the adjustments to prior years in 2024, the effective tax rate is 28.1%.

### Profit after taxation

The profit after taxation for the year ended 31 December 2024 was £26.0m (2023: £27.9m).

### Alternative performance (non-GAAP) financial measures

We have provided alternative financial information that has not been prepared in accordance with UK-adopted International Accounting Standards ("IFRS"). We use these alternative financial measures internally in analysing our financial results and believe they are useful to investors, as a supplement to IFRS measures, in evaluating our ongoing operational performance. We believe that the use of these alternative financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in comparing our financial results with other companies in the industry, many of which present similar alternative financial measures to investors.

Alternative financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with IFRS. Investors are encouraged to review the reconciliation of these alternative financial measures to their most directly comparable IFRS financial measures provided in the financial statements table.

## Adjusted EBITDA

(£ million)	2024			2023			Variance %		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Operating profit	135.2	2.3	137.5	127.0	(0.8)	126.2	6.5%	NM*	9.0%
Remove effects of:									
Adjusting items	8.1	3.8	11.9	4.2	–	4.2	NM	NM*	NM
Depreciation	106.4	1.6	108.0	102.6	0.4	103.0	3.7%	NM*	4.9%
Amortisation <sup>1</sup>	–	2.6	2.6	–	0.6	0.6	NM	NM*	NM
<b>Adjusted EBITDA</b>	<b>249.7</b>	<b>10.3</b>	<b>260.0</b>	233.8	0.2	234.0	<b>6.8%</b>	<b>NM*</b>	<b>11.1%</b>

<sup>1</sup> Amortisation of £1.6 million is included in adjusting items

\* Not meaningful due to the VHG acquisition in October 2023

## Hospitals Business Adjusted EBITDA on comparable basis (adjusted for the effect of Tunbridge Wells)

(£m)	2024			2023			Variance %		
	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business
<b>Total Adjusted EBITDA</b>	<b>249.2</b>	<b>0.5</b>	<b>249.7</b>	232.7	1.1	233.8	<b>7.1%</b>	<b>NM*</b>	<b>6.8%</b>

\* Not meaningful due to period of trading for Tunbridge Wells hospital in 2024 being 3 months vs 12 months in 2023

## Primary Care Adjusted EBITDA on comparable basis (adjusted for the effect of the acquisition in 2023)

(£m)	2024		2023			Variance %	
	Primary Care	Primary Care as reported in 2023	Pro-forma adjustment for full year VHG	Pro-forma adjusted Primary Care	Primary Care as reported	Primary Care adjusted for pro-forma in 2023	
<b>Total Adjusted EBITDA</b>	<b>10.3</b>	0.2	5.2	5.4	<b>NM*</b>	<b>90.7%</b>	

\* Not meaningful due to period of trading for VHG in 2023

## Adjusted EBIT

(£ million)	2024			2023			Variance %		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Operating profit	135.2	2.3	137.5	127.0	(0.8)	126.2	6.5%	NM*	9.0%
Remove effects of:									
Adjusting items	8.1	3.8	11.9	4.2	–	4.2	NM	NM*	NM
<b>Adjusted EBIT</b>	<b>143.3</b>	<b>6.1</b>	<b>149.4</b>	131.2	(0.8)	130.4	<b>9.2%</b>	<b>NM*</b>	<b>14.6%</b>

\* Not meaningful due to the VHG acquisition in October 2023

## Hospitals Business Adjusted EBIT on comparable basis (adjusted for the effect of Tunbridge Wells)

(£m)	2024			2023			Variance %		
	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business
<b>Total Adjusted EBIT</b>	<b>143.0</b>	<b>0.3</b>	<b>143.3</b>	130.8	0.4	131.2	<b>9.3%</b>	<b>NM*</b>	<b>9.2%</b>

\* Not meaningful due to period of trading for Tunbridge Wells hospital in 2024 being 3 months vs 12 months in 2023

## Primary Care Adjusted EBIT on comparable basis (adjusted for the effect of the acquisition in 2023)

(£m)	2024		2023			Variance %	
	Primary Care	Primary Care as reported in 2023	Pro-forma adjustment for full year VHG	Pro-forma adjusted Primary Care	Primary Care as reported	Primary Care adjusted for pro-forma in 2023	
<b>Total Adjusted EBIT</b>	<b>6.1</b>	(0.8)	2.6	1.8	<b>NM*</b>	<b>238.9%</b>	

\* Not meaningful due to period of trading for VHG in 2023

## Adjusted profit after tax and adjusted earnings per share

Adjustments have been made to remove the impact of non-recurring items.

(£m)	Year ended 31 December	
	2024	2023
Profit before tax	38.3	34.6
Adjustments for:		
Adjusting Items – operating costs	11.9	4.2
Adjusted profit before tax	50.2	38.8
Taxation <sup>(1)</sup>	(14.1)	(6.4)
Adjusted profit after tax	36.1	32.4
Profit for the year attributable to owners of the parent	35.5	31.8
Profit / (loss) for the year attributable to non-controlling interests	0.6	0.6
Weighted average number of ordinary shares in issue (No.)	403,493,123	403,648,886
Adjusted earnings per share (pence) attributable to the parent	8.8	7.9

1. Reported tax charge for the period adjusted for the tax effect of Adjusting Items

## Return on capital employed

Return on capital employed ('ROCE') is the ratio of the group's Adjusted EBIT to total assets less cash, capital investments made in the last 12 months and current liabilities. In the prior year the calculation annualises the EBIT of the Vita acquisition as it was not part of the group for the full year. The calculation of return on capital employed is shown below:

(£m)	Year ended 31 December	
	2024	2023
<b>Adjusted EBIT</b>	<b>149.4</b>	130.4
Adjusted: for full year pro-forma effect of VHG acquisition	–	6.8
<b>Adjusted EBIT pre VHG</b>	<b>149.4</b>	137.2
Total Assets	2,343.2	2,288.1
Less: Cash and cash equivalents	(41.2)	(49.6)
Less: Capital investments	(127.2)	(84.4)
Less: Current Liabilities	(341.7)	(317.6)
<b>Capital Employed</b>	<b>1,833.1</b>	1,836.5
<b>Return on capital employed %</b>	<b>8.2%</b>	7.5%

## Adjusted Free Cash flow

(£m)	Year ended 31 December	
	2024	2023
Adjusted EBITDA	260.0	234.0
Less: Lease payments	(102.3)	(100.2)
Less: Cash flow for the purchase of property, plant and equipment	(112.1)	(84.4)
Less: Working capital movement	(7.0)	(15.5)
Less: Adjustments for non-recurring items	0.4	14.1
<b>Adjusted FCF</b>	<b>39.0</b>	48.0

## Cash flow analysis for the period

(£m)	Year ended 31 December	
	2024	2023
<b>Opening Cash balance</b>	<b>49.6</b>	74.2
Operating cash flows before recurring items and VHG	<b>244.3</b>	228.2
Less: Adjustments for non-recurring items and VHG	<b>(2.6)</b>	(9.9)
Operating cash flows before Adjusting Items and income tax paid	<b>241.7</b>	218.3
Net cash flow from Adjusting Items (included in operating cash flows)	<b>(5.9)</b>	(2.7)
Income tax paid	<b>(0.1)</b>	(0.1)
<b>Operating cash flows after operating Adjusting Items and income tax</b>	<b>235.7</b>	215.5
Net cash in investing activities	<b>(99.0)</b>	(84.0)
Cash outflow for acquisition of subsidiary	<b>–</b>	(73.2)
<b>Investing cash flows after investing Adjusting Items</b>	<b>(99.0)</b>	(157.2)
<b>Net cash in financing activities</b>	<b>(145.1)</b>	(82.9)
<b>Financing cash flows after financing Adjusting Items</b>	<b>(145.1)</b>	(82.9)
<b>Closing cash balance</b>	<b>41.2</b>	49.6

### Closing cash balance

The group's year end cash balance stood at £41.2m, which reflects a reduction of £8.4m against the prior year balance of £49.6m. The reduction in cash is largely due to increased capital expenditure of £27.7m offset by proceeds from the Tunbridge Wells proceeds of £10.0m. There is £5.4m of capital expenditure related to solar panels, for which we expect to convert and enter into a sale and leaseback agreement in early 2025 and therefore represents a timing difference on cash. Further detailed information on the cash flow during the period is set out in the following sections.

### Operating cash flows before Adjusting items

The cash inflow from operating activities before tax, adjusting items was £244.3m (2023: £228.2m), which constitutes a cash conversion rate from £260.0m Adjusted EBITDA of 94% (2023: 98% conversion of £232.2 Adjusted EBITDA). The net cash outflow from movements in working capital in the period was £7.0m (2023: £15.5m outflow).

### Investing and financing cash flows

Net cash outflow in investing activities for the period was £99.0m (2023: £157.2m). The cash outflow relates to the purchase of plant, property and equipment in the period totalled £112.1m (2023: £84.4m). Capital investments in the year includes major refurbishments at Spire Portsmouth and Spire Washington; energy savings initiatives including solar panel installations; and new MRI scanners. We also deployed an accelerated growth investment supporting the Primary Care expansion strategy, including the openings of Spire Clinics in Abergele, Harrogate and Norwich.

Net cash used in financing activities for the period was £145.1m (2023: £82.9m). Cash outflows include interest paid and other financing costs of £98.1m (2023: £90.0m), and £26.2m (2023: £27.2m) of lease liability payments, a final dividend payment of £8.5m and £3.1m for the buyback of shares to settle share awards and £3.1m for share cancellation to return value to shareholders.

### Borrowings

At 31 December 2024, the group has bank borrowings of £367.1m (2023: £365.3m), drawn under facilities which mature in February 2027.

(£m)	Year ended 31 December	
	2024	2023
Cash	<b>41.2</b>	49.6
Bank borrowings	<b>367.1</b>	365.3
Bank borrowings less cash and cash equivalents	<b>325.9</b>	315.7

In the prior year, the group exercised its option to extend the senior loan facility by a further year. The financial covenants and agreement terms relating to this agreement are unchanged, with leverage to be below 4.0x and interest cover to be in excess of 4.0x. As at 31 December 2024 the leverage measure stood at 2.0x (2023: 2.2x) and interest cover of 7.5x (2023: 8.5x).

As at 31 December 2024 lease liabilities were £912.8m (2023: £891.7m).

### Dividend

The directors of Spire Healthcare have recommended the payment of a final dividend of 2.3 pence per share for the year ending 31 December 2024, subject to shareholder approval at the forthcoming Annual General Meeting on 14 May 2025.

### Related party transactions

There were no significant related party transactions during the period under review.

# Principal Risks

We set out our principal risks with their material mitigations below. Further detail on our principal risks will be found in the 2024 Annual Report and Accounts.

<p><b>1. Inflation and wage inflation</b></p>	<p>In response to macro inflationary pressure, we continue to benefit from a range of inflation mechanisms built into the PMI contracts and will benefit from our ability to change self-pay pricing quickly via our pricing engine subject to prevailing market conditions. Our conversion rate from outpatient appointment to inpatient procedure remains stable. Our procurement team maintains a constant review of pricing and seeks opportunities to mitigate inflationary increases.</p> <p>We continue to respond to changing economic circumstances by optimising our private and NHS-funded work, ensuring we are not over-reliant on one income source, and supported by an efficient cost base.</p> <p>In 2024, we announced an above inflation pay award of 2.75% for all colleagues in the hospital business, and around 5% for colleagues on the minimum hourly rate.</p>
<p><b>2. Private market dynamics</b></p>	<p>We invest in high-quality patient care service to our self-pay and insured patients of our PMI partners.</p> <p>We ensure we have long-term contracts in place with our PMI partners that avoids co-termination of contractual arrangements.</p> <p>We believe that continuing to invest in our well-placed portfolio of hospitals provides a natural fit to the local requirements of all the PMI providers long term.</p> <p>We continue to invest in efficiency programmes to ensure that we can offer the best combination of high-quality patient care at competitive prices.</p> <p>Since 2022, we have deployed national multi-media advertising campaigns highlighting the key benefits of private healthcare to increase our brand awareness.</p> <p>We are strengthening our operational capability with further enhancements to the website (content and functionality) and call centre resilience and training.</p> <p>We have adopted sophisticated pricing capability.</p> <p>We are promoting patient financing as a payment option.</p>
<p><b>3. Climate change</b></p>	<p>Flood risk mitigation includes a continued periodic review of our estate in relation to existing and predicted flood risk zones and investment in improved roofing and drainage where vulnerabilities have been identified. None of our current sites are situated in predicted high risk flood zones or in coastal areas predicted to be at risk from rising sea levels.</p> <p>Extreme ambient temperature risk mitigation includes an informed investment plan for upgrade of failing and vulnerable plant. Design of the replacement and upgrade would account for the predicted increase in ambient temperature profiles expected within the lifespan of the plant eg, 15 years. Further mitigation measures include extreme weather warning protocol and business continuity plans to provide emergency loan HVAC plant.</p> <p>Energy price risk mitigation includes energy efficiency measures to reduce consumption and our energy hedging strategy which has seen all our current energy requirements secured until December 2025.</p>
<p><b>4. Cyber security</b></p>	<p>The data strategy, governance and security committee monitor the risk and mitigations for cyber security. The committee reports into the executive committee with a separate reporting line to the audit and risk committee. To support this governance structure, we have a range of policies and practices, and mandatory staff training covering cyber security.</p> <p>Our IT team have a cyber-security strategy for continuous improvement based on industry standards. It covers the processes from identifying specific risks, to protecting physical and digital data assets through to recovery in the event of a successful cyber-attack.</p> <p>We work with several industry-leading technical partners to provide:</p> <ul style="list-style-type: none"> <li>• Multiple layers of security controls providing advanced detection and protection capabilities</li> <li>• Regular third-party penetration testing on new and existing IT systems</li> </ul>

	<ul style="list-style-type: none"> <li>• Red-teaming exercises to attempt to access our systems using a variety of real-world techniques</li> <li>• Managed Security Operations Centre (SOC) to monitor, analyse and respond to security threats 24x7</li> <li>• Threat intelligence from a variety of external sources</li> <li>• Varonis DatAlert system is in place for user behaviour analytics that uses algorithms and machine learning to detect anomalies in the behaviour of both users and devices</li> <li>• Third party (Reliance) triage of colleagues reporting potential phishing emails via the 'Phish Alert' button</li> <li>• Enhanced detection of phishing emails via Microsoft Exchange Online Protection (EOP)</li> <li>• SAFE, Security Awareness For Everyone campaign advising colleagues of threats to be aware of and preventative action to take</li> </ul>
<b>5. Organisational transformation</b>	<p>We have a range of mitigations in place:</p> <ul style="list-style-type: none"> <li>• Governance – there is a programme hierarchy of project, programme and steering board committees, which then report into the executive and board committees</li> <li>• Executive accountability - There is dual executive committee representation on all programme boards, with best practice project management processes in place including disciplined stage gate reviews, lessons learnt reviews and comprehensive risk and issue management</li> <li>• Investment - We are investing in both communication resource and expanding the Information Technology Operating Model to ensure there is adequate resource to support the technical aspects of the change programme</li> <li>• Being kind - A set of established principles for those affected by organisational change, including offering comprehensive outplacement support and enhanced redundancy packages</li> </ul>
<b>6. Digital, automation and efficiency</b>	<p>The digital strategy focuses on an 18-24 month planning horizon to improve the predictability of investment and outcomes. This will enable Spire to adjust the priorities (through transparent visibility and reporting), managing flexibility to investment and increase speed of implementation, consider informed changes in approach in response to changes in the macro climate and competitive landscape.</p> <p>We will utilise best-practice programme governance, supported by third-party experts, to deliver change programmes into the business, coupled with the adoption of lean, agile change methodology along with driving and adopting one-best way eg patient support centres. In addition, we will initiate quality assurance and assessment via a trusted independent partner.</p> <p>In addition, we developed and introduced in 2024, a strategic response and approach to the specific management of change and implementation (deployment), upskilling and increasing the necessary structure to provide the required standards of: impact assessment, colleague engagement, training, adoption strategies and ensuring accurate and effective embedding of new ways of working, in order to maximise business opportunities and performance improvements.</p> <p>We will use technology to enable early benefits' realisation, for example utilising process automation to release immediate efficiencies and improvements to boost productivity and further fund future investments for digitisation. Clinical Safety and Standards will be involved in the input to design.</p> <p>The digital strategy has built-in focus on appropriate levels of innovation, coupled with external horizon scanning, to ensure we are not behind the curve compared to competitors (current or future).</p>
<b>7. NHS market dynamics</b>	<p>We apply a disciplined approach to what procedures we will undertake for the NHS to optimise the balance of resource utilisation and margin contribution.</p> <p>We maintain diversification of revenue streams with self-pay, PMI patients and new business streams.</p> <p>We continue to invest in the capital base of our hospitals to provide services needed by the NHS (eg diagnostics).</p> <p>We continue to invest in efficiency programmes to ensure that we can offer the best combination of high-quality patient care with acceptable margins at NHS tariff prices.</p> <p>We have strong relationships with the Integrated Care Systems (ICSs) and signed contracts with all ICSs.</p> <p>Vita Health Group's acquisition in 2023 gave us a new opportunity to participate in the NHS tender market.</p>

<p><b>8. Brand reputation</b></p>	<p>Our primary mitigations against damage to our brand reputation is through the good management of our principal risks, in particular:</p> <ul style="list-style-type: none"> <li>• Clinical quality and governance</li> <li>• Cyber security</li> <li>• Workforce</li> </ul> <p>In addition, we continue to:</p> <ul style="list-style-type: none"> <li>• Invest in the awareness and health of the brand through national advertising, public relations and centrally coordinated social media</li> <li>• Build our reputation and enhance understanding among analysts, public commentators, key stakeholders, public bodies and parliamentarians</li> <li>• Comprehensive crisis communications planning</li> </ul> <p>Creating social value supports our brand reputation. We contribute to social value through:</p> <ul style="list-style-type: none"> <li>• Delivering good quality healthcare to patients who need it the most</li> <li>• Reducing waiting times for NHS patients through increasing capacity</li> <li>• Generating positive social impact for colleagues and communities</li> <li>• Community efforts to support local businesses and charities</li> <li>• Environmental efforts to reduce our impact</li> <li>• The onward value created by our apprenticeship programmes</li> </ul>
<p><b>9. Government policy</b></p>	<p>We have a proactive strategy to establish and build relationships with new government ministers and advisors in both the health department and other related departments (eg Department for Work and Pensions).</p> <p>We seek to build relationships with our local MPs, and have written to newly elected MPs, who cover our physical locations across Great Britain to introduce them to Spire Healthcare and build their understanding of what we do.</p> <p>We are actively engaging with the Independent Healthcare Providers Network (IHPN) to support IHPN's input into the Government's 10-year strategic plan.</p>
<p><b>10. Major infrastructure failure</b></p>	<p>We maintain the following controls to mitigate against a failure of patient safety and clinical quality:</p> <ul style="list-style-type: none"> <li>• All our hospitals have a backup power source provided from diesel powered generators that operates major circuits of a hospital, but some key equipment is not covered, eg, MRI scanners. Battery powered uninterrupted power is provided into specific equipment in theatres to ensure patients remain safe in the event of a generator failure. These backup power sources are designed to keep patients in the hospital safe but are not a complete substitute for mains power</li> <li>• Our national distribution fleet refuel daily at the end of their shifts to ensure resilient operational capability</li> <li>• NHS hospitals are obliged to provide emergency care to everyone but their pressures on ambulance services can, and do, lead to delays to emergency transfers on rare occasions. Mitigation plans are in place and rehearsed at hospitals</li> <li>• The chief operating officer chairs a regular multi-disciplinary winter planning meeting to co-ordinate response activities to any infrastructure failures</li> <li>• The use of the Microsoft Azure 'cloud' platform for core Spire IT services is split into multiple availability zones. Primary Service is hosted in UK South (London) and Secondary Service in UK West (Wales)</li> <li>• Spire IT on-premise infrastructure is hosted in Telehouse Docklands with resilient power, communications, monitoring and cooling technologies</li> </ul>
<p><b>11. Clinical quality</b></p>	<p>We maintain the following core processes to monitor clinical quality:</p> <ul style="list-style-type: none"> <li>• Quality and safety reporting based on a quality assurance framework with a standard set of KPIs</li> <li>• A schedule of robust and regular internal hospital inspections including the patient safety and quality reviews, with action plans for improvement that is centrally monitored</li> <li>• A schedule of excellence in care meetings with the group clinical director and directors of clinical services to drive assurance and accountability for standards of care</li> <li>• Consistent reporting of clinical outcome and effectiveness measures within the hospital and central meeting governance structures (including medical advisory committee meetings) to ensure that insights and learning are actioned and shared</li> </ul> <p>These processes are underpinned by:</p> <ul style="list-style-type: none"> <li>• A reporting culture of openness and shared learning from ward-to-board, with a FTSU guardian at each site</li> <li>• Timely incident reporting via a database with central oversight and development of actions to ensure learning. We utilise the new Patient Safety Incidence Response Framework (PSIRF) introduced in 2024</li> <li>• Continuous monitoring of patient experience via regular surveys with policies and procedures in place to ensure learning from patient experience feedback (including detractors and complaints)</li> </ul>

	<ul style="list-style-type: none"> <li>Standard operating procedure for patient notification exercises that includes learning and continuous improvement methodologies</li> </ul> <p>Clinical quality processes and controls are governed by the executive’s safety, quality and risk committee and the board’s clinical governance and safety committee (CGSC).</p>
<b>12. Expanding our proposition</b>	<p>We have:</p> <ul style="list-style-type: none"> <li>An innovation board bringing together the CEO and executive committee members of the medical, clinical, commercial and finance functions to identify healthcare trends and opportunities to develop new services</li> <li>A dedicated director of innovation and proposition development sourcing specific opportunities to support the group strategy, leading on development, supported with dedicated IT and project resource</li> <li>A dedicated director sourcing suitable target acquisitions supported by an expert external financial and tax adviser</li> <li>A property lead to handle the assessment and acquisition of new physical assets with the support of retained property advisers</li> <li>Acquisition due diligence processes using appropriate third-party expertise</li> <li>Board review and approval of acquisitions</li> <li>Post-acquisition project management and integration processes incorporating learnings from previous acquisitions</li> </ul> <p>The acquisition of Vita Health Group has opened new commercial opportunities for us, but importantly also improved our mitigation of this risk.</p>
<b>13. Workforce</b>	<p>We seek to retain colleagues through:</p> <ul style="list-style-type: none"> <li>A common purpose and a positive workplace culture (our employee engagement score provides evidence that this mitigation is effective)</li> <li>A standardised, fair and competitive pay and reward benefit structure. In 2023, we announced a competitive pay award that provided a 5.5% increase for most colleagues, and extra to bring all colleagues up to the living wage, and in September 2024 a further 2.75%. We will continue to review pay competitiveness in all the sectors in which we operate</li> <li>Our new reward framework for all permanent hospital (and NDC) colleagues was implemented in Q4 2024.</li> <li>Offering greater flexibility in colleagues’ roles and contact types</li> <li>Ensuring we have the right and relevant employee development programmes, eg a nurse training programme and other relevant apprentice schemes</li> <li>Retaining professional development (excellence programme)</li> <li>Continuous investment in our equipment, facilities and services to retain high-quality clinicians and colleagues</li> </ul> <p>Our risk mitigations have helped to produce a downward trend in colleague churn rates with consistent reduction during 2024.</p> <p>We seek to recruit colleagues through:</p> <ul style="list-style-type: none"> <li>A centralised recruitment process which we brought in-house in 2023</li> <li>Offering apprenticeship programmes to support the development of clinical and non-clinical teams across the business</li> <li>Building of local bank colleague pools and using digital solutions to improve access to available shifts</li> </ul> <p>The group manages immediate colleague shortages using agency and bank workers.</p>
<b>14. Data protection</b>	<p>The data strategy, governance and security committee is chaired by the senior information risk owner and monitors the risks and mitigations for data privacy and cyber security. The committee reports into the executive committee with a separate reporting line to the audit and risk committee.</p> <p>The following are the most material controls to mitigate the risk from materialising:</p> <ul style="list-style-type: none"> <li>In-house data protection officer reports into the group general counsel, providing expertise and independence as a second line assurance mechanism</li> <li>Dedicated governance platform for the management and oversight of data subject’s rights requests</li> <li>Data Protection Impact Assessments (DPIA) to assess data protection risks in the processing of data, and third-party vendor</li> <li>Comprehensive data protection policies and procedures</li> <li>Mandatory staff training covering data protection and cyber security</li> <li>Privacy lead in each hospital and clinic that provide the link between local site and the central data protection team</li> </ul>

	<ul style="list-style-type: none"> <li>• Internal incident reporting system for reporting and managing data incidents used to identify trends and learnings</li> <li>• Quarterly data privacy key performance indicator reporting into the data strategy, governance and security working group</li> </ul>
<b>14. Supply chain disruption</b>	<p>We run a centralised supply chain with a national distribution centre (NDC) and its own vehicle and driver fleet. Medical consumables are held at the NDC with an average of six weeks' supply; medicines and prostheses are being held at hospital sites.</p> <p>We must respond to product shortages and global recalls consistently, and we have seen some minor shortfalls in order fulfilment. In all cases, our centralised procurement function has been able, with the support of a permanent presence from the clinical team, to find alternative supplies to maintain hospitals' activities.</p> <p>Fresh food is supplied through a national food distributor which has its own delivery fleet and directly employs its HGV drivers. Order fulfilment has remained in the high ninety percentile. We have contingency menu plans in case of fresh food shortages.</p> <p>Any national shortages in critical medicines and medical gases are managed by NHS Supply Chain. We receive allocations based on our activity.</p>
<b>14. Data protection</b>	<p>Our mitigations are:</p> <ul style="list-style-type: none"> <li>• Executive level awareness of the government's five-year AMR strategy</li> <li>• Participation in, and collaboration with, government's monitoring of AMR outbreaks</li> <li>• Requirement on clinicians to follow guidance in line with government guidelines on the prescribing of antibiotics</li> <li>• Access to up-to-date antimicrobial prescribing via online systems and access to microbiologists at all sites</li> <li>• Appropriate investigations of post-surgery infections including review of antibiotics</li> </ul>

# Directors' responsibilities statement

## Viability

### Assessment of prospects

In accordance with the 2018 UK Corporate Governance Code, the directors assessed the viability of the group and have maintained a period of three years for their assessment. Although longer periods are used when making significant strategic decisions, three years has been used as it is considered the longest period of time over which suitable certainty for key assumptions in the current climate can be made. The assessment conducted considered the group's current financial position and forecasted revenue, EBITDA, cash flows, risk management controls and loan covenants over the three-year period (which is consistent with the approach for prior years, with the exception of capital structure due to refinancing).

### Assessment of viability

Further detail on Macroeconomic-related risk is provided in the risk management and internal control section in the Strategic Report.

Other specific scenarios covered by our testing were as follows:

- The group is subject to temporary suspension of trade, with a temporary adverse impact on revenue, for example, as a result of a successful cyber-attack on key business systems
- The downside modelling of a number of risks which result in a decline in earnings, including the loss of a contractual relationship with a key insurer
- Significant change in government policy resulting in consultants going on payroll
- Short-term disruption to trade at a sub-set of hospitals owing to an extreme weather event.

Management's approach also included testing for a specific combination of these risks. This testing entailed modelling for the potential impact if, although considered highly remote, the three risks which individually give rise to the largest adverse financial impact were to take place in combination.

This review included the following key assumptions:

- The Group's senior finance facility and revolving credit facility which mature in February 2027 are refinanced to cover the three-year period. We have commenced with the processes to refinance our facilities and are confident that the facilities will be re-financed and will be in place for the three-year period. In the unlikely event that financing is not obtained, the Group has an extensive freehold property portfolio which could be accessed through sale and leaseback to provide the funding required, and
- The government will not make significant change to its existing policy towards utilising private provision of healthcare services to supplement the NHS

Based on the results of this analysis, the directors confirm that they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the next three years.

### Going Concern

The group assessed going concern risk for the period through to 30 June 2026. As at 31 December 2024 the group had cash of £41.2m and borrowings of £365m of which £325m is a Senior Loan Facility and £40m drawn Revolving Credit Facility. The Group has access to an undrawn Revolving Credit Facility of £60m. On 3 March 2023, the group exercised the option to extend the senior loan facility and RCF by a further year to February 2027. The financial covenants relating to this agreement are materially unchanged and there have been no modifications to the agreement terms.

The group has undertaken extensive activity to identify plausible risks which may arise and mitigating actions, which in the first instance would include management of working capital and constrained levels of capital investment. Based on the current assessment of the likelihood of these risks arising by 30 June 2026, together with their assessment of the planned mitigating actions being successful, the directors have concluded it is appropriate to prepare the accounts on a going concern basis. In arriving at their conclusion, the directors have also noted that, were these risks to arise in combination, it could result in a liquidity constraint or breach of covenant, however, the risk of this is considered remote.

The group has also assessed, as part of its reverse stress testing, what degree of downturn in trading it could sustain before it breaches its financial covenant. This stress testing was based on flexing revenue downwards with a consistent percentage decline in variable costs, whilst maintaining the forecast of fixed costs. The testing allows for the benefit of mitigating actions that could be taken by management to preserve cash. This testing suggested that there would have to be at least a 30% fall in annual forecast revenue before the group breaches its financial covenant. We believe that the risk of an event giving rise to this size of reduction in revenue is remote.

It should be noted that we remain in a period of material geopolitical and macroeconomic uncertainty. Whilst the directors continue to closely monitor these risks and their plausible impact, their severity is hard to predict and is dependent upon many external factors. Accordingly, the actual financial impact of these risks may materially vary against the current view of their plausible impact.

By order of the board

**Justin Ash**

Chief Executive Officer

**Harbant Samra**

Chief Financial Officer

5 March 2025

# Consolidated income statement

For the year ended 31 December 2024

(£m)	Note	2024			2023		
		Total before Adjusting items	Adjusting items (note 10)	Total	Total before Adjusting items	Adjusting items (note 10)	Total
<b>Revenue</b>	5	<b>1,511.2</b>	<b>–</b>	<b>1,511.2</b>	1,359.0	–	1,359.0
Cost of sales		<b>(827.6)</b>	<b>–</b>	<b>(827.6)</b>	(734.8)	–	(734.8)
<b>Gross profit</b>		<b>683.6</b>	<b>–</b>	<b>683.6</b>	624.2	–	624.2
Other operating costs		<b>(542.3)</b>	<b>(16.4)</b>	<b>(558.7)</b>	(497.4)	(6.7)	(504.1)
Other income	7	<b>8.1</b>	<b>4.5</b>	<b>12.6</b>	3.6	2.5	6.1
<b>Operating profit (EBIT)</b>	8	<b>149.4</b>	<b>(11.9)</b>	<b>137.5</b>	130.4	(4.2)	126.2
Finance income	9	<b>0.7</b>	<b>–</b>	<b>0.7</b>	1.4	–	1.4
Finance cost	9	<b>(99.9)</b>	<b>–</b>	<b>(99.9)</b>	(93.0)	–	(93.0)
<b>Profit before taxation</b>		<b>50.2</b>	<b>(11.9)</b>	<b>38.3</b>	38.8	(4.2)	34.6
Taxation	11	<b>(14.1)</b>	<b>1.8</b>	<b>(12.3)</b>	(6.4)	(0.3)	(6.7)
<b>Profit for the year</b>		<b>36.1</b>	<b>(10.1)</b>	<b>26.0</b>	32.4	(4.5)	27.9
<b>Profit for the year attributable to owners of the parent</b>		<b>35.5</b>	<b>(10.1)</b>	<b>25.4</b>	31.8	(4.5)	27.3
<b>Profit for the year attributable to non-controlling interests</b>		<b>0.6</b>	<b>–</b>	<b>0.6</b>	0.6	–	0.6
<b>Earnings per share (in pence per share)</b>							
– basic	12	<b>8.8</b>	<b>(2.5)</b>	<b>6.3</b>	7.9	(1.1)	6.8
– diluted	12	<b>8.6</b>	<b>(2.4)</b>	<b>6.2</b>	7.7	(1.1)	6.6

# Consolidated statement of comprehensive income

For the year ended 31 December 2024

(£m)	2024	2023
<b>Profit for the year</b>	<b>26.0</b>	27.9
<b>Items that may be reclassified to profit or loss in subsequent periods</b>		
Loss on cash flow hedges	(1.5)	(4.2)
Taxation on cash flow hedges	0.3	0.9
Other comprehensive loss for the year	(1.2)	(3.3)
<b>Total comprehensive profit for the year, net of tax</b>	<b>24.8</b>	24.6
Attributable to:		
Equity holders of the parent	24.2	24.0
Non-controlling interests	0.6	0.6
	<b>24.8</b>	24.6

# Consolidated statement of changes in equity

For the year ended 31 December 2024

(£m)	Note	Share capital (note 17)	Share Premium (note 17)	Capital reserves (note 17)	EBT share reserves (note 17)	Hedging reserve (note 17)	Retained loss	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>As at 1 January 2023</b>		4.0	830.0	376.1	–	6.6	(485.7)	731.0	(5.9)	725.1
Profit for the year		–	–	–	–	–	27.3	27.3	0.6	27.9
Other comprehensive loss for the year		–	–	–	–	(3.3)	–	(3.3)	–	(3.3)
Total comprehensive profit for the year		–	–	–	–	(3.3)	27.3	24.0	0.6	24.6
Dividends paid		–	–	–	–	–	(2.0)	(2.0)	–	(2.0)
Share-based payments	22	–	–	–	–	–	3.7	3.7	–	3.7
Deferred tax adjustment on share-based payments reserve		–	–	–	–	–	(0.3)	(0.3)	–	(0.3)
Settlement on vested share awards		–	–	–	–	–	(0.6)	(0.6)	–	(0.6)
Purchase of own shares by EBT		–	–	–	(3.1)	–	–	(3.1)	–	(3.1)
Issue of own shares by EBT in respect of share awards		–	–	–	2.4	–	(2.4)	–	–	–
Additional interest acquired of non-controlling interest		–	–	–	–	–	(3.2)	(3.2)	3.2	–
Financial liability to acquire non-controlling interests		–	–	–	–	–	(9.6)	(9.6)	–	(9.6)
<b>As at 1 January 2024</b>		<b>4.0</b>	<b>830.0</b>	<b>376.1</b>	<b>(0.7)</b>	<b>3.3</b>	<b>(472.8)</b>	<b>739.9</b>	<b>(2.1)</b>	<b>737.8</b>
Profit for the year		–	–	–	–	–	25.4	25.4	0.6	26.0
Other comprehensive loss for the year		–	–	–	–	(1.2)	–	(1.2)	–	(1.2)
Total comprehensive profit for the year		–	–	–	–	(1.2)	25.4	24.2	0.6	24.8
Dividends paid		–	–	–	–	–	(8.5)	(8.5)	–	(8.5)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(0.7)	(0.7)
Share-based payments	22	–	–	–	–	–	4.0	4.0	–	4.0
Deferred tax adjustment on share-based payments reserve		–	–	–	–	–	0.4	0.4	–	0.4
Settlement on vested share awards		–	–	–	–	–	(5.4)	(5.4)	–	(5.4)
Purchase of own shares by EBT		–	–	–	(3.1)	–	–	(3.1)	–	(3.1)
Issue of own shares by EBT in respect of share awards		–	–	–	2.9	–	(2.9)	–	–	–
Purchase of ordinary shares for cancellation		–	–	–	–	–	(3.1)	(3.1)	–	(3.1)
<b>As at 31 December 2024</b>		<b>4.0</b>	<b>830.0</b>	<b>376.1</b>	<b>(0.9)</b>	<b>2.1</b>	<b>(462.9)</b>	<b>748.4</b>	<b>(2.2)</b>	<b>746.2</b>

# Consolidated balance sheet

For the year ended 31 December 2024

(£m)	Note	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	1,663.4	1,618.8
Intangible assets	14	437.4	438.3
Other receivables	18	4.4	–
Derivatives	18	0.4	0.4
Financial assets		12.3	10.0
		<b>2,117.9</b>	2,067.5
<b>Current assets</b>			
Financial assets		2.5	–
Inventories		46.6	44.3
Trade and other receivables	15	131.4	121.6
Derivatives	18	2.5	4.0
Cash and cash equivalents		41.2	49.6
		<b>224.2</b>	219.5
Non-current assets held for sale	16	1.1	1.1
		<b>225.3</b>	220.6
<b>Total assets</b>		<b>2,343.2</b>	2,288.1
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	4.0	4.0
Share premium	17	830.0	830.0
Capital reserves	17	376.1	376.1
EBT share reserves	17	(0.9)	(0.7)
Hedging reserve	17	2.1	3.3
Retained loss		(462.9)	(472.8)
<b>Equity attributable to owners of the parent</b>		<b>748.4</b>	739.9
Non-controlling interests		(2.2)	(2.1)
<b>Total equity</b>		<b>746.2</b>	737.8
<b>Non-current liabilities</b>			
Bank borrowings	18	363.5	361.9
Lease liabilities	18	811.0	793.3
Financial liabilities	19	–	9.6
Deferred tax liabilities		80.8	67.9
		<b>1,255.3</b>	1,232.7
<b>Current liabilities</b>			
Bank borrowings	18	3.6	3.4
Lease liabilities	18	101.8	98.4
Provisions	20	14.2	16.4
Trade and other payables	21	214.0	197.1
Financial liabilities	19	8.0	–
Income tax payable		0.1	2.3
		<b>341.7</b>	317.6
<b>Total liabilities</b>		<b>1,597.0</b>	1,550.3
<b>Total equity and liabilities</b>		<b>2,343.2</b>	2,288.1

These Consolidated financial statements and the accompanying notes were approved for issue by the Board on 5 March 2025 and signed on its behalf by:

**Justin Ash**  
Chief Executive Officer

**Harbant Samra**  
Chief Financial Officer

# Consolidated statement of cash flows

For the year ended 31 December 2024

(£m)	Note	2024	2023
<b>Cash flows from operating activities</b>			
Profit before taxation		38.3	34.6
Adjustments to reconcile profit before tax to net cash flows:			
Profit on disposal of property, plant and equipment		(5.2)	(0.3)
Fair Value movement on financial liability		(1.6)	-
Adjusting items – other		1.5	1.5
Depreciation of property, plant and equipment and right-of-use assets		108.0	103.0
Amortisation of intangible assets		4.2	0.6
Finance income		(0.7)	(1.4)
Finance costs		99.9	93.0
Other income		(5.8)	(3.6)
Share-based payments expense		4.2	3.7
Movements in working capital:			
Increase in trade and other receivables		(11.0)	(12.7)
Increase in inventories		(2.3)	(3.7)
Increase in trade and other payables		9.0	2.2
Decrease in provisions		(2.7)	(1.3)
<b>Cash generated from operations</b>		<b>235.8</b>	215.6
Tax paid		(0.1)	(0.1)
<b>Net cash flows from operating activities</b>		<b>235.7</b>	215.5
<b>Cash flows from investing activities</b>			
Receipt from financial asset		0.7	0.7
Acquisition of a subsidiary, net of cash acquired		-	(73.2)
Purchase of property, plant and equipment		(109.3)	(83.9)
Purchase of intangible assets		(2.8)	(0.5)
Proceeds on disposal of property, plant and equipment		11.7	0.8
Interest received on bank deposits		0.7	1.4
Movement in restricted cash		-	(2.5)
<b>Net cash used in investing activities</b>		<b>(99.0)</b>	(157.2)
<b>Cash flows from financing activities</b>			
Interest paid and other financing costs		(22.0)	(17.0)
Interest on lease liabilities		(76.1)	(73.0)
Payment of lease liabilities		(26.2)	(27.2)
Draw down on revolving credit facility		5.0	60.0
Repayment on revolving credit facility		(5.0)	(20.0)
Purchase of own shares by EBT		(3.1)	(3.1)
Settlement on vested share awards		(5.4)	(0.6)
Dividends paid to equity holders of the parent		(8.5)	(2.0)
Dividends paid to non-controlling interests		(0.7)	-
Purchase of ordinary shares for cancellation		(3.1)	-
<b>Net cash used in financing activities</b>		<b>(145.1)</b>	(82.9)
Net decrease in cash and cash equivalents		(8.4)	(24.6)
Cash and cash equivalents at 1 January		49.6	74.2
<b>Cash and cash equivalents at 31 December</b>		<b>41.2</b>	49.6

Total pre-tax adjusting items is £11.9m (2023: £4.2m) of which £10.4m (2023: £2.7m) is included in cash generated from operations.

# Notes to the preliminary announcement

## 1. General information

Spire Healthcare Group plc (the 'company') and its subsidiaries (collectively, the 'group') owns and operates private hospitals and clinics in the UK and provides a range of private healthcare services.

The financial statements for the year ended 31 December 2024 were authorised for issue by the board of directors of the company on 5 March 2025.

The company is a public limited company, which is listed on the London Stock Exchange, incorporated, registered and domiciled in England and Wales (registered number: 09084066). The address of its registered office is 3 Dorset Rise, London, EC4Y 8EN.

## 2. Basis of preparation

The preliminary financial information for the year ended 31 December 2024 included in this report was approved by the board on 5 March 2025. The financial information set out here does not constitute the company's statutory accounts for the year ended 31 December 2024 but is derived from those accounts. Statutory accounts for 2024 will be delivered following the company's annual general meeting. The auditor has reported on those accounts; their report was unqualified and did not draw attention to any matters by way of emphasis and did not contain statements under s498 (2) or (3) of the Companies Act 2006.

The financial information contained within this report has been prepared in accordance with UK-adopted International Accounting Standards in accordance with the requirements of the Companies Act 2006.

The consolidated financial statements are presented in UK sterling and all values are rounded to the nearest million pounds (£m), except when otherwise indicated.

### Going concern

The group assessed going concern risk for the period through to 30 June 2026. As at 31 December 2024 the group had cash of £41.2m and borrowings of £365m of which £325m is a Senior Loan Facility and £40m drawn Revolving Credit Facility. The group has access to an undrawn Revolving Credit Facility of £60m. On 3 March 2023, the group exercised the option to extend the senior loan facility and RCF by a further year to February 2027. The financial covenants relating to this agreement are materially unchanged and there have been no modifications to the agreement terms.

The group has also assessed, as part of its reverse stress testing, what degree of downturn in trading it could sustain before it breaches its financial covenant. This stress testing was based on flexing revenue downwards with a consistent percentage decline in variable costs, whilst maintaining the forecast of fixed costs. The testing allows for the benefit of mitigating actions that could be taken by management to preserve cash. This testing suggested that there would have to be at least a 30% fall in annual forecast revenue before the group breaches its financial covenant. We believe that the risk of an event giving rise to this size of reduction in revenue is remote.

It should be noted that we remain in a period of material geopolitical and macroeconomic uncertainty. Whilst the directors continue to closely monitor these risks and their plausible impact, their severity is hard to predict and is dependent upon many external factors. Accordingly, the actual financial impact of these risks may materially vary against the current view of their plausible impact.

## 3. Accounting policies

In preparing this preliminary announcement, the same accounting policies, methods of computation and presentation have been applied as set out in the group's Annual Report and Accounts for the year ended 31 December 2024, a copy of this report will shortly be available on the company's website at [www.spirehealthcare.com](http://www.spirehealthcare.com).

### Changes in accounting policy - New standards, interpretations and amendments applied

The following amendments to existing standards were effective for the group from 1 January 2024. Other than some additional disclosures, these amendments have not had a material impact on the consolidated financial statements of the group.

	Effective date*
Amendments to IAS 1 – Classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16 – Lease Liability in a sale and leaseback	1 January 2024

\* The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations that are consistent with the endorsement process for use in the UK.

## Notes to the preliminary announcement continued

### 3. Accounting policies continued

#### Changes in accounting policy - new standards, interpretations and amendments in issue, but not yet effective

As at date of approval of the group financial statements, the following new and amended standards, interpretations and amendments in issue are applicable to the group but not yet effective and thus, have not been applied by the group:

	Effective date*
Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027

\* The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations. As the group prepares its financial statements in accordance with IFRS as issued by the IASB as endorsed by the UK, the application of new standards and interpretations will result in an effective date subject to that agreed by the UK Endorsement process.

We are in the process of assessing the impact of the above on the presentation of and disclosure in the financial statements.

### 4. Critical accounting judgements and estimates

In the application of the group's accounting policies, the directors are required to make judgements and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

In preparing this preliminary announcement, the significant judgements and estimates made by management in applying the group's accounting policies and key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2024.

### 5. Revenue

All revenue is attributable to, and all non-current assets are located in, the United Kingdom.

Revenue by location (inpatient, day case or out-patient) and wider customer (payor) group is shown below:

(£ million)	2024			2023		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Inpatient	548.0	–	548.0	535.5	–	535.5
Day case	426.6	0.6	427.2	399.9	–	399.9
Out-patient	388.1	120.2	508.3	365.4	31.4	396.8
Other <sup>1</sup>	27.5	0.2	27.7	26.8	–	26.8
<b>Total revenue</b>	<b>1,390.2</b>	<b>121.0</b>	<b>1,511.2</b>	1,327.6	31.4	1,359.0
Insured	662.4	1.6	664.0	615.7	0.8	616.5
Self-pay	332.9	8.0	340.9	344.0	7.8	351.8
NHS	367.4	80.8	448.2	341.1	14.9	356.0
Other	27.5	30.6	58.1	26.8	7.9	34.7
<b>Total</b>	<b>1,390.2</b>	<b>121.0</b>	<b>1,511.2</b>	1,327.6	31.4	1,359.0

Group revenues increased by 11.2% to £1,511.2m (2023: £1,359.0m). Hospitals Business revenue has increased by 4.7% to £1,390.2m (2023: £1,327.6m), driven by the demand for private healthcare and our expansion into Primary Care. Overall revenue growth is underpinned by increased average revenue per case (APRC) for all payor groups. Revenue for Primary Care is £121.0m (2023: £31.4m) with the majority of this from Vita Health Group which was acquired in October 2023.

### 6. Segmental reporting

In determining the group's operating segments, management has primarily considered the financial information in internal reports that are reviewed and used by the executive management team and board of directors (who together are the chief operating decision maker of Spire Healthcare) in assessing performance and in determining the allocation of resources. The financial information in those internal reports in respect of revenue and expenses has led management to conclude that the group has three operating segments, being Hospitals Business, Vita Health Group and Doctors Clinic Group.

The Hospitals Business is the group's core business activity and consists of hospitals, clinics, medical centres and consulting rooms. They provide diagnostics, inpatient, day case and outpatient care in areas including orthopaedics, gynaecology, cardiology, neurology, oncology and general surgery.

## Notes to the preliminary announcement continued

### 6. Segmental reporting continued

We have aggregated Vita Health Group and Doctors Clinic Group into one reportable segment called Primary Care as they meet the aggregation criteria under IFRS 8 operating segments. These entities all have similar economic characteristics such as offering similar services and have a similar type of customer. These services being primarily focused on the primary care needs of outpatients whether these services are GP services, occupational health services or mental and physical health services.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The balance sheet is evaluated on a group level.

(£ million)	2024			2023		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Revenue	1,390.2	121.0	1,511.2	1,327.6	31.4	1,359.0
Cost of sales	(748.4)	(79.2)	(827.6)	(714.3)	(20.5)	(734.8)
<b>Gross profit</b>	<b>641.8</b>	<b>41.8</b>	<b>683.6</b>	613.3	10.9	624.2
Other operating costs	(519.2)	(39.5)	(558.7)	(492.4)	(11.7)	(504.1)
Other <sup>1</sup>	12.6	–	12.6	6.1	–	6.1
<b>Segmental operating profit (EBIT)</b>	<b>135.2</b>	<b>2.3</b>	<b>137.5</b>	127.0	(0.8)	126.2

Finance income, finance costs and taxes are not allocated to individual segments as these are managed on an overall group basis.

Reconciliation of segment operating profit to group profit for the year:

(£ million)	2024	2023
<b>Segmental operating profit (EBIT)</b>	<b>137.5</b>	126.2
Finance income	0.7	1.4
Finance costs	(99.9)	(93.0)
<b>Profit before taxation</b>	<b>38.3</b>	34.6
Taxation	(12.3)	(6.7)
<b>Profit for the year</b>	<b>26.0</b>	27.9

Operating profit is arrived at after charging:

(£ million)	2024			2023		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Depreciation of property, plant and equipment and right-of-use assets	106.4	1.6	108.0	102.6	0.4	103.0
Amortisation of intangible assets	1.6	2.6	4.2	–	0.6	0.6
Lease payments made in respect of low value and short leases	16.6	3.8	20.4	16.9	1.7	18.6
Staff costs	494.4	73.0	567.4	458.7	18.5	477.2

The total pre-tax adjusting items is £11.9m (2023: £4.2m) of which £8.1m (2023: £4.2m) relate to the Hospitals Business and £3.8m (2023: Nil) relate to Primary Care.

### 7. Other income

(£ million)	2024	2023
Fair value movement on financial asset	4.8	2.8
Realised profit in respect of financial asset	1.0	0.8
Fair value movement on financial liability	1.6	–
Profit on disposal of hospital (adjusting items) (see note 10)	4.5	–
Profit on disposal of property, plant and equipment	0.7	–
Settlement from an insurer (adjusting items) (see note 10)	–	2.5
<b>Total other income</b>	<b>12.6</b>	6.1

The fair value movement in respect of the financial asset was recognised to reflect the on-going profit share arrangement with Genesis Care which arose as part of the sale of the Bristol Cancer Centre in 2019. Profits of £1.0m (2023: £0.8m) have been realised in respect of this arrangement. The fair value movement on financial liability relates to the change in cash flows relating to the financial instruments held to purchase own equity instruments.

## Notes to the preliminary announcement continued

### 8. Operating profit

Arrived at after charging / (crediting):

(£ million)	2024	2023
Depreciation of property, plant and equipment (see note 13)	67.0	65.5
Depreciation of right-of-use assets (see note 13)	41.0	37.5
Amortisation of intangible assets (see note 14)	4.2	0.6
Acquisition-related transaction costs (adjusting item) (see note 10)	–	2.5
Lease payments made in respect of low value and short leases	20.4	18.6
Provision related to Ian Paterson (adjusting item) (see note 10)	4.6	2.5
Movement on the provision for expected credit losses of trade receivables	1.0	0.5
(Profit) / loss on disposal of property, plant and equipment	–	(0.3)
Staff restructuring costs	4.3	2.0
Staff costs (net of staff restructuring costs and including share-based payment charge)	567.4	475.2

### 9. Finance income and costs

(£ million)	2024	2023
<b>Finance income</b>		
Interest income on bank deposits	0.7	1.4
<b>Total finance income</b>	<b>0.7</b>	<b>1.4</b>
<b>Finance cost</b>		
Interest on bank facilities	22.3	18.5
Amortisation of fee arising on facilities extensions/borrowing costs <sup>1</sup>	1.5	1.5
Interest on obligations under leases	76.1	73.0
<b>Total finance costs</b>	<b>99.9</b>	<b>93.0</b>
<b>Total net finance costs</b>	<b>99.2</b>	<b>91.6</b>

1. £5.0m of borrowing costs were capitalised on the refinancing of the senior facility, these are being amortised over the life of the facility.

### 10. Adjusting items

(£ million)	2024	2023
Asset acquisitions, disposals, and aborted project costs	(2.8)	3.1
Business reorganisation and corporate restructuring costs	4.3	2.0
Remediation of regulatory compliance or malpractice costs	6.9	(0.9)
Clinic set up costs	1.9	–
Amortisation on acquired intangible assets	1.6	–
<b>Total pre-tax adjusting items</b>	<b>11.9</b>	<b>4.2</b>
Income tax (credit) / charge on adjusting items	(1.8)	0.3
<b>Total post-tax adjusting items</b>	<b>10.1</b>	<b>4.5</b>

Adjusting items comprise those matters where the directors believe the financial effect should be adjusted for, due to their nature, size or incidence, in order to provide a more accurate comparison of the group's underlying performance.

Asset acquisitions, disposals, impairment and aborted project credit of £2.8m includes a profit of £4.5m relating to the sale of the group's Tunbridge Wells hospital to Maidstone and Tunbridge Wells NHS Trust ("Trust") for £9.975m (refer to disposal note 24 for more details). In addition, there is £0.6m of integration and other acquisition costs relating to the VHG acquisition and £0.6m true up to provision on the DCG and Claremont acquisitions.

In the prior year, costs of £3.1m mainly relate to asset acquisitions of Vita Health Group Limited and The Doctors Clinic Group.

Business reorganisation and corporate restructuring relates to the group announcement of a strategic, group wide initiative in H2 21 that will enable a more efficient business operating model, including leveraging digital solutions and technology. As a result of this initiative, additional costs of £3.5m (2023: £2.0m) have been incurred in the period, bringing costs to date of £9.3m. This initiative is being implemented over several phases and is likely to be materially completed during 2026 as communicated at our capital markets event in April 2024. Future costs are not disclosed as a reliable estimate cannot be made due to the nature of the matter. £0.7m has been incurred in respect of restructuring costs relating to the Doctors Clinic Group.

## Notes to the preliminary announcement continued

### 10. Adjusting items continued

Remediation of regulatory compliance or malpractice costs reflect an increase in the provision in June 2024 of £4.6m (2023: £2.5m). The provision was established by Spire Healthcare in respect of implementing the recommendations of the Independent Inquiry including a detailed patient review and support for patients of Paterson. The project is complex and the process for review and settlement of claims, where relevant, takes some time. The detailed patient review has now reached the milestone of having contacted all living patients and invited them, where appropriate, to consultations to discuss their care. As a consequence, the rate of new claims has dropped significantly, as most patients now have their outcomes of their review and have initiated their claim, where relevant. Claims activity in the second half of the year has therefore been in line with the assumptions taken by management and the provision established at the half year. As a result there has been no subsequent increase in the provision. In addition, £1.7m of legal fees have been incurred for the ongoing inquests. Whilst it is possible that, as further information becomes available, an adjustment to this provision will be required, at this time it reflects management's best estimate of the costs and settlement of claims.

In the prior year the group has recognised a credit of £0.9m in respect of Remediation of Regulatory Compliance or Malpractice Costs relating to Paterson. This comprised £2.5m funds received from its insurer and £0.9m reduction in provision which had been held to resolve the matter. This was offset by an increased separate provision in respect of Paterson by £2.5m.

Clinic set up costs relate to costs incurred for the set-up of the Abergele and Harrogate clinics prior to opening. The clinic in Abergele opened in February 2024 and Harrogate in January 2025.

£0.9m of amortisation on acquired intangible assets related to the customer contracts recognised on the acquisition of VHG in October 2023.

### 11. Taxation

(£ million)	2024	2023
Current tax		
UK corporation tax expense	0.7	0.9
Adjustments in respect of prior years	(1.0)	(1.3)
Total current tax credit	(0.3)	(0.4)
Deferred tax		
Origination and reversal of temporary differences	10.3	10.0
Adjustments in respect of prior years	2.3	(2.9)
Total deferred tax charge	12.6	7.1
Total tax charge	12.3	6.7

In addition to the above, a credit of £0.3m has been recognised in Other Comprehensive Income (2023: £0.9m credit) and £0.4m credit (2023: £0.3m credit) through Equity. The £0.4m credit through equity relates to movements on share-based payments and reflects a £0.5m deferred tax charge, offset by a current tax credit of £0.9m.

Corporation tax is calculated at 25.0% (2023: 23.5%) of the estimated taxable profit or loss for the year. The effective tax rate on profit before taxation for the year is 32.1%. The effective tax rate is higher than the UK rate due to the impact of prior year adjustments and non-deductible items. Excluding the adjustments to prior years in 2024, the effective tax rate is 28.1%.

The effective tax assessed for the year, all of which arises in the UK, differs from the standard weighted rate of corporation tax in the UK. The reconciliation of the actual tax charge to that at the domestic corporation tax rate is as follows:

(£ million)	2024	2023
Profit before taxation	38.3	34.6
Tax at the standard rate	9.6	8.1
Effects of:		
Expenses and income not deductible or taxable	1.1	3.2
Adjustment for movement on share-based payments	0.3	–
Tax adjustment for the super-deduction allowance	–	(0.8)
Adjustments in respect of prior year	1.3	(4.2)
Difference in tax rates	–	0.2
Deferred tax not previously recognised	–	0.2
Total tax charge	12.3	6.7

Expenses and income not deductible or taxable relate mostly to depreciation on non-qualifying fixed assets, disallowable entertaining and legal and professional fees.

The current year and prior year charges are driven by expenses not deductible for tax purposes, adjustments to prior year and the movement on share-based payments.

The group does not hold any uncertain tax positions under IFRIC 23 at the year-end (2023: none).

## Notes to the preliminary announcement continued

### 11. Taxation continued

Pillar Two legislation, reflecting the OECDs Base Erosion Profit Shifting ('BEPS') framework is effective for periods beginning 1 January 2024. The group continues to only operate in the UK. Based on the group's assessment, the Pillar Two effective tax rates continue to be above 15% and therefore, the group does not expect an exposure to Pillar Two top-up taxes.

### 12. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Profit for the year attributable to ordinary equity holders of the parent (£m)	25.4	27.3
Weighted average number of ordinary shares for basic EPS (No.)	403,991,639	404,117,249
Adjustment for weighted average number of shares held in EBT	(498,516)	(468,363)
Weighted average number of ordinary shares in issue (No.)	403,493,123	403,648,886
<b>Basic earnings per share (in pence per share)</b>	<b>6.3</b>	6.8

For dilutive EPS, the weighted average number of ordinary shares in issue is adjusted to include all dilutive potential ordinary shares arising from share options. Refer to the Remuneration Committee Report in the Annual Report and Accounts for the terms and conditions of instruments generating potential ordinary shares that affect the measurement of diluted EPS.

	2024	2023
Profit for the year attributable to ordinary equity holders of the parent (£m)	25.4	27.3
Weighted average number of ordinary shares in issue (No.)	403,493,123	403,648,886
Adjustment for weighted average number of contingently issuable shares	7,900,003	9,494,645
Diluted weighted average number of ordinary shares in issue (No.)	411,393,127	413,143,531
<b>Diluted earnings per share (in pence per share)</b>	<b>6.2</b>	6.6

The directors believe that EPS excluding adjusting items (adjusted EPS) better reflects the underlying performance of the business and assists in providing a clearer view of the performance of the group.

Reconciliation of profit after taxation to profit after taxation excluding Adjusting items ("Adjusted profit"):

	2024	2023
Profit for the year attributable to owners of the parent (£m)	25.4	27.3
Adjusting items (see note 10)	10.1	4.5
Adjusted profit (£m)	35.5	31.8
Weighted average number of Ordinary Shares in issue	403,493,123	403,648,886
Weighted average number of dilutive Ordinary Shares	411,393,127	413,143,531
<b>Adjusted basic earnings per share (in pence per share)</b>	<b>8.8</b>	7.9
<b>Adjusted diluted earnings per share (in pence per share)</b>	<b>8.6</b>	7.7

## Notes to the preliminary announcement continued

### 13. Property, plant and equipment

(£ million)	Freehold property	Leasehold improvements	Equipment	Assets in the course of construction	Right-of-use (ROU)	Total
<b>Cost:</b>						
At 1 January 2023	850.2	180.4	455.3	30.2	873.9	2,390.0
Additions	7.2	12.1	42.3	22.3	–	83.9
Acquisition of a subsidiary (note 24)	–	–	1.3	–	1.3	2.6
Additions to ROU assets	–	–	–	–	14.7	14.7
Adjustments to existing assets (e.g. indexation)	–	–	–	–	36.7	36.7
Disposals	(0.7)	(2.4)	(21.6)	(0.4)	(0.1)	(25.2)
Transfers <sup>1</sup>	3.7	13.3	9.9	(26.9)	–	–
<b>At 1 January 2024</b>	<b>860.4</b>	<b>203.4</b>	<b>487.2</b>	<b>25.2</b>	<b>926.5</b>	<b>2,502.7</b>
Additions	8.9	14.8	52.9	32.7	–	109.3
Additions to ROU assets	–	–	–	–	15.1	15.1
Adjustments to existing assets (e.g. indexation)	–	–	–	–	36.9	36.9
Disposals	(1.3)	(9.6)	(84.0)	–	(2.4)	(97.3)
Transfer <sup>1</sup>	1.2	15.9	0.7	(17.8)	–	–
<b>At 31 December 2024</b>	<b>869.2</b>	<b>224.5</b>	<b>456.8</b>	<b>40.1</b>	<b>976.1</b>	<b>2,566.7</b>

#### Accumulated depreciation and impairment:

At 1 January 2023	198.2	60.1	291.8	–	255.5	805.6
Charge for the year	12.2	9.8	43.5	–	37.5	103.0
Disposals	(0.6)	(2.4)	(21.6)	–	(0.1)	(24.7)
Transfers <sup>1</sup>	(0.2)	–	0.2	–	–	–
<b>At 1 January 2024</b>	<b>209.6</b>	<b>67.5</b>	<b>313.9</b>	<b>–</b>	<b>292.9</b>	<b>883.9</b>
Charge for the year	12.3	10.6	44.1	–	41.0	108.0
Disposals	(1.2)	(4.9)	(82.3)	–	(0.2)	(88.6)
<b>At 31 December 2024</b>	<b>220.7</b>	<b>73.2</b>	<b>275.7</b>	<b>–</b>	<b>333.7</b>	<b>903.3</b>

#### Net book value:

<b>At 31 December 2024</b>	<b>648.5</b>	<b>151.3</b>	<b>181.1</b>	<b>40.1</b>	<b>642.4</b>	<b>1,663.4</b>
At 31 December 2023	650.8	135.9	173.3	25.2	633.6	1,618.8

<sup>1</sup> In the current year the transfer from assets under construction relates to assets which were brought into use. These have been reflected in the transfers line in the note above. There is no overall impact to the carrying value of property, plant and equipment.

The net book value of land is £156.3m (2023: £156.3m). Nine of the group's freehold properties are pledged as security against the senior finance facility, the net book value of these properties are £120.0m (2023: £124.0m). There were no borrowing costs capitalised during the year ended 31 December 2024 (2023: Nil). The fair value of Freehold properties is £1.4bn.

On the 31 March 2024 the group sold its Tunbridge Wells Hospital business to Maidstone and Tunbridge Wells NHS Trust for £9.975m and derecognised property, plant and equipment of £6.2m. As part of the sale agreement the group has entered into a sub lease agreement with the Trust to lease the Tunbridge Wells property (refer to note 18). A right of use asset of £2.4m was derecognised and a finance lease receivable of £4.4m was recognised. The finance lease receivable represents the cash flows receivable from the Trust to settle the lease obligation in the head lease. Refer to note 18 for more details.

#### Impairment testing

The directors consider property and property right-of-use assets for indicators of impairment semi-annually. As equipment and leasehold improvements do not generate independent cash flows, they are considered alongside the property as a single cash-generating unit (CGU). When making the assessment, the value-in-use of the property is compared with its carrying value in the accounts. Where headroom is significant, no further work is undertaken. Where headroom is minimal, a detailed assessment is performed for the property, which includes identifying the factors resulting in limited headroom and undertaking financial forecasts to assess the level of sensitivity this has on key assumptions.

In order to estimate the value-in-use, management has used trading projections covering the period to December 2029 from the most recent board approved strategic plan. The variables in the cash flows are interdependent and reflect management's expectations based on past experience and current market trends, it takes into account both current business and committed initiatives. To the extent that there was a shortfall between the recent actual cash flows and forecast, the future cash flows have been adjusted to reflect any initiatives implemented by management to address the underlying cause. In addition, management consider the potential financial impact from short-term climate change scenarios, and the cost of initiatives that have substantially commenced by the group to manage the longer-term climate impacts.

## Notes to the preliminary announcement continued

### 13. Property, plant and equipment continued

#### Key assumptions

Management identified a number of key assumptions relevant to the value-in-use calculations, being EBITDA growth over the five-year period, capital maintenance spend, discount rates and long-term growth rates. The assumptions are based on past experience and external sources of information.

The trading projections for the five-year period underlying the value-in-use reflect a growth in EBITDA. EBITDA is based on a number of elements of the operating model over the longer term, including pricing trends, volume growth and the mix and complexity of procedures and assumptions regarding cost inflation.

Management has performed a sensitivity analysis on these properties using reasonably possible changes for each key assumption, keeping all other assumptions constant. The sensitivity analysis included an assessment of the break-even point for each of the key assumptions.

The sensitivity analysis identified two properties that a reasonably possible change would eliminate the headroom of the property. One property with a headroom of £9.1m is sensitive to the EBITDA growth over the five year period as it, would result in the elimination of headroom. The average annual EBITDA growth over the five years is 11.4%. The annual EBITDA over the five year period would have to decrease by 5.8% per annum to eliminate the headroom. Another property with a headroom of £3.4m is sensitive to the discount rate which would need to increase by 155bps to result in the elimination of the headroom.

During the 2023 financial year, the group moved to a post IFRS 16 discount rate. The group has used a pre-tax discount rate of 11.2% (2023: 11.5%).

A long-term growth rate of 2.0% has been applied to cash flows beyond 2029 based on a long-term view of inflation, revenue growth and market conditions. Capital maintenance spend is based on historic run rates and our expectations of the group's requirements. The sensitivity testing identified no reasonably possible changes in the discount rate, capital maintenance and long-term growth rates that would cause the carrying amount of any CGU to exceed its recoverable amount.

As a result, management believe that some of the key impairment review assumptions constitute a major source of estimation uncertainty as they consider that there is a significant risk of a material change to its estimate of these assumptions within the next 12 months.

### 14. Intangible assets

(£ million)	Goodwill	Customer contracts	IT projects	Mobilisation costs	Total
<b>Cost or valuation:</b>					
<b>At 1 January 2023</b>	546.8	–	–	–	546.8
Acquisition of a subsidiary	65.3	20.6	4.3	2.4	92.6
Additions	–	–	0.3	0.2	0.5
<b>At 31 December 2023</b>	<b>612.1</b>	<b>20.6</b>	<b>4.6</b>	<b>2.6</b>	<b>639.9</b>
Acquisition of a subsidiary	0.5	–	–	–	0.5
Additions	–	–	2.1	0.7	2.8
<b>At 31 December 2024</b>	<b>612.6</b>	<b>20.6</b>	<b>6.7</b>	<b>3.3</b>	<b>643.2</b>
<b>Accumulated amortisation and impairment:</b>					
<b>At 31 January 2023</b>	201.0	–	–	–	201.0
Amortisation charge during the year	–	0.2	0.3	0.1	0.6
<b>At 31 December 2023</b>	<b>201.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.1</b>	<b>201.6</b>
Amortisation charge during the year	–	1.9	1.6	0.7	4.2
<b>At 31 December 2024</b>	<b>201.0</b>	<b>2.1</b>	<b>1.9</b>	<b>0.8</b>	<b>205.8</b>
<b>Carrying amount:</b>					
<b>At 31 December 2024</b>	<b>411.6</b>	<b>18.5</b>	<b>4.8</b>	<b>2.5</b>	<b>437.4</b>
At 31 December 2023	411.1	20.4	4.3	2.5	438.3

## Notes to the preliminary announcement continued

### 14. Intangible assets continued

#### Impairment testing

The directors treat the hospitals business, Vita Health Group and The Doctors Clinic Group as separate cash-generating units for the purposes of testing goodwill for impairment as the goodwill can be reliably allocated. The recoverable amount of goodwill is calculated by reference to its estimated value-in-use. In order to estimate the value-in-use, management has used trading projections covering the period to December 2029 from the most recent board-approved budget. The variables in the cash flows are interdependent and reflect management's expectations based on past experience and current market trends, it takes into account both current business and committed initiatives. In addition, management consider the potential financial impact from short-term climate change scenarios, and the cost of initiatives by the group to manage the longer-term climate impacts.

#### Key assumptions

Management identified a number of key assumptions relevant to the value-in-use calculations, being EBITDA growth over the five-year period, capital maintenance spend, discount rates and long-term growth rates. The assumptions are based on past experience and external sources of information.

The table below provides the resulting headroom as determined in our calculation.

Cash generating unit	Goodwill £m	Headroom (the amount that recoverable amount exceeded the carrying amount) £m
Hospitals business	334.6	1,136.2
Vita Health Group ("VHG")	65.9	68.0
The Doctors Clinic Group ("DCG")	11.1	0.5

The trading projections for the five-year period underlying the value-in-use reflect a growth in EBITDA. EBITDA is dependent on a number of elements of the operating model over the longer term, including pricing trends, volume growth and the mix and complexity of procedures and assumptions regarding cost inflation.

The group has used a pre-tax post discount rate of 11.2% (2023: 11.5%).

A long-term growth rate of 2.0% has been applied to cash flows beyond 2029 based on long-term view of inflation and market conditions. Capital maintenance spend is based on historic run rates and our expectation of the group's requirements.

Management has performed a sensitivity analysis using reasonably possible changes for each key assumption, keeping all other assumptions constant. The sensitivity testing for the hospitals business and Vita Health Group identified no reasonably possible changes would cause the carrying amount of any CGU to exceed its recoverable amount.

Doctors Clinic Group is a younger maturity CGU and during the year made a small loss owing to the effect of integration costs and one-off investments in new clinics and infrastructure. The growth rates used in the five-year period are based on the return from this investment and integration with Vita Health Group and the wider group, therefore management have determined there is no impairment. However owing to these factors uncertainty exists in the key assumptions and we have determined that reasonable possible changes exists which could lead to an impairment.

The value in use calculation uses an average EBITDA growth over the five-year period of 61.8%. A change in the three key assumptions would result in the elimination of the headroom, being an increase of 78bps in the pre-tax discount rate and a decrease in the average EBITDA growth rate to 58.3% resulting in a decrease of 5.7% per annum over the five year period and a decrease of 42bps in the long-term growth rate. A reasonable possible change in the three key assumptions that would result in the recognition of an impairment would be a decrease in the average EBITDA growth rate to 30.9% resulting in a decrease of 50.0% per annum over the five year period this would result in an impairment of £3.4 million. In addition, an increase of 230bps in the pre-tax discount rate would result in a £0.8 million impairment and a decrease of 1.0% in the long-term growth rate would lead to a £0.7 million impairment. The capital maintenance assumption did not identify a reasonable possible change.

As a result, management believe that some of the key impairment review assumptions constitute a major source of estimation uncertainty as they consider that there is a significant risk of a material change to its estimate of these assumptions within the next 12 months.

## Notes to the preliminary announcement continued

### 15. Trade and other receivables

(£ million)	2024	2023
<b>Amounts falling due within one year:</b>		
Trade receivables	<b>83.1</b>	74.8
Unbilled receivables	<b>22.2</b>	20.2
Prepayments	<b>26.1</b>	21.9
Other receivables	<b>6.2</b>	10.2
	<b>137.6</b>	127.1
Allowance for expected credit losses	<b>(6.2)</b>	(5.5)
Total current trade and other receivables	<b>131.4</b>	121.6

Unbilled receivables reflects work in progress where a patient had treatment, or was receiving treatment, at the end of the period and the invoice had not yet been raised.

Other receivables of £6.2m includes £4.3m insurance reimbursement right (2023: £4.6m); and £1.3m (2023: £4.1m) reimbursement right related to the Paterson fund.

The Paterson fund is being held by solicitors on account until payments are made, with any amount not paid out being returned to Spire Healthcare. During the year, £4.7m was paid out of this fund and an additional £1.4m was paid into the fund. The amounts paid to the Paterson fund do not reflect an investment in a financial asset, but merely a right to reimbursement should the fund not be utilised in full.

Trade receivables comprise amounts due from private medical insurers, the NHS, self-pay patients, consultants and other third parties who use the group's facilities. Invoices to customers fall due within 60 days of the date of issue.

The group was successful in its bid to be included on the NHSE Framework for purchasing additional activity from the independent sector, which commenced in April 2021. Inclusion on the Framework is at an agreed price for activity, based on the NHS tariff, but carries no guaranteed volumes. For contracts under the framework that include an estimated contract value, billing is in advance for the expected volume, with a quarterly true-up for actual volumes undertaken. For contracts under the framework without an estimated contract value (which can include local agreements), billing is in arrears based on actual volumes only.

The ageing of trade receivables is shown below and shows amounts that are past due at the reporting date (excluding payments on account where there is no right to offset these at the reporting date). A provision for expected credit losses has been recognised at the reporting date through consideration of the ageing profile of the group's trade receivables and the perceived credit quality of its customers reflecting net debt due. The carrying amount of trade receivables, net of expected credit losses, is considered to be an approximation to its fair value.

The loss allowance as at 31 December 2024 for trade receivables was determined as follows:

	Current	0-30 days	31-90 days	91-364 days	1-2 years	Total
Expected loss rate	<b>1.0%</b>	<b>3.9%</b>	<b>42.9%</b>	<b>57.6%</b>	<b>33.9%</b>	<b>5.6%</b>
Gross debt (£m)	<b>81.8</b>	<b>17.8</b>	<b>2.1</b>	<b>3.3</b>	<b>5.6</b>	<b>110.6</b>
Less payments on account (£m)	–	–	–	–	–	<b>(27.5)</b>
Carrying amount of trade receivables (£m)	–	–	–	–	–	<b>83.1</b>
Loss allowance (£m)	<b>0.8</b>	<b>0.7</b>	<b>0.9</b>	<b>1.9</b>	<b>1.9</b>	<b>6.2</b>

The loss allowance as at 31 December 2023 for trade receivables was determined as follows:

	Current	0-30 days	31-90 days	91-364 days	1-2 years	Total
Expected loss rate	0.0%	2.7%	16.3%	29.0%	41.9%	5.1%
Gross debt (£m)	75.3	14.8	4.3	6.2	6.2	106.8
Less payments on account (£m)						<b>(32.0)</b>
Carrying amount of trade receivables (£m)						<b>74.8</b>
Loss allowance (£m)	–	0.4	0.7	1.8	2.6	<b>5.5</b>

Trade receivables are written off when there is no longer a reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and failure to make contractual payments for a period of greater than two years past due.

The group assesses on a forward-looking basis expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied for trade receivables is the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables.

## Notes to the preliminary announcement continued

### 15. Trade and other receivables continued

Trade receivables after expected credit losses comprise the following wider customer/payor groups:

(£ million)	2024	2023
Private medical insurers	31.1	29.5
NHS	30.7	25.0
Patient debt	6.0	4.1
Other	9.1	10.7
	<b>76.9</b>	69.3

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(£ million)	2024	2023
At 1 January	5.5	5.0
Provided in the year	2.0	1.6
Utilised during the year	(0.3)	(0.3)
Released during the year	(1.0)	(0.9)
At 31 December	<b>6.2</b>	5.5

The group applies the IFRS 9 simplified approach to measuring Expected Credit Losses (ECLs) for trade receivables. Under this standard, lifetime ECL provisions are recognised for trade receivables using a matrix of rates dependent on age thresholds and customer types. The ECL rates are determined with reference to historical performance of each payor age group during the last two years.

To develop the ECL matrix, trade receivables were grouped according to shared characteristics (payor/payor type) and the days past due. As the majority of the group's debt is receivable from large, well-funded insurance companies, the National Health Service or from a large number of individuals, the group has concluded that historical debt performance of the portfolio during the last two reporting periods provides a reasonable approximation of the future expected loss rates for each payor age category.

### 16. Non-current assets held for sale

As at 31 December 2024 the group's management have committed to sell a parcel of land at Bostocks Lane as the group has accepted an offer on the property. The sale is considered highly probable and the assessment has not changed. It therefore remains as classified as held for sale.

(£ million)	2024	2023
Bostocks Lane (East Midlands Cancer Centre)	1.1	1.1
	<b>1.1</b>	1.1

### 17. Share capital and reserves

	2024	2023
<b>Authorised shares</b>		
Ordinary share of £0.01 each	402,751,824	404,126,630
	<b>402,751,824</b>	404,126,630

	2024		2023	
	£0.01 ordinary shares		£0.01 ordinary shares	
	Shares	£'000	Shares	£'000
<b>Issued and fully paid</b>				
<b>At 1 January 2024</b>	404,126,630	4,042	404,108,470	4,041
Issued during the year	13,943	–	18,160	1
Cancelled during the year	(1,388,749)	(14)	–	–
At 31 December 2024	<b>402,751,824</b>	<b>4,028</b>	404,126,630	4,042

## Notes to the preliminary announcement continued

### 17. Share capital and reserves continued

#### Share premium

(£ million)	2024	2023
<b>At 1 January</b>	<b>830.0</b>	830.0
Issue of new shares	–	–
<b>At 31 December</b>	<b>830.0</b>	830.0

#### Capital reserves

This reserve represents the loans of £376.1m due to the former ultimate parent undertaking and management that were forgiven by those counterparties as part of the reorganisation of the group prior to the IPO in 2014.

#### Capital redemption reserve

During the year, the group announced a share buyback programme, the company redeemed 1,388,749 shares with a nominal value of £0.01 per share, resulting in a transfer of £13,887 from distributable profits to the Capital redemption reserve.

#### EBT share reserves

Equiniti Trust (Jersey) Limited is acting in its capacity as trustee of the company's Employee Benefit Trust (EBT). The purpose of the EBT is to further the interests of the company by benefitting employees and former employees of the group and certain of their dependants. The EBT is treated as an extension of the group and the company.

During the year, the EBT purchased 1,312,000 shares and exercised 1,235,976 (2023: 1,339,634 shares acquired and 1,054,620 transferred) in order to settle share awards in relation to the directors' share bonus award and Long-Term Incentive Plan.

Where the EBT purchases the company's equity share capital the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. As at 31 December 2024, 388,184 shares (2023: 312,160) were held by the EBT in relation to the directors' share bonus award and Long-Term Incentive Plan. The EBT share reserve represents the consideration paid when the EBT purchases the company's equity share capital, until the shares are reissued.

As with prior years, the company will continue to fund the Spire Healthcare Employee Benefit Trust (EBT), a discretionary trust held for the benefit of the group's employees, for the ongoing acquisition of shares to satisfy the exercise of share plan awards by employees.

	2024		2023	
	number of shares	£m	number of shares	£m
<b>At 1 January</b>	<b>312,160</b>	<b>0.7</b>	27,146	–
Purchased	<b>1,312,000</b>	<b>3.1</b>	1,339,634	3.1
Exercised	<b>(1,235,976)</b>	<b>(2.9)</b>	(1,054,620)	(2.4)
<b>At 31 December</b>	<b>388,184</b>	<b>0.9</b>	312,160	0.7

#### Hedging reserve

The balance of £2.1m at 31 December 2024 (2023: £3.3m) reflects the £4.3m debit (2023: £4.4m debit) recycled in the period, the fair value credit of £2.8m (2023: £0.2m credit) and the £0.3m tax credit on the profit (2023: £0.9m credit) to give a net movement of a decrease of £1.2m during the year (2023: a decrease of £3.3m) on a hedged transaction. See note 18 for further information.

### 18. Borrowings

The group has borrowings in two forms, bank borrowings and lease liabilities as disclosed on the consolidated balance sheet. Total borrowings at 31 December 2024 were £1,279.9m (2023: £1,257.0m). More detail in respect of these two forms of borrowings are set out below.

#### Bank borrowings

The bank loans are secured on fixed and floating charges over both the present and future assets of material subsidiaries of the group. On 24 February 2022, the group successfully refinanced its debt facilities with a syndicate of existing and new lenders. The arrangement has a maturity of February 2027. The financial covenants relating to this new agreement are materially unchanged. The loan is non-amortising and carries interest at a margin of 2.05% over SONIA (2023: 2.05% over SONIA).

(£ million)	2024	2023
Amount due for settlement within 12 months	<b>3.6</b>	3.4
Amount due for settlement after 12 months	<b>363.5</b>	361.9
<b>Total bank borrowings</b>	<b>367.1</b>	365.3

## Notes to the preliminary announcement continued

### 18. Borrowings continued

#### Terms and debt repayment schedule

The maturity date is the date on which the relevant bank loans are due to be fully repaid.

The carrying amounts drawn (after issue costs and including interest accrued) under facilities in place at the balance sheet date were as follows:

(£ million)	Maturity	Margin over SONIA	2024	2023
Senior finance facility	February 2027	2.05%	327.1	325.3
Revolving credit facility	February 2027	1.95%	40.0	40.0

Net debt for the purposes of the covenant test in respect of the Senior Loan Facility was £323.8m (2023: £315.4m) and the net debt to EBITDA ratio was 2.0x (2023: 2.2x). The net debt for covenant purposes comprises the senior facility of £325.0m, drawn revolving credit facility of £40.0m less cash and cash equivalents of £41.2m. EBITDA for covenant purposes comprises Adjusted EBITDA for Last Twelve Months (LTM) of pre-IFRS 16 Adjusted EBITDA of £171.1m (2023: 152.9m) less the rental of a finance lease pre-IFRS 16 of £10.4m (2023: £10.0m).

The interest cover for covenant purposes was 7.5x (2023: 8.5x) and is calculated as the pre-IFRS 16 EBITDA described above over pre-IFRS 16 finance costs paid.

The senior finance facility includes a sustainability-linked element connected to environmental and quality factors. The group also has access to a further £60.0 million through a committed and undrawn revolving credit facility to February 2027.

#### Effect of covenants

The group's non-current bank borrowings include borrowings amounting to £365.0m that contain covenants, which, if not met, would result in the borrowings becoming repayable on demand. These borrowings are otherwise repayable more than 12 months after the end of the reporting period. The financial covenants are tested by reference to the most recent consolidated financial statements of the group, namely, 30 June and 31 December each year. The financial covenants is for the leverage ratio to be below 4.0x and interest cover to be in excess of 4.0x. As at 31 December 2024, the group complied with all covenants as the leverage measure stood at 2.0x and interest cover of 7.5x and therefore bank borrowings remain classified as non-current liabilities. The group is not aware of any circumstances in which there will be a breach in financial covenants.

#### Lease liabilities

The group has finance in respect of hospital properties, vehicles, office and medical equipment. The leases are secured on fixed and floating charges over both the present and future assets of material subsidiaries in the group. Leases, with a present value liability of £912.8 million (2023: £891.7 million), expire in various years to 2046 and carry incremental borrowing rates in the range 3.2% - 14.6% (2023: 3.1% - 14.6%). Rents in respect of hospital property leases are reviewed annually with reference to RPI or CPI, subject to assorted floors and caps. The discount rates used are calculated on a lease by lease basis and are based on estimates of incremental borrowing rates. A movement in the incremental borrowing rate of 1% would result in an 7.5% movement in lease liability.

In the year, the group recognised charges of £3.4m (2023: £3.8m) of lease expenses relating to low value leases and £17.0m (2023: £14.8m) of lease expense in respect of short-term leases for which the exemption under IFRS 16 has been taken. Lease commitments for short term leases is not dissimilar to the expense recognised. The total cash outflow of £122.7m (2023: £118.8m). The group has not made any variable lease payments in the year. The group is a lessor to one lease to external parties and has recognised a finance lease receivable of £4.4m (2023: Nil). The terms of the sublease are the same as those contained in the head-lease. There have been no (2023: no) sale and leaseback transactions in the year. Where new leases have the right to extend and management is not reasonably certain to exercise the extension option, those future cash flows are not reflected in the above.

During the year the group sold its Tunbridge Wells Hospital business to Maidstone and Tunbridge Wells NHS Trust, as part of the sale agreement the group has entered into a sub lease agreement with the Trust to lease the Tunbridge Wells property. The finance lease receivable represents the cash flows receivable from the Trust to settle the lease obligation in the head lease.

Some leases receive RPI increases on an annual basis which affects both the cash flow and interest charged on those leases. Except for this increase, cash flows and charges are expected to remain in line with current year. The cash flows above do not reflect any termination, extension or break clause options as management is reasonably certain that the options will not be exercised. There are no significant restrictions or covenants which impact the cash flows in respect of these leases.

See note 13 for more detail on the depreciation of the Right-of-use (ROU) assets and note 9 for more detail on the interest expense relating to leases.

## Notes to the preliminary announcement continued

### 18. Borrowings continued

#### Changes in bank borrowings and leases liabilities arising from financing activities

(£ million)	1 January	Cash flows	Non cash changes <sup>1</sup>	Additions <sup>2</sup>	31 December
<b>2024</b>					
Bank loans	365.3	(22.0)	23.8	–	367.1
Lease liabilities	891.7	(102.3)	76.1	47.3	912.8
Total	1,257.0	(124.3)	99.9	47.3	1,279.9

(£ million)	1 January	Cash flows	Non cash changes <sup>1</sup>	Additions <sup>2</sup>	31 December
<b>2023</b>					
Bank loans	324.3	(17.0)	18.0	40.0	365.3
Lease liabilities	866.5	(100.2)	73.0	52.4	891.7
Total	1,190.8	(117.2)	91.0	92.4	1,257.0

<sup>1</sup> Non-cash changes reflect interest charged on the loan

<sup>2</sup> Additions include both new leases entered into, indexation of existing leases and acquisitions of subsidiaries.

### Derivatives

The following derivatives were in place at 31 December:

	Interest rate	Maturity date	Notional amount	Carrying value Asset
<b>31 December 2024 (£m)</b>				
Interest rate swaps	2.7780%	Feb 2026	162.5	2.9
31 December 2023 (£m)				
Interest rate swaps	2.7780%	Feb 2026	243.8	4.4

(£ million)	2024	2023
Amount due for settlement within 12 months	2.5	4.0
Amount due for settlement after 12 months	0.4	0.4
<b>Total derivatives</b>	<b>2.9</b>	<b>4.4</b>

The group entered into interest rate swaps on the 25 July 2022. The movement in respect of derivatives reflects £4.3m (2023: £4.4m) recycled in the period and a £2.8m credit (2023: £0.2m credit) in fair value. All movements are reflected within other comprehensive income.

### 19. Financial liabilities

#### Financial instruments to purchase non-controlling interest

In 2023 the group entered into an agreement with the non-controlling interest of one of its subsidiaries, Montefiore House Limited, in which both parties can exercise an option for Spire Healthcare to purchase the remaining 25% interest in the subsidiary at a future date. On 21 February 2025 Brighton Orthopaedic and Sports Injury Clinic Limited (BOSIC) formally notified Spire Healthcare of the intention to exercise their option.

The purchase price is calculated in line with pre-determined metrics which are based on the subsidiary's EBITDA performance and the group multiple. The option can be exercised between two to five years. The expected future cash flow to settle the obligation is discounted at the group cost of debt of 8.1%. The financial liability is initially recognised through equity at the present value of future cash flows and subsequently recognised at amortised cost.

(£m)	2024	2023
Valuation at 1 January	9.6	–
Movement in financial liability	(1.6)	–
Option to purchase non-controlling interests	–	9.6
<b>Valuation at 31 December</b>	<b>8.0</b>	<b>9.6</b>

## Notes to the preliminary announcement continued

### 20. Provisions

(£ million)	Medical malpractice	Business restructuring and other	Total
At 1 January 2024	15.1	1.3	16.4
Increase in existing provisions	4.6	0.8	5.4
Provisions utilised	(6.5)	(0.2)	(6.7)
Provisions released	–	(0.9)	(0.9)
At 31 December 2024	13.2	1.0	14.2

Medical malpractice relates to estimated liabilities arising from claims for damages in respect of services previously supplied to patients. During the period £4.6m was added due to additional claims received, and £6.5m utilised. Amounts are shown gross of insured liabilities. Any such insurance recoveries of £4.3m (December 2023: £4.6m) are recognised in other receivables.

In response to the publication of the Public Inquiry report on Paterson on 4 February 2020, Spire Healthcare established a provision in respect of implementing the recommendations including a detailed patient review and support for patients. Since inception of the provision in 2021 £13.1m has been utilised in settlement of patient claims. The provision to complete the reviews, settle any claims and costs in respect of other Paterson items has been increased by £4.6m as reported in June 2024.

The provision was established by Spire Healthcare in respect of implementing the recommendations of the Independent Inquiry including a detailed patient review and support for patients of Paterson. The project is complex and the process for review and settlement of claims, where relevant, takes some time. The detailed patient review has now reached the milestone of having contacted all living patients and invited them, where appropriate, to consultations to discuss their care. As a consequence, the rate of new claims has dropped significantly, as most patients now have their outcomes of their review and have initiated their claim, where relevant. Claims activity in the second half of the year has therefore been in line with the assumptions taken by management and the provision established at the half year. As a result there has been no subsequent increase in the provision. In addition, £1.7m of legal fees have been incurred for the ongoing inquests. While it is possible that, as further information becomes available, an adjustment to this provision will be required, at this time it reflects management's best estimate of the costs and settlement of claims.

As at 31 December 2024, the business restructuring and other provisions primarily includes dilapidation provisions for the primary care business. During the year the group released its provision related to acquisition tax matters other than income tax as the relevant tax years have closed for review.

Provisions as at 31 December 2024 are materially considered to be current and expected to be utilised at any time within the next twelve months, subject to external factors beyond the group's control.

### 21. Trade and other payables

(£ million)	2024	2023
Trade payables	84.9	63.9
Accrued expenses	53.8	65.9
Deferred income	10.5	10.4
Social security and other taxes	18.4	15.2
Other payables	46.4	41.7
Trade and other payables	214.0	197.1

Accrued expenses includes general operating expenses incurred but not invoiced as at the year end, as well as holiday pay accrued of £2.1m (2023: £2.1m), and bonuses accrued during the year and paid during the following year of £5.3 million (2023: £12.7 million). Deferred income of £10.5m relates to contract revenue of VHG.

Other payables include an accrual for pensions and payments on account. Revenue is not recognised in respect of payments on account until the performance obligation has been met at year end the balance of payments on account was £10.3m (2023: £10.3m). In addition other credit balances re-classified from trade debtors were £27.0m (2023: £32.0m), which largely relate to NHS credits. Payments on account are expected to be utilised against patient procedures within the following 12 months. The balance of payments on account as at 31 December 2023 were utilised in the current year when the patient attended the procedure, and not cancelling or deferring treatment, such payments on account could result in repayment to the patient should they request so.

### 22. Share-based payments

The group operates a number of share-based payment schemes for executive directors and other employees, all of which are equity settled.

The group has no legal or constructive obligation to repurchase or settle any of the options in cash. The total cost in respect of LTIPs and SAYE recognised in the income statement was £4.2m in the year ended 31 December 2024 (2023: £3.7m). Employer's National Insurance is being accrued, where applicable, at the rate of 14.3%, which management expects to be the prevailing rate at the time the options are exercised, based on the share price at the reporting date. The total National Insurance charge for the year was £0.5m (2023: £0.4m).

## Notes to the preliminary announcement continued

### 22. Share-based payments continued

The following table analyses the total cost between each of the relevant schemes, together with the number of options outstanding:

	2024		2023	
	Charge £m	Number of options (thousands)	Charge £m	Number of options (thousands)
Long Term Incentive Plan	3.3	11,643	3.0	12,394
Deferred Share Bonus Plan	–	531	–	449
Save As You Earn (SAYE)	0.7	2,957	0.7	3,252
Cash-settled Long Term Incentive Plan	0.2	–	–	–
	4.2	15,131	3.7	16,095

A summary of the main features of the scheme is shown below:

#### Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) is open to executive directors and designated senior managers, and awards are made at the discretion of the remuneration committee. Awards are subject to market and non-market performance criteria.

Awards granted under the LTIP vest subject to achievement of performance conditions measured over a period of at least three years, unless the committee determines otherwise. Awards may be in the form of conditional share awards or nil-cost options or any other form allowed by the plan rules.

Vesting of awards will be dependent on a range of financial, operational or share price measures, as set by the committee, which are aligned with the long-term strategic objectives of the group and shareholder value creation. No less than 30% of an award will be based on share price measures. The remainder will be based on either financial and/or operational measures. At the threshold performance, no more than 25% of the award will vest, rising to 100% for maximum performance.

On 14 March 2024, the Company granted a total of 2,054,599 options to the executive directors and other senior management. The options will vest based on return on capital employed ('ROCE') (35%) targets for the financial year ending 31 December 2026, relative total shareholder return ('TSR') (20%) targets over the three year period to 31 December 2026, EBITDA margin (15%) targets for the financial year ending 31 December 2026 for the Company's Hospital Business and operational excellence ('OE') (30%) targets based on employee engagement targets and regulatory ratings for the current portfolio of hospitals (including Doctors Clinic Group, but excluding new clinics that open during the performance period and Vita Health Group). The options are subject to continued employment and, upon vesting, will remain exercisable until March 2034. The executive directors are subject to a 2-year holding period.

On 14 March 2024, the Company also granted a total of 235,231 options to senior management. These options will vest based on return on capital employed ('ROCE') (35%) targets for the financial year ending 31 December 2026, relative total shareholder return ('TSR') (20%) targets on performance over the three year period to 31 December 2026, EBITDA margin (15%) targets for the financial year ending 31 December 2026 for the VHG and operational excellence ('OE') (30%) targets (based on non-market vesting conditions related to access rates and recovery for mature contracts and employee engagement targets for the VHG). The options are subject to continued employment and, upon vesting, will remain exercisable until March 2034.

#### Deferred Share Bonus Plan

The Deferred Share Bonus Plan is a discretionary executive share bonus plan under which the remuneration committee determines that a proportion of a participant's annual bonus will be deferred. The market value of the shares granted to any employee will be equal to one-third of the total annual bonus that would otherwise have been payable to the individual. The awards will be granted on the day after the announcement of the group's annual results. The awards will normally vest over a three-year period.

On 14 March 2024, the Company granted a total of 221,319 options to executive directors, with a vesting date of 14 March 2027. There are no performance conditions in respect of the scheme and is subject to continued employment.

#### Save As You Earn

The Save As You Earn (SAYE) is open to all Spire Healthcare employees. Vesting will be dependent on continued employment for a period of three years from grant. The requirement to save is a non-vesting condition.

### 23. Commitments

#### Consignment stock

At 31 December 2024, the group held consignment stock on sale or return of £25.5m (2023: £24.5m). The group is only required to pay for the equipment it chooses to use and therefore this stock is not recognised as an asset.

## Notes to the preliminary announcement continued

### 23. Commitments continued

#### Capital commitments

Capital commitments comprise amounts payable under capital contracts which are duly authorised and in progress at the consolidated balance sheet date. They include the full cost of goods and services to be provided under the contracts through to completion. The group has rights within its contracts to terminate at short notice and, therefore, cancellation payments are minimal.

Capital commitments at the end of the year were as follows:

(£ million)	2024	2023
Contracted but not provided for	24.7	31.6

### 23. Financial guarantees

The group had the following guarantees at 31 December 2024:

- the bankers to Spire Healthcare Limited have issued a letter of credit in the maximum amount of £1.5m (2023: £1.5m) in relation to contractual pension obligations.
- under certain lease agreements entered into on 26 January 2010, the group has given undertakings relating to obligations in the lease documentation and the assets of the group are subject to a fixed and floating charge.

### 24. Disposals and acquisitions

On 31 March 2024, the group sold the assets and operations of its Tunbridge Wells hospital to Maidstone and Tunbridge Wells NHS Trust. The group recognised a total profit on disposals in the period of £4.5m. The profit is reported within adjusting items (Note 10). As part of the sale agreement the group has entered into a sub lease agreement with the Trust to lease the Tunbridge Wells property. Included in the profit is £2.0m relating to the derecognition of the right of use asset (£2.4m) and recognition of the finance lease receivable (£4.4m). The finance lease receivable represents the cash flows receivable from the Trust to settle the lease obligation in the head lease.

In addition, the group entered into a management service agreement whereby Spire operated the administration function of the hospital for a fixed monthly fee at an arm's length basis to allow for the proper transfer of contracts and operations. The management service agreement ended in September 2024.

The profit on disposal is as follows:

(£ million)	2024 £m
Consideration received	10.0
Net assets disposed (Note 13)	(5.8)
Disposal costs	(1.7)
Derecognise right of use asset (Note 13)	(2.4)
Recognise finance lease receivable (Note 18)	4.4
<b>Profit on disposal (Note 7)</b>	<b>4.5</b>
Deferred tax charge (Note 11)	(1.2)
<b>Profit on disposal after tax</b>	<b>3.3</b>

#### **Prior year Acquisition of Kingfisher TopCo Limited (together 'Vita Health Group')**

During the year, the group reviewed its goodwill position in respect of Vita Health Group in line with IFRS 3 and a provision of £0.5m has been recognised in respect of deferred consideration this has been adjusted through goodwill.

### 25. Events after the reporting period

On 21 February 2025 Brighton Orthopaedic and Sports Injury Clinic Limited (BOSIC) formally notified Spire Healthcare of the intention to exercise their put option for Spire Healthcare to purchase the remaining 25% interest in Montefiore House Limited. A financial liability of £8.0m is provided for this purchase, refer to note 19.

# Shareholders' information

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## Corporate Website

Shareholder and other information about the company can be accessed on the company's website:  
[www.spirehealthcare.com](http://www.spirehealthcare.com)

## Financial Calendar

2025 Annual General Meeting (London) 14 May 2025  
Announcement of 2025 half year results 11 September 2025