



Spire Healthcare

H1 22 Results Presentation

8 September 2022



Looking after you.

Disclaimer

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Agenda

H1 22 Overview

Justin Ash, Chief Executive Officer

H1 22 Financial Review

Harbant Samra, Interim Chief Financial Officer

Operational Highlights and Strategic Developments

Justin Ash, Chief Executive Officer

Q&A



Spire Healthcare

H1 22 Overview

Justin Ash, Chief Executive Officer

Looking after you.

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

Our strategy

Help to meet UK Healthcare needs by running great hospitals and developing new services



Drive Hospital Performance

Continue growth in our existing hospital estate with increasing margins



Build on Quality

Maintain strong quality and safety credentials as a competitive advantage in all our activities



Invest in Our Workforce

Recruit, retain and develop a great workforce



Champion Sustainability

Become recognised as an ESG leader in our industry



Expand Our Proposition

Selectively invest to attract patients and meet more of their healthcare needs



Deliver Strong Financial Performance

Financial discipline supporting cash generation, targeted investment and improving ROCE / shareholder returns

H1 22 - a period of good progress

Adjusted
EBITDA
£105.8m



*(vs H1 21: up 10.2%)
(vs H1 19: up 9.3%)*

Revenue
£597.9m



*(vs H1 21: up 7.1%)
(vs H1 19: up 21.6%)*

Good progress on
savings

*On track to deliver at
least £15m cost savings
in 2022*

Strong cash
generation

Reduced leverage

Drivers of our performance

Market: NHS waiting lists continue to rise

Self pay

Strong demand

PMI

Recovered to surpass pre-pandemic levels

NHS

Focus on orthopaedics and e-RS

Continued focus on margin improvement
17.7% in H1 22, up from 16.1% in FY21

COVID-19 disruption

98% 'Good', 'Outstanding' by the CQC (or equivalent in Scotland and Wales)

96% rating experience as 'Good' or 'Very Good'

Thank you to our people





Spire Healthcare

H1 22 Financial Review

Harbant Samra, Interim Chief Financial Officer

Looking after you.

Financial headlines H1 22: P&L

Revenue
£597.9m

(H1 21: £558.2m)
(H1 19: £491.6m)

Adjusted
EBITDA
£105.8m

(H1 21: £96.0m)
(H1 19: £96.8m)

Adjusted EBIT
£54.6m

(H1 21: £48.5m)
(H1 19: £51.4m)

Adjusted Profit
Before Tax
£8.6m

(H1 21: £7.0m)
(H1 19: £10.0m)

EBITDA Margin
17.7%

(FY 21: 16.1%)
(FY 19: 19.3%)

COVID-adjusted
EBITDA Margin ¹
21.9%

(FY 21: 20.5%)
(FY 19: NA)

Financial headlines H1 22: balance sheet

Capex
£38.8m

*(H1 21: £36.3m)
(H1 19: £19.7m)*

Adjusted FCF
£23.7m

*(H1 21: £1.6m)
(H1 19: £25.9m)*

Net bank debt
£227.8m

*(FY 21: £224.9m)
(H1 21: £306.3m)*

Net Debt/EBITDA
2.2x

*(FY 21: 2.3x)
(H1 21: 2.7x)*

Record private growth in H1 22

Revenue
£597.9m

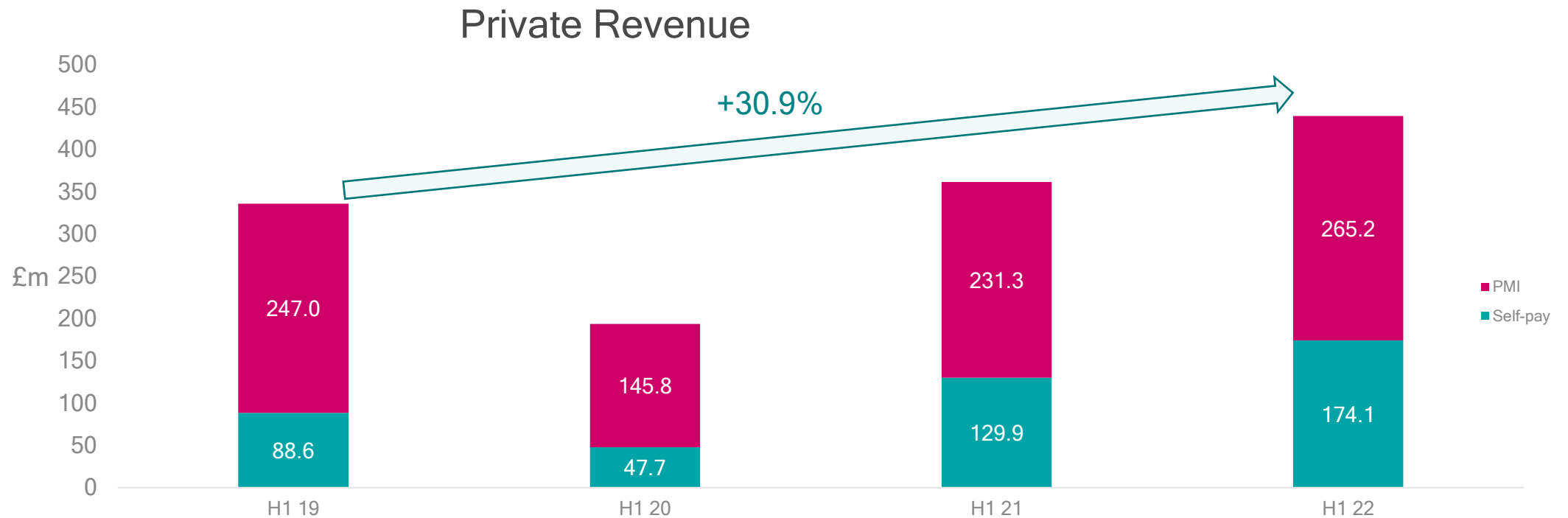
(vs H1 21: up 7.1%)
(vs H1 19: up 21.6%)

Strong demand for private treatment in H1 with ARPC momentum maintained

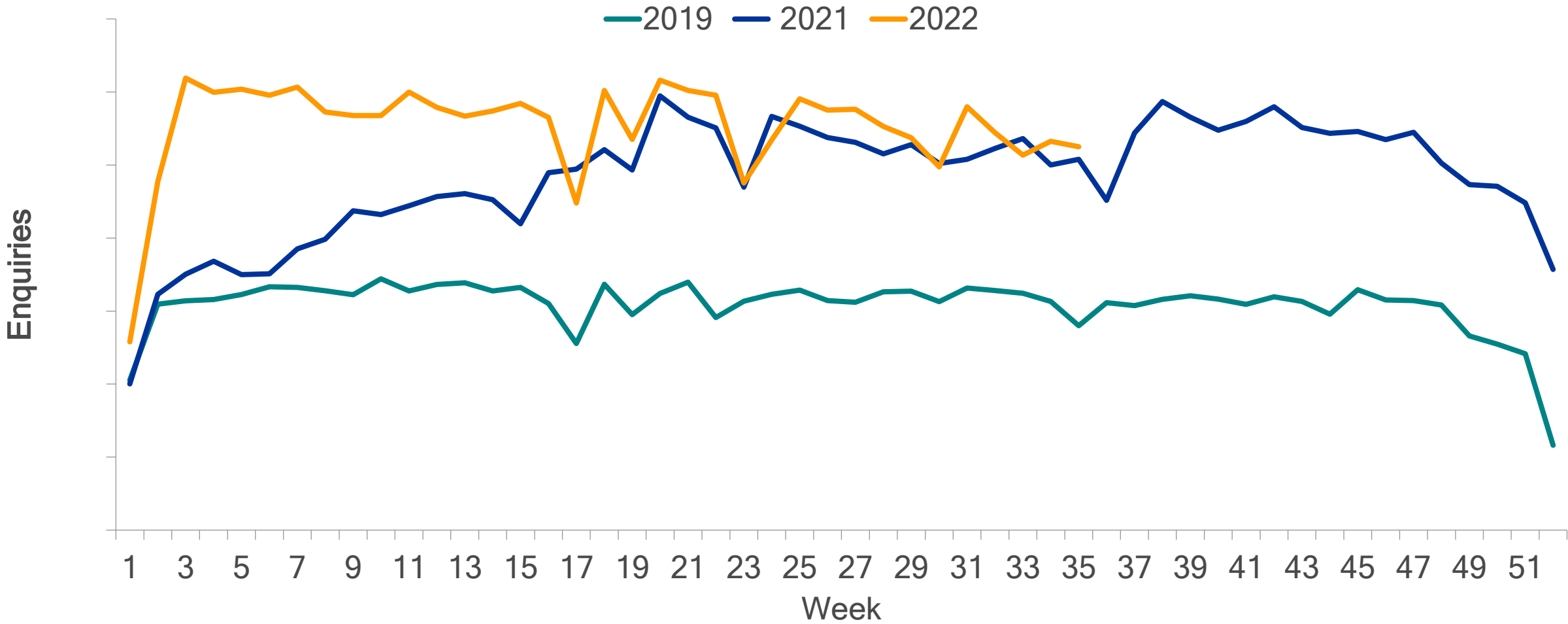
- Private revenue up 21.6% YOY, up 30.9% vs H1 19

- SP up 34.0% YOY, up 96.5% vs H1 19
- PMI up 14.7% YOY, up 7.4% vs H1 19

NHS down 21.5% YOY, up 1.3% vs H1 19



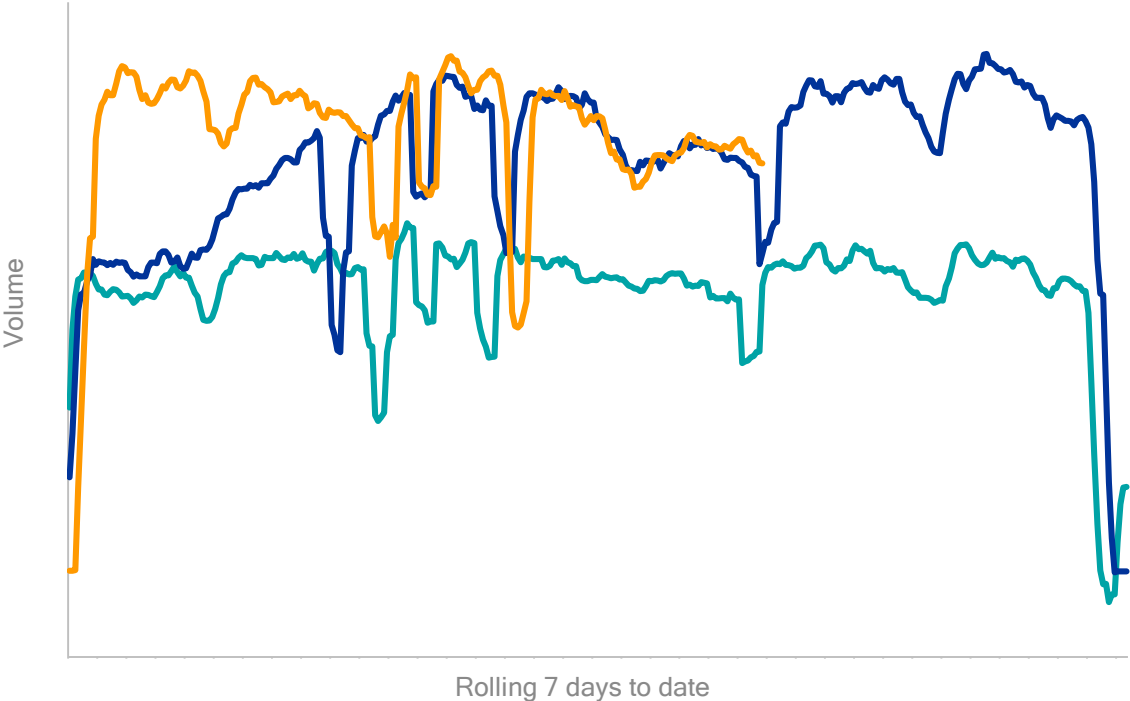
Enquiries - strong start to 2022 has been maintained



Self-pay volumes - outpatients and admissions

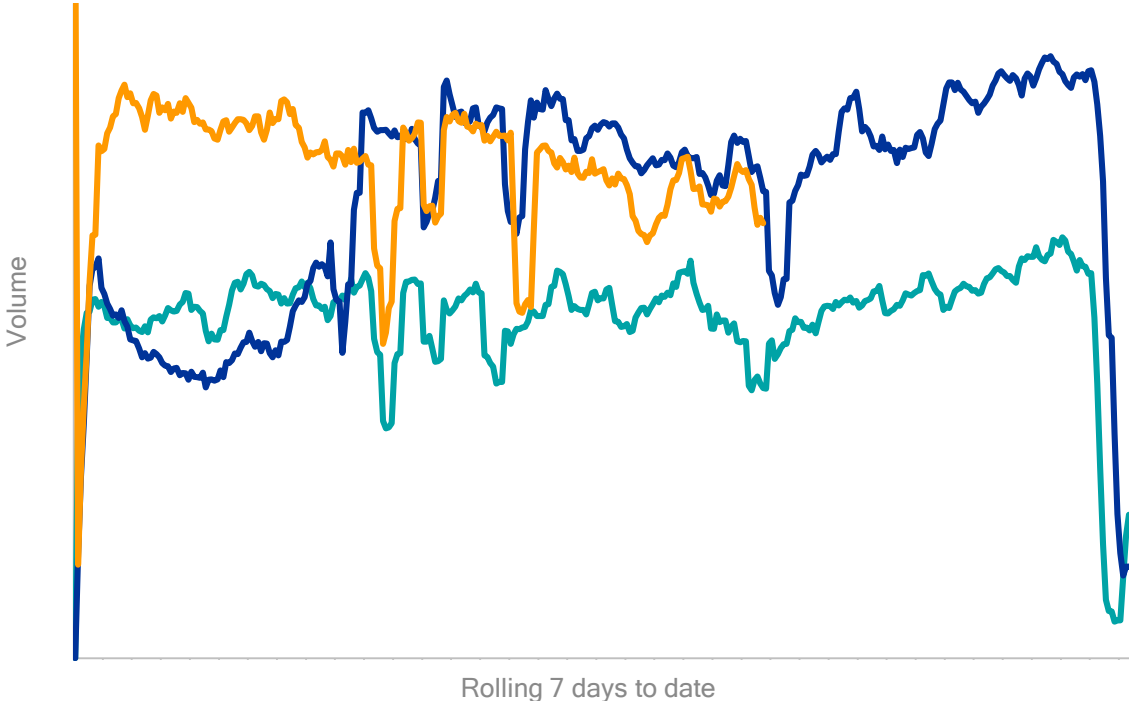
Self-pay new outpatient consultation

—2019 —2021 —2022



Self-pay IPDC admissions

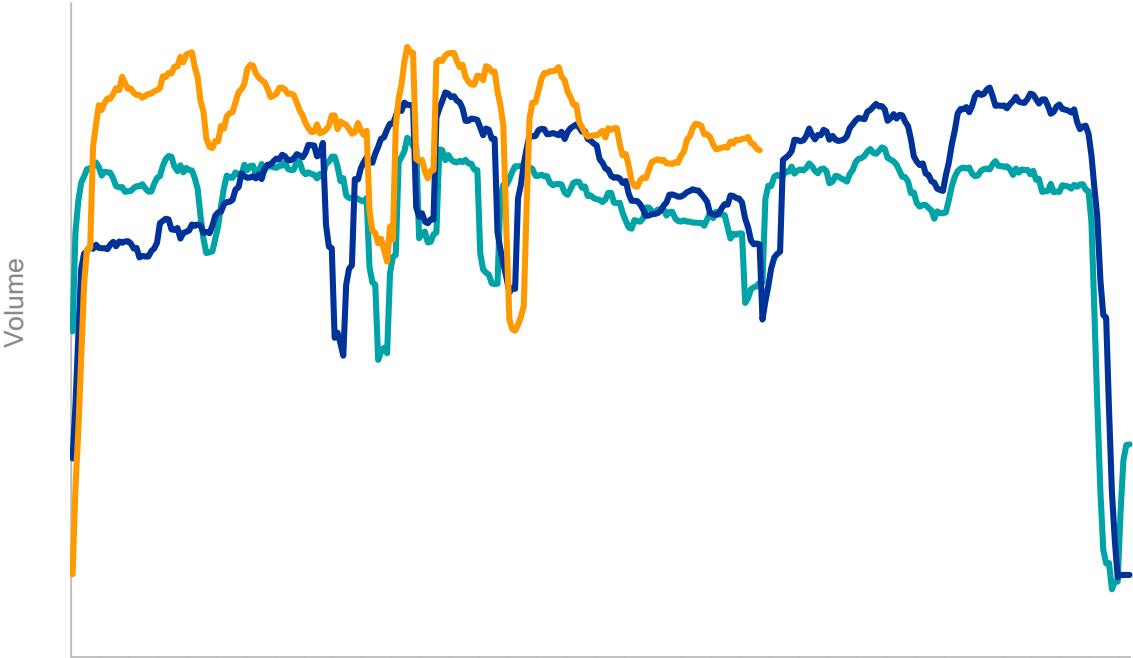
—2019 —2021 —2022



PMI volumes - outpatients and admissions

PMI new outpatient consultation

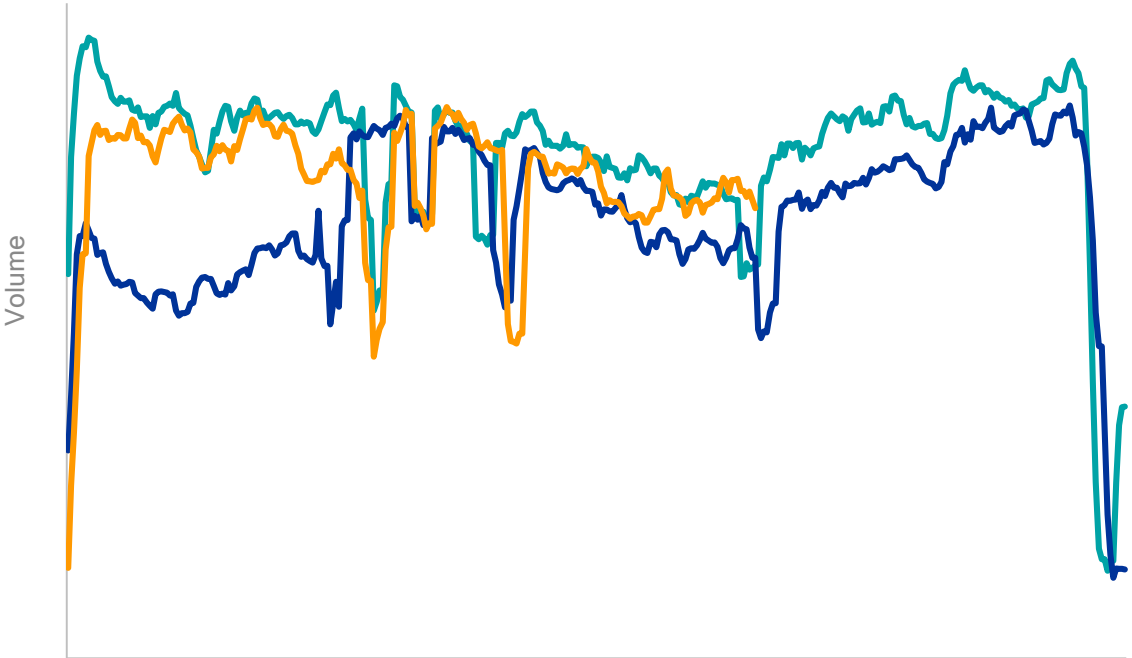
—2019 —2021 —2022



Rolling 7 days to date

PMI IPDC admissions

—2019 —2021 —2022

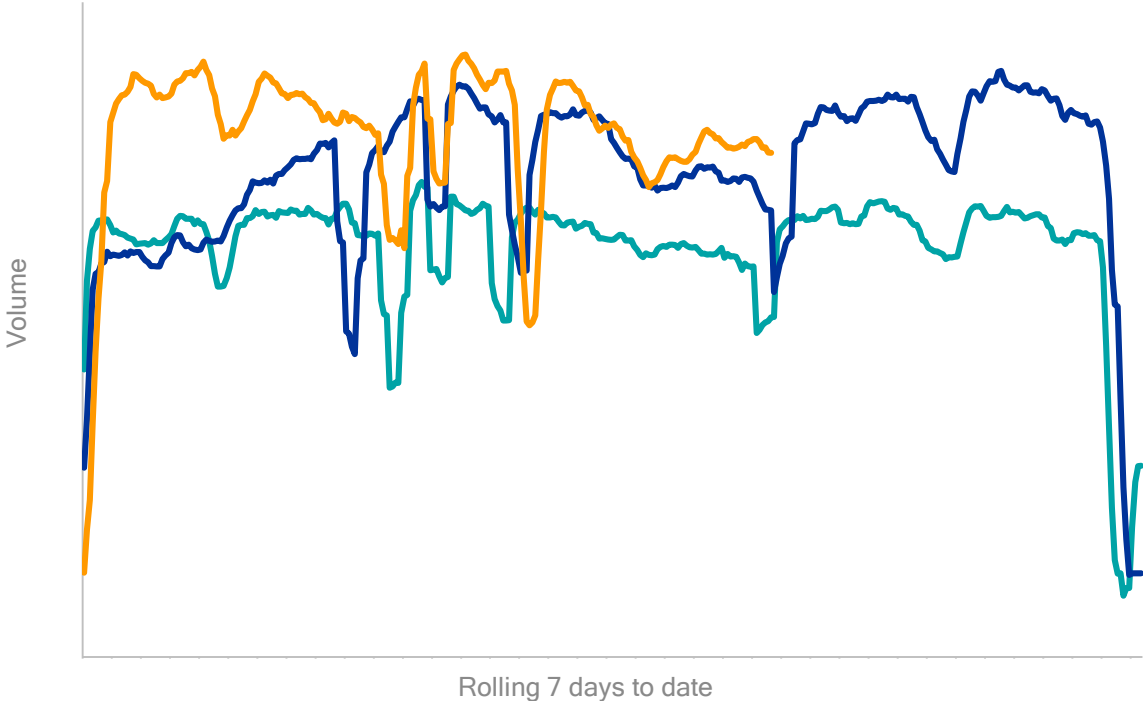


Rolling 7 days to date

Private volumes - Outpatient and Admissions

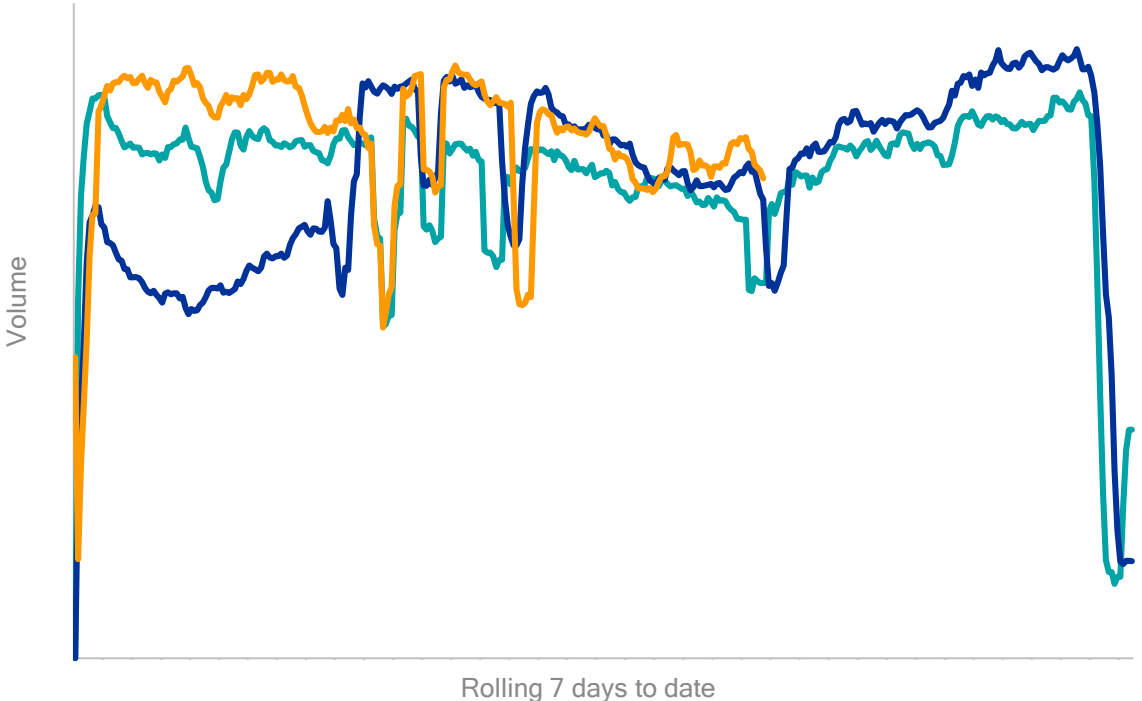
Private new outpatient consultation

—2019 —2021 —2022



Private IPDC admissions

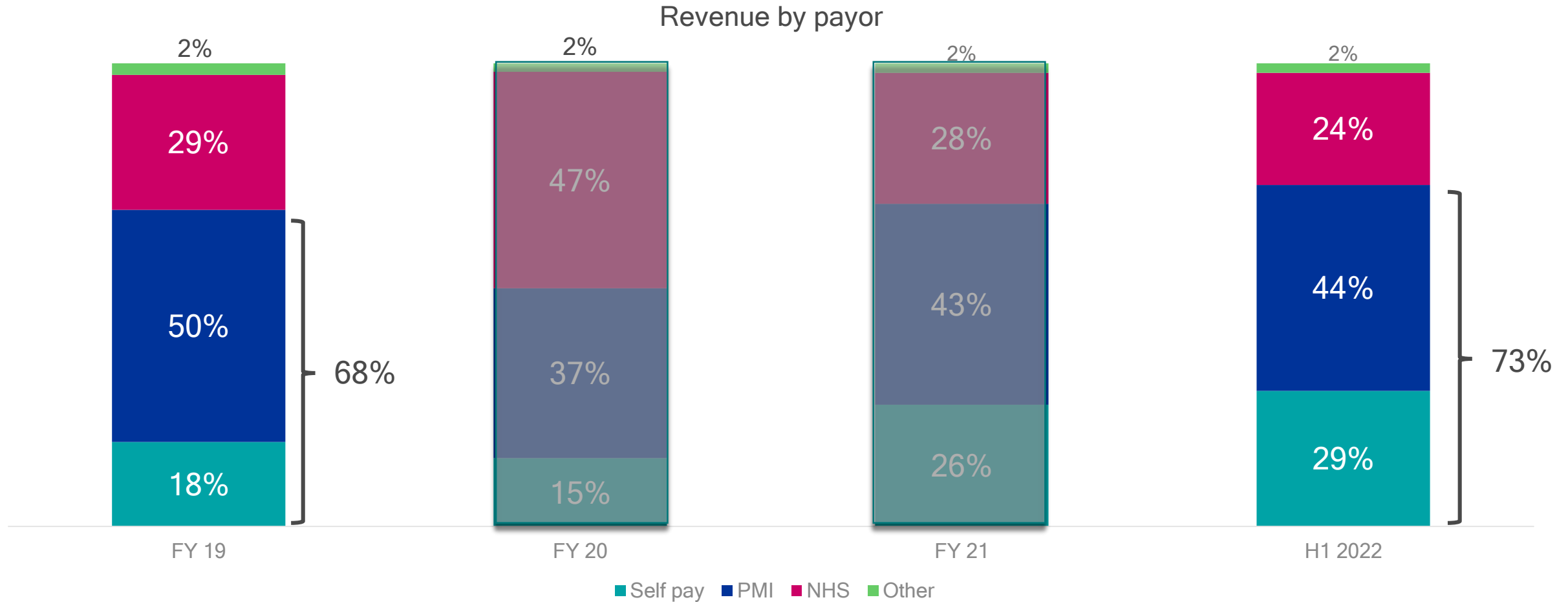
—2019 —2021 —2022



Maintained higher ARPC - reflects pricing, private mix and acuity

	H1 19				H2 19				H2 21				H1 22			
	PMI	Self-pay	Total private	NHS	PMI	Self-pay	Total private	NHS	PMI	Self-pay	Total private	NHS	PMI	Self-pay	Total private	NHS
IPDC admissions	61.6	23.5	85.2	46.8	60.0	24.1	84.1	45.2	54.1	35.1	89.2	34.3	58.5	35.7	94.2	37.4
ARPC (£)	2,514	2,905	2,622	2,404	2,553	2,864	2,642	2,465	2,683	3,744	3,101	2,986	2,729	3,961	3,197	3,090
Total revenue (£m)	247.0	88.6	335.6	143.7	244.8	90.2	335.0	142.0	242.4	162.1	404.5	129.1	265.2	174.1	439.3	145.6

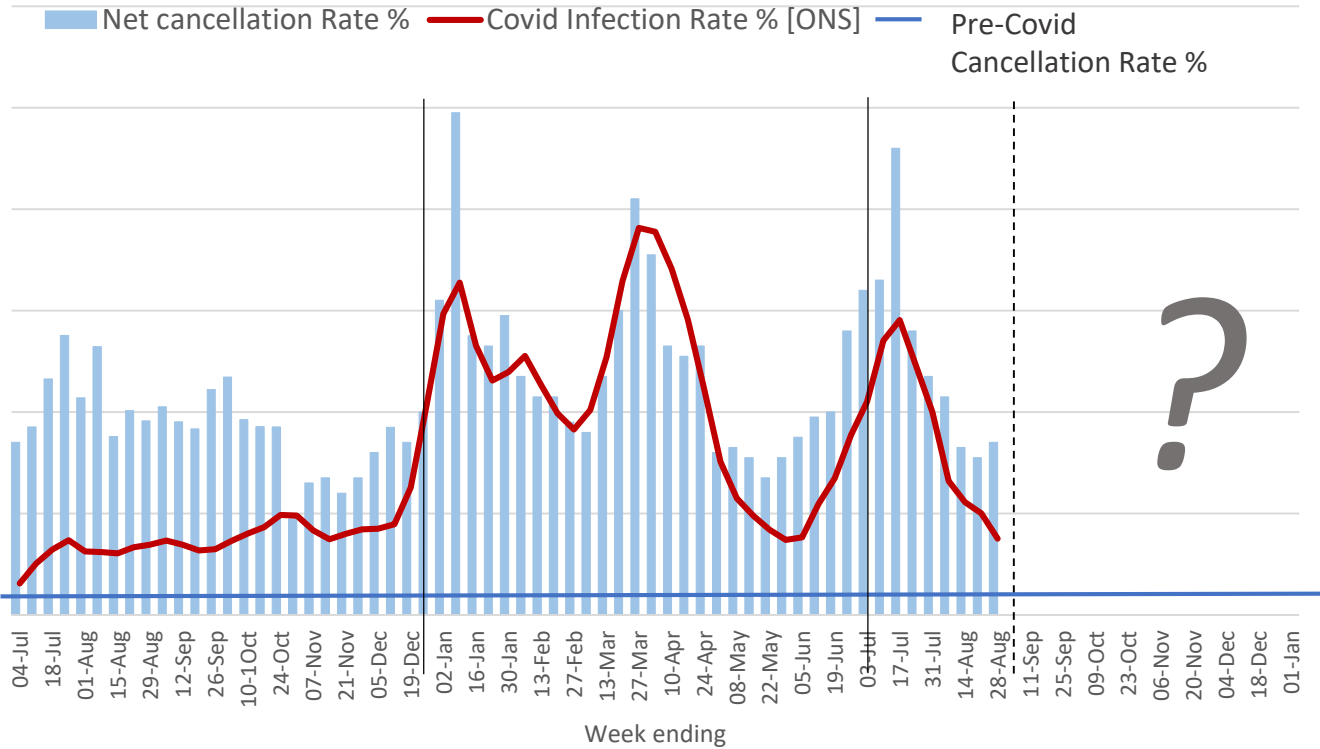
Payor mix: maintained focus on Private



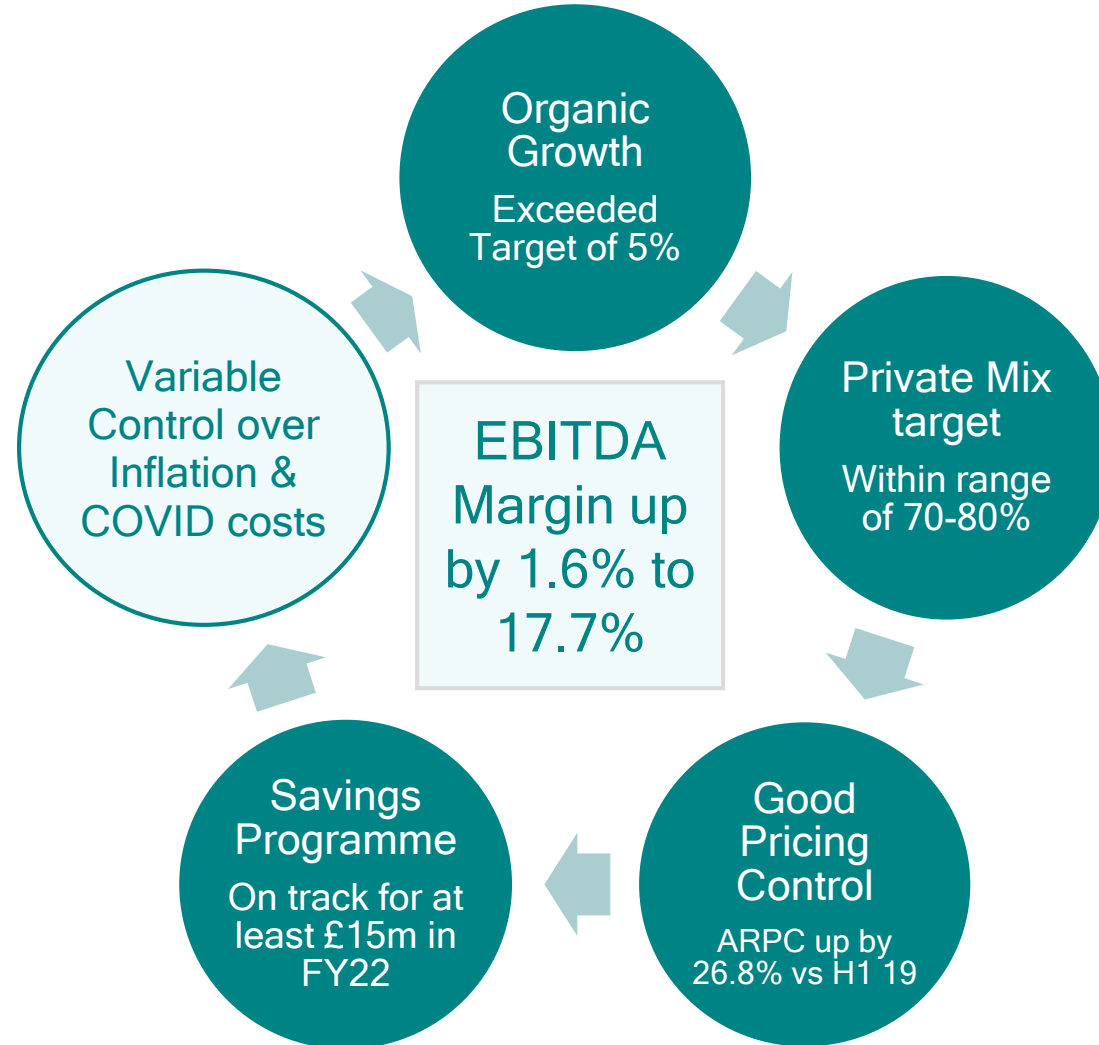
(2020 & Q1 2021 impact by NHS COVID-19 contracts)

Continued exposure to COVID impact - last 12 months

COVID rates and Net Cancellations



Margin improvement



Outlook: Maintaining guidance

Strong revenue and EBITDA growth in H1 and trading in line with expectations

Expecting strong revenue and earnings growth in H2

Strong progress in H1 2022

Delivered strong revenue & EBITDA growth
Improved Margin

Invested in our business
Reduced Bank Debt
Maintained high liquidity



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Operational highlights and strategic developments

Justin Ash, Chief Executive Officer

Looking after you.

H1 22 operational highlights

Strengthened quality

98% currently rated 'Good' or Outstanding (or equivalent)

- Four hospital inspections during H1 22 - all rated Good

Launched Sustainability Strategy

Carbon reduction proceeding to plan

- 'Highly Commended' in BusinessGreen Leaders Awards 2022 for 'The Net Zero Strategy of the Year'

Investing in our workforce

Strong L&D programme helping to recruit and retain talent

c.500 apprentices employed representing >5% of permanent workforce

Extended overseas nurse recruitment programme

Continuing to invest in our workforce

- Exceptional salary increase award of 5% to all permanent colleagues from Sep '22

Further capex investment

£38.8m invested in line with our framework

- Significant capacity projects
- Investment in patient care and digital transformation

Strategic developments

Digital transformation

- Automated patient communications
- Digital access to NHS Summary Care Records

Expanding the proposition through selective investment

- Long-term condition management
 - Expect to launch pilot for Type 2 diabetes before end 2022
- Expansion of Spire GP services
 - 69% increase in number of appointments during H1 22 vs prior year
 - Digital GP offering
- Modelling potential locations for Spire Clinics
 - Offering diagnostic and outpatient services
 - First two clinics set to open in 2023



Spire Healthcare

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Looking after you.



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Appendix

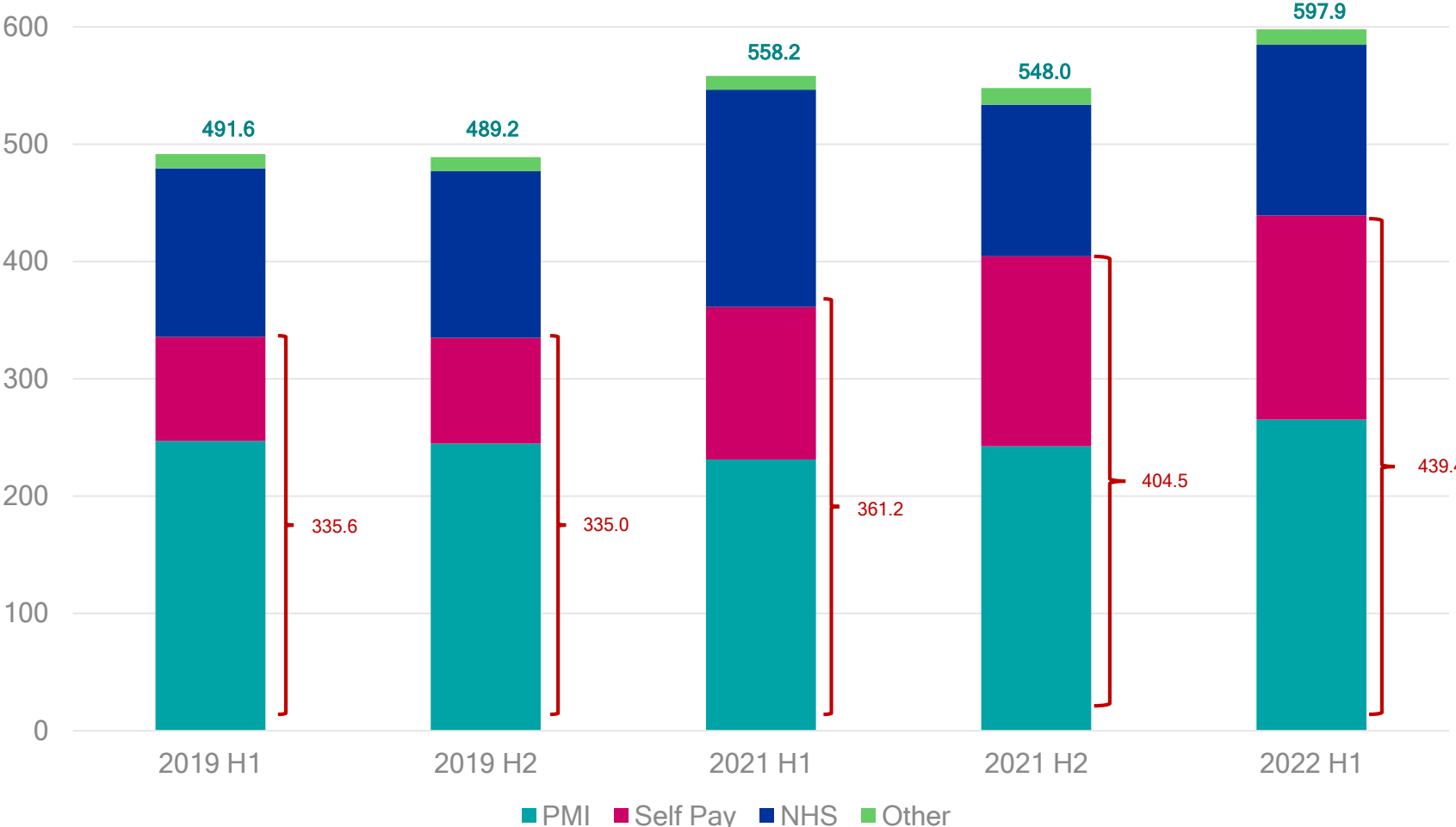
Looking after you.

Technical guidance

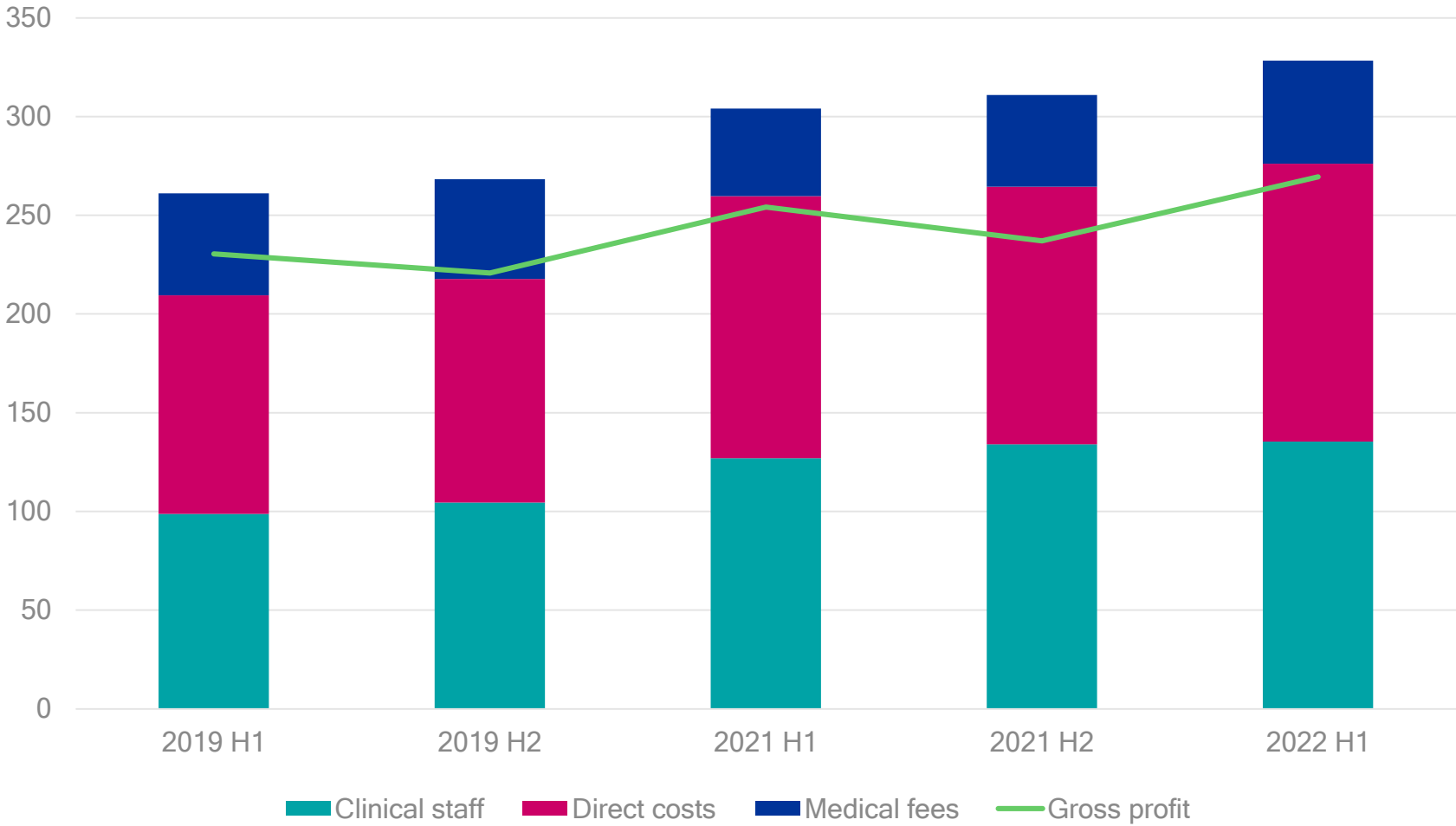
Technical guidance for 2022

Total rent	c.£90m
D&A	c.£100-105m
Capex	c.£80-85m
Net financing costs	c.£87-93m
Tax	Effective corporate tax rate in line with the substantively enacted rate of 25%
Net bank debt	c.£190-230m

Revenue by Payor



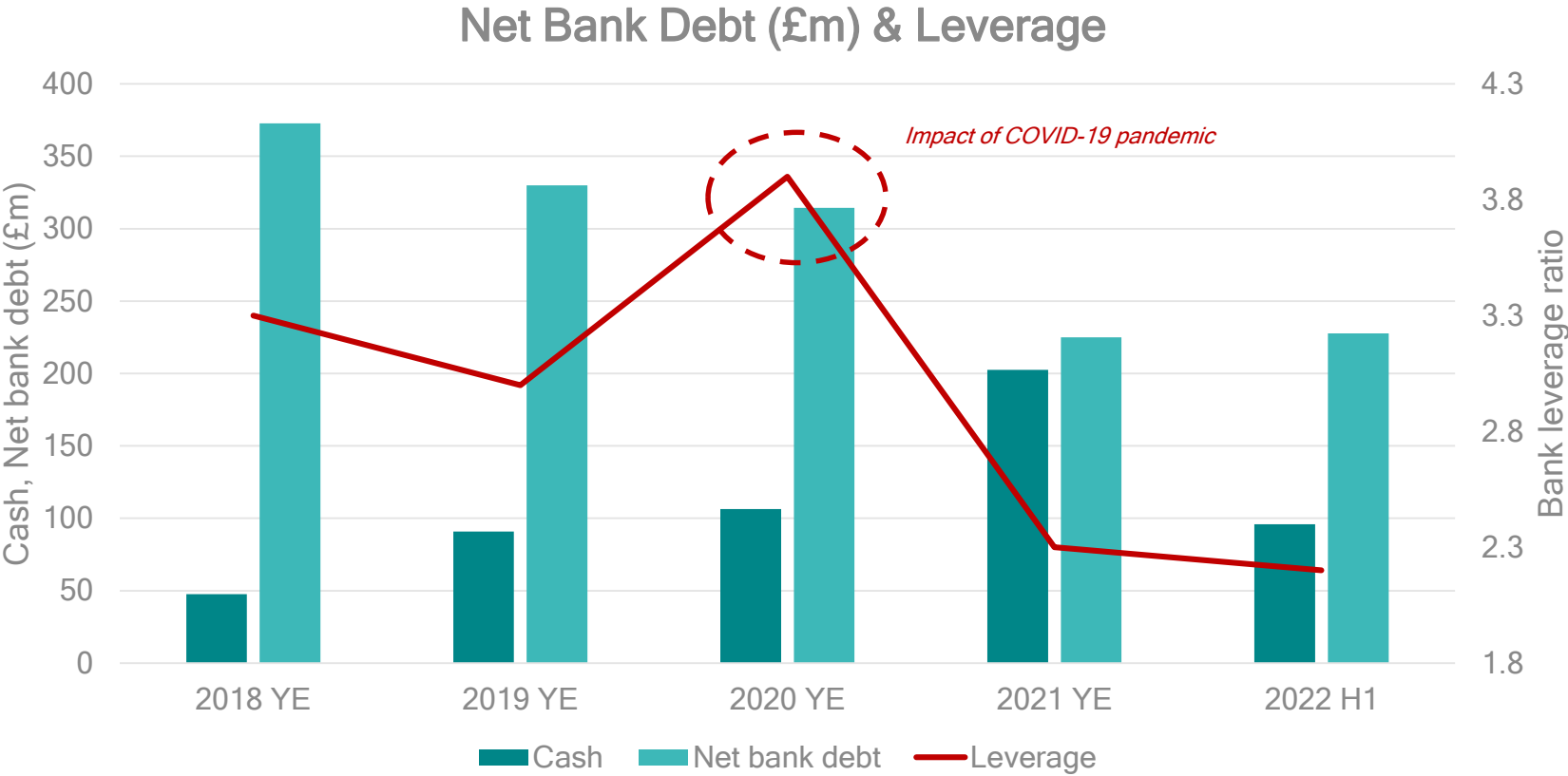
Cost of sales analysis



Cash flow

	H1 22 (£m)	H1 21 (£m)	H1 19 (£m)
Cash from operating activities	102.0	97.0	97.0
Working capital movement	(10.5)	(11.3)	(11.8)
Capex	(44.0)	(29.5)	(21.3)
Financing activities	(54.3)	(46.4)	(55.0)
Repayment of senior loan facility	(100.0)	-	-
Tax	-	-	1.8
(Decrease)/Increase in cash	(106.8)	9.8	10.7
Opening cash balance	202.6	106.3	47.7
Closing cash balance	95.8	116.1	58.4

Cash & Net Bank Debt

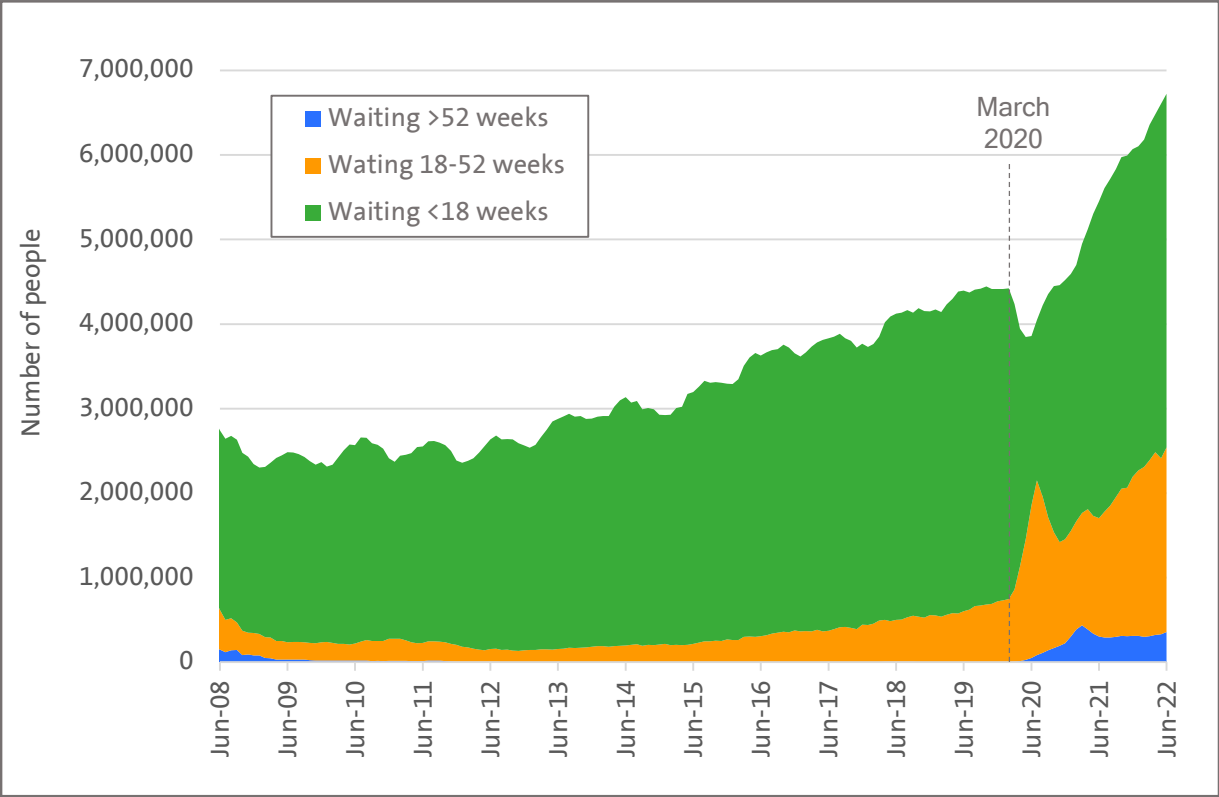


Cash & Borrowings

	June 22 (£m)	Dec 21 (£m)	Dec 20 (£m)
Bank borrowings	323.6	427.5	420.8
Cash	95.8	202.6	106.3
Net bank debt	227.8	224.9	314.5

	June 22 (£m)	Dec 21 (£m)	Dec 20 (£m)
Bank borrowings	323.6	427.5	420.8
Lease liabilities (under IFRS 16)	842.6	837.8	749.5
Total borrowings	1,166.2	1,265.3	1,170.3

Latest NHS England waiting list



Source: NHS England: <https://www.england.nhs.uk/statistics/statistical-work-areas/rtt-waiting-times/>