



Spire Healthcare

Capital Markets Event

17 April 2024



Looking after you.

Zoom webinar rules of engagement

All attendee lines are muted

The chat function is disabled

Please submit your name and organisation using the Q&A function
Angus will moderate the session and unmute your line for you to ask your question

Any problems please email Laura.Young@spirehealthcare.com



Section 1 - Welcome and overview

Justin Ash



Looking after you.

① Objectives of today's event

1. Deep dive into our Hospitals Business, demonstrating how we will improve margins to reach our medium-term targets
2. Introduction to Spire Occupational Health and Vita Health Group

① A successful 5 years – business transformed, navigated pandemic and are driving shareholder return

Built a solid foundation, unparalleled in the sector

- **Improved quality** – 98% at least ‘Good’ (2018: 76%)
- **Delivered growth** – 6.1% revenue CAGR over 2018 to 2023
- **Invested in our people** – Leaver rate falling (2023: 15% v 19% at 2021)
Managed significant pay inflation (+£90m since 2018)
- **Reduced Bank Debt Leverage** – now at 2.2x (2018: 3.7x)



Driving shareholder return

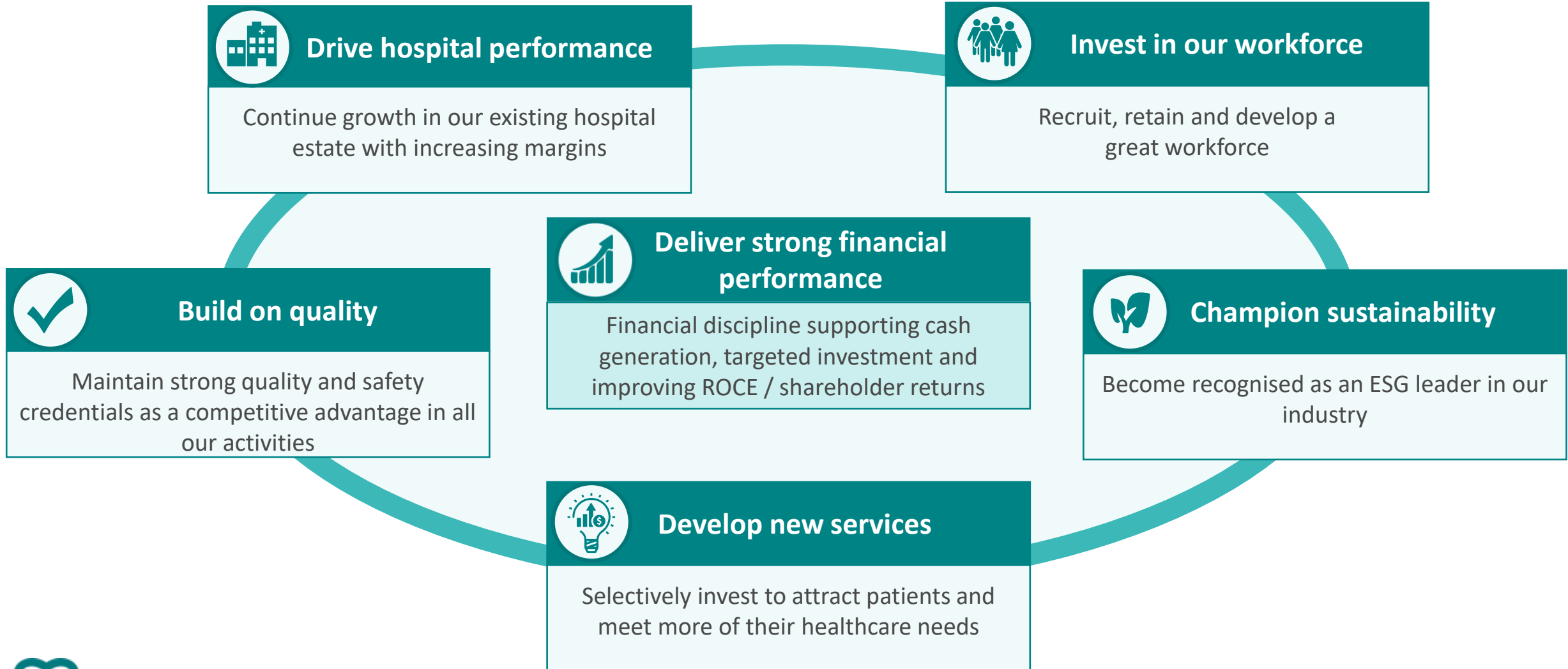
2023

- EBITDA of £234m – best ever outcome
- Strong growth in PBT (£38.8m FY) and ROCE (7.5%)
- Hospital EBITDA margin growth of 0.6ppts.
Committed to achieving medium-term target >21% driven by savings
- Dividend of 2.1p per share

2024-26 – strong financial performance expected

- Revenue growth >5%
- >£60m cost savings per annum by 2026
- Improved margins
- ROCE >10%
- Transformed business capability

① Our strategy: deliver strong financial performance underpinned by running great hospitals and developing new services



1 Delivering against Spire Healthcare's medium-term financial objectives and financial framework

| | | <u>2022</u> | <u>2023</u> | <u>In-year achievement</u> | <u>Target/framework measure</u> |
|----------------------------------|--|---------------|---------------|----------------------------|---------------------------------|
| Medium-term financial objectives | Hospital growth | +8.3% | +10.8% | ✓ | >5% revenue CAGR |
| | Hospital EBITDA margin Hospital EBIT margin | 17.0% 8.8% | 17.6% 9.9% | ↑ | EBITDA >21% EBIT >13% |
| | ROCE | 6.2% | 7.5% | ↑ | >10% |
| | New Services revenue | £0m | £31.4m* | ↑ | >£50m of additional revenue |
| Financial Framework | Payor Mix | 73.1% | 72.3% | ✓ | 70-80% Private |
| | Organic Capex | 7.5%** | 6.2% | ✓ | 6-7% of Revenue |
| | Cash Conversion | 92% | 98% | ✓ | c.100% |

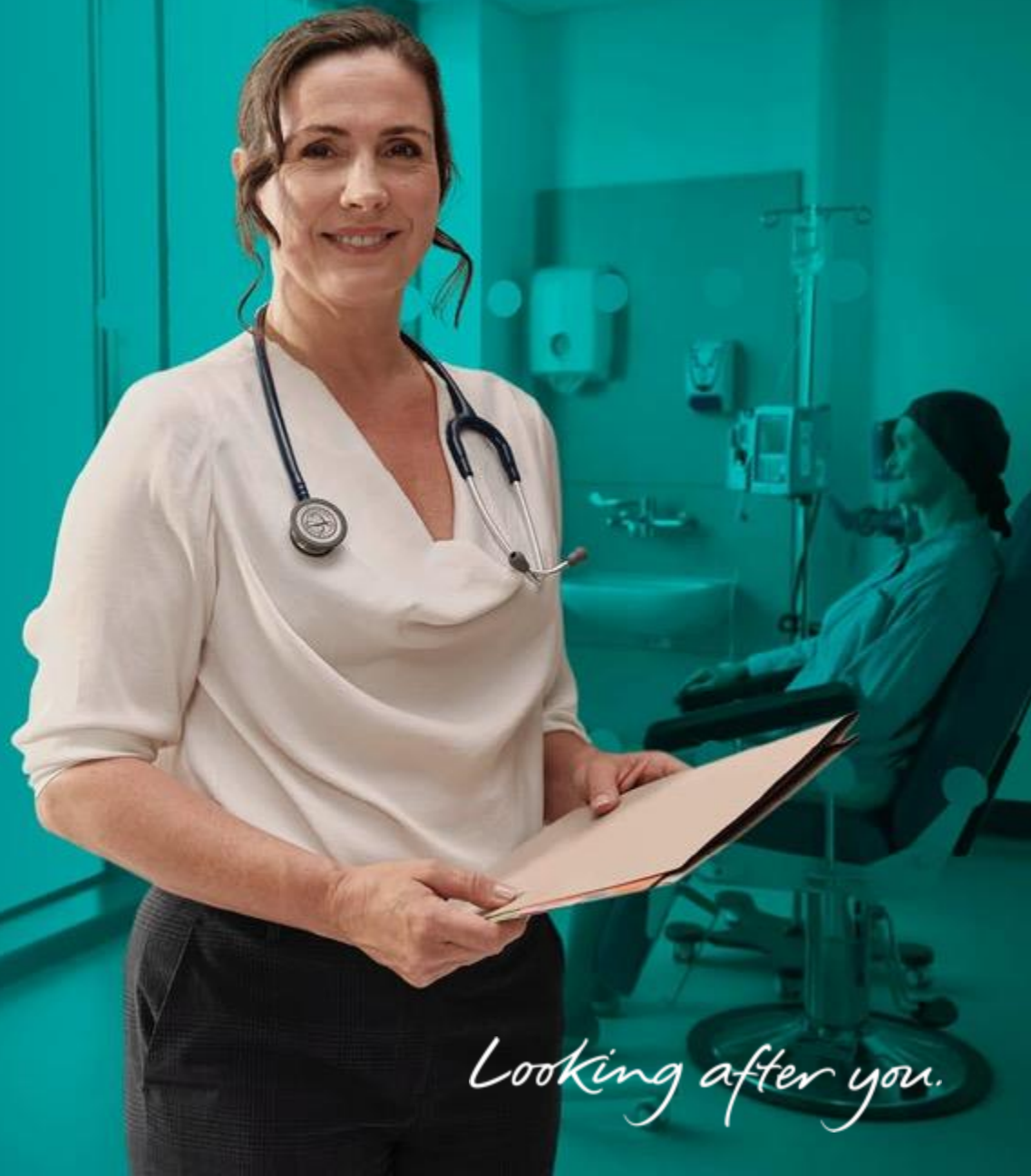
① Agenda

| | | |
|---|---------|--|
| 1 | 5 mins | Welcome and overview Justin Ash |
| 2 | 65 mins | Spire Hospitals deep dive Harbant Samra, John Forrest, Rachel King, Cathy Cale and Peter Corfield |
| | 10 mins | Q&A |
| | 15 mins | Break |
| 3 | 10 mins | Overview of Spire Occupational Health Caroline Gardiner |
| 4 | 15 mins | Introduction to Vita Health Group Derrick Farrell |
| | 10 mins | Q&A |
| | | Lunch |

We do not intend to share confidential and price sensitive information in this presentation. Please note that the appendix contains more information on the rules of engagement to ensure that this position is preserved.



Section 2 – Hospitals deep dive



Looking after you.



Financial performance and the impact of our savings programme

Harbant Samra



Looking after you.

2 Financial performance & the impact of our savings programme

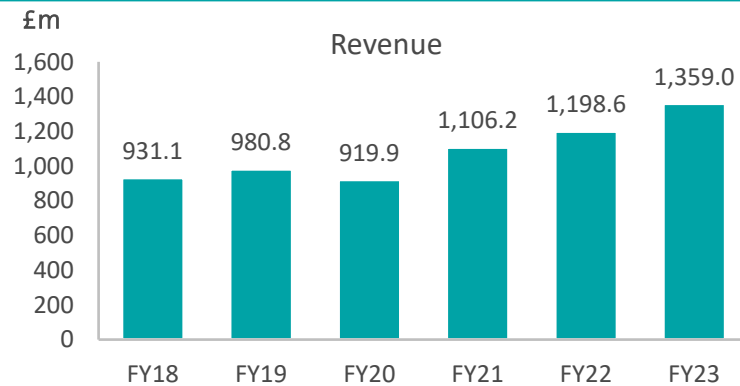
Overview of content:

- Financial performance since 2018
- The next phase of savings - net benefit of £60m per annum
- Savings - a key driver of margin improvement and shareholder return

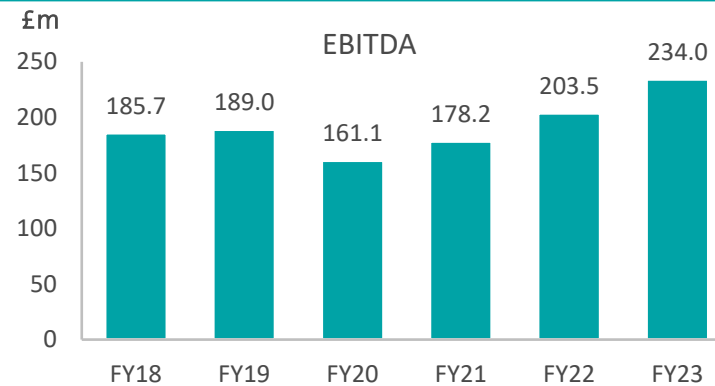
2

A business transformed - delivered savings whilst growing the business and improving PBT and outperforming consensus

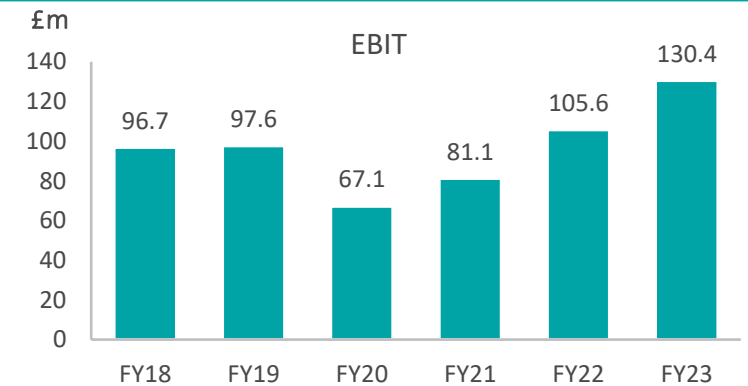
Revenue 6.1% CAGR



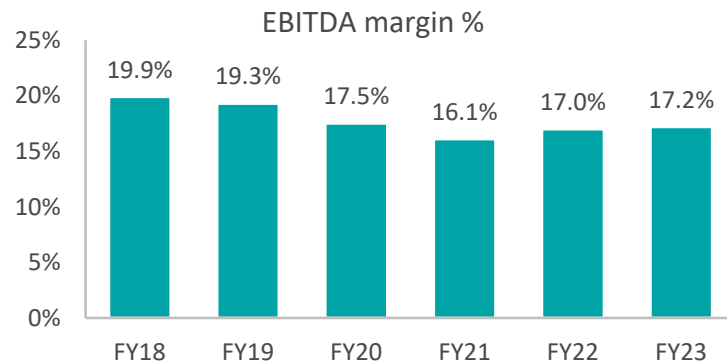
Highest ever EBITDA



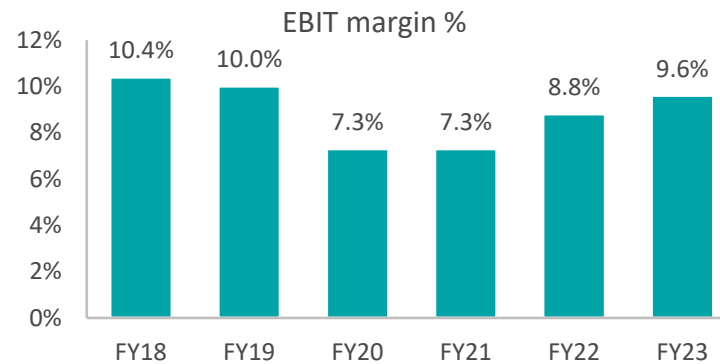
Strong flow to EBIT



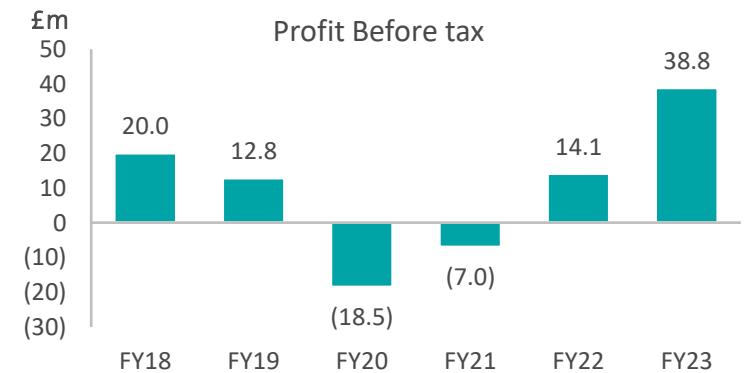
EBITDA margin up but affected by IT costs and VHG



Strong recovery in EBIT margin

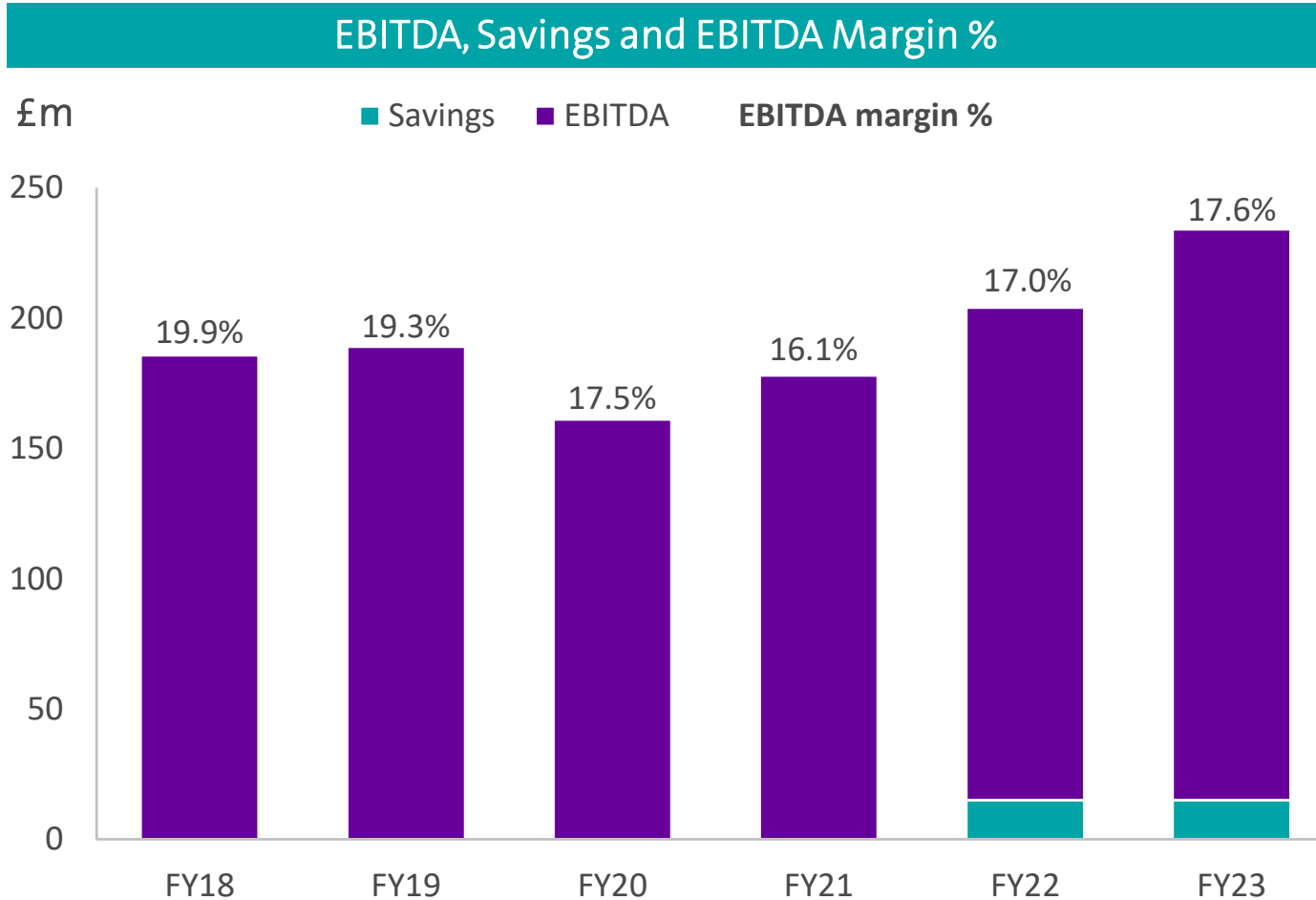


Strong conversion to profit



2

Hospitals Business EBITDA margin improvement underpinned by ongoing savings programme

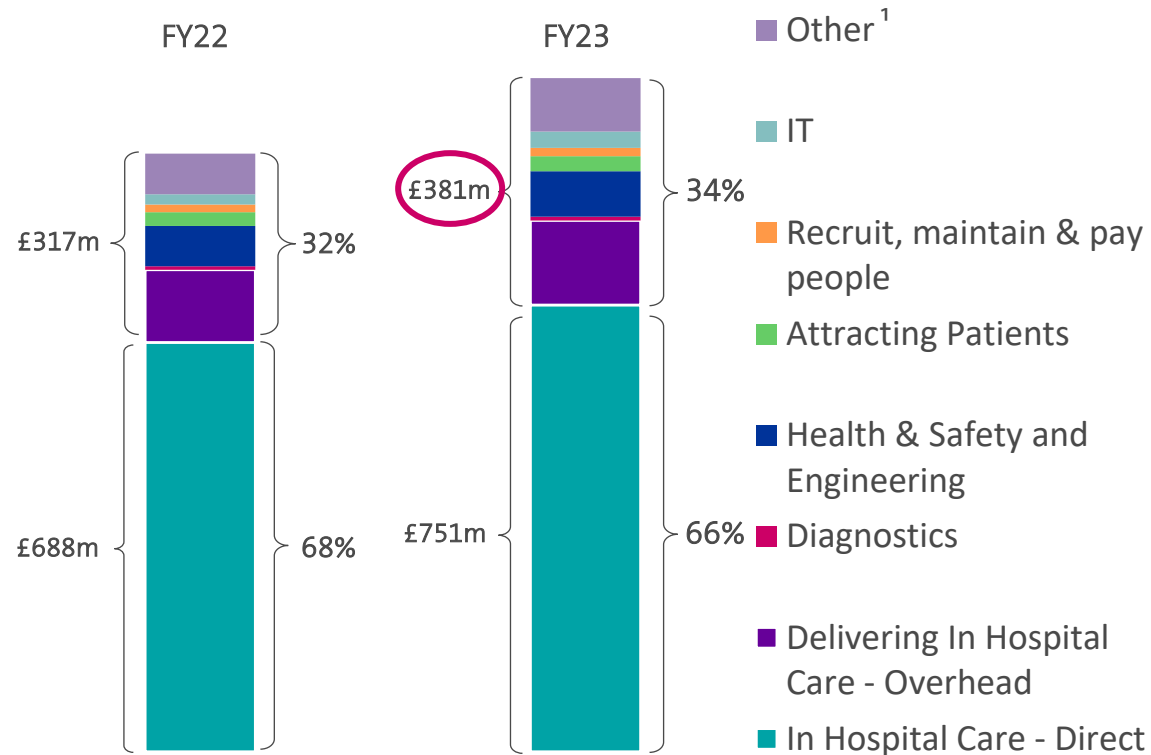


- Driven profit and improved EBITDA margin
- Navigated significant payroll inflation
- Total savings of £30m across 2022 and 2023

2

We will deliver at least £60m of savings and reduce total non-direct hospital care costs by almost 16%

Total mix of costs



- 66% (£751m) on 'In Hospital Care – Direct', includes:
 - Clinical staff costs; and
 - Direct costs (consumables, prosthesis, drugs)
- Remainder totals £381m. £142m on largest area 'Delivering in Hospital Care – Overhead'
- Additional savings >£60m pa by 2026 (c.50% from automation and digitalisation)
- Most of £60m saving is from areas amounting to the £381m of cost in 2023 (close to 16% reduction)

¹ Comprises eight smaller areas

2

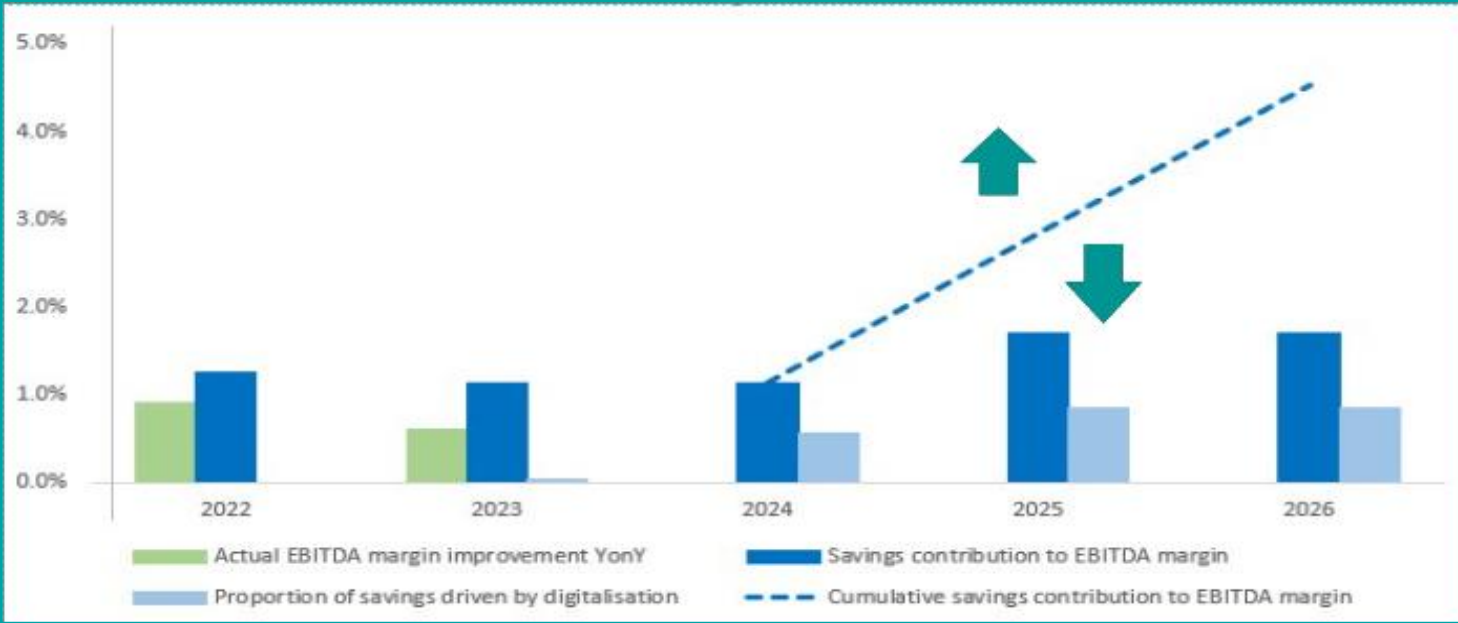
Savings programme – at least £60m in additional savings by 2026, driven by 4 workstreams

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

2

Future savings are a key part to achieving our target of >21% EBITDA margin for hospital business

Contribution of savings to EBITDA margin – proforma view using 2023 full year as baseline



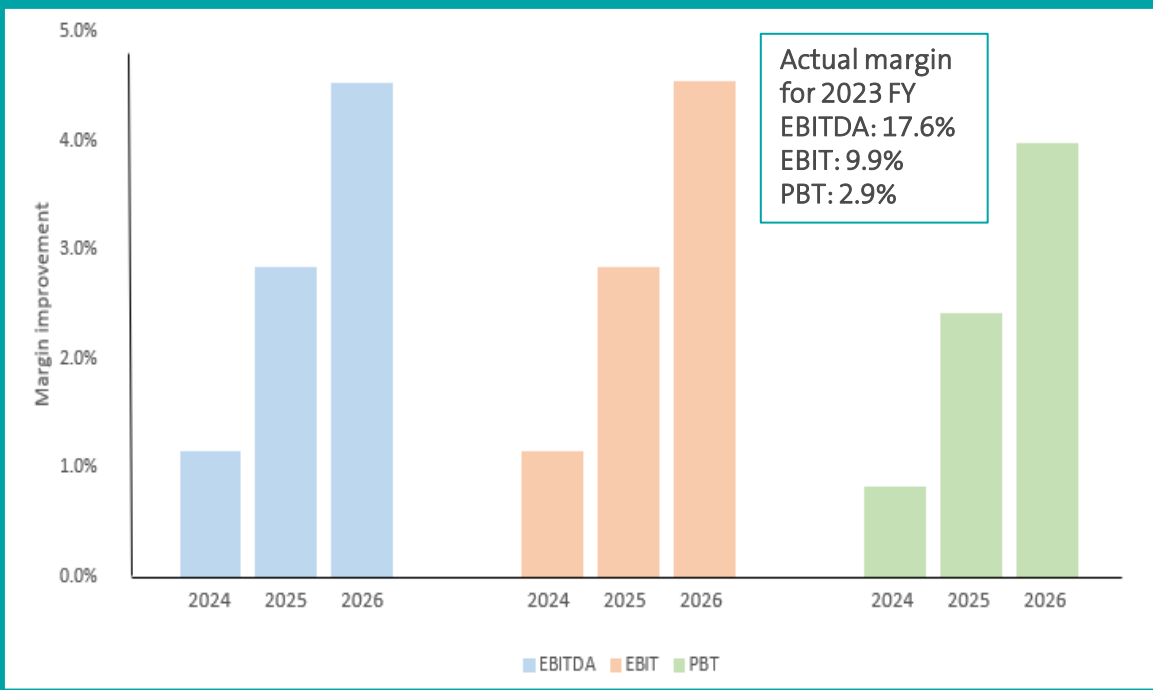
Additional £60m of savings per annum delivers > 4.5% uplift in EBITDA margin

Actual margin will also be dependent upon other factors, including mix and inflation

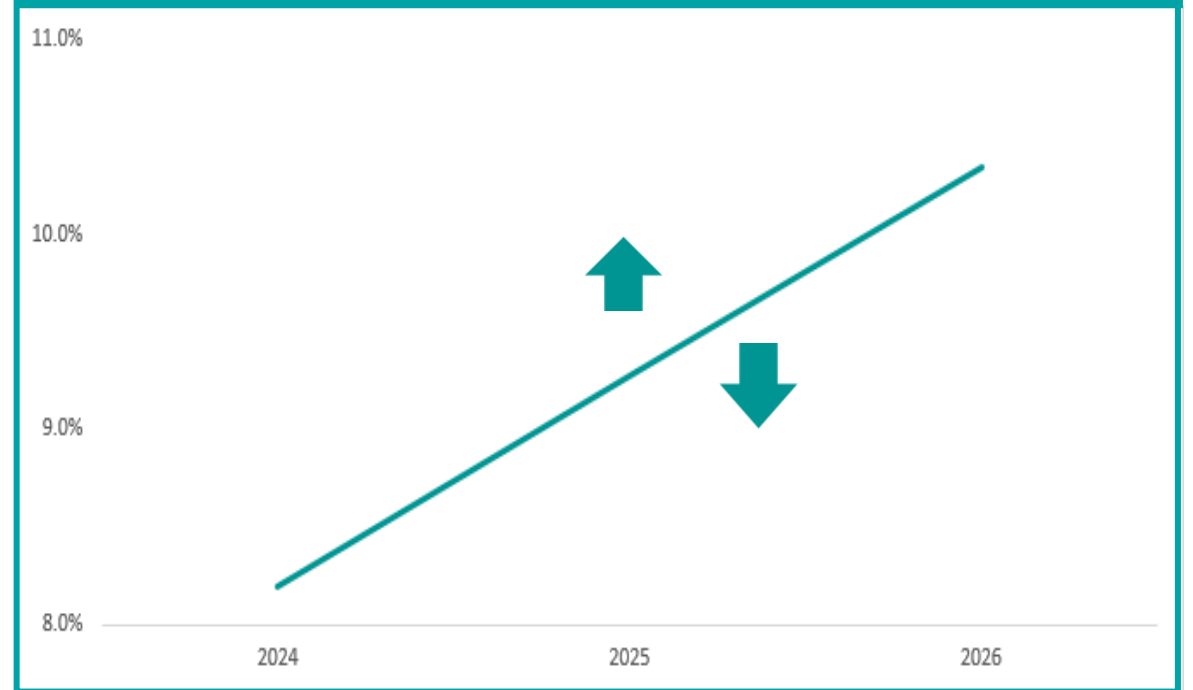
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Savings will have strong flow through to EBIT, Profit Before Tax and drive ROCE improvement

Improvement to EBITDA margin, EBIT margin and PBT margin (using 2023 actual as a baseline)



Impact to ROCE from savings (using 2023 outcome as a baseline)



Actual margin and ROCE outcomes will be dependent upon other factors, including mix and inflation

2 Confident in our savings programme, but other levers will also impact future trajectory

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



Financial performance and the impact of our savings programme

Summary:

- Business transformed – growth achieved, delivering savings and improved margin
- At least £60m of cost savings per annum by 2026, underpinning >21% hospital EBITDA margin
- Committed to achieving medium term Margin and ROCE targets.
- Strong growth in cash and drive shareholder return



Delivering and Assuring Safe patient care

Dr Cathy Cale



Looking after you.

2 Delivering and assuring safe patient care

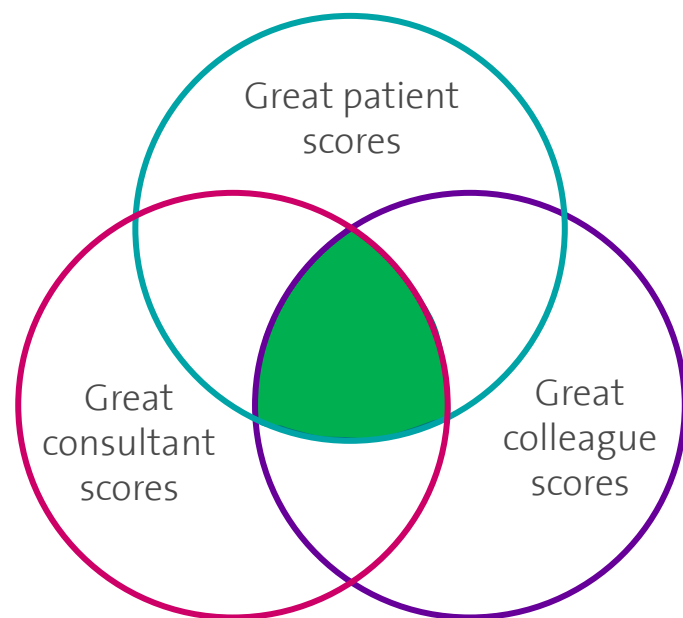
Overview of content:

- Quality as an integrated part of our business
- Delivering safe care
- Assurance of safe care: 'Ward to Board'
- Investment in quality delivering results

2

Safe, high quality care is integral to all operational and commercial decisions

Getting it right for patients, colleagues and consultants...



Clinical, operational and commercial integration

- Medical Director and Chief Nurse :
 - Trading
 - Capex
 - Pricing
- COO, CFO and CCO :
 - Safety Quality and Risk
 - Medical Professional standards

2 Delivering safe care



Appropriate place

- Facilities and equipment
- Level of care available defined by hospital
 - Specialty
 - Acuity



Appropriate people

- Safe staffing tools
- Resident Doctors: well-supported



Appropriate patient

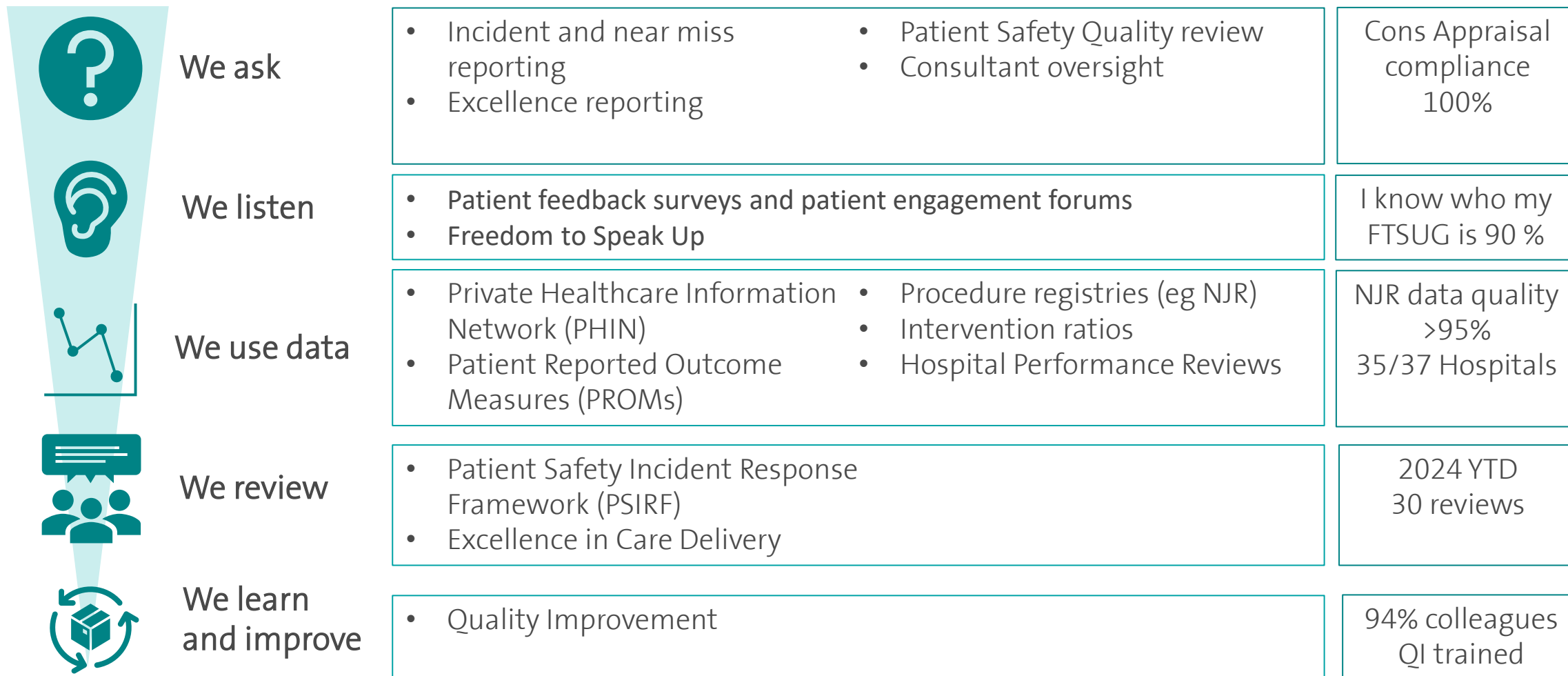
- Robust, award-winning pre-operative assessment



Appropriate escalation

- Consultant delivered care
- Safe care if patients deteriorate or need escalated care
- Martha's rule

2 Assurance of safe care: 'Ward to Board'

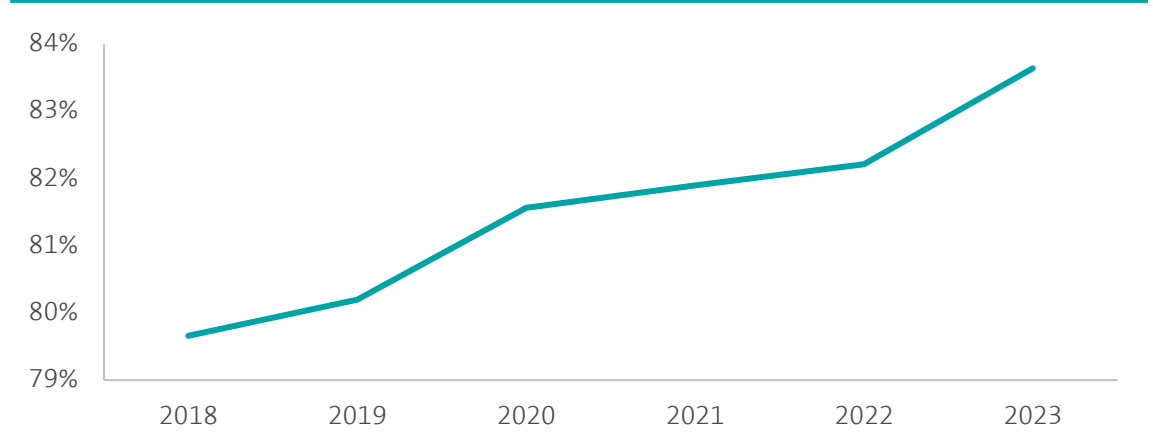


2 Our investment in quality has improved external assessments and our relationship with consultants

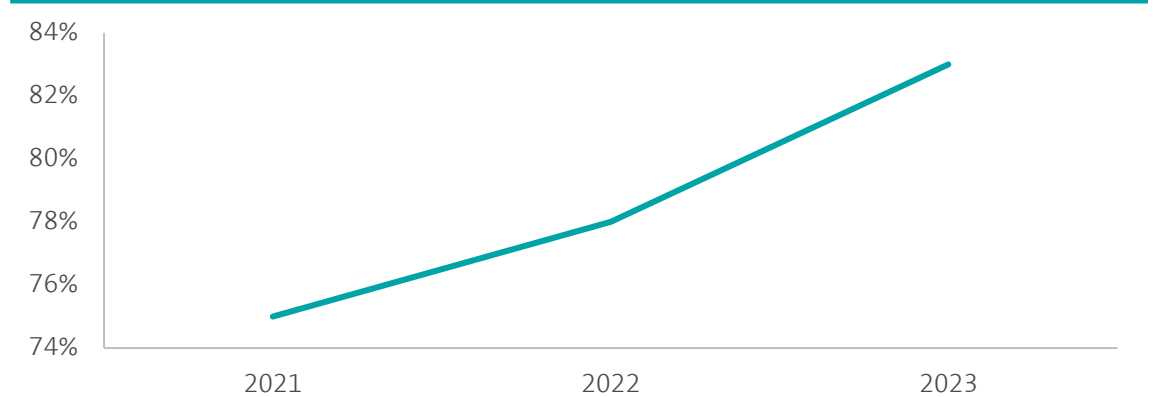
| | 2018 | 2023 |
|--|------------------|------|
| CQC/HIW/HIS Good or better (or equivalent) | 69% | 98% |
| Patient feedback: Patients rating their care as very good | 80% | 84% |
| Consultant feedback: Consultants rating our care as very good or excellent | 75% ¹ | 83% |

¹ 2021 (earliest measurement date)

Patient survey



Consultant survey





Spire Healthcare

Operational performance and our savings programme

John Forrest



Looking after you.

2 Operational performance and our savings programme

Overview of content:

- How we run the business
- Capacity and utilisation
- Improving margins
- Examples of savings programme

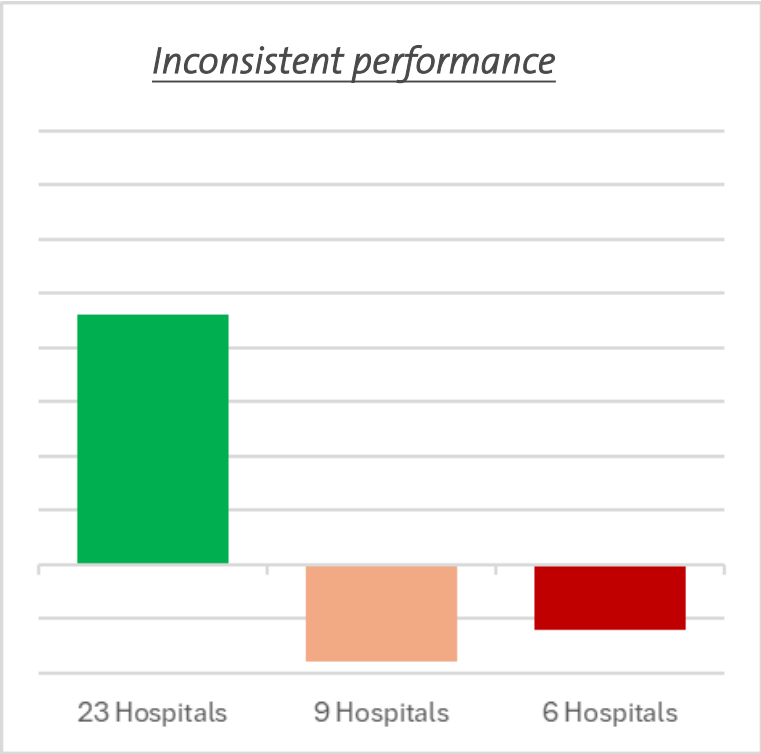
2 Savings programme – at least £60m per annum in additional savings by 2026, driven by 4 workstreams

| Driver of Savings | Overview | % of total savings through to 2026 YE |
|---|--|---------------------------------------|
| Automation & Digitisation | <ul style="list-style-type: none">Strategic 5-year plan inflight. Have already delivered: Microsoft 365, EPOA & Pricing Engine21 different workstreams are inflight | c.50% |
| Centralisation (Hub Admin Centres) | <ul style="list-style-type: none">Further roll out of Hub admin centres | c.10% |
| One best way (Operational Efficiency) | <ul style="list-style-type: none">On-going non-IT change (Prosthesis Standardisation; Theatre Optimisation; Reception Desk Consolidation) | c.20% |
| Standardisation (Robotic Process Automation) | <ul style="list-style-type: none">Accelerated savings by tactical automation of routine processes (Outpatient 'Open Clinics'; Admissions processes) | c.20% |

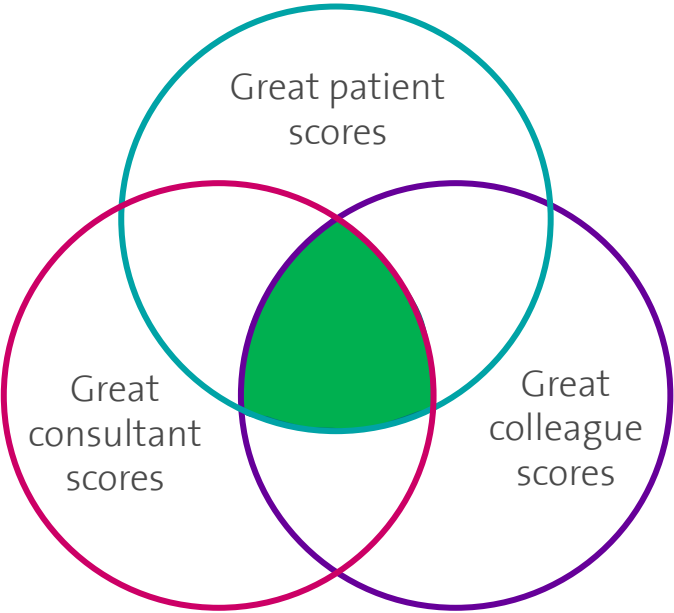
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Consistent performance, operational excellence and KPIs are driving improved returns and performance

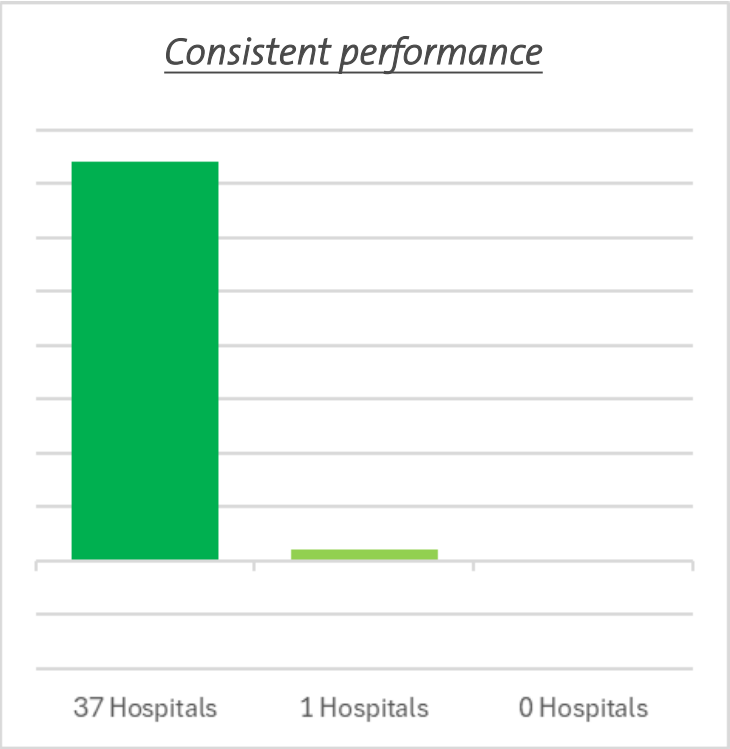
2018 – 2019
Hospital profit growth year on year



Getting it right for patients, colleagues and consultants...



2022 – 2023
Hospital profit growth year on year



2 Operational trading focus

Daily admission and
new outpatient
appointments

Daily
forward admissions
/ cancellations &
absence

Weekly
P&L forecast by
hospital and review

Wednesday
Weekly Trading Meeting

Digital
traffic

Enquiries
and OPD
bookings

IPDC
bookings /
mix

Staffing /
agency
forecast

Cost lines

IT & support

Clear actions and trading guidance to maximise performance in month

2

Managing capacity through targeted capex and more effective use of available space. Plus, our savings programme will create further headroom

Capacity is dependent upon many factors – for example

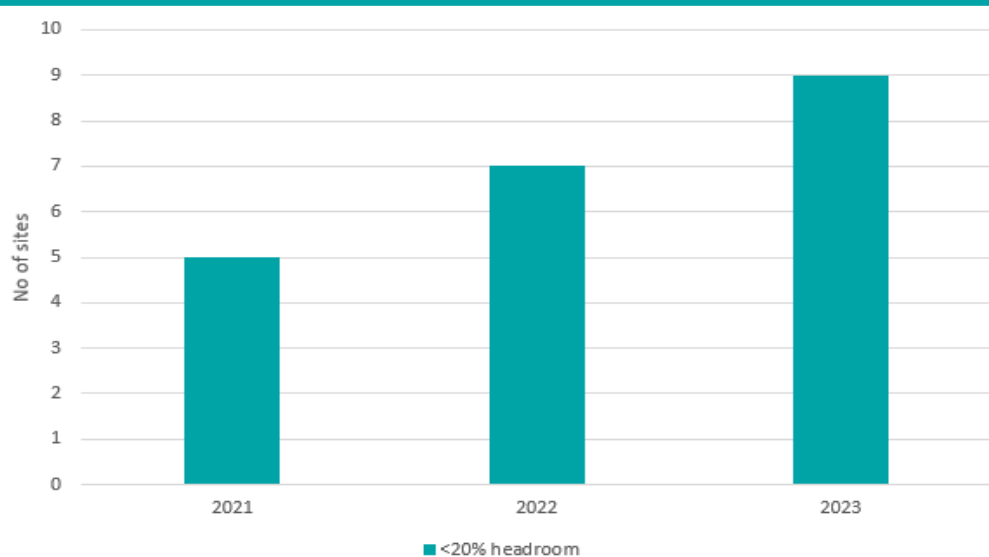
Theatres

Beds

Outpatient facilities
(imaging)

Acuity

9 sites with less than 20% capacity headroom
(the list of sites with <20% changes YoY)



Managing capacity through:

1) Targeted capex
new theatres and bedrooms

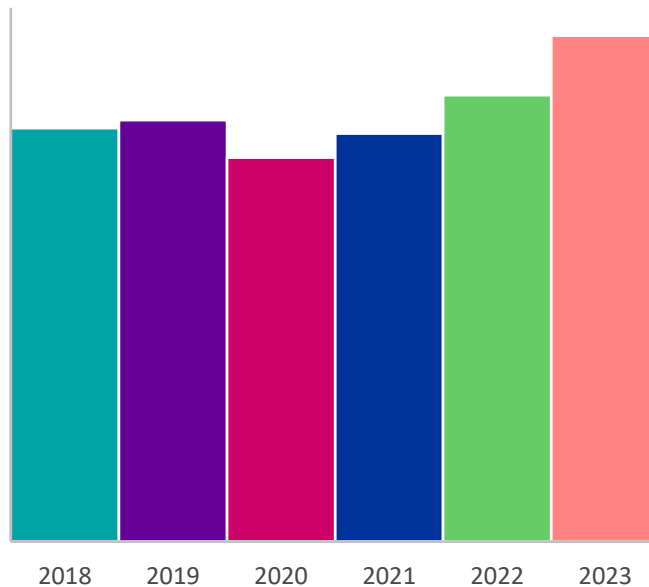
2) More effective use of available space
'right case, right place' & target higher value activity driving ARPC

3) Savings programme
Frees up admin space to provide more clinical capacity

2 Savings to date driven by improved efficiency

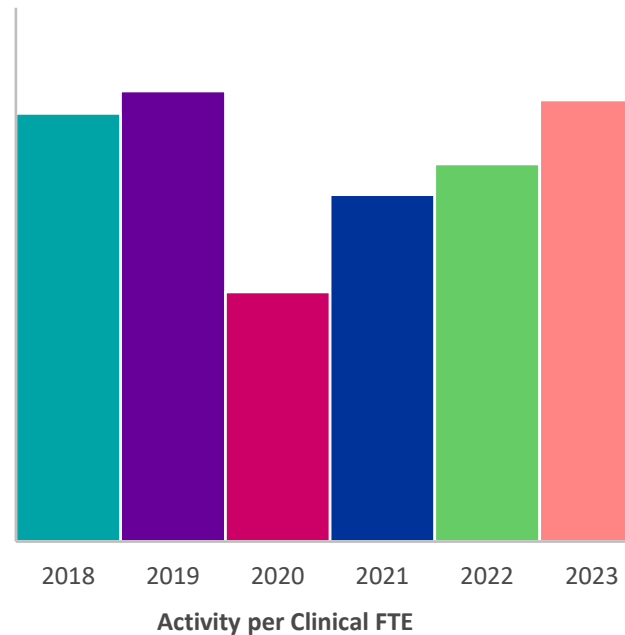
Revenue per FTE improved, driven by increased complexity (up by 21%) and efficiency

Average revenue per FTE £k



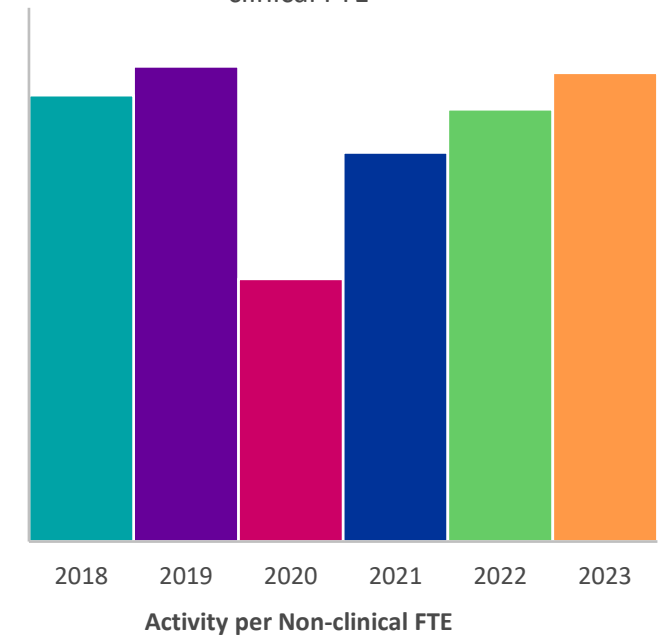
Clinical efficiency is improving whilst we have also increased levels of complexity

Average activity per annum per clinical FTE



Steady improvement in admin areas, but presents a big savings opportunity

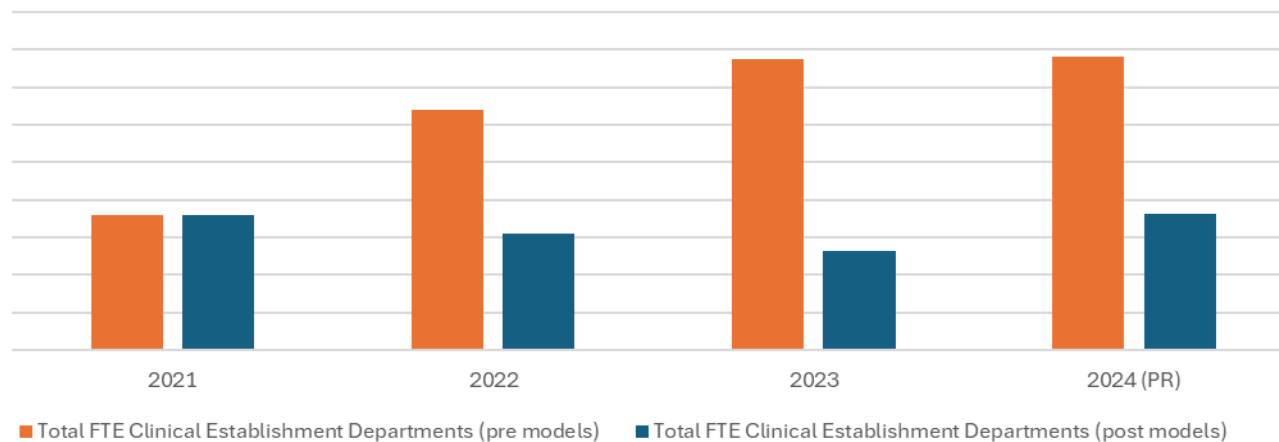
Average activity per annum per non-clinical FTE



2 Workforce models have delivered patient safe staffing levels at lower cost - avoiding £30m clinical costs over last 2 years

- Workforce Planning and Daily Acuity tools allow us to plan for and deliver safe staffing levels based on activity and patient mix
- Delivers consistent decision-making and safe cost control
- In the last 2 year we have avoided £30m of clinical staffing costs
- Benefits continue into 2024 and beyond

Impact of Clinical Establishment models on Clinical Establishment Departments total FTE 2022-2024



2 £30m Savings programme – What have we already delivered

We have met our target to achieve savings of £15m in 2022 and £15m in 2023
The top 3 projects in each year account for circa 75% of the savings

£15m of savings delivered in 2022

Clinical staffing tool

Non-clinical staffing tool

Procurement savings

Central staffing reductions

Central/Hub working (IP/Resus/Path)

Introduction of standardised SMT

Customer communication project

75%

*of total
savings*

£15m of savings delivered in 2023

Prosthesis standardisation and procurement

Hub and establishment models

Pathology transformation

Revenue capture improvement (PDQ machines)

Reduction in clinical equipment hire

Ward length of stay reduction, enabling capacity

Admin and discretionary spend initiatives

2

Confident in our savings programme, but other levers and factors will also impact margin. We have a tight grip and have managed these well

Other factors and our response

Inflation

Procurement capability is driving strong performance v inflation
Food buying £3m costs avoided over last 4 years mitigating food inflation
Consumable procurement – Printing and office supplies £1.1m

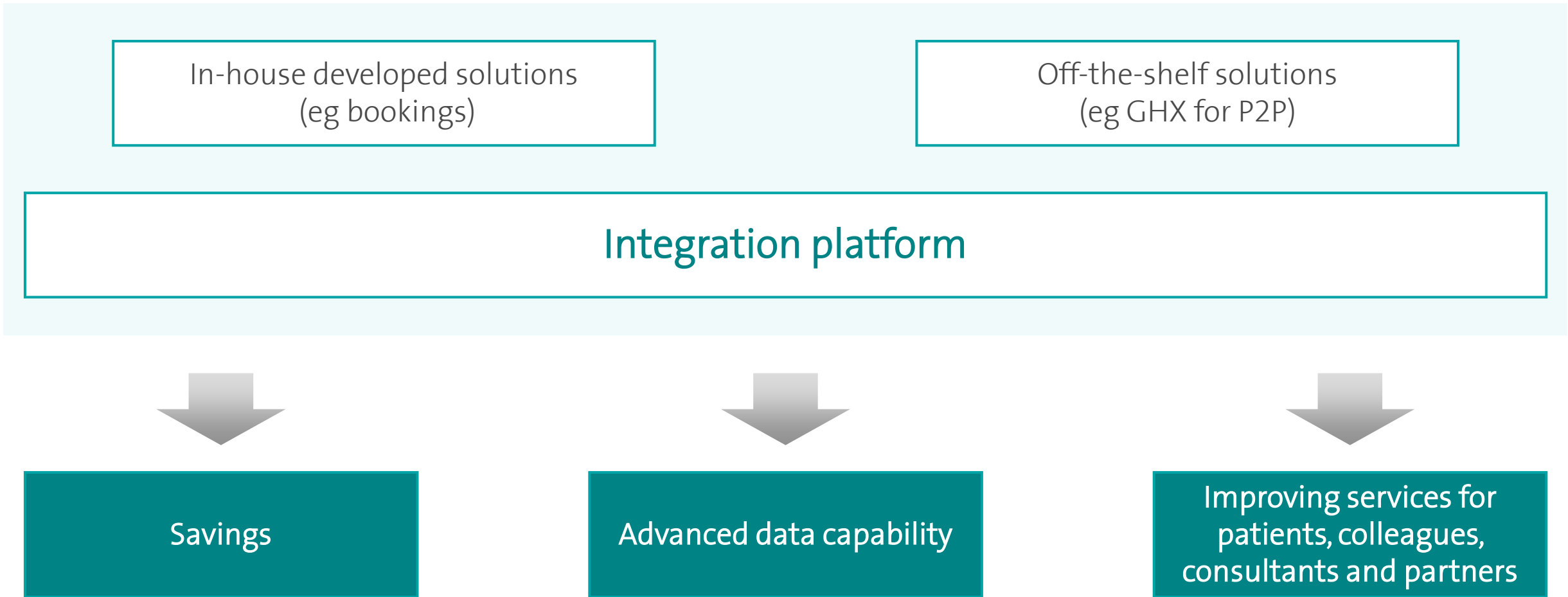
Supply chain

Hip and knee prosthesis standardisation across NHS and PMI delivered £2.3m in 2023
Generic drugs and parallel imports in 2023 saving of £7m
Leveraging scale of Group – Imaging capex saving £5.3m over 5-year deal

Day case v inpatient

Right case in the right place – development of day case and minor ops driving increased admissions and lower costs

2 Digitalisation strategy – not a ‘big bang’, but agile and flexible. Delivered through bolting on a series of improvements to integration platform



2 Robotic Process Automation (RPA): IEP objectives and benefits

Benefit of >£10m by 2026 per annum

- Widespread improvements where we automate repetitive manual processes
- Reduction in errors and inefficiencies
- Free up skilled resource time to complete additional scans, increasing Radiographer time to generate revenue

| Examples of some opportunities | |
|--------------------------------|---------------------------------------|
| Area | Process |
| Outpatient admin | Book a New PMI Appointment |
| Reception | Check Patients In (New and follow up) |
| Radiology admin | Image exchange process |
| Business admin | Outpatient charging / billing |
| Business admin | Inpatient charging / billing |

2 Open clinic proof of concept - performance comparison

Shows the performance comparison between process completed by human vs bot



52 Steps

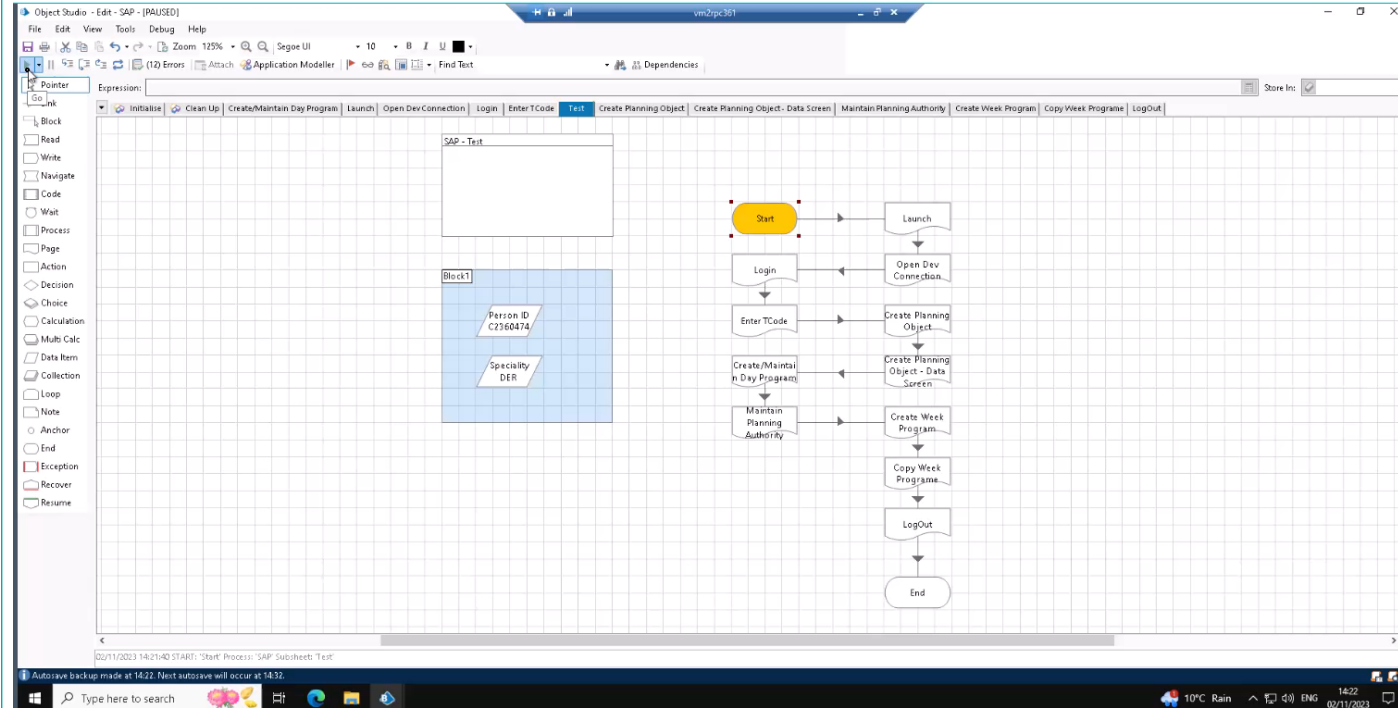
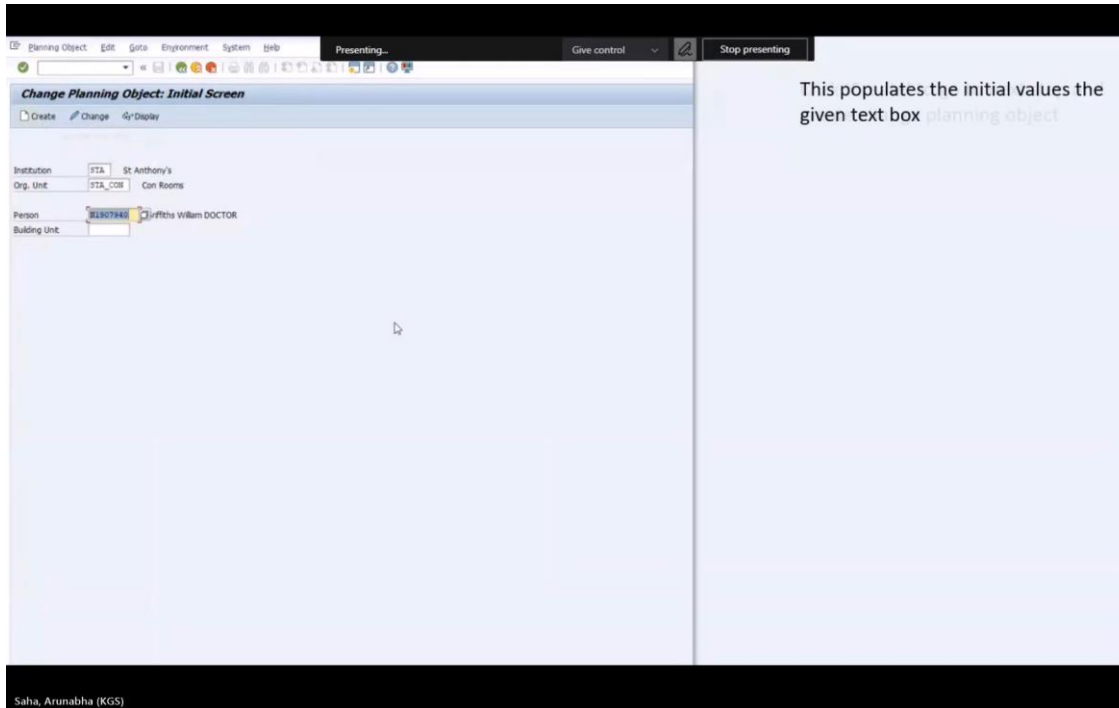
15 mins



1 min
52 Steps



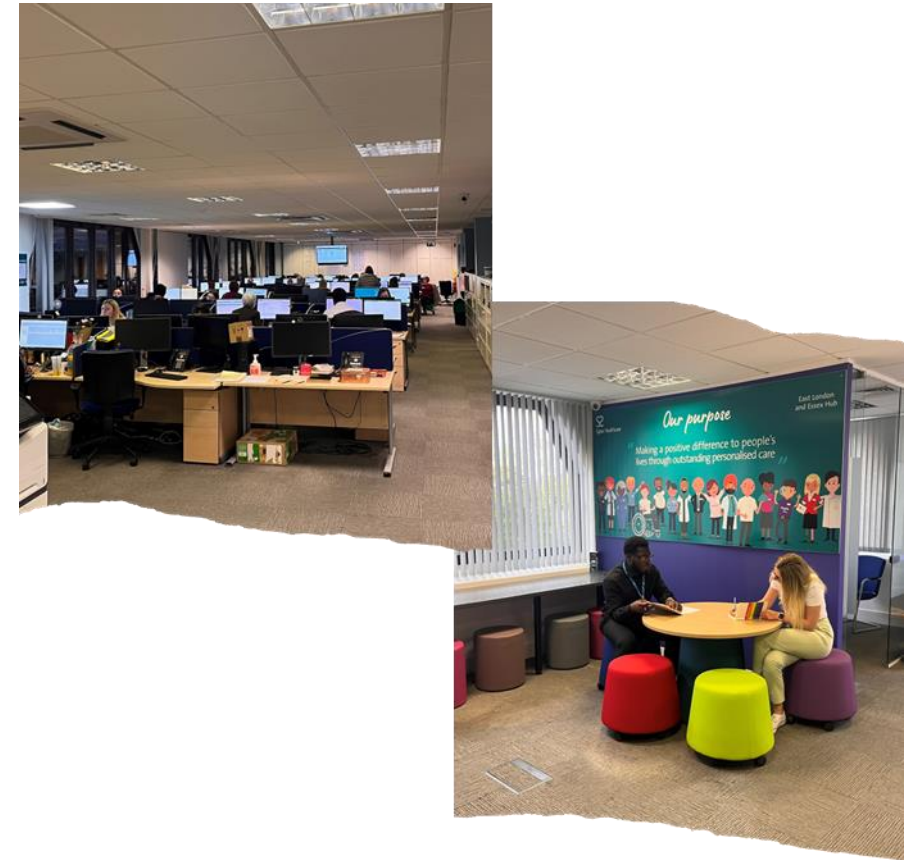
Completed in
less than 1 min



2 Leverage Hub working to achieve consistent operational execution

Benefit of £6m per annum by 2026 per annum

- Leveraging Hub ways of working - consolidation of admin functions resulting in significant efficiencies
- Improved patient response, accuracy and service with reduction in average handling times and improved rate of calls answered
- Increase clinical capacity in hospitals, reallocate to clinical use
- Extend opening hours, optimise cover and resilience
- Remove single points of failure
- Reduce costs of digitalisation roll out



② Purchase to Pay (P2P): objectives and benefits phase 1

Phase 1 benefit of £3m per annum by 2026

- Improvement of admin processes across hospitals and central accounts payable team,
- Automated re-ordering and use of centrally controlled catalogue
- Automated invoice receipting
- Ability to service increase in invoice volumes without increasing FTE
- Reduction in clinical time spent manually recording and uploading information to NHS Registries
- Improvement to patient safety and care by being able to immediately notify if a product has been recalled



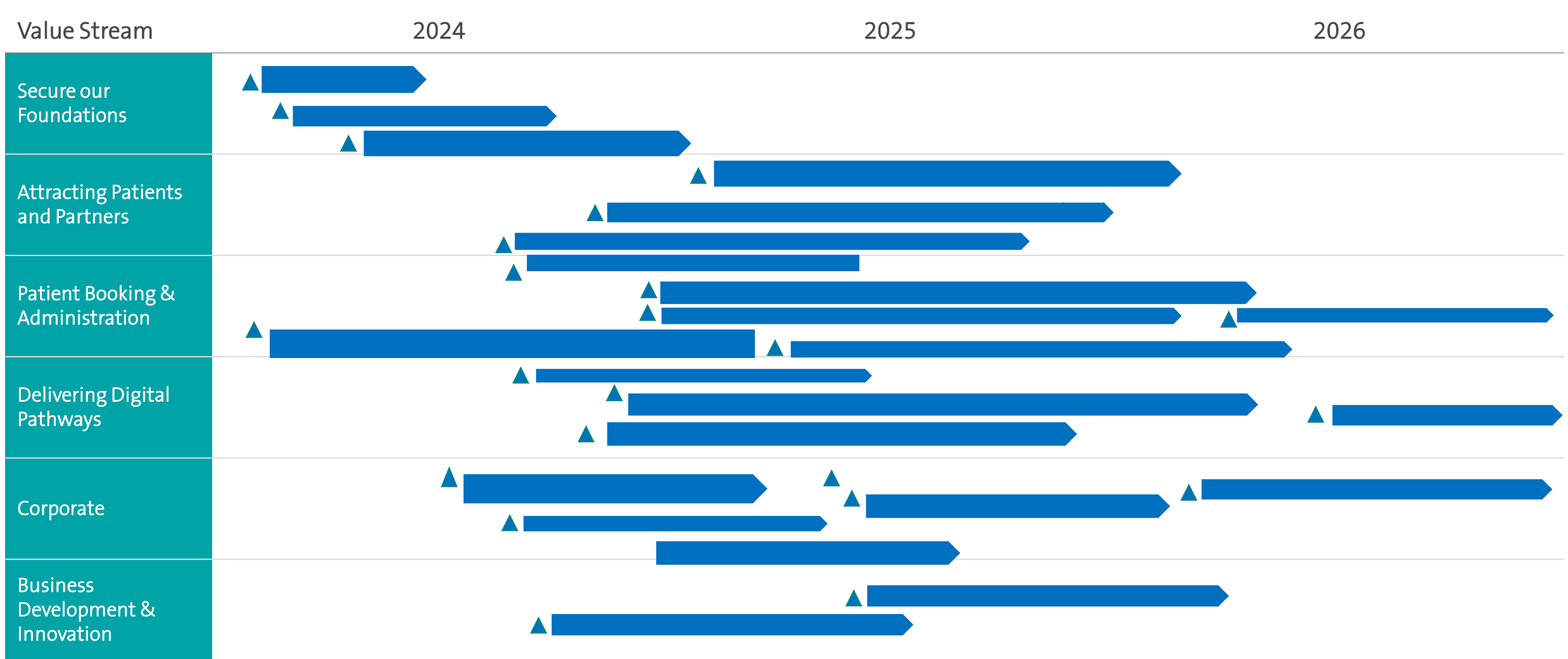
2 Clinical Electronic Document Management (CEDM): objectives and benefits

Benefit of £6m by 2026 per annum and avoids the need for an additional warehouse to house physical records saving capex and operating costs

- Reduction in 7.5m physical records
- Improved patient booking experience as digital patient records provide secure, reliable, and instant availability of medical records
- Clinicians have secure, faster, more searchable access to historic medical records from any location
- Reduce the number of cancellations due to lost or unavailable physical medical records



2 Savings programme - 3 Year Delivery Milestone Plan



2 Operational performance and our savings programme

Summary:

- Strong operational controls and management team leveraging hub ways of working
- Capacity to grow and maximise utilisation and mix
- Proven delivery of savings programme and a balanced 3-year programme of activity
- More than £60m savings per annum by 2026 and EBITDA margin of at least 21%



Investing in our people

Rachel King



Looking after you.

Overview of content:

- Sizeable workforce in a complex environment
- Strong people capability
- Recognising and celebrating our employees
- Making good progress on key measures
- Sustaining engagement through transformation

② We have a sizable workforce in a complex environment

15,000 employees

= 47% of cost base

80:20 workforce model

2 years of 5%+ pay rises,
focused on lower paid &
specialist roles

Numbers relate to the hospital business i.e. exclude Vita, LDC and Spire OH

2 We have strong people capability

Recruitment and resourcing

- Insourced recruitment team has driven performance and savings
- Agency rate review and tight controls is delivering cost benefits

Workforce planning

- Clinical workforce models enable us to flex for activity
- Nurse apprenticeship programme helps us grow our own

Pay and reward

- Aimed at being market competitive, similar investment in 2024 as 2023

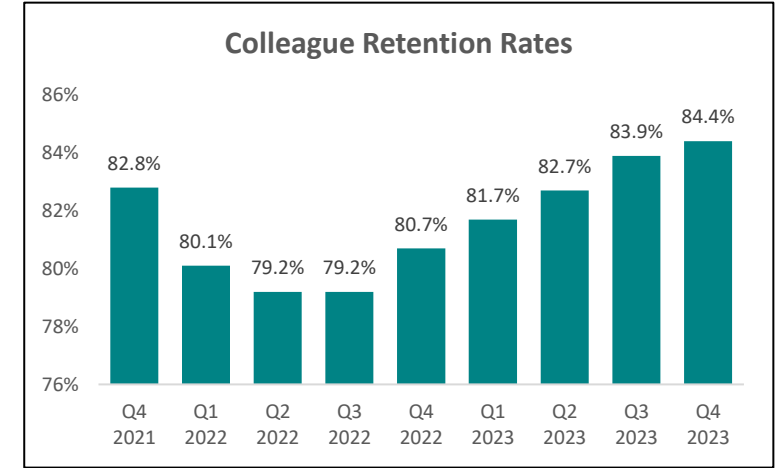
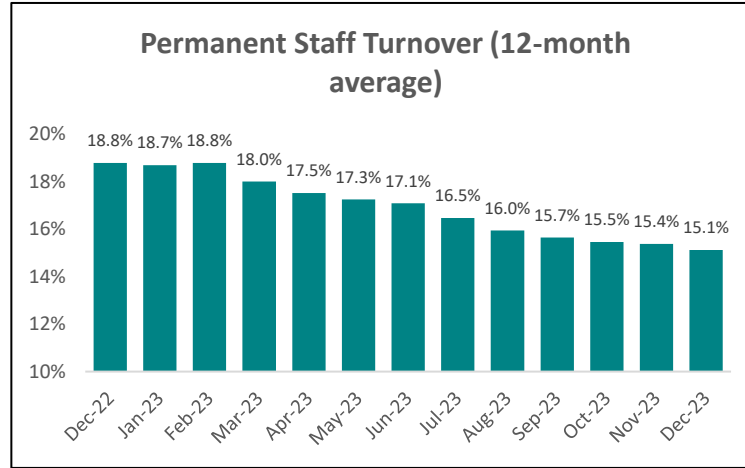
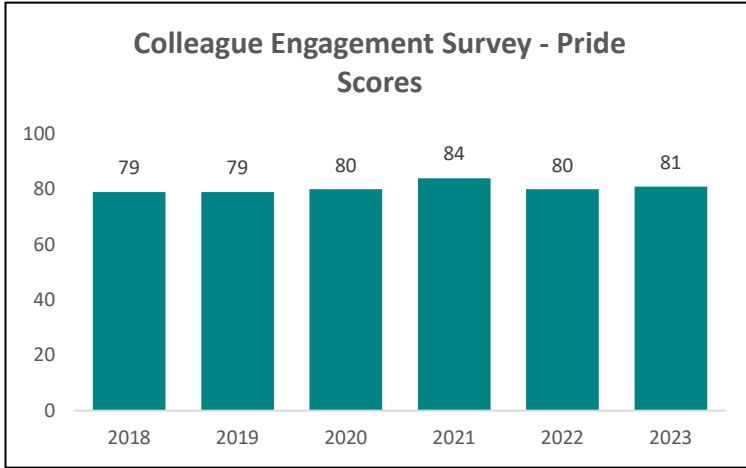
Strong culture

- Driven by Spire purpose and values
- Freedom to Speak Up critical to safe, learning culture

2 Recognising and celebrating our employees

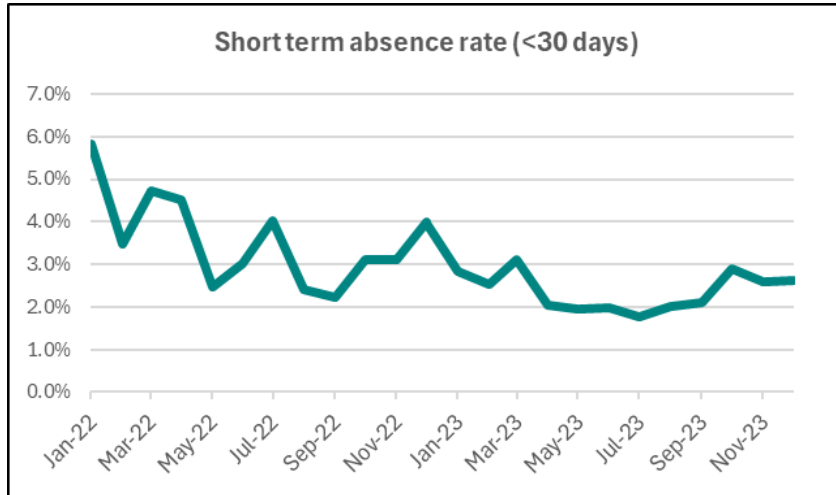


2 We are making good progress on key measures

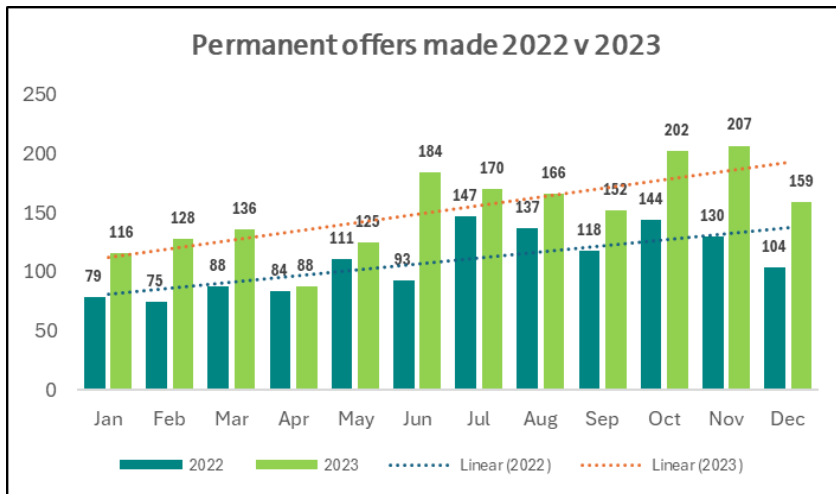


- Colleague engagement remains strong
- Continuing trend of reducing staff turnover over 12-month period
- Retention rates are improving month on month

2 We are making good progress on key measures (cont'd)

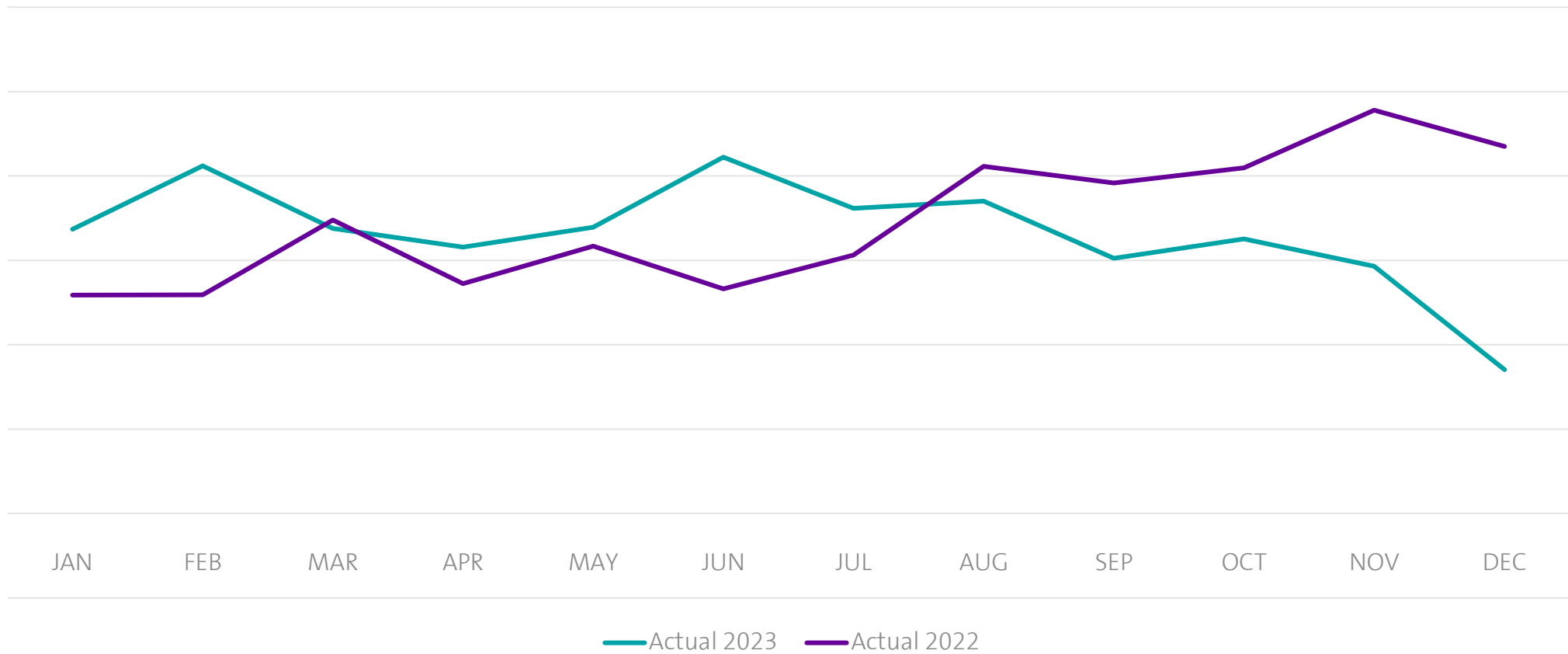


- Short-term absence rates now stabilising after the pandemic



- Consistent trend of improvement in number of vacancies filled, with record levels of roles filled year on year

② Cost of agency reducing year on year



2 Focus is on sustaining engagement during transformation

Key priorities

1. Implement new reward framework in 2024 to ensure clear and competitive salaries for hospitals

2. Manage process of people change programme to deliver modernisation programme

3. Continued focus on engagement, key to managing agency costs and maintaining safe staffing

Objectives

- High engagement driven by investment in reward drives discretionary effort, productivity and quality
- Automation, digitisation and new ways of working delivers efficiency and reduction in central overheads
- Reducing reliance on agency workers, cost of FTE and improvement in quality



Spire Healthcare

Driving revenue, mix and margin

Peter Corfield



Looking after you.

2 Driving volume, mix and margin

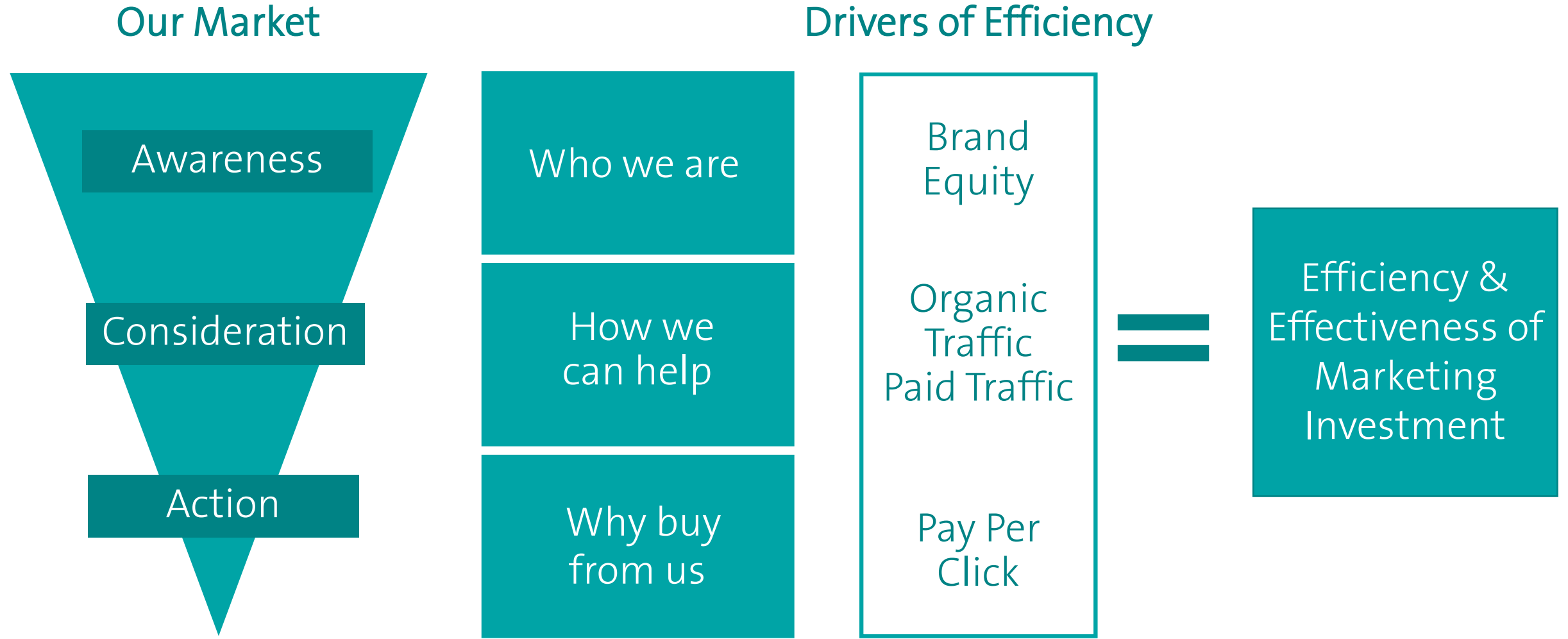
Overview of content:

- Business capabilities to drive volume, mix and margin
- Marketing strategy
- Portfolio optimisation, driving utilisation
- Self-pay pricing enhancement
- Focus for 2024

② Driving 5% CAGR revenue growth, mix and margin

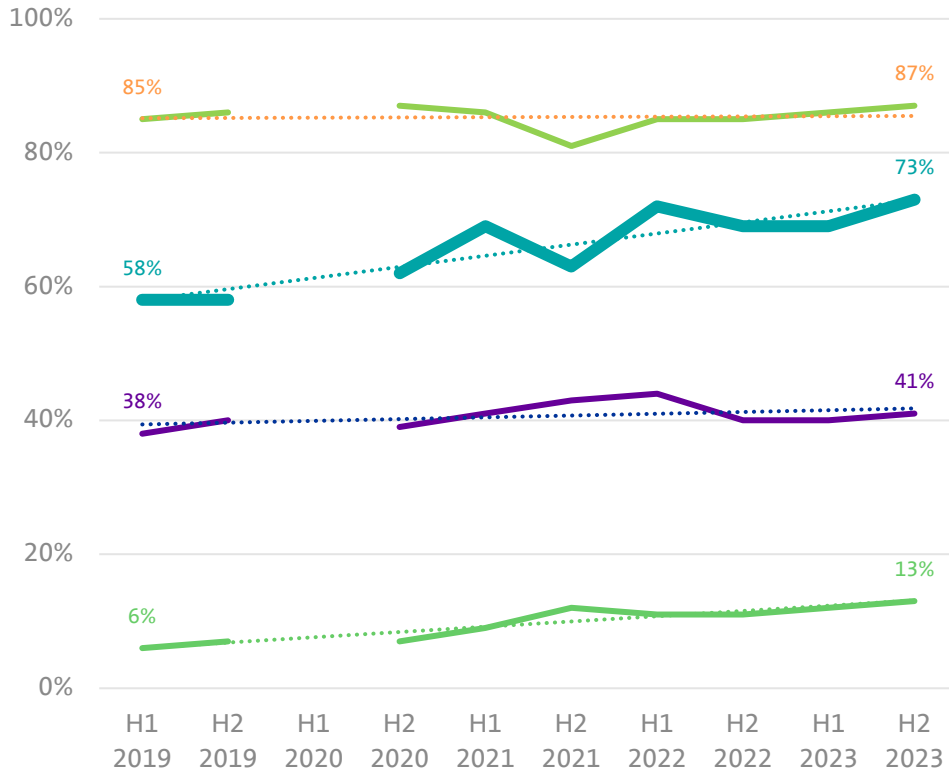
| Portfolio | PMI | Self Pay | NHS |
|----------------------------------|-----------------------|--|-----------------------------------|
| Marketing Strategy | PMI contracting | Central pricing engine | eRS Management |
| Portfolio Strategy | PMI growth incentives | Proprietary postcode targeting & drivers | Strategic relationships with ICBs |
| New Website | PMI networks | Centralised marketing & national sales | Local NHS MSK triage |
| Customer Relationship Management | PMI direct bookings | Proposition development | Directory of Services (DoS) |

2 The Marketing Funnel



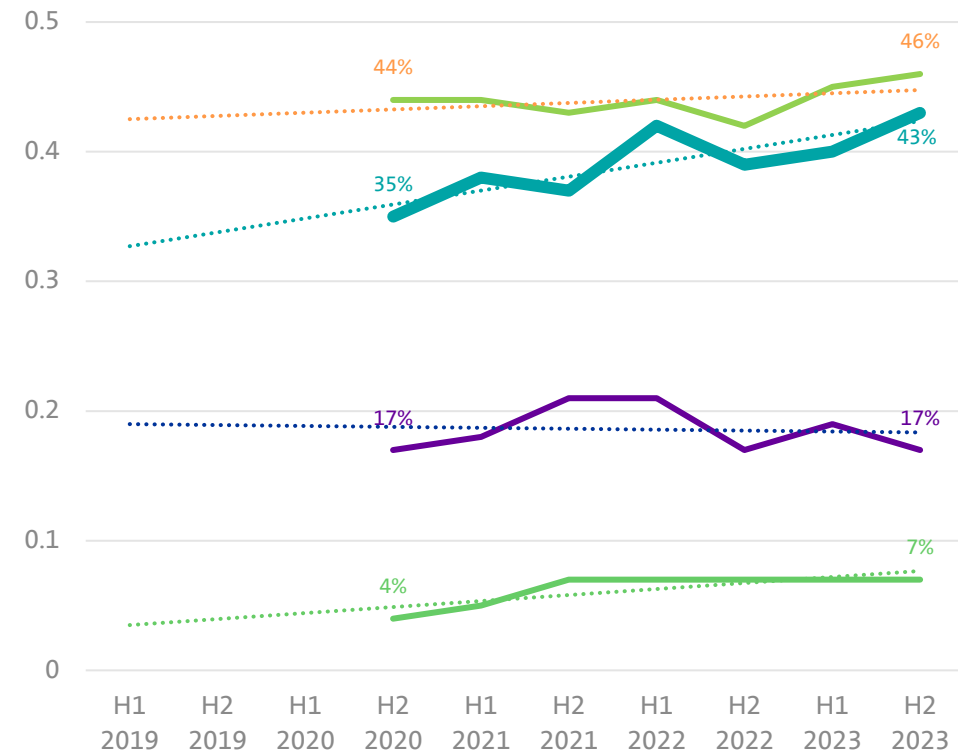
2 Our Journey to date: Building brand equity

Prompted Brand Awareness



Source: Brand Tracker. Question: Which of these private healthcare providers have you heard of?

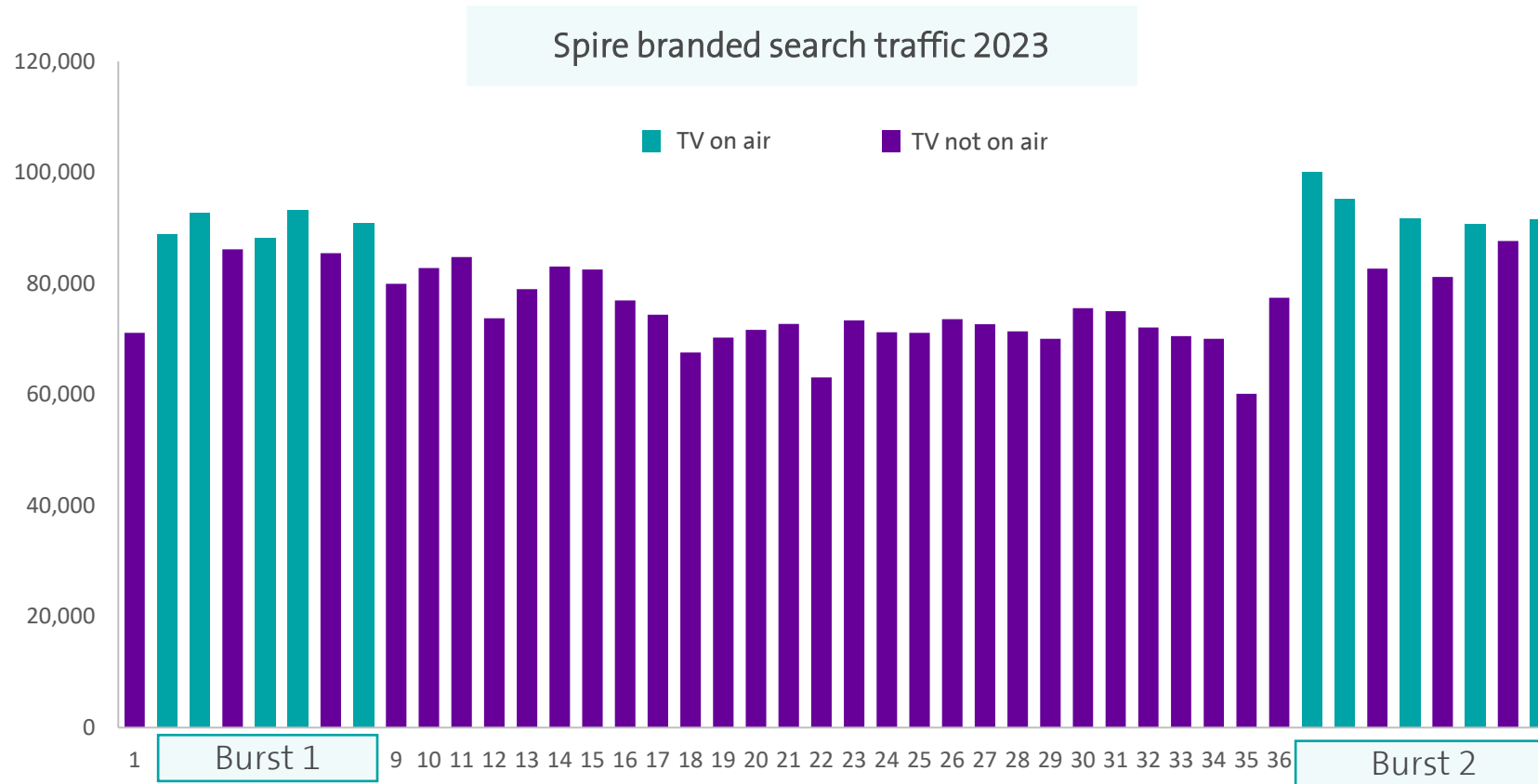
Brand Consideration



Source: Brand Tracker. Question: How likely are you to consider choosing each of these private healthcare providers? Drag each brand onto the scale to show how likely you are to consider choosing it.

2 Investment in advertising drives volume for self-pay while also supporting PMI, NHS choice and recruitment

TV adverting is effective at driving traffic to our website

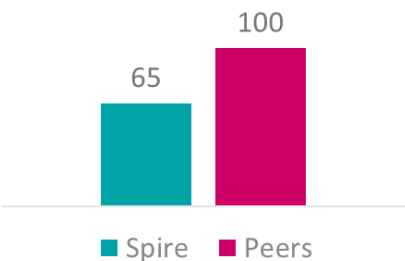


2

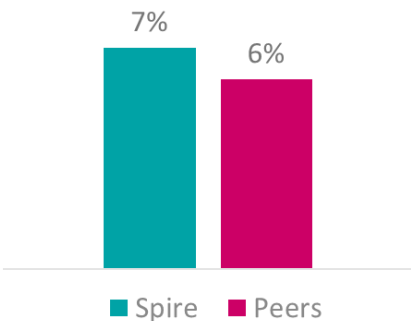
Our integrated strategy delivers efficient ROI through digital channels

Driving more efficient ROI on digital marketing

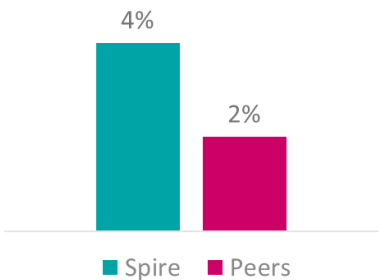
Digital Investment index



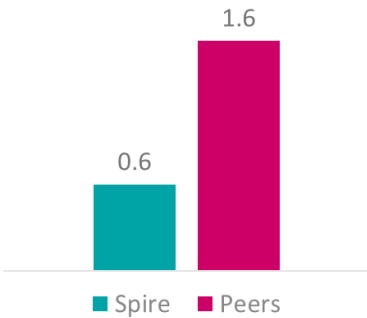
Impressions Share (%)



Click Coverage (%)

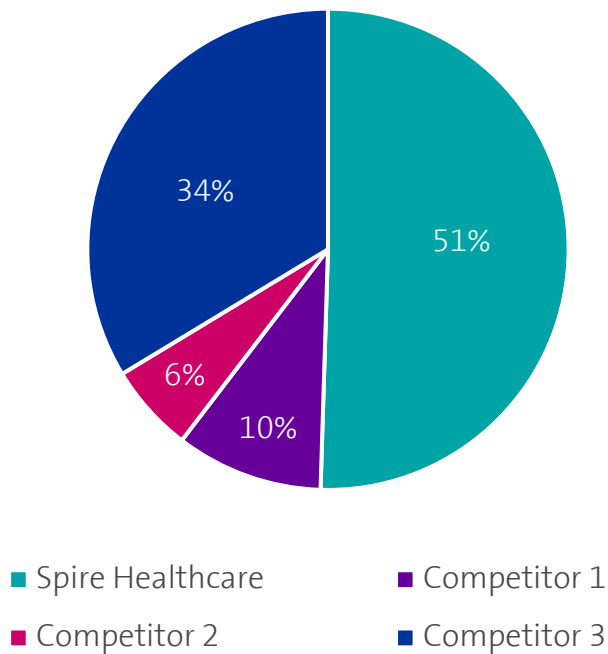


Cost Per Click



Source: Google 2023

Social media share of voice based on estimated share of impressions 2023



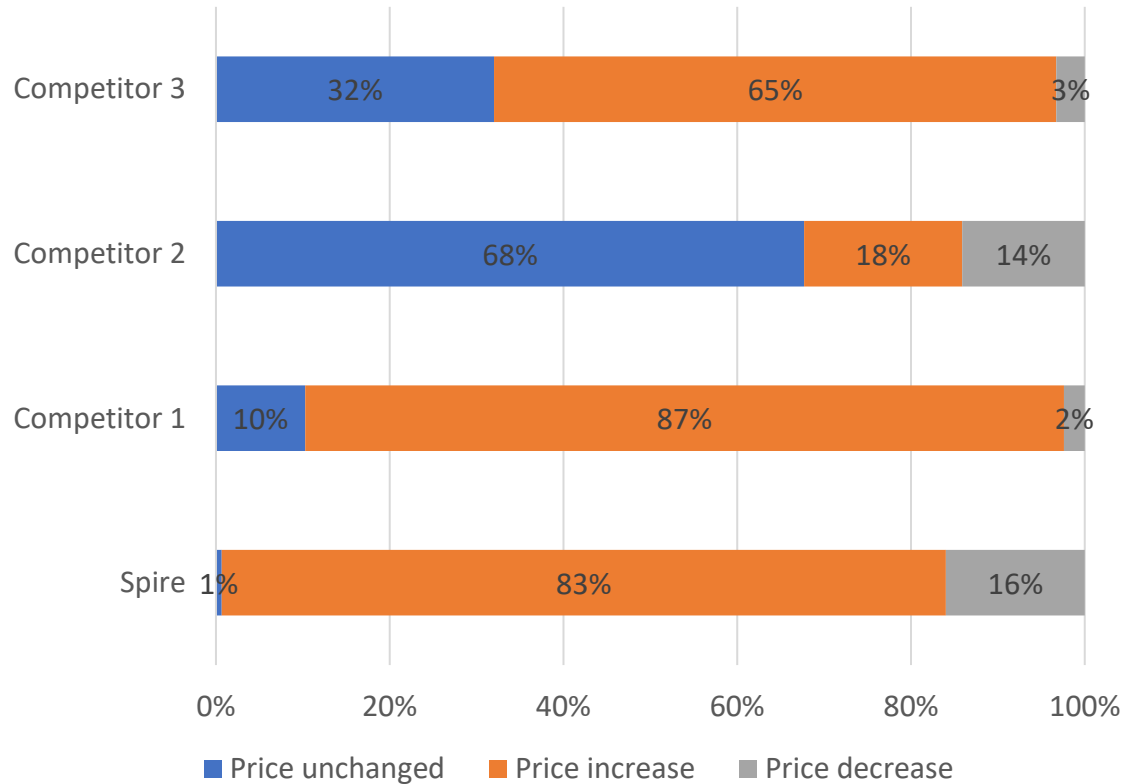
2

Portfolio management of payors and specialities by hospital to optimise capacity usage

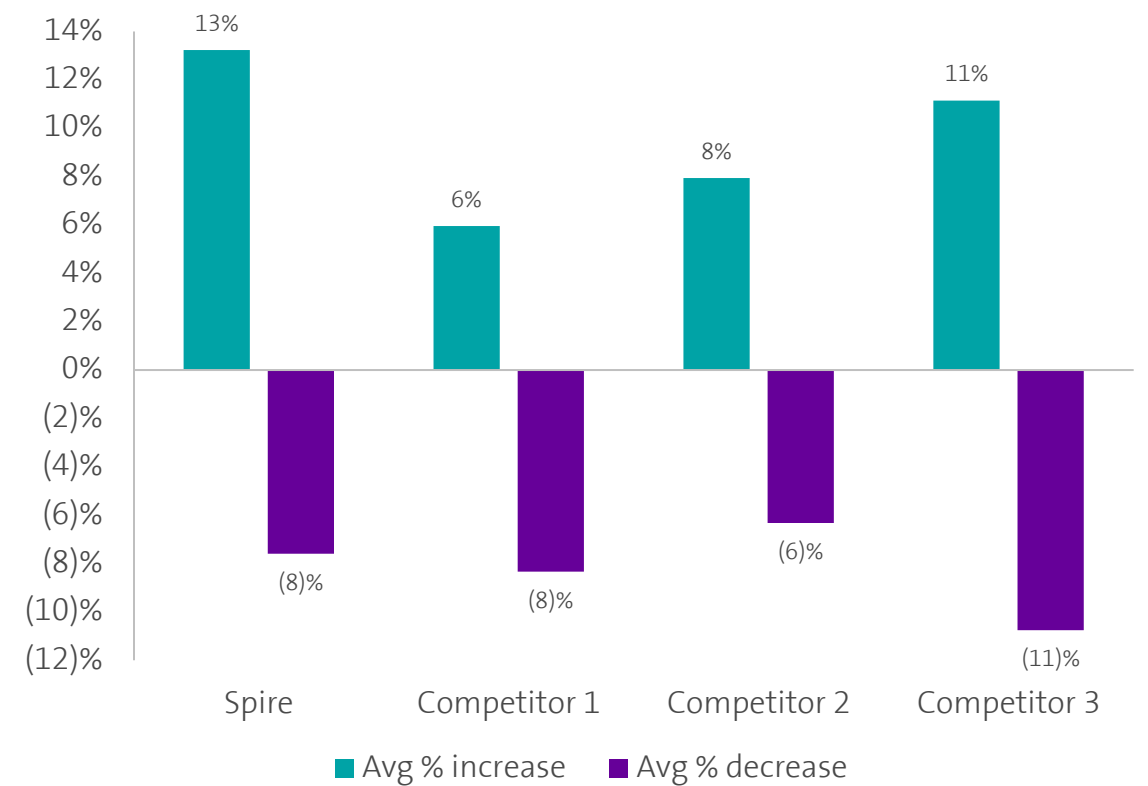
| Gross profit contribution index | | | | Hospital portfolio | Hospital portfolio |
|---------------------------------|-----|----------|-----|---|--|
| | PMI | Self-Pay | NHS | | |
| Orthopaedics | 0.5 | 1.0 | 0.3 | +80% Private revenue 16 hospitals | <ul style="list-style-type: none"> All payors and selected specialities contribute a positive gross margin Payor volume varies by hospital reflecting local market Disciplined optimisation of services key National procurement, staffing models and digitisation underpin margin |
| General surgery | 0.2 | 0.3 | 0.1 | 60%-80% Private revenue 14 hospitals | |
| | | | | 40-60% Private revenue 6 hospitals | |
| Ophthalmology | 0.1 | 0.2 | N/A | <40% Private revenue 3 hospitals | |

2 Track prices across our markets in 2023

Advertised price points changed (Jan '23 - Jan '24)



Quantum of price changes on average



2 Adoption of a new AI tool across our Self Pay pricing engine

Self Pay Pricing Engine



Pricing control across all hospitals



Fast multichannel integration



Regulatory controls and guardrails

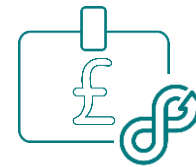


Reporting and insights

New: AI Upgrade



Seamless integration



Elasticity-based optimisation



Elasticity drivers assessment

2 Key focus to drive growth in 2024

New website

- Improved functionality eg MySpire and online booking
- Improved personalisation

Sales management

- Improved patient support and ownership of the patient to reduce leakage
- New CRM functionality to improve patient experience

New data capability

- New AI tool in pricing engine
- New data architecture and tools to capture and use existing patient data and drive LTV

2 Driving volume mix and margin

Summary:

- Strong capabilities in driving patient volumes, mix and utilisation
- Marketing attracts patients but also supports our critical mission on recruitment
- Self-pay pricing engine is being further enhanced with the new PROS AI capability
- New for 2024: refreshed website, customer relationship tools and data capability

2

Spire committed to Hospital EBITDA margin improvement to >21%

Key drivers

Savings of >£60m pa by end 2026 through transformation projects
Increasing efficiency per FTE, especially administration

People

- Sustain engagement
- Limit staff turnover
- Enhance reward competitiveness
- Keep agency costs at low levels

Quality

- Sustain regulatory ratings
- Sustain / improve patient / consultant quality ratings
- Lead on patient safety initiatives, eg PSIRF
- Clinical staffing safe and effective

Commercial

- Drive awareness and flowthrough
- Digital ROI
- NHS / PMI / SP mix optimisation
- Pricing responsiveness



Improving margins is a whole business endeavour

Q&A



Spire Healthcare

Section 4 – Overview of Spire Occupational Health

Caroline Gardiner



Looking after you.

3 Overview of Spire Occupational Health

Overview of content:

- Who we are
- What is occupational health?
- Making a positive difference to the working population
- Our specialists
- The market
- Our focus for 2023/24
- A winning formula

Spire Occupational Health – previously Soma Health and Maitland Medical

- Providing occupational health to circa 700 corporate clients
- Turnover – £4.3 million
- Headcount of >70 plus network nurses and physicians
- SME and mid corporates
- Delivered across Great Britain
- Core offering of quality OH services: management referrals, health surveillance, vaccinations and wellbeing
- Services provided from our clinic, client's facilities, online and by phone

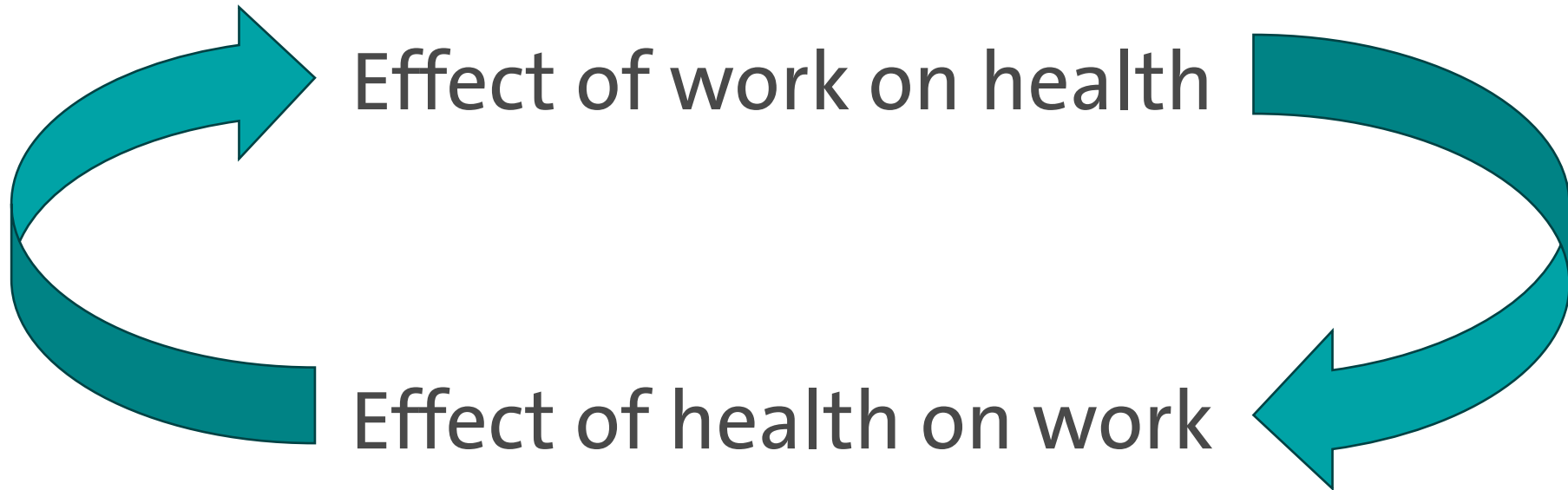


Logo Taglin



3

What is Occupational Health?



Spire Occupational Health: Making a positive difference to the UK's working population

| Promote | Advise | Support |
|--|---|---|
| Keeping your people safe at work | Advising employees and employers | Helping you to have a healthy workforce |
| <ul style="list-style-type: none"> • Delivering statutory and regulatory health surveillance and medicals • Assessing and advising on fitness for individual roles • Vaccinations and immunisations • Drug and alcohol testing | <ul style="list-style-type: none"> • Assessing and advising on adjustments in the workplace • Supporting and advising on the management of employee absence, ill health and disability • Pre-placement screening • Counselling • Policy advice | <ul style="list-style-type: none"> • Educating and advising employees on health and wellbeing • Supporting employers to deploy targeted and relevant health promotion initiatives • Health assessments |
| Full and half day clinics | On-line portal, Telephone, Teams and F2F appointments | Full and half day clinics |

Rapid Access to Diagnostics, Primary & Secondary Care

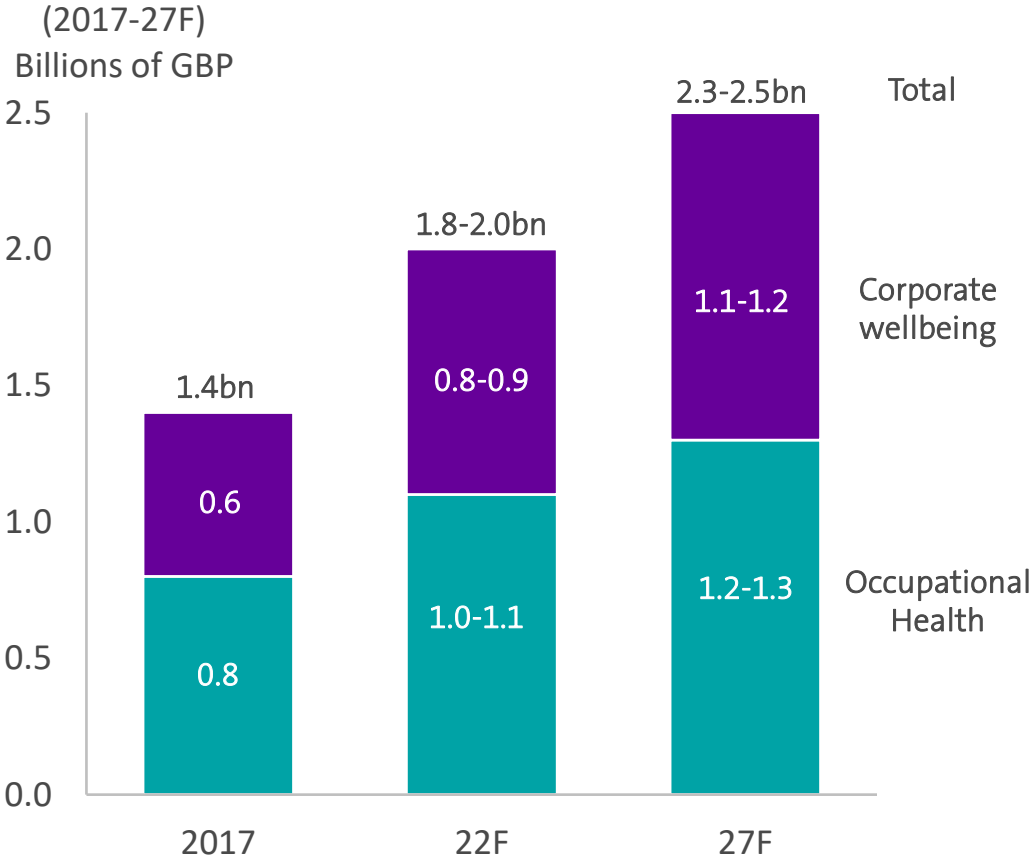
3

Delivered by our specialist teams >70 colleagues + network

| Occupational Health Technicians (OHT) | Occupational Health Advisors (OHA) | Occupational Health Physicians (OHP) |
|--|---|---|
| <div>Skills<ul style="list-style-type: none">• Health surveillance screening• Mini medicals / wellbeing</div> | <div>Skills<ul style="list-style-type: none">• Case management• Health surveillance screening• Fitness for work assessments• MH / general OH training• Promoting wellbeing events</div> | <div>Skills<ul style="list-style-type: none">• Complex case management• Clinical governance• Policy development/ advice• Specialist training</div> |
| Percentage of clinical colleagues per discipline | | |
| 45% | 45% | 10% |

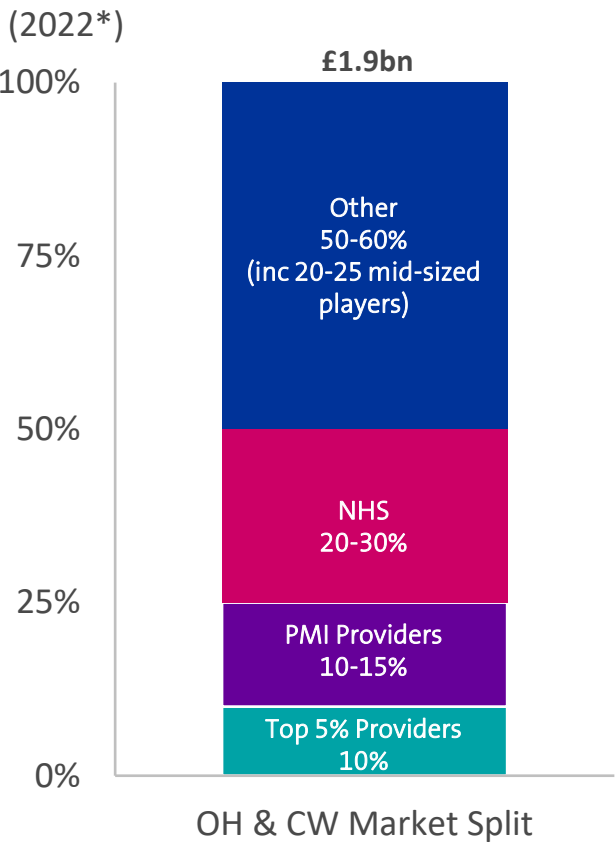
Competitor landscape and market – fragmented market

Overall long-term growth forecast of 4-5% pa over 2022-27



Source: Mintel; L.E.K. research and interviews

Estimated OH and corporate wellbeing market in the UK



*Based on reported revenues, with TP Health revenue shared with Optima Health due to shared ownership
Source: Companies House; L.E.K. research, interviews and analysis

Market growth drivers

- Higher long-term sickness absence rates
 - 2.7m economically inactive
 - 2022 – 186m working days lost
 - Cost to the economy - £100bn
- Ability to recruit and retain a talented workforce
- Shift from in-house to outsourced OH provision
- A rise in corporate responsibility and a shift towards the benefits of employee health and wellbeing
- Government spotlight on OH and the labour workforce
- NHS accessibility and waiting times

Our focus for 2023/24

Strategic

Rebranding of Soma Health and Maitland Medical to Spire Occupational Health Ltd

Possible marketplace consolidation
Right company, right time, right price

Centralised operations

Quality

Providing OH placements to university nursing students

Maintain and improve clinical excellence to provide ROI for clients
SEQOHS

Growth

- Retain and win new clients:
- University of Worcester
 - Formula 1

Launch Pay As You Go – 2024
Target market SMEs (5.51m in the UK)

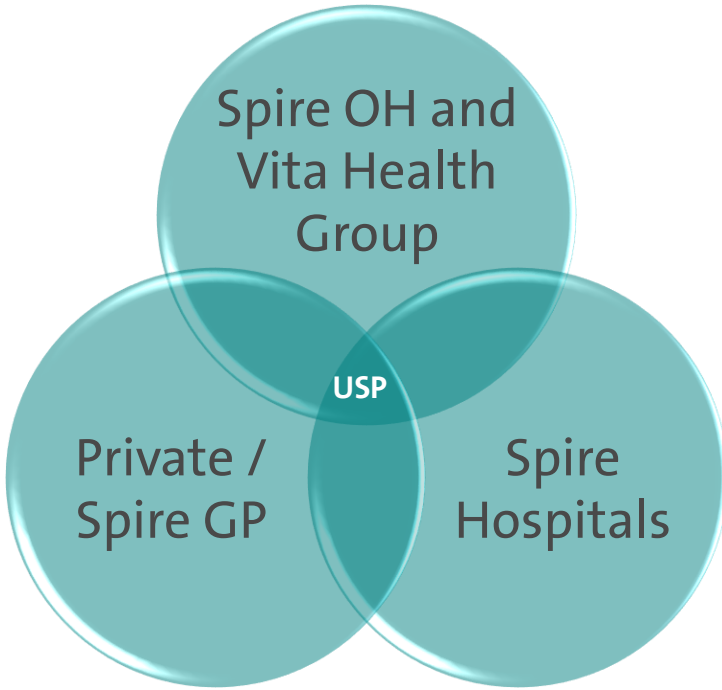
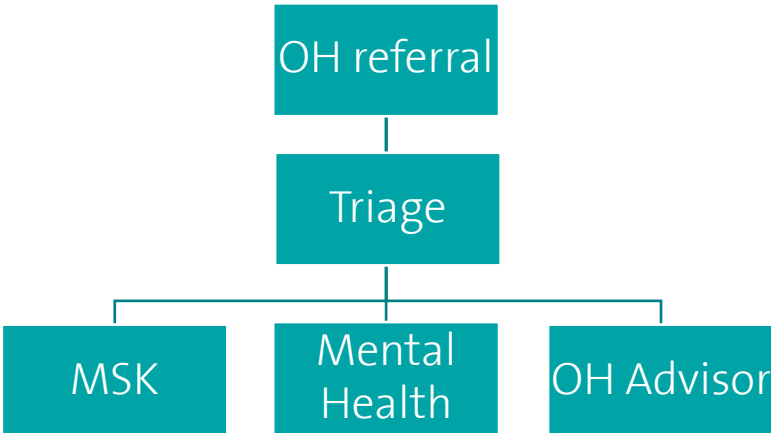
3 Vita + Spire OH = Unique multi-disciplinary winning formula

Our core services



Key: VHG service

Significant synergies with Vita and Spire OH, with downstream revenue to Spire Hospitals and private GP services



USP – end-to-end health service for the working population

Key messages

- Strong brand
- Minimum 5% growth with a highly fragmented market
- Spire OH making great operational and clinical progress, with excellent new client wins
- Government support
- Great synergies between Vita and Spire Healthcare
- Exciting future



Section 3: Introduction to Vita Health Group

Derrick Farrell

Looking after you.

4 Introduction to Vita Health Group

3 key messages:

Vita is a business that operates at scale in markets with significant potential

- Markets
- Current landscape
- VHG services
- Talking Therapies – contract workings

Vita plus Spire is an exciting proposition

Non- hospital services can be a material contributor to Group PBT

4 Markets

Community based MSK including Rheumatology and Pain Management
>£2bn

Mental Health Services – Talking Therapies
£1bn

Dermatology
>£0.5bn

4 Landscape

- **2.7 million** people of working age who are not working because of long-term sickness. The two biggest causes of this are **mental ill health** and **musculo-skeletal conditions**.
- In February, the Resolution Foundation reported that **34% people aged 18-24** were reporting a **mental health condition** in 2021/22, up from 24% in 2000.
- The Mental Health Foundation reported that poor mental health is costing the economy **5% of GDP**.
- In a recent survey of 10,000 Gen Z and millennials, 71% of respondents said they would quit their job tomorrow for one that better supported their wellbeing

Sources: 2024 State of Healthy Eating and Wellbeing Report from healthy eating platform Lifesum, reported in Indy100 on 27 Feb - Most young people would prioritise another job benefit over salary | indy100

4 Overview

We provide **Mental Health** and **Musculo Skeletal** services at scale in a community setting and have a new growing **Dermatology** service

Key 2023 stats: Community based physical and mental health services

225,380

People cared for in 2023.

12.6m

NHS patient population

>200

Corporate Customers

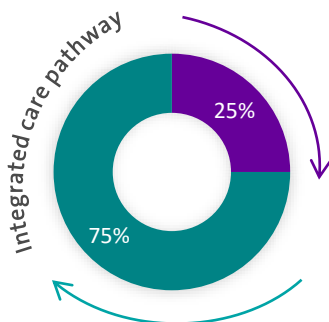
2,200+

Staff



Mental health (MH)

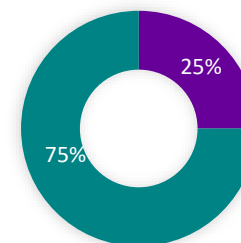
Counselling and therapy services to treat anxiety disorders, depression & other mental health issues in adults



Physical health

Physiotherapy and other MSK services to treat injury, illness or disability, rheumatology, advanced pain and Dermatology

NHS



Corporate

Guidance for 2024: revenue £100m

Core KPI's

NHS

- Access volumes
- Wait Times
- Recovery
- Patient Feedback

Corporate

- Speed of access
- % completing treatment
- Return to work
- Patient Feedback

Mental Health Services

Roles

- Psychological Wellbeing Practitioners
- High Intensity Therapists
- Counsellors
- Assistant Psychologists

Musculo Skeletal Services

Roles

- Physiotherapist
- Advanced Physio Practitioners
- Rheumatology Nurses
- GP's with special interest (Rheumatology and MSK)
- Consultant Rheumatologist

Dermatology

Role

- Dermatology Nurses
- GP's with special interest Dermatology
- Dermatology Consultant
- Care assistants

4 Talking Therapies Contract Working



NHS National Context – example contract

- Population

- Mental health prevalence

- Targeted access

- Single point of access Contracts

- KPI's
 - Access
 - Waiting times
 - Recovery

- 1 million

- 17% potential market
- 170k people

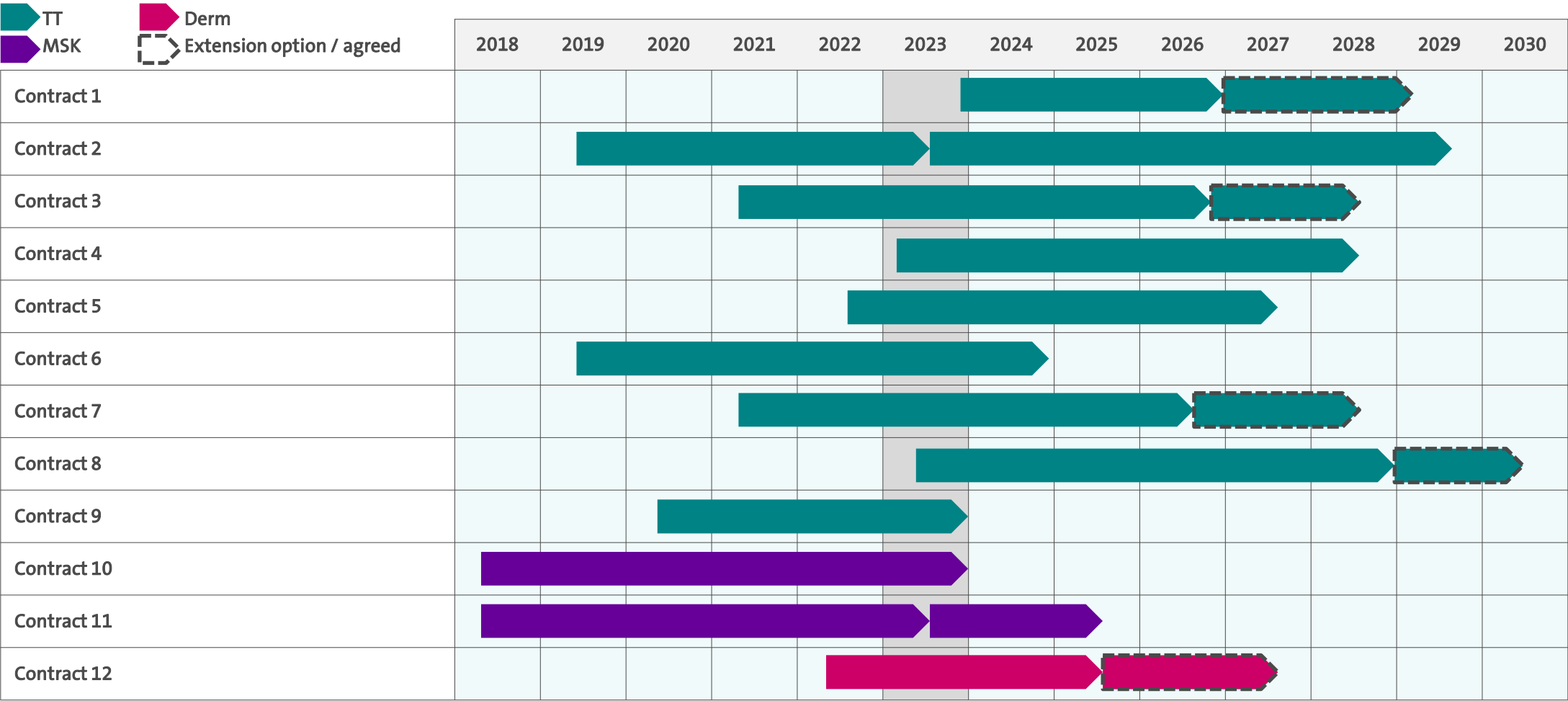
- Varies– started at 17% but now 22%
- One contract grown from £8m p/a in 2019 to £12m in 2024

- Annual contracted values paid monthly in advance

- Number of people entering treatment assessment
- Time from assessment to treatment
- Number of people recovered post treatment

Revenue is underpinned by significant long-term, multi-year NHS contracts

Vita NHS significant customers, July 2023 – contract lengths



4 Synergies

Vita / Spire Hospitals

- Direct surgical listing utilising Patient Choice
- Enhanced tender capability – end to end MSK proposition
- Enhanced support for PMI customers and fuller propositions
- Leverage Spire Admin Hub model
- Move low complexity procedures into a community setting eg Dermatology
- Joined up Pathways – Spire Cancer services and Vita MH support

Vita / Spire OH

- Merge OH advice service with Vita Mental Health and MSK treatment pathways
- Provide a one stop shop for Corporates - OH, EAP, Mental Health, MSK and Hospitals
- Cross sell services into existing customers

④ Impact of Vita on Spire numbers

| £m | 2024 Guidance |
|---------|---------------|
| Revenue | 100.0 |
| EBITDA | 10.0 |
| Margin | 10.0% |
| EBIT | 7.9 |
| Margin | 7.9% |
| PBT | 3.8 |
| Margin | 3.8% |

Strong future growth drivers:

- Possible new contract wins
- Organic commercial growth / synergies PMI and corporate
- Organic NHS choice growth
- OH referrals to MSK / mental health
- Cost synergies SPI / OH
- OH organic growth / contract wins (from 2024 OH and Vita reported a one entity)
- Increased revenue per employee as Vita contracts mature

For illustrative purposes, assuming Vita achieves revenue CAGR of 5% pa, for FY2026 Vita revenue equates to c.£110m, PBT c.£6m

4 Introduction to Vita Health Group

3 key messages:

- Vita is a business that operates at scale in markets with significant potential
- Vita plus Spire is an incredibly exciting proposition
- Non-hospital services can be a material contributor to growth in Group PBT

4 New Services summary

- Vita and Spire OH address the top topics in healthcare today
 - 2.8m economically unproductive population
 - Growing mental health crisis
 - Employee wellbeing and retention
 - Extending community / non-acute care
- Growth markets, highly fragmented, new contract and organic growth potential
- Strong platforms for possible, disciplined, synergistic smaller bolt-ons
- Good synergies for Vita/OH/Spire for referrals, client support and joint working
- £10m EBITDA Vita 2024; growth will flow through to Group PBT
- Further guidance 2025 when businesses are fully integrated

Q&A



Summary

Justin Ash

Looking after you.

Spire Healthcare – a strong business with an exciting future

What we've shown you today

**A deep dive into Spire's
Hospitals business**

**An overview of Spire
Occupational Health**

**An introduction to
Vita Health Group**

What we've demonstrated

Quality and patient safety integral to all our plans

Target of >21% EBITDA margin for Hospital Business
underpinned by £60m firm savings

Good growth opportunities and synergies for Spire OH and
VHG in strategic markets



Thank you!



Looking after you.



Appendix



Looking after you.

Key principles of engagement

- Spire is subject to the UK Market Abuse Regulation ('UK MAR') and other applicable laws which regulate the way in which it treats and discloses certain information regarding the Spire Healthcare Group, including its performance and future plans
- This presentation contains a general overview, for the benefit of Spire Healthcare shareholders, relating to Spire Healthcare's historic financial performance, the development and results of Spire Healthcare's strategy since 2018 and Spire Healthcare's ongoing transformation programme
- Spire Healthcare does not intend to disclose information in this presentation or related Q&A or discussions which constitutes 'inside information' for the purposes of UK MAR or which it otherwise considers to be unlawful or inappropriate to disclose due to other applicable law¹
- As a result, whilst Q&A is welcome, there may be areas in which the Spire Healthcare team indicate that they are not able to disclose additional or more specific information at this time. This may include (but is not limited to) unpublished information relating to future expected financial performance

¹ Notwithstanding this intention, recipients of this document are reminded that it is their responsibility to assess for themselves whether they are in possession of inside information and, if so, when they cease to be in possession of such information and to comply with all applicable requirements of UK MAR and other applicable law

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