



Spire Healthcare

# Primary Care Roundtable

20<sup>th</sup> May 2025



*Looking after you.*

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# Big picture: Why Primary Care



## Large market opportunity

- £6bn UK market, equal in size to Hospital care
- Growing c6% per annum
- Highly fragmented with no corporate at significant scale



## Strong strategic rationale

- Wraparound patient service, increasing our breadth of care
- Scaling requires lower capex investment than Hospitals
- Drives referrals and high margin capacity utilisation to Hospitals



## Targeted financial ambition

- Attractive financial growth profile and margins at maturity
- Ambition to create a £40m EBITDA business in the medium term
- Levers to drive growth balanced across existing business, new contracts, new clinic rollout and M&A



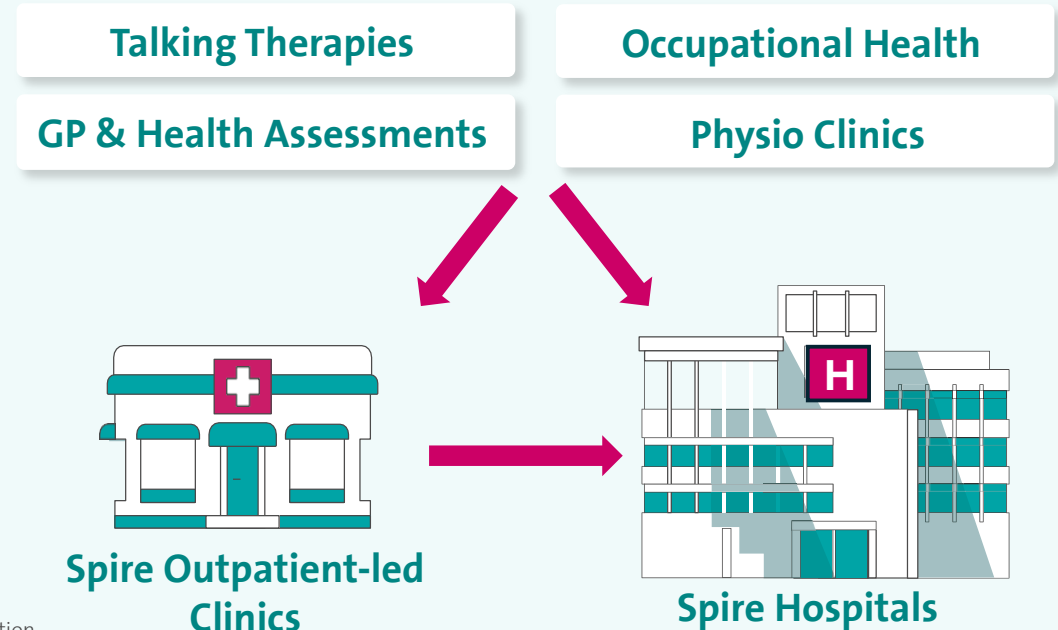
# Strong strategic rationale for an integrated Primary Care business

## Macro trends highlight a growth opportunity

- Long-term sickness impacting the economy
  - 2.8m economically inactive due to long term sickness<sup>1</sup>
  - Two biggest causes are mental ill health and musculo-skeletal conditions
  - Mental Health problems estimated cost to the economy c£100bn<sup>3</sup>
- Employer's ability to retain a talented workforce improved with Occupational Health provisions
- NHS accessibility and waiting times

## Supporting the strategic rationale for integrated healthcare

- Incremental new segments of the healthcare market
- Scaling requires lower capex investment than Hospitals
- Drives referrals and capacity utilisation in Hospitals





# Primary Care is a £6bn fast growing, highly fragmented market

## Cross-referrals from Primary to Secondary care

### Primary care

Market value £6bn | Market growth 6%

#### Occupational Health (employers)

Market value **£1.5-2bn** | Market growth **6%**

#### GP services (consumers)

Market value **£0.2-0.3bn** | Market growth **10%+**

#### Diagnostics

Market value **£1-1.5bn** | Market growth **2%**

#### Outpatient treatments

Market value **£0.3-0.5bn** | Market growth **10%**

#### Physiotherapy

Market value **£1-1.2bn** | Market growth **4%**

#### Talking therapies

Market value **£0.5-1bn** | Market growth **10%+**

Clinics

### Hospital care

Market value c£6bn | Market growth 5%

#### Hospital care

- Consultations
- Diagnostics and imaging
- Elective care
- Chemotherapy



# Our opportunity: Building scale in attractive Primary Care areas

← Integrated Spire network, leveraging brand power and cross-referrals →

## Hospitals (1m patients)

Where we are	Where we're going
<ul style="list-style-type: none"><li>• 38 hospitals</li><li>• Leading in orthopaedics</li></ul>	<ul style="list-style-type: none"><li>• Infill hospitals where available / selectively acquire</li><li>• Oncology, cardiac, women's health, robotics, diagnostics</li></ul>

## Primary Care (300k patients)

Where we are	Where we're going
<ul style="list-style-type: none"><li>• Largest independent Talking Therapies (TT) provider</li><li>• Three new Spire Clinics</li><li>• Community physio network</li><li>• Established Occupational Health business (800 clients)</li><li>• London Doctors Clinic / Spire GP</li></ul>	<ul style="list-style-type: none"><li>• Further TT contract wins</li><li>• &gt;5 Clinics in development this year</li><li>• Expand community physio</li><li>• Further OH contract wins</li><li>• Grow private GP and Health Assessments</li></ul>



# Our Primary Care business today

## Vita for the NHS

- **Talking Therapies** psychological services
- Remotely provided
- Underpinned by long-term contracts (particularly with NHS)
- Physio & dermatology

## Spire for Business

- **Occupational Health** Employee and workplace assessments
- **Corporate & private physio**
- Business/corporate customers

## Clinics

### GP

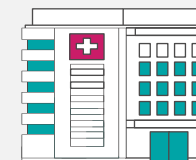
- Small format
- Hospital based and standalone through **London Doctors Clinic**

### Physio

- Small format
- Hospital based with small but growing standalone footprint

### Outpatient led

- Medium sized **outpatient and diagnostic led**
- 3 locations in proximity to Spire Hospitals





# We serve a broad range of blue-chip corporate customers





# Primary Care generated £10m EBITDA in FY24 & strong margin expansion



Revenue  
**£121.0m**  
**+ 15.0%**

FY 23: £31.4m

## Strong revenue growth 15.0%

- Vita the core component of the segment at £107.4m
- Clinics fast growing but new. Drive downstream referrals to Hospitals



Adjusted EBITDA  
**£10.3m**  
**Margin 8.5%**

FY 23: £0.2m

## EBITDA margin expansion 340bps

- Primarily driven by strong expansion at Vita



Adjusted EBIT  
**£6.1m**  
**Margin 5.0%**

FY 23: £(0.8)m

## EBIT margin expansion 330bps

- Very strong EBITDA: EBIT conversion from Vita at c70%



# Future growth will be delivered through multiple levers

## Organic existing business & new contracts

- Growth of existing businesses
- New material contract wins, targeting new corporates
- Embed efficiency through unified operations, ways of working, branding

## New rollout

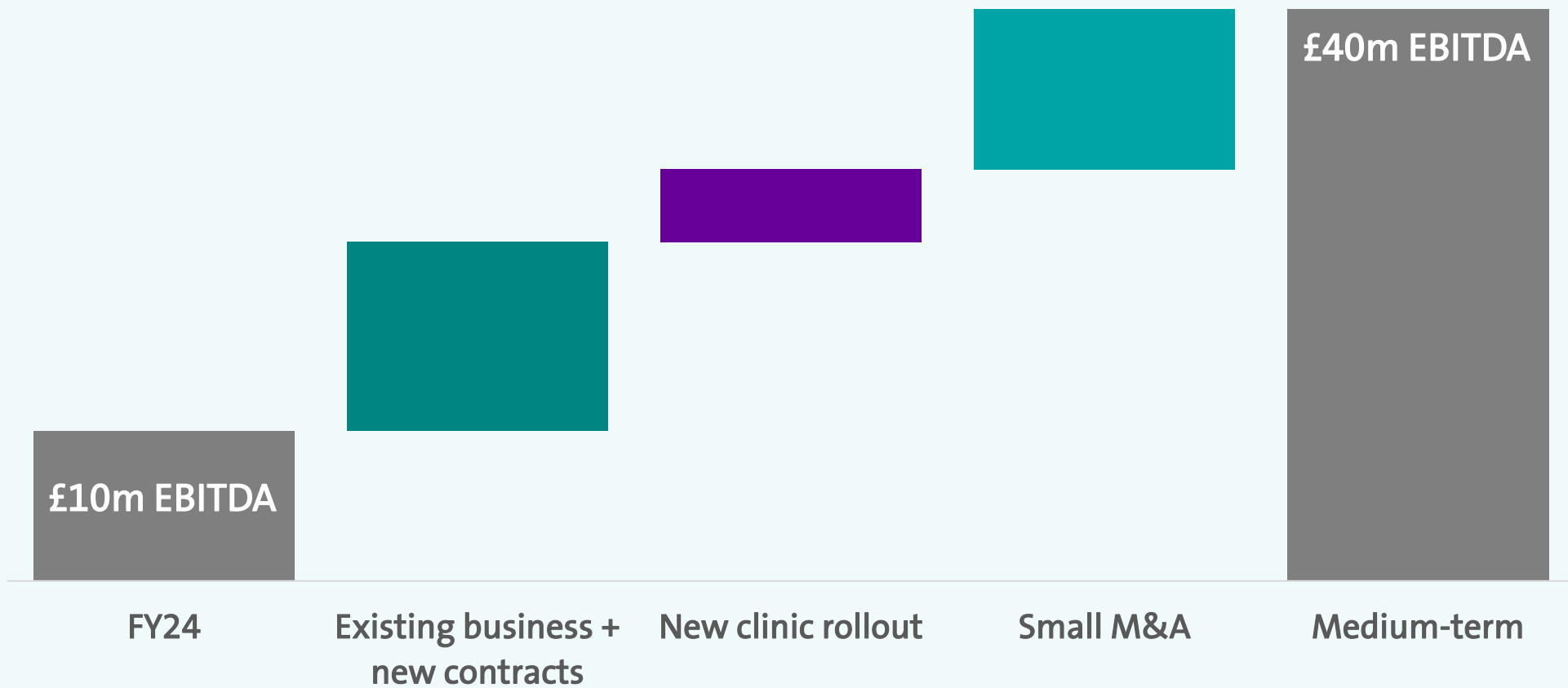
- Primarily through new physio or GP small footprint clinic openings
- Small number of medium-larger footprint outpatient & diagnostic led clinics

## Small M&A

- Primarily in the Occupational Health and Physio space
- Typically acquiring at single digit EBITDA multiples
- Immediately accretive



# Balanced levers to deliver a £40m EBITDA business in the medium term





## In conclusion

**Primary Care delivers a baseline of 6% market growth in a highly fragmented market**

**Balanced levers to deliver a £40m EBITDA business in the medium term: Existing business growth, new contracts, new clinic rollout and small M&A**

**Less capital intensive than Hospitals – many services delivered online, in customer business premises or through small footprint formats**

**Incremental EBITDA will also be driven to the Hospital business in the form of referrals and cost synergy**



Spire Healthcare

Q&A

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