



# Full Year 2024 Results

6 March 2025



*Looking after you.*

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# 2024 highlights

Justin Ash, Group CEO of Spire Healthcare



# FY24: strong growth and strategic progress in a dynamic market



## Strong growth

- Revenue growth 6.2%<sup>2</sup> y/y (Hospitals 5.5%<sup>2</sup> y/y)
- EBITDA margins<sup>1</sup> expanded in Hospitals and Primary Care
- Adj. EBITDA<sup>1</sup> £260m +9.0%<sup>2</sup> and Adj. PBT<sup>1</sup> £50.2m +29.4% y/y



## Dynamic environment

- NHS revenue accelerated +8.8%<sup>2</sup> y/y
- H2 24 margin impact from higher NHS mix
- NI and NMW increases announced



## Key achievements

- £20m efficiencies delivered vs £15m guidance
- Clinical staff turnover and agency use at all time lows
- Primary Care revenue +15%<sup>2</sup> y/y with Vita ahead of plan
- Cared for 1.3m people (prior yr just over 1m)



# Positive outlook driven by growth, efficiency and new services



## Accelerate efficiency

- FY25 EBITDA impact £(30)m from NI/NMW, energy, payor mix
- FY25 efficiencies >£30m, £10m above prior plan
- FY26 efficiencies £80m cumulative, £20m above prior guidance



## Confident mid-term outlook

- Hospitals >5% revenue growth
- Primary Care >£40m EBITDA<sup>1</sup>.  
Supported by contract wins (£90m secured), small M&A, clinics
- Neutralise NI, NMW, mix and energy by end 2027



## Profitable growth FY25

- Revenue mid-single digit % growth
- Margin expansion
- Adj. EBITDA<sup>1</sup> guidance £270 – £285m





# Thank you to our colleagues, consultants and partners



IRIS and DAISY awards



Long service awards



Ella May Barnes Clinic opening



## Independent external recognition










# Financial update

Harbant Samra, Group CFO Spire Healthcare





# FY24: delivered against guidance

	FY24 outturn	Our guidance for FY24
 Hospitals revenue growth	✓ +5.5% <sup>2</sup>	>5%
 Hospitals margin <sup>1</sup>	✓ Margin +30 bps <sup>2</sup> ; savings >£20.0m	Margin improvement + £15m cost savings
 Vita	✓ Revenue £107.4m, adj EBITDA <sup>1</sup> £11.0m	Revenue >£100m, adj EBITDA <sup>1</sup> c.£10m
 Group adjusted EBITDA <sup>1</sup>	✓ £260.0m	£255m – £275m
 Group return on capital <sup>1</sup>	✓ 8.2%	8-9%
 Group capex	✓ Hospitals: £99m	Hospitals: £95m – £105m
 Group bank debt leverage <sup>1</sup>	✓ 2.0x	<2.0x



# Good hospital performance and margin improvement



Revenue  
**£1.39bn**  
**+ 5.5%<sup>2</sup>**

FY 23: £1.33bn



Adjusted EBITDA<sup>1</sup>  
**£249.7m**  
**Margin 18.0%**

FY 23: £233.8m



Adjusted EBIT  
**£143.3m**  
**Margin 10.3%**

FY 23: £131.2m



## On target revenue growth 5.5%<sup>2</sup>

- Volume growth 1.9%<sup>2</sup>
- ARPC growth 4.2%<sup>2</sup>



## EBITDA margin<sup>1</sup> expansion 30bps<sup>2</sup>

- Responded to payor mix change and energy costs through high ARPC focus, self-pay price optimisation and savings acceleration



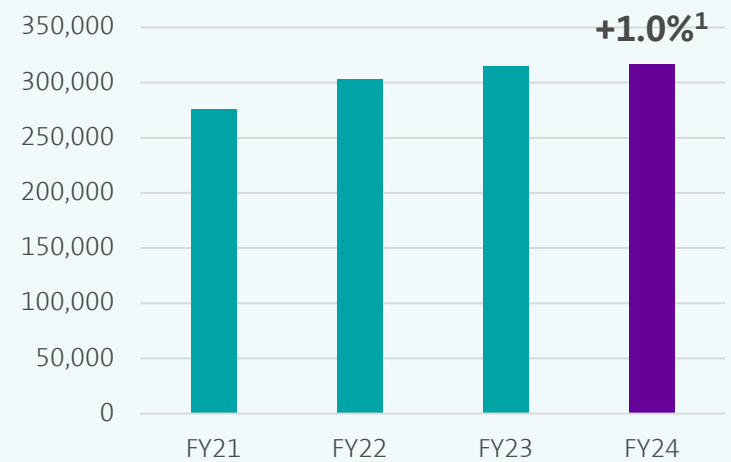
## EBIT margin<sup>1</sup> expansion 40bps<sup>2</sup>

- Strong drop-through as a result of disciplined capital spend

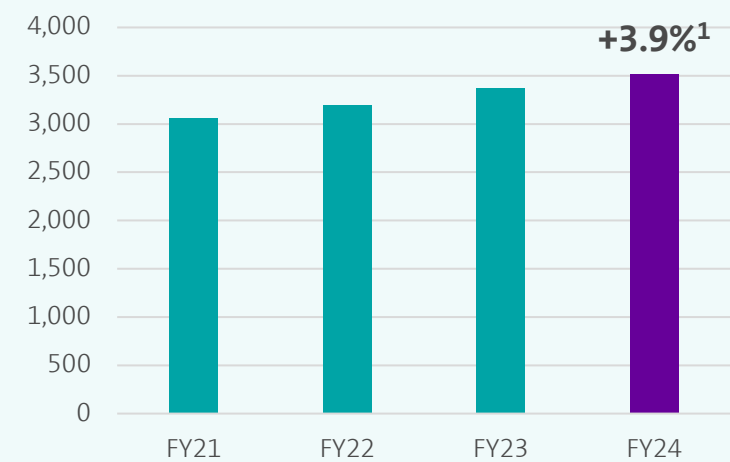


# Private: PMI in faster growth and will continue

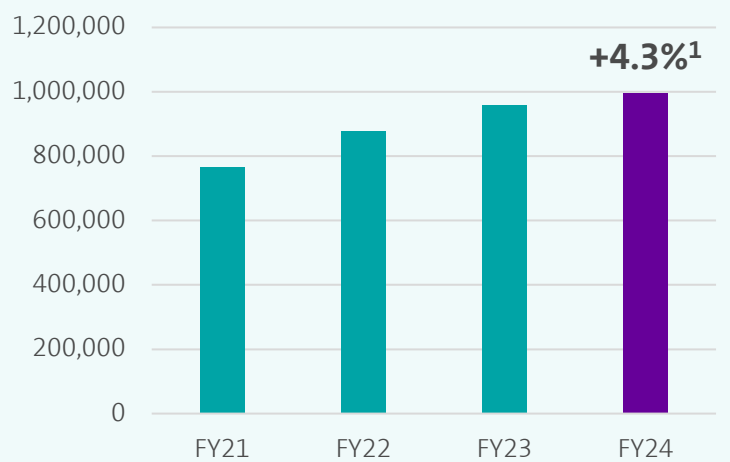
Private admissions and OP procedures



Private admissions ARPC/£



Private revenue/£'000



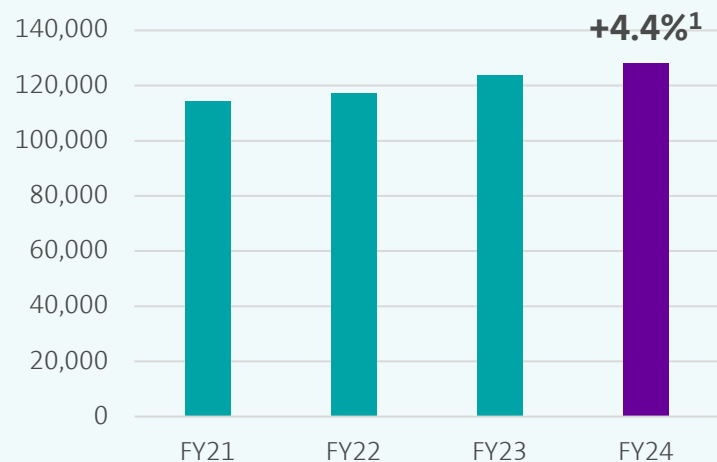
- Good growth in PMI driven by increase in corporate policies and switching from Self-Pay
- Private ARPC growth 3.9%<sup>1</sup> and Self-Pay 6.3%<sup>1</sup> reflects price management in inflationary environment of 2.5%
- Outlook: similar trends

1. On a comparable basis, see slide 35 for definition PMI; Private Medical Insurance, OP; Outpatient, ARPC; Average Revenue Per Case

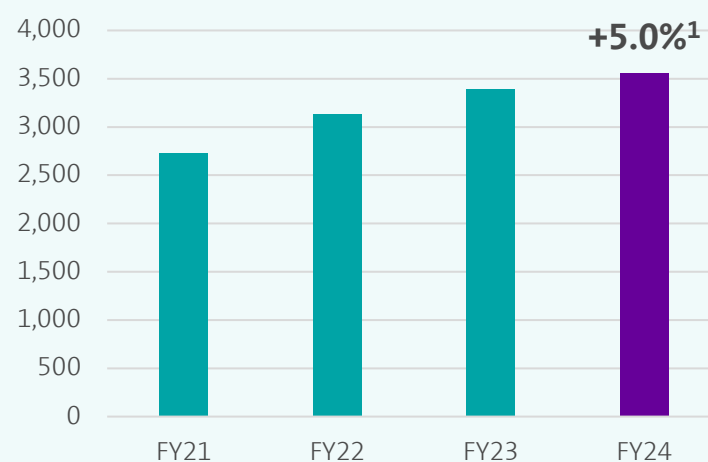


# NHS accelerating, with our focus on margin

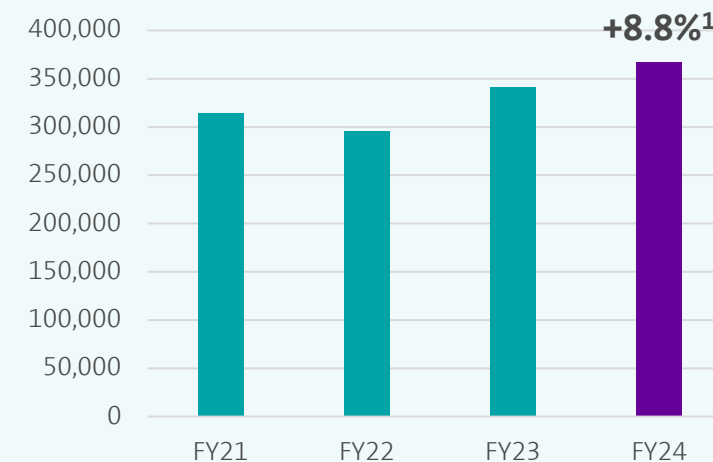
## NHS admissions and OP procedures



## NHS admissions ARPC/£



## NHS revenue/£'000



- Increasing referrals through eRS. Supporting NHS trusts with long waiters
- ARPC growth 5.0%<sup>1</sup> y/y in context of NHS tariff growth 3.9%
- Outlook: continued strategic partnership



# Primary Care ahead of expectations and very strong margin expansion



Revenue  
**£121.0m**  
**+ 15.0%<sup>2</sup>**

FY 23: £31.4m

## Strong revenue growth 15.0%<sup>2</sup>

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



Adjusted EBITDA<sup>1</sup>  
**£10.3m**  
**Margin 8.5%**

FY 23: £0.2m

## EBITDA margin<sup>1</sup> expansion 340bps<sup>2</sup>

- Primarily driven by strong expansion at Vita



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

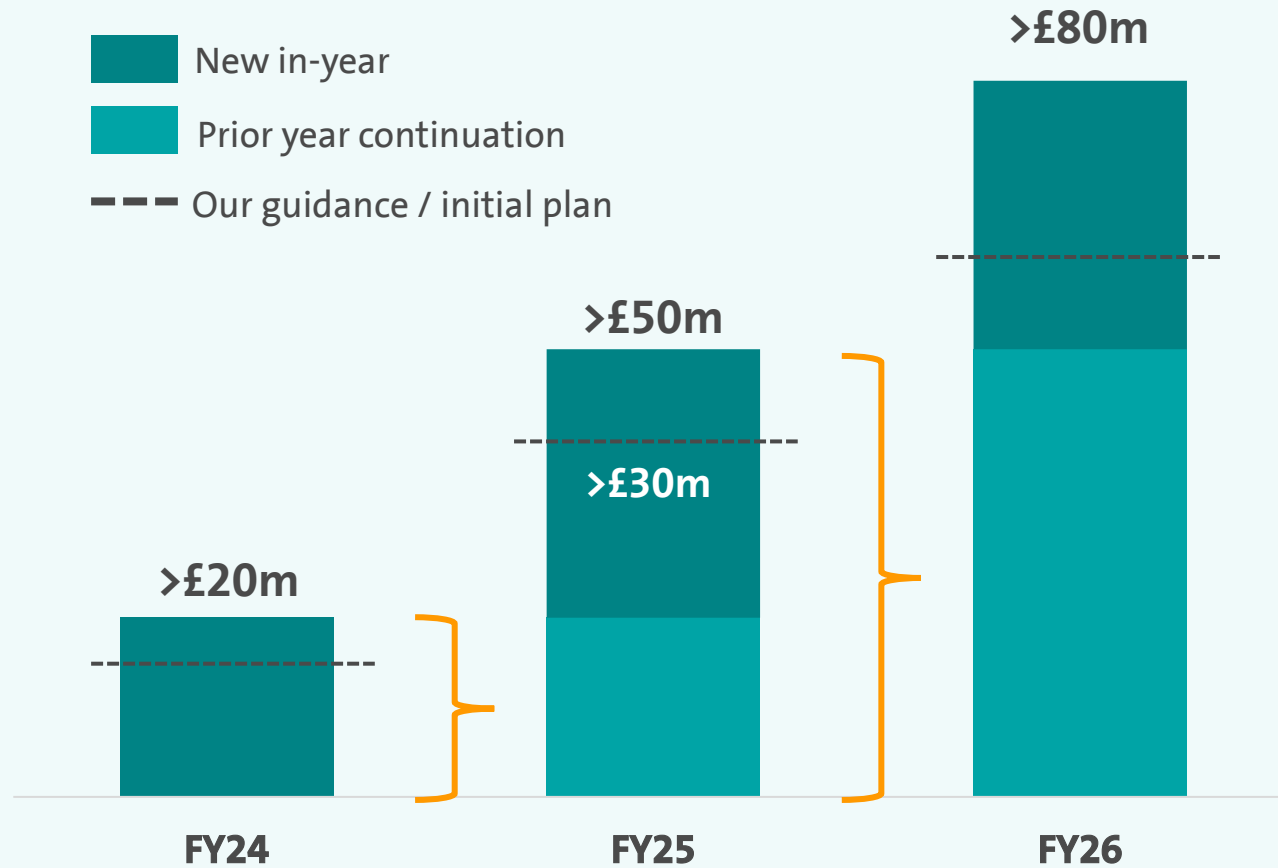
FY 23: £(0.8)m,

## EBIT margin<sup>1</sup> expansion 330bps<sup>2</sup>

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



# Cost savings accelerating with delivery ahead of plan



Automation / digitalisation

One best way

Patient Support Centres





# Strong flow through from EBITDA to PBT

	FY23	FY24	
Group adjusted EBITDA <sup>1</sup>	£234.0m	£260.0m	+9.0% <sup>2</sup>
Group adjusted profit before tax <sup>1</sup>	£38.8m	£50.2m	+29.4%
Conversion from EBITDA to PBT	16.6%	19.3%	
Adjusting items	£(4.2)m	£(11.9)m	
Group profit before tax	£34.6m	£38.3m	+10.7%
Dividend per share	2.1p	2.3p	+9.5%



# Deploying capex to growth and efficiency

## Hospital capex £99m

### Growth c£40m

- Minor operations unit at Spire Claremont
- Five new MRIs
- Automation / digitalisation
- Solar panels



MRI scanner at  
Spire Manchester Hospital

### Maintenance c£59m

- Ongoing hospital refurbs
- IT infrastructure



Theatre refurb at  
Spire Washington Hospital

## Primary Care capex £13m

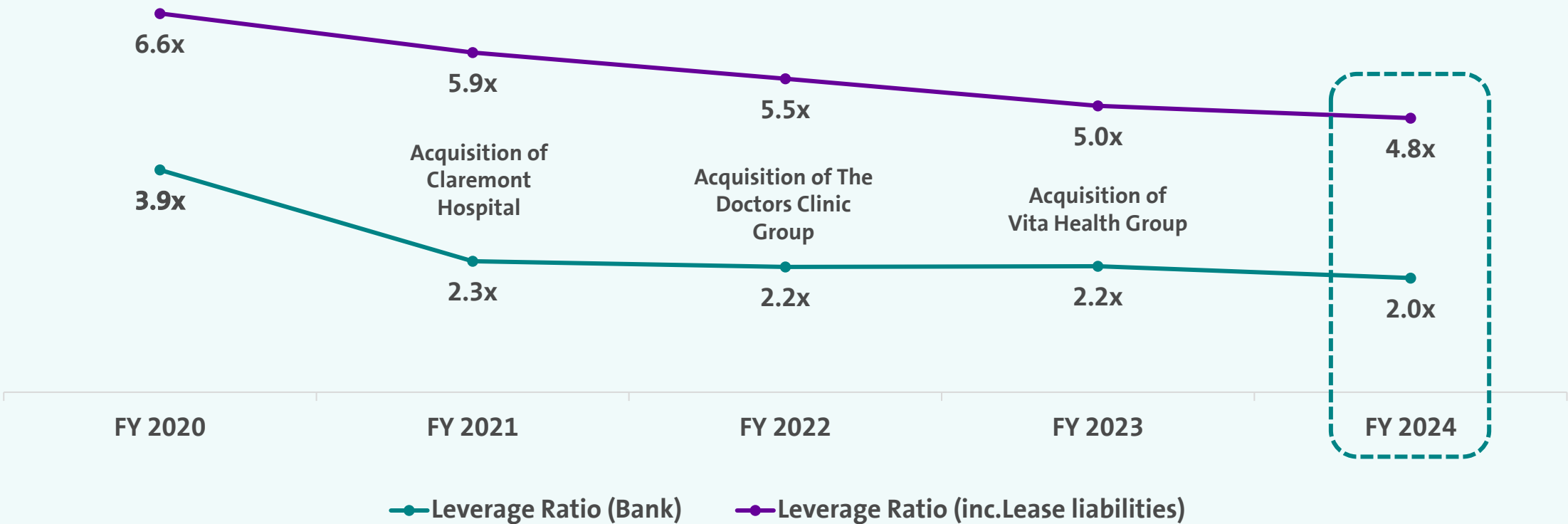
- Spire Abergele
- Spire Harrogate Clinic
- Spire Ella-May (Norwich)



New Harrogate Clinic



# Strong balance sheet further supported by £1.4bn of property freehold





# FY25 guidance delivers growth and cost mitigation

## Our guidance for FY25



**Group revenue growth**

Mid-single digit % y/y



**Group adjusted EBITDA<sup>1</sup>**

£270m – £285m



**ROCE<sup>1</sup>**

Ahead of last year incl. absorbing NI, NMW, payor mix and energy - £(30)m impact



**Group bank debt leverage<sup>1</sup>**

c2x (ahead of any M&A) at year end



**Dividend**

Policy maintained at 25 – 35% of PAT

# Strategic update

Justin Ash, Group CEO of Spire Healthcare



# Our model for success – making a positive difference to people’s lives



**Build scale and access**



**Invest in high return growth**



**Focus on efficiency**



**Lead on quality and experience**

**Balance sheet strength supported by  
a highly valued property estate**



**Deliver strong financial performance  
and investor returns**





# £12bn fast growing market opportunity

## 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



# Building scale and access in attractive sectors

Integrated Spire network, leveraging brand power and cross-referrals

## Hospitals (1m patients)

### Where we are

- 38 hospitals
- Leading in orthopaedics

### Where we're going

- Infill hospitals where available
- Oncology, cardiac, women's health, robotics, diagnostics

## Primary Care (300k patients)

### Where we are

- Largest independent Talking Therapies (TT) provider
- Three new Spire Clinics
- Community physio network
- Established Occupational Health business (800 clients)
- London Doctors Clinic / Spire GP

### Where we're going

- Further TT contract wins
- >5 Clinics in development this year
- Expand community physio
- Further OH contract wins
- Grow private GP and Health Assessments

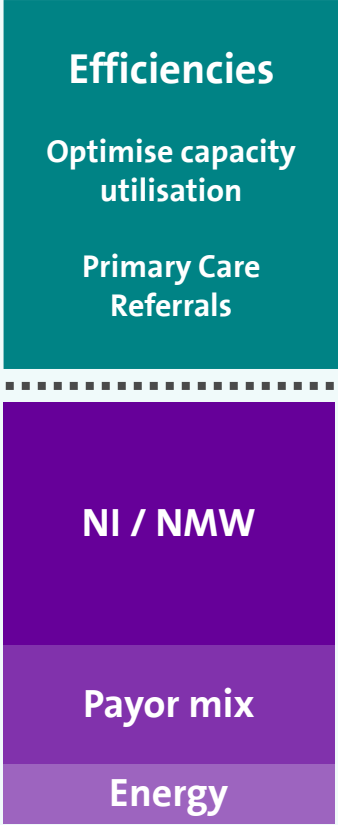
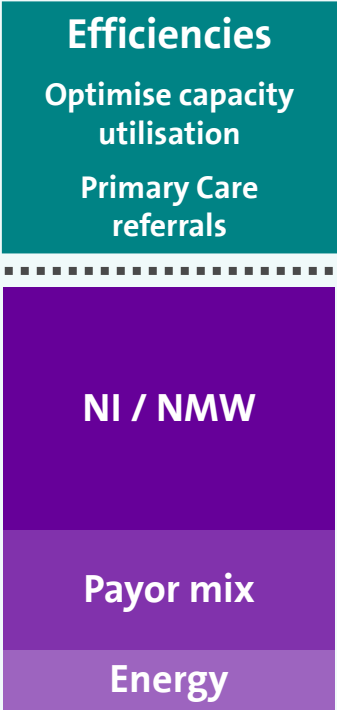


# Clear plan to deliver medium term margin targets

FY25: Net impact £(20)m

FY26: Net impact £(10)m

FY27: Neutralised



Three year path to  
EBITDA margin<sup>1</sup> 21%  
and EBIT margin<sup>1</sup> 13%



# Maintain our focus on quality: everyone, everywhere, every day



## Strong patient safety culture

- Patient Incident Response Framework implemented
- Colleague and patient voice paramount
- Strong Freedom to Speak Up culture



## Innovation driving the patient experience

- 23-hour hip and knee pathways
- Growing cardiology / cardiac provision
- 97% rate experience as good/very good (up 1% y/y)



## Technology led

- Digital histopathology
- AI improving MRI scan times and image quality
- Further digitise our processes



## In conclusion

**FY24 results:** Good performance in a dynamic environment

**Market backdrop strong:** Growing private demand and continued partnership with the NHS

**Growth and efficiency:** Leverage hospital scale, Primary Care expansion, accelerate efficiencies

**Outlook:** Strategy delivering. Medium term margin targets maintained, 2027. Positive momentum 2025

# Appendix





# Technical guidance

## Property lease payments

c.£102m – £108m (FY24: £99.2m)

## Depreciation and amortisation

c.£115m – £122m (FY24: £112.2m)

## Capex<sup>1</sup>

c.£90m – £100m (FY24: £99.1m)

## Net financing costs

c.£103m – £108m (FY24: £99.2m)

## Tax<sup>2</sup>

Effective corporation tax rate between 28% – 38% (substantially deferred tax movements)

## Net bank debt

c.£305m – £355m (FY24: £325.9m)



# Payor group volumes, ARPC, revenue

	PMI				Self-pay				NHS <sup>1</sup>			
	FY21	FY22	FY23	FY24	FY21	FY22	FY23	FY24	FY21	FY22	FY23	FY24
Admissions and OP Procedures ('000s)	171.3	190.6	209.8	218.4	104.3	112.5	105.4	98.1	114.5	117.2	123.8	128.2
ARPC (£)	2,686	2,756	2,896	3,032	3,683	3,955	4,356	4,637	2,731	3,129	3,392	3,561
ARPC YOY growth (%)				+4.5 <sup>2</sup>				+6.3 <sup>2</sup>				+5.0 <sup>2</sup>
Total revenue (£m)	473.7	538.7	615.7	662.4	292.0	338.0	344.0	332.9	314.5	295.4	341.1	367.4



## Group adjusting items of £10.1m

£m	FY 23	FY 24
Profit after tax before adjusting items	32.4	36.6
Adjusting items		
Business reorganisation and restructuring	2.0	4.3
Net profit on sale of Tunbridge Wells	—	(4.5)
Remediation of Paterson malpractice issues	(0.9)	6.9
Integration costs for DCG and Vita	3.1	1.7
Amortisation on acquired intangible assets	—	1.6
Clinic set up costs	—	1.9
Tax charge/(credit) on adjusting items	0.3	(1.8)
Total adjusting items	4.5	10.1
Statutory profit after tax	27.9	26.0



# Cash and borrowings

£m	31 Dec 20	31 Dec 21	31 Dec 22	31 Dec 23	31 Dec 24
Bank borrowings	420.8	427.5	324.3	365.3	367.1
Cash	106.3	202.6	74.2	49.6	41.2
Net bank debt	314.5	224.9	250.1	315.7	325.9

£m	31 Dec 20	31 Dec 21	31 Dec 22	31 Dec 23	31 Dec 24
Bank borrowings	420.8	427.5	324.4	365.3	367.1
Lease liabilities (under IFRS 16)	749.5	837.8	866.5	891.7	912.8
Total borrowings	1,170.3	1,265.3	1,190.8	1,257.0	1,279.9



# Maintaining cash levels after supporting investment and returns

£m	FY 24	
Opening cash balance	49.6	
Cash from operating activities	242.8	
Capex	(109.3)	Vs £(83.9)m prior yr
Working capital movement	(7.0)	Vs £(15.5)m prior yr
Rent on leasehold property	(99.2)	
Interest cost on debt	(22.0)	
Proceeds from sale of Tunbridge Wells	10.0	
Other/dividend	(23.7)	
Closing cash balance	41.2	



# Portfolio management of payors and specialties by hospital

## Gross profit contribution index

	PMI	Self-pay	NHS
Orthopaedics	0.4	1.0	0.3
General surgery	0.2	0.3	0.1
Ophthalmology	0.1	0.2	n/a

## Hospital portfolio

**+80% Private revenue**  
16 hospitals

**60% – 80% Private revenue**  
12 hospitals

**40% – 60% Private revenue**  
6 hospitals

**<40% Private revenue**  
4 hospitals

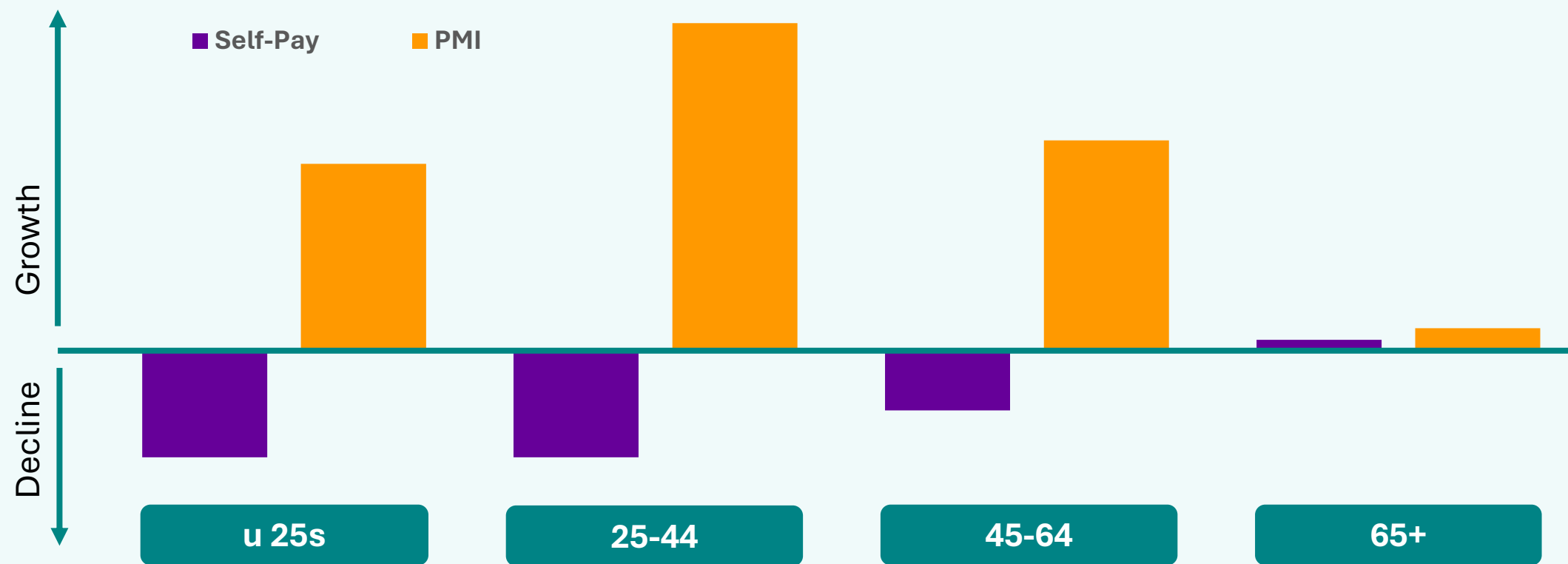
- All payors and selected specialties contribute a positive gross margin
- Payor volume varies by hospital reflecting local market
- Disciplined optimisation of services key
- National procurement, staffing models and digitalisation underpin margin





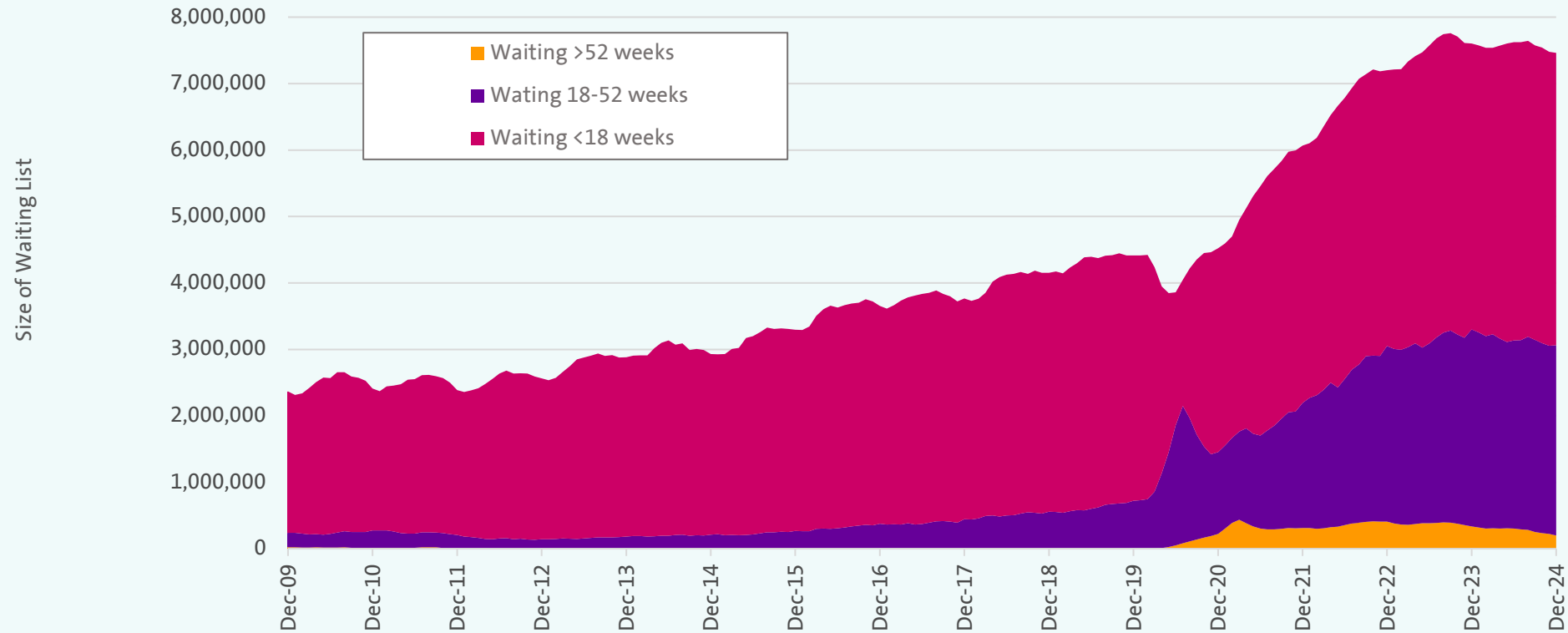
# Private patients: Self-Pay and PMI increasingly becoming one segment

Evidence of Self-Pay to PMI switching in working age patients (H2 24 data, repeating trends highlighted in H1)





# NHS waiting lists stood at 7.46 million in December 2024





# Alternative performance measures definitions

Performance measure	Definition	Purpose
<b>Adjusted operating profit; or adjusted EBIT</b>	Operating profit, less adjusting items before interest and tax.	Provides a comparable measure of operating profit performance over time.
<b>Conversion of adjusted EBITDA to cash</b>	Adjusted EBITDA divided by operating cash flows before adjusting items and taxation.	Intends to show the group's efficiency at converting adjusted EBITDA into cash.
<b>Adjusted EBITDA</b>	Adjusted EBITDA is calculated as operating profit, adjusted to add back depreciation, amortisation and adjusting items.	Adjusted EBITDA shows the group's earning power independent of capital structure and tax situation with the purpose of simplifying comparisons with other companies in the same industry as it excludes non-cash accounting entries, such as depreciation.
<b>Adjusted EBITDA margin</b>	Adjusted EBITDA as a percentage of revenue.	Provides a comparable performance metric, expressed as a percentage of revenues.
<b>Net debt</b>	Interest-bearing liabilities, less cash and cash equivalents.	Measurement of net group indebtedness for covenant purposes.
<b>Net bank debt</b>	Interest-bearing liabilities, excluding borrowing costs, less cash and cash equivalents.	Measurement of net group indebtedness.
<b>Pre IFRS 16</b>	Reported numbers before applying the effects of IFRS 16 Leases.	To provide an understanding of the impact of IFRS 16 to the reported numbers and allow comparison to previously reported numbers.
<b>Net debt/EBITDA</b>	Net debt at the end of the period divided by EBITDA.	Indicates the group's ability to service its debt from cash earnings.



# Alternative performance measures definitions (continued)

Performance measure	Definition	Purpose
<b>Return on Capital Employed (ROCE)</b>	Adjusted EBIT divided by capital employed.	Assess the efficiency in generating profits as a percentage of the total capital used.
<b>Earnings per share (EPS)</b>	Profit after tax divided by the weighted number of outstanding ordinary shares.	Indicates a company's profitability on a per-share basis.
<b>Bank Leverage</b>	Principal debt less cash and cash equivalents divided by adjusted EBITDA for the last twelve months of pre-IFRS 16 adjusted EBITDA.	Assess how many years it would take for a company to pay back its debt if net debt and EBITDA remain constant
<b>Normal Leverage</b>	Principal debt including lease liabilities less cash and cash equivalents divided by adjusted EBITDA for the last twelve months.	Assess how many years it would take for a company to pay back its total debt (bank borrowings and lease liabilities) if net debt and EBITDA remain constant
<b>Comparable basis</b>	<ul style="list-style-type: none"><li>- Excludes Spire Tunbridge Wells, which was sold on 31 March 2024.</li><li>- Includes Vita Health Group, which was acquired in October 2023, on a proforma basis assuming Vita was owned for 12 months in 2023.</li></ul>	Provides a comparable measure of performance over time.
<b>Proforma view</b>	Includes Vita Health Group, which was acquired in October 2023, on a proforma basis assuming Vita was owned for 12 months in 2023.	Provides a comparable measure of performance over time.