



Spire Healthcare

**Spire: A unique healthcare platform
with strong growth potential**

Looking after you.

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Spire's strong and experienced management team



Justin Ash
Chief Executive
Officer



Jitesh Sodha
Chief Financial
Officer



John Forrest
Chief Operating
Officer



Dr. Cathy Cale
Group Medical
Director



Peter Corfield
Chief Commercial
Officer



Alison Dickinson
Group Clinical Director



Shelley Thomas
Group HR Director



Harbant Samra
Interim Chief Financial
Officer

Today's agenda

20 mins	Welcome & Overview Justin Ash
15 mins	Key Opportunities In The UK Healthcare Market Peter Corfield
30 mins	Drive Hospital Performance Peter Corfield & John Forrest
15 mins	Break
5 mins	Maintain An Uncompromising Focus On Quality Dr. Cathy Cale
5 mins	Investing In Our Talented Workforce Dr. Cathy Cale

5 mins	Our Approach To Sustainability Justin Ash
15 mins	Expanding Our Proposition Peter Corfield
15 mins	Financial Outlook Harbant Samra
5 mins	Summary Justin Ash
30 mins	Q&A

Our aim for today

Outline the opportunity presented by unprecedented demand in UK Healthcare

**Share our strategy
and long-term
financial objectives**

**Provide
deeper insights
into what
we do**

**Highlight
opportunities across
our core business
and adjacent
markets**

**Set out our
disciplined financial
approach**

Meet our team, understand our values and our wider contribution to society

Why Spire?

The healthcare market in the UK is seeing unprecedented demand, and Spire is well placed

1

Strong growth potential

2

National brand with
unique payor mix

3

Leading quality provider
with talented people

4

Payor mix, good pricing
capability and savings
designed to manage
inflation risks

5

Adjacent growth
identified in digital and
out of hospital

6

Disciplined investment
approach

7

Clear long-term financial
objectives driving
margins, cash and ROCE

8

Sustainable platform for
the future

Target return to dividend payment in 2023

Since 2018 Spire has built a unique healthcare platform

Spire is the leading private hospital provider by revenue in the UK

Quality
transformation
and leadership

Driven Private
growth

Built a unique
payor mix with
strong
relationships

Supported highly
skilled and
engaged teams

Developed a
strong talent
pipeline

Ensured a well
invested estate

Built a proprietary
digital
infrastructure

Improved
underlying margin

Increased cash
and reduced
leverage

Thank you to our people



In an evolving market we have updated our purpose and strategy

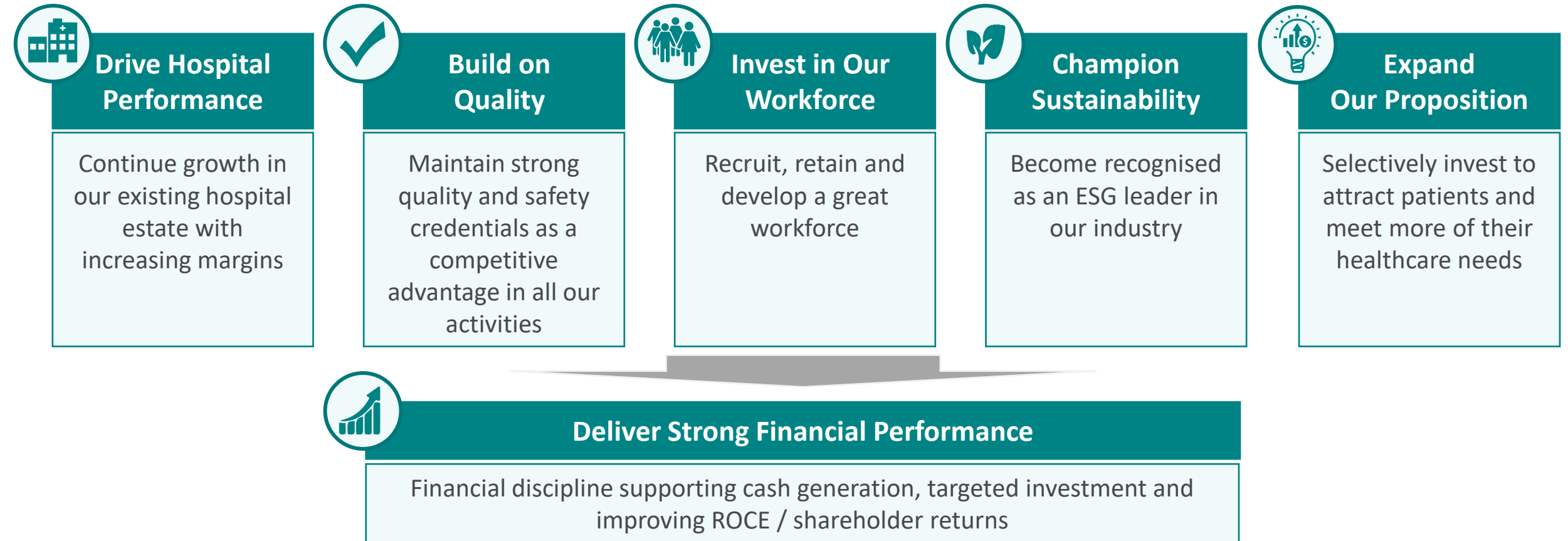
Our Purpose

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

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



Spire's long-term financial objectives and financial framework

Long-term Financial Objectives	 Hospital Growth	Outperform UK hospital market growth (volume + ARPC) c.5% CAGR (plus high inflation-related increases)
	 New Services	>£50m of additional revenue – build, buy, partner
	 EBITDA Margin	>21% supported by continuous cost savings programme
	 ROCE	>10% (in excess of Spire's cost of capital)
Financial Framework	 Payor Mix	70-80% Private, dependent on NHS commissioning
	 Organic Capex*	6-7% of Revenue
	 Cash Conversion	c.100%
M&A / Other		Disciplined approach, assessed on a case-by-case basis

Internal risks well managed, focus now on managing external factors

We have improved quality, governance, business mix and control processes, and are well placed to respond to external risk factors

Top Principal Risks in 2018¹

Internal

- Patient Safety
- Government and NHS Policy
- Compliance and Regulation
- Insurance
- Liquidity and Covenants

Systemic

- Workforce



Top Principal Risks in 2022

Internal

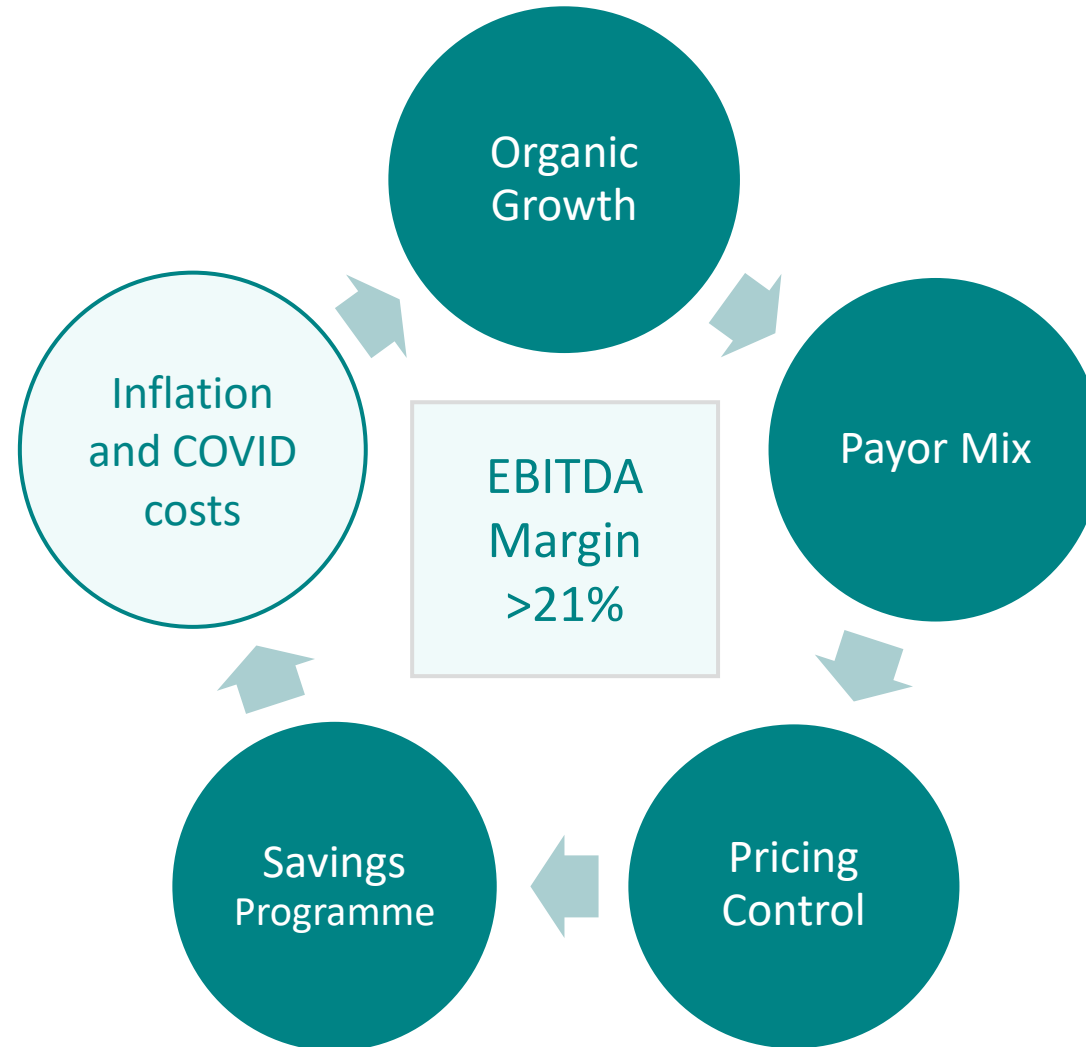
- Brand reputation

Systemic

- Information Governance and Security
- Workforce
- Macroeconomics
- COVID-19 new variant
- Supply Chain Disruption
- Climate Change

Note 1 - As disclosed in the 2018 Annual Report & Accounts

Payor mix, good pricing capability and savings designed to offer options to manage inflation risks



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Spire Healthcare

Key Opportunities in the UK Healthcare Market

Peter Corfield

Chief Commercial Officer

Looking after you.

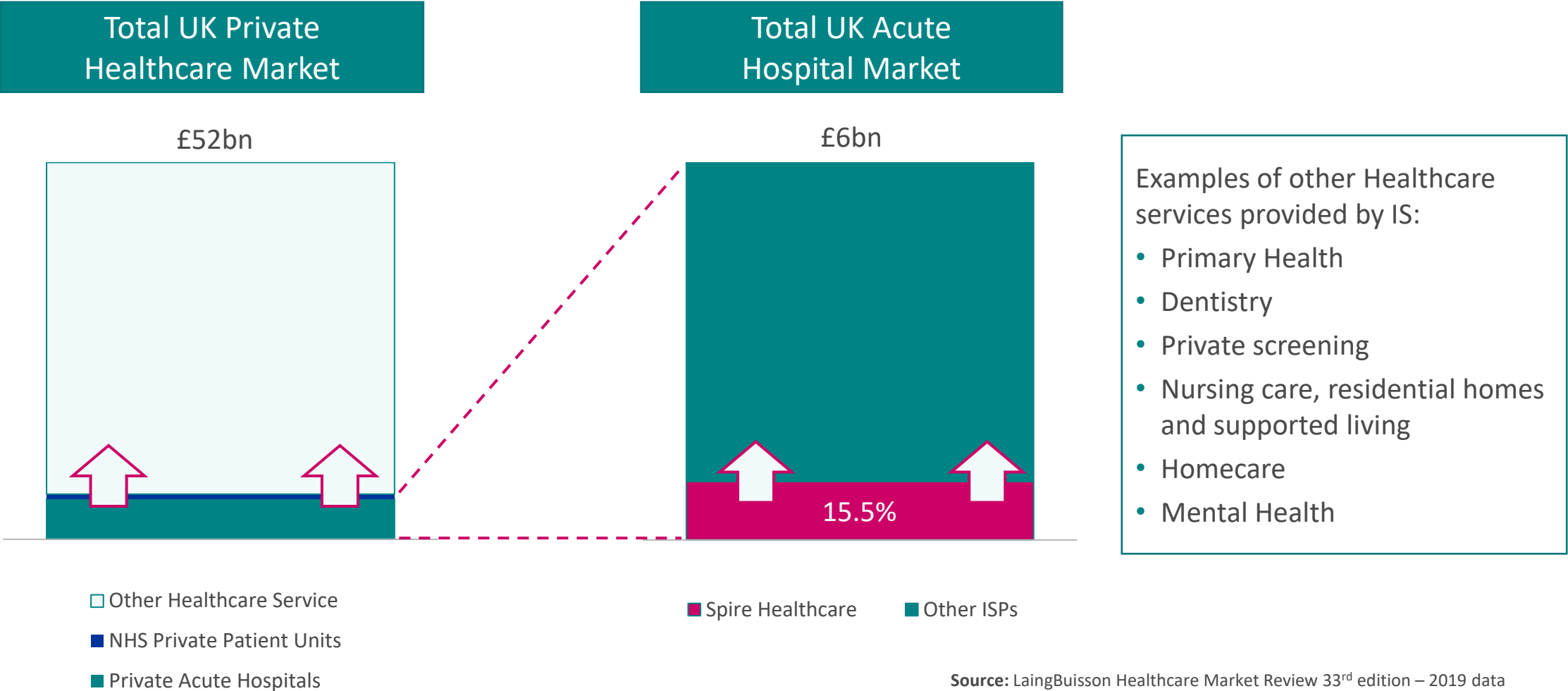
Growth drivers in the UK Healthcare market

Powerful Growth Dynamics

Robust demand in
UK Healthcare

Unique opportunity in out-of-hospital
care and digital health

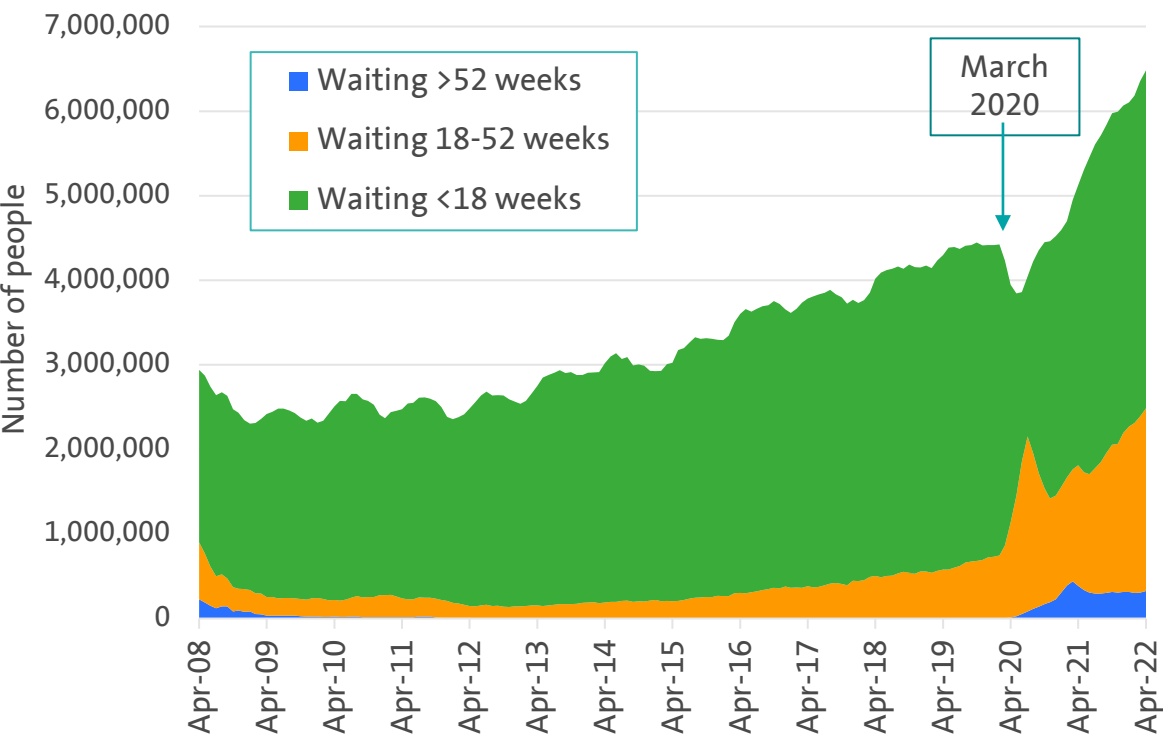
Opportunity for Spire to grow in market worth £52bn



Source: LaingBuisson Healthcare Market Review 33rd edition – 2019 data

Record waiting lists set to continue to drive private growth

NHS England Waiting List



Awareness Growing

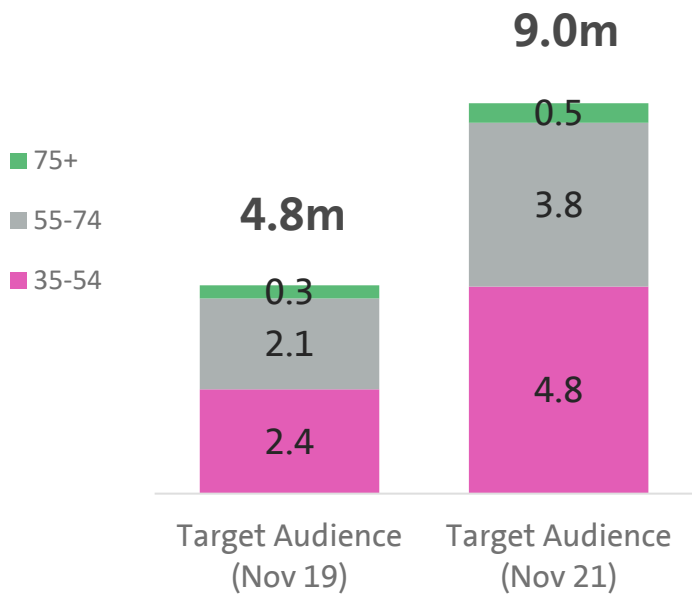
58%

... of Spire's target audience now more likely to consider using a private hospital than they were before as a result of growing NHS waiting lists

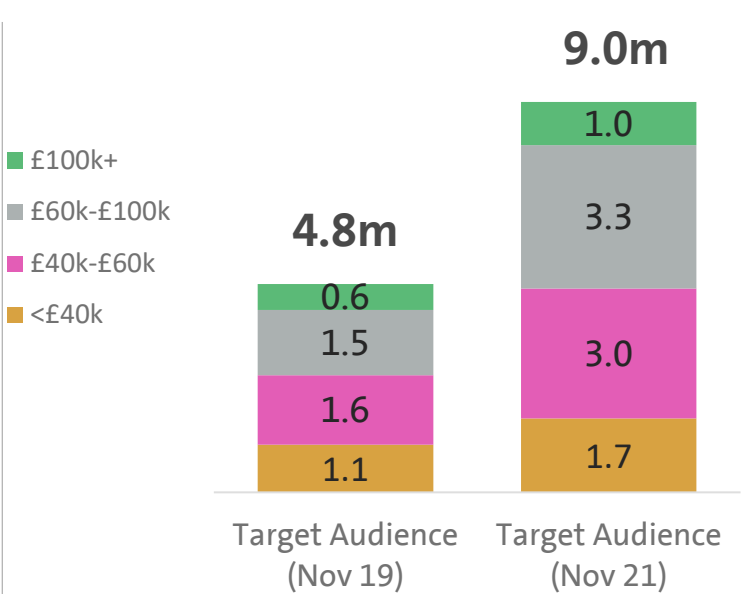
Source: NHS England and Proprietary Spire Healthcare consumer research

Private market nearly doubled in Spire catchment area

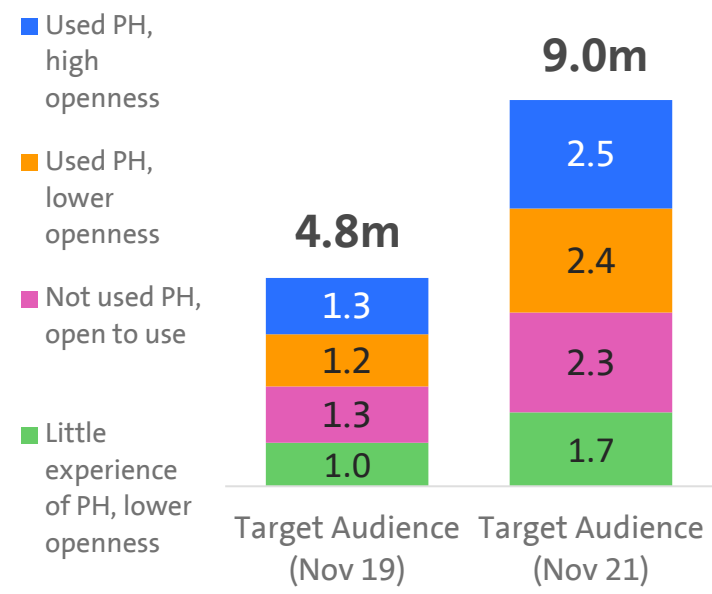
Increasing Consideration Amongst All Ages



Growth In All Income Groups



Growth In Both Previous Users / Less Experienced

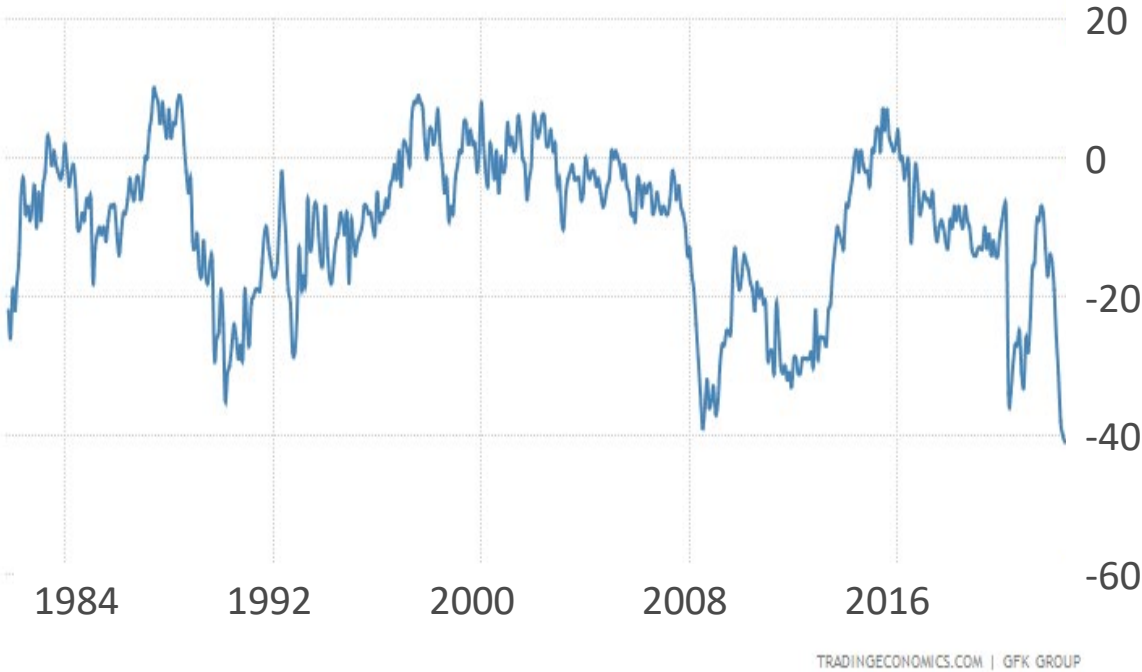


Spire target market in current catchment who would consider private healthcare has grown from **5m** to **9m**

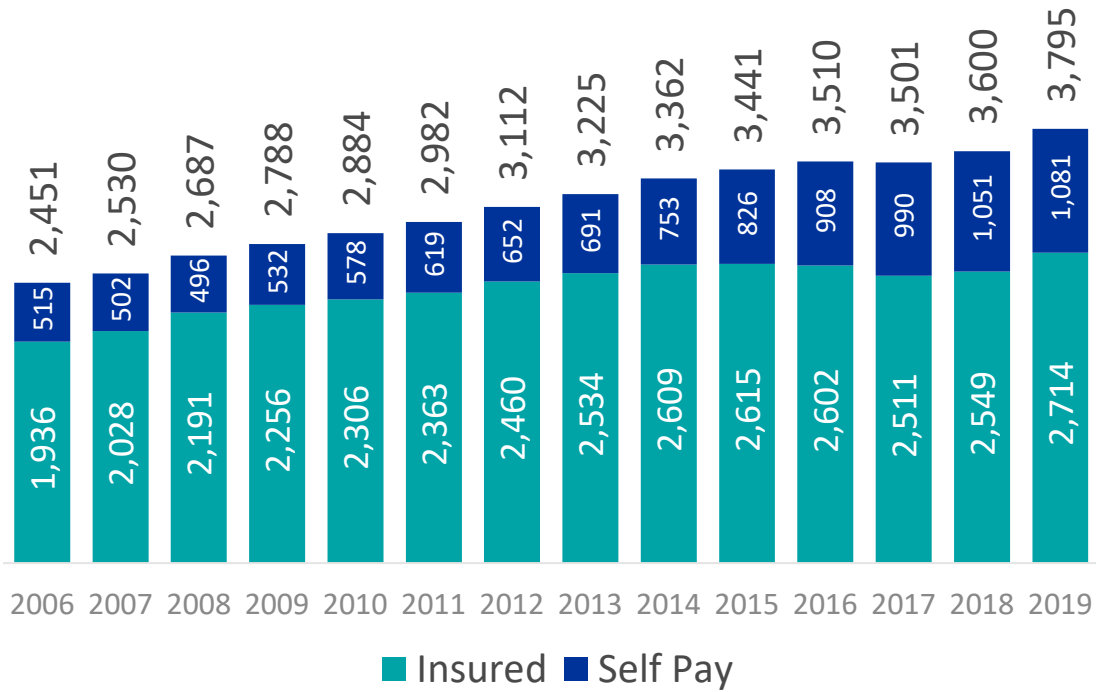
Source: Spire Healthcare proprietary research

Spending by Spire's target customer base historically somewhat insulated from downturns in consumer confidence

GfK Consumer Confidence Index 2006 - 2022

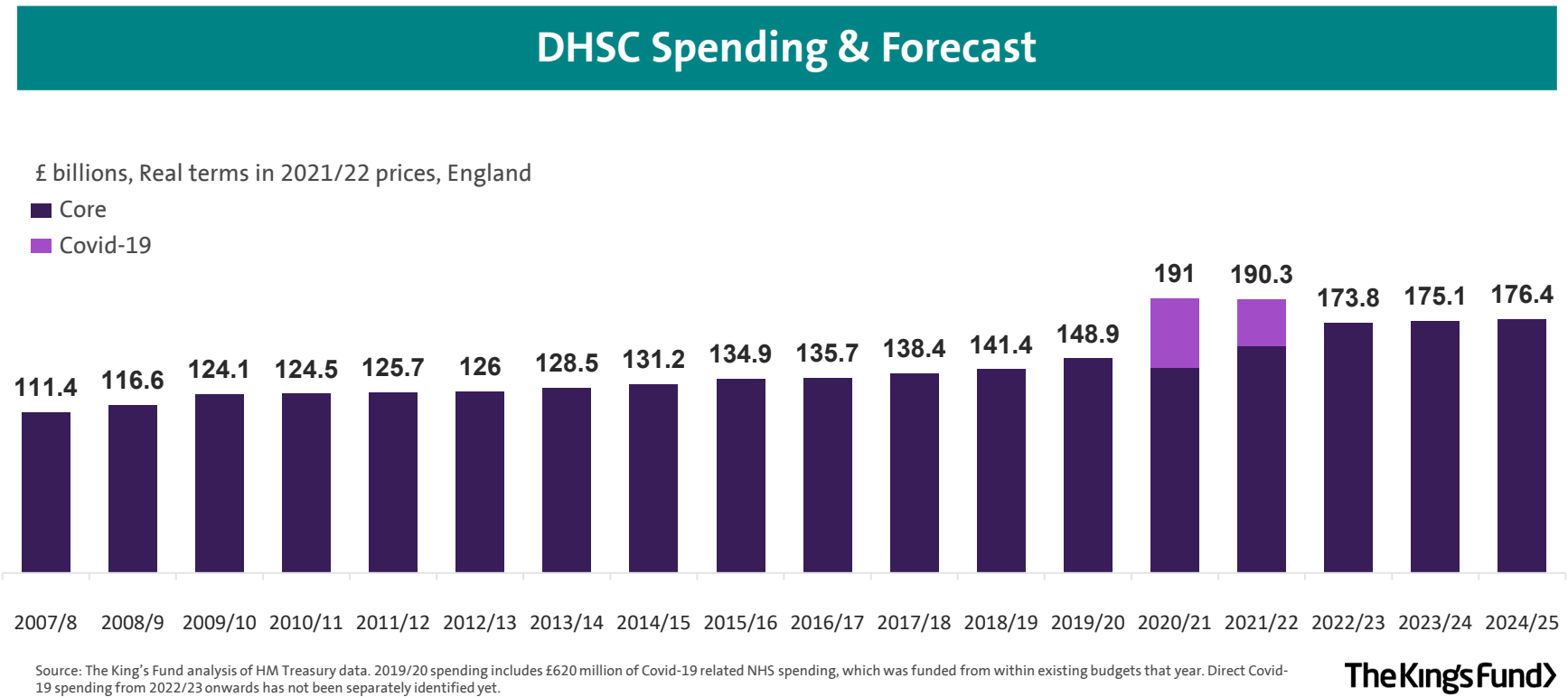


Acute Services Spend In Private Hospitals



Sources: LaingBuisson and GfK

DHSC spending forecast to flatten



- £9.7bn spent in 2019/20 by NHS on services delivered by Independent Sector Providers
- NHSE spending expected to remain flat in real terms

NHS commissioning opportunities still remain

“The independent sector wasn’t simply an add on [during the pandemic], it was an integrated part of a single team, offering greater capacity and flexibility, when it was most needed.

The independent sector is pivotal to my plans for healthcare in this country. You’ve helped us to keep this country going and the NHS going as we faced the greatest public health challenge we’ve seen in a generation.”

Rt Hon Sajid Javid MP
Secretary of State for Health and Social Care

“As the last Labour Government showed, using the private sector to bring down NHS waiting lists is effective and is popular with patients.

No doubt the government will turn to the private sector, no doubt the next Labour government may have to use private sector capacity to bring down NHS waiting lists, and I won't shirk that for a minute to get people better health outcomes.”

Wes Streeting MP
Shadow Secretary of State for Health and Social Care

- Cross-party political support remains
- Downside risk of commissioning expected to be low
- No short-term signs of a co-ordinated programme to use the IS

Growth drivers in the UK Healthcare market

Powerful Growth Dynamics

Robust demand in
UK Healthcare

Unique opportunity in out-of-hospital
care and digital health

Strong need for private primary care services

A shortage of GPs has left some areas of England having to cope with half the number of doctors than other areas, an analysis for the BBC has found.
BBC, May 2022

The areas with the fewest GPs
Number of GPs per 100,000 patients in Clinical Commissioning Groups across England

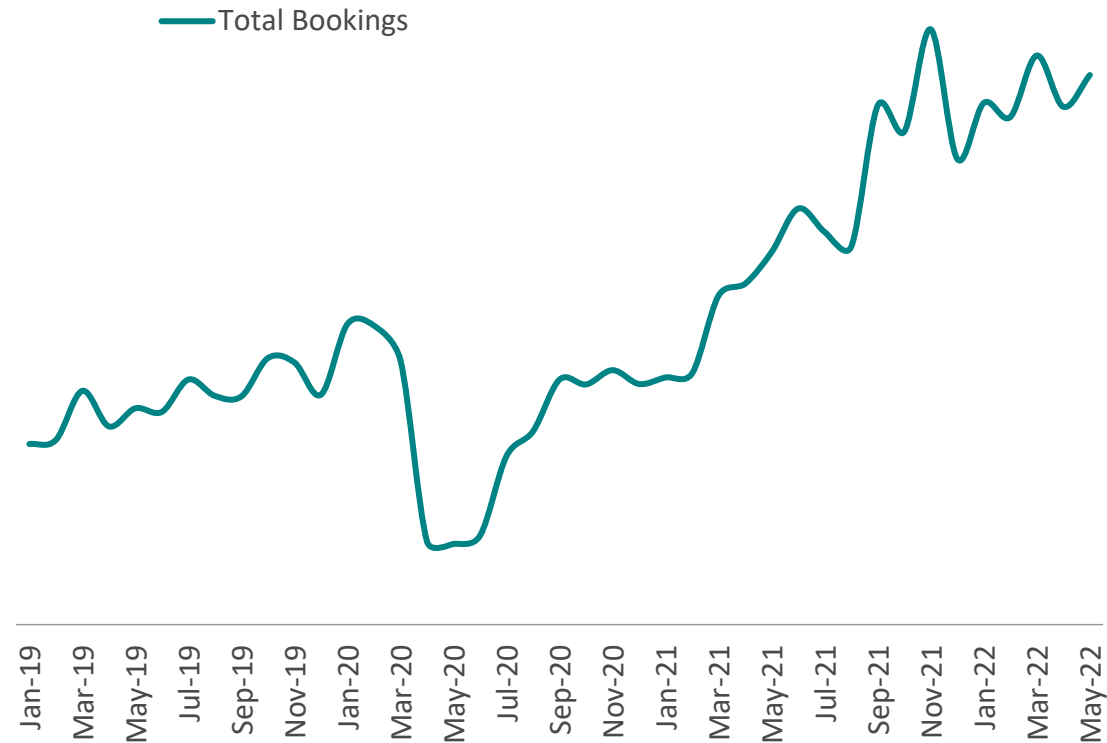
GPs per 100,000:
■ Under 50
■ 50 - 54
■ 55 - 59
■ 60 - 64
■ 65 - 69
■ 70 and over

Portsmouth: 39.5
Bristol: 46.0
Thurrock: 40.3
Kent & Medway: 45.2
Brighton & Hove: 44.0

Huge rise in patients turning to private GPs
The Times, May 2022

Poll Watch
Around 7% of British adults have used a private GP service, either online or in person in the last 2 years; just under half of that group have never used such a service before.
YouGov/The Times

Spire GP Bookings 2019 – 2022



Source: Spire BI

Digital is transforming healthcare for patients and clinicians

New Services Complementary To Existing Spire Services

Wellness and Prevention

- Healthcare / wellness online tools and communities
- Healthy lifestyle digital content

Triage and Screening

- Virtual triage
- eBooking services
- AI-driven symptom checkers and diagnostic apps

Diagnosis and Treatment

- Digital GP
- ePrescribing
- Direct to consumer testing
- AI-driven diagnosis

Disease Management

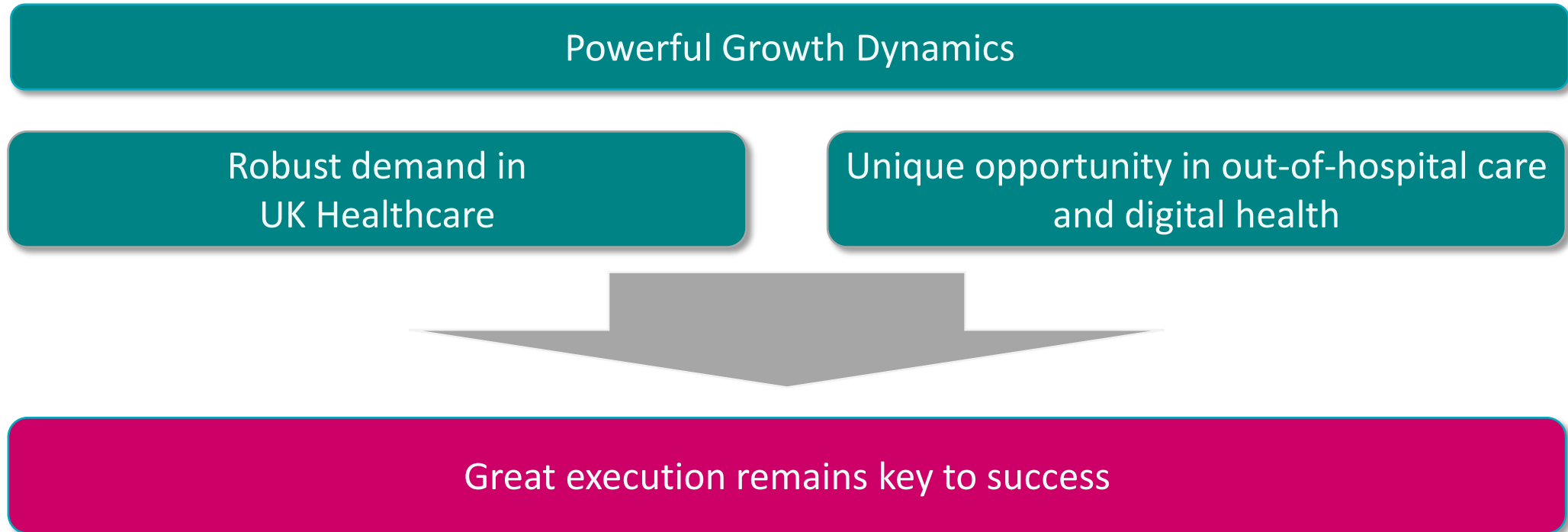
- Chronic Disease Management
- Long-term patient engagement

Remote Monitoring

- Remote monitoring of health indicators
- Digital care at home
- Patient adherence monitoring

Source: L.E.K. Digital Health: What Next? January 2022 and Spire Healthcare Innovation Group

Growth drivers in the UK Healthcare market





Spire Healthcare

Drive Hospital Performance

Peter Corfield, Chief Commercial Officer

John Forrest, Chief Operating Officer

Looking after you.

Spire runs great hospitals



Drive Hospital Performance

Continue growth in our existing hospital estate with increasing margins



Private First



Selective NHS Business



Grow Capacity and Utilisation



Supporting Consultants



Reducing Operating Costs



Consistent Operational Execution

Self Pay remains key growth opportunity for Spire



Strong platform



Revenue

- 2018-2021 CAGR of 19%
- £292m revenue; high ARPC £3,727
- 29% of 2021 revenue (Q2-Q4)



Demand and sales

- National TV, radio and digital marketing
- Hospital Management System (HMS) enabled central support call centre
- Health finance in place



Pricing

- New Self Pay pricing engine



Easy to do business with

- Direct Patient Booking Portal
- Online bill payment



Great potential

- Continued momentum expected
- Aim to maintain c.30% mix

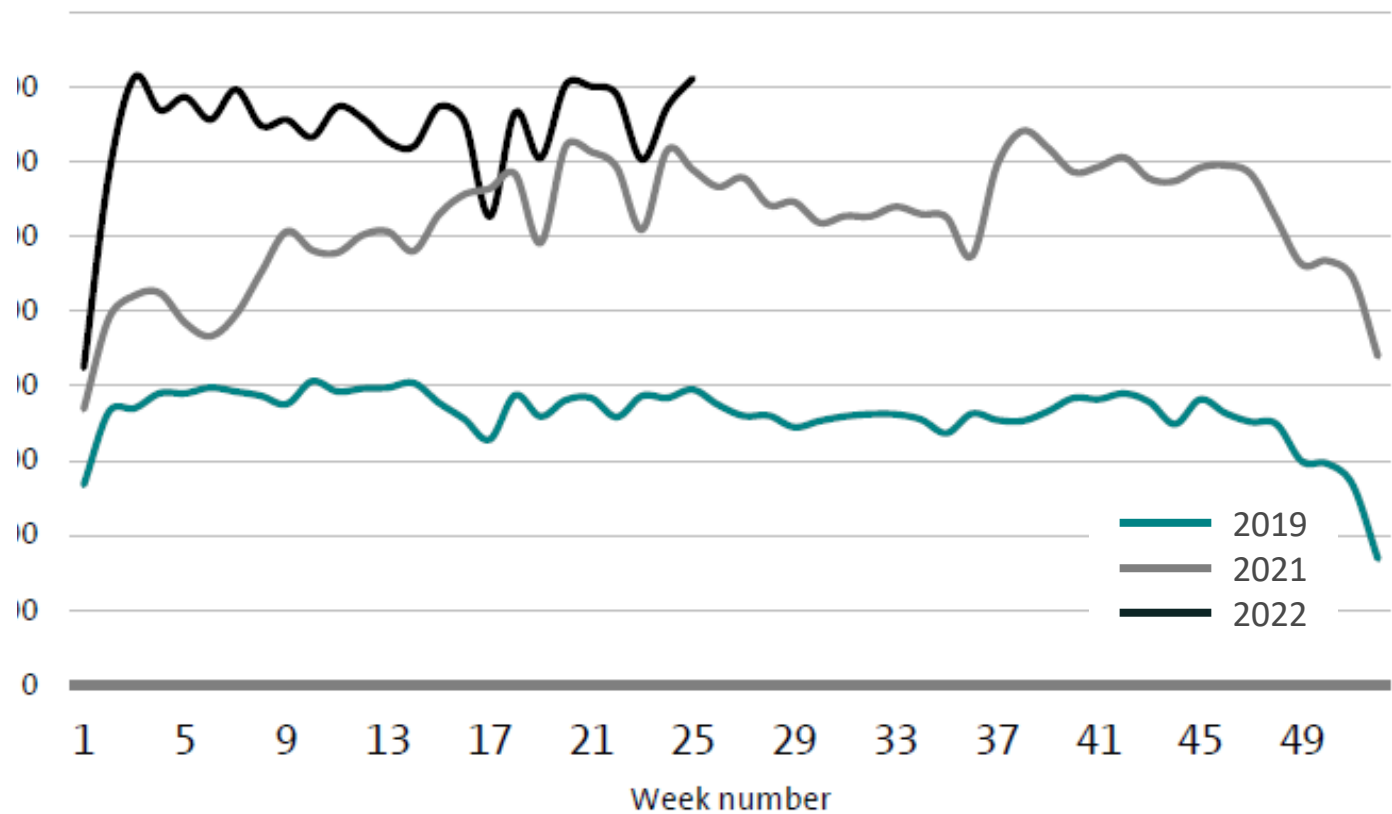
- Waiting lists predicted to remain at record levels
- Target market more insulated from economic environment
- Multiple opportunities to strengthen demand generation and sales process

- Strong pricing capability
- Accessible purchase for target market

- Strengthen direct booking channels, increase self service, while maintaining telephone support
- Enhance patient information

Self Pay enquiries continuing to grow

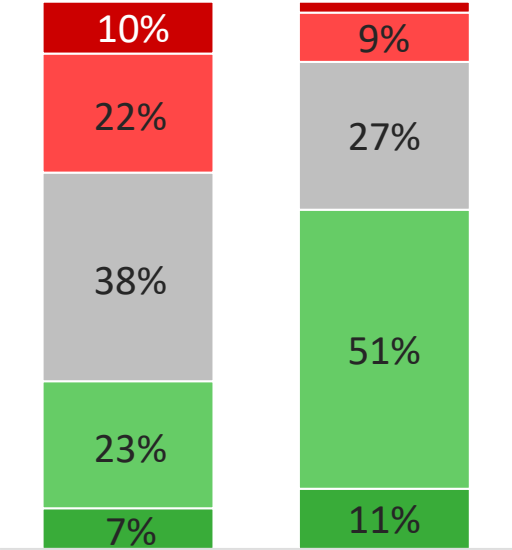
Webform Enquiries 2022 vs 2021 and 2019



Spire target audience remain more resilient than broader UK population

How people felt about their current financial situation

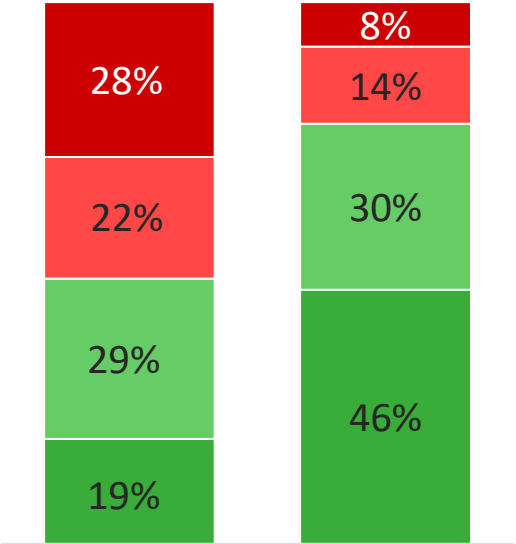
- Finding it very difficult on present income
- Finding it difficult on present income
- Coping on present income
- Comfortable on present income
- Very comfortable on present income



UK Adults Target Audience

How easily they could find £5k for medical treatment if they needed to

- It would be impossible
- It would be very difficult
- It would be a little difficult, but possible
- This wouldn't be a problem

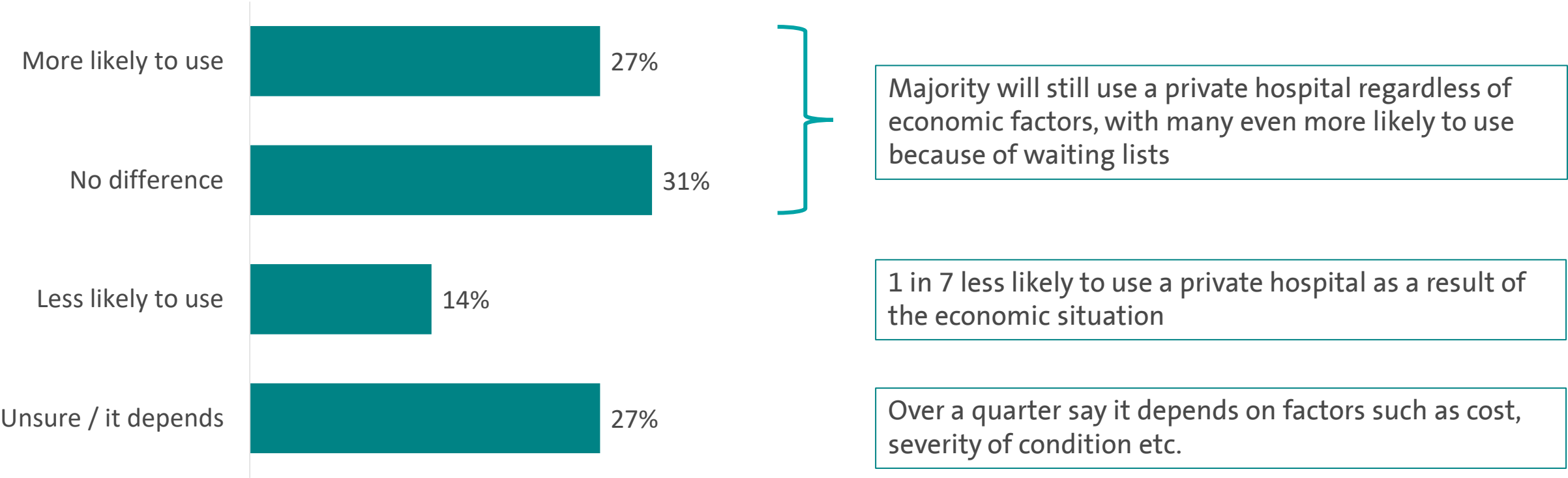


UK Adults Target Audience

Source: Omnibus Survey June 2022 amongst 1,021 adults representative of the UK population; 206 adults qualifying as Spire target audience
Spire target audience: 35+, £50k+ household income OR retired and living comfortably

Majority of Spire target audience will still use a private hospital, with only 14% less likely given current economic climate

Based on current levels of NHS waiting lists and current/expected future household finances, which of the following best described their view of their likelihood to use a private hospital in the next 12 months

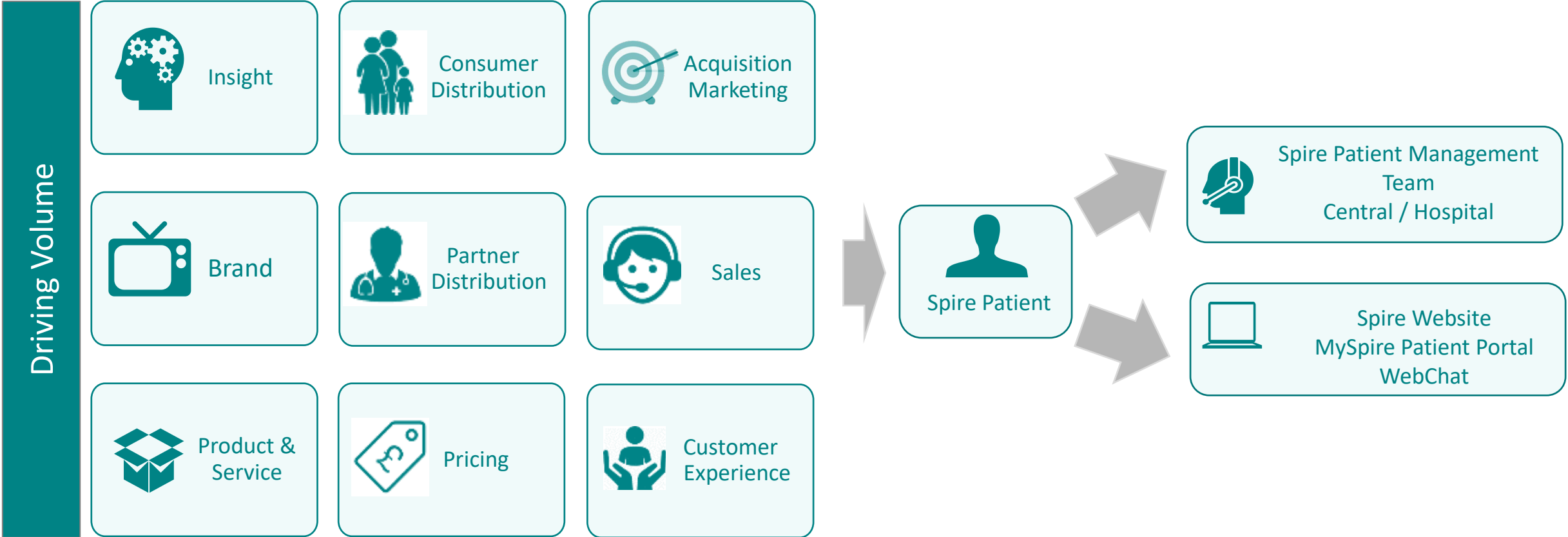


Source: Omnibus Survey June 2022 amongst 1,021 adults representative of the UK population; 77 adults qualifying as Spire target audience with a healthcare need

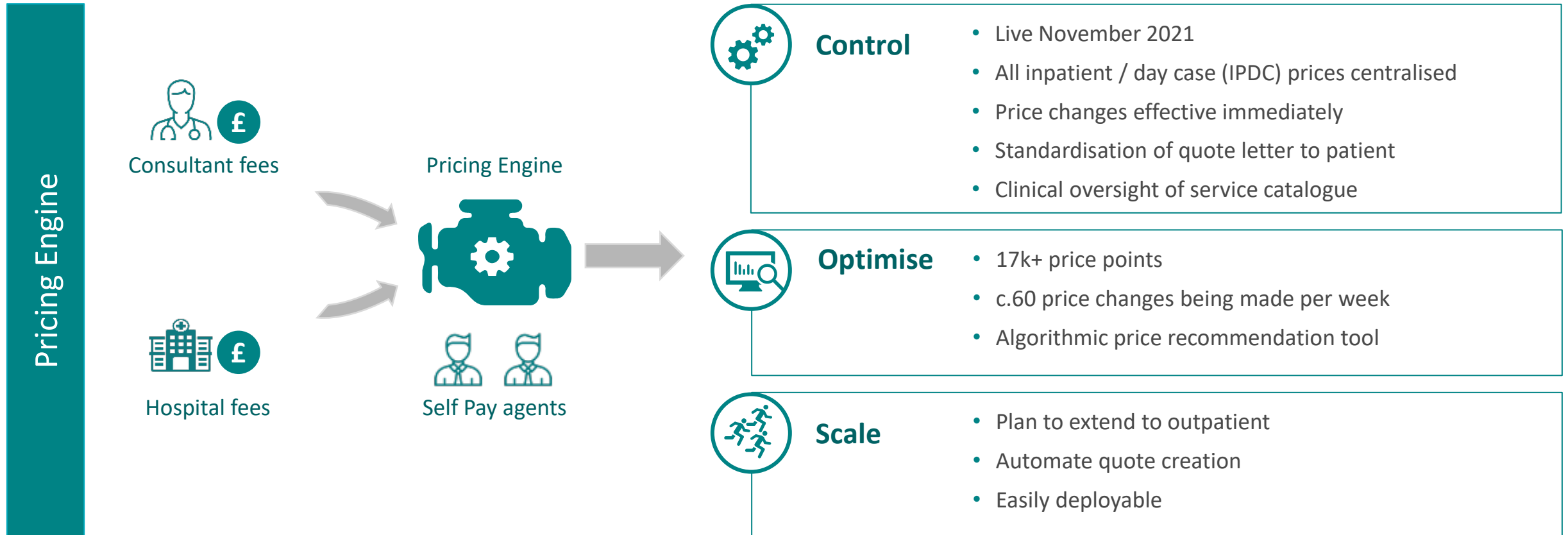
Self Pay mix driven in favour of core medical treatments

Self Pay Revenue Mix	2018	2019	April '21 – Mar '22
Cosmetic / Plastic Surgery	15%	14%	8%
Orthopaedic Surgery	32%	33%	43%

Unique Self Pay capabilities – driving volume



Unique Self Pay capabilities – pricing



PMI positive outlook



Strong platform



Revenue

- 2018-2021 CAGR of 1%
- £474m revenue / ARPC £2,696
- 45% of 2021 revenue (Q2-Q4)



Contracts & management

- Strong relationships and long-term contracts
- Transparent clinical performance



Pricing

- Contracts which help manage inflation
- Disciplined approach to tenders



Easy to do business with

- B2B Direct Booking Portal
- Central PMI call centre capability



Great potential

- Market recovered to pre-pandemic levels in 2022
- Growth expected; increasing number of lives covered and demand for PMI

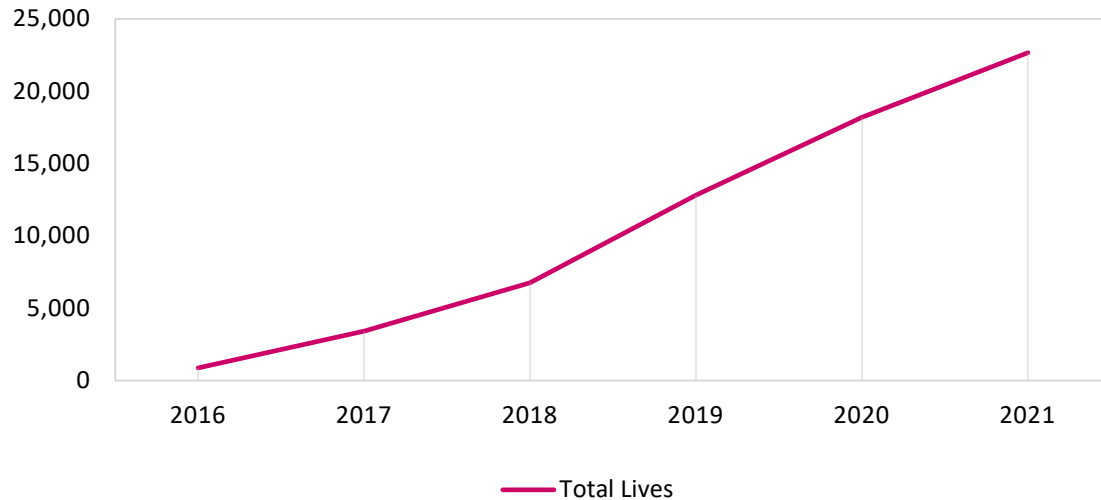
- Cancer and musculoskeletal centres of excellence
- Grow high acuity capability
- Accelerate growth of InSpire with AXA

- Inflation mechanics and discipline
- Incentivise organic and directed growth

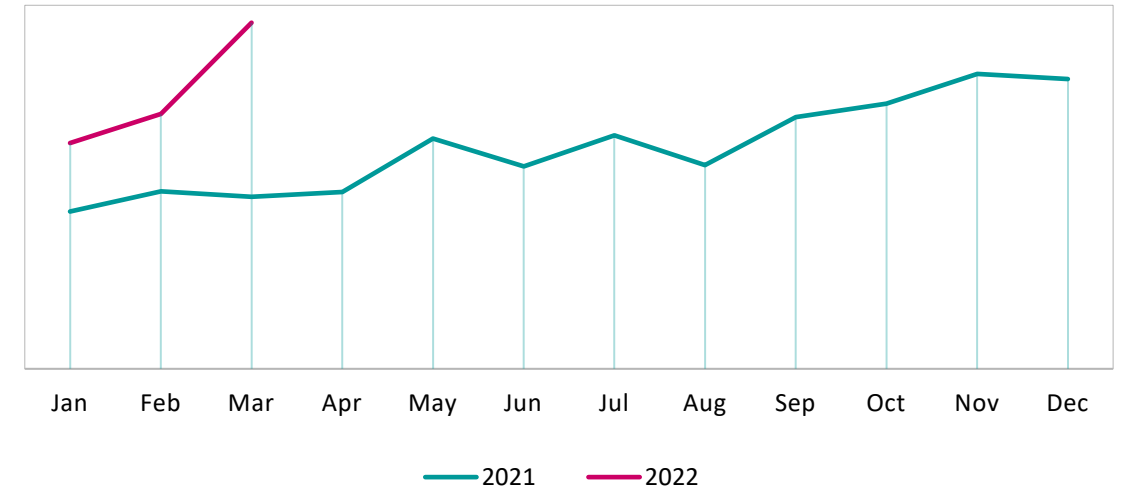
- Direct PMI patient booking channels
- Pre-authorisation and billing
- Further integration of platforms

PMI positive outlook - InSpire/AXA partnership

Total Policies and Total Lives Insured



Revenue 2021 vs 2022



- Growing demand for individual PMI
- Lead generation through promotion to Spire patients and traditional digital marketing
- Opportunity to deepen partnership including unique proposition development

NHS focused participation, open to increased commissioning



Strong platform



Revenue

- 2018-2021 CAGR of 1%
- £314.5m revenue; ARPC £2,845
- 23% of 2021 revenue (Q2-Q4)



Contracts & management

- Good relationships with commissioners
- Strong reputation: spearheaded IS COVID response



Pricing

- Tariff set by NHS
- Some local pricing arrangements



Discipline

- Defined activity plans in each locality
- Priority remains orthopaedics
- Option to not commission if not commercially viable



Great potential

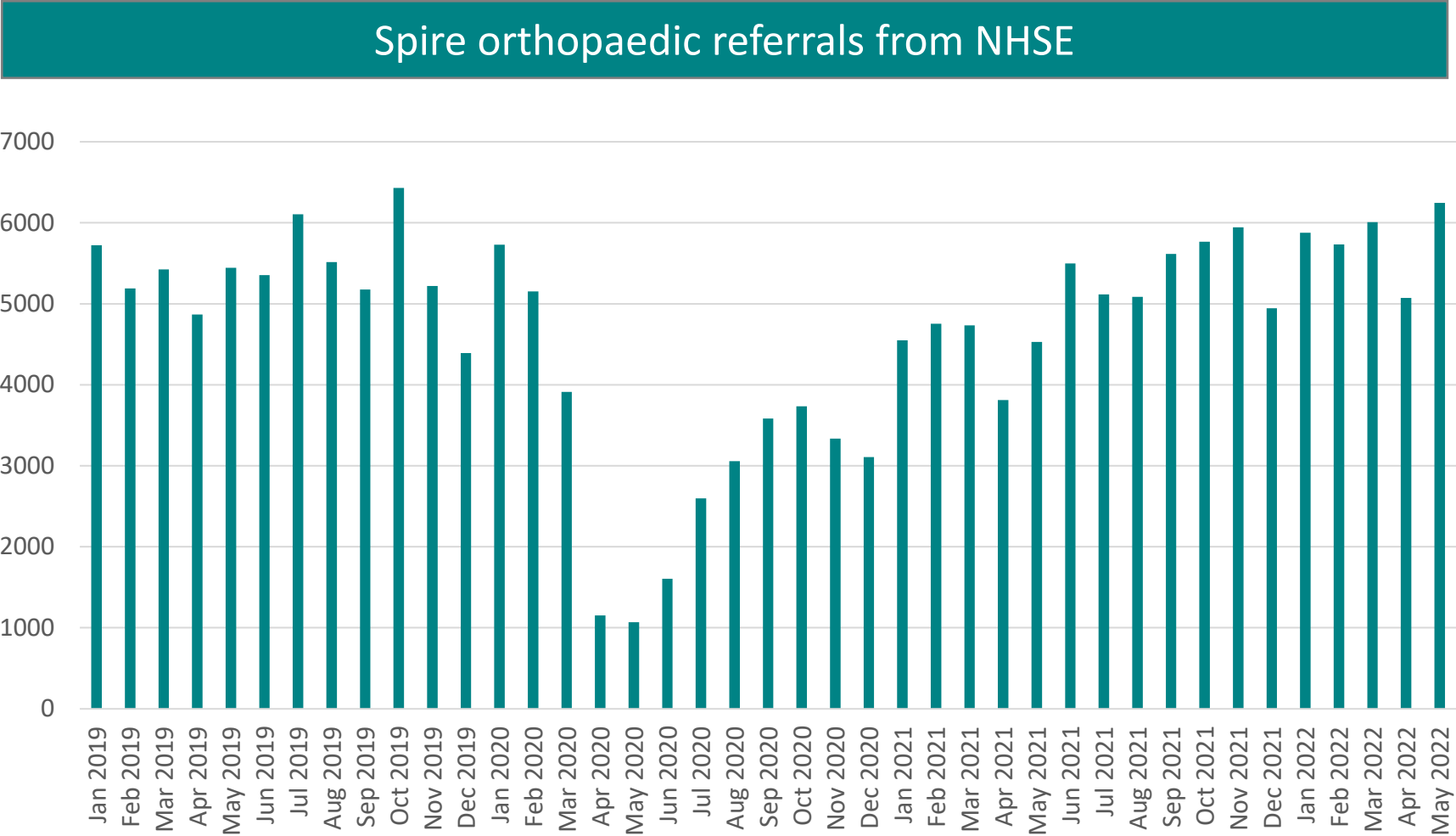
- Growing referrals via eRS; open to increased commissioning from NHS
- Spire to remain focused on core specialties

- Grow capacity in our core services, not market share
- Focus on eRS commissioning channels
- Opportunity to work on higher acuity, e.g. cancer

- Pricing achieved by focus on higher ARPC tariff
- Tariff likely to include some pay related uplift short term

- Maintain commercial discipline to avoid dilution
- Volume / activity variation by location

NHS Orthopaedic referrals returned to pre-pandemic levels



Spire runs great hospitals



Drive Hospital Performance

Continue growth in our existing hospital estate with increasing margins



Private First



Selective NHS Business



Grow Capacity and Utilisation



Supporting Consultants



Reducing Operating Costs



Consistent Operational Execution

Focus on growing capacity and utilisation



Growing Capacity



Outpatient

- Extended current OP facilities
- Returned admin space to clinical
- Virtual appointments



Ward

- Return bedrooms from admin to clinical
- Refurb to day case



Theatres

- Modular theatre capacity
- Increase number of laminar flow
- Upgrade minor ops to ambulatory care



Imaging

- Fully upgraded and digitised in next 3 years
- Faster reporting, better image quality, more modalities supporting higher acuity treatments



Increasing Utilisation



Right case

- Active management of case mix
- Optimise consultants' work plans



Right place

- Ambulatory theatre model
- Theatre scheduling
- Quality improvement on length of stay



Right people

- Skill mix in theatres
- Apprentice and international recruitment

Focus on growing capacity & utilisation - examples

1

New Modular Theatre - Norwich

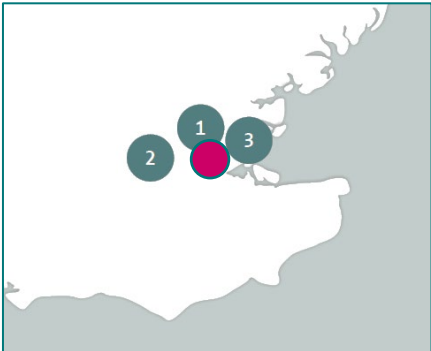


- Vanguard laminar flow theatre
- +1.5k day admissions, +14% on pre COVID
- Main theatres capacity increased by +1,300 hrs

3 Further Locations Identified

2

Hub Admin Centres - Essex

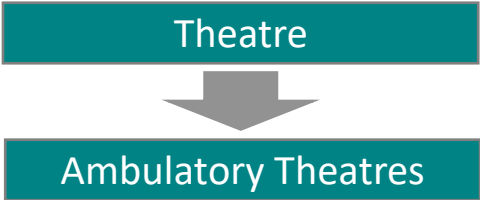


- 3 hospital admin services in one offsite Hub location
- Release space to clinical services
- Leverage teams to provide longer service hours and lower costs

National Rollout

3

Theatre Setting – Little Aston



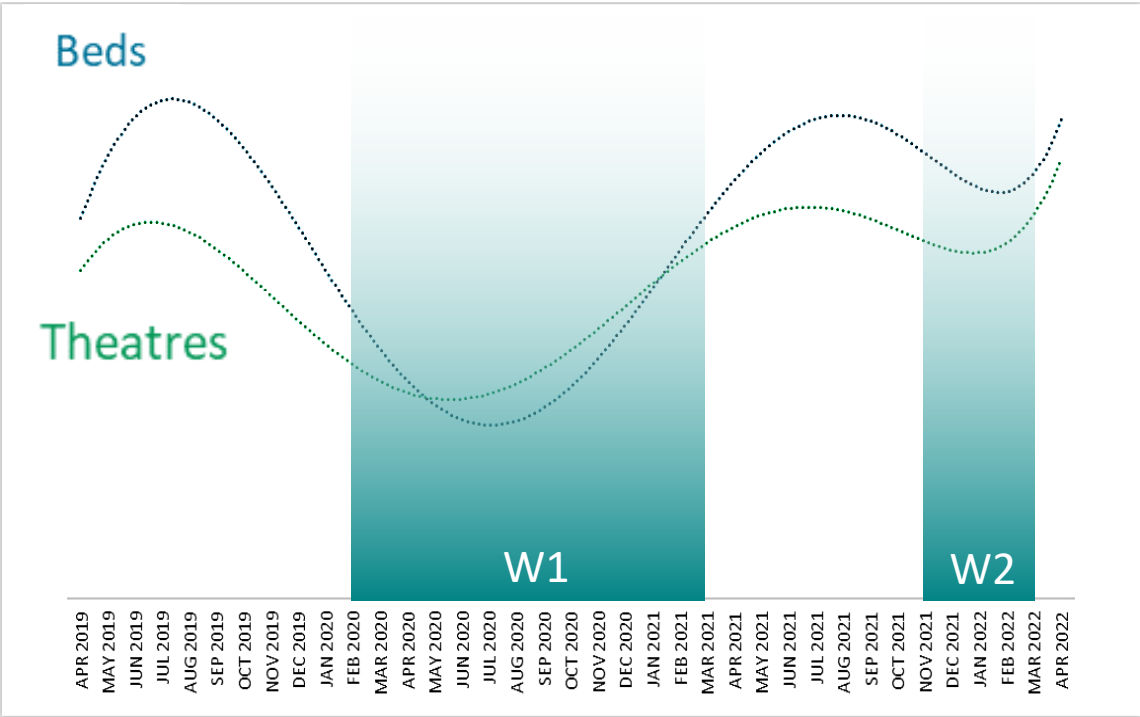
- 80% of minor interventions from theatres to an outpatient
- Injections service activity grown by +70%
- 6% increase in theatre utilisation
- 65% increase in orthopaedic joints

Opportunity to update minor ops rooms in 23 sites with 17 upgrades already in place

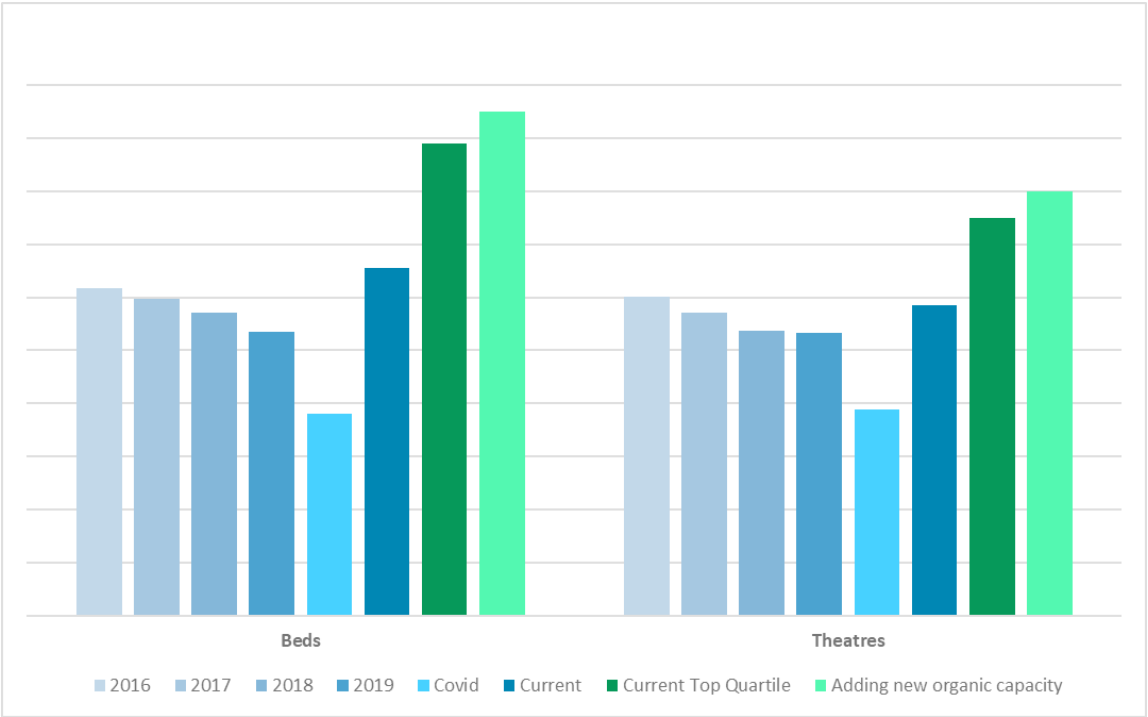
Ambulatory care now in 17 sites with opportunities identified in a further 17

Driving capacity and utilisation

Utilisation percentage back to pre-pandemic levels



Utilisation and capacity increases through best practice



Beds 1,700 / Theatres 174

Spire runs great hospitals



Drive Hospital Performance

Continue growth in our existing hospital estate with increasing margins



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Selective NHS Business



Grow Capacity and Utilisation



Supporting Consultants



Reducing Operating Costs



Consistent Operational Execution

Supporting strong consultant relationships is key to success

Consultant Feedback

96%

rate the ***care given to patients*** as
excellent, good or quite good

89%

rate the ***service provided to them*** as
excellent, good or quite good

Key Drivers For Consultants

Teams, Culture and **Consistency** are key
drivers in consultant satisfaction

Equipment and clinical facilities

Strong correlation between consultant,
patient and team feedback

Higher consultant earners tend to be
more satisfied

Future Initiatives

1. Focus on operational efficiency and Hub consistency
2. Great teams, well trained
3. Variety of consultant engagement models
4. Support with consultant interest areas
5. Robotics

Spire runs great hospitals



Drive Hospital Performance

Continue growth in our existing hospital estate with increasing margins



Private First



Selective NHS Business



Grow Capacity and Utilisation



Supporting Consultants



Reducing Operating Costs



Consistent Operational Execution

Reducing operating costs



Strong platform

£15m Savings Delivered Across 2022



Workforce

- Establishment model
- Daily activity and acuity model
- Leverage Bank resource



Process
Digitisation

- Built core hospital management system
- Electronic Pre-Operative Assessment (ePOA)



Supply Chain

- Sophisticated procurement platform
- Standardisation
- In-house distribution



Great potential






















































> £15m Additional Savings

- Skills development and mix
- Hospital blueprints
- Further process digitisation

- Multiple digitisation opportunities

- E-Procurement auctions
- Continue to leverage scale

Significant margin opportunities through digitisation

	<div><div></div><div>Strong platform</div></div>					<div><div></div><div>Great potential</div></div>			
	<div> Standardise</div>	<div> Remove paper</div>	<div> Remove duplication</div>	<div> Automate</div>		<div> Standardise</div>	<div> Remove paper</div>	<div> Remove duplication</div>	<div> Automate</div>
Pricing Engine					Inpatient bookings				
Reception check-in					Outpatient bookings				
ePOA					Imaging / Physio				
Ordercomms					Purchase to Pay				
Payroll					Digital histology				
Auto patient comms					Medical records				

Spire runs great hospitals



Drive Hospital Performance

Continue growth in our existing hospital estate with increasing margins



Private First



Selective NHS Business



Grow Capacity and Utilisation



Supporting Consultants



Reducing Operating Costs



Consistent Operational Execution

Leverage Hubs to achieve consistent operational execution



Strong platform



Hub

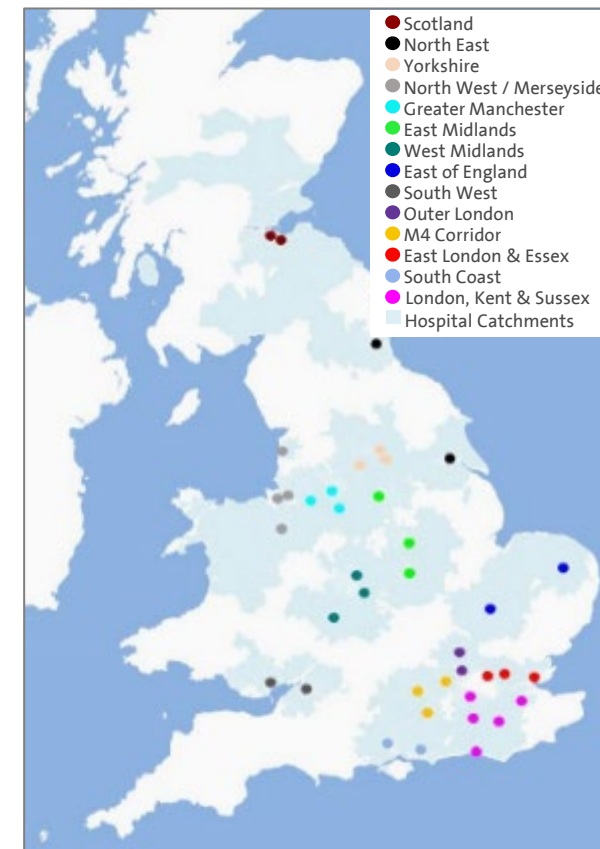
- Hubs launched November 2021
- Business development
- Some HR, training and admin already in place



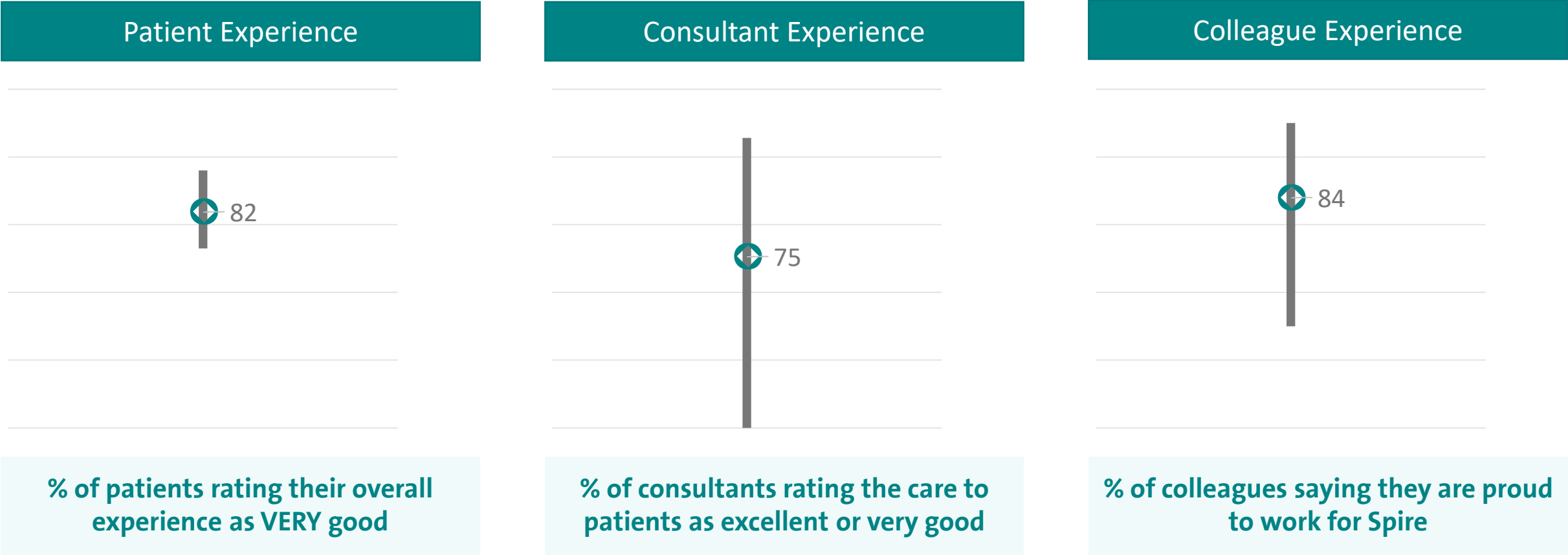
Great potential

- Significant opportunity for further overhead streamlining
- Consistent Hub ways of working
- Enabled by digitisation
- Focus services by hospital

Spire Hubs



Hubs will drive consistent performance

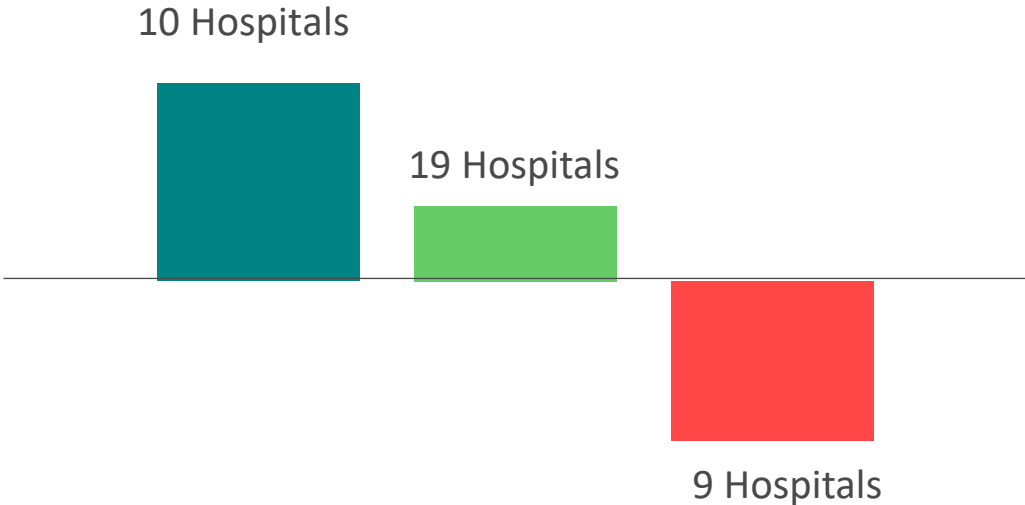
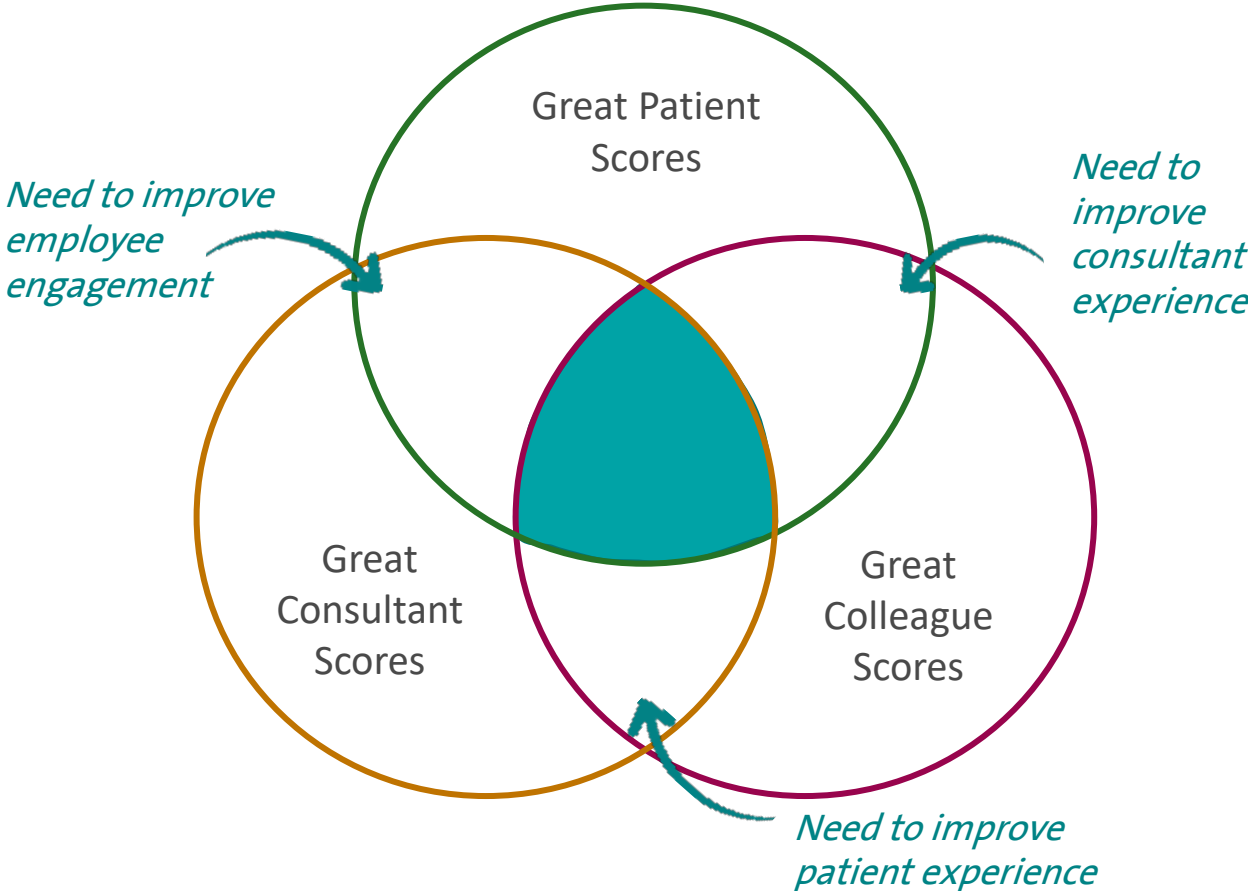


Source: Patient Discharge survey, 2021 (n=44,560); Consultant survey 2021 (n=2,592); Colleague Engagement survey April 2021 (n=9,076)

Consistent performance drives improved returns

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

... delivers commercial benefits



Notes: Hospital Operating Profit. Edinburgh and Shawfair combined as one hospital. Excludes Claremont
Source: Patient Discharge Survey, Employee Engagement Survey, Consultant Survey (2021)

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Break

Looking after you.



Spire Healthcare

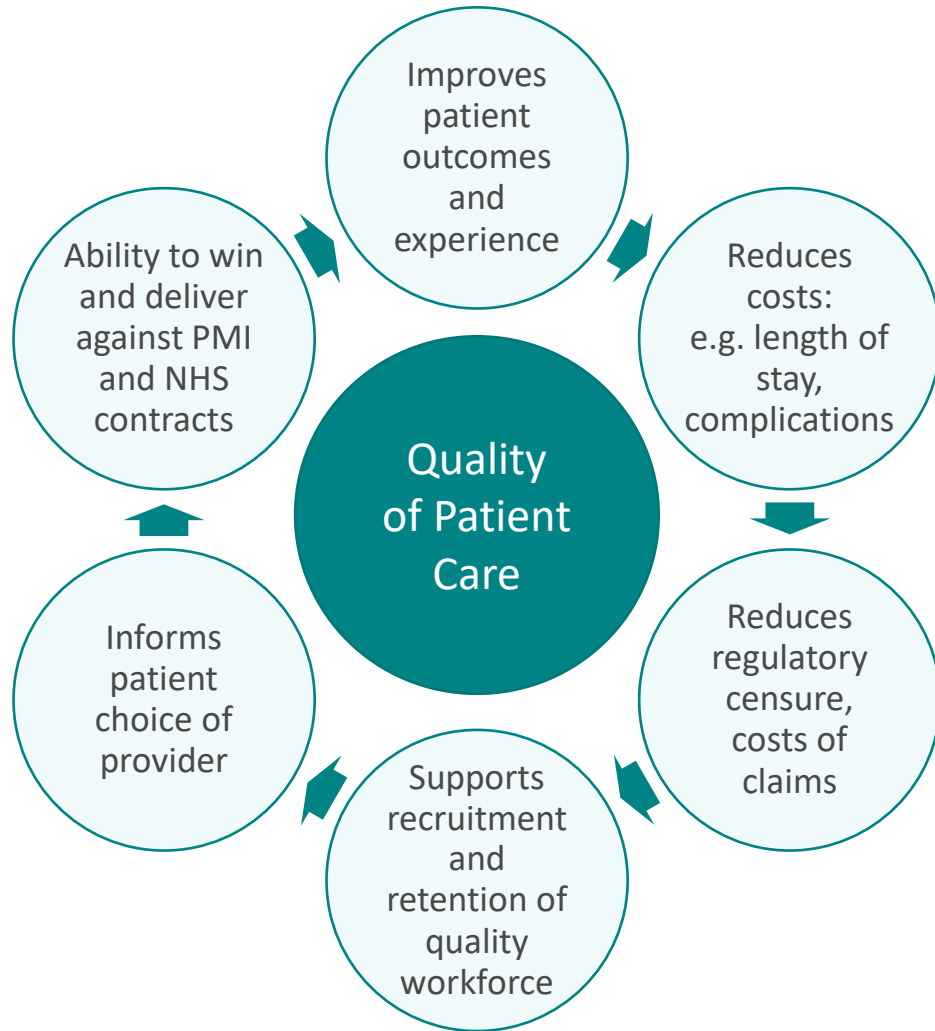
**Maintain an uncompromising
focus on quality**

Dr. Cathy Cale

Group Medical Director

Looking after you.

Quality of patient care underpinned by Quality Improvement is fundamental to our growth



"Quality Improvement has been shown to deliver better patient outcomes, and improved operational, organisational and financial performance when led effectively, embedded through an organisation and supported by systems and training"

CQC: Quality Improvement in Hospital Trusts, 2018

Maintain an uncompromising focus on quality



Build on Quality

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



Strong Governance Structures



Consistent management of professional standards



Effective use of data for improvement and assurance



Emphasis on Learning and Quality Improvement



Solid Internal Assurance Processes



Focus on Patients' Experience of Care

External assurance of Quality of Care: Regulators

Sector Leading CQC Scores

Provider	As at 31/12/2016				Current (as at 31/05/2022)			
	No. Ratings	Overall rating	Safe	Well led	No. Ratings	Overall rating	Safe	Well led
Spire Healthcare	16	69%	63%	69%	37	95%	92%	95%
Circle Health	24	46%	33%	54%	45	76%	67%	76%
Nuffield	16	88%	69%	81%	29	93%	86%	90%
Ramsay Healthcare	9	67%	56%	56%	29	93%	59%	83%
HCA	1	100%	100%	100%	7	100%	100%	100%
Other	7	71%	71%	57%	20	95%	90%	85%
All Independent	75	67%	56%	64%	167	89%	78%	86%
Sector excl. Spire	59	66%	54%	63%	130	88%	75%	83%
NHS	255	39%	29%	45%	309	60%	47%	64%

Percentage of sites rated good or outstanding by CQC/HIS/HIW domain

External assurance of Quality of Care: Patients and Colleagues

96%

Spire patients rated their experience as **Good** or **Very Good** in 2021
(n=44,560)






81%

Spire Healthcare
NPS Score
in 2021
(n=36,562)

87%

Spire Colleagues
happy to recommend
to friends and family
for treatment
(n= 9,076)

Our strong quality culture will continue to underpin all our services

	<div> Spire Hospital</div> <div> Spire Clinic</div> <div> Spire Diagnostics</div> <div> Spire at Home</div> <div> Spire Digital Health</div>
Safe	Sector Leading Regulatory Scores
Experience	Excellence in Patient Experience
	Responsive and Timely Care
	Care When and Where I Choose
Outcomes	Rapid Diagnosis
	Benchmarked, Excellent Outcomes



Spire Healthcare

Investing in our talented workforce

Dr. Cathy Cale

Group Medical Director

Looking after you.

Recruit, retain and develop a great workforce



Invest In Our Workforce

Recruit, retain and develop a great workforce



Recruit



Retain



Develop

Workforce challenges are growing in the UK Healthcare sector

Chronic under-supply of
nurses and other clinical
professionals in the UK

Healthcare recruitment
further impacted by
COVID and Brexit

Challenge impacting both high
and low-skilled jobs

Recruit, retain and develop a great workforce



Strong platform



Recruit

- In-house resourcing team
- 428 international nurses since 2019
- < 5% operational gaps
- National Real Living Wage employer



Retain

- Post-pandemic turnover remains below 2019
- 84% colleague engagement
- >25% of colleagues are SAYE shareholders
- Let's Talk Networks (e.g. LGBTQ+, race equality)



Develop

- Best employer for development (Nursing Times)
- 5% workforce apprentices, including 200 nurses
- Future Hospital Directors programme
- Ward-to-Board Diversity & Inclusion training



Great potential

- Connecting our people and communities
- Expand ethical international recruitment
- Digitalise Bank shift management
- Competitive reward framework

- Continue to focus on improving retention
- Optimise Freedom To Speak Up Guardian infrastructure
- Strengthen colleague engagement
- Well-being and mental health support

- 50 additional nurse apprenticeships per year
- Multi-skilled adaptable workforce
- Female leaders development programme
- Digital learning solution to drive efficiency



Spire Healthcare

Our approach to sustainability

Justin Ash

Chief Executive Officer

Looking after you.

Our sustainability framework



Champion Sustainability

Become recognised as an ESG leader in our industry



Engage Our People and Communities

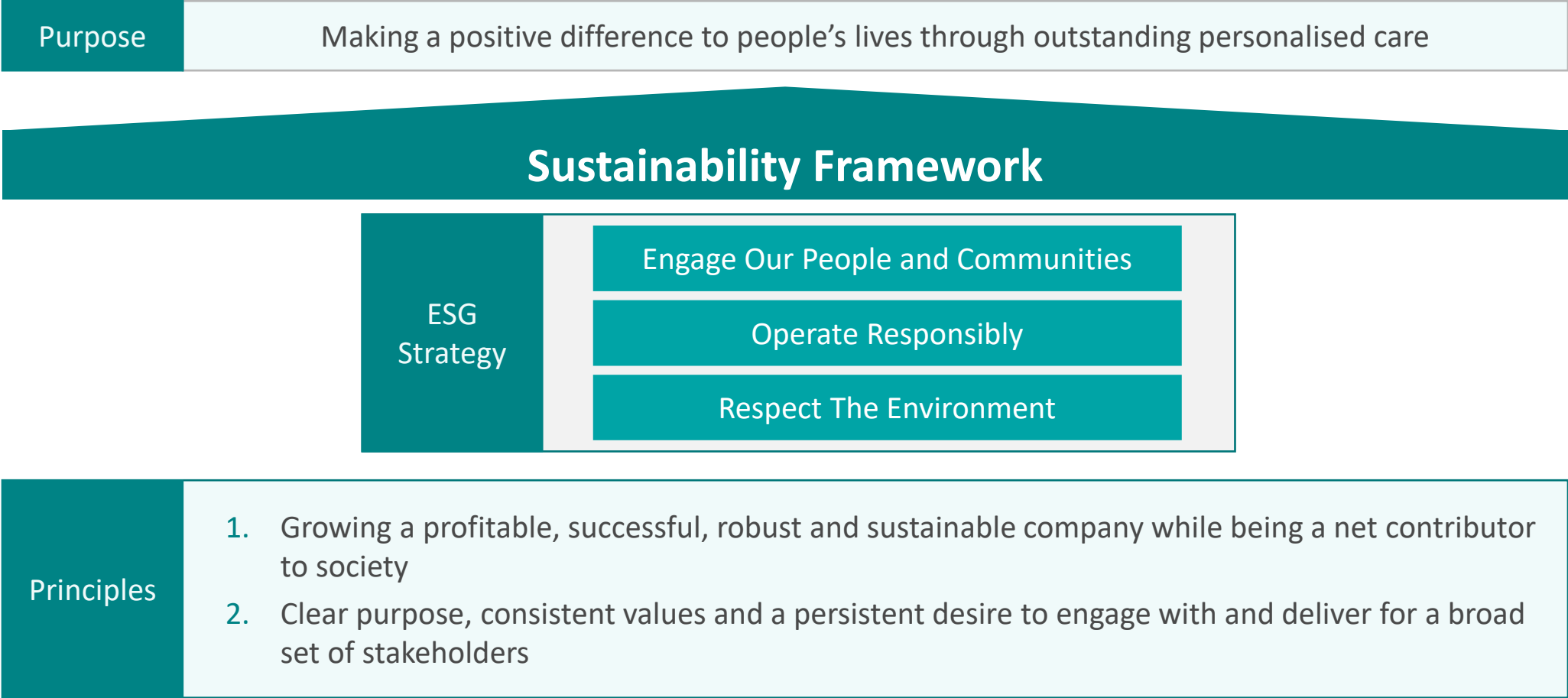


Operate Responsibly



Respect The Environment

Our approach to sustainability



Delivering our purpose as a sustainable business



Strong platform


Engage our
People and
Communities

- Learning and Development strategy
- Apprenticeship programmes
- FT Diversity Index top 850 company
- Gender pay gap lower than average and reducing


Operate
Responsibly

- 95% Good / Outstanding CQC scores
- Ward-to-Board governance
- Patient Notification Exercise SOP


Respect the
Environment

- Steering Group driving our environmental agenda
- First in sector to declare commitment to be carbon neutral by 2030
- Waste strategy in place



Great potential

- Net contributor to the UK's healthcare workforce
- >40% female membership of Board and Executive Committee by 2025
- Further reduce gender pay gap
- Ethnic diversity of Spire's leadership

- Maintain Good / Outstanding CQC scores
- Maintain strong information governance and data security
- Promote an open and learning culture

- Invest in net carbon reduction
- Review of climate risk across operations and water-saving opportunities
- Reduce single use plastics

Spire's Charity Challenge - supporting British Red Cross Ukraine Appeal





British Red Cross
Ukraine Appeal



Spire Charity
Challenge
2022

Donate to this year's Charity Challenge

here



As part of this year's
Spire Charity Challenge
we will be raising vital
funds for the British Red
Cross's Ukraine Appeal.

To make a donation
scan the QR code on
the right or visit:

[www.justgiving.com/fundraising/
spirecharitychallenge2022](http://www.justgiving.com/fundraising/spirecharitychallenge2022)

Today's agenda

20 mins	Welcome & Overview Justin Ash
15 mins	Key Opportunities In The UK Healthcare Market Peter Corfield
30 mins	Drive Hospital Performance Peter Corfield & John Forrest
15 mins	Break
5 mins	Maintain An Uncompromising Focus On Quality Dr. Cathy Cale
5 mins	Investing In Our Talented Workforce Dr. Cathy Cale

5 mins	Our Approach To Sustainability Justin Ash
15 mins	Expanding Our Proposition Peter Corfield
15 mins	Financial Outlook Harbant Samra
5 mins	Summary Justin Ash
30 mins	Q&A



Spire Healthcare

Expanding Our Proposition

Peter Corfield

Chief Commercial Officer

Looking after you.

Innovative Investment



Expand Our Proposition

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



Win patients through integrated pathways



Build on Spire open system development



Expand Spire GP



Spire Clinics



Long Term Condition Management



Disciplined Approach

Spire's advantages in adjacency expansion

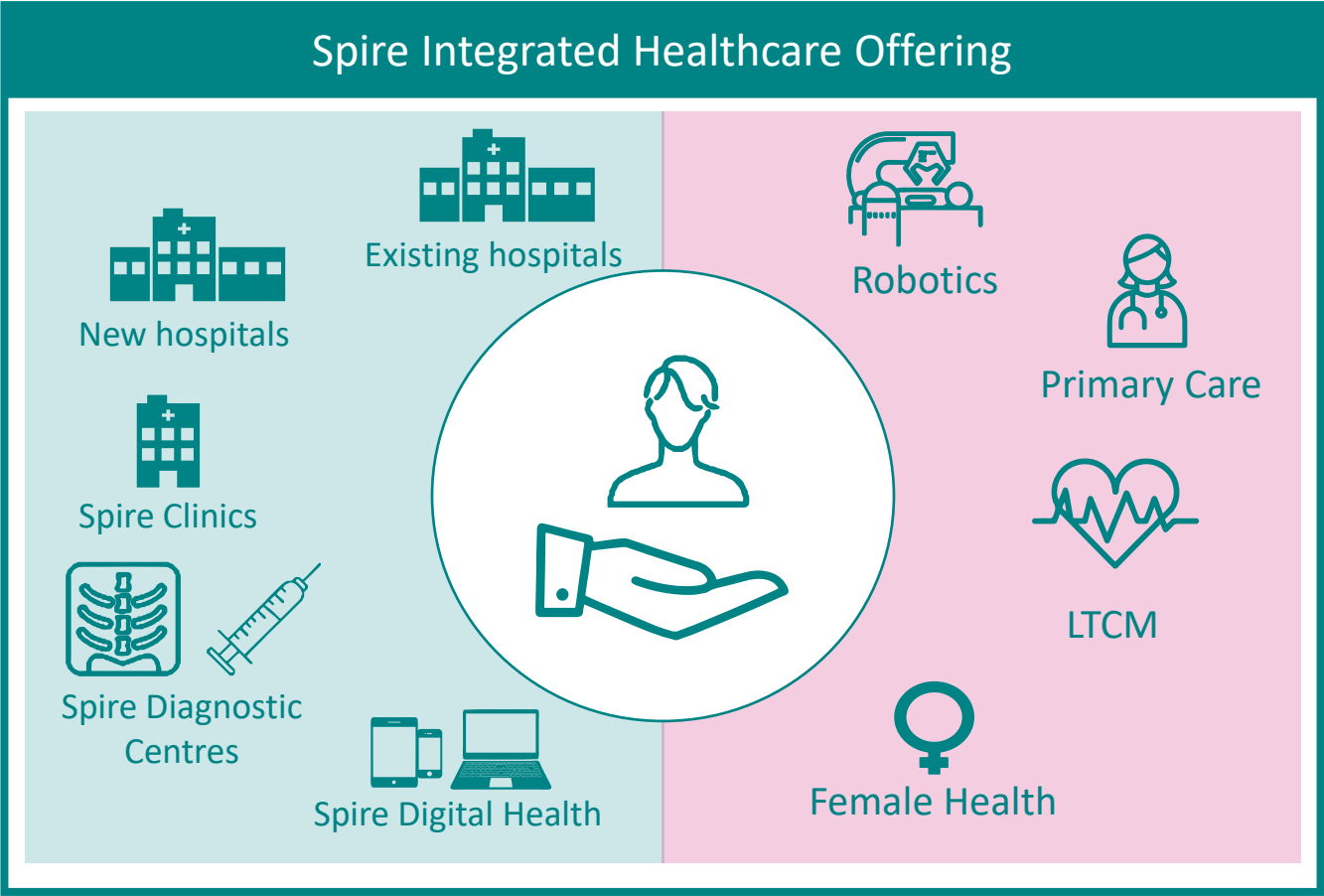
Spire is in a strong position to invest in adjacent new healthcare services ...

1. Clear healthcare and sustainability purpose
2. Leading quality position
3. Strong healthcare people proposition and knowledge
4. New services already live (e.g. Spire GP)
5. National footprint to leverage
6. Strong patient and operational synergies
7. Diagnostics backbone, including imaging and pathology
8. Proprietary IT designed for partnership and new development

Winning the patient through integrated pathways

NEW WAYS OF ACCESSING SPIRE

Closer and available physically or virtually to the patient when they need us

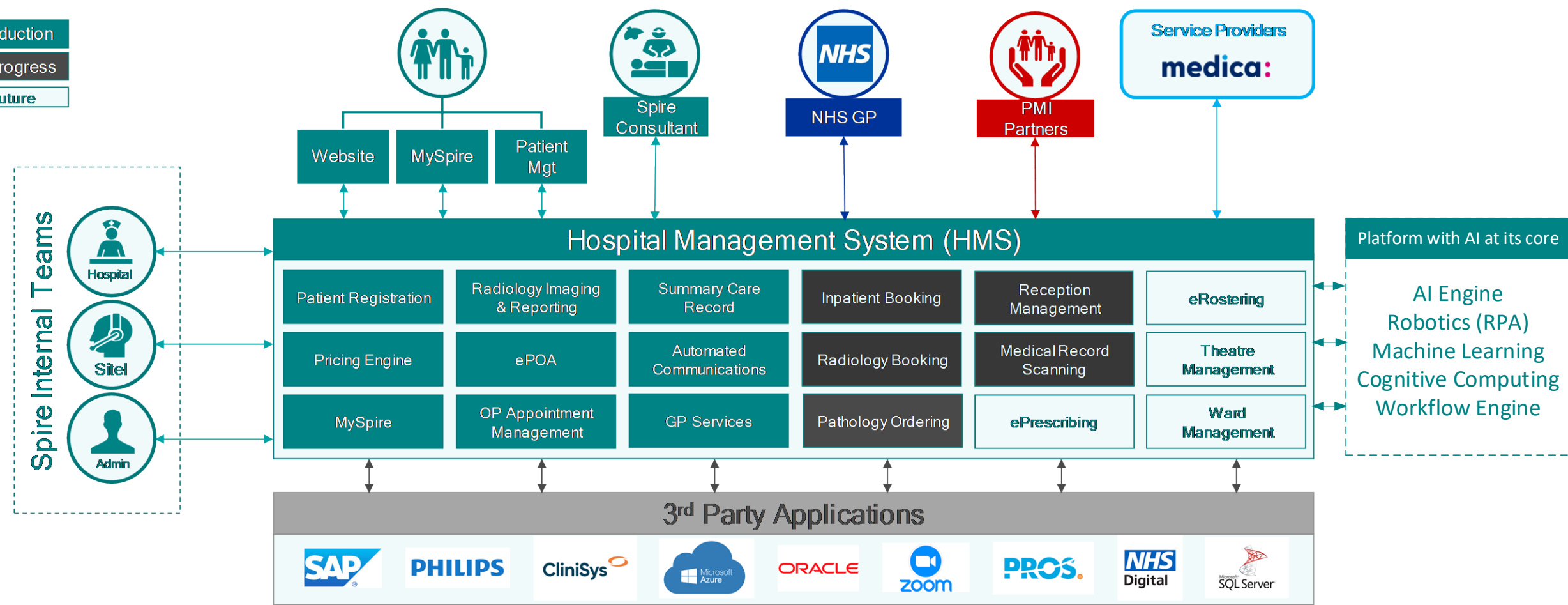


NEW SERVICES

Digital and at home services supported by face-to-face purpose designed clinics

Building our proposition on our new hospital management system

Production
In Progress
Future



New services investment



Strong platform



Out of
Hospital

- Established clinics model to support hospital expansion
- Spire GP



Digital
Platforms

- Patient management (e.g. online booking)
- Virtual Diagnostics (e.g. virtual OP)
- MySpire Portal



Technology

- Unique national network of UKAS accredited pathology laboratories
- Investment in MRI and CT
- Guided robotic surgery



Great potential

- New clinics including white space
- Expansion of Spire GP and Primary Care
- New services (e.g. Spire Diabetes Care, personalised healthcare assessment)

- Digital Spire GP
- New services: Other LTCM (e.g. hypertension, asthma)
- Virtual diagnostics

- Fully digitised pathology solution
- Further robotic rollout

Spire Clinics

Spire Clinic Model

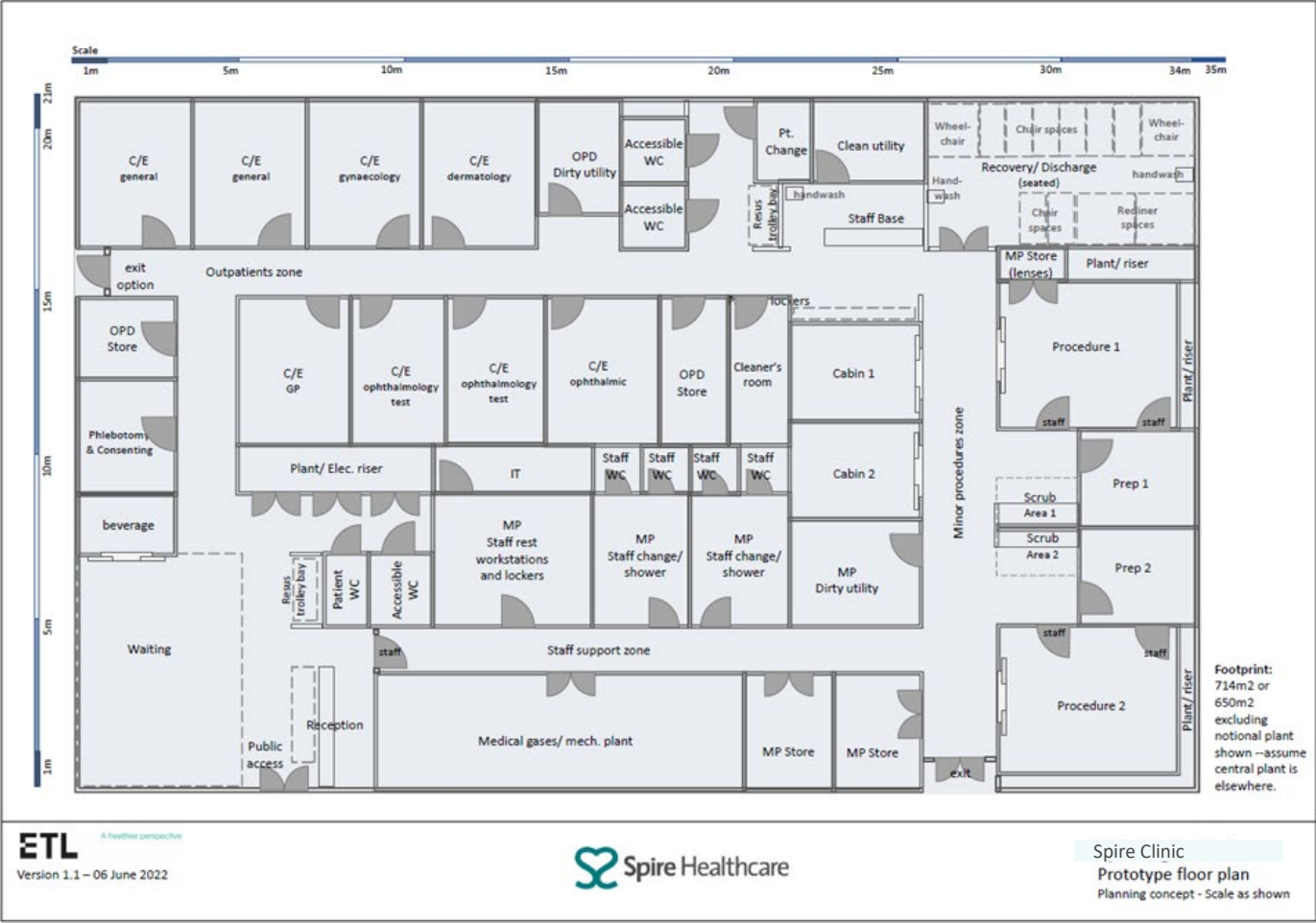
- Standalone, one stop diagnostic and treatment centres
- Located in new markets or existing markets to increase capacity
- Designed for treatments only requiring outpatient services or local anaesthetic
- Access to mobile or fixed diagnostics
- Estimated build cost: £5m-£7m
- Identified first 7-8 target towns/cities
- Targeting two new Spire Clinics in 2023
- Payback within financial framework



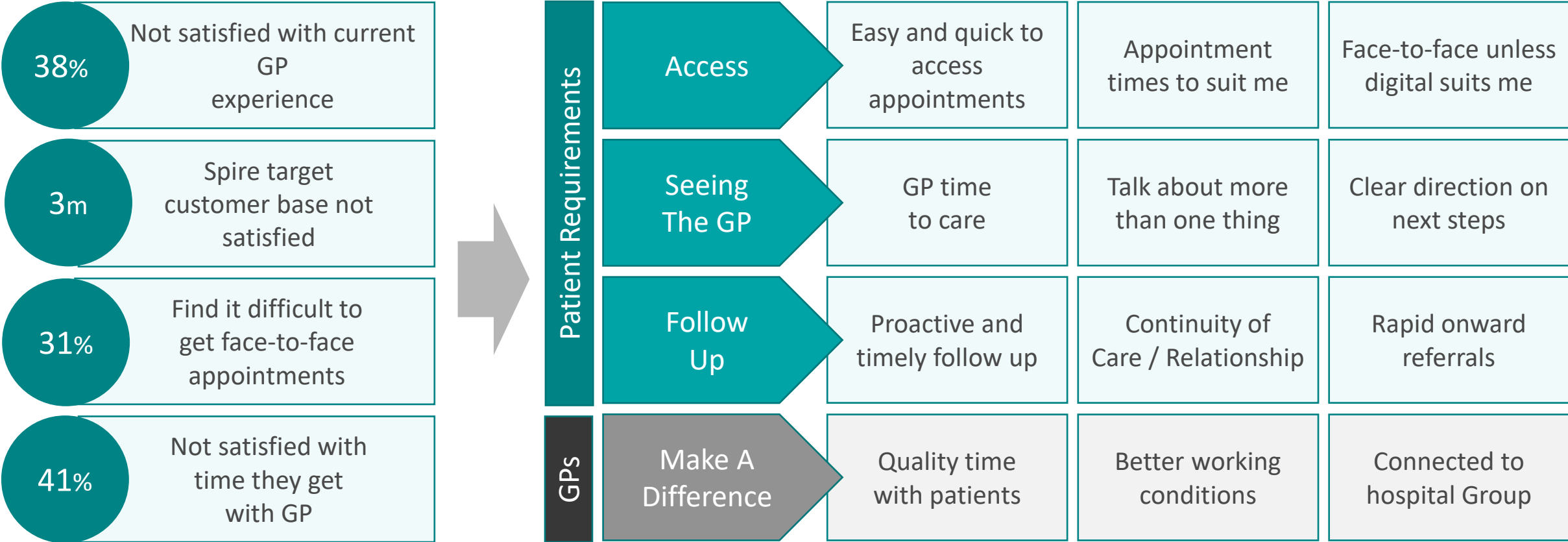
Examples of planned treatments in Spire Clinics:

- Ophthalmology
- Gynaecology
- Dermatology
- Spire GP

Developing the Spire Clinic blueprint




Primary care significant potential



Source: Boxclever consumer research, April 2022

Spire primary healthcare target proposition

Target Spire Primary Care Proposition		
Connected to NHS Records	Standalone Spire Clinics	Face-to-Face
Nurse-led Services	Vaccinations	Digital GP
Health Assessments	 Spire GP	Home Visits
Specialists (e.g. Female Health)		15-30min Appointments
Single Treatment Centres	Digital Pharmacy	Same Day Appointments
Access to Private Treatment	Access to Private Diagnostics	Discuss Multiple Conditions

Strong appeal amongst private target market

Strong appeal amongst GPs

New operating model to make service profit and benefit from downstream

Initially in every Spire Clinic; possibility for wider expansion

Potential to explore NHS contracts

Long Term Condition Management



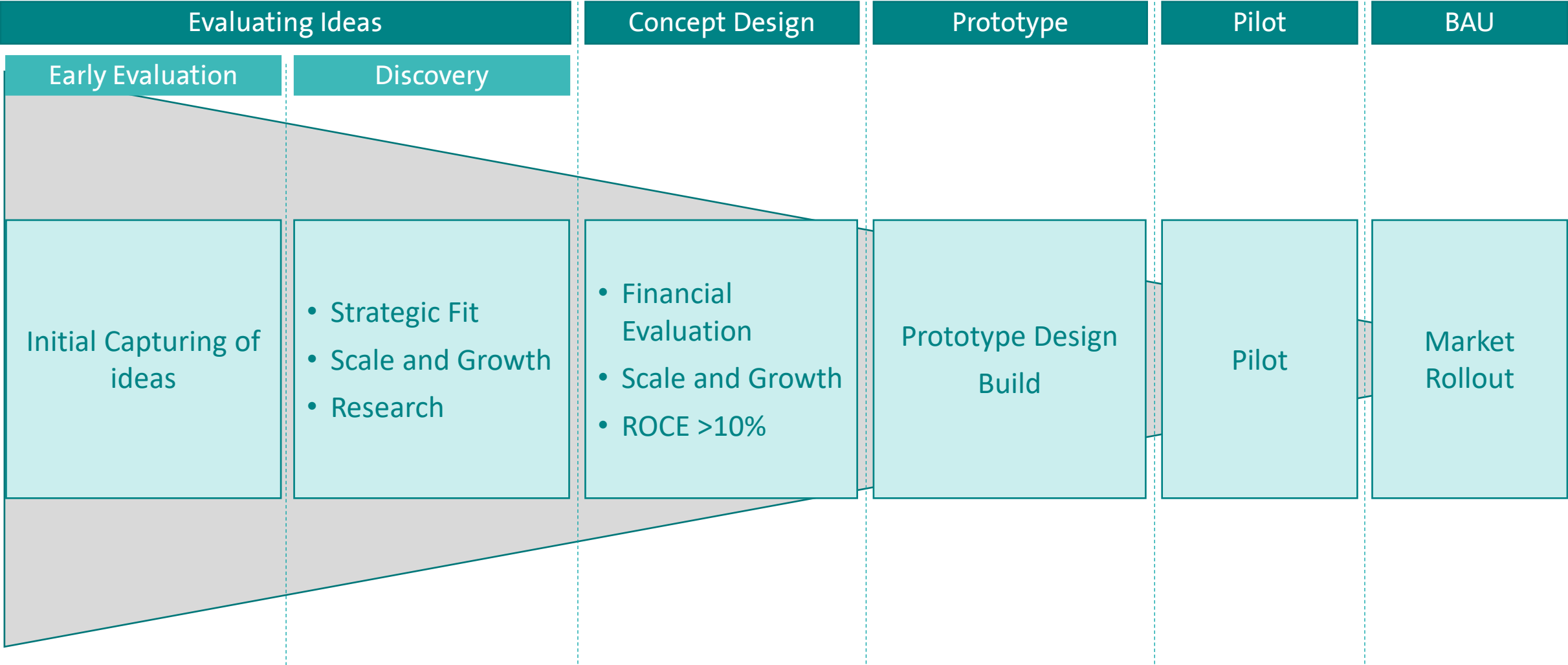
“Spire Diabetes Care”

- Type 2 Diabetes
- Monthly subscription service
- Personalised nurse interaction supported with remote monitoring via Spire Diabetes App
- £49.95 per month

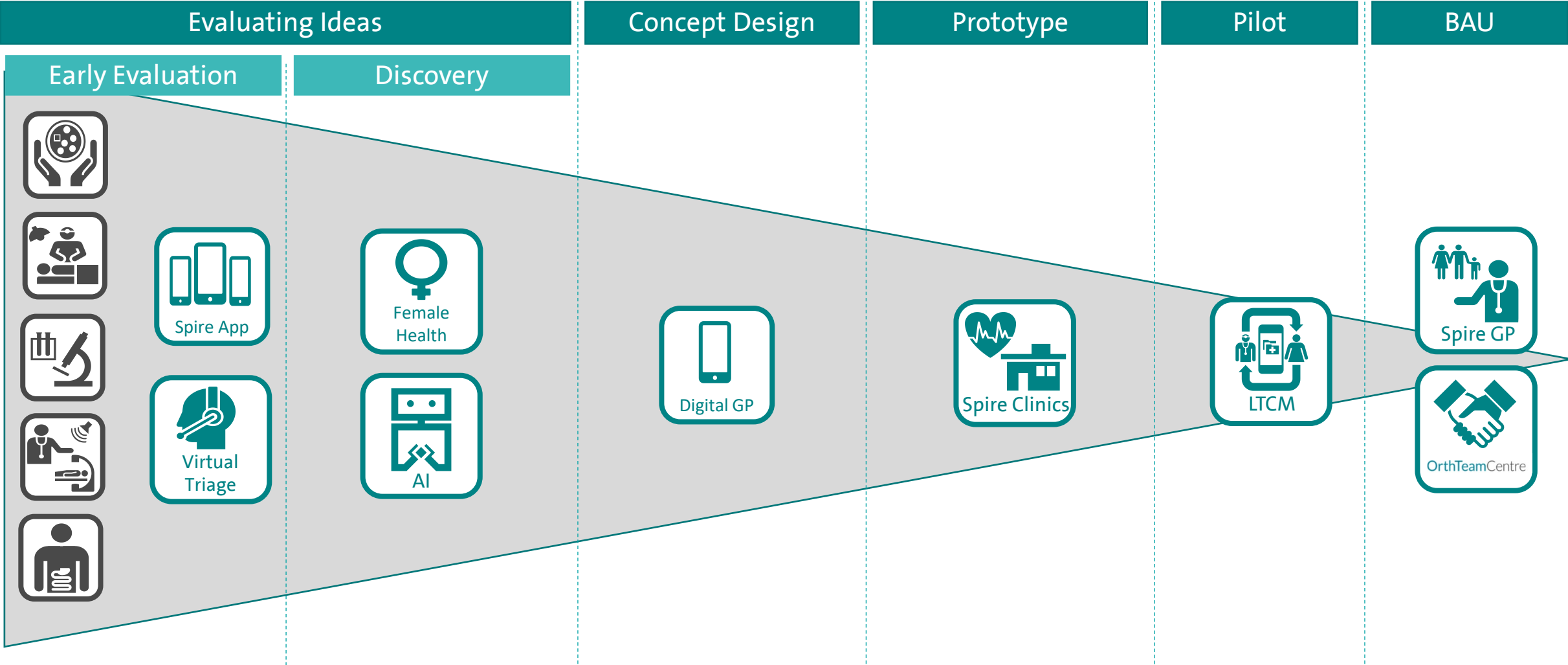
Consumer Research Findings

- NHS provision is limited and getting worse
- Qualitative research confirmed strong synergy with target proposition,
- Particularly the high level of personal support provided and need for ongoing, consistent relationship
- Interest is highest for pre/newly diagnosed
- Modelled target audience for Spire is c.500k

Disciplined approach to adjacent growth



Disciplined approach to adjacent growth





Spire Healthcare

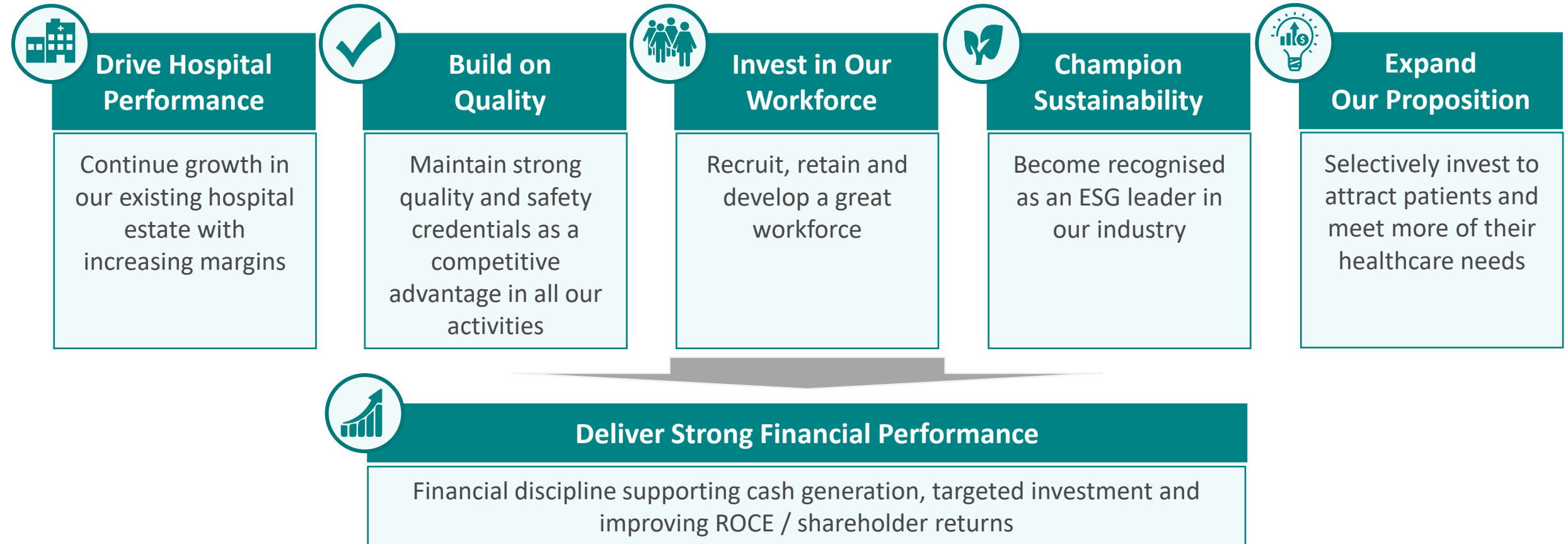
Financial Outlook

Harbant Samra

Interim Chief Financial Officer

Looking after you.

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



Strong financial performance



Strong financial performance

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



A solid financial platform



Attractive financial prospects



Clear capital allocation policy

We have built a solid financial platform

1

**Strong Growth
In Core Business**

Revenue, private mix, ARPC

2

**Improved Operational
Effectiveness**

Significant cost savings in 2022
Executed targeted capex investment strategy

3

Strong Balance Sheet

Falling net bank debt and large freehold portfolio

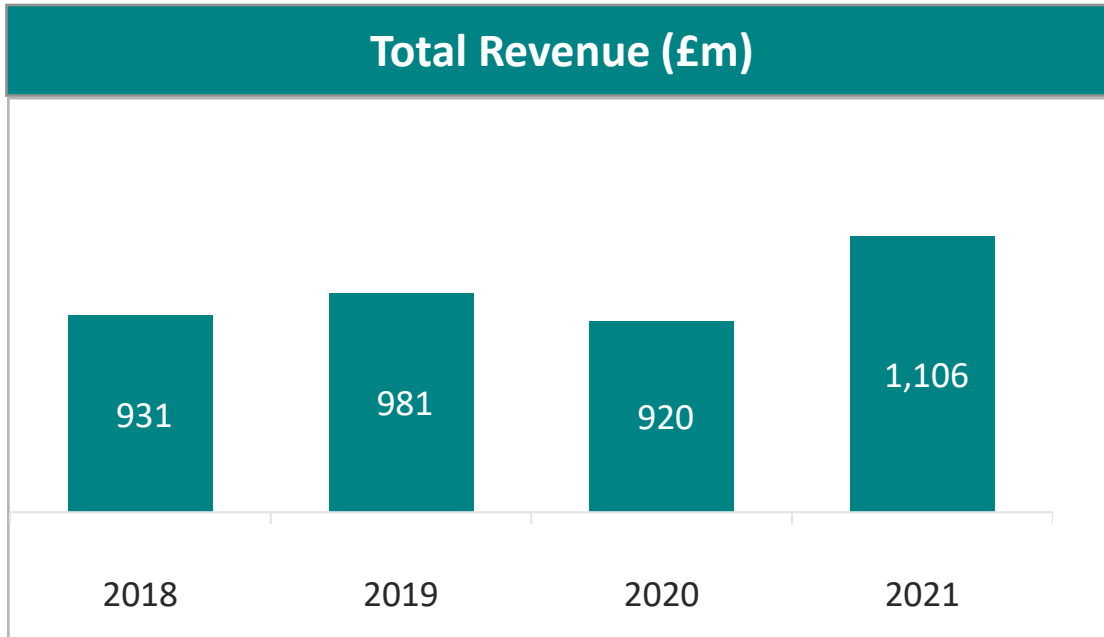
A solid financial platform

1

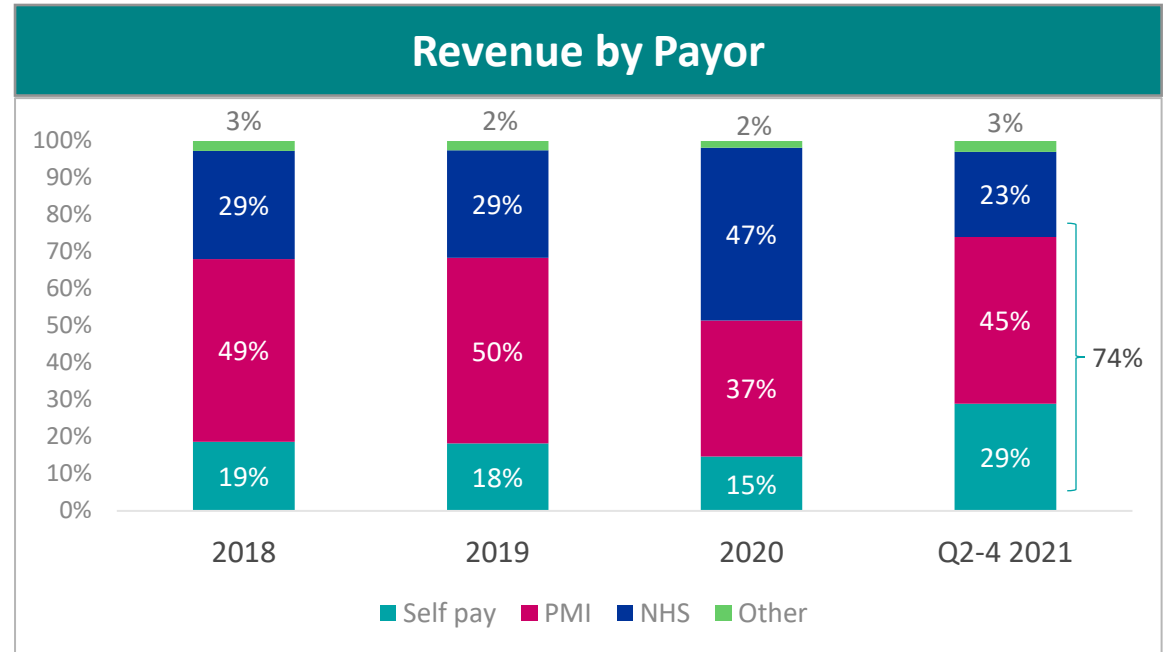
Strong Growth in Core Business Fundamentals – Revenue and Payor Mix

- Strong revenue growth - up by £175m (18.8%) since 2018 or >5.5% per annum
- 74% of 2021 revenue from Private (after adjusting for COVID-19) vs. 68% for FY2018
- Self Pay now c.29% of revenue, over 50% more than in 2018

Total Revenue (£m)



Revenue by Payor

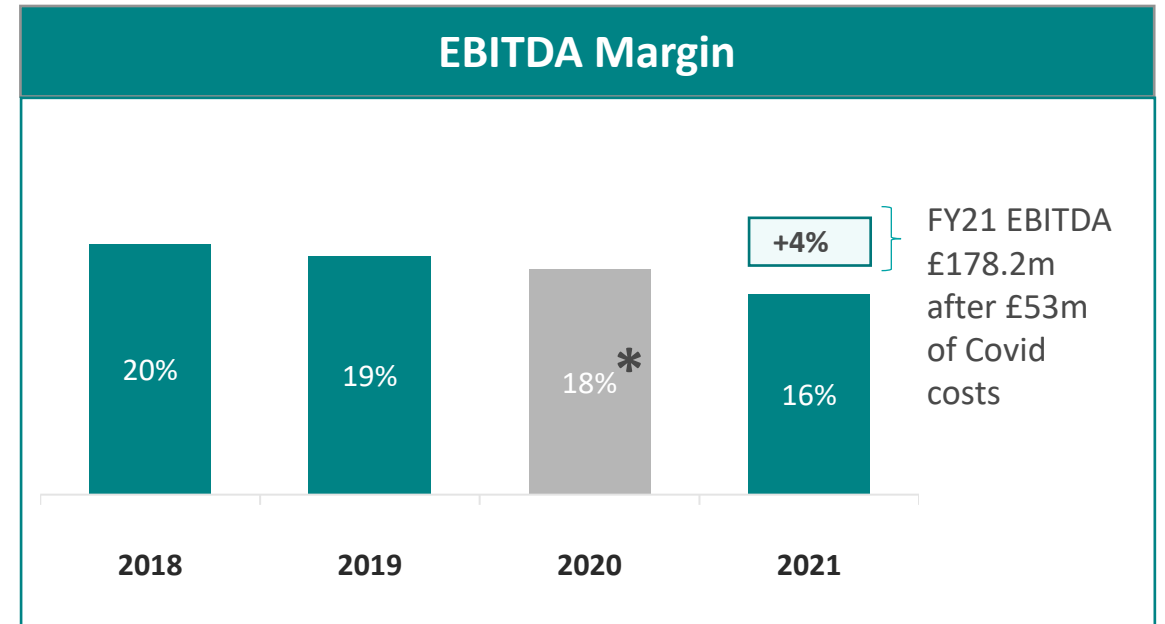
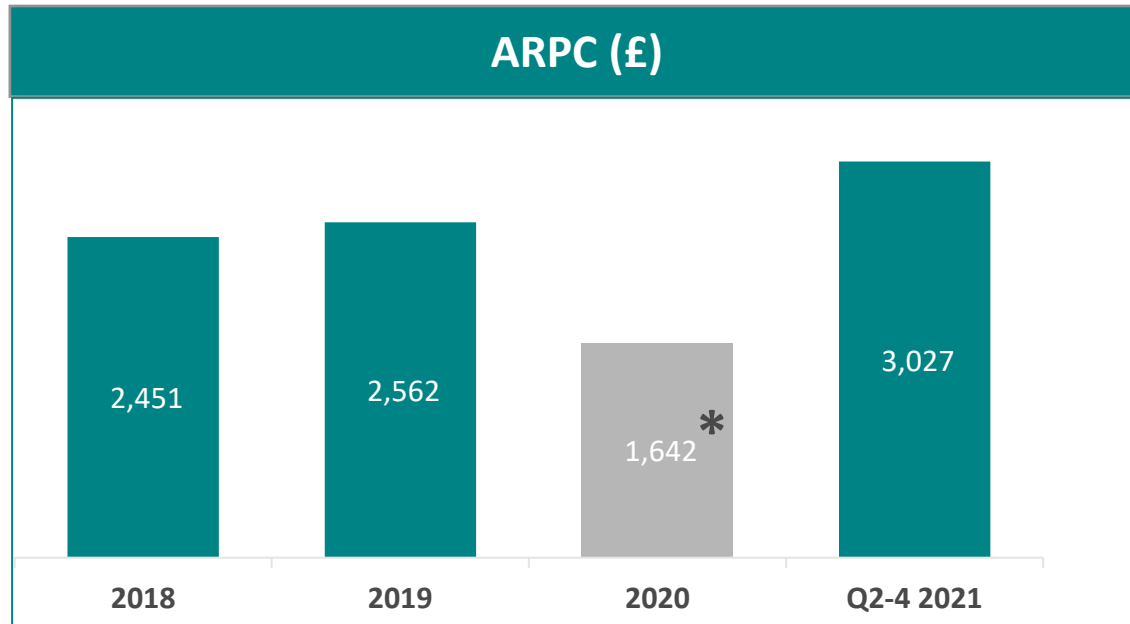


A solid financial platform

1

Strong Growth in Core Business Fundamentals – ARPC and Margin

- Growth in payor mix and acuity underpins strong ARPC - £3k for Q2-Q4 2021
- EBITDA margin for 2021 returned to 2018 and 2019 after adjusting for COVID-19
- Reflects ARPC benefit and focus on operational effectiveness



* - NHS 19 Covid contract during 2020 means that any comparison is not meaningful

A solid financial platform

2

Improved Operational Effectiveness

Efficiencies

- £15m of savings in 2022
- Inflation well managed
- Further savings > £15m including Covid upside
- Expectation of improving margin

Targeted Capex

- Focused on payback and ROCE
- 6-7% of revenue to fund core estate and capacity projects
- Major projects funded within existing CAPEX
 - Bushey: £20m
 - Yale: £11m
 - Edinburgh Shawfair: £8m
 - All IT and digitisation projects

Portfolio Management

Sold Sussex and acquired Claremont

- Improvement in ROCE of 20%

Manchester Orth Centre:

- Strong outperformance and EBITDA margin c.10% above plan

Genesis Profit Share Arrangement:

- Return over 10% ahead of plan

A solid financial platform

3

A balance sheet which has never been stronger

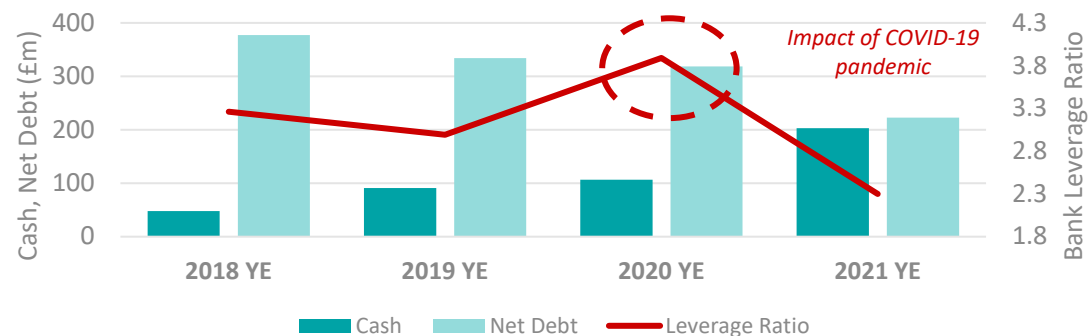
Net Bank Debt and Leverage Lowest Since 2019

- Refinanced bank debt and repaid £100m
- 2.3x Bank leverage ratio at 2021 YE - lowest since 2016
- 2021 YE Net Bank Debt of £225m - lowest level since listing

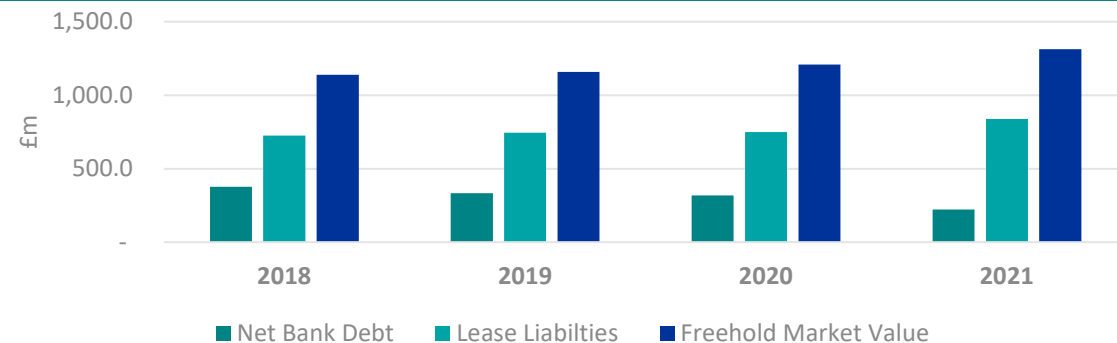
Balance Sheet Stronger Than IFRS Suggests

- Rent commitments on leased properties reported as Debt
- Only £20m of £68m of 'Finance Charges' in FY21 is bank interest
- Balance sheet undervalues 19 freeholds (£1.3bn market value) and exceeds Net Bank Debt by 6.2x
- Cheshire S&L confirmed strong demand for healthcare assets

Net Bank Debt and Leverage



Net Bank Debt and Lease Liabilities



Strong financial performance



Strong financial performance

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



A strong financial platform

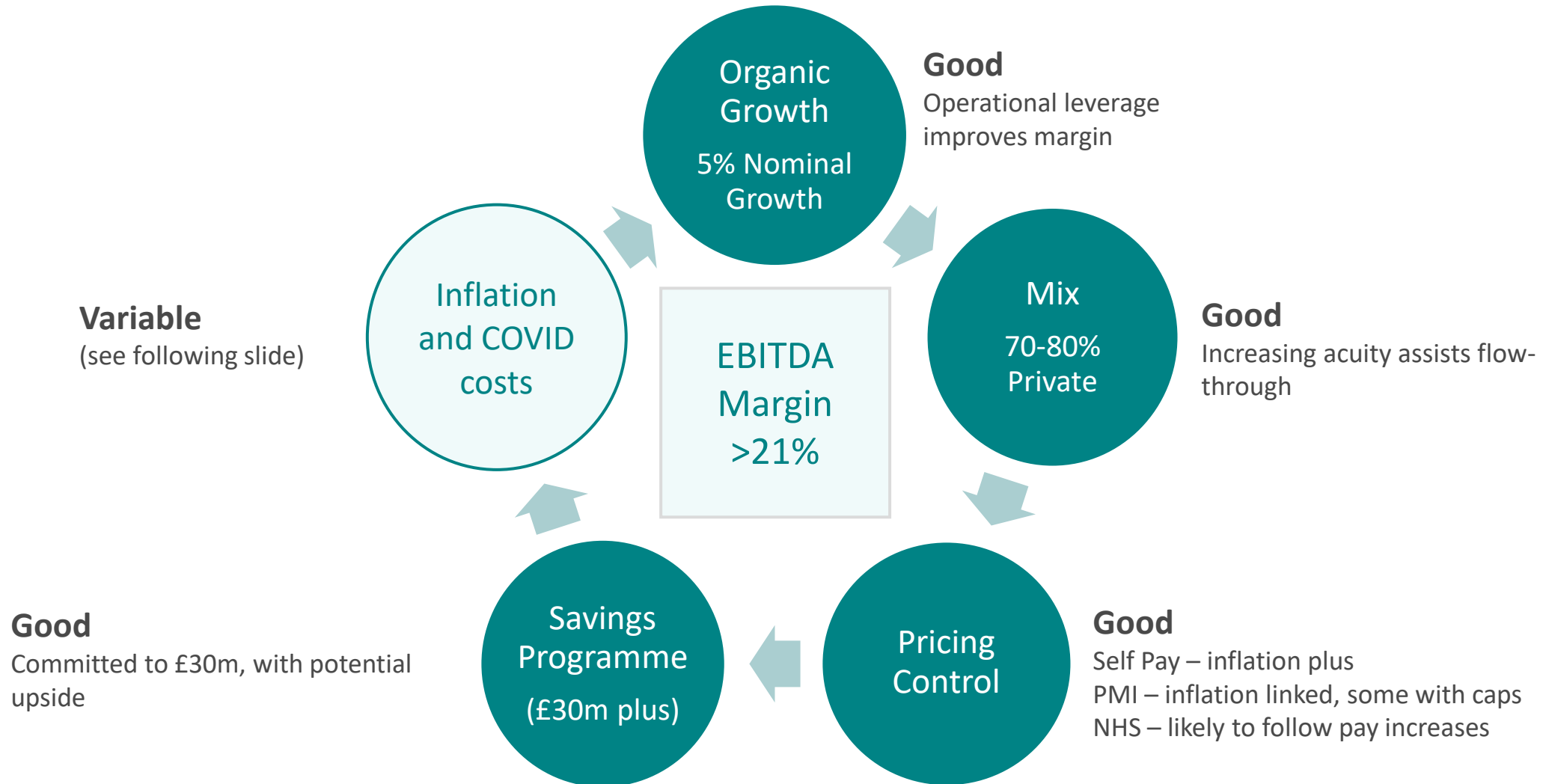


Attractive financial prospects

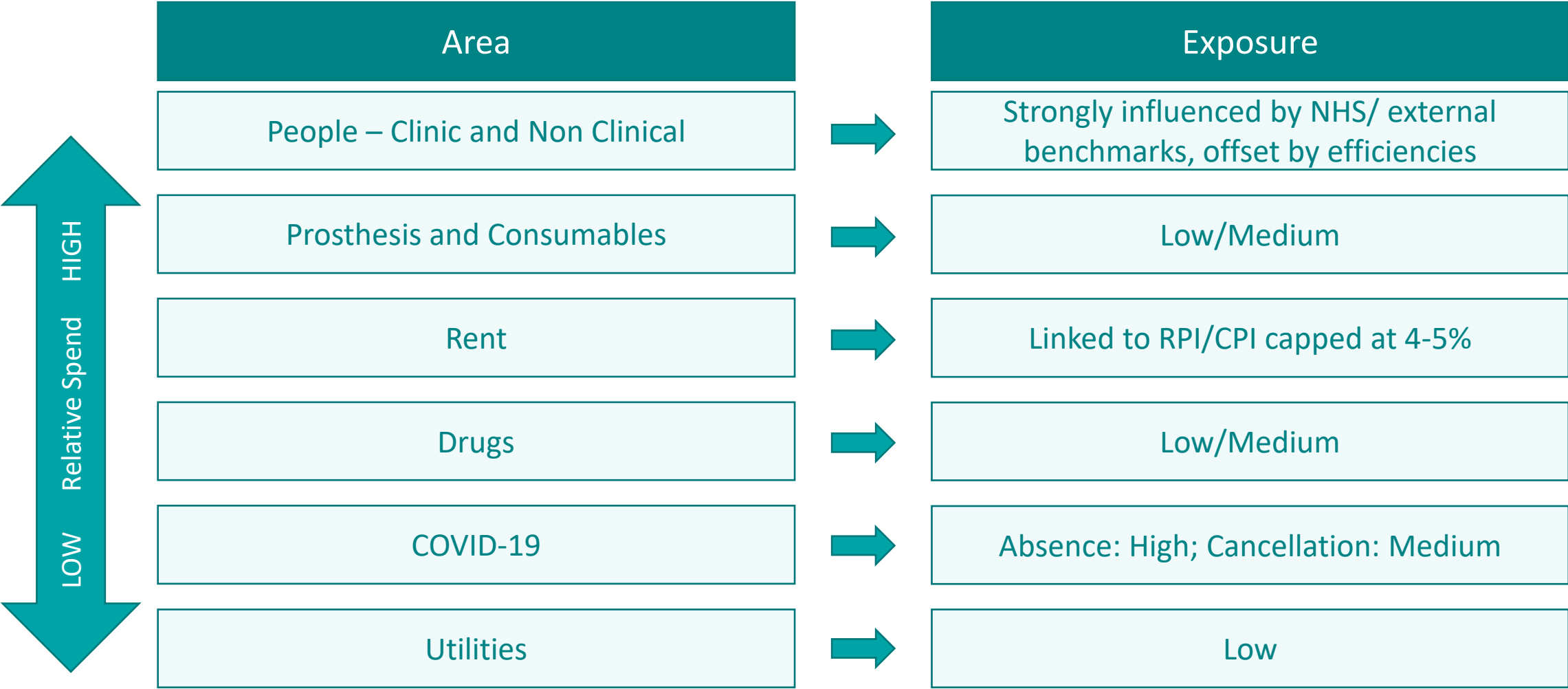


Clear capital allocation policy

Payor mix, good pricing power & savings designed to manage inflation risks



Spire's exposure to short to medium term inflation and COVID costs










Area	Exposure
People – Clinic and Non Clinical	Strongly influenced by NHS/ external benchmarks, offset by efficiencies
Prosthesis and Consumables	Low/Medium
Rent	Linked to RPI/CPI capped at 4-5%
Drugs	Low/Medium
COVID-19	Absence: High; Cancellation: Medium
Utilities	Low

Financial Prospects – Short Term Potential and Long-term View

	Actual 2018 to 2021	Analyst View 2022 to 2024	2025 & Beyond
Revenue CAGR	5.5%	3% - 8%	c.5%
Margin	20% - 16% (20% excl Covid)	19.7% - 20.4%	>21%
ROCE	5% - 4.3%	8 -10%	>10%

Main Limiters	Covid	Covid
	Quality Investment	Excessive Inflation
	NHS Commissioning	Severe Economic Downturn
Upsides	Self Pay	Self Pay
	ARPC	Increased NHS commissioning
	Savings/Digital Programme	Savings/Digital Programme
		New Services

Spire's long-term financial objectives and financial framework

Long-term Financial Objectives	 Hospital Growth	Outperform UK hospital market growth volume + ARPC c.5% CAGR (plus high inflation related increases)
	 New Services	>£50m of additional revenue – build, buy, partner
	 EBITDA Margin	>21% supported by continuous cost savings programme
	 ROCE	>10% (in excess of Spire's cost of capital)
Financial Framework	 Payor Mix	70-80% Private, dependent on NHS commissioning
	 Organic Capex*	6-7% of Revenue
	 Cash Conversion	c.100%
M&A / Other		Disciplined approach assessed on a case-by-case basis

Strong financial performance



Strong financial performance

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



A strong financial platform



Attractive financial prospects



Clear capital allocation policy

Clear capital allocation policy

A balanced approach towards capital allocation

Ongoing investment into the business

Maintain ongoing Capex investment of 6-7% to fund continuous investment and upgrades

Sustainable dividend policy

25-35% of Profit After Tax (subject to a bank covenant leverage ratio of <2.5x)
Targeting return to dividend payment in 2023

Uses for excess capital

Complementary, disciplined M&A
Excess cash used to pay down debt
Fund Integrated Healthcare Network



Spire Healthcare

Summary

Justin Ash

Chief Executive Officer

Looking after you.

Spire well placed to grow through current economic cycle

As the UK faces into economic headwinds, Spire is well placed to continue to grow and improve margins

Robust UK Healthcare
Demand

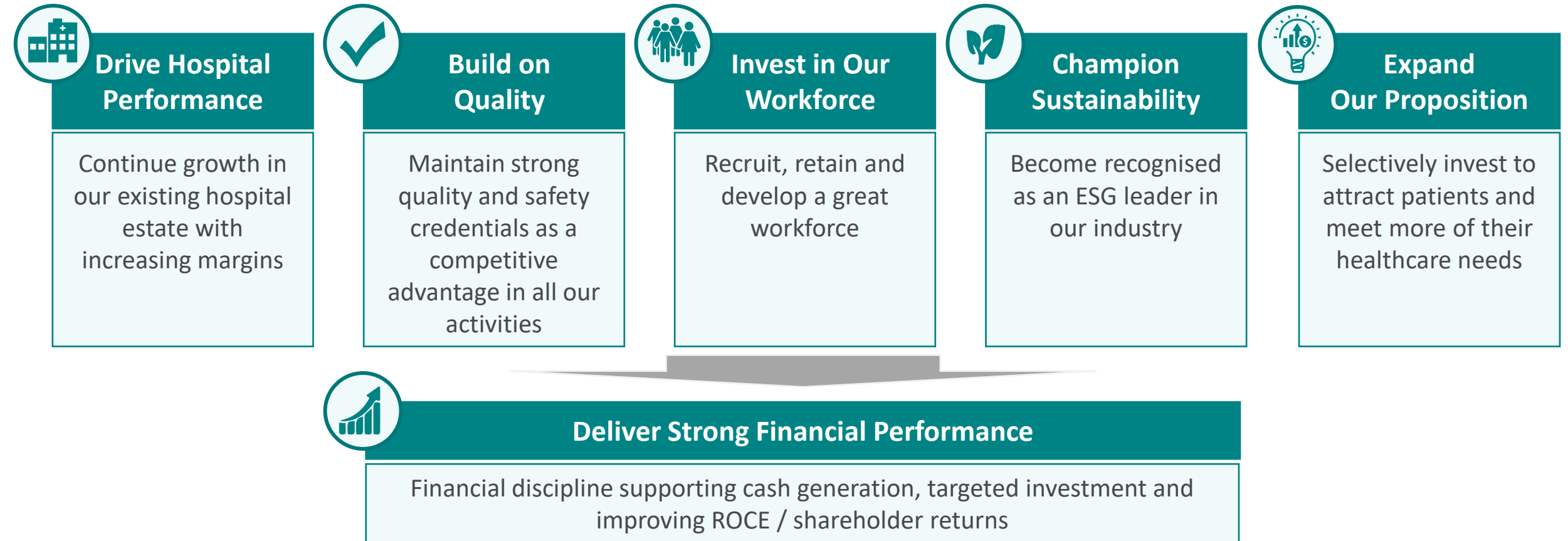
Payor and Mix
Hedge

Strong Pricing
Capability

Proven
People Proposition

Established Savings
Programme

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



Why Spire?

The healthcare market in the UK is seeing unprecedented demand, and Spire is well placed

1

Strong growth potential

2

National brand with
unique payor mix

3

Leading quality provider
with talented people

4

Payor mix, good pricing
capability and savings
designed to manage
inflation risks

5

Adjacent growth
identified in digital and
out of hospital

6

Disciplined investment
approach

7

Clear long-term financial
objectives driving
margins, cash and ROCE

8

Sustainable platform for
the future

Target return to dividend payment in 2023



Q&A

Looking after you.



Spire Healthcare

Looking after you.



Spire Healthcare

**Spire: A unique healthcare platform
with strong growth potential**

Looking after you.