



Spire Healthcare

Full Year 2024 Results

6 March 2025



Looking after you.

These materials contain certain forward-looking statements relating to the business of Spire Healthcare Group plc (the “Company”), including with respect to the progress, timing and completion of the Company’s development, the Company’s ability to treat, attract, and retain patients and customers, its ability to engage consultants and GPs and to operate its business and increase referrals, the integration of prior acquisitions, the Company’s estimates for future performance and its estimates regarding anticipated operating results, future revenues, capital requirements, shareholder structure and financing. In addition, even if the Company’s actual results or development are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of the Company’s results or developments in the future. In some cases, you can identify forward-looking statements by words such as “could,” “should,” “may,” “expects,” “aims,” “targets,” “anticipates,” “believes,” “intends,” “estimates,” or similar words. These forward-looking statements are based largely on the Company’s current expectations as of the date of this presentation and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the group’s expectations could be affected by, among other things, uncertainties involved in the integration of acquisitions or new developments, changes in legislation or the regulatory regime governing healthcare in the UK, poor performance by consultants who practice at our facilities, unexpected regulatory actions or suspensions, competition in general, the impact of global economic changes, risks arising out of health crises and pandemics, changes in tax rates, future business combinations or dispositions, and the group’s ability to obtain or maintain accreditation or approval for its facilities or service lines. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made during this presentation will in fact be realised and no representation or warranty is given as to the completeness or accuracy of the forward-looking statements contained in these materials.

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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%² y/y (Hospitals 5.5%² y/y)
- EBITDA margins¹ expanded in Hospitals and Primary Care
- Adj. EBITDA¹ £260m +9.0%² and Adj. PBT¹ £50.2m +29.4% y/y



Dynamic environment

- NHS revenue accelerated +8.8%² 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%² 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 EBITDA¹.
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. EBITDA¹ 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% ² | >5% |
| Hospitals margin ¹ | ✓ Margin +30 bps ² ; savings >£20.0m | Margin improvement + £15m cost savings |
| Vita | ✓ Revenue £107.4m, adj EBITDA ¹ £11.0m | Revenue >£100m, adj EBITDA ¹ c.£10m |
| Group adjusted EBITDA ¹ | ✓ £260.0m | £255m – £275m |
| Group return on capital ¹ | ✓ 8.2% | 8-9% |
| Group capex | ✓ Hospitals: £99m | Hospitals: £95m – £105m |
| Group bank debt leverage ¹ | ✓ 2.0x | <2.0x |

1. Alternative Performance Measure, see slide 34-35 for definition
 2. On a comparable basis, see slide 35 for definition





Good hospital performance and margin improvement



Revenue
£1.39bn
+ 5.5%²


FY 23: £1.33bn


- 
- On target revenue growth 5.5%²**
- Volume growth 1.9%²
 - ARPC growth 4.2%²



Adjusted EBITDA¹
£249.7m
Margin 18.0%


FY 23: £233.8m

- 
- EBITDA margin¹ expansion 30bps²**
- Responded to payor mix change and energy costs through high ARPC focus, self-pay price optimisation and savings acceleration



Adjusted EBIT
£143.3m
Margin 10.3%

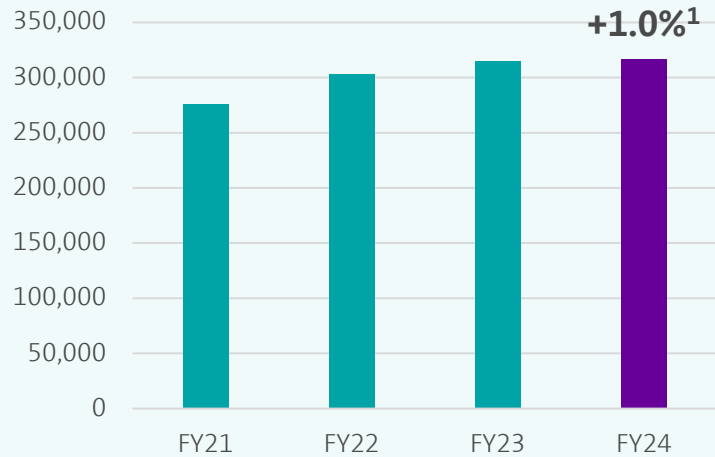
FY 23: £131.2m

- 
- EBIT margin¹ expansion 40bps²**
- Strong drop-through as a result of disciplined capital spend

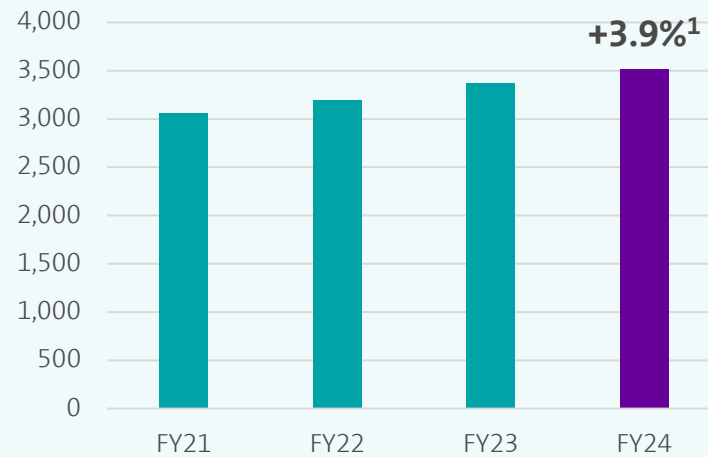


Private: PMI in faster growth and will continue

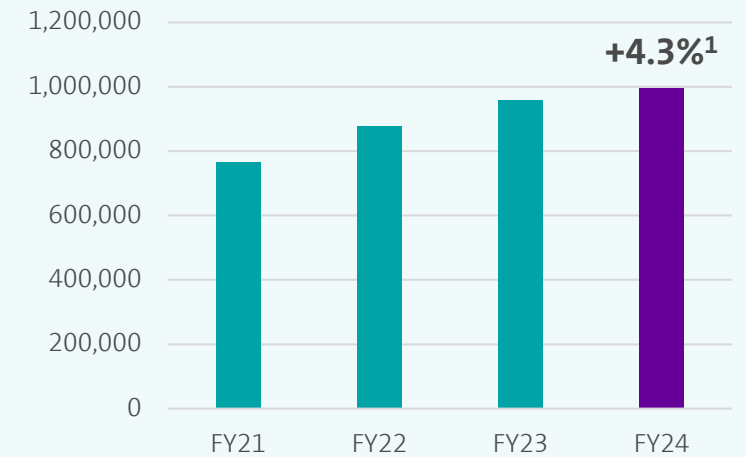
Private admissions and OP procedures



Private admissions ARPC/£



Private revenue/£'000

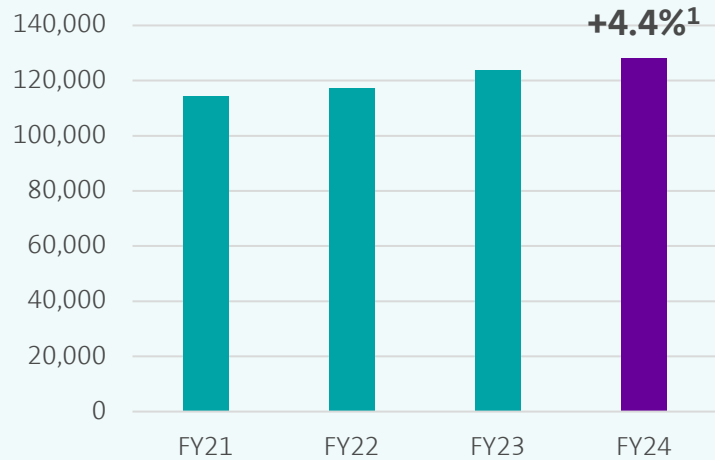


- Good growth in PMI driven by increase in corporate policies and switching from Self-Pay
- Private ARPC growth 3.9%¹ and Self-Pay 6.3%¹ reflects price management in inflationary environment of 2.5%
- Outlook: similar trends

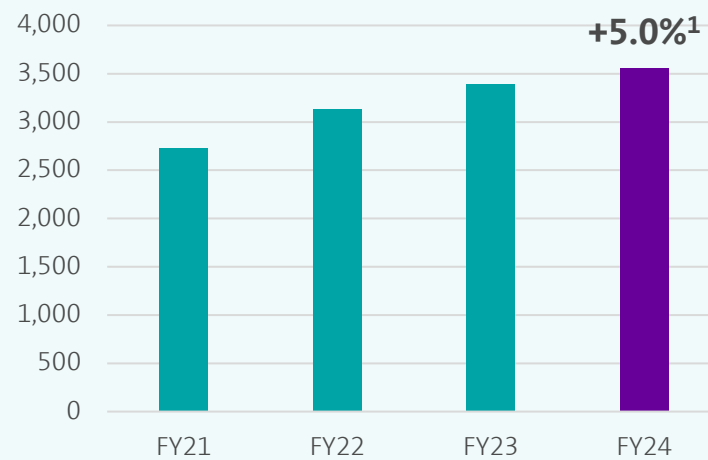


NHS accelerating, with our focus on margin

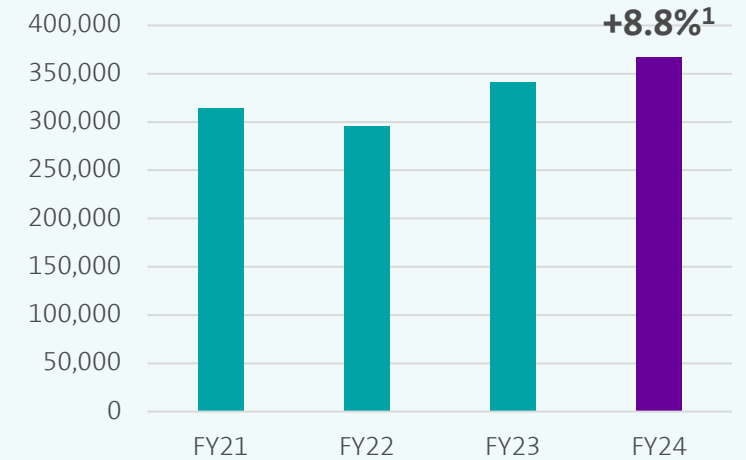
NHS admissions and OP procedures



NHS admissions ARPC/£



NHS revenue/£'000



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

1. On a comparable basis, see slide 35 for definition. PMI; Private Medical Insurance, OP; Outpatient, ARPC; Average Revenue Per Case. eRS: e referral service. A national digital platform used to refer patients from primary care into elective care services, incl those from private providers



Primary Care ahead of expectations and very strong margin expansion



Revenue
£121.0m
+ 15.0%²

FY 23: £31.4m



Adjusted EBITDA¹
£10.3m
Margin 8.5%

FY 23: £0.2m



Adjusted EBIT
£6.1m
Margin 5.0%

FY 23: £(0.8)m,

Strong revenue growth 15.0%²

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

EBITDA margin¹ expansion 340bps²

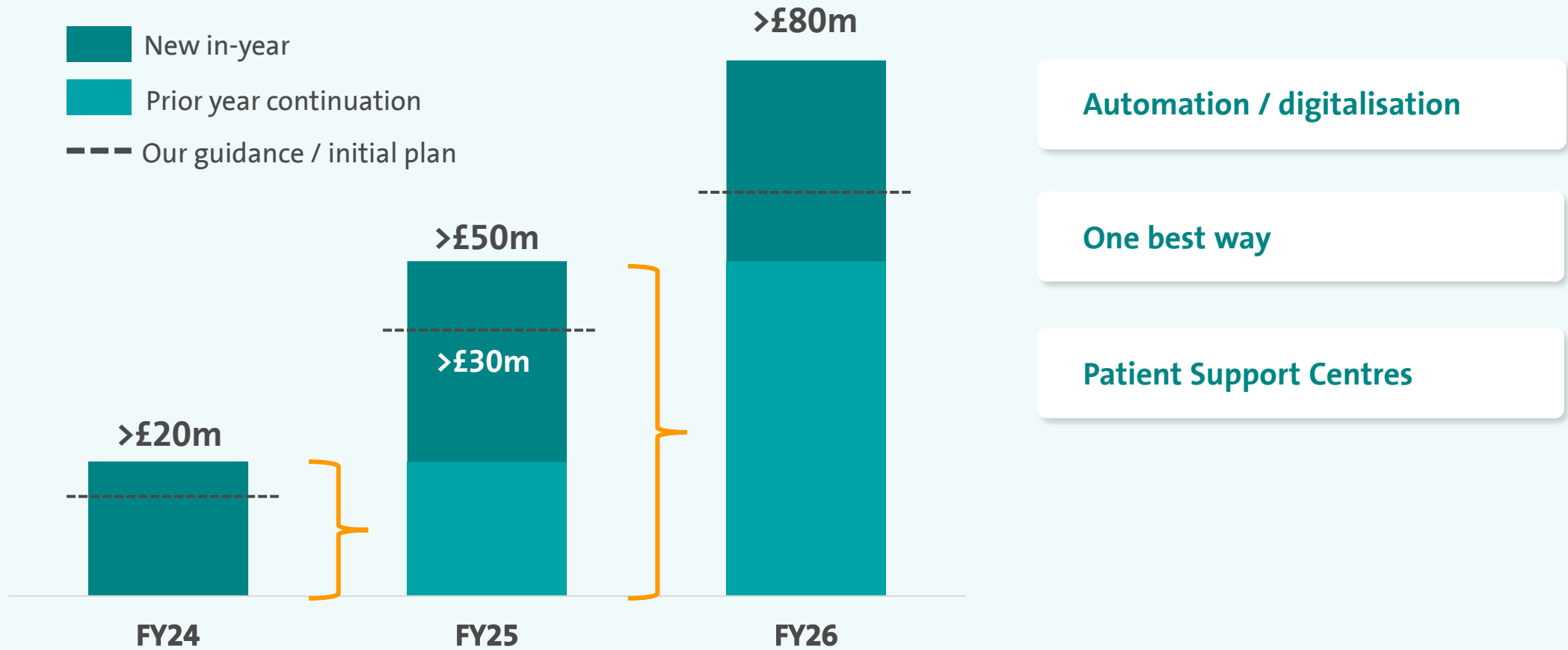
- Primarily driven by strong expansion at Vita

EBIT margin¹ expansion 330bps²

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



Cost savings accelerating with delivery ahead of plan





Strong flow through from EBITDA to PBT

| | FY23 | FY24 | |
|---|---------|----------|--------------------|
| Group adjusted EBITDA ¹ | £234.0m | £260.0m | +9.0% ² |
| Group adjusted profit before tax ¹ | £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

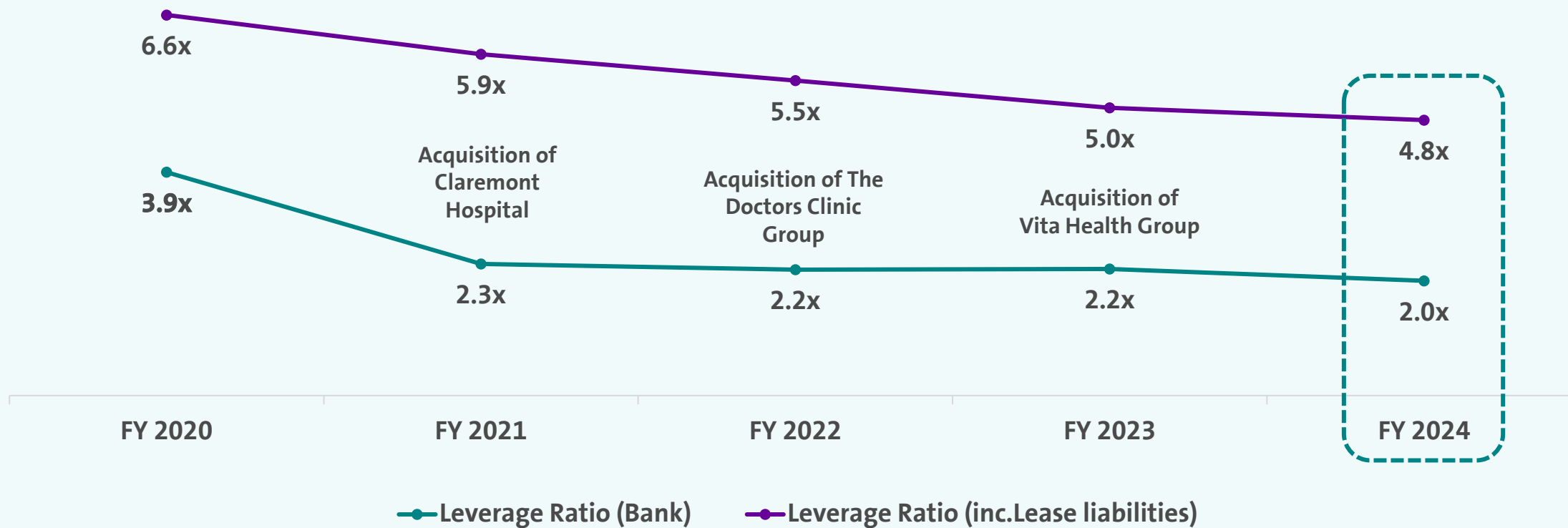
- Spire Abergele
- Spire Harrogate Clinic
- Spire Ella-May (Norwich)



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 EBITDA¹**

£270m – £285m

 **ROCE¹**

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

 **Group bank debt leverage¹**

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

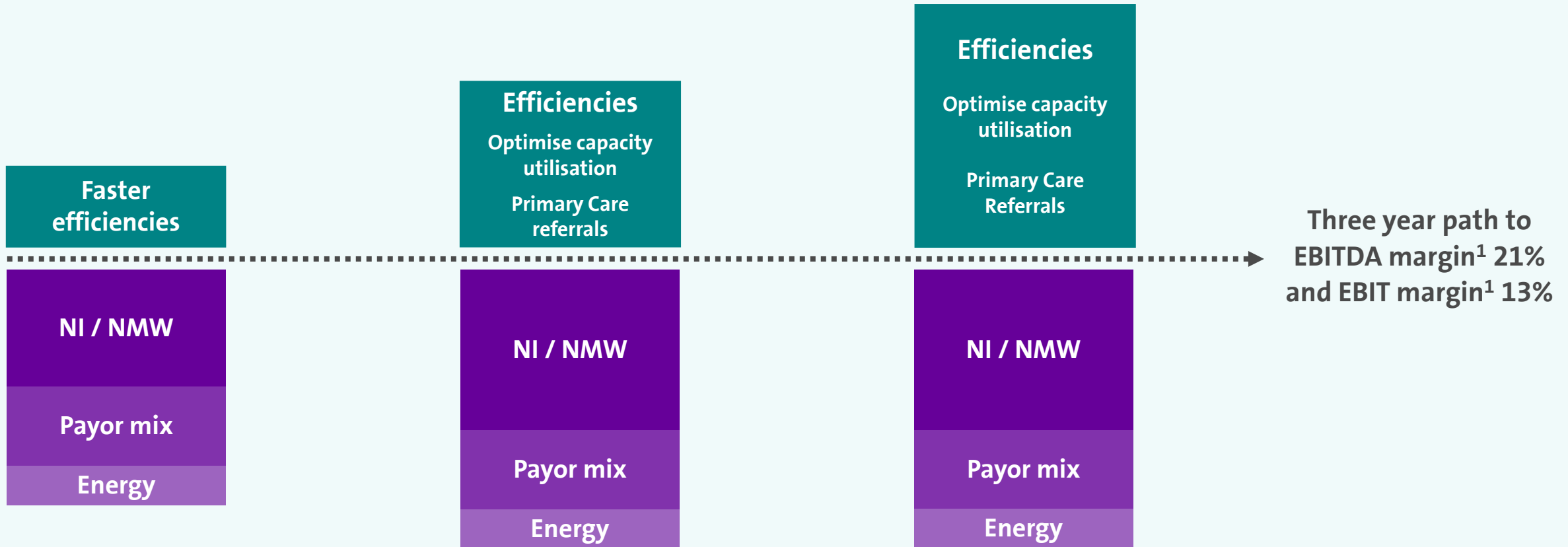


Clear plan to deliver medium term margin targets

FY25: Net impact £(20)m

FY26: Net impact £(10)m

FY27: Neutralised





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)

Capex¹

c.£90m – £100m (FY24: £99.1m)

Net financing costs

c.£103m – £108m (FY24: £99.2m)

Tax²

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

Net bank debt

c.£305m – £355m (FY24: £325.9m)

Technical guidance for 2025



Payor group volumes, ARPC, revenue

| | PMI | | | | Self-pay | | | | NHS ¹ | | | |
|--------------------------------------|-------|-------|-------|-------------------|----------|-------|-------|-------------------|------------------|-------|-------|-------------------|
| | 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 ² | | | | +6.3 ² | | | | +5.0 ² |
| 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 | Vs £(83.9)m prior yr |
| Capex | (109.3) | |
| 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

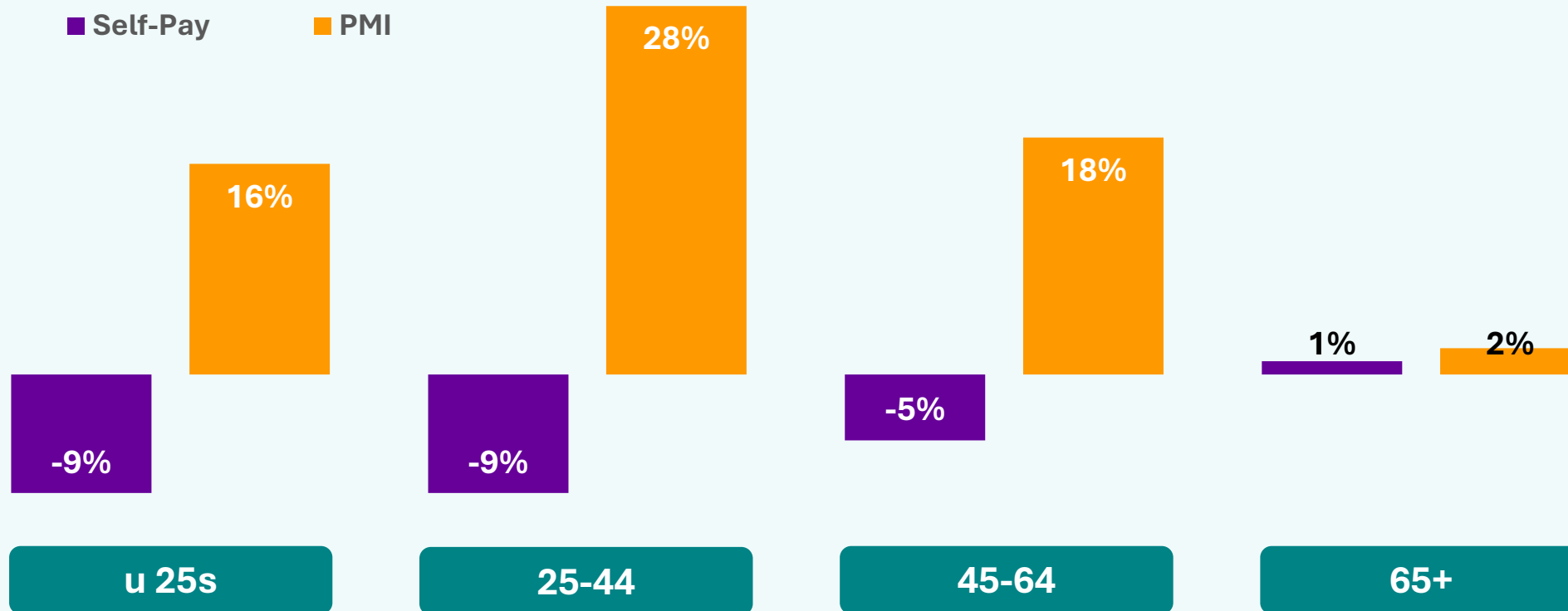
<40% Private revenue
4 hospitals

- 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



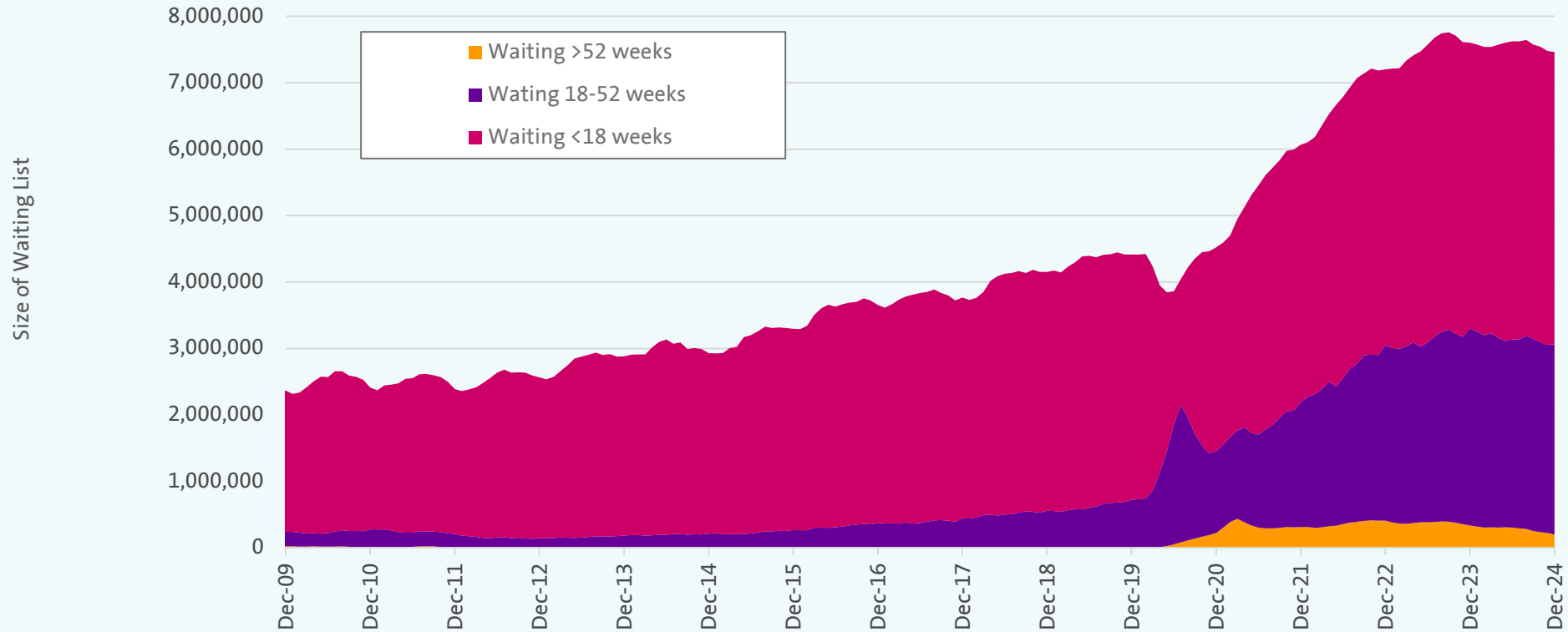
Private patients: Self-Pay and PMI increasingly becoming one segment

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 |
|--|---|--|
| Adjusted operating profit; or adjusted EBIT | Operating profit, less adjusting items before interest and tax. | Provides a comparable measure of operating profit performance over time. |
| Conversion of adjusted EBITDA to cash | 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. |
| Adjusted EBITDA | 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. |
| Adjusted EBITDA margin | Adjusted EBITDA as a percentage of revenue. | Provides a comparable performance metric, expressed as a percentage of revenues. |
| Net debt | Interest-bearing liabilities, less cash and cash equivalents. | Measurement of net group indebtedness for covenant purposes. |
| Net bank debt | Interest-bearing liabilities, excluding borrowing costs, less cash and cash equivalents. | Measurement of net group indebtedness. |
| Pre IFRS 16 | 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. |
| Net debt/EBITDA | 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 |
|--|--|---|
| Return on Capital Employed (ROCE) | Adjusted EBIT divided by capital employed. | Assess the efficiency in generating profits as a percentage of the total capital used. |
| Earnings per share (EPS) | Profit after tax divided by the weighted number of outstanding ordinary shares. | Indicates a company's profitability on a per-share basis. |
| Bank Leverage | 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 |
| Normal Leverage | 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 |
| Comparable basis | <ul style="list-style-type: none"> - Excludes Spire Tunbridge Wells, which was sold on 31 March 2024. - 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. |
| Proforma view | 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. |