



# INVESTOR PRESENTATION

JUNE 2020



# • The context Healthcare



## HEALTHCARE: A PIVOTAL MARKET

A segment that can **impact** a country's **economic development**, the keeping of **public accounts** and its very **social cohesion**



## AN EVOLVING MARKET

- demographic **ageing** and increased **life expectancy**
- increased **health costs** (chronic)
- **urbanisation**
- **shortage** of healthcare staff (doctors) and resources



## 2017 ITALY HEALTHCARE EXPENDITURE

**155mld €**

(73% PUB - 27% PRIV)

**| 9,1%** GDP

(vs 16,9% USA - 11,1% GER – 9,8% UK)

**| 20%** waste

**40%** of which inefficient  
care coordination

INCREASED  
DEMAND  
FOR CARE



**THE CHALLENGE:** to make the  
**health systems sustainable**,  
**limiting spending** and improving  
**quality of service**



**OPPORTUNITIES:**  
**ORGANISATIONAL AND  
TECHNOLOGICAL RENEWAL (digital  
healthcare)**

Rethinking the organisational models and  
processes used by the health and regional  
authorities

- GPI the Healthcare partner

Partnering up with the health institutionsto support the **continuous improvement** of their **internal processes**, so that they can provide accurate and efficient care pathways through bespoke **software, services** and **technologies**, that is our

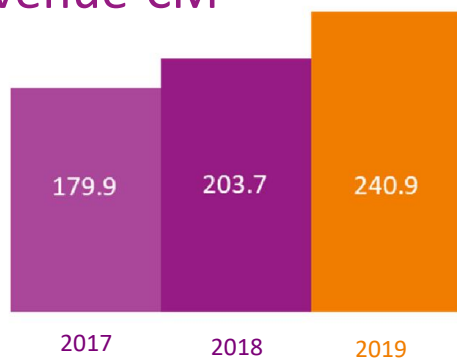
# MISSION

Being the **leading partner** in the route to **innovation for care**, therapy and preventive models to ensure health and well-being, that is our

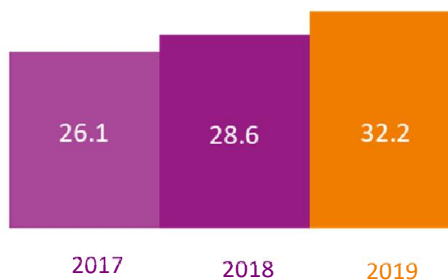
# VISION

# ● GPI in figures

Revenue €M +18.3% Vs 2018



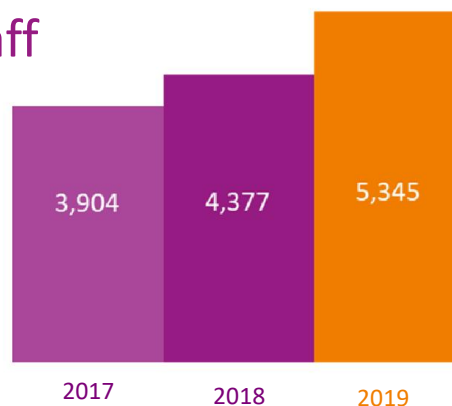
EBITDA €M \*



Net profit €M



Staff



## A history of steady growth

- **2013 Orizzonte fund** providing equity financing - First minibond issued.
- **2016** merger between GPI and the SPAC CFP1. Start of trading in the stock market **AIM Italia**.
- **2018** graduated from AIM to MTA **main market** of Borsa Italiana.
- **> 75 mln M&A deals**

*\*2017 and 2018 EBITDA, net of extraordinary costs; 2019 EBITDA includes the effects of IFRS 16*

# ● Highlights



## History of Growth

> 30 years of experience, management team with a track record of internal growth and M&As



## Leadership

1st player in Italy: services granting access to care  
  
3rd player in Italy: software solutions for healthcare and social systems



## International footprint

solutions used by more than 2,200 customers in more than 60 countries



## Uniqueness

integrated software, technology and service solutions to optimise the clinical, care, administrative and social processes.



## Quality of life

our work helps improve the quality of life

# • COVID-19 action taken and possible scenarios

## COVID-19 emergency, amongst the main priorities

action to protect the health of employees, collaborators, suppliers, partners and customers  
management of economic/financial implications relating to the business

### Two possible scenarios

- emergency ends in the near future: increase in revenues and EBITDA in 2020
- emergency continues long-term: need to review business and development plans





### To date, orders confirmed and an increase in requests

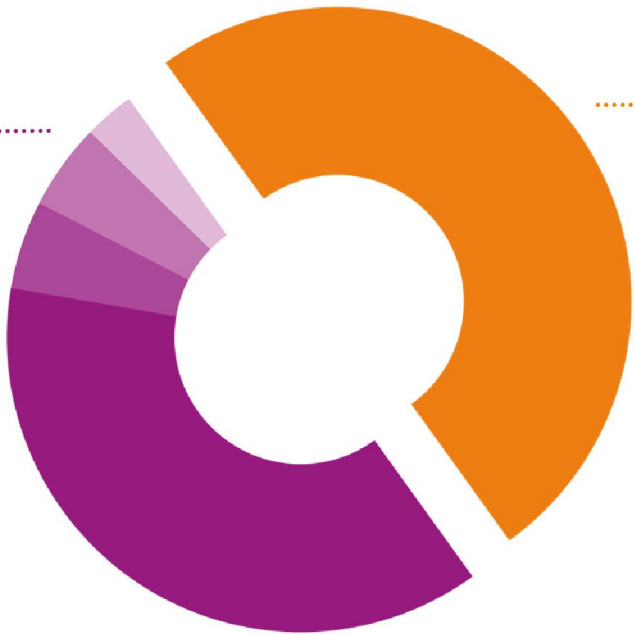
1. information services on COVID-19, 24/7
2. web solutions, apps and contact centre services to regulate access to pharmacies, supermarkets and sample centres
3. screening software solutions to manage the mass use of nasopharyngeal swabs
4. app to guide infected patients through the healthcare facilities
5. remote medicine solutions for the remote monitoring of chronic patients

# Strategic segmentation and business models

● Strategic Business Areas

TECHNOLOGIES  
50.6%

	Pay	2.8	.....
	Automation	4.8	.....
	ICT	4.9	.....
	Software	38.1	.....



SERVICES  
49.4%

 Care

*Note: % revenues for SBA out of total revenues referring to FY 2018*



• Supply lines

Main SBAs



Software

Health Administration	Clinical System	Health Social Care	Blood & Tissue Bank
Human Resources	Continuum Care	Public Administration	Safety & Prevention
Data Analytics	Health Cooperation	PRM	Population Health Management



Care

Healthcare Administration Services	Healthcare Services	Healthcare Technologies	Virtual Care Solutions
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Other SBAs



Automation

Automated Pharmacy Warehouse	Hospital Pharmacy System	Pharmacy Design Studio	Automated Industry Warehouse
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ICT

DeskTop Services	ICT Services
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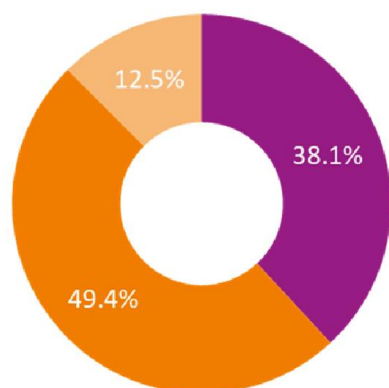


Pay

PA Payment Solutions	Retail Payment Solutions
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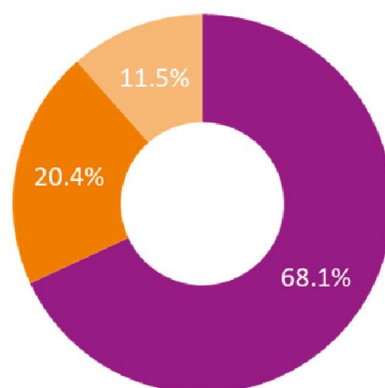
# • Segmentation

REVENUES by  
strategic business area



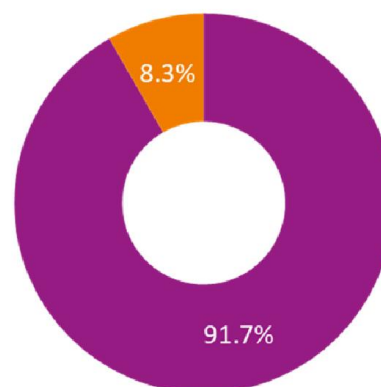
■ Software ■ Care ■ Other

EBITDA by  
strategic business area



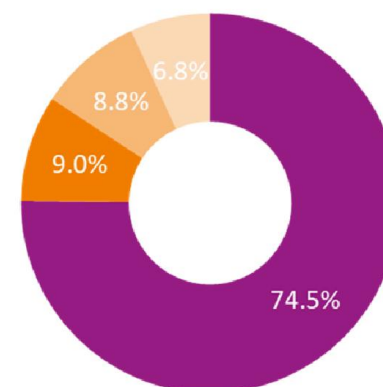
■ Software ■ Care ■ Other

REVENUES by  
geographic area



■ Italy ■ Export

REVENUES by  
customer type\*



■ H-Pub ■ H-Pri ■ NH-Pri ■ NH-Pub

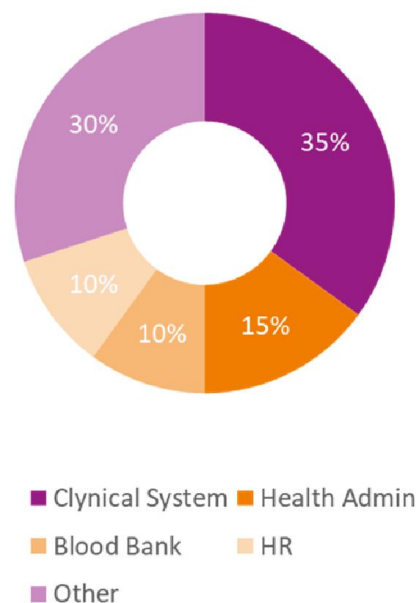
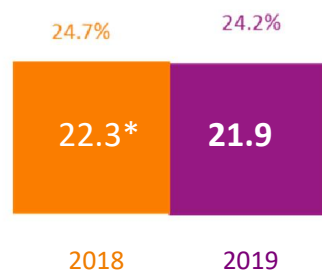
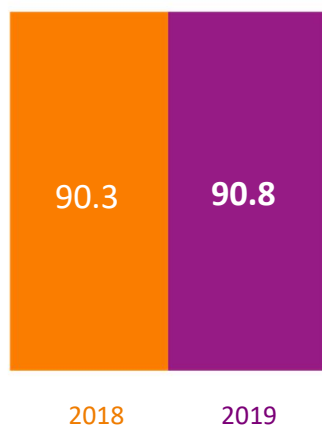
\* H-pub: public healthcare customers; H-Pri: private healthcare customers, NH-Pub: public non-healthcare customers; NH-Pri: private non-healthcare customers

# ● Focus on SBA software

Adj. revenue €M

EBITDA €M

Supply lines



\* 2018 EBITDA adjusted by extraordinary costs for listing on the MTA



**Tenders win ratio\*\***

- 35%

**Revenue predictivity**

- 50%

**Customer retention**

- 92%

**Average contract term**

- 1-3 years

**Average value of tenders acquired**

- 6-7 mln/€ year

**Competitive position**

- 3rd player IT

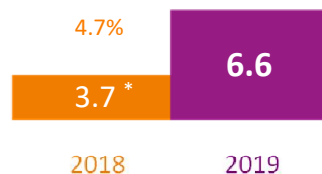
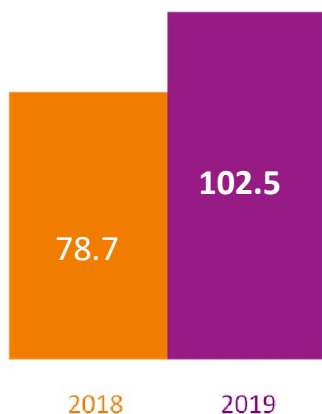
\*\*Win Ratio as a % of wins to n° of bids.  
Conversion Win Ratio 6.8% (won contracts value to tenders value 2017-2019)

# - Focus on SBA Care

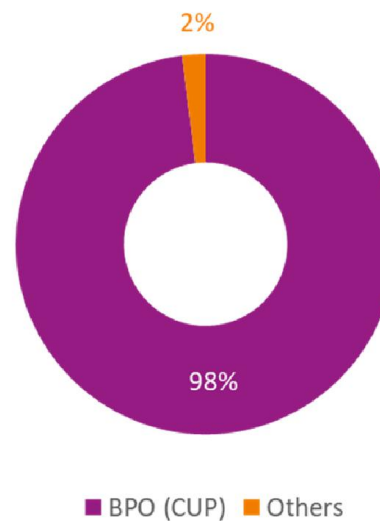
Adj. revenue €M

EBITDA €M

Δ +30%



Supply lines



\* 2018 EBITDA adjusted by extraordinary costs for listing on the MTA



Tenders win ratio\*\*

- 40%

Revenue predictivity

- 95%

Customer retention

- 97%

Average contract term

- 4-6 years

Average value of tenders acquired

- 10-15 mln/€ year

Competitive position

- 1st operator IT

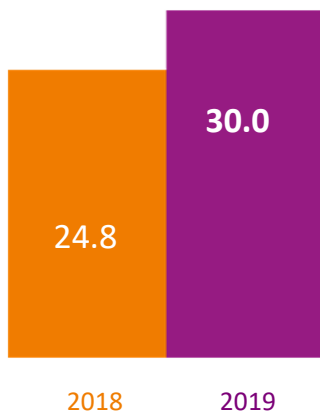
\*\* Win Ratio as a % of wins to n° of bids.  
Conversion Win Ratio 16.4% (won contracts value to tenders value 2017-2019)

# ● Focus on other SBAs

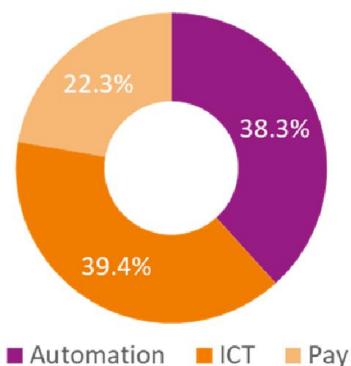
Revenue €M

EBITDA €M

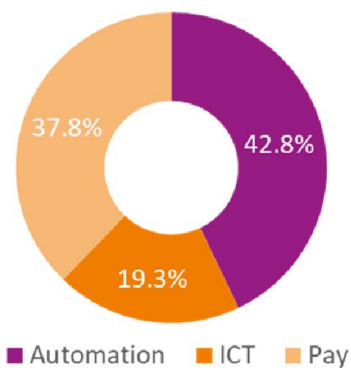
Δ +21%



2019 REVENUE



2019 EBITDA



## Automation

Sales of HW for automated warehouses (approx. 87%) and maintenance and service fees (approx. 13%)

- Retail Italy approx. 64%
- Hospital Italy approx. 16%
- International Hospital & Retail approx. 20%

## ICT

Desktop management services fees (approx. 89%) other system services (approx. 11%)

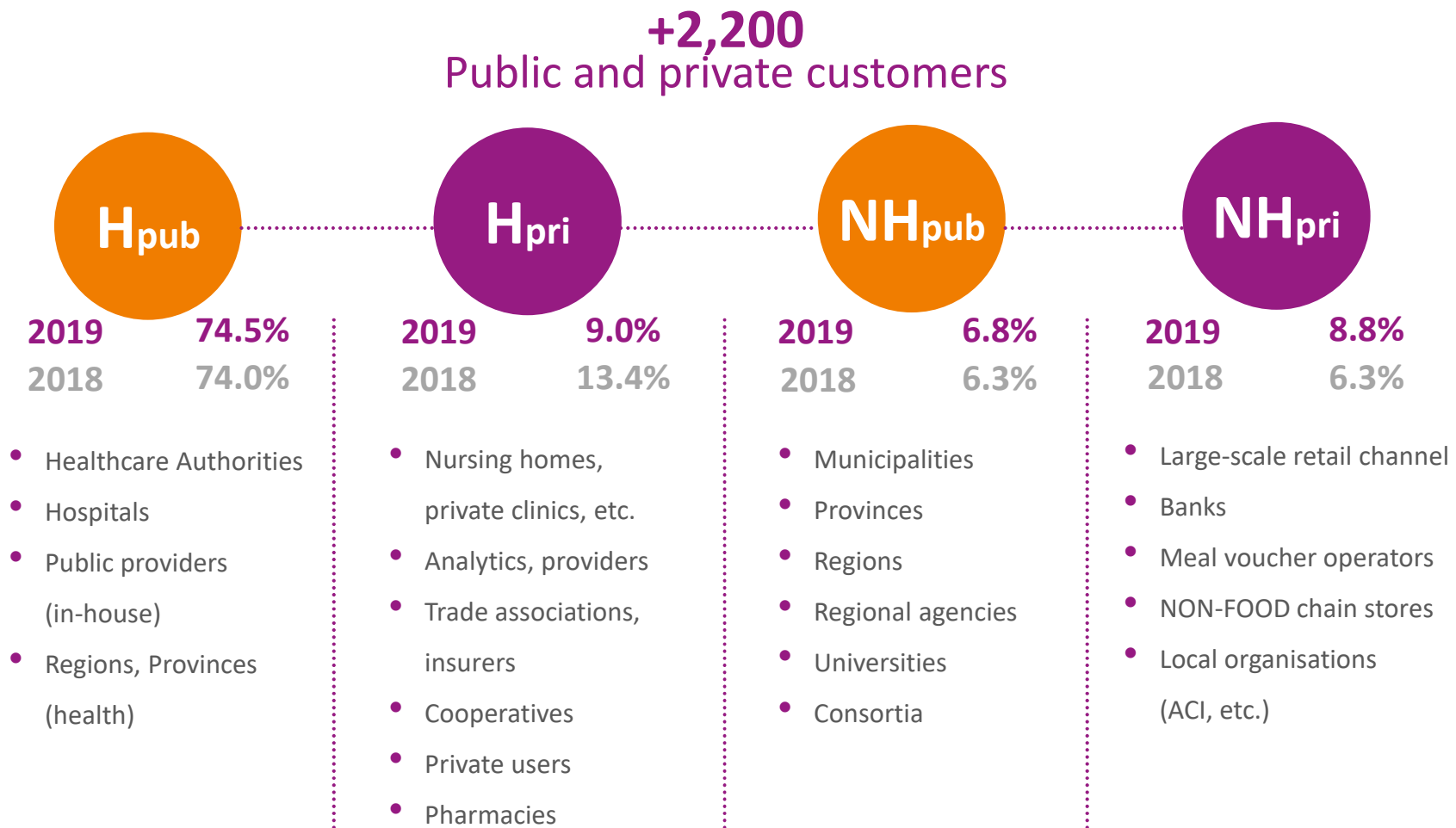
- Healthcare customers approx. 77%
- Non-healthcare PA approx. 17%
- Other private customers approx. 6%

## PAY

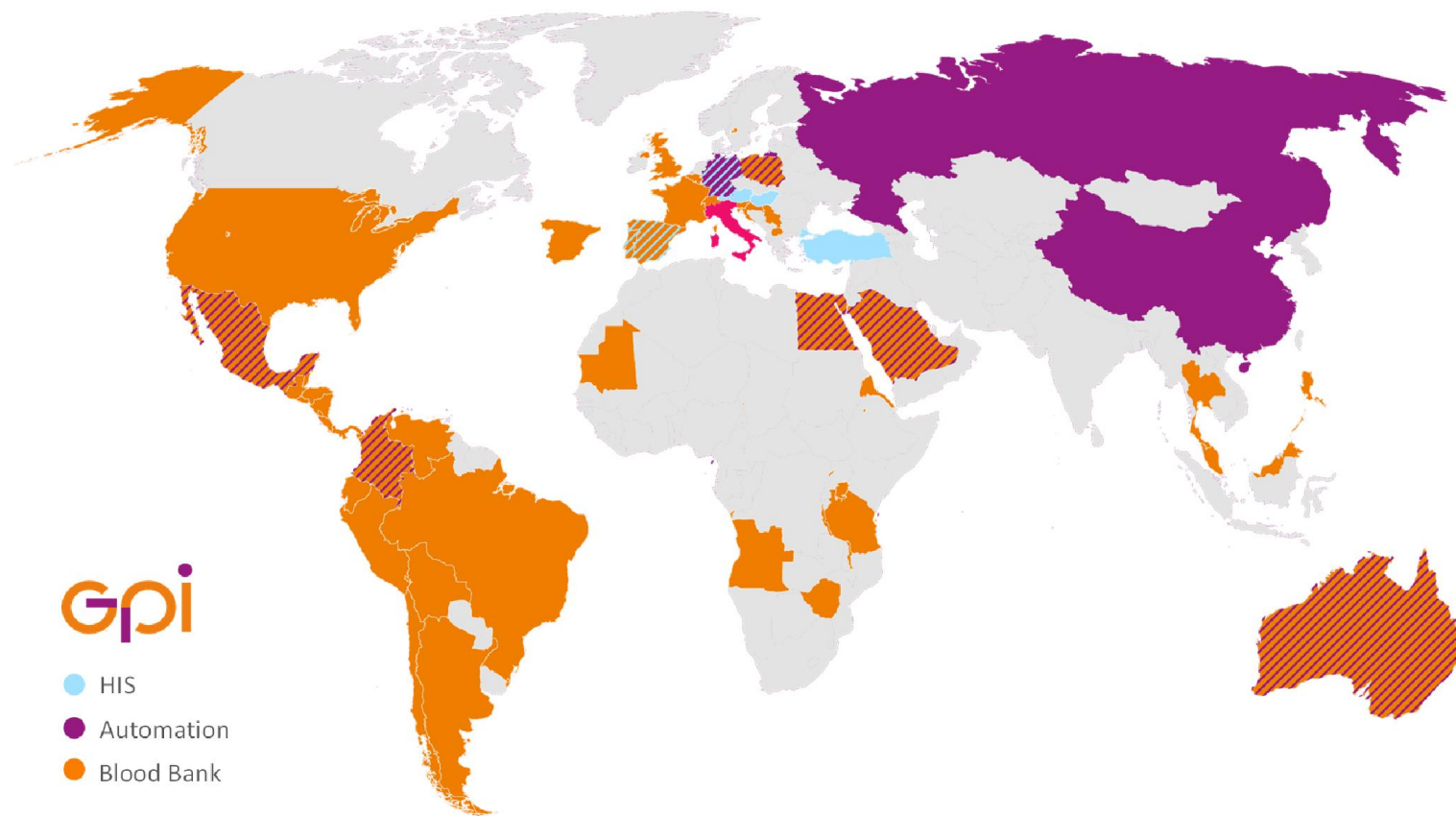
ePayment services (approx. 85%), income from POS rental and related software (approx. 15%)

- Organised distribution approx. 50%;
- PAL approx. 23%
- Suppliers of POS-based services approx. 17%
- System integrator approx. 10%

## • The customers



- GPI worldwide



ITALY  
> 40 branches

SOLUTIONS  
WORLDWIDE  
> 60 countries

# Overview and main results FY2019



# ● Highlights

- **Region of Lazio** contract start up – 18 lots - and Regional Contact Centre:  
**€72 M** in 2 years + 1-year extension (**Care: CUP**)  
**6 million more citizens reached**
- **Award of tender for the Region of Veneto:**  
**€79 M** in 5 + 2 years  
**€27.5 M GPI share (Software: SIO)**  
**8 thousand beds**
- **Award of 4 tenders in the Region of Marche:**  
**€4 M GPI share (Software: FSE, CUP, SISTE, DOC)**  
**5 thousand beds**
- **Issue of €30 M debenture**  
several underwriters, supported by Cassa Depositi e Prestiti (Deposits and Loans Fund) as anchor invest

## M&As

- **Haemonetics** (assets): U.S. global company listed on the NYSE (Blood Bank) | 11,3 M \$ Rev. | 35% EBITDA | 100 clients USA (May 2020)
- **Medinfo** Group: 3 companies - France, Tunisia, Chile (Blood Bank) | 3,9 M€ Rev. | 33% EBITDA | 60 clients NHS UK, Army France and Belgium (May 2020)
- **Oslo** ( Management Reporting System, Big Data & Analytics) | 4,3 M€ Rev. | 30,2% EBITDA (April 2020)
- **Guyot** Walser Informatique (Blood Bank)  
360 healthcare facilities in France (Nov. 2019)
- **Accura** (Chronic patient management) and **Business Process Engineering** (Data Protection) In Italy

**Export + 16.4%:** new orders **Pharmacy**

**Warehouse Automation (> €2 M):** Austria, China, Qatar, Saudi Arabia, Switzerland, Hungary, Ireland

# ● Significant growth in 2019

Revenues **+18.3%**, Net profit **+3.1%**

**Revenue €240.9 M, +18.3%** thanks to the contribution made by the SBAs:

- Care **+35.0%**
- Other **+21.2%**
- SW **+1.2%**

**2019** characterised by

- 3 acquisitions
- 2 NewCos
- Incorporation of 1 subsidiary

**EBITDA: €32.2 M, 14.4%** of adj. revenue

**Net profit: €9.8 M +3.1%**

€M	2019	2018
Revenue and other income	240.9	203.7
Adj. revenue <sup>(1)</sup>	223.3	192.9
<b>EBITDA</b>	<b>32.2</b>	<b>28.6 <sup>(2)</sup></b>
EBITDA % of adj. revenue	14.4%	14.8%
Pre-tax profit	12.8	12.8
<b>Net profit (loss)</b>	<b>9.8</b>	<b>9.5</b>

(1) Net of Temporary grouping of companies (RTI)

(2) Net of extraordinary costs for listing on the MTA

# ● 2019 financial highlights

## A3.1 CERVED Rating confirmed

A- S&P | A3 Moody's | A-1 Fitch

### Net working capital

€91.3 M (€75.6 M in 2018):

- increase due to growth in revenues and the acquisition of significant orders at year end; accordingly, trade payables also rise (€37.8 M vs €32.2 M)
- product warehouse: increase connected above all with SBA Automation (€4.8 M vs €3.9 M)

### Shareholders' equity

€72.1 M (€68.6 M in 2018):

- 2018 dividend payment
- FY 2019 profit
- purchase of treasury shares

### Net financial position

€82.8 M (€69.2 M in 2018 - including the effect of IFRS 16)

**Investments:** M&As €1.8 M | R&D €7.1 M

€M	2019	2018
Net working capital	91.3	75.6
Non-current assets	119.4 <sup>(1)</sup>	105.2
Other operating assets/(liabilities)	(55.8)	(50.7)
<b>NET INVESTED CAPITAL</b>	<b>154.9</b>	<b>130.1</b>
Shareholders' equity	72.1	68.6
Net financial position	82.8	61.5 <sup>(2)</sup>
<b>TOTAL SOURCES</b>	<b>154.9</b>	<b>130.1</b>

(1) Includes €11.8 M due to the IFRS 16 effect

(2) Net of €7.7 M due to the IFRS 16 effect

Target market  
and competitive  
environment

# ● Market Analysis Software

## Market value

■ \$60 bn



value of the global 2018 Healthcare IT software + services market

47 % North America	CAGR 18 – 22: 6.1%
28 % Western Europe	CAGR 18 – 22: 5.4%
10% Mature Asia/Pacific	CAGR 18 – 22: 4.3%
5 % Latin America	CAGR 18 – 22: 5.3%
4 % Greater China	CAGR 18 – 22: 13.3%

|| Source: Gartner (2019)

■ \$0.8 bn\*



value of the Italian 2018 Healthcare IT software + services market

1.4% of the global market CAGR 18 – 22: 3.5%

|| Source: Gartner (2019)






■ €1.7 bn HealthCare IT market

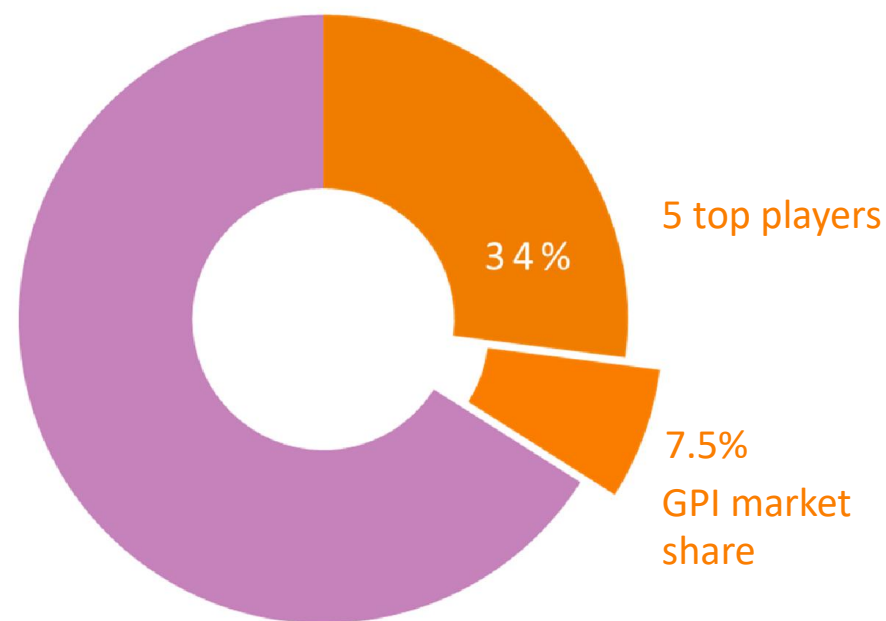
|| Source: Netics (2019)

■ €1.1 bn HealthCare IT software + services market

# ● Market Analysis Software

## Top market players

Company	Brief description	Focus on healthcare	Ranking
 <b>Dedalus</b> HEALTHCARE SYSTEMS GROUP	ICT solutions and related services for <b>public and private healthcare</b> providers.	✓	1st
 <b>ENGINEERING</b>	ICT solutions for the segments: finance, industry, telco&utilities and <b>PA</b> .	Through dedicated healthcare division	2nd
 <b>Gpi</b>	ICT solutions, administrative and social-healthcare services for <b>public and private healthcare</b> providers.	✓	3rd
 <b>Reply</b> santer	Software for hospital processes, orders and risk management Group reply part.	✓	4th
 <b>expri via</b>	Digital transformation & ICT services for industries, energy, aerospace, <b>healthcare</b> , PA, etc.	Through dedicated healthcare division	5th





# Market Analysis Care

## Market value & players

N/A



global market value of **administrative services** *not available* because of its heterogeneous nature - international comparison impossible.






€155 m



Italian market value of **administrative services** (2017)

value underestimated insofar as, at present, part of the market is still insourced.

> 28 M citizens reached

Company	Brief description	Ranking
	ICT solutions, administrative and social-healthcare services for <b>public and private healthcare providers</b> .	1st
	Maintenance services for medical devices, operative in 17 different countries.	N/A
	BPO services (e.g. cleaning, security, logistics and <b>healthcare services</b> ).	N/A
	Local supplier of services for healthcare and the educational segment, operates in the Region of Veneto.	N/A
	Local supplier of services for healthcare , operates in the Region of Lazio.	N/A

|| Source: Netics (2018)

Strategic  
intentions



# • Strategic-corporate intentions

01

EVER MORE  
GLOBAL

Strong increase over  
the BP period

Geographical areas  
of growth:  
DACH, Russia, China,  
Middle East and  
America

02

GROWTH  
IN  
PRIVATE  
HEALTHCARE

RE  
doubling up of  
the segment %  
weight

03

ITALY  
HEALTHCARE  
SW MARKET  
LEADERSHIP

Major regional and  
national tenders

M&As

Focus of R&D on  
Machine Learning  
and on the digital  
transformation

04

FROM  
PRODUCTS/  
SERVICES TO  
INTEGRATED  
SOLUTIONS

Greater integration of  
services | SW |  
technologies to respond to the  
evolution of healthcare models and  
the healthcare demand.

05

FROM  
PROVIDER  
TO PARTNER

Multi-business nature  
with the contribution of all  
ASAs.

## • Strategic intentions SBA

01.

### MARKET POSITIONING

consolidation of the market position (up-selling and cross-selling), continuous participation in major tenders and strategic partnerships.

02.

### GLOBALISATION/TARGET SHIFTING

increase in the percentage share of turnover for the ASA referring to international customers:  
the target value is 20%.

03.

### PRODUCTS PORTFOLIO

harmonisation of the products portfolio,  
review of the production process to increase productivity and product quality,  
innovation and technological evolution of the platforms.

# Software



## DEVELOPMENT DRIVERS

- Average retention ('17-'19)  
**91%**
- Revenue predictivity  
**50%**
- Up/cross selling  
**2.5%**
- Tenders/year  
**€6-7 M**

Gpi

# ● Strategic intentions SBA

01.

## CONSOLIDATION OF THE COMPETITIVE POSITIONING

consolidate the market share on the H-PUB target on a national level and the current territorial presence (approx. 50% of the domestic market) through:

- continuous participation in important tenders,
- direct contract acquisition,
- extension of the supply contracts stipulated.

02.

## DEVELOPMENT OF THE PRIVATE HEALTHCARE MARKET

develop, define and market the portfolio of new services towards the private H-PRI target group (private clinics, COT, nursing homes, etc.) and to manage chronic patients.

03.

## INFRASTRUCTURAL EVOLUTION

technologically evolve the infrastructure in support of services to foster a multi-channel approach in access (voice systems, apps, social engagement) and introduce artificial intelligence algorithms to automate certain reception services and reduce the operator's workload.

04.

## TECHNOLOGICAL AND PROCESS EVOLUTION

increase efficiency in the supply of contact centre services through the introduction of a technological platform to support HR planning and programming.

Care



## DEVELOPMENT DRIVERS

- Average retention '17-19  
**97%**
- Revenue predictivity range  
**98%-45%**
- Tenders/year  
**€10-15M**

# ● Strategic intentions Other SBAs

## AUTOMATION

**PRODUCT AND VALUE PROPOSITION INNOVATION THROUGH R&D OPERATIONS** develop new technological solutions (e.g. automated basket/cabinet system for medical devices/cart kit engineering, etc.) and enter new segments (e.g. evolved self-service type solutions and vending machines for the pharmaceutical area, etc.).

### RETAIL MARKET DEVELOPMENT

enter the market of the major pharmacy chains (capital companies) both for automation and furnishing. Cross-selling of the Warehouses and Pharmacy Design Studio range.

## ICT

### STRATEGIC PARTNERSHIPS FOR NATIONAL TENDERS

development of strategic partnerships with the market's big players (TIM, FastWeb, etc.)

### INNOVATION OF OFFER ON PRIVACY & CYBER SECURITY

new value proposition focussed on privacy & cyber security on PAL target and healthcare

## PAY

### DEVELOPMENT OF THE PUBLIC ADMINISTRATION MARKET

payment services/electronic collection and replacement storage services for the PA

### DEVELOPMENT OF SMART PAYMENT FOR VENDING MACHINES

R&D on this topic, partnering dispenser manufacturers and alternative-micro payment systems (e.g. Tinaba, ALIpay, etc.).

### DEVELOPMENT OF THE ORGANISED CATERING SEGMENT

improvement of the competitive positioning

## DEVELOPMENT DRIVERS

### AUTOMATION



- Italy retail (H-PRI, NH-PRI)
- Italy hospital (H-PRI, H-PUB)
- International through Riedl
- International through GPI network

### ICT



- Order backlog
- Extension of contracts
- New contracts

### PAY



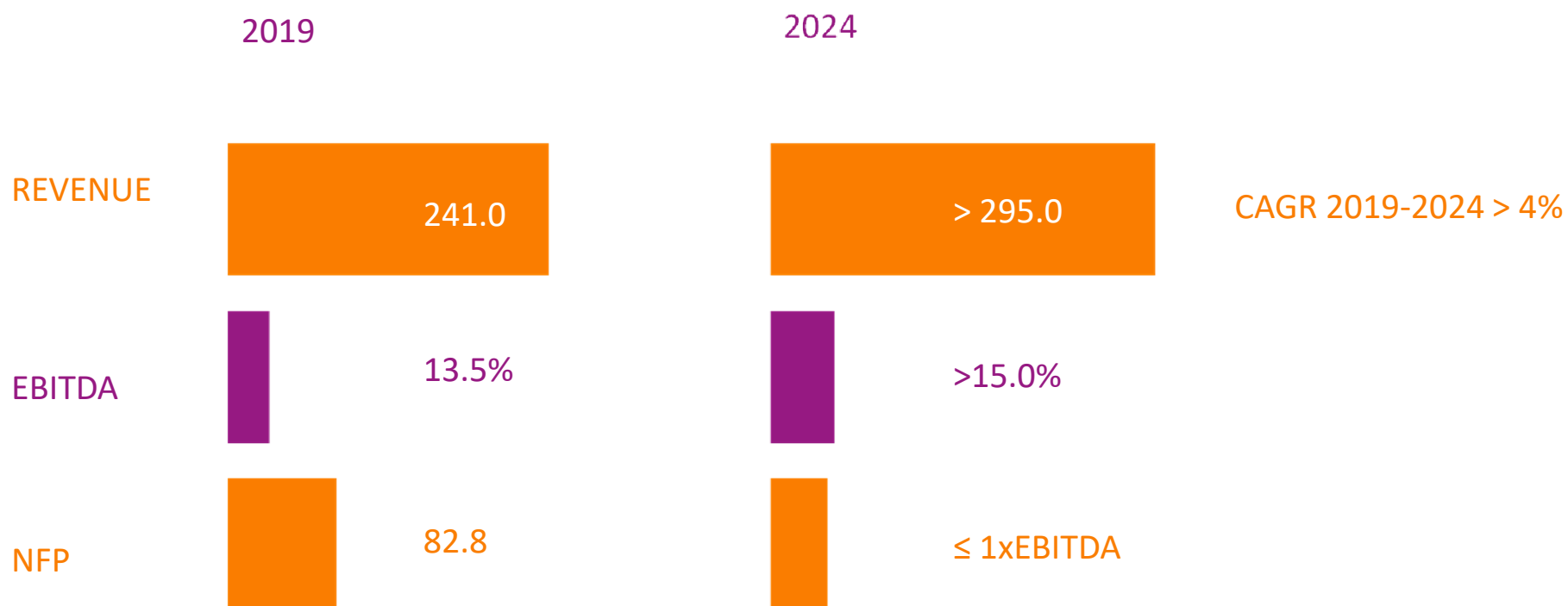
- Large retail and PA (recurring)
- New services PA
- New services Large retail
- Vending machines

GPI

# Main economic and financial targets 2024

- **2024** economic-financial targets

Equal scope of consolidation as of 31/12/2019

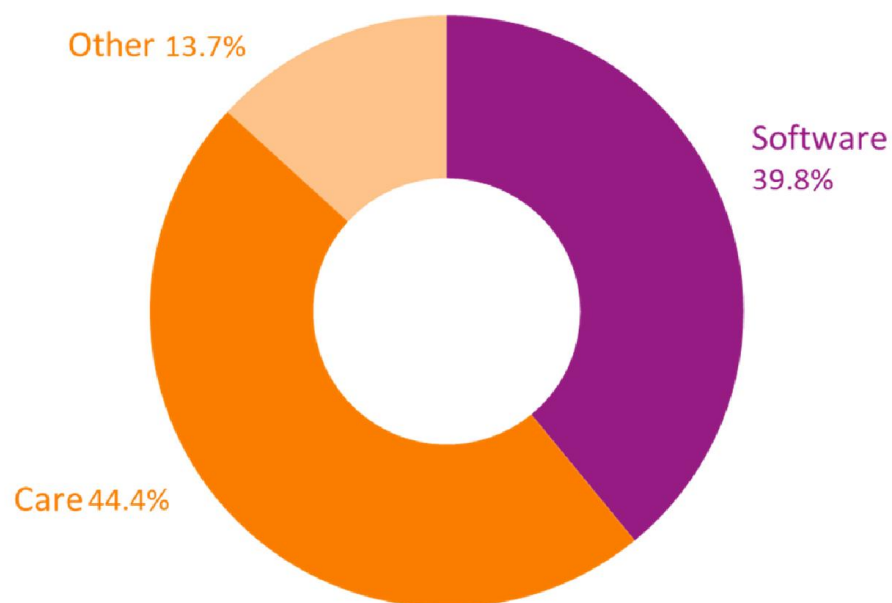


Million Euros

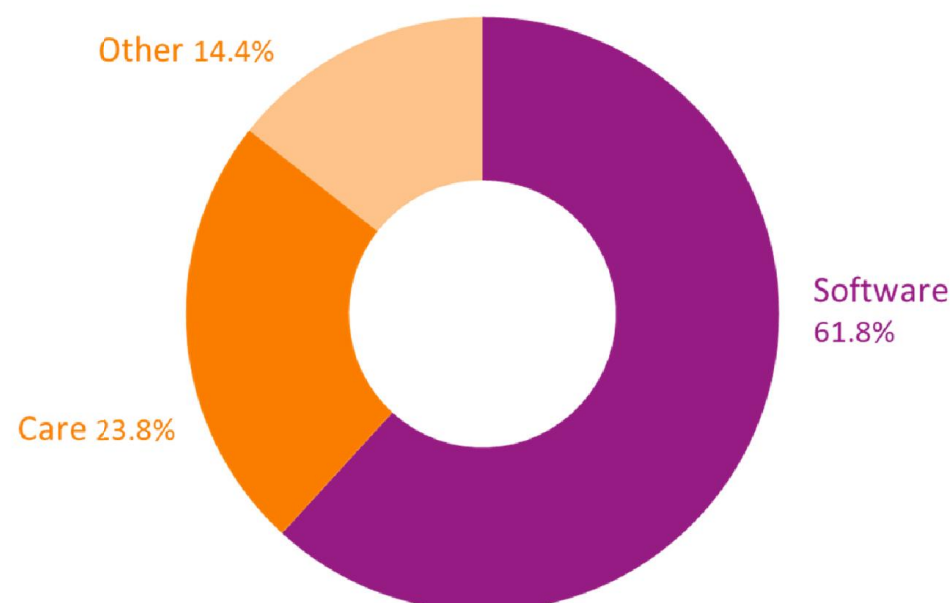
- 2024 Revenue and EBITDA without M&As

ASA breakdown, equal scope of consolidation as of 31/12/2019

Revenue by strategic business area



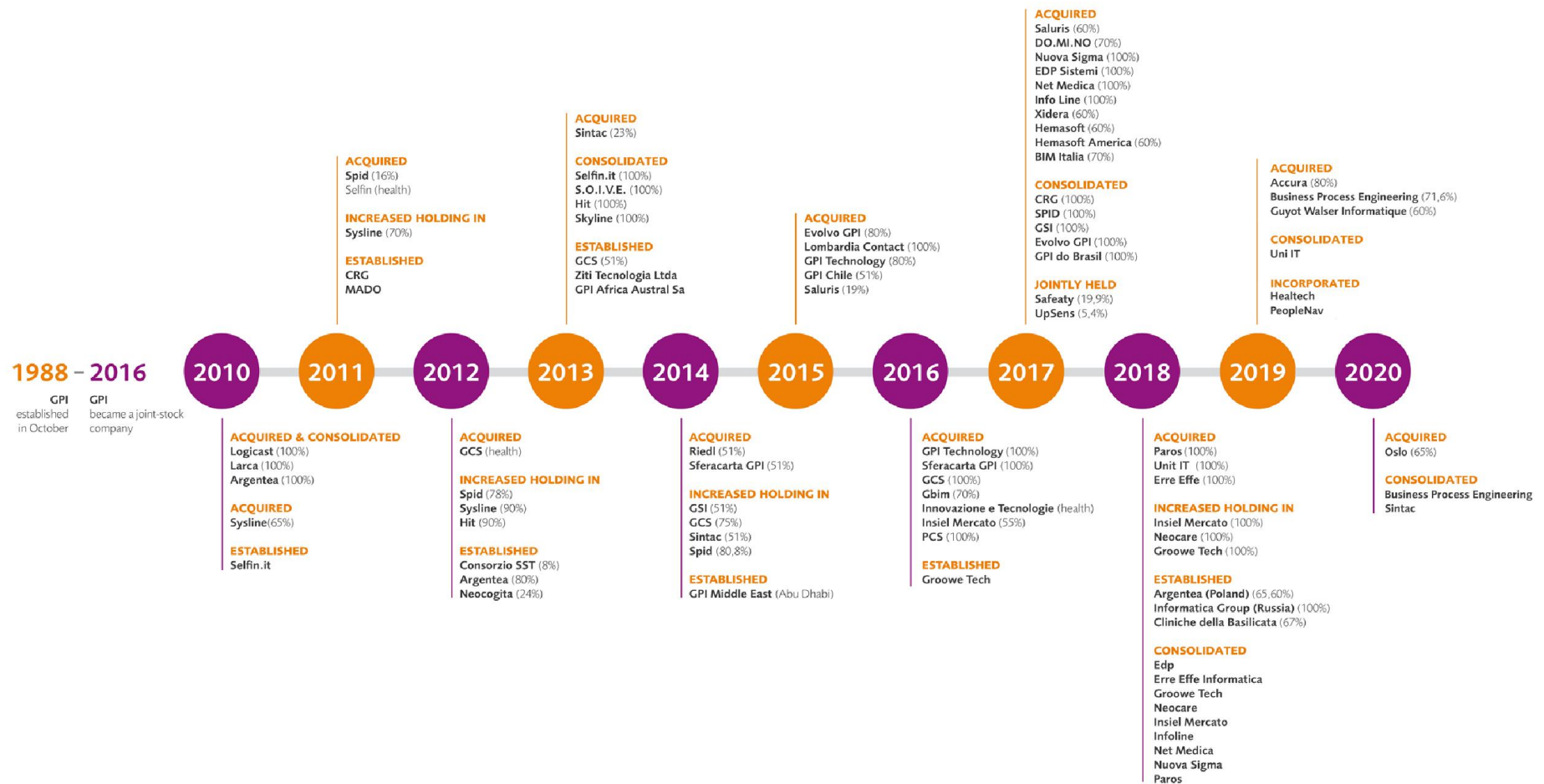
EBITDA by strategic business area



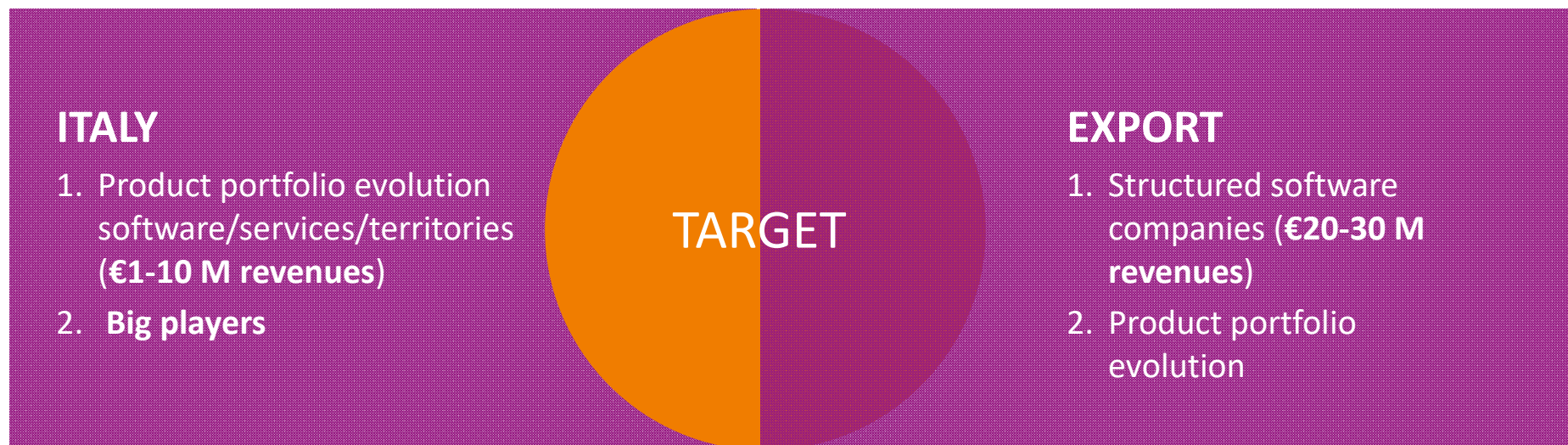
# M&A Guidelines



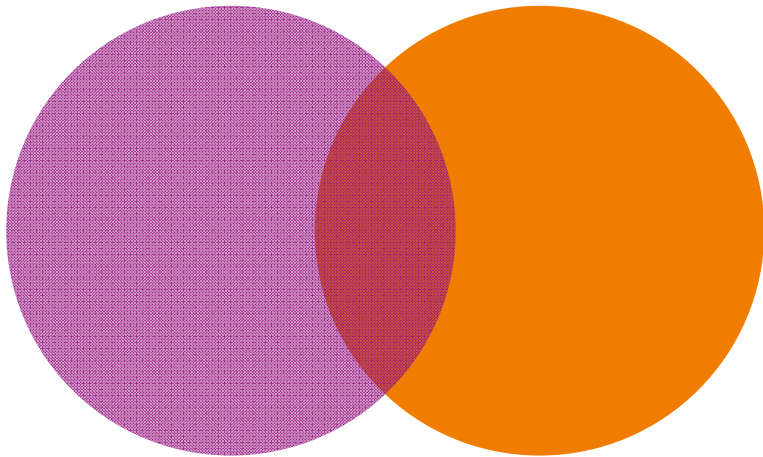
# ● Historic M&A process



- M&A Guidelines



## ● M&A Guidelines



### RESOURCES

- BONDS
- TRADITIONAL FINANCING
- WARRANTS
- SHARES/SHARES
  - Big players
  - Abroad

# Investment Attractiveness

Leadership and Uniqueness

Growth and Visibility

Technology and Service

Evolution of market/client

M&A Opportunities

## GPI IN THE STOCK MARKET

Bloomberg: GPI:IM

15,909,539 Ordinary Shares (ISIN: IT0005221517)

Price: 7.76 € (19 June 2020)

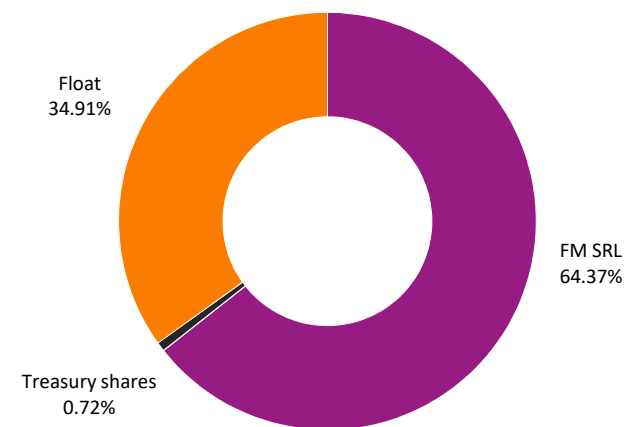
Capitalisation: 123.5 M€ (19 June 2020)

## ANALYST COVERAGE – Target price

Intermonte SIM (22/04/2020): 10,00 €

Banca Akros (02/04/2020): 11.00 €

## SHAREHOLDING STRUCTURE



- IR Contact details



Fabrizio Redavid

Mob. +39 335 1035499

fabrizio.redavid@gpi.it

Lorenzo Giollo

Mob. +39 340 8223333

lorenzo.giollo@gpi.it

Via Ragazzi del '99, 13 - 38123 Trento

T +39 0461 381515

investor.relations@gpi.it



Maria Antonietta Pireddu

Via C. Cantù, 1 - 20123 Milan

Tel. +39 02 45473883/4

m.pireddu@irtop.com

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