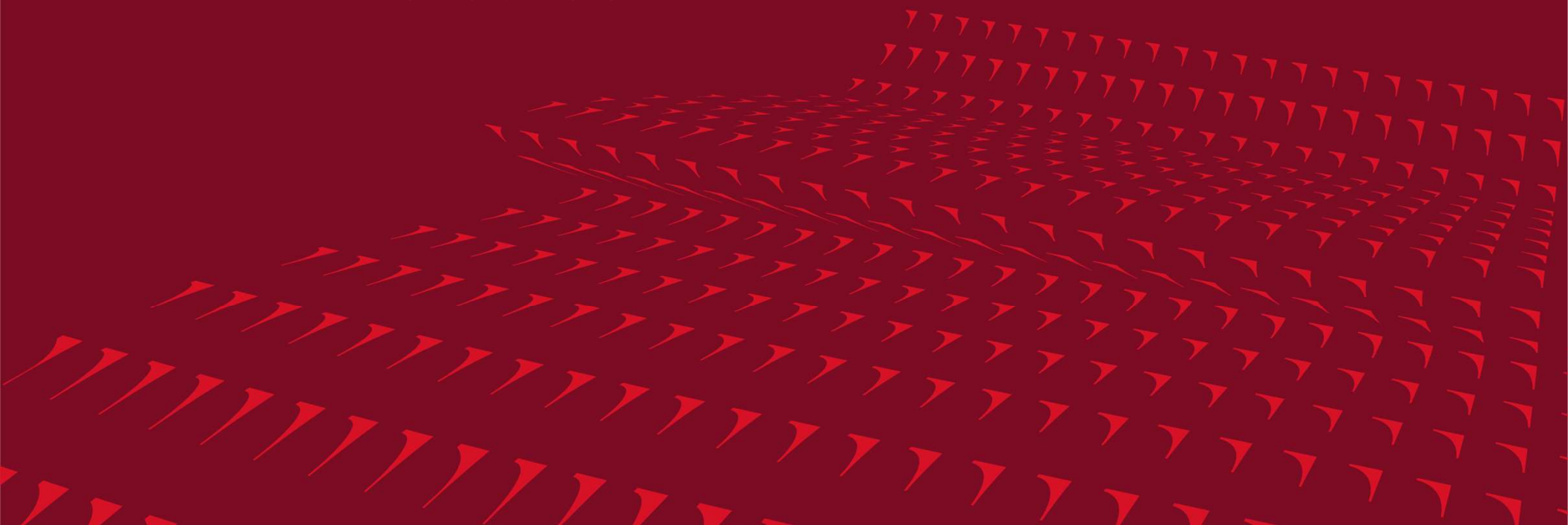




# 2022 Results

13 March 2023





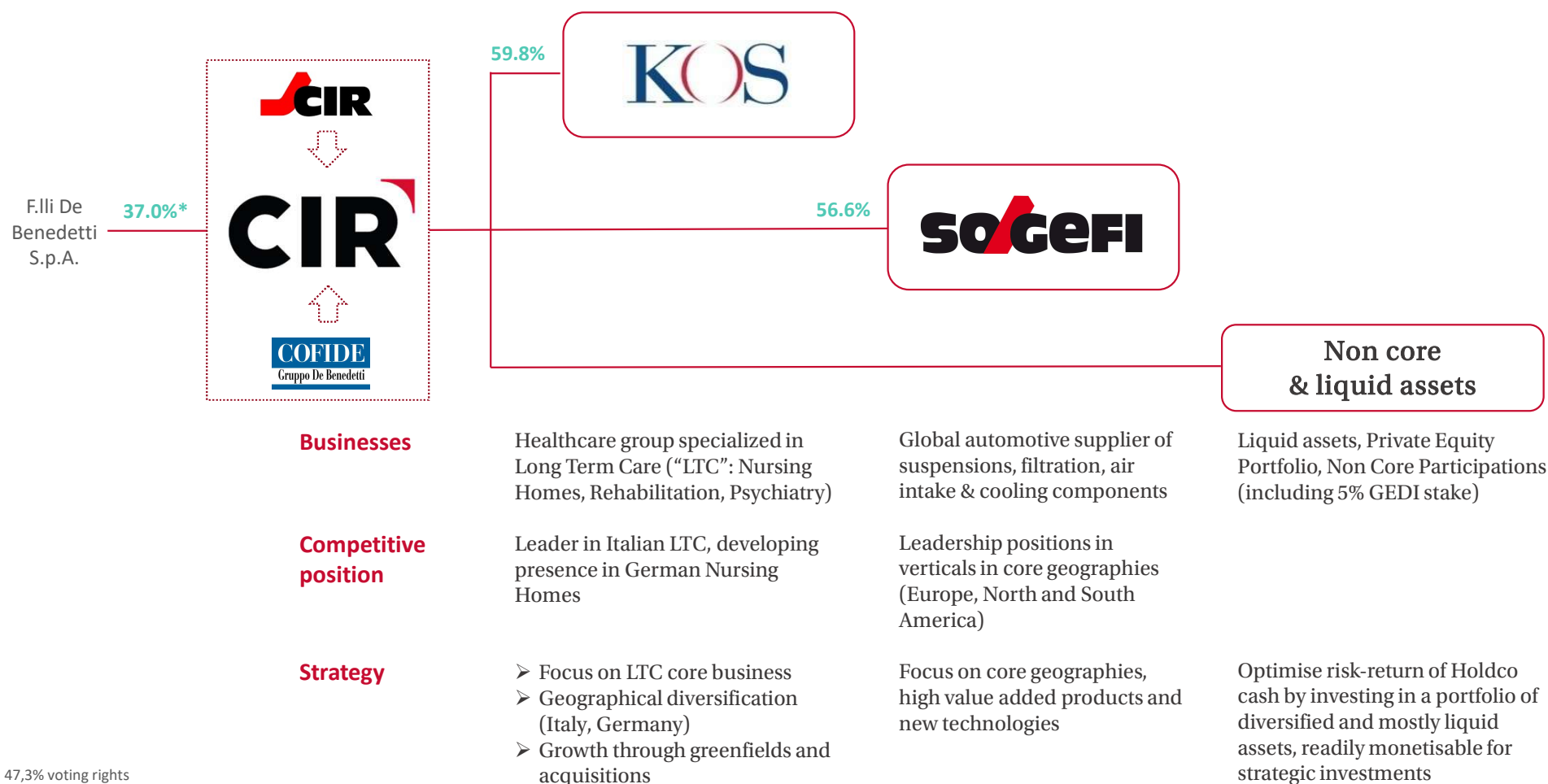
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# Group structure and strategy



\* 47,3% voting rights  
All % as of March, 9 2023, calculated net of treasury shares (equal to 2,82% of share capital for CIR)

## 2022 Highlights

### Relevant events

- On Sept 12, 2022, the meeting of shareholders of CIR S.p.A. approved the following resolutions, aimed at restoring the holding company's flexibility to make future buyback / dividend distributions (although no proposal has been made on future distributions at present)
  - Cancellation of n. 170M treasury shares (13,3% of share capital)
  - Reduction of statutory capital by € 218,6M and creation of distributable reserves for the same amount
- On Dec 23, 2022, CIR S.p.A. signed a binding agreement, subject to customary closing conditions, to sell a Real Estate property in Milan (previously rented to third parties), for an amount of € 38,0M (book value € 11,0M). Closing expected in Q4 2023

### Consolidated Financial results

Sales:  
+13,9% vs 2021



- Organic sales : +9,4% vs 2021; +4,8% vs 2019 (excl. Charleston)
  - KOS +6,5% vs 2021; -3,6% vs 2019 (excl. Charleston)
  - Sogefi +17,5% vs 2021, +7,8% vs 2019

Net result: - € 0,2M



- Strong contribution by Sogefi (+€ 16,7M thanks to cost reduction and squeeze containment, despite market challenges)
- KOS slightly negative (-€ 0,8M, recovery still underway)
- Negative HoldCo contribution (-€ 16,5M due to financial assets' performance)

NFP: - € 81,8 M  
+€ 2,8M vs Dec.21



- Consolidated debt before IFRS16 stable, despite positive operational cash flow, due to expansion capex and share buy-back

### Outlook

- KOS expects a full recovery of pre-Covid activity levels in 2023 for Acute & Rehab and in 2024 for NH; margins also increasing, but transfer of labour and energy cost inflation to tariffs expected to be inhomogeneous across geographies and activities, leading to potential margin pressure over the medium term
- Sogefi expects mid single digit market and revenues growth and stable or growing results, in a volatile environment
- Absent new adverse events, both companies expect normalised 2023 EBIT to be at least in line or growing vs. 2022



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# Consolidated P&L main elements

€/M	2021	2022
Revenues	1,962.5	2,235.6
<i>% change vs 2021</i>		13.9%
EBITDA	300.7	295.7
<i>% on revenues</i>	15.3%	13.2%
EBIT	80.2	81.7
<i>% on revenues</i>	4.1%	3.7%
Financial result	(20.1)	(55.2)
Taxes	(13.1)	(12.3)
Third party result	(15.1)	(14.8)
<b>Net result from continuing operations</b>	<b>31.9</b>	<b>(0.7)</b>
Assets held for sale	(13.9)	0.4
<b>Group net result</b>	<b>18.0</b>	<b>(0.2)</b>

Revenues			
	2021	2022	% 22/21
KOS - Italy	462.4	492.2	6.4%
KOS - Germany	179.4	191.3	6.6%
KOS - total	641.9	683.5	6.5%
SOGEFI	1,320.6	1,552.1	17.5%
<b>GROUP revenues</b>	<b>1,962.5</b>	<b>2,235.6</b>	<b>13.9%</b>

Financial result			
	2021	2022	
Cost of financing	(24.9)	(24.2)	
IFRS16 accounting	(19.5)	(23.1)	
HoldCo financial assets	24.7	(5.1)	
Other (*)	(0.4)	(2.8)	
<b>GROUP financial results</b>	<b>(20.1)</b>	<b>(55.2)</b>	

-€29,8m vs 2021, mostly FV adjustment of financial assets

Contribution to Net Result			
€/M	2021	2022	
KOS Group **	0.8	(0.8)	
Sogefi Group **	15.0	16.7	
<b>Total core businesses</b>	<b>15.8</b>	<b>15.9</b>	
CIR Holding	16.1	(16.5)	
<b>Net result from continuing operations</b>	<b>31.9</b>	<b>(0.6)</b>	
Sogefi	(13.9)		
KOS		0.4	
<b>Assets held for sale</b>	<b>(13.9)</b>	<b>0.4</b>	
<b>GROUP NET RESULT</b>	<b>18.0</b>	<b>(0.2)</b>	

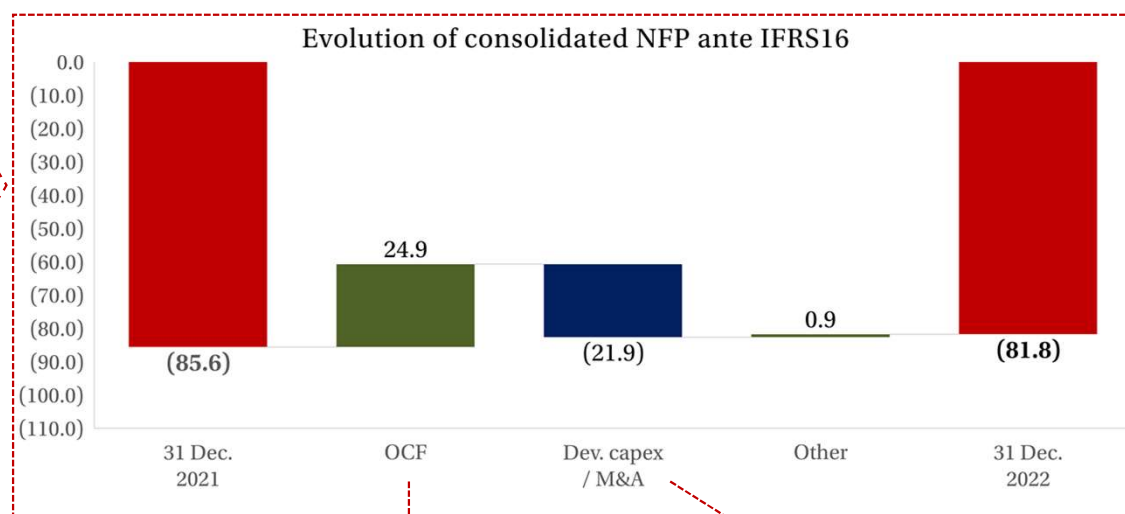
\*\* pro-rata share of subsidiaries' net result

# Group Financial Indebtedness

€/M	Excluding IFRS16	
	31 Dec. 2021	31 Dec. 2022
KOS Group	(160.2)	(178.2)
Sogefi Group	(258.2)	(224.3)
<b>Subsidiaries</b>	<b>(418.4)</b>	<b>(402.5)</b>
CIR holding & I/C	332.8	320.7
<b>Group net financial indebtedness</b>	<b>(85.6)</b>	<b>(81.8)</b>

€/M	Including IFRS16	
	31 Dec. 2021	31 Dec. 2022
KOS Group	(935.1)	(976.4)
Sogefi Group	(327.6)	(294.9)
<b>Subsidiaries</b>	<b>(1,262.7)</b>	<b>(1,271.3)</b>
CIR holding & I/C	332.9	320.6
<b>Group net financial indebtedness</b>	<b>(929.8)</b>	<b>(950.7)</b>

- KOS: higher net debt, due to expansion capex/M&A
- Sogefi: debt reduction thanks to operating cash generation



Operating Cash Flow : Funds from Operations (EBITDA, interest and taxes and derivatives FV for Sogefi); NWC; ordinary capex

€/M	Funds from operations	NWC	Ordinary capex	Other	OCF
KOS	35.4	(12.1)	(20.9)		2.5
Sogefi	128.0	(11.9)	(98.8)	16.6	33.9
CIR	(10.6)	(0.9)			(11.5)
<b>Total</b>	<b>152.8</b>	<b>(24.9)</b>	<b>(119.7)</b>	<b>16.6</b>	<b>24.9</b>

KOS: 4 greenfields and 2 acquisitions

## CIR Holding Balance Sheet main elements

€/M	31 Dec. 2021	31 Dec. 2022
KOS	203.1	203.1
Sogefi	108.2	132.5
<b>Total operating companies</b>	<b>311.3</b>	<b>335.6</b>
Fixed assets	17.2	5.4
Private equity	60.0	59.5
Other investments	19.4	14.3
Other Assets (Liabilities)	0.2	2.3
Assets held for sale		6.0
<b>Net cash</b>	<b>332.3</b>	<b>320.3</b>
<b>Total CIR holding level</b>	<b>429.1</b>	<b>407.8</b>
<b>Total CIR Group shareholders' equity</b>	<b>740.4</b>	<b>743.4</b>
Shareholder's equity per share	0.58	0.67
Shareholder's EPS net of treasury shares <sup>(1)</sup>	0.67	0.69

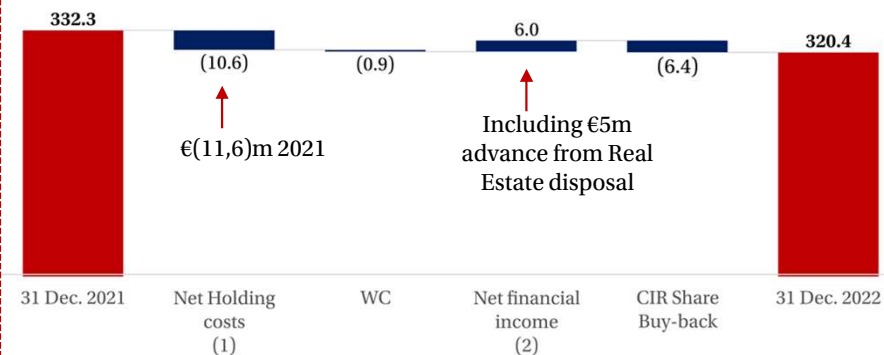
(1) Ordinary shares: 1,277,207k at 31 Dec.2021 and 1,107,207 at 31 Dec.2022; treasury shares: 179,456k at 31 Dec.2021 and 24,480k at 31 Dec.2022

### Non-core investments

€/M	31 Dec. 2021	New	Cash In	Fair value / other	31 Dec. 2022
Private Equity	60.0	11.7	(12.5)	0.3	59.5
Other investments	19.4	0.3	(0.3)	(5.1)	14.3

- Diversified portfolio of **private equity funds**, direct minority private equity and **Other investments** in non-strategic direct minority stakes, including 5% of GEDI
- The portfolio has reached its maturity/reimbursement phase, as limited investments were added in the recent past

### Evolution of Holding Net cash



(1) Operating costs, taxes, etc.

(2) Performance of liquid assets / HF (Fair value + income + trading) & €5m of advance for Real Estate disposal





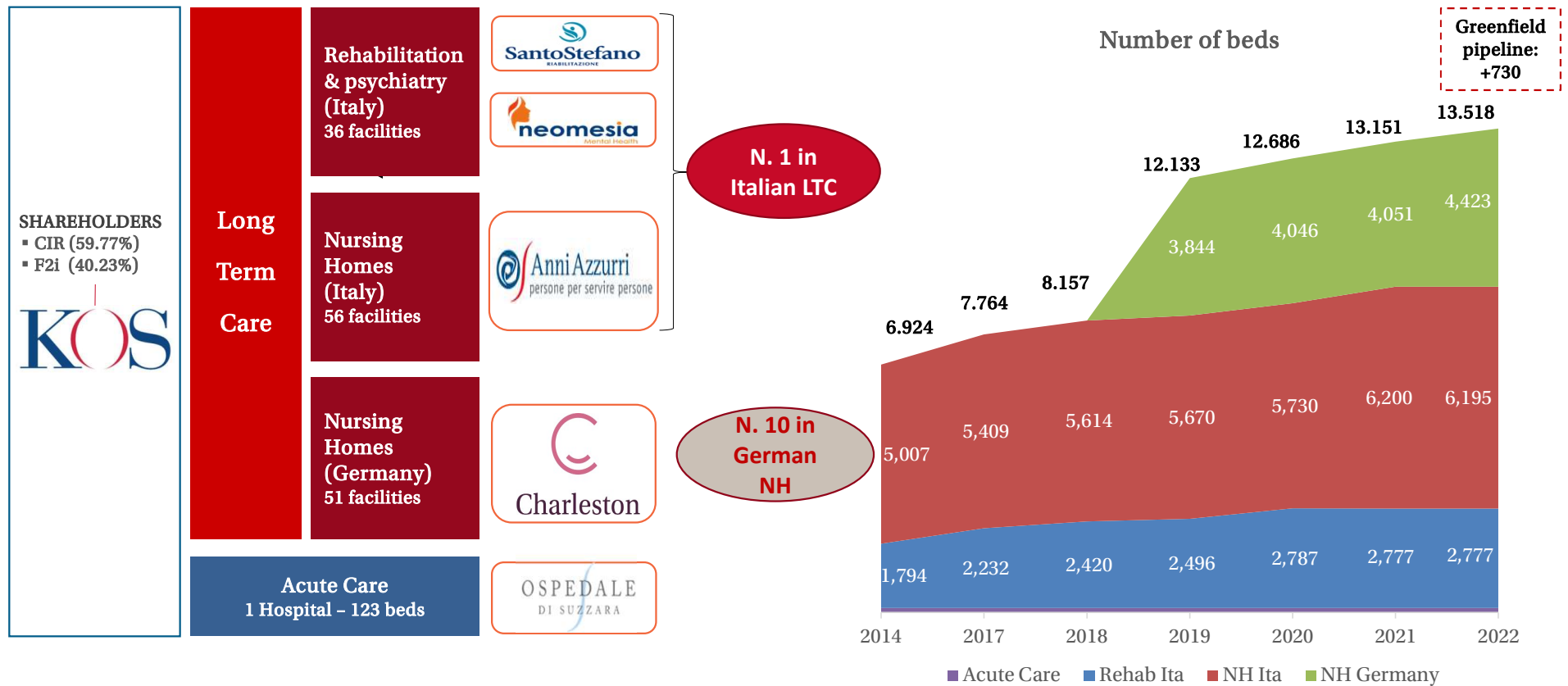
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## KOS - a leader in LTC with a consistent growth track record



# KOS - Summary of 2022 results and outlook

€/M	2019 *	2021	2022
Revenues	517.1	641.9	683.5
<i>LTC / Acute Italy vs 2019</i>		-4.2%	0.6%
EBITDA	119.0	117.5	121.4
EBITDA pre IFRS16	80.2	62.1	52.0
EBIT	59.4	31.8	30.4
Financial result		(28.5)	(31.3)
Taxes		(0.9)	0.4
Third party result		(1.0)	(1.0)
<b>Group net result from continuing operations</b>		<b>1.5</b>	<b>(1.5)</b>
Assets held for sale (Medipass India)		(0.1)	0.7
<b>Group net result</b>		<b>1.4</b>	<b>(0.8)</b>
<b>NFP IFRS16</b>	<b>(931.0)</b>	<b>(935.1)</b>	<b>(976.4)</b>
<b>NFP pre IFRS16</b>	<b>(200.7)</b>	<b>(160.2)</b>	<b>(178.2)</b>
Real Estate Assets	31 Dec. 2019	31 Dec. 2021	31 Dec. 2022
€/M			
Net Book Value	211.2	168.2	178.5
Fair Value	270.5	225.6	237.6
RE debt (excluding IFRS16)	(80.9)	(74.4)	(103.1)

## KOS 2022 results

- Disposal of Indian diagnostics and cancer care business expected in 2023 (IFRS5)
- Overall revenues increase by +6,5% vs 2021
- LTC Italy revenues at 2019 level, thanks to the contribution of developments, compensating the slow post Covid-19 recovery, especially in NH
- After severe occupancy drop in Italian NHs, recovery underway (Dec.22 occupancy at 84% in the LxL perimeter)
- For German NH, occupancy recovery slowed by skilled labour shortages
- Still volatile activity in Rehab/Acute, with quick recovery after each downturn, linked to waves of pandemics
- Margins still under pressure in Italy, due to increased personnel and energy costs, partially offset by limited tariff increases and volume recovery; in Germany Covid-19 reimbursement terminated in Aug.22, but recovery of inflation through tariffs
- Recurring EBITDA above 2021 levels when excluding +€ 12 M non-recurring income in 2021; EBIT in line with 2021 as including new rents
- Net debt ante IFRS16 increased by € 18 M in 2022, due to break-even operational cash flow and new greenfield / M&A investments

## 2023 Outlook

- KOS expects the return to full activity in Rehabilitation and Acute Care in 2023, while Nursing Homes' occupancy should further improve, reaching levels slightly below 2019 at year end.
- 2023 results expected to be improving vs 2022, but alignment of tariffs needed to fully compensate rising costs (renewal of labor contracts and energy inflation)

\* Pro-forma not audited 2019 figures to exclude Medipass India, following its IFRS5 treatment in 2021 and 2022 figures

## KOS – Revenues and KPIs by segment

	LTC Italy									NH Germany		
	NH			Rehab			Acute Care					
	2019	2021	2022	2019	2021	2022	2019	2021	2022	2019	2021	2022
Numer of beds	5,574	6,200	6,195	2,231	2,777	2,777	123	123	123	3,844	4,051	4,423
% change vs 19		11.2%	11.1%		24.5%	24.5%					5.4%	15.1%
Occupancy - average	95.6%	70.2%	80.1%								83.6%	81.1%
Occupancy - Dec.	95.0%	74.6%	83.7%								83.2%	83.1%
Revenues	225.7	189.9	216.0	230.2	243.7	240.4	36.5	38.1	39.0		179.4	191.3
% change vs 19			-4.3%			4.4%			6.8%			
% change vs 21			13.7%			-1.4%			2.5%			6.6%

- Recovery in occupancy rate (+10 p.p. at year end), but still 11 p.p. below 2019
- Very variable situation across regions
- Revenues 2022 at -4,3% vs 2019, despite +11,1% in beds, reflecting -15% average occupancy

- 2022 revenues in line with 2021, as hospital activities were still impacted by Covid temporary disruptions
- 2022 revenues grew vs 2019 thanks to the deployment of new facilities (c. +€20M vs 2019) and to the development of Covid related diagnostic and treatment services

- Average occupancy decrease in 2022 due to new facilities
- Occupancy recovery slowed by Covid disruptions and staff shortages, being resolved
- Charleston's revenues in line with expectations, thanks to public reimbursements (ended in August)

## KOS – P&L by segment

- Margins of LTC / Acute Care Italy still heavily affected in 2022 by below capacity utilisation, inflationary effects on energy and catering and rising labour costs, only marginally compensated by tariff increases so far
- In Germany profitability deterioration due to ramp up of new facilities and end of public Covid reimbursements in August; cost inflation being compensated by tariff adjustments

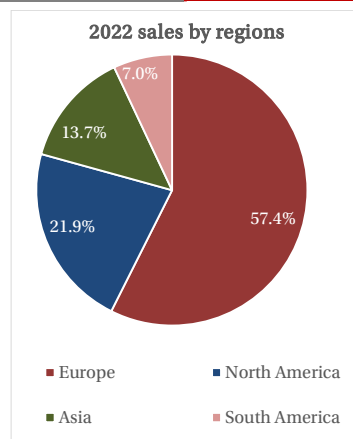
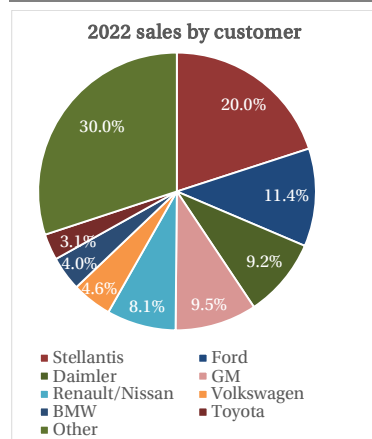
€/M	2019*			2021			2022		
	Italy	Germany	KOS GROUP	Italy	Germany	KOS GROUP	Italy	Germany	KOS GROUP
Revenues	490.0	27.1	517.1	462.4	179.4	641.9	492.2	191.3	683.5
EBITDA IFRS16	117.0	2.0	119.0	81.5	36.0	117.5	89.0	32.5	121.4
% on revenues	23.9%		23.0%	17.6%	20.1%	18.3%	18.1%	17.0%	17.8%
EBITDA ante IFRS16	83.1	(2.9)	80.2	53.4	8.7	62.1	49.1	2.9	52.0
% on revenues	17.0%		15.5%	11.5%	4.9%	9.7%	10.0%	1.5%	7.6%
EBIT	61.5	(2.1)	59.4	20.1	11.7	31.8	24.6	5.9	30.4
% on revenues	12.5%		11.5%	4.4%	6.5%	5.0%	5.0%	3.1%	4.5%
Net result from continuing operations						1.5			(1.5)
% on revenues						0.2%			-0.2%
Assets held for sale						(0.1)			0.7
Group net result						1.4			(0.8)

including +€  
12M non-  
recurring  
impact

\* Pro-forma not audited 2019 figures to exclude Medipass India, following its IFRS5 treatment in 2021 and 2022 figures

# Sogefi – Summary of 2022 results and outlook

€/M	2021	2022
<b>Revenues</b>	<b>1,320.6</b>	<b>1,552.1</b>
EBITDA	192.5	194.7
<i>% on sales</i>	<i>14.6%</i>	<i>12.5%</i>
EBIT	58.4	68.3
<b>Group result from continuing operations</b>	<b>26.4</b>	<b>29.6</b>
<b>Discontinued operations</b>	<b>(24.5)</b>	
<b>Net result</b>	<b>2.0</b>	<b>29.6</b>



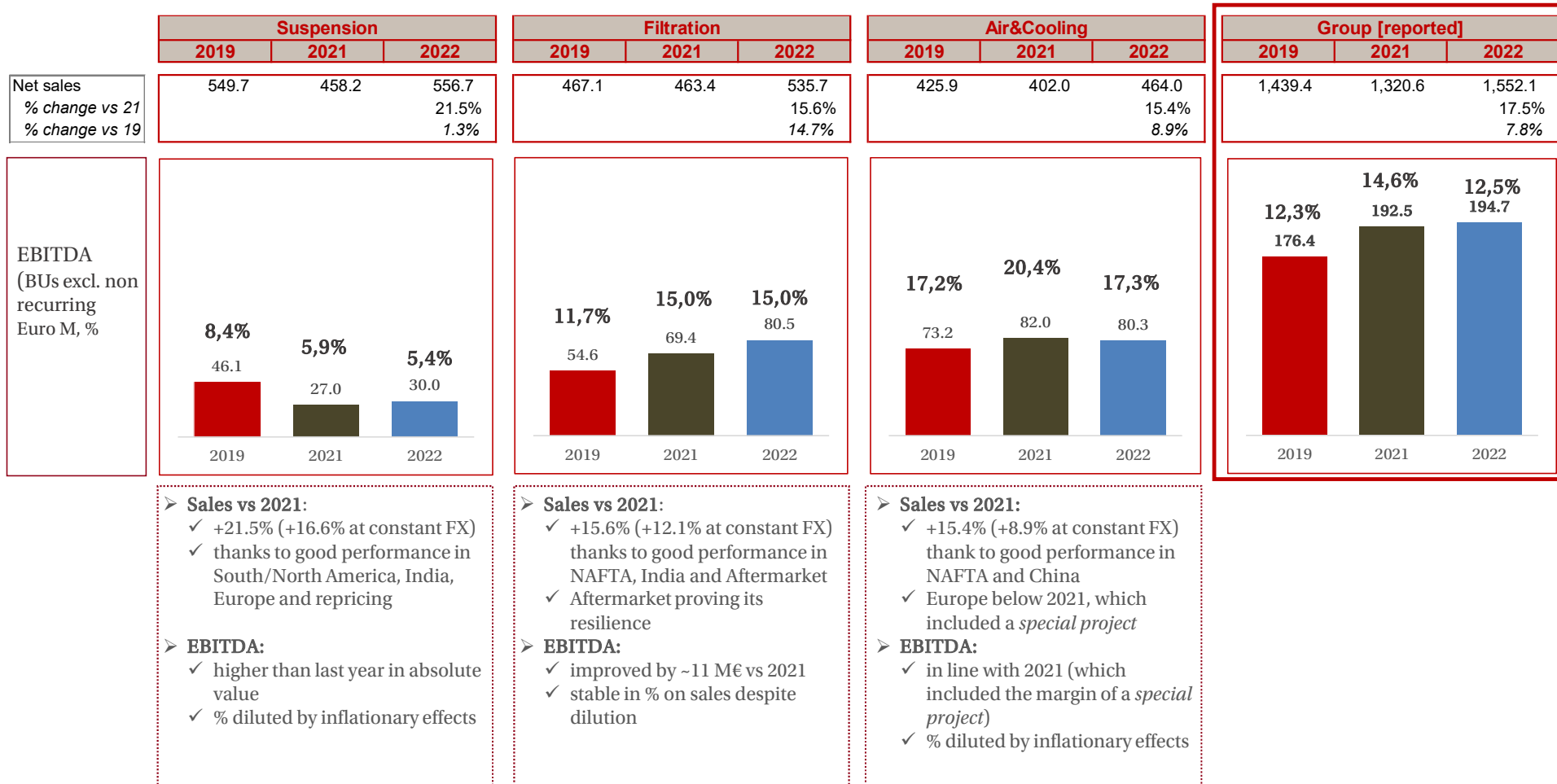
## 2022 highlights

- Car production still below 2019 (-23%), but sign of recovery in 2022, +6,2% vs 2021, with Europe at +5,7%, NAFTA +9,8% and China +6,1%
- Sogefi's sales grew by 17,5%: c.+4% volumes, c.+12% repricing and FX
- Gross fixed costs stable vs 2021, reported increase only due to FX
- EBITDA at €194,7m, above 2021; EBITDA% at 12,5%, below 2021 due to dilution effect from repricing / cost inflation
- Free Cash Flow positive at € 33,9 M, in line with 2021 (+€33,1 M)
- Net Debt reduction and strong liquidity position

## 2023 Outlook

- Impact of the pandemic and geo-political situation still very unpredictable on car demand. IHS expects 2023 world production to grow by 3,6% (EU +7,1% and NAFTA +5,4%)
- Raw materials (steel, plastic and paper): inflationary trend eased in 2022, but high volatility expected to persist; labour cost inflation in some geographies
- In absence of unforeseeable events or deterioration of current crisis, Sogefi expects to achieve a mid-single digit revenues growth and an operating profitability (EBIT margin excluding non-recurring items) at least in line with 2022

# Sogefi – Performance by division





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## ESG plans and performance

- CIR, KOS and Sogefi ESG Plan - contributing to the UN 2030 Agenda - designed along four pillars (Corporate Governance, ESG-driven Innovation & Care Quality, Eco-Efficiency and People&Community), setting specific objectives for each activity

Strategic pillars	Corporate Governance and Advocacy as «enabling factors»														
	ESG-driven Innovation & Care Quality						Eco Efficiency			People & Community					
SDGs															
CIR	Excel in Corporate Governance and promote a business culture focused on long term prosperity														
	➤ Prioritize investments and developments based on both economic and ESG considerations						➤ Source 100% energy from renewable source ➤ Ban of avoidable single use plastics			➤ Support <i>Non For Profit</i> initiatives which contribute to debate on socially relevant matters					
KOS	➤ Enrich “Care philosophy” ➤ Continuously improve quality of services						➤ Reduce CO2 emissions by: ✓ lowering energy intensity ✓ increasing sourcing of renewable energy ➤ Minimise waste from operations by: ✓ lowering waste produced ✓ improving waste valorisation ➤ Adopt the best operational practices by: ✓ being certified by International institutions ✓ promoting better monitoring			➤ Promote wellbeing of people by: ✓ active engagement on satisfaction ✓ promote equality and diversity ✓ increase training to personnel ✓ reduce accident rate ➤ Engage with and contribute to local community					
Sogefi	➤ Develop innovative products and technologies, focused on sustainable mobility / E-Mobility														
Main 2022 results	Sogefi % of new orders for E-Mobility platform greater than 50%						Reduction of energy intensity & Increasing recourse to green energy Nearly 90% of waste valorised (Sogefi)			Increase in training hours delivered per employee New equality initiatives					

Further information and quantitative targets for 2026 are published in Sustainability Reports of CIR, KOS and Sogefi

## Disclaimer



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