

# Group Presentation

May 2021

**French leader  
in home  
healthcare services**

[www.bastide-groupe.fr](http://www.bastide-groupe.fr)

**Bastide**  
**GRUPE**



# Europe's multi-specialist in home healthcare services



## Homecare: 54% of H1 2020-2021 revenues

Reimbursed:  
Patient mobility and beds  
Not reimbursed:  
Patient comfort and well-being

## Respiratory care 24% of H1 2020/21 rev.

Reimbursed oxygen therapy  
Non-invasive and invasive ventilation  
Sleep apnoea CPAP machine

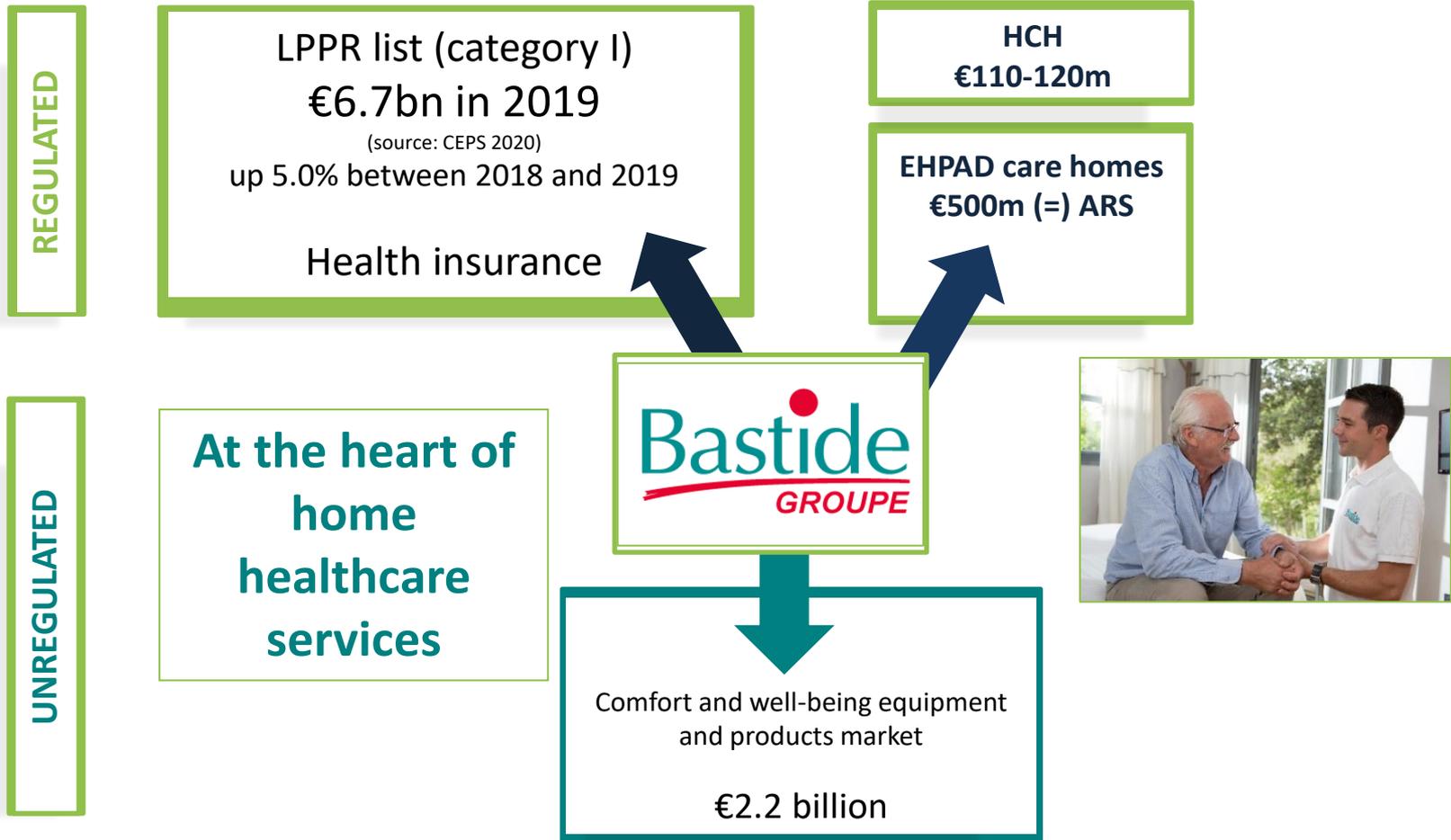
## Nutrition - Infusion Diabetes - Stomatherapy Wound healing 22% of H1 2020/21 rev.

Nutrition  
Reimbursed enteral and parenteral care  
Homecare infusion



A European Group with operations in France, Belgium, Spain, UK and Switzerland

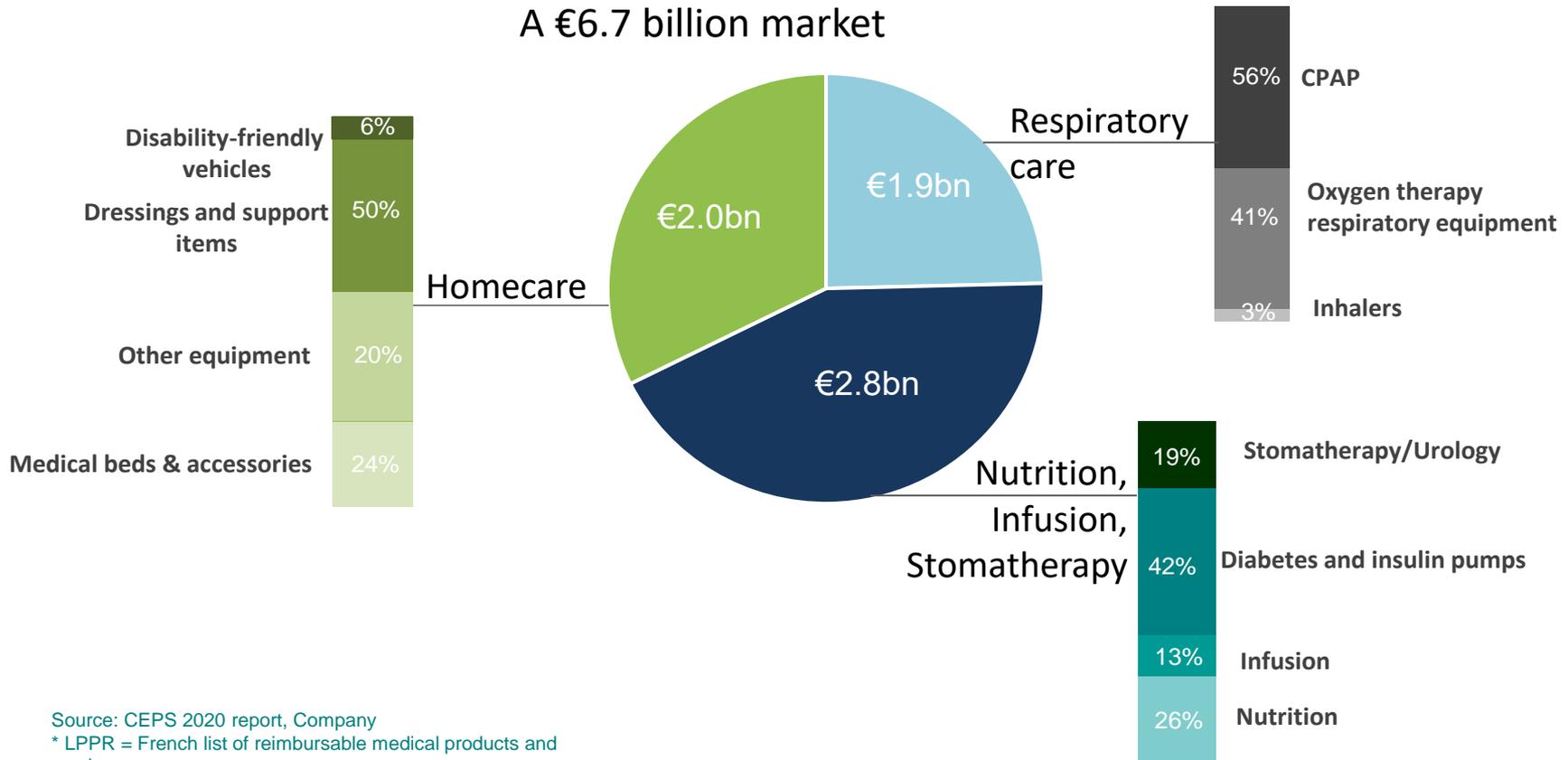
# A growing French market worth over €9 billion



# Breakdown of French LPPR\* (category 1) market



A €6.7 billion market



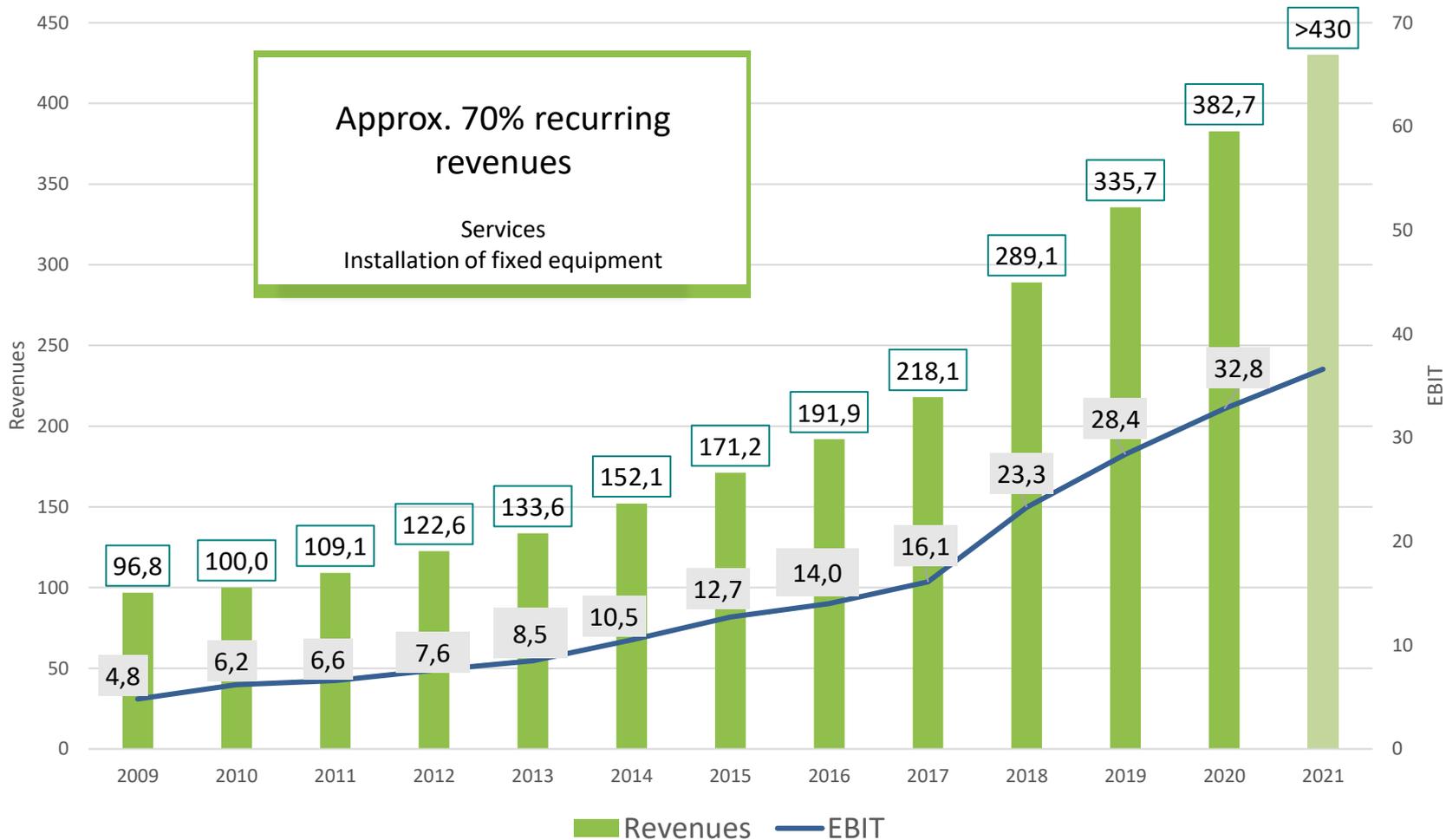
Source: CEPS 2020 report, Company

\* LPPR = French list of reimbursable medical products and services

# Leading positions in French market, still highly fragmented



# A virtuous growth spiral





Highlights 2020-2021

# 8 acquisitions completed since the start of the financial year, including 5 in France and 3 in Spain

## First operations in Spain, Catalonia, in the Respiratory market



07/20



07/20



04/21

Projected FY 2021/22 revenues: €8.5m  
(2020/21 9-month revenues: €3.9m)

## EXPANSION INTO SPAIN



## Targeted acquisitions in France, in the Respiratory and Nutrition-Infusion markets



07/20

Infusion    Respiratory care



04/21



Respiratory care

Projected FY 2021/22 revenues: €13.0m  
(2020/21 9-month revenues: €1.4m)

## CONSOLIDATION OF REGIONAL MARKET SHARE IN FRANCE

# Business continues to be fuelled by COVID-19 situation



## Homecare

- Recurring sales of essential consumables for patients
- Continued strong demand from healthcare institutions and development of consumables segment
- Continued high BtoC demand in stores (essential services) and online. Patients expected to return home (medical beds)



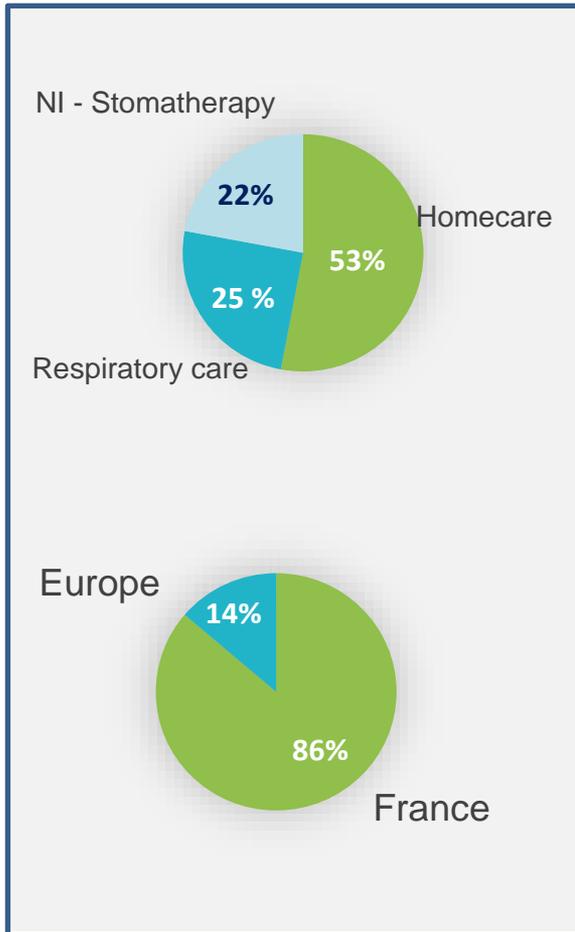
## Services

- Recurring services for all chronic (CPAP, diabetes) and acute pathologies
- Acceptance of new patients with acute pathologies after early discharge from hospital
- Increase in oxygen therapy for care home patients
- Slight slowdown in GP prescriptions
- Decline in UK business (fall in O<sub>2</sub> consumption)



ONGOING BUSINESS DRIVER  
primarily in PPE (personal protective equipment)

# Strong growth in 2020/21 9-month revenues



€000 - 9 months	2019/20	2020/21	Change
<b>Revenues</b>	<b>266,851</b>	<b>332,830</b>	<b>+24.7%</b>

- **22.0% like-for-like (LFL) growth**
- **Outstanding performance in Homecare boosted by PPE sales**
  - Healthcare institutions: up 47.5% (up 44.5% LFL)
  - Stores/subsidiaries: up 30.9% (entirely LFL)
- **Ongoing positive trend in services**
  - Respiratory care: up 14.7% (including 9.1% LFL growth despite UK price reductions)
  - NIS: up 9.7% including 7.7% LFL growth

# Homecare: Business fuelled by health situation



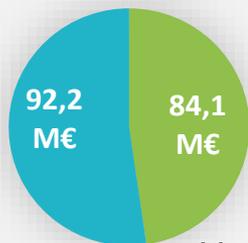
€176.3m (up 38.3%  
including 37.0% LFL growth)

## STORES/E-COMMERCE

## HEALTHCARE INSTITUTIONS

- Excellent performance: up 30.9% (entirely LFL)
- Performance driven by e-commerce, which accounted for 22% of revenues
- Sustained business in stores, which remained open in November (essential services)

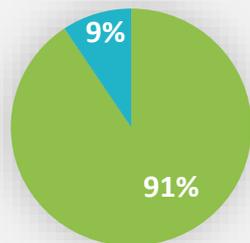
- Huge demand from clients (care homes) given the health situation
- Acquisition of new customers thanks to our capacity to respond quickly to demand
- Expansion of consumables business segment (market share gains)
- Strong growth in Belgium and Switzerland (up 15% LFL)



Stores

Healthcare institutions

Europe

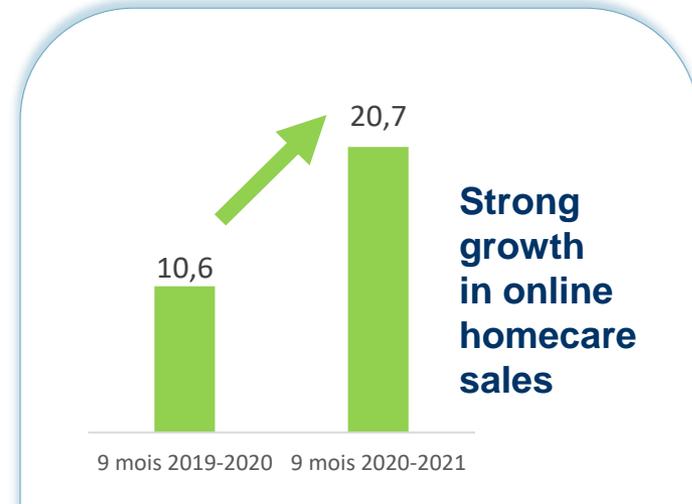


France

# Homecare: New e-commerce dimension



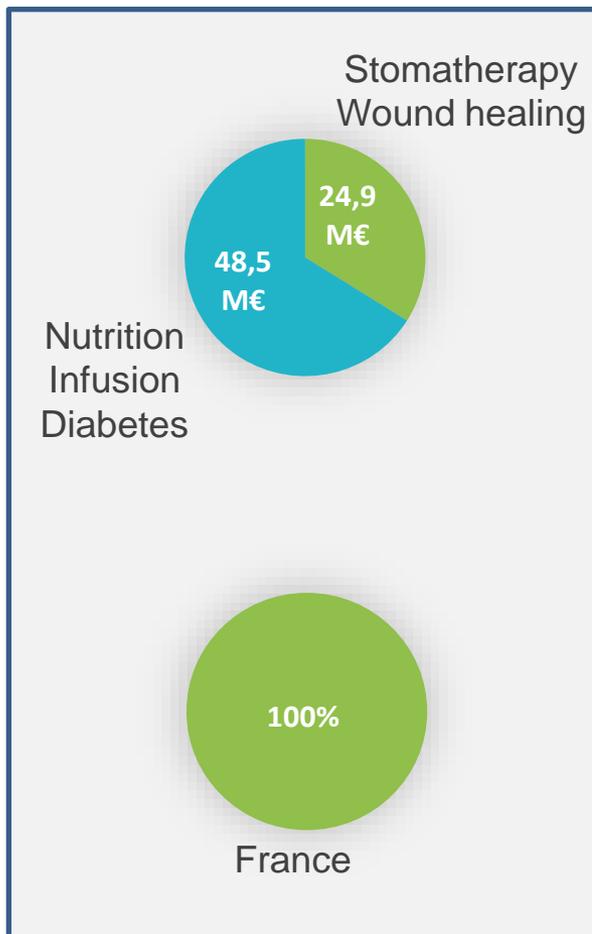
- **Number of visits:**  
**€1.6 million in H1**
- **A vastly strengthened customer base:**  
**260,000 customers**



# Nutrition – Infusion - Stomatherapy (NIS)



€73.4m (up 9.7%  
including 7.7% LFL growth)



## Nutrition - Infusion

- €48.5m: up 13.6% including 10.8% LFL growth
- Positive trend spanning almost all business lines
- Excellent performance by Experf subsidiary (up 22%), confirming the potential identified at the time of its acquisition

## Stomatherapy - Wound healing

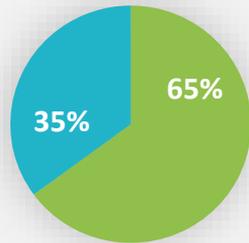
- €24.9m: up 2.8% (entirely LFL)
- Gradual return to growth after the price impact (down 10%) recorded the previous year

# Respiratory care: Strong momentum in France

## New contracts in the UK

€83.2m (up 14.7%  
including 9.1% LFL growth)

Europe France



### France

- Continued development and increasing number of patients monitored
- Successful development initiatives
- Robust growth in France (up 12.3%, including 11.1% LFL growth)

### Europe

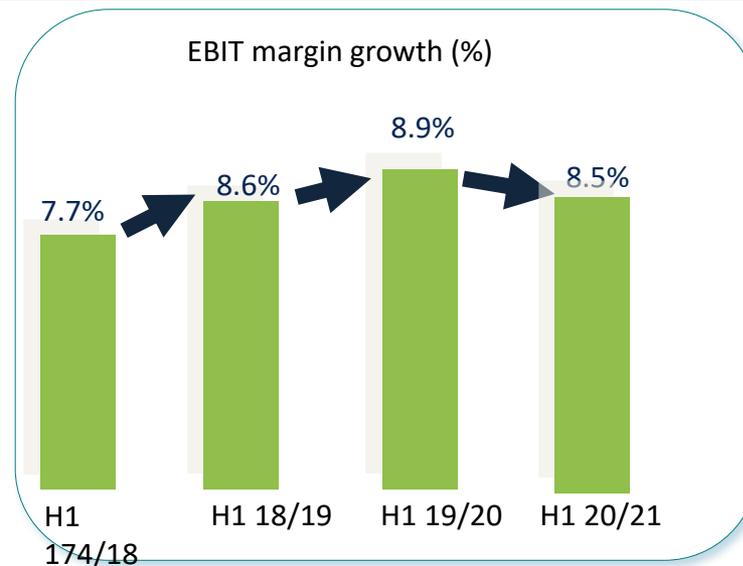
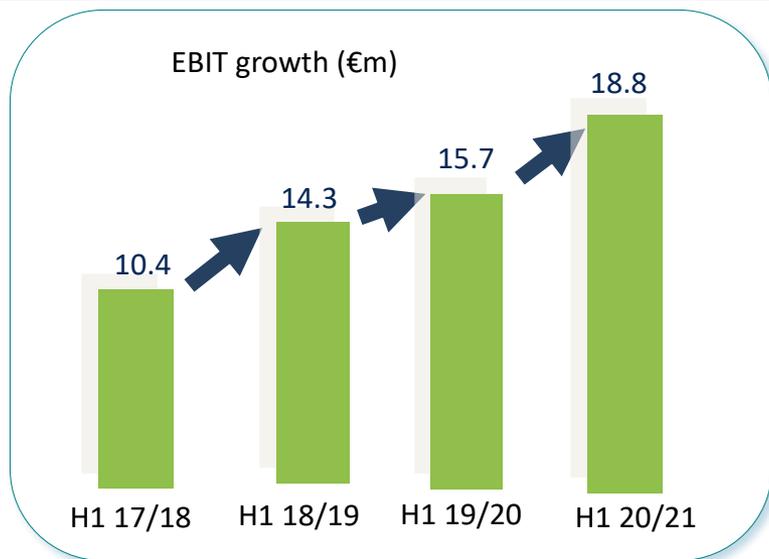
- Slight increase in UK revenues (3%) to €25.3m
  - Price reduction impact
  - Offset by Q2 integration of new NW region (6 months)
- Launch of operations in Spain (€3.9m), mainly based on the sale of respiratory medical equipment



2020-21 H1 RESULTS

# Half-year income statement : EBIT growth

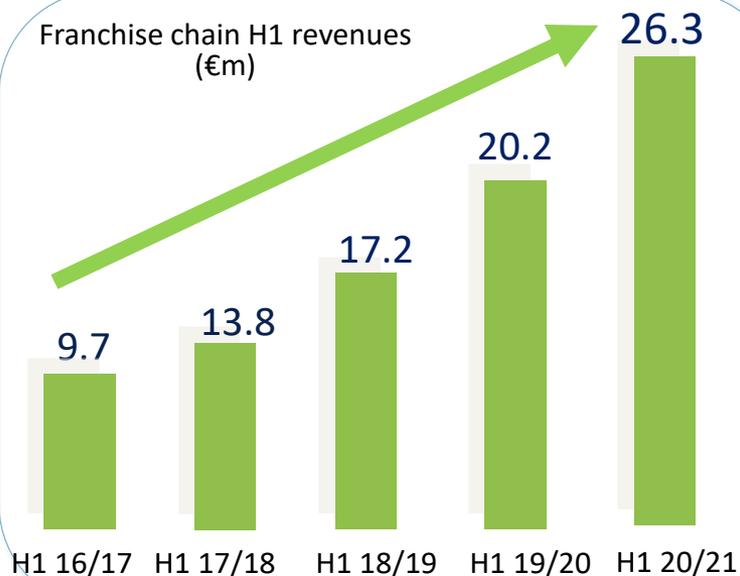
€000	H1 2019/20	H1 2020/21	Change
<b>Revenues</b>	<b>176,642</b>	<b>221,667</b>	<b>+25.4%</b>
<i>Gross margin</i>	<i>65.9%</i>	<i>61.8%</i>	
<b>EBITDA</b>	<b>38,634</b>	<b>43,567</b>	<b>+ 12.8%</b>
<i>EBITDA margin</i>	<i>21.9%</i>	<i>19.7%</i>	
<b>EBIT</b>	<b>15,699</b>	<b>18,768</b>	<b>+ 19.5%</b>
<i>EBIT margin</i>	<i>8.9%</i>	<i>8.5%</i>	



# Homecare: the target of 100 franchises will be reached in 2021

- 9 new franchises (net) in 2020/ 21: openings in Cluses, Lorient, Paris 14 et Dieppe, Antony, Villemomble, Laon, Fort de France, Morlaix
- 100 franchises at 30/06/2021 – in line with the ultimate target to reach 120-150 franchises

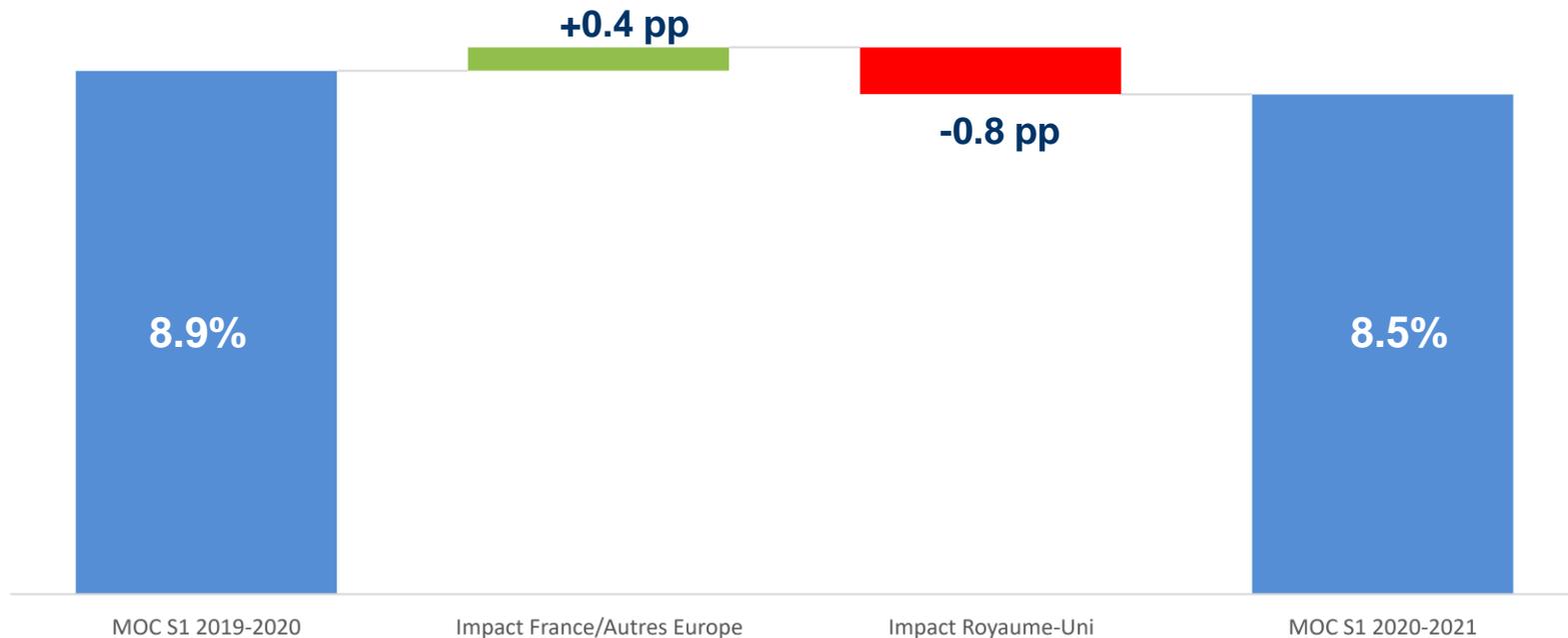
Franchise chain H1 revenues  
(€m)



## Contribution to Group consolidated financial statements

- Revenues: €8,9m incl. equipment resale, royalties and franchise fees
- EBIT: €0.2 m
- Minimal dilutive effect on EBIT margin
- Low capital intensity

# EBIT margin analysis



- **Improved performance in France/Belgium/Switzerland/Spain**
  - Volume effect (strong growth)/better absorption of expenses
  - Tight control of PPE margins
- **Lower UK contribution due to the introduction of new operating contracts (price reductions)**

# Focus on Baywater development (UK)



## Background

- **3 regions gained under 7-year contracts:** North West (new), West Midlands and Yorkshire
- **Wales: 1 region covered** until June 2022 (tender planned for 2022)
- **London (uncovered):** tender process underway (April)
- Upcoming calls for tenders for the last two **uncovered** regions (**East of England/South West**), in 2021 and 2023 under the current schedule



Ongoing calls for tender

## New ROI cycle

- 7-year contracts, extendible to 10 years (visibility)
- Lower margin on start-up (direct impact of price reductions)
- Indexed price increases from year N+2
- Cost optimisation throughout contract term
  - Negotiation of better purchasing conditions (oxygen/concentrators)
  - Depreciation of equipment
  - Centralisation of structural costs
- Development of related businesses
  - LTC services at healthcare institutions

TARGETING GRADUAL MARGIN GROWTH OVER SEVERAL YEARS

# Half-year income statement (2/2)

En K€	H1 19/20	H1 20/21	VAR
<b>EBIT</b>	<b>15,699</b>	<b>18,768</b>	<b>+19.5%</b>
Other non-current net charges	(1,659)	(4,901)	
<b>Operating profit</b>	<b>14,040</b>	<b>13,867</b>	<b>-1.2%</b>
Cost of debt	(4,139)	(4,415)	
Other financial income and expenses	(651)	(345)	
Income tax	(2,731)	(2,875)	
<b>Net income from continuing operations</b>	<b>6,533</b>	<b>6,253</b>	<b>-4.3%</b>
Net income from discontinued operations	-	-	
<b>Net income</b>	<b>6,533</b>	<b>6,253</b>	<b>-4.3%</b>
<b>Net income Group share</b>	<b>6,117</b>	<b>5,733</b>	<b>-6.3%</b>

- €2.1m costs relating to contract renewal and new contracts in the UK
- €2.8m restructuring costs and other expenses

Change in financial expenses in line with gross debt

# H1 2020-2021 Cash flow statement

€000	H1 19-20	H1 20-21
Free cash flow	39,241	38,908
Taxes paid	(3,092)	(3,383)
Change in working capital	(9,689)	(1,850)
<b>Cash flow from operating activities</b>	<b>26,460</b>	<b>33,675</b>
Cash flow from investing activities	(7,815)	(14,868)
Impact of acquisitions	(19,966)	(24,989)
<b>Cash flow after investing activities</b>	<b>(1,321)</b>	<b>(6,182)</b>
Capital increase	362	-
Sale/(purchase) of treasury shares	205	(587)
Change in borrowings	21,574	22,081
Payment of lease liabilities (IFRS 16)	(7,091)	(6,946)
Dividends	(16)	(2,027)
Net interest expense	(3,937)	(4,447)
<b>Change in cash and cash equivalents</b>	<b>10,065</b>	<b>2,832</b>

Free cash flow virtually stable

Tight control of working capital, including a sharp reduction in PPE inventories

Acquisition payments (€7.6m), earnouts (€2.6m) and minority buyouts (€4.6m)

Capex included an additional €3m investment related to the launch of North West operations (UK)

New borrowings

# Balance sheet at 31 December 2020

ASSETS (€m)	Jun. 2020	Dec. 2020	EQUITY & LIABILITIES (€m)	June. 2020	Dec 2020
Goodwill	150.3	<b>151,6</b>	Shareholders' equity	79.6	<b>77.9</b>
Right-of-use lease assets (IFRS 16)	59.8	<b>85,2</b>	Current and non-current lease liabilities (IFRS 16)	60.2	<b>86.1</b>
Other non-current assets	124.0	<b>131,3</b>	Other non-current liabilities	5.5	<b>7.8</b>
Current assets (including inventories)	136.5	<b>144,8</b>	Other current liabilities	114.6	<b>120.2</b>
<b>Cash and cash equivalents</b>	35.4	<b>36,6</b>	<b>Current and non-current borrowings</b>	246.1	<b>267.5</b>
<b>TOTAL ASSETS</b>	506.0	<b>559,5</b>	<b>TOTAL EQUITY &amp; LIABILITIES</b>	506.0	<b>559.5</b>

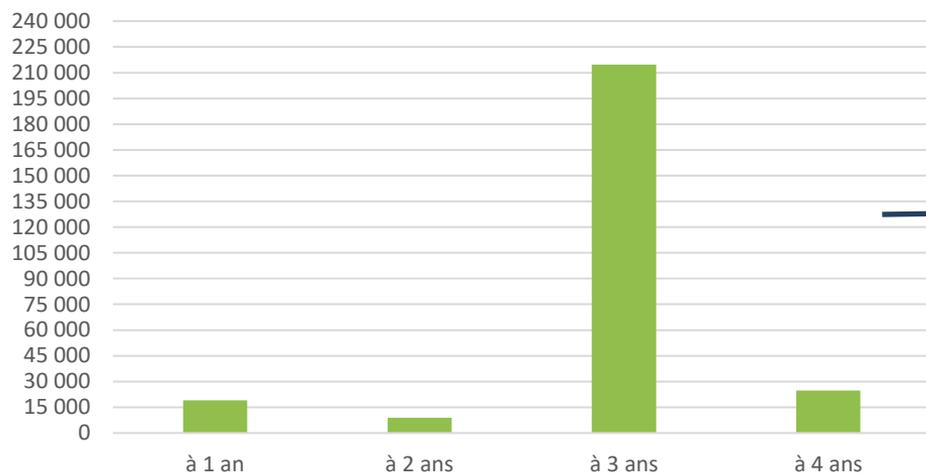
- Net borrowings: €230.9m (excluding earnouts and lease liabilities)
- Earnouts payable: €7.4m
- “Net borrowings/annualised EBITDA\*” ratio slightly below 3.0, in compliance with bank covenants

\* Excluding IFRS 16 / with IFRS 17 / earnouts included (€7.4m)

# Debt structure under control



Debt maturity profile (€000)



No major instalments for 3 years

Cash and cash equivalents at 31/12/2020  
€36.6m

Incl. EuroPP: €49.6m

Average interest rate on borrowings: 3.1%  
Covenant:  
Net debt/pro forma EBITDA < 3.5  
(1 overshoot permitted to 4)



OUTLOOKS

# Update on current situation and regulatory changes



## Upcoming mandatory certification for homecare providers (not before 2022)

Homecare



No material issues pending

Respiratory care



Discussions underway on CPAP price revision  
(sleep apnoea)

Nutrition-Infusion  
Stomatherapy



Perfadom  
(planned revision of a few lines  
without significant impact)

No material impact on the current financial year

# Continued value-creation strategy

## ■ Further development of services (NIS/Respiratory)

- Development of existing acute pathology services: e.g. infusion
- Launch of services in Belgium, Spain and Switzerland
- Geographical expansion in the UK (North West impact - London region call for tenders in progress)
- Small-scale acquisitions (France and neighbouring countries)

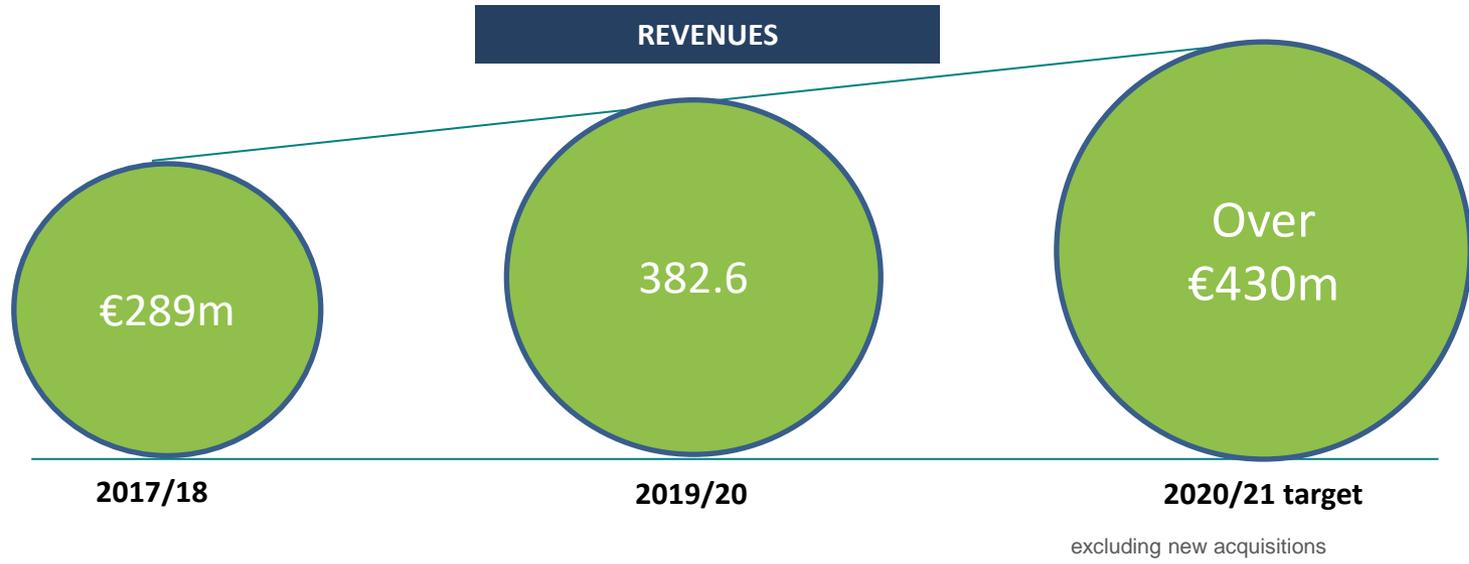
## ■ Consolidate market share gains in the Homecare segment

- Consolidate growth momentum in healthcare institutions in France, Belgium and Switzerland
- Capitalise on our growing reputation (particularly in e-commerce)
- Continued development of franchises

## ■ Clear financial targets

- Continue to optimise margins by absorbing potential price reductions
- Gradual improvement in UK margins (economies of scale and productivity gains)
- Increase free cash flow (focus on capex)

# 2020/21 targets

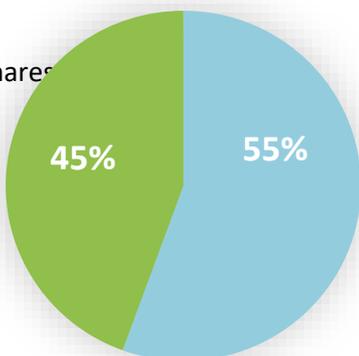


**Good visibility on growth**

**2020/21 EBIT margin target : 8.5%**  
**(including the evolution of the product mix and the lower margin in the United Kingdom)**

# Capital structure and market data

Float +  
treasury shares  
(0.4%)



Concert: SIB  
(Bastide family)  
+ BGV  
(Bastide family)

**Number of shares:** 7,344,828

**Eurolist B since late January 2017**

**Capitalisation at 26/05/2021:** €366m

**Indexes:** CAC HEALTH CARE –

CAC MID & SMALL- CAC SMALL - PEA-PME 150





**French leader  
in home  
healthcare services**

[www.bastide-groupe.fr](http://www.bastide-groupe.fr)

**Bastide**  
**GROUPE**