Bastide GROUPE

18th october, 2021

Annual Results 2020-2021

EBITDA margin: 20%
EBIT: +13%
Net income: +14%

€000	2019-2020	2020-2021	Var
Revenues	**382,706**	**444,073**	**+16.0%**
EBITDA[1]	**81,390**	**88,300**	**+8.5%**
EBITDA margin	**21.3%**	**19.9%**	
EBIT	**32,762**	**36,982**	**+12.9%**
EBIT margin	**8.6%**	**8.3%**	
Operating profit	29,194	28,304	-3.0%
Net income	**12,612**	**14,347**	**+13.8%**

[1] EBITDA: Earnings before interest, taxes, depreciation, and amortisation

During the 2020/21 fiscal year, the Bastide group posted revenues of €444.1 million, up 16.0%, including like-for-like[2] growth of 13.6%, surpassing its initial target of €430 million. The Group generated 86% of its revenues in France and 14% in Europe. All Group businesses contributed to this performance amid a health situation that has gradually normalised.

The Home Support business posted strong growth of 20.1% to €230.9 million despite an unfavourable comparison base in the fourth quarter, driven by nine months of excellent momentum sustained by Personal Protective Equipment (PPE) sales. The Respiratory Care (€113.5 million, +13.8%) and Nutrition-Infusion-Stomatherapy (€100.3 million, +10.8%) businesses continued to develop, based on solid like-for-like growth above the market and the integration of new acquisitions.

EBIT margin: 8.3%

This increase in business was accompanied by earnings growth as forecast. **EBITDA** increased to €88.3 million, representing around 20% of revenues, while the gross margin fell by 2.6 points to 63.1%, linked to changes in the product mix with a more significant share of medical equipment and PPE sales.

EBIT was up 12.9% to a record level of **€37.0 million**. The EBIT margin was 8.3%. The Group absorbed an 0.8-point fall in the EBIT margin, linked to the launch of new Respiratory contracts and prices in the United Kingdom, where the Group has entered a new ROI cycle on exclusive 7-year contracts (extendible to 10 years), with an EBIT margin expected to progressively rise.

[2] Organic growth restating 2020/21 for the contribution of companies acquired within the last 12 months and restating 2019/20 for the revenues of directly owned stores sold since then.

Operating profit was down slightly at €28.3 million, hit by various non-recurring expenses totaling €8.7 million, including €3.0 million in contract renewals in the United Kingdom, €2.0 million in equipment donations and €3.7 million restructuring costs and other expenses.

Financial expenses amounted to €8.9 million and the tax expense fell to €5.8 million due to the reduction in CVAE tax. **Net income after tax was up 13.8% at €14.3 million.**

Controlled financial structure

Cash flow from operations grew sharply to €73.1 million, due to tight control of working capital the increase in which was limited to €0.4 million, due in particular to the reduction in inventories compared to 30 June 2020, more than covering net operating investments of €46.5 million.

Surplus cash flow was allocated in full to financing acquisitions (€17.5 million net for the 8 acquisitions carried out during the fiscal year), the payment of earnouts (€5.8 million) and minority buyouts in Experf (€4.7 million).

Excluding lease liabilities of €86.8 million, net debt amounted to €237.1 million at 30 June 2021 with shareholders' equity of €85.1 million. Cash and cash equivalents remained high at €33.7 million. The Group maintained excellent control over its leverage (net financial debt[3]/restated EBITDA[4]– excluding IFRS 16), which was slightly above 3 (3.5 authorised).

The Group is currently finalising the implementation of a new syndicated loan in order to refinance its entire debt and to have new financial resources dedicated to external growth.

Dividend proposed: €0.27 per share

Bolstered by this strong performance, the Board of Directors decided to submit for approval by the General Meeting the payment of a dividend of €0.27 per share, identical to that of the previous fiscal year.

Outlook

Positioned on long-term growth markets, Bastide Group is targeting continued growth over the 2021-2022 fiscal year, despite a very demanding comparison base in the "Home Support business" related to the surge in activity during the health crisis, particularly during the first half of the year.

The long-term positions taken during this period and the development of new business lines in communities in particular will help to mitigate the expected dip in this Division, which will be offset by the strong development forecast in the "Respiratory" and "Nutrition-Infusion-Stomatherapy businesses".

[3] including future earnout accounting debt of €11.35 million
[4] EBITDA calculated before the impact of IFRS 16

The Group is therefore targeting revenues of €460 million across the current scope with an EBIT margin of over 8.3 %, thanks in particular to a more favorable product mix, taking into account the price reductions implemented this year in the “Respiratory” business (sleep apnoea) and diabetes-related services.

The Group also confirms its intention to ramp-up its external growth strategy to strengthen its positions in France and abroad and to move closer to the €500 million mark in full-year revenues. Negotiations for several targets are currently in progress and are expected to conclude in the coming months.

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