

# Presentation ODDO FORUM

January 2021

**French leader  
in home  
healthcare services**

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

**Bastide**  
**GROUPE**

# Europe's multi-specialist in home healthcare services



## Homecare: 49% of 2019/20 rev.

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

## Respiratory care 26% of 2019/20 rev.

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

## Nutrition - Infusion Diabetes - Stomatherapy Wound healing

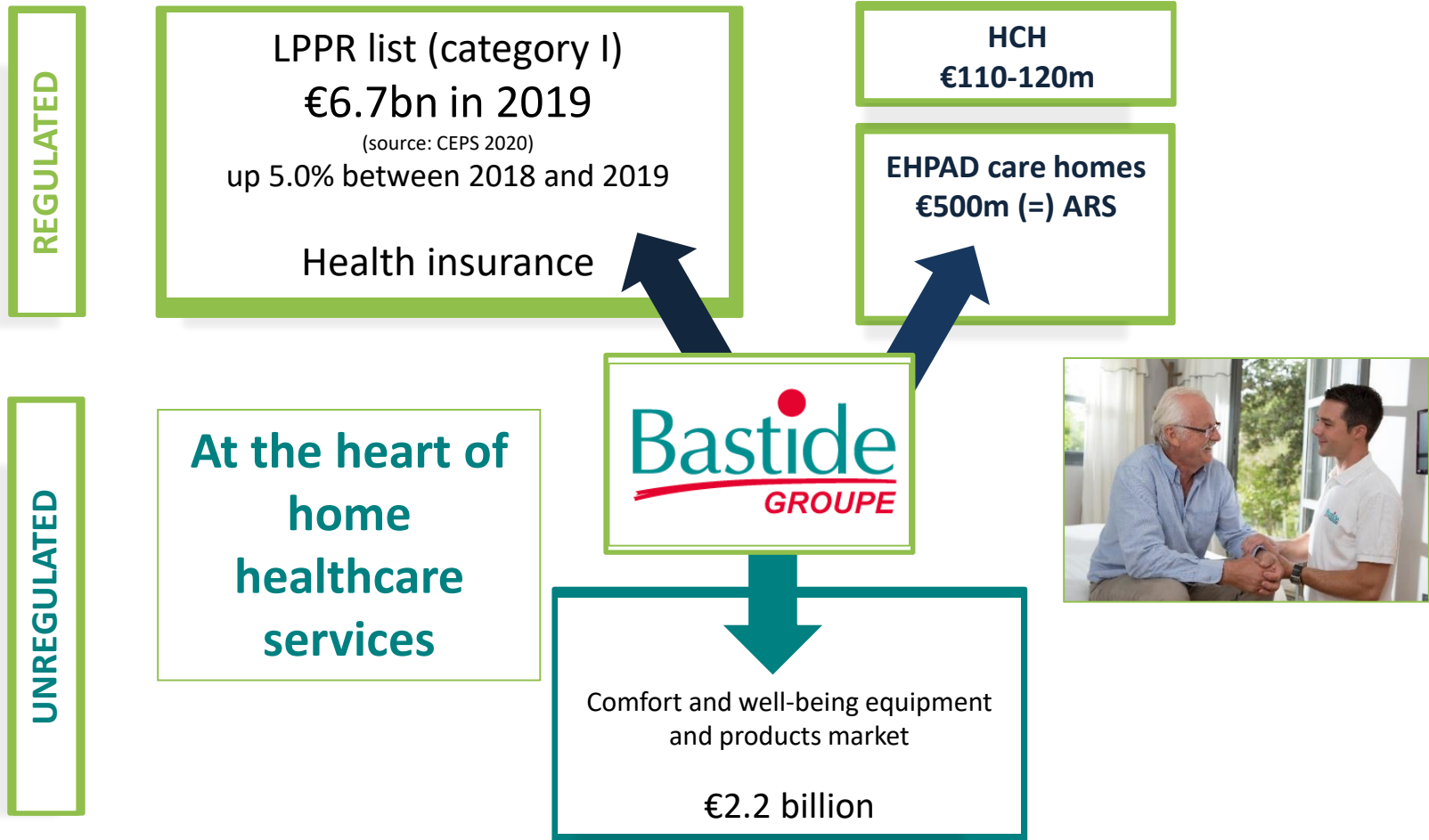
## 25% of 2019/20 rev.

Nutrition  
Reimbursed enteral and parenteral care  
Homecare infusion



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

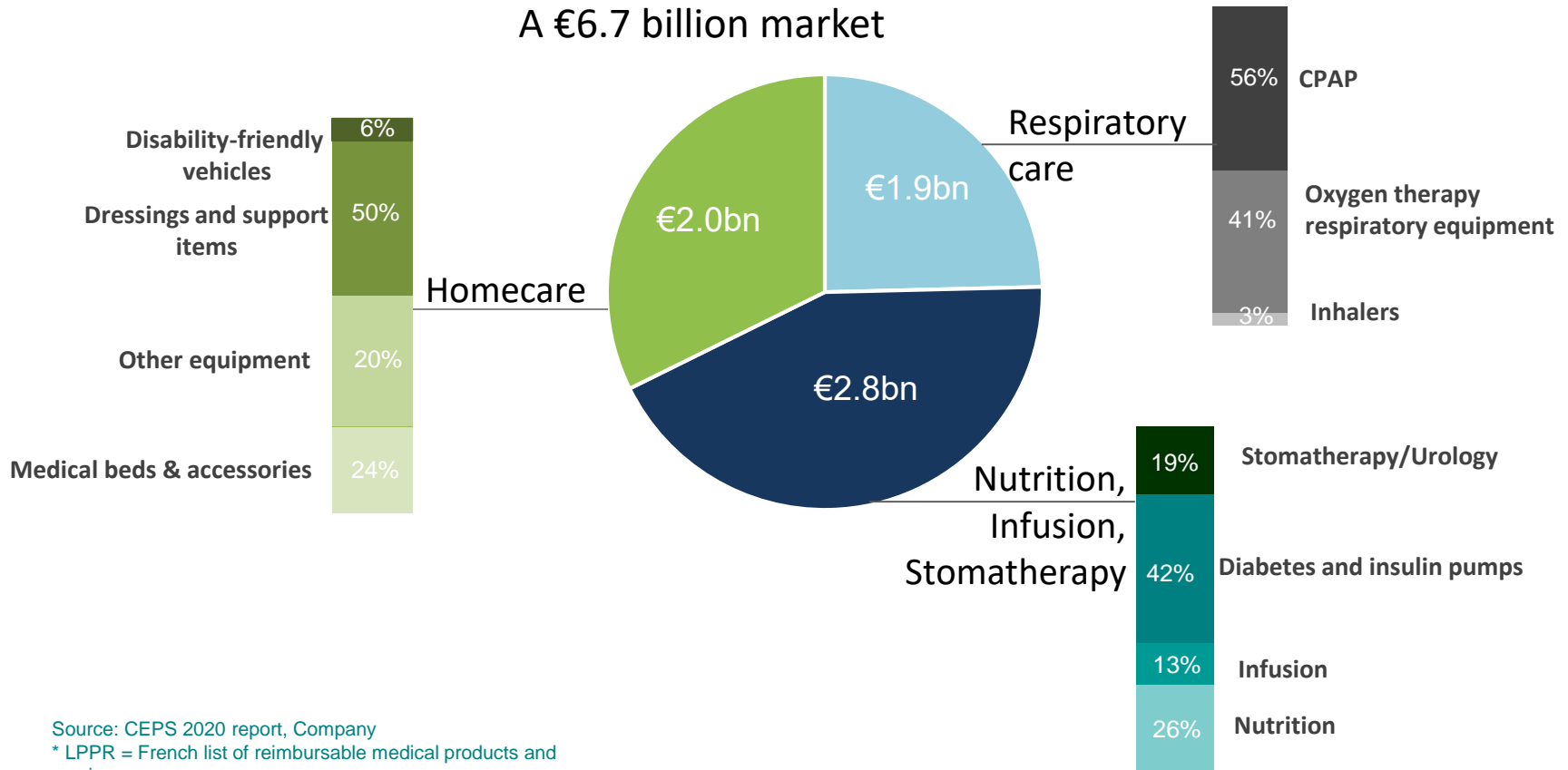
# A growing French market worth over €9 billion



# 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

# The only multi-specialist player in a still highly fragmented French market



## Main operators on Group markets

### Homecare

+ numerous small local operators and pharmacies (22,500)

### Stomathery

+ pharmacies (22,500)

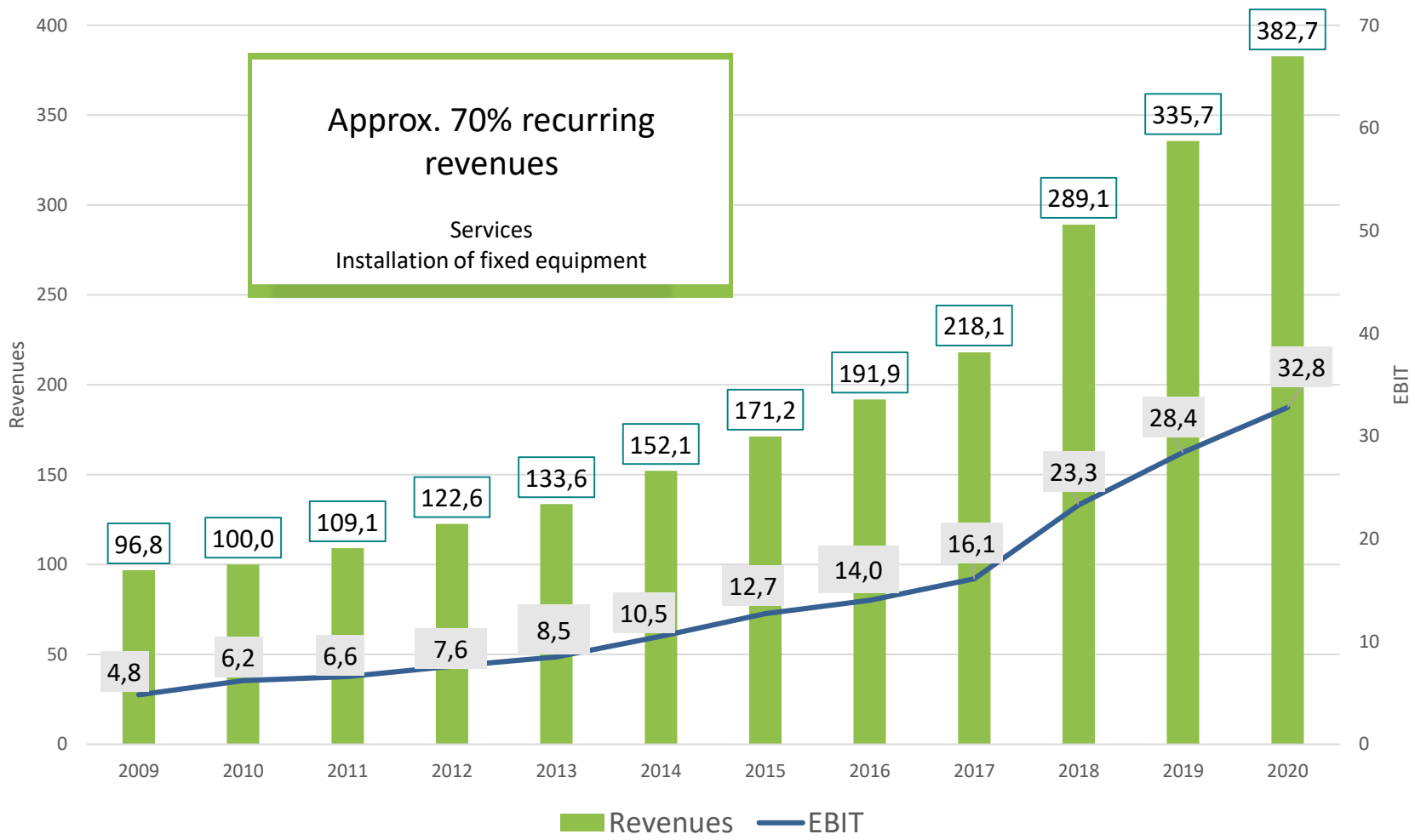
### Respiratory care

+ patient associations and a host of minor local operators

### Nutrition - Infusion

+ patient associations and a host of minor local operators

# Virtuous growth spiral





2019/20  
HIGHLIGHTS

# Positive impact of Covid-19 on business



## Homecare

- Recurring sales of essential consumables for patients
- No store closures
- Sharp rise in BtoB and BtoC PPE orders on e-commerce sites
- Early patient discharges (medical beds)

- Slowdown in GP prescriptions



## 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 EHPAD care home patients

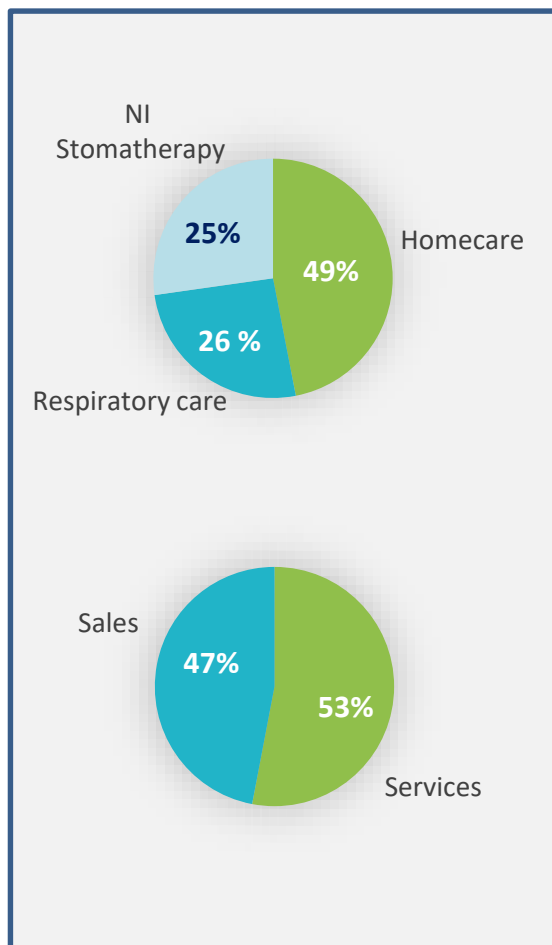
- Slowdown in GP prescriptions
- Decline in UK business (lower O<sub>2</sub> consumption) offset over the year by sales of oxygen concentrators



NET RESULT: ACCELERATION IN BUSINESS  
primarily in PPE (personal protective equipment)



# A strong year



€000	2018/19 published	2018/19* restated	2019/20* published	Change (restated)
Revenues	335,730	331,078	382,706	+15.6%

- **FY 2019/20 revenues: €382.7m**, above initial €355-365m target
- **Like-for-like (LFL) growth of 13.9%**
- **Strong momentum in Homecare boosted by PPE sales**
  - Confirmed recovery in healthcare institutions: up 16.5% LFL
  - Stores/subsidiaries: up 21.7% LFL
- **...and still strong in terms of services**
  - Respiratory care: up 10.6% LFL
  - NIS: up 9.3% (up 6.4% LFL, curbed by the decrease in stomatherapy (stable over 12 months) and infusion prices)

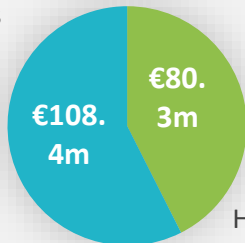
\* Pursuant to IFRS 15, the Group has reclassified recurring expenses in FY 2019/20 as a deduction from revenues in the healthcare institution division. 2018/19 figures have been restated accordingly for the sake of comparison. This resulted in decreases of €4.5m in 2019/20 revenues and €4.5m in 2018/19 revenues.

# Homecare: growth boosted by the health situation

€188.7m (up 21.8%)

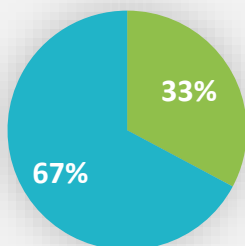
Up 19.9% LFL

Stores



Healthcare institutions

Services



Sales

## Stores/e-commerce

- Revenues up 22.7% (up 21.9% LFL)
- **Exceptional fourth quarter** (70% growth) thanks to extremely high BtoB and BtoC demand since the beginning of the pandemic
- **Booming growth in e-commerce**, confirming the Group's potential in this area

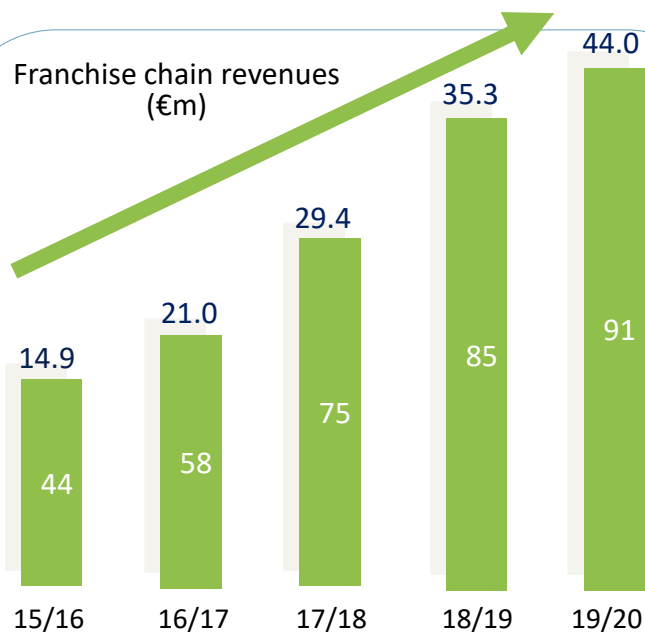
## Healthcare institutions

- Recovery confirmed (up 20.7%, incl. 17.3% LFL)
- **Successful strategic repositioning** on association and public sector markets
- **Substantial one-off increase in sales of consumables and medical devices to private care homes** during the height of the pandemic

# Homecare: Ongoing proactive development of franchises

- 6 new franchises (net) in 2019/20: openings in Chartres – Fontainebleau – Blois – Quimper – Issy Les Moulineaux – Paris 6
- 91 franchises at 30/06/2020 – in line with the ultimate target to reach 120-150 franchises

Franchise chain revenues  
(€m)



## Contribution to Group consolidated financial statements

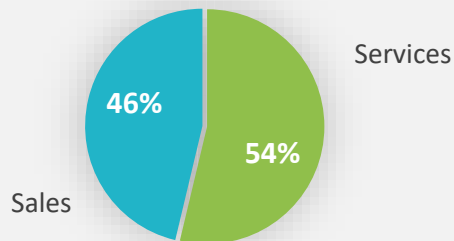
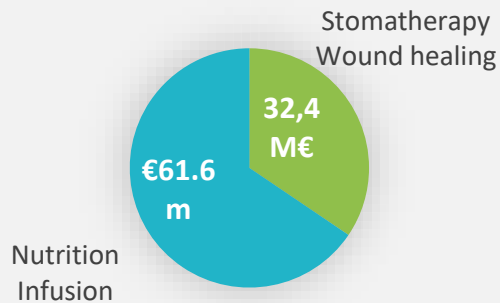
- Revenues: €16.1m incl. equipment resale (87%), royalties and franchise fees (13%)
- Gross margin\*: €2.7m (16% of franchise revenues)
- EBIT: €1.1m (7% of franchise revenues)
- Minimal dilutive effect on EBIT margin
- Low capital intensity

# Nutrition – Infusion - Stomatherapy (NIS)



€94.0m (up 9.3%)

Up 6.4% LFL



## Nutrition - Infusion

- €61.6m: up 14.5% including 9.8% LFL
- Strong growth in diabetes, the main market
- Infusion cost impact (Perfadam): -€1m

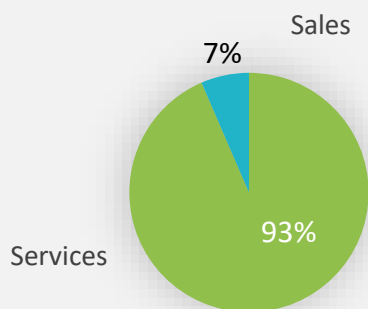
## Stomatherapy – Wound healing

- €32.4m: up 0.7% (up 0.6% LFL).
- Significant impact of decrease in stomatherapy prices: growth in this business line curbed by €2.6m, i.e. nearly 8 percentage points (limited impact of €0.6m on gross margin)
- Confirmed No. 2 position in France in stomatherapy/urology (between 5-10% of the market).

# Respiratory care: booming growth

€100.0m (up 10.8%)

Up 10.6% LFL



## Respiratory care

- Continued development and increasing number of patients monitored
- Contribution from UK businesses (Baywater Healthcare/Intus): revenues €34.7m, strong growth at 14.1%.
- Strong business momentum in France thanks to growth in treatment of acute respiratory pathologies
- Non-recurring sales of oxygen concentrators, contributing to business line revenues
- Over 100,000 patients in France and the UK (potentially over 110,000 after gaining North West UK region)
- Successful strategy for expanding prescriber base: e.g. lung specialists

# Development of Baywater in the UK

## Update

- **North West (new), West Midlands and Yorkshire:** regions gained or renewed for another 7 years (possible 3-year extension)
- **Wales (covered by the Group)** extension until June 2021 pending upcoming call for tenders
- **London (not covered):** pending further call for tenders
- Upcoming calls for tenders for the last two **uncovered** regions (**East of England/South West**), in 2021 and 2023 under the current schedule



Upcoming  
calls for tenders

## Value-creation strategy

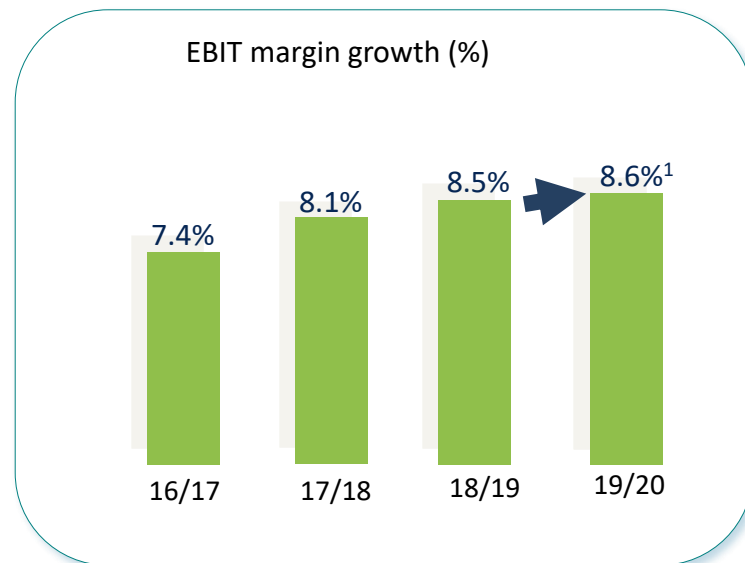
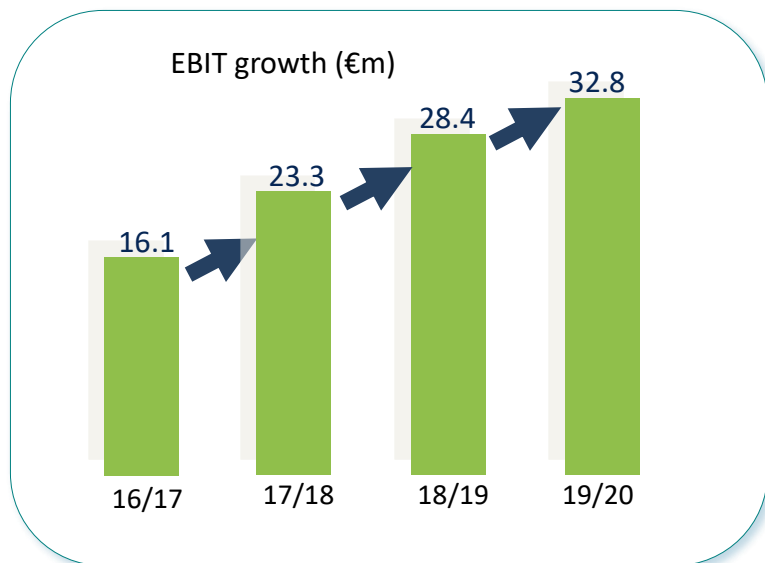
- Continued growth boosted by the new region
- Measures aimed at gradually absorbing price reductions
  - Negotiation of better purchasing conditions (oxygen/concentrators): volume effect
  - Centralisation of structural costs
  - Optimisation of the product mix (cylinders/concentrators)
- Development of services to complement existing operations
  - LTC services at healthcare institutions
  - External growth possibilities (diversification)



**FINANCIAL INFORMATION  
2019/20**

# Full-year income statement (1/2): EBIT margin growth

€000	2018/19	2019/20 <sup>1</sup>	Change
<b>Revenues</b>	<b>335,730</b>	<b>382,706</b>	<b>+14.0%</b>
<i>Gross margin</i>	<i>65.8%</i>	<i>65.7%</i>	
<b>EBITDA</b>	<b>62,855</b>	<b>81,962</b>	<b>+30.4%</b>
<i>EBITDA margin</i>	<i>18.7%</i>	<i>21.4%</i>	
<b>EBIT</b>	<b>28,419</b>	<b>32,762</b>	<b>+15.3%</b>
<i>EBIT margin</i>	<i>8.5%</i>	<i>8.6%</i>	



<sup>1</sup> First-time application of IFRS 16 - Leases as of 1 July 2019.



## Full-year income statement (2/2):

€000	2018/19	2019/20	Change
<b>EBIT</b>	<b>28,419</b>	<b>32,762</b>	<b>+15.3%</b>
<i>Fair value adjustment for earnouts</i>	<i>(6,421)</i>	<i>(197)</i>	
<i>Other net non-recurring expenses</i>	<i>(3,023)</i>	<i>(3,371)</i>	
<b>Operating profit</b>	<b>18,975</b>	<b>29,194</b>	<b>+53.9%</b>
Cost of debt	(7,413)	(7,887)	
Other financial income and expenses	(206)	(1,026)	
Income tax	(4,911)	(7,670)	
<b>Net income from continuing operations</b>	<b>6,384</b>	<b>12,612</b>	<b>+97.5%</b>
Net income from discontinued operations	(1,293)	-	
<b>Net income</b>	<b>5,091</b>	<b>12,612</b>	<b>+147.7%</b>
<b>Net income Group share</b>	<b>4,568</b>	<b>11,600</b>	<b>+153.9%</b>

Miscellaneous non-recurring expenses  
(disputes, restructuring, capital losses on  
disposals)

Cost of debt stable

Tax increase due to increased earnings

# Cash flow statement 2019/20

€000	2018/19	2019/20
Free cash flow	53,324	75,508
Taxes paid	(2,165)	(3,031)
Change in working capital	9,856	(21,364)
Other cash flows relating to operating activities	-	(50)
<b>Cash flow from operating activities</b>	<b>61,015</b>	<b>51,063</b>
Cash flow from investing activities	(33,218)	(39,446)
Impact of acquisitions	(18,338)	(11,646)
<b>Cash flow after investing activities</b>	<b>9,459</b>	<b>(29)</b>
Capital increase	-	373
Sale/(purchase) of treasury shares	(262)	62
Change in borrowings	(12,824)	41,068
Payment of lease liabilities (IFRS 16)	-	(14,917)
Dividends	(2,004)	(69)
Net interest expense	(6,981)	(7,755)
<b>Change in cash and cash equivalents</b>	<b>(12,684)</b>	<b>15,182</b>

Significant increase in free cash flow –  
Impact of IFRS 16: +€14.7m

Increase in inventories (up €23m), mainly  
PPE to meet demand

Including €4m additional investment  
related to the launch of the new region in  
the UK (concentrators)

Payment of earnouts to minority  
shareholders of acquired subsidiaries

Issuance of new borrowings (addition to  
the syndicated loan)

# Balance sheet at 30 June 2020



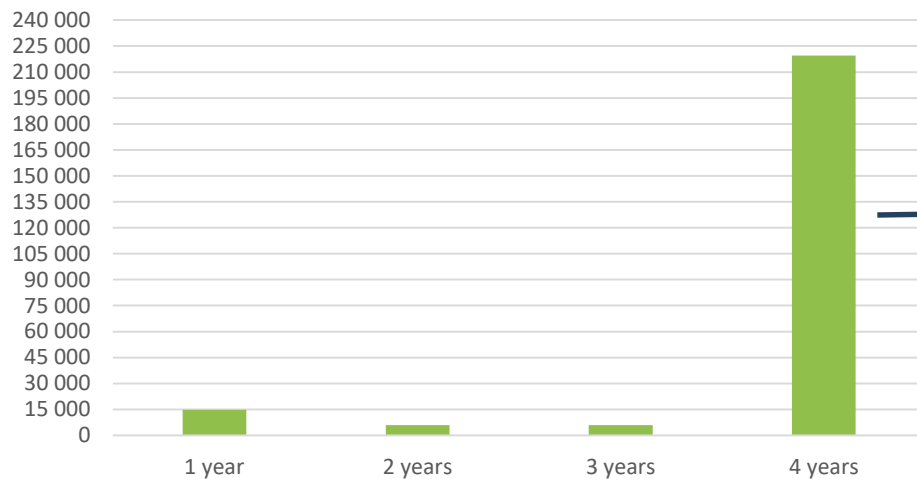
ASSETS (€m)	June 2019	June 2020	EQUITY & LIABILITIES (€m)	June 2019	June 2020
Goodwill	148.5	150.3	Shareholders' equity	<b>66.4</b>	<b>79.6</b>
Right-of-use lease assets (IFRS 16)	-	59.8	Current and non-current lease liabilities (IFRS 16)	-	60.2
Other non-current assets	124.2	124.0	Other non-current liabilities	<b>7.7</b>	5.5
Current assets (including inventories)	<b>101.6</b>	<b>136.5</b>	Other current liabilities	108.1	114.6
<b>Cash and cash equivalents</b>	<b>21.3</b>	<b>35.4</b>	<b>Current and non-current borrowings</b>	<b>213.5</b>	<b>246.1</b>
<b>TOTAL ASSETS</b>	<b>395.7</b>	<b>506.0</b>	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>395.7</b>	<b>506.0</b>

- Net borrowings: €210.7m (excluding lease liabilities)
- Earnouts carried on the balance sheet: €7.3m (on prior year acquisitions)
- Leverage ratio “Net borrowings<sup>1</sup> / EBITDA” of 3.16 (well below 3.5 permitted by bank covenants (with a possible overshoot to 4))

\* Excluding IFRS 16 / with IFRS 17 / earnouts included (€12m)

# Debt structure under control

Debt maturity profile (€000)



No major instalments for 4 years

Cash and cash equivalents at  
30/06/2020

€35.4m

Incl. EuroPP: €49.6m

Average interest rate on borrowings: 3.1%

Covenant:  
Net debt/ pro forma EBITDA < 3.5  
(1 overshoot permitted to 4)



OUTLOOK

# 5 acquisitions carried out in July 2020 including three in France and two in Spain

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



*Total 2019 revenues: €7m*  
EBITDA margin in line with Group standards

## DEVELOPMENT IN SPAIN



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



Burgundy - Infusion

Médical R and TMAD

Ile de France - Respiratory

*Total 2019 revenues: €2m*

## EXPANSION OF REGIONAL MARKET SHARE IN FRANCE

# Update on current situation and regulatory changes

## Impact of the health crisis since the beginning of the year

- Continued positive impact on PPE sales, but lower than in Q4 2019/20
- Consistently strong growth in online sales
- Reintroduction of the “white plan” since September. Early patient discharges (medical beds)
- The impact of the downturn in local medical care is now being felt



## Pricing and regulatory environment

- No new prices introduced since the beginning of the financial year, except for Respiratory in the UK (new contracts)
- Most planned developments postponed indefinitely, in particular for Homecare medical equipment
- ~10% reduction in insulin therapy (diabetes) prices in mid-November. A significant portion could be passed on to purchases (insulin pumps).
- Discussions planned on changes in CPAP (sleep apnoea) prices, based on remote monitoring (applicable in 2021 or 2022)
- Certification will be made compulsory for homecare providers between 2022 and 2025 (under discussion)

# Continued value-creation strategy



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

- Development of our acute pathology services: e.g. infusion
- Launch of services in Belgium, Spain and Switzerland
- Geographical expansion in the UK (new region)
- Small-scale acquisitions (France and neighbouring countries)

## ■ Promotion of Homecare services

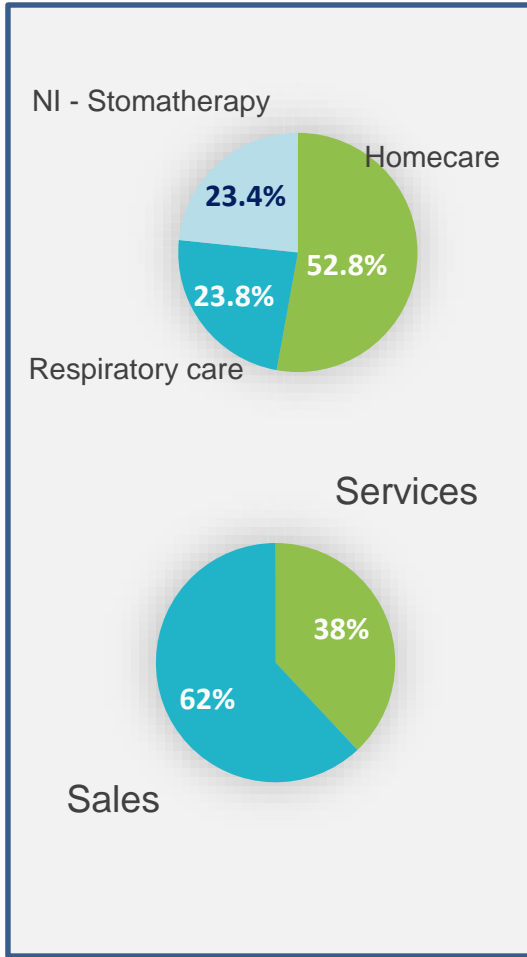
- Consolidate growth momentum in healthcare institutions in France, Belgium and Switzerland
- Capitalise on our growing reputation (particularly in e-commerce)
- Continued development of franchises

## ■ Clear financial targets

- Continue to optimise profits by absorbing future price reductions (diabetes/CPAP)
- Increase our free cash flow (focus on capex and inventories)



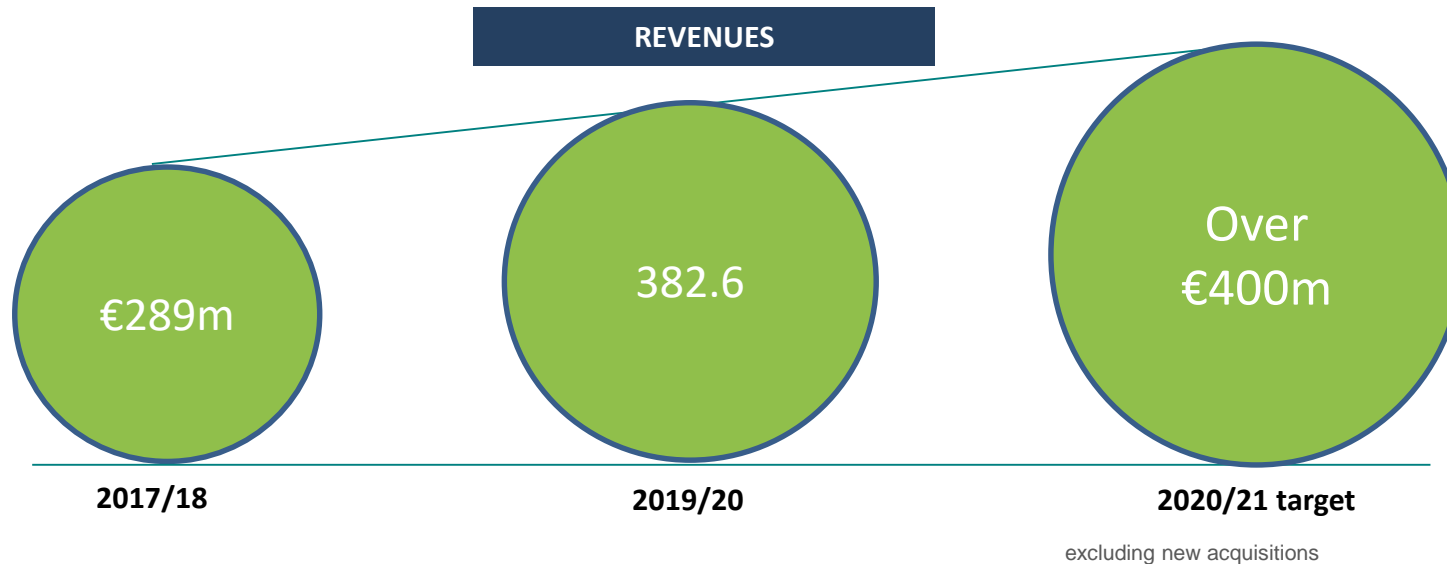
# Strong first quarter growth: 23%



€000 - Q1	2019/20	2020/21	Change	LFL change
Revenues	85,403	105,401	+23.0%	+21.0%

- **Booming growth in Homecare (up 41%, up 39% LFL)**
  - Boosted by the health crisis
  - Uniform performance among healthcare institutions and stores/subsidiaries. Confirmed boom in online sales.
  
- **Moderate growth in Respiratory (up 5%, up 2% LFL)**
  - Negative cost impact of €1.2m (growth curbed by 5 pp)
  - Contribution of new UK region from Q2 onwards
  - Limited seasonal contribution from acquisitions
  
- **Strong momentum in NIS (up 12%, up 9% LFL)**
  - Invoicing driven by infusion and diabetes
  - Return to moderate growth in stomatherapy

# 2020/21 targets

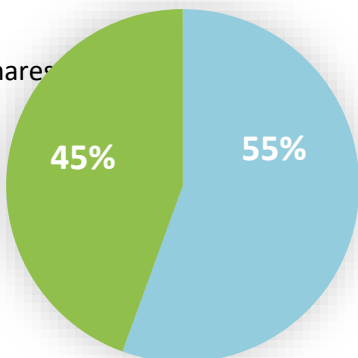


**Covid will have a positive impact on PPE sales in the first half**  
**Less certain in the second half (strong performance last year)**

**2020/21 EBIT margin: target between 8.5% and 9.0%**

# Capital structure and market data

Float +  
treasury shares  
(0.4%)



Concert: SIB  
(Bastide family)  
+ BPI  
+ Irdi  
(Soridec  
Gestion)  
+ BGV  
(Bastide family)

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


**Eurolist B since late January 2017**

**Capitalisation at 16/12/2020: €366m**

**Indexes: CAC HEALTH CARE –**

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





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