

Näher am Menschen

**SeneCura**

Kliniken und Heime



**Acquisition of Austria's leading  
long-term care provider**

**ORPEA**

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## Presentation of SeneCura



# SeneCura: Austria's leading long-term care provider in the private sector

- ✧ **Austrian leading long-term care provider in the private sector with 3,936 beds/52 facilities**
  - 3,456 beds open/46 facilities
  - 480 beds under construction or to be built/6 facilities
- ✧ **Expansion drive initiated in the Czech Republic** with 300 beds under construction (3 facilities)
- ✧ **Innovative offering covering the entire spectrum of the long-term care sector:** nursing homes, post-acute care and rehabilitation, day centre, in-home services
- ✧ **Leading player well known for the quality** of its offering and its facilities both by the public at large and the supervisory authorities (15-year track record)
- ✧ **Experimented management team**, with an extensive network of healthcare contacts
- ✧ **A hybrid property policy** combining full ownership, building leases and leasing contracts with expected ownership of 30% of the buildings in the future
- ✧ 2014 revenues: €125 million
- ✧ Pipeline of 780 beds under construction => **€180 million in total revenues in 2018 (44% growth)**

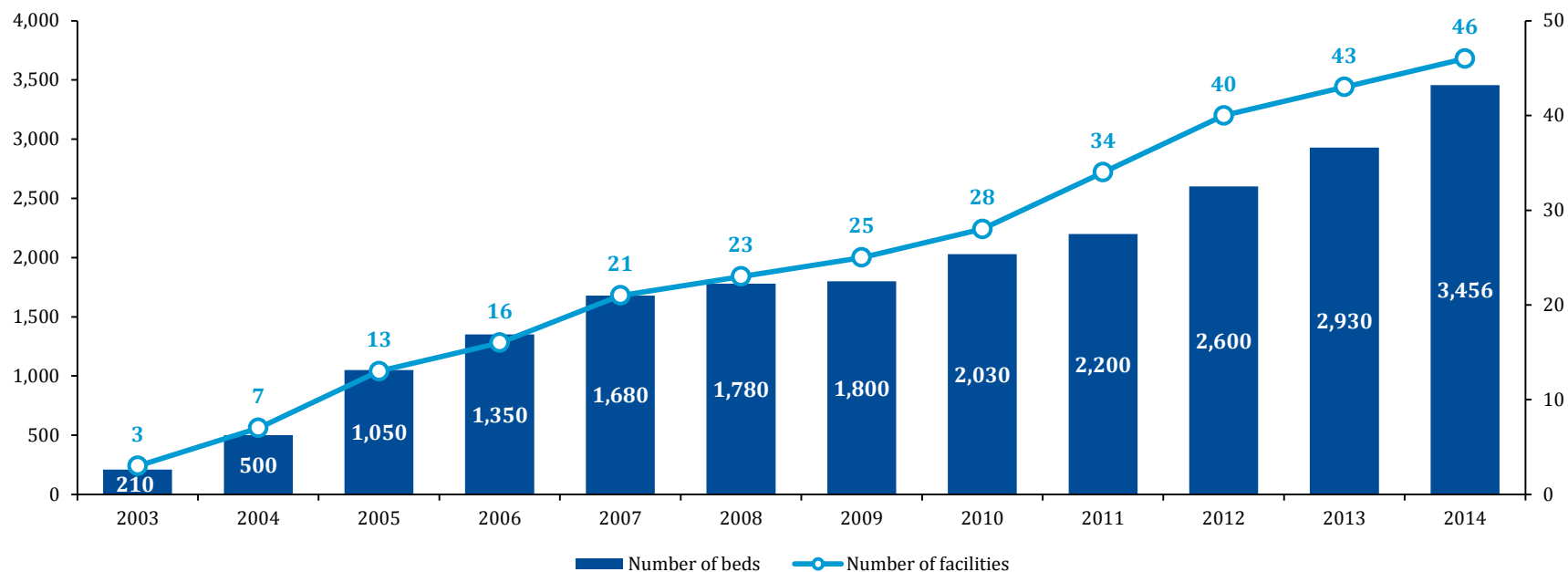


**Unique growth pipeline thanks to a leading position in the private Austrian sector**

# Track record of more than 15 years of profitable growth

## Development through the creation of new facilities and acquisitions

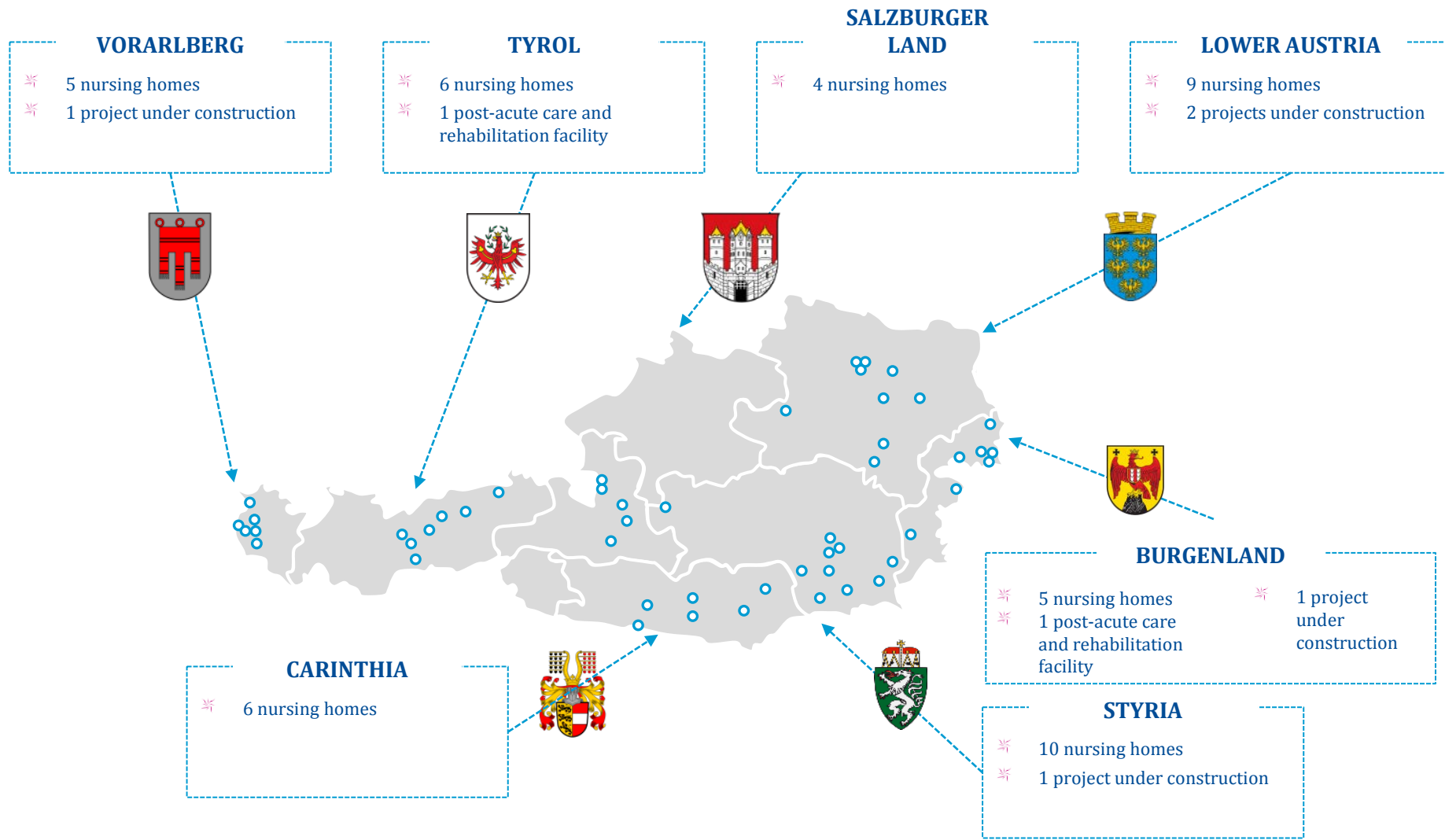
- ✧ **1998:** foundation
- ✧ **2001 – 2003:** creation of its first nursing homes
- ✧ **2004 – 2007:** rapid expansion, largely through acquisitions
- ✧ **2009 – 2011:** development of new services (post-acute care and rehabilitation, home services, day centres, etc.)
- ✧ **2012 – 2014:** initial foray into the Czech Republic



➡ **Effective growth over the 10 years from 2003 to 2013:**

- 14-fold increase in the number of beds
- 28-fold increase in revenues

# Austrian network of 46 facilities and 6 projects

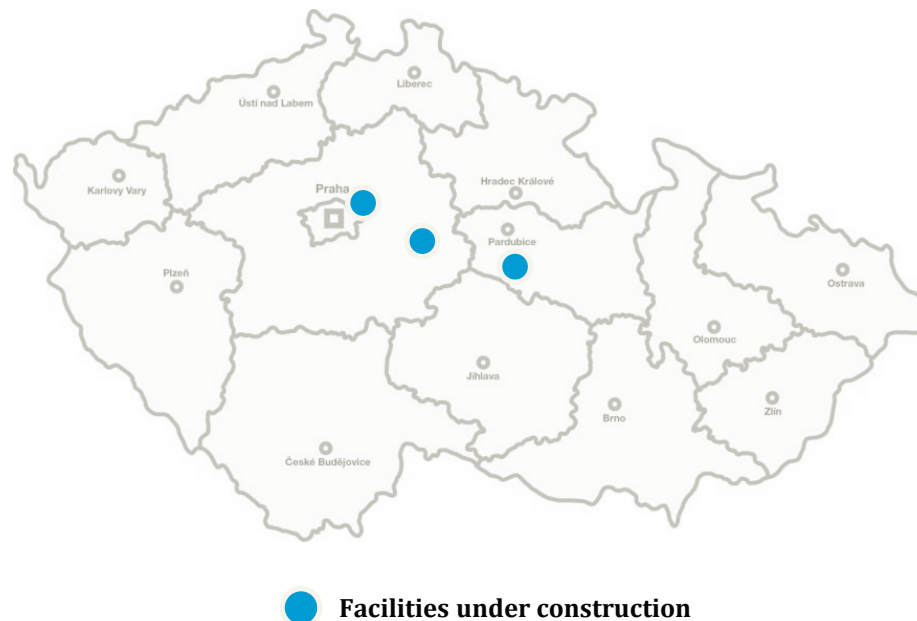


**Austria's high quality nursing care provider**



## Key characteristics

- ✧ 3 facilities (300 beds) under construction (due to open in 2015 and 2016)
- ✧ Many other projects identified



**Objective: active development by creating new facilities in order to become the Czech Republic's leading nursing home operator**



1

## Integrated range of care services

- \* Nursing homes, day centres, temporary stays, Alzheimer's units
- \* Post-acute care and rehabilitation
- \* In-home care and services

2

## A policy of Quality and Innovation

- \* Constant quest for innovation and additional services
- \* Facilities offering a high standard of hotel quality accommodation
- \* Solid reputation

3

## Training and HR policy

- \* Continuous training programmes
- \* Pro-active recruitment and loyalty policy
- \* Strong culture of employee satisfaction

4

## Culture of development and growth

- \* Strong know-how in the creation and construction of new facilities
- \* Management team experienced in development and operations in Austria and the Czech Republic



## Award-winning quality of care and services

- \* Several regional awards (e.g. Vorarlberg seal of quality 2013-2014)



## Award-winning working environment

- \* Voted best employer in the healthcare sector in 2014



# High-quality facilities







**Austrian long-term care sector**



## Complex regulations

- ✧ **Complex regulations with regional differences, creating 9 distinct regulatory environments:**
  - Mandatory permit system in 4 regions (Lower Austria, Styria, Burgenland and Carinthia)
  - Notification system in the other regions

## National and regional standards

- ✧ **Compliance with national and regional standards required (room size, quality standard, safety, etc.), with an inspection at least once p.a. by the supervisory authorities**

## Complex organisation

- ✧ **Complex organisation requiring a network of contacts with all stakeholders**

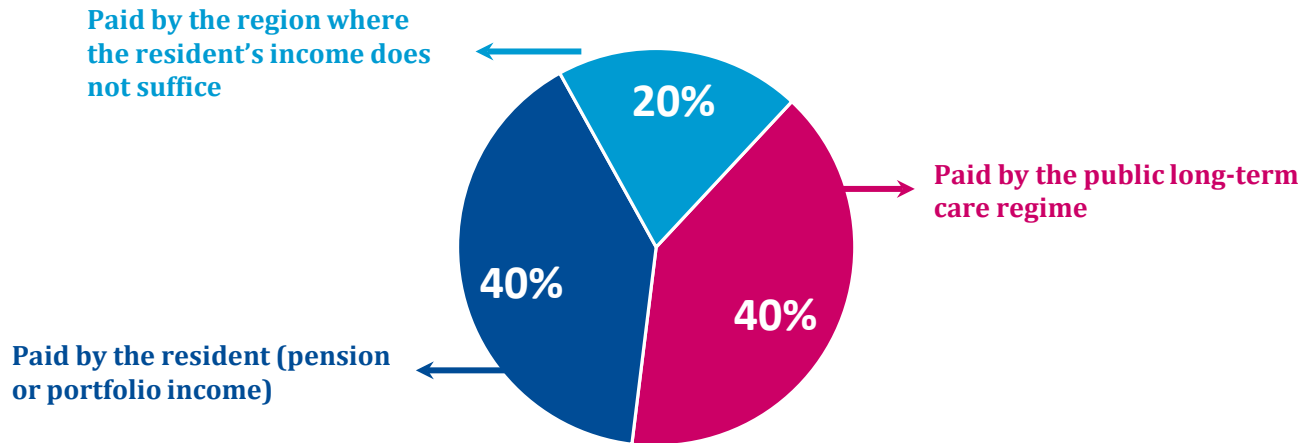
## Operator reputation

- ✧ **Advantage for historical and well-known operators to get new autorizations**



**Thanks to its unique position, SeneCura possesses a major strength from a development perspective**





Average revenue per bed: **€120 per day**



## An affluent and stable country

- ✧ **Austria: Ranks 13<sup>th</sup>** worldwide in terms of **GDP per capita at \$49,050** (40% above the EU average)
- ✧ **Health expenditure: 11.5% of GDP** (vs. 10.2% for the EU)
- ✧ Stable social security and tax system
- ✧ Attractive corporate tax rate

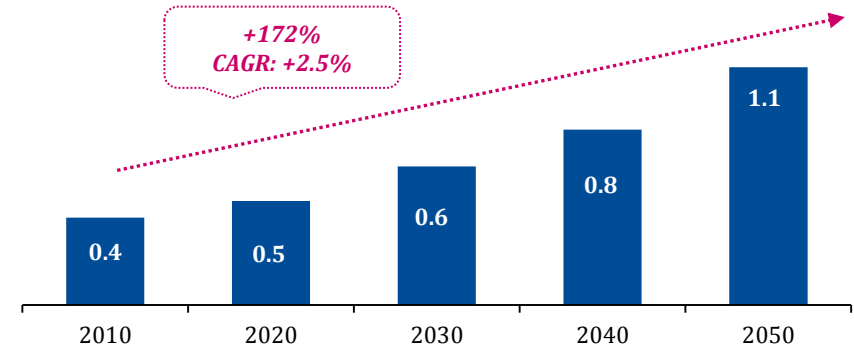
## Population ageing

- ✧ **Strong growth in the elderly population:** number of over 80s set to double by 2040 (up 0.4 million)
- ✧ One of the European countries with the strongest rate of population ageing

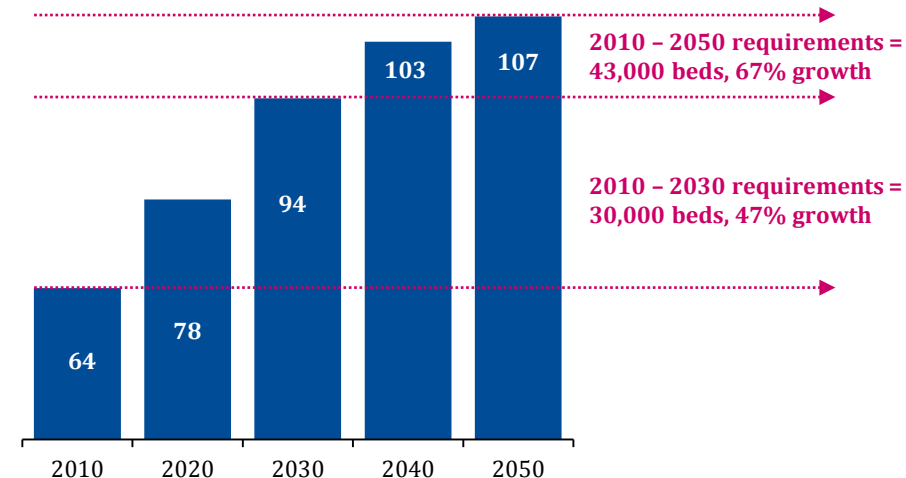
## Substantial need for new beds to be created

- ✧ **Existing capacity: 70,000 beds**, or 16 beds for every 100 over-80s, compared with 21 in Germany
- ✧ **By 2030, 30,000 beds need to be added (47% increase)**

## Growth in the population of over-80s (in millions)



## Growth in demand for beds (in thousands)



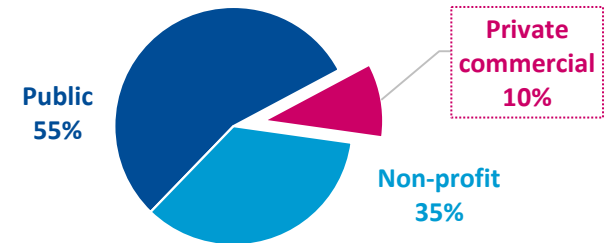




## Large majority of public sector and non-profit operators

- ✧ **Large majority of public sector** and non-profit organisations
- ✧ **Strong development potential for private-sector groups** owing to public budget constraints
- ✧ **Solid solvability** of the population interested with the private commercial sector

## Breakdown of the beds by type of operator



## SeneCura: major operator of the private sector

- ✧ SeneCura has a strong position in the private sector otherwise highly fragmented
- ✧ With an experienced management team and an outstanding reputation, SeneCura possesses major edges in future developments



Development objective and strategy



- ✧ **Date of consolidation in ORPEA financial statements: 1 April 2015**
- ✧ **Price tag in line with ORPEA's standards for a leadership position in two expanding countries and including some property assets**
- ✧ **Payment in cash from ORPEA's cash reserves**
- ✧ **Additional 2015 revenue: €105 million**
- ✧ **Accretive impact on EPS from 2015**

# Strong profitable growth already secured

1

## Network

**2014**

**3,456 beds** in Austria

**+23%**

**CAGR: 5% p.a.**

**2018**

**4,236 beds** in Austria and the Czech Republic based solely on projects secured to date

2

## Revenues

**2014**

**€125 million**

**+44%**

**Organic growth of 10% p.a.**

**2018**

**€180 million**



**Operating margin improvment**



## KEY STRENGTHS

- ✧ Leading position and strong brand recognition
- ✧ Experienced management team with an exceptional network of contacts
- ✧ Know-how in obtaining authorizations and acquiring land
- ✧ Unique pipeline



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## CONTRIBUTION

- ✧ Know-how in centralising functions and optimising information systems
- ✧ Expertise in building new facilities
- ✧ Financial strength



**Profitability improvements by centralising certain functions**



**Further expansion in Austria to extend its position**



**Faster rate of expansion in the Czech Republic to make it a leader**



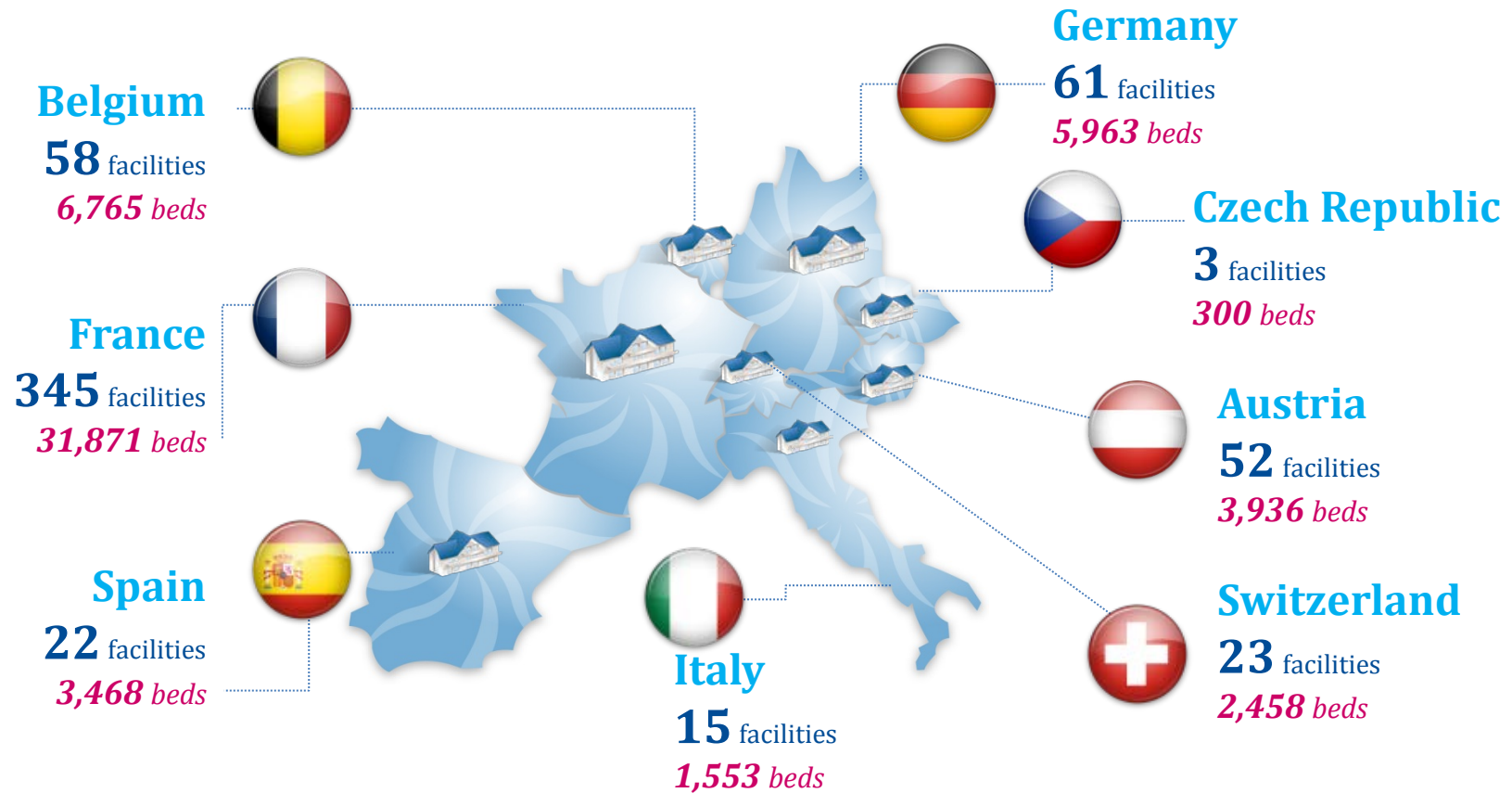




**The ORPEA group**

**ORPEA**  
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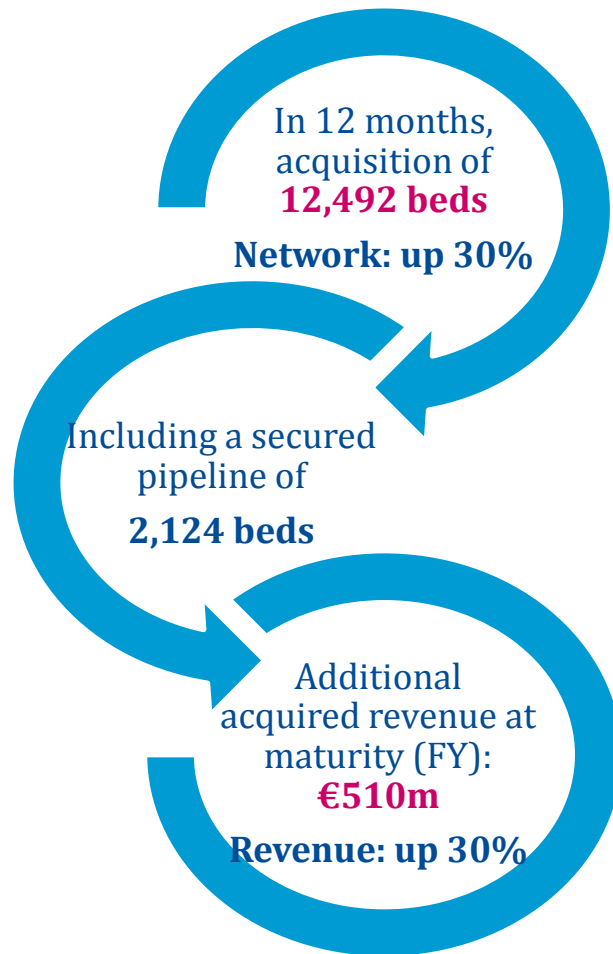
# European network of 56,314 beds at 579 facilities<sup>1</sup>



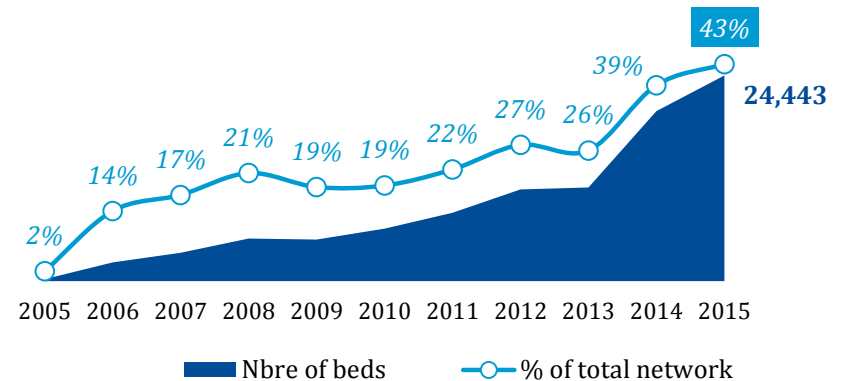
**43% of the network outside France**

<sup>1</sup> Subject to closing of the Senecura transaction

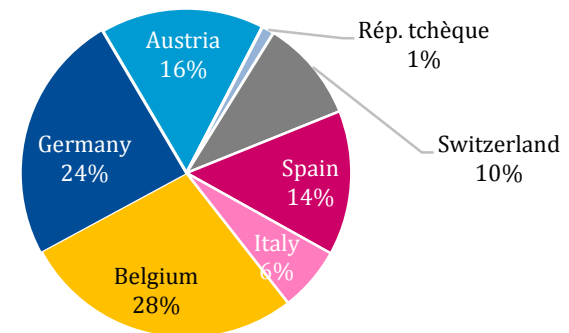
# Sharp acceleration in international expansion



## Growth of the network outside France<sup>1</sup>



## Geographical breakdown of beds<sup>1</sup>



**Performing development platforms in dynamic economies with strong purchasing power**

<sup>1</sup> Subject to closing of the Senecura transaction