



# SeneCura Group

## Eastern Europe cluster

# AGENDA

1. Management of SeneCura Group
2. SeneCura Austria
3. Optimamed Austria
4. SeneCura Czech Republic
5. What ORPEA brought to SeneCura
6. Organization of Eastern Europe cluster
7. Expansion of Eastern Europe cluster



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## AUSTRIA

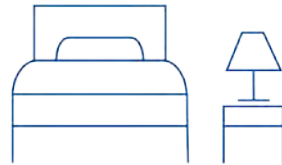


# THE MARKET FOR NURSING HOMES IN AUSTRIA



**Total Market  
Turnover**

EUR 3 billion



**Number  
of beds / facilities**

66,502 / 890

**Share of public  
ownership**

45%



**Average  
price**

EUR 120



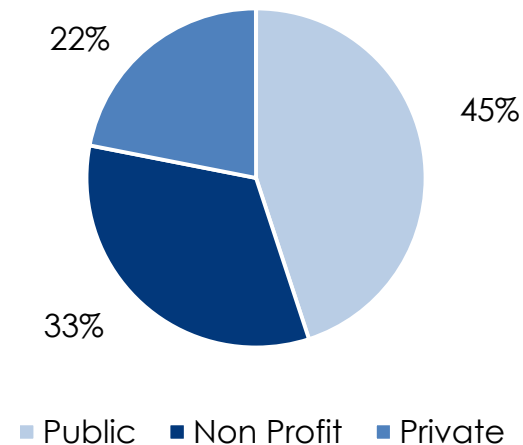
**Beds to create  
over 2010-2050**

43,000

**Beds to create  
over 2010-2030**

30,000

## Facilities



## Federal System

9 different systems in regions

9 different markets

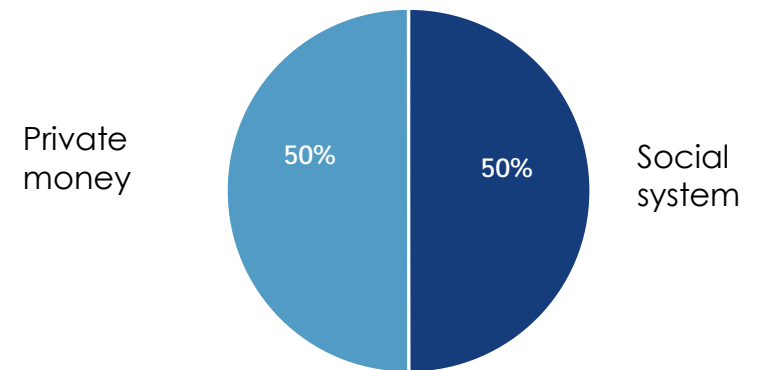
Authorisations administrated by region



# THE SYSTEM FOR NURSING CARE IN AUSTRIA

- **Accommodation / Food / Services :**  
Fixed tariffs per region (avg. EUR 62 -102):
  - 66 % paid by the resident
  - 34 % paid by social system
- **Care and Dependency (7 levels):**  
Avg. EUR 30 – 100
  - Paid by Social Security

## DAILY PRICE FOR NURSING HOMES: €120-€150



# THE MARKET FOR REHAB CLINICS IN AUSTRIA



Capacity  
of beds

11,053



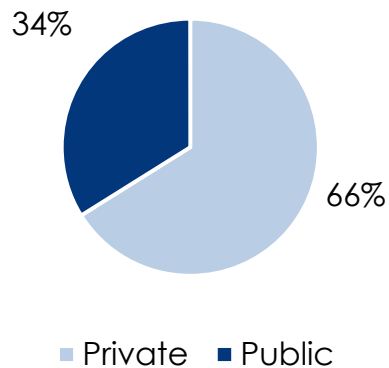
Number of facilities

121 =  
85 stationary,  
36 ambulatory

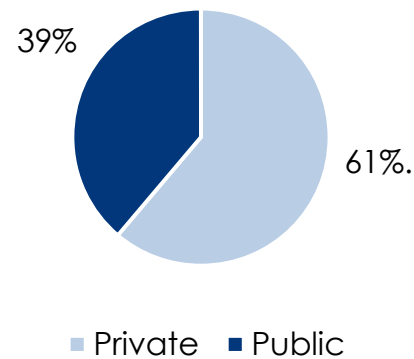
Share of facilities in  
private ownership

80 facilities = 66%

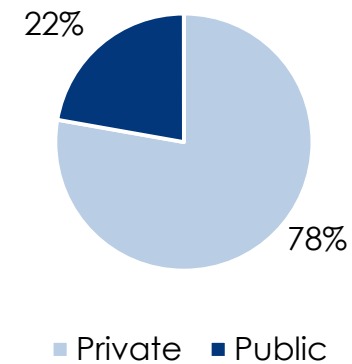
Facilities in total



Stationary



Ambulatory

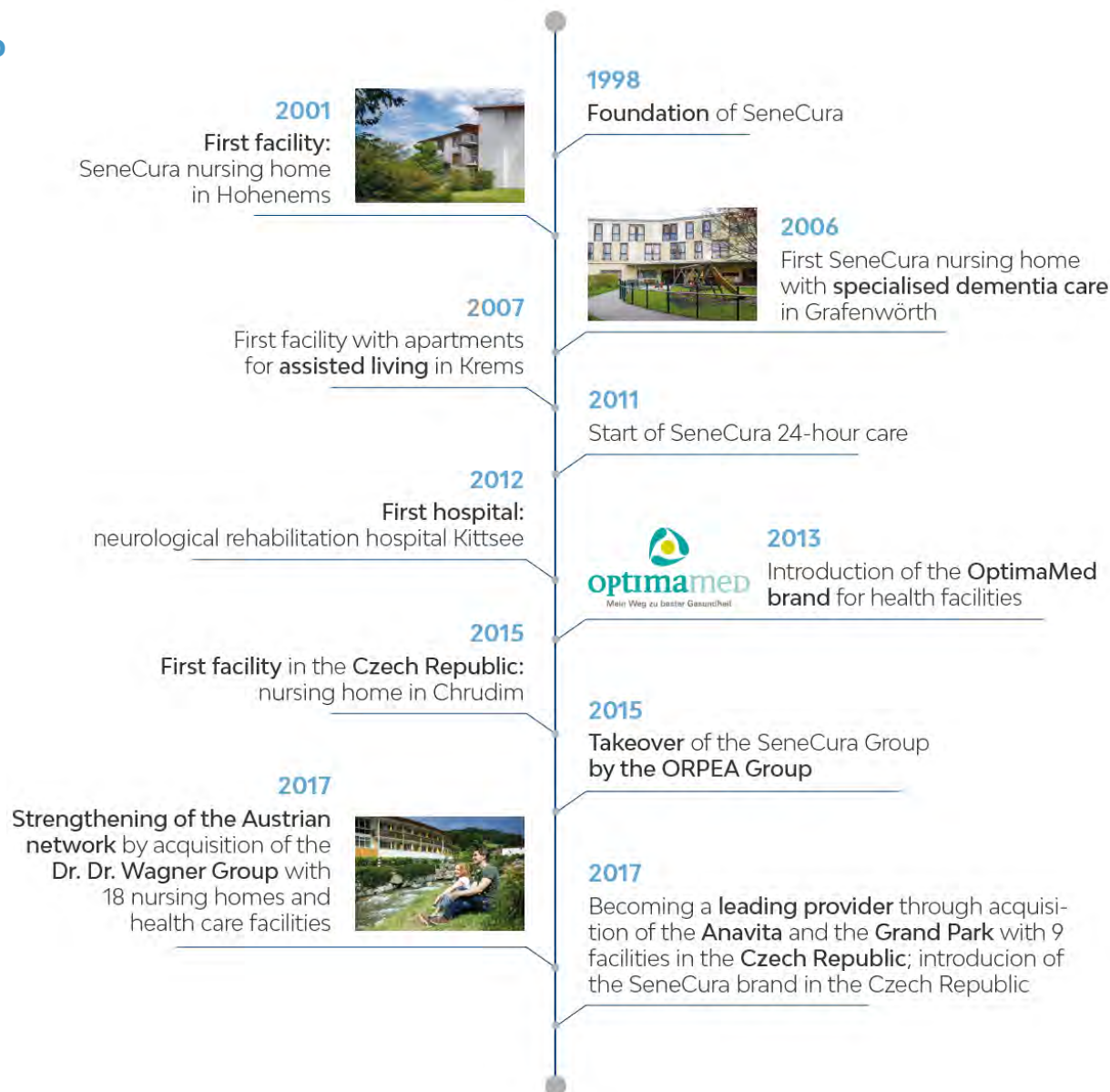








# DEVELOPMENT OF SENECURA GROUP

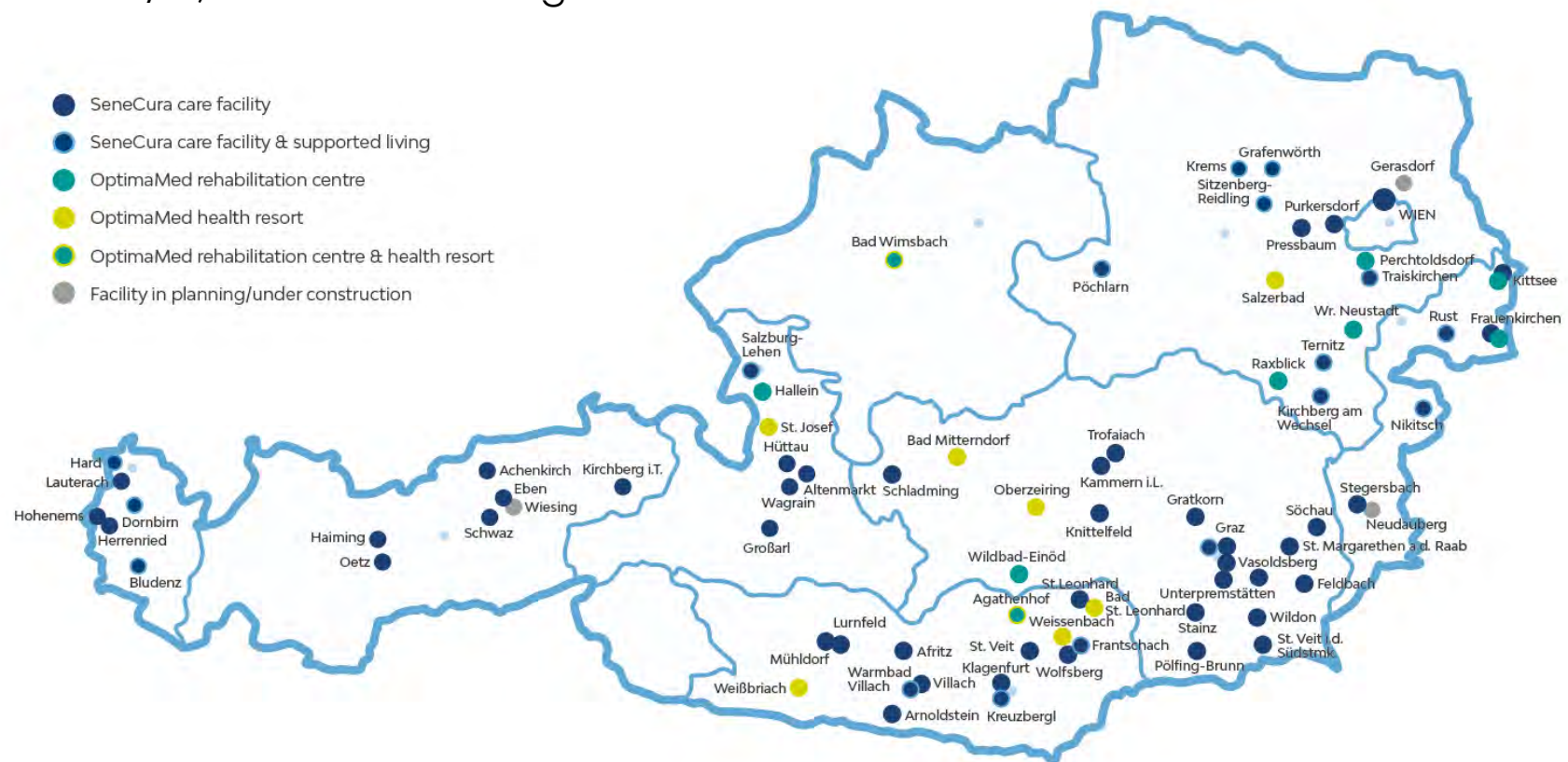


## 81 SENECURA FACILITIES IN AUSTRIA

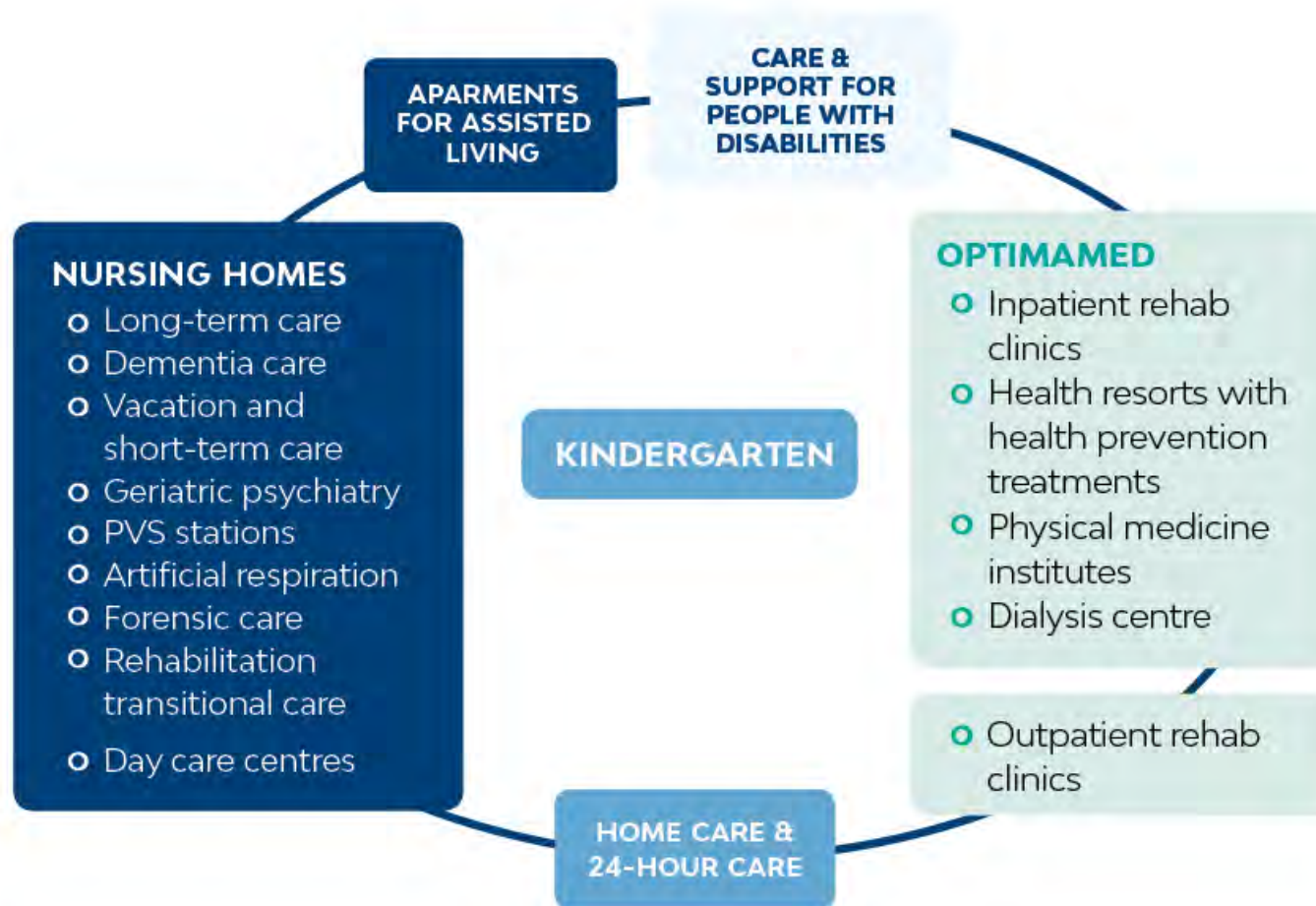
SeneCura nursing homes, OptimaMed health care facilities

2017 revenue: €243m (+38% vs 2016)

81 facilities / 7,042 beds including 184 under construction



# OUR RANGE OF SERVICES





## OUR GUIDING PRINCIPLE „NÄHER AM MENSCHEN“



	<b>Partners and society</b>	<ul style="list-style-type: none"> <li>• We are a strong partner for society.</li> </ul>
	<b>Employees</b>	<ul style="list-style-type: none"> <li>• We focus on staff with hearts, mind and experience.</li> </ul>
	<b>Residents and patients</b>	<ul style="list-style-type: none"> <li>• We care for residents and patients.</li> </ul>

SeneCura guiding principle as integrative part of the ORPEA Code of Conduct.

## EXCELLENT QUALITY & SCIENTIFIC COOPERATIONS

One of the **most awarded private care providers in Austria.**

- SeneCura facilities as first in Europe certified for **Qualified Pain Therapy**
- **Top Employer 2017**
- **National Quality Certificate NQZ**
- **ORPEA Excellence Award 2016 (Painfree Nursing home) & 2017 (Fit & Agile 77+)**
- **TELEIOS Award 2015, 2013 und 2011, 2017 nomination**
- **HR Award Silver 2018** for Competence and Education Management of SeneCura Academy
- **Cooperation with high profile educational & scientific institutions**
- **Study on living for aged people (Wohnmonitor)**
- Programme **Fit & Agile 77+**
- SiMbA (=Medicheck)



## SENECURA ACADEMY

- Corporate partner for **learning, development** and **vocational training**
- Developed in **cooperation** with renowned educational institutes and research centers
- Support SeneCura nursing homes **meeting** their **customers' promises**
- Implementation of a SeneCura-wide **competency management system**



# SENECURA CARE STANDARDS „NÄHER AM MENSCHEN“

- **Primary Nursing Care** by a personal care team
- **Validating care** for people with dementia
- **Painfree nursing home** – scientific based pain management
- **„Bestens Begleitet“** – advanced care planning programme for the final phase of life





# SENECURA „NÄHER AM MENSCHEN“

- Vacation exchange
- Yearly wishes
- Fit & agile 77+
- Enjoyable healthy food
- Candle-Light-Dinner
- Varied activities
- Animal therapy



## SENECURA FILM









## OPTIMAMED – MY WAY TO BETTER HEALTH

- A brand of the SeneCura Group
- Outpatient and inpatient rehabilitation centers for various indications, health resorts, physical institutions and a dialysis center



optimamed  
Mein Weg zu bester Gesundheit

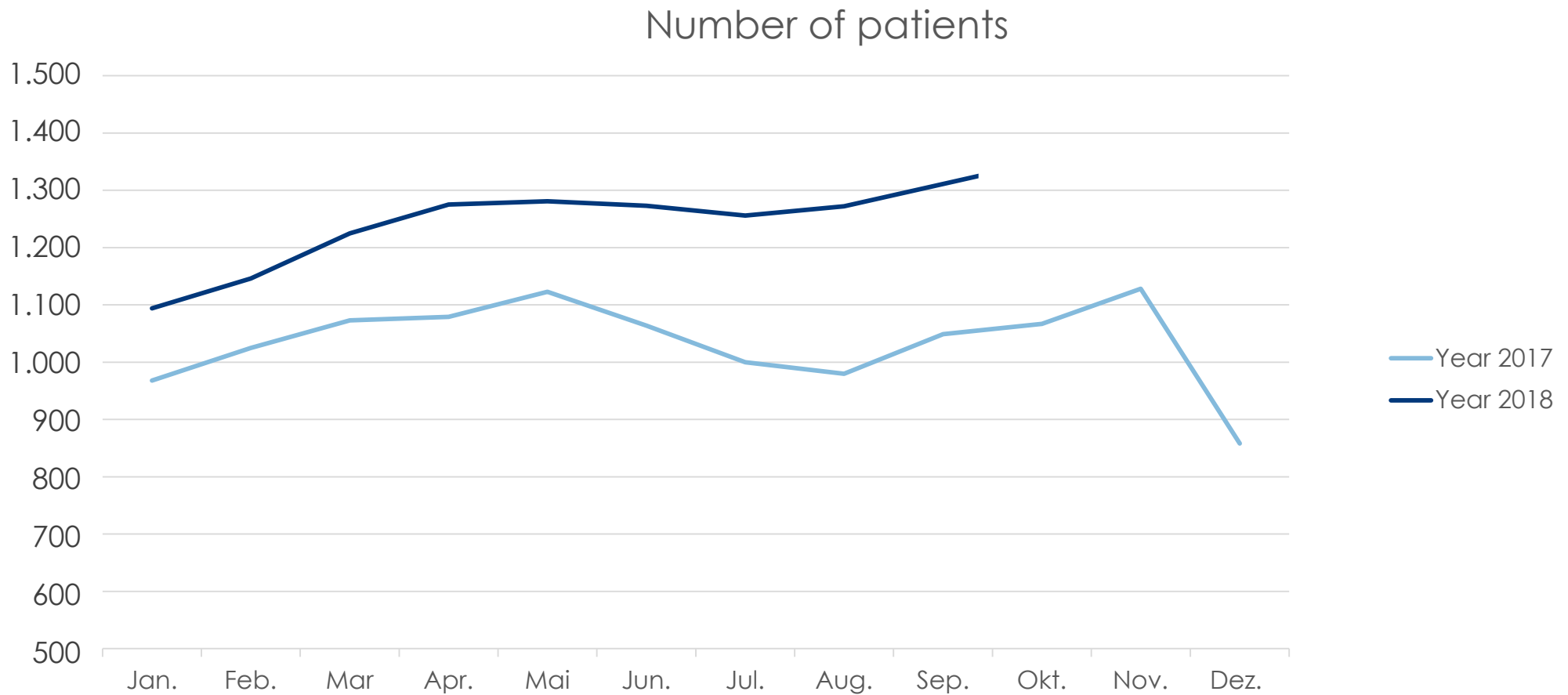


## INTEGRATION OF DDR. WAGNER GROUP

- **Acquisition** of Wagner Group and **start of integration project** in **June 2017**
- **18 new facilities** and 3 administrative offices
  - 900 employees, Turnover: € 66,3 Mio
  - 21.500 patients = 450,000 patients' overnight stays per year
  - 410 residents in nursing homes
- **Project team with** 32 members of SeneCura/OptimaMed facilities and headquarter with dedicated project manager
- **Initial Integration project:** 7 months until end of 2017
  - Action plan clinics with 224 measures
  - Action plan nursing homes with 165 measures



# INTEGRATION OF DDR. WAGNER GROUP HEALTH FACILITIES







CZECH  
REPUBLIC



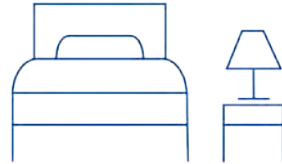


# THE MARKET FOR NURSING HOMES IN THE CZECH REPUBLIC



State Budget for  
dependency care

EUR 955 Mio



Capacity of beds

55,031

Share of beds in  
public ownership

76 %



Number of  
facilities

870

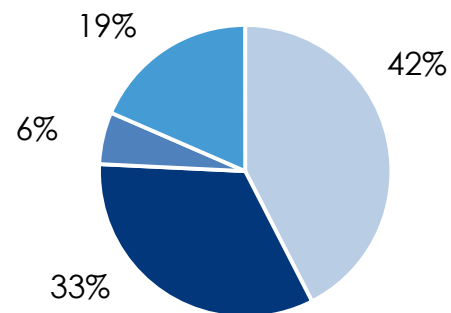
Nursing  
homes

530

Facilities for  
people with  
dementia

340

## Beds



■ Region owned   ■ Municipality owned   ■ Church owned   ■ Other (private)



# THE SYSTEM FOR CARE IN CZECH REPUBLIC

- **Accommodation / Food / Services paid by private money:**

Avg. EUR 25

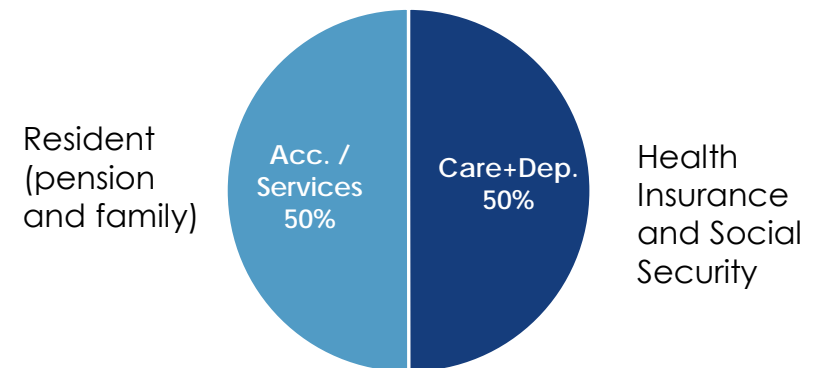
- 60 % paid by resident
- 40 % paid by families

- **Care and Dependency paid by social system:**

Avg. EUR 25

- 50 % care allowance incl. dependency level
- 50 % health insurance

## DAILY PRICE FOR NURSING HOMES: €50







## SENECURA CZECH REPUBLIC

- 13 opened nursing homes with special regime for people with dementia
- Working under **single SeneCura brand** as of October 2017
- 2017 revenue: €13m (vs €2m in 2016)
- 17 facilities / 2,463 beds including 921 under construction





## DEVELOPMENT OF SENECURA IN CZECH REPUBLIC

- The 1<sup>st</sup> SeneCura facility in CZ was **Chrudim**, opened on 02/12/2015, the 2<sup>nd</sup> opened on 06/01/2015 in Prague – **Klamovka**, both are our own projects
- Takeover of **Anavita Group** (5 facilities in Sanov, Modrice, Olomouc, Terezin and Plzen) on the 01/04/2017
- Takeover of **GrandPark Group** (3 facilities in Havirov, Hradec Kralove and Prague Sterboholý) On 06/05/2017
- Takeover of Seniorský dům **Pisek** on 01/09/2017
- Opening of **Kolin** (SeneCura project) on 10/12/2017 and of Prague **Slivenec** on 03/04/2018



## SENECURA CZECH REPUBLIC DEVELOPMENT PROJECTS 2019

- Expansion of SeniorCentrum **Pisek** with 32 beds (new dementia unit)
- Opening of SeniorCentrum in **Liberec** in January 2019 with 148 beds, **Telc** in July 2019 with 130 beds
- Start of building in
  - **Chotebor** (120 beds)
  - **Humpolec** (203 beds)
  - **Zdar nad Sazavou** (132 beds) 2019



# SENECURA IN CZECH REPUBLIC AS FIRST CEE MARKET

## Czech Republic as first market abroad developed by SeneCura

- Expertise in entering new market, setting up operations and back office systems
- Transferring ORPEA/SeneCura concept/culture to another country
- Setting up cost and overhead structure for market with low tariffs







# What ORPEA brought to SeneCura ?

## WHAT ORPEA BROUGHT TO SENECURA

- Know-how transfer
- Financial strength
- Management processes for operational excellence
- Homogenisation of quality standards and processes



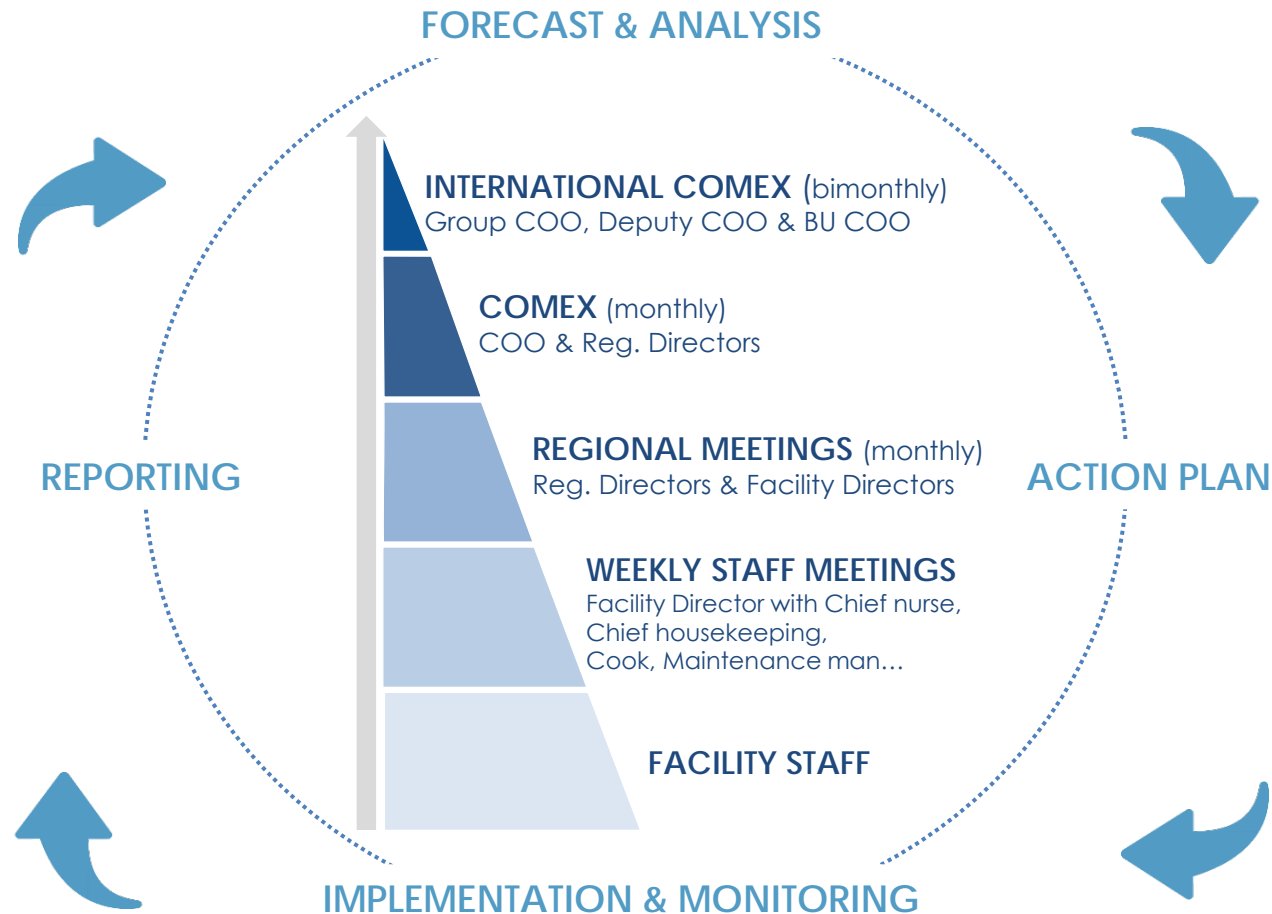
## OUR OPERATIONAL SUCCESS FACTORS

- 1 | Homogeneous **operational organization** allowing information circulation
- 2 | Transparency in **information flow**  
(ex: adverse event reporting)
- 3 | Daily **monitoring of KPIs**  
(ex: occupancy rate, staff costs,...)
- 4 | **Presence on the field** with frequent and regular visits on sites



# ORGANIZATION & MANAGEMENT

## IMPLEMENTATION OF AN HOMOGENEOUS OPERATIONAL ORGANIZATION





# Organization of Eastern Europe cluster

# ORGANIZATION OF EASTERN EUROPE CLUSTER

- **Today Eastern Europe cluster: 98 facilities / 9,505 beds split in 2 countries**
  - Austria: 81 facilities / 7,042 beds
  - Czech Republic: 17 facilities / 2,463 beds
  
- **Eastern Europe cluster is already set up and organized from Vienna with a strong management team**
  - Vienna is the geographic center in central Eastern Europe
  - Vienna is attractive for people and companies of the Danube area
  - Austria has historical and cultural strong links and relationships with Eastern European countries
  
- **SeneCura Group and headquarter in Vienna is already organized as head of a cluster**
  - Corporate departments already set-up
  - Cluster organization: Czech Republic and Slovakia will be managed as 2 regions (CZ West, CZ East/SK), Slovenia and Croatia as 1 region

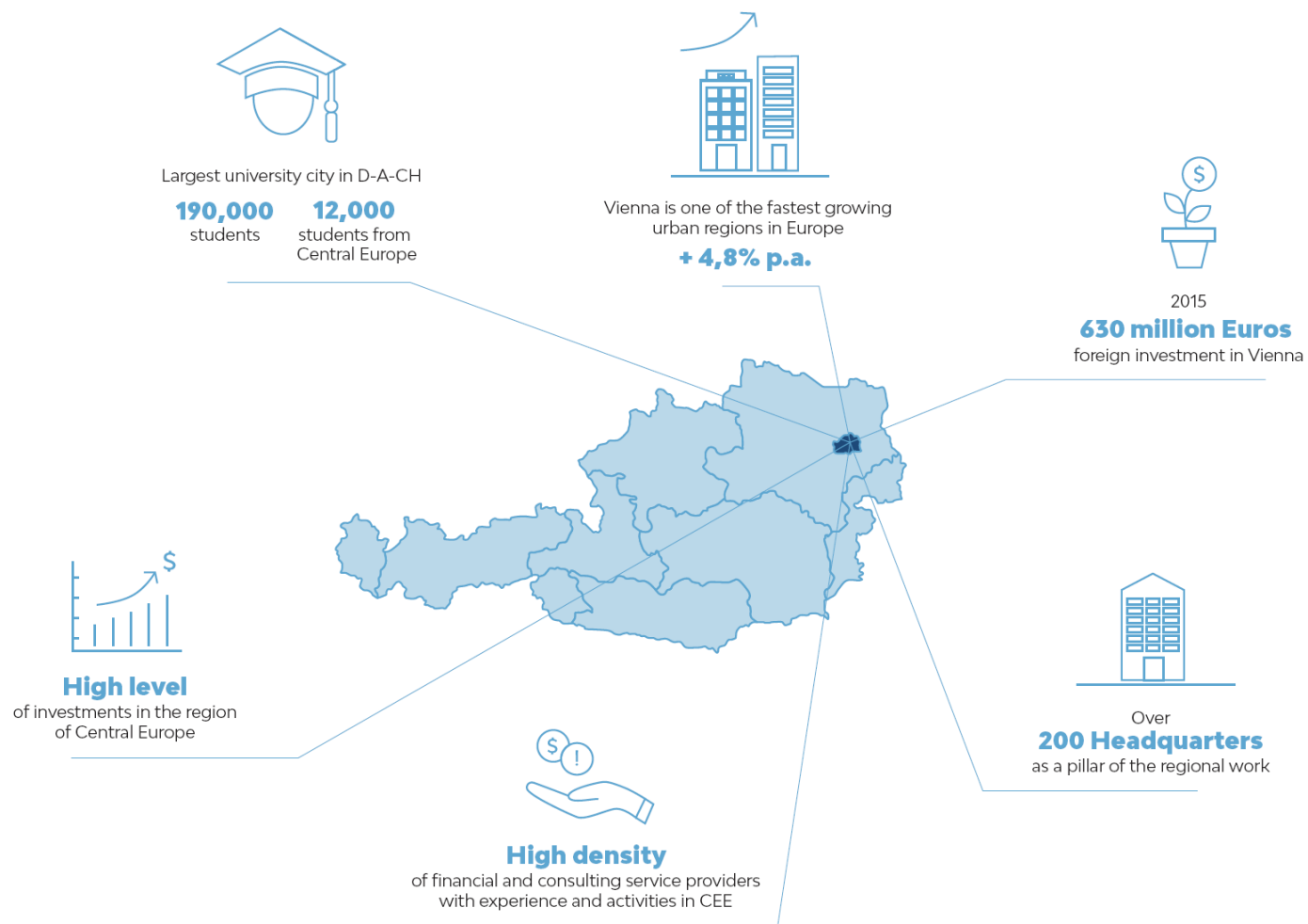


## SENECURA GROUP CEE CLUSTER

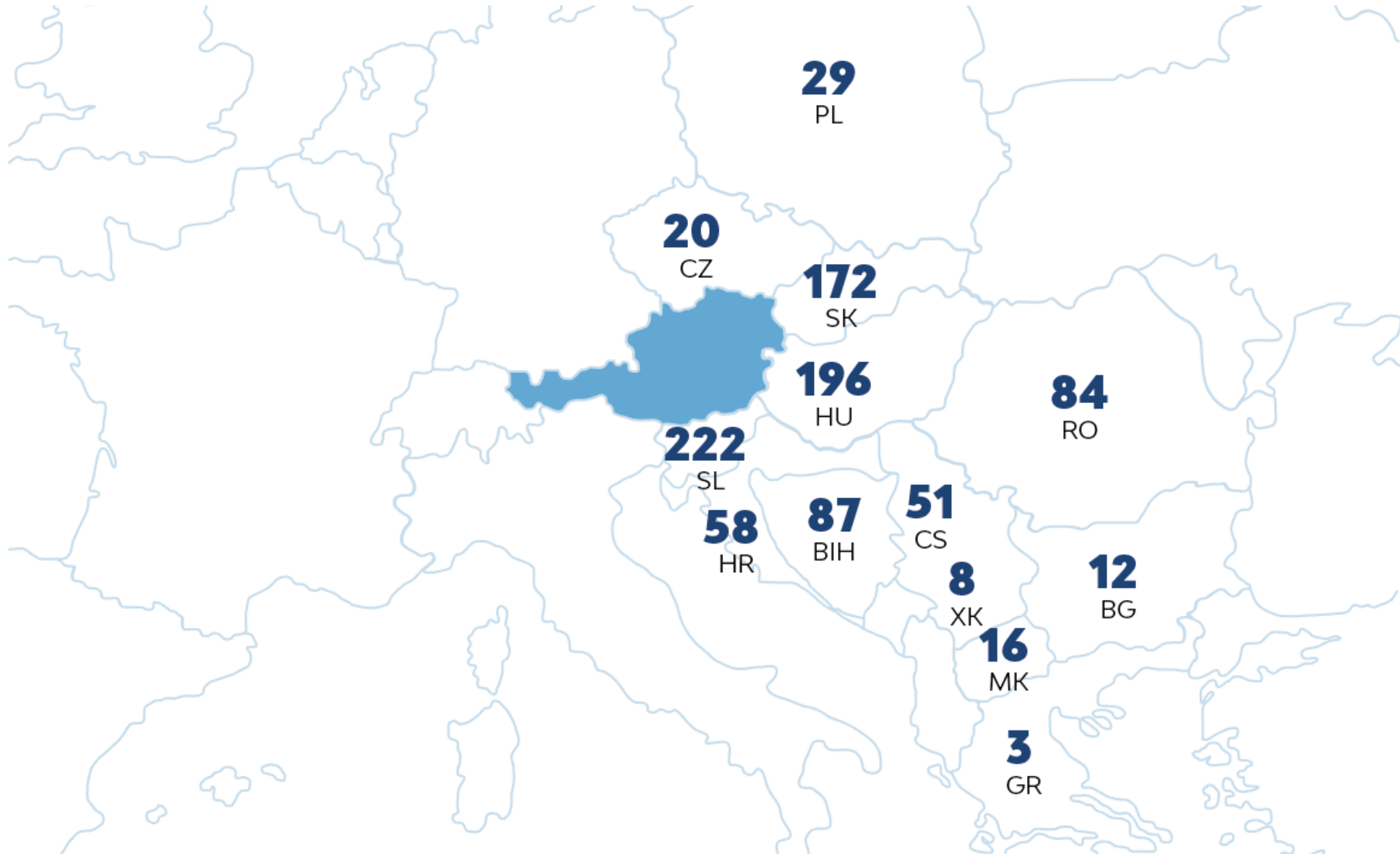
- **ORPEA competence center** for developing **new markets in East and Southeast Europe.**
- Based on experience and know-how as an operator of facilities for long and short term dependency care for decades



# VIENNA IS ATTRACTIVE - FOR PEOPLE AND COMPANIES OF THE DANUBE AREA



## EMPLOYEES OF THE DANUBE AREA ARE ALREADY A BIG PART OF SENECURA AUSTRIA





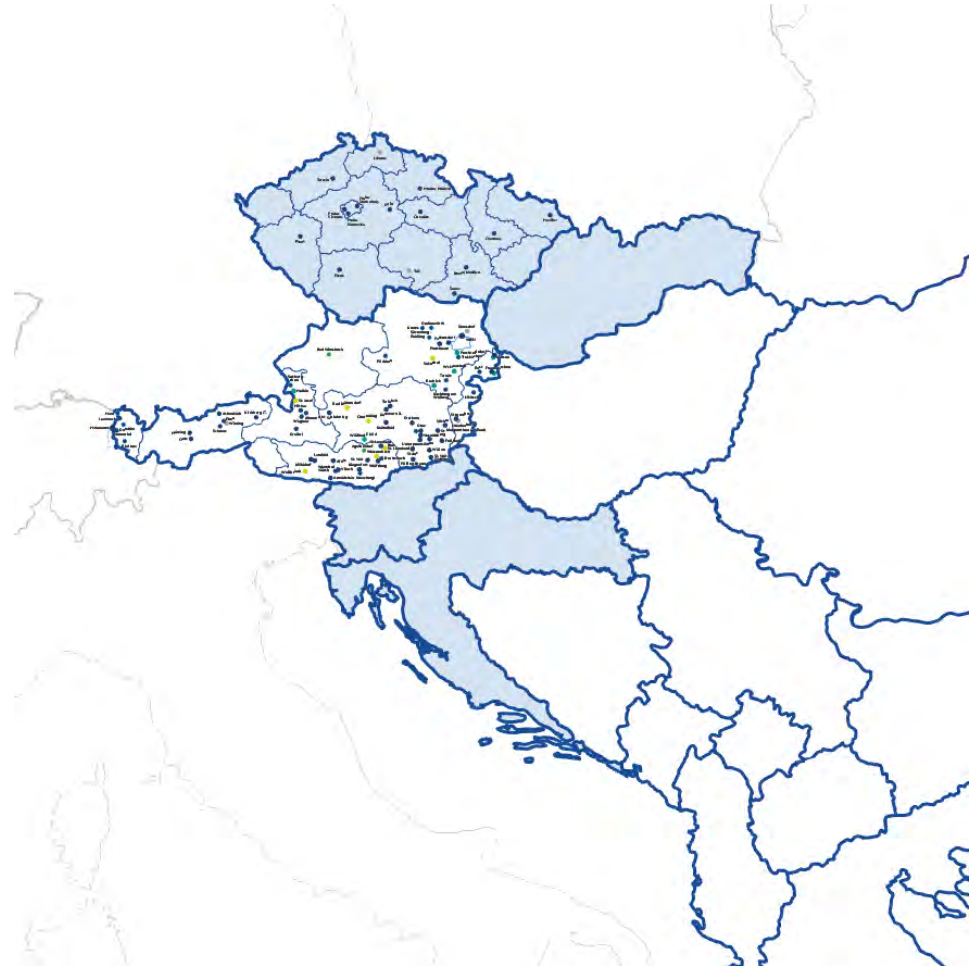




# Expansion of Eastern Europe cluster

# SENECURA GROUP CEE CLUSTER – PLANS FOR DEVELOPMENT

- **Current markets:** Austria & Czech Republic: Increase the number of beds mainly through new greenfield development projects to extend the position as leading provider.
- **New markets:**
  - To enter Slovenia, Slovakia, Croatia and Greece
- Management of Czech Republic and Slovakia as 2 regions (CZ West, CZ East/SK).
- Management of Slovenia and Croatia as 1 region.







# CROATIA: A COUNTRY WITH A STRONG GROWING ECONOMY



- GDP 2017: \$50bn
- GDP per capita 2017: \$12.1 thousand
- Average annual growth of the GDP per capita between 2000 and 2016: +5.4%
- Inflation: 1.1%
- Public deficit: 4.3% GDP
- Public debt: 78% GDP
- **Population: 4.2 million**
- Annual health expenditures per inhabitant: \$1,050 (2012/2015 -1.9%)
- **Annual health expenditures (% GDP): 7.8%**
- Privately financed (% GDP): 1.4%
- Publicly financed (% GDP): 6.4%
- Ease of doing business index (1=most business-friendly regulations): 43<sup>1</sup>
- Corruption perceptions index ranking: 55<sup>2</sup>



**Conclusion: living standards are expected to strongly increase, especially in the main cities, based on a strong growing economy**

<sup>1</sup> Ease of doing business ranks economies from 1 to 190, with first place being the best. A high ranking (a low numerical rank) means that the regulatory environment is conducive to business operation. The index averages the country's percentile rankings on 10 topics covered in the World Bank's Doing Business. The ranking on each topic is the simple average of the percentile rankings on its component indicators.

<sup>2</sup> Indice de corruption établi par l'organisme Transparency International : 0 (risque de corruption très élevé) to 100 (risque de corruption faible). La moyenne mondiale se situe à 43.



# CROATIA: FUNDAMENTALS OF THE MARKET



## Rapid population ageing

- Life expectancy: 77.87 years-old
- Growth rate in population of over 80s: +101% between 2016 and 2050

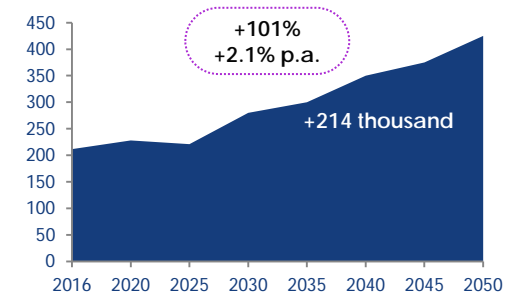
## Regulatory framework

- Authorisation/ license system:** Ministry of Social Policy and Youth (The Act on Social Welfare (157/13 and 152/14) - follow the article on the elderly; Law on the Institutions (OG 76/93, 29/97 - Corr., 47/99 - korr and 35/08); Rules on minimum requirements for the provision of social services (NN 40/14 and 66/15) - follow the articles related to the elderly)
- Price setting:** 100% private (out-of-the-pocket)
- Average price per day:** €45 in average for medium/high quality facilities

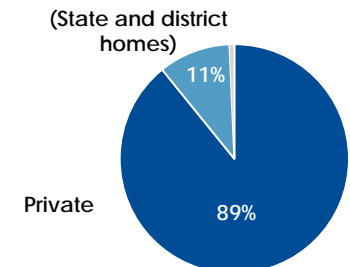
## Market and competition

- Existing capacities:** 19,900 beds/ 443 facilities (300 small houses from 10 to 20 beds; 139 houses from 20 to 100 beds; 2 large houses of approx. 100 beds; 2 houses for 200 units)
- Split between private/ non-profit/ public sectors:** 3 state homes, 45 district homes, 395 private houses
- Private sector description:** very fragmented market. High need for medium/high quality standard houses in city centers. Up to now only local operators

Evolution of over 80s (thousands)<sup>1</sup>



Split of the beds by operator





# SLOVENIA: CEE COUNTRY WITH STRONG FUNDAMENTALS

- GDP 2017: \$44bn
- **GDP per capita 2017: \$21.3 thousand**
- Average annual growth of the GDP per capita between 2000 and 2016: **+4.7%**
- Inflation: **1.4%**
- Public deficit: 6.4% GDP
- Public debt: 73.6% GDP

- **Population: 2.07 million**

- Annual health expenditures per inhabitant: \$2,161 (2012/2015 -0.2%)
- Annual health expenditures (% GDP): 9.2%
- Privately financed (% GDP): 2.6%
- Publicly financed (% GDP): 6.6%
- Ease of doing business index (1=most business-friendly regulations): 30<sup>1</sup>
- Corruption perceptions index ranking: 31<sup>2</sup>



## Conclusion: high growth based on stable and business friendly regulations

<sup>1</sup> Ease of doing business ranks economies from 1 to 190, with first place being the best. A high ranking (a low numerical rank) means that the regulatory environment is conducive to business operation. The index averages the country's percentile rankings on 10 topics covered in the World Bank's Doing Business. The ranking on each topic is the simple average of the percentile rankings on its component indicators.

<sup>2</sup> Indice de corruption établi par l'organisme Transparency International : 0 (risque de corruption très élevé) to 100 (risque de corruption faible). La moyenne mondiale se situe à 43.





# SLOVENIA: FUNDAMENTALS OF THE MARKET

## Rapid population ageing

- Life expectancy: 80.78 years-old
- Growth rate in population of over 80s: +124% between 2016 and 2050

## Regulatory framework

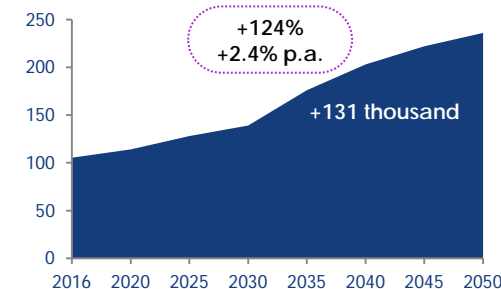
- **Authorisation/ license system:** A health care license must be obtained from the Health Ministry
- **Price setting:** the price for the accommodation is to be paid by the patient and his family. The price of the medical care is defined by the health insurance system according to their respective methodology
- **Average price per day:** €53 in average

## Market and competition

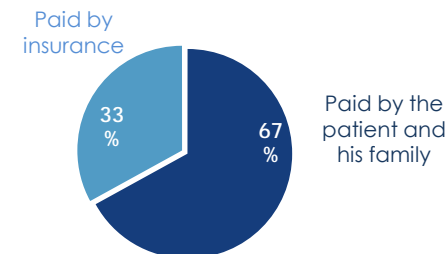
- **Existing capacities:** 19,296 beds / 102 facilities (very large/old facilities, especially in the public area)
- **Non-profit / public sectors:** 60 % public (64 facilities state-owned), 40 % private (43 facilities)
- **Private sector description:** fragmented market based on concessions; subsidy structure in place, up to now only local operators



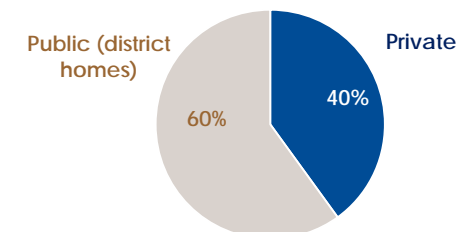
Evolution of over 80s (k)<sup>1</sup>



Breakdown of daily price



Split of the beds by operator





# SLOVAKIA: HIGH GROWTH COUNTRY COMPARABLE TO CZECH REPUBLIC

- GDP 2017: \$90bn
- GDP per capita 2017: \$16.5 thousand
- Average annual growth of the GDP per capita between 2000 and 2016: **+7.2%**
- Inflation: **1.3%**
- Public deficit: -2.1% GDP
- Public debt: 50.9% GDP

- **Population: 5.4 million**

- Annual health expenditures per inhabitant: \$1,455 (2012/2015 -0.2%)
- Annual health expenditures (% GDP): 8.1%
- Privately financed (% GDP): 2.2%
- Publicly financed (% GDP): 5.8%
- Ease of doing business index (1=most business-friendly regulations): 33<sup>1</sup>
- Corruption perceptions index ranking: 54<sup>2</sup>



## Conclusion: strong growth expected

<sup>1</sup> Ease of doing business ranks economies from 1 to 190, with first place being the best. A high ranking (a low numerical rank) means that the regulatory environment is conducive to business operation. The index averages the country's percentile rankings on 10 topics covered in the World Bank's Doing Business. The ranking on each topic is the simple average of the percentile rankings on its component indicators.

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## Rapid population ageing

- Life expectancy: 76.56 years-old
- Growth rate in population of over 80s: +119% between 2016 and 2050

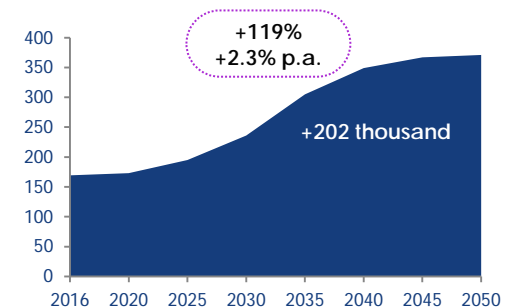
## Regulatory framework

- Authorisation / license system:** Act. Nr. 448/2008 - registration of the social service providers is carried out by a higher territorial unit (region) – § 62 and follows. An application for the registration must be filed, writing to the higher territorial unit
- Price setting:** If the operations are conducted by a non profitable corporation, the state can provide a subsidy of up to €320 a month to the patient. If the operations are carried out by a profit corporation, the price is to be paid by the patient and his family (100% out-of-the-pocket)
- Average price per day:** ~ €45

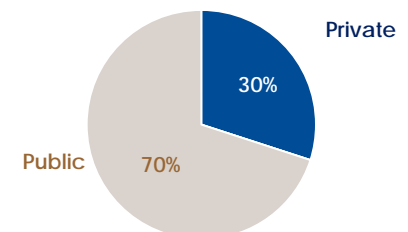
## Market and competition

- Existing capacities:** 32,964 beds/ 751 facilities (mainly shared rooms)
- Split between private/ non-profit/ public sectors:** 70% public sector – 30% private sector
- Private sector description:** Very fragmented market based on concessions

Evolution of over 80s (k)<sup>1</sup>



Split of the beds by operator





- 15 to 25 facilities targeted per country
- Type of location: city centers of large cities/municipalities
- Facilities dedicated to the medium-wealthy and the upper part of the population
- Selective acquisitions: very few opportunities
- Greenfield projects in the best locations
- Facility size from 80 beds up to 150 beds
- Real estate ownership on selective locations or long term lease contracts
- Profitability in line with the standard of the Group
- Organization and teams already set-up

