

2021-2022 annual results

- EBITDA: €95.0 million (+7.6%)
- Operating margin before non-recurring items: 8.3% (in line with target)

2022-2023 Outlook: acceleration in growth

Caissargues, October 18, 2022

In € millions	2020-2021	2021-2022	Change
Revenue	444.1	468.3	+5.5%
EBITDA¹	88.3	95.0	+7.6%
<i>EBITDA margin</i>	19.9%	20.3%	
Recurring operating profit	37.0	38.9	+5.1%
<i>Operating margin before non-recurring items</i>	8.3%	8.3%	
Operating profit	28.3	32.5	+14.8%
Net profit	14.3	14.3	-

¹ EBITDA = recurring operating profit + net depreciation, amortization and provisions.

Revenue up +5.5%

Groupe Bastide reported revenue of €468.3 million for the 2021-2022 fiscal year, up 5.5% and exceeding the Group's target of €460 million. Organic growth² edged back by just 0.8%, despite a drop of more than 70% in sales of personal protective equipment (PPE) due to the end of the health crisis.

The "Respiratory" (up 18.5% to €134.8 million) and "Nutrition-Perfusion-Stomatherapy" (up 19.6% to €119.9 million) businesses both delivered solid performances and benefited from the effects of acquisitions, notably the contribution of Livramedom (Perfusion) and Medpro (Respiratory). The decline in Homecare (down 7.2% to €213.6 million) is solely attributable to the drop in PPE sales (down 74%).

Operating profitability maintained despite significant price cuts and an inflationary context

Despite the negative impact of the inflationary context and the 10% price cut in France for the treatment of sleep apnea and diabetes as of September 1, 2021 and January 1, 2021 respectively, the EBITDA margin increased by 60 bps to 20.3%, lifting EBITDA 7.6% to €95.0 million.

This increase in margin was partly due to an increase in service activities and partly to changes in the product mix, in particular a decrease in PPE sales. This had a positive impact on gross margin which rose 240 points to 65.5%.

² Organic growth calculated at constant exchange rates and on a like-for-like basis, restating 2021-2022 for the contribution of companies acquired within the last 12 months and the revenue of own stores that have been sold.



Recurring operating profit was up 5.1% to **€38.9 million**, resulting in a stable margin of 8.3%, in line with the Group's target. Excluding price cuts, whose impact is estimated at €4.0 million, recurring operating margin would have reached 9.1%, i.e., an increase of 80 bps compared with the 2020-2021 margin.

Operating profit increased to €32.5 million. Non-recurring expenses include a fair value adjustment of the Keylab earn-out and various extraordinary expenses, including restructuring costs.

Financial expenses amounted to €10.2 million, representing an average net debt rate of 3.4%, which is stable compared to 2020-2021. **Net income remained stable at €14.3 million**, after taking into account a €5.9 million tax expense.

Financial structure

Cash flow from operations was €56.9 million, resulting from cash flow after taxes of €85.7 million and an increase in working capital of €28.9 million. This change in working capital is mainly attributable to two temporary factors: firstly, an IT migration in the stomatotherapy business, which impacted the invoicing system and led to a one-off increase in receivables, and secondly, an increase in inventories, partly as a precautionary measure to avoid supply shortfalls.

These flows cover net operating investments, which amounted to €50.0 million, up 7.8% compared to 2020-2021, and remain high, mainly due to over-investment in the United Kingdom. A return to normal investment levels is expected in 2022-2023.

During the year, Bastide pursued its external growth strategy, targeting international markets and a focus on high technical expertise and high recurrence businesses, with six acquisitions totaling €43.1 million. The Group also allocated €4.8 million to the payment of earn-outs and €6.6 million to minority buyouts.

This proactive strategy of targeted acquisitions combined with sustained investments resulted in an increase in net gearing.

Excluding lease liabilities of €83.1 million, net debt amounted to €314.0 million at June 30, 2022 and shareholders' equity to €86.6 million. Cash and cash equivalents stood at €22.1 million. At c. 3.75x, the Group maintained control over its leverage (net debt³/restated EBITDA⁴ – excluding IFRS 16 impact), which was below the authorized level of 4.2 for the leverage at June 30, 2022.

During the first half of the year, the Group carried out a refinancing operation to extend the maturity of its debt. The maturity of the tranches of the credit agreement were set at three years, with the possibility of being extended for two additional years at the lenders' discretion. The Group asked for the two-year extension mid October which would bring the maturity of the *in-fine* repayable tranches, i.e., €232 million, to 2026-2027.

Two acquisitions in France

In October, the Bastide Group announced that it had completed the acquisition of French companies Probace Meditec (Nutrition-Perfusion and Homecare) and 4S E-med (Respiratory). In



line with the Group's strategy, these acquisitions strengthen the Bastide Group's market share in high technical expertise and high recurrence businesses. The two companies will be consolidated as of October 1, 2022 and will contribute full-year revenue of nearly €6 million.

2022-2023 outlook

Given the pricing environment, which is expected to be relatively stable, and a healthier basis for comparison, organic growth should return to a level comparable to that recorded before the health crisis and in line with fourth quarter 2021-2022. The Bastide Group therefore confirms its target of over €520 million in annual revenue, including the contribution of recent acquisitions.

Despite the inflationary context, the Group also confirms its target of an operating margin before non-recurring items of more than 8.3%, thanks to strict control of its structural costs.

Significantly improving free cash flow will be a priority for the 2022-2023 fiscal year, as a result of the expected growth in cash flow, a return to more normal levels of working capital and strict control of operating investments.

Hence the Group intends to pursue its strategy of reasoned external growth focused on international diversification and recurring, high value-added activities, together with a gradual reduction in debt.

NEXT MEETING:

2022-2023 Q1 revenue on November 16, 2022, after the close of trading

About Groupe Bastide Le Confort Médical

Created in 1977 by Guy Bastide, Groupe Bastide is a leading European provider of home healthcare services. Present in 7 countries, Bastide develops a permanent quality approach and is committed to providing medical devices and associated services that best meet patients' needs in key health areas: diabetes, nutrition, infusion, respiratory care, stomatherapy and urology. Bastide is listed on Euronext Paris (ISIN: FR0000035370, Reuters BATD.PA, - Bloomberg BLC: FP).

Groupe Bastide

Vincent Bastide/Olivier Jourdanney
T. +33 (0)4 66 38 68 08
www.bastide-groupe.fr

Actus Finance

Analyst-Investor
Hélène de Watteville
T. +33 (0)1 53 67 36 33

Press – Media
Déborah Schwartz
T. +33 (0)1 53 67 36 35

