



ORPEA
IBÉRICA

ORPEA Ibérica

Lisbon, December 9th 2019

1. Who We Are - Cluster

2. How We Are Organised

3. Our Markets

4. Our Future



We are a CLUSTER: One organisation in two countries

An organisation with a compact, strong and complementary management team.

To support continuous development in a deep transformation environment.

- With two BU's that are two countries
- Maintaining **development** and accelerating growth also with projects that start from zero...

In a changing environment with new challenges and new needs.

CORPORATE GENERAL MANAGEMENT
Yves Le Masne (CEO)
Jean-Claude Brdenk (Deputy CEO & COO)

CLUSTER co-CEO's
Asunción Zaragoza - Manuel Aznar

Construction and Maintenance
Fabián Domínguez

HR - Alberto Crespo

COO - Manuel Aznar

CFO - Asunción Zaragoza

Development - Laura Díaz

Spain

Portugal



Manuel Aznar

Co-CEO & COO

19 years in the company

- Law Degree, Expert in Labor Law and Social Welfare. Experience as a Lawyer, Nursing Homes Director, HR Responsible and COO.
- Languages: Spanish, French, English. Basic Portuguese.



Asunción (Asun) Zaragoza

Co-CEO & CFO

17 years in the company

- Law Degree, MBA Esade. Previous experience: Accenture, General Electric, Alpha Private Equity (CFO at its investment in softdrinks company)
- Languages: Catalan, Spanish, French, English. Basic Portuguese.

WHO WE ARE - MANAGEMENT TEAM



Alberto Crespo
HR Director
2 years in the company

- Law Degree, Expert in Labor Law (10 years experience at two legal firms). Experience as a Lawyer. 12 years in BUPA Spain (Sanitas Residencial as Labour Relations director).
- Languages: Spanish, English, German (basic). Basic Portuguese.



Laura Díaz
Development Director
1 year in the company

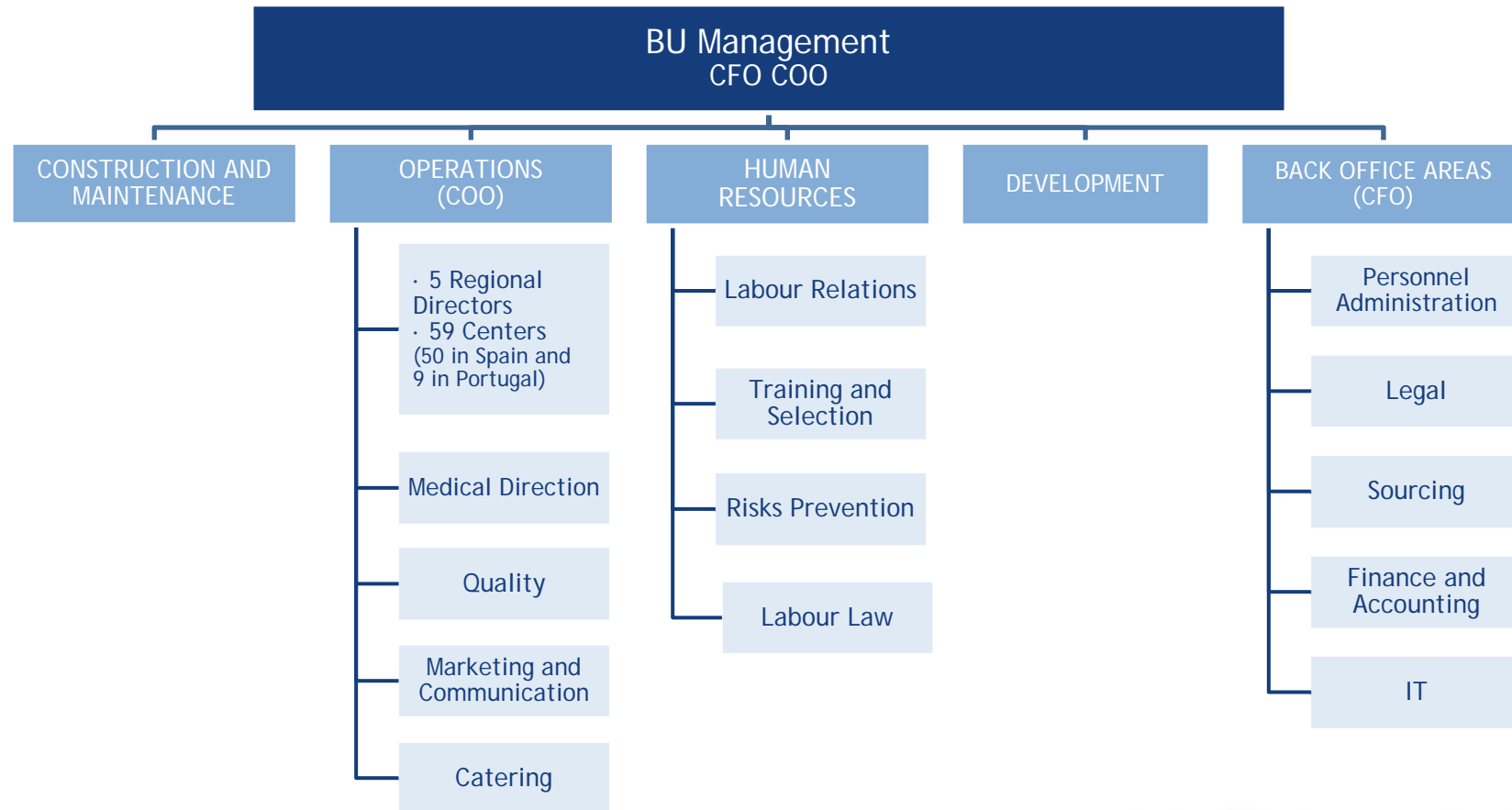
- Degree in Business Administration.
- 8 years as Senior Consultant in CBRE, Asset Management at NH Hotels and Head of international development at Roommate Hotels.
- Languages: Spanish, English, Portuguese. Basic French.



Fabián Domínguez
Construction Director
20 years in the company

- 20 years experience in ORPEA, where he evolved from Maintenance responsibilities to Construction.
- Languages: Spanish and French.







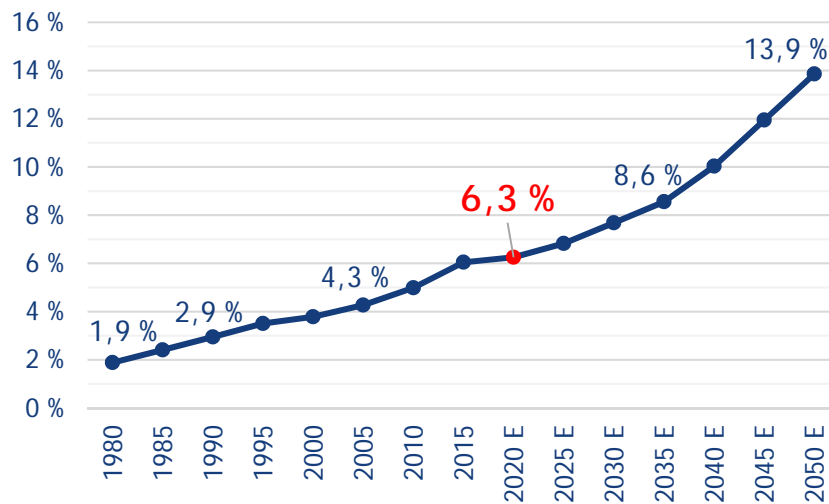
Our reality: ORPEA Ibérica - BU Spain



THE SPANISH NURSING HOME MARKET: DEMOGRAPHIC FACTORS



% Of people above the age of 80

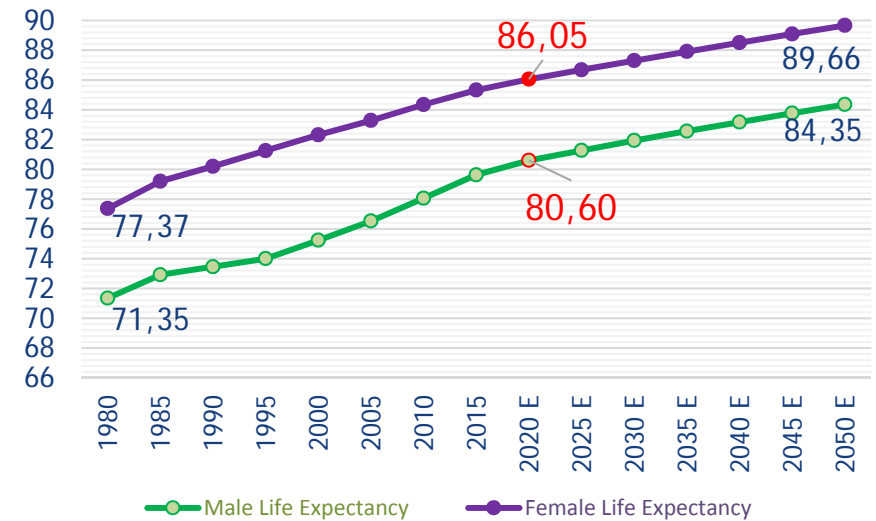


People above the age of 80 currently (2.7m) represents 6.3% of total population and is expected to increase up to 6.8% in 2025



Longer life expectancy is also forecasted leading to a potential increase in number of customers

Life Expectancy

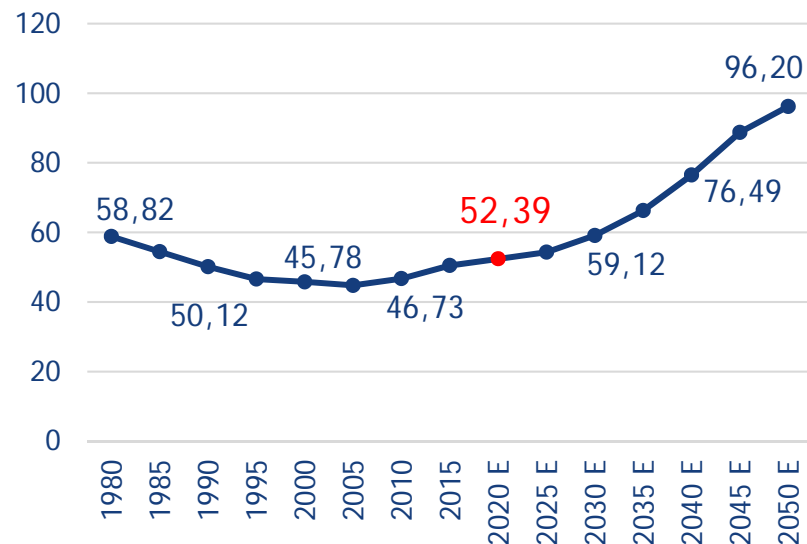




THE SPANISH NURSING HOME MARKET: DEMOGRAPHIC FACTORS



Demographic dependence ratio¹



Family support ratio has grown steadily in the recent years and is expected to continue increasing, leading to less family support resources

Strong potential demand as a result of favorable demographics forecasts and an ageing population

Note:

1) Dependence ratio calculated as % of people below 16 or above 65 out of total population between 15 and 65 years old.

2) Source: United Nations



THE SPANISH MARKET

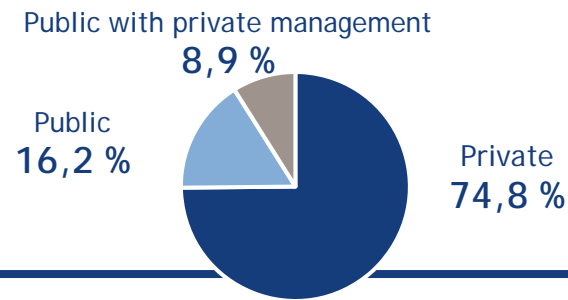


+381,000 beds

Total market revenues at the level of €4,500m of which 59% correspond to the private market.

70% of the revenues "controlled" by the private sector.

Market distribution by beds (%)



Total market revenues

€ 4.5 billion



Number of beds/facilities

381,340 / 5,097

Average beds per facility

74.8



Market share of private sector

74.8 %



Beds to create over 2020 - 2040

532,000 beds

Beds to create over 2020 - 2060

867,000 beds

Sources: DBK Informa. Residencias para la Tercera Edad. May 2019 / Alimarket / Pensium.es

Note: Beds to create calculated over current stock, UN population projections and WHO coverage ratio recommendations



THE SPANISH MARKET: COMPETITION



135 nursing homes
18,675 beds



49 nursing homes
7,181 beds



42 nursing homes
6,664 beds



47 nursing homes
6,302 beds



41 nursing homes
6,223 beds



30 nursing homes
3,321 beds



19 nursing homes
2,920 beds



22 nursing homes
2,657 beds



11 nursing homes
2,251 beds



49 nursing homes
8,283 beds



1 clinic
100 beds



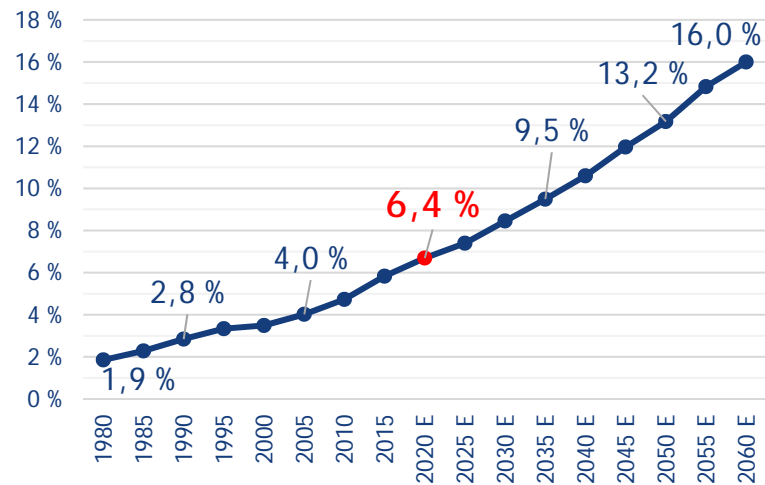
Our reality - ORPEA Ibérica - BU Portugal



THE PORTUGUESE NURSING HOME MARKET: DEMOGRAPHIC FACTORS



% Of people above the age of 80

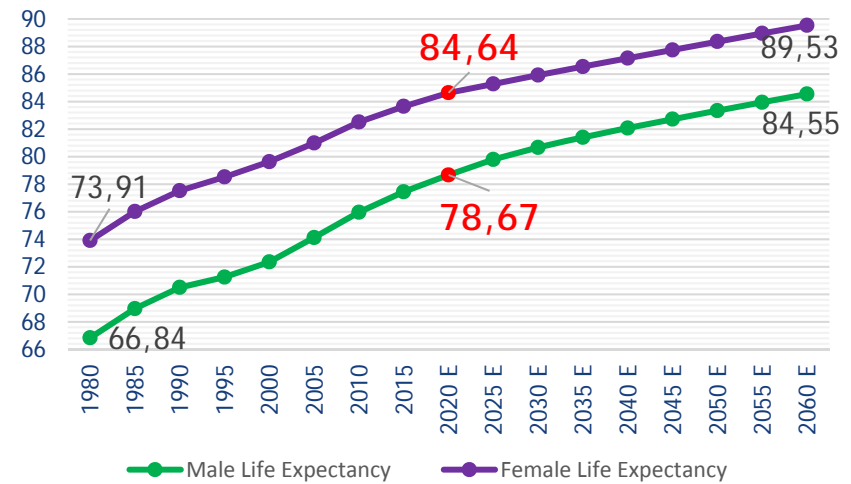


People above the age of 80 currently (661k) represents 6.4% of total population and is expected to increase up to 6.8% in 2025



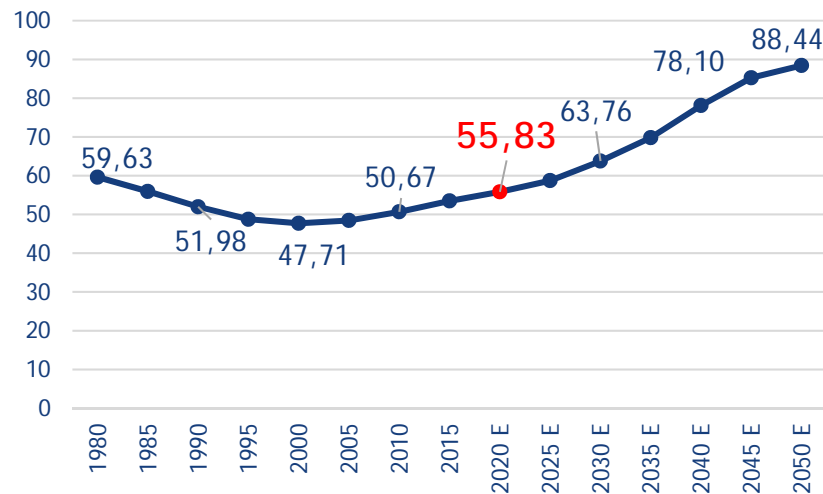
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Life Expectancy





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THE PORTUGUESE MARKET

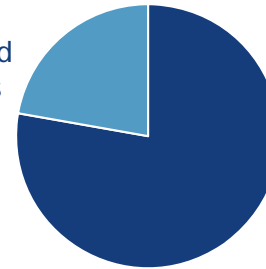


98,100 beds

- Total market revenues for profit-oriented organizations sum €315m

Market distribution by beds (%)

Profit-oriented organizations
22,2 %



Non-profit organizations
77,8 %



Total market revenues

€ 315 million
(only profit-oriented facilities)



Number of beds/facilities

98,100 / 2,500

Average beds per facility

39.2



Market share of private sector

22.2 %



Beds to create over 2020 - 2040

101,000 beds

Beds to create over 2020 - 2060

137,000 beds



THE PORTUGUESE MARKET: COMPETITION



 6 nursing homes
 658 beds



 6 nursing homes
 336 beds



NATURIDADE
CUIDAR DE SI FAZ PARTE DE NÓS.



 6 nursing homes
 308 beds



JOSÉ DE MELLO
RESIDÊNCIAS E SERVIÇOS

 2 nursing homes
 210 beds



 8 nursing homes + 1 hospital
 711 beds



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ORPEA in Spain & Portugal



ORPEA Ibérica - BU Spain

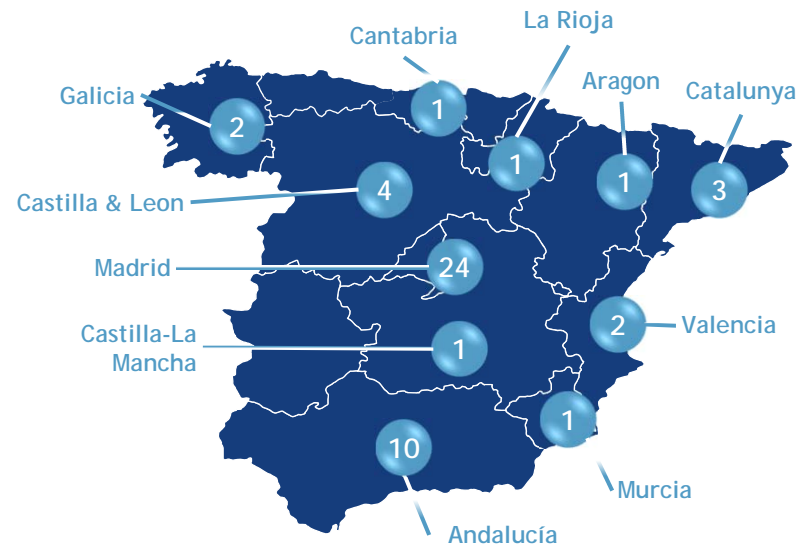


49 sites
+1 clinic



8,383 beds

- 79% private beds
- 60% of the capacity in Madrid and Barcelona
- 50% of the facilities with less than 10 years
- Presence in the 6 main cities





ORPEA Ibérica - BU Portugal

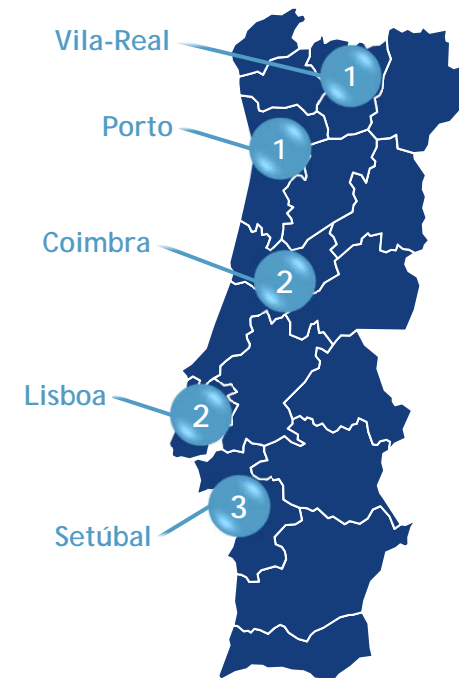


8 sites
+1 hospital



711 beds

- Leading operator in Portugal
- 78% private beds
- Fast-growing development in the next years with more than 30 new nursing homes



Day centres

Day Hospitals and night hospitals



Nursing Homes

- ✦ Long Term
- ✦ Temporary stays
- ✦ Alzheimer Units
- ✦ High dependency Units



Post-acute, Rehabilitation and Psychiatric Hospitals

- ✦ Specialisations: musculoskeletal, geriatric, addiction treatment, cardiology, nervous system, respiratory, oncology

Independent living facilities

Homecare and Services

Core activities

Non-core activities

Complementary activities to meet the demand from existing as well as future patients and residents





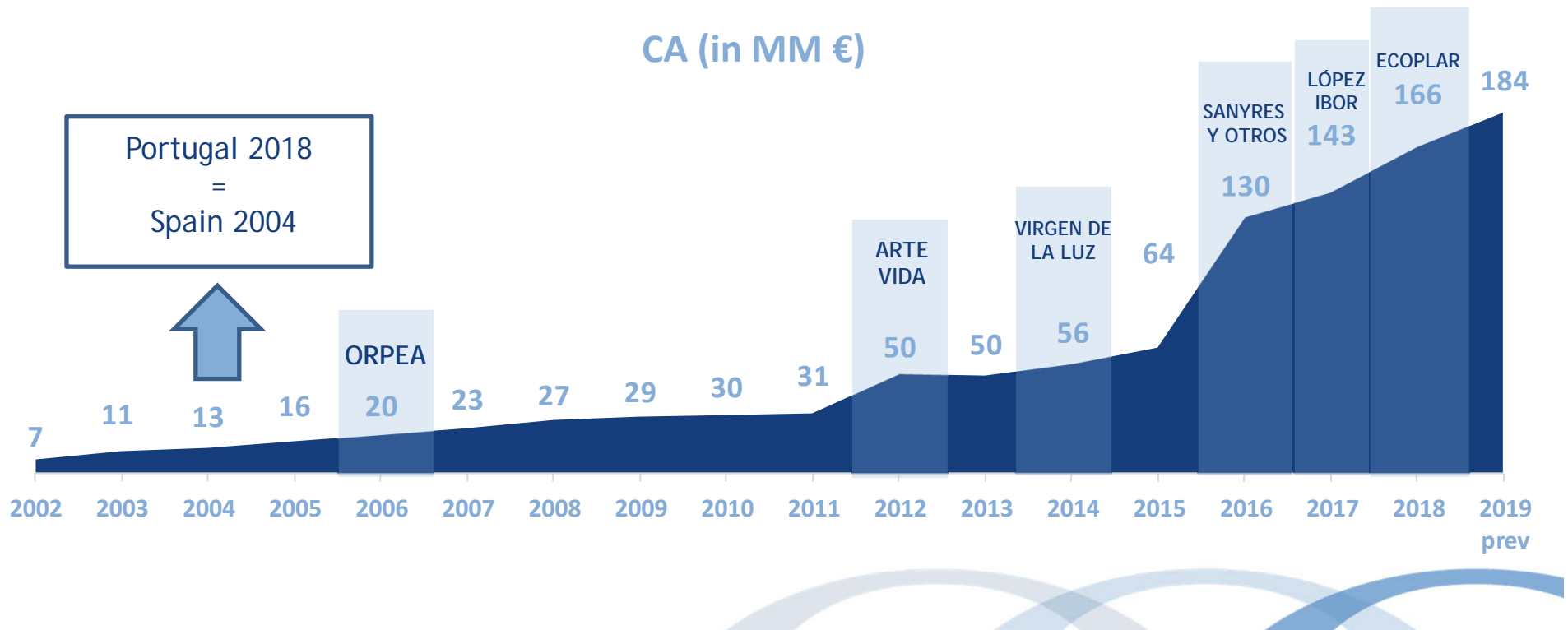
ORPEA Ibérica: Past and Future

OUR EVOLUTION



2018: 166 MM €

CA (in MM €)



2016: THE START OUR TRANSFORMATION



2016 January		<ul style="list-style-type: none">✘ Magnolios Group acquisition (Málaga et La Coruña)✘ 348 beds and 30 day care places (2 facilities)
2016 June		<ul style="list-style-type: none">✘ Opening Orpea Barcelona Guinardó (Barcelona)✘ 150 beds (1 facility) + 30 day care places
2016 July		<ul style="list-style-type: none">✘ Sanyres acquisition✘ 3 300 beds (18 facilities)
2016 September		<ul style="list-style-type: none">✘ Acquisition of Erit (Orpea Ciutat Diagonal)✘ 130 beds and 82 apartments (1 facility in two blocks)
2016 October		<ul style="list-style-type: none">✘ Acquisition of Reyes de Aragon (Orpea Zaragoza)✘ 269 beds (1 facility)
2017 September		<ul style="list-style-type: none">✘ Acquisition of Clinica López Ibor✘ 100 beds (1 facility)
2018 July		<ul style="list-style-type: none">✘ Acquisition of Ecoplar Group✘ 100 beds (5 facilities)

OBJECTIVE:

One single structure and organization as soon as possible with the existing means and possible constraints

LOGICAL REASONING:

*Define the objective
Define the actions to get to the objective
Execute the plan*

Have in mind: anticipate possible problems but don't deviate from the objective

- ✦ Founded in 1967 by Professor Juan José López Ibor (1906-1991), his wife and their four sons, all of them psychiatrists.
- ✦ Over the last years it was managed by the oldest son Professor Juan José Lopez-Ibor Aliño (1941-2015); ex-president of the World Psychiatric Association among other prestigious positions



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Strengths

- ✦ Very strong brand
- ✦ Magnific location
- ✦ Possibility to build > 10K square meters more

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Weaknesses

- ✦ Poor management over the last years
- ✦ Resistance to change
- ✦ Need for improvement in all the areas

Our Challenge: A platform for development in clinics





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Our Development

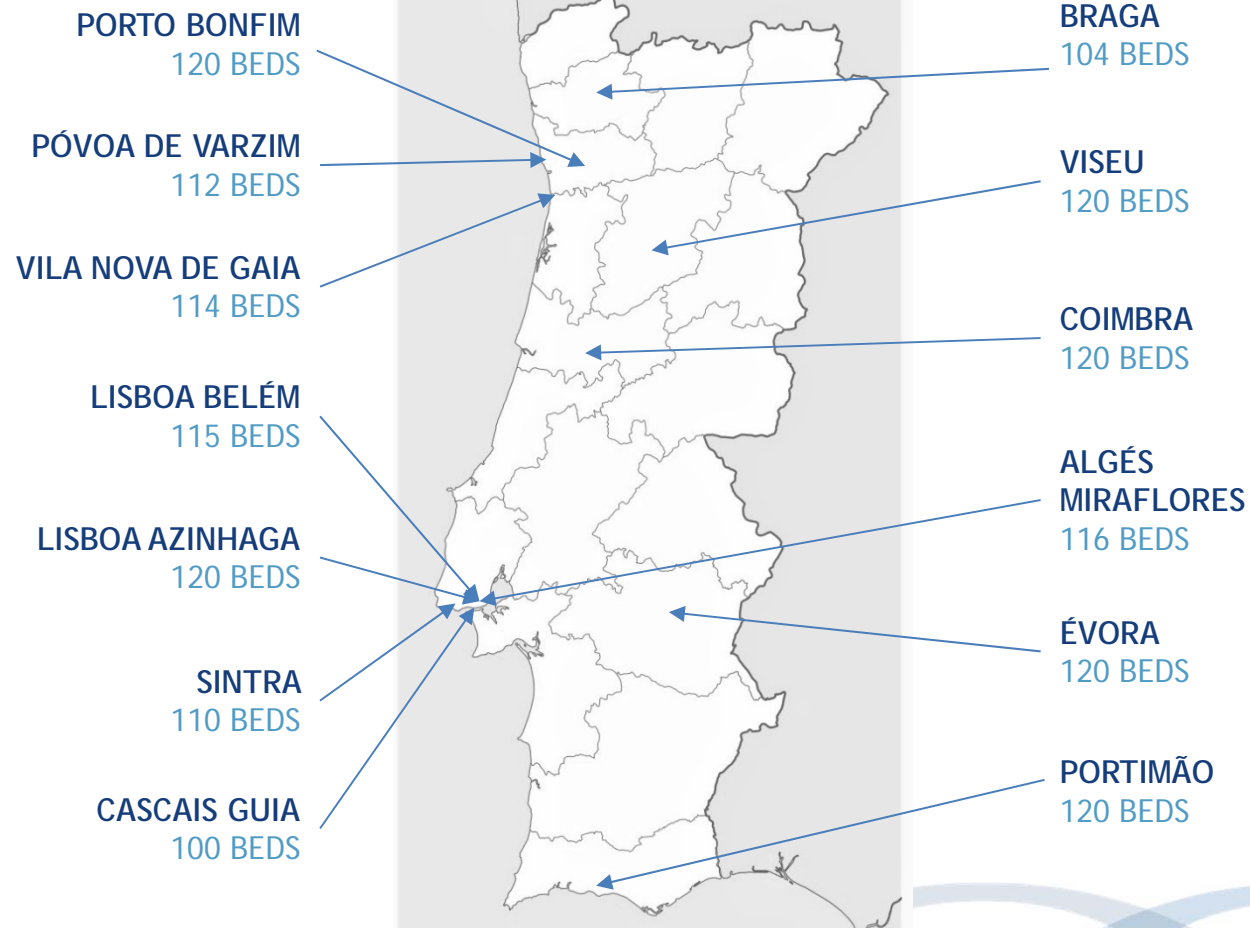


ONGOING PROJECTS





ONGOING PROJECTS



1,491 BEDS



GIRONA: 147 BEDS (2020)

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CASTELLÓN: 150 BEDS (2020)





BILBAO: 104 BEDS (2021)





PONTEVEDRA: 150 BEDS (2021)

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REUS: 141 BEDS (2022)





UISEU: 120 BEDS (2020)

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PORTO BONFIM: 120 BEDS (2021)





LISBOA BELÉM: 115 BEDS (2021)





ALGÉS MIRAFLORES: 116 BEDS (2021)





LISBOA AZINHAGA: 120 BEDS (2022)



*CONTINUOUS UPGRADE OF
OUR FACILITIES*



CONTINUOUS UPGRADE OF OUR FACILITIES - 2019



BEFORE



AFTER

ORPEA ZARAGOZA



CONTINUOUS UPGRADE OF OUR FACILITIES - 2019



BEFORE



AFTER

ORPEA SANTO DOMINGO (Madrid)





BEFORE



AFTER

CLÍNICA LÓPEZ IBOR (Madrid)



CONTINUOUS UPGRADE OF OUR FACILITIES - 2019



BEFORE



AFTER

ORPEA SANTO DOMINGO (Madrid)



Ambitious growth plan for nursing homes,
rehabilitation clinics and mental health centres

TRIPLING, WHY NOT?

WE'RE
GROWING





The Centre of Our Business: Motivation and Compromise with...

OUR MISSION



People
serving
people

Provide
the best
quality
service

Help
Care
Respect

Spirit of
achievement,
pursuit of
excellence

Be a team,
work together,
collaborate and
help in common

ORPEA'S MISSION

WE IDENTIFY OURSELVES WITH THIS MISSION AND WE PUT IT INTO PRACTICE EVERYDAY
IT MAKES US FEEL PROUD OF WHAT WE DO



- What do we need to reach this MISSION?
- What do VALUES allow us?
- How we define people collaborating under the same scope and philosophy?



ORPEA GROUP: STRONG BUSINESS CULTURE AND SOLID VALUES



ORPEA Ibérica has an average of +70% of indefinite employees compared with c. 63% average of our competitors

Continuous company training

Motivate teams by understanding their reality and developing empathy

IV ORPEA Ibérica Cooking Challenge

A decorative graphic at the bottom of the slide consisting of three overlapping, curved blue shapes that resemble waves or arches, transitioning from light to dark blue.

OUR PEOPLE - SITES WITH *SOUL*



Regular activities including families

