Nordic Strategic Sales Alliance in Spain

In collaboration with the Nordic Centre for Welfare and Social Issues

OBJECTIVE

Nordic Welfare in Spain:

Window of opportunity for Nordic companies to strengthen their position as leading suppliers of technologies and services to the Spanish welfare sector.

The Nordic strategic sales alliance has the objective of establishing or increasing exports to the Spanish market by:

- Access to key decision makers
- Expanding distribution agreements
- Showcase technologies
- Intensifying sales in Spain
- Positioning Nordic solutions in Spanish media/relations

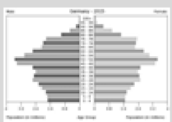
MINISTRY OF FOREIGN AFFAIRS OF DENMARK
THE TRADE COUNCIL

WHY SPAIN?

- One of Europe's largest economies with an advanced healthcare sector and highest GDP growth in Euro-zone
- Over 47 M inhabitants and the country in the EU with the highest percentage of adults over the age of 65
- Booming tourism industry and residence of Northern European
- Great potential in B-2-B market – world's 13th largest importer
- Gateway to Latin America, Southern Europe and Northern Africa
- Election year in Spain, timing is crucial in order to position Nordic Welfare
- Focus on integrated care, prevention and early detection

THE DEMOGRAPHIC DEVELOPMENT REQUIRES INCREASED INVESTMENTS IN ELDERLY CARE

Shift in age structure



- Spain is the country in the world with the highest rate of population over 60 years old
- Continuous decrease of births combined with a continuous increase of life expectancy

Ageing population

- In Spain there is 8 million people over 65 years old, almost 18% of the population
- The ageing population leads to a shrinkage of the working-age population

Opportunities within healthcare

- Increase in chronic and psychological diseases within ageing population
- The need of technological and pharmaceutical improvements within the healthcare sector is thereby inevitable

SOURCE: EL PAIS

Structure public sector

National Health Service interterritorial Council	**Central government**	Health basic principles and coordination
		Foreign health affairs
		Policy on medicines
		Management of all social services (through INGESA)
	Autonomous Communities	Health planning
		Public health
		Healthcare services management
Local councils		Health and hygiene
		Cooperation in the management of public services

Potential in public sector

- There is a clear political commitment in 2016 to prioritize social services with a considerable increase on budget for all regions
- The slight increase on supply of public care homes beds is due to a re-initiation of existing projects after the crisis rather than new projects
- The implementation of the Dependency Law is not uniform across all regions due to the difference of policy priorities, identification of the ´rightholders´ and public spending of each CCAA per beneficiary. However the demand is much higher than the supply of services.
- The tendency in 2016 shows a noteworthy increase on public spending in Social Services, especially in:
  - Upgrading the existing infrastructure network of public care homes towards a more ´integrated approach´, and increase efficiency/effectiveness by introducing more technologies
  - Attention to disabled citizens by expanding the “Base Centres” network and providing early attention
  - Improving the outreach of Home Care services, technology to municipalities and digital solutions
- The Nordic experience, technology and know-how on public welfare care is highly esteemed in Spain, which opens opportunities for partnerships and exports match

An example: Madrid Region

Budget item: Social Policies and Families

Amount: 1.474 MEUR

% 2015: 6,6 %

Focus areas:

- Support to Disabled people - 284 MEUR, of which 15,9 MEUR are to ensure a **better management** of base centers
- 'Early Attention´ - 13,2 MEUR (+29%)
- Elderly support programs - 469 MEUR (+1,46%): 60 MEUR are to improve management of Day Care and Care Homes
- **Upgrading and improvement** of care homes, day care centres and apartments - 3,56 MEUR (+359%). These include new **rehab equipment and technologies such as lifts**.
- Partial Conversion of care homes owned by AMAS to highly dependent elderly - 39,6 MEUR
- ´Coordination of Dependency´ - 36 MEUR (+5%): increase in the SAD and assistive technologies

Institution:	**Comunidad de Madrid**
Population:	6.454.786
Over 60:	1.053.191
Aging Index:	100,6
Beneficiaries:	178.496
Applicants:	90.623

Important facts:

- Despite of the large old population only 3 new geratrics are planned. Confirms tendency of market concentration and diversification to other services (home care and assistive technologies).
- Madrid Agency for Social Care (AMAS) responsible for upgrading and improvement of care homes :
    - Elimination of barriers
    - Purchasing of new beds
    - Lifts
    - Geriatric bathrooms
    - Wandering control systems and sensors

OPPORTUNITIES AND LIMITATIONS PRIVATE SECTOR

OPPORTUNITIES	LIMITATIONS
Products and technologies that increase efficiency within different areas and levels are of great interest, e.g.: • Personal -> increase efficiency in the daily operational work with the residents • Residence -> increase efficiency within internal processes and administration	Small margins within the sector
Communications solutions within different levels: • Residents <-> nurse • Residence <-> families	Complex market structure with lack of coordination between public entities (Health care and Social care services) that affects the private sector
Alarm systems, control systems and monitoring systems	Regional legal differences that affect the private sector
Technologies for Home Care	High competition within the tele assistance field
We have a good established network within the private sector	The last years recession in the Spanish economy have affected the sector in general

INCREASED EFFICIENCY IS IMPORTANT FOR THE PRIVATE SECTOR

CONTACTED MAIN GERIATRIC GROUPS

Ranking by turnover	Company/Group	Turnover (MEUR)	Number of employees	Number of residences	Number of beds	Examples of recent and current projects (2015-2016)	Ownership
1	CLECE, S.A. – DIVISIÓN SOCIAL-MAYORES	318,02	22.197	56	3.740		ACS Group
2	SARQUAVIATE – GRUPO	259,00	9.993	55	7.859	Acquisition of the company Sacova Centros Residenciales (11 residences)	Main shareholders: Palamon (49%); Confide Residencial (28%)
3	EULEN SERVICIOS SOCIOSANITARIOS, S.A.	163,97	8.588	12	729		Grupo Eulen - Familia Álvarez Díez
4	SANITAS RESIDENCIAL, S.L.	116,57	3.064	39	5.055	Integration of new 3 franchise day care centres	Grupo BUPA
5	INTERCENTROS BALLSOL, S.A. (GRUPO BALLESOL)	116,00	2.815	43	6.699	3 residences in construction corresponding to 340 beds (March 2015). Expansion to Mexico.	Santa Lucía, S.A. de Seguros (70%) and Familia Vivas Soler (30%)
6	AMMA GEROGESTIÓN, S.L. - GRUPO	93,16	2.612	29	4.311		Main shareholders: CaixaBank and El Grupo Corporativo Empresarial Caja-Duero
7	GRUPO SANYRES	55,96	1.503	17	3.046	1 residency in construction (March 2015)	Main shareholders: Unión Sanyres, S.L.:Catalunya Caixa (33,35%), Cajasur-Kutxabank (33,35%), Prasa (23,75%),
8	ORPEA IBÉRICA, S.A. – GRUPO	55,60	1.347	22	6.008	Acquisition of 1 residency from Fundación Josep Oriol	Grupo Orpea
9	CASER RESIDENCIAL, S.A.	45,00	1.347	22	3.008	Opened 1 new residence in 2015 and plan to acquire 2 new residences in 2016	Caser Seguros
10	VITALIA PLUS, S.A. – GRUPO VITALIA HOME	41,00	1.172	19	3.088	Acquisition of 5 residences from Solvida, 1 residence from Geroinnova and 3 residences from Suite	Portobello Capital
11	PLANIGER, S.A. – GRUPO ADAVIR	39,35	955	11	1.671	Acquisition of 1 residence of Grupo Sergesa	Maisons de Famille (57,5 %) and Geroplan S.A. (42,5 %)
12	VALDELUZ, SA	14,09	352	5	N/A		Valdeluz, SA

SOURCE: SANIMARKET AND BUSINESS SWEDEN INTERVIEWS

OPPORTUNITIES FOR NORDIC EXPORTERS

- Products and technologies that increase efficiency within different areas and levels are of great interest
- Communication solutions within different levels:
  - Residents <-> nurse
  - Residence <-> families
  - Alarm systems, control systems and monitoring systems
- Products which ensure “patient empowerment” and helping elderly stay longer at home are viewed favourably as the elderly population prefers to stay at home than move to a care home. This can include improved tele-assistance solutions;
- Technology providers providing integrated care solutions, but products that can optimize resources and reduce costs (ie. IT) are in high demand;
- Specific e-health integrated solutions for management of chronic illnesses;
- Ergonomically correct products/technologies to reduce absenteeism of employees in care homes. Products to improve operation (and reduce costs) of care homes are also in focus;

We invite you to participate – together we are strong

Nordic companies are invited to take part in a strategic sales alliance within the elderly care and rehab sector in Spain, which is considered as a unique opportunity to increase Nordic exports to Spain.

The following activities are proposed to take place in 2016:

Activity 1: June 21-22, 2016

Nordic-Spanish stakeholder seminar with policy-makers, regional actors, companies and organizations.

This initiative consists of a seminar in Madrid with CEAPAT (Spain's Stately Reference Centre for Personal Autonomy and Technical Aids) on Nordic-Spanish exchange with matchmaking events and formulation of transnational initiatives.

During the event, the Nordic companies will have the opportunity to present their solutions to key stakeholders in the Spanish industry and even display their solutions in CEAPAT's exhibition center.

This activity is considered a valuable platform for Nordic companies to meet with potential clients, distributors/agents and other key stakeholders from both the private and public sector.

Activity 2: End of 2016

- Nordic pavillon at Orto Medical Show, Madrid from November 10-12, 2016.

- Road show to the most potential regions in Spain in terms of investment levels include: Basque country, Castilla y León and Catalonia. The Autonomous communities have each their focus so must be considered as individual markets. The road show will include seminars such as in activity 1, including B-2-B meetings with potential clients/stakeholders.

For more information please contact us

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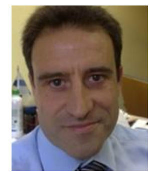

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