



# Investor Presentation

*March 2021*



**ORPEA**  
RÉSIDENTS

## *Merci !*

Dans le combat que nos équipes ont mené et mènent encore, il n'y a pas de victoire. Parce que la crise sanitaire n'est pas terminée. Parce que nous pensons à ceux qui, malgré nos efforts, nous ont quittés et à leurs familles.

Pourtant, dans ce contexte particulier, nous avons la satisfaction de constater que le lien, fondamentalement humain, entre nos équipes, nos résidents et leurs familles s'est renforcé.

Grâce à vous, chers collaborateurs, qui avez su très rapidement mettre en place, au sein de nos maisons de retraite, les procédures et règles sanitaires, rassurer les résidents, leur apporter le réconfort et la chaleur humaine dont ils avaient besoin.

Grâce à vous, familles de résidents, qui avez su vous montrer compréhensives et patientes et nous faire confiance.

Grâce à vous, commerçants, voisins, anonymes, qui nous avez soutenus.

Cette solidarité, cet engagement, constituent les fondements d'un lien essentiel qui nous permettra de continuer à avancer avec la détermination de toujours veiller au bien-être de nos aînés.

Merci à toutes et tous.

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Cette photo a été réalisée par Pascal BONIN, Chef cuisinier de la résidence ORPEA Le Clos d'Etrechy

# Agenda

1. Introduction
2. Covid-19 and vaccination
3. Network and development
4. Financials
5. Strategy and Outlook
6. CSR strategy
7. Sustainable Financing Framework
8. Transaction overview



# Introduction

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## Comprehensive offering

of mid-term and long-term care for physical and mental conditions

- Core business
- Complementary businesses

## Global dependency care offering

### Homecare and home services



### Medicalised nursing homes

*Alzheimer units – High dependency units – Day care*



# 4

Complementary activities



### Post-acute and psychiatric hospitals

Specialisations in post-acute: *musculoskeletal, geriatric, addiction treatment, cardiology, nervous system, respiratory, oncology*

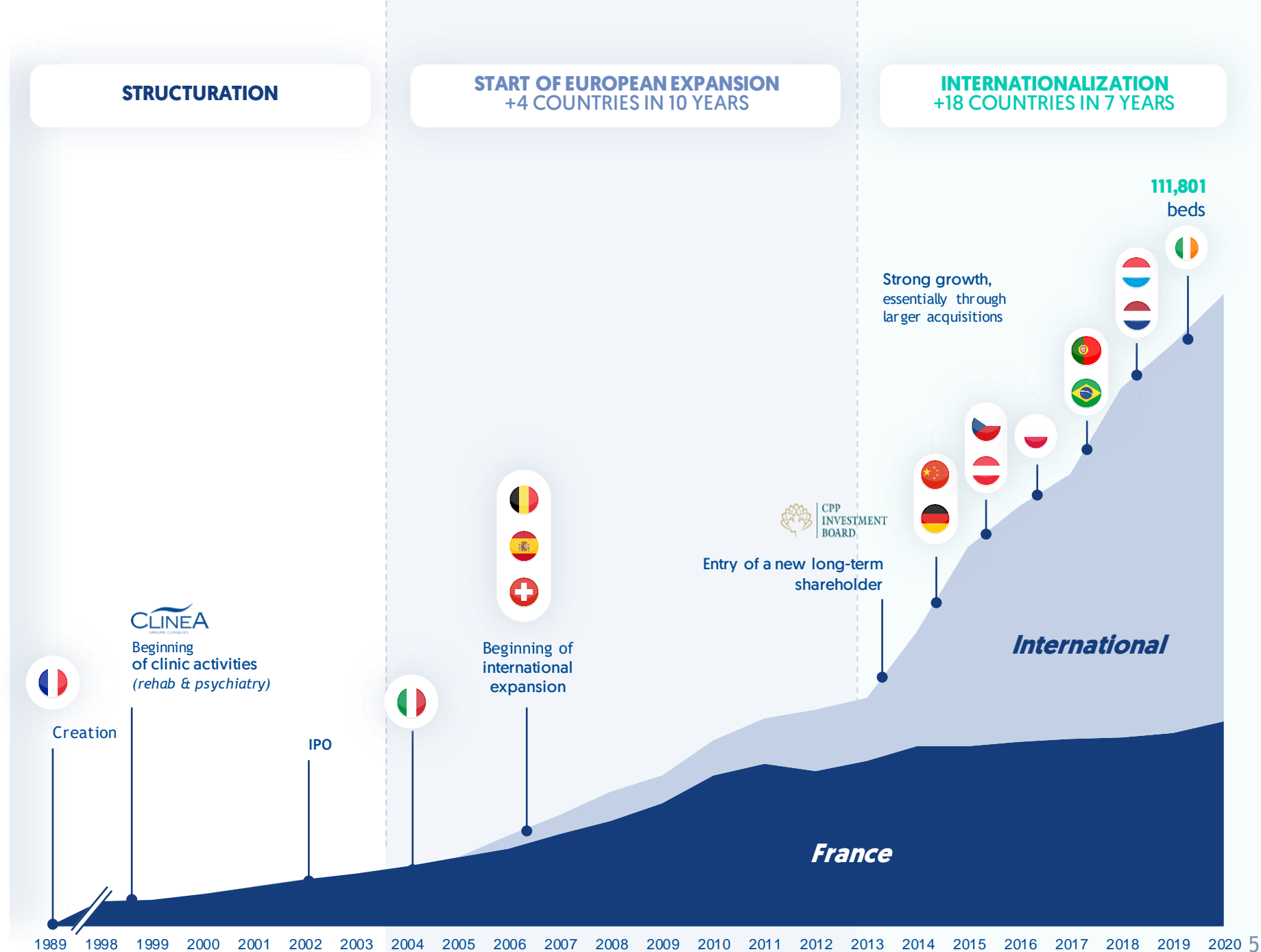
**Ambulatory, post-acute and psy.**

### Assisted living facilities



**Complementary activities to meet the demand**  
of existing and future patients and residents

# 30 years of development



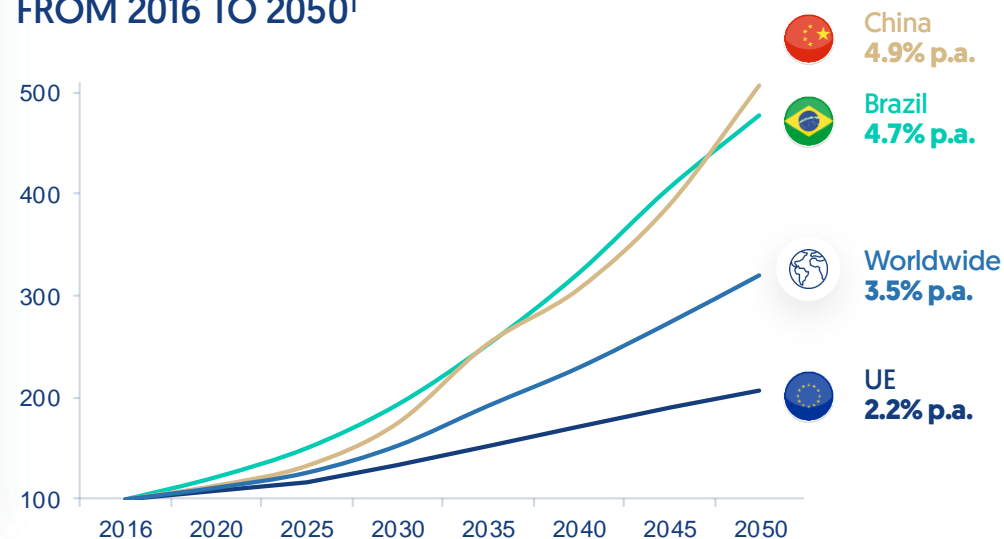
# Growth drivers

## AGEING POPULATION ACCELERATING IN THE WORLD

Surge in the number of over-80s worldwide:  
**up 230% by 2050 (+290 million)**

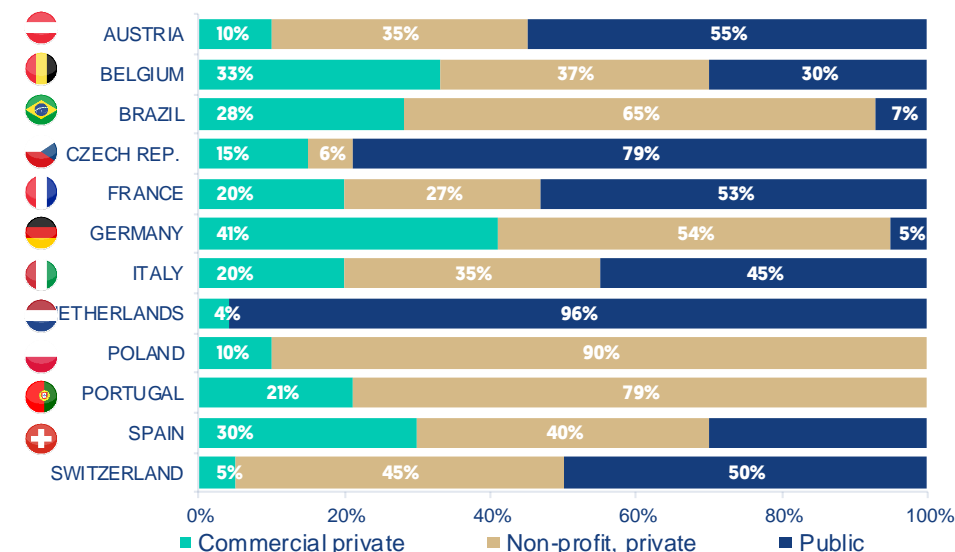
World Health Organisation forecasts that the  
number of people suffering from  
neurodegenerative illnesses will triple by  
2050: **from 47.5m to 135m**

## PROJECTED GROWTH IN THE OVER-80S FROM 2016 TO 2050<sup>1</sup>



<sup>1</sup> World Bank data

## PRIVATE SECTOR'S MARKET SHARE LIMITED



## VERY SUBSTANTIAL INVESTMENT NEEDS


















Need to redevelop part  
of existing beds that are no  
longer suitable

Public and non-profit  
players struggling to invest  
due to budget constraints

# Ageing population

a challenge for any  
country

**1.3 million beds**  
[excl. China] to be  
built by 2030

	Country	Population (m)	80+ between 2017 and 2050	Var 2017/2050	Existing beds 2017	Equipment rate 2017	Beds to be created by 2030
	Germany	83	+4,979,717	+96%	900,000	17%	100,000
	Austria	9	+671,965	+145%	70,000	15%	30,000
	Belgium	11	+647,485	+100%	137,000	21%	45,000
	Spain	47	+3,438,449	+118%	375,000	13%	50,000
	France	67	+4,037,802	+98%	590,000	14%	25,000
	Italy	60	+4,099,689	+95%	390,000	9%	80,000
	Luxembourg	1	+43,549	+178%	6,000	25%	1,000
	Netherlands	17	+1,256,078	+159%	105,000	13%	70,000
	Poland	38	+1,564,508	+96%	85,000	5%	120,000
	Portugal	10	+602,780	+94%	80,000	12%	50,000
	Czech Rep.	11	+450,287	+103%	52,000	12%	80,000
	Switzerland	8	+727,542	+167%	93,000	21%	70,000
	<b>EUROPE</b>	<b>363</b>	<b>+22,519,851</b>	<b>+104%</b>	<b>2,883,000</b>	<b>13%</b>	<b>721,000</b>
	Brazil	209	+12,168,843	+335%	130,000	4%	300,000
	Chile	18	+1,299,684	+282%	15,000	3%	38,900
	Columbia	49	+2,621,810	+373%	21,096	3%	68,924
	Mexico	129	+6,320,151	+309%	61,405	3%	167,565
	Uruguay	3	+103,769	+68%	4,000	3%	12,000
	<b>LATAM</b>	<b>409</b>	<b>+22,514,257</b>	<b>+322%</b>	<b>231,501</b>	<b>3%</b>	<b>587,389</b>
	<b>TOTAL</b>	<b>772</b>	<b>+45,034,108</b>	<b>+157%</b>	<b>3,114,501</b>	<b>11%</b>	<b>1,308,389</b>



# Covid-19 and vaccination

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Troyes, France



# Management of Covid-19

combining extreme  
vigilance and social life

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## KEEPING BARRIER MEASURES IN PLACE

On all of the Group's sites, robust barrier measures are being kept in place: mask wearing (staff and visitors), systematic temperature measurements, physical distancing, reinforced hygiene measures, training in symptom detection, daily monitoring of stocks of PPE, crisis unit still in place etc.



## ADAPTING PROTOCOLS

Permanent adaptation of procedures according to the evolution of the virus and variants

Hygiene unit consisting of hospital hygienists providing support on site



## SOCIAL LIFE

On all sites, social activities were resumed a few months ago (depending on the country): meals at the restaurant, visits by authorised family members, authorised outings, improved events and entertainment programme etc.



## RT-PCR TEST

Systematic RT-PCR testing of all residents and employees in the event of any suspicion or any contact with an independent contractor



## IN CASE OF A SUSPECTED OR CONFIRMED CASE

If there is a suspected or confirmed case in the facility, temporary measures are put in place (for a few days), the time it takes to screen the entire facility, identify positive cases and define facility zoning measures



Permanent and transparent communication with all stakeholders: patients, residents, families, employees, supervisory & local authorities, etc.

# A strong commitment to our teams

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## PROTECTION

- › Distribution and permanent availability of Personal Protective Equipment [right from day one]
- › Regular serological, PCR and antigen testing

## SPECIFIC TRAINING for all employees

- › New Health, Safety and Security protocols as of March 2020
- › Online training on Hospital Hygiene and the management of infection risks
- › Recruitment of hospital hygienists for onsite training
- › Training for management in the prevention of psycho-social risks during public health crises

## SUPPORT

- › 24/7 medical hotline for impacted sites
- › Communication campaigns on management support via social media and onsite events
- › 24/7 psychological support unit in all languages
- › Financial compensation: payment of bonuses by ORPEA, in addition to government bonuses



## Start of the vaccination campaign:

end of December 2020  
with an acceleration  
since mid-January

Consent rate  
Resident  
nursing home

> 90%

Vaccination rate\* Residents

80%

Vaccination rate\* Employees

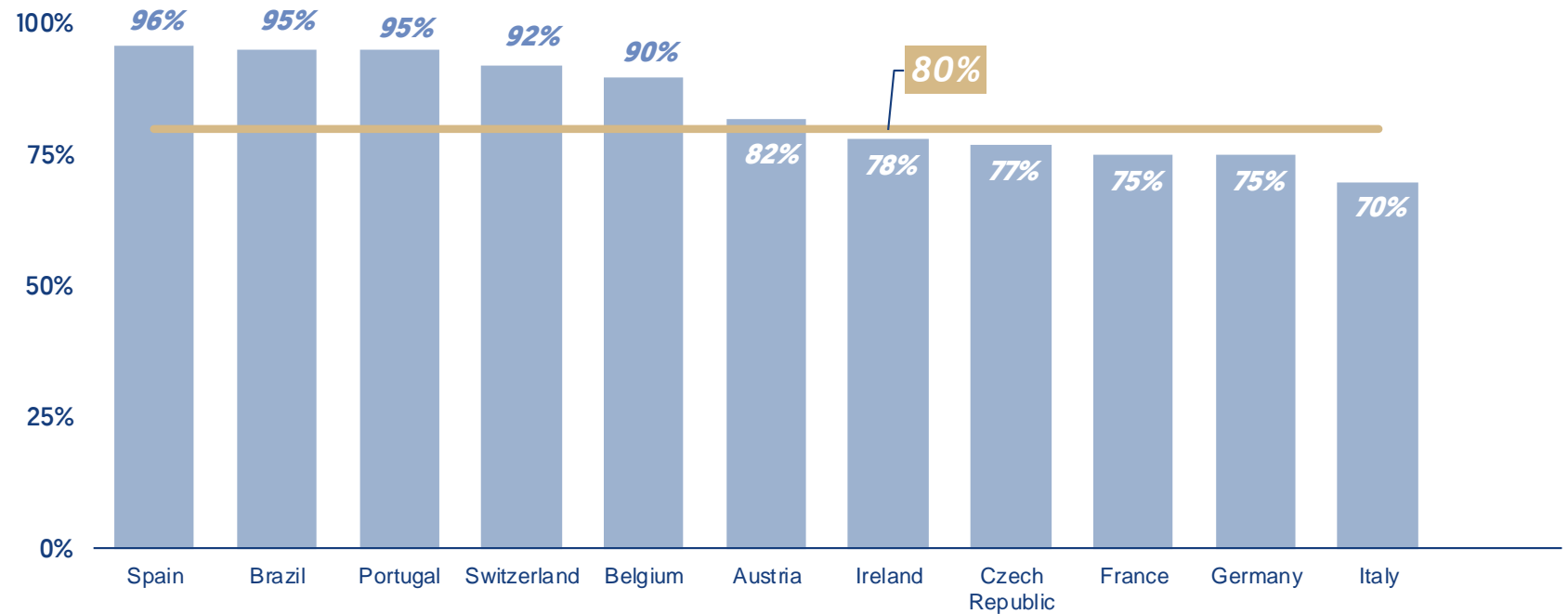
44%

not all employees are yet eligible,  
depending on the country

## Success of the deployment of the anti-Covid vaccine

80% of residents vaccinated  
at 15 March 2021

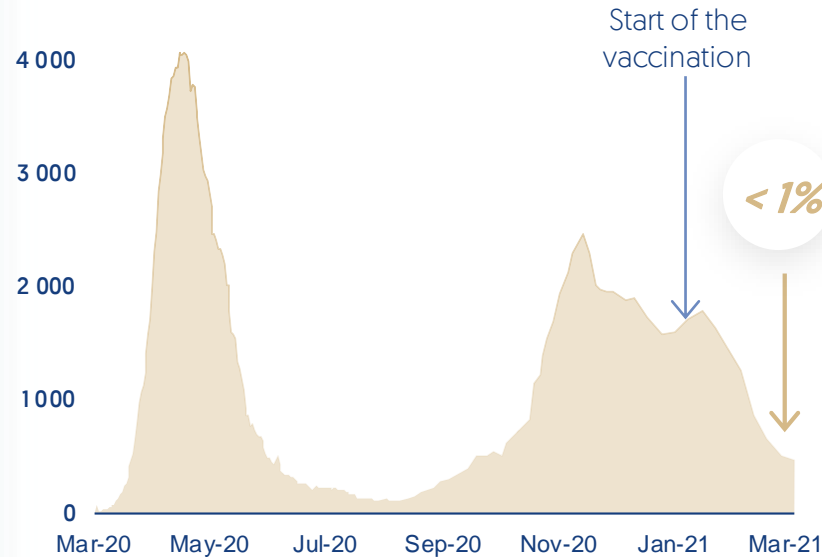
### VACCINATION RATE\* OF RESIDENTS PER COUNTRY AT 15 MARCH 2021



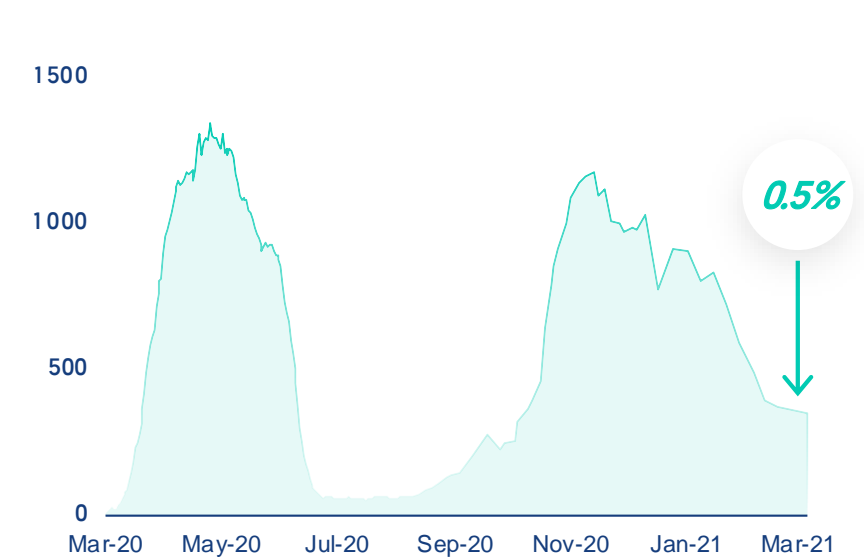
End of the vaccination campaign for all countries in early April

## Strong improvement in the sanitary situation

**NUMBER OF COVID+ RESIDENTS**



**NUMBER OF COVID+ EMPLOYEES**



*Efficacy of the vaccination campaign with a rapid decrease in positive and symptomatic cases*

**Less than 1%**  
of COVID-19 positive patients/residents

**0.5%**  
of COVID-19 positive employees

**More than 90%**  
of positive cases are asymptomatic

**More than 90%**  
of facilities are Covid free



# Network and development

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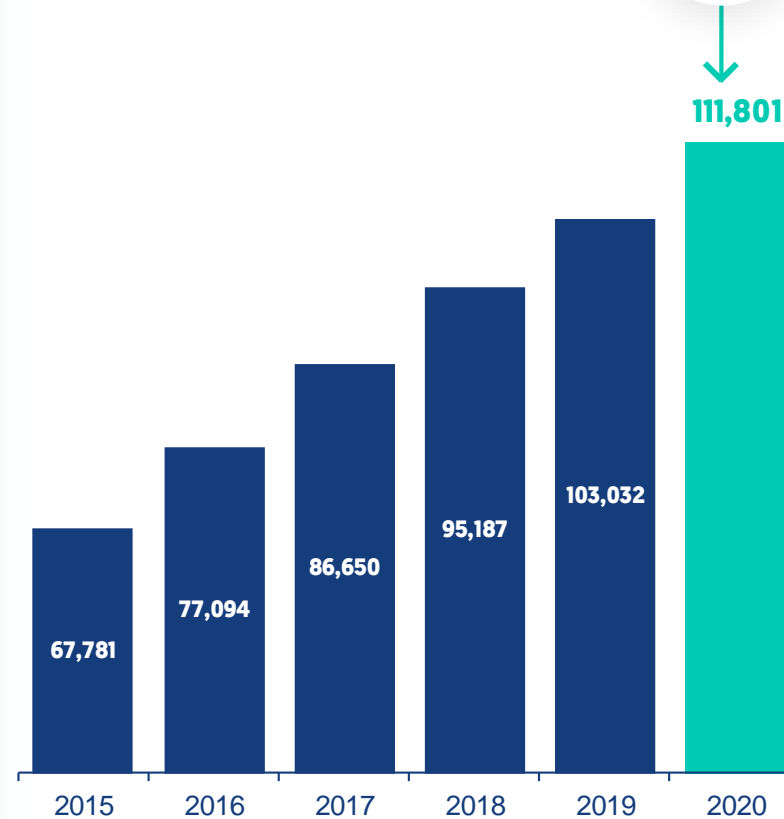




**2015 – 2020**  
strong acceleration  
of development

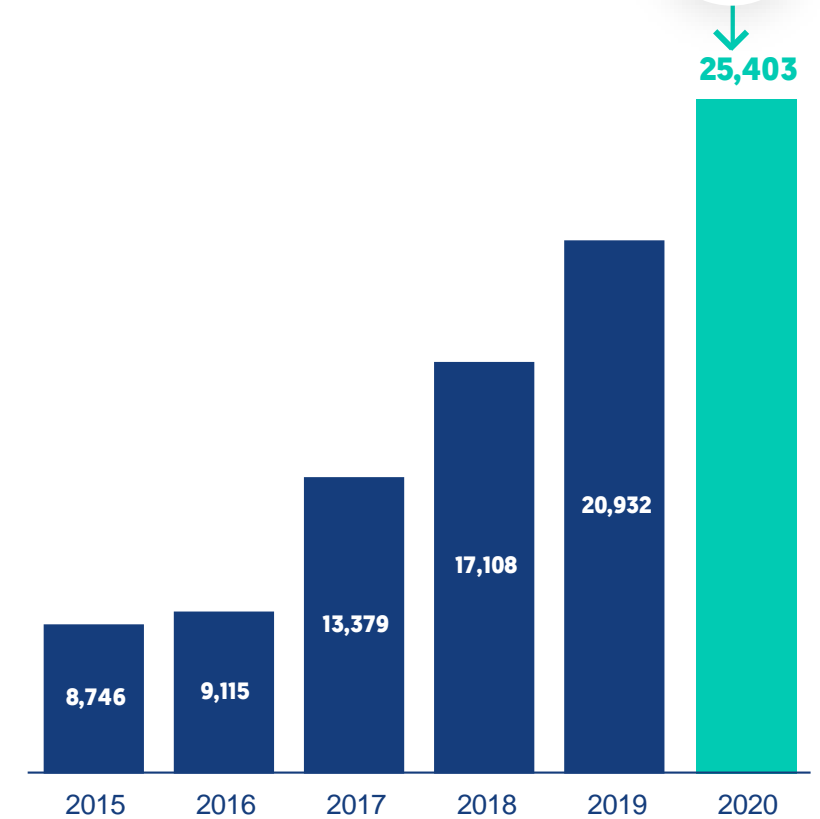
**TOTAL NETWORK (NUMBER OF BEDS)**

**+65%**



**PIPELINE (NUMBER OF BEDS)**

**+190%**

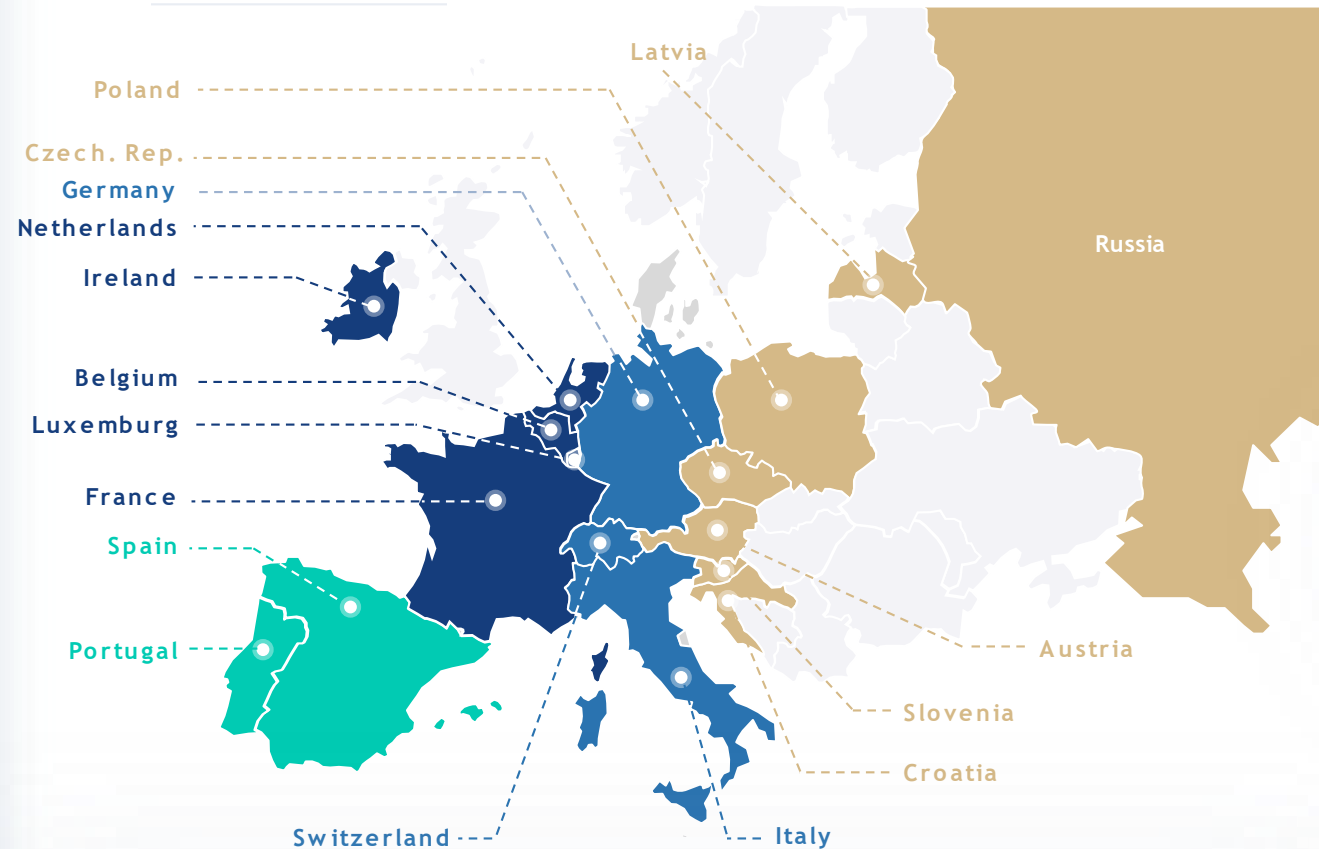


**Almost 44,000 additional beds in 5 years**



A global Group  
**23 countries,**  
**1,114 facilities,**  
**111,801 beds**

## EUROPEAN NETWORK



## NETWORK OUTSIDE EUROPE

### LATAM



**34**  
fac. **4,744**  
beds























### CHINA



**2**  
fac. **525**  
beds



## The most important pipeline within the industry

	Nb. of facilities	Opened beds	Pipeline
<b>France Benelux</b>	<b>572</b>	<b>42,540</b>	<b>5,366</b>
 France	372	32,673	3,543
 Netherlands	116	1,676	1,168
 Belgium	71	7,230	268
 Luxembourg	2	-	365
 Ireland	11	961	22
<b>Central Europe</b>	<b>261</b>	<b>22,148</b>	<b>5,828</b>
 Germany	191	17,105	3,452
 Switzerland	30	1,977	1,518
 Italy	40	3,066	858
<b>Eastern Europe</b>	<b>142</b>	<b>11,154</b>	<b>4,101</b>
 Austria	87	7,041	954
 Poland	23	1,190	1,696
 Czech Rep.	20	2,044	784
 Slovenia	9	551	467
 Latvia	1	202	
 Croatia	1	126	
 Russia	1		200
<b>Iberia + Latam</b>	<b>137</b>	<b>10,416</b>	<b>9,723</b>
 Spain	66	8,992	2,339
 Portugal	37	728	3,336
 Brasil	22	471	2,487
 Uruguay	3	100	209
 Colombia	4	-	641
 Mexico	5	125	711
<b>Other countries</b>	<b>2</b>	<b>140</b>	<b>385</b>
 China	2	140	385

## Growth pipeline doubled in 3 years

Beds under construction

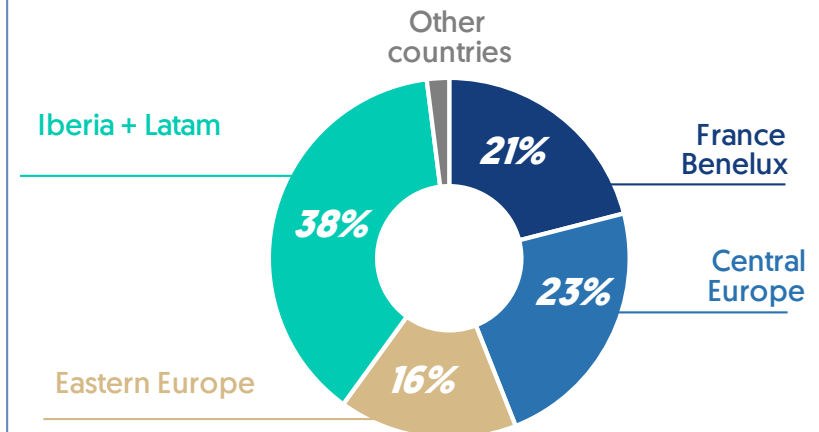
**25,403**

% pipeline vs. opened beds

**30%**

### PIPELINE BREAKDOWN

PER GEOGRAPHICAL AREA



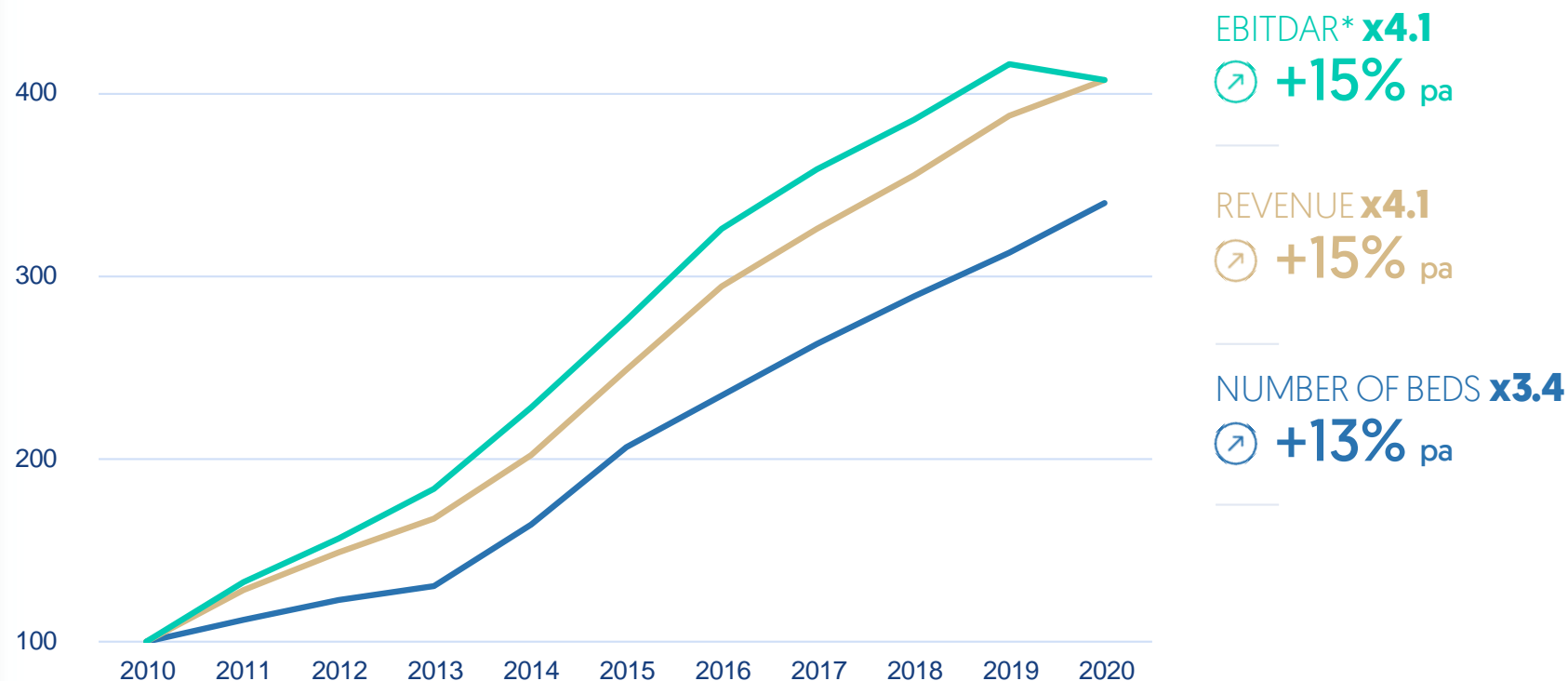
# Financials

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**10 years**  
of profitable growth

**DEVELOPMENT, GROWTH AND PROFITABILITY OVER 2010/2020**  
(BASE 100 AT 31.12.2010)



**IN 10 YEARS**

Network  
**+79,000** beds

Revenue  
**+€3.0bn**

EBITDAR  
**+€727m**

Solid growth  
in 2020 revenue  
**+5% to €3,922m**

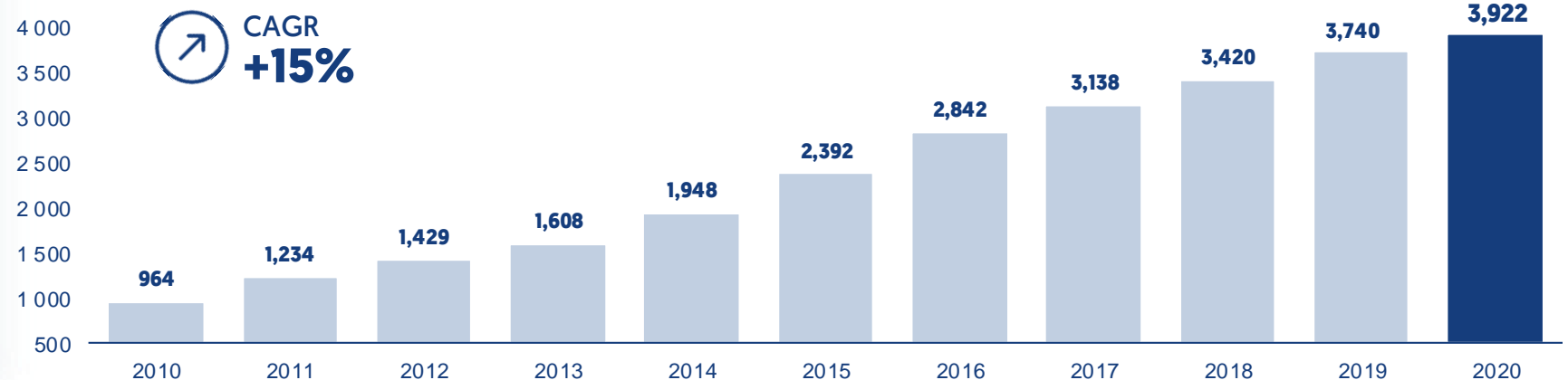
In €m	2020	2019	Change
France / Benelux	<b>2,364</b>	2,218	+6.6%
Central Europe	<b>1,011</b>	962	+5.1%
Eastern Europe	<b>366</b>	359	+1.9%
Iberia + Latam	<b>179</b>	198	-9.8%
Other countries	<b>3</b>	3	+3.3%
<b>Total</b>	<b>3,922</b>	3,740	+4.9%

**Solid recovery in H2 with organic growth of +1% compared to -1% in H1**

### Main acquisitions

- Nursing homes in Ireland [TLC]
- Psychiatric clinics in France [Sinoué et Clinipsy]

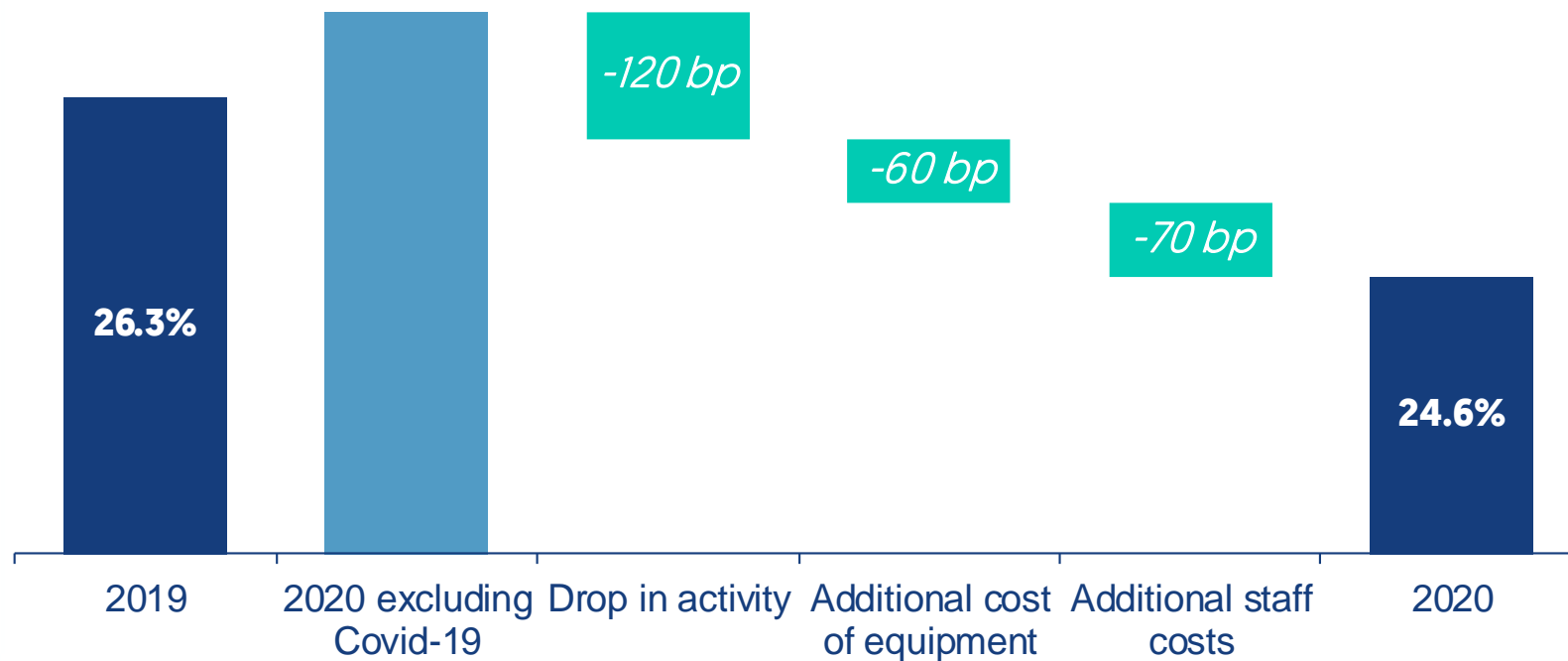
### ANNUAL GROWTH IN REVENUE OVER 10 YEARS





## Covid-19 impact on the EBITDAR margin\*

In €m	Gross impact	Compensation	Net impact
Impact on EBITDAR of the drop in activity	-133	85	<b>-48</b>
Additional cost of protective equipment	-52	28	<b>-24</b>
Additional staff costs and bonuses	-74	45	<b>-29</b>
<b>TOTAL</b>	<b>-259</b>	<b>158</b>	<b>-101</b>



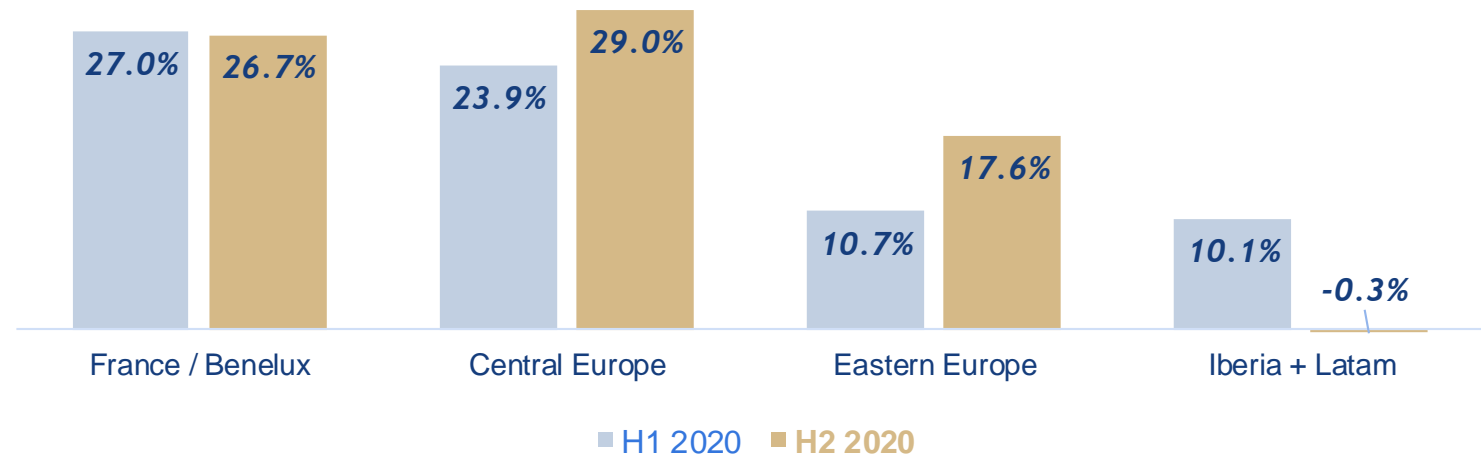
\* See definition in the glossary

## EBITDAR margin\*

per geographical area

In €m	2020			2019		
	Revenue	EBITDAR*	% Revenue	Revenue	EBITDAR*	% Revenue
France / Benelux	2,364	634	26.8%	2,218	640	28.9%
Central Europe	1,011	268	26.5%	962	232	24.1%
Eastern Europe	366	53	14.4%	359	64	17.8%
Iberia + Latam	179	10	5.3%	198	48	24.1%
Other countries	3	-1	N.S.	3	-1	N.S.
<b>TOTAL</b>	<b>3,922</b>	<b>963</b>	<b>24.6%</b>	<b>3,740</b>	<b>983</b>	<b>26.3%</b>

### CHANGE IN EBITDAR MARGIN BETWEEN H1 AND H2 2020



\* See definition in the glossary

Audit in progress

# Net profit, Group share

## €160m

In €m	2020	2019	Change	Restated from IFRS 16	
				2020	2019
<b>Revenue</b>	<b>3922.4</b>	3740.2	<b>+4.9%</b>	<b>3922.4</b>	3740.2
Staff costs	-2210.3	-1,978.10	11.70%	-2210.3	-1,978.10
Procurement	-712.3	-685.6	3.90%	-718.4	-685.6
Taxes and duties	-135.5	-129.2	4.90%	-135.5	-129.2
Other income and expenses	98.8	35.1	N.A.	98.8	35.1
<b>EBITDAR* (before rent)</b>	<b>963.0</b>	982.5	<b>-2.0%</b>	<b>956.9</b>	982.5
% of revenue	<b>24.6%</b>	<b>26.3%</b>		<b>24.4%</b>	26.3%
Rental expenses	-36.5	-33.1	10.30%	-354	-331.4
<b>EBITDA*</b>	<b>926.5</b>	949.4	<b>-2.4%</b>	<b>602.9</b>	651.0
% of revenue	<b>23.6%</b>	<b>25.4%</b>		<b>15.4%</b>	17.4%
Depreciation, amortisation and provisions	-503.6	-445.7	+13.0%	-233.4	-198.5
<b>Recurring operating profit</b>	<b>422.9</b>	503.7	<b>-16.0%</b>	<b>369.5</b>	452.5
Net financial costs	-256.7	-215.0	+19.4%	-184.0	-147.9
Non-recurring items	44.1	37.0	+19.2%	43.5	36.2
<b>Pre-tax profit</b>	<b>210.3</b>	325.7	<b>-35.4%</b>	<b>228.9</b>	340.8
Income tax expenses	-52.6	-98.6	-46.7%	-56.9	-101.6
Share in profit / (loss) of associates	2.3	6.7	N.A.	2.3	6.7
<b>Net consolidated result, Group share</b>	<b>160.0</b>	233.8	<b>-31.6%</b>	<b>174.3</b>	245.9

\* See definition in the glossary

# Cash flow statement

Excluding IFRS 16

In €m	2020	2019
<b>Net cash from operating activities</b>	<b>440</b>	487
Investments in construction projects	<b>-427</b>	-375
Acquisition of real estate	<b>-324</b>	-343
Disposals of real estate	<b>232</b>	16
<b>Net real-estate investments</b>	<b>-519</b>	-702
<b>Net investments in operating assets and equity investments</b>	<b>-488</b>	-276
<b>Net cash from financing activities</b>	<b>617</b>	562
<b>Change in cash over the period</b>	<b>50</b>	71
	<b>31.12.20</b>	31.12.19
<b>Cash at the end of the period</b>	<b>889</b>	839



**Strong cash flow** thanks to good operating performance and real-estate disposals





## Long term financial net debt at attractive rate

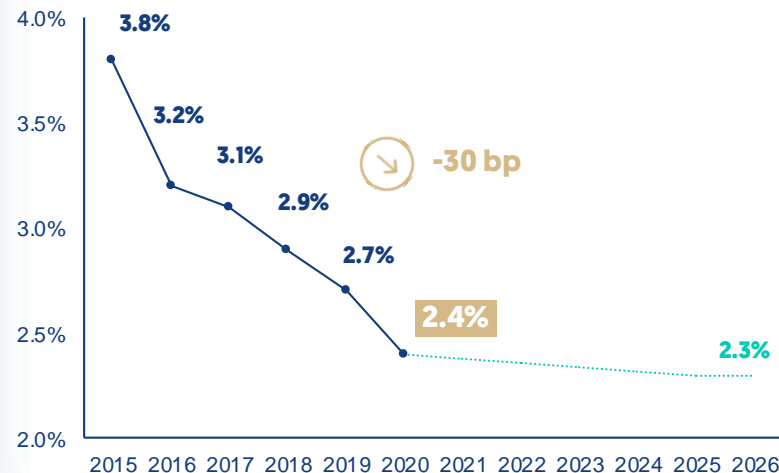
### REAL-ESTATE DEBT AT 87%

Indicators	31.12.20	31.12.20 restated IFRS 16	31.12.19 restated IFRS 16
Net financial debt* (€m)	6,103	6,103	5,535
% real-estate debt	87%	87%	85%
Restated financial leverage <sup>1</sup>	1.5	3.4	2.3
Restated gearing <sup>2</sup>	1.7	1.6	1.6

<sup>1</sup>  $\frac{\text{Net financial debt} - \text{Real estate debt}}{\text{Ebitda} - [6\% \text{ real-estate debt}]}$

<sup>2</sup>  $\frac{\text{Net financial debt}}{\text{Equity} + \text{quasi equity}}$

### DECREASE IN THE COST OF FINANCIAL DEBT (INCLUDING THE COST OF HEDGING)

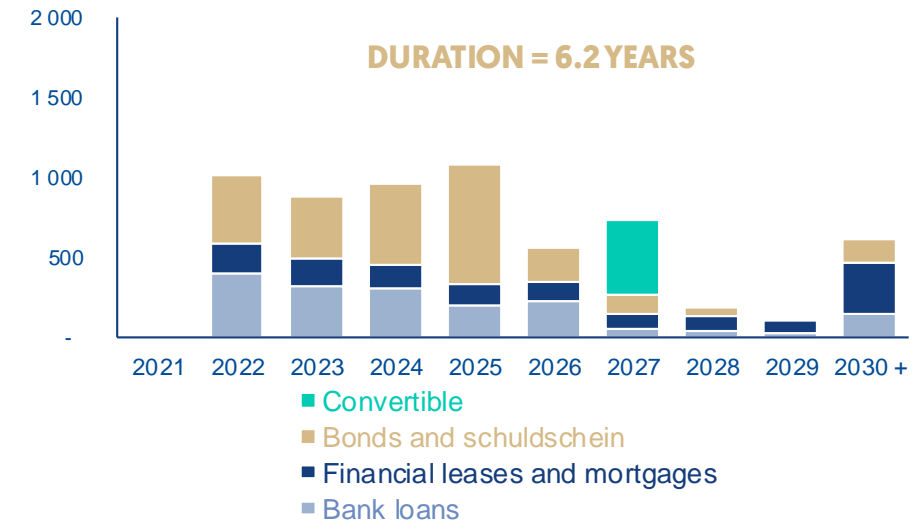


### COVENANTS LARGELY MET

Restated financial leverage<sup>1</sup>



### MATURITY PROFILE OF NET DEBT\*



\* Excluding debt associated with assets held for sale: €550m at 31.12.2020, €400m at 31.12.19

**Real estate  
portfolio<sup>1</sup>**  
in strong growth  
**+€789m in 2020**

## 2020 REAL-ESTATE TRANSACTIONS

### VALUATION OF EXISTING REAL ESTATE

Valorisation of the entire portfolio  
by Cushman & Wakefield and JLL

**Decrease in yields:  
5.3% vs 5.7% in 2019**

**+€406m**

### NEW DEVELOPMENTS

Acquisitions of buildings in the  
framework of M&A

Constructions

**+€615m**

### RECENT PROPERTY DISPOSALS

Sales and lease back of portfolios  
to real-estate investors (Icade,  
Cofinimmo, etc.)

**-€232m**



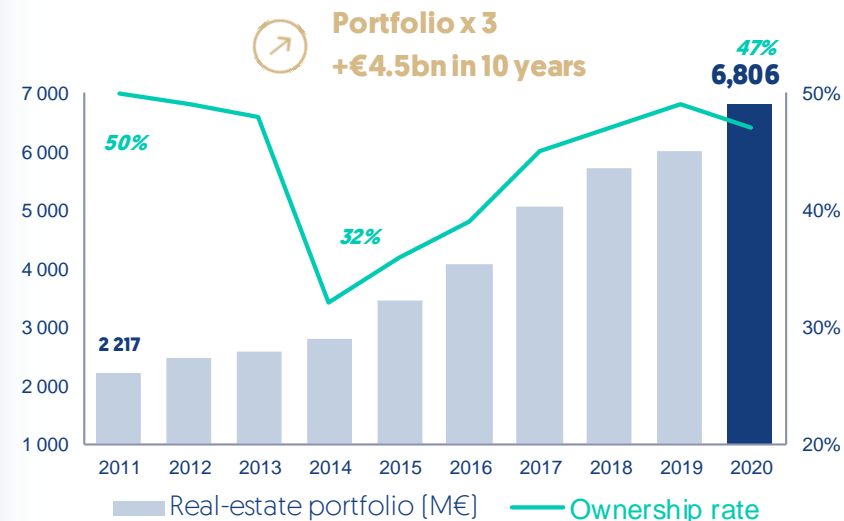
A real-estate portfolio<sup>1</sup> of **€6.8bn**

<sup>1</sup> Excluding €490m of assets held for sale as of 31.12.20

Real-estate  
ownership  
rate:  
**47%**

	31.12.20	31.12.19	Change
Real-estate ownership rate	<b>47%</b>	49%	<b>-2 pts</b>
Surface (in million sqm)	<b>2.22</b>	2.16	<b>+3.0%</b>
Total value <sup>1</sup> (€m)	<b>6,806</b>	6,017	<b>+13.1%</b>
Average yield (valorisation by Cushman & Wakefield and JLL)	<b>5.3%</b>	5.7%	<b>-40 bp</b>

### EVOLUTION OF REAL-ESTATE PORTFOLIO (€M) AND OWNERSHIP RATE



### REAL-ESTATE OWNERSHIP RATE BY GEOGRAPHIC AREA

	31.12.20	31.12.19	Change
Total Group	<b>47%</b>	49%	<b>-2 pts</b>
France / Benelux	<b>51%</b>	53%	<b>-2 pts</b>
Central Europe	<b>21%</b>	24%	<b>-3 pts</b>
Eastern Europe	<b>69%</b>	69%	<b>=</b>
Iberia + Latam	<b>73%</b>	70%	<b>+3 pt</b>

→ ORPEA is also the 1<sup>st</sup> European real-estate Company,  
**100% focused healthcare**

<sup>1</sup> Excluding assets held for sale: €490m at 31.12.2020, €400m at 31.12.19



## First phase of property disposals



**More than €2bn** in  
commitments already  
received on 2021-2025  
disposals

## REAL-ESTATE DISPOSALS



### HEALTHCARE REAL-ESTATE

**GROWING INTEREST**  
in healthcare real-estate due to  
the resilience of occupancy rates  
within the Covid-19 context



### STRATEGIC OBJECTIVE

Mid- and long-term strategic  
objective : 50% of real estate  
owned and 50% rented

**€400-500 million divested**  
at attractive yield, indexation  
and lease length conditions

**Selection of new or recent assets**  
in all countries

**Some 100% divestments**  
and some share deal divestments  
depending on the asset category  
(Core +, Core or Smart asset)



### 2020 DISPOSALS

**€145m to Icade**  
**9 recent buildings**  
8 of them in Germany

**Approx. €100m**  
to other investors



# Strategy and outlook

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## Continuation of the strategy focused on quality, value creation and social and environmental commitment



### INTERNATIONAL DEVELOPMENT

- › Targeted acquisitions and creation of new facilities in the 5 geographic zones
- › Development of all the Group's activities and areas of expertise in its 5 geographic zones



### REAL-ESTATE DISPOSALS

- › Own real estate in the best locations
- › Sale-and-lease back of 50% of new facilities



### RESPONSIBLE & ENGAGED COMPANY

- › Accelerate Responsible Innovation
- › Enhance professions and attract new talents
- › Reduce environmental footprint



**ORPEA has become one of the main global groups in Dependency care**

# 2021 targets

## ROLL-OUT OF THE CSR ROADMAP

**2023 targets for the 5 stakeholders:**  
Resident, Patients and Families, Employees,  
Partners, Environment, Society & Community



## REVENUE

**AT LEAST +6%**  
> €4,155m



## REAL-ESTATE SALES AND LEASE-BACK

€400m to €500m real-estate disposal



# CSR strategy



**68,000**  
employees

**83%**  
women

**79%**  
on permanent  
contracts



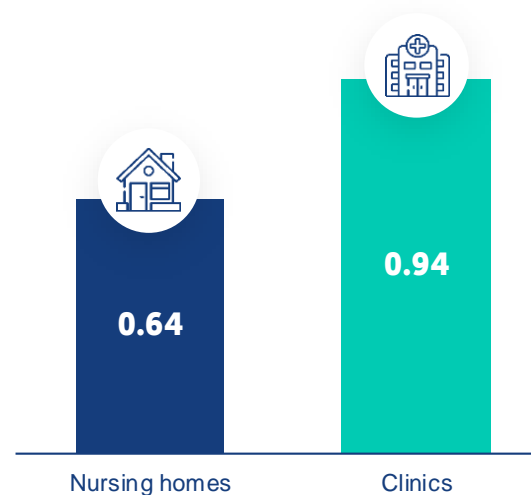
More than **250,000** residents  
and patients **cared for per year in...** more than **1,114** facilities across **23** countries

## Key figures

for a better  
understanding  
of our business



### FTE PER PATIENT AND PER RESIDENT



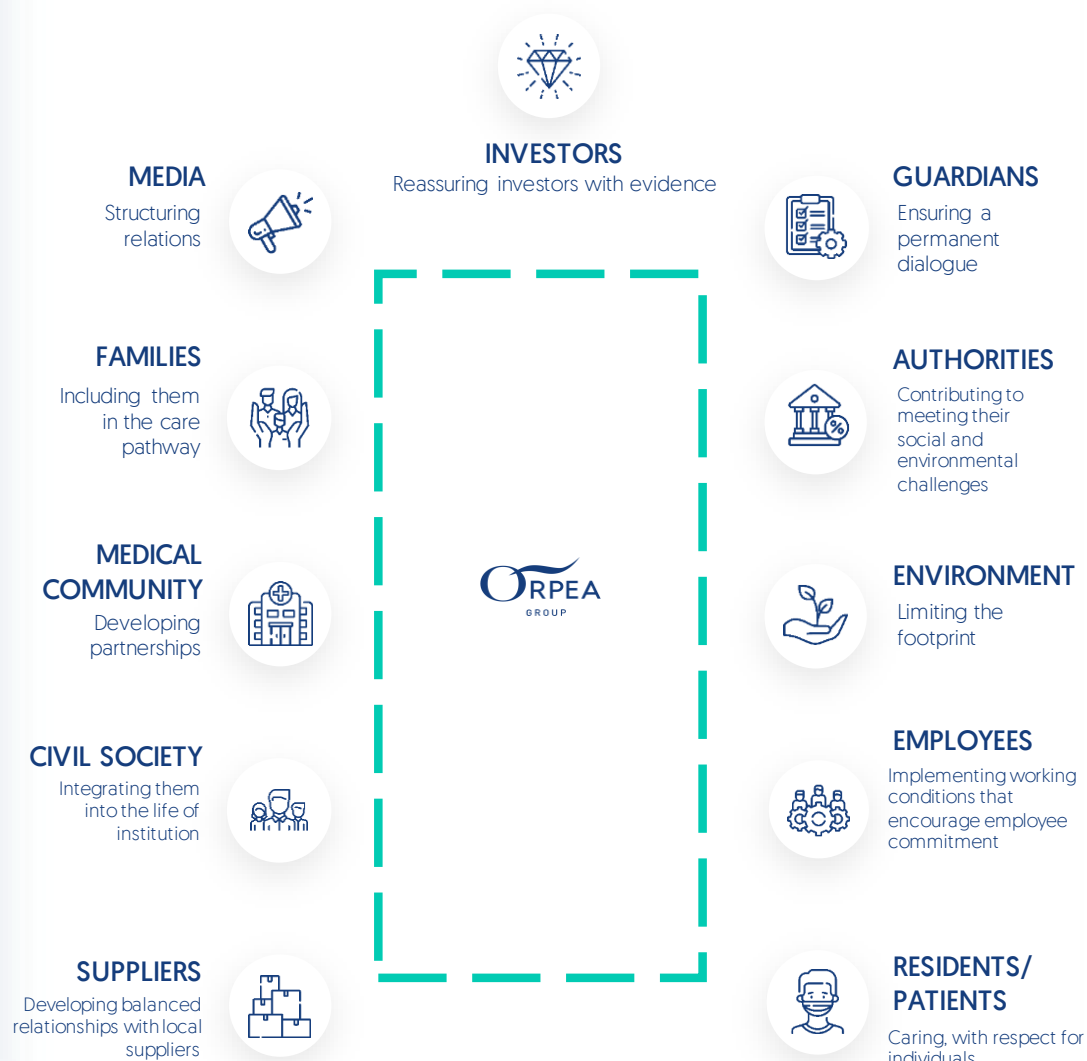
**95.1%** [+1.2 pt vs. 2019]  
**Recommendation rate**  
among families and residents

**92.4%** [+0.2 pt vs. 2019]  
**Satisfaction rate**  
among families and residents

# ORPEA's CSR strategy

A CSR strategy based on the expectations of all of ORPEA's stakeholders

## A « GLOCAL » approach: Think global, Act local



## Contribution to the United Nations Sustainable Development Goals [UN SDGs]



## Nurturing Human Capital, is at the very heart of ORPEA's business model



**ORPEA carries out its mission, caregiving to the most vulnerable, by achieving the highest level of commitment to 5 key stakeholders**



# Sustainable Financing Framework

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# A broad and robust sustainable financing framework



## Key pillars of the Framework



# Use of Proceeds

Description of Eligibility and Exclusion criteria for Assets and Projects

**Eligible green or social assets or projects must meet 4 sets of criteria:**

1) Eligible Expenditures criteria  
2) Geographical criteria

3) Technical eligibility criteria  
4) Exclusion criteria [for Social Assets and Projects]

## ELIGIBLE EXPENDITURE CRITERIA

### Eligible Green or Social Assets

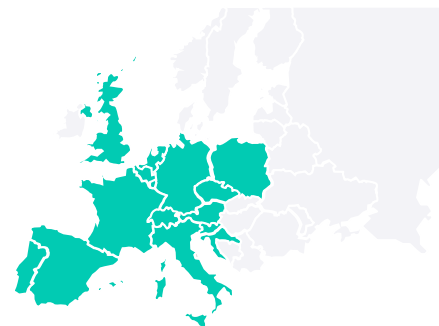
- Acquisition of existing Assets
- Construction / Development of ongoing or future Assets

### Eligible Green or Social Projects

- Refurbishment and or extension of existing Assets
- CAPEX for improvement of services in existing Assets

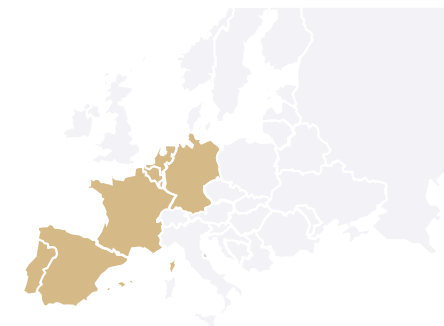
Eligible Assets and Projects are eligible if they have been funded by ORPEA no more than 3 years prior to the date of issuance

## GEOGRAPHICAL CRITERIA



**As outlined in Appendix 1 of the Framework**

countries include Spain, Portugal, France, Luxembourg, Belgium, the Netherlands, Germany, Poland, Czech Republic, Austria, Italy, the UK and Switzerland



**As outlined in Appendix 2 of the Framework**

the indicative list includes Belgium, France, Germany, Portugal and Spain



## EXCLUSION CRITERIA FOR SOCIAL ASSETS AND PROJECTS

- Assets or Projects with poor energy efficiency performance
- Assets or Projects failing to achieve ISO 9001:2015 certification [or national equivalent] after 3 years of full operational activity
- Assets or Projects dedicated to Home Care Services and Independent living facilities for the elderly

# Use of Proceeds

Focus on Eligible **Green** Assets and Projects

## ELIGIBLE CATEGORY

### Technical Eligibility Criteria

Description of Eligible Assets and Projects

## LOW-CARBON BUILDINGS

- Buildings with a level of energy performance corresponding to the top 15% of the national stock
- Buildings aligned with European Nearly-Zero-Energy Buildings (NZEB) low consumption building standards corresponding to buildings with a very high energy performance
- In the specific case of Switzerland, Buildings aligned with Minergie or 2000-Watt Society Energy-Efficiency performance level



## ENERGY EFFICIENCY

- Specific refurbishments to dedicated energy efficiency works such as HVAC systems renovation and improvement, Geothermal energy systems roll-out, insulation retrofitting, LED roll-out, solar panel installation...
- Major refurbishments of existing buildings meeting at least one of the following criteria:
  - ✓ Buildings meet the NZEB low consumption building standards post-refurbishment
  - ✓ Buildings will have at least 30% of expected energy-efficiency gains post-refurbishment
  - ✓ Buildings will be part of the top 15% most energy efficient buildings of the national stock post-refurbishment
- In the specific case of Switzerland, refurbishment of Buildings leading to an alignment with Minergie or 2000-Watt Society Energy-Efficiency performance level



## TARGETED ENVIRONMENTAL BENEFITS

- Support energy transition to a low-carbon economy
- Develop low-carbon buildings
- Improve energy efficiency of buildings

## MAIN SDG CONTRIBUTION



# Use of Proceeds

Focus on Eligible **Social** Assets and Projects

## ELIGIBLE CATEGORY

### Technical Eligibility Criteria

Description of Eligible Assets and Projects

## TARGET POPULATION

## TARGETED SOCIAL BENEFITS

## MAIN SDG CONTRIBUTION

## ACCESS TO ESSENTIAL SERVICES

Nursing homes specialized in long-term or short-term care for dependent elderly people



Dependent elderly people



Improve the health and well-being of elderly people

Psychiatric Hospitals



People in need of psychiatric medical support including vulnerable youth, adults and elderly people



Improve the health and well-being of vulnerable people in need of psychiatric support

Post-acute and Rehabilitation Hospitals



Vulnerable people in need of medical care



Improve the availability and quality of medical care



## ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

# Process for Evaluation and Selection of Projects

## SUSTAINABLE FINANCE COMMITTEE

- Responsible for the overall governance of the Sustainable Financing Framework and related issuances
- Chaired by the Treasury director
- Meeting at least twice a year

### Committee composition

Finance Department

CSR Department

Construction and Maintenance  
Corporate Team

Quality and Medical  
Department

## Roles & responsibilities of the Committee

- › Review of compliance of selected Green or Social Assets and Projects with the relevant Eligibility Criteria
- › Financial validation in terms of financial needs and amounts to be funded and exclusion of projects
- › Validation of the proceeds allocation
- › Monitoring of the Eligible Portfolio
- › Validation of the annual reporting to investors
- › Monitoring of the Auditors' annual missions
- › Potential reviews of the Framework

## A 3-STEP SELECTION PROCESS



### IDENTIFICATION

The Construction & Maintenance corporate team is responsible for a first identification of Eligible Green or Social Assets and Projects and constitution of the potential Eligible Portfolio



### EVALUATION

The Financial Department is responsible for compiling the information related to the amount of funding required for this potential pool of Eligible Green or Social Assets and Projects and identifies proceeds allocation accordingly



### VALIDATION

The Sustainable Financing Committee selects and validates the final Eligible Portfolio of Green or Social Assets and Projects and the allocation of proceeds and ensures that there is no possible double counting



# Example 1 of Eligible Assets:

Mental health in  
Thionville [France]

## Green & Social Asset Example #1



- **Location:** Thionville, France
- **Activity:** Psychiatric Hospital
- **Status:** Opened in October 2020
- **Number of beds:** 85 + 15 ambulatory places
- **Surface (sqm):** 4,700
- **Targeted energy efficiency:** 84 kWh/sqm/year
- **Energy Performance Certificate (targeted):** A

### Specific features:

- Cooperation with the local Public hospital
- Special unit for Infant and juvenile psychiatry for minors aged 12 to 16 (14 beds)
- Special unit for adolescents and young adults aged 16 to 25 (20 beds)
- “Agence Regionale de Santé” (ARS) audit Haute “Autorité de Santé” (HAS) certification expected in the next 12 months

## Example 2 of Eligible Assets:

Nursing home in Bad  
Driburg [Germany]

### Green & Social Asset Example #2



- **Location :** Bad Driburg, Germany
- **Activity:** Nursing home for dependent elderly people
- **Status:** Under Construction
- **Expected number of beds:** 78
- **Surface (sqm):** 8,851
- **Expected delivery date:** April 2022
- **Targeted energy efficiency:** 42 kWh/sqm/year
- **Energy Performance Certificate (targeted):** A

#### Specific features:

- Alzheimer Unit
- Medizinischen Dienste der Krankenversicherung (MDK) audit and certification (ISO 9001 or national equivalent) targeted after opening

# Management of Proceeds & Reporting

## MANAGEMENT OF PROCEEDS

### MANAGEMENT OF PROCEEDS BY ORPEA'S TREASURY DEPARTMENT



- Managed by ORPEA's Treasury Department through its general account
- Dedicated Sustainable Finance register to track net proceeds and monitor allocation

### PORTFOLIO APPROACH



- Monitoring of the pool of Eligible Assets and Projects included in the Eligible Portfolio by ORPEA's Finance Department
- The Sustainable Financing Committee ensures that the total amount of outstanding Sustainable Financing Instruments remains equal or lower than the pool of Eligible Assets and Projects

### FULL ALLOCATION OF PROCEEDS TOWARDS ELIGIBLE ASSETS AND PROJECTS



- On a best effort basis, ORPEA aims to complete the allocation of full proceeds within 2 years of the issuance of the instrument
- In the case of removal of an Eligible Green or Social Asset or Project in the portfolio, the Sustainable Finance Committee will substitute it with other Eligible Asset or Project for an amount at least equal

## REPORTING

ORPEA will report annually, at least until full allocation

Reporting on:

### ALLOCATION REPORTING

- An overview of the allocated proceeds
- The breakdown of allocated proceeds by eligible category and by geography
- Proportion of financing vs. refinancing
- The amount of unallocated proceeds (if any)...

### IMPACT REPORTING

- For eligible Green and Social Assets and Projects, indicators include:
  - ✓ Number of beds and places
  - ✓ Split of beds and places by type of facilities
  - ✓ Number of beneficiaries
  - ✓ Assets certification (such as ISO certification)
  - ✓ Average satisfaction rate...
- For eligible Green Assets and Projects:
  - ✓ Energy consumption reduction in kWh/sqm per year
  - ✓ GHG emissions avoided in kgCO<sub>2</sub>e/sqm per year
  - ✓ [Expected] delivery date/end of refurbishment date of eligible Assets
- The allocation reporting will be audited by an external party appointed by ORPEA

# External Review

## SECOND PARY OPINION

- ISS-ESG was commissioned by ORPEA to opine on the Sustainable Financing Framework and confirmed its transparency and governance as well as its alignment with the GBP [2018], SBP [2020] and SBG[2018] as published by ICMA and the GLP [2018] as published by the LMA

ORPEA has established very clear and transparent eligibility criteria which give a detailed overview of eligible assets. Expected green and social benefits are clearly displayed in a granular way and the eligible categories are aligned with the broader strategy of the issuer toward sustainability. Moreover, exclusion criteria are also included reflecting best market practices.

**ISS ESG** 



- ORPEA commits to have the SPO reviewed in case of any material changes to the Sustainable Financing Framework

## EXTERNAL VERIFICATION

- ORPEA's annual reporting will be subject to verification by an external auditor until full allocation and in case of any material changes to the allocation
- The auditor will verify:
  - ✓ The compliance of Eligible Green or Social Assets or Projects (re)financed under the Sustainable Financing Framework with eligibility criteria defined in the use of proceeds section
  - ✓ Allocated amount related to the Eligible Green or Social Assets or Projects financed by the Sustainable Financing instruments
  - ✓ The management of proceeds and unallocated proceeds amount

**ISS ESG** 



# Transaction overview

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# Indicative Terms & Conditions of the Sustainability Bond issue

Issuer	ORPEA S.A.
Issuer & Notes rating	Unrated
Notional amount	300 M€ expected
Issue Type	Fixed rate
Status of the Notes	Senior Unsecured
Form of the Notes	Bearer Dematerialised
Maturity	7 years expected
Documentation	RegS / Standalone
Specific clauses	Negative pledge / Change of Control, Make-Whole Call option, Clean-up Call 75%, 3-month Par Call
Law	French
Listing	Euronext Paris Regulated Market
Denominations	€100,000 + €100,000
Use of proceeds	Existing and/or future Eligible Green and/or Social Assets and/or Projects as set out in the Issuer's Sustainable Financing Framework (as amended and supplemented from time to time) (the « Framework ») available on the Issuer's website
Target market	The manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA or in the UK.
Joint Bookrunners	BNPP, CACIB, HSBC, Natixis, Société Générale
B&D	CACIB
Joint Sustainability Structuring Advisors	BNPP, Natixis, Société Générale

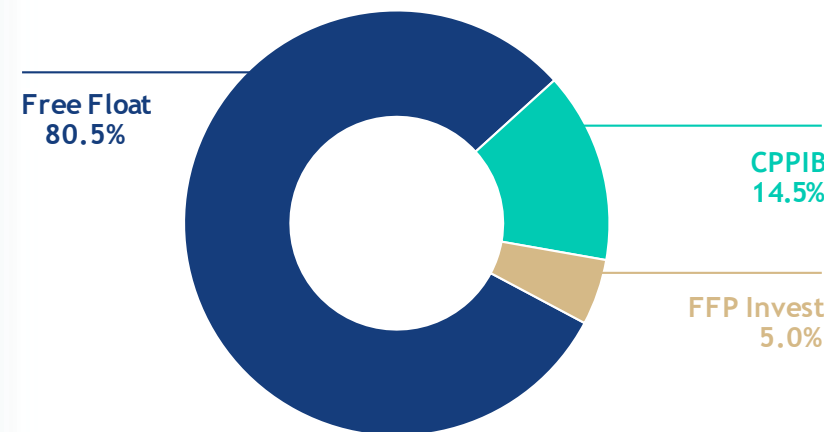
# Appendix

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**Long-term  
shareholders,**  
dedicated to value  
creation

## SHAREHOLDING STRUCTURE [% OF SHARE CAPITAL]

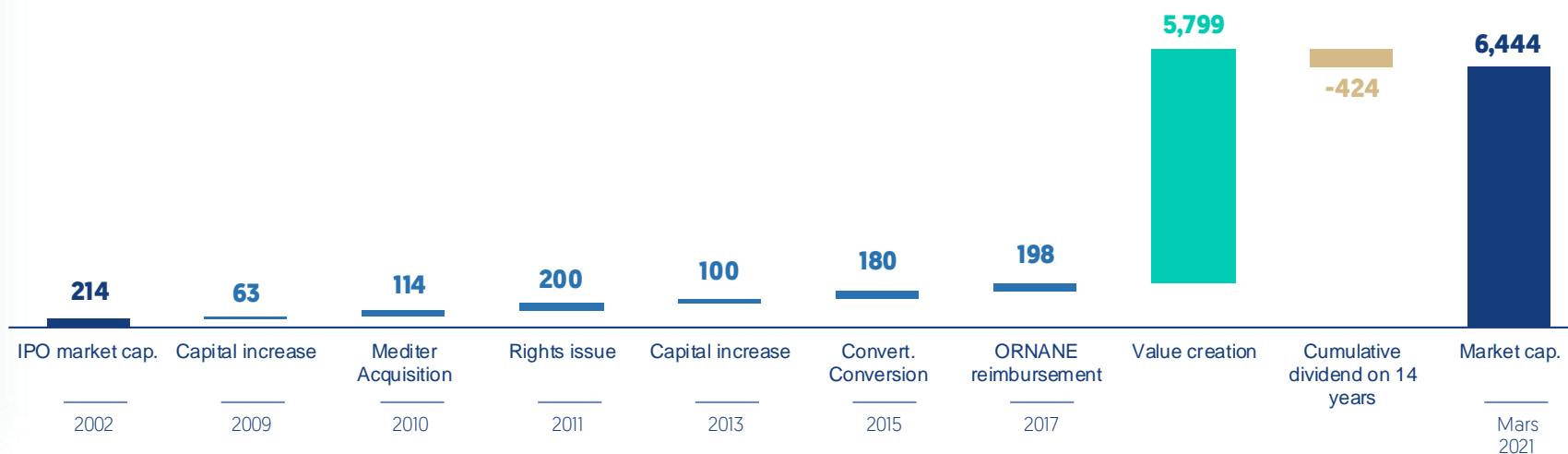


## BOARD OF DIRECTORS

### Board members:

Philippe Charrier – Non-executive chairman  
Yves Le Masne – CEO  
Jean Patrick Fortlacroix  
FFP Invest [Thierry Mabillet de Poncheville]  
Joy Verlé [appointed on proposal by CPPIB]  
Moritz Krautkraemer [appointed on proposal by CPPIB]  
Bernadette Chevallier  
Laure Baume  
Corinne de Bilbao  
Pascale Richetta  
Olivier Lecomte  
Sophie Kalaidjian [employees representative]  
Laurent Serris [employees representative]

## STRONG VALUE CREATION SINCE ORPEA'S IPO (€M)



# Consolidated balance sheet

In €m		31.12.2020	31.12.2019
ASSETS	Non-current assets	14,398	12,440
	Goodwill	1,489	1,299
	Intangible assets	2,881	2,469
	PPE and property under development	6,806	6,017
	Right of use assets	2,817	2,334
	Other non-current assets	405	321
	Current assets	1,944	1,699
	<i>Of which cash, cash equivalents and marketable securities</i>	889	839
	Assets held for sale	550	400
	<b>TOTAL ASSETS</b>	<b>16,892</b>	<b>14,539</b>
LIABILITIES	Shareholders equity and indefinitely deferred taxes	3,949	3,513
	Equity Group share	3,374	3,014
	Deferred taxes and intangible assets	576	499
	Minority interests	-5	-3
	Non-current liabilities	10,023	8,849
	Other deferred tax liabilities	625	529
	Provisions for liabilities and charges	191	199
	Medium- and long-term financial debt	6,487	5,859
	Lease debt	2,720	2,262
	Current liabilities	2,375	1,780
	<i>of which short-term debt (bridge loans)</i>	506	515
	Debt related to assets held for sale	550	400
	<b>TOTAL LIABILITIES</b>	<b>16,892</b>	<b>14,539</b>

## Proposed dividend to the 2020 General Shareholder meeting:

**€0.90 / share**

Payment resumes after  
an exceptional  
shareholder  
contribution in 2020

Yield\*:

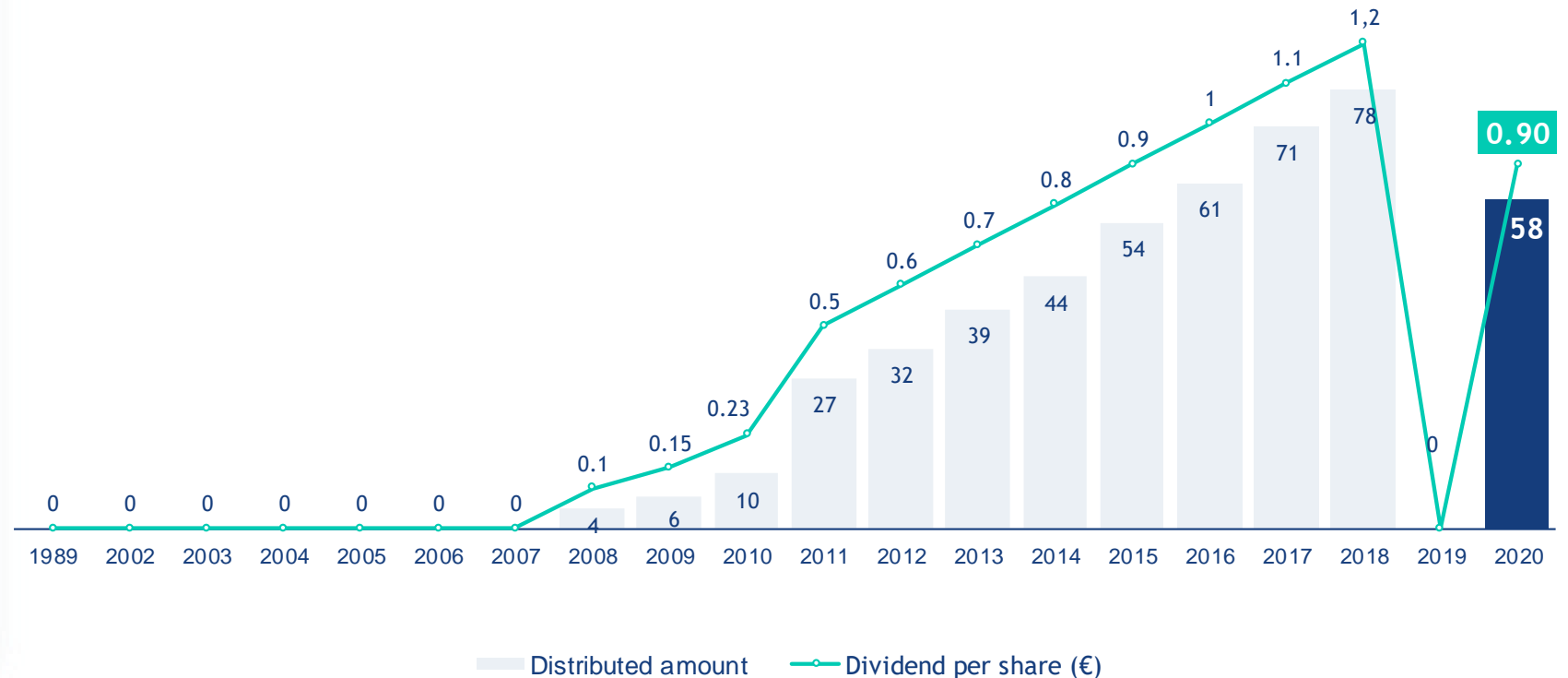
**0.9%**

\* Based on the closing price of  
the share at 10.03.21

Pay out  
ratio of  
the net profit:

**36%**

## Dividend



# Glossary

<b>Organic growth</b>	<p><b>Organic growth reflects the following factors:</b></p> <ol style="list-style-type: none"> <li>1. The year on year change in the revenue of existing facilities as a result of changes in their occupancy rates and per diem rates;</li> <li>2. The year on year change in the revenue of redeveloped facilities or those where capacity has been increased in the current or year earlier period;</li> <li>3. Revenue generated in the current period by facilities created in the current or year earlier period, and the change in revenue at recently acquired facilities by comparison with the previous equivalent period</li> </ol>
<b>EBITDAR</b>	<p><b>EBITDA before rents, including provisions related to external charges and staff costs</b></p>
<b>EBITDA excl. IFRS 16</b>	<p><b>Recurring operating profit before net additions to depreciation and amortisation, including provisions related to external charges and staff costs</b></p>



## Market data

### MARKET DATA\* (12 MONTHS)

Average volume:  
**267,000 shares / day (=€28m)**  
all platforms combined

Price: **€99.70**

12-month high: **€119.80**

12-month low: **€69.10**

Turnover: **105% in 12 months**

Market cap.: **€6,444m**

Nb. of shares outstanding: **64,615,837**



### INDEXES

Compartment A of Euronext Paris

Component of the MSCI Small Cap Europe,  
STOXX Europe 600, CAC Mid 60 et du SBF 120

Member of the SRD (deferred settlement service)

### CONTACTS

**ORPEA - STEVE GROBET**  
EVP Communication and Investor Relations

☎ Tel.: + 33 1 47 75 74 66

✉ [s.grobet@orpea.net](mailto:s.grobet@orpea.net)

**ORPEA - BENOIT LESIEUR**  
Investor Relations

☎ Tel.: + 33 1 41 45 61 95

✉ [b.lesieur@orpea.net](mailto:b.lesieur@orpea.net)

\* Data at 5 March 2021