

ANOTHER YEAR OF STRONG GROWTH: 2018 REVENUE UP 9% TO €3,420 MILLION

✦ STRONG ORGANIC GROWTH OF 5.0%

WORLDWIDE NETWORK OF 96,577 BEDS: 10,000 ADDITIONAL BEDS IN 1 YEAR

✦ GROWTH PIPELINE DOUBLED TO 17,388 BEDS IN 2 YEARS

ANOTHER YEAR OF PROFITABLE GROWTH IN 2019

✦ SECURED REVENUE OF €3,700 MILLION (GROWTH OF 8.2% VS. 2018)

Puteaux, 12 February 2019 (6:00pm CET)

The ORPEA group, a world leader in long-term care (nursing homes, post-acute and rehabilitation hospitals, psychiatric hospitals, and homecare services), today announces its revenue for the 2018 financial year ended on 31 December and provides an update on its network.

In €m	Full-year			Quarterly		
	2018	2017	Change	Q4 2018	Q4 2017	Change
France Benelux	2,042.7	1,942.7	+5.1%	518.9	500.0	+3.8%
Central Europe	873.9	782.5	+11.7%	223.5	199.2	+12.2%
Eastern Europe	335.0	268.8	+24.6%	86.4	78.4	+10.1%
Iberian Peninsula	165.8	142.8	+16.2%	45.3	37.4	+21.0%
Rest of the World	2.4	1.5	N.A.	0.8	0.4	N.A.
Total revenue	3,419.8	3,138.2	+9.0%	874.9	815.4	+7.3%
<i>Including organic growth¹</i>			+5.0%			+4.8%

Consolidation dates: Anavita in the Czech Republic was consolidated from 1 April 2017, Dr. Dr. Wagner in Austria from 1 July 2017, Inoges in Germany and Woonzorgnet in the Netherlands from 1 January 2018, Dagelijks Leven in the Netherlands from 1 July 2018. The asset disposals in France were deconsolidated with effect from 1 April 2018. Axion in Germany, September and Allertzorg in the Netherlands have been consolidated since 1 January 2019.

¹ Organic growth reflects the following factors: 1. The year-on-year change in revenues of existing facilities as a result of changes in their occupancy rates and daily rates; 2. The year-on-year change in revenue of redeveloped facilities or those where capacity has been increased during the year or a year earlier; 3. Revenue generated in the current period by facilities created during the year or a year earlier, and the change in revenue of recently acquired facilities by comparison with the previous equivalent period.

2018 revenue of €3.42bn ahead of target

The development strategy of the Group combining continuous creation of facilities and selective acquisitions, has again enabled ORPEA to double in size over the 5-year period from 2013 to 2018 after doubling between 2008 and 2013.

2018 revenue amounted to €3,420 million, above the target announced at the beginning of 2018, an increase of +9%, i.e. close to €300 million in additional revenue, with over half of it generated by organic growth.

The strong organic growth rate of 5.0% was driven by the first-class performance of mature facilities, the ramp-up in facilities established over the past two years and the opening of over 2,300 new beds (through new builds) during 2018.

Thanks to this healthy growth, ORPEA has reiterated its target of a 2018 EBITDA margin higher than the 2017 level.

2019: continue the momentum of opening new facilities (2,500 new beds) and creating jobs

In 2019, ORPEA is set to open close to 2,500 beds (representing 25 facilities and extensions), of which 85% will be in 10 different countries outside France. In line with the longstanding strategy of the Group, these facilities will be located in attractive areas where there is strong demand, specifically the largest cities in Europe (Prague, Berlin, Paris, etc.).

To support its development and continuous organisational improvements, ORPEA will create over 2,500 sustainable jobs that cannot be transferred abroad across its entire geographical footprint and across the full range of its professional activities.

With training and internal promotion at the forefront of the HR strategy of the Group, these jobs will have substantial career development prospects.

Network of 96,577 beds in 14 countries and strong increase in the growth pipeline

With its global expansion strategy, the Group significantly built up its network during 2018 through selective acquisitions and, notably, through the opening of numerous facilities in the largest cities in its five regional clusters (established in early 2018).

Since year-end 2017, the network of ORPEA has grown by close to 10,000 beds (11% increase) net of disposals, breaking down into:

- +6,331 beds (63% of total new beds) through greenfields (creation of new facilities) across all the countries in which the Group operates, including Spain, Portugal, Brazil and Germany
- +4,451 beds through external growth, including acquisitions of groups (Dagelijks-Leven Woonzorgnet, September and Allerzorg in the Netherlands, Axion in Germany) and independent facilities
- -855 beds sold in France

In January 2019, the network of ORPEA includes 96,577 beds in 950 facilities across 14 countries. The percentage of beds outside France has almost tripled in 5 years, now accounting for 65% of the total network.

The growth pipeline of beds under construction has almost doubled over the past 2 years and now stands at 17,388 beds, up 30% over the past 12 months. 85% of these beds are located in the world's major capital cities.

	Number of facilities	Number of beds	Beds opened	Beds under construction	
				Number	Ch. on 12 months
France	354	33,443	30,856	2,587(*)	+364
Germany	180	19,075	16,228	2,847	+272
Austria	84	7,474	7,088	386	+202
Belgium	61	7,437	6,275	1,162	-606
Brazil	18	2,752	471	2,281	+96
China	1	140	140	0	0
Spain	62	10,428	8,702	1,726	+1,419
Italy	21	2,649	1,940	709	+444
Netherlands	67	1,380	980	400	+400
Luxembourg	2	365	0	365	+365
Poland	22	2,745	1,107	1,638	+530
Portugal	22	2,296	635	1,661	+520
Czech Rep.	19	2,698	1,905	793	-128
Switzerland	37	3,695	2,862	833	+131
TOTAL	950	96,577	79,189	17,388	+4,009

(*) including 1,087 beds in redevelopment

Guidance for 2019: revenue target of €3,700 million

In 2019, ORPEA will continue to generate profitable growth, and now forecasts an 8.2% increase to €3,700 million in secure revenue powered by consistently solid organic growth and a contribution from acquisitions. In addition, the Group continues to study numerous acquisition opportunities in several countries. This revenue growth will be combined with strong margins and active development through both the creation of new facilities and acquisitions.

Yves Le Masne, Chief Executive Officer of ORPEA, concludes:

“We continued to actively pursue our strategy of high value-added development, adding 10,000 new beds in just 12 months through selective acquisitions and, particularly, the creation of new facilities at the heart of major European cities and in Brazil.

Thanks to our footprint across 14 countries now arranged into regional clusters, we have doubled the size of our growth pipeline of beds in only 2 years. It now stands at 17,388 beds under construction, giving us a unique and full visibility on a strong pace of organic growth over the next 4 to 5 years.

We have a unique and significant expansion potential that has not been seen in the past 30 years, and so we can look at the future with confidence and serenity.”

Financial schedule for 2019

The following dates can be subject to change. Press releases will be published after market close.

Event	Date
Full-year 2018 results	Tuesday 26 March 2019
First-quarter 2019 sales	Monday 6 May 2019
Half-year 2019 sales	Tuesday 23 July 2019
Half-year 2019 results	Tuesday 24 September 2019
Third-quarter 2019 sales	Tuesday 5 November 2019

About ORPEA (www.orpea-corp.com)

Founded in 1989, ORPEA is one of the main world leader in long-term care, with its network of 950 facilities, with 96,577 beds (17,388 of them under construction) in 14 countries, including:

- 33,443 beds in France (2,587 beds under construction) at 354 facilities
- 63,134 beds outside France (Austria, Belgium, Brazil, China, Czech Republic, Germany, Italy, Luxembourg, Netherlands, Poland, Portugal, Spain and Switzerland) at 596 facilities (14,801 beds under construction)

ORPEA is listed on Euronext Paris (ISIN code: FR0000184798) and a constituent of the SBF 120, STOXX 600 Europe, MSCI Small Cap Europe and CAC Mid 60 indices.

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