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2019: ANOTHER YEAR OF STRONG EARNINGS GROWTH

- **REVENUE: +9.4% (€3,740 MILLION)**
- **CONSOLIDATED NET PROFIT[1]: +11.6% (€246 MILLION)**

DEVELOPMENT: +7,657 BEDS, A NETWORK OF 104,234 BEDS

- **GROWTH PIPELINE: ALMOST 21,000 BEDS UNDER CONSTRUCTION**
- **EXPANSION INTO IRELAND WITH THE ACQUISITION OF TLC GROUP**

CONTINUED GROWTH MOMENTUM

- **SECURED 2020 REVENUE: €4,040 MILLION (+8%)**
- **SIGNING OF FRAMEWORK AGREEMENTS WORTH MORE THAN €1.5 BILLION TO DISPOSE OF SOME OF THE GROUP'S REAL-ESTATE DEVELOPMENTS OVER FOUR YEARS**

ORPEA IS MOBILISING AGAINST COVID-19

The 2019 results are presented in accordance with pre-IFRS 16 accounting standards for comparison purposes. The impact of IFRS 16 is presented in this press release Appendix.

Puteaux, 17 March 2020 (6:00 pm CET)

The ORPEA Group, world leader in long-term care (nursing homes, post-acute and rehabilitation hospitals, psychiatric hospitals, and home care services), today announced its consolidated results for the 2019 financial year[2], ended on 31 December, as approved by the Board of Directors on 17 March 2020, as well as the acquisition of the TLC Group, a key player in nursing homes in Ireland.

ORPEA is mobilising against COVID-19

Since its creation, ORPEA has built strong expertise in the management of epidemics during flu and gastroenteritis outbreaks which occur each year in all countries and affect a fragile population. ORPEA has always fully implemented its procedures and allocated all its resources during these outbreaks to protect its residents, patients and employees.
The Group has therefore drawn on this expertise, as well as its experience at its facility in China, to prepare for and anticipate the arrival of COVID-19.
Barrier measures, protocols, training and equipment inventory management have been introduced upstream within the Group's European facilities.
Access to facilities in the majority of countries was rapidly limited to staff only.
Since the beginning of the epidemic, the Group has therefore strived to implement all of these barrier measures which are necessary to avoid the virus penetrating its facilities.
To date, all of these measures have enabled the Group to limit the penetration of the virus, as the number of cases at its facilities remains limited.

Yves Le Masne, Chief Executive Officer of ORPEA, commented: *"Faced with COVID-19, the Group has a proven experience in the management of epidemics and has been proactive and extremely careful in the implementation of barrier measures at its facilities to protect its residents, patients and employees.*

On behalf of the management, I would like to warmly thank the teams for their commitment on a daily basis and for their increased support of residents and patients to ensure their safety and well-being."

[1] Restated for IFRS 16.
[2] The 2019 financial statements are currently being audited.

Human Resources policy at the heart of ORPEA's strategy

ORPEA considers that training and internal promotion remain a priority in human resources policy, as it fosters the well-being of employees in the workplace and helps ensure the quality of care. In 2019, a programme of 300 VAE (validation of prior experience) for caregivers was introduced in France, over 6,000 people were trained at the Group's facilities through work-study programs, apprenticeships and internships, new training courses were launched such as the Senecura Online Campus in Austria, and new qualifications were created in partnership with schools and universities.
At the same time, the Group continues to prepare and secure its future growth and to roll out innovative tools to train its care staff. In 2019, in France, ORPEA acquired a school that trains approximately 300 students each year to become caregivers, family life assistants and geriatric care assistants. In 2020, a nursing care university training centre will open in Austria, with initial training capacity for 125 nurses; other campus creation projects are being studied, notably in Germany and Switzerland.

FY 2019 results showing strong growth

In €m (IFRS)	**2019** restated IFRS 16	2018	*Chg.*
Revenue	**3,740**	3,420	*+9.4%*
EBITDAR (EBITDA before rental expenses)	**983**	912	*+7.8%*
EBITDA	**651**	604	*+7.8%*
Recurring operating profit	**453**	428	*+5.8%*
Net interest expense	**-148**	-136	*+8.6%*
Profit before taxes	**341**	309	*+10.1%*
Net profit attributable to ORPEA's shareholders	**246**	220	*+11.6%*

Revenue for 2019 was up +9.4% at €3,740.2 million, driven by strong organic growth of +4.7% and good international acquisition momentum, in particular September and Allerzorg in the Netherlands and Axion in Germany, consolidated as of 1 January 2019.

EBITDAR (EBITDA before rental expenses) rose +7.8% to €982.5 million, representing a margin of 26.3%. Restated for the impact of all acquisitions and additional structuring costs to support future growth, the EBITDAR margin was up 40 basis points, at 27.1%, reflecting the strong performance of the historical network and the initial impact of the Group's premiumisation strategy.

Rental costs were up 7.6%, at €331.4 million, thanks to the Group's strategy of strengthening its real-estate ownership which currently stands at 49%. **EBITDA** rose +7.8% to €651.0 million, representing a margin of 17.4% of revenue.

Recurring operating profit stood at €452.5 million (+5.8%) after depreciation, amortisation and charges to provisions of €198.5 million (+12.9%) reflecting the growth of the real-estate portfolio.

Net non-recurring items were €36.2 million, compared with €17.9 million in 2018.
Net interest expense reached €147.9 million (+8.6%) with sustained investment.
After accounting for an income tax expense of €101.6 million, **net profit attributable to ORPEA's shareholders** rose +11.6% to €245.9 million. This increase outpaced the growth in revenue, demonstrating the dynamic of the ORPEA business model.

Dividend of €1.30 per share proposed

At the Annual General Meeting on 23 June 2020, the Board of Directors will propose paying out a dividend of €1.30 per share in regards to the 2019 financial year, compared with €1.20 for the previous financial year. The dividend will be paid solely in cash. The pay-out ratio of ORPEA stands at 35%, as the Group intends to maintain its investment to improve and expand its network of facilities.

Continued growth in ORPEA's real-estate portfolio to €6 billion[3]

ORPEA continued to pursue its strategy of increasing the ownership of real estate assets in the best locations, and now owns 49% of its facilities, compared with 47% at the end of 2018.
At 31 December 2019, the real-estate portfolio was valued at €6,022 million[3], i.e., an increase of €309 million over one year, and had a total surface area of 2.1 million sq.m. The capitalisation rate was down 10 basis points, at 5.7%, which remains highly cautious compared with recent market transactions for the same type of assets.

Signing of framework agreements worth more than €1.5 billion to dispose of some of the Group's real-estate developments over four years

To secure its growth, the Group, which has reached its ownership rate target of 50%, has signed framework agreements with five major international real estate companies worth more than €1.5 billion, to dispose of some of the new facilities that will be delivered over the 2020-2024 period. The €340 million disposal, committed to in 2019, is currently being finalised.

Strengthening the financial structure

Net debt stood at €5,535 million[4] at 31 December 2019, compared with €5,022 million[4] at 31 December 2018, a modest increase considering the level of investment in real-estate, operations and equity investments (BSL in Brazil, Senior Suites in Chile).
Real-estate continues to account for 85% of the debt. Debt ratios are stable compared to those recorded at 31 December 2018 and remain well below their covenants, with financial leverage restated for real estate assets at 2.3[5] (5.5 authorised) and a restated gearing of 1.6[5] (2.0 authorised).

ORPEA continued to optimise its debt, extending its maturity to 6.4 years at 31 December 2019 and reducing its borrowing cost to 2.7% for 2019 compared with 2.9% for 2018. The issue in May 2019 of an eight-year €500 million OCEANE bond at an attractive rate of 0.375% improved the Group's financial flexibility.
Net debt is still fully hedged against the risk of an increase in interest rates.

ORPEA therefore has an extremely sound, diversified, and attractively priced financial structure that provides strong visibility and security.

Acquisition of the TLC Group in Ireland

ORPEA has extended its presence to Ireland, in the Dublin County, with the acquisition of TLC Group, a major nursing home player in Ireland.

The long-term care sector in Ireland boasts healthy growth prospects:

- The Republic of Ireland is a member of the Eurozone and has one of the strongest economic growth rates in the zone (GDP growth of 6.7% in 2018);
- The number of persons over 80 should increase by 3% per year until 2046;
- The private nursing home sector is highly fragmented, with the top 10 representing just 25% of the market;
- 7,500 beds must be added by 2026 to meet the demand.

Founded in 2004, TLC is one of the leading nursing home operators in Ireland and is recognised for the quality of its offering by the Health Authorities (HIQA). TLC owns a network of five facilities, with a total of

[3] Excluding the €340 million in real-estate assets held for sale.
[4] Excluding €400 million and €206 million in debt associated with assets held for sale at 31/12/2019 and 31/12/2018 respectively.
[5] Restated for IFRS 16.

674 beds. All facilities are recent and located in the Dublin County. TLC owns 100% of its real-estate and has an experienced management team.

ORPEA has fully acquired TLC’s share capital which has been consolidated as at 1 January 2020. TLC generated revenue of €40 million in 2019 and posted profitability in line with that of ORPEA.

A network of 104,234 beds in 22 countries and sustained increase in the growth pipeline

The Group’s expansion strategy continued in 2019 with targeted acquisitions and the creation of new facilities in the largest towns and cities of its five regional clusters.

Thus, over 12 months, the ORPEA network saw an increase of 7,657 additional beds (+12%) of which:
- +5,395 beds (70% of expansion) through the creation of facilities in all clusters, but also in new countries such as Columbia, Mexico, Slovenia and Latvia;
- +2,262 beds through external growth, via the acquisition of groups (Sinoué in France, TLC in Ireland) and independent facilities.

In January 2020, ORPEA's network includes 104,234 beds in 1,014 facilities across 22 countries.
With 20,932 beds, the growth pipeline of beds under construction was up 20% over 12 months. This will allow the Group to guarantee a secure, sustainable and strong organic growth for the next five years.

	Nb. Of facilities	Beds opened	Beds under construction	Nb. Of beds
France Benelux	**509**	**40,316**	**4,752**	**45,068**
France	356	31,453	2,896	34,349
Netherlands	82	1,219	1,042	2,261
Belgium	64	6,970	449	7,419
Luxemburg	2	0	365	365
Ireland	5	674	0	674
Central Europe	**249**	**21,606**	**4,885**	**26,491**
Germany	185	16,654	2,929	19,583
Italy	27	2,000	1,229	3,229
Switzerland	37	2,952	727	3,679
Eastern Europe	**136**	**10,974**	**3,647**	**14,621**
Austria	85	7,074	741	7,815
Czech Republic	19	2,044	681	2,725
Slovenia	7	551	242	793
Latvia	1	202	0	202
Russia	1	0	200	200
Poland	23	1,103	1,783	2,886
Iberia + Latam	**119**	**10,266**	**7,648**	**17,914**
Spain	64	8,842	2,235	11,077
Portugal	29	728	2,380	3,108
Brasi	19	471	2,281	2,752
Uruguay	3	100	226	326
Colombia	2	0	321	321
Mexico	2	125	205	330
Other country	**1**	**140**	**-**	**140**
China	1	140	0	140
Total Group	**1,014**	**83,302**	**20,932**	**104,234**

**Of which 895 beds under redeployment*

ORPEA GROUP life goes on with us

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

"The long-term care sector relies on long-term fundamentals: an increasing number of the very elderly, longer life expectancy, a lack of suitable facilities and the absence of alternative solutions for high dependency care.

Despite a context of high uncertainty, for 2020, ORPEA has reiterated its secured revenue target of €4,040 million (+8% compared with 2019).
In this particularly challenging time, ORPEA's management would like to thank all the teams present at its facilities who are on the ground 24/7 to support, surround and protect our residents and patients."

Next press release: Q1 2020 revenue
5 May 2020 after market close

About ORPEA (www.orpea-corp.com)

Founded in 1989, ORPEA is one of the major world leaders in long-term care, with a network of 1,014 facilities comprising 104,234 beds (20,932 of which are under construction) across 22 countries, which are divided into five clusters:

- France Benelux: 509 facilities/45,068 beds (of which 4,752 are under construction)
- Central Europe: 249 facilities/26,491 beds (of which 4,885 are under construction)
- Eastern Europe: 136 facilities/14,621 beds (of which 3,647 are under construction)
- Iberian Peninsula/Latin America: 119 facilities/17,914 beds (of which 7,648 are under construction)
- Rest of the world: 1 facility/140 beds

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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Glossary:

Organic growth	Organic growth reflects the following factors: 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 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 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
EBITDAR	EBITDA before rents, including provisions related to external charges and staff costs
Recurring EBITDA	Recurring operating profit before net additions to depreciation and amortisation, including provisions related to external charges and staff costs
Pre-tax profit on ordinary activities	Recurring operating profit - Net financial expense
Net debt	Non-current borrowings + current borrowings - cash and short-term investments
Financial leverage restated for real-estate assets	(Net debt - Real-estate debt)/(EBITDA - (6% x Real-estate debt))
Restated gearing	Net debt/(Equity + Deferred taxes available indefinitely on intangible assets)
Capitalisation rate	The real-estate capitalisation rate or the rate of return is the ratio between the rental amount and the building's value

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Consolidated income statement (Audit in progress)

In €m	2019 restated IFRS 16	2018 published	*Chg. 2019 restated IFRS 16 vs 2018*	2019 IFRS 16
Revenue	**3,740.2**	**3,419.8**	***+9.4%***	**3,740.2**
Purchases used and other external expenses	-1,017.0	-915.6	*+11.1%*	-718.7
Staff costs	-1,978.1	-1,802.3	*+9.8%*	-1,978.1
Taxes other than on income	-129.2	-119.3	*+8.3%*	-129.2
Depreciation, amortisation and charges to provisions	-198.5	-175.9	*+12.9%*	-445.7
Other recurring operating income and expenses	35.1	21.0	*N.A.*	35.1
Recurring operating profit	**452.5**	**427.7**	***+5.8%***	**503.7**
Other non-recurring operating income and expenses	36.2	17.9	*N.A.*	37.0
Operating profit	**488.7**	**445.6**	***+9.7%***	**540.7**
Net interest expense	-147.9	-136.2	*+8.6%*	-215.0
Profit before tax	**340.8**	**309.4**	***+10.1%***	**325.7**
Income tax expense	-101.6	-95.3	*+6.6%*	-98.6
Share in profit/(loss) of associates and joint ventures	6.7	7.0	*N.A.*	6.7
Net profit attributable to ORPEA's shareholders	**245.9**	**220.4**	***+11.6%***	**233.8**

Consolidated balance sheet (Audit in progress)

In €m	31-dec.-19	31-dec-18
Non-current assets	**12,445**	**9,304**
Goodwill	1,299	1,137
Intangible assets	2,469	2,257
Property, plant and equipment and properties under development	6,022	5,713
Right of use assets	2,334	0
Other non-current assets	321	197
Current assets	**1,833**	**1,634**
Cash and short-term investments	*789*	*768*
Assets held for sale	**400**	**206**
TOTAL ASSETS	**14,678**	**11,145**
Equity attributable to ORPEA's shareholders and deferred taxes available indefinitely	**3,522**	**3,421**
Equity attributable to ORPEA's shareholders	3,023	2,970
Deferred taxes available indefinitely on operating intangible assets	499	451
Non-controlling interests	**-3**	**1**
Non-current liabilities	**8,847**	**5,783**
Other deferred tax liabilities	529	480
Provisions for liabilities and charges	199	199
Non-current liabilities	5,859	5,104
Lease commitments	2,260	0
Current liabilities	**1,912**	**1,734**
o/w current financial liabilities (bridge loans and real-estate porting)	*464*	*685*
Liabilities associated with assets held for sale	**400**	**206**
TOTAL EQUITY AND LIABILITIES	**14,678**	**11,145**

Cash flows (Audit in progress)

In €m	2019	2018
Net cash from operating activities	**441**	**415**
Investments in construction projects	-375	-382
Acquisitions of real-estate	-343	-336
Disposals of real-estate	16	23
Net investments in operating assets	-276	-264
Net cash generated/(used) by investing activities	**-978**	**-959**
Net cash generated/(used) by financing activities	**559**	**699**
Change in cash over the period	21	154
Cash at end of period	**789**	**768**