

RESILIENT H1 2020 REVENUE: +3.5% (€1,904 MILLION)

✦ **Q2 2020 REVENUE ALMOST UNCHANGED**

STRENGTHENING OF PREMIUM PSYCHIATRY CARE OFFERING IN FRANCE

✦ **ACQUISITION OF 9 FACILITIES FROM CLINIPSY GROUP**

RAPID RECOVERY OF FACILITIES IMPACTED BY COVID-19 IN H2 2020

Puteaux, 21 July 2020 (6:00 pm CEST)

The ORPEA Group, world leader in long-term care (nursing homes, post-acute and rehabilitation hospitals, psychiatric hospitals, and homecare services), today announces its revenue for the first half of 2020 (six months to 30 June) and the acquisition of 9 psychiatry facilities from Clinipsy, a key player in mental healthcare in France.

H1 2020 revenue growth: +3.5%

In €m	Quarterly			Half-yearly		
	Q2 2020	Q2 2019	Change	H1 2020	H1 2019	Change
France Benelux	554.2	552.6	+0.3%	1,136.6	1,093.2	+4.0%
Central Europe	245.9	239.7	+2.6%	499.6	473.9	+5.4%
Eastern Europe	79.0	88.7	-11.0%	170.0	175.7	-3.2%
Iberian Peninsula and LATAM	43.5	49.0	-11.3%	96.4	96.5	+0.0%
Rest of the world	0.7	0.6	n/a	1.5	1.4	n/a
Total revenue	923.2	930.7	-0.8%	1,904.1	1,840.6	+3.5%
<i>Including organic growth¹</i>			-5.5%			-0.9%

Consolidation dates: Sinoué in France has been consolidated since 1 April 2020; TLC in Ireland has been consolidated since 1 January 2020; SIS Brazil and SIS Portugal have been consolidated since 1 October 2019.

Clusters' composition: France Benelux (France, Belgium, the Netherlands, Ireland), Central Europe (Germany, Italy and Switzerland), Eastern Europe (Austria, Poland, Czech Republic, Slovenia, Latvia), Iberian Peninsula and LATAM (Spain, Portugal, Brazil, Uruguay, Mexico), Other countries (China).

¹ Organic growth of Group revenue 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 during the year or year-earlier period, and the change in revenue of recently acquired facilities by comparison with the previous equivalent period.



The end of the first quarter and the entire second quarter were affected by the Covid-19 pandemic, which has had a major impact on the global economy as a whole and on the operation of healthcare facilities. Faced with these exceptional circumstances, and thanks to the remarkable commitment of its 65,000 employees to the protection of its residents and patients, ORPEA has succeeded in limiting the impact of this crisis, with Q2 2020 revenue almost stable compared to 2019 (-0.8%). The Group's health facilities (post-acute and rehabilitation hospitals and psychiatric hospitals) were particularly hard hit in the second quarter, with total closures in Austria, and a marked slowdown in France and Germany due to the sudden suspension of surgery. Q2 organic growth, excluding hospital closures in Austria, dropped 4.3%.

ORPEA managed to generate revenue growth of 3.5% over the first half, driven by the contribution of acquisitions, particularly in Ireland, Latin America and France, and the limited decline of 0.9% in organic growth. The France Benelux cluster grew by 4% over the first half, excluding the Public Health Insurance funding guarantee to the Group's French clinics estimated at €10m. The Central Europe cluster also demonstrated its resilience, with revenue growth of 5.4% over the period. The decline in Eastern Europe was solely due to the closure of post-acute and rehabilitation hospitals in Austria. Finally, revenue for the Iberian Peninsula and the LATAM region was in line with H1 2019, despite Madrid and Barcelona being hit particularly hard by Covid-19.

Close monitoring of Covid-19 developments and rapid upswing in occupancy rates

All Group employees and resources remain committed to the management of the Covid-19 pandemic, at a time when lockdown measures are gradually being eased towards a return to normal operating conditions. Family visits are now allowed again, subject to compliance with barrier measures such as the wearing of masks by visitors. Moreover, the Group has sizeable stocks of personal protection equipment and tests.

Business across all facilities has picked up significantly since mid-June:

- the improvement in occupancy rates at post-acute and rehabilitation hospitals and psychiatric hospitals has been faster than expected, as they have almost returned to pre-Covid levels in just two months;
- the momentum of new admissions for nursing homes is also strong, and occupancy rates in most countries are expected to return to pre-pandemic levels by the end of 2020.

Strengthening of the mental healthcare offering in France with the acquisition of 9 facilities

Clinipsy is a private independent group of psychiatric hospitals, founded in 2009 by Doctors Frédéric Lefebvre and Laurent Morasz.

In 12 years, the Group has become a key player in mental healthcare in France and boasts cutting-edge expertise in the creation of new facilities, innovation, research and committed public-private partnerships.

ORPEA has thus acquired 9 facilities with a total of 907 beds and places, 50% of which have been opened recently or are scheduled to open in the next two years. All the facilities are very recent (5 years on average), are mainly located in large towns or cities in the North and East of France, and in regions requiring a strengthening of the healthcare offering.

This transaction is part of the Clinipsy Group's repositioning strategy that aims to refocus on specific, innovative projects. With this in mind, Dr Morasz has chosen the ORPEA-CLINEA Group to manage the facilities he founded with Dr Lefebvre.

With this acquisition, ORPEA will be able to consolidate its mental healthcare network and expertise in France and benefit from a major growth pipeline with beds and extensions to be opened.

In 2019, the 9 Clinipsy facilities, which will be consolidated from 1 July 2020, generated revenue of almost €40 million.

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

“The first half, which was impacted by the Covid-19 pandemic, was an unprecedented period. I would like to send my heartfelt condolences to the families of those who have lost loved ones. I would also like to thank all stakeholders for their commitment and support: residents, patients, families, employees, suppliers, supervisory authorities and financial partners, among others. The Group has also decided to top up the bonus paid by the various governments to all employees in its facilities, to thank them for their commitment during this period.

Despite the major impact of this crisis on the global economy, ORPEA recorded a 3.5% growth in business in H1 2020 thanks to the exceptional resources deployed to fight the pandemic, its new geographical cluster-based organisation, and the substantial resilience of its business sector.

It goes without saying that our teams remain committed to applying barrier measures and are continuing to closely monitor the pandemic.

ORPEA is seeing a stronger-than-expected recovery in the occupancy rates of its facilities, in particular its hospitals, and projects a return to a normal level of activity across nearly all its sites by the end of the year. In addition, the Group is continuing its development with the resumption of its constructions, as well as acquisitions including those of mental healthcare groups Sinoué and Clinipsy, which offer strong embedded future growth. Lastly, ORPEA is implementing its real-estate strategy by maintaining its 50% property ownership, as planned, with the disposal of €145 million in real estate assets to the European real estate company Icade.

The Group therefore remains confident in its ability to balance organic and external value-creating development with sustained profitable growth in the years ahead to strengthen its position as global leader in long-term care.”

**Next press release: H1 2020 results
22 September 2020 after market close**

About ORPEA (www.orpea-corp.com)

Founded in 1989, ORPEA is one of the major world players 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.

Investor Relations

ORPEA

Steve Grobet

Investor Relations Director

s.grobet@orpea.net

Hélène de Watteville

Investor Relations Officer

h.dewatteville@orpea.net

Investor Relations

NewCap

Dusan Oresansky

Tel.: +33 (0)1 44 71 94 94

orpea@newcap.eu

Media Relations

Image 7

Laurence Heilbronn

Tel.: +33 (0)1 53 70 74 64

lheilbronn@image7.fr