

STRONG GROWTH OF 9.4% IN Q1 2019 REVENUE TO €910 MILLION

✦ FIRM ORGANIC GROWTH OF 4.7%

DEVELOPMENT OF POST-ACUTE AND REHABILITATION HOSPITALS IN RUSSIA IN PARTNERSHIP WITH THE RUSSIAN SOVEREIGN WEALTH FUND RDIF AND BPIFRANCE

2019 REVENUE TARGET OF OVER €3,700 MILLION REITERATED

Puteaux, 6 May 2019 (6:00 pm CEST)

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 first quarter of 2019 and a partnership with Bpifrance and the Russian Direct Investment Fund (RDIF) to develop post-acute and rehabilitation hospitals in Russia.

Solid Q1 2019 revenue growth of 9.4%

(€ m)	Q1 2019	Q1 2018	% Chg.
France Benelux	540.6	499.3	+8.3%
Central Europe	234.1	214.5	+9.2%
Eastern Europe	87.0	80.1	+8.6%
Iberian Peninsula	47.4	37.8	+25.5%
Other countries	0.8	0.4	n/a
Total revenue	909.9	832.1	+9.4%
<i>Organic growth¹</i>			+4.7%

Dates of consolidation: the disposals announced in France were deconsolidated from 1st April 2018, Dagelijks Leven in the Netherlands has been consolidated since 1st July 2018, and Axion, September and Allerzorg in the Netherlands have been consolidated since 1st January 2019.

Clusters' composition: Central Europe (Germany, Italy, Switzerland), Eastern Europe (Austria, Poland, the Czech Republic), Iberian Peninsula (Spain, Portugal), other countries (China).

¹ 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 rate 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.

Q1 2019 revenue came to €909.9 million, up 9.4%. Half of the growth was organic and half came from acquisitions notably in Germany, the Netherlands and Portugal.

The 4.7% organic growth was driven by our key success factors:

- *consistently high occupancy rates across the network*
- *the ramp-up in facilities opened over the past two years, mostly located in high purchasing power cities*
- *the addition of 500 beds over the quarter, predominantly in Eastern Europe and Central Europe.*

Partnership with Bpifrance and RDIF to develop post-acute and rehabilitation hospitals in Russia

In 2018, ORPEA signed a number of cooperation agreements at the St Petersburg International Economic Forum (SPIEF) in the presence of Presidents Putin and Macron aiming to develop a network of health facilities across Russia.

In addition, ORPEA has recently entered into an operational partnership with Bpifrance and RDIF, the Russian sovereign wealth fund, to establish post-acute and rehabilitation hospitals in Russia. These prestigious partners will underpin and secure the development of ORPEA in Russia.

Under this agreement, an initial project has been agreed with the Russian government and Moscow city authorities to develop a post-acute and rehabilitation hospital at the Moscow International Medical Cluster. This facility will offer 200 beds of rehabilitation and 50 outpatient places and will specialise in orthopaedics, cardiology, neurology and oncology care. It is scheduled to open in 2022.

The Russian government is willing to set up a leading contender in this still developing industry. Its goal is to jointly establish a network of post-acute and rehabilitation hospitals across the country to help Russian patients recover and return to work and/or living at home.

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

“Our growth accelerated during the first quarter of 2019, lifting our revenue 9.4% to €910 million. This strong performance is supported by the two core pillars of our strategy: a strong organic growth of 4.7% and the contribution of selective acquisitions.

Furthermore, in line with our strategy of international expansion, the partnership with the sovereign fund RDIF and Bpifrance aiming to develop a post-acute and rehabilitation offer in Russia, presents a significant potential given the limited number of existing facilities in this country, and also illustrates ORPEA’s leadership in the European market.

Following a dynamic first-quarter, we are confidently reiterating our guidance of over €3,700 million in revenue (+8.2%) and solid profitability.”

Next press release: H1 2019 revenue
23 July 2019 after the market close

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, divided into 5 clusters:

- France-Benelux: 484 facilities / 42,625 beds (of which 4,514 under construction)
- Central Europe: 238 facilities / 25,419 beds (of which 4,389 under construction)
- Eastern Europe: 125 facilities / 12,917 beds (of which 2,817 under construction)
- Iberian peninsula / Latam: 102 facilities / 15,476 beds (of which 5,668 under construction)
- Other countries: 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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