

SOLID GROWTH OF 8.5% IN Q3 2018 REVENUE TO €865M

✦ STRONG ORGANIC GROWTH OF +5.0%

POSITION IN PREMIUM NURSING HOMES IN GERMANY STRENGTHENED WITH ACQUISITION OF 7 FACILITIES AND SET-UP OF A DEDICATED JOINT VENTURE

2018 GUIDANCE REITERATED

✦ REVENUE OF OVER €3,400 MILLION

✦ EBITDA MARGIN HIGHER THAN IN 2017

Puteaux, 5 November 2018 (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 third quarter of 2018 to 30th September as well as the acquisition of the Axion group in Germany.

In €m	Quarterly			9 months		
	Q3 2018	Q3 2017	Change	2018	2017	Change
France Benelux	513.6	483.0	+6.3%	1,523.8	1,442.6	+5.6%
Central Europe	220.6	200.4	+10.1%	650.4	583.3	+11.5%
Eastern Europe	85.6	77.4	+10.7%	248.6	190.3	+30.6%
Iberian Peninsula	44.6	35.8	+24.7%	120.5	105.3	+14.4%
Rest of the World	0.6	0.5	+16.2%	1.6	1.2	+34.3%
Total revenue	865.0	797.1	+8.5%	2,544.9	2,322.8	+9.6%
<i>Including organic growth¹</i>			+5.0%			+5.1%

Consolidation dates: Anavita in the Czech Republic has been consolidated since 1st April 2017, Dr. Dr. Wagner in Austria since 1st July 2017, Inoges in Germany since 1st January 2018 and Woonzorgnet and Dagelijks Leven in the Netherlands since 1st April 2018 and 1st July 2018 respectively. The asset disposals in France were deconsolidated from 1st April 2018. September and Allertzorg in the Netherlands, as well as Brazil and Portugal will be consolidated from 1st 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.

Positions in Germany strengthened with the acquisition of the facilities of Axion group

As part of its selective expansion strategy, ORPEA is acquiring the facilities of the German group Axion group to build up its presence in the premium nursing homes segment in Germany.

That segment is still under-developed in Germany, but has substantial growth potential. Existing capacity consists of around just 20 facilities despite increasingly strong demand in the major cities for higher standards of quality and services.

The Axion group was founded in 2001 by Mr Tavridis, its current CEO. He is regarded as a renowned expert in the German market given his over 20 years' professional experience in the nursing homes sector and the successful premium model he built up. Axion currently operates 7 facilities with 985 beds, including 2 high-end nursing homes (275 beds) in Hamburg.

In 2017, the facilities generated €30 million in revenue with profitability levels that will be accretive to the margins of the ORPEA's Central Europe region.

At the same time, ORPEA and Mr Tavridis are setting up a joint venture 75%-owned by ORPEA to develop premium facilities in Germany. The aim of the new joint venture is to create new facilities in Germany's major cities focusing solely on locations where purchasing power is very high. Mr Tavridis will be the CEO of the joint venture.

The transaction is still subject to clearance from the German competition authorities. Axion's facilities will be consolidated from 1st January 2019.

This deal fits perfectly with ORPEA's strategy of moving the German network upscale, which aims to create significantly more value over the medium to long term, primarily by building new facilities that stand out from those run by other operators.

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

"ORPEA's growth momentum remained particularly strong in the third quarter, with revenue up 8.5% to €865 million. 60% of this increase came from organic growth (+5.0%) powered by the strategy of value creation the Group has pursued for the past five years at both the existing network and recently opened facilities. Acquisitions contributed the remaining 40% during the quarter, notably through Woonzorgnet and Dagelijks Leven in the Netherlands and Inoges in Germany.

Over the first nine months of the year, the revenue rose by 9.6% to €2,545 million. Organic growth of 5.1% remained strong across all our geographical regions thanks to the quality and positioning of the existing facilities, the ramp-up in facilities opened over the past two years and the addition of more than 2,100 new beds in 7 different countries since the beginning of 2018.

Furthermore, ORPEA continued to execute its strategy of selective acquisitions by accelerating its expansion in the German premium nursing homes segment. As in every country ORPEA is building high-end capacity in prime locations to meet growing demand in major cities.

The recently announced acquisitions, the pipeline of 13,000 beds under construction, additional new projects and geographical diversification are all growth drivers that make the Group confident for the coming years. ORPEA is reiterating its revenue target of over €3,400 million for 2018, and now, a higher EBITDA margin than in 2017."

Next press release: full-year 2018 revenue
12 February 2019 after 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 854 facilities, with 86,757 beds (13,599 of them under construction or redevelopment), including:

- 32,582 beds in France (2,223 beds under construction or redevelopment) at 346 facilities
- 54,175 beds outside France (Austria, Belgium, Brazil, China, Czech Republic, Germany, Italy, Netherlands, Poland, Portugal, Spain and Switzerland) at 508 facilities (11,376 beds under construction or redevelopment)

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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