



Full-year 2016 results

29 March 2017

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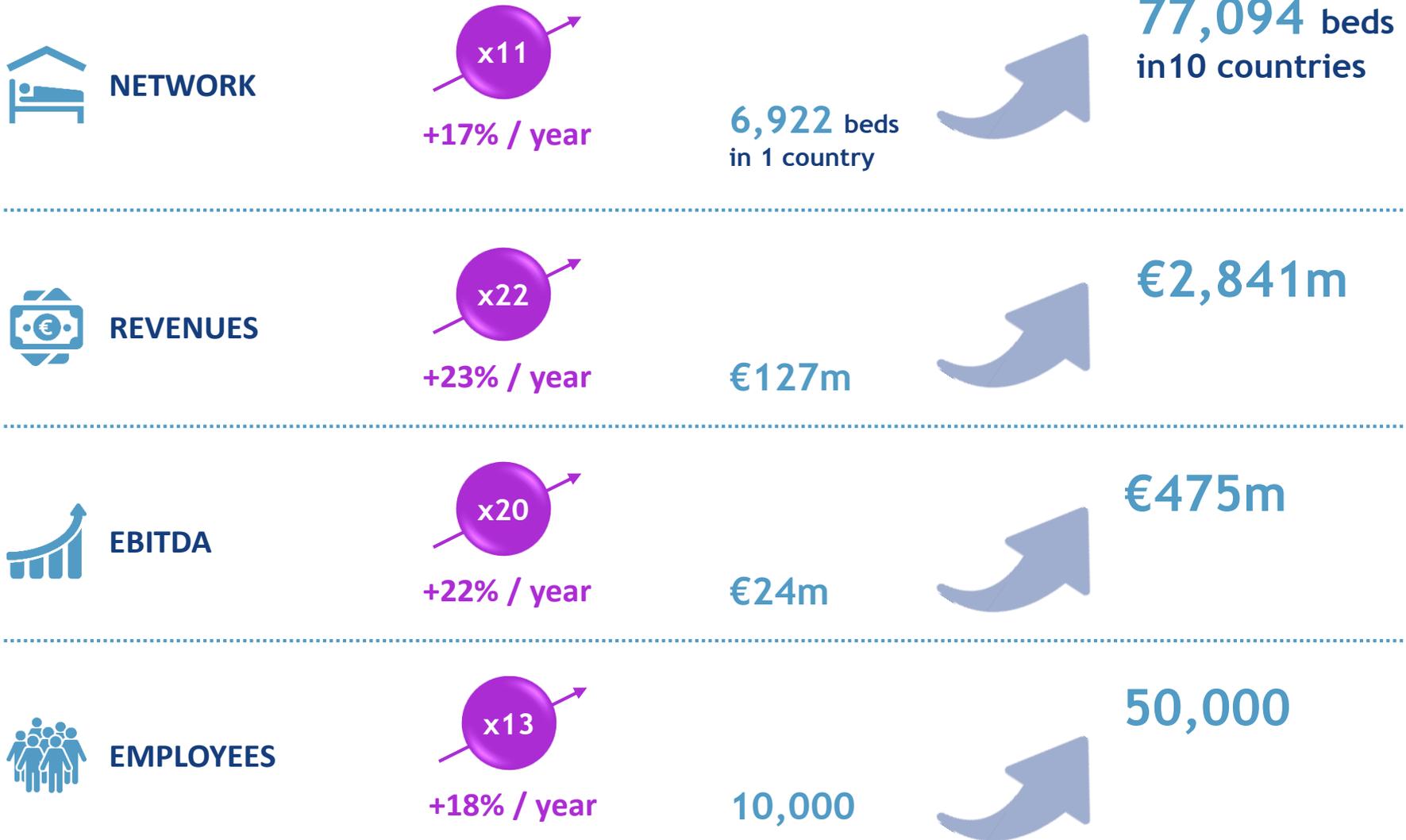


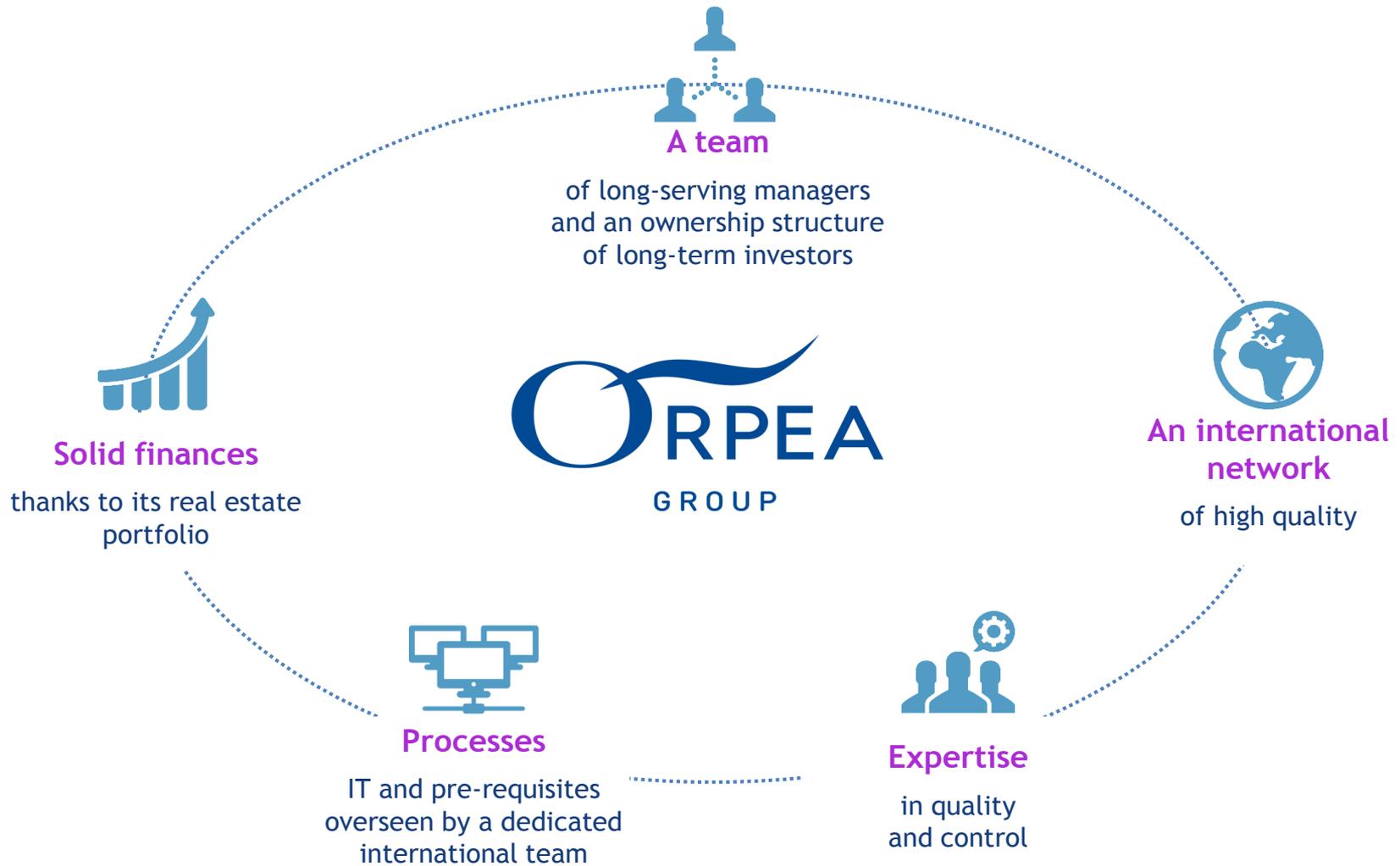


Governance

Dr. Jean-Claude Marian M.D., Philippe Charrier and Yves Le Masne

ORPEA since the IPO: 15 years of development and profitable growth





A highly organised group ready to actively continue the growth dynamic

Dr Marian named Honorary Chairman, Philippe Charrier appointed as Non-Executive Chairman

Philippe Charrier, an entrepreneur with solid experience in healthcare and of rolling out a business model internationally



63 years old,
graduate of the
HEC business
school

Procter & Gamble: where he began his career and became Chairman and CEO for France in 1999

Oenobiol (food supplements): working alongside the founder in 2006, he turned a French company into a multinational group present in 20 countries

Labco (European leader in medical diagnostics): acquired a shareholding in 2011 and was appointed Executive Chairman. He has rolled out the model in numerous countries

Ponroy Santé (natural health products): now Executive Chairman

Active in the charity sector, involved in efforts to combat the social exclusion of vulnerable individuals with psychological and psychiatric conditions

A Non-Executive Chairman
who shares ORPEA's values

- ✦ Entrepreneurial culture
- ✦ Expertise in rolling out a model internationally
- ✦ Experience in the healthcare segment
- ✦ Ethical values



Profile perfectly suited to ORPEA's culture and management

BOARD OF DIRECTORS

12 members



Philippe Charrier
Non-executive Chairman

- ✦ Diversity with shareholder representatives, and independent directors
- ✦ Wealth of experience and expertise - healthcare, finance, marketing, international, customer relationships, legal

EXECUTIVE MANAGEMENT



Yves Le Masne
Chief Executive Officer
Reappointed in advance of original schedule



Jean Claude Brdenk
Chief Operating Officer
Reappointed in advance of original schedule

40 years
of service
between them

EXECUTIVE COMMITTEE



Made up of **10** managers, with an average length of service of close to 15 years and **10** heads of Business Units

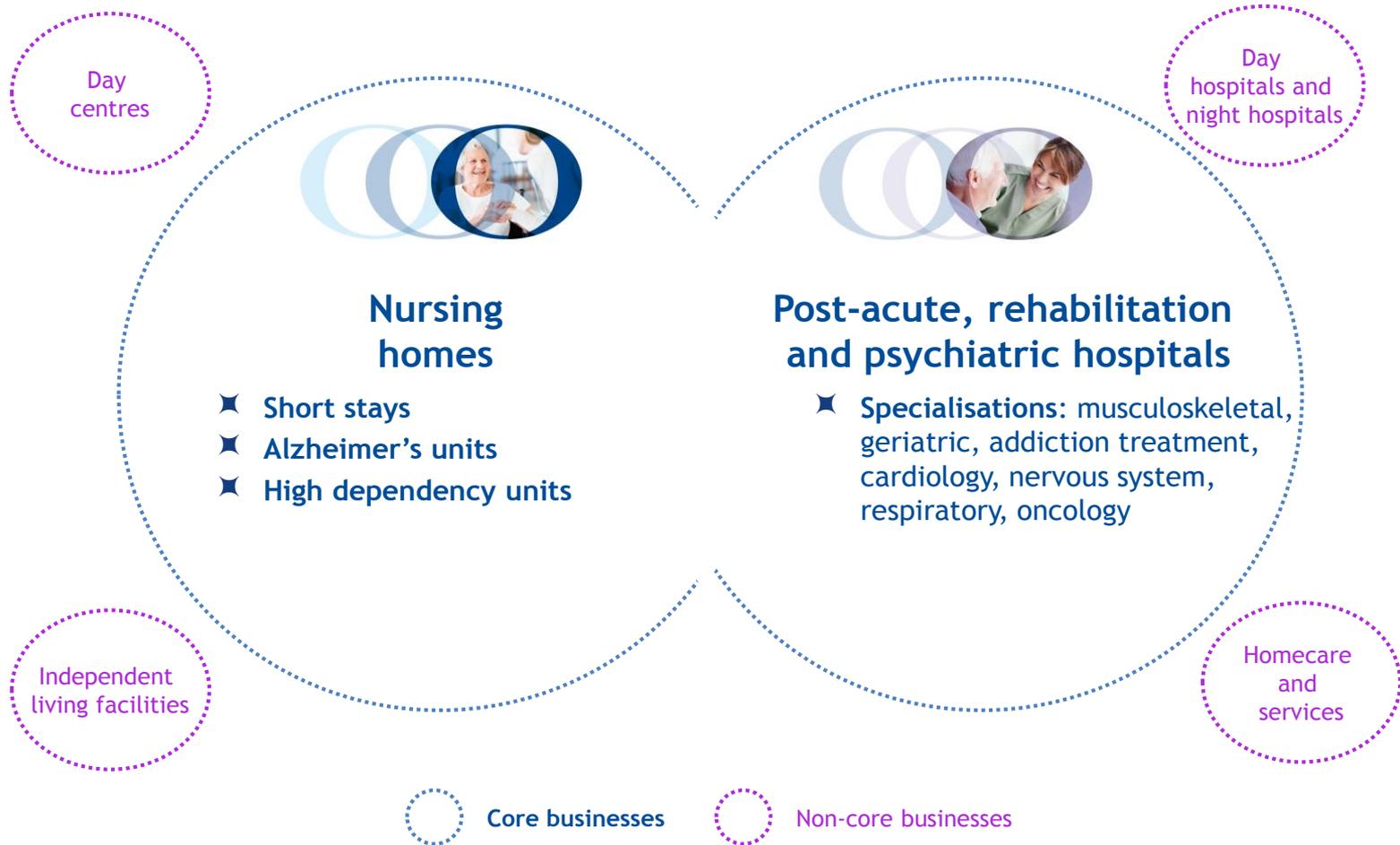


ORPEA's strength: loyal and experienced management team



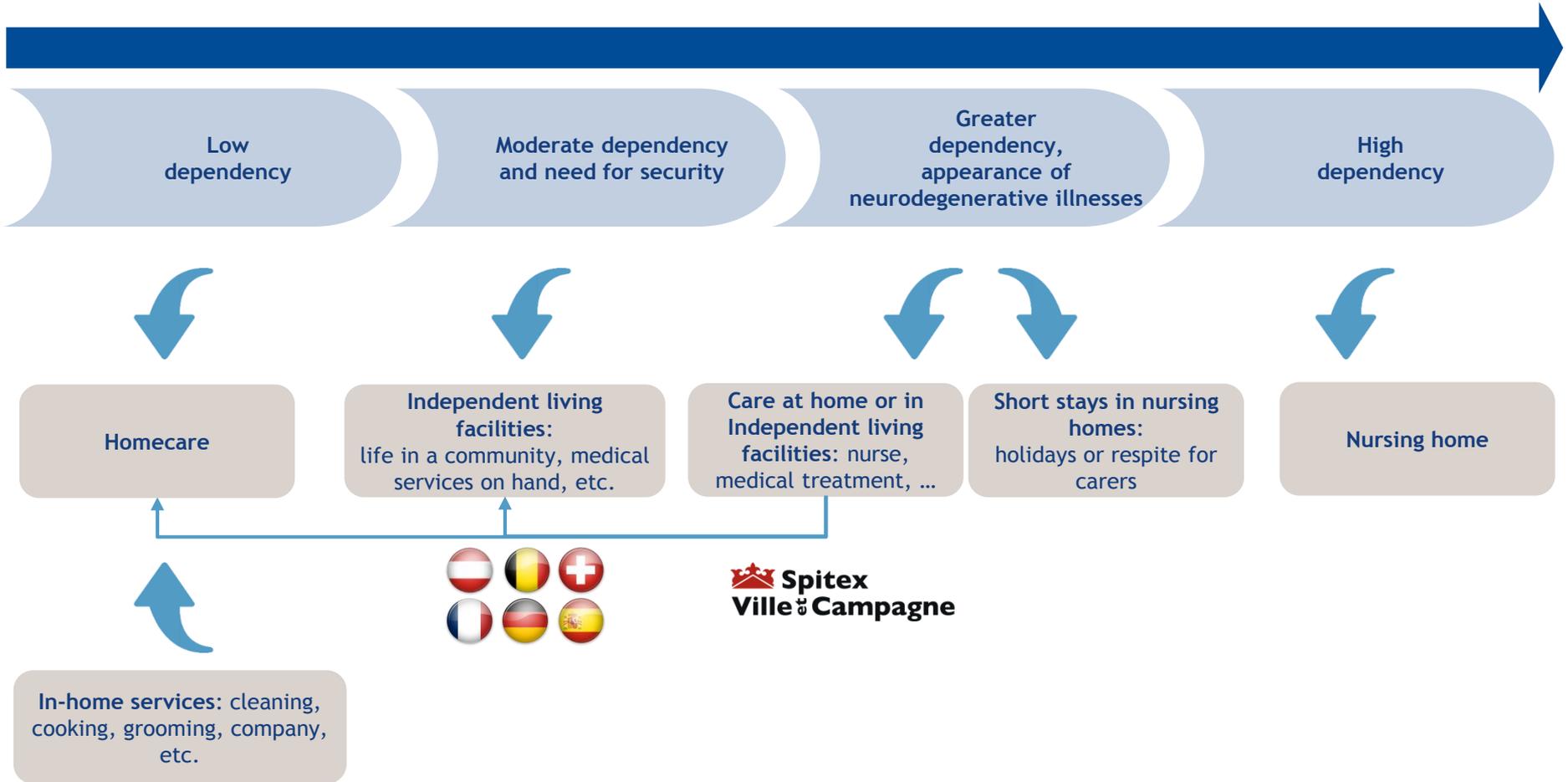
ORPEA's business activities
Jean-Claude Brdenk

Comprehensive offering of mid-term and long-term care for physical and mental conditions



Complementary activities meeting demand from patients and residents and also from supervisory authorities

ORPEA is building an integrated offering that spans the entire care and dependency spectrum



 **Spitex**
Ville & Campagne



 **Spitex**
Ville & Campagne

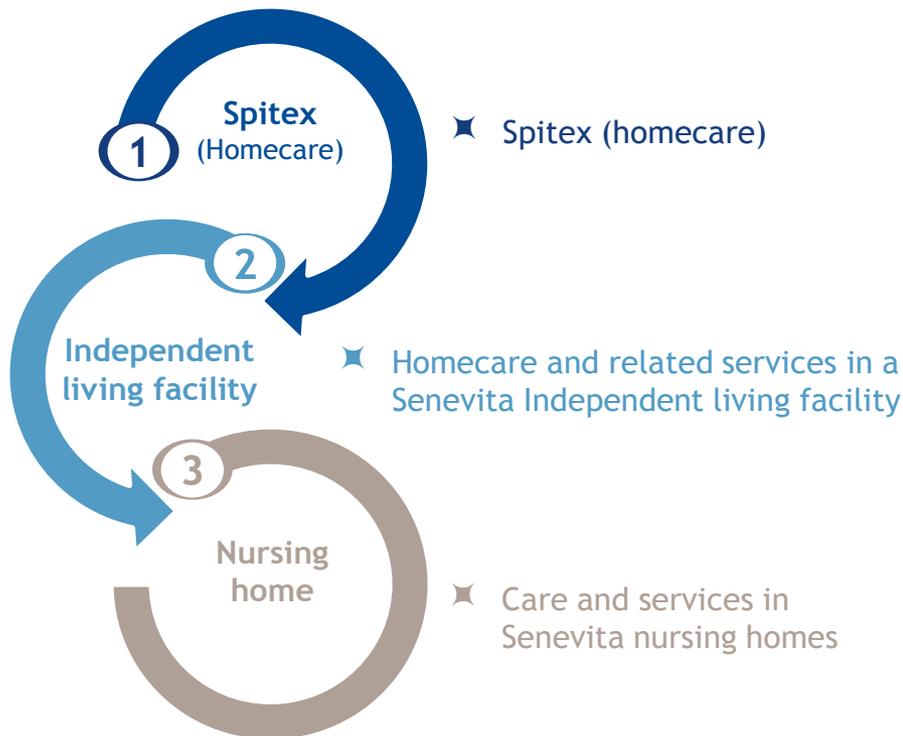
- ✦ **PROVIDE** an offering geared to individuals' needs at every stage of their later life and for every degree of dependency
- ✦ **MEET** demand in society and from the supervisory authorities for more in-home care
- ✦ **GROW** the network of referral partners and the core business
- ✦ **POOL** the Group's expertise and skills



Pooling of operations, providing the full range of services at one site

Expand the service offering

From homecare to nursing homes



 A strategic competitive advantage helping to accelerate expansion in Switzerland

Speed up development of Senevita's network

Independent living facilities are a priority area

- ✦ Spitex and Senevita will **develop Independent Living facilities providing care solutions:**
 - Senevita will provide its know-how in construction and management,
 - Spitex will provide the care
- ✦ **Development of synergies** in staff recruitment and training, invoicing, accounting and payroll



Network and development

Steve Grobet

Total network (number of beds)



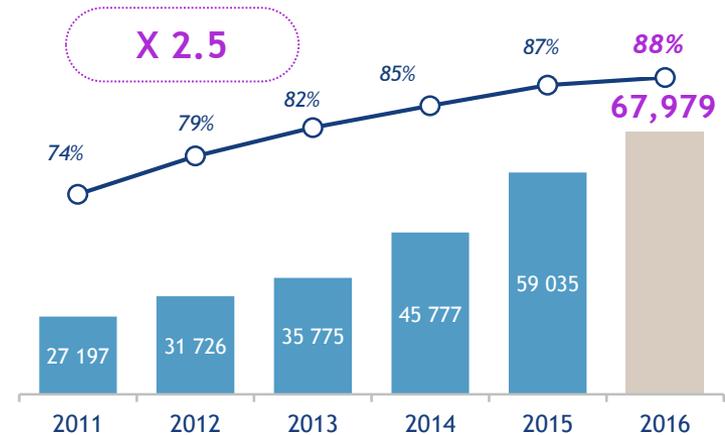
International network

(Number of beds and % of the total network)



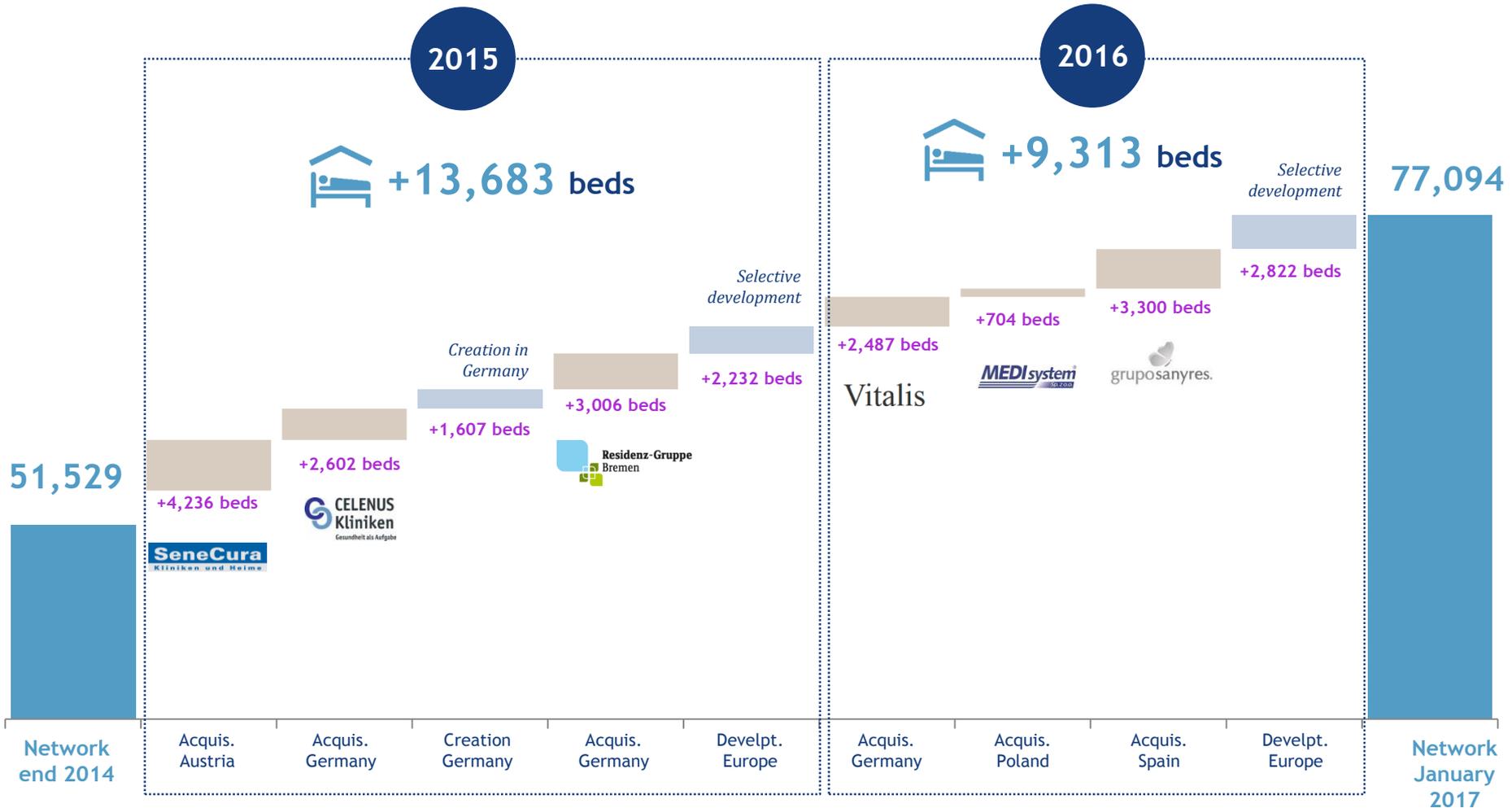
Network maturity

(Number of mature beds and % of the total network)



50% network growth in 2 years through strategic acquisitions and selective development

Total network: +50% = +22,996 new beds





2,822 additional beds in **12 months**

Extensions to existing facilities:

- ✦ In most countries
- ✦ Day/night hospitals
- ✦ Day centres
- ✦ Capacity extensions to 80 beds



Modest impact on revenues, but highly positive impact on margins

New permits to open new facilities:

- ✦ Switzerland, Poland, Czechia and Belgium
- ✦ Prime locations: Prague, Warsaw, Poznań, etc.



3 to 4 year projects sustaining organic growth and delivering high margins at maturity

Selective acquisitions of independent facilities:

- ✦ Switzerland, Spain, Austria, France
- ✦ Facilities in prime locations at an attractive price



Substantial potential for margin improvement



Duplication of ORPEA's development model in every country

Acquisition (real estate and business) of 2 luxury nursing homes in Vienna

- ✦ Located in Döbling, Vienna's 2nd most expensive district after the city centre itself



289 beds



Creation of a (post-acute/rehabilitation and nursing home) complex in Poznań (Poland)

- ✦ Location in an historic building in the very centre of the city

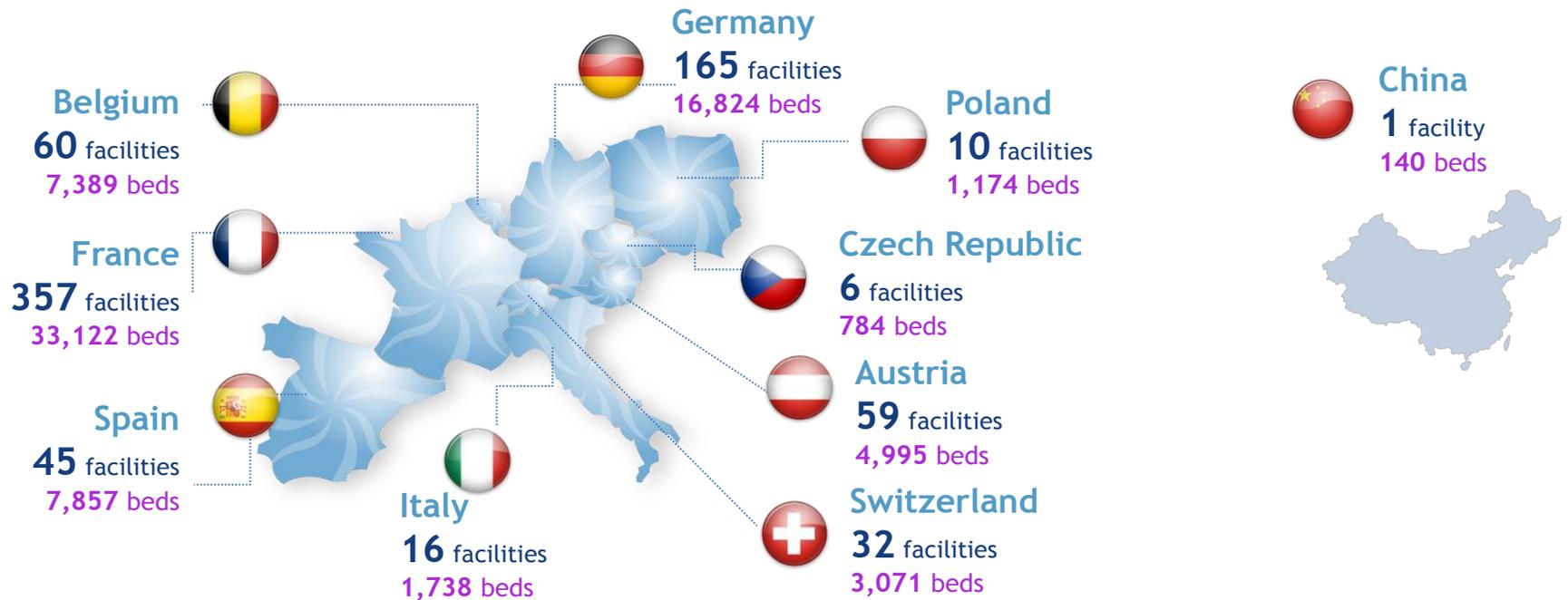


>300 beds



A network of 751 facilities in 10 countries

 **77,094** beds  **751** facilities



 **57%** of the network outside France

A network delivering consistent quality and tailored to each country's culture

A model common to all the countries in which it operates



Adaptation to the local culture

- ✦ Catering
- ✦ Events and entertainment
- ✦ Care arrangements
- ✦ Sector regulations
- ✦ Human resources policy

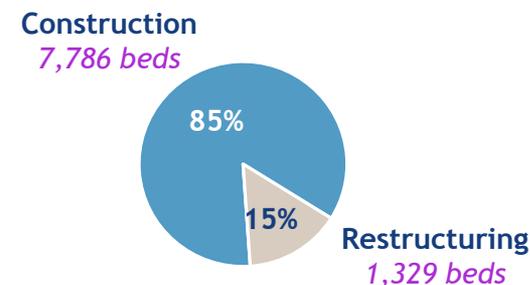


A model replicable in numerous countries with its primary focus on Quality

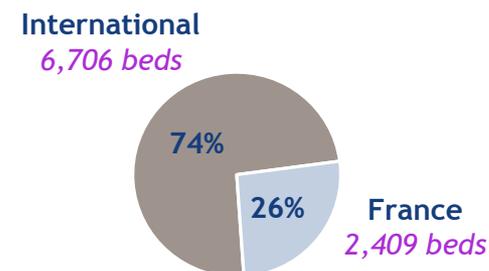
European growth pipeline of 9,115 beds

	Open beds	Beds being restructured	Beds under construction	Pipeline (% of beds under development)
FRANCE	30,713	1,030	1,379	7%
GERMANY	14,518	0	2,306	14%
AUSTRIA	4,776	0	219	4%
BELGIUM	5,412	239	1,738	27%
CHINA	140	0	0	0%
SPAIN	7,697	0	160	2%
ITALY	1,271	60	407	27%
POLAND	704	0	470	40%
CZECH REP.	210	0	574	73%
SWITZERLAND	2,538	0	533	17%
TOTAL	67,979	1,329	7,786	12%

Breakdown of the pipeline by type



Geographical breakdown of the pipeline



Growth pipeline = secured organic growth for the next 3 to 4 years



ORPEA China

Ramp-up in the Nanjing facility

- ✦ Launched in 2016, now gradually building momentum
- ✦ Flagship for the Chinese market, generating strong interest from families, investors and public-sector bodies: recognised as an exemplary facility



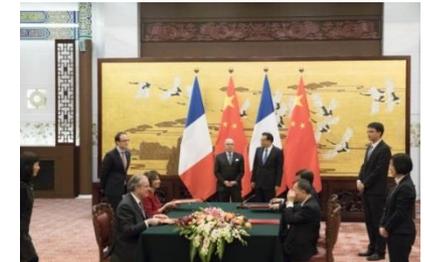
ORPEA, a key participant in Franco-Chinese relations in the theme of population ageing

- ✦ Meeting at the Ministry between ORPEA, the Mayor of Nanjing and Ms Boistard, French Secretary of State for the elderly
- ✦ ORPEA invited to join the party for the French Prime Minister's first official visit to China in March 2017 evidencing Franco-Chinese cooperation in caring for the elderly



Several development projects

- ✦ ORPEA's objective: continue to expand while keeping a grip on risk-taking
- ✦ Management agreement and joint venture plans with prestigious Chinese public- and private-sector companies

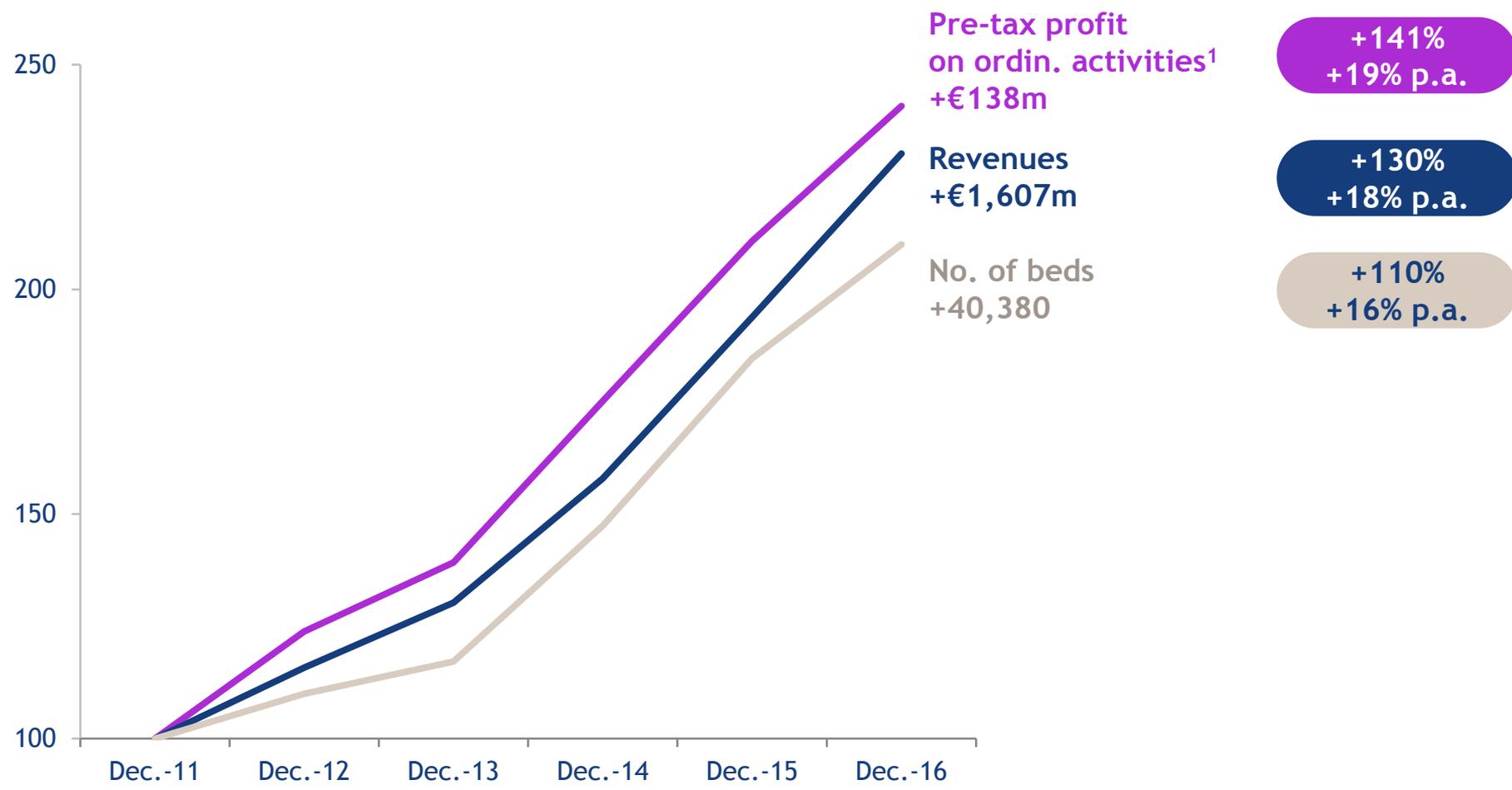




Full-year 2016 results
Yves Le Masne and Sébastien Mesnard

ORPEA' trend over the past 5 years: development, growth and profitability

Financial illustration of ORPEA's business model focused on value creation

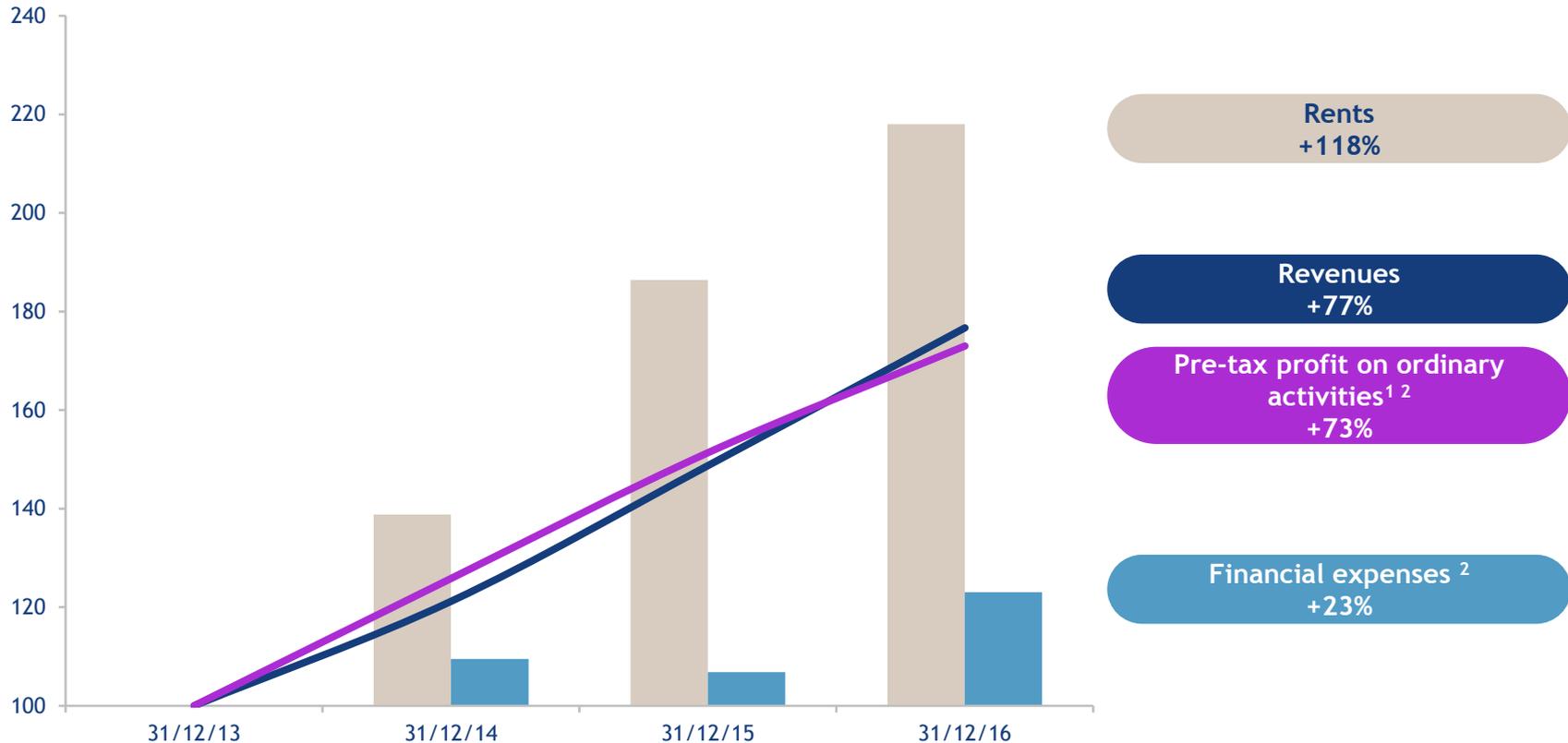


¹ Pre-tax profit on ordinary activities = Operating profit on ordinary activities - Net financial expense
Excluding change in the fair value of share allotment entitlements embedded in ORNANE bonds

* See definitions in the glossary

3-year analysis (2014 - 2016): sound management of a phase of rapid expansion (+34,149 beds)

Tight integration of predominantly “asset-light” acquisitions (Base index 100 as at 31.12.13)



Firm grip on profitability despite acquiring over 34,000 beds in 5 countries

¹ Pre-tax profit on ordinary activities = Operating profit on ordinary activities - Net financial expense

² Excluding change in the fair value of share allotment entitlements embedded in ORNANE bonds

* See definitions in the glossary

2016 TARGETS

2016 ACHIEVEMENTS

① Initial revenue: €2,720m (+14%)
Updated to €2,810m (+17.5%)

+18.8%
€2,841m

② Solid organic growth*

+6.0%
€140m

③ Firm EBITDA* margin

Flat (16.7%)
Excl. acquisitions: **+90 bp (17.6%)**

④ Reduction in cost of debt

-60 bp
3.20%

⑤ Strengthening the real-estate portfolio¹

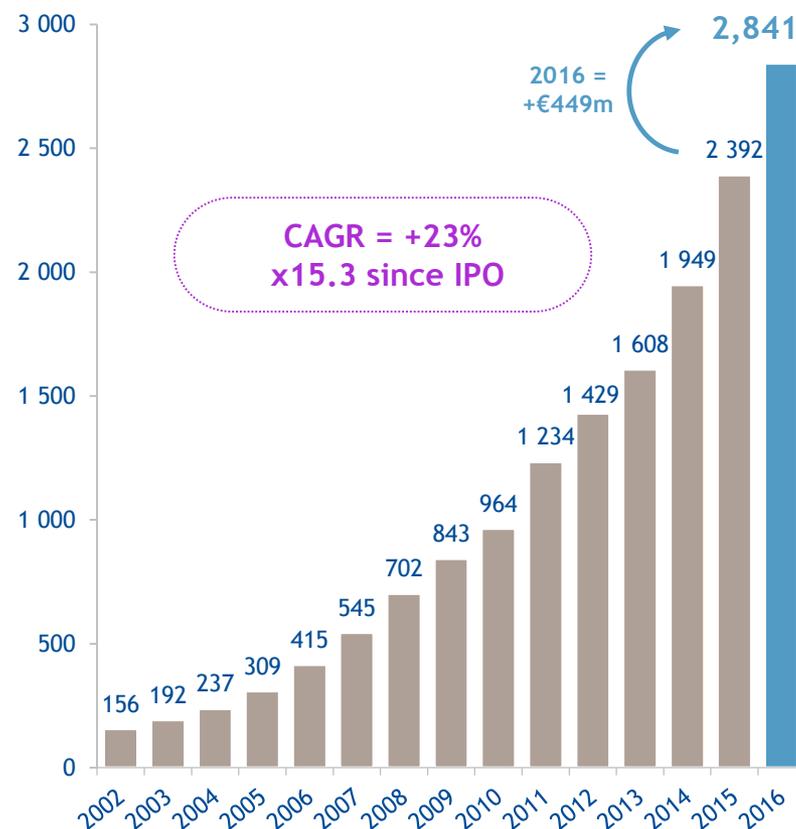
+€644m
€4,089m

¹ Excluding the impact of €67m in assets held for sale as at 31.12.16

* See definitions in the glossary

€m	2016	2015	Change
France	1,695.4	1,596.6	+6.2%
	60%	67%	
International	1,145.8	795.0	+44.1%
	40%	33%	
Germany	501.0	287.5	
Austria	176.3	109.8	
Belgium	162.1	157.8	
China	0.4		
Spain	101.7	63.9	
Italy	48.5	45.9	
Poland	11.3		
Switzerland	142.9	130.1	
Czech Rep.	1.7		
Total	2,841.2	2,391.6	+18.8%

Annual revenues growth since IPO



Sound organic growth* in 2016

- ✦ Openings: 2,700 beds
- ✦ Organic growth: +6.0%

* See definitions in the glossary

Company	Country	2016 consolidation period
SeneCura	Austria	3 months
Celenus Kliniken	Germany	6 months
Residenz Gruppe Bremen	Germany	9 months
Vitalis	Germany	12 months
Medi-System	Poland	12 months
Sanyres	Spain	6 months



€273m of revenues in 2016

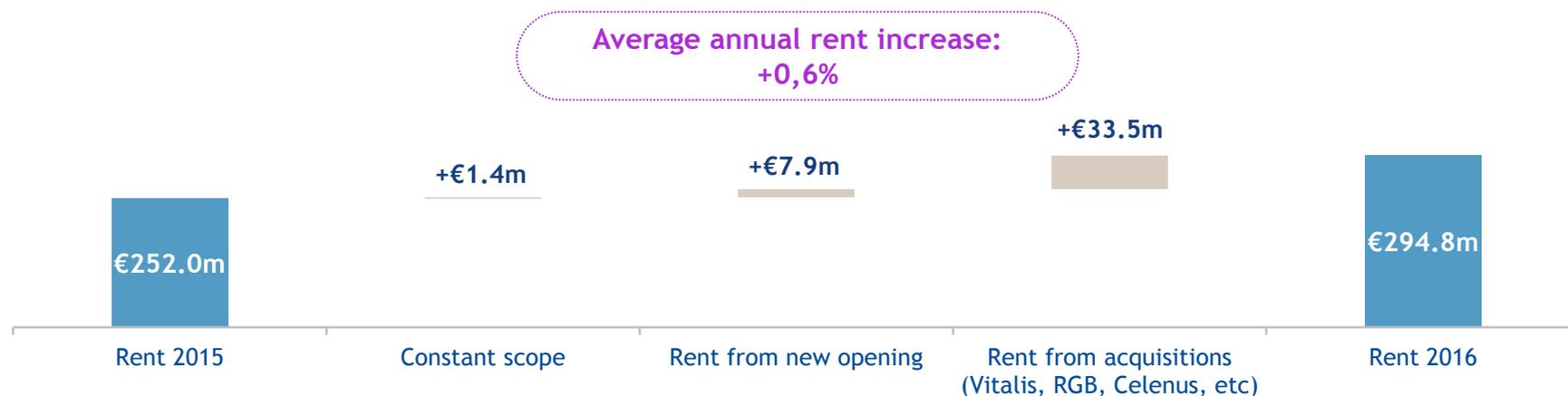
Strong increase in EBITDAR and EBITDA margin excluding acquisitions

	2016			2015	Change
	Total	Acquisitions in 2016	ORPEA excluding acquisitions in 2016	Total	ORPEA excluding acquisitions
EBITDAR margin*	27.1%	22.2%	27.6%	27.3%	+30 bp
EBITDA margin*	16.7%	7.8%	17.6%	16.7%	+90 bp

Strong increase in Recurring EBITDA* up 18,5%

<i>In m</i>	2016	2015	<i>Change</i>
Revenues	2841.2	2391.6	+18.8%
Staff costs	-1467.3	-1216.7	+20.6%
Purchases	-522.6	-446.5	+17.0%
Tax expenses	-96.6	-90.7	+6.4%
Other income and expenses	14.5	14.8	N.A.
EBITDAR* (Recurring EBITDA before rent)	769.3	652.4	+17.9%
<i>% of revenues</i>	27.1%	27.3%	
Rent	-294.8	-252.0	+17.0%
Recurring EBITDA*	474.5	400.5	+18.5%
<i>% of revenues</i>	16.7%	16.7%	

Rents (in €m)



Geographical breakdown of EBITDAR* margin

In €m	2016			2015			Comments
	Rev.	EBITDAR*	% of rev.	Rev.	EBITDAR*	% of rev.	
 France	1695.4	495.6	29.2%	1596.6	451.2	28.3%	+90 bp as result of network's maturity
 Germany	501.0	133.5	26.7%	287.5	76.6	26.6%	+10 bp despite acquisitions of Vitalis and RGB
 Austria	176.3	34.5	19.6%	109.8	23.6	21.5%	Impact of new openings and selective acquisitions
 Belgium	162.1	29.3	18.1%	157.8	31.2	19.8%	Impact of new openings and restructuring
 China	0.4	-3.1	N.A.				Opened in 2016
 Spain ¹	71.4	17.2	24.1%	63.9	15.2	23.8%	+30 bp as result of network's maturity
 Sanyres	30.3	4.3	14.2%				Acquisition on 1 July 2017
 Italy	48.5	7.2	14.8%	45.9	5.5	12.0%	+280 bp to the ramp-up in new openings
 Poland	11.3	1.8	16.3%				Acquisition in 2016
 Czech Rep.	1.7	-2.4	N.A.				First year in operation
 Switzerland ²	103.3	34.2	33.1%	94.6	31.2	33.0%	+10 bp

¹ Excluding Sanyres

² Excluding the Independent Living business in Switzerland

* See definitions in the glossary

Attributable net profit¹ up 15.8%

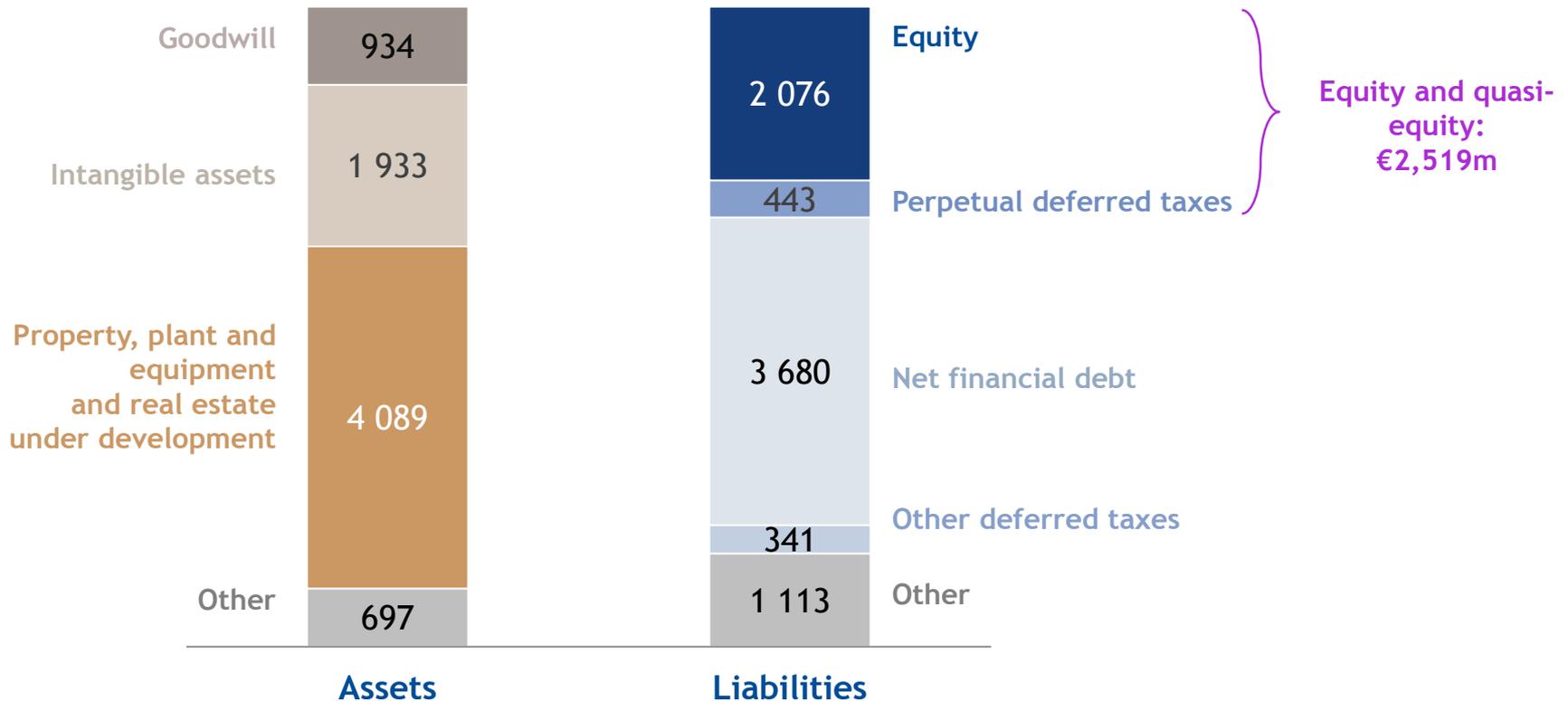
In €m	2016	2015	Change
Recurring EBITDA*	474.5	400.5	+18.5%
Depreciation, amortisation and provisions	-126.5	-96.9	+30.5%
Recurring operating profit	348.1	303.6	+14.7%
Net financial expense ¹	-111.6	-96.8	+15.2%
Pre-tax profit on ordinary activities*¹	236.5	206.7	+14.4%
Non-recurring items	22.9	19.5	<i>N.A.</i>
Pre-tax profit¹	259.4	226.2	+14.7%
Tax expense ¹ excluding discounting of deferred taxes	-85.6	-76.3	+12.2%
Share in income from equity affiliate	3.8	3.4	<i>N/A</i>
Attributable net profit¹ excluding discounting of deferred taxes	177.6	153.3	+15.8%
Discounting of deferred taxes	80.0	0.0	<i>N/A</i>
Attributable net profit¹	257.6	153.3	<i>N/A</i>

¹ Excluding change in the fair value of share allotment entitlements embedded in ORNANE bonds equal to -€1,8m (gross) in 2016 and -€43.0m (gross) in 2015

* See definitions in the glossary

<i>In €m</i>	2016	2015
EBITDA	475	401
Net cash generated by operating activities	346	314
Construction Capex	-250	-256
Acquisition of real estate	-545	-690
Disposal of real estate	140	210
Net real-estate investment	-655	-736
Net investment in operating assets	-131	-278
Net cash from financing activities	461	597
Change in cash over the period	21	-103
Cash at end of the period	540	519

Simplified balance sheet¹ as at 31.12.16 (in €m)



Total net financial debt up €666m in 12 months
Value of real-estate assets up €644m

¹ Excluding €140m in assets and debt associated with assets held for sale

Indicators	31 Dec. 2016	31 Dec. 2015
Net financial debt* (€m)	3,680	3,014
% real-estate debt	84%	78%
Restated financial leverage ¹	2.3	2.9
Restated gearing ²	1.5	1.4

¹ $\frac{\text{Net financial debt} - \text{real-estate debt}}{\text{Ebitda} - (6\% \text{ real-estate debt})}$

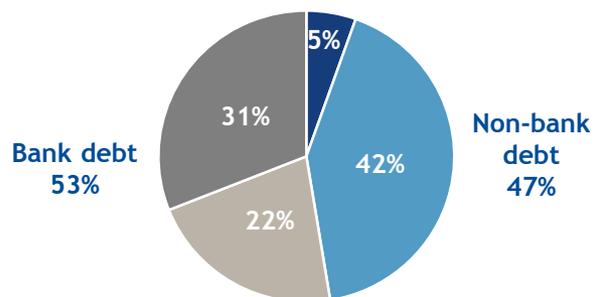
² $\frac{\text{Net financial debt}}{\text{Equity} + \text{quasi-equity}}$

Covenants comfortably met

Restated financial leverage ¹

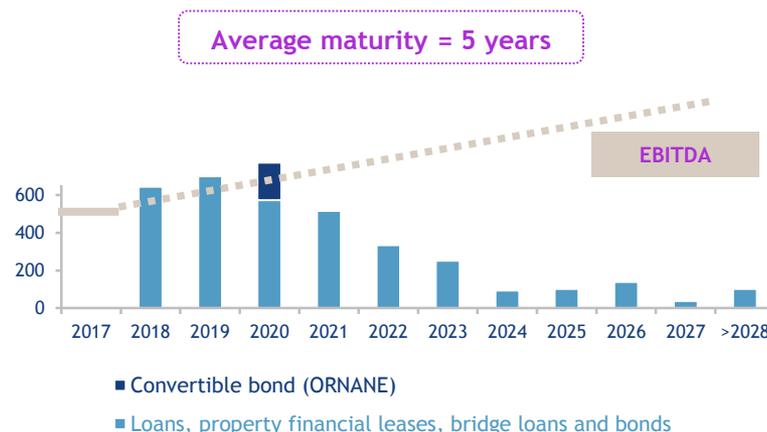


Diversified net debt*



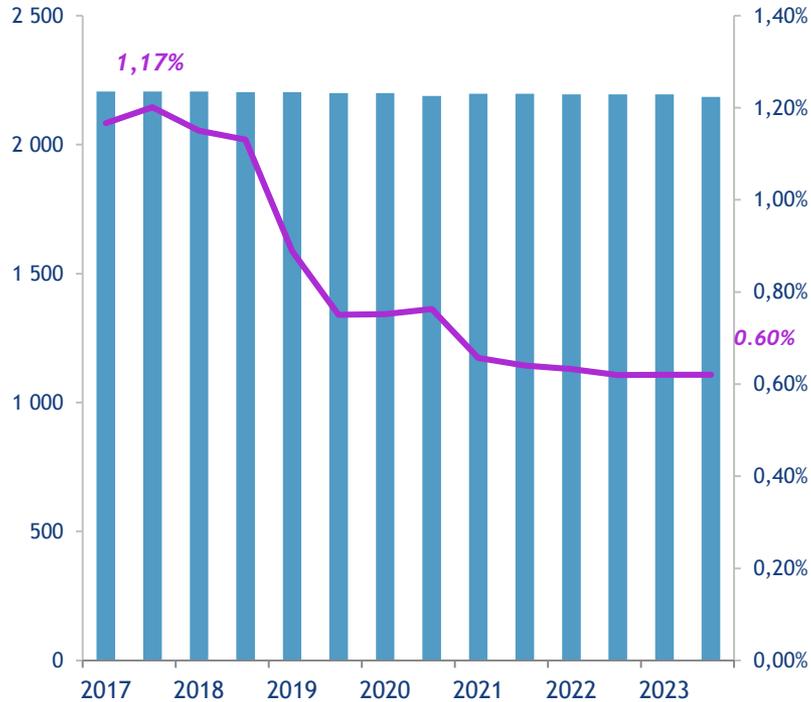
- Convertible bond
- Bonds and Schuldschein
- Property financial lease
- Bank loans

Net debt* maturity profile



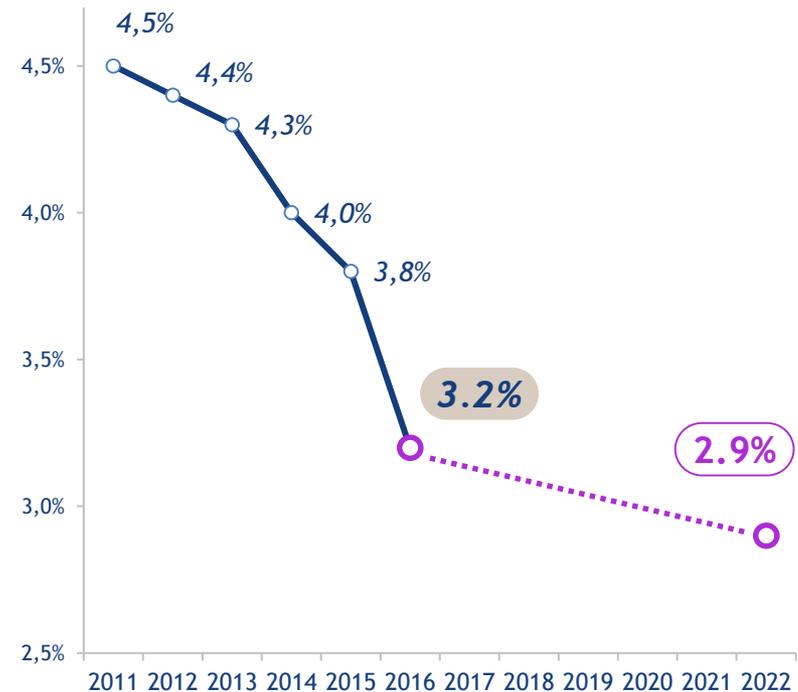
*Excluding €140m in debt associated with assets held for sale as at 31.12.16 and €200m as at 31.12.15

Floating-rate net debt 100% hedged



■ Amount hedged as at 31.12.16 — Rate hedged as at 31.12.16

Fall in the cost of debt



A 100% net debt at fixed rate

Operating business

77,094 beds

(including 9,115 under development)



2016 annual revenues

€2,841m

EBITDA

= 2016 EBITDA 2016 - rent at 5,5%* of
owned real-estate in service (€3,646m)

€275m

Net operating debt

€584m

Operating financial leverage

2.1 x EBITDA

2.8 x at 31.12.15



REDUCTION IN "OPERATIONAL"
FINANCIAL LEVERAGE

Real-estate portfolio

1,525,000 sqm



Total value of the portfolio¹

€4,089m

- In service
- Under construction

€3,646m
€443m

Net real-estate debt

€3,096m

- For properties in service
- For properties under construction

€2,653m
€443m



ORPEA'S REAL ESTATE:
HIGH-VALUE, LOW-RISK
ASSETS

* Conservative rental yield. Current market yield around 5% (example: 4.6% for a portfolio of long-term care facilities bought by Primonial REIM for €301m in July 2016)

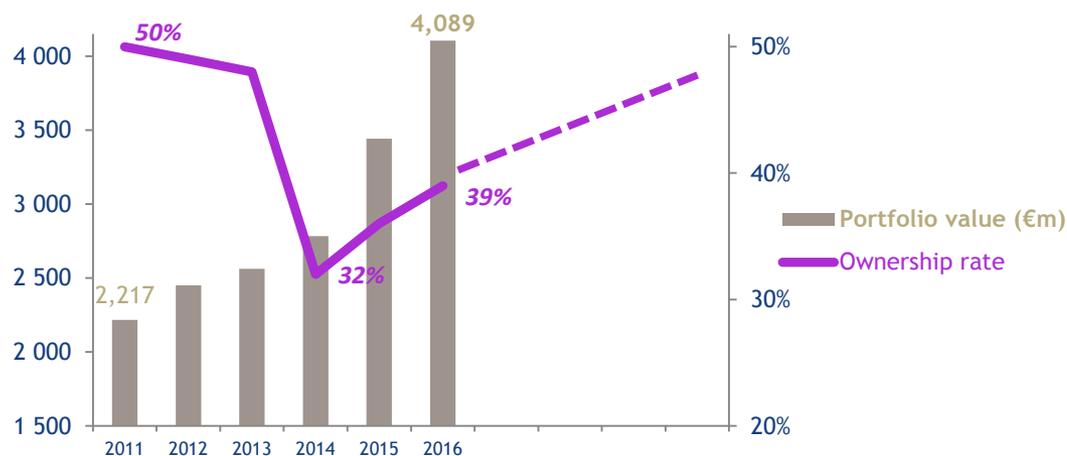
¹ Excluding the impact of €67m in assets held for sale as at 31.12.16

Real-estate portfolio: €4.1Bn (+19% in 12 months)

	31 Dec. 2016	31 Dec. 2015	Change
Ownership rate	39%	36%	+3 pts
Constructed area (sqm)	1,525,000	1,155,500	+32%
Total value ¹ (€m)	4,089	3,444	+19%
Average yield on properties valued by DTZ and JLL	6.1%	6.3%	-20 bp

Ownership rate on buildings in service	
TOTAL Group	39%
France	50%
Germany	9%
Austria	39%
Belgium	45%
Spain	61%
Italy	33%
Poland	86%
Switzerland	7%
Czech Rep.	0%

Portfolio growth (€m) and ownership rate



¹ Excluding the impact of €67m in assets held for sale as at 31.12.16



Resilient real estate

- ✘ Real-estate holdings far less cyclical than commercial property owing to the low level of the two principal risks
- ✘ Very low risk of tenant default: tenant = ORPEA.
- ✘ Low vacancy risk because activity is not very cyclical (demographics and demand for high-quality beds)



High-quality assets

- ✘ Recent assets: average age of 14 years
- ✘ Buildings designed, built or renovated by ORPEA
- ✘ Prime locations: city centres and areas with strong purchasing power
- ✘ First-class building maintenance in response to demand from residents and patients



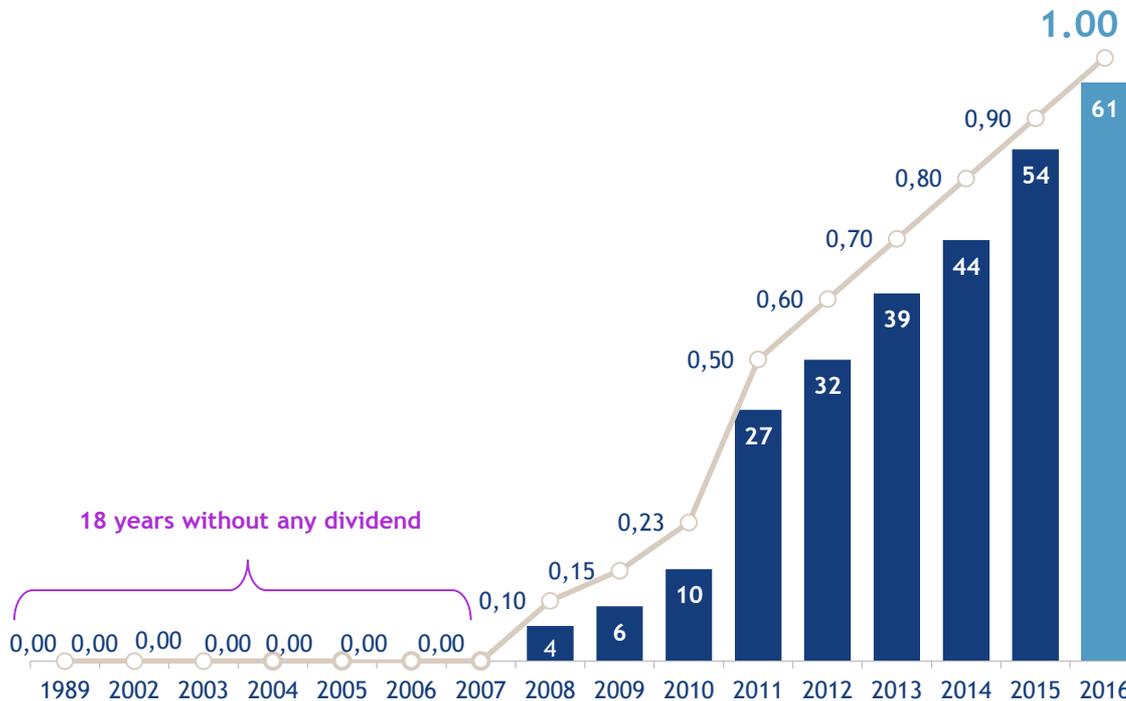
A crucial tool for flexibility and sustainability

- ✘ Flexibility to carry out extensions/restructuring without any increase in real estate costs
- ✘ Cash flows sustainable over the long term
- ✘ Adjustment variable for operating performance



Strategy bolstered by introduction of IFRS 16

Proposed dividend to the 2016 General shareholder meeting: €1.00 / share



Increase in dividend per share:
+11%

Yield*:
1.1%

** Based on the closing price of the share as at 27.03.17*

Payout ratio of the net profit:
33%

■ Distributed amount (€m) ○ Dividend per share (€)



New openings in 2016 and 2017
Yves Le Masne

Openings in 2016 represent 2,700 beds and include:



Paris 17th (France) - 125 beds



Cannes (France) - 86 beds



Brussels (Belgium) - 112 beds



Basel (Switzerland) - 93 beds



Berlin (Germany) - 180 beds



Knokke-le-Zoute (Belgium) - 130 beds



Prague (Czech Republic) - 115 beds



Wildbad (Austria) - 103 beds



Venice (Italy) - 120 beds

Openings in 2017 represent more than 2,000 beds and include:



Brussels Overijse (Belgium) - 80 beds



Paris 16th (France) - 87 beds



Callian (France) - 80 beds



Bern (Switzerland) - 226 beds



Zürich (Switzerland) - 80 beds



Lake Magiorre (Italy) - 80 beds



Kolin (Czech Republic) - 131 beds



Sitzenberg (Austria) - 80 beds



Ardoois (Belgium) - 175 beds



Strategy and outlook

Yves Le Masne

– 1 –

Creation of new facilities

in locations with strong purchasing power

– 2 –

Selective acquisitions

of independent facilities or small groups on attractive terms

– 3 –

Network optimization

through extensions of existing facilities, specialisation and development of non-core activities

In all the countries where the Group is present



In new geographical regions with substantial demand for long-term care and in cities with strong purchasing power

Real estate

Combination of full ownership and renting | Ownership in the best locations

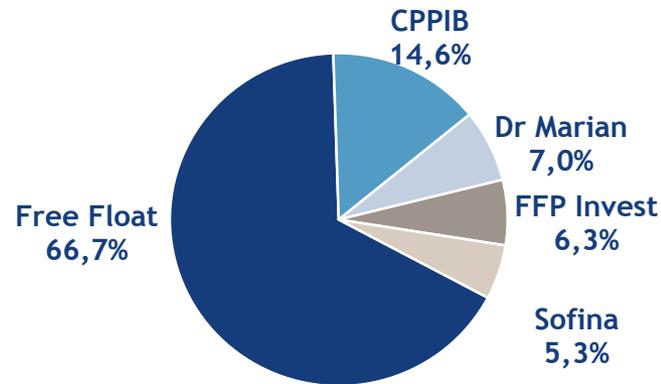




Appendices

In €m		31-Dec-16	31-Dec-15
ASSETS	Non-current assets	7,091	6,169
	Goodwill	934	842
	Intangible assets	1,933	1,751
	Property, plant & equipment and property under development	4,089	3,445
	Other non-current assets	135	132
	Current assets	1,102	1,002
	<i>Of which cash, cash equivalents and marketable securities</i>	540	519
	Assets held for sale	140	200
	TOTAL ASSETS	8,333	7,371
EQUITY AND LIABILITIES	Equity attributable to equity holders of the parent and permanent deferred taxes	2,519	2,303
	Equity attributable to equity holders of the parent	2,076	1,810
	Deferred taxes on intangible assets	443	493
	Non-controlling interests	0	0
	Non-current liabilities	4,434	3,788
	Other deferred tax liabilities	341	359
	Provision for liabilities and charges	215	137
	Medium- and long-term financial debt	3,803	3,219
	Change in the FV of share allotment entitlements embedded in ORNANE	75	73
	Current liabilities	1,240	1,080
<i>Of which short-term debt (bridging loans)</i>	417	314	
	Debt linked to assets held for sale	140	200
	TOTAL EQUITY AND LIABILITIES	8,333	7,371

Shareholding structure % of share capital as at 31.12.16



A 12 members Board with complementary skills

- ✦ Dr Marian, Honorary Chairman
- ✦ Board members:
 - Philippe Charrier - Non-executive Chairman
 - Yves Le Masne - CEO
 - Alexandre Malbasa
 - Jean Patrick Fortlacroix
 - FFP Invest (Thierry Mabilbe de Poncheville)
 - Sophie Malarne Lecloux (appointed on proposal by Sofina)
 - Alain Carrier (appointed on proposal by CPPIB)
 - Christian Hensley (appointed on proposal by CPPIB)
 - Bernadette Chevallier
 - Brigitte Lantz
 - Laure Baume
 - Sophie Kalaidjian (Employees representative)

Strong value creation since the IPO (€m)



Organic growth	<p>The Group's organic revenue growth reflects:</p> <ol style="list-style-type: none">1. The year-on-year change in the revenues of existing facilities as a result of changes in their occupancy rates and daily 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 revenues at recently acquired facilities by comparison with the previous equivalent period.
EBITDAR	EBITDA before rent, including provisions related to "external charges" and "staff costs"
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

Market data (12 months)

- ✦ Average daily volume: **200,000 shares (=€14m)** across all platforms
- ✦ Share price: **€86.00**
- ✦ High (12-months): **€86.00**
- ✦ Low (12-months): **€67.21**
- ✦ Turnover: **74% in 12 months**
- ✦ Market cap.: **€5,183m**
- ✦ Number of outstanding shares: **60,273,691**



Data as at 17 March 2017

Indices

- ✦ Compartment A of Euronext Paris
- ✦ MSCI Small Cap Europe, STOXX Europe 600, CAC Mid 60, SBF 120,
- ✦ Member of SRD

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