

# ORPEA

## LIFE GOES ON WITH US

### ANOTHER STRATEGIC ACQUISITION IN GERMANY:

- CELENUS KLINIKEN, A LEADING NAME IN POST-ACUTE CARE REHABILITATION AND PSYCHIATRIC<sup>1</sup> FACILITIES
- NETWORK OF 2,602 BEDS (15 FACILITIES) THAT GENERATED REVENUE OF €100 MILLION IN 2014

**EUROPEAN NETWORK NOW UP TO 60,936 BEDS IN 615 FACILITIES  
46% OUTSIDE FRANCE**

**2015 REVENUE TARGET RAISED TO €2,360 MILLION (GROWTH OF 21.1% VS. 2014)**

**Puteaux, 18 May 2015:** The ORPEA group, a leading European player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, has today announced the acquisition of Celenus Kliniken, Germany's third-ranked private operator specialised in post-acute care, rehabilitation and psychiatric (somatic and psychosomatic care) facilities, from funds advised by AUCTUS.

#### **Celenus Kliniken, Germany's: a strong quality reputation network**

Founded in 2010, Celenus Kliniken has grown in just four years to become the third largest private operator specialised in post-acute care rehabilitation and psychiatric care (somatic and psychosomatic) in Germany, with a network of 2,602 open beds in 15 facilities (+1 day care center).

Celenus has developed a quality-driven, specialised and highly reputed offering:

- Post-acute care and rehabilitation with various specialisations: orthopaedics, oncology, cardiology, neurology, etc.
- Psychosomatic care, treating various psychological and psychosomatic conditions: acute pain, tinnitus, eating disorders, depression, etc.

Together with the Silver Care network acquired in 2014, Celenus dovetails perfectly with the offering established by ORPEA in a single sector in Germany and in all the countries in which it has a presence – integrated physical and mental health care over the medium and long term.

*“After a rapid burst of expansion through acquisitions and new openings, Celenus has overhauled its offering and introduced organisational and efficiency improvements over the past two years, making it an excellent development platform ready for rapid growth”,* describes Dr. Daniel Meuthen, Partner at AUCTUS and Head of Healthcare / Healthcare Services, the development of Celenus.

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<sup>1</sup> Somatic and psychosomatic care facilities

Celenus' network and care offering fits perfectly with ORPEA's criteria:

- it has built a strong reputation for its specialisation and its standard of quality; 3 facilities were among the top 10 German post-acute care and rehabilitation facilities according to the German Pension Insurance rankings;
- it has facilities in regions where purchasing power is strong: 80% of its facilities are located in Saxony or Baden-Württemberg;
- a very high percentage (90%) of its rooms are single rooms;
- its facilities are large, with over 160 beds on average;
- an expert-led executive team with a strong reputation in the German healthcare industry for both its record in mergers and acquisitions and the operational management of healthcare facilities.

### **An expanding sector, with consolidation in progress**

In Germany, the public authorities greatly value the post-acute care and rehabilitation sector because it helps to:

- provide support for the labour market insofar as the goal of treatment is to help the patient to return to work;
- keep the public finances in good shape, by increasing revenues through the number of active employees and, secondly, by reducing spending (post-acute care and rehabilitation facilities are less expensive than hospital or in-home medical care).

Over 60% of the commercial private sector, which accounts for 54% of facilities, is operated by independent companies. The four main groups (including Celenus) account for just 14% of beds.

As a result, a major wave of concentration has begun in Germany, with the larger players looking to build a specialised and better suited range of care solutions in modern facilities located at the heart of major population centres. In parallel, privatisation transactions are also likely to be seen.

### **An effective new development platform for taking part in this consolidation**

Celenus is well-equipped to play an active role in consolidating the German sector:

- it has an expert-led team, with networks covering every main area of post-acute care and rehabilitation;
- its organisation is built to support further expansion;
- it has earned a first-class reputation for the care and services it provides.

With the support of ORPEA's development and real estate teams, Celenus is set to pursue a three-pronged expansion strategy:

- organic growth: occupancy increase at certain facilities and greater cooperation with local surgical groups;
- selective acquisitions: purchases of complementary independent facilities and/or mid-sized groups;
- real estate: expand ownership of real estate assets.

### **Management continuity within Celenus Group**

The current Management Board is trusted to pursue Celenus' operational and strategic goals and to continue its growth trajectory. *"After the successful start-up and expansion phase along with Private Equity firm AUCTUS, we consider the upcoming engagement of our new French partner, who stands for a long-term focus and an entrepreneurial philosophy, as a further dynamic evolution of our group that also provides our employees with reliable future prospects.*

*The financial strength of well-established ORPEA Group offers Celenus plenty of headroom and freedom for necessary investments and the further healthy development of the company”, says Celenus’ CEO Susanne Leciejewski being delighted over ORPEA’s engagement.*

### **Another growth-oriented deal set to boost earnings from 2015**

The acquisition of Celenus Kliniken will close on 10th July 2015, and the new subsidiary will be consolidated by ORPEA from that date onwards.

Payment for the deal will be made solely in cash from ORPEA’s reserves.

As with previous acquisitions, this deal satisfies all of ORPEA’s investment criteria, and it is set to boost the Group’s earnings per share from 2015 onwards.

On completion of the transaction, the ORPEA network will have 60,936 beds at 615 facilities, with 46% of the total outside France.

**Commenting on the deal, Yves Le Masne, ORPEA’s Chief Executive Officer, said:** *“ORPEA is set to complete its fourth strategic acquisition in 18 months. With the addition of Celenus Kliniken, ORPEA is strengthening its position as a strategically important player in medium and long-term care in Germany.*

*Following on from the acquisition of Silver Care a year ago, the size of ORPEA’s German network has already grown by 50% to reach close to 9,000 beds. And Celenus provides ORPEA with another exceptional platform for development. It will create value given the numerous opportunities in post-acute care, rehabilitation and psychiatric, a sector currently undergoing radical change.*

*ORPEA has already revised up its revenue guidance for 2015 to €2,360 million, implying strong growth of 21.1% – an even stronger rate than it achieved in 2014.”*

**Dr Jean-Claude Marian, ORPEA’s Chairman, added:** *“This latest acquisition fits perfectly with one of the major objectives of ORPEA’s international development: replicating across all European countries, and then in China, an integrated range of long-term and medium-term care solutions.*

*The unique experience gained by ORPEA’s medical and para-medical teams in its care services, coupled with ORPEA’s specialised real estate expertise, will galvanise this new platform’s development.*

*With 46% of its network or over 28,000 beds now outside France, ORPEA intends to continue its policy of selective value-creating expansion, especially with its various platforms in German-speaking countries offering tremendous opportunities for consolidation plus substantial purchasing power.”*

### **Advisers**

Acxit Capital Management, represented by Thomas Klack and his team, acted as financial advisers, with Bredin Prat acting as ORPEA’s legal counsel.

Mummert & Company acted as financial advisers to Celenus Kliniken. Heuking, represented by Boris Dürr and Daniela Rinke, acted as legal advisers to AUCTUS.

## Next press release: H1 2015 revenues 22 July 2015 before the market opens

### About ORPEA ([www.orpea-corp.com](http://www.orpea-corp.com))

Founded in 1989, and listed on Euronext Paris since April 2002, ORPEA is a European leader in integrated Long-Term Care and Post-Acute Care. The Group has a unique network of 615 healthcare facilities, with 60,936 beds (9,101 of them under refurbishment or construction), including:

- 32,792 beds in France at (3,931 beds under refurbishment or construction) at 354 facilities
- 28,144 beds in the rest of Europe (Germany, Austria, Belgium, Spain, Italy, Czech Republic and Switzerland) at 261 facilities (5,170 beds under refurbishment or construction)

**Listed in Euronext Paris Compartment A**, a Euronext Group market  
Member of the **SBF 120**, **STOXX Europe 600**, **MSCI Small Cap Europe** and **CAC Mid 60** indices -  
Member of the **SRD**  
ISIN: FR0000184798- Reuters: **ORP.PA** - Bloomberg: **ORP FP**



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### About AUCTUS

With more than 80 transactions since 2001, AUCTUS is the leading private equity firm for the German-speaking SME sector ("Mittelstand"). For its performance, AUCTUS has repeatedly received awards as the best German private equity fund. The AUCTUS team consists of 12 experienced private equity experts and supervises 15 platform enterprises from various industries. AUCTUS seeks majority interests of companies in the context of buy-and-build strategies, succession and corporate spin-offs and provides growth capital to enterprises. The latin word "AUCTUS" translates the entrepreneurial mind-set of focusing on "sustainable growth". Together with the management teams, AUCTUS strives to increase the value of the portfolio companies by sales and earnings growth. With assets under management of more than EUR 500m, AUCTUS builds on a loyal investor base of renowned financial institutions, successful entrepreneurs and family offices.

Detailed information about AUCTUS Capital Partners AG is available at [www.auctus.com](http://www.auctus.com).

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