

STRONG ACCELERATION IN REVENUE GROWTH IN Q2 2021: +12.8% TO €1,042 MILLION

- ORGANIC GROWTH UP SHARPLY IN Q2 2021: +9.8%

SUCCESSFUL ISSUE OF A €395-MILLION SCHULDSCHEIN

- MORE THAN THREE TIMES OVERSUBSCRIBED

REVENUE GROWTH TARGET FOR 2021 CONFIRMED AT MORE THAN +7.5% (IN EXCESS OF €4,215 MILLION)

Puteaux, 20 July 2021 (6:00 pm CEST)

The ORPEA Group, a world leader in long-term care (nursing homes, post-acute and rehabilitation hospitals, psychiatric hospitals, and home care services), today announces its revenue for H1 2021 (six months to 30 June).

Covid-19 management: sanitary situation under control but constant vigilance in the face of virus mutations

H1 2021 saw a paradigm shift in the sanitary outlook as the global vaccination campaign made facilities safe again, with no virus in circulation and where social activities resumed. To date, almost 99% of the Group's nursing homes are Covid-free and the percentage of residents testing positive remains well below 0.1%. With almost 90% of residents vaccinated, the health situation is therefore currently under control. Almost 70% of nursing home employees are now vaccinated and the Group is pursuing its efforts to promote vaccination through education, awareness-raising actions and facilitate fast access to vaccination for those who still need it.

Nevertheless, the Group continues to be extremely vigilant, maintaining protective measures throughout its facilities in order to provide the best protection for patients, residents, families and employees, particularly against the spread of virus variants.

Scientific and medical staff remain actively involved in the vaccination process and are keeping a close watch on variants in order to react promptly to any developments. In light of the recent government announcements in France, the Group is confident in the ability of its staff — who have demonstrated outstanding commitment and professionalism since the start of the pandemic — to respond appropriately. The entire Group is united and driven by the same determination to protect the health of the most vulnerable by effectively combating this virus.

Rapid acceleration in growth in Q2 2021

In €m	Quarterly			Half-yearly		
	Q2 2021	Q2 2020	Change	H1 2021	H1 2020	Change
France Benelux	641.9	554.2	+15.8%	1,277.7	1,136.6	+12.4%
Central Europe	256.1	245.9	+4.2%	516.2	499.6	+3.3%
Eastern Europe	102.0	79.3	+28.6%	192.6	170.3	+13.1%
Iberian Peninsula and Latam	40.9	43.4	-5.9%	81.0	96.4	-16.0%
Rest of the world	0.8	0.7	n/a	1.5	1.5	n/a
Total revenue	1,041.7	923.5	+12.8%	2,069.0	1,904.4	+8.6%
<i>Including organic growth¹</i>			+9.8%			+5.2%

Composition of the geographical regions: France Benelux (France, Belgium, Netherlands, Ireland), Central Europe (Germany, Italy and Switzerland), Eastern Europe (Austria, Poland, the Czech Republic, Slovenia, Latvia, Croatia, Russia), Iberian Peninsula and Latam (Spain, Portugal, Brazil, Uruguay, Mexico, Colombia, Chile), Rest of the world (China).

Momentum accelerated sharply in Q2 2021, with revenue up +12.8% vs. Q2 2020 to €1,041.7 million. This was largely the result of a strong acceleration in organic growth, which reached +9.8% in Q2 vs. +2% in Q1. This solid performance was driven by an overall increase in occupancy rates in all geographical regions, and in particular a major acceleration in June in nursing homes, which set a new record in number of admissions.

In H1 2021, ORPEA posted revenue of €2,069.0 million, an increase of +8.6%. The Group therefore returned to organic growth close to its historic levels, i.e. +5.2%, thanks in large part to:

- a strong momentum in new nursing home admissions across the entire network;
- record activity level at mental health facilities, mostly due to the psychological consequences of the various restrictions imposed over the last 18 months;
- the solid performance of post-acute and rehabilitation hospitals, despite activity being below normal due to the reduction in surgical procedures during the pandemic phases;
- an offering that meets the highest standards of care and services, supporting the Group's policy to maintain prices.

In H1 2021, the Group also resumed its organic development strategy, opening 1,276 new beds, corresponding to new facilities and extensions in its four geographical zones. This programme is fully in line with the one announced at the beginning of the year, which forecasts the opening of 4,055 beds over the full year, contributing to organic growth in 2022.

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.

Issue of a €395-million Schuldschein

As has been the case every year for almost a decade, on 5 July 2021 ORPEA issued a Schuldschein (a private placement governed by German law) worth €395 million, one of the highest amounts recorded in 2021 in this market. The operation was a huge success, with proceeds more than three times higher than the amount originally announced.

The Group has thus taken advantage of highly favourable market conditions on five-, six- and seven-year maturities at attractive prices.

Sixty percent of the proceeds from the issue will be used to finance the Group's further expansion and the remaining 40% to actively manage its financial structure, with the refinancing of 2022 maturities.

For ORPEA, which is the largest French issuer in this market, the success of this operation — in terms of both volume and conditions — illustrates the robustness of its expansion model, which is being recognised by a growing base of international credit investors.

Revenue growth target confirmed for 2021: > +7.5%

As a result of the sharp rise in occupancy rates in all geographical zones, together with the contribution of acquisitions completed in 2020 and those announced on 29 June 2021, the Group confidently confirms its 2021 revenue growth target of more than +7.5%, i.e. at least €4,215 million.

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

"ORPEA's activity recovered at a good pace in the first half of 2021, with a notable acceleration in the second quarter and especially in June. As a result, in the second quarter, the Group achieved organic growth of +9.8%, a level not seen for almost a decade. The Group's revenue for the first half of the year exceeded €2 billion, equal to the annual revenue of 2014.

While the vaccination campaign launched at the beginning of 2021 created the conditions for achieving such results, credit must also be given to the commitment of our 68,000 employees who, every day, offer the highest standards in care, services, wellbeing and living conditions within our facilities.

Momentum in the first half was also underpinned by an ongoing, aggressive expansion strategy featuring a combination of new facilities and targeted acquisitions. The six transactions recently announced, representing more than 4,700 beds and over €200 million in future revenue, are a clear demonstration of the ability of the Group's teams to identify the best opportunities to broaden ORPEA's offering and network in all its geographical zones.

Lastly, as announced at the beginning of the year, the Group published its new CSR roadmap in the first quarter with ambitious 2023 targets for its residents, patients and families, employees, partners, the environment and local communities. This CSR policy will continue to be developed with even more ambitious goals, particularly those relating to the environment."

Upcoming press release: H1 2021 results
21 September 2021 after market close

About ORPEA (www.orpea-corp.com)

Founded in 1989, ORPEA is one of the major world leaders in comprehensive long-term care, with a network of 1,156 facilities comprising 116,514 beds (26,359 of which are under construction) across 23 countries, which are divided into five geographical regions:

- France Benelux: 586 facilities/49,207 beds (5,672 of which are under construction)
- Central Europe: 268 facilities/28,419 beds (5,828 of which are under construction)
- Eastern Europe: 142 facilities/15,255 beds (4,101 of which are under construction)
- Iberian Peninsula/Latin America: 158 facilities/23,108 beds (10,373 of which are under construction)
- Rest of the world: 2 facilities/525 beds (385 of which are under construction)

ORPEA is listed on Euronext Paris (ISIN code: FR0000184798) and is a member of the SBF 120, STOXX 600 Europe, MSCI Small Cap Europe and CAC Mid 60 indices.

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