

TEAMS FULLY MOBILISED IN THE FIGHT AGAINST COVID-19

**Q3 2020: QUARTERLY REVENUE EXCEEDING ONE BILLION EUROS FOR THE 1ST TIME
(+6.2%)**

NEW 2020 REVENUE TARGET ABOVE €3,900 MILLION (+4.3%)

EVOLUTION IN OPERATING GOVERNANCE

Puteaux, 3 November 2020 (6 pm CET)

The ORPEA Group, world leader in long-term care (nursing homes, post-acute and rehabilitation hospitals, mental health hospitals, and home care services), today announces its revenue for the third quarter of 2020 to 30 September and an adaptation in the governance of its operations.

Teams still fully mobilised in the fight against Covid-19

As Europe, and France in particular, face a “second wave” of the Covid-19 pandemic, the Group and its teams are more mobilised than ever. Besides, it is important to point out that ORPEA never dropped its guard between the first and second waves, both in terms of barrier measures and testing. Thus, the Coro 1/2/3 procedures are still being applied and followed in all geographical regions in order to secure all facilities to the maximum, while each facility has sufficient protective equipment to handle this second wave.

The psychological intervention unit for employees is still active in all countries to support the fully mobilised teams. In the countries more heavily impacted at this time, particularly France, the Group has strengthened its training for managers to raise their awareness in order to identify and prevent any psychosocial risks facing their teams, specifically during a health crisis.

In France, in collaboration with the Supervisory Authorities, a large number of Covid units are being opened in the Group’s post-acute and rehabilitation hospitals in order to care for residents from ORPEA nursing homes and Covid patients from other institutions, and thus to relieve the strain on hospitals.

The Group continues to maintain a continuous, adapted and transparent communication with families and the Supervisory Authorities to keep them informed of the situation in each of the facilities.

In the coming weeks, the Group will keep on rolling out all its logistical and human resources to preserve the safety, well-being and social connections of its patients and residents, support its employees for their exceptional mobilisation and actively cooperate with the Supervisory Authorities in order to provide solutions to support and ease the burden on healthcare systems.

Solid revenue growth in Q3 2020

In €m	Quarterly			9 months		
	Q3 2020	Q3 2019	Change	2020	2019	Change
France Benelux	602.2	557.5	+8.0%	1,738.7	1,650.7	+5.3%
Central Europe	257.0	244.9	+4.9%	756.6	718.8	+5.3%
Eastern Europe	100.0	90.7	+10.3%	270.0	266.4	+1.4%
Iberian Peninsula and LATAM	41.9	49.5	-15.3%	138.3	145.9	-5.2%
Rest of the world	0.9	0.9	NA	2.5	2.3	NA
Total revenue	1,002.0	943.6	+6.2%	2,906.2	2,784.1	+4.4%
<i>Organic growth¹</i>			+0.5%			-0.4%

Consolidation dates: Clinipsy in France as from 15 July 2020, Sinoué in France from 1 April 2020, TLC in Ireland from 1 January 2020; SIS Brazil and SIS Portugal are consolidated since 1 October 2019.

Clusters' composition: France Benelux (France, Belgium, Netherlands, Ireland), Central Europe (Germany, Italy and Switzerland), Eastern Europe (Austria, Poland, Czech Republic, Slovenia, Latvia), Iberian Peninsula and LATAM (Spain, Portugal, Brazil, Uruguay, Mexico), Rest of the world (China).

Activity bounced back sharply in the third quarter, with growth of +6.2% taking quarterly revenue over one billion euros for the first time in ORPEA's history. This dynamic was primarily driven by the contribution from the acquisitions of TLC Group in Ireland, Sinoué and Clinipsy in France, as well as other targeted acquisitions.

Organic growth in the third quarter also rebounded significantly to reach +0.5%, up from -5.5% in Q2 2020. This growth was driven by:

- the solid recovery of activity in healthcare facilities (post-acute, rehabilitation and psychiatric hospitals), which returned to occupancy rates close to their pre-Covid-19 levels in August;
- a large influx of new admissions in most of the nursing homes, particularly in July and August, in a catch-up effect after the lockdown period.

Thus, the geographical regions of France Benelux and Eastern Europe, which had been impacted by the closing or sharp slowdown of healthcare facilities in the second quarter, returned to positive organic growth this quarter.

Over the first nine months of the year, revenue totalled €2.9 billion, up +4.4%, in a global context marked by an unprecedented health crisis tied to the Covid-19 pandemic. This solid performance demonstrates not only the resilience of the business, but also the need for medical facilities enabling care for serious pathologies, whether in nursing homes, post-acute and rehabilitation hospitals or in psychiatric hospitals.

¹ The Group's 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 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.

Early renewal of the appointment of Yves Le Masne, Chief Executive Officer

Yves Le Masne has served as Group Chief Executive Officer since 2011, and his appointment - which was renewed in March 2017 - will expire at the end of the Annual General Meeting called to approve the 2020 financial statements.

On the recommendation of the Appointments and Remuneration Committee, the Board of Directors, by unanimous vote on 2 November 2020, reiterated its confidence in Yves Le Masne with the early renewal of his appointment as Chief Executive Officer until the end of the first meeting of the Board of Directors following the Annual General Meeting to be held in 2025.

Through this decision, the Board of Directors wishes to reaffirm its full support for the Group's Management and all the ORPEA teams.

Evolution in operating governance

Two years ago, the ORPEA Group initiated the adaptation of its organisation to its strong internationalisation, firstly with the creation of geographical regions, each equipped with a management team and head office, and secondly with strengthened harmonisation of the procedures and controls conducted by the Corporate teams. This change led to higher decentralisation that allowed more effective management of the growing number of countries in which the Group operates, while remaining close to the facilities. In fact, in just a few years, the number of countries covered by the Group doubled, from 10 to nearly 25 countries today.

This geographic organisation proved its total effectiveness during the first phase of the Covid-19 pandemic, when each local team was able to manage the impacts of this unprecedented crisis with the support of Corporate services and by fully adapting to the local context of each facility, thanks to local management.

As operations are now managed directly by the management team dedicated to each geographic region, in compliance with the Group's standards and under the supervision of the Corporate teams, the result is that the position of Group Chief Operating Officer, which was held until now by Jean-Claude Brdenk, is no longer appropriate. On 2 November 2020, the Board of Directors, based on this fact, ended the appointment of Jean-Claude Brdenk as Chief Operating Officer, effective 31 December 2020.

Jean-Claude Brdenk will continue to use his unique experience of more than twenty years in serving the private long-term care sector in general. He will also continue to represent ORPEA at Synerpa, where he is Vice-President.

Jean-Claude Brdenk stated:

"I have proud that I have been able to contribute, with all the operational teams, for more than 20 years, to the development of the global player that ORPEA has become today. I want to dedicate my experience and strength of conviction to the entire elderly services industry, and thus contribute to meeting challenges associated with an aging population. I would like to thank the ORPEA Board of Directors for the confidence they have placed in me throughout these years. Thanks to the local and international teams that are now perfectly structured, I am particularly confident in ORPEA's future."

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

"On behalf of the Board of Directors and all the Teams, I would like to express our wholehearted thanks to Jean-Claude for the excellent work he has accomplished as the Chief of Operations for the Group for more than twenty years. Without contest, he will remain one of the great architects of ORPEA's success, and we are all profoundly grateful to him.

We are pleased that he can continue applying all his expertise and his unique experience to the sector and to represent ORPEA within SYNERPA, the sector's employers' federation."



2020 Revenue target

On 5 May of this year, ORPEA decided to temporarily suspend its revenue target of €4,040 million for 2020. Based on the evolution of the pandemic and the current situation, the Group now anticipates revenue above €3,900 million, representing a growth of at least 4.3%.

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

“Despite the period being marked by an unprecedented health and economic situation, ORPEA has succeeded in achieving a quarterly record by exceeding one billion euros in revenue for the first time in thirty years. This performance is the result of the resilience of the sector and particularly the outstanding commitment of the Group’s 65,500 employees to our patients, residents, families, Supervisory Authorities and all our partners.

With its loyal and united management team dedicated to the Group’s values focused on the safety and well-being of its patients and residents, ORPEA will continue its development and its internationalisation to consolidate its position as world leader.”

**Next press release: FY 2020 revenue
9 February 2021 after market close**

About ORPEA (www.orpea-corp.com)

Founded in 1989, ORPEA is one of the major world leaders in long-term care, with a network of 1,028 facilities comprising 105,443 beds (21,137 of which are under construction) across 22 countries, which are divided into five geographical regions:

- France Benelux: 523 facilities/46,277 beds (of which 4,957 are under construction)
- Central Europe: 249 facilities/26,491 beds (of which 4,885 are under construction)
- Eastern Europe: 136 facilities/14,621 beds (of which 3,647 are under construction)
- Iberian Peninsula/Latin America: 119 facilities/17,914 beds (of which 7,648 are under construction)
- Rest of the world: 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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