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## ORPEA REVENUE FOR THE FIRST HALF OF 2023: €2,539 M, UP +10.7% DESPITE A LOWER-THAN-EXPECTED OCCUPANCY RATE FOR RETIREMENT HOMES IN FRANCE

ORPEA SA (the "Company") today announces its consolidated revenue for the 1<sup>st</sup> half of 2023.

While occupancy rates of retirement homes in France remained below expectations, the 2<sup>nd</sup> quarter of 2023 confirmed the trend observed in the 1<sup>st</sup> quarter of 2023, with growth of +11.1% vs. the same period last year. This is the result of an overall increase in occupancy rates, with the exception of France, an increase in installed capacity with the contribution of recently opened facilities, and the effects of price increases, which were particularly marked in Central Europe.

Overall, sales for the first half of 2023 totaled €2,539 million, corresponding to year-on-year growth of +10.7%, mostly organic.

As a reminder, and as indicated in the press release published on July 13<sup>th</sup>, the Company anticipates lower sales growth and a substantial lag in EBITDAR generation for the full year 2023, in the range of -15% to -20% compared with the EBITDAR forecast of €881 million set out in the November 2022 Updated Business Plan communicated to the market on May 12<sup>th</sup>, 2023 (i.e. EBITDAR 2023 of between €705 million and €750 million).

With regard to the financial restructuring process, the Company reminds that the Accelerated Safeguard Plan ("*Plan de Sauvegarde Accélérée*"), as approved by the Nanterre Specialized Commercial Court ([link](#)) on 24 July through a cross-class cram down, provides for the implementation of three capital increases, starting in the last quarter of 2023 and after the lifting of the last condition precedent<sup>1</sup>, which will result in a massive dilution for existing shareholders. After these operations, and in the absence of reinvestment, they would hold around 0.04% of the capital, with a theoretical share value of €0.02.

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<sup>1</sup> The final condition precedent is the purging of appeals lodged against the waiver of the Caisse des Dépôts-led consortium's obligation to launch a takeover bid for ORPEA shares, granted on May 26, 2023. The decision by the Paris Court of Appeal is expected in the 4<sup>th</sup> quarter of 2023.

In €m	Quarterly figures				Half-year figures (30 June)			
	Q2 2022	Q2 2023	Change	<i>o/w organic</i> <sup>2</sup>	H1 2022	H1 2023	Change	<i>o/w organic</i> <sup>2</sup>
France Benelux UK Ireland	712	769	+8.0%	+4.6%	1,391	1,489	+7.0%	+5.2%
Central Europe	294	335	+14.0%	+13.3%	577	658	+13.9%	+12.9%
Eastern Europe	109	129	+18.7%	+18.9%	210	250	+19.2%	+19.3%
Iberian Peninsula and Latam	59	69	+18.4%	+17.7%	114	139	+21.4%	+19.7%
Other countries	0,9	1,8	<i>ns</i>	<i>ns</i>	1,9	3,6	<i>ns</i>	<i>ns</i>
<b>Total revenue</b>	1,175	1,305	<b>11.1%</b>	<b>+8.8%</b>	2,295	2,539	<b>+10.7%</b>	<b>+9.1%</b>

## 1. Q2 2023 revenue

Revenues reached €1,305 million in the 2<sup>nd</sup> quarter of 2023, a year-on-year increase of +11.1%, including organic growth of +8.8%.

Continuing from the 1<sup>st</sup> quarter of 2023, activity in the 2<sup>nd</sup> quarter is up in all geographical areas, thanks to average occupancy rates that are generally up and the contribution of facilities opened in the last 12 months.

## 2. H1 2023 revenue

For the first half of 2023, revenue amounted to €2,539 million, up +10.7% compared to the 1<sup>st</sup> half of 2022, of which +9.1% organically.

The overall level of activity in clinics both in France and internationally, as well as in retirement homes outside of France, is increasing. This evolution is illustrated at the global level, by an average occupancy rate up +136 bps compared to the 1<sup>st</sup> half of 2022, at 82.7%.

In the **France Benelux UK Ireland** area, revenue amounted to €1,489 million over the 1<sup>st</sup> semester, up +7.0% (including +5.2% on an organic basis) compared to the first half of the previous year.

<sup>2</sup> 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 4. the change in revenue of recently acquired facilities by comparison with the previous equivalent period

In France, nursing home activity remains far from historical levels, with an average occupancy rate of 83.4% over the period as a whole, down on the same period last year (86.0%). Clinics (Medical and Rehabilitation Care, Mental Health), on the other hand, are experiencing an increase in activity levels, illustrating the diversity of activities and specialties developed within the facilities, in the various regions where the Group is active. Elsewhere in the region, Belgium benefited from the inclusion of 19 new facilities in its scope of consolidation, and business grew despite the closure of seven facilities in Brussels, while the Netherlands posted sustained growth thanks to the ramp-up of new facilities.

In **Central Europe**, sales rose by 13.9% (+12.9% organic) to €657 million over the half-year. Germany and Switzerland reported good activity momentum over the half-year, with occupancy rates up in both the retirement homes and clinics. In Germany, the good momentum also reflects the premium positioning on this market.

In **Eastern Europe**, sales rose by 19.2% to €250 million over the half-year, benefiting from a marked increase in the occupancy rate of facilities opened over the past 12 months.

In the **Iberian Peninsula and Latin America** region, sales came to €139 million for the first half, up 21.4%, mainly on an organic basis, reflecting a marked increase in occupancy rates in Spain, the region's main contributor.

***Average occupancy rate by geographical areas***

<i>Average occupancy rate</i>	Quarterly figures			Half-year figures		
	Q2 2022	Q2 2023	Change	H1 2022	H1 2023	Change
France Benelux UK Ireland	83.4%	<b>82.5%</b>	(91)bps	84.2%	<b>83.1%</b>	(105)bps
Central Europe	79.4%	<b>82.0%</b>	+268bps	78.7%	<b>81.8%</b>	+304bps
Eastern Europe	81.9%	<b>85.8%</b>	+387bps	81.4%	<b>84.6%</b>	+323bps
Iberian Peninsula and Latam	75.3%	<b>81.8%</b>	+647bps	74.8%	<b>82.5%</b>	+766bps
Other countries	ns	ns	ns	ns	ns	ns
<b>Total group</b>	81.2%	<b>82.4%</b>	+118bps	81.3%	<b>82.7%</b>	+136bps

**3. Update on the ash and debt position at June 30<sup>th</sup>, 2023**

The Group's cash position at June 30, 2023 is estimated at €527 million (unaudited figure), in line with expectations, for a net financial debt of €9,328 million (including accrued interest of €184 million; unaudited figure and excluding other IFRS adjustments).

Over the 2<sup>nd</sup> half of 2023, liquidity requirements until the completion of the Accelerated Safeguard Plan will be covered by additional financing arranged by the Group's main banking partners. In particular, tranche D1B of €200 million should be drawn down by early August 2023, all conditions precedent having been met.

## About ORPEA

ORPEA is a leading global player, expert in providing care for all types of frailty. The Group operates in 21 countries and covers three core businesses: care for the elderly (nursing homes, assisted living facilities, homecare and services), post-acute and rehabilitation care and mental health care (specialized clinics). It has more than 76,000 employees and welcomes more than 267,000 patients and residents each year.

<https://www.orpea-group.com/en>

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

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## ***Disclaimer - forward-looking information***

This press release contains forward-looking statements that involve risks and uncertainties, including those included or incorporated by reference, regarding the Group's future growth and profitability that could cause actual results to differ materially from those indicated in the forward-looking statements. These risks and uncertainties relate to factors that the Company cannot control or accurately estimate, such as future market conditions. The forward-looking statements in this press release constitute expectations of future events and should be treated as such. Actual events or results may differ from those described in this document due to a number of risks or uncertainties described in the Company's 2022 Universal Registration Document, which is available on the Company's website and on the AMF website ([www.amf-france.org](http://www.amf-france.org)).