

## FURTHER VERY STRONG GROWTH IN ACTIVITY IN Q3 2021

- REVENUE: +10.8% TO €1,110 MILLION
- SOLID ORGANIC GROWTH OF +5.7%
- ACCELERATION IN FACILITY OPENINGS WITH MORE THAN 1,000 NEW BEDS OVER THE QUARTER

## 2021 REVENUE GROWTH GUIDANCE INCREASED TO +9% VS. 2020, FROM +7.5% PREVIOUSLY

- 2021 REVENUE > €4,275 MILLION
- STRONGER-THAN-EXPECTED ORGANIC GROWTH

Puteaux, 3 November 2021 [5:45 pm CET]

The ORPEA Group, a world leader in long-term care (nursing homes, assisted living, post-acute and rehabilitation hospitals, mental health hospitals, home care services), today announces its revenue for the third quarter of 2021 to 30 September and increases its 2021 revenue guidance.

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

*“ORPEA has recorded very strong third-quarter growth, with revenue increasing by 10.8% and solid and better-than-expected organic growth of 5.7%. This performance is the result of excellent momentum in all geographical regions in terms of occupancy rates in nursing homes, rehabilitation hospitals and mental health hospitals.*

*As well as the general increase in occupancy rates, this performance is also the result of ORPEA’s operating model:*

- *quality: a demanding care and services offer, meeting the expectations of stakeholders;*
- *premiumisation of facilities, notably regarding the most recent openings, with close to 2,500 new beds since the start of the year;*
- *geographical diversity: activity is up across all geographical regions, notably with double-digit growth rates in France Benelux and Central Europe;*
- *the day-to-day commitment of all its teams.*

*On the back of these achievements, ORPEA is in a position to raise its 2021 annual revenue guidance: growth is now expected to exceed 9% with revenue of over €4,275 million. This substantial increase of 3 percentage points compared with the initial target announced in March 2021 is primarily a result of the ramping up of the Group’s organic growth throughout the year.”*

Further strong growth in activity in Q3 2021

<i>In €m</i>	Quarterly			
	Q3 2021	Q3 2020	<i>Total change</i>	<i>Organic growth<sup>1</sup></i>
France Benelux	681.7	602.2	+13.2%	+7.9%
Central Europe	282.6	257.0	+10.0%	+1.8%
Eastern Europe	100.8	99.7	+1.0%	+2.5%
Iberian Peninsula and Latam	44.5	41.9	+6.2%	+5.8%
Other countries	0.8	0.9	NS	NS
<b>Total revenue</b>	<b>1,110.4</b>	<b>1,001.7</b>	<b>+10.8%</b>	<b>+5.7%</b>

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), Iberian Peninsula and Latam (Spain, Portugal, Brazil, Uruguay, Mexico, Colombia, Chile), Other countries (China).

Continuing the previous quarter's trend, Q3 2021 revenue was up strongly, increasing by 10.8% compared with Q3 2020 to €1,110.4 million. The revenue does not include any State-paid compensation. Quarter-on-quarter, revenue increased by almost €70 million, +6.6% compared with the second quarter of 2021. This third quarter's strong momentum is a result of a combination of the Group's two key factors of success:

- external growth of over 5 percentage points, notably with the contribution of Swiss nursing home group Sensato, the acquisitions in Ireland (Brindley Healthcare, FirstCare and Belmont House) and targeted acquisitions in various geographical regions;
- greater-than-expected organic growth of 5.7%, driven by both the increase in occupancy rates in every region and a good price dynamic.

As anticipated, activity is returning to normal. All geographical regions and activities are seeing strong growth, notably organic, as in the Iberian Peninsula and Latam region, which recorded organic growth of 5.8% after five quarterly decreases due to the impact of the Covid-19 pandemic.

In the third quarter, the number of new beds opened as a result of construction projects accelerated with 1,060 new beds opened, versus an average of just over 600 during the two previous quarters. The Group notably opened a 94-bed nursing home in the Swiss canton of Bern, the first rehabilitation clinic in the centre of Warsaw including 168 beds and the latest technological innovations in physiotherapy, notably in orthopaedics and neurology, as well as two facilities in Bilbao and Girona, Spain.

<sup>1</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 the change in revenue of recently acquired facilities by comparison with the previous equivalent period.

Over the first 9 months of the year, revenue was up 9.4% at €3,179.4 million, with almost 60% of this momentum resulting from organic growth [+5.4%].

<i>In €m</i>	9 months (30.09.21)			
	2021	2020	<i>Total change</i>	<i>Organic growth</i>
France Benelux	1,959.4	1,738.7	+12.7%	+7.9%
Central Europe	798.8	756.6	+5.6%	+0.8%
Eastern Europe	293.4	270.0	+8.7%	+7.8%
Iberian Peninsula and Latam	125.5	138.4	-9.3%	-6.8%
Other countries	2.3	2.5	NA	NA
<b>Total revenue</b>	<b>3,179.4</b>	<b>2,906.2</b>	<b>+9.4%</b>	<b>+5.4%</b>

This growth in activity over the first 9 months of 2021 was the result of a number of factors:

- the further strong pace of new nursing home admissions in June and July;
- a solid level of activity in rehabilitation and mental health hospitals;
- a commercial policy to maintain prices, a corollary of a Quality approach that is fully integrated within ORPEA's development model;
- the upscaling, initiated in recent years, of facilities and openings in the best locations;
- the opening of 2,336 new beds, corresponding to new facilities and extensions across its four geographical regions. This programme is in line with the one announced at the start of the year that forecast the opening of 4,055 beds over the year as a whole.

### ORPEA: a partner of the *Sommet de l'Inclusion Economique*

Within the framework of its CSR policy, ORPEA is a partner of the first *Sommet de l'Inclusion Economique* (social inclusion summit) organised by the Mozaïk Foundation at the Ministry of the Economy, Finance and the Recovery, under the distinguished patronage of Minister of the Economy, Finance and the Recovery Bruno Le Maire and in the presence of numerous other Ministers and more than 50 companies and institutions already mobilised.

Diversity, Integration and Inclusion are issues that the Group promotes on a daily basis, in its hiring policy but also its HR development policy, and that ORPEA strives to make a reality in every region in which it operates by being an inclusive and responsible economic player.

Indeed, ORPEA is committed to:

- developing gender equality at work (65% of positions of responsibility within the Group are held by women);
- promoting the integration of young people in the workplace (10% of employees are under 25) whilst keeping senior staff in work in order to ensure the transfer of skills and knowledge (19% of employees are over 55);
- fostering internships and apprenticeships (8,500 people were thus welcomed into the Group in 2020);
- supporting, notably via the ORPEA Foundation, charity associations that work for equal opportunities in the workplace or professional insertion (*Rév'Elles*, *Nos quartiers ont du talent* and *La Cravate solidaire*, amongst others);
- encouraging the integration and retention of disabled staff.

## 2021 revenue guidance raised to over €4,275 million (+9%)

In view of these excellent third-quarter performances and the continuing strong momentum seen in October 2021, the Group is raising its 2021 revenue growth target to at least +9.0%, versus +7.5% previously. ORPEA is now expecting 2021 annual revenue to exceed €4,275 million. This increase primarily reflects the stronger-than-expected rise in organic growth. ORPEA is also reaffirming its target of an improvement in the EBITDAR margin in the second half of 2021.

Next press release: Full-year 2021 revenue  
8 February 2022 after market close

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