

## PRESS RELEASE

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### **HomeVi: a quarter strongly improved by the SARquavitae acquisition and continuous organic growth**

HomeVi – through its subsidiary company, DomusVi is the third largest provider of elderly care services in the French private commercial market, and also the largest operator in Spain through its 100% owned subsidiary, GeriaVi following the completion of SARquavitae acquisition in February 2017.

In February 2017, GeriaVi, acquired SARquavitae, the leading health and social services provider in Spain. SARquavitae provides services adapted to all levels of dependency including nursing homes, domiciliary care services, telecare, day centers and mental care centers. It has a workforce made up of more than 12,000 employees and generated € 332m revenues for the year 2016.

In January 2017, DomusVi also acquired a medical nursing home in Toulouse (80 beds) and GeriaVi bought a residence in Barcelona (282 beds).

As of March 31st, 2017, HomeVi operated 29 829 beds (in average over the period) in 334 facilities (excluding French mandates) with a concentrated footprint on attractive urban and suburban areas of France, mainly Greater Paris, Greater Lyon, French Riviera in France and Galicia, Madrid and Catalonia in Spain. For the 3 months period, the portfolio consists mainly in 201 nursing homes in France (of which 187 medical nursing homes and 14 non-medical nursing homes) that generated during the last three months ended March, 62% of our group revenue. DomusVi Domicile represented 3.9% of the group revenue. GeriaVi accounted for 30.2% of the group revenue with 133 residences: 22.4% on nursing homes, 5% for home care services and 2.8% on mental care centers. Finally, real estate operations, relative to revenues recognised by reference to the stage of completion of the construction contract, represented 3.9% of revenues during the first quarter 2017.

On a full year pro forma basis (including 12 months of SARquavitae), the respective contribution would have been 57,9% and 3,7% for France, 26,8%, 5,6%, 3,7% for Spain and 2,4% for real estate operations.

During the first quarter of 2017, HomeVi delivered a +34.8% increase of its revenue versus Q1 2016 (+1.8% like for like excluding the impact of acquisitions and real estate operations). Due to acquisitions and increased ADR as well as efficient cost control (with flat or very low growth of expenses), favourable tax ruling in France, the group continued to report a continuous growth of its EBITDAR, at +21.9% and +6.4% like for like and of its EBITDA at +32.1% and +10.8% like for like.

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EBITDA margin is slightly up to 12.2%. The integration of SARquavitaie mechanically lowered the EBITDA and EBITDAR with ramping-up homes and under-management contracts. Excluding real estate operations and acquisitions, the EBITDA would have rose from 12.1% in Q1 2016 to 13.1% in Q1 2017 and EBITDAR from 28.0% to 29.2% due to tight cost management, ramp-up effect, and favorable tax ruling in France.

(€ millions)	As of and for the 3 months ended March 31st	
	2017	2016
<b>Revenue</b>	<b>295,4</b>	<b>219,1</b>
<i>incl. Real estate</i>	<i>11,4</i>	<i>0,0</i>
<b>EBITDA</b>	<b>34,9</b>	<b>26,4</b>
<i>incl. Real estate margin</i>	<i>0,3</i>	
<b>Ebitda margin% (exc. Real estate)</b>	<b>12,2%</b>	<b>12,1%</b>
<b>EBITDAR</b>	<b>74,7</b>	<b>61,3</b>
<b>Ebitdar margin% (exc. Real estate)</b>	<b>26,2%</b>	<b>28,0%</b>

The Adjusted net financial debt increased by € 356m with a leverage ratio up at 5.54x in March 2017 versus 4.62x at the end of December, 2016. These evolutions are mainly due to the acquisition of SARquavitaie (partially funded by €128m SSN tap and €200m FRN), 2017 acquisitions (drawing €10m on RCF) and lower cash position due to seasonality. As a reminder, the leverage ratio pro forma SARquavitaie was 5.61x in December 2016.

(€ millions)	For the 12 months ended March 31	For the 12 months ended December 31	For the 12 months ended December 31	For the 12 months ended March 31
	2017	2016	2016	2016
		Pro forma		
Reported EBITDA	125,5	117,0	117,0	94,7
LTM PF EBITDA (1)	162,0	157,4	117,0	103,2
Adjusted net financial debt	897,2	883,2	541,0	555,8
<b>Ratio of adj. Net fin. Debt to PF Ebitda</b>	<b>5,54x</b>	<b>5,61x</b>	<b>4,62x</b>	<b>5,39x</b>

(1) Including 12 months of SARq & Synergies

**As a conclusion, Aymar Henin, CEO,** said « 1st quarter 2017 confirms solid results, driven both by like for like growth and 2017 acquisitions. DomusVi confirms its leading position on the European market, with a very consistent quality orientation and the involvement of all its employees. »

**Next financial press release: 2017 Q2 results; September 14th, 2017.**

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**DomusVi Group in brief:**

DomusVi, created in 1983, is today one of the leaders of the senior residential homes and services to the autonomous or dependent seniors. With more than 300 medical residences, 16 senior residences, 5 psychiatric hospitals, 50 senior home care agencies, DomusVi Group is one of the only players to offer a comprehensive range of services to its 42,000 clients in France, Spain and China. DomusVi Group employs more than 28,000 people worldwide.

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