

PRESS RELEASE

HomeVi: Q3 2017 a strong increase by 44% of revenue and 46% EBITDA compared to Q3 2016 supported by SARquavitaie 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 SARquavitaie acquisition in February 2017.

In February 2017, GeriaVi, acquired SARquavitaie, the leading health and social services provider in Spain. SARquavitaie 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 close to Barcelona (282 beds).

In June 2017, DomusVi acquired 100% of the shares of a medical nursing home in Roubaix. The nursing home manages 85 beds.

In September 2017, Domusvi acquired a medical nursing home in St Germain des Corbeils which manages 73 beds. The entity is consolidated as of September 30, 2017 with no revenue and EBITDA in Q3 2017.

For the 3 months ended September 30th, 2017, HomeVi operated 33 702 beds (in average over the period) in 335 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 202 nursing homes in France (of which 189 medical nursing homes and 13 non-medical nursing homes) that generated during the last three months ended September 2017, 58.5% of our group revenue. DomusVi Domicile represented 3.2% of the group revenue. GeriaVi accounted for 37.6% of the group revenue with 133 residences divided in three business lines: 27.8% on nursing homes, 6.7% for home care services and 3.2% on mental care centers. Finally, real estate operations, relative to revenues recognised by reference to the stage of completion of the construction contract, represented 0.6% of revenues during the third quarter 2017.

During the third quarter 2017, HomeVi delivered a +43.9% increase of its revenue versus Q3 2016 (+1.3% 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, and synergies in Spain the group continued to report a continuous growth of its EBITDAR, at +29.0% and +2.8% like for like and of its EBITDA at +45.5% and +9.1% like for like.

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EBITDA margin is up to 16.0%. The integration of SARquavita mechanically lowered the EBITDAR margin with ramping-up homes and under-management contracts. Excluding real estate operations and acquisitions, the EBITDA would have risen from 15.8% in Q3 2016 to 17.0% in Q3 2017 and EBITDAR from 31.4% to 31.9% due to tight cost management, synergies in Spain, and favorable tax ruling in France.

(€ millions)	As of and for the 3 months ended Sept 30		As of and for the 9 months ended Sept 30	
	2017	2016	2017	2016
Revenue	326,2	226,7	952,5	667,8
<i>incl. Real estate</i>	<i>2,1</i>	<i>0,0</i>	<i>25,3</i>	<i>0,0</i>
EBITDA	52,1	35,8	129,2	87,7
<i>incl. Real estate margin</i>	<i>0,4</i>	<i>0,0</i>	<i>1,9</i>	<i>0,0</i>
Ebitda margin% (exc. Real estate)	16,0%	15,8%	13,7%	13,1%
EBITDAR	91,8	71,2	249,0	192,7
Ebitdar margin% (exc. Real estate)	28,2%	31,4%	26,7%	28,9%

Consolidated Net Secured Leverage has been decreasing in Q3 from 4.77x as of June 30th, 2017 to 4.35x as of September 30th, 2017. The Adjusted net financial debt decreased by €69.7 million with a leverage ratio down at 4.79x in September versus 5.34x at the end of June 2017. These evolutions are mainly due to early repayment of €20m at GeriaVi; €10m debt amortization and strong cash position explained by a strong net working capital.

(€ millions)	For the 12 months ended Sept 30	For the 12 months ended June 30	For the 12 months ended March 31	For the 12 months ended December 31
	2017	2017	2017	2016
Reported EBITDA	158,6	142,3	125,5	117,0
LTM PF EBITDA (1)	174,8	169,9	162,0	157,4
Adjusted net financial debt	836,8	906,5	897,2	883,2
Ratio of adj. Net fin. Debt to PF Ebitda	4,79x	5,33x	5,54x	5,61x

(1) Including full year impact of acquisitions & Synergies

As a conclusion, Aymar Henin, CEO, says that “In addition to the strength of the existing portfolio, again demonstrated in the 3rd quarter, the reported performance reflects the successful integration of Sarquavita and Geriatros. Both entities are now operating under the DomusVi brand as the clear market leader in Spain.”

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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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