# Orpea is riding a growth trend forecast to continue for decades

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- Orpea is a European elderly care home operator, working across twelve countries.
- They operate within a steadily growing industry that is projected to continue growing for many years to come.
- Through utilising the latest technologies and employing the highest standards, they are easily able to retain clients in addition to attracting new ones, maintaining high levels of customer satisfaction.
- The business has a proven track record of performing well outside its home market.

Founded in 1989 and headquartered in France, Orpea is a leading European elderly care home operator that also runs rehabilitation and post-acute care in addition to mental health disorder facilities. Managing more than 86,000 beds across 12 countries and now expanding outside Europe, Orpea is operating in a highly attractive industry driven by long-term demographic trends of growing numbers of elderly people and rising global affluence among them.

Known for their premium facilities in prime locations, featuring modern equipment and technology, their facilities are in high demand. Their extensive use of IT and data analysis have allowed them to develop best-in-class cost management, resulting in very attractive operating margins. By utilising their industry expertise and reputation, they acquire less successfully operated facilities, gradually improving them and thus increasing demand and profitability.

Since 2007, Orpea has grown its revenue and EBITDA (earnings before interest, taxes, depreciation and amortisation) by 19% annually while beds expanded by 15%. This growth has primarily been generated outside its home market in France, demonstrating its ability to 'export' its successful business model to other countries.

We believe Orpea to be a sound investment for these main reasons:

1. It benefits from a demographic megatrend, which will keep its industry on a growth trend for decades.
2. Within the industry Orpea is the highest quality operator, which helps generate stable growth and profitability, and the company is in control of bed prices that are currently stable or marginally rising.
3. Its international expansion strategy should keep top-line growth close to 10% per annum for the foreseeable future.
4. Orpea benefits from a strong, risk conscious management team with a long-term strategic focus.