



Press release

Nantes, 13 September 2023, 6pm

2023 HALF-YEAR RESULTS

A committed company

Mission company status adopted in June 2023

Strong commitments at the heart of the Brighter Futures #3 strategy

Strong in intangible values

Family-based, Entrepreneurial, Ability to transform, Humanist, Demanding

~

Business dynamics

Occupancy rate : 93.7% in Nursing Home / at full capacity in Rehabilitation Care

Operating sales : €357.1m, up 6.7%

Organic growth : + 6.4%

Results resilient in the face of inflation

Operating EBITDA excluding IFRS 16 : €35.5m, up 1.6

Net operating profit : €14.3m, stable

Net operating margin : 4.0% of sales, down 27 bp

Sound and flexible financial structure

Operating leverage¹ : 1.9x

Cash² : > €200m

Outlook confirmed

Organic growth in 2023 sales : +6.0%

Operating profit stable in 2023

Transformation of 1,900 beds to get underway

¹ net financial debt Operating to EBITDA Operating excluding IFRS16

² available cash and authorised drawdown of the RCF line



"At the General Meeting on 21 June 2023, LNA Santé adopted the status of a company with a mission. This choice is neither a beginning nor an end for our family business. It is a natural evolution.

Indeed, ensuring that our Group's interests are aligned with those of society has been consistent with our values from the outset. Born of the desire to meet the challenge of the elderly by assuming a positive role in society, LNA Santé designs, implements and offers expert healthcare services, which have now been extended to the health and medico-social sectors, both in institutions and at home.

We care for people who are vulnerable, we care for them, their carers, professionals and our environment, by stimulating cooperation and innovation to meet local health challenges.

This status as a company with a mission provides LNA Santé with an explicit, long-term structural framework. It brings together a wide range of stakeholders, who are proud to be working alongside us to serve this mission.

Our strategic project, Growing Together #3, is based on a long-term vision, just like our governance. We are committed to transforming our Group and its offering well beyond the next 5 years, with the aim of establishing LNA Santé's position as the leading independent player transforming the healthcare offering.

Backed by the dedication and talent of our teams and the confidence of our partners, LNA Santé must face up to a very demanding economic context marked by the harshness of inflation and build a new virtuous growth trajectory that is a source of progress and meaning".

Jean-Paul Siret - Chairman
Willy Siret - Managing Director
Damien Billard - Chief Financial Officer

RESULTS FOR THE 1st HALF-YEAR 2023

The Board of Directors of LNA Santé, a local and global healthcare operator, meeting on 12 September 2023 under the chairmanship of Jean-Paul Siret, approved the interim financial statements for 2023.

IFRS In €m	OPERATIONS			GROUP OPERATIONS + REAL ESTATE		
	H1 2023	H1 2022	Var.	H1 2023	H1 2022	Var.
Turnover	357.1	334.5	+ 6.7%	363.7	359.9	+ 1.1%
EBITDA	71.2	69.7	+ 2.1%	73.4	72.4	+ 1.4%
<i>in % of Turnover</i>	19.9%	20.8%	- 90 bp	20.2%	20.1%	+ 7 bp
EBITDA excluding IFRS16	35.5	34.9	+ 1.6%	39.0	38.8	+ 0.6%
<i>EBITDA excluding IFRS16 in % of Turnover</i>	9.9%	10.4%	- 50 bp	10.7%	10.8%	- 5 bp
EBIT (Current operating income)	31.9	32.4	- 1.5%	32.2	33.1	- 2.6%
<i>in % of sales</i>	8.9%	9.7%	- 74 bp	8.9%	9.2%	- 33 bp
Operating profit	31.0	31.8	- 2.5%	31.5	32.0	- 1.7%
Financial result	- 9.5	- 9.3	+ 2.2%	- 12.7	-10.3	+ 23.6%
Profit before tax	21.5	22.5	- 4.5%	18.8	21.7	- 13.6%
Group net profit	14.3	14.3	+ 0.0%	11.9	13.5	- 11.9 %
<i>in % of turnover</i>	4.0%	4.3%	- 27 bp	3.3%	3.8%	- 48 bp

Data being audited by the statutory auditors

High occupancy rates on the rise

The average occupancy rate for nursing homes was 93.7% in the first half of the year, an improvement of 0.5 point compared with the first half of 2022. Over the 2nd quarter, the occupancy rate was 0.4 point higher than in the previous quarter. This favourable, gradual trend is the result of ongoing marketing campaigns at a limited number of residences, including three in the Provence-Alpes-Côte d'Azur region, whose recovery was slowed by viral epidemics that were active until mid-spring.

The Comfort range stood out with a sharp improvement in occupancy rates, up by one point in the 2nd quarter of 2023 compared with the first three months of the year.

The rehabilitation, psychiatric and surgical clinics achieved occupancy close to full capacity in the first half of 2023, with an increase of more than 7 points over the year. This performance was driven in particular by growth in outpatient activity, with volumes up 9%.

Hospital at Home facilities will increase their activity by 18.6% between the 1st half-year and the same period in 2022, with an average of 856 patients being cared for in 2023.

The four Belgian nursing homes had an average occupancy rate of 90.3% in the first half of 2023, up 0.3 points on the same period last year, including the impact of a major works programme at the Tamaris residence in Brussels.

Dynamic activity across all business lines

At 30 June 2023, the number of beds in operation, including beds undergoing restructuring, represented 9,390 beds in 85 establishments. In the first half of 2023, this figure was increased by 55 beds in hospitals at home.

It comprises "cruising speed" capacity of 8,376 beds, up 0.9% year-on-year. These beds rigorously meet LNA Santé's standards and form the basis of the Group's performance.

Total turnover for the first half of 2023 amounted to €363.7m. Operating revenues were 6.7% higher than in the first half of 2022, at €357.1m, thanks to solid organic growth of 6.4%.

The real estate business accounted for €6.6m in the first half of 2023. As expected, this activity is at a low point in terms of internal schedules for the transformation of our offering. It includes the completion of two construction projects : one for an rehabilitation clinic in Meaux and the other for an Elegance nursing home in Pessac. New projects, including the reconstruction of a nursing home within the Meaux health centre, are scheduled for completion in the 2nd half of 2023.

Results resilient in the face of inflation

Consolidated EBITDA amounted to €73.4m in the first half of 2023. The margin on sales was 20.2%, stable compared with 30 June 2022, and breaks down as follows:

- **French Medical and Social Services**, which accounted for 24.3% of turnover, down 1.2 point year-on-year, due to inflation and social measures that were not sufficiently covered by price increases and the volume effects of the rise in occupancy,
- **French Healthcare**, at 17.7% of turnover, down 66 basis points. This includes the unfavourable impact of the 2023 pricing campaign in rehabilitation and psychiatry, which was insufficient to offset salary inflation, automatically leading to 2.4 points decline in EBITDA margin for these establishments compared with the first half of 2022,
- **International Business Line**, at 14.7%, showing a slight improvement, despite inflation in Belgium and the ongoing structuring of the recently acquired Polish establishments.

EBITDA margin for full-year establishments fell by 85 basis points to 21.8% of sales, compared with 22.6% last year.

Excluding IFRS16 (after deducting rental income), the consolidated EBITDA margin remained at 10.7% of turnover, compared with 10.8% a year earlier. Excluding IFRS16, the EBITDA margin for the Operations business alone was 9.9%, while the margin for cruising sites was 10.9% of turnover, down 57 basis points due to the impact of inflation.

EBIT (operating profit before non-recurring items) was €32.2m at mid-year, down 2.6% year-on-year. This represents a margin of 8.9%, down 33 basis points, in line with the fall in the current operating margin to 8.9%.

Operating profit came to €31.5m, down 1.7% on the first half of 2022.

Total interest expense of €12.7m was up 23.6%, attributable to the property business, as a result of the rise in money market rates and increased financing requirements as part of the property renovation plan. The cost of debt rose to 2.7% from 1.7% a year earlier, in line with the credit crunch. However, the active hedging policy and the diversification of the financial structure contained the interest cost in the face of the sharp rise in interest rates.

The apparent tax charge was 34.3%, compared with 36.9% last year, reflecting the halving of the CVAE rate.



Net profit attributable to equity holders of the parent came to €11.9m, down 11.9% year-on-year, due to higher financial charges on the property business. Net margin fell to 3.3% of turnover, compared with 3.8% the previous year (down 48 basis points). Net profit from operations, Group share, proved its resilience, remaining stable year on year at €14.3m.

Sound and flexible financial structure

At 30 June 2023, net financial debt stood at €368.5m. This was €19.6m higher than at the end of 2022, mainly due to financing requirements for the property cycle.

It includes operating debt of €136m, which represents 37% of the Group's net debt, with the balance made up of debt backed by property assets that are almost entirely transferable.

Operating leverage at 30 June 2023 was 1.92x for a covenant capped at 4.25. Operating Gearing stood at 31%, against an authorisation of 125%.

Available cash at the end of the financial year amounted to €103m (of which €99m for Operations alone). This position has been strengthened by the capacity to draw down €103m from the RCF, bringing total liquidity to over €200m, enabling the Group to study development opportunities with confidence.

Free cash flow for the first half of 2023 amounted to €23.2m, up 10% year-on-year thanks to solid EBITDA generation and a lower tax charge.

Outlook confirmed

On the strength of its GE#3 strategic project, a real driver of long-term, virtuous development, the Group is showing its serenity in the face of current constraints.

For 2023, LNA Santé confirms its business forecast, targeting organic growth of 6% and operating sales of close to €720m. Operating leverage should remain below 2.0x.

The resilience of our businesses means that we can expect the EBITDA margin excluding IFRS 16 for sites operating at full capacity to be 11% of operating sales.

Next press release:

2023 Q3 revenue

07 November 2023 at market close

About LNA Santé: *as a family-run business, we care for people in need, for them and their carers, for professionals and for our environment, by stimulating cooperation and innovation to meet the health challenges facing our regions.*

For more information, please consult the website: www.lna-sante.com

LNA shares are listed in compartment B of Eurolist by Euronext Paris.
ISIN code: FR0004170017.



Contacts:



Damien Billard
+33 (0)2 40 16 17 92
contact@lna-sante.com



Financial communication

J. Gacoin / V. Boivin
+33 (0)1 75 77 54 65
lnasante@aelium.fr

Shareholders' Helpline (Tuesdays and Thursdays from 2pm to 4pm): +33 811 04 59 21

Glossary

The **cruising phase** corresponds to beds that comply with LNA Santé's operating plan (quality of care, target size of establishment, new state of real estate, trained and involved management, efficient organisation). **Facilities undergoing restructuring** or in the opening phase are facilities taken over or opened approximately 1 year ago, undergoing renovation and/or expansion to bring them up to Group standards (cruising speed).

The **International Sectors** segment includes MRPA's in Belgium and clinics in Poland.

The **French Medico-Social** sector covers the activities of nursing homes in France.

The **French Sanitary** sector covers the activities of the rehabilitation, psychiatry, surgery and HAH.

Organic sales growth corresponds to the change in sales :

- between N-1 and N of establishments existing in N-1,
- between N-1 and N for establishments opened in N-1 or N,
- between N-1 and N of establishments restructured in accordance with LNA Santé specifications or whose capacity increased in N-1 or N,
- in N compared with the equivalent period in N-1 for establishments acquired in N-1.

Free Cash Flow corresponds to cash flow from operating activities less sustaining capital expenditure and interest paid, and excluding changes in WCR (which can have a significant impact on the property cycle in either direction).

EBIT corresponds to recurring operating income. It is derived from operating profit adjusted for other income, expenses and provisions for liabilities and charges that are unusual or material in nature.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) corresponds to operating profit before other operating income and expenses, depreciation, amortisation and provisions, after allowances and reversals for impairment in value of property inventories.

Net financial debt : Gross financial debt, excluding lease obligations introduced by IFRS16, less cash and cash equivalents and derivative assets, plus property leasing commitments.

Net financial debt from operations : gross financial debt from operations, excluding rental obligations within the meaning of IFRS 16, plus equity contributed to property, less cash and cash equivalents and derivative assets.

Net cash consists of cash and cash equivalents less bank overdrafts.

Operating leverage is the ratio of net operating debt to operating EBITDA excluding IFRS16.

Operating gearing is the ratio of net operating debt to adjusted operating equity.

Adjusted operating equity represents consolidated operating equity, excluding the impact of IFRS16, plus operating deferred tax liabilities, excluding the impact of IFRS16, relating mainly to the valuation of operating intangible assets.

ANNEXES TO THE PRESS RELEASE

I. Summary financial statements

Under audit by the Statutory Auditors

Consolidated income statement

En milliers d'euros	1er Semestre 2023			1er Semestre 2022		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
Chiffre d'affaires	357 053	6 620	363 674	334 523	25 358	359 882
Achats consommés	(35 362)	(40 474)	(75 836)	(32 211)	(23 918)	(56 129)
Charges de personnel	(202 114)	(1 491)	(203 605)	(185 728)	(1 653)	(187 381)
Charges externes	(39 767)	(1 427)	(41 194)	(39 563)	(1 222)	(40 785)
Impôts, taxes et versements assimilés	(17 277)	(868)	(18 146)	(17 293)	(579)	(17 872)
Dotations nettes aux amortissements, dépréciations et provisions	(38 161)	(2 219)	(40 381)	(36 591)	(2 074)	(38 665)
Dotations nettes aux dépréciations des créances clients	(466)		(466)	(418)		(418)
Variation de stocks de produits en cours et de produits finis	353	37 774	38 126	407	525	931
Autres produits et charges d'exploitation	8 625	1 415	10 039	12 821	686	13 507
Compte de liaison	(992)	992		(3 587)	3 587	
Résultat opérationnel courant	31 891	321	32 212	32 360	709	33 069
Autres produits opérationnels	3 038	128	3 166	3 137		3 137
Autres charges opérationnelles	(3 908)		(3 908)	(3 667)	(540)	(4 207)
Résultat opérationnel	31 021	449	31 470	31 830	169	31 999
Coût de l'endettement financier net	(10 317)	(2 428)	(12 744)	(9 409)	(869)	(10 278)
Autres produits et charges financiers	795	(725)	69	91	(70)	21
Résultat avant impôt	21 499	(2 704)	18 795	22 513	(770)	21 742
Charges d'impôt	(6 874)	432	(6 442)	(7 951)	(68)	(8 019)
Résultat net des sociétés intégrées	14 625	(2 273)	12 352	14 561	(838)	13 723
Résultat des sociétés mises en équivalence	(51)	(106)	(157)	233	80	313
Résultat net de l'ensemble consolidé	14 575	(2 379)	12 196	14 794	(758)	14 036
Intérêts ne conférant pas le contrôle	297	(35)	262	518	(31)	488
Résultat net part du groupe	14 277	(2 343)	11 934	14 276	(727)	13 549
Résultat par action			1,1642			1,3175
Résultat dilué par action			1,1642			1,3171

Consolidated balance sheet Assets

En milliers d'euros	30/06/2023			31/12/2022		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
Actifs non courants	1 104 495	85 526	1 190 021	1 105 663	88 701	1 194 364
Ecarts d'acquisition	136 637	3 621	140 258	135 976	3 621	139 597
Immobilisations incorporelles	422 325		422 325	423 259		423 259
Immobilisations corporelles	94 767	75 899	170 666	95 747	78 779	174 526
Actifs financiers non courants	7 837	30	7 867	8 953	44	8 998
Titres mis en équivalence	4 928	3 648	8 577	4 979	3 944	8 923
Droits d'utilisation des contrats de location	434 276	1 957	436 233	433 154	2 015	435 169
Impôts différés actif	3 724	371	4 095	3 594	298	3 892
Actifs courants	207 044	156 213	363 256	190 855	127 876	318 731
Stocks et en-cours	4 850	133 328	138 177	4 872	93 537	98 409
Actifs sur contrats, clients et comptes rattachés	60 576	3 280	63 856	51 384	18 142	69 526
Autres actifs courants	42 168	14 832	56 999	34 800	10 596	45 395
Créances d'impôt	813	339	1 152	3 092	331	3 423
Trésorerie et équivalents de trésorerie	98 637	4 435	103 072	96 708	5 270	101 978
TOTAL ACTIF	1 311 539	241 738	1 553 277	1 296 518	216 577	1 513 095

Consolidated balance sheet Liabilities

En milliers d'euros	30/06/2023			31/12/2022		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
Capitaux propres totaux	316 740	(17 486)	299 254	313 827	(15 045)	298 782
Capital social	21 419		21 419	21 419		21 419
Primes d'émission	99 590		99 590	99 590		99 590
Réserves consolidées	172 646	(15 101)	157 545	154 107	(11 601)	142 506
Résultat part du groupe	14 277	(2 343)	11 934	29 302	(3 489)	25 813
Capitaux propres du groupe	307 933	(17 445)	290 488	304 418	(15 090)	289 328
Intérêts ne conférant pas le contrôle	8 807	(41)	8 766	9 409	45	9 454
Passifs non courants	679 666	177 810	857 476	647 433	70 392	717 824
Engagements de retraite et avantages assimilés	9 786	41	9 828	9 138	37	9 175
Impôts différés passifs	81 526	236	81 762	81 844	1 482	83 326
Emprunts et dettes financières non courants	164 123	174 806	338 929	130 497	66 181	196 678
Obligations locatives non courantes	416 342	1 756	418 098	417 594	1 842	419 436
Autres éléments non courants	7 889	971	8 860	8 359	850	9 209
Passifs courants	315 133	81 414	396 546	335 258	161 231	496 488
Provisions pour risques courantes	6 705	1 034	7 739	6 093	1 136	7 229
Dettes fournisseurs et avances reçues	55 079	11 940	67 020	52 474	10 743	63 217
Emprunts et dettes financières courants	67 775	50 276	118 051	92 246	146 868	239 114
Obligations locatives courantes	57 593	362	57 955	55 987	335	56 322
Autres passifs courants	140 303	2 581	142 884	119 297	9 199	128 496
Dettes d'impôts courants	409	2 488	2 897	280	1 830	2 110
Compte de liaison	(12 731)	12 731		8 881	(8 881)	
TOTAL PASSIF	1 311 539	241 738	1 553 277	1 296 518	216 577	1 513 095

Cash flow statement

En milliers d'euros	1er semestre 2023			1er semestre 2022		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
OPERATIONS D'ACTIVITES						
Résultat net de l'ensemble consolidé			12 196			14 036
Elimination des charges et produits sans incidence sur la trésorerie ou non liés à l'exploitation :						
<i>Amortissements et provisions</i>			41 368			39 604
<i>Coût de l'endettement financier net</i>			12 744			10 278
<i>Charges d'impôt</i>			6 442			8 019
<i>Plus ou moins-values de cession</i>			(1 070)			(557)
<i>Autres produits et charges</i>			(214)			(1 089)
Marge brute d'autofinancement avant coût de l'endettement net et impôt	69 688	1 780	71 467	67 994	2 296	70 291
Variation du besoin en fonds de roulement	(3 023)	(28 685)	(31 707)	1 255	9 817	11 072
<i>Stocks</i>	(629)	(38 920)	(39 548)	(119)	444	325
<i>Créances</i>	(16 197)	10 498	(5 699)	884	(2 185)	(1 301)
<i>Dettes</i>	13 803	(263)	13 540	490	11 559	12 049
Impôt décaissé	(4 913)	(222)	(5 136)	(9 039)	(247)	(9 286)
Flux nets de trésorerie générés par l'activité	61 752	(27 127)	34 624	60 210	11 867	72 077
OPERATIONS D'INVESTISSEMENT						
Acquisition d'immobilisations incorporelles			(553)			(427)
Acquisition d'immobilisations corporelles			(5 361)			(5 156)
Acquisition d'actifs financiers non courants			(195)			(280)
Var. des dettes sur acquisition d'immobilisations			(312)			
Cession d'immobilisations corporelles			119			808
Cession d'immobilisations financières			325			152
Dividendes reçus			190			
Trésorerie nette sur acquisition et cessions de filiales			(13)			(33 245)
Flux nets de trésorerie liés aux opérations d'investissement	(5 587)	(212)	(5 798)	(30 280)	(7 868)	(38 148)
OPERATIONS DE FINANCEMENT						
Dividendes versés aux minoritaires			(886)			(873)
Augmentation de capital						49 937
Actions propres et autres éléments non courants			(6 519)			(2 638)
Emissions d'emprunts désintermédiés			28 600			12 200
Emissions d'emprunts bancaires			22 301			11 540
Augmentation des dettes financières diverses			2 137			2 349
Remboursement des emprunts désintermédiés						(94 400)
Remboursement des emprunts bancaires			(31 355)			(13 463)
Remboursement des obligations locatives			(28 715)			(27 971)
Remboursement des dettes financières diverses			(2 037)			(1 913)
Coût financier décaissé			(11 262)			(9 833)
Flux nets de trésorerie liés aux opérations de financement	(54 240)	26 505	(27 736)	(69 283)	(5 781)	(75 064)
Trésorerie à l'ouverture	96 701	5 270	101 971	145 407	6 227	151 634
Trésorerie à la clôture	98 626	4 435	103 060	106 055	4 444	110 499
VARIATION DE TRESORERIE	1 925	(835)	1 090	(39 353)	(1 782)	(41 135)

II. Reconciliation tables

Reconciliation of EBITDA with operating profit and EBITDA with EBITDA before IFRS 16 presented in the financial statements

En milliers d'euros	30/06/2023			30/06/2022		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
Résultat opérationnel	31 021	449	31 470	31 830	169	31 999
Dotations nettes aux amortissements et provisions	38 161	2 219	40 381	36 591	2 074	38 665
Dotations nettes aux dépréciations des créances clients	466		466	418		418
Provision engagements de retraite	705	4	709	771	5	776
Autres produits et charges d'exploitation	(8 625)	(1 415)	(10 039)	(12 821)	(686)	(13 507)
Subventions d'exploitation	9 050	1	9 051	12 779	4	12 782
Autres produits et charges d'exploitation à caractère d'EBITDA	(493)		(493)	(433)	1 199	766
Dépréciations de stocks immobiliers		1 146	1 146		(568)	(568)
Autres produits et charges opérationnels	870	(128)	742	530	540	1 070
EBITDA	71 155	2 277	73 432	69 665	2 736	72 401
Impact de l'élimination des loyers IFRS 16	(35 652)	1 257	(34 395)	(34 721)	1 140	(33 580)
EBITDA retraité IFRS 16	35 503	3 533	39 037	34 944	3 876	38 821

Group net financial debt

En milliers d'euros	30/06/2023			31/12/2022		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
Emprunts et dettes financières	231 898	225 082	456 980	222 743	213 049	435 792
Comptes courants internes	9 617	(9 617)		10 987	(10 987)	
Instruments dérivés actifs	(6 586)	(118)	(6 704)	(6 810)	(135)	(6 945)
Trésorerie et équivalents de trésorerie	(98 637)	(4 435)	(103 072)	(96 708)	(5 270)	(101 978)
Endettement Net	136 292	210 912	347 204	130 211	196 657	326 868
Engagements sur contrats de crédit-bail immobilier		21 300	21 300		22 018	22 018
Endettement Net selon covenants	136 292	232 212	368 504	130 211	218 675	348 886

Group net cash position

En milliers d'euros	30/06/2023			30/06/2022		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
Disponibilités	88 637	4 435	93 072	85 865	4 453	90 317
Equivalents de trésorerie	10 000		10 000	20 350		20 350
Trésorerie et équivalents de trésorerie	98 637	4 435	103 072	106 215	4 453	110 667
Concours bancaires courants	(11)		(11)	(160)	(8)	(168)
Trésorerie nette	98 626	4 435	103 060	106 055	4 444	110 499