



Press Release

Nantes, 14 September 2022, 6pm

2022 HALF-YEAR RESULTS

LNA SANTE

A company that is strong in its singularities

Family oriented, Entrepreneurial, Transformative, Humanistic, Demanding

Good momentum in business and results

Occupancy rate: 93.5% in EHPAD / 94.5% in SMR

Operating revenue up 8.0% to €334.5m

EBIT: +7.1% to €33.1m

Debt reduction and financial strength

Operating leverage down to 1.9x

Growth prospects confirmed

Operating revenue 2022 > €675m

Preparation of the GE 2027 plan

"In an environment plagued by doubts, we remain true to our DNA and confident in our project, whose solid performance in the first half of the year is in line with our expectations. Our unique characteristics remain: those of an independent, family-run company that is consistent over time, committed to its values and concerned with meeting public health challenges. In each of our businesses, we work tirelessly and in cooperation with all stakeholders to transform the healthcare offering to improve the quality of life of the people we care for, with their involvement and that of their families.

But because the world is changing, we too are being forced to adapt and rethink. After a health crisis that put the functioning of our professions under pressure and permanently shifted a number of points of reference, other crises follow one another with the strength of their interdependence: media, HR, economic.

In this context, we are continuing to prepare a new strategic project which will be an opportunity to renew our confidence in the future of our professions and to define, based on these challenges, our aspirations and our priorities for action, which we will present in the first half of 2023. We are convinced that pride in our work is the cornerstone of the challenge of transforming the healthcare offer and the demographic transition. More than ever, our compass around "Growing Together" will guide us to continue to undertake tomorrow in the service of the common good: our health. Far from giving in to a wait-and-see attitude, the situation already invites us to be more imaginative, more daring and more cooperative.

Jean-Paul Siret - Chairman

Willy Siret - Chief Executive Officer

Damien Billard - Deputy Chief Executive Officer-Finance

2022 HALF-YEAR RESULTS

The Board of Directors of LNA Santé, a local and global healthcare operator, meeting on 13 September 2022 under the chairmanship of Jean-Paul Siret, approved the half-yearly accounts for 2022.

IFRS In €m	GROUP OPERATION + REAL ESTATE			OPERATIONS		
	S1 2022	S1 2021	Var.	S1 2022	S1 2021	Var.
Turnover	359.9	338.1	+6,4%	334,5	309,8	+8,0%
EBITDA	72.4	70.4	+2.9%	69.7	68.1	+2.2%
<i>in % of turnover</i>	20.1%	20.8%	-70 bp	20.8%	22.0%	-117 bp
EBITDA excluding IFRS 16	38.8	38.1	+1.9%	34.9	34.7	+0.7%
<i>EBITDA excluding IFRS 16 as % of sales</i>	10.8%	11.3%	-48 bp	10.4%	11.2%	-76 bp
EBIT (Current operating profit)	33.1	30.9	+7.1%	32.4	30.6	+5.7%
<i>in % of turnover</i>	9.2%	9.1%	+6 bp	9.7%	9.9%	-21 bp
Operating profit	32.0	27.3	+17.2%	31.8	27.6	+15.2%
Financial result	-10.3	-9.8	+4.6%	-9.3	-9.1	+2.0%
Net profit (Group share)	13.5	11.1	+21.6%	14.3	12.1	+18.1%
<i>in % of turnover</i>	3.8%	3.3%	+47 bp	4.3%	3.9%	+37 bp

Data being audited by the auditors

Occupancy rate improving

The average occupancy rate of nursing homes in the first half of 2022 was 93.5%, an improvement of 3 points compared to the first half of 2021, marking a gradual recovery in activity after the health crisis and its successive confinements.

The Elegance range saw the strongest increase of 3 points, to over 92% in the first half of 2022. The average occupancy rate is still below the situation before the health crisis, due to the delay in filling up six establishments located in the Ile-de-France and PACA regions.

The average occupancy rate in the first half of 2022 for the Comfort range of nursing homes improved by 2.5 points to over 97%, a level close to the pre-crisis situation, which attests to their great resilience.

The four Belgian nursing homes had an average occupancy rate of 90% in the first half of 2022, an increase of 7 points compared to the same period of the year, in a tense competitive environment in the Brussels region.

The SMRs show an average occupancy rate for the first half of 2022 of 94.5%, up 8 points compared to the first half of 2021, which was severely disrupted by the health crisis and hospital deprogramming.

The number of patients treated in the Hospitalisation à Domicile structures continues to rise by 6% in the first half of 2022 compared to the same period last year, i.e. an average occupation of 725 patients.

Dynamic activity in the 1st half of the year

At 30 June 2022, the number of beds in operation, including beds undergoing restructuring, represented 9,349 beds in 82 facilities. In the first half of 2022, it was increased by 125 beds with the acquisition of two facilities in Poland at the end of February 2022 and the start of HAH activity in Mayotte.

It consists of "cruising" capacity of 8,301 beds, up 5.7% year-on-year, in line with the transformation plan. These beds meet LNA Santé's standards in every respect and are the foundation of the Group's performance.

Total revenue for the first half of 2022 was €359.9 million. Operations increased by +8.0% compared with the first half of 2021 at €334.5 million, thanks to solid organic growth of 7.3% and the contribution of external growth of 0.7%.

The real estate business represented 25.4 million in the first half of 2022. It results from the progress of construction projects in progress (including the construction of the EHPAD in Pessac, the extension of the Maison de Santé in Epinay and the reconstruction of the Pôle de Santé in Meaux).

Strong results

Consolidated EBITDA amounted to 72.4 million euros in the first half of 2022. This represents a margin on sales of 20.1%, down 0.7 points compared to the same period in 2021, due to the efforts made to structure the Head Office and AHHs, in the context of the first establishment in Poland.

- For the **Medical and Healthcare France** segment, the EBITDA margin represented 25.5% of sales, down slightly by 11 basis points over the year.
- In the **French Healthcare** sector, the margin was 18.3% of revenue, down 71 basis points. This change is mainly due to the strengthening of the organisations to support the business dynamics of the cruising entities and to the launch of the HAH business in Mayotte.
- in the **International Business** sector, it was down 2.5 points to 14.4%. This change is explained by the takeover of two Polish establishments that are currently under-occupied, and by the strength of inflation in Belgium (energy, rents and salary increases).

The EBITDA margin of the **plants at cruising speed** was 22.6% of turnover, compared with 23.4% last year.

Excluding IFRS16 (after deducting rental income), the consolidated EBITDA margin was 10.8% of sales. Excluding IFRS16, the EBITDA margin for the Operations business alone was 10.4%, while the EBITDA margin for the cruising sites remained stable year on year at a solid 11.5%.

EBIT (current operating income) stood at EUR 33.1 million at mid-year, up 7.1% year-on-year. The margin was stable from one year to the next, due to the controlled development of payroll, rents and other expenses, in line with the increase in turnover. The EBIT margin for Operations remained solidly anchored at 9.7%, with the 21 basis point decline due to the acquisition of the Polish facilities in early 2022 and the start-up of HAH on the island of Mayotte.

Operating profit improved by 17.2% to EUR 32.0 million. It benefiting from lower site departure costs in the first half of 2022 compared to the first half of 2021.

The overall financial cost is a controlled variation of 4.6%, while the cost of gross debt is contained at 1.6% compared to 1.5% one year earlier. This financial discipline is based on an active hedging policy and a



diversified financing mix, which limits the exposure of the interest expense to the highly inflationary context of monetary rates.

The tax charge shows an apparent rate of 36.9%, compared to 39.4% last year. This decrease is due to the decrease in the standard corporate tax rate, which reached a low point.

The Group's share of net profit was €13.5 million, up 21.6% year-on-year. The net margin increased to 3.8% of turnover compared to 3.3% last year (+47 basis points), thus approaching the pre-crisis level.

Debt reduction in the first half of 2022

At 30 June 2022, net financial debt stood at EUR 335.8 million. 30 million in free cash flow based on a solid EBITDA and a working capital requirement that has returned to a normal level.

It includes operating debt of 133 million, which represents 40% of the Group's net debt, the balance being made up of debts backed by real estate assets, which are mainly transferable.

Operating leverage eases significantly to 1.92x for a covenant cap of 4.25. The Operating Gearing is 32% for a 125% approval.

The cash position at the end of the year was 110.5 million euros and was strengthened by the RCF drawing capacity of 175 million euros, bringing liquidity to a level close to 300 million euros.

This financial strength is the result of the in-depth refinancing of LNA Santé completed at the beginning of 2022 with a capital increase and active cash generation from the business lines.

Outlook confirmed

The Group intends to actively pursue the recovery of the business in the healthcare territories affected by occupancy delays in order to achieve the objective of organic growth of 6% in 2022 and operating revenue in excess of €675 million.

The good performance of the business in the third quarter means that the operating EBITDA margin for the second half of the year is likely to be close to that of the first half of the year, with a well-controlled financial structure.

In addition, the Group is confidently outlining its new strategic project, *Grandir Ensemble 2027*. Building on the achievements of the project that is now drawing to a close, it will enable LNA Santé to give new impetus to its ambitions in a more complex environment and in the face of the urgent challenges facing the healthcare sector.

Next release:

Turnover 3rd quarter 2022

08 November 2022 at market close



About LNA Santé: With 30 years of experience, LNA Santé is involved at the heart of health territories to improve the quality of life of temporarily or permanently frail people in a welcoming and caring environment, adapted to each person and to all ages.

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

The LNA share is listed in compartment B of Eurolist by Euronext Paris.
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Glossary

The **cruising regime** corresponds to beds that comply with LNA Santé's operating plan (quality of care, target size of the establishment, new state of the real estate, trained and involved management, efficient organisation).

Establishments undergoing restructuring or in the process of opening are those that have been taken over or opened approximately one year ago and are being renovated and/or expanded in order to bring them up to Group standards (cruising speed).

The **International Business** segment includes the activities of the MRPA's in Belgium and the clinics in Poland.

The **Health** sector includes the activities of the SMRs, psychiatry, surgery and HAH.

Organic growth in turnover corresponds to the change in turnover:

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

Free Cash Flow is cash flow from operations less sustaining capital expenditure and interest paid.

EBIT corresponds to Current Operating Income (COI). It is obtained from the operating result adjusted for other income, expenses and provisions for risks and expenses that are unusual and significant.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) corresponds to operating income before other operating income and expenses, depreciation and provisions, after allowances and reversals of impairment of property inventories.

The **net financial debt of Operations** corresponds to the gross financial debt, excluding rental obligations introduced by IFRS 16, less cash and cash equivalents.

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

Operating leverage is the ratio of operating net financial debt to operating EBITDA before IFRS 16.

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

Adjusted operating equity represents consolidated operating equity, excluding the impact of IFRS 16, plus operating deferred tax liabilities, excluding the impact of IFRS 16, mainly related to the valuation of operating intangible assets.

ANNEXES TO THE COMMUNIQUÉ

I. Summary financial statements

Under audit by the Statutory Auditors

Consolidated Income Statement

En milliers d'euros	1er Semestre 2022			1er Semestre 2021		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
Chiffre d'affaires	334 523	25 358	359 882	309 775	28 371	338 146
Achats consommés	(32 211)	(23 918)	(56 129)	(28 609)	(23 667)	(52 275)
Charges de personnel	(185 728)	(1 653)	(187 381)	(172 770)	(1 398)	(174 168)
Charges externes	(39 563)	(1 222)	(40 785)	(37 964)	(1 278)	(39 242)
Impôts, taxes et versements assimilés	(17 293)	(579)	(17 872)	(15 524)	(850)	(16 374)
Dotations nettes aux amortissements, dépréciations et provisions	(36 591)	(2 074)	(38 665)	(35 796)	(1 969)	(37 765)
Dotations nettes aux dépréciations des créances clients	(418)		(418)	(153)		(153)
Variation de stocks de produits en cours et de produits finis	407	525	931	209	(7 633)	(7 424)
Autres produits et charges d'exploitation	12 821	686	13 507	15 094	5 031	20 125
Compte de liaison	(3 587)	3 587		(3 660)	3 660	
Résultat opérationnel courant	32 360	709	33 069	30 603	267	30 870
Autres produits opérationnels	3 137		3 137	1 134		1 134
Autres charges opérationnelles	(3 667)	(540)	(4 207)	(4 109)	(595)	(4 704)
Résultat opérationnel	31 830	169	31 999	27 628	(328)	27 300
Coût de l'endettement financier net	(9 409)	(869)	(10 278)	(9 203)	(623)	(9 825)
Autres produits et charges financiers	91	(70)	21	71	(51)	19
Résultat avant impôt	22 513	(770)	21 742	18 496	(1 002)	17 494
Charges d'impôt	(7 951)	(68)	(8 019)	(6 988)	89	(6 900)
Résultat net des sociétés intégrées	14 561	(838)	13 723	11 508	(913)	10 594
Résultat des sociétés mises en équivalence	233	80	313	1 087		1 087
Résultat net de l'ensemble consolidé	14 794	(758)	14 036	12 595	(913)	11 681
Intérêts ne conférant pas le contrôle	518	(31)	488	508	28	537
Résultat net part du groupe	14 276	(727)	13 549	12 086	(942)	11 145
Résultat par action			1,3175			1,1642
Résultat dilué par action			1,3171			1,1642

Consolidated Balance Sheet Assets

En milliers d'euros	30/06/2022			31/12/2021		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
Actifs non courants	1 131 593	90 768	1 222 361	1 090 395	84 901	1 175 296
Ecarts d'acquisition	138 377	4 065	142 441	132 509	3 620	136 128
Immobilisations incorporelles	411 149		411 149	410 531		410 531
Immobilisations corporelles	95 952	79 135	175 087	84 144	78 313	162 458
Actifs financiers non courants	4 834	285	5 120	3 025	76	3 101
Titres mis en équivalence	4 291	3 875	8 166	4 058		4 058
Droits d'utilisation des contrats de location	472 048	2 181	474 229	452 000	2 262	454 263
Impôts différés actif	4 942	1 227	6 169	4 128	629	4 757
Actifs courants	202 446	117 749	320 195	237 265	117 228	354 492
Stocks et en-cours	4 747	79 943	84 690	4 554	81 101	85 655
Actifs sur contrats, clients et comptes rattachés	48 024	23 783	71 807	42 942	23 539	66 481
Autres actifs courants	41 557	9 200	50 757	41 418	6 040	47 458
Créances d'impôt	1 902	371	2 273	2 822	307	3 129
Trésorerie et équivalents de trésorerie	106 215	4 453	110 667	145 528	6 241	151 769
TOTAL ACTIF	1 334 039	208 517	1 542 556	1 327 659	202 129	1 529 788

Consolidated Balance Sheet Liabilities

En milliers d'euros	30/06/2022			31/12/2021		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
Capitaux propres totaux	296 902	(12 366)	284 536	234 660	(11 674)	222 986
Capital social	21 419		21 419	19 514		19 514
Primes d'émission	99 590		99 590	51 558		51 558
Réserves consolidées	154 227	(11 658)	142 569	132 616	(11 106)	121 510
Résultat part du groupe	14 276	(727)	13 549	24 171	(661)	23 510
Capitaux propres du groupe	289 512	(12 385)	277 127	227 859	(11 767)	216 092
Intérêts ne conférant pas le contrôle	7 390	20	7 410	6 801	93	6 894
Passifs non courants	680 747	73 650	754 397	670 378	87 405	757 783
Engagements de retraite et avantages assimilés	8 696	33	8 729	10 184	37	10 221
Impôts différés passifs	74 644	4 280	78 925	73 281	3 640	76 921
Emprunts et dettes financières non courants	133 181	66 771	199 952	141 355	81 045	222 399
Obligations locatives non courantes	456 091	2 006	458 097	437 106	2 104	439 210
Autres éléments non courants	8 135	560	8 695	8 452	580	9 032
Passifs courants	356 390	147 232	503 623	422 622	126 397	549 019
Provisions pour risques courantes	8 381	780	9 161	8 364	750	9 115
Dettes fournisseurs et avances reçues	51 562	9 087	60 649	54 429	7 992	62 421
Emprunts et dettes financières courants	97 477	129 515	226 992	181 672	107 594	289 267
Obligations locatives courantes	56 413	335	56 748	54 858	315	55 173
Autres passifs courants	124 839	21 573	146 412	111 919	16 339	128 258
Dettes d'impôts courants	2 182	1 480	3 662	3 629	1 156	4 785
Compte de liaison	15 536	(15 536)		7 750	(7 750)	
TOTAL PASSIF	1 334 039	208 517	1 542 556	1 327 659	202 129	1 529 788

Cash flow statement

En milliers d'euros	1er semestre 2022			1er semestre 2021		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
OPERATIONS D'ACTIVITES						
Résultat net de l'ensemble consolidé			14 036			11 681
Elimination des charges et produits sans incidence sur la trésorerie ou non liés à l'exploitation :						
<i>Amortissements et provisions</i>			39 604			39 943
<i>Coût de l'endettement financier net</i>			10 278			9 825
<i>Charges d'impôt</i>			8 019			6 900
<i>Plus ou moins-values de cession</i>			(557)			818
<i>Autres produits et charges</i>			(1 089)			(1 285)
Marge brute d'autofinancement avant coût de l'endettement net et impôt	67 994	2 296	70 291	65 726	2 157	67 883
Variation du besoin en fonds de roulement	1 255	9 817	11 072	(33 641)	(3 529)	(37 170)
<i>Stocks</i>	(119)	444	325	40	2 598	2 638
<i>Créances</i>	884	(2 185)	(1 301)	(3 349)	(10 215)	(13 565)
<i>Dettes</i>	490	11 559	12 049	(30 332)	4 088	(26 243)
Impôt décaissé	(9 039)	(247)	(9 286)	(3 011)	(228)	(3 239)
Flux nets de trésorerie générés par l'activité	60 210	11 867	72 077	29 074	(1 599)	27 474
OPERATIONS D'INVESTISSEMENT						
Acquisition d'immobilisations incorporelles			(427)			(2 435)
Acquisition d'immobilisations corporelles			(5 156)			(5 293)
Acquisition d'actifs financiers non courants			(280)			(1 011)
Var. des dettes sur acquisition d'immobilisations						1 615
Cession d'immobilisations corporelles			808			43
Cession d'immobilisations financières			152			2 819
Trésorerie nette sur acquisition et cessions de filiales			(33 245)			(15 837)
Flux nets de trésorerie liés aux opérations d'investissement	(30 280)	(7 868)	(38 148)	(10 827)	(9 273)	(20 100)
OPERATIONS DE FINANCEMENT						
Dividendes versés aux minoritaires			(873)			(775)
Augmentation de capital			49 937			
Actions propres et autres éléments non courants			(2 638)			(299)
Emissions d'emprunts désintermédiés			12 200			67 700
Emissions d'emprunts bancaires			11 540			89 140
Augmentation des dettes financières diverses			2 349			1 814
Remboursement des emprunts désintermédiés			(94 400)			(14 400)
Remboursement des emprunts bancaires			(13 463)			(134 572)
Remboursement des obligations locatives			(27 971)			(27 525)
Remboursement des dettes financières diverses			(1 913)			(4 397)
Coût financier décaissé			(9 833)			(8 864)
Flux nets de trésorerie liés aux opérations de financement	(69 283)	(5 781)	(75 064)	(44 310)	12 133	(32 177)
Trésorerie à l'ouverture	145 407	6 227	151 634	116 109	4 780	120 889
Trésorerie à la clôture	106 055	4 444	110 499	90 046	6 041	96 087
VARIATION DE TRESORERIE	(39 353)	(1 782)	(41 135)	(26 063)	1 261	(24 802)

II. Reconciliation tables

Reconciliation of EBITDA to Operating Profit and EBITDA to EBITDA before IFRS 16 presented in the financial statements

En milliers d'euros	30/06/2022			30/06/2021		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
Résultat opérationnel	31 830	169	31 999	27 628	(328)	27 300
Dotations nettes aux amortissements et provisions	36 591	2 074	38 665	35 796	1 969	37 765
Dotations nettes aux dépréciations des créances clients	418		418	153		153
Provision engagements de retraite	771	5	776	774	4	779
Autres produits et charges d'exploitation	(12 821)	(686)	(13 507)	(15 094)	(5 031)	(20 125)
Subventions d'exploitation	12 779	4	12 782	15 658		15 658
Autres produits et charges d'exploitation à caractère d'EBITDA	(433)	1 199	766	246		246
Dépréciations de stocks immobiliers		(568)	(568)		5 035	5 035
Autres produits et charges opérationnels	530	540	1 070	2 975	595	3 570
EBITDA	69 665	2 736	72 401	68 136	2 244	70 380
Impact de l'élimination des loyers IFRS 16	(34 721)	1 140	(33 580)	(33 424)	1 133	(32 291)
EBITDA retraité IFRS 16	34 944	3 876	38 821	34 712	3 376	38 089

Group net financial debt

En milliers d'euros	30/06/2022			31/12/2021		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
Emprunts et dettes financières	230 658	196 286	426 943	323 027	188 639	511 666
Comptes courants internes	11 660	(11 660)		5 864	(5 864)	
Instruments dérivés actifs	(3 142)	(30)	(3 173)	(380)		(380)
Trésorerie et équivalents de trésorerie	(106 215)	(4 453)	(110 667)	(145 528)	(6 241)	(151 769)
Endettement Net	132 961	180 143	313 103	182 984	176 534	359 517
Engagements sur contrats de crédit-bail immobilier		22 729	22 729		23 440	23 440
Endettement Net selon covenants	132 961	202 872	335 832	182 984	199 974	382 957

Net cash position of the Group

En milliers d'euros	30/06/2022			30/06/2021		
	Exploit.	Immo.	Total	Exploit.	Immo.	Total
Disponibilités	85 865	4 453	90 317	80 089	6 052	86 141
Equivalents de trésorerie	20 350		20 350	10 106		10 106
Trésorerie et équivalents de trésorerie	106 215	4 453	110 667	90 195	6 052	96 247
Concours bancaires courants	(160)	(8)	(168)	(149)	(11)	(159)
Trésorerie nette	106 055	4 444	110 499	90 046	6 041	96 087