
Financial presentation

Half-year results – September 2017



Results for the first half of 2017 and outlook

September 2017

Contents

1. **Le Noble Age Groupe becomes LNA SANTÉ**
2. Moving toward a new strategic plan
3. 2017 half-year results and economic outlook

Le Noble Age Groupe becomes LNA SANTÉ

2016: creation of the LNA SANTÉ brand

- ▶ A name that reflects the group's scope of activity
- ▶ A strong, representative brand that speaks to everyone
- ▶ Emblem of a strategic commitment to development

Natural evolution for a mature business model

2017: communications campaign underway

- ▶ Deployment of name on sites and media
- ▶ Approval of the Group's name change by the fourth-quarter General Shareholders' Meeting

A new dimension, a larger footprint

LNA SANTE, CARING AND TAKING CARE

Major player

in the care of weakened individuals

67

authorized establishments

6 000

partners

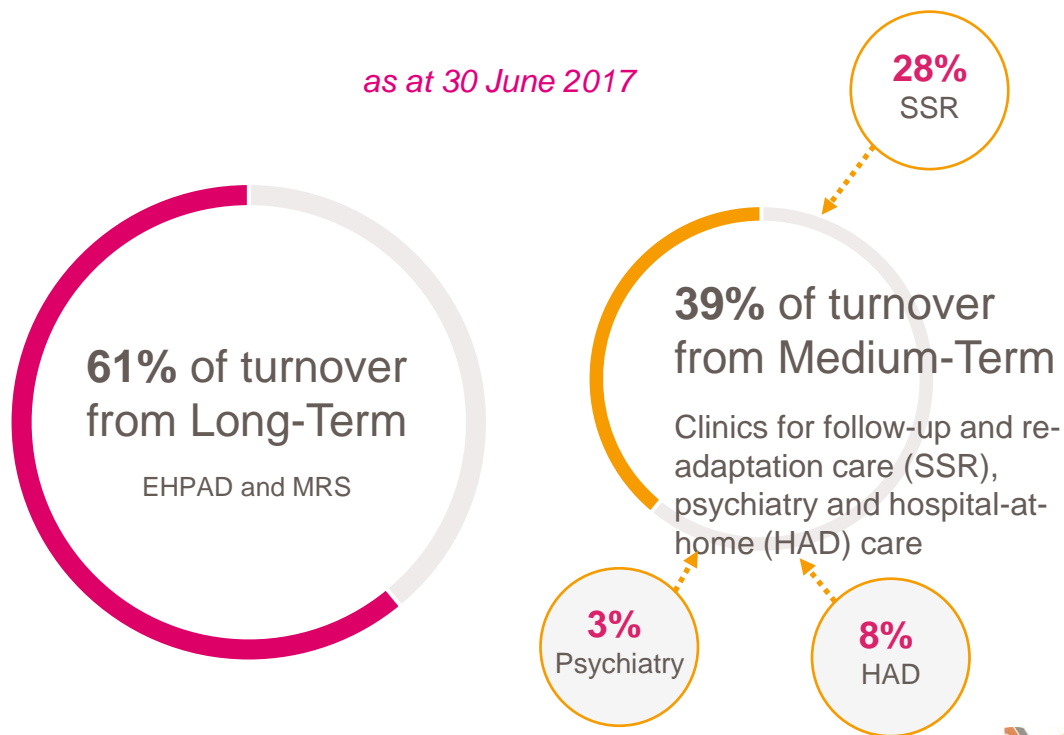
7 345

authorized beds

25 years

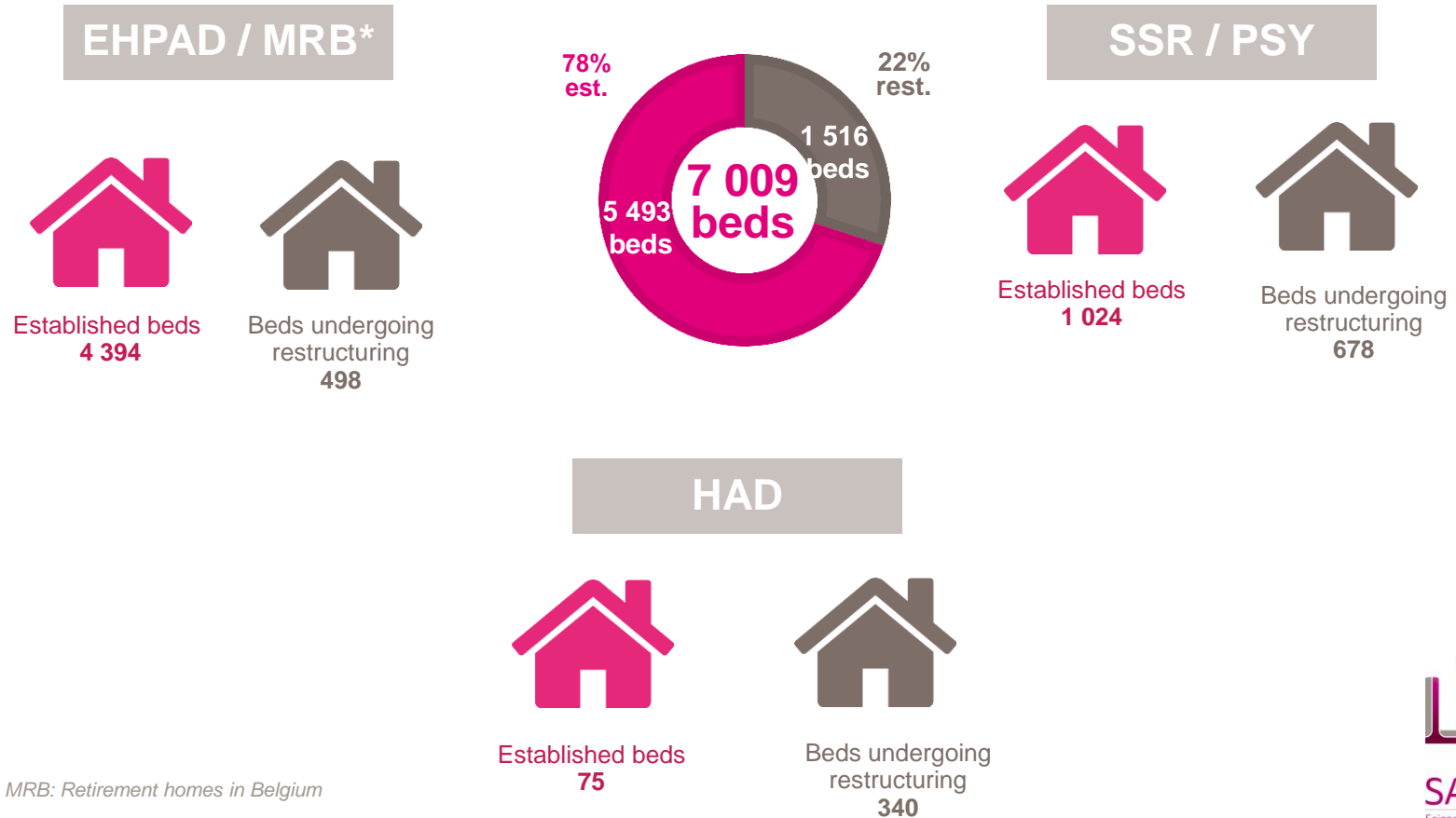
of expertise and innovation
serving residents and patients

as at 30 June 2017



Inventory in the process of transformation

as at 30 June 2017

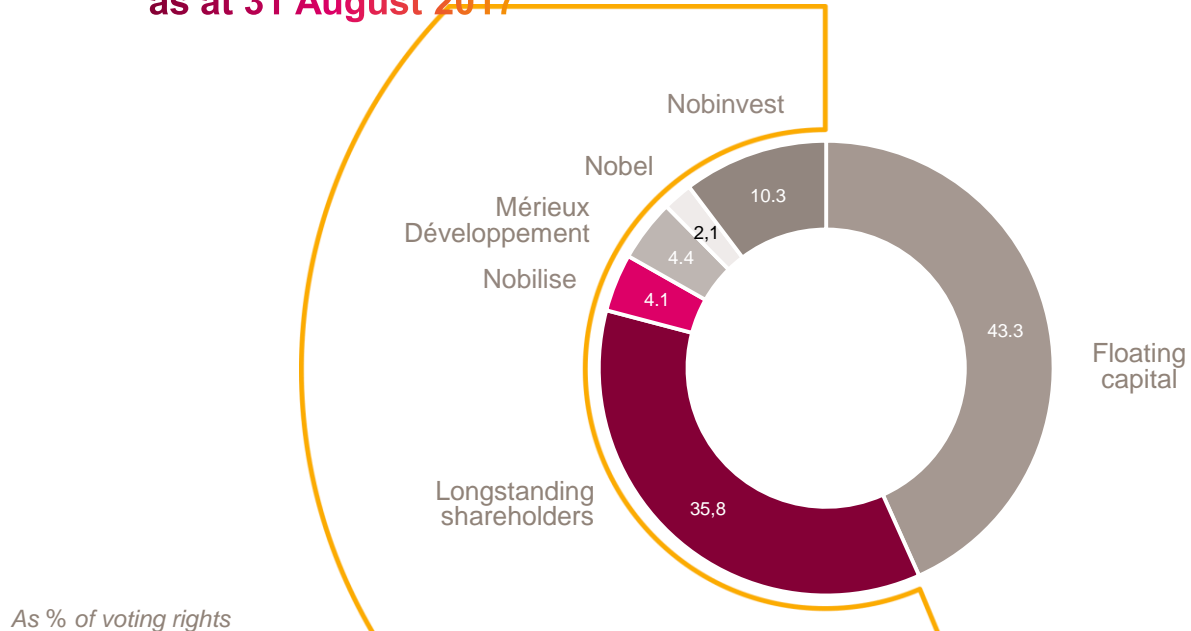


* MRB: Retirement homes in Belgium

A family SME/mid-tier company with a long-term vision

- ▶ Partnering families and individual shareholders who are managers and have jobs working every day within the Group

Breakdown of shareholder structure as at 31 August 2017



Expanded and engaged management



*From left to right: Christine Lioret, Flavie Lorre, Michel Ballereau, Damien Billard, Robert Dardanne, Alexandre Tremblin, Maud Roux, Philippe Queleennec, Sophie Breton, Patricia Rosiod, Jérôme Fournier, Jean-Paul Siret, Philippe De Verdalle, Pascal Marchandon, Antony Lemarchand, Willy Siret, Jean-François Billet and Daniel Braud
30 June 2017*

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1. Le Noble Age Groupe becomes LNA SANTÉ
2. **Moving toward a new strategic plan**
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Review of strategic plan (Grow Together 2013 – 2017)

► Reminder of goals and multi-pronged approach

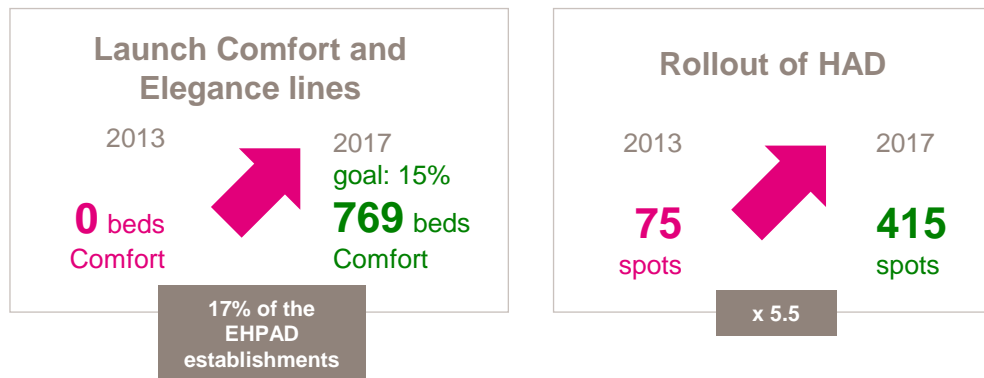
PLATFORM 1	PLATFORM 2	PLATFORM 3	PLATFORM 4	PLATFORM 5
Improve performance by implementing corporate plan	Design and deploy our service offers	Involve employees and strengthen skills	Develop the group's presence in its existing territories	Innovate and promote the group's actions
Goal 1 Ensure strong growth of results in line with corporate plan	Goal 3 Separate the medical/social and health sectors, and design the operational structures	Goal 4 Strengthen and adapt management of human resources	Goal 5 Manage new developments	Goal 7 Improve communications with relevant parties
Goal 2 In Belgium, rapidly become a model of profitability, performance and quality on this specific existing territory			Goal 6 Reach target size for each activity in the health sector	Goal 8 Promote new service offers

Review of strategic plan (Grow Together 2013 – 2017)

PLATFORM 1 Improve performance by implementing corporate plan



PLATFORM 2 Design and deploy our service offers



Review of strategic plan (Grow Together 2013 – 2017)

PLATFORM 3 Involve employees and strengthen skills



Nobilise

81

managers/executives,
party to the shareholders'
agreement

Training school

4 074

trainees representing

70 680

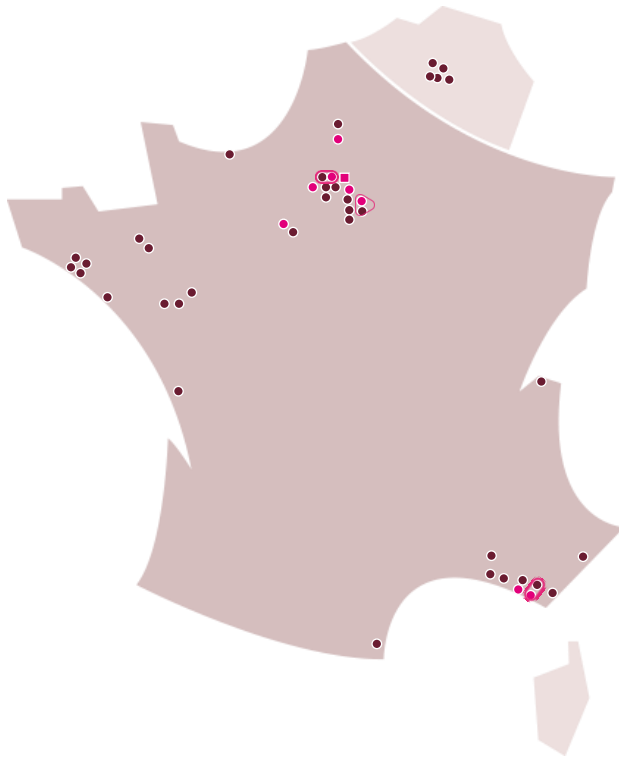
hours of training
from 2013 to 2016



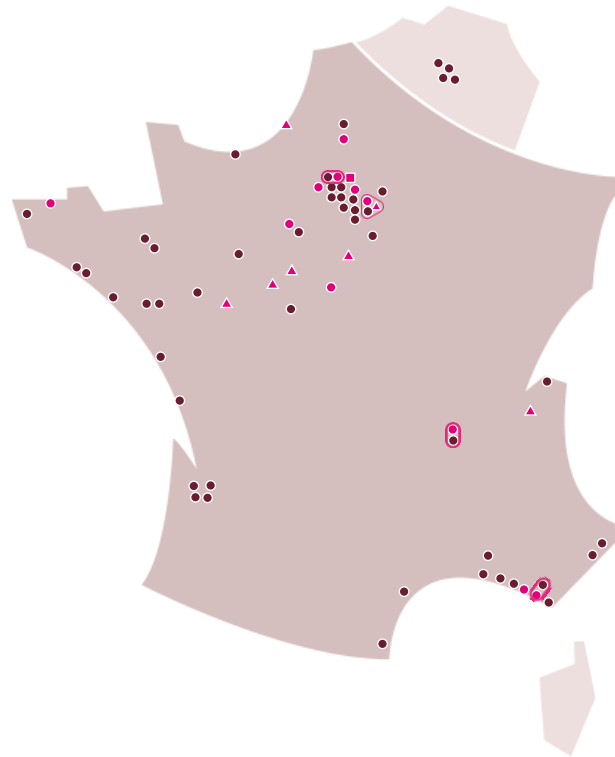
Review of strategic plan (Grow Together 2013 – 2017)

PLATFORM 4 Develop the group's presence in its existing territories

2013



2017



- Medicalized retirement home (EHPAD)
Rest home for the elderly (MRPA),
Nursing home (MRS)
- Follow-up and re-adaptation care (SSR)
- ▲ Hospital-at-home (HAD)
- Psychiatric clinic
- ⊗ Medical and/or geriatric center

Review of strategic plan (Grow Together 2013 - 2017)

PLATFORM 5

Innovate and promote the group's actions



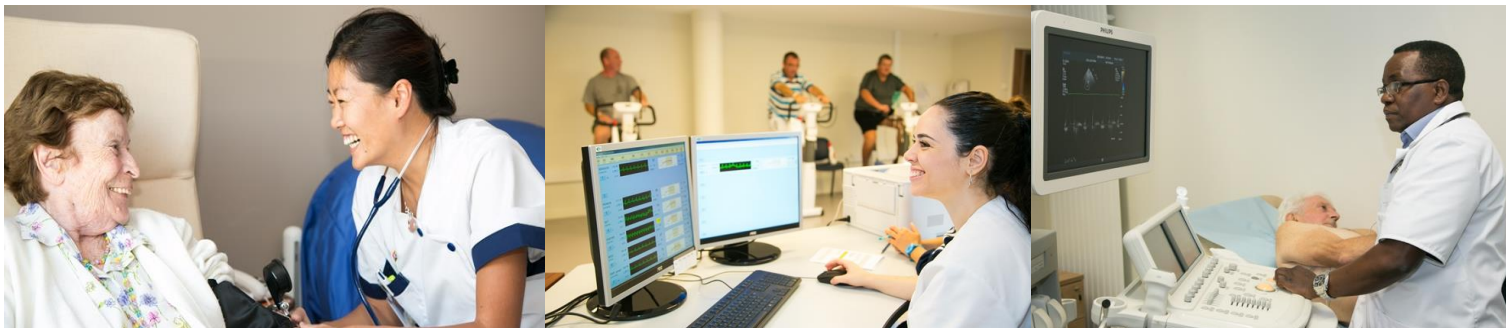
LNA Santé

a **strong brand**,
visible, accessible to the
general public,
unifying and meaningful



17 EHPAD

Equipped with
telemedicine systems to
liaise with hospitals



Grow Together – in short



A **strategy** aligning both our organization and our projects



A **corporate plan** that continues to be implemented despite the change in scope



Rapid growth that is managed by the governing bodies at the headquarters (COMEX, COMIL) and in the facilities



A clear **framework** (mission statements, values and management principles) supported by the corporate plan



Human resources is at the core of the corporate plan and strong development of LNA Training



A unique, clear and visible **brand**



A genuine **guiding principle** and clear priorities

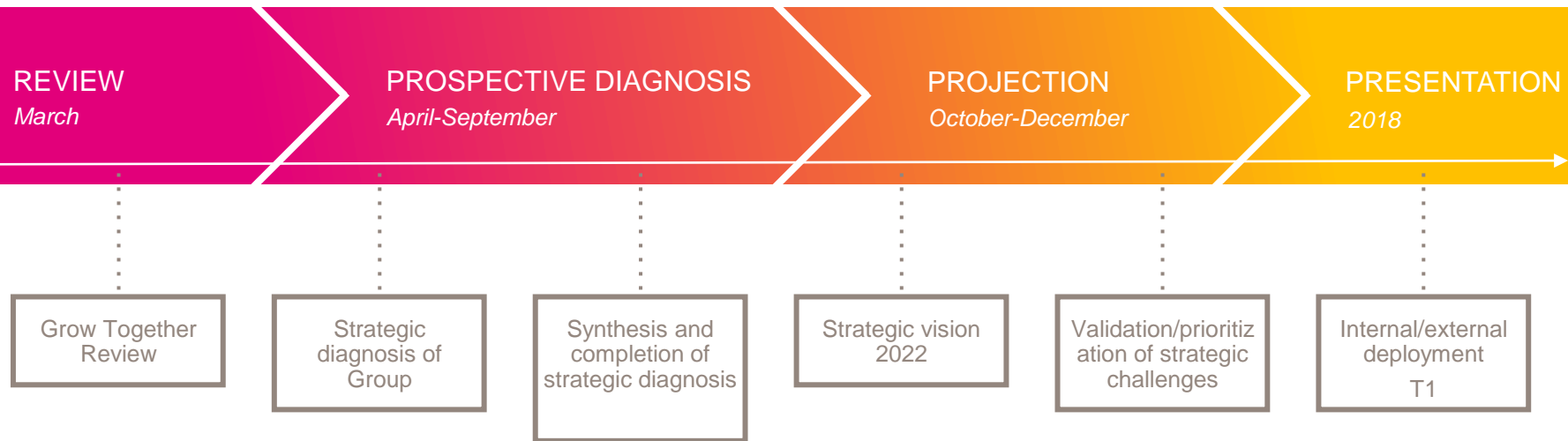


Concrete results and clear performance



Moving toward a new strategic plan

► Schedule



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1. Le Noble Age Groupe becomes LNA SANTÉ
2. Toward a new strategic plan
3. **2017 half-year results and economic outlook**

The first half of 2017 in figures

€203.7M

Turnover* + 5.2%
Growth in activity
throughout our
business lines

+5.0%

**Solid organic
growth**

12.3%

**EBITDA margin for
established
facilities***

**Leverage* <
1.4**

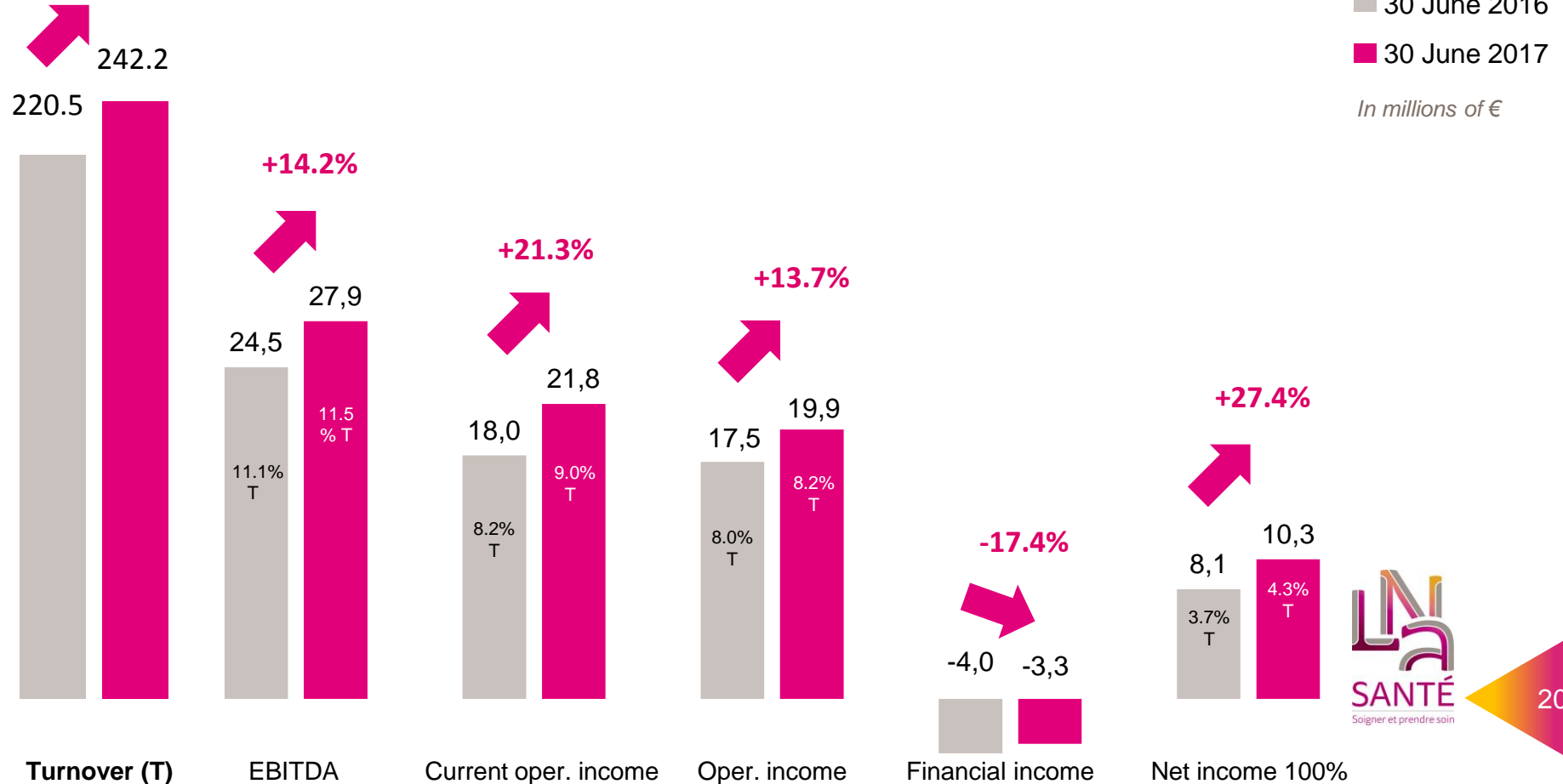
An optimized and
**flexible financial
structure**

Growth underway with **1,500 beds** to become established beds

* From Operations

HY1 2017: Overview of LNA Santé (Operations + Real estate)

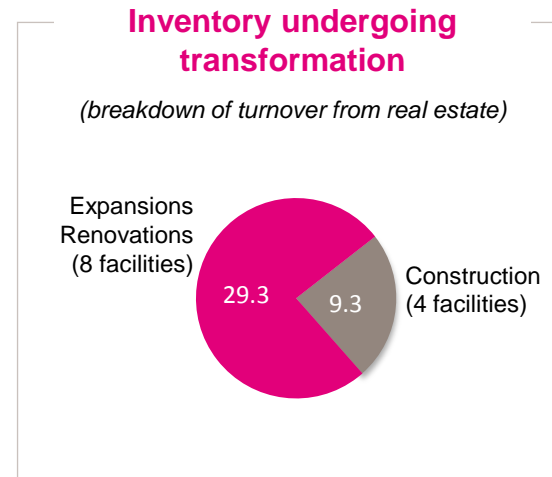
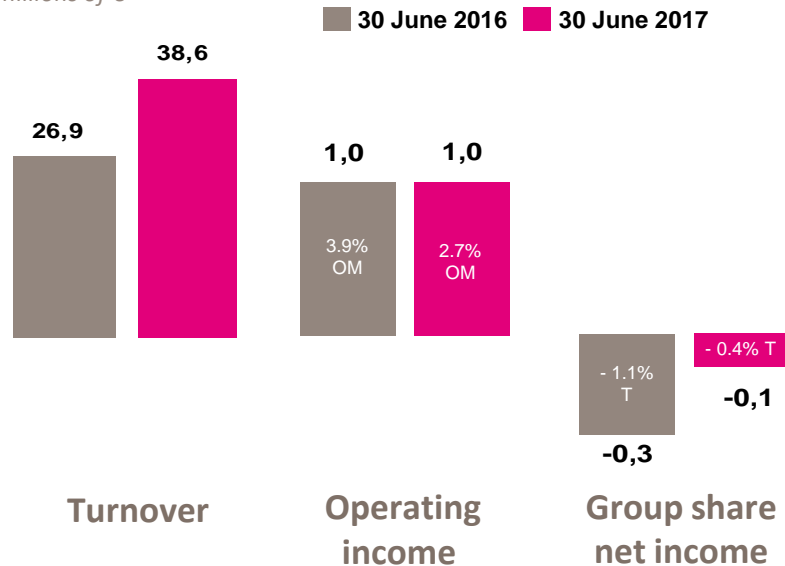
+9.9% ▶ Solid performances and steady growth



HY1 2017: status of real-estate sales

- ▶ Real-estate activity of €38.6M compared with €26.9M in HY1 2016
- ▶ Sales of furnished professional rentals continue to be buoyant via 10 active programs
- ▶ Operating income and monitoring of programs under control
- ▶ Optimized financial expenses
- ▶ A limited result in the interest of Operations

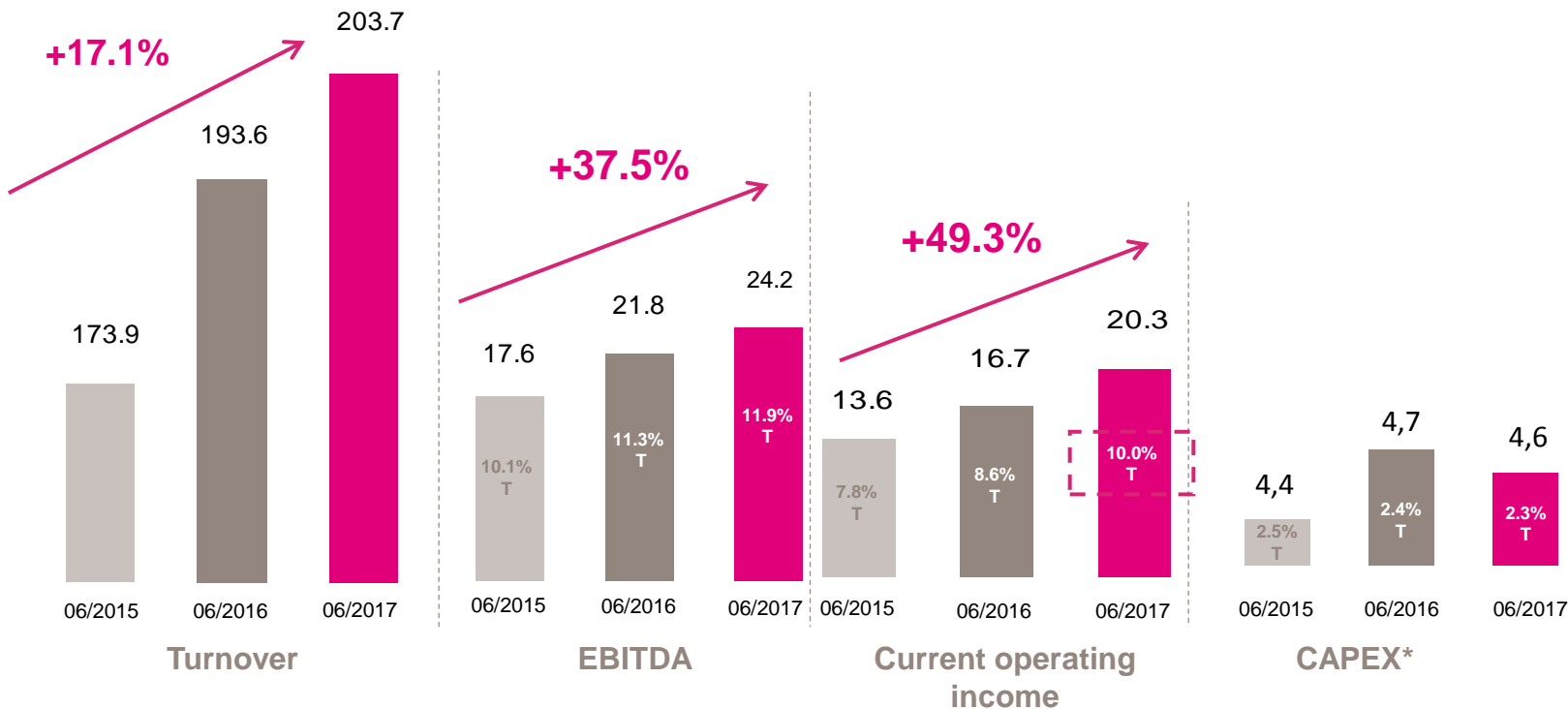
In millions of €



HY1 2017: Overview of Operations

- ▶ Strong improvement in operating margin over 2 years to 10% of turnover

In millions of €



Turnover from Operations

- ▶ Activity growth for all business lines

Turnover	HY1 2017		HY1 2016		Total Variation	Organic growth	Breakdown of organic growth
	In M€	% T	In M€	% T			
By activity							
Long-Term France	110.6	54%	105.1	54%	+5.2%	+5.2%	+2.9%
Long-Term Belgium	13.5	7%	13.8	7%	-2.5%	+3.4%	+0.2%
Medium-Term France	79.3	39%	74.7	39%	+6.2%	+4.7%	+1.8%
TOTAL	203.7	100%	193.6	100%	+5.2%	+5.0%	+5.0%

- ▶ Strong growth in turnover from Long-Term France facilities, thanks to an established occupancy rate exceeding 98% for Comfort facilities and 96% for Elegance facilities
- ▶ Slow increase in occupancy for MRPA in Belgium, with organic growth of +3.4%
- ▶ Sharp increase in turnover from Medium-Term facilities (+6.2%) in a particularly unfavorable pricing environment

Analysis of EBITDA from Operations

<i>HY1 2017 (in M€)</i>	Operations	Holding	Long-Term France	Long-Term Belgium	Medium-Term France
EBITDA	24.2	1.3	14.9	0.7	7.2
EBITDA margin	11.9%	N/S	13.5%	5.1%	9.1%
Variation in margin 2017 - 2016	+ 61 bp	N/S	+ 153 bp	-	+ 64 bp
No. of beds in operation as at 30 June 17	7 009	-	4 337	555	2 117
Established beds HY1 2017 (% total)	5 493 (78%)	-	3 839 (89%)	555 (100%)	1 099 (52%)
Reminder of established beds HY1 2016 (% total)	4 791 (70%)	-	3 277 (77%)	420 (76%)	1 094 (54%)
Margin for established beds	12.3%	-	13.7%	5.1%	11.3%

- ▶ Improved EBITDA margin for Long-Term France activity pursuant to inventory changes
- ▶ Improved margin for Medium-Term France with an increased contribution from the HAD activity

HY1 2017: a win-win model

	Established facilities		Other facilities	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Inventory				
Number of facilities / Total	52/67	46/66	15/67	20/66
Number of beds	5 493	4 791	1 516	2 056
Turnover from Operations	159.2	137.4	44.1	56.2
EBITDAR / Turnover	27.7%	27.9%	14.7%	13.3%
EBITDA / Turnover	12.3%	12.8%	6.9%	3.0%
EBITDA	19.5	17.6	3.1	1.7
Capex *	3.0	2.5	0.4	1.2
Capex/Turnover	1.9%	1.8%	1.0%	2.2%
Current operating income	17.8	15.0	1.6	0.5
Current operating margin as % of turnover	11.2%	10.9%	3.7%	1.0%

A lever of performance
embedded as-is

≠ 7.5 bp

* Capital expenditures for established facilities take into account the extraordinary renovation programs for 3 Elegance facilities (Asphodia, Sévigné, GerHome) in 2017 and a construction program for a day center (Résidence Aigue Marine) in 2016

HY1 2017: analysis of EBITDA from Operations

► From Turnover to EBITDA from Operations

In millions of euros	30 June 2017	30 June 2016
Turnover	203.7	193.6
External purchases and expenses	-66.0	-62.2
- rent	-28.5	-27.0
Personnel expenses	-107.9	-104.3
Taxes and duties	-7.3	-6.9
Other income and expenses	1.7	1.6
EBITDA	24.2	21.8
EBITDA margin	11.9%	11.3%

- Control over main Operating expenses
- EBITDA increased by +10.9% as a result of transformations of inventory

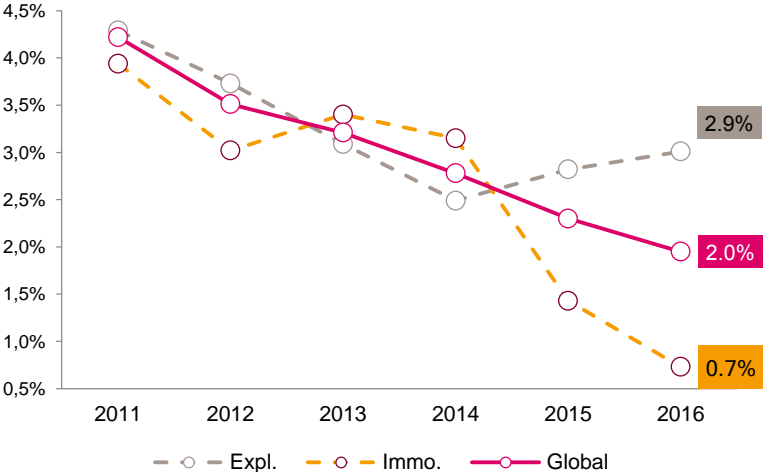
Operations: harmonious growth of indicators

In millions of euros	HY1 2017	HY1 2016	Variation (%)
EBITDA	24.2	21.8	+10.9%
Current operating income	20.3	16.7	+21.3%
Operating income	18.9	16.5	+14.7%
Financial income	-2.2	-2.8	-22.7%
Pre-tax income	16.8	13.7	+22.4%
Income tax expense	-6.3	-5.4	+18.5%
Consolidated net income	10.4	8.3	+24.9%
Group's share of net income	10.2	7.9	+28.4%
Group's share of net margin	5.0%	4.1%	+90 bp

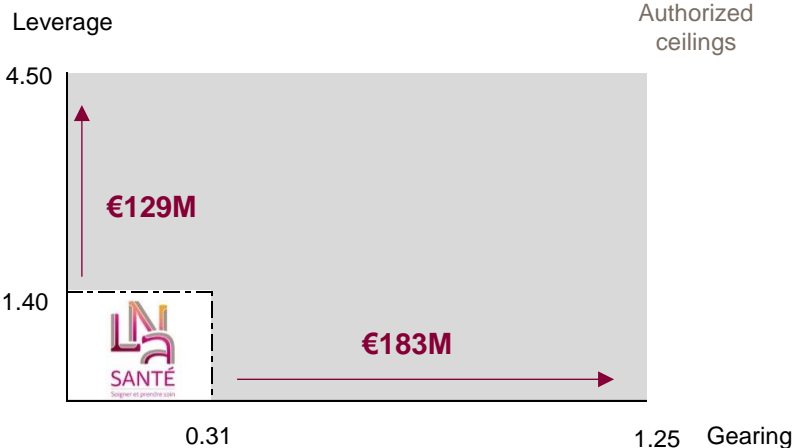
- ▶ Current operating margin of 10.0%, up 133 bp, carried by the established facilities, in particular Long-Term France
- ▶ Improved financial income (9% of EBITDA compared with 11% at the end of June 2016)
- ▶ Group's share of net margin up 90 bp

An optimized financial structure

Drop in cost of debt



Very flexible financial structure



► An investment capacity that serves the new strategic plan



Quantitative and qualitative goals confirmed

2017

- ▶ Organic growth of **4%**
- ▶ EBITDA for established facilities of **12% of turnover**
- ▶ Operating leverage under control **< 2.5**
- ▶ **1 500 beds** being prepared to become established beds
- ▶ And, **looking to 2021**, an inventory of **10 500 beds** offering stratified and specialized services, with a goal of **7 300 established beds**
- ▶ An active, progressive distribution policy

A new chapter of Grow Together with new targets for 2022

Thank you for your time

Annexes

Moving toward a stronger presence

2006

1 544 beds
128 beds / 1 SSR

1 416 beds / 16
EHPAD/MRB

1 000 partners

HY1 2017

7 009 beds
1 702 beds / 12 SSR/PSY

2 Healthcare Centers
4 892 beds / 48
EHPAD/MRB

415 spots / 7 HAD
6 000 partners

2021

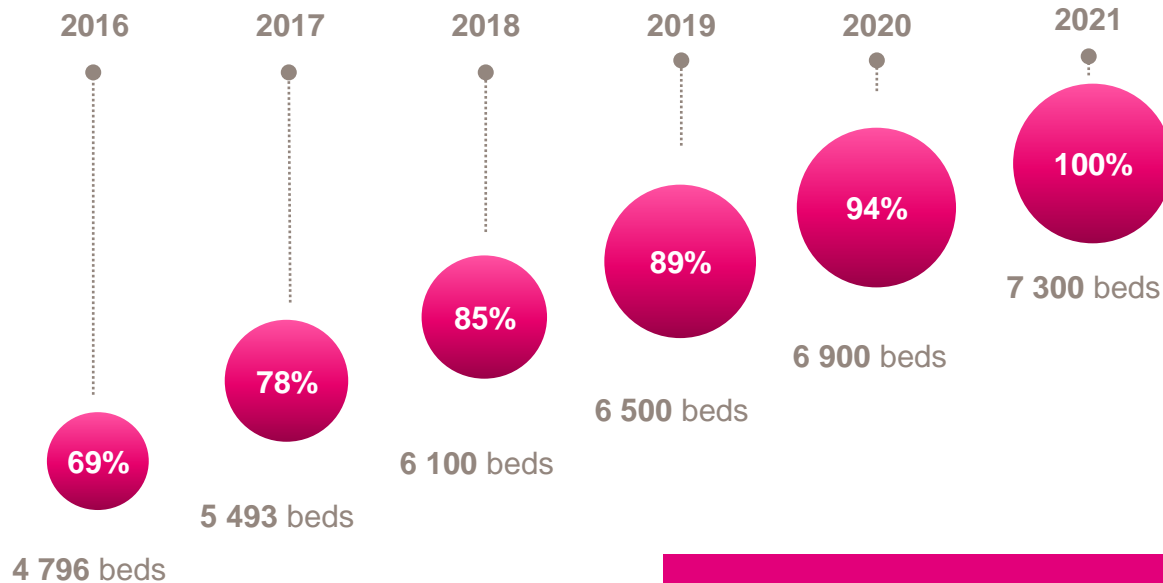
10 500 beds

> 8 000 partners



Scheduled growth

- Transformation of existing inventory to “established beds,” excluding new developments

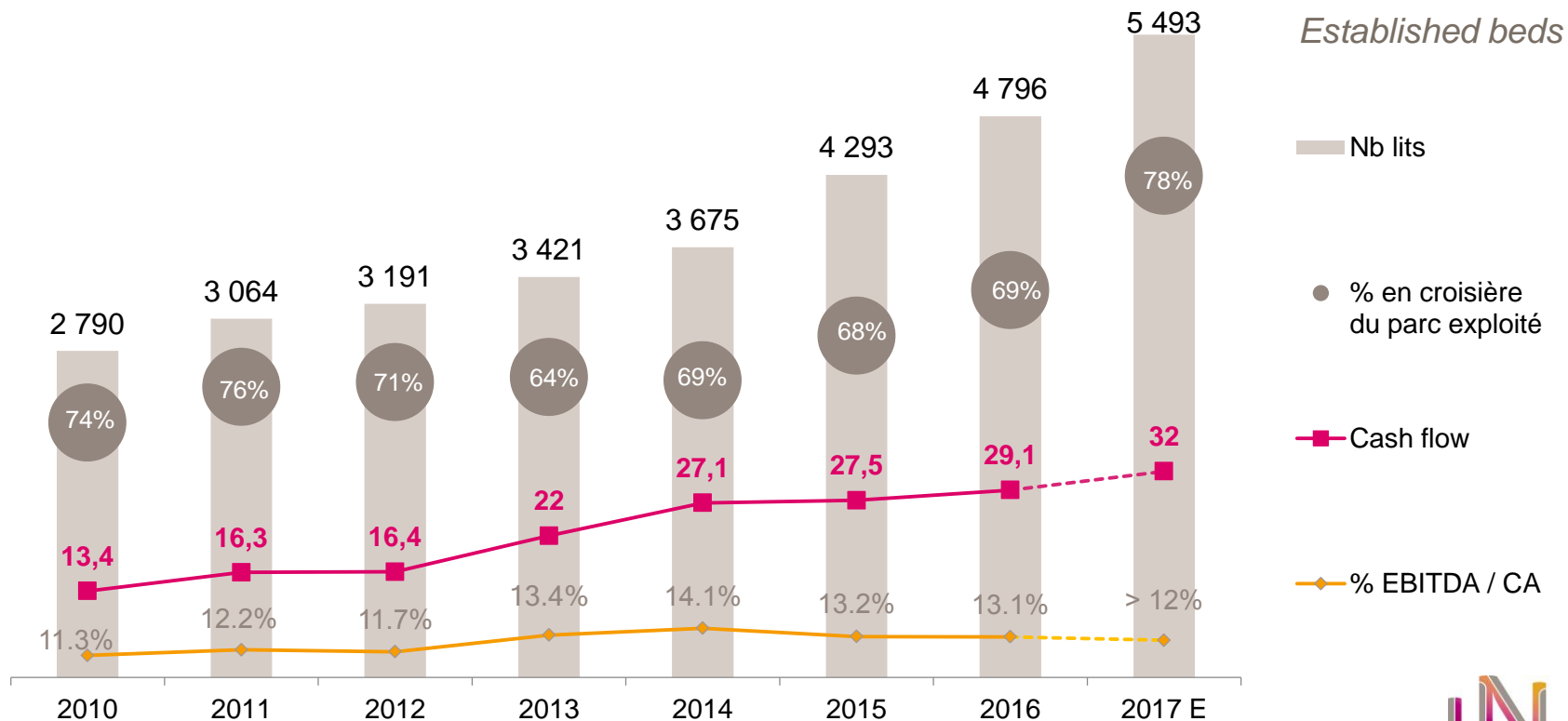


*% of “established” beds
 (no. of established beds for the financial year / no. of operational beds at the end of the period)

 **Established inventory**
 +52%* 2016 - 2021
 AAGR: +/- 9%



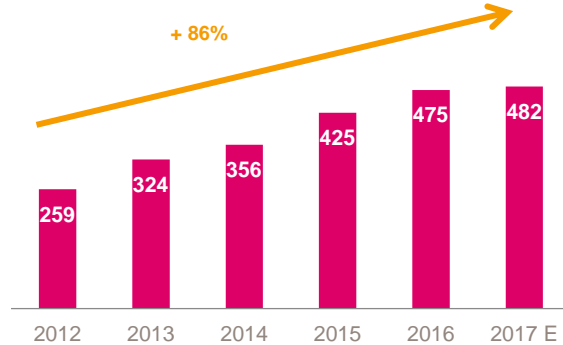
Solid and continued performance of mature inventory



Solid past performance

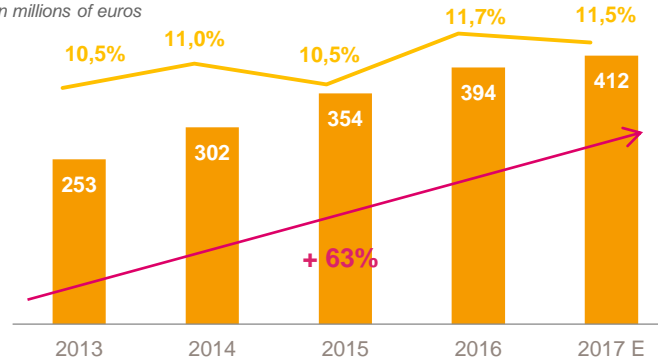
Consolidated turnover

In millions of euros



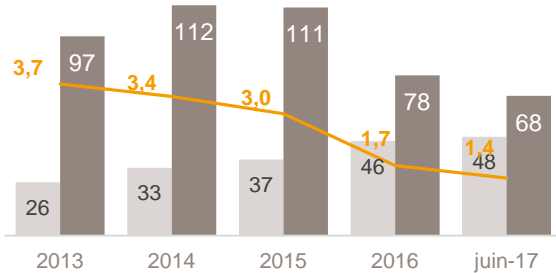
Turnover & EBITDA margin: Operations

In millions of euros



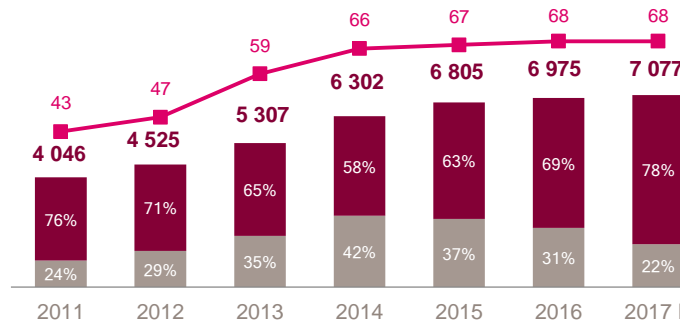
Net financial debt from Operations and leverage

In millions of euros



EBITDA Exploit Dette Nette Exploit Levier Exploitation

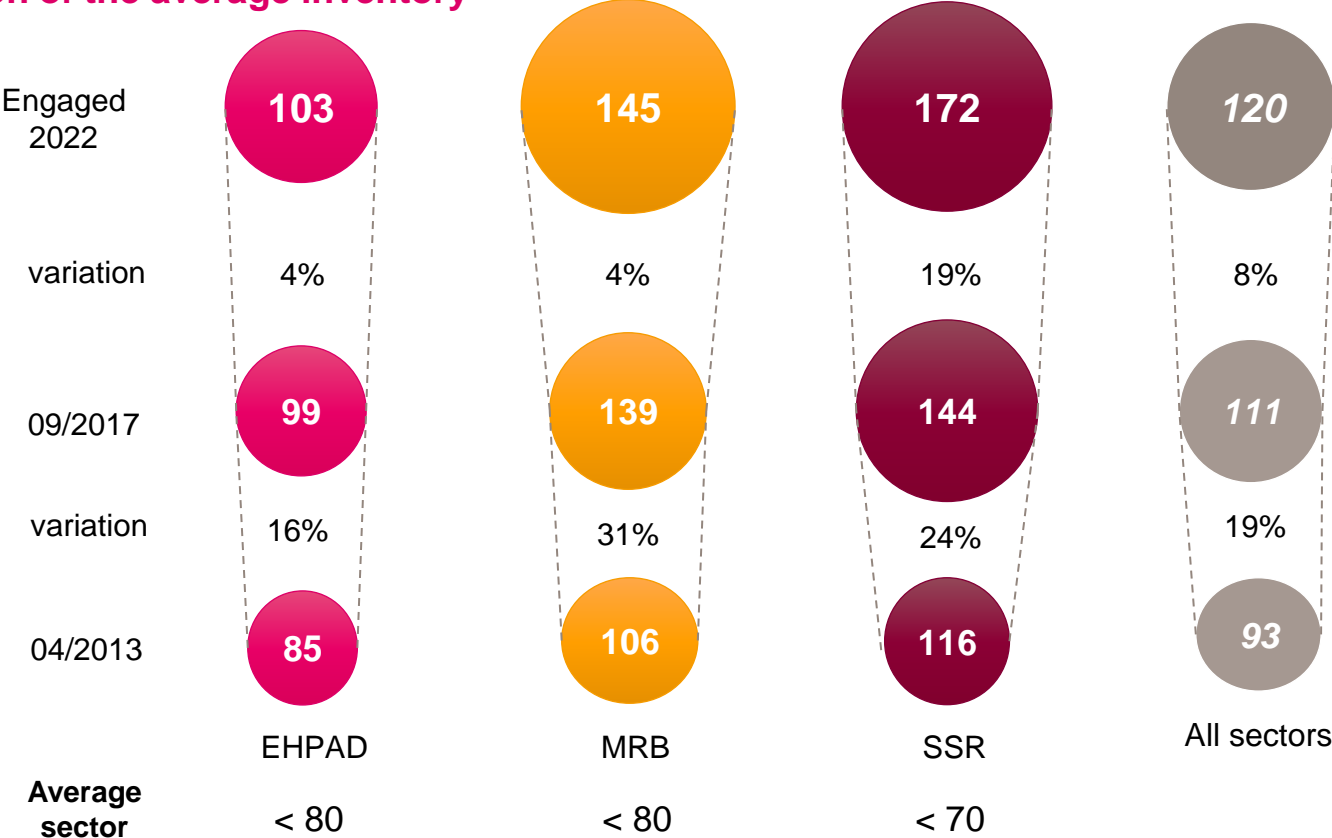
Number of beds in operation



Lits en restructuration
Lits en croisière
Nombre d'établissements

A view of sites synonymous of efficiency

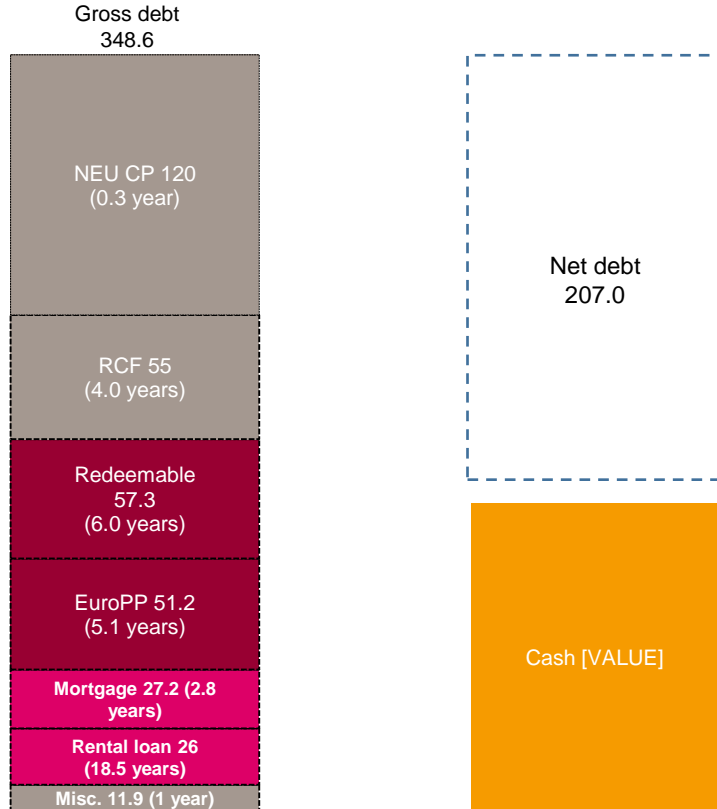
Evolution of the average inventory



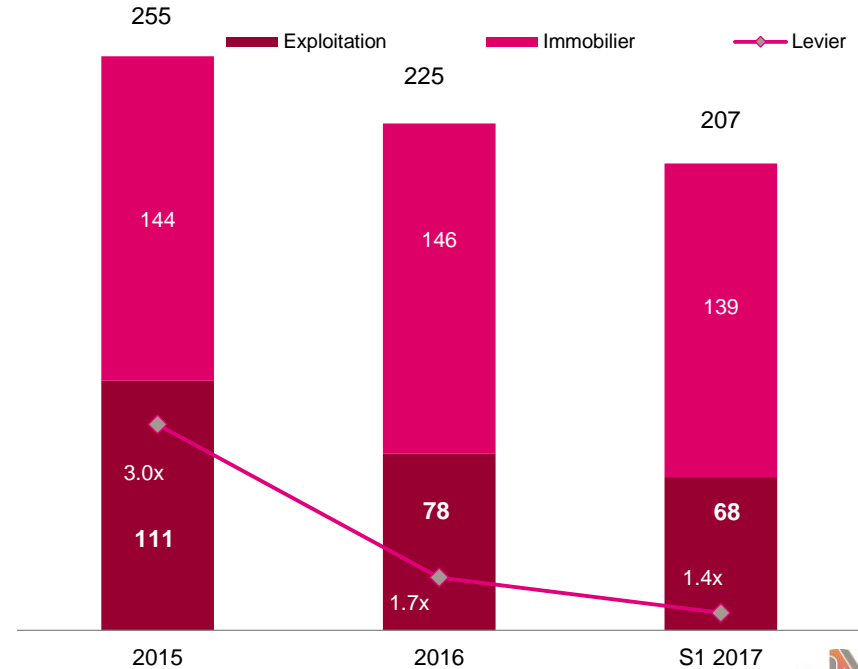
A major choice

Optimized financial structure as at 30 June 17

Debt structure and maturity

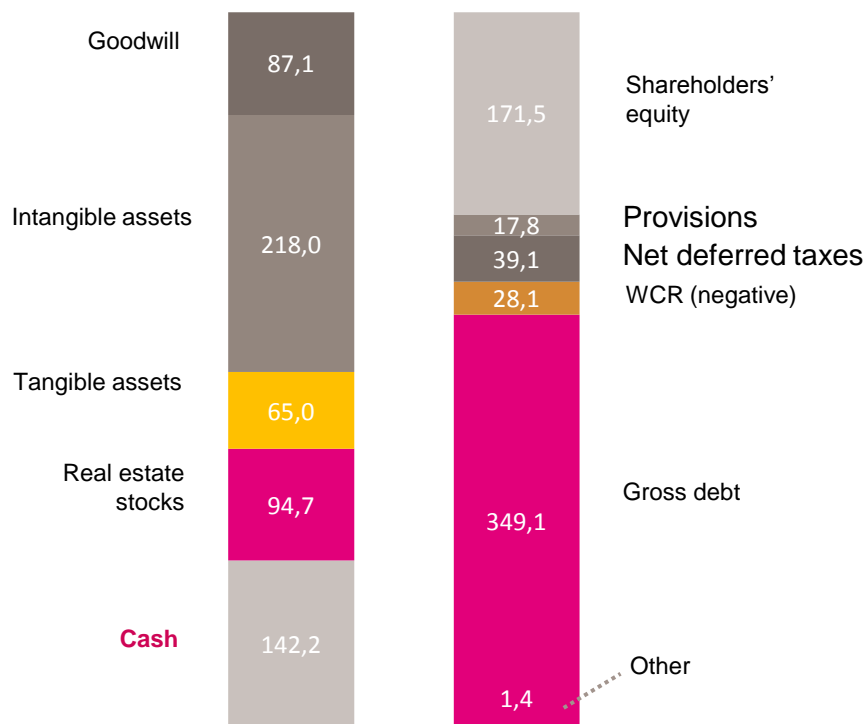


Consolidated net debt

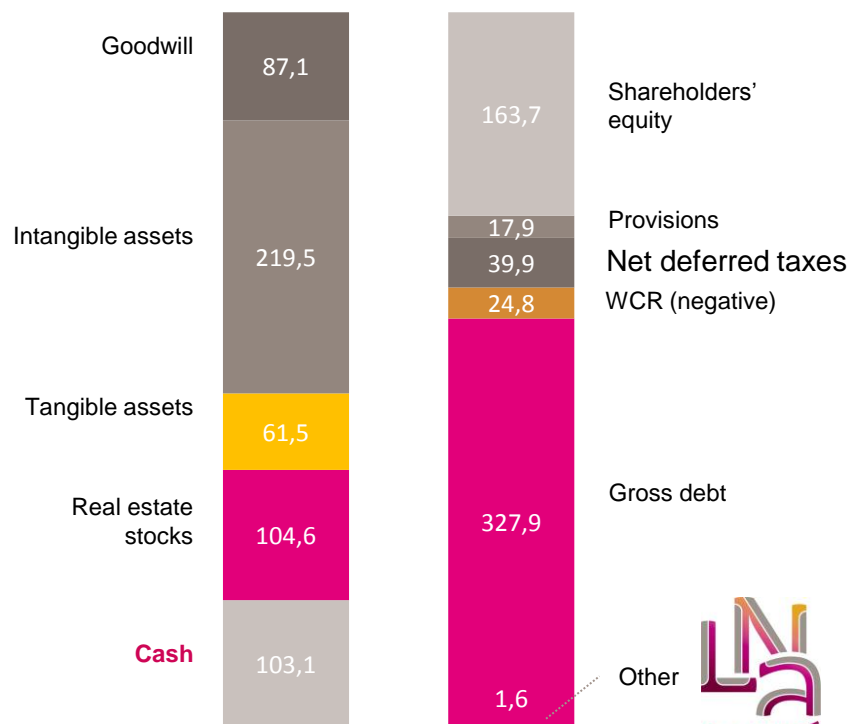


Operations + Real estate balance sheet

30 JUNE 2017



31 DECEMBER 2016



Simplified cash-flow statement and cash

<i>In millions of euros</i>	HY1 2017 Oper.	HY1 2017 RE	HY1 2017 Total
Cash at start of period	98.1	4.4	102.6
OPERATING ACTIVITIES	20.5	4.8	25.2
Restated cash flow from operating activities	24.1	1.6	25.6
Variation in the working capital requirement including payment of corporate income tax	-3.6	3.2	-0.4
INVESTMENT ACTIVITIES	-3.7	-0.1	-3.8
FINANCING ACTIVITIES	22.1	-4.4	17.7
Variation in bank loans	-5.6	-10.4	-16.0
Variation in disintermediated loans	28.0	10.0	38.0
Financial costs paid	-1.0	-1.2	-2.2
Other variations	0.7	-2.8	-2.1
Cash at end of period	136.9	4.7	141.6
Change in cash position	38.8	0.3	39.1

Strong cash-flow generation by Operating activities

Composition of management (as at September 2017)

BOARD MEMBERS

Jean-Paul SIRET

- Chairman and CEO
- Member of the strategic committee

Willy SIRET

- Managing Director
- Member of the strategic committee

Damien BILLARD

- Managing Director
- Member of the strategic committee

Maud ROUX

- Member of the remuneration and appointments committee
- Member of the audit committee

Daniel BRAUD

- Member of the remuneration and appointments committee
- Chairman of the audit committee

Robert DARDANNE

- Chairman of the strategic committee
- Member of the audit committee
- Member of the remuneration and appointments committee

Patricia ROSIOD

- Member of the audit committee
- Chairman of the remuneration and appointments committee

NOBILISE, represented by Sophie BRETON

- Member of the audit committee

MERIEUX DEVELOPPEMENT (MPL2) – Jean-François BILLET

- Member of the strategic committee

WEINBERG CAPITAL PARTNERS (NOBEL) – Philippe de VERDALLE

- Member of the strategic committee

Composition of management (as at September 2017)

NON-VOTING BOARD MEMBERS

SIPAREX – Alexandre TREMBLIN

- Member of the strategic committee

SODERO GESTION – Philippe QUELENNEC

- Member of the strategic committee

UNEXO – Antony LEMARCHAND

- Member of the strategic committee

Glossary

ARS

- *Agence Régionale de Santé* – Regional Healthcare Agency

CRAM

- *Caisse Régionale d'Assurance Maladie* – regional social-security office managing healthcare coverage

Organic growth

Corresponds to the change in turnover:

- between N-1 and N for facilities existing in N-1;
- between N-1 and N for facilities opened in N-1 or in N;
- between N-1 and N for facilities restructured according to LNA Santé specifications or the capacity of which increased in N-1 or in N;
- in N compared with the equivalent period in N-1 for facilities acquired in N-1.

COMEX

- Executive committee

COMIL

- Liaison committee

Secured deal flow

- Takeovers, creations and/or extensions

Net financial debt

- Financial debt less cash and cash equivalents

Net financial debt from Operations

- Represents gross financial debt from Operations less cash and cash equivalents and capital contributed to the real-estate activity

Medical supplies

- Necessary equipment and medical supplies such as medical beds, patient lifters, lifts, bandages, syringes, nutrients, etc.

DMA

- Activity-based Allocation

Care allocation:

- The formula is as follows:
Current rate * Number of authorized beds * (GMP + PMP * 2.59)
- With:
 - GMP = *Gir Moyen Pondéré* (= average evaluation of the dependency of the people under care)
 - PMP = *Pathos Moyen Pondéré* (= evaluation of the technical care required for the people under care)

Glossary

EBITDA

- Earnings before interest, taxes, depreciation and amortization

EBITDAR

- Earnings before interest, taxes, depreciation, amortization and rent

EHPAD

- Facility providing residential care for the dependent elderly

Established facilities

- Real estate expanded (if necessary) and renovated, with 100% capacity authorized
- Human organization and management method in line with the Group's standards

Facilities being restructured or opened

- Facilities taken on or opened in the past year or so
- Renovation and/or expansion work underway
- Implementation of the Group's standards

Equity and quasi equity from Operations

- The consolidated equity from Operations, plus deferred tax liabilities in connection with Operations

Gearing

- Ratio between net financial debt from Operations and the equity and quasi equity from Operations. It measures the risk of the company's financial structure.

Gerontogrowth

- Increase in number of elderly in this population (quantity)

Glossary

GMP

- *Groupe iso-ressource Moyen Pondéré* (evaluation of dependency)

HAD

- Hospital-at-home

Financial leverage

- (Net Debt Oper / EBITDA Oper) measures the company's ability to reimburse its debt. It expresses the number of years in which the company will be able to reimburse its debt based on its EBITDA.

MBA

- *Marge Brute d'Autofinancement* - cash flow from operating activities, which corresponds to the consolidated net income adjusted for depreciation and amortization, the cost of net financial debt, tax expenses, income from sales, dividends received and other income and expenses with no cash impact

MAD

- Home care

MRPA

- Retirement home for the elderly

ORNANE

- Convertible bonds with repayment option in cash and/or new shares and/or existing shares

PMP

- *Pathos Moyen Pondéré* (evaluation of technical care required)

PMR

- *Personne à Mobilité Réduite* – person with reduced mobility

PUI

- *Pharmacie à Usage Intérieur* – Hospital pharmacy

Taken on mid-financial year

- Facilities that were not present within the Group on January 1, N
- Creations opened during the financial year

Glossary

RFP

- *Rentabilité des fonds propres* – Profitability of equity, measured as net income/equity. It is equal to economic profitability plus leverage.

ROCE – Operations

- Return On Capital Employed or return on capital invested, measured based on operating income (before or after taxes) / capital invested (equity + net debt)

SI

- *Système d'information* – Information network

SSIAD

- *Services de Soins Infirmiers A Domicile* – Home nursing care

SSR

- *Soins de Suite et Réadaptation* – Follow-up and re-adaptation care

Tarif Soins Global – General-Care Rate

- For EHPADs, this is the cost covered by the EHPAD's budget for the fees of outside independent medical professionals: general practitioners, physiotherapists, speech therapists, and radiology and laboratory expenses

T2A

- *Tarifcation à l'Activité* – Pricing by act

USLD

- *Unité de Soins de Longue Durée* – Long-term care unit