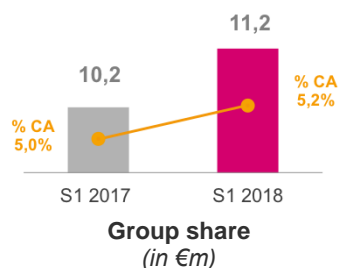
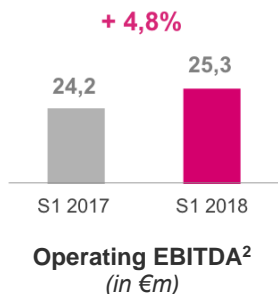
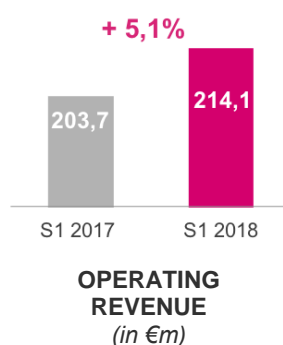
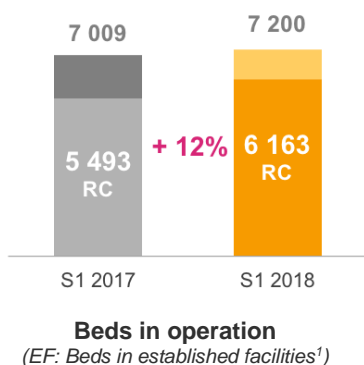


2018 HALF-YEAR RESULTS

Overall improvement in performance

Targets raised for organic growth and EBITDA of established facilities



“The first half of 2018 saw the introduction of the new Growing Together 2022 business plan by our Group, our teams and all of our partners. In terms of this plan, our performance continued to improve in our three business lines: nursing homes, rehabilitation centres and psychiatric clinic, and hospital care at home facilities, which give LNA Santé its differentiating strategic positioning; our commitment is driven by our unique identity and a sense of service that constitute the nobility of our business and our business plan”.

Jean-Paul Siret – Chairman and Chief Executive Officer

IFRS consolidated data <i>In €m</i>	OPERATIONS			OPERATIONS + REAL ESTATE	
	H1 2018	H1 2017	Var.	H1 2018	H1 2017
Revenue	214.1	203.7	+ 5.1%	260.4	242.2
EBITDA	25.3	24.2	+ 4.8%	26.6	26.2
<i>EBITDA margin (as % of revenue)</i>	11.8%	11.9%	- 3 bp	10.2%	10.8%
Current operating income	21.3	20.3	+ 4.9%	21.9	21.8
<i>Current operating margin (as % of revenue)</i>	10.0%	10.0%	- 2 bp	8.4%	9.0%
Operating income	20.5	18.9	+ 8.6%	20.9	19.9
Financial result	- 2.3	- 2.2	+ 6.8%	- 3.2	- 3.3
Net result (Group's share)	11.2	10.2	+ 10.4%	10.7	10.0
<i>Net margin (Group's share) (as % of revenue)</i>	5.2%	5.0%	+ 25 bp	4.1%	4.1%

Data currently being audited by the statutory auditors

The Board of Directors of LNA Santé, a local and global healthcare operator, under the chairmanship of Jean-Paul Siret, approved the 2018 half-year financial statements on 11 September 2018.

Continuing its transformation, the Group achieved the announced improvement in results.

The facilities in operation, including beds being restructured, currently **represent 7,200 beds** in 68 establishments.

They comprise 6,163 beds in **“established facilities”**, **up by 12% year-on-year**, in line with the transformation plan.

Total revenue in the first half of 2018 was €260.4m, up by 7.5%. **Operating revenue amounted to €214.1m, up by 5.1%** compared with the first half of 2017, thanks to **dynamic organic growth³ of 4.1%** and a 1.0% increase in external growth.

Real estate revenue amounted to €46.3m in the first half of 2018, up by 20% compared with the previous year, confirming the trend in sales for furnished letting and the progress of transformations of the health facilities.

Taking into account the restructuring effort, the current operating income amounted to €21.9m for the consolidated group, and €21.3m for Operations, with a **current operating margin for Operations of 10%, in line with the target**.

The financial result showed as **drop of 2.9%** at - €3.2m compared with - €3.3m one year earlier. The average cost of the net debt remained stable at 2.0%.

After deducting the income tax expense, **the net result (Group's share) amounted to €11.2m for Operations**, up by 10.4% year-on-year. There was an improvement in the net margin at 5.24% of revenue, up by 25 basis points.

Flexible financial structure configured for development

At 30 June 2018 the net financial debt⁴ amounted to €187m, comparable to the level at the end of 2017. It includes **an Operating debt of €59m**, representing 32% of total debt. This stability marked the end of an organic debt reduction cycle which will prove the effectiveness of the operating model, once the facilities have reached maturity.

All of the covenants were therefore easily respected at 30 June 2018. The Operating gearing (ratio of Operating Net Debt to adjusted Operating Equity⁵) amounted to 25% compared to 125% authorised. **The Operating leverage⁶ was stable at 1.16** for a fixed covenant of 4.25 throughout the duration of the syndicated loan.

Free cash flow⁷ at the end of the period amounted to **€118.8**, with additional drawdown facilities of €76m which the Group plans to use for the purpose of external growth, with the acquisition of a new specialised Aftercare and Rehabilitation establishment carried out in the middle of 2018.

Improved outlook for 2018

In line with the first six months of the year, the forecast for a good level of business in the second half-year makes it possible to **raise by half a point the annual target for organic growth** in revenue, which is now closer to 4%, **and for the EBITDA margin for established facilities**, expected at 12.5%. The expected increase in the financial leverage will be progressive, over the course of the next acquisitions, and will remain below the level at the end of 2018 (2.0x).

Thanks to the development process and the challenges of the transformation of its business lines driven by the **new Growing Together 2022 business plan** which will be presented on 13 September 2018, the LNA Santé group has decided with its partners to embark upon **a new growth, progress and performance path**.

¹ Established facilities refer to beds that comply with LNA Santé's operating model (quality of care, target size of the establishment, new buildings, management trained and involved, efficient organisation).

² EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), after provisions and reversals of provisions for depreciation of real estate.

³ Organic growth in revenue corresponds to the variation in revenue:

- 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 whose capacity increased in N-1 or in N;
- in N, compared with the equivalent period in N-1 for facilities acquired in N-1.

⁴ The net financial debt corresponds to the gross financial debt less cash and cash equivalents.

⁵ The adjusted Operating equity corresponds to the consolidated Operating equity plus Operating deferred tax liabilities mainly linked to the valuation of Operating intangible assets.

⁶ The Operating leverage corresponds to the ratio of the Operating net financial debt to the Operating EBITDA.

⁷ The net cash position comprises cash and cash equivalents less bank loans and overdrafts.



LNA Santé will announce its strategic business plan on Thursday 13 September when the market closes.

About LNA Santé: *With more than 25 years of experience, LNA Santé plays an important role at the local level to improve the quality of life for temporarily or permanently dependent people, offering them a welcoming and caring environment adapted to individual needs, regardless of age.*

For more information, please visit: www.lna-sante.com

The LNA share is listed on Eurolist by Euronext Paris, compartment B.
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