
Presentation of the 2019 annual results

April 2020



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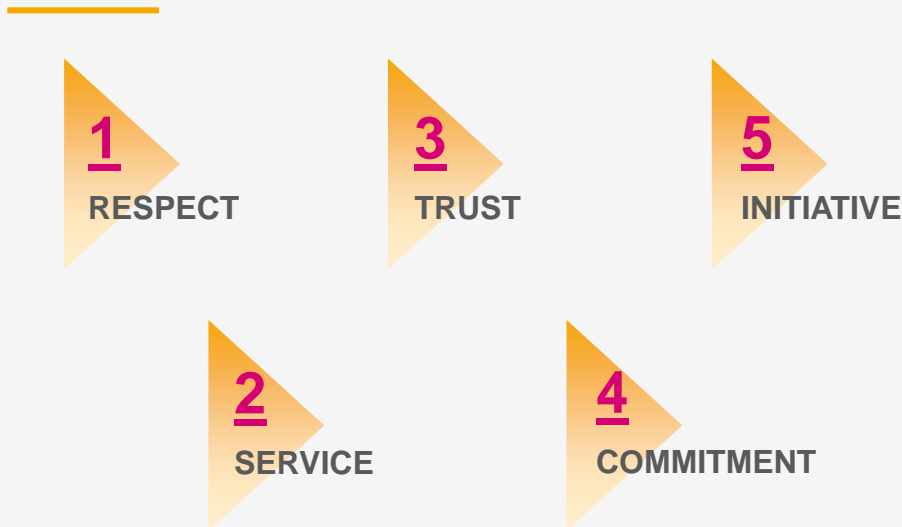
1. **LNA SANTÉ, a strong identity**
2. Impact of COVID-19
3. GT 2022 Review
4. 2019 annual results: targets achieved
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LNA Santé, Treating and Providing Care

An inviolable mission and values at the heart of our project

5 BASIC AND MEANINGFUL VALUES



► LNA Santé's Mission

- Treating and Providing Care
- Improving the **quality of life** for temporarily or permanently **dependent people**, in a **welcoming and caring environment**, adapted to individual needs, regardless of age

- A commitment to contribute to the development of health policies

LNA SANTE, Treating and Providing Care

A leading player

providing care for dependent people

72

establishments

6,700

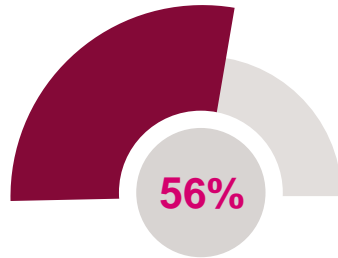
employees

+ 8,000

Patients/residents per day

30 years

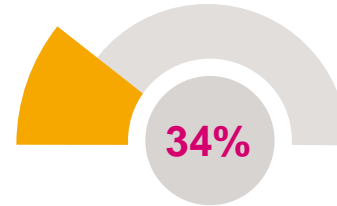
of expertise and innovation in the service of residents and patients



ALF

Assisted living/specialised retirement facilities

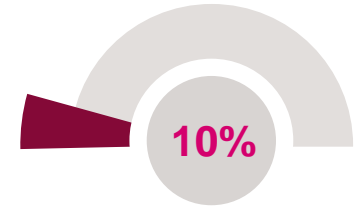
56%
of revenue
from long-term care



Aftercare and rehabilitation

Aftercare and rehabilitation services/psychiatry

44%
of revenue
from medium-term care



Hospital at Home

Hospital care at home

Distinctive features of the LNA Santé offering

▶ High standards maintained regarding the quality of the facilities and systems

76%

of the facilities built or entirely restructured in the last 10 years

1,231 m²

of indoor rehabilitation areas in each aftercare and rehabilitation centre (physiotherapy, swimming pool, occupational therapy, therapeutic apartment)

> 150 beds and places

Average size in aftercare and rehabilitation centres including outpatient/follow-up treatment

▶ Caring and local management, giving a sense of responsibility

- ▶ **Systematic organisation** of structures (with or without buildings) into living/healthcare units
- ▶ Deployment of **visual management** rituals both at the head office and in the facilities
- ▶ **30 Business Days** each year bringing together all of the professionals in each business to share best practices
- ▶ **Positive treatment committees** with ambassadors in more than 2/3 of the facilities
- ▶ **Extensive employee share ownership** via Nobilise and Nobélia

Distinctive features of the LNA Santé offering

► An entrepreneurial and innovative culture

100%

of **ALF** include one or more **Alzheimer unit**

7

publications in 2019 by the Clinical Research Centre and therapeutic programmes

8

digital innovations listed in 2019 by the Innovation Unit

A differentiating **Confort/Elegance** offering

► Cooperation and territorial base supporting the transformation of the health offering

- **Numerous concrete public/private cooperation projects:** 2 health cooperation groups (GCS) in Saumur, 1 GCS at the hospital in Meaux, IRCH rehab centre with ELSAN, 3 rest centres for carers
- **Operational switch to outpatient care:** 100% of aftercare and rehabilitation centres offer outpatient care
40% of ALF offer day care
- Numerous **takeovers** of facilities run by associations, mutual benefit societies, congregations and public bodies in 10 years

A common objective: introduce the LNA Santé target model

Distinctive features of the LNA Santé offering

- ▶ **High medical added value, expertise and quality of support**
 - ▶ Deployment of **specific hospital at home (HaH) care** (cancer treatment, Parkinson's disease)
 - ▶ **80%** of ALF have an SRN present or on call
 - ▶ **25%** of ALF regularly provide telemedicine with expert centres (teaching hospitals in Bordeaux, Nantes etc.)
 - ▶ **over 90%** of beds in aftercare and rehabilitation centres offer specialised care (neurology, cardiology, pneumology, nutrition, geriatrics, musculoskeletal disorders)
 - ▶ **2 health centres** linked to the aftercare and rehabilitation centres in their regions (general and specialised medicine, dental treatment)
 - ▶ **Mobile opticians** deployed in ALF, mobile hearing aid specialists currently being tested

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COVID-19: update on the situation

► Organisation to support our facilities

- ▶ **Video conferences** each morning between the management of the facility/coordinating doctors/operations managers/HR/Medical, Quality and Risks Department, for the scope of each operations manager
- ▶ **Consolidation of questions/topics** between the operations managers and directors of operations and the operational crisis unit
- ▶ **Review of cases and decisions** in the executive crisis unit each afternoon
- ▶ **News flashes** at the end of the afternoon sent to the establishments regarding the decisions made, action to be taken (protocols) and information to be shared

► Measures at the head office

- ▶ Daily crisis unit held by video conference
- ▶ Weekly review via video conference with all department management teams
- ▶ Daily managerial coordination of department managers/teams

COVID-19: update on the situation

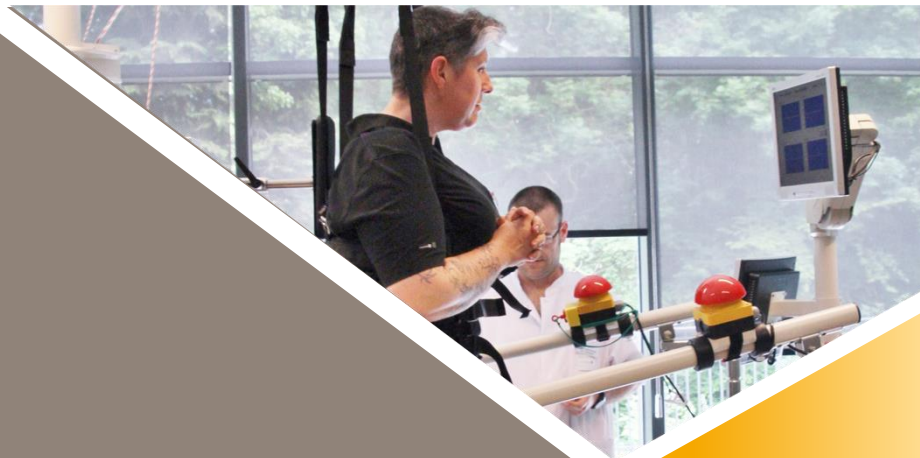
► Action to be taken, support for teams, life of the facilities

- ▶ **Confinement measures** in the facilities (employees/visitors/deliveries)
- ▶ **Action to be taken** at the medical level and treatment formalised and updated daily
- ▶ **Q&A** on HR topics for the managers of the facilities
- ▶ **Network** of coordinating doctors and referring pharmacists supporting the facilities
- ▶ Introduction of **reinforced psychological support** (outside body)
- ▶ Various initiatives to **support the commitment** of the teams: meals provided, delivery of food products
- ▶ **Social connections** maintained with close relatives (carers and families) via Familéo and video conferences/phone



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Reminder of the 2022 Strategic Vision

Growing Together

emblem

2022



By 2022 we aim to be...

An independent and committed family business, grouping together **100 facilities** and more than **8,000 professionals**

A health sector player recognised for the quality of its services, its medical expertise and its ability to innovate

A group whose facilities work in synergy and are involved in their region

An employer recognised for its professionalism, its corporate culture and its quality of working life

The top independent player transforming the health offering



Strategic line No. 1

Increase the company's attractiveness and the loyalty of the teams, based in particular on the CSR policy

Regular improvement in the perception of the Group

YOUR RELATIONSHIP WITH LNA SANTÉ

A source of pride for a large number of professionals



I am proud to do my job



2018: 4.2/5
2017: 4.1/5



I am proud to work for LNA Santé



2018: 3.8/5
2017: 3.5/5

GRANDIR ENSEMBLE, 2 ANS DÉJÀ !
LES RÉSULTATS DU QUESTIONNAIRE EN LIGNE
PAR THE BOSON PROJECT

1,395
professionals
answered the
questionnaire

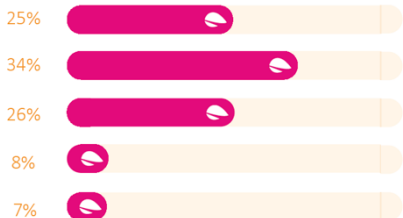
2019 survey
The Boson Project

YOUR VIEW OF GROWING TOGETHER

A project that encourages support

In your opinion, Growing Together 2022 is:

5 : Très important

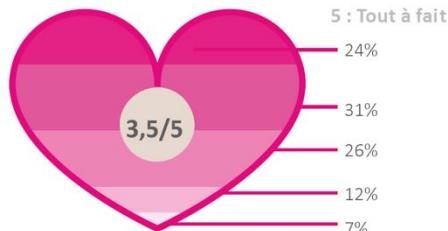


3,6/5

1 : Pas du tout important

2018 : 3,5/5
2017 : 2,8/5

Do you feel concerned by Growing Together 2022?



3,5/5

2018 : 3,4/5
2017 : 2,8/5

1 : Pas du tout



Increase the attractiveness of the company's businesses

- ▶ Showing of the film “Prendre Soin” (Providing Care) and press coverage



Le Monde

En Ehpad, des héros au quotidien

Le réalisateur Bertrand Hagenmüller a observé quatre professionnels dans des unités Alzheimer de maisons de retraite

Quand les caméras s'invitent dans les Ehpad, c'est généralement lors d'une situation de crise (épidémie, maltraitance...) ou pour évoquer les difficiles conditions de travail des soignants, leur manque de temps et de moyens. *Prendre*

Prendre soin DANS LES ÉCOLES

LMA Santé est partenaire du film. Plus de 90 professionnels, tout métier confondu ont été formés par Bertrand Hagenmüller et Bernard Benattar pour accompagner des projections d'élus dans les écoles et proposer des contenus pédagogiques autour du film.

OBJECTIFS	LE FORMAT
Aider à la rencontre des professionnels de demain, particulièrement de leur métier, susciter l'échange et la réflexion.	1. Mise à disposition temporaire du film pour une projection à temps d'échange sur le métier avec un ou plusieurs professionnels. 2. Mise à disposition d'outils pédagogiques pour travailler autour du film en amont de la projection ou à l'issue (séquences, bonnes pratiques, sur divers thèmes comme le juste salaire, le relation aux familles...)

Co-construction sur mesure en fonction des attentes de la structure et des étudiants

PRENDRE SOIN AU CINÉMA DÉPÔTÉ LE 12 NOVEMBRE 2019

Pour savoir l'actualité de films ou directement sur www.lma-sante.com

Prendre soin est un documentaire d'intervention dans le quotidien de quatre soignants (soignant dans les unités Alzheimer de maisons de retraite : Aurore de Chate, Luca, Anahita et Lila) en situation de crise et qui met le plus possible, les gestes d'un métier méconnu, fait de passion, d'humilité, d'implication, de tendresse et souvent d'amour. Malgré la tension qui s'échoue en la nuit qui approche, malgré le temps qui manque pour faire son travail, on est ému par le travail des soignants et par leur amour pour leurs résidents. Le film est regardé, partagé et l'authenticité des lieux qui se trouvent. Lors des représentations publiques, Prendre soin nous offre un regard poignant sur le métier qui se réalise, pour après pour, entre soignants et résidents.

UN BESOIN DE RENSEIGNEMENTS ?

1. Motivate and enhance the status of professionals
2. Increase the attractiveness of the profession, in particular in schools
3. Help to change the way the general public sees care for the elderly in institutions



Strategic line No. 2

Improve management and the managerial dynamics

to be agile enough to meet the economic challenges in the health sector

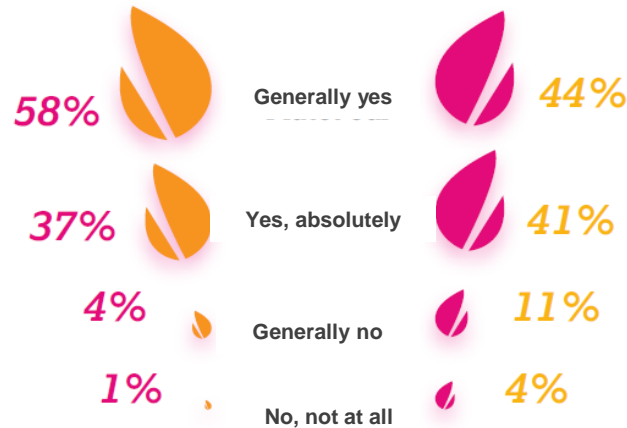
Strong support for the managerial dynamics

I can learn new things and develop skills at work



I have sufficient autonomy to organize myself and do my job

95%
Yes/Generally yes



I feel encouraged to make initiatives

85%
Yes/Generally yes

Visual management firmly rooted in the rituals for coordinating our teams

- ▶ Rituals involving frequent short discussions making it easier for **each person to speak**
- ▶ Readable and simple media favouring **management of measures and decision-making**
- ▶ Collaborative managerial approach favouring **commitment**



Example in HaH: a tool for coordinating the role of each person, assessing admission profiles, and adapting human resources requirements



Strategic line No. 3

Improve the client experience and innovate
in the range of medical services

Transforming aftercare and rehabilitation centres that support their medical expertise and their territorial base

► 3 new aftercare and rehabilitation centres brought into operation

including Romainville



and Breteuil



Diabetes: a chronic and serious pathology



Chronic disease

with a restrictive treatment



1/3 of diabetic people

are hospitalised once a year.



40% of diabetic people

have inadequate glycemic control, resulting in complications and a comparatively high death rate.

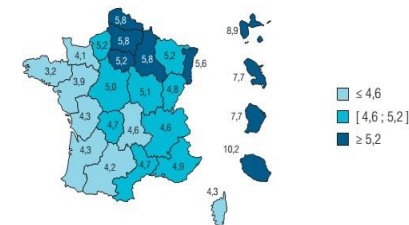


2/3 of French people **have already abandoned treatment** (costs or waiting times for consultations)

Connected diabetic patients*:

- ▶ 20% already equipped with smart medical devices (such as insulin pumps, glucose meters, continuous glucose monitoring devices)
- ▶ 50% use health applications (have already downloaded one)

Prévalence standardisée* du diabète traité pharmacologiquement, par région, en 2013



* Standardisation sur la structure d'âge de la population européenne : Eurostat, population EU-27.

Champ • France entière (hors Mayotte).

Source • SNIRAM-DCIR (CNAMTS) ; exploitation Santé publique France.

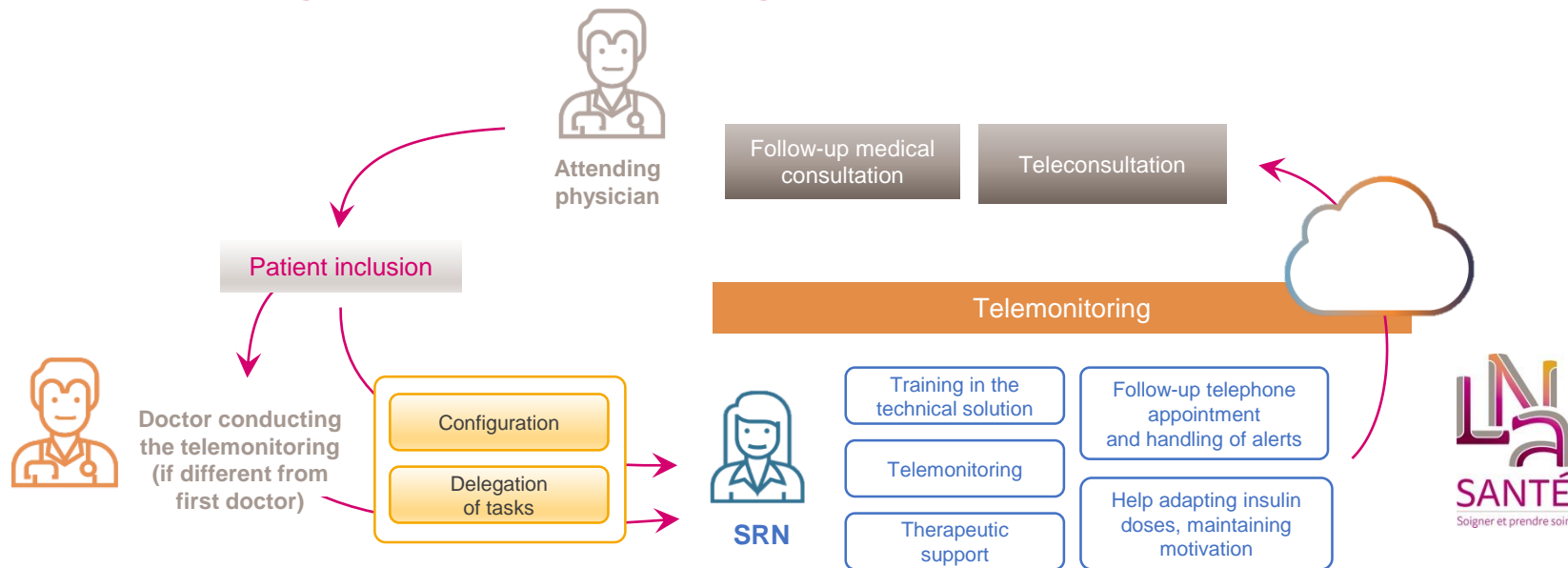
**€19bn per year
i.e. 15% of total**

New service offering for diabetic patients

► The 4 challenges of this new offering

- Improve access to treatment
- Reduce hospitalizations and transport
- Personalized support and continuity of monitoring
- Coordination of the care pathway

► Telemonitoring of each cooperation agreement





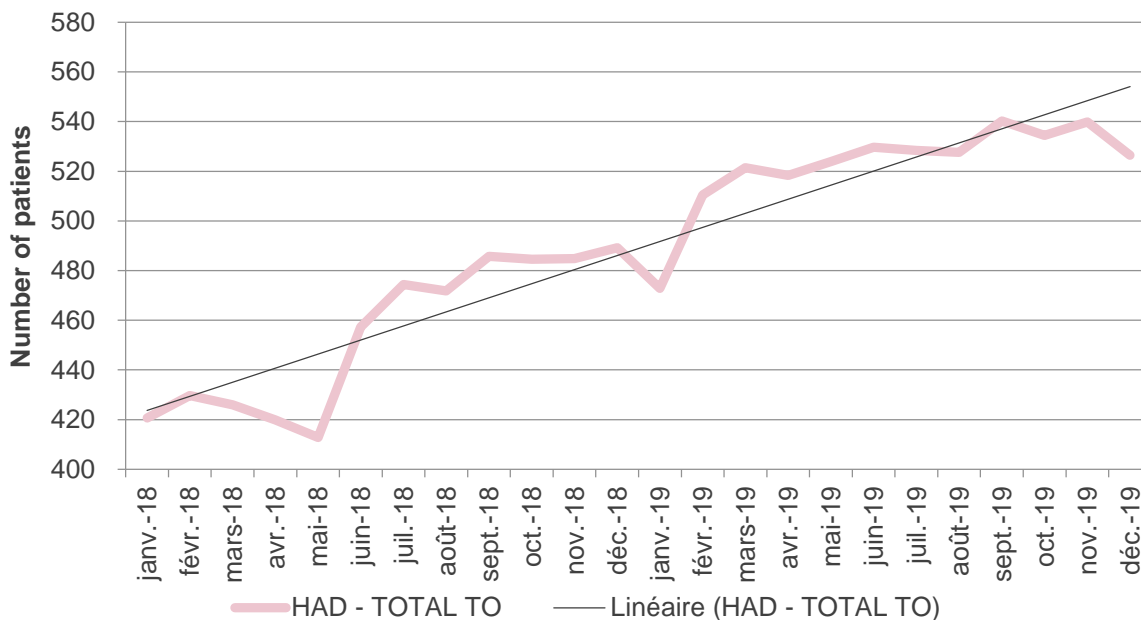
Strategic line No. 4

**Reinforce our presence and synergies
establishments in the regions**

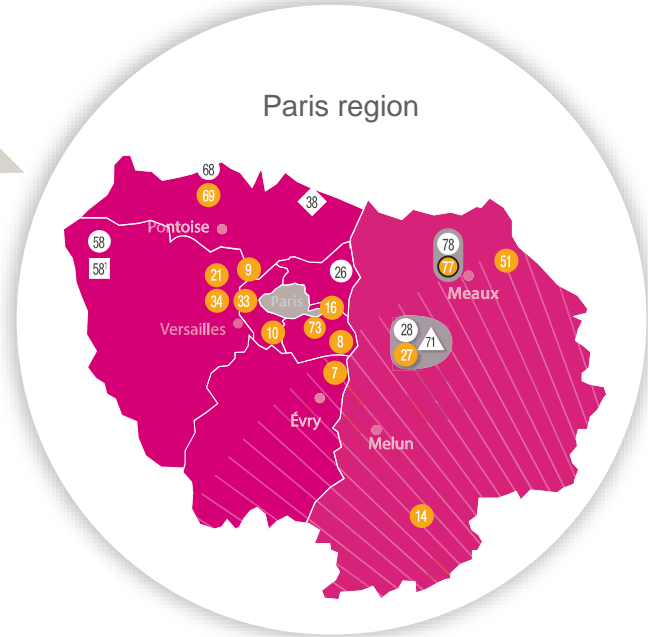
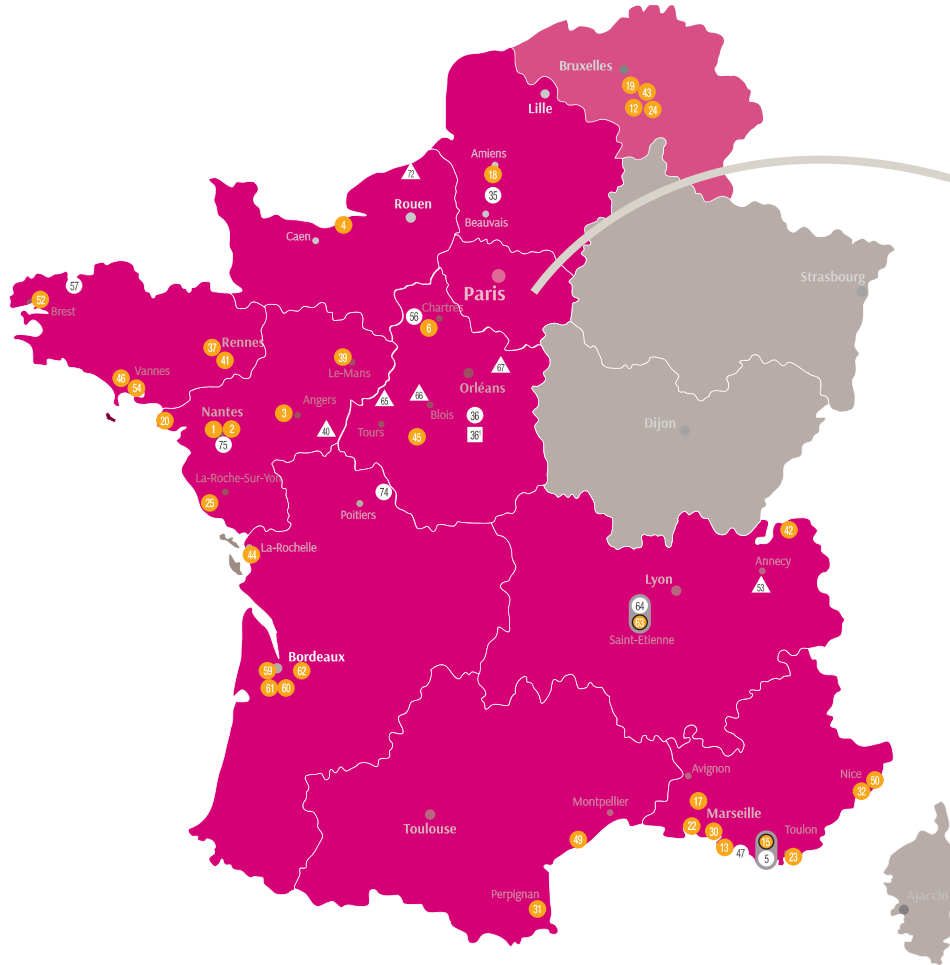
between

Continuous growth in the number of HaH patients

- ▶ **Territorial base plan** to develop the HaH business
- ▶ **Effective deployment of the HaH standard**: medical project, organisation in treatment units, logistics, IT etc.
- ▶ Active collaboration to create **new therapeutic protocols** and care with the regional players



Strong presence in target territories



	ALF		Psychiatric clinic
	Aftercare		Health centre
	HaH		Medical and/or geriatric centre



Strategic line No. 5

Reinforce the group's reputation
as a recognised player in the transformation of the health sector

Orgemont Health Centre Project: 440 beds and places

2020

GHEF* aftercare and rehabilitation centre

- 157 beds

GHEF ALF

- 30 beds

2024

2022

Aftercare and rehabilitation centre - Orgemont Health Centre

- 172 beds

ALF - Orgemont Health Centre

- 154 beds



*GHEF – Grand Hôpital de l'Est Francilien

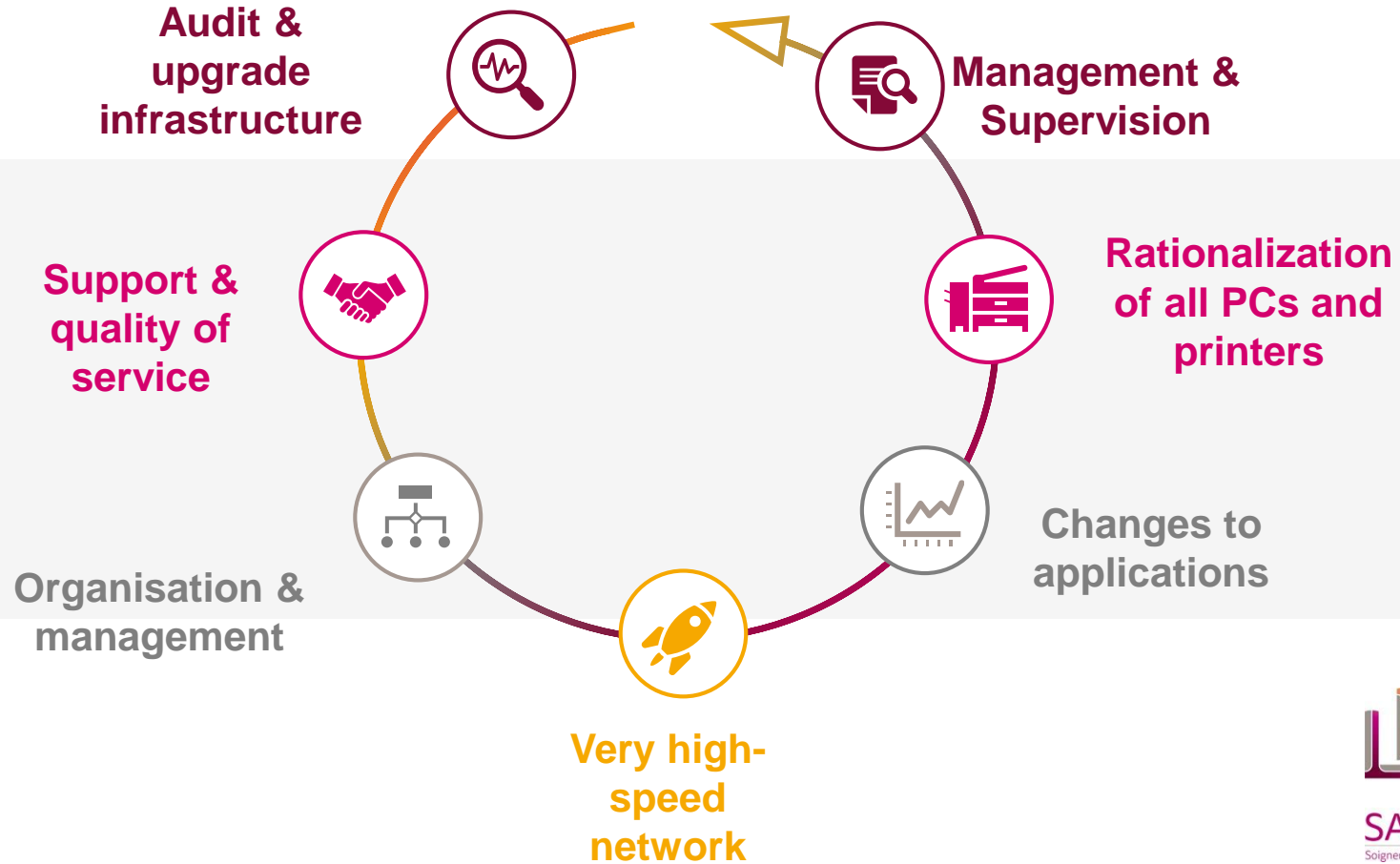
Future Health Centre in Orgemont: a partnership between LNA and LRS



Strategic line No. 6

Improve the information systems and make them more reliable
to support the business lines and client care pathways

Improve the use of the IS for all the business lines



IT functions continually increasing for the business lines



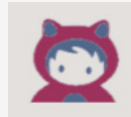
Voice recognition for doctors



Sending of medical reports by secure messaging



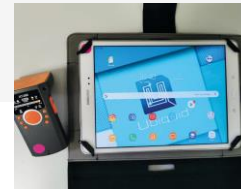
New IS for Health Centres



Theo CRM for marketing in ALF



Deployment of the HaH IS completed



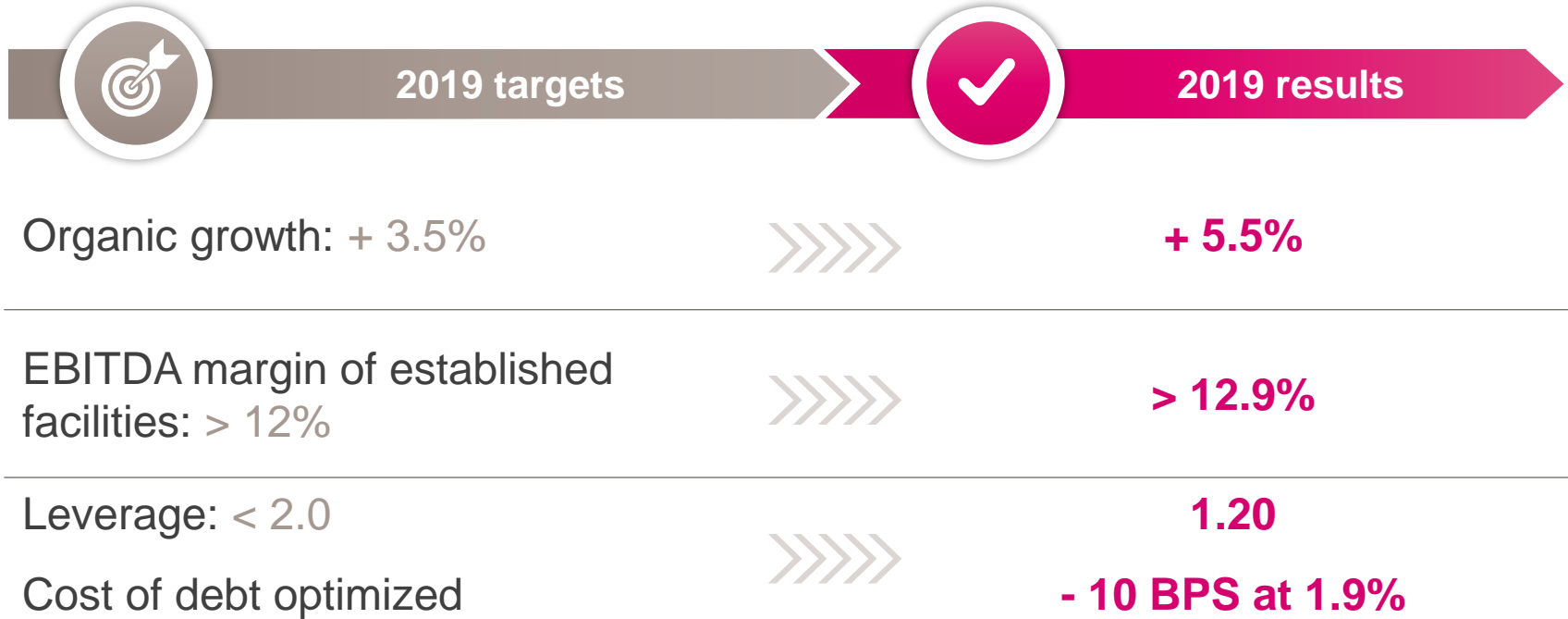
Tracking of medical equipment in aftercare and rehabilitation centres via Ubiquid

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2019: annual targets achieved



2019: summary of achievements

Stronger organic growth

- ▶ **Operating revenue: + 8.2%**
- ▶ Organic growth across all activities: + 5.5% vs + 4.4% in 2018

Strong results and profit margins

- ▶ **Group EBITDA of €56.7m: + 7.3%**
- ▶ EBITDA margin for Operations: 11.1%, down 65 BPS due to the (re)structuring efforts
- ▶ Group COI of €45.4m: + 3.3%, current operating margin of 8.6%, up by 44 BPS
- ▶ Net result (Group's share) of €22.1m + 2.7%

A resilient operating model

- ▶ **EBITDA margin for established facilities: 12.9%, + 40 BPS**
- ▶ Net cash flows from operating activities of €60.9m, up by 27%
- ▶ Capex: 2,2% of revenue vs 2.8% in 2018; 1.6% in established facilities vs 2.5% in 2018

A very flexible capital structure

- ▶ Stable financial result at -€6.5m, average cost of borrowing down at 1.9 %
- ▶ Operating leverage stable and at a low level of 1.20 at the end of 2019 vs 4.25 authorised

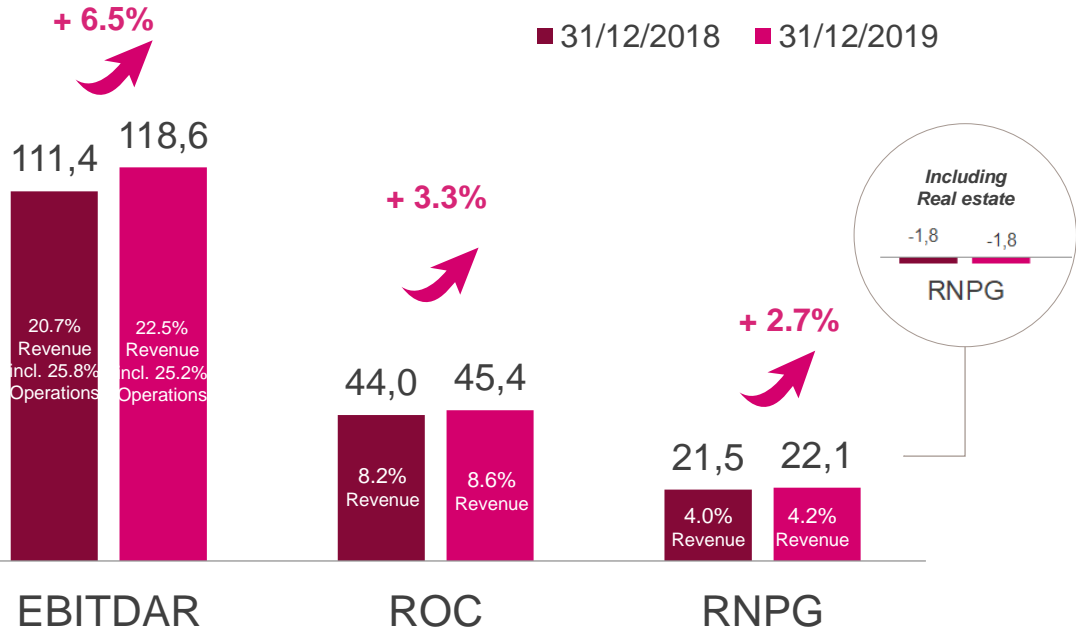
Continuous organic growth

- ▶ Authorised facilities & beds 8,500 beds, **1/4 to be upgraded to established facility standards**: 2,000 beds at the end of 2019, including 500 upgraded in 2020

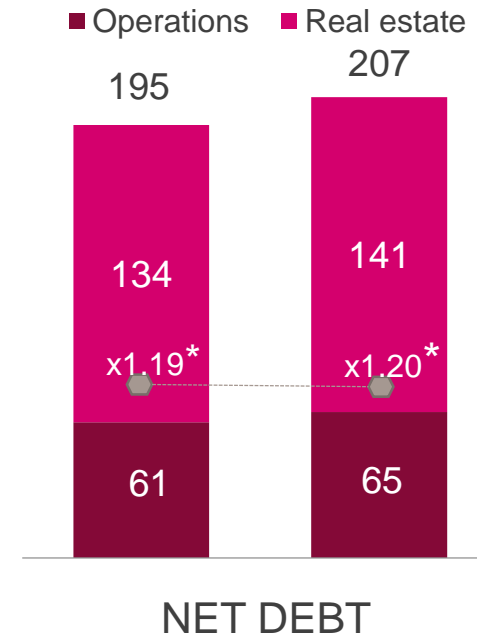
Summary: Operations + Real Estate

Increase in profits, reduced by taxation

In € millions



Limited debt for great flexibility



* Leverage: Net debt from Operations / EBITDA from Operations

Results for Operations + Real Estate

► Strong performance of operating margins

<i>In millions of euros</i>	31/12/2019	31/12/2018	Variation (%)
Revenue	527.9	538.8	- 2.0%
EBITDA	56.7	52.9	+ 7.3%
<i>EBITDA margin</i>	10.7%	9.8%	+ 93 BPS
Current operating income	45.4	44.0	+ 3.2%
<i>Current operating margin</i>	8.6%	8.2%	+ 44 BPS
Operating income	44.9	42.1	+ 6.7%
<i>Operating margin</i>	8.5%	7.8%	+ 69 BPS
Financial result	(6.5)	(6.4)	+ 2.3%
Earnings before tax	38.4	35.7	+ 7.5%
Tax	(15.4)	(13.3)	+ 15.8%
Net result (Group's share)	22.1	21.5	+ 2.7%
Net margin (Group's share) as % of revenue	4.2%	4.0%	+ 19 BPS

- **EBITDA of €56.7m**, up by: + 7.3%
 - Strength of the Operating margin (in particular for HaH and aftercare and rehabilitation centres)
 - Bigger contribution by the Real Estate business
- **COI of €45.4m**, up by: + 3.2%
 - Current operating margin up by 44 BPS at 8.6%
- **Operating income of €44.9m, up by: + 6.7%**
 - Operating margin up 69 BPS including non-recurring items totalling -€0.5m
- **Interest cost under control: + 2.3%** benefiting from:
 - control of investment costs
 - measures to optimise the funding mix
- **Income tax expense up by 15.8%** including:
 - Impact on the tax rate of the replacement of the competitiveness and employment tax credit (CICE) of 7.2 points
 - Corporation tax rate of 40.0% compared with 37.2% in 2018

►► **Net result (Group's share) of €22.1m up by 2.7 %** increased by the operating income (+ 6.7%) and reduced by the corporate income tax expense (+ 15.8%)

Strong net margin of 4.2%, up by 19 BPS

Operating revenue

► Increase in business in all operational sectors

Revenue		31/12/2019		31/12/2018		Total variation	Organic Growth	Distribution of organic growth
By Activity	In €m	% revenue	In €m	% revenue				
Long-term Care	Long-term care France	238.4	50%	232.5	53%	+ 2.5% + 2.3%	+ 2.4% + 2.1%	+ 1.3%
	Long-term care Belgium	27.3	6%	27.3	6%	- 0.1%	- 0.1%	+ 0.0%
Medium-term Care	Aftercare/Psych	159.5	34%	136.7	31%	+16.7% +16.9%	+ 8.4% + 10.4%	+ 2.6%
	HaH	45.2	10%	38.5	9%	+17.5%	+ 17.5%	+ 1.5%
	Other	2.4	0%	2.1	0%	-	-	-
TOTAL		472.8	100%	437.1	100%	+ 8.2%	+ 5.3%	+ 5.5%
							Price effect 2.7%	Volume effect 2.8%

► 2.3% growth in long-term care revenue

- Main contribution by organic growth, thanks to a strong occupancy rate in established facilities of almost 98.5% for the Confort range and of 97% for the Elegance range
- Stabilization of revenue from rest homes in Belgium

► Big increase of 16.9% in medium-term care revenue

- Total growth of 16.7% for aftercare and rehabilitation and 17.5% for hospital at home in an unfavourable pricing environment
- Organic growth of 10.4% split between 8.4% for aftercare and rehabilitation centres and 17.5% for hospital at home

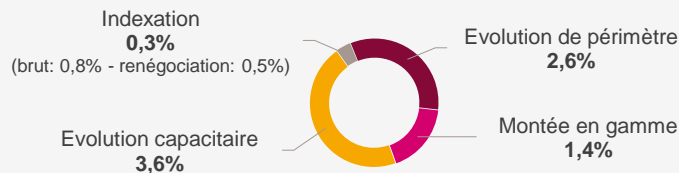
Operating EBITDA

► From revenue to operating EBITDA: costs under control

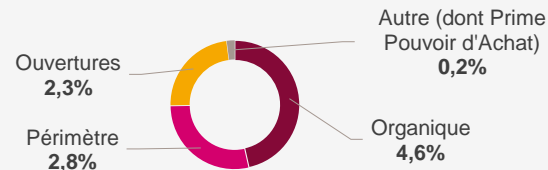
In millions of euros	31/12/2019	31/12/2018	Variation (%)
Revenue	472.8	437.1	+ 8.2%
Purchases and external charges (excl. rent)	- 88.7	- 81.9	+ 8.3%
Payroll expense	- 253.5	- 230.7	+ 9.9%
Taxes and duties	- 17.0	- 15.2	11.4%
Miscellaneous revenue and expenses	+ 5.3	+ 3.7	+ 43.7%
EBITDAR	119.0	113.0	+ 5.3%
Rent	- 66.7	- 61.8	+ 7.9%
EBITDA	52.3	51.2	+ 2.2%
<i>EBITDA margin as % of revenue</i>	11.1%	11.7%	- 65 BPS

- Control of external purchases and expenses as % of revenue
- Payroll expense affected due to opening of facilities
- Good rent control due to business indexation and the results of negotiations

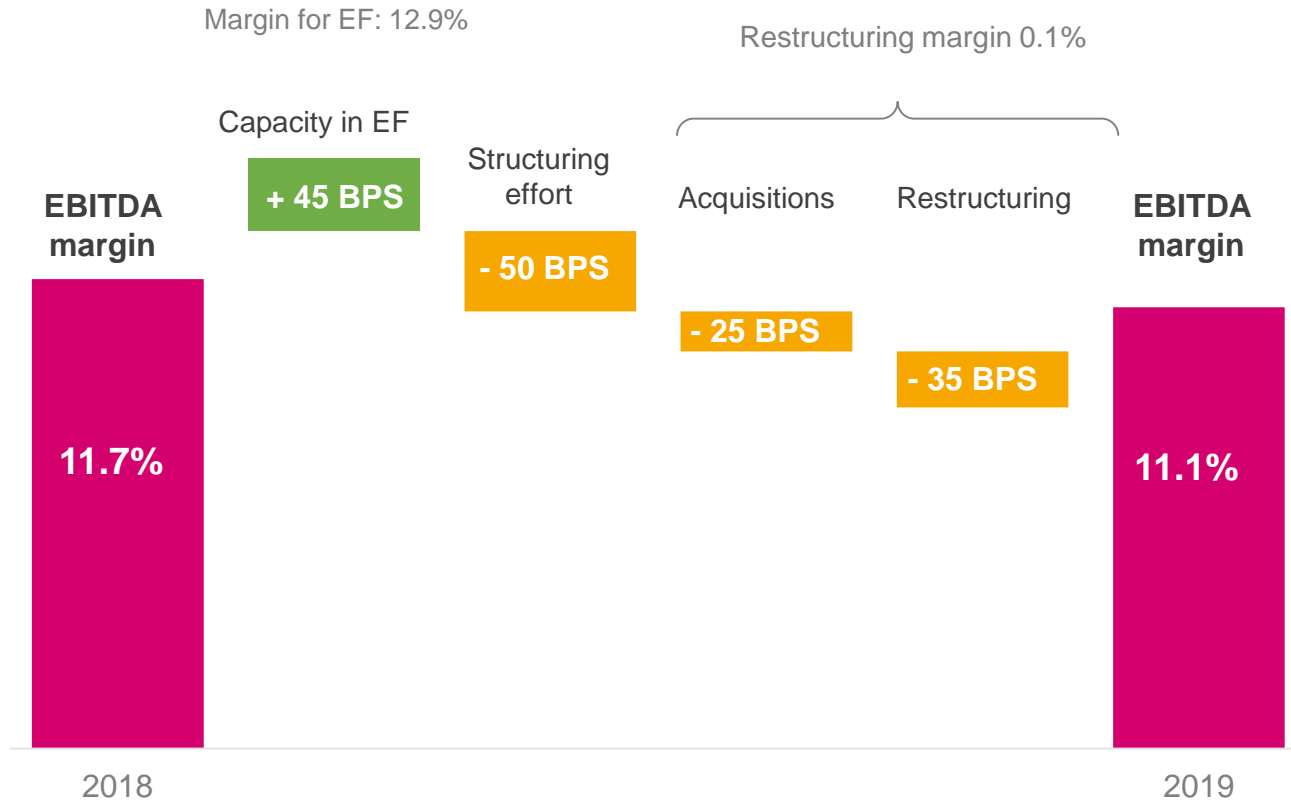
Variation in rent



Variation in the payroll expense



Variation in the EBITDA margin for Operations



- ▶ Margin for established facilities up by 12.9% benefiting from the contribution of hospital at home
- ▶ Structural investment in HR + IT
- ▶ Acquisition of 2 aftercare and rehabilitation centres
- ▶ Extensive restructuring of 5 aftercare and rehabilitation centres with increase in capacity

▶▶ Performance of the mature facilities offset by the temporary (re)structuring effort

LNA Santé Established Facilities

	Established Facilities		Other facilities	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Capacity in operation				
Number of facilities/Total Number of beds	60/71 6,519	57/68 6,163	11/71 1,346	11/68 1,095
Operating revenue	405.8	371.8	64.7	63.2
EBITDA	52.4	46.6	0.04	2.3
EBITDA/Revenue	12.9%	12.5% ≠ 12.8 points	0.1%	3.7%
Current operating income	45.3	41.4	- 1.2	1.2
Current operating margin/revenue	11.2%	11.1% ≠ 13 points	- 1.8%	1.8%
Capex	6.5	9.4	1.7	0.9
Capex/EBITDA affordability ratio	12.5%	20.2%	n/a	38.9%
Free Cash Flow as % of revenue	6.4%	5.3%	-2.4%	0.5%

- ▶ EBITDA margin for established facilities up by 40 BPS to 12.9%
- ▶ Stable current operating margin at 11.2%
- ▶ Potential for value in the aftercare and rehabilitation facilities with the reconstruction/extension of 5 sites in 2019 affecting the current operating margin of restructured facilities (-1.8%)
- ▶ Optimal capex/EBITDA affordability ratio at 12.5%
- ▶ FCF* of 6.4% of revenue above-standard for LNA (5.5%)

* EBITDA – Capex – Financial charges – Corporate tax

Operations: strong margins

<i>In millions of euros</i>	31/12/2019	31/12/2018	Variation (%)
Revenue	472.9	437.1	+ 8.2%
EBITDA	52.3	51.2	+ 2.2%
<i>EBITDA margin (%)</i>	11.1%	11.7%	- 65 BPS
Current operating income	43.0	43.5	- 1.1%
<i>Current Operating Margin (%)</i>	9.1%	9.9%	- 85 BPS
Operating income	44.9	42.1	+ 6.6%
Financial income	(4.5)	(4.4)	+ 2.7%
Earnings before tax	40.4	37.7	+ 7.1%
Tax	(15.7)	(13.6)	15.6%
Tax rate	38.9%	36.0%	+ 289 BPS
Minority interests	(0.8)	(0.8)	- 6.4%
Net result (Group's share)	23.9	23.3	+ 2.5%
<i>Net margin (Group's share) (%)</i>	5.05%	5.33%	- 28 BPS

► **Increase in the net result (Group's share) of 2.5%** reinforced by the increase in operating income of 6.6%

- **EBITDA** up by 2.2%, with mature sites offsetting
 - the restructuring efforts in healthcare
 - structuring of expertise at the head office, in particular HR + IT
- **COI** down by 1.1% **with a current operating margin of 9.1%**
- **Operating income included an increase in non-current items of €1.9m** from:
 - Net adjustments in the value of intangible assets and authorised write-downs,
 - Net impact of restructuring of aftercare and rehabilitation centres
- **Financial result** optimised
- Tax rate of 39% increased by the **fiscal impact of the replacement of the CICE**

Cash flow statement

<i>In millions of euros</i>	31/12/2019	31/12/2018	Variation in value
Cash at start of year N-1	121.6	162.3	(40.7)
EBITDA	56.7	52.9	+ 3.8
NET CASH FLOWS FROM OPERATING ACTIVITIES ⁽¹⁾	60.9	48.0	+ 12.9
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(54.8)	(43.1)	(11.7)
Net development investments - Operations	(33.5)	(15.2)	(18.3)
Net sustaining capital expenditures - Operations	(5.9)	(8.7)	2.8
Net investments - Real estate	(13.7)	(18.8)	5.1
Net financial investments	(1.8)	(0.5)	(1.3)
NET CASH FLOWS FROM FINANCING ACTIVITIES	12.4	(45.6)	+ 58.0
Dividends paid	(4.4)	(3.8)	(0.6)
Variation in financial debts	22.8	(34.0)	56.7
Net interest cost paid	(5.9)	(5.9)	–
Net purchases of own shares	–	(1.9)	1.9
Cash position at year-end ⁽²⁾	140.1	121.6	+ 18.5
<i>Including Operating</i>	136.6	115.9	20.7

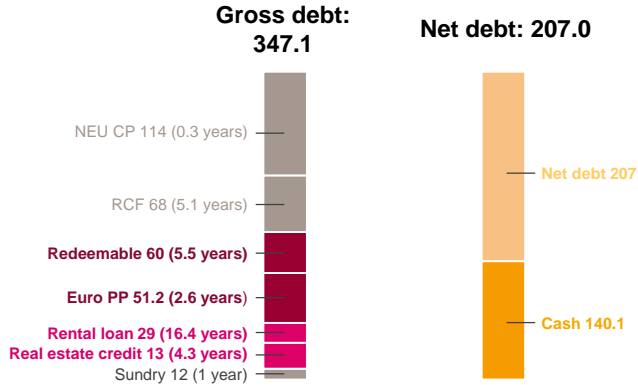
► (1) Cash flows from operating activities of €60.9m reinforced by the increase in the EBITDA and the drop in the corporation tax expense of €15.8m due to a repayment received in 2019

► (2) Cash of €140.1m including €8.7m of unused NEU CP to support the liquidity of the programme

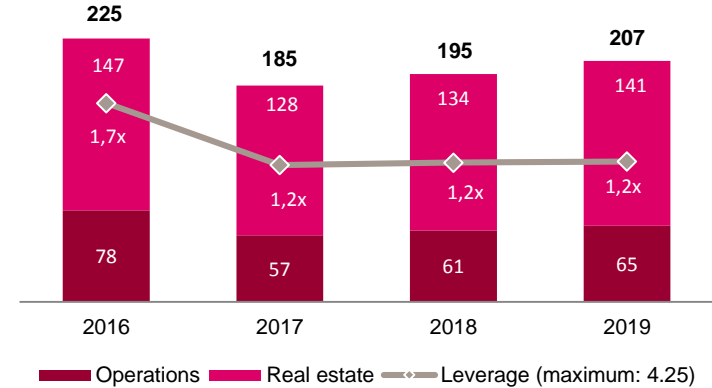
►► **Proposed dividend of €0.45 per share (distribution rate < 20%)**

A flexible capital structure

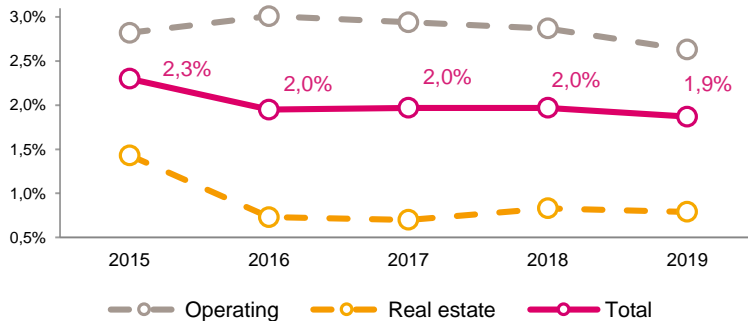
Debt structure and maturity



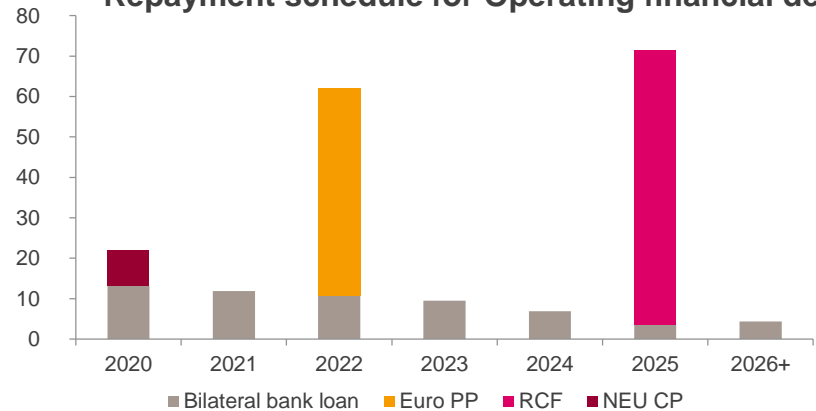
Consolidated net debt



Cost of debt optimized



Repayment schedule for Operating financial debt*



* Real estate debt: short-term maturity linked to outsourcing of real estate assets



Contents

1. LNA SANTÉ, a strong identity
2. Impact of COVID-19
3. GT 2022 Review
4. 2019 annual results
- 5. Outlook**

Transformation of the offering by LNA

7,041 beds in established facilities:
522 more beds than 2019

► A total of 72 facilities

ALF/rest and care home*



Beds in EF*
4,787
4,232/555

Beds being restructured
356
356/0

5,143



Aftercare/Psych



Beds in EF*
1,831

Beds being restructured
631

2,462

HaH



Beds in EF*
423

Beds being restructured
50

473

at 31 March 2020 excluding new developments

* EF: Established Facilities

* MRS: Rest and care home

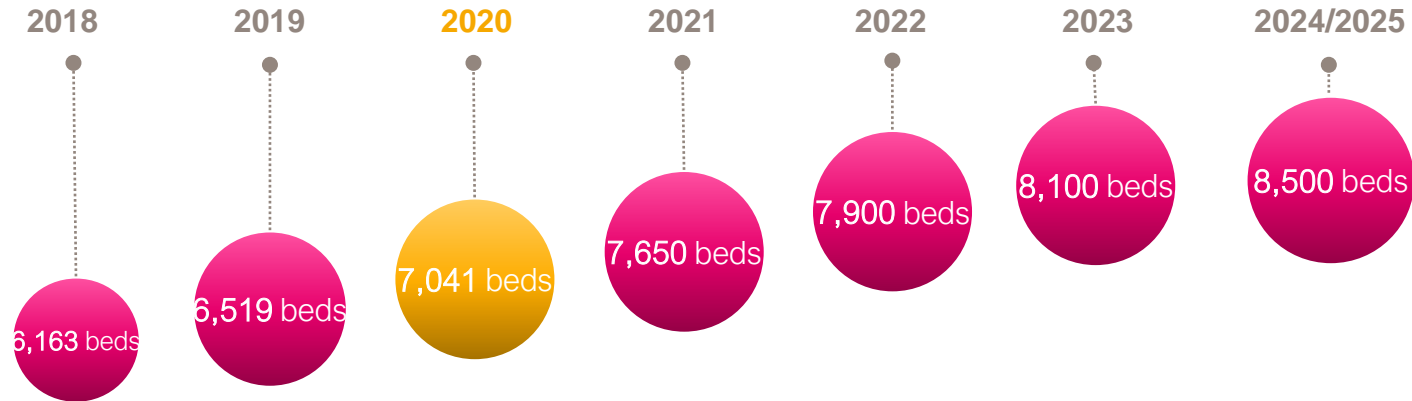


Controlled organic growth path

Growth already in progress

► Transformation of existing capacity into established facilities

excluding new development projects



Capacity in established facilities

1,500 beds to reach maturity between 2020 - 2024

Projects to develop the existing facilities

- ▶ **Our aim: to become the leading independent player in the transformation of the health offering**
 - ▶ A **customised and cooperative approach** at all stages, involving all of the stakeholders in regional projects
 - ▶ **Models for well-designed facilities** combining quality of service, medical expertise and economic sustainability
 - ▶ An industrialised process for transforming the offering, from **experience acquired in complex projects**
 - ▶ **In-house expertise and engineering** at the head office and in the facilities, recognised for our professionalism and ability to innovate
 - ▶ **Potential projects*** for capacity at existing sites offering **organic development over the long term**

24 projects
targeted for 1/3 of
the facilities



Nearly 950 beds*



Potential revenue
over €55m



+ 2% annual organic
growth



* Internal extension projects within 5 years, based on portfolio capacities (440 beds) and targeted capacities (500 beds under study)

Continuation of growth

2020

- ▶ **Organic growth of over 4.0%** → adjusted for the impact of COVID-19
- ▶ **EBITDA of established sites** → adjusted for the impact of COVID-19
- ▶ **Targeted acquisitions** to meet the challenges of the regional healthcare offering
- ▶ A **total of 1,500 beds** being upgraded to established facility standards
- ▶ **GT 2022 financial targets** → adjusted for the impact of COVID-19

** 1,500 beds at 31/03/2020, including 1060 existing beds to be upgraded to established facility standards, and 440 beds to be installed*



A strategic plan in progress

Thank you!



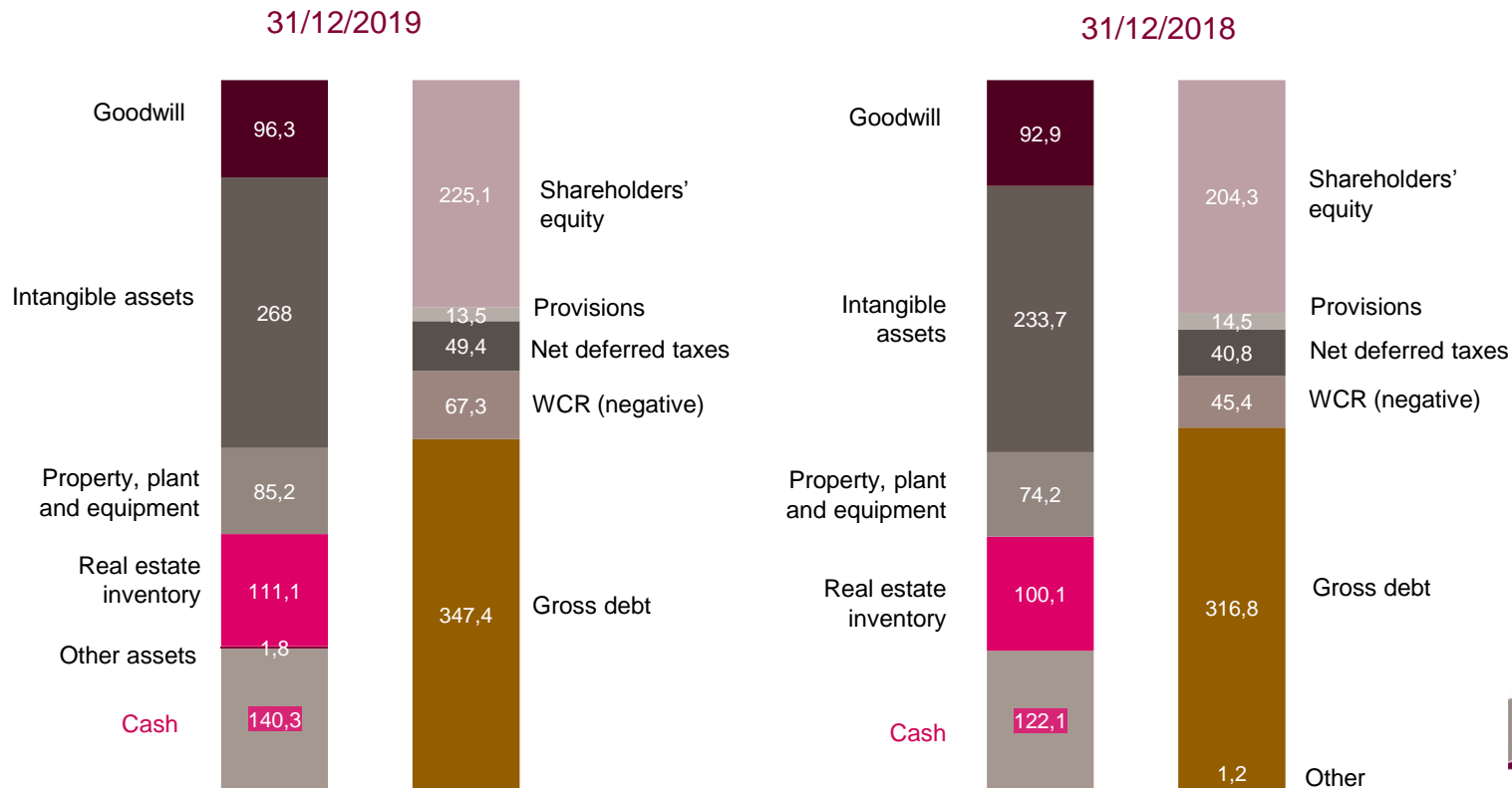
Appendices

Analysis of Operating EBITDA

2019, in €m	Operations	Holding company	Long-term care France	Long-term care Belgium	Medium-term care France
EBITDA	52.3	-0.1	29.8	1.3	21.3
EBITDA margin	11.1%	n.s.	12.5%	4.6%	10.4%
Variation in margin 2019-2018	- 65 BPS	n.s.	- 18 BPS	- 74 BPS	+ 15 BPS
No. of beds in operation at 31/12/2019 <i>Beds in estab. facilities 2019 (% total)</i>	7,865 6,519 (83%)	-	4,558 4,124 (90%)	555 555 (100%)	2,752 1,840 (67%)
Margin for established facilities	12.9%	n/a	12.9%	4.6%	14.4%
Variation in margin for EF 2019-2018	+ 40 BPS	n/a	- 12 BPS	- 74 BPS	+ 120 BPS

- ▶ EBITDA margin relatively stable for Long-term care France for mature ALF
- ▶ Fall in the margin in Belgium due to lower occupancy rates at the two homes in Brussels
- ▶ Increase in the margin for Medium-term care France thanks to full performance by mature structures (+120 BPS) which offset the restructuring effort for aftercare and rehabilitation centres

Consolidated balance sheet - excluding impact of IFRS 16



Structure of net debt - excluding impact of IFRS 16

► Flexible capital structure

	Operations	Real estate	Total
Bank debts: RCF, redeemable debt, development loans, carrying loans	128	13	141
Disintermediated debts: NEU CP, Euro-PP	60	105	165
Other debts: rental loans, resident deposits etc.	14	27	41
Total gross debt	202	145	347
Net cash	137	4	140
Net financial debt at 31/12/2019	65	141	207
Net financial debt at 31/12/2018	61	134	195

- Slight increase in debt in the Operations sector of €4m linked in particular to acquisitions
- Increase in real estate debt of €8m linked to acquisitions of buildings, extension work and construction work in progress

Optimised capital structure - excluding impact of IFRS 16

Reference rate	31/12/2019		31/12/2018	
Average 3 month Euribor rate (rolling 12 months)	-0.36%		-0.32%	
5-year Mid-Swap	-0.12%		0.20%	
Group debt	31/12/2019		31/12/2018	
1- Cost of the debt	1.9%		2.0%	
2- Disintermediated portion*	SFAF 04/20	31/12/2019	SFAF 04/19	31/12/2018
	42%	51%	63%	54%
3- Fixed rate and variable rate portion covered	76%		79%	
Operating debt	31/12/2019		31/12/2018	
4- Portion of the debt for Operations/consolidated debt	32%		31%	
5- Cost of gross debt	2.6%		2.9%	
6- Fixed rate and variable rate portion covered	95%		95%	
7- Maturity of the debt for Operations	4.3 years		4.5 years	
8- Operating financial charges/operating EBITDA	8%		9%	
Operating income	31/12/2019		31/12/2018	
9- Operating gearing**	x 0.23		x 0.24	
10- Leverage (operating net debt/operating EBITDA)	x 1.20		x 1.19	
Free cash flow and credits	31/12/2019		31/12/2018	
11- Net cash position for Operations	136.6		115.9	

* Disintermediated portion at 02/04/2020: projected amount

** Net financial debt for Operations/shareholders' equity and deferred taxes for Operations, excluding impact of IFRS 16

IFRS 16 – Impact of first-time application

► Impact on the operating margins

<i>In millions of euros</i>	Before IFRS 16		Impact of IFRS 16	After IFRS 16	
	Operations	Margin	Operations	Operations	Margin
EBITDA	52.3	11.1%	59.2	111.5	23.6%
Current operating income	43.0	9.1%	10.7	53.7	11.3%
Cost of financial debt	-4.5		-12.7	-17.2	
Net income of the consolidated group	24.7	5.2%	-1.5	23.2	4.9%

► Current operating margin increased by 2.3 points to 11.3% compared with 9.1% under the 100% rental regime

► Net margin reduced by 32 BPS due to the maturity of the agreements (reversed on expiry of the agreements)

► Impact on the Operating debt

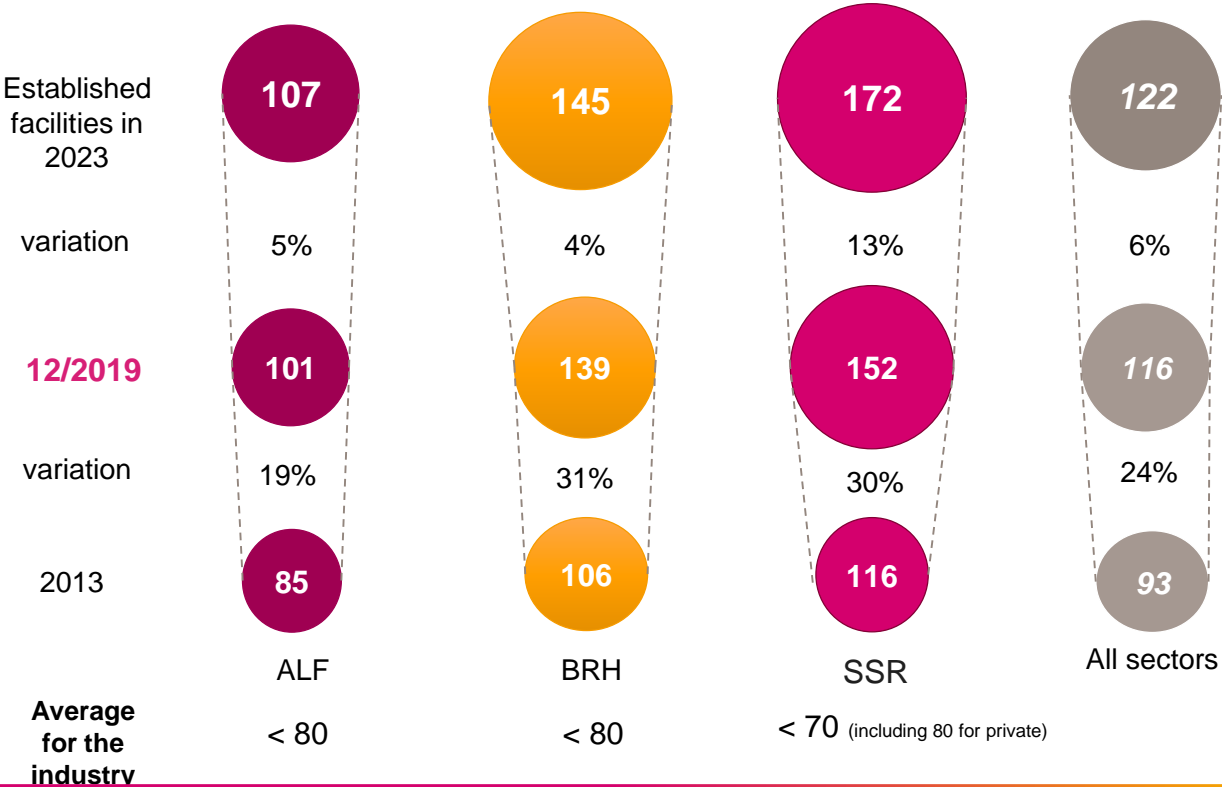
<i>In millions of euros</i>	Before IFRS 16		After IFRS 16		
	Operations	Lender leverage	Operations	Lender leverage	Adjusted lender leverage
Net debt	65	1.20	565	5.07	1.20

► Debt increased by the amount of lease obligations, wholly restated for the covenant calculation

Large facilities

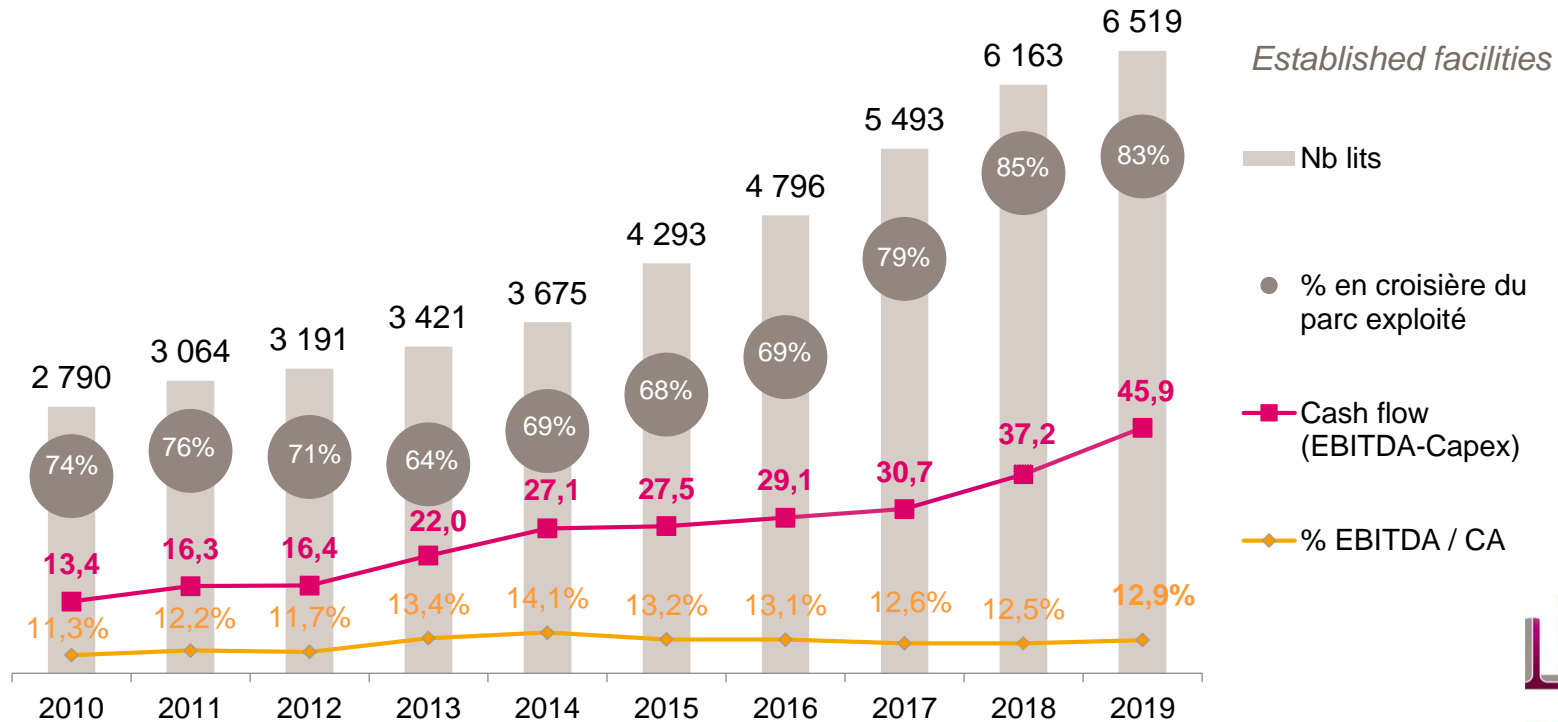
Synonymous with quality and efficiency

Change in the average size of the facilities in operation at 31/12/2019



An important choice for economies of scale and critical size

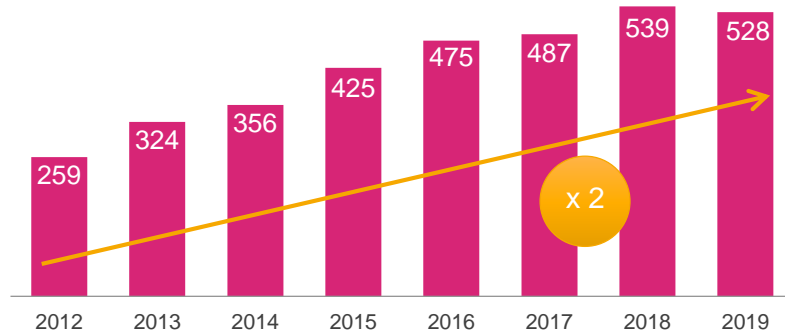
Continuous strong performance of mature facilities



Historical performance

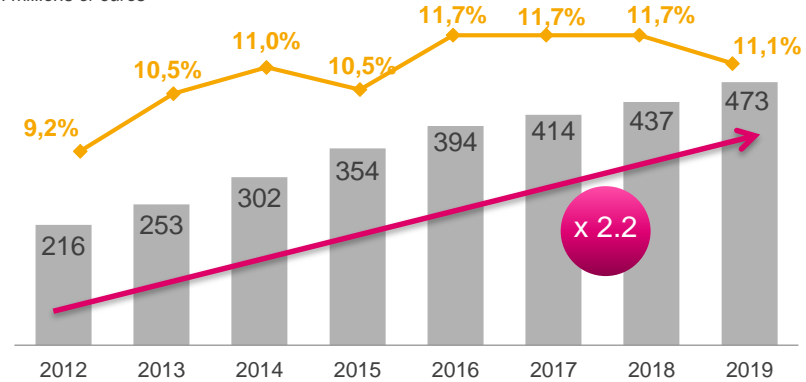
Consolidated revenue

In millions of euros



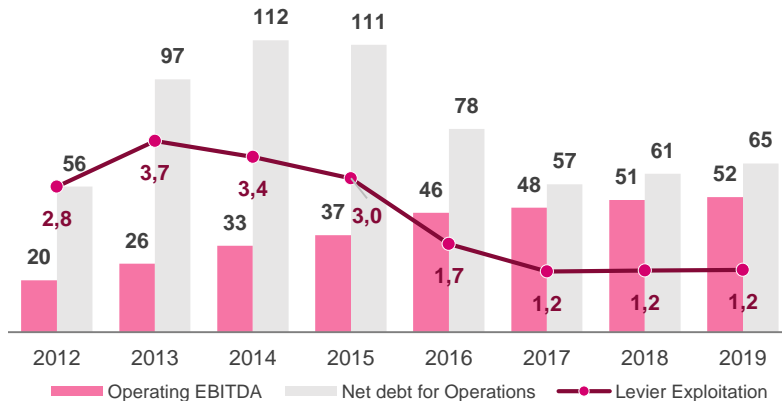
Revenue & EBITDA margin for Operations

In millions of euros

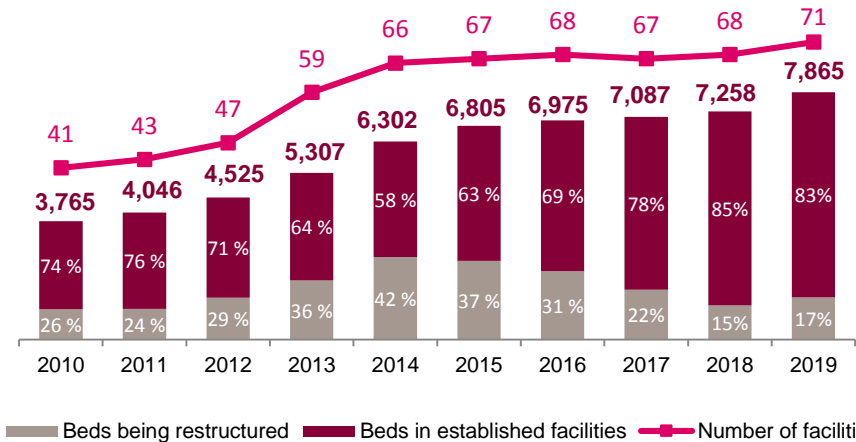


Net financial debt for Operations optimised

In millions of euros



Number of beds multiplied by 1.9 since 2010



Distinctive features of our company

FAMILY-OWNED

We are a family business because we bring together families, teams and founding members, in order to be a responsible player with a long-term vision and **caring and local management**

HUMANIST

We are a humanist company because we **treat everyone with respect** and provide care for dependent people and our teams

ENTERPRISING

We encourage enterprise by enabling **everyone to take part in decisions and to innovate** in their job

5 DISTINCTIVE FEATURES



DEMANDING

Rigour is central to our choices, our organisational model, **our questioning and the expertise** of our businesses

ABLE TO TRANSFORM

We are a health player that is able to transform, as we know how to integrate establishments over time, to **improve the health care offering** in our zone



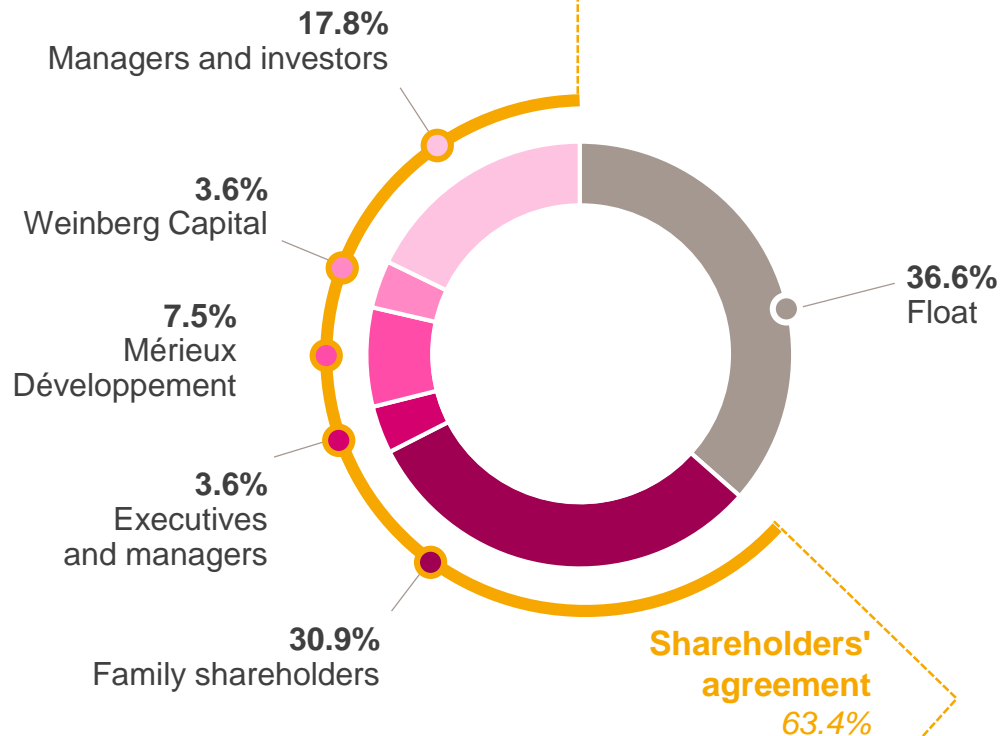
LNA Santé, Treating and Providing Care

Family-based and entrepreneurial governance

Family-owned capital
guarantee of stability and permanence

Shareholder executives & managers
who share our values and contribute to performance

Industrial families
acting together to promote growth



% of voting rights in December 2019

Glossary

Glossary

ADJ

- Day Care

CAPEX

- Sustaining capital expenditures, excluding investments to develop new activities and real estate assets for sale

CICE

- Competitiveness and employment tax credit

CRM

- Customer Relationship Management tool

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 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.

DET

- Management of the facility

Net financial debt

- Gross financial debt, excluding lease obligations introduced by IFRS 16, less cash and cash equivalents

Net financial debt from Operations

- Represents gross financial debt from Operations, excluding lease obligations introduced by IFRS 16, less cash and cash equivalents and shareholders' equity contributed to the real-estate activity

DEX

- Operations manager

DMQR

- Medical, Quality and Risks Department

DOP

- Director of operations

EBITDA

- Earnings Before Interest, Taxes, Depreciation and Amortization, after rent and provisions and reversals of provisions for depreciation of real estate

Glossary

EBITDAR

- Earnings Before Interest, Taxes, Depreciation, Amortization and Rents, after provisions and reversals of provisions for depreciation of real estate

ALF

- Assisted Living Facilities - France

Established facilities

- A facility that has been extended (if necessary) and renovated, with 100% of its authorised capacity
- Human organisation and method of management in line with Group standards
- Facilities undergoing restructuring or being opened
- Facilities taken over or opened within about 1 year
- Renovation and/or extension work in progress
- Implementation of the Group's standards

FCF or Free Cash Flow

- EBITDA less capex, financial charges and corporate tax

Operating gearing

- Ratio of the operating net financial debt from Operations to the adjusted Operating equity. The adjusted Operating equity corresponds to the consolidated equity from Operations, excluding the impact of IFRS 16, plus Operating deferred tax liabilities, excluding the impact of IFRS 16, mainly linked to the valuation of intangible Operating assets

GC

- Cooperation group

GCS

- Health cooperation group

HaH

- Hospital at Home

HC

- Full hospitalization

HDJ

- Outpatient care

SRN

- State registered nurse

Glossary

Financial leverage, leverage for Operations

- Ratio of net debt from Operations to EBITDA from Operations, measures the company's ability to reimburse its debt. It shows how long (in years) it will take the company to reimburse its debt based on its EBITDA

Beds to be installed

- Beds authorised but not yet in operation.

Medec

- Coordinating doctor

MOC

- Current operating margin: ratio of current operating income to revenue

BRH

- Rest home in Belgium, equivalent to ALF in Belgium

MRPA

- Rest home for the elderly, equivalent to ALF in Belgium

MRS

- Rest and care home, equivalent to ALF in Belgium

NEU-CP

- *Negotiable European Commercial Paper*: short-term negotiable securities, previously called commercial papers

Established facilities, EF

- See Established facilities

Taken over during the year

- Facilities that were not included on 1 January of the current year
- New facilities opened during the year

Restructuring, RST

- See "Facilities undergoing restructuring or being opened"

RCF

- Revolving Credit Facility

COI

- Current Operating Income

ROP

- Operating income

CSR

- Corporate social responsibility

Glossary

IS

- Information System

Aftercare and rehabilitation

- Aftercare and rehabilitation services

Net cash

- Cash and cash equivalents less bank loans and overdrafts.

TO

- Occupancy rate

USLD

- Long-term care unit, retirement and care home for people aged over 60, supported by a hospital. More substantial medical resources are deployed than in ALF.