

3rd quarter 2020

Business dynamics

Occupancy rate up compared with the 2nd quarter of 2020

ALF: + 3 points - Aftercare and rehabilitation: + 22 points

Hospital at Home business: + 16% year-on-year

Operating revenue: €129.0m (+9.5%)

driven by acquisitions: + 8.0%

and resilient organic growth: + 1.6%

“The health situation, marked by further restrictions to curb the epidemic, require us to show the greatest vigilance and to continue to fully mobilise our teams, centred on the multidisciplinary crisis management plan that is firmly in place within the LNA Santé Group. Its effectiveness depends on the strict application of personal protective measures, management of complex cases, adapting responses to the situations encountered, pooling resources and the continuous support measures for the network of facilities, communication with families, and ultimately the acceptability for all of the action to be taken, with the primary aim of protecting the health of our residents, patients and employees.

In this regard, the situation in the third quarter, which shows clear business dynamics, both in organic terms and in terms of acquisitions, is more significant for the confidence it shows in the future, than for the satisfactory contributions made, which however continue to include the exceptional impact of the epidemic on the Group. Together, as stakeholders involved in the LNA Santé business plan, we must all stand firm, to come out stronger from the Covid-19 pandemic.”

Jean-Paul Siret – Chairman and Chief Executive Officer
Willy Siret – Deputy Chief Executive Officer-Operations
Damien Billard – Deputy Chief Executive Officer-Finance

2020 Q3 revenue

Data not yet audited by the statutory auditors

In €m	Q3 2020	Q3 2019	Var.	9 months 2020	9 months 2019	Var.
Operating revenue	129.0	117.8	+ 9.5%	381.1	348.3	+ 9.4%
<i>Organic growth</i>			+ 1.6%			+ 2.4%
Long Stay business*	68.3	67.0	+ 2.0%	204.3	198.7	+ 2.8%
<i>% Operating revenue</i>	<i>53%</i>	<i>57%</i>		<i>54%</i>	<i>57%</i>	
Medium Stay business*	60.0	50.2	+ 19.6%	175.0	147.8	+ 18.4%
<i>% Operating revenue</i>	<i>47%</i>	<i>43%</i>		<i>46%</i>	<i>42%</i>	
Other operating activities	0.6	0.6	-	1.9	1.7	-
Real estate revenue	10.4	9.9	+ 5.0%	36.5	34.8	+ 4.8%
Total revenue	139.3	127.6	+ 9.2%	417.6	383.1	+ 9.0%

* Long Stay: Assisted Living Facilities (ALF) in France and rest homes in Belgium - Medium Stay: Aftercare and rehabilitation centres, psychiatric clinics and hospital at home

Operations

LNA Santé's operating revenue in the 3rd quarter of 2020 amounted to €129.0m, **up by 9.5%** compared with the 3rd quarter of 2019. This was the result of **strong organic growth of 1.6%**, which accelerated compared with the 2nd quarter of 2020 (+ 0.7%), marking the gradual recovery in business in the quarter, **and the effect of changes in the scope of consolidation of +8.0%** in a context that is still strongly marked by the Covid-19 pandemic.

In the first nine months of the financial year, operating revenue increased by 9.4% to €381.1m, including organic growth of 2.4%, which was resilient despite the sudden cessation of admissions and the closure of day care and day hospitals in the 2nd quarter.

The nursing homes (**Long Stay**) business amounted to €68.3m in the quarter, up by 2.0%, driven by external growth of 2.8%. The organic decline of 0.8% was due to the delay in occupancy of 5 points in the 3rd quarter of 2020 compared with the 3rd quarter of 2019, resulting from the cessation of admissions and the closure of the day care centres in the 2nd quarter of 2020. From one quarter to the next, in a health context that remains difficult, the gradual resumption of marketing resulted in a 3-point improvement in the occupancy rate (92% in the 3rd quarter of 2020 compared with 89% in the 2nd quarter of 2020).

- **Confort ALFs**, with restricted accommodation prices, achieved revenue of €10.3m in the 3rd quarter of 2020, i.e. an increase of 20.8% compared with the same period last year, including organic growth of 6.4%. The occupancy rate for the quarter amounted 96.9% for established facilities, up by 1.8 points compared with the 2nd quarter of 2020.
- the occupancy rate of **Elégance ALFs** was 92.2%, up by 2.8 points in the 3rd quarter of 2020 compared with the previous quarter. Revenue for the 3rd quarter of 2020 amounted to €51.4m, down 0.4% compared with the same quarter last year, due to the delay in occupancy caused by the health crisis in the 2nd quarter of 2020 (cessation of admissions and closure of the day care centres),



- **rest homes in Belgium** were down in the 3rd quarter by 3.6% compared with last year, at €6.6m, linked to the health crisis and strong competitive pressure in the Brussels area.

Business in the **Medium Stay** sector (aftercare and rehabilitation, psychiatry and hospital at home) amounted to €60.0m in the 3rd quarter, up by 19.6% compared with the same period last year, including organic growth of 4.6%. Revenue in the first 9 months of the financial year amounted to €175.0m, up by 18.4%, including organic growth of 4.5%. It resulted from the following contributions in the 3rd quarter:

- **Aftercare and rehabilitation** recorded revenue of €46.9m in the quarter, up by 20.8% compared with last year, with organic growth limited to 1.4%. This strong growth was due to the contribution of the recent takeovers of the Saint-Roch aftercare and rehabilitation clinic (Roncq, department No. 59) and the Orgemont health centre (Meaux, department No. 77), generating external growth of 19.4% in the quarter. Furthermore, occupancy rates gradually went back up in the 3rd quarter, to an average of 85.8%, compared with 63.7% in the 2nd quarter of 2020, i.e. an improvement of 22 points taking into account the reopening of our day hospitals and the sustained recovery of the hospital surgery activities,
- **Hospital at Home** (HaH) organisations, which are still very much in demand, generated revenue of €13.1m in the 3rd quarter, up by 15.8% compared with last year, solely due to organic growth.

Facilities in operation amounted to **8,156 beds and places**, of which 86% of the capacity (7,041 beds) meet the specifications for LNA Santé established facilities.

Real estate

Real estate revenue amounted to €36.5m in the first 9 months of the financial year (€10.4m in the 3rd quarter). It results from the marketing of a Confort ALF construction programme delivered at the end of 2019, an Elegance ALF reconstruction programme delivered in July 2020, an aftercare and rehabilitation centre construction programme delivered in June 2020, an Elegance ALF extension-renovation programme in progress, and an Elegance ALF renovation programme.

Growth in 2020 slowed down by the health crisis

Due to a lack of visibility in the current deteriorated health situation, the Group does not anticipate any changes in the development of its business activities in 2020, by the end of the financial year. The level of organic growth, amounting to over 2% at the end of the first 9 months, represents a good source of support. Regarding acquisitions, LNA Santé has confirmed the signing of a draft agreement to buy the Clinique Développement Group, which should strengthen its territorial presence. The group will draw up a fuller forecast at the end of the difficult period of reconfinement, which requires us to be reasonable, prudent and humble.

Next publication:

2020 annual revenue, on 4 February 2021 at the close of trading.



About LNA Santé: *With 30 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.*

The LNA Santé share is listed on Euronext Paris, compartment B.
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Glossary

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

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.