



2022 half-year results

September 2022

01

LNA SANTE

Willy Siret

Managing Director

02

HALF-YEAR RESULTS

Damien Billard

Deputy Managing Director of Finance

03

STRATEGY AND OUTLOOK

Willy Siret & Damien Billard

Managing Director & Deputy Managing Director Finance



01 LNA SANTE

Willy Siret

Managing Director

P4

The Group
at 30/06/2022

P5

A mission
and intangible
values at the heart
of the project

P9

A proactive HR
policy



The Group to 30/06/2022



82

INSTITUTIONS



+ 8 600

EMPLOYEES



+ 9 000

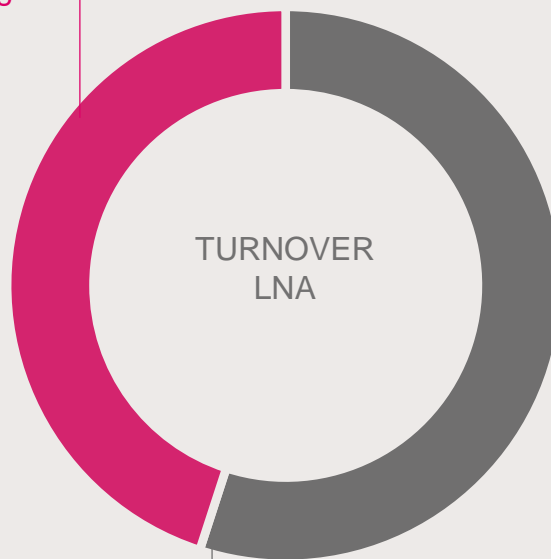
PATIENTS/RESIDENTS
every day

45 NH France
4 NH Belgium

Medico-social

45% of
turnover

Nursing homes In France
and Belgium



TURNOVER
LNA

20 POR
2 PSY
3 SUR
8 HAH

Sanitary

55% of
turnover



30 years

EXPERTISE
AND INNOVATION
at the service of residents and
patients



335 M€

OF OPERATING REVENUE
IN H1 2022



A LEADING PLAYER IN
PROVIDING CARE FOR
THOSE WHO NEED IT

A mission and intangible values at the heart of the project

A concrete desire to contribute to the evolution of health policies

The Mission of LNA Santé

Caring and taking care

Improving the quality of life of those who have been weakened for short or longer periods of time, in a **kind, welcoming environment** adapted to all people of all ages

5 fundamental values that are meaningful

Respect

A sense of service

Trust

The commitment

The spirit of initiative

An open and participative CSR approach at the heart of the company's project

Our CSR approach is based on 5 pillars



Kind treatment and quality care

- 1- 360° Kind treatment**
 - Training courses, seminars and committees on good treatment
 - Guide for carers
- 2- Quality of care and management of associated risks**
 - Labelling process in MS
 - Deployment of the Quality and Risk Management policy



Staff well-being

- 3- Caring work environment**
 - Prevention of risks linked to physical activity (referent in schools)
 - Agreement with AGEFIPH
- 4- Involvement and skills development**
 - Visual management (85% of the schools deployed)
 - Qualiopi certified training school
 - job days (1,200 employees concerned in 2021)



Régional initiatives

with 7 major issues

- 5- Involvement and territorial anchoring**
 - Anchoring in associations, schools and the protected sector
 - Anchoring and liaising with pricing authorities
 - Anchoring with the various actors in the care sector
- Clinique St Roch, vaccination centre with 116,029 doses injected



Contribution to the environmental transition

- 6- Climate and resource efficiency**
 - Central control tool of consumption implemented
 - Recruitment in 2021 of an Energy, Fluid and HVAC Manager
 - Hybrid cars,
 - Photovoltaic panels



Performance, innovation and ethics

- 7- Foresight and health innovation**
 - Innovation unit and organisation of an annual innovation day
 - Sense Approach
 - Clinical Research Unit (13 clinical studies in progress)

The uniqueness of our company

Family

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

Entrepreneurship

We **cultivate entrepreneurial spirit** by allowing everyone to **participate in decision-making** and to **innovate in their profession**

Transforming

We are a **player in the health actor** who knows how to transform because we know how to integrate, over time establishments to **improve the supply of care on the territory**

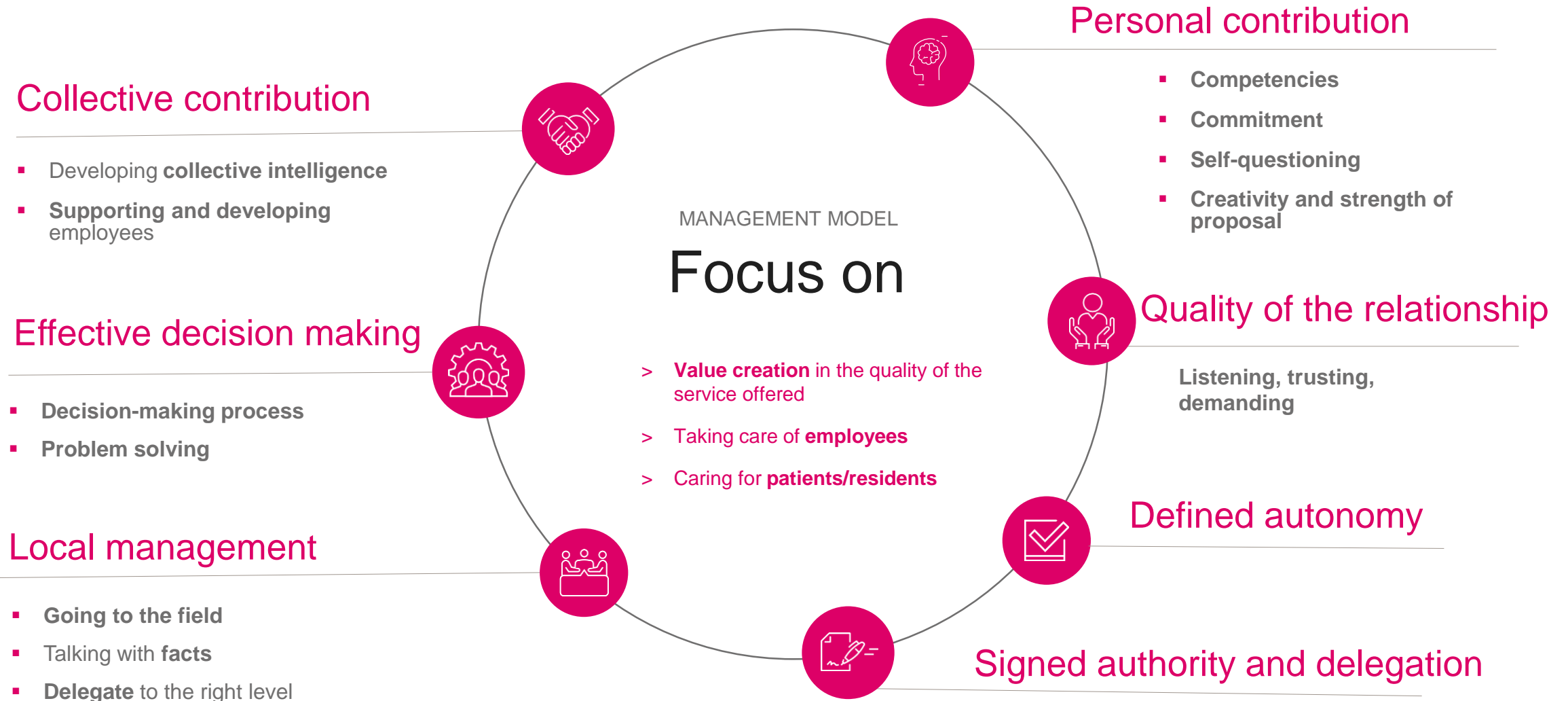
Humanist

We are a **humanistic company** because we have consideration **for everyone and we take care of people who are vulnerable and our teams**

Demanding

The requirement at the heart of our choices, of our organisational model, of our questioning and **the expertise of our businesses**

Our management model



A proactive HR policy to recruit

Creation of a recruitment unit

at the service of the institutions,
based at the head office in the HRD

Organisation and professionalisation of recruitment in addition to actions already carried out in establishments

Missions

Improve the *sourcing* and recruitment of professionals by adapting resources and strategies (doctors, nurses, health workers, kitchen staff, etc.)

Managing the candidate pool

Provide methodological advice to recruiters → to improve the « candidate experience »

Administer/improve recruitment support tools

Operating principles

Subsidiarity

Efficiency



A proactive HR policy to **integrate**

Distinctive LNA integration pathway in place everywhere

Integration, a 5-step process, with strong markers LNA Santé

Before 1st day

I receive an SMS/email with my highlights of my 1^{ère} day and a welcome video

D-Day

I have a sponsor

My work tools are ready and I have a welcome gift (goodies)

My 1^{er} meal is planned with my colleagues and offered

During the 1st month

I benefit from **1 full day (minimum) in pairs** to better understand my position

I meet key people related to my job (**meeting path**)

My regular **exchange time** with my manager begins

The 1st quarter

I participate in a **group time dedicated to newcomers**

I have the opportunity to express my views on my integration (**surprise report**)

My manager organises a special time for discussion (**validation of the trial period**)

During the 1st year

I participate in a **life-shadow/immersion** in my school or in another school

Job training
Trade Day

A proactive HR policy policy to **get on board**

Deployment of an LNA APP since June 2022

2 562
USERS
35%
CONVERSION



#QVT #S'INFORMER
#FACILITERLEQUOTIDIEN

NEW

MY LNA

Bonjour Charlotte

Actualités LNA

Les actus de notre établissement et de LNA Santé

Les + LNA et l'espace Prendre soin de toi pour re-découvrir les avantages LNA, mais aussi tous les dispositifs et aides pour prendre soin de soi

Mon planning pour anticiper, pour vous organiser ou pour faire des demandes de congés

E-learning et vidéos pour en savoir plus sur les métiers et sur LNA Santé ! (Speech / Youtube)

YouTube LNA Santé

L'APPLI MOBILE MY LNA

Découvrez l'application mobile conçue pour vous à télécharger sur votre téléphone !

A Support Unit Transformation for accompany



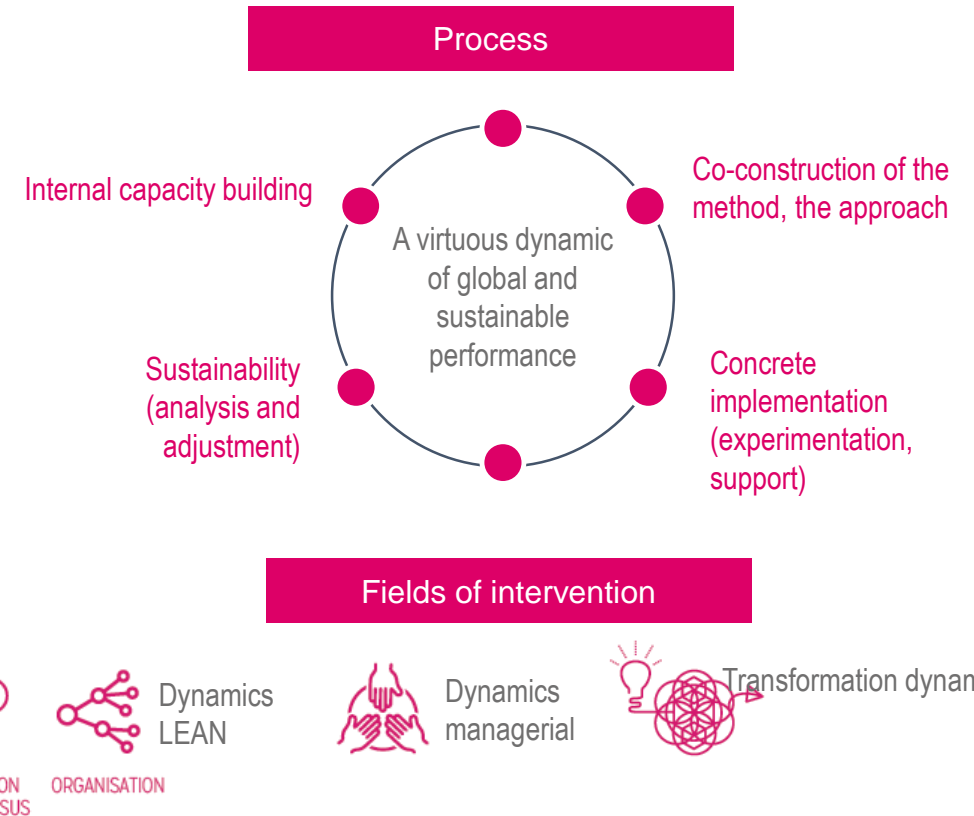
Transformation Support Unit

Internal service of LNA Santé

Serving all the group's activities
(establishments in all sectors. Headquarters)

To accelerate transformations and support the ambition of empowering and humanistic management

Its role is to provide support in reexamining organisations, operations and processes, management and leadership positions for the benefit of the teams



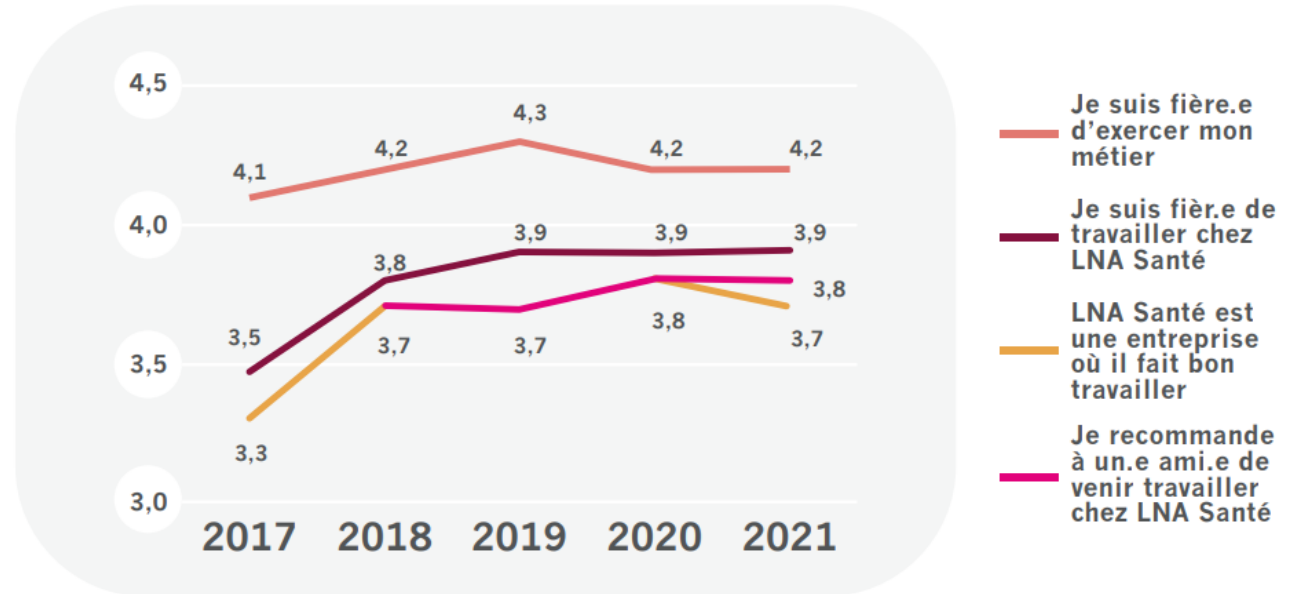
A proactive HR policy **evaluated** each year

- 59,400 paid in 2021 as a co-optation bonus
- Annual survey by Boson

What the professionals say:

"A dynamic and rich year thanks to projects and a vision for the future, after difficult times it is important to bounce back and move forward and I am proud to be part of this dynamic within my school!"

The axes of Growing Together defined 4 years ago confirm their relevance. They are still relevant for the teams.



7/10
Moyenne

02

Results Half-yearly results 2022

Damien Billard

Deputy Director General of Finance

P15

Summary

P19

Results

P23

Cash flow

P26

Structure
of debt



In summary

Increased vigilance, agile operation

Operating revenue: **+8.0**

Organic growth: **+7.3%**,
split between Medical and Social Care (+ 5.0%)
and Health Care (+ 9.0%)

**Activities
in growth**

EBITDA margin before IFRS16 Operating of **10.4%**.

Operating income of €32.4m, up **5.7%**.

Net income pg Operating of **€14.3m**, up +18.1%.

**Margins
resilient**

Financial costs contained with a stable cost of
debt at **1.6%**.

**Controlled
financial cost**

Free cash flow* of **€30 million**
based on a solid EBITDA
and working capital at a normal level,
Capex at **2.0% of operating revenue**,
Operating leverage **limited to 1.92**,
Cash and cash equivalents of **€110 million**
at 30 June 2022,
RCF drawing capacity of €175m.

* Activity flow - maintenance capex - financial cost paid

**Generating
cash generation
and liquidity
strengthened**

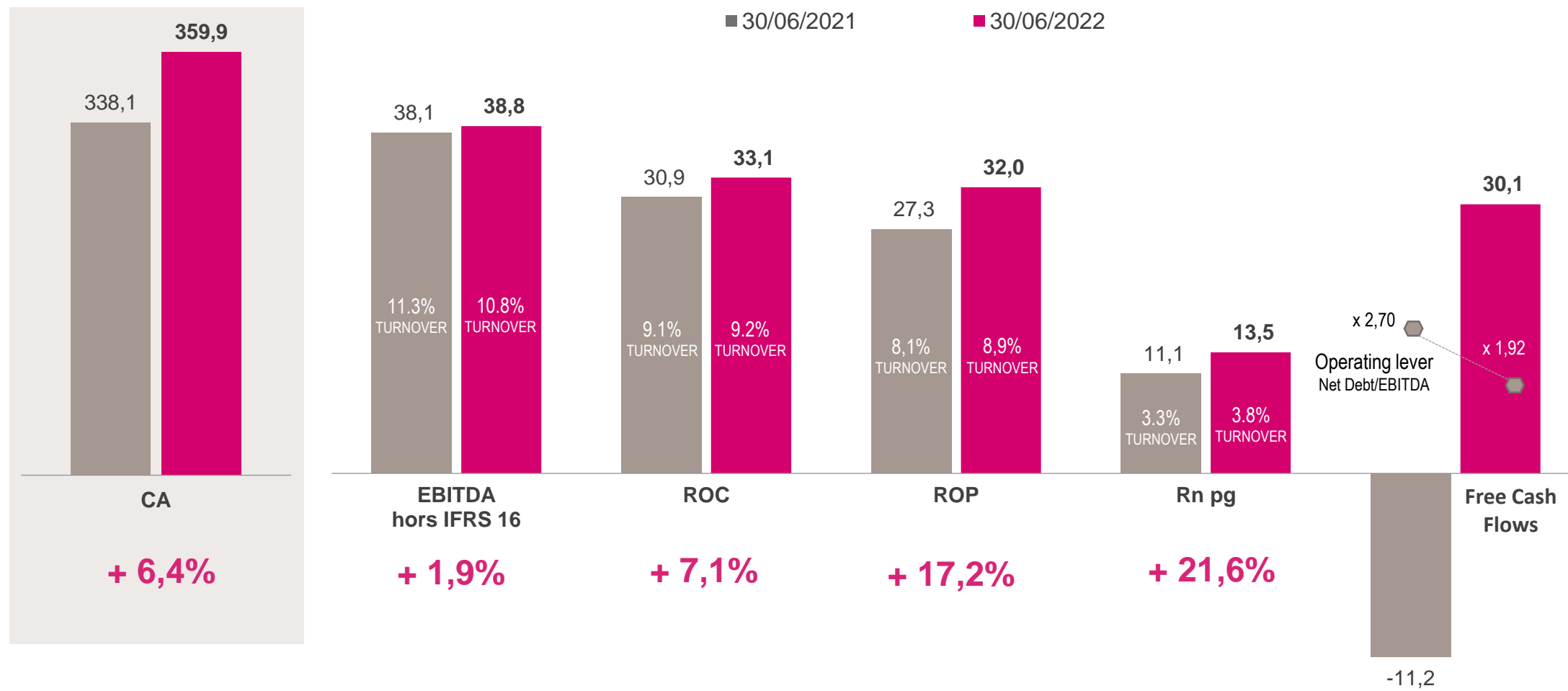
Authorised stock of **10,000 beds**,
of which 1,700 to be put into operation
over the period 2023-2027

**On-board
performance**

H1 2022, the Group in brief

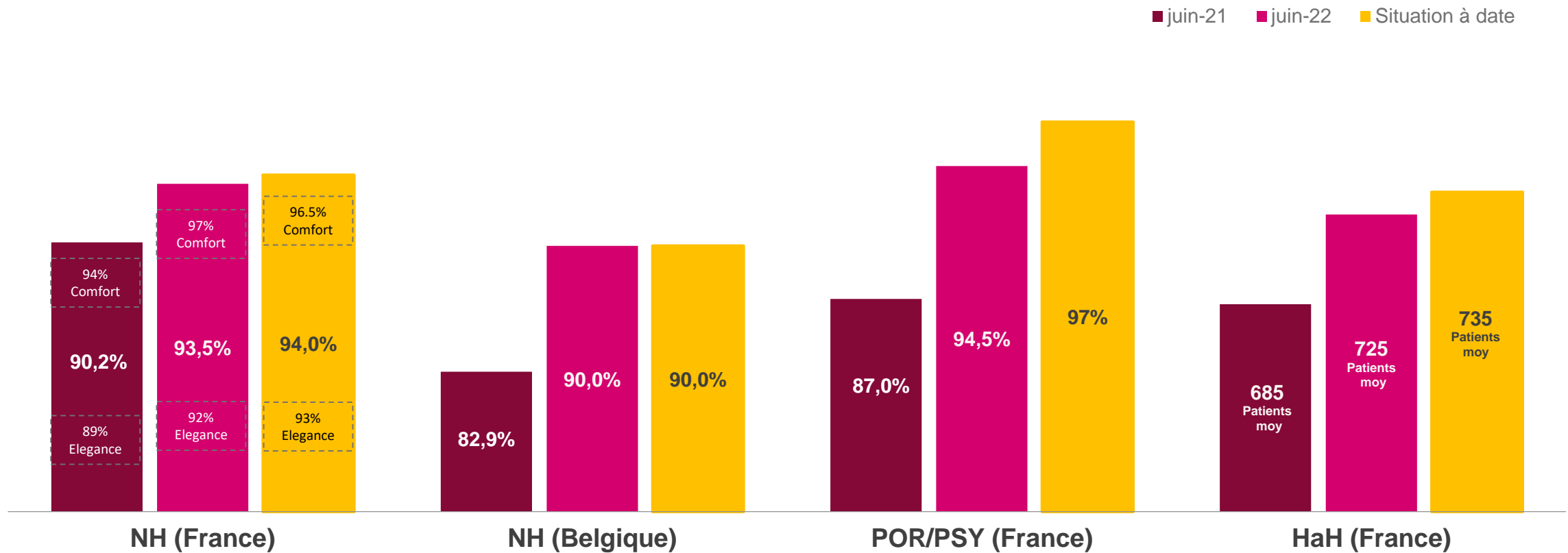
Improvement in operating results and cash flows

In €m, including IFRS 16



Occupancy rate of the stock in improvement

Dynamic activity, reflected in the organic growth of all business lines



Turnover Operating

Dynamic activity in all business lines

GROWTH OF CA MEDICO-SOCIAL FRANCE OF 4.6

Solid rebound in organic growth in the French medical/social sector, with the Comfort range increasing its occupancy rates more rapidly

GROWTH IN CA SANITATION IN FRANCE OF 9.5

Growth of SMRs through the revival of hospital admissions and HAHs thanks to the continued development of the rate of recourse in the health territories

GROWTH IN TURNOVER 17.1% GROWTH IN INTERNATIONAL SALES

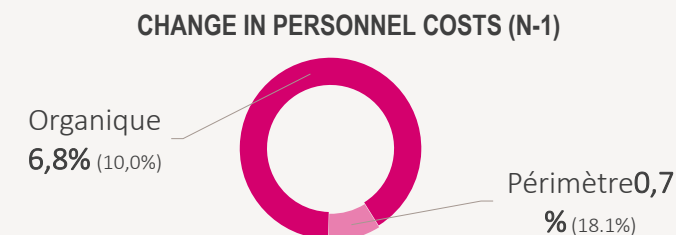
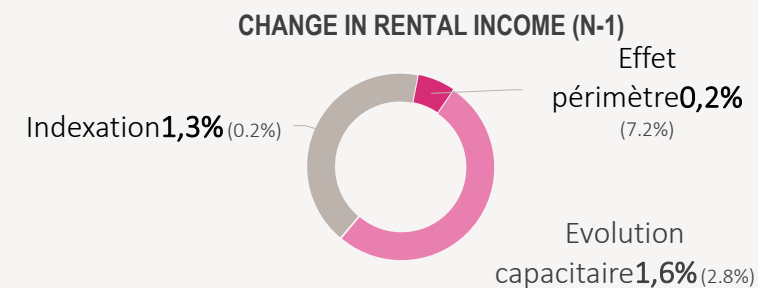
- Recovery of Belgian TO's after a virulent 3rd epidemic wave in Q1 2021 (+ 8.0%)
- Entry of Poland into the scope of consolidation (+ 9.1%)

TURNOVER		30/06/2022		30/06/2021		TOTAL CHANGE	ORGANIC GROWTH	BREAKDOWN OF ORGANIC GROWTH
		In M€	% OF TURNOVER	In M€	% OF TURNOVER			
By activity								
Medical-Social France		132.6	40%	126.7	41%	+ 4.6 %	+ 4.6%	+ 1.9%
Sanitary France	POR/PSY/SUR	148.5	44%	136.2	44%	+ 9.0%	+ 8.3%	+ 3.7%
	HAH	35.4	10%	31.7	10%	+ 11.7 %	+ 11.7%	+ 1.2%
International Business		15.5	5%	13.3	4%	+ 17.1%	+ 8.0%	+ 0.3%
Other		2.5	1%	1.9	1%	+ 33.4%	+ 33.4%	+ 0.2%
TOTAL		334.5	100%	309.8	100%	+ 8.0%	+ 7.3%	+ 7.3%

EBITDA Operating

From turnover to EBITDA Operating: costs under control

IN €M, INCLUDING IFRS 16	30/06/2022	30/06/2021	VARIATION
Turnover	334.5	309.8	+ 8.0%
Purchases and external charges	-71.4	-66.4	+ 7.5%
Personnel costs	-185.7	-172.8	+ 7.5%
Taxes and duties	-17.3	-15.5	+ 11.4%
Other income and expenses	9.5	13.0	- 26.9%
EBITDA	69.7	68.1	+ 2.2%
<i>EBITDA margin</i>	<i>20.8%</i>	<i>22.0%</i>	<i>- 117 bp</i>
Rent	-39.6	-38.4	+ 3.0%
Other IFRS 16 adjustments	4.9	5.0	- 2.6%
EBITDA before IFRS16	34.9	34.7	+ 0.7%
<i>EBITDA margin before IFRS16</i>	<i>10.4%</i>	<i>11.2%</i>	<i>- 76 bp</i>



- Increase in purchases and external charges and personnel costs in line with the growth in activity
- Increase in taxes and duties mainly due to CFE adjustments
- Other income and expenses down by €3.5m: €5.0m in compensation for additional costs received, compared with €11.1m in H1 2021
- EBITDA of €69.7m, up 2.2%, with a margin of 20.8
- EBITDA margin before IFRS 16 of 10.4%, taking into account a controlled rent charge (+ 3.0%)

Cruising speed: at the heart of performance

In €m, including IFRS 16

	CRUISING SPEED		OTHER ESTABLISHMENTS	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
PARK				
• Number of establishments / Total	71/82	67/81	11/82	14/81
• Number of beds	8 301	7 857	1 048	1 375
Operating turnover	294,1	260,8	37,8	47,0
• EBITDA of institutions	66,6	61,1	3,1	5,6
• EBITDA margin	+ 22,6%	+ 23,4%	+ 8,3%	+ 11,8%
EBITDA before IFRS 16 of establishments	33,8	30,1	2,0	3,9
EBITDA margin before IFRS 16	+ 11,5%	+ 11,5%	+ 5,2%	+ 8,3%
CAPEX	4,6	3,5	1,2	1,3
Capex / Turnover	1,6%	1,3%	3,3%	2,8%
Effort ratio (Capex/EBITDA)	13,6%	11,6%	63,2%	33,3%
	≠ 6.3 points			

A solid and sustainable supply transformation model

Resilient EBITDA margin before IFRS16 of 11.5% on the mature portfolio (89% of cruise beds)

Contraction of the margin of other institutions to 5.2% due to lower margin compensation by the State in 2022

Margin potential of 6.3 points between the 2 segments

6.3 points between the 2 segments that can be activated thanks to the transformation of the healthcare offer

Capex maintained at 1.6% of sales for an EBITDA effort rate of 13.6% below the LNA guidance of 20%.

H1 2022, evolution of the operating EBITDA margin, before IFRS 16

Operation by sector	30/06/2021	Holding company	Medical-Social France	Sanitary France	POR/ PSY / SUR	HAD	International Trade	30/06/2022
Change in turnover	309.8	0.6	5.9	16.0	12.3	3.7	2.3	334.5
Change in EBITDA pre-IFRS 16	34.7	-1.6	0.7	1.2	1.7	-0.6	-0.1	34.9
Change in margin	11.2%	-49 bp	4 pb	-21 bp	8 bp	-29 bp	-10 bp	10.4%

-76 bp

Variation in the margin integrating the efforts devoted to the structuring of the Headquarters and the HAHs, in the context of a 1^{ère} establishment in Poland:

Holding company

Strengthening of the head office teams and acceleration of IT application and technical projects including a security component

Medical-Social France

Increase in the occupancy rate of EHPADs over 90% of the stock, compensating for the delay in occupancy targeted in the IDF and PACA

Sanitary France

Erosion of the EBITDA margin, with contrasting trends by business line:

- SMR / PSYCHIATRY / SURGERY: stable EBITDA margin
- HAH: staff reinforcements to consolidate a high level of activity and prepare for future growth

International Business

Dilution of the margin due to the ramp-up of the Polish sites and an inflationary environment (energy, rents and salaries)

Net operating income and margin

In €m, including IFRS 16

	30/06/2022	30/06/2021	VARIATION
Current Operating Profit	32.4	30.6	+ 5.7%
<i>Current Operating Margin</i>	9.7%	9.9%	- 21 bp
Operating profit	31.8	27.6	+ 15.2%
Financial result	-9.3	-9.1	+ 2.0%
Profit before tax	22.5	18.5	+ 21.1%
Income tax expense	-8.0	-7.0	+ 13.8%
<i>Apparent CIT rate</i>	35.3%	37.8%	- 246 bp
Share of profit of MEE	0.2	1.1	-78.6%
Overall net result	14.8	12,6	+ 17.5%
Net income, group share	14.3	12.1	+ 18.1%
Net margin as % of turnover	4.27%	3.9%	+ 37 bp

The net margin continued to recover to 4.27% of sales, an improvement of +37bp

Operating profit up +15.2% at the end of the covid period (lower additional costs)

Relatively stable financial expenses (+2.0%) thanks to effective interest rate hedging and a diversified financing mix

Pre-tax profit of €22.5m, up 21.7 **of 21.7%, due to** a solid operating result and an optimised financial cost

Corporate tax rate at 35% (- 2.5 pts)

Increase in net profit by 18.1%.

Cash flow

Strong cash position

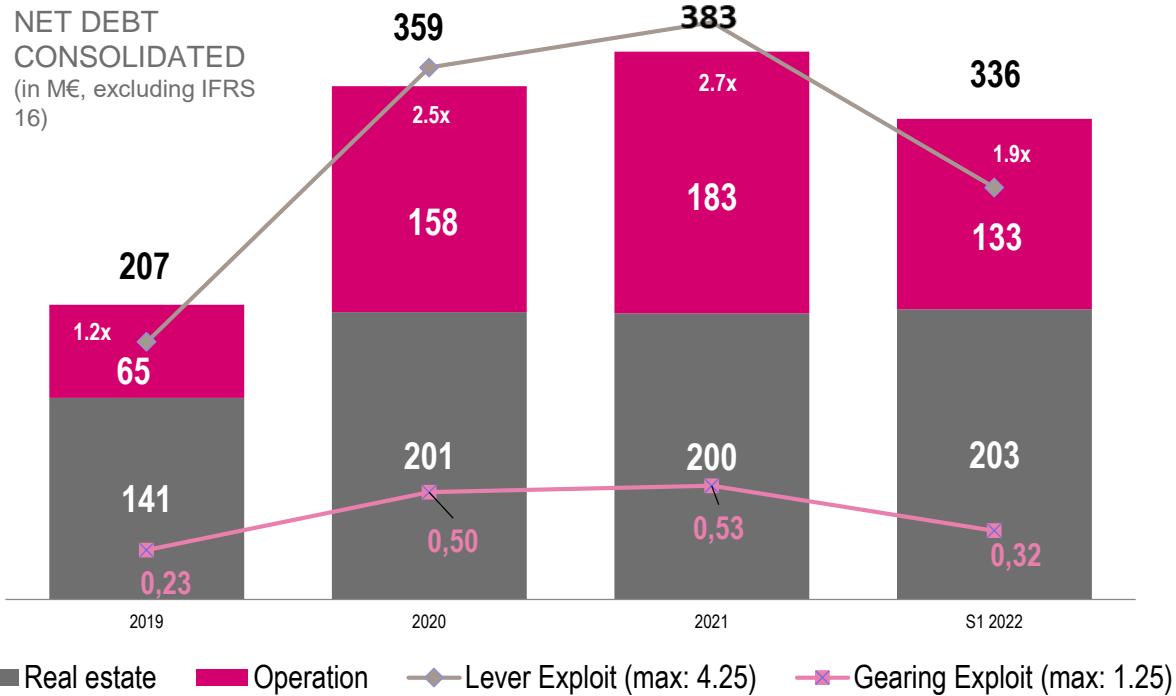
	30/06/2022	30/06/2021
Treasury Opening	151.6	120.9
FCF	30.1	-11.2
Capex Devpt	-33.2	-17.9
Capital increase	49.9	-
Financial debts	-88.3	7.9
Other	0.4	-3.6
Treasury Closing	110.5	96.1
	-41.1	-24.8

Cash position benefiting from the Group's refinancing and its ability to generate cash flows

- Strong growth in Free Cash Flows* due to solid EBITDA and a return of the WCR to a normal level in 2022, compared to H1 2021 impacted by massive repayments of Covid and Ségur advances...
- ... which finance the development capex consisting mainly of the acquisition of a platform in Poland.
- LNA Santé's €50 million capital increase in February 2022 marking the end of the refinancing operations ...
- ... leading to the Group's debt reduction, with the repayment of the former Euro-PP (- €51.2m), which matured in January 2022, and a net repayment of real estate debt, compared with a net issue last year to finance ongoing projects.
- Strong closing cash position of €110m, with additional authorised drawing capacity of €175m.

*Flow of activity - maintenance capex - financial cost paid

Debt reduction and financial autonomy



Debt reduction with a lever < x2.0

A sharp decrease in net operating debt, due to the capital increase completed on 3 February 2022

Flexible credit ratios

- Leverage of 1.92 < cap: 4.25
- Gearing of 0.32 < cap: 1.25

Increased financial autonomy with financial result/EBITDA of 7%.

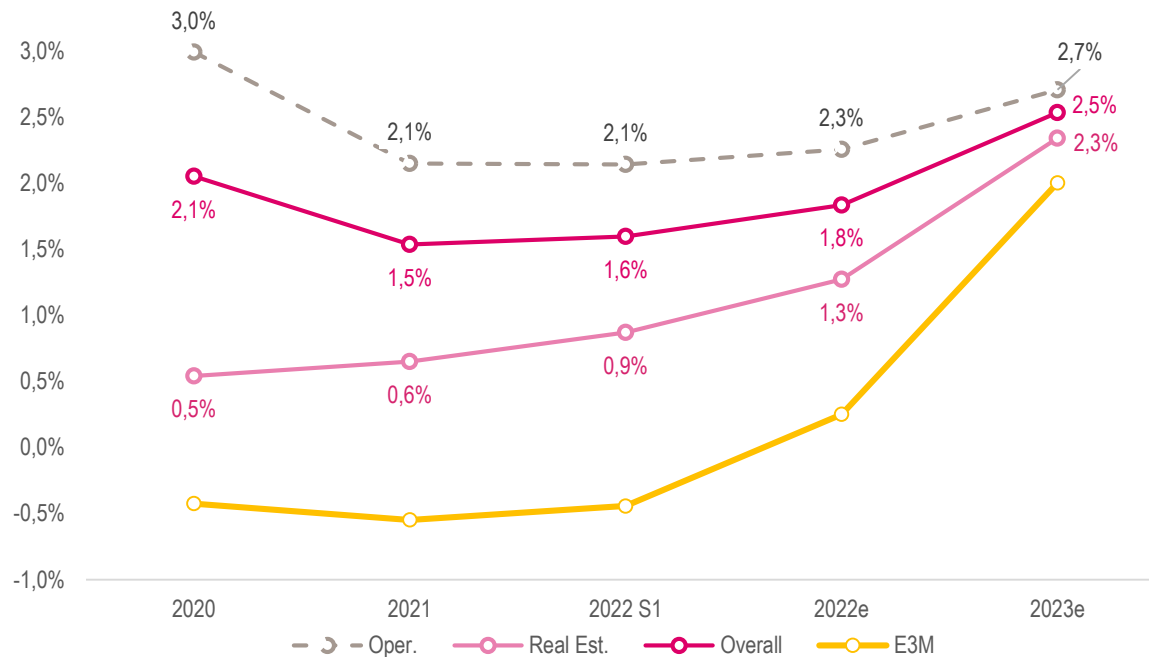
A 140 bp decrease in financial costs between 2019 and 2022

Operating data, in €M	31/12/19	31/12/20	31/12/21	30/06/22
Financial result excluding IFRS 16	- 4.5	- 4.4	- 5.1	- 2.5
EBITDA excluding IFRS 16	52.3	53.2	67.9	34.9
Financial income / EBITDA	-8.6%	-8.2%	-7.5%	-7.2%

Limited exposure to rising interest rates

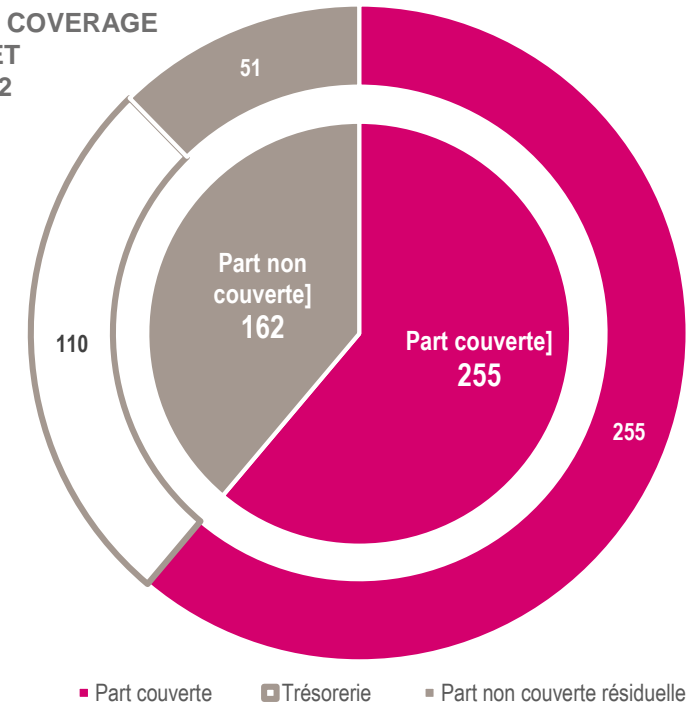
Due to an effective coverage policy

FINANCIAL COST LNA
VS. EVOLUTION OF 3-MONTH EURIBOR



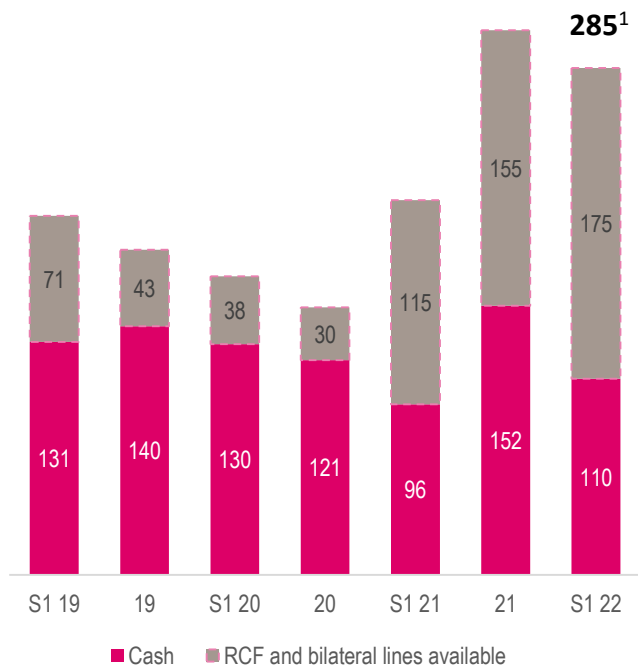
* 2023e : calculation basis: financial debt 30/06/22 with 3-month Euribor at 2.0%.

BANK DEBT COVERAGE
AND MARKET
as at 30/06/22



The portion of residual debt not covered is limited to €51 million, 12% of the gross debt concerns short-term real estate debt: outstanding works before disposal

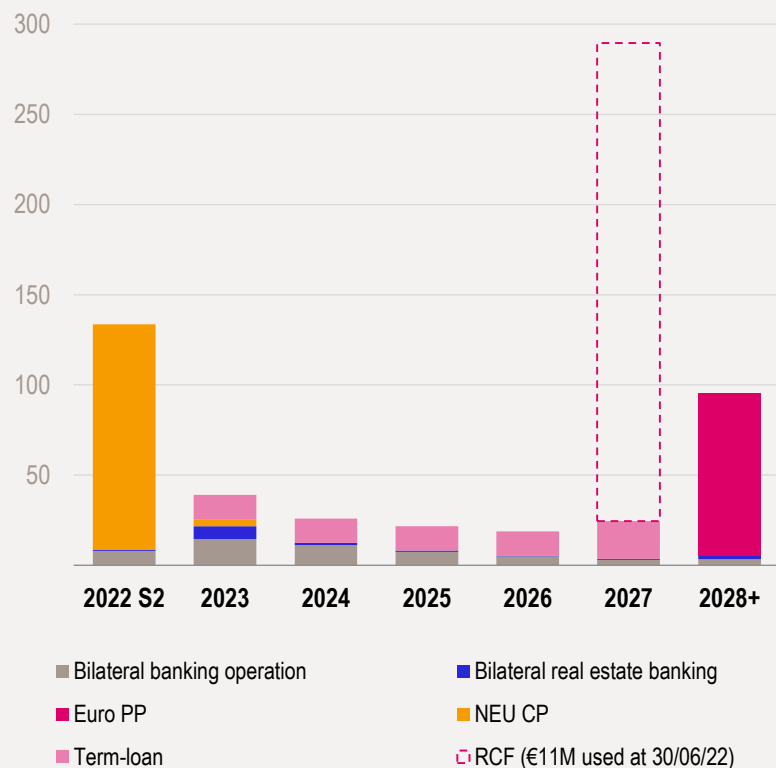
High liquidity of the order of €300m



AVAILABLE LIQUIDITY (M€)

¹ of which decrease in NEU CP issues by €31M in H1 2022

Long maturities by 2027/2028



FINANCIAL DEBT MATURITY SCHEDULE

Diversified debt

Maturity² : 3.9 years of which 5.6 years for Operations

Gross debt
446.3



Net debt
335,8

Treasury 110,5

INDEBTEDNESS AT 30/06/22

² excluding the factoring programme

Evolution of the partnership with FIDEXI

Background to the merger

FIDEXI, a strategic partner of LNA Santé since 1994, expert in setting up and marketing real estate solutions to private and institutional investors

Sale of a majority block (55%) by the founding partners

FIDEXI's desire to strengthen its capacity to develop in its business lines

Rational of the operation

Strengthen the partnership of mutual exclusivity and cross-collaboration

Securing the sale of real estate programmes by cutting them up or in blocks

Investing alongside management in an ambitious development plan

Provide visibility on the relationship between the 2 companies in their ecosystem

Steps in the reconciliation

Acquisition of a 47.5% stake on 31 May 2022 alongside the management (52.5%): equity accounting of the stake in the 2022 consolidated accounts

Option to take majority control from 01/07/23: full consolidation if exercised

Economic outlook

Continue the upward trend of business

- Complete the TOs on establishments in late occupancy in IDF and PACA
- Consolidate organic growth at +4% in H2 and +/- 6.0% on an annual basis
- Target operating revenue of €675m in 2022

Maintain the level of margins

- Consolidate an Operating EBITDA margin at the level of the 1^{er} half-year
- Continue the transformation of the bed pool to the cruising regime (1,700 beds)

Steering the new financial structure

- Managing interest rate risk through an appropriate hedging policy
- Make optimal use of diversified funding sources
- Preserve a **Leverage close to 2.0** at 31/12/2022, excluding structuring acquisition

03 Strategy and Perspectives

Willy Siret and Damien Billard

Chief Executive Officer and Deputy Chief Financial Officer

P30

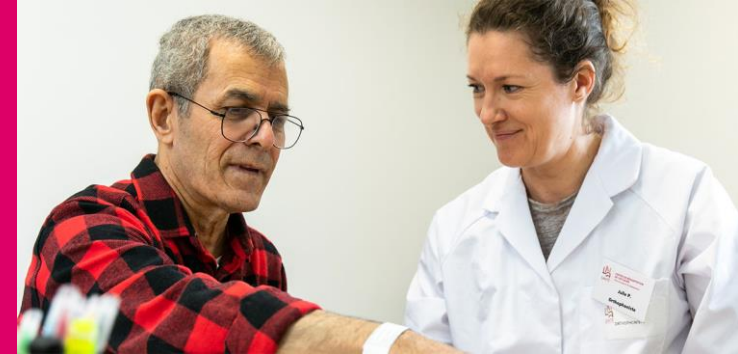
Model LNA

P31

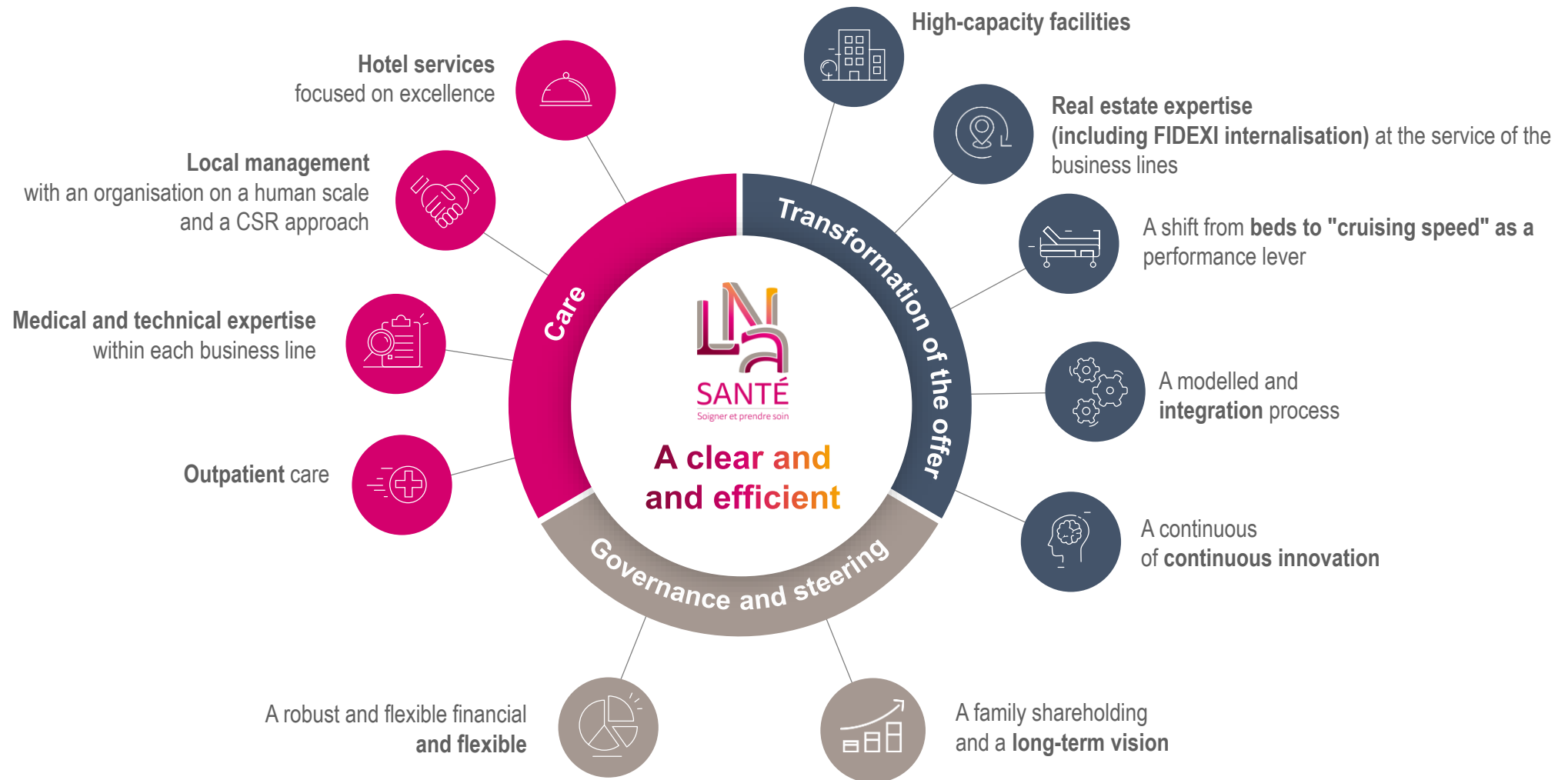
Transformation &
Development

P32

GE 2022 Review

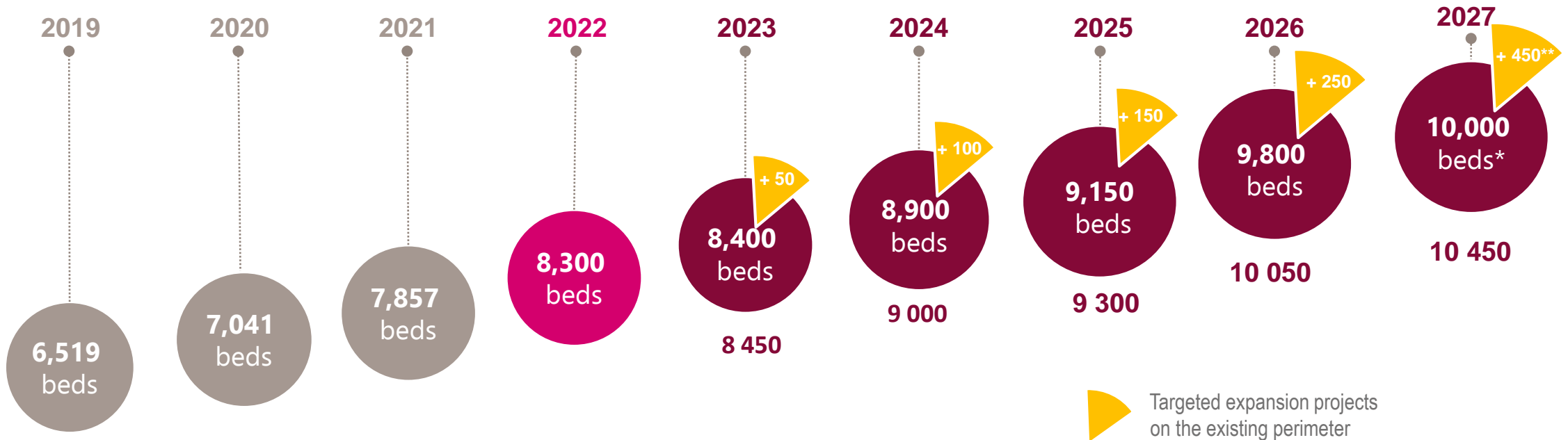


LNA, caring and nurturing



Transformation and development

On-board growth of the existing stock towards "cruising speed"



**A mature target pool
of 10,450 beds (+ 2,150 beds)**

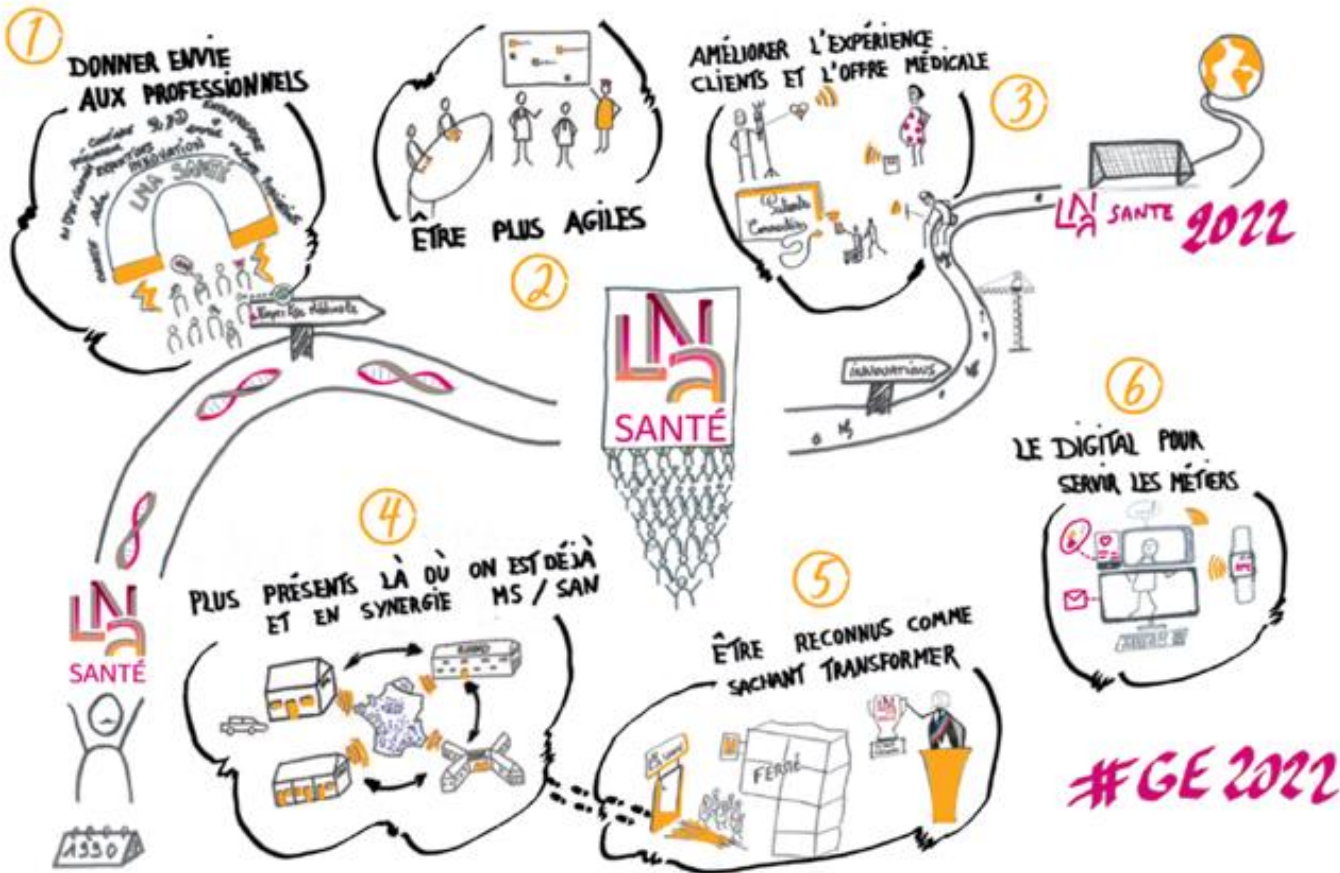
2027 excluding new establishments

* On-board projects: + 1,700 cruise beds (vs. 2022)

** extension projects: + 450 beds

Develop the new strategic project

In 2017, we defined what we wanted to be 5 years later: our ambition, our strategic axes, our objectives



5 years later, here we are!

It's time to prepare for what's next:
Towards 2027 and Growing Together 3

In **2022** we want to be

Une **entreprise familiale, indépendante et engagée**, fédérant une centaine d'établissements et plus de 8 000 professionnels

Un groupe où les établissements œuvrent **en synergie** entre eux et s'impliquent dans leur territoire

Un **acteur du secteur de la santé reconnu** pour la qualité de ses services, son expertise médicale et sa capacité à innover

Un employeur reconnu pour son professionnalisme, sa culture d'entreprise et sa qualité de vie au travail

Encouraging professionals

1 - Improving the well-being of professionals

- Progression of the welfare rate of professionals: 2018: 3.3/5 2021: 3.7/5
 - In 2021, 1,200 people participated in career days and 2,200 people received training (all training organisations combined)
-

2 - Improve team loyalty

- Develop internal promotions: 325 promotions in 2021
 - 10% of capital held by 2,500 employees
-

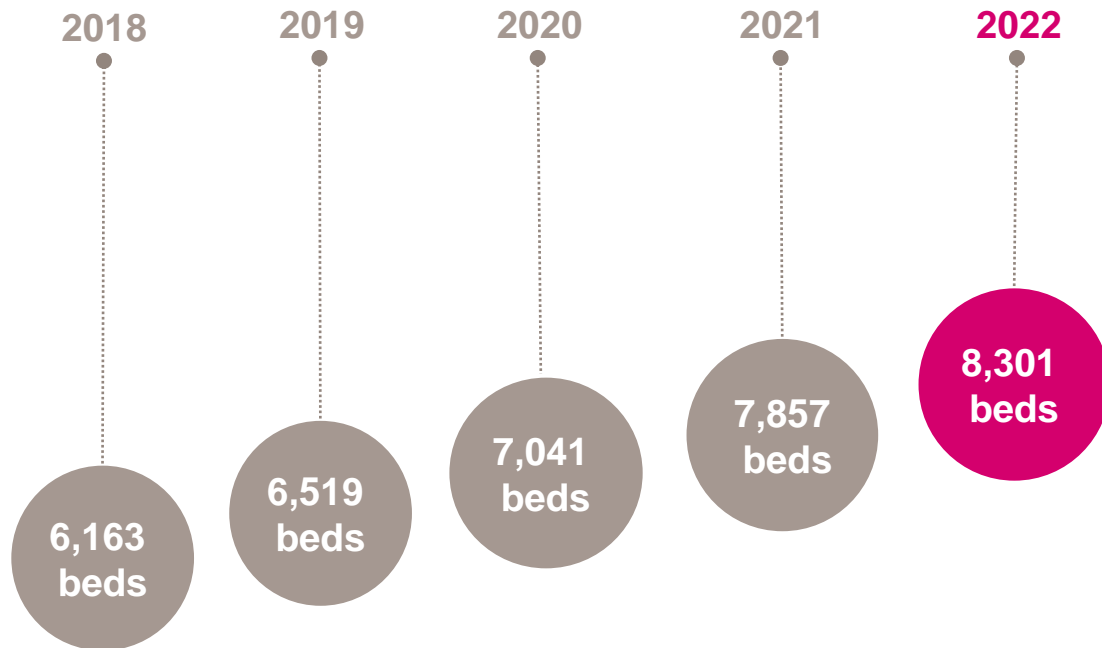
3 - Strengthening our attractiveness

- Double the number of unsolicited applications on the website:
2018: 2 155 applications 2021: 7 578 (x 3.5)

Be more agile

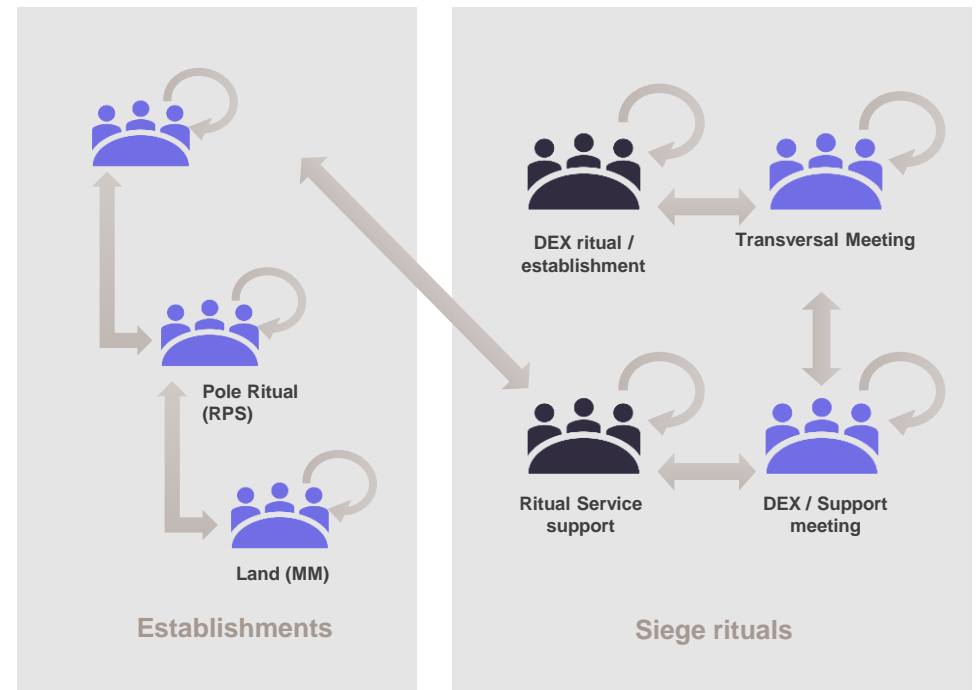
1 - Continuing the transformation of the park

- Increase the number of beds operated at cruising speed :
2018: 6,163 beds in RC 2022: 8,301 beds in RC



2 - Steering in proximity

Managing through simple rituals and visuals (MVP) :
2018: 25% of schools deployed 2021: 85%.



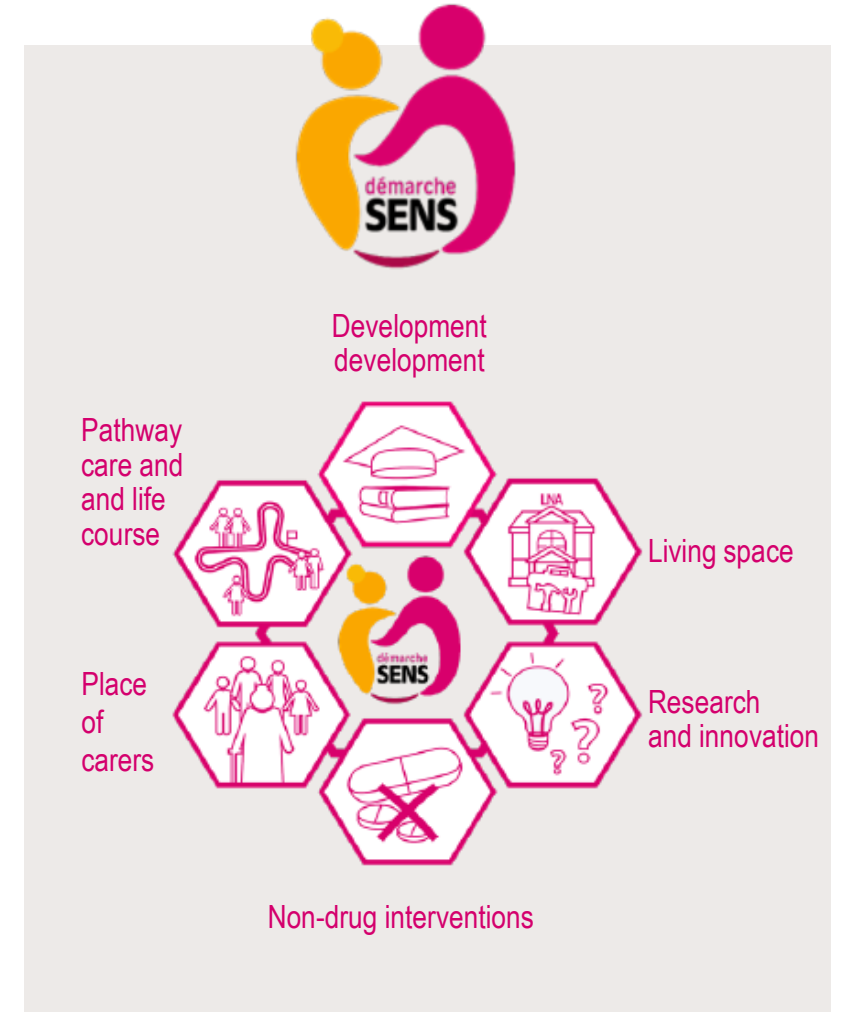
Improving the customer experience and the medical offer

1 - Improve satisfaction and recommendation rates

2 - Rethinking and complementing our medical service offerings

Consolidate our expertise in the support of cognitive disorders

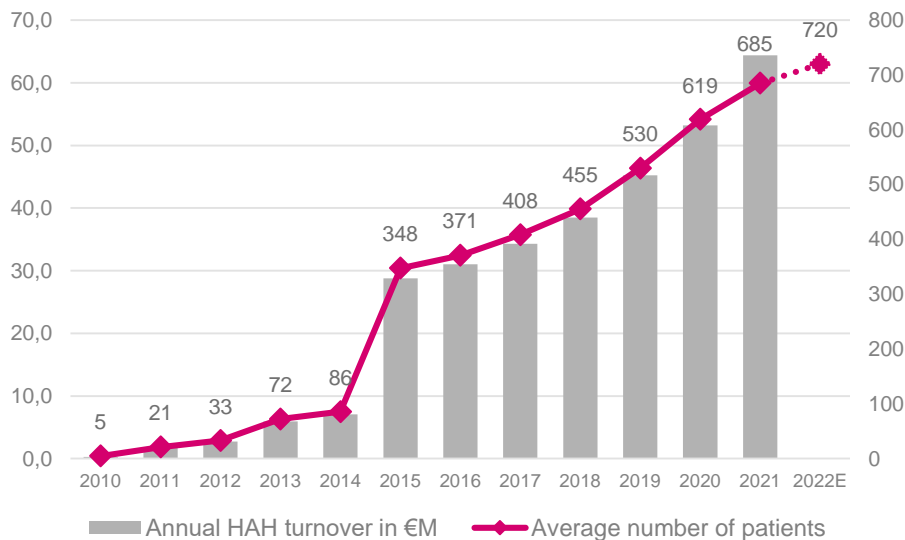
- One NH 100% dedicated to this type of disorder opened in **1995**; 3 NH 100% dedicated today; one or more dedicated units in all our NH
- A collective approach to continuous improvement: **the Sens approach**
- An **Innovation Unit** and an **LNA Santé research centre** to support this expertise
- **Partnerships** with family or patient associations: France Parkinson, France Alzheimer, etc.
- Extensive expertise in the care of Parkinson's residents, in conjunction with France **Parkinson**



Be more present where we are already and in synergy MS/SAN

1 - Strengthen turnover growth

17.4% average annual growth in the number of HAH patients



2 - Pursuing external growth

Increase the size of the group: almost 1590 beds/places between 2018 and 2021

3 - Developing territorial anchorage

- 35 calls for projects won in 2021 for additional funding or services
- Opening our structures to the territory and better integrating families
 - 20 day centres (174 places) with premises, transport and dedicated teams
 - 148 temporary accommodation places (home support and hospital discharge)
 - 5 experiments in progress in EHPAD outside the walls
 - 1 ongoing experiment of EHPAD CRT (EHPAD territorial resource centre and EHPAD Hors les Murs in IDF)
 - 3 support and respite platforms
 - 1 Reinforced Accommodation Unit (UHR)
 - A societal work project on the EHPAD of tomorrow for residents and families with B. Hagenmuller and B. Benattar (sociologist and philosopher)



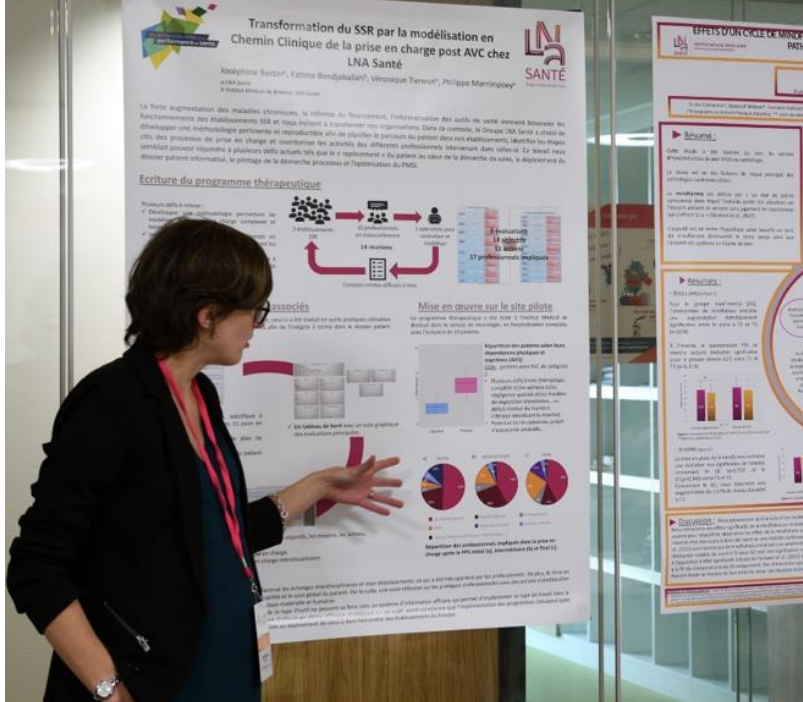
To be recognized as able to transform

1. Increase awareness among the general public

17,740 visits/week to the website in 2021

2. Make LNA Santé an operator recognised by the business stakeholders

Enhanced awareness and medical expertise (publications, medical experts and events)



Digital to serve the business

1. Satisfy users on IT tools

- Strengthen local support, **train and accompany users**:
In 2021, 88% of functional solutions will have a group of active of active business referents

2. Digital tools for performance

- Choice of a new Health IS in Psych implemented and to be deployed on the POR **aligned with medical practices**:
100% of care covered
- **Digitalisation of the customer journey**: implementation of the transformed POR
(an extranet platform in service with business interfaces)
- **100% mobile**: implementation of the IS application platform on all HAHs (tablets and smartphones tomorrow)



What happens now?

A new strategic project, what for?



"When you don't know where you're going, all roads lead to nowhere."

Henry Kissinger

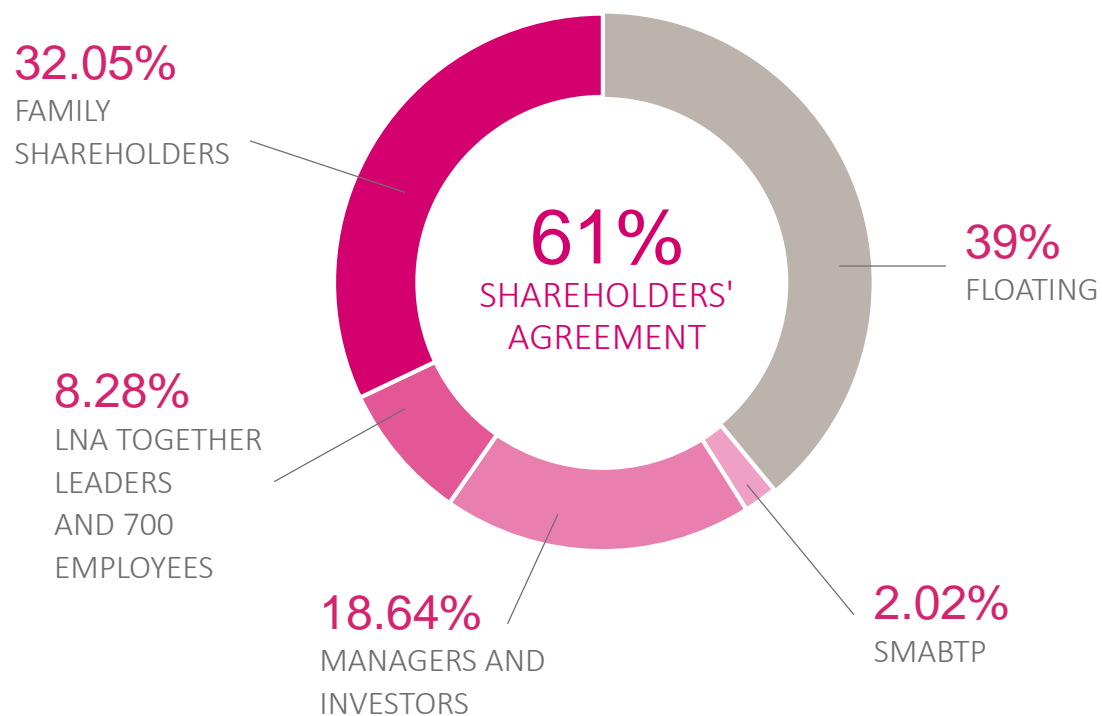
"There is no favourable wind for him who does not know where he is going."

Seneca

Appendices

For more information

Stable and independent family governance and independent



% of voting rights at June 2022

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

ISIN CODE: FR0004170017

SEPTEMBER 2022

NUMBER OF SHARES CONSTITUTING THE CAPITAL
10,709,416

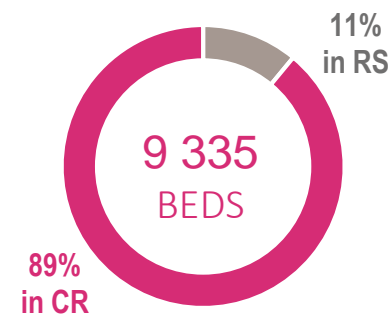
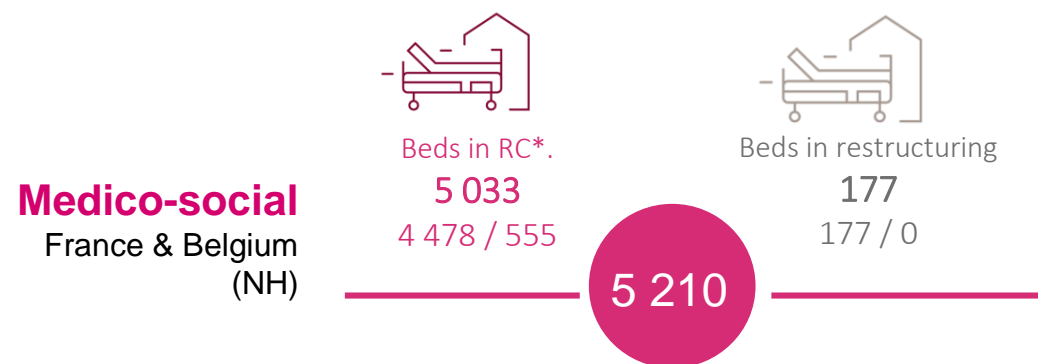
CAPITALISATION IN M€ AT 12/09/2022
330.92

PRICE ON 12/09/2022
30.9€

The transformation of the offer by LNA

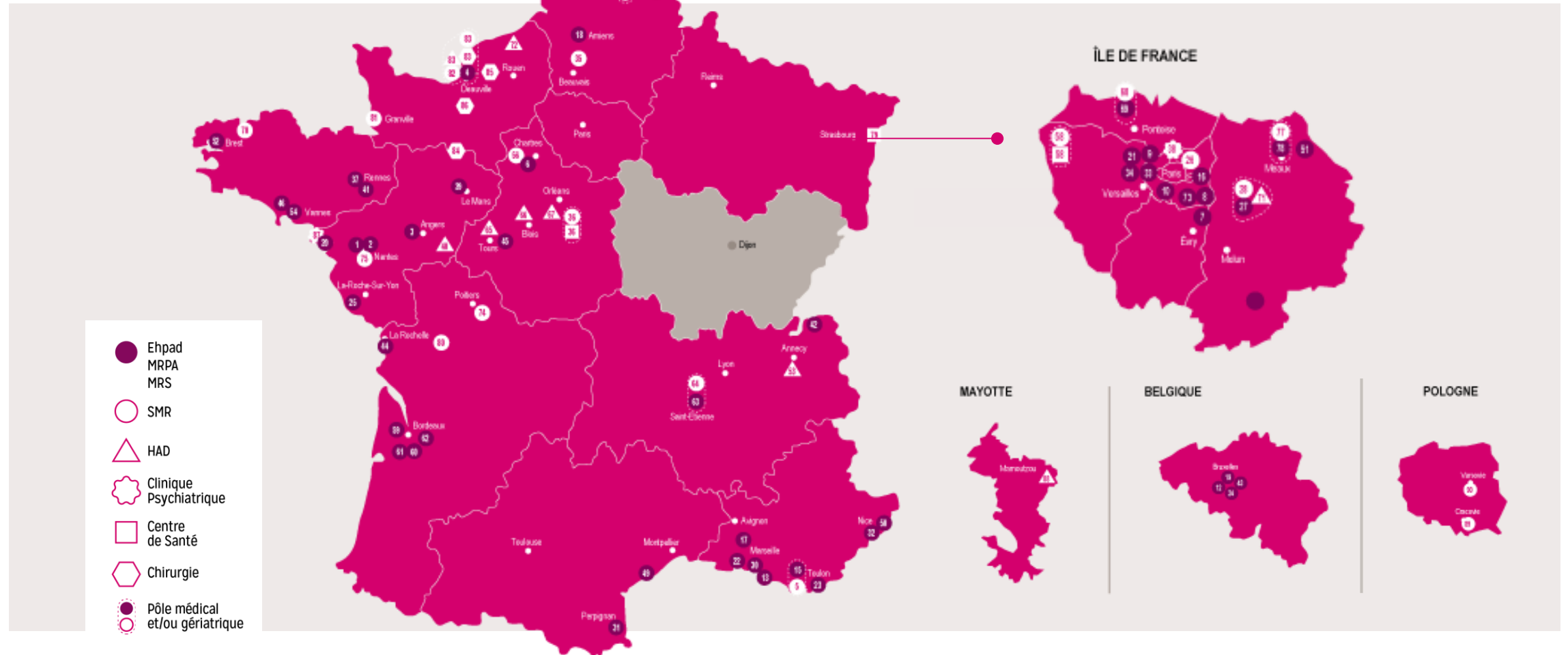
A fleet of 82 establishments

By **September 2022**, excluding new developments



* RC: Cruise Regime.

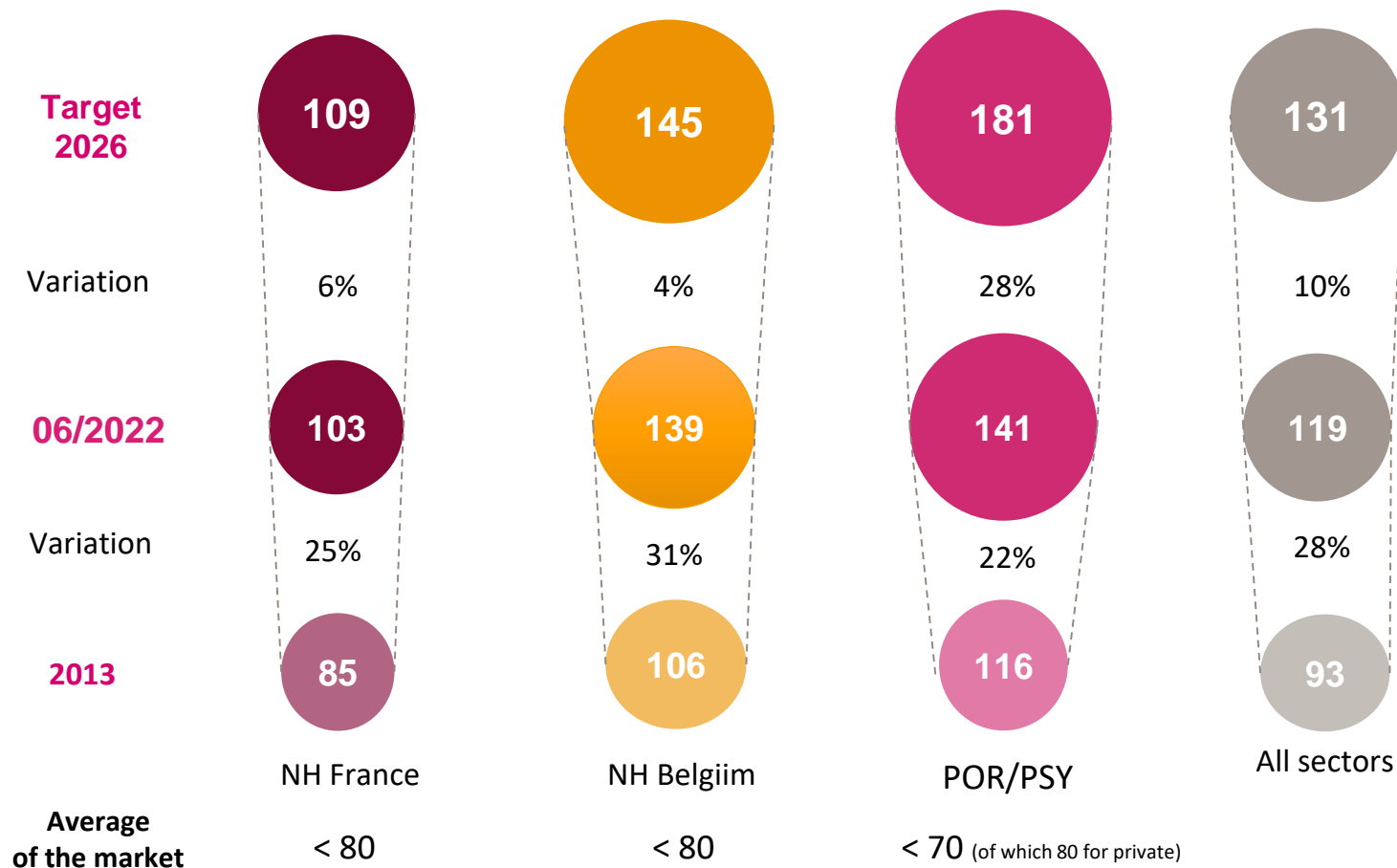
A strong presence in target territories



Large establishments

Synonymous with quality and efficiency

Evolution of the average size of the fleet in operation at 30/06/2022



A major choice of economy of scale and critical size

Family governance, long-term vision

Families associated nearly 30 years ago
around an entrepreneur with an innovative project

Individual shareholder managers,
operating on a daily basis within the group

A strengthening of the capital
with SMABTP and BNP Paribas Développement



Jean-Paul Siret
President



Damien Billard
Managing Director
Delegate for
Finance



Willy Siret
Managing Director

Stable and independent family governance



Managers and employees who are bearers of values and actors of performance

2,500 employee members
10% of voting rights



A family capital guaranteeing stability and durability

6% of the capital within the pact

Families associated for 32 years

Active governance with a Board of Directors and monthly committees

A Board of Directors with expertise strengthened by the arrival of managers in the health sector, international services

4 employee representatives on the Board of Directors:

- 3 employees on the health and medico-social side
- 1 associate employee for LNA Ensemble

Entrepreneurship

A business vision and concrete proposals to develop our businesses

- Several publications based on the experience gained within the Group
- Expertise and openness of our facilities



Responsibility, subsidiarity and team autonomy

Example: local manager positions (housekeeper in EHPAD and coordinating nurse in HAD)



Independence in the control of the Group through the stock exchange listing

A culture of integration and transformation of institutions

- Objective: to **improve the supply of** care in each of the territories, while preserving the social climate and enhancing the know-how of the teams
- A development strategy in line with these challenges
- Proven experience:
90% of the stock from conversions
- 30 internalised professions at headquarters



90 %
of the stock from
transformations

Humanist

Taking care of patients and residents and therefore taking care of the staff

New or renovated real estate tools to provide care

Culture of care and management principles

- Kind treatment committees in institutions
- An approach built with a philosopher and a sociologist
- Internal training school



2 contributions to the films
« 1^{ère} Ligne »
and « Prendre Soin ».

Demanding

Ability to question oneself and thus to progress on these singularities

- New and systematically refurbished working tools (buildings)
- High staffing ratios
- Organisation and management of teams
- Sharing of best practices during trade days: continuous improvement

Anchoring the institution in its territory

Example:

Transformed SMR* project: a new ambition in the patient journey and the patient experience

The SRH of today is not the SRH of tomorrow

*SMR: Medical and Rehabilitation Care - formerly SSR



Income statement H1 2022 Operations + Real estate

EBITDA margin down 48 bp

Resilient current operating margin improved by 6 bp

<i>In M€, YC IFRS 16</i>	30/06/2022	30/06/2021	VARIATION
Turnover	359.9	338.1	+ 6.4%
EBITDA	72.4	70.4	+ 2.9%
EBITDA margin	20.1%	20.8%	- 70 bp
EBITDA excluding IFRS 16	38.8	38.1	+ 1.9%
EBITDA margin excluding IFRS 16	10.8%	11.3%	- 48 bp
Current Operating Profit	33.1	30.9	+ 7.1%
Current Operating Margin	9.2%	9.1%	+ 6 bp
Operating profit	32.0	27.3	+ 17.2%
Operating Margin	8.9%	8.1%	+ 82 bp

- Sales up +6.4%, Operating sales up +8.0% and Property sales down -10.6
- EBITDA margin down -70 bp
- **Current operating income up by 7.1%**, broken down as follows
 - Increase in operating income of €1.8 million (+5.7%)
 - Increase in Property Operating Profit of €0.4m
- Relation of OMC to EBITDA margin of 76 bp
- **Operating profit up +17.2%**, compared to H1 2021 which was impacted by provisions for site departures

Income statement H1 2022 Operations + Real estate

RAVI improving due to lower covid surcharges in 2022

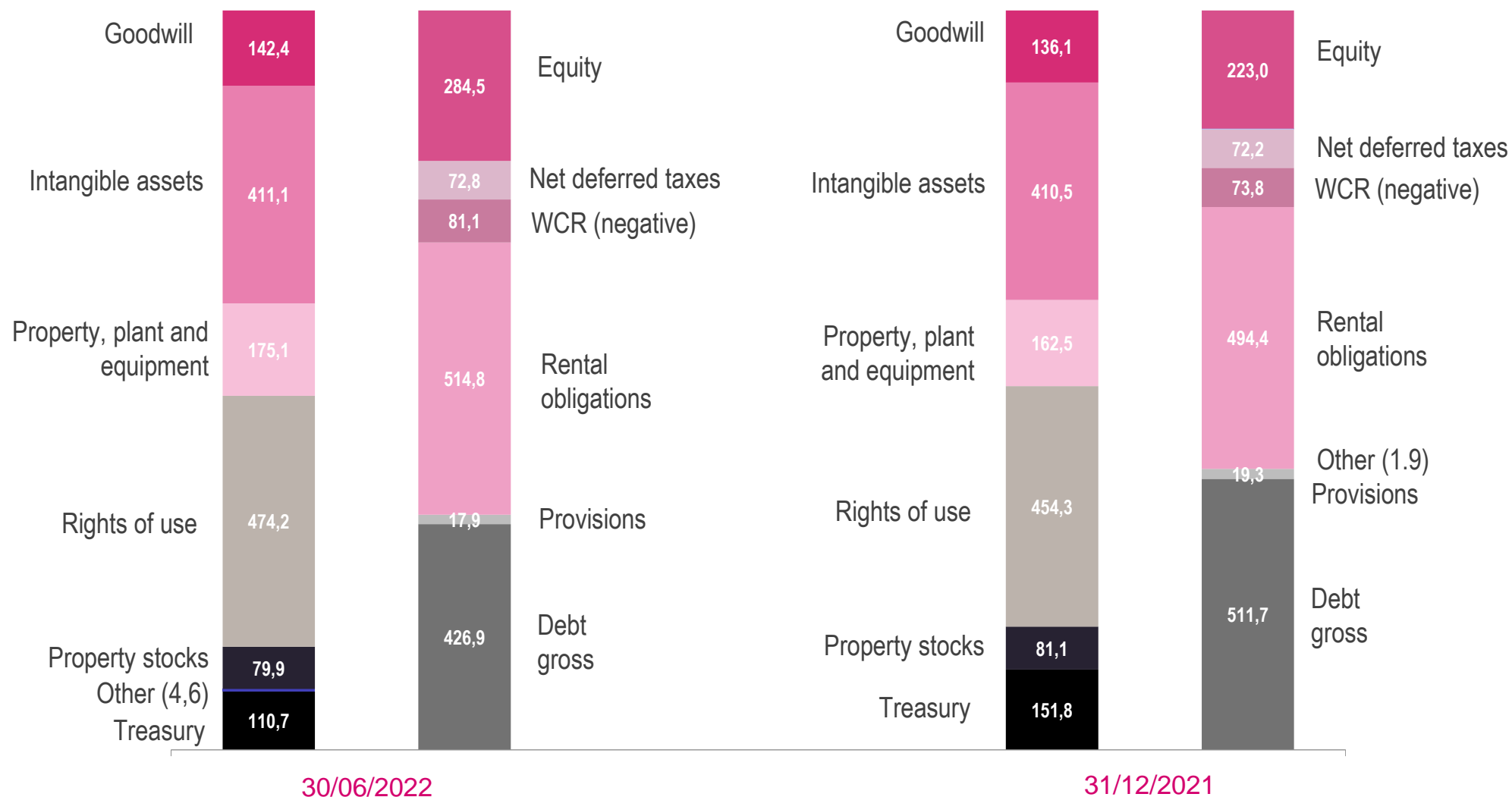
Increase in NI also supported by lower corporate tax

In M€, YC IFRS 16

	30/06/2022	30/06/2021	VARIATION
Operating profit	32.0	27.3	+ 17.2%
Financial result	-10.3	-9.8	+ 4.6%
Profit before tax	21.7	17.5	+ 24.3%
Income tax expense	-8.0	-6.9	+ 16.2%
Apparent CIT rate	36.9%	39.4%	- 256 bp
Share of profit of MEE	0.3	1.1	-71.2%
Overall net result	14.0	11.7	+ 20.2%
Net income, group share	13.5	11.1	+ 21.6%
Net margin as % of turnover	3.8%	3.3%	+ 47 bp

- Financial expenses up by a contained 4.6% in a context of rising interest rates
- Pre-tax profit rebounds by +24.3%, in line with operating profit
- **Tax rate at 37% (-2.6 pts)**, the theoretical tax rate having reached its low point at 25.83% (compared to 28.41% in 2021)
- **Net income up 21.6% on a reported basis with a recovery of the net margin**, which is close to the pre-crisis level (3.9% as at 31/12/19) thanks to the rebound of the business lines (see Operations analysis) and the business mix less and less Real Estate (at zero margin)

Operating + property balance sheet at 30/06/2022



APPENDICES

Cash flow

IN €M, EXCLUDING IFRS 16

		30/06/2022	30/06/2021	CHANGE IN VALUE
Opening cash position N-1		151,6	120,9	30,7
NET CASH FLOW FROM OPERATING ACTIVITIES	Note	38,6	(6,0)	44,6
EBITDA	(1)	38,8	38,1	0,7
Other cash items		(2,0)	(3,7)	1,7
Change in WCR	(2)	11,1	(37,2)	48,2
IS disbursed		(9,3)	(3,2)	(6,0)
NET INVESTMENT FLOWS		(38,1)	(20,1)	(18,0)
Development investments - Operations	(3)	(25,6)	(8,6)	(17,1)
Development investments - Real estate		(7,6)	(9,3)	1,7
Net sustaining capital expenditure - Operations		(6,5)	(5,6)	(0,9)
Net sustaining capital expenditure - Property		(0,3)	(0,0)	(0,2)
Other investment flows (including intra-group flows)		1,9	3,4	(1,5)
NET FINANCING FLOWS		(41,6)	1,3	(42,9)
Change in financial liabilities - Operating	(4)	(79,4)	(7,8)	(71,6)
Change in financial liabilities - Real estate	(5)	(5,4)	12,5	(17,9)
Net financial cost paid		(3,6)	(2,9)	(0,7)
Dividends paid		(0,9)	(0,8)	(0,1)
Employee capital increase	(6)	49,9	-	49,9
Purchase of own shares		(2,3)	0,3	(2,5)
Closing cash position at 31/12/N		110,5	96,1	14,4
Of which Operating		106,1	90,0	16,0
Free Cash-Flows		30,1	(11,2)	41,3
Gross FCF* (EBITDA - current investments - financial costs)		30,3	32,9	- 8,0 %
*before corporate income tax and WCR variation				

Strong cash position

- (1) Cash flow from operations of €38.6m based on increased EBITDA (€38.8m or +2%)...
- (er2) ... and benefiting from a more normative change in working capital, compared to the first half of 2021, which was impacted by the massive repayment of advances from Covid and Ségur in the Healthcare sector for €45.9m.
- (3) Operating development investments of €25.6m consisting of the acquisition of two establishments in Poland.
- (4) Net change in operating debt increased by €72m, mainly due to the repayment of the old Euro-PP (€51.2m), which matured in January 2022.
- (5) Net repayment of real estate debt, compared to a net issue last year to finance ongoing construction projects.
- (6) LNA Santé capital increase of 3 February 2022 marking the end of the group's refinancing operations

Glossary

Some terms to be aware of

Glossary

ACA: Capital Increase

AS: Aide Soignante

WCR: Working Capital Requirement

CA: Turnover

Capex: sustaining capital expenditure, excluding development capital expenditure for new activities and real estate assets to be disposed of

CFE: Cotisation Foncière des Entreprises

CHIR: Surgery

Organic growth: Corresponds to the change in turnover: between N-1 and N of facilities existing in N-1, between N-1 and N of facilities opened in N-1 or in N, between N-1 and N of facilities restructured in accordance with LNA Santé specifications or whose capacity increased in N-1 or in N, over N compared to the equivalent period in N-1 of facilities acquired in N-1

Net financial debt: Gross financial debt, excluding lease obligations as defined by IFRS 16, plus property lease commitments, less cash and cash equivalents

Net operating debt: Represents gross operating debt, excluding lease obligations as defined by IFRS 16, less cash and cash equivalents and equity contributed to the property business

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) : Operating profit before tax, financial expenses, depreciation, amortisation and provisions, and charges and reversals of impairment of property inventories

EHPAD: Etablissement d'Hébergement pour Personnes Agées Dépendantes (Residential establishment for dependent elderly people)

Facilities at cruising speed: Property enlarged (if necessary) and refurbished, with 100% of its authorised capacity / Human organisation and management method to Group standards

Establishments undergoing restructuring or in the process of opening: Establishments taken over or opened approximately 1 year ago / Renovation and/or expansion work in progress / Implementation of Group standards

FCF or Free Cash Flow: Cash flow from operations less sustaining capex and financial cost paid

Glossary

Operating Gearing: Ratio of Net Operating Debt to Adjusted Operating Equity. Adjusted operating equity represents consolidated operating equity, excluding IFRS 16 impacts, plus operating deferred tax liabilities, excluding IFRS 16 impacts, mainly related to the valuation of operating intangible assets

HAD: Hôpital A Domicile

Financial leverage, Operating leverage: (Operating Net Debt / Operating EBITDA excluding IFRS 16) measures the company's ability to repay its debt. It expresses in how many years the company is able to repay its debt with its EBITDA

MEE: Mise En Equivalence

MRS: Maison de Repos et de Soins, equivalent to EHPAD in Belgium

MS: Medical-Social

MVP: Visual Performance Management

NEU-CP: Negotiable European Commercial Paper: short-term negotiable securities formerly known as commercial paper

PSY: Psychiatric Clinic

Cruise Regime, CR: see "Cruise Regime Facilities".

Restructuring, SR: see "establishments undergoing restructuring or opening".

OIR: Current Operating Income

ROP: Operating profit

CSR: Corporate Social Responsibility

SMR: Medical and Rehabilitation Care - formerly SSR

SSR: Soins de Suite et Réadaptation - new name SMR

TO: Occupancy Rate

Net cash: Cash and cash equivalents less bank overdrafts