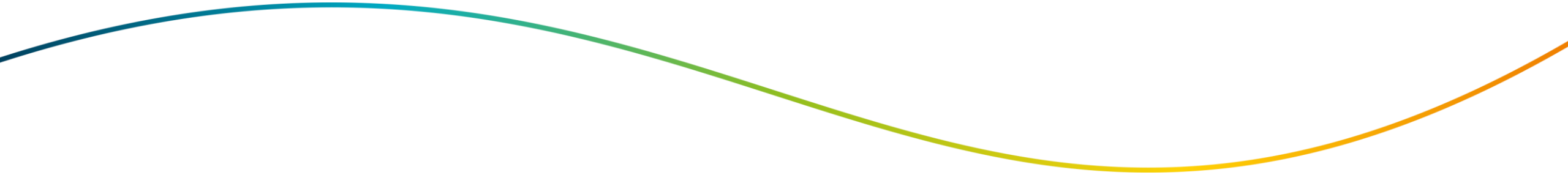




# 2023 Half-Year Results Presentation

**27 July 2023**



# Agenda

01

## Activity report

Sophie Boissard – Chief Executive Officer

02

## Financial report

Philippe Garin - Chief Financial Officer

03

## Outlook

Sophie Boissard – Chief Executive Officer

01

## **Activity Report**

Sophie Boissard, Chief Executive Officer

# Key highlights

- **Purpose driven company** status approved and ESG 2019-2023 roadmap on track
- Continued long term care occupancy normalisation, **at 89.2% end of July**
- **Resilient operating performance** despite high inflation environment, demonstrating the value of our diversified model
- **Major refinancing milestones** recently achieved
- **Guidance confirmed for 2023**

# Half-year 2023 key figures

## OPERATIONS

### PEOPLE SUPPORTED

**545 000**

+c.15% VS H1 2022

### NURSING HOMES OCCUPANCY

**89.2%** July 2023

+2pts H1 23 vs H1 22

CONTINUED **NPS  
INCREASE** FOR  
TEMPORARY STAYS  
(LTC - FRANCE)

**REPUTATION**  
(LTC - FRANCE)

**87%**

+1 POINT VS 2022

## ESG

### ISO 9001 CERTIFICATION

**On-track for 100%  
end of 2023**

### EMPLOYEES IN GRADUATING TRAINING PROGRAMMES

**10.1%**

IN JUNE 2023

### ENERGY CONSUMPTION (MWh)

**-14%**

IN JAN-MAY 2023 VS 2021

## FINANCIALS

### ORGANIC GROWTH

**+9.3%**

VS 5.3% IN H1 2022

### EBITDA MARGIN (EXCL. IFRS 16)

**€285M**

STABLE (+0.1%) IN AMOUNT VS H1 2022

### OPERATING FREE CASH FLOW

**€45M**

VS €95M H1 2022

# Transformation into a purpose-driven company effective since June 2023

- A new purpose for our community supported by 5 commitments

« TAKE CARE  
OF EACH PERSON'S HUMANITY  
IN TIMES OF VULNERABILITY »

- 10 tangibles initiatives
- Enhanced governance to foster dialogue with stakeholders and monitor our commitments

**15 JUNE 2023 : STATUS OF PURPOSE-DRIVEN COMPANY  
APPROVED BY 99.9% of VOTING SHAREHOLDERS**



# Initiatives already materialising

## Mission Committee appointed and already fully at work



### Successful launch of Clariane University

July 2023

First initiative to put into practice

Aim of offering at least **6,500 degree courses** each year

Planned deployment in all Group countries



### Research projects with partner academic institutions

Continued deployment of innovative solutions throughout the Group for **Alzheimer care**

Partnership with the **Scientific Consortium STARTER\***, with the aim of creating innovative care path in **post-stroke care and fall prevention**



### Commitment to SBT initiative signed

April 2023




Commitment to submit quantitative low-carbon trajectory by **end of 2023**

By 2026:  
**50%** of our needs with local green energy sourcing  
Reduce by **30%** our energy consumption by 2026

\* Innovative Strategies and artificial intelligence for the rehabilitation of motor function and preservation of autonomy

# All our activities present strong organic growth

## GROWTH BY ACTIVITY

		Revenue (€m)	Reported growth	Organic growth
Long Term Care		1,540	9.1%	9.3%
Healthcare		659	17.5%	6.0%
Community Care		287	17.7%	16.7%
Total		2,485	12.2%	9.3%



# Long Term Care – further normalisation of activity

H1 2023

€1,539.6m revenue  
9.1% reported growth



**A NETWORK  
ADAPTED TO  
HIGH  
DEPENDENCY**

**23** refurbishment /  
new build projects  
delivered in H1  
2023

**40%** of the  
**network now  
repositioned**

**CONTINUED  
PROGRESS ON  
OCCUPANCY**

**89.2%**  
end July 2023  
occupancy rate at  
Group level

**+2pt** vs H1 2022

**Dynamic new  
entries flow** in  
France in July

**POSITIVE TREND  
ON “KORIAN”  
REPUTATION**

**“Korian image  
barometer”**  
June 23



**87%**  
Korian families  
**confidence rate**  
**+1pt** vs 2022

# Healthcare – dynamic growth momentum fuelled by outpatient in post acute and mental health

H1 2023

€658.6m revenue

17.5% reported growth



## CONTINUED ADAPTATION OF POST-ACUTE NETWORK

108 facilities in France, Italy and Spain

8 construction or restructuring projects deliveries in 2023



France  
Bezons - clinic

## SCALING UP MENTAL HEALTH NETWORK

166 facilities in France, Italy and Spain

€330m revenue expected in 2023

## GRUPO 5 ACQUISITION

A growing €2.5bn Spanish mental health market



Equity Partnership with Banque des Territoires  
(at least €150m investments)

# Community Care – continued strong growth in very dynamic markets

H1 2023

€287m revenue  
18% reported growth



Petits-fils  
SERVICES AUX GRANDS ÂGÉS

Ages&Vie

Casa Barbara

SENIORS  
L'ÉCOLE DE LA VIEillesse

## ROLLING OUT ASSISTED LIVING CONCEPTS

c.693 new beds in H1 2023

**Ages&Vie** concept ramping up

Planned shared housing expansion into Germany, based on a secured **European Investment Bank** financing of up to €150m

## RAPID HOME CARE DEVELOPMENT

**PETIT-FILS: #1** home care network in France

264 agencies as of June 2023

+28%% clients served vs last year (c.18k)

# All our geographies present strong organic growth

## GROWTH BY COUNTRY

	Reported growth	Organic growth
France	7.0%	5.9%
Germany	7.8%	13.0%
Benelux	15.7%	15.9%
Italy	13.9%	8.0%
Spain, UK	101.2%	6.4%
<b>Total</b>	<b>12.2%</b>	<b>9.3%</b>

# Diversified models showing robust performance in inflationary environment

## FRANCE\*

€m (excluding IFRS 16)	H1 23	H1 22
REVENUE	1,096.0	1,024.4
REPORTED GROWTH	7.0%	-1.0%
ORGANIC GROWTH	5.9%	3.3%
EBITDAR MARGIN	24.3%	24.7%

## Revenue growth

- **France:** Organic growth driven by price and occupancy in nursing homes – still significant upside on occupancy
- **Italy:** nursing home occupancy normalised – organic growth driven by healthcare activity

## ITALY

€m (excluding IFRS 16)	H1 23	H1 22
REVENUE	311.5	273.6
REPORTED GROWTH	13.9%	23.4%
ORGANIC GROWTH	8.0%	8.1%
EBITDAR MARGIN	20.8%	20.1%

## Margin

- Strong organic growth and resilient EBITDAR margins reflecting Healthcare development and nursing homes occupancy progress
- Salary repositioning mostly done

# Inflation time lag effect still affecting margins in long-term care countries

## GERMANY

€m (excluding IFRS 16)	H1 23	H1 22
REVENUE	573.0	531.6
REPORTED GROWTH	7.8%	1.1%
ORGANIC GROWTH	13.0%	2.7%
EBITDAR MARGIN	18.0%	25.2%

- Mechanical impact from removal of covid-related cost compensations
- Significant cost pass-through effects from +c.25% for salaries from September 2022
- Tariff adjustment in 2022 not sufficient to cover continued inflation in 2023
- **New tariff campaign ongoing to catch up in 2023**

## BENELUX\*

€m (excluding IFRS 16)	H1 23	H1 22
REVENUE	367.9	318.0
REPORTED GROWTH	15.7%	10.3%
ORGANIC GROWTH	15.9%	12.4%
EBITDAR MARGIN	21.5%	19.9%

- Dynamic occupancy in Belgium
- Regular uplift in tariffs reflecting cost increases
- Continued impact of new facilities ramping up in Netherlands

# Spain and United Kingdom : successful ramp up

## SPAIN & UNITED KINGDOM\*



Acquisition closed in  
January 2023

€m (excluding IFRS 16)	H1 23	H1 22
REVENUE	136.4	67.8
REPORTED GROWTH	101.2%	142.2%
ORGANIC GROWTH	6.4%	32.1%
EBITDAR MARGIN	18.1%	25.9%

### Spain

- Impact from Grupo 5 acquisition on growth and margin (facilities under ramp-up and management contracts)

### United Kingdom

- Growth driven by continued ramp-up and tariffs increase

- High quality platform focused on mental health**
- Asset light model** on the back of ambulatory and contract management activities, reducing significantly real estate costs and allowing for a normative 15% EBITDA
- Strong demand for mental health services in Spain
- Mental health network now covering **around 95% of the Spanish population**
- Clariane's mental health** activities expected to represent **c.€330m in 2023** (France, Spain, Italy)





02

Financial Report H1 2023  
Philippe Garin, Chief Financial Officer



# Half-year 2023 key figures

REVENUE | **€2,485m**

**+12.2%**  
REPORTED GROWTH  
VS 5.5% IN H1 2022

**+9.3%**  
ORGANIC GROWTH  
VS 5.3% IN H1 2022

OPERATING FREE  
CASH FLOW | **€45m**

vs €95m in H1 2022

EBITDAR | **€538m**

vs **€523m** in H1 2022

EBITDA | **€285m**

vs **€285m** in H1 2022

LIQUIDITY | **€0.9bn**

with €500m undrawn RCF

FINANCIAL  
LEVERAGE | **4.1x / 58% LTV**

vs. 3.7x / 55% as of Dec-22

NET RESULT  
from continuing operations | **€32m**

vs **€25m** in H1 2022

REAL ESTATE  
PORTFOLIO | **€3.2bn**

Stable\* vs Dec-2022

*Figures excluding IFRS 16*

*H1 2022 figures restated to reflect IFRS 5 discontinued operations*

*\* Retreated from Ages&Vie change of control*



# Resilient EBITDA margin in a high inflation environment

€m (excluding IFRS 16)	H1 2023	H1 2022	Δ %
<b>Revenue</b>	<b>2,484.8</b>	<b>2,215.4</b>	<b>12.2%</b>
Staff costs	(1,520.3)	(1,329.7)	14.3%
% of revenue	<b>-61.2%</b>	<b>-60.0%</b>	<b>-120 bps</b>
Other costs	(426.3)	(362.6)	17.6%
% of revenue	<b>-17.2%</b>	<b>-16.4%</b>	<b>-80 bps</b>
<b>EBITDAR</b>	<b>538.3</b>	<b>523.1</b>	<b>2.9%</b>
% of revenue	<b>21.7%</b>	<b>23.6%</b>	<b>-190 bps</b>
External rents	(253.0)	(238.2)	6.2%
% of revenue	-10.2%	-10.8%	+60 bps
<b>EBITDA</b>	<b>285.3</b>	<b>284.9</b>	<b>0.1%</b>
% of revenue	<b>11.5%</b>	<b>12.9%</b>	<b>-140 bps</b>
<b>EBITDA (incl. IFRS 16)</b>	<b>482.0</b>	<b>486.6</b>	<b>-0.9%</b>
% of revenue	<b>19.4%</b>	<b>22.0%</b>	<b>-260 bps</b>

**Tariffs increase covering only partially cost inflation**

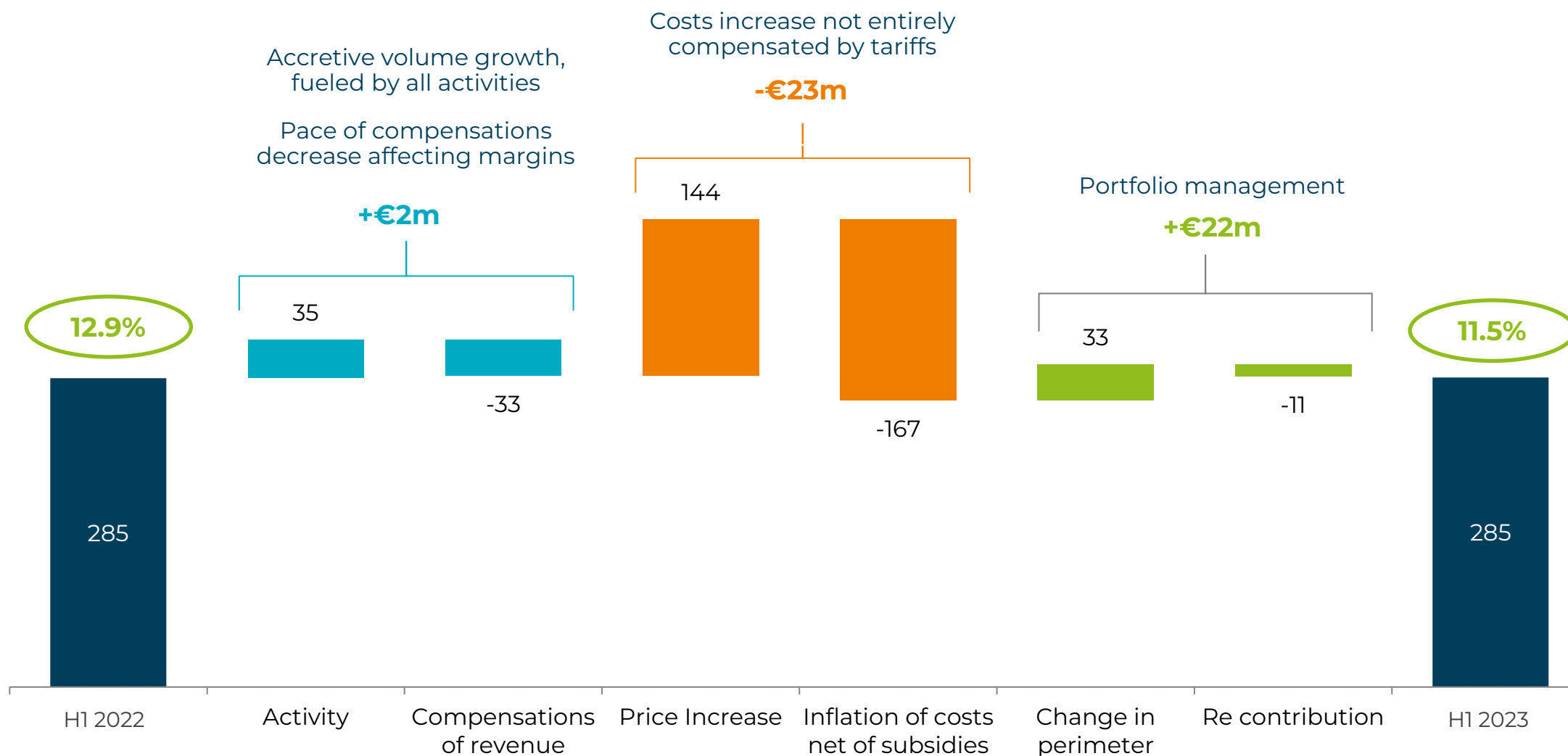
**Staff costs reaching 61.2% of revenues**

- Repositioning of salaries, notably +25% in Germany
- Continued investment in staff

**Resilient EBITDA amount (+0.1%) – cf slide 18**

Figures excluding IFRS 16  
2022 figures restated to reflect IFRS 5 discontinued operations

# EBITDA bridge – pre IFRS 16



# Group income statement

€m (excluding IFRS 16)	H1 23	H1 22	Δ %
<b>Revenue</b>	<b>2,484.8</b>	<b>2,215.4</b>	<b>12.2%</b>
<b>EBITDAR</b>	<b>538.3</b>	<b>523.1</b>	<b>2.9%</b>
<b>EBITDA</b>	<b>285.3</b>	<b>284.9</b>	<b>0.1%</b>
Amt.Dep and Provisions	1 -148.6	-137.9	
<b>EBIT</b>	<b>136.7</b>	<b>147.0</b>	<b>-7.0%</b>
Non current expenses	2 -23.0	-37.3	
<b>Operating income</b>	<b>113.7</b>	<b>109.7</b>	<b>3.6%</b>
Financial result	-63.5	-69.3	
<b>Net income before tax</b>	<b>50.2</b>	<b>40.4</b>	<b>24.4%</b>
Income tax	-11.0	-8.1	
% tax rate	21.8%	20.1%	
Equity method	0.1	-0.8	
Minority interests	-7.0	-6.9	
<b>Net result from continued operations</b>	<b>3 32.3</b>	<b>24.6</b>	<b>31.3%</b>
% Revenue	1.3%	1.1%	
Net result from discontinued operations	-6.7	-2.9	
<b>Net result - Group share</b>	<b>25.6</b>	<b>21.7</b>	<b>18.1%</b>
% Revenue	1.0%	1.0%	

- Amortisations** increase reflecting the high level of investments in previous years
- Lower **non current expenses**, notably related to a high level of restructuring transactions last year
- Net result** remains rather low despite an increase of 31%

Figures excluding IFRS 16  
2022 figures restated to reflect IFRS 5 discontinued operations

# H1 2023 cash flow

## INVESTMENTS €(375)m

vs €(391)m in H1 22

	H1 23	H1 22
Development capex	€(71)m	€(86)m
M&A	€(143)m	€(138)m
Real Estate	€(161)m	€(166)m
Dividend & Other	€1m	€(39)m

Reflecting **Grupo 5 acquisition closing** in January 2023, and earn-outs relative to 2022 acquisitions

**50** real estate projects delivered during H1 2023

## FUNDING €387m

-€12m discontinued activities

vs €443m in H1 22  
-€14m discontinued activities

Operating free cash flow	€45m	€95m
Equity / Real Estate partnerships	€109m	€(3)m
Net debt increase	€232m	€351m

Operating free cash flow down €50m vs H1 2022 notably due to **temporary working cap effects in Germany** (delay in public payers payment in a context of significant regulatory evolution) and **in France**

**First 2023 real estate monetisation transaction closed in June**, providing **€120m** equity financing

# Investment cycle achieved

GROWTH CAPEX EVOLUTION SINCE 2019 (€m)

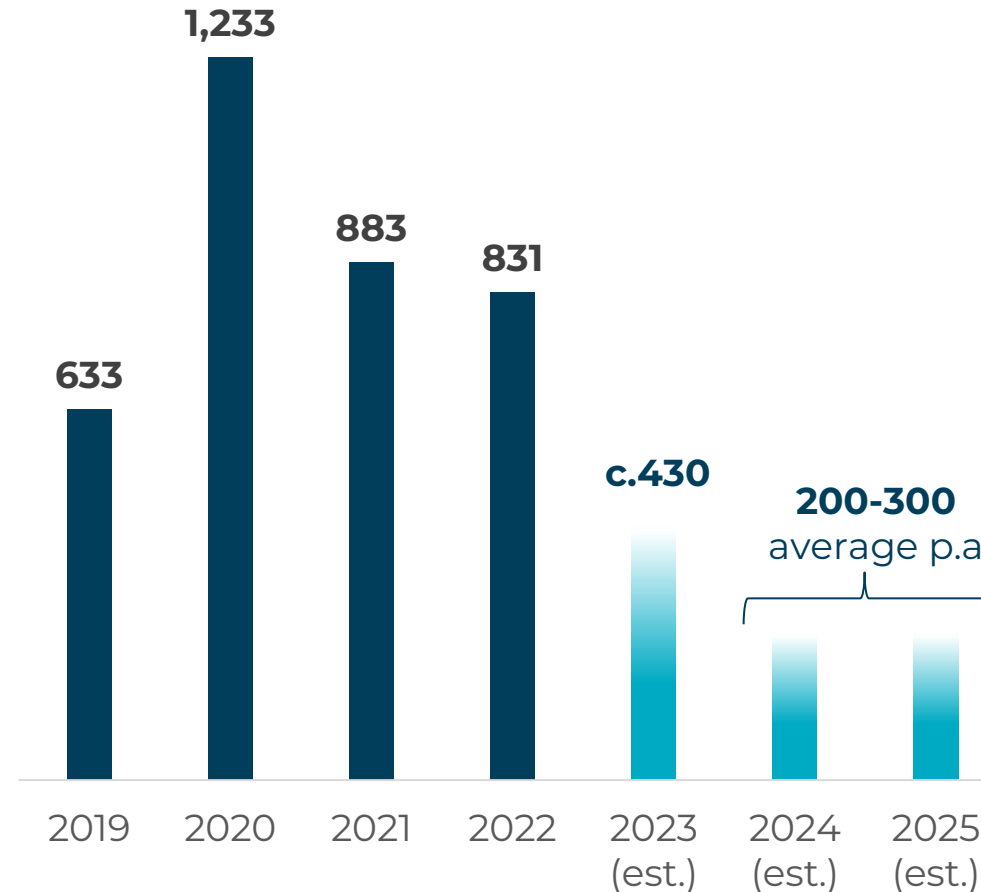
19-22

INVESTMENT CYCLE

A 4-year investment cycle to **modernize and future-proof the network**



**Strong embedded growth for the coming years**



2023 ONWARDS

LOW CAPEX SELF-FINANCED MODEL

**Grupo 5** acquisition, closed in H1 2023, **achieving the investment cycle**

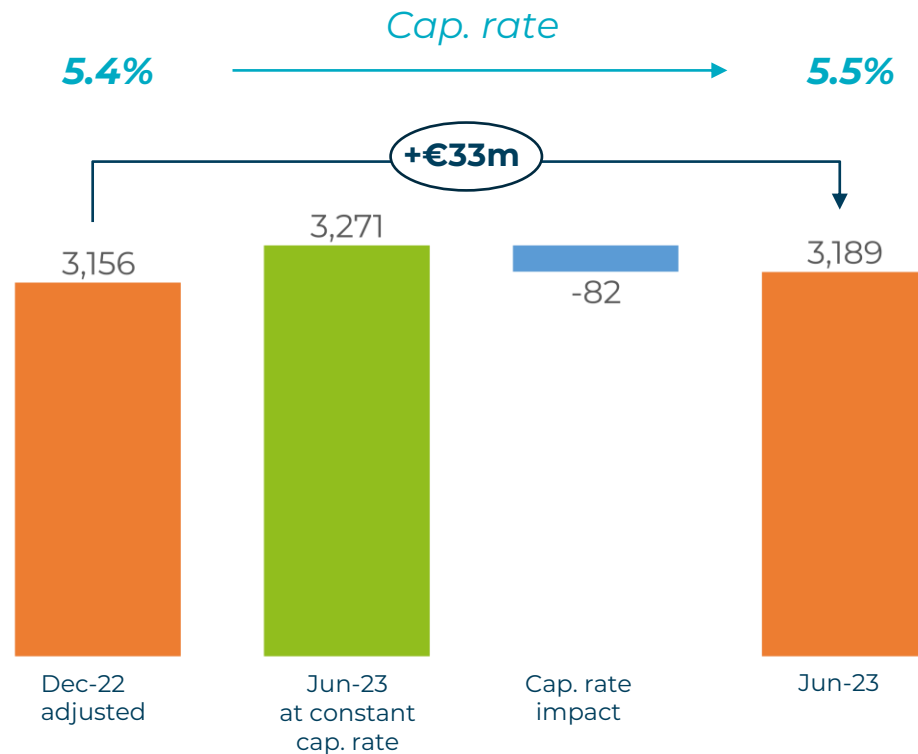
**Prioritisation of greenfield** investments and use of **shared capital development vehicles**

**Development capex: focus on high return projects**

# Resilient real estate market value...

**Portfolio value\* increased despite c.€(82)m impact from capitalisation rate variation**

*Portfolio scope adjusted to take into account **Ages&Vie change of control** for an amount of **€299m** as of 31.12.22*



**Reinforced asset portfolio quality**

**>50%** of currently owned facilities have been built or renovated since 2016



**Netherlands**  
Schijndel – small community care home



**France**  
Bezons - clinic



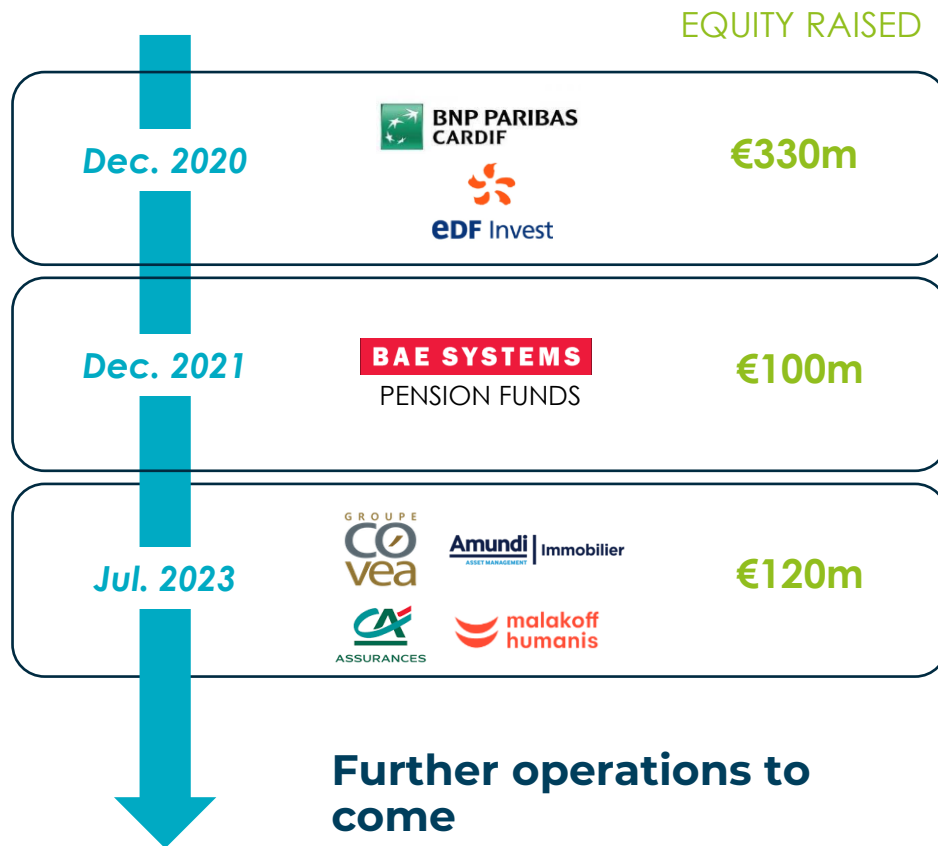
**France**  
La Menardière – Nursing Home



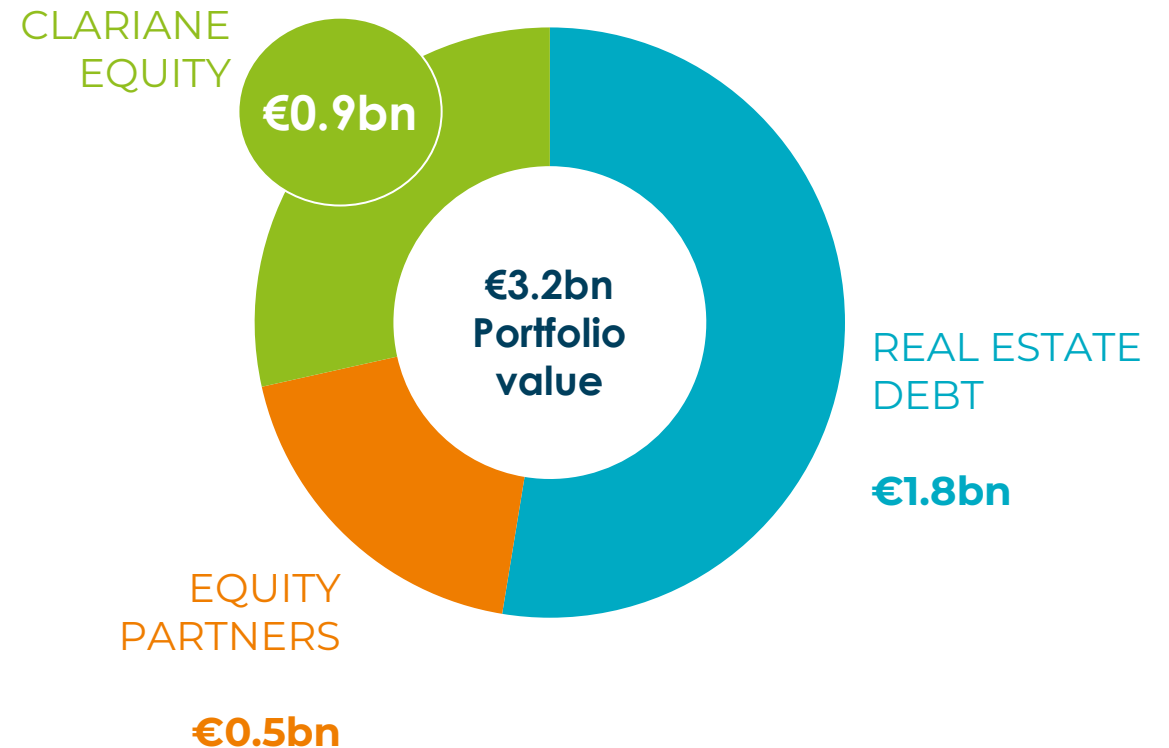
**Belgium**  
Château-Sous-Bois – nursing home

# ... to continue generate equity financing, supporting deleveraging policy

A proven track-record of real estate  
monetisation in line with independent  
expert value



Financing split of the real estate portfolio  
as of June 2023





# Real estate development projects: prioritising equity partnerships

## CLARIANE GREENFIELD PIPELINE AS OF JUNE 2023

	# of beds Dec. 2022	Greenfield deliveries H1 2023	Disposals / bolt-ons	# of beds June 2023	New greenfield capacities H2 2023 - 2027
France	32,974	667	-	33,642	2,706
Spain and UK	3,819	111	2,988	6,918	1,223
Germany	27,392	-	(50)	27,342	547
Benelux	14,449	77	(58)	14,468	1,049
Italy	9,360	132	-	9,492	352
<b>Group</b>	<b>87,994</b>	<b>987</b>	<b>2,880</b>	<b>91,862</b>	<b>5,877</b>

vs **11,047** as of  
June 2022

## EQUITY PARTNERS TO FINANCE GREENFIELD AND TRANSFORMATION PROJECTS

### July 2022



- Real Estate investment company owned 30% by Korian and 70% by partners
- Agreement for 20 years, in relation to €400m to total greenfield investment

### June 2023

#### 5 FRENCH PROJECTS

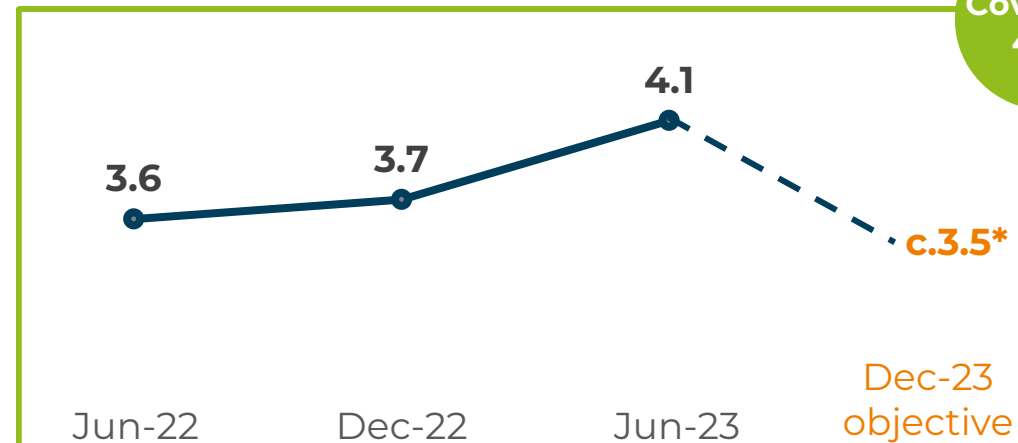


- Real Estate investment company owned 51% by Clariane and 49% by partner
- Agreement signed in relation to €150m investment

# Balance sheet structure

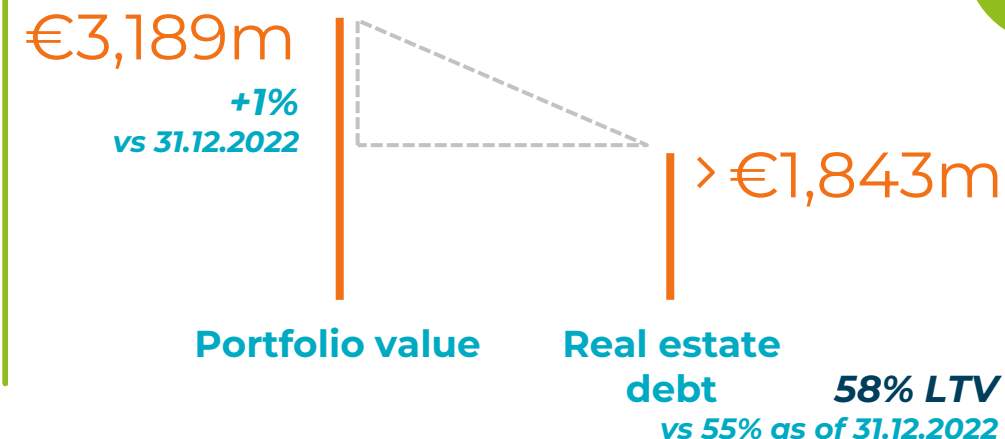
## LEVERAGE RATIO (excluding real estate debt)

Covenant  
4.5x

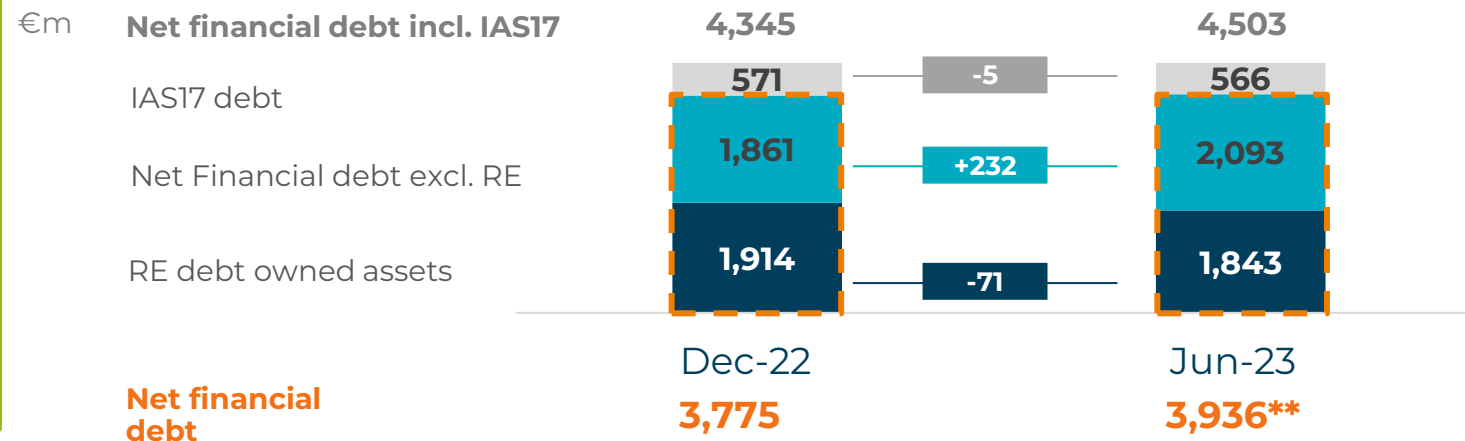


## REAL ESTATE LOAN TO VALUE

Covenant  
65%



## NET DEBT STRUCTURE



# Credit financing milestones achieved in a tightening environment

**Successful extension of Clariane's unsecured credit facility**, extending its maturity to 2026

**€505m**

**New sustainability-linked private placement** with 2027 maturity

**€40m**

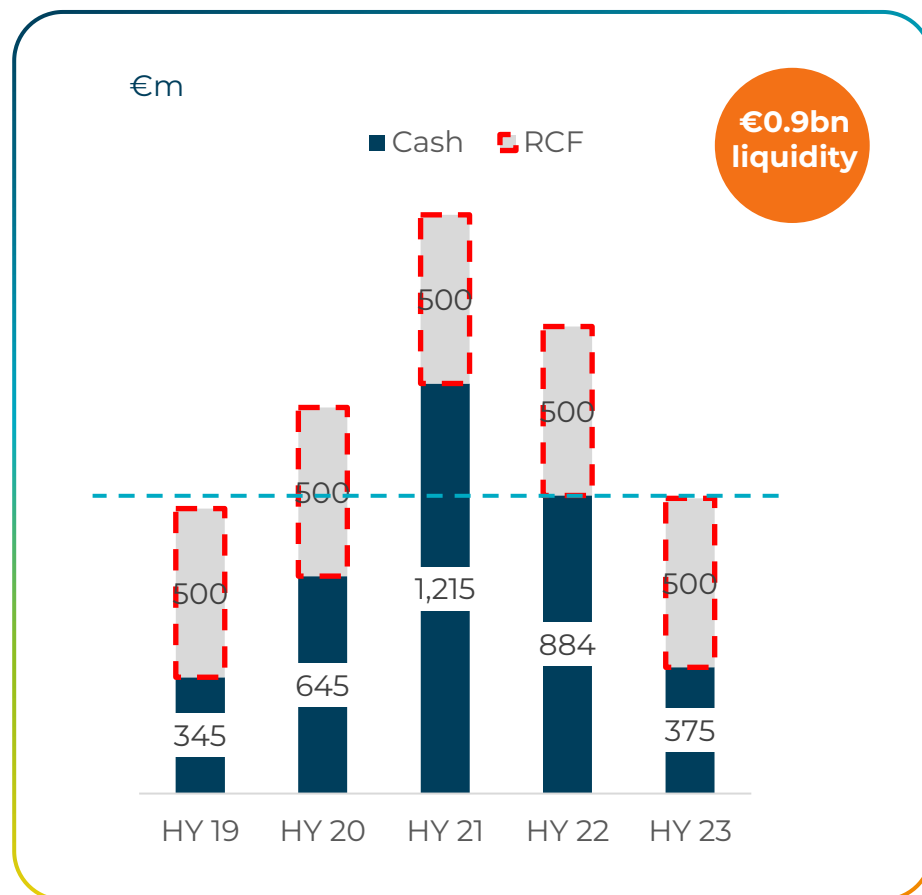
**Continued roll-out of real estate financing** during H1 2023

**€150m**

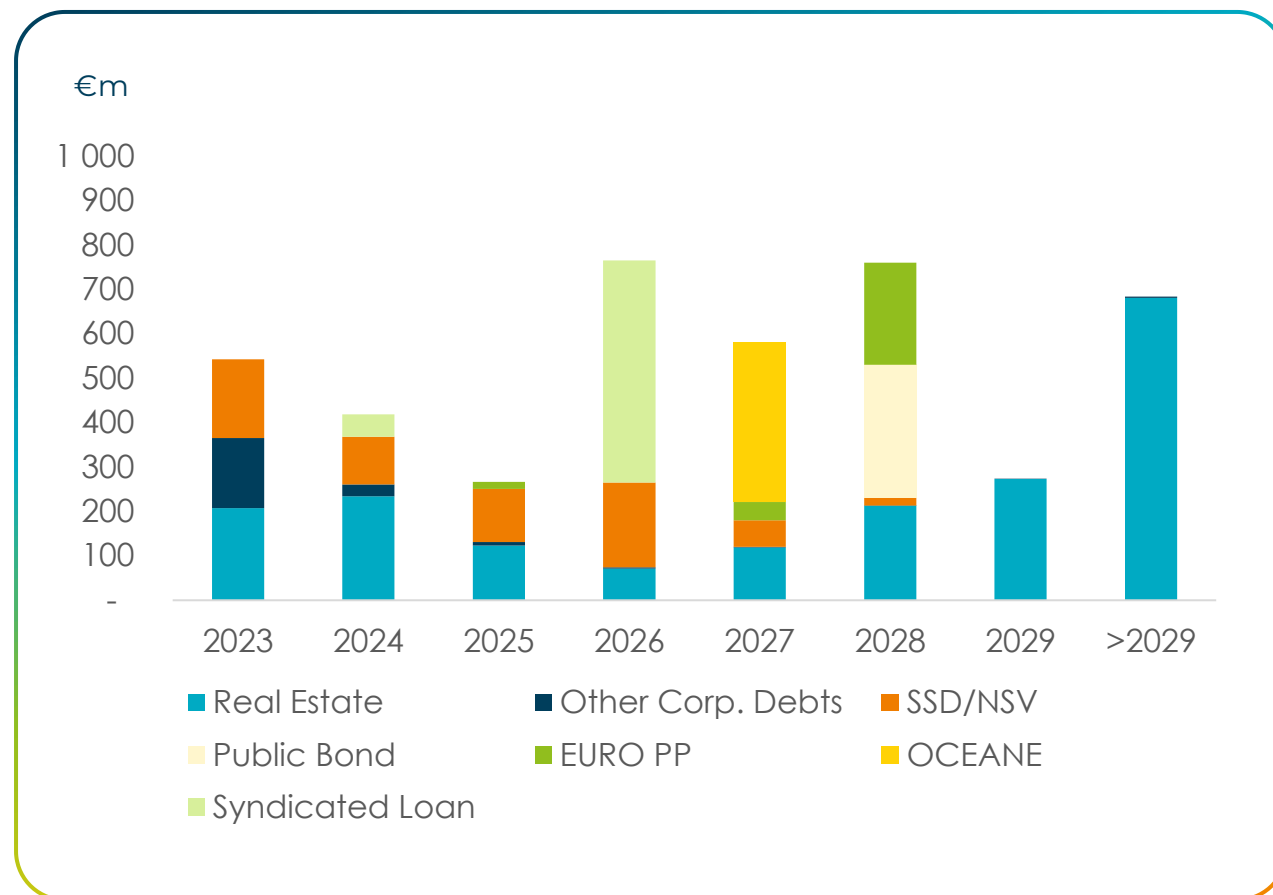
**Financing transactions reflecting confidence of credit financing stakeholders in Clariane financial and ESG strategy**

# Liquidity position and debt maturity schedule

## LIQUIDITY POSITION IN LINE WITH PRE-COVID LEVEL



## GROSS DEBT MATURITY PROFILE (AS OF 27 JULY 2023)



03

Outlook

# OUTLOOK 2023

## KEY FOCUS FOR H2 2023

**Continued operations resilience**

**Investments strongly reduced**  
c.€50m expected in H2 2023

**Operating free cash flow  
management**

Further **real estate  
monetisation transactions**

**2023**

**ORGANIC REVENUE  
GROWTH**

**>8%**

**EBITDAR**

**STABLE**  
IN AMOUNT

**EBITDA pre IFRS 16**

**STABLE**  
IN AMOUNT

**LEVERAGE**

**c.3.5x**  
SUBJECT TO REAL ESTATE  
MONETISATION CALENDAR






# Appendix

# All our geographies and activities present strong organic growth

## GROWTH BY COUNTRY

	Reported growth		Organic growth	
	Published	excl. comp. and disposals*	Published	excl. compensations
France	7.0%	<b>7.2%</b>	5.9%	<b>6.8%</b>
Germany	7.8%	<b>18.3%</b>	13.0%	<b>18.1%</b>
Benelux	15.7%	<b>18.6%</b>	15.9%	<b>17.0%</b>
Italy	13.9%	<b>15.2%</b>	8.0%	<b>8.5%</b>
Spain, UK	101.2%	<b>101.2%</b>	6.4%	<b>6.4%</b>
<b>Total</b>	<b>12.2%</b>	<b>15.3%</b>	<b>9.3%</b>	<b>11.0%</b>

## GROWTH BY ACTIVITY

	Revenue 2022 Published in m€	Reported growth		Organic growth	
		Published	excl. comp. and disposals*	Published	excl. compensations
<b>Long Term Care</b> 	1,540	9.1%	<b>12.8%</b>	9.3%	<b>11.6%</b>
<b>Healthcare</b> 	659	17.5%	<b>18.8%</b>	6.0%	<b>7.0%</b>
<b>Community Care</b> 	287	17.7%	<b>21.5%</b>	16.7%	<b>16.7%</b>
<b>Total</b>	<b>2,485</b>	<b>12.2%</b>	<b>15.3%</b>	<b>9.3%</b>	<b>11.0%</b>

\* Adjusted for loss of revenue compensations, and for disposed / closed perimeter





# Group income statement – IFRS 16 bridge

€m	H1 2023 excl. IFRS16	IFRS16 adjustments	H1 2023 incl. IFRS16	H1 2022 incl. IFRS16	Δ %
<b>Revenue</b>	<b>2,484.8</b>		<b>2,484.8</b>	<b>2,215.4</b>	<b>12.2%</b>
<b>EBITDAR</b>	<b>538.3</b>	<b>-18.1</b>	<b>520.2</b>	<b>521.1</b>	<b>-0.2%</b>
% revenue	21.7%		20.9%	23.5%	-120bps
External rents	-253.0	<b>214.8</b>	-38.2	-34.4	10.8%
<b>EBITDA</b>	<b>285.3</b>	<b>196.7</b>	<b>482.0</b>	<b>486.6</b>	<b>-0.9%</b>
% revenue	11.5%		19.4%	22.0%	-120bps
Amt.Dep and Provisions	-148.6	-188.8	-337.5	-316.8	6.5%
<b>EBIT</b>	<b>136.7</b>	<b>7.9</b>	<b>144.5</b>	<b>169.8</b>	<b>-14.9%</b>
% revenue	5.5%		5.8%	7.7%	-110bps
Non current expenses	-23.0		-23.0	-37.3	-38.2%
<b>Operating income</b>	<b>113.7</b>	<b>7.9</b>	<b>121.5</b>	<b>132.5</b>	<b>-8.3%</b>
% revenue	4.6%		4.9%	6.0%	-200bps
Financial result	-63.5	-38.6	-102.0	-103.3	-1.2%
<b>Net income before tax</b>	<b>50.2</b>	<b>-30.7</b>	<b>19.5</b>	<b>29.3</b>	<b>-33.3%</b>
Income tax	-11.0	6.2	-4.8	-6.1	
% tax rate	21.8%		24.5%	20.9%	
Equity method	0.1		0.1	-0.8	
Minority interests	-7.0		-7.0	-6.9	
<b>Net result from continued operations</b>	<b>32.3</b>	<b>-24.5</b>	<b>7.8</b>	<b>15.5</b>	<b>-49.6%</b>
% of revenue	1.3%		0.3%	0.7%	
<b>Net result from discontinued operations</b>	<b>-6.7</b>	<b>0.1</b>	<b>-6.6</b>	<b>-2.6</b>	
<b>Net result - Group share</b>	<b>25.6</b>	<b>-24.4</b>	<b>1.2</b>	<b>12.9</b>	
% of revenue	1.0%		0.0%	0.6%	

2022 figures restated to reflect IFRS 5 change in perimeter

