



Half Year 2023 results

Solid operational performance, in line with 2023 objectives

- **Purpose driven company status approved** by 99.9% of voting shareholders and ESG 2019-2023 roadmap on track
- **Strong revenue growth at 12.2%** (9.3% on an organic basis) mainly fuelled by tariff adjustments and activity increase (long term care occupancy rate up by 2 points in H1 2023, and at 89.2% as of end of July)
- **Resilient operating performance** in an inflationary environment: stable EBITDAR at € 538.3 million (+2.9%) and EBITDA at €285.3 million (+0.1%)
- **Financial leverage of 4.1x and LTV¹ at 58%**, due to a high level of investments (€375m), still significantly above operating free cash flow generation during the semester. The deleveraging trajectory resulting from the slow-down in the pace of investments in the second semester (€50m) excl. maintenance, more robust cash flow generation, and planned further real estate monetisation transactions, is expected to allow, subject to these transactions completion calendar, a reduction of the financial leverage to around 3.5x.
- **Major financing milestones** recently achieved
- **Revenue growth and operational margin objectives confirmed for 2023**

Sophie Boissard, CEO of Clariane, stated: *“The transformation into a purpose-driven company, with overwhelming support from our shareholders at the 2023 Annual General Meeting, firmly anchors our social performance at the heart of our strategy, a major milestone for all stakeholders of Clariane. In an inflationary context, and a constrained tariff environment, our solid operational performance is a new testimony of our business model resilience supported by the complementarity of our three activity segments and of our different geographies. Despite a tightening credit market, and on the back of our financial partners confidence, we have also achieved major financial milestones, ensuring a good level of visibility for the next semesters.”*

¹ Loan to Value = real estate debt / real estate portfolio value

Paris, 27 July 2023 – Clariane (CLARIA.PA – ISIN FR0010386334) announces its 2023 half-year results.

FINANCIALS

	H1 2023	H1 2022	Growth	Organic growth
Revenue	2,484.8	2,215.4	12.2%	9.3%
France	1,096.0	1,024.4	7.0%	5.9%
Germany	573.0	531.6	7.8%	13.0%
Benelux	367.9	318.0	15.7%	15.9%
Italy	311.5	273.6	13.9%	8.0%
Spain, UK	136.4	67.8	101.2%	6.4%
EBITDAR (margin) – pre-IFRS16	538.3 (21.7%)	523.1 (23.6%)	+2.9%	
EBITDA (margin) – pre-IFRS16	285.3 (11.5%)	284.9 (12.9%)	+0.1%	
EBITDA (margin) – post-IFRS16	482.0 (19.4%)	486.6 (22.0%)	-0.9%	
Operating FCF – pre-IFRS16	45.4	95.0	-52.2%	

Key operational highlights

Long-term care: €1,539.6m revenue, i.e. 62% of Group revenue, with a **9.1%** reported growth and **9.3%** organic growth

- Continued increase of occupancy rates:
 - +2 points between H1 22 and H1 23
 - 89.2% end of July, fuelled by a well oriented activity trend, notably in France and in Belgium
- Significant adjustments of regulated tariffs, notably in Germany, contributing to around 2/3 of organic growth
- Delivery of 23 new or refurbished facilities during H1 2023

Healthcare: €658.6m revenue, i.e. 27% of Group revenue, with a **17.5%** reported growth and **6.0%** organic growth

- Post-acute: continued modernisation of the network, with 8 projects to be delivered in 2023, including 5 already delivered
- Mental health: closing of the acquisition of the Spanish platform Grupo 5 to strengthen the mental health activity, to represent c.€330m revenue in 2023 (France, Spain, Italy)
- Continued strong increase in the number of patients cared for: +17%

Community care: €286.6m revenue, i.e. 12% of Group revenue, with a **17.7%** reported growth and **16.7%** organic growth

- Continued development of Clariane shared housing concepts, with 693 beds opening over the semester, essentially fuelled by the Ages&Vie roll-out
- Continued high growth in the homecare network, with 264 Petit-Fils agencies as of June 2023, and +28% clients served in June 2023 vs June 2022

At end June 2023, Group's network is composed of 91,862 beds, an increase of c.3,000 beds compared to December 2022, related to Grupo 5 acquisition and 987 beds from greenfield projects.

ESG and social performance

Annual General Meeting on 15 June 2023 has voted, at 99.9%, the **transformation into a purpose driven company**, with the creation of a mission committee, made up of representatives of patients and residents, employees and qualified personalities. This committee, which has already held a meeting in July 2023, is fully at work.

The **Clariane University**, regrouping all training and graduating programmes accessible to the Group employees, has been launched on July 6 in France (www.universite-clariane.fr)

The extra-financial performance is in line with objectives set in the ESG 2019-2023 roadmap.

In terms of **service quality**, the different external audits and satisfaction survey conducted during the semester reflected in the continued **improvement of our services reputation and the level of satisfaction of its families**.

This ESG policy is also fully reflected in the Group financing strategy, as demonstrated by the issuance of a second **sustainably-linked private placement** of €40m in July, integrating ESG features inspired by our purpose-driven company initiatives.

The Clariane Board of Directors met on July 27, 2023. During this meeting, the Board reviewed the condensed consolidated financial statements for the first half ending June 30, 2023. Limited review procedures were completed with respect to the condensed consolidated interim financial statements, and an unqualified review report is in the process of being issued by the statutory auditors.

The consolidated financial statements were prepared in accordance with the IFRS 16 standard. For purposes of comparability, the financial information below is presented excluding the application of IFRS 16.

2022 figures restated to reflect the impact of IFRS5 discontinued operations

Q2 Revenue

Revenue in Q2 2023 increased by 12.5%, at 1,266.6 million euros. The organic growth was high at 9.7%. This was driven notably by activity recovery in the Long-Term Care activities, with c.2.5 points rise in occupancy year on year over the quarter. As in Q1 2023, it is also reflecting the increase in tariffs in an inflationary environment.

Half year revenue and results 2023

In the first half of 2023, **revenue** totalled €2,484.8 million, up 12.2%, with organic growth at 9.3%. The 2.9% external growth is mainly related to Grupo 5 acquisition in Spain, reinforcing Clariane's European mental health platform.

The Group's **EBITDAR** in H1 2023 is € 538.3 million, up 2.9% and broadly stable in amount vs H1 2022, and progressing in all countries except in Germany, where tariff adjustments have partially covered cost inflation.

By country:

- In **France**, revenue amounted to €1,096.0 million, up 7.0% with 5.9% organically, supported by nursing homes progressive occupancy recovery, to 89% end of July 2023, as well as continued growth of the Healthcare activity, of which around a third from outpatient activity. The EBITDAR amounts to €266.7m, an increase of 5.4% notably driven by higher nursing home occupancy.
- In **Germany**, revenue reached €573.0 million, an increase of 7.8% and 13.0% organically, reflecting the tariff increase following the significant salary reset effective from September 2022. Limited reported growth is the effect of the disposals of 21 facilities during 2022. The EBITDAR amounts to €102.9m, vs €134.2m in H1 2022, as tariff adjustments obtained in H2 2022 proved to partially cover increased costs in Germany. A new campaign of tariff negotiations is ongoing.
- In the **Benelux**² region, revenue totalled €367.9 million. The reported growth remained high at 15.7% driven by the dynamic occupancy progress in Belgium as well as the organic expansion in the Netherlands. Organic growth is 15.9%. The EBITDAR amounts to €79.1m, up 24.9% driven by continued ramp-up in Netherlands and improved occupancy in Belgium.
- In **Italy**, revenue reached €311.5 million, up by 13.9%, supported by acquisitions of 2022. Organic growth was at 8.0% and EBITDAR amounted to €64.9m, up 17.9%, on the back of high nursing home occupancy rate and dynamic healthcare activities.
- In **Spain and the United Kingdom**³, revenue amounted to €136.4 million, up 101.2% due to Grupo 5 acquisition in Spain. Organic growth of 6.4% was driven by price increase and ramp-up in the United Kingdom. EBITDAR was at €24.7m vs €17.5m in H1 2022.

Clariane's **EBITDA** totalled €285.3 million in H1 2023, up 0.1% on H1 2022, impacted by rental cost increase.

Net profit from continued activities totalled €32.3 million, versus €24.6 million in H1 2022.

Operating Free Cash Flow amounted to €45m, vs €95m in H1 2022, impacted by negative working capital, notably in Germany due to the lengthening of payment delays from public payors, in a context of significant evolutions of the regulatory framework, and to a lesser extent in France.

A €3.2bn real estate portfolio

Clariane real estate portfolio updated valuation⁴ has been calculated on the basis of a 5.5% capitalisation rate (vs 5.4% in December 2022), reflecting the resilience of the healthcare asset class in countries where Clariane is present. This evolution has no impact on the assets valuation in the Group accounts, which are accounted at historic value.

Due to the change of control of Ages&Vie as of 30 June 2023, the Ages&Vie assets and debt have been removed from the portfolio (value of €299m as of 30 June 2023).

² Including €303.6m revenue in Belgium in H1 2023 vs €270.9m in H1 2022; and €64.3m in the Netherlands in H1 2023 vs €47.1m in H1 2022

³ Including Spain for €107.1m in H1 2023 vs €48.4m in H1 2022 and UK for €29.4m in H1 2023 vs €19.4m in H1 2022

⁴ 57% of the portfolio has been revalued by Cushman & Wakefield

Financial structure

The amount of investments excluding maintenance, in H1 2023, was € 375 million, corresponding to the end of a cycle of investments previously committed, with notably the Grupo 5 acquisition closed in January 2023.

Clariane has now finalised its investment cycle, and expects net investments to amount to around €50m in H2 2023, enabling the Group to be self-financed.

Net financial debt was up €237m versus end of 2022, and is expected to decrease over H2 2023. Financial leverage is at 4.1x and Loan to Value is at 58%, reflecting the impact of capitalisation rate on the portfolio value as of June 2023. This constitutes a high point before realisation of the real estate monetisation expected in 2023.

Financing

Clariane has announced on 25 July 2023 the signature of the **extension to May 2026 of its term loan** for an amount of €505 million, in line with the maturity of the existing Group Revolving Credit Facility (RCF) of €492.5m.

All existing banks remain part of the extended term loan, and two new banks have joined the syndicate. Some Schuldschein lenders have transferred their positions into the extended term loan.

In addition to this operation, Clariane has issued a privately placed **€40m sustainability linked bonds** with Eiffel Investment Group focused on the key drivers for the sector, notably the quality of care and the well-being of the staff.

This financing is aligned with the purpose driven company ambition and roadmap of the Group and includes ambitious and innovative ESG commitments. A highly incentivising structure depending on the achievement of its extra financial objectives has been implemented with an adjustment, downward and upward, of the interest rate.

Clariane continues the **roll out its real estate debt** according to plan and has contracted an amount of **€150m** since the beginning of the year.

As stated on 23 June 2023, Clariane has also raised **€120m in equity from a group of investors** composed of Amundi Immobilier, Covéa, Crédit Agricole Assurances and Malakoff Humanis, through their investment into a **real estate vehicle** holding a pan-European portfolio of 46 assets, valued c.€ 500 million according to the latest expertise.

Level of liquidity is at €0.9 billion as of June 30, 2023, including undrawn €500m RCF.

Perspectives - Guidance confirmed for 2023

Clariane confirms its financial objectives for 2023 i.e.:

- Expected organic growth of revenue more than 8%
- Stable EBITDAR in amount
- Progressive deleveraging path, with a financial leverage expected around 3.5x in December 2023, subject to completion calendar of planned Real Estate monetisation transactions

Presentation HY 2023 results Thursday 27th July 2023 at 6:45 pm CET

The link to access the live video webcast is available below. The presentation document will be available on Clariane website

https://channel.royalcast.com/landingpage/clariane-fr/20230727_1/

APPENDICES

Quarterly revenue

1st quarter 2023

	Revenue (€m)		Variation (%)	
	2023	2022	Reported Growth	Organic Growth
France	534.8	506.2	5.7%	4.6%
Germany	282.6	269.4	4.9%	12.1%
Benelux*	180.6	153.2	17.9%	18.0%
Italy	152.7	128.4	19.0%	8.9%
Spain, United-Kingdom**	67.4	32.6	106.9%	7.1%
Total	1,218.2	1,089.7	11.8%	8.8%

* Including €150.0m revenue in Belgium in Q1 2023 vs €130.5m in Q1 2022; and €30.6m in the Netherlands in Q1 2023 vs €22.6m in Q1 2022

** Including Spain for €53.6m in Q1 2023 vs €23.9m in Q1 2022 and UK for €13.8m in Q1 2023 vs €8.7m in Q1 2022

2nd quarter 2023

	Revenue (€m)		Variation (%)	
	2023	2022	Reported Growth	Organic Growth
France	561.2	518.2	8.3%	7.2%
Germany	290.4	262.2	10.7%	14.0%
Benelux*	187.2	164.8	13.6%	13.9%
Italy	158.8	145.2	9.4%	7.2%
Spain, United-Kingdom**	69.0	35.2	95.9%	5.8%
Total	1,266.6	1,125.7	12.5%	9.7%

* Including €153.6m revenue in Belgium in Q2 2023 vs €140.4m in Q2 2022; and €33.6m in the Netherlands in Q2 2023 vs €24.4m in Q2 2022

** Including Spain for €53.4m in Q2 2023 vs €24.5m in Q2 2022 and UK for €15.6m in Q2 2023 vs €10.8m in Q2 2022

1st half 2023

	Revenue (€m)		Variation (%)	
	2023	2022	Reported Growth	Organic Growth
France	1096.0	1024.4	7.0%	5.9%
Germany	573.0	531.6	7.8%	13.0%
Benelux*	367.9	318.0	15.7%	15.9%
Italy	311.5	273.6	13.9%	8.0%
Spain, United-Kingdom**	136.4	67.8	101.2%	6.4%
Total	2,484.8	2,215.4	12.2%	9.3%

* Including €303.6m revenue in Belgium in H1 2023 vs €270.9m in H1 2022; and €64.3m in the Netherlands in H1 2023 vs €47.1m in H1 2022

** Including Spain for €107.1m in H1 2023 vs €48.4m in H1 2022 and UK for €29.4m in H1 2023 vs €19.4m in H1 2022

Group income statement

€m	H1 2023 <i>Incl. IFRS 16</i>	<i>IFRS 16</i> <i>adjustments</i>	H1 2023 <i>Excl. IFRS</i> <i>16</i>	H1 2022 <i>Excl. IFRS</i> <i>16</i>	Δ
Revenue	2,484.8	-	2,484.8	2,215.4	269.4
<i>Growth%</i>	12.2%	-	12.2%	5.1%	+710 bps
Staff costs	(1,520.3)	-	(1,520.3)	(1,329.7)	(190.6)
<i>% of revenue</i>	61.2%	-	61.2%	60.0%	+120 bps
Other costs	(444.4)	18.1	(426.3)	(362.6)	(63.7)
<i>% of revenue</i>	17.9%	-	17.2%	16.4%	+80 bps
EBITDAR	520.2	18.1	538.3	523.1	15.2
<i>% of revenue</i>	20.9%	-	21.7%	23.6%	-190 bps
External rents	(38.2)	(214.8)	(253.0)	(238.2)	(14.8)
<i>% of revenue</i>	1.5%	-	10.2%	10.8%	-60 bps
EBITDA	482.0	(196.7)	285.3	284.9	0.4
<i>% of revenue</i>	19.4%	-	11.5%	12.9%	-140 bps
Amortisation & Depreciations	(316.5)	188.8	(127.7)	(120.4)	(7.3)
Provisions	(20.9)	-	(20.9)	(17.6)	(3.4)
EBIT	144.5	(7.9)	136.7	147.0	(10.3)
<i>% of revenue</i>	5.8%	-	5.5%	6.6%	-110 bps
Non current expenses	(23.0)	-	(23.0)	(37.3)	14.2
Operating income	121.5	(7.9)	113.7	109.7	3.9
<i>% of revenue</i>	4.9%	-	4.6%	5.0%	-40 bps
Financial result	(102.0)	38.6	(63.5)	(69.3)	5.9
Net income before tax	19.5	30.7	50.2	40.4	9.8
Income tax	(4.8)	(6.2)	(11.0)	(8.1)	(2.8)
<i>Tax rate</i>	24.5%	20.1%	21.8%	20.1%	+170 bps
Income from equity method	0.1	-	0.1	(0.8)	0.9
Minority Interests	(7.0)	-	(7.0)	(6.9)	(0.2)
Net result from continuing operations	7.8	24.5	32.3	24.6	7.7
Net result from discontinued operations	(6.6)	0.1	(6.7)	(2.9)	(3.8)
Net profit - Group share	1.2	24.6	25.6	21.7	3.9
<i>% of revenue</i>	0.0%	-	1.0%	1.0%	-

Group cash flow statement

€m	H1 2023	IFRS 16 impact	H1 2023	H1 2022
	<i>Incl. IFRS 16</i>		<i>Excl. IFRS 16</i>	<i>Excl. IFRS 16</i>
EBITDA	482.0	196.7	285.3	284.9
Non cash & others	(50.1)	21.6	(71.7)	(35.4)
Change in WC	(124.1)	0.5	(124.6)	(34.9)
Operating Capex	(55.3)	-	(55.3)	(48.9)
Operating cash flow	252.6	218.9	33.7	165.7
Income tax paid	(6.6)	0.0	(6.6)	(11.7)
Financial expenses paid/received	(19.9)	(38.2)	18.3	(58.9)
Free cash flow	226.1	180.7	45.4	95.0
Development Capex	(70.7)	-	(70.7)	(86.0)
Financial investments (bolt-on acquisitions)	(143.1)	-	(143.1)	(138.5)
Net Free cash flow	12.3	180.7	(168.4)	(129.4)
Dividends paid	-	-	-	-
Real estate investments / divestments	(161.5)	-	(161.5)	(166.3)
Partnership Real Estate	108.9	-	108.9	(3.0)
Other net debt	(383.2)	(383.9)	0.7	(38.7)
Cash flow from discontinued operations	(12.0)	-	(12.0)	(13.9)
Net debt variation	(435.5)	(203.2)	(232.3)	(351.2)

About Clariane

Clariane is the leading European community for care in times of vulnerability. It has operations in seven countries: Belgium, France, Germany, Italy, the Netherlands, Spain and the United Kingdom.

Relying on their diverse expertise, each year, the Group's 67,000 professionals provide services to over 800,000 patients and residents in three main areas of activity: long-term care nursing home (Korian, Seniors Residencias, Berkley, etc.), healthcare facilities and services (Inicea, Ita, Grupo 5, Lebenswert, etc.), and alternative living solutions (Petits-fils, Les essentiels, Ages et Vie, etc.).

In June 2023, Clariane became a purpose-driven company and added to its bylaws a new corporate purpose, common to all its activities: "To take care of each person's humanity in times of vulnerability".

Clariane has been listed on Euronext Paris Section A since November 2006 and is included in the following indices: SBF 120, CAC Health Care, CAC Mid 60, CAC Mid & Small and MSCI Global Small Cap

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