

Revenue for the nine months ended 30 September 2023

Solid revenue growth in the first nine months of the year

- **Organic revenue growth for the nine months ended 30 September 2023: +9.0%**
- **All regions and business lines contributing to growth**
- **New ESG Entity Rating of 2 from Sustainable Fitch, reflecting Clariane’s “good ESG profile”**
- **2023 guidance: organic revenue growth of more than 8%, stable amount of EBITDAR, leverage ratio around 3.8x, depending on the completion schedule of current real-estate partnerships**

Paris, 24 October 2023 – Clariane (CLARIA.PA – ISIN FR0010386334), announces its revenue for the nine months ended 30 September 2023.

(€ million)	First nine months of 2023	First nine months of 2022	Reported growth	Organic growth
Revenue	3,731.3	3,344.0	11.6%	9.0%
France	1,644.0	1,545.1	6.4%	6.1%
Germany	867.5	795.0	9.1%	12.7%
Belgium/Netherlands	557.1	488.9	14.0%	14.0%
Italy	455.1	409.3	11.2%	7.1%
Spain/UK	207.6	105.7	97.6%	8.6%

Sophie Boissard, CEO of Clariane, said: “The Group’s business continued to make steady progress in the first nine months of the year, despite an environment of continually tight caregiver recruitment and high inflation. This performance demonstrates the relevance and resilience of our diversified business model of caring for vulnerable people in the heart of their communities, through our specialist Long-Term Care, Healthcare, and Community Care networks.

I am delighted that the major ESG efforts made by the Clariane community have been acknowledged by the rating agency Sustainable Fitch, which awarded us a rating of 2 for our inaugural rating defined as a “good ESG profile”. This result commits us to pursue the fundamental work we have been doing in line with our commitments made when adopting our status as a mission company.

In July, the Group completed major financing milestones that demonstrated the continued confidence of its financial partners. However, credit conditions continue to tighten and will remain so for an extended period. In this context we are making improvement in cash-flow generation and control of our debt a priority and in addition to the very sharp reduction in development investment planned over the next few years, we are studying different options including the realisation of a programme of targeted disposals. Our recent investments and continuous improvements over recent years will support our growth and enable us to gradually improve our operational and financial performance.”

In this press release, and unless otherwise indicated, all changes are stated on a year-on-year basis (2023/2022), and at constant scope and exchange rates.

The main alternative performance measures, such as EBITDA, EBIT, net debt and financial leverage, are defined in the Group's Universal Registration Document, available on its website (www.clariane.com).

This press release may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets. These statements are by their nature subject to risks and uncertainties as described in the Company's Universal Registration Document available on its website (www.clariane.com). Accordingly, these statements do not necessarily reflect the Company's future performance, which may differ significantly. The Company does not undertake to provide updates of these statements. Further information about Clariane is available on its website (www.clariane.com).

Clariane's revenue in the first nine months of 2023 amounted to €3,731 million, up 11.6% on a reported basis and up 9.0% at constant scope and exchange rates. Reported growth was boosted by the acquisition of Grupo 5, but also adversely affected by disposals carried out in 2022, notably in Germany.

Across the Group as a whole, in the Long-Term Care segment, the occupancy rate rose to 88,0% in the first nine months of 2023 as opposed to 86,2% in the same period of 2022. This reflects a gradual return to a normalized post-Covid and the ramp-up of facilities that have recently been brought into service. To note, the occupation rate in September 2023 reached 88.9%.

The Group has delivered and refurbished 58 new facilities, representing 1,200 beds, over the period as a whole.

In the third quarter, revenue totalled €1,246.4 million versus €1,128.7 million in the previous year period, representing reported growth of 10.4% and organic growth of 8.3%.

7 Key performance indicators for the first nine months of 2023 by segment

All of the Group's business segments achieved significant growth:

(€ million)	First nine months of 2023	First nine months of 2022	Reported growth	Organic growth
Revenue	3,731.3	3,344.0	11.6%	9.0%
Long-Term Care	2,329.7	2,151.1	8.4%	8.9%
Healthcare	966.6	825.8	17.1%	5.6%
Community Care	435.0	367.2	18.5%	16.8%

7.1 Long-Term Care:

In the first nine months of 2023, revenue in this segment – generated notably by the Korian, Seniors Residencias and Berkley brands – amounted to €2,329.7 million, equal to 62.4% of the Group total, and represented reported growth of 8.4% and organic growth of 8.9%. Over the period as a whole, Clariane cared for around 90,000 residents in its Long-Term Care homes. This performance was driven by:

- A gradual increase in the occupancy rate: in the first nine months of 2023, at 88,0%, significantly higher than the year-earlier figure of 86,2%;

- The increase in regulated prices in all regions, and particularly in Germany, to reflect the increase in wages and operational costs;

In the third quarter, revenue in the Long-Term Care segment grew by 6.9% as reported and 8.1% on an organic basis, with revenue of €790.1 million against €739.6 million in the third quarter of 2022.

1.2 *Healthcare:*

This segment generated revenue of €966.6 million in the first nine months of the year, representing 25.9% of the Group total, and representing growth of 17.1% as reported or 5.6% on an organic basis. Operating under the Inicea brand in France and the Ita Salud and Grupo 5 brands in Spain, the Group's Healthcare facilities cared for more than 500,000 patients during the period.

Performance was driven by the following developments.

- Medical and rehabilitation care: the commissioning of new technical platforms and the extension of care capacity, with 8 projects delivered during the year, notably in France.
- Mental health: the acquisition of Spanish platform Grupo 5 has been completed, strengthening the Group's mental health business, and should generate around €330 million of revenue in 2023 (France, Spain, Italy).

To note, revenue of outpatient activities (consultations and partial hospitalisation) rose by more than 25% (13% on an organic basis).

In the third quarter, revenue in the Healthcare segment grew by 16.0% on a reported basis and 4.7% on an organic basis, with revenue of €308.0 million as opposed to €265.4 million in the third quarter of 2022.

1.3 *Community Care:*

Revenue in this segment, whose brands include Petits-Fils and Age & Vie, amounted to €435.0 million in the first nine months of 2023, representing 11.7% of the Group total and growth of 18.5% or 16.8% on an organic basis. Over the period as a whole, Clariane cared for more than 90,000 patients in this segment.

Performance was driven by the following developments.

- Ongoing development of the shared housing offering;
- Further strong growth in the homecare network.

In the third quarter, revenue in the Community Care segment grew by 20.0% on a reported basis and 17.1% on an organic basis, with revenue of €148.3 million as opposed to €123.6 million in the third quarter of 2022.

2 Key performance indicators for the first nine months of 2023 by geographical region

2.1 France

(€ million)	First nine months of 2023	First nine months of 2022	Reported growth	Organic growth
Revenue	1,644.0	1,545.1	6.4%	6.1%

Business levels remained firm in France throughout the period, with revenue up 6.1% on an organic basis.

- Revenue in the **Long-Term Care** segment includes the impact of revised pricing against a backdrop of high inflation, as well as a progression in volumes with an average occupancy rate of more than 87% over the period as a whole. As a result, revenue in this segment rose by 4.6% on an organic basis.
- The **Healthcare** segment achieved organic revenue growth of 6.3%. Each of the sub-segments of activity, homecare, mental health and medical and rehabilitation care, achieved significant growth over the period as a whole.
- Finally, the **Community Care** segment achieved strong growth (32.8% on an organic basis) in the first nine months of the year, driven by robust demand for services such as those offered by Age & Vie and Petits Fils.

The third quarter has confirmed the trends seen during the period as a whole, with revenue in France rising by 5.3% as reported and 6.4% on an organic basis.

2.2 Germany

(€ million)	First nine months of 2023	First nine months of 2022	Reported growth	Organic growth
Revenue	867.5	795.0	9.1%	12.7%

Revenue in Germany rose sharply in the first nine months of 2023, driven mainly by the significant price increases negotiated in 2022 with local authorities following consequent pay rises for staff in September 2022. Reported figures also include the impact caused by selling and closing of a total of 21 facilities in 2022.

Given very high inflation, a new round of negotiations has been underway since the spring with the various pricing authorities to review upwards the fares applicable throughout the network. To date, the results of these negotiations - which represent an average increase of 10% on an annual basis - have not made it possible to completely offset increases in non-wage costs, particularly energy and food costs. while payment times from the health insurance administration have increased significantly.

On this basis:

- The **Long-Term Care** segment posted organic growth of 12.3%, supported by price rises and a gradual increase in the occupancy rate to 87% for the period as a whole (versus around 86% in the first nine months of 2022).
- Revenue in the **Community Care** segment grew by 13.4%.

In the third quarter, revenue in Germany rose by 11.8% as reported and by 12.0% on an organic basis.

2.3 Benelux

(€ million)	First nine months of 2023	First nine months of 2022	Reported growth	Organic growth
Revenue	557.1	488.9	14.0%	14.0%
Of which Belgium	460.5	414.3	11.2%	11.1%
Of which Netherlands	96.7	74.6	29.5%	29.5%

Growth remained strong in the Benelux region, with revenue rising by 14.0% on an organic basis.

In Belgium:

- Revenue in the **Long-Term Care** segment rose by 10.9% on an organic basis. This was supported by the increase in the occupancy rate, which rose to 90% over the period as a whole (versus 86% in the same period of 2022), and by steady price increases, which fully offset the effect of inflation.
- The **Community Care** segment, meanwhile, achieved organic growth of 14.0%.

In the Netherlands: the Group's three business segments achieved firm growth throughout the period.

- **Long-Term Care** revenue rose by 24.3%, supported by an improvement in the occupancy rate to 76% over the period as a whole (versus 66% in the first nine months of 2022). This reflects the rapid ramp-up of recently completed greenfield facilities in favourable market conditions.
- Revenue in the **Healthcare** segment, which still accounts for less than 4% of the total in the Netherlands, grew by 8.4% on an organic basis.
- The **Community Care** segment, meanwhile, achieved organic revenue growth of 77.8%.

In the third quarter, revenue in Benelux rose by 10.7% as reported and by 10.4% on an organic basis. As regards individual countries, revenue rose 9.4% as reported in Belgium (9.0% on an organic basis) and 17.5% (both as reported and organically) in the Netherlands.

2.4 Italy

(€ million)	First nine months of 2023	First nine months of 2022	Reported growth	Organic growth
Revenue	455.1	409.3	11.2%	7.1%

Growth in the Italian market remained robust, with revenue rising by 7.1% on an organic basis. Adding in acquisitions made in 2022, reported growth was 11.2% in the first nine months of 2023.

- **Long-Term Care** revenue rose by 9.7%, supported by a high occupancy rate of 94% over the period as a whole (versus 91% in the first nine months of 2022).
- The **Healthcare** segment posted organic revenue growth of 4.1% in the first nine months of 2023, supported by significant improvements in the follow-up care, mental health and outpatient businesses.
- Finally, the **Community Care** segment achieved organic revenue growth of 8.8%.

In the third quarter, revenue in Italy rose by 5.7% as reported and by 5.2% on an organic basis.

2.5 Spain/UK

(€ million)	First nine months of 2023	First nine months of 2022	Reported growth	Organic growth
Revenue	207.6	105.7	97.6%	8.6%
Of which Spain	161.3	73.1	120.7%	5.0%
Of which UK	46.2	32.6	45.8%	16.5%

The region as a whole posted solid revenue growth of 8.6% on an organic basis, supported by price rises and the ramp-up of the UK business. Reported revenue surged by 97.6%, mainly due to the completion of the Grupo 5 acquisition.

In Spain:

- Revenue in the **Long-Term Care** segment rose by 10.4% on an organic basis. This was supported an occupancy rate of 84% in the first nine months of 2023 (versus 81% in the same period of 2022) and slight price increases.
- **Healthcare** revenue grew 0.9% on an organic basis and 198.7% as reported due to the acquisition of Grupo 5.
To note, since Grupo 5 was acquired, its organic growth has been strong, reaching 43% in the first nine months of 2023.
- The **Community Care** segment, which currently accounts for only 2.3% of revenue in Spain, achieved rapid organic growth of 12.9%.

In the United Kingdom, revenue grew 16.5% on an organic basis. This performance resulted from price rises and the ramp-up of facilities, with an occupancy rate of 84% in the first nine months of the year (versus 81% in the same period of 2022).

In the third quarter, revenue in the Spain/UK region rose by 88.1% on a reported basis due to the acquisition of Grupo 5, and by 10.2% on an organic basis. By individual country, revenue rose 119.4% as reported and 5.1% on an organic basis in Spain. In the UK, revenue growth in the third quarter of 2023 was 29.3% as reported and 19.7% on an organic basis.

3 Recent events

On 2 October, Sustainable Fitch awarded Clariane SE an ESG Entity Rating of 2 and an entity score of 63, reflecting its “good ESG profile”.

Fitch’s analysis reflects how Clariane integrates ESG considerations into its business, strategy and management. It also considers how Clariane evaluates, selects, manages and reports on the projects to which the proceeds of bond issues have been assigned.

Fitch also assessed:

- Clariane’s green bond (ISIN: FR0014003YZ5), awarding it a framework score of 81;
- the Company’s social bond (ISIN: FR00140060J6), awarding it a framework score of 80.

This led to a combined ESG Instrument Rating of 2 and an instrument score of 72.

These ratings reflect Clariane’s overall good ESG profile according to Fitch’s assessment of the environmental and social impact of its business activities. Fitch’s assessment included the eligibility and alignment of Clariane’s business activities and use of proceeds with taxonomies of reference, and its level of contribution to the UN Sustainable Development Goals.

The assessment recognises efforts made by Clariane in the ESG space in recent months, in line with the adoption of its status as a purpose-driven company.

4 Outlook - Guidance for 2023

Clariane confirms its operational targets for 2023:

- Organic revenue growth of more than 8%;
- Stable EBITDAR in amount.

Progressive deleveraging path, with financial leverage expected to be around 3.8x in December 2023, depending on the completion schedule of current real-estate partnerships.

5 Conference call: 25 October 2023, 3pm (CET)

To accompany the publication of its revenue figures for the nine months ended 30 September 2023, Clariane will hold a conference call in English, led by Philippe Garin, Chief Financial Officer.

To connect:

- Call the following numbers:
 - Paris: +33 (0)1 70 37 71 66
 - UK: +44 (0)33 0551 0200
 - US: +1 786 697 3501
- Watch the live webcast **here**

A playback of the conference call will be available **here**.

The presentation used in the conference call will be available on Clariane’s website (www.clariane.com) from 12pm (CET).

6 Next event:

Publication of 2023 results on 28 February 2024 after the Euronext Paris market close

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 70,000 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

Euronext ticker: CLARI - ISIN: FR0010386334

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Annex

Quarterly revenue

First quarter 2023

	Revenue (€ million)		Change (%)	
	First quarter		Reported	Organic
	2023	2022	growth	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/UK**	67.4	32.6	106.9%	7.1%
Total	1,218.2	1,089.7	11.8%	8.8%

* Including €150.0 million in Belgium in Q1 2023 vs. €130.5 million in Q1 2022 and €30.6 million in the Netherlands in Q1 2023 vs. €22.6 million in Q1 2022

** Including €53.6 million in Spain in Q1 2023 vs. €23.9 million in Q1 2022 and €13.8 million in the UK in Q1 2023 vs. €8.7 million in Q1 2022

Second quarter 2023

	Revenue (€ million)		Change (%)	
	Second quarter		Reported	Organic
	2023	2022	growth	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/UK**	69.0	35.2	95.9%	5.8%
Total	1,266.6	1,125.7	12.5%	9.7%

* Including €153.6 million in Belgium in Q2 2023 vs. €140.4 million in Q2 2022 and €33.6 million in the Netherlands in Q2 2023 vs. €24.4 million in Q2 2022

** Including €53.4 million in Spain in Q2 2023 vs. €24.5 million in Q2 2022 and €15.6 million in the UK in Q2 2023 vs. €10.8 million in Q2 2022

Third quarter 2023

	Revenue (€ million)		Change (%)	
	Third quarter		Reported	Organic
	2023	2022	growth	growth
France	548.0	520.6	5.3%	6.4%
Germany	294.5	263.4	11.8%	12.0%
Benelux*	189.2	170.9	10.7%	10.4%
Italy	143.6	135.8	5.7%	5.2%
Spain/UK**	71.1	37.9	88.1%	10.2%
Total	1,246.4	1,128.6	10.4%	8.3%

* Including €156.9 million in Belgium in Q3 2023 vs. €143.3 million in Q3 2022 and €32.4 million in the Netherlands in Q3 2023 vs. €27.6 million in Q3 2022

** Including €54.3 million in Spain in Q3 2023 vs. €24.7 million in Q3 2022 and €16.9 million in the UK in Q3 2023 vs. €13.2 million in Q3 2022