



# Strengthening the financial structure Refinancing the Group in a deteriorated credit market

14/11/2023

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## DISCLAIMER

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*Prospectus relating to the capital increase will be submitted by Clariane S.E. to the approval of the Autorité des marchés financiers (AMF) before the effective launch the capital increase.*

*Any forward-looking statements included herein only speak as at the date of this press release. Clariane S.E. does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law.*




# KEY HIGHLIGHTS

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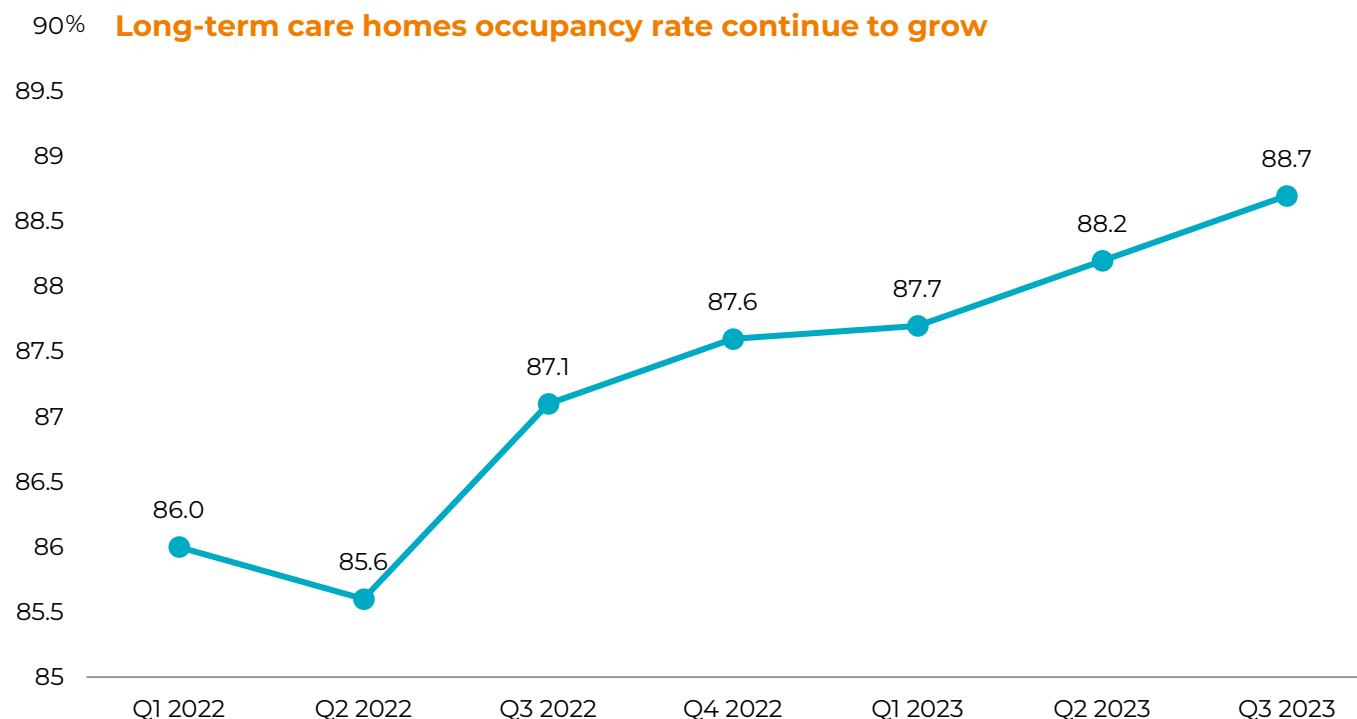
- **1.5 billion euros action plan approved by Clariane's Board of Directors to restore access to financing in the short-term, and strengthen the Group's financial structure, encompassing :**
  - *Short-term equity and debt financing of 430 million euros*
  - *Asset disposal programme activated from 2024 for gross proceeds of c.1 billion euros*
  - *Proposed capital increase with preference subscription rights to raise 300 million euros in 2024*
- **Strong support by Clariane's main shareholder**
- **Placing Clariane back on track to deliver on its value creation path with an healthy balance sheet**

# CLARIANE CONTINUES TO DELIVER RESILIENT OPERATIONAL PERFORMANCE ACROSS GEOGRAPHIES AND ACTIVITIES

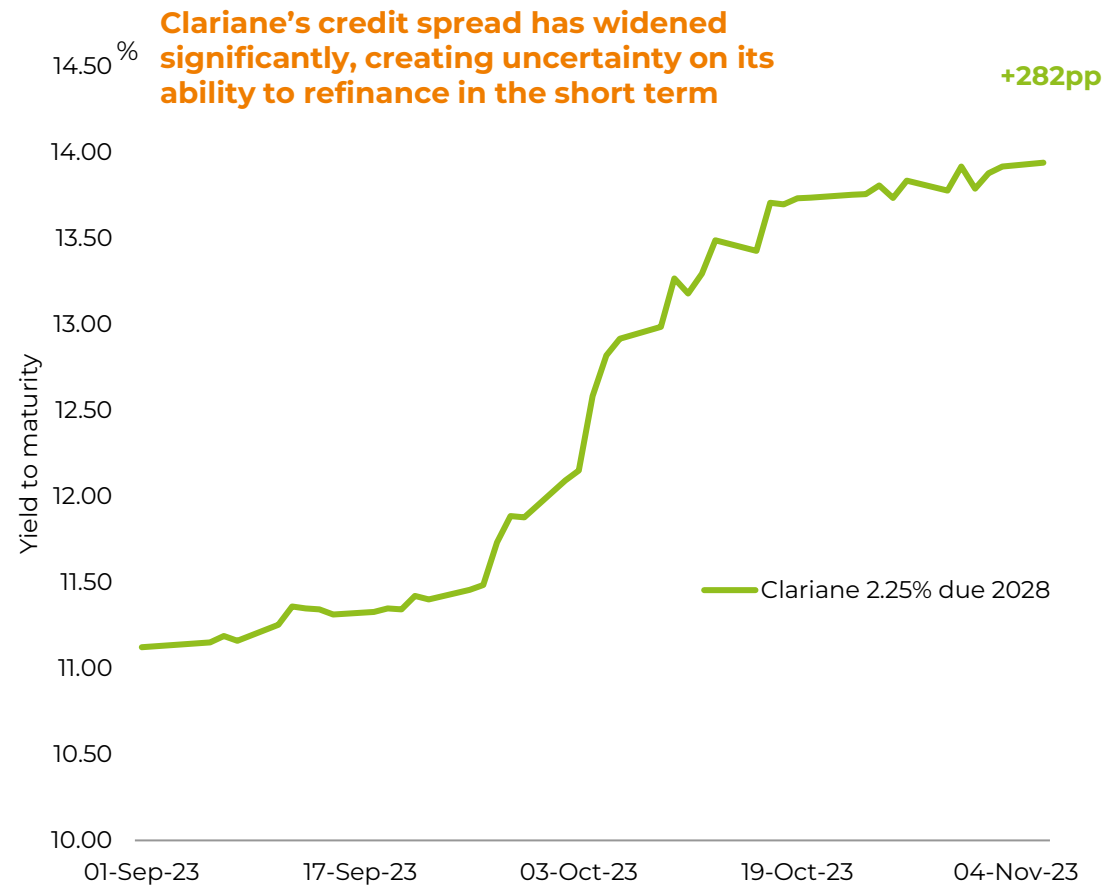
9M2023 Growth by country	Reported growth	Organic growth
France	6.4%	6.1%
Germany	9.1%	12.7%
Benelux	14.0%	14.0%
Italy	11.2%	7.1%
Spain, UK	97.6%	8.6%
<b>Total</b>	<b>11.6%</b>	<b>9.0%</b>

9M2023 Growth by activity	Reported growth	Organic growth
Long Term Care 	8.4%	8.9%
Healthcare 	17.1%	5.6%
Community Care 	18.5%	16.8%
<b>Total</b>	<b>11.6%</b>	<b>9.0%</b>

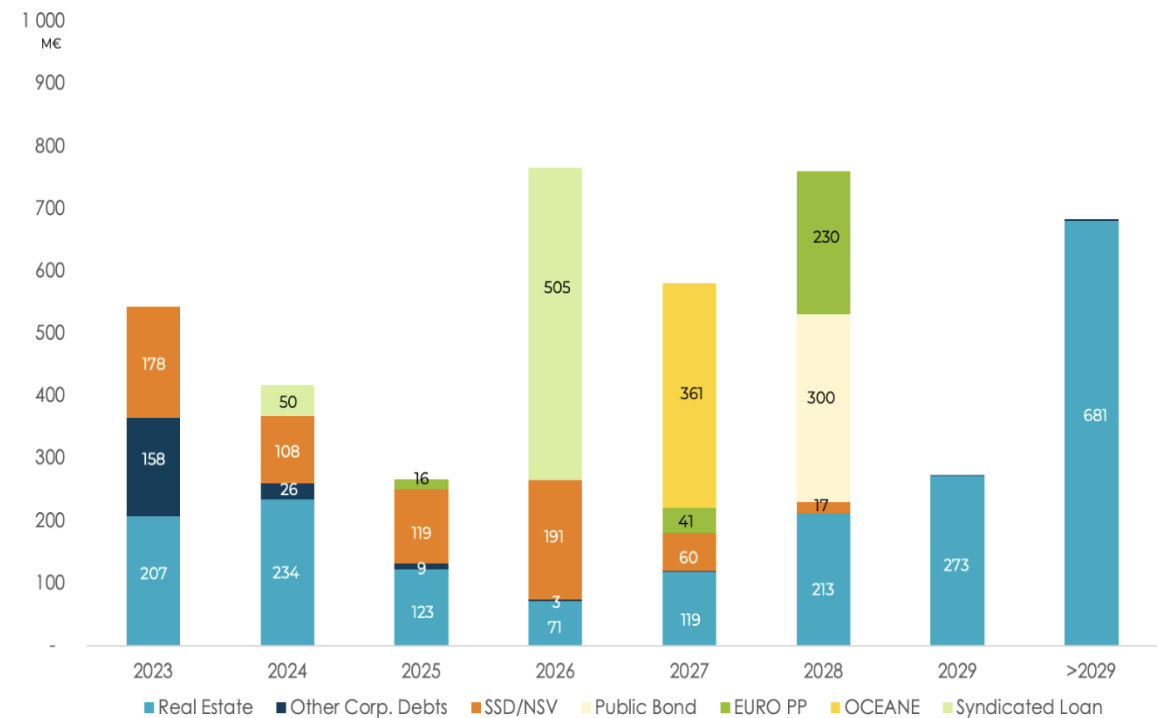
All geographies growing well with a strong and sustained organic growth in all activities



# CREDIT CONDITIONS SIGNIFICANTLY DETERIORATING IMPLYING NO ACCESS TO DEBT CAPITAL MARKETS

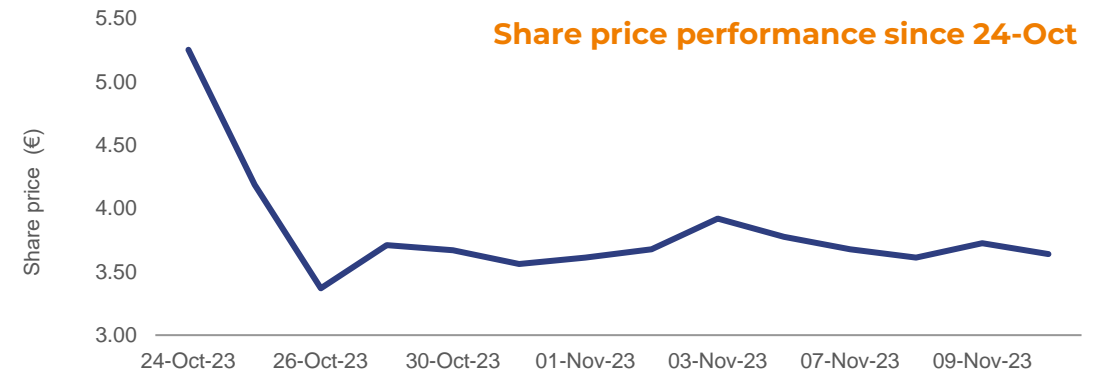
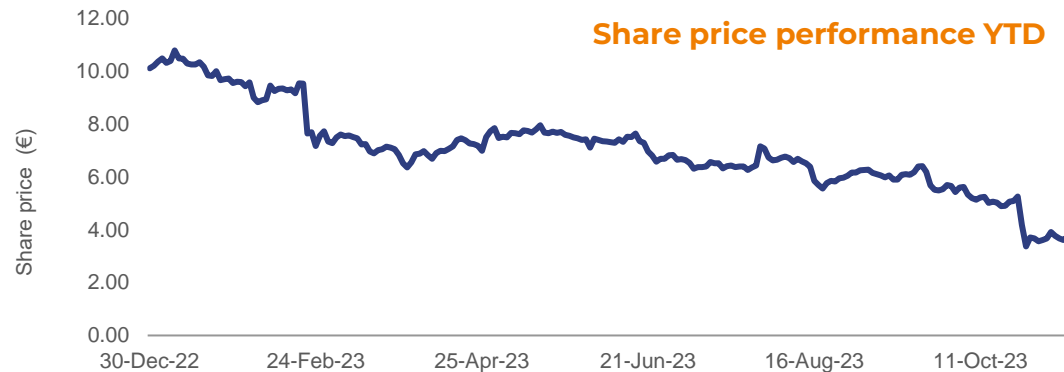


**Access to debt markets is a key pillar of Clariane's financing strategy (July 27, 2023)**



# Q3 PUBLICATION : REVISED LEVERAGE FULL YEAR 2023 GUIDANCE LED TO A CREDIT FREEZE FOR CLARIANE

- Share price drop after Q3 revenue release, suspended well advanced negotiation on the two real-estate partnerships forecasted for completion in 2023
- The Group decided on 3-Nov, to fully draw its existing €500m revolving credit facility
- Access to real estate and corporate debt markets have been significantly reduced
- Refinancing of €650 million short-term maturities until June 2024 under pressure



# PLAN TO STRENGTHEN THE GROUP'S FINANCIAL STRUCTURE

Action plan supported by the Group's main shareholder, with 4 key initiatives aiming to strengthen Clariane's liquidity and financial structure, enabling the Group to successfully pursue its mission in the new economic environment:

*"Take care of each person's humanity in times of vulnerability"*

1

€140m new real estate equity partnership and further backstop of another partnership for €90m

2

€200m real estate debt secured for 2024

3

€300m proposed rights issue

4

€1bn contemplated asset disposal program from 2024 onwards

# 1 NEW LONG-TERM REAL ESTATE EQUITY PARTNERSHIP

Entry into exclusive negotiation with Crédit Agricole Assurances to finalize new real estate equity partnership alongside a backstop for second new real estate equity partnership

- Exclusive negotiations on an attractive portfolio of 9 long-term senior care assets and 10 medical care services assets in France, representing a total of 1,470 beds to bring €140m
  - Total asset gross value of approx.€268m, in line with expert valuation
  - Clariane-controlled real estate vehicle
  - Target closing: before year end
- Provision by CAA of a guarantee for the finalization of a second real-estate partnership, if needed, for €90m by december 2023

Further milestone in Clariane's Asset Smart financing strategy expected to bring €230m liquidity to the Group

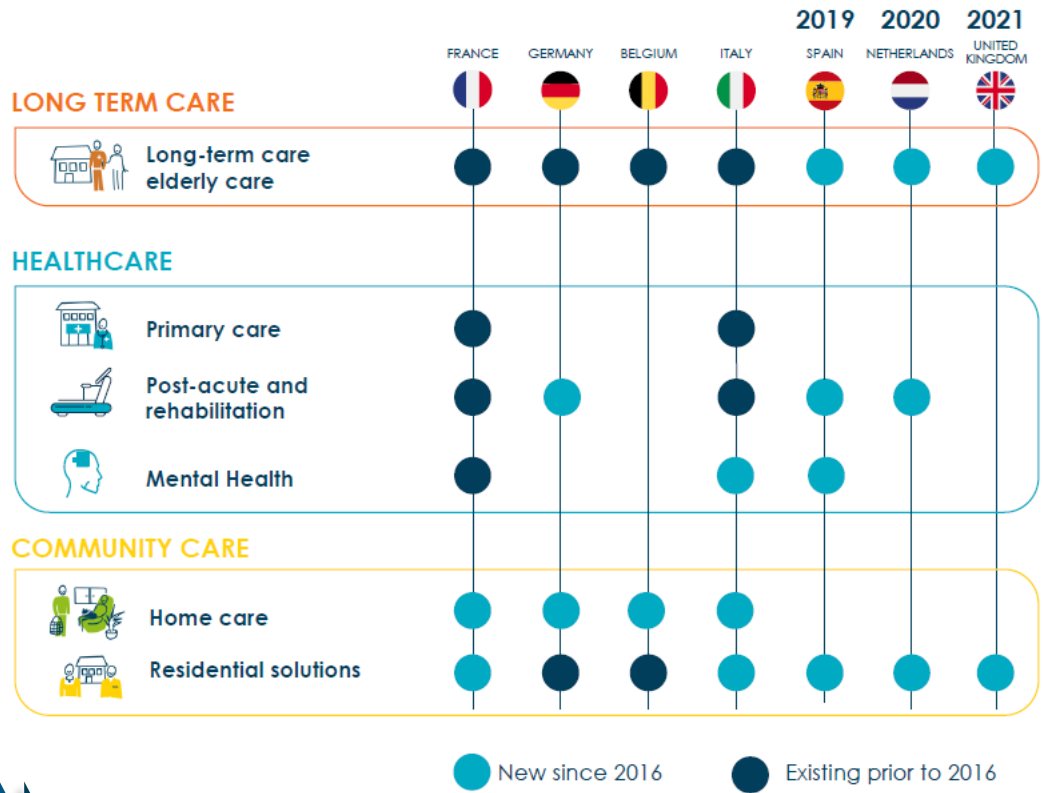
# 2 €200M REAL ESTATE DEBT SECURED FOR 2024

€200 million securing refinancing of real estate debt due H2 2023, with Crédit Agricole Group



# 3 ASSET DISPOSAL PROGRAMME

## Overview of Clariane's footprint



## Strategic considerations

- Refocus on geographies where the Group has:
  - Strong strategic positioning
  - Exposure to its 3 core activities
- Identification of potential disposals representing at least €1bn gross proceeds (opco/propco), based of expression of interest : Belgium, Netherlands...

## Execution plan as of 2024

## 4

## PROPOSED €300M RIGHTS ISSUE

## Key terms

Amount

€300m

Structuring

With preferential subscription rights

Commitments to underwrite

€200m by Crédit Agricole Assurances  
€100m by other banks

Expected timing

H1 2024

## Next steps

- EGM to be convened in Q1 2024 to vote new financial authorizations
- Crédit Agricole Assurances' guarantee commitment will be subject to the pre-conditions such as :
  - AMF clearance
  - Antitrust
  - Oceane bond holder waiver

A €300m strengthening of Clariane's equity capital reinforcing the financial structure

# OPERATIONAL GUIDANCE ANNOUNCED DURING Q3 2023 SALES REITERATED

FY 2023

**ORGANIC REVENUE  
GROWTH**

**>8%**

**EBITDAR**

**STABLE  
IN AMOUNT**

**LEVERAGE**


**c.3.8x**  
SUBJECT TO REAL ESTATE  
MONETISATION TRANSACTIONS


# STRONG OPERATIONAL AND STRATEGIC BASIS FOR VALUE CREATION

Serving 70% of people aged over 65 in Europe  
+700 local communities served through a wide local network

 **Long-term care**  
Pan European leader

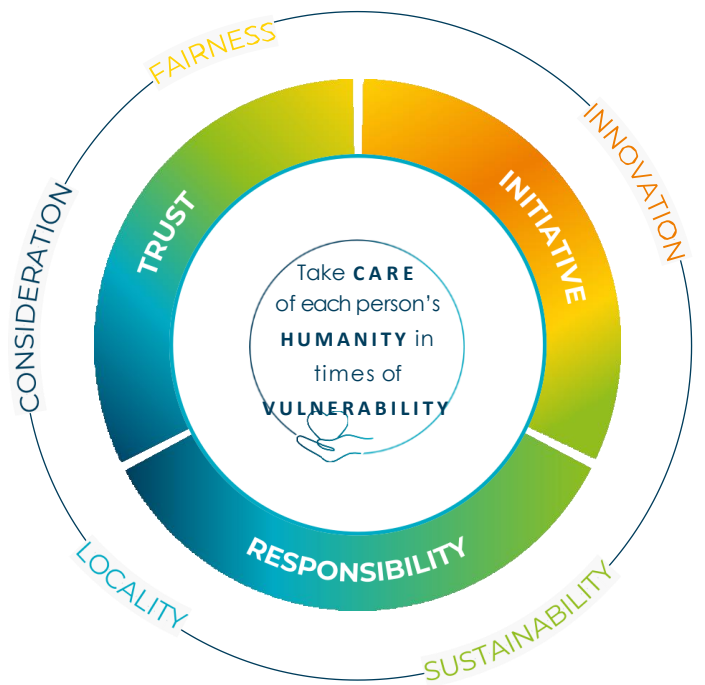
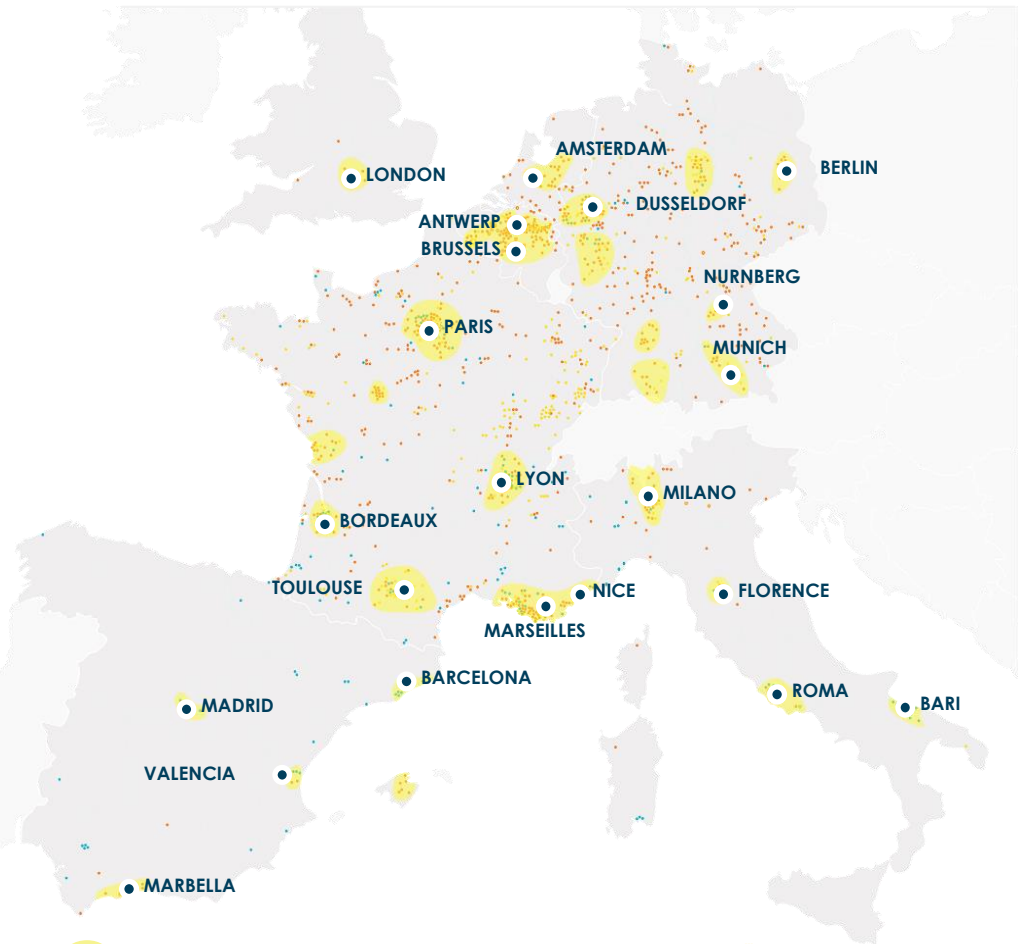
**Ranking**  
  
**#1**

 **Healthcare**  
Scaled platform

**Ranking**  
  
**#2** Post-Acute  
**#3** Mental Health

 **Community care**  
Innovation serving an exploding demand

**Ranking**  
  
**#1** **Petits fils**  
SERVICES AUX GRANDS-PARENTS  
Leading Innovation



70 000 professionals  
Over 800 000 patients and residents

# CONCLUSION



**Successful implementation of the announced action plan will enable to improve the Group's financial situation in the short and medium term enabling Clariane to face the key dates of 2026 with confidence :**

- Coverage of 2024 liquidity requirements
- Compliance with financial covenants
- Operating leverage target confirmed at around 3.8x at end 2023
- Operating leverage target significantly below 3x by the end of 2025
- Real-Estate LTV objective of 55%

**Local healthcare, care for those most vulnerable, and support for the elderly and dependent people are major, long-term challenges throughout Europe, Clariane :**

- is ideally positioned in this promising segment
- has the critical mass and level of expertise required



**With a healthy balance sheet, Clariane will be able to execute its value creation plan with confidence**