

## First half 2024 on track 2024 guidance confirmed

- **Revenue increased by 6.8% in organic terms in the first half of 2024**, supported by all **businesses and regions** with notably a nursing home occupancy rate at **90.5%** in June 2024, up from 88.3% in June 2023. Over the first half as a whole, the average occupancy rate was **89.5%** (excluding the United Kingdom), compared with 87.9% in the first half of 2023.
- **EBITDA, excluding IFRS 16 and disposals, rose 3.5%**. As anticipated, the margin was down only slightly due to the strong reduction of the real estate development business. Excluding this effect, the margin would be up by 75 basis points, reflecting the tight grip on operating costs and the initial effects of the recovery in Germany. EBITDA including IFRS16 is up 7,5%, on a published basis, compared with the first half of 2023
- **The Group made a net loss of €3 million from continuing operations excluding IFRS 16**, including notably the impact of the interim financing costs put in place in anticipation of the capital increase and disposals in the first half; net profit, Group share excluding IFRS 16, at -€28m, includes the loss on the disposal of the serviced residence business in France in June 2024.
- **Operating free cash flow excluding IFRS 16 rose sharply to €74 million**, versus €45 million in the first half of 2023.
- **The Group made good progress with its plan to strengthen its financial position:**
  - Successful capital increases raising a total gross amount of **€329 million**, with the rights issue being **168%** oversubscribed.
  - Disposal programme well underway with around **40%** of the total amount secured during the period out of an expected total of €1 billion to be raised by 2025.
- **The financial leverage ratio improved by 50 basis points, falling to 3.6x\*** versus 4.1x at 30 June 2023, and 3.8x at 31 December 2023, and the **LTV was 63%** versus 58% at 30 June 2023 and 61% at 31 December 2023; this transitory increase in the LTV is due to the low level of debt in the portfolios sold (mix effect) and due to higher capitalisation rates.
- The Group reached new milestones in terms of achieving its **ESG roadmap** targets, including validation of its greenhouse gas reduction trajectory by the SBTi.
- **The Group is confirming its 2024 objectives:** organic **revenue** growth of over 5% and **EBITDA at least stable** excluding IFRS 16 and disposals.

The main financial statements for the first half of 2024\*\* will be available in full on [www.clariane.com](http://www.clariane.com).

In millions of euros –	H1 2023 reported	H1 2023 Pro forma of disposals	H1 2024	Change
<b>Revenue</b>	2,485	2,467	2,636	
<i>As reported</i>				<b>+6.1%</b>
<i>Organic</i>				<b>+6.8%</b>
<b>EBITDAR excluding IFRS 16</b>	538	533	560	
<i>As reported</i>				<b>+4.0%</b>
<i>Excluding disposals</i>				<b>+5.1%</b>
<b>EBITDA excluding IFRS 16</b>	285	280	290	
<i>As reported</i>				<b>+1.6%</b>
<i>Excluding disposals</i>				<b>+3.5%</b>
<i>EBITDA margin excl. IFRS 16</i>	11.5%	11.4%	11.0%	
<b>EBITDA including IFRS 16</b>	482	477	518	
<i>As reported</i>				<b>+7.5%</b>
<b>Net profit from continuing operations excluding IFRS 16</b>	32	29	-3	
<b>Net profit Group Share excluding IFRS 16</b>	26	23	-28	
<b>Net profit Group Share including IFRS 16</b>	1	1	-52	
<b>Operating free cash flow excluding IFRS 16</b>	45		74	

\* As agreed with the banks that are party to the syndicated credit facility, the financial leverage ratio at 30 June 2024 factors in the rights issue completed on 5 July 2024, the net proceeds of which totalled €234.4 million (see section 4 "Balance sheet" below).

\*\* The consolidated financial statements for the first half of 2024 were approved by the Board of Directors at its meeting of 5 August 2024. The consolidated financial statements were prepared in accordance with IFRS 16. For comparability purposes, the financial information below is presented excluding the application of IFRS 16. The limited review of the condensed consolidated interim financial statements has been performed and the statutory auditors are in the process of issuing an unqualified report.

**Sophie Boissard**, CEO of Clariane, said:

 Through the dedication of all Clariane employees, for which I am grateful, and the relevance of our business model based on a diversified portfolio of businesses and geographical markets, Clariane achieved a solid performance in the first half, particularly in Germany, where we are seeing the initial impact of our plan to restore margins.

More than ever, we remain focused on fulfilling our mission of caring for fragile people and on implementing our non-financial commitments, both social and climate-related. The SBTi has validated our greenhouse gas reduction targets and we are having regular constructive discussions with our Mission Committee, which published its first report on its work in April.

I am delighted that we have already been able to complete three of the four key components of our plan to strengthen our financial position, which we began on 14 November 2023. In particular, the capital increases we carried out in June have bolstered our shareholder group, with the arrival of HLD Groupe and increased stakes for Flat Footed and Leima Valeurs, alongside our long-standing shareholder Crédit Agricole Assurances. We are actively working on completing our €1 billion asset disposal plan, of which we secured 40% in the first half of 2024. This final component of the plan will enable us to hit our 2025 debt reduction targets.

Buoyed by our achievements and the momentum resulting from our “At Your Side” corporate project, we are looking ahead to the second half of 2024 with confidence and determination.



#### **Important information**

*This document contains forward-looking statements that involve risks and uncertainties, including those included or incorporated by reference, concerning the Group's future growth and profitability that could cause actual results to differ materially from those indicated in the forward-looking statements. These risks and uncertainties relate to factors that the Company cannot control or estimate precisely, such as future market conditions. The forward-looking statements contained in this document constitute expectations of future events and should be regarded as such. Actual events or results may differ from those described in this document due to a number of risks and uncertainties described in Chapter 2 of the 2023 Universal Registration Document filed with the AMF on 30 April 2024 under registration number D.24-0380, as amended (i) in section 3 of the amendment filed with the AMF on 31 May 2024 under number D. 24-0380-A01 (the "First Amendment") and (ii) in section 2 of the amendment filed with the AMF on 12 June 2024 under number D. 24-0380- A02 (the "Second Amendment") available on the Company's website ([www.clariane.com](http://www.clariane.com)) and that of the AMF ([www.amf-france.org](http://www.amf-france.org)). All forward-looking statements included in this document speak only as of the date of this press release. Clariane S.E. undertakes no obligation and assumes no responsibility to update the information contained herein beyond what is required by applicable regulations.*

*Readers are cautioned not to place undue reliance on these forward-looking statements. Neither Clariane nor any of its directors, officers, employees, agents, affiliates or advisors accepts any responsibility for the reasonableness of any assumptions or opinions expressed or for the likelihood of any projections, prospects or performance being achieved. Any liability for such information is expressly excluded. Nothing in this document is, or should be construed as, a promise or representation regarding the future. Furthermore, nothing contained in this document is intended to be or should be construed as a forecast of results. Clariane's past performance should not be taken as a guide to future performance.*

*In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2024/2023), and at constant scope and exchange rates.*

*The main alternative performance indicators (APIs), such as EBITDA, EBIT, net debt and financial leverage, are defined in the Universal Registration Document available on the company's website at [www.clariane.com](http://www.clariane.com).*

# 1 - Financial performance in the first half of 2024: key elements

## 1.1 - Group income statement

### 1.1.1 - Analysis of revenue on a reported basis and at constant scope and exchange rates

The Group's consolidated revenue in the first half of 2024 totalled €2,636 million, representing reported growth of 6.1% and organic growth of 6.8%. That performance confirms the relevance of the Group's strategy and business model, which is based on a diversified portfolio of businesses and geographical markets.

At 30 June 2024, the network consisted of 1,217 facilities versus 1,222 in at 31 December 2023, representing almost 90,000 beds. Disposals of facilities in the United Kingdom (12 facilities) and of Les Essentielles (18 facilities) in France were almost fully offset by adding three long-term care facilities to the portfolio in Spain and by bringing into service 29 greenfield facilities, mainly in France (13 new Ages & Vie facilities and one long-term care facility), Spain (eight healthcare facilities and services), the Netherlands (three long-term care facilities) and Belgium (three facilities).

The Group also continued its efforts to restructure its portfolio during the period, with the closure of seven facilities (four in Italy, two in Belgium and one in Germany).

On that basis, the Group's 60,000 healthcare professionals cared for around 566,000 residents and patients in the first six months of the year.

Organic revenue growth of 6.8% resulted from the following factors:

- Higher business volumes of 3.2%. This had a net positive impact of €79 million (higher volume of days billed in mature networks and additional capacity coming onstream);
- Price increases of 3.6%, with a positive impact of €92 million, particularly in France, Germany and the Belgium/Netherlands region.

The **Long-Term Care** business, which accounted for just over 61% of the Group's business activity in the first half of 2024 versus 62% in the first half of 2023, generated **revenue** of €1,618 million, up from €1,540 million in the year-earlier period. This represented reported growth of 5.1% despite the disposal of Berkeley Care, which took effect on 9 April 2024, and organic growth of 7.2%. As of 30 June 2024, the Group operated 669 specialist nursing homes, a slight decrease compared with 31 December 2023 (674 facilities), mainly due to the disposal of the Group's UK business, which was partly offset by the opening of new facilities, particularly in Spain and the Netherlands.

Organic growth was driven by ongoing growth in business volumes, as reflected by the rising occupancy rate, which averaged 89.5% in the first half of 2024 (excluding the UK) versus 87.9% in the first half of 2023, and by price adjustments. It should be noted that the average occupancy rate in 30 June 2024 was 90.5% versus 88.3% as of June 2023.

The **Healthcare** business generated €680 million of revenue in the first half of 2024, around 26% of the Group total, a reported growth of 3.3% and organic growth of 3.5%, with 2.4% coming from higher business volumes and 1.1% from price adjustments. At 30 June, the Group operated 281 facilities and consultation centres, up from 276 at 31 December 2023.

Business volumes in outpatient activities in France (consultations and partial hospitalisation) rose by 12%, with more than 292,000 outpatient care sessions during the period.

Revenue in the **Community Care** business, whose brands include Petits-fils and Ages & Vie, amounted to €338 million in the first half 2024. This represented almost 13% of the Group total, along with reported growth of 17.8% and organic growth of 12.6%.



In the first half of 2024, almost 64,000 patients used Clariane's Community Care services across its 267 shared housing facilities and home care branches.

Performance was driven by:

- Further development of the shared housing network;
- Ongoing strong growth in the home care network.

### 1.1.2 - EBITDAR and EBITDA

EBITDAR excluding IFRS 16 was €560 million in the first half of 2024, versus €538 million in the first half of 2023, representing growth of 4.0% as reported and 5.1% excluding disposals.

EBITDA excluding IFRS 16 amounted to €290 million versus €285 million in the first half of 2023, a growth of 1.6% as reported and 3.5% excluding disposals. That performance was the result of margins remaining resilient in all regions despite the impact of cost inflation in the last 12 months. Initiatives adopted in Germany to adjust to particularly difficult sector conditions allowed the Group to increase its margins significantly compared with the first half of 2023.

The increase in EBITDA excluding IFRS 16 resulted from the positive impact of:

- Higher business levels (+€24 million);
- Higher prices (+€92 million) and a limited increase in operating expenses (-€79 million), resulting in a net positive price effect of €13 million.

These positive effects more than offset the negative impact of:

- A decrease in the contribution of real-estate development activities (-€29 million);
- Changes in scope (-€4 million) mainly related to the disposal of the UK business.

Taking into account these effects, EBITDA margin excluding IFRS 16 was 11.0% in the first half of 2024, versus 11.4% in the same period of 2023. Adjusted for the effects of the reduction in real estate development activities, the margin would be up by +75 basis points, reflecting the resilience of operating expenses and the initial effects of the recovery in Germany.

EBITDA including IFRS16 is up 7,5% compared with the first half of 2023.

### Net profit from continuing operations excluding IFRS 16

The Group made a net loss of €3 million from continuing operations in the first half of 2024 versus a profit of €32 million in the first half of 2023.

The decrease was mainly due to:

- A €17 million increase in depreciation, amortisation and provisions from €149 million in the first half of 2023 to €165 million in the first half of 2024, arising particularly from the opening of new facilities;
- A €33 million increase in net financial expense to €96 million in the first half of 2024 versus €64 million in the first half of 2023, due in particular to the reduced positive impact of hedging and the cost of bridge loans arranged to ensure the Group's liquidity pending disposals and the capital increases completed in July 2024.

These negative factors were partly offset by a €15 million reduction in tax expense.

Finally, Clariane made a **net loss Group share excluding IFRS 16** of €28 million versus a profit of €26 million in the first half of 2023, taking into account additional operating losses and capital losses on the disposal of the assisted living facilities business, which was sold at the end of June 2024. The company points out that these activities had been classified as assets held for sale since 2022..

## 1.2 - Performance by geographical zone

### 1.2.1 - France

In millions of euros	H1 2023	H1 2024	Reported growth	Organic growth
<b>Revenue</b>	1,096	<b>1,173</b>	+7.0%	+5.9%
<b>IFRS 16</b>	267	<b>260</b>	-2.7%	
<i>EBITDAR margin</i>	24.3%	<b>22.1%</b>		

**Revenue** remained firm in France throughout the period, rising by 5.9% on an organic basis.

- Organic revenue growth in the **Long-Term Care** segment was 5.5% over the period as a whole. That increase reflects both the positive impact of price adjustments and higher volumes, with the average occupancy rate continuing to rise to 88.6% during the first half versus 86.9% in the first half of 2023 based on the network of operational facilities. The occupancy rate was 88.9% in June 2024, up from 86.6% in June 2023.
- The **Specialty Care** segment achieved organic revenue growth of 3.6% in the first half of 2024. Each sub-segment – mental health, medical and rehabilitation care and home care – achieved significant growth during the period, driven by higher business volumes in outpatient and partial hospitalisation activities. This came in the context of the implementation of the new pricing framework applicable in France for mental health and medical care and rehabilitation activities (with a fixed annual allocation representing 100% or 50% of revenue respectively).
- Finally, the **Community Care** segment achieved strong growth in the first half (revenue up 35.1% on an organic basis, adjusted for the deconsolidation of Ages&Vie's real-estate development activities in the second half of 2023), driven by robust demand for services such as those offered by Ages&Vie and Petits-fils.

This resulted in **EBITDAR** of €260 million in the first half of 2024 versus €267 million in the first half of 2023, despite the weak contribution from real-estate development activities, mainly at Ages & Vie, which amounted to €34 million in the first half of 2023. This effect accounted for all of the decrease in EBITDAR margin from 24.3% in the first half of 2023 to 22.1% in the first half of 2024. Adjusted for these real-estate development effects, EBITDAR margin would increase by +80 basis points reflecting the dynamism of the business and the resilience of operating costs.

### 1.2.2 - Germany

In millions of euros	H1 2023	H1 2024	Reported growth	Organic growth
<b>Revenue</b>	573	<b>618</b>	+7.8%	+8.3%
<b>IFRS 16</b>	103	<b>122</b>	+18.2%	
<i>EBITDAR margin</i>	18.0%	<b>19.7%</b>		

**Revenue** in Germany rose sharply in the first half of 2024, driven by higher business volumes and the initial impact of price increases negotiated in 2023 with local authorities. Business growth and the strategy of increasing prices that was put in place in 2023 and continued in 2024, combined with measures specific to the market context seen in recent years, enabled the Group to initiate a clear recovery in its margin in this region in the first-half period.

Looking at individual business segments:



- The **Long-Term Care** segment posted organic revenue growth of 8.8%, supported by price rises and an occupancy rate that rose from 86.6% in the first half of 2023 to 89.3% in the first half of 2024. The occupancy rate was 90.1% in June 2024, up from 87.4% in June 2023.
- Revenue in the **Community Care** segment grew by 7.4% on an organic basis.

**EBITDAR** in Germany amounted to €122 million in the first half of 2024, versus €103 million in the first half of 2023. After particularly rapid cost inflation in 2023, negotiated price rises combined with the Group's efforts to adapt to the new operating environment enabled it to resume growth in EBITDA margin in Germany, with a 170-basis-point improvement compared with the first half of 2023.

Buoyed by these initial positive results, the Group is continuing to refocus its network in this country with the aim of bringing profitability back to normal levels in 2025.

### 1.2.3 - Benelux

In millions of euros	H1 2023	H1 2024	Reported growth	Organic growth
<b>Revenue</b>	368	<b>385</b>	+4.8%	+7.2%
<b>IFRS 16</b>	79	<b>82</b>	+4.0%	
<i>EBITDAR margin</i>	21.5%	<b>21.4%</b>		

Growth remained strong in the Benelux region, with **revenue** rising by 7.2% on an organic basis in the first half of 2024.

**In Belgium**, revenue totalled €311 million, up 5.3% on an organic basis. EBITDAR was €65 million, almost unchanged on a reported basis (-1.3%) relative to the first half of 2023.

- The **Long-Term Care** segment posted organic growth of 5.4%, supported by an occupancy rate that rose from 89.5% in the first half of 2023 to 91.4% in the first half of 2024, and by regular price rises. In June 2024, the occupancy rate was 91.3% versus 89.7% in June 2023.
- The **Community Care** segment – which accounts for just over 8% of the Group's revenue in Belgium – achieved organic growth of 4.1%.

**In the Netherlands**, revenue was €75 million, up 15.9% on an organic basis. EBITDAR amounted to €18 million, representing reported growth of 29.6%.

The Group's three business segments in this country achieved firm growth during the period.

- **Long-Term Care** revenue rose by 16.4%, with an average occupancy rate of 72.9% in the period as a whole versus 76.5% in the first half of 2023. This reflects new beds coming onstream as part of the opening of three new greenfield facilities in favourable market conditions.
- Revenue in the **Specialty Care** segment, which accounted for just under 2.4% of the total in the Netherlands, fell slightly during the period (down 2.5%).
- The **Community Care** segment – which accounts for around 14.7% of the Group's revenue in the Netherlands – achieved organic revenue growth of 16.5%.

As a result, and taking into account limited cost inflation, **EBITDAR in the region as a whole** totalled €82 million in the first half of 2024, up 4.0% compared with the first half of 2023. On that basis, EBITDAR margin was almost unchanged at 21.4% (down 10 basis points year-on-year).



## 1.2.4 - Italy

In millions of euros	H1 2023	H1 2024	Reported growth	Organic growth
<b>Revenue</b>	312	<b>320</b>	+2.7%	+3.6%
<b>IFRS 16</b>	65	<b>70</b>	+7.4%	
<i>EBITDAR margin</i>	20.8%	<b>21.8%</b>		

The Italian market remained buoyant in the first half, with revenue up 3.6% in organic terms.

- **Long-Term Care** revenue grew by 7.3% on an organic basis, supported by a high occupancy rate of 96.2% on average during the period as a whole, up slightly from the already-high level of 93.2% in the first half of 2023. The occupancy rate was 97.0% in June 2024 versus 95.1% in June 2023.
- Revenue in the **Specialty Care** segment, which accounted for around 46% of the total in Italy, was stable during the period (down 0.9%).
- The **Community Care** segment – around 7.4% of the Group's revenue in Italy – achieved organic revenue growth of 11%.

This resulted in **EBITDAR** of €70 million in Italy in the first half of 2024, up from €65 million in the first half of 2023, and EBITDAR margin increased by 100 basis points.

## 1.2.5 - Spain/UK\*

In millions of euros	H1 2023	H1 2024	Reported growth	Organic growth
Revenue	136	<b>140</b>	+2.6%	+15.1%
<b>IFRS 16</b>	25	<b>27</b>	+9.1%	
<i>EBITDAR margin</i>	18.1%	<b>19.2%</b>		

\* The disposal of all of the Group's UK operations was completed on 9 April 2024. Accordingly, the Group's performance includes UK figures for the whole of the first quarter of 2024.

The region as a whole posted solid revenue growth of 15.1% on an organic basis, supported by the Group's good momentum in Spain in the first six months of the year along with price rises and the ramp-up of business levels in the UK in the first quarter (the whole of the UK business was deconsolidated on 9 April after the Group sold all of its assets and business activities in that country).

**In Spain**, revenue totalled €123 million in the first half of 2024, up 13.9% on an organic basis.

- Revenue in the **Long-Term Care** segment – which accounts for around 20.6% of revenue in Spain – rose by 14.2% on an organic basis. This was supported by a slight increase in prices and an average occupancy rate of 89.0% over the first half as a whole versus 84.1% in the first half of 2023. The occupancy rate was 89.9% in June 2024 versus 83.8% in June 2023.
- Revenue in the **Specialty Care** segment, which accounted for around 75% of the total in Spain, rose by 10.3% in both reported and organic terms. Revenue growth resulted from the Group's strong momentum in this business segment, which is being boosted by the expansion of its network and service offering following the acquisition of Grupo 5.
- The **Community Care** segment – which only accounts for around 4.3% of the Group's revenue in Spain – remained highly volatile, with revenue growth of 115.9%.



**In the UK**, revenue totalled €17 million in the period up to 9 April 2024, the date on which the Group sold all of its UK assets and business activities. By comparison, Clariane generated revenue of €29 million in the UK in the first half of 2023.

In the region as a whole, **EBITDAR** totalled €27 million in the first half of 2024 versus €25 million in the first half of 2023. On a reported basis, EBITDAR was up 9.1%. In Spain, EBITDAR was very strong, rising by 27.0% in reported terms to €23.1 million, while EBITDAR margin rose by 190 basis points.

## 2 - Cash flow statement

In millions of euros, excluding IFRS 16	H1 2023	H1 2024
<b>EBITDA</b>	285	<b>290</b>
<b>Operating cash flow</b>	34	<b>169</b>
<b>Operating free cash flow</b>	45	<b>74</b>
<i>Development investments</i>	-71	-60
<i>Acquisitions</i>	-143	-37
<i>Real estate investments</i>	-161	-42
<b>Capital increase and dividend and coupon payments</b>	-15	73
<i>Real-estate partnerships</i>	+119	-99
<i>Disposals and other scope variations</i>	+31	+236
<i>Cash flow from discontinued operations</i>	-12	-12
<i>Other (including accrued interest and change in debt related to convertible instruments)</i>	-25	-37
<b>Change in net debt (including IAS 17)</b>	+232	<b>-95</b>

Net debt decreased by €95 million in the first half of 2024 compared with a €232 million increase in the same period of 2023. This reduction in net debt was due to a very sharp fall in investments in the first half of 2024 (down 63% to €139 million versus €375 million in the first half of 2023), an increase in operating free cash flow (€74 million versus €45 million in the first half of 2023), and €236 million of proceeds from disposals carried out in the first six months of the year net of fees and the reserved capital increase, partly offset by the payment of coupons on equity-like instruments in a net amount of €73 million.

## 3 - Real-estate portfolio

The Group's real-estate portfolio had a value of €2,672 million at 30 June 2024, versus €3,189 million at 30 June 2023 and €3,007 million at 31 December 2023.

Two-thirds of this change was due to disposals in the first half of the year. It also reflects the continued increase in the average capitalisation rate, which now stands at 6.3% (compared with 5.9% in December 2023 and 5.5% at 30 June 2023), although to a lesser extent in the first half compared with the previous six months.

That change had no impact on the valuation of assets in the Group's financial statements, which are recognised at historical cost except for recently acquired assets.

Real-estate debt amounted to €1,680 million at 30 June 2024. With its real-estate portfolio valued at €2,672 million on the same date, this represents a **Loan to Value (LTV) of 63%**





versus 58% at 30 June 2023 and 61% at 31 December 2023. This transitory increase in the LTV is due to the low level of debt in the portfolios sold (mix effect) and the increase in capitalisation rates.

Readers are reminded that the Group's syndicated loan agreement includes an LTV covenant of 65%.

## 4 - Balance sheet

The Group's net debt was €3,771 million at 30 June 2024 versus €4,012 million at 30 June 2023 and €3,854 million at 31 December 2023.

The change in net debt reflects:

- Gross borrowings and debt of €4,286 million at 30 June 2024 versus €4,387 million at 30 June 2023;
- A cash position of €515 million at 30 June 2024 versus €375 million at 30 June 2023.

On 5 July, the Group received net proceeds of €234.4m from the rights issue, enabling it to reduce its debt by the same amount.

Real-estate debt amounted to €1,680 million at 30 June 2024.

Given the timetable of the capital increases and their indivisible nature, along with the ongoing asset disposal programme, a temporary waiver of the syndicated loan agreement was obtained, solely as regards the financial leverage ratio, at 30 June 2024: for the purposes of calculating the leverage ratio at 30 June 2024, the net proceeds of the capital increases were deducted from consolidated net debt as defined in the initial agreement, subject to those proceeds being received within 30 days of the end of the ratio period concerned. [1]

Accordingly, as agreed with the banks providing the syndicated facility, the financial leverage ratio calculation **includes the proceeds of the rights issue** completed on 5 July 2024, **the net amount of which was €234.4 million**.

**On that basis, the Group's financial leverage ratio**, as defined in the syndicated credit facility announced on 25 July 2023, was **3.6x at 30 June 2024** versus 4.1x at 30 June 2023 and 3.8x at 31 December 2023.

Under the terms of its syndicated credit facility, the Group's leverage covenant will be progressively lowered to 4.5x in June 2024, 4.25x in December 2024, 4.0x in June 2025 and 3.75x in December 2025, as previously communicated.

As of 30 June 2024, the Group had drawn the full amount of its revolving credit facility, i.e. around €493 million.

## 5 - Update on the Refinancing Plan

This plan, which aims to raise a total amount of €1.5 billion, is intended to secure and accelerate Clariane's debt-reduction trajectory and enable the Group to have a financial position suited to an economic environment that has been made more difficult by inflation, higher interest rates and tougher conditions in the credit and real-estate markets, and to give it room for manoeuvre in terms of executing its strategy.

With its successful rights issue on 3 July 2024, Clariane completed **the third tranche** of its plan to strengthen its financial position, which it announced on 14 November 2023.

---

<sup>[1]</sup> This waiver has no effect on the calculation of the financial leverage ratio used in the syndicated loan agreement to determine mandatory early payments, particularly those applying to the proceeds of asset disposals taking place in the second half of 2024.

The rights issue followed the €92.1 million reserved capital increase that took place on 12 June 2024. Of that amount, around €74.1 million was subscribed by investment group HLD, around €15 million by the Flat Footed fund and around €3 million by Leima Valeurs.

The main aim of the capital increases was to reduce Clariane's debt and strengthen its financial position, and to ensure that it can fulfil its "At Your Side" corporate project and its commitments as a purpose-driven company.

The net proceeds of the capital increases, representing approximately €324 million, were allocated as follows: €175 million to the early repayment of the outstanding real-estate-backed bridge term loan and approximately €149 million to strengthening the Group's liquidity.

Following completion of the capital increases, Clariane has sufficient working capital to meet its obligations over the next 12 months. After repayment of the forthcoming maturities detailed in note 9.2 to the condensed consolidated half-year financial statements at 30 June 2024, using the proceeds of the capital increases and the Group's cash, Clariane will be able to meet the minimum liquidity condition of €300 million to renew its revolving credit facility (RCF) if necessary.

Clariane also reiterates that it completed **the first two parts** of this plan in December 2023:

- The creation of the "Gingko" real-estate partnership with Crédit Agricole Assurances, raising €140 million on 15 December 2023, followed by the creation of the "Juniper" real-estate partnership, raising €90 million on 28 December 2023 (that €90 million was repaid to Crédit Agricole Assurances, via its Predica subsidiary, when Clariane completed the disposal of its UK business in April 2024);
- Arrangement of a €200 million real-estate-backed bridge term loan with Crédit Agricole Mutuel de Paris et d'Ile de France (CADIF), LCL and Crédit Agricole Corporate and Investment Bank (CACIB).

The Group has also embarked on the **fourth and final part of the plan**, i.e. a programme to dispose of operational assets and proceeds and to form asset partnerships, intended to re-focus its business activities geographically and raise around €1 billion in gross disposal proceeds. With the disposals completed in the UK and Netherlands in the first quarter of 2024 and the upcoming disposal of its Home Care business in France – which was announced on 6 May 2024 and received a positive opinion from staff representative bodies on 14 May 2024.

With these transactions, the Group reiterates that it has secured around 40% of this disposal programme to date. The progress of this programme has mainly resulted in the recognition to date of a loss of around -€40m on the disposal of the UK business, provisioned in the financial statements to 31 December 2023.

The Group is actively working on several disposal scenarios to ensure that it achieves its target of one billion in gross proceeds from disposals by the end of 2025. Depending on the differences that may be observed between market values and values in use, some transactions could result in capital losses, in addition to the capital losses recognised in the 2023 financial statements.



## 6 - ESG and social performance

In line with its 2024-2028 ESG strategy and its commitments as part of its transformation into a purpose-driven company, the Group achieved the following milestones in the first half of the year:

- After making a commitment to joining the Science-Based Targets initiative (SBTi) in 2023, in June 2024 Clariane obtained official validation of its targets as regards reducing greenhouse gas (GHG) emissions in line with the Paris agreements. Those targets apply to all emission scopes (Scopes 1-3):
  - Clariane is committed to reducing its Scope 1 and 2 GHG emissions in absolute terms by 46.2% between 2021 and 2031;
  - It is also committed to reducing its Scope 3 GHG emissions – arising from purchases of goods and services, waste and employee travel – in absolute terms by 27.5% between 2021 and 2031.
- A Climate Committee has been set up in 2024 to oversee this low-carbon trajectory, bringing together the Group's experts regarding the main sources of carbon reduction. The Committee meets once per quarter.
- The Group has also deployed a tool to measure its carbon footprint and monitor its low-carbon trajectory since March 2024, and it will be gradually rolled out across the various functions concerned. The tool will enable the Group to plan and complete carbon-reduction initiatives.
- The Mission Committee's first report was completed and published in late April 2024 and sets out the Committee's opinions of the Company's initiatives in relation to each of its social and environmental targets. The report can be viewed on Clariane's website: [https://www.clariane.com/sites/default/files/2024-05/clariane\\_rcm\\_2024\\_uk\\_mel\\_23052024.pdf](https://www.clariane.com/sites/default/files/2024-05/clariane_rcm_2024_uk_mel_23052024.pdf)
- In the first half of 2024, Clariane obtained Top Employer Europe 2024 certification from the Top Employers Institute, making it the first group in the healthcare and medico-social sector to receive it at the European level. This certification recognises the Clariane group's commitment to its employees' working conditions and career development. Clariane had already achieved Top Employer certification in five countries. In Germany, Clariane obtained certification for the fourth consecutive year, in France for the third consecutive year, in Belgium and Italy for the second consecutive year and in the United Kingdom for the first time.
- At the end of 2023, Clariane negotiated and signed the European charter on the fundamental principles of social dialogue with the European Company Works Council (CE-SE) and the European Federation of Public Service Unions (EPSU). Several indicators have been defined to monitor the implementation of the charter, including the transposition of the charter in the various countries (transposed and signed in Germany so far), the creation of national dialogue bodies in countries where they previously did not exist (completed in Spain), and social dialogue training for site managers (an e-learning module for all Group companies is currently being finalised). In June 2024, Clariane received a social innovation award for this initiative.
- Finally, in early July 2024, the Group signed a partnership agreement with the University Hospital of Toulouse with a view to contributing to the WHO's ICOPE (Integrated Care for Older People) programme via its Petits-fils home care business. The ICOPE approach aims to help older people preserve and maintain the essential functions of mobility, memory, nutrition, humour, sight and hearing. For that purpose, the University Hospital of Toulouse's Department of Geriatric Medicine has developed a mobile app called Icope Monitor, which measures a person's capabilities in a few minutes with a view to preventing them from becoming dependent. Staff from pilot Petits-fils branches will receive training in rolling out the app among older adults that use the Petits-fils network in partnership with the Department of Geriatric Medicine.



## 7 - Outlook for 2024

In 2024, the Group will continue to focus on improving its performance in a balanced way and on maintaining a high level of quality in all its activities, in line with its “At Your Side” corporate project.

- Clariane expects **organic revenue growth to remain above 5%**, supported by a steady increase in business volumes and ongoing price adjustments.
- It also expects **EBITDA, excluding IFRS 16 and expected disposals**, to remain **at least stable** taking into account the expected absence of any contribution from real-estate development activities in 2024.

In line with the plan to strengthen its financial position, the Group has made improving cash flow generation and controlling debt levels its top priorities. In terms of expenditure:

- The Group will maintain its **maintenance spending** at a normal level, which should be **around €100 million** per year.
- **Annual growth investments** are expected to average around **€200 million** in 2024 and 2025, much less than in 2023.

Finally, the Group is aiming to reduce its **financial leverage ratio to below 3.0x** and its **LTV to 55% by the end of 2025** (see section 8 “Outlook for 2023-2026” below).

As regards **non-financial indicators** and adjusted for changes in scope resulting from the disposal plan, the Group has set the following targets:

- Maintain a net promoter score (NPS) of at least 40 among residents/patients and families;
- Continue having more than 7,000 staff members undertaking training courses leading to qualifications, in line with its purpose-driven commitments;
- Reduce its lost-time accident frequency rate by at least a further 8 points;
- Implement a low-carbon energy trajectory compatible with the Paris Agreements and validated by the Science Based Targets initiative (SBTi).

## 8 - Outlook for 2023-2026:

The Group’s reiterates that its targets for the period from 1 January 2023 to 31 December 2026 are as follows:

- As regards **revenue**, it is aiming to achieve a **compound annual growth rate (CAGR) of around 5%**, supported by a steady increase in occupancy rates and business volumes, particularly in outpatient care, and by a catch-up effect in prices, particularly in Germany. This growth target reflects the following expected contributions of the Group’s various geographical markets:
  - **France**: CAGR 2023-2026 of **over 5%**, based in particular on a gradual increase in the occupancy rate of long-term care nursing homes to 93% in 2028;
  - **Germany**: CAGR 2023-2026 of **around 7%**, excluding the 10% of facilities that the Group intends to cease operating;
  - **Belgium/Netherlands**: CAGR 2023-2026 of **over 8%**, based in particular on growth in the Dutch network from 52 to 90 facilities in operation and a gradual increase in the occupancy rate of long-term care nursing homes in Belgium to 97% in 2027;
  - **Italy**: CAGR 2023-2026 of **2-3%**, based in particular on a gradual increase in the occupancy rate of long-term care nursing homes to 98% in 2028;
  - **Spain**: CAGR 2023-2026 of **over 15%**, 75% of which will come from service contracts.
- Across the various geographies and based on the contributions set out above, growth in the Group’s business segments should be as follows:
  - **Long-Term Care**: organic growth of **3-5%** per year;



- **Specialty Care**: organic growth of **4-6%** per year;
- **Community Care**: organic growth of **over 10%** per year.
- The Group is aiming to increase **EBITDA margin excluding IFRS 16 by 100-150 basis points by 2026** compared with the 2023 figure of 12.2%, mainly through revenue growth achieved by increasing the occupancy rate and developing outpatient services, along with targeted improvement measures regarding central costs, expenditure on rent and energy costs, and improved performance in Germany;
- Clariane is also aiming to reduce its **financial leverage ratio to below 3.0x by 31 December 2025 and achieve an LTV of 55%** in respect of its real-estate debt by the same date, reflecting the plan to strengthen its financial position but also a disciplined approach to expenditure: around €100 million per year for building maintenance and around €200 million in total for development expenditure including real estate, rel. Accordingly, net debt excluding IFRS 16 should come down to around €2.7-3.0 billion in 2026, with real-estate debt expected to be around €1.4 billion, giving an LTV of around 55% (assuming a capitalisation rate of 6.7%) and non-real-estate debt totalling €1.3-1.6 billion.

## 9 - Conference call:

In relation to the publication of its first-half 2024 results, Clariane will hold a conference call in English at 3.00pm CEST on 6 August 2024.

To take part in the call,

- please dial one of the following numbers:
  - Paris: +33 (0)1 70 37 71 66
  - UK: +44 (0)33 0551 0200
  - US: +1 786 697 3501
- You can 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](http://www.clariane.com)) from 12.00pm (CET).

## 10 - Forthcoming events

Publication of third-quarter 2024 revenue: 23 October 2024 after the Euronext Paris market close.



# clariane

## About Clariane

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

Relying on their diverse expertise, each year the Group's 60,000 professionals provide services to almost 900,000 patients and residents in three main areas of activity: long-term care nursing homes (Korian, Seniors Residencias, Berkley etc.), specialist healthcare facilities and services (Inicea, Ita, Grupo 5, Lebenswert etc.), and alternative living solutions (Petits-fils, Ages&Vie etc.).

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

Clariane has been listed on Euronext Paris Section A since November 2006.

Euronext ticker: CLARI.PA - ISIN: FR0010386334

## Investor contacts

---

### Stéphane Bisseuil

Head of Investor Relations  
+33 (0) 6 58 60 68 69  
[stephane.bisseuil@clariane.com](mailto:stephane.bisseuil@clariane.com)

## Press contacts

---

### Julien Charles

Press Relations Officer  
06 70 89 04 80  
[julien.charles@clariane.com](mailto:julien.charles@clariane.com)

# Appendices – Consolidated financial statements for the six months ended 30 June 2024

## Income statement

€m	H1 2024 Incl. IFRS 16	IFRS 16 ad- justments	H1 2024 Excl. IFRS 16	H1 2023 Excl. IFRS 16	Δ
<b>Revenue</b>	<b>2 636,0</b>	-	<b>2 636,0</b>	<b>2 484,8</b>	<b>151,2</b>
<i>Growth%</i>	6,1%	-	6,1%	12,2%	-610 bps
Staff costs	(1 579,0)	-	(1 579,0)	(1 520,3)	(58,7)
<i>% of revenue</i>	59,9%	-	59,9%	61,2%	-130 bps
Other costs	(499,8)	2,8	(497,0)	(426,3)	(70,7)
<i>% of revenue</i>	19,0%	-	18,9%	17,2%	+170 bps
<b>EBITDAR</b>	<b>557,2</b>	<b>2,8</b>	<b>560,0</b>	<b>538,3</b>	<b>21,7</b>
<i>% of revenue</i>	21,1%	-	21,2%	21,7%	-50 bps
External rents	(38,9)	(231,2)	(270,1)	(253,0)	(17,1)
<i>% of revenue</i>	1,5%	-	10,2%	10,2%	-
<b>EBITDA</b>	<b>518,3</b>	<b>(228,5)</b>	<b>289,9</b>	<b>285,3</b>	<b>4,6</b>
<i>% of revenue</i>	19,7%	-	11,0%	11,5%	-50 bps
Amortisation & Depreciations	(341,8)	198,0	(143,9)	(127,7)	(16,2)
Provisions	(20,8)	-	(20,8)	(20,9)	0,2
<b>EBIT</b>	<b>155,7</b>	<b>(30,5)</b>	<b>125,2</b>	<b>136,7</b>	<b>(11,4)</b>
<i>% of revenue</i>	5,9%	-	4,8%	5,5%	-70 bps
Non current expenses	(34,1)	7,3	(26,8)	(23,0)	(3,8)
<b>Operating income</b>	<b>121,6</b>	<b>(23,2)</b>	<b>98,4</b>	<b>113,7</b>	<b>(15,2)</b>
<i>% of revenue</i>	4,6%	-	3,7%	4,6%	-90 bps
Financial result	(147,9)	51,8	(96,1)	(63,5)	(32,7)
<b>Net income before tax</b>	<b>(26,3)</b>	<b>28,6</b>	<b>2,3</b>	<b>50,2</b>	<b>(47,9)</b>
Income tax	6,8	(3,5)	3,4	(11,0)	14,3
<i>Tax rate</i>	25,9%	12,1%	(144,6%)	21,8%	-16640 bps
Income from equity method	(0,7)	-	(0,7)	0,1	(0,8)
Minority Interests	(8,4)	-	(8,4)	(7,0)	(1,4)
<b>Net result from continuing activities</b>	<b>(28,6)</b>	<b>25,1</b>	<b>(3,4)</b>	<b>32,4</b>	<b>(35,8)</b>
<i>% of revenue</i>	(1,1%)	-	(0,1%)	1,3%	-140 bps
Net result from discontinued activities	(23,6)	(0,6)	(24,1)	(6,7)	(17,4)
<b>Net profit - Group share</b>	<b>(52,2)</b>	<b>24,6</b>	<b>(27,6)</b>	<b>25,6</b>	<b>(53,2)</b>
<i>% of revenue</i>	(2,0%)	-	(1,0%)	1,0%	-200 bps





## Balance sheet

### Assets

<i>In thousands of euros</i>	Notes	30.06.2024	31.12.2023
Goodwill	5.1	3 253	3 288
Intangible assets	5.2	2 345	2 343
Property, plant and equipment	5.3	3 185	3 144
Rights of use	5.5	3 688	3 652
Financial assets		108	109
Equity-accounted investments	6	58	59
Deferred tax assets	11	116	87
<b>Non-current assets</b>		<b>12 753</b>	<b>12 682</b>
Inventories	3.5	25	28
Trade receivables and related accounts	3.5	619	565
Other receivables and current assets	3.5	583	669
Current tax receivables		51	27
Financial instruments – assets	9.2/9.3	12	10
Cash and cash equivalents	9.3	515	678
<b>Current assets</b>		<b>1 805</b>	<b>1 977</b>
Assets held for sale	2.3	56	521
<b>TOTAL ASSETS</b>		<b>14 615</b>	<b>15 181</b>

### Liabilities

<i>In thousands of euros</i>	Notes	30.06.2024	31.12.2023
Share capital		1	534
Premiums		1 296	1 206
Reserves and consolidated results		2 190	1 843
<b>Equity attributable to owners of the Group</b>	<b>7</b>	<b>3 487</b>	<b>3 584</b>
Non-controlling interests		370	354
<b>Total shareholder's equity</b>		<b>3 857</b>	<b>3 937</b>
Provisions for pensions		83	78
Deferred tax liabilities	11	574	547
Other provisions	10	47	51
Loans and financial liabilities	9.2	3 157	3 495
Non-current lease liabilities	5.5	3 684	3 610
Other non-current liabilities		62	77
<b>Non-current liabilities</b>		<b>7 607</b>	<b>7 858</b>
Provisions for current liabilities	10	29	74
Trade payables and related accounts	3.5	563	649
Other payables and accruals	3.5	985	921
Current tax payables		35	23
Borrowings due within one year and bank overdrafts	9.2	1 129	1 037
Current lease liabilities	5.5	399	413
Financial instruments - Liabilities	9.2/9.3	0	1
<b>Current liabilities</b>		<b>3 139</b>	<b>3 119</b>
Liabilities associated with assets held for sale	2.3	12	267
<b>TOTAL LIABILITIES</b>		<b>14 615</b>	<b>15 181</b>



## Cash flow statement

€m	H1 2024	IFRS 16 im- pact	H1 2024	H1 2023
	<i>Excl. IFRS 16</i>		<i>Incl. IFRS 16</i>	<i>Excl. IFRS 16</i>
EBITDA	289,9	228,5	518,3	285,3
Non cash & others	(53,8)	5,8	(48,0)	(71,7)
Change in WC	(15,5)	0,5	(14,9)	(124,6)
Operating Capex	(52,1)	-	(52,1)	(55,3)
<b>Operating cash flow</b>	<b>168,5</b>	<b>234,8</b>	<b>403,3</b>	<b>33,7</b>
Income tax paid	(2,2)	0	(2,2)	(6,6)
Financial expenses paid/received	(92,2)	(48,9)	(141,1)	18,3
<b>Free cash flow</b>	<b>74,1</b>	<b>185,9</b>	<b>260,0</b>	<b>45,4</b>
Development Capex	(60,5)	-	(60,5)	(70,7)
Financial investments (bolt-on acquisitions)	156,0	-	156,0	(143,1)
<b>Net Free cash flow</b>	<b>169,6</b>	<b>185,9</b>	<b>355,5</b>	<b>(168,4)</b>
Dividends / hybrid coupons paid	(16,0)	-	(16,0)	(12,8)
Real estate investments / divestments	1,0	8,7	9,7	(161,5)
Partnership Real Estate	(99,7)	-	(99,7)	116,5
Increase in equity	89,3	-	89,3	0,0
Other net debt	(37,0)	(267,0)	(304,0)	5,8
Cash flow from discontinued operations	(11,8)	-	(11,8)	(12,0)
<b>Net debt variation</b>	<b>95,4</b>	<b>(72,4)</b>	<b>23,0</b>	<b>(232,3)</b>

