

Good momentum in revenue for the nine months ended 30 September 2024 2024 guidance confirmed

- **Revenue** for the nine months to 30 September 2024 rose by **6.3%** on an organic basis
- **All business segments and regions saw growth**, and the **average occupancy rate** in care homes was **90.2%** in the first nine months of the year, vs. 88.3% in the same period in 2023
- **Progress on the disposal plan** (last part of the plan to strengthen the financial structure), with **48% of the total target of one billion euros by the end of 2025 secured by 30 September 2024**, compared with 40% at 30 June 2024
- **The Group is confirming its 2024 guidance**: organic revenue growth of over 5% and EBITDA excluding IFRS 16 and disposals at least stable in value, despite the absence of contribution from real-estate development activities in 2024 (€48m in 2023)

In millions of euros –	First nine months of 2023	First nine months of 2024	Reported growth	Organic growth
Group revenue*	3,731	3,933	+5.4%	+6.3%
France	1,644	1,739	+5.8%	+4.9%
Germany	867	930	+7.2%	+7.7%
Belgium/Netherlands	557	597	+7.2%	+7.7%
Italy	455	465	+2.3%	+3.4%
Spain/UK*	208	201	-3.1%	+14.3%

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

Sophie Boissard, CEO of Clariane, said:

“Thanks to the strong commitment of all our employees, our Group continues to enjoy a good activity momentum, demonstrating the relevance of its business model based on a diversified portfolio of activities and geographies.

We are more focused than ever on our mission to provide care for vulnerable people, in line with the priorities defined in our “At your side” corporate project, and in line with the financial and non-financial objectives of our medium-term plan. The new organisation put in place on October 1st, and in particular the creation of a Deputy Chief Executive Office in charge of operational excellence and steering the Group's performance, placed under the responsibility of Rémi Boyer will enable us to provide better support to our facilities as they develop their business and take full advantage of the synergies between the Group's activities.

We are also well advanced in the implementation of the plan to strengthen our financial structure decided on 14 November 2023, with the ongoing implementation of the fourth and final part of this plan, namely the €1bn asset disposal programme. To date, we have already completed or secured close to half of this programme, which must be completed by 31 December 2025 at the latest.

Buoyed by our achievements and the momentum resulting from our “At Your Side” corporate project, along with our “Better Support” programme aimed at supporting and maximising operational efficiency in our operations, we are looking ahead to the coming months with determination and confidence.



Disclaimer

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 made in this document constitute expectations for the future 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) and that of the AMF (www.amf-france.org). All forward-looking statements included in this document are valid 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 the requirements of 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.

1 - Analysis of revenue for the nine months ended 30 September 2024

The Group's consolidated revenue in the **nine months ended 30 September 2024** totalled €3,933 million, representing reported growth of 5.4% and organic growth of 6.3%.

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 September 2024, the network consisted of 1,216 facilities versus 1,192 in at 30 September 2023, representing almost 91,000 beds.

On that basis, the Group's 60,000 healthcare professionals cared for around 736,000 residents and patients in the first nine months of the year.

Organic revenue growth of 6.3% resulted from the following factors:

- A 2.3% increase in business volumes, with a net positive impact of €85 million (higher volume of days billed in mature networks and additional capacity coming onstream);
- A 4.0% increase in prices with a positive impact of €150 million, seen in all regions and particularly France, Germany and Belgium/Netherlands;
- A slight negative impact from changes in scope amounting to 0.9% or €33 million.

In the third quarter, Group revenue amounted to €1,297 million as opposed to €1,264 million in the year-earlier period, representing growth of 4.0% as reported and 5.9% on an organic basis.

1.1 - Long-Term Care

The Long-Term Care business – which accounted for just over 62% of the Group's business activity in the first nine months of 2024, generated revenue of €2,450 million as opposed to €2,330 million in the first nine months of 2023. That represents reported growth of 5.2% despite the disposal of Berkeley Care, finalized on 9 April 2024, and organic growth of 7.0%.

Organic growth was driven by ongoing growth in business volumes, as reflected by the rising occupancy rate, which averaged 90.2% in the period as a whole versus 88.3% in the same period of 2023, and by price increases, particularly in Germany.

In the third quarter, revenue totalled €832 million as opposed to €790 million in the year-earlier period, representing growth of 5.4% as reported and 7.9% on an organic basis.

1.2 - Specialty Care

The Specialty Care business generated €992 million of revenue in the first nine months of 2024 of 2024, accounting for around 25% of the Group total, with reported growth of 2.6% and organic growth of 3.0%.

In the third quarter, revenue amounted to €312 million as opposed to €308 million in the same period of 2023, representing growth of 1.3% as reported and 1.8% on an organic basis and reflecting greater seasonality in healthcare activities during the summer in France and Italy.

1.3 - Community Care

Revenue in the Community Care business, whose brands include Petits-fils and Ages & Vie, amounted to €491 million in the first nine months of 2024. This represented almost 13% of the Group total, along with reported growth of 12.9% and organic growth of 9.8%.

Performance was driven by:

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

In the third quarter, revenue amounted to €153 million as opposed to €148 million in the same period of 2023, representing growth of 2.9% as reported and 3.9% on an organic basis.

2 - Performance by geographical zone

2.1 - France

In millions of euros	First nine months of 2023	First nine months of 2024	Reported growth	Organic growth
Revenue	1,644	1,739	+5.8%	+4.9%

Revenue remained firm in France throughout the period, rising by 4.9% on an organic basis.

- Organic revenue growth in the **Long-Term Care** segment was 4.6% in the first nine months of the year. That increase reflects the positive impact of both price adjustments and higher volumes, with the average occupancy rate (based on the network of facilities operated by the Group) continuing to rise to 89.1% during the period versus 87.4% in the same period of 2023. The occupancy rate was 89.7% in September 2024, up from 88.1% in September 2023.
- The **Specialty Care** segment achieved organic revenue growth of 2.6% in the first nine months of 2024. Each sub-segment – mental health, medical and rehabilitation care and home care – achieved growth during the period, driven by higher volumes in the outpatient and partial hospitalisation activities.



- Finally, the **Community Care** segment achieved strong growth in the first nine months of the year (revenue up 32.2% on an organic basis, due to the deconsolidation of Ages & Vie's real-estate development activities 30 June 2023), driven by robust demand for services such as those offered by Ages & Vie and Petits-fils.

In the third quarter, revenue in France was up 3.4% as reported and up 3.6% in organic terms. That represents a slightly slower pace of growth than in the first two quarters of the year, reflecting greater seasonal variations in specialist healthcare services.

2.2 - Germany

In millions of euros	First nine months of 2023	First nine months of 2024	Reported growth	Organic growth
Revenue	868	930	+7.2%	+7.7%

Revenue in Germany improved significantly in the first nine months of 2024, driven by higher business volumes and the impact of price increases negotiated in 2023 with local authorities. Business growth and the strategy of increasing prices, combined with measures made necessary by the deterioration in sector conditions in 2022 and 2023, have enabled the Group to begin significantly improving its performance since the start of the year.

- The **Long-Term Care** segment posted organic revenue growth of 9.0%, supported by price rises and an occupancy rate that rose from 87.6% in the first nine months of 2023 to 89.6% in the first nine months of 2024. The occupancy rate was 89.9% in September 2024, up from 87.8% in September 2023.
- Revenue in the **Community Care** segment grew by 5.1% on an organic basis.

In the third quarter, trends seen during the period as a whole were confirmed, with revenue in Germany rising by 6.0% as reported and 6.6% on an organic basis.

2.3 - Benelux

In millions of euros	First nine months of 2023	First nine months of 2024	Reported growth	Organic growth
Revenue	557	597	+7.2%	+7.7%

Growth remained strong in the Benelux region, with **revenue** rising by 7.7% on an organic basis in the first nine months of 2024.

In Belgium, revenue during the period totalled €483 million, up 5.6% on an organic basis.

- The **Long-Term Care** segment posted organic growth of 6.6%, supported by an occupancy rate that rose from 89.8% in the first nine months of 2023 to 91.8% in the same period of 2024, and by regular price rises. In September 2024, the occupancy rate was 92.3% versus 90.2% in September 2023.
- The **Community Care** segment – which accounts for just under 7% of the Group's revenue in Belgium – saw revenue fall by 6.9% on an organic basis.

In the Netherlands, revenue was €114 million, up 17.9% in organic terms.

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

- Long-Term Care** revenue rose by 18.6%, with an average occupancy rate of 72.8% in the first nine months of the year versus 75.9% in the same period of 2023. The decrease reflects new beds coming onstream, particularly in three new greenfield facilities (representing an addition of 144 beds), in favourable market conditions. As a result of this new capacity, which is still in a ramp-up phase, the average occupancy rate in September 2024 was 73.2% as opposed to 76.4% in September 2023.



- Revenue in the **Specialty Care** segment, which accounted for just over 2% of the total in the Netherlands, fell slightly during the period (down 1.6%).
- The **Community Care** segment – around 15% of the Group’s revenue in the Netherlands – achieved organic revenue growth of 17.4%.

In the **third quarter**, revenue in Benelux as a whole rose by 11.8% as reported and by 12.3% on an organic basis. As regards individual countries, revenue rose 9.7% as reported in Belgium (10.4% on an organic basis) and 21.7% (both as reported and organically) in the Netherlands.

2.4 - Italy

In millions of euros	First nine months of 2023	First nine months of 2024	Reported growth	Organic growth
Revenue	455	465	+2.3%	+3.4%

The Italian market remained buoyant in the first nine months of the year, with revenue up 3.4% in organic terms.

- **Long-Term Care** revenue grew by 6.4% on an organic basis, supported by a high occupancy rate of 96.3% on average during the period as a whole versus 94.0% in the same period of 2023, and by higher pricing. The average occupancy rate was 97.3% in September 2024 versus 95.5% in September 2023.
- Revenue in the **Specialty Care** segment, which accounted for almost 44% of the total in Italy, was stable during the period (down 0.5%).
- The **Community Care** segment – which accounts for almost 8% of the Group’s revenue in Italy – achieved organic revenue growth of 9.1%.

In the **third quarter**, revenue in Italy was up 1.2% as reported and up 2.9% on an organic basis.

2.5 - Spain/UK*

In millions of euros	First nine months of 2023	First nine months of 2024	Reported growth	Organic growth
Revenue	208	201	-3.1%	+14.3%

* 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 14.3% on an organic basis, supported by the Group’s good momentum in Spain in the first nine 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 this year after the Group sold all of its assets and business activities in that country).

In Spain, revenue totalled €184 million in the first nine months of 2024, up 14.1% as reported and up 13.4% on an organic basis.

- Revenue in the **Long-Term Care** segment – which accounts for almost 21% of revenue in Spain – rose by 21.1% as reported and 10.3% on an organic basis. This was supported by a slight increase in prices and an average occupancy rate of 89.8% over the period as a whole versus 84.4% in the same period of 2023. The average occupancy rate was 91.0% in September 2024 versus 85.2% in September 2023.
- Revenue in the **Specialty Care** segment (almost 75% of the total in Spain) rose by 9.4% as reported and by 11.1% in organic terms. That 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 accounts for just over 4% of the Group's revenue in Spain – remained highly volatile because of its small scale, and revenue increased by 114.2%.

In the **third quarter**, revenue in Spain was up 12.8% as reported and up 11.6% on an organic basis.

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 €46 million in the UK in the first nine months of 2023.

3 - Update on the plan to strengthen the Group's financial position

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 the successful completion of the capital increase with preferential subscription rights on 5 July 2024, following the reserved capital increase achieved 12 June 2024, **Clariane has completed the first 3 stages of this plan.**

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 loan and approximately €149 million to strengthening the Group's liquidity.

The fourth and final part of the plan, consists of a programme to dispose of operational and real-estate assets and to form asset partnerships, intended to refocus its business activities geographically and raise around €1 billion in gross disposal proceeds. Since the start of the financial year, the Group has completed its disposals in the UK and Netherlands in the first quarter of 2024. In addition, the disposal process of its Home Care business in France, which was announced on 6 May 2024, is continuing. To note, as of 30 September 2024, the Group had received almost half of the gross proceeds from this disposal. Pending the necessary regulatory authorisations, the Group believes that it is likely to receive the remainder of the disposal proceeds between the end of 2024 and early 2025.

During the **third quarter** of 2024, the Group continued to implement this programme in accordance with its strategy to become more focused in terms of its business activities and geographical presence, with the sale of real-estate assets, mainly in Spain and France, along with an operational asset in France for an additional **amount of around €80 million.**

On this basis, **the Group has secured around 48%** of its disposal programme.

The progress of this programme has so far resulted in the recognition of a loss of around €40 million on the disposal of the UK business, for which a provision was recorded in the financial statements for the year ended 31 December 2023.

The Group has undertaken various additional disposal projects that should enable it to achieve its target of €1 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 accounting losses in addition to the capital losses already recognised in the 2023 financial statements, with no impact on the cash-flow.

Lastly, the Group's cash position enables it **to meet the minimum liquidity requirement of 300 million euros with a view to renewing, if necessary, its Revolving Credit Facility (RCF) on 3 November 2024**, after taking into account the next debt maturities.



4 - 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 accordance with its “At Your Side” corporate project.

Clariane thus confirms its guidance:

- **organic revenue growth** to remain **above 5%**, supported by a steady increase in business volumes and ongoing price adjustments;
- **EBITDA, excluding IFRS 16 and expected disposals, to remain at least stable in value** despite the absence of contribution from real-estate development activities in 2024 that generated €48m in 2023.

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 capital expenditure:

- the Group will maintain its **maintenance capex** at a normal level, which should be **around €100 million** per year;
- **annual growth investments will be kept under control at a level of** around **€200 million** in 2024 and 2025, much less than in 2023.

Finally, the Group is aiming to reduce its **financial leverage ratio¹ to below 3.0x and its LTV to 55% by the end of 2025** (see section 5 “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).

5 - Outlook for 2023-2026:

The Group 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.

¹ (Consolidated net debt - real estate debt)/(EBITDA - 5.8%* real estate debt).

- 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 31 December 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, rental expenses and energy costs, and improved performance in Germany;
- Clariane is also aiming to reduce **financial leverage 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, along with an EBITDA/operating free cash flow conversion rate expected to be around 40% from 2024 onwards. 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 of €1.3-1.6 billion.

6 - Conference call:

To accompany the publication of its revenue figures for the nine months ended 30 September 2024, Clariane will hold a conference call in English at 4pm CET on 24 October 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 replay 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).

7 - 2025 publication schedule

- **Full-year 2024 results:** 24 February 2025 after the Euronext Paris market close.
- **First-quarter 2025 revenue:** 24 April 2025 after the Euronext Paris market close.
- **2025 AGM:** 14 May 2025
- **Revenue and results for the first half of 2025:** 29 July 2025 after the Euronext Paris market close.
- **Third-quarter 2025 revenue:** 27 October 2025 after the Euronext Paris market close.



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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 Residences, 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

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