

## First quarter 2024

**Operating sales: €189m**

**Surgical and rehabilitation clinics :**

**Together, let's defend access to healthcare throughout France :**

**Sign the petition : <https://lnkd.in/gV9up4x4>**

*"In a challenging environment, LNA Santé, a family business with a mission, reported solid business momentum in all its healthcare businesses and territories in the 1<sup>st</sup> quarter of 2024, in line with the guidance communicated at the beginning of the year. Organic growth of 6.9% reflects the relevance of our healthcare offerings and the satisfaction expressed by the stakeholders in our corporate project.*

*However, this momentum has come up against a number of recent government decisions : the 2024 pricing campaign, and the initial harmful effects of the reform of funding for medical and rehabilitation clinics (RC).*

*The 2024 pricing campaign introduces unprecedented pricing discrimination, which will have serious consequences for our public and private healthcare provision. Why weaken one of the essential pillars of our healthcare provision, with the risk of exacerbating the crisis in the healthcare system? Public hospitals need private clinics and vice versa. Pitting them against each other is a serious mistake. The challenges facing our national healthcare system mean that we need to build on each other's strengths, promoting complementarity and cooperation. The seriousness of the situation calls for a broad mobilisation of the private health sector, in order to preserve the territorial healthcare offer.*

*As for the reform of pricing for rehabilitation clinics, it is a sign that healthcare policy has given up. The 1<sup>st</sup> impacts observed are warning of the effects of this new pricing system, which was decided without any consultation with the players on the ground. This reform runs counter to the common interest, with a lack of recognition for specialised care, an obstacle to the development of outpatient services in particular (in contradiction with the demands of our hospital partners to increase the flow of admissions, with 2/3 of our RC's patients coming from public hospitals), and uncertainty about the flat-rate revenue compartment, both in terms of its basis and its distribution.*

*All of these trends threaten the fluidity of rehabilitation pathways in hospitals and access to expert care for the most vulnerable people.*

*LNA Santé has never wavered from its commitments: every day, our community of professionals works with patients suffering from serious and complex pathologies to offer them highly technical rehabilitation. As such, we can legitimately aspire to a vision of the future to address these major societal challenges: demographic transition, the explosion in chronic diseases, the shift to homecare, prevention, pharmaceutical industrial sovereignty, predictive medicine, the attractiveness of professions, medical desertification. There is so much to do. We will continue to take an active and sympathetic part in the public debate, working closely with the other players in the healthcare sector. Our appeal is a wake-up call to the public to get moving on a fundamental overhaul of our healthcare system, which has reached the end of its tether. We are calling for an equitable approach that respects everyone and puts the interests of patients first.*

*Jean-Paul Siret - Chairman of LNA Santé  
Willy Siret - Managing Director  
Damien Billard – Chief Financial Officer*

<i>In millions of euros</i>	Q1 2024	Q1 2023	Var.
<b>Operating turnover</b>	<b>189.3</b>	<b>177.0</b>	<b>+ 6.9%</b>
<i>Organic growth</i>			<b>+ 6.9%</b>
<b>Medical-social sector France *</b>	<b>73.4</b>	<b>69.1</b>	<b>+ 6.3%</b>
<i>of sales Operating</i>	39%	39%	
<b>Healthcare France **</b>	<b>104.7</b>	<b>97.4</b>	<b>+ 7.4%</b>
<i>of sales Operating</i>	55%	55%	
<b>Sector International Business ***</b>	<b>9.5</b>	<b>9.2</b>	<b>+ 3.9%</b>
<i>of sales Operating</i>	5%	5%	
<b>Other sectors Operations</b>	<b>1.7</b>	<b>1.4</b>	<b>N/S</b>
<b>Real Estate turnover</b>	<b>1.4</b>	<b>4.7</b>	<b>- 70.6%</b>
<b>Total</b>	<b>190.7</b>	<b>181.8</b>	<b>+ 4.9%</b>

*Data not audited by the statutory auditors*

\* Medico-Social France: Nursing Homes (NH) in France  
 \*\* Healthcare France: Medical and rehabilitation care (RC), psychiatric clinics, surgery and HAH in France  
 \*\*\* International Business line: Nursing homes in Belgium and clinics in Poland

## Occupancy on the rise

In the 1<sup>st</sup> quarter of 2024, average occupancy represented 94.1% of nursing home capacity, split between a 94% occupancy rate in the Elegance range and a 95% occupancy rate in the Confort range. The occupancy rate for Elegance's NH rose by 0.8 points compared with 1<sup>st</sup> quarter 2023, while that for Comfort's NH fell slightly by 0.7 points. In Belgium, occupancy over the quarter was 91%, stable compared with the same period last year. In rehabilitation and psychiatry, occupancy rose by 4 points over the year, to a level approaching full capacity. In hospital at home, the average number of patients cared for amounted to 964 stays in the 1<sup>st</sup> quarter 2024, up 15% on the same period last year, thanks to the relevance of the care offer in the face of growing healthcare needs.

The occupancy rate for facilities at cruising speed over the 1<sup>st</sup> quarter 2024 is 99%, excluding home hospitalisation, an increase of 1.6 points compared with the 1<sup>st</sup> quarter 2023, driven by the volume component in the healthcare sector and the continued high occupancy rate in the medico-social sector.

## Growth in Operations

In the 1<sup>st</sup> quarter of 2024, LNA Santé's operating revenue totalled €189.3m, up by 6.9% compared with the same period a year earlier, mainly on an organic basis.

- Sales of highly-medicalised nursing homes (**Medico-Social France**) amounted to €73.4m for the quarter, up 6.3% and exclusively due to organic growth. It breaks down as follows
  - **Comfort nursing homes**, with limited accommodation prices, posted sales of €12.2m, representing organic growth of 5.0%,
  - **Elegance nursing homes** recorded a 6.5% increase in activity to €61.2m, mainly as a result of authorised price increases.
- Sales in the **Healthcare Services France** sector rose by 7.4% in the 1<sup>st</sup> quarter of 2024 to €104.7m. This purely organic growth takes into account an estimated 3.9% reclassification effect resulting from the inclusion of the Segur and Avenant 32 social measures in our tariffs. Adjusted for this impact, growth was 3.5%, driven in particular by higher volumes. In the final analysis, the health business resulted from the following contributions :
  - On-site clinics (**medical and rehabilitation care, psychiatry and surgery**) generated sales of €80.7m in the quarter, an increase of 5.9% on a reported basis and a 0.9% change restated for the reclassification of social measures. The difference between this and the increase in sales reflects the initial effects of the pricing reform on RC clinics, pointing to a lack of value being placed on expertise, with potential repercussions for public hospitals, our main partner : two out of every three patients referred to us come from this sector,
  - **Hospitalisation At Homes (HAH) facilities** reported sustained sales of €23.9m, with organic growth of 12.7% over the quarter.
- The **International Business** sector posted sales of €9.5m in the 1<sup>st</sup> quarter of 2024, representing organic growth of 3.9% compared with the same period last year, broken down as follows :
  - **Nursing homes in Belgium** generated sales of €8.3m over the quarter, representing organic growth of 4.5% year-on-year,
  - **Polish clinics** accounted for sales of €1.2m over the quarter, stable compared with the 1<sup>st</sup> quarter of 2023.

## Real Estate activity

**Property sales** came to €1.4m at 31 March 2024, as expected at the bottom of the cycle. It comprises sales of furnished rental units in three Elegance NH in Nantes, Martignes and Les Sables d'Olonne. Business is set to pick up throughout 2024 thanks to the dynamic marketing of new and renovation programmes currently being launched.

## Outlook

In 2024, LNA Santé will continue to implement the priorities of its strategic project Growing Together 3.

Following on from its adoption of the status of a company with a mission and in the context of the entry into force of the CSRD directive, which makes social and environmental impacts an integral part of the business model, LNA Santé has made the alignment of its economic objectives with the needs of society and the satisfaction of the interests of its stakeholders central to its strategic thinking and its corporate project.

In terms of non-financial indicators, actions to support carers, cooperation with families in the personalised project for vulnerable people, social attractiveness and managerial culture measures and energy



decarbonisation objectives are at the heart of our 2024 roadmap and will be the subject of a mid-year progress report.

The company also expects to maintain solid growth in operating sales over the coming quarters, in a difficult environment where the government's decision to differentiate tariffs to the detriment of private players in the surgery and rehabilitation care sectors is proving penalising and will be actively contested, with the prospect of a strike by our surgical and rehabilitation clinics on 3<sup>th</sup> June.

Although the French healthcare sector benefited from a high volume of admissions in the 1<sup>st</sup> quarter, the low tariff increases (GMT) of +1.2% for 1<sup>st</sup> March 2024 should unfairly weigh on the growth of RC clinics, until the voice of reason can be heard. HAH establishments are expected to maintain their business momentum in terms of volume of stays, with tariff indexation set at an average of +2.2% for 1<sup>st</sup> March 2024.

Growth in the French nursing home market is set to continue thanks to rising occupancy rates, particularly for the five Elegance establishments in the Ile-de-France and PACA regions that are lagging behind in terms of occupancy.

Lastly, on the international front, Belgian establishments should see a slight increase in occupancy, while Polish establishments are actively pursuing the development of their offer.

The momentum achieved at the end of a strong 1<sup>st</sup> quarter has led LNA Santé not to change its substantiated forecast for organic growth in excess of 4.5% for 2024, although the uncertainties of the pricing campaign and the conditions for implementing the new pricing system for RC clinics mean that it is not yet possible to further refine the activity forecast.

***Next publication:***

***Half-year sales for 2024 will be published on 25 July 2024 at the close of trading.***

**About LNA Santé :**

LNA Santé is a family business based in Nantes, founded in 1990. Our business is caring for people who are frail or losing their independence. We are a global healthcare player, with 9,000 professionals working in over 85 establishments (surgical, rehabilitation and mental health clinics, hospital at homes, nursing homes, health centres and kindergardens).

As a company with a mission, we are committed to working together to take concrete action in response to health, social and environmental issues.

For more information, please consult the website : [www.lna-sante.com](http://www.lna-sante.com)

LNA shares are listed in compartment B of Eurolist by Euronext Paris.  
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**Shareholders' Helpline (Tuesdays and Thursdays from 2pm to 4pm): 0 811 04 59 21**

## Glossary

The **cruising regime** corresponds to beds that comply with LNA Santé's operating plan (quality of care, target size of establishment, new state of property, trained and involved management, efficient organisation).

**Organic sales growth** corresponds to the change in sales :

- between N-1 and N of establishments existing in N-1,
- between N-1 and N for establishments opened in N-1 or N,
- between N-1 and N of establishments restructured in accordance with LNA Santé specifications or whose capacity increased in N-1 or N,
- in N compared with the equivalent period in N-1 for establishments acquired in N-1.