PRESS RELEASE

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Growth in revenue in first-half 2024: €2,772 million (up 9.2%)

- Strong revenue in all geographical areas, driven, in particular, by prices.

Average Group occupancy rate[1] improved vs. H1 2023 to 85.3% (up 2.6 points). Occupancy rate for nursing homes in France increased to 83.1% in Q2 2024, up 0.5 point vs. Q2 2023

- A sharp increase in occupancy rates outside France (up between 3.1 and 4.5 points) compared with H1 2023.
- Occupancy rate for nursing homes in France remains below expectations, despite a favourable trend observed at the end of the first half of this year.

H1 2024 EBITDAR at the H1 2023 level, between €330 million and €340 million

- A 30% recovery in EBITDAR outside France, with all geographical areas making a contribution.
- EBITDAR impacted in France by an increase in the resources committed to facilities, which could not be offset by the rise in occupancy rates in nursing homes.

2024 EBITDAR growth outlook revised downwards

- *emeis* revises its 2024 EBITDAR growth range to between 0% and +5% *vs.* FY2023, i.e. a level of between €700m and €730m (compared with €800m to €835m previously communicated).
- The latest forecast incorporates the effect of an action plan launched in France in the second half aimed at restoring balance between the level of activity and resources to take account of the lag in occupancy rate forecasts.

Cumulative disposals of real estate assets since mid-2022 estimated at around €670 million at end-2024, compared with the initial trajectory of €750 million

- In a still unfavourable real estate context, *emeis* estimates that around €670 million in gross proceeds from real estate disposals should be realised by the end of 2024 (reference period starting mid 2022). This amount is to be compared with the year-end 2024 initial trajectory of €750 million which is part of its commitment of €1,250 million to be completed by the end of 2025. This delay is mainly due to the deferral of one specific real estate transaction in France to 2025.
- Gross proceeds from property disposals over 2024 would be around €380m (around €340m net of tax), compared with the €500m (€449m net of tax) communicated in the Group's Business Plan.

[1] The average Group occupancy rate published includes nursing homes, clinics and assisted living facilities.

Disposals of operating assets

- As indicated in the Refoundation Plan, and in addition to the disposals of operating activities already underway outside Europe, more significant disposals of operating assets (including the sale of operations) could be envisaged, which would lead to an improvement in the Group's cash position between late 2024 and early 2025.

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The *emeis* Group's consolidated revenue amounted to €2,772 million in the first half of 2024, an increase of 9.2%, including mainly organic growth of 8.9%. This increase was driven by a 2.6-point increase in the Group's average occupancy rate over the period, the effect of price increases and the positive impact of the contribution from the opening of new facilities.

All the Group's geographical areas contributed to the strong growth momentum in the first half of the year:

in €m	H1 2023	H1 2024	Change	*organic growth*
France	1 137	1 183	+4,0%	*+4,8%*
Southern Europe and Latam	188	211	+11,8%	*+13,2%*
Northern Europe	695	796	+14,6%	*+11,9%*
Eastern Europe	425	472	+11,1%	*+11,3%*
Other geographies	94	110	+16,7%	*+17,6%*
Total revenue	2 539	2 772	+9,2%	*+8,9%*

Average occupancy rate rises sharply between first-half 2023 and first-half 2024:

Average occupancy rate (unaudited figures)	H1 2023	H1 2024	*Change*
France	85,3%	85,8%	*+0,4 pts*
Southern Europe and Latam	83,3%	87,8%	*+4,5 pts*
Northern Europe	78,4%	82,6%	*+4,2 pts*
Eastern Europe	86,7%	89,8%	*+3,1 pts*
Other geographies	n.m.	n.m.	*n.m.*
Group total	82,7%	85,3%	*+2,6 pts*

1. Second-quarter 2024 revenue

in €m	Q2 2023	Q2 2024	Change	*organic growth*
France	582	593	+1,9%	*+3,4%*
Southern Europe and Latam	95	106	+11,5%	*+13,2%*
Northern Europe	362	404	+11,5%	*+11,9%*
Eastern Europe	217	239	+10,2%	*+11,5%*
Other geographies	48	55	+14,6%	*+16,9%*
Total revenue	1 305	1 397	+7,1%	*+8,3%*

Revenue for the second quarter of 2024 totalled €1,397 million, with organic growth of 8.3%. Reported growth of 7.1% includes the impact of site closures in all Group geographical areas.

The overall trend for the second quarter of 2024 was in line with that of the first quarter, with solid growth in revenue underpinned by a significant increase in the Group's occupancy rate (including a 0.5-point increase in the scope of nursing homes in France), the ramp-up of facilities opened in the last 12 months, and the effect of price increases.

2. First-half 2024 revenue

- Overview

Revenue in all geographical areas grew sharply in the first half of 2024, driven by positive price and care allowance effects (approx. 5.5% on average at Group level) and, internationally, by a marked recovery in occupancy rates and the opening of new facilities. The price effect is mainly due to price increases, particularly outside France, in an inflationary environment that has impacted the main operating expense line items since 2022.

- Key highlights by geographical area

In **France**, revenue rose by 4.0% to €1,183 million. This increase was mainly due to price increases and, to a lesser extent, to higher occupancy rates in clinics (post-acute and rehabilitation clinics and mental health clinics) and nursing homes at the end of the half-year. This trend did not fully offset inflation and the level of care allowances.

The occupancy rate for France as a whole was slightly up on first-half 2023, at 85.8%, with a level above 92% for clinics and a slight increase for nursing homes (83.1% on average over the first half of 2024, i.e., +0.1 point), which began mainly at the end of the half-year.

Revenue for **Southern Europe and Latam** (Spain, Italy, Portugal and Latin America) totalled €211 million, with organic growth of 13.2%. Reported growth, including the closure of certain facilities in Spain, Portugal and Latin America, came to 11.8%.

The average occupancy rate across the area rose sharply over the period, to 87.8% (up 4.5 points). Spain, the area's main contributor, saw strong momentum driven by a marked improvement in its occupancy rate, back to a level close to what it was before the Covid-19 crisis (up 6.5 points vs. first-half 2023, at 91.6%).

Revenue for **Northern Europe** (Germany, Belgium, the Netherlands, Luxembourg) totalled €796 million, up 14.6%, including 11.9% organic growth. This strong organic growth was driven by 4.2-point increase in the average occupancy rate, significant price revisions and the opening of new facilities, mainly in the Netherlands. The difference between organic and reported growth reflects the inclusion in the scope of consolidation of operations in Belgium and the Netherlands in the second quarter of 2023.

Revenue in **Eastern Europe** (Austria, Switzerland, Czech Republic, Slovenia and Croatia) also grew sharply (up 11.1% as reported, up 11.3% on an organic basis), amounting to €472 million. The area's two main contributors, Austria and Switzerland, benefited from a combination of higher occupancy rates and major price revisions. The area’s occupancy rate rose by 3.1 points over the period.

The **Other geographies** (Ireland, Poland, United Kingdom, China and United Arab Emirates) posted revenue of €110 million, up 16.7%, lifted by robust momentum in Poland and Ireland, which are the area's two main contributors.

3. Estimated financial indicators to 30 June 2024 (unaudited figures)

In this press release, the Group comments not only on aggregates taken from its consolidated financial statements, but also on alternative performance indicators, whose definitions and calculation methods are presented in full on page 7 of this press release.

As part of this periodic publication, the Company wishes to provide additional information on its estimated operating performance and debt position at 30 June 2024.

Regarding **operating performance**, the information available to the Company to date points to an estimated EBITDAR of between €330 million and €340 million for the first half of 2024, compared with €336 million for the first half of 2023.

This near stability in EBITDAR levels between H1 2023 and H1 2024 breaks down into an increase in operations outside France of around €45 million between these two periods, offset by a reduction in EBITDAR for operations in France of the same order of magnitude.

The situation in the Group's operations in France is due to the slow recovery in occupancy rates, which has not kept pace with the increase in resources mobilised. Based on projected occupancy rates, the Company implemented an action plan in the second half of the year aimed at bringing resources into line with activity levels, while guaranteeing a staffing level above average sector standards. Backed by a growing rate of satisfaction and a recognised medical and care project, the implementation of a proactive commercial strategy remains a priority of this action plan.

Net debt at 30 June 2024 stood at €4,470 million (excluding IFRS adjustments), including cash flow of €653 million. These levels remain close to the 2024 trajectory initially forecast, thanks to the precautionary measures implemented to manage capital expenditure.

Approximately €160 million in gross proceeds from the disposal of real estate assets have been realised and around €245 million of new real estate disposals have been signed over the first half of 2024.

The Company had an undrawn line of credit of €400 million at 30 June 2024 maturing in June 2026.

4. 2024 outlook

The estimated operating performance for first-half 2024, combined with the various internal reviews carried out, have led the Company to revise its 2024 EBITDAR forecast. Most of this revision stems from the Group's operations in France, where it turns out that the operational recovery that will take longer than initially anticipated.

EBITDAR for 2024 is expected to increase by between 0% and 5% compared with 2023, giving a figure of between €700 and €730 million, compared with between €800 and €835 million as previously communicated.

On this basis, pre-IFRS 16 2024 EBITDA would be around €210 million.

In a still unfavourable real estate context, *emeis* estimates that around €670 million in gross proceeds from real estate disposals should be completed by end-2024, compared with the initial planned trajectory of €750 million which is part of the commitment of €1,250 million in disposals to be carried out by end-2025 (reference period starting mid 2022). This delay is essentially due to the postponement to 2025 of one transaction in France initially planned for the end of 2024. Gross proceeds from property disposals over 2024 would amount to around €380 million (around €340 million net of tax), compared with the €500 million (€449 million net of tax) disclosed in the Group's Business Plan.

In order to reduce the impact of these revisions on the Group's cash flow trajectory, *emeis* has taken significant additional precautionary measures with regard to its investments. Furthermore, as indicated in the Refoundation Plan, and in addition to the disposals of operating activities already underway outside Europe, more significant disposals of operating assets (including the sale of operations) could be envisaged, which would improve the Group's cash position between late 2024 and early 2025.

5. Planned update to the multi-year business plan

As announced in its 17 April 2024 press release, the Group has begun updating its multi-year business plan. At the end of this process, which is expected to be completed by the end of the fourth quarter of 2024, the Company will disclose, in accordance with applicable regulations, any changes in the trajectory set out in the business plan in the documentation relating to the recent capital increases, in particular concerning the Group's financial leverage[2] (as a reminder, the financial leverage included in the business plan underlying the capital increases was 5.5x by 2026).

[2] Net debt excl. IFRS 16 lease liabilities/pre-IFRS 16 EBITDA

6. Financial information and calendar

On 4 October 2024, the Company will present its consolidated results for the six months ended 30 June 2024.

DISCLAIMER

This document contains forward-looking statements that involve risks and uncertainties, including information incorporated by reference, regarding the Group's expected growth and profitability in the future that may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties relate to factors that the Company cannot control or accurately estimate, such as future market conditions. Any forward-looking statements made in this document express 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 or uncertainties described in Chapter 2 of the Company's 2023 Universal Registration Document, which is available on the Company's website and on the website of the French financial markets authority, AMF (www.amf-france.org).

DEFINITIONS

Organic growth	Organic growth in Group revenues includes : 1. The change in revenues (N vs. N-1) of existing facilities as a result of changes in their occupancy rates and per diem prices; 2. The change in sales (N vs. N-1) of establishments restructured or whose capacities were increased in N or N-1; 3. The sales achieved in N by establishments created in N or in N-1, and the change in sales of recently acquired establishments over a period equivalent in N to the consolidation period in N-1.
EBITDAR	Operating result before depreciation, amortization, provisions and rental expense
Net debt	Long-term financial debt + short-term financial debt - cash and marketable securities (excluding lease liabilities - IFRS 16 liabilities)

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About *emeis*
With nearly 78,000 experts and professionals in healthcare, care, and supporting the most vulnerable among us, *emeis* operates in around 20 countries with five core activities: psychiatric clinics, post-acute and rehabilitation clinics, nursing homes, home care services, and assisted-living facilities.
Every year, *emeis* welcomes 283,000 residents, patients, and other beneficiaries. *emeis* is committed and is taking action to rise to a major challenge facing our society, i.e., the increase in the number of people placed in vulnerable positions as a result of accidents or old age, and the rising number of cases of mental illness.
emeis is 50.2% owned by Caisse des Dépôts, CNP Assurances, MAIF, and MACSF Épargne Retraite. It is listed on the Euronext Paris stock exchange (ISIN: FR001400NLM4) and is a member of the SBF 120 and CAC Mid 60 indices.
Website: www.emeis.com/en