PRESS RELEASE

Puteaux, 6 February 2025

2024 business activity and revenue[1]

2024 guidance beaten

Trajectory for recovery confirmed
Solid operational recovery seen in the second half of 2024
2025 EBITDAR expected to rise between +15% and +18%, on like-for-like basis
€916m in disposals already completed or secured

Improvement in fundamental indicators

- Resident **satisfaction rate** of **93%**, almost +3 points above the 2022 level
- **Net Promoter Score** from residents up **+13 points** over the same period
- **Rate of conversion of visits into resident admissions** of over 60% in the second half of 2024 and number of **admissions** to our facilities up by **+10%** in 2024 in France
- Stability of care teams: **staff turnover and absenteeism rates are down**, reinforcing continuity and quality of care

Strong business growth

- **Solid organic revenue growth (+8.3%), particularly in nursing homes (+10.8%)**, reflecting the benefits of measures taken since mid-2022
- **Occupancy rates** up in all areas and all core activities **(by 2.7 points on average, to 85.8%)**
- Occupancy rate of 84.1% (+50 bps in one year) for nursing homes in France, where it exceeded 85% in the last quarter
- **Positive price effect** across all the Group's markets (**+4.8%** on average in 2024)

Operating margins recovered in the second half of 2024, exceeding guidance

- **EBITDAR** of **€740m** (vs. €710m to €730m expected) and **EBITDA (excluding IFRS 16)** of around **€245m** (vs. the €210m expected)
- **EBITDAR** up **+19% in the second half of the year** compared with the first half of 2024, and **up +6% year-on-year** (vs. 2023)
- **EBITDA** (excluding IFRS 16), up by nearly **+66%** in the second half of the year compared with the first half of 2024, and up by **20% year-on-year** (vs. 2023)
- The upturn was also driven by **strict control of operating expenses**
- The net impact of asset impairment should be close to zero on emeis Balance Sheet at end 2024

€916m[2] in disposals already completed or secured, and €2bn potential disposals under discussions

- **€745m in real estate disposals**, including €579 m already received since mid-2022 (€287m in 2024) and €166m already secured but not yet received. Average yield rate on disposals for the year of around 5.6%
- **€171m in operational disposals** (Czech Republic and Chile) completed or signed at the end of 2024
- Target of €1.5bn disposals between mid-2022 and end-2025 confirmed, with almost **€600m in disposals still to be completed by the end of the year ...**
- **... with more than €2bn in potential** real estate and operating asset **disposals currently under discussion**

Asset value close to the lowest point in the valuation cycle

- Real estate **values up in Central Europe** but still **low in France and Northern Europe**
- Appraisal values adjusted by -4.8% in 2024, with an average yield of 6.3% (excluding duties). Asset value at around **€6.1bn**
- Growing investor interest in healthcare real estate due to price adjustments, structural demographic trends and growing needs in the healthcare sector

Targets for 2025: an upturn in momentum in the second half of 2024, setting the stage for 2025

- The upturn in momentum that began in the second half of 2024 will continue into 2025, allowing us to expect a further recovery in operating margins. On **a like-for-like basis**[3] , the Group expects **EBITDAR to rise by between +15% and +18%** in 2025

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[1] ***This press release presents the Company's estimated financial and non-financial data for the year ended 31 December 2024. The information was reviewed by the Company's Board of Directors on 5 February 2025 and has not been audited or verified by the Company's Statutory Auditors. The final consolidated financial statements may therefore differ from these estimated financial figures. The consolidated financial statements for the year ended 31 December 2024 are due to be approved at the end of April 2025.***
[2] Amount expressed in net selling value before repayment of associated debt
[3] Excluding changes in operating scope that may occur during the year

Estimated key figures – unaudited at end-2024	2023	2024	2024 guidance	Change	o/w organic
Revenue	**5,198**	**5,636**		**+8.4%**	**+8.3%**
Nursing homes	*3,256*	*3,621*		*+11.2%*	*+10.8%*
Clinics	*1,693*	*1,750*		*+3.3%*	*+3.7%*
EBITDAR	696	740	*Between €710m and €730m*	+6.3%	
as a % of revenue	*13.4%*	*13.1%*			
EBITDA (excl. IFRS 16)	204	245	*€210m*	+20%	
as a % of revenue	*3.9%*	*4.3%*			
Net debt (before IFRS adjustments)	€4,676m	€4,781m		+€106m	
Market value of the real estate portfolio	€6.3bn	€6.1bn[4]			-4.8%

Laurent Guillot, Chief Executive Officer, said: *"The significant recovery in our operating performance in the second half of 2024 enabled us to exceed our guidance and to aim for a like-for-like improvement of between 15% and 18% in our EBITDAR over 2025. This testifies to the success of our Refoundation Plan, which has been underway since mid-2022, and to the commitment of all the* emeis *teams.*

All of our fundamental indicators are improving, particularly the perception of quality and satisfaction among our residents and patients, our occupancy rate is up in all geographical areas and our performance is also being driven by a sharp increase in operating margins in the second half of the year.

emeis *is now fully up and running. We will continue to transform the organisation in order to effectively and responsibly meet the major societal challenges of mental and physical health and old age. Our market outlook is promising: In* emeis' *five main markets, the structural shortfall in supply in the nursing home market is expected to reach 800,000 beds by 2035.*

Together with all our teams, emeis *will become in 2025, a mission-led company (*société à mission*): an ambitious corporate project to provide personalised care and support to all vulnerable people."*

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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 hospitals, post-acute and rehabilitation hospitals, 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

[4] Estimate of €5.1 billion to date based on the appraised portfolio. Adjustments may still be made to the residual amount.

1- Revenue up sharply, led mainly by nursing homes

Revenue (in millions of euros)[5]		2023	2024	*Change*	*o/w organic*
France		2,295	2,381	+3.7%	*+3.9%*
	o/w nursing homes	*1,049*	*1,113*	*+6.1%*	*+6.2%*
	o/w clinics	*1,212*	*1,233*	*+1.7%*	*+1.9%*
Northern Europe		1,443	1,630	+13.0%	*+11.7%*
	o/w Germany	*857*	*946*	*+10.5%*	*+10.8%*
Central Europe		872	966	+10.8%	*+11.1%*
Southern Europe and Latam		388	434	+11.8%	*+12.7%*
Other countries		200	225	+12.5%	*+15.4%*
Total		**5,198**	**5,636**	**+8.4%**	***+8.3%***

Group revenue totalled €5,636 million **in 2024**, up +8.4% as reported (+€438 million) and +8.3% on an organic basis. The increase reflects a combination of three factors which are all moving in the right direction:

- **Positive price effect**, adding +4.8% to organic growth
- Average **occupancy rate up** +2.7 points over the year, contributing +1.8% to organic growth
- **Contribution from new facilities opened in the last two years**, in the ramp-up phase (+1.6%)

Performance was particularly strong in non-domestic European markets, benefiting from significant **price impacts** in Germany and Austria in particular, but also in the Netherlands and Belgium, and from a sharp **increase in occupancy**, especially in Spain and Switzerland. In France, growth was mainly driven by a favourable price effect.

Organic Growth in Group revenue was **primarily led by nursing homes** (nearly two-thirds of the Group's business), with revenue rising by almost +11%, due to a significant increase in the average occupancy rate (up nearly +3 points in 2024). The clinic business is up +4%.

In France (42% of total Group revenue), the main contributor to growth was **the nursing homes network**, which delivered organic revenue growth of +6%.
In Germany (17% of total Group revenue), revenue rose by +10.8% on an organic basis, mainly as a result of a very favourable price effect that added to the benefits of a continuously improving occupancy rate (+3 points).

Revenue by activity (in millions of euros)	YTD Dec. 2023	YTD Dec. 2024	Change	o/w organic
Nursing homes	3,256	3,621	*+11.2%*	*+10.8%*
Clinics	1,693	1,750	*+3.3%*	*+3.7%*
Other	249	265	*+6.4%*	*nm*
Total	**5,198**	**5,636**	**+8.4%**	**+8.3%**

[5] Unaudited figures.

2- Favourable momentum in occupancy rate confirmed

Average occupancy rate[6]	Quarterly			Full year		
	Q4 2023	*Q4 2024*	*Change*	2023	2024	*Change*
France	***85.7%***	***86.8%***	***+1.1 pt***	**85.4%**	**86.1%**	**+0.7 pt**
Nursing homes	*84.0%*	*85.1%*	*+1.1 pt*	*83.6%*	*84.1%*	*+0.5 pt*
Clinics	*90.7%*	*91.8%*	*+1.2 pt*	*90.6%*	*91.6%*	*+1.0 pt*
Northern Europe	***80.6%***	***84.7%***	***+4.1 pts***	**79.2%**	**83.6%**	**+4.4 pts**
Germany	*81.5%*	*84.6%*	*+3.1 pts*	*80.7%*	*83.7%*	*+3.1 pts*
Southern Europe and Latam	***84.9%***	***85.1%***	***+0.2 pt***	**83.3%**	**86.9%**	**+3.7 pts**
Central Europe	***87.5%***	***91.5%***	***+4.0 pts***	**87.2%**	**90.5%**	**+3.3 pts**
Other geographies	***nm***	***nm***	***n/a***	**nm**	**nm**	**n/a**
Total	***84.0%***	***86.2%***	***+2.2 pts***	**83.1%**	**85.8%**	**+2.7 pts**

The Group's average occupancy rate stood at 85.8%, up +2.7 points year-on-year in 2024 (compared with 83.1% in 2023).
In the fourth quarter alone, the average occupancy rate was 86.2%, higher than the average for the year as a whole, a continuation of the favourable momentum that has been building since the second quarter and which is fuelling our confidence in terms of occupancy for 2025.

The recovery was led mainly by nursing homes, where the occupancy rate reached **85.3%, up +3 points year-on-year** (vs. 82.1% in 2023).
The occupancy rate was also **up by +1.1 points for clinics, to 87.5%** (vs. 86.4% in 2023).

It should be noted that these occupancy rates would be higher if they had been based solely on the mature scope, excluding recent openings and facilities undergoing restructuring, whose occupancy rates are not yet mature. Excluding these facilities, the Group's average occupancy rate would be +2 points higher, **closer to 88% on average**.
Excluding the 'ramp up' facilities would increase occupancy rates in the Netherlands by almost +5 points and by almost +4 points in Southern European countries (Portugal and Spain).

The trends that began to emerge late in the first half of the year were thus confirmed during the second half, enabling us to report an increase in occupancy rates across all of the Group's geographical areas. Although the levels achieved are still short of the Group's goals, the upturn is encouraging and confirms the favourable trend benefiting the Group.

- **In France** (42% of Group revenue), the average occupancy rate since the start of the year has risen by +0.7 point to **86.1%.** This increase reflects sequential growth in facility occupancy levels from quarter to quarter.
  In the fourth quarter alone, the occupancy rate was 86.8%, slightly higher than the Group average and almost +110bp above the level seen in fourth-quarter 2023.
- **In Northern Europe, Central Europe and Southern Europe** (54% of revenue), there was a sharp improvement, with the average occupancy rate up by +4.4 points, +3.3 points and +3.7 points respectively since the beginning of the year. It is worth highlighting that the Spanish and Central European facilities, whose occupancy rates are now close to or above 90%, are approaching pre-Covid levels.

[6] Unaudited figures.

3- Operating margins: targets exceeded with a rebound starting in the second half of 2024

In €m[7]	FY 2023	FY 2024	% change	H1 2024	H2 2024	% change
Revenue	**5,198**	**5,636**	**+8.4%**	**2,772**	**2,864**	**+3.3%**
Personnel costs	(3,469)	(3,802)	+9.6%	(1,896)	(1,905)	+0.5%
Other expenses	(1,032)	(1,093)	+5.9%	(537)	(556)	+3.5%
EBITDAR	**696**	**740**	**+6%**	**339**	**402**	**+19%**
as a % of revenue	13.4%	13.1%	-0.3 pt	12.2%	14.0%	+1.8 pt
Rents	**-492**	**-495**	**+1%**	**-247**	**-249**	**+1%**
as a % of revenue	*9.5%*	*8.7%*	*-0,8 pt*	*8.9%*	*87%*	*-0,2 pt*
EBITDA pre-IFRS 16	**204**	**245**	**+20%**	**92**	**153**	**+67%**
as a % of revenue	3.9%	4.3%	+0.4 pt	3.3%	5.3%	+2.0 pts

2024 EBITDAR and EBITDA targets exceeded (excluding IFRS 16)

EBITDAR is expected to be up by more than +6% at around €740 million for the year, well above the target of between €710 million and €730 million.

EBITDA (excluding IFRS 16) is expected to rise by around +20% to close to €245 million, +€35 million above the 2024 guidance of €210 million.

Over six months, strong recovery in EBITDAR (+19%) and EBITDA excluding IFRS 16 (+67%)

This performance is the result of a very mixed year, with margins temporarily under pressure in the first half due to the automatic time lag between the immediate impact of stimulus measures on payroll costs and the gradual benefit of these measures on occupancy rates, and therefore on revenue.

By contrast, operating margins rebounded sharply in the second half of 2024, with payroll costs under control (up +0.5% on the first half) and occupancy rates continuing to improve. As a result, EBITDAR for the second half was +19% higher than that recorded for the first half, and EBITDA excluding IFRS 16 was even +67% higher.

Although margins are below the normal levels expected in the long run, the second half of the year illustrates a favourable trend which should continue in the coming half-years.

[7] Unaudited figures.

4- Progress on disposals: €916 million completed or secured, i.e., 60% of the €1.5 billion target by the end of 2025

By the end of December 2024, the volume of disposals signed since mid-2022 amounted to **€916 million[8],** mainly comprising sale and leaseback transactions, but also of first-time disposals of operating assets. Disposals in 2024 generated capital gains of around €30 million[9].

- **A total of €624 million in disposals were completed in 2024 or are currently secured**, including:
  - **€287 million** of real estate disposals completed during the year, 47% of which were sale and leaseback transactions;
  - **€166 million** of real estate transactions signed and secured to date, but not yet received;
  - **€171 million[10]** of operating assets sold to healthcare operators in the Czech Republic and Chile.

As a reminder, in order to continue reducing its debt and meet its commitments to its banking partners, the Group had raised its disposal target to €1.5 billion (between mid-2022 and end-2025), including the sale of real estate (PropCo) and operating assets (OpCo). This target has now been confirmed and strengthened.

To date, this leaves almost €600 million in disposals still to be completed by the end of 2025, with the Group's teams currently mobilised in dormant investment markets which are starting to show sign of recovery.

To date, **more than €2 billion in potential disposals** (PropCo and/or OpCo) **are currently being discussed or negotiated** between *emeis* and several potential buyers, illustrating both the proactive approach of *emeis* teams and the growing appetite of investors for healthcare assets.

5- Net debt and cash position at end-2024

At end-December 2024, the Group's net debt was around €4,781 million (excluding IFRS 16 and IFRS 5), compared with €4,676 million at end-2023.
The Group's cash position at the end of 2024 was €524 million, down €129 million in the second half of 2024. This change is due to:

- The **repayment of maturing loans** (negative €407 million);
- The **drawdown of a credit line** (positive €400 million);
- **Disposals** (positive €161 million) and the effects of unwinding past commitments (negative €138 million);
- Progress on **investment programmes and non-current items** (negative €95 million), compared with negative €190 million in the first half of 2024;
- **Other recurring cash flow items** were still negative for the first half (€49 million), although this was a marked improvement on the first half. By way of comparison, these items represented a loss of €131 million over the first half of the year.

[8] Amount expressed in net selling value before repayment of associated debt.
[9] Usually recognised in operating income.
[10] Enterprise Value for Czech Republic and Equity value for the share deal in Chile

6- Appraised asset values at the end of 2024: a low point in the valuation cycle?

At end-December 2024, the value of the Group's real estate portfolio is expected to be around €6.1 billion[11]. The appraised portfolio at the end of 2024 was down 4.8% like-for-like compared with 2023, with an average net yield up by almost 35 bps to 6.3% excluding duties[12], reflecting still contrasting trends between geographical areas.

- Appraisal values are on the rise in Central Europe (+2%) and in peripheral regions (Ireland and Poland in particular);
- In France, Southern Europe and Northern Europe, appraisal values continued to fall (by -9%, -3% and -3% respectively), mainly due to a residual rise in capitalisation rates; however, the trend within these regions varied from country to country.

In France (almost half of the appraised assets), the average yield is now estimated at around 6.4% (+50 bps year-on-year).
In the other sectors, yields are stable or rising more slowly (+10 points in Northern Europe at 5.7%, in Central Europe at 6.7%, and +40 bps in Southern Europe close to 6.1%).
These contrasting trends by region, together with the redesign of real estate risk premiums, could point to asset values close to the bottom of the real estate downturn cycle.

7- 2025 outlook and guidance

The medium-term outlook for the Group's core markets is particularly promising for its core activity of providing care and support to vulnerable people.
The population of seniors aged over 75 is expected to grow by more than +30% over the next 10 years, reaching 14% of the population. As a result, the structural shortfall in supply in the nursing home markets will grow each year, reaching a deficit of around 550,000 beds by 2030 and 800,000 beds by 2035 in the five main *emeis* markets. To illustrate the scale of this future shortfall, the French market currently has a total of 650,000 beds.
The prevalence of psychological disorders and chronic illnesses is also continuing to rise significantly, again creating a risk of insufficient supply in the years ahead.

This major shortage situation gives the *emeis* Group good visibility for the coming years, with supply corresponding to strong growth in demand.

The operational recovery trajectory has been confirmed for the short term, particularly since the second half of 2024. This trend will continue in 2025 as occupancy rates recover, favourable price effects are captured, and operating costs are kept under tight control.

Each year, *emeis* communicates its anticipated trends for the current financial year, and the trends expected for 2025 look promising. **Therefore, in 2025, the Group expects EBITDAR to rise by between +15% and +18% on a like-for-like basis** (excluding the effects of any operating asset disposals in 2025) compared with 2024, thereby extending and accentuating the performance improvement momentum seen in recent quarters.

[11] Estimate of €5.1 billion to date based on the appraised portfolio. Adjustments may still be made to the residual amount.
[12] 6.0% including duties

DEFINITIONS

Organic growth	The organic growth of the Group's revenue includes: 1. The year-on-year change in the revenue of existing facilities as a result of changes in their occupancy rates and per diem rates; 2. The year-on-year change in the revenue of redeveloped facilities or those where capacity has been increased in the current or year-earlier period; 3. Revenue generated in the current period by facilities created during the current period or year-earlier period, and the change in revenue of recently acquired facilities by comparison with the previous equivalent period.
EBITDAR	Recurring operating profit before depreciation, amortisation and charges to provisions and before rental expenses.
EBITDA	EBITDAR net of rental expenses on leases of less than one year.
EBITDA pre-IFRS 16	EBITDAR excluding rental expenses on leases of less than one year and excluding lease payments related to leases of more than one year falling within the scope of IFRS 16.
Net debt	Long-term debt + short-term debt - cash and marketable securities (excluding IFRS 16 lease liabilities), and excl. IFRS 5

DISCLAIMER