

Paris, le 26 February 2020

Half-year results at the end of December 2019

Satisfactory results which confirm our integrated care strategy and our leadership position in Europe

- Half year reported turnover up 44.4% to EUR 1,934.5 million. At constant scope and exchange rates, solid growth (+3.0%);
- Very strong increase in EBITDA reported under new IFRS accounting standards to EUR 272.9 million. Good improvement in EBITDA margin at constant scope, exchange rate and accounting standards;
- Group net profit at break-even under new IFRS accounting standards but positive at EUR 11.4 million excluding the dilutive impact of IFRS 16;
- Integration process of Capio very well advanced, financial and strategic perspectives above expectations;
- Acceleration of the digitalization of the Group and continuous transformation of our organizations in order to achieve efficiency and improve our care pathways.

Pascal Roché, CEO of the Group, states :

« The prospects that had been opened a bit more than one year ago with the acquisition of Capio have been confirmed and allow us to display, at constant perimeter, conversion rate and accounting standards, an increase of revenue of +3%, as well as a solid improvement of our operational margin. Hence, the diversity and the complementarity of our businesses and our geographies in Europe make us very confident for the future. This future, we have continued to prepare it through a high level of investment, focused on care quality for our patients and attractiveness towards doctors. »

The Board of Directors, meeting on 24 February, approved the consolidated financial statements for the semester ended December 2019. The accounts were subject to a limited review by the statutory auditors.

In EUR million	From 1 July 2019 to 31 December 2019	Change	From 1 July 2018 to 31 December 2018
Turnover	1,934.5	+44.4%	1,340.1
EBITDA	272.8	+121.7%	123.1
Current Operating Profit	94.1	+92.4%	48.9
<i>As a % of turnover</i>	4.9%	+1.3 point	3.6%
Operating Profit	89.2	+155.6%	34.9
Net Income – Group share	0.0	--	0.0
Net Earnings per Share (EUR)	0.00		0.00

In EUR million	From 1 July 2019 to 31 December 2019	From 1 July 2018 to 31 December 2018	Change
<i>Île-de-France</i>	453.5	446.2	+1.6%
<i>Auvergne-Rhône-Alpes</i>	190.9	180.7	+5.6%
<i>Nord - Pas de Calais - Picardie</i>	187.0	180.3	+3.7%
<i>Provence Alpes Côte d'Azur</i>	79.1	75.7	+4.5%
<i>Bourgogne Franche Comté</i>	53.3	52.1	+2.3%
<i>Other regions</i>	160.9	153.7	+4.7%
<i>Other activities</i>	4.0	4.2	-4.8%
Capio	805.8	247.2	+226.0%
Published Turnover	1,934.5	1,340.1	+44.4%
<i>Of which :</i>			
<i>- At constant scope and exchange rates</i>	1,366.8	1,327.0	+3.0%
<i>- Changes in scope and exchange rates</i>	567.7	13.1	<i>nm</i>

Significant events during the half year :

Following the acquisition of Capiro on 7 November 2018, the appraisal of identifiable assets and liabilities acquired at their fair value at the date of acquisition have been finalized over the semester. The goodwill related to the Capiro acquisition amounts to EUR 950,0 million.

On 1 December 2019, activities of Clinique Jeanne d'Arc in Gien (Centre-Val de Loire) were transferred to the Centre Hospitalier régional d'Orléans (CHRO).

Operations and turnover :

During the half year ending on 31 December 2019, the Ramsay Santé Group reported consolidated turnover of EUR 1,934.5 million, compared with EUR 1,340.1 million from 1 July 2018 to 31 December 2018, up 44.4%.

At constant scope of perimeter and exchange rates, the Group's turnover increased by a strong 3.0% to EUR 1,366.8 million over the semester.

Changes in the scope of consolidation are almost entirely explained by the consolidation of the Capiro Group as from 7 November 2018. It contributed to an incremental EUR 558.6 million to the Group's consolidated turnover over this half year.

At the end of December 2019, the total activity of the French entities of Ramsay Santé, excluding Capiro, increased by 2.7% in terms of the volume of admissions (excluding emergencies). The breakdown by business segment is as follows:

- +0.9% in Medicine-Surgery-Obstetrics
- +9.8% in sub-acute care and rehabilitation
- +3.3% in mental health

With regard to the public service tasks managed by the group, the number of emergencies increased, up 4.7% over the last half year with more than 316,000 cases registered by the emergency services at our facilities.

In addition, organic growth of nordics activities is up 4,6% for the half year ended 31 December 2019, compared to the same period in 2018.

Results :

EBITDA for the half year ended 30 December 2019 was EUR 272.9 million, up 121.7% on a reported basis. The implementation of the new IFRS 16 accounting standard from 1 July 2019 improves the Group EBITDA by EUR 99.2 million. Using the same scope, exchange rates and accounting methods, the EBITDA margin as a percentage of turnover increased significantly to reach 10.4% over the 6 months.

Reported current operating profit for the period 1 July 2019 to 31 December 2019 reached EUR 94.1 million (or 4.9% of turnover), up 92.4% from compared to EUR 48.9 million booked over the semester ended 31 December 2018. The implementation of the new IFRS 16 accounting standard improved the Group current operating profit by EUR 18.2 million.

The amount of other non-current income and expenses represents a net expense of EUR 4.9 million for the period ended 31 December 2019, consisting mostly of costs related to the integration of the Capiro Group as well as to the restructuring project of our Marseille facilities. From 1 July 2018 to 31 December 2018, the amount of other non-current income and expenses represented a net expense of EUR 14.0 million.

At 31 December 2019, the net cost of borrowing amounted to EUR 30.1 million, compared with EUR 27.6 million the first semester of the previous year. This consists primarily of interest on senior debt. Through the implementation of the IFRS 16 accounting standard, the Group booked, in addition, financial expenses related to the the new rental debt amounting to EUR 35.7 million.

In total, Group net profit as at 31 December 2019 is at break-even, encompassing the dilutive EUR 11.4 million impact of IFRS 16.

Debt :

Net financial debt at 31 December 2019 increased significantly as a result of the first implementation of IFRS 16 to reach EUR 3,682.1 million compared to EUR 2 252.5 million at 31 December 2018. This debt includes, in particular, EUR 3,719.3 million in non-current borrowings and financial debt, EUR 205.0 million in current financial debt, offset by EUR 226.3 million in closing cash position.

The implementation of the IFRS 16 accounting standard to operating leases implied a EUR 1,953.1 million increase of the net financial debt at 31 December 2019 of which EUR 1,817.6 million of non-current rental debt and EUR 135.5 million of current rental debt.

About Ramsay Santé

After the successful acquisition of Capio AB Group in 2018, Ramsay Santé is becoming one of the leaders of the hospitalisation and primary care in Europe with 36 000 employees and 8 600 practitioners serving 7 million patients in our 343 facilities in six countries : France, Sweden, Norway, Denmark, Germany, Italy.

Ramsay Santé offers almost all medical and surgical care in three jobs : general hospitals (medicine – surgery – obstetric), follow-up care and rehabilitation clinics, mental health. In all its territories, the group develops missions of public service and contributes to the territorial sanitary disposal, as in Sweden with more than 100 proximity care units.

The quality and security of care is the group's priority in all its countries. That's why our group is today a reference in terms of modern medicine, especially in outpatient care and rapid recovery.

Each year, the group invests more than 200M€ in innovation whether it is in new surgical or imaging technologies, in building or modernising its facilities... The group also innovates with new digital tools to the benefit of its patients or in improving its organisations for a more efficient care.

Internet site : www.ramsaygds.fr

Facebook: <https://www.facebook.com/Ramsaysante>

Twitter: <https://twitter.com/RamsaySante>

LinkedIn: <https://www.linkedin.com/company/ramsaysante>

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Glossary

Constant scope of consolidation

- The restatement of the scope of consolidation for incoming entities is as follows:
 - o Entities entering the scope of consolidation in the current year must have the contribution from the acquired entity deducted from the performance indicators in the current year;
 - o Entities entering the scope of consolidation in the previous year must have the contribution from the acquired entity deducted from the performance indicators of the previous month in the month of the acquisition.
- The restatement of the scope of consolidation for outgoing entities is as follows:
 - o For entities leaving the scope of consolidation in the current year, the contribution of the outgoing entity must be deducted in the previous year from the performance indicators as of the month that the entity leaves the scope of consolidation.
 - o For entities leaving the scope of consolidation in the previous year, the contribution of the outgoing entity must be deducted for the full previous period.

Current operating profit is the operating profit before other non-current income or expenses, consisting of restructuring costs (expenses and provisions), capital gains or losses from disposal, or significant and non-recurring depreciation or amortisation of non-current assets, whether tangible or intangible; also, other operating expenses and income such as provisions relating to major litigation.

EBITDA is the current operating profit before depreciation and amortisation (charges and provisions in the profit and loss account are grouped according to their nature).

Net financial debt consists of gross financial debts, less financial assets.

- Gross financial debts consist of:
 - o bank loans, including incurred interest;
 - o loans relating to finance leases including incurred interest;
 - o rental debt related to IFRS 16
 - o fair value hedging instruments recognised in the balance sheet net of tax;
 - o current financial debt in relation to current financial accounts with minority investors;
 - o bank overdrafts.
- Financial assets consist of:
 - o the fair value of hedging instruments recognised in the balance sheet net of tax;
 - o current financial receivables in relation to current financial accounts with minority investors;
 - o cash and cash equivalents, including treasury shares held by the Group (considered as marketable securities);
 - o financial assets directly linked to the loans taken

Overview of half-year financial results as at 31 December 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
(In EUR million)	From 1 July to 31 December 2018	From 1 July to 31 December 2019
TURNOVER	1,340.1	1,934.5
Personnel expenses and profit sharing	(629.9)	(969.5)
Purchased consumables	(256.6)	(368.2)
Other operating income and expenses	(171.7)	(225.0)
Taxes and duties	(50.7)	(55.0)
Rents	(108.1)	(43.9)
EBITDA	123.1	272.9
Depreciation	(74.2)	(178.8)
Current operating profit	48.9	94.1
Restructuring costs	(18.7)	(6.2)
Result of the management of real estate and financial assets	4.7	1.3
Impairment of goodwill	--	--
Other non-current income and expenses	(14.0)	(4.9)
Operating profit	34.9	89.2
Gross interest expenses	(27.9)	(30.5)
Income from cash and cash equivalents	0.3	0.4
Net interest expenses	(27.6)	(30.1)
Financial interest related to rental debt (IFRS16)	--	(35.7)
Other financial income	1.4	3.0
Other financial expenses	(2.4)	(3.6)
Other financial income and expenses	(1.0)	(0.6)
Corporate income tax	(5.3)	(21.6)
Amount attributable to associates	--	--
NET PROFIT FOR THE PERIOD	1.0	1.2
<i>Revenues and expenses recognized directly as equity</i>		
- Retirement commitments	(3.6)	(13.9)
- Change in fair value of hedging financial instruments	--	2.2
- Translation differential	6.2	(6.2)
- Income tax on other comprehensive income	--	2.8
Results recognized directly as equity	2.6	(15.1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3.6	(13.9)
PROFIT ATTRIBUTABLE TO (In EUR million)	From 1 July to 31 December 2018	From 1 July to 31 December 2019
- Group's share of net earnings	--	--
- Non-controlling interests	1.0	1.2
NET PROFIT FOR THE PERIOD	1.0	1.2
NET EARNINGS PER SHARE (in euros)	0.00	0.00
NET DILUTED EARNINGS PER SHARE (in euros)	0.00	0.00
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (In EUR million)	From 1 July to 31 December 2018	From 1 July to 31 December 2019
- Group's comprehensive income for the period	2.6	(15.1)
- Non-controlling interests	1.0	1.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3.6	(13.9)

CONSOLIDATED BALANCE SHEET – ASSET		
(In EUR million)	06-30-2019	12-31-2019
Goodwill	1,674.8	1,729.0
Other intangible fixed assets	263.5	250.3
Tangible fixed assets	1,107.1	902.6
Right of use (IFRS16)	--	2,116.5
Investments in associates	0.3	0.3
Other long-term investments	87.4	95.7
Deferred tax assets	146.3	97.3
NON CURRENT ASSETS	3,279.4	5,191.7
Inventories	98.9	99.2
Trade and other receivables	361.0	310.0
Other current assets	231.9	347.2
Tax assets	11.8	16.1
Current financial assets	9.7	13.6
Cash and cash equivalents	368.5	226.3
Assets held for sale	--	--
CURRENT ASSETS	1,081.8	1,012.4
TOTAL ASSETS	4,361.2	6,204.1

CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY		
(In EUR million)	06-30-2019	12-31-2019
Share capital	82.7	82.7
Additional paid-in capital	611.2	611.2
Consolidated reserves	293.6	295.7
Group's share of net profit	8.2	--
Group's share of equity	995.7	989.6
Non-controlling interests	42.8	27.1
TOTAL SHAREHOLDERS' EQUITY	1,038.5	1,016.7
Borrowings and financial debts	1,955.3	1,737.6
Non-current rental debt (IFRS16)	--	1,981.7
Provisions for retirement and other employee benefits	132.9	146.5
Non-current provisions	128.3	174.1
Other long term liabilities	32.4	31.0
Deferred tax liabilities	112.6	52.2
NON-CURRENT LIABILITIES	2,361.5	4,123.1
Current provisions	36.5	65.7
Accounts payable	266.2	294.7
Other current liabilities	574.3	481.5
Tax liabilities	14.8	17.4
Short-term borrowings	69.4	26.1
Current rental debt (IFRS16)	--	178.9
Bank overdraft	--	--
Liabilities related to assets held for sale	--	--
CURRENT LIABILITIES	961.2	1,064.3
TOTAL EQUITY AND LIABILITIES	4,361.2	6,204.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY								
(In EUR million)	SHARE CAPITAL	ADDITIONAL PAID IN CAPITAL	RESER-VES	RESULTS RECOGNISED DIRECTLY AS EQUITY	TOTAL COMPRE HENSIVE INCOME FOR THE PERIOD	GROUP'S SHARE OF EQUITY	NON CONTROL-LING INTERESTS	SHARE-HOLDERS' EQUITY
Shareholders' equity at June 30, 2018	56.9	71.2	345.2	(10.4)	7.3	470.2	40.8	511.0
Capital increase (including net fees)	--	--	--	--	--	--	--	--
Treasury shares	--	--	--	--	--	--	--	--
Stocks options and free share	--	--	--	--	--	--	--	--
Prior year appropriation of earnings	--	--	7.3	--	(7.3)	--	--	--
Distribution of dividends	--	--	--	--	--	--	(2.1)	(2.1)
Change in consolidation scope	--	--	0.1	--	--	0.1	14.2	14.3
Total comprehensive income for the period	--	--	--	2.6	--	2.6	1.0	3.6
Shareholders' equity at December 31, 2018	56.9	71.2	352.6	(7.8)	--	472.9	53.9	526.8

Shareholders' equity at June 30, 2019	82.7	611.2	352.5	(58.9)	8.2	995.7	42.8	1,038.5
Capital increase (including net fees)	--	--	--	--	--	--	--	--
Treasury shares	--	--	--	--	--	--	--	--
Stocks options and free share	--	--	--	--	--	--	--	--
Prior year appropriation of earnings	--	--	8.2	--	(8.2)	--	--	--
Distribution of dividends	--	--	--	--	--	--	(1.5)	(1.5)
Change in consolidation scope	--	--	9.0	--	--	9.0	(15.4)	(6.4)
Total comprehensive income for the period	--	--	--	(15.1)	--	(15.1)	1.2	(13.9)
Shareholders' equity at December 31, 2019	82.7	611.2	369.7	(74.0)	--	989.6	27.1	1,016.7

STATEMENT OF INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY					
(In EUR million)	06-30-2018	Income and expenses July 1, 2018 to June 30, 2019	06-30-2019	Income and expenses July 1, 2019 to December 31, 2019	12-31-2019
Translation differential	(0.3)	8.0	7.7	(6.1)	1.6
Retirement commitments	(4.4)	(43.9)	(48.3)	(10.6)	(58.9)
Fair value of hedging financial instruments	(5.7)	(12.6)	(18.3)	1.6	(16.7)
Results recognized directly as equity (Group's share)	(10.4)	(48.5)	(58.9)	(15.1)	(74.0)

CONSOLIDATED STATEMENT OF CASH FLOWS		
(In EUR million)	From 1 July to 31 December 2018	From 1 July to 31 December 2019
Total net consolidated profit	1.0	1.2
Depreciation	74.2	178.8
Other non-current income and expenses	14.0	4.9
Amount attributable to associates	--	--
Other financial income and expenses	1.0	0.6
Financial interest related to rental debt (IFRS16)	--	35.7
Cost of net financial debt	27.6	30.1
Income tax	5.3	21.6
Gross operating surplus	123.1	272.9
Non-cash items relating to recognition and reversal of provisions (transactions of a non-cash nature)	0.1	(6.4)
Other non-current income and expenses paid	(25.3)	(29.6)
Change in other non-current assets and liabilities	(12.0)	(30.3)
Cash flow from operations before cost of net financial debt and tax	85.9	206.6
Income tax paid	(11.0)	(23.0)
Change in working capital requirement	5.0	(9.7)
NET CASH FLOWS FROM OPERATING ACTIVITIES: (A)	79.9	173.9
Investments in tangible and intangible assets	(86.3)	(99.9)
Disposals of tangible and intangible assets	20.1	1.1
Acquisition of entities	(811.1)	(14.4)
Disposal of entities	--	1.0
Dividends received from non-consolidated companies	0.2	0.1
NET CASH FLOWS FROM INVESTING ACTIVITIES: (B)	(877.1)	(112.1)
Capital and share premium increases: (a)	--	--
Dividends paid to minority interests of consolidated companies: (b)	(2.1)	(1.5)
Net interest expense paid: (c)	(27.9)	(30.5)
Financial income received: (d)	0.3	0.4
Financial interest related to rental debt (IFRS16): (e)	--	(35.7)
Debt issue costs: (f)	(11.3)	--
Flux avant endettement : (g) = (A+B+a+b+c+d+e+f)	(838.2)	(5.5)
Increase in borrowings: (h)	832.5	--
Repayment of borrowings: (i)	(28.8)	(51.7)
Decrease in rental debt (IFRS16): (j)	--	(86.9)
NET CASH USED FOR FINANCING ACTIVITIES: (C) = a + b + c + d + e + f + h + i + j	762.7	(205.9)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: (A + B + C)	(34.5)	(144.1)
Currency differences in cash and cash equivalents	1.1	1.9
Cash and cash equivalents at beginning of period	308.0	368.5
Cash and cash equivalents at end of period	274.6	226.3
Net indebtedness at beginning of period	927.1	1,641.7
Cash flow before change in borrowings: (e)	838.2	5.5
Capitalization of financial leases	22.2	--
Loan issue charges fixed assets	(9.2)	2.7
Assets held for sale	--	--
Fair value of financial hedging instruments	(0.9)	(0.7)
Change in scope of consolidation and other	475.1	(0.9)
Rental debt (IFRS16)	--	2 033.8
Net indebtedness at end of period	2,252.5	3,682.1