

CREDIT OPINION

12 May 2026

Update

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RATINGS

CHU de Lille

Domicile	France
Long Term Rating	A2
Type	LT Issuer Rating - Fgn Curr
Outlook	Negative

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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CHU de Lille (France)

Update to credit analysis

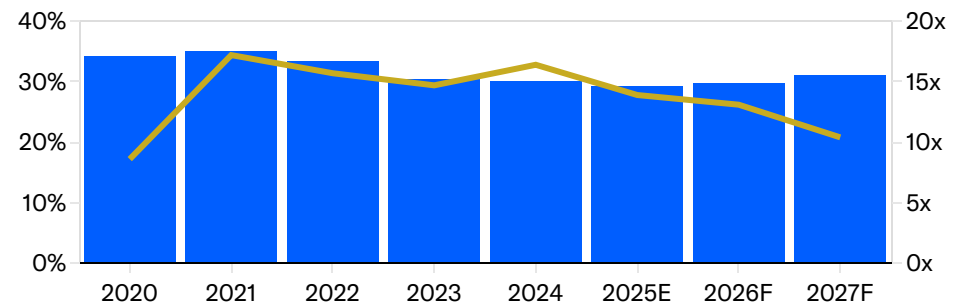
Summary

The credit profile of [CHU de Lille](#) (Centre Hospitalier Universitaire de Lille, A2 negative) reflects its strategic position and close relationship with the [Government of France](#) (Aa3 negative), which funds, regulates and monitors public hospitals in the country. Our assumption of high probability of government support to prevent a default in a timely manner, is a key factor in the ratings. The creditworthiness of CHU de Lille is also supported by its resilient operating performance and debt being under control. These positive factors are counterbalanced by its weak liquidity ratios compared with those of international peers.

Exhibit 1

CHU de Lille's debt burden will remain broadly stable over the next three years

Debt-to-total revenue (% , LHS) Debt-to-adjusted cash flow (x, RHS)



[1] F: forecast, E: estimate
Source: CHU de Lille, Moody's Ratings

Credit strengths

- » Strategic position and close relationship with the central government
- » Resilient operating performance
- » Manageable debt despite robust capital spending

Credit challenges

- » Reduced liquidity coverage compared with that of international peers

Rating outlook

The negative outlook reflects the close institutional, operational, and financial linkages between sub-sovereign issuers and the central government in France. The sovereign's institutional and fiscal challenges expose sub-sovereign issuers to a variety of negative spillovers affecting their operating environment and idiosyncratic financial performance because of possible shifts in policy direction and funding arrangements. For public hospitals, the negative outlook reflects the limited visibility and predictability over national policies, which creates uncertainty over their financial recovery in the coming years amid pressures on their operating margins.

Factors that could lead to an upgrade

Given the negative outlook, an upgrade is unlikely. We would likely change the outlook to stable due to one or a combination of the following: (i) a stabilization of the sovereign's outlook and (ii) healthcare policies remaining supportive to CHU de Lille's credit profile or demonstrated capacity to preserve its operating margins and debt levels.

Factors that could lead to a downgrade

Downward pressure on the rating could come from one or a combination of the following (i) a downgrade of the sovereign rating resulting in a weaker operating environment for public hospitals; (ii) adverse policy decisions by the central government affecting CHU de Lille's financial performance or operating environment.

Key indicators

Exhibit 2

CHU de Lille

	2020	2021	2022	2023	2024	2025E	2026F	2027F
Total revenue (EUR millions)	1454	1554	1644	1744	1762	1801	1828	1845
Social security revenue as % of total revenue [1]	72.9%	72.4%	72.2%	72.6%	72.3%	72.7%	72.8%	72.9%
Operating Cash Flow Margin (%)	4.5%	2.3%	2.4%	2.3%	2.0%	2.3%	2.5%	3.3%
Debt-to-cash flow (x)	8.5	17.1	15.6	14.6	16.3	13.8	13.0	10.3
Debt-to-total revenue (%)	34.0%	34.8%	33.1%	30.1%	29.8%	29.0%	29.5%	30.8%

[1] Lille's main budget

F: forecast, E: estimate

Source: CHU de Lille, Moody's Ratings

Profile

CHU de Lille is the fourth-largest public hospital¹ in France and a leading university medical center in Northern Europe. It plays an essential role in the provision of healthcare at the local and regional levels, while also providing specialised care, teaching and medical research through its close partnership with the University of Lille. CHU de Lille is internationally recognised for several areas of clinical excellence, including cardiopulmonary medicine and neuroscience, and acts as a reference centre for complex treatments.

Detailed credit considerations

The credit profile of CHU de Lille, as expressed in an A2 rating with a negative outlook, combines a Baseline Credit Assessment (BCA) of baa2 and a high likelihood of extraordinary support from the French government, in a timely manner, to prevent a default.

Baseline Credit Assessment

Strategic position and close relationship with central government

CHU de Lille is the fourth-largest French public hospital. CHU de Lille plays an essential role in the provision of health care at the local level, while at the same time providing essential support to other hospitals in the Hauts-de-France region. As a university hospital and having built a very strong partnership with Lille University, CHU de Lille plays a key role in providing specialised care as well as in teaching and medical research for all of Northern Europe. CHU de Lille is internationally recognised, including for the contributions of its *Institut Cœur-Poumon* (ICP or heart and lung institute) and for research on Parkinson's disease.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

The central government funds, regulates and monitors public hospitals. French public hospitals have the special legal status of public health institutions (*Etablissements publics de santé* or EPS), enacted by the French Code of Public Health (*Code de la Santé Publique*), and their debt is consolidated in France's general government debt. Hospitals are monitored and controlled by regional health agencies (*Agences régionales de santé* or ARS) and supported by the interministerial committee for health care investment (*Conseil National de l'Investissement en Santé* or CNIS), which instructs and approves investments above €150 million. New loans, capital spending, budgets and liquidity plans are subject to authorisation and are closely monitored.

Like all French public hospitals, CHU de Lille earns a large and stable share of its revenue from social security contributions (above 70% of its main budget). The strong regulatory and institutional framework, and the high operational and financial links between the central government and CHU de Lille are key factors in its ratings.

Resilient operating performance

CHU de Lille's operating performance showed signs of recovery in 2025, after registering significant pressure on expenditures related to inflation and salary revaluations not fully compensated by the central government and on revenues due to lower activity levels in the post-pandemic period.

Revenue growth reached an estimated 2.2% in 2025, supported by a gradual recovery in activity and efficiency measures under the multi-year PACTE programme. Key actions included bed reopenings and improved coding of medical procedures. CHU de Lille is also actively adapting to the sector-wide structural shift affecting French public hospitals, characterized by a decline in long inpatient stays and a rising share of short stays and outpatient treatments, which are structurally less remunerative. In response, CHU de Lille is transforming care pathways, notably by strengthening ambulatory care. These initiatives supported revenue growth despite the end of the transitional funding mechanism (*Sécurisation Modulée à l'Activité, SMA*) which guaranteed a share of revenue at pre-pandemic levels.

Meanwhile, contained inflationary pressures and efficiency measures limited expenditure growth to an estimated 1.8%. Growth in payroll costs, which represent around 50% of total expenses, was successfully contained below 2% in 2025. Excluding higher employer contributions to the civil servants' pension scheme (CNRACL), which are compensated by dedicated funding on the revenue side, payroll growth moderated to 0.3%. CHU de Lille also continued to curb general costs under the PACTE programme.

Over the coming years, we expect a gradual improvement in operating margins towards 4% by 2028, up from 2% over 2023-25. The PACTE programme targets annual operating margin gains of €15 million annually through 2028 by reorganising support functions, optimising working time, and reducing medicine and food waste. Further progress in activity recovery should also support CHU de Lille's operating performance. Given CHU de Lille's strong governance and track record of implementing its efficiency plan, we expect that these objectives will be met.

Manageable debt despite robust capital spending

CHU de Lille's debt remained manageable at €522 million² or 29% of total revenue in 2025. Debt has declined relative to revenue, from 37% of total revenue in 2018. We expect debt to remain broadly stable until 2028, before picking up the following years as CHU de Lille enters an ambitious investment cycle.

CHU de Lille has designed an ambitious multiyear capital spending plan of over €800 million over 2026-34, with investment peaking at around €140 million annually in 2028-29, compared with close to €70 million each year over 2026-27. The acceleration of capital expenditure will be driven by the extension project of the mother-child hospital Jeanne de Flandre, which was approved by the CNIS (inter-ministerial committee for investment) in July 2025.

In addition to this project, CHU de Lille's investment schedule also includes the construction of a new pharmacy starting in 2026, while ensuring that the hospital's facilities stay updated and well maintained. As part of *Sécur de la Santé* agreements, CHU de Lille secured €150 million of capital grants from the central government. The hospital will receive an additional €63 million in capital funding over 2026-2034, including €12 million for the renovation of the Salengro hospital and €33 million for the construction of a complex illness unit in Bailleul. The hospital will also benefit from the €49 million to be paid down over nine years (€9.9 million in 2021 and then €4.9 million a year until 2029 included) for leverage reduction. These developments will limit debt financing.

CHU de Lille's debt management is prudent. The outstanding debt is diversified, mostly split between public and private French banks, German banks, and a remote share in bonds. In recent years, debt has been exclusively contracted at fixed rates or at standard variable rates (around half at Euribor index and half at Livret A index).

Reduced liquidity coverage compared with that of international peers

Designed as a public, not-for-profit hospital, whose funding framework is largely based on highly predictable and regular social security payments, CHU de Lille has a low cash position. Similar to other French public-sector entities, the hospital is obliged to keep its liquidity reserves in a non-interest-bearing account with the French Treasury and, therefore, pursues a "zero cash" objective.

Despite low liquidity ratios (cash on hand at 21 days as of year-end 2025), particularly compared with international peers, CHU de Lille's liquidity management is good. Beyond the regularity and high predictability of the hospital's cash flow, it has immediately available and committed credit lines totaling €80 million to cover its liquidity needs. The long-term relationships established with high-credit-quality French banks and its diversification strategy allow CHU de Lille to benefit from good access to external liquidity.

Since 2016, CHU de Lille has been one of the five French public hospitals that the central government has authorised to issue short-term debt. In 2018, the hospital launched a €62 million Negotiable European Commercial Paper (NEU CP) program. This program provides additional liquidity reserves, strengthening the hospital's liquidity.

Extraordinary support considerations

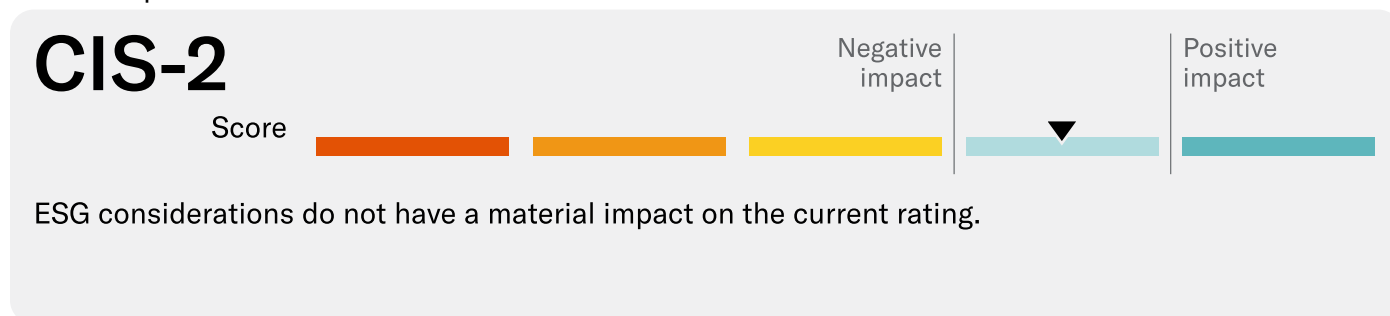
There is a high likelihood of extraordinary support coming from the Government of France. This reflects our expectation of timely intervention by the central government, as illustrated by the bailout track record for French hospitals, coupled with CHU de Lille's strategic position in the French health care sector. The central government's interventions during the coronavirus crisis, especially cash advances to vulnerable hospitals and liquidity facilities offered by state-owned banks, also support our assumption.

ESG considerations

CHU de Lille's ESG credit impact score is CIS-2

Exhibit 3

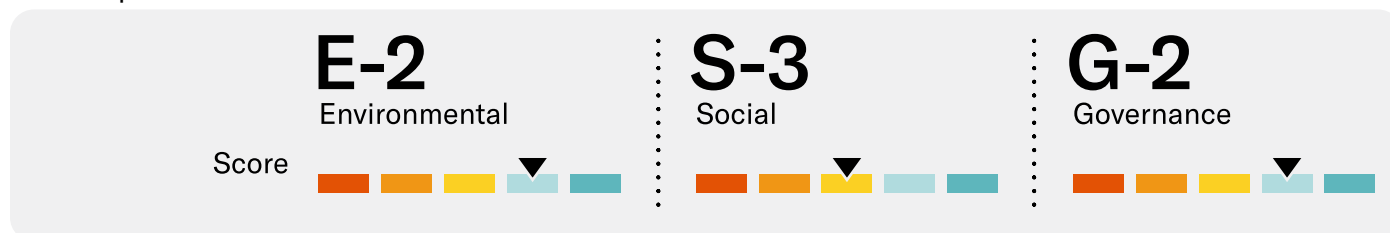
ESG credit impact score



Source: Moody's Ratings

CHU de Lille's ESG considerations do not have a material impact on the current rating. The **CIS-2** reflects its limited exposure to environmental risks, moderate exposure to social risks, mainly related to human capital, which are however mitigated by strong governance. It also reflects our view of a high level of extraordinary support from the central government.

Exhibit 4
ESG issuer profile scores



Source: Moody's Ratings

Environmental

CHU de Lille does not have a material exposure to environmental risks (**E-2**). Some hospitals face moderate exposure to physical climate risks stemming from risks of infrastructure damage and high patient influx as they are located in climate-sensitive areas, but we do not see this risk for CHU de Lille.

Social

CHU de Lille has a moderate exposure to social risks (**S-3**), mainly related to human capital as well as health and safety. Staffing shortages, especially for non-medical staff such as nurses, has been a key issue post-pandemic, leading to bed closures and affecting revenue streams. These risks are however being addressed at the national level and by initiatives by the hospital. Over the past few years, there have been repeated nationwide salary increases, which costs have been largely but not entirely absorbed by the central government. Health and safety of employees also pose moderate risks, in line with other hospitals.

Governance

The **G-2** IPS reflects the strong standards of governance displayed by CHU de Lille, including multi-year financial planning supported by detailed assumptions, prudent debt management and oversight from the central government. CHU de Lille's budget management practices are very robust, and this is captured in a Management Credibility & Track Record category score of 1 that differentiates CHU de Lille compared to the vast majority of rated hospitals around the world.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

The principal methodologies used in these ratings are our [Not-For-Profit Healthcare](#) rating methodology, published in October 2024, and [Government-Related Issuers](#) methodology, published in May 2025.

Ratings

Exhibit 5

<u>Category</u>	<u>Moody's Rating</u>
CHU DE LILLE	
Outlook	Negative
Baseline Credit Assessment	baa2
Issuer Rating	A2
Commercial Paper	P-1

Source: Moody's Ratings

Endnotes

- [1](#) In terms of revenue on the main budget. Across all budgets, CHU de Lille is the third-largest public hospital.
- [2](#) Includes all financial debt, including short-term debt.

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