



Paris, 25 July 2018

Revenue up 6.4% in the second quarter of 2018

- Acceleration of growth in France confirmed: 4.3% in the second quarter
- Continued dynamic growth internationally: 8.6% in the second quarter
- Group revenue up 6.0% in the first half
- Confirmation of 2018 revenue and operating margin objectives

2nd QUARTER REVENUE¹

In € millions	2 nd quarter		Reported change	Organic change ²
	2017	2018		
France	395	412	4.3%	2.5%
<i>as a % of revenue</i>	<i>50.8%</i>	<i>49.8%</i>		
International	383	416	8.6%	3.5%
<i>as a % of revenue</i>	<i>49.2%</i>	<i>50.2%</i>		
Germany	218	226	3.6%	4.1%
Italy	77	87	12.0%	1.2%
Belgium	88	103	18.2%	3.9%
Group Total	778	828	6.4%	3.0%

(1) Revenue and other income

(2) Organic revenue growth includes: a) year-on-year change in revenue (year "N" vs. year "N-1") of existing facilities; b) revenue generated in year "N" by facilities created in year "N" or year "N-1"; c) the change in revenue (year "N" vs. year "N-1") of facilities that were restructured or expanded in year "N" or year "N-1"; and d) the change in revenue, in year "N" compared to the equivalent period in year "N-1", of facilities recently acquired.



Consolidated revenue up 6.4% in the second quarter of 2018

Consolidated revenue totalled €828 million in the second quarter of 2018, up 6.4% compared to the previous year.

This strong performance is due to solid organic growth (3.0%) and the active external development strategy the Group pursued in 2017 and continued in the first half of 2018. The focus on local acquisitions enables the Group to increase the density of its network and to diversify its offer in order to propose complete care pathways in each country of operations.

During the second quarter, the number of beds operated by Korian increased by over 450 units.

Acceleration of growth in France confirmed (+4.3%)

Revenue in France totalled €412 million, up 4.3% due to the confirmed acceleration of organic growth (2.5%) and the resumption of a selective acquisition strategy.

Growth in the Seniors Division was driven by healthy average daily rates, the ramp-up of newly opened and expanded facilities (Saverne, Montigny and La Trimouille) and the contribution of acquisitions completed since the beginning of the year (Ages & Vie, an innovative concept of residences for seniors with decreasing independence, and Fontdivina, a high-end nursing home located in the Alpes Maritimes region).

The Healthcare Division continued to post strong sales momentum, driven by the impact of the development and reconfiguration projects completed in 2017 and in the first half of 2018. The business particularly benefited from an increased level of specialisation and additional capacity, in particular in private rooms and outpatient care. The Group also strengthened its presence in the Hospital Home Care segment with the acquisition of CliniDom, which specialises in oncology.

Continued dynamic growth internationally (+8.6%)

International revenue grew by 8.6%, to €416 million. Organic growth stood at 3.5%.

Organic growth in Germany remained strong over the quarter, at 4.1%, driven by a favourable price effect due to an increase in the average dependence level of residents (care mix) and the ramp-up of facilities opened over the last 18 months. Two new long-term care nursing homes were delivered during the period, for a total of three facilities opened since the start of the year. In reported figures, revenue was up 3.6% after factoring in the disposal of facilities pursuant to the portfolio rationalisation and upgrading policy.

In Italy, revenue growth accelerated to 12.0%, driven primarily by external growth. In the second quarter, the company continued its "capillary" development strategy aimed at building regional geriatric centres and acquired the San Giuseppe hospital specialised in orthopaedics and located in the region of Florence. Organic growth stood at 1.2%.

Revenue in Belgium was up by 18.2%, driven both by the acquisitions made in 2017 and early 2018 and by a solid organic growth dynamic, at 3.9%, thanks notably to the ramp-up of facilities opened or reconfigured in the last 18 months.



Dividend distribution

On 16th of July, Korian distributed a dividend of €0.60 per share for the financial year ended 31 December 2017. Shareholders representing nearly 55% of the capital on the ex-dividend date opted for payment of the dividend in shares. Based on a price per share of €26.90, this option will result in issuing 992,862 new shares, increasing the number of shares comprising Korian's capital to 81,976,425 shares. The total amount of the cash dividend is €22 million.

Conclusion and outlook

Revenue growth over the first half of 2018 totalled 6.0%, and 2.9% in organic figures. This performance, which is in line with the Group's roadmap, reflects a clear acceleration in growth compared to the previous year (+4.9% in half-year 2017). It has been driven by a more dynamic activity in France, resulting from the first effects of the action plan started in 2017, and the pursuit of an active acquisition strategy. The number of beds rose by approximately 1,100 units in the first half of the year, half of which was organic growth.

In the second half, Korian will pursue the various restructuring and development actions launched on its portfolio and plans to open five new facilities ("greenfields"). The Group will also actively proceed further with selective acquisitions in order to consolidate its positions in its different business segments and to take advantage of the strong growth potential of the 4 countries in which it operates. Korian confirms its 2018 objectives in terms of revenue growth and portfolio development.

The costs associated with relaunching growth in France and restructured facility ramp-up, as well as the lower CICE tax credit and the price decreases in the healthcare business, should cause a limited and temporary fall in the operating margin (EBITDA) in 2018.

The Group has substantial assets to strengthen its leadership position in the European market for long-term care and support services for seniors and is confident that it will achieve the objectives of its Korian 2020 strategic plan.

Next event: 12 September 2018 after the close of trading

First-half 2018 results



ABOUT KORIAN

Korian, the expert in providing care and support services for seniors, with over 740 facilities, operates Europe's largest network of long-term care nursing homes, specialised clinics, assisted-living facilities, and home care and hospital home care services. The Korian group's accommodation capacity amounts to over 75,000 beds in four countries (France, Germany, Belgium, and Italy) and the Group employs nearly 49,000 people.

For more information, please visit the website: www.korian.com

Korian has been listed on Euronext Paris Section A since November 2006 and is included in the following indices: SBF 120, CAC Health Care, CAC Mid 60, CAC Mid & Small and MSCI Global Small Cap

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APPENDICES

H1 REVENUE³

In € millions	1st half		Published change	Organic change ⁴
	2017	2018		
France	784	813	3.6%	2.5%
<i>as a % of revenue</i>	<i>50.9%</i>	<i>49.7%</i>		
International	758	821	8.4%	3.2%
<i>as a % of revenue</i>	<i>49.1%</i>	<i>50.3%</i>		
Germany	435	450	3.4%	3.7%
Italy	152	167	10.6%	0.8%
Belgium	171	204	19.3%	4.0%
Group Total	1,542	1,634	6.0%	2.9%

³ Revenue and other income

⁴ Organic revenue growth includes: a) the change in the revenue between year Y and year Y-1 of facilities already in operation; b) the revenue generated in year Y by facilities created in year Y or Y-1; c) the change in the revenue between year Y and year Y-1 of facilities that were restructured or the capacity of which was increased in year Y or Y-1; d) the change in the revenue of recently acquired facilities observed in year Y relative to the equivalent period in year Y-1.