



Paris, 24 October 2018

Revenue up 6.1% in the third quarter of 2018

- Sustained growth in France: 3.6% in the third quarter
- Strong growth internationally: 8.7% in the third quarter
- Continued expansion with capacity up by about 2,000 beds during the period
- Annual objectives confirmed: revenue growth reaching 6% and stable operating margin (EBITDA)

THIRD QUARTER REVENUE ¹

In € millions	3rd quarter		Reported change	Organic change ²
	2017	2018		
France	401	415	3.6%	2.6%
<i>as a % of revenue</i>	<i>50.7%</i>	<i>49.5%</i>		
International	390	424	8.7%	3.4%
<i>as a % of revenue</i>	<i>49.3%</i>	<i>50.5%</i>		
Germany	222	231	3.8%	3.7%
Belgium	95	109	15.0%	2.4%
Italy	74	85	15.1%	3.4%
Group Total	791	840	6.1%	3.0%

NB: revenue at 30 September is shown in the appendix.

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 6.1% in third quarter of 2018

Consolidated revenue totalled €840 million in the 3rd quarter, up 6.1% compared to the previous year.

This strong performance is due to solid organic growth of 3.0% and the success of the active strategy of bolt-on acquisitions in the four countries of operations.

The number of beds that Korian operates grew by about 2,000 units in the period, primarily in Belgium where the Group acquired a third portfolio of facilities from Senior Assist.

Sustained growth in France (+3.6%)

Revenue in France totalled €415 million, up 3.6%, a growth rate in line with the first semester. The organic component remained solid at 2.6%. The scope impact is due to the addition of Ages & Vie, Fontdivina and Clinidom.

The organic growth of the Seniors division continued to be driven by healthy average daily rates, which benefitted in particular from the strategy to enlarge the range of services offered ("Offre Coeur" project), and programs to reconfigure and refurbish the network.

The growth momentum of the healthcare division was positive, driven, in particular, by the development of additional capacities, notably in single rooms and outpatient care. The decrease in rates was more than offset by a higher level of specialisation.

Strong growth internationally (+8.7%)

International revenue grew by 8.7%, to €424 million. Organic growth stood at 3.4%.

Germany reported organic growth of 3.7%, driven by a favourable price impact due to a more active management of "care mix" (average dependence level of residents) and the ramp-up of facilities opened over the last 18 months. One new nursing home opened during the period. Reported growth was 3.8%, with the addition of Kutlu Pflegeexperten (a Munich-based specialized home care network) offsetting the impact of the disposal of facilities pursuant to the portfolio rationalisation and upgrading policy.

Revenue in Belgium continued to grow very strongly (15.0%), reflecting the benefits of the active acquisition strategy carried out in 2017 and 2018. The Group finalised the acquisition from Senior Assist of a third portfolio of around 1,800 beds, which was included in the consolidation scope as from 1 September. This acquisition will contribute by about €65 million to the Group's revenues on a full-year basis. Organic growth was 2.4%.



In Italy, the growth momentum accelerated over the period, with growth reaching 15.1% in reported figures. The Group continued its expansion with the acquisition of a long-term care nursing home in Sardinia. The quarter was marked by particularly strong organic growth in the clinical division due primarily to a favourable comparison base.

Conclusion and outlook

In the first nine months of the year, revenue was up 6.0% of which 2.9% organically. This performance is in line with the annual revenue objective, which was revised upward last September. Korian has opened or acquired over 3,100 beds since the start of the year.

In the fourth quarter, Korian will pursue the various development and restructuring actions launched on its network and plans to open four new facilities (greenfields). The Group will also actively proceed further with selective acquisitions in order to consolidate its positions in its various business segments and to take full advantage of the strong growth potential of the four countries in which it operates.

The Group confirms its objective of a stable EBITDA margin in 2018 based on the rigorous cost discipline implemented in the first half of the year and the expected benefits of the "asset smart" real estate policy.

The Group has substantial assets to reinforce its position as the European leader in care and support services for seniors, and will continue to deploy its Korian 2020 strategic roadmap, which focuses on:

- reinforcing the Group's growth potential via the expansion of the portfolio, the modernisation and optimisation of the network and a broader service offer;
- a more dynamic management of the real estate portfolio to create long term value;
- operational excellence;
- an active staff training and development policy, which supports the quality of care; and
- accelerating innovation in digital technology

Next event: 5 February 2019 after the close of trading
2018 full-year revenue



ABOUT KORIAN

Korian, an expert in care and support services for the elderly, manages Europe's leading network of nursing homes, specialized clinics, assisted living facilities, hospital care and home-care services, with more than 780 facilities altogether. Present in four countries (France, Germany, Belgium and Italy) serving 250,000 patients and residents, the Group operates 76,000 beds, and employs nearly 50,000 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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APPENDIX

REVENUE AT 30 SEPTEMBER³

In € millions	9 months		Reported change	Organic change ⁴
	2017	2018		
France	1,185	1,228	3.6%	2.5%
<i>as a % of revenue</i>	<i>50.8%</i>	<i>49.6%</i>		
International	1,148	1,246	8.5%	3.3%
<i>as a % of revenue</i>	<i>49.2%</i>	<i>50.4%</i>		
Germany	657	680	3.5%	3.7%
Belgium	266	313	17.8%	3.5%
Italy	225	252	12.0%	1.7%
Group Total	2,333	2,474	6.0%	2.9%

³ Revenue and other income

⁴ 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.