



Paris, 10 February 2016

Korian announces its 2015 full year revenue

- Revenue: €2,579.3 million (+16.1%), in line with Group expectations
- 2015 EBITDA margin lower than expected
- 2016 revenue expected to be close to €3 billion

2015 revenue in line with Group forecasts

Korian, European leader in Ageing Well, generated revenue(*) of €2,579.3 million in 2015, up by more than 16% on a consolidated basis⁽¹⁾ and 3.2% on a 2014 *pro forma* basis⁽²⁾. Over the course of 2015, the number of beds opened or acquired by Korian increased by more than 2,800.

In € million (IFRS data, not audited)	2014		2015		
	Consolidated revenue ⁽¹⁾	<i>Pro forma</i> revenue ⁽²⁾	Revenue	Consolidated change	<i>Pro forma</i> change
France	1,323.4	1,503.3	1,535.9	16.1%	2.2%
<i>as % of revenue</i>	59.6%	60.1%	59.5%		
International	898.8	996.2	1,043.4	16.1%	4.7%
<i>as % of revenue</i>	40.4%	39.9%	40.5%		
Germany	476.2	476.2	519.0	9.0%	9.0%
Italy	265.6	312.4	306.1	15.3%	-2.0%
Belgium	157.0	207.6	218.3	39.2%	5.2%
Group total	2,222.2	2,499.5	2,579.3	16.1%	3.2%



Sustained revenue growth in France

Revenue in France increased by 16.1% in 2015 to €1,535.9 million, with *pro forma* growth at 2.2%. This sustained growth, in a challenging public funding environment, is mainly linked to an occupancy rate which was maintained above 96% in long-term care nursing homes, and average daily prices that held up well, thanks to an expanded range of services for residents and better segmentation of these services. In post-acute and rehabilitation care clinics, revenue was driven by the sale of additional services. The number of beds opened in 2015 stands at 198.

International revenue above €1 billion

In 2015, Korian's international subsidiaries generated revenue of above €1 billion for the first time in its history. Revenue reached €1,043.4 million in 2015, up by more than 16% (4.7% on a 2014 *pro forma* basis), thanks to the Group's acquisitions in each of its three countries of operations. In the fourth quarter, international revenue continued to increase its weight to comprise more than 41% of Group revenue.

Revenue in Germany grew significantly (+9.0%) to €519 million. This growth stems firstly from the positive impact of acquisitions closed since 1 January 2015, adding 1,991 beds in 22 facilities to Korian's German portfolio, and secondly, from a rise in the facility occupancy rate. Excluding acquisitions in 2015, the latter is now at 92%, leading revenue growth in this scope to 3.8% in 2015. This positive trend should continue in 2016, given the efforts made to improve the occupancy rate at facilities acquired in 2015, which was only around 75%.

Still in Germany, Casa Reha, which will be consolidated as from 1 January 2016, reported revenue of €280.9 million in 2015.

Revenue in Italy stood at €306.1 million (+15.3%), down 2.0% on a *pro forma* basis. The disposal of six facilities was offset by the acquisition of two facilities in Veneto. Restated for these changes in scope, 2015 revenue was up 1.3% over the year.

In Belgium, total revenue stood at €218.3 million (+39.2%), grew by 5.2% on a 2014 *pro forma* basis, thanks mainly to the four targeted acquisitions and the opening of three new facilities in 2015, adding 567 beds to the Belgian portfolio. At constant scope, revenue was up 2.7%.



2015 EBITDA margin lower than expected

Korian is reducing its 2015 EBITDA margin forecast. The Group is now expecting a drop of around 100 basis points from the EBITDA margin achieved in 2014.

This revision is linked firstly to a stricter definition, by the new management of the Group, of some of non-current items as well as capitalized expenses. This approach leads to a reclassification of some charges (mainly personnel and IT expenses) in the current operating profit and consequently in the EBITDA. This lowers the EBITDA without impacting cash flow generation. Secondly, the revision is linked to a lower than expected operating performance in the second half because of poor cost management in Germany, as well as unexpected operating costs in France.

The new General Management has already implemented an action plan designed to restore the performance of the German subsidiary, by changing and strengthening the local management team, as well as setting up tight control of operating performance.

Significant revenue growth expected in 2016, with a target close to €3 billion

Pursuing its development ambitions and continuing to enrich its offers, the Group expects, in 2016, to continue to see sustained revenue growth. It will be driven by the strong expansion of its facilities network, led by the acquisition of Casa Reha (10,064 beds in 70 additional facilities) and several growth operations in the most attractive areas leading to open 1,500 more beds in 2016. Growth will also be nurtured, by the accelerated roll-out of its strategy of offering new services across its whole network.

In all, in 2015 et 2016, Korian will be able to enlarge its network by more than 14,000 beds.

Next event: 23 March 2016 after close of trading 2015 FY results

(1) Consolidated financial statements: incorporation of Medica into the scope of consolidation from 1 April 2014.

(2) The Korian *pro forma* financial statements have been prepared using the following assumptions:

- merger of the Korian and Medica groups on 1 January 2014;
- consolidation of 100% of Kinetika Sardegna on 1 January 2014. A 28% stake was held in Kinetika Sardegna's share capital until 30 June 2014. It was consolidated using the equity method for the first half of 2014.

(*) Revenue and other income



QUARTERLY REVENUE

In € million (IFRS data, not audited)	Fourth quarter		
	2014	2015	Change
France	384.2	388.2	1.1%
<i>as % of revenue</i>	<i>60.1%</i>	<i>58.8%</i>	
International	254.8	272.4	6.9%
<i>as % of revenue</i>	<i>39.9%</i>	<i>41.2%</i>	
Germany	122.5	137.0	11.9%
Italy	79.0	78.9	-0.2%
Belgium	53.4	56.5	6.0%
Group total	639.0	660.6	3.4%

ABOUT KORIAN

Korian, Europe's leading Ageing Well specialist, founded in 2003, has the capacity to accommodate some 70,000 residents and patients in Europe (France, Germany, Italy and Belgium) and employs around 45,000 people. The Group manages almost 700 facilities in four business lines: nursing homes, post-acute and rehabilitation clinics, assisted living facilities and home care services.

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

Korian is listed on Euronext Paris Compartment A and is included in the following indices: SBF 120, CAC Health Care, CAC Mid 60, CAC Mid & Small and MSCI Global Small Cap

Euronext ticker: KORI - ISIN: FR0010386334 – Reuters: KORI.PA – Bloomberg: KORI.FP

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