



Paris, 22 October 2019

Revenue up 8.4% in Q3 2019

- **Strong quarterly growth in all geographies**
 - A continuously improved network due to renovations and innovations
 - Rapid expansion of the service offer in each living area
 - Dynamic local acquisition strategy

- **Revenue of €2,677.6 million in the first 9 months**
 - 8.2% increase, of which 3.8% is organic growth
 - Significant contribution of companies acquired over the last 12 months
 - 4,042 new beds, bringing the total number of beds to 82,189

- **Objectives for financial year 2019 confirmed**
 - Revenue growth above or equal to 8%
 - EBITDA margin above or equal to 14.5%

Revenue in Q3 2019 and the first 9 months of 2019

Revenue in Q3 2019 increased 8.4% to €910.3 million, of which 3.8% was organic growth. This strong growth confirms the healthy development momentum in the various territories driven by the optimisation of the network and the expansion of the service offer, and driven by the active deployment of the local acquisition strategy over the last twelve months. The integration of Stepping Stones (Netherlands) and Grupo 5 (Spain) during the quarter¹ provides additional diversification and supplements the Group's customer offering.

- In **France**, revenue was up sharply by 6.5%² (versus 3.6% in Q3 2018), of which 2.8% was organic growth (versus 2.6% in the same period in 2018), thereby confirming the positive impacts of the transformation and specialisation of the Healthcare division, the continued expansion and upgrading of the range of offers in the Seniors division. The new activities of Petits-fils (homecare) and Ages&Vie (shared housing for seniors), which were acquired in 2018, are well oriented and are progressing favorably.

- In **Germany**, revenue was up 5.5% (versus 3.8% in the same period in 2018), driven by an acceleration of organic growth of 4.7% (versus 3.7% in Q3 2018) as a result of the ramp-up of recently opened facilities, control of the care mix and improved revenue management.

¹ 1 July 2019

² Includes Spain for €8.2 million



- **Benelux³** now includes the activities of Belgium and the business of Stepping Stones in the Netherlands. Revenue in this zone increased by 22.3%, of which 6.9% was organic growth. Belgium is benefiting from the favourable impacts of extensions and relocations and from the opening of flagship facilities.
- In **Italy**, revenue rose by 8.2%, of which 2.7% organic growth, driven primarily by acquisitions made over the past year which have enabled the business mix to diversify (e.g. Sanem Group in June 2019: outpatient care).

In the first nine months of the year, revenue totalled €2,677.6 million, up 8.2%, of which 3.8% was organic growth.

Overall, the number of beds operated grew by 4,042 in the first nine months, bringing the total number of beds at 30 September 2019 to 82,189 beds in 867 facilities.

Outlook

Based on these performances during the first nine months, Korian is confident it will achieve the objectives announced for financial year 2019, i.e. revenue growth above or equal to 8% and an operating margin above or equal to 14.5%.

Furthermore, at its Capital Markets Day on 20th September, the Group clarified the following objectives for 2021:

- Target operating free cash flow increased to €300 million (vs. €225 million under the K-2020 plan) ;
- Target average revenue growth over 8% (vs. 5% under the K-2020 plan) with over 14,000 new beds in the pipeline ;
- Target EBITDA margin to be above 15.5% (vs. approx. 14.5% under the K-2020 plan), on the basis of a property ownership rate of around 25% ;
- Strong financial structure with the restated debt ratio maintained below 3.5x and a LTV⁴ of the real estate portfolio around 50%.

The Group also reaffirmed the ambition that has been at the core of Korian's strategic project for the last three years: building an integrated care and services offer in Europe to meet the challenges of longevity and related issues, which provides quality support and takes into account the diversity of situations at the level of living areas.

To support this transformation and create a bedrock for long term trust with its employees, customers and stakeholders, Korian has launched the "In Caring Hands" corporate project, which is based on the twin requirements of excellence and innovation, in line with its values.

³ Includes Belgium and the Netherlands (€6.9 million)

⁴ LTV : Loan to Value



Next publications:

2019 full-year revenue and results: 27 February 2020

Q1 2020 revenue: 22 April 2020

Next events:

**French Society of Financial Analysts (SFAF) meeting in Paris on 28 February 2020
to present full-year results**

General Meeting of shareholders on 28 May 2020

ABOUT KORIAN

Korian, an expert in care and support services for the elderly, manages Europe's leading network of long-term care nursing homes, specialised clinics, assisted living facilities and shared housing for seniors, home care and hospital home care services.

For more information, please visit our 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 in Q3 2019 and the first 9 months of 2019

In € millions Revenue	3rd quarter		% Change		Share of revenue %
	2019	2018	Reported	Organic	
France*	442.2	415.3	+6.5%	+2.8%	48.6%
Germany	243.2	230.6	+5.5%	+4.7%	26.7%
Benelux**	133.1	108.8	+22.3%	+6.9%	14.6%
Italy	91.9	84.9	+8.2%	+2.7%	10.1%
Total Revenue	910.3	839.6	+8.4%	+3.8%	100.0%

* Includes Spain for €8.2 million

** Includes Belgium and the Netherlands (€6.9 million)

In € millions Revenue	9 months		% Change		Share of revenue %
	2019	2018	Reported	Organic	
France*	1,307.0	1,227.90	+6.4%	+3.0%	48.8%
Germany	716.2	680.3	+5.3%	+4.7%	26.7%
Benelux**	381.3	312.9	+21.9%	+6.4%	14.2%
Italy	273.1	252.4	+8.2%	+2.0%	10.2%
Total Revenue	2,677.6	2,473.5	+8.2%	+3.8%	100.0%

* Includes Spain for €16.3 million

** Includes Belgium and the Netherlands (€6.9 million)