



Annual Results 2021

Korian places its ESG commitments at the heart of its strategy and furthers its transformation to be a European, Mission led company

Paris, 23rd February 2022 – Korian, the leading European care and support services group for the elderly and fragile, announces its Q4 revenue and its 2021 results.

Sophie Boissard, CEO of Korian Group:

“Following two years fighting the Covid-19 pandemic and whilst the nursing home model comes under scrutiny in France, the Korian community has remained more than ever committed to providing high quality care and support to the elderly and fragile in our society, through its three activities, long term elderly care, post-acute healthcare and community care.

I would like to pay tribute to the unwavering commitment and professionalism of the Korian teams across Europe, that has enabled us to progress significantly in our environmental and social objectives, particularly focused on employment and qualifying training.

I would like to thank all our stakeholders, and in particular our residents, patients, clients and their families for their trust and the quality of our dialogue in all of the communities where we are present. We are determined to build with our stakeholders the solutions and the infrastructure to accompany and care for the elderly and vulnerable with dignity. Thus contributing to solving the societal challenges posed by ageing and chronic diseases across Europe. It's with this aim in mind that we are starting our transformation to become a European, Mission-led company.”



- **Committed to quality of care and quality of work**
 - 240 facilities certified ISO 9001 (29% of network versus 11% in 2020),
 - Net Promoter Score from family, residents and patients of 34, well above the average of BtoC services sector of 23¹
 - 5,302 employees involved in a qualifying education programme: 9.7% of the Group's staff compared to 8% in 2020 and close to target of 10% for 2023
 - Average tenure of staff 7.4 years (up 0.5 year on 2020)
 - Pioneering Health and Safety at Work for the sector: Agreement signed by trade unions in France and a European Health & Safety Protocole with the European Works Council
- **Strengthening the sustainable business model through significant investment**
 - Investment in employees:
 - o Increase in the percentage of revenue spent on staff (59% in 2021 versus 52% in 2016)
 - o Launch of first European Employee Shareholding Ownership Plan
 - Investment in the network: €409m invested to improve and extend services
 - Investment in a diversified portfolio: 1,800 greenfield beds delivered, +20% versus 2020, mainly in community care
- **Performance in line with objectives**
 - Revenue of € 4,311 million: +11.3% growth of which +5.9% organic, reflecting activity normalisation
 - EBITDA (pre IFRS16) of € 597.2 million with a margin rate of 13.9%
 - Net profit at €117.3 million, 2.7% of revenue, remaining down compared to 2019
 - FCF prior to investment of € 230 million
 - Net income Group share € 94.6 €million or 2.2% of revenue
- **Solid balance sheet and reinforced liquidity**
 - Stable operational leverage at 3.1x
 - Real Estate portfolio valued at € 3.2 billion with a stable Loan to Value of 55%
 - Average maturity of the net debt extended to c.6 years and reduction of average cost to 2%
 - Liquidity of € 1.7 billion
- **2022 financial guidance**
 - Continued development of the Group's business segments with organic growth above 4%
 - Continued normalization of EBITDA margin and FCF
- **Next steps for the governance: transformation into a European company and the launch of the transformation to be a Mission Led company**
 - Publication of the resolutions to the AGM on 18th May 2022
 - AGM to be convened on 22th June 2022

¹ European survey carried out by IPSOS with 52,368 respondents (Nursing Homes, Assisted Living and clinics)



FINANCIAL INFORMATION

The consolidated financial statements for 2021 were approved by the Board of Directors at its meeting of 23th February 2022.

The Statutory Auditors are In the process of issuing a report with an unqualified opinion. The consolidated financial statements were prepared in accordance with the IFRS 16 standard. For purposes of comparability, the financial information below is presented excluding the application of IFRS 16.



Group Income Statement

€M	FY 2021	IFRS 16	FY 2021	FY 2020	FY 2019	Δ FY 2021	Δ
	Incl. IFRS 16	adjustments	Excl. IFRS 16	Excl. IFRS 16	Excl. IFRS 16	Excl. IFRS 16	
Revenue	4 310,8	-	4 310,8	3 874,0	3 612,5	436,8	11,3%
Staff costs	(2 532,8)	-	(2 532,8)	(2 243,9)	(2 005,3)	(288,9)	12,9%
% of revenue	58,8%	-	58,8%	57,9%	55,5%	+90 bps	
Other costs	(704,5)	7,9	(696,6)	(681,9)	(659,1)	(14,7)	2,2%
% of revenue	16,3%	-	16,2%	17,6%	18,2%	-140 bps	
EBITDAR	1 073,6	7,9	1 081,5	948,3	948,1	133,2	14,0%
% of revenue	24,9%	-	25,1%	24,5%	26,2%	+60 bps	
External rents	(63,8)	(420,6)	(484,4)	(450,0)	(413,0)	(34,3)	7,6%
% of revenue	1,5%	-	11,2%	11,6%	11,4%	-40 bps	
EBITDA	1 009,8	(412,7)	597,2	498,2	535,1	98,9	19,9%
% of revenue	23,4%	-	13,9%	12,9%	14,8%	+100 bps	
Amortisation & Depreciations	(602,6)	371,9	(230,7)	(201,6)	(178,3)	(29,1)	14,4%
Provisions	(23,7)	-	(23,7)	(25,3)	(19,1)	1,6	-6,4%
EBIT	383,6	(40,8)	342,8	271,3	337,7	71,5	26,3%
% of revenue	8,9%	-	8,0%	7,0%	9,3%	+100 bps	
Non current expenses	(41,7)	-	(41,7)	(38,5)	(15,7)	(3,1)	8,1%
Operating income	341,9	(40,8)	301,1	232,8	322,1	68,3	29,3%
% of revenue	7,9%	-	7,0%	6,0%	8,9%	+100 bps	
Financial result	(210,0)	70,0	(140,0)	(138,7)	(119,9)	(1,4)	1,0%
Net income before tax	131,9	29,2	161,1	94,1	202,2	67,0	71,1%
Income tax	(13,5)	(6,5)	(20,0)	(25,8)	(64,7)	5,8	-22,4%
Tax rate	10,2%	22,3%	12,4%	27,4%	32,0%	-1500 bps	
Income from equity method	(2,0)	-	(2,0)	(0,8)	-	(1,2)	157,3%
Minority Interests	(21,8)	-	(21,8)	(2,7)	(1,5)	(19,1)	705,8%
Net profit - Group share	94,6	22,7	117,3	64,9	136,0	52,4	80,8%
% of revenue	2,2%	-	2,7%	1,7%	3,8%	+100 bps	



Balance Sheet

<i>in M€</i>	Notes	31.12.2021	31.12.2020	Var vs. 2020
<i>Goodwill</i>	4.1	3 214	2 906	308
Intangible assets	4.2	2 191	2 158	33
Property, plant and equipment	4.3	3 078	2 645	433
Rights of use	4.5	3 469	3 457	13
Financial assets		43	65	-22
Equity-accounted investments		19	5	14
Deferred tax assets		95	79	16
Non-current assets		12 110	11 315	795
Inventories	3.4	28	36	-8
Trade receivables and related accounts	3.4	365	315	49
Other receivables and currents assets	3.4	453	336	117
Current tax receivables		60	34	26
Financial instruments – assets	7.2	7	2	5
Cash and cash equivalents	7.3	1 215	1 159	55
Current assets		2 128	1 883	245
Assets held for sale		77		77
TOTAL ASSETS		14 315	13 197	1 118

<i>In M€</i>	Notes	31.12.2021	31.12.2020	Var vs. 2020
Share capital		528	525	3
Premiums		1 196	1 183	13
Reserves and consolidated results		1 776	1 449	327
Equity attributable to owners of the Group		3 500	3 157	343
Non-controlling interests		271	166	106
Total shareholder's equity		3 771	3 323	449
Provisions for pensions		99	100	-1
Deferred tax liabilities		584	605	-21
Other provisions	8	50	62	-12
Loans and financial liabilities	7.2	3 761	3 047	715
Non-current lease liabilities	4.5	3 425	3 351	74
Other non-current liabilities		173	96	77
Non-current liabilities		8 093	7 261	833
Provisions for current liabilities	8	16	10	6
Trade payables and related accounts	3.4	500	454	46
Other payables and accruals	3.4	761	770	-10
Dettes d'impôt courant		69	29	40
Borrowings due within one year and bank overdrafts	7.2	681	952	-271
Current lease liabilities	4.5	360	362	-2
Financial instruments - Liabilities	7.2	21	38	-17
Current liabilities		2 407	2 614	-208
Liabilities held for sale		44		44
TOTAL LIABILITIES		14 315	13 197	1 118



Group Cash Flow Statement

€M	FY 2021 Incl. IFRS 16	IFRS 16 impact	FY 2021 Excl. IFRS 16	FY 2020 Excl. IFRS 16	Δ
EBITDA	1 009,9	412,7	597,2	498,2	19,9%
Non cash & others	0,2	20,3	(20,0)	(22,8)	
Change in WCR	(94,0)	0,4	(94,3)	11,7	
Operating Capex	(91,3)	-	(91,3)	(86,9)	
Operating cash flow	824,8	433,3	391,4	400,2	-2,2%
Income taxes paid	(39,4)	-	(39,4)	(62,8)	
Financial expenses paid/received	(192,3)	(69,8)	(122,5)	(114,4)	
Operating free cash flow	593,1	363,5	229,6	223,0	3,0%
Development Capex	(188,9)	-	(188,9)	(111,7)	
Financial investments (bolt-on acquisitions)	(220,3)	-	(220,3)	(530,0)	
Net free cash flow	183,8	363,5	(179,7)	(418,7)	
Dividends paid	(36,4)	-	(36,4)	(10,2)	
Real estate investments / divestments	(473,5)	-	(473,5)	(591,2)	
Increase in equity	225,5	-	225,5	390,9	
Partnership Real Estate	135,0	-	135,0	314,1	
Non-cash adjustments to net debt	(494,6)	(485,7)	(8,9)	(42,5)	
Other Net debt	(0,9)	(0,0)	(0,9)	0	
Change in total net debt	(461,2)	(122,1)	(339,1)	(357,7)	



NON-FINANCIAL INFORMATION

15 ESG Commitment – 2021 Achievements

1	PROVIDE CARE EXCELLENCE WHILST ENSURING DIGNITY AND CHOICE	Positive Care	ISO 9001 certification	Chartered Mediator
		80%	29%	
2	BE THE EMPLOYER OF CHOICE	Average Tenure	Qualifying training programme	Women in Top Management
		7.4y	9.7%	47%
3	CONTRIBUTE TO FINDING INNOVATIVE SOLUTIONS FOR MORE INCLUSIVE SOCIETY	Philanthropic actions	Stakeholder Councils	Scientific publications
		1.6% RNPG		40
4	BE A COMMITTED AND RESPONSIBLE LOCAL PARTNER	Local purchasing	Community projects	Local community & family Councils
		78% / SME 36%	99%	89%
5	REDUCE OUR ENVIRONMENTAL FOOTPRINT	CO ₂	Residual waste	Energy efficient buildings
		Ongoing	Ongoing	95%

-40% CARBON REDUCTION BY 2030



About Korian

Korian, the leading European care services group for elderly and fragile people. 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

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

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