



Paris, 5 February 2019

Performance in 2018 above guidance Revenue growth up 6.4%, Forecast EBITDA margin of 14.3%

- Sharp increase in revenue growth in 2018 up 6.4% compared to 2017 up 5.0%
- Confirmed growth recovery in France with revenue up 3.8% and continued strong momentum internationally of +9.0%
- Expansion of the number of beds operated by 3,100 beds
- Further acceleration of revenue growth expected in 2019

ANNUAL REVENUE AT 31 DECEMBER 2018 ¹

In € millions	2017	2018	Reported change	Organic change ²
France	1,583	1,644	3.9%	2.7%
<i>as a % of revenue</i>	50.5%	49.3%		
International	1,552	1,692	9.0%	3.3%
<i>as a % of revenue</i>	49.5%	50.7%		
Germany	882	913	3.5%	3.7%
Belgium	363	436	20.3%	3.7%
Italy	307	343	11.8%	1.7%
Group Total	3,135	3,336	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 7.6% in the fourth quarter, of which +3.3% was organic growth

Consolidated revenue totalled €863 million in Q4 2018, up 7.6% compared to the previous year. This momentum is driven, on one hand, by an acceleration in organic growth to +3.3%, that is largely due to the effects of the recovery plan in France. On the other hand, it is the result of the active strategy of bolt-on acquisitions the Group has pursued throughout the year to strengthen its local presence and to diversify its offer for seniors and vulnerable persons through independent care paths.

Acceleration of growth momentum in France

Revenue in France totalled €416 million, up 4.6% due to the acceleration of organic growth (+3.2%) and the contribution of the acquisitions carried out in 2018 (Ages & Vie, Fontdivina and Clinidom).

France Senior division (which includes the various medico-social activities) benefited from healthy average daily rates, driven by the diversification of a comprehensive service offer and the refurbishment program started in 2017.

France Healthcare division (which includes the various healthcare activities) benefited from the policy implemented by the Group over the last two years to specialise and reposition its clinics. Revenue growth momentum was driven by an improved case mix. It has also benefited from the expansion of outpatient activities, which are now offered in half of the facilities, and from the development of hospitality services, in particular the expanded offer of private rooms.

Strong revenue growth internationally

In the other three countries Group revenue increased by +10.6% due to solid organic growth (+3.3%) and the successful bolt-on acquisition policy.

German activities posted growth of +3.3% in the quarter, driven by good business performance on existing portfolio, care mix active management (the facilities' pricing policy) and the ramp-up of facilities opened over the last eighteen months, completed by the relaunch of bolt-on acquisition strategy in the third quarter. This performance takes into account the restructuring of the bed portfolio required by the new regulatory framework that came into force in 2018.

In Belgium, the growth momentum accelerated further over the period, with growth reaching +27.3%, of which +4.2% was organic growth. This performance reflects the dynamic growth strategy implemented in 2017 and 2018 with the acquisition of a third portfolio of 21 facilities from Senior Assist on 1 September, after the 2 portfolios of 8 facilities each in 2017.

With revenue up 11.0%, Italy confirmed strong growth acceleration. The Group benefited from acquisitions carried out since the beginning of the year in order to build local geriatric centres combining primary care, rehabilitation and long-term care.



Annual revenue up 6.4%, above guidance

Full-year revenue for 2018 totalled €3,336 million, compared to €3,135 million in 2017, up 6.4% reflecting a sharp acceleration compared to 2017. Organic growth totalled +3.0%, compared to +2.4% in 2017, including +3.3% from international operations and +2.7% in France.

Consolidating network and expanding care path offer

Throughout 2018, Korian has been continuing its active local development strategy, combining the deployment of complementary capabilities, active management of existing facilities and bolt-on acquisitions, with 10 transactions completed over the year. In total, the Group expanded its portfolio by 3,100 beds over the period, increasing the number of facilities operated to 803 with a total of 78,000 beds.

In 2018, the Group also experienced an acceleration in its diversification offers to complement its traditional activities, such as assisted living facilities and shared housing for seniors, in particular through the acquisition of Ages & Vie in France. The Group accelerated its development in home care and home services by acquiring specialised networks, such as Clinidom (a hospital home care network specialising in oncology), PflegeExperten (an intensive home care network in Bavaria) and Petits-Fils (a franchise network specialising in support for seniors at home). This diversification, together with the digital partnerships developed through Korian Solutions, the Group's new digital agency, will make it possible to offer modular support solutions that can be tailored to meet patients' exact needs.

Modernisation of facilities in France and ramp-up of the development program

Business in France benefited from the initial impacts of the growth acceleration plan launched two years ago. A first set of reconfiguration and modernisation projects involving 40 facilities, long-term care nursing homes and specialised clinics, was completed in 2018.

Development and financing partnerships focused on new buildings will support this growth dynamic in 2019. For example, of the 15 projects within the scope of the partnership agreement signed with Icade in 2017, 4 are already underway, and the first projects are expected to be commissioned in 2019. In addition, a development contract has just been signed for the first of the 7 projects in the scope of the partnership with CAREIT and Primonial REIM in September 2018.



Outlook

Based on the growth momentum witnessed over the year and as a result of strict control of operating costs, the 2018 EBITDA margin is expected to reach 14.3%, above guidance of 14%.

In 2019, the Group anticipates a further acceleration in revenue growth, particularly due to the contribution of the acquisitions carried out in late 2018 and early 2019. In January 2019, the Group announced that Korian would begin operations in Spain, as well as bolt-on acquisitions in France and Germany, the Omega Group, a specialist in care for the very old, located in the Southwest and Schauinsland, that operates 6 long-term care nursing homes in Baden-Württemberg.

**Next event: 14 March 2019 after the close of trading
2018 annual results**

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 home care and hospital home care services, with a total of 803 facilities. The Group currently operates in five countries (France, Germany, Belgium, Italy and Spain), provides services to 300,000 patients and residents, and employs over 50,000 persons.

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

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

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APPENDIX

4th QUARTER REVENUE³

In € millions	4th quarter		Reported change	Organic change ⁴
	2017	2018		
France	398	416	4.6%	3.2%
<i>as a % of revenue</i>	49.7%	48.3%		
International	404	447	10.6%	3.3%
<i>as a % of revenue</i>	50.3%	51.7%		
Germany	225	233	3.3%	3.4%
Belgium	97	123	27.3%	4.2%
Italy	82	91	11.0%	1.9%
Group Total	802	863	7.6%	3.3%

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.