



Paris, 25 April 2018

Revenue up 5.5% in the first quarter of 2018

- Acceleration of growth in France (+3.0%)
- Continued dynamic growth internationally (+8.2%)
- Portfolio expanded by about 650 beds during the period
- 2018 revenue and operating margin objectives confirmed

REPORTED REVENUE ¹

In € million	1 st quarter		Reported change	Organic change ²
	2017	2018		
France	389	400	3.0%	2.5%
<i>as % of revenue</i>	50.9%	49.7%		
International	375	406	8.2%	2.9%
<i>as % of revenue</i>	49.1%	50.3%		
Germany	217	224	3.1%	3.3%
Italy	74	81	9.1%	0.4%
Belgium	84	101	20.4%	4.1%
Group total	764	806	5.5%	2.7%

(1) Revenue and other income

(2) Organic growth in revenue 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 5.5% in the first quarter of 2018

Consolidated revenue totalled €806 million in the first quarter of 2018, up 5.5% compared to the same period in 2017.

This positive momentum is driven by accelerating growth in France (3.0%) and continued strong growth internationally (8.2%).

Organic growth totalled 2.7%. The scope impact is due primarily to the acquisitions in 2017 in Belgium and Italy, and in early 2018 in France, where the Group acquired a majority interest in Ages & Vie.

In the first quarter, the portfolio operated by Korian expanded by about 650 units, over half of which are in France.

Growth accelerated in France (+3.0%)

Growth in France totalled €400 million, up 3.0%, driven by organic growth of 2.5% and the addition of Ages & Vie to the scope of consolidation as from 1 January. The acceleration of organic growth reflects the ramp-up of the programme launched in 2017 to develop and modernise the facility network, with the opening of a new nursing home and a relocated clinic in the first quarter of 2018.

The Seniors division (long-term care nursing homes) continued to benefit from healthy average daily rates, which have notably profited from the strategy to enlarge the range of services offered to residents, and from a favourable network effect.

The Healthcare division (comprising primarily post-acute and rehabilitation care clinics) posted an increased growth momentum, driven by the projects delivered in 2017. These projects have made it possible to bring facilities closer to the main referring hospitals, to increase the level of specialisation and to develop additional capacity in single rooms and day hospital. The number of ambulatory care facilities will pick up significantly as from the second quarter with the opening of a total of 11 new day hospital planned over the year.

Continued dynamic growth internationally (+8.2%)

International revenue grew by 8.2%, to €406 million. Organic growth stood at 2.9%.

Germany reported organic growth of 3.3% over the quarter, driven by a favourable price effect due to an increase in the 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. In reported figures, revenue was up 3.1% after taking into account the disposal of two facilities in 2017 pursuant to the portfolio optimisation policy.

Revenue in Italy was up by 9.1% due to the contribution of facilities acquired in 2017. Organic growth totalled 0.4%.



In Belgium revenue increased by 20.4%, driven primarily by the addition to the consolidation scope of the two portfolios of facilities acquired from Senior Assist in June 2017 and January 2018, respectively. The company continued its local development strategy by acquiring two new facilities in the first quarter. Organic growth remained solid at 4.1%, driven essentially by the ramping-up of facilities opened, expanded and refurbished since end 2016.

Conclusion and outlook

The progression of revenue in the first quarter is in line with the Group's roadmap. Korian confirms its revenue growth objective of at least 5.5% in 2018. This dynamic will be driven by a stronger business momentum in France as a result of the various measures taken in 2017 and the pursuit of an active development strategy. The Group aims to add over 2,500 beds to its portfolio, including the opening of ten new facilities ("greenfield") over the year in Germany, France and Belgium.

The costs associated with relaunching growth in France and restructured facility ramp-up, as well as the decrease in the CICE tax credit and the price decreases in the healthcare business, should cause a limited and temporary fall in the operating margin (EBITDA) in 2018.

The Group has substantial assets to strengthen its leadership position in the European market for long-term care and support services for seniors, and is confident that it will achieve the objectives of its Korian 2020 strategic plan.

Next event: 24 July 2018 after the close of trading

2nd quarter 2018 revenue



ABOUT KORIAN

Korian, the expert in providing care and support services for seniors, with over 740 facilities, operates Europe's largest network of long-term care nursing homes, specialised clinics, assisted-living facilities, and home care and hospital home care services. The Korian group's accommodation capacity amounts to over 75,000 beds in four countries (France, Germany, Belgium, and Italy) and the Group employs nearly 49,000 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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INVESTOR RELATIONS

Nadine Coulm

VP Investor Relations & Financing
nadine.coulm@korian.com
Tel.: +33 (0)1 55 37 53 55

PRESS CONTACT

Caroline de Jessey

Group Chief Communication Officer
caroline.de-jessey@korian.com
Tel.: +33 (0)6 21 80 35 63