PRESS RELEASE

Solid activity in the third quarter of 2020
Revenue up 5.6% including organic growth of 1%

6% growth in the first nine months, reflecting the operational resilience of the Group's networks across Europe

Paris, 19 October 2020 - Korian, the leading European care services group for elderly and fragile people, has announced its revenue for the third quarter and first nine months of 2020.

Third-quarter revenue up 5.6% to €961.1 million, including organic growth of 1.0%

- In line with guidance announced on 1 October 2020 (between €945 million and €965 million)
- Average occupancy rate up 2 points in Nursing Homes compared to the low point (-5points) observed mid- June 2020

Revenue for the first nine months of 2020 up 6.0% to €2,837.6 million, including organic growth of 1.0%

- Operational resilience during the period despite lockdown measures and limitations on business activities affecting 80% of facilities between March and June 2020
- Good contribution from the various acquisitions carried out in 2019 (20) and 2020 (13)

Acquisition of Inicea and launch of a rights issue to raise around €400 million

- Creation of France's third-largest player in mental health
- Capital increase to fund the acquisition and the Group's future growth

Recap of the Group's 2020 forecasts and medium-term guidance

- **2020 forecasts**
  - Revenue growth of over 5%
  - EBITDA margin of at least 13.2% excluding the effect of IFRS 16 (23.0% including IFRS 16)[1] and excluding Covid-19 one-off costs
- **Medium-term guidance (2022)**
  - Revenue of over €4.5 billion
  - EBITDA margin of 15.5% excluding the effect of IFRS 16 (24.7% including IFRS 16 with around €80 million of residual lease expenses)

[1] 12.1% excluding IFRS 16 and including Covid-19 one-off costs, or 22.1% including IFRS 16

Revenue for the third quarter and first nine months of 2020

In the **third quarter of 2020**, the Group generated revenue of €961.1 million, up 5.6% year-on-year and representing organic growth[2] of 1.0%.

In the third quarter, activity level was supported by the rebound in healthcare activities in France and Italy after measures to reduce activity imposed by the relevant authorities in both countries were lifted, and by the increase in occupancy rates in medico-social facilities following the gradual increase in admissions in the Group's various countries from June, with an average occupancy rate rising 2 points after falling by as much as 5 points mid-June.

Overall, in the first nine months of the year, the Group's revenue totalled €2,837.6 million, up 6.0% year-on-year, with organic growth of 1% (+2.2% excluding Italy).

The Group's various healthcare and medico-social networks are therefore proving highly resilient to the unprecedented situation caused by the pandemic. This has been made possible by the outstanding commitment shown by all staff members to maintaining continuity of care and services, and to continuing to care for residents and patients in each facility.

Firm activity levels also reflect the impact of the various modernisation plans adopted in the Group's networks and its successful business diversification with the development of "outside the walls", digital and home-care services in recent years.

In the first nine months of 2020, the network added 4,176 additional beds, taking the total to 86,851[3]. At the same time, the Group is continuing to increase its outpatient capacity in France and Italy, as well as rolling out its home-care activities in France with a network of 150 Petits-fils agencies as opposed to 50 at the start of 2019.

[2] Organic revenue growth reflects: a) the year-on-year change in revenue from existing facilities; b) revenue generated in the current period by facilities established in the current or year-earlier period; c) the year-on-year change in revenue at redeveloped facilities or those where capacity has been increased in the current or year-earlier period; d) the year-on-year change in revenue at recently acquired facilities

[3] Nursing homes, specialist clinics and alternative housing

Acquisition of Inicea and launch of a rights issue to raise around €400 million

On 1 October 2020, Korian announced that it had entered into exclusive negotiations for the acquisition of Inicea, the third-largest private psychiatry player in France, with Antin Infrastructure Partners, an independent private equity firm focused on infrastructure investments, for a total consideration of €360 million including €140 million of real estate.

The transaction was unanimously approved by Korian's Board of Directors. It remains subject to customary conditions precedent[4]. The transaction is expected to complete in the fourth quarter of 2020.

At the same time, the Group has launched a rights issue[5], aiming to raise around €400 million to fund the acquisition and the Group's future growth.

Outlook

The Group reiterates the 2020 forecasts and 2022 guidance announced in its press release of 1 October 2020.

In spite of the significant uncertainty linked to the pandemic, the Group expects growth in excess of 5% in 2020.
It also expects full-year EBITDA margin of at least 13.2% excluding the effect of IFRS 16 and Covid-19 one-off costs (12.1% including Covid-19 one-off costs), equivalent to around 23.0% including the effect of IFRS 16 (22.1% including Covid-19 one-off costs).

In the medium term, as a result of the various projects the Group has undertaken, regarding medicalising and diversifying the services it offers to meet the growing needs of elderly and fragile people, it is targeting total revenue of over €4.5 billion by 2022. The EBITDA margin target is 15.5% excluding the impact of IFRS 16 in 2022 (around 24.7 % including IFRS 16 with around €80 million of residual lease expenses) and the Group expects to keep its financial leverage ratio below 3.5x.

[4]Including obtaining the necessary regulatory and antitrust approvals

[5] See press releases of 1 and 8 October 2020

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Next publication

24 February 2021: 2020 annual results (after the market close)

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

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Tables

Third-quarter revenue

€m	Revenue by country		Reported growth	Organic growth
Country	Q3 2020	Q3 2019	Variation %	
France*	455.0	442.2	2.9%	-0.2%
Germany	260.3	243.2	7.0%	4.3%
Benelux**	142.4	133.1	7.0%	2.0%
Italy	103.4	91.9	12.5%	-3.2%
TOTAL	**961.1**	**910.3**	**5.6%**	**1.0%**

* Including Spain €m 8.4 on Q3 2020 vs €m 8.2 on Q3 2019

** Including Belgium €m 127,6 and Netherlands €m14.8 on Q3 2020, vs Belgium €m 126.2 and Netherlands €m 6.9 on Q3 2019

Revenue for the first nine months

€m	Revenue by country		Reported growth	Organic growth
Country	9-m 2020	9-m 2019	Variation %	
France*	1 372.1	1 307.0	5.0%	1.1%
Germany	757.1	716.2	5.7%	3.8%
Benelux**	426.0	381.3	11.7%	4.4%
Italy	282.4	273.1	3.4%	-11.7%
TOTAL	**2 837.6**	**2 677.6**	**6.0%**	**1.0%**

* Including Spain €m 25.3 on 9 months 2020 vs €m 16.3 on 9 months 2019

** Including Belgium €m 386.9 and Netherlands €m 39.1 on 9 months 2020 vs Belgium €m 374.4 and Netherlands €m 6.9 on 9 months 2019