KORIAN celebrates its 15-year anniversary!

2018 FULL-YEAR RESULTS
MARCH 15th, 2019
AGENDA

1. 2018: Acceleration of Group transformation
2. 15 years of success
3. K-2020 well on track
4. Strong financial performance
5. Outlook for 2019 and K-2020
6. Appendix
2018: ACCELERATION OF GROUP TRANSFORMATION TOWARD GLOBAL INTEGRATED SERVICE PROVIDER POSITIONING

Strengthen and Expand...

Success of “Boost” action plan in France

Return to profitable growth in Germany

Extension of European footprint

Successful activity diversification

Ramp-up of the Asset Smart strategy to reach a portfolio value of €1.6bn (+33%)

Thanks to strong financial performance

Acceleration in revenue growth
Well-balanced between organic and bolt-on acquisitions

Increase of 30bps in EBITDA margin
vs 14.0% in 2017

Strong net result*
+28.1% vs 2017

Sound OFCF** generation
+19% vs 2017

Leverage ratio improved
vs 3.2x end 2017 and PropCo Loan to value at 51%

* Adjusted net result: Net result 2017 of €163m restated from FY17 deferred tax income
** Operating Free Cash Flow (OFCF): OFCF 2017 of €208m and OFCF 2018 of €191m, restated from 2017 VAT repayment

2018 ANNUAL RESULTS - MARCH 15TH, 2019

3
KORIAN

15 YEARS OF SUCCESS

celebrates its 15-year anniversary!
A 15-YEAR EUROPEAN GROWTH STORY DRIVEN BY A VALUE ACCRETIVE M&A STRATEGY

Revenue (€m)

CAGR: +20%
2013-2018


2018 ANNUAL RESULTS - MARCH 15TH, 2019
A EUROPEAN LEADERSHIP IN 4 KEY EUROPEAN MARKETS

2019: New foothold in Spain

5 countries representing more than 50% of the EU population over 75 years old
Full year 2018 figures

#1 Clients served

- Medical Care, Clinics and Home Care
- Nursing Homes and Assisted Living

€3.3bn Revenue

300,000 Clients served yearly

803 Facilities
78,000 Beds
52,000 Employees

2018 ANNUAL RESULTS - MARCH 15th, 2019
A EUROPEAN LEADERSHIP STRENGTHENED BY AN INCREASING RANGE OF SERVICES

Building integrated care pathways at the core of K-2020 strategy

Acquisition 2019

Partial footprint

<table>
<thead>
<tr>
<th>2016</th>
<th>FRANCE</th>
<th>GERMANY</th>
<th>BELGIUM</th>
<th>ITALY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Care and Clinics</td>
<td>🇫🇷</td>
<td>🇩🇪</td>
<td>🇧🇪</td>
<td>🇮🇹</td>
</tr>
<tr>
<td>Home Care services</td>
<td>🇫🇷</td>
<td>🇩🇪</td>
<td>🇧🇪</td>
<td>🇮🇹</td>
</tr>
<tr>
<td>Assisted Living facilities and shared housing for seniors</td>
<td>🇫🇷</td>
<td>🇩🇪</td>
<td>🇧🇪</td>
<td>🇮🇹</td>
</tr>
<tr>
<td>Nursing Homes</td>
<td>🇫🇷</td>
<td>🇩🇪</td>
<td>🇧🇪</td>
<td>🇮🇹</td>
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<table>
<thead>
<tr>
<th>2019</th>
<th>FRANCE</th>
<th>GERMANY</th>
<th>BELGIUM</th>
<th>ITALY</th>
<th>SPAIN</th>
</tr>
</thead>
<tbody>
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<td>🇮🇹</td>
<td>🇪🇸</td>
</tr>
</tbody>
</table>
OUR STRATEGY

Integrated care pathways to better answer client needs and seize growth opportunities

Elderly People over 65 will account for 1/4 of the European population by 2030.

Longer life expectancy between 2017 and 2027:
- 65+: +2.5% per year
- 85+: +3.0% per year
- 100+: X2 in 2027

GROWING NEEDS

Medical Care & Post-Acute
- Medical Care and Clinics

Home Care
- Home Care services

Safe and specially adapted home
- Assisted Living facilities and shared housing for seniors

Long-term Care
- Nursing Homes

KORIAN’S OFFER

LOW DEPENDENCY HIGH

Seniors expectations for autonomy and customised solutions
- Digitalisation Breakthrough technology
- Funding/Pricing constraints

EVOLUTION OF THE AGEING LANDSCAPE IN EUROPE

2018 ANNUAL RESULTS - MARCH 15th, 2019
OUR MISSION STATEMENT

"To be the trusted partner for ageing or disabled people and their loved ones, providing personalised care and contributing to quality of life"

"IN CARING HANDS"

Benevolence – Responsibility – Initiative – Transparency

VALUES DRIVEN STAFF
QUALITY AS A MUST
POSITIVE CARE
CUTTING-EDGE INNOVATION
LOCAL COMMUNITIES

2018 ANNUAL RESULTS - MARCH 15th, 2019
OUR CSR COMMITMENTS
Creating shared value with all our stakeholders

Key levers

1. Building a resilient and long-lasting business model
2. Putting elderly and vulnerable people at the heart of everything we do
3. Caring for caregivers
4. Moving with changes to society and scientific progress to cater to emerging needs
5. Enhancing our positive impact on local communities

Key Performance Indicators 2018 sustaining our active program

- Operating Free Cash Flow before tax reinvested
- Remaining share split between tax and dividend
- Client satisfaction score*
- 2018 European Satisfaction survey
- Of training per year / employee in average in Europe
- Of the network contributing to research projects at Group level since 2013
- Local supply in all European countries

* 2018 internal survey conducted with 82,000 customers (residents, patients and families)
K-2020

WELL ON TRACK
5 STRATEGIC LEVERS

1. Enhance growth potential
2. Optimise real estate management
3. Deliver operational excellence
4. Invest in our people
5. Accelerate innovation on digital
**ENHANCE GROWTH POTENTIAL**
Leverage existing footprint and expand into new markets

<table>
<thead>
<tr>
<th>Country</th>
<th>Strengthen</th>
<th>Expand</th>
</tr>
</thead>
</table>
| **FRANCE** | Outcome of “Boost” action plans (renovation & modernisation)  
40 facilities (Nursing Homes and Clinics) | Develop Home Care service and Assisted Living |
| **BELGIUM** | Ramp-up of openings, extensions and renovations carried out since the end of 2016 | Consolidate local footprint |
| **GERMANY** | Deploying new pricing policy (care mix) and upgrading network | Accelerate Home Care development |
| **ITALY** | Synergies between activities (sanitary network) | Start Co-living and mixed platforms development |
| **SPAIN** | since January 2019 | Regional leading player (#3 in Andalucia)  
with 7 facilities  
2 additional facilities from |
ACCELERATION EXPANSION INTO THE HOME CARE SERVICES MARKET

Acquisition of petits-fils in France

KEY 2018 FIGURES

- €40m business volume
- 58 agencies
- 200,000 hours of service every month
- 6,000 clients

MARKET DRIVERS

Dependent elderly people
- To double by 2040
- 50% living at home

Innovative service provider for dependent elderly people

- Fast growing platform
  - with 200 agencies to be opened by 2023

- Strong entrepreneurship spirit

Building diversified care pathway
- with a wider service offering
NEW FOOTHOLD IN SPANISH MARKET
Acquisition of SENIORS in Spain

Regional leading player
#3 in Andalucia

Diversified portfolio of nearly 1,300 beds including assisted living facilities and day care, long-term/short-term stays

Medical expertise, premium service quality

Strong perspectives leveraging on the strengths and experience of Seniors’ Management team

Attractive growth potential and diversification

2018 ANNUAL RESULTS - MARCH 15th, 2019

<table>
<thead>
<tr>
<th>KEY 2018 FIGURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>› €15m revenue</td>
</tr>
<tr>
<td>› 9 high-end long-term care nursing homes o/w 2 from</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MARKET DRIVERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4th European market</td>
</tr>
<tr>
<td>› Highly fragmented &amp; underequipped</td>
</tr>
<tr>
<td>Progressive ageing in Spanish Society</td>
</tr>
<tr>
<td>› 65+ will represent 25% of the population in 2030</td>
</tr>
</tbody>
</table>

Progressive ageing in Spanish Society
65+ will represent 25% of the population in 2030
ENHANCE GROWTH POTENTIAL
Embedded future growth through strong pipeline

<table>
<thead>
<tr>
<th></th>
<th>New beds 2018</th>
<th>Pipeline 2019-2022</th>
<th>of which renovating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># of beds</td>
<td>New capacities</td>
<td># of beds</td>
</tr>
<tr>
<td>France</td>
<td>30,053</td>
<td>508</td>
<td>30,561</td>
</tr>
<tr>
<td>Germany</td>
<td>28,440</td>
<td>325</td>
<td>28,765</td>
</tr>
<tr>
<td>Belgium</td>
<td>10,611</td>
<td>2,061</td>
<td>12,672</td>
</tr>
<tr>
<td>Italy</td>
<td>5,956</td>
<td>193</td>
<td>6,149</td>
</tr>
<tr>
<td>Spain</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75,060</strong></td>
<td><strong>3,087</strong></td>
<td><strong>78,147</strong></td>
</tr>
</tbody>
</table>

* Announced on January 9, 2019

+ 5,796 beds over 13 months
+ 15,308 beds between end-2018 and end-2022
OPTIMISE REAL ESTATE MANAGEMENT
Reaping the fruits of our Asset Smart strategy

**STRONG DEVELOPMENT PIPELINE**
- 114 ongoing new builds at Group level of which 40 launched
- In-house capabilities reinforced
- External partnerships with major players

**SELECTIVE REAL ESTATE INVESTMENT**
- Increased ownership rate 19% vs 14% in 2016
- Optimised financing conditions: Fixed interest rate below 2% (in average)
- Strong value creation: Portfolio value increased by +33% vs 2017, at 1.6bn

**ACTIVE RENT RENEGOTIATION**
- Optimised costs: Negotiations on 90 buildings finalised
- Secured savings ≥ €5m (full effect 2019)
- Variable rent and pre-emption right on a first portfolio of 8 assets in Germany

Livry Sully (93) – Partnership with ICADE

* Value performed by Cushman & Wakefield at End December (cap rate: 5.8%)

2018 ANNUAL RESULTS - MARCH 15TH, 2019
DELIVER OPERATIONAL EXCELLENCE
A steady improvement to fully comply with ISO 9001 by 2021

Setting up **common standards** at Group level (Quality and Security **Golden Rules**)
Upgraded core **IT platform**

**Standardised Group performance monitoring**
Systematic internal quality audit > 150 items reviewed

68% coverage rate as of end-18 (vs. 40% in 2017)
**Supplier Quality checked** with Ecovadis: 150 suppliers rated, covering 77% Group expenses

**Improving support function efficiency:**
> Strong focus on Germany
> Success 2020 plan and **SG&A reduced by 50%** within 2 years

**CLIENT SATISFACTION**
96% Satisfaction Score* at Group level

**CARE QUALITY**
96.4% of visited sites graded A and B o/w 64.3% with A grade**

**EFFICIENCY**
Solid Group EBITDAR margin

**NEXT STEPS**
Deployment of ISO 9001-2015 certification at Group level
Implementation of BI system with a 360° KPIs dashboard

* 2018 internal survey conducted with 82,000 customers (residents, patients and families)
** A grade: No recommendation or observation

2018 ANNUAL RESULTS - MARCH 15TH, 2019
INVEST IN OUR PEOPLE
Active HR policy driven by strong brand awareness

**ATTRACT**

11,000 RECRUITMENTS
ACHIEVED IN 2018

- First apprentice training platform with major service players
  - 1,000 cooks

- Long-term partnerships with dedicated Care schools
  - Double number of apprentices

- New strategic workforce planning 3-5 years
  - Better connection with training centers

* Including apprentices and trainees

**TRAIN**

> 75% EMPLOYEES TRAINED IN 2018
o/w 10% THROUGH DIGITAL

- Integrated digital
  - Boost e-learning
- Significant efforts for Internal promotion
  - 61% of managers
- Dedicated Campus program
  - Increasing skills and specialisation

**DEVELOP LOYALTY**

PROMOTIONAL CAREER PATHS
TALENT IDENTIFICATION AND DEVELOPMENT

- Quality at work, based on national agreements deployment
  - Health & Safety at work

- Building Regional Job Communities
  - Physicians, Chief Nurses, Therapists...

- Reinforced social dialogue in all countries
  - Strengthened work organisations
  - Drastically reducing short-term contracts

**KORIAN EMPLOYER OF CHOICE IN GERMANY**

150 GRADUATES HONOURED

100% OF DIRECTORS OF SITES TRAINED IN FRANCE

CAMPUS PROGRAM END OF A 3 YEAR CYCLE

NEW EMPLOYEE SATISFACTION SURVEY BI-ANNUAL SURVEY

**2018 ANNUAL RESULTS - MARCH 15TH, 2019**
ACCELERATE DIGITAL TRANSFORMATION
Innovation at the heart of the Care Pathway

Two-side benefits
› Customer experience (residents, patients, families)
› Working environment (employees)

Focus on
› IoT
› Home Services
› Data 360
› Tele-medicine

Korian Castel Voltaire

Focus on
Toulouse Estela l’Oncopole

Interactive connexion with family
Immersive screens
Home automation
Inside TV channel
ACCELERATE DIGITAL TRANSFORMATION
KORIAN Castel Voltaire, a new generation of digital Nursing Home

DIGITAL HOUSE
NEW GENERATION
2018

FINANCIAL PERFORMANCE
ANNUAL REVENUE AND EBITDAR MARGIN ABOVE EXPECTATIONS

- **Sharp acceleration** compared to 2017
- **Balanced growth** between organic and bolt-on acquisitions
- **Continued international dynamics**, +9.0% and representing nearly 51% of Group sales

### REVENUE

- Reported growth
- Organic growth

<table>
<thead>
<tr>
<th></th>
<th>FY 17</th>
<th>FY 18</th>
<th>Revenue Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€3,135m</td>
<td>€3,336m</td>
<td>+6.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>+3.0%</th>
</tr>
</thead>
</table>

### EBITDAR MARGIN

**Solid EBITDAR margin:** 26.2%, benefiting from:

- **International operating performance** offsetting France’s margin limited decrease
- **Contained staff costs** despite labour market pressure in Germany and subsidy decrease in France

<table>
<thead>
<tr>
<th>Country</th>
<th>2017</th>
<th>2018</th>
<th>Δ bps</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>27.5%</td>
<td>27.1%</td>
<td>(40)</td>
</tr>
<tr>
<td>Germany</td>
<td>25.0%</td>
<td>25.7%</td>
<td>70</td>
</tr>
<tr>
<td>Belgium</td>
<td>25.7%</td>
<td>25.9%</td>
<td>20</td>
</tr>
<tr>
<td>Italy</td>
<td>23.4%</td>
<td>23.6%</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>26.2%</td>
<td>26.2%</td>
<td>-</td>
</tr>
</tbody>
</table>
## FRANCE REAPING THE FRUITS OF ITS ACTION PLANS

### REVENUE

- **Reported growth**
- **Organic growth**

<table>
<thead>
<tr>
<th></th>
<th>FY 17</th>
<th>FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€1,583m</td>
<td>€1,644m</td>
</tr>
<tr>
<td>Growth</td>
<td>+3.9%</td>
<td>+2.7%</td>
</tr>
</tbody>
</table>

**Growth acceleration (+3.9%):**
- Organic growth of +2.7% (vs +0.9% in 2017) benefiting from “Boost” and restructuring plans launched in 2017
- Selective and diversifying acquisitions contributing to Buy & Built (Ages & Vie, Fontdivina, CliniDom)

### EBITDAR MARGIN

<table>
<thead>
<tr>
<th></th>
<th>FY 17</th>
<th>FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDAR Margin</td>
<td>27.5%</td>
<td>27.1%</td>
</tr>
<tr>
<td>Change</td>
<td>-40 bps</td>
<td></td>
</tr>
</tbody>
</table>

**Limited decrease in EBITDAR margin despite headwinds:**
- Negative impact notably due to lower CICE tax credit (c. €5m) and tariffs decrease in the healthcare business
- Partially offset by efficient cost control
GERMANY BACK TO PROFITABLE GROWTH

REVENUE

- **Strong organic growth** of 3.7% notably driven by:
  - Improved care mix management
  - Growing contributions from facilities opened in the last 18 months

EBITDAR MARGIN

- **EBITDAR margin** increase by 70bps, thanks to a strong H2, driven by:
  - Contained staff costs benefiting from the full impact of “0 interim” strategy
  - Outcome of “Success 2020” plan, including costs control measures on HQ & procurement optimisation

2018 ANNUAL RESULTS - MARCH 15th, 2019
CONSOLIDATION DYNAMICS IN BELGIUM

**REVENUE**
- Reported growth
- Organic growth

€363m → €436m
- +20.3% growth
- +3.7% growth

FY 17 → FY 18

› High double digit revenue growth (+20.3%) mainly due to the completion of Senior Assist transactions: two portfolios of 29 facilities acquired in 2018

**EBITDAR MARGIN**

FY 17 → FY 18

- 25.7%
- 25.9%
- +20 bps

› Improvement in EBITDAR margin (+20bps) reflecting the relative effect on ramp-up facilities
BOLT-ON STRATEGY WELL ON TRACK IN ITALY

REVENUE

- Double-digit growth (+11.8%) with selective acquisitions (San Giuseppe, Smeralda)

<table>
<thead>
<tr>
<th>FY 17</th>
<th>FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>€307m</td>
<td>€343m</td>
</tr>
<tr>
<td>+1.7%</td>
<td>+11.8%</td>
</tr>
</tbody>
</table>

EBITDAR MARGIN

- New improvement in EBITDAR margin (+20bps) thanks to:
  - Efficient integration process allowing quick savings
  - Optimised cost management on the mature portfolio

<table>
<thead>
<tr>
<th>FY 17</th>
<th>FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.4%</td>
<td>23.6%</td>
</tr>
<tr>
<td>+20 bps</td>
<td></td>
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</table>
### Improvements in EBITDA Margin: +30bps

<table>
<thead>
<tr>
<th>Country</th>
<th>FY2017</th>
<th>FY2018</th>
<th>△</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue*</td>
<td>3,135</td>
<td>3,336</td>
<td>6.4%</td>
</tr>
<tr>
<td>Staff costs</td>
<td>(1,728)</td>
<td>(1,837)</td>
<td>6.3%</td>
</tr>
<tr>
<td>% of sales</td>
<td>55.1%</td>
<td>55.1%</td>
<td>-</td>
</tr>
<tr>
<td>Other costs</td>
<td>(586)</td>
<td>(626)</td>
<td>6.8%</td>
</tr>
<tr>
<td>% of sales</td>
<td>18.7%</td>
<td>18.8%</td>
<td>-</td>
</tr>
<tr>
<td>EBITDAR*</td>
<td>821</td>
<td>873</td>
<td>6.4%</td>
</tr>
<tr>
<td>% of sales</td>
<td>26.2%</td>
<td>26.2%</td>
<td>-</td>
</tr>
<tr>
<td>External rents</td>
<td>(381)</td>
<td>(396)</td>
<td>4.0%</td>
</tr>
<tr>
<td>% of sales</td>
<td>12.1%</td>
<td>11.9%</td>
<td>-20bps</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>440</td>
<td>477</td>
<td>8.4%</td>
</tr>
<tr>
<td>% of sales</td>
<td>14.0%</td>
<td>14.3%</td>
<td>+30bps</td>
</tr>
</tbody>
</table>

* See definitions

2018 Annual Results - March 15th, 2019
SIGNIFICANT GROWTH IN RESTATED NET RESULT

### Key Financials

<table>
<thead>
<tr>
<th>€m</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>Δ - %</th>
<th>Δ - €m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue*</td>
<td>3,135</td>
<td>3,336</td>
<td>6.4%</td>
<td>201</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>440</td>
<td>477</td>
<td>8.4%</td>
<td>37</td>
</tr>
<tr>
<td>% of sales</td>
<td>14.0%</td>
<td>14.3%</td>
<td>+30bps</td>
<td></td>
</tr>
<tr>
<td>Depreciation, amortisation and provision</td>
<td>(157)</td>
<td>(163)</td>
<td>4.0%</td>
<td>(6)</td>
</tr>
<tr>
<td>Current operating income</td>
<td>283</td>
<td>314</td>
<td>10.8%</td>
<td>31</td>
</tr>
<tr>
<td>% of sales</td>
<td>9.0%</td>
<td>9.4%</td>
<td>+40bps</td>
<td></td>
</tr>
<tr>
<td>Non current expenses</td>
<td>0</td>
<td>(15)</td>
<td>n.a.</td>
<td>(15)</td>
</tr>
<tr>
<td>Operating income</td>
<td>283</td>
<td>299</td>
<td>5.6%</td>
<td>16</td>
</tr>
<tr>
<td>% of sales</td>
<td>9.0%</td>
<td>9.0%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Financial result</td>
<td>(121)</td>
<td>(122)</td>
<td>0.9%</td>
<td>(1)</td>
</tr>
<tr>
<td>Net income before tax</td>
<td>163</td>
<td>178</td>
<td>9.1%</td>
<td>15</td>
</tr>
<tr>
<td>Income tax</td>
<td>4</td>
<td>(53)</td>
<td>n.a.</td>
<td>(56)</td>
</tr>
<tr>
<td>Income tax - Restated from FY17 deferred tax income</td>
<td>(64)</td>
<td>(53)</td>
<td>(17.4%)</td>
<td>11</td>
</tr>
<tr>
<td>% income tax rate</td>
<td>39.1%</td>
<td>29.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>(3)</td>
<td>(2)</td>
<td>n.a.</td>
<td>1</td>
</tr>
<tr>
<td>Net profit - Group share</td>
<td>163</td>
<td>123</td>
<td>(24.6%)</td>
<td>(40)</td>
</tr>
<tr>
<td>Net profit - Group share - Restated from FY17 deferred tax income</td>
<td>96</td>
<td>123</td>
<td>28.1%</td>
<td>27</td>
</tr>
</tbody>
</table>

Restated Net Profit (group share) increased by 28.1%, representing €27m, as a result of:

- Increase in EBITDA (+€37m)
- D&A increase (-€6m)
- Non current expenses (-€15m) which mainly include reorganisation and M&A costs
- Stable Financial result despite the increase in real estate debt
- Strong improvement in effective income tax rate (29.6%) with total savings of €11m

* See definitions
### IMPROVED CASH GENERATION

<table>
<thead>
<tr>
<th>€m</th>
<th>FY2017</th>
<th>FY2018</th>
<th>∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow before cost of financial debt</td>
<td>367</td>
<td>360</td>
<td>(1.9%)</td>
</tr>
<tr>
<td>Change in WCR</td>
<td>18</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Operating capex (maintenance)</td>
<td>(81)</td>
<td>(85)</td>
<td></td>
</tr>
<tr>
<td>Net financial charges</td>
<td>(96)</td>
<td>(102)</td>
<td></td>
</tr>
<tr>
<td>Operating Free Cash flow (OFCF)</td>
<td>208</td>
<td>191</td>
<td>(8.4%)</td>
</tr>
<tr>
<td><strong>OFCF restated from 2017 VAT repayment</strong></td>
<td>171</td>
<td>204</td>
<td>19.0%</td>
</tr>
<tr>
<td>Development capex</td>
<td>(25)</td>
<td>(43)</td>
<td></td>
</tr>
<tr>
<td>Financial investments (bolt-on acquisitions)</td>
<td>(107)</td>
<td>(130)</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow (FCF) - OPCO</td>
<td>76</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td><strong>FCF restated from 2017 VAT repayment</strong></td>
<td>39</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(31)</td>
<td>(33)</td>
<td></td>
</tr>
<tr>
<td>Real Estate investments</td>
<td>(142)</td>
<td>(296)</td>
<td></td>
</tr>
<tr>
<td>Increase in equity</td>
<td>296</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Net financial leases of change in perimeter &amp; others</td>
<td>(224)</td>
<td>(71)</td>
<td></td>
</tr>
<tr>
<td><strong>Change in Total Net Debt</strong></td>
<td>(25)</td>
<td>(383)</td>
<td></td>
</tr>
</tbody>
</table>

- Group growth fuelling strong Operating Free Cash flow (OFCF):
  - Substantial EBITDA generation
  - Strict management of working capital and operating capex

- Positive Free Cash Flow (FCF) generation despite a dynamic development strategy

- Real estate investments boosted by Senior Assist portfolio acquisition (€158m)
STONG FINANCIAL STRUCTURE

NET DEBT BREAKDOWN (€m)

- Real estate debt IAS 17
- Real estate debt on owned assets
- Net financial debt

<table>
<thead>
<tr>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate debt ** (€m)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>371</td>
<td>485</td>
<td>842</td>
</tr>
<tr>
<td>1,478</td>
<td>1,209</td>
<td>1,207</td>
</tr>
</tbody>
</table>

- Stable net financial debt generating a new improvement in leverage ratio (3.0x)
- Real estate debt increase by €386m, mostly due to the acquisitions in Belgium (Senior Assist) and Italy (Smeralda and San Giuseppe) and buy backs in France

** See definitions

* Value performed by Cushman & Wakefield at End December (cap rate: 5.8%)

LEVERAGE RATIO**
Excluding Real estate

- Portfolio value* Real estate debt
- €1,649m + 33% €842m 51% LTV

LOAN TO VALUE: 51%
IFRS 16

ACCOUNTING STANDARDS APPLICATION

› New accounting principle starting January 1st 2019
› Application of simplified\(^1\) and hybrid\(^2\) method
› Almost all operating leases will be impacted except:
  › Short term lease (< 12 months)
  › Leases of low-value assets (< $5k)

MAIN ACCOUNTING IMPACTS FY2019

› Opening debt: c. +€3bn
› EBITDA after rents restatement: c. +€350m\(^3\)
› Current KPIs kept over the plan period
› No change in restated leverage and covenant

Ownership rate and leases properties\(^4\)

1. Simplified: lease liability at the date of transition
2. Hybrid: as if IFRS16 had been applied since inception (if historical data on rents is available)
3. Based on existing portfolio as of December 31st, 2018
4. After 9 January 2019 announcement
DIVIDEND PROPOSED TO THE AGM 2018 (6 JUNE 2019)

€0.60 / per share
with a share payment option
OUTLOOK
2019 ACCELERATING ON KORIAN EXPANSION MOMENTUM

1. Leveraging our 5 country platforms and pursue European expansion
   - +3,500 expected additional beds

2. Investing in HR quality
   - +1,000 apprentices at Group level

3. Starting deploying our ISO 9001 certification program
   - Common standards defined in 2019
   - 1 pilot to be launched in France in H2

4. Building digital platforms to support outpatient and home care expansion
   - 2 POC to be tested in 2019
   - Innovative coordinated care pathway for Chronic Obstructive Pulmonary Disease
   - Hénéa At-home support services

5. Reinventing Nursing Homes
   - New Concepts to be rolled out: Coliving “Korian Home”
COLIVING CONCEPTS

Ages & Vie (Wallincourt Selvigny - 59 - France)
Wood frame construction

Ages & Vie (Sars Poteries - 59 - France)
Wood frame construction
« KORIAN HOME »: SET OF MIXED SERVICE PLATFORMS

Catalaunes (Chalons-en-Champagne - 51 - France)

Le Pont (Bezons - 95 - France)

Foyer de Lork (Belgium)

Sandrio (Italy)
UPGRADING 2019-2021 FINANCIAL TARGETS

**2019 REVENUE**

- **2019 UPGRADED TARGET**: ≥ 8%
  - +160bps above 2018

**2019 EBITDA MARGIN**

- **2019 UPGRADED TARGET**: ≥ 14.5%
  - +20bps above 2018

**2021 REVENUE**

- **K-2020 UPGRADED TARGET**: ≥ 8% CAGR
  - 2018: 4.2bn
  - 2021: ≥

**2021 EBITDA MARGIN**

- **K-2020 UPGRADED TARGET**: 15.5%
  - +120bps above 2018
SAVE THE DATE

CAPITAL MARKET DAY

20 September 2019

FOCUS ON:

- Concepts
- Geographies
- Real Estate strategy
- Digital
Q&A
A unique contributor in the sector to the debate on ageing

Significant budget of €1m of which €500K for scientific partnerships

- Strong collaboration with world-class research institutes and universities on positive care, ageing and technological innovation

- Korian Foundation recognized as important contributor to ageing society debate

- Strengthened relationships with stakeholders

- Scientific committee comprising world-class academics and experts

- Major focus on care, inclusion and communityship

- Regular debates on social media and in citizen forums
PORTFOLIO
As of December 31, 2018

<table>
<thead>
<tr>
<th>Country</th>
<th>Facilities</th>
<th>Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>395</td>
<td>30,561</td>
</tr>
<tr>
<td>Germany</td>
<td>227</td>
<td>28,765</td>
</tr>
<tr>
<td>Belgium</td>
<td>123</td>
<td>12,672</td>
</tr>
<tr>
<td>Italy</td>
<td>58</td>
<td>6,149</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>803</strong></td>
<td><strong>78,147</strong></td>
</tr>
</tbody>
</table>
**Revenue by Country**

<table>
<thead>
<tr>
<th>Country</th>
<th>2017</th>
<th>2018</th>
<th>Reported Growth (%)</th>
<th>Organic Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1,583</td>
<td>1,644</td>
<td>3.9%</td>
<td>2.7%</td>
</tr>
<tr>
<td>International</td>
<td>1,552</td>
<td>1,692</td>
<td>9.0%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Germany</td>
<td>882</td>
<td>913</td>
<td>3.5%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Belgium</td>
<td>363</td>
<td>436</td>
<td>20.3%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Italy</td>
<td>307</td>
<td>343</td>
<td>11.8%</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,135</td>
<td>3,336</td>
<td>6.4%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>
## EBITDAR BY COUNTRY

### 2017 (€m) | 2018 (€m) | Δ
---|---|---
France | 436 | 445 | 2.1%
% of sales | 27.5% | 27.1% | -

International | 385 | 429 | 11.4%
% of sales | 24.8% | 25.4% | -

Germany | 221 | 235 | 6.3%
% of sales | 25.0% | 25.7% | -

Belgium | 93 | 113 | 21.2%
% of sales | 25.7% | 25.9% | -

Italy | 72 | 81 | 12.9%
% of sales | 23.4% | 23.6% | -

Total | 821 | 873 | 6.4%
% of sales | 26.2% | 26.2% | -
## NET DEBT

<table>
<thead>
<tr>
<th>€m</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syndicated loan (term loan tranche)</td>
<td>500</td>
<td>400</td>
</tr>
<tr>
<td>Bonds &amp; bilateral debt</td>
<td>1,094</td>
<td>1,324</td>
</tr>
<tr>
<td>Treasury loans, bank overdraft, commercial paper &amp; others</td>
<td>126</td>
<td>33</td>
</tr>
<tr>
<td>Cash &amp; cash equivalent</td>
<td>(511)</td>
<td>(550)</td>
</tr>
<tr>
<td><strong>Net Financial Debt (excl. Real Estate)</strong></td>
<td><strong>1,209</strong></td>
<td><strong>1,207</strong></td>
</tr>
<tr>
<td>Real estate debt on rentals (IAS 17)</td>
<td>646</td>
<td>675</td>
</tr>
<tr>
<td>Real estate debt on owned assets</td>
<td>485</td>
<td>842</td>
</tr>
<tr>
<td><strong>Real Estate Debt</strong></td>
<td><strong>1,131</strong></td>
<td><strong>1,517</strong></td>
</tr>
<tr>
<td><strong>Total Net Debt</strong></td>
<td><strong>2,340</strong></td>
<td><strong>2,723</strong></td>
</tr>
<tr>
<td><strong>Restated leverage</strong></td>
<td><strong>3.2x</strong></td>
<td><strong>3.0x</strong></td>
</tr>
</tbody>
</table>

* See definitions

2018 ANNUAL RESULTS - MARCH 15th, 2019
LIQUIDITY POSITION

› **Average debt maturity c. 4 years**
and no major repayment before 2021

› **Additional liquidity** arising from
  › €650m of available credit lines (Revolving Credit Facility)
  › €300m NEU CP program (€114m outstanding at Dec 31st, 2018)
  › €550m cash and cash equivalent available at Dec 31st, 2018

› **Average cost of debt** (excluding IAS 17) **below 3%**
after hedging

› **90% of fixed rate debt** over the next 3 years
## Balance Sheet

<table>
<thead>
<tr>
<th>€m</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>2,219</td>
<td>2,312</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,760</td>
<td>1,823</td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>1,944</td>
<td>2,292</td>
</tr>
<tr>
<td>Long-term financial assets</td>
<td>54</td>
<td>57</td>
</tr>
<tr>
<td><strong>Non-current Assets</strong></td>
<td><strong>5,976</strong></td>
<td><strong>6,484</strong></td>
</tr>
<tr>
<td><strong>Working capital requirement</strong></td>
<td><strong>(494)</strong></td>
<td><strong>(505)</strong></td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td><strong>(2,340)</strong></td>
<td><strong>(2,723)</strong></td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>(70)</td>
<td>(71)</td>
</tr>
<tr>
<td>Other provisions</td>
<td>(166)</td>
<td>(128)</td>
</tr>
<tr>
<td>Financial instruments</td>
<td>(8)</td>
<td>(13)</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>(1)</td>
<td>(32)</td>
</tr>
<tr>
<td>Net deferred tax liabilities</td>
<td>(424)</td>
<td>(443)</td>
</tr>
<tr>
<td><strong>Provisions and other liabilities</strong></td>
<td><strong>(668)</strong></td>
<td><strong>(687)</strong></td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>2,475</td>
<td>2,568</td>
</tr>
<tr>
<td><strong>Shareholder’s equity</strong></td>
<td>2,475</td>
<td>2,568</td>
</tr>
</tbody>
</table>
DEFINITIONS

› **REVENUE:** including other income

› **ORGANIC REVENUE GROWTH INCLUDES:**
  › The change in the revenue between year Y and year Y-1 of facilities already in operation
  › The revenue generated in year Y by facilities created in year Y or Y-1
  › The change in the revenue between year Y and year Y-1 of facilities that were restructured or the capacity of which was increased in year Y or Y-1
  › The change in the revenue of recently acquired facilities observed in year Y relative to the equivalent period in year Y-1

› **EBITDAR:** the interim performance indicator selected by the Korian group to monitor the operating performance of its entities. It consists of gross operating surplus of the operating sectors before leasing expenses.

› **EBITDA:** corresponds to the EBITDAR defined above minus rental expenses.

› **NET CURRENT INCOME:** net income (Group share) – (other operating income and expenses + gain/(loss) on acquisitions and disposals of consolidated investments) × (1 – standard corporate income tax rate of 34%).

› **RESTATED LEVERAGE:** (Net debt – Real estate debt) / (EBITDA adj. – (6.5% Real Estate Debt)).

› **OPERATING FREE CASH FLOW:** comprises the net cash flow from operating activities less operating capex and net financial charges. Korian uses this indicator to measure the performance of the Group in generating cash from its operations.

› **FREE CASH FLOW:** comprises the operating free cash flow less development CAPEX and Bolt-on acquisitions.
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