Korian acquires ITA Mental Health and accelerates its development of mental health activities across Europe

- **Acquisition of third largest mental health platform in Spain**
  - 39 sites in key locations including Madrid and Valencia
  - 27 inpatient clinics with c.900 beds and 12 outpatient clinics with a capacity for 10,000 sessions per month
  - Highly reputed company with renowned expertise in the care of eating and mood disorders, with partnerships with leading universities
  - Excellent quality of care with very high client satisfaction (70% NPS)
  - Expected 2021 revenue c. €50 million and accretive to Group margins
  - High embedded growth with an expected CAGR of c.15% in revenue until 2024

- **A pan-European mental health platform that will deliver c. € 250m of revenue across France, Spain and Italy in 2022 with c. 10% sustainable organic growth**

- **Korian’s Spanish platform to represent, including the existing pipeline c. € 130m of revenue in 2022**

*Paris, 17 March 2021* - Korian, the leading European care services group for elderly and fragile people, has signed an agreement to acquire ITA Mental Health, the third largest player in mental health in Spain from Magnum Capital. Pending usual regulatory authorisations the acquisition is expected to close in a few months.

Following the acquisition of Inicea, a major player in France, in December 2020, Korian pursues its development in mental health by becoming the third largest player in both France and Spain, with a clear focus on innovative, specialised care solutions in an inpatient and outpatient environment.

The Group has signed an agreement to acquire Ita Mental Health a group specialised in mental health with 39 facilities across Spain. Ita Mental Health is the third largest player in Spain by number of beds or second largest by revenue, with a strong presence particularly in Catalonia, Madrid and Valencia.

The network includes 27 inpatient clinics and 12 day hospitals (including 2 antennas) with reputed specialisations in behavioural, personality and eating disorders, addictions and neurodevelopment and general psychiatry.

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1 By number of beds
The company has grown rapidly over the last five years, to match the growing needs of the Spanish population for mental health care. Indeed it is estimated that over 3 million people in Spain require mental health care and that this figure is set to continue to rise significantly in the next few years, with a rising demand for private and outpatient care to meet specific requirements.

The Group has an excellent reputation for medical care with a proprietary model ensuring the treatment of the patient within their environment and entourage with capabilities to cover all phases of the pathology. Its reputation is reflected in its NPS score of 70%, one of the highest in the sector. Two thirds of the Ita network has an ISO quality certification.

The platform is expected to generate c. €50 million of revenue in 2021 and the fast pace of growth is set to continue as the facilities ramp up and new projects are finalised. The Group has specific experience and competencies in providing outpatient care and the significant pipeline of greenfield opportunities, will lead to the opening of 5 sites per year (facilities and consultation units). This should result in a revenue growth of c.15% of CAGR until 2024 and the EBITDA margin is accretive to the Group from 2021.

Ita benefits from the development of its outpatient mode, leading to a reduced requirement for real estate, resulting in a low effort rate. Nevertheless, Korian is acquiring the real estate of 1 large clinic and 2 day hospitals for approximately €10 million, which represents around 15% of the portfolio.

From 2022 Korian expects to have revenue of around € 250 million from mental health care within the Group and will continue to invest in innovative care in this area to provide solutions to the growing needs, particularly in a post Covid environment.

The revenues from Spain are expected to grow to around € 130 million in the next two years confirming the pertinence of Korian’s acquisition approach in the country. The Group will now be present across the country enabling it to develop its different service offerings to provide adapted care for different conditions.

Alberto Bermejo, Partner at Magnum Capital stated, “We are very proud to have contributed to the expansion of ITA to create the company of choice in the treatment of mental health in Spain. We are convinced that the integration with Korian will create new growth opportunities and reinforce the leading position of ITA as the excellence in the quality of mental care.”

“We are very pleased to welcome ITA Mental Health into the Korian Group,” commented Sophie Boissard, CEO of Korian. “This acquisition follows our strategy to enlarge our offering from elderly care to continuous care for different conditions on a European wide basis. The management and teams of ITA Mental Health has developed a renowned expertise is behavioural, eating and mood disorders. We look forward to continue to develop the capacities of the platform, in line with the growing needs in Spain. We will also foster close relations with the Inicea teams and build out strong core competencies across the two platform and we will continue to expand the capacity of Korian in mental health over the years to come.”
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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