2017 FULL-YEAR RESULTS
MARCH 15th, 2018
2017 KEY HIGHLIGHTS

SOLID PERFORMANCE IN LINE WITH OBJECTIVES

Revenue up 5% at €3.1bn
  Dynamic growth internationally +9.7%
  Balanced mix between organic growth and bolt-on acquisitions

EBITDA margin of 14.0%
  Up 30 Bps vs. 2016*

Strong financial performance
  OFCF up to €208m (+47.9%)
  Net result up to €163m (+24.4%)

Strengthened balance sheet
  3.2x restated leverage

SIGNIFICANT ACHIEVEMENTS WITH STRONG MOMENTUM TO DELIVER ON STRATEGIC ROADMAP

Over 3,150 new beds

Active bolt-on strategy in core businesses
  10 selective acquisitions
  #1 position in Belgium

Taking footprint in adjacent segments
  Home Care x2
  Assisted Living in France

Finalizing integration of German platform

Accelerate value creation through real estate
  Portfolio value of €1,240m (up 25%**)

* vs. 2016 EBITDA margin excluding €12m one-off gains of which €7m in other costs and €5m in rentals
** vs. June 2016

2017 FULL-YEAR RESULTS - MARCH 15th, 2018
WELL ON TRACK TO ACHIEVE KORIAN 2020 FINANCIAL OBJECTIVES*

**REVENUE** (€)

- 2016: 3.0bn
- 2017: 3.1bn
- 2019: (CAGR: > +5%)
- 2021: 

**BEDS**

- 2,500 to 3,000 new beds p.a.* in average

**FINANCIAL OBJECTIVES**

- **EBITDA margin** revised upwards to 14.3% in 2019, close to 15% in 2021
- **Operating Free Cash Flow****: \( \approx €225m \) by 2021 (up 50% vs. 2016)
- **Stable dividend** (in €)

* Excluding strategic M&A
** Op. FCF defined as: cash generated from business - maintenance Capex - WCR change - financial charges - taxes
KORIAN STRATEGIC VISION
FURTHER ENHANCE OUR UNIQUE PLATFORM ACROSS WESTERN EUROPE

# IN THE NURSING HOME SECTOR
% OF TOTAL REVENUE

AN EXTENSIVE EUROPEAN NETWORK

743 facilities
75,060 beds

250,000 clients served yearly

€3.1bn revenues

49,000 employees

Leading positions in NH
in 4 key European countries representing more than 50% of the EU population >75

Strong position in adjacent segments:
› specialized clinics
› service flats and assisted living
› home care

50%
# Facilities: 364
# Beds: 30,053

12%
# Facilities: 98
# Beds: 10,611

28%
# Facilities: 225
# Beds: 28,440

10%
# Facilities: 56
# Beds: 5,956

34% NH + SF + Home Care

17% Clinics

66% Clinics

83% NH + SF + Home Care

12% #1 SINCE 2017

17% #1

2017 FULL-YEAR RESULTS - MARCH 15th, 2018
A GROWING NEED FOR LONG TERM CARE WITHIN THE NEXT 20 YEARS

DEMOGRAPHICS

AGEING POPULATION
From 2017 to 2027 (Fr, Ge, It, Bel)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage Change</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>65+</td>
<td>+2.5% p.a.</td>
<td>44m to 51m</td>
</tr>
<tr>
<td>85+</td>
<td>+3% p.a.</td>
<td>44m to 51m</td>
</tr>
<tr>
<td>100+</td>
<td></td>
<td>61k to 153k</td>
</tr>
</tbody>
</table>

FAMILY STRUCTURE EVOLUTION

› Number of informal caregivers to drop from 1.05 to 0.77 pers./Senior in the next 20 years (Fr, Ge, It, Bel)
› 20% of the population in France living alone in 2016

EPIDEMIOLOGICAL TRENDS

CHRONIC ILLNESSES
› +60% since 2010
› Strong prevalence among ageing people

ALZHEIMER AND COGNITIVE DISORDERS
expected to grow by 50% by 2030
BUILD ON OUR CORE BUSINESSES
TO ADDRESS LONG TERM CARE CHALLENGE

Growing needs in long term care segment
(ageing population, epidemic trends)

Senior expectation for autonomy and customized solutions

Financing constraints

Technological breakthrough

NURSING HOMES to specialize in high dependency

POST ACUTE CLINICS:
from rehabilitation to specialized treatments for patients suffering from multiple pathologies

ALTERNATIVE SOLUTIONS
FOR THE LESS DEPENDENT

Greater care intensity
Medical staff
Adapted buildings and equipment

in the relevant fields (geriatric, oncology, neurology...)

Outpatient

Service Flats
Assisted Living

Home Care

Strong connections with local healthcare ecosystem
PUT CUSTOMER AT THE CENTER

Adopting customer journey approach to transform long term care and better serve our clients

LEVERAGING
› Local platforms
› IS/IT
› Geriatric expertise
› External partnerships

KEY ENABLERS
› Data
› Brand
EXPAND AS A GLOBAL SOLUTION PROVIDER

"To be the trusted partner for ageing or disabled people and their loved ones, providing personalised care and support over the long run, acting as a key social player."

"IN CARING HANDS"
Benevolence – Responsibility – Initiative – Transparency

HIGH DEPENDENCY
NURSING HOMES
POST-ACUTE

AUTONOMOUS SENIORS
ASSISTED LIVING
AT HOME SERVICES

VALUES DRIVEN STAFF
QUALITY AS A MUST
POSITIVE CARE
CUTTING-EDGE INNOVATION
LOCAL COMMUNITIES
WHERE DO WE STAND IN THE EXECUTION OF OUR PLAN?
5 KEY LEVERS TO SUCCESSFULLY DELIVER OUR STRATEGIC ROADMAP

1. BOOST VALUE-ADDED GROWTH
2. OPTIMIZE REAL ESTATE MANAGEMENT
3. IMPROVE OPERATING PERFORMANCE
4. INVEST IN OUR PEOPLE
5. FOCUS INNOVATION ON MEDICAL CARE AND DIGITAL
BOOST VALUE-ADDED GROWTH
AN ACTIVE DEVELOPMENT STRATEGY
WITH OVER 3,150 NEW BEDS IN 2017

714 facilities

743 facilities

71,869

75,060

+4.5% beds

# beds 2016
Greenfields
Belgium
France
Germany

Bolt-ons
Belgium
Germany
Italy

c.80% of #beds increase

714 facilities

743 facilities

c.20% of #beds increase

# beds 2017

71,869

75,060

+4.5% beds

# beds 2016
Greenfields
Belgium
France
Germany

Bolt-ons
Belgium
Germany
Italy

2017 FULL-YEAR RESULTS - MARCH 15th, 2018
Korian intends to pursue an active and selective bolt-on strategy, within the envelope of €600m "growth investments" set in the strategic plan.
### Boost Value-Added Growth

**Ongoing Network Development and Restructuring**

<table>
<thead>
<tr>
<th>Country</th>
<th>Operated beds end 2017</th>
<th>New capacities</th>
<th>Under reconfiguration or renovation</th>
<th>Pipeline by 2021</th>
<th>Pipeline (% beds in devpt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>30,053</td>
<td>3,372</td>
<td>4,250</td>
<td>7,622</td>
<td>25%</td>
</tr>
<tr>
<td>Germany</td>
<td>28,440</td>
<td>3,708</td>
<td>1,498</td>
<td>5,206</td>
<td>18%</td>
</tr>
<tr>
<td>Italy</td>
<td>5,956</td>
<td>1,184</td>
<td>136</td>
<td>1,320</td>
<td>22%</td>
</tr>
<tr>
<td>Belgium</td>
<td>10,611</td>
<td>3,042</td>
<td>128</td>
<td>3,170</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75,060</strong></td>
<td><strong>11,306</strong></td>
<td><strong>6,012</strong></td>
<td><strong>17,318</strong></td>
<td><strong>23%</strong></td>
</tr>
</tbody>
</table>
BOOST VALUE-ADDED GROWTH
IN BELGIUM, KORIAN NOW LEADER ON LONG TERM CARE
THROUGH COMBINED BOLT-ON AND ORGANIC GROWTH

ACCELERATED GROWTH PROFILE...

Sales (€m)

218 2015
259 2016
363 2017
CAGR: 29%

Number of Beds (#)

6,500 2015
8,300 2016
10,611 2017
CAGR: 30%

... DENSIFYING NETWORK...

Became #1 in 2017

... AND BUILDING AN INTEGRATED OFFER

Nursing Homes
# Facilities: 98

+ Service Flats
c.1/3 of our locations offering Nursing Homes & Assisted Living

+ Home Care (since 2017)
c.15% of our locations to work with HC providers

FACILITIES NETWORK
- Recent acquisitions
- Existing facilities

Recent acquisitions

senior assist
foyer de l'or
OTV HOME CARE

2017 FULL-YEAR RESULTS - MARCH 15th, 2018
KEY DRIVERS

› Market consolidation
› Develop geriatric clusters
› Foster cross selling
› Replicate multi-activity platform model across network

5 facilities acquired in 2017 – more to come in 2018 and 2019

Revenue 2017: €303m
# Employees: 2,285
# Facilities: 56
# Beds: 5,956
BOOST VALUE-ADDED GROWTH

STRONG GROWTH POTENTIAL IN GERMANY

SUBJECT TO HR EXCELLENCE

MARKET FUNDAMENTALS DRIVING GROWTH

› **Strong demand** due to demographic and epidemic trends*
› **Favourable price and mix impact** due to the application of the new PSG2 regulations
› **Nursing staff shortage** due to local tense labour market and strict staff key regulation

SHORT-TERM FOCUS YIELDING GROWTH

› **Increase occupancy rate** in existing network through active recruitment policy and optimized staff mix
› **Reposition legacy facilities** based on LHG new standards
› **Strengthen homecare capacities** with local partners to address early stage dependency

MID-TERM STRATEGY TO ACCELERATE

› **A secured pipeline** of nearly 2,000 beds by 2020, combining nursing home and assisted living
› **Restart active bolt-on strategy** by end 2018 to densify local network (cluster approach) and to expand in medical segment

* People > 75 Y: +3%/year
People requiring care: +4.5%/year

Revenue 2017: €882m
# Employees: 14,133
# Facilities: 225
# Beds: 28,440
BOOST VALUE-ADDED GROWTH
ACCELERATING GROWTH MOMENTUM IN FRANCE

MAIN PRIORITIES

FRANCE SANTÉ
- ACCELERATE OUTPATIENT

FRANCE SENIORS
- ENHANCE VALUE PROPOSITION & ADAPT REVENUE MANAGEMENT
- HOSPITALITY STANDARDS & PRIVATE PAY SERVICES
- DEVELOP ADDITIONAL INPATIENT CAPACITIES
- RECONFIGURATION & UPGRADING
- ACQUISITIONS TO EXPAND IN ADJACENT SEGMENTS (assisted living and home care)

4% GROWTH BY 2020
BOOST VALUE-ADDED GROWTH
FRANCE SANTÉ
KEY INITIATIVES ONGOING

ACCELERATE OUTPATIENT
› 20 day hospitals authorized to date
› 25 additional licenses to come

UPGRADE HOSPITALITY STANDARDS AND PRIVATE PAY SERVICES
› 60% → 80% single rooms by 2021
› 30 buildings to be refurbished or relocated by 2021
› 12 buildings to be delivered in 2018-2019

ADDITIONAL INPATIENT CAPACITIES
› New licenses
  ▪ 7 obtained in 2017
  ▪ c. 10 additional in 2018

Contribution to 2017-2019 revenue growth
33% 33% 33%
BOOST VALUE-ADDED GROWTH
FRANCE SENIORS
KEY INITIATIVES ONGOING

ACTIVE REVENUE MANAGEMENT
› Enhance customer value proposition (Offre “Cœur”)
› Adapt services and pricing to high dependency
› Implement 360° customer approach

RECONFIGURATION & UPGRADING
› Refurbishment of c. 4,000 rooms
› 12 reconfiguration projects ongoing

BOLT-ON
› Expand footprint (Assisted Living & Home Care)
› Complement local network

Contribution to 2017-2019 revenue growth

- 35%
- 40%
- 25%
BOOST VALUE-ADDED GROWTH

PARTNERSHIP WITH AGES&VIE TO DEVELOP AN INNOVATIVE CONCEPT OF SHARED HOUSING FOR ELDERS

› Shared homes for 7 seniors (c.300m²) with 3 full-time live-in home helpers

› Adapted to autonomous seniors

› Consistent with Korian’s customer journey approach

› Strengthen local cooperation as municipalities have expressed strong interest in shared housing solutions

› Innovative approach with significant development potential

Ages&Vie in numbers
(as of end 2017)
› 28 sites - 320 residents
› 180 employees
› 200 facilities by 2023, accommodating 3,000 residents
OPTIMIZE REAL ESTATE MANAGEMENT

SIGNIFICANT PROGRESS ACHIEVED IN 2017

1. ACTIVELY MANAGE REAL ESTATE DEVELOPMENT
   - Dedicated teams in France, Germany and Italy
   - External development partnership with ICADE
   - Over 90 projects ongoing
   - Comprehensive refurbishment and upgrading programs started in France and Germany (program Boost)

2. BOOST REAL ESTATE INVESTMENT
   - Increase in ownership rate to 16% at end 2017
     - Vs. 14% in 2016
     - Objective: 20% in 2020
   - Portfolio value* up 25% to €1.24bn
     - Vs. €980m in June 2016
   - 2 dedicated vehicles in France and Germany to enable asset rotation in the future

3. START ACTIVE RENT RENEGOTIATION
   - Rapid progress made on renegotiation of rental agreements
   - Savings objective confirmed and to be achieved in 2019, 2 years ahead of schedule:
     - 5% of savings on the first set ≈150 buildings
     - Representing c.€5m savings

* Value performed by Cushman & Wakefield

2017 FULL-YEAR RESULTS - MARCH 15th, 2018
FULL-YEAR RESULTS

MARCH 15th, 2018

IMPROVE OPERATING PERFORMANCE
ENHANCE OPERATIONAL EFFICIENCY

ALIGN STANDARDS AND PROCESSES

› Deploy common standards to improve efficiency, quality of service and costs
› Strengthen key IT systems (ERP, HR admin and staff planning)

FOSTER LOCAL SYNERGIES

› Structuring clusters:
   ▪ Mutualize support functions by regrouping 2 or 3 facilities located in the same catchment area
   ▪ In France: 28 in 2017; targeting 70 by end 2018 covering 60% of the portfolio

PROMOTE BEST-IN-CLASS APPROACH

› Performance and quality benchmarks across networks
› Improvement action plans for low performers
› Portfolio rationalization
   ▪ Done in Italy (4 facilities)
   ▪ Initiated in Germany (2 facilities closed in 2017), acceleration planned in 2018

PROCUREMENT

› Continue to leverage our scale through the implementation of common purchasing action plan at Group level
› Improve compliance rate on purchasing listed solutions (currently between 40% and 80% depending on countries)
IMPROVE OPERATING PERFORMANCE
ON TRACK TO DELIVER ON “SUCCESS 2020”
EFFICIENCY PLAN IN GERMANY

INTEGRATION PROCESS FULLY FINALIZED

Management team strengthened
New general manager in place since July 2017

IT integration done
IT platform stabilized
IT migration finalized

HQ moved to Munich

SG&A cost reduction plan started

MAIN FOCUS IS NOW ON OPERATIONAL PERFORMANCE

Services
Cost optimization
Procurement roadmap

Care
Staff planning and hiring
Interim reduction plan

Portfolio review
Focus on low-performing facilities
Divestments
INVEST IN OUR PEOPLE
EMPLOYEE COMMITMENT LEVEL INCREASED BY 7 PTS IN THE LAST KOMMUNITY SURVEY AT 77%

ATTRACTION
Employer Brand in France and Germany (communication campaign)
Hiring portal
Increase # apprentices by 50% in Germany (up to 1,500 p)

TRAINING
Training for all
› 19,000 training courses in France in 2017
› 75% of employees trained
› Long term qualifying training paths
Deploy E-learning platforms
Geriatric Passport

RETENTION
Key social agreements signed in France (well-being at work, social inclusion)
Increase loyalty through compensation & benefits policies
Promote internal expert communities in France (Doctors, Nurses)

THE KORIAN SPIRIT
Benevolence
Responsability
Initiative
Transparency
FOCUS INNOVATION ON MEDICAL CARE & DIGITAL
A UNIQUE POSITIONING ON “POSITIVE CARE”™

POSITIVE CARE APPROACH
Based on systematic identification and evaluation of:

› Needs and wishes of the resident and their relatives
› Abilities and competencies
› Potential sensory impairments

2017 ACHIEVEMENTS

› Certification of Positive Care™
› Deployment ongoing across nursing home network in France
› Reinforced collaboration with research institutes and universities with Korian foundation support
FOCUS INNOVATION ON MEDICAL CARE & DIGITAL
DIGITALIZE CUSTOMER, STAFF AND MEDICAL INTERFACES

FAMILIES
Korian Générations
› Korian private social network
› Deployed in 100% Nursing Homes in France

FACILITY MANAGEMENT
Equippe™
› A digital platform to manage all the data of a resident/patient
› Deployed in 100% Nursing Homes, to be deployed in clinics this year in Italy

Medgo™
› To manage replacements and temps

CONNECTED BUILDINGS
Safe environment in clinics, Nursing Homes, and at home through IOT

1 Million connections
75,000 messages
Key Figures since April 2017 in France
## REVENUE BY COUNTRY

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Reported Growth (%)</th>
<th>Organic Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1,573</td>
<td>1,583</td>
<td>0.7%</td>
<td>0.9%</td>
</tr>
<tr>
<td>International</td>
<td>1,414</td>
<td>1,552</td>
<td>9.7%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Germany</td>
<td>852</td>
<td>882</td>
<td>3.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Italy</td>
<td>303</td>
<td>307</td>
<td>1.5%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Belgium</td>
<td>259</td>
<td>363</td>
<td>39.8%</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,987</strong></td>
<td><strong>3,135</strong></td>
<td><strong>5.0%</strong></td>
<td><strong>2.4%</strong></td>
</tr>
</tbody>
</table>

In **France**, growth of the **Senior business line** was driven by higher average daily rates, supported by an enhanced value proposition. Revenue of **Santé business line** were slightly down due to reimbursement rates decrease.

Organic growth in **Germany** was driven by a favorable price/mix impact in the context of PSG2 implementation and the facilities opened over the last 18 months.

**Italy** returned to growth thanks to an active acquisition strategy (5 facilities acquired in 2017).

Continued strong organic growth in **Belgium** driven by the ramp-up of facilities opened, expanded and renovated since late 2016. Perimeter effect related to acquisitions of Foyer de Lork, OTV and 1st portfolio of 8 facilities acquired from Senior Assist.
## EBITDAR PERFORMANCE BY COUNTRY

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>France</strong></td>
<td>428</td>
<td>436</td>
<td>1.8%</td>
<td>27.2%</td>
<td>27.5%</td>
<td>30 bp</td>
<td>40 bp</td>
</tr>
<tr>
<td><strong>International</strong></td>
<td>369</td>
<td>385</td>
<td>4.4%</td>
<td>26.1%</td>
<td>24.8%</td>
<td>-130 bp</td>
<td>-90 bp</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>230</td>
<td>221</td>
<td>-4.2%</td>
<td>27.0%</td>
<td>25.0%</td>
<td>-200 bp</td>
<td>-140 bp</td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td>69</td>
<td>72</td>
<td>3.3%</td>
<td>23.0%</td>
<td>23.4%</td>
<td>40 bp</td>
<td>-</td>
</tr>
<tr>
<td><strong>Belgium</strong></td>
<td>70</td>
<td>93</td>
<td>33.9%</td>
<td>26.8%</td>
<td>25.7%</td>
<td>-110 bp</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>797</td>
<td>821</td>
<td>3.0%</td>
<td>26.7%</td>
<td>26.2%</td>
<td>-50 bp</td>
<td>-30 bp</td>
</tr>
</tbody>
</table>

* See definitions

(1) €7m in other costs (of which €5m in Germany and €2m in France)

Margin increase in **France** (+40 bp vs. 2016) thanks to effective operating management and purchasing savings

**Germany** underlying margin decrease (-140 bp) due to:
- Ramp-up effect from facilities opened in the last 18 months
- Increased care resources on the back of PSG 2 regulation implementation
- Wage inflation + interim in a context of tense labor market conditions

Margin improvement in **Italy** (+40 bp) driven by network rationalization and efficient cost management

Margin decrease in **Belgium** (-110 bp vs. 2016) due to the temporary dilution from recent acquisitions which include facilities in ramp-up and reconfiguration
OPERATING PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>2016 (€m)</th>
<th>2017 (€m)</th>
<th>Change</th>
<th>Change excl. 2016 one-off gains (i)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue*</td>
<td>2,987</td>
<td>3,135</td>
<td>5.0%</td>
<td>-</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>(1,608)</td>
<td>(1,728)</td>
<td>7.5%</td>
<td>-</td>
</tr>
<tr>
<td>% of sales</td>
<td>53.8%</td>
<td>55.1%</td>
<td>130 bp</td>
<td>-</td>
</tr>
<tr>
<td>Other costs</td>
<td>(582)</td>
<td>(586)</td>
<td>0.8%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>% of sales</td>
<td>19.5%</td>
<td>18.7%</td>
<td>-80 bp</td>
<td>-100 bp</td>
</tr>
<tr>
<td>EBITDAR*</td>
<td>797</td>
<td>821</td>
<td>3.0%</td>
<td>3.9%</td>
</tr>
<tr>
<td>% of sales</td>
<td>26.7%</td>
<td>26.2%</td>
<td>-50 bp</td>
<td>-30 bp</td>
</tr>
<tr>
<td>External rents</td>
<td>(375)</td>
<td>(381)</td>
<td>1.5%</td>
<td>0.2%</td>
</tr>
<tr>
<td>% of sales</td>
<td>12.6%</td>
<td>12.1%</td>
<td>-40 bp</td>
<td>-60 bp</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>422</td>
<td>440</td>
<td>4.3%</td>
<td>7.3%</td>
</tr>
<tr>
<td>% of sales</td>
<td>14.1%</td>
<td>14.0%</td>
<td>-10 bp</td>
<td>+30 bp</td>
</tr>
</tbody>
</table>

Increase in **staff costs** (+130 bp) resulting from

› German specific context
› Continued shift to more internalized staff in Italy

**Other costs** improved by 100 bp (excl. FY16 one-off gains)

› Less externalized staff in Italy
› Purchasing savings

**External rents**: down -60 bp (on an underlying basis) due to

› The effect of the implementation of the “asset smart” strategy (mainly buy-backs)
› A favorable effect from Belgium acquisitions in relation with IAS 17 accounting rule

**EBITDA margin** up +30 bp (compared to FY 16 margin restated of one-off gains) resulting from the above mentioned favorable effect on rentals

*See definitions

(i) €12m one-off gains of which €7m in other costs and €5m in rentals
PROFIT & LOSS

<table>
<thead>
<tr>
<th></th>
<th>2016 (€m)</th>
<th>2017 (€m)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue*</td>
<td>2,987</td>
<td>3,135</td>
<td>5.0%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>422</td>
<td>440</td>
<td>4.3%</td>
</tr>
<tr>
<td>Depreciation &amp; Provisions</td>
<td>(156)</td>
<td>(157)</td>
<td>0.7%</td>
</tr>
<tr>
<td>Current operating income</td>
<td>266</td>
<td>283</td>
<td>6.4%</td>
</tr>
<tr>
<td>% of sales</td>
<td>8.9%</td>
<td>9.0%</td>
<td>10 bp</td>
</tr>
<tr>
<td>Other net operating charges</td>
<td>(25)</td>
<td>0</td>
<td>-100.4%</td>
</tr>
<tr>
<td>Operating income</td>
<td>241</td>
<td>283</td>
<td>17.6%</td>
</tr>
<tr>
<td>% of sales</td>
<td>8.1%</td>
<td>9.0%</td>
<td>100 bp</td>
</tr>
<tr>
<td>Financial result</td>
<td>(123)</td>
<td>(121)</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Income Tax</td>
<td>16</td>
<td>4</td>
<td>-77.1%</td>
</tr>
<tr>
<td>Minority interests</td>
<td>(2)</td>
<td>(3)</td>
<td>61.2%</td>
</tr>
<tr>
<td>Net profit Group share</td>
<td>131</td>
<td>163</td>
<td>24.4%</td>
</tr>
</tbody>
</table>

Stable depreciation & provisions

Other net operating charges notably include reorganization costs (Germany and France) and various provisions offset by a favorable effect related to a tax refund in France

Financial result is broadly flat

Income tax includes the favorable effect on net deferred tax liabilities of the reduction in income tax rate in France, Italy and Belgium for a total amount of €68m in FY17 (vs. €72m in FY16)

Reported Net Profit increased by 24.4%

* See definitions
## Change in Net Debt

<table>
<thead>
<tr>
<th>Category</th>
<th>2016 (€m)</th>
<th>2017 (€m)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow before cost of financial debt</td>
<td>303</td>
<td>367</td>
<td>21.2%</td>
</tr>
<tr>
<td>Change in WCR</td>
<td>4</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Operating Capex (maintenance…)</td>
<td>(70)</td>
<td>(81)</td>
<td></td>
</tr>
<tr>
<td>Net financial charges</td>
<td>(97)</td>
<td>(96)</td>
<td></td>
</tr>
<tr>
<td>Operating Free Cash Flow</td>
<td>140</td>
<td>208</td>
<td>47.9%</td>
</tr>
<tr>
<td>Development Capex</td>
<td>(29)</td>
<td>(25)</td>
<td></td>
</tr>
<tr>
<td>Bolt-on acquisitions</td>
<td>(59)</td>
<td>(107)</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow - OPCO</td>
<td>53</td>
<td>76</td>
<td>43.3%</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(29)</td>
<td>(31)</td>
<td></td>
</tr>
<tr>
<td>Real Estate Investments</td>
<td>(52)</td>
<td>(142)</td>
<td></td>
</tr>
<tr>
<td>Strategic acquisitions</td>
<td>(367)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Increase in equity</td>
<td>-</td>
<td>296</td>
<td></td>
</tr>
<tr>
<td>Net debt impact of change in perimeter &amp; others</td>
<td>(276)</td>
<td>(224)</td>
<td></td>
</tr>
<tr>
<td>Change in Total Net Debt</td>
<td>(670)</td>
<td>(25)</td>
<td></td>
</tr>
</tbody>
</table>

**Positive contribution of WCR** thanks to improved management of payables and tax receivables

**Operating Capex** in line with target of 2.5% to 3% of revenue

**Bolt-on** include acquisitions in Belgium and Italy

**Strong Free Cash Flow generation** as per our OPCO metric

Increase in **Real Estate Investments** reflecting strategy to selectively increase ownership rate

**Increase in equity** corresponding to the issuance of hybrids (net of fees)

Net debt impact of **change in perimeter** mostly attributable to debt from Belgian acquisitions (IAS 17)
### NET DEBT AS OF DECEMBER 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>31/12/2016 (€m)</th>
<th>31/12/2017 (€m)</th>
<th>Change (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syndicated loan (term loan tranche)</td>
<td>650</td>
<td>500</td>
<td>(150)</td>
</tr>
<tr>
<td>Bonds &amp; bilateral debt</td>
<td>1,076</td>
<td>1,094</td>
<td>18</td>
</tr>
<tr>
<td>Treasury loans, bank overdraft, commercial paper &amp; others</td>
<td>61</td>
<td>126</td>
<td>64</td>
</tr>
<tr>
<td>Cash &amp; cash equivalent</td>
<td>310</td>
<td>511</td>
<td>201</td>
</tr>
<tr>
<td><strong>Net Financial Debt</strong> (excl Real Estate)</td>
<td><strong>1,478</strong></td>
<td><strong>1,209</strong></td>
<td><strong>(268)</strong></td>
</tr>
<tr>
<td>IAS 17 financial leases</td>
<td>467</td>
<td>646</td>
<td>179</td>
</tr>
<tr>
<td>Real estate debt with financial counterparts</td>
<td>371</td>
<td>485</td>
<td>114</td>
</tr>
<tr>
<td><strong>Real Estate Debt</strong></td>
<td><strong>838</strong></td>
<td><strong>1,131</strong></td>
<td><strong>293</strong></td>
</tr>
<tr>
<td><strong>Total Net Debt</strong></td>
<td><strong>2,315</strong></td>
<td><strong>2,340</strong></td>
<td><strong>25</strong></td>
</tr>
<tr>
<td><strong>Restated leverage</strong></td>
<td><strong>3.9x</strong></td>
<td><strong>3.2x</strong></td>
<td></td>
</tr>
</tbody>
</table>

- **Decrease in Net Financial Debt** resulting from the €300m hybrid issuances:
  - €240m undated convertible bonds (ODIRNANE)
  - €60m undated hybrid unlisted bonds
  - Proceeds used to repay Term Loan for an amount of €150m

- **Real Estate Debt** reflecting:
  - The accounting impact of Belgian acquisitions in relation with IAS 17 rule
  - The investments made in 2017 (existing premises and facilities under construction) net of loan amortization

- **Stable total net debt**
  - Restated leverage down at 3.2x - Covenant maximum level: 4.5x
  - Total cost of debt below 3% excluding IAS 17 financial leases

---

* See definitions
LIQUIDITY POSITION

GROUP DEBT MATURITY PROFILE
In €m

- Syndicated loan
- Euro PP
- SSD
- Other Corp debt
- Real-Estate

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

Additional liquidity arising from:
- €650m in available credit lines (Revolving Credit Facility)
- €300m NEU CP program (€115m outstanding at December 31, 2017)
- €511m cash and cash equivalent available at December 31, 2017

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

More than 80% fixed rate debt over the next 3 years
DIVIDEND PROPOSED TO THE AGM FOR 2017

€0.60 per share with a share payment option
OUTLOOK
2018 OBJECTIVES

Revenue growth of at least 5.5%, driven in particular by:
- A stronger momentum in France due to the effect of the various measures undertaken in 2017
- The impact of the selective acquisitions completed in 2017

Portfolio to increase by over 2,500 beds thanks to:
- The opening of ten new facilities in Germany, France and Belgium
- And the continuation of an active bolt-on strategy

Limited decrease in operating margin (EBITDA)
- Margins should improve in the International sector, particularly in Germany, as a result of the first benefits of the Success 2020 performance plan.
- In France, costs associated with re-launching growth and restructured facilities ramp-up, as well as the decrease in the CICE tax credit and the decreases in rates in the health sector, will temporarily weigh on margins.

BEYOND 2018

Operating margin objectives revised upward to 14.3% in 2019 and close to 15% in 2021
All other financial objectives confirmed
APPENDIX
### BALANCE SHEET

<table>
<thead>
<tr>
<th></th>
<th>31/12/2016 (€m)</th>
<th>31/12/2017 (€m)</th>
<th>Change (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>2,175</td>
<td>2,219</td>
<td>43</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>1,718</td>
<td>1,760</td>
<td>42</td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>1,670</td>
<td>1,944</td>
<td>274</td>
</tr>
<tr>
<td>Long-term financial assets</td>
<td>33</td>
<td>54</td>
<td>22</td>
</tr>
<tr>
<td><strong>Non-current Assets</strong></td>
<td><strong>5,596</strong></td>
<td><strong>5,976</strong></td>
<td><strong>381</strong></td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>(491)</td>
<td>(424)</td>
<td>67</td>
</tr>
<tr>
<td>Working capital requirement</td>
<td>(526)</td>
<td>(494)</td>
<td>32</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>2</td>
<td>-</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>4,581</strong></td>
<td><strong>5,059</strong></td>
<td><strong>477</strong></td>
</tr>
<tr>
<td>Total shareholder's equity</td>
<td>2,037</td>
<td>2,475</td>
<td>438</td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>59</td>
<td>70</td>
<td>12</td>
</tr>
<tr>
<td>Other provisions</td>
<td>154</td>
<td>166</td>
<td>12</td>
</tr>
<tr>
<td>Financial instruments</td>
<td>17</td>
<td>8</td>
<td>(9)</td>
</tr>
<tr>
<td>Total Net debt</td>
<td>2,315</td>
<td>2,340</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>4,581</strong></td>
<td><strong>5,059</strong></td>
<td><strong>477</strong></td>
</tr>
</tbody>
</table>
FOCUS ON REFINANCING OPERATIONS

 › Successful issue of undated convertible bonds ("ODIRNANE") for an amount of €240m on June 28
   - Nominal value per bond of €40.21, representing a conversion premium of 35%
   - Interest rate of 2.5% until December 31, 2022
   - Bond holders may exercise their conversion right until January 1, 2023. Upon exercise, bond holders will receive, at the option of Korian, either cash or shares (existing or new) or a combination of both
   - Korian has a “soft call” from January 1, 2021 if the share price exceeds 130% of the nominal value
   - From January 1, 2023, interest rate equal to EURIBOR 6-month increased by 900 bp
   - Settled on July 3, 2017 – not accounted for in balance sheet at end of June 2017

 › In addition, issue of €60m in undated hybrid unlisted bonds, giving no access to equity (settled on June 30, 2017)

 › The two bonds are classified as equity in the consolidated financial statements, in accordance with IAS 32. Consequently, the interest paid will not be accounted for in P&L (accounting similar to dividends)

 › These issues provide the Group with increased financial flexibility to accelerate its development strategy through targeted acquisitions (bolt-ons)
## PORTFOLIO AS OF DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>Facilities</th>
<th>Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>364</td>
<td>30,053</td>
</tr>
<tr>
<td>Germany</td>
<td>225</td>
<td>28,440</td>
</tr>
<tr>
<td>Italy</td>
<td>56</td>
<td>5,956</td>
</tr>
<tr>
<td>Belgium</td>
<td>98</td>
<td>10,611</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>743</strong></td>
<td><strong>75,060</strong></td>
</tr>
</tbody>
</table>
KORIAN REAL ESTATE PORTFOLIO

OWNERSHIP

GEOGRAPHICAL SPLIT OF OWNERSHIP (IN UNITS)

Ownership: 16% of operating assets

Real Estate portfolio valuation: €1,240m*

531,000 sqm / 115 buildings

RENTS

GEOGRAPHICAL SPLIT OF RENTS (IN SQM)

Rentals: 84% of operating assets

81% of rented assets owned by institutional investors

3.5 million sqm / 628 buildings

Length of rentals: 9 to 27 years

France Italy Belgium
13% 70% 12%
12% 5% 3%

Note: All figures as of December 31, 2017
*Based on an average cap rate of 5.7%
REVENUE: including other income.

ORGANIC REVENUE GROWTH INCLUDES:

a) The change in the revenue between year Y and year Y-1 of facilities already in operation
b) The revenue generated in year Y by facilities created in year Y or Y-1
c) 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
d) 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.

RESTATED LEVERAGE: (Net debt – Real estate debt) / (EBITDA adj. – (6.5% * Real Estate Debt)).
This document was prepared by Korian (the “Company”). The information contained in this document has not been independently verified.

No representation or warranty, express or implied, is made as to, and no reliance should be placed upon, the fairness, accuracy, completeness, or correctness of the information or opinions contained in this document and the Company does not accept any liability or responsibility in this respect.

This document contains certain statements that are forward-looking. These statements refer in particular to the Company business strategies and growth of operations, future events, trends or objectives which are naturally subject to risks and contingencies that may lead to actual results materially differing from those explicitly or implicitly included in these statements. Such forward-looking statements are not guarantees of future performance and the Company expressly disclaims any liability whatsoever for such forward-looking statements.

Information relating to risks and contingencies relating to the Company are included in the documents filed by the Company with the Autorité des marchés financiers. The Company does not undertake to update or revise the forward-looking statements in this presentation to reflect new information, future events or for any reason and any opinion expressed in this presentation is subject to change without notice.

A detailed description of the business and financial position of the Company as well as the risk factors related to the Company is included in the reference document of the Company which may be obtained on the website of the Company (www.korian.com). This presentation should be read in conjunction with such documents.

This document does not constitute an offer or invitation to sell or purchase, or any solicitation of any offer to purchase or subscribe for, any shares of the Company. Neither this document, nor any part of it, shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

Neither this document, nor any copy of it, may be taken, transmitted or distributed, directly or indirectly, in the United States, Canada, Japan or Australia. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should make themselves aware of the existence of, and observe, any such restrictions.

The shares of the Company have not been, and will not be, registered under the Securities Act of 1933, as amended, (the “Securities Act”) and may not be offered or sold in the United States except pursuant to any exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company does not intend to register any portion of the proposed offering in the United States, nor does the Company intend to conduct a public offering of its shares in the United States.

This document speaks as of 15 March 2018. Neither the delivery of this document nor any further discussions of the Company with any recipients thereof shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.