2018 INTERIM RESULTS
SEPTEMBER 13th, 2018
**H1 2018 KEY ACHIEVEMENTS**

**SOLID PROGRESS ON GROWTH & OPERATIONAL EFFICIENCY**

- **Acceleration in revenue growth to 6%**
  - More dynamic activity in France
  - Continued strong growth internationally

- **Stable EBITDAR margin at 26%**

- **Increase of 40 bp in EBITDA margin**

- **Good financial performance**
  - Robust OFCF generation
  - Current net profit Group share up +26.3%*

- **Stable restated leverage at 3.2x**

**TRANSFORMATION MOMENTUM ACCELERATING**

- **Over 1,100 new beds**

- **Acceleration of offer diversification**
  - Assisted living & home hospital in France and home care in Germany

- **Accelerated growth momentum in France**
  - Thanks to the first benefits of the action plan

- **Margin turnaround in Germany**
  - More offensive HR policy & improved planning management

- **Asset smart strategy ramping-up**
  - 90 rental contracts already renegotiated
  - ICADE development partnership: 7 projects launched (objective 15)

* See definition
H1 2018 KEY HIGHLIGHTS

BUY & BUILD STRATEGY ACCELERATING

› 7 bolt on acquisitions in H1 across the 4 business lines
  . €50m revenue on a yearly basis

› Network development and restructuring
  . Openings of 11 new facilities in 2018
  . 40 restructuring projects ongoing

EXCLUSIVE DISCUSSIONS WITH SENIOR ASSIST to acquire 21 facilities (1,800 beds)

ON TRACK TO ACCELERATE DEVELOPMENT

› Philippe Garin appointed Group CFO in February

› Bart Bots appointed Chief International Development Officer in May

› Dominiek Beelen took over from Bart Bots as CEO Belgium

DIGITAL TRANSFORMATION RAMPING-UP

› Recent full deployment of medGo to support efficiency progress

› Dual partnership with Wellcoop and Patientys to implement innovative home care solutions

› Opening of the first pilot fully connected NH in Paris

› Creation of Group digital agency « Korian Solutions » to nurture offer extension
KORIAN
STRATEGIC
VISION
A UNIQUE LONG TERM CARE PLATFORM ACROSS WESTERN EUROPE

LEADING POSITIONS IN NURSING HOMES
in 4 key European countries\(^{(1)}\)

- France: 12%
- Germany: 28%
- Italy: 50%
- Belgium: 10%

STRENGTH POSITIONS IN ADJACENT SEGMENTS
(specialized clinics, service flats and assisted living, home care)

\(\%\) of Group revenue

KEY FIGURES

- 779 facilities
- 76,200 beds
- 50,000 employees
- 250,000 clients served yearly\(^{(2)}\)
- €3.1bn revenues\(^{(2)}\)

(1) 4 countries representing more than 50% of the EU population > 75Y
(2) Full year 2017 figures
BUILT THROUGH RAPID BUILD-UP IN RECENT YEARS

Revenue (€m)

2006: 520
2007: 608
2008: 781
2009: 851
2010: 923
2011: 1,015
2012: 1,108
2013: 1,356
2014: 2,222
2015: 2,579
2016: 2,987
2017: 3,135

CAGR 2012-2017: +23%

- Casa Reha Foyer de Lork
- Medica Senior Living Group
- Senior Assist
- Segesta Phönix

IPO
OUR STRATEGY: OFFER COMPREHENSIVE CARE PATHWAYS TO THE ELDERLY

LONG TERM CARE CHALLENGES AND OPPORTUNITIES

Demographic and epidemiological trends

Senior expectation for autonomy and customized solutions

Funding / pricing constraints (specific to each geography)

Technological breakthrough enabling more agile approaches

TWO CORE BUSINESSES FOCUSED ON HIGH DEPENDENCY

NURSING HOMES
to specialize in high dependency

POST ACUTE CLINIC
from generic to specialized rehabilitation

Greater care intensity
Medical staff
Adapted buildings and equipment

Specialized treatments for patients suffering from multiple pathologies (orthopaedics, cardiology, oncology, neurology...)

ALTERNATIVE SOLUTIONS FOR LESS DEPENDENT SENIORS

OUTPATIENT
(in Clinics and Nursing Homes)

SERVICE FLATS & ASSISTED LIVING

HOME CARE

... with a "cluster approach" to offer comprehensive pathways and to leverage strong base in selected territories

2018 INTERIM RESULTS - SEPTEMBER 13th, 2018
"To be the trusted partner for ageing or disabled people and their loved ones, providing personalised care and contributing to quality of life"
A CSR STRATEGY FULLY EMBEDDED INTO OUR STRATEGIC ROADMAP

5 COMMITMENTS*

HEIGHTEN EMPLOYEE WELL-BEING
Stepped-up vigilance on quality of life in the workplace and qualifications
Strongly committed to promoting diversity and inclusion

MAINTAIN INDEPENDENCE AND FREEDOM OF ACTION
Implement the « Positive Care » initiative

MAKE A POSITIVE CONTRIBUTION TO AGEING WELL
Engaged in scientific research and societal studies
Leverage on digital technology

ENHANCE THE QUALITY OF OUR ENVIRONMENT
Reduce the environmental impact of our facilities and commit to a responsible purchasing policy

BE STRONGLY INVOLVED IN THE LOCAL COMMUNITY
Firmly established in the local healthcare environment
Encourage intergenerational socialisation and develop close ties with local community

* Identified by conducting interviews with our stakeholders

FIRST INTEGRATED REPORT
published in September 2018
5 KEY LEVERS TO SUCCESSFULLY DELIVER ON OUR STRATEGIC PLAN…

1. STRENGTHEN GROWTH POTENTIAL
2. OPTIMIZE REAL ESTATE MANAGEMENT
3. ACHIEVE OPERATIONAL EXCELLENCE
4. INVEST IN OUR PEOPLE
5. ACCELERATE INNOVATION ON DIGITAL
**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 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
H1 2018 ACHIEVEMENTS
STRENGTHEN GROWTH POTENTIAL
ROADMAP BY COUNTRY

FRANCE

- Reconfigure and upgrade existing facilities network (NH, post acute)
- Develop hospitality services
- Buy & Build strategy
  - To diversify offer
  - To complement footprint

GERMANY

- Leveraging new regulations in order to develop revenues on existing portfolio
- Capture market potentials
  - Diversify the offer
    (assisted living, intensive home care)
  - Restart active bolt-on strategy in NH & specialized long term care

ITALY

- Large potential for further consolidation both in NH and Post Acute
- Develop geriatric clusters in selected territories

BELGIUM

- Leverage growth potential of recent bolt-on acquisitions
  (facilities to be reconfigured and/or relocated, new facilities in ramp-up)
- Implement greenfield pipeline
- Expand regional footprint (Benelux)

KORIAN
STRENGTHEN GROWTH POTENTIAL
PURSUIT OF AN ACTIVE DEVELOPMENT STRATEGY IN H1 2018

OVER 1,100 NEW BEDS ADDED TO THE NETWORK IN H1 2018
› A balanced mix between organic and bolt-on
› A balanced mix between France and International

ACCELERATION OF OFFER DIVERSIFICATION
› Assisted living in France
› Home hospital in France
› Home care in Germany

743 facilities
779 facilities

75,060
76,200

over 1,100 beds*

GREENFIELDS
France Germany

BOLT-ONS
France Belgium & Italy

# BEDS End Dec 2017
# BEDS End June 2018

* Excluding outpatient
## Strengthen Growth Potential

### A Strong Pipeline of Development & Restructuring by 2022

<table>
<thead>
<tr>
<th>Country</th>
<th>Beds Operated June 30, 2018</th>
<th>Inc. Beds Under Reconfiguration or Renovation</th>
<th>New Capacities</th>
<th>Pipeline by 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRANCE</td>
<td>30,573</td>
<td>4,221</td>
<td>3,256</td>
<td>7,477</td>
</tr>
<tr>
<td>GERMANY</td>
<td>28,830</td>
<td>2,189</td>
<td>3,374</td>
<td>5,563</td>
</tr>
<tr>
<td>ITALY</td>
<td>6,036</td>
<td>36</td>
<td>2,000</td>
<td>2,036</td>
</tr>
<tr>
<td>BELGIUM</td>
<td>10,761</td>
<td>231</td>
<td>2,943</td>
<td>3,174</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>76,200</strong></td>
<td><strong>6,677</strong></td>
<td><strong>11,573</strong></td>
<td><strong>18,250</strong></td>
</tr>
</tbody>
</table>

- **74%** Fully mature beds
- **8%** Ramp-up beds
- **6%** Reconfiguration & renovation works
- **5%** Additional capacities 2018-19
- **6%** Additional capacities 2020-22

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2018 INTERIM RESULTS - SEPTEMBER 13th, 2018
STRENGTHEN GROWTH POTENTIAL
FRANCE REAPING THE FRUITS OF THE ACTION PLAN TO ACCELERATE GROWTH MOMENTUM TO 4% BY 2020

STRENGTHEN OUR EXISTING PLATFORM

Enhance customer value proposition & adapt revenue management
› “Offre Coeur” roll-out completed up to 87%

BOOST PROJECT started
› Reconfigure & upgrade
  - 7 facilities renovated
  - 20 ongoing
  - 50 by 2020 (4,000 rooms)

EXPAND & DIVERSIFY THROUGH SELECTIVE ACQUISITIONS

Diversify the offer
› Ages & Vie (Assisted living)

Complement local network
› Fontdivina (May 2018)
STRENGTHEN GROWTH POTENTIAL

FRANCE REAPING THE FRUITS OF THE ACTION PLAN TO ACCELERATE GROWTH MOMENTUM TO 4% BY 2020

STRENGTHEN OUR EXISTING PLATFORM

Upgrade hospitality standards and private pay services
- 13 relocation projects ongoing (1 delivered in H1)

Develop outpatient care
- Outpatient revenues increased by 15% in H1
- Capacities x2 since 2016

Increase medical specialisation
- 74% of post acute clinics specialized end H1 2018 (vs. 64% end H1 2017)

EXPAND & DIVERSIFY THROUGH SELECTIVE ACQUISITIONS

Outpatient & home services
Complement existing network

FRANCE SANTÉ ROADMAP
STRENGTHEN GROWTH POTENTIAL

STRONG MARKET DYNAMICS IN GERMANY

LEVERAGING NEW REGULATIONS TO DEVELOP REVENUES ON EXISTING PORTFOLIO

CAPTURE MARKET POTENTIALS

› **Active price/mix management based on PSG2 regulation**
  - # of applications doubled in H1

› **Secure adequate HR**
  - Drastic reduction of temporary contracts
  - 200 additional nurses recruited

› **Reposition legacy facilities based on LHG standards**
  - Upgrading plan underway on c. 25 facilities (NRW and BW)
  - Limited net bed impact:
    - -200 by end 2018 / -100 by end 2019

› **Secured pipeline** of 2,000 beds by 2020 (17 projects)

› **Ongoing offer diversification**
  - Strengthen homecare capacities with local partners to address early stage dependency
  - Develop additional capacities in assisted living

› **Active bolt-on strategy** to densify local network in selected areas

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2018 INTERIM RESULTS - SEPTEMBER 13th, 2018
STRENGTHEN GROWTH POTENTIAL
STRENGTHENING #1 POSITION IN BELGIUM

- Signing of an exclusive agreement to acquire the remaining portfolio from Senior Assist
- 21 facilities for a total capacity of c. 1,800 beds
- Further densifying network, with an expanded footprint in Wallonia (10 facilities)
- Revenue of c. €65m
- Significant potential for reconfiguration and operational performance optimization

Became #1 in 2017
STRENGTHEN GROWTH POTENTIAL
DEVELOP GERIATRIC CLUSTERS IN ITALY

EXISTING FACILITIES IN FIRENZE:
› 4 Nursing Homes
› 2 Rehabilitation Centres
› 1 Clinic

ACQUISITION OF SAN GIUSEPPE HOSPITAL IN AREZZO IN MAY 2018
› A reference center for orthopaedic treatments and locomotor disorders
› A platform, combining diagnosis, surgery and inpatient & outpatient rehab
› 32,500 patients/year – 75% outpatients
› Project of extension to add a long stay offer for people with diminishing autonomy
› Complement our offer in the Firenze region to build integrated and specialized care pathways

FACILITIES NETWORK
- Existing facilities
- 2017 acquisitions
- 2018 acquisitions
Ownership rate to reach 18% end 2018
- vs. 16% end 2017 & 14% in 2016
- Objective: 20% in 2020

Investing in quality assets
- Both new buildings and buybacks
- c. €150m of real estate investments in FY 18

Financing conditions still very favorable
- interest rate in a range of [1.3% ; 2.3%] on 10 to 12 Y tenors – Credit Bail and Mortgage

Rapid progress on renegotiation of rental agreements in France and Germany

First round of negotiations finalized on 90 buildings

Secured savings exceeding €5m (full effect in 2019)
ACHIEVE OPERATIONAL EXCELLENCE

FURTHER PROGRESS IN H1

Golden rules and standards deployed across network

Harmonized IT platforms

Local clusters to provide adequate support

Optimized central functions

STANDARDS & PROCESSES

KORIAN
OPERATIONAL
EXCELLENCE

ORGANIZATIONAL EFFICIENCY

STRONG PERFORMANCE MONITORING

PROCUREMENT POLICY

Targeting an improved coverage up to 80% at Group level

DELIVERING

› Client satisfaction (NSS)

› Quality rating

› EBITDAR/unit
INVEST IN OUR PEOPLE

HR AT THE CORE OF PERFORMANCE

ATTRACT
Prepare the company to deliver 10,000 recruitments per year

› Diversify sourcing
› Increased presence on social networks
› Partnerships with schools

TRAIN
100% staff trained every year

› Progressive streamlining of training offer
› New digital integrated tool for on site and online trainings (Talent K)
› Building qualifying paths and diplomas

RETAIN
77% of employees declared to be engaged (survey 2017)

› Harmonize comp. & ben. policy
› Promote social dialogue (inc. European Work Council)
› Professional communities already deployed across countries

KORIAN « JOB HOUSE »
First serious training gaming

KORIAN TRAINING COURSE

KORIAN EMPLOYER OF CHOICE
Ranked as top employer in Germany by kununu

(1) Including apprentices and trainees
(2) 75% of employees trained in 2017
(3) All sectors
ACCELERATE DIGITAL TRANSFORMATION
A NEW SET UP TO FOSTER CUSTOMER RELATIONSHIP

ACCTIONS ENGAGED

Accelerate digital transformation
› In our facilities
› To foster home care development (care path)

Enrich quality of service and user experience
› For our customers (residents, patients, families)
› And our employees

CREATION OF KORIAN SOLUTIONS

Build KORIAN IOT
› Identify technological solutions and relevant partners to meet internal operational needs
› Select business partners and drive implementation of the project in relation with business lines and IT division

Home services diversification strategy
› Launch of 2 new partnerships with Wellcoop and Patientys:
  ➔ To develop new services in particular in the homecare & outpatient sectors

Leveraging on:

DEVELOPMENT OF KORIAN IOT
Dedicated teams
European scalability ambition
Pilot testings in France

Private social network
Digital platform to manage residents’ data in Italy

KORIAN GENERATION

2016

2017

2018

Chatillon building
Fully connected pilot NH to open in November in Paris

KORIAN

Partners

KORIAN
generation

WELLCOOP
& PATIENTYS

medGo
To manage replacements

Doctolib
To manage outpatient planning
Acceleration in growth momentum in line with the Group’s roadmap

A balanced growth between organic and bolt-on acquisitions

More dynamic activity in France with 2.5% organic growth, resulting from the first effects of the action plan started in 2017

Continued strong growth internationally (+8.4%)
ACCELERATION IN GROWTH MOMENTUM IN FRANCE

- **Acceleration in growth momentum** in France (+3.6% vs. 0.7% in FY 2017) supported by the first effects of the action plan started in 2017 and the resumption of a selective acquisition strategy (Ages & Vie, Fontdivina, CliniDom)

- **Limited decrease in EBITDAR margin** despite external headwinds (lower CICE tax credit and tariffs in the healthcare business) thanks to a strict cost control both on personnel costs and other expenses
MARGIN TURNAROUND IN GERMANY

Robust organic growth of 3.7% driven by
- an increase in the average dependence level of residents (care mix)
- the ramp-up of facilities opened in the last 18 months

Improvement in EBITDAR margin (+10 bp) thanks to the benefits of the SG&A cost reduction plan

Strict control on short term contracts combined with a more offensive HR policy (employer brand, increase in apprenticeship) started to offset pressure of a tight labour market, with a higher impact expected in H2

REVENUE (€m)

<table>
<thead>
<tr>
<th></th>
<th>FY 17</th>
<th>H1 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>+3.5%</td>
<td>+3.4%</td>
</tr>
<tr>
<td>Organic</td>
<td></td>
<td>+3.7%</td>
</tr>
</tbody>
</table>

EBITDAR MARGIN

<table>
<thead>
<tr>
<th></th>
<th>H1 17</th>
<th>H1 18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24.4%</td>
<td>24.5%</td>
</tr>
<tr>
<td>+10 bp</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Strong revenue growth on a reported basis thanks to the offensive external growth strategy pursued in the last few months.

- Notably the acquisition of two portfolios of facilities from Senior Assist, respectively in June 2017 and January 2018, for a total of 16 facilities

Continued solid organic growth (+4%) driven notably by the ramp-up of facilities opened or reconfigured over the last 18 months

Uplift of 50 bp in EBITDAR margin reflecting the benefit of the acquisition strategy (economies of scale, favorable impact of facilities reconfigured or in fill)
Strong acceleration in reported growth driven by a more active acquisition strategy: +10.6% in H1 18 vs. 1.5% in FY 2017

Further improvement in EBITDAR margin (+10 bp) from a high base
- thanks to efficient cost management
- more than offsetting the negative impact of business mix (higher growth in clinics, slightly less profitable than NH)
INCREASE IN EBITDA MARGIN: +40 bp

<table>
<thead>
<tr>
<th></th>
<th>H1 2017 (€m)</th>
<th>H1 2018 (€m)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>1,542</td>
<td>1,634</td>
<td>6.0%</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>(850)</td>
<td>(901)</td>
<td>6.0%</td>
</tr>
<tr>
<td>% of sales</td>
<td>55.1%</td>
<td>55.2%</td>
<td>10 bp</td>
</tr>
<tr>
<td>Other costs</td>
<td>(291)</td>
<td>(308)</td>
<td>6.0%</td>
</tr>
<tr>
<td>% of sales</td>
<td>18.9%</td>
<td>18.9%</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBITDAR</strong></td>
<td>401</td>
<td>424</td>
<td>5.8%</td>
</tr>
<tr>
<td>% of sales</td>
<td>26.0%</td>
<td>26.0%</td>
<td>-</td>
</tr>
<tr>
<td>External rents</td>
<td>(192)</td>
<td>(196)</td>
<td>2.2%</td>
</tr>
<tr>
<td>% of sales</td>
<td>12.5%</td>
<td>12.0%</td>
<td>-50 bp</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>209</td>
<td>228</td>
<td>9.2%</td>
</tr>
<tr>
<td>% of sales</td>
<td>13.5%</td>
<td>13.9%</td>
<td>40 bp</td>
</tr>
</tbody>
</table>

Stable EBITDAR margin at Group level thanks to a good operating performance in the four countries

› Strict control of personnel cost offsetting external headwinds (reduction in CICE in France and tense labour market in Germany)
› Good management of other costs, in particular costs related to network reconfiguration

External rents down -50 bp due to

› The implementation of the « asset smart » strategy (increase in ownership rate, rents renegotiations)
› The favourable effect of acquisitions performed in Belgium in 2017 and France in 2018 (Ages & Vie), in relation with IAS 17 accounting rules

EBITDA margin up +40 bp

* See definitions
## CURRENT NET PROFIT UP 26.3%

<table>
<thead>
<tr>
<th></th>
<th>H1 2017 (€m)</th>
<th>H1 2018 (€m)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue*</td>
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<td>1,634</td>
<td>6.0%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>209</td>
<td>228</td>
<td>9.2%</td>
</tr>
<tr>
<td>Depreciation &amp; Provisions</td>
<td>(79)</td>
<td>(84)</td>
<td>7.3%</td>
</tr>
<tr>
<td>Current operating income % of sales</td>
<td>130</td>
<td>143</td>
<td>10.3%</td>
</tr>
<tr>
<td>Operating income % of sales</td>
<td>126</td>
<td>148</td>
<td>17.6%</td>
</tr>
<tr>
<td>Financial result</td>
<td>(56)</td>
<td>(58)</td>
<td>3.9%</td>
</tr>
<tr>
<td>Income Tax</td>
<td>(30)</td>
<td>(33)</td>
<td>13.1%</td>
</tr>
<tr>
<td>Minority interests</td>
<td>(2)</td>
<td>(1)</td>
<td>-40.8%</td>
</tr>
<tr>
<td>Net profit Group share</td>
<td>38</td>
<td>55</td>
<td>43.3%</td>
</tr>
<tr>
<td>Current net profit Group share*</td>
<td>41</td>
<td>52</td>
<td>26.3%</td>
</tr>
</tbody>
</table>

* See definitions

- Increase in **depreciation & provisions** reflecting the increase in ownership of real estate assets and impact of IAS 17
- **Other net operating charges**: Lower reorganization costs vs. previous year more than offset by provision releases in Germany
- **Stable cost of debt**
- **Slight improvement of the tax rate** mainly due to the non recurring items
- **Net profit Group share** increased by 43.3% on a reported basis
### STRONG OFCF GENERATION

<table>
<thead>
<tr>
<th></th>
<th>H1 2017 (€m)</th>
<th>H1 2018 (€m)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow before cost of financial debt</td>
<td>162</td>
<td>171</td>
<td>5.6%</td>
</tr>
<tr>
<td>Change in WCR</td>
<td>(30)</td>
<td>(36)</td>
<td></td>
</tr>
<tr>
<td>Change in income tax</td>
<td>12</td>
<td>(12)</td>
<td></td>
</tr>
<tr>
<td>Operating Capex (maintenance…)</td>
<td>(42)</td>
<td>(40)</td>
<td></td>
</tr>
<tr>
<td>Net financial charges</td>
<td>(39)</td>
<td>(43)</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Free Cash Flow</strong></td>
<td>63</td>
<td>40</td>
<td>-36.6%</td>
</tr>
<tr>
<td>OFCF restated from 2017 VAT repayment</td>
<td>53</td>
<td>55</td>
<td>+3.8%</td>
</tr>
<tr>
<td>Development Capex</td>
<td>(5)</td>
<td>(21)</td>
<td></td>
</tr>
<tr>
<td>Bolt-on acquisitions</td>
<td>(57)</td>
<td>(57)</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow - OPCO</td>
<td>2</td>
<td>(38)</td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>Real Estate Investments</td>
<td>(35)</td>
<td>(24)</td>
<td></td>
</tr>
<tr>
<td>Increase in equity</td>
<td>60</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Net debt impact of change in perimeter &amp; others</td>
<td>(29)</td>
<td>(79)</td>
<td></td>
</tr>
<tr>
<td><strong>Change in Total Net Debt</strong></td>
<td>(2)</td>
<td>(146)</td>
<td></td>
</tr>
</tbody>
</table>

- **Increase in OFCF** restated from 2017 VAT repayment thanks to
  - An improved operational performance
  - A good control of operating Capex in the lower end of the targeted range of 2.5%-3% of revenue

- **Increase in development Capex** reflecting the ramp-up of the refurbishment and upgrading programs started in France and Germany

- **Bolt-ons** include acquisitions mainly in France (Ages & Vie, Clinidom, Fontdivina) and Italy (San Giuseppe)

- **Real Estate Investments** reflecting strategy to selectively increase ownership rate

- **Net debt impact of change in perimeter** mostly attributable to acquisitions in France and Belgium (IAS 17)
› Increase in total net debt mostly due to real estate debt, reflecting:
  • the group strategy to increase real estate ownership ratio
  • the accounting impact of acquisitions in France & Belgium in relation with IAS 17 rule

› Stable net financial debt

› Restated leverage stable, at 3.2x (vs. covenant max of 4.75x end of June)
OUTLOOK
› H1 performance demonstrates the swift momentum of transformation in the context of Korian 2020 roadmap

› In the 2nd half, Korian will continue the various restructuring actions launched on its network and open five additional new facilities ("greenfields")

› The Group will also pursue an active strategy of selective acquisitions in order to consolidate its positions in its various business segments and to take full advantage of the strong growth potential in the four countries in which it operates

› 2018 objectives revised upwards
  • The Group is now targeting revenue growth approaching 6% for the full year 2018
  • And expects a stable EBITDA margin over the fiscal year, based on the rigorous cost discipline achieved in the first half of the year and the expected benefits of its "asset smart" real estate policy
### Portfolio as of June 30, 2018

<table>
<thead>
<tr>
<th>Country</th>
<th>Facilities</th>
<th>Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>395</td>
<td>30,573</td>
</tr>
<tr>
<td>Germany</td>
<td>227</td>
<td>28,830</td>
</tr>
<tr>
<td>Italy</td>
<td>57</td>
<td>6,036</td>
</tr>
<tr>
<td>Belgium</td>
<td>100</td>
<td>10,761</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>779</strong></td>
<td><strong>76,200</strong></td>
</tr>
</tbody>
</table>
## Revenue by Country

<table>
<thead>
<tr>
<th>Country</th>
<th>H1 2017</th>
<th>H1 2018</th>
<th>Reported Growth (%)</th>
<th>Organic Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>784</td>
<td>813</td>
<td>3.6%</td>
<td>2.5%</td>
</tr>
<tr>
<td>International</td>
<td>758</td>
<td>821</td>
<td>8.4%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Germany</td>
<td>435</td>
<td>450</td>
<td>3.4%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Belgium</td>
<td>171</td>
<td>204</td>
<td>19.3%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Italy</td>
<td>152</td>
<td>167</td>
<td>10.6%</td>
<td>0.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,542</strong></td>
<td><strong>1,634</strong></td>
<td><strong>6.0%</strong></td>
<td><strong>2.9%</strong></td>
</tr>
<tr>
<td>Country</td>
<td>S1 17 (€m)</td>
<td>S1 2018 (€m)</td>
<td>Variation</td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>------------</td>
<td>--------------</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td><strong>FRANCE</strong></td>
<td>215</td>
<td>222</td>
<td>2.9%</td>
<td></td>
</tr>
<tr>
<td>% of sales</td>
<td>27.5%</td>
<td>27.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INTERNATIONAL</strong></td>
<td>185</td>
<td>203</td>
<td>9.2%</td>
<td></td>
</tr>
<tr>
<td>% of sales</td>
<td>24.5%</td>
<td>24.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GERMANY</strong></td>
<td>106</td>
<td>110</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>% of sales</td>
<td>24.4%</td>
<td>24.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BELGIUM</strong></td>
<td>43</td>
<td>52</td>
<td>21.6%</td>
<td></td>
</tr>
<tr>
<td>% of sales</td>
<td>24.9%</td>
<td>25.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ITALY</strong></td>
<td>37</td>
<td>41</td>
<td>11.2%</td>
<td></td>
</tr>
<tr>
<td>% of sales</td>
<td>24.2%</td>
<td>24.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GROUP</strong></td>
<td>401</td>
<td>424</td>
<td>5.8%</td>
<td></td>
</tr>
<tr>
<td>% of sales</td>
<td>26.0%</td>
<td>26.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### NET DEBT

<table>
<thead>
<tr>
<th></th>
<th>31/12/2017 (€m)</th>
<th>30/06/2018 (€m)</th>
<th>Change (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syndicated loan (term loan tranche)</td>
<td>500</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td>Bonds &amp; bilateral debt</td>
<td>1,094</td>
<td>1,062</td>
<td>33</td>
</tr>
<tr>
<td>Treasury loans, bank overdraft, commercial paper &amp; others</td>
<td>126</td>
<td>125</td>
<td>1</td>
</tr>
<tr>
<td>Cash &amp; cash equivalent</td>
<td>(511)</td>
<td>(459)</td>
<td>52</td>
</tr>
<tr>
<td><strong>Net Financial Debt (excl. Real Estate)</strong></td>
<td><strong>1,209</strong></td>
<td><strong>1,228</strong></td>
<td><strong>18</strong></td>
</tr>
<tr>
<td>Real estate debt on rentals (IAS 17)</td>
<td>646</td>
<td>701</td>
<td>56</td>
</tr>
<tr>
<td>Real estate debt on owned assets</td>
<td>485</td>
<td>557</td>
<td>72</td>
</tr>
<tr>
<td><strong>Real Estate Debt</strong></td>
<td><strong>1,131</strong></td>
<td><strong>1,259</strong></td>
<td><strong>128</strong></td>
</tr>
<tr>
<td><strong>Total Net Debt</strong></td>
<td><strong>2,340</strong></td>
<td><strong>2,486</strong></td>
<td><strong>146</strong></td>
</tr>
<tr>
<td><strong>Restated leverage</strong>*</td>
<td><strong>3.2x</strong></td>
<td><strong>3.2x</strong></td>
<td></td>
</tr>
</tbody>
</table>

* See definitions
LIQUIDITY POSITION

GROUP DEBT MATURITY PROFILE (in €m)

- 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 (€100m outstanding at June 30, 2018)
  - €459m cash and cash equivalent available at June 30, 2018
- Average cost of debt (excluding IAS 17) below 3% after hedging
- More than 80% fixed rate debt over the next 3 years
KORIAN REAL ESTATE PORTFOLIO
AS OF DECEMBER 31, 2017

OWNERSHIP

GEOGRAPHICAL SPLIT OF OWNERSHIP
(IN UNITS)

- France: 13%
- Germany: 5%
- Italy: 12%
- Belgium: 70%

Ownership: 16% of operating assets

Real Estate portfolio valuation: €1,240m*

531,000 sqm / 115 buildings

RENTS

GEOGRAPHICAL SPLIT OF RENTS
(IN SQM)

- France: 37%
- Italy: 41%
- Germany: 8%
- Belgium: 14%

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

NB: All figures as of December 31, 2017
*Based on an average cap rate of 5.7%
## BALANCE SHEET

<table>
<thead>
<tr>
<th></th>
<th>31/12/2017 (€m)</th>
<th>30/06/2018 (€m)</th>
<th>Change (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>2,219</td>
<td>2,306</td>
<td>88</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>1,760</td>
<td>1,763</td>
<td>4</td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>1,944</td>
<td>2,038</td>
<td>94</td>
</tr>
<tr>
<td>Long-term financial assets</td>
<td>54</td>
<td>34</td>
<td>-20</td>
</tr>
<tr>
<td><strong>Non-current Assets</strong></td>
<td><strong>5,976</strong></td>
<td><strong>6,141</strong></td>
<td><strong>165</strong></td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>-424</td>
<td>-423</td>
<td>-1</td>
</tr>
<tr>
<td>Working capital requirement</td>
<td>-494</td>
<td>-499</td>
<td>-6</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>5,059</strong></td>
<td><strong>5,219</strong></td>
<td><strong>160</strong></td>
</tr>
<tr>
<td>Total shareholder’s equity</td>
<td>2,475</td>
<td>2,480</td>
<td>5</td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>70</td>
<td>73</td>
<td>2</td>
</tr>
<tr>
<td>Other provisions</td>
<td>166</td>
<td>147</td>
<td>-18</td>
</tr>
<tr>
<td>Financial instruments</td>
<td>8</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Total Net debt</td>
<td>2,340</td>
<td>2,486</td>
<td>146</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>1</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>5,059</strong></td>
<td><strong>5,219</strong></td>
<td><strong>160</strong></td>
</tr>
</tbody>
</table>
DEFINITIONS

› **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.

› **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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