



KORIAN
In caring hands

Q3 and 9-month 2022 revenue

Audio-Webcast Conference - 27 October 2022



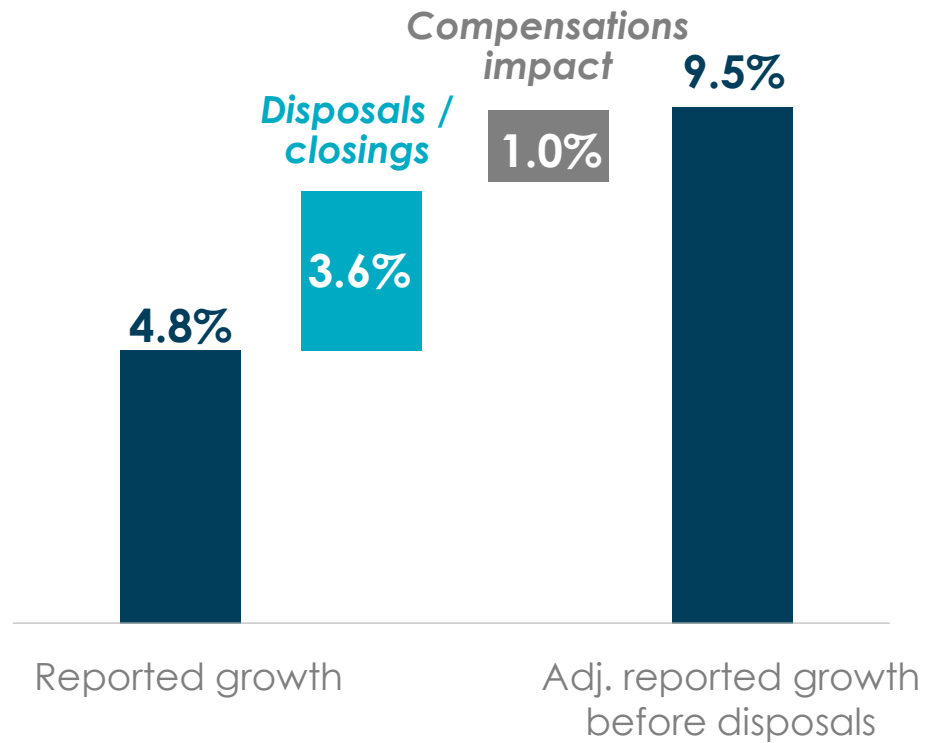
KEY HIGHLIGHTS: PERFORMANCE IN LINE WITH EXPECTATIONS

- 1 **Sound organic growth: 6.4% in Q3 2022 and 5.7% YTD**
- 2 **Expected growth for 2022 confirmed at c.6% organic growth with EBITDA margin rate pre-IFRS 16 around same level versus 2021 (13.7%)**
- 3 **Main balance sheet indicators expected to be comparable to June-22 at the end of the year**
- 4 **Active portfolio management crystallizing value**
- 5 **On track with ambitious ESG roadmap**
- 6 **Strong social & stakeholder dialogue**

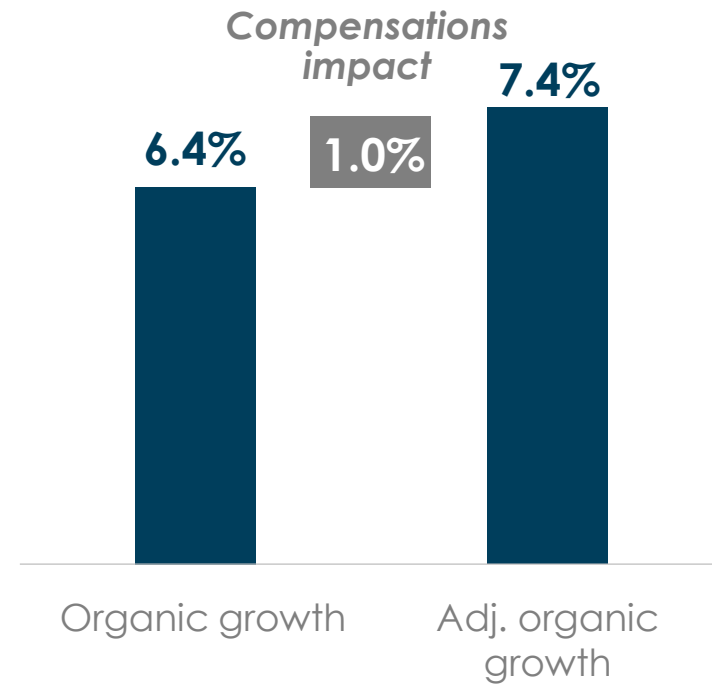
Note: 2021 margin restated to reflect IAS 38 change in accounting regarding customization and configuration costs of SAAS solutions

DYNAMIC Q3 2022 UNDERLYING GROWTH

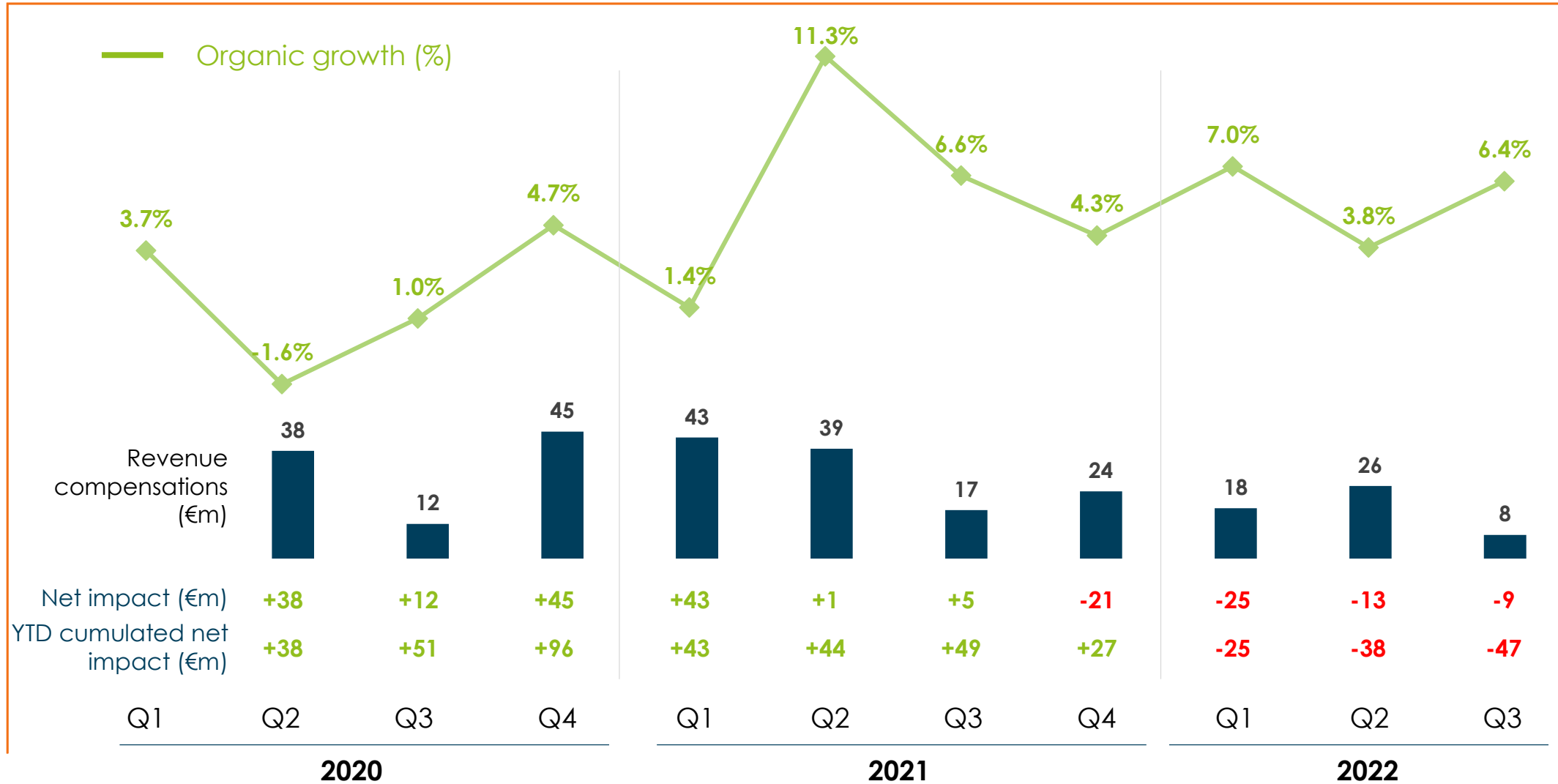
REPORTED GROWTH



ORGANIC GROWTH






EVOLUTION OF ORGANIC GROWTH



DIVERSIFIED PORTFOLIO DRIVING SOLID ORGANIC GROWTH

Q3 HIGHLIGHTS BY ACTIVITY

	Q3		9-month YTD	
	Reported Organic growth (%)	Organic growth (%)	Reported Organic growth (%)	Organic growth (%)
Long Term Care 	3.8%	6.1%	3.7%	5.5%
Healthcare 	6.6%	5.8%	8.0%	3.8%
Community Care 	7.4%	9.5%	9.4%	11.3%
Total	4.8%	6.4%	5.3%	5.7%

ORGANIC GROWTH

- **Long Term Care**

- Occupancy rate progression: +3pts year on year (9-Month YTD)
- Positive impacts of price adjustments from September 1st

- **Healthcare**

- Dynamic outpatient activity fueling growth, after activity recovery in 2021

- **Community Care**

- Strong growth driven by home care, assisted living volumes and Ages&Vie roll-out

REPORTED GROWTH

- Impacted by disposals in Long term care & community care and acquisitions in healthcare in particular ITA Salud (June 2021)

REPORTED GROWTH IMPACTED BY ASSET ROTATION

Q3 HIGHLIGHTS BY COUNTRY

	Q3			9-month YTD	
	Revenue (€m)	Reported growth (%)	Organic growth (%)	Reported growth (%)	Organic growth (%)
France, Spain, UK*	564.6	3.8%	5.1%	3.1%	4.5%
Germany	263.5	-2.6%	3.5%	-0.1%	3.0%
Benelux**	170.9	13.9%	16.0%	11.5%	13.6%
Italy	135.8	15.5%	6.7%	20.7%	7.6%
Total	1,134.8	4.8%	6.4%	5.3%	5.7%

France / Spain / UK:

- Effect of disposals on reported growth and volume recovery supporting organic growth

Germany:

- Disposals affecting reported growth from Q2 whereas organic growth reflecting positive impacts of tariffs adjustments from 1st September

Benelux:

- Continued ramp-up in Netherlands

Italy:

- Successful bolt-ons integration and normalized activity in healthcare and long term care

* O/w France: €526.7m in Q3 2022 vs €516.5m in Q3 2021, Spain: €24.7m in Q3 2022 vs €21.5m in Q3 2021, United Kingdom: €13.2m in Q3 2022 vs €6.1m in Q3 2021

** O/w Belgium: €143.3m in Q3 2022 vs €130.3m in Q3 2021, Netherlands: €27.6m in Q3 2022 vs €19.7m in Q3 2021

OPERATIONAL PORTFOLIO ROTATION

FINALISATION OF PORTFOLIO SALE TO VIVALTO VIE AND COLISÉE

27 long term care facilities sold

Finalised in October 2022 (P&L impact since 1/1/22)

Coherence of network to develop full scope of services in certain regions

DEVELOPING THE UK PLATFORM

3 high-end facilities acquired in August 2022

Opco < **8x** EBITDA

Acquisitions of real estate: **4.25%** capitalization rate

Expanding high-end network, with **now 11 facilities**

Growing demand: **+85 years** population expected to **double by 2040**



SALARY REVALUATION & INFLATIONARY EFFECTS



SALARY REVALUATION IN Q3

+c.25%

Caregivers salaries reset as of 1st September 2022

Homogenizing salaries between private & not-for-profit players

Renegotiations now completed - facility by facility

Regulated tariffs adjusted to reflect salaries increase

€12m tariffs increase in September / c.€150m p.a

IMPACT OF PASS THROUGH OF SALARIES ON MARGIN* RATE: **c.(20) bps in 2022**



2022 COSTS INFLATION

ENERGY

Limited increase at **+30% (c.+€20m)**, following hedging policies and capped prices

CATERING

c. +5/10% across Europe

Time lag effect on margins prior to full tariff revaluation in all countries

TIME LAG IMPACT ON MARGIN* RATE: **c.(100/125) bps in 2022**

ACTIVITY & OCCUPANCY RECOVERY SHOULD HELP THE OFFSET OF THESE HEADWINDS

* pre-IFRS16 EBITDA margin

REAL ESTATE PORTFOLIO OVERVIEW

ACCOUNTING VALUE

- Accounting value at **historical cost** : c.20% below market value

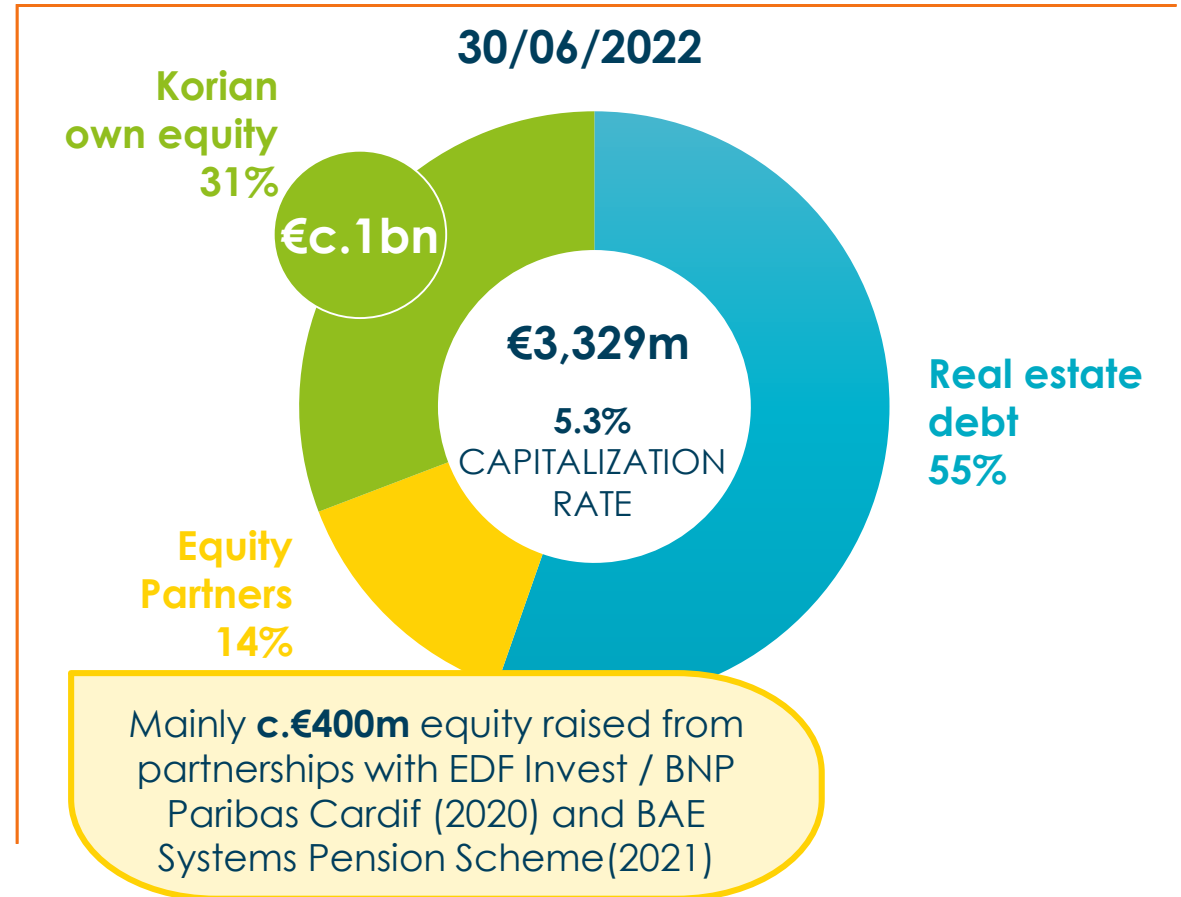
MARKET VALUE

- Current sale & lease back transactions confirming market valuation of June 2022 and significant headroom versus accounting value
- Valuation with reasonable **effort rate <50%**

FINANCING

- Loan to Value **at 55%**
- Equity partners with long-term investment horizon: **investment agreement duration of 15-year** (lock up 7 years)

PORTFOLIO FINANCING SPLIT



ACTIVE REAL ESTATE PORTFOLIO MANAGEMENT: CRYSTALIZING VALUE

SALES AND LEASE BACK

Focus on mature assets

Limited lease commitment duration

Valuation reflecting appetite for the asset class and Korian as an operator

Q3/Q4 2022

 6 assets

5.2% capitalization rate

9-year lease commitment

 3 assets

4.9% capitalization rate

BUYBACK

Focus on assets with upside potential

2022 YTD



8 assets

6.3% capitalization rate

SOLID BALANCE SHEET INDICATORS

MAIN BALANCE SHEET AND FINANCING INDICATORS JUNE 2022

**FINANCIAL
LEVERAGE***

3.5x

€1.8bn

COVENANT 4.5x

(FINANCIAL NET DEBT - REAL ESTATE DEBT)

(ADJUSTED EBITDA - 5.8%* REAL ESTATE DEBT)

**LOAN TO
VALUE**

55%

€ 1.8bn

100% VALUES FROM
CUSHMAN&WAKEFIELD
JUNE22 OR DEC21

GEARING

0.8x

€3.6bn < €4.3bn

NET FINANCIAL DEBT

(EQUITY + QUASI EQUITY**)

LIQUIDITY

€1.4bn

INCLUDING **€500M** UNDRAWN RCF
MATURING IN **2026**

**COST OF
DEBT**

c.2%

100% OF NET FINANCIAL DEBT HEDGED

**Expected to remain comparable to
June 2022 figures**

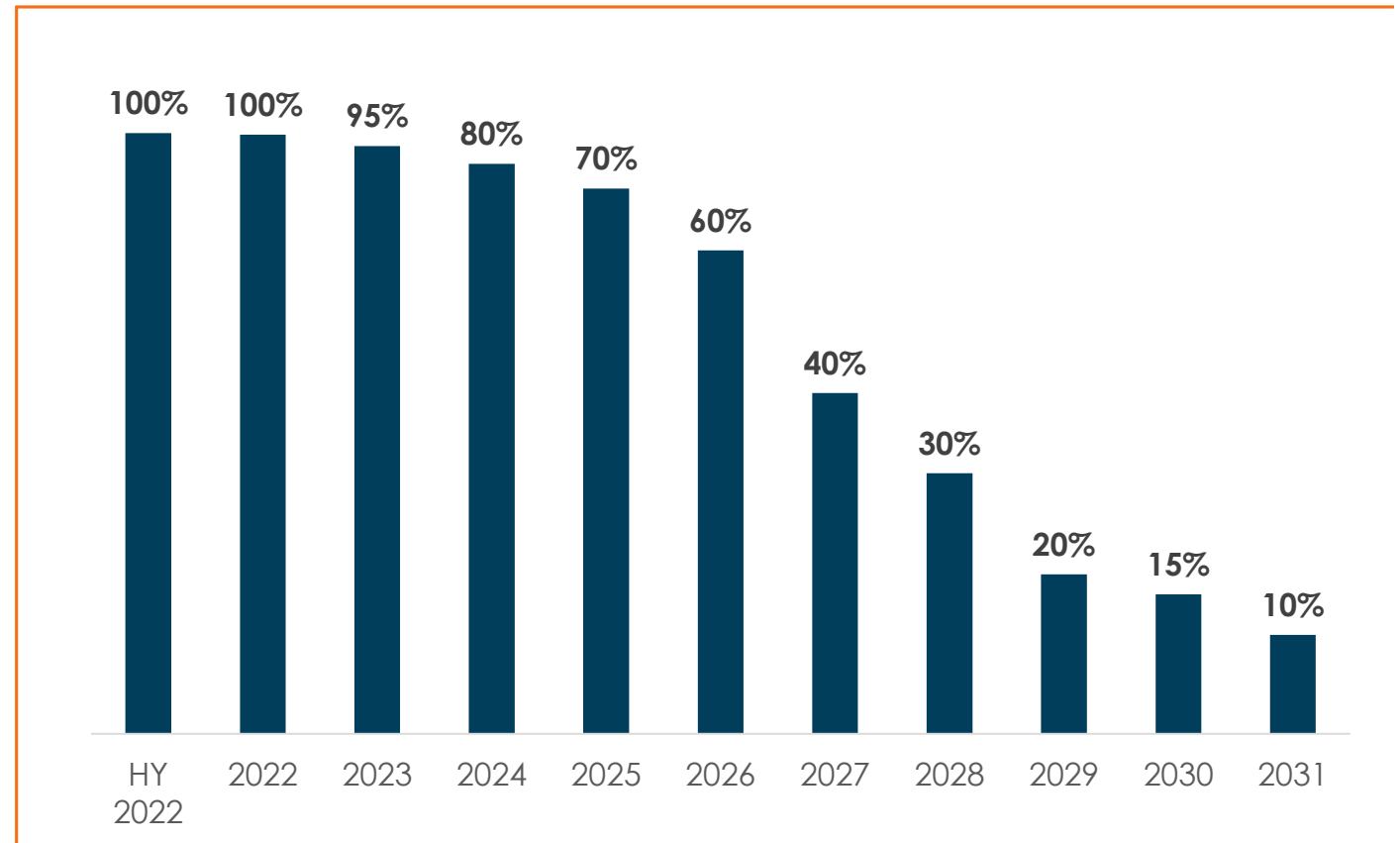
* Including proceeds received in July 2022 from employee shareholding programme, covered by a shares buyback executed during H1 2022

** i.e. differed tax liabilities related to intangible assets

AN EFFECTIVE HEDGING POLICY

- **Progressive long term** hedging policy
- Protection against increased interest rates (excluding spread)
- Mark to market of **c.+ € 150m** end September for derivatives : equivalent of financial cost savings over coming years

NET FINANCIAL DEBT* HEDGING



* Net financial debt as of June 2022: €3,621m

PROGRESSING ON AMBITIOUS ESG ROADMAP

ESG ROADMAP

ISO CERTIFICATION

42%
of the original network

Significant progress in the level of certification in Q3
In particular 160 facilities certified in Germany
Confirmed ambition to reach 100% by end of 2023

QUALIFYING TRAINING PATHS

9.9%
of Group staff

Continued commitment of teams to qualifying training paths
Well in line with 2022 target

SOCIAL BOND REPORTING

Reporting on the allocation of **100% of proceeds**
€300 million Social Bond issued in October 2021

- **6 projects** covering 3 areas identified in the Social bond framework
 - Long-term care nursing homes
 - Medical care and clinics
 - Proximity and community services, housing solutions, and digital technologies
- Case studies of all 6 projects was provided

SOCIAL & STAKEHOLDER DIALOGUE

Social Dialogue



European level

- Active working group on Health & Safety
- Signature of an agreement for the European Company committee



Belgium

- Signature of the first Collective labour agreement covering organization, purchasing power, well-being and internal mobility



Germany

- Signature agreement with trade union Ver-di for 3 facilities & development of dialogue at national level



France

- Signature of 3 agreements: NAO, Profit sharing & Work from Home

Stakeholder Dialogue

Dialogue in preparation of the Purpose Driven company

- Around **1,000 people** met in different meetings
- Significant dialogue with main stakeholders:
 - Residents, Patients, Families
 - Employees
 - Local partners and authorities
 - Investors
- **High level of engagement** particularly from employees
- Next Steps:
 - Digest all input
 - Finalisation of Purpose & Commitments & proof points
 - Define efficient and rigorous governance

Q&A