



## 12.6% revenue increase in Q3 confirms Korian's growth momentum

- **Sustainable growth momentum confirmed after Q2 2021 rebound**
  - Q3 Revenue of €1,082m increased by 12.6% of which 6.6% organic, bringing 9-months growth to 12.4% and organic growth to 6.5%
  - Regular increase in occupancy rate in line with improving health situation
  - Largest European network: 91,387 beds in operation, o/w 2,736 opened on the nine first months, and an outpatient capacity of c.80k sessions per month (c. +30% vs December 2020)
- **Secured growth looking forward :**
  - Greenfield pipeline to 2025 of c.11,500 beds
  - Deep M&A pipeline
- **Continued roll out of ESG Roadmap and recognition from Vigeo-Eiris (V.E.) ranking Korian as leader in the Healthcare sector (#1/47)**
- **Successful issuance of inaugural social bond for € 300 million diversifying investor base and securing 7 year attractive rate of 2.25%**

*Paris, 28 October 2021 – Korian, the leading European care and support services group for the elderly and fragile, announces its 3<sup>rd</sup> quarter and 9-month revenue for 2021.*

The 12.6% revenue increase in the third quarter of 2021, including 6.6% organic, confirms the growth momentum of Korian's unique business model. Revenue reached €1,082.3 million compared to €961.1 million in Q3 2020. In the 9-months to end of September, revenue reached €3,189.7 million as compared to €2,837.6 million for the same period in 2020.

*Long-term care*<sup>1</sup> segment grew by 9.9% over the quarter of which was 7.7% organic on the back of the continuous improvement of occupancy rates in all countries, maintained pricing and rebasing of tariffs and public contributions.

*Healthcare*<sup>2</sup> activities grew by 24.5% over the quarter, of which was 4.4% organic growth, driven by the strong performance of mental health and improving activity levels in September. Organic growth of 4.4% is the result of a return to normative level of activity in August in post-acute clinics.

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<sup>1</sup> Long-term care: Nursing Homes

<sup>2</sup> Healthcare activities: Post-acute, rehabilitation, mental health



Community care<sup>3</sup> grew by 7.8% of which was 4.5% organic growth mainly driven by the high level of greenfield deliveries and ramp up.

## Revenue by geography

	Revenue (€m)		Variation (%)	
	3 <sup>ème</sup> quarter 2021	3 <sup>ème</sup> quarter 2020	Reported Growth	Organic Growth
France, Spain, UK*	544.1	455.0	19.6%	10.1%
Germany	270.5	260.3	3.9%	3.6%
Benelux**	150.0	142.4	5.4%	6.5%
Italy	117.6	103.4	13.7%	-0.7%
<b>Total</b>	<b>1,082.3</b>	<b>961.1</b>	<b>12.6%</b>	<b>6.6%</b>

\* O/w France: €516.5m in Q3 2021 vs €446.6m in Q3 2020, Spain: €21.5m in Q3 2021 vs €8.4m in Q3 2020, United-Kingdom: €6.1m in Q3 2021

\*\* O/w Belgium: €130.3m in Q3 2021 vs €127.6m in Q3 2020, Netherlands: €19.7m in Q3 2021 vs €14.8m in Q3 2020

	Revenue (€m)		Variation (%)	
	9 months 2021	9 months 2020	Reported Growth	Organic Growth
France, Spain, UK*	1,616.0	1,372.1	17.8%	9.0%
Germany	796.2	757.1	5.2%	3.9%
Benelux**	438.3	426.0	2.9%	2.5%
Italy	339.3	282.4	20.1%	6.8%
<b>Total</b>	<b>3,189.7</b>	<b>2,837.6</b>	<b>12.4%</b>	<b>6.5%</b>

\* O/w France: €1,560.4m 9-months 2021 vs €1,346.8m 9 months 2020, Spain: €41.8m 9 months 2021 vs €25.3m 9 months 2020, United-Kingdom: €13.8m 9-months 2021

\*\* O/w Belgium: €380.5m 9 months 2021 vs €386.9m 9 months 2020, Netherlands: €57.8m 9 months 2021 vs €39.1m 9 months 2020

All geographies contributed to growth with:

- France, Spain and UK exhibited a combined 19.6% growth, achieving revenue of €544.1 million reflecting successful recent acquisitions and strong organic growth of 10.1%.
- Germany showed solid growth reaching €270.5 million of revenue. The 3.9% growth was mainly organic (3.6%).
- Benelux region grew by 5.4%, of which 6.5% was organic, taking into account two disposals during the summer, reaching €150 million of revenue driven by a good growth dynamic in the Netherlands.
- Italy continued its dynamic growth with 13.7% growth and €117.6 million of revenue reflecting the successful integration of bolt on acquisitions and a slightly negative organic growth of 0.7% due to the closure of clinics in August, unlike 2020, when activity was exceptionally maintained during the summer to compensate for the care not provided during the first pandemic wave.

<sup>3</sup> Community care: Assisted living, co-living for seniors, home care



## European network

Over the period the network has grown by 2,736 beds to 91,387 beds from 88,651 at the end of December 2020, of which c.1,200 beds are from greenfield deliveries.

Over the same period the outpatient capacity of the network has grown to c.80k sessions per month mainly organic from the increase in day care capacities in 16 clinics, enabling the Group to meet the growing needs for specialised outpatient care.

The pipeline continues to represent 14,500 beds to be delivered by 2025 and the Group is on track to deliver 1,800 greenfield beds in 2021.

The period has also been marked by the strengthening of healthcare activities in Italy with different acquisitions representing 20 facilities for c. 1,200 beds and a capacity of 3,900 outpatient sessions per month. These acquisitions are part of the bolt on strategy to develop Korian's ecosystem of care for patients with chronic diseases around the main Italian cities (Roma, Firenze and Torino).

The Group plans to have 30% of revenue in healthcare by 2024 and is aiming to serve health needs in the territories where it is implanted and to offer diversified care pathways.

## Health situation

Regarding Covid-19 Korian's network reports only 11 facilities have 4 or more cases at European level<sup>4</sup>, notably given the high vaccination coverage (average rate<sup>5</sup> of 94% for residents and 92% for all staff) and maintained strict prevention measures.

The campaign for the 3<sup>rd</sup> injection<sup>6</sup> is progressing well in France, Germany and Spain, and will begin notably in other countries in line with local health protocols. As of 25 October, 34% of the Group's residents had already received their third dose.

Regarding the seasonal influenza, vaccination campaign has started in France and will be launched before the end of the month in most countries where the Group is present.

## ESG commitments

Korian is delivering ahead of expectations on its ESG roadmap in its 5 pillars, with notably:

- On Care excellence:
  - 20% of the network is ISO 9001<sup>7</sup> certified, ahead of our 2021 objective;

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<sup>4</sup> As of 25 October 2021

<sup>5</sup> Average vaccination rate for all countries in the network (second injection)

<sup>6</sup> As a reminder, this campaign concerns only people over 65 or 80 years of age, depending on the country, and not staff.

<sup>7</sup> ISO 9001 defined as the international standard that specifies requirements for a quality management system (QMS). Organizations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements.



- Appointment of Claude Czech, honorary magistrate, as independent mediator, to facilitate relationships with residents, patients and their families and to prevent any disputes.
- On Quality at work and employee commitment:
  - The signature in May 2021 of a company agreement on Occupational Health & Safety with all trade unions representative, the first to be signed by a private operator in the sector in France;
  - Recruitment of 2,600 apprentices in its European network at the end of September 2021, a 23% increase vs end of December 2020, in particular confirming the success of its first training centre for care professionals (*CFA soins*) in France with more than 600 apprentices.
- On societal commitment:
  - Korian foundation in Germany presented in October for the first time, the award for diversity and respect in care. This award was granted to the *Immanuel Seniorenzentrum Schöneberg* facility located in Berlin, for its commitment to respectful and culturally appropriate care for LGBTI people;
  - The Group has drawn up a new Ethics charter, on the basis of numerous contributions from its employees throughout Europe and in discussion with the employees' representative bodies. With this text, Korian and its employees from all countries of the Group reinforce their commitment to act with ethic, caring and integrity in their mission of caring for and supporting the elderly and fragile people.
- On environmental commitment:
  - Korian signed in France the 1<sup>st</sup> ESG commitment charter with 12 suppliers involved in renovation projects;
  - In the continuity of its commitment to reduce by 40% its carbon emission in 2030, the Group is continuing draw its trajectory with action plans in the main sources of CO2 emissions.

The Group's commitment to its ESG commitments has recently been recognised by Vigeo-Eiris (V.E) as the leader in the Healthcare sector. The very significant increase in the rating of Vigeo-Eiris linked to our ESG performance (+20 points vs 2020 at 57/100), reflects the progress made in terms of quality, ethics, social commitments and environmental impacts. It also reflects a recognized transparency in Korian's dialogue with its various stakeholders, as well as the quality of its governance in terms of independence and diversity.

Korian also ranks 13<sup>th</sup> in the "feminization ranking"<sup>8</sup> for the representation of women in its governance bodies: 50% in its Board of Directors, 21% in its Management Committee and 46% in the Top 100 of the Group's senior executives. This longstanding commitment to gender diversity and parity is an integral part of Korian, reflected in the implementation of concrete

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<sup>8</sup> Set up in 2013 in France, as part of the follow-up to the Copé-Zimmermann law, the "feminization ranking" makes it possible to establish an annual ranking of the 120 largest French companies (SBF120) by highlighting their commitment to the representation of women in their governance bodies and more generally in favour of professional equality between women and men.



measures and the objective of having 50% of women in the Top 100 of the Group's senior executives by 2023.

Marking a new step in the Group's ESG strategy, and after the successes of its €230m sustainability-linked private placement launched in 2020 and its £200m hybrid green bond priced earlier this year, Korian successfully priced a social bond for a total nominal amount of €300m with a maturity of 7 years and a fixed coupon of 2.25%. This inaugural transaction marks Korian's successful entry on the euro public bond market, with a strong quality and well-diversified orderbook coming from over 70 institutional investors.

**Next events:**

**23 February 2022 – Annual revenue and Results 2021**

**About Korian**

Korian, the leading European care services group for elderly and fragile people. [www.korian.com](http://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**

**Euronext ticker: KORI - ISIN: FR0010386334 – Reuters: KORI.PA – Bloomberg: KORI.FP**

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