



Korian delivered solid results in 2022, with a 6.2% organic growth and a 13.4% EBITDA margin, driven by its transformation plan launched in 2019 and priority given to quality and social performance

- **Quality and social performance: Ahead of schedule for 2023 ESG targets**
 - **Quality:**
 - 68% of network certified ISO 9001 (2022 initial target: 50%); 100% of healthcare facilities in France classified A or B by the Health Authority
 - Average staff ratio in nursing homes of 0.78 per resident in France
 - Net Promoter Score (NPS) reaching 36, up by 2 points
 - **Human Resources:**
 - Professional training: 6,800 employees (i.e. 11.8% of total employees) in a graduating training programmes (2023 initial target: 10%; x3 vs 2019)
 - Health & safety at work: work accident frequency rate down 15%
 - Improvement of employees' engagement rate at 78 (+1pt vs 2021)
 - "Top Employer" certification in the Group's four main countries
 - **Diversity:**
 - 56% women in top management positions of the Group (+ 10 pts vs. 2019)
 - **Environment:**
 - -24% of reduction in CO2 emissions (vs. 2019) and -9% of energy consumption (vs. 2021)
- **Revenue growth in all three segments, with overall organic growth of 6.2% (reported growth of 5.6%), supported by the transformation plan initiated in 2019**
 - **Long-term care:** increase of occupancy rate by 2.3 points and 3% increase in the number of people cared for; almost 40% of the network has been restructured and modernised since 2016
 - **Healthcare:** delivery of 13 additional projects to support specialisation and the development of outpatient activity; acquisition of the Spanish platform Grupo 5 to strengthen the mental health activity; 20% increase in the number of patients
 - **Community care:** Ages&Vie network in France now with 1,875 beds in operation; high growth in the homecare network (people cared for x2); the *Petits-fils* network in France opened 40 new branches, bringing the total to 253
- **Resilient operating performance reflected in improving EBITDAR in amount and a solid cash generation:**
 - **EBITDAR of € 1,091 million** (margin rate at 24.1%) and **EBITDA of €607 million** (margin rate 13.4%) in an environment marked by accelerating inflation
 - **Strong cash generation with € 371 million of Free Cash Flow**, due to improving working capital requirement
 - **Net result of pursued activities of €66.9 million** including non-recurring costs related to the transformation plan
 - **Real estate value of €3.5bn**, after independent Cushman&Wakefield assessment
 - **High level of liquidity at €1,234 million**, including fully undrawn RCF
 - **Solid balance sheet:** operational leverage of 3.7x and LTV 55%, without a new real estate partnership during the year
 - **Proposed dividend:** distribution of € 0.25 per share reflecting a 50% payout ratio (pre-IFRS16)

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• Outlook

- Benefiting from the effects of the transformation plan, expected organic growth of revenue more than 8% in 2023 and more than 5% in 2024-2025, with EBITDAR stable in 2023, growing in 2024 and 2025 in line with revenue
- Alignment of investment policy with self-financing capacity from 2024 onwards. The Group's financial leverage is expected to be below 3.5x in 2023, and at around 3x in 2024 and 2025.
- In the context of the move to a purpose driven company, A new corporate project (2023-2025) and ESG roadmap will be presented on 31st of March 2023

Sophie Boissard, CEO of Korian, stated: "After two years marked by the Covid pandemic, 2022 was also a year of unprecedented challenges for our sector. I would like to recognize the outstanding commitment of the whole Korian community and of our stakeholders, which has enabled us to remain focused on what is essential despite the turbulence: the quality of care provided and our social performance. Thanks to the investments made in our networks and the complementary nature of our expertise in geriatrics, post-acute and rehabilitation care, mental health and home care, we are achieving a solid fiscal year 2022, marked by unprecedented organic growth and an operating model which demonstrated its resilience in a high inflation environment."

FINANCIALS

€m	FY 2022	FY 2021	Growth	Organic growth
Revenue	4,534.1	4,294.8	5.6%	6.2%
France, Spain, UK ¹	2,226.1	2,168.3	2.7%	4.4%
Germany	1,082.0	1,067.5	1.4%	5.6%
Benelux ²	667.0	587.0	13.6%	14.0%
Italy	559.0	472.1	18.4%	6.4%
EBITDAR - excl. IFRS16	1090.7 (24.1%)	1071.1 (24.9%)	1.8%	
EBITDA - excl. IFRS16	607.1 (13.4%)	597.2 (13.9%)	1.7%	
EBITDA - incl. IFRS16	1003.2 (22.1%)	999.3 (23.3%)	0.4%	
Operating Free Cash Flow	371	239	55.4%	

¹ Including €98.1m revenue in Spain in 2022 vs €64.9m in 2021; and €47.1m in United Kingdom in 2022 vs €20.5m in 2021

² Including €562.9m revenue in Belgium in 2022 vs €506.0m in 2021; and €104.1m in the Netherlands in 2022 vs €81.0m in 2021

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ACTIVITY

	2021	2022	Variation
Nursing Homes Occupancy (December)	85.5%	87.8%	+2.3pts
Net Promoter Score	34	36	+2pts

ESG

	2021	2022	Variation
% facilities certified ISO 9001	29%	68%	+39pts
% facilities with "Positive Care"	80%	97%	+17pts
% employees in graduating programme	9.7%	11.8%	+2.1pts
Average tenure (years)	7.4	7.3	-0.1

Key operational highlights

Over 2022 Korian has continued to develop its network to best respond to the expanding needs for care across Europe:

- **Long term care:**
 - Acceleration in adapting the network to high dependency needs with 65 facilities refurbished over the year, and 56 facilities have been sold or closed over the last 24 months (around 8% of the network).
- **Healthcare:**
 - Pursuit of the modernisation of Korian network with notably 13 clinics built or extended in France, bringing the number of facilities restructured to c.50% of the network at the end of 2022. All French clinics now operating under the Inicea brand.
 - Acquisition of highly specialized clinics (including Mental Health) in Italy, with strong outpatient capacity: Italian Hospital Group (IHG) in Lazio and Borghi in Lombardia.
 - Development of the European mental health platform with the integration in Spain of ITA Salud and the acquisition of Grupo 5 (closed in January 2023), a high quality and complementary network with embedded growth.
- **Community Care:**
 - Ages&Vie co-living in France reaching 243 houses with 79 built in 2022, from 44 in 2018.
 - Signature of a second Ages&Vie equity partnership with Banque des Territoires and Credit Agricole
 - Strong growth of home care activities with 330 agencies (+60 in 2022), including 253 in France where the *Petits-fils* franchise has become the largest private network, with more than 15,000 clients at the end of 2022.

At end December 2022, Group's network is composed of 87,994 beds, after the disposals and closings of 69 facilities in the last 24 months. During this period of 2 years the Group has also delivered around 3,500 beds through greenfield development.

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Key ESG highlights

Korian set out an ambitious ESG roadmap in 2019 with the majority of the targets set for 2023. At the end of 2022 a large number of these targets are already achieved.

In terms of quality of care 68% of the network is certified ISO 9001, in the context of a program started in 2019, and 97% of the network has achieved the internal label "Positive Care" from 72% in 2019.

Human resources policies are bearing fruit as 11.8% of employees are now in graduating training programmes from 4% in 2019 and in health and safety there is a marked drop of 15% in the frequency of work-related accident. The number of women in the top 150 executives of the company has now reached 56%.

2022 has also been marked by an active social dialogue and a new milestone in employee's engagement with the Group's first employee shareholding scheme:

- Korus: a successful pan European shareholding plan with 15% of employees subscribing (25% in France) and now representing 2.8% of shareholding
- Following the transformation into a European company, the signature of an agreement to establish a European Company Works Council

Finally, the Group supports local communities and plays an active role in protecting the environment and in 2022:

- 80% of purchasing was done locally in the countries of the Group and 99% of our facilities are involved in local projects
- the Group's CO2 emissions have been reduced by 24% compared to 2019

The consolidated audited financial statements for 2022 were approved by the Board of Directors at its meeting of 21st February 2023. The Statutory Auditors have issued a report with an unqualified opinion.

The consolidated financial statements were prepared in accordance with the IFRS 16 standard. For purposes of comparability, the financial information below is presented excluding the application of IFRS 16.

2021 figures restated to reflect impacts from the final IFRIC decision relative to customization and configuration costs of SAAS solutions, and the impact of IFRS5 discontinued operations

Q4 Revenue

Revenue in Q4 2022 increased by 6.6%, at 1,190.0 million euros of revenue. The organic growth was robust at 8.0%. This was driven notably by activity recovery in the Long-Term Care activities, with 2.3 points rise in occupancy rate at group level from 85.5% to 87.8% in December 2022. It is also reflecting the capacity of the Group to pass-through higher costs in prices, with notably the first impact from salaries costs pass-through in Germany.



Full year revenue and results 2022

In 2022, **revenue** totalled €4,534 million, up 5.6%, with a -3.6% impact from disposals and closings in the last 24 months, part of Korian efforts to streamline its asset portfolio in the Long-Term activities. Adjusted for the decrease of revenue compensations and the impact of disposals and closings, the revenue growth is 11.0%, reflecting a strong underlying activity growth.

Organic growth of 6.2% and 8.1% adjusted for revenue compensations variations, reflects positive dynamics of all activities:

- Long-Term care: a 9.3% compensation-adjusted organic growth, driven by continued occupancy recovery throughout the Group, and continued ramp-up effects in Netherlands, Spain and the United-Kingdom
- Healthcare: compensation-adjusted organic growth is 5.1%, in an activity environment which has normalised, driven by continued enhancement of the network, with notably ambulatory activities growing by 18% at c. €152m revenue, i.e. c.14% of Healthcare revenue.
- Community Care: Organic growth is 7.5%, with a high growth trajectory fuelled by strong demand pressure in home care as well as assisted living facilities development

The Group's **EBITDAR** in 2022 is €1,090.7m and the EBITDAR margin is 24.1% reduced by 80 basis points on 2021 reflecting the impact of higher costs passed through in the revenue, notably due to the salary reset in Germany, time lag between tariff increase and costs inflation, and energy costs increase, which represent c.€20m.

By country:

- In **France, Spain and the United-Kingdom**³, revenue growth is +2.7%, and 4.4% organically. Adjusted organic growth is 6.0%, fuelled by nursing homes occupancy recovery to 88% in December 2022 in France, as well as normalisation of the Healthcare activity, after pandemics related disruptions in H1 2021. The EBITDAR margin is recovering by 110bps from 24.8% to 25.9% mainly as a consequence of higher occupancy offsetting staff costs continued increase.
- In **Germany**, revenue increased by +1.4% and 5.6% organically. Adjusted organic growth is 7.5%, mainly reflecting the price increase consecutive to the important salary reset effective from September 2022. Limited reported growth is the effect of the disposals of 30 facilities during the last two years.
- In the **Benelux**⁴ region the reported growth remained high at 13.6% driven by the organic expansion in the Netherlands, as well as dynamic occupancy progress in Belgium. Organic growth is 14.0%, and 17.6% on an adjusted basis. The EBITDAR margin decreased to 21.3% (versus 23.6% in 2021) following important pass-through effects, notably in relation salaries increase.
- In **Italy**, revenue was up by +18.4% driven by acquisitions with a continued focus on healthcare services and a local cluster approach in key regions. Organic growth was very resilient as well at 6.4% due to high nursing homes occupancy rate and dynamic healthcare activities, notably in outpatient

³ Including €98.1m revenue in Spain in 2022 vs €64.9m in 2021; and €47.1m in United Kingdom in 2022 vs €20.5m in 2021

⁴ Including €562.9m revenue in Belgium in 2022 vs €506.0m in 2021; and €104.1m in the Netherlands in 2022 vs €81.0m in 2021

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care which register a 17% growth. The EBITDAR margin showed resiliency at 21.0% (versus 20.5% in 2021) in spite of a year marked by costs inflation.

Korian's **EBITDA** totalled €607.1 million in 2022, up 1.7% on 2021 (-50bps in margin from 13.9% to 13.4%), a resilient performance on the back of a stability of rental costs, reflecting Korian active rent management and past investments in Real Estate. Including IFRS16 impact, EBITDA is €1,003.2m reflecting a 22.1% margin, down 120bps vs 2021 in line with EBITDAR margin evolution.

Korian Real Estate portfolio has grown by c.€300m to €3.5bn. The capitalisation rate retained by independent expert has increased from 5.3% to 5.4%, reflecting the resilience of the Healthcare asset class in countries where Korian is present. Owned properties represent c.28% of Korian's network.

The Group has undertaken an extensive review of its assets to identify any provision risks. This review has not resulted in any significant assets revaluation in its audited financial statements.

Current Earnings before interest and taxes (EBIT) amounted to €315.3 million, i.e. 7.0% of revenue (versus 8.0% in 2021).

Net profit from continued activities totalled €66.9 million (versus €123.4 million in 2021) notably impacted by important non-current expenses in 2022 in relation to the Group's transformation in France, Germany and Belgium (disposals and closings of facilities).

Solid financial structure

The Group has generated € 371m of operating free cash flow in 2022 reflecting a catch-up effect after 2021 and 2020 levels impacted by the covid crisis. Maintenance or operating capex, included in the free cash flow, represent 2.2% of revenue in 2022.

Korian has maintained a high level of liquidity with € 734 million of cash and €500 million of undrawn credit facilities, over the year Korian has successfully raised c.€620m of debt, of which €215m during the second semester.

Investment in 2022 include €181 million of development capex, stable compared to 2021 as the Group continues to transform its network to add specialised, medicalised equipment and outpatient capacity; €190 million of financial investments through M&A, mainly focused on healthcare with acquisitions in Italy and also in the United Kingdom compared to € 220 million in 2021 and €460 million of real estate capex similar to 2021, of which € 224 million linked to greenfield developments.

The balance sheet of Korian remains strong with a LTV of 55% and an operational leverage of 3.7x, leaving ample headroom compared to the Group's covenants of 4.5x and showing relative stability of the ratios despite an EBITDA under pressure from inflation effects and the absence of monetisation transaction on the Real Estate portfolio during the year.

The Group's net financial liabilities increased to €3,775 million from €3,228 million at 31 December 2021. The real estate debt represents € 1,914 million compared to a real estate portfolio value of € 3,455 million (55% LTV).

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Perspectives

In 2023 organic growth is expected to reach more than 8% driven by recent transformations and openings, occupancy and activity recovery and increased pricing following the revaluation of care tariffs following increased costs.

Following the significant investments into the network over the last few years, including the development of ambulatory capacity and the opening of new facilities (around 3,500 opened over the last 2 years), Korian currently benefits from a strong embedded growth, which will allow the Group to reduce significantly its capital expenditure over the next few years whilst maintaining a high level of organic growth.

At the same time the amount of EBITDAR is expected to be stable in 2023 compared to 2022, reflecting the pass through of inflation and salary upgrades. In 2024 and 2025 it is expected that the revenue growth will also drive EBITDAR growth, as well as EBITDA pre-IFRS16 growth.

The Group's financial leverage is expected to be below 3.5x in 2023, and at around 3x in 2024 and 2025, on the back of a self-financing model expected from 2024.

Annual Shareholder Meeting:

The Board of Directors will submit to the next Annual Shareholders' Meeting to be held on June 15th, 2023, the distribution of a dividend of € 0.25 euros per share, reflecting a 50% pay-out on pre-IFRS16 net result, with an option for payment in new shares.

The Board, acting on the recommendation of the Compensation and Appointment Committee, will also propose the following renewals and appointments in the Board's membership to the shareholders at Annual Meeting:

- Mr. Guillaume Bouhours
- Mr. Philippe Dumont
- Mrs. Sophie Boissard
- Dr. Markus Müschenich

Presentation FY 2022 results Wednesday 22nd February 2023 from 9:00 am to 11:00 am CET

New Corporate project and ESG roadmap: 31st March 2023

The link to access the live video webcast is available below. The presentation document will be available on Korian website

Access to join the live video webcast

https://channel.royalcast.com/korianen/#!/korianen/20230222_1

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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

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

INVESTOR RELATIONS

Sarah Mingham

VP Investor Relations
& Financing

sarah.mingham@korian.com

Tel: +33 (0)1 55 37 53 55

Charles Rungeard

Investor Relations

charles.rungeard@korian.com

Tel: +33 (0)6 86 75 29 51

MEDIA CONTACTS

Matthieu Desplats

Head of Press Relations

matthieu.desplats@korian.com

Tel: +33 (0)6 58 09 01 61

Julie Mary

Responsible for Press Relations

julie.mary@korian.com

Tel: +33 (0)6 59 72 50 69

Florian Bachelet

Responsible for Press Relations

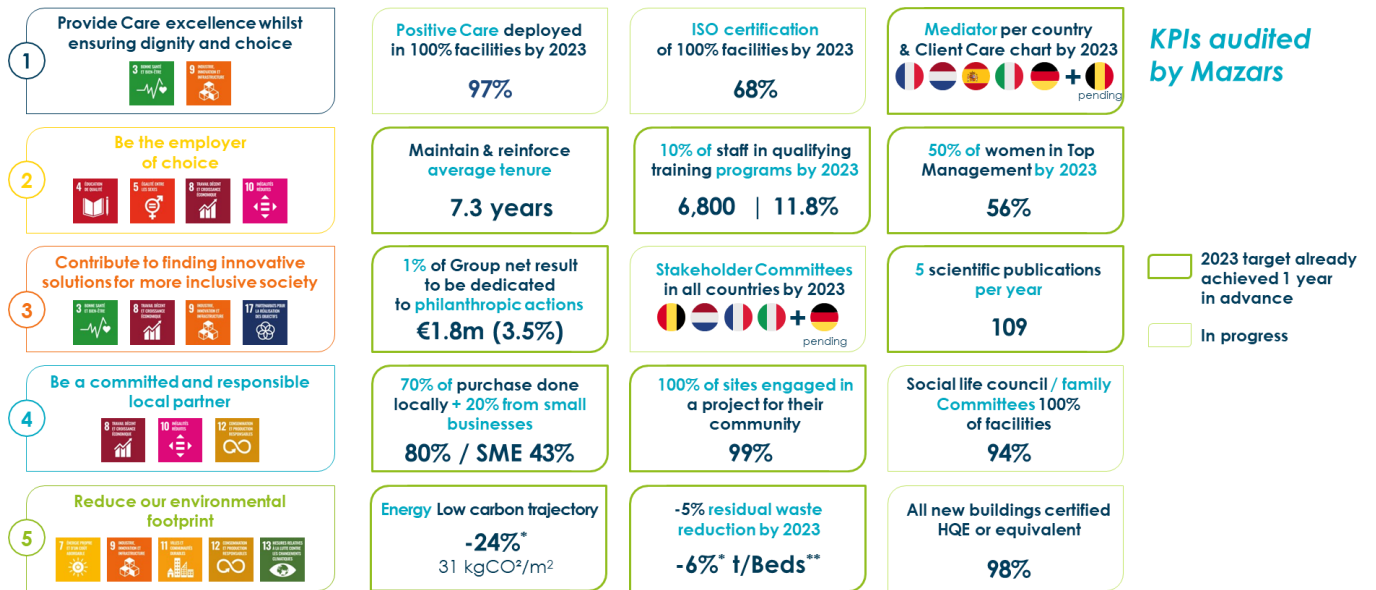
florian.bachelet@korian.com

Tel: +33 (0)6 79 86 78 23



APPENDICES

15 ESG COMMITMENT – 2022 ACHIEVEMENTS



* Comparison to 2019 base year ** Audit ongoing

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2022 FULL YEAR AND Q4 REVENUE

	Revenue (€m)		Variation (%)	
	4th quarter		Reported	Organic
	2022	2021	Growth	Growth
France, Spain, United-Kingdom*	575.3	564.0	2.0%	4.6%
Germany	286.9	271.3	5.8%	13.5%
Benelux**	178.1	148.7	19.8%	15.2%
Italy	149.7	132.9	12.7%	3.3%
Total	1,190.0	1,116.8	6.6%	8.0%

* o/w Spain: €25.0m in Q4 2022 vs €23.1m in Q4 2021, United Kingdom: €14.5m in Q4 2022 vs €6.6m in Q4 2021

** o/w Belgium: €148.6m in Q4 2022 vs €125.5m in Q4 2021, Netherlands: €29.5m in Q4 2022 vs €23.2m in Q4 2021

	Revenue (€m)		Variation (%)	
	Full Year		Reported	Organic
	2022	2021	Growth	Growth
France, Spain, United-Kingdom*	2,226.1	2,168.3	2.7%	4.4%
Germany	1,082.0	1,067.5	1.4%	5.6%
Benelux**	667.0	587.0	13.6%	14.0%
Italy	559.0	472.1	18.4%	6.4%
Total	4,534.1	4,294.8	5.6%	6.2%

* Including €98.1m revenue in Spain in 2022 vs €64.9m in 2021; and €47.1m in United Kingdom in 2022 vs €20.5m in 2021

** Including €562.9m revenue in Belgium in 2022 vs €506,0m in 2021; and €104,1m in the Netherlands in 2022 vs €81,0m in 2021

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GROUP INCOME STATEMENT

€m	2022 Incl. IFRS 16	IFRS 16 adjustments	2022 Excl. IFRS 16	2021 Excl. IFRS 16	Δ
Revenue	4,534.1	-	4,534.1	4,294.8	239.3
Growth%	5.6%	-	5.6%	11.3%	-560 bps
Staff costs	(2,718.5)	-	(2,718.5)	(2,525.6)	(192.9)
% of revenue	60.0%	-	60.0%	58.8%	+120 bps
Other costs	(743.3)	18.4	(724.9)	(698.1)	(26.8)
% of revenue	16.4%	-	16.0%	16.3%	-30 bps
EBITDAR	1,072.3	18.4	1,090.7	1,071.1	19.6
% of revenue	23.6%	-	24.1%	24.9%	-80 bps
External rents	(69.0)	(414.5)	(483.5)	(473.9)	(9.6)
% of revenue	1.5%	-	10.7%	11.0%	-30 bps
EBITDA	1,003.2	(396.1)	607.1	597.2	9.9
% of revenue	22.1%	-	13.4%	13.9%	-50 bps
Amortisation & Depreciations	(614.7)	363.1	(251.6)	(229.1)	(22.4)
Provisions	(40.2)	-	(40.2)	(23.5)	(16.7)
EBIT	348.3	(33.0)	315.3	344.5	(29.1)
% of revenue	7.7%	-	7.0%	8.0%	-100 bps
Non current expenses	(75.8)	-	(75.8)	(41.7)	(34.1)
Operating income	272.5	(33.0)	239.5	302.8	(63.3)
% of revenue	6.0%	-	5.3%	7.1%	-180 bps
Financial result	(214.6)	70.4	(144.2)	(140.0)	(4.2)
Net income before tax	57.9	37.4	95.4	162.8	(67.4)
Income tax	(12.2)	(6.3)	(18.5)	(17.4)	(1.1)
Tax rate	21.0%	16.9%	19.4%	10.7%	+870 bps
Income from equity method	(0.8)	-	(0.8)	(0.2)	(0.5)
Minority Interests	(9.3)	-	(9.3)	(21.8)	12.5
Net result from continuing operations	35.7	31.1	66.9	123.4	(56.5)
Net result from discontinued operations	(13.7)	(1.1)	(14.8)	(9.6)	(5.3)
Net profit - Group share	22.1	30.0	52.0	113.8	(61.8)
% of revenue	0.5%	-	1.1%	2.7%	-160 bps

Note: 2021 figures restated to reflect IFRS5 discontinued operations and IAS 38 change in accounting regarding customization and configuration costs of SAAS solutions

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BALANCE SHEET

Assets		
<i>in M€</i>	31.12.2022	31.12.2021 restated*
<i>Goodwill</i>	3,237	3,214
Intangible assets	2,257	2,181
Property, plant and equipment	3,553	3,078
Rights of use	3,452	3,469
Financial assets	51	43
Equity-accounted investments	20	19
Deferred tax assets	87	98
Non-current assets	12,656	12,103
Inventories	29	28
Trade receivables and related accounts	440	365
Other receivables and currents assets	423	453
Current tax receivables	28	60
Financial instruments – assets	135	7
Cash and cash equivalents	734	1,215
Current assets	1,788	2,128
Assets held for sale	130	77
TOTAL ASSETS	14,574	14,308
Liabilities		
<i>in M€</i>	31.12.2022	31.12.2021 restated*
Share capital	533	528
Premiums	1,206	1,196
Reserves and consolidated results	1,801	1,769
Equity attributable to owners of the Group	3,539	3,493
Non-controlling interests	329	271
Total shareholder's equity	3,868	3,764
Provisions for pensions	88	99
Deferred tax liabilities	604	584
Other provisions	47	50
Loans and financial liabilities	3,560	3,761
Non-current lease liabilities	3,371	3,425
Other non-current liabilities	74	173
Non-current liabilities	7,743	8,093
Provisions for current liabilities	16	16
Trade payables and related accounts	571	500
Other payables and accruals	866	761
Current tax payables	32	69
Borrowings due within one year and bank overdrafts	948	681
Current lease liabilities	391	360
Financial instruments - Liabilities	0	21
Current liabilities	2,823	2,407
Liabilities associated with assets held for sale	139	44
TOTAL LIABILITIES	14,574	14,308

*Includes the impact of the IFRIC's final decision on the costs of configuration and customizations of software used under a SaaS contract

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GROUP CASH FLOW STATEMENT

€m	YTD12 2022	IFRS 16 impact	YTD12 2022	YTD12 2021
	Incl. IFRS 16		Excl. IFRS 16	Excl. IFRS 16
EBITDA	1,003	396	607	597
Non cash & others	3	29	(25)	(19)
Change in WC	36	2	33	(99)
Operating Capex	(98)	-	(98)	(80)
Operating cash flow	945	427	517	399
Income tax paid	(36)	-	(36)	(39)
Financial expenses paid/received	(180)	(70)	(110)	(121)
Free cash flow	728	357	371	239
Development Capex	(181)	-	(181)	(189)
Financial investments (bolt-on acquisitions)	(190)	-	(190)	(220)
Net Free cash flow	357	357	(1)	(171)
Dividends paid to Group shareholders	(26)	-	(26)	(15)
Real estate investments / divestments	(460)	-	(460)	(474)
Partnership Real Estate	45	-	45	344
Other net debt	(421)	(389)	(31)	(15)
Cash flow from discontinued operations	(19)	0	(19)	(9)
Net debt variation	(524)	(32)	(492)	(339)

Note: 2021 figures restated to reflect impacts from the final IFRIC decision relative to customization and configuration costs of SAAS solutions, and the impact of IFRS5 discontinued operations