



Voyage Care

Investor Presentation

Annual Report 2014

Disclaimer

Forward Looking Statements

Various statements contained in this document constitute “forward-looking statements”. Words like “believe,” “anticipate,” “should,” “intend,” “plan,” “will,” “expects,” “estimates,” “projects,” “positioned,” “think,” “strategy,” and similar expressions identify these forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, regulatory matters affecting our businesses and changes in law. These forward-looking statements speak only as of the date of this presentation, and we assume no obligation to update our forward-looking statements to reflect actual results, changes in assumptions or changes in factors affecting these statements.

Additional Information

All comparisons of financial and operating statistics are to the financial year ending (‘FYE’) 31 March 2013, unless otherwise stated. Movements and percentages have been calculated using the underlying number to one decimal place of the number presented in this document.

Contents

- **Executive Summary** Kevin Roberts
- **Financial Highlights** Andrew Winning
- **Outlook & Recent Developments** Kevin Roberts
- **Q&A**

Executive Summary

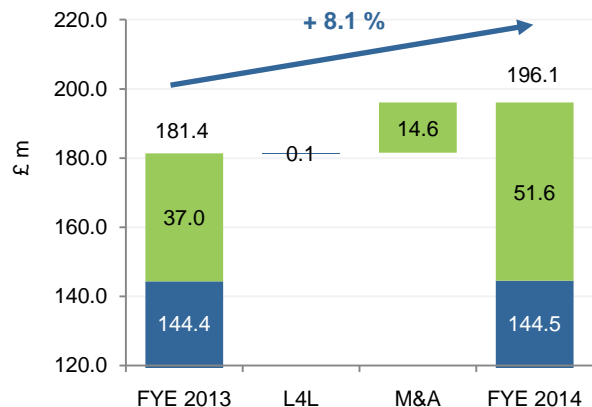
FYE 2014 Highlights

- Satisfactory performance in challenging operating conditions; H2 significantly improved performance
- Turnover up by 8.1% to £196.1m
- EBITDA before exceptional items in line with expectations at £40.5m, Q4 £10.5m
- CQC quality scores remain high, 96% (4 & 5 ticks) at March 2014, 88% fully compliant
- Cash conversion 77.6%, pre M&A catch-up capex
- Net debt at March 2014 is £266.0m
- LTM EBITDA leverage (before pro-forma adjustments) at March 2014 is 6.57x (post pro-forma adjustments is 6.24x)
- On 31st March 2014 purchased freehold of 13 properties from one of our landlords, Quercus, for £7.1m with a further £0.9m deferred for 2 years. Annual rent saving £1.1m
- On 27th June 2014 acquired Primary Care UK for £1.1m, £0.2m deferred until successful accession to a new framework in approximately 2 years' time, post synergy EBITDA of £0.3m

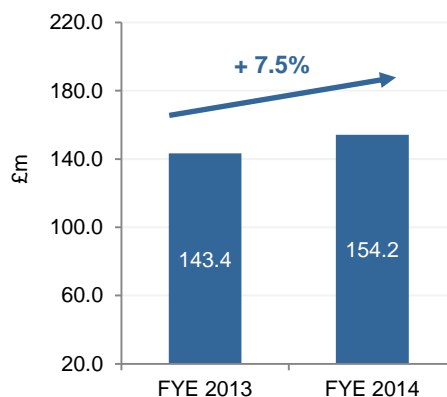
Financial Highlights

Key Business Streams - Turnover

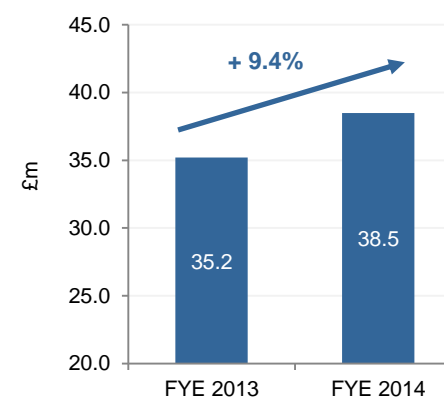
FYE 2013 to FYE 2014



Registered



Supported Living (and Outreach)



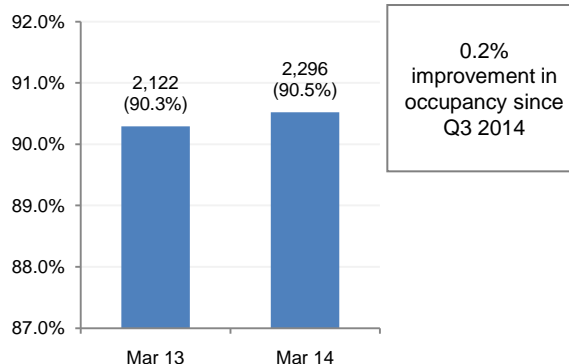
Comments

- Like-for-like turnover up +0.1%
- M&A turnover up +39.5%
- Turnover increase across the Registered services is +7.5%, majority due to the acquisition of ILG
- Turnover increase across Supporting Living and Outreach is +9.4% - part M&A, part tender wins

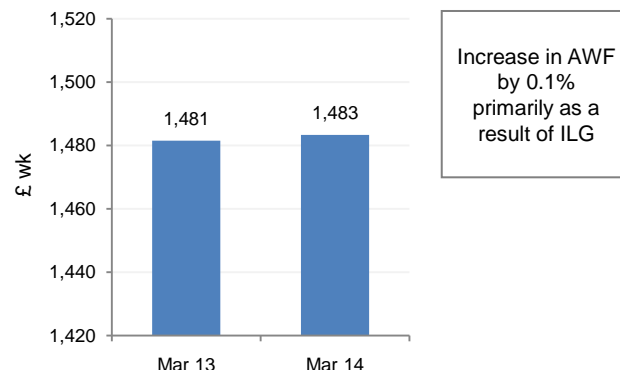
Financial Highlights

Key Operating Metrics – LTM

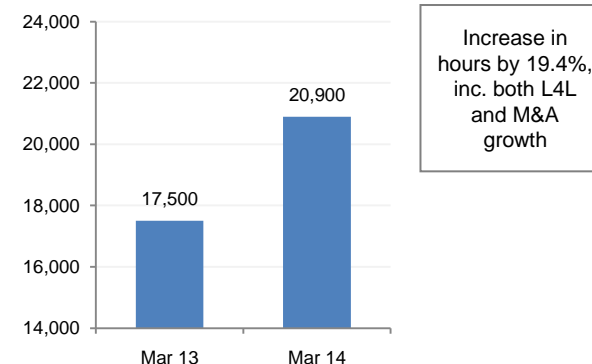
Average Residential Occupancy



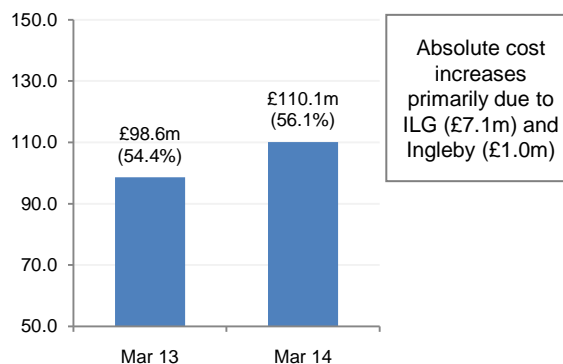
Residential Average Weekly Fee



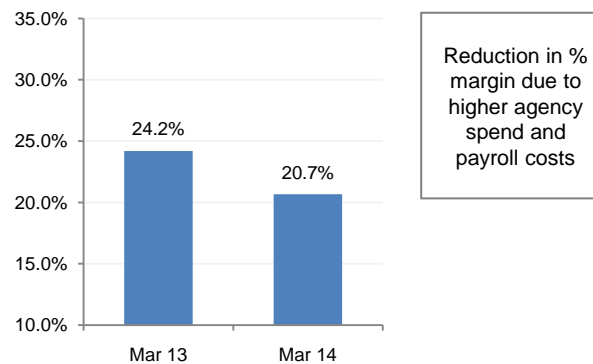
Average Weekly Outreach Hours



Unit Level Staff Costs (% Turnover) *



EBITDA pre exceptionals (% Margin)



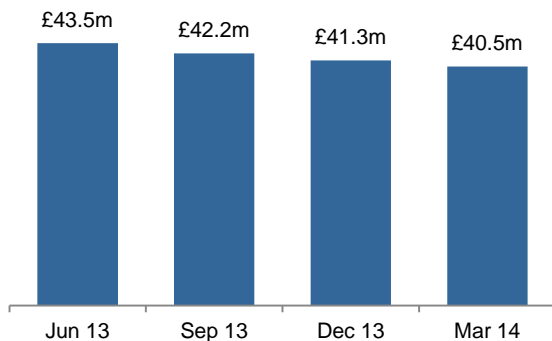
Agency costs reduced in Q4 2014 by £0.1m (since Q3 2014)

* Excludes agency costs

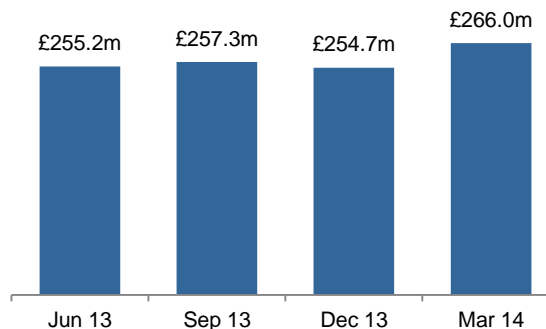
Financial Highlights

LTM performance

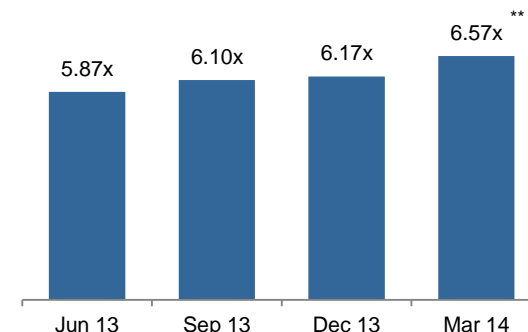
EBITDA pre exceptionals
(before pro-forma adjustments)



Net Debt



Leverage (net)
(before pro-forma adjustments)



Gross Debt	£272.0m	£272.0m	£272.0m	£280.0m
Cash *	(£16.1m)	(£14.0m)	(£16.6m)	(£13.4m)
OID	(£0.7m)	(£0.7m)	(£0.6m)	(£0.6m)
Net Debt	£255.2m	£257.3m	£254.7m	£266.0m

Comments

- LTM to March 2014 includes Ingleby for the first time (for 4 months)
- March 2014 Net Debt is calculated as £280.0m Gross Debt (including £8.0m draw down on the RCF to buy Quercus leases), less £13.4m adjusted cash (£14.7m cash balance adjusted for £0.4m restricted balances and £0.9m deferred consideration payable), less £0.6m of unamortised Original Issue Discount (OID) on 2nd Lien Notes = £266.0m.
- Interest on loan notes only £19.9m per annum

* cash adjusted for restricted cash and deferred consideration payable

** after adjusting for Quercus & full year impact of Ingleby Care, leverage reduces to 6.24x

Financial Highlights

Cash flow

£ millions	YTD	
	2014	2013
EBITDA before exceptional items	40.5	43.9
Maintenance capex	(9.1)	(4.2)
Operating cash flow	31.5	39.7
<i>Cash conversion %</i>	<i>77.6%</i>	<i>90.5%</i>
Debt service costs	(20.8)	(21.2)
Taxation	1.0	(0.8)
Other cash flow items before acquisitions and financing	(12.6)	1.5
FCF before acquisitions and financing	(1.0)	19.2
Acquisition	(5.5)	(41.5)
Acquisition funding	0.0	20.5
Acquisition integration costs	(1.0)	(2.5)
Acquisition catch-up capex	(1.6)	(1.9)
FCF before financing	(9.1)	(6.3)
Financing	8.0	(1.3)
Decrease in cash for the period	(1.1)	(7.5)
Opening cash	15.8	23.3
Closing cash	14.7	15.8

Comments

- Maintenance capex as a % of turnover, excluding IT spend (£1.3m) for FYE March 2014 was 3.9% (FYE 2013: 1.4%)
- Interest on loan notes alone £19.9m per annum
- Other cash flow items relate to working capital, exceptional items, development capex & asset sale proceeds. The movement largely relates to the purchase of Quercus freehold properties (£7.4m)
- Acquisition of £5.5m relates to Ingleby Care
- Acquisition funding in 2013 relates to equity contribution from Hg Capital and Standard Life Capital Partners for ILG & Solor Care acquisitions
- Acquisition integration costs relate to the Solor Care & ILG
- Acquisition catch-up capex relates to Solor Care & ILG
- Financing of £8.0m was drawn to facilitate the buyout of the Quercus leases

Outlook & Recent Developments

- Operating conditions remain challenging
- Quality remains high
- Local Authority funding pressures eased slightly but outlook flat
- Agency costs under control
- Next update published 29 August 2014, conference call 9 September 2014, 2pm

Q & A

Further questions can be addressed to investorrelations@voyagecare.com

Also please visit our investor relations web site investors.voyagecare.com