

Voyage Care

Investor Presentation

Annual Report 2016

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

This presentation includes the consolidated financial information (audited) of Voyage BidCo Limited and its subsidiaries for the financial year ending 31 March 2016 (“FYE 2016”). IFRS has been adopted for the year ended 31 March 2016 with the prior year comparatives restated where necessary. All comparisons of financial and operating statistics are for the financial year ending 31 March 2015 (“FYE 2015”), unless otherwise stated. Movements and percentages have been calculated using the underlying number to one decimal place of the number presented in this document.

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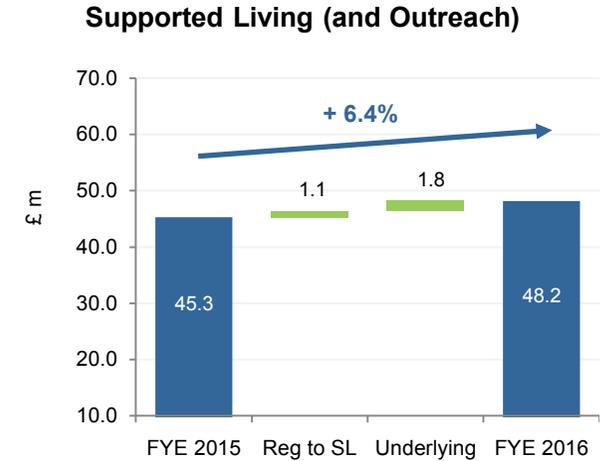
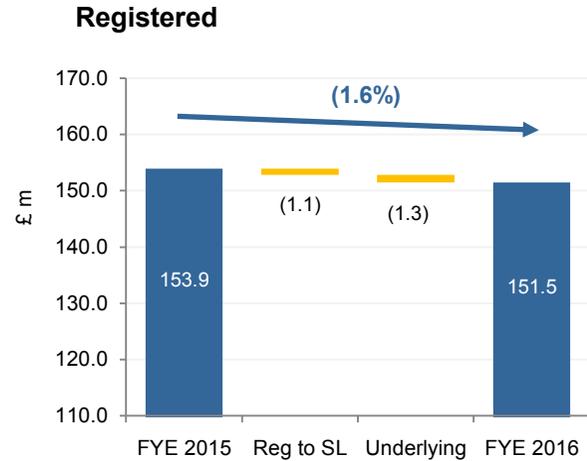
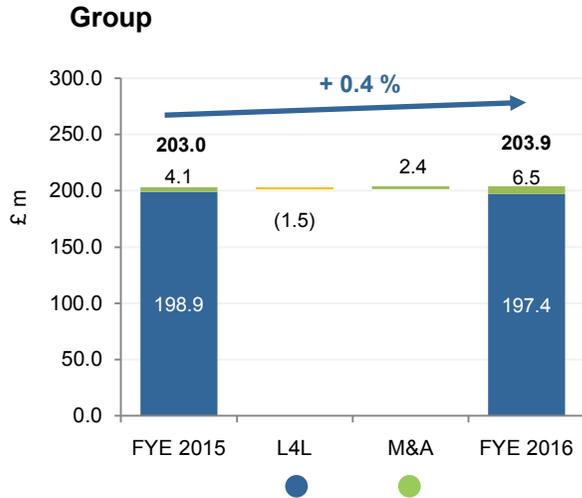
Executive Summary

FYE 2016 Highlights

- Andrew Cannon joined as CEO, on 25 August 2015
- CQC quality scores remain very high, with 91.5% of services achieving a rating of Good or Outstanding (as at 31 March 2016) following inspection against the requirements introduced in October 2014. Three services have now achieved Outstanding reports out of a total of twenty eight in the sector, an extremely pleasing outcome
- Good trading performance in tough operating conditions
- Turnover at £203.9m, up by 0.4% vs. FYE 2015 (£203.0m)
- EBITDA before exceptional items at £41.3m, down 5.7% vs. FYE 2015 (£43.8m)
- Strong cash conversion at 81.8%, pre M&A catch-up capex
- Net debt at March 2016 is £255.2m
- LTM EBITDA leverage (before pro-forma adjustments) at March 2016 is 6.18x
- RCF agreement amended in June 2016 to £37.5m

Financial Highlights

Key Business Streams - Turnover



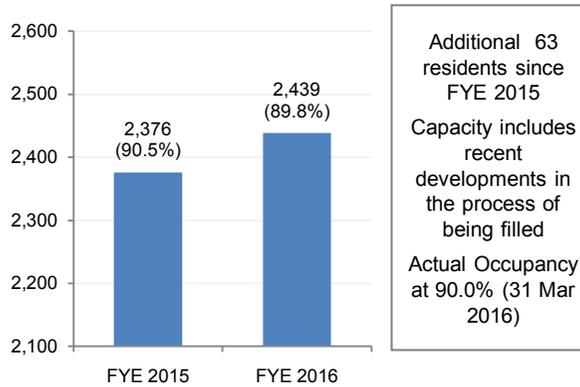
Comments

- Like-for-like turnover down -0.8%
- M&A turnover up £2.4m, primarily due to the Skills For Living and Redcliffe acquisitions
- Turnover across the Registered services has reduced primarily due to de-registrations from Registered to Supporting Living, with no loss of occupancy
- Turnover increase across Supporting Living and Outreach is +6.4%, benefitting from de-registrations, M&A, and tender wins

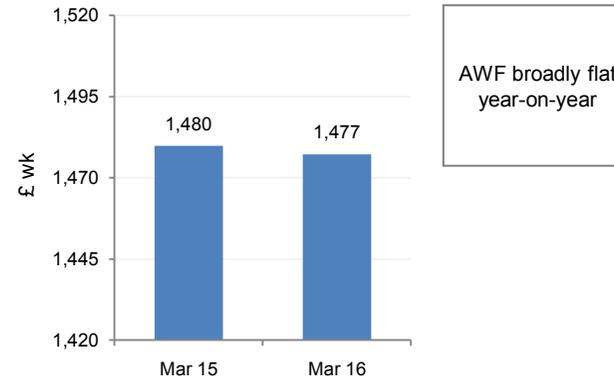
Financial Highlights

Key Operating Metrics - LTM

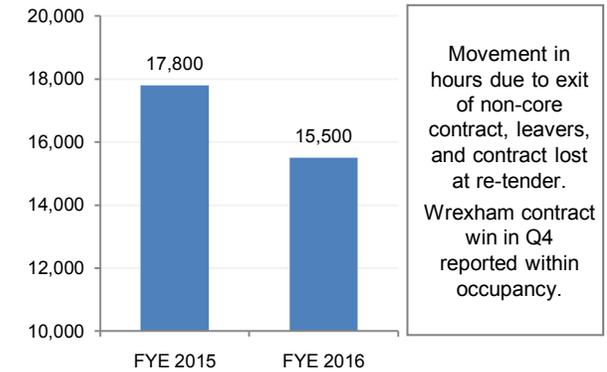
Average Residential Occupancy ⁽¹⁾



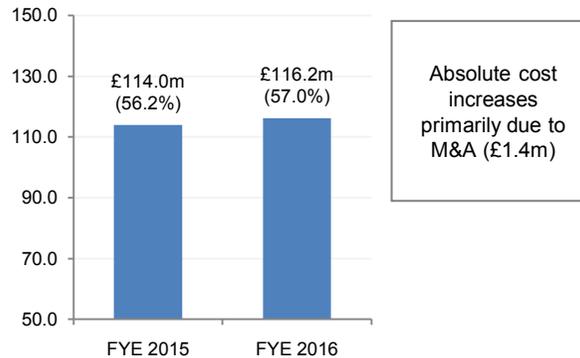
Residential Average Weekly Fee (LTM) ⁽¹⁾



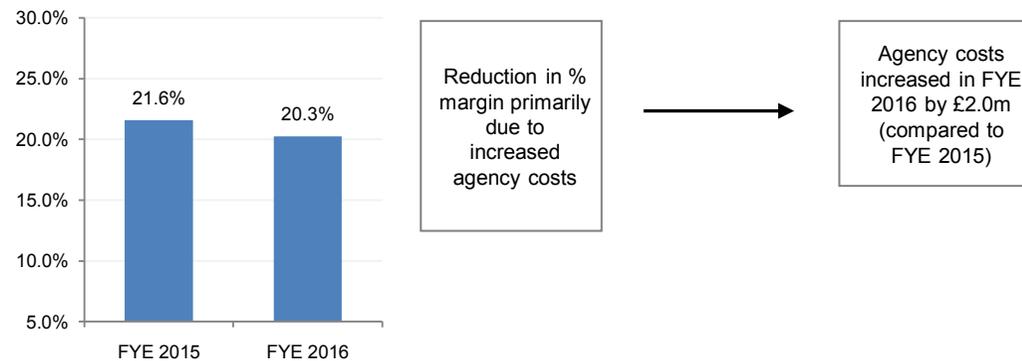
Average Weekly Outreach Hours ⁽³⁾



Unit Level Staff Costs (% Turnover) ⁽²⁾



EBITDA before non-underlying items (% Margin)



(1) Registered & Supported Living business divisions combined

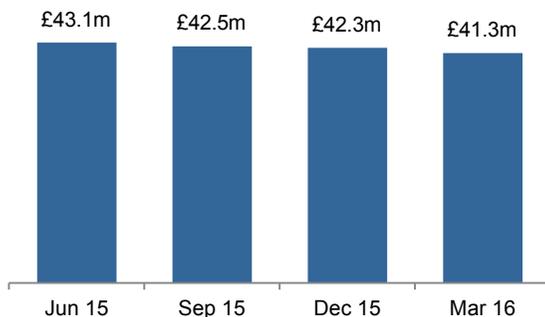
(2) Excludes agency costs

(3) FYE 2015 has been restated (previously reported as 22,900 invoiced hours) with 5,100 outreach invoiced hours having been reclassified to Supported Living, equivalent to 65 places in FYE 2015

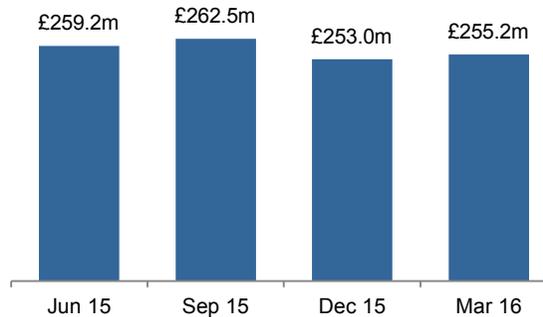
Financial Highlights

LTM performance

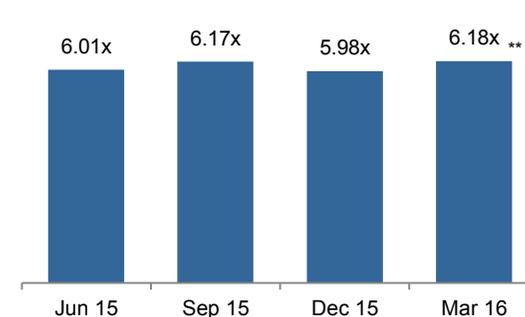
LTM EBITDA before non-underlying items
(before pro-forma adjustments)



Net Debt



Leverage (net)
(before pro-forma adjustments)



Gross	£272.0m	£273.5m	£272.0m	£272.0m
Cash *	(£12.4m)	(£10.6m)	(£18.6m)	(£16.5m)
OID	(£0.4m)	(£0.4m)	(£0.4m)	(£0.4m)
Net	£259.2m	£262.5m	£253.0m	£255.2m

Comments

- LTM EBITDA (before non-underlying items) reduced by £2.5m to £41.3m in March 2016 when compared to £43.8m in March 2015, primarily as a result of increases in both agency & staff costs, partially offset by the full year impact of Skills for Living (August 2014) & Redcliffe (March 2015)
- March 2016 Net Debt is calculated as £272.0m Gross Debt, less £16.5m adjusted cash (£17.7m cash balance adjusted for £1.0m restricted balances and £0.2m deferred consideration payable), less £0.4m of unamortised Original Issue Discount (OID) on 2nd Lien Notes = £255.2m.

* Cash adjusted for restricted cash and deferred consideration payable

** There are no pro-forma adjustments for year ending March 2016

Financial Highlights

Cash flow

£ million	FYE	
	2016	2015
EBITDA before non-underlying items	41.3	43.8
Maintenance capex	(7.5)	(8.5)
Operating cash flow	33.8	35.3
<i>Cash conversion %</i>	<i>81.8%</i>	<i>80.6%</i>
Non-underlying items	(4.5)	(4.0)
Working capital	5.2	3.8
Capital expenditure	(5.1)	(3.8)
Interest	(20.9)	(20.8)
Taxation	(0.4)	0.1
FCF before acquisitions and financing	8.1	10.7
Acquisitions	(0.9)	(7.0)
FCF before financing	7.2	3.7
Net cash flow used in financing activities	(5.0)	(3.0)
Movement in cash for the period	2.2	0.7
Opening cash and cash equivalents	15.5	14.7
Closing cash and cash equivalents	17.7	15.5

Comments

- Maintenance capex excluding IT spend is £6.9m and as a % of turnover for FYE 2016, 3.4% (FYE 2015: 3.6%)
- Non-underlying items for FYE 2016 primarily due to one-off cost in relation to our Day Care business, with FYE 2015 primarily due to costs in relation to the sale of Voyage Holdings Limited
- Change in working capital due to favourable movements in trade payables, accruals and deferred income
- Interest on loan notes £19.9m per annum (excluding interest on RCF facility)
- Acquisitions of £0.9m in FYE 2016 relate to the deferred consideration payable as a result of the Quercus freehold acquisitions (March 2014). Acquisitions of £7.0m in FYE 2015 relate to Redcliffe, Primary Care and Skills For Living (net of cash balances acquired)
- Financing relates to movements on the RCF facility

Outlook & Recent Developments

- Fee negotiations
- National Living Wage
- Lobbying
- Brexit
- IFRS
- Current trading performance
- Next update published 26 August 2016, conference call 6 September 2016 at 2pm

Q & A

Further questions can be addressed to investorrelations@voyagecare.com

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