



# Voyage Care

Investor Presentation

Q1 2015

# 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 (unaudited) of Voyage BidCo Limited and its subsidiaries for the three months ending 30 June 2014 (“Q1 2015”). All comparisons of financial and operating statistics are for the three months ending 30 June 2013 (“Q1 2014”), 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

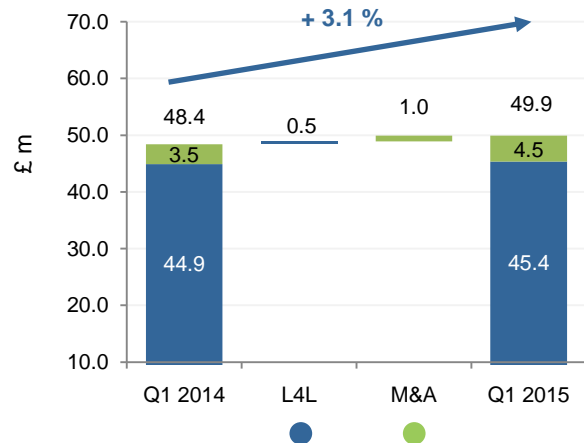
## Q1 2015 Highlights

- Fourth consecutive quarter of improved performance and improved operating margin %
- Turnover up by 3.1% to £49.9m
- EBITDA before exceptional items in line with expectations at £11.1m
- CQC quality scores remain high, 98% (4 & 5 ticks) at March 2014, 94% fully compliant
- Cash conversion 74.2%, pre M&A catch-up capex
- Net debt at June 2014 is £262.0m
- LTM EBITDA leverage (before pro-forma adjustments) at June 2014 is 6.31x (post pro-forma adjustments is 6.06x)
- On 27<sup>th</sup> 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
- On 6<sup>th</sup> August, consortium of Partners Group and Duke Street announced the acquisition of Voyage Care from HgCapital, in a £375.0m transaction, with completion scheduled for 8<sup>th</sup> September 2014 (bond waiver consent for change of control obtained)
- On 20<sup>th</sup> August 2014 acquired Skills for Living for £5.4m, post synergy EBITDA of £1.1m

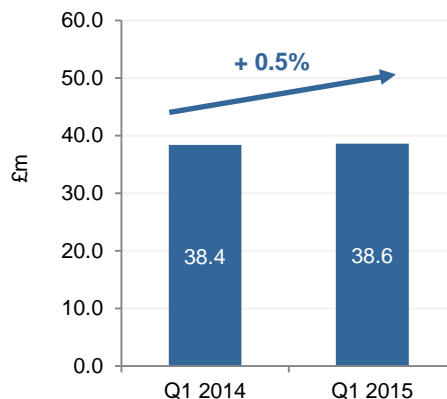
# Financial Highlights

## Key Business Streams - Turnover

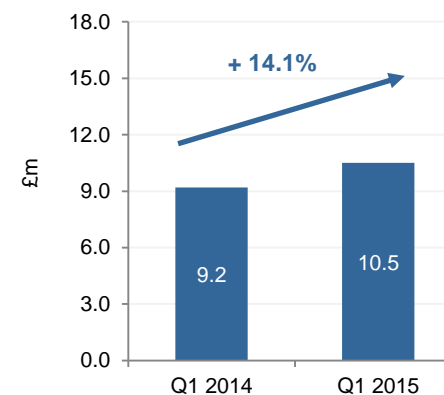
Q1 2014 to Q1 2015



Registered



Supported Living (and Outreach)



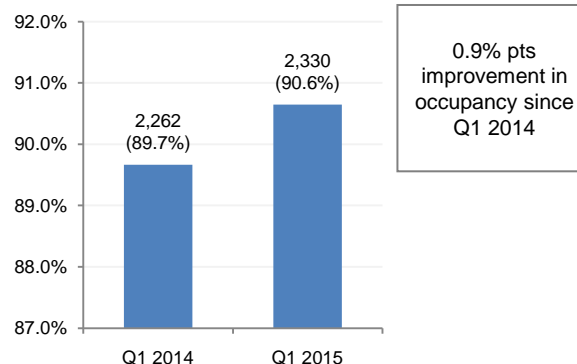
### Comments

- Like-for-like turnover up +1.1%, which now includes Solor Care
- M&A turnover up +28.6%, primarily due to the Ingleby acquisition
- Turnover increase across the Registered services is +0.5%, majority due to the acquisition of Ingleby
- Turnover increase across Supporting Living and Outreach is +14.1%, part M&A, part tender wins

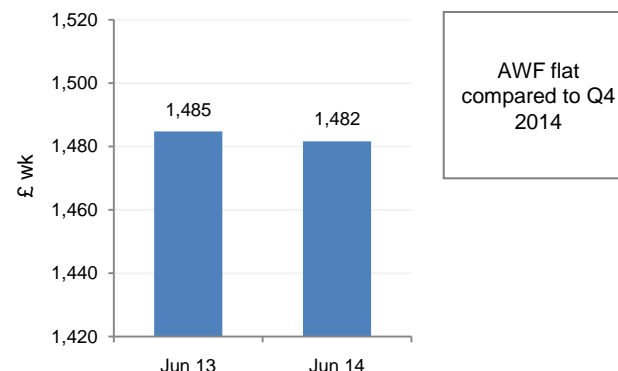
# Financial Highlights

## Key Operating Metrics

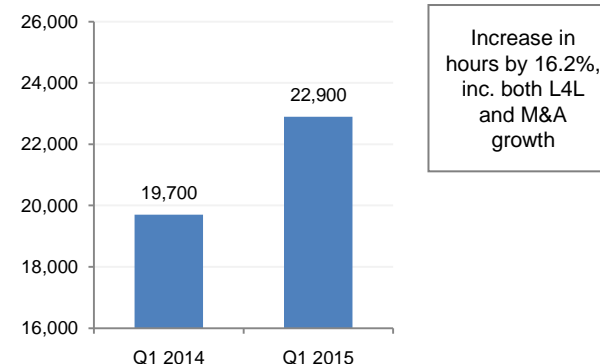
### Average Residential Occupancy



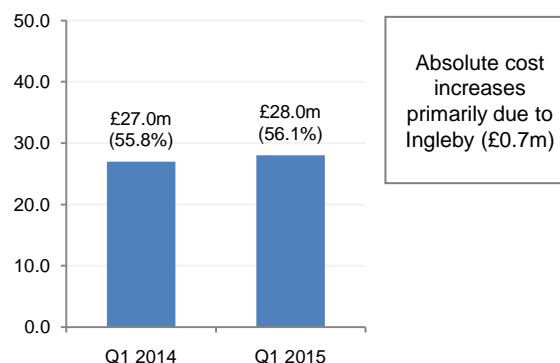
### Residential Average Weekly Fee (LTM)



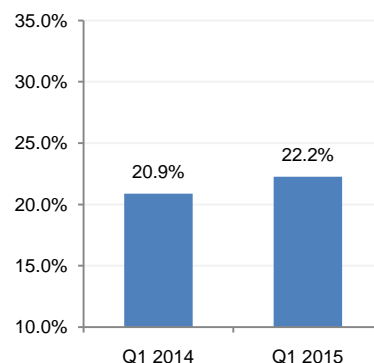
### Average Weekly Outreach Hours



### Unit Level Staff Costs (% Turnover) \*



### EBITDA pre exceptionals (% Margin)



Increase in % margin due to reduced agency spend and lease cost savings



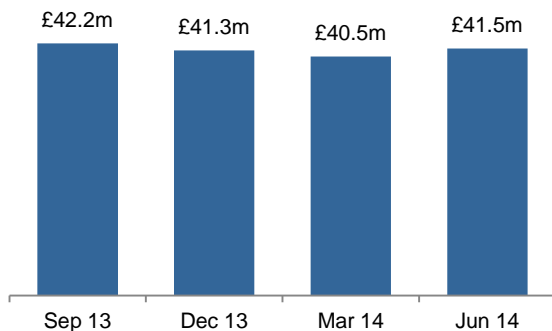
Agency costs reduced in Q1 2015 by £0.3m (compared to Q1 2014)

\* Excludes agency costs

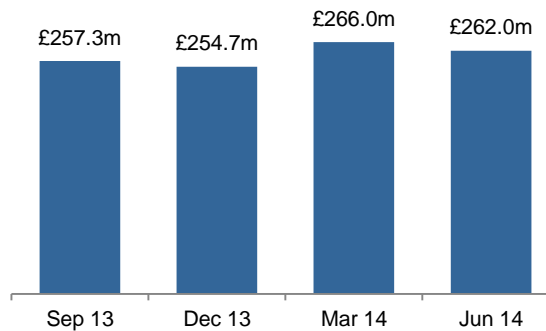
# Financial Highlights

## LTM performance

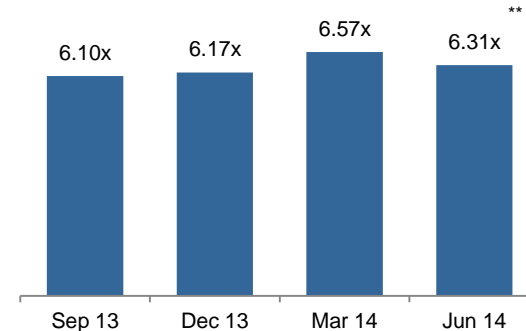
**EBITDA pre exceptionals**  
(before pro-forma adjustments)



**Net Debt**



**Leverage (net)**  
(before pro-forma adjustments)



Gross Debt	£272.0m	£272.0m	£280.0m	£272.0m
Cash *	(£14.0m)	(£16.6m)	(£13.4m)	(£9.4m)
OID	(£0.7m)	(£0.6m)	(£0.6m)	(£0.6m)
Net Debt	£257.3m	£254.7m	£266.0m	£262.0m

### Comments

- LTM to June 2014 includes Ingleby (for 7 months) and Primary Care (for less than 1 month)
- June 2014 Net Debt is calculated as £262.0m Gross Debt, less £9.4m adjusted cash (£11.0m cash balance adjusted for £0.5m restricted balances and £1.1m deferred consideration payable), less £0.6m of unamortised Original Issue Discount (OID) on 2<sup>nd</sup> Lien Notes = £262.0m.

\* cash adjusted for restricted cash and deferred consideration payable

\*\* after adjusting for Quercus, and full year impact of Ingleby Care and Primary Care, leverage reduces to 6.06x

# Financial Highlights

## Cash flow

£ millions	Q1		Comments
	2015	2014	
EBITDA before exceptional items	11.1	10.1	
Maintenance capex	(2.9)	(1.6)	• Maintenance capex as a % of turnover, excluding IT spend (£2.2m) for Q1 2015 was 4.5% (Q1 2014: 1.8%)
Operating cash flow	8.3	8.5	
<i>Cash conversion %</i>	<i>74.2%</i>	<i>84.5%</i>	
Debt service costs	(0.1)	(0.1)	• Interest on loan notes £19.9m per annum
Taxation	0.5	(0.4)	
Other cash flow items before acquisitions and financing	(3.2)	(5.8)	• Other cash flow items relate to working capital, exceptional items, development capex & asset sale proceeds.
<b>FCF before acquisitions and financing</b>	<b>5.5</b>	<b>2.2</b>	
Acquisition	(1.0)	0.0	• Acquisition of £1.0m relates to Primary Care (which is net of cash balances acquired)
Acquisition integration costs	(0.2)	(0.2)	• Acquisition integration costs relate to ILG & Solor Care
Acquisition catch-up capex	0.0	(1.2)	• Acquisition catch-up capex relates to ILG & Solor Care
<b>FCF before financing</b>	<b>4.3</b>	<b>0.7</b>	
Financing	(8.0)	(0.0)	• RCF drawdown of £8.0m at 31 March 2014 was repaid during Q1 2015
<b>Increase / (decrease) in cash for the period</b>	<b>(3.7)</b>	<b>0.7</b>	
Opening cash	14.7	15.8	
<b>Closing cash</b>	<b>11.0</b>	<b>16.6</b>	



# Outlook & Recent Developments

- Business as usual with our new operating partners with no change in strategy
- Financing structure remains unchanged
- Next update published 28 November 2014, conference call 28 November, 2pm

# Q & A

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Further questions can be addressed to [investorrelations@voyagecare.com](mailto:investorrelations@voyagecare.com)

Also please visit our investor relations web site [investors.voyagecare.com](http://investors.voyagecare.com)