

# Voyage Care

Investor Presentation

Q3 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 31 December 2014 (“Q3 2015”). All comparisons of financial and operating statistics are for the three months ending 31 December 2013 (“Q3 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

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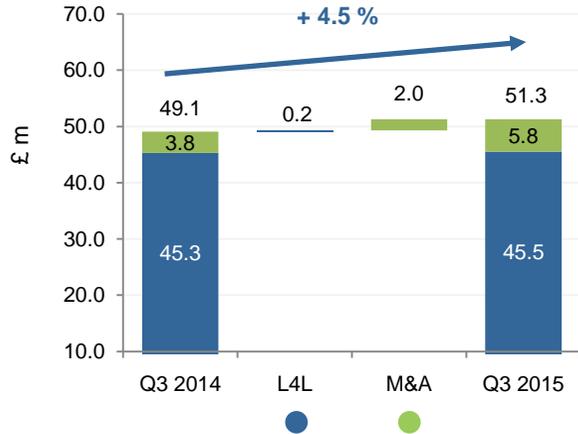
## Q3 2015 Highlights

- New Chairman, Gavin Simonds, appointed 1 January 2015
- Kevin Robert left the business 9 January 2015
- CEO replacement search on-going
- Another quarter of year on year improved performance in tough trading conditions
- Turnover at £51.3m, up by 4.5% vs. Q3 2014
- EBITDA before exceptional items at £10.5m, up 5.0% vs. Q3 2014
- CQC quality scores remain high, 96% (4 & 5 ticks) at December 2014, 95% fully compliant
- Strong cash conversion at 87.3%, pre M&A catch-up capex
- Net debt at December 2014 is £258.5m
- LTM EBITDA leverage (before pro-forma adjustments) at December 2014 is 5.96x (post pro-forma adjustments is 5.82x)
- RCF agreement amended during December 2014, increasing the available facility from £30.0m to £45.0m

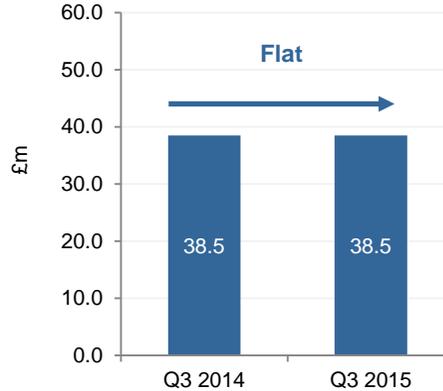
# Financial Highlights

## Key Business Streams - Turnover

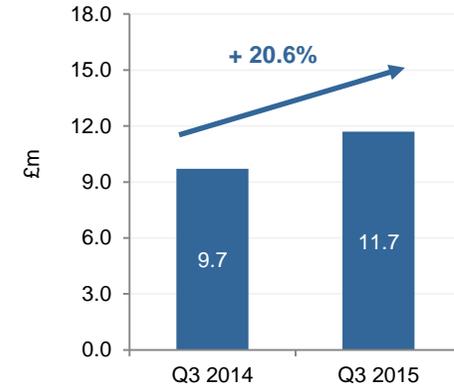
### Q3 2014 to Q3 2015



### Registered



### Supported Living (and Outreach)



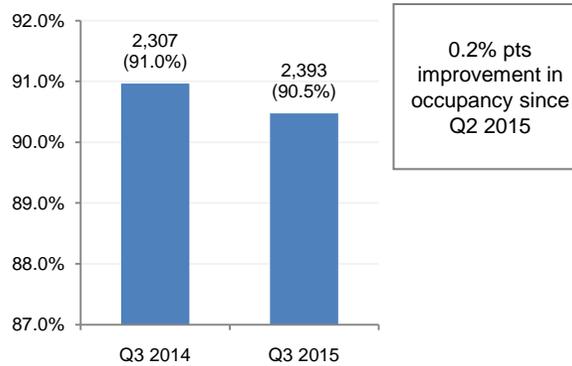
### Comments

- Like-for-like turnover up +0.4%
- M&A turnover up £2.0m, primarily due to the Ingleby and Skills For Living acquisitions
- Turnover increase across the Registered services is broadly flat
- Turnover increase across Supporting Living and Outreach is +20.6%, part M&A, part tender wins

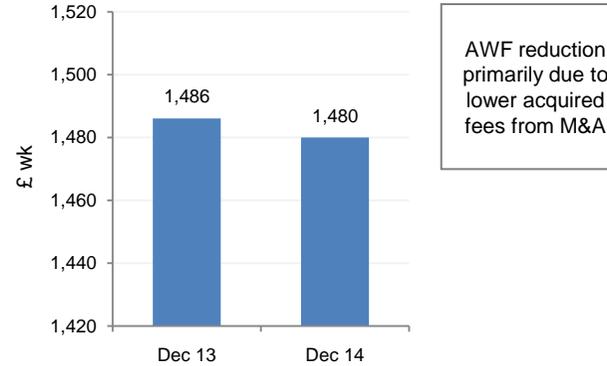
# Financial Highlights

## Key Operating Metrics

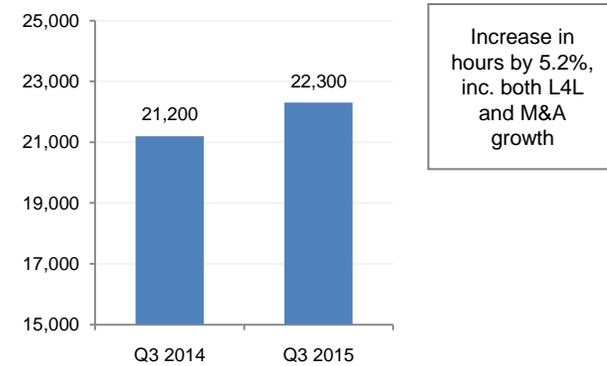
**Average Residential Occupancy**



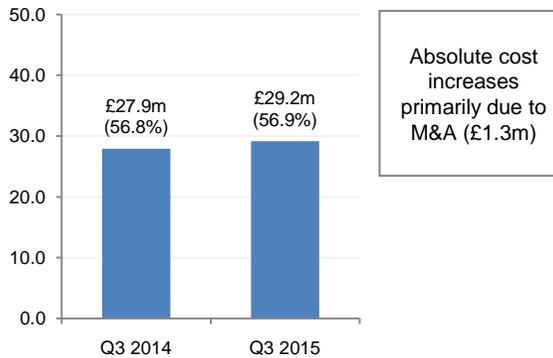
**Residential Average Weekly Fee (LTM)**



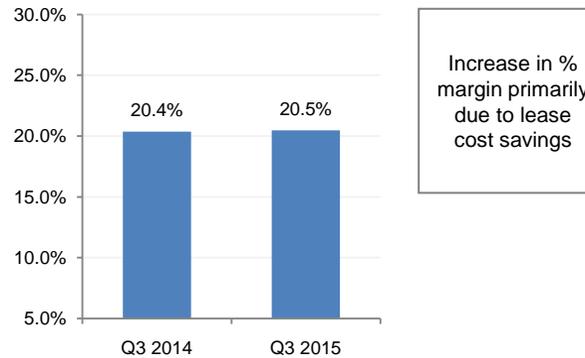
**Average Weekly Outreach Hours**



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



**EBITDA pre exceptionals (% Margin)**



→ Agency costs increased in Q3 2015 by £0.1m (compared to Q2 2015)

\* Excludes agency costs

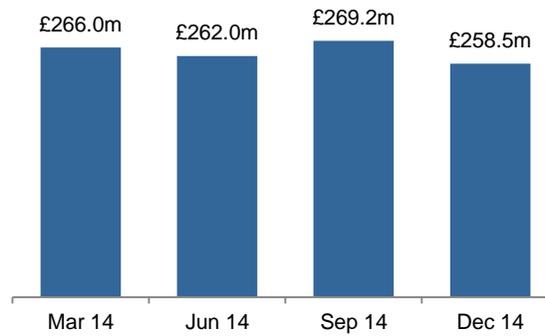
# Financial Highlights

## LTM performance

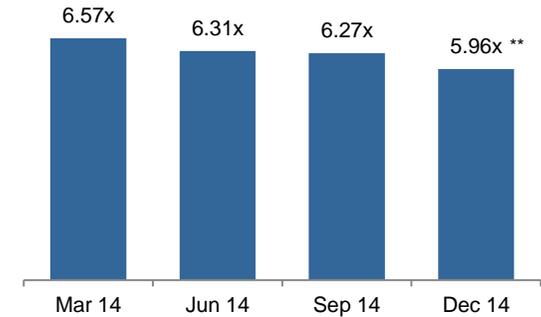
### EBITDA pre exceptionals (before pro-forma adjustments)



### Net Debt



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



Gross Debt	£272.0m	£280.0m	£272.0m	£272.0m
Cash *	(£16.6m)	(£13.4m)	(£9.4m)	(£13.0m)
OID	(£0.6m)	(£0.6m)	(£0.6m)	(£0.5m)
Net Debt	£254.7m	£266.0m	£262.0m	£258.5m

### Comments

- LTM to December 2014 includes Primary Care (for 6 months) and Skills For Living (for 4 months).
- December 2014 Net Debt is calculated as £272.0m Gross Debt, less £13.0m adjusted cash (£14.6m cash balance adjusted for £0.5m restricted balances and £1.1m deferred consideration payable), less £0.5m of unamortised Original Issue Discount (OID) on 2<sup>nd</sup> Lien Notes = £258.5m.

\* cash adjusted for restricted cash and deferred consideration payable

\*\* after adjusting for Quercus, and full year impact of Ingleby Care, Primary Care and Skills for Living leverage reduces to 5.82x

# Financial Highlights

## Cash flow

£ millions	Q3		YTD		Comments
	2015	2014	2015	2014	
EBITDA before exceptional items	10.5	10.0	32.9	30.0	
Maintenance capex	(1.3)	(2.7)	(6.2)	(6.3)	• Maintenance capex as a % of turnover, excluding IT spend (£1.3m) for Q3 2015 was 2.5% (Q2 2014: 5.2%)
Operating cash flow	9.2	7.3	26.7	23.7	
<i>Cash conversion %</i>	<i>87.3%</i>	<i>72.6%</i>	<i>81.1%</i>	<i>78.9%</i>	
Debt service costs	(0.2)	(0.1)	(10.4)	(10.6)	• Interest on loan notes £19.9m per annum (excluded interest on RCF facility)
Taxation	(0.1)	0.1	0.4	0.5	
Other items before acquisitions and financing	1.8	1.2	(3.1)	(4.5)	
<b>FCF before acquisitions and financing</b>	<b>10.7</b>	<b>8.4</b>	<b>13.5</b>	<b>9.0</b>	• Other cash flow items relate to working capital movements, exceptional items, development capex & asset sale proceeds.
Acquisition	0.0	(5.5)	(5.3)	(5.5)	
Acquisition funding	0.0	0.0	0.0	0.0	
Acquisition integration costs	(0.1)	(0.1)	(0.4)	(0.7)	• Acquisition of £5.3m relates to Skills For Living and Primary Care (which is net of cash balances acquired)
Acquisition capex	0.0	(0.1)	0.0	(1.6)	
<b>FCF before financing</b>	<b>10.7</b>	<b>2.6</b>	<b>7.9</b>	<b>1.2</b>	• Acquisition integration costs relate to Ingleby, ILG & Solor Care
Financing	(3.0)	(0.0)	(8.0)	(0.0)	
<b>Increase / (decrease) in cash for the period</b>	<b>7.7</b>	<b>2.6</b>	<b>(0.2)</b>	<b>1.2</b>	• Acquisition capex relates to ILG & Solor Care
Opening cash	6.9	14.4	14.7	15.8	
<b>Closing cash</b>	<b>14.6</b>	<b>17.1</b>	<b>14.6</b>	<b>17.1</b>	

# Outlook & Recent Developments

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- Business as usual with no change in strategy
- Operating conditions remain challenging with limited fee changes and further pressure on agency and recruitment costs
- Next update published 29 July 2015, conference call 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)