



Press Release: 9th September 2019

Voyage Care BondCo PLC announces the sale of a portfolio of Supported Living properties

Voyage Care BondCo PLC ("Voyage Care" or "the Group") is pleased to announce that it has agreed the sale of a portfolio of 40 Supported Living properties to Triple Point Social Housing REIT plc ("Triple Point") for total consideration of up to £27.4m, comprising initial consideration of £24.5m and variable deferred consideration up to a maximum of £2.9m. Triple Point funds the supply of specialised supported housing for vulnerable people in the UK.

Strategy execution

This disposal is in line with the Group's strategy of encouraging and supporting third-party ownership of Supported Living properties, further reinforcing the existing separation of housing and support arrangements for the tenants in these properties.

Prior to the completion of this disposal, the Group leased these properties to Registered Providers, who in turn sublet housing units within the properties to tenants under individual tenancy agreements. Following the sale, Triple Point will own the freehold interest in the properties but current agreements between Registered Providers and tenants will remain in place. Additionally, Voyage Care will continue to provide high quality specialist support to the individual tenants who have learning disabilities, autism, brain injuries or other complex needs.

The Group retains ownership of its Registered care home freehold properties.

Leverage reduction

Following the sale, the Group ceases to receive rent on the properties. This is expected to result in a reduction of EBITDA by approximately £1.7m on an annualised basis. The net effect of this EBITDA reduction and the receipt of proceeds for the sale will be to reduce the Group's leverage. As adjusted to give effect to the disposal, the Group's leverage as at 30th June 2019 would have been 5.8x compared to actual reported leverage of 6.2x. If IFRS 16 Lease Liabilities were to be included in the calculation of debt, then leverage as at 30th June 2019 adjusted for the disposal would be 6.3x compared to reported leverage of 6.7x.

Timing and completion

The sale of 36 properties has been completed, with the sale of the remaining 4 properties expected to complete within 2 months following a consultation process with the current tenants.

Andrew Cannon, Group CEO, commented: "I am delighted that we have sold this property portfolio to Triple Point. This transaction, which is in line with our strategic objectives will have no or minimal impact on the people we support, improves the Group's leverage and frees up our capital resources to develop the business and continue to deliver great care and support."

Enquiries:

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