

Voyage Care

Investor Presentation

Q2 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 (unaudited) of Voyage BidCo Limited and its subsidiaries for the three months ending 30 September 2015 (“Q2 2016”). All comparisons of financial and operating statistics are for the three months ending 30 September 2014 (“Q2 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

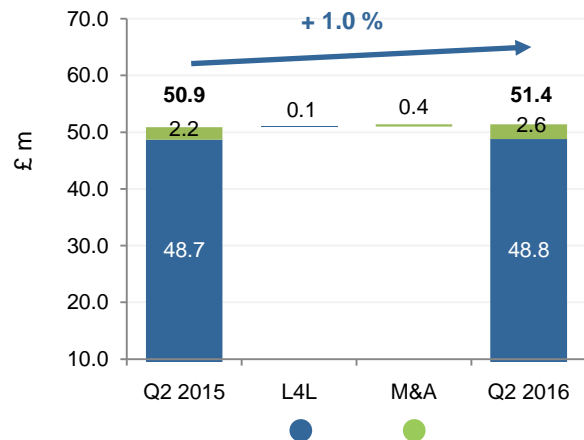
Q2 2016 Highlights

- Turnover at £51.4m, up by 1.0% vs. Q2 2015
- EBITDA before non-underlying items at £10.6m, down 6.2% vs. Q2 2015; £0.1m ahead of Q1 2016 result
- CQC quality scores remain very high, with 86% of services achieving a rating of Good or Outstanding (as at 30 September 2015) following inspection against the new requirements introduced in October 2014. Two services have achieved Outstanding reports out of a total of seven for the whole learning disability care home market, an extremely pleasing outcome
- Strong cash conversion at 86.4%, pre M&A catch-up capex
- Net debt at June 2015 is £262.5m
- LTM EBITDA leverage (before pro-forma adjustments) at September 2015 is 6.17x (6.16x on a pro-forma basis)

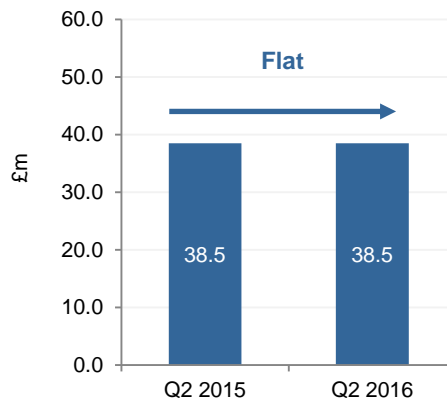
Financial Highlights

Key Business Streams - Turnover

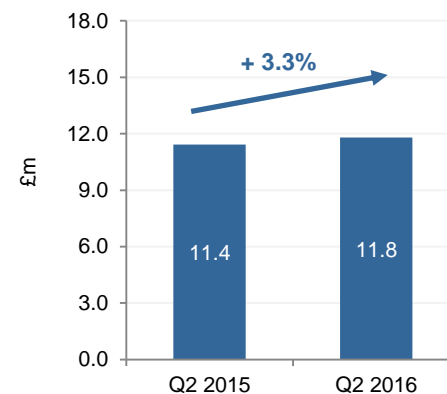
Q2 2015 to Q2 2016



Registered



Supported Living (and Outreach)



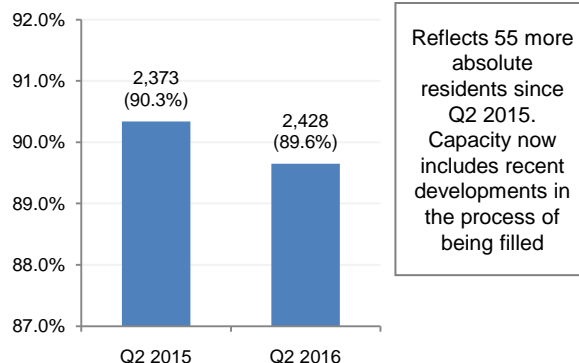
Comments

- Like-for-like turnover up £0.1m
- M&A turnover up £0.4m, primarily due to the Skills For Living and Redcliffe acquisitions
- Turnover across Registered services is flat
- Turnover increase across Supporting Living and Outreach is +3.3%, part M&A, part tender wins

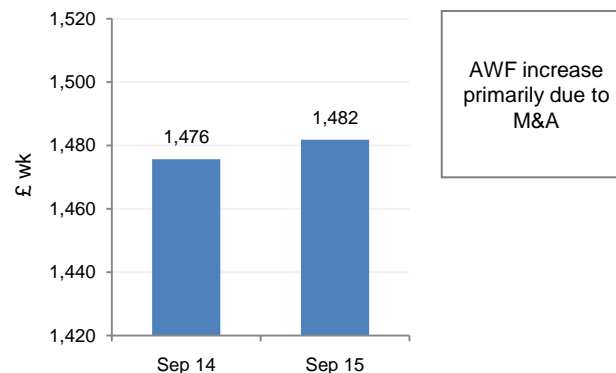
Financial Highlights

Key Operating Metrics

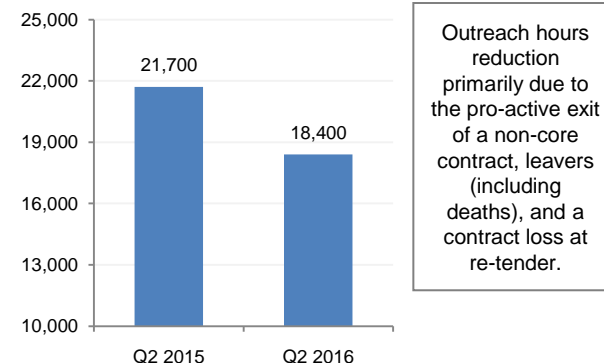
Average Residential Occupancy



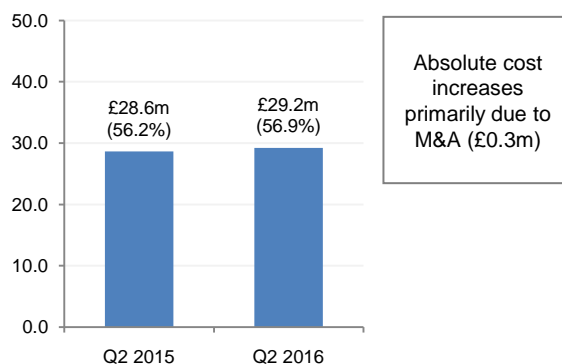
Residential Average Weekly Fee (LTM)



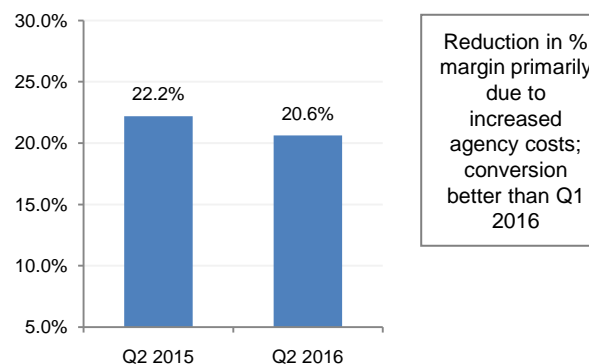
Average Weekly Outreach Hours **



Unit Level Staff Costs (% Turnover) *



EBITDA before non underlying items (% Margin)



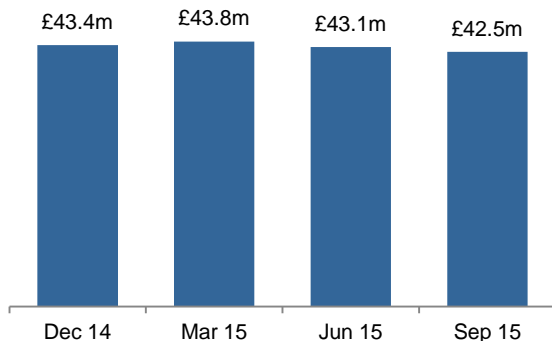
* Excludes agency costs

** Q2 2015 has been restated (previously reported as 24,600 invoiced hours) with 2,900 outreach invoiced hours having been reclassified to Supported Living, equivalent to 38 places in Q2 2016

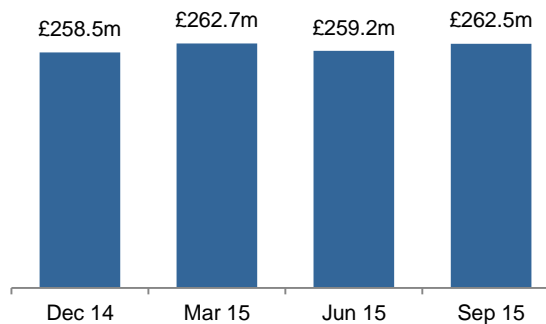
Financial Highlights

LTM performance

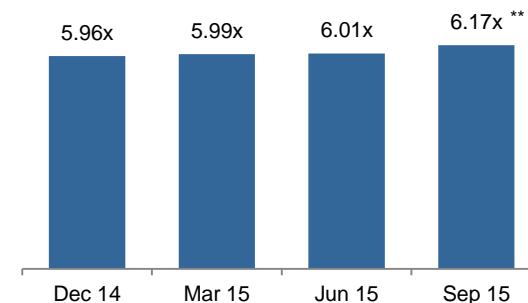
EBITDA before non-underlying items (before pro-forma adjustments)



Net Debt



Leverage (net) (before pro-forma adjustments)



Gross Debt	£272.0m	£277.0m	£272.0m	£273.5m
Cash *	(£13.0m)	(£13.8m)	(£12.4m)	(£10.6m)
OID	(£0.5m)	(£0.5m)	(£0.4m)	(£0.4m)
Net Debt	£258.5m	£262.7m	£259.2m	£262.5m

Comments

- LTM to September 2015 includes Redcliffe (for 7 months).
- September 2015 Net Debt is calculated as £273.5m Gross Debt (including £1.5m drawn down on the RCF), less £10.6m adjusted cash (£13.0m cash balance adjusted for £1.3m restricted balances and £1.1m deferred consideration payable), less £0.4m of unamortised Original Issue Discount (OID) on 2nd Lien Notes = £262.5m.

* cash adjusted for restricted cash and deferred consideration payable

** after adjusting for full year impact of Skills for Living and Redcliffe leverage reduces to 6.16x

Financial Highlights

Cash flow

£ million	Q2		Comments
	2016	2015	
EBITDA before non-underlying items	10.6	11.3	
Maintenance capex	(1.4)	(2.0)	
Operating cash flow	9.2	9.3	<ul style="list-style-type: none"> Maintenance capex as a % of turnover, excluding IT spend (£1.4m) for Q2 2016 was 2.7% (Q2 2015: 3.7%)
<i>Cash conversion %</i>	<i>86.4%</i>	<i>82.3%</i>	
Non-underlying items	(0.1)	(2.0)	
Working capital	(0.4)	1.7	
Capital expenditure	(1.0)	(1.6)	<ul style="list-style-type: none"> Capital expenditure includes development capex & asset sale proceeds.
Interest	(10.1)	(10.2)	<ul style="list-style-type: none"> Interest on loan notes £19.9m per annum (excluding interest on RCF facility)
Taxation	(0.0)	0.0	
FCF before acquisitions and financing	(2.5)	(2.8)	
Acquisition	0.0	(4.4)	
Acquisition integration costs	(0.1)	(0.0)	<ul style="list-style-type: none"> Acquisition costs in Q2 2015 of £4.4m primarily relates to Skills For Living (which is net of cash balances acquired)
Acquisition capex	0.0	0.0	
FCF before financing	(2.6)	(7.1)	
Net cash flow used in financing activities	1.5	3.0	
Movement in cash for the period	(1.1)	(4.1)	
Opening cash and cash equivalents	14.1	11.0	
Closing cash and cash equivalents	13.0	6.9	

Outlook & Recent Developments

- **National Minimum Wage** (effective 1 October 2015) and **National Living Wage** (effective 1 April 2016)
 - Lobbying government and MP's to secure additional sector funding
 - Customer feedback being deferred until Spending Review announcements
- **Spending Review**
 - Scheduled for 25 November 2015
 - Chancellor to set out his plans post the Tax Credit defeat in the House of Lords
 - May offer more clarity on additional social care funding
- **Cost recovery**
 - In discussion with Local Authority paying customers about cost recovery in readiness for the new budget year commencing 1 April 2016
- Next update published 26 February 2016, conference call 2pm

Q & A

Further questions can be addressed to investorrelations@voyagecare.com

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