



Care UK Health & Social Care Investments Limited

Unaudited financial results for the six
Months ended 31 March 2020

Overview

All figures and percentages included below are quoted for the first half of the year ending 30 September 2020 and exclude the effects of IFRIC 12. The Healthcare business traded for 25 days of FY20 and these numbers have been excluded from the trading update and the prior year comparatives have been re-stated.

- **Group overview and financial highlights**

- On the 25th October 2019, the group sold its shares in Care UK Healthcare Holdings Limited (The Healthcare business) to a new company Care UK Healthcare Bidco Ltd, whose equity ownership sits outside the group but continues to be managed by Bridgepoint. For the purpose of this trading update, FY19 numbers have been restated to exclude Healthcare along with the 25 days that Healthcare traded in the Group.
- Following the sale of shares in the Healthcare business the Group overhead has commenced a cost saving re-structuring which will continue throughout FY20.

- **Residential Care Services**

- The Residential Care business has grown, driven by continued maturation of the recently opened, self-pay focussed homes. There were six new homes opened in H1 2020.
- Reported revenue increased £14.8m to £185.8 million for the six months to 31 March 2019 representing year on year growth of 8.7%. This has largely been delivered from continued occupancy growth in the new home portfolio, with the mature home portfolio continuing to benefit from increasing average weekly fee rates. Occupancy in our core estate remains at robust levels of over 90%.
- Residential Care Adjusted EBITDA increased by £0.6m to £14.9m for the six months to 31 March 2019. This increase was driven by new homes continuing to increase occupancy. The underlying Adjusted EBITDA has grown 14.5% year on year.
- In the later part of this trading period the Residential Care business has begun to experience material financial disruption due to the Covid 19 Pandemic.

Unless stated all figures and percentages included below exclude the effects of applying IFRIC 12.

Key figures			
Amounts in £ million	H1 2019		H1 2020
Revenue	171.0		185.8
Adjusted EBITDA	12.4		14.2
Pro forma Adjusted EBITDA ¹	15.9		17.2

Segmental Reporting Amounts in £ million	Revenue		Adjusted EBITDA	
	H1 2019	H1 2020	H1 2019	H1 2020
Residential Care Services	171.0	185.8	14.3	14.9
Other	-	-	(1.9)	(0.7)
Total	171.0	185.8	12.4	14.2

Financial leverage ²

As of and for the 12 month
period ended

	31 March 2020
Adjusted EBITDA (£m)	33.8
Pro forma Adjusted EBITDA (£m)	39.0
Net debt (£m)	168.9
Net debt / Pro forma Adjusted EBITDA	4.33x
Net debt / Adjusted EBITDA	4.99x

¹ Pro forma Adjusted EBITDA excludes new home start-up losses in the Residential Care Services division.

² The 2019 comparative has been removed from the Financial Leverage table as they are not comparable following the sale of the shares in the Healthcare business.