

Greensleeves Care - Trading Statement

1 July 2021

Greensleeves Care trading update for the year ending 31 March 2021.

- Greensleeves Care is today issuing its consolidated trading update for the twelve months ended 31 March 2021.
- The 31 March 2021 figures are unaudited.

Highlights

- Despite a very challenging year Greensleeves Care has managed to grow income, improve CQC ratings and continued to expand operations in line with its strategic business plan.
- Occupancy levels were severely impacted by the effects of the Covid pandemic falling to 83% in May 2020 before recovering to 86% in December 2020 and again falling to a new low of 76% in February 2021 as the impact of the second wave of the pandemic was felt. Occupancy has steadily recovered since February and currently stands at 85%.
- The occupancy recovery is expected to continue for the remainder of the year resulting in a return to more normal operating levels in excess of 90% by March 2022.
- Despite the occupancy pressures, Greensleeves Care delivered profits in excess of both budget and prior year levels. EBITDA for 2020/21 was £1.9m (2019/20: £1.6m).
- Both figures are adversely impacted by the development drag (2020/21: £1.7m; 2019/20 £2.0m) from our new homes while they reach mature operating levels.
- Our CQC ratings improved during the year and all our homes that have been inspected are rated as 'good' or 'outstanding' with one exception that is classed as 'requires improvement' (2019/20: 4 homes rated as 'requires improvement').
- We continue to be highly rated on the leading care directory Carehome.co.uk, having achieved an overall group score of 9.6 out of 10 with two homes being ranked top in their regions.
- Two new homes were added during the year - Henley House (66 beds) in Ipswich and Clarendon Lodge (40 beds) in Croxley Green. Both homes replaced existing smaller facilities in each area.
- At the end of March 2021, Greensleeves Care was registered to care for 1,081 residents.
- We expect to open our new 80 bed home in Crowthorne, Berkshire in early 2022.
- Development of a new home in South West London has been approved and we are in advanced negotiations to acquire an operating nursing home in Berkshire. Both acquisitions will be immediately EBITDA positive.

Commenting on the results, Chris Doherty, CFO, said:

Despite extremely difficult operating conditions during 2020/21, Greensleeves Care remains financially strong with good growth in income, driven largely by acquisition and development activity and low levels of gearing.

The Trust has a sustainable business model based on approximately 75% of our residents being privately funded, coupled with a commercial approach to cost control.

Our development pipeline is healthy and any activity is subject to rigorous capital investment appraisal to inform strong investment decisions.

Greensleeves Care continues to exceed our own financial performance targets and also to outperform the market in most key indicators of performance.

Financial Results

| | 2018/19 | 2019/20 | 2020/21 |
|---|---------|---------|---------|
| Average phased occupancy | 92% | 93% | 84% |
| Average fee | £942 | £1,019 | £1,077 |
| Turnover ¹ | £39.6m | £44.5m | £47.7m |
| EBITDA ¹ | £3.3m | £1.6m | £1.9m |
| EBITDA excluding development drag ² | £4.4m | £4.6m | £3.6m |
| New homes added during the year | 2 | 1 | 2 |
| CQC resident registration capacity ³ | 971 | 1,037 | 1,081 |
| Homes rated good/outstanding | 86% | 83% | 95% |

¹ 2019/20 figures exclude a one-off gain of £9.7m from the sale of land. All turnover figures exclude benefits of ad hoc property sales.

² Assumes full year mature operation of new homes. 2019/20 adjusted EBITDA also excludes £1.0m of one-off expense items related to Covid staff incentive accrual, IT and property related costs. Reduced 2020/21 adjusted EBITDA reflects the impact of the Covid pandemic.

³ Initial target to achieve CQC resident registration capacity of 1,000 by 2023 was achieved three years ahead of schedule in 2019/20.