

CASE STUDY



COMPANY SPOTLIGHT



Market capitalisation at time of purchase £145m	Market capitalisation at time of sale £870m	Industry Sector Healthcare & Social Services
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CARETECH HOLDINGS PLC (AIM: CTH)

Caretech Holdings PLC was a leading UK provider of social care and support services for children and adults with complex needs, including learning disabilities, mental health conditions, and autism. Operating across residential, educational, and fostering divisions, the company delivered outcomes-focused care through a portfolio of specialist services. Caretech pursued growth through a combination of organic initiatives and strategic acquisitions to broaden service capabilities and geographical footprint.

WHY DID WE INVEST?

- **Defensive Industry with Government Backing:** Social care in the UK is essential and largely funded through government contracts, creating a stable demand base resilient to economic cycles. Increased focus on quality of care and outcomes created opportunity for specialist providers like Caretech.
- **Platform for Consolidation:** Caretech executed a successful consolidation strategy in a highly fragmented sector. Acquisitions of specialist providers expanded their service offerings and drove scale efficiencies.
- **Strong Operational Management:** The executive team demonstrated deep industry experience and consistently delivered operational improvements across acquired and legacy assets, while maintaining high standards of care.
- **Margin Expansion through Integration:** The company benefited from centralised procurement, digital transformation, improved occupancy and staff retention driving operating leverage as the platform scaled.

ENTRY PRICE

- Began initially purchasing shares in December 2015 at £2.37 and continued to purchase over time with an average purchase price of £3.40.

*Past performance is not indicative of future performance. This is general information only and should not be construed or relied upon as legal, financial or professional advice. Accordingly, the recipient should seek independent professional advice as to the risk, financial, taxation and other implications of investing.

COMPANY SPOTLIGHT



CareTech Holdings PLC (AIM:CTH) - Share Pricing



Source: S&P Capital IQ

WHY DID WE SELL – Acquisition by Private Equity

- In August 2022, Caretech Holdings received a recommended cash offer from Cambian Acquisitions Bidco Limited, a vehicle controlled by a consortium including Sheikh Holdings Group.
- The offer price of £7.50 per share represented a significant premium to the prevailing share price, with the deal valuing the company at approximately £870m.
- With limited upside beyond the transaction and a successful exit from public markets, we sold our holding in line with our disciplined value realisation process.

INVESTMENT OUTCOME

- Began initially purchasing shares in December 2015 at £2.37 and continued to purchase over time with an average purchase price of £3.40.
- Received circa 74.30 pence in dividends per share over the investment period.
- Sold at an average sale price of €6.50 with the last sale in October 2022 via the takeover at €7.50.
- Gain of 107.6% on our investment over the period, equating to a money weighted IRR of approximately 16.8%.

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