

# Investor Presentation Quarterly Report - Q1 2018

29 August 2017



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# 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 unaudited consolidated financial information of Voyage BidCo Limited and its subsidiaries for the 3 month period ended 30 June 2017 (“Q1 2018”). All comparisons of financial and operating statistics are for the 3 month period ended 30 June 2016 (“Q1 2017”), 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

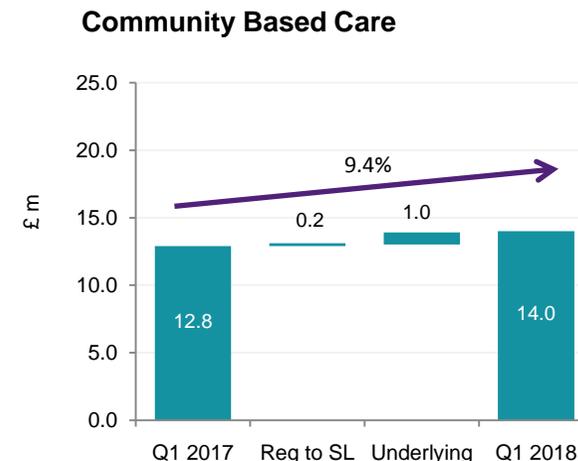
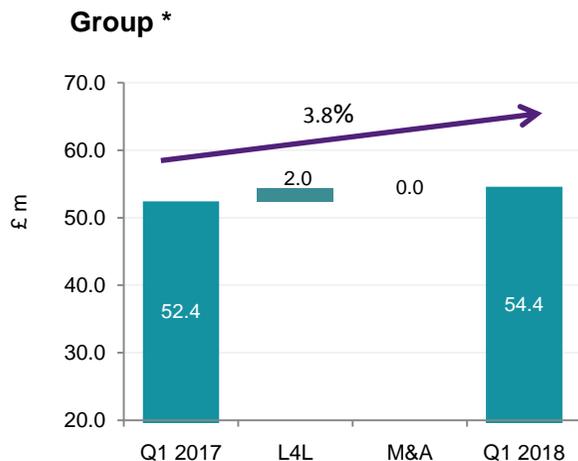
## Q1 2018 Highlights



- CQC quality scores remain very high, with 94.4% of services achieving a rating of Good or Outstanding (as at 30 June 2017)
- Good trading performance in testing operating conditions
- Revenue at £54.4m, up by 3.8% vs. Q1 2017 (£52.4m)
- EBITDA before non-underlying items at £9.1m, down 4.2% vs. Q1 2017 (£9.5m); primarily due to National Minimum Wage and National Living Wage impact
- Strong cash conversion at 81.8%
- Net debt at June 2017 is £237.3m
- LTM EBITDA leverage is 6.21x
- RCF remains undrawn providing £45m of liquidity

# Financial highlights

## Key Business Streams - Revenue



### Comments

- Like-for-like revenue up + 3.8%
- Revenue across our Registered Care homes is up by 2.1%, reflecting inflation increases and new business wins partially offset by de-registrations from Registered to Community Based Care (no loss of occupancy)
- Revenue across Community Based Care is up by 9.4%, benefitting from tender wins and framework call-offs as well as de-registrations from Registered to Community Based Care

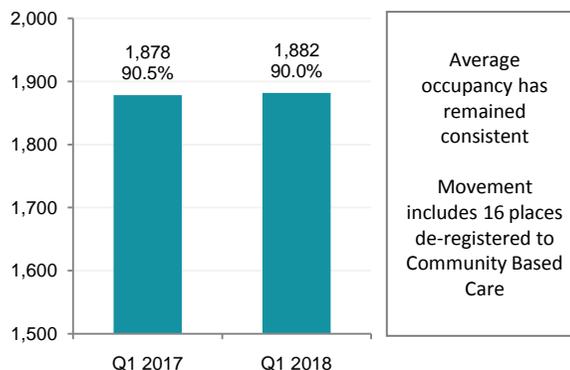
\* Includes Day Care, not included in Registered/Community Based Care charts

# Financial highlights

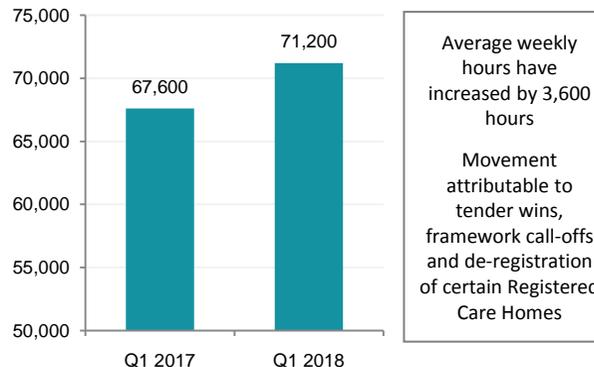
## Key Operating Metrics



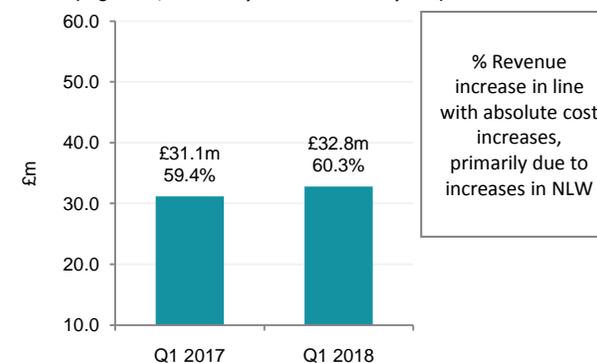
### Registered - Average Occupancy



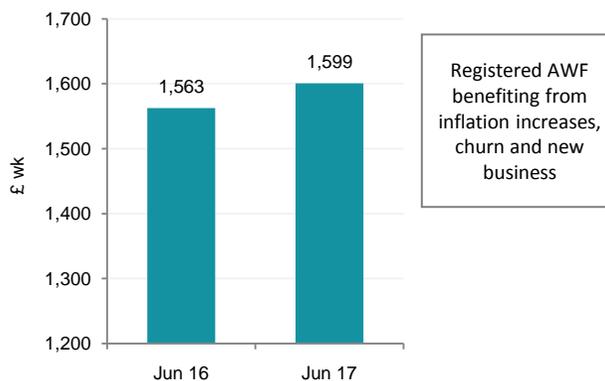
### Community Based Care - Average Weekly Hours



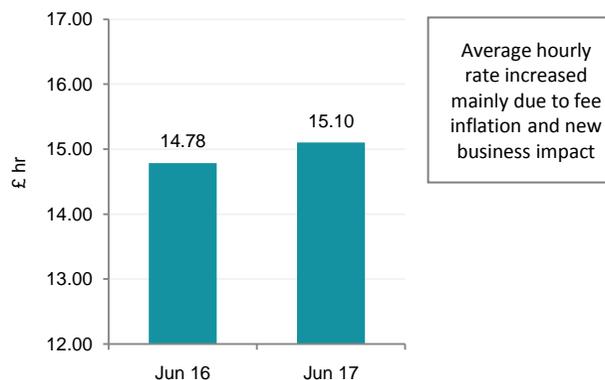
### Unit Level Staff Costs (% Revenue) <sup>(1)</sup> (Registered, Community Based Care and Day Care)



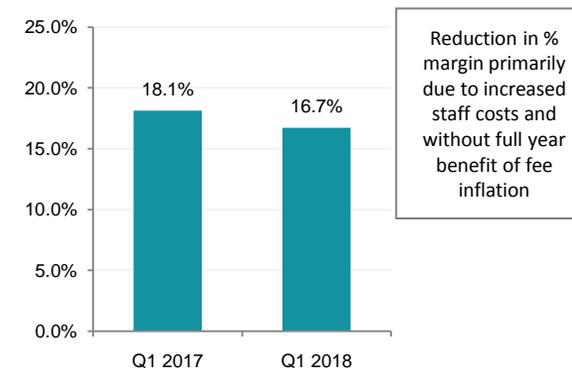
### Registered - Average Weekly Fees (LTM)



### Community Based Care - Average Hourly Rate (LTM)



### Adjusted EBITDA before non-underlying items (% Margin)



(1) Excludes agency costs

# Financial highlights

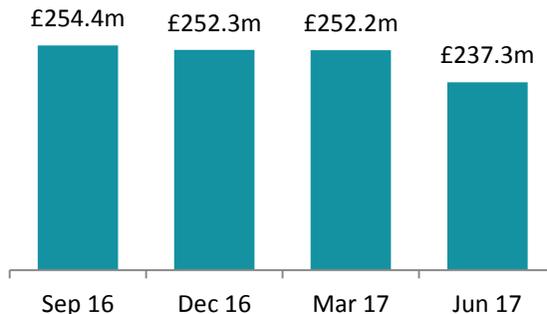
LTM Performance



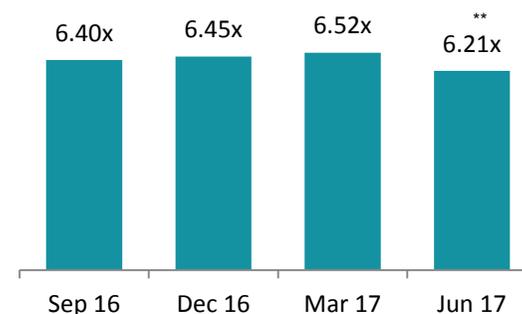
## LTM EBITDA before non-underlying items (before pro-forma adjustments)



## Net Debt



## Leverage (net) (before pro-forma adjustments)



Gross	£272.0m	£272.0m	£272.0m	£250.0m
Cash *	(£17.3m)	(£19.4m)	(£19.6m)	(£12.7m)
OID	(£0.3m)	(£0.3m)	(£0.2m)	(£0.0m)
Net	£254.4m	£252.3m	£252.2m	£237.3m

## Comments

- LTM adjusted EBITDA (before non-underlying items) reduced by £0.5m to £38.2m in June 2017 when compared to £38.7m in March 2017, primarily due to increases in staff costs as a result of the impact of National Minimum Wage, National Living Wage and maintaining wage differentials, in addition to investment in overheads.
- June 2017 Net Debt is calculated as £250.0m Gross Debt, less £12.7m adjusted cash (£14.0m cash balance adjusted for £1.3m restricted balances)

\* Cash adjusted for restricted cash

\*\* There are no pro-forma adjustments for LTM ending June 2017

# Financial highlights

## Cash Flow



£ million	Q1		Comments
	2018	2017	
Adjusted EBITDA before non-underlying items	9.1	9.5	
Maintenance capex	(1.6)	(1.7)	
<b>Operating cash flow</b>	<b>7.4</b>	<b>7.9</b>	<ul style="list-style-type: none"> <li>Maintenance capex excluding IT spend is £1.3m and 2.4% of revenue for Q1 2018, (Q1 2017: £1.5m and 2.9% respectively)</li> </ul>
<i>Cash conversion %</i>	<i>81.8%</i>	<i>82.7%</i>	
Non-underlying items	0.7	(0.1)	<ul style="list-style-type: none"> <li>Non Underlying items income relates to VAT return from daycare services</li> </ul>
Working capital	(1.6)	(2.7)	<ul style="list-style-type: none"> <li>Change in working capital primarily due to favourable movements in accruals and trade receivables</li> </ul>
Capital expenditure	(1.2)	(0.4)	<ul style="list-style-type: none"> <li>Capital expenditure increase due to higher spend on developments in Q1 2018</li> </ul>
Interest	(5.8)	(0.2)	
Taxation	(0.2)	0.0	
<b>FCF before acquisitions and financing</b>	<b>(0.7)</b>	<b>4.4</b>	<ul style="list-style-type: none"> <li>Interest increase due to refinancing transaction in May 2017</li> </ul>
Acquisitions	0.0	(0.2)	
<b>FCF before financing</b>	<b>(0.7)</b>	<b>4.2</b>	
Net cash flow used in financing activities	(6.4)	0.0	<ul style="list-style-type: none"> <li>Financing activities relate to recent refinancing transaction in May 2017</li> </ul>
<b>Movement in cash for the year</b>	<b>(7.1)</b>	<b>4.2</b>	
Opening cash and cash equivalents	21.0	17.7	
<b>Closing cash and cash equivalents</b>	<b>14.0</b>	<b>21.9</b>	

# Outlook & Recent Developments

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- Lobbying
- Sleep-ins
- Fee negotiations
- Acquisition
- Next update published 29 November 2017, conference call 29 November 2017 2pm GMT

# Q & A

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Further questions can be addressed to: [investorrelations@voyagecare.com](mailto:investorrelations@voyagecare.com)

Also please visit our investor relations website: [investors.voyagecare.com](http://investors.voyagecare.com)