

Investor Presentation Quarterly Report – Q1 2025

28 August 2024



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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

Unless otherwise stated, this presentation includes the unaudited consolidated financial information of Voyage BidCo Limited and its subsidiaries for the 3 month period ended 30 June 2024 (“Q1 2025”). All comparisons of financial and operating statistics are for the 3 month period ended 30 June 2023 (“Q1 2024”), unless otherwise stated. Movements and percentages have been calculated using the underlying number to one decimal place of the number presented in this document.

Adjustments

Certain numerical information and other amounts and percentages presented in this report have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given. The abbreviation ‘nm’ is used in this report in certain instances when a percentage variance produces an erroneous or non-meaningful result.

Agenda



- Performance Summary
- Financial Highlights
- Property Summary
- Recent Developments and Outlook
- Q&A

Performance Summary

Q1 2025 Highlights



- Quality ratings maintained at a market leading level of services good and outstanding, 6% higher than the market average
- Group Revenue up 10.2% year on year at £93.1m (Q1 2024: £84.5m)
- Fee increases offered were 4.9% (Q1 2024: 6.7%)
- Agency reduced to 2.0% of direct care hours (Q1 2024: 2.7%)
- Underlying adjusted EBITDA of £10.8m was £3.6m (51.0%) higher than Q1 2024 (£7.2m)
- LTM Underlying adjusted EBITDA of £43.6m was £6.9m higher than Q1 2024 (£36.7m) and £3.6m higher than Q4 2024 (£40.0m). LTM pro forma EBITDA for KDL investment acquisition is £46.7m
- Acquisition of KDL Investments Limited and its 3 subsidiaries completed on 22nd April for £25.6m. £22.0m funded by shareholder equity injection. 7 freehold properties (58 Registered & 6 Community beds) added to portfolio and is anticipated to deliver annualised EBITDA of £3.7m
- Leverage reduced to 6.1x from 6.6x in Q4 2024 (Q1 2024: 7.0x) and strong liquidity with £11.8m cash and £41.0m of RCF undrawn. Pro forma leverage, adjusted for the acquisition, reduced to 5.7x

Note: All comparators are against Q1 2024 unless stated otherwise.

Adjusted EBITDA is stated before non-underlying items

Financial Highlights

Q1 2024 vs Q1 2025



£m	Quarter		Growth
	Q1 2024	Q1 2025	
Revenue	84.5	93.1	10.2%
Unit Level Staff Costs	(60.1)	(64.9)	(8.1%)
Agency Costs	(2.3)	(1.6)	28.3%
<i>Unit Level Staff & Agency Costs</i>	<i>(62.4)</i>	<i>(66.6)</i>	<i>(6.7%)</i>
Contribution	22.2	26.6	20.0%
<i>Contribution %</i>	<i>26.2%</i>	<i>28.5%</i>	<i>2.3%</i>
Direct Overheads (1)	(8.4)	(8.3)	1.2%
Unit EBITDA	13.8	18.3	32.8%
<i>Unit EBITDA %</i>	<i>16.3%</i>	<i>19.7%</i>	<i>3.3%</i>
Central Overheads	(6.6)	(7.5)	(13.0%)
Underlying adjusted EBITDA	7.2	10.8	51.0%
<i>Underlying adjusted EBITDA %</i>	<i>8.5%</i>	<i>11.6%</i>	<i>3.1%</i>

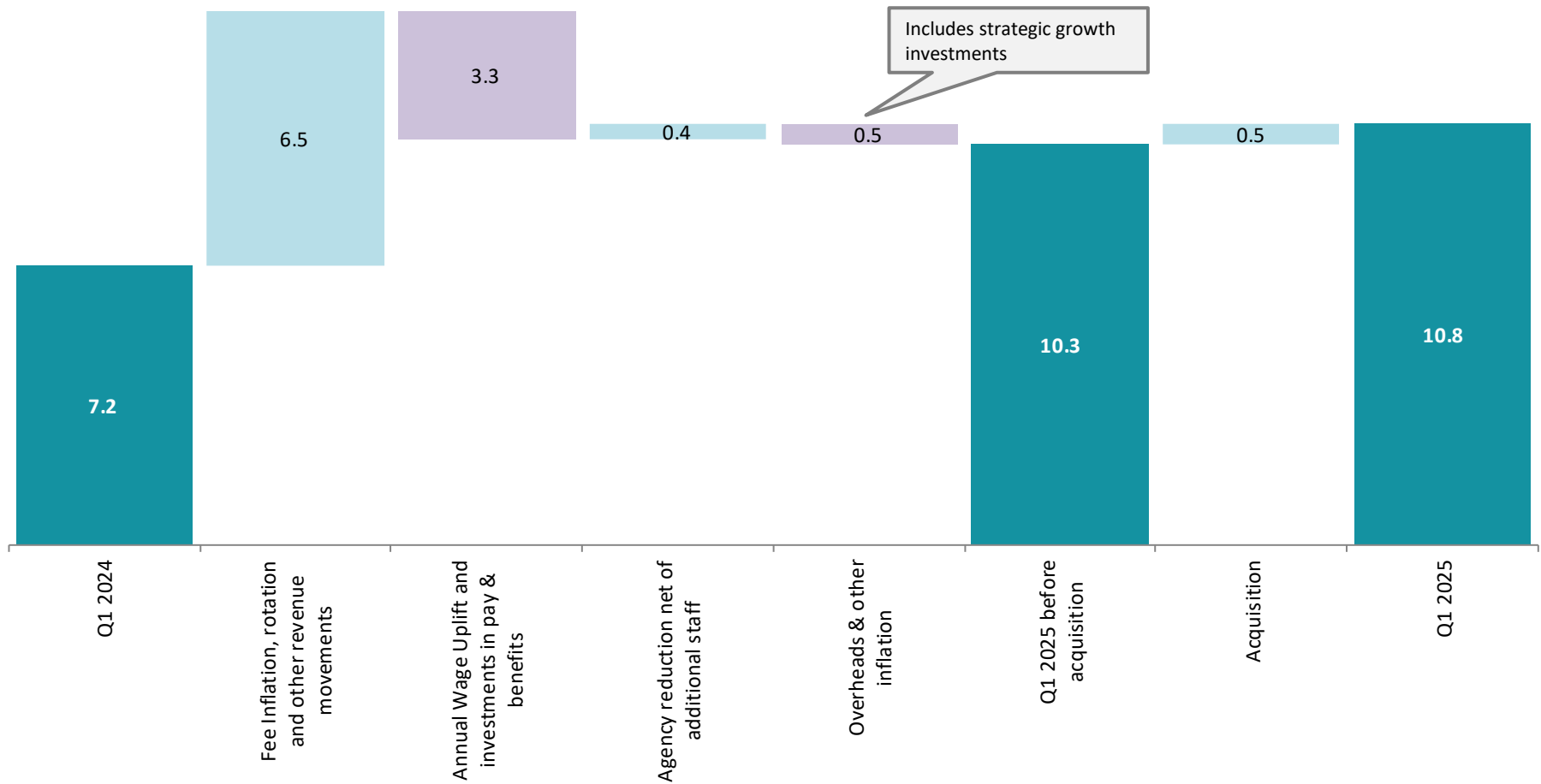
- Revenue increased by £8.6m, 10.2%
 - Key growth drivers were fee increases and fee rotation
 - Fee increases offered at 4.9% (Q1 2024 6.7%, FYE 2024 9.5%)
 - April 24 acquisition accounts for £2.1m increase
- Unit level staff & agency costs increased by £4.2m (6.7%), compared to £8.6m (10.2%) for Revenue
 - Unit level Staff costs increased by £4.8m, 8.1%
 - April 24 wage increases driven by the 9.8% NLW increase
 - April 24 acquisition accounts for £1.0m increase
 - Agency costs at 2.0% of direct care hours, a reduction of £0.7m – improved recruitment and retention
 - April 24 acquisition accounts for £0.3m increase
- Direct overheads decreased by £0.1m primarily due to reduced utility costs offset by inflationary increases
 - April 24 acquisition accounts for £0.1m increase
- Central overheads increased by £0.9m, due to staff pay awards and investments in Technology
- Underlying adjusted EBITDA increased by £3.6m at a margin of 11.6%

Note:

- Direct Overheads consist of costs incurred in running and maintaining services including direct expenses and consumables, property, vehicle and other lease rentals (outside the scope of IFRS16), business rates, council tax, repairs, utilities, training and professional fees

Financial Highlights

Q1 2024 vs Q1 2025 Underlying adjusted EBITDA

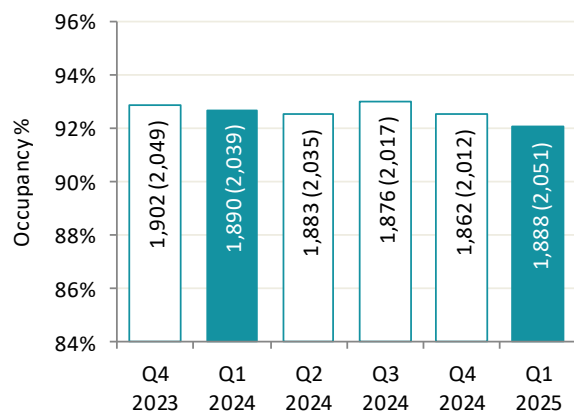


Financial Highlights

Key Operating Metrics



Registered - Average Occupancy (Capacity) % and

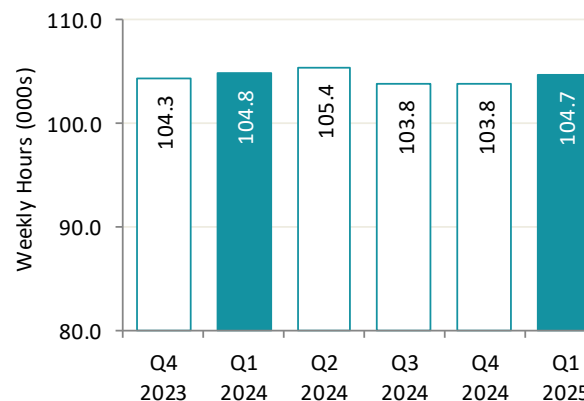


Closing Occ. 1,900 1,888 1,883 1,871 1,860 1,906

Closing occupancy for the period was 91.9%, 1,906 people we support, 18 higher than Q1 2024 primarily due to acquisition (+44) partially offset by capacity reduction from ongoing portfolio review and temporary closures to repurpose

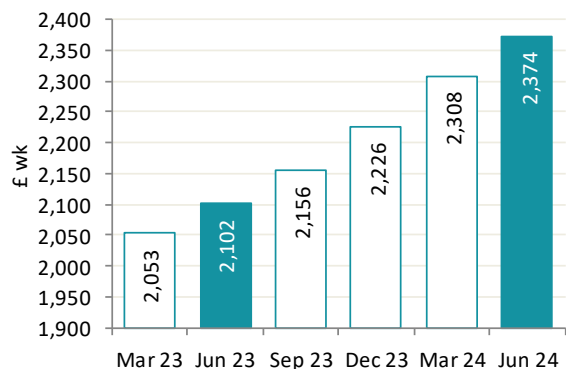
Referral pipeline continues to be strong

Community - Average Direct Care Hours (000s)



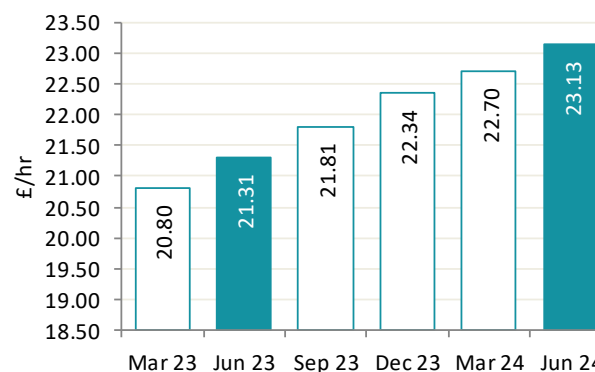
Average weekly direct care hours broadly in line with Q1 2024

Registered - Average Weekly Fees (AWF) (LTM)



Combination of inflationary fee increases, resolving underfunded placements, fee rotation and acuity mix has driven 12.9% year on year growth in AWF

Community - Direct Care Revenue Per Hour (LTM)



Direct care revenue per hour has increased by 8.5% since Q1 2024 due to fee increases and supporting individuals with more complex needs

Financial Highlights

Cash Flow



£ million	Q1 2024	Q1 2025	£ Change
Underlying adjusted EBITDA	7.2	10.8	3.7
Maintenance capex	(2.4)	(3.1)	(0.7)
IT capex	(0.8)	(0.8)	(0.0)
Vehicle Capex	(0.0)	(0.3)	(0.3)
Adjusted free cash flow	3.9	6.7	2.7
<i>Cash conversion %</i>	<i>55.1%</i>	<i>61.7%</i>	<i>6.6%</i>
Non-underlying items	(0.6)	(0.5)	0.1
Working capital	(1.5)	(3.2)	(1.7)
Interest	(0.1)	(0.2)	(0.1)
Taxation	0.1	(0.4)	(0.4)
FCF before dev. capex, acquisitions and financing	1.8	2.4	0.6
Development capex	(1.5)	(2.6)	(1.1)
Acquisition capex (net of cash acquired)	0.0	(25.6)	(25.6)
Proceeds from sale	0.1	0.1	0.0
FCF before financing	0.4	(25.6)	(26.0)
Property and vehicle lease payments (IFRS16)	(1.1)	(1.6)	(0.5)
Proceeds from issue of share capital	0.0	22.0	22.0
Proceeds from borrowings	3.0	3.0	0.0
Movement in cash for the period	2.2	(2.3)	(4.5)
Opening cash and cash equivalents	15.5	14.0	(1.5)
Closing cash and cash equivalents	17.7	11.8	(6.0)
Undrawn RCF at Closing	45.0	41.0	(4.0)
Total liquidity	62.7	52.8	(10.0)

- Adjusted free cash flow £2.7m higher than Q1 2024 primarily due to £3.7m increase in EBITDA
- FCF before development capex, acquisition and financing £0.6m higher than last year – mainly driven by increased EBITDA offset by timing on working capital
- Increase in development capex with £2.6m invested
- £22.0m of the £25.6m acquisition funded by shareholder equity injection
- £11.8m cash plus £41.0m RCF undrawn at 30th June 2024

Financial Highlights

Net Debt and Leverage



Ratio of net debt to pro forma Underlying Adjusted EBITDA

£m	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Gross Debt	255.0	255.0	257.0	256.0	259.0
Cash ⁽¹⁾	(15.2)	(11.5)	(13.6)	(11.7)	(9.4)
Secured net debt	239.8	243.5	243.4	244.3	249.6
IFRS16 Lease Liability	15.7	16.0	15.5	17.9	16.5
Net debt including IFRS 16 lease liability	255.4	259.6	258.9	262.2	266.1
Underlying adjusted EBITDA	36.7	34.9	36.5	40.0	43.6
Ratio of net debt to Underlying Adjusted EBITDA	7.0x	7.4x	7.1x	6.6x	6.1x
Pro forma EBITDA adjustments	0.0	0.0	0.0	0.0	3.2
Pro forma underlying adjusted EBITDA ⁽²⁾	36.7	34.9	36.5	40.0	46.8
Ratio of net debt to pro forma Underlying Adjusted EBITDA	7.0x	7.4x	7.1x	6.6x	5.7x

- Net debt inc. IFRS16 lease liability £10.7m higher than Q1 FY24
- Leverage decreased to 6.1x at close of Q1 FY25 primarily as a result of improvement in LTM EBITDA to £43.6m – an increase of £6.9m on Q1 FY24 and £3.6m on Q4 FY24
- Leverage on pro forma basis for the recent acquisition was 5.7x at Q1 FY25

Note:

1- Previously referred to as pro forma cash however pro forma adjustments are not relevant after Dec-22. Restricted cash is excluded from this balance

2- Pro forma Underlying Adjusted EBITDA reflects the annualised impact of pro-forma adjustments as if they had been fully implemented for the reported period

Property Summary



Open properties as at 30/06/2024

	Registered		Community		Daycare	30/06/2024 Total		31/03/2024 Total		DCA ⁽⁴⁾
	#	Capacity	#	Capacity	#	#	Capacity	#	Capacity	#
Freehold	241	1,854	29	113	1	271	1,967	263	1,899	6
Leasehold/Rental ⁽¹⁾	29	211	3	10	7	39	221	39	221	31
3rd Party Owned ⁽²⁾	3	9	269	1,157	0	272	1,166	274	1,175	4
Totals	273	2,074	301	1,280	8	582	3,354	576	3,295	41
Freehold NBV (£m) ⁽³⁾	315.6		10.6		1.2	327.4		318.9		

Comments

- 271 Freehold properties were held, 8 higher than 31st March 2024, this primarily relates to April acquisition of KDL investments Limited and its 3 subsidiaries
- 272 3rd party owned properties were operated, a decrease of 2 from 31st March 2024 due to our ongoing portfolio review
- Net book value of freehold properties totaled £327.4m, 3rd Party property valuation as at June 2021 was £436.0m
- 89.4% of registered capacity is freehold, whereas 8.8% of Community Based Care is freehold, in line with strategy

(1) Leasehold/Rental includes properties which are on a long term lease and properties on short term rental which have been obtained to support immediate commissioner requirements

(2) 3rd Party owned Supported Living properties are leased to a Registered Provider such as a Housing Association and then rented to the people we support. Rent and maintenance are usually covered by Housing Benefit claimed by the people we support

(3) Freehold Net Book Value is not separately shown under 'DCA' as the Freehold 'DCA' offices operate from Freehold 'Community' Properties. Freehold NBV represents the historic cost of the properties and comprises purchase price and subsequent additions, less depreciation and excludes assets held for sale and leasehold, encumbered and third party properties. The property portfolio has not been externally valued since June 2021

(4) Total Freehold capacity excludes DCAs which are already counted in community

Recent Developments and Outlook



- The Specialist Care sector provides an essential service in the UK and Voyage Care continues to be a leader in the sector. While the new government cycle has just begun, they remain supportive of this essential service in which we continue to be a leader, and our manifesto aligns with their ambitions
- Strong financial position and resilient operational performance
- Fee increase process for FYE 2025 ongoing with confidence that we can cover in year wage and cost inflation
- We continue to evaluate organic and inorganic growth investment opportunities in line with our strategy, and consistent with a prudent growth and financial policy. In June & July we opened 29 new beds
- Continued workforce investment and agency levels remain stable
- We continue to invest in our strategic capabilities and IT systems to drive growth, better quality and operational effectiveness

Q & A



Further questions can be addressed to: investorrelations@voyagecare.com

Also please visit our investor relations website: investors.voyagecare.com