

# Investor Presentation Quarterly Report – Q2 2018

29 November 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 three and six month periods ended 30 September 2017 (“Q2 2018”). All comparisons of financial and operating statistics are for the three and six month periods ended 30 September 2016 (“Q2 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

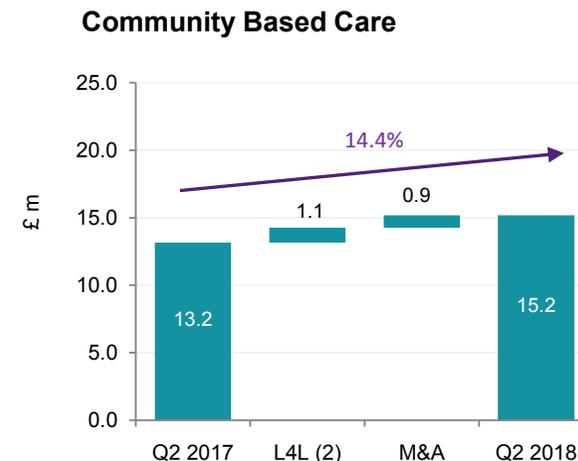
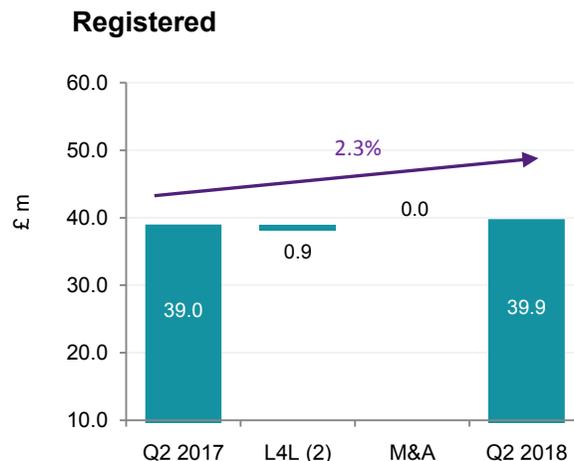
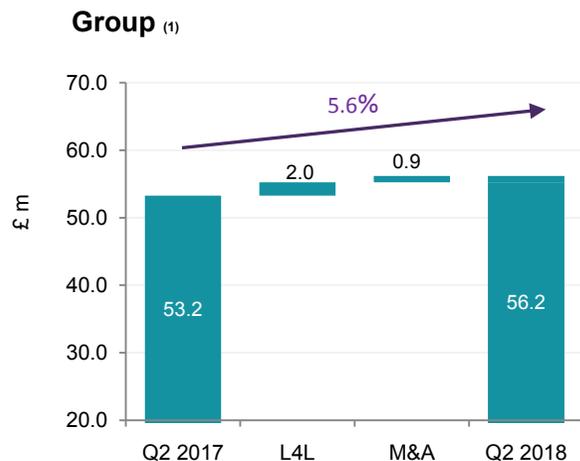
## Q2 2018 Highlights



- CQC quality scores remain very high, with 94.6% of services achieving a rating of Good or Outstanding (as at 30 September 2017)
- Good trading performance in testing operating conditions
- Revenue at £56.2m, up 5.6% vs. Q2 2017 (£53.2m), up 3.8% like for like
- EBITDA before non-underlying items at £8.9m, down 11.9% vs. Q2 2017 (£10.1m); primarily due to statutory pay increases and the incremental sleep-in cost impact
- Strong cash conversion at 78.6%
- Net debt at September 2017 is £252.0m; increase in net debt due to £17.0m RCF draw down to fund the purchase of Focused Healthcare (£28.0m of RCF liquidity still available)
- LTM EBITDA leverage is 6.81x

# Financial highlights

## Key Business Streams - Revenue



### Comments

- Revenue up + 5.6%, with like-for-like revenue up + 3.8%
- Revenue across our Registered Care homes is up by 2.3%, 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 14.4%, benefitting from tender wins and framework call-offs, de-registrations from Registered to Community Based Care and acquisition of Focused Healthcare

(1) Includes Day Care, not included in Registered / Community Based Care charts

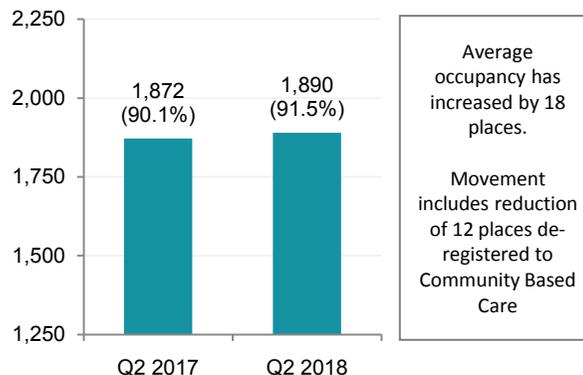
(2) L4L movements include the impact of services de-registering

# Financial highlights

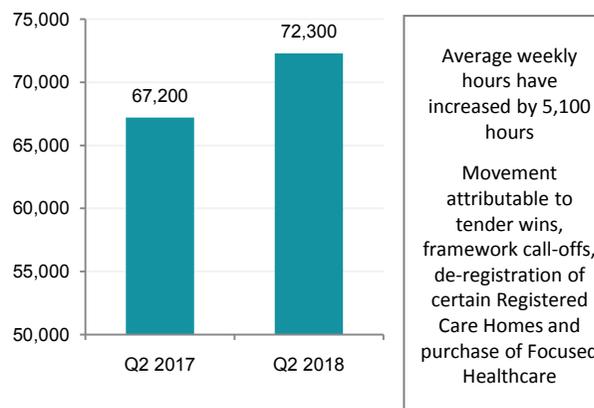
## Key Operating Metrics



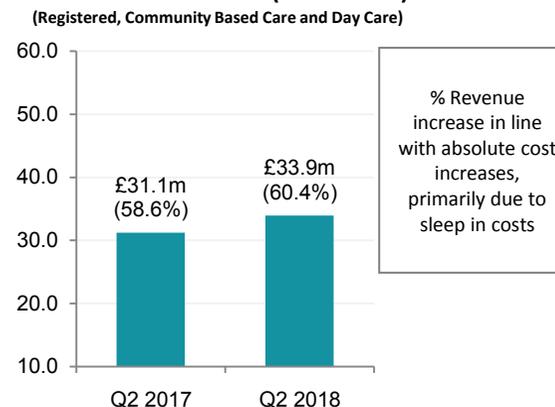
### Registered - Average Occupancy



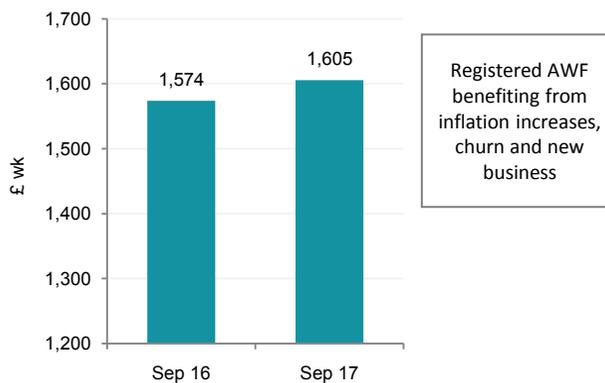
### Community Based Care - Average Weekly Hours



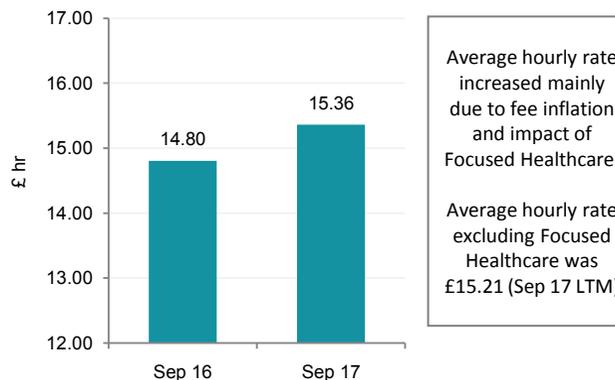
### Unit Level Staff Costs (% Revenue) <sup>(1)</sup>



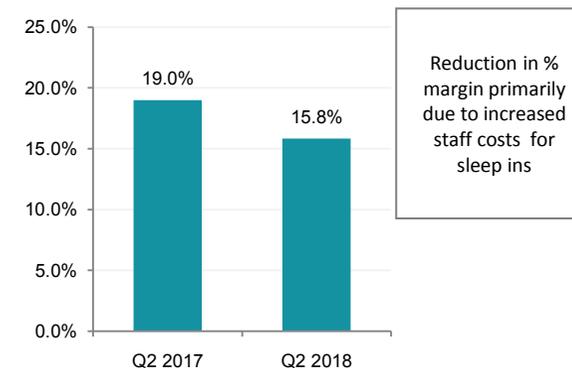
### Registered - Average Weekly Fees (LTM)



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



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



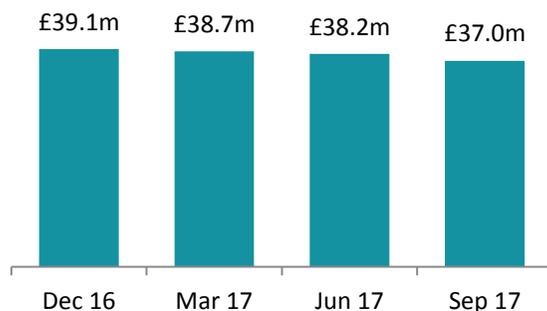
(1) Excludes agency costs

# Financial highlights

LTM Performance



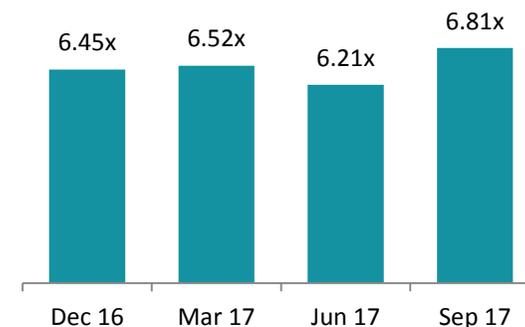
**LTM EBITDA before non-underlying items**  
(before pro-forma adjustments)



**Net Debt**



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



Gross	£272.0m	£272.0m	£250.0m	£267.0m
Cash *	(£19.4m)	(£19.6m)	(£12.7m)	(£15.0m)
OID	(£0.3m)	(£0.2m)	(£0.0m)	(£0.0m)
Net	£252.3m	£252.2m	£237.3m	£252.0m

## Comments

- LTM EBITDA (before non-underlying items) reduced by £1.2m to £37.0m in September 2017, primarily due to increases in staff costs as a result of the impact of Sleep in Accrual and maintaining wage differentials.
- September 2017 Net Debt is calculated as £267.0m Gross Debt, less £15.0m adjusted cash (£16.4m cash balance adjusted for £1.4m restricted balances)

\* Cash adjusted for restricted cash

# Financial highlights

## Cash Flow



£ million	Q2	
	2017	2018
EBITDA before non-underlying items	10.1	8.9
Maintenance capex	(2.1)	(1.9)
<b>Operating cash flow</b>	<b>8.0</b>	<b>7.0</b>
<i>Cash conversion %</i>	<i>79.2%</i>	<i>78.6%</i>
Non-underlying items	(0.4)	0.5
Working capital	(0.3)	(2.0)
Capital expenditure	(0.9)	(1.5)
Interest	(10.1)	(0.2)
Taxation	0.2	0.5
<b>FCF before acquisitions and financing</b>	<b>(3.6)</b>	<b>4.2</b>
Acquisitions	0.1	(18.4)
<b>FCF before financing</b>	<b>(3.5)</b>	<b>(14.2)</b>
Net cash flow used in financing activities	0.0	16.5
<b>Movement in cash for the period</b>	<b>(3.5)</b>	<b>2.4</b>
Opening cash and cash equivalents	21.9	14.0
<b>Closing cash and cash equivalents</b>	<b>18.4</b>	<b>16.4</b>

## Comments

- Maintenance capex excluding IT spend is £1.9m and 1.8% of revenue for Q2 2018, (Q2 2017: £2.1m and 3.9% respectively)
- Non-underlying items receipts in Q2 2018 relate to backdated VAT receipts on our Day Care business. Q2 2017 costs relate to restructuring costs
- Change in working capital primarily due to adverse movements in trade receivables (£2.3m)
- Capital expenditure increase due to 'expected' higher spend on developments in Q2 2018
- Interest decrease due to timing of interest payments post refinancing
- Acquisition is purchase of Focused Healthcare
- Financing activities primarily relates to the £17.0m RCF draw down to fund the acquisition of Focused Healthcare

# Outlook & Recent Developments

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- Lobbying
- Sleep-ins
- Fee negotiations
- Focused Healthcare
- Next update published 28 February 2018, conference call 28 February 2018 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](https://investors.voyagecare.com)