Investor Presentation
Quarterly Report – Q3 2022

01 March 2022

voyagecare

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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 31 December 2021 (“Q3 2022”). All comparisons of financial and operating statistics are for the 3 month period ended 31 December 2020 (“Q3 2021”), unless otherwise stated. Movements and percentages have been calculated using the underlying number to one decimal place of the number presented in this document.

Agenda

- Executive Summary
- Covid-19 Update
- Financial Highlights (Including Covid-19 Financial update)
- Property Summary
- Recent Developments and Outlook
- Q&A

Executive Summary

Q3 2022 Highlights

- Quality ratings maintained at a market leading level, with over 95% of services achieving a CQC rating of Good, Outstanding or equivalent
- The Group grew strongly, with revenue up 5.7% at £73.4m
- Both Registered occupancy and Community hours show continued growth year-on-year
- Fee increases offered for Q3 2022 YTD were 2.2%
- Underlying adjusted EBITDA also grew strongly, up 8.0% to £12.1m
- Voyage Care Group acquired by Wren House Infrastructure Management on 14th January 2022
- £215m SSNs and £35m SLNs refinanced with new £250m SSNs on 3rd February 2022
- Proforma Leverage as at 31st December 2021 of 5.01x
- Liquidity strong with proforma cash balance of £20.5m as at 31st December 2021 and new £50m RCF undrawn and available

Note: All comparators are against Q3 2021 unless stated otherwise
Adjusted EBITDA is stated before non-underlying items

Covid-19 Update

- Covid-19 continues to have an impact on operational performance which has been exacerbated by the Omicron variant including;
  - Reduced staff availability due to isolation
  - Increased agency usage to cover the reduced staff availability
  - Continuing prevalence of cancelled shifts

- Group continues to deal well with the pandemic and is keeping the people we support and our employees as safe as possible, working within Government and Regulator guidelines

- Vaccination as a condition of deployment (VCOD) in registered care homes impacted less than 1% of the total workforce. VCOD will now not be implemented for Community Care and there is a consultation regarding its potential removal for registered care homes

- PPE is and will continue to be provided to us free of charge by Government until March 2023 unless the guidance is removed sooner

- We continued to receive financial support and non-underlying costs in Q3 related to Covid-19 have been reimbursed through the Adult Social Care Infection Control and Testing Fund and the Adult Social Care Omicron Support Fund, the former which will continue to cover the period to the end of March 2022

- Revenue has increased in Q3 as we grew Registered Occupancy and Community hours compared to prior year, and secured fee increases

Financial Highlights

Q3 2021 vs. Q3 2022

£m	Quarter Q3 2021	Q3 2022	Growth
Revenue	**69.5**	**73.4**	**5.7%**
Unit Level Staff Costs	(46.4)	(45.4)	2.3%
Agency Costs	(0.8)	(3.7)	nm
Contribution	**22.3**	**24.4**	**9.5%**
Contribution %	*32.1%*	*33.2%*	*1.2%*
Direct Overheads [(1)]	(5.7)	(6.3)	(11.7%)
Unit EBITDA	**16.6**	**18.1**	**8.8%**
Unit EBITDA %	*23.9%*	*24.6%*	*0.7%*
Central Overheads	(5.4)	(6.0)	(10.4%)
Underlying adjusted EBITDA	**11.2**	**12.1**	**8.0%**
Underlying adjusted EBITDA %	*16.1%*	*16.5%*	*0.4%*

- Revenue increased by £3.9m, 5.7%
  - Driven by growth in Registered occupancy and Community hours, fee increases and fee rotation
  - Fee increases offered at 2.2% YTD
- Unit level Staff costs reduced by £1.0m, 2.3%
  - NLW/NMW and other pay rises c.£1.0m, with NLW increase at 2.2%
  - Offset by a shift towards agency
- Agency costs increased by £2.9m overall and represented 4.5% of direct care hours, higher than normal and caused by staffing pressures
- Direct Overheads and Central Overheads increased by £0.6m and £0.6m respectively due to increased activity following last year's Covid-19 impact
- Underlying adjusted EBITDA increased by £0.9m, 8.0%

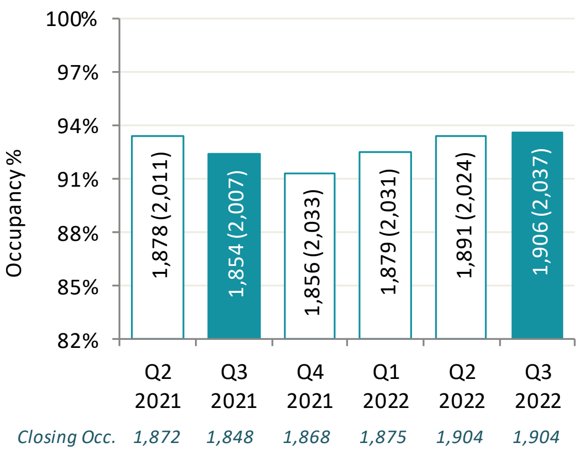
Note:

1. 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

Key Operating Metrics

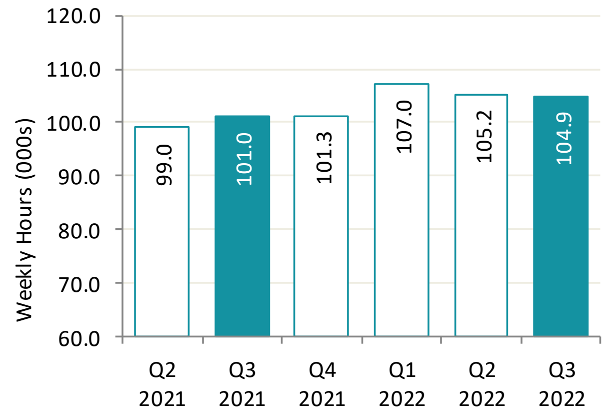
Registered - Average Occupancy (Capacity) % and #



Closing occupancy for the period was 93.5% and 1,904 people we support, which was 56 higher than prior year

Referral pipeline continues to be very strong

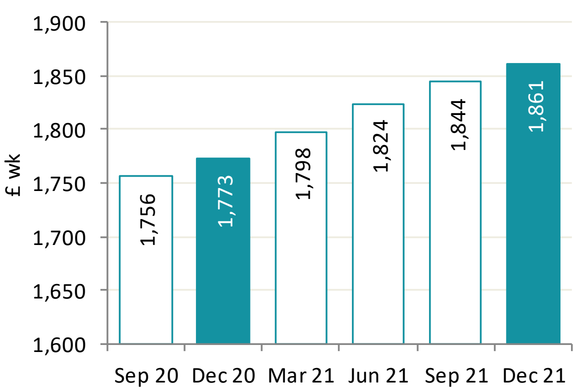
Community - Average Direct Care Hours (000s)



Average direct weekly care hours have increased by 3,900 hours compared to Q3 2021 due to tender wins and framework call-offs

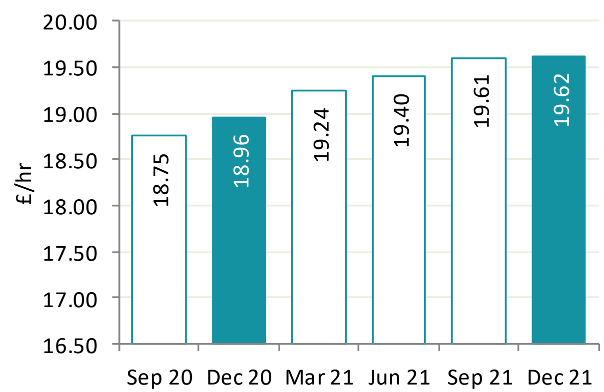
Hours reduced since Q1 with temporary reductions in hours due to pandemic related cancelled shifts and some tender losses

Registered - Average Weekly Fees (LTM)



Registered Average Weekly Fees benefited from a combination of fee increases and new placements won at a higher rate, which has driven the 5.0% growth since December 2020

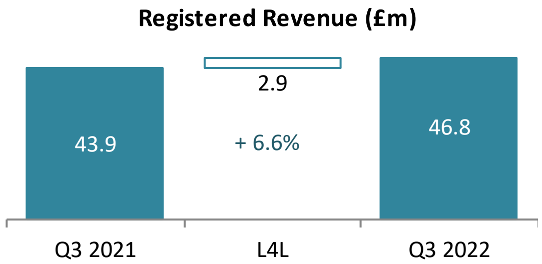
Community - Direct Care Revenue Per Hour (LTM)

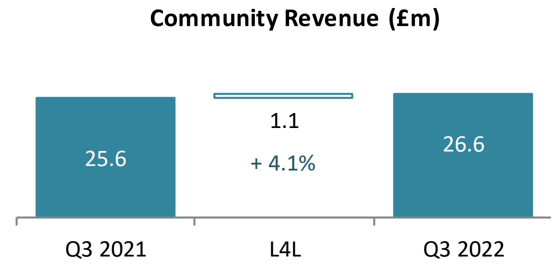


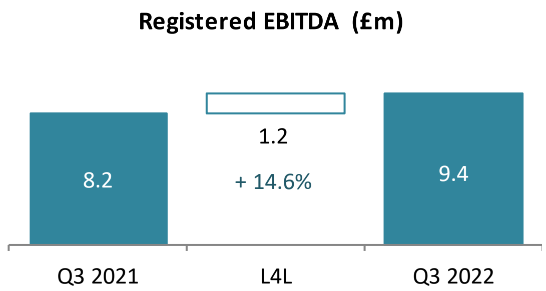
Direct care revenue per hour has increased by 3.5% since Q3 2021 primarily due to fee increases

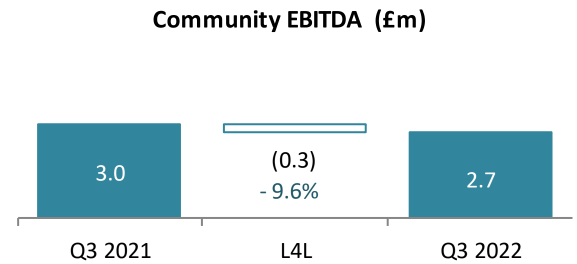
Financial Highlights

Segments









Registered

- Continuing growth in revenue and EBITDA
- EBITDA growth of 14.6% to £9.4m due mainly to fee increases and fee rotation, offsetting the NLW increase

Community

- Organic growth in community hours due to the impact of tender wins and framework call-offs together with recovery of hours as temporary Covid-19 impacts recede
- EBITDA impacted by the increased agency usage in Q3 due to reduced staffing availability

Covid-19 Financial Update

Non-Underlying Items due to Covid-19

£m	FYE 2021 12 months	YTD 2022 9 months
Non-Underlying items Covid-19 consist of:		
PPE/Infection Control	(4.3)	(0.2)
Staff Costs	(3.8)	(3.1)
Agency Costs	(0.6)	(0.2)
Total Covid-19 Costs	**(8.7)**	**(3.4)**
Reimbursement	7.5	2.5
Non-Underlying items Covid-19	**(1.3)**	**(0.9)**
Non Covid-19 related	(1.8)	(1.5)
Total Non-Underlying	**(3.0)**	**(2.4)**

- PPE continues to be supplied free from Government in England with period extending to March 2023
- Staff costs mainly include Statutory Sick Pay and top ups to full pay for self isolating staff
- Reimbursement of £2.5m of costs from Infection Control Fund and Rapid Testing funds

Financial Highlights

Cash Flow

£ million	Q3 2021	Q3 2022
Underlying adjusted EBITDA	11.2	12.1
Maintenance capex	(1.8)	(3.7)
IT capex	(0.7)	(0.5)
Adjusted free cash flow	**8.7**	**7.8**
Cash conversion %	*77.7%*	*64.9%*
Non-underlying items	(0.6)	(1.4)
Working capital	2.9	2.0
Interest	(8.1)	(8.2)
Taxation	(0.4)	(0.8)
FCF before dev. capex, acquisitions and financing	**2.4**	**(0.5)**
Development capex	(0.4)	(1.0)
Acquisition capex	(4.7)	0.0
Proceeds from sale	0.4	0.1
FCF before financing	**(2.3)**	**(1.3)**
Property and vehicle lease payments (IFRS16)	(0.9)	(0.8)
Net cash flow used in financing activities	0.0	0.0
Movement in cash for the period	**(3.1)**	**(2.1)**
Opening cash and cash equivalents	39.3	40.3
Closing cash and cash equivalents	**36.1**	**38.2**
Undrawn RCF at Closing	45.0	45.0
Total liquidity	**81.1**	**83.2**

- Adjusted free cash flow £0.9m lower than Q3 2021 with higher EBITDA being offset by maintenance capex catch up
- FCF before Development Capex, Acquisitions and Financing £2.9m lower than last year due to increase in non-underlying items and reduced working capital inflow
- Development pipeline healthy

On 3rd February 2022, existing revolving credit facility (RCF) was cancelled and replaced with new £50m RCF

Financial Highlights

Proforma Cash and Leverage

£ million	As at and for the twelve months ended 30-Sep-21	31-Dec-21
Underlying Adjusted EBITDA	48.7	48.4
Estimated full year impact of recent acquisitions	0.6	0.4
Estimated full year impact of new procurement system	0.3	0.3
Estimated full year impact of cost optimisations	0.3	0.2
Pro forma underlying adjusted EBITDA	**49.9**	**49.3**
Pro forma senior secured net debt:		
Senior secured notes	215.0	215.0
Second lien notes	35.0	35.0
Revolving credit facility	0.0	0.0
Gross debt	250.0	250.0
Pro forma cash	(22.6)	(20.5)
Pro forma secured net debt	**227.4**	**229.5**
IFRS 16 lease liability	17.6	17.4
Pro forma net debt including IFRS 16 lease liability	**245.0**	**246.9**
Ratio of pro forma secured net debt to pro forma Underlying Adjusted EBITDA	4.55x	4.66x
Ratio of pro forma net debt to pro forma Underlying Adjusted EBITDA	**4.91x**	**5.01x**

- Pro forma Underlying Adjusted EBITDA reflects the full year impact of adjustments as if they had been fully implemented at 1st October 2020 and 1st January 2021 respectively
- Pro forma cash includes the impact of cash used in connection with the acquisition by Wren House in Jan 2022 and used in refinancing the Bonds in Feb 2022.
- Pro forma Net Debt Leverage stable at c5.0x

Property Summary

Open properties as at 31/12/2021

	Registered		Community		Daycare	31/12/2021 Total		30/09/2021 Total		DCA(4)
	#	**Capacity**	**#**	**Capacity**	**#**	**#**	**Capacity**	**#**	**Capacity**	**#**
Freehold	232	1,812	26	97	1	259	1,909	259	1,909	6
Leasehold/Rental (1)	31	224	3	10	7	41	234	41	234	33
3rd Party Owned (2)	0	0	292	1,157	0	292	1,157	295	1,188	2
Totals	**263**	**2,036**	**321**	**1,264**	**8**	**592**	**3,300**	**595**	**3,331**	**41**
Freehold NBV (£m) (3)	**307.3**		**7.2**		**2.0**	**316.4**		**315.5**		

Comments

- At 31 December 2021, number of freehold properties held was 259, unchanged from 30th September 21
- 3rd Party Owned capacity reduced due to a tender loss
- Net book value of freehold properties totaled £316.4m, 3rd Party property valuation as at June 2021 was £436.0m
- 89.0% of registered capacity in freehold properties, whereas 7.7% of Community Based Care capacity in freehold properties, in line with our strategy to utilise 3rd party capital to drive organic growth in Supported Living

(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 excludes assets held for sale and leasehold, encumbered and third party properties.
(4) Total Freehold capacity excludes DCAs which are already counted in community

Recent Developments and Outlook

- The well-publicised tightening of the UK employment market means that recruitment and retention continues to be a key area of focus.

- We are seeing early signs of improved recruitment and retention as a result of our various initiatives, however Omicron continues to have a significant adverse impact with many staff members isolating

- Constructive fee increase discussions for FYE 2022 continuing with commissioners
  - We have seen some support from commissioners in regard to specific mid-year fee uplift requests to support response to local employment markets

- Fee increase discussions for FYE 2023 have commenced and early indications positive – we have included an increase in our requests to cover the expected Utilities increase in FYE 2023 along with other normal cost increases

- Free Government issued PPE to be available until March 2023, with an extension to Infection Control and Testing funding until March 2022

- Early signs of relaxation of Covid rules which should have positive impact on operations

- We see significant growth opportunities in both Registered and Supported Living
  - Organic Growth driven demographic trends
  - Increasing opportunities for sector consolidation

Q & A

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

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