

7 June 2018

Acquisition of Newhaven Funerals (North Queensland)

Propel Funeral Partners Limited (ASX: PFP) (**Propel**) is pleased to announce it has executed a conditional sale agreement to acquire the funeral business, crematorium and memorial gardens of Newhaven Funerals Pty Ltd (**Vendor**) in North Queensland (**Newhaven North Queensland**) for approximately \$4.1 million¹.

Newhaven North Queensland operates from two locations in Mackay and Cannonvale and it conducts approximately 200 funerals and over 300 cremations per annum. As part of the proposed transaction, Propel will acquire a circa 8 acre property in Mackay on which there is a crematorium, chapel and memorial gardens. It will lease the property in Cannonvale. The Vendor will continue to own and operate its funeral and crematoria operations in South East Queensland, and Propel will have a licence to use the "Newhaven Funerals" brand in North Queensland. In FY17, Newhaven North Queensland generated revenue of approximately \$1.75 million.

Subject to satisfaction (or waiver) of customary conditions such as consents to the assignment of key contracts and confirmatory due diligence, the proposed acquisition is expected to complete in Q1 of FY19.

Propel's Managing Director, Albin Kurti, said "This is Propel's fourth acquisition announcement in FY18 and the third since the IPO in November last year. Propel currently has no operations in Mackay, the Whitsundays or their surrounding areas, so the proposed acquisition will expand our geographic footprint in Queensland."

The founder of Newhaven Funerals, Phil Connolly, said "I've been thinking carefully about how best to position the business in North Queensland for continued growth and it's a decision I haven't taken lightly. Over the last few months, I've spent time getting to know the Propel team. I admire their approach and style and I'm pleased that our staff will be joining a supportive and growing funeral operator".

"We look forward to welcoming the staff at Newhaven North Queensland to Propel", Mr Kurti added.

The proposed acquisition, which Propel intends to fund from its cash reserves, is expected to be earnings accretive in year one.

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¹ Including \$0.3 million of deferred cash consideration payable if certain financial milestones are achieved during a 3 year period and excluding completion adjustments and transaction costs.

ASX ANNOUNCEMENT



About Propel:

Propel is listed on the Australian Stock Exchange and is the second largest provider of death care services in Australia and New Zealand. Propel currently operates from 103 locations, including 23 crematoria and 7 cemeteries.

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Important notice:

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