



Propel Funeral Partners Limited

ABN 41 616 909 310

**Appendix 4E – Preliminary Final Report
For the year ended 30 June 2020**

Lodged with Australian Securities Exchange under Listing Rule 4.2A

Results for announcement to the market

This Appendix 4E is to be read in conjunction with the Annual Report of Propel Funeral Partners Limited for the year ended 30 June 2020 and any public announcements made during the year in accordance with the continuous disclosure requirements of the Corporations Act and ASX Listing Rules.

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1. Company details

Name of entity:	Propel Funeral Partners Limited
ABN:	41 616 909 310
Reporting period:	For the year ended 30 June 2020
Previous period:	For the year ended 30 June 2019

2. Results for announcement to the market

The Group (as defined below) adopted Accounting Standard AASB 16 'Leases' ('AASB 16') on 1 July 2019 using the modified retrospective approach and as such, the prior year comparatives have not been restated.

			\$'000
Revenues from ordinary activities	up	16.5% to	110,845
Operating net profit after tax ('Operating NPAT') (refer below)	up	6.5% to	14,180
Profit from ordinary activities after tax attributable to the shareholders of Propel Funeral Partners Limited	down	13.9% to	10,624
Net profit after tax for the year attributable to the shareholders of Propel Funeral Partners Limited ('Company')	down	13.9% to	10,624

Dividends

	Amount per security cents	Franked amount per security %
Final dividend - 2019 financial year	5.8	100%
Interim dividend - 2020 financial year	4.0	100%

Comments

The statutory profit for the Company (and its subsidiaries) ('Group') after providing for income tax, for the year ended 30 June 2020 ('FY20'), amounted to \$10,624,000 (30 June 2019: statutory profit of \$12,340,000).

The Group's operations were impacted by government imposed restrictions on funeral attendance in Australia and New Zealand in the final quarter of FY20 as a result of the COVID-19 pandemic. Despite challenging trading conditions, the Group's financial performance was resilient in FY20.

In connection with AASB 16, the Group had right-of-use assets of \$39,120,000 and lease liabilities of \$40,578,000 recognised in the consolidated statement of financial position as at 30 June 2020. In respect of the consolidated statement of profit or loss for the period, occupancy and other lease expenses have been replaced with depreciation charges relating to the right-of-use assets and interest charges relating to the lease liabilities. This has resulted in the Group's net profit after tax reducing by \$253,000 in the year ended 30 June 2020. Further details on the impact of AASB 16 are set out in the Annual Report.

Operating NPAT is a financial measure which is not prescribed by the Australian Accounting Standards ('AASBs') and represents the profit under AASBs adjusted for specific items, including the performance fee and certain non-operating items, such as acquisition costs. The directors consider Operating NPAT to be one of the core earnings measures of the Group.

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The following table summarises key reconciling items between statutory profit after tax attributable to the shareholders of the Company, and Operating NPAT:

	Consolidated	
	2020	2019
	\$'000	\$'000
Net profit after income tax	10,624	12,340
Add: Acquisition costs	1,615	1,556
Add: Performance fee	4,077	-
Add: Net foreign exchange losses	22	17
Add: Other non-operating expenses	341	301
Add/(Less): Net loss/(gain) on disposal of assets	80	(20)
Less: Tax effect of certain Operating NPAT adjustments	(1,447)	(182)
Less: New Zealand deferred tax liability restatement	(1,132)	-
Less: Release of contingent consideration from prior acquisitions	-	(699)
	<u>14,180</u>	<u>13,313</u>
Operating NPAT	<u>14,180</u>	<u>13,313</u>

Refer to the Annual Report and the Investor Presentation released to the market concurrently with this Appendix 4E Preliminary Final Report for detailed explanation and commentary on the results.

3. Net tangible assets

	Consolidated	
	2020	2019
	\$'000	\$'000
Net assets	181,941	182,476
Less: Deferred tax assets	(3,607)	(2,717)
Add: Deferred tax liabilities	8,069	6,990
Less: Goodwill	(123,230)	(106,437)
	<u>63,173</u>	<u>80,312</u>
Net tangible assets	<u>63,173</u>	<u>80,312</u>

	Consolidated	
	2020	2019
	Reporting period cents	Previous period cents
Number of ordinary shares on issue	98,735,427	98,507,917
	<u>63.98</u>	<u>81.53</u>
Net tangible assets per ordinary security	<u>63.98</u>	<u>81.53</u>

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4. Dividends

	Amount per security	Franked amount per security %	Total \$'000	Date of payment
Year ended 30 June 2020				
Interim dividend – 2020 financial year	4.0	100%	3,949	6 April 2020
Final dividend – 2019 financial year	5.8	100%	<u>5,713</u>	4 October 2019
Total			<u>9,662</u>	
Year ended 30 June 2019				
Interim dividend – 2019 financial year	5.7	100%	5,595	5 April 2019
Final dividend – 2018 financial year	6.4	100%	<u>6,282</u>	5 October 2018
Total			<u>11,877</u>	
Dividend not recognised at year end				
Final dividend – 2020 financial year	6.0	100%	<u>5,924</u>	1 October 2020

5. Dividend reinvestment plans

Not applicable.

6. Acquisition or disposals of controlled entities, businesses or assets

Refer to note 29 to the financial statements for further details.

7. Details of any associates and joint venture entities required to be disclosed

Not applicable.

8. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

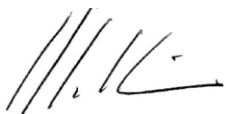
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9. Attachments

Details of attachments (if any):

The Annual Report of Propel Funeral Partners Limited for the year ended 30 June 2020 has been released to the ASX at the same time as this Appendix 4E.

10. Signed



Brian Scullin
Chairman

25 August 2020



Albin Kurti
Managing Director