

Propel Funeral Partners Limited

ABN 41 616 909 310

Appendix 4E – Preliminary Final Report
For the year ended 30 June 2022

1. Company details

Name of entity:	Propel Funeral Partners Limited
ABN:	41 616 909 310
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	20.6% to	145,245
Operating net profit after tax ('Operating NPAT') (refer below)	up	13.8% to	17,362
Loss from ordinary activities after tax attributable to the shareholders of Propel Funeral Partners Limited	>	(100.0)% to	(318)
Loss for the year attributable to the shareholders of Propel Funeral Partners Limited ('Propel' or 'the Company')	>	(100.0)% to	(318)

Dividends

	Amount per security cents	Franked amount per security %
Interim dividend – 2022 financial year	6.00	100%
Final dividend – 2021 financial year	5.75	100%

Comments

The statutory loss for the Company (and its subsidiaries) ('Group') after providing for income tax, for the year ended 30 June 2022 ('FY22'), amounted to \$318,000 (30 June 2021: profit of \$14,443,000).

The FY22 financial results were impacted by:

- one-off costs associated with the internalisation of the key senior management functions of the Company, including:
 - a termination fee of \$15,000,000 (settled 50% in cash and 50% in Propel shares) which was paid to Propel Investments Pty Limited (ACN: 117 536 357) ('former Manager');
 - a share based payment revaluation expense of \$5,407,000 relating to a modification of the voluntary escrow arrangements in connection with 14.7 million escrowed shares;
 - a non-cash fair value adjustment expense relating to the termination shares of \$969,000; and
 - transaction costs;
- COVID-19 related lock downs in parts of Australia and New Zealand in the first half of FY22;

partially offset by:

- a material increase in death volumes; and
- part period contributions from six acquisitions completed during FY22 and the full period contributions from three acquisitions completed during the prior year.

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

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

	Consolidated	
	2022	2021
	\$'000	\$'000
Net (loss)/profit after income tax	(318)	14,443
Add: Termination fee	15,000	-
Add: Share based payment revaluation expense	5,407	-
Add: Fair value adjustment on termination shares	969	-
Add: Acquisition and transaction costs	1,485	860
Add: Net other income and expenses	111	293
(Less)/add: Net (gain)loss on disposal of assets	(125)	154
Add/(less): Net foreign exchange loss/(gain)	17	(25)
Less: New Zealand deferred tax liability restatement	-	(123)
Less: Tax effect of certain Operating NPAT adjustments	(5,184)	(345)
	<u>17,362</u>	<u>15,257</u>
Operating NPAT	<u>17,362</u>	<u>15,257</u>

Refer to the 2022 Annual Report and the FY22 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	
	2022	2021
	\$'000	\$'000
Net assets	248,763	186,912
Less: Deferred tax assets	(8,321)	(3,470)
Add: Deferred tax liabilities	9,423	8,716
Less: Goodwill	(141,765)	(131,687)
	<u>108,100</u>	<u>60,471</u>
Net tangible assets	<u>108,100</u>	<u>60,471</u>

	Consolidated	
	2022	2021
	Reporting period cents	Previous period cents
Number of ordinary shares on issue	117,895,750	99,946,016
	<u>91.69</u>	<u>60.50</u>
Net tangible assets per ordinary security	<u>91.69</u>	<u>60.50</u>

4. Dividends

	Amount per security cents	Franked amount per security %	Total \$'000	Date of payment
Year ended 30 June 2022				
Interim dividend – 2022 financial year	6.00	100%	7,074	7 April 2022
Final dividend – 2021 financial year	5.75	100%	5,880	5 October 2021
Total			<u>12,954</u>	
Year ended 30 June 2021				
Interim dividend – 2021 financial year	6.00	100%	5,997	9 April 2021
Final dividend – 2020 financial year	6.00	100%	5,924	1 October 2020
Total			<u>11,921</u>	
Dividend not recognised at year end				
Final dividend – 2022 financial year	6.25	100%	7,368	4 October 2022

5. Dividend reinvestment plans

Not applicable.

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

Refer to note 28 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 unmodified opinion has been issued.

9. Attachments

Details of attachments (if any):

The 2022 Annual Report of Propel Funeral Partners Limited is attached.

10. Signed



Brian Scullin
Chairman
24 August 2022



Albin Kurti
Managing Director