

ASX ANNOUNCEMENT

25 November 2022

2022 Annual General Meeting

Attached are the addresses and accompanying presentation to be delivered by the Chairman and Managing Director of Propel Funeral Partners Limited (**Company**) at the Company's 2022 Annual General Meeting (**AGM**) commencing today at 9.30am (Sydney time).

Please note that slide 22 of the presentation includes commentary on Q1 FY23 trading and general comments regarding the Company's outlook.

-END-

About Propel:

Propel is listed on the Australian Securities Exchange and is the second largest private provider of death care services in Australia and New Zealand. Propel currently operates from 149 locations, including 34 cremation facilities and 9 cemeteries.

For further information, please contact:

Lilli Gladstone
Chief Financial Officer
+ 612 8514 8644

Authority to release:

This document has been authorised for release by the Company's board of directors.

Important notice:

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements. Forward-looking statements, including projections or guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Propel). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.

An hourglass is positioned on the left side of the image. The top bulb is filled with a dark blue liquid, and the bottom bulb is filled with a bright orange liquid. The narrow neck of the hourglass is in the center, where the two liquids meet.

2022 Annual General Meeting

25 November 2022

PFP | PROPEL
FUNERAL
PARTNERS



1. The Chairman's introduction

BRIAN SCULLIN

Independent Chairman &
Non-Executive Director

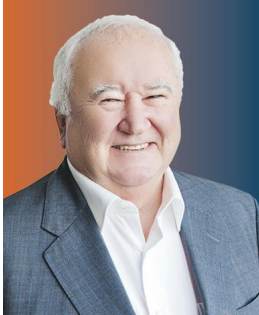


“Propel is focussed on a clearly defined growth strategy to acquire social infrastructure and assets which operate within the death care industry in Australia and New Zealand.”



Your board

Focused on delivering for stakeholders



Brian Scullin

Independent Chairman and Non-Executive Director (NED)

- Chair of Macquarie Point Development Corporation
- Former Chair of Spark Infrastructure Limited, BTIM (Pental) Hastings Funds Management, Tasmanian Development Board and OAK Possability
- Former NED of Dexus Property Group, Tasplan Super and State Super Financial Services
- Former senior executive with Bankers Trust and Deutsche Asset Management (AM) in Australia and Asia



Naomi Edwards

Independent NED and Chair of the Remuneration & Nomination Committee

- Chair of Spirit Super and Accurium
- NED of Australian Institute of Company Directors, Tasmanian Economic Development Board and Yarra Investment Management
- Former Deloitte Partner and NED of Australian Ethical Investments, Hunter Hall Limited and Nikko AM
- Vice President of the Actuaries Institute
- Fellow of the Institute of Actuaries (London) and Fellow of the Australian Institute of Actuaries



Peter Dowding

Independent NED

- Co-founder of Propel and co-founder of Propel Investments
- 30 years of investment experience with Deutsche Asset Management, State Super Investment Management Corporation and Propel Investments
- Chair of the Children's Tumour Foundation of Australia
- Former NED and Chair of the Audit and Risk Committee of the Clinical Oncology Society of Australia



Jennifer Lang

Independent NED and Chair of the Audit & Risk Committee

- NED, Chair of the Audit Committee and a member of the Risk & Remuneration Committees of Pacific Life Re, Australia
- NED and Chair of the Audit and Risk Committee of Bicycle Network
- NED of Auto & General Insurance Company Limited and Medical Insurance Australia
- Former board member of the Institute of Actuaries of Australia
- Previously the CFO and Chief Actuary of CommInsure
- Actuary of the Year in 2020



Fraser Henderson

Executive Director – Head of M&A and General Counsel/Company Secretary

- Co-founder of Propel who leads the Company's acquisition activities and is on the board of each operating subsidiary
- Former Minter Ellison Partner with M&A experience in London, Singapore and Sydney



Albin Kurti

Managing Director








- Co-founder of Propel who leads the business and is chair of each operating subsidiary
- Former executive with Deutsche AM and Arthur Andersen
- Co-led the MBO of the private capital division of Deutsche Bank

Agenda

1. The Chairman's introduction
2. Presentation from the Managing Director
3. Formal business and resolutions
4. Shareholder questions

Proxies received prior to the cut-off time

A total of 150 valid proxy forms were received, and respective shareholdings were accumulated and are summarised below:

	Resolution	For	Open	Against	Abstain
	2	37,095,844	1,469,786	254,375	2,213,447
	3	59,261,573	1,480,674	16,453	34,832
	4	59,281,418	1,480,674	23,953	7,487
	5	57,271,320	1,480,674	25,278	2,016,260
	6	58,749,302	1,469,786	532,518	41,926
	7	58,749,302	1,469,786	481,258	93,186
	8	59,294,120	1,484,057	258	15,097

The Chairman's introduction

1. Continued growth and resilience in FY22

2. Dividends:

- 12.25 cents per share fully franked in connection with FY22
- 51.9 cents per share fully franked since IPO

3. Completion of Management Internalisation:

- overwhelming shareholder support
- positive market response

4. Strong funding position to support growth initiatives, including acquisitions:

- senior debt facilities expanded to \$200 million and maturity extended
- successful ~\$64 million equity raising from existing and new shareholders

5. Clearly defined strategy underpinned by:

- the growing and ageing population
- industry fragmentation

6. Board renewal



2. Presentation from the Managing Director

ALBIN KURTI

Managing Director



“FY22 was another record year for Propel, which continued its track record of delivering revenue and earnings growth despite COVID-19 impacts.”



Key Highlights

1 TRADING¹

Revenue

\$145.2m

^ 20.6%

Funeral Volumes

16,537

^ 18.8%

Average Revenue Per Funeral

\$6,038

^ 2.0% (up 4.9% on the pre-COVID period²)

2 EARNINGS¹

Pro forma³ Operating EBITDA

\$39.0m

^ 25.2%

Pro forma³ Operating NPAT

\$16.9m

^ 45.0%

Cash Flow Conversion

100.2%

✓ 160bps

3 CAPITAL MANAGEMENT^{1,4}

Dividend

12.25cps

FY21: 11.75cps

Gearing Ratio

13.9%

Funding Capacity⁵

\$140.6m

4 GROWTH⁴

Locations

144

^ 8

Acquisitions⁶

\$155.5m

committed since IPO

Expansion

SA, VIC, WA and NZ

5 OUTLOOK

Expecting to benefit from:

- favourable demographics in Australia and NZ
- a strong funding position
- acquisitions completed to date and other potential future acquisitions in a highly fragmented industry

¹ Movements shown above relate to movements between FY22 and FY21, unless otherwise stated

² 1 July 2019 to 31 March 2020

³ Statutory results excluding one-off items relating to the Management Internalisation (refer to slide 34) and government subsidies and including the recurring impacts of the Management Internalisation, as if it had occurred on 1 July 2020

⁴ As at 30 June 2022 for Gearing Ratio, Locations (movement from 30 June 2021) and Expansion

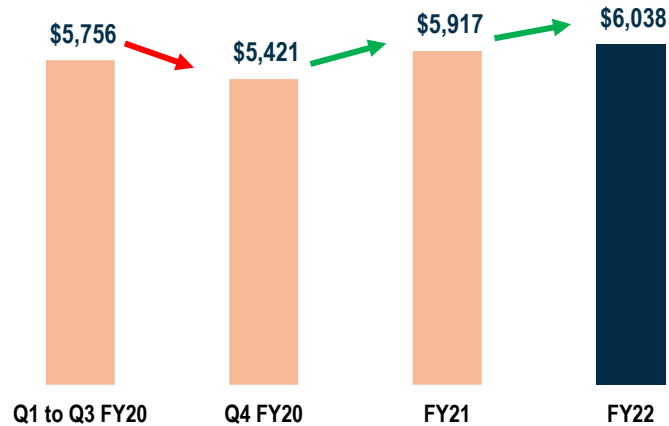
⁵ As at 30 September 2022. Refer to slide 21

⁶ As at 30 September 2022. Refer to slide 20

COVID-19 Impacts

Average Revenue Per Funeral and comparable funeral volume growth accelerated in 2H FY22

1 Average Revenue Per Funeral



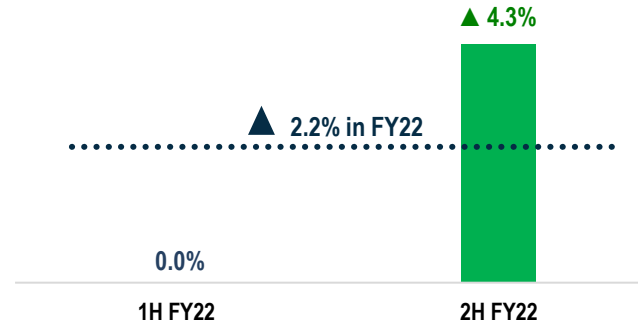
Average Revenue Per Funeral in FY22 was \$6,038:

- up 2.0% on the prior year
- up 4.9% on the pre-COVID-19 period¹

COVID-19 impacts were primarily felt in 1H FY22 but were less severe than during the initial wave of the pandemic in Q4 FY20

Average Revenue Per Funeral has generally rebounded quickly, as restrictions eased

Comparable Average Revenue Per Funeral (growth on the PCP)



During 1H FY22, extended lock downs and strict funeral attendee limits in parts of Australia and NZ² contributed to:

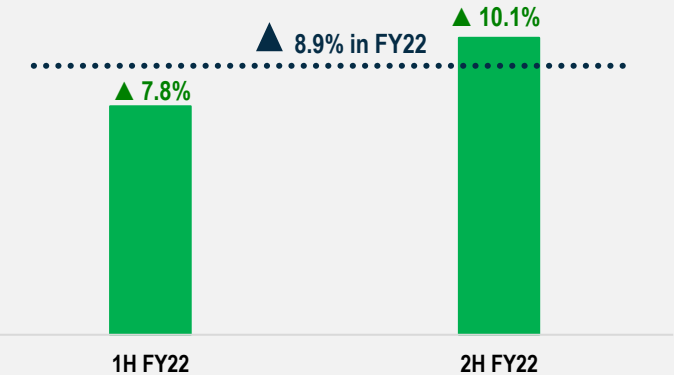
- a higher mix of lower value funerals
- comparable Average Revenue Per Funeral growth³ being in line with the PCP

During 2H FY22, there were no extended lockdowns or strict funeral attendee limits in Australia and NZ which contributed to:

- a higher mix of full service funerals
- comparable Average Revenue Per Funeral growth³ of 4.3%

2 Funeral Volumes

Comparable Funeral Volumes (growth on the PCP)



Propel performed 16,537 funerals in FY22, an increase of 18.8% on the prior year

In most markets in which the Company operates, death volumes increased materially in FY22, with Propel experiencing comparable funeral volume growth³ of:

- 8.9% in FY22 (FY21: decline of 3.5%)
- 7.8% in 1H FY22, which accelerated to 10.1% in 2H FY22

¹ 1 July 2019 to 31 March 2020

² For example, funeral attendance in greater Auckland was initially prohibited and subsequently limited to 10 attendees for ~3 months during 1H FY22, with similar restrictions applying in parts of Australia

³ On the relevant PCP

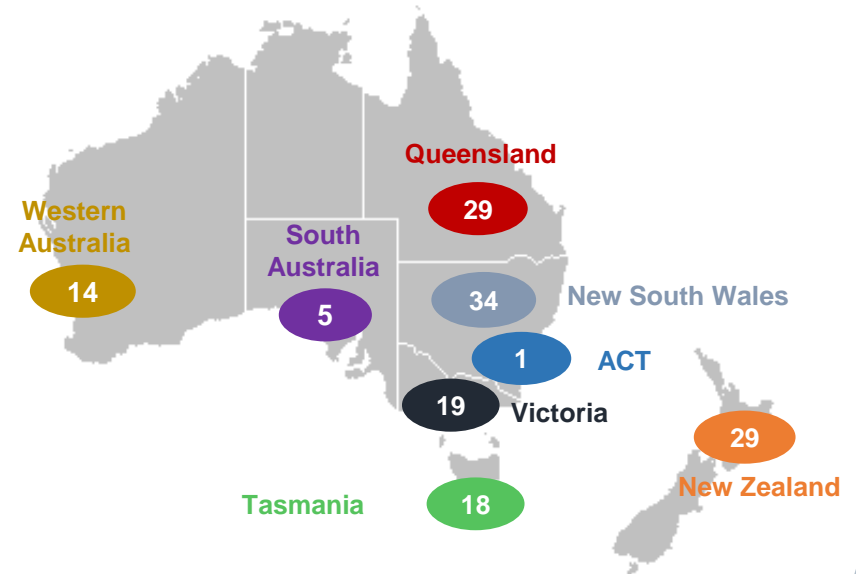
Geographic Presence

149 operating locations (82 owned / 67 leased), including 34 cremation facilities and 9 cemeteries

1 August 2013



2 November 2022

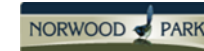


Geographic footprint is difficult to replicate, with funeral homes dating back to the late 1800s and early 1900s

Brand Portfolio

Diversified single and multi-site brands with strong local community awareness

Australia



NZ

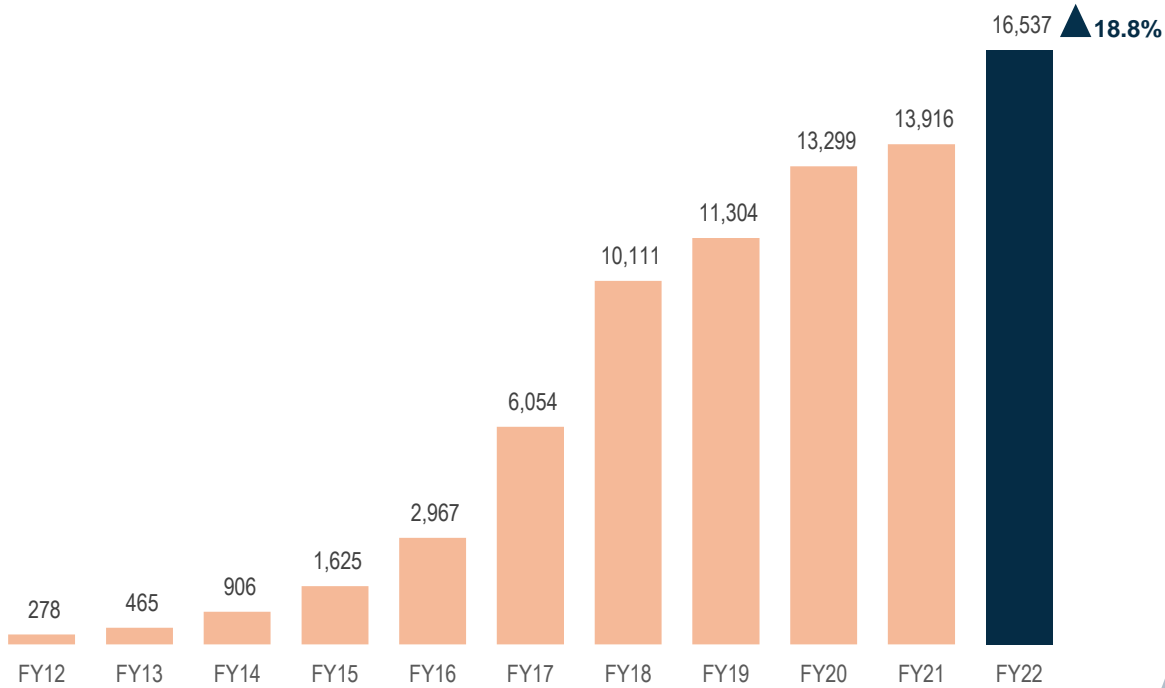


Acquisitions completed during and since FY22

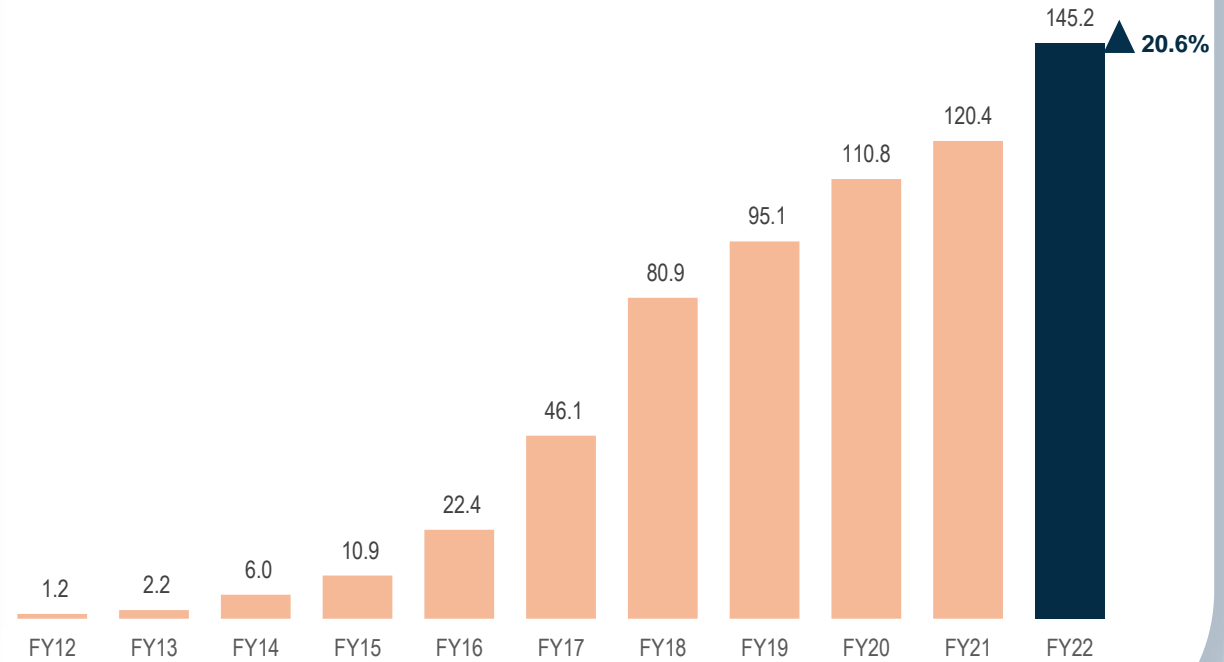
Volume and Revenue Growth

Propel has maintained a strong growth trajectory despite COVID-19 impacts

1 Funeral volumes



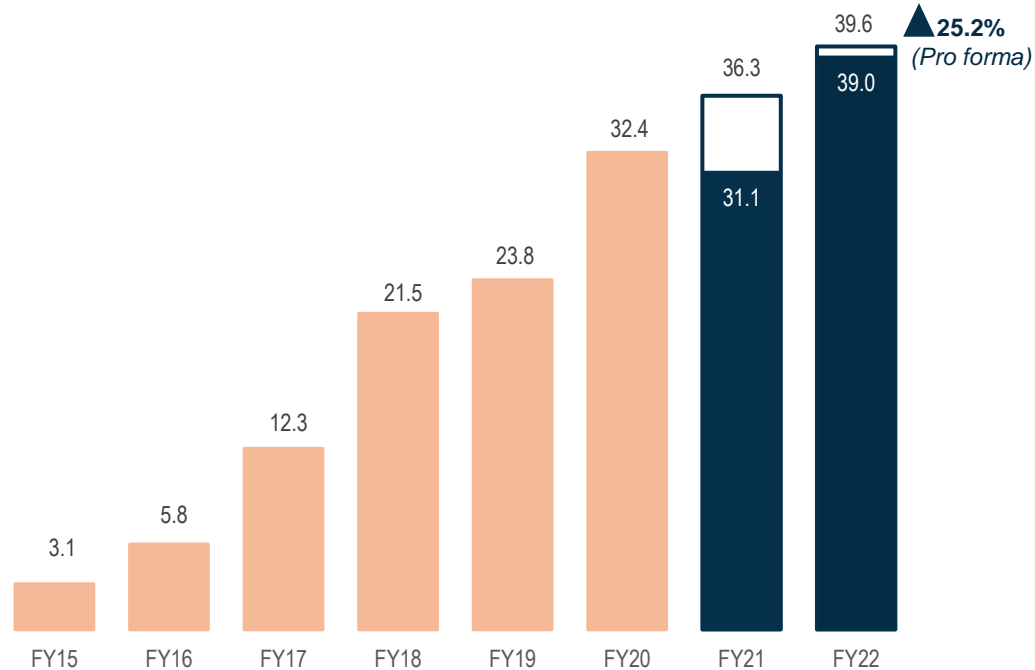
2 Revenue (\$m)



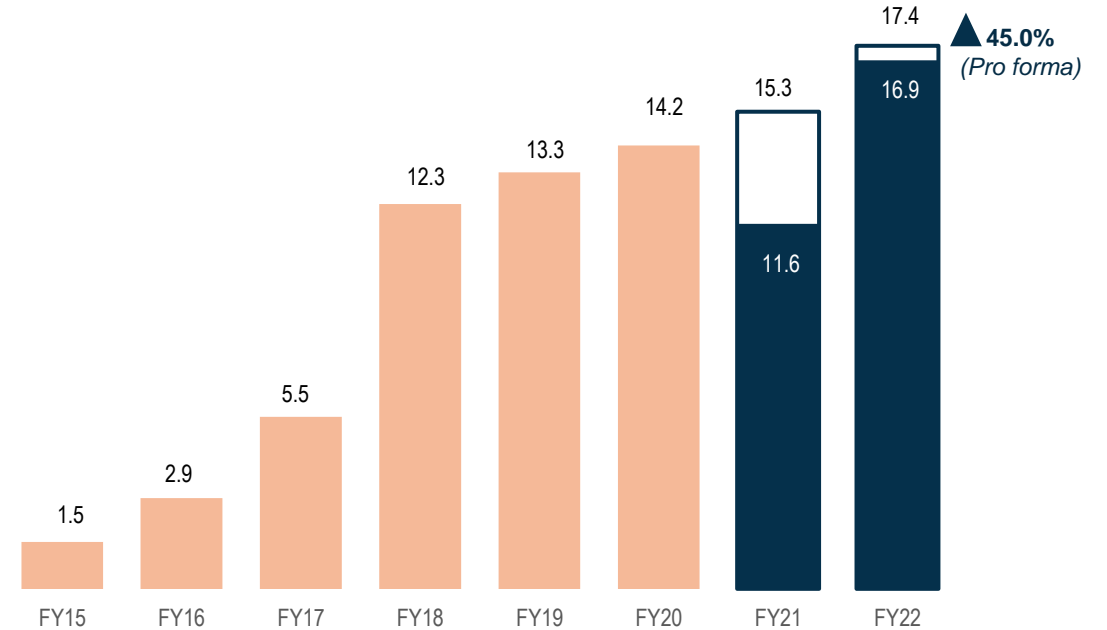
Earnings Growth

Propel has maintained a strong growth trajectory despite COVID-19 impacts

1 Operating EBITDA (\$m)



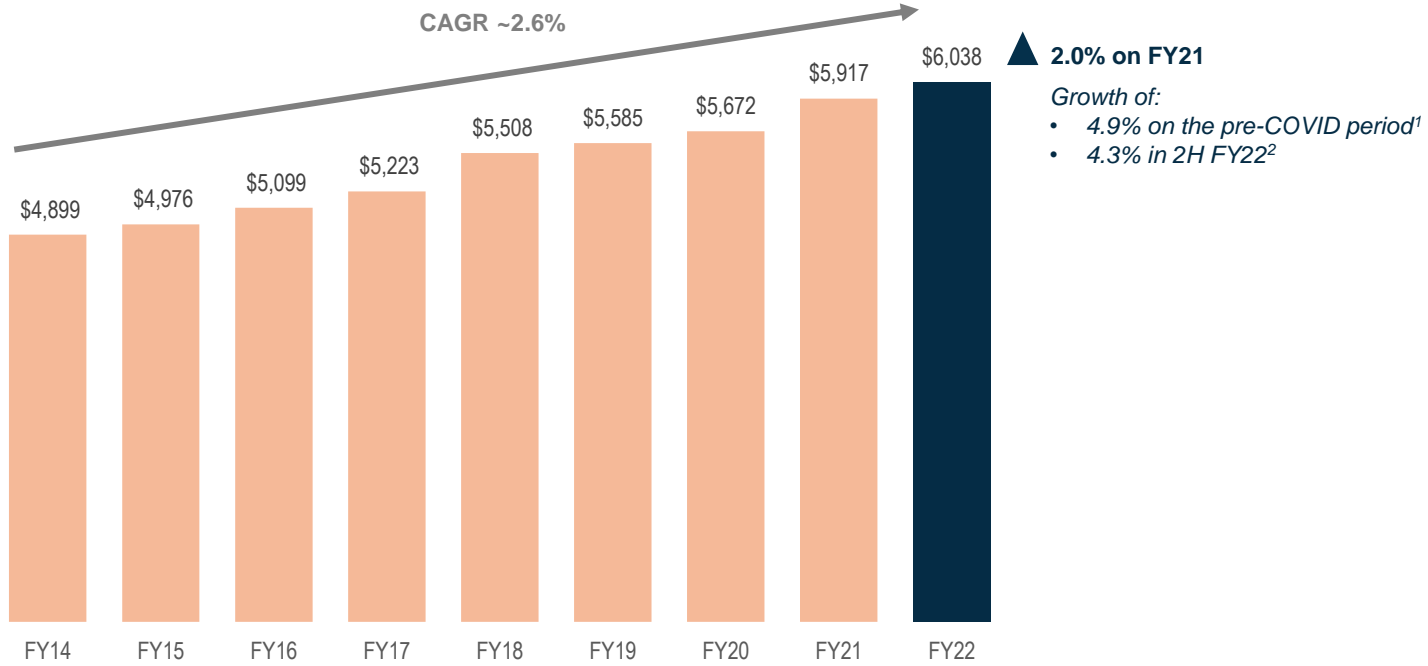
2 Operating NPAT (\$m)



Pro forma Statutory

Average Revenue Per Funeral Growth

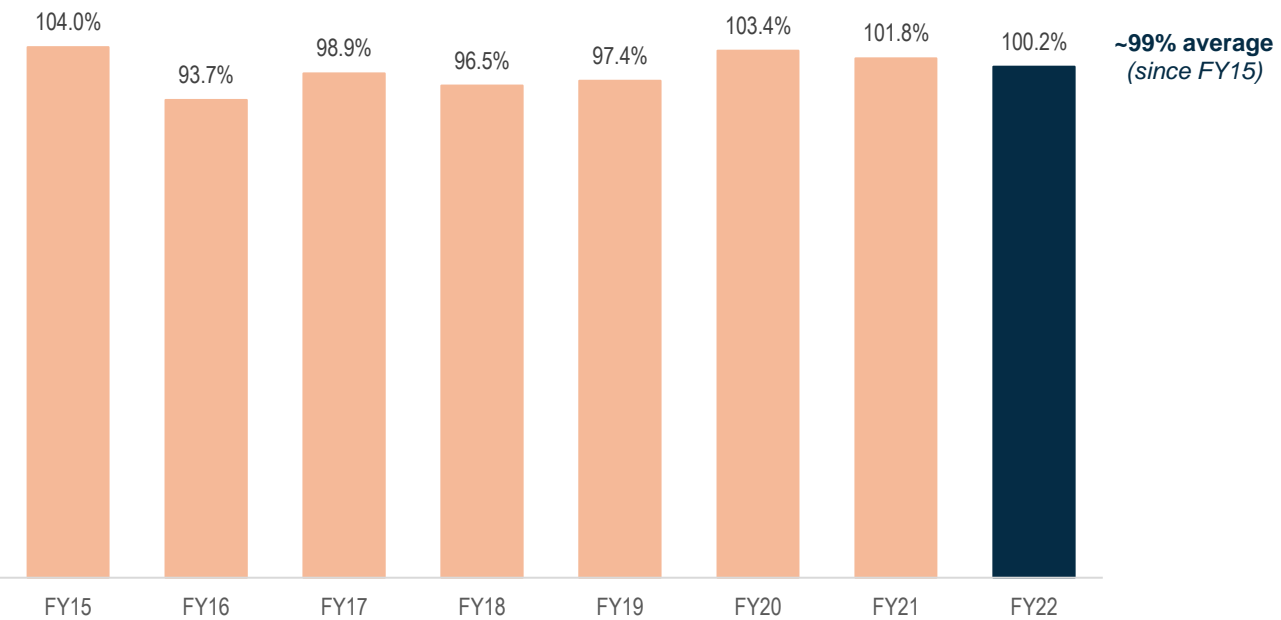
Compound annual growth rate (CAGR) of ~2.6% since FY14



¹ 1 July 2019 to 31 March 2020
² Comparable Average Revenue Per Funeral growth on the PCP

Cash Flow Conversion

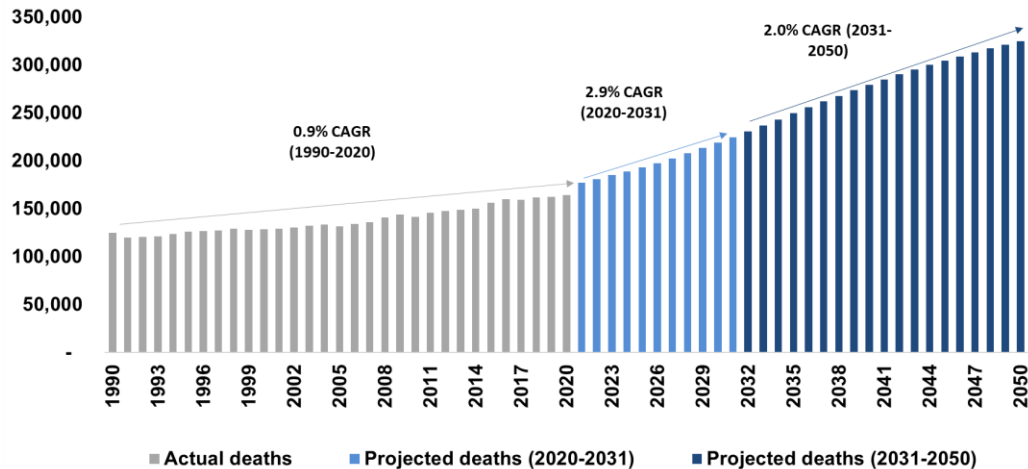
Consistently strong and has averaged ~99% since FY15



Increasing Number of Deaths

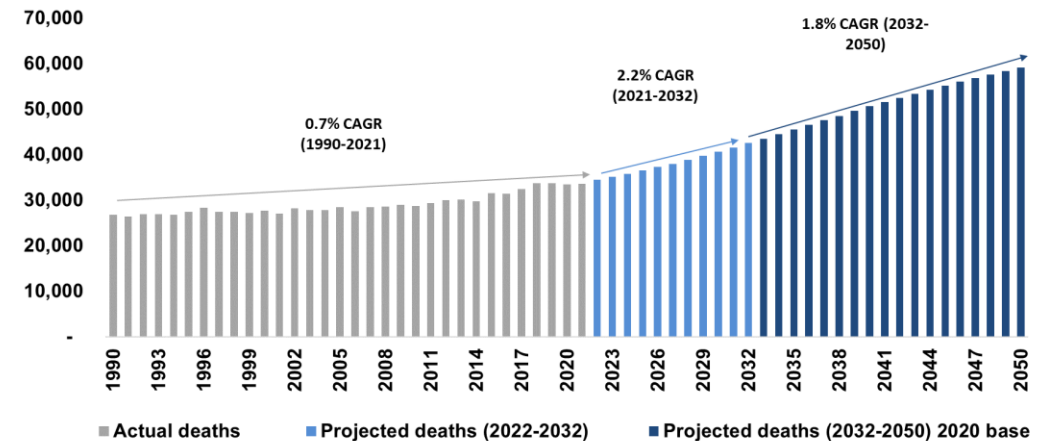
Number of deaths is the most significant driver of revenue in the death care industry

1 Australia



- Death volumes in Australia grew by 0.9% pa between 1990 and 2020¹
- Death volumes are expected to increase by 2.9% pa from 2020 to 2031¹ and 2.0% from 2031 to 2050¹

2 NZ



- Death volumes in New Zealand grew by 0.7% pa between 1990 and 2021²
- Death volumes are expected to increase by 2.2% pa from 2021 to 2032² and 1.8% from 2032 to 2050²

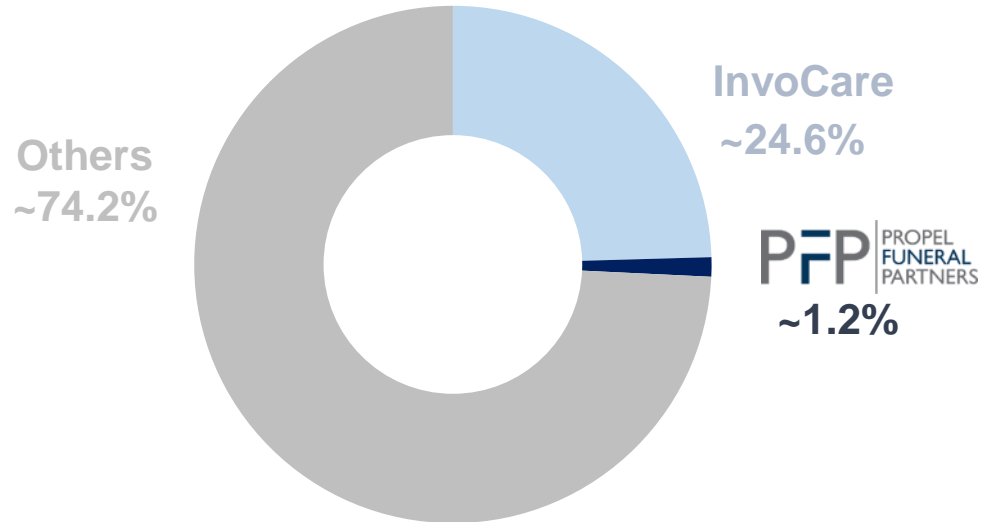
¹ Source: ABS, Dataset: Deaths and Infant deaths, Year and month of occurrence, Sex, States, Territories and Australia for actual deaths by financial year. 3222.0 Population Projections, Australia, 2017 (base) – 2066, Table 1 Projected population, Australia, Series B, for projected deaths by financial year (released in November 2018)

² Source: Stats NZ's data which are licensed by Stats NZ for re-use under the Creative Commons Attribution 4.0 International licence. Population, Deaths - VSD, Table: Month and year of death (Monthly) for actual deaths by financial year and National population projections, characteristics, 2020(base)-2073) for projected deaths by financial year (released in December 2020)

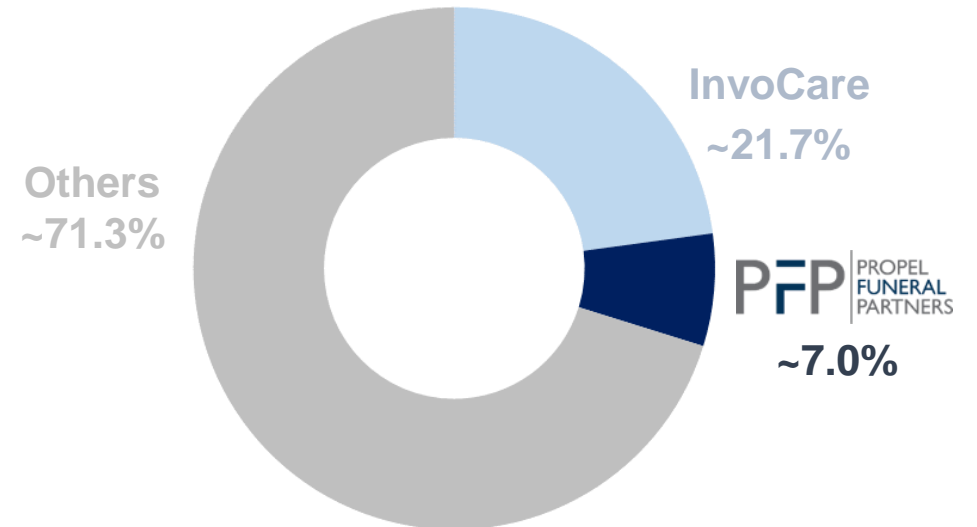
Market share estimate (funeral volumes)

Propel has increased its market share in the highly fragmented Australian funeral industry

1 CY15¹



2 CY21²



¹ Note: 159,052 actual deaths (ABS data) for market size, 1,920 funerals performed by Propel and 39,050 funerals performed by InvoCare (Appendix D of InvoCare's Results Presentation dated 23 February 2017) in Australia in CY15

² Note: 171,298 estimated deaths (ABS provisional mortality statistics, January 2022) for market size, 11,895 funerals performed by Propel and 37,193 funerals performed by InvoCare in Australia in CY21 (page 24 of InvoCare's 2021 Annual Report)

Acquisitions

Propel has committed \$155.5 million¹ on acquisitions since its IPO

1 During FY22, Propel committed \$21.0² million on acquisitions in SA, VIC, WA and NZ including:



BERRY
Funeral Directors

the companies that own Berry Funeral Directors (including the funeral property), which provides funeral directing services in Norwood, South Australia



Glenelg Funerals

the business and assets of Glenelg Funerals which provides funeral directing services from Glenelg, South Australia

STATE of GRACE

FAMILY DIRECTED FUNERALS

the business and assets of State of Grace which provides funeral directing services from two locations in Auckland, NZ

EAGARS
FUNERALS

the business and assets, including a freehold property³ of Eagars Funerals which provides funeral directing services from New Plymouth, NZ



CRAWFORDS
FUNERALS

the business and assets, including a freehold property of Carol and Terry Crawford Funerals which provides funeral directing services from Geelong, Victoria



McKEE FAMILY
FUNERALS

the business and assets of McKee Family Funerals which provides funeral directing services in Perth, Western Australia

2 Subsequent to FY22, Propel deployed \$7.9 million² on two acquisitions in QLD and VIC:



Community Funerals
Community Care



Cremation
for Pets
Cairns, Mossman, Port Douglas,
Horseshoe & Atherton

the businesses, assets and related infrastructure (including two cremation facilities and one freehold property) associated with the businesses trading as Community Funerals and Cremation for Pets, which operate from four locations in and around Cairns, Queensland



Mason Park
Funerals

the business, assets and related infrastructure associated with the business trading as Mason Park Funerals, which operates from one location in Wangaratta, Victoria

3 Propel continues to explore other potential acquisitions, however, the timing associated with any future acquisitions is uncertain

¹ Upfront cash and equity consideration paid. Excludes properties purchased subsequent to completion of the acquisitions and other properties purchased totalling, in aggregate, \$27.7 million (excluding stamp duty), as at 30 September 2022

² Upfront cash and equity consideration paid/payable (excluding stamp duty)

³ Subject to approval of a boundary adjustment subdivision

Funding Capacity – as at 30 September 2022

Propel has available funding capacity of \$140.6 million¹ to support growth initiatives, including acquisitions

<u>Funding Capacity</u>	
	\$ million
Debt facility limit at 30 September 2022	200.0
Net Debt as at 30 September 2022¹	(42.0)
Commitments:	
Acquisitions	(10.1)
Final dividend	(7.4)
Total commitments	(17.5)
Funding capacity²	140.6

¹ Senior debt less cash and cash equivalents

² Undrawn debt and cash at bank as at 30 September 2022, less the cash to pay the final dividend and the estimated cash required to fund acquisitions (including the Eagars property) announced but not yet completed, as at 30 September 2022

Outlook

Demand for essential funeral services is underpinned by favourable demographics

1 Propel has started FY23 with positive trading momentum. Below is a summary of the Company's Q1 FY23 trading performance¹:

- Revenue ~\$44m ↑ ~33%
- Operating EBITDA ~\$13m ↑ ~40%
- Operating EBITDA margin ~30% ↑ ~200bps
- Total funeral volumes Record Q1 ↑ ~23% including material growth in comparable funeral volumes
- Average Revenue Per Funeral Strong ↑ ~9% and ↑ ~6% on FY22
- Cash Flow Conversion Strong Consistent with historical experience

2 Expected growth drivers for the remainder of FY23:

- favourable demographics in Australia and NZ
- a strong funding position
- acquisitions completed to date and other potential acquisitions in what is a highly fragmented industry (although timing is uncertain)

3 Other impacts

- death volumes fluctuate over short time horizons
- higher inflation is expected to impact funeral related pricing and costs
- ongoing impacts from COVID-19, particularly on death volumes, remain uncertain

¹ Based on the Company's unaudited management accounts. Percentage movements refer to the PCP, unless otherwise stated.



3. Formal business and resolutions

Formal business: Item 1

Item 1: Financial report, directors' report and auditors' report

“To receive and consider the Company’s financial report, director’s report and auditor’s report for the year ended 30 June 2022.”

Note: there is no requirement for shareholders to approve these reports

Formal business: Item 2

Item 2: Remuneration report

“That the remuneration report that forms part of the directors’ report of the Company for the financial year ended 30 June 2022 be adopted.”

Note: this resolution is advisory only and does not bind the directors of the Company.

Formal business: Item 3

Item 3: Re-election of existing Director

“That Ms Naomi Edwards, being a director of the Company who retires by rotation under rule 6.7(b) of the Company’s constitution, and being eligible, is re-elected as a director of the Company.”

Formal business: Item 4

Item 4: Election of existing Director

“That Ms Jennifer Lang, who was appointed as a director of the Company on 6 May 2022, and who retires at the annual general meeting under rule 6.2(b) of the Company’s constitution, and being eligible, is elected as a director of the Company.”

Formal business: Item 5

Item 5: Election of existing Director

“That Mr Peter Dowding, who was appointed as a director of the Company on 6 May 2022, and who retires at the annual general meeting under rule 6.2(b) of the Company’s constitution, and being eligible, is elected as a director of the Company.”

Formal business: Item 6

Item 6: Resolution relating to the ratification of the issuance of ordinary shares (Community Funerals acquisition)

“That, conditional upon completion of the relevant transaction between the date of this notice of meeting and the Company’s 2022 AGM, and for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to ratify the issue of 64,240 fully paid ordinary shares in the capital of the Company to Stella Partners Pty Ltd (as trustee) as described in the Explanatory Memorandum to Shareholders which forms part of the notice of meeting.”

Formal business: Item 7

Item 7: Resolution relating to the proposed issue of ordinary shares (Eagars Funerals acquisition)

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given to issue a total of 57,654 fully paid ordinary shares in the capital of the Company to Richard Martin, Casey Anne Martin and G/M Nominees Limited (as trustees) on completion of the acquisition relating to the sale and purchase of the property from which Eagars Funerals operates as described in the Explanatory Memorandum.”

Formal business: Item 8

Item 8: Resolution to amend the Company's constitution to comply with the CHESSE Replacement System

“That, in accordance with section 136(2) of the Corporations Act 2001 (Cth), the Company's constitution be modified by making the amendments described in the Explanatory Memorandum forming part of this notice of meeting to ensure compliance with the proposed CHESSE replacement system, and which are contained in the document tabled at the annual general meeting and signed by the Chair for the purposes of identification.”



4. Shareholder questions

Votes to be counted

Meeting close – thank you

Definitions

Average Revenue Per Funeral means revenue from funeral operations, excluding direct disbursements (such as third party cemetery fees and third party cremation fees) and delivered pre-paid impacts, divided by the number of funerals in the relevant period.

Bps means basis points.

Cash Flow Conversion % means the percentage of Operating EBITDA converted to ungeared, pre-tax operating cash flow, adjusted for cash flow timing differences relating to Executive bonuses and excluding the termination fee and transaction costs in connection with the Management Internalisation.

Cps means cents per share.

CY means calendar year.

FY means financial year.

Gearing Ratio means net debt divided by net debt plus total equity.

Group means Propel and its wholly owned subsidiaries.

IPO means initial public offering.

Management Internalisation means the internalisation of key senior management functions of Propel completed in July 2021. Refer to Propel's ASX announcements dated 31 May 2021 and 26 July 2021.

NPAT means net profit/(loss) after tax.

NZ means New Zealand.

Operating Cash Flow means ungeared, pre-tax operating cash flow, excluding the termination fee and transaction costs in connection with the Management Internalisation.

Operating EBITDA means earnings before interest, tax, depreciation, amortisation and certain non-operating items, such as acquisition and transaction costs.

Operating NPAT means NPAT adjusted for certain non-operating items, such as acquisition and transaction costs.

PCP means prior corresponding period.

Pro forma means statutory results excluding one-off items relating to the Management Internalisation and government subsidies and including the recurring impacts of the Management Internalisation, as if it had occurred on 1 July 2020.

Important Notice and Disclaimer

This presentation contains summary information about Propel Funeral Partners Limited (ACN 616 909 310) (**Propel**) and its activities current as at the date of this presentation. Propel assumes no obligation to update such information. The information in this presentation is of general background only and does not purport to be complete. It has been prepared for use in conjunction with a verbal presentation and should be read in that context. It should also be read in conjunction with Propel's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange (**ASX**).

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This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The securities of Propel have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except in compliance with the registration requirements of the Securities Act and any other applicable securities laws or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

This presentation may contain forward looking statements, including statements regarding Propel's intent, belief or current expectations with respect to Propel's business and operations. When used in this presentation, the words 'likely', 'estimate', 'project', 'forecast', 'anticipate', 'believe', 'expect', 'may', 'aim', 'should', 'potential', 'target' and similar expressions, as they relate to Propel, are intended to identify forward looking statements. Forward looking statements involve inherent risks and uncertainties, both generic and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause Propel's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, and many of these factors are outside Propel's control. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance. As such, undue reliance should not be placed on any such forward looking statement.

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This presentation includes certain financial measures, such as Operating EBITDA, Operating EBIT and Operating NPAT which are not prescribed by Australian Accounting Standards (**AASBs**) and represents the results under AASBs adjusted for certain non-operating items, such as acquisitions and transaction costs. The directors consider Operating EBITDA, Operating EBIT and Operating NPAT to reflect the core earnings of the Group. These financial measures, along with other measures, have not been subject to specific audit or review procedures by the Company's auditor, but have been extracted from the accompanying financial statements.

The FY15 to FY18 Operating EBITDA, Operating NPAT and Cash Flow Conversion numbers disclosed in this investor presentation are presented on a pro forma basis (consistent with the Prospectus and FY18 reporting), unless otherwise stated. The current financial year and the prior year disclose both statutory and pro forma numbers, as specified.

Capitalised words and phrases in this presentation will have the meaning given in the Prospectus and the definition slide set out in the Appendix.

All references in this presentation to '\$' are to Australian currency, unless otherwise stated.

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

NOT FOR DISTRIBUTION IN THE UNITED STATES



PROPEL FUNERAL PARTNERS LIMITED

Friday, 25 November 2022 (9.30am)
2022 Annual General Meeting

Address from the Chairman, Brian Scullin:

Slide 3

Good morning everyone.

I’m Brian Scullin, Independent Chairman and Non-Executive Director of Propel Funeral Partners Limited.

I begin today by acknowledging the Traditional Custodians of the land on which we gather today, and pay my respects to Elders past, present and emerging.

On behalf of the Board, it is my pleasure to welcome you to Propel’s 2022 Annual General Meeting. It’s great we are able to meet in person, for the first time since 2019.

The Notice of Meeting was duly given and the meeting has been properly convened. I have confirmed with the Company Secretary that we have a quorum present and the meeting has been validly constituted, so I declare the meeting open.

We will turn to the resolutions towards the end of the meeting.

Slide 4

I am joined today by your other independent Non-Executive Directors, Naomi Edwards, Jennifer Lang and Peter Dowding, as well as Executive Director, Fraser Henderson and Managing Director, Albin Kurti.

Naomi, Jennifer and Peter present themselves for re-election at today’s meeting.

Also here today are:

- Lilli Gladstone, Propel’s Chief Financial Officer;
- representatives from Link, our share registrar and Mills Oakley; and
- our audit partner from Nexia, Lester Wills, who is here to address any questions you may have of him and I thank Nexia for hosting today’s meeting.

Slide 5

After my introduction, Albin will provide some comments on last year’s financial results and trading in the first quarter of FY23, among other matters. The formal matters of the Meeting will then be addressed and you will have the opportunity to raise questions. Where appropriate, we have sought to address questions received prior to the meeting, during the presentations.

As set out in the Notice of Meeting, in terms of the formal matters of the Meeting, all resolutions will be decided on a poll. In order to provide everyone with an opportunity to vote and in case anyone cannot stay for the whole Meeting, I now formally declare the poll open on all items, and the poll will remain open until I declare it closed at the end of the meeting. Please note that only shareholders, proxy holders and shareholder company representatives may vote on today’s resolutions.

Shareholders can cast their vote using a voting card. If you need assistance at any time, please signal to one of the representatives of Link. Once you have voted, please pass your voting cards to one of the representatives of Link.

At the conclusion of the Meeting, please join us for some light refreshments. My fellow directors and I are looking forward to having an opportunity to interact with you.

Slide 6

The table on the screen shows the votes received by proxy prior to the cut off time in relation to the resolutions requiring a shareholder vote at today’s meeting. As you will see, there has been overwhelming support for each of the resolutions. I will come back to the resolutions later.

Slide 7

That we can meet today in person after the disruption of the past two and half years is wonderful and it is something that we don’t take for granted. Although indications are that the significant disruptions caused by the COVID-19 pandemic may be behind us, we remain mindful of the ongoing potential health and wellbeing challenges for our staff, clients, suppliers and other stakeholders.

COVID-19 continued to present significant challenges for the funeral industry during FY22. On behalf of the Board, I would like to acknowledge and thank all of our staff for continuing to provide caring funeral and related services throughout FY22, in often challenging circumstances.

We have endeavoured to keep you, our shareholders, appropriately informed about COVID-19 impacts on the Company’s trading, through various ASX announcements since the start of the pandemic.

Despite the challenges in FY22, I am pleased to report that Propel continued its track record of delivering revenue and earnings growth. The Company’s acquisition led growth strategy and diversification in providing essential funeral and related services across seven states and territories of Australia and in New Zealand, including regional and metropolitan markets, delivered growth and resilience in earnings and operating cash flows in FY22, which Albin will discuss in more detail shortly.

The Board elected to reward shareholders by declaring total dividends of 12.25 cents per share fully franked, in connection with FY22, reflecting a payout ratio of 81% of Distributable Earnings.

As shareholders would be aware, on 26 July 2021 the Company announced that, following receipt of overwhelming shareholder approval, it had completed the management internalisation. The management internalisation has aligned the Company with more standard management structures for ASX listed operating entities and it has been encouraging to see the Company’s share price materially increase since the announcement of the management internalisation.

One of the primary reasons for listing on the ASX was to enable the Company to access debt and equity markets more efficiently.

During FY22, Propel expanded its senior debt facilities to \$200 million and also extended the debt maturity date to October 2024.

As you would expect, the Board is mindful to strike the right capital structure to ensure the Company is appropriately funded without overstretching the balance sheet, so that Propel can continue to capitalise on growth opportunities, as and when they materialise. With that in mind, during FY22, Propel successfully completed a \$64 million equity raising via a placement to existing and new institutional shareholders and a follow on share purchase plan to eligible existing shareholders.

Since listing on the ASX in November 2017 with an IPO issue price of \$2.70, the Company has paid fully franked dividends totalling 51.9 cents per share, or circa 74 cents per share on a grossed up basis. At yesterday’s closing share price of \$4.43, this equates to a total shareholder return of circa 75% and total shareholder value accretion of approximately \$258 million since the IPO, before tax.

Propel remains focussed on a clearly defined growth strategy to acquire social infrastructure and assets which operate within the death care industry in Australia and New Zealand such as:

- private funeral home operators;
- funeral related properties and infrastructure; and
- cemeteries and crematoria.

This strategy is consistent with what was outlined in the Company’s Prospectus prepared in connection with its IPO, approximately 5 years ago.

Demand for death care services is expected to grow in Australia and New Zealand because of increasing death volumes due to population growth and ageing of the “baby boomers”.

The death care industry is highly fragmented and the Company believes there is significant opportunity for further consolidation in Australia and New Zealand. Propel is well positioned to capitalise on acquisition opportunities. In that regard, the Company completed six acquisitions during FY22 and, subsequent to year end, has completed two further acquisitions.

During FY22, the Board announced the retirement of Jonathan Trollip and the appointments of Jennifer Lang and Peter Dowding, as Non-Executive Directors of the Company. Jonathan was a valued member of the Board and we are grateful for the insights and the support he provided as

a member of the Board and its sub-committees. Jennifer is a former Partner of KPMG and Deloitte and is an experienced Non-Executive Director with a wealth of experience across governance, risk assessment, financial and operational excellence. Peter who was a director of Bledisloe Holdings (previously the largest funeral home operator in New Zealand and the second largest in Australia) prior to its sale to InvoCare Limited, is one of the co-founders of Propel. He has almost 30 years’ experience with large, international and domestic financial institutions and has been on the board of a significant number of companies. Both Jennifer and Peter complement the Board’s depth and diversity of knowledge to support the Company in driving long term, sustainable growth. You will hear from Jennifer and Peter, and Naomi, who is also up for re-election shortly.

On behalf of the Board, I would like to thank the Propel management team and all our staff for their hard work and dedication, particularly in light of the operational challenges associated with COVID-19. I also express my gratitude to my fellow directors. I thank you all for your considerable efforts.

Finally, I would like to thank our shareholders for their ongoing support.

I now invite Albin to take you through the FY22 financial results and other matters which I am sure will be of interest to you. Following Albin’s presentation, we will then return to the formal part of the business – matters requiring resolution, which are outlined in the Notice of Meeting.

Address from the Managing Director, Albin Kurti:

Slide 8

Thanks Brian. Good morning everyone, thank you for being here.

First and foremost, I'd like to thank our dedicated staff in Australia and New Zealand for their hard work, professionalism and commitment to providing essential and caring funeral and related services to the communities they served throughout FY22. I also acknowledge bereaved client families, many of whom farewelled loved ones in particularly challenging circumstances during the first half of FY22, when extended lockdowns, travel restrictions and strict funeral attendee limits applied in parts of Australia and New Zealand.

Slide 9

In terms of today's presentation, I'll start with a brief recap of FY22.

I'll then:

- discuss COVID-19 impacts and provide an overview of Propel's business;
- touch on industry tailwinds, acquisitions and capital management;
- before concluding with a Q1 trading summary and the outlook.

Slide 10

FY22 was another record year for Propel.

Revenue increased 20.6% to \$145.2 million, on the back of an 18.8% increase in funeral volumes, including contributions from acquisitions, with comparable funeral volumes up 8.9% and Average Revenue Per Funeral proving resilient, up 2.0% despite extended lockdowns in the first half, which I will discuss further, shortly.

Propel continued to grow earnings and maintained a healthy operating margin. Pro forma Operating EBITDA increased 25.2% to \$39.0 million and Pro forma Operating NPAT increased 45% to \$16.9 million. Pro forma adjustments comprise one-off items relating to the management internalisation and government subsidies.

Cash flow conversion remained strong at circa 100%, which is pleasing.

From a capital management perspective:

- as Brian mentioned, total dividends for the year were 12.25 cents per share, up half a cent per share on the prior year;
- Propel ended FY22 with a Gearing Ratio of circa 14%, having successfully completed a \$64 million equity raising during the year;
- the Company also expanded its senior debt facilities during FY22 by \$50 million to \$200 million and, importantly, the debt maturity date was extended and a key covenant limit was increased; and
- Propel has available funding capacity of approximately \$140 million as at 30 September 2022, which will support the Company’s acquisition led growth strategy.

In terms of growth:

- Propel grew its network by 8 locations in FY22, completing 6 new acquisitions in South Australia, Victoria, Western Australia and New Zealand;
- since its IPO in November 2017, the Company has committed approximately \$156 million on acquisitions; and
- subsequent to year end, Propel has completed two new acquisitions in Queensland and Victoria.

In terms of our outlook, the Company has made a positive start to FY23, which I will discuss towards the end of the presentation.

Turning to COVID-19 impacts.

Slide 11

As can be seen from the chart on the left, in FY22, COVID-19 impacts on Average Revenue Per Funeral were less severe than during the initial wave of the pandemic in Q4 FY20.

Since the start of the pandemic, Average Revenue Per Funeral impacts from lock downs and strict funeral attendee limits have been temporary, with Average Revenue Per Funeral generally rebounding quickly, as restrictions have eased. This not only reinforces the value that society places on physical attendance at a funeral service as an important part of the grieving process, it also highlights the defensive nature, diversification and the social infrastructure characteristics of Propel’s network of funeral homes, cremation facilities and cemeteries.

Looking more closely at COVID-19 impacts on Average Revenue Per Funeral in FY22, it was really a story of two halves.

As can be seen from the middle chart on this slide, during the first half of FY22, Average Revenue Per Funeral was impacted by extended lock downs and strict funeral attendee limits in parts of Australia and New Zealand.

For example, funeral attendance in greater Auckland was initially prohibited and subsequently limited to 10 attendees for approximately 3 months during the first half of FY22, with similar restrictions applying in parts of Australia, which contributed to:

- a higher mix of lower value funerals; and
- comparable Average Revenue Per Funeral being in line with the PCP.

However, throughout the second half of FY22, there were no extended lockdowns or strict funeral attendee limits in Australia and New Zealand, which contributed to:

- a higher mix of full service funerals; and
- stronger growth in comparable Average Revenue Per Funeral of 4.3% on the PCP.

In terms of funeral volumes, last year we flagged that we expected the below trend death volumes experienced during FY21 to result in a deferral of death volumes into future periods.

As you can see from the chart to the right, in the first half of FY22, Propel’s comparable funeral volume growth was 7.8%, which accelerated to 10.1% in the second half, resulting in full year growth of 8.9%, reflecting an increase in death volumes across most markets in which the Company operates.

I’ll now provide a brief overview of the business.

Slide 12

This slide illustrates how Propel’s network has evolved over the past 9 years.

We started with one funeral home in Queensland and today, we operate from 149 locations across Australia and New Zealand, including 34 cremation facilities and 9 cemeteries.

Of those 149 locations, the Company owns 82 of the properties which are currently held at cost on the Balance Sheet for approximately \$142 million.

Slide 13

This slide shows Propel’s main operating brands in Australia and in New Zealand.

Each brand has a distinct identity and is well known in their respective markets.

Some have been around for many decades. For example, in Tasmania, Millingtons has been operating in and around Hobart for over 100 years and in New Zealand, Davis Funerals has operated in and around Auckland since 1875.

The orange dotted lines show the brands relating to acquisitions completed during and since FY22.

These brands are an important part of the goodwill of each business.

Slide 14

As you can see on the left of this slide, the Company performed over 16,500 funerals in FY22, up 18.8% on the prior year.

The chart on the right shows that Propel generated revenue of \$145.2 million, up 20.6%.

Slide 15

In terms of earnings growth:

- as you can see on the left, the Company generated pro forma Operating EBITDA of \$39 million in FY22, up 25.2% on the prior year and a more than 12 fold increase since FY15.
- the chart on the right shows that Propel generated pro forma Operating NPAT of \$16.9 million, up 45% on the prior year.

Slide 16

The chart on this slide shows Propel's Average Revenue Per Funeral since FY14 which has grown at a compound annual growth rate of 2.6%.

In FY22, Average Revenue Per Funeral was resilient:

- up 2.0% on the prior year, and
- up 4.9% on the pre COVID-19 period in FY20.

But as I discussed earlier, Propel achieved comparable Average Revenue Per Funeral growth of 4.3% in the second half of FY22, following the lock down impacted first half.

Slide 17

Cash conversion continues to be a key focus.

As you can see from this chart, Propel's cash conversion has remained consistently high, averaging approximately 99% since FY15.

In FY22, cash conversion remained strong at 100% which is pleasing, particularly given the growth in Propel's operating cash flow.

I'll now touch on Industry Trends, Acquisitions and Capital Management.

Slide 18

These charts show that the number of deaths in Australia and New Zealand is forecast to both increase and accelerate, according to the Australian Bureau of Statistics and Stats NZ.

I won’t go through the specific growth rates, but the two observations I’d make are:

- firstly, few industries have the certainty of this tail wind profile; and
- secondly, death volume growth is not linear and it can fluctuate over shorter time horizons - from week to week, quarter to quarter and from year to year.

Slide 19

The industry is highly fragmented in Australia and in New Zealand, with Propel the second largest in both countries.

Propel’s estimated market share in Australia has increased more than 5 fold, from circa 1.2% in calendar 2015 to circa 7% in calendar 2021.

Notwithstanding this significant increase, approximately 70% of the market is still owned by independent operators.

Slide 20

Since its IPO five years ago, Propel has committed approximately \$156 million on acquisitions, which are geographically spread across Australia and New Zealand.

In FY22, the Company deployed approximately \$21 million on six acquisitions in Adelaide, Perth, Geelong, Auckland and New Plymouth.

Subsequent to the year end, Propel deployed approximately \$8 million in connection with the acquisitions of Community Funerals and Cremations for Pets in and around Cairns and Mason Park Funerals in Wangaratta.

Those acquisitions are expected to contribute positively to Propel’s financial results during the remainder of FY23 and beyond.

Moving forward, the team remains active in exploring both organic and inorganic growth opportunities. The acquisition pipeline is healthy and Propel is well positioned to continue consolidating what is a highly fragmented industry.

One question shareholders sometimes ask is whether Propel would consider acquisitions in other countries. While this is something we cannot rule out over time, we remain focussed on the acquisition pipeline in Australia and New Zealand.

Slide 21

As you would expect, the Board regularly discusses capital management and the Company’s funding needs, particularly in light of its acquisition pipeline and the fact that, Propel has committed approximately \$156 million on acquisitions since the IPO.

As you can see from this slide, with the expansion of the Company’s senior debt facilities and the equity raising completed in FY22, Propel is in a strong funding position, with available funding capacity of approximately \$140 million.

Moving to our Outlook.

Slide 22

Demand for funeral services is not correlated to inflation, interest rates or the economic cycle and Propel continues to be well positioned to generate sustainable long-term growth and value creation.

Although death volume growth is certain, unavoidable and predictable over the longer term, it’s not linear and it fluctuates over time. In other words, death is certain but its timing is not.

The Company’s positive trading momentum from FY22 has continued into the start of the new financial year. In Q1 of FY23, Propel:

- generated revenue of ~\$44 million, up ~33% on the PCP;
- achieved Operating EBITDA of ~\$13 million, up ~40% on the PCP and reflecting a margin of ~30%;
- performed a record number of funerals in a quarter, up ~23% on the PCP, including material growth in comparable funeral volumes;
- experienced a higher mix of full service funerals, which contributed to Average Revenue Per Funeral growth of:
 - ~9% on the PCP; and
 - ~6% on FY22; and
- maintained strong Cash Flow Conversion.

In terms of the Company’s financial results for the remainder of FY23, we expect to benefit from:

- favourable demographics in Australia and New Zealand;
- a strong funding position; and
- acquisitions completed to date and other potential future acquisitions.

However, it should be noted that:

- death volumes fluctuate over short time horizons;
- higher inflation is expected to impact funeral related pricing and costs; and
- ongoing impacts from COVID-19, particularly on death volumes, remain uncertain.

In conclusion, I think the three key ‘take-away’s’ from today’s presentation are:

- one, FY22 was another record year for Propel. The Company achieved continued growth in key financial and operating metrics despite COVID-19 impacts, on the back of materially higher funeral volumes and stronger Average Revenue Per Funeral growth in the second half of the year compared to the lockdown impacted first half;
- two, it was a busy year in terms of corporate and M&A activity, with Propel completing the management internalisation and 6 new acquisitions, expanding and extending the Company’s debt facilities and successfully raising equity from existing and new shareholders; and
- three, Propel has started FY23 with positive trading momentum. With healthy operating margins, conservative gearing and a strong funding position, Propel remains well placed to navigate the higher inflationary and interest rate environment and to continue consolidating what is a highly fragmented and essential service industry with favourable demographic tail winds.

Before I hand back to Brian, I’d like to quickly thank:

- my fellow board members for their guidance and support during and since FY22;
- my colleagues Lilli Gladstone and Fraser Henderson and the small team at Propel’s head office for their hard work and dedication; and
- finally, our shareholders for their ongoing support.

With that, I’ll hand back to Brian to cover the formal matters of the meeting and I’m happy to take questions during the Q&A session. Thank you.
