



30 January 2024

Acquisition, Trading Update and FY24 Guidance

Propel Funeral Partners Limited (ASX: PFP) (**Propel or Company**) is pleased to announce it:

- has executed a conditional sale agreement to acquire the business, related assets, infrastructure and real estate of Southern Funeral Home, which operates from five locations in New Zealand;
- generated material growth in key operating and financial metrics in the 6 months ended 31 December 2023 (**1H FY24**)¹, despite the funeral industry cycling strong growth in the prior corresponding period (**PCP**); and
- reaffirms its FY24 guidance.

Acquisition

Propel has executed a conditional sale agreement to acquire the business, related assets, infrastructure and real estate of Southern Funeral Home, which:

- operates from five locations (including a cremation facility) in Gore, Cromwell, Alexandra and Queenstown, New Zealand;
- has provided funeral and related services for almost 30 years;
- generated ~A\$2.0 million of revenue and conducted ~270 funerals in its last financial year; and
- is the Company's eighth acquisition completed or announced during FY24 YTD.

The consideration payable on completion of the acquisition is ~A\$4.6 million², of which ~65% relates to the acquisition of real estate, comprising:

- A\$4.4 million² in cash; and
- A\$0.23 million² via the issue of 44,971 Propel ordinary shares³ on completion of the relevant acquisitions.

In addition, up to A\$0.5 million² will be payable in cash if certain financial milestones are achieved during the four years following completion.

Subject to satisfaction (or waiver) of customary conditions (e.g. due diligence, third party lessor consent, consent to assignment of key contracts, etc.), the acquisition is expected to be completed by 30 June 2024 and be earnings accretive in year one.

Trading Update

Propel experienced material growth in key operating and financial metrics in 1H FY24¹, despite the funeral industry cycling strong growth in the PCP:

	1H FY24 Growth
Total Funeral Volumes	▲ ~17%
Average Revenue Per Funeral (comparable)	▲ ~6%
Revenue	▲ ~23%
Operating EBITDA	▲ ~19%

The Company's 1H FY24 results (which are scheduled to be released on Wednesday, 21 February 2024):

- only include part period contributions from four acquisitions completed during 1H FY24;
- do not include contributions from four acquisitions expected to be completed during 2H FY24; and
- include full period contributions from five acquisitions completed during FY23.

¹ Based on the Company's unaudited management accounts for 1H FY24.

² Estimate, excluding completion adjustments and transaction costs and subject to NZD/AUD exchange rate movements.

³ Subject to certain exceptions, the escrowed shares will be released three years after completion of the relevant acquisition. Assuming no other shares are issued prior to completion of the relevant acquisition, once the escrowed shares are issued, Propel's total number of shares on issue will increase from 118,318,293 to 118,363,264. Once issued, the escrowed shares will rank pari passu with Propel's ordinary shares currently on issue. Shareholder approval is not required in connection with the issue of these ordinary shares.

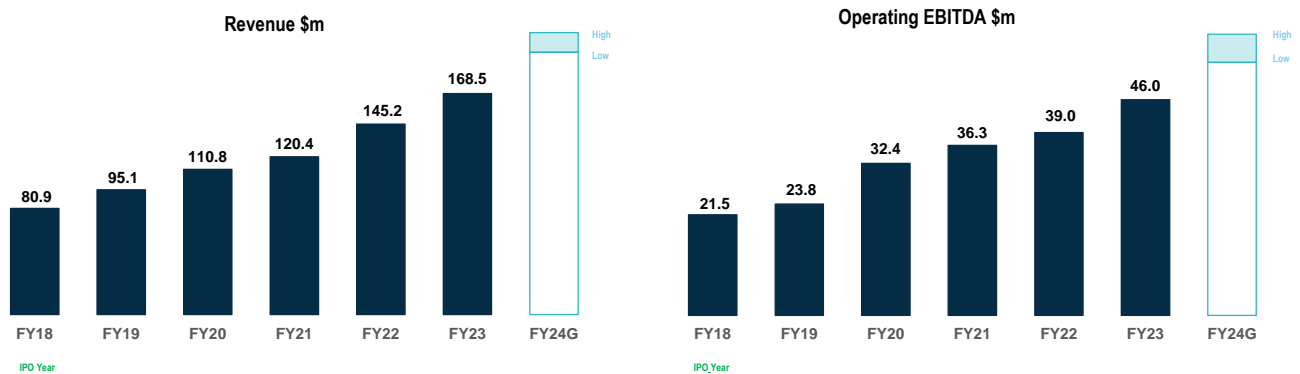


ASX ANNOUNCEMENT

FY24 Guidance

Propel reaffirms its FY24 guidance⁴ for:

- revenue in the range of \$200-\$220 million (FY23: \$168.5 million); and
- Operating EBITDA in the range of \$54-\$60 million (FY23: \$46.0 million).



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About Propel:

Propel is listed on the Australian Securities Exchange and is the second largest provider of death care services in Australia and New Zealand. Propel currently operates from 185 locations, including 38 cremation facilities and 9 cemeteries.

For further information, please contact:

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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.

⁴ Based on the Company's unaudited management accounts for 1H FY24 and forecasts for 2H FY24.