

7 November 2024

## **2024 AGM – Addresses, Presentation and Trading Update**

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 2024 Annual General Meeting (**AGM**) commencing today at 9.30am (Sydney time).

Please note that the presentation includes a Q1 FY25 trading update (slide 19).

-END-

### **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 198 locations, including 38 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 Secretary of the Company.

### **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.

## **PROPEL FUNERAL PARTNERS LIMITED**

Thursday, 7 November 2024 (9.30am)  
2024 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 and present.

On behalf of the Board, it is my pleasure to welcome you to Propel’s 2024 Annual General Meeting.

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.

The Notice of Meeting was duly given and the meeting has been properly convened. 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 and Jennifer present themselves for re-election at today’s meeting.

Also here today are:

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

## Slide 5

After my introduction, Albin will provide some comments on last year’s financial results and a trading update, 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. 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 prior to the cut off time in relation to the resolutions requiring a shareholder vote at today’s meeting. As you can see, there has been overwhelming support for each of the resolutions, other than the resolution relating to the Remuneration Report. I will come back to the resolutions later.

## Slide 7

On behalf of the Board, I would firstly like to acknowledge and thank all our staff for continuing to provide caring funeral and related services throughout FY24.

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, enabled it to deliver material growth in revenue, operating earnings and cash flows in FY24, which Albin will discuss in more detail shortly.

The Board elected to reward shareholders by declaring total dividends of 14.4 cents per share fully franked in connection with FY24.

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. In that regard, as disclosed in August, Propel had significant liquidity and available funding capacity of approximately \$153 million.

One of the primary reasons for listing on the ASX was to enable the Company to access debt and equity markets more efficiently. During FY24, Propel expanded its senior debt facilities by \$20 million to \$275 million and successfully completed a \$100 million equity raising from existing and new investors.

In FY24, Propel generated a total shareholder return of approximately 43%, significantly outperforming the 8% return generated by the ASX 300 Index.

Since listing on the ASX in November 2017 with an IPO issue price of \$2.70, the Company has paid grossed up dividends totalling circa \$1.15 per share. At yesterday’s closing share price of \$6.00, this equates to a total shareholder return of circa 122% and total shareholder value accretion of approximately \$512 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, seven 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 eleven acquisitions during FY24 and, subsequent to year end, completed one further acquisition.

Shareholders may recall that the Company’s executive service agreements (or ESAs) with Albin, Lilli and Fraser were previously 3 year fixed term contracts that were due to expire on 31 August this year.

As disclosed in August, the ESAs have been varied to evergreen contracts, with standard 6 month notice terms, and I want to take this opportunity to acknowledge and thank Naomi, as Chair of the Remuneration and Nomination Committee, for leading this important workstream. Other key changes to the ESAs, including to remuneration, are set out on page 33 of the 2024 Annual Report. This item will be discussed further when we come to the Resolution regarding the Remuneration Report.

Shareholders would be aware that during the last 12-18 months, there has been heightened interest and M&A activity in the deathcare industry both domestically and offshore.

In Australia, we have seen InvoCare taken private, as has Dignity PLC in the UK and Park Lawn Corporation in Canada.

I believe this heightened interest and M&A activity reflects the attractiveness of the long term defensive growth characteristics and predictable cash flows of the deathcare industry to a wide range of investors and the value disconnect or price inefficiencies that can sometimes arise between public and private market equity investors.

Finally, I want to express my gratitude to my fellow directors, whom I thank for their considerable efforts, and to our shareholders, who I thank for their ongoing support.

I now invite Albin to take you through the FY24 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.

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## Address from the Managing Director, Albin Kurti:

### Slide 8

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

First and foremost, I would like to acknowledge bereaved client families who farewelled loved ones during FY24.

I also acknowledge and recognise the hard work and dedication of our staff across Australia and New Zealand. Their professionalism, flexibility and commitment to providing essential and caring funeral and related services to the communities they serve, is greatly appreciated.

### Slide 9

In terms of today's presentation, I'll start with a brief recap of FY24. I will then:

- provide an overview of Propel's business;
- touch on industry tailwinds and acquisitions;
- before concluding with a trading update for the first quarter of FY25.

### Slide 10

FY24 was another record year for Propel. The Company experienced material growth in key operating and financial metrics, despite the higher inflationary and interest rate environment and a contraction in industry death volumes, which is expected to be temporary.

Revenue increased 24.2% to \$209.2 million, on the back of a 20.1% increase in funeral volumes, including contributions from acquisitions.

Average Revenue Per Funeral increased by approximately 4%, and on a comparable basis, was up 5.5%.

Propel continued to grow earnings and maintained a healthy operating margin. Operating EBITDA increased 20.5% to \$55.4 million and Pro Forma Operating NPAT increased 12.2% to \$23.4 million.

Cash flow conversion remained strong at 99%.

From a capital management perspective:

- as Brian mentioned, total fully franked dividends for the year were 14.4 cents per share, up from 14.0 cents in the prior year and reflecting a payout ratio of 85%;
- during FY24 the Company expanded its senior debt facilities by \$20 million to \$275 million and completed a circa \$100 million equity raising;
- Propel ended the year with a gearing ratio of 23% and a net leverage ratio of 1.6 times; and
- as disclosed in August, the Company had available funding capacity of \$153 million, which will support Propel's acquisition led growth strategy.

In terms of growth:

- Propel added 37 locations to its network in FY24, completing 11 new acquisitions in New South Wales, Queensland and New Zealand;
- subsequent to year end, Propel has completed a previously announced acquisition in New Zealand, adding 2 locations to its network; and
- Propel has now deployed \$295 million on acquisitions since its IPO in November 2017

In terms of our outlook, the Company has made a positive start to FY25. I will provide a trading update towards the end of the presentation and will now provide a brief overview of the business.

### Slide 11

This slide illustrates how Propel’s network has evolved over the past 11 years.

We started with one funeral home in Queensland and today, we operate from 198 locations across Australia and New Zealand, including 38 cremation facilities and 9 cemeteries.

Of those 198 locations, the Company owns 120 of the properties, which are held at cost on the balance sheet at approximately \$230 million.

### Slide 12

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, J. Fraser has operated in Southland since the late 1800s.

The dotted lines show the brands relating to acquisitions completed, during and since FY24.

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

### Slide 13

The charts on this slide illustrate Propel’s track record.

Propel has maintained a strong growth trajectory.

I won’t go through each chart but, as you can see, Propel’s funeral volumes, Revenue and Operating Earnings all experienced material growth in FY24.

## Slide 14

The chart on this slide shows Propel’s Average Revenue Per Funeral since FY15 which has grown at a compound annual growth rate of 3.2%.

In FY24, Average Revenue Per Funeral increased by approximately 4% and, on a comparable basis, by 5.5%.

## Slide 15

Cash conversion continues to be a key focus.

As you can see from this chart, Propel’s cash conversion has remained consistently high since FY15.

In FY24, cash conversion remained strong at 99% which is pleasing.

I’ll now touch on Industry Trends and Acquisitions.

## Slide 16

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 17

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 from circa 1% in 2015 to circa 9% in 2023.

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

## Slide 18

Since its IPO seven years ago, Propel has deployed circa \$295 million on acquisitions, which are geographically spread across Australia and New Zealand.

In FY24, the Company committed \$104 million on twelve acquisitions across Australia and New Zealand.



Those acquisitions are expected to contribute positively to Propel’s financial results in FY25 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, but the timing of any future acquisitions, as you would appreciate, remains uncertain.

Moving to recent trading.

### **Slide 19**

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.

In terms of a trading update, I am pleased to advise that the Company has made a positive start to FY25, with Propel experiencing a record first quarter.

In Q1:

- Revenue was \$61.5 million, up 16% on the PCP;
- Operating EBITDA was \$16.5 million, up 15% on the PCP;
- the Company performed approximately six thousand one hundred and fifty funerals, up 13% on the PCP; and
- comparable Average Revenue Per Funeral growth was circa 3%, in line with the Company’s long term CAGR.

The Q1 trading results reflect:

- contributions from acquisitions; and
- material growth in Australian comparable funeral volumes.

It should, however, be noted that death volumes fluctuate over short time horizons.

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

- one, FY24 was another record year for Propel. The Company achieved material growth in key financial and operating metrics, on the back of higher funeral volumes and stronger Average Revenue Per Funeral, as contributions from acquisitions more than offset a contraction in industry death volumes (which is expected to be temporary);
- two, it has been a busy period of corporate and M&A activity, with Propel expanding its debt facilities, completing an equity raising and deploying over \$100 million on 12 acquisitions which significantly broadens the Company’s network in new and existing metropolitan and regional markets across Australia and New Zealand; and
- three, Propel has made a positive start to FY25 and is well placed to navigate natural fluctuations in the death rate, the higher inflationary and interest rate environment, and to continue consolidating what is a highly fragmented and essential service industry that stands to benefit from the ageing population, for decades to come.

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

- my fellow board members for their guidance and support during and since FY24;
- 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 the Chair to cover the formal matters of the meeting and I’m happy to take questions during the Q&A session. Thank you.

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# 2024 Annual General Meeting

7 November 2024

**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 and operate assets within the death care industry in Australia and New Zealand.”*



*Norwood Park – Canberra, ACT*

# Your board

Focussed on delivering for stakeholders



**Brian Scullin**

**Independent Chairman and Non-Executive Director (NED)**

- Former Chair of Macquarie Point Development Corporation, 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 the Australian Institute of Company Directors
- NED of TAL and Yarra Funds Management
- Chair of the Audit and Risk Committee for Tasmanian State Growth
- Former Chair of Accurium and President of the Actuaries Institute of Australia
- Former Deloitte Partner and NED of Australian Ethical Investments, Hunter Hall Limited and Nikko AM
- 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 of Auto & General Insurance Company
- NED and Chair of the Risk Committee of MIGA
- Former NED of Bicycle Network
- 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 Asset Management 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 212 valid proxy forms were received, and respective shareholdings were accumulated and are summarised below:

	Resolution	For	Open	Against	Abstain
	1	44,708,246	783,652	23,768,047	65,499
	2	90,209,350	678,680	344,693	27,424
	3	90,232,771	681,034	276,685	21,892
	4	90,490,520	678,680	58,081	53,691
	5	85,052,753	679,480	741,995	4,806,744
	6	90,499,392	679,480	48,409	53,691
	7	90,494,238	679,480	53,563	53,691



# The Chairman's introduction

## 1. Continued growth in FY24:

- material revenue and earnings growth
- ASX300 Index inclusion

## 2. Dividends:

- 14.4cps fully franked in connection with FY24 (FY23: 14.0cps)
- 80.3cps fully franked since IPO (~\$1.15 per share, grossed up for tax)

## 3. Significant liquidity to support growth initiatives:

- ~\$100 million equity raising completed in FY24
- senior debt facilities expanded to \$275 million, maturing in October 2027

## 4. Total Shareholder Return:

- in FY24, Propel generated a TSR of 43%, significantly outperforming the 8% return generated by the ASX 300 Index

## 5. Clearly defined strategy underpinned by:

- the growing and ageing population
- industry fragmentation

## 6. Executive service agreements:

- key changes are set out on page 33 of the 2024 Annual Report

## 7. M&A activity in the deathcare industry:

- in Australia (InvoCare), the UK (Dignity) and Canada (Park Lawn)

### Relative share price and index performance

(23 November 2017 to 6 November 2024)



Total shareholder return<sup>3</sup>

**~115.2%**

Total shareholder value accretion<sup>4</sup>

**~\$512m**

1. Propel's IPO issue price on 23 November 2017 was \$2.70 and its closing share price on 6 November 2024 was \$6.00.

2. The ASX300 Index closed at 5,940.5 on 22 November 2017 and at 8,138.0 on 6 November 2024.

3. Total shareholder value accretion including grossed up dividends divided by the total value (at cost) of shares issued at and since the IPO, as at 6 November 2024.

4. Propel's closing market capitalisation plus total dividends paid (grossed up) since the IPO, less the total value (at cost) of shares issued at and since the IPO, as at 6 November 2024.

## 2. Presentation from the Managing Director



**ALBIN KURTI**

Managing Director

*“FY24 was another record year for Propel, which continued its track record of delivering revenue and earnings growth.”*



*Waikanae Funerals, – Waikanae, New Zealand*

# Key Highlights of FY24

## 1 TRADING<sup>1</sup>

Revenue  
**\$209.2m**  
▲ ~24%

Funeral Volumes  
**21,655**  
▲ ~20%

Average Revenue Per Funeral  
**\$6,635**  
▲ ~4%

## 2 EARNINGS<sup>1</sup>

Operating EBITDA  
**\$55.4m**  
▲ ~21%

Operating NPAT (Pro Forma<sup>2</sup>)  
**\$23.4m**  
▲ ~12%

Cash Flow Conversion  
**~99%**  
▲ ~360bps

## 3 CAPITAL MANAGEMENT<sup>3</sup>

Dividend  
**14.4cps**  
FY23: 14.0cps

Gearing Ratio  
**23%**  
NLR<sup>4</sup>: 1.6x

Funding Capacity<sup>4</sup>  
**~\$153m**

## 4 GROWTH<sup>3</sup>

Locations  
**196**  
▲ 37

Acquisitions<sup>5</sup>  
**\$295m**  
Committed since IPO

Expansion  
**NSW, QLD and NZ**

## 5 OUTLOOK

### Expecting to benefit from:

- favourable demographics in Australia and NZ
- available funding capacity
- acquisitions completed and announced to date and other potential future acquisitions in a highly fragmented industry

1. Movements shown above relate to movements between FY24 and FY23 unless otherwise stated.

2. Statutory results adjusted for the impacts of the Capital Raising, including lower interest expense (net of tax) relating to the changes in the capital structure as if it had occurred on 1 July 2023.

3. As at 30 June 2024 for Gearing, Net Leverage Ratio, Locations (movement from 30 June 2023) and Expansion.

4. Refer to slide 19 of the FY24 Full Year Results Investor Presentation dated 27 August 2024 (FY24 Investor Presentation).

5. Refer to slide 23 of the FY24 Investor Presentation.

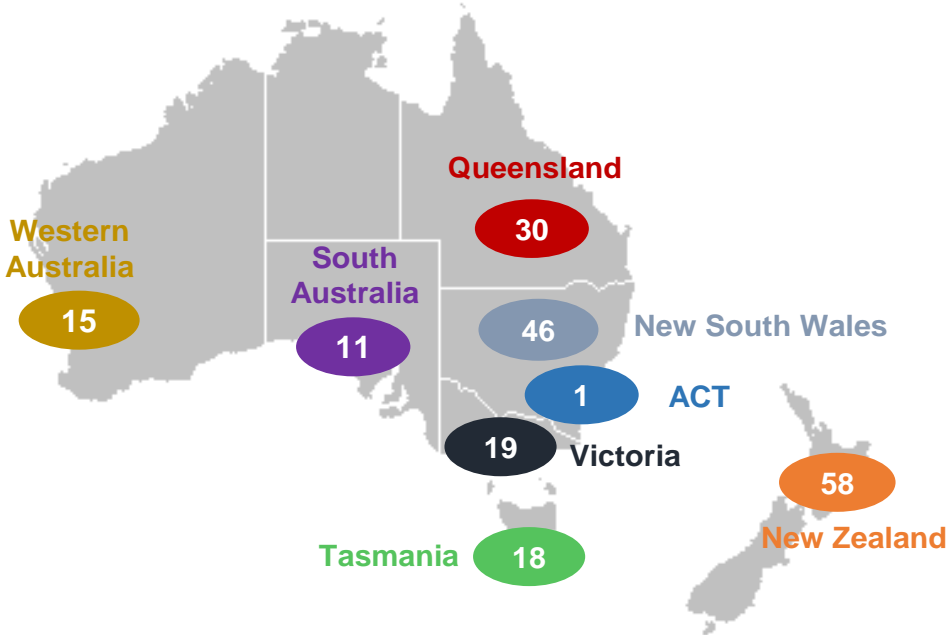
# Geographic Presence

198 operating locations<sup>1</sup> (120 owned / 78 leased), including 38 cremation facilities and 9 cemeteries

1 August 2013



2 November 2024



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

1. 196 operating locations as at 30 June 2024 plus 2 operating locations added during FY25 YTD.

# Brand Portfolio

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

### Australia

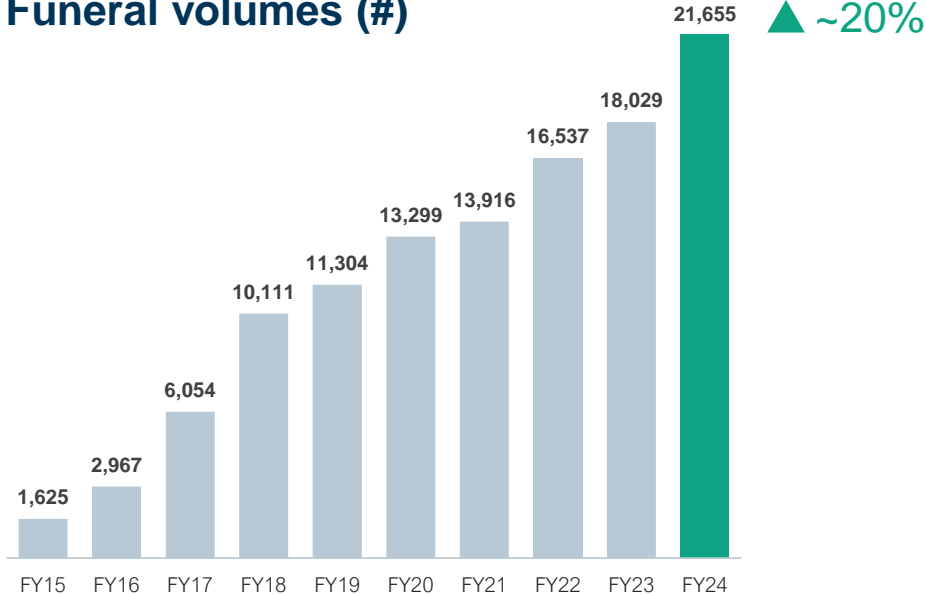
### NZ

Acquisitions completed since 1 July 2023.

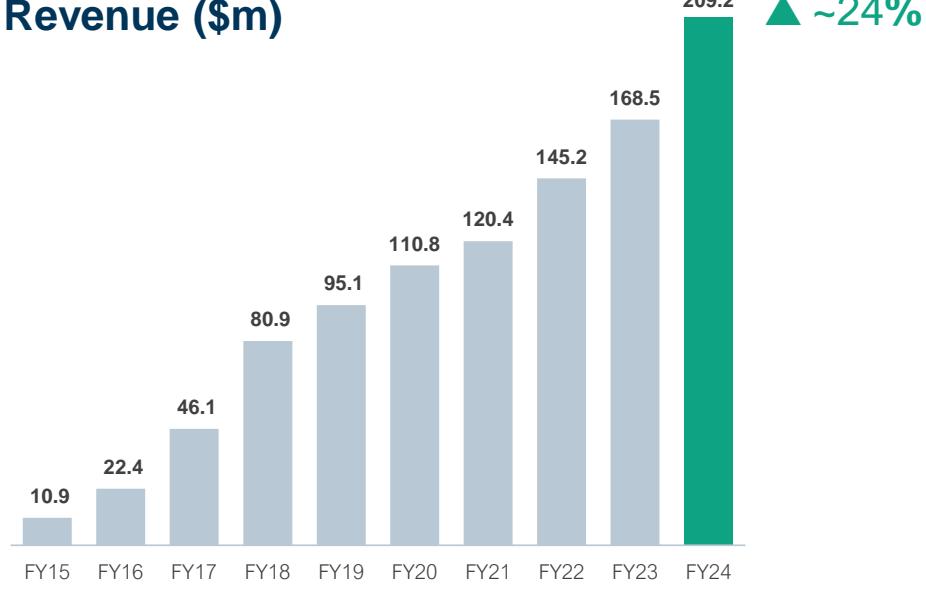
# Track Record

Propel has maintained a strong growth trajectory

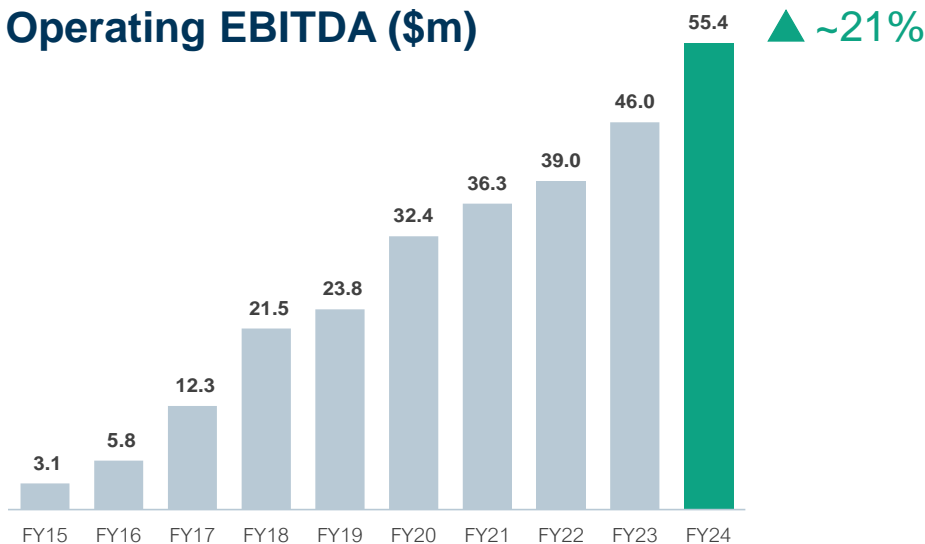
**Funeral volumes (#)** ▲ ~20%



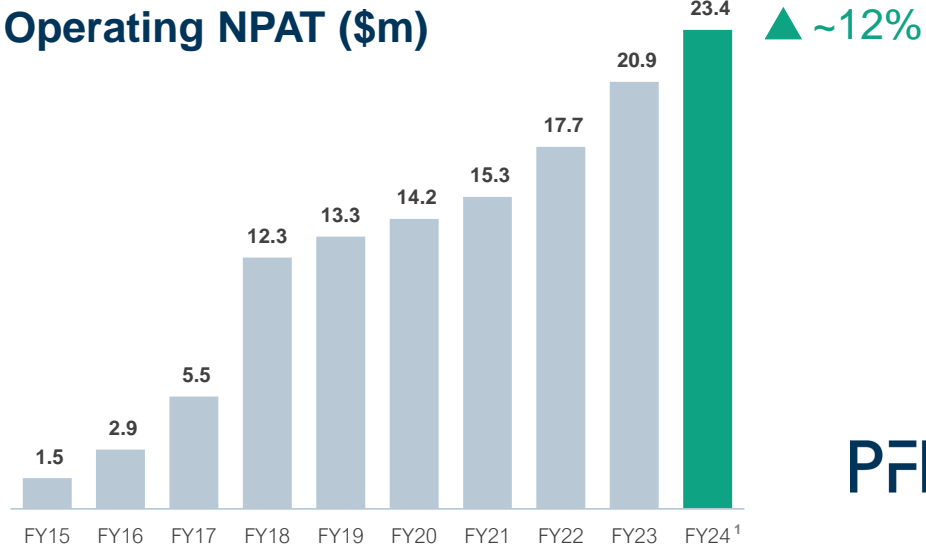
**Revenue (\$m)** ▲ ~24%



**Operating EBITDA (\$m)** ▲ ~21%

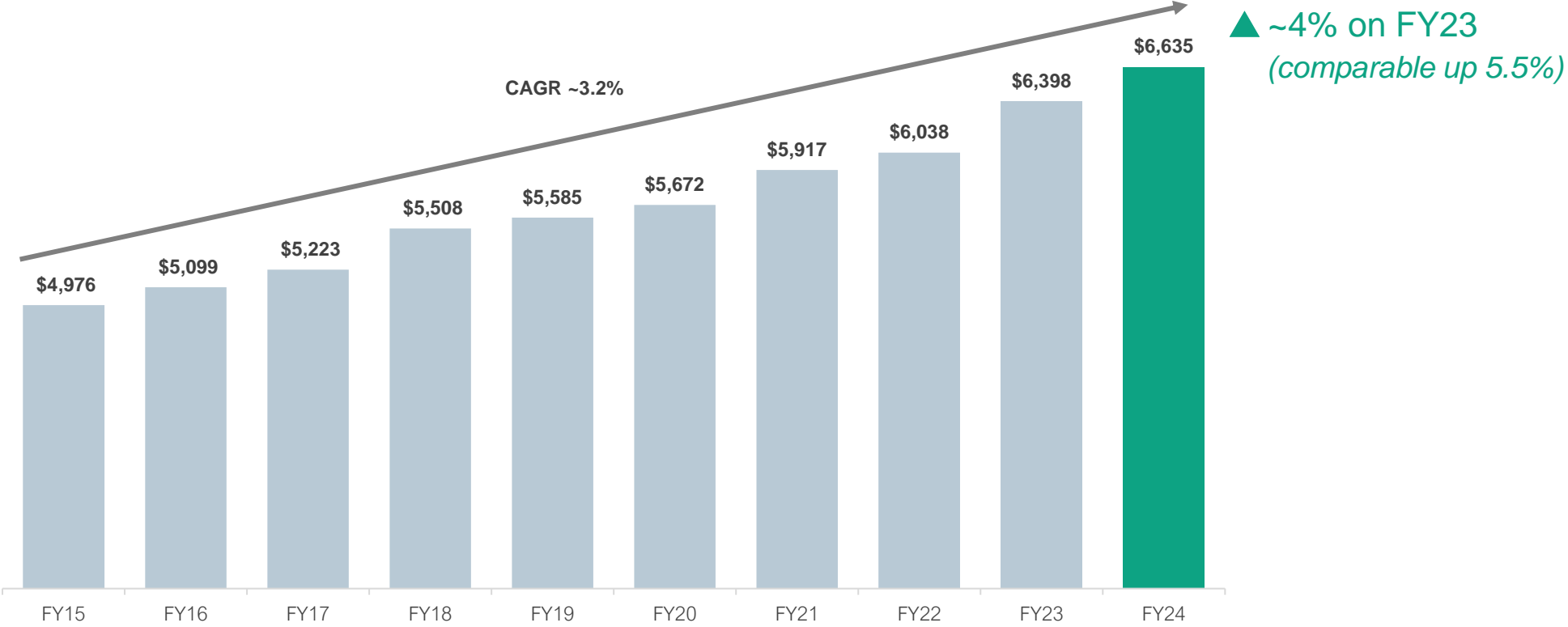


**Operating NPAT (\$m)** ▲ ~12%



# Average Revenue Per Funeral Growth

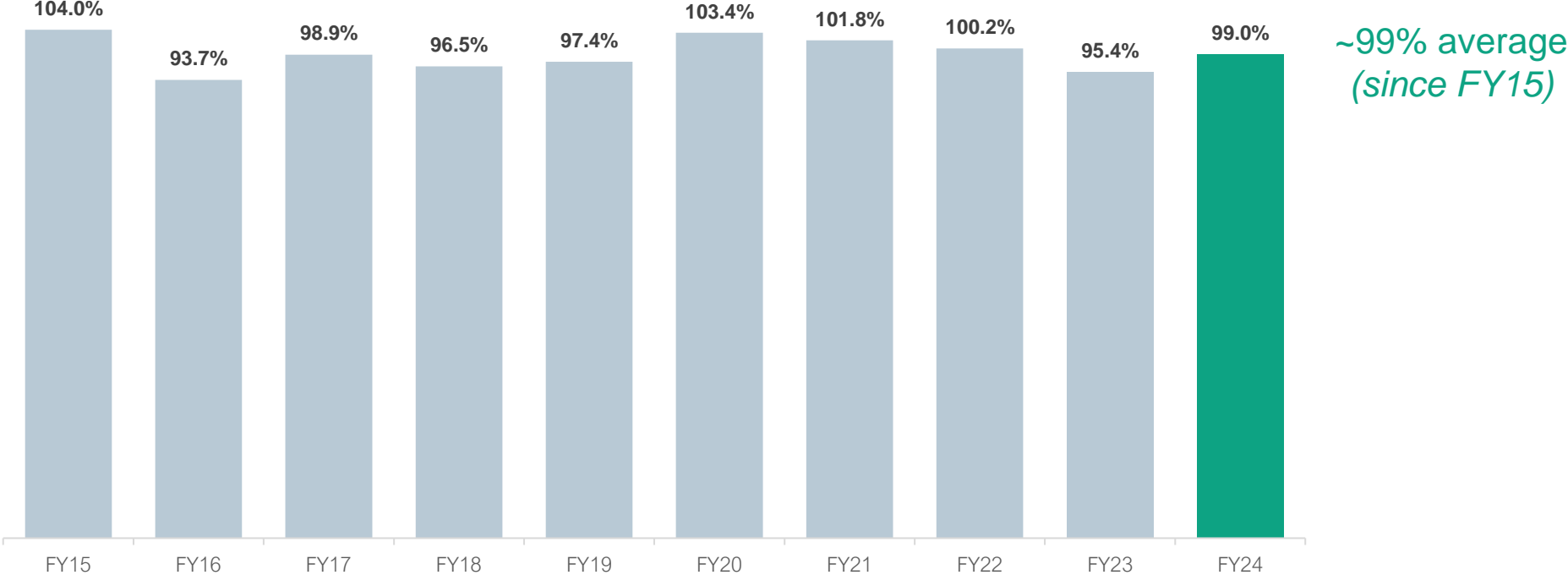
Compound annual growth rate (CAGR) of ~3.2% since FY15





# Cash Flow Conversion

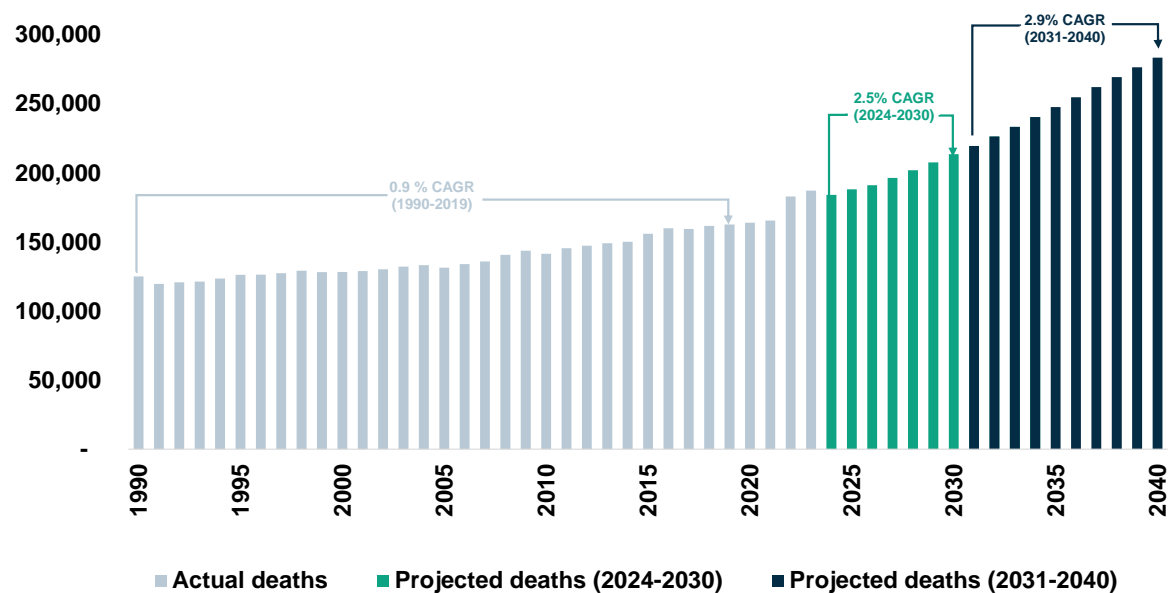
Consistently strong



# Increasing Number of Deaths

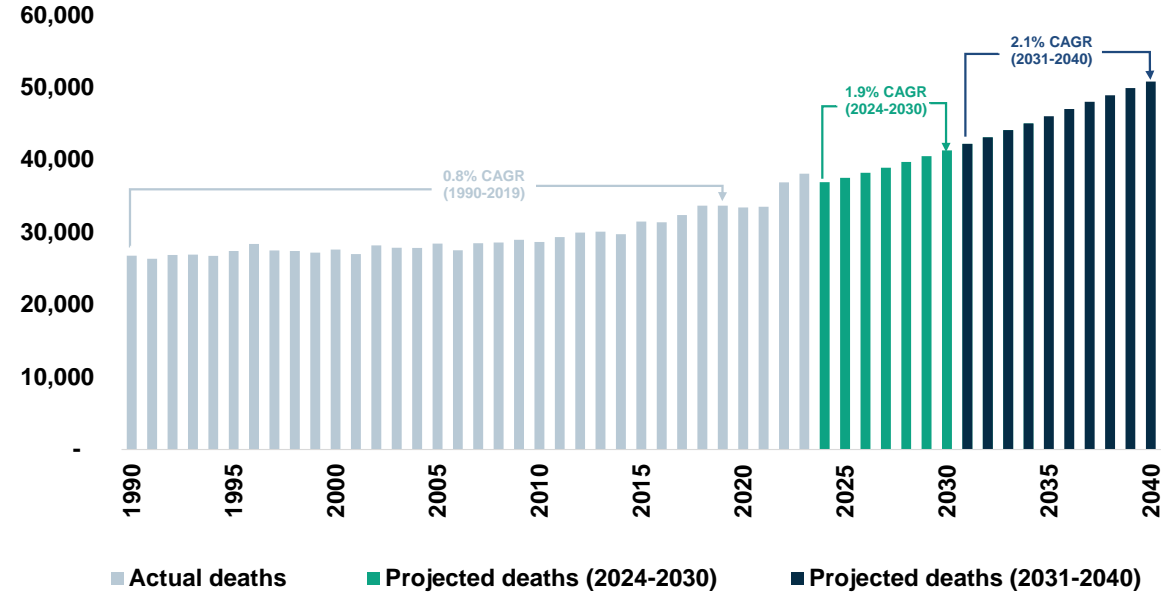
Number of deaths is the most significant driver of revenue in the death care industry

## 1 Australia



- Death volumes in Australia grew by 0.9% pa between 1990 and 2019<sup>1</sup>
- Death volumes are expected to increase by 2.5% pa from 2024 to 2030<sup>1</sup> and 2.9% from 2030 to 2040<sup>1</sup>

## 2 New Zealand



- Death volumes in New Zealand grew by 0.8% pa between 1990 and 2019<sup>2</sup>
- Death volumes are expected to increase by 1.9% pa from 2024 to 2030<sup>2</sup> and 2.1% from 2030 to 2040<sup>2</sup>

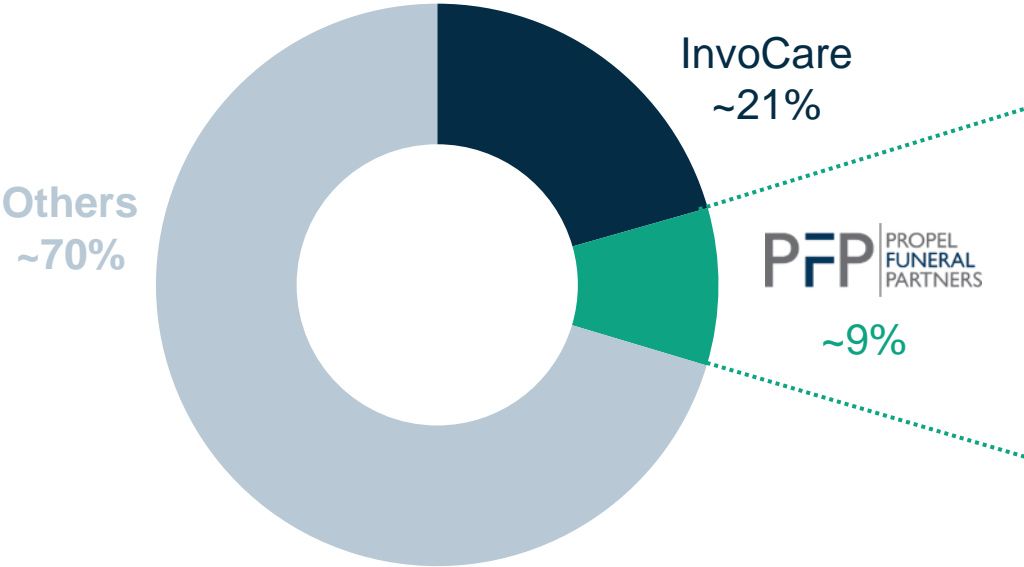
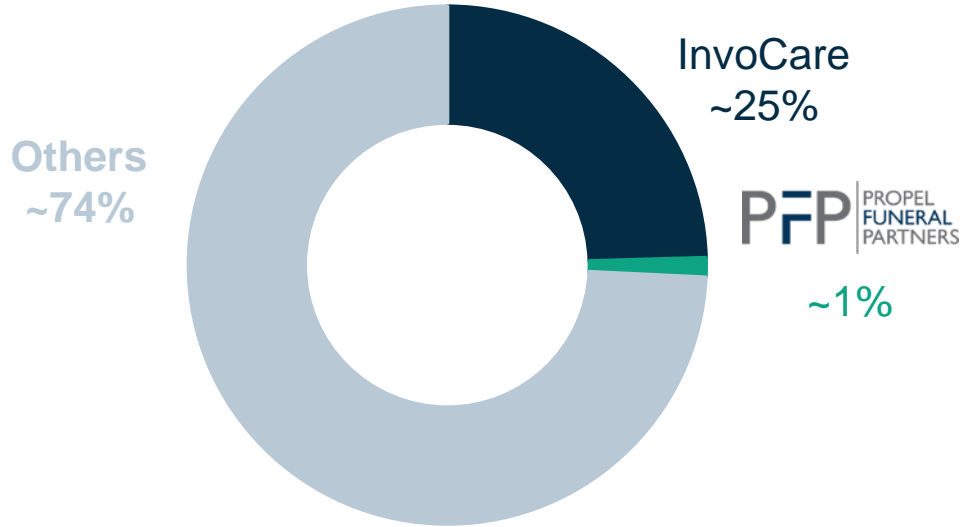
1. Source: 1990 - 2022: ABS, Dataset: Deaths and Infant deaths, Year and month of occurrence, Sex, States, Territories and Australia for actual deaths by financial year. 2023: ABS, Provisional Mortality Statistics for 2023 (released in March 2024). Forecasts: 3222.0 Population Projections, Australia, 2022 (base) – 2077, Table 1 Projected population, Australia, Medium, for projected deaths by financial year (released in November 2023). 2020-2023 has been excluded from the historical CAGR due to COVID impacts on death volumes.  
 2. Source: 1990 – 2023: 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 . Forecasts: National population projections, characteristics, 2022(base)-2073) for projected deaths by financial year (released in July 2022). 2019-2023 has been excluded from the historical CAGR due to COVID impacts on death volumes.

# Market Share Estimate (Funeral Volumes)

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

1 CY15<sup>1</sup>

2 CY23<sup>2</sup>



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: 181,865 actual deaths (ABS provisional mortality statistics) for market size, ~16,425 funerals performed by Propel (including annualised funerals relating to acquisitions completed in CY23) and 37,450 funerals performed by InvoCare in Australia in CY23 (page 7 of InvoCare's 1HY23 investor presentation to shareholders dated 28 August 2023, annualised and rounded up to the nearest thousand).

# Acquisitions

Propel completed or announced ~\$104 million<sup>1</sup> on 12 acquisitions in FY24 (~\$295 million<sup>1</sup> since its IPO)

1	1. Olsens Funerals	Jul-23	Sydney, NSW
	2. J Fraser & Sons	Jul-23	Southland, NZ
	3. Harbour City Funeral Home	Aug-23	Wellington, NZ
	4. Terry Longley and Tong & Peryer	Sep-23	Hastings & Havelock North, NZ
	5. IC Mark	Jan-24	Levin, NZ
	6. Penhall Funerals	Feb-24	Orange, NSW
	7. Howard & Gannon	Feb-24	Taradale, NZ
	8. Southern Funeral Home	Mar-24	Otago & Gore, NZ
	9. Brunswick Valley Funerals	Apr-24	Mullumbimby, NSW
	10. Gladstone Valley Funerals	May-24	Gladstone, QLD
	11. Osbornes Funeral Directors <sup>2</sup>	May-24	Rotorua, NZ
	12. Decra	Jul-24	Christchurch, NZ

<b>Consideration:</b>	~\$104 million
<b>Revenue<sup>3</sup>:</b>	~\$43 million
<b>Locations:</b>	38 (27 freehold)
<b>Cremation facilities:</b>	4

2 Propel continues to explore other potential acquisitions in what is a highly fragmented industry, however, the timing associated with any future acquisitions is uncertain

1. Upfront cash and equity consideration paid. Excludes properties purchased subsequent to completion of a relevant business acquisition and other property purchases, totalling \$35.9 million (excluding stamp duty) as at 30 June 2024. Excluding transaction costs and subject to completion adjustments and exchange rate movements, where applicable.  
 2. Acquired a 49.99% interest in an entity operating the business trading as Osbornes Funeral Directors as well as 100% of the property from which it operates.  
 3. Annual revenue prior to acquisition. Excludes Osbornes Funeral Directors which is equity accounted.

# Trading Update

A record Q1 for Propel

## Q1 FY25<sup>1</sup>:

- ✓ Revenue: ~\$61.5m ↑ ~16% on the PCP
- ✓ Operating EBITDA: ~\$16.5m ↑ ~15% on the PCP
- ✓ Funeral volumes: ~6,150 ↑ ~13% on the PCP
- ✓ ARPF (comparable) growth: ~3% in line with long term CAGR

It should be noted that:

- the Q1 FY25 trading results reflect contributions from acquisitions and material growth in Australian comparable funeral volumes over the PCP
- death volumes fluctuate over short time horizons

1. Based on the Company's unaudited management accounts for the three months ended 30 September 2024 (Q1 FY25).

### 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 2024.”*

*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 2024 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 Jennifer Lang, 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: 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 5

## Item 5: Resolution relating to the ratification of the issuance of ordinary shares (acquisition of IC Mark)

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 19,086 fully paid ordinary shares in the capital of the Company to Kathryn Mary Mark and Denis Charles Mark (as trustees for the Denis and Kathryn Mark Family Trust) as further described in the Explanatory Memorandum to shareholders which forms part of the notice of meeting.”*

# Formal business: Item 6

## Item 6: Resolution relating to the proposed issue of ordinary shares (Placement)

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 15,533,999 fully paid ordinary shares in the capital of the Company to various new and existing institutional shareholders 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 ratification of the issuance of ordinary shares (acquisition of Southern Funeral Home)

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 44,971 fully paid ordinary shares in the capital of the Company to Graham Stephen and Heather Stephen (as trustees for the Grather Family Trust) as further described in the Explanatory Memorandum to shareholders which forms part of the notice of meeting.”*

# Formal business: Item 8

## Item 8: Resolution relating to the ratification of the issuance of ordinary shares (acquisition of Decra Art)

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 84,534 fully paid ordinary shares in the capital of the Company to Adam Julian and Anthony Peter Barker (as trustees for the Kahikatea Family Trust) as further described in the Explanatory Memorandum to shareholders which forms part of the notice of meeting.”*

## 4. Shareholder questions

Votes to be counted



Meeting close – thank you

# Definitions

**ABS** means the Australian Bureau of Statistics.

**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.

**Net Leverage Ratio** for covenant purposes includes adjustments – for example: (1) the Group's \$20m working capital facility is excluded from net debt; and (2) Operating EBITDA includes the annualised impact of acquisitions and is calculated on a pre AASB16 basis.

**NPAT** means net profit/(loss) after tax.

**NZ** means New Zealand.

**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 costs and the non cash net financing charge on pre-paid contracts.

**PCP** means prior corresponding period.

**Pro forma** means statutory results adjusted for the impacts of the Capital Raising, including lower interest expense (net of tax) relating to the changes in the Company's capital structure as if it had occurred on 1 July 2023.

**Prospectus** means the prospectus prepared by Propel in connection with the IPO.

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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. FY22 is disclosed on a pro forma basis (consistent with FY22 reporting). FY24 is disclosed on a statutory and pro forma basis, 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.

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