

24 February 2025

## FY25 First Half Results

- Revenue of \$115.2 million, up 12.0% on the prior corresponding period (1H FY24 or PCP)
- Operating EBITDA<sup>1</sup> of \$29.9 million, up 9.2% on the PCP
- Operating NPAT<sup>1</sup> of \$12.2 million, up 21.1% on the PCP
- Interim Dividend of 7.4 cents (1H FY24: 7.2 cents) per share fully franked
- Three acquisitions, totalling ~\$13 million<sup>2</sup>, completed or announced year to date in FY25
- \$144 million<sup>3</sup> of available funding capacity
- Albin Kurti, Managing Director and Co-Founder, to retire on 31 August 2025 after 14 years<sup>4</sup>

Dear Shareholders,

On behalf of the board, we are pleased to report the financial performance of Propel Funeral Partners Limited (ASX: PFP) (**Propel** or **Company**) for the six month period ended 31 December 2024 (1H FY25).

### Financial performance

Propel experienced material growth in key operating and financial metrics in 1H FY25, as summarised below:

	1H FY25	1H FY24	Change
Revenue (\$m)	115.2	102.9	+12.0%
Operating EBITDA (\$m)	29.9	27.4	+9.2%
Margin	26.0%	26.6%	-60bps
Operating NPAT (\$m)	12.2	10.1	+21.1%
Operating EPS (cents) <sup>1</sup>	8.9	8.5	+3.8%
Cash flow conversion (%) <sup>1</sup>	96.1	100.8	-470bps

The Company's 1H FY25 financial results:

- do not include any contribution from the two acquisitions announced on 18 February 2025;
- include a part period contribution from one acquisition completed during 1H FY25;
- include full period contributions from eleven<sup>5</sup> acquisitions completed during FY24; and
- include the impacts of a 16.6% increase in the number of shares on issue compared to the PCP.

Further details are provided in the Appendix 4D, Interim Financial Report and 1H FY25 Investor Presentation released to the ASX today.

### Interim dividend

The board has declared a fully franked interim dividend of 7.4 cents (1H FY24: 7.2 cents) per share, which represents:

- a payout ratio of ~85% of Distributable Earnings<sup>1</sup>; and
- an annualised dividend yield of ~2.5%<sup>6</sup> (or ~3.6%<sup>6</sup> grossed up for tax).

The interim dividend will be paid on 4 April 2025, with a record date of 4 March 2025. Since its IPO in November 2017, Propel has declared fully franked dividends totalling 87.7 cents per share (or ~\$1.25 per share, grossed up for tax).

### Funeral volumes

In 1H FY25, Propel's funeral volumes totalled 11,549:

- up +8.6% on the PCP; and
- up +1.0% on the PCP on a comparable basis, reflecting stable growth compared to the material fluctuations experienced in three successive PCPs (i.e. -9.8% in 1H FY24, +5.2% in 1H FY23 and +7.8% in 1H FY22).

<sup>1</sup> Refer to definitions on slide 29 of the 1H FY25 Investor Presentation.

<sup>2</sup> Upfront cash and equity consideration paid/payable.

<sup>3</sup> Refer to slide 19 of the 1H FY25 Investor Presentation.

<sup>4</sup> Refer to the separate ASX Announcement dated 24 February 2025.

<sup>5</sup> Noting the 49.99% interest in an entity operating the business trading as Osbornes Funeral Directors is equity accounted.

<sup>6</sup> Based on Propel's closing share price of \$5.87 on 31 December 2024, total dividends declared in connection with CY24 of 14.6 cents per share fully franked and the corporate tax rate in Australia of 30%.

## Average Revenue Per Funeral

In 1H FY25, Propel's Average Revenue Per Funeral<sup>1</sup> was \$6,727, reflecting:

- organic growth of +2.6% on the PCP, in line with inflation; and
- impacts from ten funeral acquisitions completed during and since the PCP.

## Acquisitions

Propel remains focussed on its core strategy of acquiring assets and social infrastructure which operate in the death care industry in Australia and New Zealand (NZ). During and since 1H FY25, Propel committed ~\$13 million<sup>2</sup> on the following three acquisitions:

- **Decra:** a supplier of headstones and monuments in NZ (completed in July 2024);
- **Twentymans Funeral Services:** a funeral services provider operating in and around Thames, NZ since 1867 which also provides pet loss services under the brand 'Forever Pets' (completed in February 2025); and
- **Richmond Funeral Home (including Clareville Crematorium):** a funeral services provider operating in and around Carterton, NZ since 1887 (expected to complete during 2H FY25).

Since its IPO in November 2017, Propel has committed ~\$302 million<sup>7</sup> on acquisitions and continues to explore other potential acquisitions, however, the timing associated with any future acquisitions is uncertain.

## Funding position

As at 31 December 2024, Propel had:

- \$640.5 million of total assets, including \$240.3 million<sup>8</sup> of freehold properties;
- a gearing ratio of ~26%<sup>9</sup> and a net leverage ratio of ~1.9 times (covenant limit of 5.0 times); and
- available funding capacity of ~\$144 million<sup>3</sup>.

## Outlook

In terms of the outlook for 2H FY25, the Company expects to benefit from:

- favourable demographics in Australia and New Zealand;
- its strong funding position; and
- acquisitions completed and announced to date and other potential future acquisitions in what remains a highly fragmented industry.

In that regard, Propel has started 2H FY25 with positive trading momentum – in the month of January 2025, revenue growth over the PCP exceeded 10%<sup>10</sup>, reflecting:

- materially higher total funeral volumes, including contributions from acquisitions and positive comparable funeral volume growth; and
- higher Average Revenue Per Funeral.

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

## Our people

Finally, we wish to make special mention of our employees across Australia and New Zealand. We thank them for their hard work, professionalism, flexibility and commitment to providing essential and caring services to the customers they serve, often under very difficult circumstances.

We look forward to reporting the Company's further progress to shareholders, as and when appropriate.



**Brian Scullin**  
Chairman



**Albin Kurti**  
Managing Director

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<sup>7</sup> Upfront cash and equity consideration paid/payable. Excludes properties purchased subsequent to completion of the acquisitions and other properties purchased totalling \$45.4 million (excluding stamp duty).

<sup>8</sup> Land and buildings held at cost, less accumulated depreciation.

<sup>9</sup> Net debt of \$123.8 million divided by net debt plus total equity of \$352.7 million.

<sup>10</sup> Based on the Company's unaudited management accounts.

# ASX ANNOUNCEMENT

**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 202 locations, including 40 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.