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2018 Half Year Results

16 August 2018

Martin Earp, CEO
Josée Lemoine, CFO

Agenda

H1 Summary	Martin Earp, CEO
Financial Results	Josée Lemoine, CFO
Protect & Grow	Martin Earp, CEO
Acquisitions	Martin Earp, CEO
2018 Outlook	Martin Earp, CEO

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H1 2018 Highlights

Protect & Grow and acquisitions position InvoCare for future growth

- Protect & Grow progressing to plan and results surpassing expectations
  - 19 NBO locations completed YTD 2018
  - Completed NBO locations exceeding modelled EBITDA by more than 30%
- Acquisitions to address network gaps progressing well
  - Australia: 6 acquisitions, 1,530 funerals, 200 cremations, $10.3m revenue pa
  - NZ: 3 acquisitions, 1,730 funerals, 1,280 cremations, NZ$12.0m revenue pa
- H1 Operating EBITDA results are consistent with guidance
  - Lower volumes consistent with scheduled NBO renovations
  - If soft market conditions continue, it will impact full year guidance

Performance H1 2018

Financials[1]

Sales Revenue
$225.7m ↑ 0.4%

Expenses
$172.9m ↑ 0.3%

Operating EBITDA
$53.7m ↓ (0.3%)

Operating Earnings after tax
$23.5m ↓ (7.4%)

Reported Profit
$20.8m ↓ (50.0%)

[1]includes AASB15 transitional impact

Pillars of Growth

Demographics
Deaths ↓ 0.7%

Funeral Market Share
YTD circa ↓ 70bps
R12 circa ↓ 100bps

Funeral Case Average ↓ 1.7%

Operating Margin
↓ 20bps

Prepaid FUM
↑ 9.2%

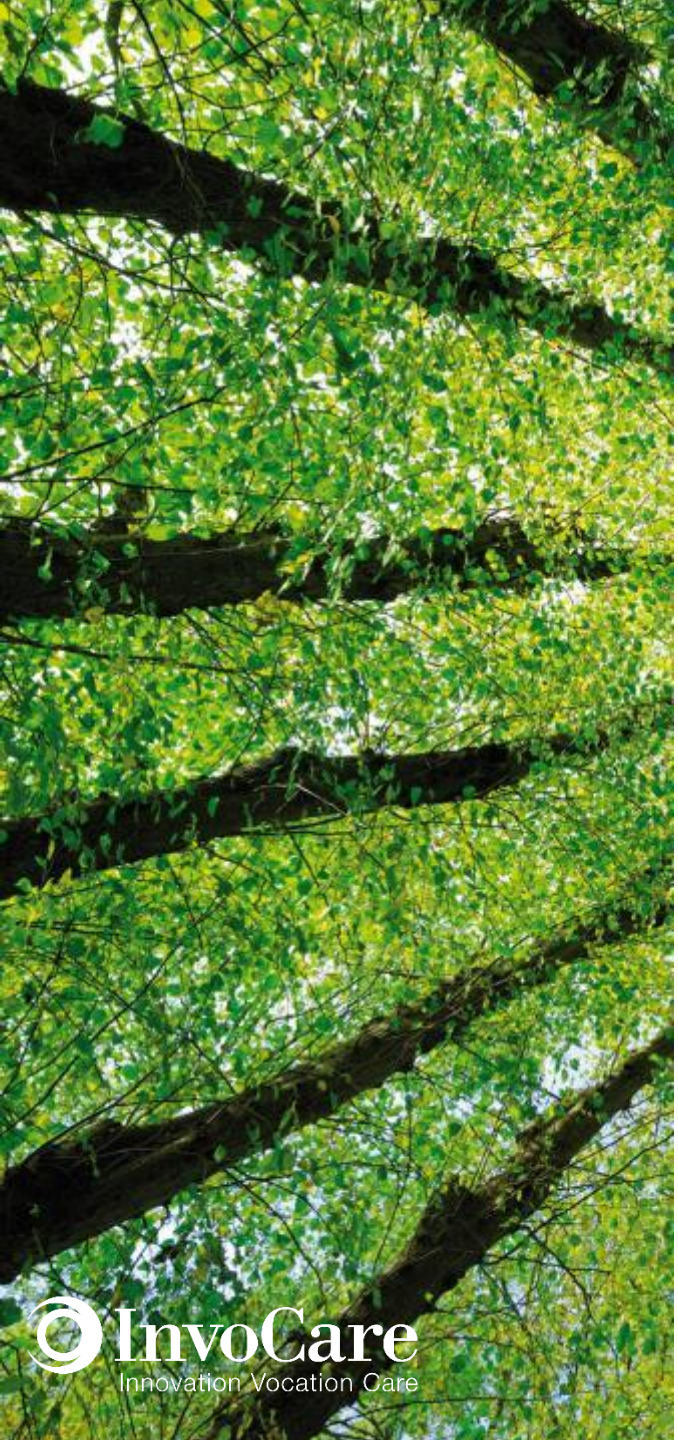
EBITDA/Countries[2]

Australia
$47.5m ↑ 3.2%

New Zealand
$4.4m ↓ (9.3%)

Singapore
$2.1m ↓ (50.7%)

[2]in local currency



Financial Results

Josée Lemoine, CFO

Group Results – Income Statement

Consolidated Business	H1 2017	H1 2018	Variance to 2017	
	$'m	$'m	$'m	%
Operating sales revenue	224.8	**225.7**	0.9	0.4
Other revenue	1.6	**1.0**	(0.6)	(38.4)
Operating expenses	(172.5)	**(172.9)**	(0.4)	(0.3)
Operating EBITDA	53.9	**53.7**	(0.2)	(0.3)
Operating margin	*24.0*	***23.8***	-	*(0.2) ppts*
Operating earnings after tax	25.4	**23.5**	(1.8)	(7.4)
Net Profit[1]	41.7	**20.8**	(20.9)	(50.0)
Operating earnings per share	*23.3c*	***21.6c***	*(1.7c)*	*(7.3)*
Basic earnings per share	38.0c	**19.1c**	(18.9c)	(49.7)
Dividend per share	18.5c	**17.5c**	(1.0c)	(5.4)

[1]after tax & non controlling interest

Results broadly **in line** with May outlook when excluding accounting changes which took effect 1 January 2018

Operating sales revenue grew 0.4% due to the realisation of deferred memorial sales

Operating margin in line with PCP

Lower, comparative return on **prepaid contract funds under management** contributed to reported statutory profit decrease

Comparative year-on-year **dividend** representing a payout ratio of 82%

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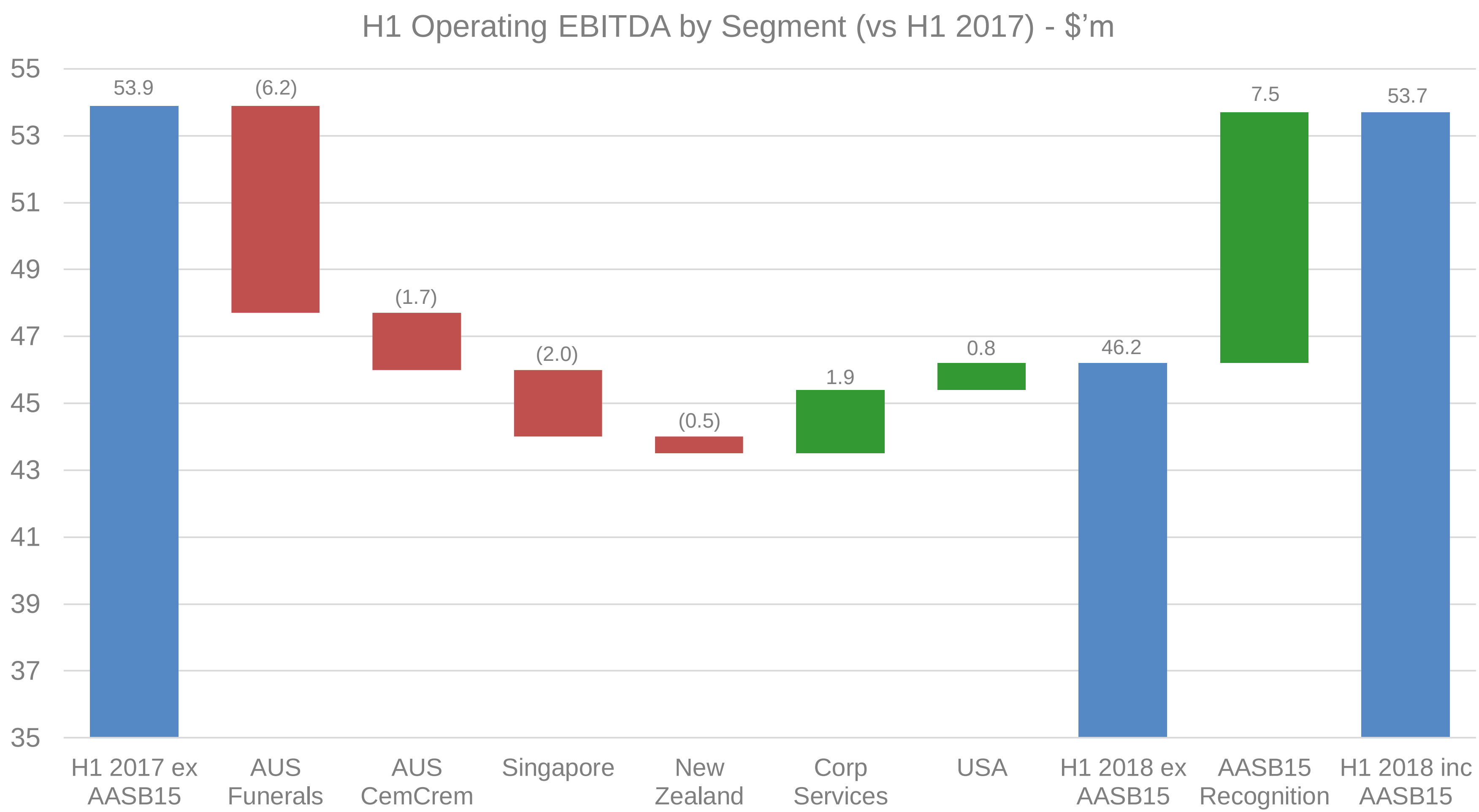
Accounting Standard Changes

2018 - AASB15 Revenue Recognition

- **Deferral of recognition of administration fee income and related commission expense on pre-paid funeral**, cremation and open/close service contracts until service is provided. Comprised 1% of reported revenue but no cash flow impact
- **Deferral of burial site** and **memorial revenue** in pre-need cemetery & crematoria (CemCrem) for pre-2018 partially paid contracts. Revenue deferred until customer pays in full (including deferral of related expenses). Comprised 8% of reported revenue. New memorial product contracts in 2018 provide the customer with control of the memorial product at contract inception, allowing revenue to be recognised once the product is constructed
- **Recognition of finance expense on pre-payments** from customers (as compared to cost uplifts) until goods/services are provided
- **Expected favourable operating EBITDA and EPS benefit** arising from the changes from 2018 for a few years. Increased disclosure in IVC's year end financials. Refer to page 42 in the appendices for more details

Operating EBITDA Movement vs 2017

> Lower case volumes partially offset by accounting standard changes



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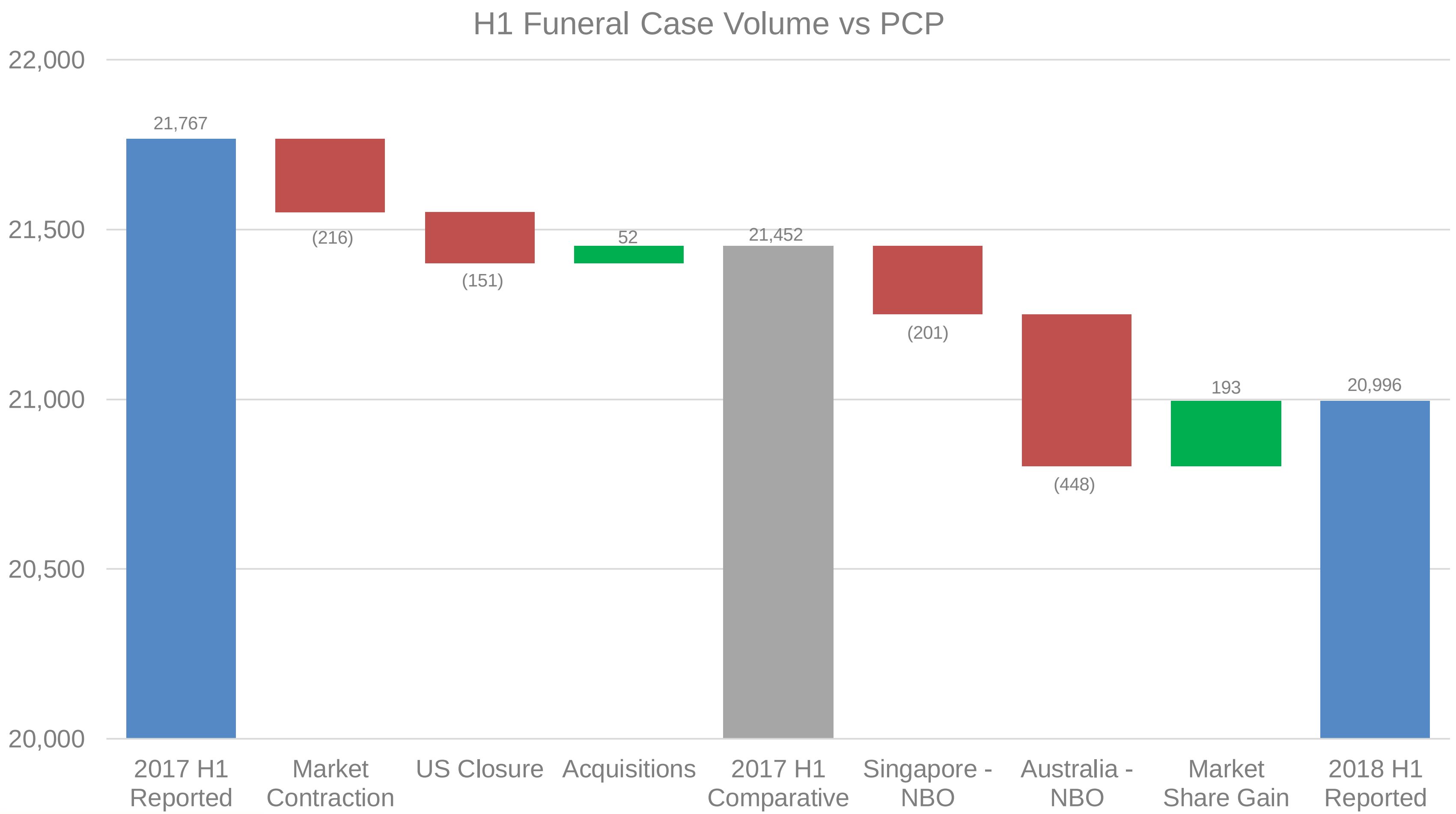
Volume Performance H1 2018

> Market share gain despite NBO scheduled downtime, US closure and market contraction



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Group Results – EBITDA to Operating Earnings

Consolidated Business	H1 2017	H1 2018	Variance to 2017	
	$'m	$'m	$'m	%
Operating EBITDA	53.9	**53.7**	(0.2)	(0.3)
Operating margin	*24.0%*	***23.8%***	*-*	*(0.2) ppts*
Depreciation & amortisation	(10.6)	**(11.8)**	(1.2)	(10.9)
Finance & net interest costs	(5.7)	**(8.7)**	(3.0)	(52.3)
Business acquisition costs	(0.2)	**(1.4)**	(1.2)	-
Operating earnings before tax	37.4	**31.9**	(5.5)	(14.6)
Income tax on operating earnings	(11.9)	**(8.4)**	3.5	30.0
Effective tax rate	*32.0%*	***26.3%***	*-*	*(5.8) ppts*
Operating earnings after tax	**25.4**	**23.5**	**(1.8)**	**(7.4)**
Operating earnings per share	*23.3c*	***21.6c***	*(1.7c)*	*(7.3)*
Interim ordinary dividend per share (paid October)	18.5c	**17.5c**	(1.0c)	(5.4)

Depreciation up $ 1.2m or 10.9% in line with increased Protect & Grow investment in network properties and facilities, including technology investment

Finance and net interest costs increased $3m reflecting impact of changes in accounting standard of $1.8m on advance payments and further funding of Protect & Grow investments

Successful **business acquisitions** reflected in increased related costs

Income tax on operating earnings of $8.4m at an effective tax rate of 26.3% include prior period capital losses from USA sale

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Group Results – Operating Earnings to NPAT

Consolidated Business	H1 2017	H1 2018	Variance to 2017	
	$'m	$'m	$'m	%
Operating earnings after tax	25.4	**23.5**	(1.8)	(7.4)
Non operating items				
Gain/(loss) on disposal of non current assets	0.3	**0.1**	(0.2)	(63.1)
Gain/(loss) on Prepaid contracts	22.3	**(3.9)**	(26.2)	(117.6)
Tax on non operating items	(6.4)	**1.2**	7.5	118.0
Profit to minority interest	(0.0)	**(0.1)**	(0.0)	33.3
Net profit after tax[1]	**41.7**	**20.8**	**(20.9)**	**(50.0)**
Basic earnings per share	38.0c	**19.1c**	(18.9c)	(49.7)

[1]attributable to ordinary equity holders of InvoCare

Prepaid contracts relative under performance due to prior year property investment revaluations, highlighting the volatility in IVC reported profit resulting from **FUM mark to market** accounting

No change in impairment provision. Remediation at memorial park in Qld started in late July 2018

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Group Operating Expenses (as a % of gross sales)

Consolidated Business	H1 2017		H1 2018		Variance to 2017	
	$'m	% Sales	$'m	% Sales	$'m	%
Operating sales revenue	224.8	100	**225.7**	100	0.9	0.4
Other revenue	1.6	0.7	**1.0**	0.4	(0.6)	(38.4)
Expenses						
Cost of goods sold	(60.0)	26.7	**(58.9)**	26.1	1.1	1.8
Personnel	(75.0)	33.4	**(75.8)**	33.6	(0.8)	(1.1)
Personnel – sales	(6.4)	2.8	(7.6)	3.4	(1.3)	(19.8)
Personnel – non sales	(68.6)	30.5	(68.2)	30.2	0.4	0.6
All other expenses	(37.5)	16.7	**(38.2)**	16.9	(0.7)	(1.8)
Operating expenses	(172.5)	76.7	**(172.9)**	76.6	(0.4)	(0.3)
Operating EBITDA	53.9	24.0	**53.7**	23.8	(0.2)	(0.3)
Operating margin	*24.0*	-	***23.8***	-	-	*(0.2) ppts*

Note: Equivalent table for comparable business is included in Appendices

Operating expenses up $0.4m or 0.3%

Cost of goods sold slightly lower through improved purchasing practices and sales mix

Sales personnel costs increased following recognition of deferred memorial sales commissions following transitional AASB15 adjustment

Non-sales personnel costs up $0.4m or 0.6 % on PCP. The underlying cost increase was < 3%, consistent with Award and Enterprise Agreements and additional personnel in greenfield locations offset by reduction in FBT and incentives provisions

All other expenses increased $0.7m or 1.8% following investment in greenfield locations under the Protect & Grow program

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Cash Flow

Consolidated Business	H1 2017 $'m	H1 2018 $'m	Variance to 2017 $'m	Variance to 2017 %
Ungeared pre-tax operating cash flows	*52.4*	***44.1***	*(8.3)*	*(15.8)*
Finance costs	(5.9)	**(6.4)**		
Income tax paid	(16.5)	**(18.6)**		
Other Cash inflow/(outflow) pre-paid business	0.5	**(6.3)**		
Net cash inflow from operating activities	*30.5*	***12.8***	*(17.7)*	*(58.0)*
Cash flows from investing activities				
Purchase of subsidiaries and other businesses	(0.2)	**(17.8)**		
Purchase of property, plant & equipment	(17.9)	**(39.9)**		
Other investing inflows/(outflows)	1.5	**4.2**		
Net cash outflow from investing activities	*(16.5)*	***(53.5)***	*(37.0)*	*224.2*
Net cash flows from financing activities				
Payment for shares acquired by IVC Deferred Employee Share Plan Trust	0.0	**(16.2)**		
Net proceeds from borrowings	19.4	**82.6**		
Payment of dividends	(28.1)	**(30.3)**		
Net cash outflow from financing activities	*(8.7)*	***36.2***	*44.9*	*(516.1)*
Effects of exchange rate changes on cash and cash equivalents	(0.1)	**0.2**		
Cash and cash equivalents at the end of the year	16.7	**11.4**		

Cash conversion at 82% (2017: 97%), adversely impacted by non-recurring project related costs and reflecting the fixed cost nature of the business

Capex of $39.9m up $22.0m on PCP reflects the continuing roll-out of the **Protect and Grow Plan**

Three **acquisitions** completed in the half with Hopes & Sons in New Zealand being the largest

Increased borrowings to fund the acquisitions, Protect & Grow Plan and purchase of shares by the deferred employee share plan trust

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Capital Expenditure Summary

	H1 2017	H1 2018	Variance to 2017	
	$'m	$'m	$'m	%
By Category:				
Facilities	4.6	**17.3**	12.7	276.1
Information technology	1.5	**8.9**	7.4	493.3
Motor vehicles	2.5	**2.3**	(0.2)	(8.0)
Other assets	1.3	**1.0**	(0.3)	(23.1)
Property acquisitions	8.0	**1.4**	(6.6)	(82.5)
Total capital expenditure	**17.9**	**30.9**	**13.0**	**72.6**
By Strategy:				
Business as usual	9.1	**6.9**	(2.2)	(24.2)
Protect & Grow plan	8.8	**24.0**	15.2	172.7
Facilities	*8.3*	***16.3***	*8.0*	-
Information technology	*0.5*	***7.6***	*7.1*	-
Total capital expenditure	**17.9**	**30.9**	**13.0**	**72.6**

Notes: Based on an accrual basis

Next stage of investment in **Protect and Grow** plan resulted in increase of $15.2m capex

Technology projects ramped up in preparation for ERP roll-out and telephony upgrade

Rollout of NBO projects on track

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Capital Management

Consolidated Business	H1 2017	H1 2018	Variance to 2017	
	$'m	$'m	$'m	%
Gross debt	253.6	**331.4**	77.8	30.7
Net debt	236.3	**319.9**	83.6	35.4
Liquidity buffer	53.1	**117.4**	64.3	121.1
Effective interest rate	4.4%	**4.5%**		
% of drawn debt swapped to fixed rate	73.0%	**88.1%**		
Debt maturing in:				
> 12 – 24 months	170.0	**0.0**	(170.0)	-
> 24 – 36 months	120.0	**0.0**	(120.0)	-
> 36 – 48 months	0.0	**200.0**	200.0	-
> 48 – 60 months	0.0	**150.0**	150.0	-
> 108 – 120 months	0.0	**100.0**	100.0	-
Core debt metrics				
Interest cover	11.5 x	**9.8 x**	(1.8) x	-
Gearing	2.0 x	**2.8 x**	(0.8) x	-
Dividend per share	18.5c	**17.5c**	(1.0c)	(5.4)

Debt & maturity profile - refinancing completed in February 2018 with $350m multi-currency bank debt and 10-year fixed rate Australia dollar note to fund **Protect and Grow investment**

Interest rate hedging - managing interest rate exposure through swaps

Gearing and interest cover – ratios comfortably within capital management framework

Capital management levers to manage ongoing Protect & Grow investment and acquisition activity include surplus property sales and prudent approach to dividends including discount of 2% on DRP

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Funds Under Management (FUM)

Consolidated Business	H1 2017	H1 2018	Variance to 2017	
	$'m	$'m	$'m	%
P&L impacts of undelivered contracts:				
FUM earnings	32.9	**9.7**		
FUM liability increase	(8.6)	**(9.4)**		
Net pre-tax gain/(loss) on undelivered contracts	24.3	**0.3**	(24.0)	(99.1)
Total Funds under Management	**507.8**	**554.6**	**46.8**	**9.2**
Asset Allocations:				
% in equities	17.0%	**19.0%**		
% in property	30.0%	**23.0%**		
% in cash & fixed interest	53.0%	**58.0%**		

FUM mark to market volatility impacts IVC's reported profit

Investment profile skewed to cash and fixed interest

2017 FUM earnings benefited significantly from **property investment revaluations**

Prepaid contracts sold continues to exceed redemptions by 12%

Redemptions make up 14.5% of funeral services

Note: Funds under management are held in trust and independently managed

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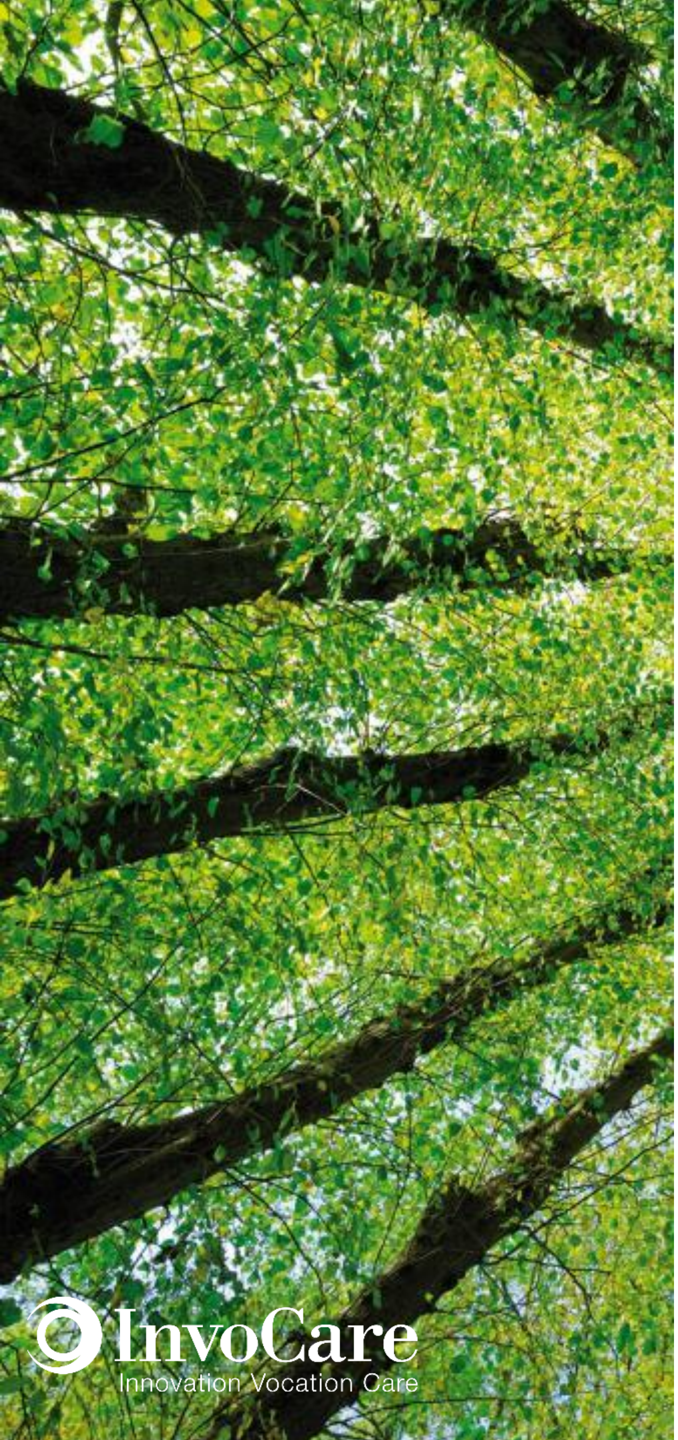


Protect & Grow

Martin Earp, CEO

H1 Protect & Grow Highlights

Network & Brand Optimisation

Completed
Refreshed 6 locations
Enhanced 2 locations
Opened 11 new locations

H2 Forecast
Refreshing 35 locations
Enhancing 7 locations
Opening 10 new locations

EBITDA Performance
Ahead of modelled assumptions

People & Culture

Completed
Expansion of Customer Service Masterclass program

Launched
One InvoCare cultural awareness program

NPS
Up from 68% Q4 2017 to 72% H1 2018

Underway
Leadership structure and capability framework

Operational Efficiencies

Completed
People and payroll system rollout

New locations for 3 operational centres secured

Underway
ERP pilot scheduled for Q4 2018

Upgrade of WAN / telephony system

Summary of NBO Rollout

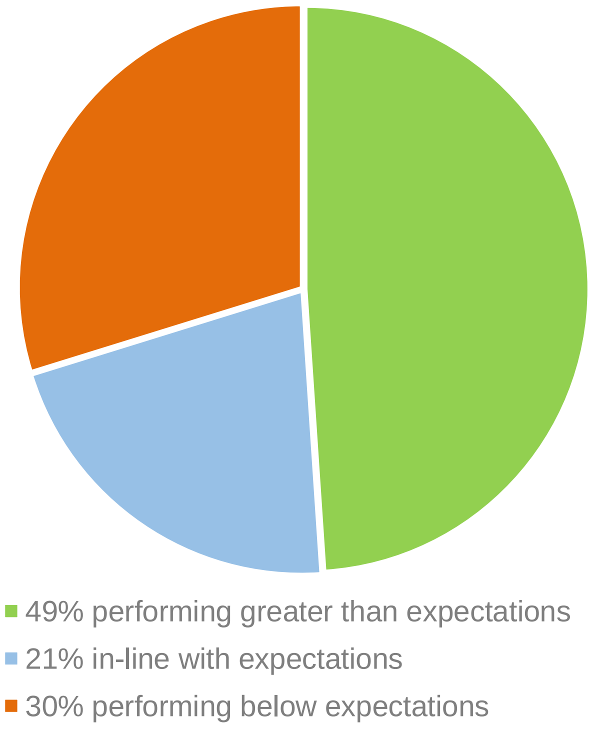
- On-track to roll out 71 locations in 2018 against a plan of 68
- Delays experienced at three enhance locations due to DA and heritage listing implications. These locations will re-open Q1 2019

	2017 Delivered	2018 Plan	H1 2018 Actual	H2 2018 Forecast	2018 Forecast	Variance
Refresh	22	41	6	35	41	-
Enhance	2	12	2	7	9	(3)
Growth	4	15	11	10	21	6
Total	**28**	**68**	**19**	**52**	**71**	**3**

Performance of Completed NBO Locations

- The three pilot locations completed in 2017 continue to achieve strong volume growth with 27% increase in case volume since renovation
- Aggregate of 47 NBO locations EBITDA vs Model is > 30%
- 70% of NBO locations are performing in-line or above expectations
- Underperforming locations are in ramp up or are being modified to address underperformance

EBITDA Compared to NBO Model



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NBO Lessons Learned

NBO intentionally phased to allow for modifications to occur

- Enhance locations require additional capex to achieve ‘wow’ factor
- Refresh locations can achieve the ‘wow’ factor with less capex
- Growth locations ramping up more quickly than anticipated
- Local marketing with focus on both leader and renovated location is proving effective
- Design standards are being tweaked to take account of both customer and staff feedback
- Standardised design approach allowing for competitive pricing of fitout and furniture for the balance of the NBO rollout
- Performance data from completed NBO locations is informing balance of the NBO rollout (additional locations / divestments)

Refresh Location: Southport QLD - Before

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Refresh Location: Southport QLD - After

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Refresh Location: Southport QLD - Before

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Refresh Location: Southport QLD - After

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Enhance Location: Singapore

> Singapore re-opened in May 2018 and June/July saw strong volume and case average performance

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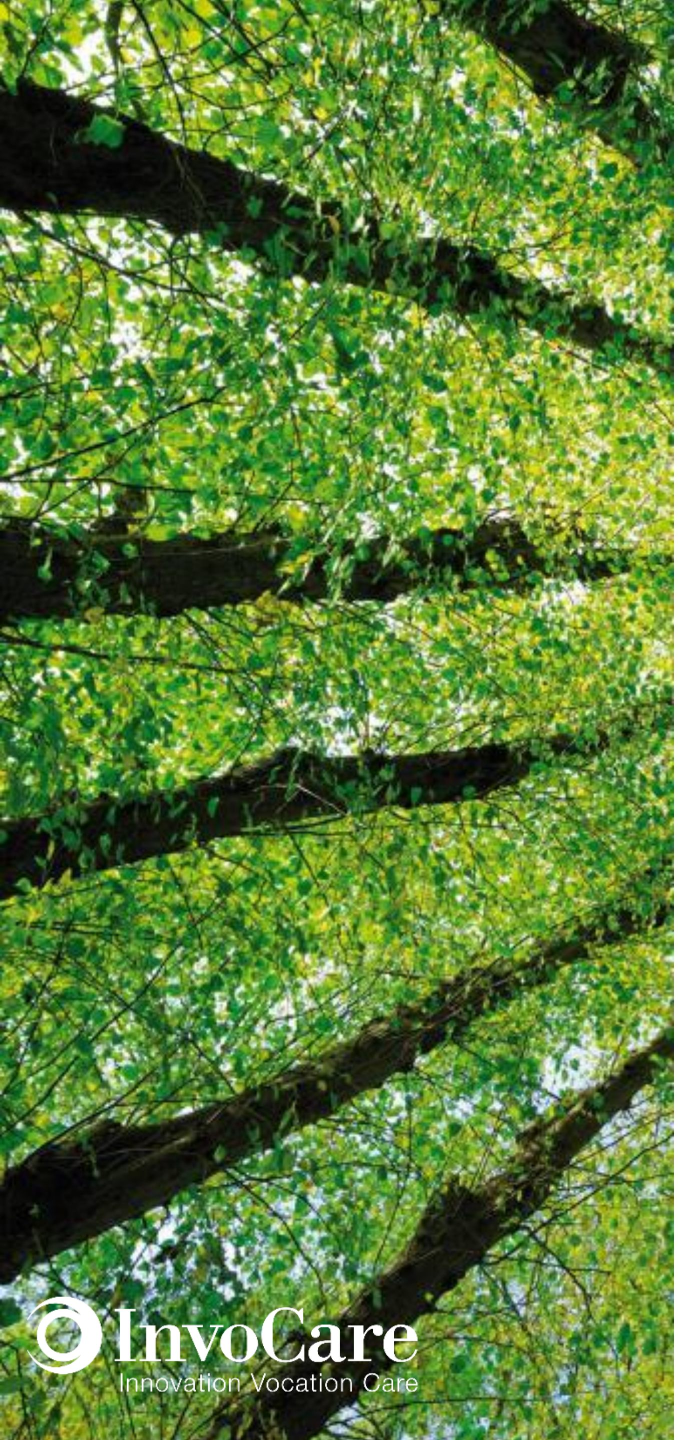


Acquisitions

Martin Earp, CEO

Acquisitions

> Historically, IVC has operated in large metropolitan cities in Australia which represent approximately two thirds of the total number of deaths in Australia

> NBO modelling tool used to identify gaps within IVC network and attractive new markets

> Deaths in the Australian regional markets are ~50,000 pa of which IVC had approximately 5% market share

> In 2017 IVC enhanced capabilities within internal M&A team

> Good progress made with nine acquisitions in Australia and New Zealand year to date

Acquisitions

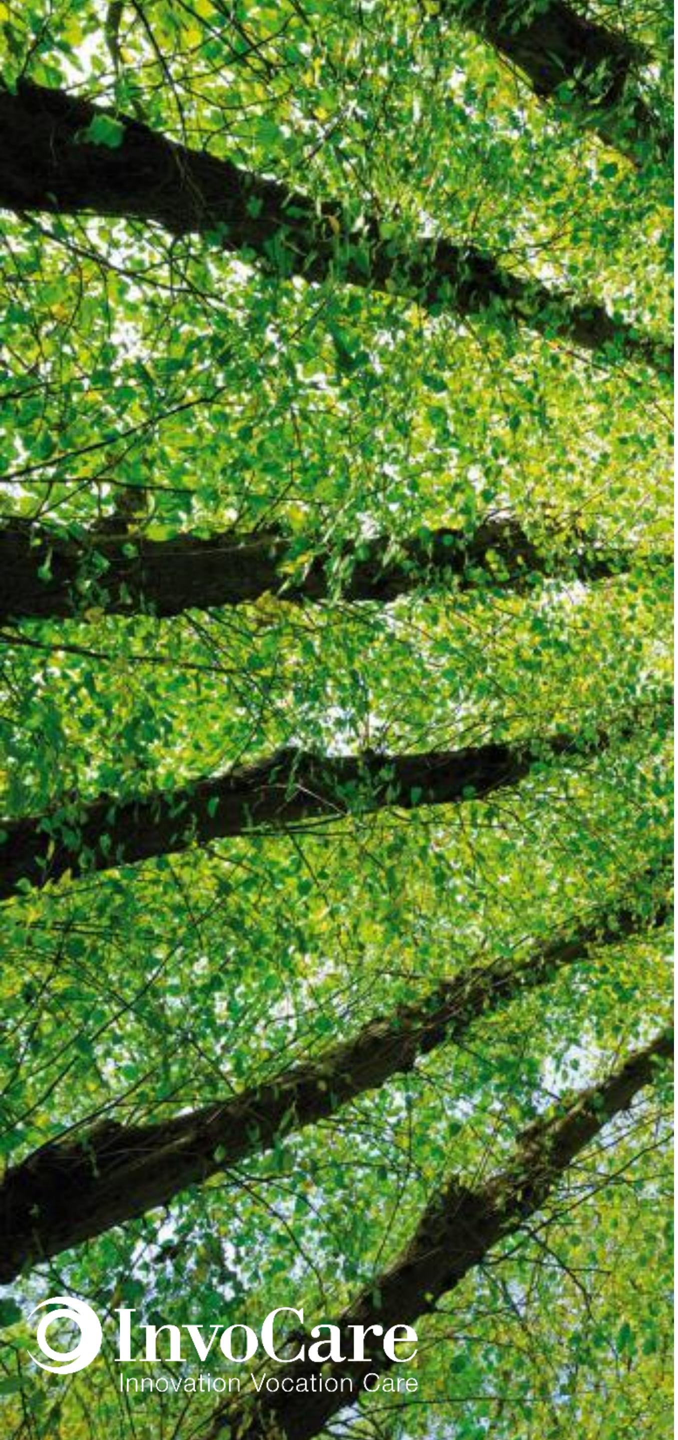
Australia		Funeral Cases	Cremation Cases	Revenue	Completion
Grafton & District Funerals, Grafton NSW	Regional	300	-	A$2.0m	August 2018
Archer & Sons, Bunbury WA	Regional	330	-	A$2.4m	July 2018
English Rose Funerals, Adelaide SA	Metro	140	-	A$0.7m	July 2018
Lester & Son, Albury / Wodonga VIC/NSW	Regional	460	200	A$3.5m	July 2018
Southern Highlands Funerals, NSW	Regional	100	-	A$0.7m	June 2018
J.A Dunn Funeral Services, Launceston, TAS	Regional	200	-	A$1.0m	March 2018
TOTAL		**1,530**	**200**	**A$10.3m**	

New Zealand					
William Morrison Funerals, Auckland	Metro	950	720	NZ$5.2m	August 2018
Hope & Sons Funeral Directors, Dunedin	Regional	650	470	NZ$5.8m	June 2018
Whitestone Funerals, Oamaru	Regional	130	90	NZ$1.0m	June 2018
TOTAL		**1,730**	**1,280**	**NZ$12.0m**	

Note: Figures are approximate per annum

William Morrison Funerals

- Contracts exchanged on 15 August 2018
- Two funeral homes including a cremator in Auckland (Henderson and Glen Innes)
- Circa 950 funeral and 720 cremation cases pa
- Annual revenue circa NZD$5.2m
- Improves foothold and operating leverage in the Auckland market
- Consistent with NBO strategy

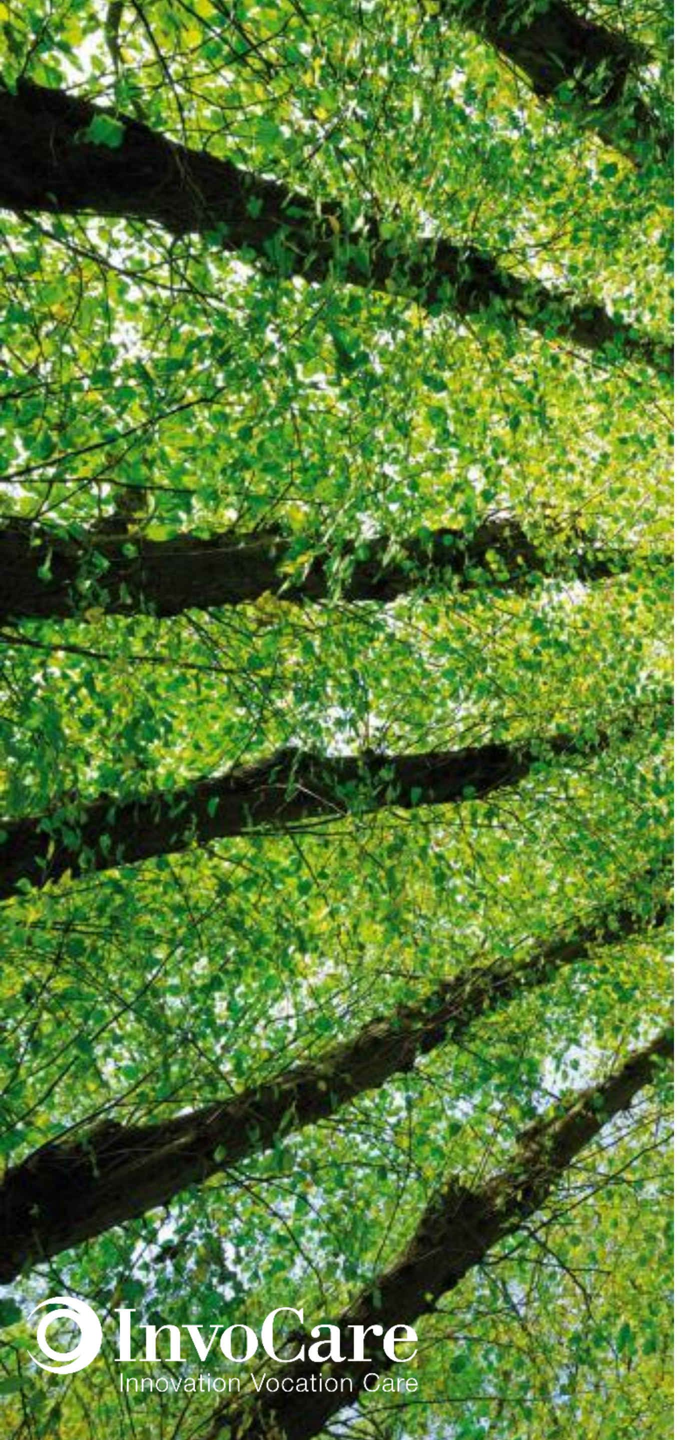


2018 Outlook

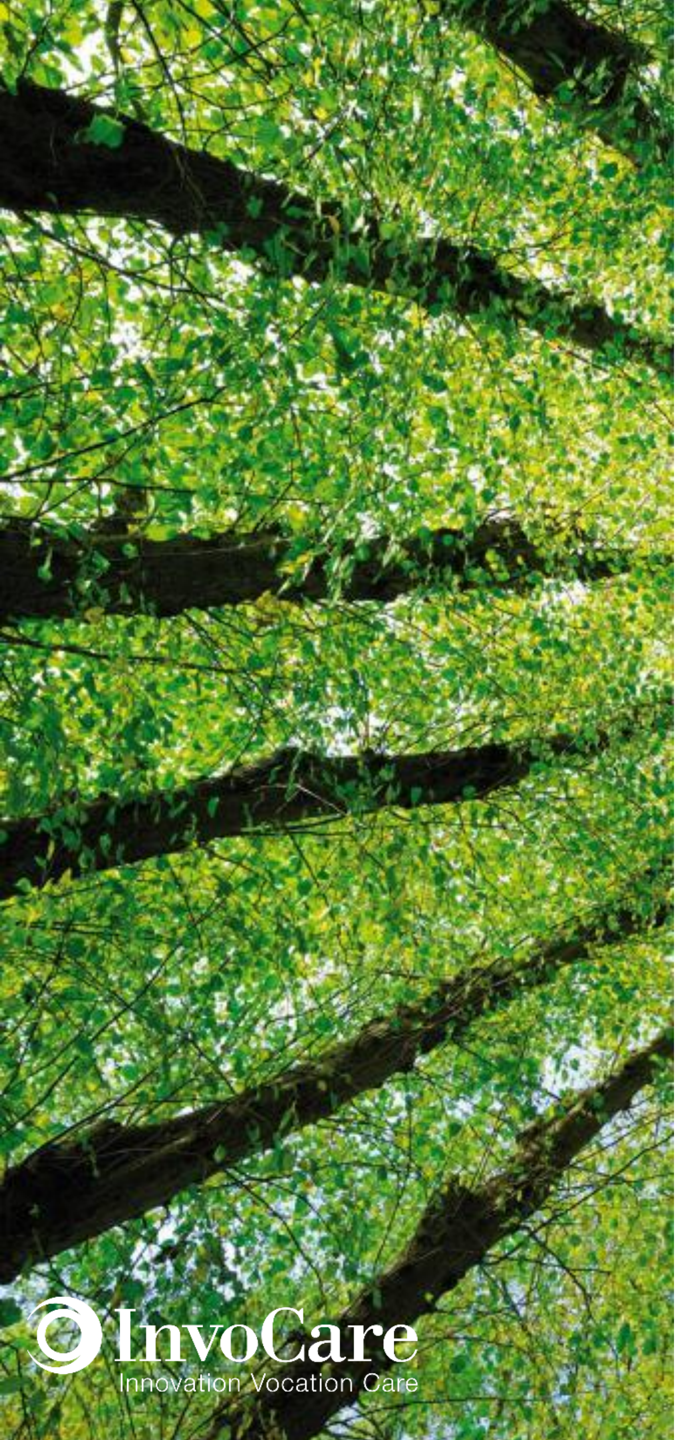
Martin Earp, CEO

2018 Outlook

- NBO rollout continues with 40% of network completed by the end the year
- Continued focus on acquisitions and capital management, particularly property disposals
- Market guidance provided in May 2018 was dependent on the market reverting to trend (annual increase in deaths of circa 1.5%)
- Assuming soft markets continue, this will impact our prior full year financial guidance
- The estimated impact of a soft market in H2 is shown below
  - Including the impact of AASB15, **operating EBITDA** for the full year is expected to show a small increase over the result for 2017 and mid-single digit decline in **operating EPS**
  - On a like-for-like basis, management estimate a mid-single digit decline in operating EBITDA when compared to the result for 2017 with a corresponding decrease in operating EPS



Questions?



Appendices

Comparable Business – Income Statement

Comparable Business	H1 2017	H1 2018	Variance to 2017	
	$'m	$'m	$'m	%
Operating sales revenue	224.1	**225.3**	1.2	0.6
Other revenue	1.4	**1.0**	(0.4)	(28.8)
Operating expenses	(170.8)	**(172.6)**	(1.8)	(1.1)
Operating EBITDA	54.7	**53.7**	(1.0)	(1.8)
Margin on sales	*24.4%*	***23.8%***	-	*(0.6) ppts*
Operating earnings after tax	26.4	**22.3**	(4.1)	(15.6)
Net profit[1]	27.1	**23.6**	(3.5)	(13.0)
Operating earnings per share	24.1 c	**20.4 c**	(3.6) c	(15.1)
Basic earnings per share	24.7 c	**21.6 c**	(3.1) c	(12.6)

[1]After tax and non controlling interest
Note: Comparable business excludes the USA divestment and current year acquisitions

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Comparable Business – EBITDA

All lines of business	H1 2017		H1 2018		Variance to 2017	
	$'m	% Sales	$'m	% Sales	$'m	%
Operating Sales revenue	224.1	100.0	**225.3**	100.0	1.2	0.6
Other revenue	1.4	0.6	**1.0**	0.4	(0.4)	(28.8)
Expenses						
Cost of Goods Sold	(59.9)	26.7	**(58.8)**	26.1	1.1	1.8
Personnel	(74.0)	33.0	**(75.7)**	33.6	(1.7)	(2.4)
Advertising & promotions[1]	(7.9)	3.5	**(6.3)**	2.8	1.6	19.9
Occupancy & facility expenses	(14.3)	6.4	**(15.3)**	6.8	(1.0)	(6.7)
Motor vehicle expenses	(3.6)	1.6	**(3.8)**	1.7	(0.2)	(4.3)
All other expenses	(11.2)	5.0	**(12.8)**	5.7	(1.6)	(14.4)
Operating Expenses	(170.8)	76.2	**(172.6)**	76.6	(1.8)	(1.1)
Operating EBITDA	54.7	24.4	**53.7**	23.8	(1.0)	(1.8)
Operating Margin	*24.4%*	-	***23.8%***	-	-	*(0.6) ppts*

Note: Comparable business excludes the USA divestment and current year acquisitions
[1]$2.3m re-allocated to pre-need marketing

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Country Segment Results

All lines of business	H1 2017	H1 2018	Variance to 2017	
	$'m	$'m	$'m	%
Operating Sales Revenue				
Australia	193.2	196.7	3.5	1.8
New Zealand	22.5	22.1	(0.4)	(1.8)
Singapore	8.4	6.6	(1.9)	(22.1)
Comparable Business	224.1	**225.3**	**1.2**	**0.6**
USA & Acquisitions	0.7	0.3	(0.4)	-
IVC Group	**224.8**	**225.7**	**0.9**	**0.4**
EBITDA				
Australia	46.1	47.5	1.5	3.2
New Zealand	4.6	4.1	(0.5)	(10.4)
Singapore	4.0	2.1	(2.0)	(48.8)
Comparable Business	**54.7**	**53.7**	**(1.0)**	**(1.8)**
USA & Acquisitions	(0.8)	-	0.8	-
IVC Group	**53.9**	**53.7**	**(0.2)**	**(0.3)**
Margin on Sales				
Australia	23.8%	24.2%	-	0.4 ppts
New Zealand	20.3%	18.5%	-	(1.8) ppts
Singapore	47.9%	31.5%	-	(16.4) ppts
Comparable Business	**24.4%**	**23.8%**	**-**	**(0.6) ppts**
USA & Acquisitions	-	-	-	-
IVC Group	**24.0%**	**23.8%**	**-**	**(0.2) ppts**

Australian Results Summary

	H1 2017	H1 2018	Variance to 2017	
	$'m	$'m	$'m	%
Case Volume				
Funerals	17,988	**17,588**	(400)	(2.2)
CemCrem	11,596	**11,342**	(254)	(2.2)
Gross Sales				
Funerals	144.7	**139.4**	(5.3)	(3.5)
CemCrem	48.7	**57.6**	8.9	18.3
Total Australian Sales	**193.2**	**196.7**	**3.5**	**1.8**
EBITDA				
Funerals	40.6	**34.4**	(6.2)	(15.3)
CemCrem	21.6	**27.4**	5.8	26.9
Corporate Services	(16.2)	**(14.3)**	1.9	11.8
Australian EBITDA	**46.1**	**47.6**	**1.5**	**3.2**
Operating margin	*23.8%*	***24.4%***	*-*	*0.6 ppts*

Pillars of Growth

Case Averages
At need Funeral case averages decreased by 1.9 % as a result of product mix

Demographics
Number of deaths decreased 1.2% on PCP with a slight increase of 30bps on a rolling 12 months

Market Share
The first half of 2018 has seen a stabilisation of market share despite NBO disruptions

Operating Costs
Productivity initiatives contributed to low growth in operating costs

EBITDA growth of 3.2% includes transitional adjustment following AASB15 adoption

Australian Results Summary

Funerals / General - At Need

- AUS funeral business performance behind 2017 due to slower market conditions and the impact of NBO locations. This slower performance was primarily Q1 related with stronger volume seen in Q2. The transitional impact of **NBO initiatives** across all regions in H1 is estimated at 448 cases
- Market share growth in Simplicity & Value brands and a flat H1 for **White Lady** was offset by decline in Traditional brands
- Case average slightly down impacted by stronger price competition (due to slower H1 Market) and product mix
- **Local Leader strategy** roll out saw stronger volume performance in Q2 with a market share increase (50bp)

Cemetery & Crematoria -Pre/Post Need

- Cemetery and crematoria "at need" case volume slowed 2.2% over the PCP due to slower H1 market performance
- Strong growth in **memorial & crypts sales** in both NSW & QLD (for pre need) will see strong sales results in FY19 on completion of large developments

Pre-Need

- Continued growth in contracts sold bring the number of active plans to circa 90,000
- **Prepaid contracts sold** continues to exceed redemptions by 12%. Redemptions make up 14.5% of funeral services

New Zealand Results Summary

	H1 2017	H1 2018	Variance to 2017	
NZD	**$'m**	**$'m**	**$'m**	**%**
Case Volume	2,785	**2,766**	(19)	(0.7)
Sales	24.0	**23.8**	(0.2)	(0.7)
Expenses	(19.2)	**(19.6)**	(0.4)	(2.1)
EBITDA	**4.9**	**4.4**	**(0.5)**	**(9.3)**
Operating margin	*20.3%*	***18.5%***	*-*	*(1.8) ppts*

Performance

- Flat case volumes & market share stable in a competitive market
- Pricing remains highly competitive in all markets. Taking this into account, a small decrease in Case Average was achieved in H1
- Network development activities commenced during FY17/ H1 FY18, accompanied by a strategic acquisition positions NZ for growth in H2/ FY19

Pillars of Growth

Case Average
Case Averages decreased on PCP by 0.9**%** due to market

Demographics
Number of deaths on par with PCP and 2.6% increase on a rolling 12 month basis

Market Share
Market share remains stable in H1

Operating Costs
Increases in personnel costs due to market wage increases of 2.5% and impact of organisational redesign

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Singapore Results Summary

SGD	H1 2017 $'m	H1 2018 $'m	Variance to 2017 $'m	Variance to 2017 %
Case Volume	843	**642**	(201)	(23.8)
Sales	8.9	**6.7**	(2.2)	(24.7)
Expenses	(4.8)	**(4.8)**	0.0	0.5
EBITDA	**4.3**	**2.1**	**(2.2)**	**(50.7)**
Operating margin	*47.9%*	***31.4%***	-	*(16.5) ppts*

Performance

> InvoCare commenced its refurbishment and facilities upgrade program during Q4 2017 and re-opened in mid Q2 2018

> Business remains profitable despite a decline in EBITDA over PCP as a result of the impact of the facilities upgrade during H1 estimated at 200 cases

> New products & services since re-opening have had a good take-up in June/July

Pillars of Growth

Case Average
Service & merchandise revenues were impacted during H1 (similar to Q4 2017) in line with expectations as a result of facilities upgrades

Demographics
Number of deaths in Singapore increased 1.5% on PCP

Market Share
Estimated market share declined due to parlour temporary closure

Operating Costs
Costs in line with PCP

AASB15 Summary of Operating Impacts on Transition

> Impacts on Operating EBITDA for the adoption by the **modified retrospective** approach for the Cemetery & Crematoria business:

Unwind of CemCrem Transitional Adjustments* $million – Debit / (Credit)	1 Jan 2018	6 months to June 2018		30 Jun 2018
	B/S	**P&L**	**B/S**	**B/S**
Contracted Revenue	(82.2)	(10.5)	10.5	(71.7)
Historical Debtor Balance	55.4		(5.5)	49.9
Deferred Revenue (part cash received)	**(26.8)**		**5.0**	**(21.8)**
Inventory / COGS	11.3	1.6	(1.6)	9.7
Deferred Selling Costs / Employee Benefit Costs	12.3	1.3	(1.3)	11.0
Operating EBITDA		**(7.5)**		

*Excludes financing costs

> Contracted Revenue closing balance as at 30 June 2018 of $71.7m to be recognised upon full payment over the next 3-5 years in line with individual pre 2018 contracts

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