

## 2019 Half Year Results Announcement – 15 August 2019

### Promising First Half

InvoCare Limited (ASX:IVC) today announced its results for the half-year ended 30 June 2019.

#### Results summary

2019 half-year results have seen a positive increase on sales and margins on PCP, which have combined to deliver an Operating EBITDA growth of 16.9%. Underlying earnings after tax increased by 8.6%.

\$ million	2018	2019	Change
<b>Operating sales revenue</b>	\$225.7m	\$241.5m	7.0%
<b>Operating EBITDA</b>	\$53.7m	\$62.8m	16.9%
<b>Operating margin</b>	23.8%	26.0%	220bps
<b>Operating earnings after tax</b>	\$23.6m	\$22.3m	(5.2%)
<b>Underlying earnings after tax</b>	\$19.5m	\$21.2m	8.6%
<b>Net profits after tax</b>	\$20.8m	\$41.4m	97%

- > **Operating sales revenue** was \$241.5m up (a 7.0% increase on the PCP) due to normalising volumes, improved case average, contributions from the 2018 acquisitions
- > **Operating margin** increased reflecting the reduction in occupancy and facilities costs due to the adoption of AASB 16 Leases
- > **Net profits after tax** increased by 97% on PCP and was driven mainly by the over-performance of the funds under management for pre-paid funerals
- > **Operating earnings after tax** have been negatively impacted due to the accounting standard changes. Cashflow has not been impacted

As the market conditions normalised, the company's Protect & Grow program continued to deliver against expectations. The investment in regional markets contributed positively to InvoCare's performance.

Martin Earp, Chief Executive Officer of InvoCare said, "InvoCare's operating results for this period were promising and we are beginning to see a positive contribution from Protect & Grow. Customers are responding favourably to the improvements in both the facilities and services, which is reflected in an increasing level of customer satisfaction (Net Promoter Score +80).

"Regional acquisitions made a substantial contribution to H1 2019 results, and we have a strong, active pipeline of opportunities. I am pleased that recently we announced the acquisition of Australian Heritage Funerals in Toowoomba, QLD which builds on our existing presence in this market."

InvoCare entered the pet cremation industry in H1 2019 with the launch of its first cremation facility (Patch & Purr) in Wollongong.

Mr Earp said, “Our entry into the pet cremation sector is a natural expansion of our core business, and the focus is to provide a significantly higher level of service to both pet owners and veterinary clinics than is currently offered.”

The Directors have determined that the dividend for the first half of financial year 2019 is 17.5 cents per share fully franked compared with 17.5 cents in H1 2018.

This represents an 88% payout of operating earnings. InvoCare’s Dividend Reinvestment Plan (“DRP”) remains activated for this interim dividend and a 2% discount will apply.

The dividend will be paid on 4 October 2019, with a DRP election date of 7 September 2019, a record date of 5 September 2019 and ex-dividend date of 4 September 2019.

**- ENDS -**

## **BACKGROUND**

InvoCare, headquartered in Sydney, is the largest provider of funeral services in Australia, New Zealand and in Singapore. It is also the largest operator of private cemeteries and crematoria in Australia.

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