

9 October 2019

Trading Update – Q1 FY20

Propel Funeral Partners Limited (ASX: PFP) (**Propel** or **Company**) announces that its financial results for the three months ended 30 September 2019 (**Q1 FY20**)¹ were materially above the prior corresponding period (**PCP** or **Q1 FY19**).

In Q1 FY20¹, Propel:

- performed a record number of funerals, with comparable and total funeral volumes higher than the PCP;
- achieved Average Revenue Per Funeral² growth on FY19 within its target range of 2% to 4%;
- maintained strong Cash Flow Conversion³; and
- generated significant growth in revenue, Operating EBITDA⁴ and margins over the PCP, as summarised below:

	Q1 FY20 ¹	Q1 FY19	Change
Revenue (\$m)	28.9	24.3	↑ 19.0%
Operating EBITDA (\$m) ⁴	8.9	6.5	↑ 38.3%
<i>Margin</i>	30.9%	26.6%	+430bps
Operating EBITDA (ex AASB 16) ⁵ (\$m)	8.0	6.5	↑ 24.2%
<i>Margin</i>	27.7%	26.6%	+110bps

Propel's Q1 FY20¹ financial results:

- do not include any contributions from the previously announced, but yet to complete, proposed acquisitions of Dils Group and Gregson & Weight, both of which are expected to complete in Q2 FY20; and
- reflect three months of trading only and, given death volumes can fluctuate over short time horizons, caution is required when extrapolating historical data to forecast potential future performance.

Albin Kurti, Managing Director of the Company, said: "Propel has made a positive start to the new financial year and we expect death volumes will continue to revert to long term trends, given the unusual decline experienced last year, the partial recovery in recent months and the growing and ageing population."

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¹ Based on the Company's unaudited management accounts.

² Average revenue per funeral excluding disbursements and delivered prepaid funeral impacts.

³ Operating EBITDA converted into ungeared, pre-tax operating cash flow.

⁴ Earnings before interest, tax, depreciation and amortisation, adjusted for one off transaction costs and other income and expenses.

⁵ Operating EBITDA excluding the impact of the accounting standard AASB 16 – Leases, which the Company adopted, as required, on 1 July 2019.

ASX ANNOUNCEMENT

**About Propel:**

Propel is listed on the ASX and is the second largest provider of death care services in Australia and New Zealand. Propel currently operates from 120 locations, including 28 cremation facilities and 9 cemeteries.

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