

ASX ANNOUNCEMENT



19 November 2019

2019 Annual General Meeting

Attached are the addresses and accompanying presentation to be delivered by the Chairman and Managing Director at the 2019 Annual General Meeting of Propel Funeral Partners Limited (**Propel**) commencing today at 9.30am (Sydney time). Please note that slide 22 of the presentation includes commentary on Q1 FY20 trading and general comments regarding Propel's outlook.

-END-

About Propel:

Propel is listed on the Australian Stock Exchange and is the second largest private provider of death care services in Australia and New Zealand. Propel currently operates from 128 locations, including 31 cremation facilities and 9 cemeteries.

For further information, please contact:

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Head of Finance
+ 612 8514 8644

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

Tuesday, 19 November 2019
Annual General Meeting

Address from the Chairman, Brian Scullin:

Slide 3

Good morning ladies and gentlemen.

I’m Brian Scullin, Independent Chairman and Non-Executive Director of your Company.

On behalf of the Board, it is my pleasure to welcome you to the 2019 Annual General Meeting of Propel Funeral Partners Limited.

I have confirmed with the Company Secretary that we have a quorum present, so I declare the Meeting open.

Slide 4

I am joined today by your other independent Non-Executive Directors, Naomi Edwards and Jonathan Trollip, as well as Executive Director, Fraser Henderson and Managing Director, Albin Kurti.

Naomi presents herself for re-election at today’s Meeting.

Also joining us here today is:

- Lilli Gladstone, Head of Finance; and
- our audit partner from Nexia, Lester Wills, who is here to address any questions you may have of him later in the Meeting. I thank Lester and Nexia for hosting today’s AGM.

Slide 5

After my introduction, Albin will provide some comments on last year’s 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 make comments or raise questions towards the end of the Meeting.

In terms of the formal matters of the Meeting, I open the poll on all items now, and the poll will remain open until the end of today’s Meeting. If you need assistance at any time, please signal to one of the representatives of Link Market Services. Once you have voted, please pass your voting cards to one of the representatives of Link Market Services.

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 proxies received prior to the cut off time in relation to the resolutions requiring a shareholder vote at today’s meeting. As you will see, there has been an overwhelming support for each of the resolutions, which have been unanimously recommended by the Board.

Slide 7

Propel’s financial results in FY19 continued the Company’s track record of delivering revenue and earnings growth.

The Board elected to reward shareholders by declaring total dividends of 11.5 cents per share fully franked in connection with FY19, reflecting a payout ratio of approximately 78% of Distributable Earnings.

Propel remains focussed on a clearly defined investment strategy to acquire 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 in connection with its IPO, approximately 2 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 the acquisition opportunities.

Propel ended FY19 with net debt of \$7.6 million. In August 2019, Propel expanded its senior debt facilities to \$100 million, the majority of which has been deployed or committed.

One of the primary reasons for listing on the ASX was to enable the Company to access debt and equity markets more efficiently.

In terms of funding, given Propel’s strong operating cash flows, significant freehold assets and current gearing level, we believe the Company’s balance sheet has additional debt funding capacity.

Obviously, there is a balance between prudently taking advantage of low interest rates and liquidity in debt markets, without over stretching the balance sheet. As you would expect, the Board is mindful to strike the right capital structure to ensure the Company is appropriately funded, so that Propel can continue to capitalise on growth opportunities, when they materialise. Albin will provide further detail in that regard, shortly.

Since listing on the ASX in November 2017 with an IPO issue price of \$2.70, Propel’s share price has gained approximately 17% at yesterday’s closing price of \$3.15. In addition, the Company has paid fully franked dividends totalling 17.9 cents per share, resulting in total shareholder value accretion of approximately \$71 million or circa 27% since the IPO, before tax.

As shareholders are aware, the Company was founded and is managed by Propel Investments Pty Limited (which I will refer to as the Manager). To date, all of the Company’s acquisitions have been identified, negotiated, completed and managed by the Manager on the Company’s behalf.

The Manager continues to execute the Company’s investment strategy, on an exclusive basis and in accordance with the Management Agreement, the material terms of which were summarised in the Prospectus.

As announced yesterday, a performance fee of approximately \$4.1 million was earned by the Manager for the 12 months ended 17 November 2019.

During this period, the Total Shareholder Return was 24.2%, outperforming the benchmark of 8.0% by 16.2%. The performance fee represents 20% of the outperformance amount, after recoupment of the carried forward underperformance from the prior calculation period, and reflects the strong alignment of interests between the Manager and the Company’s shareholders.

On behalf of the Board, I would like to thank the Propel team for their hard work and dedication. I express my gratitude to our employees, the Manager and my fellow directors. It has been a busy 12 months and I would like to acknowledge and thank you all for your efforts.

Finally, I would like to welcome and thank our shareholders. We remain focussed on growing Propel and delivering returns that will reward your support.

We look forward to a successful year ahead.

I now invite Albin to take you through last year’s results and other matters which I am sure will be of interest to you.

Address from the Managing Director, Albin Kurti:

Slide 8

Thanks Brian. Good morning everyone and thanks for coming.

Firstly, I’d like to thank all of the staff that work at Propel’s various locations in Australia and New Zealand, who do a wonderful job in serving families at a difficult time.

Slide 9

In terms of today’s presentation, I’ll start with a brief recap of FY19.

I’ll then:

- provide an overview of Propel’s business;
- touch on industry tailwinds, acquisitions and capital management;
- before concluding with our outlook.

Slide 10

FY19 was another record year for Propel.

Despite below trend death volumes in the first half, Propel’s financial performance was resilient, with revenue growing by 17.6% to 95.1 million dollars, on the back of an 11.8% increase in funeral volumes.

Average Revenue Per Funeral was up 1.4% and, on a like for like basis, increased by 2.8%.

Operating EBITDA grew 10.6% to 23.8 million dollars and Operating NPAT increased 8.1% to 13.3 million dollars.

Cash conversion remained strong at 97.4%.

From a capital management perspective:

- total dividends for the year were 11.5 cents per share, fully franked (which included a final dividend of 5.8 cents per share), representing a payout ratio of 78%;
- net debt was 7.6 million dollars at 30 June; and
- subsequent to year end, the Company expanded its senior debt facilities with Westpac to 100 million dollars.

In terms of growth:

- Propel ended FY19 with 120 locations, 17 more than at the end of the prior year and has subsequently added 8 locations to its network;
- and management continued to execute Propel’s acquisition led growth strategy, committing approximately 125 million dollars on acquisitions since the Company’s IPO in November 2017, including Gregson & Weight, our largest acquisition to date which completed earlier this month.

In terms of the outlook, Propel has made a positive start to FY20 with a record first quarter and we are encouraged by clear indications that a recovery in death volumes is underway. I will talk more about our outlook towards the end of the presentation.

Slide 11

In terms of a business overview, this slide illustrates how Propel’s network has evolved over the past 6 years.

We started with one funeral home in Queensland and, today, we operate from 128 locations across Australia and New Zealand, including 31 cremation facilities and 9 cemeteries.

Of those 128 locations, the Company owns 71 of them which are currently held at cost on the Balance Sheet for approximately 108 million dollars.

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, Millingtons has been operating in and around Hobart in Tasmania for over 100 years and in New Zealand, Davis Funerals has operated in and around Auckland since 1875.

The green dotted lines show those brands added to Propel’s network and announced during and since FY19.

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

Slide 13

As you can see on the left, the Company performed over 11,300 funeral services in FY19, up 11.8%.

And on the right, you can see that Propel generated revenue of 95.1 million dollars in FY19, up 17.6%.

Slide 14

In terms of earnings growth:

- Operating EBITDA was 23.8 million dollars in FY19, up 10.6%.
- Operating NPAT was 13.3 million dollars in FY19, up 8.1%.

Slide 15

As you can see from this chart, Propel’s Average Revenue Per Funeral since FY14 has grown at a CAGR of 2.7%, within our long term target growth range of 2 to 4% per annum.

In FY19, Average Revenue Per Funeral was up 1.4% Year on Year, and up 2.8% on a like for like basis.

Slide 16

Propel’s cash conversion has averaged over 98% during the last 5 years, which is pleasing.

In FY19 cash conversion remained strong at 97.4%, slightly up on the prior year, with operating cash flows growing by 12.3% to 23.2 million dollars.

Cash conversion continues to be a key focus.

I’ll now touch on Industry Trends, Acquisitions and Capital Management.

Slide 17

These charts show that the number of deaths in Australia and New Zealand is forecast to both increase and accelerate, according to the ABS 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, as occurred in 2018, from year to year.

Slide 18

The industry is highly fragmented in Australia and in New Zealand, with Propel the second largest in both countries.

In the last three calendar years, Propel’s estimated market share in Australia has more than quadrupled, from circa 1.2% in 2015 to circa 5.5% in 2018.

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

Slide 19

Since the IPO two years ago, Propel has deployed and committed approximately 125 million dollars on acquisitions, which are geographically spread across Australia and New Zealand.

In total, those acquisitions are expected to contribute more than 5,000 funerals, over 3,000 third party cremations and approximately 50 million dollars in revenue per annum.

We have recently completed the acquisitions of Gregson & Weight on the Sunshine Coast in Queensland and Grahams Funeral Services in and around the Franklin District of the North Island of New Zealand.

We expect one of the larger acquisitions we’ve announced, being the Dils Group on the North Shore of Auckland, to complete in Q3 of FY20.

Combined, those three acquisitions are expected to contribute positively to Propel’s financial results during the second half of FY20 and beyond.

Slide 20

Earlier this month, we acquired Gregson & Weight for approximately 36 million dollars, which is Propel’s largest acquisition to date.

Gregson & Weight is the market leader on the Sunshine Coast in Queensland, which is a growing region with favourable demographics.

The transaction included 13 hectares of freehold property and we consider Gregson & Weight’s facilities to be among the best in Australia. These images give you a sense for the scale of two of Gregson & Weight’s four contemporary locations. The other two locations are also impressive.

Moving forward, we continue to explore other potential acquisition opportunities, but the timing of any future acquisitions, as you would appreciate, remains uncertain.

Slide 21

As Brian alluded to, the Board regularly discusses capital management and the Company’s funding needs, particularly in light of its acquisition pipeline.

As you can see from this slide, Propel’s current net debt is approximately 54 million dollars. After allowing for completion of the Dils Group acquisition, other commitments and working capital, Propel has a current liquidity buffer of circa 17 million dollars.

In the last 3 financial years, Propel has committed approximately 50 million dollars per year on acquisitions, on average. To capitalise on opportunities and maintain that acquisition pace, the Company will need additional funding.

In that regard, Propel is in advanced discussions with its debt funding partner, Westpac, to expand the Company’s debt facilities and a funding update will be provided to the market, when appropriate.

Moving to our outlook.

Slide 22

Propel continues to be well positioned to generate sustainable long-term growth and value creation.

We operate in a fragmented and essential service industry, with assets and infrastructure that are difficult to replicate, which stands to benefit from favourable demographic tail winds, over the long term.

Although death volume growth is certain, unavoidable and predictable over the longer term, it’s not linear and it fluctuates over time. In other words, death is certain but its timing isn’t.

Historical experience suggests that the year on year decline in death volumes in 2018 should be temporary, given:

- prior year on year declines have rebounded quickly;
- and the growing and ageing population.

In that regard, the Company’s recent trading indicates a recovery in death volumes is underway.

Propel has started FY20 with positive trading momentum and in Q1, the Company:

- performed a record number of funerals, with comparable and total funeral volumes higher than the prior corresponding period;
- achieved Average Revenue Per Funeral growth on FY19 within our target range of 2% to 4%;
- maintained strong Cash Flow Conversion; and
- generated significant growth in revenue, Operating EBITDA and margins over the prior corresponding period, as summarised in the table on this slide. You can see that in Q1, Operating EBITDA was up 24.2% on the prior corresponding period (excluding the impact of the new accounting standard for leases, AASB 16, which took effect on 1 July 2019).

In terms of the Company’s financial results, we expect to benefit from:

- the acquisitions completed and announced during and since FY19;
- other potential future acquisitions;
- funeral volumes continuing to revert to long term trends; and
- potential funding expansion.

In conclusion, I think the 3 key take-aways from today’s presentation are:

- one, Propel achieved material revenue and earnings growth in FY19, despite below trend death volumes, particularly in the first half of the financial year;
- two, Propel has started FY20 with positive trading momentum, following a record Q1; and
- three, management is delivering on the Company’s strategy, with Propel well placed to continue its growth momentum, as funeral volumes revert back to long term trends and as the Company benefits from financial leverage, recent and potential new acquisitions.

Before wrapping up, I thank our shareholders for your ongoing support. I’d also like to thank my fellow board members for their guidance during the year and my colleagues Lilli Gladstone, Fraser Henderson and the small team at Propel’s head office for their hard work and dedication.

With that, I’ll hand back to Brian to cover the formal matters of the meeting and I’m happy to take questions during the Q&A session. Thank you.



2019 ANNUAL GENERAL MEETING

19 November 2019



1. The Chairman's introduction

BRIAN SCULLIN

*Independent Chairman &
Non-Executive Director*



“Propel remains focussed on a clearly defined investment strategy to acquire infrastructure and assets which operate within the death care industry in Australia and New Zealand.”



Your Board

Focussed on delivering for stakeholders



Brian Scullin

Independent Chairman and Non-Executive Director (NED)

- Chair of Tasmanian Development Board, Macquarie Point Development Corporation and OAK Possibility
- Former senior executive with Bankers Trust and Deutsche Asset Management (AM) in Australia and Asia
- Former Chair of Spark Infrastructure, BTIM (Pental) and Hastings Funds Management
- Former NED of Dexus, Tasplan Super and State Super Financial Services



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



Naomi Edwards

Independent NED and Chair of the Audit & Risk Committee

- Chair of Tasplan Super
- NED of Australian Institute of Company Directors, Australian Institute of Superannuation Trustees, Nikko AM and Tasmanian Development Board
- Former Deloitte Partner and NED of Australian Ethical Investments
- Fellow of the Institute of Actuaries (London) and Fellow of the Australian and New Zealand Institute of Actuaries



Albin Kurti

Managing Director and Head of Investments

- Co-founder of Propel who leads the business and is on the board of each operating subsidiary
- Former executive with Deutsche AM and Arthur Andersen
- Co-led the MBO of the private capital division of Deutsche Bank



Jonathan Trollip

Independent NED

- Chair of Antipodes Global Investment Company, Future Generation Investment Company, Plato Income Maximiser, Global Value Fund, and Spheria Emerging Companies Limited
- Former Herbert Smith Freehills Partner

Items of business

1. The Chairman's introduction
2. Presentation from the Managing Director and Head of Investments
3. Formal business and resolutions
4. Shareholders' questions

Proxies received prior to the cut off time

A total of 167 valid proxy forms were received, and respective shareholdings were accumulated and are summarised below:

Resolution	For	Open	Against	Abstain
2	41,544,569	1,617,550	12,880	141,100
3	22,390,530	1,608,727	192,647	199,028
4	41,400,743	1,622,730	95,245	197,381
5	41,433,700	1,647,550	70,784	164,065
6	41,425,032	1,657,550	78,080	155,437

The Chairman's introduction

1. Resilient financial results in FY19
2. Dividends of 11.5 cents per share fully franked
3. Clearly defined strategy underpinned by:
 - the growing and ageing population
 - industry fragmentation
4. Funding
5. Delivering shareholder value

A person is sitting on a long wooden pier that extends from the foreground into a calm body of water. The scene is set at dusk or dawn, with a deep blue color palette. In the background, there are silhouettes of mountains and a few lights reflecting on the water's surface. The overall mood is serene and contemplative.

2. Presentation from the Managing Director

ALBIN KURTI

*Managing Director &
Head of Investments*



“FY19 was another record year, with Propel achieving growth in key financial metrics, despite below trend death volumes in 1HFY19.”



Key highlights for FY19

<p>1</p> <p>TRADING</p>	<p>Revenue:</p> <p>\$95.1 million ↑ 17.6%</p>	<p>Volumes:</p> <p>11,304 funerals ↑ 11.8%</p>	<p>Average Revenue Per Funeral:</p> <p>\$5,585 ↑ 1.4% YoY / 2.8% LFL</p>
<p>2</p> <p>EARNINGS</p>	<p>Operating EBITDA:</p> <p>\$23.8 million ↑ 10.6%</p>	<p>Operating NPAT:</p> <p>\$13.3 million ↑ 8.1%</p>	<p>Cash Flow Conversion:</p> <p>97.4% ↑ 0.9%</p>
<p>3</p> <p>CAPITAL MANAGEMENT</p>	<p>Total Dividends:</p> <p>11.5 cents fully franked 5.8 cents final dividend</p>	<p>Net Debt:</p> <p>\$7.6 million as at 30 June 2019</p>	<p>Expanded Debt Facilities:</p> <p>\$100.0 million up from \$50 million</p>
<p>4</p> <p>GROWTH</p>	<p>Growing network:</p> <p>120 locations 17 added in FY19</p>	<p>Acquisitions:</p> <p>\$124.6 million committed since IPO¹</p>	<p>Expansion:</p> <ul style="list-style-type: none"> - in QLD, NSW, WA and NZ - acquired seven freehold properties in FY19
<p>5</p> <p>OUTLOOK</p>	<p>Continued growth, expecting to benefit from:</p> <ul style="list-style-type: none"> - acquisitions completed and announced during and since FY19 - other potential future acquisitions, in a fragmented industry - organic growth, with a recovery in death volumes underway 		

¹Refer to slide 19

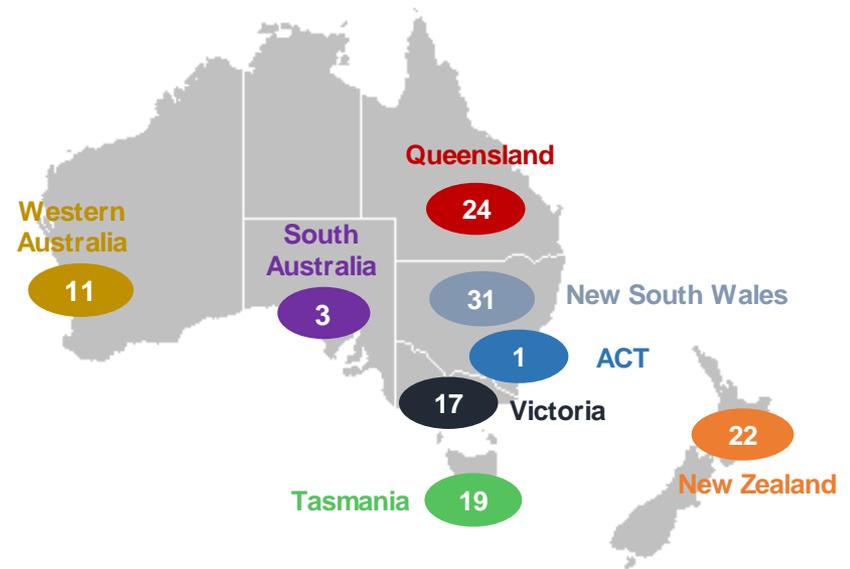
Geographic presence

128 locations (71 owned / 57 leased), including 31 cremation facilities and 9 cemeteries

August 2013



November 2019



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

Brand portfolio

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

Australia



New Zealand

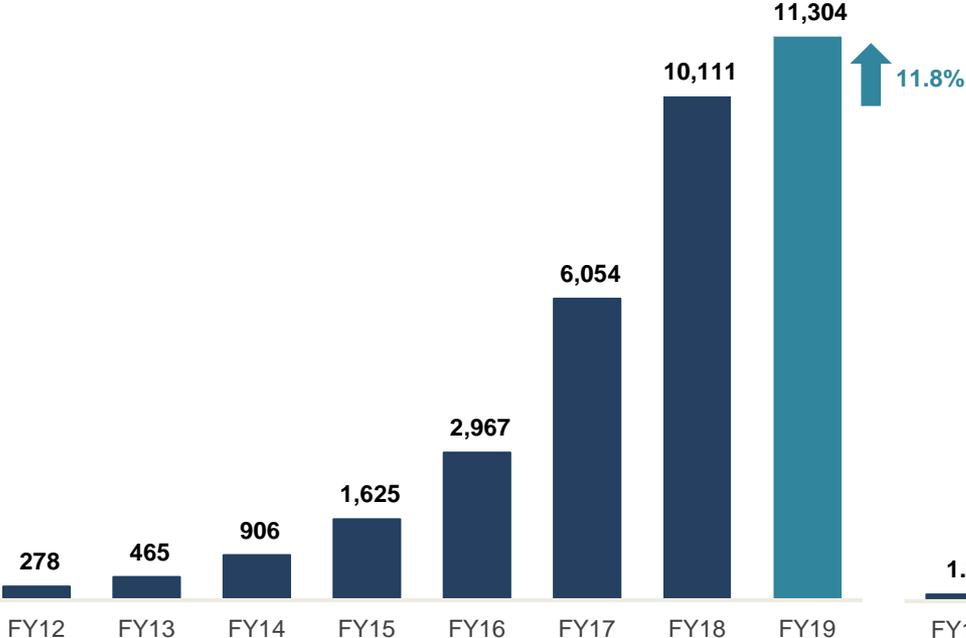


 Acquired or signed binding legal documentation during and since FY19

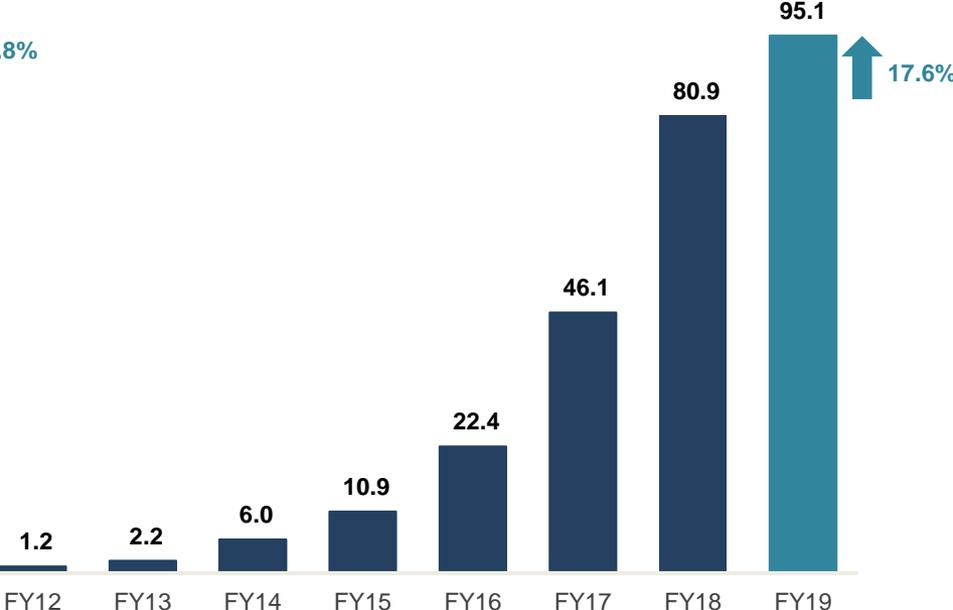
Volume and revenue growth

Propel has maintained a strong growth trajectory

Funeral volumes



Revenue (\$m)

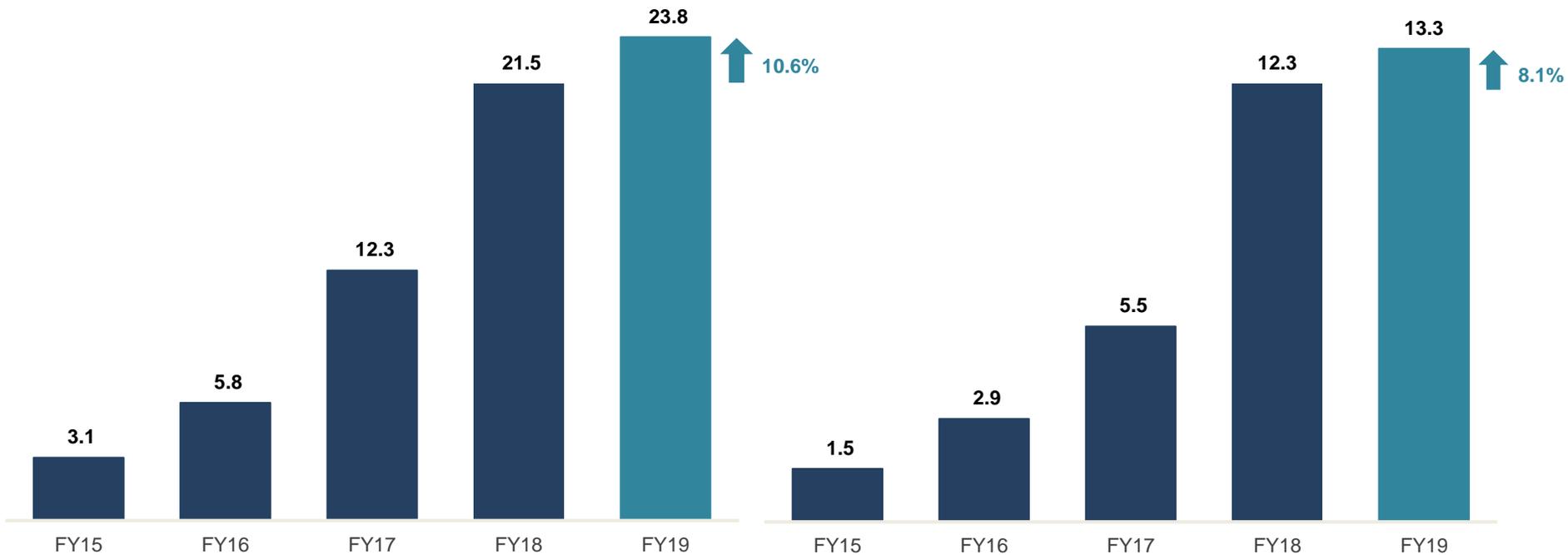


Earnings growth

Propel's earnings have proved resilient despite soft market conditions in 1H FY19

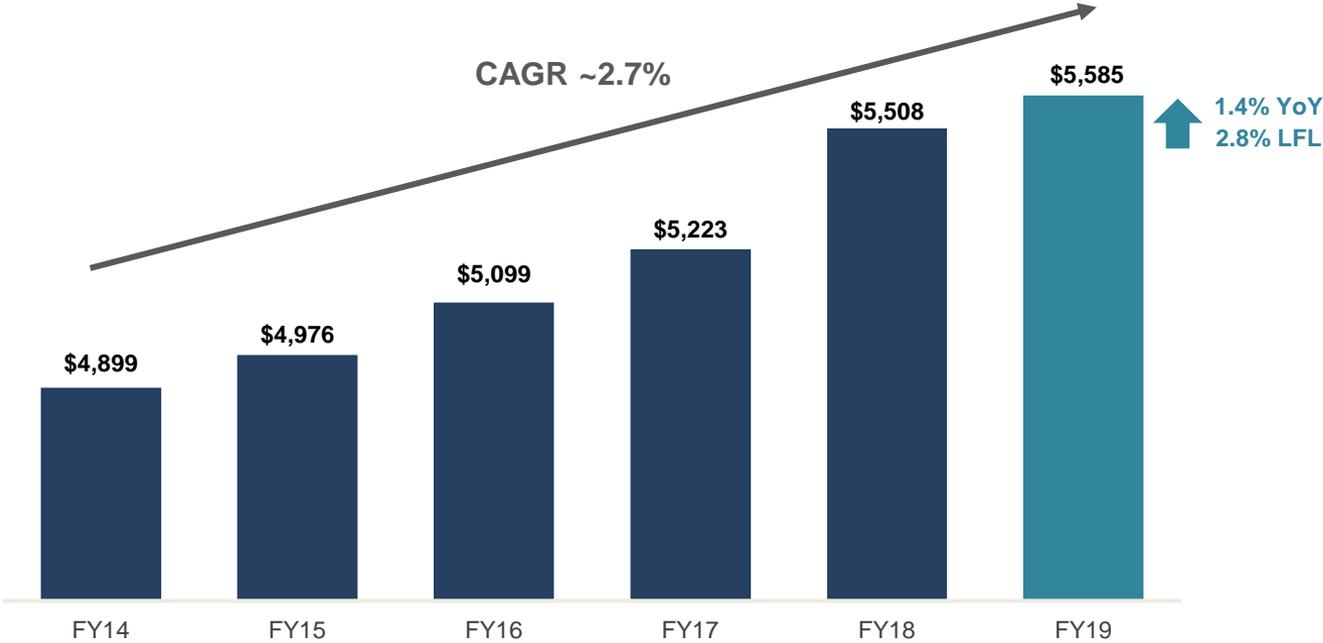
Operating EBITDA (\$m)

Operating NPAT (\$m)



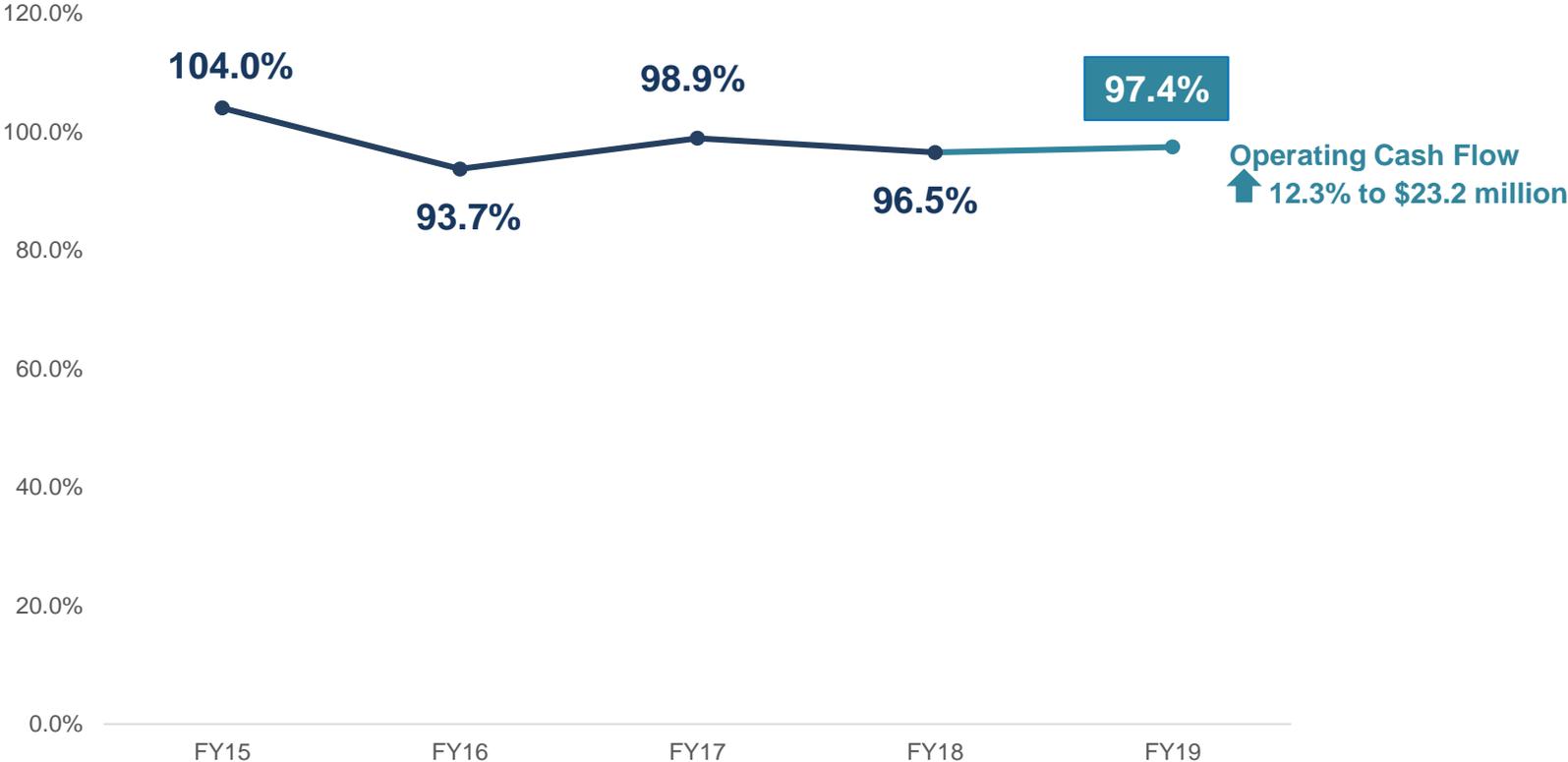
Average Revenue Per Funeral growth

Compound annual growth rate (CAGR) of ~2.7% since FY14



Cash Flow Conversion

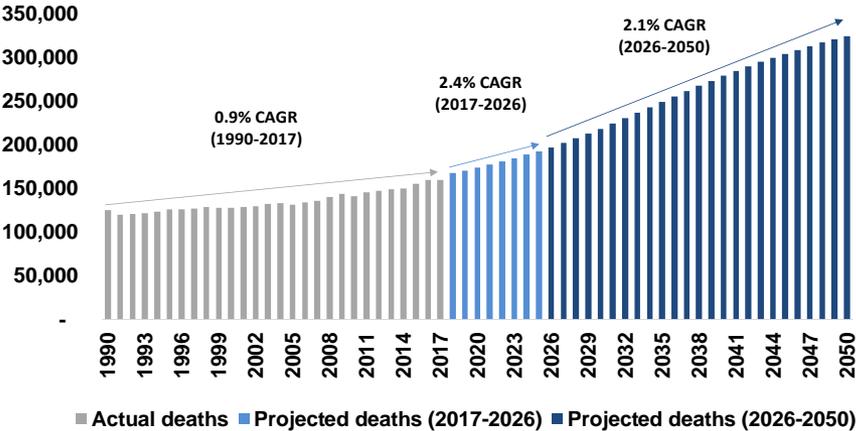
Cash Flow Conversion has been consistently strong, averaging ~98% since FY15



Increasing number of deaths

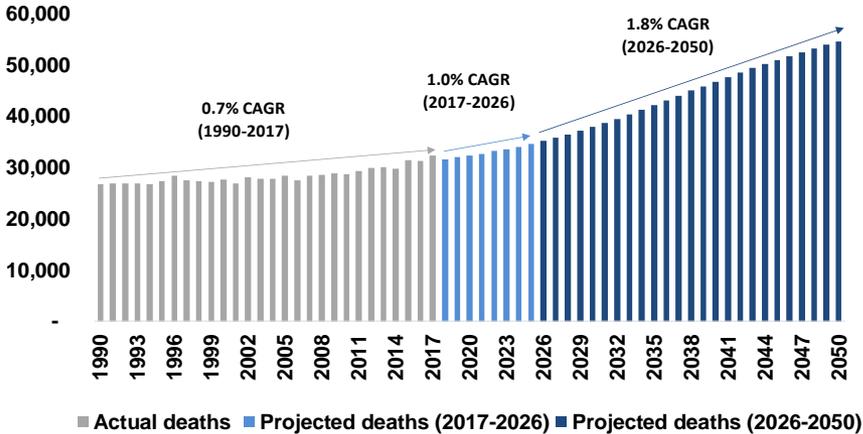
Number of deaths is the most significant driver of revenue in the death care industry

Australia¹



- Death volumes in Australia grew by 0.9% pa between 1990 and 2017¹
- This is expected to increase by 2.4% pa from 2017 to 2026¹ and 2.1% from 2026 to 2050¹

New Zealand²



- Death volumes in New Zealand grew by 0.7% pa between 1990 and 2017²
- This is expected to increase by 1.0% pa from 2017 to 2026² and 1.8% from 2026 to 2050²

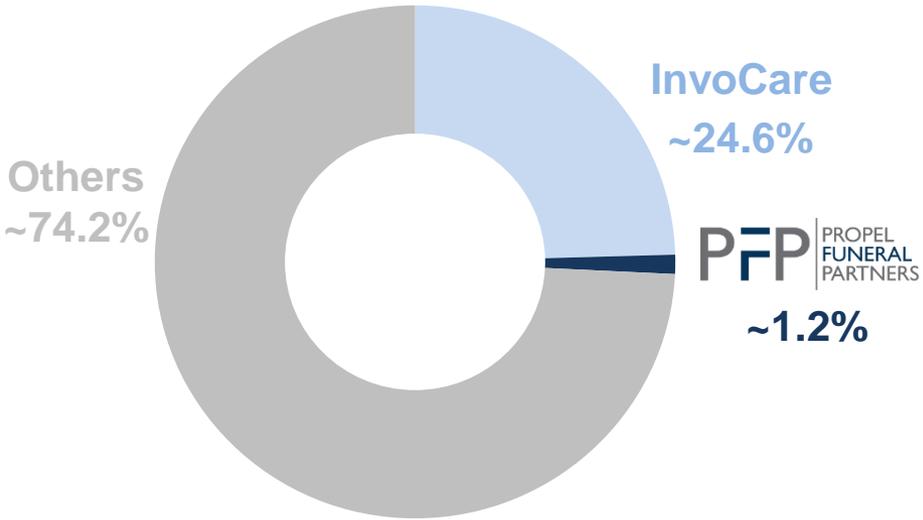
¹Source: ABS, Dataset: Deaths and Infant deaths, Year and month of occurrence, Sex, States, Territories and Australia for actual deaths by financial year. 3222.0 Population Projections, Australia, 2017 (base) – 2066, Table 1 Projected population, Australia, Series B, for projected deaths by financial year (released in November 2018).

²Source: This data is based on/includes 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 and National population projections, characteristics, 2016(base)-2068 for projected deaths by financial year (released in October 2016).

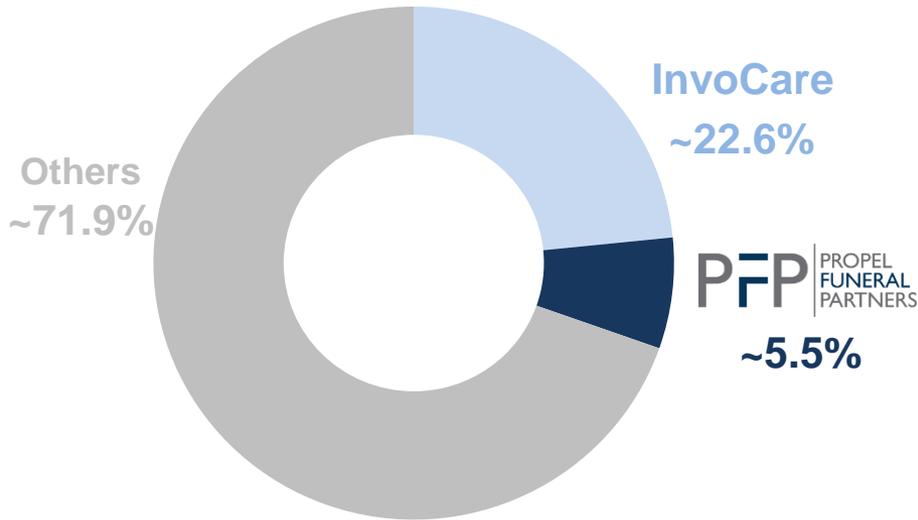
Market Share estimate (funeral volumes)

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

CY15¹



CY18²



¹Note: 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 CY15

²Note: 158,493 actual deaths (ABS data) for market size, 8,774 funerals performed by Propel and 35,886 funerals performed by InvoCare (page 44 of InvoCare's Results Presentation dated 22 February 2019) in CY18

Acquisitions (since IPO)

Propel has committed \$124.6 million^{1,3} on acquisitions since its IPO

	Announced	Funeral Volumes	Third Party Cremations	Revenue
Australia				
Brindley Group (VIC, NSW)	December 2017	1,350	-	A\$11.0m
Norwood Park (ACT, NSW, QLD)	January 2018	-	2,000	A\$4.8m
Newhaven NQ (QLD)	June 2018	200	300	A\$1.8m
Manning Great Lakes Memorial Gardens (NSW)	November 2018	-	700	A\$1.2m
Morleys Group (QLD)	February 2019	900	100	A\$7.8m
Gregson & Weight (QLD)	August 2019	1,650	-	A\$12.0m
Sub-total		4,100	3,100	A\$38.6m
New Zealand				
Dils Group ² & Martin Williams Funerals	December 2018	800	-	NZ\$7.2m
Waikanae Funeral Home and Kaiawa Crematorium	January 2019	170	-	NZ\$1.6m
Grahams Funeral Services	October 2019	350	-	NZ\$2.7m
Sub-total		1,320	-	NZ\$11.5m
TOTAL		5,420	3,100	A\$49.4m³

Note: Figures are approximate and unaudited

¹Upfront cash and equity consideration paid and payable (subject to exchange rate movements). Excludes properties purchased subsequent to completion of the acquisitions referred to above and other properties purchased totalling \$12.8 million

²Acquisition not yet completed

³Subject to exchange rate movements

Acquisition of Gregson & Weight

Gregson & Weight is the largest funeral operator on the Sunshine Coast in Queensland



Overview:

- Performs approximately 1,650 funerals per annum
- Acquisition included:
 - three substantial freehold properties and vacant land (totalling circa 13 hectares)
 - seven chapels and three cremation facilities
 - a full service leasehold funeral property
- Purchase price was approximately \$36 million (paid in cash and funded from Propel's debt facilities)

Capital management

Propel has a current liquidity buffer of circa \$17 million

Liquidity summary (as at 18 November 2019)

Debt facility limits / maturity:

	\$ million
- Tranche A (matures in August 2021)	50.0
- Tranche B (matures in August 2022)	40.0
- Tranche C (working capital facility, matures August 2022)	10.0
	<u>100.0</u>

Net Debt **(53.9)**

Funding Commitments:

Dils Acquisition ¹	(20.2)
Performance fee	(4.1)
Working capital	(5.0)
Total	(29.3)

Total Debt Facilities 100.0

Undrawn Debt / Liquidity Buffer **16.8**

Comments

Debt facilities

- Expanded to \$100m in August 2019
- Includes a \$10m working capital facility which is to be 'cleaned down' once every 12 months

Liquidity Buffer

As at 18 November 2019, the Company has:

- Binding commitments to:
 - acquire the Dils Group which will require \$20.2m in cash on completion (expected to occur in Q3 FY20)
 - pay a performance fee of \$4.1m
- Liquidity buffer of ~\$17m after allowing for working capital, with potential to expand debt facilities.

¹Cash payable on completion of acquisition signed but not yet completed, subject to exchange rate movements. Excluding transaction costs.

Outlook

Propel is well positioned, focussed on its growth strategy and has started FY20 positively

POSITIVE START TO FY20

Record quarter:

Propel has started FY20 with positive trading momentum, with its financial results for the three months ended 30 September 2019 (**Q1 FY20**) materially above the PCP.

In Q1 FY20¹, Propel:

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

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

CONTINUED GROWTH

Remainder of FY20:

Propel is well placed to benefit from:

- acquisitions completed and announced during and since FY19;
- other potential future acquisitions (although timing is uncertain);
- funeral volumes reverting to long term trends; and
- potential funding expansion.

¹Based on the Company's unaudited management accounts.

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, directors’ report and auditor’s report for the year ended 30 June 2019.”

Note: there is no requirement for shareholders to approve these reports.

Formal business - item 2

Item 2: 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 3

Item 3: Resolution to adopt the remuneration report

“That the remuneration report that forms part of the director’s report of the Company for the financial year ended 30 June 2019 be adopted.”

Formal business - item 4

Item 4: Resolution relating to financial assistance

"That the Company approve the transactions described in the Explanatory Statement (Financial Assistance) accompanying this resolution (which forms a part of this resolution) and all elements of those transactions that may constitute financial assistance by the companies referred to in the Explanatory Statement (Financial Assistance) as Acquired Entities for the purposes of section 260A of the Corporations Act 2001 (Cth), including (without limitation) that each Acquired Entity may:

- a) accede to (as an obligor) a facilities agreement between the Company and Westpac Banking Corporation and others (Facilities Agreement);*
- b) execute a guarantor assumption agreement under which each Acquired Entity will assume the obligations of a guarantor under an interlocking guarantee and indemnity (which may be contained in the Facilities Agreement) for the repayment of money that may become owing, and to secure (among other things) each obligor's obligations, under the Facilities Agreement and any related document;*
- c) to secure its obligations under the Facilities Agreement (including the guarantee and indemnity) and any related document, execute a general security agreement or agreements (however described) over its assets and undertaking;*
- d) if the Facilities Agreement (or any subsequent refinancing facility) needs to be refinanced at some time in the future, from time to time:
 - i. execute, or accede to (as an obligor), a new facilities agreement:
 - A. on substantially the same terms as the Facilities Agreement; or*
 - B. on terms as approved by the board of directors or the members (or both) at the relevant time; and**
 - ii. give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage, general security agreement (however described), specific security agreement (however described) or otherwise) to secure each obligor's obligations under any new facilities agreement and any related document; and**
- e) execute, or accede to, any document ancillary to, or in connection with, the Facilities Agreement, any new facilities agreement and any guarantee, indemnity or security interest given in connection with the Facilities Agreement, any new facilities agreement and any related document.*

In this resolution a reference to any document in this resolution is the document as amended, restated or replaced from time to time."

Formal business - item 5

Item 5: Resolution relating to the ratification of the issuance of ordinary shares (Morleys)

“That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of a total of 344,828 fully paid ordinary shares in the capital of the Company to Mr Raymond Joseph Valdeter, Ms Lynette Joyce Valdeter, Ms Margaret Anne Violet Maurice and Ms Robyn Anne Violet Richards on 1 May 2019 as described in the “Explanatory Memorandum to Shareholders.”

Formal business - item 6

Item 6: Resolution relating to the proposed issuance of ordinary shares (Dils Group)

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given to issue a total of 1,210,589 fully paid ordinary shares in the capital of the Company to Stephen Dil, Heidi Dil and Prince & Partners Trustee Company Limited (as trustees of the Dil Investment Trust) (in respect of 795,008 ordinary shares) and Lindsay Dil, Christine Dil and Prince & Partners Trustee Company Limited (as trustees of the After Africa Trust) (in respect of 415,581 ordinary shares) on completion of the transaction agreement relating to the sale and purchase of Dils Funeral Services Limited as described in the “Explanatory Memorandum to Shareholders.”



4. Shareholder's questions

Meeting Close – Thank you

Definitions

ARPF means Average Revenue Per Funeral excluding disbursements and delivered prepaid funeral impacts.

Cash Flow Conversion means Operating EBITDA converted into ungeared, pre-tax operating cash flow.

CY means calendar year.

LFL means like for like being businesses held for the entire current reporting period and PCP.

Operating Cash Flow means ungeared, pre-tax operating cash flow.

Operating EBITDA means earnings before interest, tax, depreciation and amortisation, adjusted for one off transaction costs and other income and expenses.

Operating NPAT means NPAT adjusted transaction costs and other non operating income and expenses.

Net Debt means drawn debt less cash and cash equivalents.

PCP mean prior corresponding period.

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This presentation includes certain financial measures, such as Operating EBITDA, Operating EBIT and Operating NPAT which are not prescribed by Australian equivalents to International Financial Reporting Standards ('AIFRS') and represents the profit under AIFRS adjusted for specific non-recurring items. The directors consider Operating EBITDA, Operating EBIT and Operating NPAT to reflect the core earnings of the Group. These financial measures, along with other measures have not been subject to specific audit or review procedures by the Company's auditor, but have been extracted from the accompanying financial report.

The FY15 to FY18 Operating EBITDA, Operating NPAT and Cash Flow Conversion numbers disclosed in this investor presentation are presented on a proforma basis, unless otherwise stated.

Capitalised words and phrases in this presentation will have the meaning given in the prospectus lodged by Propel on 25 October 2017 (**Prospectus**) and the definition slide set out in the Appendix.

All references in this presentation to '\$' are to Australian currency, unless otherwise stated.

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.



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