

5 December 2019

Expansion and Extension of Debt Facilities

Propel Funeral Partners Limited (ASX: PFP) (**Propel** or **Company**) is pleased to announce it has increased its senior debt facilities with Westpac Banking Corporation (**Westpac**) from \$100 million to \$150 million, extended the maturity profile and amended a key covenant limit.

Propel's current senior debt balance is approximately \$66 million and, as previously disclosed, the Company has a binding commitment to acquire the Dils Group, which will require approximately \$20 million of cash on completion (expected to occur in Q3 FY20). Therefore, approximately \$86 million of Propel's previous senior debt facilities limit of \$100 million is currently drawn and/or committed. The expansion of its senior debt facilities to \$150 million means Propel is well funded to continue its acquisition led investment strategy, with approximately \$70 million¹ of available funding capacity.

Albin Kurti, Propel's Managing Director, said "One of the primary reasons we completed the IPO in November 2017 was to access debt and equity markets more efficiently. Increasing the debt facilities to \$150 million is a strong vote of confidence from our banking partner and will enable Propel to continue to execute its growth plans."

The expanded senior debt facilities comprise of:

- an existing \$50 million tranche maturing in August 2022 (previously August 2021);
- an existing \$40 million tranche maturing in August 2022;
- an existing revolving working capital facility of \$10 million; and
- a new \$50 million tranche maturing in December 2023.

Debt covenants will continue to be tested each 31 December and 30 June (**Testing Dates**) and comprise:

- a net leverage ratio² (which must be less than 3.0 times, until the Company notifies Westpac of an election to increase the covenant to 3.5 times which will endure for two consecutive Testing Dates, following which, the covenant will reduce to 3.25 times); and
- a fixed charge cover ratio (which must be greater than 1.75 times).

Propel's current effective interest rate on drawn debt is approximately 2.7%.

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¹ Undrawn debt and cash at bank.

² Including the annualised impact of acquisitions.

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 128 locations, including 31 cremation facilities and 9 cemeteries.

For further information, please contact:

Lilli Gladstone
Head of Finance
+ 612 8514 8644

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