

2019 Full Year Results Announcement – 26 February 2020

Strong Year on Year performance driven by Growth Initiatives

InvoCare Limited (ASX:IVC) today announced its results for the full year ended 31 December 2019.

Results summary

2019 full year results have seen a strong bounce back in operational EBITDA growth of 21.4%. This result was driven by:

- The number of deaths increasing back toward the long-term trend – deaths up 2.9% against a drop of 3.3% in 2018;
- Strong performance from the renovated locations delivering 8.5% improvement in EBITDA over un-renovated locations;
- The benefit of recent acquisitions delivered an additional \$4.3m EBITDA in 2019;
- Effective cost control augmented by strong year on year performance (cost increase in underlying business of 2.8%); and
- Strong performance in the pre-paid funds under management – growth >10% YOY

\$ million	2018	2019	Change
Operating sales revenue	477.3	494.1	3.5%
Operating EBITDA	119.0	144.4	21.4%
Operating margin	24.9%	29.2%	430bps
Operating earnings after tax	49.5	59.2	19.6%
Net profit after tax	41.2	63.8	54.6%

Martin Earp, Chief Executive Officer of InvoCare said, “The results for 2019 have proven the positive impact of our investment in the Protect & Grow strategy. We continue to receive very favourable feedback from customers to the more contemporary product offering. This is reflected in both our continuing strong customer satisfaction scores as well as improved profitability from these renovated locations as people benefit from our improved service proposition.”

In 2019, InvoCare completed the renovation of 106 locations with plans to accelerate the roll out and renovate a further 74 locations in 2020.

In addition, Martin Earp said “The performance of the recent regional acquisitions has exceeded our expectations which is testament to the strength of the teams within these businesses and the strong underlying demographics in these regional markets.”

The Directors have determined that the final dividend for the financial year 2019 is 23.5 cents per share fully franked compared to 19.5 cents in 2018 and brings the full year dividend to 41.0 cents per share, which represents a 79% 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 17 April 2020, with a DRP election date of 6 March 2020, a record date of 5 March 2020 and ex-dividend date of 4 March 2020.

- ENDS -

This announcement has been authorised by the Board of InvoCare Limited.

BACKGROUND

InvoCare, headquartered in Sydney, is a leading provider of funeral services in Australia, New Zealand and in Singapore. It also operates private cemeteries and crematoria in Australia.

For immediate release.

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