Positive recovery & momentum in a year of disruption

2021 Full Year Results

28 February 2022

InvoCare

Agenda

FY21 Highlights	Olivier Chretien, CEO
Operations	Olivier Chretien, CEO
Financials	Adrian Gratwicke, CFO
Strategy & Outlook	Olivier Chretien, CEO
Questions	
Appendices	

Chief Executive Officer
Olivier Chretien

Chief Financial Officer
Adrian Gratwicke

Cover image: Day of the Dead, Mexico

FY21 Highlights

Olivier Chretien, CEO

Team at Purslowe & Chipper, WA

FY21 Highlights: Navigating COVID

Our teams managed persistent COVID disruptions but trading impacts largely mitigated and strategic momentum maintained

Cemeteries & Crematoria

- Severely reduced foot traffic (Sydney LGA lockdowns)
- Complex state-based COVID compliance
- Increased cost to serve
- Supply Chain pressure

At Need & Prepaid Funerals

- Complex state-based COVID compliance
- Temporary bans on funerals in some markets
- Restricted access to aged care
- Increased cost to serve
- Supply chain pressure

Pet Cremations

- Complex state-based COVID compliance
- Reduced access to customers' homes
- Managing growth

- Our teams displayed resilience and remained focused on our mission and values of care and service, in spite of team fatigue and ongoing labour shortages
- Our flexible COVID response plan served the business exceptionally well
- Despite difficult COVID conditions to navigate:
  - Customer satisfaction improved
  - Strategic momentum maintained
  - Solid earnings growth and cash conversion delivered

FY21 Highlights: Positive momentum on key measures of success

Strong delivery and positive performance against all key scorecard measures

Customer & Team

NPS

+80.1

↑ 1.1 on PCP

LTIFR

9.8

↓ 22% on PCP

Operational Excellence

Operating Leverage

2.1x

↑ Return to positive

Debt Leverage ratio

1.2x

↓ 0.1x on PCP

Cashflow Conversion

105%

↑ 5 ppts on PCP

Growth: Operational

Funeral Case Volumes

45,781

↑ 2.2% on PCP

Funeral Case Average[2]

$8,156

↑ 3.8% on PCP

Memorialisation Revenue

+9.7%

↑ On PCP sales

Pet Cremation Case Volume

87,440

↑ 501% on PCP

Growth: Financial[1]

Operating Revenue

$527.1M

↑ 11% on PCP

Operating EBITDA

$125.5M

↑ 22% on PCP

Operating EBIT

$77.8M

↑ 36% on PCP

Sustainable Leadership

Sustainability Report

'Leading'

ACSI rating

ROCE

11.2%

↑ 2.4 ppts on PCP

Operating EPS

31.6c

↑ 51% on PCP

N.B. Definition of terms and measures used in this report included in the glossary on page 45.

[1]: For reconciliation of operating to statutory results see page 36

[2]: Group gross funeral case average, including disbursements

Strategy: FY21 Update

Delivered on the five pillars of our five year plan

Raising the bar

Customer Led People Empowered	Operational Excellence	Stronger core growth	New growth platforms	Sustainable Leadership
• Renewed purpose, vision and values • New 'voice of customer' insights tool launched • New employee engagement survey • New paid parental leave policy • New leadership program	• Enhanced Funerals ERP • Scoped new ERP for Cemeteries & Crematoria • Integrated Pet Cremation acquisitions into one National business • Completed debt refinance • Implemented new EPMO, business case and capital approvals framework	• Launched 5-year strategic plan • Started Brand Value Proposition & website enhancement program • Completed 40 refresh / growth Funeral sites & new Network Plan • Invested in new cremators • Successful Singapore Police contract tender	• Customer digital self-service Portal Go-live • Launched Pet eCommerce offering • Established Innovation Hub • Invested in Memories (digital memorialisation) • Signed Cemeteries & Crematoria community agreements • Signed Pet Cremation vet networks agreements	• COVID safety protocols embedded • Introduced new HSE strategy and injury management app • Capability investment in safety, compliance, stakeholder engagement • Not-For-Profit partnerships, including The Violet Initiative • Enhanced sustainability strategy, materiality assessment completed


Visitation stones,
Jewish funeral custom

Operations

Olivier Chretien, CEO

InvoCare

InvoCare at a glance

Strong NPS and benefits of scale and diversification

46K

Funerals cases
- 37K Australia
- 7K New Zealand
- 2K Singapore

23K

Cremations & burials

87K

Pet cremations

+80.1

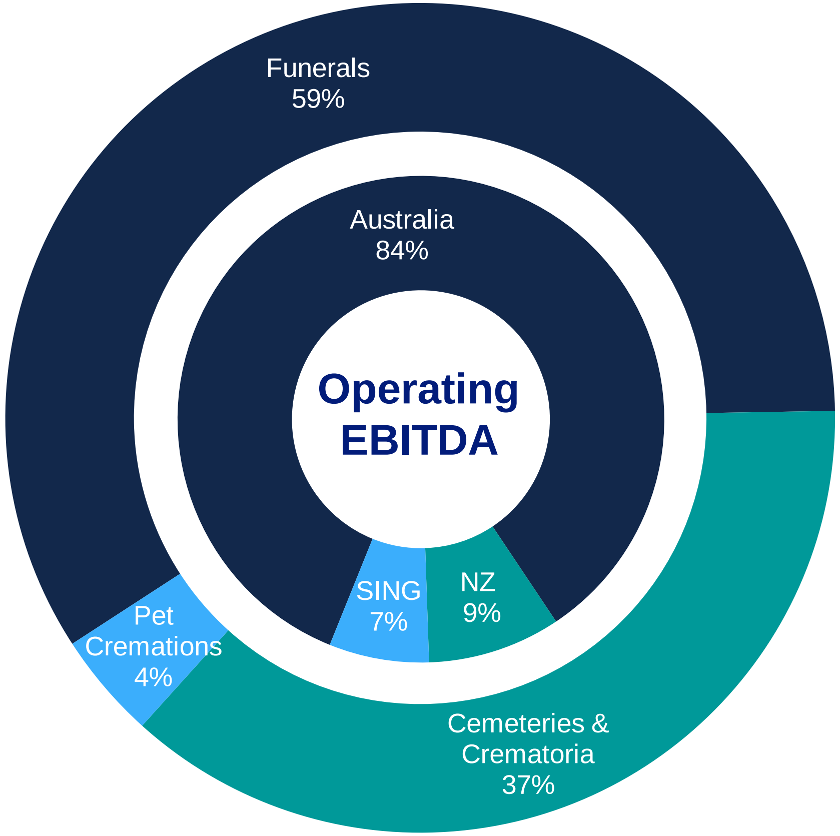
NPS, an exceptional result

c.1,900

Full Time Equivalent (FTE) **Employees**

336

Locations
- 285 Australia
- 48 New Zealand
- 3 Singapore



$125.5M

FY21 Operating EBITDA

11.2%

FY21 ROCE

$63M

CAPEX spend

$650M

In pre-paid funerals **funds under management**

Offering products and services along the **customer's lifetime journey**

Pre Need → At Need → Post Need

Funerals Australia

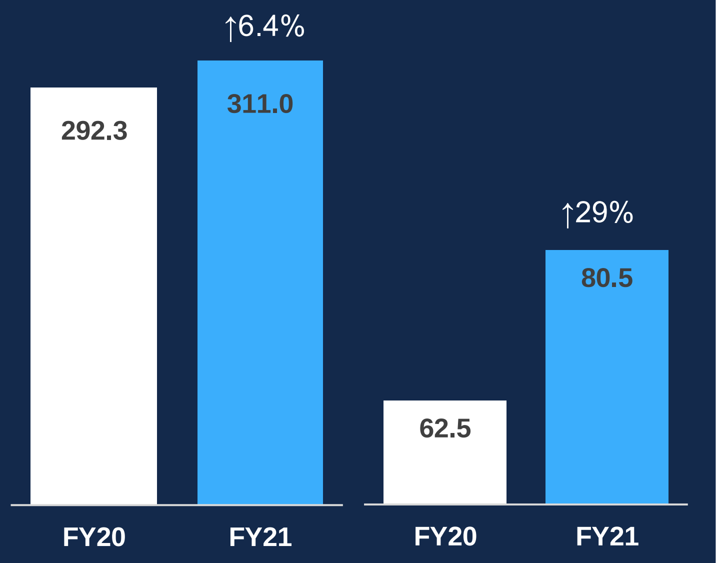
FY21

- Diversity of footprint and brands supported earnings resilience
- Outside of lockdown restrictions, client families embraced a return to gatherings, driving case average and revenue growth in all markets
- Customer 'Digital Self-Service' portal launched
- Foundational operational excellence projects completed including 35 network projects (incl. 4 shared service centres), ERP upgrade & long-term Network plan

NPS	LTIFR	Funeral case volumes	Funeral case average[1]
+80.4	**11.1**	**37,193**	**$8,249**
↑ 1.4 points	↓ 22%	↑ 2%	↑ 4.7%

FY22 Focus

- Ongoing management of COVID impact on operations, customers and teams
- Ongoing focus on operational excellence, cost base efficiency & workforce planning
- Transition to longer term Network plan
- Digital investments and improved sales lead capture
- Embed Memories services and new partnerships



Operating Revenue $M

Operating EBITDA $M

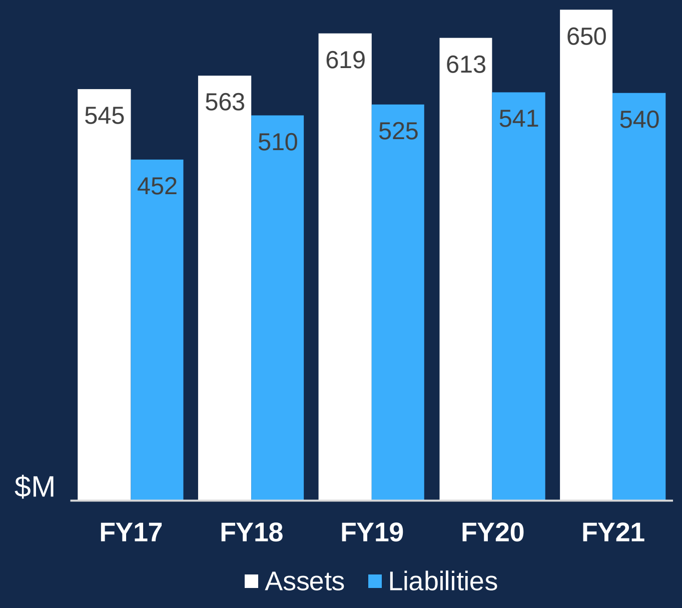
OPEX % Sales	EBITDA Margin
42%	**26%**
↓5 points	↑ 5 points

[1]: Gross Funeral case average, including disbursements

Prepaid Funerals Australia

FY 21

- Strong equity and property returns drove net gain on undelivered contracts
- COVID impacted access to customers and constrained contract volume growth
- AFSL implemented & marketing collateral refreshed



Prepaid % of At Need Funerals

13.9%

↓ 0.3 points

Prepaid asset headroom[1]

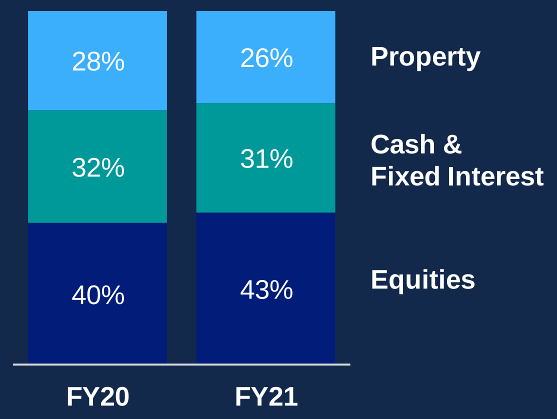
$109M

↑ 52%

MTM impact through Non-Operating earnings	FY21 $M	FY20 $M
Gain on pre-paid contract FUM	64.7	3.7
Change in provision for pre-paid contract liabilities[2]	(20.6)	(20.3)
Net gain/(loss) on undelivered contracts	**44.1**	**(16.6)**

FY 22 Focus

- Ongoing management of COVID impact on operations, customers and teams
- Strategic review including digital to maximise long term opportunity



[1]: Pre-paid contract FUM (i.e., assets) less Contract liabilities

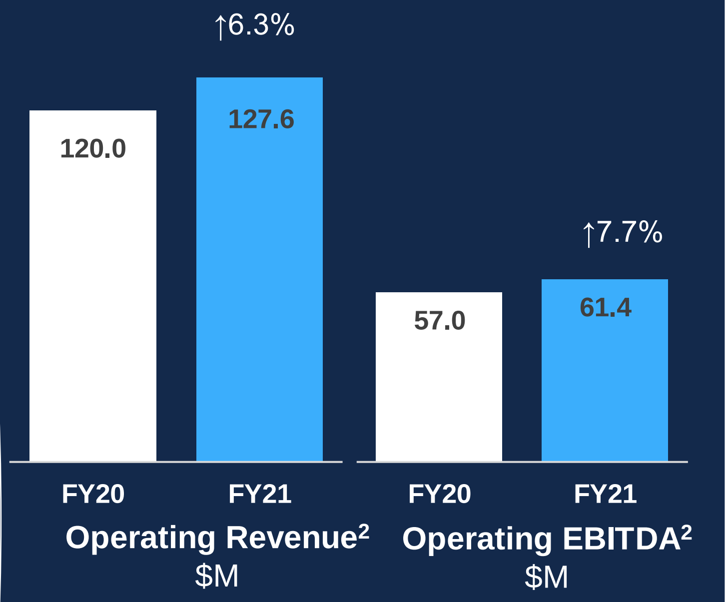
[2]: Revaluation of contract liabilities to reflect financing charge from liability discount unwind for the time value of money

Cemeteries & Crematoria Australia

FY 21

- Strong growth in memorialisation sales despite lockdowns severely affecting foot traffic
- Signed landmark community reservation agreements
- Master plans underway for key parks, to become better community ‘destinations’

NPS	LTIFR	Memorialisation[1]	Cremations	Burials
+74.2	**14.6**	**+9.7%**	**20,171**	**2,948**
↑ 1.9 points	↑ 59%	On PCP sales	↓ 1%	↑ 10%



OPEX % Sales	EBITDA Margin
38%	**48%**
↑ 3 points	Flat

FY 22 Focus

- Ongoing management of COVID impact on operations, customers and teams
- New ERP system implementation
- Upgrade of national cremator network
- Continue to broaden community relationships
- Ongoing monitoring of regulatory environment

[1]: Sale of memorials, plaques, burial plots etc.

[2]: Includes impact of deferred revenue adjustments required under AASB15. See page 43 for further information on the impact of this standard on operating results of this business.

Pet Cremations Australia

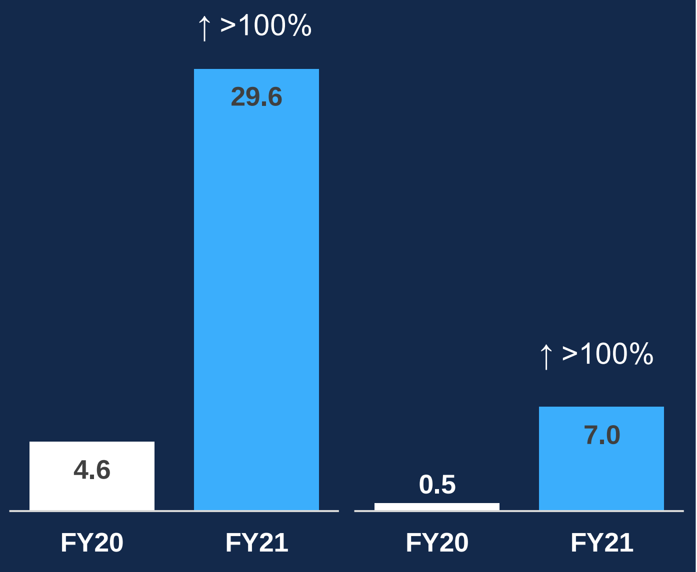
FY 21

- Successful integration delivering meaningful earnings contribution
- National business leader appointed
- Investments in two new Pet Cremators (WA, VIC) to increase capacity
- Acquired the business assets of two small regional NSW businesses
- Launched NSW eCommerce platform
- Leveraging national footprint for key national vet agreements

Pet Cremation volumes	Pet Case Average
87,440	**$338**
↑ 501%	↑ 7%

FY 22 Focus

- Ongoing management of COVID impact on operations, customers and teams
- Acquisition pipeline and continued integration
- Continue to pursue vet agreement opportunities
- Product and service innovation



Operating Revenue $M

Operating EBITDA $M

OPEX % Sales	EBITDA Margin
57%	**24%**
↓12 points	↑ 13 points

International

FY 21

New Zealand

- Continued recovery in funeral case average, when not impacted by lockdowns
- 5 network projects completed
- Lifted community engagement, reflected in continued growth in NPS

Singapore

- Persistent government restrictions on traditional gatherings fueling growth in direct cremations
- Increased cost to serve
- Record funeral case volume
- Awarded Police contract mid-year

NPS	LTIFR	Funeral case volumes	Customer recommendation	Funeral case volumes
+87.6	**10.5**	**6,859**	**98%**	**1,729**
↑ 1.3 points	↓39%	↑ 1.2%		↑ 12%

FY 22 Focus

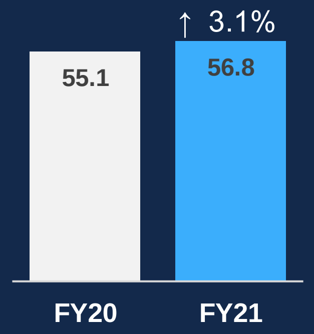
New Zealand

- Ongoing management of COVID impact on operations, customers and teams.
- Expand exposure to larger metropolitan markets
- Increase offering along customer lifetime journey
- Delivery of scheduled network projects

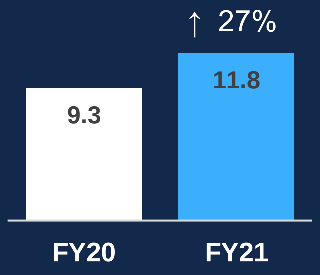
Singapore

- Ongoing management of COVID impact on operations, customers and teams
- Continued service and value-add focus

New Zealand



Operating Revenue
NZ$M

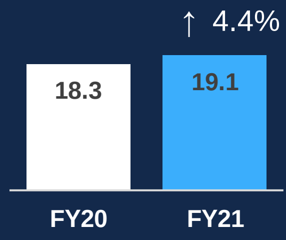


Operating EBITDA
NZ$M

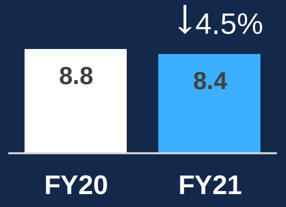
OPEX % Sales
50%
↓ 2 points

EBITDA Margin
21%
↑ 4 points

Singapore



Operating Revenue
S$M



Operating EBITDA
S$M

OPEX % Sales
35%
↑ 4 points

EBITDA Margin
44%
↓ 4 points

N.B Financial results disclosed on this page are in local currency

Tangihanga,
Maori funeral custom

Financials

Adrian Gratwicke, CFO

InvoCare

FY21 Financial Management Scorecard

Multi-pronged growth supported by more balanced capital investment and management

P&L Optimisation

OPEX % Sales
52%
↓ 1 point

Operating EBITDA growth
22%

Operating Leverage
2.1
Return to positive

Operating EBIT growth
36%

Cashflow Generation

Operating Cash Flows
$77.7M
↑ 38%

Cashflow Conversion
105%
↑ 5 points

Average Working Cap % Sales
11.4%
↓ 2.1 points

Free cash flow
$54.2M
↓ 1%

EPS
+ 51%
ROCE
+2.4 ppts

Portfolio Management

Network projects completed
40

Divestments[1]
4

Acquisitions
2

Investments[2]
1

Capital Management

CAPEX
$63M
↑ 3%

Debt Leverage Ratio
1.2 x
↓ 0.1x

ROCE%
11.2%
↑ 2.4 points

Dividend Payout Ratio
66%
Within preferred range

N.B. Definitions of these financial measures are provided in the Glossary on pages 45-46

[1]: Divestments include property and business divestments

[2]: Includes equity investments in companies, e.g. Memories

FY21 Profit & Loss

Recovery in value drivers and return to positive operating leverage

	FY21 $000	Restated[3] FY20 $000	CHANGE $000	CHANGE %
Operating Revenue	527,096	476,249	50,848	11%
Operating Expenses[1]	(401,619)	(373,684)	(27,935)	7.5%
Operating EBITDA	**125,477**	102,565	22,912	22%
Funerals Australia	80,521	62,512	18,009	29%
Cemeteries & Crematoria Australia	61,411	56,996	4,415	7.7%
Pet Cremations	6,973	502	6,471	>100%
Support Office – Field	(9,343)	(6,591)	(2,752)	42%
Australia	139,562	113,419	26,143	23%
New Zealand[2]	11,098	8,778	2,320	26%
Singapore[2]	8,338	9,392	(1,054)	(13%)
Support Office IT[1]	(10,563)	(7,201)	(3,363)	47%
Support Office Corporate[1]	(22,958)	(21,824)	(1,134)	5.2%
Depreciation & Amortisation expense	(47,759)	(42,553)	(5,207)	12%
SaaS arrangements – prepaid technology expense[3]	(654)	(750)	96	(13%)
Business acquisition costs	(743)	(1,918)	1,175	(61%)
Net gain on lease modifications/terminations	1,517	-	1,517	n/a
Operating EBIT[4]	**77,838**	57,344	20,495	36%
Non-Operating EBIT[4]	**49,511**	(37,894)	87,406	>100%
Net finance costs	(16,487)	(23,870)	7,380	(31%)
Tax	(30,591)	(6,955)	(23,636)	>100%
Non-controlling interest	(113)	(167)	55	(33%)
Reported Profit/(Loss) After Tax	**80,158**	(11,542)	91,700	>100%

N.B. Definitions of these financial measures are provided in the Glossary on pages 45-46

- Recovery in key value drivers and improved cost control drives strong earnings growth
- 2020 acquisitions contributed:
  - $26.7 million to the increase in Operating Revenue
  - $19.3 million to the increase in Operating Expenses
- Capability investment in field safety, HR & marketing reflected in Field Support cost increase
- D&A increase driven by CAPEX investment & $1.1 million write-off of remaining legacy Support Office fit-out
- Support Office relocation resulted in one-off non-cash accounting gain from early lease termination
- Lower financing costs reflect lower debt and interest margin charged
- Return to Reported Profit reflecting mark to market gain in FUM (vs Loss in PCP) and operating earnings growth

1: Further details provided in supplementary information in Appendix, page 37-38
2: This is the AUD equivalent of Operating EBITDA for these businesses. Local currency equivalent earnings are set out on page 13
3: Restated to reflect impact of change in accounting for SaaS contracts, see page 33-35
4: Reconciliation of operating to statutory results is included on page 36

Non-Operating EBIT

Strong gains on revaluation of prepaid FUM & impact of accounting for SaaS arrangements

NON-OPERATING EBIT	FY21 $000	Restated FY20 $000	CHANGE $000	CHANGE %
Revenue[1]	5,357	1,403	3,954	>100%
Expenses[2]	(5,860)	(6,350)	491	(8%)
EBITDA – NON OPERATING	**(503)**	**(4,947)**	**4,444**	**90%**
Depreciation & Amortisation	(7)	(12)	5	(43%)
SaaS arrangements – expensed as incurred[3]	(4,594)	(10,376)	5,782	(56%)
Net gain/(loss) on pre-paid contracts	44,085	(16,618)	60,703	>100%
Asset sales gain	6,530	7,383	(852)	(12%)
Net impairment gain/(loss) on non current assets	4,000	(13,324)	17,324	>100%
EBIT– NON-OPERATING	**49,511**	**(37,894)**	87,405	>100%

- Higher prepaid funeral redemptions driving higher release of deferred administration fees and other income
- Costs incurred in development of SaaS projects that are expensed as incurred = $4.6 million in FY21
- Strong returns on equities and property valuations yielded significant MTM gain on Prepaid FUM
- Asset sale net gain on four locations disposed of during the year
- Net impairment primarily due to $4 million reversal of Allambe impairment (recognised originally in FY19) reflecting improved performance of remediated memorial park (2020: $6 million reversal)

[1]: Primarily admin fee & other revenue earned on prepaid contracts recognised when service is performed
[2]: Costs incurred to run the Pre-paid funeral business including employee benefit expenses and advertising expenses
[3]: Refer page 33-35 for more details on accounting treatment for SaaS costs

Balance Sheet

Maintained strong balance sheet, double digit return on capital employed

	FY21 $000	Restated FY20 $000	CHANGE $000	CHANGE %
Trade and other receivables[1]	80,630	78,176	2,454	3.1%
Inventories	46,866	44,117	2,749	6.2%
Trade and other payables	(69,226)	(60,514)	(8,712)	14%
Net Working Capital	**58,270**	**61,779**	**(3,509)**	**(5.7%)**
Property, plant and equipment	494,454	464,277	30,177	6.4%
Intangibles[2]	226,913	225,386	1,527	1%
Pre-paid Technology asset[2]	8,601	5,292	3,309	63%
Net Prepaid Funds/liabilities – Prepaid Funerals	109,435	71,822	37,613	52%
Net right of use asset and lease liabilities[3]	(12,646)	(11,346)	(1,302)	12%
Net Deferred costs and revenue	(90,241)	(95,940)	5,698	(5.9%)
Net tax items[1,2]	(47,095)	(26,301)	(20,796)	79%
Other items[4]	(22,115)	(34,634)	12,518	(36%)
Total Capital Employed	**725,575**	**660,338**	**65,236**	**10%**
Net Debt	(144,654)	(137,468)	(7,186)	5.2%
Net Assets	**580,921**	**522,870**	**58,050**	**11%**
Average working capital as a % of sales	11.4%	13.5%		(2.1 ppts)
ROCE %[2]	11.2%	8.8%		2.4 ppts

[1]: Current and prior period balance adjusted to reclass tax receivable balances from working capital to net tax items (FY21: $0.9million, FY20:$4.4million)
[2]: FY20 restated to account for treatment of SaaS related IT development costs, see page 33-35 for further details
[3]:Lease liabilities excludes finance leases included within Net Debt, see page 21 for breakdown of Net Debt
[4]: Includes derivative financial instruments, deferred/contingent consideration liabilities arising from acquisitions, provisions for employee entitlements, other financial assets and assets held for sale

- Strong end to the year in sales has driven increase in debtors and similarly trade payables
- Increase in Funerals and Pet Cremation inventory
- Increase in Property Plant & Equipment and Intangibles from CAPEX net of D&A and Allambe impairment reversal
- Increase in headroom of Prepaid FUM reflecting MTM revaluation gains significantly exceeding increase in associated liability
- Net increase in Deferred Tax Liabilities from movement in Prepaid FUM
- Other items includes $4 million investment in Memories with net decrease attributed to payments of deferred acquisition consideration

Cash Flow

Maintained strong cash conversion

	FY21 $000	Restated FY20 $000	CHANGE $000	CHANGE %
Operating EBITDA	125,477	102,565	22,912	22%
Net change in working capital[1]	(23,747)	(14,711)	(9,036)	61%
Net Finance costs paid[1]	(14,219)	(17,046)	2,827	(17%)
Tax paid	(9,771)	(14,424)	4,653	(32%)
Operating Cash Flows	**77,740**	**56,384**	21,356	38%
(Acquisitions)/ Divestments	(5,536)	(28,673)	23,137	(81%)
Capital Expenditure	(62,703)	(60,952)	(1,751)	3%
Net Funds from prepaid contracts	29,306	12,857	16,449	>100%
Investing Cash Flows	**(38,933)**	**(76,768)**	37,835	(49%)
Dividends paid	(23,766)	(29,514)	5,738	(19%)
Equity raise (net of issue costs)	-	270,875	(270,875)	(100%)
Net draw down/(repayment) of borrowings	(59,680)	(106,761)	47,081	(44%)
Net lease payments	(20,196)	(11,599)	(8,597)	74%
Other	(117)	(3,184)	3,067	(96%)
Financing Cash Flows	**(103,759)**	**119,817**	(223,576)	>100%
Change in Cash Held	**(64,952)**	**99,433**	(164,385)	>100%
Cash conversion %	105%	100%		5ppts
Free Cash Flow (FCF)	54,167	54,490	(323)	(1%)

[1]: Net working capital movement and net finance costs disclosed exclude non-cash movements and therefore will not reconcile to disclosures of working capital in the balance sheet and net financing costs included in the profit or loss respectively

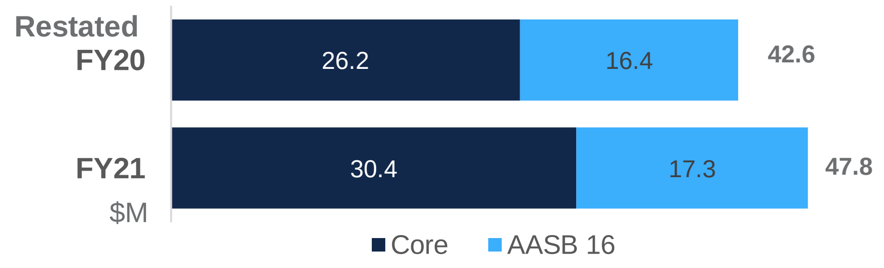
- Growth in underlying earnings and continued strong cash conversion drives operating cash flow increase
- (Acquisitions)/divestments includes $10.8 million proceeds received from disposal of four locations, net of payments of deferred consideration from 2020 acquisitions & investment in Memories
- New revolving syndicated debt facility allows for more flexible drawdowns/ repayments to minimise finance costs
- Lease payments higher due to new facilities and acquisitions
- Increased debt-free cash generated from operations has been used to fund increased platform investment and maintenance CAPEX, holding FCF relatively flat

CAPEX

Disciplined capital investment

		FY21 $000	Restated FY20[2] $000	CHANGE $000	CHANGE %
By Nature	Maintenance CAPEX	23,823	14,398	9,425	65%
	Investment – Platform[1,2]	14,271	4,915	9,356	>100%
	Investment – Growth/Network[1]	24,609	41,639	(17,030)	(41%)
	TOTAL	**62,703**	**60,952**	**1,751**	2.9%
By Category	Facilities	43,022	50,233	(7,211)	(14%)
	Information Technology[2]	11,205	9,008	2,197	24%
	Motor Vehicles	2,302	1,124	1,178	>100%
	Other assets	6,174	587	5,587	>100%
	TOTAL	**62,703**	**60,952**	**1,751**	2.9%
By Business	Funerals Australia	34,702	42,325	7,623	(18%)
	Cemeteries & Crematoria Australia	7,446	3,171	4,275	>100%
	Pet Cremations	2,127	1,119	1,008	90%
	New Zealand	5,241	4,765	476	10%
	Singapore	378	317	61	19%
	Support Office[2]	12,809	9,255	3,554	38%
	TOTAL	**62,703**	**60,952**	**1,751**	2.9%

Depreciation & Amortisation expense



- Table reflects impact of change in treatment of SaaS spend
- Maintenance CAPEX moving toward more sustainable level
- Platform investments include $6.3million of Shared Service Centre CAPEX with remainder technology/ digital enhancement projects
- Disciplined capital investment, delayed DA approvals & COVID disrupted completion of Growth/ Network projects

Outlook

- Continued platform investment on ERP solutions for wider business
- Investment in digital solutions and E-Commerce
- COVID-delay in some planned Network projects has pushed spend to FY22

[1]: Details on Shared Service and Network projects included on page 42
[2]: Impact of SaaS adjustment was to reduce CAPEX, primarily in Platform investment, Information Technology & Support Office CAPEX respectively by:
- 2021: $4.2 million
- 2020: $7.2 million

Capital Management

Increased returns to shareholders and improved debt metrics

	FY21 $000	Restated FY20 $000	CHANGE $000	CHANGE %
Cash and cash equivalents	53,630	118,781	(65,151)	(55%)
Borrowings	(188,843)	(246,039)	57,196	(23%)
Finance lease liabilities	(9,441)	(10,210)	769	(7.5%)
Net Debt	**(144,654)**	**(137,468)**	**(7,187)**	**5.2%**
Lease liabilities[1]	(165,962)	(155,713)	(10,249)	6.6%
Total Lease Adjusted Debt	**(310,616)**	**(293,181)**	**(17,435)**	**5.9%**
Total shareholders' equity[2]	**580,921**	**522,870**	**57,118**	**11%**

	FY21	Restated FY20	CHANGE %
Weighted average # shares (millions)	142.9	133.9	6.7%
Operating EPS (cents)	31.6	20.9	51%
Interim Dividend (cents)	**9.5**	5.5	73%
Final Dividend (cents)	**11.5**	7.0	64%
Full Year dividends	**21.0**	12.5	68%
Dividend payout ratio	**66%**	60%	6 ppt

[1]: Lease liabilities excludes finance leases that are included within Net Debt
[2]: FY20 restated to account for treatment of SaaS related implementation costs on retained earnings, see page 33 for further details

Debt

- Cash on hand used to repay debt, following re-finance and fund capital investments

Equity

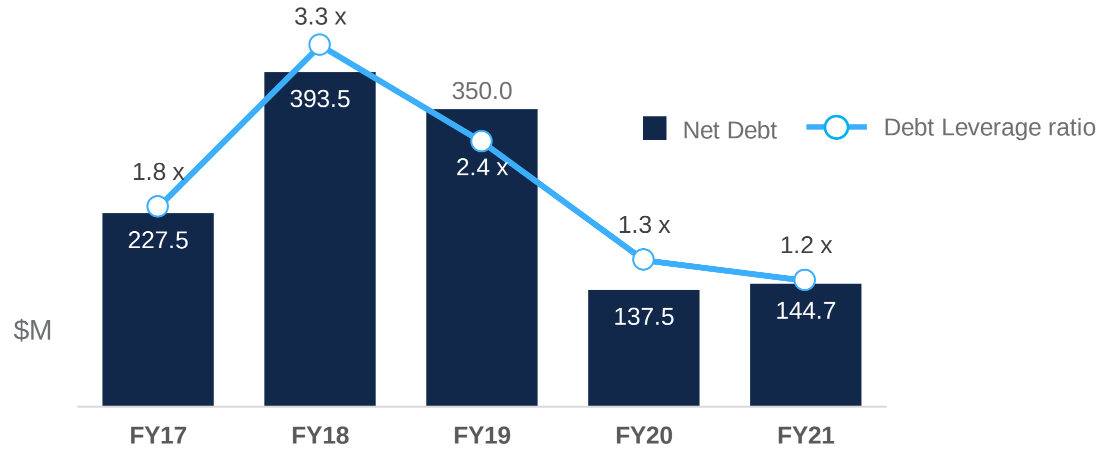
- Increase in # of shares driven by prior period equity raise
- 61% increase in Operating NPAT has delivered 51% increase in Operating EPS
- Final Dividend of 11.5 cents, brings full year dividend to 21.0 cents, up 68%, and within preferred dividend payout range

Debt & Leverage

Increased balance sheet flexibility with refinanced syndicated debt facility

Debt facilities	FY21 Drawn $M	FY21 Limit $M	FY21 Tenor Remaining
Note Purchase Agreement	100.0	100.0	7 years
Syndicated debt – multi currency revolving cash advance[1]	91.4	275.0	3 years
Working capital overdraft facility	-	7.4	1 year
Total available debt	**191.4**	**382.4**	

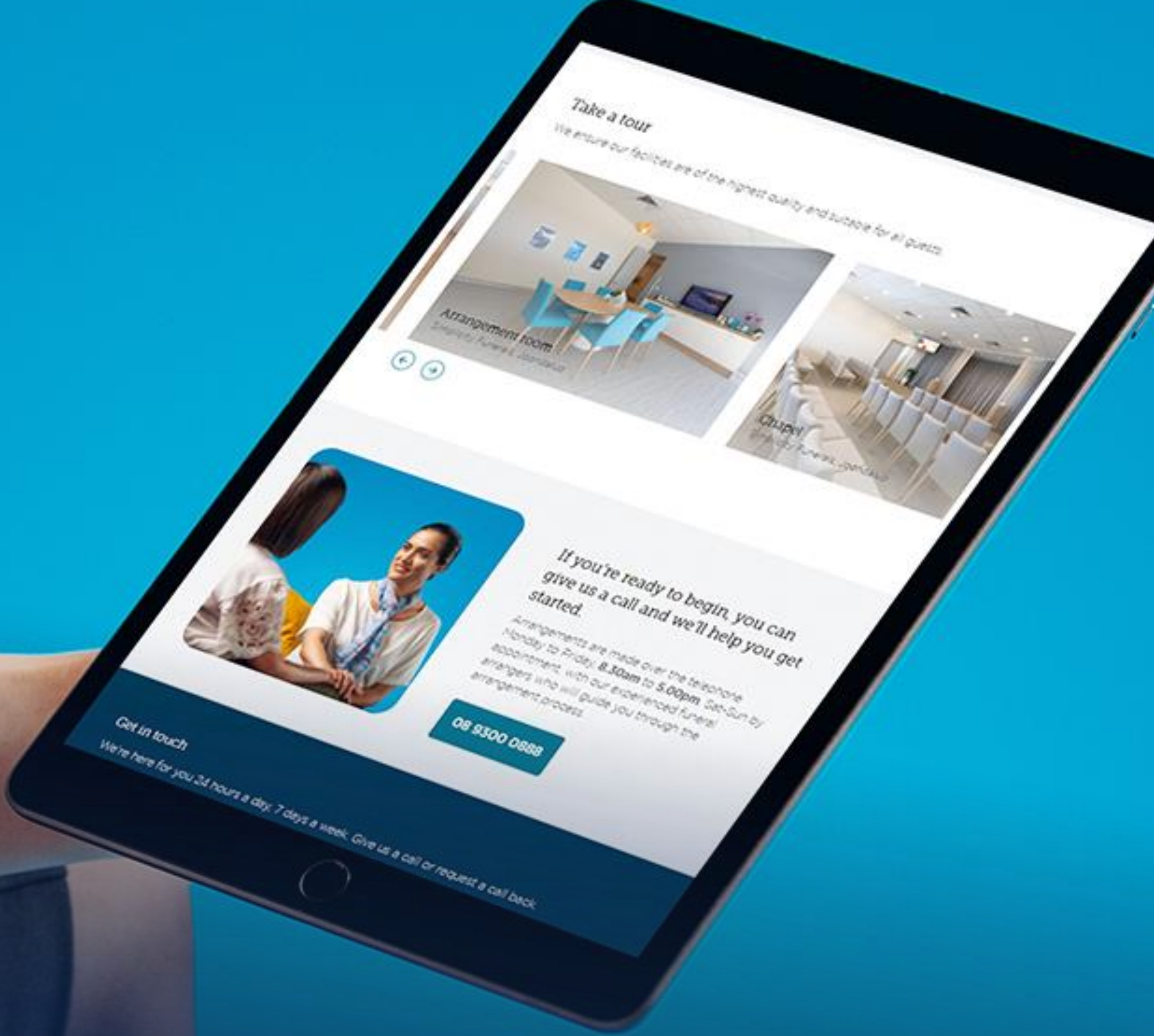
Debt metrics	FY21	Restated FY20	CHANGE
Debt Leverage ratio	1.2x	1.3x	(0.1x)
Interest cover ratio	15.8x	8.3x	7.5x



Net Debt & Debt Leverage

- The Group has access to debt facilities with varying tenor and capacity
- Syndicated Debt Facility refinanced in August 2021:
  - To repay fully drawn A$67.5 million, NZ$50 million and S$35 million Term Loans
  - Increased limit of Multi Currency Revolving Cash Advance Facility to $275 million
  - Extended tenor to end of August 2024
  - Agreed simplified and favourable common pricing grid
- Improved operating earnings and reduced finance costs drives improvement in debt metrics
- Debt leverage and interest cover ratio well within bank covenant limits

[1]:Includes draws in NZD and SGD and therefore drawn balance moves due to FX fluctuations



Strategy & Outlook

Olivier Chretien, CEO

InvoCare

Strategy – continuing the momentum into 2022

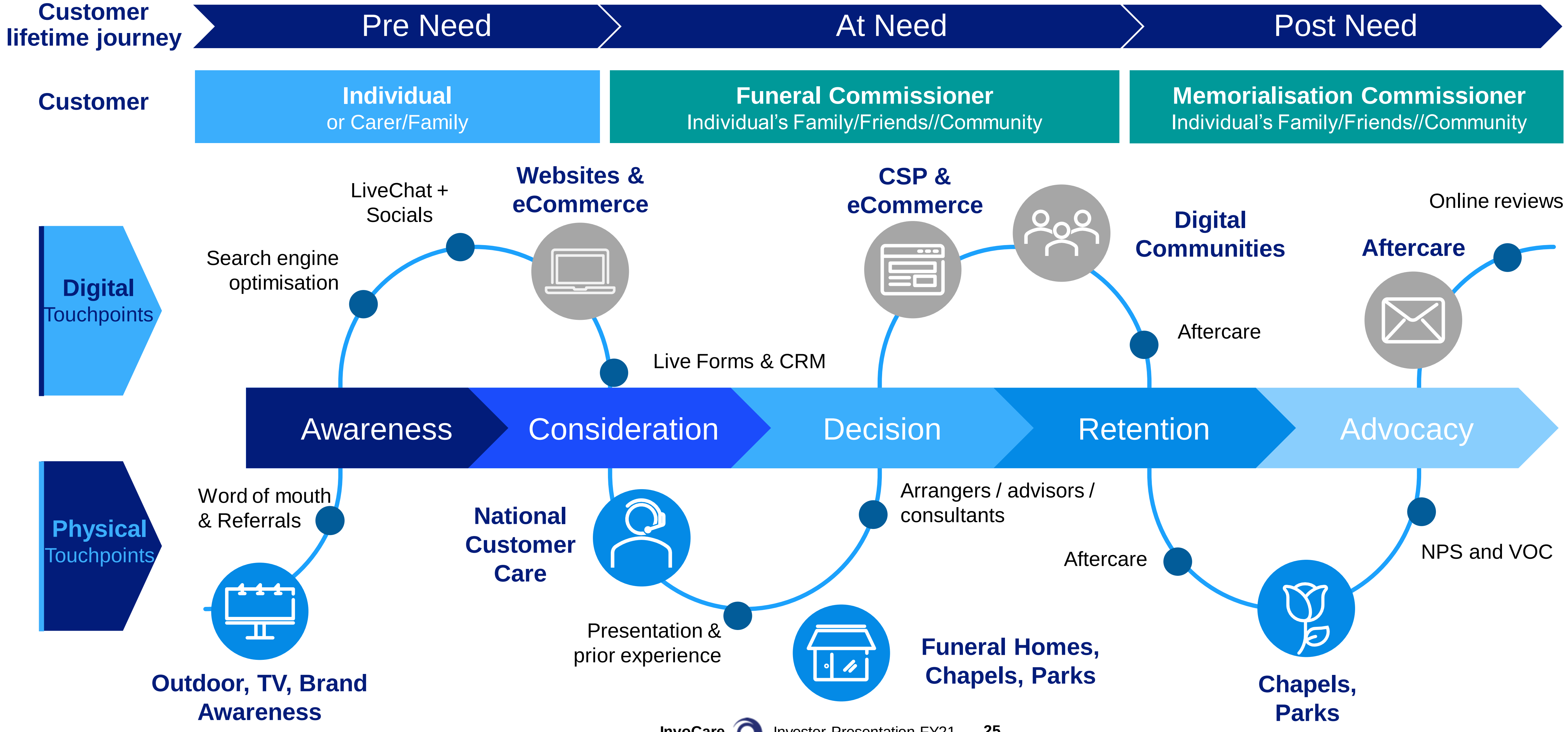
Ongoing customer, people and operational excellence initiatives, with increased focus on growth, innovation and sustainability

Raising the bar

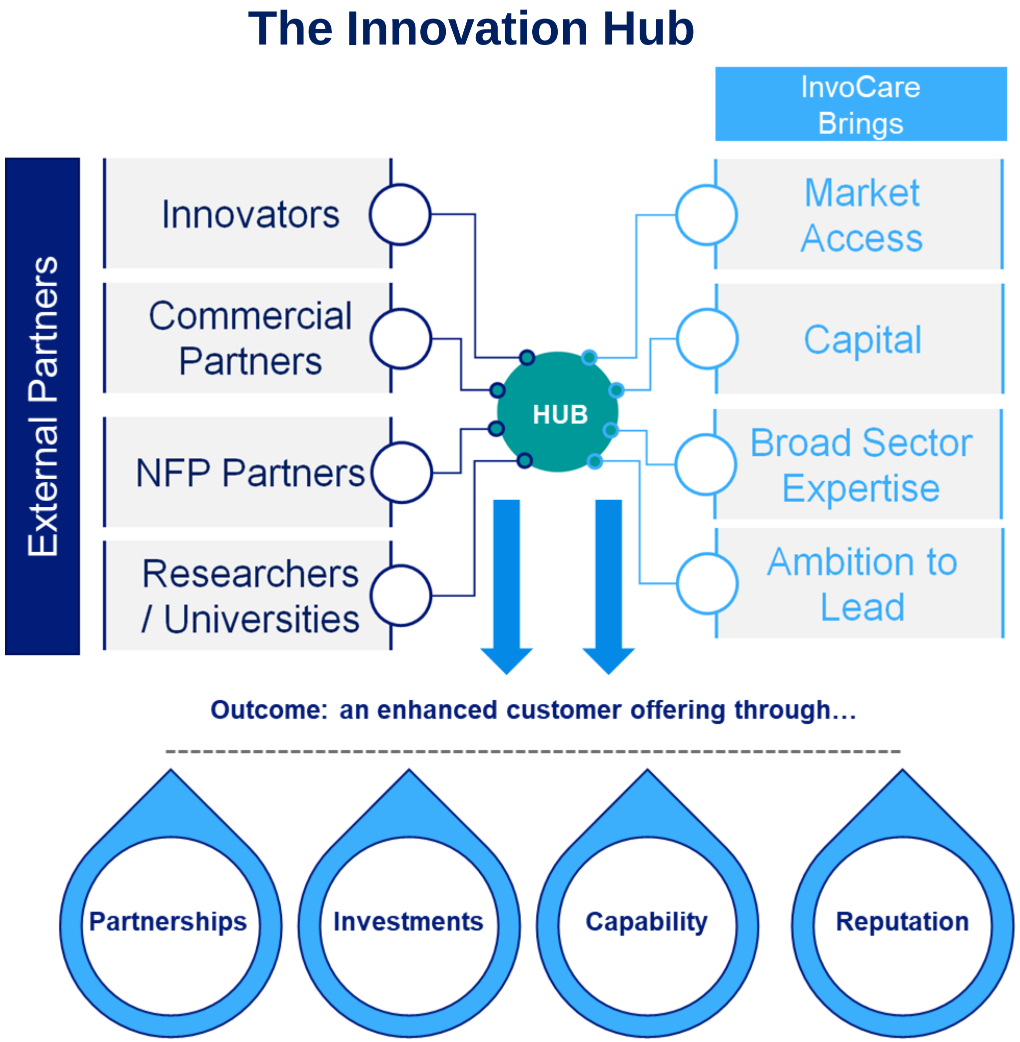
Customer Led People Empowered	Operational Excellence	Stronger core growth	New growth platforms	Sustainable Leadership
• Optimise customer digital & phone channels • Enhance Employee Value Proposition (EVP), leveraging engagement survey feedback • Formalise Diversity, Equality & Inclusion strategy	• Optimise shared services and brand network • Implement Cemeteries & Crematoria ERP • Implement new payroll & workforce planning	• Pursue M&A agenda for quality assets • Complete Prepaid strategic review • Commence upgrade of parks as ‘destinations’	• Develop digital offerings • Accelerate Innovation Hub opportunities • Embed Memories partnership • Continue to pursue partnerships • Consolidate and scale Pet Cremation operations	• Embed safety initiatives • Launch key initiatives in enhanced sustainability strategy • Enhance community engagement • Address evolving regulatory requirements

Digital – Fostering omnichannel engagement with customers

Our investments in digital will span the entire customer journey



Establishment of our Innovation Hub



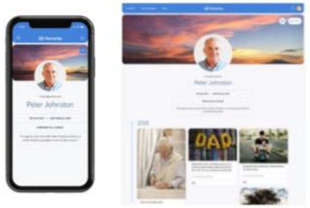
Strategic Rationale & Achievements

Develop, support and nurture an innovation culture - connecting InvoCare with the death care ecosystem and harnessing our employee's creativity.

2021 initiatives include:

Investment in Memories and Commercial Partnership

- Offer families a digital timeline to memorialise their loved one
- InvoCare and Memories teams collaborate on product and feature development



Partnership with The Violet Initiative (Violet)

- Extend the role we play with families
- Violet provides training to InvoCare staff who in turn refer families to their services
- InvoCare supports Violet's development and digital transformation

Enhanced sustainability strategy – to engage with our teams & ecosystem

Our materiality assessment process has reframed our ESG focus into three themes

People

Reduce **TRIFR** through injury prevention and physical & psychological wellbeing programs

Offer easier access to more employees to **training** & professional development

Articulate our **Employee Value Proposition**

Maintain **80+ NPS**

Place

Develop new facilities to enhance safety while incorporating **energy-saving and environmentally sound** design principles

Develop **community engagement framework**

Planet

Training on **Modern Slavery** risks

Further investment and trial of **electrical** and hybrid vehicles

Reviewing immediate and long-term **Greenhouse Gas emissions reduction** opportunities

Investigation of **TCFD recommendations**

Team on board to drive the change

CEO
Olivier Chretien
Commenced 2021
Ex Ramsay, Wesfarmers, BCG

CFO
Adrian Gratwicke
Commenced 2020
Ex Ruralco, Metcash, PWC

Company Secretary
Heidi Aldred
Commenced 2019
Ex Computer Power Group

EGM Funerals
Lynne Gallucci
Commenced 2018
New in role 2020
Ex API

EGM Cemeteries & Crematoria[1]
Steve Nobbs
Commenced 2016
New in role 2020
Ex Campus Living

EGM International, Strategy & Innovation
Tim Higgins
Commenced 2021
New in role 2022
Ex Nutrien, Ruralco, PWC

EGM Customer
Victoria Doidge
Commenced 2020
Ex Events, David Jones

EGM Human Resources
Amanda Tober
Commenced 2017
Ex UXC, iSentia

EGM Safety & Sustainability
Grace Westdorp
Commenced 2021
Ex Wesfarmers

EGM Stakeholder Engagement
Fergus Kelly
Commenced 2015
New in role 2021
Ex Qantas

[1]: Steve Nobbs is also the Executive General Manager responsible for Pet Cremations

Outlook – InvoCare is well positioned for growth

Macro factors influencing short term operating environment

- Staff absenteeism, talent attraction and retention
- Supply chain, general economic environment and inflationary pressures
- Q1 Omicron impact expected to lessen as restrictions unwind

We are well positioned to grow near and long-term shareholder value

- Evidence of mortality rate tracking back to long-term trend
- Growing & ageing population and expansion into high growth segments supporting future growth
- Strong NPS and scale benefits from market positions & brand portfolio
- Strong balance sheet
- Positive early momentum in strategy execution

Thank you – Questions?

Important information

This presentation dated 28 February 2022 contains summary information about InvoCare Limited (ACN 060 060 031) and its related bodies corporate (together, InvoCare) and InvoCare's activities as at the date of this presentation. It is information given in summary form only and does not purport to be complete. It should be read in conjunction with InvoCare's most recent financial report and other periodic corporate reports and continuous disclosure announcements filed with the Australian Securities Exchange (ASX), available at www.asx.com.au

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The forward-looking statements are based on InvoCare's good faith assumptions as to the financial, market, risk, regulatory and other relevant environments that will exist and affect InvoCare's business and operations in the future. InvoCare does not give any assurance that the assumptions will prove to be correct. The forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors, many of which are beyond the control of InvoCare, that could cause the actual results, performances or achievements of InvoCare to be materially different to future results, performances or achievements expressed or implied by the statements.

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Non-IFRS financial information

To support an understanding of comparable business performance, this 2021 Full Year Results Presentation presents results on a statutory and Operating/Non Operating (non-IFRS) basis when presenting measures of profitability. InvoCare considers Operating EBITDA, EBIT and NPAT as key performance measures. These measures are adjusted earnings before interest, tax, depreciation and amortisation as applicable after excluding the following items:

- The financial impacts of the prepaid funeral business;
- Other non-operating activities, including asset sales gain/loss, impairment loss and restructuring costs as applicable.

Balance sheet and cash flow information presented is consistent with the information disclosed in the statutory presentation in the Appendix 4E Full Year Financial Report.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

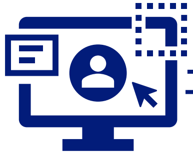
Newcastle Memorial Park, NSW

Appendices

Impact of IFRIC Software-as-a-Service (SaaS) guidance

In March 2021, IFRIC released guidance on accounting for costs incurred to implement cloud computing arrangements

- A SaaS arrangement provides InvoCare with a right to access software and use it for our purposes, e.g., Oracle ERP
- InvoCare has no right to transfer the software to another platform or to control the method of operation of the software, e.g., Spotify users can create playlists, but lose those songs when they stop paying for access
- IFRIC requires that costs incurred to configure or customise (and the ongoing fees to obtain access to) such software, are recognised as expenditure when the services are received.
- In simple terms, there are now two ways to account for costs incurred in implementing SaaS arrangements:



Implementation costs

	Accounting impact	Balance Sheet	Cash Flow	P&L
Pre-paid Technology asset e.g., *Unique code such as the funeral arrangement module code*	• Spend recognised as Pre-paid technology asset • Unwound over period of software service through **operating** earnings	• No change to net assets • Recognition of a current/non-current pre-paid technology asset	• No change	• No change in Operating EBITDA • Decrease in D&A expense but recognition of Prepaid Technology expense • No change in Operating EBIT or Operating NPAT
Expense as incurred e.g., *Setting up standard functionality of SaaS arrangements*	• Spend expensed as incurred as **non-operating** 'SaaS expense as incurred'	• Decrease in net assets from decrease in Intangible Assets	• Decrease in operating cash flows • Decrease in cash conversion %	• No change in Operating EBITDA • Increase in Operating EBIT and Operating NPAT • Increase in Operating EPS and ROCE

Change in accounting policy impacts 2021 and 2020 financial statements (which are subsequently restated), $ value impact set out on page 34 and 35

Supplementary information: SaaS impact on comparative financial statements

Balance Sheet	As previously reported 31 December 2020	SaaS Adj	Restated 31 December 2020	As previously reported 31 December 2019	SaaS Adj	Restated 31 December 2019
	$000	$000	$000	$000	$000	$000
Pre-paid technology assets[1]	-	5,292	**5,292[7]**	-	6,174	**6,174**
Intangible assets [2]	243,515	(18,129)	**225,386[8]**	210,724	(15,789)	**194,935**
Deferred tax liabilities[3]	(32,639)	3,807	**(28,832)[9]**	(34,826)	2,885	**(31,941)**
Other net assets/(liabilities)	321,024	-	**321,024**	121,081	-	**121,081**
Net Assets	**531,900**	**(9,030)**	**522,870**	**296,979**	**(6,730)**	**290,249**
Equity						
Retained earnings	23,495	(9,030)	**14,465**	68,169	(6,730)	**61,439**
Other equity balances	508,405	-	**508,405**	228,810	-	**228,810**
Total Equity	**531,900**	**(9,030)**	**522,870**	**296,979**	**(6,730)**	**290,249**

Cash flows	As previously reported 31 December 2020	SaaS Adj	Restated 31 December 2020
	$000	$000	$000
Payments to suppliers and employees [4]	(421,870)	(7,184)	**(429,054)**
Other operating cash flows	485,438	-	**485,438**
Net cash generated from operating activities	63,568	(7,184)	**56,384**
Payments for property, plant and equipment	(68,136)	7,184	**(60,952)**
Other investing cash flows	(15,816)	-	**(15,816)**
Net cash used in investing activities	(83,952)	7,184	**(76,768)**
Net increase in cash and cash equivalents	99,433	-	**99,433**
Cash conversion %[4]	**107%**	(7 ppts)	**100%**

[1]: Recognition of pre-paid technology assets that will be unwound over software service period net of amounts unwound during FY20.
[2]: Reversal of previously capitalised IT development spend.
[3]: Reversal of deferred tax impact of intangible assets restated.
[4]: Payment of ‘SaaS costs expensed as incurred’ treated as an operating cash flow instead of an investing cash flow, has the effect of reducing Group’s Cash conversion % metric by 7 ppts.

Supplementary information: SaaS impact on comparative financial statements (continued)

Profit & Loss	As Reported FY20 $000	SaaS adj $000	Restated Operating FY20 $000	As Reported FY20 $000	SaaS adj $000	Restated Non-Operating FY20 $000	As Reported FY20 $000	SaaS adj $000	Restated Statutory FY20 $000	
Revenue	476,249	-	476,249	1,403	-	1,403	477,652		477,652	No change
Expenses	(373,684)	-	(373,684)	(6,350)	-	(6,350)	(380,033)		(380,034)	No change
EBITDA	**102,565**	**-**	**102,565**	**(4,947)**	**-**	**(4,947)**	**97,618**		**97,618**	**No change**
Depreciation & amortisation	(44,280)	1,727	(42,553)	(12)	-	(12)	(44,292)	1,727	(42,565)	Decreased D&A from de-recognised intangible assets
SaaS arrangements	-	(750)	(750)	-	(10,376)	-	-	(10,376)	(11,126)	Pre-paid technology asset unwind and SaaS costs expensed as incurred in the year
Business acquisition costs	(1,918)	-	(1,918)	-	-	-	(1,918)	-	(1,918)	No change
Net gain/loss on prepaid contracts	-	-	-	(16,618)	-	(16,618)	(16,618)	-	(16,618)	No change
Asset sales gains	-	-	-	7,383	-	7,383	7,383	-	7,383	No change
Impairment loss on intangibles	-	-	-	(25,500)	6,176	(19,324)	(25,500)	6,176	(19,324)	Different treatment of costs previously impaired[1]
Cemetery land impairment reversal	-	-	-	6,000	-	6,000	6,000	-	6,000	No change
EBIT	**56,367**	**977**	**57,344**	**(33,694)**	**(4,200)**	**(37,894)**	**22,673**	**(3,223)**	**19,450**	**Operating EBIT increased, Reported EBIT decrease**
Net finance costs	(20,484)	-	(20,484)	(3,386)	-	(3,386)	(23,870)	-	(23,870)	No change
Tax	(8.405)	(293)	(8,698)	527	1,217	1,744	(7,878)	924	(6,954)	Adjustments to tax for adjustments made above
Non-controlling interest	(167)	-	(167)	-	-	-	(167)	-	(167)	No change
NPAT attributable to ordinary equity holders of InvoCare Limited	**27,311**	**684**	**27,995**	**(36,553)**	**(2,983)**	**(39,536)**	**(9,242)**	**(2,299)**	**(11,541)**	**Operating NPAT increased, Reported Loss increased**
EPS (cents per share)	**20.4**	0.5	**20.9**	**(27.3)**	(2.2)	**(29.5)**	**(6.9)**	(1.7)	**(8.6)**	Operating EPS increased, Basic & Diluted loss per share increased
ROCE %	**8.6%**	0.2%	**8.8%**	**n/a**	-	**n/a**	**n/a**	-	**n/a**	ROCE increased by 0.2 ppts

[1]: Costs previously impaired were re-assessed for IFRIC interpretation accounting treatment and $2,984k were subsequently reflected as SaaS costs expensed as incurred instead of an impairment charge

Supplementary information: Reconciliation - Operating to Statutory Earnings

	Operating Results FY21 $000	Non-Operating FY21 $000	Statutory Results FY21 $000	Restated Operating Results FY20 $000	Restated Non-Operating FY20 $000	Restated Statutory Results FY20 $000
Revenue	527,096	5,357	532,453	476,249	1,403	477,652
Expenses	(401,619)	(5,860)	(407,479)	(373,684)	(6,350)	(380,034)
EBITDA	**125,477**	**(503)**	**124,974**	**102,565**	**(4,947)**	**97,618**
Depreciation & Amortisation	(47,759)	(7)	(47,766)	(42,553)	(12)	(42,565)
SaaS arrangements	(654)	(4,594)	(5,248)	(750)	(10,376)	(11,126)
Business acquisition costs	(743)	-	(743)	(1,918)	-	(1,918)
Net gain/(loss) on prepaid contracts	-	44,085	44,085	-	(16,618)	(16,618)
Net gain on lease modifications/terminations	1,517	-	1,517	-	-	-
Asset sales gain	-	6,530	6,530	-	7,383	7,383
Net impairment gain/(loss) on non-current assets	-	4,000	4,000	-	(13,324)	(13,324)
EBIT	**77,838**	**49,511**	**127,349**	**57,344**	**(37,894)**	**19,450**
Net Finance Costs	(15,262)	(1,225)	(16,487)	(20,484)	(3,386)	(23,870)
Tax	(17,320)	(13,271)	(30,591)	(8,699)	1,744	(6,955)
Non-controlling interest	(113)	-	(113)	(167)	-	(167)
Net profit/(loss)	**45,143**	**35,015**	**80,158**	**27,994**	**(39,536)**	**(11,542)**
EPS (cents per share)	**31.6**	**24.5**	**56.1**	**20.9**	**(29.5)**	**(8.6)**

Supplementary information: Operating Expenses

OPERATING EXPENSES	FY21 $000	Restated FY20 $000	CHANGE $000	CHANGE %	
Finished goods, consumables and funeral disbursements[1]	(128,827)	(122,500)	(6,327)	5.2%	$5. 5million of the increase attributed to H2 20 acquisitions
Employee benefits expense	(193,400)	(171,656)	(21,808)	13%	$10.8 million of the increase attributed to H2 20 acquisitions, remainder due to increase in incentive cost as a result of improved financial performance, impact of capability investment and wage inflation
Advertising and public relations expenses	(14,093)	(14,713)	620	(4.2%)	Timing of campaigns and savings in agency fees
Occupancy and facilities expenses	(23,983)	(22,533)	(1,451)	6.4%	$1.2 million of the increase attributed to H2 20 acquisitions
Motor vehicle expenses[1]	(7,802)	(7,426)	(376)	5.1%	Increase in mourning car hire costs
Technology expenses	(13,662)	(12,715)	(947)	7.4%	Increase in software licence costs following investments made in prior year and increase in licensed users
Other expenses	(19,853)	(22,142)	2,289	(10%)	Savings in bad debt expense and travel costs
Total operating expenses - OPERATING	**(401,619)**	**(373,684)**	**(27,935)**	**7.4%**	

[1]:Reclass of $2 million of mortuary ambulance costs incurred in FY20 (FY21: $2.6 million) from motor vehicle expenses to ‘Finished goods, consumables and funeral disbursements’ as such costs are only incurred to satisfy funeral contracts

Supplementary information: Group Support Costs

	FY21 $000	FY20 $000	CHANGE $000	CHANGE %
GROUP SUPPORT – IT				
Employee benefits expense	(3,644)	(2,241)	(1,403)	63%
Technology expenses	(1,383)	(1,118)	(265)	24%
Software licence fees	(5,450)	(3,718)	(1,731)	47%
Other expenses	(86)	(123)	37	(30%)
Total EBITDA	**(10,563)**	**(7,201)**	**(3,363)**	**47%**

	FY21 $000	FY20 $000	CHANGE $000	CHANGE %
GROUP SUPPORT – CORPORATE				
Employee benefits expense (excl incentives)	(13,559)	(14,814)	1,255	(8.5%)
Occupancy and facilities expenses	(383)	(362)	(21)	5.7%
Technology expenses	(874)	(915)	42	(4.6%)
Other expenses	(2,500)	(3,582)	1,082	(30%)
Total operating costs	**(17,315)**	**(19,673)**	**2,358**	**(12%)**
Incentive cost accruals	(5,644)	(2,151)	(3,493)	>100%
Total EBITDA	**(22,959)**	**(21,824)**	**(1,135)**	**5.2%**

Support – IT

- Significant capability investment commenced to internalise roles
- Increase in software licence fees reflecting ERP deployments and increase in number of user licences

Support - Corporate

- Corporate support functions (e.g. Finance, Legal, listed company costs and office of the CEO/CFO)
- Capability investment in new EPMO, Stakeholder Engagement and Compliance functions
- Savings from one-off senior management transition costs in PCP
- Includes LTI accruals for the Group and STI accruals for corporate staff including senior leadership

Supplementary information: H1/H2 split

	Restated 1H21 $000	Restated 1H20 $000	CHANGE %	2H21 $000	Restated 2H20 $000	CHANGE %	FY21 $000	Restated FY20 $000	CHANGE %
Funeral case volume (#)	22,092	22,077	0.1%	23,689	22,707	4.3%	45,781	44,784	2.2%
Funeral case average ($)	8,188	7,676	6.7%	8,126	8,034	1.1%	8,156	7,858	3.8%
Pet cremation volume (#)	41,160	2,530	>100%	46,280	12,059	>100%	87,440	14,562	>100%
Operating Revenue	257,344	227,955	13%	269,752	248,293	8.6%	527,096	476,248	11%
Operating Expenses	(193,794)	(179,408)	8.0%	(207,825)	(194,276)	6.9%	(401,619)	(373,684)	7.4%
Operating EBITDA	**63,550**	**48,547**	**31%**	**61,927**	**54,018**	**15%**	**125,477**	**102,565**	**22%**
Operating EBIT	**40,224**	**27,357**	**46%**	**37,895**	**29,986**	**26%**	**77,838**	**57,344**	**36%**
Non-Operating EBIT	**32,743**	**(43,110)**	**>100%**	**16,768**	**5,215**	**>100%**	**49,511**	(37,894)	**>100%**
Net Profit/(Loss) After Tax	**43,374**	**(20,575)**	**>100%**	**36,784**	**9,033**	**>100%**	**80,158**	**(11,542)**	**>100%**

N.B IFRIC driven change in accounting policy for SaaS arrangements required the restatement of 1H21 and 1H20/2H20 Operating EBIT, Non Operating EBIT and Net Profit/Loss after tax figures disclosed

Supplementary information: Balance Sheet items

	FY21 $000	Restated FY20 $000
Cash and cash equivalents	53,630	118,781
Trade receivables	66,300	68,202
Other receivables	15,281	14,380
Inventories	46,866	44,117
Prepaid Technology asset	8,601	5,292
Pre-paid contract funds under management	649,875	613,131
Assets held for sale	89	2,788
Deferred selling costs	35,755	37,712
Deferred contract assets	1,963	4,066
Other financial assets	4,072	4
Property, plant & equipment	494,454	464,277
Right of use assets	153,315	144,368
Intangibles	226,913	225,386
Total Assets	**1,757,114**	**1,742,504**
Trade and other payables	(69,226)	(60,514)
Lease liabilities	(175,402)	(165,924)
Derivative financial instruments	(76)	(1,148)
Current tax liabilities	(5,739)	(1,874)
Deferred revenue	(127,959)	(137,718)
Pre-paid contract liabilities	(540,440)	(541,309)
Provision for employee entitlements	(19,919)	(19,102)
Deferred/Contingent considerations	(6,282)	(17,174)
Deferred tax liabilities	(42,307)	(28,831)
Borrowings	(188,843)	(246,039)
Total Liabilities	**(1,176,193)**	**(1,219,634)**
Net assets	**580,921**	**522,870**

	Item	Explanation
A	Pre-paid Contracts	Change in accounting policy in FY10 increased volatility of Reported Profit as Pre-paid FUM asset brought onto the balance sheet with fair value movements recognised through the profit or loss (non-operating) The obligation to perform under the contract is recognised as a liability with increases going through profit or loss based on finance charges (non-operating)
B	Prepaid Technology asset	See page 33 for further explanation
C	Deferred selling costs	Direct selling costs related to revenue deferred on undelivered memorials and merchandise and unperformed burial and cremation services (e.g. commissions to employees). These unwind through employee expenses when related revenue is recognised
D	Deferred contract assets	Deferred costs of goods sold related to revenue deferred on undelivered memorials and merchandise and unperformed burial and cremation services. Presented separately from working capital inventory
E	Right of Use assets & lease liabilities	Impact of adoption of AASB 16 in FY19 brings the present value of leases for locations and plant & equipment on to the balance sheet. See page 43 for impact on financial statements of unwind of these balances
F	Deferred revenue	Deferred revenue on undelivered memorials and merchandise and unperformed burial and cremation services. Recognised when service is provided, e.g. for memorials upon delivery of the contract, usually reflects receipt of payment in full
G	Deferred/ Contingent consideration	Acquisition related payments that are deferred as they are contingent on achievement of performance conditions for 1 to 2 years post acquisition date depending on acquisition

Supplementary information: Metrics calculations

Cash conversion % calculation	FY21 $000	Restated FY20 $000
Operating Cash Flows	77,740	56,384
Add back: Net Finance costs paid	14,219	17,046
Add back: Tax paid	9,771	14,424
Net Funds from prepaid contracts	29,306	12,857
Other cash flows related to prepaid contracts	877	1,429
Ungeared, tax free operating cash flows	**131,913**	**102,140**
Operating EBITDA	125,477	102,565
Cash Conversion %	**105%**	**100%**

Free Cash Flow calculation	FY21 $000	Restated FY20 $000
Operating cash flows	77,740	56,384
Interest paid	14,521	17,419
CAPEX – Maintenance	(23,823)	(14,398)
CAPEX - Investment – Platform	(14,271)	(4,915)
Free cash flow	**54,167**	**54,490**

Supplementary information: Network Update

		FY17	FY18	FY19	FY20	FY21
# Sites delivered	Refresh/recurring	26	32	15	54	23
	Enhance/Growth	4	23	6	9	13
	Total Facilities	**30**	**55**	**21**	**63**	**36**
	Shared Service Centres	-	-	1	1	4
	Total	**30**	**55**	**22**	**64**	**40**
CAPEX $M	Facilities[1]	(21.0)	(39.2)	(26.5)	(39.5)	**(24.1)**
	Shared Service Centres	-	(2.2)	(7.9)	(1.2)	**(6.3)**
	Acquired property	(8.3)[2]	(1.2)	-	-	**(0.5)**
# Sites Sold	**Total**	**2**	**1**	**3**	**6**	**4**
Proceeds $M	**Total**	6.1	0.7	3.1	12.0	**10.8**

[1] : Excludes spend on shared service centre projects and acquired properties presented separately on this page
[2] : Includes acquisition of Singapore location

Status FY21

- Delivered 35 projects in Australia and 5 in NZ in the year
- 4 best-in-class Shared Service Centres went operational in the year in QLD, NSW, SA and VIC
- Enhanced capital discipline, delayed DA approval and COVID construction delays have pushed some projects into FY22 completion

Outlook

- Network review has identified a pipeline of projects that will form part of annual Investment/Growth CAPEX in the long term
- Any refresh-type projects will form part of recurring CAPEX going forward

Supplementary information: Impact of AASB 15 and 16 on operating results

Unwind of deferred revenue when revenue recognition criteria met e.g. control of property/interment right, usually upon receipt of full payment

Unwind of deferred selling costs including inventory movements and commissions paid to sales staff

Financing cost from receiving customer payments in advance, increases deferred revenue to reflect current selling price

AASB 15 impact	FY18 $M	FY19 $M	FY20 $M	FY21 $M	FY22 est $M	FY23 est $M
Operating Revenue	21.6	16.3	20.3	18.8	12.0 – 15.0	Nil – 3.0
Operating Expenses	(5.7)	(3.9)	(5.0)	(4.5)	(3.0) – (4.0)	(Nil) – (0.5)
Operating EBITDA	**15.9**	**12.4**	**15.3**	**14.3**	**9.0 – 11.0**	**Nil – 2.5**
Interest	(3.5)	(2.9)	(2.0)	(0.9)	(0.5) - (1.0)	(Nil) – (0.5)
Profit before tax	**12.4**	**9.5**	**12.3**	**13.4**	**8.5 – 10.0**	**Nil– 2.0**

Impact of **reversal of operating lease rental expense**, increases EBITDA

Depreciation of Right to Use Asset, in lieu of rent expense

Unwind of discount rate on present value of lease liabilities

AASB 16 impact	FY18 $M	FY19 $M	FY20 $M	FY21 $M	FY22 est $M
Operating EBITDA	**-**	**14.2**	**15.5**	**16.0**	**16.0 – 19.0**
Depreciation	-	(11.4)	(16.4)	(17.3)	(16.0) – (20.0)
Interest	-	(4.8)	(5.3)	(5.7)	(5.0) – (7.0)
Profit before tax	**-**	**(1.9)**	**(6.2)**	**(3.0)**	**(5.0) – (8.0)**

Supplementary information: Operational & Financial Structure

Operating	At need	Funerals	At-need Funeral Services - Australia At-need Funeral Services – New Zealand At-need Funeral Services – Singapore
	At need	Pet Cremations	Pet cremation in Australia
	At need/ Post need	Cemeteries & Crematoria	Memorialisation Burial Services and Cremation Services Other services Located on Australian East Coast and New Zealand
		Field & Group Support	Field Support including Field HR, Marketing, Procurement, Facilities management IT Support Corporate Support including Finance, Legal, listed company costs and office of the CEO/CFO
Non-Operating	Pre need	Pre-paid funerals	Pre-Paid Funeral sales – sale and administration of Pre-paid Funeral Services, which creates a pool of funds that are independently controlled
		Significant items	Outcomes of business activities not related to operating business e.g. impairments, gain/loss on disposal of assets, recognition of SaaS costs as expensed as incurred

Glossary

Term	Definition
AFSL	Australian Financial Services Licence
Average capital employed	Average of opening and closing Capital Employed
Average working capital % of sales	Average of opening and closing Working Capital divided by Operating Revenue for a 12 month period
CAPEX	Capital expenditure
Capital employed	As used in ROCE % calculation. Calculated as Total Equity + Net Debt
Cashflow conversion %	Ungeared, tax free operating cash flows divided by Operating EBITDA
COVID	COVID-19 pandemic
CRM	Customer Relationship Management
CSP	Customer Service Portal
DA	Development approval
D&A	Depreciation & amortisation expense
Debt Leverage ratio	Calculated for disclosure purposes as Net debt divided by Operating EBITDA. Leverage calculation used for bank covenant testing purposes uses an Adjusted EBITDA measure (primarily adjusted to include proforma earnings from acquisitions and costs arising from restructuring initiatives). r12 measure uses rolling 12-month Operating EBITDA
Dividend payout ratio	Dividend per share divided by Operating EPS
EBITDA Margin	Operating EBITDA divided by Operating Revenue
EGM	Executive General Manager
EPMO	Enterprise Project Management Office
EPS	Earnings per share, calculated as Reported profit/(loss) divided by weighted average number of shares
ERP	Enterprise Resource Planning, e.g. the main Oracle general ledger financial system used by the business
Free cash flow	Operating cash flow + interest paid less Maintenance CAPEX less Investment – Platform CAPEX
Funeral Case Average	Calculated as gross funeral revenue (including disbursements) divided by funeral case volume
Funeral Case Volume	Number of funeral services undertaken
FUM	Funds under management in the pre-paid funerals business
HSE	Health, Safety & Environment
IFRIC	International Financial Reporting Interpretations Committee
Interest cover ratio	Calculated as Operating EBITDA divided by Net finance costs excluding AASB 16 interest, merchant fees and interest on customer advance payments. Interest cover calculation used for bank covenant testing purposes uses an Adjusted EBITDA measure (primarily adjusted to include proforma earnings from acquisitions and costs arising from restructuring initiatives)
Investment CAPEX	CAPEX undertaken to expand existing operations or further growth prospects, includes platform investments (IT and Shared Service Centre projects)
LGA	Local government area

Glossary

Term	Definition
LTI	Long term incentives for employees, i.e. share based payments
LTIFR	Lost Time Injury Frequency Rate
Maintenance CAPEX	Recurring annual CAPEX required to maintain facilities, capital works, IT hardware and software and plant & equipment
Memorialisation revenue	Revenue earned from the sale of memorials, plaques, burial plots etc. in the Cemeteries & Crematoria business
MTM	Mark-to-market, revaluation of assets and liabilities held at fair value on the Group's balance sheet
Net debt	Cash and cash equivalents + Borrowings + Finance leases
NFP	Not-for-profit
NPS	Net Promoter Score, calculated based on customer feedback with Group score representative of Australia and New Zealand only
Operating EBITDA	Operating earnings before business acquisition costs, SaaS arrangements c, gain/loss on lease modification/termination, interest, tax, depreciation & amortisation
Operating EBIT	Operating earnings before interest and tax
Operating EPS	Operating net profit after tax divided by weighted average number of shares
Operating leverage	Means the percentage growth in Operating EBITDA divided by the percentage growth in Operating Revenue
Operating NPAT	Reported profit excluding non-operating items and associated tax
Operating Revenue	Revenue for the Group excluding revenue earned from pre-paid funerals business
OPEX % Sales	Operating expenses (excluding finished goods, consumables and funeral disbursements) divided by Operating Revenue
PCP	Prior corresponding period
Pet case average	Pet Cremation revenue divided by Pet cremation volume, average revenue earned from pet cremation cases conducted
Pet cremation case volumes	The number of pets cremations conducted
ROCE %	Calculated as Operating EBIT divided by Average Capital Employed. r12 measure uses rolling 12-month Operating EBIT and Average Capital Employed using prior June balances
SaaS	Software-as-a-service
STI	Short term incentives for employees, i.e. cash based bonuses
TCFD	Task Force on Climate-Related Financial Disclosures
TRIFR	Total Recordable Injury Frequency Rate
Ungeared, tax free operating cash flows	Calculated as operating cash flow excluding net finance costs paid and tax paid adjusted by net funds from prepaid contracts (Payments to funds under management for pre-paid contract sales and receipts from funds under management for pre-paid contracts performed) sourced from investing cash flows and other cash flows related to pre-paid contracts
VOC	Voice of Customer
Working capital	Inventories + Trade & Other Receivables + Trade & Other Payables

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