

FY24 First Half Results

Investor Presentation

21 February 2024



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The FY15 to FY18 Operating EBITDA, Operating NPAT and Cash Flow Conversion numbers disclosed in this investor presentation are presented on a pro forma basis (consistent with the Prospectus and FY18 reporting), unless otherwise stated. FY22 is also disclosed on a pro forma basis, as specified. For ease of comparison, 1H FY24 is disclosed on a statutory and pro forma basis, as specified.

Capitalised words and phrases in this presentation will have the meaning given in the 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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Presenters



Albin Kurti
Managing Director



Lilli Gladstone
Chief Financial Officer



Fraser Henderson
Head of M&A, General Counsel
and Company Secretary



Agenda

1. Key highlights of 1H FY24
2. Company overview
3. 1H FY24 financial results detail
4. Industry trends and acquisitions
5. Summary, outlook and guidance
6. Q&A

Appendices



1. Key highlights of 1H FY24

Key highlights of 1H FY24

1 TRADING¹

Revenue
\$102.9m
^ 22.8%

Funeral Volumes
10,637
^ 17.4%

Average Revenue Per Funeral
\$6,630
^ 4.5% (comparable up ~6%)

2 EARNINGS¹

Operating EBITDA
\$27.4m
^ 18.5%

Pro forma² Operating NPAT
\$11.7m
^ 6.7%

Cash Flow Conversion
100.8%
^ 160 bps

3 CAPITAL MANAGEMENT³

Dividend
7.2cps
1H FY23: 7.1cps

Gearing Ratio²
20%
Net Leverage Ratio⁴: 1.5x

Funding Capacity⁵
\$171.7m

4 GROWTH³

Locations
183
^ 24

Acquisitions⁶
\$284m
committed since IPO

Expansion
NSW and NZ

5 OUTLOOK

Expecting to benefit from:

- favourable demographics in Australia and NZ
- its strong funding capacity
- acquisitions completed and announced to date and other potential future acquisitions in a highly fragmented industry

1. Movements shown above relate to movements between 1H FY24 and the PCP unless otherwise stated.

2. Statutory results adjusted for the impacts of the Capital Raising, including lower interest expense (net of tax) relating to the changes in the capital structure as if it had occurred on 1 July 2023.

3. As at 31 December 2023 for Gearing, Net Leverage Ratio, Locations (movement from 30 June 2023) and Expansion.

4. Pro forma, as at 31 December 2023, adjusted for the four acquisitions announced and completed or expected to complete in 2H FY24.

5. Refer to slide 20.

6. Refer to slide 24.

2. Company Overview

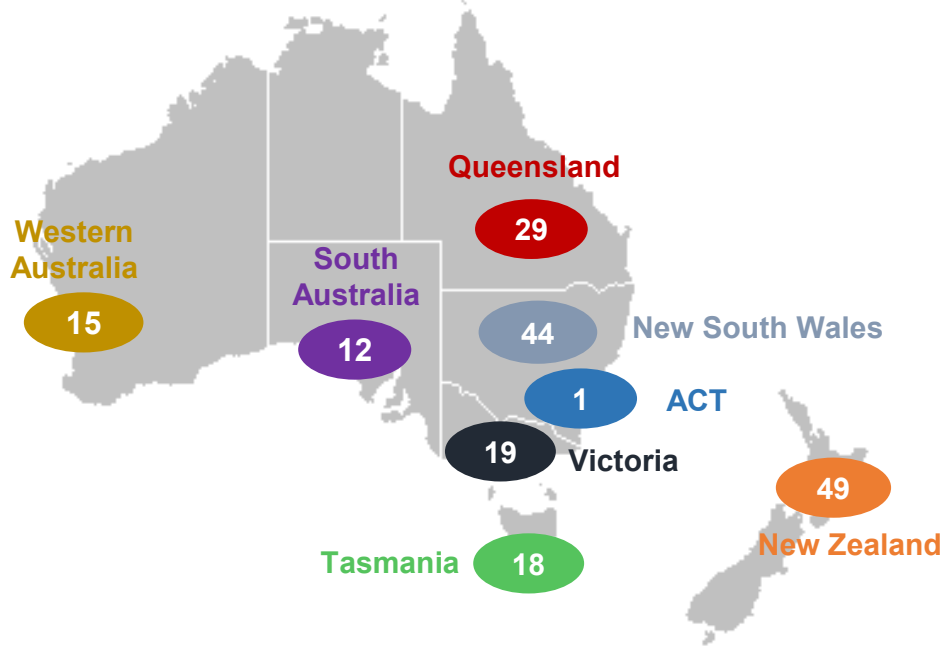
Geographic Presence

187 operating locations¹ (113 owned / 74 leased), including 37 cremation facilities and 9 cemeteries

1 August 2013



2 February 2024



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

1. 183 operating locations as at 31 December 2023 plus 4 operating locations added during YTD 2H FY24.

Brand Portfolio

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

Australia

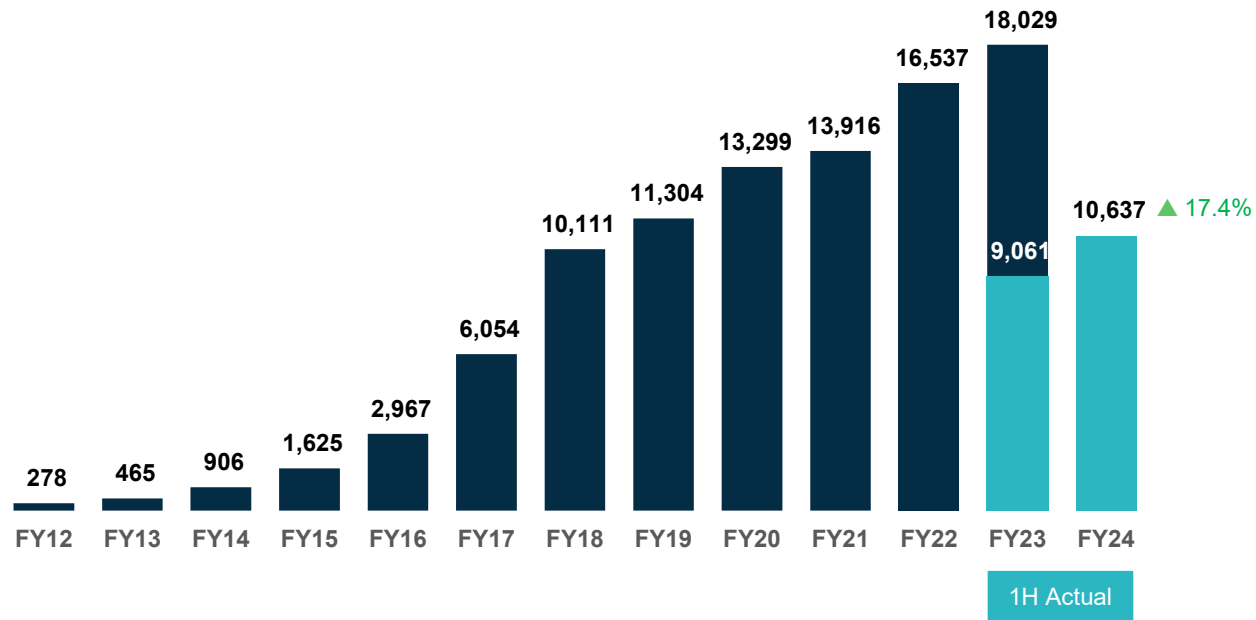
NZ

 Acquisitions completed or announced since 1 July 2023.

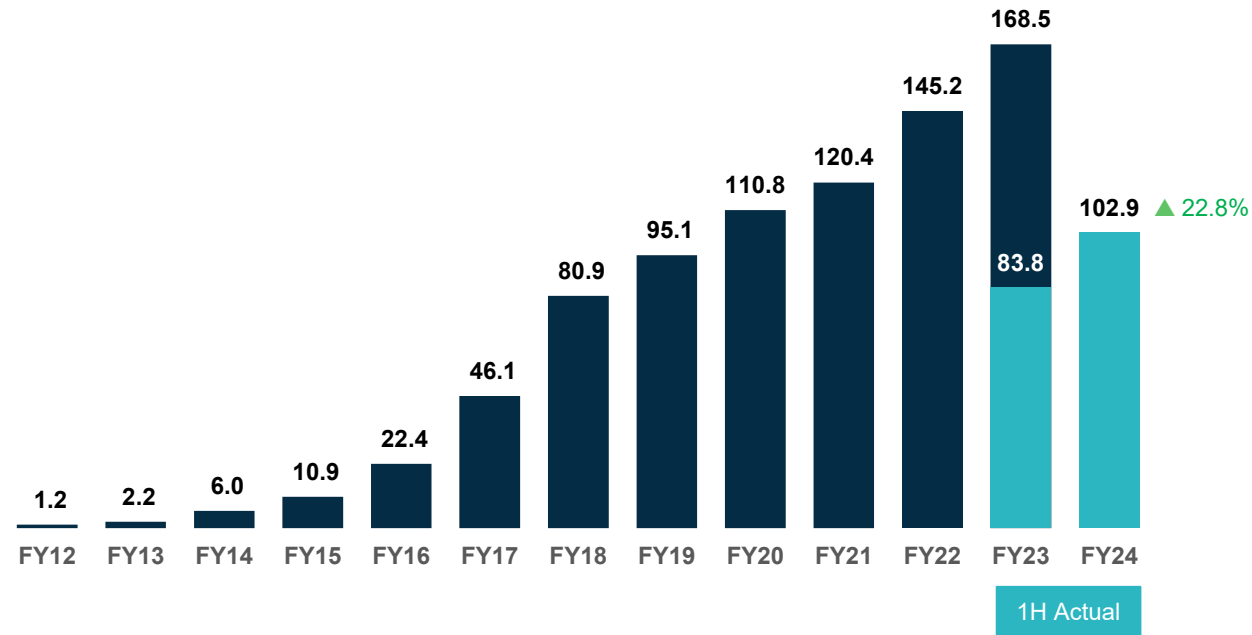
Volume and Revenue Growth

Propel has maintained a strong growth trajectory

1 Funeral volumes



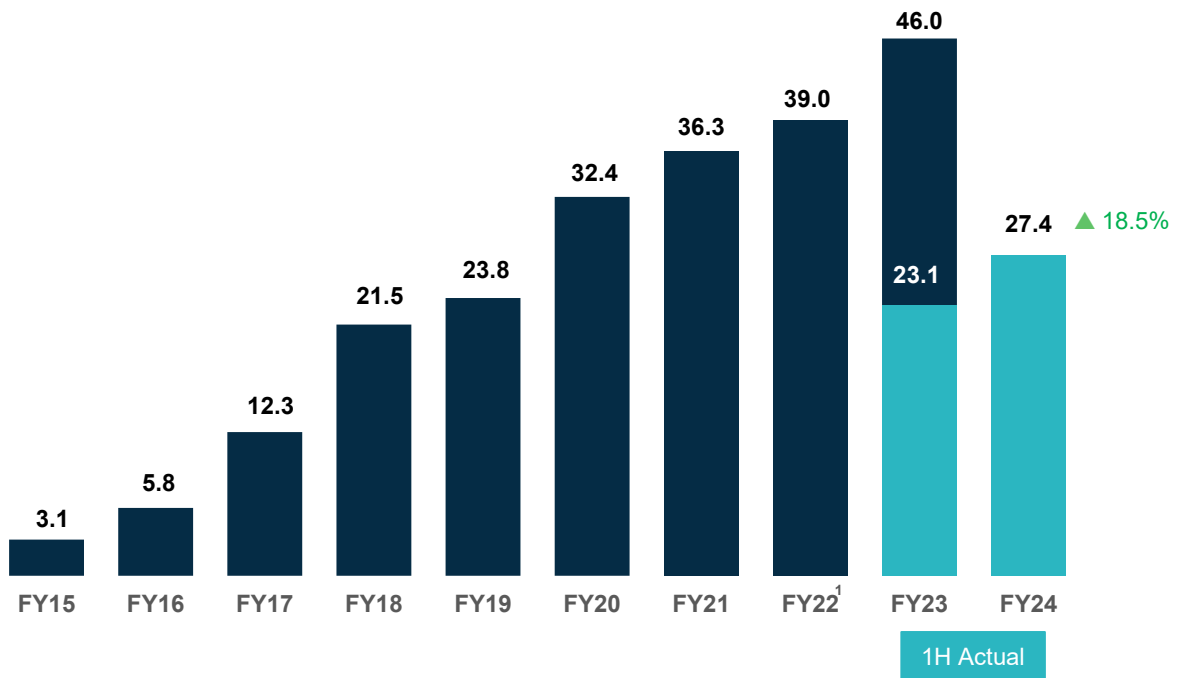
2 Revenue (\$m)



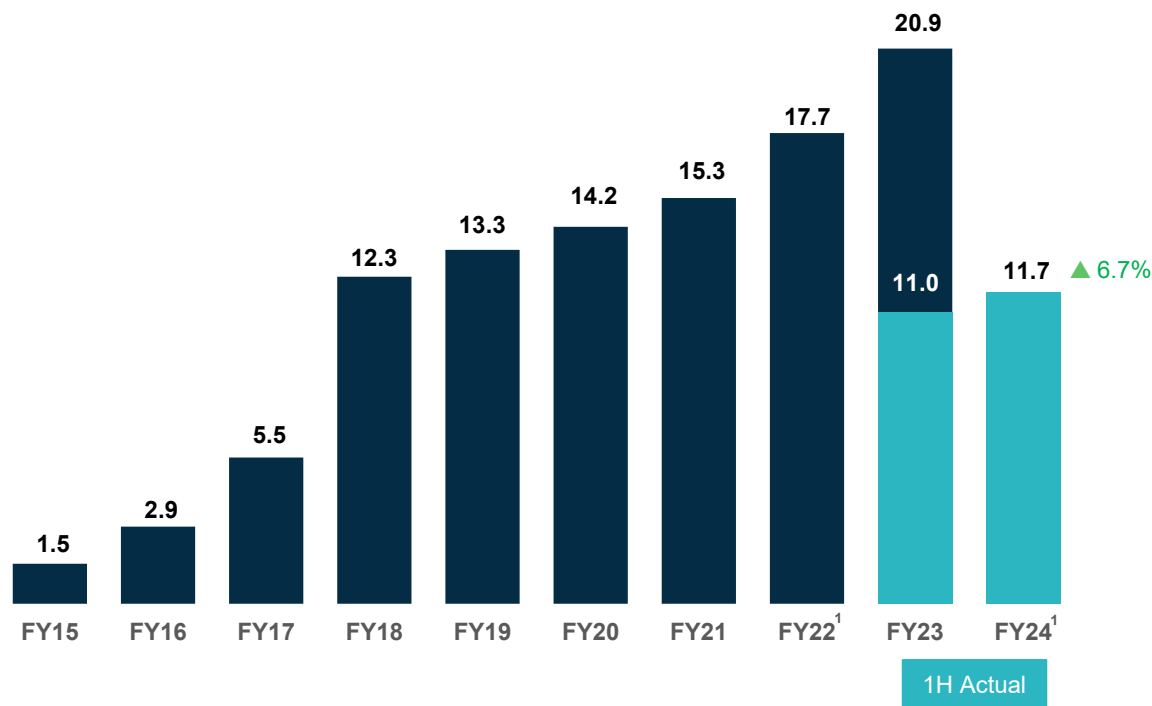
Earnings Growth

Propel has maintained a strong growth trajectory

1 Operating EBITDA (\$m)



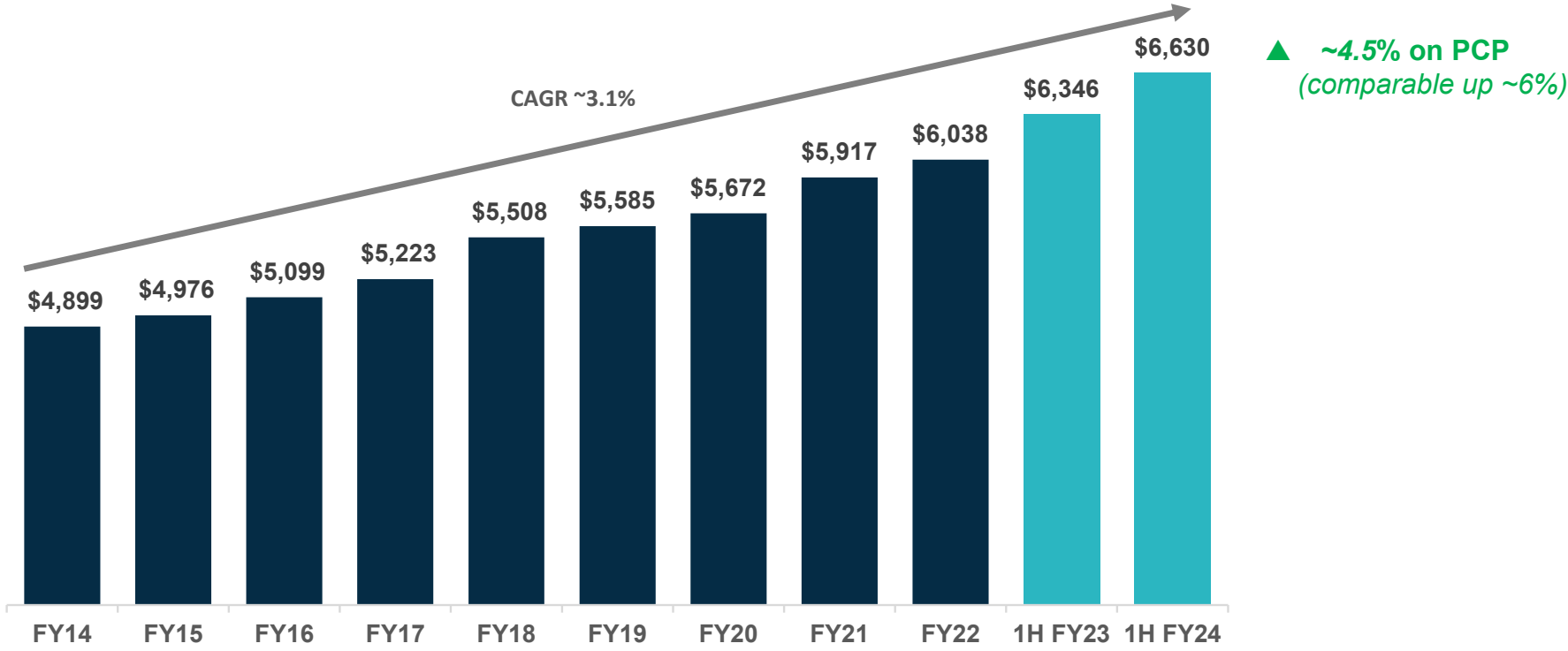
2 Operating NPAT (\$m)



1. Pro forma.

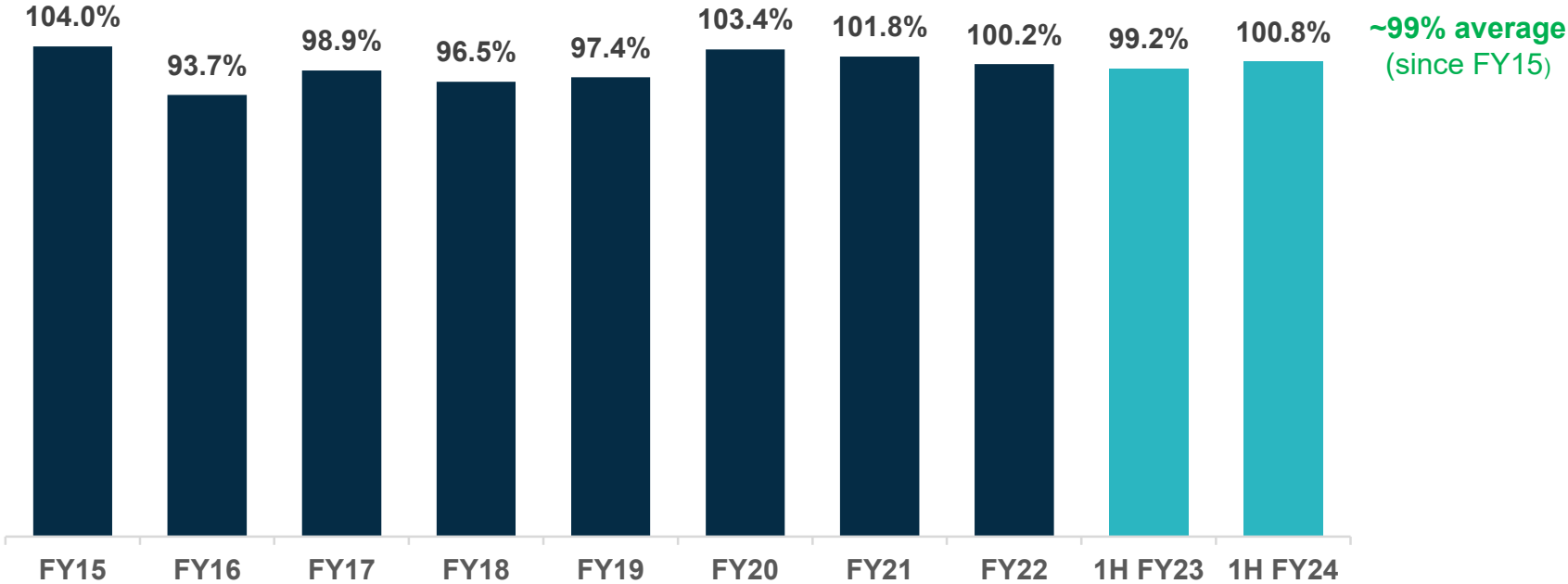
Average Revenue Per Funeral Growth

Compound annual growth rate (CAGR) of ~3.1% since FY14



Cash Flow Conversion

Consistently strong and has averaged ~99% since FY15



Performance Summary Since IPO

Propel's share price has outperformed the ASX300 since the IPO in November 2017

Relative share price and index performance



Total shareholder return³

~107%

Total shareholder value accretion⁴

~\$368m

Material growth in key financial and operating metrics

1. Propel's IPO issue price on 23 November 2017 was \$2.70 and its closing share price on 29 December 2023 was \$5.16.
2. The ASX300 Index closed at 5,940.5 on 22 November 2017 and at 7,535.9 on 29 December 2023.
3. Total shareholder value accretion (including total dividends paid (grossed up)) divided by the total value (at cost) of shares issued at and since the IPO, as at 31 December 2023.
4. Propel's closing market capitalisation plus total dividends paid (grossed up) since the IPO, less the total value (at cost) of shares issued at and since the IPO, as at 31 December 2023.

3. 1H FY24 Financial Results Detail

Financial Summary

Pro forma Income Statement¹

\$ million	1H FY24	1H FY23
Total revenue	102.9	83.8
Gross profit	71.4	58.6
...margin	69.4%	70.0%
Total operating costs	(44.0)	(35.5)
Operating EBITDA	27.4	23.1
...margin	26.6%	27.6%
Depreciation	(7.1)	(5.5)
Operating EBIT	20.3	17.6
...margin	19.8%	21.0%
Net interest expense	(3.6)	(2.0)
Operating NPBT	16.7	15.6
Income tax expense	(5.0)	(4.6)
Operating NPAT	11.7	11.0
Operating EPS (cps)	8.6	9.3
Non-operating items:		
Acquisition costs	(1.9)	(0.8)
Net financing charge on pre-paid contracts	(0.2)	(0.3)
Net other income and expenses	0.0	0.3
Tax effect of adjustments	0.2	0.1
Net profit after tax	9.9	10.2

1. 1H FY24 is presented on a Pro forma basis. Refer to slide 32 for the Statutory Financial Summary.

Comments

Revenue

- Increased 22.8% on the PCP to \$102.9m, primarily due to:
 - comparable Average Revenue Per Funeral growth of ~6%
 - contributions from 9 acquisitions completed during FY23 and 1H FY24, partially offset by a material contraction in industry death volumes

Gross profit margin

- Impacted by lower gross margins of acquisitions completed during FY23 and 1H FY24
- Comparable gross profit margin exceeded 70%

Operating EBITDA

- Increased 18.5% on the PCP to \$27.4m, primarily due to:
 - contributions from 9 acquisitions completed during FY23 and 1H FY24
 - good cost control, despite the higher inflationary environment, partially offset by a material contraction in industry death volumes

Other operating items:

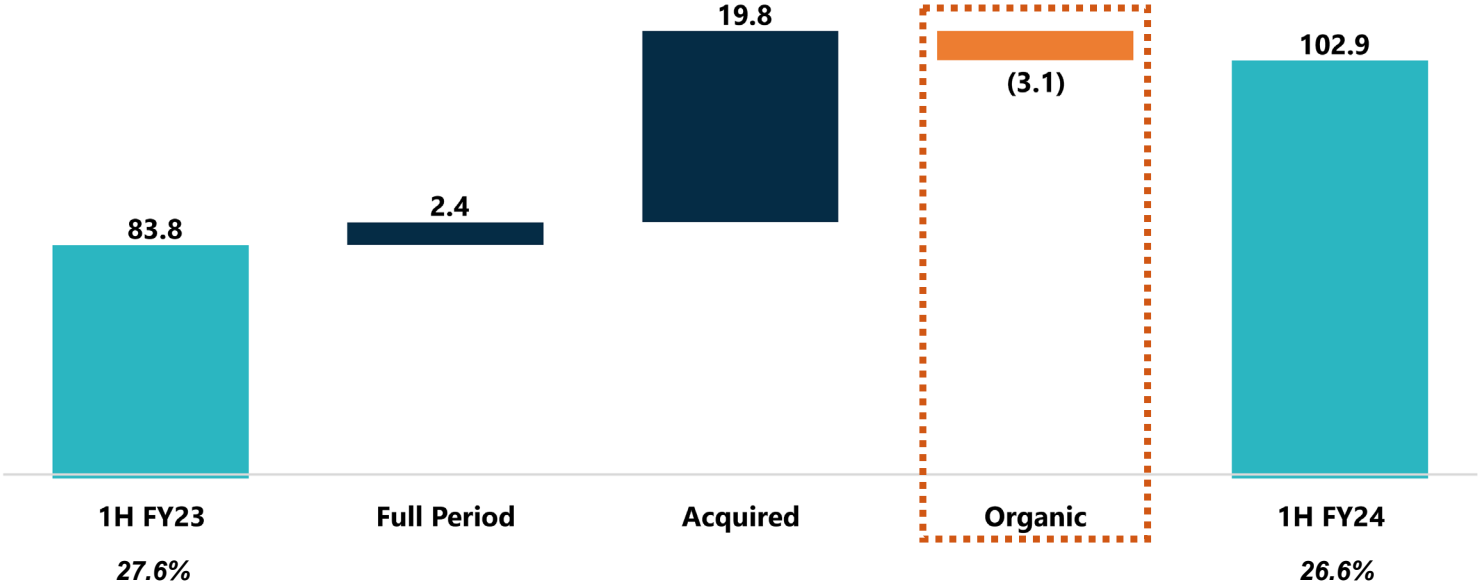
- Includes \$2.2m relating to AASB 16 (Accounting for Leases) (1H FY23: \$1.9m)
- Depreciation increased primarily due to acquisitions
- Net interest expense was circa \$1.6m higher than the PCP, reflecting higher drawn debt and interest rates
- Average Effective Interest Rate on drawn debt was 6.1% in 1H FY24 (1H FY23: 4.2%)
- Adjusted Effective Tax Rate of 29.6% (1H FY23: 29.6%)
- Operating NPAT increased 6.7%, due to contributions from acquisitions, partially offset by a material contraction in industry death volumes and higher interest rates

Non-operating items:

- Largely related to acquisition costs and the net financing charge

Revenue Bridge and Operating EBITDA Margin

Resilient Operating EBITDA margin despite lower industry death volumes (expected to be temporary)



Comments

Total:
Funeral Volumes
 ▲ 17.4% on PCP including contributions from acquisitions
Average Revenue Per Funeral
 ▲ 4.5% influenced by recent acquisitions and pricing

Organic:
Funeral Volumes
 ▼ 9.8% on PCP
Average Revenue Per Funeral
 ▲ ~6% on PCP

Operating EBITDA margin:
 Resilient Operating EBITDA margin of 26.6% (PCP: 27.6%), reflective of:

- lower industry death volumes (expected to be temporary)
- Average Revenue Per Funeral growth
- good cost control, notwithstanding the inflationary environment

Cash Flow

Statutory actuals¹

\$ million	1H FY24	1H FY23
Receipts from customers (inc GST)	113.1	91.6
Payments to suppliers and employees (inc GST)	(86.8)	(69.7)
	26.3	22.0
Income taxes paid	(4.4)	(4.6)
Interest paid	(5.4)	(2.0)
Interest received	0.2	0.1
Net cash provided by operating activities	16.8	15.6
Payment for purchase of business, net of cash acquired	(79.9)	(12.8)
Net payments for property, plant and equipment	(8.2)	(12.8)
Other investing cash flows	(0.1)	(0.0)
Net cash used by investing activities	(88.2)	(25.6)
Net (repayment)/proceeds from borrowings	42.8	18.9
Dividends paid	(8.2)	(7.4)
Other financing cash flows	(2.1)	(3.5)
Net cash provided by financing activities	32.5	8.0
Net (decrease)/increase in cash during the year	(38.9)	(2.0)
Cash at the beginning of the year	46.9	7.9
Exchange rate effects	0.0	0.1
Cash at the end of the year	8.0	6.0
Cash flow conversion %	100.8%	99.2%

1. Excludes impacts of the Capital Raising.

Comments

Operating activities

- Operating Cash Flow increased 19.7% on PCP
- Cash Flow Conversion remained strong at 100.8%

Investing activities

- Includes acquisitions (\$76.2m), acquisition costs (\$1.9m) and earn out payments (\$1.8m)
- Maintenance capital expenditure amounted to 6.0% of revenue (1H FY23: 3.9%)
- Acquired one freehold property, previously tenanted.

Financing activities

- Draw down of debt in connection with acquisitions and property purchases
- Reflects the dividends paid during the period

Balance Sheet

Statutory actuals¹

\$ million	31-Dec-23	30-Jun-23
Cash and cash equivalents	8.0	46.9
Contract assets	75.7	64.5
Other current assets	20.6	17.9
Total Current Assets	104.4	129.3
Property, plant & equipment	266.9	216.2
Right-of-use assets	31.0	31.1
Goodwill	190.2	155.4
Other non-current assets	7.6	8.0
Total Non-Current Assets	495.6	410.6
Total Assets	600.0	539.9
Trade and other payables	16.0	11.9
Borrowings	24.8	19.8
Contract liabilities	82.5	69.5
Lease liabilities	4.0	3.5
Other current liabilities	10.8	12.4
Total Current Liabilities	138.0	117.1
Borrowings	157.6	119.7
Lease liabilities	30.0	30.5
Other non-current liabilities	19.1	19.2
Total Non-Current Liabilities	206.8	169.4
Total Liabilities	344.8	286.5
Net Assets	255.2	253.3
Total Equity	255.2	253.3

1. Excludes impacts of the Capital Raising. Refer to slide 35 for the Pro forma balance sheet as at 31 December 2023, including impacts of the Capital Raising.
2. Senior debt less cash and cash equivalents.

Comments

Cash and net debt position

- \$8.0m of cash (30 June 2023: \$46.9m)
- \$175.4m of net debt² (30 June 2023: \$93.7m)
- \$183.4m of drawn senior debt (30 June 2023: \$140.6m)

Pre-paid contracts

- Largely held with third party friendly societies
- Asset increases by investment returns
- Liability increases by non cash financing charge
- Asset and liability derecognised when the contract turns at need
- Pre-paid contracts that turned at need in Australia accounted for less than 10% of the Group's Australian funeral volumes in 1H FY24, consistent with the PCP

Property, plant and equipment

- Includes land and buildings at cost (less depreciation) of \$216m as at 31 December 2023, noting an additional ~\$7m of land and buildings have been acquired subsequent to period end

Goodwill

- Represents purchase price of acquisitions less fair value of net tangible assets acquired
- No impairment

Capital Management

Available funding capacity of ~\$172 million and significant debt covenant headroom

Funding Capacity

	\$ million	\$ million
Senior debt facility limit		275.0
Net Debt as at 31 December 2023¹		(175.4)
Net proceeds from Capital Raising	87.2	
Acquisition cash commitments ²	<u>(15.1)</u>	72.1
Net Debt		(103.3)
Funding capacity³		171.7

Pro forma debt covenant summary^{4,5}

Net Leverage Ratio (must be < 5.0x)	1.5x ✓
Fixed charge cover ratio (must be > 1.75x)	4.5x ✓

Dividend summary (cps)⁶

	1H FY24	1H FY23
Fully franked dividend (cps)	7.20	7.10
Dividend payout ratio (rounded)	83%	75%

1. Senior debt less cash and cash equivalents.

2. Cash paid on completion of IC Mark, Penhall Funerals and Howard & Gannon. Cash payable on completion of Southern Funeral Home, announced, but not yet completed, and the purchase of a freehold property. Excluding transaction costs and subject to exchange rate movements.

3. Undrawn debt and cash at bank, as at 31 December 2023, plus estimated net proceeds from the Capital Raising, less the estimated cash that will be required to fund commitments relating to acquisitions. Excluding transaction costs and subject to exchange rate movements.

4. The Net Leverage Ratio for covenant purposes includes adjustments – for example: (1) the Group's \$25m working capital facility is excluded from net debt; and (2) Operating EBITDA includes the annualised impact of acquisitions and is calculated on a pre AASB16 basis.

5. Pro forma, as at 31 December 2023, adjusted for the four acquisitions announced and completed or expected to complete in 2H FY24.

6. Refer to slide 36.

Comments

Funding capacity

- Increase in senior debt facility limit to \$275m (previously \$255m)
- Estimated net proceeds from the Capital Raising of ~\$87m
- Binding acquisition cash commitments, subsequent to 31 December 2023
- Funding capacity of ~\$172m

Covenants

- The Group remained comfortably in compliance with its reported debt covenants as at 31 December 2023.
- Pro forma Net Leverage Ratio was 1.5x.

Dividend

- Dividend payout ratio of ~83% of Pro forma Distributable Earnings

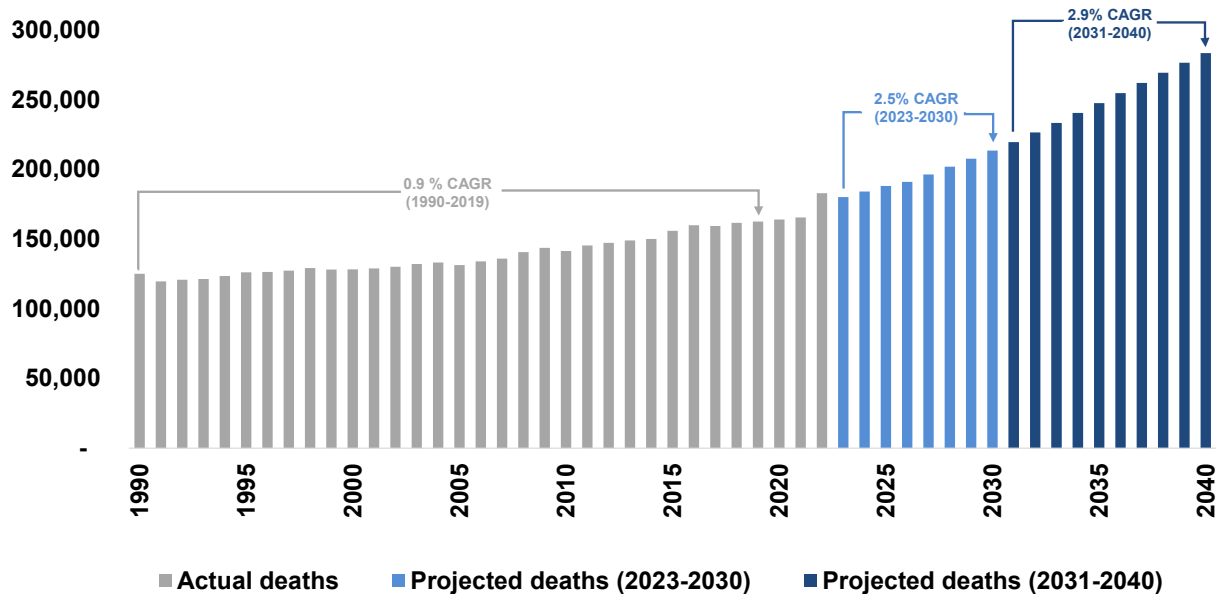
4. Industry Trends and Acquisitions



Increasing Number of Deaths

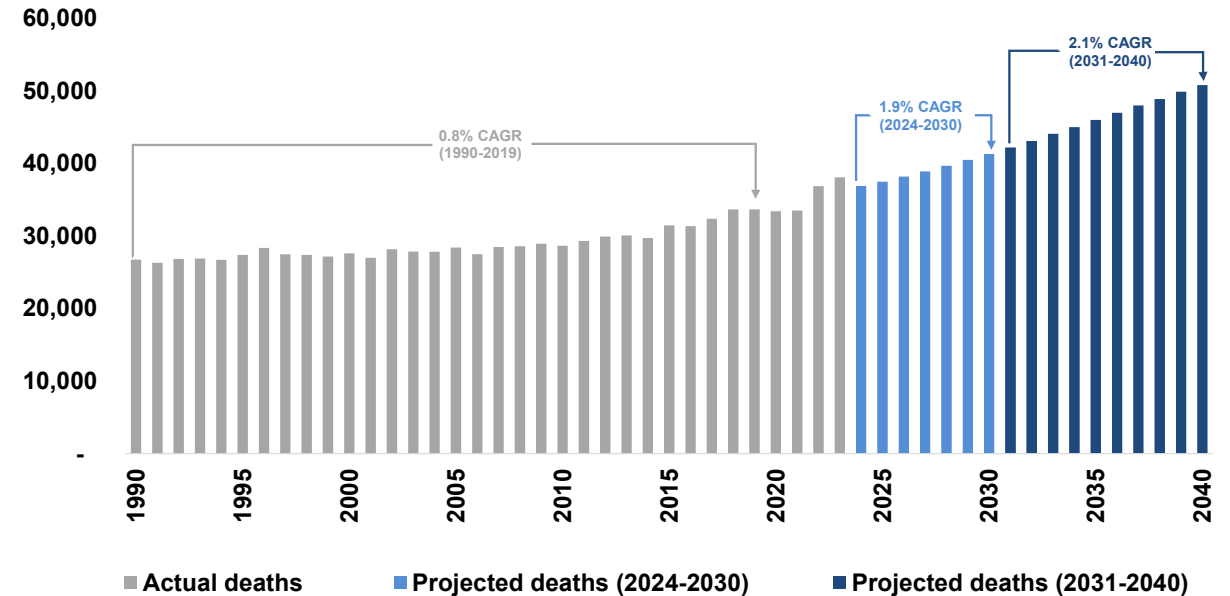
Number of deaths is the most significant driver of revenue in the death care industry

1 Australia



- Death volumes in Australia grew by 0.9% pa between 1990 and 2019¹
- Death volumes are expected to increase by 2.5% pa from 2023 to 2030¹ and 2.9% from 2030 to 2040¹

2 New Zealand



- Death volumes in New Zealand grew by 0.8% pa between 1990 and 2019²
- Death volumes are expected to increase by 1.9% pa from 2024 to 2030² and 2.1% from 2030 to 2040²

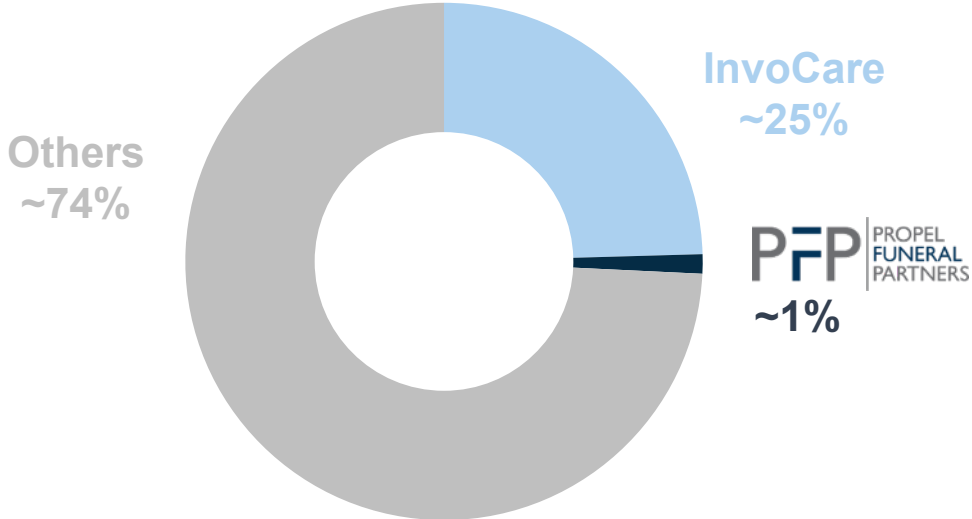
1. Source: ABS, Dataset: Deaths and Infant deaths, Year and month of occurrence, Sex, States, Territories and Australia for actual deaths by financial year. 3222.0 Population Projections, Australia, 2022 (base) – 2077, Table 1 Projected population, Australia, Medium, for projected deaths by financial year (released in November 2023). 2020-2022 has been excluded from the historical CAGR due to COVID impacts on death volumes.

2. Source: 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, 2022(base)-2073) for projected deaths by financial year (released in July 2022). 2020-2023 has been excluded from the historical CAGR due to COVID impacts on death volumes.

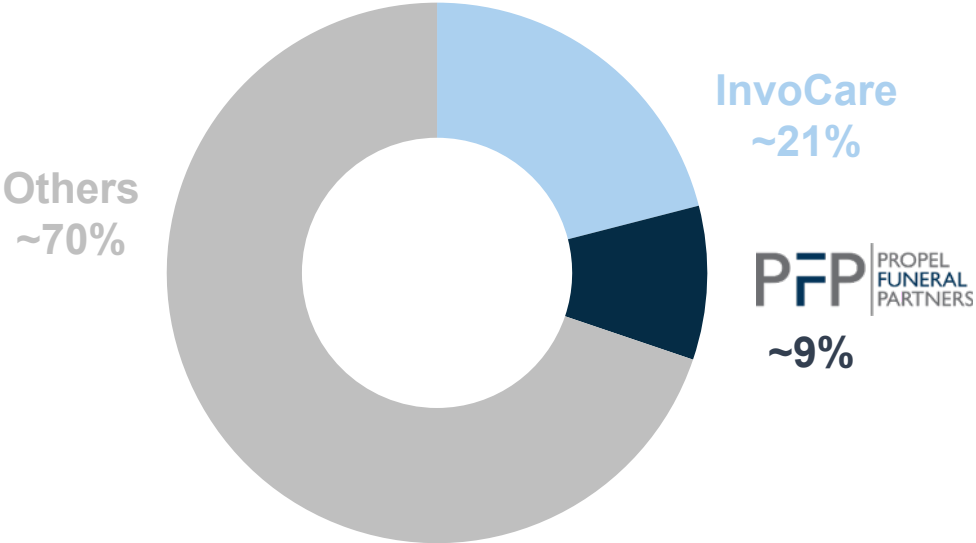
Market share estimate (funeral volumes)

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

1 CY15¹



2 CY23²



1. Note: 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 Australia in CY15.
2. Note: 182,842 annualised deaths (ABS provisional mortality statistics from January 2023 to September 2023, annualised) for market size, ~16,425 funerals performed by Propel (including annualised funerals relating to acquisitions completed in CY23) and an estimated 38,000 funerals performed by InvoCare in Australia in CY23 (page 7 of InvoCare's 1HY23 investor presentation to shareholders dated 28 August 2023, annualised and rounded up to the nearest thousand).

Acquisitions

Propel has committed ~\$92 million¹ on acquisitions YTD in FY24 (~\$284 million¹ since its IPO)

1 1H FY24:

1. Olsens Funerals	Jul-23	Sydney, NSW	Consideration: ~\$78 million Revenue³: ~\$30 million Locations: 24 (19 freehold) Cremation facilities: 2
2. J Fraser & Sons	Jul-23	Southland, NZ	
3. Harbour City Funeral Home	Aug-23	Wellington, NZ	
4. Terry Longley and Tong & Peryer	Sep-23	Hawkes Bay, NZ	









2 YTD 2H FY24:

1. IC Mark	Jan-24	Levin, NZ	Consideration: ~\$14 million Revenue³: ~\$7 million Locations: 9 (6 freehold) Cremation facilities: 2
2. Penhall Funerals	Feb-24	Orange, NSW	
3. Howard & Gannon	Feb-24	Taradale, NZ	
4. Southern Funeral Home	2H FY24 ²	Otago, NZ	






3 Propel continues to explore other potential acquisitions in what is a highly fragmented industry, however, the timing associated with any future acquisitions is uncertain

1. Upfront cash and equity consideration paid/payable. Excludes properties purchased subsequent to completion of a relevant business acquisition totalling \$28.7 million (excluding stamp duty). Subject to completion adjustments and exchange rate movements.
 2. Estimated timing of completion.
 3. Annual revenue prior to acquisition.

5. Summary, Outlook and Guidance

Summary

Growth track record, stable management, defensive market position and sector thematic are attractive characteristics

1 Long term growth profile

- Strong growth track record (>15 fold increase in Revenue and Operating EBITDA since FY15)
- Consistent growth in key operating metrics (funeral volumes, Average Revenue Per Funeral and network size)

2 Founder led management with significant ownership and industry experience

- Proven management team (>17 years funeral industry experience) and NEDs who own ~16%¹ of the Company's issued capital
- Built the business from the ground up (from 1 funeral home in 2013 to a network of 187 locations² over the last 11 years)

3 Attractive industry dynamics

- Growing and ageing populations in Australia and New Zealand (provide favourable demographic 'tail winds' over the long term)
- Stable industry with high fragmentation (leading to acquisition opportunities)

4 Consistently high cash conversion and stable operating margin

- Strong Cash Conversion (averaging ~99% since FY15)
- Stable Operating EBITDA margin (above 25% since FY15)

5 Defensive footprint, strong asset backing and funding position support growth strategy

- Diversified network of 187 locations² (113 owned properties held at depreciated cost of ~\$223 million) is difficult to replicate
- ~\$172 million available funding capacity for growth through acquisitions and other initiatives

6 Value creation³

- Total shareholder value creation of ~\$368 million and total shareholder return of ~107% since IPO

1. Including the impacts of the Capital Raising.

2. 183 operating locations as at 31 December 2023 plus 4 operating locations added during YTD 2H FY24.

3. Refer to slide 14.

Outlook

Demand for funeral services in underpinned by favourable demographics

1 Expected growth drivers for the remainder of FY24:

- favourable demographics in Australia and New Zealand
- its strong funding position
- acquisitions completed and announced to date and other potential future acquisitions in what remains a highly fragmented industry

2 Historical experience suggests the material contraction in industry death volumes in CY23 should be temporary, given:

- prior period declines have rebounded quickly
- the unusually benign winter flu season
- the growing and ageing populations in Australia and New Zealand

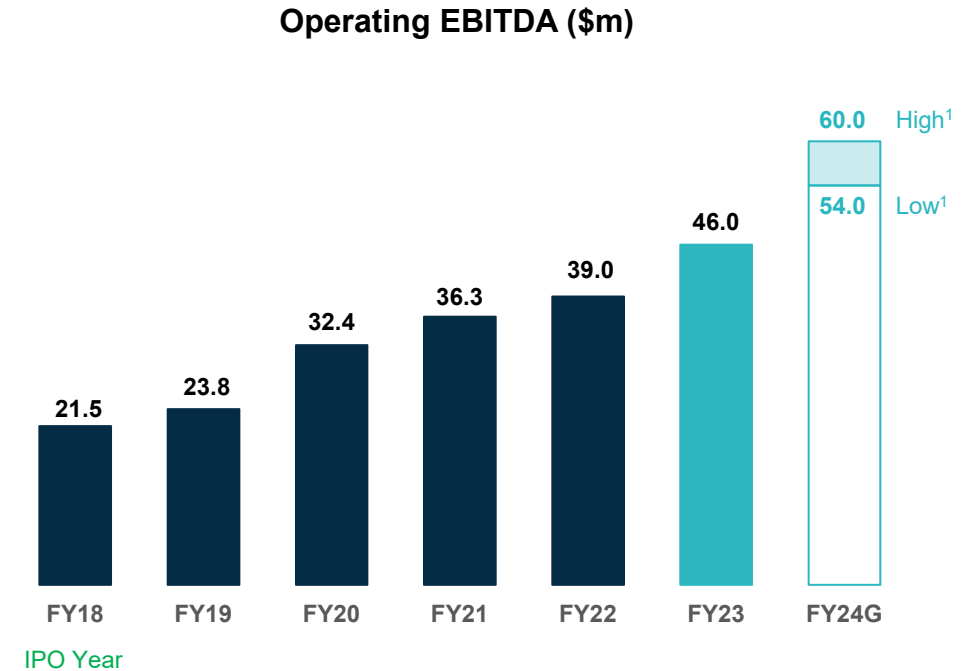
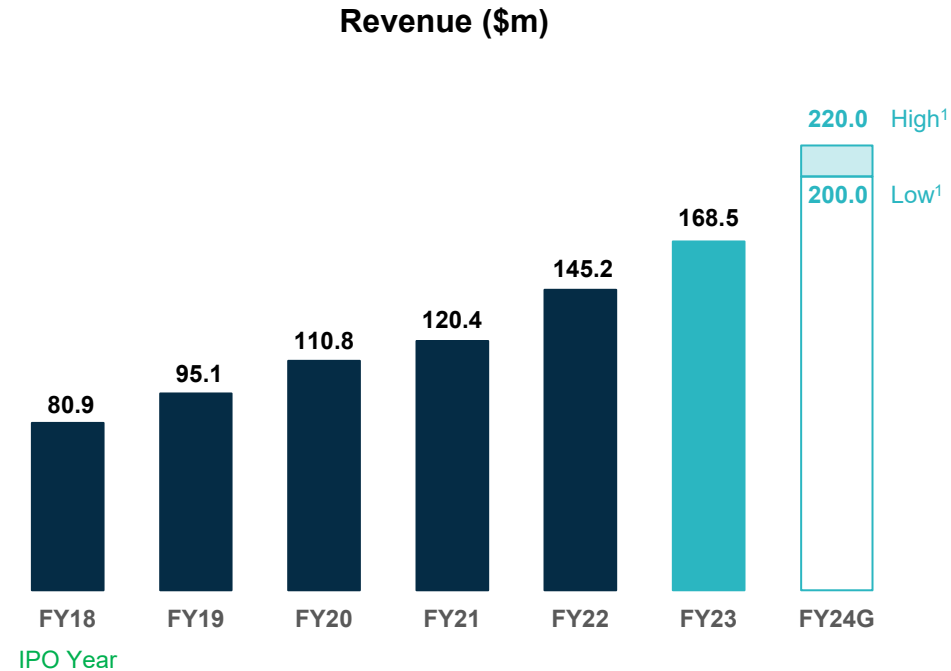
3 Propel has started 2H FY24 with positive trading momentum - in the month of January 2024¹, revenue growth over the PCP exceeded 25%, reflecting:

- strong growth in total funeral volumes, including contributions from acquisitions and positive comparable funeral volume growth
- higher Average Revenue Per Funeral

1. Based on the Company's unaudited management accounts.

FY24 guidance

Propel reaffirms its FY24 guidance range¹ for Revenue of \$200m-\$220m and Operating EBITDA of \$54m-60m



It should be noted that:

- death volumes fluctuate over short time horizons
- inflation is expected to impact funeral related pricing and costs

1. Based on a number of key assumptions, as summarised on slide 27 of the FY23 Investor Presentation, the Company's audited Interim Financial Report for 1H FY24, recent trading and forecasts for the remainder of FY24.

6. Q&A



Appendices



Definitions

Adjusted Effective Tax Rate means income tax expense divided net profit before tax, adjusted for non deductible and non assessable items.

Average Effective Interest Rate means the average interest rate on senior debt, including the interest rate swap (where relevant) and establishment fees but excluding the commitment fee on undrawn debt.

ARPF means Average Revenue Per Funeral.

Average Revenue Per Funeral means revenue from funeral operations, excluding direct disbursements (such as third party cemetery fees and third party cremation fees) and delivered pre-paid impacts, divided by the number of funerals in the relevant period.

Bps means basis points.

Capital Raising means the placement of new shares and follow on SPP, announced on 31 January 2024, raising estimated net proceeds of ~\$87.2m.

Cash Flow Conversion % means the percentage of Operating EBITDA converted to ungeared, pre-tax operating cash flow, adjusted for cash flow timing differences relating to Executive bonuses.

Cps means cents per share.

CY means calendar year.

Distributable Earnings means NPAT adjusted for the non-cash net financing charge on pre-paid contracts and acquisition costs.

FY means financial year.

Gearing Ratio means net debt divided by net debt plus total equity.

Group means Propel and its wholly owned subsidiaries.

IPO means initial public offering.

NEDs means non-executive directors.

Net Leverage Ratio for covenant purposes includes adjustments – for example: (1) the Group's \$25m working capital facility is excluded from net debt; and (2) Operating EBITDA includes the annualised impact of acquisitions and is calculated on a pre AASB16 basis.

NPAT means net profit/(loss) after tax.

NZ means New Zealand.

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

Operating EBIT means Operating EBITDA less depreciation.

Operating EBITDA means earnings before interest, tax, depreciation, amortisation and certain non-operating items, such as acquisition and transaction costs.

Operating EPS means Operating NPAT divided by the weighted average number of ordinary shares on issue.

Operating NPAT means NPAT adjusted for certain non-operating items, such as acquisition costs and the non cash net financing charge on pre-paid contracts.

PCP means prior corresponding period.

Pro forma means statutory results adjusted for the impacts of the Capital Raising, including lower interest expense (net of tax) relating to the changes in the capital structure as if it had occurred on 1 July 2023.

Prospectus means the prospectus prepared by Propel in connection with the IPO.

SPP means share purchase plan announced on 31 January 2024. Assumes \$10 million is raised in connection with the SPP at an issue price of \$5.15 per share.

Statutory Financial Summary

Income Statement

\$ million	1H FY24 Statutory	1H FY23 Statutory
Total revenue	102.9	83.8
Gross profit	71.4	58.6
...margin	69.4%	70.0%
Total operating costs	(44.0)	(35.5)
Operating EBITDA	27.4	23.1
...margin	26.6%	27.6%
Depreciation	(7.1)	(5.5)
Operating EBIT	20.3	17.6
...margin	19.8%	21.0%
Net interest expense	(6.0)	(2.0)
Operating NPBT	14.4	15.6
Income tax expense	(4.3)	(4.6)
Operating NPAT	10.1	11.0
Operating EPS (cps)	8.5	9.3
Non-operating items:		
Acquisition costs	(1.9)	(0.8)
Net other income and expenses	0.0	0.3
Net financing charge on pre-paid contracts	(0.2)	(0.3)
Tax effect of adjustments	0.2	0.1
Net profit after tax	8.3	10.2

Income Statement Analysis

\$ million	1H FY24	1H FY23
Funeral operations	91.7	73.7
Cemetery, crematoria and memorial gardens	10.2	9.0
Other trading revenue	1.0	1.0
Total revenue	102.9	83.8
Cost of sales	(31.5)	(25.2)
Gross profit	71.4	58.6
Employment costs	(32.1)	(26.4)
Occupancy and facility costs	(5.3)	(4.1)
Advertising costs	(2.4)	(1.7)
Motor vehicle costs	(1.5)	(1.2)
Other operating costs	(2.8)	(2.1)
Total operating costs	(44.0)	(35.5)
Operating EBITDA	27.4	23.1

Comments

Revenue segments:

- 89.2% generated from funeral operations (1H FY23: 88.0%)
- 9.9% generated from cemetery and memorial gardens (1H FY23: 10.8%)
- 0.9% from other sources (including coroners contracts) (1H FY23: 1.2%)

Employment costs:

- 31.2% of revenue (1H FY23: 31.5%)

Occupancy and facility costs:

- 5.1% of revenue (1H FY23: 4.9%)

NPAT to Operating NPAT Reconciliation

\$ million	1H FY24	1H FY23
	Pro forma	Statutory
Statutory net profit after tax	8.3	10.2
Add: Interest expense (tax effected)	1.6	
Pro forma net profit after tax	9.9	
Add: Acquisition costs	1.9	0.8
Add: Net other income and expenses	0.1	0.2
Add: Net financing charge on pre-paid contracts	0.2	0.3
Less: Net gain on disposal of assets	(0.1)	(0.5)
Less: Tax effect of certain Operating NPAT adjustments	(0.2)	(0.1)
Operating NPAT	11.7	11.0

Pro forma Balance Sheet

\$ million	31-Dec-23 Pro forma	30-Jun-23 Statutory
Cash and cash equivalents	9.6	46.9
Contract assets	75.7	64.5
Other current assets	20.6	17.9
Total Current Assets	106.0	129.3
Property, plant & equipment	266.9	216.2
Right-of-use assets	31.0	31.1
Goodwill	190.2	155.4
Other non-current assets	7.6	8.0
Total Non-Current Assets	495.6	410.6
Total Assets	601.6	539.9
Trade and other payables	16.0	11.9
Borrowings	24.8	19.8
Contract liabilities	82.5	69.5
Lease liabilities	4.0	3.5
Other current liabilities	10.8	12.4
Total Current Liabilities	138.0	117.1
Borrowings	70.4	119.7
Lease liabilities	30.0	30.5
Other non-current liabilities	19.1	19.2
Total Non-Current Liabilities	119.6	169.4
Total Liabilities	257.6	286.5
Net Assets	344.0	253.3
Total Equity	344.0	253.3

Distributable Earnings and Dividend

Reconciliation

\$ million	1H FY24 Pro forma	1H FY23 Statutory
Net profit/(loss) after tax	9.9	10.2
Distributable Earnings calculation		
Acquisition costs	1.7	0.6
Net financing charge on prepaid contracts	0.2	0.3
Distributable Earnings	11.7	11.1
Dividend payout ratio (rounded)	83%	75%
Actual number of shares on issue ¹	135,838,993	117,959,990
Dividend per share	7.20	7.10

¹ As at 21 February 2024 and 22 February 2023 respectively. Assumes \$10 million is raised in connection with the SPP at an issue price of \$5.15 per share.

