



6 May 2024

Acquisitions

Propel Funeral Partners Limited (ASX: PFP) (**Propel** or **Company**) is pleased to announce it has executed binding legal documentation to acquire four long established businesses operating in the funeral industry and related assets, infrastructure and real estate, which will expand and broaden Propel's network in Australia and in New Zealand.

The total consideration payable on completion of the acquisitions is ~A\$12.0 million¹.

Overview

The new business acquisitions relate to:

- **Brunswick Valley Funerals**, which has provided funeral and related services in and around Mullumbimby, NSW for over 18 years;
- **Gladstone Valley Funerals**, which has provided funeral and related services in and around Gladstone, QLD for over 25 years;
- **Osbornes Funeral Directors**², which has provided funeral and related services in and around Rotorua, NZ for over 40 years; and
- **Decra**, which has supplied headstones and monuments in NZ for over 40 years.

Together, the businesses:

- generated ~A\$6.0 million of revenue in their last financial year³;
- conducted ~350 funerals in their last financial year³; and
- operate from five locations (over multiple titles), of which Propel will:
 - acquire two of the properties on settlement; and
 - lease three of the properties, with options to acquire two of those properties.

Consideration

The total consideration payable on completion of the acquisitions is ~A\$12.0 million¹, comprising:

- A\$11.5 million¹ in cash; and
- A\$0.5 million¹ via the issue of 84,534 Propel ordinary shares⁴ on completion of the relevant acquisition.

In addition, up to A\$1.5 million¹ in cash will be payable if certain financial milestones are achieved during the three years following completion of the relevant acquisitions.

The cash required to complete the acquisitions will be funded from the Company's debt facilities, following which Propel's estimated available funding capacity is expected to be ~A\$155 million.

Expected Timing

Subject to satisfaction (or waiver) of customary conditions (e.g. due diligence, third party lessor consent, consent to assignment of key contracts, etc.), the above acquisitions are expected to be:

- completed during Q4 FY24 and Q1 FY25; and
- earnings accretive in year one.

-END-

¹ Estimate, excluding completion adjustments and transaction costs and subject to NZD/AUD exchange rate movements.

² Propel will acquire 100% of the property from which the business operates and 49.99% of the issued shares of the company that owns and operates the business.

³ Excluding Osbornes Funeral Directors which will be equity accounted.

⁴ Subject to certain exceptions, the escrowed shares will be released three years after completion of the relevant acquisition. Assuming no other shares are issued prior to completion of the relevant acquisition, once the escrowed shares are issued, Propel's total number of shares on issue will increase from 137,873,797 to 137,958,331. Once issued, the escrowed shares will rank pari passu with Propel's ordinary shares currently on issue. Shareholder approval is not required in connection with the issue of these ordinary shares.



ASX ANNOUNCEMENT

About Propel:

Propel is listed on the Australian Securities Exchange and is the second largest provider of death care services in Australia and New Zealand. Propel currently operates from 194 locations, including 38 cremation facilities and 9 cemeteries.

For further information, please contact:

Lilli Gladstone
Chief Financial Officer
+ 612 8514 8644

Authority to release:

This document has been authorised for release by the Company's board of directors.

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.