



9 May 2024

Presentation to Macquarie Australia Conference

Propel Funeral Partners Limited (ASX: PFP) (**Propel** or **Company**) Managing Director and Co-Founder, Albin Kurti, is giving the attached presentation at the 2024 Macquarie Australia Conference today.

The presentation includes commentary on year to date trading to 30 April 2024 (slide 23) and FY24 guidance (slide 24).

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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.

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Authority to release:

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

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Macquarie Australia Conference

9 May 2024



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This presentation includes certain financial measures, such as Operating EBITDA and Operating NPAT which are not prescribed by Australian Accounting Standards (**AAS**) and represents the results under AAS adjusted for certain non-operating items, such as acquisitions and the non cash net financing charge on pre-paid contracts. The directors consider Operating EBITDA and Operating NPAT to reflect the core earnings of the Group. These financial measures, along with other measures, have not been subject to specific audit or review procedures by the Company's auditor, but have been extracted from the accompanying financial statements.

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.

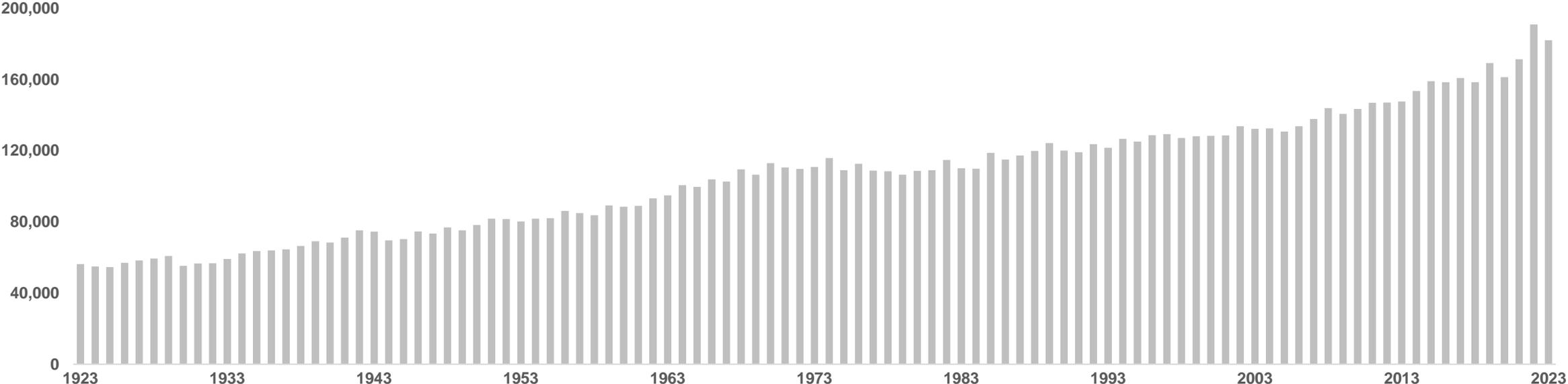
A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

NOT FOR DISTRIBUTION IN THE UNITED STATES

**“All I want to know is where I'm going to die,
so I'll never go there”**

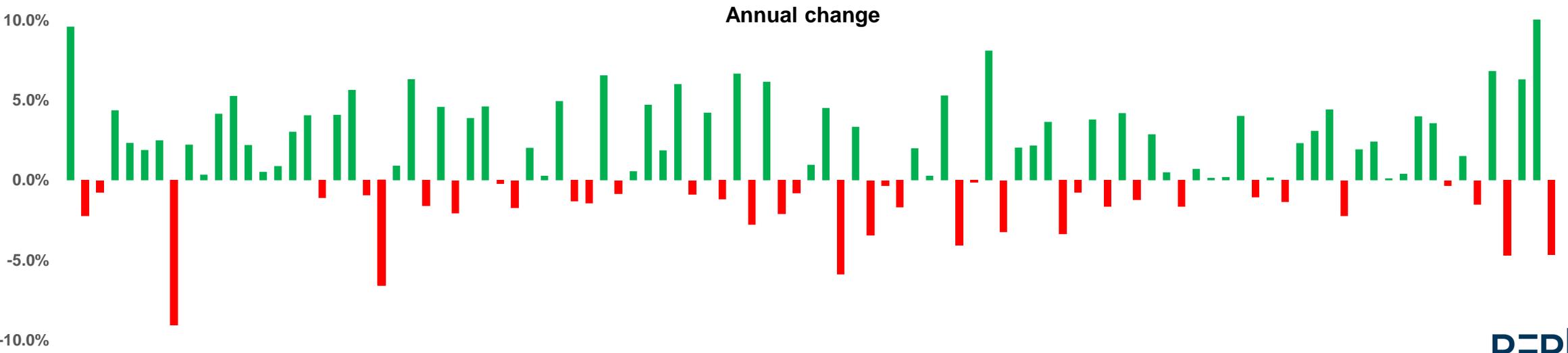
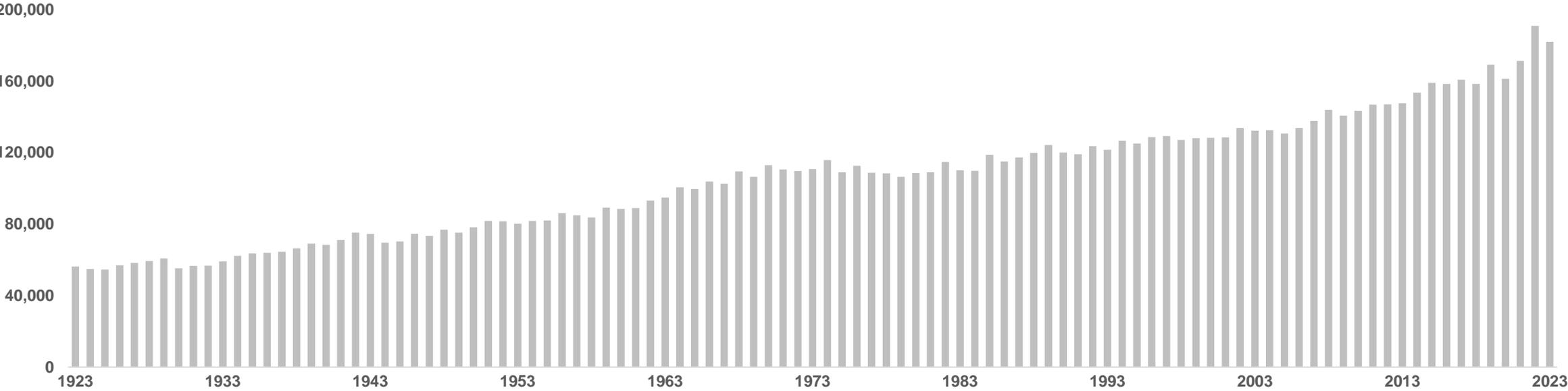
Charlie Munger

Australian Deaths: 1923 to 2023



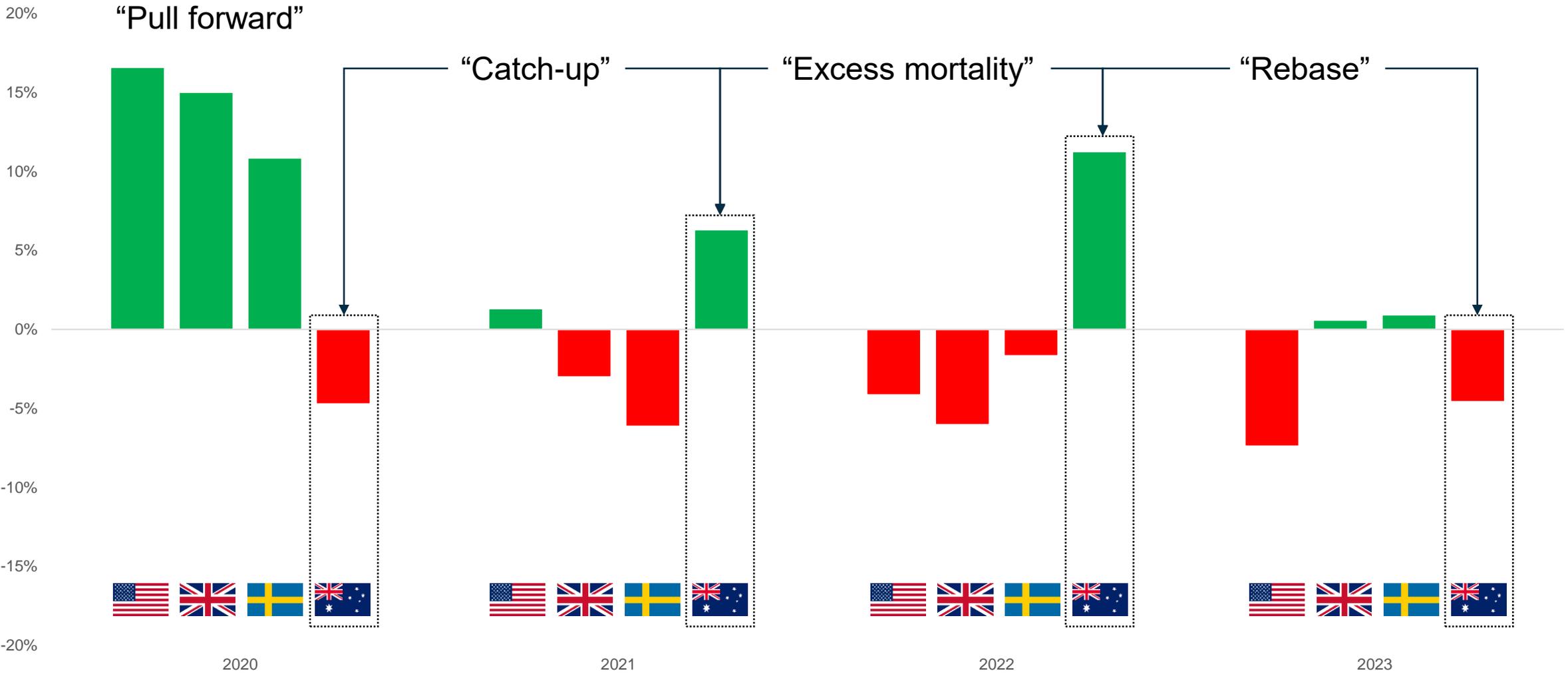
Source: 1923-2022: ABS, Deaths, Australia 2022, Table 2 Deaths registered – 1917 to 2022 (released in September 2023). 2023: ABS, Provisional Mortality Statistics for 2023 (released in March 2024). Presented on a calendar year basis.

Australian Deaths: 1923 to 2023 (Natural Fluctuations)



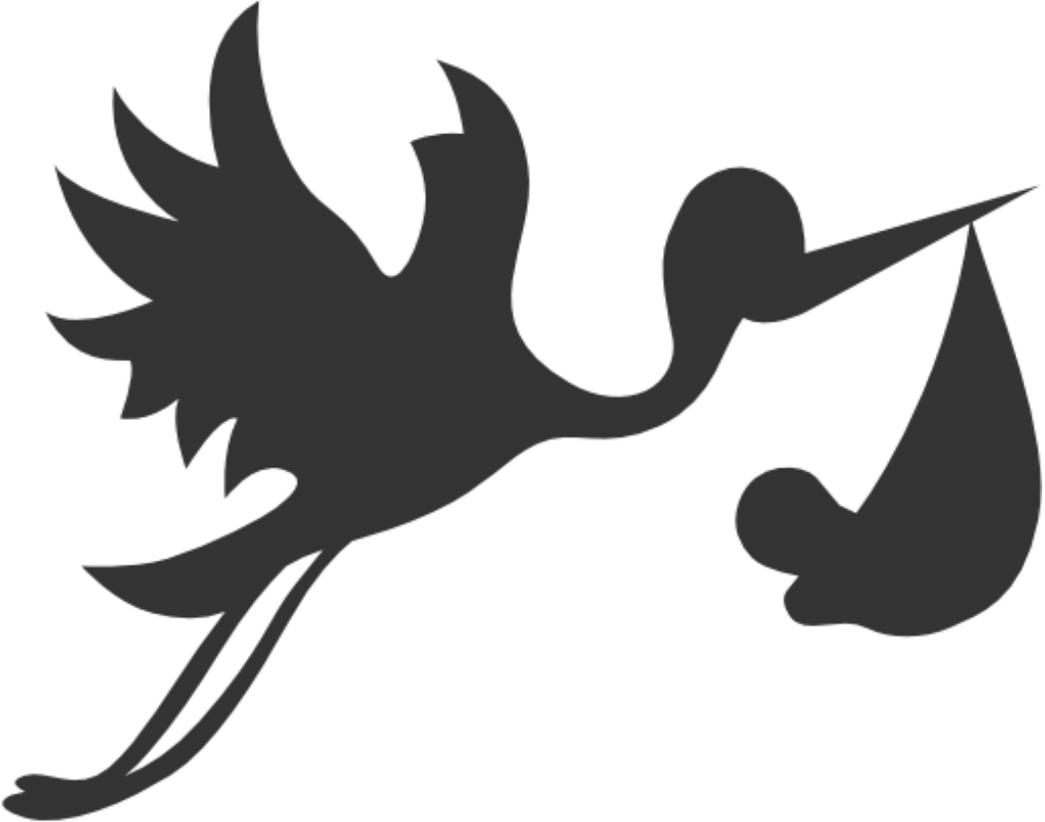
Source: 1923-2022: ABS, Deaths, Australia 2022, Table 2 Deaths registered – 1917 to 2022 (released in September 2023). 2023: ABS, Provisional Mortality Statistics for 2023 (released in March 2024). Presented on a calendar year basis.

Deaths - Annual Change: 2020 to 2023 (COVID impacts)

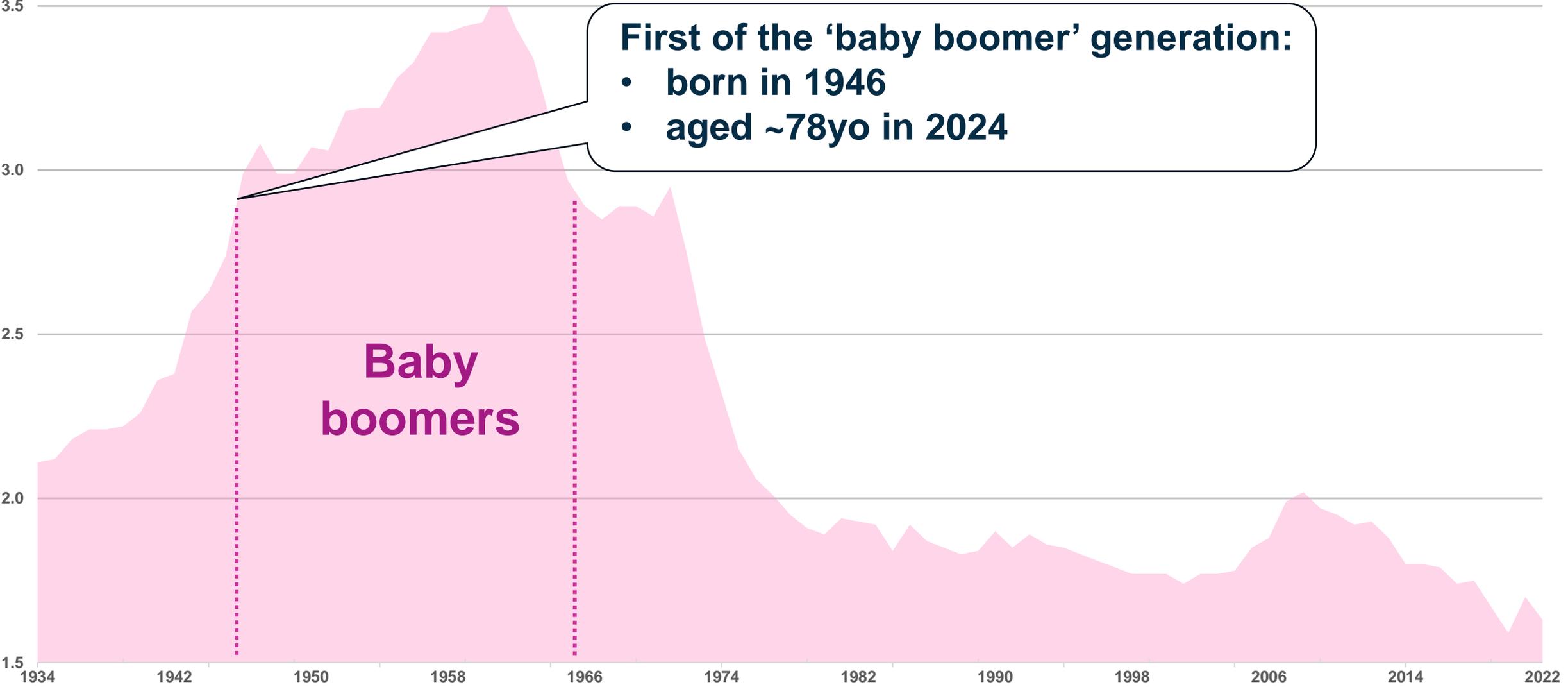


Source: US, UK and Sweden - database.earth, Historic Population Deaths. AU - 2020-2022: ABS, Deaths, Australia 2022, Table 2 Deaths registered – 1917 to 2022 (released in September 2023). 2023: ABS, Provisional Mortality Statistics for 2023 (released in March 2024). Presented on a calendar year basis.

It's a girl!



Australian Fertility Rate



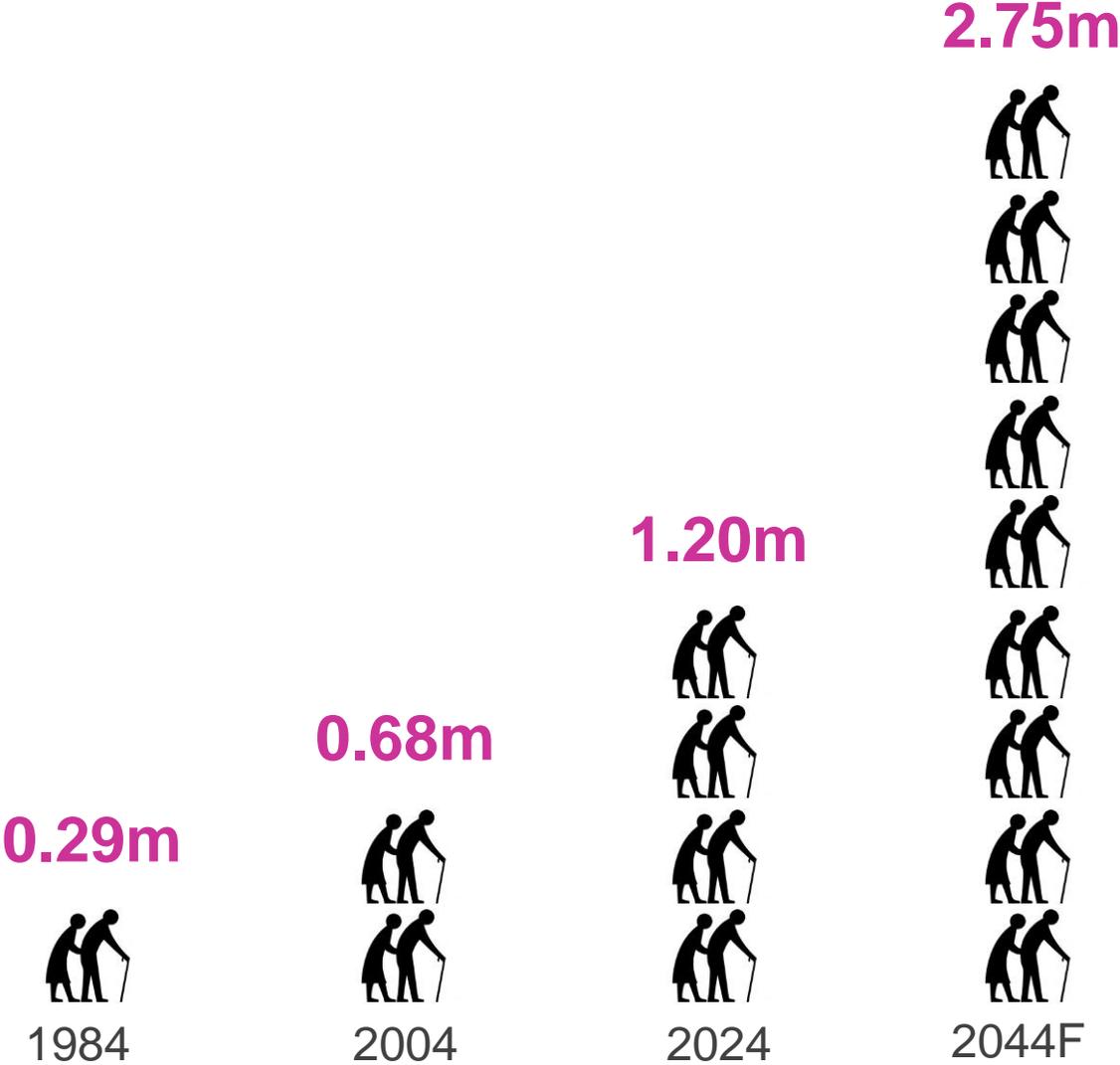
First of the 'baby boomer' generation:

- born in 1946
- aged ~78yo in 2024

Baby boomers

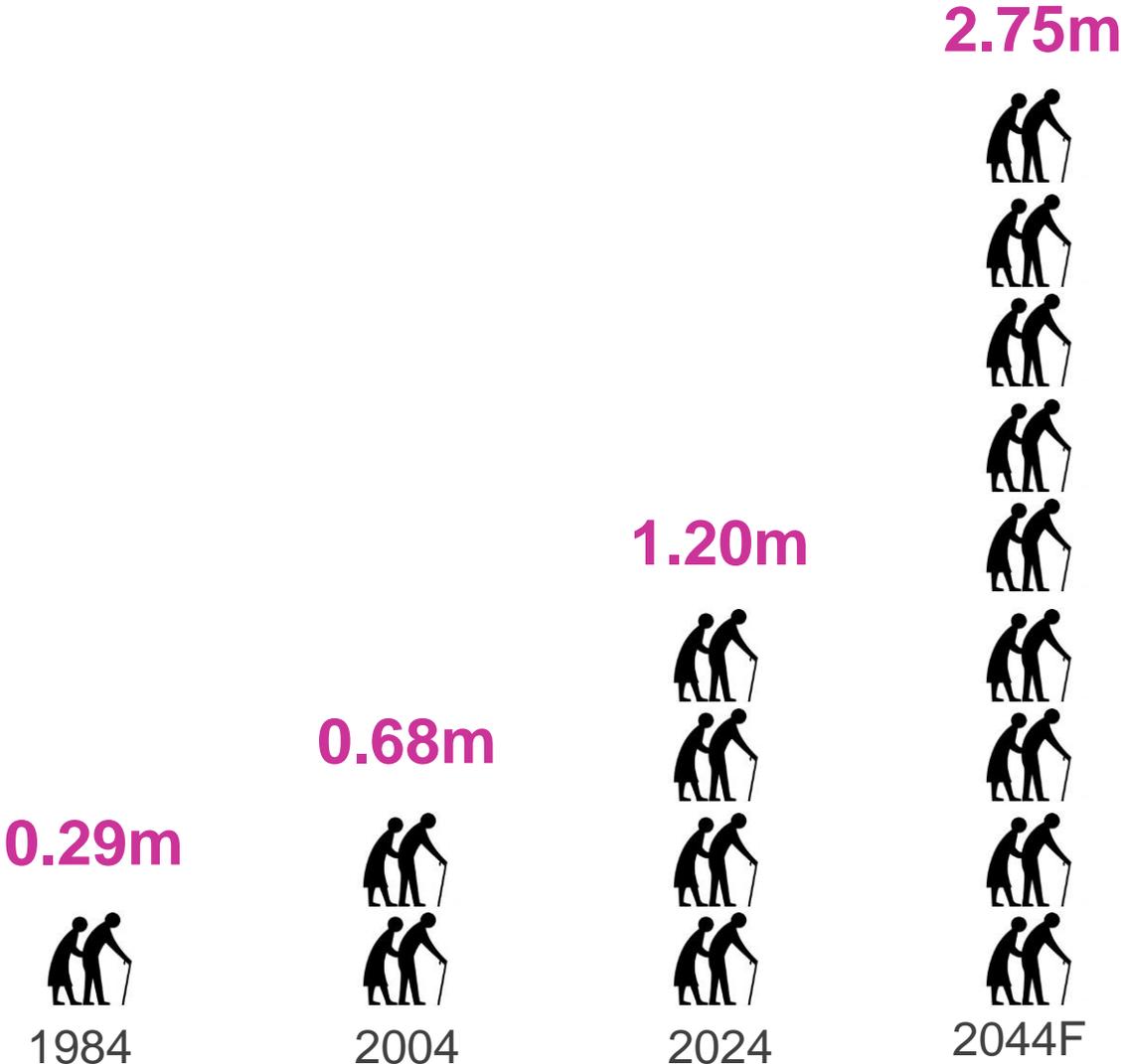
Source: 1934-2022: ABS, Births, Australia 2022 (released in September 2023).

Australians aged 80+ years

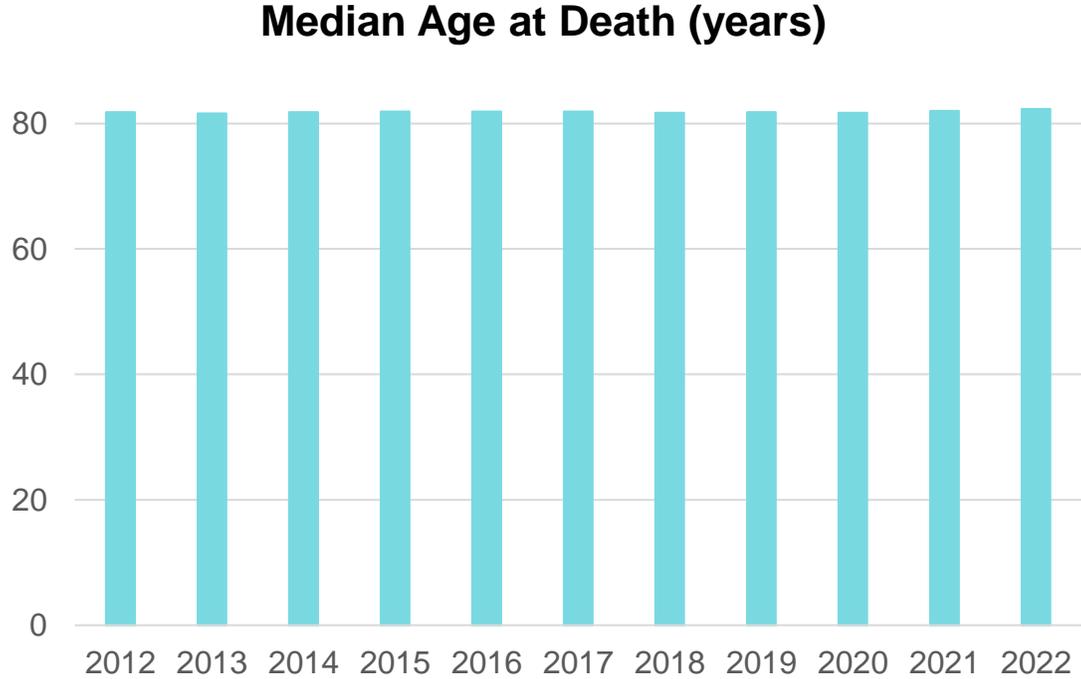


Source: ABS, Population clock and pyramid, years 1984, 2004, 2024 and 2044.

Australians aged 80+ years

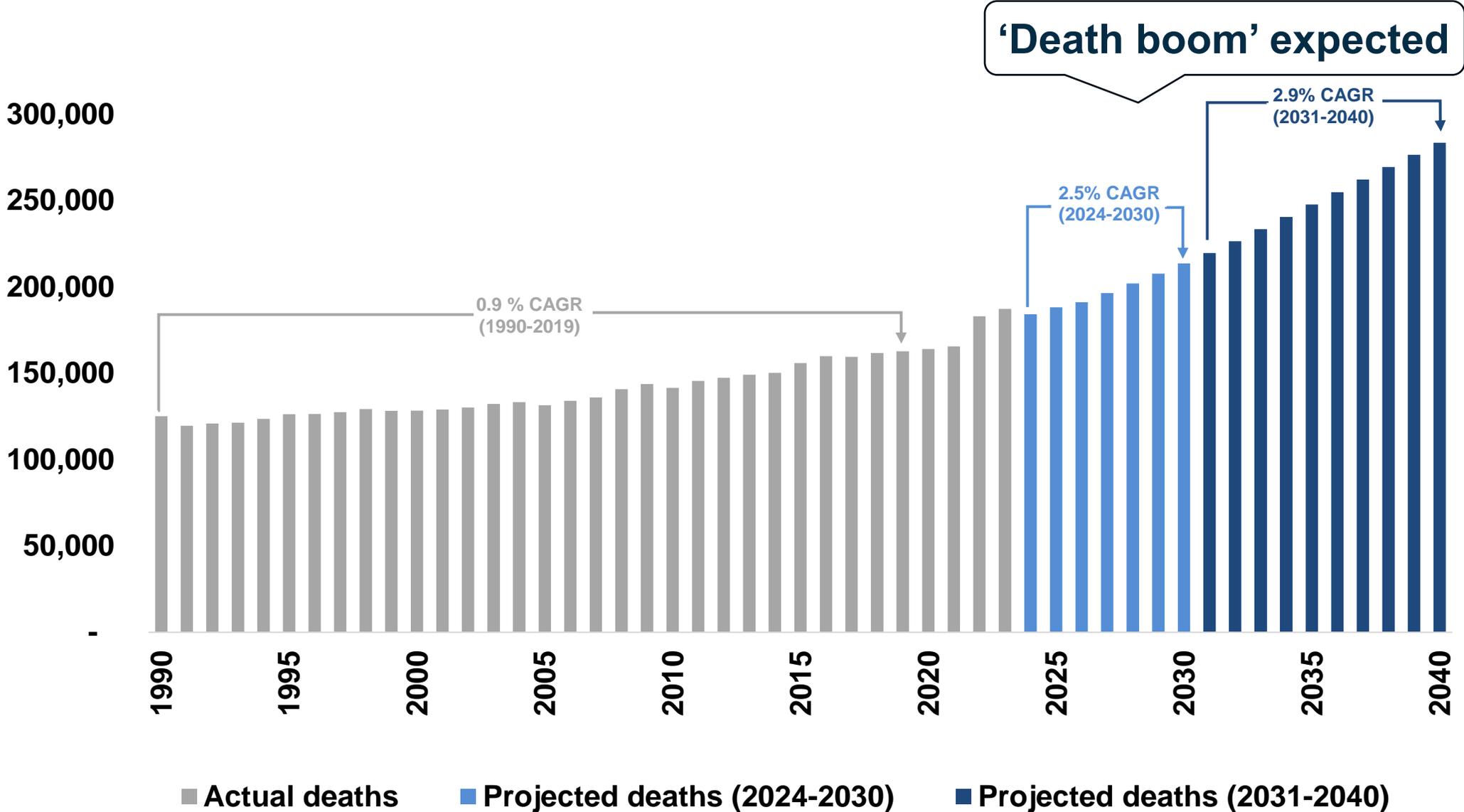


Median age at death has been stable at 81-82 years old



Source: ABS, Population clock and pyramid, year 1984, 2004, 2024 and 2044.

Australian Deaths: 1990 to 2040



1. Source: 1990- 2022: ABS, Dataset: Deaths and Infant deaths, Year and month of occurrence, Sex, States, Territories and Australia for actual deaths by financial year. 2023: ABS, Provisional Mortality Statistics for 2023 (released in March 2024). Forecasts: 3222.0 Population Projections, Australia, 2022 (base) – 2077, Table 1 Projected population, Australia, Medium, for projected deaths by financial year (released in November 2023). 2020-2023 has been excluded from the historical CAGR due to COVID impacts on death volumes.

Company Overview



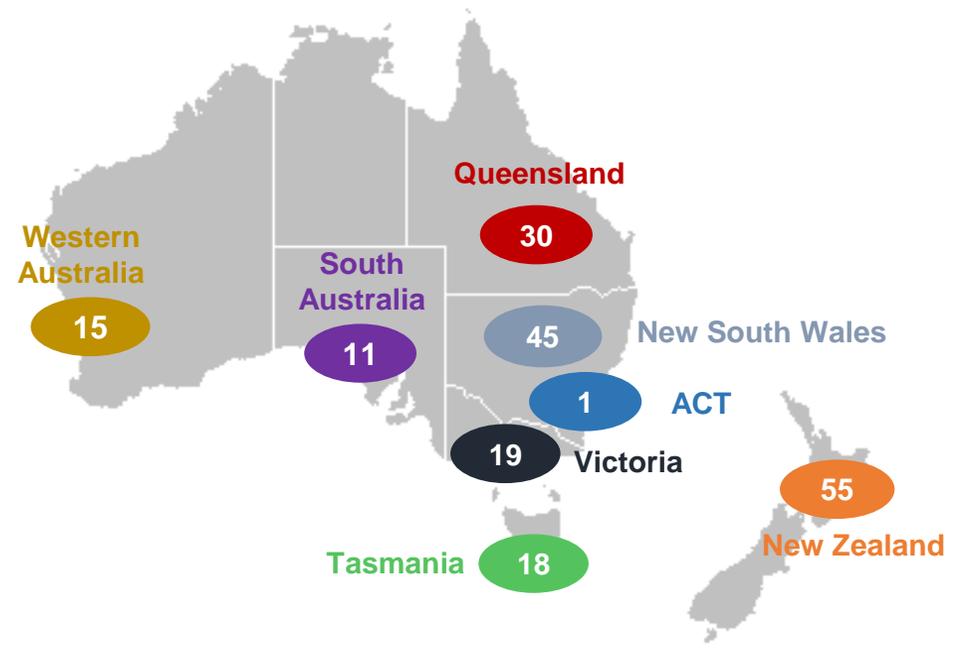
Geographic Presence

194 operating locations (117 owned / 77 leased), including 38 cremation facilities and 9 cemeteries

1 August 2013



2 May 2024



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

Brand Portfolio

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

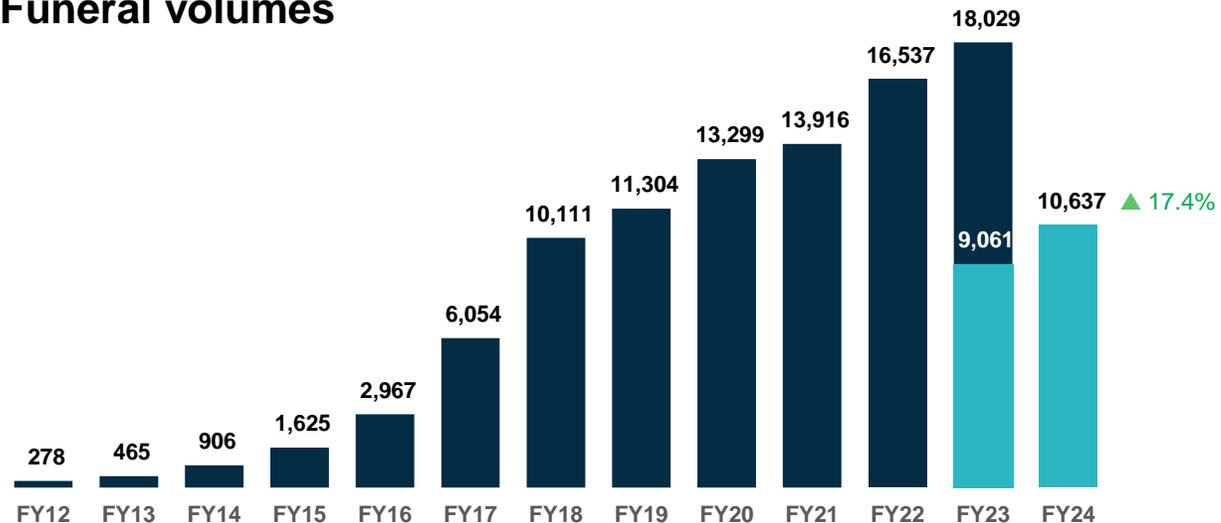
Australia

NZ

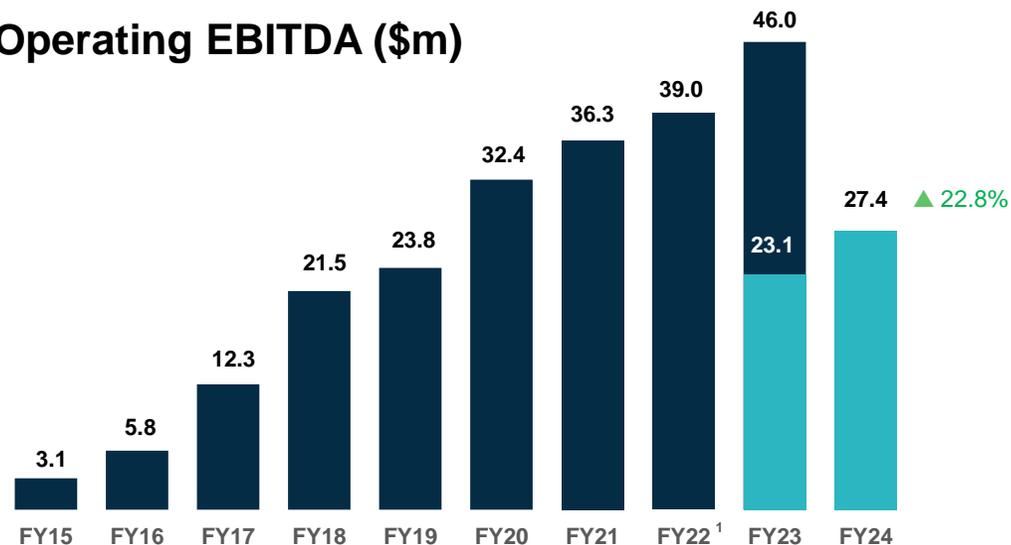
 Acquisitions completed or announced since 1 July 2023.

Track Record

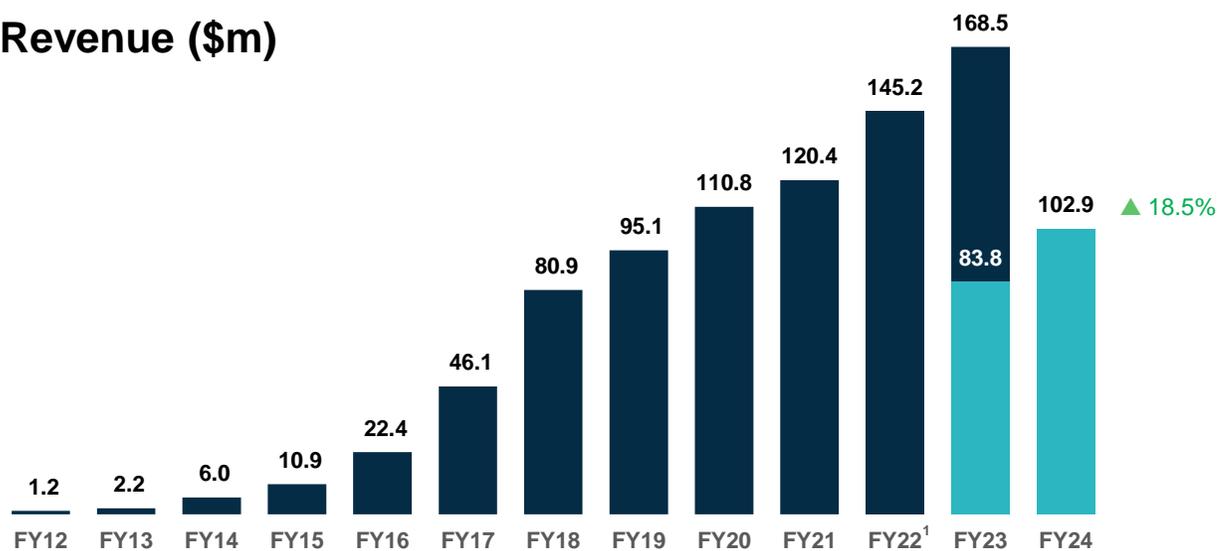
Funeral volumes



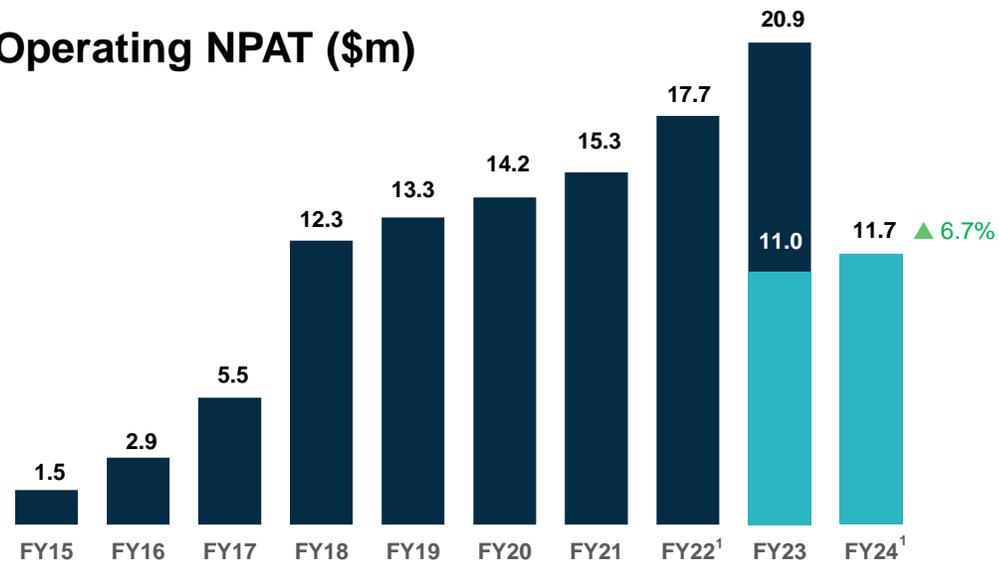
Operating EBITDA (\$m)



Revenue (\$m)



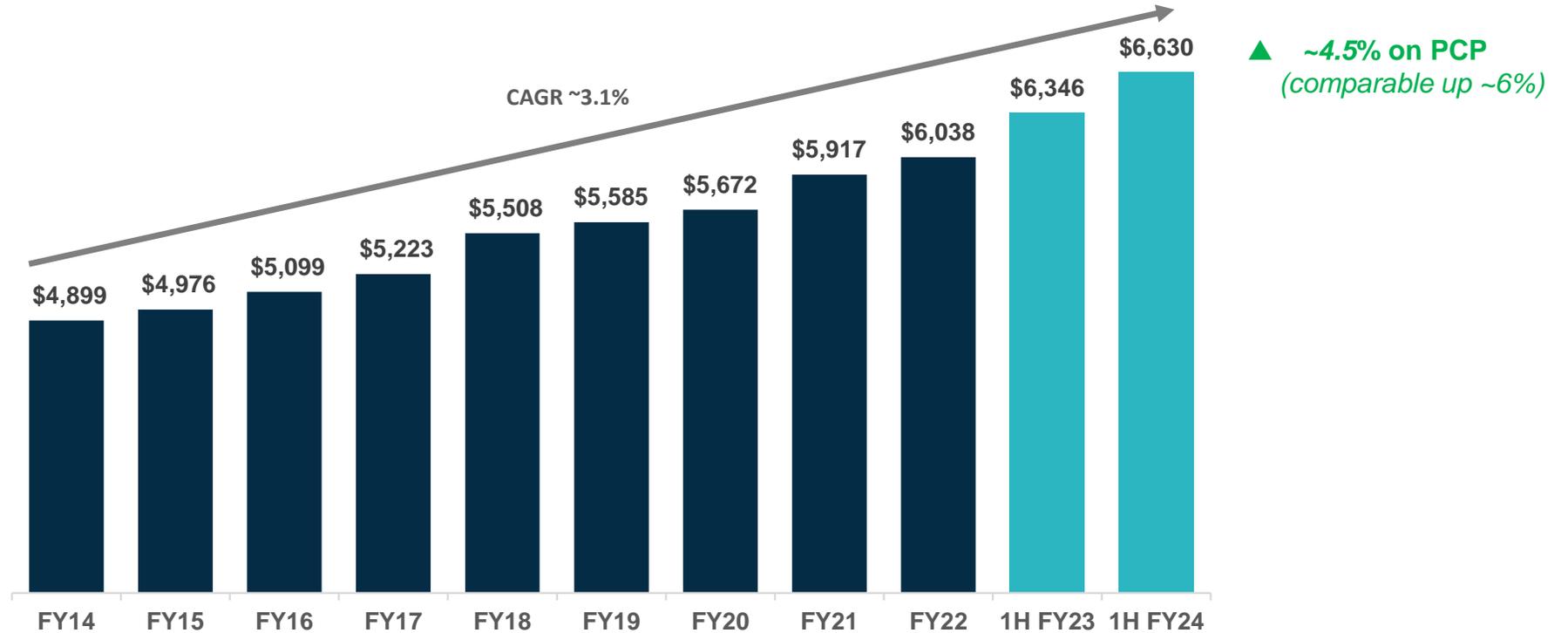
Operating NPAT (\$m)



FY Actual 1H Actual

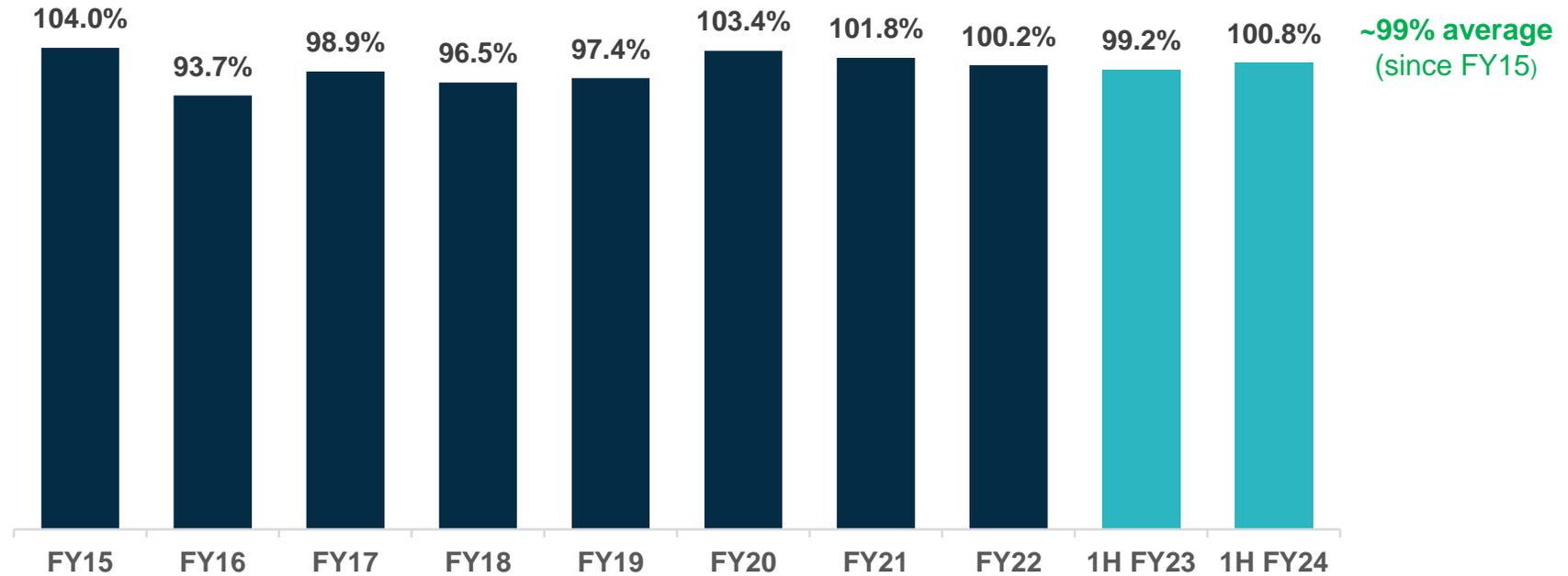
Average Revenue Per Funeral Growth

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



Cash Flow Conversion

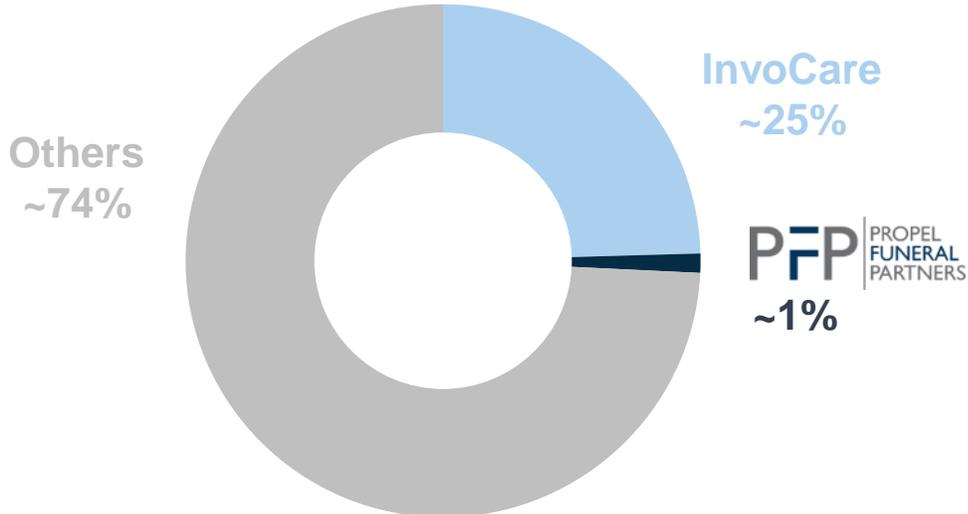
Consistently strong and has averaged ~99% since FY15



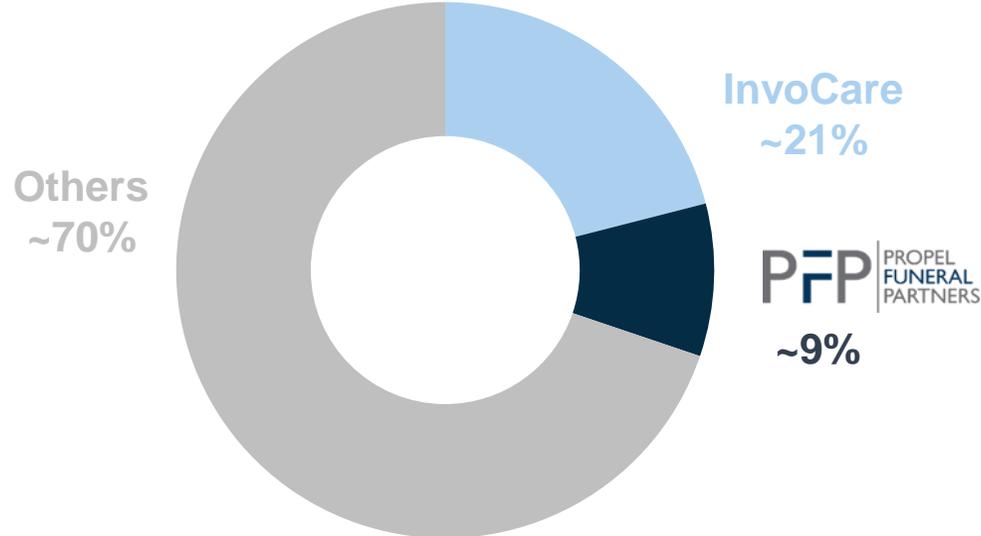
Market share estimate (funeral volumes)

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: 182,038 actual deaths (ABS, Provisional Mortality Statistics released in March 2024) for market size, ~16,425 funerals performed by Propel (including annualised funerals relating to acquisitions completed in CY23) and an estimated 37,450 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 ~\$104 million¹ on acquisitions YTD in FY24 (~\$295 million¹ since its IPO)

1 1H FY24:

1. Olsens Funerals	Jul-23	Sydney, NSW
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

Consideration: ~\$78 million

Revenue³: ~\$30 million

Locations: 24 (19 freehold)

Cremation facilities: 2



2 2H FY24:

1. IC Mark	Jan-24	Levin, NZ
2. Penhall Funerals	Feb-24	Orange, NSW
3. Howard & Gannon	Feb-24	Taradale, NZ
4. Southern Funeral Home	Mar-24	Otago, NZ
5. Brunswick Valley Funerals	Apr-24	Mullumbimby, NSW
6. Gladstone Valley Funerals	May-24	Gladstone, QLD
7. Osborne Funeral Directors	Q4 FY24 ²	Rotorua, NZ
8. Decra Art Headstones & Monuments	Q1 FY25 ²	Christchurch, NZ

Consideration: ~\$26 million

Revenue³: ~\$13 million

Locations: 14 (8 freehold)

Cremation facilities: 2



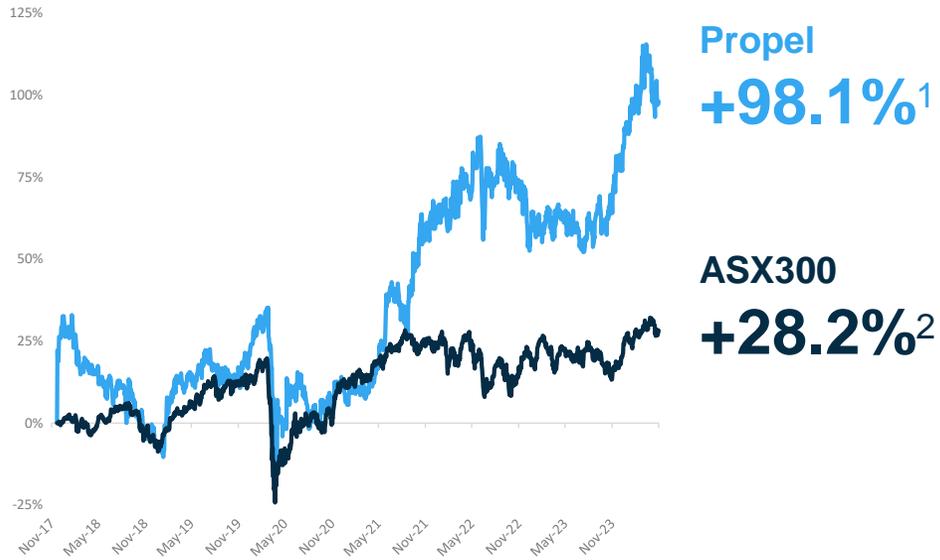
3 Propel continues to explore other potential acquisitions in what is a highly fragmented industry, however, the timing associated with any future acquisitions is uncertain

1. Upfront cash and equity consideration paid/payable. Excludes properties purchased subsequent to completion of a relevant business acquisition and other property purchases, totalling \$35.9 million (excluding stamp duty). Subject to completion adjustments and exchange rate movements.
 2. Estimated timing of completion.
 3. Annual revenue prior to acquisition. Excludes Osbornes Funeral Directors which will be equity accounted.

Performance Summary Since IPO

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

Relative share price and index performance (23 November 2017 to 30 April 2024)



Total shareholder return³

~92%

Total shareholder value accretion⁴

~\$408m

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 30 April 2024 was \$5.35.

2. The ASX300 Index closed at 5,940.5 on 22 November 2017 and at 7617.4 on 30 April 2024.

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 30 April 2024.

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 30 April 2024.

Summary, Trading Update 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% of the Company's issued capital
- Built the business from the ground up (from 1 funeral home in 2013 to a network of 194 locations 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 194 locations (117 owned properties held at depreciated cost of ~\$226 million) is difficult to replicate
- ~\$155 million available funding capacity for growth through acquisitions and other initiatives

6 Value creation

- Total shareholder value creation of ~\$408 million and total shareholder return of ~92% since IPO¹

¹. Refer to slide 20.

Trading Update (YTD to 30 April 2024¹)

Propel is on track to report another record year in FY24

Growth^{1,2}

Revenue:  25%

Funeral Volumes:  20%

Average Revenue Per Funeral:  >4%

Reflects:

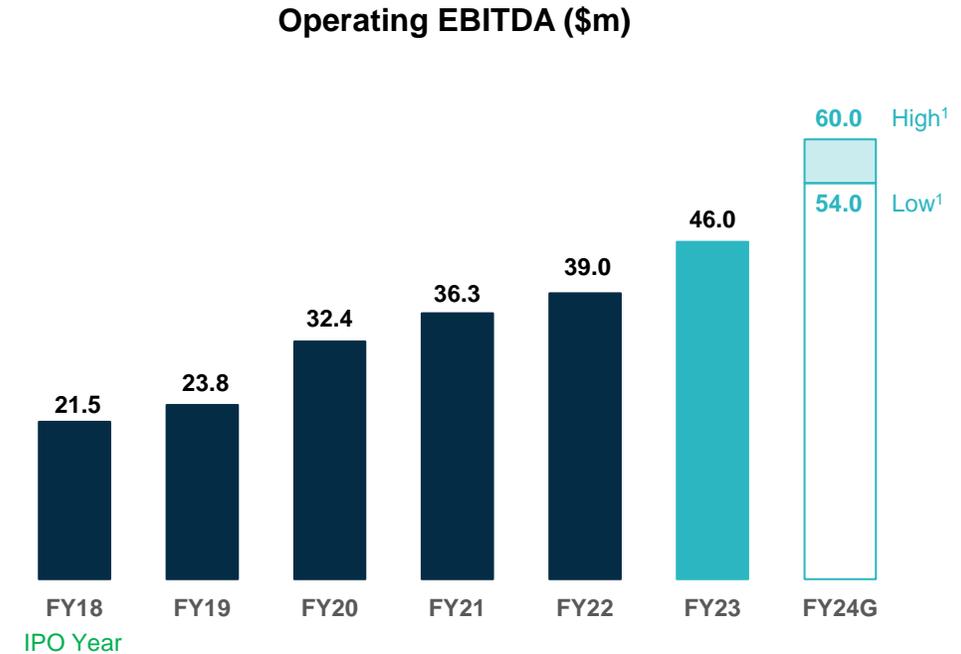
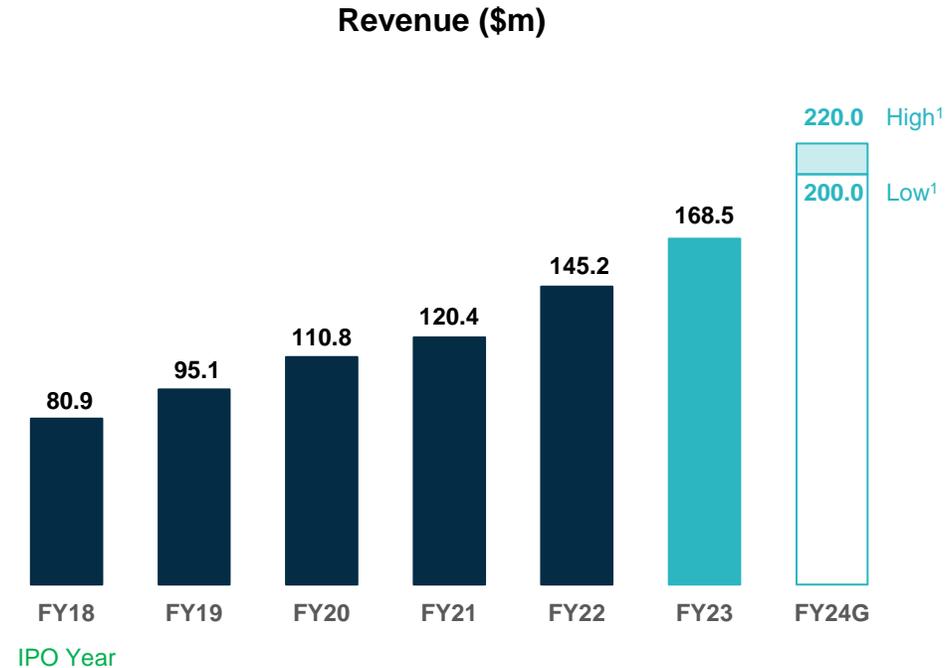
- part period contributions from nine acquisitions completed YTD in FY24
- full period contributions from five acquisitions completed in FY23
- funeral volume contraction from comparable businesses, which:
 - ❖ is expected to be temporary
 - ❖ has moderated materially:
 - 1H FY24²: -9.8%
 - 2H FY24 (4 months)²: -1.4%
- strong Average Revenue Per Funeral growth from comparable businesses

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

2. On the PCP.

FY24 Guidance Reaffirmed

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
- ongoing impacts from COVID-19, particularly on life expectancy and death volumes, remain uncertain

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

6. Q&A



Definitions

ABS means Australian Bureau of Statistics.

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.

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.

FY means financial year.

Group means Propel and its wholly owned subsidiaries.

IPO means initial public offering.

NEDs means non-executive directors.

NPAT means net profit/(loss) after tax.

NZ means New Zealand.

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

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 1H FY24 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 completed on 31 March 2024.

