

## **ASX ANNOUNCEMENT**

### **2018 Half Year Results Released**

#### **Protect & Grow and acquisitions position InvoCare for future growth**

**16 August 2018**

InvoCare Limited (ASX:IVC), today announced its results for the half-year ended 30 June 2018.

The results are consistent with the guidance provided in May of this year and reflect the anticipated impact of the increasing number of locations being renovated under the 'Protect & Grow' plan, as well as soft market conditions.

Results from the Protect & Grow plan are positive with initial locations achieving levels of EBITDA more than 30% ahead of modelled expectations.

IVC also announced today an agreement to acquire Auckland-based provider, William Morrison Funerals, with case volumes of approximately 950 funeral cases, 720 cremations and sales of circa NZD\$5.2m. This brings the number of acquisitions so far this year to six in Australia and three in New Zealand.

#### **Result Summary**

- Operating sales revenue was \$225.7 million up 0.4% from \$224.8 million in the first half of financial year 2017 (the previous corresponding period "PCP").
- Operating EBITDA of \$53.7 million was down 0.3% on the PCP and operating margin down 0.2 basis points lower than in the PCP.
- Operating earnings after tax, which excludes asset sales, asset impairments, impacts of undelivered prepaid contracts and non-controlling interests, decreased by 7.3% or \$1.8 million to \$23.5 million from \$25.4 million in the PCP.
- Statutory profit after tax of \$20.8 million was down 50% on the PCP, primarily from the impact of the mark to market valuation of prepaid contracts in 2017 which included a significant gain due to property revaluations.
- Prepaid Funds Under Management were up 9.2%. The current balance of FUM asset is \$554.6 million compared to \$507.8 million at the end of financial year 2017.

Martin Earp, Chief Executive Officer of InvoCare, said, "InvoCare's operating results for this period are as expected given the disruption associated with Protect & Grow. We are now around 20% of our way through the Protect & Grow implementation and are on track to deliver the plan. Feedback from our families and staff has been very positive, and the financial results at these renovated locations have surpassed our expectations.

"Taking into account the case volume lost through temporary closures of locations, the reduction in the number of deaths and the closure of our US operations, we believe our market share has stabilised."

The Directors have determined that the dividend for the first half of financial year 2018 is 17.5 cents per share fully franked compared with 18.5 cents in H1 2017. This represents an 82% payout of operating earnings. InvoCare's Dividend Reinvestment Plan ("DRP") remains activated for this interim dividend and a 2% discount will apply.

The dividend will be paid on 5 October 2018, with a DRP election date of 7 September 2018, a record date of 6 September 2018 and ex-dividend date of 5 September 2018.

#### **BACKGROUND**

InvoCare, headquartered in Sydney, is the largest provider of funeral services in Australia, New Zealand and in Singapore. It is also the largest operator of private cemeteries and crematoria in Australia.

For immediate release

For more details, contact Fergus Kelly on +61 2 9978 5290, +61 412 922 029 or [fergus.kelly@invocare.com.au](mailto:fergus.kelly@invocare.com.au).