

## ASX ANNOUNCEMENT

### 2018 Full Year Results Release – 22 February 2019

#### Investment in Growth Initiatives Progresses During Period of Soft Market Conditions

InvoCare Limited (ASX:IVC) today announced its results for the full-year ended 31 December 2018.

#### Result Summary

2018 Operating EBITDA results are consistent with October 2018 trading update.

\$ million	2018	2017	Change
Operating sales revenue	477.3	470.9	1.4%
Operating EBITDA	119.0	124.3	(4.3%)
Operating margin	24.9%	26.4%	(1.5 pts)
Operating earnings after tax	49.5	63.5	(22.1%)
Net profit after tax	41.2	97.4	(57.7%)
Prepaid funds under management	563.6	545.9	3.2%

- > **Operating earnings after tax**, decreased by 22.1% over the previous corresponding period (“PCP”) reflecting increased depreciation and interest stemming from Protect & Grow and acquisition investments
- > **Net profit after tax** was down 57.7% on the PCP to \$41.2 million, primarily from the impact of the mark to market valuation of prepaid contracts in 2017 which included a significant gain due to property revaluations and sale.

#### Investing for Growth

During 2018, InvoCare progressed both of its key growth strategies, Protect & Grow and regional acquisitions. Initial results and customer responses reinforce the value of these significant capital programs.

Under Protect & Grow, the results from 49 renovated locations (with an average of 10.8 months of trading) indicate the EBITDA uplift over a “do-nothing” scenario is exceeding modelled assumptions.

With respect to the regional acquisition strategy, in 2018 InvoCare acquired 11 businesses in Australia and New Zealand, adding over 3,500 funeral cases, 1,200 cremation cases and around \$26 million in revenue per annum.

Martin Earp, Chief Executive Officer of InvoCare, said, “Operating results for 2018 were impacted by soft market conditions, namely, a lower number of deaths. History suggests that these conditions are unlikely to be sustained and that reversion to the positive long-term trend is typical. We have significantly invested in our key growth strategies of Protect & Grow and regional acquisitions. Our commitment to these programs has seen early results more than exceed our expectations and provide confidence that InvoCare will be well-positioned to meet changing customer needs and grow market share.”

The Directors have determined that the final dividend for the financial year 2018 is 19.5 cents per share fully franked compared with 27.5 cents in 2017 and brings the full year dividend to 37.0 cents per share, which 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 12 April 2019, with a DRP election date of 6 March 2019, a record date of 5 March 2019 and ex-dividend date of 4 March 2019.

#### 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@invoicare.com.au](mailto:fergus.kelly@invoicare.com.au).