



2020 Full Year Results
24 February 2021

Resilient
operating result
in a challenging
year

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Non-IFRS financial information

To support an understanding of comparable business performance, this 2020 Full Year Results Presentation presents results on a statutory and Operating/Non Operating (non-IFRS) basis when presenting measures of profitability. InvoCare considers Operating EBITDA, EBIT and NPAT as key performance measures. These measures are adjusted earnings before interest, tax, depreciation and amortisation as applicable after excluding the following items:

- The financial impacts of the prepaid funeral business
- Other non-operating activities, including asset sales gain/loss, impairment loss and restructuring costs as applicable

AASB 16 Leases, which was effective for the Group from 1 January 2019, is reflected in both the current and prior periods presented in this report and therefore no reference to 'Underlying', has been made as both periods presented are comparable.

Balance sheet and cash flow information presented in this 2020 Full Year Results Presentation is consistent with the information disclosed in the statutory presentation in the Appendix 4E Full Year Financial Report.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

2020 Highlights

Olivier Chretien, CEO

Operations

Olivier Chretien, CEO

Financials

Adrian Gratwicke, CFO

Strategy

Olivier Chretien, CEO

Outlook

Olivier Chretien, CEO

Questions

Appendices





2020 Highlights

Olivier Chretien, CEO





2020 Highlights: An Unprecedented Year

Remained focused on our mission and values of care and service

Key Impacts of COVID

- Exemplary response by our dedicated employees to support client families
- Movement restrictions and funeral attendee limits¹ severely impacted revenue in Q2 & Q3
- Preliminary data indicates contraction in deaths in Australia (c.-3.3%)² and NZ (c.-4.8%)³
- Economic conditions impacted consumer discretionary spending
- Breadth of brand portfolio mitigated impact of enforced changes in consumer needs

¹: See page 33 for a summary of COVID mandated requirements for Funeral Services by geography across the year

²: Source: Australian Bureau of Statistics (ABS), "Provisional Mortality Statistics Jan – Oct 2020" ABS released 21 December 2020, Doctor Certified Deaths first 43 weeks 2020 vs 2019

³: Source: Stats NZ Births and deaths: Year ended December 2020 – Infoshare tables released 18 February 2021

Key Responses

Comprehensive COVID response plan

Safety

- Social distancing & WFH initiatives
- Increased cleaning & use of PPE
- Timely staff communications

Maintained Service

- Maintained frontline workforce capacity
- Accelerated digital investments
- Live streaming of funerals

Financial Management

- Deleveraged balance sheet
- Measured approach to cost control
- Re-prioritised CAPEX spend



2020 Highlights: Key Metrics



Operational

Funeral Case Volumes

44,784

↓ 3.0% on PCP

Funeral Case Average²

\$7,858

↓ 4.5% on PCP

Memorialisation Revenue

+4.4%

↑ On PCP



Financial¹

Operating Revenue

\$476.2M

↓ 4.7% on PCP

Operating EBITDA

\$102.6M

↓ 29% on PCP

Operating EPS

20.4c

↓ 61% on PCP



Capital

Cashflow Conversion

107%

↑ 25 pts on PCP

Leverage ratio

1.3x

↓ 1.1x on PCP

Full Year Dividend

12.5c

61% payout ratio



Sustainability

NPS

+79

↑ 0.5 on PCP

LTIFR

12.5

↓ 1.6 on PCP

ROCE

8.6%

↓ 8.5pts on PCP

N.B. Definition of terms and measures used in this report included in the glossary on page 43.

¹: For reconciliation of operating to statutory results see page 36

²: Group gross funeral case average, including disbursements

2020 Highlights

Resilient operating result in a challenging year



Operations

- Maintained service to support our client families and communities
- Implemented comprehensive COVID response plan
- Completed 63 NBO projects
- Executed \$49.8M in Pet Cremation acquisitions
- Continued implementation of ERP and functionality remediation
- Extended NSW best practice price transparency nationally



Financials

- Steady recovery in second half held revenue decline to 4.7% for the year
- Fixed cost structure limited ability to mitigate revenue decline
- Lower gain on revaluation of prepaid FUM and net \$19.5M impairments contributed to a Reported Loss of \$9.2M
- Conversion of earnings to cash remained strong at 107%
- Strengthened balance sheet with successful \$274M equity raising



Sustainability

- Strong NPS performance
- Released first Sustainability Report in March 2020
- Continued focus on safety improvements
- 3% improvement in electricity consumption



Leadership

- Appointed new CEO and CFO
- Created new EGM Customer role
- Refreshed Executive Leadership Team in place to deliver on strategic plan for next 5 years



Operations

Olivier Chretien, CEO

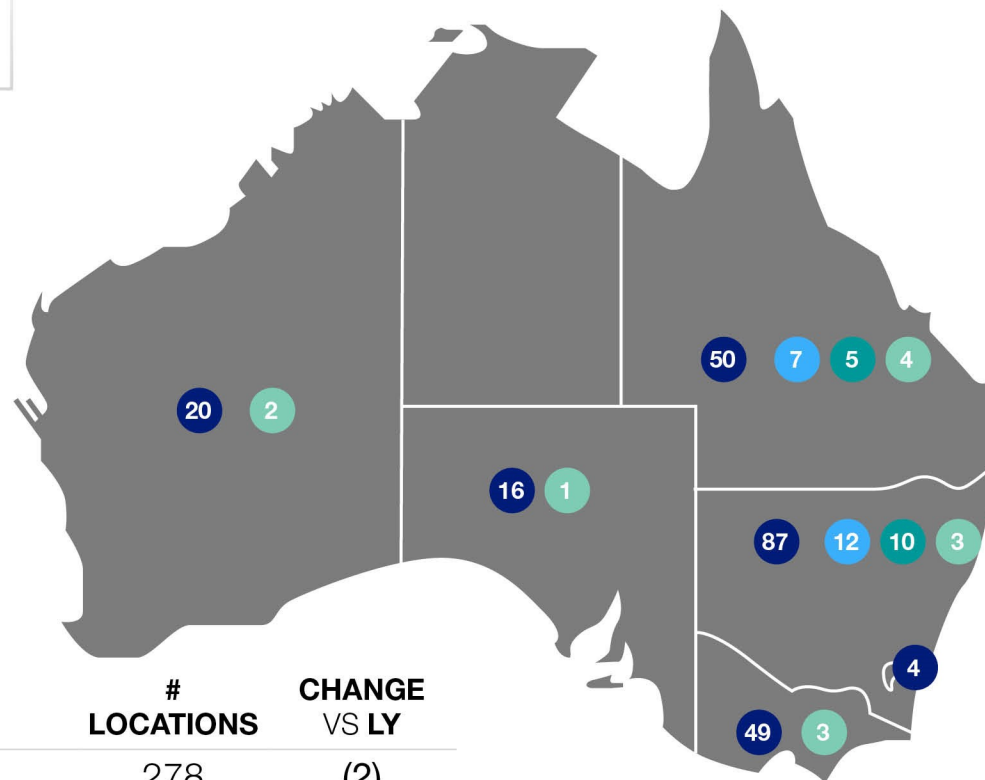


Team at Singapore Casket Co



Our Footprint Brings Scale and Earnings Diversification

Leading operator in Australia, NZ and Singapore with an extensive portfolio of brands and locations



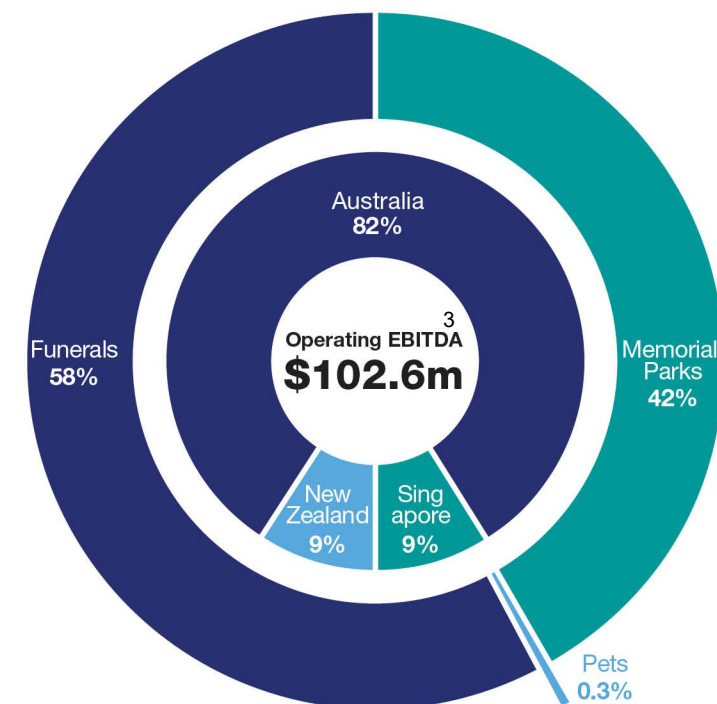
TYPE	# LOCATIONS	CHANGE VS LY
Funeral Services	278	(2)
Crematoria ¹	25	-
Memorial Parks	17	-
Pets	13	9
Total²	333	7

¹: Crematoria attached to Funeral Services locations or located at Memorial Parks (excludes Pet Cremations)

²: Excludes two (2019:three) Support Office locations, one in Singapore and one in NSW

³: % contribution is of Operating EBITDA excluding Support Office costs of \$35.6M

- Positioned to benefit from long-term market trends in each of the geographies in which we operate



FY
20

- Maintained strong NPS in a challenging year
- Agile customer experience, supported by Funeral live streaming
- Gradual recovery in case volumes and averages through the second half
- Uncompromised focus on service quality prevented reduction in high fixed cost base
- Restructured into regions, removed management layers
- \$2.0M increase in doubtful debt provision negatively impacted Operating EBITDA
- Delivered 54 NBO projects and acquired Galaxy Funerals

Funeral case volumes

36,464

↓ 2.5%

Funeral case average¹

\$7,882

↓ 4.0%

NPS

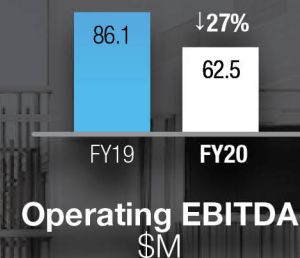
+79

Flat

FY
21
Outlook

- Progressive easing of government restrictions (timing uncertain & subject to change)
- Digital investments to uplift customer experience
- Seizing opportunities in regional expansion and inclusive funeral offerings
- Completion of NBO projects pipeline with brand, marketing & local leadership focus to realise full benefits from investment
- Focus on improving cost base efficiency

¹: Gross Funeral case average, including disbursements



OPEX % Sales

47%

↑ 6 points

EBITDA Margin

22%

↓ 6 points

Pre-paid Funerals Australia

FY
20

- Social distancing and economic conditions constrained growth in new contracts
- % of At Need funerals generated from pre-paid policies broadly consistent with PCP
- FUM valuations improved in second half as equity market volatility eased
- Asset headroom¹ remains strong at \$71.8M

Pre-paid % of
At Need Funerals

14%

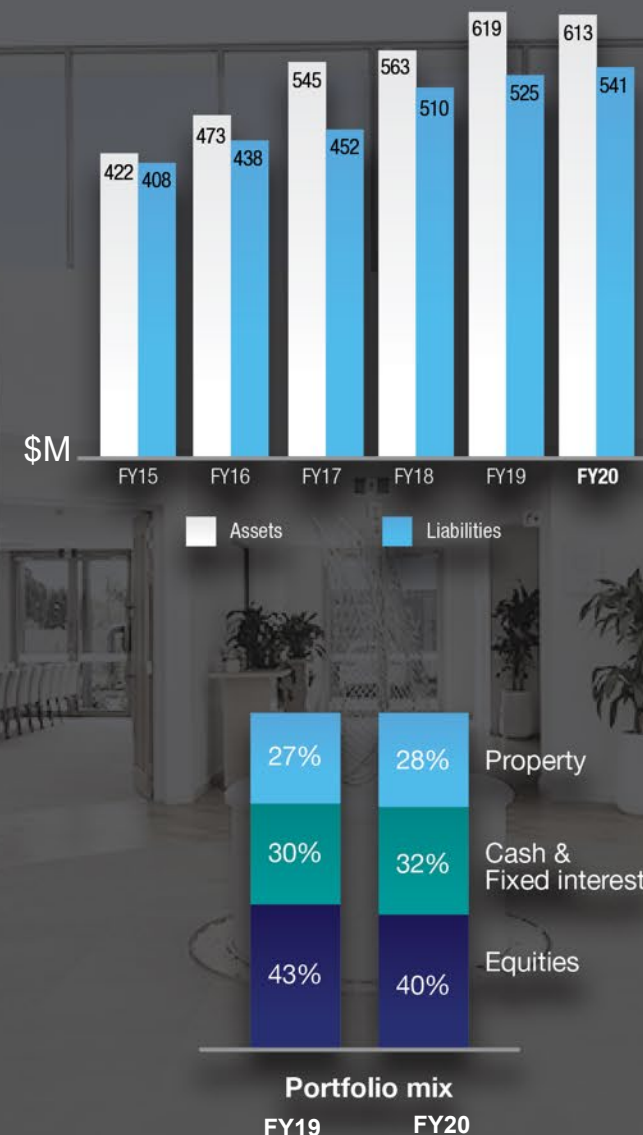
	FY20 \$M	1H20 \$M	FY19 \$M
MTM impact (non-cash)			
Gain/(loss) on pre-paid contract FUM	3.7	(29.3)	65.9
Change in provision for pre-paid contract liabilities ²	(20.3)	(10.2)	(20.3)
Net gain/(loss) on undelivered contracts	(16.6)	(39.5)	45.6

FY
21
Outlook

- Pre-paid to remain an important business focus – long-term growth opportunity
- Discretionary consumer spending to continue to reflect economic conditions
- Digitisation of records

¹: Pre-paid contract FUM (i.e., assets) less Contract liabilities

²: Revaluation of contract liabilities to reflect financing charge from liability discount unwind for the time value of money



FY
20

- Business achieved its highest ever NPS score
- Memorialisation sales grew 4.4%¹ after a stronger second half
- Decline in cremation and burial volumes drove a 3.6% decline in service revenue
- Digital investment to enable live streaming of on-site services
- Increased focus on operational safety and facility maintenance
- Completion of remediation works at Allambe Memorial Park allowed for new sales
- Review of slow moving inventory identified need for \$2.5M additional provision

Memorialisation

+4.4%

On PCP sales

Cremations

20,342

↓ 3.7%

Burials

2,685

↓ 4.6%

NPS

+72

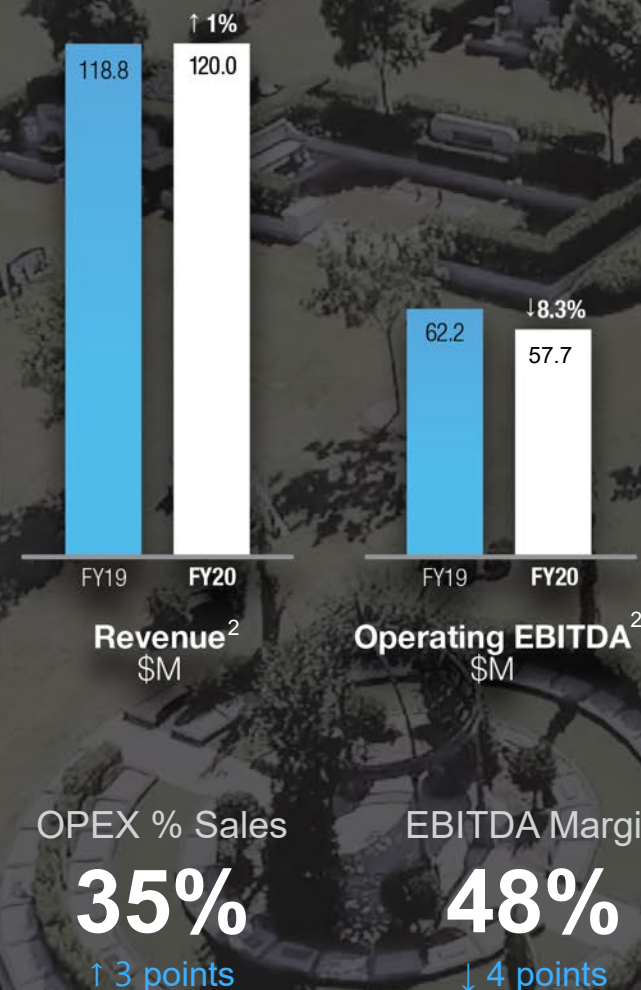
↑ 3 points

FY
21
Outlook

- Progressive easing of government restrictions (timing uncertain & subject to change)
- Discretionary consumer spending to continue to reflect economic conditions
- Continue to deepen relationships with multicultural communities to drive opportunities
- ERP implementation
- Digitisation of records

¹: Sale of memorials, plaques, burial plots etc.,

²: Includes impact of deferred revenue adjustments required under AASB15. See page 38 for further information on the impact of this standard on operating results of this business.



FY
20

- No evident market impact from COVID
- 140% increase in case volume of existing business as greenfield locations ramp up
- Immediate scale from acquisition of two well-established businesses in Q4
- Strong platform created for more meaningful contribution to Group earnings

Pet Cremation
volumes¹

14,562

↑458%

Pet Case
Average

\$316

↑ 8.4%

FY
21

Outlook

- Increasing humanisation and ownership of pets provides strong growth opportunity
- Integrating three Pet Cremation businesses into consolidated national business
- Growing direct to consumer model, leveraging digital assets recently acquired
- Opportunity to build-out and extend national footprint

¹:Includes c. one month's activity from newly acquired businesses



OPEX % Sales

69%

n/a

EBITDA Margin

11%

n/a

FY
20

New Zealand

- Continued improvement in NPS a testament to front-line employees
- NZ hard hit during lockdowns, funerals barred for a time
- Continued price competition in traditional market
- 9 NBO projects completed
- Inclusion of this baseline financial performance in long term forecasts – impairment required

Funeral case volumes

6,776

↓ 4.9%

NPS

+86

↑ 2 points

FY
21

Outlook

- Progressive easing of government restrictions (timing uncertain & subject to change)
- Improving breadth of brand portfolio
- Network and cost base efficiency

Singapore

- Prolonged government restrictions, general economic downturn and increase in direct cremations
- Continued price competition
- Disciplined cost control
- Service quality standards and distinctive offering maintained

Funeral case volumes

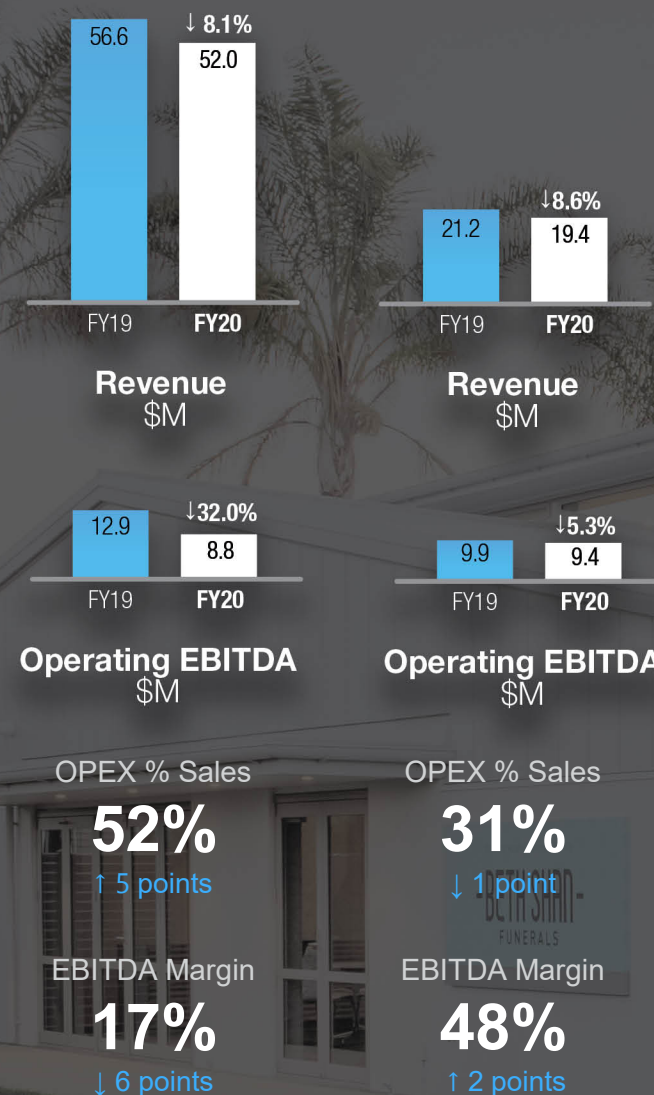
1,544

↓ 5.3%

- Government restrictions expected to remain in place for foreseeable future
- Continued focus on service quality and value add
- Monitoring competitive landscape

New Zealand

Singapore





Financials

Adrian Gratwicke, CFO



2020 Financial Summary

	FY20 \$000	FY19 \$000	CHANGE \$000	CHANGE
Operating Revenue	476,249	499,665	(23,416)	(4.7%)
<i>OPEX % Sales</i>	53%	46%		7 ppts
Operating EBITDA	102,565	144,433	(41,868)	(29%)
<i>Operating Leverage</i>	(6.2)	5.3		(11.5)
<i>EBITDA Margin %</i>	22%	29%		(8 ppts)
Operating EBIT	56,367	105,439	(49,072)	(47%)
Reported (Loss)/Profit	(9,242)	63,752	(72,994)	(114%)
Operating cash flow	63,568	59,070	4,498	7.6%
<i>Cash realisation %</i>	89%	62%		16 ppts
<i>Cash conversion %</i>	107%	82%		25 ppts
Net debt	(137,468)	(349,968)	212,500	61%
<i>Gearing ratio (spot)</i>	21%	54%		(33 ppts)
<i>Leverage ratio</i>	1.3x	2.4 x		(1.1x)
<i>ROCE %</i>	8.6%	17%		(8.4 ppts)
Weighted average # shares (millions)	133.9	114.2	19.7	17%
Operating EPS (cents)	20.4c	51.7c	(35.1c)	(68%)
EPS (cents)	(6.9c)	55.9c	(65.2c)	(117%)
Final Dividend	7.0c	23.5c	(16.5c)	(70%)
<i>Dividend payout ratio % (full year)</i>	61%	79%		(18 ppts)

- Stronger second half held revenue decline to 4.7% (down 6.2% in 1H20)
- Largely fixed cost base and contractual wage rises means revenue volatility directly impacted Operating EBITDA
- Reported loss driven by impact of impairments and pre-paid funeral MTM adjustments
- Improving cash collection discipline reflected in strong cash metrics
- Equity raising enabled balance sheet deleverage, continued investment in Protect & Grow initiatives and Pet Cremation acquisitions
- Final dividend of 7.0 cents brings full year dividend to 12.5 cents



Expenses

	FY20 \$000	FY19 \$000	CHANGE \$000	CHANGE %
OPERATING				
* Finished goods, consumables and funeral disbursements	(120,512)	(125,075)	4,563	(3.6%)
* Employee benefits expense	(171,655)	(162,966)	(8,689)	5.3%
Advertising and public relations expenses	(14,713)	(12,331)	(2,382)	19.3%
Occupancy and facilities expenses	(22,533)	(20,938)	(1,595)	7.6%
Motor vehicle expenses	(9,414)	(8,412)	(1,001)	11%
Technology expenses	(12,715)	(10,863)	(1,852)	17%
* Other expenses	(22,142)	(14,647)	(7,495)	51%
Total Operating Expenses	(373,684)	(355,232)	(18,451)	5.2%
NON OPERATING				
Expenses ¹	(6,351)	(8,026)	1,677	(21%)
* Impairment loss on intangibles	(25,500)	(24,404)	(1,097)	4.5%
* Cemetery land impairment reversal	6,000	-	6,000	100%
Asset sales gain/loss	7,383	2,404	4,979	207%
Net (loss)/gain on undelivered pre-paid contracts	(16,618)	45,550	(62,169)	(137%)
Total Non-Operating (Expenses)/Income²	(35,086)	15,524	(50,610)	(326%)

*:Expense categories impacted by significant items previously disclosed to the market, see page 37.

¹: Costs incurred to run the Pre-paid funeral business including employee benefit expenses and advertising expenses

²: Total non-operating items outlined on page 36. Items included here excludes non-operating revenue and depreciation expense

Operating

- Largely fixed employee cost base, maintained front line employees to ensure continuous service
- Higher advertising spend to protect market share in first half
- Increase in facilities costs reflects acquisitions and impact of new NBO sites
- Increase in motor vehicle expense reflects increase in associated leases
- Increase in software licence costs reflecting heightened IT investment

Non operating

- FY19 net gain on revaluation of undelivered pre-paid contracts driven by property revaluations and equity market gains, partially reversed in FY20
- \$7.4M gain from property disposals as part of NBO program



Balance Sheet

	FY20 \$000	FY19 \$000	CHANGE \$000	CHANGE %
Trade and other receivables	82,582	82,794	(212)	<1%
Inventories	44,117	45,117	(1,000)	(2.2%)
Trade and other payables	(60,514)	(60,810)	296	<1%
Working capital	66,185	67,101	(916)	1.4%
Property, plant and equipment	464,277	426,955	37,322	8.7%
Intangibles	243,515	210,724	32,791	16%
Net Prepaid Funds/liabilities – Prepaid Funerals	71,822	94,006	(22,184)	(24%)
Net right of use asset and lease liabilities ¹	(11,346)	(6,561)	(4,785)	73%
Net Deferred costs and revenue	(95,940)	(92,923)	(3,017)	3.2%
Net tax items	(34,513)	(35,639)	1,126	(3.2%)
Other items ²	(34,632)	(16,716)	(17,916)	107%
Total capital employed	669,368	646,947	22,418	3.5%
Net Debt	(137,467)	(349,969)	212,501	61%
Net assets	531,900	296,980	234,920	79%
Average working capital as a % of sales	14%	10%		4 ppts
ROCE %	8.6%	17%		(8.5 ppts)

- Working capital reduction driven by inventory and debtor provision increases
- Equity funds deployed to acquire businesses (intangibles) and ongoing NBO projects (PP&E)
- Other items includes \$17.2M of contingent consideration liabilities arising from acquisitions, payable primarily in FY21 & FY22
- Decrease in ROCE % mainly attributed to 47% decline in Operating EBIT

Outlook

- Increased focus on returning enterprise level ROCE % to acceptable levels

¹: Lease liabilities excludes finance leases included within Net Debt, see page 21 for breakdown

²: Includes derivative financial instruments, deferred/contingent consideration liabilities arising from acquisitions, provisions for employee entitlements, other financial assets and assets held for sale



Cash Flow

	FY20 \$000	FY19 \$000	CHANGE \$000	CHANGE %
Operating EBITDA	102,565	144,433	(41,868)	(29%)
Net change in working capital ¹	(7,527)	(43,929)	(36,402)	(71%)
Net Finance costs paid ¹	(17,046)	(20,803)	3,757	18%
Tax paid	(14,424)	(20,631)	6,207	30%
Operating Cash Flows	63,568	59,070	4,498	7.6%
(Acquisitions)/Disposals	(28,673)	(8,637)	(20,036)	231%
Capital Expenditure	(68,136)	(65,289)	(2,847)	4.3%
Net Funds from prepaid contracts	12,857	15,866	(3,009)	(19%)
Investing Cash Flows	(83,952)	(58,060)	(25,892)	45%
Dividends paid	(29,772)	(32,863)	3,477	(11%)
Equity raise (net of issue costs)	270,875	85,787	185,088	216%
Net draw down/(repayment) of borrowings	(106,761)	(53,103)	(53,658)	101%
Net lease payments	(11,599)	3,625	(15,224)	420%
Other	(3,184)	258	(3,442)	133%
Financing Cash Flows	119,559	(1,056)	121,001	115%
Change in Cash Held	99,175	4,714	94,533	200%
Cash conversion %	107%	82%		25 ppts
Cash realisation %	89%	62%		27 ppts

- Improving discipline on cash collections has contributed to strong growth in cash conversion and realisation
- \$274M equity raising in April used to pay down debt (finance cost savings) and fund capital expenditure and acquisitions (investing cash flows)
- \$11.9M of proceeds received from property disposals
- COVID-deferred final FY19 dividend paid in October 2020
- FY19 net lease payments includes \$13.6M proceeds from sale and leaseback transaction

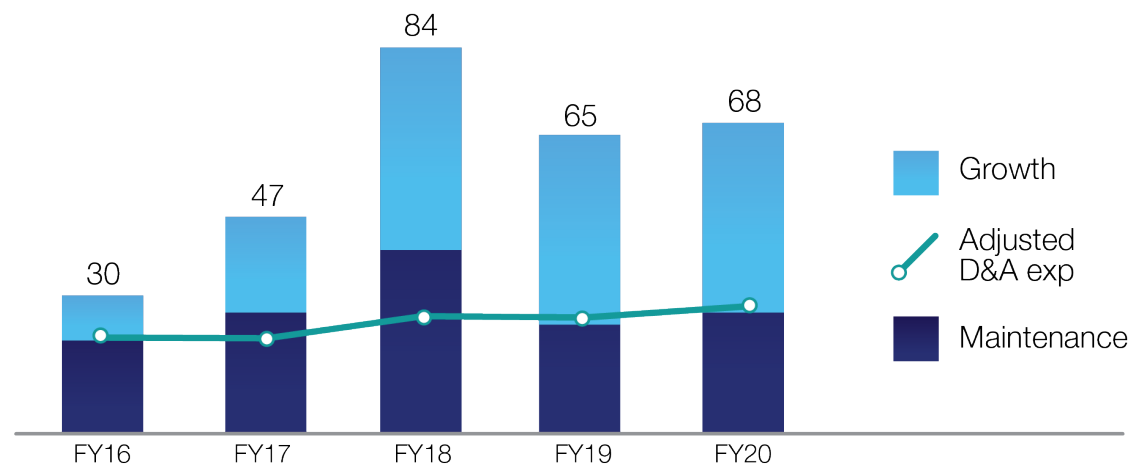
Outlook

- Continued focus on cash collections

¹: Net working capital movement and net finance costs disclosed exclude non-cash movements and therefore will not reconcile to disclosures of working capital in the balance sheet and net financing costs included in the profit or loss respectively

		FY20 \$000	FY19 \$000	CHANGE \$000	CHANGE %
By Category	Facilities	50,233	52,719	(2,486)	(5%)
	Information Technology	16,192	10,719	5,473	51%
	Motor Vehicles	1,124	1,608	(484)	(30%)
	Other assets	587	243	344	142%
	TOTAL	68,136	65,289	2,847	4%
By Business	Funerals Australia	42,325	32,048	10,277	32%
	Memorial Parks Australia	3,171	8,791	(5,620)	(64%)
	Pet Cremations Australia	1,119	5,410	(4,291)	(79%)
	New Zealand	4,765	4,395	370	8%
	Singapore	317	501	(184)	(37%)
	Support Office	16,439	14,144	2,295	16%
	TOTAL	68,136	65,289	2,847	4%

CAPEX Profile \$M



N.B Figures at the top of the bars are total CAPEX for the year. Details on split between maintenance and growth CAPEX included on page 41.

- Facilities - includes \$39.5M NBO spend
- Increase in IT spend primarily reflects ERP ramp up, increased AV investment (both COVID and NBO driven)
- Some CAPEX projects planned for FY20 have been deferred into FY21
- FY19 CAPEX includes \$4.9M purchase of Broulee Gardens Memorial Park as well as pet cremation facility enhancement and greenfield projects

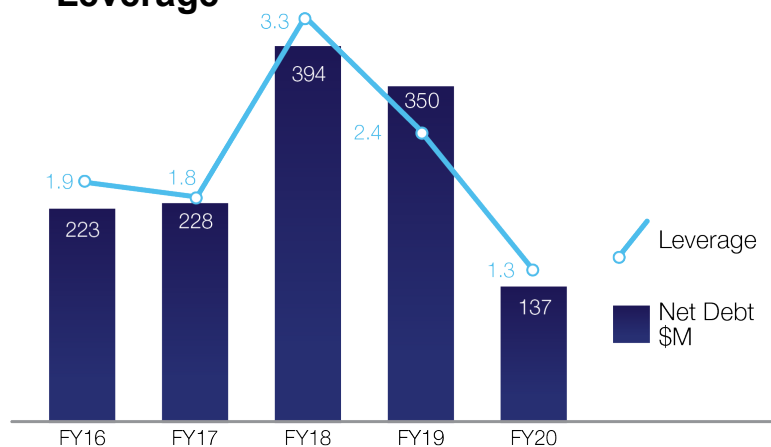
Outlook

- Ongoing NBO and Technology CAPEX expected in FY21
- Any future Enhance or Growth projects beyond FY21 to be categorised Growth CAPEX and will be subject to disciplined capital approval processes
- Annual maintenance CAPEX profile is intended to track annual Adjusted Depreciation & Amortisation expense (excluding the impact of AASB 16)

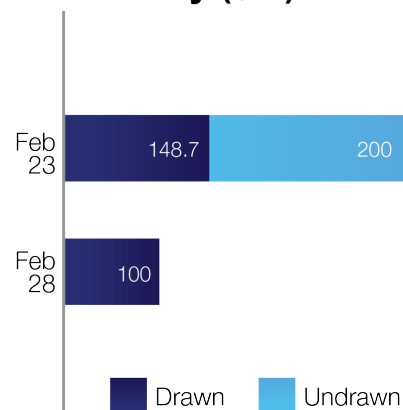
Capital Management

	FY20 \$000	FY19 \$000	CHANGE \$000	CHANGE %
Cash and cash equivalents	118,781	19,560	99,221	507%
Borrowings	(246,039)	(357,189)	(111,151)	31%
Finance lease liabilities	(10,210)	(12,339)	(2,129)	17%
Net Debt	(137,468)	(349,969)	212,501	61%
Lease liabilities ¹	(164,808)	(150,562)	(14,246)	(9.5%)
Total lease adjusted debt	(302,276)	(500,531)	198,255	40%
Total shareholders' equity	531,900	296,980	234,920	79%
Dividend payout ratio %	61%	79%		(18 ppts)
Gearing ratio (spot) %	21%	54%		(33 ppts)
Leverage ratio	1.3x	2.4x		(1.1x)
Interest cover ratio	8.3x	10.1x		(1.8x)

Net Debt & Leverage



Debt Maturity (\$M)



- Improved debt metrics, increased liquidity and decreased debt reflects benefit of \$274M equity raise
- Successfully extended maturity of \$200M revolving debt facility to February 2023
- Reduced interest cover ratio reflects decline in Operating EBITDA but still healthy headroom to bank covenant
- Lower dividend payout ratio reflecting prudent approach to capital management

Outlook

- Looking to further right-size debt facilities
- Disciplined approach to capital management
- More information to be provided at inaugural Investor Day in May

¹: Lease liabilities excludes finance leases that are included within Net Debt

InvoCare Strategy

Olivier Chretien, CEO



Belconnen, ACT

2017-2020: Protect & Grow

Focused on strengthening the core network

Strategic Priority

Network & Brand Optimisation (NBO)

Incremental capital investment to optimise current asset base

		Achievements					
		FY17	FY18	FY19	FY20	TOTAL	FY21 ²
# Sites delivered	Refresh	26	32	15	54	127	
	Enhance	-	7	2	7	16	
	Growth	4	16	4	2	26	
	Total	30	55	21	63	169	40-50 sites
CAPEX \$M	Facilities ¹	(21.0)	(39.2)	(26.5)	(39.5)	(126.2)	
	Acquired property	(8.3) ³	(1.2)	-	-	(9.5)	
# Sites Sold	Total	2	1	3	6	12	2
Proceeds \$M	Total	6.1	0.7	3.1	12.0	21.9	

Operational Efficiencies

Investment in upgraded systems and processes

		FY17	FY18	FY19	FY20	TOTAL	FY21 ²
Information technology	\$M	(6.7)	(12.4)	(7.6)	(8.6)	(35.3)	
Shared service centres	\$M	-	(2.2)	(7.9)	(1.2)	(11.3)	6-8 sites

People and Culture

Empowered local leaders

NPS
+79
↑ 5 points from 2017

LTIFR
12.5
Improved 2.2 points since 2017

Status FY20

- 169 locations renovated to date
- Delivered 48 of 50 planned projects for H2
- Volume – renovated sites outperforming unrenovated sites but geography an influence on FY20 performance due to different COVID restrictions
- 40-50 projects planned for FY21
- Oracle ERP now used by Australia and NZ Funerals businesses
- Focus shifting in FY21 to optimisation of ERP platform & digital customer capability
- 4 Shared Service Centre projects delivered to date with 6-8 in the pipeline
- Adapted training programs to virtual learning
- Maintained strong customer satisfaction in a difficult year

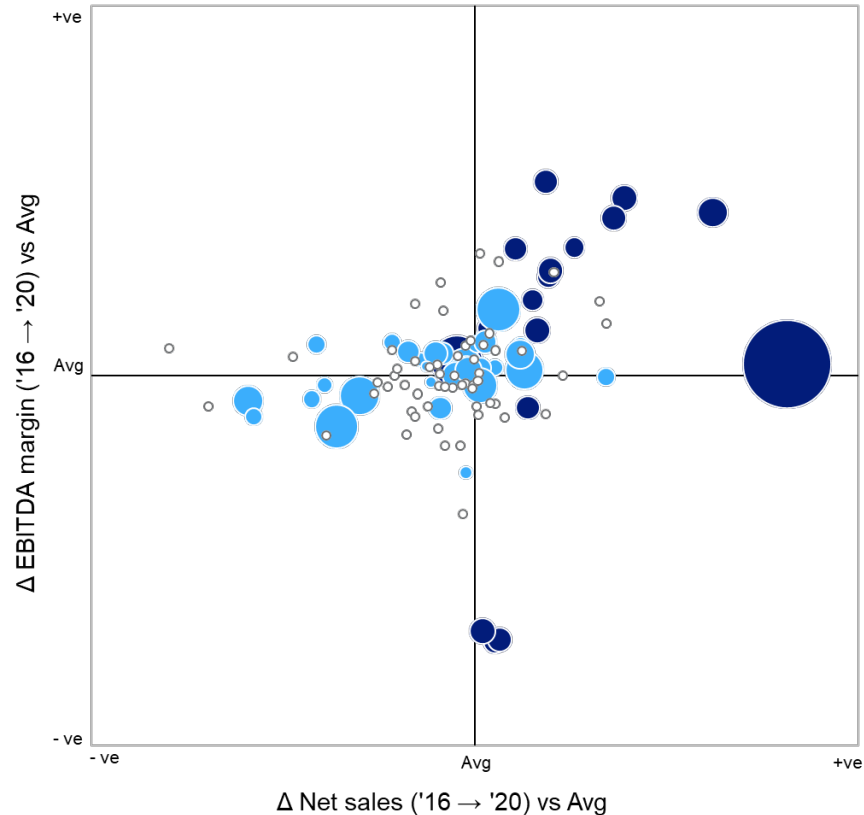
¹ : Excludes spend on shared service centre projects and acquired properties presented separately on this page

² : Number of projects approximate and subject to change

³ : Includes acquisition of Singapore location

2017-2020: Protect & Grow

NBO Key Learnings



Learnings

- 2020 an abnormal trading year, impacting payback periods
- First cohort of 48 NBO projects in operation for over two years, providing more meaningful post completion data
 - Too early to assess second cohort
- NBO Enhance/Growth locations continue to outperform other locations with over 70% of sites exceeding the average growth in sales and margin with the remainder in ramp up phase
- More efficient capital deployment for Refresh and Enhance locations
- CAPEX investment alone does not guarantee market share growth, needs service offering, brand and leadership

Outlook

- Pipeline of Enhance/Growth projects
- Core assets to be leveraged with effective brand positioning and local leadership in context of wider network strategy
- Future success to be measured by growth in enterprise level ROCE %

How to read this chart:

- Locations plotted include unrenovated sites (as of December 2020) and the 48 Refresh and Enhance/Grow NBO sites that were completed in the first cohort (2017 to July 2018)
- Bubble size reflects NBO capex spend per location
- Average is the average of all Funerals locations in Australia and New Zealand including those that have been renovated after July 2018 and those identified as not requiring NBO investment
- The horizontal axis is the growth in revenue (excluding disbursements) for a location relative to the average
- The vertical axis is the change in EBITDA margin of that location over the same period relative to the average
- The further a bubble is towards the top right of the chart, the better it has performed relative to the average for the same period



InvoCare 2025 : Setting Strategic Direction

Guiding principles: continuing to meet & exceed the evolving needs of our client families

Leveraging core assets and investments...

- Experienced teams that value care and great service
- Quality Funeral Services and Memorial Park assets, including renovated, expanded and new NBO sites
- ERP and AV technology investments
- Recent acquisitions

...to meet evolving needs of client families through an expanding value proposition...

- Celebrating life & memories for multiple generations, spanning decades
- Pre, At & Post-need offerings along lifetime customer journey
- Segmented offerings e.g. inclusive, multicultural funeral offerings
- Dual metropolitan and regional focus (reflecting societal 'sea/tree' change)
- Customer-facing digital solutions that assist families at a critical time in their lives

...while shifting business focus

- From tradition & consistency to innovation, flexibility & diversity
- Enhancing customer experience (omni-channel)
- Increasing focus on talent & sustainable leadership
- Strengthening B2C & B2B relationships





InvoCare 2025 : Setting Strategic Direction

Leveraging the core to accelerate growth

	Client Families & Team first	Operational & Service Excellence	Stronger Core Growth	New Growth Platforms	Sustainable Leadership
Objective	Meet current & future customer needs	Optimise foundations & drive sustainable returns	Grow share of market value	Diversify to expand addressable market	Extend industry leadership
Focus Areas	<ul style="list-style-type: none"> • Brand portfolio • Accountabilities • Great place to work • “The InvoCare Way” 	<ul style="list-style-type: none"> • Operating model • Service excellence • Network performance & strategy • Capital efficiency • Support Office excellence 	<ul style="list-style-type: none"> • Prepaid sales • Share of value-add services • Brownfield, Greenfield & M&A capacity • Growth segments 	<ul style="list-style-type: none"> • Pet Cremations • New service offerings & channels • Partnerships • Property portfolio options • B2B & B2C services • New geographies 	<ul style="list-style-type: none"> • Safety & Clinical excellence • Sustainability • Innovation • Talent • Stakeholder Engagement

5-year strategic plan & measures of success under development
To be outlined at inaugural Investor Day in May

InvoCare 2025 : Executive Leadership Team

Accountabilities in place to deliver on 5-year strategic plan



CEO

Olivier Chretien

Commenced 2021

Ex Ramsay, Wesfarmers, BCG



EGM Funerals

Lynne Gallucci

Commenced 2018

New in role 2020

Ex API



EGM Human Resources

Amanda Tober

Commenced 2017

Ex UXC, iSentia



CFO

Adrian Gratwicke

Commenced 2020

Ex Ruralco, Metcash, PWC



EGM Cemeteries & Crematoria¹

Steve Nobbs

Commenced 2016

New in role 2020

Ex Campus Living



EGM Safety & Sustainability

Grace Westdorp

Joining 2021²

Ex Wesfarmers



Company Secretary

Heidi Aldred

Commenced 2019

Ex Computer Power Group



EGM Customer

Victoria Doidge

Commenced 2020

Ex Events, David Jones



EGM Stakeholder Engagement

Fergus Kelly

Commenced 2015

New in role 2021

Ex Qantas

¹: Management responsibility also includes Pet Cremation business

²: Effective 1 March 2021

InvoCare Outlook

Olivier Chretien, CEO

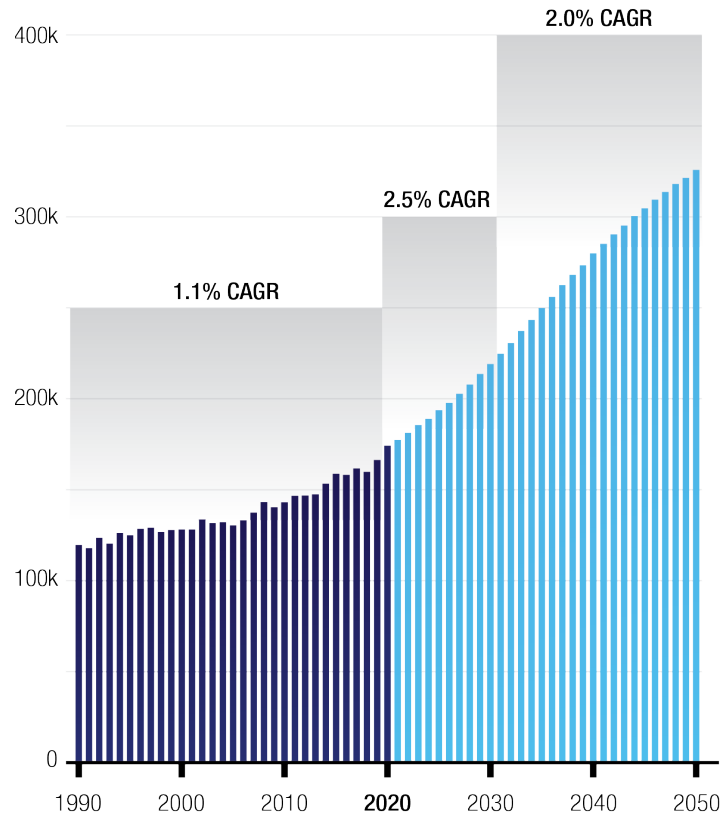


Team from Allan Drew Funerals, Castle Hill, NSW

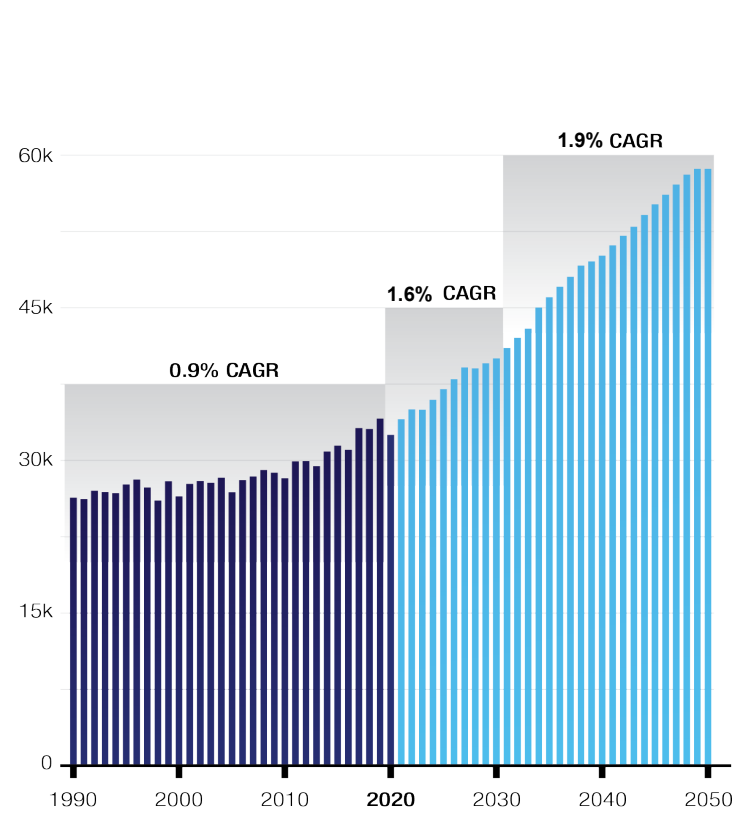
Outlook: Underlying Market Trends

Positive long-term industry dynamics supported by a growing and ageing population

Projected Deaths - Australia



Projected Deaths - New Zealand



- Forecasted increase in rate of deaths over the next decade driven by increasing and ageing population:
 - Australia forecasted at 2.5% CAGR
 - New Zealand forecasted at a lower CAGR of 1.6%
- Uncertain impact of COVID on future years trajectory

¹: Source: <https://www.abs.gov.au/statistics/people/population/population-projections-australia/2017-base-2066>

²: Source: <https://www.stats.govt.nz/information-releases/national-population-projections-2020base2073>

- Cautious short-term outlook with ongoing COVID impacts and related economic uncertainty:
 - Short-term market conditions are still impacted by COVID restrictions
 - Case volumes still below pre-COVID levels but January results point to continued case average recovery in Australia
 - No earnings guidance provided
- Confident about the longer term potential:
 - Underlying population growth and ageing trends
 - Digital investments underpinning evolving customer needs
 - Strong growth platform, with experienced teams, quality national/local brands, asset base, and leading market positions
 - Initiated operating model and cost efficiency review to further strengthen business foundations
 - Expected benefits from optimising network, expanding into growth segments and adjacent markets, including Pet Cremations
- 2021-2025 strategic plan to be presented at inaugural Investor Day in May

NB See page 42 for guidance on specific financial statement caption estimates for the coming year



 InvoCare

Thank you -
Questions?

An aerial photograph of Albany Creek Memorial Park in Queensland, Australia. The image shows a large, well-maintained cemetery with numerous headstones, many of which are arranged in neat rows. A prominent circular landscaped area with a central tree and a small fountain is visible in the lower center. In the background, there are several buildings, including a large, modern-looking structure with a curved roof. The foreground is dominated by several large palm trees. Overlaid on the image are several thin, blue, wavy lines that sweep across the lower half of the frame. In the top left corner, the text "InvoCare Appendices" is displayed in a white, serif font, preceded by a circular logo consisting of a stylized 'C' inside a circle.

InvoCare Appendices

Albany Creek Memorial Park, QLD



COVID Restrictions







	2020												2021				
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb			
Australia	500 outdoor 100 indoor		10 persons		30 outdoor 20 indoor	STATE MANAGED RESTRICTIONS											
QLD	NATIONAL RESTRICTIONS					100 persons					200 persons						
NSW						4m² per person		100 persons					2m² per person		300 persons		
ACT						100 persons					100 persons						
VIC						50 persons		10 persons			20 persons			2m² per person		Stage 4 lockdowns	
TAS						250 indoors 500 outdoor											
SA						2m² per person		100 persons					50 persons		150 persons	200 persons	
WA						2m² per person											
New Zealand	10 persons		No funerals	10 persons		50 persons 100 persons					No limits		Auckland Stage 3 lockdowns				
Singapore			20 persons No reception food or drink					30 persons No reception food or drink									

H1 vs. H2 Performance

	1H20 \$000	1H19 \$000	CHANGE %	2H20 \$000	2H19 \$000	CHANGE %
Funeral case volume (#)	22,077	22,855	(3.4%)	22,707	23,316	(2.6%)
Funeral case average (\$)	7,676	8,219	(6.6%)	8,034	8,238	(2.5%)
Operating Revenue	227,955	243,289	(6.3%)	248,293	256,376	(3.2%)
Operating EBITDA	48,548	62,836	(23%)	54,017	81,597	(34%)
Funerals Australia	26,004	39,509	(34%)	36,509	46,567	(22%)
Memorial Parks Australia	28,441	26,640	7%	28,556	35,518	(20%)
Pet Cremations	(312)	(595)	48%	814	(644)	226%
New Zealand	4,460	5,827	(24%)	4,318	7,080	(39%)
Singapore	4,829	4,824	n/m	4,563	5,094	(10%)
Corporate Support Office	(14,874)	(13,368)	11%	(20,741)	(12,018)	73%
Depreciation & Amortisation expense	(20,677)	(18,590)	11%	(23,603)	(18,383)	28%
Operating EBIT	27,013	43,640	(38%)	29,354	61,799	(53%)
Reported (Loss)/Profit	(18,005)	41,271	(144%)	8,763	22,481	(61%)

- H2 Memorial Parks Australia Operating EBITDA includes impact of increase in provision for slow moving inventory
- H2 Pet Cremations Operating EBITDA includes the impact of one month's trade from acquisitions
- Support Office costs notably includes one-off senior leadership transition costs, marketing costs and COVID related incremental spend

Financial Structure

Operating	At need		\$80.1M ¹ EBITDA	Funerals	At-need Funeral Services - Australia At-need Funeral Services – New Zealand At-need Funeral Services – Singapore
			\$0.5M ¹ EBITDA	Pets	Pet cremation in Australia
	At need/ Post need		\$57.6M ¹ EBITDA	Memorial Parks	Memorialisation Burial Services and Cremation Services Other services Located on Australian East Coast and New Zealand
			(\$35.6M) ¹ EBITDA	Corporate Support Office	Finance, Corporate, Legal HR, Safety, Sustainability Marketing IT
Non-Operating	Pre need		(\$16.6M) Net loss on MTM	Pre-paid funerals	Pre-Paid Funeral sales – sale and administration of Pre-paid Funeral Services, which creates a pool of funds that are independently controlled
				Significant items	Outcomes of business activities not related to operating business e.g. impairments, gain/loss on disposal of assets

- A required change in accounting policy in 2010 increased reported earnings volatility as Pre-paid FUM and contract liabilities are fair valued (MTM)
- The non-cash movements arising from the accounting for Pre-paid funerals are not indicative of the performance of core business operations
- Financial results are therefore presented and analysed on an operating and non-operating basis

1: Reconciles to total Operating EBITDA of \$102.6 million

Reconciliation: Operating to Statutory Earnings

	Operating Results		Non- Operating	Statutory Results	Operating Results	Non- Operating	Statutory Results
	FY20 \$000		FY20 \$000	FY20 \$000	FY19 \$000	FY19 \$000	FY19 \$000
Revenue	476,249	(A)	1,404	477,652	499,665	683	500,348
Expenses	(373,684)	(B)	(6,351)	(380,033)	(355,232)	(8,026)	(363,258)
EBITDA	102,565		(4,947)	97,618	144,433	(7,343)	137,090
Depreciation & Amortisation	(44,280)		(12)	(44,292)	(36,973)	(13)	(36,986)
Business acquisition costs	(1,918)		-	(1,918)	(2,021)	-	(2,021)
Net gain/loss on prepaid contracts	-	(C)	(16,618)	(16,618)	-	45,550	45,550
Asset sales gain/loss	-	(D)	7,383	7,383	-	2,404	2,404
Impairment loss on intangibles	-	(E)	(19,500)	(19,500)	-	(24,404)	(24,404)
EBIT	56,367		(33,695)	22,673	105,439	16,194	121,633
Net Finance Costs	(20,484)	(F)	(3,384)	(23,870)	(23,213)	(1,247)	(24,460)
Tax	(8,405)	(G)	527	(7,878)	(23,024)	(10,261)	(33,285)
Non-controlling interest	(167)		-	(167)	(136)	-	(136)
Reported (loss)/profit	27,311		(36,552)	(9,242)	59,066	4,686	63,752
EPS cents per share	20.4		(27.3)	(6.9)	51.7	4.1	55.8

Item	Explanation
(A) Revenue	Relates to upfront fee income received in the pre-paid funeral business
(B) Expenses	Costs related to running the pre-paid Funerals business including employee and marketing costs
(C) Net gain/loss on Pre-paid contracts	Impact of fair value accounting for pre-paid funeral assets/liabilities, non-cash MTM movements
(D) Asset sale gain/loss	Non-cash net profit or loss on disposal of assets
(E) Impairment loss on intangibles	Non-cash impairments of intangible assets such as goodwill
(F) Net Finance costs	Finance charges (non-cash) arising from customer advance payments in the pre-paid funerals business
(G) Tax	Tax impact of all adjustments excluded from operating result



Significant Items

Action taken on carrying values

OPERATING	NATURE	FY20 \$000
Finished goods, consumables and funeral disbursements	Provision for slow moving inventory increased (non-cash)	(2,503)
Employee benefits expense	Senior leadership transition (cash)	(1,670)
Other expenses	Provision for bad debts increased (non-cash)	(2,797)
Total Operating Expenses impact (pre-tax)		(6,970)
NON - OPERATING	NATURE	
Impairment loss on intangibles	Impairment of goodwill allocated to NZ business (non-cash)	(19,324)
Impairment loss on intangibles	Impairment of capitalised IT development costs (non-cash)	(6,176)
Cemetery land impairment reversal	Allambe Memorial Park remediated (non-cash)	6,000
Total Non - Operating expense impact (pre-tax)		(19,500)
Tax (expense)/benefit		501
Total after tax impact to Reported profit/(loss) attributable to shareholders		(25,969)



Impact of AASB 15 and 16

AASB 15	FY20 \$000	FY19 \$000	Comment
Operating EBITDA	15,268	12,392	Unwind of deferred revenue and costs increases Operating EBITDA in Memorial Parks business
Interest	(1,955)	(2,867)	Increase in interest expense for interest on customer advance payments
Profit before tax	13,313	9,525	Increase in Operating PBT

AASB 16	FY20 \$000	FY19 \$M	Comment
Operating EBITDA	15,512	14,247	Reduction in rent expense increases Operating EBITDA
Interest	(5,297)	(4,760)	Increase in Interest expense for unwind of discount present value of lease liabilities
Depreciation	(16,384)	(11,406)	Increase from depreciation of Right of Use assets in lieu of rent expense
Profit before tax	(6,169)	(1,919)	Decrease in Operating PBT

- AASB 15 adopted in FY18 - required the Group to account for its pre-paid funeral service contracts, memorial products and financing on customer advance payments differently
 - Key impact is a change in the pattern of revenue and COGS recognition and the deferral of revenue and costs on the balance sheet
 - Amounts recognised through profit driven by timing of customer payments for the goods or services pre-paid
-
- AASB 16 adopted in FY19 - required the Group to account for its property, plant & equipment operating leases differently
 - Key impact was a reduction in operating expenses and a gross up of assets and liabilities on the balance sheet
 - Finance costs and depreciation expense have consequently increased for the non-cash impact of accounting for these leases

Specific Balance Sheet Item Explanations

	FY20 \$000	FY19 \$000
Cash and cash equivalents	118,781	19,560
Trade receivables	68,202	72,156
Other receivables	14,380	10,638
Inventories	44,117	45,117
Pre-paid contract funds under management	(A) 613,131	619,389
Assets held for sale	2,788	5,842
Deferred selling costs	(B) 37,712	39,928
Deferred contract assets	(C) 4,066	6,449
Other financial assets	4	4
Property, plant & equipment	464,277	426,955
Right of use assets	(D) 144,368	144,001
Intangibles	243,515	210,724
Total Assets	1,755,341	1,600,763
Trade and other payables	(60,514)	(60,810)
Lease liabilities	(D) (165,924)	(162,901)
Derivative financial instruments	(1,148)	(4,157)
Current tax liabilities	(1,874)	(813)
Deferred revenue	(E) (137,718)	(139,300)
Pre-paid contract liabilities	(541,309)	(525,383)
Provision for employee entitlements	(A) (19,102)	(17,511)
Deferred/Contingent considerations	(F) (17,174)	(894)
Deferred tax liabilities	(32,639)	(34,826)
Borrowings	(246,039)	(357,189)
Total Liabilities	(1,223,441)	(1,303,784)
Net assets	531,900	296,979

Item	Explanation
(A) Pre-paid Contracts	Change in accounting policy in FY10 increased volatility of Reported Profit as Pre-paid FUM brought onto the balance sheet with fair value movements recognised through the profit or loss. The obligation to perform under the contract is recognised as a liability with increases going through profit or loss based on finance charges
(B) Deferred selling costs	Direct selling costs related to revenue deferred on undelivered memorials and merchandise and unperformed burial and cremation services (primarily commissions to employees)
(C) Deferred contract assets	Deferred costs of goods sold related to revenue deferred on undelivered memorials and merchandise and unperformed burial and cremation services. Presented separately from working capital inventory
(D) Right of Use assets & lease liabilities	Impact of adoption of AASB 16 in FY19 brings the present value of leases for locations and plant & equipment on to the balance sheet
(E) Deferred revenue	Deferred revenue on undelivered memorials and merchandise and unperformed burial and cremation services
(F) Deferred/Contingent consideration	Acquisition related payments that are deferred as they are contingent on achievement of performance conditions for 1 to 2 years post acquisition date depending on acquisition



Cash Conversion

Cash conversion % calculation	FY16 \$000	FY17 \$000	FY18 \$000	FY19 \$000	FY20 \$000
Operating Cash Flows	78,496	75,580	48,308	59,070	63,568
Add back: Net Finance costs paid	13,208	11,898	14,437	20,803	17,046
Add back: Tax paid	25,319	26,933	27,551	20,631	14,424
Net Funds from prepaid contracts	(7,416)	4,532	11,367	15,866	12,857
Other cash flows related to prepaid contracts	-	(2,052)	2,559	2,406	1,429
Ungeared, tax free operating cash flows	109,607	116,891	104,222	118,776	109,324
Operating EBITDA	115,344	124,316	118,998	144,433	102,565
Cash Conversion %	95%	94%	88%	82%	107%

- NBO program, which impacted Facilities, commenced in FY17
- Investment in Oracle ERP, which impacted Information Technology, commenced in FY18



Indicative FY21 Preliminary Estimates On Key Financial Items

Item	Comment	FY21 Preliminary estimate
CAPEX	<ul style="list-style-type: none">• Maintenance CAPEX is intended to track depreciation• Growth CAPEX to include planned Enhance, Growth and Shared Services projects as well as ongoing ERP / IT and digital investments• Includes FY20 CAPEX deferrals and CAPEX for newly acquired businesses	\$75 - 85M
Depreciation & Amortisation	<ul style="list-style-type: none">• Expected increase reflects historic Protect & Grow investment spend annualisation and intended FY21 CAPEX and impact of acquisition driven intangibles• Incorporates AASB 16 impact	\$48 - 51M
Effective Tax Rate	<ul style="list-style-type: none">• Based on normal tax profile and recent business performance	29% - 31%
Interest	<ul style="list-style-type: none">• Based on current year average• Incorporates AASB 16 impact (interest expense on leases liabilities)	\$23 - 25M



Term	Definition
AV	Audio visual equipment including technology to facilitate live streaming of funeral services
Average capital employed	Average of opening and closing Capital Employed
Average working capital	Average of opening and closing Working Capital
Average working capital % of sales	Average working capital divided by Operating Revenue for a 12 month period
B2B/B2C	Business to business/Business to consumer
CAGR	Compound Annual Growth Rate
CAPEX	Capital expenditure
Capital employed	As used in ROCE % calculation. Calculated as Total Equity + Net Debt
Cash conversion %	Ungeared, tax free operating cash flows divided by Operating EBITDA
Cash realisation %	Calculated as Operating cash flow divided by (Operating NPAT + Depreciation and amortisation expense)
COVID	COVID-19 pandemic
Dividend payout ratio	Dividend per share divided by Operating EPS
EBITDA Margin	Operating EBITDA divided by Operating Revenue
EGM	Executive General Manager
EPS	Earnings per share, calculated as Reported profit/(loss) divided by weighted average number of shares
ERP	Enterprise Resource Planning, the main Oracle general ledger financial system used by the business
Funeral Case Average	Calculated as gross funeral revenue (including disbursements) divided by funeral case volume
Funeral Case Volume	Number of funeral services undertaken
FUM	Funds under management in the pre-paid funerals business
Gearing ratio	Calculated as Net debt divided by (Net Debt + Total Equity)
Growth CAPEX	CAPEX undertaken to expand existing operations or further growth prospects
Interest cover ratio	Calculated as Operating EBITDA divided by Net finance costs. Interest cover calculation used for bank covenant testing purposes uses an Adjusted EBITDA measure (primarily adjusted to include proforma earnings from acquisitions and costs arising from restructuring initiatives) and adjusted net finance costs to exclude interest arising from AASB 16 lease accounting
Leverage ratio	Calculated for disclosure purposes as Net debt divided by Operating EBITDA. Leverage calculation used for bank covenant testing purposes uses an Adjusted EBITDA measure (primarily adjusted to include proforma earnings from acquisitions and costs arising from restructuring initiatives)

Term	Definition
LTIFR	Lost Time Injury Frequency Rate
Maintenance CAPEX	Recurring annual CAPEX required to maintain facilities
Memorialisation revenue	Revenue earned from the sale of memorials, plaques, burial plots etc. in the Memorial Parks business
MTM	Mark-to-market
NBO	Network & Brand Optimisation program of projects as part of Protect & Grow Strategy
Net debt	Cash and cash equivalents + Borrowings + Finance leases
NPS	Net Promoter Score, calculated based on customer feedback with Group score representative of Australia and New Zealand only
Operating Earnings After Tax	Reported profit excluding non-operating items and associated tax
Operating EBITDA	Operating earnings before business acquisition costs, interest, tax, depreciation & amortisation
Operating EBIT	Operating earnings before interest and tax
Operating EPS	Operating net profit after tax divided by weighted average number of shares
Operating leverage	Means the percentage growth in Operating EBITDA divided by the percentage growth in Operating Revenue
Operating Revenue	Revenue for the Group excluding revenue earned from pre-paid funerals business
OPEX % Sales	Operating expenses (excluding finished goods, consumables and funeral disbursements) divided by Operating Revenue
PCP	Prior corresponding period
PPE	Personal protective equipment
Pet case average	Pet Cremation revenue divided by Pet cremation volume
Pet cremation volumes	The number of pets cremated
Reported Profit/(loss)	Net profit/(loss) attributed to shareholders of InvoCare Limited
ROCE %	Calculated as Operating EBIT divided by Average Capital Employed
Ungeared, tax free cash flows	Calculated as operating cash flow excluding net finance costs paid and tax paid adjusted by net funds from prepaid contracts (Payments to funds under management for pre-paid contract sales and receipts from funds under management for pre-paid contracts performed) sourced from investing cash flows and other cash flows related to pre-paid contracts
WFH	Work from home
Working capital	Inventories + Trade & Other Receivables + Trade & Other Payables

