



2022 Annual General Meeting

26 May 2023

Honouring life, celebrating memories for generations

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Non-IFRS financial information

To support an understanding of comparable business performance, this 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, SaaS arrangements costs and restructuring costs as applicable.

Balance sheet and cash flow information presented is consistent with the information disclosed in the statutory presentation in the Annual Report.

Note

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.

All figures are presented in AUD\$ unless otherwise stated.

Acknowledgement of Country

InvoCare wishes to acknowledge the traditional custodians of the land that we hold this meeting on.

We acknowledge and respect their continuing culture and the contribution they make to this region.

We pay our respects to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.





Today's Agenda

1. **Chair's Address – Bart Vogel, Chairman**
2. **CEO's Address – Olivier Chretien, CEO**
3. **Questions – Bart Vogel, Chairman**
4. **Resolutions – Bart Vogel, Chairman**

Chair's Address

Bart Vogel, Chair



In 2022 we delivered solid results

and maintained our positive strategic momentum

Operating Revenue

\$588.5M

↑ 12% on PCP

Operating EBITDA

\$136.1M

↑ 9% on PCP

Operating EBIT

\$84.6M

↑ 9% on PCP

Operating EPS

35.1c

↑ 11% on PCP

Full Year dividends

24.5 cents

↑ 17% on PCP

Reported Profit/(Loss)

(\$1.8M)

Driven by accounting
MTM adjustments¹

Our investments and strategy execution have delivered a stronger and more resilient, customer-focused organisation





Increasing distributions to Shareholders

12.5 cents → **24.5 cents**
FY20 Full year dividend FY22 Full year dividend

Market leadership in three countries

InvoCare has inherent strengths creating long term value

-  **A passionate and caring team serving our multi-cultural communities, committed to**
Honouring life, celebrating memories for generations
-  **Leading market position, with a difficult to replicate footprint**
-  **Sustainable competitive advantages preserving our market leading position**
-  **A digitally enhanced, integrated offering, to meet evolving customer needs**
-  **Future growth underpinned by historical investment and demand outlook**

Passionate and caring team

Offering the highest quality service and empathetic care

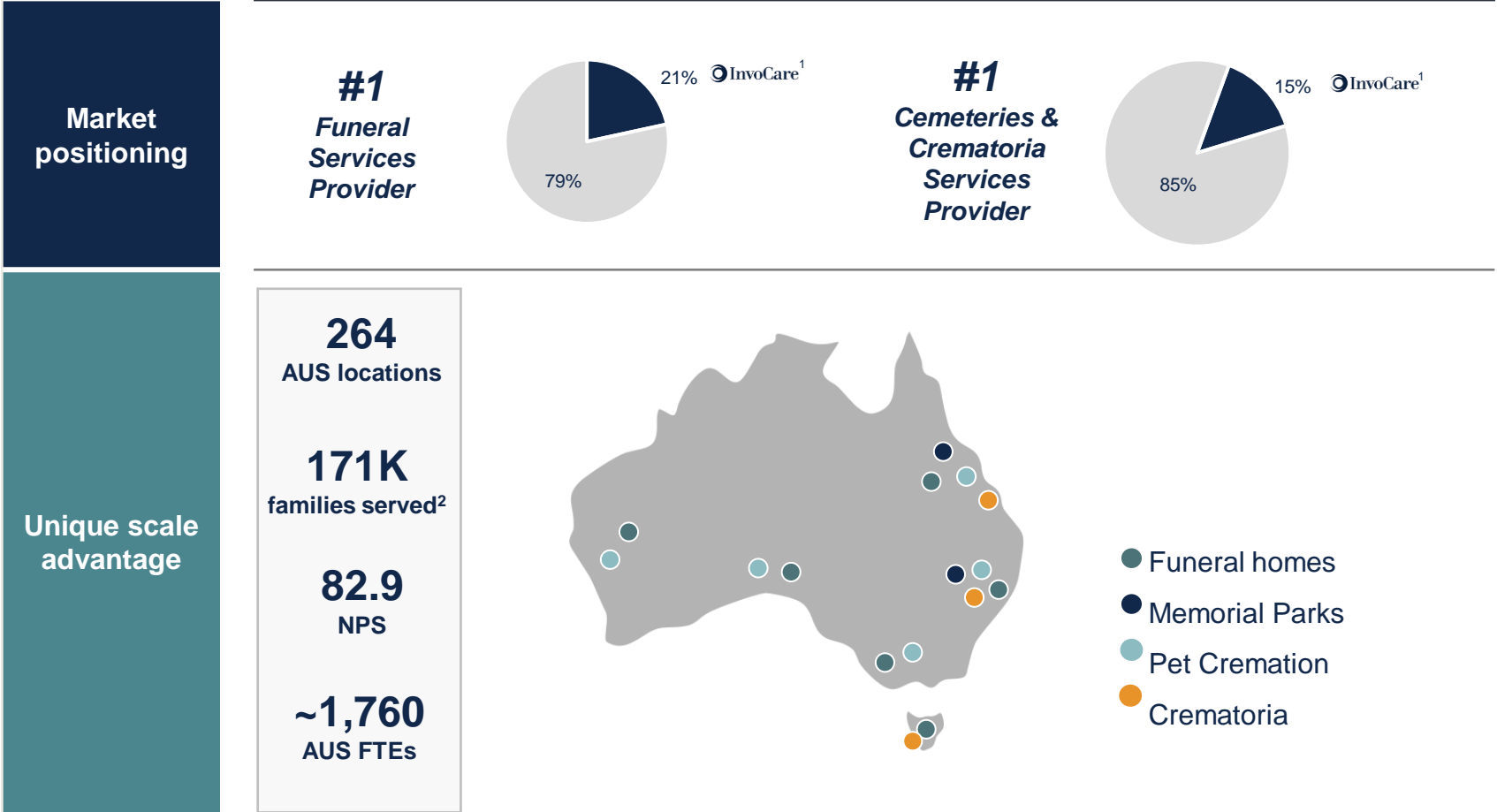
- › **Committed experienced team**
2,000+ team members across 3 countries
- › Delivering **outstanding customer service** and care
Funerals NPS +83 (Australia), + 89 (NZ)
- › Committed to **our purpose**
Honouring life, celebrating memories for generations
- › Living **our CARES values**



Leading market position with hard to replicate footprint

Unrivalled network and reach across three countries

Leading position in core Australian market



Distinct competitive advantages preserving market leading position

Underpinned by an integrated platform addressing key customer needs



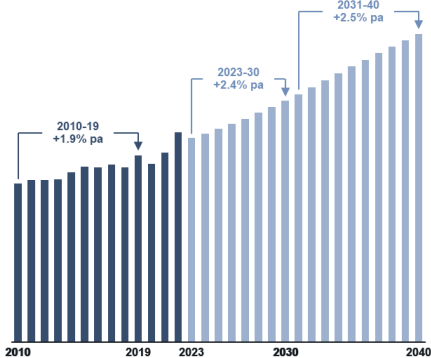
Only steward of scale of the entire cycle of customer needs



Brands addressing all market segments



Largest network – Cluster model enables efficient growth



Pre-need funeral book underpins future demand

A digitally enhanced, integrated offering

Building unique ability to deliver a smooth customer experience

Integrated offering by episode

Pre-need

- ✓ Customers can choose and pre-pay their funeral or memorial
- ✓ Locks in future case volume

At-need

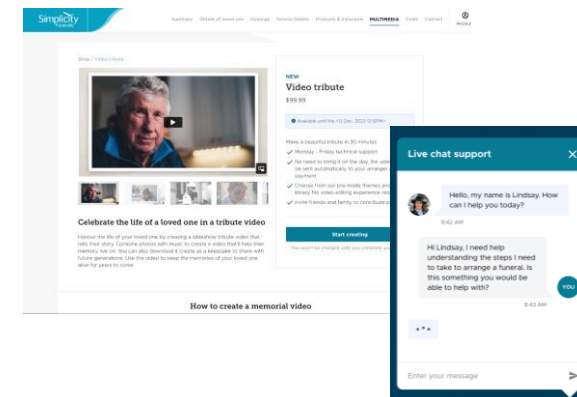
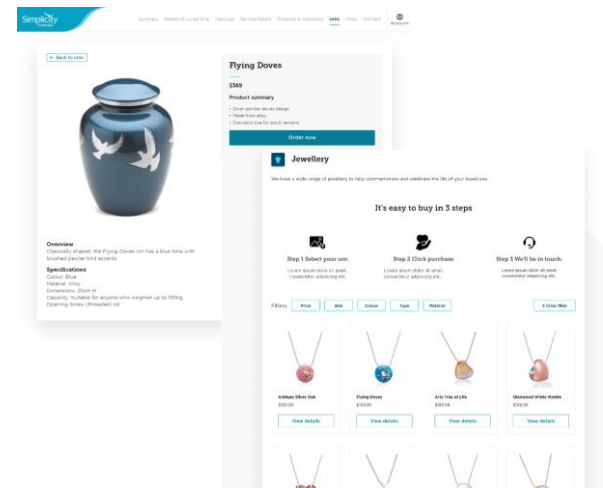
- ✓ Largest Funeral and Pet Cremation network
- ✓ Range of brand options & customer experience

Post-need

- ✓ Flexible committal & memorialisation options
- ✓ High quality parks, long term capacity

Accelerating digital presence





E-commerce now enabled



New self-serve functionality

Historical investment to drive future growth

Benefits from this significant investment have started to accrue

CAPEX type	Recent key focus areas	Benefit
 Recurring	<ul style="list-style-type: none"> › Disciplined approach to maintenance capex spend › Targeted at all asset classes and businesses 	Asset management now programmatic
 Platform	<ul style="list-style-type: none"> › New & upgraded operational Shared Service Centres › Major brand websites redesigned › Digital 'self-serve' functionalities deployed 	Platform for efficient growth
 SaaS incurred	<ul style="list-style-type: none"> › Funerals & Cemeteries Crematoria ERP's¹ implemented › New payroll system deployed › Roll out to NZ and Pet Cremation ERP planned for FY23 	Common operating system
 Growth & investment	<ul style="list-style-type: none"> › Expansion & enhancement of network › Investment in efficient cremator capacity › Renewed acquisition focus & Innovation hub established 	Material new, diversified earnings streams

Update on TPG Non-Binding Indicative Offer (NBIO)

- › On **7 March** TPG Global LLC (TPG) made an unsolicited NBIO to acquire all the issued capital of InvoCare for **\$12.65** per share (the Initial Proposal)
- › After careful consideration, the Board unanimously concluded that it did not provide compelling value for your shares
- › On **15 May** TPG provided a revised conditional NBIO at **\$13.00** per share (the Revised Proposal), inclusive of a fully franked special dividend of up to approximately \$0.60 per share
- › For InvoCare shareholders that can utilise franking credits, this represents implied aggregate value of up to approximately **\$13.25** per share
- › InvoCare has agreed to grant TPG the opportunity to conduct **due diligence** for 5 weeks¹ on an exclusive basis - data room opened on Monday 22 May 2023
- › If TPG provides a binding proposal at no less than \$13.00 per InvoCare share, **the InvoCare Board unanimously intends to recommend** that InvoCare shareholders vote in favour of the proposed Scheme of Arrangement (the Scheme)²
- › There is **no certainty** that the Revised Proposal will result in a Scheme for consideration by shareholders; subject to regulatory approvals, the completion of a transaction could occur during H2 2023

CEO's Address

Olivier Chretien, CEO



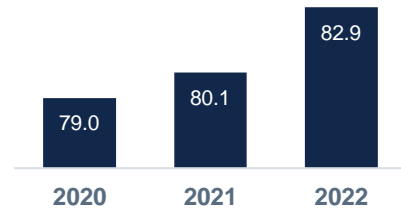
We served a record number of client families in 2022

And delivered progress across our indicators of strategic success



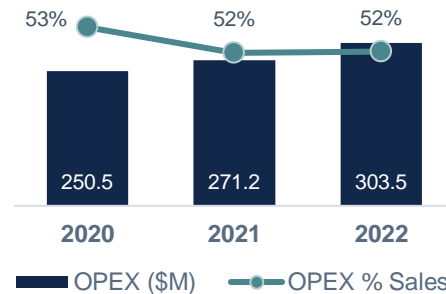
Customer & Team

NPS



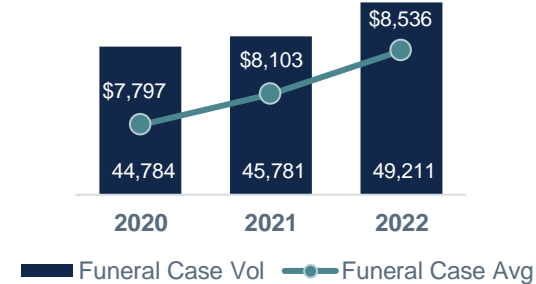
Operational Excellence

Cost base efficiency



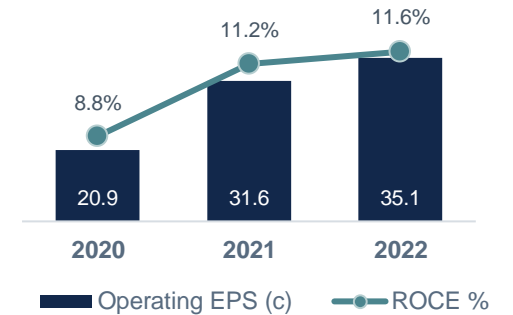
Growth: Operational & Financial

Case Volume & Average

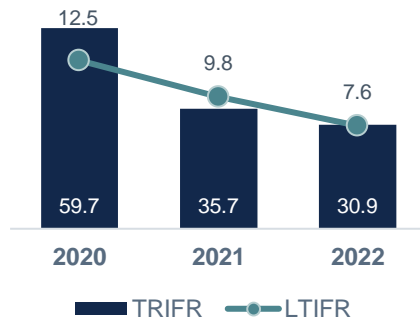


Sustainable Leadership

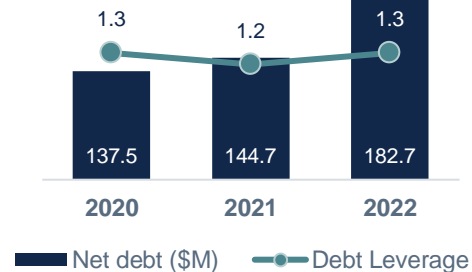
Operating EPS & ROCE



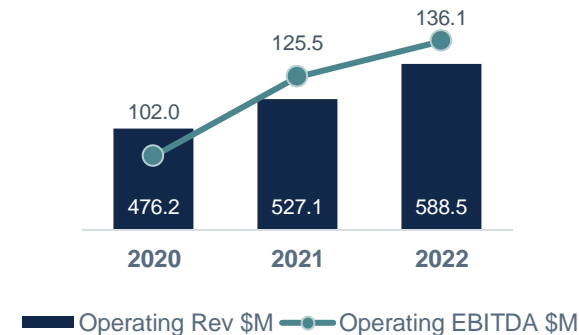
Safety



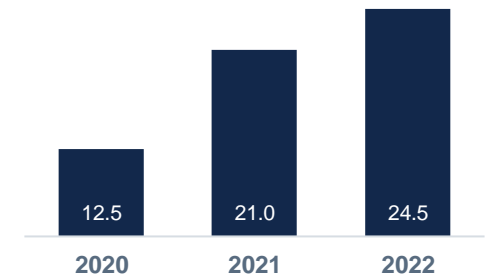
Debt Leverage



Operating Revenue & EBITDA


















Full Year Dividends (cents)



Key achievements during *‘Raising the Bar’* phase

Executed at pace to establish a sustainable platform for Phase 2, to *‘Transform, Accelerate, Grow’*

Customer led, People empowered	Operational Excellence	Stronger core growth	New growth platforms	Sustainable Leadership
Purpose, Engagement	Efficiency	Network Planning	Digital & Data	Safety & Sustainability
				
Customer Platform	Quality Standards	Brand Value Propositions	Pet Cremation Expansion	Community Engagement
				
Leadership, Talent & Remuneration	Support Centre of Excellence	Memorial Park Enhancement	Innovation Hub	Stakeholder Engagement
				

Leverage foundational work to transition to a greater focus on growth

'Transform Accelerate Grow'

'Raising the bar'

Reset

For sustainable growth

2021-22

Simplify & standardise

- › Customer & team focus
- › Reinvigorate brand value propositions
- › Network optimisation plans
- › Platform investments
- › Support centre of excellence
- › Profitability & balance sheet focus

'Transform Accelerate Grow'

Expand
the core

~next 18 Months

Expand & Innovate

- › Grow profitable market share
- › Bolt-on M&A and market expansion
- › Integrate digital into everything we do
- › Productivity & efficiency initiatives

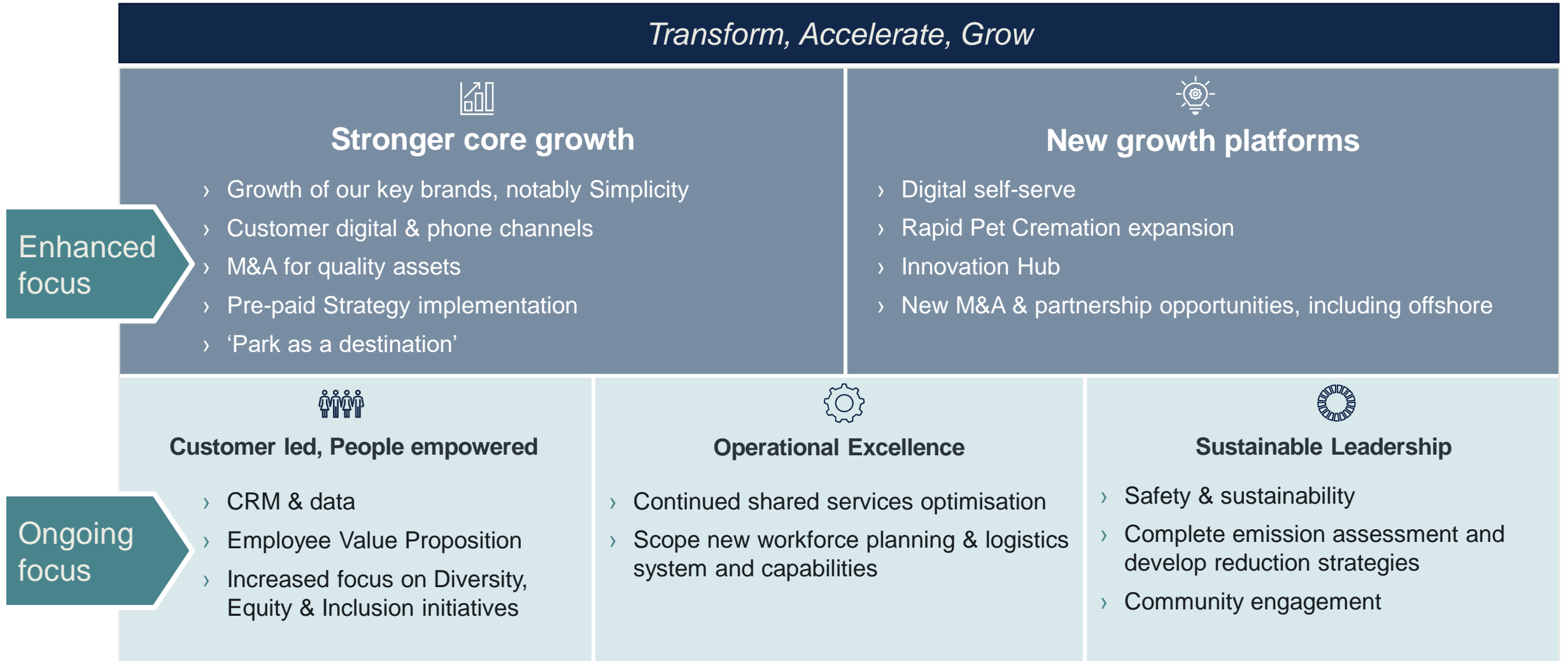
Diversify
Growth & Step-out
Year 4+

Lead

- › Diversified earnings base
- › Accelerate M&A
- › Pre-paid growth
- › Sustainability investments
- › Enhance industry leadership

Increasing focus on profitable organic and acquisitive growth

Strategic focus areas from FY23



Priority Transformation & Growth Opportunities

Strategies underway



Growth Investments (1)

Strategic levers

Multiple Sources of Long Term Growth

'Bolt-on' acquisitions



- › Restarted M&A program
- › Acquired **William Matthews Funerals** in Lilydale VIC in 2022

Innovation Hub Investments & Partnerships



- › Invested in **Parting Stone** (US) to commercialise cremated remains solidification
- › Australian entity and distribution from 2024



- › Invested in **Memories** in 2021, now in distribution across Australia and New Zealand
- › Partnered with **Violet Initiative** and **University of Melbourne** to bring innovation to our approach to grief support & rituals



Domestic & International M&A opportunities



- › Have developed a **pipeline of quality assets** in existing and new markets

Growth Investments (2)

M&A activity gaining momentum – investments due to complete in FY23



- › **Bespoke funeral provider** and double-sided marketplace
- › 30% strategic stake
- › ~500 cases p.a



- › **NSW regional memorial park**
- › Acquisition of minority ~17% interest
- › Becomes wholly owned



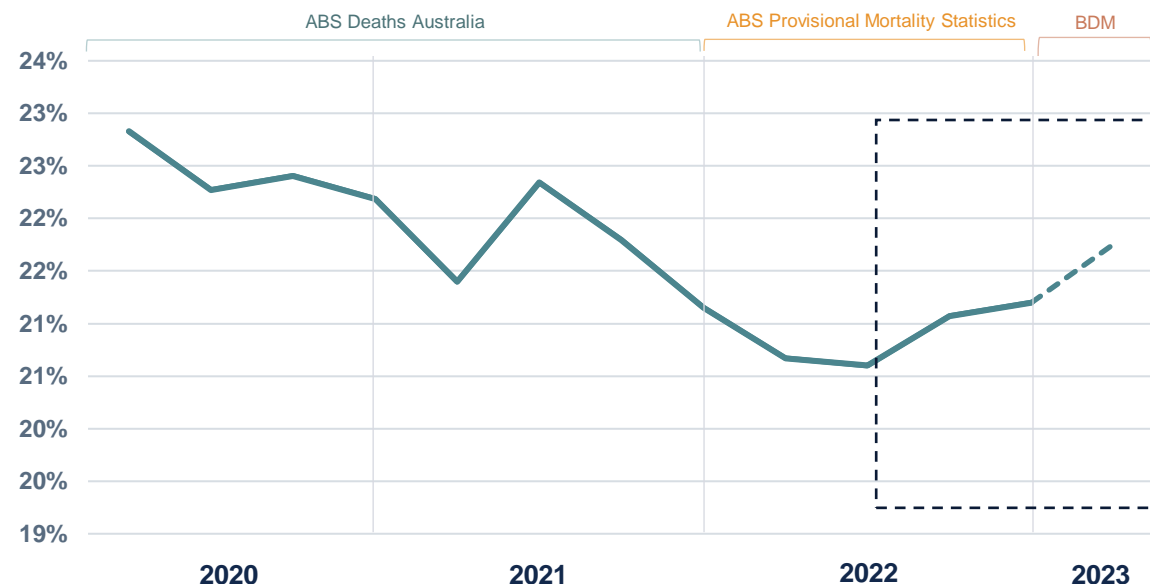
- › NSW **Pet Cremation 'in-fill'** opportunity
- › Illawarra-based franchise
- › ~3,300 cremation cases p.a.

Market share poised for further growth...

Three quarters of growth¹ following foundational investments, COVID and period of excess deaths

InvoCare Quarterly Market Share 2020 to date

AU Funerals Market Share¹



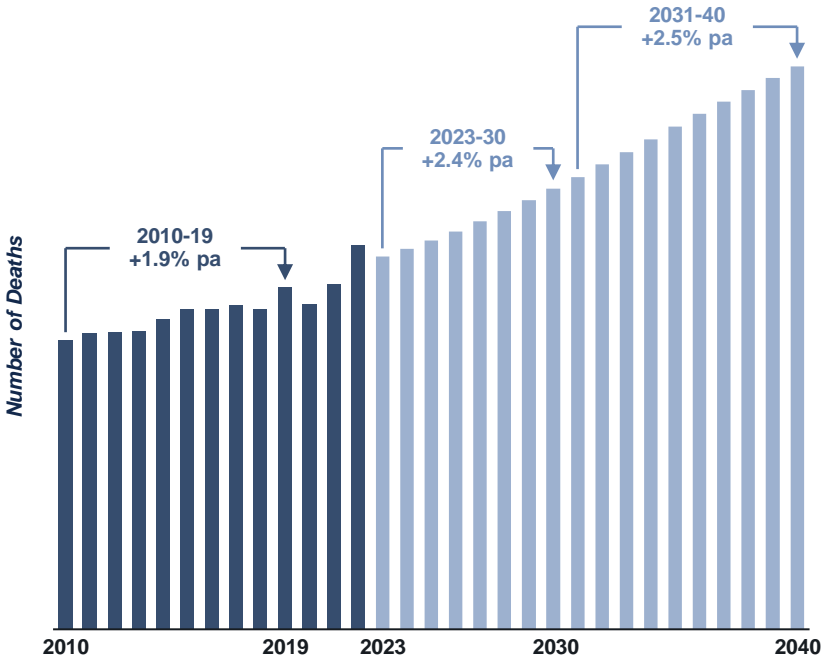
- › Locations now open after being closed temporarily during reinvestment program (NBO)
- › Lifting of pandemic restrictions is allowing for facility upgrade benefits to be demonstrated
- › Cycled temporary (and variable) spikes in demand seen during 2022
- › Preliminary market data indicates 2.2% year-on-year decline in deaths in Q1 2023 in Australia (varies by state)¹
- › **As death rate stabilises, market share has stabilised and is trending up, commencing H2 2022**

...with positive, long-run demand supporting sustained growth outlook

Predictable and accelerating market growth in three markets underpins future revenues

Australia

Sources: ABS (actuals)¹, Euromonitor (forecast)



% of population aged 65+

14%

17%

20%

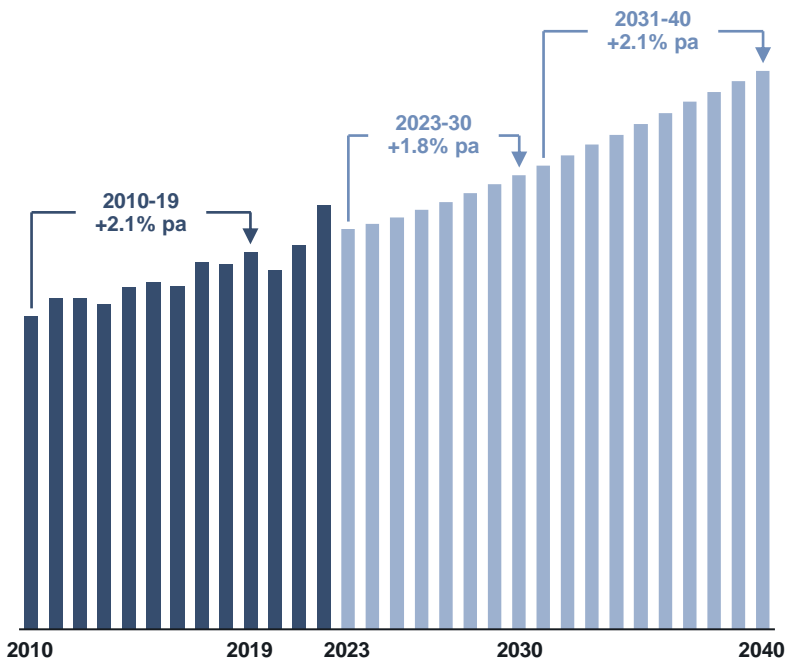
2010

2023

2040

New Zealand

Sources: Stats NZ (actuals), Euromonitor (forecast)



% of population aged 65+

13%

17%

20%

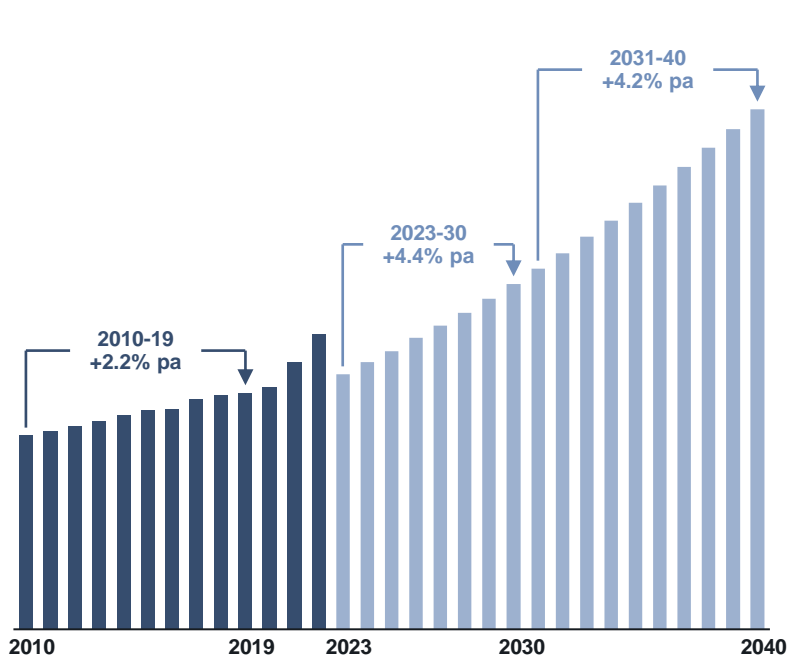
2010

2023

2040

Singapore

Sources: Sing Stat (actuals), Euromonitor (forecast)



% of population aged 65+

9%

17%

31%

2010

2023

2040

(1) The historic CAGR calculations are extended to 2019, as the period from 2020 to 2022 included COVID impacted mortality rates

Q1 Trading Update & Outlook

Positive start to the year, well placed to create long term value

› Group has had a positive start to the year

- Successfully cycling PCP funeral case volumes, third consecutive quarter of market share growth
- Funeral case average up 7%
- Favourable weather conditions for memorialisation development activity, but weaker burial/ cremation volumes in our parks
- Significantly improved Pet Cremation earnings compared to the PCP

› Q1 results are broadly in line with expectations

- Operating EBITDA broadly in line with expectations, despite operating leverage impact of reduced volumes & continued cost of doing business pressures
- Operating NPAT impacted by a reduced AASB15 contribution, increasing D&A and interest rates

› Timing and extent of flu season to impact Q2/ Q3 results

› InvoCare is well placed to capture future earnings growth and to create value in a stable deathcare industry

- Maintaining strategic momentum, with new acquisitions and investments in digital and transformation initiatives
- Strategic review underway into structural opportunities to unlock value within its freehold funeral homes

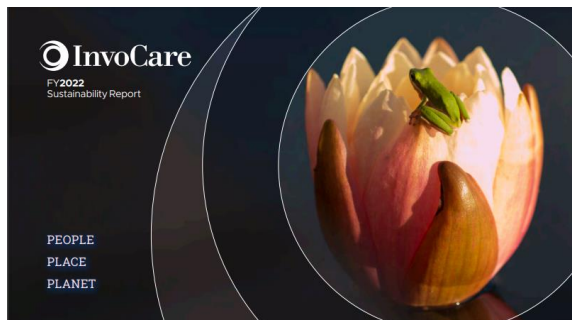
Further information – corporate reporting suite

InvoCare's corporate reporting suite brings together the group's financial, non-financial, risk and sustainability performance for the financial year ended 31 December 2022 including:



2022 Investor Presentation

Scan QR code on your smart device to download from ASX website



2022 Sustainability Report

Scan QR code on your smart device to download from InvoCare website



2022 Annual Report

Scan QR code on your smart device to download from InvoCare website



Meeting Close, Thank you



