

FY23 Full Year Results

Investor Presentation

12 September 2023



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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. For ease of comparison, FY22 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.

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Agenda

1. Key highlights of FY23
2. Company overview
3. FY23 financial results detail
4. Industry trends and acquisitions
5. Summary, outlook and guidance
6. Q&A

Appendices

1. Key highlights of FY23



Key highlights of FY23

1 TRADING¹

Revenue
\$168.5m
^ 16.0%

Funeral Volumes
18,029
^ 9.0%

Average Revenue Per Funeral
\$6,398
^ 6.0% (comparable up ~7%)

2 EARNINGS¹

Operating EBITDA
\$46.0m
^ 18.0%²

Operating NPAT
\$20.9m
^ 17.9%²

Cash Flow Conversion
95.4%
v 480 bps

3 CAPITAL MANAGEMENT³

Dividend
14.0cps
FY22: 12.25cps

Gearing Ratio
27%
Net Leverage Ratio: 1.7x

Funding Capacity⁴
\$87m

4 GROWTH³

Locations
159
^ 15

Acquisitions⁵
\$269m
committed since IPO

Expansion
QLD, VIC, SA and NZ

5 OUTLOOK

Expecting to benefit from:

- favourable demographics in Australia and NZ
- available funding capacity
- acquisitions completed and announced to date and other potential future acquisitions in a highly fragmented industry

1. Movements shown above relate to movements between FY23 and the FY22 unless otherwise stated.

2. Verses the FY22 Pro forma.

3. As at 30 June 2023 for Gearing, Net Leverage Ratio, Locations (movement from 30 June 2022) and Expansion.

4. Refer to slide 20.

5. Refer to slide 24.

2. Company Overview



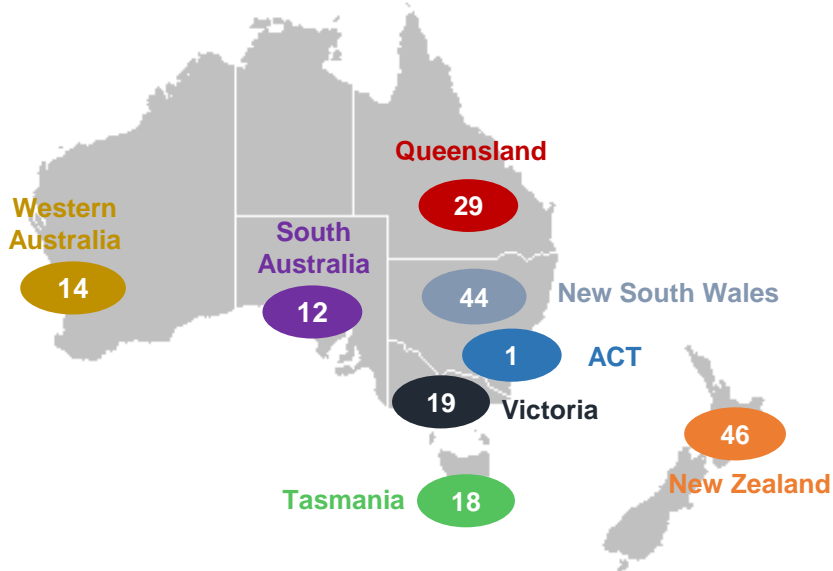
Geographic Presence

183 operating locations¹ (109 owned / 74 leased), including 37 cremation facilities and 9 cemeteries

1 August 2013



2 September 2023



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

1. 159 operating locations as at 30 June 2023 plus 21 operating locations added during FY24 YTD.

Brand Portfolio

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

Australia

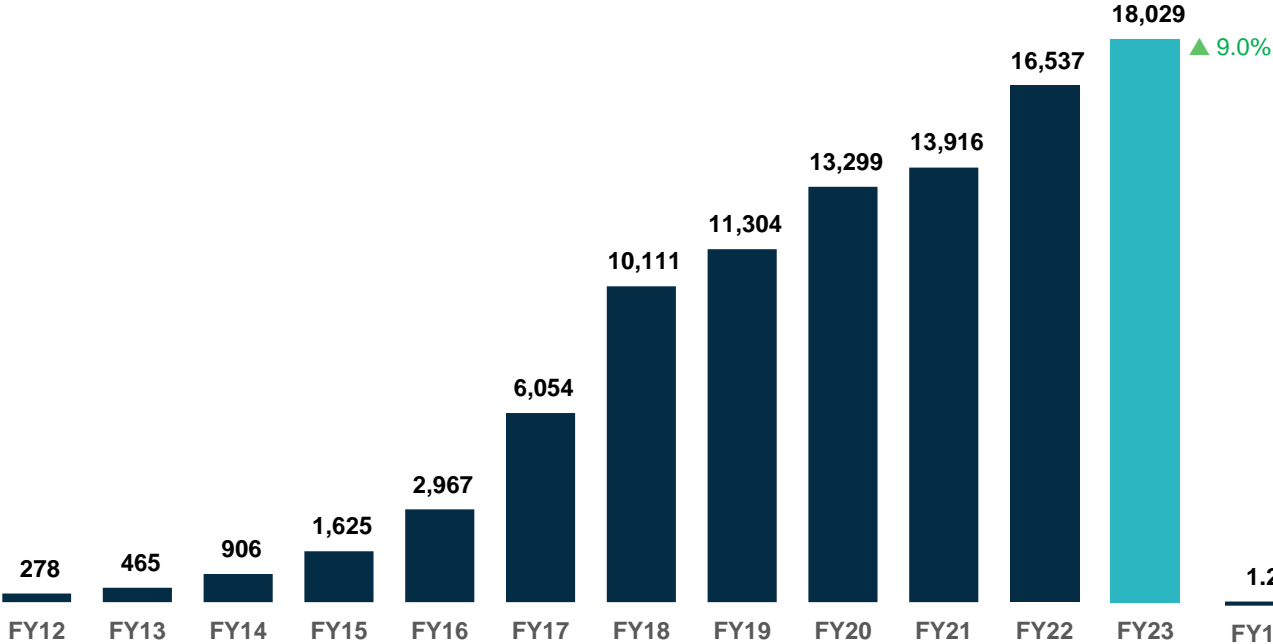
NZ

 Acquisitions completed since 1 July 2022.

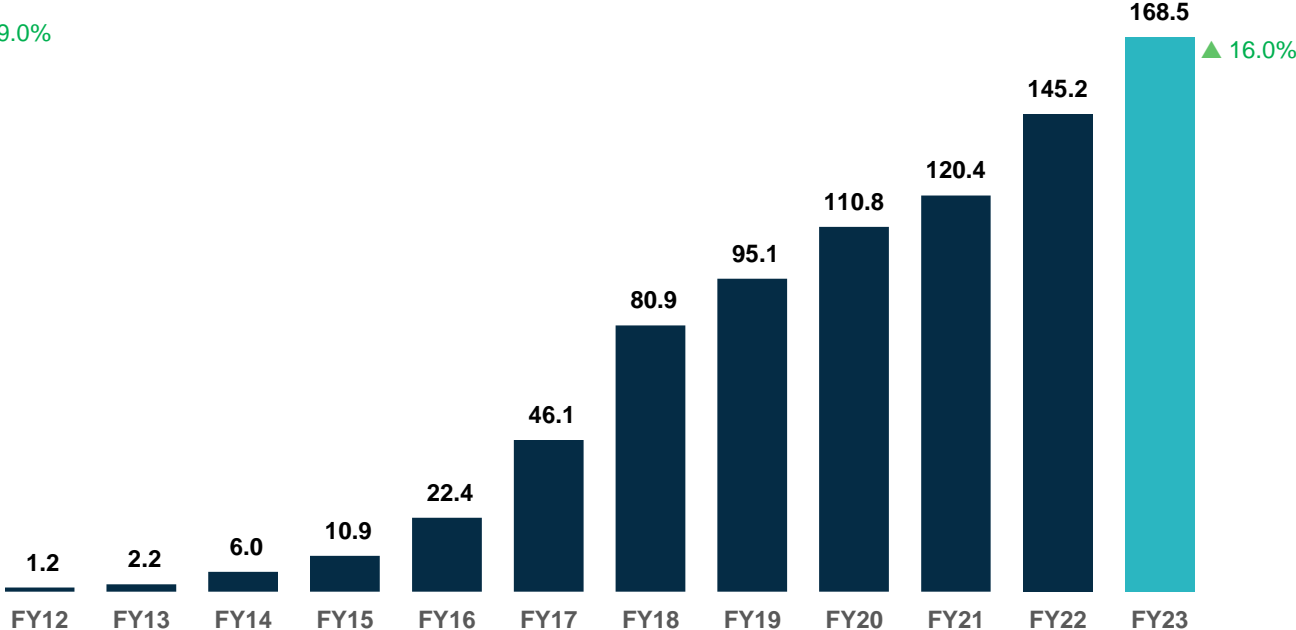
Volume and Revenue Growth

Propel has maintained a strong growth trajectory

1 Funeral volumes



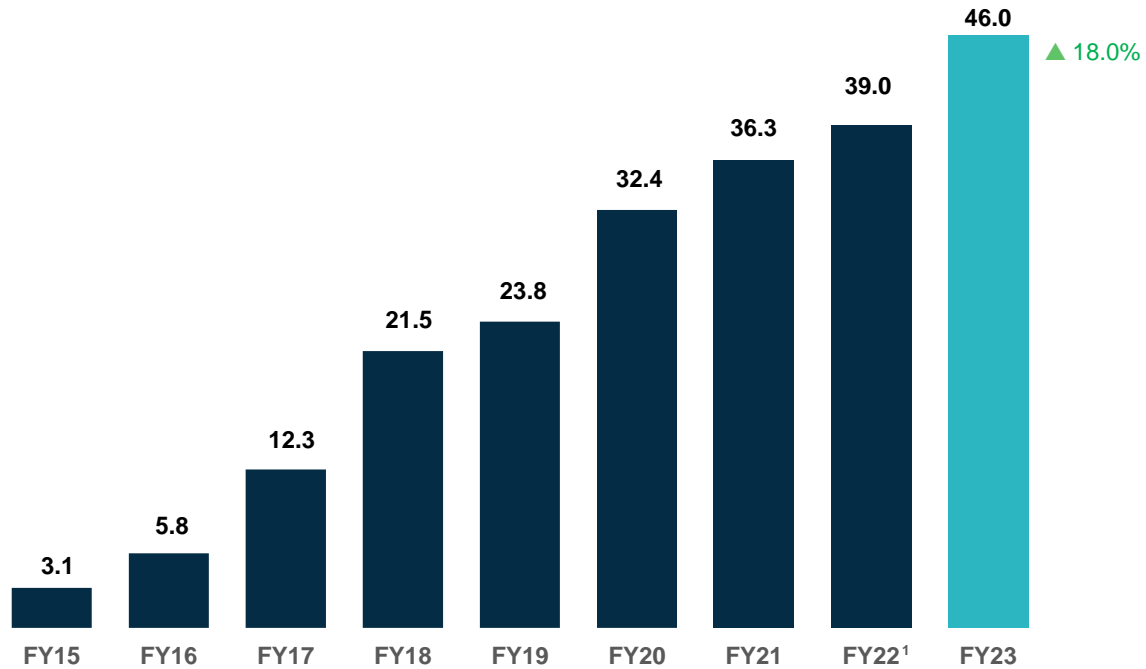
2 Revenue (\$m)



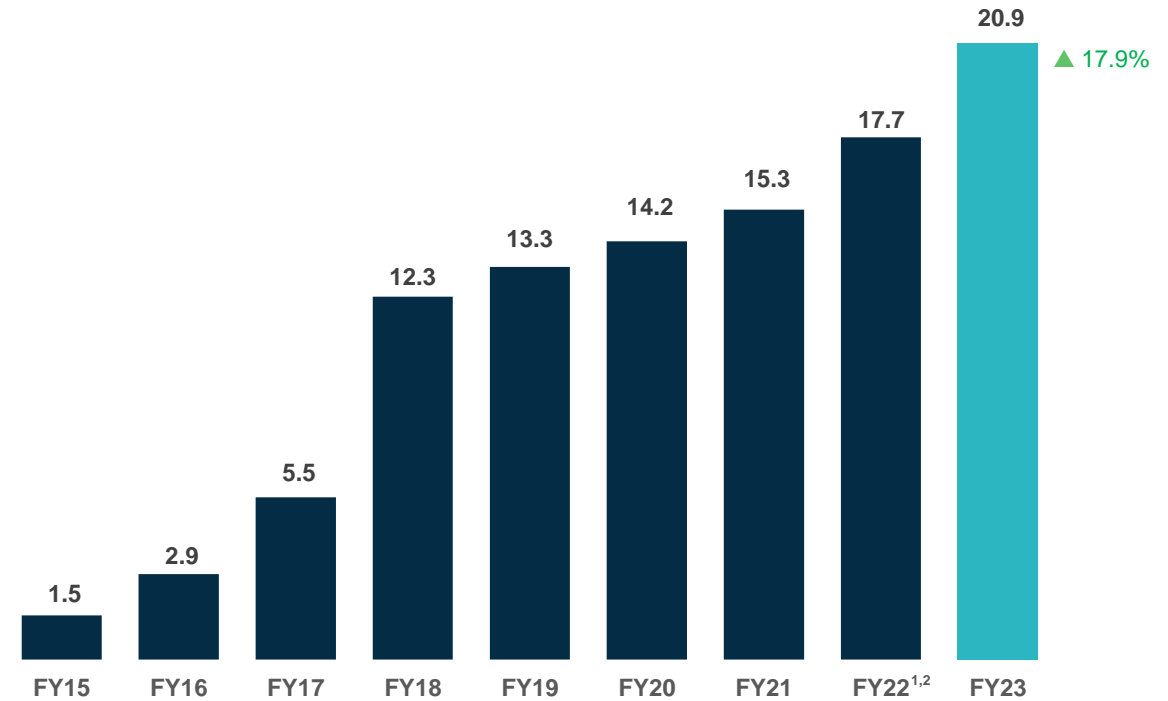
Earnings Growth

Propel has maintained a strong growth trajectory

1 Operating EBITDA (\$m)



2 Operating NPAT (\$m)

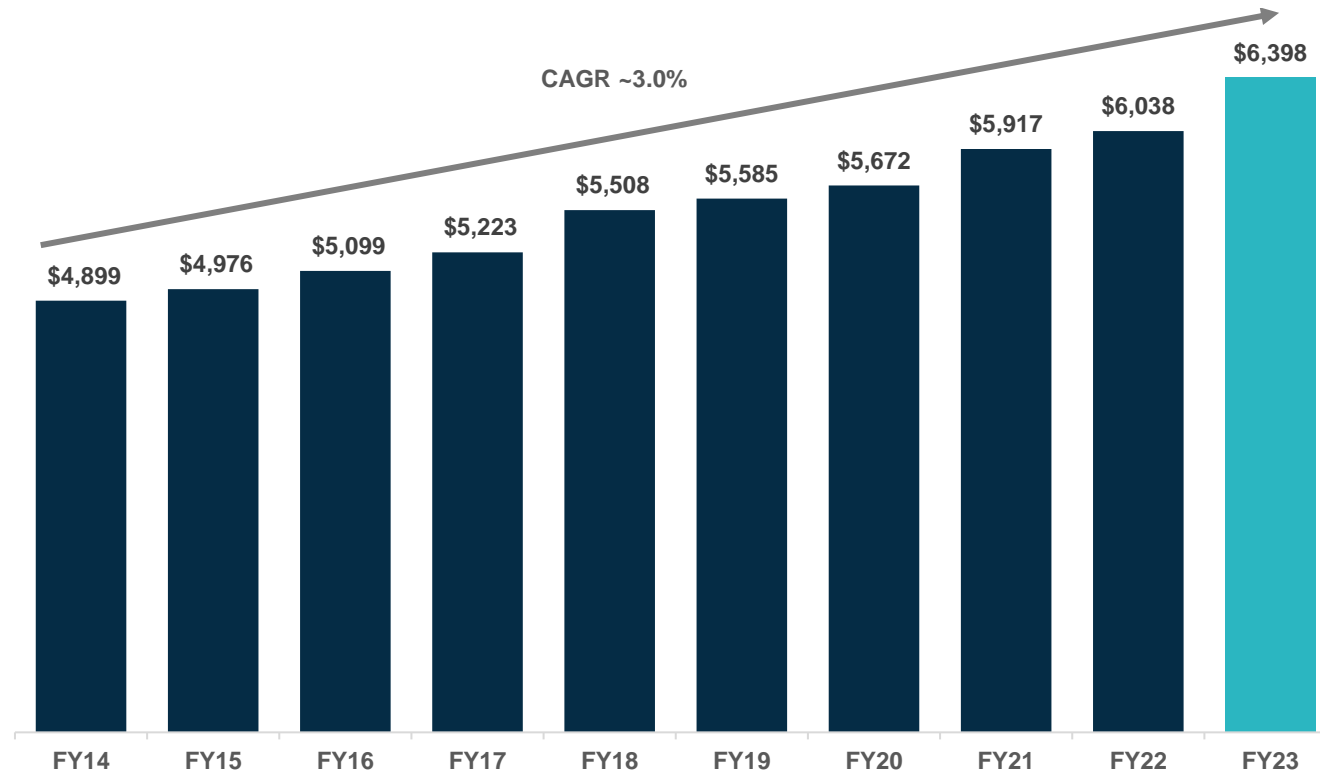


1. Pro forma.

2. Operating NPAT in FY22 has been restated to exclude the net financing charge on pre-paid contracts.

Average Revenue Per Funeral Growth

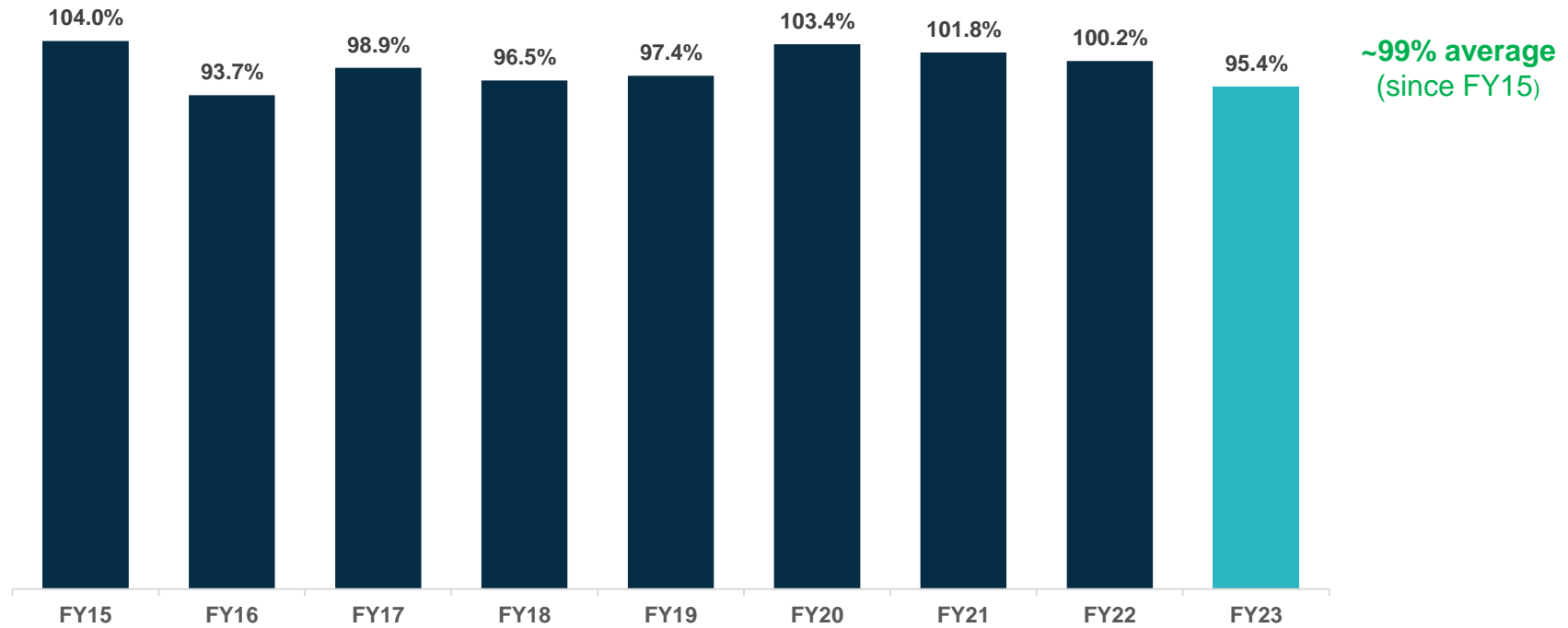
Compound annual growth rate (CAGR) of ~3.0% since FY14



▲ ~6% on FY22
(comparable up ~7%)

Cash Flow Conversion

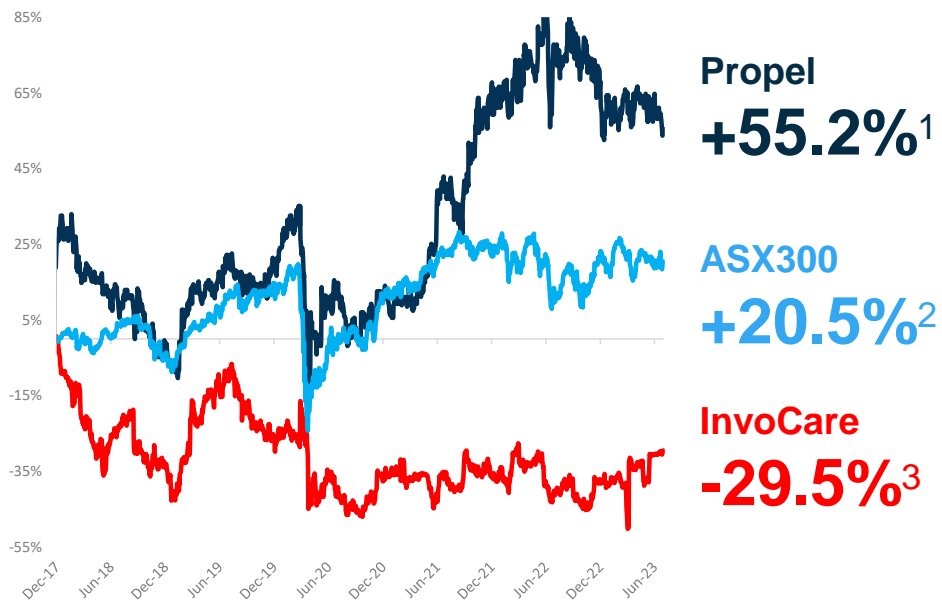
Consistently strong and has averaged ~99% since FY15



Performance Summary Since IPO

Propel's share price has outperformed the ASX300 and its listed domestic peer since the IPO in November 2017

Relative share price and index performance



Total shareholder return⁴

~71%

Total shareholder value accretion⁵

~\$241m

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 June 2023 was \$4.19.

2. The ASX300 Index closed at 5,940.5 on 22 November 2017 and at 7,157.4 on 30 June 2023.

3. InvoCare's closing share price on 22 November 2017 was \$17.85 and its closing share price on 30 June 2023 was \$12.59.

4. Total shareholder value accretion divided by the total value (at cost) of shares issued at and since the IPO, as at 30 June 2023.

5. 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 June 2023.

3. FY23 Financial Results Detail



Financial Summary

Income Statement¹

\$ million	FY23	FY22
Total revenue	168.5	145.2
Gross profit	118.1	102.5
...margin	70.1%	70.6%
Total operating costs	(72.1)	(63.6)
Operating EBITDA	46.0	39.0
...margin	27.3%	26.8%
Depreciation	(11.4)	(10.3)
Operating EBIT	34.6	28.6
...margin	20.5%	19.7%
Net interest expense	(5.0)	(3.5)
Operating NPBT	29.6	25.1
Income tax expense	(8.7)	(7.4)
Operating NPAT²	20.9	17.7
Operating EPS (cps)	17.7	15.7
Non-operating items:		
Acquisition and transaction costs	(1.6)	(1.1)
Net financing charge on pre-paid contracts	(0.8)	(0.8)
Net other income and expenses	0.3	(0.0)
Tax effect of adjustments	0.2	0.3
Net profit after tax	19.0	16.0

1. FY22 is presented on a Pro forma basis. Refer to slide 31 for the Statutory Financial Summary for FY22.
2. Operating NPAT in FY22 has been restated to exclude the net financing charge on pre-paid contracts.

Comments

Revenue

- Increased 16.0% on FY22 to \$168.5m, primarily due to:
 - comparable Average Revenue Per Funeral growth of ~7% and comparable funeral volume growth of ~1%
 - full year contributions from 6 acquisitions completed during FY22 and part year contributions from 5 acquisitions completed during FY23

Gross profit margin

- In line with pre COVID gross profit margin of ~70%
- Reflects a higher mix of full service funerals compared to FY22
- Impacted by the financial profile of acquisitions completed during FY23 and FY22

Operating EBITDA

- Increased 18.0% on FY22, primarily due to:
 - the full year contributions from 6 acquisitions completed in FY22 and part year contributions from the 5 acquisitions completed during FY23
 - good cost control, despite the higher inflationary environment
- Positive operating leverage and margin expansion

Other operating items:

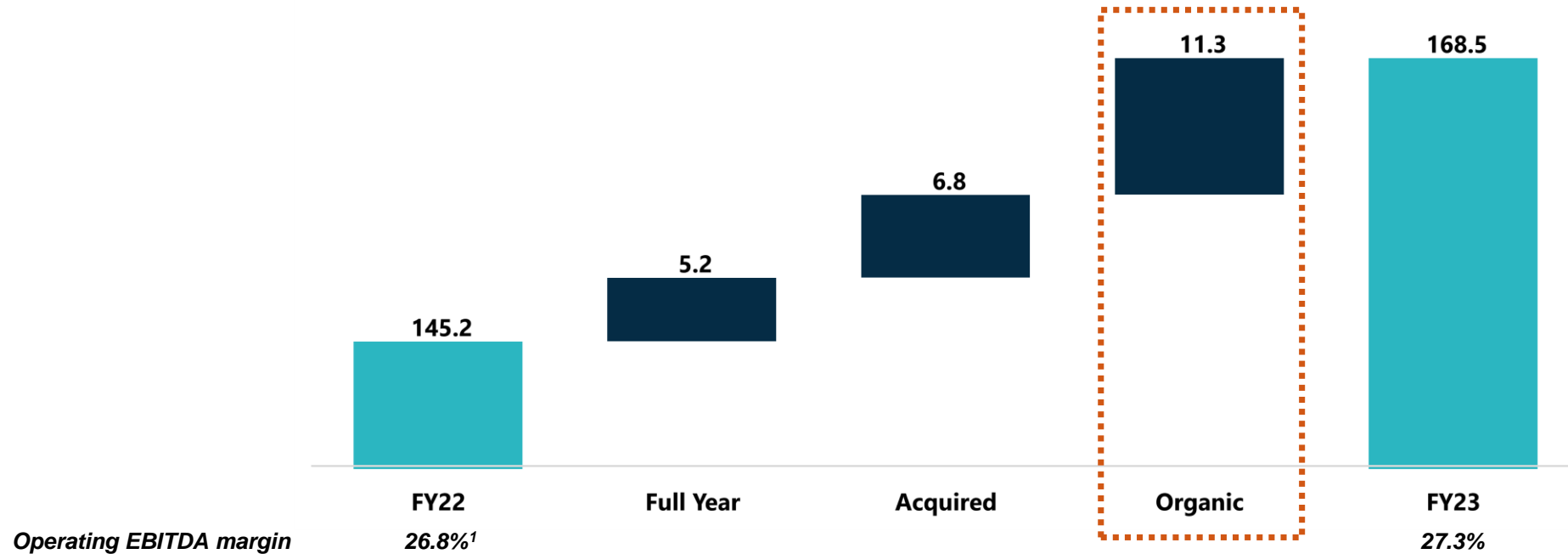
- Includes \$4.8m relating to AASB 16 (Accounting for Leases) (FY22: \$4.8m)
- Depreciation increased primarily due to acquisitions
- Net interest expense was circa \$1.5m higher than FY22 (primarily relating to higher interest rates and higher drawn debt relating to acquisitions)
- Average Effective Interest Rate on drawn debt of 5.1% in FY23 (FY22: 2.4%)
- Adjusted Effective Tax Rate of 29.6% (FY22: 29.7%)
- Operating NPAT increased 17.9% and Operating EPS increased 12.7%

Non-operating items:

- Largely related to acquisition costs and the net financing charge

Revenue Bridge and Operating EBITDA Margin

Propel expanded its Operating EBITDA margin by 45 bps, despite higher inflation



Comments

Total:

Funeral Volumes

- ▲ ~9% on FY22 including contributions from acquisitions

Average Revenue Per Funeral

- ▲ ~6% influenced by recent acquisitions, funeral mix and pricing

Organic:

Funeral Volumes

- ▲ ~1% on FY22

Average Revenue Per Funeral

- ▲ ~7% on FY22

Operating EBITDA margin:

- ▲ 45 bps on FY22, positively impacted by:
 - growth in comparable funeral volumes and Average Revenue Per Funeral; and
 - good cost control

Led to positive operating leverage and margin expansion

1. Pro forma.

Cash Flow

Statutory actuals

\$ million	FY23	FY22
Receipts from customers (inc GST)	183.6	158.2
Payments to suppliers and employees (inc GST)	(138.8)	(116.4)
	44.9	41.9
Income taxes paid	(8.0)	(5.9)
Interest paid	(4.8)	(3.8)
Interest received	0.3	0.1
Termination fee	-	(7.5)
Transaction costs	-	(0.5)
Net cash provided by operating activities	32.3	24.3
Payment for purchase of business, net of cash acquired	(46.3)	(19.5)
Net payments for property, plant and equipment	(18.3)	(11.8)
Proceeds from the sale of business	-	0.4
Other investing cash flows	0.0	0.0
Net cash used by investing activities	(64.6)	(30.9)
Proceeds from issue of shares, net of transaction costs	-	62.3
Net (repayment)/proceeds from borrowings	92.4	(38.8)
Dividends paid	(15.7)	(13.0)
Other financing cash flows	(5.3)	(3.5)
Net cash provided by financing activities	71.3	7.1
Net (decrease)/increase in cash during the year	39.0	0.5
Cash at the beginning of the year	7.9	7.5
Exchange rate effects	0.1	(0.1)
Cash at the end of the year	46.9	7.9
Cash flow conversion %	95.4%	100.2%

Comments

Operating activities

- Operating Cash Flow increased 7.2% on FY22
- Cash Flow Conversion remained strong at 95.4%

Investing activities

- Includes acquisitions (\$43.3m), acquisition costs (\$1.5m) and earn out payments (\$1.5m)
- Maintenance capital expenditure amounted to 4.1% of FY23 revenue (FY22: 4.4%)
- Acquired two freehold properties for \$6.9m, excluding stamp duty, net of a property disposal

Financing activities

- Draw down of debt, in connection with acquisitions and property purchases
- Reflects the dividends paid during the year

Balance Sheet

Statutory actuals

\$ million	FY23	FY22
Cash and cash equivalents	46.9	7.9
Contract assets	64.5	53.1
Other current assets	17.8	13.1
Total Current Assets	129.2	74.1
Property, plant & equipment	216.2	168.6
Right-of-use assets	31.1	35.7
Goodwill	155.4	141.8
Other non-current assets	8.0	8.5
Total Non-Current Assets	410.6	354.6
Total Assets	539.8	428.6
Trade and other payables	11.9	10.8
Borrowings	19.8	14.9
Contract liabilities	71.3	59.6
Lease liabilities	3.5	8.9
Other current liabilities	10.5	9.7
Total Current Liabilities	117.1	103.9
Borrowings	119.7	32.9
Lease liabilities	30.5	29.0
Other non-current liabilities	19.2	14.1
Total Non-Current Liabilities	169.4	76.0
Total Liabilities	286.5	179.9
Net Assets	253.3	248.8
Total Equity	253.3	248.8

1. Senior debt less cash and cash equivalents.

Comments

Cash and net debt position

- \$46.9m of cash (30 June 2022: \$7.9m)
- \$93.7m of net debt¹ (30 June 2022: \$40.3m)
- \$140.6m of drawn senior debt (30 June 2022: \$48.1m)

Pre-paid contracts

- Largely held with third party friendly societies
- Asset increases by investment returns
- Liability increases by non cash financing charge
- Asset and liability derecognised when the contract turns at need
- Pre-paid contracts that turned at need in Australia accounted for less than 10% of the Group's Australian funeral volumes in FY23, consistent with FY22

Property, plant and equipment

- Includes land and buildings at cost (less depreciation) of \$175m as at 30 June 2023, noting an additional ~\$37m of land and buildings have been acquired subsequent to 30 June 2023

Goodwill

- Represents purchase price of acquisitions less fair value of net tangible assets acquired
- No impairment

Capital Management

Available funding capacity of ~\$87 million, significant debt covenant headroom and materially higher dividends

Funding Capacity (as at 30 June 2023)

- Available funding capacity of ~\$87m:

	\$ million	\$ million
Senior debt facility limit		255.0
Net Debt¹		(93.7)
Acquisition cash commitments ²	(76.9)	
Surplus properties held for sale	2.4	(74.5)
Pro Forma Net Debt³		(168.2)
Funding capacity⁴		86.8

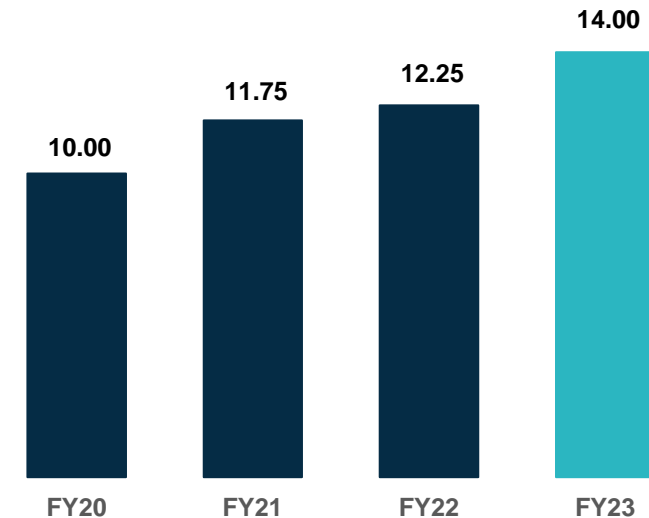
Debt covenant summary (as at 30 June 2023)

- The Group remained comfortably in compliance with its debt covenants:

Net Leverage Ratio (must be < 4.0x) ³	1.7x ✓
Fixed charge cover ratio (must be > 1.75x)	5.3x ✓

Dividend summary (cps)

- FY23 fully franked dividends totalled 14.00 cps (FY22: 12.25 cps)
- Payout ratio of 79% of Distributable Earnings (FY22: 81%)



1. Senior debt less cash and cash equivalents.

2. Cash paid on completion of J Fraser & Sons, Olsen's Funerals and Harbour City Funeral Home. Cash payable on completion of Terry Longley & Son (announced but not yet completed) and the purchase of an unrelated freehold property. Excluding transaction costs and subject to exchange rate movements.

3. The Net Leverage Ratio for covenant purposes includes adjustments – for example: (1) the Group's \$20m working capital facility is excluded from net debt; and (2) Operating EBITDA includes the annualised impact of acquisitions and is calculated on a pre AASB16 basis.

4. Undrawn debt and cash at bank, as at 30 June 2023, less the estimated cash that will be required to fund commitments relating to acquisitions and estimated proceeds from two surplus properties held for sale. Excluding transaction costs and subject to exchange rate movements.

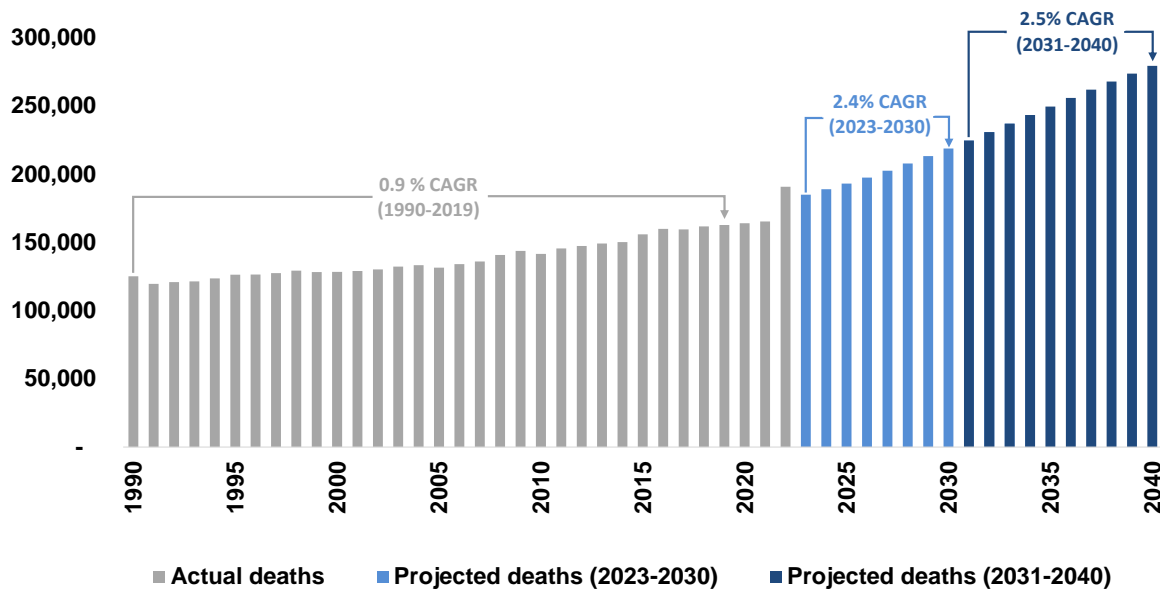
4. Industry Trends and Acquisitions



Increasing Number of Deaths

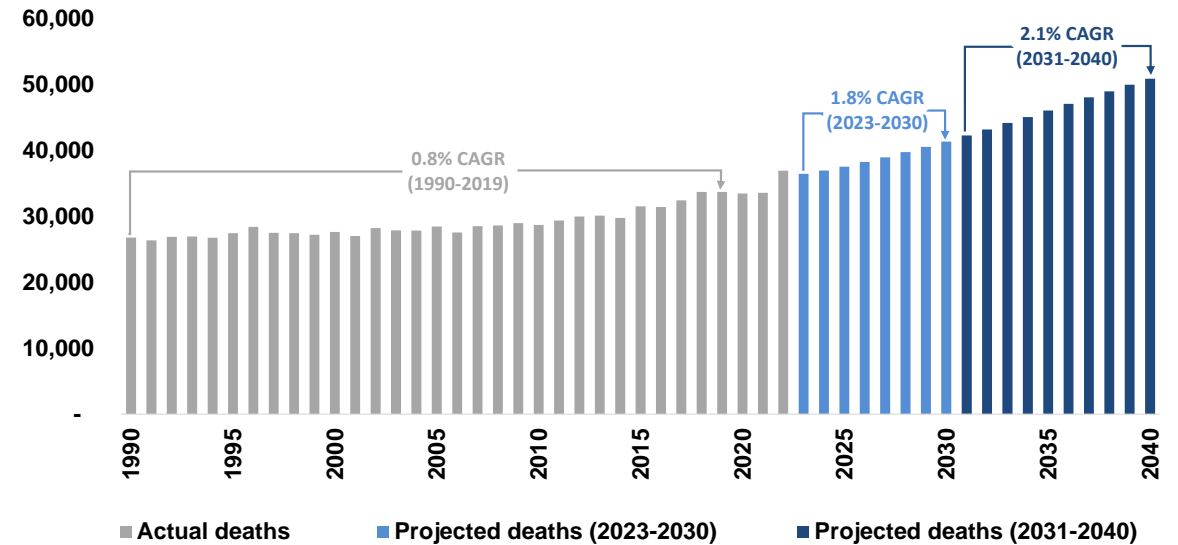
Number of deaths is the most significant driver of revenue in the death care industry

1 Australia



- Death volumes in Australia grew by 0.9% pa between 1990 and 2019¹
- Death volumes are expected to increase by 2.4% pa from 2023 to 2030¹ and 2.5% from 2030 to 2040¹

2 New Zealand



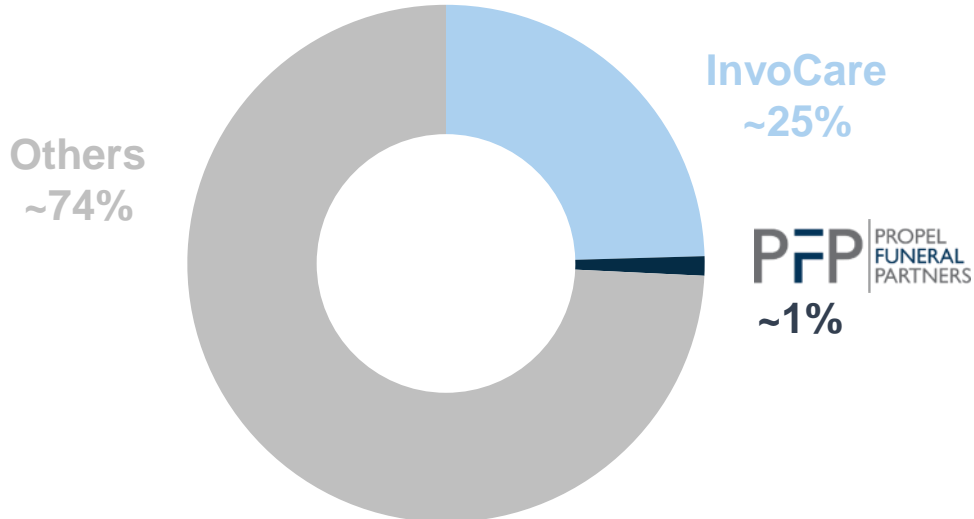
- Death volumes in New Zealand grew by 0.8% pa between 1990 and 2019²
- Death volumes are expected to increase by 1.8% pa from 2023 to 2030² and 2.1% from 2030 to 2040²

1. Source: ABS, Dataset: Deaths and Infant deaths, Year and month of occurrence, Sex, States, Territories and Australia for actual deaths by financial year. 3222.0 Population Projections, Australia, 2017 (base) – 2066, Table 1 Projected population, Australia, Series B, for projected deaths by financial year (released in November 2018). 2019-2022 has been excluded from the historical CAGR due to COVID impacts on death volumes.
 2. Source: Stats NZ's data which are licensed by Stats NZ for re-use under the Creative Commons Attribution 4.0 International licence. Population, Deaths - VSD, Table: Month and year of death (Monthly) for actual deaths by financial year and National population projections, characteristics, 2022(base)-2073) for projected deaths by financial year (released in July 2022). 2019-2022 has been excluded from the historical CAGR due to COVID impacts on death volumes.

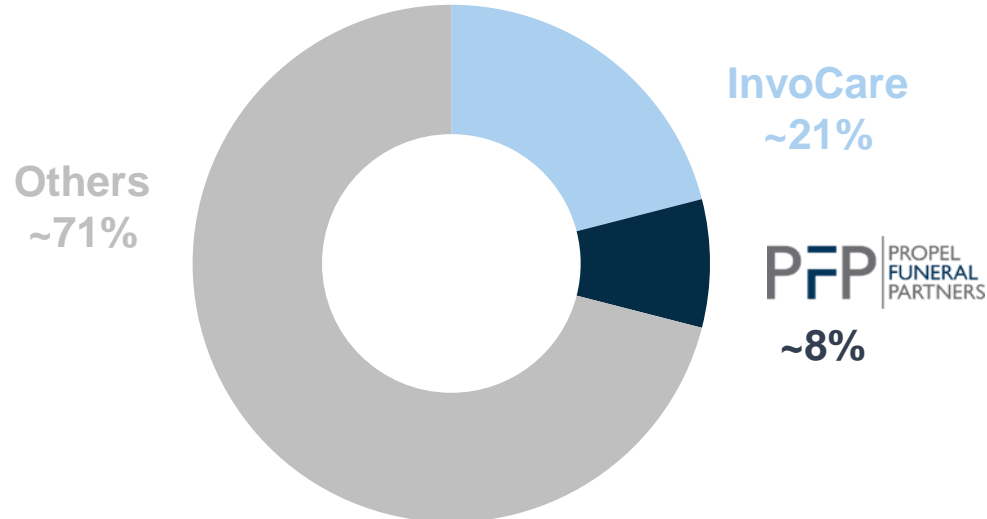
Market share estimate (funeral volumes)

Propel has increased its market share in the highly fragmented Australian funeral industry

1 CY15¹



2 CY22²



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: 190,755 actual deaths (ABS provisional mortality statistics) for market size, ~14,350 funerals performed by Propel (including annualised funerals relating to acquisitions completed in CY22) and 39,848 funerals performed by InvoCare in Australia in CY22 (page 24 of InvoCare's 2022 Annual Report to Shareholders dated 24 April 2023).

Acquisitions

Propel has committed ~\$121 million¹ on acquisitions during the past ~12 months (~\$269 million¹ since its IPO)

1 FY23:

1. Community Funerals/ Cremation for Pets	Nov-22	Cairns, QLD
2. Mason Park Funerals	Nov-22	Wangaratta, VIC
3. Pets at Rest	Dec-22	Auckland, NZ
4. Seddon Park	Feb-23	Hamilton, NZ
5. Alfred James	Apr-23	Adelaide, SA

Consideration: ~\$44 million
Revenue³: ~\$16 million
Locations: 15 (10 freehold)
Cremation facilities: 3








2 FY24 YTD:

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 ²	Hawkes Bay, NZ

Consideration: ~\$77 million
Revenue³: ~\$30 million
Locations: 24 (19 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. Excludes properties purchased subsequent to completion of a relevant business acquisition totalling \$27.7 million (excluding stamp duty). Subject to completion adjustments and exchange rate movements.
 2. Estimated timing of completion.
 3. Annual revenue prior to acquisition.

5. Summary, Outlook 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 ~19% of the Company's issued capital
- Built the business from the ground up (from 1 funeral home in 2013 to a network of 180 locations over the last 10 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 180 locations¹ (107 owned properties valued at cost of ~\$212 million less depreciation) is difficult to replicate
- ~\$87 million available funding capacity for growth through acquisitions and other initiatives

6 Value creation

- Total shareholder value creation of ~\$241 million and total shareholder return of ~71% since IPO

1. 159 operating locations as at 30 June 2023 plus 21 operating locations added during FY24 YTD.

Outlook and Guidance

Given ~\$121m of acquisition commitments in the past ~12 months, Propel provides the following FY24 guidance:

1 FY24 guidance range:

Revenue (\$m)

Operating EBITDA (\$m)

	Low	High
Revenue (\$m)	200.0	220.0
Operating EBITDA (\$m)	54.0	60.0

2 Key assumptions and comments:

• **Acquisitions:**

- full year contributions from five FY23 acquisitions¹
- part year contributions from four FY24 acquisitions¹
- any other FY24 acquisitions should be incremental to guidance

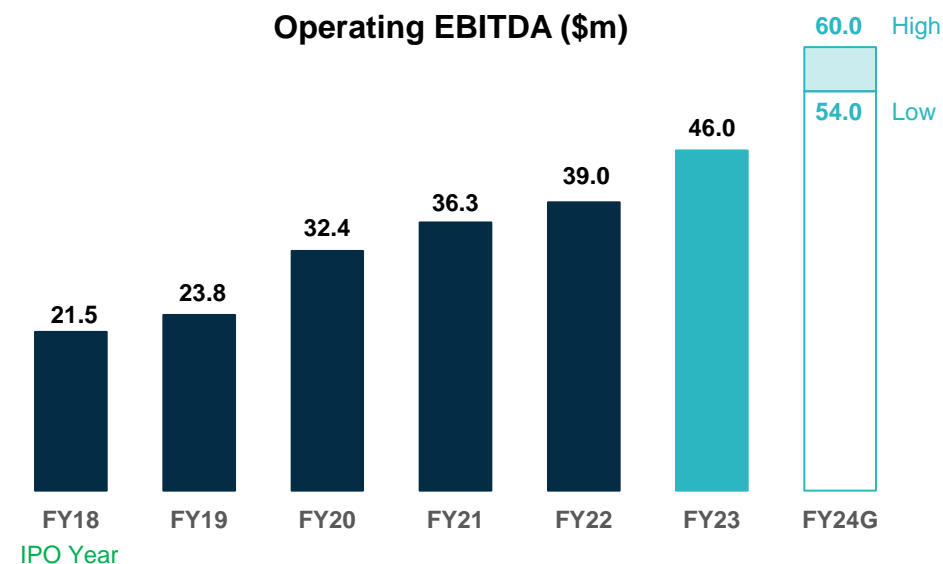
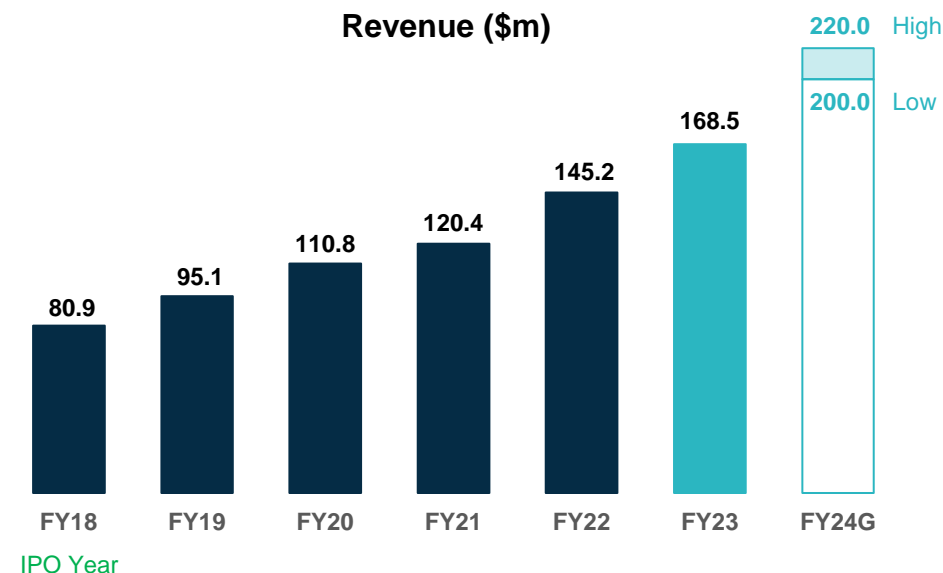
• **Funeral volumes:** in FY24 total ~21-23k (FY23: ~18k) with no material change in organic volumes, noting that:

- Propel performed a record number of funerals in the month of July 2023
- death volumes fluctuate over short time horizons (eg FY23: 1H organic growth of +5%² versus 2H decline of -4%²)
- ongoing impacts from COVID-19 on death volumes remain uncertain

• **Average Revenue Per Funeral:** FY24 growth exceeds 3%³

• **Market share and funeral mix:** stable

• **Other:** based on information currently available, including recent trading, current inflation expectations and barring any unforeseen events



1. Refer to slide 24.
 2. Propel's comparable funeral volume change over the relevant PCP.
 3. CAGR since FY14 - refer to slide 12.

6. Q&A



Appendices



Definitions

Adjusted Effective Interest Rate means the average interest rate on senior debt, including the interest rate swap (where relevant) and establishment fees but excluding the commitment fee on undrawn debt.

Adjusted Effective Tax Rate means income tax expense divided net profit before tax, adjusted for non deductible and non assessable items.

ARPF means Average Revenue Per Funeral.

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.

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 and excluding the termination fee and transaction costs in connection with the Management Internalisation.

Cps means cents per share.

CY means calendar year.

Distributable Earnings means NPAT adjusted for the non-cash net financing charge on pre-paid contracts and acquisition costs.

FY means financial year.

Gearing Ratio means net debt divided by net debt plus total equity.

Group means Propel and its wholly owned subsidiaries.

IPO means initial public offering.

Management Internalisation means the internalisation of key senior management functions of Propel completed in July 2021. Refer to Propel's ASX announcements dated 31 May 2021 and 26 July 2021.

NEDs means non-executive directors.

Net Leverage Ratio for covenant purposes includes adjustments – for example: (1) the Group's \$20m working capital facility is excluded from net debt; and (2) Operating EBITDA includes the annualised impact of acquisitions and is calculated on a pre AASB16 basis.

NPAT means net profit/(loss) after tax.

NZ means New Zealand.

Operating Cash Flow means ungeared, pre-tax operating cash flow, excluding the termination fee and transaction costs in connection with the Management Internalisation.

Operating EBIT means Operating EBITDA less depreciation.

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

Operating EPS means Operating NPAT divided by the weighted average number of ordinary shares on issue.

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 statutory results excluding one-off items relating to the Management Internalisation and government subsidies and including the recurring impacts of the management internalisation, as if it had occurred on 1 July 2021.

Prospectus means the prospectus prepared by Propel in connection with the IPO.

Financial Summary

Income Statement¹

\$ million	FY23	FY22
	Statutory	Statutory
Total revenue	168.5	145.2
Gross profit	118.1	102.5
...margin	70.1%	70.6%
Total operating costs	(72.1)	(62.9)
Operating EBITDA	46.0	39.6
...margin	27.3%	27.3%
Depreciation	(11.4)	(10.3)
Operating EBIT	34.6	29.3
...margin	20.5%	20.2%
Net interest expense	(5.0)	(3.5)
Operating NPBT	29.6	25.8
Income tax expense	(8.7)	(7.6)
Operating NPAT¹	20.9	18.2
Operating EPS (cps)	17.7	16.2
Non-operating items:		
Acquisition and transaction costs	(1.6)	(1.5)
Net other income and expenses	0.3	(0.0)
Net financing charge on pre-paid contracts	(0.8)	(0.8)
Termination fee	-	(15.0)
Share based payment revaluation expense	-	(5.4)
Fair value adjustment on termination shares	-	(1.0)
Tax effect of adjustments	0.2	5.2
Net profit after tax	19.0	(0.3)

1. Operating NPAT in FY22 has been restated to exclude the net financing charge.

Income Statement Analysis¹

\$ million	FY23	FY22
Funeral operations	148.1	127.5
Cemetery, crematoria and memorial gardens	18.5	15.4
Other trading revenue	2.0	2.3
Total revenue	168.5	145.2
Cost of sales	(50.4)	(42.7)
Gross profit	118.1	102.5
Employment costs	(54.2)	(47.4)
Occupancy and facility costs	(8.1)	(7.4)
Advertising costs	(3.4)	(3.3)
Motor vehicle costs	(2.5)	(2.1)
Other operating costs	(3.9)	(3.4)
Total operating costs	(72.1)	(63.6)
Operating EBITDA	46.0	39.0

Comments

Revenue segments:

- 87.9% generated from funeral operations (FY22: 87.8%)
- 11.0% generated from cemetery and memorial gardens (FY22: 10.6%)
- 1.2% from other sources (including coroners contracts) (FY22: 1.6%)

Employment costs:

- 32.1% of revenue (FY22: 32.6%)

Occupancy and facility costs:

- 4.8% of revenue (FY22: 5.1%)

1. FY22 is presented on a Pro forma basis.

NPAT to Operating NPAT Reconciliation

\$ million	FY23		FY22
	Statutory	Pro forma	Statutory
Net profit/(loss) after income tax	19.0	16.0	(0.3)
Add: Acquisition and transaction costs	1.6	1.1	1.5
Add: Net other income and expenses	0.2	0.1	0.1
Add: Net financing charge on pre-paid contracts	0.8	0.8	0.8
Add: Termination fee	-	-	15.0
Add: Share based payment revaluation expense	-	-	5.4
Add: Fair value adjustment on termination shares	-	-	1.0
Less: Net foreign exchange gain	(0.1)	0.0	0.0
Less: Net gain on disposal of assets	(0.4)	(0.1)	(0.1)
Less: Tax effect of certain Operating NPAT adjustments	(0.2)	(0.3)	(5.2)
Operating NPAT	20.9	17.7	18.2

Distributable Earnings and Dividend

Reconciliation

\$ million	FY23	FY22
Net profit/(loss) after tax	19.0	(0.3)
Distributable Earnings calculation		
Acquisition and transaction costs	1.3	1.1
Net financing charge on prepaid contracts	0.8	0.8
Termination fee	-	10.5
Share based payment revaluation expense	-	5.4
Fair value adjustment on termination shares	-	0.7
Government subsidies	-	(0.4)
Distributable Earnings	21.1	17.8
Dividend payout ratio (rounded)	79%	81%
Actual number of shares on issue ¹	118,240,522	117,895,750
Dividend per share	14.00	12.25

¹ As at 24 August 2023 and 24 August 2022 respectively

