

InvoCare acquires two pet cremation businesses; creates leading national pet end of life network

Wednesday 11 November 2020

Highlights

- InvoCare has acquired Family Pet Care Pty Limited which has a presence in WA, SA, VIC and Southern NSW and Queensland based Pets in Peace for a combined price of \$49.8m of which \$11.5m represents deferred consideration subject to attainment of 2year earnings targets
- The acquisitions represent a strategic expansion of the Group's existing pet cremation business in NSW (Patch and Purr), and will create Australia's leading provider of pet cremation services with a national footprint in an industry estimated to be growing at circa 9.0% per annum
- The acquisitions are forecast to deliver combined annual revenue of circa \$19.3m and EBITDA of \$5.2m and will be EPS accretive in the first full year of operations

InvoCare Limited (ASX: IVC) today announced it has entered into conditional sales agreements to acquire 100% of the shares of Family Pet Care Pty Limited and the business and assets of Pets in Peace. The completion of the two acquisitions will provide InvoCare a national footprint and position it as the market leader in pet cremation and pet after life services in Australia. Both acquisitions are expected to complete by the end of November 2020.

Family Pet Care Pty Limited is the country's leading pet cremation services provider. Based in Perth and operating across six locations in WA, SA, VIC and Southern NSW they conduct approximately 52,000 pet cremations annually through two brands – Lawnswood (WA) and Edenhills (SA, VIC and NSW).

Queensland based Pets in Peace is the largest pet cremation services provider in Queensland and performs circa 14,000 pet cremations annually from four locations across the south east region of Queensland and more recently in Toowoomba.

Chief Executive Officer, Martin Earp said: *"The acquisitions are a significant expansion into the adjacent market of pet cremations building on our 2018 entry into this market in NSW and transforming the Pet Cremation division of InvoCare into a meaningful contributor to overall earnings. We are excited to complete these transactions as they are both a very high-quality businesses providing exceptional levels of customer service. Expanding the pet cremation business is a natural evolution for InvoCare providing opportunities to leverage its decades of operating in the end of life market. In addition, it is our belief that our deep experience in memorialisation in our core business will transfer across to the pet sector given the increasing trend towards the humanisation of the pet industry."*

I am also delighted to announce that the current owners and leadership teams of both businesses will remain in place to ensure that we continue to provide the highest level of customer service and facilitate a smooth integration with InvoCare's existing pet cremation operation, Patch & Purr. This will include building on the market leading service proposition provided through Patch & Purr's technology and bespoke cremations".

Lance Stringer from Family Pet Care said: *"It's a good fit as both of our businesses are culturally aligned in bringing a more professional approach to every aspect of what we do. We help our clients through a really tough time when their pet passes and it is often not very different to the feelings that people experience when losing human family members. The increasing humanisation of pets is well documented and so we need to be able to provide services to human standards and InvoCare has this experience which we can draw on."*

Martin Hopp from Pets in Peace said: *"We are very excited for the next stage of the Pets in Peace journey and that InvoCare has embraced our beliefs that our pets are our family and they deserve the same respect. 21 years ago our dream was to be able to offer our four-legged family members the same dignified farewell as we offer other family members. We know the high service standards that Pets in Peace have set will continue and the families we help will receive the best possible farewell for their fur babies."*

- ENDS -

This announcement has been authorised by the Board of InvoCare Limited.

BACKGROUND

InvoCare, headquartered in Sydney, is a leading provider of end of life services. It owns multiple funeral brands in Australia, New Zealand and Singapore and operates private cemeteries and crematoria in Australia. It is also the largest provider of pet cremation services in Australia.

InvoCare intends to fund the transaction from its existing cash and financing facilities.

For immediate release.

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