

13 October 2021

## Trading Update – Q1 FY22

Propel Funeral Partners Limited (ASX: PFP) (**Propel** or **Company**) announces that its trading performance for the three months ended 30 September 2021 (**Q1 FY22**)<sup>1</sup> was materially above the prior corresponding period (**PCP**), further demonstrating the Company's operating and financial growth and resilience despite COVID-19 impacts.

In Q1 FY22, Propel<sup>1</sup>:

- generated revenue growth of ~13% on the PCP;
- performed a record number of funerals in a quarter, with total funeral volume growth above 10% on the PCP, including comparable funeral volume growth above 5% on the PCP;
- experienced resilient Average Revenue Per Funeral<sup>2</sup> in line with the PCP, notwithstanding the impacts of extended lock downs and strict funeral attendee limits in New South Wales, Victoria and New Zealand during the quarter;
- achieved an Operating EBITDA<sup>3</sup> margin of ~28%; and
- maintained strong Cash Flow Conversion<sup>4</sup>.

The Company's Q1 FY22 trading:

- included contributions from three acquisitions completed during Q2 FY21;
- included a circa two week contribution from the recently announced acquisition of State of Grace Funerals (which completed on 15 September 2021);
- included direct employment expenses of three senior management executives from 26 July 2021<sup>5</sup>; and
- did not include contributions from the recently announced acquisitions of Berry Funeral Directors (which completed on 1 October 2021) and Glenelg Funerals (which is expected to complete by 31 December 2021, subject to satisfaction/waiver of the conditions precedent).

Death volumes can fluctuate over short time horizons, so caution is required when extrapolating historical data to forecast potential future performance.

Albin Kurti, Managing Director of Propel, said: "Propel's diversified network of funeral and related social infrastructure assets across Australia and in New Zealand has continued to deliver considerable financial resilience in the first quarter of FY22, despite COVID-19 impacts, and I thank our staff for their dedication to providing essential funeral and related services to local communities. Hopefully extended lock downs, strict funeral attendee limits and travel restrictions will soon be behind us, enabling bereaved client families to grieve in a manner that they ordinarily would, surrounded by family and friends."

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<sup>1</sup> Based on the Company's unaudited management accounts.

<sup>2</sup> Revenue from funeral operations, excluding direct disbursements (such as third party cemetery and third party cremation fees) and delivered pre-paid impacts, divided by the number of funerals in the relevant period.

<sup>3</sup> Earnings before interest, tax, depreciation, amortisation and certain non-operating items, such as acquisition and transaction costs. Includes the impacts of the management internalisation completed on 26 July 2021. No government subsidies or other COVID-19 related relief payments were received in Australia in Q1 FY22.

<sup>4</sup> Operating EBITDA converted into ungeared, pre-tax operating cash flow.

<sup>5</sup> The completion date of the management internalisation.

# ASX ANNOUNCEMENT



## **About Propel:**

Propel is listed on the Australian Securities Exchange and is the second largest private provider of death care services in Australia and New Zealand. Propel currently operates from 138 locations, including 32 cremation facilities and 9 cemeteries.

## **For further information, please contact:**

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## **Authority to release:**

This document has been authorised for release by the Company's board of directors.

## **Important notice:**

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