

18 November 2021

2021 Annual General Meeting

Attached are the addresses and accompanying presentation to be delivered by the Chairman and Managing Director at the 2021 Annual General Meeting of Propel Funeral Partners Limited (**Company**) (**AGM**) commencing today at 9.30am (Sydney time).

Please note that:

- slide 24 of the presentation includes commentary on Q1 FY22 trading and general comments regarding the Company's outlook; and
- slide 7 of the presentation makes reference to the Company's non-underwritten share purchase plan (**SPP**), which closed at 5.00pm (Sydney time) yesterday and in relation to which application amounts exceeded the intended raising amount of \$10 million. The Company will release final details regarding the SPP, including whether there will be a scale back or whether over subscriptions will be accepted, to shareholders via an ASX announcement in the coming days.

-END-

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:

Lilli Gladstone
Head of Finance
+ 612 8514 8644

Authority to release:

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

Important notice:

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements. Forward-looking statements, including projections or guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Propel). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.

PROPEL FUNERAL PARTNERS LIMITED

Thursday, 18 November 2021 (9.30am)
2021 Annual General Meeting

Address from the Chairman, Brian Scullin:

Slide 3

Good morning everyone.

I'm Brian Scullin, Independent Chairman and Non-Executive Director of Propel Funeral Partners Limited.

On behalf of the Board, it is my pleasure to welcome you to Propel's 2021 Annual General Meeting, which is being conducted through a virtual meeting platform provided by Link, our share registrar.

In light of travel and other restrictions in place as a result of the COVID-19 pandemic, the Company's board of directors determined it prudent for the 2021 AGM to be held online only.

We hope that by doing so, we will assist in further curbing the spread of the COVID-19 virus and enable greater participation and engagement among our shareholders.

One of the benefits of a virtual meeting is that it allows shareholders to attend and participate no matter where they live.

Let me thank you in advance for your patience as we go through the meeting. We will try to ensure that every shareholder who wants to have an opportunity to participate in the meeting, can participate, equivalent to the one they would have had if attending in person.

If we experience any technical issues today, a short recess or an adjournment may be required.

I have confirmed with the Company Secretary that we have a quorum present and the meeting has been validly constituted, so I declare the meeting open.

The Notice of Meeting was duly given and the meeting has been properly convened. We will turn to the resolutions towards the end of the meeting.

Slide 4

With me online and joining from Sydney and Hobart are your other independent Non-Executive Directors, Naomi Edwards and Jonathan Trollip, as well as Executive Director, Fraser Henderson and Managing Director, Albin Kurti.

Fraser and I present ourselves for re-election at today's Meeting.

Also online are:

- Lilli Gladstone, Propel's Chief Financial Officer;
- our audit partner from Nexia, Lester Wills, who is here to address any questions you may have of him; and
- representatives from Link and Mont Lawyers.

Slide 5

After my introduction, Albin will provide some comments on last year's financial results and trading in Q1 of FY22, among other matters. The formal matters of the Meeting will then be addressed and you will have the opportunity to raise questions. The online platform is now open for shareholders' questions. Shareholders can click on the 'Ask Question' button, type their question and click submit or, for those shareholders who have obtained their pin, can ask questions via the phone number provided to you. Please note we have sought to address questions received prior to the meeting, during the presentations.

As set out in the Notice of Meeting, in terms of the formal matters of the Meeting, all resolutions will be decided on a poll. In order to provide everyone with an opportunity to vote and in case anyone cannot stay for the whole Meeting, I now formally declare the poll open on all items, and the poll will remain open until I declare it closed. Please note that only shareholders, proxy holders and shareholder company representatives may vote on today's resolutions. Shareholders can cast their vote using the electronic voting card. Shareholders attending the meeting online will be able to cast their vote using the electronic voting card received when online registration was validated.

Slide 6

The table on the screen shows the votes received prior to the cut off time in relation to the resolutions requiring a shareholder vote at today's meeting. As you will see, there has been overwhelming support for each of the resolutions. I will come back to the resolutions later.

Slide 7

COVID-19 continued to present significant challenges for the funeral industry during FY21, including Propel's staff in Australia and New Zealand. On behalf of the Board, I would firstly like to acknowledge and thank all of our staff for continuing to provide caring funeral and related services throughout FY21, in often challenging circumstances.

We have endeavoured to keep you, our shareholders, appropriately informed about COVID-19 impacts on the Company's trading, through various ASX announcements since the start of the pandemic.

Despite the challenges in FY21, I am pleased to report that Propel continued its track record of delivering revenue and earnings growth. The Company's acquisition led growth strategy and diversification in providing essential funeral and related services across seven states and

territories of Australia and in New Zealand, including regional and metropolitan markets, delivered growth and resilience in earnings and operating cash flows in FY21, which Albin will discuss in more detail shortly.

The Board elected to reward shareholders by declaring total dividends of 11.75 cents per share fully franked in connection with FY21, reflecting a payout ratio of 81% of Distributable Earnings.

As shareholders would be aware, throughout FY21, the Company was externally managed by Propel Investments Pty Ltd (who I will refer to as the Manager), under a management agreement dated 11 September 2017.

On 31 May 2021, the Company announced that, following negotiations initiated and led by myself and Propel's two other independent non executive directors, it had entered into an Implementation Agreement with the Manager to give effect to an internalisation of key senior management functions of the Company.

On 26 July 2021, the Company announced that, following receipt of overwhelming shareholder approval, the Management Agreement was terminated, resulting in, among other things, the payment of a \$15.0 million termination fee to the Manager (settled 50% in cash and 50% in Propel shares) and Albin, Fraser and Lilli becoming employees of the Group.

The internalisation of management has aligned the Company with more standard management structures for ASX listed operating entities, which is expected to increase investor participation, provide corporate governance and financial benefits, while ensuring continuity of the Company's strategy, its Board and management. In that regard, it has been encouraging to see the Company's share price and liquidity increase since the announcement of the management internalisation.

Subsequent to year end, Propel expanded its senior debt facilities to \$200 million and also extended the debt maturity date. Obviously, there is a balance between prudently taking advantage of the low interest rate environment and high liquidity in debt markets, and not over stretching the balance sheet.

As you would expect, the Board is mindful to strike the right capital structure to ensure the Company is appropriately funded, so that Propel can continue to capitalise on growth opportunities, as and when they materialise. With that in mind, last month Propel successfully completed a circa \$50 million equity raising via a placement of approximately 12.2 million new ordinary shares to existing and new institutional shareholders, at an issue price of \$4.10 per share. I thank our existing, and welcome our new, institutional investors who participated in the Placement.

In addition to the Placement, Propel has offered all eligible existing shareholders the opportunity to apply for new Propel shares through a share purchase plan or SPP.

The offer period under the SPP closed at 5.00pm yesterday and I am pleased to announce that applications received under the SPP have exceeded the intended raising amount of \$10 million.

I thank all shareholders who submitted applications under the SPP for their ongoing support of Propel.

After today's AGM and following relevant confirmations from the Company's share registry provider, the Company will release final details regarding the SPP to shareholders via an ASX announcement in the coming days.

Since listing on the ASX in November 2017 with an IPO issue price of \$2.70, the Company has paid fully franked dividends totalling 39.65 cents per share, or circa 57 cents per share on a grossed up basis. At yesterday's closing share price of \$4.25, this equates to total shareholder value accretion of approximately \$215 million since the IPO, before tax.

Propel remains focussed on a clearly defined growth strategy to acquire social infrastructure and assets which operate within the death care industry in Australia and New Zealand such as:

- private funeral home operators;
- funeral related properties and infrastructure; and
- cemeteries and crematoria.

This strategy is consistent with what was outlined in the Company's Prospectus prepared in connection with its IPO, approximately 4 years ago.

Demand for death care services is expected to grow in Australia and New Zealand because of increasing death volumes due to population growth and ageing of the "baby boomers".

The death care industry is highly fragmented and the Company believes there is significant opportunity for further consolidation in Australia and New Zealand. Propel is well positioned to capitalise on acquisition opportunities.

On behalf of the Board, I would like to thank the Propel management team and all our staff for their hard work and dedication. I also express my gratitude to my fellow directors. I thank you all for your considerable efforts.

Finally, I would like to thank our shareholders for your ongoing support. I look forward to hopefully being able to meet in person at future AGMs.

I now invite Albin to take you through last year's results and other matters which I am sure will be of interest to you. Following Albin's presentation, we will then return to the formal part of the business – matters requiring resolution, which are outlined in the Notice of Meeting.

Address from the Managing Director, Albin Kurti:

Slide 8

Thanks Brian. Good morning everyone, thanks for joining.

Although COVID-19 related restrictions are easing and we have reasons to be cautiously optimistic about the future, I would like to acknowledge and express my sympathies to bereaved client families, many of whom have farewelled loved ones in very challenging circumstances during the past 18 months, especially in lock down areas, where strict funeral attendee limits and travel restrictions have applied.

Having to limit and choose who can attend a funeral has been extremely distressing, with many families significantly constrained and unable to grieve in a way that they ordinarily would, surrounded and supported by family and friends. As you can imagine, this has placed additional pressure on families, and our staff.

So, I echo Brian's sentiments and thank all of Propel's dedicated staff in Australia and New Zealand for their hard work, professionalism, flexibility and commitment to providing essential and caring services to their communities, despite the challenges of COVID-19.

Slide 9

In terms of today's presentation, I'll start with a brief recap of FY21.

I'll then:

- provide an overview of Propel's business;
- touch on COVID-19 impacts and responses, industry tailwinds, acquisitions and capital management,
- before concluding with a trading update and our outlook.

Slide 10

FY21 was another record year for Propel.

Revenue increased 8.7% to \$120.4 million, on the back of a 4.6% increase in funeral volumes, including contributions from acquisitions, with Average Revenue Per Funeral up 4.3%.

Propel continued to grow earnings, with Operating EBITDA up 11.9% to \$36.3 million and Operating NPAT up 7.6% to \$15.3 million.

Cash flow conversion remained strong at approximately 102%, which is pleasing.

From a capital management perspective:

- as Brian mentioned, total dividends for the year were 11.75 cents per share, up 17.5% on the prior year;
- in August, the Company announced it had expanded its senior debt facilities by \$50 million to \$200 million, a strong vote of confidence from our debt financier, Westpac. Furthermore, and importantly, the debt maturity date was extended to October 2024, the cost of borrowing was reduced to circa 2% and a key covenant limit was increased; and
- in October, the Company successfully raised approximately \$50 million in equity via a Placement of new shares to new and existing institutional shareholders.

Including the target proceeds from the SPP, Propel's pro-forma net leverage ratio is circa 1.1 times and pro forma funding capacity is approximately \$150 million, which will support Propel's future growth initiatives, including acquisitions.

In terms of growth:

- Propel added 6 locations during FY21 and has added 2 locations since year end, bringing its total network to 138 locations currently; and
- management has been focussed on executing Propel's acquisition led growth strategy, committing over \$140 million on acquisitions since the Company's IPO.

In terms of our outlook, despite COVID-19 impacts, the financial resilience and growth demonstrated by Propel in FY21 has continued into the start of FY22, which I will discuss towards the end of the presentation.

Slide 11

In terms of COVID-19 impacts, strict funeral attendee limits in lock down areas of Australia and New Zealand during FY21:

- affected the Company's ability to offer a full range of services to client families; and
- temporarily resulted in a higher mix of lower value funerals performed across Propel's network.

However, as can be seen from the chart at the top of this slide, unlike the widespread impacts in the final quarter of FY20, in FY21:

- Average Revenue Per Funeral impacts were generally isolated to COVID-19 hot spot areas that were in temporary lock down; and

- Average Revenue Per Funeral growth across Propel's network returned to pre COVID-19 levels, which is encouraging.

Funeral volumes were also impacted.

During FY21, particularly in the first half, death volumes were below long term trends in key markets in which Propel operates – for example, total registered deaths in New South Wales and Queensland declined 4.2% compared to the prior year.

Social distancing measures, travel restrictions, an increased focus on personal hygiene and effective flu vaccinations:

- contributed to unusually benign flu seasons in 2020 and 2021; and
- as illustrated in the chart to the bottom right, reported flu cases in Australia were circa 99% below the prior 5 year average to 2019, which is expected to result in a deferral of death volumes into future periods.

Slide 12

This slide sets out some of our responses to COVID-19 and how we, our staff and our client families have had to adapt.

Our focus has been on people safety, essential service continuity and financial resilience.

I won't go through each point listed on this slide, but the measures implemented ranged from:

- reducing and re-arranging seating capacity in our chapels;
- limiting attendance and increasing the scheduled time between services;
- increased online streaming of funerals;
- changing the way funerals are arranged;
- controlling operating costs;
- staff working from home, where feasible; and
- accessing government subsidies, where eligible, enabling headcount to be maintained.

With the support of our dedicated staff and the understanding of our client families, Propel is focussed on continuing to trade effectively through COVID-19 disruptions, as they occur.

Slide 13

This slide summarises the management internalisation, which was completed in late July 2021.

Shareholders voted overwhelmingly in favour of a proposal to internalise the senior management functions of the Company, with the two shareholder resolutions being carried with over 98% of votes in favour.

In summary, the management internalisation involved:

- termination of the Management Agreement;
- a \$15.0 million termination fee paid to the Manager, which was settled 50% in cash and 50% in shares;
- Lilli, Fraser and I becoming employees;
- the transfer of intellectual property to the Company; and
- changes to the constitution and escrow arrangements relating to approximately 14.7 million Propel shares.

As Brian mentioned, the management internalisation has aligned the Company with more standard management structures for ASX listed operating entities, which is expected to increase investor participation, provide corporate governance and financial benefits, while ensuring continuity of the Company's strategy, its Board and management.

Slide 14

In terms of a business overview, this slide illustrates how Propel's network has evolved over the past 8 years.

We started with one funeral home in Queensland and, today, we operate from 138 locations across Australia and New Zealand, including 32 cremation facilities and 9 cemeteries.

Of those 138 locations, the Company owns 76 of them which are currently held at cost (on the Balance Sheet) for approximately 129 million.

Slide 15

This slide shows Propel's main operating brands in Australia and in New Zealand.

Each brand has a distinct identity and is well known in their respective markets.

Some have been around for many decades. For example, Millingtons has been operating in and around Hobart for over 100 years and in New Zealand, Davis Funerals has operated in and around Auckland since 1875.

The green dotted lines show the various brands relating to acquisitions completed or announced, during and since FY21.

These brands are an important part of the goodwill of each business we acquire.

Slide 16

As you can see on the left of this slide, the Company performed over 13,900 funerals in FY21, up 4.6%.

The chart on the right shows that Propel generated revenue of \$120.4 million in FY21, up 8.7%.

Slide 17

In terms of earnings growth:

- Operating EBITDA was \$36.3 million in FY21, a more than 10 fold increase since FY15 and up 11.9% on the prior year; and
- Operating NPAT was \$15.3 million, up 7.6%.

Slide 18

Propel's Average Revenue Per Funeral since FY14 has grown at a compound annual growth rate of 2.7%.

In FY21, Average Revenue Per Funeral was:

- up 4.3% on FY20; and
- up 2.8% on the pre COVID-19 period.

Slide 19

Propel's cash conversion has averaged circa 99% during the last 7 years.

In FY21, cash conversion remained strong at approximately 102%, which is pleasing, particularly given the continued growth in operating cash flow.

Cash conversion continues to be a key focus.

I'll now touch on Industry Trends, Acquisitions and Capital Management.

Slide 20

These charts show that the number of deaths in Australia and New Zealand is forecast to both increase and accelerate, according to the Australian Bureau of Statistics and Stats NZ.

I won't go through the specific growth rates, but the two observations I'd make are:

- firstly, few industries have the certainty of this tail wind profile; and
- secondly, death volume growth is not linear and it can fluctuate over shorter time horizons - from week to week, quarter to quarter and from year to year.

Slide 21

The industry is highly fragmented in Australia and in New Zealand, with Propel the second largest in both countries.

In the last three calendar years, Propel's estimated market share in Australia has increased more than 5 fold, from circa 1.2% in 2015 to circa 7% in 2020.

Notwithstanding this significant increase, approximately 70% of the market is still owned by independent operators.

Slide 22

Since its IPO four years ago, Propel has committed over \$140 million on acquisitions, which are geographically spread across Australia and New Zealand.

In FY21, the Company deployed approximately \$30 million on three acquisitions, comprising Dils Group in Auckland, Mid West Funerals in Western Australia and Pets RIP in Queensland.

Subsequent to the year end, in September 2021, we announced the commitment of approximately \$15 million in connection with three new acquisitions, facilitating Propel's entry into a new metropolitan market (in Adelaide) via Berry Funeral Directors and Glenelg Funerals and expansion in an existing metropolitan market (in Auckland) via State of Grace Funerals.

Those acquisitions are expected to contribute positively to Propel's financial results during the remainder of FY22 and beyond.

Moving forward, the team remains in active discussions and continues to explore other potential acquisition opportunities, but the timing of any future acquisitions, as you would appreciate, remains uncertain.

Slide 23

The Board regularly discusses capital management and the Company's funding needs, particularly in light of its acquisition pipeline and the fact that, in the last four financial years, Propel has committed over \$140 million on acquisitions.

As you can see from this slide, with the expansion of the Company's senior debt facilities, recently completed Placement and assuming the target amount is raised via the SPP, Propel is in a strong funding position, with pro forma funding capacity of approximately \$150 million.

Moving to our Outlook.

Slide 24

Propel continues to be well positioned to generate sustainable long-term growth and value creation.

We operate in a highly fragmented and essential service industry, with assets and social infrastructure that are difficult to replicate, which stands to benefit from favourable demographic tail winds, over the long term.

Although death volume growth is certain, unavoidable and predictable over the longer term, that growth is not linear and it fluctuates over time. In other words, death is certain, but its timing is not.

Historical experience suggests that the below trend death volumes in 2020 should be temporary, given:

- prior period declines have rebounded quickly; and
- the growing and ageing population.

I'm pleased to report that the financial growth and resilience demonstrated by Propel in FY21 has continued into the start of FY22.

In the first quarter of FY22, Propel:

- generated revenue growth of approximately 13% on the prior corresponding period (**PCP**);
- performed a record number of funerals, 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 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 margin of ~28%; and
- maintained strong Cash Flow Conversion.

In terms of the Company's financial results, we expect to benefit from:

- death volumes reverting to long term trends, given the growing and ageing population;
- the Company's strong funding position;
- the acquisitions completed and announced, during and since FY21; and
- other potential future acquisitions.

Thankfully, funeral attendee limits have eased significantly in recent weeks in NSW and Victoria and we expect funeral restrictions in Auckland will continue to ease, as the vaccination rate increases.

Our experience since the start of the pandemic has been that the financial impacts of strict funeral attendee limits have been temporary and Average Revenue Per Funeral has rebounded quickly, as restrictions have eased.

This not only reinforces the value that society places on physical attendance at a funeral service as a vital part of the grieving process, it also highlights the defensive nature and the social infrastructure characteristics of Propel's network of funeral homes, cremation facilities and cemeteries.

In conclusion, I think the three key 'take-away's' from today's presentation are:

- one, FY21 was another record year for Propel, despite below trend death volumes and COVID-19 impacts;
- two, Propel stands to benefit from death volumes reverting to long term trends and, in that regard, following a resilient FY21, Propel has started FY22 with materially higher funeral volumes; and
- three, with a strong funding position, Propel remains well positioned to continue consolidating what remains a highly fragmented and essential service industry with favourable demographic tail winds.

Before I hand back to Brian, I'd like to quickly thank:

- my fellow board members for their guidance and support during and since FY21;
- my colleagues Lilli Gladstone, Fraser Henderson and the small team at Propel's head office for their flexibility, hard work and dedication; and
- finally, our shareholders for their ongoing support.

With that, I'll hand back to Brian to cover the formal matters of the meeting and I'm happy to take questions during the Q&A session. Thank you.

ersonal use only

2021 Annual General Meeting

18 November 2021

PFP | PROPEL
FUNERAL
PARTNERS

1. Chairman's introduction

BRIAN SCULLIN

Independent Chairman &
Non-Executive Director



“Propel is focussed on a clearly defined growth strategy to acquire social infrastructure and assets which operate within the death care industry in Australia and New Zealand.”



Berry Funeral Directors – Adelaide, South Australia

Your board

Focussed on delivering for stakeholders



Brian Scullin

Independent Chairman and Non-Executive Director (NED)

- Chair of Tasmanian Development Board, Macquarie Point Development Corporation
- Former senior executive with Bankers Trust and Deutsche Asset Management (AM) in Australia and Asia
- Former Chair of Spark Infrastructure Limited, BTIM (Pental) Hastings Funds Management and OAK Possability
- Former NED of Dexis Property Group, Tasplan Super and State Super Financial Services



Naomi Edwards

Independent NED and Chair of the Audit & Risk Committee

- Chair of Spirit Super
- NED of Nikko AM and Australian Institute of Company Directors
- Member of the Tasmanian Development Board
- Former Deloitte Partner and NED of Australian Ethical Investments and Hunter Hall Limited
- Fellow of the Institute of Actuaries (London) and Fellow of the Australian and New Zealand Institute of Actuaries



Jonathan Trollip

Independent NED and Chair of the Remuneration & Nominations Committee

- Chair of Antipodes Global Investment Company Limited, Future Generation Investment Company Limited, Plato Income Maximiser Limited, Global Value Fund Limited and Spheria Emerging Companies Limited
- NED of BCAL Limited and Kore Potash Plc
- Former Herbert Smith Freehills Partner



Fraser Henderson

Executive Director – Head of M&A and General Counsel/Company Secretary

- Co-founder of Propel who leads the Company's acquisition activities and is on the board of each operating subsidiary
- Former Minter Ellison Partner with M&A experience in London, Singapore and Sydney



Albin Kurti

Managing Director

- Co-founder of Propel who leads the business and is chair of each operating subsidiary
- Former executive with Deutsche AM and Arthur Andersen
- Co-led the MBO of the private capital division of Deutsche Bank

Items of business

1. The Chairman's introduction
2. Presentation from the Managing Director
3. Formal business and resolutions
4. Shareholder questions



Proxies received prior to the cut-off time

A total of 218 valid proxy forms were received, and respective shareholdings were accumulated and are summarised below:

Resolution	For	Open	Against	Abstain
2	54,218,775	2,537,839	69,182	1,183,760
3	38,810,864	2,537,839	12,155	16,648,698
4	38,422,072	2,533,468	410,422	16,643,594
5	34,190,089	2,543,584	4,619,387	16,656,496
6	53,739,421	2,545,384	434,162	1,290,589
7	54,111,292	2,551,839	111,107	1,235,318

The Chairman's introduction

1. Continued growth and resilience in FY21

2. Dividends:

- 11.75 cents per share fully franked in connection with FY21
- 39.65 cents per share fully franked since IPO

3. Completion of management internalisation:

- overwhelming shareholder support and positive market response

4. Strong funding position to support growth initiatives, including acquisitions:

- senior debt facilities expanded to \$200 million and maturity extended
- successful circa \$50 million placement of new shares to existing and new institutional shareholders
- share purchase plan to eligible shareholders oversubscribed and will be finalised shortly

5. Clearly defined strategy underpinned by:

- the growing and ageing population
- industry fragmentation

2. Presentation from the Managing Director

ALBIN KURTI

Managing Director



“FY21 was another record year for Propel, which continued its track record of delivering revenue and earnings growth despite COVID-19 impacts.”



Key highlights

1

TRADING¹

Revenue

\$120.4m ▲ 8.7%

Funeral volumes

13,916 ▲ 4.6%

Average Revenue Per Funeral

\$5,917 ▲ 4.3% (up 2.8% on the pre-COVID period²)

2

EARNINGS¹

Operating EBITDA

\$36.3m ▲ 11.9%

Operating NPAT

\$15.3m ▲ 7.6%

Cash Flow Conversion

101.8% ▼ 160bps

3

CAPITAL MANAGEMENT

Total Dividends¹

11.75cps ▲ 17.5%

Net Leverage Ratio³

1.1x

Funding Capacity³

\$150.9m

4

GROWTH⁴

Locations

138 ▲ 8

Acquisitions⁵

\$142.1m
committed since IPO

Expansion

- in NZ, WA, QLD, NSW and SA
- acquired two freehold properties
- expansion in pet loss sector

5

OUTLOOK

Expecting to benefit from:

- death volumes reverting to long term trends
- a growing and ageing population
- a strong funding position
- acquisitions completed and other potential future acquisitions in a highly fragmented industry

¹ FY21. Movements shown above relate to movements between FY21 and the prior year, unless otherwise stated

² 1 July 2019 to 31 March 2020

³ Proforma. As at 18 November 2021. Refer to slide 23

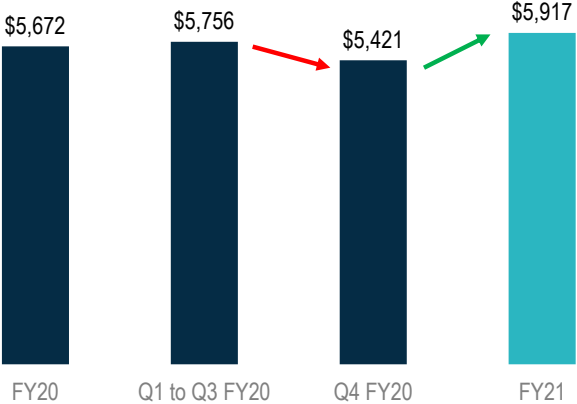
⁴ As at 18 November 2021 for Expansion and Locations (movement from 30 June 2020). Refer to slide 14

⁵ Acquisitions completed and announced as at 18 November 2021. Refer to slide 22

COVID-19 impacts

Average Revenue Per Funeral growth despite below trend death volumes

1 Average Revenue Per Funeral



Unlike the widespread impacts of strict funeral attendee limits in Australia and New Zealand during Q4 FY20, Average Revenue Per Funeral impacts during FY21 were:

- generally isolated to COVID-19 hotspot areas that went into temporary lockdown
- temporary, with Average Revenue Per Funeral growth on the pre COVID-19 period (i.e. Q1 to Q3 FY20) of 2.8%

2 Funeral volumes

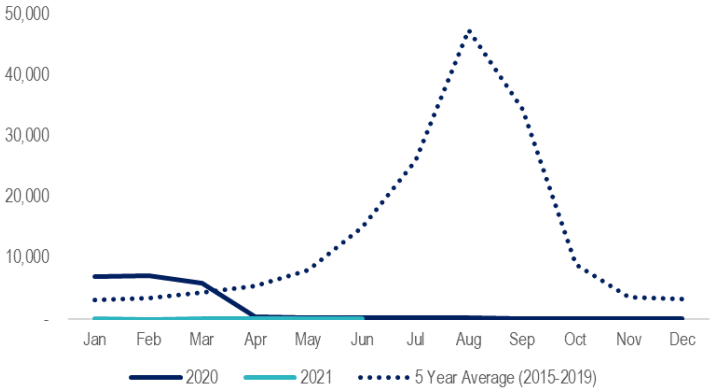
During FY21:

- death volumes were below historical long term trends in key markets within which Propel operates - for example, total registered deaths in New South Wales and Queensland declined 4.2% compared to the prior year¹
- flu cases in Australia were more than 99%² below the 5 year average to 2019, as illustrated

Social distancing, travel restrictions, an increased focus on personal hygiene and effective flu vaccinations:

- contributed to unusually benign flu seasons in 2020 and 2021 YTD
- are expected to result in a deferral of death volumes into future periods

Flu cases in Australia²



¹ Source: Industry association
² Source: National Notifiable Diseases Surveillance System

COVID-19 responses

Focused on people safety, essential service continuity and financial resilience

1 People safety

- communicating government guidelines and directives to staff and mourners
- ensuring sufficient supply of PPE
- cessation of certain services (e.g. catering)
- working from home, where feasible
- changed seating arrangements, increased time and cleaning between services
- monitoring impacts on teams, trading and suppliers, with the health and safety of employees and client families front of mind

2 Essential service continuity

- ensuring staff could cross state/territory borders and access 'hotspot' areas
- more remote arrangements (by phone and online) and with fewer family members (when in person)
- increased streaming services with the option of a deferred memorial service
- regular dialogue with key stakeholders

3 Financial resilience

- ensuring adequate liquidity levels in place
- continuing to support and fund essential capital expenditure
- controlling operating costs
- eligible businesses accessing wage subsidies in Australia and New Zealand, enabling headcount to be maintained

Management internalisation completed

Management internalisation completed on 26 July 2021

As described in the Explanatory Memorandum¹:

1 The management internalisation involved:

- the assignment and termination of the management agreement between the Company and the Manager
- payment of a \$15.0 million termination fee to the Manager, settled as follows:
 - \$7.5 million (50%) via the Company issuing 2,307,692 new fully paid ordinary shares at \$3.25 per share²; and
 - \$7.5 million (50%) in cash
- three Executives becoming employees of the Group³
- the transfer of intellectual property from the Manager, its officers and employees to the Group³
- changes to the Company's constitution
- amendments to the voluntary escrow arrangements relating to 14,732,667 shares (**Escrowed Shares**) held by an associated entity of the Manager, so that:
 - 50% of the Escrowed Shares will be released from voluntary escrow following the release of Propel's audited FY2022⁴ financial results; and
 - 50% of the Escrowed Shares will be released from voluntary escrow following the release of Propel's audited FY2025⁴ financial results.

2 Advantages include:

- increased investor participation
- enhanced alignment and corporate governance benefits
- continuity of strategy, the Board and the Executives
- shareholder influence on management election and remuneration
- market alignment
- financial benefits
- further alignment of interests

¹ The Notice of Meeting and Explanatory Memorandum made available to shareholders on 22 June 2021

² Representing the 30 day volume weighted average price of the Company's shares as at 28 May 2021

³ The Company and its wholly owned subsidiaries

⁴ Instead of a release from escrow in November 2027

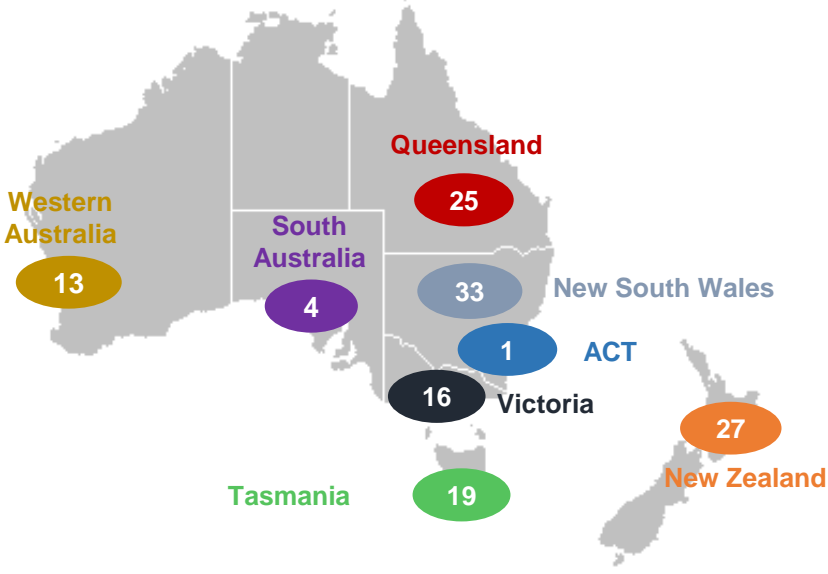
Geographic presence

138 locations (76 owned / 62 leased), including 32 cremation facilities and 9 cemeteries

August 2013



November 2021



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

Brand portfolio

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

Australia



New Zealand

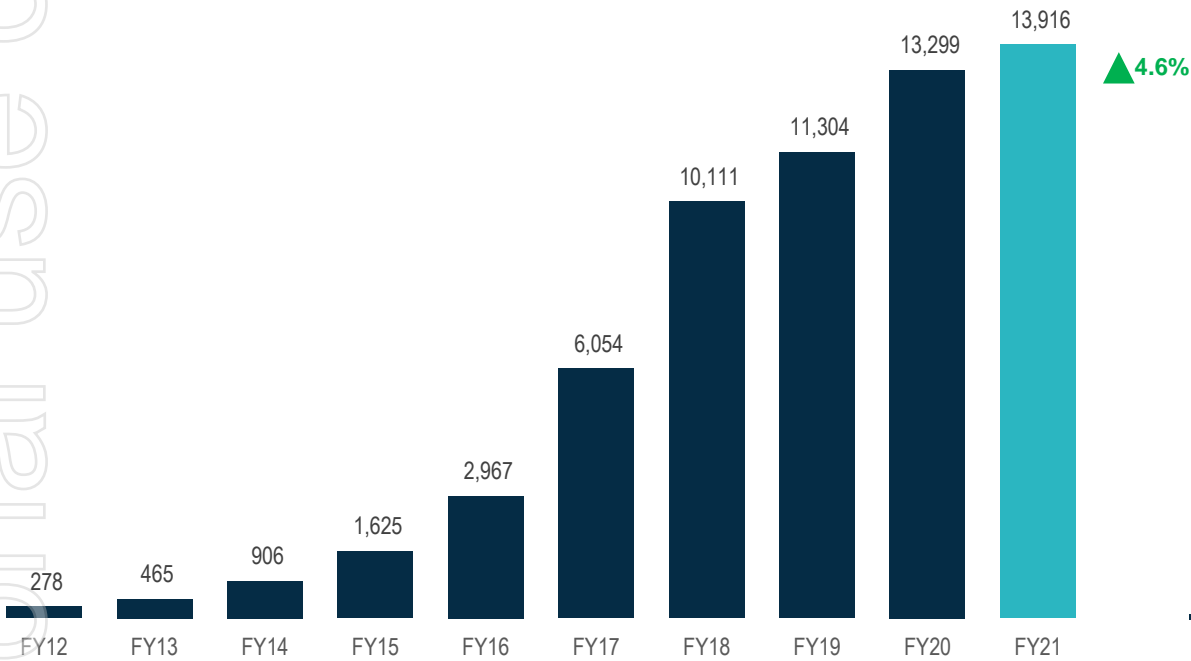


Completed/announced during and since FY21

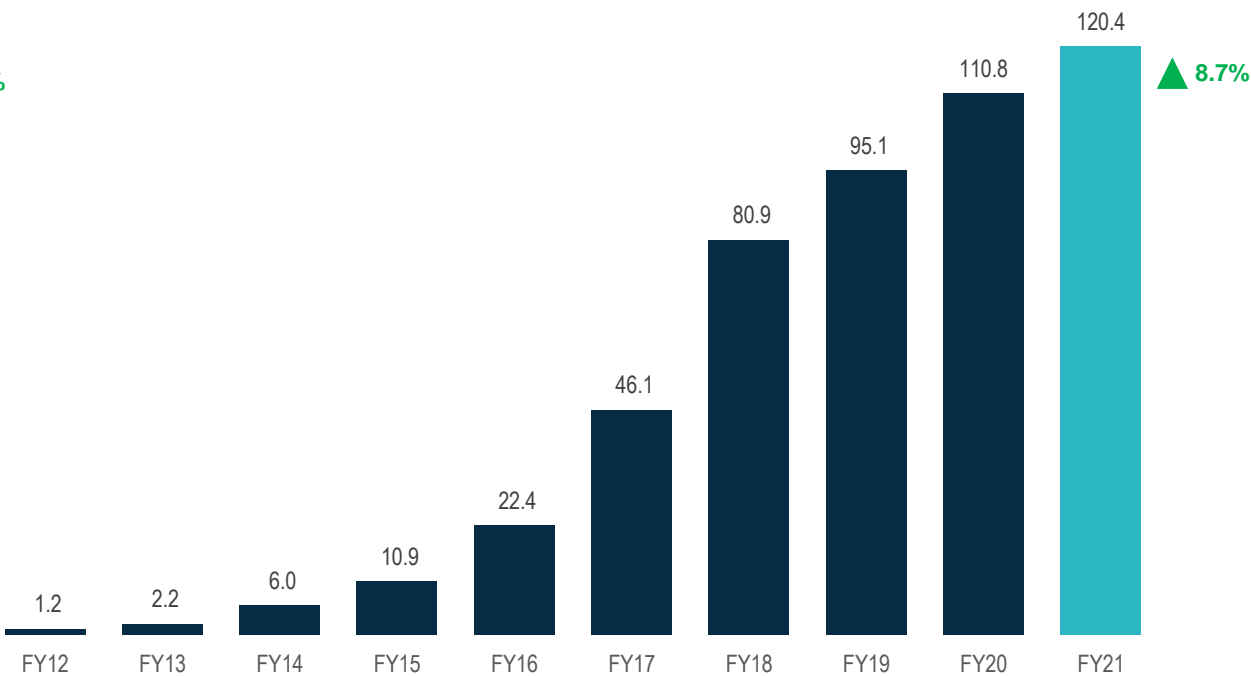
Volume and revenue growth

Propel has maintained a strong growth trajectory despite COVID-19 impacts

Funeral volumes



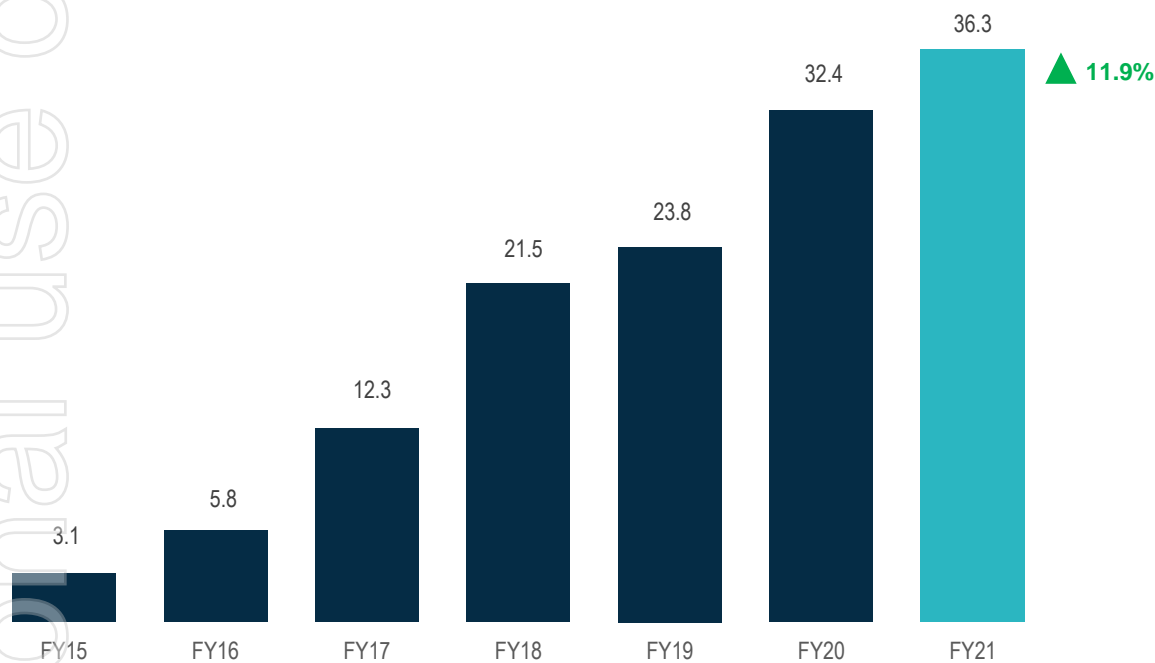
Revenue (\$m)



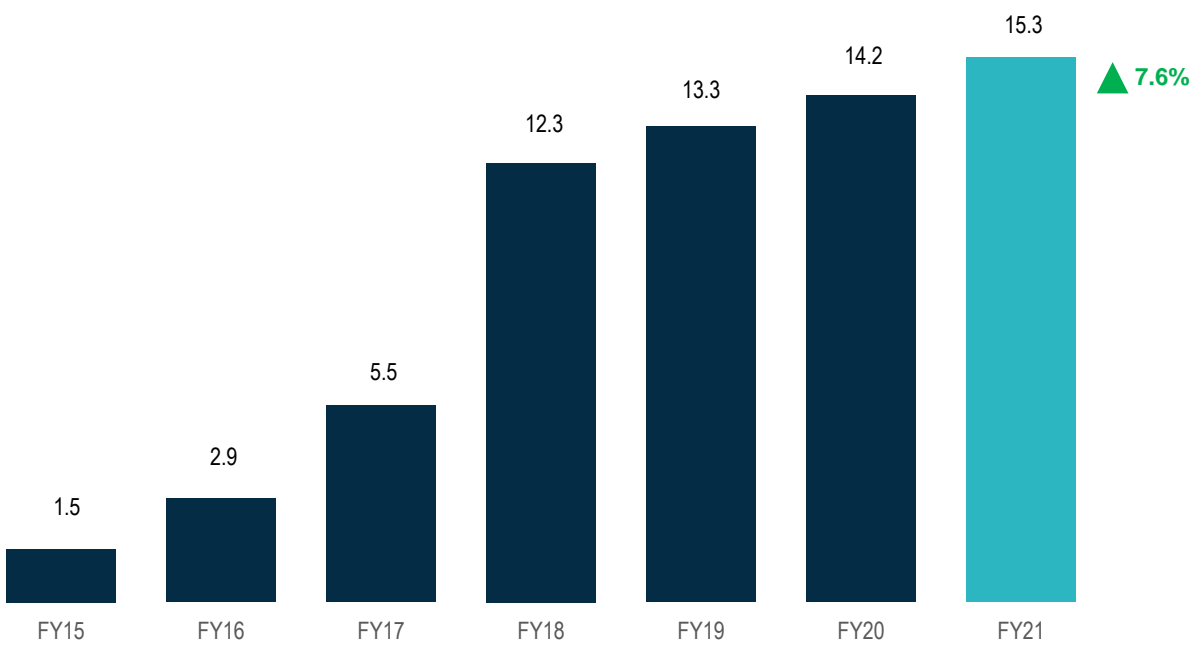
Earnings growth

Propel has maintained a strong growth trajectory despite COVID-19 impacts

Operating EBITDA (\$m)

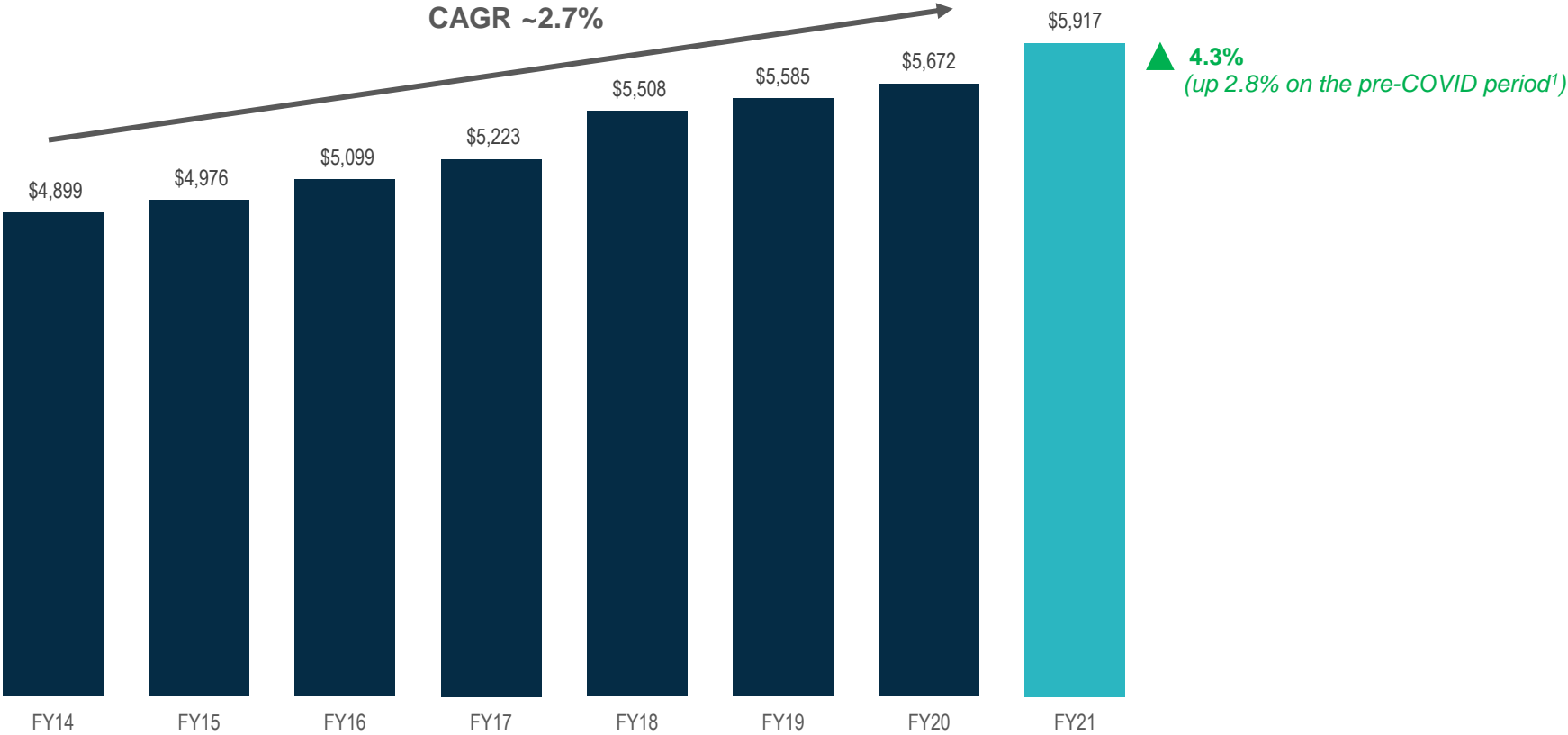


Operating NPAT (\$m)



Average Revenue Per Funeral growth

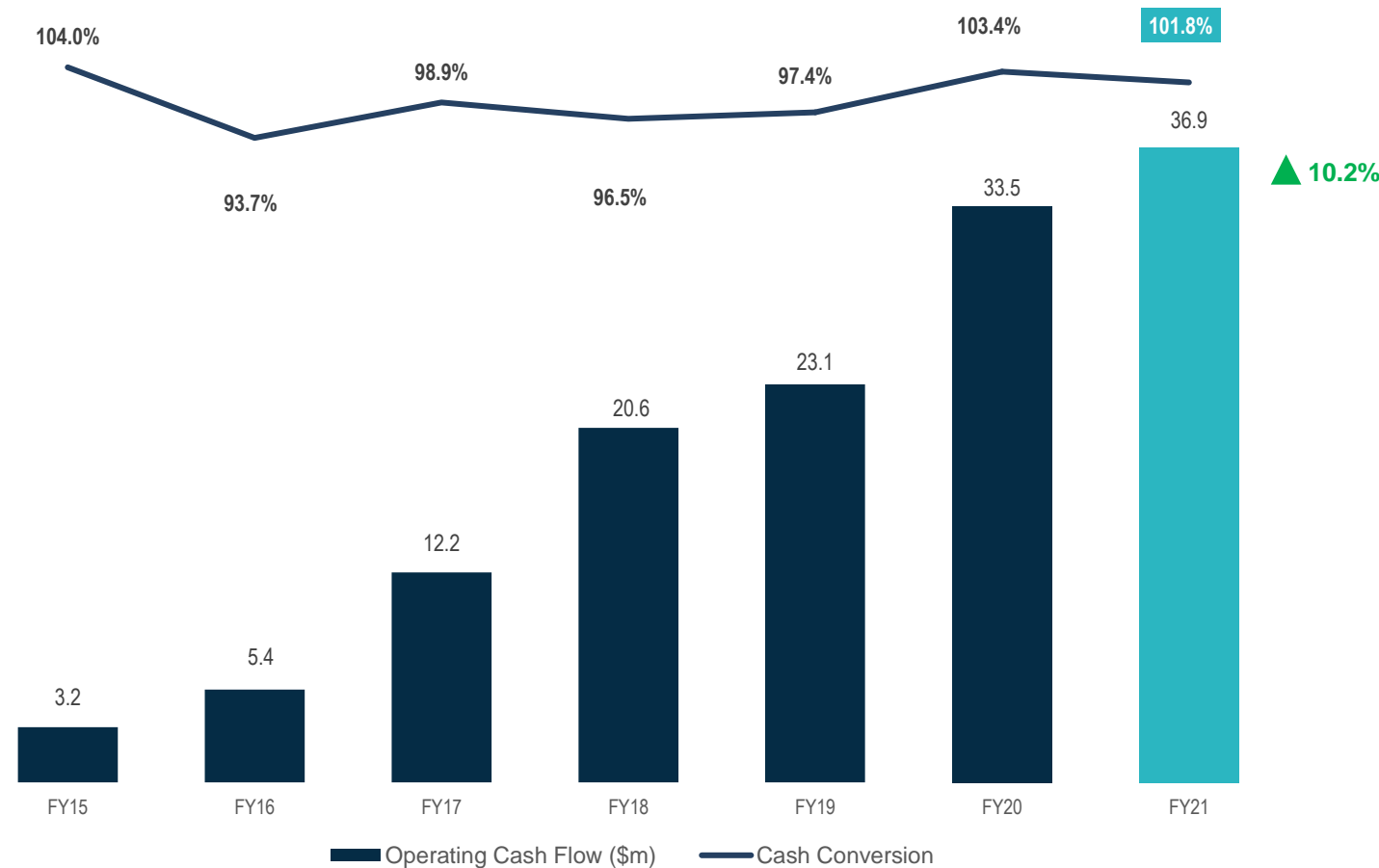
Compound annual growth rate (CAGR) of ~2.7% since FY14



¹ 1 July 2019 to 31 March 2020

Cash Flow Conversion

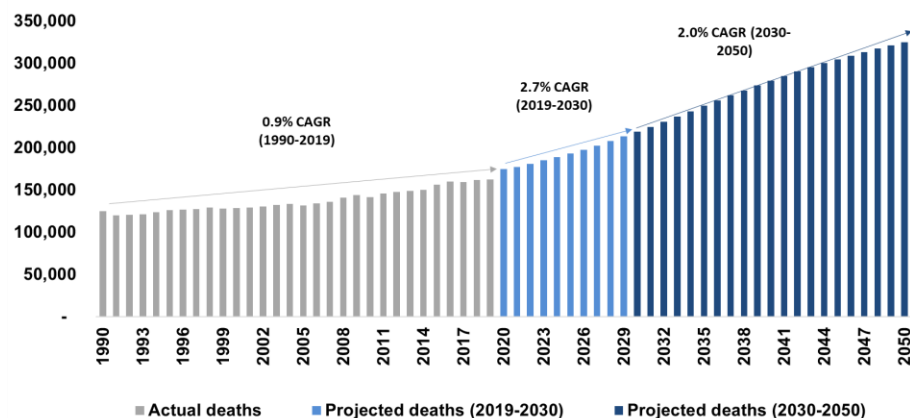
Cash Flow Conversion has been consistently strong, averaging ~99% since FY15



Increasing number of deaths

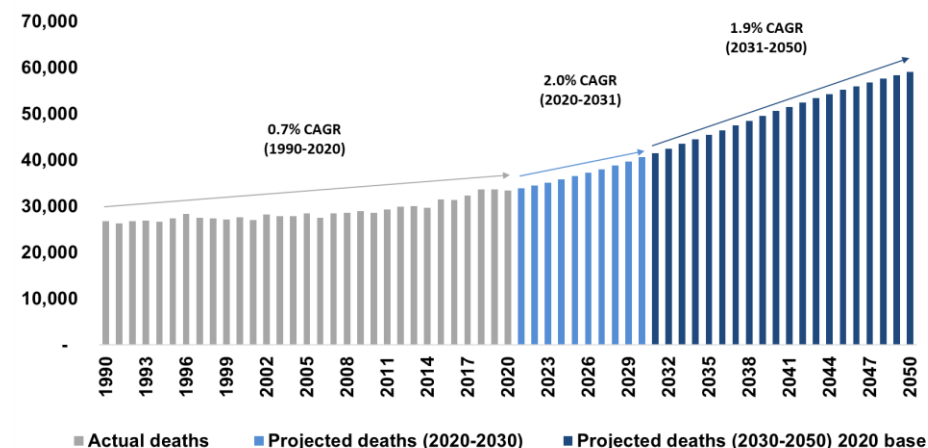
Number of deaths is the most significant driver of revenue in the death care industry

Australia¹



- Death volumes in Australia grew by 0.9% pa between 1990 and 2019¹
- Death volumes are expected to increase by 2.7% pa from 2019 to 2030¹ and 2.0% from 2030 to 2050¹

New Zealand²



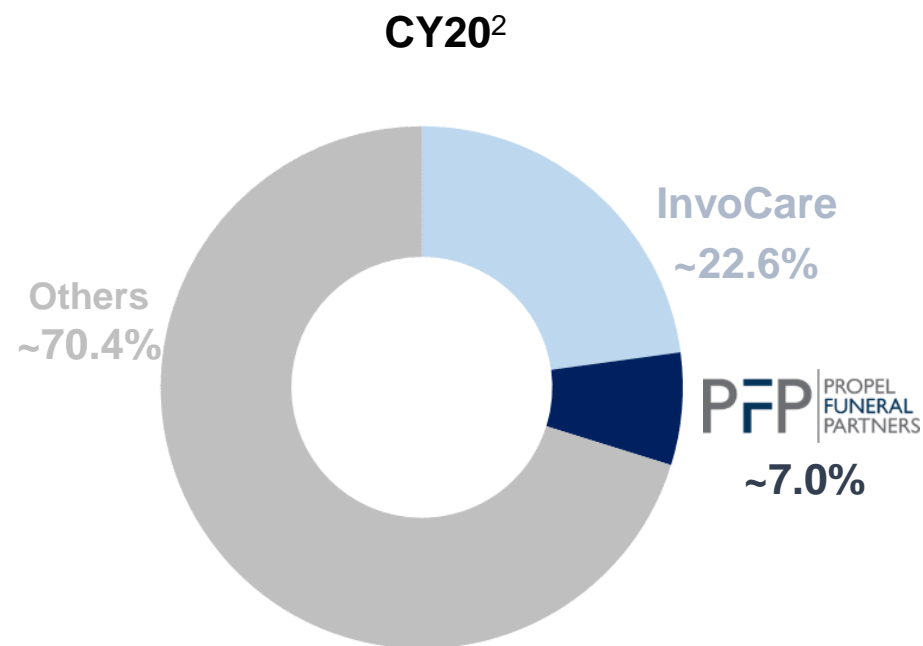
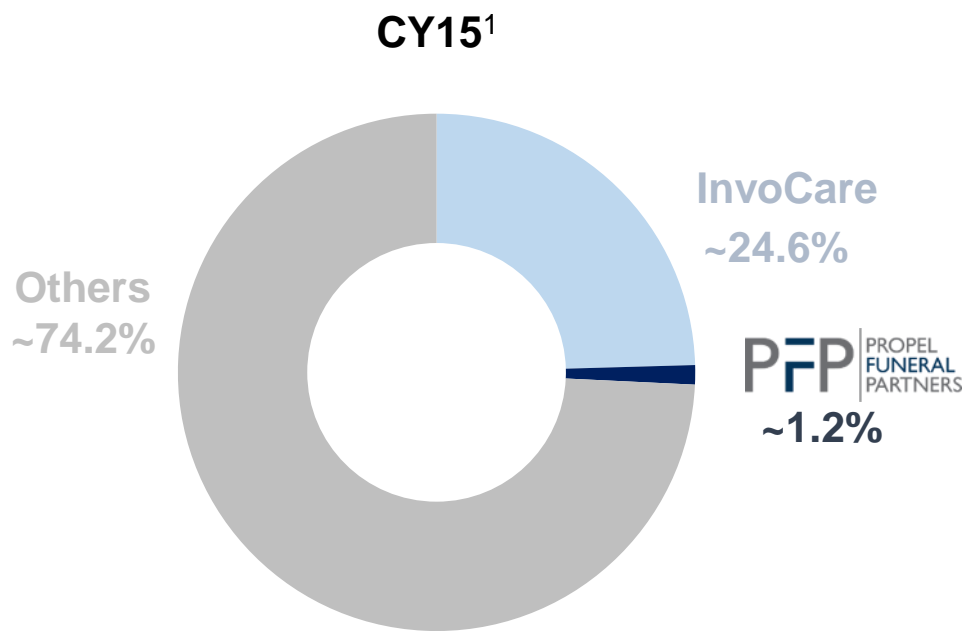
- Death volumes in New Zealand grew by 0.7% pa between 1990 and 2020²
- Death volumes are expected to increase by 2.0% pa from 2020 to 2031² and 1.9% from 2031 to 2050²

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)

² Source: This data is based on/includes 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, 2020(base)-2073) for projected deaths by financial year (released in December 2020)

Market share estimate (funeral volumes)

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



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: 161,300 actual deaths (ABS data) for market size, 11,084 funerals performed by Propel and 36,464 funerals performed by InvoCare in Australia in CY20 (page 10 of InvoCare's FY20 Results Investor Presentation dated 24 February 2021)

Acquisitions

Propel has committed \$142.1 million¹ on acquisitions since its IPO

1

During FY21, Propel deployed \$29.6 million² on acquisitions completed in NZ, WA, QLD and NSW, including:



SCHNAPPER ROCK
CREMATIONS



100% of the issued share capital and certain freehold properties of, among others, Dils Funeral Services Limited, which provides funeral directing and cremation services and operates from four locations primarily on the North Shore of Auckland, New Zealand



Mid West Funerals
"Honouring your trust with dignity"

the business, assets and a freehold property relating to Mid West Funerals, which provides funeral directing services in Geraldton, Western Australia



the business and assets of Pets RIP, a provider of pet cremation services operating from two locations in Toowoomba and Ipswich, thereby expanding its existing pet loss service offering in Queensland



two freehold properties, one of which was previously tenanted by Propel

2

Subsequent to FY21, Propel committed \$15.4³ million on acquisitions in SA and NZ, including:



100% of the issued share capital and a freehold property of Berry Funeral Directors, which provides funeral directing services from one location in metropolitan Adelaide, South Australia



Glenelg Funerals

the business and assets of Glenelg Funerals which provides funeral directing services from Glenelg, South Australia



the business and assets of State of Grace which provides funeral directing services from 2 locations in Greater Auckland, New Zealand

3

Propel continues to explore other potential acquisitions, however, the timing associated with any future acquisitions is uncertain

¹ Upfront cash and equity consideration paid. Excludes properties purchased subsequent to completion of the acquisitions and other properties purchased totalling \$18.4 million (excluding stamp duty)

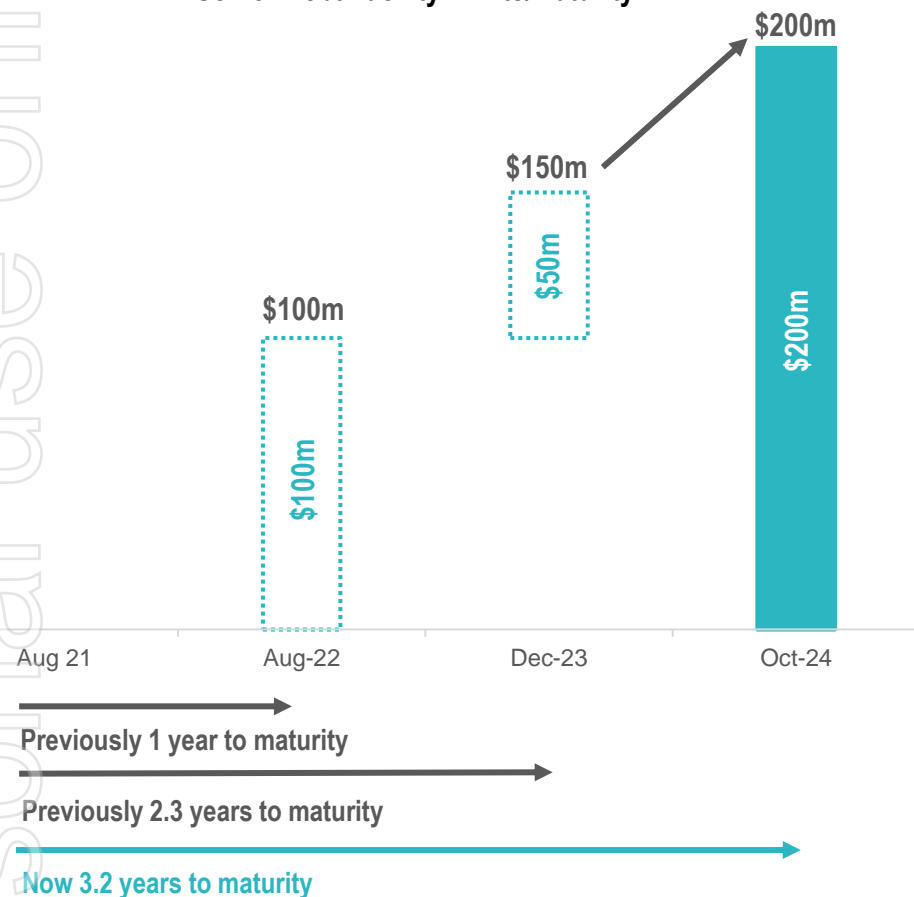
² Upfront cash and equity consideration paid. Includes two additional freehold properties purchased totalling \$4.2 million (excluding stamp duty)

³ Upfront cash and equity consideration paid/payable (excluding stamp duty)

Capital management

Propel's proforma funding capacity has increased to ~ \$150 million, with no near term debt maturities

Senior Debt Facility Limits/Maturity



Proforma Funding Capacity

	\$ million
Debt facility limit at 30 June 2021	150.0
Net Debt as at 30 June 2021¹	(79.0)
Subsequent to 30 June 2021:	
Commitments:	
Termination Fee (cash component)	(7.5)
Final Dividend	(5.9)
Acquisitions announced on 14 September 2021	(15.2)
Total commitments	(28.6)
Additional funding:	
Increase in debt facility	50.0
Placement/SPP (net of transaction fees) ²	58.5
Funding capacity³	150.9

¹ Senior debt less cash and cash equivalents

² Assumes target of \$10m raised in connection with the SPP

³ Undrawn debt and cash at bank as at 30 June 2021, less the cash required to fund the cash component of the termination fee payable in connection with the management internalisation, pay the final dividend and the estimated cash required to fund the acquisitions announced on 14 September 2021




Outlook

Demand for essential funeral services remains, underpinned by favourable demographics

1 Death volumes expected to revert to long term trends given:

- prior period declines have rebounded quickly
- the unusually benign flu seasons in 2020 and 2021
- the growing and ageing populations in Australia and New Zealand

2 Propel has started FY22 with higher funeral volumes. Below is a summary of the Company's Q1 FY22 trading performance:

- Revenue:  ~13% on the PCP
- Total funeral volumes:  >10% on the PCP
- Comparable funeral volumes:  >5% on the PCP
- Average Revenue Per Funeral: In line with the PCP, notwithstanding the impacts of extended lock downs and strict funeral attendee limits in NSW, VIC and NZ
- Operating EBITDA margin: ~28%
- Cash Flow Conversion: Strong

3 Expected growth drivers for the remainder of FY22:

- death volumes reverting to long term trends
- acquisitions completed and other potential future acquisitions in what is a highly fragmented industry (although timing is uncertain)
- a strong funding position

4 Other impacts:

- increased employment costs, primarily due to the management internalisation
- COVID-19 impacts are expected to continue, particularly in hotspot areas which enter temporary lockdown

3. Formal business and resolutions

Formal business: Item 1

Item 1: Financial report, directors' report and auditors' report

"To receive and consider the Company's financial report, directors' report and auditor's report for the year ended 30 June 2021."

Note: there is no requirement for shareholders to approve these reports.

Formal business: Item 2

Item 2: Re-election of existing Director

“That Mr Brian Scullin, being a director of the Company who retires by rotation under rule 6.7(b) of the Company’s constitution, and being eligible, is re-elected as a director of the Company.”

Formal business: Item 3

Item 3: Re-election of existing Director

“That Mr Fraser Henderson, being a director of the Company who retires by rotation under rule 6.7(b) of the Company’s constitution, and being eligible, is re-elected as a director of the Company.”

Formal business: Item 4

Item 4: Resolution to adopt the remuneration report

“That the remuneration report that forms part of the director’s report of the Company for the financial year ended 30 June 2021 be adopted.”

Formal business: Item 5

Item 5: Remuneration of Non-Executive Directors

“That in accordance with Listing Rule 10.17 of the Listing Rules of the ASX Limited and rule 6.5(a) of the Company's constitution, the total aggregate annual remuneration payable to non-executive directors of the Company be increased by \$500,000 per annum, from \$250,000 per annum to a maximum of \$750,000 per annum.”

Formal business: Item 6

Item 6: Resolution relating to the giving of financial assistance

- “That the Company approve the transactions described in the Explanatory Memorandum (which forms a part of the proposed resolution in this item 6) and all elements of those transactions that may constitute financial assistance by the company referred to in the Explanatory Memorandum for the purposes of section 260A of the Corporations Act 2001 (Cth), including (without limitation) that the relevant company may:*
- (a) accede to (as an obligor) a facilities agreement between the Company and Westpac Banking Corporation and others (Facilities Agreement);*
 - (b) execute a guarantor assumption agreement under which the relevant company will assume the obligations of a guarantor under an interlocking guarantee and indemnity (which may be contained in the Facilities Agreement) for the repayment of money that may become owing, and to secure (among other things) each obligor's obligations, under the Facilities Agreement and any related document;*
 - (c) to secure its obligations under the Facilities Agreement (including the guarantee and indemnity) and any related document, execute a general security agreement or agreements (however described) over its assets and undertaking;*
 - (d) if the Facilities Agreement (or any subsequent refinancing facility) needs to be refinanced at some time in the future, from time to time:*
 - (i) execute, or accede to (as an obligor), a new facilities agreement:*
 - (A) on substantially the same terms as the Facilities Agreement; or*
 - (B) on terms as approved by the board of directors or the members (or both) at the relevant time; and*
 - (ii) give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage, general security agreement (however described), specific security agreement (however described) or otherwise) to secure each obligor's obligations under any new facilities agreement and any related document; and*
 - (e) execute, or accede to, any document ancillary to, or in connection with, the Facilities Agreement, any new facilities agreement and any guarantee, indemnity or security interest given in connection with the Facilities Agreement, any new facilities agreement and any related document.*

In the proposed resolution in this item 6, a reference to any document is the document as amended, restated or replaced from time to time.”

Formal business: Item 7

Item 7: Resolution relating to the ratification of the issuance of ordinary shares (Berry Funeral Directors)

"That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of a total of 52,546 fully paid ordinary shares in the capital of the Company to Simon and Helen Berry (as trustees of the Berry Family Trust) on 1 October 2021 as described in the Explanatory Memorandum."

4. Shareholder questions

Votes to be counted

Meeting close - Thank you

Definitions

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 into ungeared, pre-tax operating cash flows, excluding the Performance Fee and transaction costs.

Cps means cents per share.

CY means calendar year.

Executives means Albin Kurti, Fraser Henderson and Lilli Gladstone.

FY means financial year.

IPO means initial public offering.

Manager means Propel Investments Pty Limited (ACN 117 536 357).

Net Debt means senior debt less cash and cash equivalents.

Net Leverage Ratio means Net Debt divided by Operating EBITDA including the annualised impact of acquisitions and other adjustments. A ratio of 3.5x, unless the Group elects to surge to 3.75x which endures for three consecutive testing dates, following which the covenant will reduce to 3.5x. The Group's working capital facility is excluded from the Net Leverage Ratio calculation.

NPAT means net profit after tax.

Operating Cash Flow means ungeared, pre-tax operating cash flow, excluding the Performance Fee and transaction costs.

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

Operating NPAT means NPAT adjusted for the Performance Fee and certain non-operating items, such as acquisition and transaction costs.

PCP means prior corresponding period.

Proforma means as at 30 June 2021, including the proforma impacts of the management internalisation, the acquisition of State of Grace Funerals (completed on 14 September 2021), Berry Funeral Directors (completed on 1 October 2021), and Glenelg Funerals (expected to complete by 31 December 2021, subject to satisfaction/waiver of customary conditions precedents), payment of the FY21 final dividend (paid on 5 October 2021) and the impacts of the equity raising (including transactions costs). Assumes a gross total of \$60 million is raised from the Placement and the SPP.

Q1 FY22 means to quarter ended 30 September 2021.

YTD means year to date.

Important notice and disclaimer

This presentation contains summary information about Propel Funeral Partners Limited (ACN 616 909 310) (**Propel**) and its activities current as at the date of this presentation. Propel assumes no obligation to update such information. The information in this presentation is of general background only and does not purport to be complete. It has been prepared for use in conjunction with a verbal presentation and should be read in that context. It should also be read in conjunction with Propel's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange (**ASX**).

This presentation is for information purposes only and is not a prospectus or product disclosure statement, financial product or investment advice or a recommendation to acquire Propel shares or other securities. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, investors and prospectus investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, financial and taxation advice appropriate to their jurisdiction. Past performance is no guarantee of future performance.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The securities of Propel have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except in compliance with the registration requirements of the Securities Act and any other applicable securities laws or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

This presentation may contain forward looking statements, including statements regarding Propel's intent, belief or current expectations with respect to Propel's business and operations. When used in this presentation, the words 'likely', 'estimate', 'project', 'forecast', 'anticipate', 'believe', 'expect', 'may', 'aim', 'should', 'potential', 'target' and similar expressions, as they relate to Propel, are intended to identify forward looking statements. Forward looking statements involve inherent risks and uncertainties, both generic and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause Propel's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, and many of these factors are outside Propel's control. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance. As such, undue reliance should not be placed on any such forward looking statement.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation (including forward looking statements). To the maximum extent permitted by law, neither Propel nor any of its related bodies corporates, shareholders, directors, officers, employees, agents or advisors, nor any other person accepts any liability, including, without limitation, any liability for any loss arising from the use of this presentation, or its contents or otherwise arising in connection with it, including, without limitation, any liability from fault or negligence on the part of Propel, its related bodies corporates, shareholders, directors, officers, employees, agents or advisors.

This presentation includes certain financial measures, such as Operating EBITDA, Operating EBIT and Operating NPAT which are not prescribed by Australian Accounting Standards (**AASBs**) and represents the results under AASBs adjusted for the Performance Fee (as defined in the prospectus prepared by the Company in connection with the IPO (**Prospectus**)) and certain non-operating items, such as acquisitions costs. The directors consider Operating EBITDA, Operating EBIT and Operating NPAT to reflect the core earnings of the Group. These financial measures, along with other measures, have not been subject to specific audit or review procedures by the Company's auditor, but have been extracted from the accompanying financial statements.

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.

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.

NOT FOR DISTRIBUTION IN THE UNITED STATES

ersonal use only

PFP | PROPEL
FUNERAL
PARTNERS