

19 November 2020

2020 Annual General Meeting

Attached are the addresses and accompanying presentation to be delivered by the Chairman and Managing Director at the 2020 Annual General Meeting of Propel Funeral Partners Limited (**AGM**) commencing today at 9.30am (Sydney time).

Please note that:

- no Performance Fee is payable in connection with the third calculation period; and
- slide 23 of the presentation includes commentary on Q1 FY21 trading and general comments regarding PFP's outlook.

-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 136 locations, including 31 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, 19 November 2020 (9.30am)
2020 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 2020 Annual General Meeting, which is being conducted for the first time through a virtual meeting platform provided by Link, our share registry provider.

We hope that by holding a virtual meeting we will assist in further reducing the spread of the COVID-19 virus and encourage 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.

This is a very different experience for all of us and 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, 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.

Jonathan presents himself for re-election at today's Meeting.

Also online are:

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

Slide 5

After my introduction, Albin will provide some comments on last year's financial results and a trading update, 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. I encourage shareholders to send their questions through as soon as possible. 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.

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, all of which have been unanimously recommended by the Board. I will come back to the resolutions later.

Slide 7

All of us have been personally affected by the COVID-19 pandemic, which has impacted the way we work, live and gather to honour and remember loved ones who have passed.

FY20 presented significant challenges for the funeral industry, including Propel's staff in Australia and New Zealand, due to COVID-19 and, at some of our locations, the threat of bushfires last summer. 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 FY20, in often challenging circumstances, particularly since the start of the pandemic.

In March 2020, the funeral industry in Australia and New Zealand confronted unprecedented disruption and uncertainty, following the introduction of funeral attendee limits and social distancing directives aimed at curbing the spread of COVID-19. The Company acted quickly to implement measures focussed on people safety, essential service continuity and financial

resilience, and I commend the management team for their leadership, particularly during the initial lockdown period, a time of significant disruption and uncertainty.

We have endeavoured to keep you, our shareholders, appropriately informed about COVID-19 impacts on the Company's trading, through various ASX announcements since late March 2020.

Despite the challenges in FY20, I am pleased to report that Propel continued its track record of delivering revenue and earnings growth. The Company's 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 considerable resilience in earnings and operating cash flows, which Albin will discuss in more detail shortly.

The Board elected to reward shareholders by declaring total dividends of 10.0 cents per share fully franked in connection with FY20, reflecting a payout ratio of 85% of Distributable Earnings.

Since listing on the ASX in November 2017 with an IPO issue price of \$2.70, the Company has paid fully franked dividends totalling 27.9 cents per share, or circa 40 cents per share on a grossed up basis. At yesterday's closing share price of \$3.04, this equates to total shareholder value accretion of approximately \$73 million or circa 27% since the IPO, before tax.

Propel remains focussed on a clearly defined investment 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 3 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.

Propel ended FY20 in a strong funding position, with approximately \$54 million of cash at bank and no near term debt maturities, having expanded our senior debt facilities last December. As at 30 June 2020, the Company was comfortably in compliance with its debt covenants.

Obviously, there is a balance between prudently taking advantage of record low interest rates and 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, when they materialise.

As shareholders are aware, the Company was founded and is managed by Propel Investments Pty Limited (which I will refer to as the Manager). To date, all of the Company's acquisitions have been identified, negotiated, completed and managed by the Manager, on the Company's behalf.

The Manager continues to execute the Company's investment strategy, on an exclusive basis and in accordance with the Management Agreement, the material terms of which were summarised in the Prospectus.

A Performance Fee of \$4.1 million was earned by the Manager in November last year. I take this opportunity to confirm that no performance fee is payable to the Manager for the 12 month period ended 17 November 2020.

On behalf of the Board, I would like to thank the Propel team for their hard work and dedication. I also express my gratitude to the Manager and 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 come 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.

As I'm sure shareholders would agree, the emergence of COVID-19 has been the defining event of 2020 and has impacted most industries, including the funeral industry.

First and foremost, I'd like to acknowledge and express my sympathies to bereaved client families, many of whom have farewelled loved ones in particularly challenging circumstances in recent months. Having to choose who can attend a funeral has been extremely distressing and, in the early stages of the pandemic in particular, many families were significantly constrained and unable to grieve in a way that they ordinarily would, surrounded and supported by friends and relatives. In New Zealand, mourners were prohibited from attending funerals and in Australia, funeral attendance was very limited and the hugging of loved ones was forbidden which, as you can imagine, placed added pressure on families and our staff.

Accordingly, I would like to 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, often under very difficult circumstances, especially since the start of the pandemic.

Slide 9

In terms of today's presentation, I'll start with a brief recap of FY20.

I'll then:

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

Slide 10

Despite the challenges, FY20 was another record year for Propel.

Revenue exceeded \$100 million for the first time, increasing by 16.5% to \$110.8 million, on the back of a 17.6% increase in funeral volumes, including contributions from acquisitions.

Average Revenue Per Funeral was up 1.6% on the prior year, and up 2.1% on a comparable basis.

Operating EBITDA grew 36.4% to \$32.4 million and Operating NPAT was up 6.5% to \$14.2 million, including the impacts of the new accounting standard for Leases, AASB 16, which the Company adopted on 1 July 2019. It's important to note that:

- this non-cash accounting change has had no economic impact on the Company, its cashflows or its operations; and
- on a consistent accounting basis, excluding AASB 16 impacts, Operating EBITDA and Operating NPAT both increased materially, growing by circa 20% and 8% on the prior year, respectively.

Cash flow conversion remained strong at 103.4%.

From a capital management perspective:

- in FY20, Propel expanded its senior debt facilities with Westpac to 150 million dollars, providing additional funding capacity to support the Company's growth strategy;
- during the second half of FY20, the Company prudently increased its liquidity position and, as at 30 June, had cash at bank of approximately \$54 million and a net leverage ratio of 1.7 times, well below the covenant limit of 3.0 times; and
- as Brian mentioned, total dividends for the year were 10.0 cents per share, fully franked (which included a final dividend of 6.0 cents per share).

In terms of growth:

- Propel ended FY20 with 130 locations, 10 more than at the end of the prior year and has subsequently added 6 locations to its network, with the recent acquisitions of the Dils Group in New Zealand and Mid West Funerals in Western Australia; and
- management has continued to execute Propel's acquisition led growth strategy, deploying approximately \$126 million on acquisitions since the Company's IPO in November 2017.

In terms of the outlook, despite below trend death volumes and COVID-19 impacts, the financial resilience demonstrated by Propel in the final quarter of FY20 has continued into the start of FY21, which I will discuss towards the end of the presentation.

Slide 11

In terms of a business overview, this slide illustrates how Propel's network has evolved over the past 7 years.

We started with one funeral home in Queensland and, today, we operate from 136 locations across Australia and New Zealand, including 31 cremation facilities and 9 cemeteries.

Of those 136 locations, the Company owns 77 of them which are currently held at cost (on the Balance Sheet) for approximately \$122 million.

Slide 12

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 those brands added to Propel's network during and since FY20.

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

Slide 13

As you can see on the left of this slide, the Company performed over 13,000 funerals in FY20, up 17.6% on the prior year.

The chart on the right shows that Propel generated revenue of \$110.8 million in FY20, up 16.5%.

Slide 14

In terms of earnings growth:

- Operating EBITDA was \$32.4 million in FY20, a more than 10 fold increase since FY15 and up 36.4% on the prior year. On a consistent accounting basis, Operating EBITDA growth was approximately 20%; and
- Operating NPAT was \$14.2 million in FY20, up 6.5%. On a consistent accounting basis, Operating NPAT growth was 8.4%.

Slide 15

As you can see from this chart, Propel's Average Revenue Per Funeral since FY14 has grown at a compound annual growth rate of 2.5%.

In FY20, Average Revenue Per Funeral was up 1.6% on the prior year, and up 2.1% on a comparable basis.

Slide 16

Propel's cash conversion has averaged circa 99% during the last 6 years.

In FY20, cash conversion remained strong at approximately 103%, 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, Capital Management, COVID-19 impacts and responses.

Slide 17

These charts show that the number of deaths in Australia and New Zealand is forecast to both increase and accelerate, according to the ABS 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 18

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 4 fold, from circa 1.2% in 2015 to circa 6.3% in 2019.

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

Slide 19

Since its IPO three years ago, Propel has deployed approximately \$126 million on acquisitions, which are geographically spread across Australia and New Zealand.

In total, those acquisitions are expected to contribute more than 5,500 funerals, over 3,000 third party cremations and approximately \$50 million in revenue, annually.

As disclosed to the market in recent weeks, Propel has completed the acquisitions of the Dils Group in New Zealand and Mid West Funerals in Western Australia. Both acquisitions are expected to contribute positively to Propel's financial results during the remainder of FY21 and beyond.

Moving forward, we continue to explore other potential acquisition opportunities, but the timing of any future acquisitions, as you would appreciate, remains uncertain.

Slide 20

As Brian alluded to, 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 three financial years, Propel has committed more than \$40 million per year on acquisitions, on average.

As you can see from this slide, Propel's current funding capacity is approximately \$70 million.

Moving to COVID-19 impacts and responses.

Slide 21

In late March 2020, the Australian and New Zealand funeral industries confronted unprecedented disruption and uncertainty, following the introduction of funeral attendee limits and other social distancing measures.

This resulted in what I have described as a “ground zero” event for the funeral industry in the month of April, when funeral attendance was limited to just 10 mourners throughout Australia and was prohibited throughout New Zealand, a very difficult time for client families and our staff.

These restrictions 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 our network.

As illustrated in the chart at the top of this slide:

- Average Revenue Per Funeral declined by approximately 6% in Q4 FY20, compared to the prior 9 month period;
- however, as restrictions began to ease, funeral mix improved and Average Revenue Per Funeral increased and reverted to pre-COVID-19 levels in Q1 FY21.

Funeral volumes have also been impacted.

In the first quarter of FY21:

- death volumes were materially below historical long term trends in key markets in which Propel operates – for example, in Tasmania registered deaths declined 12.6%¹ on the prior corresponding period (**PCP**);
- flu cases in Australia were circa 99%² below the prior 5 year average; and
- the Company's funeral volumes cycled a strong prior corresponding period.

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

- have contributed to a benign 2020 flu season; and
- we expect will likely result in a deferral of death volumes into future periods.

¹ *Tasmanian Registry of Births, Deaths and Marriages*

² *Source: National Notifiable Diseases Surveillance System*

Slide 22

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 ensuring access to sufficient PPE supplies, staff working from home where feasible, reducing and re-arranging seating capacity in our chapels, increasing the scheduled time between services, increased online streaming of funerals, ceasing catering services, changing the way funerals are arranged, reducing operating costs, ceasing non-essential capital expenditure, accessing government subsidies where eligible and prudently increasing the Company's liquidity level.

I want to particularly highlight and thank those staff who agreed to temporary changes in their employment terms during the months of April and May, such as reduced hours and more flexible working arrangements. Those temporary changes helped to ensure the Company maintained staffing levels during what was a very uncertain period.

I also want to acknowledge and thank our independent directors and the Manager, who at the time we were asking some of our staff to temporarily change employment terms, agreed to waive 100% of their fees for the months of April and May.

Moving to our outlook.

Slide 23

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

We operate in a 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 recent months should be temporary, given:

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

Encouragingly, the financial resilience demonstrated by Propel in the final quarter of FY20 has continued into the start of FY21.

In the first quarter of FY21:

- Operating EBITDA was \$10.5 million, up circa 18% on the PCP;
- Average Revenue Per Funeral growth on FY20 was within our target range of 2% to 4%;
- Total funeral volumes were above the PCP; and
- Propel's strong Cash Flow Conversion was maintained.

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;
- acquisitions completed during and since FY20; and
- other potential future acquisitions.

Thankfully, funeral attendee limits have eased significantly in recent months and are currently unlimited in New Zealand and restricted to at least 100 mourners across most of Australia. Earlier this week, Queensland doubled its funeral attendee limit to 200 mourners, and we expect funeral restrictions in other States and Territories to ease further in the coming weeks and months.

Although the risk of multiple waves of COVID-19 remains, from a funeral perspective, we expect any impacts will be isolated to 'hot spot' areas, as was recently the case in Victoria and is currently the case in South Australia.

Our 'ground zero' experience in April and the recovery since, demonstrates that the financial impacts of 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, FY20 was another record year for Propel, with the Company generating significant revenue and earnings growth;
- two, the Company's 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 considerable resilience in operating earnings and cash flows, particularly in recent months; and
- three, with a strong funding position, no near term debt maturities, the support of our dedicated staff and the understanding of client families, Propel is well placed to continue its disciplined acquisition led growth strategy in what remains a highly fragmented industry, while continuing to focus on people safety, essential service continuity and financial resilience.

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

- my fellow board members for their guidance during the year;
- 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.

A person wearing a white lace-trimmed garment is holding a light blue paper crane in their hands. The crane is made of folded paper and has its wings spread. The background is a soft, out-of-focus light grey.

2020 Annual General Meeting

19 November 2020

1. Chairman's introduction



BRIAN SCULLIN

*Independent Chairman &
Non-Executive Director*



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



Dils Funeral Services – Auckland, New Zealand

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



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



Naomi Edwards

Independent NED and Chair of the Audit & Risk Committee

- Chair of Tasplan 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



Albin Kurti

Managing Director and Head of Investments

- 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



Jonathan Trollip

Independent NED

- 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 Kore Potash Limited
- Former Herbert Smith Freehills Partner

Items of business

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

Proxies received prior to the cut off time

A total of 225 valid proxy forms were received, and respective shareholdings were accumulated and are summarised below:

Resolution	For	Open	Against	Abstain
2	40,041,926	1,448,079	1,352,684	47,144
3	20,302,701	1,439,789	304,633	45,486
4	41,318,400	1,458,646	44,829	67,958

The Chairman's introduction

1. Growth and resilience in FY20
2. Dividends:
 - 10.0 cents per share fully franked in connection with FY20
 - 27.9 cents per share fully franked since IPO
3. Clearly defined strategy underpinned by:
 - the growing and ageing population
 - industry fragmentation
4. Funding
5. Delivering shareholder value

2. Presentation from the Managing Director



ALBIN KURTI

*Managing Director &
Head of Investments*



“FY20 was another record year for Propel, which continued its track record of delivering revenue and earnings growth despite COVID-19 impacts.”



Gregson & Weight Funeral Directors – Sunshine Coast, Queensland

Key highlights for FY20

1	TRADING ¹	Revenue: \$110.8 million ↑ 16.5%	Volumes: 13,299 funerals ↑ 17.6%	Average Revenue Per Funeral: \$5,672 ↑ 1.6% YoY / 2.1% comparable
2	EARNINGS ¹	Operating EBITDA: \$32.4 million ↑ 36.4% (up 19.7% ex AASB 16)	Operating NPAT: \$14.2 million ↑ 6.5% (up 8.4% ex AASB 16)	Cash Flow Conversion: 103.4% ↑ 600 bps
3	CAPITAL MANAGEMENT	Cash position: \$53.9 million as at 30 June 2020	Net Leverage Ratio: ~1.7 times as at 30 June 2020	Total Dividends: 10.0 cents Fully franked
4	GROWTH	Growing network: 130 locations 10 locations added	Acquisitions: \$125.8 million committed since IPO ²	Expansion: • in QLD, NSW, WA and NZ • largest acquisition to date completed (Gregson & Weight) • acquired three freehold properties
5	OUTLOOK	Expecting to benefit from: • a growing and ageing population • a strong funding position • acquisitions completed to date and other potential future acquisitions in a fragmented industry (although timing is uncertain)		

¹ Percentage movements shown above relate to movements between FY20 and the prior year, unless otherwise stated

² Refer to slide 19

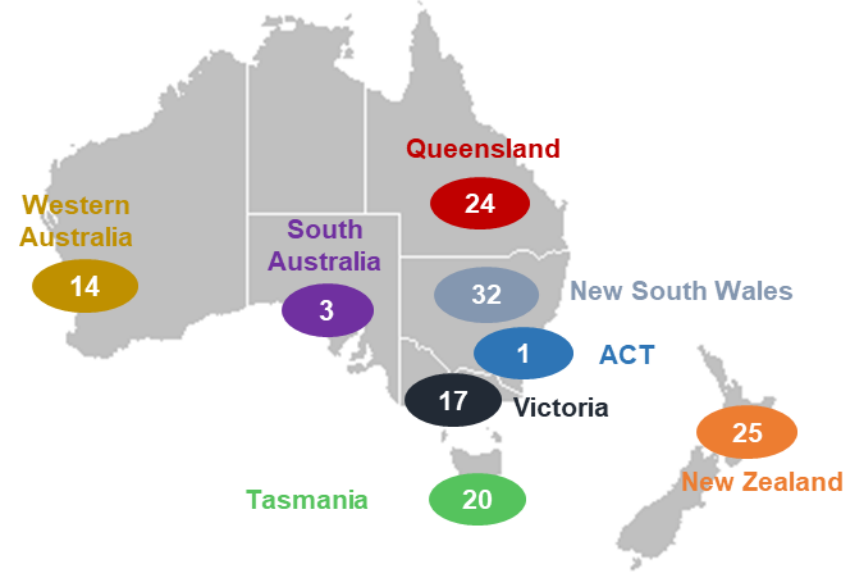
Geographic presence

136 locations (77 owned / 59 leased), including 31 cremation facilities and 9 cemeteries¹

August 2013



August 2020



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

¹ As at 18 November 2020

Brand portfolio

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

Australia



New Zealand

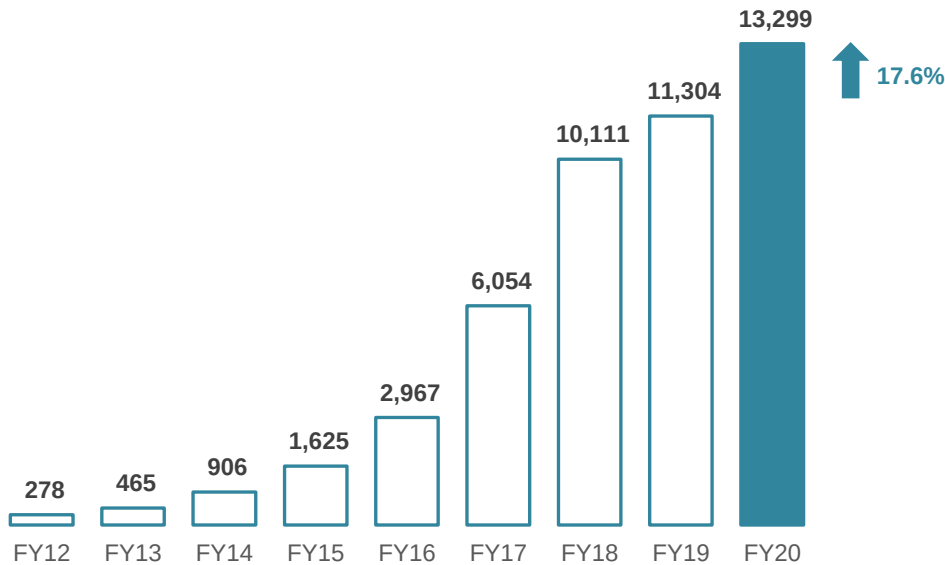


Acquired during and since FY20

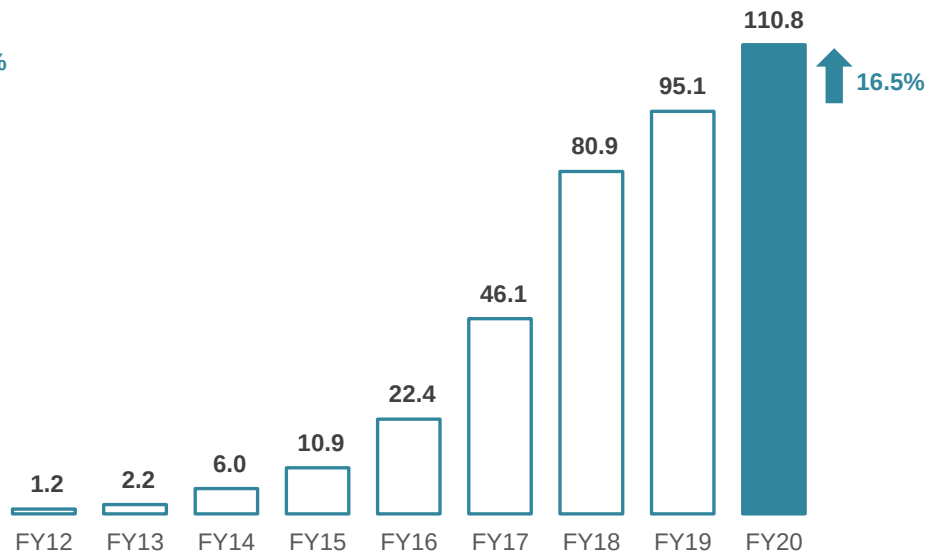
Volume and revenue growth

Propel has maintained a strong growth trajectory

Funeral volumes



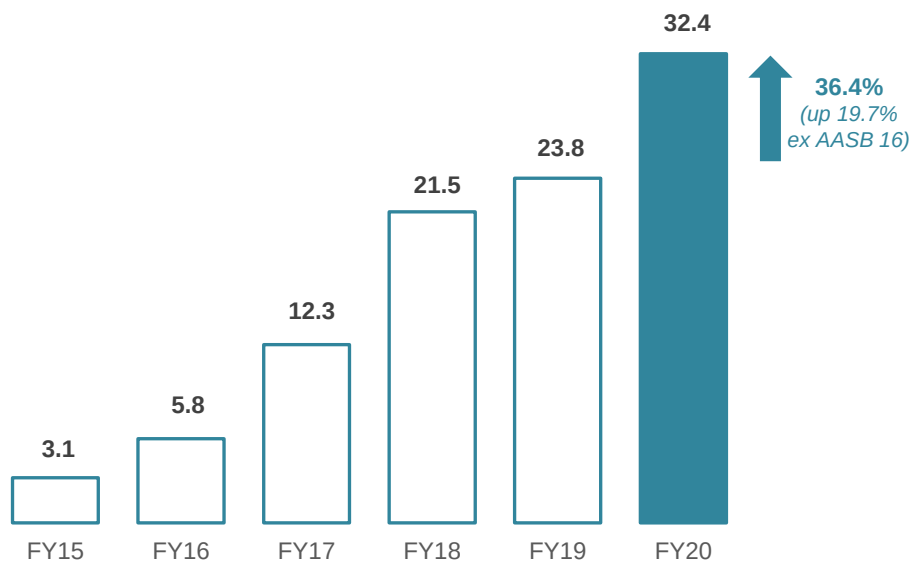
Revenue (\$m)



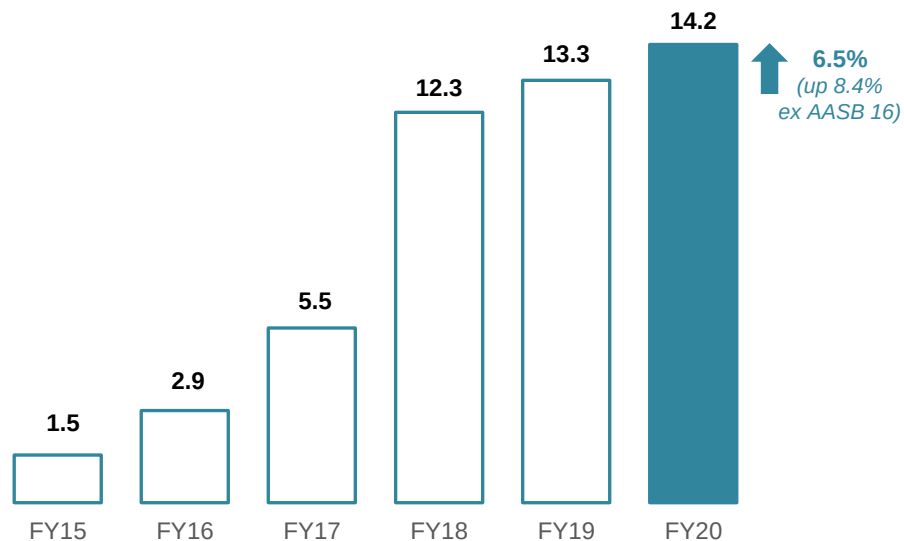
Earnings growth

Propel has maintained a strong growth trajectory

Operating EBITDA (\$m)

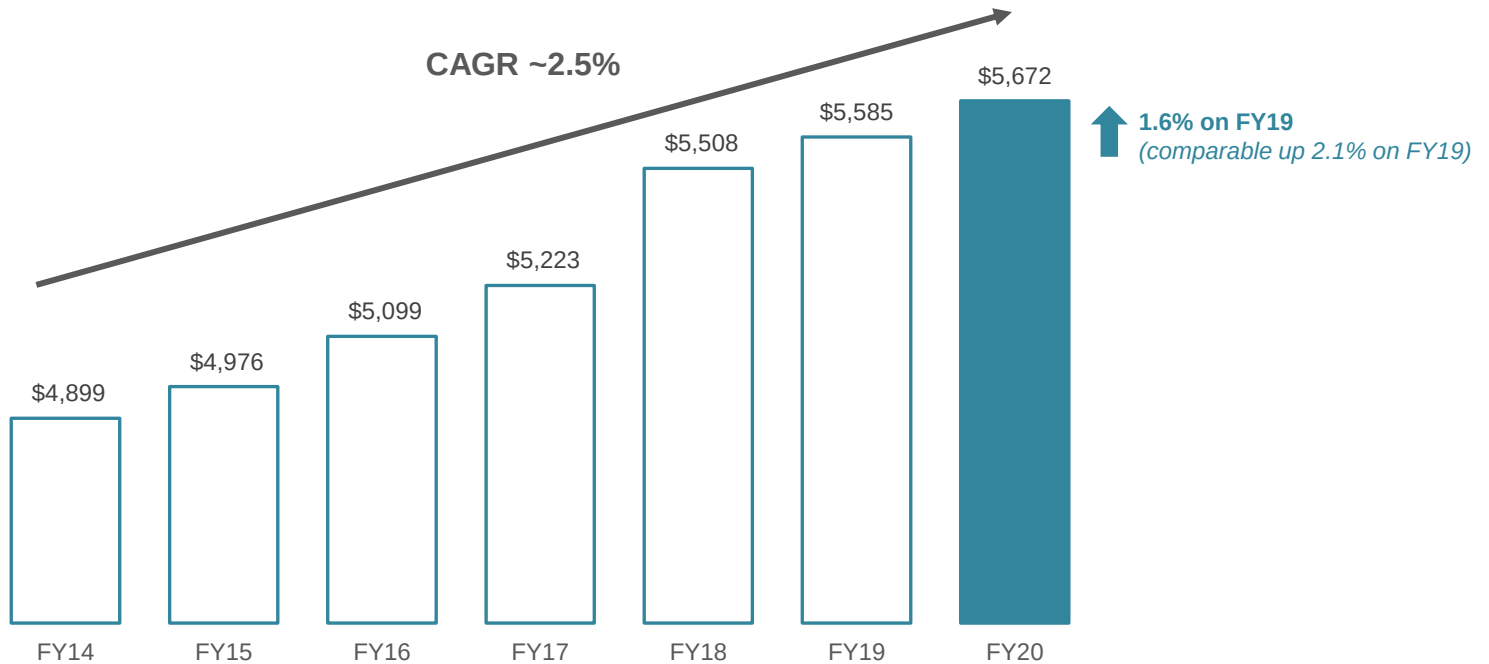


Operating NPAT (\$m)



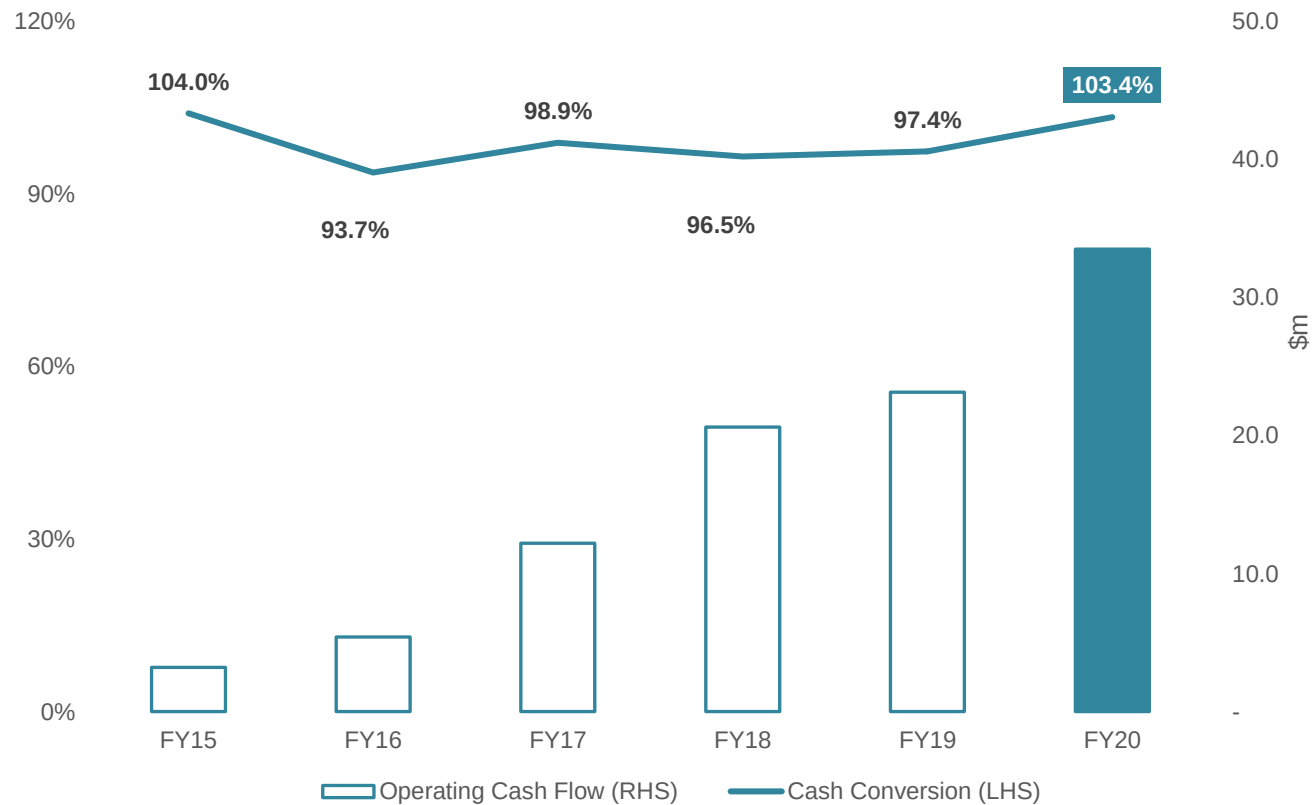
Average Revenue Per Funeral growth

Compound annual growth rate (CAGR) of ~2.5% since FY14



Cash Flow Conversion

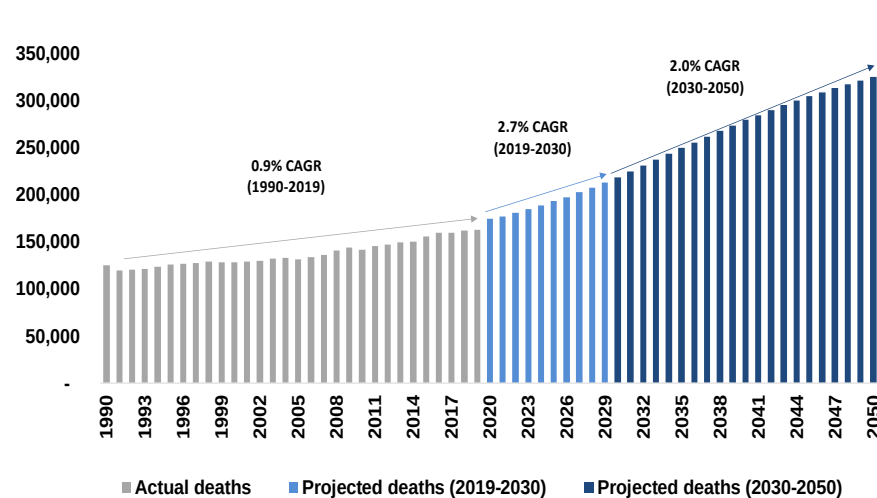
Cash Flow Conversion has been consistently strong, averaging ~99% since FY15



Increasing number of deaths

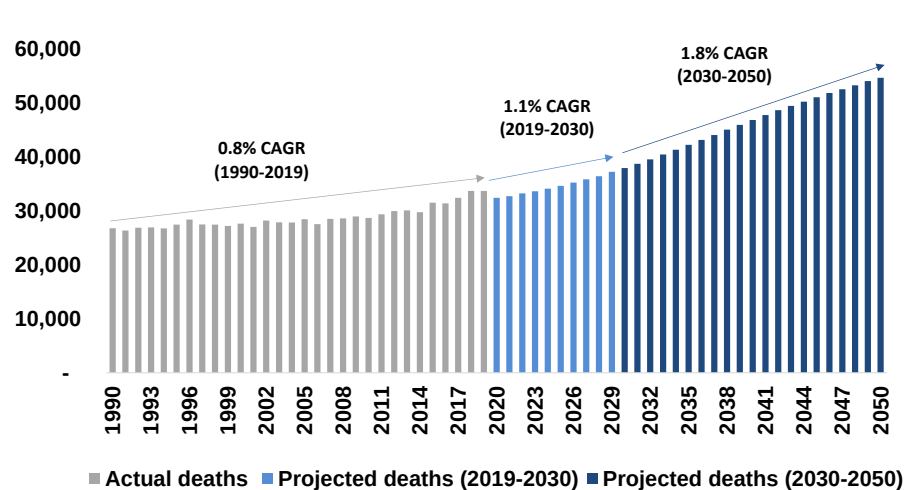
Number of deaths is the most significant driver of revenue in the death care industry

Australia¹



- Death volumes in Australia grew by 0.9% pa between 1990 and 2018¹
- Death volumes are expected to increase by 2.7% pa from 2019 to 2030¹ and 2.0% from 2030 to 2050¹

New Zealand²



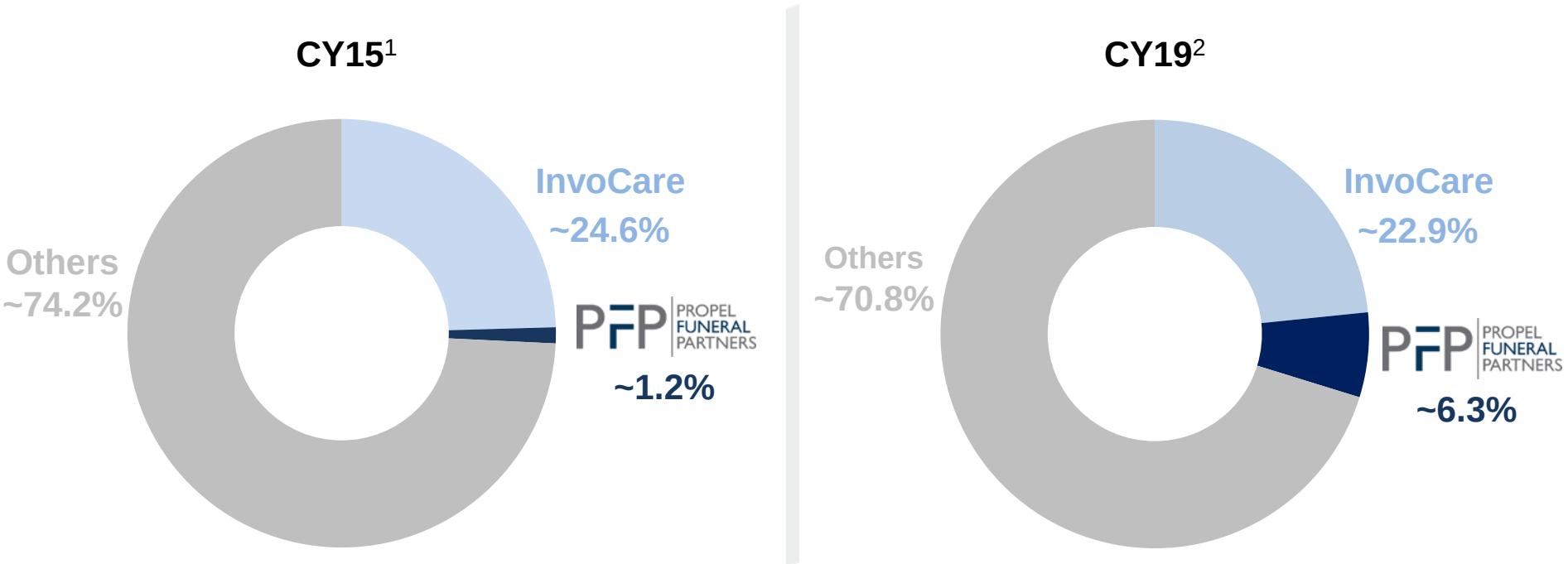
- Death volumes in New Zealand grew by 0.8% pa between 1990 and 2019²
- Death volumes are expected to increase by 1.1% pa from 2019 to 2030² and 1.8% from 2030 to 2050²

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, 2016(base)-2068 for projected deaths by financial year (released in October 2016).

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: 161,500 estimated deaths (mid point of Propel's estimated range of 159,000 to 164,000 deaths) for market size. NB ABS data not yet released. 10,132 funerals performed by Propel and an estimated 37,070 funerals performed by InvoCare (35,886 in Australia in CY18 (page 44 of InvoCare's Results Presentation dated 22 February 2019) plus an estimated 3.3% increase in Australian funeral volumes in CY19 (page 6 of InvoCare's Results Presentation dated 26 February 2020))

Acquisitions (since IPO)

Propel has deployed \$125.8 million¹ on acquisitions since its IPO

	Announced	Funeral Volumes	Third Party Cremations	Revenue
Australia				
Brindley Group (VIC, NSW)	December 2017	1,350	-	A\$11.0m
Norwood Park (ACT, NSW, QLD)	January 2018	-	2,000	A\$4.8m
Newhaven NQ (QLD)	June 2018	200	300	A\$1.8m
Manning Great Lakes Memorial Gardens (NSW)	November 2018	-	700	A\$1.2m
Morleys Group (QLD)	February 2019	900	100	A\$7.8m
Gregson & Weight (QLD)	August 2019	1,650	-	A\$12.0m
Mid West Funerals (WA)	August 2020	120	-	A\$0.7m
Sub-total		4,220	3,100	A\$39.3m
New Zealand				
Dils Group & Martin Williams Funerals (Auckland)	December 2018	800	-	NZ\$7.2m
Waikanae Funeral Home and Kaiawa Crematorium	January 2019	170	-	NZ\$1.6m
Grahams Funeral Services	October 2019	350	-	NZ\$2.7m
Sub-total		1,320	-	NZ\$11.5m
TOTAL		5,540	3,100	A\$50.2m²

Note: Figures are approximate and unaudited

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 Subject to exchange rate movements

Capital management

Propel has a current funding capacity of circa \$70 million

Funding capacity (as at 17 November 2020)

Debt facility limits / maturity:

	\$ million
- Tranche A (matures in August 2022)	50.0
- Tranche B (matures in August 2022)	40.0
- Tranche C (working capital facility, matures August 2022)	10.0
- Tranche D (matures August 2023)	50.0
	150.0

Net Debt¹ **(79.7)**

Performance Fee 0.0

Funding capacity² **70.3**

Comments

Debt facilities

- Expanded to \$150.0m in December 2019
- Includes a \$10.0m working capital facility which is to be 'cleaned down' once every 12 months

No Performance Fee payable for the Third Calculation Period ended 17 November 2020

Funding capacity

As at 17 November 2020, the Company has funding capacity of ~\$70.3m

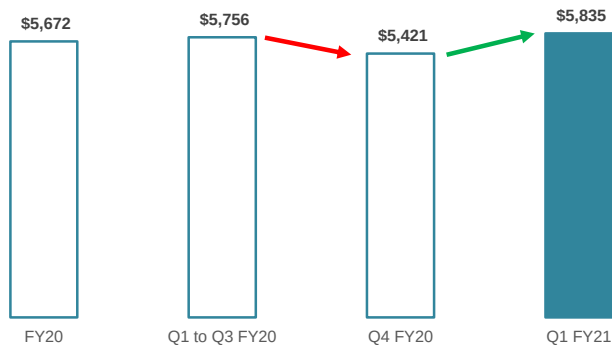
¹ Senior debt less cash and cash equivalents.

² Undrawn debt and cash at bank as at 17 November 2020.

COVID-19 impacts

Average Revenue Per Funeral and funeral volumes have been impacted by COVID-19

1 Average Revenue Per Funeral



Funeral attendee limits and social distancing measures introduced in late March 2020 to curb the spread of COVID-19:

- affected Propel's ability to offer a full range of services to its client families
- negatively impacted Average Revenue Per Funeral in Q4 FY20

Restrictions began to ease from late April 2020, which contributed to an increase in Average Revenue Per Funeral in Q1 FY21

Current funeral attendee limits are at least 100 mourners in most States and Territories in Australia and are unlimited in New Zealand

2 Funeral volumes

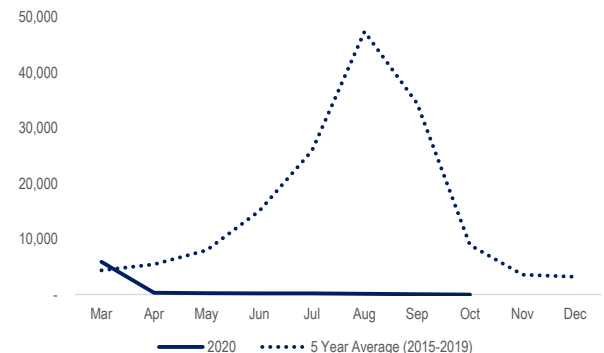
In Q1 FY21:

- death volumes were materially below historical long term trends in key markets within which Propel operates – for example, in Tasmania registered deaths declined 12.6%¹ on the PCP
- flu cases in Australia were circa 99% below the prior 5 year average
- the Company's funeral volumes cycled a strong PCP

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

- have contributed to a benign 2020 flu season to date
- may result in a deferral of death volumes into future periods

Flu cases in Australia²



¹Tasmanian Registry of Births, Deaths and Marriages
²Source: National Notifiable Diseases Surveillance System

COVID-19 responses

Focused on people safety, essential service continuity and financial resilience

1 People safety

- 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
- communicating government guidelines and directives to staff and mourners
- 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 able to cross state/territory borders and access 'hot spot' 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
- ensuring government guidelines and directives followed by staff and mourners
- regular dialogue with key stakeholders

3 Financial resilience

- prudently increasing cash at bank
- deferring non-essential capital expenditure
- controlling operating costs by:
 - optimising staffing mix and temporarily reducing staff costs, while maintaining headcount
 - 100% fee waivers from Directors and the Manager in April and May 2020
 - eligible businesses accessing wage subsidies

Outlook

Demand for essential funeral services remains, underpinned by favourable demographics

1 In Q1 F21, Propel reported:

- Operating EBITDA of \$10.5 million, up circa 18% on the PCP
- Average Revenue Per Funeral growth on FY20 within its target range of 2% to 4%
- Total funeral volume growth on the PCP
- Strong Cash Flow Conversion

2 Expected growth drivers for FY21 and beyond:

- Growing and ageing population
- Strong funding position
- Acquisitions completed during and since FY20 and other potential future acquisitions in a fragmented industry (although timing is uncertain)

3 COVID-19 related impacts expected to be isolated to hot spot areas:

- Funeral attendance limits have eased and are currently unlimited in New Zealand and restricted to at least 100 attendees across most of Australia
- Average Revenue Per Funeral impacts are expected to be isolated to hot spot areas, temporary and not as severe as experienced in Q4 FY20
- Diversified network and ongoing demand for essential funeral services have delivered considerable resilience in earnings and operating cash flows
- Propel will continue to focus on people safety, essential service continuity and financial resilience

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 2020.”

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

Formal business – item 2

Item 2: Re-election of existing Director

“That Mr Jonathan Trollip, 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: 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 2020 be adopted.”

Formal business – item 4

Item 4: Amendment to the constitution

“That the Company’s constitution be amended so that Rule 5.7(i) be deleted and replaced with:

‘If a poll has been taken at a meeting of shareholders, the chairperson of the meeting may close the meeting prior to the results being known or declared, provided that the results of any such poll are declared by notice to the ASX Market Announcement promptly after the results are known.’”

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 prepaid impacts, divided by the number of funerals performed in the relevant period.

Cash Flow Conversion means Operating EBITDA converted into ungeared, pre-tax operating cash flow.

CY means calendar year.

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

Operating NPAT means NPAT adjusted for certain non-operating items, such as acquisition costs.

Net Debt means drawn debt less cash and cash equivalents.

PCP means prior corresponding period.

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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.

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