

18 February 2025

Acquisitions

Propel Funeral Partners Limited (ASX: PFP) (**Propel** or **Company**) is pleased to announce it has executed binding legal documentation to acquire two long established funeral services providers as well as related assets, infrastructure (including three cremation facilities) and real estate, which will expand Propel's network into two new regional markets in New Zealand (**NZ**).

The total consideration payable for the two acquisitions is up to ~A\$7.3 million¹.

Overview

The acquisitions relate to:

- **Twentymans Funeral Services and Thames Crematory:** a funeral services provider operating in and around Thames, NZ since 1867 which also provides pet loss services under the brand 'Forever Pets'; and
- **Richmond Funeral Home and Clareville Crematorium:** a funeral services provider operating in and around Carterton since 1887.

Together, the businesses:

- generated ~A\$3.7 million of revenue in their last financial year;
- conducted ~600 funerals in their last financial year; and
- operate from 7 locations², of which Propel will:
 - acquire 3 of the properties on settlement; and
 - lease 4 of the properties, with purchase options over 3 of those properties.

Consideration

The total consideration for the two acquisitions is up to ~A\$7.3 million, payable as follows:

- A\$6.7 million¹ in cash payable on completion;
- A\$0.1 million¹ via the issue of 15,245 Propel ordinary shares³ on completion of the relevant acquisition; and
- up to A\$0.5 million¹ in cash payable if certain financial milestones are achieved during the four years following completion of the relevant acquisition.

The cash required to complete the acquisitions will be funded from the Company's debt facilities.

Expected Timing

Subject to satisfaction (or waiver) of customary conditions (e.g. third party lessor consents, consents to assignment of key contracts, due diligence (including in respect of regulatory matters), etc.), the acquisitions are expected to be:

- completed in 2H FY25; and
- earnings accretive in year one.

-END-

¹ Estimate, excluding completion adjustments and transaction costs and subject to NZD/AUD exchange rate movements.

² Some of the properties are over multiple titles, and some have multiple street addresses.

³ Subject to certain exceptions, the escrowed shares will be released three years after completion of the relevant acquisition. Assuming no other shares are issued prior to completion of the relevant acquisition, once the escrowed shares are issued, Propel's total number of shares on issue will increase from 137,958,349 to 137,973,594. Once issued, the escrowed shares will rank pari passu with Propel's ordinary shares currently on issue. Shareholder approval is not required in connection with the issue of these ordinary shares.

ASX ANNOUNCEMENT

About Propel:

Propel is listed on the Australian Securities Exchange and is the second largest provider of death care services in Australia and New Zealand. Propel currently operates from 198 locations, including 38 cremation facilities and 9 cemeteries.

For further information, please contact:

Lilli Rayner
Chief Financial Officer
+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.

For personal use only