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FY25 First Half Results

Investor Presentation

24 February 2025

PFP | PROPEL
FUNERAL
PARTNERS

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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. FY22 is disclosed on a pro forma basis (consistent with FY22 reporting).

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.

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Presenters



Albin Kurti
Managing Director



Lilli Rayner
Chief Financial Officer



Fraser Henderson
Head of M&A, General Counsel
and Company Secretary

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Agenda

1. Key highlights of 1H FY25
2. Company overview
3. 1H FY25 financial results detail
4. Industry trends and acquisitions
5. Summary and outlook
6. Q&A

Appendices

1. Key Highlights of 1H FY25



Key Highlights of 1H FY25

1 TRADING¹

Revenue
\$115.2m
▲ ~12.0%

Funeral Volumes
11,549
▲ ~8.6%

Average Revenue Per Funeral
\$6,727
▲ ~2.6% on a comparable basis

2 EARNINGS¹

Operating EBITDA
\$29.9m
▲ ~9.2%

Operating NPAT
\$12.2m
▲ ~21.1%

Cash Flow Conversion
~96.1%
▼ ~470bps

3 CAPITAL MANAGEMENT²

Dividend
7.4cps
1H FY24: 7.2cps

Gearing Ratio
26%
NLR: 1.9x³

Funding Capacity³
~\$144m

4 GROWTH²

Locations
198
▲ 2

Acquisitions⁴
\$302m
Committed since IPO

Expansion
NZ

5 OUTLOOK

Expecting to benefit from:

- favourable demographics in Australia and NZ
- strong funding position
- acquisitions completed and announced to date and other potential future acquisitions in a highly fragmented industry

Albin Kurti, Managing Director and Co-Founder, to retire on 31 August 2025 after 14 years

1. Movements shown above relate to movements between 1H FY25 and the PCP unless otherwise stated.

2. As at 31 December 2024 for Gearing, Net Leverage Ratio, Locations (movement from 30 June 2024) and Expansion.

3. Refer to slide 19.

4. Refer to slide 23.

2. Company Overview



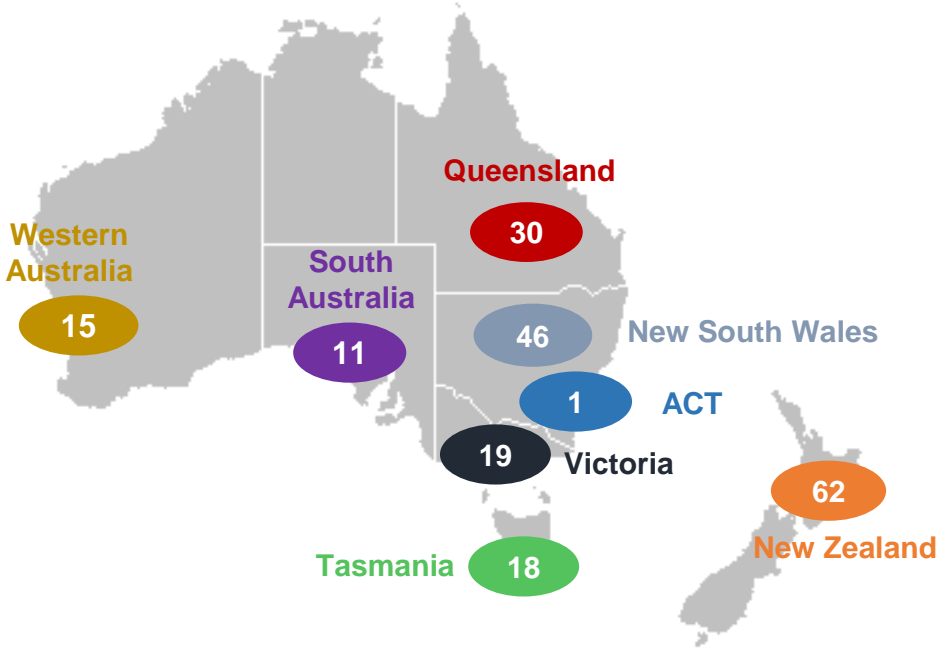
Geographic Presence

202 operating locations¹ (121 owned / 81 leased), including 40 cremation facilities and 9 cemeteries

1 August 2013



2 February 2025



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

¹: 196 operating locations as at 30 June 2024 plus 6 operating locations added during FY25 YTD.

Brand Portfolio

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

Australia

NZ

Acquisitions completed and/or announced since 1 July 2024.

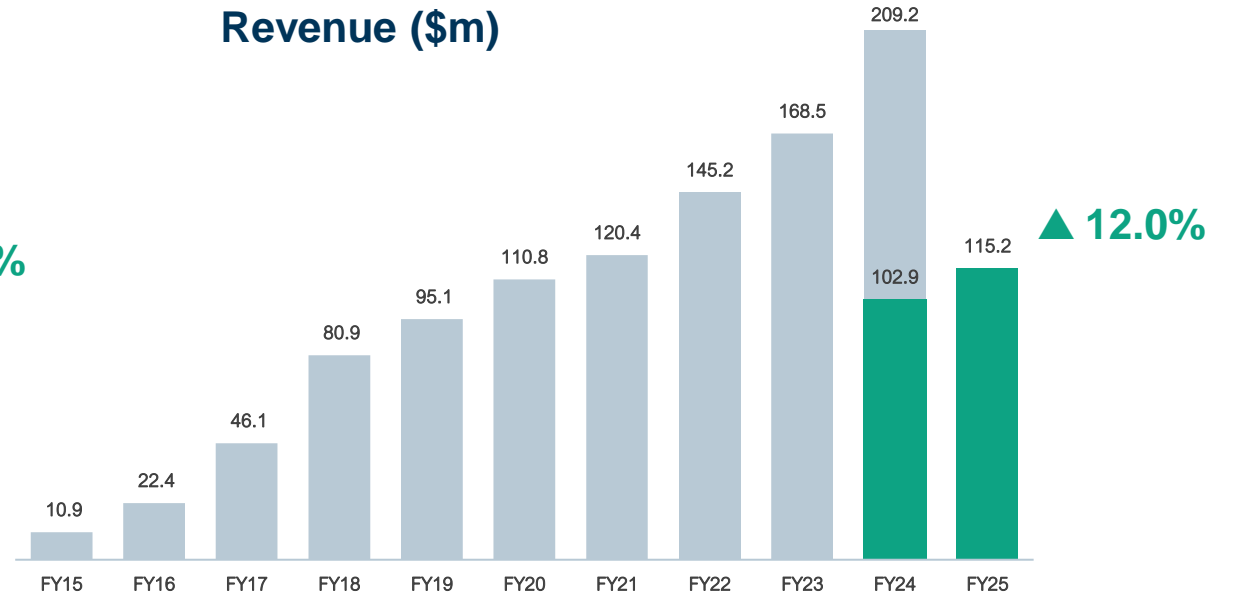
Track Record

Propel has maintained a strong growth trajectory

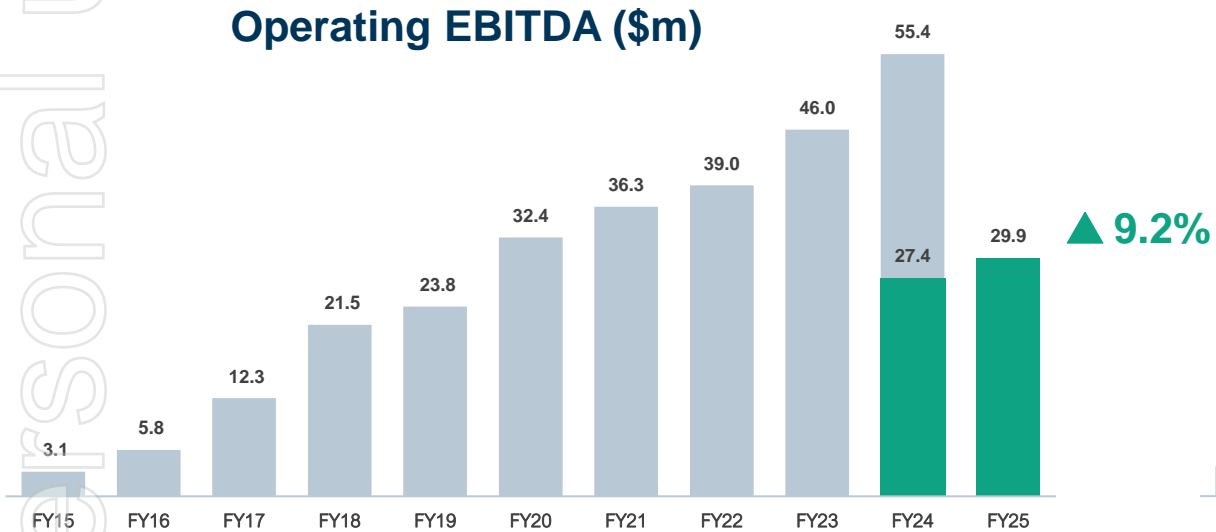
Funeral volumes (#)



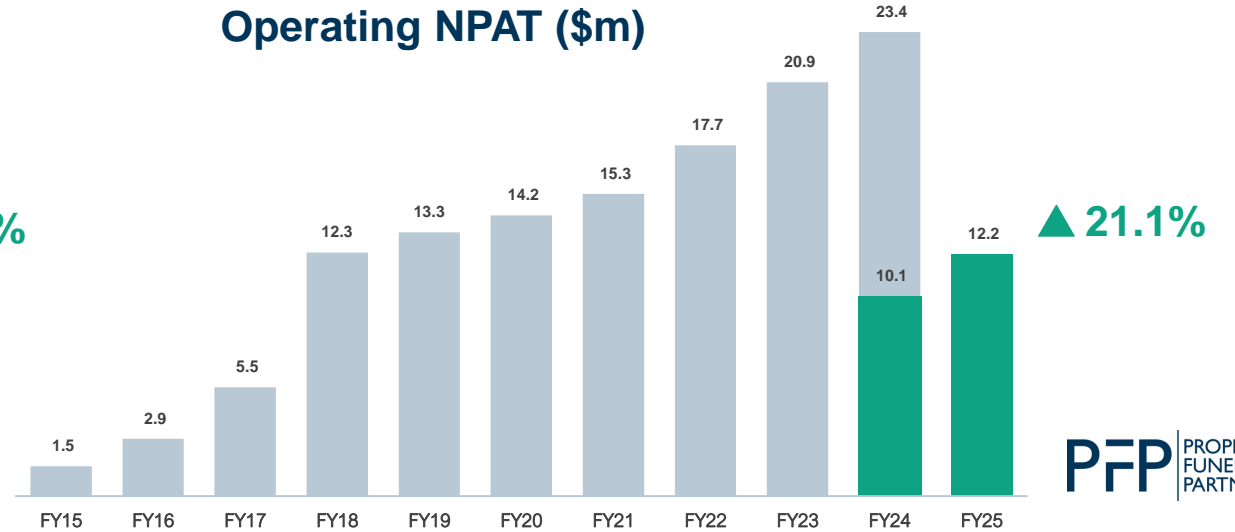
Revenue (\$m)



Operating EBITDA (\$m)

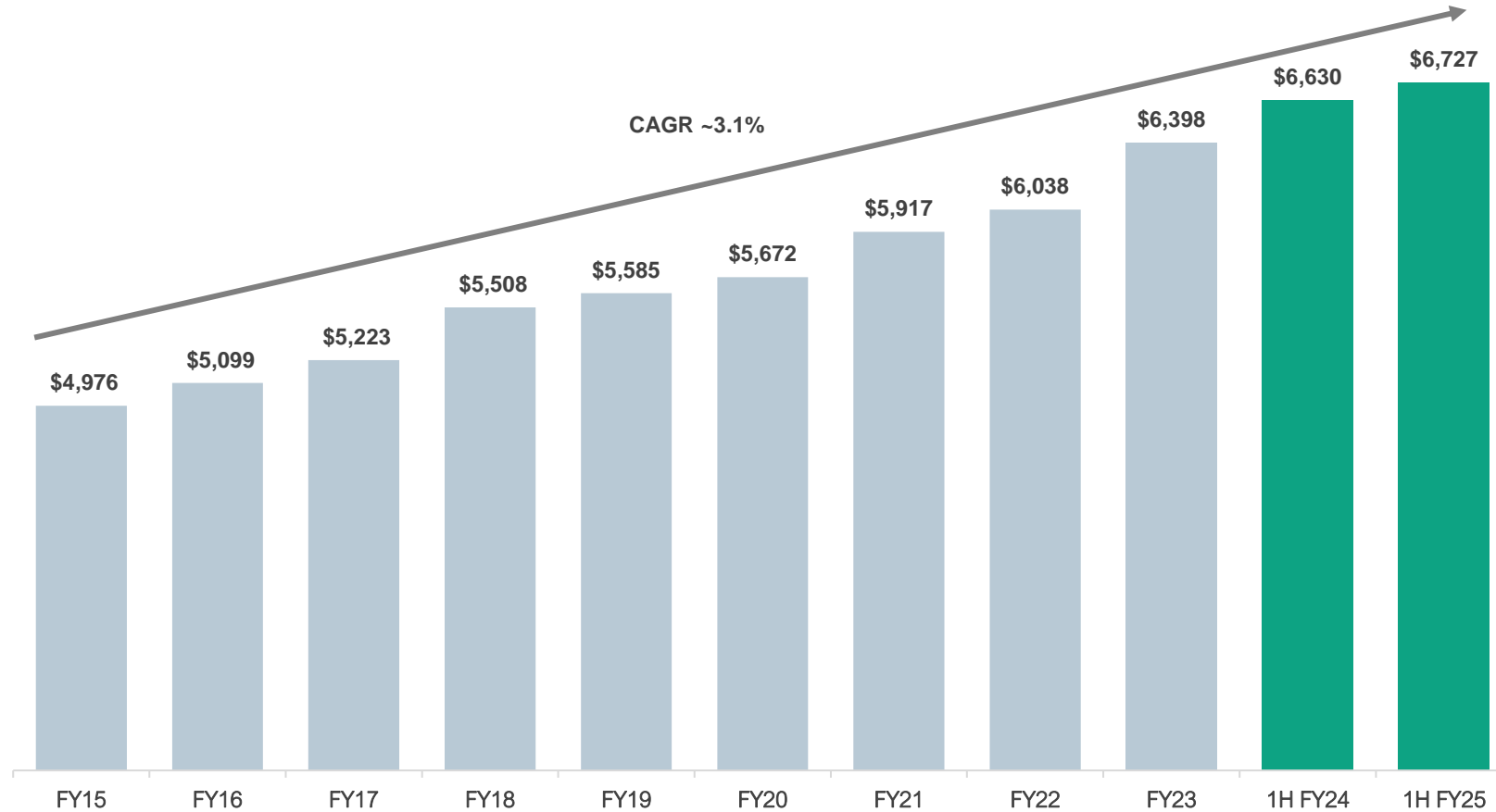


Operating NPAT (\$m)



Average Revenue Per Funeral Growth

Compound annual growth rate (CAGR) of ~3.1% since FY15

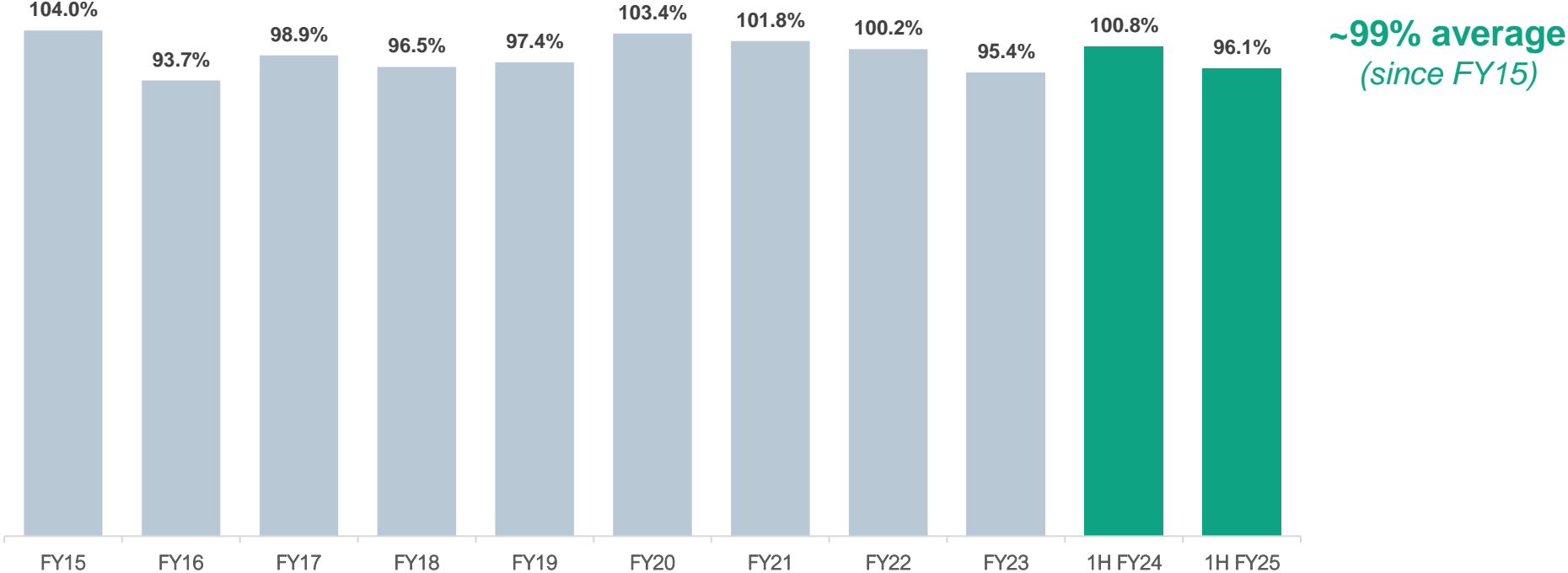


▲ ~2.6% (comparable)
(total up 1.5%)

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Cash Flow Conversion

Consistently strong



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Performance Summary Since IPO

Propel's share price has outperformed the ASX300 since the IPO in November 2017

Relative share price and index performance (23 November 2017 to 31 December 2024)



Propel
+117.4%¹

ASX300
+36.3%²

Total shareholder return³

~111.2%

Total shareholder value accretion⁴

~\$494m

In March 2024 admitted into the:

ASX300 Index

Material growth in key financial and operating metrics

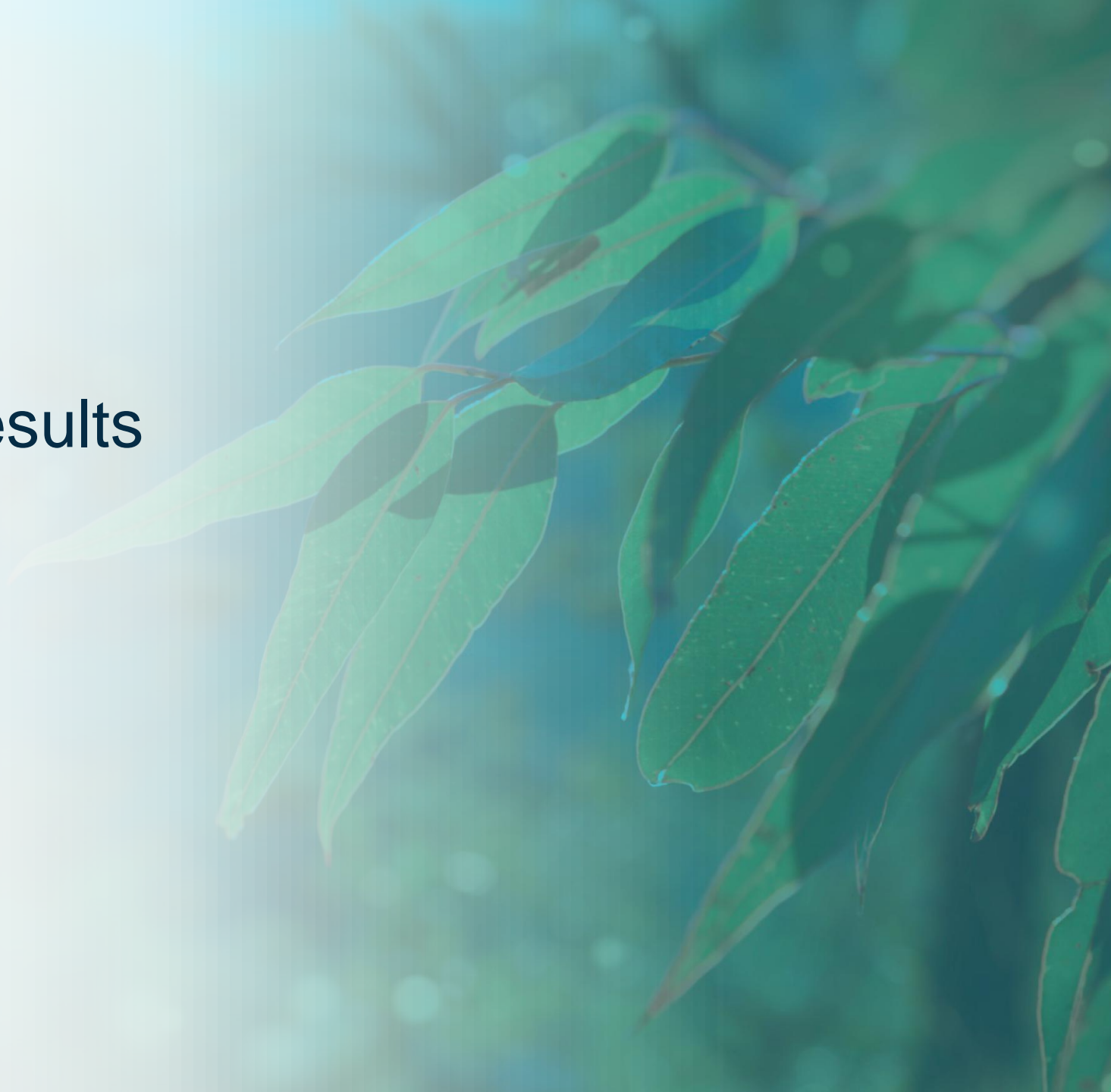
1. Propel's IPO issue price on 23 November 2017 was \$2.70 and its closing share price on 31 December 2024 was \$5.87.

2. The ASX300 Index closed at 5,940.5 on 22 November 2017 and at 8,098.0 on 31 December 2024.

3. Total shareholder value accretion (including total dividends paid (grossed up)) divided by the total value (at cost) of shares issued at and since the IPO, as at 31 December 2024.

4. Propel's closing market capitalisation plus total dividends paid (grossed up) since the IPO, less the total value (at cost) of shares issued at and since the IPO, as at 31 December 2024.

3. 1H FY25 Financial Results Detail



Financial Summary

Statutory Income Statement

\$ million	1H FY25	1H FY24
Total revenue	115.2	102.9
Gross profit	80.6	71.4
...margin	70.0%	69.4%
Total operating costs	(50.7)	(44.0)
Operating EBITDA	29.9	27.4
...margin	26.0%	26.6%
Depreciation	(7.8)	(7.1)
Operating EBIT	22.1	20.3
...margin	19.2%	19.8%
Net interest expense	(4.7)	(6.0)
Operating NPBT	17.3	14.4
Income tax expense	(5.1)	(4.3)
Operating NPAT	12.2	10.1
Operating EPS (cps)	8.9	8.5
Non-operating items:		
Acquisition costs	(0.5)	(1.9)
Net other income and expenses	(0.2)	0.0
Net financing charge on pre-paid contracts	(0.1)	(0.2)
Tax effect of adjustments	0.4	0.2
Net profit after tax	11.8	8.3

1: Noting the 49.99% interest in an entity operating the business trading as Osbornes Funeral Directors is equity accounted.

Comments

Revenue

- Increased 12.0% on the PCP to \$115.2m, primarily due to:
 - contributions from 11¹ acquisitions completed during FY24 and 1H FY25
 - comparable Average Revenue Per Funeral growth of 2.6%
 - comparable volume growth of 1.0%

Gross profit margin

- positively impacted by pricing and favourable sales mix, partially offset by the financial profile of recent acquisitions.
- comparable gross profit margin exceeded 70%

Operating EBITDA

- Increased 9.2% on the PCP to \$29.9m, primarily due to contributions from 11¹ acquisitions completed during FY24 and 1H FY25
- Opex impacted by:
 - changes to executive remuneration
 - good cost control, with opex per funeral in line with inflation

Other operating items:

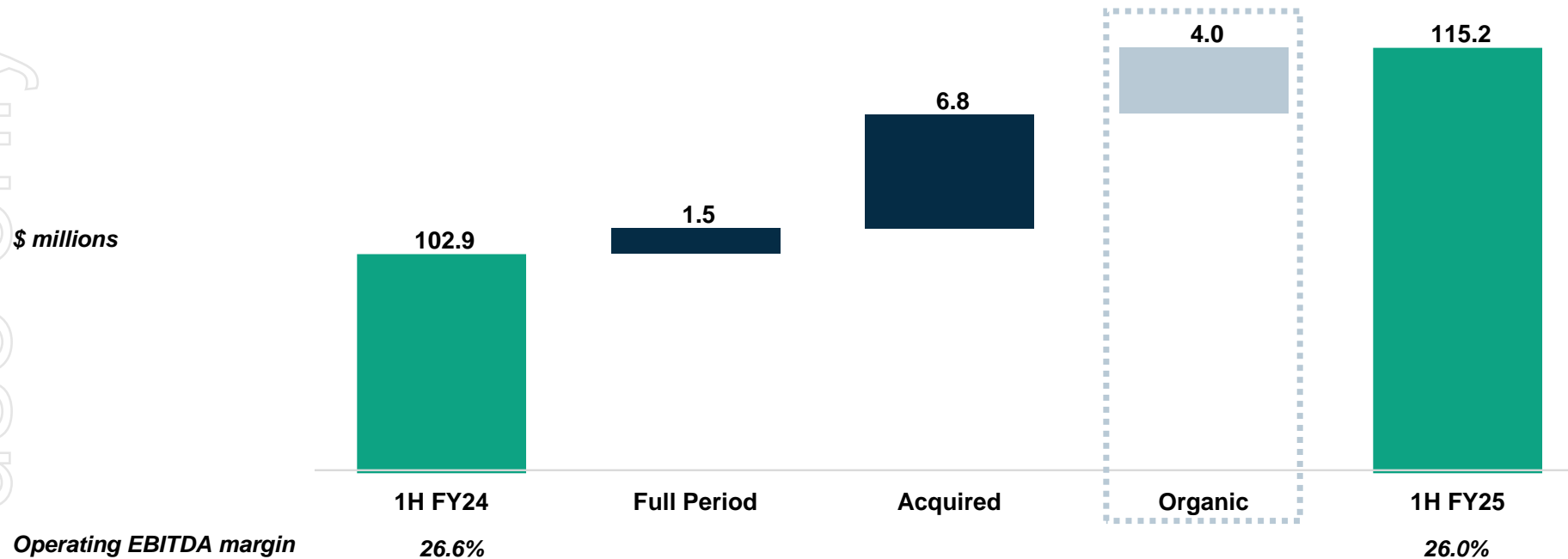
- Includes \$3.0m relating to AASB 16 (Accounting for Leases) (1H FY24: \$2.7m)
- Depreciation increased primarily due to acquisitions
- Average Effective Interest Rate on drawn debt of 6.5% (1H FY24: 6.1%)
- Adjusted Effective Tax Rate of 29.7% (1H FY24: 29.5%)
- Operating NPAT increased 21.1%
- Operating EPS of 8.9cps, impacted by a 16.6% increase in shares on issue

Non-operating items:

- Largely related to acquisition costs and the net financing charge

Revenue Bridge and Operating EBITDA margin

Revenue growth of ~12%, reflecting acquisition contributions (~8%) and organic growth (~4%)



Comments

Total:

Funeral Volumes

▲ ~8.6% on the PCP including contributions from acquisitions

Average Revenue Per Funeral

▲ ~1.5% impacted by 10 funeral acquisitions completed during and since the PCP

Organic:

Funeral Volumes

▲ ~1% up on PCP, reflecting stable growth compared to the material fluctuations experienced in three consecutive PCPs (-9.8% in 1H FY24, +5.2% in 1H FY23 and +7.8% in 1H FY22)

Average Revenue Per Funeral

▲ ~2.6% on the PCP, in line with inflation

Operating EBITDA margin:

Primarily impacted by executive remuneration changes, with opex per funeral growth in line with inflation

Cash Flow

Statutory actuals

\$ million	1H FY25	1H FY24
Receipts from customers (inc GST)	128.6	113.1
Payments to suppliers and employees (inc GST)	(101.0)	(86.8)
	27.6	26.3
Income taxes paid	(3.9)	(4.4)
Interest paid	(5.0)	(5.4)
Interest received	0.3	0.2
Net cash provided by operating activities	18.9	16.8
Payment for purchase of business, net of cash acquired	(8.0)	(79.9)
Net payments for property, plant and equipment	(16.4)	(8.2)
Other investing cash flows	(0.1)	(0.1)
Net cash used by investing activities	(24.5)	(88.2)
Net (repayment)/proceeds from borrowings	16.8	42.8
Dividends paid	(9.9)	(8.2)
Other financing cash flows	(2.4)	(2.1)
Net cash provided by financing activities	4.5	32.5
Net (decrease)/increase in cash during the period	(1.1)	(38.9)
Cash at the beginning of the period	7.3	46.9
Exchange rate effects	(0.0)	0.0
Cash at the end of the period	6.1	8.0
Cash flow conversion %	96.1%	100.8%

Comments

Operating activities

- Operating Cash Flow increased 4.7% on 1H FY24
- Cash Flow Conversion remained strong at 96.1%

Investing activities

- Includes acquisitions (\$6.1m), acquisition costs (\$0.5m) and earn out payments (\$1.4m)
- Acquired four freehold properties (two previously tenanted) for \$9.5m, excluding stamp duty
- Maintenance capital expenditure amounted to 4.2% of revenue (1H FY24: 6.0%)

Financing activities

- Draw down of debt in connection with an acquisition and property purchases
- Reflects the dividends paid during the period

Balance Sheet

Statutory actuals

\$ million	31-Dec-24	30-Jun-24
Cash and cash equivalents	6.1	7.3
Contract assets	76.0	77.2
Other current assets	21.7	18.9
Total Current Assets	103.8	103.3
Property, plant & equipment	299.7	289.0
Right-of-use assets	28.8	29.3
Goodwill	200.6	194.5
Other non-current assets	7.5	8.5
Total Non-Current Assets	536.7	521.3
Total Assets	640.5	624.6
Trade and other payables	14.1	12.5
Borrowings	24.7	24.8
Contract liabilities	82.9	84.0
Lease liabilities	4.3	4.1
Other current liabilities	11.9	13.4
Total Current Liabilities	137.9	138.9
Borrowings	104.4	87.4
Lease liabilities	27.8	28.4
Other non-current liabilities	17.6	18.1
Total Non-Current Liabilities	149.8	134.0
Total Liabilities	287.8	272.8
Net Assets	352.7	351.7
Total Equity	352.7	351.7

1. Senior debt less cash and cash equivalents.

Comments

Cash and net debt position

- \$6.1m of cash (30 June 2024: \$7.3m)
- \$130.0m of drawn senior debt (30 June 2024: \$113.2m)
- \$123.8m of net debt¹ (30 June 2024: \$105.9m)

Pre-paid contracts

- Largely held with third party friendly societies
- Asset increases by investment returns
- Liability increases by non cash financing charge
- Asset and liability derecognised when the contract turns at need
- Pre-paid contracts that turned at need in Australia accounted for less than 10% of the Group's Australian funeral volumes in 1H FY25, consistent with the PCP

Property, plant and equipment

- Includes land and buildings at cost (less depreciation) of \$240m as at 31 December 2024

Goodwill

- Represents purchase price of acquisitions less fair value of net tangible assets acquired
- No impairment

Capital Management

Available funding capacity of ~\$144 million, significant debt covenant headroom and higher dividends

Funding Capacity

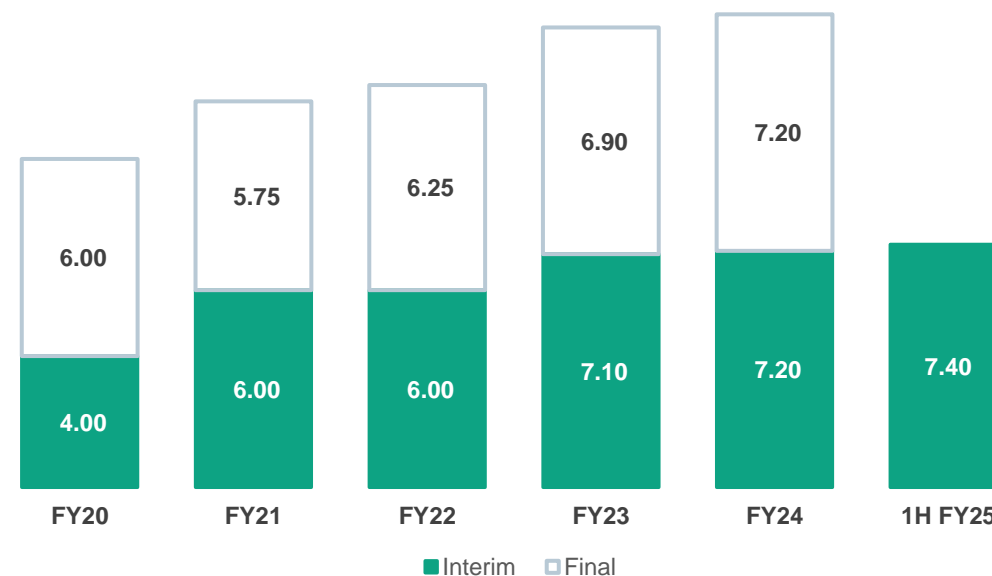
	\$ million
Senior debt facility limit	275.0
Net Debt as at 31 December 2024¹	(123.8)
Acquisition cash commitments ²	(7.5)
Funding capacity³	143.7

Debt covenant summary⁴

Net Leverage Ratio (must be < 5.0x)	1.9x	✓
Fixed charge cover ratio (must be > 1.75x)	4.0x	✓

Dividend summary (cps)⁵

	1H FY24	1H FY25
Fully franked dividend (cps)	7.20	7.40
Dividend payout ratio (rounded)	84%	85%



1. Senior debt less cash and cash equivalents.

2. Cash paid on completion of Twentymans. Cash payable on completion of acquisitions announced, but not yet completed and the purchase of one unrelated freehold property of \$0.8m. Excluding transaction costs and subject to completion adjustments and exchange rate movements, where applicable.

3. Undrawn debt and cash at bank, as at 31 December 2024, less the cash required to fund commitments relating to acquisitions announced/completed and one unrelated freehold property. Excluding transaction costs and subject to completion adjustments and exchange rate movements, where applicable.

4. The Net Leverage Ratio for covenant purposes includes adjustments – for example: (1) the Group's \$25m working capital facility is excluded from net debt; and (2) Operating EBITDA includes the annualised impact of acquisitions and is calculated on a pre AASB16 basis.

5. Refer to slide 33.

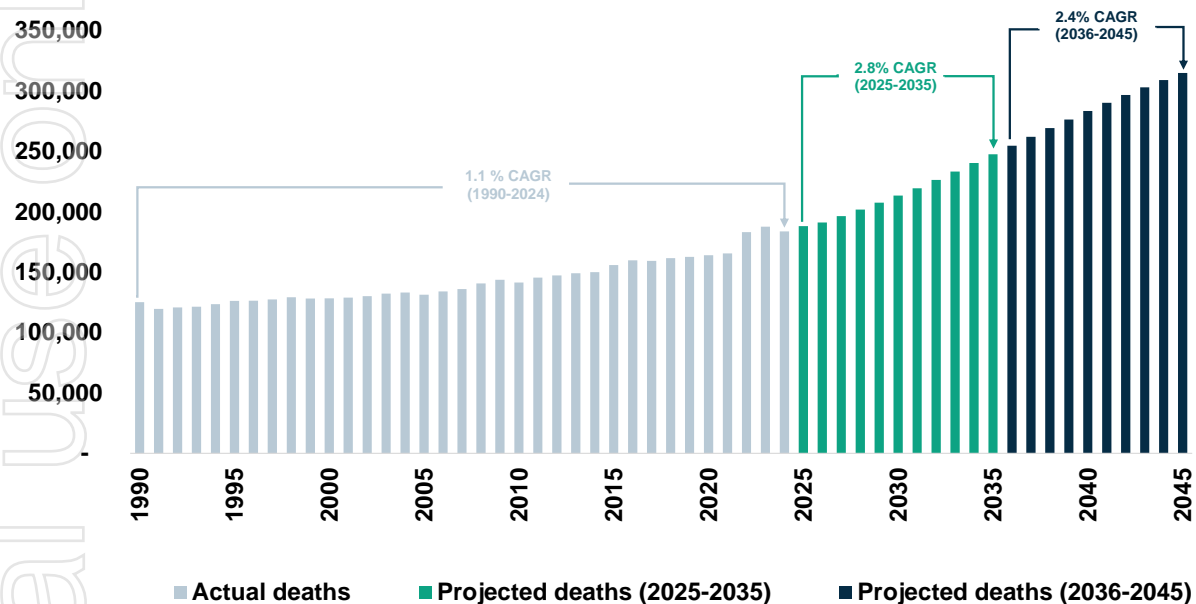
4. Industry Trends and Acquisitions



Increasing Number of Deaths

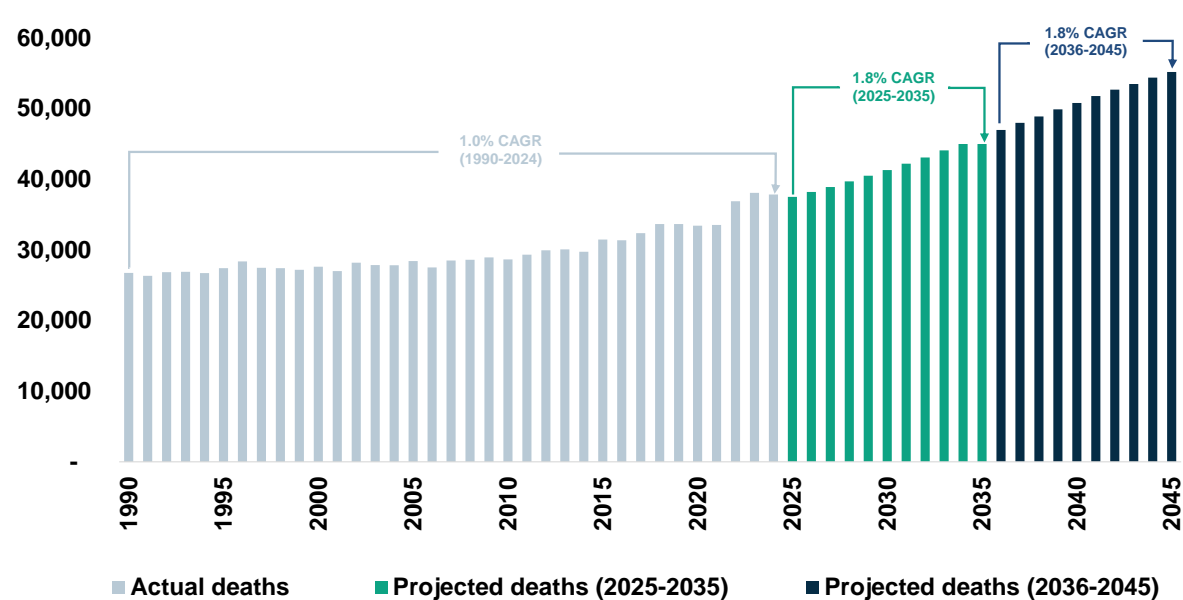
Number of deaths is the most significant driver of revenue in the death care industry

1 Australia



- Death volumes in Australia grew by 1.1% pa between 1990 and 2024¹
- Death volumes are expected to increase by 2.8% pa from 2025 to 2035¹ and 2.4% from 2036 to 2045¹

2 New Zealand



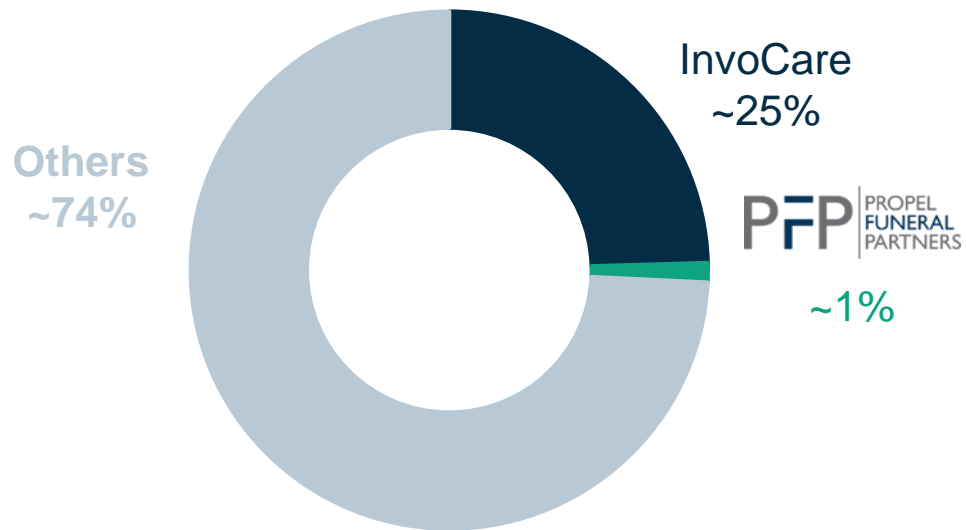
- Death volumes in New Zealand grew by 1.0% pa between 1990 and 2024²
- Death volumes are expected to increase by 1.8% pa from 2025 to 2035² and 1.8% from 2036 to 2045²

1. Source: 1990 - 2023: ABS, Dataset: Deaths and Infant deaths, Year and month of occurrence, Sex, States, Territories and Australia for actual deaths by financial year. FY2024: ABS, Provisional Mortality Statistics for 2024 (released in Dec 2024). Forecasts: 3222.0 Population Projections, Australia, 2022 (base) – 2077, Table 1 Projected population, Australia, Medium, for projected deaths by financial year (released in November 2023).
 2. Source: 1990 – 2024: 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. Forecasts: National population projections, characteristics, 2022 (base)-2073) for projected deaths by financial year (released in July 2022).

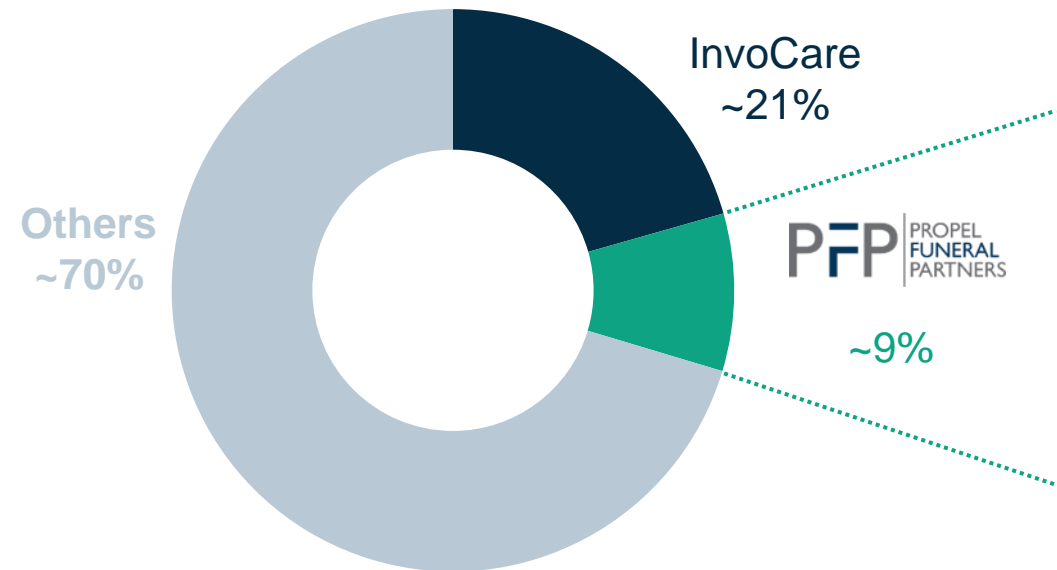
Market Share Estimate (Funeral Volumes)

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

1 CY15¹



2 CY24²



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: 187,672, being 141,232 actual deaths to September 2024, annualised (ABS provisional mortality statistics) for market size, ~16,973 funerals performed by Propel (including annualised funerals relating to acquisitions completed in CY24) and 38,500 estimated funerals performed by InvoCare in Australia in CY24 (page 7 of InvoCare's 1HY23 investor presentation to shareholders dated 28 August 2023, annualised and grossed up using the ABS provisional growth rate – January to September).

Acquisitions

Propel completed or announced ~\$13 million¹ on 3 acquisitions in FY25 YTD (~\$302 million¹ since its IPO)

1 FY25 YTD acquisitions completed or announced:

1. Decra	Jul-24	Christchurch, NZ
2. Twentymans Funeral Services	Feb-25	Thames, NZ
3. Richmond Funeral Home	1H FY25	Carterton, NZ

Consideration:	~\$13m
Revenue:	~\$7m
Locations:	9 (3 freehold)
Cremation facilities:	3

2 Propel continues to explore other potential acquisitions in what is a highly fragmented industry, however, the timing associated with any future acquisitions is uncertain

1. Upfront cash and equity consideration paid. Excludes properties purchased subsequent to completion of a relevant business acquisition and other property purchases, totalling \$45.4 million (excluding stamp duty). Excluding transaction costs and subject to completion adjustments and exchange rate movements, where applicable.

5. Summary and Outlook



Summary

Growth track record, proven management team, defensive market position and sector thematic are attractive characteristics

1 Long term growth profile

- Strong growth track record (>18 fold increase in Revenue and Operating EBITDA since FY15)
- Consistent growth in key operating metrics (funeral volumes, Average Revenue Per Funeral and network size)

2 Founder led management with significant ownership and industry experience

- Proven management team (>19 years funeral industry experience) and NEDs who own ~16% of the Company's issued capital
- Built the business from the ground up (from 1 funeral home to a network of 202 locations)

3 Attractive industry dynamics

- Growing and ageing populations in Australia and NZ (provide favourable demographic 'tail winds' over the long term)
- Stable industry with high fragmentation (leading to acquisition opportunities)

4 Consistently high cash conversion and stable operating margin

- Strong Cash Conversion (averaging ~99% since FY15)
- Stable Operating EBITDA margin (above 25% since FY15)

5 Defensive footprint, strong asset backing and funding position support growth strategy

- Diversified network of 202 locations (121 owned properties valued at depreciated cost of ~\$243 million) is difficult to replicate
- ~\$144 million available funding capacity for growth through acquisitions and other initiatives

6 Value creation

- Total shareholder value creation of ~\$494 million and total shareholder return of ~111.2% since IPO

Outlook

Demand for essential funeral services is underpinned by favourable demographics

1 Expected growth drivers for the remainder of FY25:

- favourable demographics in Australia and NZ
- a strong funding position
- acquisitions completed to date and other potential acquisitions in what is a highly fragmented industry (although timing is uncertain)

2 Propel has started 2H FY25 positively - in the month of January 2025¹ revenue growth over the PCP exceeded 10%, reflecting:

- materially higher total funeral volumes, including contributions from acquisitions and positive growth in comparable funeral volumes
- higher Average Revenue Per Funeral

It should be noted that death volumes fluctuate over short time horizons

3 Albin Kurti, Managing Director and Co-Founder, to retire on 31 August 2025 after 14 years²:

- under Albin's vision and leadership, Propel has:
 - grown from an idea on a whiteboard to an ASX 300 listed entity, starting with one funeral home and currently operating from 202 locations across Australia and NZ
 - more than quadrupled its enterprise value since the Company's IPO in 2017, from \$215 million to \$923 million
- Propel has strong internal succession candidates and the Board will commence implementing its succession plan
- Albin will continue to lead the Company until 31 August 2025, allowing time for an orderly leadership transition. In that regard, a separate announcement is expected to be made in the coming months

1. Based on the Company's unaudited management accounts.

2. Refer to the ASX Announcement dated 24 February 2025.

6. Q&A



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Appendices



Definitions

Adjusted Effective Tax Rate means income tax expense divided net profit before tax, adjusted for non deductible and non assessable items.

Average Effective Interest Rate means the average interest rate on senior debt, including the interest rate swap (where relevant) and establishment fees but excluding the commitment fee on undrawn debt.

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 to ungeared, pre-tax operating cash flow, adjusted for cash flow timing differences relating to Executive bonuses.

Cps means cents per share.

CY means calendar year.

Distributable Earnings means NPAT adjusted for the non-cash net financing charge on pre-paid contracts and acquisition costs.

FY means financial year.

Gearing Ratio means net debt divided by net debt plus total equity.

Group means Propel and its wholly owned subsidiaries.

IPO means initial public offering.

NEDs means non-executive directors.

Net Leverage Ratio for covenant purposes includes adjustments – for example: (1) the Group's \$25m working capital facility is excluded from net debt; and (2) Operating EBITDA includes the annualised impact of acquisitions and is calculated on a pre AASB16 basis.

NPAT means net profit/(loss) after tax.

NZ means New Zealand.

Operating Cash Flow means ungeared, pre-tax operating cash flow.

Operating EBIT means Operating EBITDA less depreciation.

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

Operating EPS means Operating NPAT divided by the weighted average number of ordinary shares on issue.

Operating NPAT means NPAT adjusted for certain non-operating items, such as acquisition costs and the non cash net financing charge on pre-paid contracts.

PCP means prior corresponding period.

Prospectus means the prospectus prepared by Propel in connection with the IPO.

WGEA means Workplace Gender Equality Agency.

WHS means Workplace, Health and Safety.

Propel's ESG Journey

Propel acknowledges the importance of ESG considerations in today's corporate and social landscape

Environmental

Sustainability

Working towards a more sustainable future:

- installing solar panels at 19 properties (during FY24)
- participating in metals recycling (post-cremation)
- replacing or upgrading equipment/machinery with more energy-efficient technologies, including crematoria
- developing a green electricity roll out program with a preferred energy supplier

Governance

Culture

- Board of Directors comprises six members:
 - majority of Independent NEDs
 - 50% of Independent NEDs are female
- published:
 - Corporate Governance Charter
 - Code of Conduct
 - Whistleblower Protection Policy
- members of industry associations
- management internalisation completed in 2021

Social

Community participation

- multi-brand portfolio = meaningful identity within local communities
- some brands have served an integral role in their communities for over a century, supporting local charities and community groups

Workplace health and safety

- continued roll out of a new WHS program
- "Staying Well Together" program launched for employees centred around positive communication on mental health
- employee assistance program
- leadership, development and coaching program

Diversity and Inclusion

- relevant Employer for the purposes of WGEA Reporting Scheme. Report lodged in June 2024:
 - workforce: 51% female and 49% male
 - gender pay gap: 4.4% versus 19% for all employers¹
- published Diversity Policy

Price Transparency

- prior to services being performed, client families receive an itemised estimate for their approval
- compliance with State price transparency requirements on websites and at physical locations, where applicable

Modern Slavery

- more than 95% of the products are purchased from market leading specialist suppliers based in Australia and NZ
- implemented a Supplier Code of Conduct
- complies with the reporting requirements under the Modern Slavery Act 2018 (Cth)

Affordable Funerals

Propel respects client wishes, including those who seek a simple, no service, no attendance funeral as a more affordable option.

Income Statement Analysis

\$ million	1H FY25	1H FY24
Funeral operations	101.1	91.7
Cemetery, crematoria and memorial gardens	12.4	10.2
Other trading revenue	1.7	1.0
Total revenue	115.2	102.9
Cost of sales	(34.6)	(31.5)
Gross profit	80.6	71.4
Employment costs	(38.0)	(32.1)
Occupancy and facility costs	(5.7)	(5.3)
Advertising costs	(2.3)	(2.4)
Motor vehicle costs	(1.6)	(1.5)
Other operating costs	(3.1)	(2.8)
Total operating costs	(50.7)	(44.0)
Operating EBITDA	29.9	27.4

Comments

Revenue segments:

- 87.8% generated from funeral operations (1H FY24: 89.2%)
- 10.8% generated from cemetery and memorial gardens (1H FY24: 9.9%)
- 1.4% from other sources (including coroners contracts) (1H FY24: 0.9%)

Employment costs:

- 33.0% of revenue (1H FY24: 31.2%)

Occupancy and facility costs:

- 4.9% of revenue (1H FY24: 5.1%)

NPAT to Operating NPAT

Reconciliation

\$ million	1H FY25	1H FY24
	Statutory	Statutory
Statutory net profit after tax	11.8	8.3
Add: Acquisition costs	0.5	1.9
Add: Net other income and expenses	0.2	0.1
Add: Net financing charge on pre-paid contracts	0.1	0.2
Add: Net foreign exchange loss/(gain)	0.1	(0.0)
Less: Net gain on disposal of assets	(0.0)	(0.1)
Less: Tax effect of certain Operating NPAT adjustments	(0.4)	(0.2)
Operating NPAT	12.2	10.1

Distributable Earnings and Dividend

Reconciliation

\$ million	1H FY25 Statutory	1H FY24 Statutory
Net profit/(loss) after tax	11.8	8.3
Distributable Earnings calculation		
Acquisition costs	0.3	1.7
Net financing charge on prepaid contracts	0.1	0.2
Deferred tax adjustment on sale of property	(0.2)	-
Distributable Earnings	12.0	10.1
Dividend payout ratio (rounded)	85%	84%
Actual number of shares on issue ¹	137,958,349	118,299,207
Dividend per share	7.40	7.20

¹ As at 24 February 2025 and 21 February 2024 respectively

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