InvoCare
Innovation Vocation Care

MEDIA RELEASE

2017 Full Year Results released

19 February 2018: InvoCare Limited, the largest private funeral, cemetery and cremation operator in the Asian Pacific region, today announced its results for the full year ended 31 December 2017.

Operating earnings after tax, which excludes asset sales, asset impairments, the impact of undelivered prepaid contracts and non-controlling interests, increased by 10.6% or $6.1 million to $63.5 million, up from $57.4 million.

The Group's operating EBITDA of $124.3 million was up 7.8%, which was delivered as a result of strong operating cost controls and growth in sales. Operating margins increased 150 basis points on the PCP.

The Group's overall gross sales were up 1.8% to $470.9 million following strong performances in its cemetery and crematoria business and in the New Zealand business. Case averages grew 2.9% year on year.

Statutory profit after tax of $97.4 million was up 37.3% or $26.5 million, which has been driven by an increase in returns from the pre-paid funds under management (FUM). The current balance of FUM is $545 million compared to $473 million at the end of the prior year.

Cash flow generation remained strong with ungeared tax free operating cash flow being 91% of operating EBITDA.

Martin Earp, InvoCare's Chief Executive Officer, said "InvoCare has delivered a solid performance particularly given we have commenced the $200 million Protect & Grow plan. We achieved a 10.6% increase in Operating Earnings after Tax which was slightly ahead of the mid-year outlook. This was driven by a good performance in the Australian cemetery and crematoria business, a continued focus on operational efficiencies, strong performance from New Zealand and the benefits of our decision to exit the US market early in 2017."

"Our Protect & Grow plan is essential to meet the changing needs of our customers and to grow our business in a competitive market. All our key Protect & Grow actions have been completed in 2017 and, while costs associated with the program in 2018 will impact EPS and EBITDA, we have put measures in place to mitigate the impact associated with the temporary closure of locations for refurbishment," concluded Mr Earp.

The Directors determined that the final, fully franked dividend of 27.50 cents per share be paid on 6 April 2018, with a DRP election date of 7 March 2018, a record date of 6 March 2018 and an ex-dividend date of 5 March 2018.

This dividend is up 8.2% on the 2016 final dividend and brings the full year dividends up to 46.00 cents per share, which represents an 80% payout of operating earnings. The Dividend Reinvestment Plan (DRP) remains active for this final dividend. It is not intended that this DRP be underwritten nor will shares be issued at a discount.

For immediate release
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