



Positive recovery  
& momentum  
in a year of disruption

**2021 Annual General Meeting**  
20 May 2022

 **InvoCare**

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#### **Non-IFRS financial information**

To support an understanding of comparable business performance, this presentation presents results on a statutory and Operating/Non Operating (non-IFRS) basis when presenting measures of profitability. InvoCare considers Operating EBITDA, EBIT and NPAT as key performance measures. These measures are adjusted earnings before interest, tax, depreciation and amortisation as applicable after excluding the following items:

- The financial impacts of the prepaid funeral business;
- Other non-operating activities, including asset sales gain/loss, impairment loss, SaaS arrangements costs and restructuring costs as applicable.

Balance sheet and cash flow information presented is consistent with the information disclosed in the statutory presentation in the Annual Report.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

# Acknowledgement of Country

InvoCare wishes to acknowledge the traditional custodians of the land we are meeting on, the Cammeraygal people of the Guringai tribe of the Eora nation

We acknowledge and respect their continuing culture and the contribution they make to this city and region.

In the spirit of reconciliation and in keeping with the vision of InvoCare, we also wish to acknowledge, honour and celebrate the Traditional Custodians of country throughout Australia, and recognise the unique connection to the land, sea and relationships across communities of which we are privileged to be a part.

We pay our respect to Elders, past, present and emerging, and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

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Chair's Address	Bart Vogel, Chairman
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CEO's Address	Olivier Chretien, CEO
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Questions	Bart Vogel, Chairman
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Team at Purslowe & Chipper, WA

# Chair's Address

Bart Vogel, Chairman Non-Executive Director

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# Positive recovery & momentum in a year of disruption

Our teams managed persistent COVID disruptions, but trading impacts largely mitigated and strategic momentum maintained

- In 2021 we welcomed Olivier Chretien as new CEO:
  - Strategic vision reset and embarked on a bold change agenda
  - Solid earnings growth and cash conversion delivered
  - Customer satisfaction and safety outcomes improved
- Our teams displayed resilience and remained focused on our mission and values of care and service
- Our flexible COVID response plan served the business exceptionally well
- Strong turnaround in reported profit to \$80.2 million
- Fully franked final dividend of 11.5 cents per share determined
  - Bringing full year dividend to 21.0 cents, up 68% on the prior year

# Enhanced Sustainability Strategy

Our materiality assessment process has reframed our ESG focus into three themes



## People

Reduce **TRIFR** through injury prevention and physical & psychological wellbeing programs

Offer easier access to more employees to **training** & professional development

Articulate our **Employee Value Proposition**

Maintain **80+ NPS**



## Place

Develop new facilities to enhance safety while incorporating **energy-saving and environmentally sound** design principles

Develop **community engagement framework**



## Planet

Training on **Modern Slavery** risks

Further investment and trial of **electrical** and hybrid vehicles

Reviewing immediate and long-term **Greenhouse Gas emissions reduction** opportunities

Investigation of **TCFD recommendations**



**Non-Executive Director**

Kim Anderson

Elected to the Board

28 May 2021



**Non-Executive Director**

Kee Wong

Up for election to the Board

at this meeting

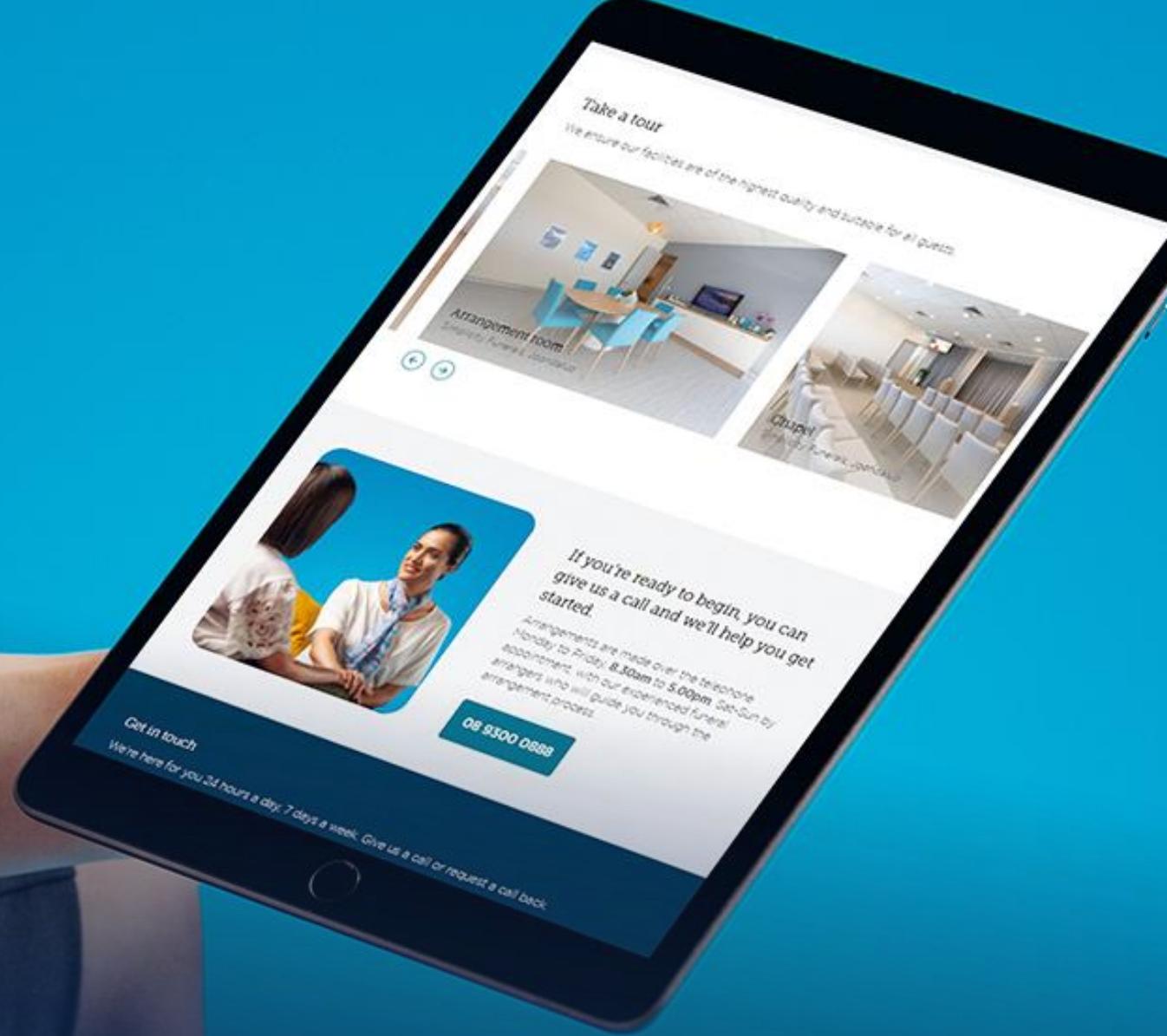
# Confident as we look to the future for this business

We are well positioned to grow near and long-term shareholder value

- Growing & ageing population and expansion into high growth segments supporting future growth
- Strong NPS and scale benefits from market positions & brand portfolio
- Strong balance sheet
- Positive early momentum in strategy execution

# CEO's Address

Olivier Chretien, CEO



**46K**

**Funerals cases**  
 • 37K Australia  
 • 7K New Zealand  
 • 2K Singapore

**23K**

**Cremations & burials**

**87K**

**Pet cremations**

**+80.1**

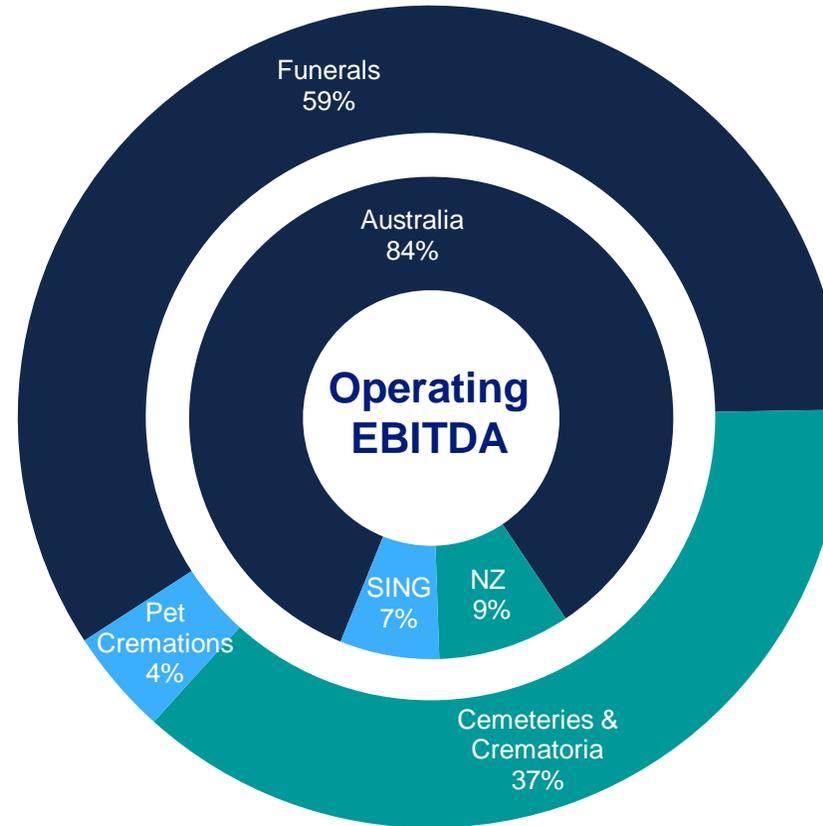
**NPS, an exceptional result**

**c.1,900**

**Full Time Equivalent (FTE) Employees**

**336**

**Locations**  
 • 285 Australia  
 • 48 New Zealand  
 • 3 Singapore



**\$125.5M**

**FY21 Operating EBITDA**

**11.2%**

**FY21 ROCE**

**\$63M**

**CAPEX spend**

**\$650M**

**In pre-paid funerals funds under management**

Offering products and services along the **customer's lifetime journey**

Pre Need

At Need

Post Need

# FY21 Highlights: Positive momentum on key measures of success

Strong delivery and positive performance against all key scorecard measures



## Customer & Team

NPS

**+80.1**

↑ 1.1 on PCP

LTIFR

**9.8**

↓ 22% on PCP



## Operational Excellence

Operating Leverage

**2.1x**

↑ Return to positive

Debt Leverage ratio

**1.2x**

↓ 0.1x on PCP

Cashflow Conversion

**105%**

↑ 5 pts on PCP



## Growth: Operational

Funeral Case Volumes

**45,781**

↑ 2.2% on PCP

Funeral Case Average

**\$8,156**

↑ 3.8% on PCP

Memorialisation Revenue

**+9.7%**

↑ On PCP sales

Pet Cremation Case Volume

**87,440**

↑ 501% on PCP



## Growth: Financial

Operating Revenue

**\$527.1M**

↑ 11% on PCP

Operating EBITDA

**\$125.5M**

↑ 22% on PCP

Operating EBIT

**\$77.8M**

↑ 36% on PCP



## Sustainable Leadership

Sustainability Report

**'Leading'**

ACSI 2021 rating

ROCE

**11.2%**

↑ 2.4 pts on PCP

Operating EPS

**31.6c**

↑ 51% on PCP

# Strategy: FY21 Update

Delivered on the five pillars of our five year plan

## 2025 Strategy



### Customer Led People Empowered

- Renewed purpose, vision and values
- NPS +80.1
- New look employee engagement survey
- Enhanced paid parental leave policy

### Operational Excellence

- Enhanced Funerals ERP
- Scoped new ERP for Cemeteries & Crematoria
- Integrated Pet Cremation acquisitions into one National business
- Completed debt refinance

### Stronger core growth

- Launched 5-year strategic plan
- Completed 40 refresh / growth Funeral sites & new Network Plan
- Master plans for key memorial parks

### New growth platforms

- Established Innovation Hub
- Invested in Memories (digital memorialisation)
- Customer digital self-service Portal and Pet eCommerce Go-live
- Cemeteries & Crematoria community agreements
- Pet Cremation vet networks agreements

### Sustainable Leadership

- Capability investments
- Introduced new HSE strategy and injury management app
- LTIFR reduced 22% to 9.8
- Not-For-Profit partnerships, including The Violet Initiative
- Enhanced sustainability strategy, materiality assessment completed

# Q1 Trading Update

- Operational disruption continued during Q1:
  - COVID-driven employee absenteeism (including isolation rules)
  - Flooding and rainfall impacts on funeral and memorial park operations
  - Supply chain challenges (e.g., new cremators and fleet)
  - Emerging inflationary cost pressures and a very tight labour market
- Taking these impacts into account, the Group has performed satisfactorily for the first quarter, and we continue to work hard to mitigate the impact of these challenges into Q2
- There are also a number of trends emerging:
  - Evidence of the mortality rate in Australia tracking back to long-term trends
  - Memorialisation sales growing, with conditions on the ground driving the timing of construction and order pipeline
  - Pet cremation volumes continue to grow, albeit national integration activities will result in short-term disruption
- We are confident that the agility of our teams, the strength of our businesses and our strategic momentum will enable the Group to navigate these short-term disruptions



Thank you – Questions?

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# Further information - corporate reporting suite

InvoCare's corporate reporting suite brings together the Group's financial, non-financial, risk and sustainability performance for the financial year ended 31 December 2021, including:



## 2021 Investor Presentation

Scan QR code on your smart device to download from InvoCare website



## 2021 Sustainability Report

Scan QR code on your smart device to download from InvoCare website



## 2021 Annual Report

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Meeting Close

Thank you

