



Company	InvoCare Limited
Code	IVC
Meeting	AGM
Date	8 May 2020
Venue	Virtual online meeting
Monitor	Roger Ashley assisted by Sue Howes

Number attendees at meeting	Not Applicable
Number of holdings represented by ASA	110
Value of proxies	\$6.6m
Number of shares represented by ASA	0.60m (equivalent to 19th largest holder)
Market capitalisation	\$1.42bn
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Directors Richard Davis and Robyn Stubbs

Investment in transition strategies continues

We would like to thank the company for the time and effort taken to allow shareholders to ask questions and obtain information while using virtual technology.

The Chairman reviewed results and shares issued during the financial year and then addressed the current capital raising and dividend suspension. The additional capital will give the company an

opportunity to continue proven growth strategies in a COVID-19 affected world. The dividend is expected to be paid in October.

Care has clearly been taken to ensure existing shareholders are treated fairly in the capital issue with a stated 98% of retail shareholders being able to maintain or increase their shareholding.

The CEO then provided a detailed review of the business over the last 12 months and the recent effects of COVID-19 leading to issues being encountered in different countries: Australia having a limit of 10 persons at a funeral and in New Zealand a total ban on funerals. Invocare is also targeting acquisitions in key regional areas to which metropolitan retirees typically migrate with a positive impact on profitability.

The meeting was then opened to questions. The Chair indicated 30 different questions had been received in four main areas:

- Finances and capitalisation;
- COVID-19;
- Strategic direction; and
- Remuneration.

The answers to these questions, which were received prior to the meeting, are detailed in the [AGM presentation](#).

Responses to questions raised during the meeting:

- The significant increase in trade receivables which was largely caused by a new IT system will show improvement in the first half of 2020 and further improvement in the second half;
- While the ACCC has not formally declared an investigation into the funeral industry, IVC will fully support and engage with transparency should it do so;
- The New Zealand profit margin has been depressed due to both an increase in external competition and the past implementation of a head office structure which has been found to be unnecessary overhead. This decision is being reversed with more devolved local responsibility and with support provided from Australian head office. Once this is rectified the results for NZ should improve;
- The impact of two capital raisings on debt levels was affirmed to be sustainable and well within bank covenants and acceptable debt to EBITDA ratios.

Changes to the remuneration structure are designed to combat the ongoing issue of the difficulty posed to the executive of ever meeting the hurdles. This issue has been addressed in the most recent changes.

The important item to note is that the LTI hurdles for 2020 were omitted from the remuneration report and the Notice of Meeting largely due to the impact of COVID-19 and the time available in preparation for the AGM. The company anticipates having this information available in July which will be followed up by the ASA. It is interesting to note that the resolution for the 2020 grant of securities to the CEO only received 79.8% votes in favour perhaps related to the absence of hurdles. All other resolutions passed with a minimum 97% in favour.