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Company	InvoCare Limited
Code	IVC
Meeting	AGM
Date	20 May 2022
Venue	Invocare Support Office, North Sydney and online
Monitor	Roger Ashley assisted by Sue Howes

Number attendees at meeting	32 shareholders and proxies (9 online) plus 65 visitors (39 online)
Number of holdings represented by ASA	102
Value of proxies	$11.5m
Number of shares represented by ASA	0.95m (equivalent to 14th largest holder)
Market capitalisation	$1.76bn
Were proxies voted?	Yes, on a poll
Pre-AGM Meeting?	Yes, with Chairman Bart Vogel and Director Kim Anderson

A better year but restrained by COVID and wet weather

Not unusually for Invocare, this was a lengthy meeting comprising a number of questions prompting considered and informative responses from the Chair and CEO following their presentations.

While the first quarter 2022 results were described as "satisfactory", COVID related absenteeism and wet weather along with supply chain challenges has affected burials, memorialisation construction and has required additional grounds maintenance.

The ASA had previously commented on the lack of a detailed climate change policy and the Chairman had nothing further to add to his earlier advice that a plan was under development. The need to refrigerate 24 hours a day means electricity is the main source of emissions along with crematoria LPG usage and vehicle fleet emissions.

A new Director, Kee Wong was put forward for election. His extensive business experience includes knowledge of Asia which fits with potential overseas expansion plans.

Questions included:

- Is the company a price maker or price taker? It was reiterated that market share would not be pursued to the detriment of results; quality is a more important consideration.
- What would be the impact of the NSW voluntary euthanasia legislation? This legislation needs to be reviewed but a practical outcome is the need to train staff to discuss funeral arrangements with the terminally ill.
- Has the facility refurbishment program been a success? Yes, but full benefits are still to be realised due to COVID restrictions.
- The ASA asked what were the plans for business expansion given market share constraints. The answer was that the company was still evaluating opportunities overseas with fact-finding visits to Europe and Asia although the poor record of Australian firms venturing overseas was noted. There were also opportunities at home in serving the needs of the multicultural community.
- The ASA asked whether the policy of directors holding shares equivalent in value to 50% of their fees after 3 year's tenure could be increased to 100%. The Chairman said he would take this matter on notice.
- It was noted that the high shareholder yields of previous years had fallen back and was there any likelihood of a return to these levels? There were other questions on a similar theme. The answers were that it was unlikely due to the need for investment in upgrading facilities, IT, safety and systems while reducing debt to a more manageable level. This would also reduce the dividend payout to around 66% from 80% in the past and it is unlikely to return to historical levels. A request for a share buyback was similarly rejected. Looking ahead investment and the current leadership should bring about improved results. The company has a view to the long term and to ensure that no short-term push for performance will be to the detriment of future years.
- The reason for the Long-Term Incentive measure of Return on Invested Capital (ROIC) change to Return on Capital Employed (ROCE) was questioned. It was claimed that ROCE better reflects the timing of return on capital invested.

All resolutions passed with a minimum close to 93% in favour.