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Strategy Update: Focus on Growth

Investor Strategy Day

2 November 2022

Honouring life. celebrating memories for generations



InvoCare wishes to acknowledge the traditional custodians of the land we have visited today and the land that we hold this meeting on.

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

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

The team presenting today...

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Olivier Chretien
CEO



Lynne Gallucci
EGM Funerals
Australia



Steve Nobbs
EGM Cemeteries &
Crematoria



Adrian Gratwicke
CFO



Victoria Doidge
EGM Customer



Tim Higgins
EGM International,
Strategy & Innovation



Today's objectives

1. Showcase our operations at Lake Macquarie Memorial Park and Patch & Purr Morisset Pet Cremations
2. Provide a strategy update
3. Showcase our businesses' growth initiatives
4. Outline our innovation & digital agenda
5. Address your questions

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Strategy Update

Olivier Chretien, CEO



Our strategy to 2025

A reminder of our strategic ambition

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Our Purpose

Honouring life. celebrating memories for generations

Our Values

Collaboration Accountability Responsiveness Excellence Safety

Our Businesses

Pre-Need At-Need Post-Need Pet Cremations

Support

Our Strategy

Raising the Bar

1
Customer Led People Empowered

2
Operational Excellence

3
Stronger Core Growth

4
New Growth Platforms and Innovation

5
Sustainable Leadership

Be customer - centric in everything we do

Optimise our foundations to drive sustainable returns

Excel in serving customer needs and grow share of market value

Innovate & diversify to expand addressable market & meet future customer needs

Lead company & industry to more sustainable outcomes

Objectives

Our 2025 Ambition

Trusted by Client Families & Communities Great place to work Recognised industry leader & partner of choice Creating value for all stakeholders

Outstanding NPS High Engagement & Retention Sustainability commitments EPS Growth & Satisfactory ROCE

Key trends remain consistent with prior year

On balance, favourable and supporting our growth agenda

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Customer



Sustained population growth



Greater cultural diversity



Regionalisation of the ageing population



Growth in pet ownership and humanisation of pets

Demand



Attitude shifts towards pre-planning, celebration and memorialisation of life



Increased personalisation of funerals and memorialisation



Growing demand for 'green solutions'



Continued adoption of direct cremations

Market



Increasing role of digital



Emerging ecosystem of businesses & charities supporting services



Rising scarcity of public cemetery space



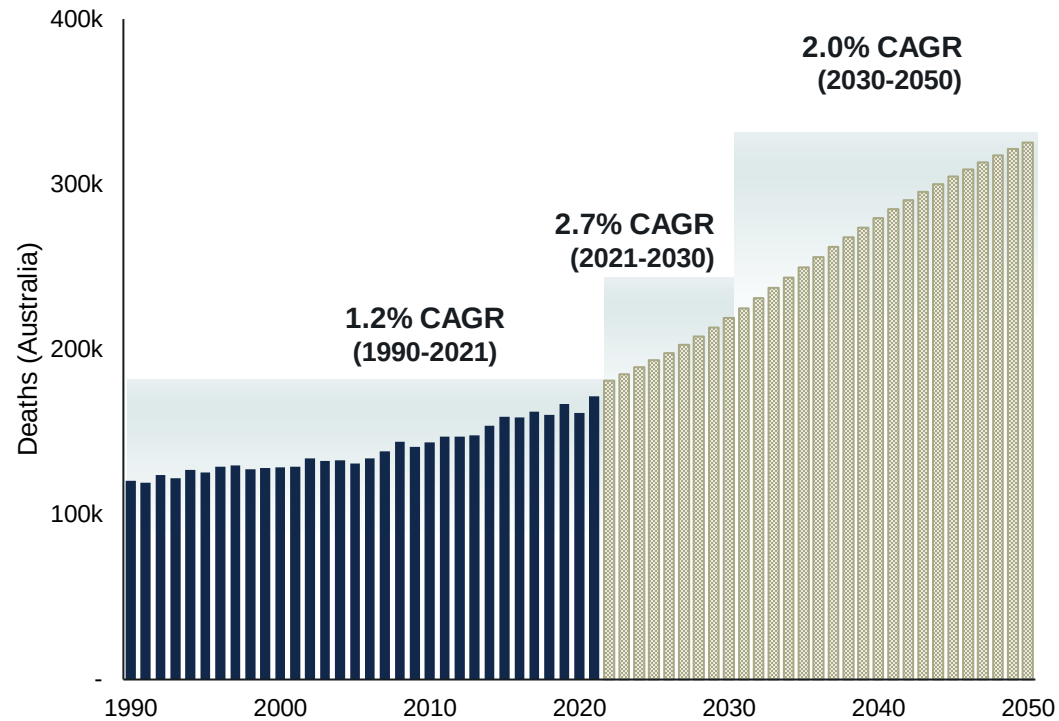
Increasing regulation 'lifting the bar' for market participants

Supportive long term demand outlook

Driven by growing and ageing population

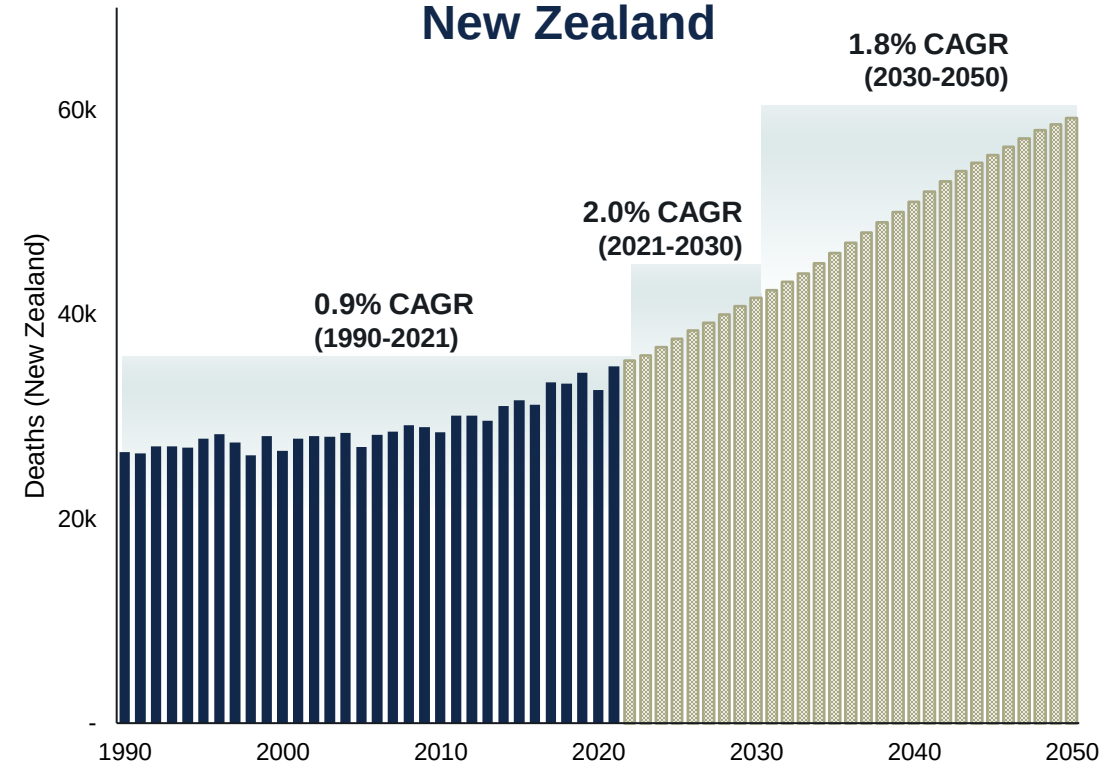
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Australia



Source: <https://www.abs.gov.au/statistics/people/population/populationprojections-australia/2017-base-2066>

New Zealand



Source: <https://www.stats.govt.nz/information-releases/national-population-projections-2022base2073/>

Our strategic advantage is delivered at scale

InvoCare is uniquely placed to....

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Meet the needs of communities and be the logical partner of choice

Largest network of funeral homes and professionals across Australia, New Zealand and Singapore



Meet the evolution in the customer's needs at each life stage

The only operator with critical mass in pre-need, at-need and post-need services



Fund, scale & enhance digital offerings, and to 'win' in SEO

Well placed to leverage one digital platform across more front of house and back of house assets than any other operator



Enable tailored customer offerings

A network of high performing brands with exceptional NPS, we have national brands relevant at all price points (as well as a suite of hyper-local or niche culturally specific brands)



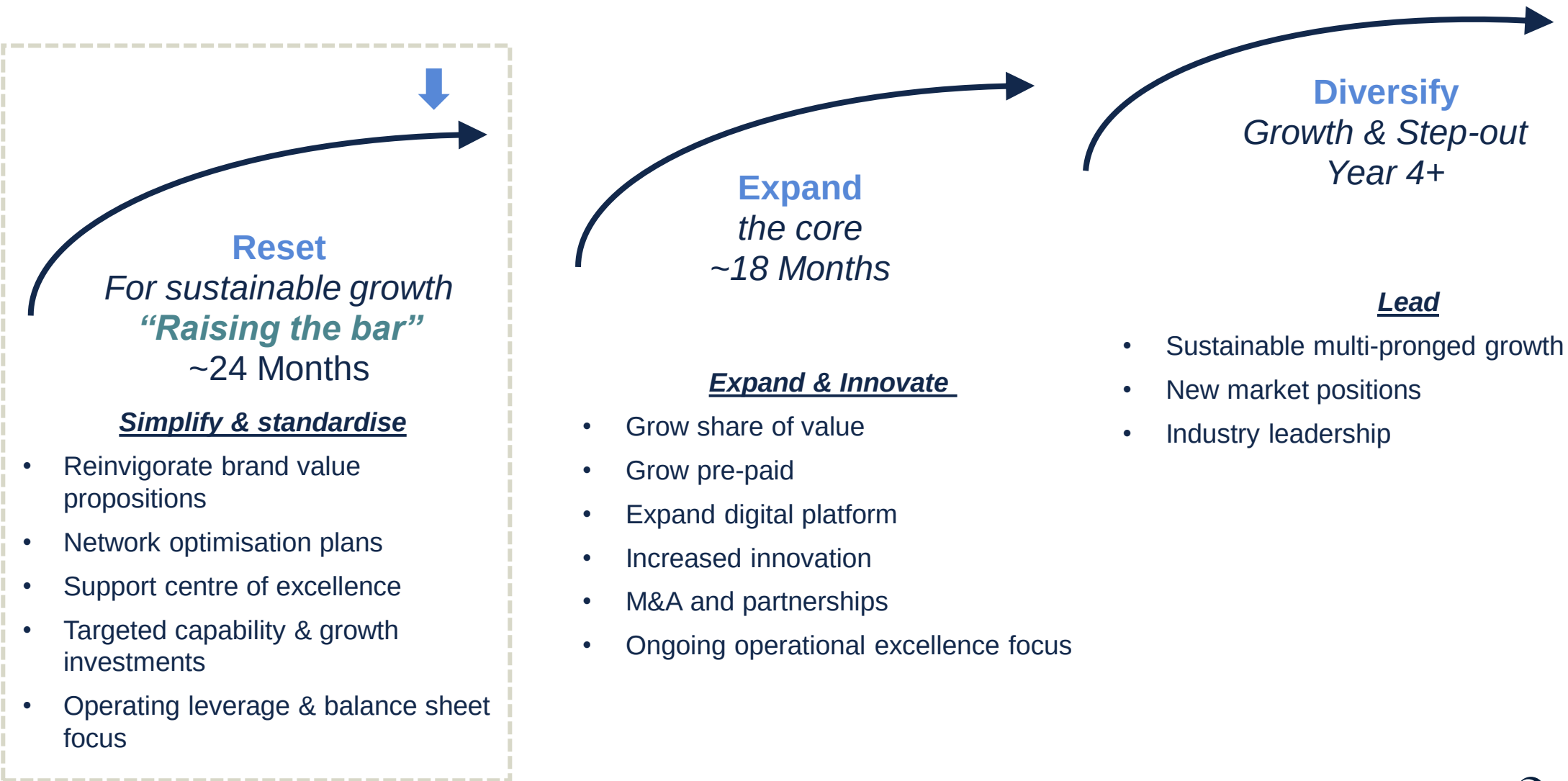
Access capital

that is equal to our ambition to raise and meet the communities' expectations for standards of care

Where are we in the context of our strategic plan?

Completing phase 1 of our 5-year plan, 'Raising the bar'

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'Raising the bar': select achievements

Foundations set to support growth again



Customer led, People empowered

- › Renewed purpose, vision, and values
- › Launched enhanced 'WeCARE' customer feedback
- › Initiated data strategy & CRM implementation
- › Capability investments
- › New employee L&D offerings
- › New employee engagement survey



Operational Excellence

- › Enhanced Funerals ERP
- › Initiated rollout of new Cemeteries & Crematoria ERP
- › Implemented new payroll system
- › Seven funeral shared service centres
- › Initiated Pet Cremation national integration
- › Completed debt refinance



Stronger core growth

- › Targeted Funerals network investments
- › Upgraded key websites
- › Developed new Pre-paid Funerals strategy
- › Progressed 'Park as a Destination' master plans
- › Invested in new cremators



New growth platforms

- › Expanded digital customer self-serve capability
- › Established Innovation Hub
- › Signed community & vet network agreements
- › Growing M&A & partnership pipeline



Sustainable Leadership

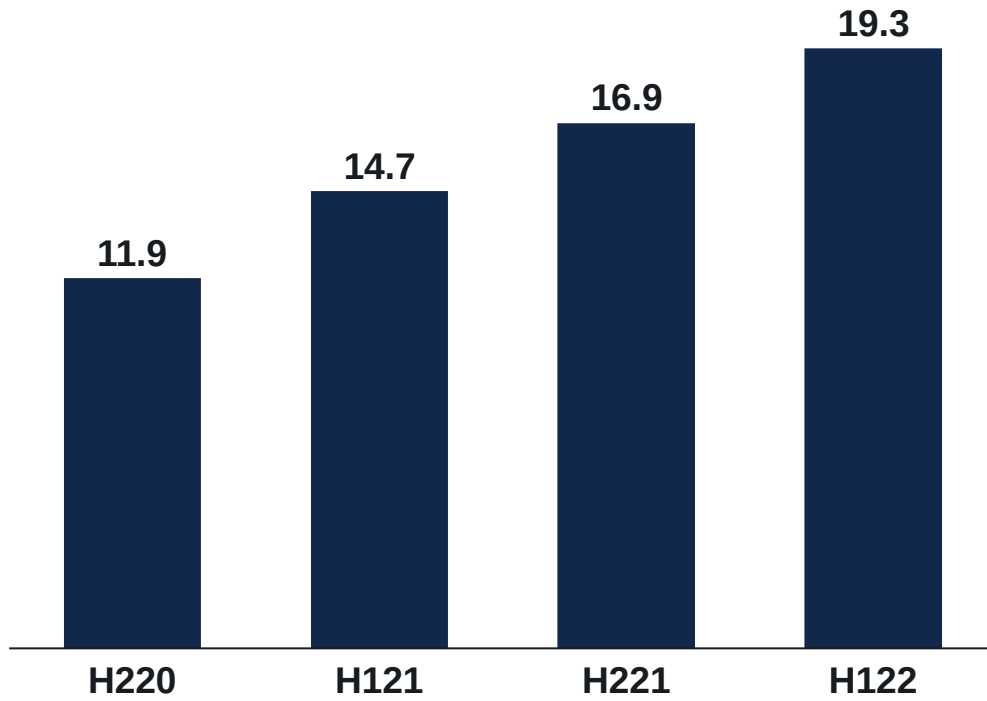
- › Rolled out key safety programs & investments
- › Not-for-profit partnerships
- › Enhanced Sustainability Strategy
- › Assessing emissions footprint & reduction opportunities
- › Proactive engagement with key stakeholders

Positive momentum in our long term measures of success

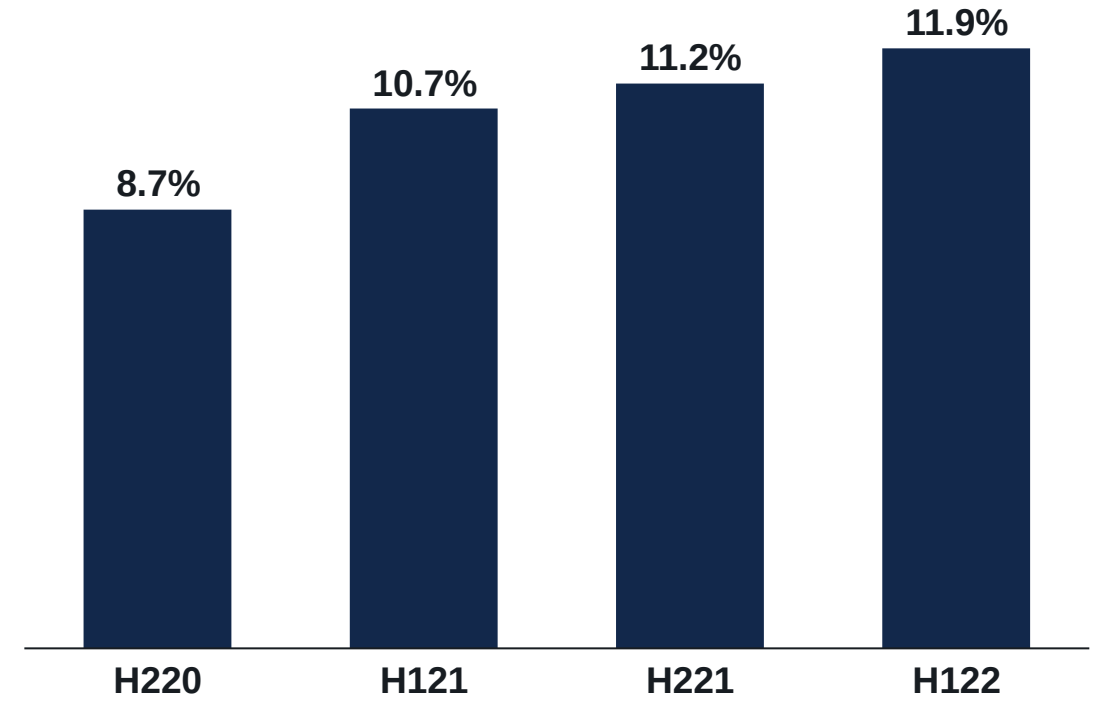
New management team delivering against key value creation metrics

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Operating EPS (cents per share)



ROCE% R12



Increasing focus on our growth pillars

Targeting profitable market share growth and innovative new offerings

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Enhanced focus



Stronger core growth

Excel in serving customer needs and grow share of market value



New growth platforms

Innovate & diversify to expand addressable market & meet future customer needs

Ongoing focus



Customer led, People empowered

Be customer centric in everything we do



Operational Excellence

Optimise our foundations to drive sustainable returns

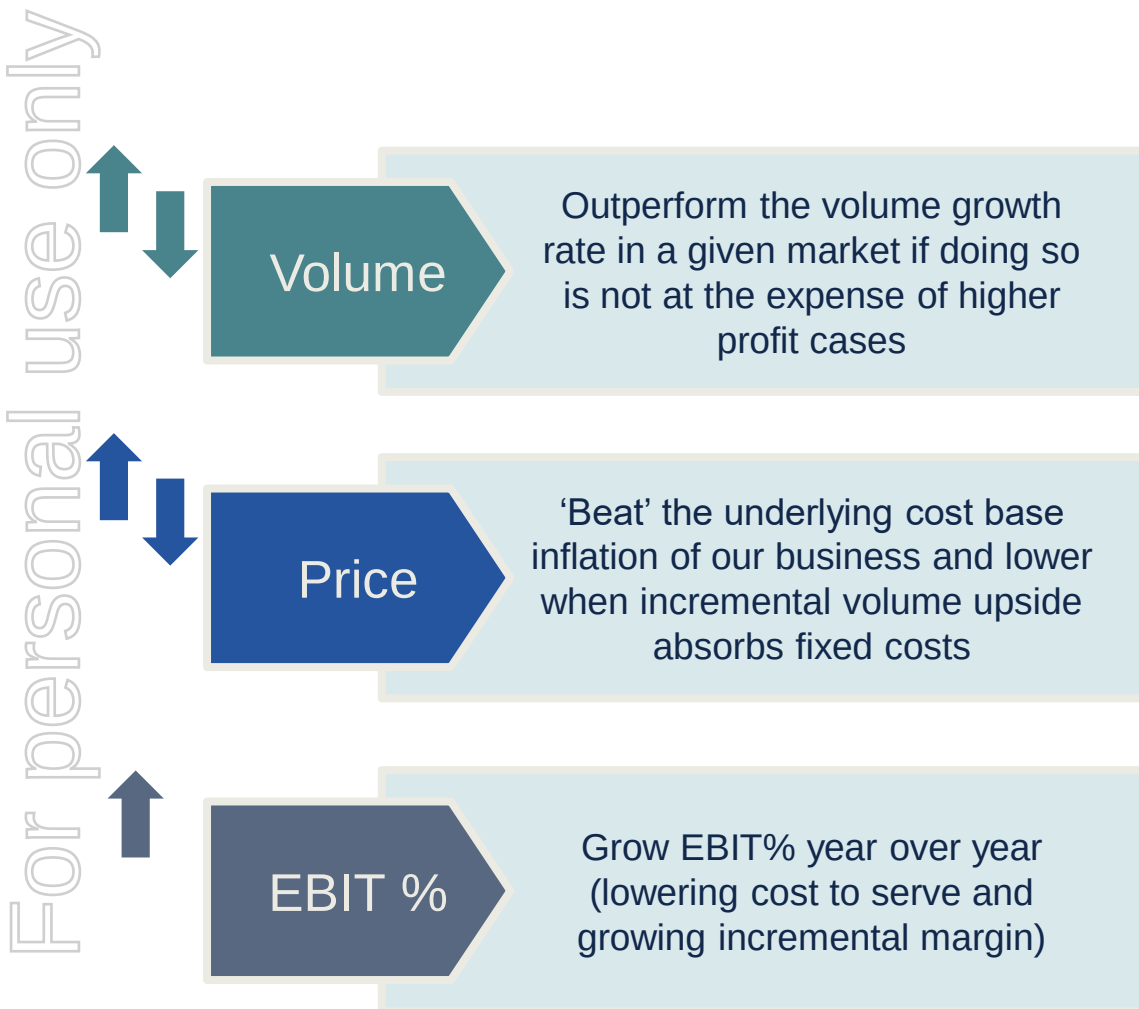


Sustainable Leadership

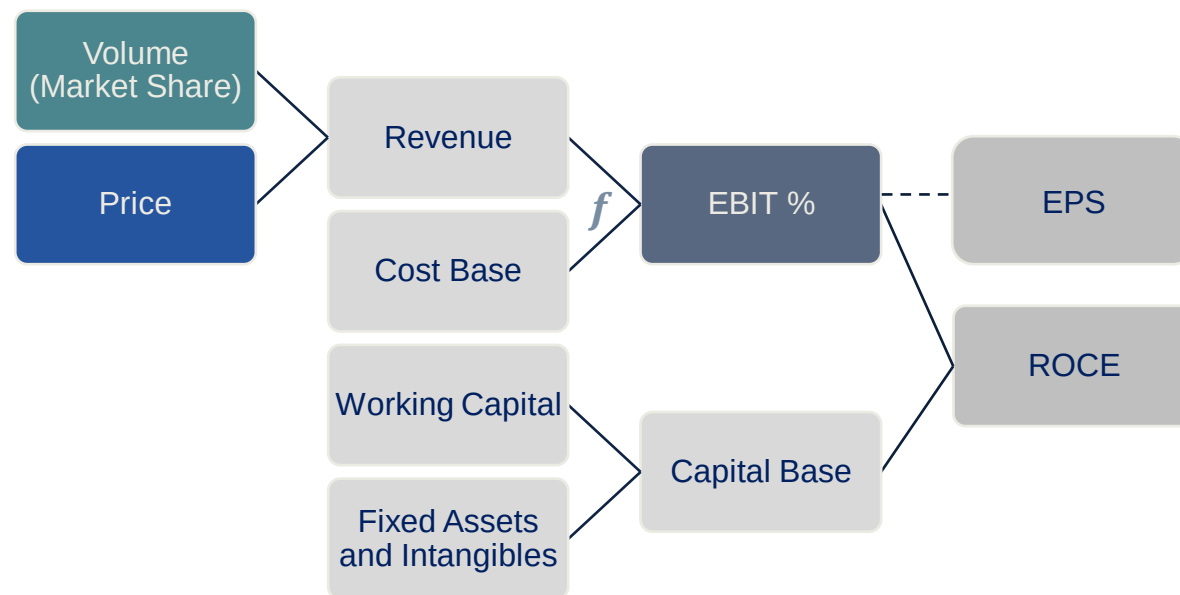
Lead company & industry to more sustainable outcomes

Growing our share of market value

Create value by optimising our performance against three key metrics



Simplified Driver Tree



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Divisional growth plans

 InvoCare



Group overview

46K*

Funerals cases

- 37K Australia
- 7K New Zealand
- 2K Singapore

23K*

Cremations & burials

87K*

Pet cremations

+81.5

NPS, an exceptional result

c.1,900

Full Time Equivalent (FTE)
Employees

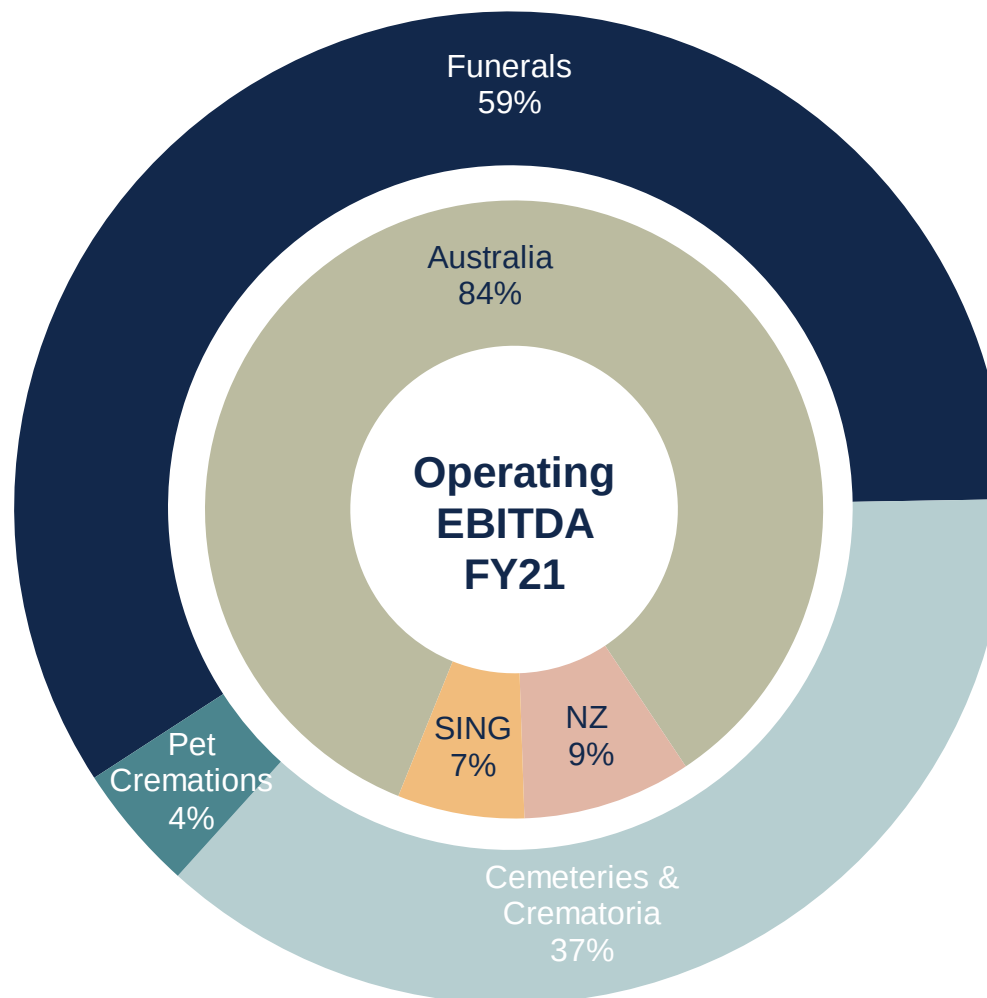
336

Locations

- 285 Australia
- 48 New Zealand
- 3 Singapore

c.\$600M

In pre-paid funerals funds
under management



*: FY21 case volumes

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Funerals Australia

Lynne Gallucci,
EGM Funerals Australia

Simplicity Salisbury, SA

Simplicity
Funerals
Simply Affordable.

8250 2600
simplicityfunerals.com.au

 InvoCare

Funerals Australia: Overview

+82.7

NPS, a world class result

37K* \$8K*

Funeral case volume Funeral case average

\$311M

FY21 Operating Revenue

\$81M

FY21 Operating EBITDA

*: FY21 case volumes & case average

235 c.930

Locations FTE

14%

Of At-Need Funerals pre-paid

c.11%

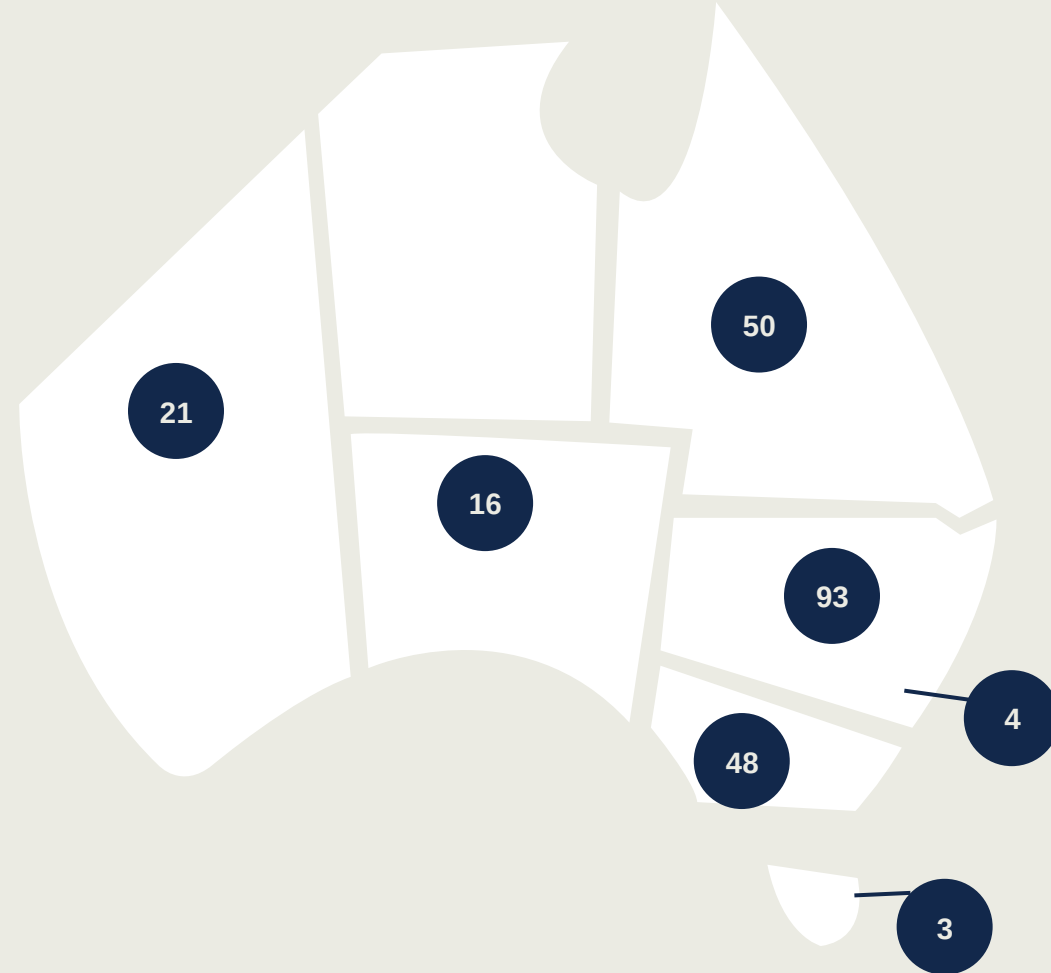
Of Funeral case volume from regional locations, and growing

4

National Brands



+ Portfolio of trusted regional, local brands



Location numbers excl cremators

Funerals Australia: growth strategies

Simplified & enriched customer engagement through omnichannel offerings

Stronger Core Growth



CRM & National Customer Care Centre



Network strategy, incl M&A



Brand value propositions



Pre-need strategy execution

New Growth platforms



Digital



New products & services



E-commerce



Multicultural funerals

Cemeteries & Crematoria

**Steve Nobbs,
EGM Cemeteries & Crematoria and Pet Cremations**



Cemeteries & Crematoria: Overview

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+70.4

NPS

20K* 3K*

Cremations

Burials

\$128M

FY21 Operating Revenue

\$61M

FY21 Operating EBITDA

15

Memorial
Parks

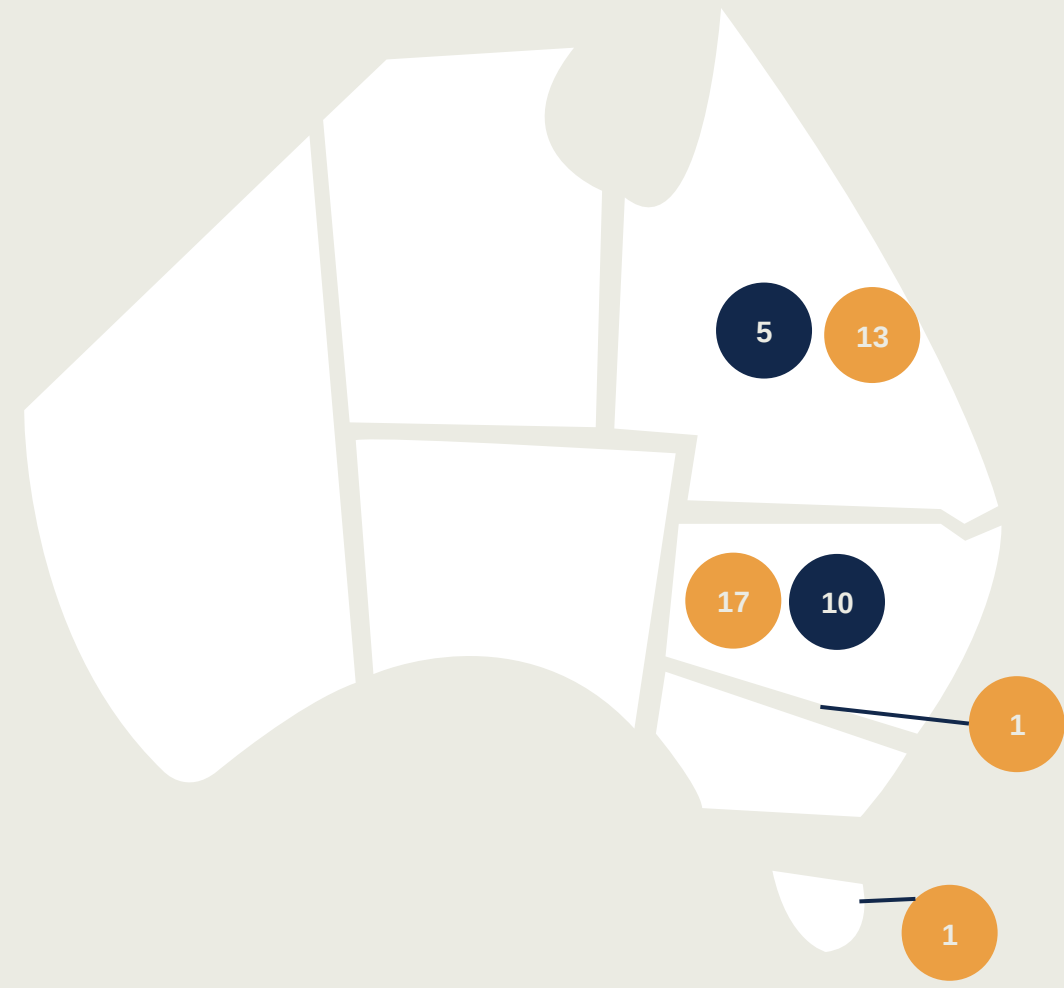
c.310

FTE

32

Crematoria nationally

* FY21 case volumes



Memorial Parks
Cremators

Cemeteries & Crematoria: growth strategies

A vision for our parks: make them a destination & extend their commercial capabilities

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Park-as-a-destination

- Invest in parks to be a destination for communities & funeral partners
- Innovate and expand park purpose, including new memorialisation options
- Drive sustainable solutions beyond buildings and equipment

Increased visitation & engagement

Targeted outcome

Mobile App

- Leverage technology to enable continuous community engagement
- Promote expanded range of memorial products and services
- Leverage data and involve visitors to improve operational efficiencies

Increased visitation & share of value

Ancillary Services

- Commercialise destination services, including partnerships
- Define café, catering and event management concepts
- Investigate opportunity for in-house IVC Events management

New Revenue streams

Network Growth

- Expand cremator network
- Opportunities for stand-alone and JV property solutions
- Greenfield & M&A memorial parks

Geographical expansion

Pet Cremations

Steve Nobbs,
EGM Cemeteries & Crematoria and Pet Cremations



Patch & Purr
Pet Cremations

Pet Cremations: Overview

87K*

Cremations

\$338*

Pet Case Average

\$30M

FY21 Operating Revenue

\$7M

FY21 Operating EBITDA

16

Locations

c.210

FTE

4

Main retail brands

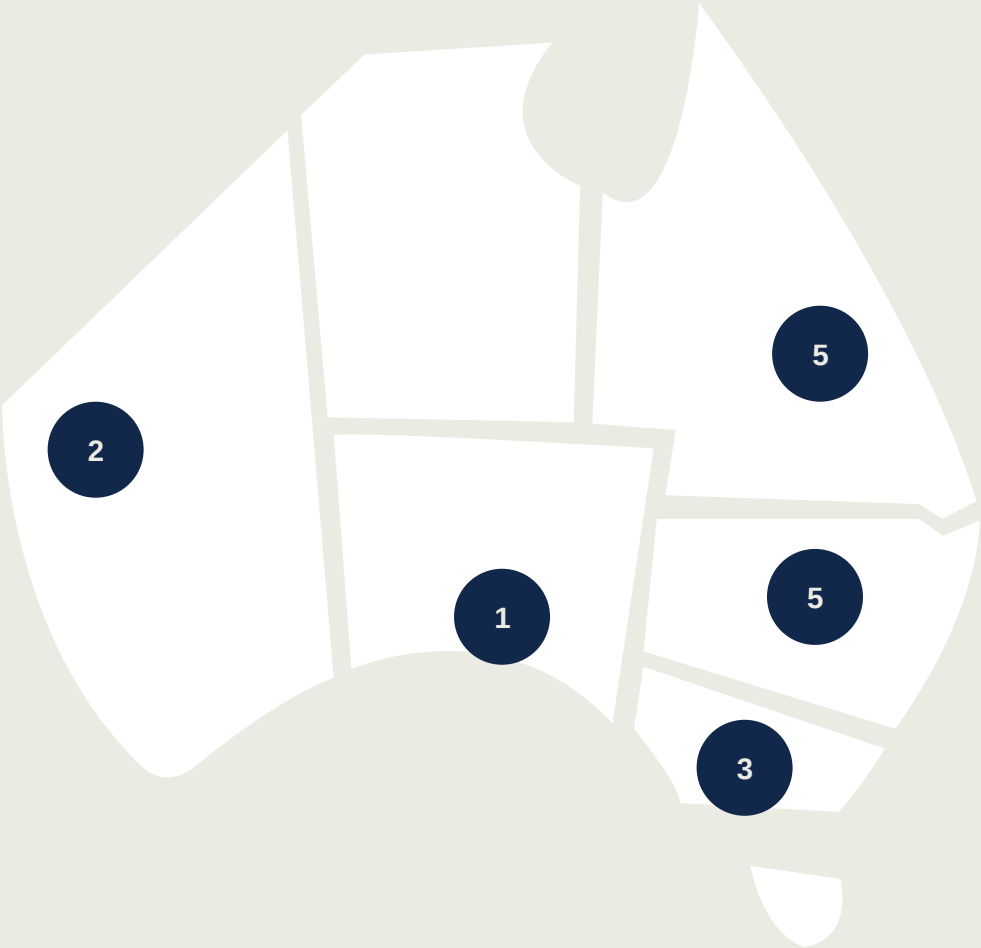


Lawnswood_{xo}

Edenhills_{xo}



* FY21 case volumes and case average



Locations

Pet Cremations: growth strategies

Our ambition: national market leader & first choice supplier of Pet Cremations

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Vet Growth

- Be the partner / preferred supplier to Vets
- Implement Vet Relationship Service model in NSW & QLD
- Increase National Buying group conversion
- Increase SLA agreements with all Vets

Increased engagement & loyalty

Targeted outcome

Private cremation growth

- Grow available market by converting more communal cremations to private
- Vet Nurse Advocacy & Training program
- Commence retail marketing campaign to educate on Pet cremation

Increased volumes

Case Average Improvement

- Lead the market in new innovative products and services
- Implement Interconnected Vet Eco-System across all states
- National product ranges and pricing strategy

Increased share of value

Network expansion

- Targeted M&A opportunities to fill key gaps
- Geographical expansion

Accelerated Growth

International

Tim Higgins,
EGM International, Strategy & Innovation



New Zealand: overview & growth strategies

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+87.6

NPS, a world class result

7K* NZ\$7K*

Funeral case volume Funeral case average

NZ\$57M

FY21 Operating Revenue

NZ\$12M

FY21 Operating EBITDA

24

Traditional, local brands

48

Locations,
including two
memorial parks

c.220

FTE



Stronger Core Growth

- Network Optimisation
- New Funeral homes, chapels and shared service centres coming online
- Brand value propositions and consolidation

New Growth platforms

- Digital and E-Commerce
- Selective M&A Opportunities
- Multicultural Funerals

*: FY21 case volumes and case average

Singapore: overview & growth strategies

2K*

Funeral
case volume

S\$9K*

Funeral case
average

3

Locations

c.70

FTE

S\$19M

FY21 Operating Revenue

S\$8M

FY21 Operating EBITDA

2

Local brands

#1

Largest funeral parlour in
Singapore



Stronger Core Growth

- Expanded range of services for the deceased & attendees
- Enhanced premium package offerings tailored to high value segment
- National Police Contract

New Growth platforms

- Digital and e-Commerce
- Evaluation of new Parlor sites

Innovation & Digital Update

Tim Higgins
EGM International,
Strategy & Innovation

Victoria Doidge
EGM Customer



Innovation Hub – Journey to date

Establishing InvoCare as an essential part of the ecosystem

Launched at end of 2021 to connect InvoCare with...

Innovators



- › InvoCare employees utilising smart glasses technology
- › Enables expert training and remote support to regional mortuary employees from central locations

Commercial Partners



- › Investment in Memories and distribution agreement
- › Digital memorial timelines now available through the majority of Australian full service funerals
- › Currently scaling into New Zealand
- › New Investment in Parting Stone

Not For Profit Partners



- › Partnership with the Violet Foundation - a NFP focused on supporting carers of the frail and terminally ill
- › Training provided to InvoCare field and support employees enabling referrals to Violet
- › InvoCare funding assists Violet to scale

Researchers & Universities



- › Sponsors of the DeathTech Research Team's *Redesigning Deathcare Conference*
- › Collaborating with University of Melbourne on research into consumer preferences in deathcare

Digital strategy: underpinned by 3 key themes

Enabled by people, data and technology



Digital delivers seamless experiences to convert customers

- A seamless digital customer journey
- Improved experience for both the pre-need and at-need family
- Optimise client family conversion



Digital serves & empowers customers at all parts of the lifecycle

- Enhances and support our product and service offerings
- Enables our customers to move between physical and self serve digital experiences



Digital is a gateway for connecting with the broader community

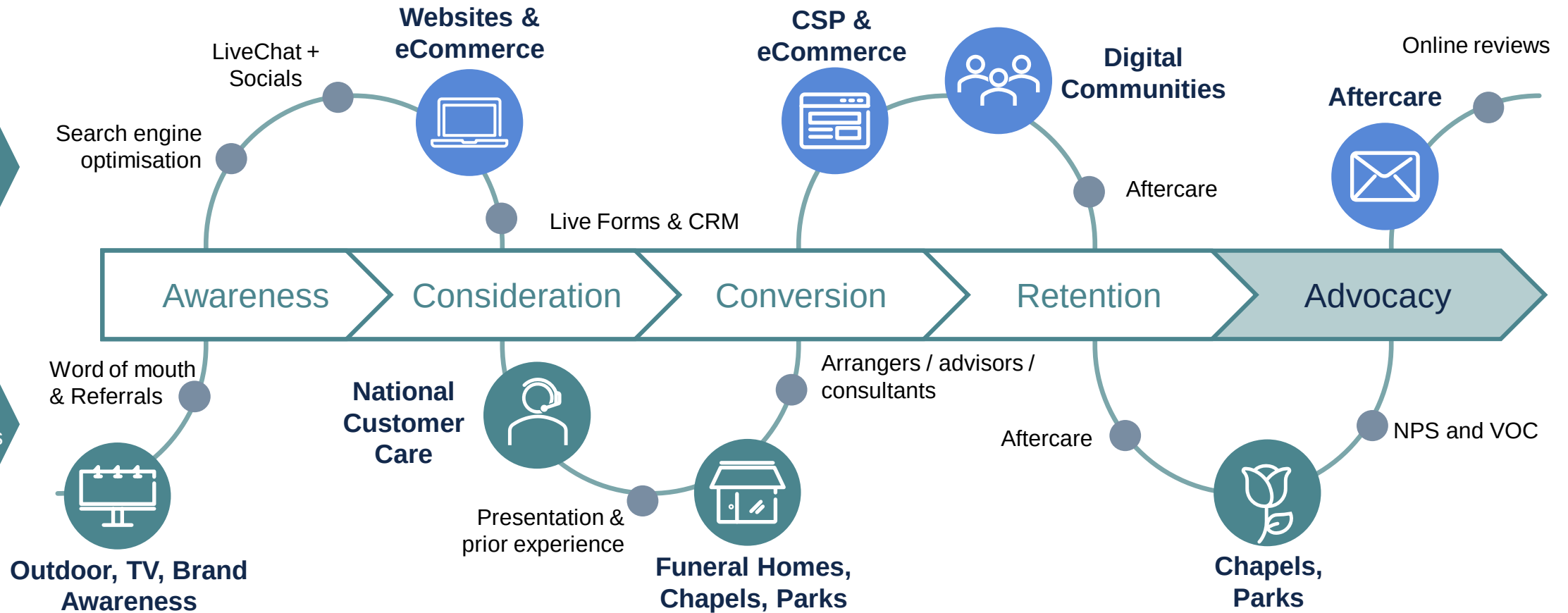
- InvoCare acts as a connector to a broad range of offerings, commercial partners and not for profits



Attract digital talent; embed digital and data capability and deliver a change program that sees our people become advocates for digital products.

Digital fosters omnichannel engagement with customers

Engaging with funeral planners & commissioners and all bereaved



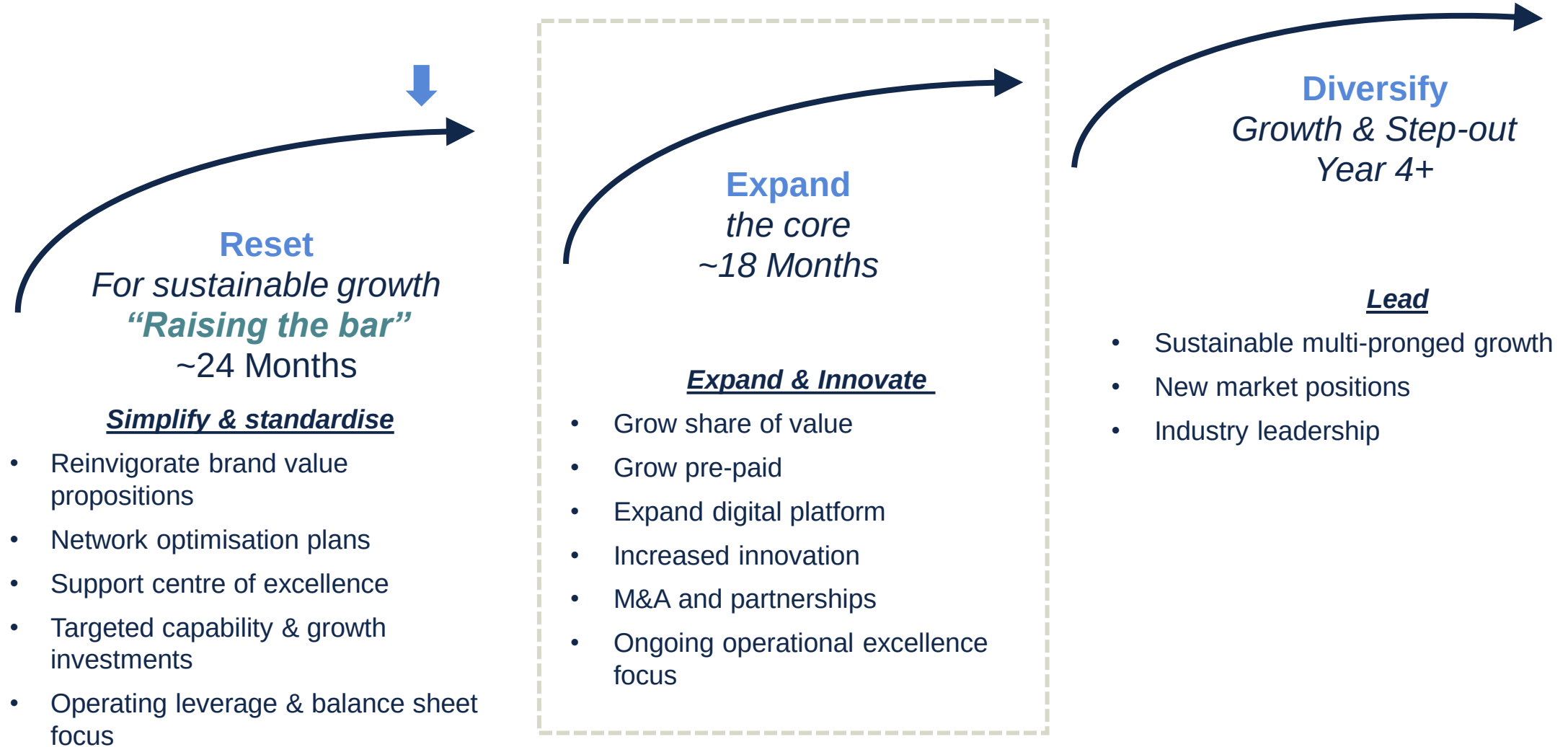
Next steps

Olivier Chretien
CEO



Increasing focus on growth

Expanding opportunity set leveraging stronger foundations



How we will continue to measure success

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Key Capital Management metrics & ambitions

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		Measure	Strategic Plan Ambition
1	Sustaining our leading asset base <i>Safe, fit-for-purpose operations to generate cash</i>	Recurring CAPEX	Recurring CAPEX in line with core D&A
2	Maintain strong balance sheet <i>Balancing resilience and efficiency with flexible access to capital</i>	Debt leverage	Preferred debt leverage range 2 - 2.5x
3	Investment funds allocated for strategic benefit & returns <i>Prioritising free cash flow for growth</i>	ROCE%	Group ROCE % >12% ¹
4	Sustainable and growing returns to shareholders <i>Stable, predictable and growing returns</i>	Operating EPS growth Dividend payout ratio	Low to mid teen Operating EPS growth ¹ Preferred Dividend payout ratio of 60-80%



Thank you, questions?

Important information

This presentation dated 2 November 2022 contains summary information about InvoCare Limited (ACN 060 060 031) and its related bodies corporate (together, InvoCare) and InvoCare's activities as at the date of this presentation. It is information given in summary form only and does not purport to be complete. It should be read in conjunction with InvoCare's most recent financial report and other periodic corporate reports and continuous disclosure announcements filed with the Australian Securities Exchange (ASX), available at www.asx.com.au.

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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 pre-paid funeral business;
- Other non-operating activities, including asset sales gain/loss, impairment loss, SaaS arrangement costs and restructuring costs as applicable.

Balance sheet and cash flow information presented is consistent with the information disclosed in InvoCare's most recent financial report and other periodic corporate reports and continuous disclosure announcements filed with the Australian Securities Exchange (ASX), available at www.asx.com.au.

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.



Appendix

Glossary

Term	Definition
Average capital employed	Average of opening and closing Capital Employed
Capital employed	As used in ROCE % calculation. Calculated as Total Equity + Net Debt
CRM	Customer Relationship Management
CX	Customer Experience
DA	Development approval
D&A	Depreciation & amortisation expense
Debt Leverage ratio	Calculated for disclosure purposes as Net debt divided by Operating EBITDA. Leverage calculation used for bank covenant testing purposes uses an Adjusted EBITDA measure (primarily adjusted to include proforma earnings from acquisitions and costs arising from restructuring initiatives). r12 measure uses rolling 12-month Operating EBITDA
Dividend payout ratio	Dividend per share divided by Operating EPS
EBIT Margin	Operating EBIT divided by Operating Revenue
EGM	Executive General Manager
EPS	Earnings per share, calculated as Reported profit/(loss) divided by weighted average number of shares.
ERP	Enterprise Resource Planning, e.g. the main Oracle general ledger financial system used by the business
Funeral Case Average	Calculated as gross funeral revenue (including disbursements) divided by funeral case volume
Funeral Case Volume	Number of funeral services undertaken
Maintenance CAPEX	Recurring annual CAPEX required to maintain facilities, capital works, IT hardware and software and plant & equipment
Net debt	Cash and cash equivalents + Borrowings + Finance leases
NFP	Not-for-profit
NPS	Net Promoter Score, calculated based on customer feedback with Group score representative of Australia and New Zealand only
Operating EBIT	Operating earnings before interest and tax
Operating EPS	Operating net profit after tax divided by weighted average number of shares
Operating leverage	Means the percentage growth in Operating EBITDA divided by the percentage growth in Operating Revenue
OPEX % Sales	Operating expenses (excluding finished goods, consumables and funeral disbursements) divided by Operating Revenue
Pet case average	Gross pet cremation revenue (gross of rebates) divided by Pet cremation volume, average revenue earned from pet cremation cases conducted
Pet cremation case volumes	The number of pets cremations conducted
ROCE %	Calculated as Operating EBIT divided by Average Capital Employed. r12 measure uses rolling 12-month Operating EBIT and Average Capital Employed using prior June balances
SEO	Search engine optimisation

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