



31 January 2024

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Propel successfully completes an \$80 million Placement and announces a SPP

- Propel has received commitments to raise \$80 million via an institutional Placement at an issue price of \$5.15 per share
- In addition to the Placement, Propel announces it will offer existing eligible shareholders the opportunity to participate through a SPP to raise up to a further \$10 million
- Net proceeds from the Placement and the SPP will be used to pay down debt to provide financial flexibility to pursue further growth initiatives, including acquisitions
- Pro forma net leverage ratio will reduce to ~1.5x and pro forma available funding capacity will increase to ~\$170 million

Propel Funeral Partners Limited (ASX: PFP) (**Propel** or **Company**) is pleased to announce that it has successfully completed an \$80 million institutional placement (**Placement**) of ~15.534 million new fully paid ordinary shares (**New Shares**) to new and existing institutional investors at an issue price of \$5.15 (**Placement Price**) per New Share.

Albin Kurti, Managing Director of Propel said: "We believe this is the right time to further strengthen our balance sheet, as the Company seeks to continue to execute on its acquisition led growth strategy in what is a highly fragmented industry. The Placement will also provide an opportunity to broaden Propel's share register and we are pleased to offer all existing eligible shareholders the ability to participate in the capital raising via the SPP."

The Placement Price represents a 4.3% discount to the last closing price¹ of Propel shares.

Settlement of the Placement is expected to occur on Monday, 5 February 2024. The New Shares are expected to be allotted and commence trading on the ASX on Tuesday, 6 February 2024. The New Shares will rank equally with existing fully paid ordinary shares of Propel and will be issued within the Company's placement capacity under ASX Listing Rule 7.1.

Share Purchase Plan (SPP)

In addition to the Placement, Propel will offer all existing shareholders with a registered address in Australia or New Zealand on the Company's share register as at 7:00pm (AEDT time) on Tuesday, 30 January 2024 the opportunity to apply for new Propel shares through the SPP without incurring brokerage fees. Participation in the SPP by eligible shareholders is optional. The price to be paid by eligible shareholders for New Shares under the SPP will be the lower of:

- \$5.15, being the Placement Price;
- a 2.0% discount to the 5-day VWAP of Propel shares up to, and including, the closing date of the SPP (expected to be Monday, 26 February 2024), rounded to the nearest cent; and
- a 2.0% discount to the closing price of Propel shares on the closing date of the SPP, rounded to the nearest cent.

Propel intends to raise up to \$10 million via the SPP. However, the Company reserves the right to increase the size of the SPP or, if necessary, scale back applications under the SPP, at its sole discretion.

Eligible shareholders will be entitled to subscribe for up to \$30,000 worth of New Shares through the SPP. It is expected that the SPP offer period will open on Wednesday, 7 February 2024 and will close at 5:00pm (AEDT time) on Monday, 26 February 2024. New Shares issued under the SPP will rank equally with Propel's existing fully paid ordinary shares. Shareholder approval is not required for the issue of the New Shares under the SPP.

Each director of the Company, including executive directors Albin Kurti and Fraser Henderson, and Propel's CFO, Lilli Gladstone, have confirmed their intention (either directly and/or through their associated entities) to participate in the SPP.

The SPP is not underwritten. Further information in relation to the SPP, including the SPP terms and conditions, is expected to be made available through the ASX platform and to eligible shareholders on Wednesday, 7 February 2024. Eligible shareholders should review the SPP terms and conditions in full before deciding whether or not to participate in the SPP.

¹ Being \$5.38, as at 29 January 2024.

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Use of proceeds

Propel intends to use the net proceeds of the Placement and the SPP to pay down debt to provide financial flexibility to pursue further growth initiatives, including acquisitions. Upon completion of the Placement and the SPP, Propel's pro forma²:

- net leverage ratio³ will reduce to approximately 1.5x (versus a covenant limit of 5.0x); and
- available funding capacity will increase to approximately \$170 million, noting that Propel has deployed an average of ~\$43 million per annum on acquisitions since the Company's IPO in November 2017.

Indicative timetable

Event	Date
Record date for determining eligibility for the SPP	7:00pm (AEDT) on Tuesday, 30 January 2024
Announcement of Placement and SPP and trading halt lifted	Wednesday, 31 January 2024
Settlement of New Shares to be issued under the Placement	Monday, 5 February 2024
Allotment of New Shares for the Placement and New Shares commence trading on the ASX	Tuesday, 6 February 2024
SPP opens and SPP terms and conditions despatched	Wednesday, 7 February 2024
SPP closes	5:00pm (AEDT) on Monday, 26 February 2024
Announcement of SPP results	Thursday, 29 February 2024
Allotment of New Shares for the SPP	Friday, 1 March 2024
New Shares issued under the SPP commence trading on the ASX	Monday, 4 March 2024
Despatch of holding statements	Monday, 4 March 2024

The above timetable is indicative only and subject to change. Propel reserves the right to amend any or all of these dates at their absolute discretion, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of the New Shares is subject to approval from the ASX. All references to date or time in the indicative timetable is a reference to Sydney time.

Bell Potter Securities Limited and Barrenjoey Markets Pty Limited are acting as Joint Lead Managers to the Placement.

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² The midpoint of the net leverage ratio range of 2.9x-3.2x disclosed on 19 December 2023, adjusted for the acquisition announced on 30 January 2024 and the net proceeds from the Offer. Assumes a total of \$90 million is raised from the Placement and the SPP.

³ For debt covenant purposes.



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About Propel:

Propel is listed on the Australian Securities Exchange and is the second largest provider of death care services in Australia and New Zealand. Propel currently operates from 185 locations, including 38 cremation facilities and 9 cemeteries.

For further information, please contact:

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Authority to release:

This document has been authorised for release by the Company's board of directors.

Important notice:

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements. Forward-looking statements, including projections or guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Propel). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.

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