

Dignity Noteholder Presentation

52 weeks ended 27 June 2025



DIGNITY

Executive summary

- Dignity has continued to make good progress in H1 25:
 - EBITDA grew by 26% to £29.6m driven by revenue growth of 5% and strong cost management
 - Further rationalisation of the freehold estate with £10m of proceeds received to date
 - Significant capex investment to upgrade cremators and in the funerals business. Rollout of new operating system for care of the deceased tracking will complete in October
 - Acquisition of Farewill Limited in January 25 to broaden audience reach, enhance customer experience, expand product offering, modernise technology and strengthen talent
 - New Group Ops Director and CFO joined in Q2 25.
- Net debt position improved to £361.4m at June 25. All covenant tests were met:
 - £51.5m of unsecured debt was repaid in Q1 25 through the Sale and Leaseback of 6 Crematoria sites. A further early repayment of £17.2m of Secured Notes was made in July 25.
 - On 15 August 2025, S&P Global Ratings upgraded its credit ratings on Dignity Finance PLC's Class A Notes to 'BB+ (sf)' from 'B+ (sf)' and the Class B Notes to 'CCC+ (sf)' from 'CC (sf)'.
- We remain confident and excited by the opportunities available to Dignity to be the UK's leading end-of-life provider



Financial summary

Dignity Group Holdings Limited

	H1'25	H1'24	Mvt
Number of deaths ('000s)	328.3	322.8	2%
Revenue £m	148.0	141.0	5%
Costs £m	118.4	117.5	1%
EBITDA £m	29.6	23.5	21%
Trust surplus received	-	120.0	-%
Cash generated from operations £m	35.0	15.9	55%
CAPEX £m	11.6	5.5	53%
Net Debt £m	361.4	418.6	(16%)

- EBITDA - earnings before interest, tax, depreciation and amortisation is a profit measure calculated before exceptional costs, consolidation of the funeral plan trusts and IFRS 16
- Cash generated from operations excludes Exceptional Costs, Trust surplus received and other cash adjustments on a cash paid basis.
- Exceptional Costs include amortisation of trade names, external transaction costs, restructuring costs, impairments, rescue plan transition costs, profit or loss on the sale of fixed assets and the associated taxation impacts.

- Number of deaths up 1.7% year on year
- Revenue 5% higher, driven by price increases and a change to the revenue recognition of plan sales. This more than offset a mix shift towards unattended funerals.
- Costs increased by 1% reflecting rental charges from the sale and leaseback properties and the effect of NI and NMW increases in Q2 but these were offset by efficiency savings elsewhere.
- Trust Surplus of £120m (gross) received in H1 24 (£20m in January; £100m in June)
- Cash includes year on year working capital timing benefits.
- Capex includes £9.2m on compliance and regulatory activity including Mercury abatement and Scottish regs.
- Net Debt improved to £361.4m due to the early repayment of £51.5m of the Phoenix UK Fund Limited loan in Q1 25. This was funded through the sale and leaseback of 6 crematoria sites. A further £17.2m of Class A notes were repaid in July 25.



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Divisional Performance

Funerals

- Net revenue slightly up, at £96m, driven by price changes offset by volume decline and mix shift towards unattended.
- Funeral volumes reduced by 3% to 36,000 due to the full year effect of the closure of c. 90 branches and an increase of c. 2 days between Date of Death to Date of Funeral.
- EBITDA improved 6% to £21.7m largely driven by revenue growth and cost efficiencies despite the impact of NI and NMW increases.

Crematoria

- Net revenue 6% higher at £46.7m, driven by volume growth and price rises partly offset by mix shift.
- Crematoria volumes increased by 4% to 38,000, principally due to unattended volume growth.
- EBITDA was up by 3% to £22.9m driven by revenue upside more than offsetting rental costs from the sale and leaseback properties.

	Funerals	Crematoria	Central	Pre-arranged funeral plans	Group
	£m	£m	£m	£m	£m
EBITDA H1'24	20.4	22.2	(19.9)	0.8	23.5
Impact of:					
Deaths	1.6	0.8			2.4
Volume	(5.1)	1.2		4.2	0.3
Price	5.7	1.8			7.5
Mix	(2.4)	(1.3)			(3.7)
Costs	1.5	(1.8)	(0.1)	0.0	(0.4)
EBITDA H1'25	21.7	22.9	(20.0)	5.0	29.6

Funeral Plans

- New cash structure in place from November 2024 to recover costs at point of sale
- Historically a 'zero-sum' impact on Group profitability as marketing & admin withdrawals from the Trusts offset costs

Capital & Covenants

During the period Dignity has continued to focus on optimising its capital structure.

Actions undertaken:

- Partial repayment of related party loans in Q1 2025:
 - £50.0m Phoenix UK Fund Ltd loan facility
 - £1.0m SPWOne loan facility
- Early, partial repayment of £17.2m A Notes (£16.5m cash) in July 2025 through a Tender Offer. Following the repayment, debt service costs were reduced by c. £2.1m p.a.

Cash and cash equivalents of £41.7m after June 25 debt service and July 25 A note repayment, of which £14.8m is held in the Elective Capex Account and £1.0m is held in the Loan Payments Account to settle tax liabilities

At H1'25 Dignity met all covenant tests, including the restricted payment condition.

Net Debt	H1'25 £m	H1'25 * £m	H1'24 ** £m
Secured Notes	410.7	381.3	479.2
Unamortised issue costs	4.8	5.0	5.8
Phoenix UK Fund Limited loan**	4.9	4.9	53.0
Amounts owed to group undertakings	11.8	11.8	10.7
Gross Debt	432.2	403.0	548.7
Cash and cash equivalents - Trading Group	70.8	41.7	130.1
Underlying Net Debt	361.4	361.3	418.6

* After adjusting for June 25 debt service payment and July 25 A notes repayment

** £130m cash at June 24 includes £65m returned to noteholders in July 24 plus associated tax

***Post Sale & Leaseback transactions completed in Q1'25, post June debt repayment

		52 week period ending	52 week period ending
Dignity (2002) Limited		27-Jun-25	28-Jun-24
	Target	£m	£m
EBITDA for the Relevant Period		48.4	39.8
Equity cure for the Relevant Period		-	15.4
Free Cashflow for the Relevant Period		33.5	26.3
Debt service for the Relevant Period		23.8	32
<u>Financial Covenant</u>			
EBITDA + equity cure DSCR	≥1.5	2.03	1.73
EBITDA DSCR	≥1.5	2.03	1.24
<u>Restricted Payment Condition</u>			
Free Cashflow DSCR	≥1.4	1.41	0.82
EBITDA + equity cure DSCR	≥1.85	2.03	1.24



Summary & Outlook

Summary

- Strong H1 performance with EBITDA growth
- Positive actions continue to be undertaken to improve and optimise the capital structure
- Executive team further strengthened

Outlook

- Underlying performance continues to move in the right direction, although death rate in July and August was down c. 4% year on year
- Further pricing action taken in funerals to mitigate headwinds from inflationary pressures
- Disposal programme is on track to achieve c. £20m of proceeds by the year end
- Capex investment programme continues
- Legal services launched
- Continue to transition the business from a period of stabilisation and fix towards growth and the goal of being the UK's leading end-of-life provider

Appendix



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Notes interest & amortisation

	2025*	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Capital Structure	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Interest on Class A & B Notes	9.0	18.0	17.9	17.8	17.6	17.5	17.3	17.2	17.0	16.9	16.5	15.7
Principal repayments on Class A & B Notes	1.8	3.6	3.7	3.9	4.0	4.2	4.3	4.5	4.6	4.8	16.9	17.7
Cash cost	10.8	21.6	21.6	21.7	21.6	21.7	21.6	21.7	21.6	21.7	33.4	33.4

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Capital Structure	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Interest on Class A & B Notes	14.9	14.0	13.1	12.1	11.1	10.1	9.0	7.8	6.6	5.3	4.0	2.6	1.2
Principal repayments on Class A & B Notes	18.5	19.4	20.3	21.3	22.3	23.3	24.4	25.5	26.7	28.0	29.3	30.7	32.1
Cash cost	33.4	33.4	33.4	33.4	33.4	33.4	33.4	33.3	33.3	33.3	33.3	33.3	33.3

*Figures represent those for the remainder of the year and are stated after the relevant period's debt service payment that was paid after the Balance Sheet date (in line with scheduled IPD)