

Webinar Presentation

H1 2017 Performance Overview



SPEAKER

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INTRODUCING REKVIEM

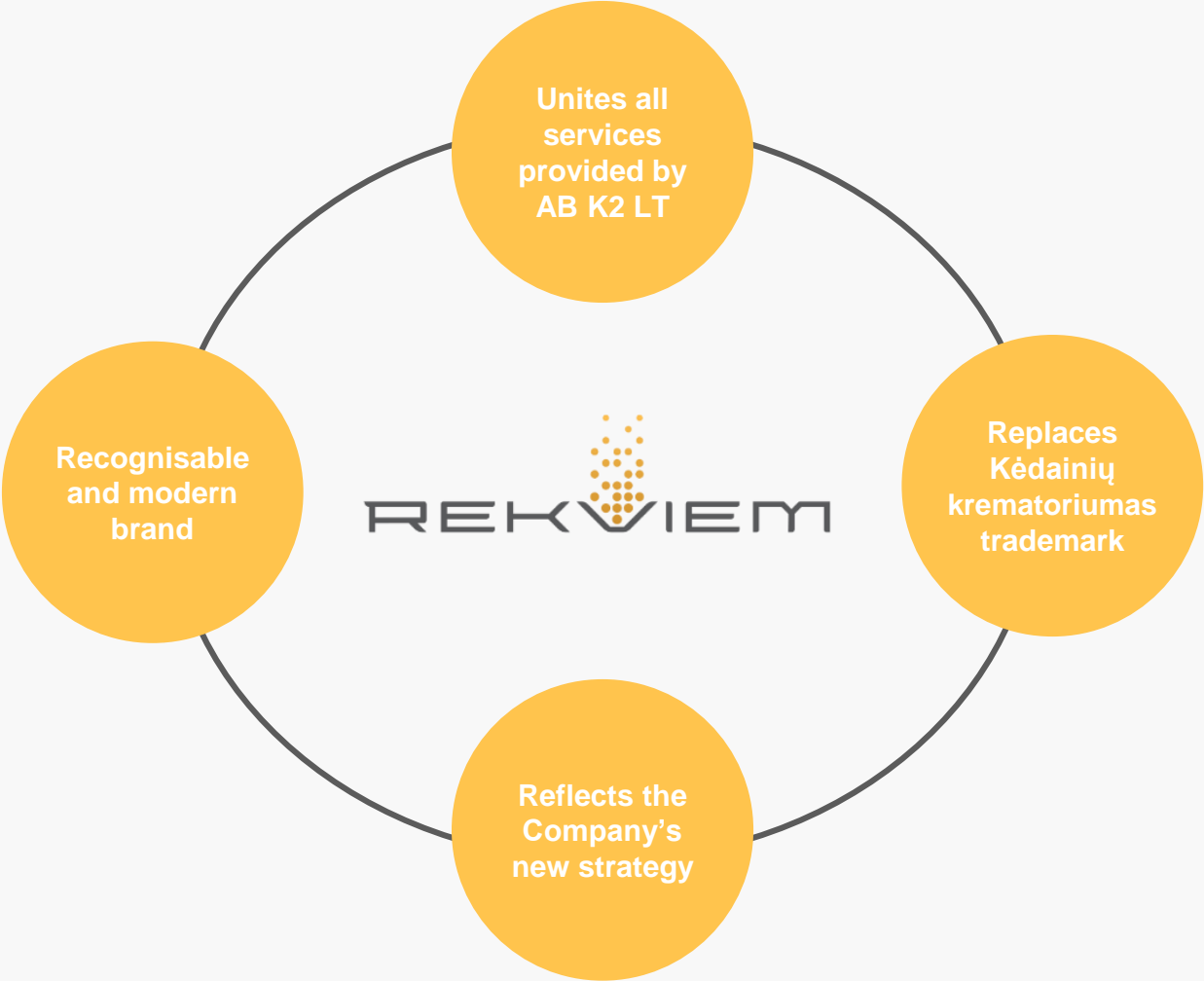
Website

www.rekviem.lt



Brands

- ↓ Rekviem
- ↓ Requiem
- ↓ Reqvium



NEW SERVICES

Ways of Farewell

Standalone Cremation

- Standard cremation procedure
- Starting from €319
- Minimal and Standard service packages
- Price includes transportation of the deceased to the crematorium, documentation and an urn
- Additional services include cremation within 24 hours, cremation at requested time, presence during the loading of a coffin before cremation

Cremation Followed by Farewell with the Urn

- Starting from €525
- Practical, Optimal and Optimal+ service packages
- Farewell ceremonies available in Vilnius, Kaunas and Kėdainiai
- Availability of additional services

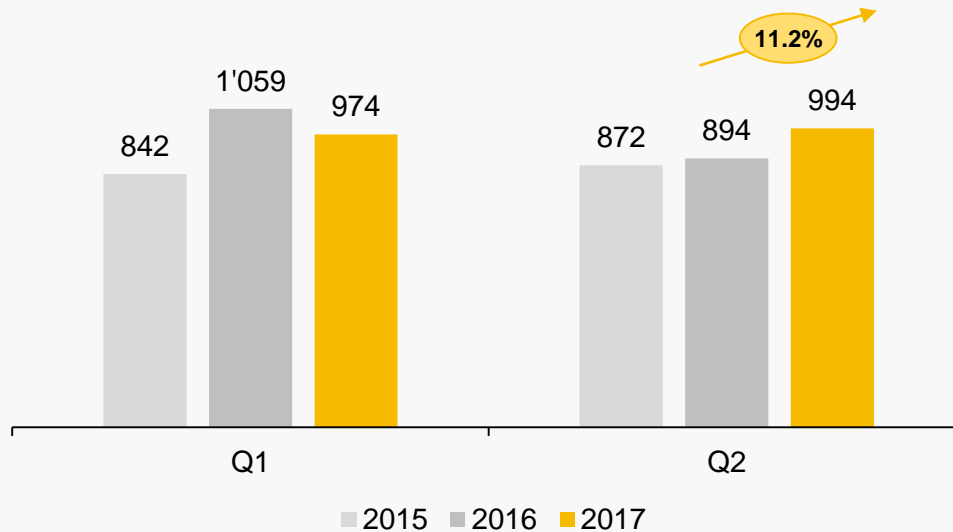
Cremation after Farewell with the Deceased

- Integrates traditional funeral rite and cremation
- Opportunity of farewell with the loved one before cremation
- Starting from €775
- Solo, Gama and Mega service packages
- Farewell with the deceased available in Vilnius and Kaunas
- Availability of additional services

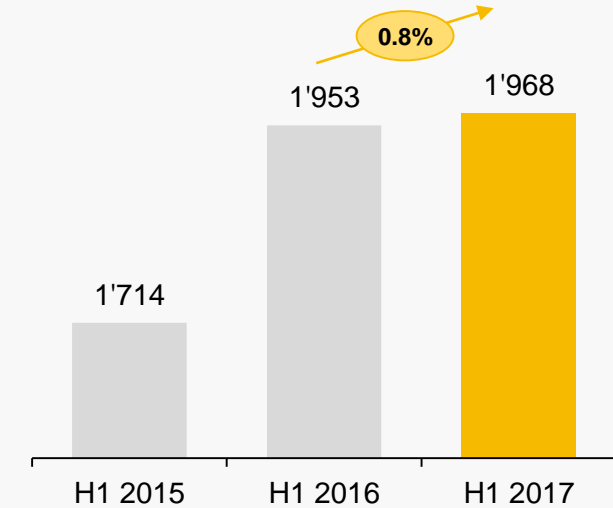


CREMATIONS

QUARTERLY CREMATIONS



HALF-YEAR CREMATIONS







- Number of cremations in Q2 2017 increased by 11.2% compared to Q2 2016.
- Q2 2017 was the 2nd best quarter in the Company's history.
- Cremations during H1 2017 increased by 0.8%.
- K2 considers this as a good result, given the exceptionally strong Q1 in 2016.



FINANCIAL PERFORMANCE

Comments

-  Revenue during the first six months of 2017 remained relatively flat, with 0.03% growth on yoy basis.
-  Gross profitability slightly improved due to lower cremation equipment maintenance costs.
-  Operating profit and EBITDA down by 18.5% and 12.0% respectively, mainly because of costs related to launch of new services, including six additional employees, trademark registration, consulting fees and other.
-  After adjusting for non-recurring costs associated with the expansion of the services base, EBITDA margin increases to 55.2%

Key Financial Data

	H1 2016	H1 2017	Change
Revenue	€ 666'620	€ 666'800	0.03%
COGS	(139'366)	(137'065)	
Gross Profit	527'254	529'735	0.47%
<i>margin, %</i>	<i>79.1%</i>	<i>79.4%</i>	
Operating expenses	(228'531)	(287'528)	
Other income	3'153	3'775	
Operating profit	301'876	245'982	(18.52%)
<i>margin, %</i>	<i>45.3%</i>	<i>36.9%</i>	
EBITDA	364'822	321'025	(12.00%)
<i>margin, %</i>	<i>54.7%</i>	<i>48.1%</i>	

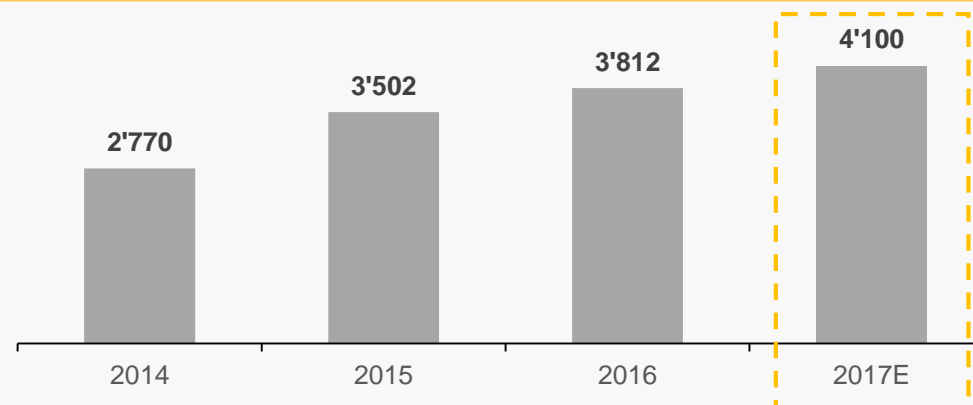


REVISED RESULTS FOR FY 2017

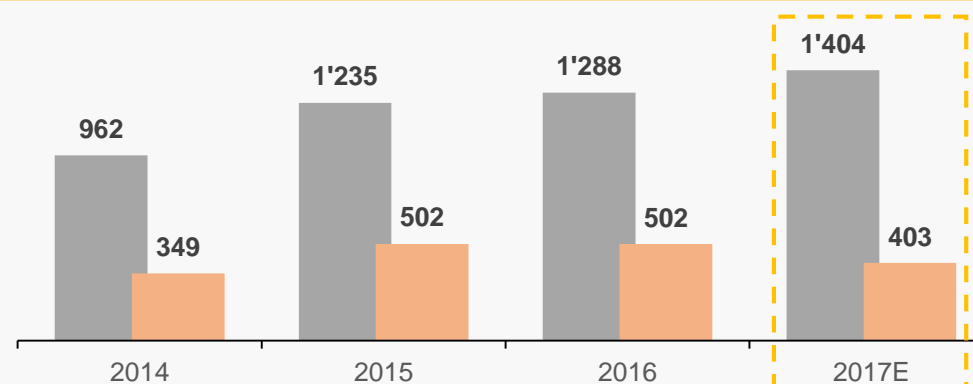
Comments

- Number of cremations revised from 4'300 to 4'100 to reflect ongoing stabilisation on the demand side.
- Despite lower anticipated number of cremations, revenue forecast is revised upwards from €1.37 to €1.4 million.
- Positive impact coming from introduction of new services.
- However, costs related to introduction of new services are also expected to have a negative impact on the Company's profitability.
- Revised EBITDA of €600 thousand versus previous forecast of €726 thousand
- Revised net profit of €403 thousand versus forecast of €526 thousand

Cremations



Revenue and Net Profit





Q&A

