Beyond...

The Reaper Calls for Dignity

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Company: Dignity PLC (LON:DTY)
Industry: Funeral services
Share price: 2,242p
Market cap: £1.12 billion
Avg. Daily Traded Volume: 90,299 over last year / 0.2% of issued share capital

Short Interest:
Short interest cover:
Forward P/E: 20.4x
EV/FCF:

![Graph showing the share price movements of Dignity (rebased) and FTSE250 (rebased) over a period of time.](image-url)
**Analyst Coverage**

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Panmure Gordon and Investec are joint brokers to Dignity PLC.

**Recent Director Deals (December 2016 to present)**

The below table shows all the recent director transactions in Dignity shares. The starting balance for each director has been taken from “Director’s interest in shares” on page 60 of the 2016 Dignity Annual Report.

Proceeding transactions compiled from RNS releases available on Dignity’s investor relations site.

Management has been unloading large portions of their holdings in 2017 from the data we have seen. The CEO has reduced his shareholding from 0.37% to 0.17%
None of the management team has a shareholding of more than 0.21% of the Company.
**Short Thesis Summary**

We believe that Dignity is currently valued based upon a view that EPS will continue to grow through a predictable increase in revenue and profits.

Between 2005 and 2016 (“the historical period”) the Company delivered:

- Revenue growth from £143 to £314 million (7.4% cagr)
- Operating profit growth from £42 to £98 million (8.1% cagr)
- EPS growth from 22.4p to 119.8p (cagr 16.5%)

There have been two drivers of this historical performance:

1. a 53% increase in the number of branches (3.9% cagr); and
2. an 81% increase in pricing (5.6% cagr)

The former is well publicised and reported on by Management. The latter, however, is not discussed publicly or reported on in annual reports. There are no KPIs reported relating to pricing.

To fully understand historical performance, and form a view on future prospects, it is necessary to analyse how both branch expansion and pricing have played their respective parts in Dignity’s growth story.

Our view on the historical contributions of these two drivers is that:

- **Branch expansion has mainly functioned to keep customers steady and offset a collapse in branch productivity**
  - Dignity’s market share has been static at c.12% with customer numbers ranging from 62,300 to 73,500 as a function this static market share and a variable UK death rate
  - Branch productivity, in terms of funerals performed per location per year, has collapsed by more than 30% from 129/year in 2005 to 87/year at H1 2017.
  - Acquired locations typically provide around 150 funerals per year initially, offsetting customer losses elsewhere in the portfolio.

- **Pricing has been used to provide constant top-line growth**
  - With customer numbers flat over the historical period, pricing has been used as a lever to provide revenue growth
Prices increased every year between 2005 and H1 2017 from £1,699 to £3,153 at a cagr of 5.6%, in line with the growth within the Funeral Services segment cagr of 6.1%

Effectively, management have driven top line growth through large price increases across the existing portfolio, whilst offsetting decreasing customer numbers in the existing portfolio by acquiring new locations. The net result is that Dignity serves roughly the same number of customers each year but charges each of them a higher price.

We believe this is an unsustainable strategy with branch expansion and price increases both under threat.

The former, although not a focus of this report, logically ends at some point. The ability to ever expand branches without cannibalising existing locations or falling foul of competition concerns is not guaranteed. Dignity has twice chosen not to purchase the entirety of a target’s location portfolio, citing competition concerns.

With regards to the latter, price increases, Dignity has historically operated in an opaque market where customers have had little knowledge of what a fair price is. This is now changing rapidly with the advent of price comparison websites for the funeral industry. Within just a few clicks people can now see what funeral directors will charge them for a funeral.

Just as with air travel and hotels, the internet is democratising information and shifting power to the consumer. We anticipate that shifting buying/research online will see pricing pressure across the entire funeral market and result in flat/falling prices on an industry wide measure.

Within the industry, Dignity is the most exposed to any shift to price transparency and increased competition.

Following a decade of unremitting price increases, Dignity now operates at a totally disconnected pricing level to the rest of the UK market.

Based on customers through our site in the last year, a Dignity funeral costs 83% more than a funeral arranged through Funeralbooker.

Other estimates of this premium can be gained from Royal London 2016 research (45%), Ipsos Mori 2010 research (36%) and Sun Life 2016 research (32%).

This premium puts an extremely high incentive on funeral customers to “shop-around” and as such we believe Dignity will either have to reduce prices to compete or lose customers to competitors.

We have provided a financial model based on pricing reduction of 3.0% per annum between 2018 to 2021. This model produces a downside to analyst consensus estimates of EPS in 2018 and 2019 of 7.3% and 14.3% respectively.

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1 Purchased 36 of 83 locations in the 2015 Laurel acquisition and 40 of 60 locations in the 2013 Yew acquisition.
REPORT STRUCTURE AND CONTENTS

Our report is structured as follows.

The first section is the summary of our argument.

Following this we have provided some background information on Dignity, the UK funeral market and the typical customer purchase cycle.

The main section of the reports begins with a look at Dignity’s historical performance. Within this, we will provide analysis around how the historical branch expansion strategy has been undertaken and its effects as well as analysis of how prices have changed historically.

We will then look at what constitutes a funeral, whether through Dignity or another provider and show that Dignity operates at a pricing level that is far in excess of market averages. In here, we will also talk about why we believe this pricing premium cannot be justified to customers.

Following this, we will detail why we believe Dignity will not be able to maintain this premium going forward, looking at the impact that price comparison websites will have on the funeral industry and examples of industries where this shift has played out previously.

We will close with a section on valuation.

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1. BACKGROUND INFORMATION

I. DIGNITY PLC

Dignity PLC is a provider of funerals and related services in the UK. The group was created in 1994 when Service Corporation International (NYSE:SCI), a US-based provider of funeral services, acquired Plantsbrook Group and Great Southern Group. In 2002, Peter Hindley (CEO) and Mike McCollum (then CFO, now CEO) led an MBO of the group from SCI supported by Montagu Private Equity.

The group listed in April 2004 and is now a member of the FTSE 250 with a market cap of £1.2 billion.

Since listing, the Company’s share price has grown at a cagr of 14.1% (compared to FTSE250 at 8.9%) on the back of strong revenue and profit growth. Despite this impressive performance, the Company is often overlooked by investors because of the market it operates in. The UK funeral market is relatively small (c.£2-4bn annual spend) and Dignity is the only listed provider.

Dignity is easy to understand on an operational level.

The Company simply provides the services necessary to help a customer arrange a funeral. This includes practical elements such as body collection and preparation, professional guidance through an unfamiliar time, and managing the logistics and details of the funeral event itself.

Funerals are a local service and, as such, require a physical branch location from which to serve the customer. These branches often serve as the mortuary or viewing areas.

The Company built a national network of funeral locations between 2005 and 2016, increasing the number of locations from 519 to 792. In doing so, Dignity became the second company with a national presence (Co-operative Funeralcare being the other with c.1,000 locations and is part of the main Co-op group).

Alongside its core provision of funeral services through its branch network Dignity also owns a portfolio of 44 crematoria and sells pre-paid funeral plans.

The crematoria generate revenue through charging customers a cremation fee. Dignity’s crematoria are used both by its own network of funeral homes and by third-party funeral directors.

Dignity sells pre-paid funeral plans through its branch network and also through other marketing channels. These plans function primarily to “secure” a future customer by allowing them to pre-pay Dignity for their future funeral costs. The revenue from performing these plans is recorded within the previously mentioned funeral revenue when the customer dies and the funeral is performed. A relatively small “marketing contribution” revenue is recorded at plan sale.

Dignity grew revenues from £143 million to £314 million (cagr 7.4%) and operating profits from £42 million to £98 million (cagr 8.1%) between 2005 and 2016.

Clearly, the past decade has been a very successful for Dignity and its shareholders.
II. UK FUNERAL MARKET

The UK funeral market is made up of two key business types:

- **Funeral Directors** – this includes Dignity, Co-op and smaller funeral directors. The funeral director is the key contact point with the customer and arranges all aspects of the funeral. They provide the practical services (e.g. collecting, storing and preparing the body), professional services (e.g. assisting with statutory documentation and arranging the funeral event) and pastoral services (e.g. supporting the deceased’s family through the grieving process).

- **Crematoria and cemeteries** – these are the locations where the funeral actually takes place. There are 282 crematoria in the UK and thousands of cemeteries. Most crematoria are owned by local councils and Dignity is the single largest operator with 44 crematoria. Cemeteries are typically owned by local councils or churches. Very few customers transact directly with the crematoria or cemetery, as funeral directors will typically arrange the logistics and payment on behalf of the family.

There are roughly 5,000 funeral director branches in the UK and in 2016 there were 597,000 deaths. This gives Dignity a 15.8% market share on a branch basis and a 11.8% share on a death rate basis.

Dignity is the second largest player in the UK funeral market after Co-operative Funeralcare (part of the larger Co-operative Group) which has roughly 1,000 branches and performed 98,000 funerals in 2016.

The remainder of the UK market primarily comprises small businesses typically with 1-3 locations. This means that, compared to other markets, the UK funeral market is still relatively fragmented with somewhere between 60-65% of branches operated by small, local businesses.

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2 525,048 in England and Wales from the ONS; 56,725 in Scotland from National Records of Scotland; 15,435 in Northern Ireland from Northern Ireland Statistics and Research Agency.
There are no reliable estimates of the total market value of the UK funeral industry. Estimates of c. £1.7-2 billion are often quoted but it is unclear whether this includes payments to crematoria and cemeteries so we have not used it here. The cremation or burial fee paid to the crematorium or cemetery respectively typically comprises 33-50% of the total funeral bill.

The barriers to entry for a new funeral business are relatively low. There are no necessary licenses or regulations to comply with apart from health and safety regulations that cover storage and preparation of bodies. The largest barrier historically has been the need to have a local, well-established reputation. This barrier has been eroded in recent years with the advent of new channels to reach prospective customers (social media, online comparison sites) as well as an increased propensity for customers to shop around and try new businesses.

III. TYPICAL PURCHASE

Funerals are a local purchase with the majority of customers choosing a funeral director close to them geographically. Alternatives, such as direct cremation where geographical proximity is less of an issue are emerging but currently only have c.5% of the UK market.

The funeral purchase process can start before a death however most people only start to seriously consider which funeral director to use once a death has occurred.

After a death, the next of kin must register the death within 5 days. A funeral director cannot legally begin the process of arranging a cremation or burial until the death has been registered (although often a customer may have already "engaged" a funeral director ahead of registration).

Over 50% of deaths occur in hospital and the body can typically be held in the hospital mortuary whilst a customer chooses a funeral director they would like to use.

If a death occurs at home, a funeral director will typically be called out to collect the body by the police if the family does not have a chosen funeral director in mind. The customer is not obliged to use a funeral director appointed by the police if they do not wish.

The typical customer is aged between 45 and 75 years old and is a close family member of the deceased (spouse or child). However, given the nature of the purchase, many customers will seek the involvement and participation of a wider group of family members (grandchildren, siblings, children if the spouse is the arranger).
2. HISTORICAL PERFORMANCE

Within this section we will look at the two main drivers of Dignity's historical performance:

i. The expansion strategy that provided a 53% increase in the number of branches (3.9% cagr); and

ii. The pricing strategy that delivered an 81% increase in average prices (5.6% cagr)

We will begin with a detailed look into Dignity’s expansion strategy, with a focus on how the Company has conducted its acquisition strategy.

I. THE EXPANSION STRATEGY

Growth by expansion is a prevailing strategy for all funeral businesses. Logically, increasing the number of locations increases the population you cover and thus the number of funerals you perform.

Expansion has been one of 5-6 core strategies identified by Management each year between 2006-16. In earlier years this was phrased as “selective acquisition” but was later broadened to “developing or acquiring” to reflect the start of the satellite location programme.

The number of branches in the portfolio expanded from 519 to 792 between 2005 and 2016, an impressive increase of 53% at a 3.9% cagr. The Company has successfully expanded across all the major towns and cities of the UK, as shown in the network map.

Figure 1 - Network of 811 funeral homes. H1 2017
Investor Presentation
This expansion was achieved through acquisitions and organic openings. Acquisition has been the primary method of expansion, contributing over two-thirds of the increase over the period\(^3\).

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**Figure 2 – Expansion by acquisition and organic.**

Branch expansion, and more specifically expansion through acquisition, has clearly been a key focus for Management over the historical period and played a significant part in Dignity’s historical performance.

Despite the success of this strategy on the surface, there are two key elements of this strategy that have been historically overlooked.

1. **Acquisitions actually drive competition on a local level** - acquisitions have created numerous well-funded, well-trained and well-motivated competitors

2. **Dignity operates entirely under acquired trading names** – sensible historically but increasingly vulnerable to a consumer backlash and also means that there is no customer facing brand

The former is important to understanding why branch productivity has collapsed and thus why prices have had to increase so dramatically.

The latter is important to understanding how Dignity operates and competes on a local level and thus why it cannot reasonably justify the pricing premium charged.

We will discuss both in this section but to start with we will provide detail on the typical acquisition process and rationale.

### i. MAJOR ACQUISITIONS, PROCESS AND RATIONALE

Acquisitions of existing funeral businesses has been the primary expansion method and contributed an extra 216 branches to Dignity’s portfolio over 2005-16. These have typically been the purchase of small, family-owned funeral businesses however, wherever possible, Dignity looks to acquire larger groups.

We have estimated a total of £231 million spent on acquiring existing funeral businesses (excluding crematoria acquisition cost where possible and capex for satellite locations) based on available disclosure.

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\(^3\) Numbers taken from annual reports for organic, acquired and closures. For acquisition cost we took the total acquisition costs minus any cash required and backed out acquisitions of non-funeral director businesses (e.g. crematoria) where possible. Not all data available for H1 2017.
i. MAJOR ACQUISITIONS

The first large acquisition completed by Dignity was the £58 million purchase of Yew Holdings Limited in January 2013. This contributed 40 funeral locations and two crematoria to Dignity’s portfolio. Dignity chose not to acquire 20 locations of the Yew portfolio to “minimise any potential competition concerns”. This acquisition increased Dignity’s presence in the North of England.

The second, and most recent, major acquisition was the £38 million purchase of 36 locations from Laurel Funerals. In this instance, Dignity chose not to acquire 47 locations. The RNS states that the locations purchased “complement geographic spread” and, also, that the acquired branches “do not breach any of the established tests that are used as preliminary filters by the Competition and Markets Authority”.

The reason we draw attention to the locations not purchased is that, at some point, Dignity reaches a saturation level whereby it cannot acquire further locations without either causing competition concerns or risking existing portfolio cannibalisation. Additionally, any owners of funeral businesses in “white-space” for Dignity will likely be aware they can demand a significant premium for purchase. We are not providing a view on whether Dignity has reached saturation yet, however it is clearly closer to this point now than when it listed in 2004.

ii. PROCESS AND RATIONALE

Dignity do not provide details regarding their standard acquisition process and terms. This is understandable given it is commercially sensitive. However, understanding this is important to forming a full view on the Company.

At Funeralbooker, we are constantly in contact with funeral directors. As such, we have been able to build a working knowledge of Dignity’s practices.

In terms of the process and terms:

1. Previous owner typically stays on in a “consultancy” role for 1-2 years post sale to aid transition
2. Signage and in-store materials are changed - the name is kept but colours are usually transitioned to the burgundy
3. Prices are increased
4. Staff are transferred and retrained
5. Owners are often contractually obliged to:
   a. Forego use of the previous trading name
   b. Not open a funeral business within a certain distance
   c. Not actively canvass for previous business

Purchases are typically completed at a 10-11x EBITDA multiple with purchase based on the following:

1. Complementary location to current portfolio

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4 Dignity RNS 0474W of 22/01/2013; “Acquisition of Yew Holdings Limited and Placing”
5 Dignity RNS 2622Q of 16/06/2015; “Acquisition”
6 Peel Hunt research, 15 May 2017
2. Strong historical trading in terms of customer numbers (c. 150 funerals per year per location)
3. A well-recognised trading name
4. Current pricing below what Dignity can achieve

1-3 are all obvious and well understood.

The final point is not often publicly identified by Dignity or by analysts. This probably owes to valid concerns that publicly stating a purchase rationale to increase prices would risk public/media opprobrium. This holds for all industries, of course, not just funerals.

However, it is important to note that the ability to increase prices is a key criteria as it clearly impacts how a business operates post-acquisition.

The clearest indication from Dignity that the ability to increase prices is a key purchase rational can be found in the RNS for the acquisition of 40 branches of Yew Holdings in 2012.

“There are significant opportunities for Dignity to improve the financial performance of Yew’s funeral portfolio. Yew achieved an average income per funeral of £1,565 in the twelve months to July 2012 compared to Dignity’s £2,350 in the year to December 2011. The Board believe that there is an opportunity to improve Yew’s services and facilities and thus bring its average income per funeral closer to Dignity’s.

In addition, Yew performed an average of 155 funerals per location in the twelve months to July 2012 compared to Dignity's average of 104 in the year to December 2011. This should lead to a high degree of operational efficiency.”

This statement clearly shows two of the key drivers of acquisition: i) an opportunity to increase prices; and ii) a loyal, captive customer base providing more funerals than Dignity’s own.

ii. **ACQUISITIONS DRIVE HYPER-COMPETITION ON A LOCAL BASIS**

Acquiring a business typically has the intrinsic benefit of reducing competition to the acquirer.

However, when we look at Dignity we can see that this is false. Every acquisition that Dignity undertakes creates new competition from two sources:

1. The business owner who, after a lock-up period, starts a new business
2. Staff who, post-acquisition, decide that they would rather go it alone rather than become part of Dignity

Before we go into detail on both of these, we need to dispel the myth that there are high barriers to entry for opening a funeral business. High barriers to entry are frequently cited in due diligence or market research but this does not bear up to scrutiny.

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7 Dignity RNS 0474W of 22/01/2013; “Acquisition of Yew Holdings Limited and Placing”
The funeral business is unregulated - anyone can begin trading as a funeral director with no licensing or qualification scheme to undertake first\(^8\)

Premises are not required – many new funeral directors now operate with no fixed premises and instead visit customers at their house

No need to purchase equipment/vehicles - can be hired from other local funeral directors with excess capacity or national firms

Although barriers are clearly high to become a national operator, at a local level barriers are virtually non-existent.

You can literally set up overnight as a funeral director.

Knowledge and experience are the main barriers to establishing a viable funeral business – this is clearly of no concern to someone who has just sold a business to Dignity or a long-term funeral home employee.

Acquiring customers is clearly a barrier. However, the number of funerals required to pay for a one-man band funeral home in the early years is low. Even providing just 50 funerals a year at an average take per funeral of £1,000 (assumed after hire of equipment/vehicles) leaves the operator with £50,000. Acquiring customers is also obviously far less of a barrier to someone with years of experience providing funerals.

The effect of local competition can be seen in both Dignity’s market share and branch productivity. This was identified by Management in the H1 2017 trading statement, the Company states:

“The Group continues to keep market share under review, with reductions in the first half of the year slightly worse than anticipated. This could be a function of increasing numbers of competitor locations or more aggressive price competition.”

It has also been reiterated recently by the CEO, Mike McCollum, speaking to The Daily Telegraph:

“The funeral sector is un regulated, so it is very easy to set up a new business,” McCollum told The Daily Telegraph. “We have seen, over many years, the number of funeral directors continue to rise, with more vigorous competition in the sector. It is a very fragmented market, and is fragmenting the whole time.”\(^9\)

This quote is telling and, given the strength of the sentiment and the acknowledgment that this has been a multi-year trend, we are extremely surprised that this has not been brought to investors’ attention previously.

We will now show where this “vigorous competition” is coming from.

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\(^8\) This may change in coming years however it is only currently legislated for in Scotland and this is currently in a consultation period ending late 2018 / early 2019. The current form of regulation is unknown.

\(^9\) Why a growing number of people are planning not to have a funeral; The Daily Telegraph, 20 August 2017. http://www.telegraph.co.uk/business/2017/08/20/growing-number-people-planning-not-have-funeral/
iii. **COMPETITION FROM ACQUIRED OWNERS**

The first source of competition we identified was from the owners of the acquired business.

Dignity does not perform acquisitions as partnerships with existing owners.

The owners are kept on for 1-2 years to ease transition but following that they are required to leave. In earlier years, these owners would have moved up through Dignity’s corporate structure (e.g. area manager, regional manager, acquisition manager etc) however there are simply not enough roles to keep former owners gainfully employed.

Dignity doesn't like to retain owners within the required business for two reasons: i) they are expensive; and ii) they often chafe under new operation compared to “how things used to be”.

It goes without saying that these owners have extensive knowledge of the funeral industry and a thorough understanding of their local community.

The owners will also have a substantial windfall of cash, very useful for any new ventures.

We have heard numerous instances of previous owners opening new funeral businesses after an acquisition by Dignity. To provide weight to the anecdotes, we have used Companies House to establish evidence of where this has clearly happened.

Below are 3 examples.

**S&R Childs Funeral Services**

Dignity purchased S&R Childs Funeral Services Limited in 2013 (company number 05119459). This business was subsequently dissolved but two of the directors are listed as Sandra Homewood and Geoffrey Homewood, each with a 50% shareholding.

At the time of purchase, S&R Childs had four branches located around Oxford all of which trade under the S&R Childs name. In the 2013 Annual Report, Dignity states that it acquired a total of 5 locations (excluding the Yew acquisition) for a cash consideration of £3.4 million. It is reasonable to assume that the S&R Childs purchase comprises the bulk of this amount.

In February 2017, Sandra and Geoffrey Homewood opened a new business trading as Sandra Homewood Funerals (company number 10605301) ([http://www.homewoodfunerals.co.uk/](http://www.homewoodfunerals.co.uk/)).

The new business is located 5 miles away from the closest S&R Childs branch so will likely see some overlap of customers. More importantly for Dignity, the new Homewood business is located just a few hundred metres from a different Dignity business, L Hartness Funeral Directors in the town of Bicester.

We do not know what restrictions, if any, were placed on the Homewoods but it appears they are now in direct competition with Dignity again. We believe the Homewoods will be opening a second branch shortly.

As an interesting side note, when Dignity purchased S&R Childs it already owned two locations in Oxford.
1. Fisher & Townsend at 81 High Street, Witney, OX28 6HY (company number 00772376) which looks to have been owned since around 1991
2. P L Barrett Funeral Directors at 81 Ock Street, Abingdon, Oxfordshire, OX14 5AG.

It appears that both of these names have now been rebranded as S&R Childs Funeral Directors with the two former names falling out of use. We assume this is due to S&R Childs having a stronger local reputation than the replaced names.

There was no reported impairment or amortisation of the intangible value related to these trade names in the 2013 annual report.

**The Hunter Family**

Dignity purchased Hunter Funeral Directors Limited in July 2005 (company number 04234347). This company is still active as a subsidiary undertaking and can be found on page 114 of the 2016 annual report.

We believe there was one branch at time of acquisition, located in Ormskirk north of Liverpool. Hunters was previously owned by Sally Hunter-Pimblett, Margaret Hunter and Lisa Hunter-Walker, who controlled the entire share capital between them.

The Hunter family now operate under MLS Independent Funeral Directors Limited (company number 08995884). This business is located in Ormskirk and competes directly with the Dignity owned business.

The family proudly promote themselves as the “Original Hunter Family” across their website and social media\(^{10}\). If you Google search for “Hunter Funeral Directors” then on the first page you will three organic results for MLS Funeral Directors.

James Bradley & Sons
Based on Companies House records, James Bradley & Sons began trading in April 1975 (company number 01206116). It is unclear when Dignity purchased the name of this business but the company now operates two locations in Manchester under this name.

One of the original directors of the business, Alan Bradley, now owns another business, Alan J Bradley & Sons. This business has been in operations since May 1998 (company number 03572151).

This business is located less than half a mile from James Bradley & Sons.
iv. **COMPETITION FROM ACQUIRED STAFF**

Competition does not just come from the owners of the acquired business.

Just like acquisitions in other industries, Dignity transfers existing staff in the business to its operations (often under TUPE regulations). After an acquisition, we believe that staff are required to enter new employment contracts with altered terms.

Many staff who leave are experienced and well-trained. Many commend Dignity’s training as being best in class.

Some of the common friction points that arise between Dignity and acquired staff include:

- Objection to steeply raised prices as being “unfair” on families
- Objection to any instructions to encourage customers to spend more (“upselling”)
- Objection to continuing to trade as the previous family name when it is now owned by someone else

Fundamentally, the staff who leave to set up their own business simply believe they can do a better job of it themselves.

They have the experience and they know the community. Crucially, they know they can beat Dignity on price too.

“I’m embarrassed to say I spent 7 months employed by Dignity at the end of 2007 beginning of 2008 and I was horrified with what I saw, needless to say I left at the earliest opportunity (when I got another job), not being paid for 4 months played a part too!”

*Scott Andrew Jackson, employed x to y, Facebook – now runs*

“I could never knock the training I received from SCI/Dignity but along the journey I’ve met more people appalled by their practice than those in favour. I made good lifelong friends whilst working with them but my moral and caring nature made it impossible for me to conform by their rules so I got out!”

*Simon Helliar-Moore, employed x to x, Facebook – now runs Crescent Funeral Services*
Beyond...

Given staff are not owners, it is not possible to use Companies House to provide examples of this. Instead, we have simply provided some examples of how funeral directors talk about their past experiences on their websites.

Jeremy Rule of Jeremy Rule Funeral Service: Jeremy was born and brought-up in Royston, he set up his own business in 1999, having worked for over 20 years in the funeral industry and having been manager for another local funeral directors until they were taken over by a larger company.11

Stuart Roberts of The Affordable Funeral Company: With 17 years experience in the funeral industry, 12 of those as a Funeral Director, working in that time for two of the largest funeral companies in the country as well as two independent funeral providers, I have witnessed first hand the steady and unjustifiable rise in the costs of funerals over this period and all too often the financial difficulties families face in funding the respectful and dignified send off they desire in celebrating the memories of their loved ones…

Our mission is to make funerals affordable again…12

Nick Armstrong of Armstrongs Independent Family Funeral Service: When I started Armstrongs I had been working for the larger chains of Funeral Directors and there was a massive shift towards large companies offering little choice and a lack of consideration for the individual requirements of bereaved relatives. I know that because I could see it happening.

I wanted to start a small independent funeral service which placed an emphasis on personal care, choice and respect for the wishes of the customer, to make things more personal and a little easier for families.13

Marco Lysiuk of Darwen Funeral Service: Marco Lysiuk founded the business in 1988. He brings with him a Diploma in Funeral Directing and is qualified with the British Institute of Embalmers. Prior to founding Darwen Funeral Service, he worked for a large multi-national chain of Funeral Directors for 24 years.14

iii. HOW DIGNITY TREATS ACQUIRED TRADING NAMES

This may surprise many people, but the funeral company “Dignity” does not exist in the eyes of the public.

The business comprises entirely of acquired trading names whose reputation was built by somebody else prior to acquisition. When Dignity listed in 2004, its portfolio comprised entirely of acquired local trading names. Customers purchase a funeral from whatever the local name is, they do not purchase from Dignity.

As part of its acquisitions, Dignity acquires the trading name(s) of the previous owner and, as such, looks to acquire well-established businesses with a strong local reputation. Many of the businesses Dignity acquires will have operated for generations – it is not unusual to find funeral businesses that have been in the same family for over 100 years.

Historically, the strength of a local trading name has been the single largest source of value driving a purchase. A strong name can provide many years of repeat business with families returning to a trusted name time and time again.

This value is represented in intangible assets, of which Dignity holds £350.4 million on its balance sheet (50% of total assets of £715 million). Of this total, trade names from acquired funeral businesses contributes £134.5 million. A further £155.4 million

11 http://www.jeremyrulefunerals.co.uk/blog/profile/jeremy-rule/#more-85
12 https://www.theaffordablefuneralcompany.com/about-us/
13 http://funeralhelp.co.uk/home/
14 http://www.darwenfuneralservice.com/173171677
relates to goodwill from acquired funeral businesses. The remainder primarily comprises goodwill from the acquisition of crematoria.\textsuperscript{15}

Based on recent disclosures, we've estimated that Dignity now trades from over 500 different names across the country.\textsuperscript{16} These typically resemble a family name: “A & N Duckworth”, “Cyril H. Lovegrove”, “F.J. Gibb”, “R. Butler & Sons” and we have included the full list in the Appendix.

\textsuperscript{15} Annual Report 2016, note 9
\textsuperscript{16} \url{http://www.dignityfunerals.co.uk/funeral-services/arranging-a-funeral/find-a-funeral-director/funeral-director-index/}
In terms of what this means from a customer perspective:

- Prominent front signage retains the previous trading name
- In-store materials are branded with the previous trading name
- The phone is answered with the previous trading name (no mention of Dignity)
- A google search for the name returns a result led by the trading name
- Individual branch websites lead with the previous trading name
- Any community work is branded as the previous trading name e.g.
  - Bromley Primary Schools Cross Country Association is sponsored by “Francis Chappell and Sons, Ltd Local funeral directors who in 2015 are celebrating their 175th anniversary and who have generously provided our events with medals and trophies for many years”\(^\text{17}\)
  - For Norfolk’s care awards event, “Gordon Barber Funeral Directors, based on Aylsham Road, Norwich, has agreed to sponsor the ‘effective co-ordination of end-of-life care’ award at the event”\(^\text{18}\)

The entire premise and rationale for this strategy is simple – to ensure that people view the acquired business on exactly the same basis as before.

Ideally, the customer never even suspects that the business has been acquired.

Over the past decade, operating under acquired trading names has been a conscious strategy for the business. This is reasonable as people buy funerals from businesses that they trust and building a nationwide consumer brand from scratch is difficult.

However, what this also means is that Dignity is now exposed to the risk that consumers become aware that the name they are purchasing from bears no relation to the people who run the business.

\(^{17}\) [http://www.bpscca.co.uk/sponsors/](http://www.bpscca.co.uk/sponsors/)

\(^{18}\) Gordon Barber Funeral Directors, based on Aylsham Road, Norwich, has agreed to sponsor the ‘effective co-ordination of end-of-life care’ award at the event
It does not take wild leaps of imagination to see the risk of a consumer backlash when people realise that they have not been sold the service they thought they had been sold.

II. A NOTE ON ORGANIC EXPANSION

Organic expansion has provided another 94 new locations over the 2005-16 period. These new branches are termed “satellite locations”, which means they are opened under the established trading name of one of Dignity’s portfolio businesses. These locations are often low capex expenditure as they are typically just “shopfronts” where customers can be served but without the expansion refrigeration and mortuary equipment required at a “full” branch.

III. SO WHY IS THIS A PROBLEM FOR DIGNITY?

You could be forgiven for thinking “So what?” up to now.

We have focussed on Dignity’s branch expansion so far and despite concerns around viability of trading names and local competition, the expansion has clearly helped grow Dignity over the historical period.

The issue isn’t so much with the efficacy or immediate concerns of the expansion. The concern lies with the performance of the branches post-acquisition and what this performance has led management to do.

There are two simple charts that show where the problems lie.

The first chart shows the number of funerals performed by Dignity over the period and what this meant in terms of UK market share. Market share has stayed flat over the historical period with funerals performed trending in line with the UK death rate.
So, despite management increasing locations by 53%, as well as presumably other initiatives to drive customer numbers, the market share has stayed flat.

The second chart is branch productivity measured in funerals per location. This has collapsed by more than 30% over the historical period.

Quite simply, Dignity has increased its locations yet is now doing far fewer funerals at each of them than it was a decade ago.

For our argument, this alone does not really matter.

What we care about is the fact that crumbling branch productivity has driven Dignity to push through excessive price increases every year. We think this is unsustainable.

IV. HOW HAS PRICING CHANGED HISTORICALLY?

We will now look at how Dignity's pricing has changed over the historical period and at where Dignity prices with respect to the wider UK market.

Dignity has increased prices every year. Management have even used price increases as a lever to offset years where a lower number of funerals were performed. All of this with the purpose of providing investors with consistent revenue growth.

Funeral pricing has been opaque historically and management took full advantage of this by increasing prices every single year between 2005-16. The lowest increase in this period was 2.9% and the highest was 8.5%.

There are very few other industries where this level of pricing discretion is possible. What would happen to Ford if they increased prices every year? And even through periods when people were buying less cars?
After demonstrating how pricing has changed, we will show that Dignity now operates at a premium to the UK market. On a comparable package of services, a Dignity funeral costs on average 83% more than a funeral taken from a funeral director listed on our site.

As part of this, we will look at whether Dignity can justify its premium.

Analysis of this leads to two possible conclusions, neither of which are favourable to Dignity:

1) **Dignity cannot be a premium service** as it operates under acquired family names in competition with other local businesses. If it was a premium service it would roll all names under brand and market itself as such; or

2) **Dignity is a premium service but customers will never know** as it continues to operate under hundreds of individual names. Any branding exercise now does not receive credit for all the prior years of excellent service

### CALCULATING DIGNITY’S AVERAGE SELLING PRICE

For any company selling funerals, total revenues can be calculated as:

\[
\text{revenues} = \text{funerals performed} \times \text{average price per funeral}
\]

Funerals performed, as we’ve shown, has been largely static. Yet, revenues within the Funeral Services division grew by 6.1% p.a. between 2005-2016.

Dignity do not report an Average Selling Price (“ASP”) which, given this is clearly an important KPI, should strike readers as slightly odd. We would also like to reiterate that there is no commentary on pricing in the annual reports.

Using the formula above, the ASP over 2005-16 is shown below:

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<tbody>
<tr>
<td>Funerals performed</td>
<td>67,000</td>
<td>66,500</td>
<td>66,500</td>
<td>68,700</td>
<td>65,000</td>
<td>64,500</td>
<td>64,500</td>
<td>62,300</td>
<td>63,200</td>
<td>68,000</td>
<td>66,600</td>
<td>73,500</td>
<td>70,700</td>
<td>70,700</td>
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<tr>
<td>Funeral services revenue (m)</td>
<td>£114</td>
<td>£120</td>
<td>£126</td>
<td>£137</td>
<td>£139</td>
<td>£143</td>
<td>£147</td>
<td>£158</td>
<td>£176</td>
<td>£184</td>
<td>£213</td>
<td>£218</td>
<td>£203</td>
<td>6.1%</td>
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<tbody>
<tr>
<td>Average Selling Price</td>
<td>£1,699</td>
<td>£1,805</td>
<td>£1,969</td>
<td>£2,097</td>
<td>£2,131</td>
<td>£2,222</td>
<td>£2,302</td>
<td>£2,498</td>
<td>£2,591</td>
<td>£2,611</td>
<td>£2,991</td>
<td>£3,081</td>
<td>£3,153</td>
<td>5.6%</td>
</tr>
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</table>

Yoy increase in ASP
- 0.2% 5.3% 5.2% 6.7% 4.3% 4.8% 6.2% 3.7% 8.5% 2.9% 6.9%

Yoy increase in funerals
- 0.7% 0.0% 3.3% -5.4% -0.8% -3.4% 1.4% 7.6% -3.5% 12.0% -3.8%

The RNS for the YEW acquisition has a helpful cross-check for our calculation, where management identify “an average income per funeral of £2,350 in the year to December 2011”\(^9\).

What this shows is that ASP increased by a huge 81% (cagr 5.6%) in only 11 years between 2005-2016.

Has anything major changed through product or service innovation to warrant this increased consumer spending?

Simply, no. There have been no major innovations encouraging customers to spend more – funerals are essentially the same as they were two-hundred years ago.

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\(^9\) Dignity RNS 0474W of 22/01/2013; Acquisition of Yew Holdings Limited and Placing
To us, this is a staggering increase in price which is not defensible a market which is fast becoming very competitive.

We also found it interesting to look at the size of the ASP increase versus the increase/decrease in funerals performed each year.

It is impossible to tell motivations for certain, however, the clear negative correlation between an increase in ASP and funerals performed makes it appear to us that Management has used ASP as a lever to ensure that the Company provides a comfortable level of top-line growth each year regardless of funerals performed.

We believe Management will not have this lever going forward and will experience a far more volatile top-line year on year.
3. CURRENT POSITIONING: ESTABLISHING DIGNITY’S PRICING PREMIUM

So far we have demonstrated what has happened historically at Dignity. We have presented evidence in support of our argument that competition has increased and that Dignity has increased prices significantly.

We will now demonstrate where this past decade puts Dignity in terms of the wider funeral market.

Dignity now operates at unsustainably high prices compared to the rest of the UK market. We have compared Dignity’s ASP to various measures of average funeral cost to show that the Company now operates at anything between a 28% and 42% pricing premium to market averages.

Within this section we will also look at whether Dignity can justify the premium charged and whether it is in a position to defend this premium in an increasingly competitive market.

I. FUNERAL PRICING AND COMPARABILITY

Key to this is understanding what constitutes a funeral and how the different services and products are priced.

Also key to understanding is to recognise that a funeral and how to price it is not complicated. Contrary to what funeral companies might tell you, understanding a funeral is very simple. Funeral companies are, of course, incentivised to convince you that understanding a funeral is very complex. This means that some get away with charging higher fees. The higher the fees charged, the higher the incentivisation to make pricing as indecipherable and incomprehensible as possible.

A good example of an indecipherable and incomprehensible pricing sheet is, of course, Dignity’s.

Contrast this to the pricing sheet from LeRoy Funerals.
LeRoy manage to present the same information as Dignity in one page and in a far more user-friendly format. When looking at Dignity’s sheet it is not clear which of the prices will be applicable.

---

**OUR TRADITIONAL FUNERAL SERVICE**

1. Professional Services:
   - An experienced Funeral Director to discuss the planning of the funeral arrangements.
   - Preparation & submission of statutory documentation to the relevant authorities.
   - Preparation & submission of confirmation letters to the family & Officiating Minister (where applicable) all incidental expenses, telephone calls etc.
   - Personal 24 hour telephone help & support.
   - Handling of statutory arrangements with Clergy, Cemetery or Crematorium, Doctors, etc.
   - Advising & placing notices in local or national papers. (Not inclusive of newspaper costs).
   - Assistance ordering flowers, receiving & care of tributes.
   - Supplying memorial attendance books at the funeral if requested.
   - Provision of Funeral Director & necessary bearers throughout the funeral service.
   - Arranging the printing of service sheets when required.
   - Presentation folder for floral tribute cards & supplying thank-you cards.
   - Arranging for catering at home or elsewhere.
   - To receive, administer & forward donations where applicable.

Professional Charges for above: £790

**ALL THE ABOVE FOR AN INCLUSIVE PRICE OF £1,665.00**

We are delighted to supply alternative Funeral vehicles such as horse drawn or motorcycle.

Optional extras:
- ONE LIMOUSINE £70.00
- TWO LIMOUSINES £255.00
- FURTHER LIMOUSINES £70.00

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**Traditional Coffins, gown sets & fittings:**

- **THE LINCOLN** Oak or elm finish. £405.00
- **THE COUNTY** Published mahogany finish. £470.00
- **THE HANLEY** Oak or elm finish with raised lid & moulded panelled sides. £510.00
- **THE EMBASSY** Oak veneer, raised lid & panelled sides. £510.00
- **THE AMBASSADOR** Solid oak with double raised lid & panelled sides. £795.00

Please ask to see our coffin selection room colours and styles may vary slightly.

**Eco Coffins - the greener alternative:**

- **BAMBOO LATTICE** Traditional shape or round at both ends. 100% natural & biodegradable. £510.00
- **BAMBOO ECO COFFIN** Traditional shape or round at both ends. 100% natural & biodegradable. £510.00
- **HIGHTEAD WILLOW** Traditional shape. 100% natural & biodegradable. £510.00
- **CROMER WILLOW** Round at both ends. 100% natural & biodegradable. £510.00
- **BANANA LEAF** Traditional shape, round ends or casket style. £510.00
- **PANDANAS WILD PINEAPPLE LEAF** Traditional shape or round at both ends. (Suitable for burial only). £510.00
- **CARDBOARD** £320.00
- **CARDBOARD PICTURE** £525.00
- **COLOURFUL** £685.00

We care about the environment. Where possible we supply sustainably produced & sourced products. We also supply flowers.

We are delighted to supply any other type of coffin should you have specific requirements.
The below table shows the typical constituent costs for a funeral. Most funerals follow a very similar pattern and there simply is not that much differentiation between charging items. The total cost of most funerals is largely driven by only a few individual charges.

Note that third-party fees are **not included** in the ASPs presented here. Although Dignity operates its own crematoria, revenue from these is reported in a separate division so has been excluded from ASP.

<table>
<thead>
<tr>
<th><strong>Professional Services</strong></th>
<th><strong>Price range</strong></th>
<th><strong>Dignity</strong></th>
<th><strong>Funeralbooker</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Arranging all aspects of the funeral</td>
<td>£800 - £1,500</td>
<td></td>
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<tr>
<td>Funeral director to discuss arrangements and conduct the service <em>(note Dignity classify this as a separate fee but the vast majority of businesses include this within the core service fee)</em></td>
<td></td>
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<tr>
<td>Use of the funeral director's facilities</td>
<td></td>
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<tr>
<td>Liaising with third-parties</td>
<td></td>
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<td></td>
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<tr>
<td>Preparation &amp; submission of statutory documents</td>
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<table>
<thead>
<tr>
<th><strong>Care of the deceased / Service to the person who has died</strong></th>
<th><strong>Price range</strong></th>
<th><strong>Dignity</strong></th>
<th><strong>Funeralbooker</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Removal of the deceased and transport to the funeral director's facilities</td>
<td>£200 - £1,000</td>
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<tr>
<td>Storing, preparing and dressing the deceased</td>
<td></td>
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<tr>
<td>Visiting the deceased at the funeral home</td>
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<tr>
<th><strong>Coffin</strong></th>
<th><strong>Price range</strong></th>
<th><strong>Dignity</strong></th>
<th><strong>Funeralbooker</strong></th>
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</thead>
<tbody>
<tr>
<td>Provision and preparation of the coffin</td>
<td>£200 - £600</td>
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<tr>
<th><strong>Hearse</strong></th>
<th><strong>Price range</strong></th>
<th><strong>Dignity</strong></th>
<th><strong>Funeralbooker</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of the vehicle and staff</td>
<td>£200 - £600</td>
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<tr>
<th><strong>Limousines</strong></th>
<th><strong>Price range</strong></th>
<th><strong>Dignity</strong></th>
<th><strong>Funeralbooker</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of the vehicle and staff</td>
<td>£150 - £300 (per car)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Ancillary, low unit cost items</strong></th>
<th><strong>Price range</strong></th>
<th><strong>Dignity</strong></th>
<th><strong>Funeralbooker</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Flowers</td>
<td>£50 - £250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urn (cremation only)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders of service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newspaper notices</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th><strong>Third party charges</strong></th>
<th><strong>Price range</strong></th>
<th><strong>Dignity</strong></th>
<th><strong>Funeralbooker</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cremation or burial fees</td>
<td>£800 - £3,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
• Medical certificate fees (cremation only)

<table>
<thead>
<tr>
<th>Average Selling Price (LTM to 30 June 2017)</th>
<th>-</th>
<th>£3,153</th>
<th>£1,727</th>
<th>Δ 83%</th>
</tr>
</thead>
</table>

- Cost included in **all** funerals and included in ASP
- Cost included in **some** funerals and included in ASP
- Payable by customer **all** funerals but **not** included in ASP

**II. DIGNITY AT AN 83% PREMIUM**

At Funeralbooker, we have fully itemised pricing for over 800 funeral directors across the country. These range from small, family owned businesses to regional co-operative chains. Our network covers a similar proportion of the funeral market to Dignity’s own branch network and is still growing.

We are a transactional platform, where customers can see current pricing and then "order" the funeral package from the chosen funeral director at that price. As such, we can provide a realistic ASP for the funerals arranged through our platform.

The average selling price of a funeral arranged through Funeralbooker in the year to 30 June 2017 was £1,727.

**This puts Dignity at an 83% premium (LTM H1 2017 ASP of £3,153) to our partnered funeral directors.**

As shown in the prior table, this price accounts for all the same elements of a funeral as provided by Dignity. All include professional services, care for the deceased, a hearse and a coffin. Some will include limousines and flowers, some won’t.

**There is nothing complicated to understand here. It is simply far more expensive to go to a Dignity funeral director than to find one through Funeralbooker.**

It is very easy to substantiate this information for yourself.

1. Go to Funeralbooker, set your postcode and select a funeral package
2. Write down the prices available (noting these will include third-party costs)
3. Ring a nearby Dignity office and ask them to provide a quote including third-party costs

Although we will use our transacted data for the purposes of comparison with Dignity, we will also provide the average price available on Funeralbooker for a “full” funeral. What we mean by “full” is a funeral with good trimmings added. We are not sticking to basics but adding in items to make this a full funeral. There is often little need for someone to spend more than this.
This includes: professional services, care of the deceased, standard wood veneer coffin, hearse, one limousine, an urn and flowers.

The average price for this package, as supplied by the funeral directors on Funeralbooker, is £2,193.

Even with this full package selected, Dignity still prices at a 44% premium.

III. OTHER INDICATORS OF DIGNITY’S PREMIUM

We have also looked at the annual research published by Royal London and SunLife, as well as a 2010 survey conducted by Ipsos MORI.

The premia that Dignity charges to each of these data points is shown below.

Note: Chart shows the premium at relevant years (i.e. the Ipsos MORI numbers researched in 2009 and published in 2010 are compared to the 2009 Dignity ASP)


This report by Royal London is a comprehensive study of funeral costs and how they have changed year on year. The key finding of the report was that, for the first year in more than a decade, spending on funerals fell.

The report establishes an average funeral director’s fees comprised of “prices for a comparable ‘simple funeral’ to include collection/care of the deceased, a basic coffin, hearse, and to manage a simple service at a crematorium. Prices based on this research do

not include third party costs which fall outside of the funeral directors immediate control or minister/celebrant fees.”

Royal London puts average funeral director fees at £2,200 – this puts Dignity at a 40% premium using their 2016 ASP of £3,081.

**SunLife’s Cost of Dying Report 2016**

SunLife’s 2016 report is their 10th annual study into all costs related to dying, including funeral costs. The reports research was conducted by Critical Research, an independent market research company.

The report establishes funeral director’s fees thus: “Funeral director’s fees, which usually cover the cost of the coffin, hearse, collection and care of the deceased plus the funeral director’s professional guidance”

SunLife puts average funeral director fees at £2,411 – this puts Dignity at a 28% premium using their 2016 ASP of £3,081.

**Ipsos MORI Funeral cost comparison research 2010**

Ipsos MORI were commissioned by SAIF, an association of funeral directors, to investigate price differences between independent funeral directors, Dignity and Co-operative Funeralcare. This investigation was conducted in January 2010.

The report conducted phone surveys in 50 towns in the UK, in each case the evaluator would request a comparable price for each of the three operators. Dignity were found to be the most expensive quote in 40 of the 50 towns surveyed.

The funeral directors fees examined by Ipsos MORI were defined as: transportation of the deceased from a hospital to the chapel of rest, a hearse, one limousine, an opportunity for the family to view the deceased, the simplest available coffin.

The report established that Dignity had an average cost of £2,177 compared to £1,606 for the independents and £1,927 for the Co-op, a premium of 36% and 13% respectively.

As a side note, our calculated ASP for Dignity of £2,131 in 2009 compares well with the reports average price of £2,177. This gives confidence in our earlier method.

**IV. CAN DIGNITY JUSTIFY ITS PREMIUM?**

So far in this report we have provided detail into Dignity’s historical performance and the contribution of both acquisitions and price increase to this. We then went on to identifying where Dignity currently sits in relation to other market participants and established they operate at a sizable premium.

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22 [http://www.macgregorsmithfunerals.co.uk/saif_funeral_cost_comparison_report_final030310_3_.pdf](http://www.macgregorsmithfunerals.co.uk/saif_funeral_cost_comparison_report_final030310_3_.pdf)
Before we move onto saying why we think this will now change, we need to cover an important point.

Whether Dignity can justify the premium it charges. For us, the answer is a very confident no.

The reason why we are very confident is simple. Dignity do not use their own branding to sell funerals.

Ask yourself this, how many examples of “premium” companies or products can you think of that don’t use a centralised brand?

It just doesn’t happen.

i. ABSENCE OF BRAND

It does not take a lot of research to establish that there is no unified Dignity brand that sells funerals to the UK public.

This is in stark contrast to Dignity’s largest competitor, Co-operative Funeralcare.

Management’s long-term strategy has been to operate acquired businesses under the original family name without merging these businesses into one, unified brand.

To see an example of these businesses visit: http://www.dignityfunerals.co.uk/funeral-services/arranging-a-funeral/find-a-funeral-director/funeral-director-index/

On a trading level, these individual businesses:

- Operate out of locations branded as the original name
- Answer the phone using the original name
- Market in local media using the original name
- Provide in-branch materials using the original name

This has provided historical benefit in that consumers have continued to purchase from businesses whose name they recognise and associate with previous funerals and the local community.

Compare the above pictures to how the Coop brands its locations.
Another area where Dignity’s aversion to branding can be seen is on social media. Let’s do a quick comparison between the Coop and Dignity.

Twitter:
- **Co-op Funeralcare** - @CoopFuneralcare
  - 4,330 tweets
  - 5,383 followers
- **Dignity** - @DignityPlans
  - The closest thing available is an inactive account for Dignity’ funeral plans
  - No tweets
  - 170 followers

Facebook:
- **Co-op Funeralcare** - [https://www.facebook.com/coopfuneralcare/](https://www.facebook.com/coopfuneralcare/)
  - Frequent content posted
  - 4,056 followers
  - 1,045 reviews
- **Dignity** - [https://www.facebook.com/DignityFuneralsLtd/](https://www.facebook.com/DignityFuneralsLtd/)
  - A single post in January 2013 to upload a cover photo
  - 498 followers
  - 17 reviews (9 of which are 2-star or less)
It’s clear to us that Dignity do not want to use a unified brand to market themselves.

ii. **WHAT ABOUT THE EXCELLENT SERVICE DIGNITY PROVIDES?**
If you have followed Dignity’s reporting for a long time you are probably thinking the following right now, "But, what about the excellent client service that Dignity provides? Surely they would want to leverage this across the entire brand?"

The 10 metrics that Dignity measures regarding reports customer service and satisfaction levels are:

- Respondents said that we met or exceeded their expectations
- Respondents would recommend us
- Thought our premises were clean and tidy
- Thought our vehicles were clean and comfortable
- Thought our staff were respectful
- Thought our staff listened to their needs and wishes
- Agreed that our staff were compassionate and caring
- Agreed that our staff had fully explained what would happen before during and after the funeral
- Said that the funeral service took place on time
- Said that the final invoice matched the estimate provided
Figuring out how these customer service statistics reconcile to what has actually happened over the past decade, static market share and collapsing branch productivity, is beyond our capabilities.

However, regardless of what we think of the validity or usefulness of these metrics when trying to objectively appraise Dignity, investors need simply ask themselves one question:

“If these client service and satisfaction levels are correct, why would you not leverage your client’s appreciation by operating as one brand across the UK?”
Take an obvious implication of this. A satisfied customer has used Dignity under the trading name Francis Chappell in South East London for many years.

This customer then moves to West London. Will he be able to pick out T.H. Sanders and W.S. Bond as the Dignity businesses for his next funeral?
4. THE FUTURE: WHAT IS CHANGING AND HOW DOES IT AFFECT DIGNITY?

There are a number of industry-wide trends that have emerged in recent years which all contribute to our case that Dignity will have to lower prices in the near to medium-term.

We will discuss the following:

- Emerging online disruptors
- Increasing media and government focus on funerals
- Increasing popularity of direct cremation
- Highly competitive pre-planning market

We expect overall market prices to reduce in the coming years and we expect Dignity to bear the brunt of this reduction given: i) the Company operates at a premium to the market; and ii) the Company has no brand or differentiating factors to defend its premium (more on this later).

I. EMERGING ONLINE DISRUPTORS

Online and tech businesses have come to disrupt all major industries. One notable exception currently is the funeral industry. Inevitably, that will change.

We’re on the inside of one of those tech businesses vying to change the funeral industry. We see the industry clearly. There are many inefficiencies and many areas where customers are failed. We grow our business by fixing these things, in the same way as startups in other industries.

Price comparison websites (PCW) are now used by consumers in many areas of life. PCWs have existed since around 1995 and can now be found in virtually all industry verticals:

- **Travel (flights and accommodation):** Expedia, Skyscanner, Trivago, Travelsupermarket, Ebookers, Hostelbookers, Booking.com
- **Restaurant:** OpenTable, TripAdvisor
- **Consumer finance, insurance and utilities:** GoCompare, MoneySupermarket, Compare the Market, Which?, USwitch, Confused.com
- **Consumer products:** Kelkoo, Pricegrabber, Google Shopping, Pricerunner
- **Car Rental:** RentalCars, Cars Scanners

In their 2015 report, the UK’s Competition and Markets Authority found that 62% of people who switched energy supplier in the last 3 years used a PCW to find information\(^23\) - the number of people using PCWs each year had also risen by 167% between 2010 and 2014. The CMA also found that 60% of people surveyed used a PCW to find information in other markets (e.g. car insurance, travel).

\(^{23}\) Energy Market Investigation: Price comparison websites; Competition & Market Authority; 26 Feb 2015
Alongside “pure” PCWs, there are also many other sites that act to increase customer information and supply competition within markets. These can be broadly termed “two-sided marketplaces”.

Some famous examples would be AirBNB, eBay, RightMove, JustEat, Handy, Uber, TaskRabbit.

The benefits of using both PCWs and marketplaces to consumers are well-established:

- **Reduce search costs** – consumers no longer need to establish a price for each business. This has particular usefulness in the funeral sector where prices are not available online for each provider.

- **Simply the decision/purchase process** - consumers can enter their specific criteria and then see relevant results (e.g. only seeing relevant credit cards for balance transfers). There is also a role for the website to simplify complex or uncommon purchases. This again has particular usefulness in the funeral sector where people do not understand what the purchase entails.

- **Increase competitive pressure amongst suppliers** – increased price and service transparency enables better consumer outcomes and forces suppliers to be more competitive.

Let’s now take a look at how our website enables customers to get the best deal.

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24 Price Comparison Websites: Consumer Saviour or Cause for Concern?, Europe Economics, 27 April 2017
Within a couple of minutes, a customer can establish the prices for the service they require from the comfort of home. Previously, this would have taken visits or calls to the different service providers as well as an understanding of what to ask.

II. INCREASING MEDIA AND GOVERNMENT FOCUS ON FUNERALS

Media scrutiny and government attention inevitably follow when an industry has enjoyed price increases over an extended period.

Think housing, think train fares, think utility prices.

Customers bear the rises quietly for a period. At some point, customers begin complaining and the media starts to pay attention. As the media begins to understand the industry then they produce increasingly sympathetic analysis. Eventually, this noise hits ministers’ radars and government steps in.

Funerals are now at the government stage.

In October 2015, there was the first Westminster Hall debate into funeral poverty. In December 2015, the Work and Pensions Select Committee announced an inquiry into funeral poverty. In September 2016, MPs again debated funeral poverty.
The funeral sector has historically been unregulated. That is now changing with the passing of the Burial and Cremation (Scotland) Bill in April 2016.

The first Inspector of Funeral Directors was appointed in Scotland in July 2017 and will provide recommendations to Scottish government of how to implement regulation in 2018. It is widely expected that the rest of the UK will follow Scotland’s lead. It is unknown at this stage what regulation will take but it is highly unlikely that it will not seek to redress the opacity of pricing and disparity in pricing between different operators.

There are now high-profile campaigns such as the Fair Funerals campaign by Quaker Social Action which are actively campaigning and lobbying for government to lower prices. Here are a brief selection of newspaper headlines on funeral costs. There are many more available online.

“Funeral poverty: The crisis for Britain’s poorest that begins the day your loved one dies - Mass graves, debt cycles and how ‘Big Death’ undertakers make money from the grief of British families”, The Independent 07/17

“Parents have to borrow from loan sharks to pay for their child’s funeral”, The Guardian 11/16

“RIP affordable funerals as costs rise by almost 50%”, The Times 05/17

“MP who borrowed money for son’s funeral ‘delighted’ as fees waived for under 18s”, BBC 03/17

Funerals have also been covered on ITV, BBC and Channel 4 within the past year.

The funeral industry is no longer hidden behind the fact that nobody talks about them. Constant price increases have forced the industry into the open. Once that happens, things are never the same again.

III. INCREASING POPULARITY OF DIRECT CREMATION

Direct cremation and burial are funeral options that basically act as a dignified body disposal service. They are much less expensive than traditional funerals as there is no service, hearse, limousine, flowers etc. The big risk to funeral directors like Dignity is that a large part of the funeral cost simply disappears for them. There is no longer a need for the expensive hearses, limousines and staff – instead the body just needs to be transported and disposed of.

Of course, people can still hold a ceremony for the dead, just now the funeral director has been disintermediated from this act.

In the executive summary to their report, Royal London present the following as one of their main findings regarding direct cremation and burial:

“Our report records that 5% of consumers chose a direct cremation funeral and direct burials despite it not being a mainstream offering. This data suggests there is a latent demand for a non-traditional affordable funeral.”

http://fairfuneralscampaign.org.uk/
We believe direct cremation now represents 30% of all cremations in the US, where is has been popular for longer.

Direct cremation has recently become more popular in the UK and its entrance to the mainstream was secured when it was reported that both Prince and David Bowie opted for a direct cremation service.

The trends behind the growth in direct cremation are: i) high funeral costs; ii) wanting something “simple”; iii) dispersed family; and iv) disenfranchisement with current funeral offerings.

Dignity launched its own direct cremation offering, Simplicity Cremations, in December 2016 at a headline price of £1,495 including the cremation fee.

This is far below Dignity’s funeral only ASP of £3,081 and from this Dignity would also have to apportion revenues for its crematoria.

Any shift in the composition of the funerals performed by Dignity towards direct cremation will lower the ASP.

IV. HIGHLY COMPETITIVE PRE-PLANNING MARKET

A funeral plan is a product that allows a customer to make financial arrangements for their own funeral. This typically involves a customer choosing an agreed set of services and then paying an agreed amount today. The providing company guarantees to provide the agreed services at no extra cost when the customer dies. Funeral plans are currently exempt from regulation.

Dignity has provided funeral plans for many years and operates on a “trust” model. Monies paid by the customer are invested in an independent trust, the National Funeral Trust Fund set up in 1986. When a plan holder dies, the money associated with their set of agreed services is paid out to Dignity by the fund and is recognised in revenue for Funeral Services division.

In 2016, Dignity sold 49,000 funeral plans and by our estimates is the third largest plan provider in the UK (after Golden Charter and Co-operative Funeralcare). Dignity ended the year with a total of 404,000 plans in place, up from 374,000 at the end of 2015 – this implies that a total of 19,000 plans crystallised during 2016.

The funeral planning market has been extremely competitive for many years, with providers competing on headline price to “lock-in” future market share. What this means however, is that plan redemption values are likely much lower than the price a provider would have otherwise achieved if the funeral had been purchased “at-need”.

We can see this is the case for Dignity, who report that the average amount they received per crystallised plan in 2016 was £2,50026 (note, this figure includes crematoria, minister’s fees and doctors’ fees whereas the ASP calculated earlier excludes these items). We would conservatively assume £1,000 for the combined cost of these disbursements.

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26 Page 104, Dignity 2016 Annual Report
Based on this, we estimate that only £1,500 revenue per plan flows through to Dignity as revenue. This is less than half the 2016 ASP of £3,081 that Dignity would otherwise hope to achieve (even without backing out the impact of funeral plans).

We would expect that an increasing proportion of Dignity’s revenues will rely on crystallisation of funeral plans over the coming years and as such provide further downward pressure on the ASP Dignity can achieve.
5. EARNINGS MODEL

We have provided a model with a comparison to how this looks to consensus estimates.

Our model is based on a flat pricing scenario for the funeral services segment at Dignity over the period H1 2017 – 2019.

I. ASSUMPTIONS

Number of funerals performed
We have used ONS statistics for the forecast death rate. The ONS predicts 2.9 million deaths between each of the following 5-year forecast periods, mid-2014 to mid-2019 and mid-2019 to mid-2024. This averages at 580,000 deaths per year.

We have held Dignity’s share of these funerals at 11.9% based on H1 2017 actuals.

Average Selling Price
We have modelled a flat ASP for the funeral services segment at £3,179.84 based on H1 2017 actuals.

Revenue growth for crematoria and pre-plans
Analyst estimates do not provide a financial breakdown on a segmental basis. For 2017E, we have assumed H2 2017 performance to match H1 2017 actuals.

For 2018E and 2019E we have assumed revenue growth of 5.0% and 2.0% for crematoria and pre-arranged funerals respectively.

Operating Profit

Operating profit calculated by summing segmental operating profit. For the Funeral Services division, we modelled the historical trend of divisional margin with divisional revenue and then used this for the forecast years.

For the remaining divisions, we held the margin at 2016A levels.

Gross Profit / Admin Expenses

Dignity do not provide a breakdown of the admin expenses incurred below gross profit. We have kept these flat at forecast years.
Net Finance Costs
Held at the actual last twelve months result of £26.9 million across the forecast period.

Tax Rate
Held at 21.0% over the forecast period as per 2016 actual results.

II. OUR MODEL VERSUS CONSENSUS ESTIMATES

We have modelled a 3.0% price reduction per annum each year 2018-21.

This results in a reduction in Diluted EPS to analyst consensus at 2018E and 2019E of 7.3% and 14.3% respectively.

This results in a 2018E P/E of 17.9x

III. MODEL

<table>
<thead>
<tr>
<th>H2 17E</th>
<th>2017E</th>
<th>2018E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Px</td>
<td>Cons.</td>
<td>Delta</td>
<td>Flat Px</td>
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<tr>
<td>Revenue</td>
<td>155.2</td>
<td>149.7</td>
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<td>Operating Profit (pre-excep.)</td>
<td>47.0</td>
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<td>Margin</td>
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<td>(1.7%)</td>
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<td>Net Profit (pre-excep.)</td>
<td>26.1</td>
<td>25.5</td>
<td>2.5%</td>
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<tr>
<td>Diluted EPS (pre-excep.)</td>
<td>52.4</td>
<td>51.2</td>
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<tr>
<td>Year</td>
<td>UK Death Rate</td>
<td>Number of funerals performed</td>
<td>% change YoY</td>
</tr>
<tr>
<td>----------</td>
<td>----------------</td>
<td>-----------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>2012A</td>
<td>551,000</td>
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<tr>
<td>2018F</td>
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</tr>
<tr>
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</tr>
<tr>
<td>2020F</td>
<td>580,000</td>
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<td>0.0%</td>
</tr>
<tr>
<td>2021F</td>
<td>580,000</td>
<td>68,802</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Note: Table contains data for various years and categories such as UK Death Rate, Number of Funerals Performed, ASP (Average Selling Price), and Operating Profit (pre-except.) with corresponding YoY percentage changes.
IV. CURRENT VALUATION

Forward 12M P/E
### 6. APPENDIX – DIGNITY’S TRADING NAMES

Dignity’s trading names taken from the currently available index of funeral director’s available online at [http://www.dignityfunerals.co.uk/funeral-services/arranging-a-funeral/find-a-funeral-director/funeral-director-index/](http://www.dignityfunerals.co.uk/funeral-services/arranging-a-funeral/find-a-funeral-director/funeral-director-index/)

We have removed duplicates where we found them and this leaves 509 individual trading names currently used by Dignity.

| A Bennett & Sons Funeral Directors | Barclays Funeral Service | Chesham Muslim Funeral Services |
| A E Bragg Funeral Directors       | Barker & Courtiers Funeral Directors | Clarbut & Plumbe |
| A E Smith & Son Funeral Directors | Barnard & Horlock Funeral Directors | Cliff Tierney |
| A E Thurlow & Son Funeral Directors | Batley Funeral Service | Clive Hopkinson Funeral Service |
| A G Simmonds & Sons Funeral Directors | Beestons Funeral Service | Colin Matthews Funerals |
| A G Stapleford & Sons            | Bennett Funeral Service | Collumbine Funeral Services |
| A H Apps Funeral Directors       | Bernard Williams & Son | Cooks Funeral Service |
| A Haxby & Sons                   | Berry & Jagger | Cooksey & Son Funeral Directors |
| A Hazel & Sons                   | Bexhill Funeral Service | Cooksley & Son |
| A J Smith                        | Birtwistle & Rishton Funeral Service | Coombes & Son |
| A J Stone & W Ham Funeral Directors | Blackburns Funeral Service | Cottage Funeral Services |
| A Seaward & Sons                 | Blake & Horlock Funeral Directors | Coventry Bros Funeral Directors |
| A Shepherd & Son Funeral Directors | Bourne’s of Dartford Funeral Directors | Crews & Son |
| A Spicer & Son Funeral Directors | Bracher Brothers | Crowder & Alderson Funeral Directors |
| A V Band                         | Bramleys Funeral Service | Cyril H Lovegrove |
| A W Alden & Son Funeral Directors | Breeze and Robers | D C Poulton & Sons Funeral Directors |
| Abbey Funeral Service            | Broadbent & Seddon | D Caesar Jones |
| Abbott & English                 | Brown Fenn & Parker Funeral Directors | D Gunn Funeral Directors |
| Aberdeen Funeral Directors       | Bruce Carter & Son | D J Evans Forse & Co Funeral Directors |
| Alan Duckworths                  | Bryan Mills | D J Thomas & Son |
| Alex MacDonald                   | Buchanan & Hogg Funeral Directors | D K Shergold Funeral Directors |
| Alex Taylor                      | Burton on Trent & District Funeral Directors | D W Johns Funeral Directors |
| Alexander & Dry                  | Butler & English Funeral Directors | D Walsh & Son |
| Alfred English & Sons Funeral Directors | C & A Reed Funeral Directors | Danecourt Funeral Service |
| Alfred R W Connock & Son Funeral Directors | C Pritchard & Son Funeral Directors | David Greedy |
| Ann Bonham & Son                 | C S Bowyer Funeral Directors | David Holland |
| Armitage Funeral Service         | C Selby & Son Funeral Directors | David Silvey & Son Funeral Directors |
| Arthur B Baxter Funeral Directors | Camp Hopson Funerals | David Stockwell & Co |
| Arthur Denyer                    | Carrells Funeral Service | Davis McMullan |
| Ashton Brookes                   | Cecil Newling Funeral Directors | Dearne Funeral Service |
| Ashton Funeral Service           | Chapman Medd Funeral Directors | Denison’s Funeral Service |
| Asian Funeral Directors          | Charles Beaumont & Sons Funeral Directors | Derek Moss Funeral Directors |
| B Bernard & Sons                 | Charles Bryant Funeral Directors | Derriman & Haynes Funeral Directors |
| B C Baker & Son Funeral Directors | Charles Embleton Funeral Directors | Dewi Reynolds & Sons |
| B H Mears                        | Charles W Tait Funeral Directors | Dillistone & Wraights |
| B Wallis & Son                   | Charles Wood Funeral Directors | Dillistones Funeral Service |
| Baguley Brothers                 | Chas Widdowson & Son | Downer & White |
| Banks of Orrell                  | Chepstow Funeral Service | Downham Funeral Service |
Dowsett & Jenkins
Droitwich Spa Funeral Service
Dundee Funeral Service
Dunford Funeral Service
Dunning Funeral Service
Dursley Funeral Service
Dyson Richards
E & AR Agar Funeral Directors
E & M Newsome Funeral Directors
E B Cavell Funeral Directors
E F Edwards
E Finch & Sons
E H Crouch Funeral Directors
E Hooper & Son
E Hurton & Son
E Seymour & Son
E Ly Funeral Service
Edward Lee & Sons
Ely Funeral Service
Eric W Witton
Ernest Brigham
Ernest Cocks & Sons Funeral Directors
Ernest Larner & Son Funeral Directors
F C Hughes Funeral Directors
F C Wood Funeral Directors
F Clutterham & Son Funeral Directors
F E J Green & Sons
F E Walton & Son
F G Pymm & Son Funeral Directors
F Harrison & Son
F J Gibb Funeral Directors
F J Tressider & Son
F Kneeshaw & Sons
F L Lloyd
F L Mildred & Sons
F M & J Wait Funeral Directors
F Smith & Son
F W Collins & Son Funeral Directors
F W Jones
Field Funeral Services
Fisher & Dixon Funeral Directors
Forsters Funeral Directors
Forth Valley Funeral Directors
Fox’s Funeral Services
Francis Chappell & Sons Funeral Directors
Frank Davey & Co Funeral Directors
Frank Stephenson & Son Funeral Directors
Frederick W Chitty & Co Funeral Directors
Frederick W Paine Funeral Directors
G & M Agar
G F Hunt
G Gibbs Funeral Directors
G Hogben & Sons
G M Charlesworth & Son
G R Moss & Co Funeral Directors
G Smith
Geo Newman & W A Stringer Funeral Directors
George Hall & Son
George S Munn
George Skea Funeral Directors
George Telfer Funeral Directors
George Webb Funeral Directors
Gerald W Burden
Gilderson & Sons Funeral Directors
Ginn’s & Gutteridge
Good’s of Harrogate
Good’s of Funeral Service
Gordon & Watson Funeral Directors
Gordon Barber Funeral Directors
Gordon Rodwell Funeral Directors
Gornalls Funeral Directors
Graham J Sullivan Funeral Directors & Memorial Consultants
Granville Brooks Funeral Directors
Greenwoods
Griffiths & Booth
Grimes & Goscombe
Grimmett & Timms
Grosvenor Funeral Consultants
H & G Wilde
H & H J Huteson & Sons
H Brown & Sanders
H C Mothorpe
H C Patrick & Co Funeral Directors
H Dale
H Eaton & Sons Funeral Directors
H H Chambers & Son
H J Dawson Funeral Directors
H J Knapp & Sons
H J Whalley & Sons
H Johnson & Sons Funeral Directors
H Leslie Humphreys
H Phillips Funeral Directors
H Towell
H Witham & Son Funeral Directors
Halcrow & Sons
Halesowen & District Funeral Service
Hambrook & Johns
Hamer Lee
Hamilton & Marshall
Hanningtons Funeral Directors
Hardacres
Harry Williams & Sons Funeral Directors
Hartley Foulds
Harveys
Hayes & English Funeral Directors
Hemel Funeral Service
Hemley Funeral Service
Henry Dorricott
Henry Ingram & Sons
Henry Naylor
Henry Paul Funeral Directors
Highfield Funeral Service
Hill & Son
Hinkley Funeral Service
Hodgson & Son
Holland Funeral Service
Hopkins Bray
Hornchurch & Essex
Hounsslow Funeral Services
Howard & English Funeral Directors
Howard & Son Funeral Directors
Howard Jenkins Funeral Directors
Hunters
Ian Clarke Funeral Service
Inverclyde Funeral Services
J & A Porter Funeral Directors
J & J Gray Funeral Directors
J & R Matthews
J A Massey & Sons Funeral Directors
J C Clarke & Son
J D Andrews & Son
J D Burke Funeral Directors
J Duggan
Ronald P Sherry & Son Funeral Directors
Roy Preddy Funeral Service
Rushden & District Funeral Service
Russells of Bangor
S & R Childs Funeral Services
S A Bates
S A Evans
S C Bainbridge
S P Astley Funeral Directors
S Robinson & Son
S S Wilson Funeral Directors
S Wellens & Sons Ltd
Sankey Monks Funeral Directors
Savill Funeral Services
Scales
Seaford & Newhaven
Sears Funeral Services
Selim Smith & Co
Serenity Funeral Directors
Shankill
Simpsons Funeral Service
Skipton Funeral Directors
Smiths
Solent Funeral Services
Southborough
Speckmans Funeral Service
Spotland Bridge Funeral Services
Stanmore
Stanway & Garnett Funeral Service
Steel's Funeral Service
Stenner & Hill
Steven Near Funeral Directors
Stowells
Strang & McLagan
Swearers Funeral Directors
Sydney Hurry & Co Funeral Directors
T & M Walsh Funeral Directors
T & R O'Brien
T B & H Pendock
T Cooke Funeral Directors
T F Morritt Funeral Directors
T H Fenton
T H Lightfoot & Sons
T H Sanders & Higgs
T H Sanders & Sons
T J Brown & Sons Funeral Directors (Inc. R J Bevan Gilwern)
T J Davies & Sons

T L Cobbold Funeral Directors
T S Annison & R Boddy Funeral Directors
T S Horlock & Son Funeral Directors
T. Conchar & Sons
Talbot
Tanners
Templehill Funeral Service
Thomas B Tracey Funeral Directors
Thomas Brothers Funeral Directors
Thomas Downey Funeral Directors
Thomas Fowle & Sons Funeral Directors
Thomas J Thomas & Sons
Thomas Marin Funeral Directors
Thompsons
Tilbury & Essex Funeral Service
Titford Funeral Service
Torre Valley
Turner Brothers
Unsworths Funeral Directors
V & M Thomson Funeral Directors
Valley Funeral Service
W & W G West
W Bailey & Son
W Cornford & Son
W English & Son Funeral Directors
W G Bush Funeral Directors
W G Rathbone Funeral Directors
W H Scott & Son Funeral Directors
W Heighton & Son
W Hyde & Son Funeral Directors
W J Angove & Son
W J Winn
W Kaye & Son
W Naylar & Son Funeral Directors
W Nodes Funeral Directors
W S Bond Funeral Directors
W S Harrison & Son
W S Trenhale Funeral Directors
W Thorp & Son
W Williams & Son Funeral Directors
W Waight & Son
Wake & Paine Funeral Directors
Walter G Wortt
Waltham Funeral Service
Warriner & Son
Weyman Funeral Services
Whitchurch Funeral Services
William Adlam
William Beckett Funeral Directors
William Jordan & Sons Funeral Directors
William Peacock & Sons Funeral Directors
William Pearce & Son
William Scott
William Tyre & Son Funeral Directors
Wilton Funeral Directors
WM Collins & Son
Wm R Mair Funeral Directors
Wm Tyre & Son Funeral Directors
Woodfield Park
Woodman & Son Funeral Directors
Worlmonds Funeral Service
Yeatmans Funeral Directors
Youngs Funeral Directors
Zealley Funeral Service
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