

APRIL 2024

Investor Presentation





Notice to Investors

Certain statements made herein or else whereby, or on behalf of, the Company that are not historical facts are intended to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are based on assumptions that the Company believes are reasonable; however, many important factors, as discussed under “Risk Factors” and “Forward-Looking Statements” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, could cause the Company’s results in the future to differ materially from the forward-looking statements made herein and in any other documents or oral presentations made by, or on behalf of, the Company.

This presentation constitutes the views of the Company at the time they were generated. Any past performance information presented herein is not a guarantee or indication of future results and should not be relied upon for such reason. Forward-looking statements contained herein include any statements regarding any expectations and projections of earnings, revenue, cash flow, investment returns, capital allocation, debt levels, equity performance, death rates, market share growth, cost inflation, overhead, preneed sales or other financial items. Forward-looking statements contained herein also include any statements of the plans, strategies, objectives, and expectations of management for future operations or financing activities, including, but not limited to, capital allocation, organizational performance, execution of our strategic initiatives and growth plan, planned divestitures, anticipated integration, performance and other benefits of recently completed acquisitions, technology improvements, and cost management and debt reductions. We can provide no assurances that these planned activities and objectives will be successfully implemented nor can we provide any assurances that we will generate the revenue growth, free cash flow, market share growth and operational performance referenced herein. We can provide no assurances that our strategic initiatives and growth plans will be successfully executed nor can we provide any assurances that we will meet the timing, objectives and expectations related to our capital allocation framework, including our forecasted rates of return, leverage ratio targets, planned uses of free cash flow and future capital allocation, including potential strategic acquisitions, divestiture transactions, internal growth projects or debt reduction plans. We can provide no assurance that we will meet the expectations related to our ability to generate preneed sales, including implementing our cemetery portfolio sales strategy, product development and optimization plans. These statements are not facts and are made based upon such expectations, assumptions and views as they exist as of the date of this presentation. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, contingencies and changes in circumstances that are difficult to predict, many of which are beyond the Company’s control. The Company’s actual results may differ materially from those contemplated by the forward-looking statements. There is no assurance that such views are correct or will prove, with the passage of time, to be correct. Caution should be taken with respect to such statements and recipients should not place undue reliance on any such statements. The Company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise. In this presentation, the Company relies on and refers to certain information and statistics from third-party sources which they believe to be reliable. The Company has not independently verified the accuracy or completeness of any such third-party information.

This presentation uses Non-GAAP financial measures to present the financial performance of the Company. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company’s reported operating results or cash flow from operations or any other measure of performance as determined in accordance with GAAP. We believe the Non-GAAP results are useful to investors because such results help investors compare our results to previous periods and provide insights in to underlying trends in our business. In addition, the Company’s presentation of these measures may not be comparable to similarly titled measures of other companies. Pursuant to the requirements of Regulation G, the Company has provided quantitative reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures within the most current press release and on our Investor Relations page of the website.

A copy of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, and other public filings and news releases, are available at www.carriageservices.com



Key Investment Highlights

Innovative, Profitable Consolidation Platform	<ul style="list-style-type: none">• Proven management team with diverse experience and a focus on continuous improvement and innovation• Operational structure efficiently allocates resources to drive higher margins and greater return on invested capital• Maximize shareholder value creation through efficiencies gained via increased size and scale
Robust, Consistent Cash Flow Generation	<ul style="list-style-type: none">• Business model generates strong, sustainable EBITDA margins and free cash flow• Disciplined capital allocation strategy to accelerate deleveraging and enhance shareholder value• Innovative “Standards Operating Model” positions Carriage for organic growth
Near-term, Organic Growth Driven by Strategic Initiatives	<ul style="list-style-type: none">• Sustained momentum of cemetery sales focus drives strong revenue and EBITDA growth• Significant growth in pre-arranged funeral sales through recent strategic national partnership• Continued integration of recent acquisitions, maximizing potential of these premier properties
Favorable Industry and Demographic Tailwinds	<ul style="list-style-type: none">• Well-positioned to benefit from rising population of “Baby Boomers” and adults aged 55+• Stable demographic trends translate into predictable demand• Highly fragmented industry facilitates high-quality inorganic growth opportunities



Carriage Services At A Glance

Company Overview	
NYSE listed	<ul style="list-style-type: none">• Ticker: CSV (NYSE)• Market cap: ~\$386 mm⁽¹⁾• One of three publicly traded funeral and cemetery services and merchandise companies in the United States
Overview & History	<ul style="list-style-type: none">• Based in Houston, TX• 2,602 employees (1,249 full-time)⁽²⁾• Founded in 1991
Geographic reach	<ul style="list-style-type: none">• Operations in United States only• 165 funeral homes in 26 states⁽¹⁾• 31 cemeteries in 11 states⁽¹⁾

2023 Financial Highlights	
\$ in mm, unless per share amounts	
	FY 2023
Total Revenue	\$382.5
Total Field EBITDA	\$161.1
% Margin	42.1%
Overhead ⁽³⁾	\$50.1
As % of Total revenue	13.1%
Adjusted Consolidated EBITDA	\$113.2
% Margin	29.6%
Adjusted Diluted EPS	\$2.19
Adjusted Free Cash Flow	\$55.1

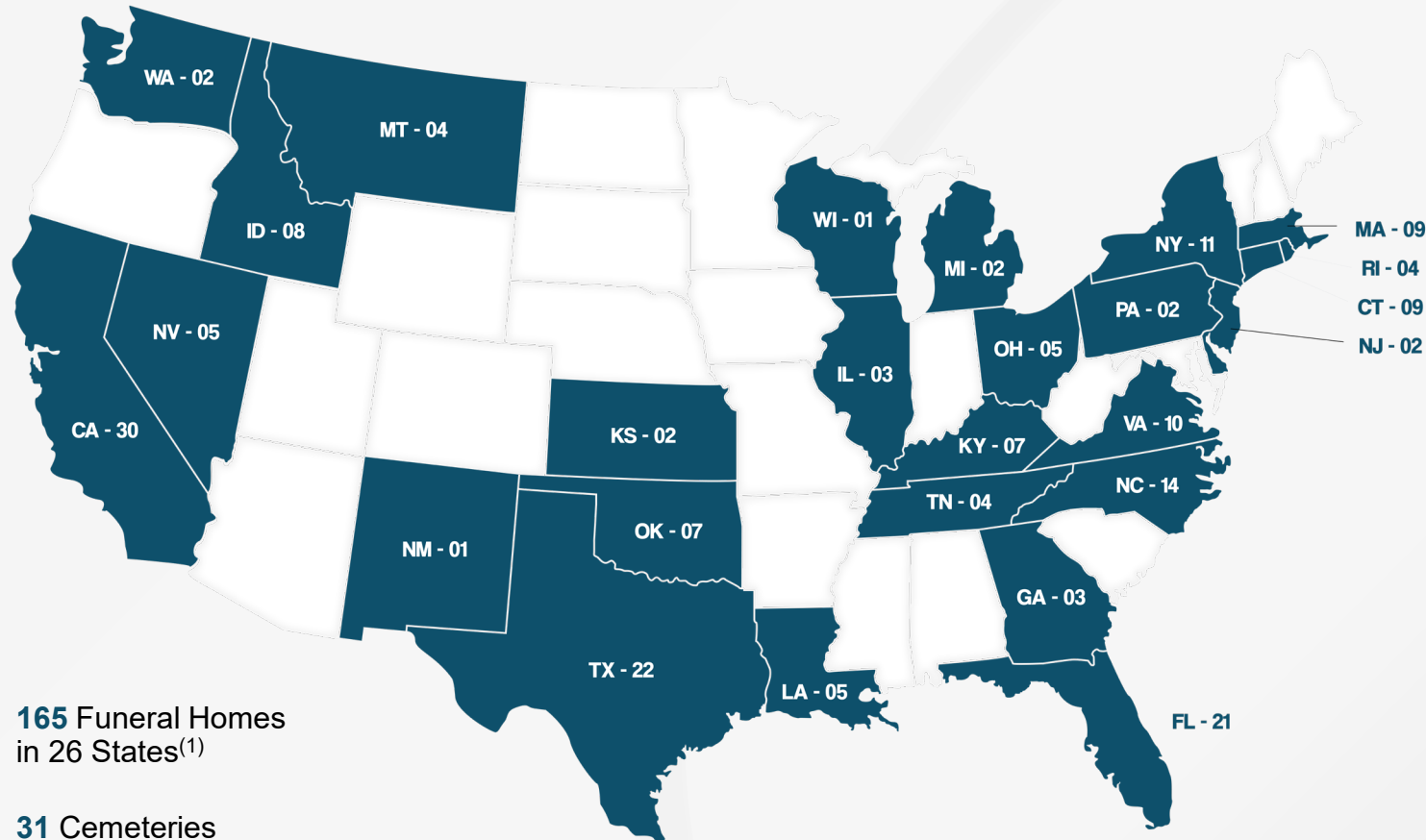
(1) As of market close on April 8, 2024.

(2) As of December 31, 2023.

(3) Defined as regional and unallocated funeral and cemetery costs and general, administrative and other costs, excluding home office depreciation and non-cash stock compensation.



Diverse National Footprint



165 Funeral Homes
in 26 States⁽¹⁾

31 Cemeteries
in 11 States⁽¹⁾

⁽¹⁾ As of April 8, 2024.

Established footprint in the most populous states with opportunities to enter new high-growth markets and capitalize on acquisition opportunities that can easily be integrated into existing operations

Favorable age demographics within states across the Company's footprint



Proven Management Team



Carlos R. Quezada

Vice Chairman of the Board &
Chief Executive Officer

- Named CEO in June 2023
- Previously held the roles of VP of Cemetery Sales & Marketing, SVP Sales & Marketing, EVP and COO, and President
- Prior to joining Carriage, served as Managing Director for SCI for 12 years where he held leadership roles for both sales and operations
- Two decades experience in the hospitality industry holding diverse leadership positions



Steven D. Metzger

President

- Named President in June 2023 and leads Corporate Development, Legal, HR, Risk Management, and Continuous Improvement
- Previously held roles of SVP and General Counsel, EVP and Chief Administrative Officer
- Prior to joining Carriage, served as SVP, General Counsel and Secretary for a publicly-traded company in the restaurant industry and served in multiple leadership roles at SCI



Kian Granmayeh

Executive Vice President,
Chief Financial Officer & Treasurer

- Joined Carriage in March 2023 as EVP, Chief Financial Officer and Treasurer
- Previously served as EVP and Chief Financial Officer for Tellurian
- Held multiple roles in Investor Relations and Finance at APA Corp, and served as Vice President at Lazard

Purpose Statement: Create **premier experiences** through **innovation**, empowered **partnership**, and elevated **service**.



Carriage Operates in Two Primary Segments

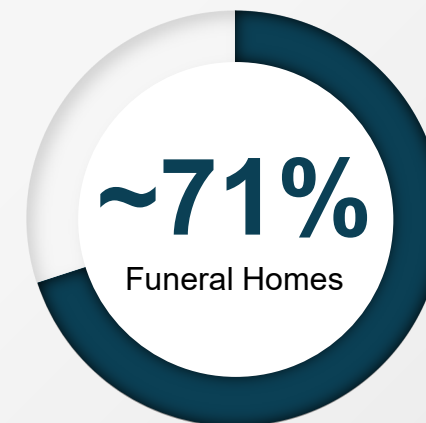
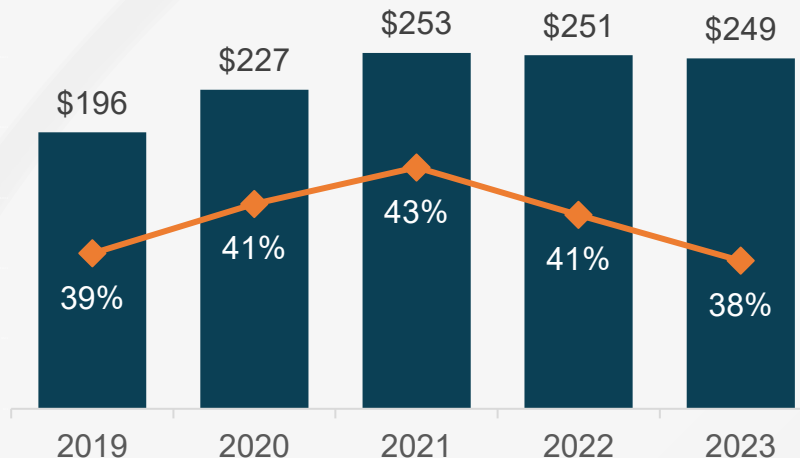
Segment Overview

5-Year Field Operating Revenue & EBITDA Margins

2023 Operating Revenue Mix

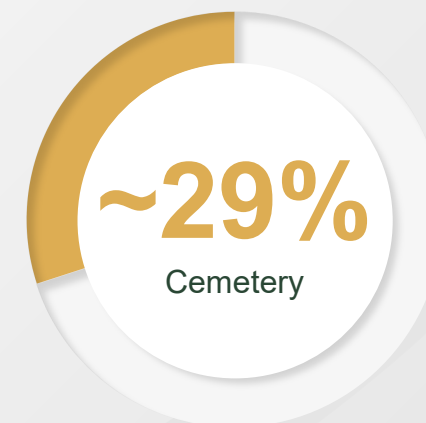
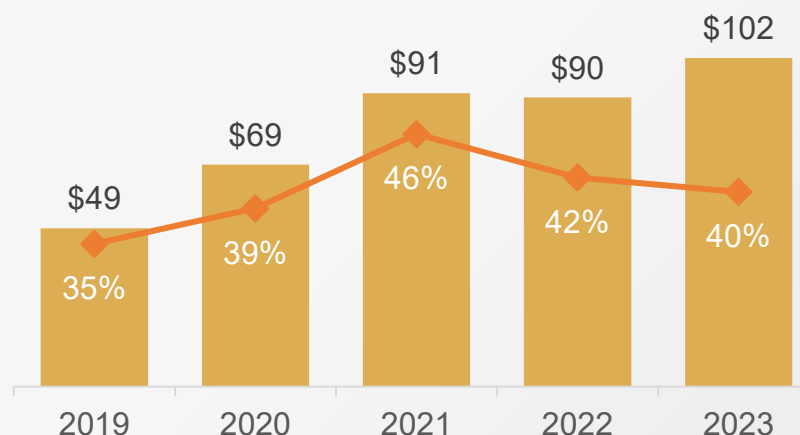
Funeral

- Burial and cremation
- Arrangements, transfers, sale of caskets and related funeral merchandise
- Use of funeral home facilities for visitation and memorial services
- Preneed funeral sales



Cemetery

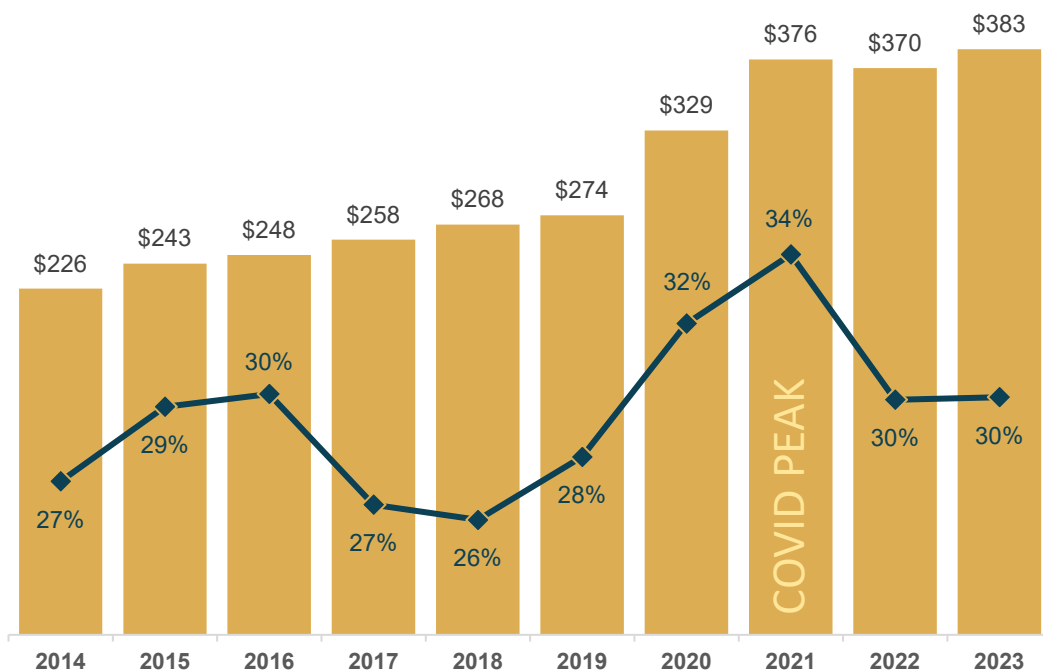
- Burials, sale of interment rights (grave sites, lawn crypts, mausoleum spaces and niches), cemetery merchandise and services
- Preneed cemetery sales through advance planning





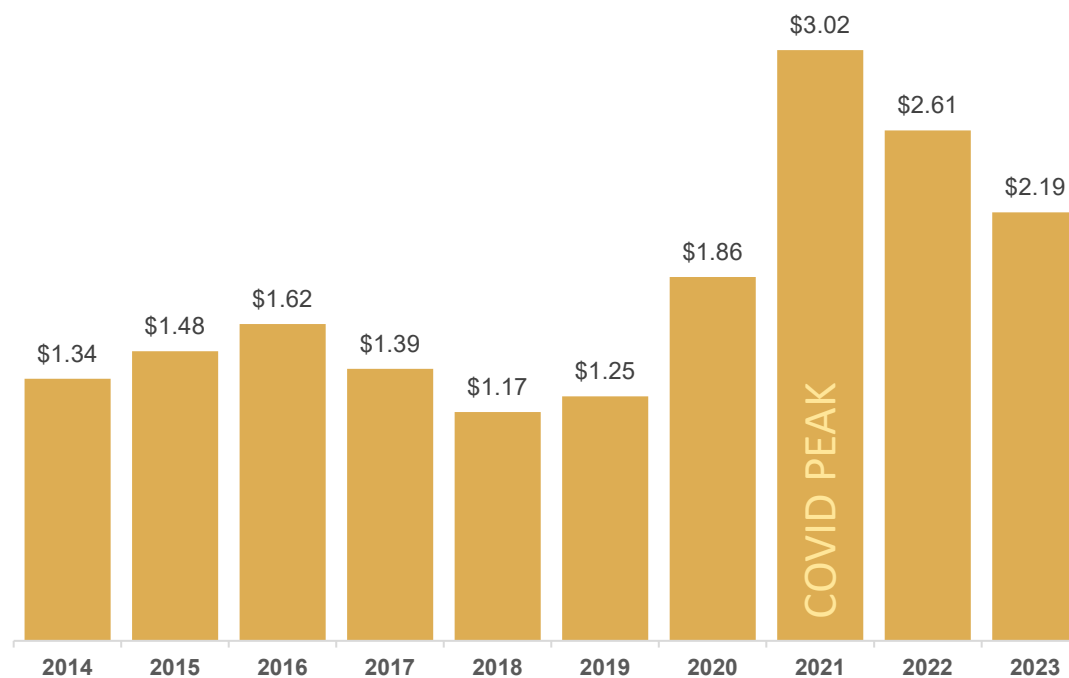
Long-Term Growth Profile

Total Revenue & Adjusted Consolidated EBITDA Margin



6.0% Total Revenue CAGR⁽¹⁾ over the last ten years

Adjusted Diluted EPS



10.3% Adjusted Diluted EPS CAGR⁽²⁾ over the last ten years

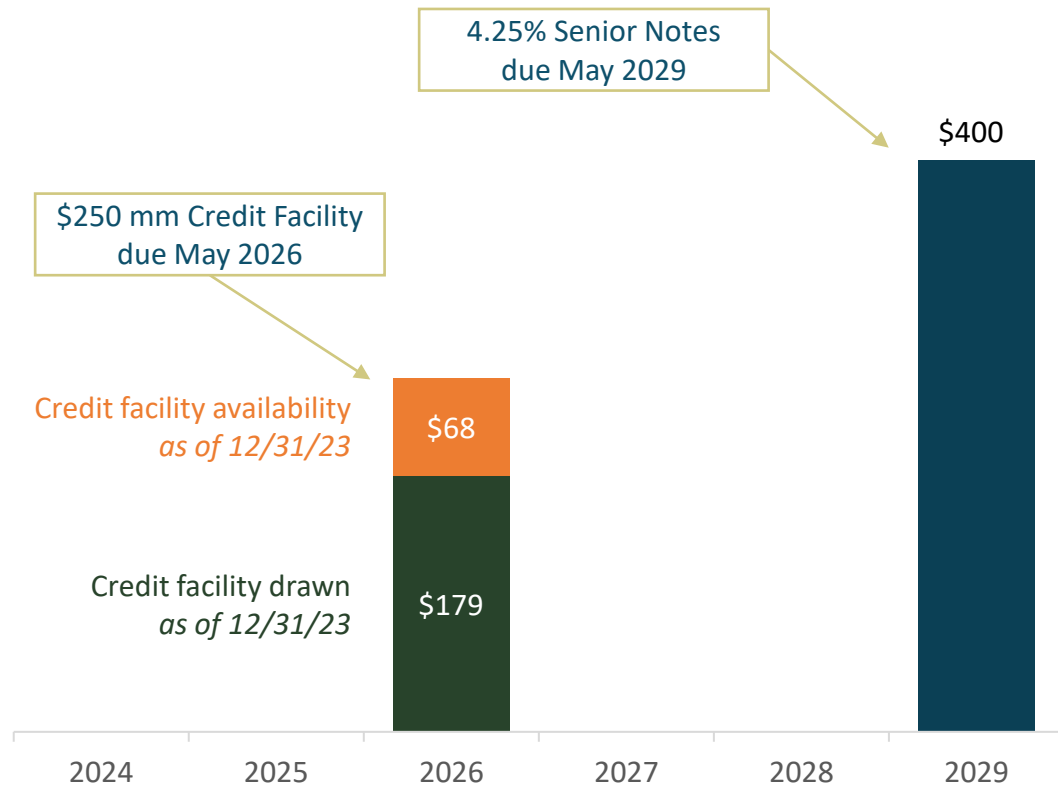
(1) Total Revenue CAGR 2013 base year is \$214 mm.

(2) Adjusted Diluted EPS 2013 base year is \$0.82 per share.

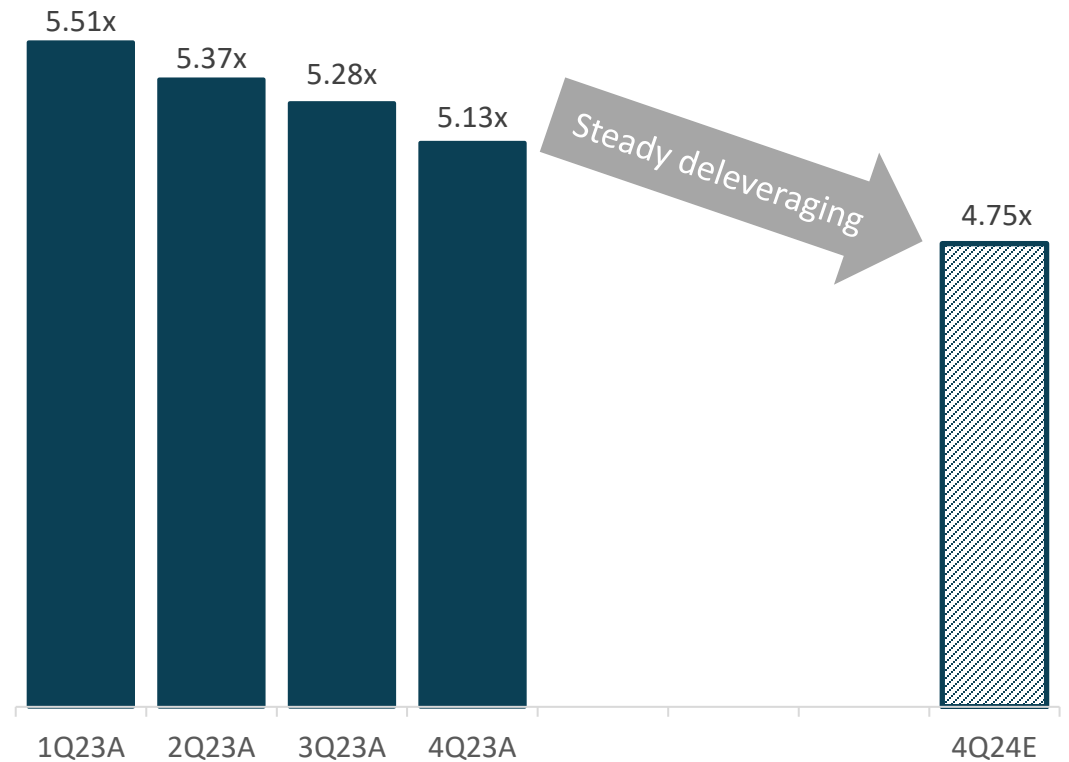


Favorable Debt Maturity and Deleveraging Profile

Simple Long-Term Debt Maturity Schedule



Steady Deleveraging Profile



Our Five-Year Strategic Objectives



Disciplined Capital Allocation

- Leverage ratio of 3.5x - 4.0x
- ROIC of 15-20%
- Divestiture of underperforming assets and deployment of proceeds towards premier businesses, in alignment with our long-term growth strategy

Purposeful Growth

- 5% - 8% Organic revenue CAGR
- \$50 - \$100 million strategic inorganic capital deployment
- 5% gain in cremation market share

Relentless Improvement

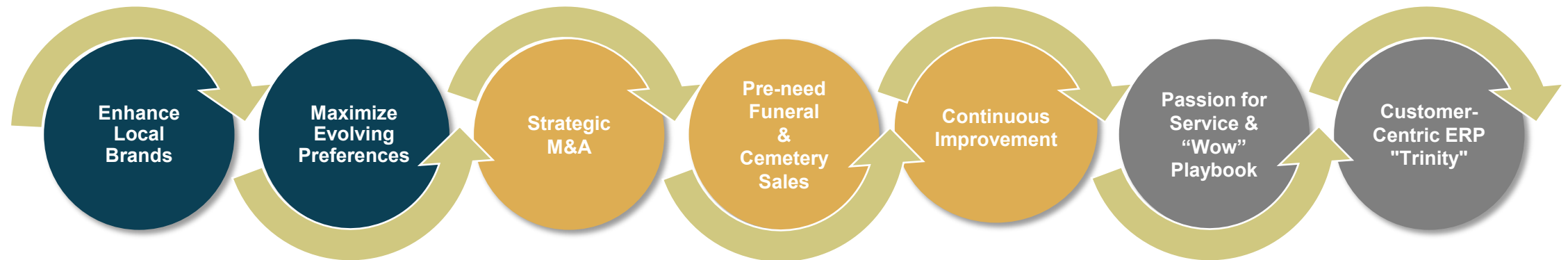
- Evolution of legacy systems with Trinity
- Elimination of manual processes
- Focus on automation of processes



Transformational Initiatives Underway

Implementing changes to enhance our market position and financial performance, while elevating the consumer experience

Opportunities to Further Distinguish Carriage from Competitors



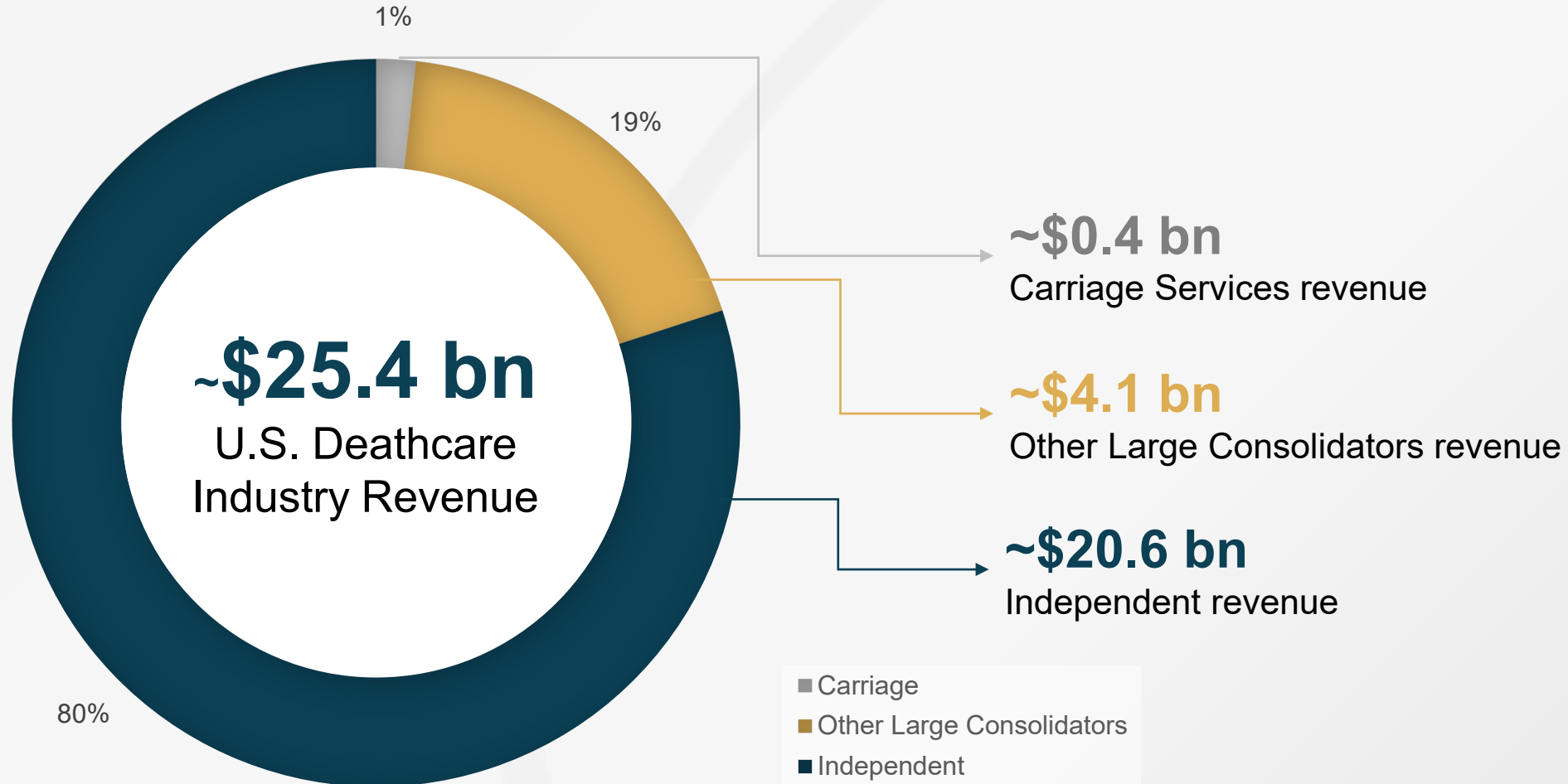
Market Position

Financial Performance

Consumer Experience



Highly Fragmented Industry

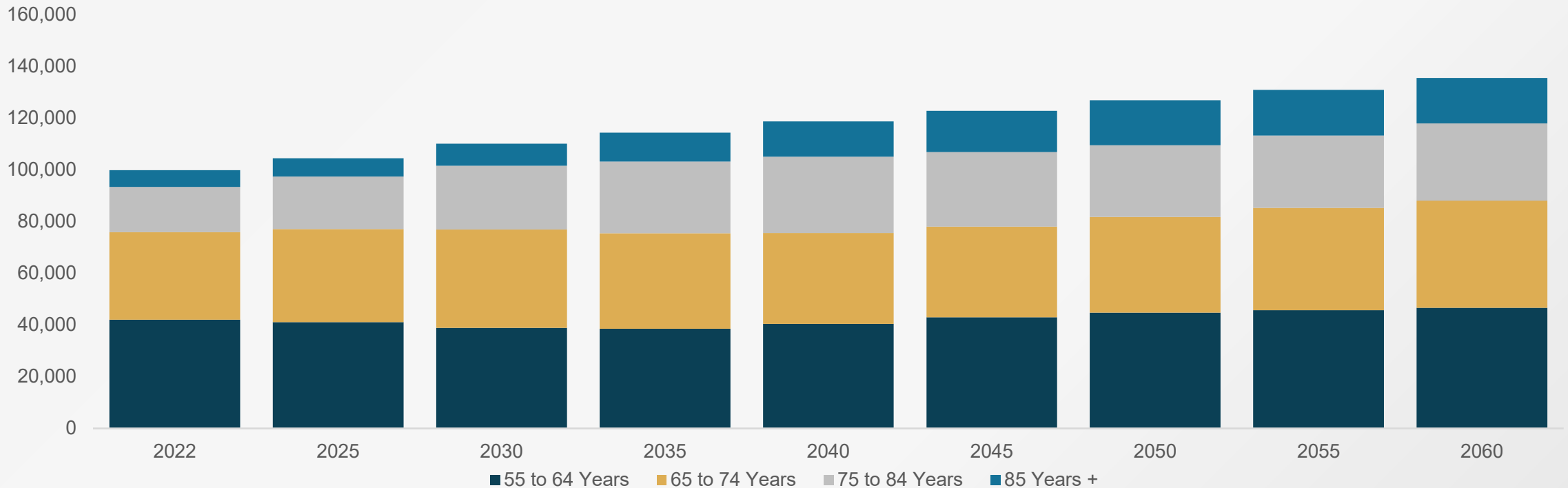


Note: Total revenues in the U.S. Deathcare industry for 2023 are estimated at roughly \$25.4 billion using data from Statista (12/18/2023)



Aging Population Provide Tailwinds

United States Aging Population Overview (in millions)



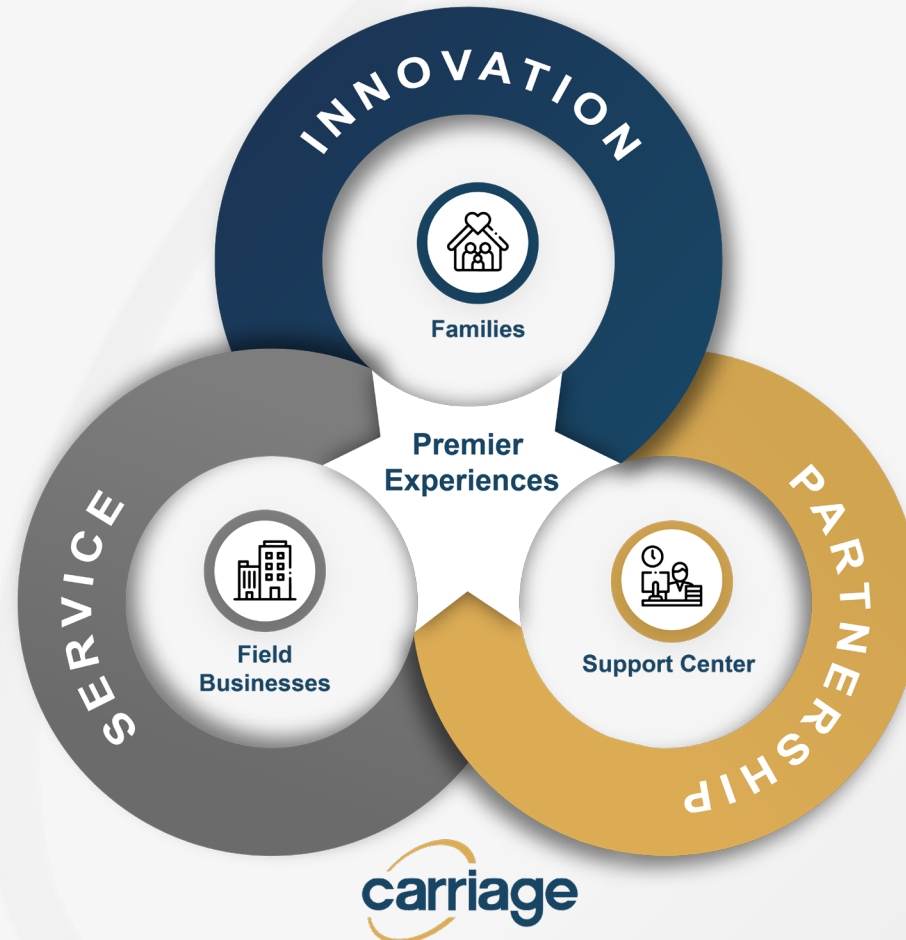
The demographics data⁽¹⁾ obtained from the U.S. Census Bureau reflects a growing aging population. The growth in aging population gives Carriage the opportunity for long-term and steady revenue growth for years to come

(1) Taken from "2023 National Population Projections Tables: Main Series" from the U.S. Census Bureau.



Purpose Statement Framework

Purpose Statement: Create **premier experiences** through **innovation**, empowered **partnership**, and elevated **service**.





Appendix



Appendix: 2024 Outlook

Full Year 2024 Outlook

\$ in mm, unless per share amounts

Total Revenue

2024 Outlook

\$380 - \$390

Adjusted Consolidated EBITDA

\$112 - \$118

Adjusted Diluted EPS

\$2.20 - \$2.30

Adjusted Free Cash Flow

\$55 - \$65



Appendix: Reconciliation of non-GAAP measures

Cash Provided by Operating Activities to Adjusted Free Cash Flow

\$ in thousands

	<u>2023</u>
Cash provided by operating activities	\$ 75,590
Cash used for maintenance capital expenditures	(8,076)
Free cash flow	<u>\$ 67,514</u>
Plus: incremental special items:	
Withdrawal from preneed funeral and cemetery trust investments	\$ (8,599)
Vendor incentive payment	(6,000)
Other special items	2,192
Adjusted free cash flow	<u><u>\$ 55,107</u></u>

Components of Total Field EBITDA

\$ in thousands

	<u>2023</u>
Funeral field EBITDA	\$ 94,949
Cemetery field EBITDA	41,096
Funeral financial field EBITDA	9,603
Cemetery financial field EBITDA	14,958
Ancillary EBITDA	455
Divested funeral EBITDA	(10)
Divested cemetery EBITDA	25
Total field EBITDA	<u><u>\$ 161,076</u></u>



Appendix: Reconciliation of non-GAAP measures

Funeral Operating Income to Funeral Field EBITDA

\$ in thousands

	2019	2020	2021	2022	2023
Funeral operating income	\$ 58,756	\$ 57,622	\$ 88,591	\$ 81,043	\$ 80,954
Depreciation & amortization	11,128	11,586	11,062	11,591	12,197
Regional & unallocated Costs	11,007	14,348	18,918	16,813	10,888
Net loss on divestitures, disposals and impairment charges	4,846	21,442	436	2,024	958
Less:					
Funeral financial field EBITDA	(7,517)	(8,186)	(8,354)	(8,484)	(9,603)
Ancillary EBITDA	(298)	(1,186)	(1,006)	(841)	(455)
Divested funeral EBITDA	(1,437)	(2,192)	(605)	(195)	10
Funeral field EBITDA	<u>\$ 76,485</u>	<u>\$ 93,434</u>	<u>\$ 109,042</u>	<u>\$ 101,951</u>	<u>\$ 94,949</u>
Funeral operating revenue	\$ 200,392	\$ 226,676	\$ 253,070	\$ 251,396	\$ 249,180
Funeral field EBITDA margin	38.2%	41.2%	43.1%	40.6%	38.1%
Funeral operating income margin	29.3%	25.4%	35.0%	32.2%	32.5%



Appendix: Reconciliation of non-GAAP measures

Cemetery Operating Income to Cemetery Field EBITDA

\$ in thousands

	2019	2020	2021	2022	2023
Cemetery Operating Income	\$ 15,983	\$ 26,859	\$ 40,249	\$ 36,132	\$ 42,276
Depreciation & amortization	5,227	6,376	8,217	7,584	8,008
Regional & unallocated Costs	2,820	3,709	6,928	6,147	5,688
Net loss on divestitures, disposals and impairment charges		-	240	27	107
Less:					
Cemetery financial field EBITDA	(6,902)	(10,218)	(13,011)	(12,283)	(14,958)
Divested cemetery EBITDA	-	(129)	(82)	(98)	(25)
Cemetery Field EBITDA	<u>\$ 17,128</u>	<u>\$ 26,597</u>	<u>\$ 42,541</u>	<u>\$ 37,509</u>	<u>\$ 41,096</u>
Cemetery operating revenue	\$ 49,750	\$ 69,277	\$ 92,000	\$ 90,033	\$ 102,216
Cemetery field EBITDA margin	34.4%	38.4%	46.2%	41.7%	40.2%
Cemetery operating income margin	32.1%	38.8%	43.7%	40.1%	41.4%



Appendix: Reconciliation of non-GAAP measures

Operating Income to Adjusted Consolidated EBITDA

\$ in thousands

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating income	\$ 39,715	\$ 48,648	\$ 50,204	\$ 48,941	\$ 43,307	\$ 47,443	\$ 57,227	\$ 93,660	\$ 79,726	\$ 80,979
Depreciation & amortization	11,923	13,780	15,421	15,979	17,430	17,771	19,389	20,520	19,799	21,117
Non-cash stock compensation	3,832	4,444	2,890	3,162	6,583	2,153	3,370	5,513	5,959	7,703
Net loss on divestitures, disposals and impairment charges	762	-	-	-	-	4,846	21,442	666	2,029	1,191
Consolidated EBITDA	\$ 56,232	\$ 66,872	\$ 68,515	\$ 68,082	\$ 67,320	\$ 72,213	\$ 101,428	\$ 120,359	\$ 107,513	\$ 110,990
Adjusted for:										
Withdrawable trust income	\$ 1,788	\$ 555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition and divestiture expenses	1,158	614	701	-	-	2,083	(11)	-	-	-
Severance and separation costs	1,056	959	3,979	-	1,435	1,205	563	1,575	1,431	-
Consulting fees	419	1,913	496	-	-	-	-	-	-	-
Litigation reserve	-	-	-	-	1,000	750	270	1,050	200	-
Disaster recovery and pandemic costs	-	-	-	620	437	-	1,627	2,157	-	-
Other special items	1,000	220	-	-	-	336	373	1,020	168	2,192
Adjusted consolidated EBITDA	\$ 61,653	\$ 71,133	\$ 73,691	\$ 68,702	\$ 70,192	\$ 76,587	\$ 104,250	\$ 126,161	\$ 109,312	\$ 113,182
Total revenue	\$ 226,124	\$ 242,502	\$ 248,200	\$ 258,139	\$ 267,992	\$ 274,107	\$ 329,448	\$ 375,886	\$ 370,174	\$ 382,520
Adjusted consolidated EBITDA margin	27.3%	29.3%	29.7%	26.6%	26.2%	27.9%	31.6%	33.6%	29.5%	29.6%

GAAP Diluted Earnings per Share to Adjusted Diluted Earnings per Share

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GAAP diluted earnings per share	\$ 0.83	\$ 1.12	\$ 1.12	\$ 2.09	\$ 0.63	\$ 0.80	\$ 0.89	\$ 1.81	\$ 2.63	\$ 2.14
Special items	0.51	0.36	0.50	(0.70)	0.54	0.45	0.97	1.21	(0.02)	0.05
Adjusted diluted earnings per share	\$ 1.34	\$ 1.48	\$ 1.62	\$ 1.39	\$ 1.17	\$ 1.25	\$ 1.86	\$ 3.02	\$ 2.61	\$ 2.19