

JULY 2024

Investor Presentation Update





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 objectives and growth plan, planned divestitures, the ability to obtain credit or financing, 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 objectives 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 into 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, our Quarterly Reports on Form 10-Q, and other public filings and news releases, are available at www.carriageservices.com



Q1 2024 At A Glance

Q1 2024 Company Overview	
NYSE listed	<ul style="list-style-type: none"> • Ticker: CSV (NYSE) • Market cap: ~\$391 mm⁽¹⁾ • One of three publicly traded funeral and cemetery services and merchandise companies in the United States
Asset Base	<ul style="list-style-type: none"> • Operations in United States only • 165 funeral homes in 26 states⁽¹⁾ • 31 cemeteries in 11 states⁽¹⁾
Key Updates	<ul style="list-style-type: none"> • CSV continues to deleverage, decreasing from 5.13x at 2023 YE to 4.99x at Q1 2024⁽²⁾ • Preneed cemetery sales increased 38.4% year-over-year

YTD Q1 Financial Highlights		
<i>\$ in mm, unless per share amounts</i>	Q1 2024	Q1 2023
Total Revenue	\$103.5	\$95.5
Total Field EBITDA	\$46.3	\$41.1
<i>% Margin</i>	44.8%	43.0%
Overhead⁽³⁾	\$19.4⁽⁴⁾	\$13.3
<i>As % of Total revenue</i>	18.7% ⁽⁴⁾	13.9%
Adjusted Consolidated EBITDA	\$33.6	\$27.8
<i>% Margin</i>	32.5%	29.1%
Adjusted Diluted EPS	\$0.75	\$0.56
Adjusted Free Cash Flow	\$20.9	\$17.0

(1) As of market close on May 1, 2024. Calculated using basic outstanding shares.

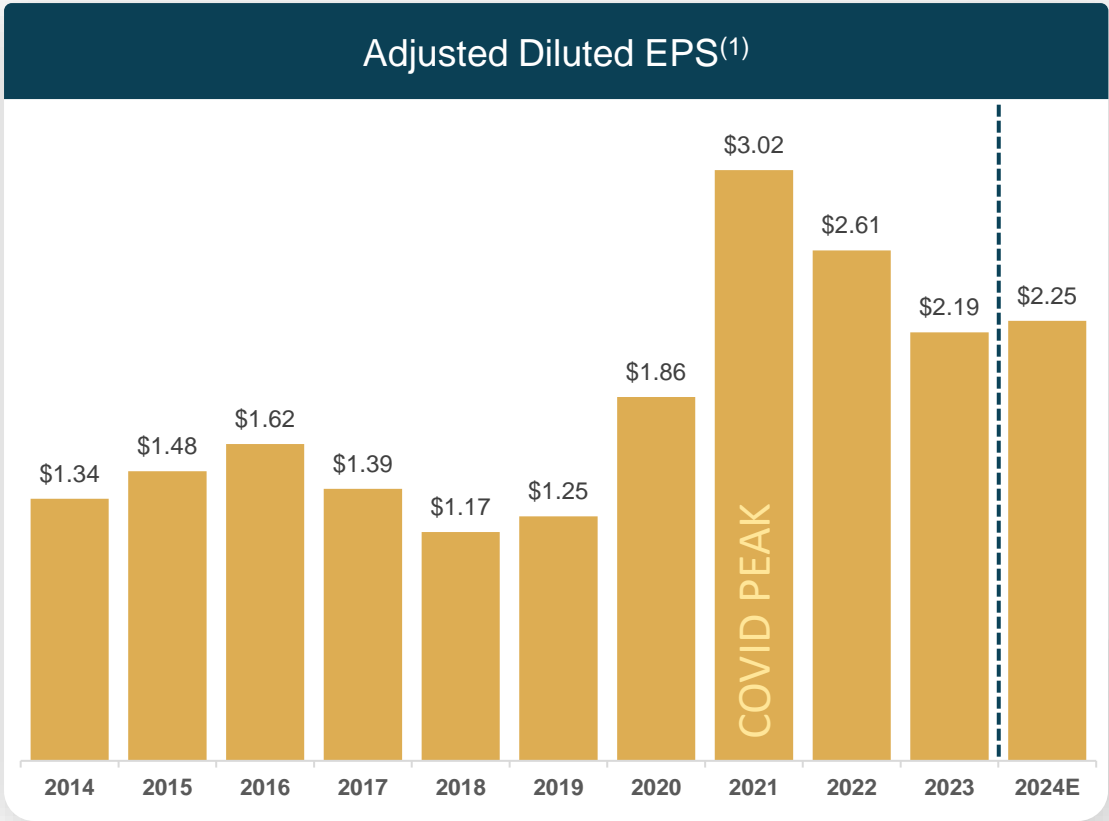
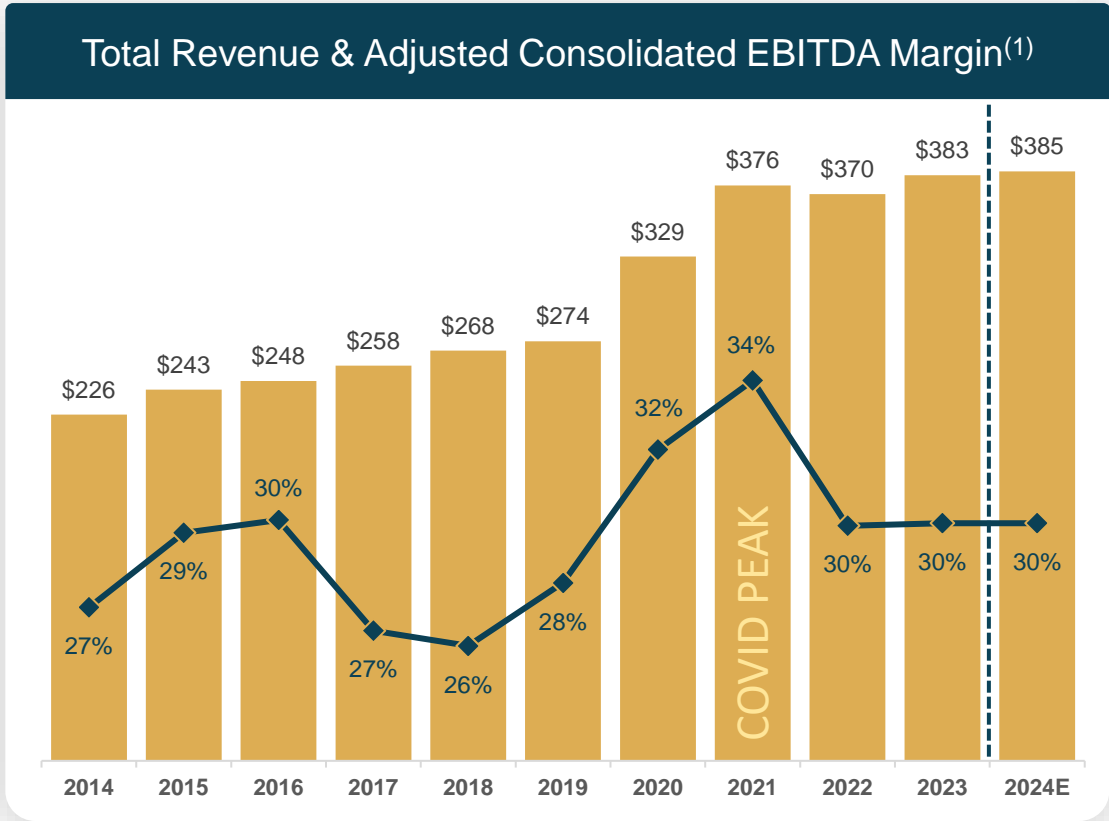
(2) Leverage metrics as defined by the Company's Credit Agreement.

(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.

(4) Inclusive of non-recurring items used in Adjusted Consolidated EBITDA. Adjusted for Special Items used in Adjusted Consolidated EBITDA, Overhead was \$12.7 million, or 12.3% of Total Revenue in Q1 2024.



Long-Term Growth Profile



6.0% Total Revenue CAGR⁽²⁾ over the last ten years

8.4% Adjusted Diluted EPS CAGR⁽³⁾ over the last ten years

(1) Depicted 2024E represents midpoint of management’s guidance as of Q1.

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

(3) Adjusted Diluted EPS 2013 base year is \$0.98 per share.



Appendix



Appendix: 2024 Outlook

Full Year 2024 Outlook

\$ in mm, unless per share amounts

	2024 Outlook
Total Revenue	\$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

Operating Income to Adjusted Consolidated EBITDA and Adjusted Consolidated EBITDA Margin

\$ in thousands

	<u>Q1 2024</u>	<u>Q1 2023</u>
Operating income	\$ 19,477	\$ 20,634
Depreciation & amortization	5,460	4,769
Non-cash stock compensation	489	2,141
Net loss on divestitures, disposals and impairment charges	1,545	241
Consolidated EBITDA	<u>\$ 26,971</u>	<u>\$ 27,785</u>
Adjusted for:		
Severance and separation costs	\$ 5,457	\$ -
Other special items	1,173	-
Adjusted consolidated EBITDA	<u>\$ 33,601</u>	<u>\$ 27,785</u>
Total revenue	\$ 103,493	\$ 95,514
Adjusted consolidated EBITDA margin	32.5%	29.1%

GAAP Diluted Earnings per Share to Adjusted Diluted Earnings per Share

\$ in thousands

	<u>Q1 2024</u>	<u>Q1 2023</u>
GAAP diluted earnings per share	\$ 0.45	\$ 0.57
Special items	0.30	(0.01)
Adjusted diluted earnings per share	<u>\$ 0.75</u>	<u>\$ 0.56</u>



Appendix: Reconciliation of Non-GAAP measures

Components of Total Field EBITDA⁽¹⁾

\$ in thousands

	Q1 2024	Q1 2023
Funeral field EBITDA	\$ 27,527	\$ 26,327
Cemetery field EBITDA	11,952	8,312
Funeral financial field EBITDA	2,773	2,125
Cemetery financial field EBITDA	3,732	3,602
Ancillary EBITDA	173	146
Divested funeral EBITDA	129	368
Divested cemetery EBITDA	41	170
Total field EBITDA	\$ 46,327	\$ 41,050

Cash Provided by Operating Activities to Adjusted Free Cash Flow

\$ in thousands

	Q1 2024	Q1 2023
Cash provided by operating activities	\$ 19,703	\$ 25,869
Cash used for maintenance capital expenditures	(1,162)	(1,842)
Free cash flow	\$ 18,541	\$ 24,027
Plus: incremental special items:		
Withdrawal from preneed funeral and cemetery trust investments	\$ -	\$ (7,002)
Severance and separation costs	1,211	-
Other special items	1,173	-
Adjusted free cash flow	\$ 20,925	\$ 17,025

(1) Figures as reported each year.

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Appendix: Reconciliation of Non-GAAP measures

Funeral and Cemetery Operating Income to Funeral and Cemetery Field EBITDA⁽¹⁾

\$ in thousands

	Q1 2024	Q1 2023		Q1 2024	Q1 2023
Funeral operating income	\$ 23,074	\$ 22,192	Cemetery Operating Income	\$ 12,642	\$ 8,613
Depreciation & amortization	2,968	2,918	Depreciation & amortization	2,255	1,640
Regional & unallocated Costs	2,323	3,981	Regional & unallocated Costs	1,519	1,456
Net loss on divestitures, disposals and impairment charges	2,237	(125)	Net (gain) loss on divestitures, disposals and impairment charges	(691)	375
Less:			Less:		
Funeral financial field EBITDA	(2,773)	(2,125)	Cemetery financial field EBITDA	(3,732)	(3,602)
Ancillary EBITDA	(173)	(146)	Divested cemetery EBITDA	(41)	(170)
Divested funeral EBITDA	(129)	(368)	Cemetery Field EBITDA	\$ 11,952	\$ 8,312
Funeral field EBITDA	\$ 27,527	\$ 26,327	Cemetery operating revenue	\$ 27,581	\$ 21,317
Funeral operating revenue	\$ 66,578	\$ 65,407	Cemetery field EBITDA margin	43.3%	39.0%
Funeral field EBITDA margin	41.3%	40.3%			

(1) Figures as reported each year.

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Appendix: Reconciliation of Non-GAAP measures

Operating Income to Adjusted Consolidated EBITDA and Adjusted Consolidated EBITDA Margin⁽¹⁾

\$ 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⁽¹⁾

	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

(1) Figures as reported each year.

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