

ANNUAL OPERATING AND FINANCIAL TREND REPORT
(in thousands, except per share amounts)

	2016	2017	2018	2019	Rolling Four Quarters	CAGR
Same Store Contracts						
Atneed Contracts	24,899	25,199	25,776	26,496	26,953	
Preneed Contracts	5,815	5,967	5,816	5,773	5,789	
Total Same Store Funeral Contracts	30,820	31,269	31,592	32,269	32,742	1.9%
Acquisition Contracts						
Atneed Contracts	468	1,510	2,745	4,244	5,354	
Preneed Contracts	36	195	355	513	561	
Total Acquisition Funeral Contracts	504	1,705	3,100	4,757	5,915	
Total Funeral Contracts	31,324	32,974	34,692	37,026	38,657	6.7%
Funeral Operating Revenue						
Same Store Revenue	\$167,982	\$173,390	\$172,131	\$171,858	\$171,708	0.7%
Acquisition Revenue	2,964	11,171	21,638	28,534	33,293	
Total Funeral Operating Revenue	\$170,946	\$184,561	\$193,769	\$200,392	\$205,001	5.7%
Cemetery Operating Revenue						
Same Store Revenue	\$43,730	\$43,242	\$45,135	\$49,455	\$49,111	3.6%
Acquisition Revenue	-	-	-	295	3,094	
Total Cemetery Operating Revenue	\$43,730	\$43,242	\$45,135	\$49,750	\$52,205	5.6%
Financial Revenue						
Preneed Funeral Commission Income	\$1,429	\$1,254	\$1,294	\$1,475	\$1,482	
Preneed Funeral Trust and Insurance	7,013	6,966	7,263	7,058	7,174	
Cemetery Trust Earnings	7,244	6,300	5,761	6,035	6,545	
Preneed Cemetery Finance Charges	1,576	1,538	1,659	1,454	1,319	
Total Financial Revenue	\$17,262	\$16,058	\$15,977	\$16,022	\$16,520	-1.3%
Other Revenue	-	-	-	\$748	\$1,899	
Divested/Planned Divested Revenue						
Funeral Revenue	\$10,015	\$8,105	\$8,399	\$7,195	\$6,891	
Cemetery Revenue	6,247	6,173	4,712	-	-	
Total Divested/Planned Divested Revenue	\$16,262	\$14,278	\$13,111	\$7,195	\$6,891	-23.2%
Total Revenue	\$248,200	\$258,139	\$267,992	\$274,107	\$282,516	4.1%
Field EBITDA						
Same Store Funeral Field EBITDA	\$67,020	\$68,917	\$65,395	\$65,764	\$64,933	-1.0%
Same Store Funeral Field EBITDA Margin	39.9%	39.7%	38.0%	38.3%	37.8%	
Acquisition Funeral Field EBITDA	1,053	3,384	7,456	10,721	12,223	
Acquisition Funeral Field EBITDA Margin	35.5%	30.3%	34.5%	37.6%	36.7%	
Total Funeral Field EBITDA	\$68,073	\$72,301	\$72,851	\$76,485	\$77,156	3.9%
Total Funeral Field EBITDA Margin	39.8%	39.2%	37.6%	38.2%	37.6%	
Same Store Cemetery Field EBITDA	\$14,926	\$13,406	\$13,880	\$17,055	\$16,545	3.2%
Same Store Cemetery Field EBITDA Margin	34.1%	31.0%	30.8%	34.5%	33.7%	
Acquired Cemetery Field EBITDA	-	-	-	73	900	
Acquired Cemetery Field EBITDA Margin	0.0%	0.0%	0.0%	24.6%	29.1%	
Total Cemetery Field EBITDA	\$14,926	\$13,406	\$13,880	\$17,128	\$17,445	4.9%
Total Cemetery Field EBITDA Margin	34.1%	31.0%	30.8%	34.4%	33.4%	
Funeral Financial EBITDA	\$7,591	\$7,293	\$7,524	\$7,517	\$7,650	
Cemetery Financial EBITDA	8,532	7,450	6,903	6,902	7,249	
Total Financial EBITDA	\$16,123	\$14,743	\$14,427	\$14,419	\$14,899	-2.4%
Total Financial EBITDA Margin	93.4%	91.8%	90.3%	90.0%	90.2%	
Other EBITDA	-	-	-	\$298	\$593	
Other EBITDA Margin	0.0%	0.0%	0.0%	39.8%	31.2%	
Divested/Planned Divested EBITDA						
Funeral EBITDA	\$3,519	\$2,387	\$1,779	\$1,437	\$1,445	
Cemetery EBITDA	1,772	1,675	1,376	-	-	
Total Divested/Planned Divested EBITDA	\$5,291	\$4,062	\$3,155	\$1,437	\$1,445	-32.9%
Total Divested/Planned Divested EBITDA Margin	32.5%	28.4%	24.1%	20.0%	21.0%	
Total Field EBITDA	\$104,413	\$104,512	\$104,313	\$109,767	\$111,538	2.1%
Total Field EBITDA Margin	42.1%	40.5%	38.9%	40.0%	39.5%	
Overhead						
Total Variable Overhead	\$13,122	\$11,338	\$12,672	\$14,117	\$13,815	
Total Regional Fixed Overhead	3,667	3,883	4,020	4,052	4,089	
Total Corporate Fixed Overhead	19,109	21,209	20,301	19,385	19,705	
Total Overhead	\$35,898	\$36,430	\$36,993	\$37,554	\$37,609	1.4%
Overhead as a percentage of Revenue	14.5%	14.1%	13.8%	13.7%	13.3%	
Consolidated EBITDA	\$68,515	\$68,082	\$67,320	\$72,213	\$73,929	2.4%
Consolidated EBITDA Margin	27.6%	26.4%	25.1%	26.3%	26.2%	
Other Expenses and Interest						
Depreciation & Amortization	\$15,421	\$15,979	\$17,430	\$17,771	\$17,997	
Non-Cash Stock Compensation	2,890	3,162	6,583	2,153	2,399	
Interest Expense	11,738	12,948	21,109	25,522	27,622	
Accretion of Discount on Convert. Sub. Notes	3,870	4,329	2,192	241	249	
Net Loss on Early Extinguishment of Debt	567	-	502	-	-	
Impairment of Goodwill and Other Intangibles	145	-	846	963	15,656	
Other, Net	1,643	(1,118)	392	3,147	3,138	
Pretax Income	\$32,241	\$32,782	\$18,266	\$22,416	\$6,868	-37.9%
Tax Expense on Operations	12,682	13,100	5,754	6,484	6,707	
Tax Expense Related to Divested Business	-	-	-	911	911	
Net Tax Benefit Related to Impairment	-	-	-	-	(4,936)	
Tax Adjustment Related to Certain Discrete Items	(22)	(17,511)	867	488	375	
Net Tax Provision/(Benefit)	\$12,660	(\$4,411)	\$6,621	\$7,883	\$3,057	
GAAP Net Income	\$19,581	\$37,193	\$11,645	\$14,533	\$3,811	-39.6%
<i>Effective Tax Rate</i>	39.3%	-13.5%	36.2%	35.2%	44.5%	

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Special Items, Net of tax except for **						
Acquisition and Divestiture Expenses	\$456	-	-	\$1,646	\$1,736	
Severance and Retirement Costs	2,587	-	1,134	951	1,008	
Performance Awards Cancellation Write-off	-	-	2,594	-	-	
Consulting Fees	323	-	-	-	-	
Accretion of Discount on Convert. Sub. Notes **	3,870	4,329	2,192	241	249	
Net Loss on Early Extinguishment of Debt	369	-	397	-	-	
Net Loss on Sale of Business and Other Costs	1,152	-	439	3,331	3,331	
Net Impact of Impairment of Goodwill and Other Impairments	-	-	805	761	10,518	
Litigation Reserve	-	-	790	592	552	
Natural Disaster Costs	-	403	345	-	111	
Tax Expense Related to Divested Business**	-	-	-	911	911	
Gain on Insurance Reimbursements	-	-	-	(699)	(699)	
Other Special Items	-	-	-	265	265	
Tax Adjustment Related to Certain Discrete Items**	-	(17,176)	1,225	-	-	
Sum of Special Items	\$8,757	(\$12,444)	\$9,921	\$7,999	\$17,982	
Adjusted Net Income	\$28,338	\$24,749	\$21,566	\$22,532	\$21,793	-7.8%
Adjusted Net Profit Margin	11.4%	9.6%	8.0%	8.2%	7.7%	
Adjusted Basic EPS	\$1.71	\$1.50	\$1.19	\$1.26	\$1.22	-9.9%
Adjusted Diluted EPS	\$1.62	\$1.39	\$1.17	\$1.25	\$1.22	-8.4%
GAAP Basic EPS	\$1.18	\$2.25	\$0.64	\$0.81	\$0.21	-41.2%
GAAP Diluted EPS	\$1.12	\$2.09	\$0.63	\$0.80	\$0.21	-40.3%
Average Number of Basic Shares Outstanding	16,515	16,438	17,971	17,877	17,805	2.3%
Average Number of Diluted Shares Outstanding	17,460	17,715	18,374	18,005	17,805	0.6%
Reconciliation of Consolidated EBITDA to Adjusted Consolidated EBITDA						
Consolidated EBITDA	\$68,515	\$68,082	\$67,320	\$72,213	\$73,929	2.4%
Acquisition and Divestiture Expenses	\$701	-	-	\$2,083	\$2,197	
Severance and Retirement Costs	3,979	-	1,435	1,205	1,276	
Consulting Fees	496	-	-	-	-	
Litigation Reserve	-	-	1,000	750	700	
Natural Disaster Costs	-	620	437	-	140	
Other Special Items	-	-	-	336	336	
Adjusted Consolidated EBITDA	\$73,691	\$68,702	\$70,192	\$76,587	\$78,578	2.0%
Adjusted Consolidated EBITDA Margin	29.7%	26.6%	26.2%	27.9%	27.8%	

The tables above include the use of certain financial measures that are not GAAP measures. The Non-GAAP financial measures are presented for additional information and are reconciled to their most comparable GAAP measures below. We define our Non-GAAP measures as "Adjusted" which is reflected on our Annual Operating and Financial Trend Report.

Reconciliation of GAAP Net Income to Adjusted Net Income for the five year annual period (thousands):

	2016	2017	2018	2019	Rolling Four Quarters
GAAP Net Income	\$19,581	\$37,193	\$11,645	\$14,533	\$3,811
Special Items, Net of tax	\$8,757	(\$12,444)	\$9,921	\$7,999	\$17,982
Adjusted Net Income	\$28,338	\$24,749	\$21,566	\$22,532	\$21,793

Reconciliation of GAAP Basic Earnings Per Share to Adjusted Basic Earnings per Share for the five year annual period (thousands):

	2016	2017	2018	2019	Rolling Four Quarters
GAAP Basic EPS	\$1.18	\$2.25	\$0.64	\$0.81	\$0.21
Effect of Special Items	0.53	(0.75)	0.55	0.45	1.01
Adjusted Basic EPS	\$1.71	\$1.50	\$1.19	\$1.26	\$1.22

Reconciliation of GAAP Diluted Earnings Per Share to Adjusted Diluted Earnings per Share for the five year annual period (thousands):

	2016	2017	2018	2019	Rolling Four Quarters
GAAP Diluted EPS	\$1.12	\$2.09	\$0.63	\$0.80	\$0.21
Effect of Special Items	0.50	(0.70)	0.54	0.45	1.01
Adjusted Diluted EPS	\$1.62	\$1.39	\$1.17	\$1.25	\$1.22

Reconciliation of GAAP Net Income to Adjusted Consolidated EBITDA for the five year annual period (thousands):

	2016	2017	2018	2019	Rolling Four Quarters
GAAP Net Income	\$19,581	\$37,193	\$11,645	\$14,533	\$3,811
Net Tax Provision (Benefit)	12,660	(4,411)	6,621	7,883	3,057
Pretax Income	\$32,241	\$32,782	\$18,266	\$22,416	\$6,868
Interest Expense	11,738	12,948	21,109	25,522	27,622
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Non-Cash Stock Compensation	2,890	3,162	6,583	2,153	2,399
Depreciation & Amortization	15,421	15,979	17,430	17,771	17,997
Impairment of Goodwill and Other Intangibles	145	-	846	963	15,656
Other, Net	1,643	(1,118)	392	3,147	3,138
Special Items	5,176	620	2,872	4,374	4,649
Adjusted Consolidated EBITDA	\$73,691	\$68,702	\$70,192	\$76,587	\$78,578
Revenue	\$ 248,200	\$ 258,139	\$ 267,992	\$ 274,107	\$ 282,516
Adjusted Consolidated EBITDA Margin	29.7%	26.6%	26.2%	27.9%	27.8%