

OCTOBER 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](http://www.carriageservices.com)



## Q3 2024 At A Glance

Q3 2024 Company Overview	
<b>NYSE listed</b>	<ul style="list-style-type: none"> <li>• Ticker: CSV (NYSE)</li> <li>• Market cap: ~\$489 mm<sup>(1)</sup></li> <li>• One of two publicly traded funeral and cemetery services and merchandise companies in the United States</li> </ul>
<b>Asset Base</b>	<ul style="list-style-type: none"> <li>• Operations in United States only</li> <li>• 162 funeral homes in 26 states<sup>(2)</sup></li> <li>• 31 cemeteries in 11 states<sup>(2)</sup></li> </ul>
<b>Key Updates</b>	<ul style="list-style-type: none"> <li>• CSV continues to deleverage through better than anticipated EBITDA growth, decreasing from 5.1x at 2023 YE to 4.3x at Q3 2024<sup>(3)</sup></li> <li>• Preneed cemetery sales continue to outperform, increasing 27.1% over the prior year quarter</li> <li>• Elected Edmondo Robinson to the Board of Directors</li> </ul>

YTD Q3 Financial Highlights		
<i>\$ in mm, unless per share amounts</i>	Q3 2024	Q3 2023
<b>Total Revenue</b>	<b>\$306.5</b>	<b>\$283.7</b>
<b>Total Field EBITDA</b>	<b>\$138.5</b>	<b>\$118.0</b>
<i>% Margin</i>	45.2%	41.6%
<b>Overhead<sup>(4)</sup></b>	<b>\$54.0<sup>(5)</sup></b>	<b>\$38.2</b>
<i>As % of Total revenue</i>	17.6% <sup>(5)</sup>	13.5%
<b>Adjusted Consolidated EBITDA</b>	<b>\$96.9</b>	<b>\$80.7</b>
<i>% Margin</i>	31.6%	28.5%
<b>Adjusted Diluted EPS</b>	<b>\$2.02</b>	<b>\$1.42</b>
<b>Adjusted Free Cash Flow</b>	<b>\$42.6</b>	<b>\$42.3</b>

(1) As of market close on October 25, 2024. Calculated using basic outstanding shares.

(2) As of October 25, 2024.

(3) Leverage metrics as defined by the Company's Credit Agreement, as amended. 2023 YE leverage as defined under the Credit Agreement prior to the Fourth Amendment.

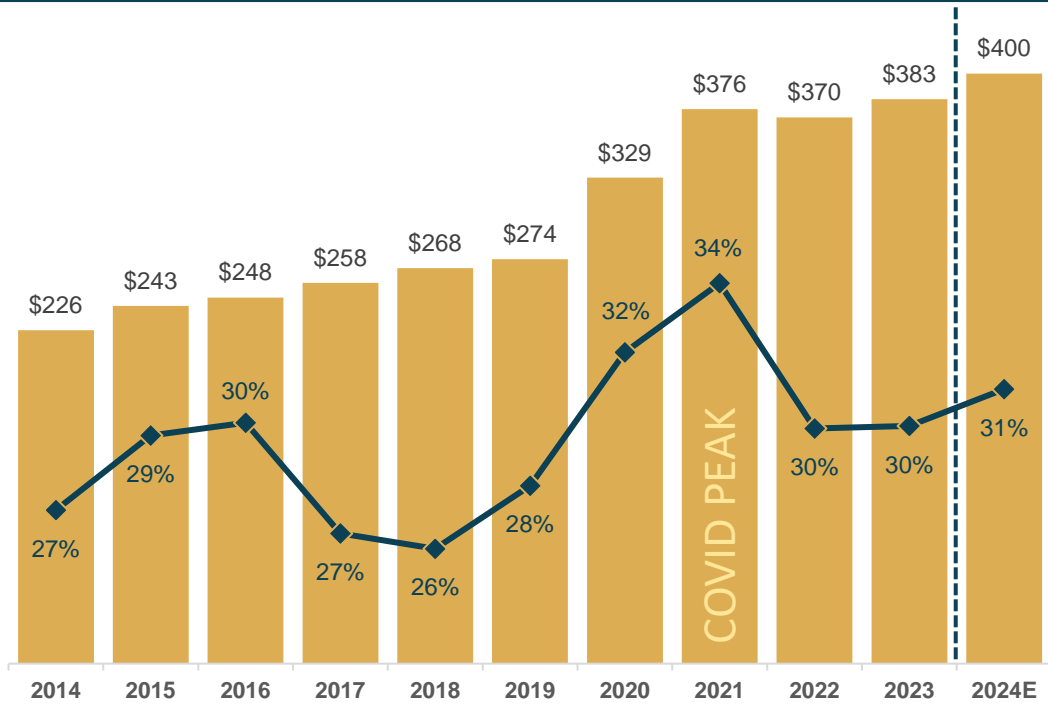
(4) Defined as regional and unallocated funeral and cemetery costs and general, administrative and other costs, excluding home office depreciation and non-cash stock compensation.

(5) Inclusive of non-recurring items used in Adjusted Consolidated EBITDA. Adjusted for Special Items used in Adjusted Consolidated EBITDA, Overhead was \$41.4 million, or 13.5% of Total Revenue in YTD Q3 2024.



# Long-Term Growth Profile

### Total Revenue & Adjusted Consolidated EBITDA Margin<sup>(1)</sup>



6.0% Total Revenue CAGR<sup>(2)</sup> over the last ten years

### Adjusted Diluted EPS<sup>(1)</sup>



8.4% Adjusted Diluted EPS CAGR<sup>(3)</sup> over the last ten years

(1) Depicted 2024E represents midpoint of management's guidance.

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

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





# Appendix



## Appendix: Updated 2024 Outlook

### Full Year Updated 2024 Outlook<sup>(1)</sup>

*\$ in mm, unless per share amounts*

	<b>2024 Outlook</b>
Total Revenue	\$395 - \$405
Adjusted Consolidated EBITDA	\$120 - \$125
Adjusted Diluted EPS	\$2.45 - \$2.55
Adjusted Free Cash Flow	\$55 - \$65

*(1) As of October 30, 2024. For additional detail, see the Reconciliation of Non-GAAP Financial Measures from our Q3 2024 Earnings Release.*



## Appendix: Reconciliation of Non-GAAP measures<sup>(1)</sup>

### Operating Income to Adjusted Consolidated EBITDA and Adjusted Consolidated EBITDA Margin

<i>\$ in thousands</i>	YTD Q3 2024	YTD Q3 2023
Operating income	\$ 60,743	\$ 57,058
Depreciation & amortization	17,274	15,623
Non-cash stock compensation	4,521	6,155
Net loss on divestitures, disposals and impairment charges	1,955	929
Consolidated EBITDA	\$ 84,493	\$ 79,765
Adjusted for:		
Severance and separation costs	\$ 6,228	\$ -
Other special items	6,228	973
Adjusted consolidated EBITDA	\$ 96,949	\$ 80,738
Total revenue	\$ 306,498	\$ 283,686
Adjusted consolidated EBITDA margin	31.6%	28.5%

### GAAP Diluted Earnings per Share to Adjusted Diluted Earnings per Share

<i>\$ in thousands</i>	YTD Q3 2024	YTD Q3 2023
GAAP diluted earnings per share	\$ 1.52	\$ 1.46
Special items	0.56	0.02
Adjusted diluted earnings per share	\$ 2.08	\$ 1.48

### Cash Provided by Operating Activities to Adjusted Free Cash Flow

<i>\$ in thousands</i>	YTD Q3 2024	YTD Q3 2023
Cash provided by operating activities	\$ 42,716	\$ 61,849
Cash used for maintenance capital expenditures	(5,013)	(5,926)
Free cash flow	\$ 37,703	\$ 55,923
Plus: incremental special items:		
Withdrawal from preneed funeral and cemetery trust investments	\$ -	\$ (8,599)
Vendor incentive payment	-	(6,000)
Severance and separation costs	2,866	-
Other special items	2,006	973
Adjusted free cash flow	\$ 42,575	\$ 42,297

(1) As of October 30, 2024. For additional detail, see the Reconciliation of Non-GAAP Financial Measures from our Q3 2024 Earnings Release.



## Appendix: Reconciliation of Non-GAAP measures<sup>(1)</sup>

### Operating Income to Adjusted Consolidated EBITDA and Adjusted Consolidated EBITDA Margin<sup>(2)</sup>

<i>\$ in thousands</i>	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<sup>(2)</sup>

	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) As of October 30, 2024. For additional detail, see the Reconciliation of Non-GAAP Financial Measures from our Q3 2024 Earnings Release.

(2) Figures as reported each year.

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