

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

	2014	2015	2016	2017	Rolling Four Quarters	CAGR
Same Store Contracts						
Atneed Contracts	23,914	23,899	23,572	24,393	24,343	
Preneed Contracts	5,768	5,881	5,693	5,769	5,690	
Total Same Store Funeral Contracts	29,682	29,780	29,265	30,162	30,033	0.3%
Acquisition Contracts						
Atneed Contracts	995	1,845	2,774	3,993	5,450	
Preneed Contracts	228	425	460	687	748	
Total Acquisition Funeral Contracts	1,223	2,270	3,234	4,680	6,198	
Total Funeral Contracts	30,905	32,050	32,499	34,842	36,231	4.3%
Funeral Operating Revenue						
Same Store Revenue	\$155,041	\$159,511	\$157,759	\$161,691	\$160,225	0.9%
Acquisition Revenue	6,926	14,523	20,636	30,108	38,330	
Total Funeral Operating Revenue	\$161,967	\$174,034	\$178,395	\$191,799	\$198,555	5.6%
Cemetery Operating Revenue						
Same Store Revenue	\$37,777	\$39,083	\$40,678	\$40,049	\$41,924	2.8%
Acquisition Revenue	1,298	2,995	3,053	3,194	3,354	
Total Cemetery Operating Revenue	\$39,075	\$42,078	\$43,731	\$43,243	\$45,278	4.0%
Financial Revenue						
Preneed Funeral Commission Income	\$2,036	\$1,484	\$1,429	\$1,254	\$1,277	
Preneed Funeral Trust Earnings	7,405	7,887	7,308	7,229	7,580	
Cemetery Trust Earnings	7,300	7,652	7,244	6,300	5,813	
Preneed Cemetery Finance Charges	1,192	1,380	1,576	1,537	1,609	
Total Financial Revenue	\$17,933	\$18,403	\$17,558	\$16,320	\$16,279	-2.5%
Divested Revenue						
Divested Funeral Revenue	\$2,326	\$2,413	\$2,269	\$604	\$165	
Divested Cemetery Revenue	4,822	5,574	6,247	6,173	6,274	
Total Divested Revenue	\$7,148	\$7,987	\$8,516	\$6,777	\$6,439	-2.7%
Total Revenue	\$226,124	\$242,502	\$248,200	\$258,139	\$266,551	4.5%
Field EBITDA						
Same Store Funeral Field EBITDA	\$56,871	\$61,049	\$61,512	\$62,360	\$59,651	1.3%
Same Store Funeral Field EBITDA Margin	36.7%	38.3%	39.0%	38.6%	37.2%	
Acquisition Funeral Field EBITDA	2,657	6,370	8,643	11,770	14,412	
Acquisition Funeral Field EBITDA Margin	38.4%	43.9%	41.9%	39.1%	37.6%	
Total Funeral Field EBITDA	\$59,528	\$67,419	\$70,155	\$74,130	\$74,063	6.0%
Total Funeral Field EBITDA Margin	36.8%	38.7%	39.3%	38.6%	37.3%	
Same Store Cemetery Field EBITDA	\$11,613	\$13,586	\$13,878	\$12,366	\$13,275	3.6%
Same Store Cemetery Field EBITDA Margin	30.7%	34.8%	34.1%	30.9%	31.7%	
Acquired Cemetery Field EBITDA	340	1,099	1,049	1,039	1,148	
Acquired Cemetery Field EBITDA Margin	26.3%	36.7%	34.4%	32.5%	34.2%	
Total Cemetery Field EBITDA	\$11,953	\$14,685	\$14,927	\$13,405	\$14,423	5.1%
Total Cemetery Field EBITDA Margin	30.6%	34.9%	34.1%	31.0%	31.9%	
Funeral Financial EBITDA	\$8,294	\$8,257	\$7,880	\$7,552	\$7,828	
Cemetery Financial EBITDA	8,300	8,759	8,532	7,450	6,944	
Total Financial EBITDA	\$16,593	\$17,016	\$16,412	\$15,002	\$14,772	-3.1%
Total Financial EBITDA Margin	92.5%	92.5%	93.5%	92.0%	90.7%	
Divested Funeral EBITDA	\$1,000	\$976	\$1,147	\$300	\$83	
Divested Cemetery EBITDA	1,284	1,443	1,771	1,676	1,845	
Total Divested EBITDA	\$2,284	\$2,419	\$2,918	\$1,976	\$1,928	-4.4%
Total Divested EBITDA Margin	32.0%	30.3%	34.3%	29.2%	29.9%	
Total Field EBITDA	\$90,359	\$101,539	\$104,413	\$104,512	\$105,186	4.1%
Total Field EBITDA Margin	40.0%	41.9%	42.1%	40.5%	39.5%	
Overhead						
Total Variable Overhead	\$10,764	\$10,878	\$13,122	\$11,338	\$10,239	
Total Regional Fixed Overhead	3,136	3,435	3,667	3,883	4,038	
Total Corporate Fixed Overhead	20,227	20,354	19,109	21,209	20,233	
Total Overhead	\$34,127	\$34,667	\$35,898	\$36,430	\$34,510	0.3%
Overhead as a percentage of Revenue	15.1%	14.3%	14.5%	14.1%	12.9%	
Consolidated EBITDA	\$56,232	\$66,872	\$68,515	\$68,082	\$70,676	6.3%
Consolidated EBITDA Margin	24.9%	27.6%	27.6%	26.4%	26.5%	
Other Expenses and Interest						
Depreciation & Amortization	\$11,923	\$13,780	\$15,421	\$15,979	\$17,205	
Non-Cash Stock Compensation	3,832	4,444	2,890	3,162	3,692	
Interest Expense	10,308	10,559	11,738	12,948	18,194	
Accretion of Discount on Convert. Sub. Notes	2,452	3,454	3,870	4,329	3,090	
Loss on Early Extinguishment of Debt	1,042	-	567	-	936	
Loss on Redemption of Convert. Jr Sub. Deb.	3,779	-	-	-	-	
Other, Net	195	45	1,788	(1,118)	(776)	
Pretax Income	\$22,701	\$34,590	\$32,241	\$32,782	\$28,335	6.1%
Tax Provision	8,995	13,596	12,682	13,100	8,997	
Tax Adjustment Related to Certain Discrete Items	-	141	(22)	(17,511)	(17,626)	
Tax Benefit Related to Uncertain Tax Positions	(1,740)	-	-	-	-	
Net Tax Provision	\$7,255	\$13,737	\$12,660	(\$4,411)	(\$8,629)	
GAAP Net Income	\$15,446	\$20,853	\$19,581	\$37,193	\$36,964	26.2%
Effective Tax Rate	32.0%	39.7%	39.3%	-13.5%	-30.5%	
Special Items, Net of tax except for **						
Withdrawable Trust Income	\$1,181	\$366	-	-	-	
Acquisition and Divestiture Expenses	764	405	456	-	-	
Severance and Retirement Costs	697	633	2,587	-	-	
Consulting Fees	277	1,265	323	-	-	
Other Incentive Compensation	660	-	-	-	-	
Accretion of Discount on Convert. Sub. Notes **	2,452	3,454	3,870	4,329	3,090	
Net Loss on Early Extinguishment of Debt	688	-	369	-	-	
Loss on Redemption of Convert. Jr Sub. Deb.	2,493	-	-	-	740	
Net Gain/Loss on Asset Purchase/Sale	(367)	-	1,152	-	277	
Natural Disaster Costs	-	-	-	403	144	
Other Special Items	503	244	-	-	-	
Tax Adjustment from Prior Period **	-	141	-	(17,176)	(17,176)	
Sum of Special Items	\$9,348	\$6,508	\$8,757	(\$12,444)	(\$12,925)	
Adjusted Net Income	\$24,794	\$27,361	\$28,338	\$24,749	\$24,039	-0.8%
Adjusted Net Profit Margin	11.0%	11.3%	11.4%	9.6%	9.0%	
Adjusted Basic EPS	\$1.35	\$1.52	\$1.71	\$1.50	\$1.36	0.2%
Adjusted Diluted EPS	\$1.34	\$1.48	\$1.62	\$1.39	\$1.32	-0.4%
GAAP Basic EPS	\$0.84	\$1.16	\$1.18	\$2.25	\$2.09	27.5%
GAAP Diluted EPS	\$0.83	\$1.12	\$1.12	\$2.09	\$2.02	26.8%
Average Number of Basic Shares Outstanding	18,108	17,791	16,515	16,438	17,701	-0.6%
Average Number of Diluted Shares Outstanding	18,257	18,313	17,460	17,715	18,273	0.0%
Reconciliation of Consolidated EBITDA to Adjusted Consolidated EBITDA						
Consolidated EBITDA	\$56,232	\$66,872	\$68,515	\$68,082	\$70,676	6.3%
Withdrawable Trust Income	1,788	555	-	-	-	
Acquisition and Divestiture Expenses	1,158	614	701	-	-	
Severance and Retirement Costs	1,056	959	3,979	-	-	
Consulting Fees	419	1,913	496	-	-	
Natural Disaster Costs	-	-	-	620	222	
Other Incentive Compensation	1,000	-	-	-	-	
Other Special Items	-	220	-	-	-	
Adjusted Consolidated EBITDA	\$61,653	\$71,133	\$73,691	\$68,702	\$70,898	3.8%
Adjusted Consolidated EBITDA Margin	27.3%	29.3%	29.7%	26.6%	26.6%	

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):

	2014	2015	2016	2017	Rolling Four Quarters
GAAP Net Income	\$15,446	\$20,853	\$19,581	\$37,193	\$36,964
Special Items, Net of tax	\$9,348	\$6,508	\$8,757	(\$12,444)	(\$12,925)
Adjusted Net Income	\$24,794	\$27,361	\$28,338	\$24,749	\$24,039

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

	2014	2015	2016	2017	Rolling Four Quarters
GAAP Basic EPS	\$0.84	\$1.16	\$1.18	\$2.25	\$2.09
Effect of Special Items	0.51	0.36	0.53	(0.75)	(0.73)
Adjusted Basic EPS	\$1.35	\$1.52	\$1.71	\$1.50	\$1.36

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

	2014	2015	2016	2017	Rolling Four Quarters
GAAP Diluted EPS	\$0.83	\$1.12	\$1.12	\$2.09	\$2.02
Effect of Special Items	0.51	0.36	0.50	(0.70)	(0.70)
Adjusted Diluted EPS	\$1.34	\$1.48	\$1.62	\$1.39	\$1.32

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

	2014	2015	2016	2017	Rolling Four Quarters
GAAP Net Income	\$15,446	\$20,853	\$19,581	\$37,193	\$36,964
Net Tax Provision	7,255	13,737	12,660	(4,411)	(8,629)
Pretax Income	\$22,701	\$34,590	\$32,241	\$32,782	\$28,335
Interest Expense	10,308	10,559	11,738	12,948	18,194
Accretion of Discount on Convert. Sub. Notes	2,452	3,454	3,870	4,329	3,090
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Loss on Redemption of Convert. Jr Sub. Deb.	3,779	-	-	-	-
Non-Cash Stock Compensation	3,832	4,444	2,890	3,162	3,692
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Other, Net	195	45	1,788	(1,118)	(776)
Special Items	5,421	4,261	5,176	620	222
Adjusted Consolidated EBITDA	\$61,653	\$71,133	\$73,691	\$68,702	\$70,898
Revenue	\$ 226,124	\$ 242,502	\$ 248,200	\$ 258,139	\$ 266,551
Adjusted Consolidated EBITDA Margin	27.3%	29.3%	29.7%	26.6%	26.6%