
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 26, 2021

Carriage Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-11961
(Commission
File Number)

76-0423828
(IRS Employer
Identification No.)

3040 Post Oak Boulevard, Suite 300
Houston, Texas 77056
(Address, including zip code, of principal executive offices)

Registrant's telephone number, including area code:
(713) 332-8400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$.01 per share	CSV	New York Stock Exchange

ITEM 7.01. REGULATION FD DISCLOSURE

On April 26, 2021, Carriage Services, Inc. (the “*Company*”) issued a press release announcing that it intends to offer \$400 million aggregate principal amount of senior notes due 2029 (the “*Notes*”). The press release is attached hereto as Exhibit 99.1 of this Current Report and is incorporated by reference herein.

On April 26, 2021, the Company is also furnishing certain additional information about the Company as Exhibit 99.2 hereto and incorporated by reference herein.

In accordance with General Instruction B.2 of Form 8-K, the foregoing information, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”) or otherwise subject to the liabilities of that section, nor shall such information, including Exhibit 99.1 and Exhibit 99.2, be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “*Securities Act*”) or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

The Notes are being offered in a private offering that is exempt from registration under the Securities Act and may not be offered or sold in the United States absent such registration or an exemption from the registration requirements of the Securities Act. Neither this Current Report on Form 8-K nor Exhibits 99.1 and 99.2 incorporated by reference herein, constitutes an offer to sell, or a solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering would be unlawful.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

99.1 [Press Release of Carriage Services, Inc. dated April 26, 2021.](#)

99.2 [Certain additional information about the Company.](#)

101 Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document.

104 The cover page from this Current Report on Form 8-K, formatted as Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 26, 2021

CARRIAGE SERVICES, INC.

By: /s/ Steven D. Metzger

Steven D. Metzger

Senior Vice President, General Counsel & Secretary



April 26, 2021

Carriage Services Announces Offering of Senior Notes

HOUSTON, Texas – (PRNewswire) – Carriage Services, Inc. (NYSE: CSV) (“Carriage Services” or the “Company”) today announced that it intends to offer, subject to market and other conditions, \$400 million aggregate principal amount of senior notes due 2029 (the “notes”) through a private offering to persons who are reasonably believed to be qualified institutional buyers pursuant to Rule 144A and to certain non U.S. persons outside of the United States pursuant to Regulation S, each under the Securities Act of 1933, as amended (the “Act”).

The notes will be unsecured, senior obligations of the Company, and interest will be payable semi-annually in arrears. The notes will initially be fully and unconditionally guaranteed, on a senior unsecured basis, jointly and severally by each of the Company’s subsidiaries that is a borrower, or guarantees indebtedness, under the Company’s amended and restated credit facility.

In connection with the offering, the Company expects to amend and restate its existing credit facility, which is expected to be composed of a revolving credit facility of up to \$150 million, including a sublimit of up to \$10 million for swing line loans, a sublimit of up to \$15 million for the issuance of standby or commercial letters of credit, and provisions for an accordion feature of up to \$75 million.

The Company intends to use the net proceeds of the proposed offering, together with borrowings under the amended and restated credit facility, to redeem all of its existing 6.625% senior notes due 2026 (the “2026 Notes”).

This press release does not constitute a notice of redemption with respect to the 2026 Notes.

Neither the notes nor the related guarantees have been, nor will be, registered under the Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any offer, solicitation or sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Carriage Services

Carriage Services is a leading provider of funeral and cemetery services and merchandise in the United States. Carriage operates 173 funeral homes in 26 states and 32 cemeteries in 12 states.

Certain statements made herein or elsewhere by, 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 “Forward-Looking Statements, Cautionary Note” and “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, 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. The Company assumes no obligation to update or publicly release any revisions to forward-looking statements made herein or any other forward-looking statements made by, or on behalf of, the Company.

Source: Carriage Services, Inc.



Honesty | Integrity | Quality in All That We Do



Cautionary Statement on Forward Looking Statements and Disclosure of Non-GAAP Performance Measures

Certain statements made herein or elsewhere by, 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 "Cautionary Note" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 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.

Forward-looking statements contained herein regarding our planned financing activities, which include the planned refinancing of our senior unsecured notes, potential repayments of existing borrowings under our revolving credit facility, the planned amendment and extension of our revolving credit facility and other related activities, including assumptions about the pricing, timing, terms and conditions of those financing activities, and the anticipated benefits, impacts and our ability to meet the projected financial performance metrics for our updated three-year scenario, if at all, as a result of these planned financing activities. We can provide no assurances that these planned financing activities will be successfully completed. Forward-looking statements contained herein regarding our projected financial performance metrics to our updated three-year scenario include assumptions related to future revenue growth, free cash flow and operational performance. We can provide no assurances that we will generate the revenue growth, free cash flow and operational performance referenced herein. 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.

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 financial measures 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' reports. 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.



II. Company Overview

Key Credit Highlights

Carriage Services
is a leading
owner and
operator of
funeral homes
and cemeteries in
the United States

Industry leading Operating Results driven by
Execution of our Standards Operating Model

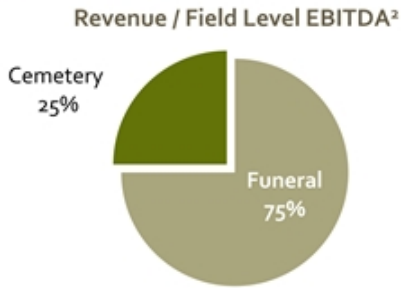
Significantly Improved Credit Profile:
Lower Leverage, Increased Size & Scale,
Higher Organic Growth & EBITDA Margins

Long Term Organic Revenue Growth at High
EBITDA Margins supported by Favorable
Demographic Trends

Recurring & Growing Free Cash Flow finances
majority of Value Creation Capital Allocation

Carriage Services Overview

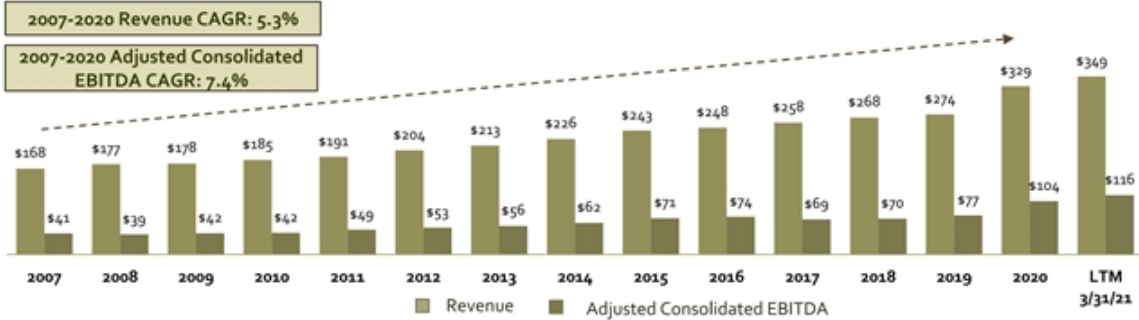
Operating Segment Overview (2020)¹



Diverse National Footprint (YE 2020)



Track Record of Long-Term Revenue and Adjusted Consolidated EBITDA Growth



Note: Figures shown in millions.

¹ Includes Cemetery and Funeral same store and acquisition revenue / EBITDA.

² Excludes variable overhead, regional fixed overhead, and corporate fixed overhead costs.



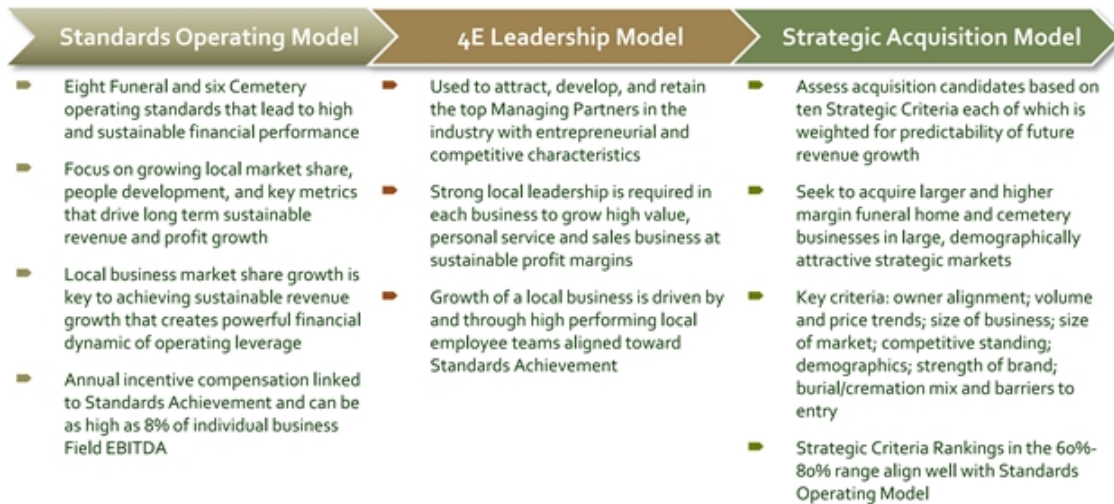
Good to Great High Performance Flywheel

Our Mission: We are committed to being the most professional, ethical and highest quality funeral and cemetery service organization in our industry



Carriage Services – Three Core Models

- ✓ Innovative Standards Operating Model has led to Industry Leading Operating and Financial Performance
- ✓ Entrepreneurial Decentralized High Performance Culture Attracts and Retains Top Industry Talent
- ✓ One and Five Year Incentives Reward Top Managing Partners and their Team for Growth at High and Sustainable Margins
- ✓ Acquisition Criteria and Valuation Methodologies provide discipline for Most Attractive Opportunities in Strategic Growth Markets



Valuation Creation Financial Dynamics

Accelerating Value Creation Financial Dynamics with Increased Size and Scale post Four Strategic Acquisitions made in Q4 2019/Jan 2020

Operating Leverage

- Modest historical growth in same store revenues accompanied with modest historical growth in Field EBITDA Margins generated higher growth in Same Store Field EBITDA
- Increasing death rates due to an aging generation of "baby boomers," along with the execution of our Standards Operating Model has historically increased store volume & revenue & generates higher compounding growth rates of Field EBITDA

Overhead Leverage

- Historical revenues have increased at a faster rate than Fixed Regional & Corporate Overhead costs
- Variable Overhead & primarily incentive compensation has increased relative to higher historical operating & financial performance

Capital Structure Leverage

- Demonstrated ability to rapidly reduce leverage through historically growing & recurring Free Cash Flow
- Maintain moderate leverage $\leq 4.0x$ leads to greater financial flexibility to pursue value creation capital allocation
- Declining Cost of Capital has led to higher Return on Invested Capital

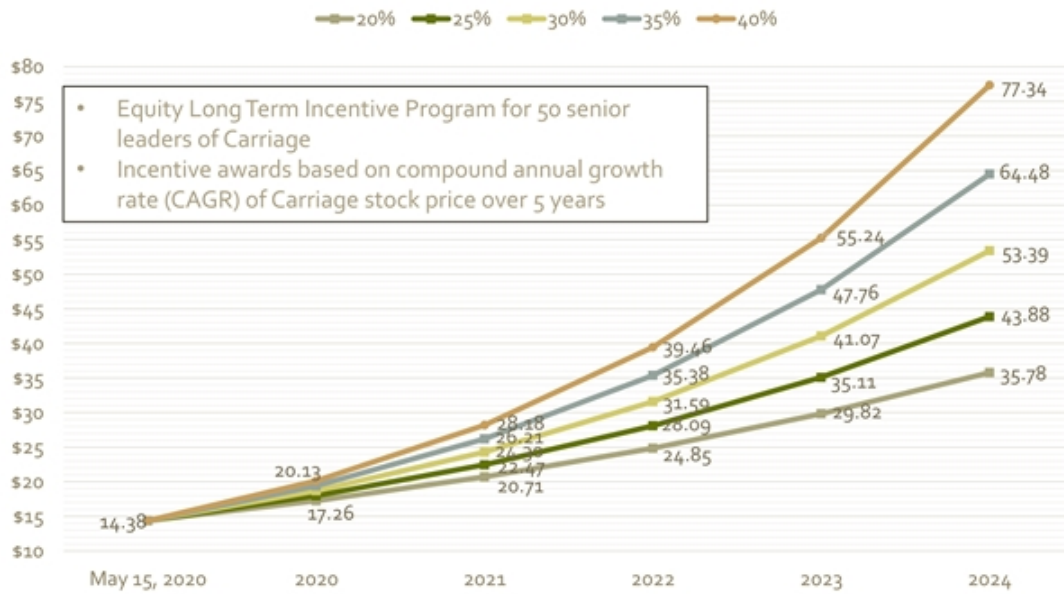
Consolidated Platform Leverage

- Acquired Field EBITDA from acquisitions has added to historical Adjusted Consolidated EBITDA & historical Adjusted Free Cash Flow
- Historical Adjusted Free Cash Flow after fixed interest & maintenance capital expenditures has grown at a faster rate than historical revenues; a financial benefit that we believe will accrue to stakeholders

Leverage mid-single digit Revenue Growth into Higher Growth Rates in Adjusted Consolidated EBITDA and Adjusted Free Cash Flow

Good To Great II Shareholder Value Creation Incentive Plan

Carriage Leadership aligned for High Performance and Long-Term Shareholder Value Creation



- Equity Long Term Incentive Program for 50 senior leaders of Carriage
- Incentive awards based on compound annual growth rate (CAGR) of Carriage stock price over 5 years

Note: Chart included for illustrative purposes and is not a projection of stock price through 2024.



III. Financial Overview & Recent Performance

Transformative High Performance

2020 and Q1 2021 Record Performance Reflects Accelerating Transformative High Performance

Key Takeaways:

- Carriage Leadership Teams are Aligned and Incentivized for Outstanding Execution of our 3 Core Models
- Coronavirus Accelerated Innovation of High Value Personal Services and Sales by Managing Partners and Teams
- Innovation in Business Practices & Rapid Acceptance of Technology/Digital Tools to Serve Client Families
- COVID lift in Funeral volumes was impactful but Total Field EBITDA Margin Expansion & Market Share Gains are Sustainable
- Record Cemetery Revenue & Field EBITDA Performance driven by Growth in Preneed Property Sales & EBITDA Margins
- Successful Integration of 4 Large Acquisitions. Accelerating Revenue and Field EBITDA Performance Trends
- Successful Execution of Preneed Trust Fund Repositioning led to Large Increase in Financial Revenue and EBITDA
- Total Overhead expense increase related to increased Incentive Compensation = Pay for High Performance
- Record Adj. Free Cash Flow & Adj. Consolidated EBITDA led to Rapid Debt Repayment & Balance Sheet Deleveraging



Recent Financial Highlights

Performance Momentum Continues in 2021

Year Ended December 31, 2020

- Record Total Revenue of \$329.4 million, an increase of 20.2%;
- Record Total Field EBITDA of \$141.9 million, an increase of 29.3%;
- Record Total Field EBITDA Margin of 43.1%, an increase of 310 basis points;
- Record Adjusted Consolidated EBITDA of \$104.3 million, an increase of 36.1%;
- Record Adjusted Consolidated EBITDA Margin of 31.6%, an increase of 370 basis points;
- Record Adjusted Free Cash Flow of \$70.0 million, an increase of 80.3%;
- Record Adjusted Free Cash Flow Margin of 21.2%, an increase of 700 basis points
- Total Debt to Adjusted Consolidated EBITDA of 4.4x (1.6x reduction in 12 months)

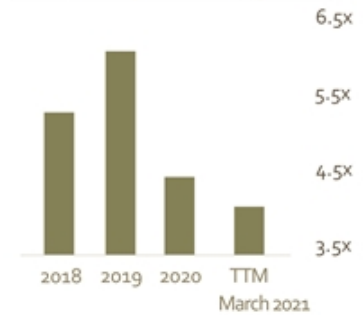
YTD March 2021 Comparative Results

- Record Total Revenue of \$96.6 million, an increase of 24.7%;
- Record Total Field EBITDA of \$45.8 million, an increase of 52.1%;
- Record Field EBITDA Margin of 47.4%, an increase of 860 basis points;
- Record Adjusted Consolidated EBITDA of \$34.7 million, an increase of 51.7%;
- Record Adjusted Consolidated EBITDA Margin of 35.9%, an increase of 640 basis points;
- Record TTM Adjusted Consolidated EBITDA of \$116.1 million
- Total Debt to TTM Adjusted Consolidated EBITDA of 3.8x (2.2x reduction in 15 months)

Adjusted Consolidated EBITDA



Leverage Reduction



Funeral Home Performance

Same Store Funeral Results (\$MM)



Same Store Funeral Contracts



- Record Same Store Funeral Operating Performance in 2020 and Q1 2021 driven by higher funeral volumes, broad based Market Share Gains and Improved Margin Management by our Funeral Managing Partners
- Funeral Volumes increase from COVID-19 was material partially offset by lower Average Revenue Per Contract (ARPC) during early stages of COVID in 2020
- Average Revenue Per Contract improved throughout 2020 and into 2021. Greatest opportunity for future growth in ARPC from providing more Cremation families with value added memorialization services
- Broad market share gains in 2020 and 2021 are sustainable and continued local market share gains will be a key driver of future organic revenue growth



⁽¹⁾ Excludes Preneed Funeral interest earnings.

Cemetery Segment Performance

Preneed Cemetery Contracts & Revenue



Cemetery Same Store Financials (\$MM)

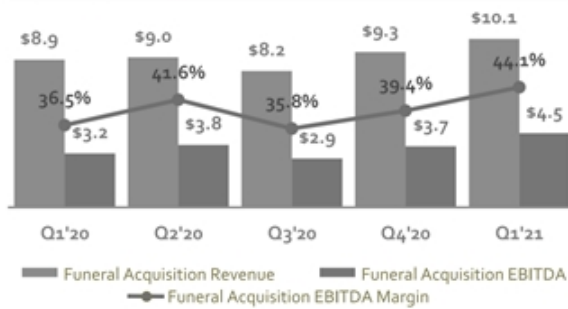


- New Cemetery Preneed Sales Program & Leadership has led to higher Cemetery Revenue growth rates with higher sustained Cemetery Field EBITDA Margins in the second half of 2020 and Q1 2021
- Improved EBITDA Margin performance in our Same Store Cemetery portfolio is reflective of the Operating Leverage with higher revenue flowing through the mostly fixed costs of each business
- New Cemetery Preneed Sales Program focused on key areas: Improved Technology, Performance Based Incentives, Improved Capital Allocation & Development of Cemetery Inventory, Robust Marketing & Lead Generation



Acquisition Performance

Acquisition Funeral Home Result (\$MM)



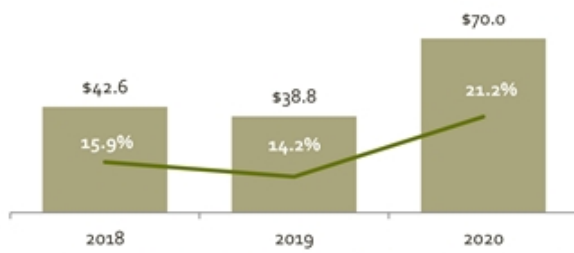
Acquisition Cemetery Results (\$MM)



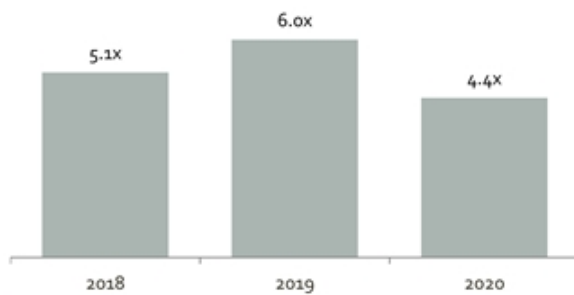
- Carriage made 4 Large Transformational Acquisitions in attractive strategic markets in Q4 2019/Jan 2020: Fairfax Memorial Park and Funeral Home (VA), Oakmont Memorial Park and Mortuary (CA), Rest Haven Funeral Home and Cemetery (TX) and Lombardo Funeral Homes (NY)
- Acquisitions evaluated under our Strategic Acquisition Model; \$172 million aggregate purchase price
- Past 5 quarter performance demonstrates successful execution of integration plans with more performance upside potential for each business
- Recent Acquisitions increased the size and scale of our operating & consolidation platform leading to higher revenue growth rates with even higher growth rates in Adj. Consolidated EBITDA at higher EBITDA Margin

Strong Free Cash Flow & Rapid Deleveraging

Growing Free Cash Flow (\$MM)



Proven Deleveraging Capability

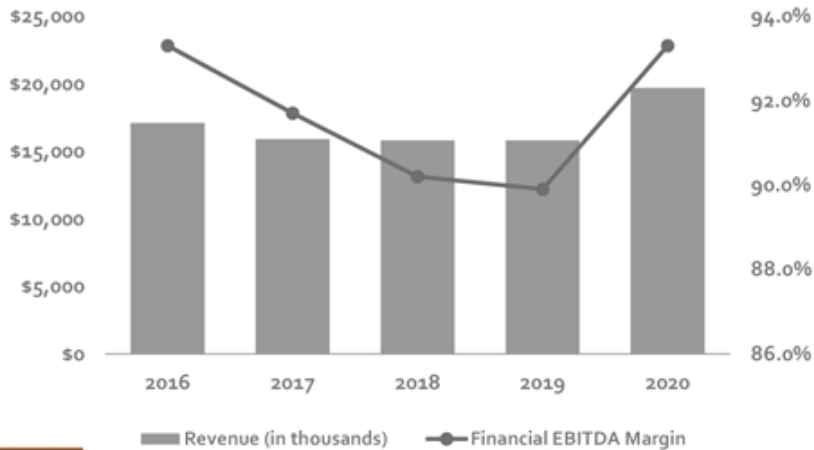


- 2020 Record Revenue and Adj. Consolidated EBITDA Performance led to Record Free Cash Flow generation and a Rapid Reduction in our Total Debt to Adjusted Consolidated EBITDA Ratio
- 2020 Record Adjusted Free Cash Flow of \$70.0 million compared to \$38.8 million in 2019, an increase of 80.3%; Adjusted Free Cash Flow Margin increased 700 bps to 21.2%
- Q1 2021 Record Adjusted Free Cash Flow \$27.1 million – 115.3% increase YoY; Adjusted Free Cash Flow Margin increased 1,180 bps to 28.1%
- 2020 peak Proforma Leverage Ratio of 6.0x due to 4 Transformative Acquisitions completed Q4 2019 and January 2020 Reduced to 3.8x as of Q1 2021 - decrease of 2.2x since 1/3/2020
- Total Debt Repayment of ~\$94 million since peak debt (\$534 million) through Q1 2021 (\$439 million)

Trust Investment Repositioning/Performance

Preneed Trust Fund Repositioning Strategy Executed during the Coronavirus Market Crisis has been highly accretive to Carriage's reported Financial Revenue, Adj. Consolidated EBITDA, Adj. Consolidated EBITDA Margin and Free Cash Flow

- o Successful Execution of our Trust Fund Repositioning Strategy has led to a 70% Increase in Recurring Annual Income to \$16 million and Positioned for Long Term Capital Appreciation.
- o Trust Fund Portfolio positioned to generate a higher, recurring amount of Financial Revenue & EBITDA: Increased cash earnings from Cemetery Perpetual Care accounts & Increased Value of Funeral and Cemetery Preneed Contracts. Financial EBITDA Increased 29.3% to \$18.4 million & Financial EBITDA Margin Increased 340 bps to 93.3% in 2020.

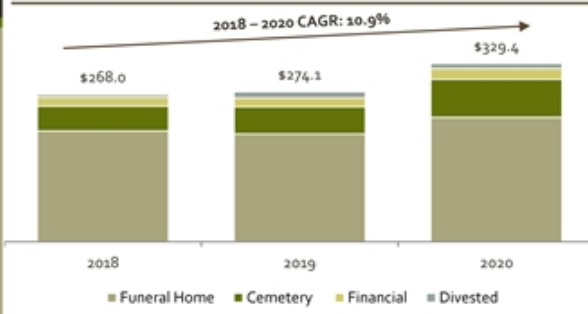


2008 to 2020
Discretionary
Trust Investments
Return CAGR:
13.9%

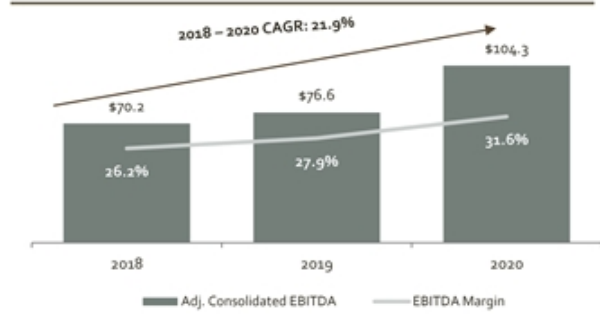


Historical Financial Performance

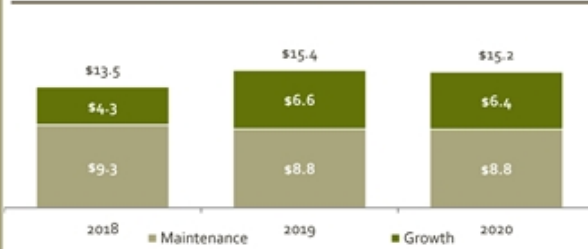
Revenue by Segment



Adj. Consolidated EBITDA and Margin¹



Maintenance vs. Growth Capex



Total Overhead as a Percent of Sales³



Note: Figures shown in millions.
¹ Please refer to appendix.

IV. Appendix

Reconciliation of Non-GAAP Measures: Adjusted Consolidated EBITDA

(\$ in millions)	2018	2019	2020	Q1 2020	Q1 2021	LTM 2021
Net Income (Loss) (GAAP)	11.6	14.5	16.1	(4.2)	12.9	33.2
Plus: Net Tax Expense (Benefit)	6.6	7.9	8.5	(2.2)	5.6	16.3
Plus: Interest Expense	21.1	25.5	32.5	8.4	7.6	31.7
Plus: Depreciation & Amortization	17.4	17.8	19.4	4.6	5.0	19.8
Non-Cash Stock Compensation	6.6	2.1	3.4	0.8	1.3	3.8
Accretion of Discount on Convertible Subordinated Notes	2.2	0.2	0.2	0.1	-	0.2
Net Loss (Gain) on Divestitures	0.3	3.9	6.7	-	(0.3)	6.4
Impairment of Goodwill and Other Intangibles	0.8	1.0	14.7	14.7	-	-
Loss on Early Extinguishment of Debt	0.5	-	-	-	-	-
Other, Net	0.2	(0.7)	(0.1)	-	0.1	-
Consolidated EBITDA	67.3	72.2	101.4	22.2	32.2	111.4
Acquisition Expenses	-	2.1	-	0.1	-	(0.1)
Severance and Separation Costs	1.4	1.2	0.6	0.3	1.6	1.8
Litigation Reserve	1.0	0.8	0.3	0.1	-	0.2
Natural Disaster and Pandemic Costs	0.5	-	1.6	0.1	0.9	2.4
Other Special Items	-	0.3	0.4	-	-	0.4
Adjusted Consolidated EBITDA	70.2	76.6	104.3	22.8	34.7	116.1



Source: Company Filings.
Note: Numbers may not foot due to rounding.

Reconciliation of Non-GAAP Measures: Funeral Field EBITDA and Cemetery Field EBITDA

Funeral Field EBITDA						
(\$ in millions)						
	2018	2019	2020	Q1 2020	Q1 2021	
Funeral Operating Income (GAAP)	\$ 60.0	\$ 58.8	\$ 57.7	\$ 4.3	\$ 25.9	
Funeral Depreciation & Amortization	10.7	11.1	11.6	2.9	2.8	
Regional and unallocated funeral costs	10.5	11.0	14.3	2.3	4.6	
Net loss (gain) on divestitures and impairments charges	0.9	4.8	21.4	14.7	(0.3)	
Less:						
Funeral Financial EBITDA	(7.3)	(7.4)	(8.2)	(2.0)	(2.3)	
Ancillary EBITDA	-	(0.3)	(1.2)	(0.3)	(0.2)	
Funeral Divested/Planned Divested EBITDA	(3.0)	(2.3)	(2.2)	(0.7)	(0.1)	
Funeral Field EBITDA	71.8	75.7	93.4	21.3	30.3	
Cemetery Field EBITDA						
(\$ in millions)						
	2018	2019	2020	Q1 2020	Q1 2021	
Cemetery Operating Income (GAAP)	\$ 14.7	\$ 16.0	\$ 26.8	\$ 4.2	\$ 9.5	
Cemetery Depreciation & Amortization	4.9	5.2	6.4	1.2	1.9	
Regional and unallocated cemetery costs	2.2	2.8	3.7	0.4	1.5	
Net loss (gain) on divestitures and impairments charges	0.3	-	-	-	-	
Less:						
Cemetery Financial EBITDA	(6.8)	(6.8)	(10.2)	(1.8)	(3.0)	
Cemetery Divested/Planned Divested EBITDA	(1.4)	-	(0.1)	-	-	
Cemetery Field EBITDA	13.9	17.2	26.6	4.0	9.8	



Source: Company Filings.
Note: Numbers may not foot due to rounding.

Reconciliation of Non-GAAP Measures: Total Financial EBITDA and Total Field EBITDA

Total Financial EBITDA (\$ in millions)	2018	2019	2020	Q1 2020	Q1 2021
Other revenue (GAAP)	17.1	17.0	24.8	5.5	7.0
Other expenses (GAAP)	1.5	2.0	4.8	1.3	1.4
Other operating income	15.6	15.0	20.0	4.2	5.6
Less:					
Ancillary EBITDA	-	(0.3)	(1.2)	(0.3)	(0.2)
Divested/Planned Divested Financial EBITDA	(1.4)	(0.5)	(0.4)	(0.1)	(0.1)
Total Financial EBITDA	14.2	14.2	18.4	3.8	5.3
Total Field EBITDA (\$ in millions)	2018	2019	2020	Q1 2020	Q1 2021
Operating Income (GAAP)	42.1	47.4	57.2	2.2	26.2
Depreciation & Amortization	17.4	17.8	19.4	4.5	5.0
Regional and unallocated funeral and cemetery costs	12.8	13.8	18.1	2.8	6.1
General, administrative and other	30.8	25.9	25.8	5.9	8.8
Net loss (gain) on divestitures and impairments charges	1.2	4.9	21.4	14.7	(0.3)
Total Field EBITDA	104.3	109.8	141.9	30.1	45.8



Source: Company Filings.
Note: Numbers may not foot due to rounding.

Reconciliation of Non-GAAP Measures: Adjusted Free Cash Flow

(\$ in millions)	2018	2019	2020	Q1 2020	Q1 2021
Net cash provided by operating activities	\$49.0	\$43.2	\$82.9	\$13.5	\$26.8
<i>Plus Special Items:</i>					
Federal tax refund	-	-	(7.0)	-	-
Acquisition and divestiture expenses		2.1	(0.0)	0.1	-
Severance costs	1.4	1.2	0.6	0.3	1.6
Litigation reserve	1.0	0.8	0.3	0.1	-
Natural disaster costs	0.4	-	1.6	0.1	0.9
Other special items	-	0.3	0.4	-	-
Cash used for maintenance capital expenditures	(9.3)	(8.8)	(8.8)	(1.6)	(2.1)
Adjusted Free Cash Flow	\$42.6	\$38.8	\$70.0	\$12.6	\$27.1



Source: Company Filings.
Note: Numbers may not foot due to rounding.

Reconciliation of Non-GAAP Measures: Total Overhead

(\$ in millions)	2018	2019	2020	Q1 2020	Q1 2021
Regional and unallocated funeral and cemetery costs (GAAP)	12.7	13.8	18.1	2.8	6.1
General, administrative and other (GAAP)	30.8	25.9	25.8	5.9	8.8
Total	43.6	39.7	43.9	8.7	14.9

(\$ in millions)	2018	2019	2020	Q1 2020	Q1 2021
Regional Overhead	4.0	4.1	4.1	1.1	1.2
Corporate Overhead	20.3	19.4	20.2	5.2	5.5
Variable Overhead	12.7	14.1	16.2	1.6	6.9
Total Overhead	37.0	37.6	40.5	7.9	13.6
Add:					
Non-cash Stock Compensation	6.6	2.1	3.4	0.8	1.3
Total	43.6	39.7	43.9	8.7	14.9



Source: Company Filings.
Note: Numbers may not foot due to rounding.

Reconciliation of Non-GAAP Measures: Funeral and Cemetery Financial EBITDA

(\$ in millions)	2018	2019	2020
Other revenue (GAAP)	\$17.1	\$17.0	\$24.8
Other expenses (GAAP)	1.5	2.1	4.8
Other operating income	15.6	15.0	20.0
Less:			
Ancillary EBITDA	-	(0.3)	(1.2)
Divested/Planned Divested Financial EBITDA	(1.4)	(0.5)	(0.4)
Cemetery Financial EBITDA	(6.8)	(6.8)	(10.2)
Funeral Financial EBITDA	\$7.4	\$7.4	\$8.2

(\$ in millions)	2018	2019	2020
Other revenue (GAAP)	\$17.1	\$17.0	\$24.8
Other expenses (GAAP)	1.5	2.1	4.8
Other operating income	15.6	15.0	20.0
Less:			
Ancillary EBITDA	-	(0.3)	(1.2)
Divested/Planned Divested Financial EBITDA	(1.4)	(0.5)	(0.4)
Funeral Financial EBITDA	(7.4)	(7.4)	(8.2)
Cemetery Financial EBITDA	\$6.8	\$6.8	\$10.2



Source: Company Filings.
Note: Numbers may not foot due to rounding.

Reconciliation of Non-GAAP Measures: Ancillary EBITDA and Divested/Planned Divested Financial EBITDA

(\$ in millions)	2018	2019	2020
Other revenue (GAAP)	\$17.1	\$17.0	\$24.8
Other expenses (GAAP)	1.5	2.1	4.8
Other operating income	15.6	15.0	20.0
Less:			
Divested/Planned Divested Financial EBITDA	(1.4)	(0.5)	(0.4)
Funeral Financial EBITDA	(7.4)	(7.4)	(8.2)
Cemetery Financial EBITDA	(6.8)	(6.8)	(10.2)
Ancillary EBITDA	\$-	\$0.3	\$1.2

(\$ in millions)	2018	2019	2020
Other revenue (GAAP)	\$17.1	\$17.0	\$24.8
Other expenses (GAAP)	1.5	2.1	4.8
Other operating income	15.6	15.0	20.0
Less:			
Ancillary EBITDA	-	(0.3)	(1.2)
Funeral Financial EBITDA	(7.4)	(7.4)	(8.2)
Cemetery Financial EBITDA	(6.8)	(6.8)	(10.2)
Divested/Planned Divested Financial EBITDA	\$1.4	\$0.5	\$0.4



Source: Company Filings.
Note: Numbers may not foot due to rounding.

Reconciliation of Non-GAAP Measures: Funeral and Cemetery Divested / Planned Divested EBITDA

(\$ in millions)	2018	2019	2020
Funeral Operating Income (GAAP)	\$60.0	\$58.8	\$57.6
Funeral Depreciation & Amortization	10.7	11.1	11.6
Regional and unallocated funeral costs	10.5	11.0	14.3
Net loss (gain) on divestitures and impairments charges	0.8	4.8	21.4
Less:			
Funeral Field EBITDA	(71.8)	(75.7)	(93.4)
Funeral Financial EBITDA	(7.4)	(7.4)	(8.2)
Ancillary EBITDA	-	(0.3)	(1.2)
Funeral Divested/Planned Divested EBITDA	\$3.0	\$2.3	\$2.2
(\$ in millions)	2018	2019	2020
Cemetery Operating Income (GAAP)	\$14.7	\$16.0	\$26.9
Funeral Depreciation & Amortization	4.9	5.2	6.4
Regional and unallocated funeral costs	2.2	2.8	3.7
Net loss (gain) on divestitures and impairments charges	0.3	-	-
Less:			
Cemetery Field EBITDA	(13.9)	(17.2)	(26.6)
Cemetery Financial EBITDA	(6.8)	(6.8)	(10.2)
Cemetery Divested/Planned Divested EBITDA	\$1.4	\$0.0	\$0.1



Source: Company Filings.
Note: Numbers may not foot due to rounding.

Business Segment Overview

	Funeral Home Operations	Cemetery Operations	Financial Earnings Preneed & Trust
Overview	<ul style="list-style-type: none"> 178 funeral homes in 26 states 	<ul style="list-style-type: none"> 32 cemeteries in 12 states 	<ul style="list-style-type: none"> Earnings from insurance contracts & trust fund assets as merchandise and services are provided to customers
Description	<ul style="list-style-type: none"> Complete range of services, including: <ul style="list-style-type: none"> Consultation Removal and preparation of remains Sale of caskets and related funeral merchandise Use of funeral home facilities for visitation and remembrance services Both available on an "atneed" and "preneed" basis High Value Personal Service Business 	<ul style="list-style-type: none"> Product and service offering includes: <ul style="list-style-type: none"> Interment services Right to interment in cemetery sites (primarily grave sites, mausoleum crypts and niches) Related cemetery merchandise (e.g. memorials and vaults) Revenue & EBITDA growth driven by sale of property on a preneed basis 	<ul style="list-style-type: none"> Derived from four components: <ul style="list-style-type: none"> Preneed Funeral Commission Income Preneed Funeral Trust Earnings Preneed Cemetery Trust Earnings Preneed Cemetery Finance Charges
Operating and Financial Metrics	<ul style="list-style-type: none"> Q1 21 Revenue: \$66.8MM EBITDA: \$30.3MM EBITDA Margin: 45% 	<ul style="list-style-type: none"> Q1 21 Revenue: \$21.6MM EBITDA: \$9.8MM EBITDA Margin: 45% 	<ul style="list-style-type: none"> Q1 21 Revenue: \$5.7MM EBITDA: \$5.3MM
FY Dec-2020 Revenue (\$MM) / (%) of Total⁽¹⁾	\$235MM⁽²⁾ / 72%	\$70MM / 22%	\$20MM / 6%



¹ Excludes ancillary revenue.

² Includes divested/planned revenue.

Non-GAAP Financial Measures Index

- Adjusted Consolidated EBITDA is defined as Consolidated EBITDA after adjustments for Special Items that we believe do not directly reflect our core operations and may not be indicative of our normal business operations.
- Adjusted Free Cash Flow is defined as cash flow provided by operating activities, adjusted by Special Items as deemed necessary, less cash for maintenance capital expenditures.
- Cemetery Field EBITDA is defined as cemetery operating income, excluding depreciation and amortization, regional and unallocated costs, gain/loss on divestitures and impairment charges, Financial EBITDA and Divested/Planned Divested EBITDA related to the Cemetery segment.
- Cemetery Field EBITDA Margin is defined as Cemetery Field EBITDA as a percentage of total cemetery operating revenue.
- Cemetery Financial EBITDA is defined as Cemetery Financial Revenue (preneed cemetery trust earnings and preneed cemetery finance charges) less the related expenses. Cemetery Financial Revenue and the related expenses are presented within Other Revenue and Other Expenses, respectively, on the Condensed Consolidated Statement of Operations.
- Consolidated EBITDA is defined as net income before income taxes, interest expenses, non-cash stock compensation, depreciation and amortization, and interest income and other, net.
- Divested/Planned Divested EBITDA is defined as Divested/Planned Divested Revenue, less field level and financial expenses related to the divested/planned divested businesses noted above.
- Divested/Planned Divested Revenue is defined as revenues from certain funeral home and cemetery businesses that we have divested and intend to divest.
- Funeral Field EBITDA is defined as funeral operating income, excluding depreciation and amortization, regional and unallocated costs, gain/loss on divestitures and impairment charges, Financial EBITDA, Ancillary EBITDA and Divested/Planned Divested EBITDA related to the Funeral Home segment.
- Funeral Field EBITDA Margin is defined as Funeral Field EBITDA as a percentage of total funeral operating revenue.
- Funeral Financial EBITDA is defined as Funeral Financial Revenue (preneed funeral insurance commissions and preneed funeral trust and insurance) less the related expenses. Funeral Financial Revenue and the related expenses are presented within Other Revenue and Other Expenses, respectively, on the Condensed Consolidated Statement of Operations.
- Special Items are defined as charges or credits included in our GAAP financial statements that can vary from period to period and are not reflective of costs incurred in the ordinary course of our operations. Special Items are typically taxed at the federal statutory rate of 21.0%, except for the tax adjustment related to certain discrete items and the accretion of discount on Convertible Subordinated Notes, as this is a non-tax deductible item. The net loss (gain) on divestitures and other costs and the net impact of impairment of goodwill and other intangibles are net of the operating tax rate in the respective quarter.
- Total Field EBITDA is the sum of Funeral Field EBITDA, Cemetery Field EBITDA, Total Financial EBITDA, Ancillary EBITDA and Divested/Planned Divested EBITDA.
- Total Field EBITDA Margin is defined as Total Field EBITDA as a percentage of total revenue.

