# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
# Washington, D.C. 20549

# FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 30, 2026**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from _____ to _____**

**Commission File Number: 1-11961**

## CARRIAGE SERVICES, INC.

**(Exact name of registrant as specified in its charter)**

| **Delaware** | **76-0423828** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |

**3040 Post Oak Boulevard, Suite 300**
**Houston, Texas, 77056**
**(Address of principal executive offices)**
**(713) 332-8400**
**(Registrant's telephone number, including area code)**

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 |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Large accelerated filer ☐ Accelerated filer ☒
Non-accelerated filer ☐ Smaller reporting company ☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's Common Stock, $.01 par value per share, outstanding as of November 02, 2026 was 15,877,049.

**CARRIAGE SERVICES, INC.**

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## PART I – FINANCIAL INFORMATION

**Item 1. Financial Statements.**

**CARRIAGE SERVICES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
**(unaudited and in thousands, except per share data)**

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| Revenue: | | | | |
| Service revenue | $ 46,631 | $ 44,204 | $ 143,158 | $ 143,724 |
| Property and merchandise revenue | 46,617 | 48,633 | 139,658 | 140,732 |
| Other revenue | 7,008 | 9,905 | 26,509 | 27,502 |
| Total revenue | 100,256 | 102,742 | 309,325 | 311,958 |
| Field costs and expenses: | | | | |
| Cost of service | 25,034 | 22,851 | 73,378 | 71,215 |
| Cost of merchandise | 33,299 | 31,919 | 97,837 | 96,684 |
| Cemetery property amortization | 2,340 | 2,755 | 7,464 | 6,824 |
| Field depreciation expense | 3,376 | 3,226 | 10,141 | 9,836 |
| Regional and unallocated funeral and cemetery costs | 3,633 | 4,095 | 11,676 | 12,590 |
| Other expenses | 1,323 | 1,653 | 3,894 | 4,789 |
| Total field costs and expenses | 69,005 | 66,499 | 204,390 | 201,938 |
| Gross profit | 31,251 | 36,243 | 104,935 | 110,020 |
| Corporate costs and expenses: | | | | |
| General, administrative, and other | 12,172 | 12,177 | 36,258 | 36,163 |
| Net (gain) loss on divestitures and impairment charges | (320) | 6,559 | 48 | 788 |
| Operating income | 19,399 | 17,507 | 68,629 | 73,069 |
| | | | | |
| Interest expense | 6,737 | 6,946 | 20,304 | 21,278 |
| Loss on extinguishment of debt | 579 | — | 579 | — |
| Other, net | (536) | 852 | (429) | (1,029) |
| Income before income taxes | 12,619 | 9,709 | 48,175 | 52,820 |
| Expense for income taxes | 3,583 | 3,431 | 13,681 | 16,882 |
| (Benefit) expense related to discrete income tax items | 156 | (292) | (150) | (3,297) |
| Total expense for income taxes | 3,739 | 3,139 | 13,531 | 13,585 |
| Net income | $ 8,880 | $ 6,570 | $ 34,644 | $ 39,235 |
| | | | | |
| Basic earnings per common share: | $ 0.56 | $ 0.42 | $ 2.19 | $ 2.51 |
| Diluted earnings per common share: | $ 0.56 | $ 0.41 | $ 2.17 | $ 2.47 |
| | | | | |
| Dividends declared per common share: | $ 0.1125 | $ 0.1125 | $ 0.3375 | $ 0.3375 |
| Weighted average number of common and common equivalent shares outstanding: | | | | |
| Basic | 15,667 | 15,490 | 15,629 | 15,398 |
| Diluted | 15,755 | 15,732 | 15,789 | 15,601 |

The accompanying condensed notes are an integral part of these Condensed Consolidated Financial Statements.

**CARRIAGE SERVICES, INC.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(unaudited and in thousands, except share data)**

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 8,145 | $ 1,688 |
| Accounts receivable, net | 43,399 | 40,647 |
| Inventories | 7,853 | 7,763 |
| Prepaid and other current assets | 13,194 | 5,978 |
| Total current assets | 72,591 | 56,076 |
| Preneed cemetery trust investments | 112,985 | 109,152 |
| Preneed funeral trust investments | 110,451 | 115,416 |
| Preneed cemetery receivables, net | 70,212 | 67,055 |
| Receivables from preneed funeral trusts, net | 16,113 | 16,255 |
| Property, plant, and equipment, net | 286,604 | 286,810 |
| Cemetery property, net | 115,732 | 115,645 |
| Goodwill | 437,054 | 427,897 |
| Intangible and other non-current assets, net | 45,629 | 43,607 |
| Operating lease right-of-use assets | 11,021 | 12,045 |
| Cemetery perpetual care trust investments | 99,094 | 95,625 |
| Non-current assets held for sale | — | 322 |
| Total assets | $ 1,377,486 | $ 1,345,905 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Current portion of debt and lease obligations | $ 4,668 | $ 4,296 |
| Accounts payable | 14,307 | 18,999 |
| Accrued and other liabilities | 31,059 | 33,922 |
| Total current liabilities | 50,034 | 57,217 |
| Long-term debt | 516,204 | 528,335 |
| Obligations under finance leases, net of current portion | 8,832 | 9,339 |
| Obligations under operating leases, net of current portion | 8,907 | 10,538 |
| Deferred preneed cemetery revenue | 78,285 | 76,781 |
| Deferred preneed funeral revenue | 40,576 | 33,663 |
| Deferred tax liability | 58,945 | 55,409 |
| Other long-term liabilities | 5,142 | 1,854 |
| Deferred preneed cemetery receipts held in trust | 112,985 | 109,152 |
| Deferred preneed funeral receipts held in trust | 110,451 | 115,416 |
| Care trusts' corpus | 98,772 | 93,425 |
| Total liabilities | 1,089,133 | 1,091,129 |
| Commitments and contingencies: | | |
| Stockholders' equity: | | |
| Common stock, $0.01 par value; 80,000,000 shares authorized and 27,504,867 and 27,378,870 shares issued, respectively and 15,877,049 and 15,751,052 shares outstanding, respectively | 275 | 274 |
| Additional paid-in capital | 300,539 | 296,267 |
| Retained earnings | 266,292 | 236,988 |
| Treasury stock, at cost; 11,627,818 shares | (278,753) | (278,753) |
| Total stockholders' equity | 288,353 | 254,776 |
| Total liabilities and stockholders' equity | $ 1,377,486 | $ 1,345,905 |

The accompanying condensed notes are an integral part of these Condensed Consolidated Financial Statements.

**CARRIAGE SERVICES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(unaudited and in thousands)**

| | Nine months ended September 30, | |
|---|---|---|
| | **2026** | **2025** |
| Cash flows from operating activities: | | |
| Net income | $ 34,644 | $ 39,235 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 19,342 | 18,077 |
| Provision for credit losses | 3,016 | 2,753 |
| Stock-based compensation expense | 5,681 | 5,857 |
| Deferred income tax expense | 3,536 | 3,308 |
| Amortization of intangibles | 982 | 926 |
| Amortization of debt issuance costs | 389 | 384 |
| Amortization and accretion of debt | 440 | 420 |
| Loss on extinguishment of debt | 579 | — |
| Net loss on divestitures and impairment charges | 48 | 788 |
| Net gain on sale of excess real property | — | (1,047) |
| Changes in operating assets and liabilities that provided (used) cash: | | |
| Accounts and preneed receivables | (8,925) | (18,405) |
| Inventories, prepaid, and other current assets | (7,199) | 203 |
| Intangible and other non-current assets | (3,817) | (2,100) |
| Preneed funeral and cemetery trust investments | (4,608) | (16,796) |
| Accounts payable | (5,017) | (3,477) |
| Accrued and other liabilities | (6,941) | (1,493) |
| Deferred preneed funeral and cemetery revenue | 8,419 | 623 |
| Deferred preneed funeral and cemetery receipts held in trust | 6,628 | 17,312 |
| Net cash provided by operating activities | 47,197 | 46,568 |
| Cash flows from investing activities: | | |
| Acquisitions of businesses | (6,007) | (56,499) |
| Capital expenditures | (15,069) | (12,715) |
| Proceeds from divestitures and sale of other assets | 982 | 37,310 |
| Net cash used in investing activities | (20,094) | (31,904) |
| Cash flows from financing activities: | | |
| Borrowings from the credit facility | 184,879 | 113,800 |
| Payments against the credit facility | (196,829) | (115,900) |
| Payment of debt issuance costs for the credit facility | (1,280) | — |
| Payments on acquisition debt and obligations under finance leases | (607) | (427) |
| Proceeds from the exercise of stock options and employee stock purchase plan contributions | 916 | 1,476 |
| Taxes paid on restricted stock, performance award vestings, and exercise of stock options | (2,383) | (8,276) |
| Dividends paid on common stock | (5,342) | (5,254) |
| Net cash used in financing activities | (20,646) | (14,581) |
| Net increase in cash and cash equivalents | 6,457 | 83 |
| Cash and cash equivalents at beginning of period | 1,688 | 1,165 |
| Cash and cash equivalents at end of period | $ 8,145 | $ 1,248 |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for interest and financing costs | $ 15,217 | $ 15,840 |
| Cash paid for income taxes | 13,419 | 10,820 |

The accompanying condensed notes are an integral part of these Condensed Consolidated Financial Statements.

**CARRIAGE SERVICES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**
**(unaudited and in thousands)**

| | Three months ended September 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Shares Outstanding | Common Stock | Additional Paid-in Capital | Retained Earnings | Treasury Stock | Total |
| **Balance - June 30, 2026** | 15,882 | 275 $ | 298,652 $ | 259,195 $ | (278,753) $ | 279,369 |
| Net income | — | — | — | 8,880 | — | 8,880 |
| Issuance of common stock from employee stock purchase plan | 9 | — | 228 | — | — | 228 |
| Issuance of common stock to directors and board advisor | 3 | — | 117 | — | — | 117 |
| Exercise of stock options | 1 | — | — | — | — | — |
| Restricted common stock, performance awards, and stock options surrendered for taxes paid | (17) | — | — | — | — | — |
| Stock-based compensation expense | — | — | 1,542 | — | — | 1,542 |
| Dividends on common stock ($0.1125 per share) | — | — | — | (1,785) | — | (1,785) |
| Other | — | — | — | 2 | — | 2 |
| **Balance - September 30, 2026** | 15,877 | 275 $ | 300,539 $ | 266,292 $ | (278,753) $ | 288,353 |

| | Three months ended September 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Shares Outstanding | Common Stock | Additional Paid-in Capital | Retained Earnings | Treasury Stock | Total |
| **Balance - June 30, 2025** | 15,701 | 273 $ | 292,217 $ | 221,683 $ | (278,753) $ | 235,420 |
| Net income | — | — | — | 6,570 | — | 6,570 |
| Issuance of common stock from employee stock purchase plan | 7 | — | 229 | — | — | 229 |
| Issuance of common stock to directors and board advisor | 2 | — | 63 | — | — | 63 |
| Exercise of stock options | 53 | 1 | 263 | — | — | 264 |
| Restricted common stock, performance awards, and stock options surrendered for taxes paid | (18) | — | (645) | — | — | (645) |
| Stock-based compensation expense | — | — | 1,949 | — | — | 1,949 |
| Dividends on common stock ($0.1125 per share) | — | — | — | (1,766) | — | (1,766) |
| **Balance - September 30, 2025** | 15,745 | 274 $ | 294,076 $ | 226,487 $ | (278,753) $ | 242,084 |

| | Nine months ended September 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Shares Outstanding | Common Stock | Additional Paid-in Capital | Retained Earnings | Treasury Stock | Total |
| **Balance - December 31, 2025** | 15,751 | 274 $ | 296,267 $ | 236,988 $ | (278,753) $ | 254,776 |
| Net income | — | — | — | 34,644 | — | 34,644 |
| Issuance of common stock from employee stock purchase plan | 27 | — | 913 | — | — | 913 |
| Issuance of common stock to directors and board advisor | 7 | — | 238 | — | — | 238 |
| Issuance of common stock | 1 | — | 59 | — | — | 59 |
| Issuance of restricted common stock | 110 | 1 | (1) | — | — | — |
| Exercise of stock options | 64 | — | 3 | — | — | 3 |
| Restricted common stock, performance awards, and stock options surrendered for taxes paid | (85) | — | (2,387) | — | — | (2,387) |
| Stock-based compensation expense | — | — | 5,443 | — | — | 5,443 |
| Dividends on common stock ($0.3375 per share) | — | — | — | (5,342) | — | (5,342) |
| Other | 1 | — | 4 | 2 | — | 6 |
| **Balance - September 30, 2026** | 15,877 $ | 275 $ | 300,539 $ | 266,292 $ | (278,753) $ | 288,353 |

| | Nine months ended September 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Shares Outstanding | Common Stock | Additional Paid-in Capital | Retained Earnings | Treasury Stock | Total |
| **Balance - December 31, 2024** | 15,254 | 269 $ | 294,528 $ | 192,506 $ | (278,753) $ | 208,550 |
| Net income | — | — | — | 39,235 | — | 39,235 |
| Issuance of common stock from employee stock purchase plan | 27 | — | 891 | — | — | 891 |
| Issuance of common stock to directors and board advisor | 5 | — | 203 | — | — | 203 |
| Issuance of common stock | 271 | 3 | (3) | — | — | — |
| Issuance of restricted common stock | 115 | 1 | (1) | — | — | — |
| Exercise of stock options | 132 | 1 | 584 | — | — | 585 |
| Restricted common stock, performance awards, and stock options surrendered for taxes paid | (71) | — | (8,276) | — | — | (8,276) |
| Stock-based compensation expense | — | — | 5,654 | — | — | 5,654 |
| Dividends on common stock ($0.3375 per share) | — | — | | (5,254) | — | (5,254) |
| Other | 12 | — | 496 | — | — | 496 |
| **Balance - September 30, 2025** | 15,745 | 274 $ | 294,076 $ | 226,487 $ | (278,753) $ | 242,084 |

The accompanying condensed notes are an integral part of these Condensed Consolidated Financial Statements.

## 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*The Company*

Carriage Services, Inc. ("Carriage," the "Company," "we," "us," or "our") is a leading provider of funeral and cemetery services and merchandise in the United States ("U.S."). Our operations are reported in two business segments: Funeral Home Operations, which currently accounts for approximately 66% of our total revenue, and Cemetery Operations, which currently accounts for approximately 34% of our total revenue. At September 30, 2026, we operated 155 funeral homes in 24 states and 28 cemeteries in 9 states.

Our funeral home operations are principally service businesses that generate revenue from sales of burial and cremation services and related merchandise, such as caskets and urns. Funeral services include consultation, the removal and preparation of remains, the sale of caskets and related funeral merchandise, the use of funeral home facilities for visitation and memorial services and transportation services. We provide funeral services and products on both an "atneed" (time of death) and "preneed" (planned prior to death) basis.

Our cemetery operations generate revenue primarily through sales of cemetery interment rights (primarily grave sites, lawn crypts, mausoleum spaces and niches), related cemetery merchandise (such as memorial markers, outer burial containers and monuments) and services (interments, inurnments and installation of cemetery merchandise). We provide cemetery services and products on both an atneed and preneed basis.

*Principles of Consolidation and Interim Condensed Disclosures*

Our unaudited Condensed Consolidated Financial Statements include the Company and its subsidiaries. All intercompany balances and transactions have been eliminated. Our interim Condensed Consolidated Financial Statements are unaudited, but include all adjustments, which consist of normal, recurring accruals, that are necessary for a fair presentation of our financial position and results of operations as of and for the interim periods presented.

There have been no material changes in our accounting policies previously disclosed in Part II, Item 8 "Financial Statements and Supplementary Data" in Note 1 in our Annual Report on Form 10-K for the year ended December 31, 2025. In addition, our unaudited Condensed Consolidated Financial Statements have been prepared in a manner consistent with the accounting principles described in our Annual Report on Form 10-K for the year ended December 31, 2025, unless otherwise disclosed herein, and should be read in conjunction therewith.

Certain reclassifications have been made to prior-period amounts to conform to the current period disclosure presentation with no effect on our consolidated net income, cash flows, or equity.

*Use of Estimates*

The preparation of our Condensed Consolidated Financial Statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, we evaluate our critical estimates and judgments, which include those related to the impairment of goodwill and the fair value measurements used in business combinations. These estimates are considered critical because they may result in fluctuations in our reported results from period to period due to significant judgments, estimates and assumptions about complex and inherently uncertain matters and because the use of different judgments, assumptions or estimates could have a material impact on our financial condition or results of operations. Actual results may differ from these estimates and such estimates may change if the underlying conditions or assumptions change. Historical performance should not be viewed as indicative of future performance because there can be no assurance that the margins, operating income and net earnings, as a percentage of revenue, will be consistent from period to period.

*Cash and Cash Equivalents*

We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

*Inventory*

Inventory consists primarily of caskets, outer burial containers and cemetery monuments and markers and is recorded at the lower of its cost basis or net realizable value. Inventory is relieved using specific identification in fulfillment of performance obligations on our contracts.

*Divestitures*

During the nine months ended September 30, 2026, we sold one funeral home and one real estate property for an aggregate of $1.0 million. We also recorded an impairment of $0.3 million related to the sale of the funeral home. For the nine months ended September 30, 2026, we recorded a loss of $48.0 thousand in *Net (gain) loss on divestitures and impairment charges* on our Condensed Consolidated Statements of Operations.

During the three months ended September 30, 2025, we sold seven funeral homes and one cemetery for an aggregate of $18.0 million. During the nine months ended September 30, 2025, we sold nine funeral homes and four cemeteries for an aggregate of $33.8 million and merged one funeral home with another business we own in an existing market.

*Income Taxes*

Income tax expense was $3.7 million and $3.1 million for the three months ended September 30, 2026 and 2025, respectively, and $13.5 million and $13.6 million for the nine months ended September 30, 2026 and 2025, respectively. Our operating tax rate before discrete items was 28.4% and 35.3% for the three months ended September 30, 2026 and 2025, respectively, and 28.4% and 32.0% for the nine months ended September 30, 2026 and 2025, respectively.

*Subsequent Events*

On October 4, 2026, the Company terminated its Equity Distribution Agreement dated May 6, 2026 (the "Equity Distribution Agreement"), by and between the Company, Oppenheimer & Co. Inc. ("Oppenheimer & Co.") and Raymond James & Associates, Inc. ("Raymond James" and together with Oppenheimer & Co., the "Sales Agents"). As previously reported, pursuant to the terms of the Equity Distribution Agreement, the Company could sell shares of its common stock, par value $0.01 per share ("Common Stock"), having an aggregate offering price of up to $100.0 million in "at-the-market" offerings through or to the Sales Agents (the "ATM Program"). The Company is not subject to any termination penalties related to the termination of the Equity Distribution Agreement. Prior to the termination, the Company had not sold any shares of Common Stock under the ATM Program.

## 2. RECENTLY ISSUED ACCOUNTING STANDARDS

**Accounting Pronouncements Not Yet Adopted**

*Expense Disaggregation*

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures*. Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. The standard provides guidance to expand disclosures related to the disaggregation of income statement expenses. The amendments in this update require, in the notes to the financial statements, disclosure of specified information about certain costs and expenses, which includes purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption. This guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, on a retrospective or prospective basis, with early adoption permitted. We do not expect the adoption to have material impact on our consolidated financial statements; however, it will require additional disclosures regarding the disaggregation of income statement expenses.

*Internal-Use Software*

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software.* Under the new guidance, costs associated with software developed for internal use will now be capitalized when management authorizes a project and when it is probable the project will be completed and used to perform the function intended, rather than when a project reaches the application development stage under existing guidance. The guidance is effective beginning January 1, 2028, with early adoption permitted, and can be applied prospectively, retrospectively, or on a modified retrospective basis. We have not determined the transition method, timing for adoption, or estimated the effect on our consolidated financial statements.

## 3. SEGMENT REPORTING

Our Chief Operating Decision Maker (the "CODM"), who is the Chief Executive Officer, utilizes segment adjusted operating profit for resource allocation across segments, particularly during the annual budgeting and forecasting processes. The CODM examines variances on a monthly basis to make informed decisions regarding capital and personnel distribution among segments. Additionally, the CODM employs segment gross profit for product pricing evaluation and uses segment adjusted operating profit to assess each segment's performance by comparing results and return on assets against expected outcomes. The CODM does not review disaggregated assets by segment; therefore, assets by segment are not provided.

The tables below present revenue, disaggregated by major source for each of our reportable segments, as well as, significant segment expenses, other segment expenses, depreciation and amortization, regional and unallocated funeral and cemetery costs, and gross profit by segment as follows: (in thousands)

| Three months ended September 30, 2026 | Funeral | Cemetery | Total |
|---|---|---|---|
| **Revenue** | | | |
| Services | $ 41,639 | $ 4,992 | $ 46,631 |
| Merchandise | 18,012 | 4,223 | 22,235 |
| Cemetery property | — | 24,382 | 24,382 |
| Other revenue | 5,697 | 1,311 | 7,008 |
| Total revenue | $ 65,348 | $ 34,908 | $ 100,256 |
| | | | |
| **Less:** | | | |
| Salaries, benefits, and commission expenses | $ 18,211 | $ 11,153 | $ 29,364 |
| Cost of merchandise | 4,700 | 2,025 | 6,725 |
| Allocated overhead costs[1] | 3,197 | 1,337 | 4,534 |
| Facilities and grounds expenses | 3,005 | 1,997 | 5,002 |
| General and administrative expenses[2] | 3,117 | 1,064 | 4,181 |
| Other segment expenses[3] | 7,663 | 2,187 | 9,850 |
| Adjusted operating profit [4] | $ 25,455 | $ 15,145 | $ 40,600 |
| | | | |
| Reconciliation of Adjusted operating profit to Gross profit | | | |
| Cemetery property amortization | $ — | $ 2,340 | $ 2,340 |
| Field depreciation expense | 2,850 | 526 | 3,376 |
| Regional and unallocated funeral and cemetery costs | 2,358 | 1,275 | 3,633 |
| **Gross profit** | $ 20,247 | $ 11,004 | $ 31,251 |
| | | | |
| **Corporate costs and expenses:** | | | |
| General and administrative expenses | | | $ 12,172 |
| Net gain on divestitures and impairment charges | | | (320) |
| Operating income | | | $ 19,399 |
| | | | |
| Interest expense | | | $ 6,737 |
| Loss on extinguishment of debt | | | $ 579 |
| Other, net | | | (536) |
| Income before income taxes | | | $ 12,619 |

(1) Allocated overhead costs include: property insurance costs, property tax expenses, and corporate overhead fees allocated to the field, such as information technology, human resources, legal, and finance.

(2) General and administrative expenses include: professional services, travel and meals expenses, computer software expenses, and office supplies.

(3) Other segment expenses primarily include transportation costs, other funeral costs, and non-payroll related promotional costs.

(4) During the first quarter of 2026, the Company changed its measure of segment profit from segment operating income to segment adjusted operating profit. The change reflects how management now evaluates segment performance and allocates resources. The change primarily relates to the exclusion of depreciation, amortization, and certain corporate allocations. Prior-period amounts have been recast for comparability.

| Three months ended September 30, 2025 | Funeral | Cemetery | Total |
|---|---|---|---|
| **Revenue** | | | |
| Services | $ 39,238 | $ 4,966 | $ 44,204 |
| Merchandise | 17,967 | 4,573 | 22,540 |
| Cemetery property | — | 26,093 | 26,093 |
| Other revenue | 5,573 | 4,332 | 9,905 |
| Total revenue | $ 62,778 | $ 39,964 | $ 102,742 |
| | | | |
| **Less:** | | | |
| Salaries, benefits, and commission expenses | $ 16,849 | $ 10,426 | $ 27,275 |
| Cost of merchandise | 4,645 | 2,119 | 6,764 |
| Allocated overhead costs[1] | 3,301 | 1,340 | 4,641 |
| Facilities and grounds expenses | 2,867 | 1,982 | 4,849 |
| General and administrative expenses[2] | 2,517 | 977 | 3,494 |
| Other segment expenses[3] | 7,691 | 1,709 | 9,400 |
| Adjusted operating profit [4] | $ 24,908 | $ 21,411 | $ 46,319 |
| | | | |
| Reconciliation of Adjusted operating profit to Gross profit | | | |
| Cemetery property amortization | $ — | $ 2,755 | $ 2,755 |
| Field depreciation expense | 2,765 | 461 | 3,226 |
| Regional and unallocated funeral and cemetery costs | 2,077 | 2,018 | 4,095 |
| **Gross profit** | $ 20,066 | $ 16,177 | $ 36,243 |
| | | | |
| **Corporate costs and expenses:** | | | |
| General and administrative expenses | | | $ 12,177 |
| Net loss on divestitures and impairment charges | | | 6,559 |
| Operating income | | | $ 17,507 |
| | | | |
| Interest expense | | | $ 6,946 |
| Other, net | | | 852 |
| Income before income taxes | | | $ 9,709 |

(1) Allocated overhead costs include: property insurance costs, property tax expenses, and corporate overhead fees allocated to the field, such as information technology, human resources, legal, and finance.

(2) General and administrative expenses include: professional services, travel and meals expenses, computer software expenses, and office supplies.

(3) Other segment expenses primarily include transportation costs, other funeral costs, and non-payroll related promotional costs.

(4) During the first quarter of 2026, the Company changed its measure of segment profit from segment operating income to segment adjusted operating profit. The change reflects how management now evaluates segment performance and allocates resources. The change primarily relates to the exclusion of depreciation, amortization, and certain corporate allocations. Prior-period amounts have been recast for comparability.

| Nine months ended September 30, 2026 | Funeral | Cemetery | Total |
|---|---|---|---|
| **Revenue** | | | |
| Services | $ 127,545 | $ 15,613 | $ 143,158 |
| Merchandise | 56,437 | 12,821 | 69,258 |
| Cemetery property | — | 70,400 | 70,400 |
| Other revenue | 18,772 | 7,737 | 26,509 |
| Total revenue | $ 202,754 | $ 106,571 | $ 309,325 |
| | | | |
| **Less:** | | | |
| Salaries, benefits, and commission expenses | $ 53,691 | $ 32,508 | $ 86,199 |
| Cost of merchandise | 13,619 | 6,094 | 19,713 |
| Allocated overhead costs[1] | 9,194 | 3,742 | 12,936 |
| Facilities and grounds expenses | 8,850 | 4,812 | 13,662 |
| General and administrative expenses[2] | 9,363 | 3,141 | 12,504 |
| Other segment expenses[3] | 23,804 | 6,291 | 30,095 |
| Adjusted operating profit [4] | $ 84,233 | $ 49,983 | $ 134,216 |
| | | | |
| Reconciliation of Adjusted operating profit to Gross profit | | | |
| Cemetery property amortization | $ — | $ 7,464 | $ 7,464 |
| Field depreciation expense | 8,565 | 1,576 | 10,141 |
| Regional and unallocated funeral and cemetery costs | 6,785 | 4,891 | 11,676 |
| **Gross profit** | $ 68,883 | $ 36,052 | $ 104,935 |
| | | | |
| **Corporate costs and expenses:** | | | |
| General and administrative expenses | | | $ 36,258 |
| Net loss on divestitures and impairment charges | | | 48 |
| Operating income | | | $ 68,629 |
| | | | |
| Interest expense | | | $ 20,304 |
| Loss on extinguishment of debt | | | 579 |
| Other, net | | | (429) |
| Income before income taxes | | | $ 48,175 |

(1) Allocated overhead costs include: property insurance costs, property tax expenses, and corporate overhead fees allocated to the field, such as information technology, human resources, legal, and finance.

(2) General and administrative expenses include: professional services, travel and meals expenses, computer software expenses, and office supplies.

(3) Other segment expenses primarily include transportation costs, other funeral costs, and non-payroll related promotional costs.

(4) During the first quarter of 2026, the Company changed its measure of segment profit from segment operating income to segment adjusted operating profit. The change reflects how management now evaluates segment performance and allocates resources. The change primarily relates to the exclusion of depreciation, amortization, and certain corporate allocations. Prior-period amounts have been recast for comparability.

| Nine months ended September 30, 2025 | Funeral | Cemetery | Total |
|---|---|---|---|
| **Revenue** | | | |
| Services | $ 128,495 | $ 15,229 | $ 143,724 |
| Merchandise | 57,787 | 12,942 | 70,729 |
| Cemetery property | — | 70,003 | 70,003 |
| Other revenue | 16,362 | 11,140 | 27,502 |
| Total revenue | $ 202,644 | $ 109,314 | $ 311,958 |
| | | | |
| **Less:** | | | |
| Salaries, benefits, and commission expenses | $ 51,837 | $ 30,878 | $ 82,715 |
| Cost of merchandise | 16,191 | 6,079 | 22,270 |
| Allocated overhead costs[1] | 9,914 | 4,039 | 13,953 |
| Facilities and grounds expenses | 8,506 | 4,748 | 13,254 |
| General and administrative expenses[2] | 8,242 | 2,828 | 11,070 |
| Other segment expenses[3] | 23,617 | 5,809 | 29,426 |
| Adjusted operating profit [4] | $ 84,337 | $ 54,933 | $ 139,270 |
| | | | |
| Reconciliation of Adjusted operating profit to Gross profit | | | |
| Cemetery property amortization | — | 6,824 | $ 6,824 |
| Field depreciation expense | 8,426 | 1,410 | $ 9,836 |
| Regional and unallocated funeral and cemetery costs | 6,963 | 5,627 | 12,590 |
| **Gross profit** | $ 68,948 | $ 41,072 | $ 110,020 |
| | | | |
| **Corporate costs and expenses:** | | | |
| General and administrative expenses | | | $ 36,163 |
| Net loss on divestitures and impairment charges | | | 788 |
| Operating income | | | $ 73,069 |
| | | | |
| Interest expense | | | $ 21,278 |
| Other, net | | | (1,029) |
| Income before income taxes | | | $ 52,820 |

(1) Allocated overhead costs include: property insurance costs, property tax expenses, and corporate overhead fees allocated to the field, such as information technology, human resources, legal, and finance.

(2) General and administrative expenses include: professional services, travel and meals expenses, computer software expenses, and office supplies.

(3) Other segment expenses primarily include transportation costs, other funeral costs, and non-payroll related promotional costs.

(4) During the first quarter of 2026, the Company changed its measure of segment profit from segment operating income to segment adjusted operating profit. The change reflects how management now evaluates segment performance and allocates resources. The change primarily relates to the exclusion of depreciation, amortization, and certain corporate allocations. Prior-period amounts have been recast for comparability.

## 4. EARNINGS PER SHARE

The following table sets forth the computation of the basic and diluted earnings per share (in thousands, except per share data):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **Numerator for basic and diluted earnings per share:** | | | | |
| Net income | $ 8,880 | $ 6,570 | $ 34,644 | $ 39,235 |
| Less: Earnings allocated to unvested restricted stock | (63) | (107) | (346) | (592) |
| Income attributable to common stockholders | $ 8,817 | $ 6,463 | $ 34,298 | $ 38,643 |
| | | | | |
| **Denominator:** | | | | |
| Denominator for basic earnings per common share – weighted average shares outstanding | 15,667 | 15,490 | 15,629 | 15,398 |
| Effect of dilutive securities: | | | | |
| Stock options | 88 | 242 | 160 | 203 |
| Denominator for diluted earnings per common share – weighted average shares outstanding | 15,755 | 15,732 | 15,789 | 15,601 |
| | | | | |
| Basic earnings per common share: | $ 0.56 | $ 0.42 | $ 2.19 | $ 2.51 |
| Diluted earnings per common share: | $ 0.56 | $ 0.41 | $ 2.17 | $ 2.47 |

Stock options excluded from the computation of diluted earnings per share because the inclusion of such stock options would result in an antidilutive effect are as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Antidilutive stock options | 194 | 222 | 207 | 224 |

## 5. GOODWILL

Many of the former owners and staff of our acquired funeral home and cemetery businesses have provided high quality service to families for generations, which often represents a substantial portion of the value of a business. The excess of the purchase price over the fair value of identifiable net assets of acquired funeral home and cemetery businesses is recorded as goodwill. For our 2026 annual qualitative assessment, we determined that there were no factors indicating that a quantitative goodwill impairment test was required. We concluded that it is more-likely-than-not that the fair value of our reporting units is greater than their carrying value and thus there was no impairment to goodwill.

The following table presents changes in goodwill in the accompanying Condensed Consolidated Balance Sheets (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Goodwill at the beginning of the period | $ 427,897 | $ 414,859 |
| Increase in goodwill related to acquisitions | 9,436 | 37,746 |
| Decrease in goodwill related to divestitures | (279) | (24,708) |
| Goodwill at the end of the period | $ 437,054 | $ 427,897 |

During the nine months ended September 30, 2026, we recognized $9.4 million related to acquisitions completed during 2026 and measurement-period adjustments associated with the finalization of purchase price allocations for acquisitions completed during 2025.

During the nine months ended September 30, 2026, we allocated $0.3 million of goodwill to the sale of one funeral home which was recorded in *Net loss on divestitures and impairment charges* on our Condensed Consolidated Statements of Operations, allocated to our funeral home segment.

During the first quarter of 2026, the Company implemented an executive leadership restructuring that changed the manner in which certain funeral home operations are managed and reviewed. As a result, the Company reassessed its reporting unit structure under ASC 350, Intangibles—Goodwill and Other and determined that certain reporting units within the funeral home segment no longer met the criteria to be considered separate reporting units. Accordingly, the Company combined these reporting units into a single reporting unit. This change did not affect the Company's operating segments under ASC 280, Segment Reporting. In connection with the change in reporting unit structure, the Company performed a qualitative goodwill impairment assessment and concluded that it was not more likely than not that the fair value of the combined reporting unit was less than its carrying amount. Accordingly, no quantitative impairment test was required, and no goodwill impairment charge was recognized.

## 6. RECEIVABLES

***Accounts Receivable***

Our funeral receivables are recorded in *Accounts receivable, net* and primarily consist of amounts due for funeral services already performed.

Atneed cemetery receivables and preneed cemetery receivables with payments expected to be received within one year from the balance sheet date are also recorded in *Accounts receivable, net*. Preneed cemetery receivables with payments expected to be received beyond one year from the balance sheet date are recorded in *Preneed cemetery receivables, net*.

Accounts receivable are comprised of the following (in thousands):

| | September 30, 2026 | | | |
|---|---|---|---|---|
| | Funeral | Cemetery | Corporate | Total |
| Trade and financed receivables | $ 6,022 | $ 33,950 | $ — | $ 39,972 |
| Other receivables | 838 | 3,248 | 1,489 | 5,575 |
| Allowance for credit losses | (236) | (1,912) | — | (2,148) |
| Accounts receivable, net | $ 6,624 | $ 35,286 | $ 1,489 | $ 43,399 |

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | Funeral | Cemetery | Corporate | Total |
| Trade and financed receivables | $ 7,369 | $ 31,267 | $ — | $ 38,636 |
| Other receivables | 1,245 | 2,615 | 1,725 | 5,585 |
| Allowance for credit losses | (363) | (3,211) | — | (3,574) |
| Accounts receivable, net | $ 8,251 | $ 30,671 | $ 1,725 | $ 40,647 |

Other receivables include supplier rebates, commissions due from third-party insurance companies and perpetual care income receivables.

The following table summarizes the activity in our allowance for credit losses by portfolio segment for the nine months ended September 30, 2026 (in thousands):

| | January 1, 2026 | Provision for Credit Losses | Write Offs | Recoveries | September 30, 2026 |
|---|---|---|---|---|---|
| Trade and financed receivables: | | | | | |
| Funeral | $ (363) | $ (419) | $ 1,203 | $ (657) | $ (236) |
| Cemetery | (3,211) | (907) | 2,206 | — | (1,912) |
| Total allowance for credit losses on trade and financed receivables | $ (3,574) | $ (1,326) | $ 3,409 | $ (657) | $ (2,148) |

***Cemetery Receivables***

Our cemetery receivables are comprised of the following (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Interment rights | $ 108,044 | $ 99,741 |
| Merchandise and services | 19,257 | 17,761 |
| Unearned finance charges | 4,815 | 4,805 |
| Cemetery receivables | $ 132,116 | $ 122,307 |

The components of our cemetery receivables are as follows (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Cemetery receivables | $ 132,116 | $ 122,307 |
| Less: unearned finance charges | (4,815) | (4,805) |
| Cemetery receivables, at amortized cost | $ 127,301 | $ 117,502 |
| Less: allowance for contract cancellation and credit losses | (5,538) | (5,812) |
| Less: balances due on undelivered cemetery preneed contracts | (19,513) | (16,579) |
| Less: amounts in accounts receivable | (32,038) | (28,056) |
| Preneed cemetery receivables, net | $ 70,212 | $ 67,055 |

The following table summarizes the activity in our allowance for credit losses for *Preneed cemetery receivables, net* for the nine months ended September 30, 2026 (in thousands):

| | January 1, 2026 | Provision for Credit Losses | Write Offs | September 30, 2026 |
|---|---|---|---|---|
| Total allowance for credit losses on *Preneed cemetery receivables, net* | $ (2,601) | $ (1,690) | $ 665 | $ (3,626) |

The amortized cost basis of our cemetery receivables by year of origination as of September 30, 2026 is as follows (in thousands):

| | 2026 | 2025 | 2024 | 2023 | 2022 | Prior | Total |
|---|---|---|---|---|---|---|---|
| Total cemetery receivables, at amortized cost | $ 43,019 | $ 41,807 | $ 25,569 | $ 9,867 | $ 3,929 | $ 3,110 | $ 127,301 |

The aging of past due cemetery receivables as of September 30, 2026 is as follows (in thousands):

| | 31-60 Past Due | 61-90 Past Due | 91-120 Past Due | >120 Past Due | Total Past Due | Current | Total |
|---|---|---|---|---|---|---|---|
| Recognized revenue | $ 3,298 | $ 1,205 | $ 1,438 | $ 7,287 | $ 13,228 | $ 94,560 | $ 107,788 |
| Deferred revenue | 380 | 315 | 185 | 4,066 | 4,946 | 19,382 | 24,328 |
| Total contracts | $ 3,678 | $ 1,520 | $ 1,623 | $ 11,353 | $ 18,174 | $ 113,942 | $ 132,116 |

**7. FAIR VALUE MEASUREMENTS**

We evaluated our financial assets and liabilities for those that met the criteria of the disclosure requirements and fair value framework. The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate the fair values of those instruments due to the short-term nature of the instruments. The fair values of our receivables on preneed cemetery contracts are impracticable to estimate because of the lack of a trading market and the diverse number of individual contracts with varying terms. Our acquisition debt, Credit Facility, and Senior Notes (as defined in Note 10) are classified within Level 2 of the Fair Value Measurements hierarchy.

At September 30, 2026, the carrying value and fair value of our Credit Facility were $114.8 million. We believe that our Credit Facility bears interest at a rate that approximates prevailing market rates for instruments with similar characteristics and therefore, the carrying value of our Credit Facility approximates fair value. We estimate the fair value of our acquisition debt utilizing an income approach, which uses a present value calculation to discount payments based on current market rates as of the reporting date. At September 30, 2026, the carrying value of our acquisition debt was $6.0 million, which approximated its fair value. The fair value of our Senior Notes was $371.9 million at September 30, 2026, based on the last traded or broker quoted price.

In addition, we have an investment in a limited partnership fund, whose fair value has been estimated using the net asset value ("NAV") per share practical expedient described in ASC 820-10-35-59, *Fair Value Measurement of Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* and therefore, has not been classified in the fair value hierarchy. The investment strategy of this fund is to generate attractive risk-adjusted returns over a multi-year performance period through the construction of a concentrated portfolio of investments possessing certain distinct business attributes that suggest the potential for long-term value creation. The value of the investments in this fund cannot be liquidated at September 30, 2026 because the investments include restrictions that do not allow for liquidation until 2027. As of September 30, 2026, we do not have an unfunded commitment for this investment.

Furthermore, we have nine investments in real estate debt and structured credit (“alternative investments”), whose fair value has been estimated using NAV and therefore, has not been classified in the fair value hierarchy. The investment strategy for these alternative investments is to create capital growth, income generation, and risk-adjusted returns. Capital growth is achieved by identifying high-potential investments that are appreciated over time. Income generation may involve dividends, rental income, or interest from various investments. Risk-adjusted returns focus on balancing potential profits with acceptable levels of risk, often through diversification and careful asset allocation. The real estate debt is approximately 38% of the total alternative investment and can be liquidated with a 40-day notice period and cannot exceed 5% of the total fund’s value. The structured credit is approximately 62% of the total alternative investment and can be liquidated with a 15-day notice period with no restrictions. As of September 30, 2026, we had approximately $22.2 million in unfunded commitments for these investments.

We identified investments in fixed income securities, common stock, and mutual funds presented within the preneed and perpetual care trust investments categories on our Condensed Consolidated Balance Sheets as having met the criteria for fair value measurement. Our receivables from preneed funeral trusts represent assets in trusts, which are controlled and operated by third parties in which we do not have a controlling financial interest (less than 50%) in the trust assets. We account for these receivables at cost.

The following three-level valuation hierarchy based upon the transparency of inputs is utilized in the measurement and valuation of financial assets or liabilities as of the measurement date:

- Level 1—Fair value of securities based on unadjusted quoted prices for identical assets or liabilities in active markets. Our investments classified as Level 1 securities include cash, U.S. treasury debt, common stock and equity mutual funds;
- Level 2—Fair value of securities estimated based on quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted market prices that are observable or that can be corroborated by observable market data by correlation. These inputs include interest rates, yield curves, credit risk, prepayment speeds, rating and tax-exempt status. Our investments classified as Level 2 securities include U.S. agency obligations, foreign debt, corporate debt, preferred stocks, certificates of deposit and fixed income mutual funds and other investments.
- Level 3—Unobservable inputs based upon the reporting entity’s internally developed assumptions, which market participants would use in pricing the asset or liability. As of September 30, 2026 and 2025, we did not have any assets that had fair values determined by Level 3 inputs and no liabilities measured at fair value.

See Notes 8 and 9 to our Condensed Consolidated Financial Statements for the fair value hierarchy levels of our trust investments.

## 8. TRUST INVESTMENTS

Preneed trust investments represent trust fund assets that we are generally permitted to withdraw as the services and merchandise are provided to customers. Preneed funeral and cemetery contracts are secured by payments from customers, less amounts not required by law to be deposited into trust. These earnings are recognized in *Other revenue* on our Condensed Consolidated Statements of Operations, when a service is performed or merchandise is delivered. Trust management fees charged by our wholly owned registered investment advisory firm are included as revenue in the period in which they are earned. Our investments are diversified across multiple industry segments using a balanced allocation strategy to minimize long-term risk. We do not intend to sell and it is likely that we will not be required to sell the securities prior to their anticipated recovery.

Cemetery perpetual care trust investments represent a portion of the proceeds from the sale of cemetery property interment rights that we are required by various state laws to deposit into perpetual care trust funds. The income earned from these perpetual care trusts offsets maintenance expenses for cemetery property and memorials. This trust fund income is recognized in *Other revenue.*

Changes in the fair value of our trust fund assets (*Preneed funeral, cemetery and perpetual care trust investments*) are offset by changes in the fair value of our trust fund liabilities (*Deferred preneed funeral and cemetery receipts held in trust* and *Care trusts' corpus*) and reflected in *Other, net*. There is no impact on earnings until such time the services are performed, or the merchandise is delivered, causing the contract to be withdrawn from the trust in accordance with state regulations and the gain or loss is allocated to the contract.

We rely on our trust investments to provide funding for the various contractual obligations that arise upon maturity of the underlying preneed contracts. Because of the long-term relationship between the establishment of trust investments and the required performance of the underlying contractual obligations, the impact of current market conditions that may exist at any given time is not necessarily indicative of our ability to generate profit on our future performance obligations.

***Preneed Cemetery Trust Investments***

The components of *Preneed cemetery trust investments* on our Condensed Consolidated Balance Sheets are as follows (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Preneed cemetery trust investments, at market value | $ 116,504 | $ 112,531 |
| Less: allowance for contract cancellation | (3,519) | (3,379) |
| Preneed cemetery trust investments | $ 112,985 | $ 109,152 |

The cost and market values associated with preneed cemetery trust investments at September 30, 2026, are detailed below (in thousands):

| | Fair Value Hierarchy Level | Cost | Unrealized Gains | Unrealized Losses | Fair Market Value |
|---|---|---|---|---|---|
| Cash and money market accounts | 1 | $ 14,683 | $ — | $ — | $ 14,683 |
| Common stock | 1 | 11,904 | 2,047 | (1,667) | 12,284 |
| Limited partnership fund | | 3,532 | 285 | — | 3,817 |
| Mutual funds: | | | | | |
| Equity | 1 | 10,280 | 90 | (1,066) | 9,304 |
| Fixed income | 2 | 41,777 | — | (1,468) | 40,309 |
| Alternative investments | | 35,121 | 455 | (144) | 35,432 |
| Trust securities | | $ 117,297 | $ 2,877 | $ (4,345) | $ 115,829 |
| Accrued investment income | | $ 675 | | | $ 675 |
| Preneed cemetery trust investments | | | | | $ 116,504 |
| Market value as a percentage of cost | | | | | 98.7 % |

The cost and market values associated with preneed cemetery trust investments at December 31, 2025 are detailed below (in thousands):

| | Fair Value Hierarchy Level | Cost | Unrealized Gains | Unrealized Losses | Fair Market Value |
|---|---|---|---|---|---|
| Cash and money market accounts | 1 | $ 15,653 | $ — | $ — | $ 15,653 |
| Common stock | 1 | 11,599 | 768 | (1,709) | 10,658 |
| Limited partnership fund | | 3,496 | — | (93) | 3,403 |
| Mutual funds: | | | | | |
| Equity | 1 | 9,483 | — | (279) | 9,204 |
| Fixed income | 2 | 43,013 | 353 | (50) | 43,316 |
| Alternative investments | | 29,380 | 374 | (68) | 29,686 |
| Trust securities | | $ 112,624 | $ 1,495 | $ (2,199) | $ 111,920 |
| Accrued investment income | | $ 611 | | | $ 611 |
| Preneed cemetery trust investments | | | | | $ 112,531 |
| Market value as a percentage of cost | | | | | 99.4 % |

There were no fixed income securities (excluding mutual funds) within our preneed cemetery trust investments in an unrealized loss position at September 30, 2026 and December 31, 2025.

Preneed cemetery trust investment security transactions recorded in *Other, net* on our Condensed Consolidated Statements of Operations are as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Investment income | $ 658 | $ 626 | $ 1,814 | $ 2,043 |
| Realized gains | — | 1,807 | 402 | 10,009 |
| Realized losses | (20) | (656) | (118) | (7,753) |
| Unrealized gains (losses), net | (1,434) | (437) | (1,468) | (468) |
| Expenses and taxes | (693) | (557) | (1,616) | (1,366) |
| Net change in deferred preneed cemetery receipts held in trust | 1,489 | (783) | 986 | (2,465) |
| | $ — | $ — | $ — | $ — |

Purchases and sales of investments in the preneed cemetery trusts are as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Purchases | $ (3,114) | $ (19,372) | $ (15,512) | $ (61,050) |
| Sales | 2,007 | 19,955 | 12,108 | 67,957 |

***Preneed Funeral Trust Investments***

Preneed funeral trust investments represent trust fund assets that we are permitted to withdraw as services and merchandise are provided to customers. Preneed funeral contracts are secured by payments from customers, less retained amounts not required to be deposited into trust.

The components of *Preneed funeral trust investments* on our Condensed Consolidated Balance Sheets are as follows (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Preneed funeral trust investments, at market value | $ 113,890 | $ 118,993 |
| Less: allowance for contract cancellation | (3,439) | (3,577) |
| Preneed funeral trust investments | $ 110,451 | $ 115,416 |

The cost and market values associated with preneed funeral trust investments at September 30, 2026 are detailed below (in thousands):

| | Fair Value Hierarchy Level | Cost | Unrealized Gains | Unrealized Losses | Fair Market Value |
|---|---|---|---|---|---|
| Cash and money market accounts | 1 | $ 19,610 | $ — | $ — | $ 19,610 |
| Fixed income securities: | | | | | |
| U.S agency obligations | 2 | 307 | — | (23) | 284 |
| Common stock | 1 | 11,299 | 1,942 | (1,582) | 11,659 |
| Limited partnership fund | | 3,352 | 271 | — | 3,623 |
| Mutual funds: | | | | | |
| Equity | 1 | 9,235 | 19 | (1,012) | 8,242 |
| Fixed income | 2 | 35,805 | — | (1,251) | 34,554 |
| Other investments | 2 | 1,692 | — | — | 1,692 |
| Alternative investments | | 33,336 | 432 | (136) | 33,632 |
| Trust securities | | $ 114,636 | $ 2,664 | $ (4,004) | $ 113,296 |
| Accrued investment income | | $ 594 | | | $ 594 |
| Preneed funeral trust investments | | | | | $ 113,890 |
| Market value as a percentage of cost | | | | | 98.8 % |

The estimated maturities of the fixed income securities (excluding mutual funds) included above are as follows (in thousands):

| | |
|---|---|
| Due in one year or less | $ 99 |
| Due in one to five years | 90 |
| Due in five to ten years | 95 |
| Thereafter | — |
| Total fixed income securities | $ 284 |

The cost and market values associated with preneed funeral trust investments at December 31, 2025 are detailed below (in thousands):

| | Fair Value Hierarchy Level | Cost | Unrealized Gains | Unrealized Losses | Fair Market Value |
|---|---|---|---|---|---|
| Cash and money market accounts | 1 | $ 20,985 | $ — | $ — | $ 20,985 |
| Fixed income securities: | | | | | |
| U.S agency obligations | 2 | 306 | — | (18) | 288 |
| Common stock | 1 | 11,981 | 793 | (1,765) | 11,009 |
| Limited partnership fund | | 3,611 | — | (97) | 3,514 |
| Mutual funds: | | | | | |
| Equity | 1 | 9,226 | — | (276) | 8,950 |
| Fixed income | 2 | 41,059 | 331 | (48) | 41,342 |
| Other investments | 2 | 1,724 | — | — | 1,724 |
| Alternative investments | | 30,344 | 386 | (70) | 30,660 |
| Trust securities | | $ 119,236 | $ 1,510 | $— $ (2,274) | $ 118,472 |
| Accrued investment income | | $ 521 | | | $ 521 |
| Preneed funeral trust investments | | | | | $ 118,993 |
| Market value as a percentage of cost | | | | | 99.4 % |

The following table summarizes our fixed income securities (excluding mutual funds) within our preneed funeral trust investment in an unrealized loss position at September 30, 2026, aggregated by major security type and length of time in a continuous unrealized loss position (in thousands):

| | September 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | In Loss Position Less than 12 months | | In Loss Position Greater than 12 months | | Total | |
| | Fair market value | Unrealized Losses | Fair market value | Unrealized Losses | Fair market value | Unrealized Losses |
| Fixed income securities: | | | | | | |
| U.S agency obligations | $ — | $ — | $ 284 | $ (23) | $ 284 | $ (23) |
| Total fixed income securities with an unrealized loss | $ — | $ — | $ 284 | $ (23) | $ 284 | $ (23) |

The following table summarizes our fixed income securities (excluding mutual funds) within our preneed funeral trust investment in an unrealized loss position at December 31, 2025, aggregated by major security type and length of time in a continuous unrealized loss position (in thousands):

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | In Loss Position Less than 12 months | | In Loss Position Greater than 12 months | | Total | |
| | Fair market value | Unrealized Losses | Fair market value | Unrealized Losses | Fair market value | Unrealized Losses |
| Fixed income securities: | | | | | | |
| U.S agency obligations | $ — | $ — | $ 288 | $ (18) | $ 288 | $ (18) |
| Total fixed income securities with an unrealized loss | $ — | $ — | $ 288 | $ (18) | $ 288 | $ (18) |

Preneed funeral trust investment security transactions recorded in *Other, net* on our Condensed Consolidated Statements of Operations are as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Investment income | $ 487 | $ 491 | 1,384 | 1,485 |
| Realized gains | — | 1,652 | 406 | 9,100 |
| Realized losses | (19) | (383) | (117) | (6,611) |
| Unrealized gains (losses), net | (1,235) | 2,415 | (1,340) | 2,626 |
| Expenses and taxes | (545) | (347) | (1,250) | (817) |
| Net change in deferred preneed funeral receipts held in trust | 1,312 | (3,827) | 917 | (5,782) |
| | $ — | $ — | $ — | $ — |

Purchases and sales of investments in the preneed funeral trusts are as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Purchases | $ (2,956) | $ (16,839) | (14,363) | (53,294) |
| Sales | 1,905 | 18,013 | 11,839 | 60,470 |

***Cemetery Perpetual Care Trust Investments***

*Care trusts' corpus* on our Condensed Consolidated Balance Sheets represent the corpus of those trusts plus undistributed income. The components of *Care trusts' corpus* are as follows (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Cemetery perpetual care trust investments, at market value | $ 99,094 | $ 95,625 |
| Obligations due to (due from) trust | (322) | (2,200) |
| Care trusts' corpus | $ 98,772 | $ 93,425 |

The following table reflects the cost and market values associated with the trust investments held in perpetual care trust funds at September 30, 2026 (in thousands):

| | Fair Value Hierarchy Level | Cost | Unrealized Gains | Unrealized Losses | Fair Market Value |
|---|---|---|---|---|---|
| Cash and money market accounts | 1 | $ 6,001 | $ — | $ — | $ 6,001 |
| Fixed income securities: | | | | | |
| Common stock | 1 | 10,503 | 1,806 | (1,471) | 10,838 |
| Limited partnership fund | | 3,116 | 252 | — | 3,368 |
| Mutual funds: | | | | | |
| Equity | 1 | 9,485 | 132 | (941) | 8,676 |
| Fixed income | 2 | 39,703 | — | (1,397) | 38,306 |
| Alternative investments | | 30,991 | 401 | (127) | 31,265 |
| Trust securities | | $ 99,799 | $ 2,591 | $ (3,936) | $ 98,454 |
| Accrued investment income | | $ 640 | | | $ 640 |
| Cemetery perpetual care trust investments | | | | | $ 99,094 |
| Market value as a percentage of cost | | | | | 98.7 % |

The following table reflects the cost and market values associated with the trust investments held in perpetual care trust funds at December 31, 2025 (in thousands):

| | Fair Value Hierarchy Level | Cost | Unrealized Gains | Unrealized Losses | Fair Market Value |
|---|---|---|---|---|---|
| Cash and money market accounts | 1 | $ 8,800 | $ — | $ — | $ 8,800 |
| Fixed income securities: | | | | | |
| Corporate debt | 2 | 94 | 2 | — | 96 |
| Common stock | 1 | 10,527 | 1,028 | (1,451) | 10,104 |
| Limited partnership fund | | 2,892 | — | (77) | 2,815 |
| Mutual funds: | | | | | |
| Equity | 1 | 9,271 | 216 | (257) | 9,230 |
| Fixed income | 2 | 39,229 | 319 | (145) | 39,403 |
| Alternative investments | | 24,308 | 310 | (57) | 24,561 |
| Trust securities | | $ 95,121 | $ 1,875 | $ (1,987) | $ 95,009 |
| Accrued investment income | | $ 616 | | | $ 616 |
| Cemetery perpetual care trust investments | | | | | $ 95,625 |
| Market value as a percentage of cost | | | | | 99.9 % |

There were no fixed income securities (excluding mutual funds) within our perpetual care trust investment in an unrealized loss position at September 30, 2026 and December 31, 2025.

Perpetual care trust investment security transactions recorded in *Other, net* on our Condensed Consolidated Statements of Operations are as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Realized gains | $ — | $ 298 | 700 | 1,577 |
| Realized losses | (3) | (533) | $ (176) | $ (1,962) |
| Unrealized gains (losses), net | (1,361) | 325 | (1,345) | 112 |
| Net change in care trusts' corpus | 1,364 | (90) | 821 | 273 |
| | $ — | $ — | $ — | $ — |

Perpetual care trust investment security transactions recorded in *Other revenue* are as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Investment income | $ 2,174 | $ 2,549 | $ 6,002 | $ 7,456 |
| Realized losses | (2,820) | 87 | (3,711) | (1,172) |
| Total | $ (646) | $ 2,636 | $ 2,291 | $ 6,284 |

Purchases and sales of investments in the perpetual care trusts are as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Purchases | $ (2,748) | $ (17,798) | $ (13,980) | $ (56,694) |
| Sales | 1,771 | 18,109 | $ 14,103 | $ 61,040 |

## 9. RECEIVABLES FROM PRENEED FUNERAL TRUSTS

Our receivables from preneed funeral trusts represent assets in trusts which are controlled and operated by third parties in which we do not have a controlling financial interest (less than 50%) in the trust assets. We account for these investments at cost. Receivables from preneed funeral trusts are as follows (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Preneed funeral trust funds, at cost | $ 16,611 | $ 16,758 |
| Less: allowance for contract cancellation | (498) | (503) |
| Receivables from preneed funeral trusts, net | $ 16,113 | $ 16,255 |

The following summary reflects the composition of the assets held in trust and controlled by third parties to satisfy our future obligations related to the underlying preneed funeral contracts at September 30, 2026 and December 31, 2025. The cost basis includes reinvested interest and dividends that have been earned on the trust assets. Fair value includes unrealized gains and losses on trust assets.

The composition of the preneed trust funds at September 30, 2026, is as follows (in thousands):

| | Historical Cost Basis | Fair Value |
|---|---|---|
| Cash and cash equivalents | $ 2,241 | $ 2,241 |
| Fixed income investments | 10,843 | 10,843 |
| Mutual funds and common stocks | 3,523 | 3,292 |
| Annuities | 4 | 4 |
| Total | $ 16,611 | $ 16,380 |

The composition of the preneed trust funds at December 31, 2025, is as follows (in thousands):

| | Historical Cost Basis | Fair Value |
|---|---|---|
| Cash and cash equivalents | $ 2,220 | $ 2,220 |
| Fixed income investments | 11,108 | 11,108 |
| Mutual funds and common stocks | 3,426 | 3,306 |
| Annuities | 4 | 4 |
| Total | $ 16,758 | $ 16,638 |

## 10. LONG-TERM DEBT

Our long-term debt consists of the following (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Senior Notes | $ 397,882 | $ 397,319 |
| Credit Facility | 113,048 | 125,435 |
| Acquisition debt, net of current portion | 5,274 | 5,581 |
| Total Long-term debt | $ 516,204 | $ 528,335 |

***Senior Notes***

The carrying value of our 4.25% senior notes due 2029 (the "Senior Notes") is reflected on our Condensed Consolidated Balance Sheets as follows (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Principal amount | $ 400,000 | $ 400,000 |
| Debt discount, net of accumulated amortization of $2,850 and $2,411, respectively | (1,651) | (2,089) |
| Debt issuance costs, net of accumulated amortization of $810 and $685, respectively | (467) | (592) |
| Carrying value of the Senior Notes | $ 397,882 | $ 397,319 |

At September 30, 2026, the fair value of the Senior Notes, which are Level 2 measurements, was $371.9 million.

The Senior Notes were issued under an indenture, dated as of May 13, 2021 (the "Indenture"), among the Company, the Subsidiary Guarantors and Wilmington Trust, National Association, as trustee. The Senior Notes are unsecured, senior obligations and are fully and unconditionally guaranteed on a senior unsecured basis, jointly and severally by each of the Subsidiary Guarantors. The Senior Notes mature on May 15, 2029, unless earlier redeemed or purchased and bear interest at 4.25% per year, which is payable semi-annually in arrears on May 15 and November 15 of each year, beginning on November 15, 2021.

The Indenture contains restrictive covenants limiting our ability and our Restricted Subsidiaries (as defined in the Indenture) to, among other things, incur additional indebtedness or issue certain preferred shares, create liens on certain assets to secure debt, pay dividends or make other equity distributions, purchase or redeem capital stock, make certain investments, sell assets, agree to certain restrictions on the ability of Restricted Subsidiaries to make payments to us, consolidate, merge, sell or otherwise dispose of all or substantially all assets, or engage in transactions with affiliates. The Indenture also contains customary events of default.

The interest expense and amortization of debt discount and debt issuance costs related to our Senior Notes are as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Senior Notes interest expense | 4,250 | 4,250 | $ 12,750 | $ 12,750 |
| Senior Notes amortization of debt discount | 148 | 142 | 439 | 420 |
| Senior Notes amortization of debt issuance costs | 42 | 40 | 124 | 119 |

The debt discount and the debt issuance costs are being amortized using the effective interest method over the remaining term of approximately 32 months of the Senior Notes. The effective interest rates on the unamortized debt discount and the unamortized debt issuance costs for the Senior Notes for both the three and nine months ended September 30, 2026 and 2025 were 4.46% and 4.42%, respectively.

***Credit Facility***

On September 30, 2026, we entered into a $300.0 million revolving credit facility (the "Credit Facility") with JPMorgan Chase Bank, N.A., as administrative agent, replacing our $250.0 million revolving credit facility (the "Prior Credit Facility") for which Bank of America, N.A., served as administrative agent. At closing, we borrowed $114.7 million under the new facility. The proceeds were used to repay $113.0 million of principal outstanding under the Prior Credit Facility, settle related accrued interest and facility fees, and fund costs of the refinancing. Existing letters of credit under the Prior Credit Facility were continued under the new Credit Facility.

At September 30, 2026, the Credit Facility was comprised of: (i) a $300.0 million revolving credit facility (the "Revolving Credit Facility"), including a $15.0 million subfacility for letters of credit and a $10.0 million swingline, and (ii) an accordion or incremental option allowing for future increases in the facility size by an additional amount of up to $100.0 million in the aggregate in the form of increased revolving commitments, subject to the satisfaction of customary terms and conditions.

Our obligations under the Credit Facility are unconditionally guaranteed on a joint and several basis by the same subsidiaries which guarantee the Senior Notes (as defined in Senior Notes above) and certain of our subsequently acquired or organized domestic subsidiaries (collectively, the "Subsidiary Guarantors"). The obligations under the Credit Facility are secured by a first-priority security interest in substantially all of our personal property assets and of the Subsidiary Guarantors, including a pledge of all equity interests held by the Company or any Subsidiary Guarantor, subject to certain exceptions set forth in the Credit Facility and the related Collateral Documents (as defined in the Credit Facility). The Credit Facility includes provisions that require us and certain subsidiaries, upon the occurrence of an event of default or in the event the Company's actual Total Net Leverage Ratio (as defined in the Credit Facility) for two consecutive fiscal quarters is not at least 0.50 less than the Required Total Leverage Ratio (defined below), to grant additional liens on real property assets accounting for no less than 50% of our and certain subsidiaries' funeral operations.

Borrowings under the Revolving Credit Facility bear interest at a rate per annum equal to, at our option, either (a) the Alternate Base Rate (as defined in the Credit Facility) plus the Applicable Rate (as defined in the Credit Facility) or (b) the Term SOFR Rate (as defined in the Credit Facility) plus the Applicable Rate. The Applicable Rate is determined based on the Company's Total Net Leverage Ratio (as defined in the Credit Facility), in accordance with the following pricing grid:

**Applicable Rate**

| Total Net Leverage Ratio | Alternative Rate | | Term SOFR Rate | |
|---|---|---|---|---|
| Category 1: < 3.0 to 1.0 | 0.25 | % | 1.25 | % |
| Category 2: < 3.5 to 1.0 but > 3.0 to 1.0 | 0.50 | % | 1.50 | % |
| Category 3: < 4.0 to 1.0 but > 3.5 to 1.0 | 0.75 | % | 1.75 | % |
| Category 4: > 4.0 to 1.0 | 1.00 | % | 2.00 | % |

The Credit Facility contains customary affirmative and negative covenants, including covenants limiting our ability and the ability of our subsidiaries to, among other things: incur or permit to exist debt; incur or permit to exist liens; make investments; engage in mergers, consolidations, dissolutions or similar fundamental transactions; dispose of assets; pay dividends and make other restricted payments; change the nature of their business and enter into transactions with affiliates. The Credit Facility also requires us to maintain (i) a maximum Total Net Leverage Ratio not to exceed 5.00 to 1.00 as of the last day of each fiscal quarter; provided that in connection with certain material acquisitions, the Company may elect an Adjusted Covenant Period for a period of four (4) consecutive fiscal quarters, during which time, the Total Net Leverage Ratio may not exceed 5.50 to 1.00 as of the last day of each fiscal quarter (the ratio applicable under this clause (i), the "Required Total Leverage Ratio") and (ii) a minimum Fixed Charge Coverage Ratio (as defined in the Credit Agreement) of at least 1.20 to 1.00 as of the last day of each fiscal quarter.

The Revolving Credit Facility matures on September 30, 2031; provided that the Senior Notes are not refinanced by February 13, 2029 to include a maturity date of December 30, 2031 or later, the Revolving Credit Facility will instead mature on February 14, 2029.

For the three and nine months ended September 30, 2026, we recognized a loss on debt extinguishment of approximately $0.6 million, consisting of the write-off of unamortized deferred financing costs attributable to departing lenders and the reduction in a continuing lender's borrowing capacity, together with costs associated with terminating the previous facility. Approximately $0.4 million of unamortized financing costs attributable to continuing lenders was carried forward based on a lender-by-lender borrowing-capacity assessment. We capitalized approximately $1.3 million of costs associated with the new facility. These costs, together with the retained financing costs, are presented as a deferred financing cost asset and amortized to interest expense over the applicable term of the new facility.

Our Credit Facility and acquisition debt consisted of the following (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Credit Facility | $ 114,750 | $ 126,700 |
| Less: Unamortized debt issuance costs | (1,702) | (1,265) |
| Total Credit Facility | $ 113,048 | $ 125,435 |
| | | |
| Acquisition debt | $ 5,992 | $ 6,188 |
| Less: current portion | (718) | (607) |
| Total acquisition debt, net of current portion | $ 5,274 | $ 5,581 |

At September 30, 2026, we had outstanding borrowings under the Credit Facility of $114.8 million. We also had one letter of credit for $2.2 million under the Credit Facility. The letter of credit will expire on November 25, 2026, and is expected to automatically renew annually and secures our obligations under our various self-insured policies. At September 30, 2026, we had $183.0 million of availability under the Credit Facility.

At September 30, 2026, the alternative rate was equivalent to 1.000% and the SOFR term margin was 2.000%, reflecting the initial Category 4 pricing under the credit agreement. The weighted average interest rate on our Credit Facility was 5.9% and 6.7% for the three months ended September 30, 2026 and 2025, respectively, and 5.9% and 6.8% for the nine months ended September 30, 2026 and 2025, respectively.

We have no material assets or operations independent of the Subsidiary Guarantors, as all of our assets and operations are held and conducted by the Subsidiary Guarantors. Additionally, we do not currently have any significant restrictions on our ability to receive dividends or loans from any Subsidiary Guarantors.

The interest expense and amortization of debt issuance costs related to our Credit Facility are as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Credit Facility interest expense | 1,895 | 2,089 | $ 5,858 | $ 6,690 |
| Credit Facility amortization of debt issuance costs | 88 | 89 | 265 | 265 |

***Acquisition debt***

Acquisition debt consists of deferred purchase price and promissory notes payable to sellers. A majority of the deferred purchase price and notes bear no interest and are discounted at imputed interest rates ranging from 6.5% to 8.5%. Original maturities typically range from nine to twenty years.

The imputed interest expense related to our acquisition debt is as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Acquisition debt imputed interest expense | $ 110 | $ 93 | 372 | 280 |

## 11. BUSINESS COMBINATIONS

During the nine months ended September 30, 2026, we acquired a business consisting of one funeral home for approximately $4.5 million and one ancillary business for approximately $1.5 million. We acquired substantially all of the assets and assumed certain operating liabilities of the businesses.

The following table summarizes the breakdown of the preliminary purchase price allocation for the businesses described above (in thousands):

| | Adjusted Purchase Price Allocation |
|---|---|
| Current assets | $ 72 |
| Property, plant, and equipment | 3,742 |
| Goodwill | 1,646 |
| Intangible and other non-current assets | 547 |
| Purchase price | $ 6,007 |

The purchase accounting is preliminary as we have not finalized our assessment of the fair value because there has been insufficient time between the acquisition date and the issuance of these financial statements to complete our review and the final determination of fair value.

The primary reasons for the acquisition that contributed to the recognition of goodwill include the expansion of our footprint in strategic markets.

The pro forma impact of this acquisition on prior periods is not presented, as the impact is not significant to our reported results. The results of the acquired businesses are reflected in our Condensed Consolidated Statements of Operations from the date of acquisition.

On September 9, 2025, we acquired a business consisting of six funeral homes, one cemetery, and one cremation focused business in the Orlando, FL area for approximately $49.0 million. The purchase price consisted of $47.0 million in cash at closing and $2.0 million of deferred purchase price payments. The net present value of such future deferred purchase price payments was $1.3 million. We acquired substantially all of the assets and assumed certain operating liabilities of these businesses.

On September 17, 2025, we acquired a business consisting of two funeral homes in the Pensacola, FL area for $9.5 million in cash. We acquired substantially all of the assets and assumed certain operating liabilities of this business.

The primary reasons for the acquisitions that contributed to the recognition of goodwill include enhancement of our footprint in strategic markets and the addition of deferred revenue that will enhance our long-term stability.

The pro forma impact of these acquisitions on prior periods is not presented, as the impact is not significant to our reported results. The results of the acquired businesses are reflected in our Condensed Consolidated Statements of Operations from the date of acquisition.

During the nine months ended September 30, 2026, we finalized the purchase price allocations for these acquisitions, including adjustments to goodwill. The following table summarizes the breakdown of the final purchase price allocation for the businesses described above (in thousands):

| | Final Purchase Price Allocation |
|---|---|
| Current assets | $ 3,350 |
| Preneed trust assets | 4,517 |
| Property, plant, and equipment | 23,315 |
| Cemetery property | 2,733 |
| Goodwill | 45,023 |
| Intangible and other non-current assets | 3,708 |
| Preneed trust liabilities | (4,068) |
| Deferred revenue | (20,787) |
| Purchase price | $ 57,792 |

## CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

In addition to historical information, this Quarterly Report on Form 10-Q contains certain statements and information that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical information, should be deemed to be forward-looking statements. Words such as “may”, “will”, “estimate”, “intend”, “believe”, “expect”, “seek”, “project”, “forecast”, “foresee”, “should”, “would”, “could”, “plan”, “anticipate” and other similar words or expressions may be used to identify forward-looking statements; however, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements include, but are not limited to, statements regarding any projections of earnings, revenue, cash flow, investment returns, capital allocation, debt levels, equity performance, death rates, market share growth, cost inflation, overhead, including talent recruitment, field and corporate incentive compensation, preneed sales or other financial items; any statements of management of the plans, strategies, objectives and timing of management related to our capital allocation framework, including our planned uses of free cash flow and future capital allocation, including share repurchases, internal growth projects, potential strategic acquisitions, or debt repayment or refinancing plans; any statements of the plans, strategies, objectives and timing of management for future operations or financing activities, including, but not limited to organizational performance, execution of our strategic objectives and growth strategy, planned acquisitions and divestitures, technology improvements, product development, the ability to obtain credit or financing, the ability to refinance outstanding indebtedness, anticipated integration, performance and other benefits of recently completed and anticipated acquisitions, and cost management and debt reductions; any statements of the plans, timing and objectives of management for acquisition and divestiture activities; any statements regarding future economic and market conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing and are based on our current expectations and beliefs concerning future developments and their potential effect on us. While we believe these assumptions concerning future events are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. All comments concerning our expectations for future revenue and operating results are based on our forecasts for our existing operations and do not include the potential impact of any future acquisitions or divestitures. Our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to:

- our ability to find and retain skilled personnel;
- the effects of our talent recruitment efforts, incentive and compensation plans and programs, including such effects on our Standards Operating Model and the Company’s operational and financial performance;
- our ability to execute our strategic objectives and growth strategy, if at all;
- our ability to meet the timing, objectives, and expectations related to our 2030 Vision, if at all;
- the potential adverse effects on the Company's business, financial and equity performance if management fails to meet the expectations of its strategic objectives and growth plan;
- the execution of our Standards Operating Model and strategic acquisition frameworks;
- the effects of competition;
- changes in the number of deaths in our markets, which are not predictable from market to market or over the short term;
- changes in consumer preferences and our ability to adapt to or meet those changes;
- our ability to generate preneed sales, including implementing our cemetery portfolio sales strategy, product development and optimization plans;
- the investment performance of our funeral and cemetery trust funds;
- fluctuations in interest rates, including, but not limited to, the effects of increased borrowing costs under our Credit Facility and our ability to minimize such costs, if at all;
- the effects of inflation on our operational and financial performance, including the increased overall costs for our goods and services, the impact on customer preferences as a result of changes in discretionary income, and our ability, if at all, to mitigate such effects;
- our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, expansion projects, working capital requirements and the repayment or refinancing of indebtedness;
- our ability to meet the timing, objectives and expectations related to our capital allocation framework, including our forecasted rates of return, planned uses of free cash flow and future capital allocation, including debt repayment plans, internal growth projects, potential strategic acquisitions, share repurchases, or dividend increases;
- our ability to meet the projected financial and performance guidance of our updated full year outlook, if at all;
- the timely and full payment of death benefits related to preneed funeral contracts funded through life insurance contracts;
- the financial condition of third-party insurance companies that fund our preneed funeral contracts;

- increased or unanticipated costs, such as merchandise, goods, insurance or taxes, and our ability to mitigate or minimize such costs, if at all;
- our level of indebtedness and the cash required to service our indebtedness;
- changes in federal income tax laws and regulations and the implementation and interpretation of these laws and regulations by the Internal Revenue Service, including changes and potential impacts, if any, resulting from the recently enacted One Big Beautiful Bill Act;
- effects of the application of other applicable laws and regulations, including changes in such regulations or the interpretation thereof;
- the potential impact of epidemics and pandemics, including any new or emerging public health threats, on customer preferences and on our business;
- government, social, business and other actions that have been and will be taken in response to pandemics and epidemics, including potential responses to any new or emerging public health threats;
- effects and expense of litigation;
- consolidation in the funeral and cemetery industry;
- our ability to identify and consummate strategic acquisitions on commercially reasonable terms and on a timely basis, if at all, and successfully integrate acquired businesses with our existing businesses, including expected performance and financial improvements related thereto;
- our ability to successfully complete any non-core asset divestitures on commercially reasonable terms and on a timely basis, if at all, and the impact of any such divestitures on our Company, including any financial, operational, tax or other similar impacts related thereto;
- the effects of any additional imposition or changes in tariffs or trade agreements including, but not limited to, any potential disruptions in international trade, any increased inflationary pressures on the economy or costs for our goods, and our ability, if at all, to mitigate such effects;
- economic, financial and stock market fluctuations;
- interruptions or security lapses of our information technology, including any cybersecurity or ransomware incidents;
- adverse developments affecting the financial services industry;
- military conflicts, acts of war or terrorists acts and the governmental or military response to such acts or conflicts;
- our failure to maintain effective control over financial reporting; and
- other factors and uncertainties inherent in the funeral and cemetery industry.

For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see (i) Part II, Item 1A “Risk Factors” in this Quarterly Report on Form 10-Q and (ii) Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2025.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

### OVERVIEW

*General*

We operate in two business segments: Funeral Home Operations, which currently accounts for approximately 66% of our total revenue and Cemetery Operations, which currently accounts for approximately 34% of our total revenue. At September 30, 2026, we operated 155 funeral homes in 24 states and 28 cemeteries in 9 states.

Our funeral home operations are principally service businesses that generate revenue from sales of burial and cremation services and related merchandise, such as caskets and urns. Funeral services include consultation, the removal and preparation of remains, the sale of caskets and related funeral merchandise, the use of funeral home facilities for visitation and memorial services and transportation services. We provide funeral services and products on both an "atneed" (time of death) and "preneed" (planned prior to death) basis.

Our cemetery operations generate revenue primarily through sales of cemetery interment rights (primarily grave sites, lawn crypts, mausoleum spaces and niches), related cemetery merchandise (such as memorial markers, outer burial containers and monuments) and services (interments, inurnments and installation of cemetery merchandise). We provide cemetery services and products on both an atneed and preneed basis.

### COMPANY DEVELOPMENTS

*Credit Facility*

On September 30, 2026, we closed on our new $300 million credit facility agreement and increased committed borrowing capacity by $50 million, which represents another important step in strengthening our capital structure and advancing our long-term growth strategy.

*Macroeconomic and Inflationary Factors*

We continue to monitor the macroeconomic, geopolitical, and certain policy factors and their potential impact, if any, on our business. During the nine months ended September 30, 2026, consumer discretionary spending has reflected mixed trends, with higher-income consumers appearing more resilient and moderate-income consumers exhibiting more cautious behavior, which could result in an overall reduction in consumer spending and demand for products and services. These trends continue to be influenced by moderating, but still elevated, inflation, evolving tariff and trade policies, geopolitical developments, and volatility in energy and fuel prices, which may affect both consumer spending and our operating costs. Although certain indicators suggest that inflation has moderated, these factors continue to create uncertainty regarding future cost trends and broader economic conditions. Inflation and other macroeconomic conditions may negatively impact consumer discretionary spending, including the amount consumers are able to spend on our services. To date, these conditions have not materially impacted our business, and our industry has historically demonstrated resilience during similar adverse economic and market environments.

## LIQUIDITY AND CAPITAL RESOURCES

### *Overview*

Our primary sources of liquidity and capital resources are internally generated cash flows from operating activities and availability under our Credit Facility.

We generate cash in our operations primarily from atneed sales and delivery of preneed sales. We also generate cash from earnings on our cemetery perpetual care trusts. Based on our recent operating results, current cash position and anticipated future cash flows, we do not anticipate any significant liquidity constraints in the foreseeable future. We have the ability to draw on our Credit Facility, as needed, subject to its customary terms and conditions. For additional details related to our debt and lease obligations, including our Credit Facility, Acquisition Debt and Senior Notes, refer to Note 10 in our unaudited Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

For 2026, our plan is to remain focused on executing our growth strategy and other strategic objectives. This includes prioritizing our capital allocation framework for capital expenditures, debt repayments, the payment of dividends, potential strategic growth acquisitions, potential share repurchases, and other general corporate purposes as allowed under our Credit Facility. We expect to fund these payments using cash on hand and borrowings under our Credit Facility. On September 30, 2026, we increased the committed borrowing capacity under our Credit Facility by $50 million when we closed on our new $300 million credit facility, which we believe represents another important step in strengthening our capital structure and advancing our long term growth strategy. We believe that our existing and anticipated cash resources, including, as needed, additional borrowings or other financings that we may be able to obtain, will be sufficient to meet our anticipated working capital requirements, capital expenditures, scheduled debt payments, commitments, dividends, potential growth acquisitions, and potential share repurchases for the next 12 months, as well as our long-term financial obligations.

However, if our capital allocations and expenditures or acquisition plans change, we may need to access the capital markets, or seek further borrowing capacity from our lenders to obtain additional funding and we may not be able to obtain such funding on terms and conditions that are acceptable to us. Further, to the extent operating cash flow or access to and cost of financing sources are materially different than expected, our future liquidity may be adversely affected. For additional information regarding known material factors that could cause cash flow or access to and cost of finance sources to differ from our expectations, please read Part II, Item 1A, “Risk Factors”.

### *Cash Flows*

We began 2026 with $1.7 million in cash and ended the quarter with $8.1 million in cash. As of September 30, 2026, we had borrowings of $114.8 million outstanding on our Credit Facility compared to $126.7 million as of December 31, 2025.

The following table sets forth the elements of cash flow (in thousands):

| | Nine months ended September 30, | |
|---|---|---|
| | 2026 | 2025 |
| Cash and cash equivalents at beginning of period | $ 1,688 | $ 1,165 |
| Net cash provided by operating activities | 47,197 | 46,568 |
| Acquisitions of businesses | (6,007) | (56,499) |
| Capital expenditures | (15,069) | (12,715) |
| Proceeds from divestitures and sale of other assets | 982 | 37,310 |
| Net cash used in investing activities | (20,094) | (31,904) |
| Net payments on our credit facility, acquisition debt, and finance lease obligations | (12,557) | (2,527) |
| Payment of debt issuance costs for the credit facility | (1,280) | — |
| Net payments on employee equity plans | (1,467) | (6,800) |
| Dividends paid on common stock | (5,342) | (5,254) |
| Net cash used in financing activities | (20,646) | (14,581) |
| Cash and cash equivalents at end of period | $ 8,145 | $ 1,248 |

*Operating Activities*

For the nine months ended September 30, 2026, cash provided by operating activities was $47.2 million compared to $46.6 million for the nine months ended September 30, 2025. The growth was primarily driven by improvements in working capital.

*Investing Activities*

Our investing activities resulted in net cash outflows of $20.1 million for the nine months ended September 30, 2026, compared to net cash outflows of $31.9 million for the nine months ended September 30, 2025, a decrease of $11.8 million, primarily as a result of the activity described below.

*Acquisition and Divestiture Activity*

During the nine months ended September 30, 2026, we acquired one funeral home for $4.5 million and one ancillary location for $1.5 million.

During the nine months ended September 30, 2026, we sold one funeral home and real property for an aggregate of $1.0 million.

During the nine months ended September 30, 2025, we acquired eight funeral home businesses, one cemetery, and one cremation focused business for the aggregate purchase price of approximately $57.8 million. The purchase price for the businesses consisted of approximately (i) $56.5 million paid in cash at closing and (ii) $1.3 million, the net present value of future deferred payments totaling $2.0 million.

During the nine months ended September 30, 2025, we sold nine funeral homes and four cemeteries for an aggregate of $33.8 million. Additionally, we sold real property for $3.5 million.

*Capital Expenditures*

For the nine months ended September 30, 2026, our capital expenditures (comprised of growth and maintenance spend) totaled $15.1 million compared to $12.7 million for the nine months ended September 30, 2025, an increase of $2.4 million.

The following table presents our capital expenditures (in thousands):

| | Nine months ended September 30, | |
|---|---|---|
| | 2026 | 2025 |
| Growth | $ 8,041 | $ 8,440 |
| Maintenance | 7,028 | 4,275 |
| Total capital expenditures | $ 15,069 | $ 12,715 |

*Financing Activities*

Our financing activities resulted in a net cash outflow of $20.6 million for the nine months ended September 30, 2026, compared to a net cash outflow of $14.6 million for the nine months ended September 30, 2025, an increase of $6.1 million.

During the nine months ended September 30, 2026, we had net payments on our Credit Facility, acquisition debt, and finance leases of $12.6 million, net payments on our employee equity plans of $1.5 million, and paid dividends of $5.3 million. We also had a payment of $1.3 million for debt issuance costs on the Credit Facility that we closed on September 30, 2026.

During the nine months ended September 30, 2025, we had net payments on our Credit Facility, acquisition debt, and finance leases of $2.5 million, net payments on our employee equity plans of $6.8 million, and paid dividends of $5.3 million.

**FINANCIAL HIGHLIGHTS**

Below are our consolidated financial highlights (in thousands except for volumes and averages):

| | Three months ended September 30, | | | |
|---|---|---|---|---|
| | 2026 | 2025 | Inc/(Dec) | % Change |
| Total revenue | $ 100,256 | $ 102,742 | $ (2,486) | (2.4)% |
| Funeral contracts | 10,374 | 10,124 | 250 | 2.5 % |
| Average revenue per funeral contract | $ 5,930 | $ 5,821 | $ 109 | 1.9 % |
| Preneed funeral insurance contracts sold | 3,368 | 3,148 | 220 | 7.0 % |
| Preneed interment rights (property) sold | 3,307 | 3,569 | (262) | (7.3)% |
| Average price per preneed interment right (property) sold | $ 6,363 | $ 6,257 | $ 106 | 1.7 % |
| Preneed sales revenue (M&S and property) | $ 24,026 | $ 25,999 | $ (1,973) | (7.6)% |
| Preneed sales production (M&S and property) | 26,501 | 27,274 | (773) | (2.8)% |
| Gross profit | $ 31,251 | $ 36,243 | $ (4,992) | (13.8)% |
| Net income | $ 8,880 | $ 6,570 | $ 2,310 | 35.2 % |

Revenue for the three months ended September 30, 2026 decreased $2.5 million, compared to the three months ended September 30, 2025, primarily due to a decrease in cemetery revenue. Acquisition revenue more than offset the revenue from prior year divestitures. We experienced a 1.9% increase in the average revenue per funeral contract and a 2.5% increase in funeral contract volume. We experienced a 1.7% increase in the average price per interment right (property) sold offset by a 7.3% decrease in the number of preneed interment rights (property) sold.

Gross profit for the three months ended September 30, 2026 decreased $5.0 million compared to the three months ended September 30, 2025, primarily due to a decline in cemetery revenue and an increase in field costs and expenses.

Net income for the three months ended September 30, 2026 increased $2.3 million, compared to the three months ended September 30, 2025, as the prior was impacted by a $6.6 million loss on divestitures, which was partially offset by a $5.0 million decrease in gross profit contribution from our businesses and a $0.6 million increase in income tax expense.

Below are our consolidated financial highlights (in thousands except for volumes and averages):

| | Nine months ended September 30, | | | |
|---|---|---|---|---|
| | 2026 | 2025 | Inc/(Dec) | % Change |
| Total revenue | $ 309,325 | $ 311,958 | $ (2,633) | (0.8)% |
| Funeral contracts | 31,760 | 32,885 | (1,125) | (3.4)% |
| Average revenue per funeral contract | $ 6,010 | $ 5,824 | $ 186 | 3.2 % |
| Preneed funeral insurance contracts sold | 9,943 | 8,872 | 1,071 | 12.1 % |
| Preneed interment rights (property) sold | 9,914 | 10,821 | (907) | (8.4)% |
| Average price per preneed interment right (property) sold | $ 6,434 | $ 5,863 | $ 571 | 9.7 % |
| Preneed sales revenue (M&S and property) | $ 69,795 | $ 68,977 | $ 818 | 1.2 % |
| Preneed sales production (M&S and property) | 79,879 | 77,950 | 1,929 | 2.5 % |
| Gross profit | $ 104,935 | $ 110,020 | $ (5,085) | (4.6)% |
| Net income | $ 34,644 | $ 39,235 | $ (4,591) | (11.7)% |

Revenue for the nine months ended September 30, 2026 decreased $2.6 million compared to the nine months ended September 30, 2025, primarily due to a decrease in cemetery revenue. Acquisition revenue largely offset revenue from prior year divestitures. We experienced a 3.4% decrease in funeral contract volume which was partially offset by a 3.2% increase in the average revenue per funeral contract. We experienced an 8.4% decrease in the number of preneed interment rights (property) sold partially offset by a 9.7% increase in the average price per interment right sold.

Gross profit for the nine months ended September 30, 2026 decreased $5.1 million, compared to the nine months ended September 30, 2025, primarily due to the decline in revenue described above combined with higher salaries and benefits among other operating costs.

Net income for the nine months ended September 30, 2026 decreased $4.6 million, compared to the nine months ended September 30, 2025, primarily driven by the lower gross profit described above, partially offset by a $1.0 million decrease in interest expense.

Further discussion of revenue and the components of gross profit for our funeral home and cemetery segments is presented under "– Results of Operations."

Further discussion of general, administrative and other expenses, interest expense, income taxes and other components of income and expenses are presented under "– Other Financial Statement Items."

**REPORTING AND NON-GAAP FINANCIAL MEASURES**

We also present our financial performance in our "Condensed Operating and Financial Trend Report" ("Trend Report") as reported in our earnings release for the three months ended September 30, 2026, dated November 5, 2026, and discussed in the corresponding earnings conference call. This Trend Report is used as a supplemental financial statement by management and investors to compare our current financial performance with our previous results and with the performance of other companies. Additionally, management employs segment gross profit for product pricing evaluation and uses segment adjusted operating profit to assess each segment's performance by comparing results. We do not intend for this information to be considered in isolation or as a substitute for other measures of performance prepared in accordance with GAAP. The Trend Report is a non-GAAP statement that also provides insight into underlying trends in our business.

Below is a reconciliation of gross profit (a GAAP financial measure) to adjusted operating profit (a non-GAAP financial measure) (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Gross profit | $ 31,251 | $ 36,243 | $ 104,935 | $ 110,020 |
| Cemetery property amortization | 2,340 | 2,755 | 7,464 | 6,824 |
| Field depreciation expense | 3,376 | 3,226 | 10,141 | 9,836 |
| Regional and unallocated funeral and cemetery costs | 3,633 | 4,095 | 11,676 | 12,590 |
| Adjusted operating profit[(1)] | $ 40,600 | $ 46,319 | $ 134,216 | $ 139,270 |

(1) Adjusted operating profit is defined as gross profit plus cemetery property amortization, field depreciation expense, and regional and unallocated funeral and cemetery costs.

Our operations are reported in two business segments: Funeral Home and Cemetery. Below is a breakdown of adjusted operating profit (a non-GAAP financial measure) by segment (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Funeral Home | 25,455 | 24,908 | $ 84,233 | $ 84,337 |
| Cemetery | 15,145 | 21,411 | 49,983 | 54,933 |
| Adjusted operating profit | 40,600 | 46,319 | $ 134,216 | $ 139,270 |
| Adjusted operating profit margin[(1)] | 40.5% | 45.1% | 43.4% | 44.6% |

(1) Adjusted operating profit margin is defined as adjusted operating profit as a percentage of revenue.

Further discussion of adjusted operating profit for our funeral home and cemetery segments is presented under "Results of Operations."

**RESULTS OF OPERATIONS**

The following is a discussion of our results of operations for the three and nine months ended September 30, 2026 and 2025.

The term “comparable” in the funeral home and cemetery segments refers to all funeral homes and cemeteries that we owned for the entire period beginning January 1, 2025 and ending September 30, 2026.

The term “acquired” refers to the funeral homes and cemeteries acquired as discussed in Note 11 to our unaudited Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The term “divested” refers to the funeral homes and cemeteries sold and/or merged as discussed in Note 1 to our unaudited Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The term “ancillary” in the funeral home segment represents our flower shop, monument business, pet cremation business, and online cremation businesses.

Cemetery property amortization, field depreciation expense, and regional and unallocated funeral and cemetery costs, are not included in adjusted operating profit, a non-GAAP financial measure. Deducting these items from adjusted operating profit results in gross profit, a GAAP financial measure.

***Funeral Home Segment***

The following table sets forth certain information regarding our revenue and adjusted operating profit for our funeral home operations (in thousands):

| | Three months ended September 30, | | | |
|---|---|---|---|---|
| | **2026** | **2025** | **Inc/(Dec)** | **% Change** |
| Revenue: | | | | |
| Comparable | $ 56,833 | $ 54,864 | $ 1,969 | 3.6 % |
| Acquired | 2,820 | 419 | 2,401 | 573.0 % |
| Divested | (2) | 1,922 | (1,924) | (100.1)% |
| Ancillary | 811 | 860 | (49) | (5.7)% |
| Other | 4,886 | 4,713 | 173 | 3.7 % |
| Total | $ 65,348 | $ 62,778 | $ 2,570 | 4.1 % |
| | | | | |
| Adjusted operating profit | | | | |
| Comparable | $ 20,405 | $ 20,223 | $ 182 | 0.9 % |
| Acquired | 576 | 213 | 363 | 170.4 % |
| Divested | (8) | 376 | (384) | (102.1)% |
| Ancillary | 115 | 174 | (59) | (33.9)% |
| Other | 4,367 | 3,922 | 445 | 11.3 % |
| Total | $ 25,455 | $ 24,908 | $ 547 | 2.2 % |
| The following measures reflect significant metrics from comparable operations over the comparative period: | | | | |
| Contract volume | 9,787 | 9,564 | 223 | 2.3 % |
| Average revenue per contract, excluding preneed funeral trust earnings | $ 5,807 | $ 5,737 | $ 70 | 1.2 % |
| Average revenue per contract, including preneed funeral trust earnings | $ 5,982 | $ 5,915 | $ 67 | 1.1 % |
| Cremation rate | 61.5% | 60.9% | 0.6% | 1.0% |

Funeral home comparable revenue increased $2.0 million for the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The increase in comparable revenue is primarily driven by a 2.3% increase in comparable contract volume combined with a 1.2% increase in the average revenue per contract excluding preneed funeral trust earnings. Average revenue per contract, including trust earnings, also increased by 1.1%, as trust earnings were relatively flat.

Funeral home comparable adjusted operating profit for the three months ended September 30, 2026 increased $0.2 million when compared to the same period in 2025. The increase was primarily driven by the higher comparable revenue described above, partially offset by higher operating expenses. The increase in operating expenses was primarily attributable to higher salaries and benefits, general and administrative expenses, and promotional expenses. As operating expenses grew at a higher rate than during the comparative period, comparable adjusted operating profit margin declined 100 basis points to 35.9%.

Ancillary revenue and ancillary adjusted operating profit each decreased approximately $0.1 million for the three months ended September 30, 2026, compared to the three months ended September 30, 2025, primarily due to lower activity in our online cremation businesses.

Other revenue and other adjusted operating profit, which consists of preneed funeral insurance commissions and earnings from delivered preneed funeral trust and insurance contracts, increased $0.2 million and $0.4 million each, for the three months ended September 30, 2026, compared to the same period in 2025. The increase in other adjusted operating profit was primarily due to lower consulting costs.

The following table sets forth certain information regarding our revenue and adjusted operating profit for our funeral home operations (in thousands):

| | Nine months ended September 30, | | | |
|---|---|---|---|---|
| | 2026 | 2025 | Inc/(Dec) | % Change |
| Revenue: | | | | |
| Comparable | $ 175,699 | $ 177,843 | $ (2,144) | (1.2)% |
| Acquired | 8,188 | 419 | 7,769 | 1854.2 % |
| Divested | 95 | 8,020 | (7,925) | (98.8)% |
| Ancillary | 2,500 | 2,794 | (294) | (10.5)% |
| Other | 16,272 | 13,568 | 2,704 | 19.9 % |
| Total | $ 202,754 | $ 202,644 | $ 110 | 0.1 % |
| | | | | |
| Adjusted operating profit | | | | |
| Comparable | $ 66,863 | $ 70,482 | $ (3,619) | (5.1)% |
| Acquired | 2,133 | 213 | 1,920 | 901.4 % |
| Divested | 64 | 1,820 | (1,756) | (96.5)% |
| Ancillary | 437 | 394 | 43 | 10.9 % |
| Other | 14,736 | 11,428 | 3,308 | 28.9 % |
| Total | $ 84,233 | $ 84,337 | $ (104) | (0.1)% |
| | | | | |
| The following measures reflect significant operating metrics over the comparative period: | | | | |
| | | | | |
| Contract volume | 30,076 | 30,847 | (771) | (2.5)% |
| Average revenue per contract, excluding preneed funeral trust earnings | $ 5,842 | $ 5,765 | $ 77 | 1.3 % |
| Average revenue per contract, including preneed funeral trust earnings | $ 6,057 | $ 5,933 | $ 124 | 2.1 % |
| Cremation rate | 60.9% | 60.7% | 0.2% | 0.3 % |

Funeral home comparable revenue decreased $2.1 million for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The decrease in comparable revenue was primarily driven by a 2.5% decrease in comparable contract volume, partially offset by a 1.3% increase in the average revenue per contract, excluding preneed funeral trust earnings. The decrease in comparable contract volume primarily reflects lower death rates across the United States from a milder flu season compared to the same period in 2025.

Funeral home comparable adjusted operating profit for the nine months ended September 30, 2026, decreased $3.6 million when compared to the same period in 2025. The decrease was primarily driven by the decrease in comparable revenue described above and higher operating expenses, resulting in a 150 basis points decline in comparable adjusted operating profit margin to 38.1%. The increase in operating expenses primarily reflects higher salaries and benefits, general and administrative expenses, promotional expenses, and facilities and grounds expenses.

Ancillary revenue decreased $0.3 million, while ancillary adjusted operating profit was flat for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The decline in ancillary revenue was primarily due to lower activity in our online cremation businesses, which was offset by lower operating expenses.

Other revenue and other adjusted operating profit, which consists of preneed funeral insurance commissions and earnings from delivered preneed funeral trust and insurance contracts, increased $2.7 million and $3.3 million, respectively, for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. This increase in other revenue was primarily driven by higher funeral trust earnings and growth in commission income earned on the sale of preneed insurance policies. The increase in other adjusted operating profit was primarily driven by the increase in other revenue combined with lower costs.

***Cemetery Segment***

The following table sets forth certain information regarding our revenue and adjusted operating profit for our cemetery operations (in thousands):

| | Three months ended September 30, | | | |
|---|---|---|---|---|
| | **2026** | **2025** | **Inc/(Dec)** | **% Change** |
| Revenue: | | | | |
| Comparable | $ 32,537 | $ 35,300 | $ (2,763) | (7.8)% |
| Acquired | 1,059 | 286 | 773 | 270.3 % |
| Divested | 1 | 46 | (45) | (97.8)% |
| Other | 1,311 | 4,332 | (3,021) | (69.7)% |
| Total | $ 34,908 | $ 39,964 | $ (5,056) | (12.7)% |
| | | | | |
| Adjusted operating profit | | | | |
| Comparable | $ 13,600 | $ 17,052 | $ (3,452) | (20.2)% |
| Acquired | 341 | 189 | 152 | 80.4 % |
| Divested | 1 | 14 | (13) | (92.9)% |
| Other | 1,203 | 4,156 | (2,953) | (71.1)% |
| Total | $ 15,145 | $ 21,411 | $ (6,266) | (29.3)% |
| The following measures reflect the significant comparable metrics over this comparative period: | | | | |
| Preneed revenue as a percentage of operating revenue | 72.5% | 73.0% | (0.5)% | (0.7)% |
| Preneed revenue (in thousands) | $ 23,579 | $ 25,785 | $ (2,206) | (8.6)% |
| Atneed revenue (in thousands) | $ 8,956 | $ 9,516 | $ (560) | (5.9)% |
| Number of preneed interment rights sold | 3,166 | 3,509 | (343) | (9.8)% |
| Average price per interment right sold | $ 6,495 | $ 6,305 | $ 190 | 3.0% |

Cemetery comparable revenue decreased $2.8 million for the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The decrease in comparable revenue was primarily driven by a $2.2 million decrease in comparable preneed revenue, reflecting a 9.8% decrease in the number of preneed interment rights (property) sold, somewhat offset by a 3.0% increase in the average price per interment right sold. Cemetery comparable atneed revenue, which represents approximately 27.5% of our total operating revenue, decreased $0.6 million for the three months ended September 30, 2026, compared to the same period in 2025, primarily due to a 9.3% decrease in recognized atneed merchandise and service revenue, combined with a 4.3% decrease in recognized atneed property revenue.

Cemetery comparable adjusted operating profit decreased $3.5 million for the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The decrease was primarily driven by a decline in comparable revenue described above and higher operating expenses, resulting in a 650 basis point decline in comparable adjusted operating profit margin to 41.8%. The increase in operating expenses primarily relates to higher salaries and benefits, promotional expenses, and bad debt expense.

*Other revenue* and other adjusted operating profit, which consist of perpetual care trust earnings, earnings from delivered preneed cemetery merchandise and services, and preneed cemetery finance charges, decreased $3.0 million for the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The decrease was primarily attributable to higher trust tax expense on perpetual care trust funds which were recorded upon completion of the prior year's trust tax returns, compared to a tax benefit recorded in the same period in 2025.

The following table sets forth certain information regarding our revenue and adjusted operating profit for our cemetery operations (in thousands):

| | Nine months ended September 30, | | | |
|---|---|---|---|---|
| | 2026 | 2025 | Inc/(Dec) | % Change |
| Revenue: | | | | |
| Comparable | $ 95,278 | $ 96,504 | $ (1,226) | (1.3)% |
| Acquired | 3,556 | 286 | 3,270 | 1143.4 % |
| Divested | — | 1,384 | (1,384) | (100.0)% |
| Other | 7,737 | 11,140 | (3,403) | (30.5)% |
| Total | $ 106,571 | $ 109,314 | $ (2,743) | (2.5)% |
| | | | | |
| Adjusted operating profit (loss) | | | | |
| Comparable | $ 41,198 | $ 43,419 | $ (2,221) | (5.1)% |
| Acquired | 1,346 | 189 | 1,157 | 612.2 % |
| Divested | (3) | 434 | (437) | (100.7)% |
| Other | 7,442 | 10,891 | (3,449) | (31.7)% |
| Total | $ 49,983 | $ 54,933 | $ (4,950) | (9.0)% |
| The following measures reflect the significant operating metrics over this comparative period: | | | | |
| Preneed revenue as a percentage of operating revenue | 71.3% | 70.6% | 0.7% | 1.0 % |
| Preneed revenue (in thousands) | $ 67,973 | $ 68,150 | $ (177) | (0.3)% |
| Atneed revenue (in thousands) | $ 27,304 | $ 28,354 | $ (1,050) | (3.7)% |
| Number of preneed interment rights sold | 9,353 | 10,597 | (1,244) | (11.7)% |
| Average price per interment right sold | $ 6,610 | $ 5,916 | $ 694 | 11.7 % |

Cemetery comparable revenue decreased $1.2 million for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The decrease in comparable revenue was primarily driven by a $1.1 million decrease in comparable atneed revenue. Comparable preneed revenue decreased $0.2 million, as an 11.7% decrease in the number of preneed interment rights (property) sold was largely offset by an 11.7% increase in the average price per preneed interment rights sold and higher recognized preneed merchandise and service revenue. Cemetery comparable atneed revenue, which represents approximately 28.7% of our comparable operating revenue, decreased $1.1 million for the nine months ended September 30, 2026, compared to the same period of the prior year, primarily due to a 6.8% decline in atneed contract volume, partially offset by a 3.3% increase in average revenue per atneed contract.

Cemetery comparable adjusted operating profit decreased $2.2 million for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The decrease was primarily driven by a decline in comparable revenue described above and higher operating expenses, resulting in a 180 basis points decline in comparable adjusted operating profit margin to 43.2%. The increase in operating expenses primarily reflects higher salaries and benefits and bad debt expense, partially offset by lower atneed merchandise and service costs, commissions, and insurance expense.

*Other revenue* and other adjusted operating profit, which consist of preneed cemetery trust revenue and preneed cemetery finance charges, decreased $3.4 million, respectively, for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The decline is primarily attributable to higher trust tax expense on perpetual care trust funds which were recorded upon completion of the prior year's trust tax returns, compared to a tax benefit recorded in the same period in 2025.

*Cemetery property amortization.* Cemetery property amortization totaled $2.3 million and $7.5 million for the three and nine months ended September 30, 2026, respectively, a decrease of $0.4 million and an increase of $0.6 million, respectively, compared to the three and nine months ended September 30, 2025. The increase was primarily driven by a higher mix of mausoleum property sales in the first half of 2026, which carry significantly higher associated property costs than traditional cemetery property sales.

*Field depreciation.* Depreciation expense for our field businesses totaled $3.4 million and $10.1 million for the three and nine months ended September 30, 2026, respectively. We experienced an increase of $0.2 million and $0.3 million compared to the three and nine months ended September 30, 2025, respectively.

*Regional and unallocated funeral and cemetery costs.* Regional and unallocated funeral and cemetery costs consist of salaries and benefits for regional management, field incentive compensation, and other related costs for field infrastructure. Regional and unallocated funeral and cemetery costs totaled $3.6 million and $4.1 million, respectively, for the three months ended September 30, 2026, compared to the three months ended September 30, 2025. We experienced a decrease of $0.5 million, primarily driven by a decrease in incentive compensation costs. For the nine months ended September 30, 2026, Regional and unallocated funeral and cemetery costs were $11.7 million and $12.6 million, respectively, compared to the nine months ended September 30, 2025. We experienced a decrease of $0.9 million, primarily driven by a decrease in leadership and development expenses offset by increases in salaries and benefits and transportation costs.

***Other Financial Statement Items***

*General, administrative, and other.* General, administrative, and other expenses, which include salaries and benefits and cash and equity incentive compensation for our Houston support office, totaled $12.2 million for the three months ended September 30, 2026, flat compared to the same period in 2025, primarily driven by lower incentive compensation coupled with an increased focus on cost management across all aspects of our business. For the nine months ended September 30, 2026, general, administrative, and other expenses totaled $36.3 million, an increase of $0.1 million compared to the nine months ended September 30, 2025.

*Net (gain) loss on divestitures and impairment charges.* The components of *Net (gain) loss on divestitures and impairment charges* are as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Impairment of goodwill, intangibles, and PPE | $ — | $ 1,644 | $ 336 | $ 1,761 |
| Net (gain) loss on divestitures | (310) | 4,962 | (263) | (976) |
| Net (gain) loss on disposals of fixed assets | (10) | (47) | (25) | 3 |
| Total | $ (320) | $ 6,559 | $ 48 | $ 788 |

During the three months ended September 30, 2026, we sold excess land for a gain of $0.3 million. We also recognized an impairment of $0.3 million during the nine months ended September 30, 2026.

During the nine months ended September 30, 2025, we sold nine funeral homes and four cemeteries for a gain of $1.0 million. We also recognized an impairment of $1.8 million on assets held for sale during the nine months ended September 30, 2025.

*Interest expense*. Interest expense related to its respective debt arrangement is as follows (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Senior Notes | $ 4,440 | $ 4,432 | $ 13,314 | $ 13,289 |
| Credit Facility | 1,983 | 2,178 | 6,123 | 6,955 |
| Finance leases | 198 | 243 | 487 | 746 |
| Acquisition debt | 110 | 93 | 372 | 280 |
| Other | 6 | — | 8 | 8 |
| Total | $ 6,737 | $ 6,946 | $ 20,304 | $ 21,278 |

*Other, net.* During the nine months ended September 30, 2025, we recorded a $1.1 million gain on the sale of other real property not used in business operations.

*Income taxes.* Income tax expense including discrete items totaled $3.7 million for the three months ended September 30, 2026, an increase of $0.6 million compared to the three months ended September 30, 2025. Our effective tax rate was 29.6% and 32.3% for the three months ended September 30, 2026 and 2025 respectively.

Income tax expense including discrete items totaled $13.5 million for the nine months ended September 30, 2026, a decrease of $0.1 million compared to the nine months ended September 30, 2025. Our effective tax rate was 28.1% and 25.7% for the nine months ended September 30, 2026 and 2025, respectively, primarily related to a decrease in excess tax benefits recognized on the settlement of employee share-based awards and non-deductible officer compensation.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of our Condensed Consolidated Financial Statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Understanding our accounting policies and the extent to which our management uses judgment, assumptions and estimates in applying these policies is integral to understanding our Condensed Consolidated Financial Statements. Our critical accounting policies are more fully described in Part II, Item 8 “Financial Statements and Supplementary Data” in Note 1 in our Annual Report on Form 10-K for the year ended December 31, 2025.

We have identified Business Combinations and Goodwill as those accounting policies that require significant judgments, assumptions and estimates and that have a significant impact on our financial condition and results of operations. These policies are considered critical because they may result in fluctuations in our reported results from period to period due to the significant judgments, estimates and assumptions about complex and inherently uncertain matters and because the use of different judgments, assumptions or estimates could have a material impact on our financial condition or results of operations. Actual results may differ from these estimates and such estimates may change if the underlying conditions or assumptions change. Historical performance should not be viewed as indicative of future performance because there can be no assurance the margins, operating income and net earnings, as a percentage of revenue, will be consistent from period to period. We evaluate our critical accounting estimates and judgments required by our policies on an ongoing basis and update them as appropriate based on changing conditions.

## Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

For quantitative and qualitative disclosures about market risk, see Part II, Item 7(a), “Quantitative and Qualitative Disclosures About Market Risk,” in our 2025 Annual Report on Form 10-K. Our exposure to market risk has not changed materially since December 31, 2025.

## Item 4. CONTROLS AND PROCEDURES.

### *Management’s Evaluation of Disclosure Controls and Procedures*

Our management, including our principal executive and principal financial officers, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Our disclosure controls and procedures are designed to ensure that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and to ensure that such information is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures are effective at September 30, 2026 and that the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial condition, results of operations, and cash flows for the periods presented in conformity with US GAAP.

### *Changes in Internal Control over Financial Reporting*

There was no change in our system of internal control over financial reporting (defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) during the fiscal quarter covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings.

We and our subsidiaries are parties to a number of legal proceedings that arise from time to time in the ordinary course of our business. While the outcome of these proceedings cannot be predicted with certainty, we do not expect these matters to have a material adverse effect on our financial statements.

We self-insure against certain risks and carry insurance with coverage and coverage limits for risk in excess of the coverage amounts consistent with our assessment of risks in our business and of an acceptable level of financial exposure. Although there can be no assurance that self-insurance reserves and insurance will be sufficient to mitigate all damages, claims, or contingencies, we believe that the reserves and our insurance provides reasonable coverage for known asserted and unasserted claims. In the event we sustain a loss from a claim and the insurance carrier disputes coverage or coverage limits, we may record a charge in a different period than the recovery, if any, from the insurance carrier.

*Denning v. Carriage Services, Inc., et al*., Superior Court of California, Ventura County, Case No. 2024 CU OE 028098. On July 29, 2024, a wage and hour class action was filed against the Company and several of its subsidiaries. Plaintiff, a former employee, seeks monetary damages on behalf of herself and other similarly situated current and former non-exempt employees as the putative class for the alleged failure to pay legally mandated compensation and reimbursement expenses. As of September 30, 2026, we are unable to reasonably estimate the possible loss or ranges of loss, if any. The prospective class has not been certified by a court of competent jurisdiction and the Company intends to vigorously defend itself in all respects.

*Frost v. Rolling Hills Memorial Park*, Superior Court of California, Contra Costa County, Case No. C24-02653. On October 4, 2024, a consumer class action was filed against the Company's subsidiary, Rolling Hills Memorial Park. Plaintiff, an owner of an interment right and purchaser of merchandise and services from Rolling Hills Memorial Park, seeks monetary damages on behalf of herself and other similarly situated current and former consumers and owners of interment rights as the putative class for the alleged failure to properly set cemetery merchandise and maintain the perpetual care cemetery. As of September 30, 2026, we are unable to reasonably estimate the possible loss or ranges of loss, if any. The prospective class has not been certified by a court of competent jurisdiction and the Company intends to vigorously defend itself in all respects.

### Item 1A. Risk Factors.

We are supplementing the risk factors set out under Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, with the updated risk factor set out below. Readers should carefully consider the risk factors discussed in Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K for the year ended December 31, 2025, are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

**Stockholders may experience future dilution as a result of future equity offerings and issuances.**

In the future, we may offer additional shares of our common stock or other securities convertible into or exchangeable for our common stock, including under our ATM Program, and our then-existing stockholders may experience dilution as a result. The price per share at which we sell additional shares of our common stock, or securities convertible or exchangeable into common stock, in future transactions may be higher or lower than the price per share paid by our then current stockholders. Investors purchasing shares or other securities in the future could also have rights superior to existing stockholders.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**.

The following table sets forth certain information with respect to repurchases of our common stock during the quarter ended September 30, 2026.

| Period | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Program | Dollar Value of Shares That May Yet Be Purchased Under the Program [1] |
|---|---|---|---|---|
| July 1, 2026 - July 31, 2026 | — | — | — | $ 48,898,769 |
| August 1, 2026 - August 31, 2026 | — | — | — | $ 48,898,769 |
| September 1, 2026 - September 30, 2026 | — | — | — | $ 48,898,769 |
| Total for quarter ended September 30, 2026 | — | | — | |

[1] We did not repurchase any shares under our share repurchase program during the three months ended September 30, 2026. At September 30, 2026, our share repurchase program had approximately $48.9 million authorized for repurchases.

**Item 3. Defaults Upon Senior Securities**.

Not applicable.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

**Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements**

During the fiscal quarter ended September 30, 2026, no director or officer (as determined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) of the Company adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements as such term is defined in Item 408(a) of Regulation S-K.

**Updated and Revised Executive Employment Agreements for Carriage's Named Executive Officers**

On November 4, 2026, the Compensation Committee (the "Compensation Committee") of the Board of the Company approved the entry into revised employment arrangements with Carriage's officers, including its named executive officers, Carlos R. Quezada, Chief Executive Officer (the "Quezada Agreement"), Steven D. Metzger, President & Chief Operating Officer (the "Metzger Agreement"), John Enwright, Senior Vice President, Chief Financial Officer and Treasurer (the "Enwright Agreement"), and Kathyrn Shanley, Chief Accounting Officer (the "Shanley Agreement"), which will each be effective on January 1, 2027 (collectively, the "Employment Agreements"). Each of the Employment Agreements replaces the existing corresponding employment agreement for each of these officers, which will expire on December 31, 2026.

These revised Employment Agreements were adopted to: (i) update the term of the respective current employment agreements; (ii) with respect to Messrs. Quezada's and Metzger's Agreement, extend their employment with the Company to a total of three (3) more years, until December 31, 2029; (iii) to create appropriate incentives for key executives responsible for implementing Carriage's long-term strategic plans, as described below; (iv) to retain key executives by strengthening severance protections related to corporate governance matters, as described below; and (v) make such other clarifying and conforming changes consistent with current best practices.

Each of the Employment Agreements includes the following changes and revisions, except as otherwise noted:

- Each agreement was updated to reflect the officer's current position, current base salary, current short-term incentive and long-term incentive target percentages, as previously disclosed in the Company's most recent Proxy Statement, filed with the SEC on March 27, 2026.
- The accelerated vesting provision of each agreement was updated to align with the Company's long-term incentive compensation practices to retain and motivate key executives to deliver sustained long-term growth and shareholder return. Specifically, the revised accelerated vesting provision clarifies the benefits paid to each officer related to any grants of performance incentive awards with vesting conditions that are based on the attainment of specific financial and performance goals by the Company in the event their employment with the Company terminates as a result of death, disability, or termination for good reason, within a corporate change period (as defined in the Employment Agreements). As revised, in each of the foregoing events, with respect to any awards based on the attainment of performance-based vesting conditions, the officer will be considered to have remained employed through the end of the applicable performance period, and all applicable performance goals and targets will be deemed achieved at 100%

of target performance (or a higher level as may have been achieved as of the date of termination, if greater) for purposes of determining vesting, earnout, and payment of the award.

- With respect to Messrs. Quezada's and Metzger's Agreements, the revised accelerated vesting provisions described above would also be applicable in the event their employment with the Company terminates as a result of involuntary termination without cause that is not within a corporate change period (as defined in the Employment Agreement).
- With respect to Mr. Quezada's Agreement, in the event his employment with the Company terminates as a result of involuntary termination without cause that is not within a corporate change period (as defined in the Employment Agreement), he will be entitled to certain base salary continuation payments for a period of 36 months following his termination date, along with a lump sum payment equal to three times the sum of his Target Annual Bonus (as defined in the Employment Agreement) for the year the termination occurred. Mr. Quezada's Agreement was also revised to further extend the restrictive covenants, including non-competition, non-solicitation, and non-recruitment of Company employees for 36 months following termination.

Except as otherwise noted, each of the Employment Agreements contain substantially the same provisions between the Company and each officer as previously disclosed in their existing employment agreements.

**Item 6. Exhibits.**

The exhibits required to be filed pursuant to the requirements of Item 601 of Regulation S-K are set forth in the Exhibit Index accompanying this Quarterly Report on Form 10-Q and are incorporated herein by reference.

**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 thereunto duly authorized.

CARRIAGE SERVICES, INC.

Date: November 5, 2026

/s/ John Enwright

John Enwright
Senior Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)

**CARRIAGE SERVICES, INC.**

**INDEX OF EXHIBITS**

| Exhibit No. | Description |
|---|---|
| 3.1 | Amended and Restated Certificate of Incorporation, as amended, of the Company. Incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 1996, filed on March 20, 1997. |
| 3.2 | Certificate of Amendment dated May 7, 1997. Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for its fiscal quarter ended September 30, 1997, filed on November 14, 1997. |
| 3.3 | Certificate of Amendment dated May 7, 2002. Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for its fiscal quarter ended June 30, 2002, filed on August 13, 2002. |
| 3.4 | Amended and Restated By-Laws of Carriage Services, Inc. dated June 21, 2023. Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 22, 2023. |
| 10.1 | Credit Agreement dated September 30, 2026, by and among Carriage Services, Inc., the subsidiaries of the Company party thereto as guarantors, the lenders party thereto from time to time and JPMorgan Chase Bank, N.A., as Administrative Agent. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on September 30, 2026. |
| *31.1 | Certification of Periodic Financial Reports by Carlos R. Quezada in satisfaction of Section 302 of the Sarbanes-Oxley Act of 2002. |
| *31.2 | Certification of Periodic Financial Reports by John Enwright in satisfaction of Section 302 of the Sarbanes-Oxley Act of 2002. |
| **32 | Certification of Periodic Financial Reports by Carlos R. Quezada and John Enwright in satisfaction of Section 906 of the Sarbanes-Oxley Act of 2002 and 18 U.S.C. Section 1350. |
| *101.INS | XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document. |
| *101.SCH | Inline XBRL Taxonomy Extension Schema Documents. |
| *101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| *101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| *101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| *101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| *104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

(*) Filed herewith.
(**) Furnished herewith.

**EXHIBIT 31.1**

I, Carlos R. Quezada, certify that:

1. I have reviewed this report on Form 10-Q of Carriage Services, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 5, 2026

/s/ Carlos R. Quezada

Carlos R. Quezada
Chief Executive Officer and Vice Chairman of the Board
(Principal Executive Officer)

**EXHIBIT 31.2**

I, John Enwright, certify that:

1. I have reviewed this report on Form 10-Q of Carriage Services, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 5, 2026

/s/ John Enwright

John Enwright
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

**EXHIBIT 32**

**Certification of**
**Chief Executive Officer and Principal Financial Officer**
**under Section 906 of the**
**Sarbanes Oxley Act of 2002, 18 U.S.C. § 1350**

In connection with the Quarterly Report on Form 10-Q of Carriage Services, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Carlos R. Quezada, Chief Executive Officer of the Company, and John Enwright, Senior Vice President, Chief Financial Officer and Treasurer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his or her knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 5, 2026

/s/ Carlos R. Quezada
Carlos R. Quezada
Chief Executive Officer and Vice Chairman of the Board
(Principal Executive Officer)

/s/ John Enwright
John Enwright
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)