

PRO FORMA FIVE QUARTER OPERATING AND FINANCIAL TREND REPORT

(in thousands, except per share amounts)

	Qtr 4 2018	Qtr 1 2019	Qtr 2 2019	Qtr 3 2019	Qtr 4 2019
<b>Pro Forma Same Store Contracts</b>					
Atneed Contracts	6,287	6,668	6,248	6,281	6,647
Preneed Contracts	1,415	1,451	1,422	1,361	1,466
Total Same Store Funeral Contracts	7,702	8,119	7,670	7,642	8,113
<b>Pro Forma Acquisition Contracts</b>					
Atneed Contracts	1,021	1,063	1,049	1,031	1,753
Preneed Contracts	151	157	164	111	154
Total Acquisition Funeral Contracts	1,172	1,220	1,213	1,142	1,907
<b>Total Pro Forma Funeral Contracts</b>	<b>8,874</b>	<b>9,339</b>	<b>8,883</b>	<b>8,784</b>	<b>10,020</b>
<b>Pro Forma Funeral Operating Revenue</b>					
Same Store Revenue	\$41,648	\$43,879	\$40,653	\$40,304	\$42,411
Acquisition Revenue	7,846	8,092	7,802	7,366	9,885
<b>Total Pro Forma Funeral Operating Revenue</b>	<b>\$49,494</b>	<b>\$51,971</b>	<b>\$48,455</b>	<b>\$47,670</b>	<b>\$52,296</b>
<b>Pro Forma Cemetery Operating Revenue</b>					
Same Store Revenue	\$10,907	\$11,289	13,227	12,817	\$12,123
Acquisition Revenue	-	-	-	-	295
<b>Total Pro Forma Cemetery Operating Revenue</b>	<b>\$10,907</b>	<b>\$11,289</b>	<b>\$13,227</b>	<b>\$12,817</b>	<b>\$12,418</b>
<b>Pro Forma Financial Revenue</b>					
Preneed Funeral Commission Income	\$320	\$359	\$329	436	\$351
Preneed Funeral Trust Earnings	1,801	1,807	1,803	1,671	1,776
Cemetery Trust Earnings	1,434	1,251	1,623	1,446	1,715
Preneed Cemetery Finance Charges	420	378	395	345	336
<b>Total Pro Forma Financial Revenue</b>	<b>\$3,975</b>	<b>\$3,795</b>	<b>\$4,150</b>	<b>\$3,898</b>	<b>\$4,178</b>
<b>Other Pro Forma Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 747</b>
<b>Pro Forma Planned Divested Revenue</b>	<b>\$ 1,892</b>	<b>\$ 1,737</b>	<b>\$ 1,663</b>	<b>\$ 1,544</b>	<b>\$ 1,447</b>
<b>Total Pro Forma Revenue</b>	<b>\$66,268</b>	<b>\$68,792</b>	<b>\$67,495</b>	<b>\$65,929</b>	<b>\$71,086</b>
<b>Pro Forma Field EBITDA</b>					
Same Store Funeral Field EBITDA	\$15,486	\$17,779	\$15,456	\$14,849	\$16,436
Same Store Funeral Field EBITDA Margin	37.2%	40.5%	38.0%	36.8%	38.8%
Acquisition Funeral Field EBITDA	3,108	3,156	3,006	2,652	3,733
Acquisition Funeral Field EBITDA Margin	39.6%	39.0%	38.5%	36.0%	37.8%
<b>Total Pro Forma Funeral Field EBITDA</b>	<b>\$18,594</b>	<b>\$20,935</b>	<b>\$18,462</b>	<b>\$17,501</b>	<b>\$20,169</b>
<b>Total Pro Forma Funeral Field EBITDA Margin</b>	<b>37.6%</b>	<b>40.3%</b>	<b>38.1%</b>	<b>36.7%</b>	<b>38.6%</b>
<b>Pro Forma Cemetery Field EBITDA</b>					
Same Store Cemetery Field EBITDA	3,127	\$3,661	4,808	4,439	\$4,147
Same Store Cemetery Field EBITDA Margin	28.7%	32.4%	36.3%	34.6%	34.2%
Acquired Cemetery Field EBITDA	-	-	-	-	73
Acquired Cemetery Field EBITDA Margin	0.0%	0.0%	0.0%	0.0%	24.7%
<b>Total Pro Forma Cemetery Field EBITDA</b>	<b>\$3,127</b>	<b>\$3,661</b>	<b>\$4,808</b>	<b>\$4,439</b>	<b>\$4,220</b>
<b>Total Pro Forma Cemetery Field EBITDA Margin</b>	<b>28.7%</b>	<b>32.4%</b>	<b>36.3%</b>	<b>34.6%</b>	<b>34.0%</b>
<b>Pro Forma Financial Field EBITDA</b>					
Funeral Financial EBITDA	\$1,889	\$1,899	\$1,892	\$1,842	\$1,883
Cemetery Financial EBITDA	1,708	1,495	1,872	1,645	1,890
<b>Total Pro Forma Financial EBITDA</b>	<b>\$3,597</b>	<b>\$3,394</b>	<b>\$3,764</b>	<b>\$3,487</b>	<b>\$3,773</b>
<b>Total Pro Forma Financial EBITDA Margin</b>	<b>90.5%</b>	<b>89.4%</b>	<b>90.7%</b>	<b>89.5%</b>	<b>90.3%</b>
<b>Other Pro Forma EBITDA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 298</b>
<b>Pro Forma Planned Divested EBITDA</b>					
Funeral EBITDA	\$ 490	\$ 392	\$ 387	\$ 317	\$ 285
<b>Planned Divested EBITDA Margin</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Total Pro Forma Field EBITDA</b>	<b>\$25,808</b>	<b>\$28,382</b>	<b>\$27,421</b>	<b>\$25,744</b>	<b>\$28,745</b>
<b>Total Pro Forma Field EBITDA Margin</b>	<b>38.9%</b>	<b>41.3%</b>	<b>40.6%</b>	<b>39.0%</b>	<b>40.4%</b>
<b>Pro Forma Overhead</b>					
Total Variable Overhead	\$3,571	\$1,721	\$2,431	\$2,459	\$3,712
Total Regional Fixed Overhead	977	1,001	1,028	1,062	961
Total Corporate Fixed Overhead	4,930	4,877	4,726	4,925	4,857
<b>Pro Forma Total Overhead</b>	<b>\$9,478</b>	<b>\$7,599</b>	<b>\$8,185</b>	<b>\$8,446</b>	<b>\$9,530</b>
<b>Pro Forma Overhead as a percentage of Revenue</b>	<b>14.3%</b>	<b>11.0%</b>	<b>12.1%</b>	<b>12.8%</b>	<b>13.4%</b>
<b>Pro Forma Consolidated EBITDA</b>	<b>\$16,330</b>	<b>\$20,783</b>	<b>\$19,236</b>	<b>\$17,298</b>	<b>\$19,215</b>
<b>Pro Forma Consolidated EBITDA Margin</b>	<b>24.6%</b>	<b>30.2%</b>	<b>28.5%</b>	<b>26.2%</b>	<b>27.0%</b>
<b>Pro Forma Other Expenses and Interest</b>					
Depreciation & Amortization	\$4,330	\$4,323	\$4,597	\$4,435	\$4,416
Non-Cash Stock Compensation	376	585	518	513	537
Interest Expense	6,346	6,328	6,296	6,283	6,615
Accretion of Discount on Convertible Subordinated Notes	231	57	60	61	63
Loss (Gain) on Early Extinguishment of Debt	(434)	-	-	-	-
Other, Net	893	13	(175)	236	196
<b>Pro Forma Pretax Income/(Loss)</b>	<b>\$4,588</b>	<b>\$9,477</b>	<b>\$7,940</b>	<b>\$5,770</b>	<b>\$7,388</b>
Pro Forma Tax Provision	1,445	2,739	2,295	1,668	2,135
Tax Adjustment Related to Certain Discrete Items	1,225	99	103	17	269
<b>Pro Forma Net Tax Provision</b>	<b>\$2,670</b>	<b>\$2,838</b>	<b>\$2,398</b>	<b>\$1,685</b>	<b>\$2,404</b>
<b>Pro Forma Net Income/(Loss)</b>	<b>\$1,918</b>	<b>\$6,639</b>	<b>\$5,542</b>	<b>\$4,085</b>	<b>\$4,984</b>
<i>Effective Tax Rate</i>	<i>58.2%</i>	<i>29.9%</i>	<i>30.2%</i>	<i>29.2%</i>	<i>32.5%</i>

<b>Special Items, Net of tax except for **</b>					
Accretion of Discount on Convertible Subordinated Notes **	\$231	\$57	\$60	\$61	\$63
Net Loss (Gain) on Early Extinguishment of Debt	(343)	-	-	-	-
Loss on Sale of Business and Other Costs	162	-	-	75	188
Goodwill and Other Impairments	805	-	-	577	184
Gain on Insurance Reimbursements	-	-	-	(504)	(195)
Natural Disaster Costs	345	-	-	-	-
Tax Adjustment Related to Certain Discrete Items **	1,225	-	-	-	-
<b>Sum of Special Items</b>	<b>\$2,425</b>	<b>\$57</b>	<b>\$60</b>	<b>\$209</b>	<b>\$240</b>
<b>Pro Forma Adjusted Net Income</b>	<b>\$4,343</b>	<b>\$6,696</b>	<b>\$5,602</b>	<b>\$4,294</b>	<b>\$5,224</b>
<b>Pro Forma Adjusted Net Profit Margin</b>	<b>6.6%</b>	<b>9.7%</b>	<b>8.3%</b>	<b>6.5%</b>	<b>7.3%</b>
Pro Forma Adjusted Basic EPS	\$0.23	\$0.36	\$0.31	\$0.24	\$0.29
Pro Forma Adjusted Diluted EPS	\$0.23	\$0.36	\$0.31	\$0.24	\$0.29
Pro Forma Basic EPS	\$0.10	\$0.36	\$0.31	\$0.23	\$0.28
Pro Forma Diluted EPS	\$0.10	\$0.36	\$0.31	\$0.23	\$0.28
Average Number of Basic Shares Outstanding	18,772	18,057	17,959	17,737	17,760
Average Number of Diluted Shares Outstanding	18,838	18,097	17,988	17,768	17,901
<b>Reconciliation of Consolidated EBITDA to Adjusted Consolidated EBITDA</b>					
<b>Consolidated EBITDA</b>	<b>\$16,330</b>	<b>\$20,783</b>	<b>\$19,236</b>	<b>\$17,298</b>	<b>\$19,215</b>
Natural Disaster Costs	437	-	-	-	-
<b>Pro Forma Adjusted Consolidated EBITDA</b>	<b>\$16,767</b>	<b>\$20,783</b>	<b>\$19,236</b>	<b>\$17,298</b>	<b>\$19,215</b>
<b>Pro Forma Adjusted Consolidated EBITDA Margin</b>	<b>25.3%</b>	<b>30.2%</b>	<b>28.5%</b>	<b>26.2%</b>	<b>27.0%</b>

The tables above include the use of certain financial measures that are not GAAP measures. The Pro Forma Adjusted results are presented for additional information and are reconciled to their most comparable GAAP measures below. Refer to the 5 Quarter Operating and Financial Trend Report posted on our website for the comparable GAAP measures as of December 31, 2019.

Reconciliation of Net Income (Loss) to Pro Forma Net Income for the five quarter period (in thousands):

	Qtr 4 2018	Qtr 1 2019	Qtr 2 2019	Qtr 3 2019	Qtr 4 2019
Net Income (Loss)	(\$2,658)	\$6,525	\$4,862	\$577	\$2,569
Total Provision for Income Taxes	1,556	2,676	2,146	947	2,114
Income (Loss) Before Income Taxes	(\$1,102)	\$9,201	\$7,008	\$1,524	\$4,683
Adjusted For:					
Interest Expense	-	-	-	-	-
Acquisition Expense	-	-	-	-	2,083
Recruiting Expense	-	-	-	-	336
Severance and Retirement Costs	1,435	217	611	298	79
Non-Cash Stock Compensation	3,283	-	-	-	-
Litigation Reserve	1,000	125	356	95	175
Loss on Divestiture of Funeral Home Business	-	-	-	3,840	-
Divested EBITDA	(28)	(66)	(35)	13	32
Pro Forma Income Before Income Taxes	\$4,588	\$9,477	\$7,940	\$5,770	\$7,388
Pro Forma Total Provision for Income Taxes	2,670	2,838	2,398	1,685	2,404
Pro Forma Net Income	\$1,918	\$6,639	\$5,542	\$4,085	\$4,984

Reconciliation of Field EBITDA to Pro Forma Adjusted Field EBITDA and Pro Forma Adjusted Consolidated EBITDA for the five quarter period (in thousands):

	Qtr 4 2018	Qtr 1 2019	Qtr 2 2019	Qtr 3 2019	Qtr 4 2019
Field EBITDA	\$25,836	\$28,323	\$27,100	\$25,731	\$28,613
Adjusted For:					
Litigation Reserve	-	125	356	-	100
Divested EBITDA	(28)	(66)	(35)	13	32
Pro Forma Adjusted Field EBITDA	\$25,808	\$28,382	\$27,421	\$25,744	\$28,745
Total Overhead Costs	11,913	7,816	8,796	8,839	12,103
Adjusted For:					
Litigation Reserve	(1,000)	-	-	(95)	(75)
Severance and Retirement Costs	(1,435)	(217)	(611)	(298)	(79)
Acquisition Expense	-	-	-	-	(2,083)
Recruiting Expense	-	-	-	-	(336)
Natural Disaster Costs	(437)	-	-	-	-
Pro Forma Adjusted Consolidated EBITDA	\$16,767	\$20,783	\$19,236	\$17,298	\$19,215
Revenue	\$66,517	\$69,081	\$67,752	\$66,125	\$71,149
Adjusted For:					
Divested Revenue	(249)	(289)	(257)	(196)	(63)
Pro Forma Adjusted Revenue	\$66,268	\$68,792	\$67,495	\$65,929	\$71,086
Pro Forma Adjusted Field EBITDA Margin	38.9%	41.3%	40.6%	39.0%	40.4%
Pro Forma Adjusted Consolidated EBITDA Margin	25.3%	30.2%	28.5%	26.2%	27.0%

Reconciliation of GAAP Diluted Earnings (Loss) Per Share to Pro Forma Adjusted Diluted Earnings Per Share for the five quarter period:

	Qtr 4 2018	Qtr 1 2019	Qtr 2 2019	Qtr 3 2019	Qtr 4 2019
GAAP Diluted Earnings (Loss) Per Share	(\$0.14)	\$0.36	\$0.27	\$0.03	\$0.14
Special Items	0.37	0.02	0.04	0.25	0.14
Pro Forma Adjustments	0.06	(0.02)	-	(0.04)	0.01
Pro Forma Adjusted Diluted Earnings Per Share	\$0.29	\$0.36	\$0.31	\$0.24	\$0.29