

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

	2016	2017	2018	2019	Rolling Four Quarters	CAGR
Same Store Contracts						
Atneed Contracts	24,683	25,543	25,689	26,415	27,746	
Preneed Contracts	5,780	5,920	5,792	5,758	5,822	
Total Same Store Funeral Contracts	30,463	31,463	31,481	32,173	33,568	2.8%
Acquisition Contracts						
Atneed Contracts	468	1,510	2,674	4,046	6,491	
Preneed Contracts	36	195	355	513	618	
Total Acquisition Funeral Contracts	504	1,705	3,029	4,559	7,109	
Total Funeral Contracts	30,967	33,168	34,510	36,732	40,677	8.1%
Funeral Operating Revenue						
Same Store Revenue	\$166,925	\$172,417	\$171,464	\$171,157	\$171,842	0.8%
Acquisition Revenue	2,964	11,171	21,229	27,547	37,374	
Total Funeral Operating Revenue	\$169,889	\$183,588	\$192,693	\$198,704	\$209,216	6.1%
Cemetery Operating Revenue						
Same Store Revenue	\$43,730	\$43,242	\$45,135	\$49,455	\$47,578	2.4%
Acquisition Revenue	-	-	-	295	7,149	
Total Cemetery Operating Revenue	\$43,730	\$43,242	\$45,135	\$49,750	\$54,727	6.6%
Financial Revenue						
Preneed Funeral Commission Income	\$1,429	\$1,254	\$1,294	\$1,475	\$1,479	
Preneed Funeral Trust and Insurance	6,992	6,949	7,221	7,053	7,180	
Cemetery Trust Earnings	7,244	6,300	5,761	6,035	7,289	
Preneed Cemetery Finance Charges	1,576	1,538	1,659	1,454	1,164	
Total Financial Revenue	\$17,241	\$16,041	\$15,935	\$16,017	\$17,112	-0.2%
Other Revenue	-	-	-	\$748	\$3,016	
Divested/Planned Divested Revenue						
Funeral Revenue	\$11,093	\$9,095	\$9,517	\$8,888	\$8,170	
Cemetery Revenue	6,247	6,173	4,712	-	-	
Total Divested/Planned Divested Revenue	\$17,340	\$15,268	\$14,229	\$8,888	\$8,170	-19.3%
Total Revenue	\$248,200	\$258,139	\$267,992	\$274,107	\$292,241	4.8%
Field EBITDA						
Same Store Funeral Field EBITDA	\$66,633	\$68,603	\$65,293	\$65,520	\$67,109	0.2%
Same Store Funeral Field EBITDA Margin	39.9%	39.8%	38.1%	38.3%	39.1%	
Acquisition Funeral Field EBITDA	1,052	3,384	7,394	10,580	14,316	
Acquisition Funeral Field EBITDA Margin	35.5%	30.3%	34.8%	38.4%	38.3%	
Total Funeral Field EBITDA	\$67,685	\$71,987	\$72,687	\$76,100	\$81,425	5.4%
Total Funeral Field EBITDA Margin	39.8%	39.2%	37.7%	38.3%	38.9%	
Same Store Cemetery Field EBITDA	\$14,926	\$13,406	\$13,880	\$17,055	\$15,411	0.9%
Same Store Cemetery Field EBITDA Margin	34.1%	31.0%	30.8%	34.5%	32.4%	
Acquired Cemetery Field EBITDA	-	-	-	73	2,334	
Acquired Cemetery Field EBITDA Margin	0.0%	0.0%	0.0%	24.6%	32.6%	
Total Cemetery Field EBITDA	\$14,926	\$13,406	\$13,880	\$17,128	\$17,745	5.1%
Total Cemetery Field EBITDA Margin	34.1%	31.0%	30.8%	34.4%	32.4%	
Funeral Financial EBITDA	\$7,570	\$7,275	\$7,483	\$7,511	\$7,714	
Cemetery Financial EBITDA	8,532	7,450	6,903	6,902	7,938	
Total Financial EBITDA	\$16,102	\$14,725	\$14,386	\$14,413	\$15,652	-0.8%
Total Financial EBITDA Margin	93.4%	91.8%	90.3%	90.0%	91.5%	
Other EBITDA	-	-	-	\$298	\$914	
Other EBITDA Margin	0.0%	0.0%	0.0%	39.8%	30.3%	
Divested/Planned Divested EBITDA						
Funeral EBITDA	\$3,928	\$2,719	\$1,984	\$1,828	\$1,923	
Cemetery EBITDA	1,772	1,675	1,376	-	-	
Total Divested/Planned Divested EBITDA	\$5,700	\$4,394	\$3,360	\$1,828	\$1,923	-26.7%
Total Divested/Planned Divested EBITDA Margin	32.9%	28.8%	23.6%	20.6%	23.5%	
Total Field EBITDA	\$104,413	\$104,512	\$104,313	\$109,767	\$117,659	3.5%
Total Field EBITDA Margin	42.1%	40.5%	38.9%	40.0%	40.3%	
Overhead						
Total Variable Overhead	\$13,122	\$11,338	\$12,672	\$14,117	\$14,510	
Total Regional Fixed Overhead	3,667	3,883	4,020	4,052	3,933	
Total Corporate Fixed Overhead	19,109	21,209	20,301	19,385	19,912	
Total Overhead	\$35,898	\$36,430	\$36,993	\$37,554	\$38,355	1.9%
Overhead as a percentage of Revenue	14.5%	14.1%	13.8%	13.7%	13.1%	
Consolidated EBITDA	\$68,515	\$68,082	\$67,320	\$72,213	\$79,304	4.3%
Consolidated EBITDA Margin	27.6%	26.4%	25.1%	26.3%	27.1%	
Other Expenses and Interest						
Depreciation & Amortization	\$15,421	\$15,979	\$17,430	\$17,771	\$18,098	
Non-Cash Stock Compensation	2,890	3,162	6,583	2,153	2,596	
Interest Expense	11,738	12,948	21,109	25,522	29,678	
Accretion of Discount on Convert. Sub. Notes	3,870	4,329	2,192	241	255	
Net Loss on Early Extinguishment of Debt	567	-	502	-	-	
Impairment of Goodwill and Other Intangibles	145	-	846	963	15,656	
Other, Net	1,643	(1,118)	392	3,147	3,315	
Pretax Income	\$32,241	\$32,782	\$18,266	\$22,416	\$9,706	-29.0%
Tax Expense on Operations	12,682	13,100	5,754	6,484	7,912	
Tax Expense Related to Divested Business	-	-	-	911	911	
Net Tax Benefit Related to Impairment	-	-	-	-	(4,885)	
Tax Adjustment Related to Certain Discrete Items	(22)	(17,511)	867	488	422	
Net Tax Provision/(Benefit)	\$12,660	(\$4,411)	\$6,621	\$7,883	\$4,360	
GAAP Net Income	\$19,581	\$37,193	\$11,645	\$14,533	\$5,346	-31.0%
<i>Effective Tax Rate</i>	39.3%	-13.5%	36.2%	35.2%	44.9%	

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Special Items, Net of tax except for **						
Acquisition and Divestiture Expenses	\$456	-	-	\$1,646	\$1,772	
Severance and Separation Costs	2,587	-	1,134	951	742	
Performance Awards Cancellation and Exchange	-	-	2,594	-	56	
Consulting Fees	323	-	-	-	-	
Accretion of Discount on Convert. Sub. Notes **	3,870	4,329	2,192	241	255	
Net Loss on Early Extinguishment of Debt	369	-	397	-	-	
Net Loss on Sale of Business and Other Costs	1,152	-	439	3,331	3,331	
Net Impact of Impairment of Goodwill and Other Intangibles	-	-	805	761	10,569	
Litigation Reserve	-	-	790	592	425	
Natural Disaster and Pandemic Costs	-	403	345	-	768	
Tax Expense Related to Divested Business**	-	-	-	911	911	
Gain on Insurance Reimbursements	-	-	-	(699)	(699)	
Other Special Items	-	-	-	265	636	
Tax Adjustment Related to Certain Discrete Items**	-	(17,176)	1,225	-	-	
Sum of Special Items	\$8,757	(\$12,444)	\$9,921	\$7,999	\$18,766	
Adjusted Net Income	\$28,338	\$24,749	\$21,566	\$22,532	\$24,112	-4.5%
Adjusted Net Profit Margin	11.4%	9.6%	8.0%	8.2%	8.3%	
Adjusted Basic EPS	\$1.71	\$1.50	\$1.19	\$1.26	\$1.36	-6.3%
Adjusted Diluted EPS	\$1.62	\$1.39	\$1.17	\$1.25	\$1.36	-4.9%
GAAP Basic EPS	\$1.18	\$2.25	\$0.64	\$0.81	\$0.30	-32.4%
GAAP Diluted EPS	\$1.12	\$2.09	\$0.63	\$0.80	\$0.30	-31.4%
Average Number of Basic Shares Outstanding	16,515	16,438	17,971	17,877	17,833	2.2%
Average Number of Diluted Shares Outstanding	17,460	17,715	18,374	18,005	17,862	0.7%
Reconciliation of Consolidated EBITDA to Adjusted Consolidated EBITDA						
Consolidated EBITDA	\$68,515	\$68,082	\$67,320	\$72,213	\$79,304	4.3%
Acquisition and Divestiture Expenses	\$701	-	-	\$2,083	\$2,242	
Severance and Separation Costs	3,979	-	1,435	1,205	940	
Consulting Fees	496	-	-	-	-	
Litigation Reserve	-	-	1,000	750	539	
Natural Disaster and Pandemic Costs	-	620	437	-	972	
Other Special Items	-	-	-	336	754	
Adjusted Consolidated EBITDA	\$73,691	\$68,702	\$70,192	\$76,587	\$84,751	4.1%
Adjusted Consolidated EBITDA Margin	29.7%	26.6%	26.2%	27.9%	29.0%	

The tables above include the use of certain financial measures that are not GAAP measures. The Non-GAAP financial measures are presented for additional information and are reconciled to their most comparable GAAP measures below. We define our Non-GAAP measures as "Adjusted" which is reflected on our Annual Operating and Financial Trend Report.

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

	2016	2017	2018	2019	Rolling Four Quarters
GAAP Net Income	\$19,581	\$37,193	\$11,645	\$14,533	\$5,346
Special Items, Net of tax	\$8,757	(\$12,444)	\$9,921	\$7,999	\$18,766
Adjusted Net Income	\$28,338	\$24,749	\$21,566	\$22,532	\$24,112

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

	2016	2017	2018	2019	Rolling Four Quarters
GAAP Basic EPS	\$1.18	\$2.25	\$0.64	\$0.81	\$0.30
Effect of Special Items	0.53	(0.75)	0.55	0.45	1.06
Adjusted Basic EPS	\$1.71	\$1.50	\$1.19	\$1.26	\$1.36

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

	2016	2017	2018	2019	Rolling Four Quarters
GAAP Diluted EPS	\$1.12	\$2.09	\$0.63	\$0.80	\$0.30
Effect of Special Items	0.50	(0.70)	0.54	0.45	1.06
Adjusted Diluted EPS	\$1.62	\$1.39	\$1.17	\$1.25	\$1.36

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

	2016	2017	2018	2019	Rolling Four Quarters
GAAP Net Income	\$19,581	\$37,193	\$11,645	\$14,533	\$5,346
Net Tax Provision (Benefit)	12,660	(4,411)	6,621	7,883	4,360
Pretax Income	\$32,241	\$32,782	\$18,266	\$22,416	\$9,706
Interest Expense	11,738	12,948	21,109	25,522	29,678
Accretion of Discount on Convert. Sub. Notes	3,870	4,329	2,192	241	255
Net Loss on Early Extinguishment of Debt	567	-	502	-	-
Non-Cash Stock Compensation	2,890	3,162	6,583	2,153	2,596
Depreciation & Amortization	15,421	15,979	17,430	17,771	18,098
Impairment of Goodwill and Other Intangibles	145	-	846	963	15,656
Other, Net	1,643	(1,118)	392	3,147	3,315
Special Items	5,176	620	2,872	4,374	5,447
Adjusted Consolidated EBITDA	\$73,691	\$68,702	\$70,192	\$76,587	\$84,751
Revenue	\$ 248,200	\$ 258,139	\$ 267,992	\$ 274,107	\$ 292,241
Adjusted Consolidated EBITDA Margin	29.7%	26.6%	26.2%	27.9%	29.0%