

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

	2014	2015	2016	2017	2018	CAGR
Same Store Contracts						
Atneed Contracts	23,914	23,899	23,572	24,393	24,422	
Preneed Contracts	5,768	5,881	5,693	5,769	5,666	
Total Same Store Funeral Contracts	29,682	29,780	29,265	30,162	30,088	0.3%
Acquisition Contracts						
Atneed Contracts	995	1,845	2,774	3,993	5,931	
Preneed Contracts	228	425	460	687	797	
Total Acquisition Funeral Contracts	1,223	2,270	3,234	4,680	6,728	
Total Funeral Contracts	30,905	32,050	32,499	34,842	36,816	4.5%
Funeral Operating Revenue						
Same Store Revenue	\$155,041	\$159,511	\$157,759	\$161,690	\$160,459	0.9%
Acquisition Revenue	6,926	14,523	20,636	30,108	41,447	
Total Funeral Operating Revenue	\$161,967	\$174,034	\$178,395	\$191,798	\$201,906	5.7%
Cemetery Operating Revenue						
Same Store Revenue	\$37,777	\$39,083	\$40,678	\$40,047	\$41,740	2.5%
Acquisition Revenue	1,298	2,995	3,053	3,195	3,395	
Total Cemetery Operating Revenue	\$39,075	\$42,078	\$43,731	\$43,242	\$45,135	3.7%
Financial Revenue						
Preneed Funeral Commission Income	\$2,036	\$1,484	\$1,429	\$1,254	\$1,294	
Preneed Funeral Trust Earnings	7,405	7,887	7,308	7,228	7,525	
Cemetery Trust Earnings	7,300	7,652	7,244	6,300	5,761	
Preneed Cemetery Finance Charges	1,192	1,380	1,576	1,538	1,659	
Total Financial Revenue	\$17,933	\$18,403	\$17,558	\$16,320	\$16,239	-2.5%
Divested Revenue						
Divested Funeral Revenue	\$2,327	\$2,413	\$2,269	\$606	-	
Divested Cemetery Revenue	4,822	5,574	6,247	6,173	4,712	
Total Divested Revenue	\$7,149	\$7,987	\$8,516	\$6,779	\$4,712	-9.9%
Total Revenue	\$226,124	\$242,502	\$248,200	\$258,139	\$267,992	4.3%
Field EBITDA						
Same Store Funeral Field EBITDA	\$56,871	\$61,049	\$61,512	\$62,361	\$58,976	0.9%
Same Store Funeral Field EBITDA Margin	36.7%	38.3%	39.0%	38.6%	36.8%	
Acquisition Funeral Field EBITDA	2,657	6,370	8,643	11,770	15,397	
Acquisition Funeral Field EBITDA Margin	38.4%	43.9%	41.9%	39.1%	37.1%	
Total Funeral Field EBITDA	\$59,528	\$67,419	\$70,155	\$74,131	\$74,373	5.7%
Total Funeral Field EBITDA Margin	36.8%	38.7%	39.3%	38.7%	36.8%	
Same Store Cemetery Field EBITDA	\$11,613	\$13,586	\$13,878	\$12,368	\$12,733	2.3%
Same Store Cemetery Field EBITDA Margin	30.7%	34.8%	34.1%	30.9%	30.5%	
Acquired Cemetery Field EBITDA	340	1,099	1,049	1,038	1,147	
Acquired Cemetery Field EBITDA Margin	26.3%	36.7%	34.4%	32.5%	33.8%	
Total Cemetery Field EBITDA	\$11,953	\$14,685	\$14,927	\$13,406	\$13,880	3.8%
Total Cemetery Field EBITDA Margin	30.6%	34.9%	34.1%	31.0%	30.8%	
Funeral Financial EBITDA	\$8,294	\$8,257	\$7,880	\$7,548	\$7,784	
Cemetery Financial EBITDA	8,300	8,759	8,532	7,450	6,903	
Total Financial EBITDA	\$16,594	\$17,016	\$16,412	\$14,998	\$14,687	-3.0%
Total Financial EBITDA Margin	92.5%	92.5%	93.5%	91.9%	90.4%	
Divested Funeral EBITDA	\$1,000	\$976	\$1,147	\$302	(\$3)	
Divested Cemetery EBITDA	1,284	1,443	1,772	1,675	1,376	
Total Divested EBITDA	\$2,284	\$2,419	\$2,919	\$1,977	\$1,373	-11.9%
Total Divested EBITDA Margin	31.9%	30.3%	34.3%	29.2%	29.1%	
Total Field EBITDA	\$90,359	\$101,539	\$104,413	\$104,512	\$104,313	3.7%
Total Field EBITDA Margin	40.0%	41.9%	42.1%	40.5%	38.9%	
Overhead						
Total Variable Overhead	\$10,764	\$10,878	\$13,122	\$11,338	\$12,672	
Total Regional Fixed Overhead	3,136	3,435	3,667	3,883	4,020	
Total Corporate Fixed Overhead	20,227	20,354	19,109	21,209	20,301	
Total Overhead	\$34,127	\$34,667	\$35,898	\$36,430	\$36,993	2.0%
Overhead as a percentage of Revenue	15.1%	14.3%	14.5%	14.1%	13.8%	
Consolidated EBITDA	\$56,232	\$66,872	\$68,515	\$68,082	\$67,320	4.6%
Consolidated EBITDA Margin	24.9%	27.6%	27.6%	26.4%	25.1%	
Other Expenses and Interest						
Depreciation & Amortization	\$11,923	\$13,780	\$15,421	\$15,979	\$17,430	
Non-Cash Stock Compensation	3,832	4,444	2,890	3,162	6,583	
Interest Expense	10,308	10,559	11,738	12,948	21,109	
Accretion of Discount on Convert. Sub. Notes	2,452	3,454	3,870	4,329	2,192	
Loss on Early Extinguishment of Debt	1,042	-	567	-	502	
Loss on Redemption of Convert. Jr Sub. Deb.	3,779	-	-	-	-	
Other, Net	195	45	1,788	(1,118)	1,238	
Pretax Income	\$22,701	\$34,590	\$32,241	\$32,782	\$18,266	-5.3%
Tax Provision	8,995	13,596	12,682	13,100	5,754	
Tax Adjustment Related to Certain Discrete Items	-	141	(22)	(17,511)	867	
Tax Benefit Related to Uncertain Tax Positions	(1,740)	-	-	-	-	
Net Tax (Benefit)/Provision	\$7,255	\$13,737	\$12,660	(\$4,411)	\$6,621	
GAAP Net Income	\$15,446	\$20,853	\$19,581	\$37,193	\$11,645	-6.8%
<i>Effective Tax Rate</i>	32.0%	39.7%	39.3%	-13.5%	36.2%	
Special Items, Net of tax except for **						
Withdrawable Trust Income	\$1,181	\$366	-	-	-	
Acquisition and Divestiture Expenses	764	405	456	-	-	
Severance and Retirement Costs	697	633	2,587	-	1,134	
Performance Awards Cancellation Write-off	-	-	-	-	2,594	
Consulting Fees	277	1,265	323	-	-	
Other Incentive Compensation	660	-	-	-	-	
Accretion of Discount on Convert. Sub. Notes **	2,452	3,454	3,870	4,329	2,192	
Net Loss on Early Extinguishment of Debt	688	-	369	-	397	
Loss on Redemption of Convert. Jr Sub. Deb.	2,493	-	-	-	-	
Net Gain/Loss on Asset Purchase/Sale	(367)	-	1,152	-	439	
Goodwill and Other Impairments	-	-	-	-	805	
Litigation Reserve	-	-	-	-	790	
Natural Disaster Costs	-	-	-	403	345	
Other Special Items	503	244	-	-	-	
Tax Adjustment from Prior Period **	-	141	-	(17,176)	1,225	
Sum of Special Items	\$9,348	\$6,508	\$8,757	(\$12,444)	\$9,921	
Adjusted Net Income	\$24,794	\$27,361	\$28,338	\$24,749	\$21,566	-3.4%
Adjusted Net Profit Margin	11.0%	11.3%	11.4%	9.6%	8.0%	
Adjusted Basic EPS	\$1.35	\$1.52	\$1.71	\$1.50	\$1.19	-3.1%
Adjusted Diluted EPS	\$1.34	\$1.48	\$1.62	\$1.39	\$1.17	-3.3%
GAAP Basic EPS	\$0.84	\$1.16	\$1.18	\$2.25	\$0.64	-6.6%
GAAP Diluted EPS	\$0.83	\$1.12	\$1.12	\$2.09	\$0.63	-6.7%
Average Number of Basic Shares Outstanding	18,108	17,791	16,515	16,438	17,971	-0.2%
Average Number of Diluted Shares Outstanding	18,257	18,313	17,460	17,715	18,374	0.2%
Reconciliation of Consolidated EBITDA to Adjusted Consolidated EBITDA						
Consolidated EBITDA	\$56,232	\$66,872	\$68,515	\$68,082	\$67,320	4.6%
Withdrawable Trust Income	1,788	555	-	-	-	
Acquisition and Divestiture Expenses	1,158	614	701	-	-	
Severance and Retirement Costs	1,056	959	3,979	-	1,435	
Consulting Fees	419	1,913	496	-	-	
Litigation Reserve	-	-	-	-	1,000	
Natural Disaster Costs	-	-	-	620	437	
Other Incentive Compensation	1,000	-	-	-	-	
Other Special Items	-	220	-	-	-	
Adjusted Consolidated EBITDA	\$61,653	\$71,133	\$73,691	\$68,702	\$70,192	3.3%
Adjusted Consolidated EBITDA Margin	27.3%	29.3%	29.7%	26.6%	26.2%	

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

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

	2014	2015	2016	2017	2018
GAAP Net Income	\$15,446	\$20,853	\$19,581	\$37,193	\$11,645
Special Items, Net of tax	\$9,348	\$6,508	\$8,757	(\$12,444)	\$9,921
Adjusted Net Income	\$24,794	\$27,361	\$28,338	\$24,749	\$21,566

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

	2014	2015	2016	2017	2018
GAAP Basic EPS	\$0.84	\$1.16	\$1.18	\$2.25	\$0.64
Effect of Special Items	0.51	0.36	0.53	(0.75)	0.55
Adjusted Basic EPS	\$1.35	\$1.52	\$1.71	\$1.50	\$1.19

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

	2014	2015	2016	2017	2018
GAAP Diluted EPS	\$0.83	\$1.12	\$1.12	\$2.09	\$0.63
Effect of Special Items	0.51	0.36	0.50	(0.70)	0.54
Adjusted Diluted EPS	\$1.34	\$1.48	\$1.62	\$1.39	\$1.17

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

	2014	2015	2016	2017	2018
GAAP Net Income	\$15,446	\$20,853	\$19,581	\$37,193	\$11,645
Net Tax Provision	7,255	13,737	12,660	(4,411)	6,621
Pretax Income	\$22,701	\$34,590	\$32,241	\$32,782	\$18,266
Interest Expense	10,308	10,559	11,738	12,948	21,109
Accretion of Discount on Convert. Sub. Notes	2,452	3,454	3,870	4,329	2,192
Loss on Early Extinguishment of Debt	1,042	-	567	-	502
Loss on Redemption of Convert. Jr Sub. Deb.	3,779	-	-	-	-
Non-Cash Stock Compensation	3,832	4,444	2,890	3,162	6,583
Depreciation & Amortization	11,923	13,780	15,421	15,979	17,430
Other, Net	195	45	1,788	(1,118)	1,238
Special Items	5,421	4,261	5,176	620	2,872
Adjusted Consolidated EBITDA	\$61,653	\$71,133	\$73,691	\$68,702	\$70,192
Revenue	\$ 226,124	\$ 242,502	\$ 248,200	\$ 258,139	\$ 267,992
Adjusted Consolidated EBITDA Margin	27.3%	29.3%	29.7%	26.6%	26.2%