

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

	2015	2016	2017	2018	Rolling Four Quarters	CAGR
Same Store Contracts						
Atneed Contracts	25,479	25,249	26,191	26,183	25,856	
Preneed Contracts	6,260	6,042	6,141	6,010	5,825	
Total Same Store Funeral Contracts	31,845	31,394	32,332	32,193	31,681	-0.2%
Acquisition Contracts						
Atneed Contracts	265	1,097	2,195	4,170	4,387	
Preneed Contracts	46	111	315	453	517	
Total Acquisition Funeral Contracts	311	1,208	2,510	4,623	4,904	
Total Funeral Contracts	32,156	32,602	34,842	36,816	36,585	4.1%
Funeral Operating Revenue						
Same Store Revenue	\$171,768	\$170,417	\$175,204	\$173,449	\$169,830	-0.3%
Acquisition Revenue	2,266	7,978	16,594	28,457	29,736	
Total Funeral Operating Revenue	\$174,034	\$178,395	\$191,798	\$201,906	\$199,566	4.3%
Cemetery Operating Revenue						
Same Store Revenue	\$42,078	\$43,731	\$43,242	\$45,135	\$45,173	2.2%
Acquisition Revenue	-	-	-	-	-	
Total Cemetery Operating Revenue	\$42,078	\$43,731	\$43,242	\$45,135	\$45,173	2.2%
Financial Revenue						
Preneed Funeral Commission Income	\$1,484	\$1,429	\$1,254	\$1,294	\$1,393	
Preneed Funeral Trust Earnings	7,887	7,308	7,228	7,525	7,335	
Cemetery Trust Earnings	7,652	7,244	6,300	5,761	5,460	
Preneed Cemetery Finance Charges	1,380	1,576	1,538	1,659	1,658	
Total Financial Revenue	\$18,403	\$17,558	\$16,320	\$16,239	\$15,846	-4.5%
Divested Revenue						
Divested Funeral Revenue	\$2,413	\$2,269	\$606	-	-	
Divested Cemetery Revenue	5,574	6,247	6,173	4,712	3,101	
Total Divested Revenue	\$7,987	\$8,516	\$6,779	\$4,712	\$3,101	-25.3%
Total Revenue	\$242,502	\$248,200	\$258,139	\$267,992	\$263,686	2.6%
Field EBITDA						
Same Store Funeral Field EBITDA	\$66,482	\$66,837	\$68,444	\$64,228	\$61,872	-2.2%
Same Store Funeral Field EBITDA Margin	38.7%	39.2%	39.1%	37.0%	36.4%	
Acquisition Funeral Field EBITDA	937	3,318	5,687	10,145	10,666	
Acquisition Funeral Field EBITDA Margin	41.4%	41.6%	34.3%	35.7%	35.9%	
Total Funeral Field EBITDA	\$67,419	\$70,155	\$74,131	\$74,373	\$72,538	2.3%
Total Funeral Field EBITDA Margin	38.7%	39.3%	38.7%	36.8%	36.3%	
Same Store Cemetery Field EBITDA	\$14,685	\$14,927	\$13,406	\$13,880	\$13,678	-2.2%
Same Store Cemetery Field EBITDA Margin	34.9%	34.1%	31.0%	30.8%	30.3%	
Acquired Cemetery Field EBITDA	-	-	-	-	-	
Acquired Cemetery Field EBITDA Margin	0.0%	0.0%	0.0%	0.0%	0.0%	
Total Cemetery Field EBITDA	\$14,685	\$14,927	\$13,406	\$13,880	\$13,678	-2.2%
Total Cemetery Field EBITDA Margin	34.9%	34.1%	31.0%	30.8%	30.3%	
Funeral Financial EBITDA	\$8,257	\$7,880	\$7,548	\$7,784	\$7,691	
Cemetery Financial EBITDA	8,759	8,532	7,450	6,903	6,608	
Total Financial EBITDA	\$17,016	\$16,412	\$14,998	\$14,687	\$14,299	-5.2%
Total Financial EBITDA Margin	92.5%	93.5%	91.9%	90.4%	90.2%	
Divested Funeral EBITDA	\$976	\$1,147	\$302	(\$3)	-	
Divested Cemetery EBITDA	1,443	1,772	1,675	1,376	879	
Total Divested EBITDA	\$2,419	\$2,919	\$1,977	\$1,373	\$879	-26.8%
Total Divested EBITDA Margin	30.3%	34.3%	29.2%	29.1%	28.3%	
Total Field EBITDA	\$101,539	\$104,413	\$104,512	\$104,313	\$101,394	0.0%
Total Field EBITDA Margin	41.9%	42.1%	40.5%	38.9%	38.5%	
Overhead						
Total Variable Overhead	\$10,878	\$13,122	\$11,338	\$12,672	\$12,050	
Total Regional Fixed Overhead	3,435	3,667	3,883	4,020	3,944	
Total Corporate Fixed Overhead	20,354	19,109	21,209	20,301	20,016	
Total Overhead	\$34,667	\$35,898	\$36,430	\$36,993	\$36,010	1.2%
Overhead as a percentage of Revenue	14.3%	14.5%	14.1%	13.8%	13.7%	
Consolidated EBITDA	\$66,872	\$68,515	\$68,082	\$67,320	\$65,384	-0.7%
Consolidated EBITDA Margin	27.6%	27.6%	26.4%	25.1%	24.8%	
Other Expenses and Interest						
Depreciation & Amortization	\$13,780	\$15,421	\$15,979	\$17,430	\$17,537	
Non-Cash Stock Compensation	4,444	2,890	3,162	6,583	6,068	
Interest Expense	10,559	11,738	12,948	21,109	23,702	
Accretion of Discount on Convert. Sub. Notes	3,454	3,870	4,329	2,192	1,089	
Loss on Early Extinguishment of Debt	-	567	-	502	502	
Other, Net	45	1,788	(1,118)	1,238	1,253	
Pretax Income	\$34,590	\$32,241	\$32,782	\$18,266	\$15,233	-22.3%
Tax Provision	13,596	12,682	13,100	5,754	4,966	
Tax Adjustment Related to Certain Discrete Items	141	(22)	(17,511)	867	1,453	
Net Tax Provision/(Benefit)	\$13,737	\$12,660	(\$4,411)	\$6,621	\$6,419	
GAAP Net Income	\$20,853	\$19,581	\$37,193	\$11,645	\$8,814	-23.3%
<i>Effective Tax Rate</i>	39.7%	39.3%	-13.5%	36.2%	42.1%	
Special Items, Net of tax except for **						
Withdrawable Trust Income	\$366	-	-	-	-	
Acquisition and Divestiture Expenses	405	456	-	-	-	
Severance and Retirement Costs	633	2,587	-	1,134	1,305	
Performance Awards Cancellation Write-off	-	-	-	2,594	2,594	
Consulting Fees	1,265	323	-	-	-	
Accretion of Discount on Convert. Sub. Notes **	3,454	3,870	4,329	2,192	1,089	
Net Loss on Early Extinguishment of Debt	-	369	-	397	397	
Net Gain/Loss on Asset Purchase/Sale	-	1,152	-	439	439	
Goodwill and Other Impairments	-	-	-	805	805	
Litigation Reserve	-	-	-	790	889	
Natural Disaster Costs	-	-	403	345	345	
Other Special Items	244	-	-	-	-	
Tax Adjustment from Prior Period **	141	-	(17,176)	1,225	1,225	
Sum of Special Items	\$6,508	\$8,757	(\$12,444)	\$9,921	\$9,088	
Adjusted Net Income	\$27,361	\$28,338	\$24,749	\$21,566	\$17,902	-12.2%
Adjusted Net Profit Margin	11.3%	11.4%	9.6%	8.0%	6.8%	
Adjusted Basic EPS	\$1.52	\$1.71	\$1.50	\$1.19	\$0.97	-12.9%
Adjusted Diluted EPS	\$1.48	\$1.62	\$1.39	\$1.17	\$0.97	-12.2%
GAAP Basic EPS	\$1.16	\$1.18	\$2.25	\$0.64	\$0.48	-23.8%
GAAP Diluted EPS	\$1.12	\$1.12	\$2.09	\$0.63	\$0.48	-22.9%
Average Number of Basic Shares Outstanding	17,791	16,515	16,438	17,971	18,057	0.5%
Average Number of Diluted Shares Outstanding	18,313	17,460	17,715	18,374	18,097	-0.4%
Reconciliation of Consolidated EBITDA to Adjusted Consolidated EBITDA						
Consolidated EBITDA	\$66,872	\$68,515	\$68,082	\$67,320	\$65,384	-0.7%
Withdrawable Trust Income	555	-	-	-	-	
Acquisition and Divestiture Expenses	614	701	-	-	-	
Severance and Retirement Costs	959	3,979	-	1,435	1,652	
Consulting Fees	1,913	496	-	-	-	
Litigation Reserve	-	-	-	1,000	1,125	
Natural Disaster Costs	-	-	620	437	437	
Other Special Items	220	-	-	-	-	
Adjusted Consolidated EBITDA	\$71,133	\$73,691	\$68,702	\$70,192	\$68,598	-1.1%
Adjusted Consolidated EBITDA Margin	29.3%	29.7%	26.6%	26.2%	26.0%	

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):

	2015	2016	2017	2018	Rolling Four Quarters
GAAP Net Income	\$20,853	\$19,581	\$37,193	\$11,645	\$8,814
Special Items, Net of tax	\$6,508	\$8,757	(\$12,444)	\$9,921	\$9,088
Adjusted Net Income	\$27,361	\$28,338	\$24,749	\$21,566	\$17,902

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

	2015	2016	2017	2018	Rolling Four Quarters
GAAP Basic EPS	\$1.16	\$1.18	\$2.25	\$0.64	\$0.48
Effect of Special Items	0.36	0.53	(0.75)	0.55	0.49
Adjusted Basic EPS	\$1.52	\$1.71	\$1.50	\$1.19	\$0.97

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

	2015	2016	2017	2018	Rolling Four Quarters
GAAP Diluted EPS	\$1.12	\$1.12	\$2.09	\$0.63	\$0.48
Effect of Special Items	0.36	0.50	(0.70)	0.54	0.49
Adjusted Diluted EPS	\$1.48	\$1.62	\$1.39	\$1.17	\$0.97

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

	2015	2016	2017	2018	Rolling Four Quarters
GAAP Net Income	\$20,853	\$19,581	\$37,193	\$11,645	\$8,814
Net Tax Provision/(Benefit)	13,737	12,660	(4,411)	6,621	6,419
Pretax Income	\$34,590	\$32,241	\$32,782	\$18,266	\$15,233
Interest Expense	10,559	11,738	12,948	21,109	23,702
Accretion of Discount on Convert. Sub. Notes	3,454	3,870	4,329	2,192	1,089
Loss on Early Extinguishment of Debt	-	567	-	502	502
Loss on Redemption of Convert. Jr Sub. Deb.	-	-	-	-	-
Non-Cash Stock Compensation	4,444	2,890	3,162	6,583	6,068
Depreciation & Amortization	13,780	15,421	15,979	17,430	17,537
Other, Net	45	1,788	(1,118)	1,238	1,253
Special Items	4,261	5,176	620	2,872	3,214
Adjusted Consolidated EBITDA	\$71,133	\$73,691	\$68,702	\$70,192	\$68,598
Revenue	\$ 242,502	\$ 248,200	\$ 258,139	\$ 267,992	\$ 263,686
Adjusted Consolidated EBITDA Margin	29.3%	29.7%	26.6%	26.2%	26.0%