

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

	2013	2014	2015	2016	Rolling Four Quarters	CAGR
Same Store Contracts						
Atneed Contracts	23,774	23,920	23,907	23,694	23,850	
Preneed Contracts	6,008	5,640	5,754	5,580	5,631	
Total Same Store Funeral Contracts	29,782	29,560	29,661	29,274	29,481	-0.3%
Acquisition Contracts						
Atneed Contracts	64	1,473	2,392	3,289	4,203	
Preneed Contracts	8	369	574	597	775	
Total Acquisition Funeral Contracts	72	1,842	2,966	3,886	4,978	
Total Funeral Contracts	29,854	31,402	32,627	33,160	34,459	3.9%
Funeral Operating Revenue						
Same Store Revenue	\$153,388	\$153,326	\$157,181	\$155,710	\$157,990	0.8%
Acquisition Revenue	464	10,926	19,187	24,914	32,339	
Total Funeral Operating Revenue	\$153,851	\$164,252	\$176,368	\$180,624	\$190,329	5.8%
Cemetery Operating Revenue						
Same Store Revenue	\$40,479	\$41,558	\$43,661	\$45,894	\$44,322	2.4%
Acquisition Revenue	-	1,297	2,996	3,052	3,112	
Total Cemetery Operating Revenue	\$40,479	\$42,856	\$46,657	\$48,947	\$47,434	4.3%
Financial Revenue						
Preneed Funeral Commission Income	\$1,853	\$2,036	\$1,484	\$1,429	\$1,242	
Preneed Funeral Trust Earnings	7,378	7,447	7,966	7,348	7,156	
Cemetery Trust Earnings	8,095	8,123	8,440	8,004	7,894	
Preneed Cemetery Finance Charges	1,418	1,410	1,587	1,848	1,872	
Total Financial Revenue	\$18,744	\$19,016	\$19,477	\$18,629	\$18,164	-0.8%
Total Revenue	\$213,074	\$226,124	\$242,502	\$248,200	\$255,927	5.0%
Field EBITDA						
Same Store Funeral Field EBITDA	\$55,230	\$56,058	\$59,840	\$60,821	\$61,813	3.0%
Same Store Funeral Field EBITDA Margin	36.0%	36.6%	38.1%	39.1%	39.1%	
Acquisition Funeral Field EBITDA	229	4,417	8,473	10,421	12,643	
Acquisition Funeral Field EBITDA Margin	49.5%	40.4%	44.2%	41.8%	39.1%	
Total Funeral Field EBITDA	\$55,459	\$60,474	\$68,313	\$71,242	\$74,456	8.2%
Total Funeral Field EBITDA Margin	36.0%	36.8%	38.7%	39.4%	39.1%	
Same Store Cemetery Field EBITDA	\$11,714	\$11,856	\$14,034	\$14,618	\$12,618	2.0%
Same Store Cemetery Field EBITDA Margin	28.9%	28.5%	32.1%	31.9%	28.5%	
Acquired Cemetery Field EBITDA	-	340	1,099	1,049	1,005	
Acquired Cemetery Field EBITDA Margin	0.0%	26.3%	36.7%	34.4%	32.3%	
Total Cemetery Field EBITDA	\$11,714	\$12,196	\$15,133	\$15,667	\$13,623	4.1%
Total Cemetery Field EBITDA Margin	28.9%	28.5%	32.4%	32.0%	28.7%	
Funeral Financial EBITDA	\$7,966	\$8,348	\$8,339	\$7,941	\$7,483	
Cemetery Financial EBITDA	9,338	9,341	9,754	9,563	9,412	
Total Financial EBITDA	\$17,304	\$17,689	\$18,093	\$17,504	\$16,895	-0.6%
Total Financial EBITDA Margin	92.3%	93.0%	92.9%	94.0%	93.0%	
Total Field EBITDA	\$84,477	\$90,359	\$101,539	\$104,413	\$104,974	6.0%
Total Field EBITDA Margin	39.6%	40.0%	41.9%	42.1%	41.0%	
Overhead						
Total Variable Overhead	\$8,845	\$10,764	\$10,878	\$13,122	\$10,215	
Total Regional Fixed Overhead	3,346	3,136	3,435	3,667	3,896	
Total Corporate Fixed Overhead	20,829	20,227	20,354	19,109	21,338	
Total Overhead	\$33,020	\$34,127	\$34,667	\$35,898	\$35,449	1.9%
Overhead as a percentage of Revenue	15.5%	15.1%	14.3%	14.5%	13.9%	
Consolidated EBITDA	\$51,457	\$56,232	\$66,872	\$68,515	\$69,525	8.4%
Consolidated EBITDA Margin	24.1%	24.9%	27.6%	27.6%	27.2%	
Other Expenses and Interest						
Depreciation & Amortization	\$11,635	\$11,923	\$13,780	\$15,421	\$15,797	
Non-Cash Stock Compensation	2,916	3,832	4,444	2,890	2,978	
Interest Expense	13,437	10,308	10,559	11,738	12,534	
Accretion of Discount on Convert. Sub. Notes	-	2,452	3,454	3,870	4,208	
Loss on Early Extinguishment of Debt	-	1,042	-	567	-	
Loss on Redemption of Convert. Jr Sub. Deb.	-	3,779	-	-	-	
Other, Net	(896)	195	45	1,788	1,811	
Pretax Income	\$24,365	\$22,701	\$34,590	\$32,241	\$32,197	7.7%
Tax Provision	9,245	8,995	13,596	12,682	12,663	
Tax Adjustment Related to Certain Discrete Items	-	-	141	(22)	874	
Tax Benefit Related to Uncertain Tax Positions	-	(1,740)	-	-	-	
Net Tax Provision	\$9,245	\$7,255	\$13,737	\$12,660	\$13,537	10.7%
GAAP Net Income	\$15,120	\$15,446	\$20,853	\$19,581	\$18,660	5.8%
<i>Effective Tax Rate</i>	37.9%	32.0%	39.7%	39.3%	42.0%	
Special Items, Net of tax except for **						
Withdrawable Trust Income	\$960	\$1,181	\$366	-	-	
Acquisition and Divestiture Expenses	496	764	405	456	120	
Severance and Retirement Costs	965	697	633	2,587	-	
Consulting Fees	368	277	1,265	323	-	
Other Incentive Compensation	-	660	-	-	-	
Securities Transaction Expenses	160	-	-	-	-	
Accretion of Discount on Convert. Sub. Notes **	-	2,452	3,454	3,870	4,208	
Loss on Early Extinguishment of Debt	248	688	-	369	-	
Loss on Redemption of Convert. Jr Sub. Deb.	-	2,493	-	-	-	
Net Gain/Loss on Asset Purchase/Sale	-	(367)	-	1,152	1,350	
Natural Disaster Costs	-	-	-	-	259	
Other Special Items	(484)	503	244	-	-	
Tax Adjustment from Prior Period **	260	-	141	-	-	
Sum of Special Items	\$2,973	\$9,348	\$6,508	\$8,757	\$5,937	
Adjusted Net Income	\$18,093	\$24,794	\$27,361	\$28,338	\$24,597	8.5%
Adjusted Net Profit Margin	8.5%	11.0%	11.3%	11.4%	9.6%	
Adjusted Basic EPS	\$1.00	\$1.35	\$1.52	\$1.71	\$1.47	10.8%
Adjusted Diluted EPS	\$0.98	\$1.34	\$1.48	\$1.62	\$1.36	9.1%
GAAP Basic EPS	\$0.83	\$0.84	\$1.16	\$1.18	\$1.11	8.1%
GAAP Diluted EPS	\$0.82	\$0.83	\$1.12	\$1.12	\$1.02	6.0%
Average Number of Basic Shares Outstanding	17,826	18,108	17,791	16,515	16,575	-1.9%
Average Number of Diluted Shares Outstanding	22,393	18,257	18,313	17,460	17,887	-5.8%
Reconciliation of Consolidated EBITDA to Adjusted Consolidated EBITDA						
Consolidated EBITDA	\$51,457	\$56,232	\$66,872	\$68,515	\$69,525	8.4%
Withdrawable Trust Income	1,454	1,788	555	-	-	
Acquisition and Divestiture Expenses	752	1,158	614	701	185	
Severance and Retirement Costs	1,462	1,056	959	3,979	-	
Consulting Fees	557	419	1,913	496	-	
Natural Disaster Costs	-	-	-	-	398	
Other Incentive Compensation	-	1,000	-	-	-	
Securities Transaction Expenses	242	-	-	-	-	
Other Special Items	83	-	220	-	-	
Adjusted Consolidated EBITDA	\$56,007	\$61,653	\$71,133	\$73,691	\$70,108	6.2%
Adjusted Consolidated EBITDA Margin	26.3%	27.3%	29.3%	29.7%	27.4%	

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 Metrics Trend Report.

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

	2013	2014	2015	2016	Rolling Four Quarters
GAAP Net Income	\$15,120	\$15,446	\$20,853	\$19,581	\$18,660
Special Items, Net of tax	\$2,973	\$9,348	\$6,508	\$8,757	\$5,937
Adjusted Net Income	\$18,093	\$24,794	\$27,361	\$28,338	\$24,597

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

	2013	2014	2015	2016	Rolling Four Quarters
GAAP Basic EPS	\$0.83	\$0.84	\$1.16	\$1.18	\$1.11
Effect of Special Items	0.17	0.51	0.36	0.53	0.36
Adjusted Basic EPS	\$1.00	\$1.35	\$1.52	\$1.71	\$1.47

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

	2013	2014	2015	2016	Rolling Four Quarters
GAAP Diluted EPS	\$0.82	\$0.83	\$1.12	\$1.12	\$1.02
Effect of Special Items	0.16	0.51	0.36	0.50	0.34
Adjusted Diluted EPS	\$0.98	\$1.34	\$1.48	\$1.62	\$1.36

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

	2013	2014	2015	2016	Rolling Four Quarters
GAAP Net Income	\$15,120	\$15,446	\$20,853	\$19,581	\$18,660
Net Tax Provision	9,245	7,255	13,737	12,660	13,537
Pretax Income	\$24,365	\$22,701	\$34,590	\$32,241	\$32,197
Interest Expense	13,437	10,308	10,559	11,738	12,534
Accretion of Discount on Convert. Sub. Notes	-	2,452	3,454	3,870	4,208
Loss on Early Extinguishment of Debt	-	1,042	-	567	-
Loss on Redemption of Convert. Jr Sub. Deb.	-	3,779	-	-	-
Non-Cash Stock Compensation	2,916	3,832	4,444	2,890	2,978
Depreciation & Amortization	11,635	11,923	13,780	15,421	15,797
Other, Net	(896)	195	45	1,788	1,811
Special Items	4,550	5,421	4,261	5,176	583
Adjusted Consolidated EBITDA	\$56,007	\$61,654	\$71,133	\$73,691	\$70,108
Revenue	\$ 213,074	\$ 226,124	\$ 242,502	\$ 248,200	\$ 255,927
Adjusted Consolidated EBITDA Margin	26.3%	27.3%	29.3%	29.7%	27.4%