

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% |
| Effective Tax Rate | 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% |