

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

	2013	2014	2015	2016	2017	CAGR
Same Store Contracts						
Atneed Contracts	23,428	23,489	23,385	23,104	23,947	
Preneed Contracts	5,953	5,632	5,748	5,568	5,640	
Total Same Store Funeral Contracts	29,381	29,121	29,133	28,672	29,587	0.2%
Acquisition Contracts						
Atneed Contracts	64	1,473	2,392	3,289	4,488	
Preneed Contracts	8	369	574	597	819	
Total Acquisition Funeral Contracts	72	1,842	2,966	3,886	5,307	
Total Funeral Contracts	29,453	30,963	32,099	32,558	34,894	4.3%
Funeral Operating Revenue						
Same Store Revenue	\$151,570	\$151,684	\$155,362	\$154,130	\$158,106	1.1%
Acquisition Revenue	464	10,926	19,187	24,914	34,294	
Total Funeral Operating Revenue	\$152,034	\$162,610	\$174,549	\$179,044	\$192,400	6.1%
Cemetery Operating Revenue						
Same Store Revenue	\$40,479	\$41,558	\$43,661	\$45,894	\$45,044	2.7%
Acquisition Revenue	-	1,298	2,996	3,053	3,194	
Total Cemetery Operating Revenue	\$40,479	\$42,856	\$46,657	\$48,947	\$48,238	4.5%
Financial Revenue						
Preneed Funeral Commission Income	\$1,853	\$2,036	\$1,484	\$1,429	\$1,254	
Preneed Funeral Trust Earnings	7,328	7,405	7,904	7,308	7,232	
Cemetery Trust Earnings	8,095	8,123	8,440	8,004	7,193	
Preneed Cemetery Finance Charges	1,418	1,410	1,587	1,848	1,822	
Total Financial Revenue	\$18,694	\$18,974	\$19,415	\$18,589	\$17,501	-1.6%
Total Divested Revenue	\$1,867	\$1,684	\$1,881	\$1,620	-	
Total Revenue	\$213,074	\$226,124	\$242,502	\$248,200	\$258,139	4.9%
Field EBITDA						
Same Store Funeral Field EBITDA	\$54,583	\$55,457	\$59,189	\$60,042	\$60,864	2.8%
Same Store Funeral Field EBITDA Margin	36.0%	36.6%	38.1%	39.0%	38.5%	
Acquisition Funeral Field EBITDA	229	4,417	8,473	10,421	13,565	
Acquisition Funeral Field EBITDA Margin	49.5%	40.4%	44.2%	41.8%	39.6%	
Total Funeral Field EBITDA	\$54,812	\$59,874	\$67,662	\$70,463	\$74,429	7.9%
Total Funeral Field EBITDA Margin	36.1%	36.8%	38.8%	39.4%	38.7%	
Same Store Cemetery Field EBITDA	\$11,714	\$11,856	\$14,034	\$14,618	\$12,864	2.4%
Same Store Cemetery Field EBITDA Margin	28.9%	28.5%	32.1%	31.9%	28.6%	
Acquired Cemetery Field EBITDA	-	340	1,099	1,049	1,039	
Acquired Cemetery Field EBITDA Margin	0.0%	26.3%	36.7%	34.4%	32.5%	
Total Cemetery Field EBITDA	\$11,714	\$12,196	\$15,133	\$15,667	\$13,903	4.4%
Total Cemetery Field EBITDA Margin	28.9%	28.5%	32.4%	32.0%	28.8%	
Funeral Financial EBITDA	\$7,918	\$8,294	\$8,257	\$7,880	\$7,552	
Cemetery Financial EBITDA	9,338	9,341	9,754	9,563	8,628	
Total Financial EBITDA	\$17,256	\$17,635	\$18,011	\$17,443	\$16,180	-1.6%
Total Financial EBITDA Margin	92.3%	92.9%	92.8%	93.8%	92.5%	
Total Divested EBITDA	\$695	\$654	\$733	\$840	-	
Total Divested EBITDA Margin	37.2%	38.8%	39.0%	51.9%	0.0%	
Total Field EBITDA	\$84,477	\$90,359	\$101,539	\$104,413	\$104,512	5.5%
Total Field EBITDA Margin	39.6%	40.0%	41.9%	42.1%	40.5%	
Overhead						
Total Variable Overhead	\$8,845	\$10,764	\$10,878	\$13,122	\$11,338	
Total Regional Fixed Overhead	3,346	3,136	3,435	3,667	3,883	
Total Corporate Fixed Overhead	20,829	20,227	20,354	19,109	21,209	
Total Overhead	\$33,020	\$34,127	\$34,667	\$35,898	\$36,430	2.5%
Overhead as a percentage of Revenue	15.5%	15.1%	14.3%	14.5%	14.1%	
Consolidated EBITDA	\$51,457	\$56,232	\$66,872	\$68,515	\$68,082	7.2%
Consolidated EBITDA Margin	24.1%	24.9%	27.6%	27.6%	26.4%	
Other Expenses and Interest						
Depreciation & Amortization	\$11,635	\$11,923	\$13,780	\$15,421	\$15,979	
Non-Cash Stock Compensation	2,916	3,832	4,444	2,890	3,162	
Interest Expense	13,437	10,308	10,559	11,738	12,948	
Accretion of Discount on Convert. Sub. Notes	-	2,452	3,454	3,870	4,329	
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	(1,118)	
Pretax Income	\$24,365	\$22,701	\$34,590	\$32,241	\$32,782	7.7%
Tax Provision	9,245	8,995	13,596	12,682	13,100	
Tax Adjustment Related to Certain Discrete Items	-	-	141	(22)	(17,511)	
Tax Benefit Related to Uncertain Tax Positions	-	(1,740)	-	-	-	
Net Tax Provision	\$9,245	\$7,255	\$13,737	\$12,660	(\$4,411)	
GAAP Net Income	\$15,120	\$15,446	\$20,853	\$19,581	\$37,193	25.2%
<i>Effective Tax Rate</i>	37.9%	32.0%	39.7%	39.3%	-13.5%	
Special Items, Net of tax except for **						
Withdrawable Trust Income	\$960	\$1,181	\$366	-	-	
Acquisition and Divestiture Expenses	496	764	405	456	-	
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	4,329	
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	-	
Natural Disaster Costs	-	-	-	-	403	
Other Special Items	(484)	503	244	-	-	
Tax Adjustment from Prior Period **	260	-	141	-	(17,176)	
Sum of Special Items	\$2,973	\$9,348	\$6,508	\$8,757	(\$12,444)	
Adjusted Net Income	\$18,093	\$24,794	\$27,361	\$28,338	\$24,749	8.1%
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	\$1.50	10.7%
Adjusted Diluted EPS	\$0.98	\$1.34	\$1.48	\$1.62	\$1.39	9.1%
GAAP Basic EPS	\$0.83	\$0.84	\$1.16	\$1.18	\$2.25	28.3%
GAAP Diluted EPS	\$0.82	\$0.83	\$1.12	\$1.12	\$2.09	26.4%
Average Number of Basic Shares Outstanding	17,826	18,108	17,791	16,515	16,438	-2.0%
Average Number of Diluted Shares Outstanding	22,393	18,257	18,313	17,460	17,715	-5.7%
Reconciliation of Consolidated EBITDA to Adjusted Consolidated EBITDA						
Consolidated EBITDA	\$51,457	\$56,232	\$66,872	\$68,515	\$68,082	7.2%
Withdrawable Trust Income	1,454	1,788	555	-	-	
Acquisition and Divestiture Expenses	752	1,158	614	701	-	
Severance and Retirement Costs	1,462	1,056	959	3,979	-	
Consulting Fees	557	419	1,913	496	-	
Litigation Settlements and Other Related Costs	-	-	-	-	-	
Natural Disaster Costs	-	-	-	-	620	
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	\$68,702	5.2%
Adjusted Consolidated EBITDA Margin	26.3%	27.3%	29.3%	29.7%	26.6%	

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	2017
GAAP Net Income	\$15,120	\$15,446	\$20,853	\$19,581	\$37,193
Special Items, Net of tax	\$2,973	\$9,348	\$6,508	\$8,757	(\$12,444)
Adjusted Net Income	\$18,093	\$24,794	\$27,361	\$28,338	\$24,749

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

	2013	2014	2015	2016	2017
GAAP Basic EPS	\$0.83	\$0.84	\$1.16	\$1.18	\$2.25
Effect of Special Items	0.17	0.51	0.36	0.53	(0.75)
Adjusted Basic EPS	\$1.00	\$1.35	\$1.52	\$1.71	\$1.50

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

	2013	2014	2015	2016	2017
GAAP Diluted EPS	\$0.82	\$0.83	\$1.12	\$1.12	\$2.09
Effect of Special Items	0.16	0.51	0.36	0.50	(0.70)
Adjusted Diluted EPS	\$0.98	\$1.34	\$1.48	\$1.62	\$1.39

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

	2013	2014	2015	2016	2017
GAAP Net Income	\$15,120	\$15,446	\$20,853	\$19,581	\$37,193
Net Tax Provision	9,245	7,255	13,737	12,660	(4,411)
Pretax Income	\$24,365	\$22,701	\$34,590	\$32,241	\$32,782
Interest Expense	13,437	10,308	10,559	11,738	12,948
Accretion of Discount on Convert. Sub. Notes	-	2,452	3,454	3,870	4,329
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Loss on Redemption of Convert. Jr Sub. Deb.	-	3,779	-	-	-
Non-Cash Stock Compensation	2,916	3,832	4,444	2,890	3,162
Depreciation & Amortization	11,635	11,923	13,780	15,421	15,979
Other, Net	(896)	195	45	1,788	(1,118)
Special Items	4,550	5,421	4,261	5,176	620
Adjusted Consolidated EBITDA	\$56,007	\$61,653	\$71,133	\$73,691	\$68,702
Revenue	\$ 213,074	\$ 226,124	\$ 242,502	\$ 248,200	\$ 258,139
Adjusted Consolidated EBITDA Margin	26.3%	27.3%	29.3%	29.7%	26.6%