

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

	2014	2015	2016	2017	Rolling Four Quarters	CAGR
Same Store Contracts						
Atneed Contracts	23,914	23,899	23,572	24,393	24,573	
Preneed Contracts	5,768	5,881	5,693	5,769	5,870	
Total Same Store Funeral Contracts	29,682	29,780	29,265	30,162	30,443	0.8%
Acquisition Contracts						
Atneed Contracts	995	1,845	2,774	3,993	4,443	
Preneed Contracts	228	425	460	687	659	
Total Acquisition Funeral Contracts	1,223	2,270	3,234	4,680	5,102	
Total Funeral Contracts	30,905	32,050	32,499	34,842	35,545	5.4%
Funeral Operating Revenue						
Same Store Revenue	\$155,049	\$159,521	\$157,774	\$161,691	\$163,433	2.1%
Acquisition Revenue	6,926	14,523	20,636	30,108	32,745	
Total Funeral Operating Revenue	\$161,975	\$174,044	\$178,409	\$191,799	\$196,178	7.6%
Cemetery Operating Revenue						
Same Store Revenue	\$41,558	\$43,661	\$45,894	\$45,044	\$45,922	3.3%
Acquisition Revenue	1,298	2,996	3,053	3,194	3,155	
Total Cemetery Operating Revenue	\$42,856	\$46,657	\$48,947	\$48,238	\$49,077	5.5%
Financial Revenue						
Preneed Funeral Commission Income	\$2,036	\$1,484	\$1,429	\$1,254	\$1,211	
Preneed Funeral Trust Earnings	7,398	7,877	7,294	7,229	7,334	
Cemetery Trust Earnings	8,123	8,440	8,004	7,193	7,236	
Preneed Cemetery Finance Charges	1,410	1,587	1,848	1,822	1,787	
Total Financial Revenue	\$18,967	\$19,388	\$18,575	\$17,497	\$17,568	-2.0%
Total Divested Revenue	\$2,326	\$2,413	\$2,269	\$605	\$546	
Total Revenue	\$226,124	\$242,502	\$248,200	\$258,139	\$263,369	6.1%
Field EBITDA						
Same Store Funeral Field EBITDA	\$56,876	\$61,056	\$61,522	\$62,364	\$62,883	4.3%
Same Store Funeral Field EBITDA Margin	36.7%	38.3%	39.0%	38.6%	38.5%	
Acquisition Funeral Field EBITDA	2,657	6,370	8,643	11,771	12,559	
Acquisition Funeral Field EBITDA Margin	38.4%	43.9%	41.9%	39.1%	38.4%	
Total Funeral Field EBITDA	\$59,534	\$67,426	\$70,165	\$74,135	\$75,442	10.0%
Total Funeral Field EBITDA Margin	36.8%	38.7%	39.3%	38.7%	38.5%	
Same Store Cemetery Field EBITDA	\$11,856	\$14,034	\$14,618	\$12,864	\$13,329	2.9%
Same Store Cemetery Field EBITDA Margin	28.5%	32.1%	31.9%	28.6%	29.0%	
Acquired Cemetery Field EBITDA	340	1,099	1,049	1,039	1,011	
Acquired Cemetery Field EBITDA Margin	26.3%	36.7%	34.4%	32.5%	32.0%	
Total Cemetery Field EBITDA	\$12,196	\$15,133	\$15,667	\$13,903	\$14,340	5.4%
Total Cemetery Field EBITDA Margin	28.5%	32.4%	32.0%	28.8%	29.2%	
Funeral Financial EBITDA	\$8,286	\$8,231	\$7,868	\$7,548	\$7,552	
Cemetery Financial EBITDA	9,341	9,754	9,563	8,628	8,606	
Total Financial EBITDA	\$17,628	\$17,984	\$17,431	\$16,176	\$16,158	-2.0%
Total Financial EBITDA Margin	92.9%	92.8%	93.8%	92.5%	92.0%	
Total Divested EBITDA	\$1,002	\$996	\$1,150	\$298	\$297	
Total Divested EBITDA Margin	43.1%	41.3%	50.7%	49.4%	54.4%	
Total Field EBITDA	\$90,359	\$101,539	\$104,413	\$104,512	\$106,237	6.8%
Total Field EBITDA Margin	40.0%	41.9%	42.1%	40.5%	40.3%	
Overhead						
Total Variable Overhead	\$10,764	\$10,878	\$13,122	\$11,338	\$11,732	
Total Regional Fixed Overhead	3,136	3,435	3,667	3,883	3,893	
Total Corporate Fixed Overhead	20,227	20,354	19,109	21,209	20,639	
Total Overhead	\$34,127	\$34,667	\$35,898	\$36,430	\$36,264	3.1%
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	\$69,973	9.0%
Consolidated EBITDA Margin	24.9%	27.6%	27.6%	26.4%	26.6%	
Other Expenses and Interest						
Depreciation & Amortization	\$11,923	\$13,780	\$15,421	\$15,979	\$16,348	
Non-Cash Stock Compensation	3,832	4,444	2,890	3,162	3,426	
Interest Expense	10,308	10,559	11,738	12,948	13,655	
Accretion of Discount on Convert. Sub. Notes	2,452	3,454	3,870	4,329	4,452	
Loss on Early Extinguishment of Debt	1,042	-	567	-	-	
Loss on Redemption of Convert. Jr Sub. Deb.	3,779	-	-	-	-	
Other, Net	195	45	1,788	(1,118)	(1,117)	
Pretax Income	\$22,701	\$34,590	\$32,241	\$32,782	\$33,209	9.7%
Tax Provision	8,995	13,596	12,682	13,100	11,743	
Tax Adjustment Related to Certain Discrete Items	-	141	(22)	(17,511)	(17,998)	
Tax Benefit Related to Uncertain Tax Positions	(1,740)	-	-	-	-	
Net Tax Provision	\$7,255	\$13,737	\$12,660	(\$4,411)	(\$6,255)	
GAAP Net Income	\$15,446	\$20,853	\$19,581	\$37,193	\$39,464	32.0%
<i>Effective Tax Rate</i>	32.0%	39.7%	39.3%	-13.5%	-18.8%	
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	-	-	
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	4,452	
Loss on Early Extinguishment of Debt	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	403	
Other Special Items	503	244	-	-	-	
Tax Adjustment from Prior Period **	-	141	-	(17,176)	(17,176)	
Sum of Special Items	\$9,348	\$6,508	\$8,757	(\$12,444)	(\$12,321)	
Adjusted Net Income	\$24,794	\$27,361	\$28,338	\$24,749	\$27,143	10.2%
Adjusted Net Profit Margin	11.0%	11.3%	11.4%	9.6%	10.3%	
Adjusted Basic EPS	\$1.35	\$1.52	\$1.71	\$1.50	\$1.66	13.3%
Adjusted Diluted EPS	\$1.34	\$1.48	\$1.62	\$1.39	\$1.53	11.4%
GAAP Basic EPS	\$0.84	\$1.16	\$1.18	\$2.25	\$2.43	35.9%
GAAP Diluted EPS	\$0.83	\$1.12	\$1.12	\$2.09	\$2.24	33.4%
Average Number of Basic Shares Outstanding	18,108	17,791	16,515	16,438	16,094	-2.5%
Average Number of Diluted Shares Outstanding	18,257	18,313	17,460	17,715	17,700	-7.0%
Reconciliation of Consolidated EBITDA to Adjusted Consolidated EBITDA						
Consolidated EBITDA	\$56,232	\$66,872	\$68,515	\$68,082	\$69,973	9.0%
Withdrawable Trust Income	1,788	555	-	-	-	
Acquisition and Divestiture Expenses	1,158	614	701	-	-	
Severance and Retirement Costs	1,056	959	3,979	-	-	
Consulting Fees	419	1,913	496	-	-	
Natural Disaster Costs	-	-	-	620	620	
Other Incentive Compensation	1,000	-	-	-	-	
Other Special Items	-	220	-	-	-	
Adjusted Consolidated EBITDA	\$61,653	\$71,133	\$73,691	\$68,702	\$70,593	6.5%
Adjusted Consolidated EBITDA Margin	27.3%	29.3%	29.7%	26.6%	26.8%	

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	Rolling Four Quarters
GAAP Net Income	\$15,446	\$20,853	\$19,581	\$37,193	\$39,464
Special Items, Net of tax	\$9,348	\$6,508	\$8,757	(\$12,444)	(\$12,321)
Adjusted Net Income	\$24,794	\$27,361	\$28,338	\$24,749	\$27,143

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

	2014	2015	2016	2017	Rolling Four Quarters
GAAP Basic EPS	\$0.84	\$1.16	\$1.18	\$2.25	\$2.43
Effect of Special Items	0.51	0.36	0.53	(0.75)	(0.77)
Adjusted Basic EPS	\$1.35	\$1.52	\$1.71	\$1.50	\$1.66

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

	2014	2015	2016	2017	Rolling Four Quarters
GAAP Diluted EPS	\$0.83	\$1.12	\$1.12	\$2.09	\$2.24
Effect of Special Items	0.51	0.36	0.50	(0.70)	(0.71)
Adjusted Diluted EPS	\$1.34	\$1.48	\$1.62	\$1.39	\$1.53

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

	2014	2015	2016	2017	Rolling Four Quarters
GAAP Net Income	\$15,446	\$20,853	\$19,581	\$37,193	\$39,464
Net Tax Provision	7,255	13,737	12,660	(4,411)	(6,255)
Pretax Income	\$22,701	\$34,590	\$32,241	\$32,782	\$33,209
Interest Expense	10,308	10,559	11,738	12,948	13,655
Accretion of Discount on Convert. Sub. Notes	2,452	3,454	3,870	4,329	4,452
Loss on Early Extinguishment of Debt	1,042	-	567	-	-
Loss on Redemption of Convert. Jr Sub. Deb.	3,779	-	-	-	-
Non-Cash Stock Compensation	3,832	4,444	2,890	3,162	3,426
Depreciation & Amortization	11,923	13,780	15,421	15,979	16,348
Other, Net	195	45	1,788	(1,118)	(1,117)
Special Items	5,421	4,261	5,176	620	620
Adjusted Consolidated EBITDA	\$61,653	\$71,133	\$73,691	\$68,702	\$70,593
Revenue	\$ 226,124	\$ 242,502	\$ 248,200	\$ 258,139	\$ 263,369
Adjusted Consolidated EBITDA Margin	27.3%	29.3%	29.7%	26.6%	26.8%