UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 12, 2022 (December 9, 2022)

Carriage Services, Inc.
(Exact name of registrant as specified in its charter)

Delaware	1-11961	76-0423828
(State or other jurisdiction of incorporation)	*(Commission File Number)*	*(IRS Employer Identification No.)*

3040 Post Oak Boulevard, Suite 300
Houston, Texas 77056
(Address, including zip code, of principal executive offices)

Registrant's telephone number, including area code:
(713) 332-8400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $.01 per share	CSV	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On December 9, 2022, Carriage Services, Inc. (the "***Company***") entered into a third amendment (the "***Credit Agreement Amendment***") to its first amended and restated credit agreement dated May 13, 2021 (as amended, the "***Amended Credit Agreement***"), with the financial institutions party thereto, as lenders, and Bank of America, N.A., as administrative agent. The Credit Agreement Amendment provides, among other things, for (i) modifications to the definitions of "Applicable Rate" and "Applicable Fee Rate" to change the applicable rates and pricing levels set forth in each pricing grid; (ii) an increase in the maximum Total Leverage Ratio (as defined in the Amended Credit Agreement) covenant as follows: a Total Leverage Ratio not to exceed (a) 6.00 to 1.00 from the effective date of the Credit Agreement Amendment through the quarter ended June 30, 2023, (b) 5.75 to 1.00 for the quarters ended September 30, 2023, and December 31, 2023, (c) 5.50 to 1.00 for the quarters ended March 31, 2024 and June 30, 2024, (d) 5.25 to 1.00 for the quarter ended September 30, 2024, and (e) 5.00 and 1.00 for the quarter ended December 31, 2024 and each quarter ended thereafter; (iii) modifications to the permitted investments covenant, relating to the Company's ability to make certain acquisitions, subject to the satisfaction of certain conditions therein; (iv) modifications to the restricted payments covenant related to the Company's ability to make stock repurchases, subject to the satisfaction of certain conditions therein; and (v) a modification to the Total Leverage Ratio level which constitutes a Real Property Collateral Trigger Event (as defined in the Amended Credit Agreement).

As of the effective date of the Credit Agreement Amendment and through and including the date the Company's compliance certificate is delivered for the fiscal year ending December 31, 2022, interest accrues on amounts outstanding under the Amended Credit Agreement based on Pricing Level 6 set forth below, and thereafter based on the Company's Total Leverage Ratio (as defined in the Amended Credit Agreement) commencing with the delivery of the Company's compliance certificate for the fiscal quarter ending March 31, 2023, in accordance with the following pricing grid:

Applicable Rate			
Pricing Level	Total Leverage Ratio	BSBY Rate / Letter of Credit Fees	Base Rate
1	< 3.00 : 1.0	1.500%	0.500%
2	< 3.50: 1.00 but ≥ 3.00: 1.	1.625%	0.625%
3	< 4.00: 1.00 but ≥ 3.50: 1.	1.750%	0.750%
4	< 4.50: 1.00 but ≥ 4.00: 1.	1.875%	0.875%
5	< 5.00: 1.00 but ≥ 4.50: 1.	3.125%	2.125%
6	< 5.50: 1.00 but ≥ 5.00: 1.	3.375%	2.375%
7	≥ 5.50: 1.0	3.625%	2.625%

Immediately after giving effect to the Credit Agreement Amendment, the Company had borrowings of approximately $194.3 million in principal amount outstanding and had approximately $53.4 million available for additional borrowing under the Amended Credit Agreement after giving effect to approximately $2.3 million of outstanding letters of credit.

The foregoing description of the Credit Agreement Amendment is qualified in its entirety by reference to the Credit Agreement Amendment, a copy of which is attached hereto as Exhibit 10.1, and incorporated by reference herein.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT

The disclosures above under Item 1.01 of this Current Report on Form 8-K are also responsive to Item 2.03 of this Current Report on Form 8-K and are hereby incorporated by reference into this Item 2.03.

ITEM 7.01 REGULATION FD.

On December 12, 2022, the Company issued a press release containing certain information regarding the Company and the transaction contemplated by the Credit Agreement Amendment. The press release is attached hereto as Exhibit 99.1 of this Current Report on Form 8-K and is incorporated by reference herein.

In accordance with General Instruction B.2 of Form 8-K, the foregoing information, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***") or otherwise subject to the liabilities of that section, nor shall such information, including Exhibit 99.1, be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

The following are furnished as part of this Current Report on Form 8-K:

Exhibit	Description
10.1	Third Amendment and Commitment Increase to First Amended and Restated Credit Agreement dated as of December 9, 2022, among Carriage Services, Inc., the financial institutions party thereto, as lenders, and Bank of America, N.A., as administrative agent, swing line lender and L/C issuer.
99.1	Press Release of Carriage Services, Inc. dated December 12, 2022 (furnished herewith pursuant to Item 7.01)
101	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document
104	The cover page from this Current Report on Form 8-K, formatted as Inline XBRL

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CARRIAGE SERVICES, INC.

Dated: December 12, 2022

By: /s/ Steven D. Metzger
Steven D. Metzger
Executive Vice President, Chief Administrative Officer, General Counsel and Secretary

INDEX TO EXHIBITS

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Execution Version

THIRD AMENDMENT TO
FIRST AMENDED AND RESTATED CREDIT AGREEMENT

THIS THIRD AMENDMENT TO FIRST AMENDED AND RESTATED CREDIT AGREEMENT (this "Third Amendment"), dated as of December 9, 2022, is by and among CARRIAGE SERVICES, INC., a Delaware corporation (the "Borrower"), the banks listed as Lenders on the signature pages hereof (the "Lenders"), and BANK OF AMERICA, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer (in said capacity as Administrative Agent, the "Administrative Agent").

BACKGROUND

A. The Borrower, the Lenders, and the Administrative Agent are parties to that certain First Amended and Restated Credit Agreement, dated as of May 13, 2021, as amended by that certain First Amendment and Commitment Increase to First Amended and Restated Credit Agreement, dated as of November 22, 2021, that certain Second Amendment and Commitment Increase to First Amended and Restated Credit Agreement, dated as of May 27, 2022 and that certain Limited Consent to First Amended and Restated Credit Agreement, dated as of October 25, 2022 (as amended, restated, or otherwise modified from time to time, the "Credit Agreement"; the terms defined in the Credit Agreement and not otherwise defined herein shall be used herein as defined in the Credit Agreement).

B. The Borrower has requested that the Lenders amend certain provisions of the Credit Agreement and the Lenders are willing to make such amendments to the Credit Agreement, in accordance with and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants, conditions and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are all hereby acknowledged, the parties hereto covenant and agree as follows:

1. AMENDMENTS.

(a) Section 1.01 of the Credit Agreement is hereby amended by adding the following defined terms thereto in proper alphabetical order:

> "Bakersfield Acquisition" means the Acquisition by the Borrower, or any of the Borrower's Subsidiaries or Affiliates of all of the business operations, assets and properties, including the real estate and real property located in and around Bakersfield and Tehachapi, California related to and/or used in the operation of, and future growth of, Greenlawn Funeral Homes, Cremations & Cemeteries; Keep It Simple Cremation; Ed Helm Monument Company; and Wood Family Funeral Services, for an aggregate cash purchase price not to exceed $45.0 million.

"Third Amendment" means that certain Third Amendment to First Amended and Restated Credit Agreement, dated as of December 9, 2022, among the Borrower, the Lenders party thereto and the Administrative Agent.

"Third Amendment Effective Date" means the date that all conditions of effectiveness set forth in Section 3 of the Third Amendment have been satisfied.

(b) The definition of "Applicable Fee Rate" set forth in set forth in Section 1.01 of the Credit Agreement is hereby amended and restated to read as follows:

"Applicable Fee Rate" means, at any time, in respect of the Revolving Credit Facility, the applicable percentage per annum set forth below determined by reference to the Total Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a):

Applicable Fee Rate		
Pricing Level	**Total Leverage Ratio**	**Commitment Fee**
1	< 3.00 : 1.00	0.200%
2	< 3.50: 1.00 but ≥ 3.00: 1.00	0.250%
3	< 4.00: 1.00 but ≥ 3.50: 1.00	0.250%
4	< 4.50: 1.00 but ≥ 4.00: 1.00	0.300%
5	< 5.00: 1.00 but ≥ 4.50: 1.00	0.500%
6	< 5.50: 1.00 but ≥ 5.00: 1.00	0.625%
7	≥ 5.50: 1.00	0.750%

Any increase or decrease in the Applicable Fee Rate resulting from a change in the Total Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(a); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then, upon the request of the Required Lenders, Pricing Level 7 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the first Business Day following the date on which such Compliance Certificate is delivered. Notwithstanding the foregoing, the Applicable Fee Rate in effect from and after the Third Amendment Effective Date through and including the date the Compliance Certificate is delivered pursuant to Section 6.02(a) for the Fiscal Year ending December 31, 2022 shall be Pricing Level 6.

Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Fee Rate for any period shall be subject to the provisions of Section 2.10(b).

(c) The definition of "Applicable Rate" set forth in set forth in Section 1.01 of the Credit Agreement is hereby amended and restated to read as follows:

"Applicable Rate" means the applicable percentage per annum set forth below determined by reference to the Total Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a):

Applicable Rate			
Pricing Level	**Total Leverage Ratio**	**BSBY Rate / Letter of Credit Fees**	**Base Rate**
1	< 3.00 : 1.00	1.500%	0.500%
2	< 3.50: 1.00 but ≥ 3.00: 1.00	1.625%	0.625%
3	< 4.00: 1.00 but ≥ 3.50: 1.00	1.750%	0.750%
4	< 4.50: 1.00 but ≥ 4.00: 1.00	1.875%	0.875%
5	< 5.00: 1.00 but ≥ 4.50: 1.00	3.125%	2.125%
6	< 5.50: 1.00 but ≥ 5.00: 1.00	3.375%	2.375%
7	≥ 5.50: 1.00	3.625%	2.625%

Any increase or decrease in the Applicable Rate resulting from a change in the Total Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(a); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then, upon the request of the Required Lenders, Pricing Level 7 shall apply in respect of the Revolving Credit Facility as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and in each case shall remain in effect until the first Business Day following the date on which such Compliance Certificate is delivered. Notwithstanding the foregoing, the Applicable Rate in effect from and after the Third Amendment Effective Date through and including the date the Compliance Certificate is delivered pursuant to Section 6.02(a) for the Fiscal Year ending December 31, 2022 shall be Pricing Level 6.

Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of Section 2.10(b).

(d) The definition of "Fee Letter" set forth in set forth in Section 1.01 of the Credit Agreement is hereby amended and restated to read as follows:

"Fee Letter" means, collectively, (i) the letter agreement, dated April 7, 2021, among the Borrower, the Administrative Agent and BofA Securities, Inc., (ii) the letter agreement, dated November 22, 2021, among the Borrower, the Administrative Agent and BofA Securities, Inc., (iii) the letter agreement, dated May 27, 2022, among the Borrower, the Administrative Agent and BofA Securities, Inc. and (iv) the letter agreement, dated December 9, 2022, among the Borrower, the Administrative Agent and BofA Securities, Inc.

(e) The definition of "Real Property Collateral Trigger Event" set forth in set forth in Section 1.01 of the Credit Agreement is hereby amended and restated to read as follows:

"Real Property Collateral Trigger Event" means at any time after the Closing Date when the most recent Compliance Certificate delivered pursuant to Section 6.02(a) indicates that the Total Leverage Ratio is equal to or greater than 4.25 to 1.00.

(f) Section 7.02(d) of the Credit Agreement is hereby amended and restated to read as follows:

(d) (i) Investments as a result of Acquisitions (other than the Bakersfield Acquisition), if each of the following conditions has been satisfied: (A) if the Acquisition Consideration for such Acquisition is in excess of $20,000,000, the Borrower shall have given the Administrative Agent notice thereof no less than ten Business Days prior to the closing of such Acquisition, (B) immediately before and after giving pro-forma effect to such Acquisition, no Default shall have occurred and be continuing, (C) immediately after giving pro-forma effect to the proposed Acquisition, Liquidity is at least $15,000,000, and (D) immediately after giving pro-forma effect to the proposed Acquisition, the Total Leverage Ratio is less than 4.25 to 1.00 and (ii) the Bakersfield Acquisition so long as each of the conditions set forth in clause (d)(i)(A) – (C) above has been satisfied.

(g) Section 7.06(a)(ii) of the Credit Agreement is hereby amended and restated to read as follows:

(ii) so long as immediately before and after giving pro-forma effect to any acquisition or purchase by the Borrower of Equity Interests of the Borrower, (A) no Default shall have occurred and be continuing, (B) Liquidity is at least $15,000,000 and (C) the Total Leverage Ratio is less than 4.25 to 1.00, the Borrower may acquire or purchase such Equity Interests in an unlimited amount;

(h) Section 7.11(a) of the Credit Agreement is hereby amended and restated to read as follows:

(a) Maximum Total Leverage Ratio. Permit the Total Leverage Ratio as of the end of any period of four consecutive Fiscal Quarters of the Borrower to be greater than the ratio set forth below opposite such period:

Four Consecutive Fiscal Quarter Period Ended	Maximum Total Leverage Ratio
September 30, 2022	5.25 to 1.00
From and after the Third Amendment Effective Date through June 30, 2023	6.00 to 1.00
September 30, 2023 through December 31, 2023	5.75 to 1.00
March 31, 2024 through June 30, 2024	5.50 to 1.00

September 30, 2024	5.25 to 1.00
December 31, 2024 and thereafter	5.00 to 1.00

(i) Exhibit D. Exhibit D to the Credit Agreement is hereby amended in its entirety and replaced with the document attached hereto as Exhibit D.

2. REPRESENTATIONS AND WARRANTIES TRUE; NO EVENT OF DEFAULT. By its execution and delivery hereof, the Borrower represents and warrants that, as of the date hereof, and both before and immediately after giving effect to this Third Amendment:

(a) the representations and warranties contained in the Credit Agreement and the other Loan Documents that are subject to materiality or Material Adverse Effect qualifications are true and correct in all respects on and as of the date hereof as made on and as of such date, and the representations and warranties contained in the Credit Agreement and the other Loan Documents that are not subject to materiality or Material Adverse Effect qualifications are true and correct in all material respects on and as of the date hereof as made on and as of such date, except in each case to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that the representations and warranties contained in Sections 5.05(a) and (c) of the Credit Agreement shall be deemed to refer to the most recent financial statements furnished pursuant to Sections 6.01(a) and (b), respectively, of the Credit Agreement;

(b) no event has occurred and is continuing which constitutes a Default or Event of Default;

(c) (i) the Borrower has full power and authority to execute and deliver this Third Amendment, (ii) this Third Amendment has been duly executed and delivered by the Borrower and (iii) this Third Amendment and the Credit Agreement, as amended hereby, constitute the legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms, except as enforceability may be limited by applicable Debtor Relief Laws and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and except as rights to indemnity may be limited by federal or state securities laws;

(d) neither the execution, delivery and performance of this Third Amendment or the Credit Agreement, as amended hereby, nor the consummation of any transactions contemplated herein or therein, will conflict with (i) any Organization Documents of the Borrower or its Subsidiaries, (ii) any Law applicable to the Borrower or its Subsidiaries or (iii) any Contractual Obligation to which the Borrower or the Subsidiaries is a party; and

(e) no authorization, approval, consent, or other action by, notice to, or filing with, any Governmental Authority or other Person not previously obtained is necessary or required in connection with (i) the execution, delivery or performance by, or enforcement against, the Borrower of this Third Amendment or (ii) the acknowledgement by each Guarantor of this Third Amendment.

3. CONDITIONS OF EFFECTIVENESS. All provisions of this Third Amendment shall be effective upon satisfaction of, or completion of, the following:

(a) the Administrative Agent shall have received counterparts of this Third Amendment executed by the Borrower, each Guarantor, and each Lender;

(b) the representations and warranties set forth in Section 2 of this Third Amendment shall be true and correct;

(c) the Administrative Agent shall have received for the benefit of each Lender who executes this Third Amendment, an amendment fee in the amount set forth in the Fee Letter;

(d) the Administrative Agent shall have received such other fees required to be paid on or before the Third Amendment Effective Date;

(e) unless waived by the Administrative Agent, the Borrower shall have paid all fees, charges and disbursements of counsel to the Administrative Agent directly to such counsel to the extent invoiced prior to or on the Third Amendment Effective Date;

(f) since December 31, 2021, there shall not have occurred any event or condition that has had or could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; and

(g) the Administrative Agent shall have received, in form and substance satisfactory to the Administrative Agent and its counsel, such other documents, certificates and instruments as the Administrative Agent shall reasonably require.

4. REFERENCE TO THE CREDIT AGREEMENT.

(a) Upon and during the effectiveness of this Third Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", or words of like import shall mean and be a reference to the Credit Agreement, as affected and amended by this Third Amendment.

(b) Except as expressly set forth herein, this Third Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights or remedies of the Administrative Agent or the Lenders under the Credit Agreement or any of the other Loan Documents, and shall not alter, modify, amend, or in any way affect the terms, conditions, obligations, covenants, or agreements contained in the Credit Agreement or the other Loan Documents, all of which are hereby ratified and affirmed in all respects and shall continue in full force and effect.

5. COSTS AND EXPENSES. The Borrower shall be obligated to pay the reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Third Amendment and the other instruments and documents to be delivered hereunder.

6. GUARANTOR'S ACKNOWLEDGEMENT. By signing below, each Guarantor (a) acknowledges, consents and agrees to the execution, delivery and performance by Borrower

of this Third Amendment, (b) joins this Third Amendment for the purpose of consenting to and being bound by the provisions thereof, (c) acknowledges and agrees that its obligations in respect of its Guaranty are not released, diminished, waived, modified, impaired or affected in any manner by this Third Amendment or any of the provisions contemplated herein, (d) ratifies and confirms all of its obligations and liabilities under the Loan Documents to which it is a party and ratifies and confirms that such obligations and liabilities extend to and continue in effect with respect to, and continue to guarantee and secure the Secured Obligations of the Borrower under the Credit Agreement, as amended pursuant to the terms of the Third Amendment; and (e) acknowledges and agrees that as of the date of the foregoing Third Amendment, such Guarantor (i) does not have any claim or cause of action against the Administrative Agent or any Lender (or any of their respective directors, officers, employees, agents, attorneys or other representatives) under or in connection with its Guaranty and the other Loan Documents to which it is a party and (ii) has no offsets against, or defenses or counterclaims to, its Guaranty.

7. EXECUTION IN COUNTERPARTS. This Third Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which when taken together shall constitute but one and the same instrument. For purposes of this Third Amendment, a counterpart hereof (or signature page thereto) signed and transmitted by any Person party hereto to the Administrative Agent (or its counsel) by facsimile or other electronic imaging means (e.g., "pdf" or "tif") is to be treated as an original. The signature of such Person thereon, for purposes hereof, is to be considered as an original signature, and the counterpart (or signature page thereto) so transmitted is to be considered to have the same binding effect as an original signature on an original document.

8. GOVERNING LAW; BINDING EFFECT. This Third Amendment shall be governed by and construed in accordance with the laws of the State of Texas applicable to agreements made and to be performed entirely within such State; provided that each party shall retain all rights arising under federal law. This Third Amendment shall be binding upon the Borrower, the Guarantors, the Administrative Agent and each Lender and their respective successors and permitted assigns.

9. HEADINGS. Section headings in this Third Amendment are included herein for convenience of reference only and shall not constitute a part of this Third Amendment for any other purpose.

10. ENTIRE AGREEMENT. THE CREDIT AGREEMENT, AS AMENDED BY THIS THIRD AMENDMENT, AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AS TO THE SUBJECT MATTER THEREIN AND HEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment as of the date above written.

BORROWER:

CARRIAGE SERVICES, INC.

By: ______________________________
Carl Benjamin Brink
Executive Vice President, Chief Financial Officer and Treasurer

GUARANTORS:

CARRIAGE CEMETERY SERVICES, INC.
CARRIAGE CEMETERY SERVICES OF CALIFORNIA, INC.
CARRIAGE CEMETERY SERVICES OF IDAHO, INC.
CARRIAGE FLORIDA HOLDINGS, INC.
CARRIAGE FUNERAL HOLDINGS, INC.
CARRIAGE FUNERAL MANAGEMENT, INC.
CARRIAGE FUNERAL SERVICES OF CALIFORNIA, INC.
CARRIAGE FUNERAL SERVICES OF KENTUCKY, INC.
CARRIAGE FUNERAL SERVICES OF MICHIGAN, INC.
CARRIAGE HOLDING COMPANY, INC.
CARRIAGE LIFE EVENTS, INC.
CARRIAGE MANAGEMENT, INC.
CARRIAGE MUNICIPAL CEMETERY SERVICES OF NEVADA, INC.
CARRIAGE OPERATIONS, INC.
CARRIAGE PENNSYLVANIA HOLDINGS, INC.
CARRIAGE SERVICES OF CONNECTICUT, INC.
CARRIAGE SERVICES OF LOUISIANA, INC.
CARRIAGE SERVICES OF NEVADA, INC.
CARRIAGE SERVICES OF NEW MEXICO, INC.
CARRIAGE SERVICES OF OHIO, LLC
CARRIAGE SERVICES OF OKLAHOMA, L.L.C.
CARRIAGE SERVICES OF TENNESSEE, INC.
CARRIAGE TEAM CALIFORNIA (CEMETERY), LLC
CARRIAGE TEAM CALIFORNIA (FUNERAL), LLC
CARRIAGE TEAM FLORIDA (CEMETERY), LLC

CARRIAGE TEAM FLORIDA (FUNERAL), LLC
CARRIAGE TEAM KANSAS, LLC
CATAUDELLA FUNERAL HOME, INC.
CFS FUNERAL SERVICES, INC.
CHC INSURANCE AGENCY OF OHIO, INC.
CLOVERDALE PARK, INC.
COCHRANE'S CHAPEL OF THE ROSES, INC.
CSI FUNERAL SERVICES OF MASSACHUSETTS, INC.
FORASTIERE FAMILY FUNERAL SERVICE, INC.
HORIZON CREMATION SOCIETY, INC.
HUBBARD FUNERAL HOME, INC.
PNCA, INC.
ROLLING HILLS MEMORIAL PARK
WILSON & KRATZER MORTUARIES
FAIRFAX MEMORIAL FUNERAL HOME, L.L.C.
CALVARY MEMORIAL PARK, INCORPORATED

By: ______________________________
Carl Benjamin Brink
Treasurer for all

BANK OF AMERICA, N.A.,
as Administrative Agent

By: ______________________

Name: Adam Rose
Title: SVP

BANK OF AMERICA, N.A.,
as a Lender, L/C Issuer and Swing Line Lender

By: ______________________________

Name: Adam Rose
Title: Senior Vice President

REGIONS BANK,
as a Lender

By: [signature]

Name: Tyler Nissen
Title: Vice President

PNC BANK (successor to BBVA USA),
as a Lender

By: ______________________________
Name: Natalie Hill
Title: Senior Vice President

CITIZENS BANK, N.A.,
as a Lender

By: ______________________________
Name: Marc C. Van Horn
Title: Vice President

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: __________, ____

TO: Bank of America, N.A., as Administrative Agent

RE: First Amended and Restated Credit Agreement, dated as of May 13, 2021, by and among Carriage Services, Inc., a Delaware corporation (the "Borrower"), the Guarantors, the Lenders and Bank of America, N.A., as Administrative Agent, a Swing Line Lender and L/C Issuer (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement)

DATE: **[Date]**

The undersigned Responsible Officer hereby certifies as of the date hereof that **[he/she]** is the ____________________ of the Borrower, and that, as such, **[he/she]** is authorized to execute and deliver this Certificate to the Administrative Agent on the behalf of the Borrower and the other Loan Parties, and that:

[Use following paragraph 1 for fiscal year-end financial statements]

1. The Borrower has delivered the year-end audited financial statements required by Section 6.01(a) of the Credit Agreement for the fiscal year of the Borrower ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

[Use following paragraph 1 for fiscal quarter-end financial statements]

1. The Borrower has delivered the unaudited financial statements required by Section 6.01(b) of the Credit Agreement for the fiscal quarter of the Borrower ended as of the above date. Such consolidated financial statements fairly present the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP as at such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

2. The undersigned has reviewed and is familiar with the terms of the Credit Agreement and has made, or has caused to be made under **[his/her]** supervision, a detailed review of the transactions and condition (financial or otherwise) of the Borrower and its Subsidiaries during the accounting period covered by such financial statements.

3. A review of the activities of the Borrower and its Subsidiaries during such fiscal period has been made under the supervision of the undersigned with a view to determining

whether during such fiscal period the Borrower and each of the other Loan Parties performed and observed all its obligations under the Loan Documents, and

[select one:]

[to the best knowledge of the undersigned, during such fiscal period each of the Loan Parties performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.]

[--or—]

[to the best knowledge of the undersigned, the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

4. The representations and warranties of the Borrower and each other Loan Party contained in Article V of the Credit Agreement or any other Loan Document, or which are contained in any document furnished at any time under or in connection therewith are (i) with respect to representations and warranties that contain a materiality qualification, true and correct on and as of the date hereof and (ii) with respect to representations and warranties that do not contain a materiality qualification, true and correct in all material respects on and as of the date hereof, and except that for purposes of this Compliance Certificate, the representations and warranties contained in clauses (a) and (b) of Section 5.05 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Credit Agreement, including the statements in connection with which this Compliance Certificate is delivered.

5. The financial covenant analyses and information set forth on Schedule A attached hereto are true and accurate on and as of the date of this Certificate.

Delivery of an executed counterpart of a signature page of this Certificate by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Certificate.

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CARRIAGE SERVICES, INC.,
a Delaware corporation

By: ________________________________
Name: __________________________
Title __________________________

For the Quarter/Year ended __________________("Statement Date")

SCHEDULE A
to the Compliance Certificate
($ in 000's)

I. Section 7.01 – Liens.

A.	Debt on acquired Property:	$____________
B.	Purchase money Liens and surety bond deposits:	$____________
C.	Total permitted Secured Debt (Lines I.A. + I.B.):	$____________
D.	10% of Borrower's Net Worth:	$____________

II. Section 7.02 – Investments.

A.	Investments made pursuant to Section 7.02(g):	$____________
B.	Investments permitted pursuant to Section 7.02(g):	$10,000,000
C.	Investments in Unrestricted Subsidiaries pursuant to Section 7.02(j):	$____________
D.	Investments permitted pursuant to Section 7.02(j):	$10,000,000

III. Section 7.11 (a) – Maximum Total Leverage Ratio.

A.	Total Debt of the Borrower and its Subsidiaries at Statement Date:	$____________
B.	EBITDA for four consecutive fiscal quarters ending on the Statement Date ("Subject Period"):	
	(1) Net Income for the Subject Period:	$____________
	(2) To the extent deducted in calculating Net Income, Interest Expense for the Subject Period:	$____________
	(3) To the extent deducted in calculating Net Income, the provision for federal, state, local and foreign income taxes payable by the Borrower and its Subsidiaries for the Subject Period:	$____________
	(4) To the extent deducted in calculating Net Income, depreciation and amortization expenses and payments in respect of Deferred Purchase Price for the Subject Period:	$____________
	(5) To the extent deducted in calculating Net Income, other expenses of the Borrower and the Subsidiaries reducing Net Income which do not represent a cash item in the Subject Period or any future period:	$____________
	(6) To the extent deducted in calculating Net Income, non-recurring costs and expenses, including acquisition costs, of the Borrower and its Subsidiaries not to exceed $2,000,000 in aggregate amount:	$____________

(7) To the extent deducted in calculating Net Income, transaction fees, cost and expenses not to exceed \$5,000,000 in aggregate amount incurred in connection with the Credit Agreement, the Senior Notes and the repayment and discharge of the Existing Senior Notes on the Closing Date: \$____________

(8) EBITDA of any Acquisition calculated on a historic basis for such Acquisition as if the same had occurred on the first day of the period for which such EBITDA is measured with such pro-forma adjustments as the Administrative Agent shall approve: \$____________

(9) For any period of calculation, severance costs not to exceed \$2,500,000 in aggregate amount: \$____________

(10) Non-cash items increasing Net Income for the Subject Period: \$____________

(11) EBITDA of any Subsidiary or business Disposed of calculated on a historic basis as if the same had occurred on the first day of the period for which such EBITDA is measured with such pro-forma adjustments as the Administrative Agent shall approve: \$____________

(12) EBITDA (Lines III.B.1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 -10 – 11): \$____________

C. Total Leverage Ratio (Line III.A. ÷ Line III.B.12): _____ to ______

Maximum permitted:

Four Consecutive Fiscal Quarter Period Ended	Maximum Total Leverage Ratio
September 30, 2022	5.25 to 1.00
Third Amendment Effective Date through June 30, 2023	6.00 to 1.00
September 30, 2023 through December 31, 2023	5.75 to 1.00
March 31, 2024 through June 30, 2024	5.50 to 1.00
September 30, 2024	5.25 to 1.00
December 31, 2024 and thereafter	5.00 to 1.00

IV. Section 7.11(b) – Minimum Fixed Charge Coverage Ratio.

A.	EBITDA for the Subject Period (Line III.B.12. above):	$____________
B.	Maintenance Capital Expenditures for the Subject Period:	$____________
C.	Cash taxes paid during the Subject Period:	$____________
D.	Cash tax refunds received during the Subject Period:	$____________
E.	Dividends paid in cash during the Subject Period:	$____________
F.	Cash Interest Expense during the Subject Period:	$____________
G.	Scheduled and required principal payments during the Subject Period in respect of Debt:	$____________
H.	Scheduled and required payments made by the Borrower in respect of Deferred Purchase Price for the Subject Period (to extent not included in IV.F. and IV.G. above):	$____________
I.	Fixed Charge Coverage Ratio (Lines IV.A. – IV.B. – IV.C. + IV.D. – IV.E.) ÷ (Lines IV.F. + IV.G. + IV.H.):	______ to 1.00
	Minimum required:	1.20 to 1.00

Carriage Services Announces High Performance and Credit Profile Restoration Plan

Conference call on Tuesday, December 13, 2022, at 9:30 a.m. Central Time

HOUSTON – Monday, December 12, 2022 – (GLOBE NEWSWIRE) Carriage Services, Inc. (NYSE: CSV) today made several important announcements. The Company will host a conference call on Tuesday, December 13, 2023 at 9:30 a.m. Central Standard Time to discuss this press release.

1. Announcing **High Performance and Credit Profile Restoration Plan ("HPCPRP")**;
2. Announcing Definitive Agreement to acquire Greenlawn Funeral Homes and Cemeteries in Bakersfield, CA ("Greenlawn");
3. Announcing 2024 Goals for Performance Metrics including Total Revenue of $390 million to $400 million, Consolidated EBITDA of $120 million to $126 million, GAAP Net Income of $46 million to $50 million, GAAP Diluted EPS of $2.95 to $3.05 per share, and a deleveraging goal of 4.0 times to 4.3 times Total Debt to Consolidated EBITDA by the end of 2024; and
4. Announcing full support by our bank group of an Amendment to our $250 million Credit Facility tailored to execution of **HPCPRP**.

Mel Payne, Chairman and CEO, stated, "In our third quarter earnings release dated October 27, 2022, we didn't provide our customary Rolling Four Quarter Outlook for the four quarters ending September 30, 2023, primarily because of a lack of deathrate trend data from which to reasonably predict normalized post-COVID funeral volumes and atneed cemetery revenues in our portfolio. Since our 2022 record first quarter, we had experienced a gradual year over year decline in deathrates (still materially elevated over pre-COVID levels) throughout the second and third quarter until September, when we experienced a sudden and dramatic year over year decline in same store funeral volumes and revenues (77.0% Same Store Volumes, 79.8% Same Store Revenue). Yet since September we have experienced a monthly material uptick in the comparative percentage of same store funeral volumes and revenue this year to the peak levels last year, as follows: October (84.3% Same Store Volumes, 90.2% Same Store Revenue) and an even greater increase in November (95.5% Same Store Volumes, 96.4% Same Store Revenue).

After a prolonged two plus years COVID Pandemic, year over year monthly deathrate comparisons to peak levels in 2021 can be very misleading as to sustainable longer-term trends in the future. Even more relevant and impressive data are the September to November 2022 Same Store Funeral Volumes and Revenue comparisons to 2019 pre-COVID levels, which are all materially higher as follows: September 2022/2019 (113.7% Same Store Volumes, 115.8% Same Store Revenue); October 2022/2019 (106.8% Same Store Volumes, 111.7% Same Store Revenue) and November 2022/2019 (113.8% Same Store Volumes, 117.0% Same Store Revenue).

Our fourth quarter 2022 performance is trending stronger than expected against a tough record comparable performance last year. Our guidance plan is to issue our customary Full Year Outlook for 2023 when we report full year 2022 performance results at the end of February 2023, when we should have a much clearer picture of a post-COVID normalized deathrate environment and its near-term impact on our performance, especially compared to our record first quarter 2022 performance.

Given no near-term guidance in our third quarter release combined with a weak comparative third quarter 2022 performance and an elevated leverage ratio of 5.14 times Total Debt to Consolidated EBITDA, investors seemed to believe bad news would follow by selling our shares in volume with the result that our share price plummeted to below $25 per share. Finding this external high-risk perception of our company inexcusable and unacceptable, we went to work with Bank of America and our credit facility bank group on a comprehensive plan of both offensive and defensive actions.

I am pleased to announce on behalf of our Executive Team and Board of Directors that we have developed, organized and launched an operating and financial plan for 2023 and 2024 titled **High Performance and Credit Profile Restoration Plan (HPCPRP)**.

HPCPRP Goals:

1. Optimize performance in a normalizing COVID deathrate environment from existing portfolio of funeral homes and cemeteries (after three strategic acquisitions including Greenlawn, which is expected to close in early 2023) during 2023 and achieve 2024 performance metrics in the following ranges: Total Revenue of $390 to $400 million; Consolidated EBITDA of $120 million to $126 million; GAAP Net Income of $46 million to $50 million; GAAP Diluted EPS of $2.95 to $3.05 per share; and Free Cash Flow of $68 million to $73 million.
2. Lead and manage Carriage to maximize Free Cash Flow for rapid paydown of our Credit Facility borrowings over 2023 and 2024, with a goal of reducing outstanding borrowings by a range of $90 million to $100 million from peak borrowings of about $205 to $215 million in the first quarter of 2023 (maximum 5.4 times Total Debt/EBITDA proforma three strategic acquisitions) to $110 million to $120 million by the end of 2024.
3. Produce at least $10 million of internal cash from divesting low performing businesses or withdrawing cash from over-funded trust funds, cash sources that are included in the planned $90 million to $100 million reduction in bank borrowings.
4. Achieve a Total Debt to Consolidated EBITDA Ratio of 4.0 - 4.3 times by the end of 2024.

Major Elements of HPCPRP:

1. Amended Credit Facility with package of covenants tailored to HPCPRP, together with larger interest rate spreads during higher leverage ratio timeframes.
2. Pursuant to the announced definitive purchase agreement, acquire Greenlawn subject to California regulatory approvals, estimated to be completed in January/early February 2023. Our three new strategic acquisitions include San Juan in Orlando and Heritage in Charlotte (both closed) and now prospectively Greenlawn in Bakersfield, California in January/February 2023. The proforma total 2023 Revenue for these three acquisitions is about $23 million to $24 million and proforma total EBITDA is about $8 million to $9 million. We believe all three have significant upside in 2024 compared to our underwriting performance after full integration into Carriage’s Operating Model Framework.
3. No share repurchases, increase in dividends or cash acquisitions to December 31, 2024, if such allocation of capital would increase our Total Debt to Consolidated EBITDA Ratio to over 4.25 times, which takes us back to our stated normalized leverage ratio policy of about 4.0 times. Major internal use of capital will be to build high margin cemetery product inventory in our largest cemeteries to increase Cemetery Revenue and EBITDA.
4. Grow funeral volumes through market share gains and revenue averages per unit of volume through price increases to offset cost inflation, and offer and deliver more service options to increase our contract revenue averages, especially on cremation contracts representing about 56% of our total funeral contracts.
5. Grow cemetery revenue through substantial increases in preneed cemetery property sales and price increases to offset inflationary cost increases.
6. Gradually increase Funeral and Cemetery Field EBITDA Margins in 2023/2024 from operating leverage of more revenue flowing over high local fixed costs, while tightly managing variable costs in each

business consistent with achieving Field EBITDA Margins within the High Performance Field EBITDA Margin ranges for each business under our Managing Partner **Being The Best** annual incentive program.

7. Materially increase Financial Revenue and EBITDA by integrating about $13.3 million of preneed trust funds from Heritage and Greenlawn into our trust fund partnership pool, which will primarily be reflected in higher GAAP Financial Revenue and EBITDA (93% to 94% margin) from higher recurring annual income allocated primarily to Cemetery Perpetual Care Trust Funds.
8. Reduce Overhead to approximately 13% of Total Revenue on an annualized basis by the end of 2024. This focus will be driven by a variety of areas, ranging from lower incentive compensation to a reduction in cost for performance recognition trips, general travel and other opportunities.
9. Tightly manage maintenance capital expenditures across our portfolio of businesses and allocate growth capex only where we get an immediate high cash return on invested capital.
10. Substantially reduced stock and option grants for our senior leadership ranks until we have restored our consolidated and per share performance metrics in 2023 and 2024 consistent with HPCPRP.

Big Picture Takeaways:

I have taken sole responsibility for too aggressively repurchasing our shares after our eight year $400 million 4.25% Senior Notes refinancing on May 13, 2021 (3.6 million shares for approximately $175 million equal to almost 20% of shares outstanding at $49.06 per share). Given our record performance throughout FYE 2021 and the first quarter of FYE 2022, combined with the historically low inflation and interest rate environment at the time, I believed we were repurchasing these shares at well below Carriage's Intrinsic Value Per Share.

The "Big Picture Goal" of HPCPRP is to substantially increase our consolidated and per share performance metrics during 2023 and 2024 (20% less common shares) to levels approaching our record performance metrics in 2021, while simultaneously rapidly paying down our debt under our $250 million Credit Facility to substantially deleverage our balance sheet, much like we achieved from the beginning of 2020 at 6.0 times Debt to EBITDA proforma four large acquisitions to 3.8 times by March 31, 2021 just prior to our Senior Notes refinancing.

We believe the successful execution of HPCPRP through 2023 and 2024 will create Intrinsic Value Per Share that exceeds the $49.06 per share average price of the 3.6 million shares repurchased since May 13, 2021. Moreover, notwithstanding the external macroeconomic environment, we believe that the valuation multiples applied to our increasing consolidated and per share performance metrics during this period by equity investors (Mr. Market Price Per Share) will expand in direct correlation to the success of our balance sheet deleveraging program under HPCPRP.

Our industry and our Company have proven over many decades of self-inflicted crises (1999-2003 near death experience) and adverse external economic and market crises (2000/2001 internet bubble bursting followed by 9/11, the 2008/2009 Credit Crisis and Great Recession, and more recently the COVID-19 Pandemic and recession) that we can navigate difficult economic and market environments and emerge stronger than ever. Whatever happens next in the world and the U.S. economy, these external challenges and risks won't change the fact that we have an outstanding Company in a resilient industry, and we will get past this overleverage bump in the road and thrive in the years ahead," concluded Mr. Payne.

CONFERENCE CALL AND INVESTOR RELATIONS CONTACT

Carriage Services has scheduled a conference call for tomorrow, December 13, 2022 at 9:30 a.m. central time. To participate live over the phone via audio conferencing click link or live over the Internet via webcast click link. An audio archive of the call will be available on demand via the Company's website at www.carriageservices.com. For any investor relations questions, please email InvestorRelations@carriageservices.com.

NON-GAAP FINANCIAL MEASURES

This press release uses Non-GAAP financial measures to present the financial performance of the Company. Our Non-GAAP reporting provides a transparent framework of our operating and financial performance that reflects the earning power of the Company as an operating and consolidation platform.

Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported operating results or cash flow from operations or any other measure of performance as determined in accordance with GAAP. We believe the Non-GAAP results are useful to investors to compare our results to previous periods, to provide insight into the underlying long-term performance trends in our business and to provide the opportunity to differentiate ourselves as the best consolidation platform in the industry against the performance of other funeral and cemetery companies.

Reconciliations of the Non-GAAP financial measures to GAAP measures are also provided in this press release.

The Non-GAAP financial measures used in this press release and the definitions of them used by the Company for our internal management purposes in this press release are described below.

- Consolidated EBITDA is defined as net income before income taxes, interest expenses, non-cash stock compensation, depreciation and amortization, and interest income and other, net.
- Free Cash Flow is defined as net cash provided by operating activities less cash for maintenance capital expenditures.
- Total Debt Outstanding is defined as indebtedness under our bank credit facility, senior notes due 2029, acquisition debt and finance leases.
- Total Debt to Consolidated EBITDA is defined as Total Debt Outstanding to Consolidated EBITDA.

RECONCILIATION OF ESTIMATED RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

Earlier in this press release, we present goals for performance metrics which reflects management's opinion on the performance of the portfolio of existing businesses, including performance of existing trusts, and excludes size and timing of acquisitions unless we have a signed Letter of Intent with a high likelihood of a closing within 90 days. These are not intended to be management estimates or forecasts of our future performance, as we believe precise estimates will be precisely wrong all the time. The following reconciliations are presented within the ranges of our performance metric goals.

Reconciliation of Net Income to Consolidated EBITDA (in thousands):

	2024E
Net Income	$ 48,000
Total Tax Expense	19,100
Pretax Income	$ 67,100
Net Interest Expense	27,900
Depreciation & Amortization, Non-Cash Stock Compensation and Other, Net	29,000
Consolidated EBITDA	$ 124,000

Reconciliation of Cash Flow Provided by Operating Activities to Free Cash Flow (in thousands):

	2024E
Cash Flow Provided by Operating Activities	$ 80,000
Cash used for Maintenance Capital Expenditures	(9,000)
Free Cash Flow	$ 71,000

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements made herein or elsewhere by, or on behalf of, the Company that are not historical facts are intended to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition to historical information, this Press Release contains certain statements and information that may constitute forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical information, should be deemed to be forward-looking statements. These statements include, but are not limited to, statements regarding any projections of earnings, revenue, cash flow, investment returns, capital allocation, debt levels, equity performance, death rates, market share growth, overhead, including talent recruitment, field and corporate incentive compensation, or other financial items; any statements of the plans, strategies and objectives of management for future operations or financing activities, including, but not limited, to capital allocation, the ability to obtain credit or financing, organizational performance, anticipated integration, performance and other benefits of recently completed and anticipated acquisitions, and cost and debt reductions; any statements of the plans, timing and objectives of management for acquisition activities; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing and are based on our current expectations and beliefs concerning future developments and their potential effect on us. The words “may”, “will”, “estimate”, “intend”, “believe”, “expect”, “seek”, “project”, “forecast”, “foresee”, “should”, “would”, “could”, “plan”, “anticipate” and other similar words or expressions are intended to identify forward-looking statements, which are generally not historical in nature. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. All comments concerning our expectations for future revenue and operating results are based on our forecasts for our existing operations and do not include the potential impact of any future acquisitions, except where specifically noted. Our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, those summarized below:

- our ability to find and retain skilled personnel;
- the effects of our talent recruitment efforts, incentive and compensation plans and programs, including such effects on our Standards Operating Model and the Company’s operational and financial performance;
- our ability to execute our growth strategy;
- our ability to execute and meet the objectives of our High Performance and Credit Profile Restoration Plan, if at all;
- the execution of our Standards Operating, 4E Leadership and Standard Acquisition Models;
- the effects of competition;
- changes in the number of deaths in our markets;
- changes in consumer preferences and our ability to adapt to or meet those changes;
- our ability to generate preneed sales, including implementing our cemetery portfolio sales strategy, product development and optimization plans;
- the investment performance of our funeral and cemetery trust funds;
- fluctuations in interest rates;
- the effects of inflation on our business and financial condition and performance, including increased overall costs for our goods and services, the impact on customer preferences as a result of changes in discretionary income, and our ability, if at all, to mitigate such effects;
- our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, expansion projects, working capital requirements and the repayment or refinancing of indebtedness;

- our ability to meet the timing, objectives and expectations related to our capital allocation framework, including our forecasted rates of return, planned uses of free cash flow and future capital allocation, including share repurchases, potential strategic acquisitions, internal growth projects, dividend increases, or debt repayment plans;
- our ability to meet the projected financial and equity performance metrics to our updated rolling four quarter outlook, if at all;
- the timely and full payment of death benefits related to preneed funeral contracts funded through life insurance contracts;
- the financial condition of third-party insurance companies that fund our preneed funeral contracts;
- increased or unanticipated costs, such as insurance or taxes;
- our level of indebtedness and the cash required to service our indebtedness;
- changes in federal income tax laws and regulations and the implementation and interpretation of these laws and regulations by the Internal Revenue Service;
- effects of the application of other applicable laws and regulations, including changes in such regulations or the interpretation thereof;
- the potential impact of epidemics and pandemics, including the COVID-19 coronavirus, including new variants of COVID-19, such as the Delta and Omicron variants, on customer preferences and on our business;
- government, social, business and other actions that have been and will be taken in response to pandemics, including potential responses to new variants of COVID-19, such as the Delta and Omicron variants;
- effects and expense of litigation;
- consolidation of the funeral and cemetery industry;
- our ability to identify and consummate strategic acquisitions, if at all, and successfully integrate acquired businesses with our existing businesses, including expected performance and financial improvements related thereto;
- economic, financial and stock market fluctuations,
- interruptions or security lapses of our information technology, including any cybersecurity or ransomware incidents,
- our failure to maintain effective control over financial reporting; and
- other factors and uncertainties inherent in the funeral and cemetery industry.

For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021, our Quarterly Reports on Form 10-Q, and other public filings and press releases, available at www.carriageservices.com.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.