



PARK LAWN  
CORPORATION

SINCE 1892

# Investor Presentation

*TSX:PLC, PLC.U*

*March 2024*



# Disclaimers

## **Non-Reliance**

This presentation does not purport to be comprehensive nor to contain all the information that a recipient may need in order to evaluate an investment in securities of Park Lawn Corporation (“Park Lawn,” “PLC” or the “Company”). No representation or warranty, express or implied, is given and, so far as is permitted by law, no responsibility or liability is accepted by any person, with respect to the accuracy or completeness of the presentation or its contents. In particular, but without limitation, no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, targets, estimates or forecasts contained in this presentation. In giving this presentation, the Company does not undertake any obligation to provide any additional information or to update this presentation or to correct any inaccuracies which may become apparent. This presentation has been prepared without reference to your particular investment objectives, financial situation, taxation position and particular needs. If you are in any doubt in relation to these matters, you should consult your financial and/or other advisers.

## **Cautionary Statement Regarding Forward-Looking Information**

This presentation may contain forward-looking statements (within the meaning of applicable securities laws) relating to the business of the Company and the environment in which it operates. Forward-looking statements are identified by words such as “believe”, “anticipate”, “aspirational”, “target”, “goal”, “objective”, “project”, “expect”, “intend”, “plan”, “will”, “may”, “estimate”, “outlook”, “pro forma” and other similar expressions. These statements are based on the Company’s expectations, estimates, forecasts and projections and include, without limitation, statements regarding the death care sector’s characteristics, the Company’s 2024 Financial Outlook, as well as the Company’s business, future development, construction and organic growth opportunities, future financial position and business strategy, potential acquisitions, potential business partnering and the Company’s plans and objectives. By its nature, forward-looking information is inherently uncertain, is subject to risk and is based on numerous assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from the Company’s expectations expressed in, or implied by, such forward-looking statements in this presentation. The Company has made certain economic, market and operational assumptions in preparing the forward-looking information in this presentation, including those set out in PLC’s Management’s Discussion and Analysis for the year ended December 31, 2024 at [www.sedarplus.com](http://www.sedarplus.com).

Additionally, the Company’s 2024 Financial Outlook is based on many assumptions, including, but not limited to, the following material assumptions for the full-year 2024: that PLC will continue to grow organically through initiatives such as development of new inventory and business locations (i.e. on-sites), as well as inorganically through mergers and acquisitions in the approximate amount of \$50-\$100 million on average per year; that mortality remain flat to slightly depressed from the impacts of the pull-forward effect associated with the COVID-19 pandemic; that corporate costs will remain relatively consistent with prior periods as we continue to enhance our corporate support facilities and resources, and continue to pursue M&A growth, deployment and integration of PLC’s proprietary industry software, FaCTS™; no material changes to the Company’s earnings prospects; no material adverse impacts to the Company’s long-term investments and credit markets; no significant changes to the industry landscape or regulatory environment; average supplier prices consistent with external price curves and internal forecasts; no significant event occurring outside the ordinary course of business such as a natural disaster, pandemic or other calamity; and interest rates remaining relatively stable throughout 2024. The 2024 Financial Outlook was approved by the board of directors of the Company on March 7, 2024. The purpose of the 2024 Financial Outlook is to assist investors, shareholders, and others in understanding certain financial metrics relating to expected 2024 financial results for evaluating the performance of the Company’s business. This information may not be appropriate for other purposes.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, risks associated with the impact of higher interest rates on the Company’s business, adverse economic and financial market conditions and the factors discussed under the heading “Risk Factors” in the Company’s Annual Information Form for the year ended December 31, 2023, available at [www.sedarplus.com](http://www.sedarplus.com). There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this presentation and, except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.



# Disclaimers

## **Functional Currency**

Effective January 1, 2022, the Company changed its presentation currency from CAD\$ to US\$ to better reflect the Company's business activities, given the significance of U.S. based operations. Unless otherwise noted, all financial information presented in this presentation has been translated into US\$ presentation currency. Generally, the selected revenues, expenses and earnings figures have been translated into US\$ presentation currency using the average exchange rates prevailing during each reporting period. The selected assets and liabilities have been translated using the period-end exchange rates and shareholder's equity balances have been translated using historical rates in effect at the time of the transactions. The Appendix contains a table providing CAD\$:US\$ average exchange rates and period end exchange rates for the various periods noted in the presentation.

## **Non-IFRS Measures**

Adjusted Net Earnings, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Earnings per share diluted and Disposed Businesses are non-IFRS financial measures and do not have a standardized meaning prescribed by IFRS. Such measures are presented in this presentation because management of the Company believes that such measures are relevant in evaluating the performance of the Company. Such measures, as computed by the Company, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to similar measures reported by such other organizations. Please see the Appendix to this presentation for the definitions and reconciliations of the Non-IFRS financial measures.



# About Park Lawn Corporation

US\$

Park Lawn Corporation (TSX:PLC, PLC.U) is Canada's only publicly traded owner and operator of funeral home and cemetery properties. Park Lawn consists of a diverse portfolio operating across Canada and the United States.

We strive to be North America's premier funeral, cremation and cemetery provider, and the indisputable choice for funeral and cemetery services in the communities we serve.

Park Lawn operates in micro markets with an entrepreneurial and adaptable business model and is exposed to markets with dense populations (Toronto, Denver, St. Louis, Nashville, Houston, New Jersey), as well as traditional markets (Mississippi, North and South Carolina, and Georgia).



## Revenues

2023 – \$347.6M  
2022 – \$326.1M  
2021 – \$294.8M  
2020 – \$241.1M <sup>(1)</sup>



## Net (Loss) Earnings

2023 – (\$7.6) M  
2022 – \$25.1M  
2021 – \$27.8M  
2020 – \$14.2M



## Adjusted EBITDA<sup>(2)</sup>

2023 – \$78.7M  
2022 – \$74.9M  
2021 – \$76.3M  
2020 – \$59.5M



## Corporate Offices

Canada – Toronto, Ontario  
U.S. – Houston, Texas



## Employees

U.S. – 1782  
Canada – 390



## Total Locations <sup>(3)</sup>

Funeral Homes <sup>(4)</sup> – 175  
Cemeteries <sup>(4)</sup> – 74  
On-sites – 33



## Locations by Country <sup>(3)</sup>

U.S. States [17] – 212  
Canadian Provinces [3] – 37

LINCOLN FUNERAL HOME

- 1) Accounting presentation change made to offset contributions to care and maintenance trust funds against revenue. Previously these contributions were presented within cost of sales.
- 2) This is a non-IFRS financial measure. Please refer to the Appendix for more information on each non-IFRS financial measure.
- 3) Location counts include locations owned as of March 14, 2024.
- 4) Funeral Homes and Cemeteries are inclusive of on-site locations.



# Our Mission & Values

We are driven to be the indisputable choice for funeral and cemetery services in the communities we serve.

We do not consider ourselves to be a consolidator, but an operating company whose culture resembles strong, independent, family-run businesses. Our operational leaders work in the businesses alongside their respective teams and rely on decades of experience as opposed to theories found in management treatises, empty initiatives, and catch phrases.



## ***Respect for the Family***

- We have the courage to advise and direct our families.
- We have the integrity to do the right thing.
- We exceed expectations... every time.
- We make a positive impact on every life we touch.
- We have the empathy and compassion to let the healing begin here.

## ***Respect for the Individual***

- We deal with one another in an open and honest way.
- We encourage constructive criticism.
- We respect the desire for personal growth.
- We reward performance consistent with our values.
- We lead by example.

## ***Respect for the Profession***

- We recognize that ours is a demanding profession.
- We accept that responsibility as a group and as individuals.
- We believe in the value of funeral and cemetery services.
- We believe in the value of prearrangement.
- We strive to be operationally superior.



# Expanding North American Footprint



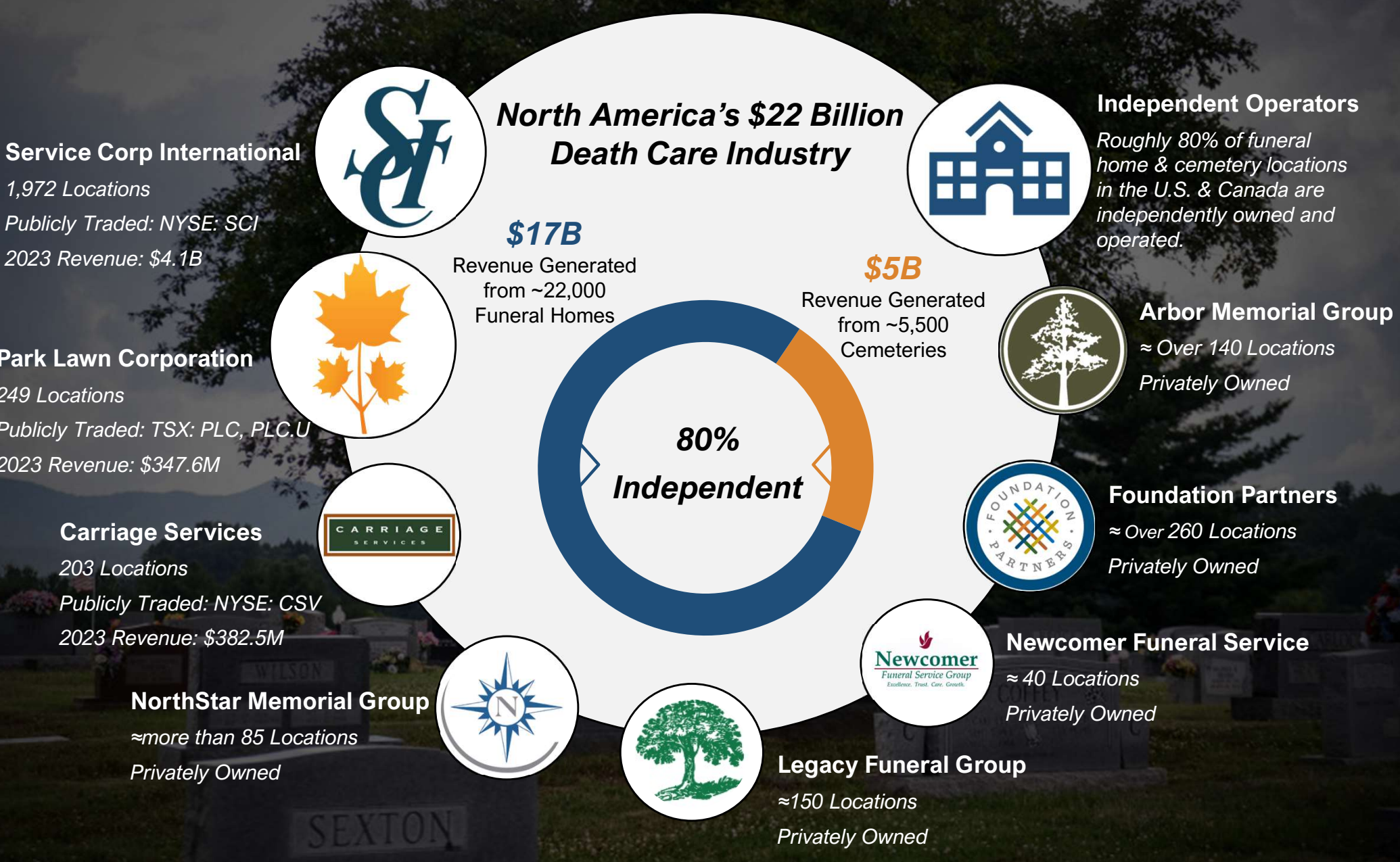
## 249 Locations

	Stand-alone Funeral	Stand-alone Cemetery	On-Site	Total
Canada (3)	30	5	1	37
U.S. (17)	112	36	32	212
<b>Total</b>	<b>142</b>	<b>41</b>	<b>33</b>	<b>249</b>

Totals include locations owned and operated as of March 14 , 2024. On-Site locations are where a funeral home is located on or adjacent to a cemetery location. The 33 on-sites are counted as each a Funeral Home and a cemetery location.



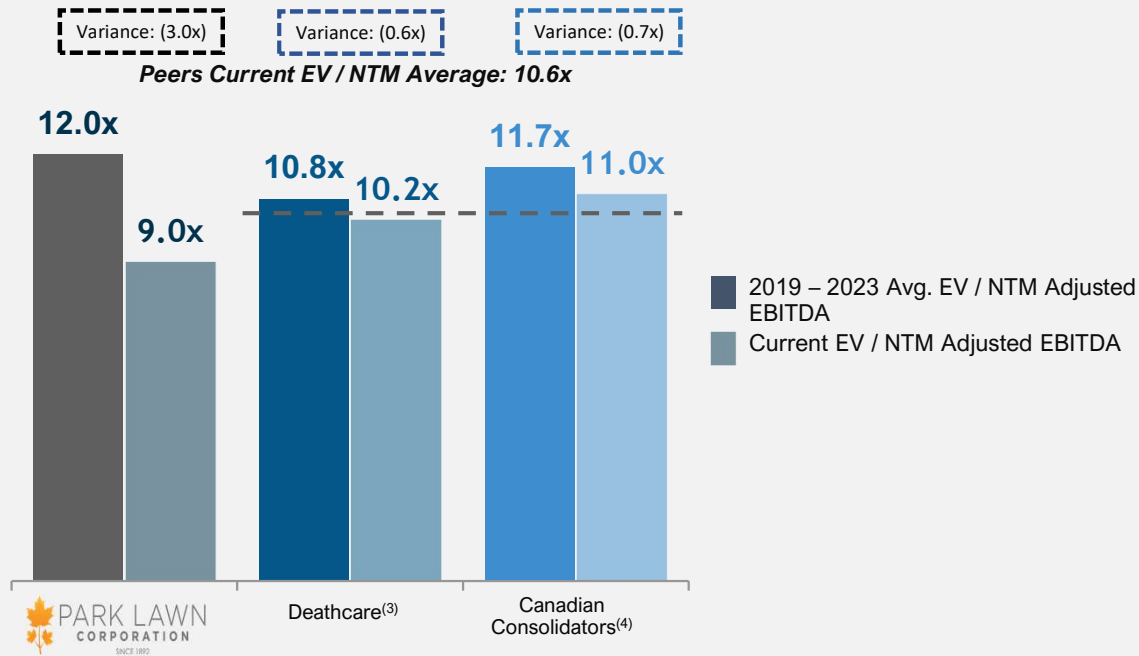
# Industry Landscape



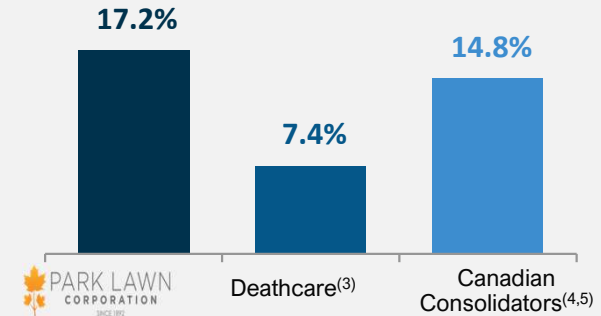


# Investment Opportunity

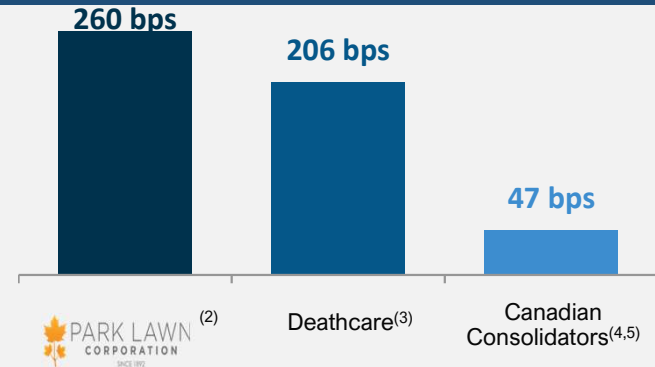
## Historical vs. current EV / NTM Adjusted EBITDA



## 2019A – 2023E<sup>(1)</sup> Revenue CAGR



## 2019A – 2023E Adjusted EBITDA<sup>(1)</sup> Margin expansion



Source: Capital IQ, Company Filings.

Note: Information as at March 8, 2024. Figures are presented on an IFRS 16 basis.

- Includes 2023 reported actuals where available and consensus estimates when actuals are not yet released.
- PLC 2019A Adjusted EBITDA excludes the pre-need trust capital gain of C\$4.3M as these gains are deferred over the time of their contracts.
- Deathcare peers include: SCI and Carriage Services.
- Consolidator peers include: Boyd Group, Premium Brands, WSP, Stantec, Pet Valu, K-Bro Linen, Dentalcorp, Adentra, and Savaria.
- Excludes Pet Value and Dentalcorp, due to IPOs in CY2021.
- Information as of March 14, 2024; Source: Yahoo! Finance. Closing stock prices are represented in CAD\$.



# Positioned for Future Success

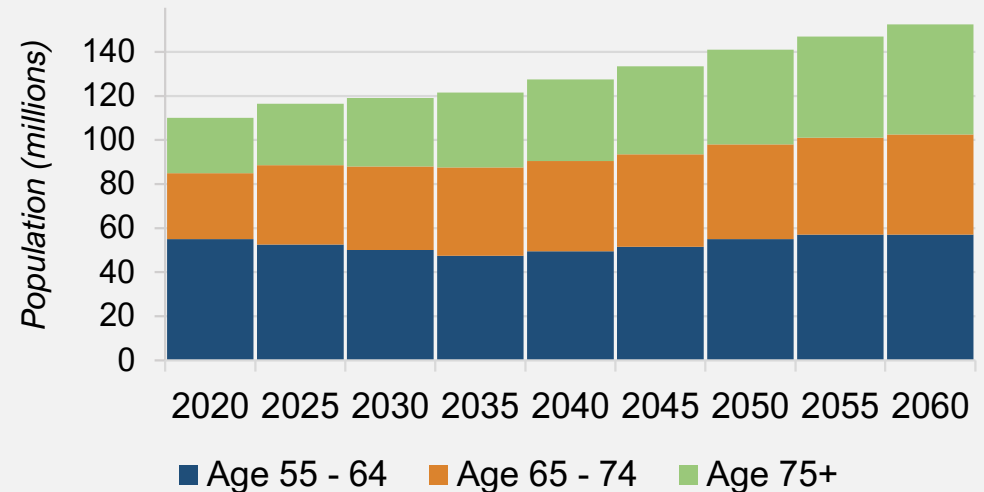
Although the number of deaths began to decline in 2022 after the unprecedented spike from COVID-19, the death rate is expected to begin to rise from 2024 through 2027 due to the rapidly aging “Baby Boomer” generation and the lingering health effects of the pandemic (Sundale Research, 2023).

Further, given that the average life expectancy in the U.S. in 2022 was 82.8 years old, individuals between the ages of 80 and 89 are the largest customer group in the deathcare industry, providing opportunities for pre-need sales and planning.

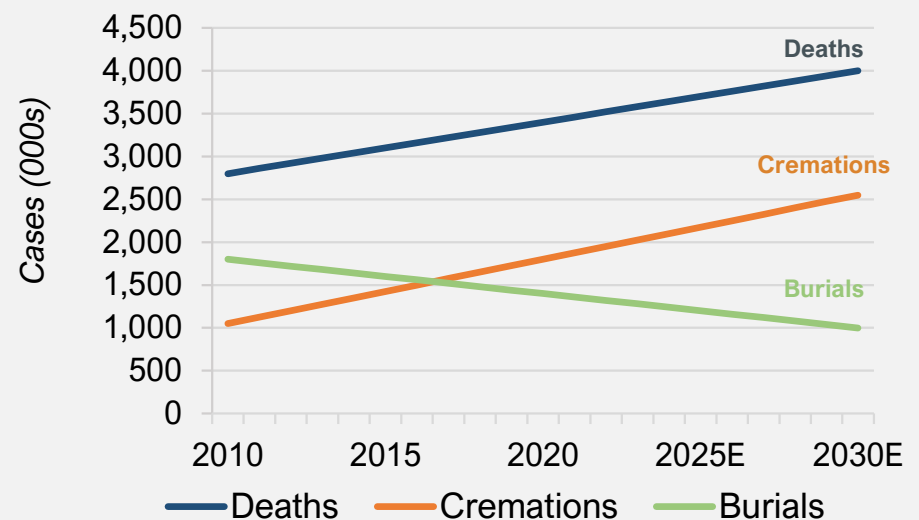
Since 2016, the number of families in North America choosing cremation has outnumbered those choosing traditional burial services due to several significant factors, including financial restraints, environmental concerns, increased flexibility and convenience, societal acceptance, and a decline in cultural traditions.

In response, PLC launched CremateSimply® in certain densely populated markets, an online only platform offering families an affordable and streamlined cremation arrangement process through its mobile-friendly website, [www.crematesimply.com](http://www.crematesimply.com).

## North American Adults Aged 55+



## Rising Cremation Rates in North America

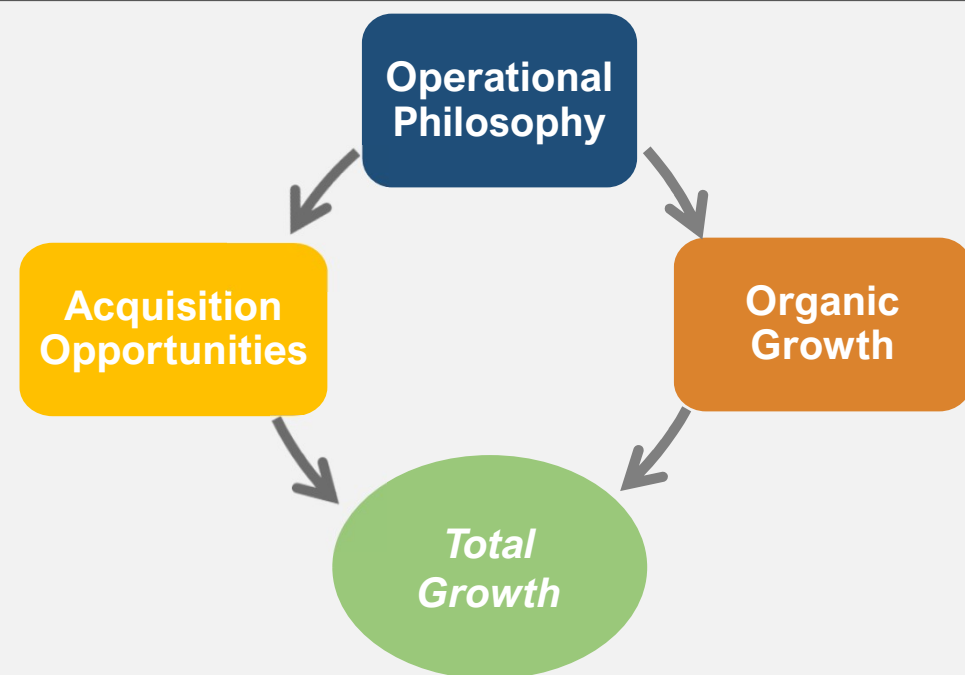




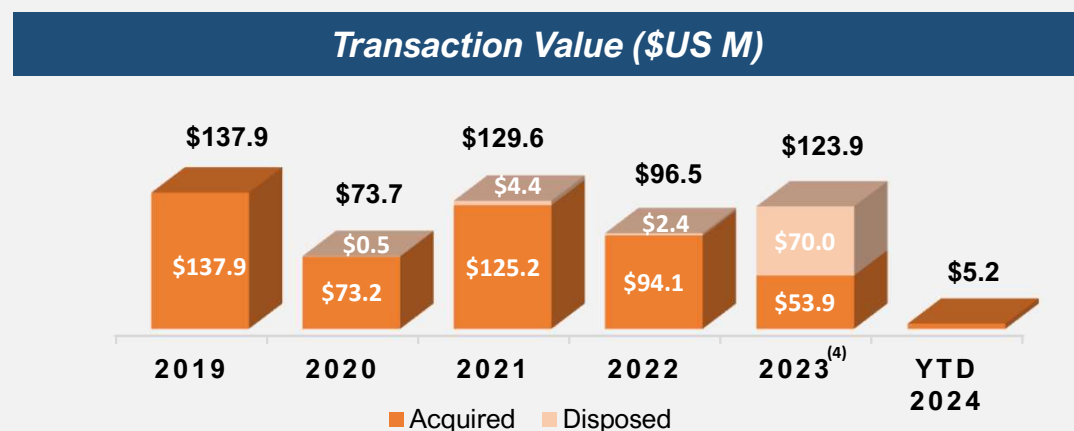
# 2024 Financial Outlook<sup>(1)</sup>

US\$

- In the current environment, annual guidance will provide more accurate and transparent communication with investors in respect to the Company's expectations around its anticipated performance in the near term. The purpose of the 2024 financial outlook is to assist investors, shareholders, and other stakeholders in understanding certain financial metrics relating to expected 2024 financial results and to evaluate the performance of the Company's business.
- Park Lawn is an operating company, first and foremost, that grows through acquisition. Park Lawn has various acquisition opportunities that fit within its multiple range of 6x-8x adjusted EBITDA and are complimentary to the fit, make up, and culture of the Company. The Company anticipates an average range of annual spend between \$50-\$100M.
- The Company will continue to focus on customer service and operational excellence in its funeral and cemetery businesses, focus on organic growth initiatives such as market share improvement, cost optimization and development opportunities, as well as growth through inorganic M&A opportunities as PLC continues to have a robust acquisition pipeline consisting of premier businesses in high growth markets.



2024 Financial Outlook <sup>(1)</sup>			
	High	Mid Point	Low
Adjusted EBITDA <sup>(2)</sup>	\$80M	\$75M	\$70M
Adjusted Net Earnings Per Share <sup>(2,3)</sup>	\$0.90	\$0.85	\$0.80



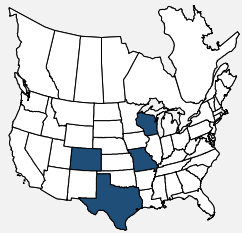
1) The 2024 Financial Outlook should be read in conjunction with the section entitled "Cautionary Statement Regarding Forward-Looking Information".  
 2) This is a non-IFRS financial measure. Please refer to the Appendix for more information on each non-IFRS financial measure.  
 3) Calculated with respect to forecasted diluted shares outstanding at the end of 2024.  
 4) 2023 Acquired includes \$2.6M of lease arrangements entered into as part of Ward.



# Acquisition Opportunities

US\$

The death care industry continues to be a highly-fragmented market. Park Lawn plans to continue its acquisition growth strategy where opportunities are attractive and can be integrated with existing operations or provide entry to a new high-growth market.



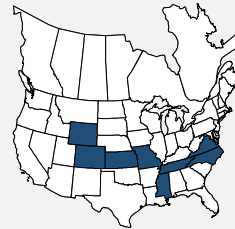
2019



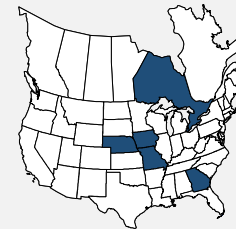
2020



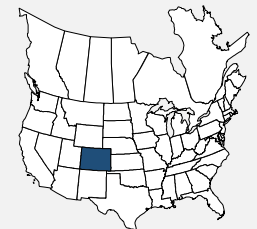
2021



2022



2023



2024

**30** Funeral Homes Added  
**8** Cemeteries Added  
**\$135M** Spent

**19** Funeral Homes Added  
**15** Cemeteries Added  
**\$73M** Spent

**29** Funeral Homes Added  
**12** Cemeteries Added  
**\$126M** Spent

**28** Funeral Homes Added  
**9** Cemeteries Added  
**\$94M** Spent

**16** Funeral Homes Added  
**2** Cemeteries Added  
**\$54M** Spent <sup>(1)</sup>

**2** Funeral Homes Added <sup>(2)</sup>  
**1** Cemeteries Added <sup>(2)</sup>  
**\$50-100M** Expected <sup>(2,3)</sup>

## Representative Recent Acquisitions



1) This includes \$2.6M of lease arrangements entered into as part of Ward.  
2) Closed or announced transactions through March 14, 2024.  
3) As indicated by Company filings on March 7, 2024.



# Organic Growth Projects

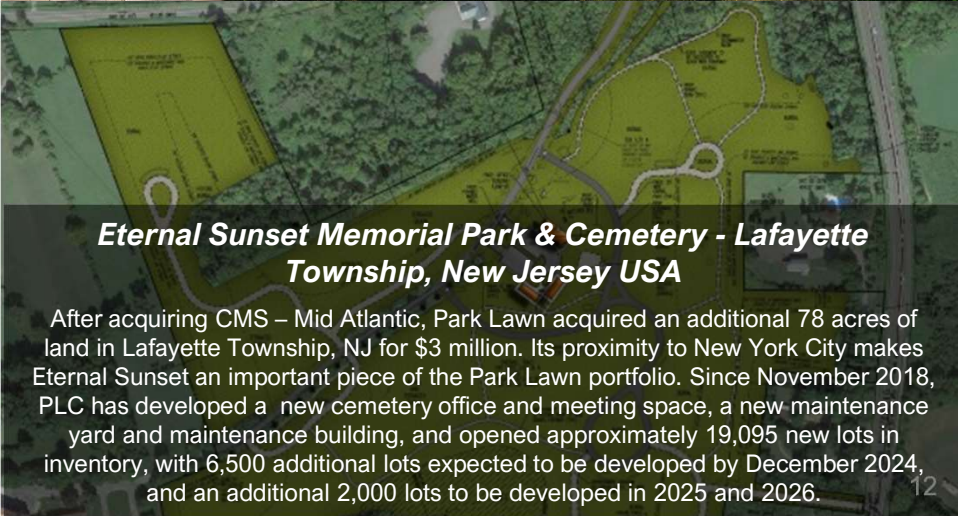
US\$

Organic initiatives include the build-out of inventory at existing cemetery properties, remodeling of existing funeral homes, construction of new stand-alone funeral homes and construction of new funeral homes on cemeteries, referred to as on-sites.

These projects unlock new sources of revenue for existing businesses while increasing the useful life of Park Lawn’s existing portfolio.

*Target IRR of over 20% on expansion initiatives*

Capital Deployment (\$M)				
	2022	2023		
Maintenance CAPEX	\$12.4	\$9.6	\$134.1	
Inventory Replenishment	\$2.0	\$5.7		
<b>Total Maintenance Capital</b>	<b>\$14.4</b>	<b>\$15.3</b>	<b>\$14.4</b>	<b>\$92.4</b>
Development	\$9.9	\$9.6	\$104.0	
Acquisitions	\$94.1	\$51.2		
<b>Total Growth Capital</b>	<b>\$104.0</b>	<b>\$60.8</b>	<b>\$104.0</b>	<b>\$15.3</b>
Dividends paid and accrued	\$11.9	\$11.5	\$15.7	
Shares purchased under Normal Course Issuer Bid	\$3.8	\$4.8		
<b>Total Shareholder Payments</b>	<b>\$15.7</b>	<b>\$16.3</b>	<b>\$15.7</b>	<b>\$16.3</b>
<b>Total Capital Deployed</b>	<b>\$134.1</b>	<b>\$92.4</b>	<b>2022</b>	<b>2023</b>





# Strong Financial Performance

US\$



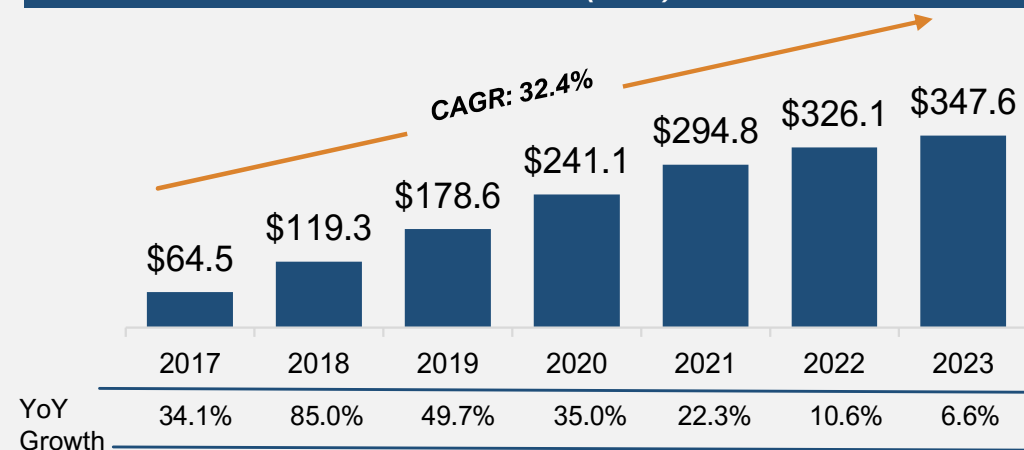
1) Prior to December 31, 2020, contributions to care and maintenance trust funds were presented within cost of sales. Accounting presentation has changed to offset these contributions against revenue. Amounts in 2020 have been reclassified.

2) Net Loss of \$7.6M includes a net loss on sale of disposed businesses totaling to \$28M.

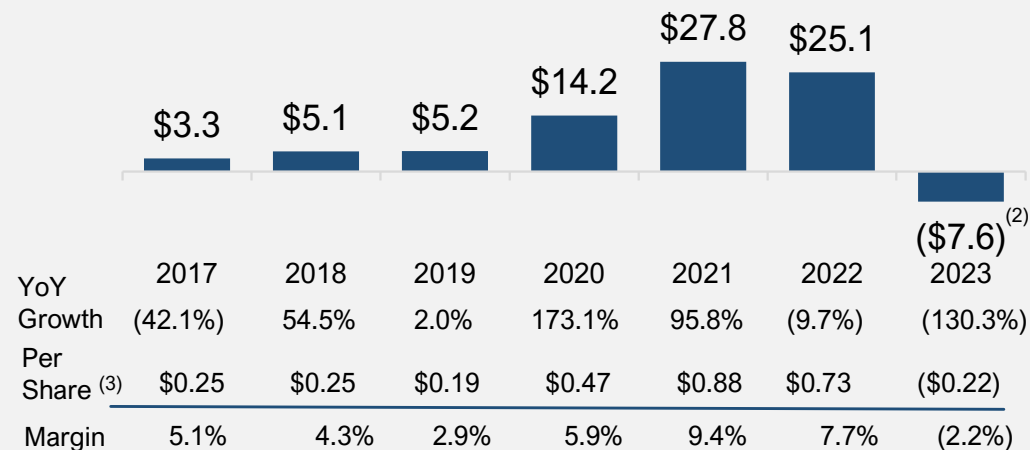
3) Calculated with respect to diluted shares outstanding at the respective reporting period.

4) This is a non-IFRS financial measure. Please refer to the Appendix for more information on each non-IFRS financial measure.

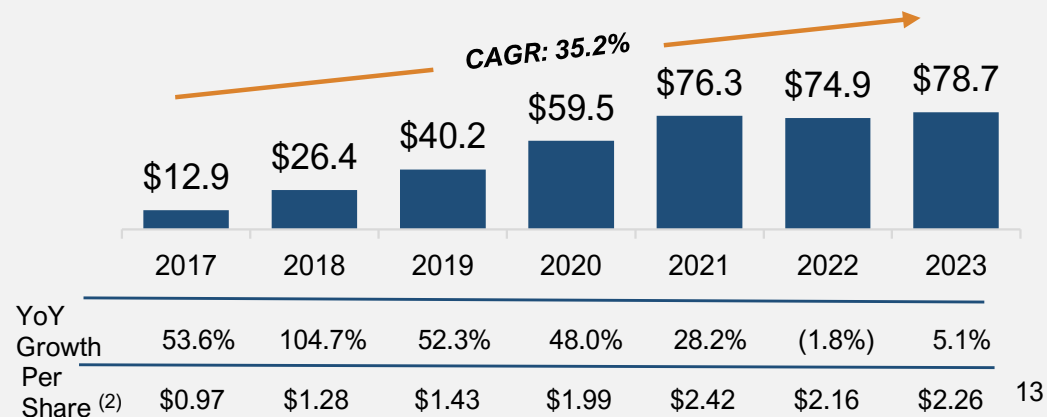
## Revenue (\$M) <sup>(1)</sup>



## Net (Loss) Earnings (\$M)



## Adjusted EBITDA (\$M) <sup>(3)</sup>



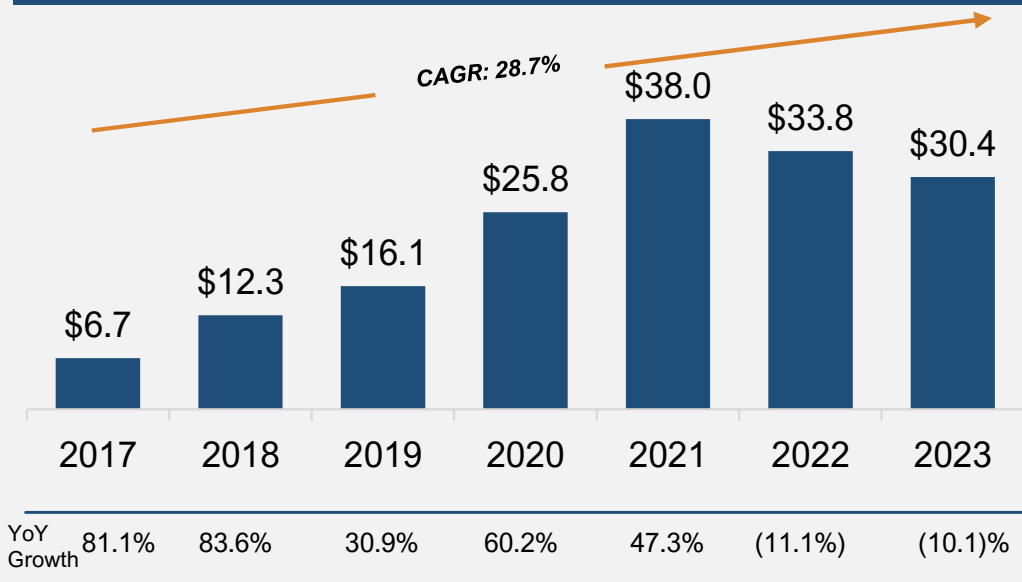


# Strong Earnings Growth

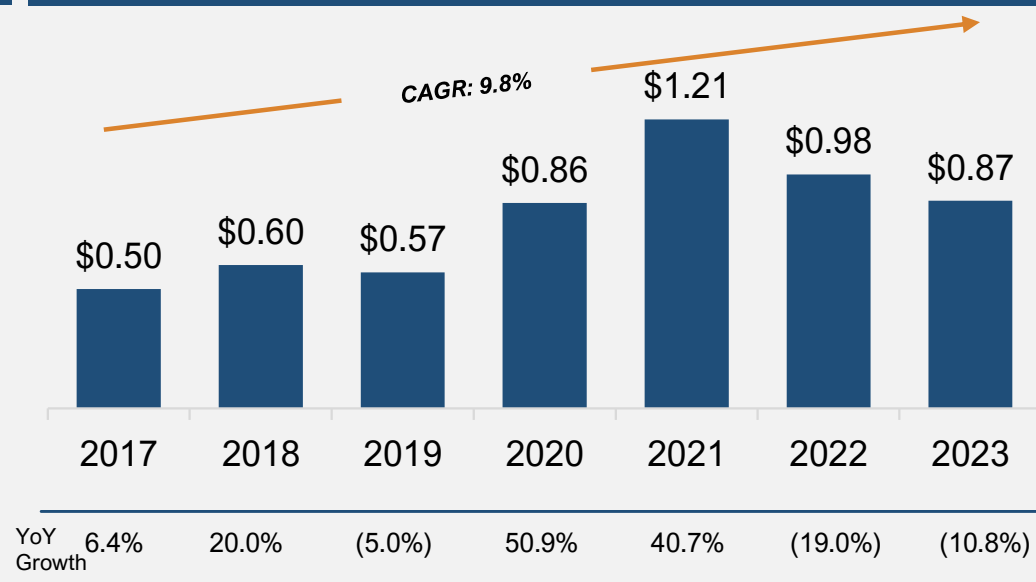
US\$

*Park Lawn continues to deliver strong returns to shareholders.*

## Adjusted Net Earnings (\$M) <sup>(1)</sup>



## Adjusted Net Earnings per Share <sup>(1,2)</sup>



1. This is a non-IFRS financial measure. Please refer to the Appendix for more information on each non-IFRS financial measure.  
2. Calculated with respect to diluted shares outstanding at the respective reporting period.



# Margin Expansion

## Near Term Strategic Priorities

Integration of 300+ businesses, 2,500+ users, and 1,500+ endpoints across Park Lawn's Canadian and U.S. offices into our enterprise infrastructure.

- FaCTS™ fully implemented across all US and Canadian businesses.
- Improved automation and investment in integrated systems.
- Continue to streamline and improve operational efficiency.

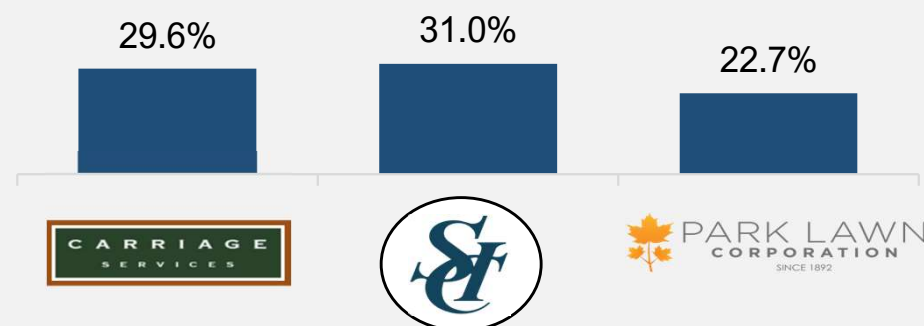
Complement existing business mix with higher margin operations.

- On-sites
- Cremation Gardens

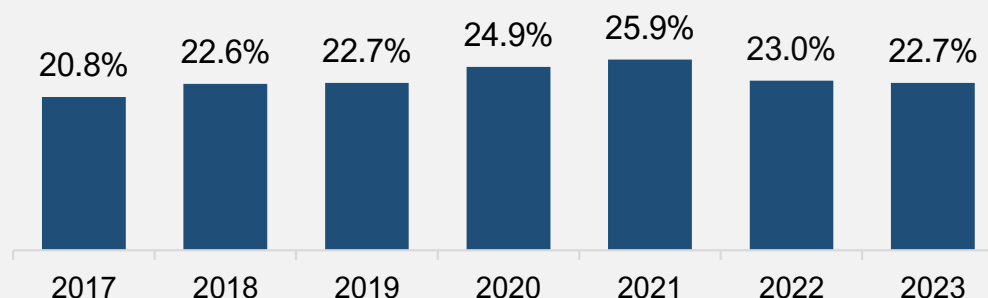
Continue to invest in people, our most important resource.

- To ensure its employees develop the skills they need for success, PLC has launched **Park Lawn University**, a unique and comprehensive professional development program that aims to support every PLC employee's commitment to lifelong learning through onboarding, role-specific training, and continuing education.
- With a number of courses now available, and over two hundred more anticipated to roll out by the end of the year, staff can choose from a variety of courses, including the study of grief, health and safety training, to software use, to personal development in public speaking, leadership, complaint resolution and building resilience.
- Provision of apprenticeships and internships to its staff, along with leadership, coaching and development training.

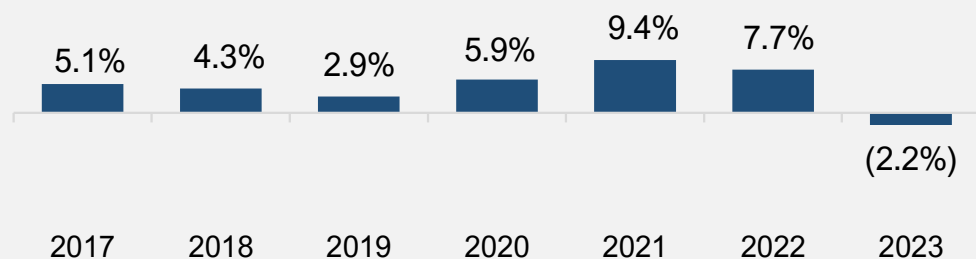
## Current Comparative Margins (2023 Adjusted EBITDA) <sup>(1,2,3,4)</sup>



## Park Lawn's Adjusted EBITDA Margin <sup>(1,3,4)</sup>



## Park Lawn's Net (Loss) Earnings Margin



- 1) Adjusted EBITDA Margin includes amounts attributable to the non-controlling interest.
- 2) SCI/CSV percentages calculated from company filings.
- 3) Adjusted EBITDA Margin percentages have been revised to align with the Company's change in presentation currency effective January 1, 2022.
- 4) This is a non-IFRS financial measure. Please refer to the Appendix for more information on each non-IFRS financial measure.
- 5) Calculated with respect to diluted shares outstanding at the respective reporting period.

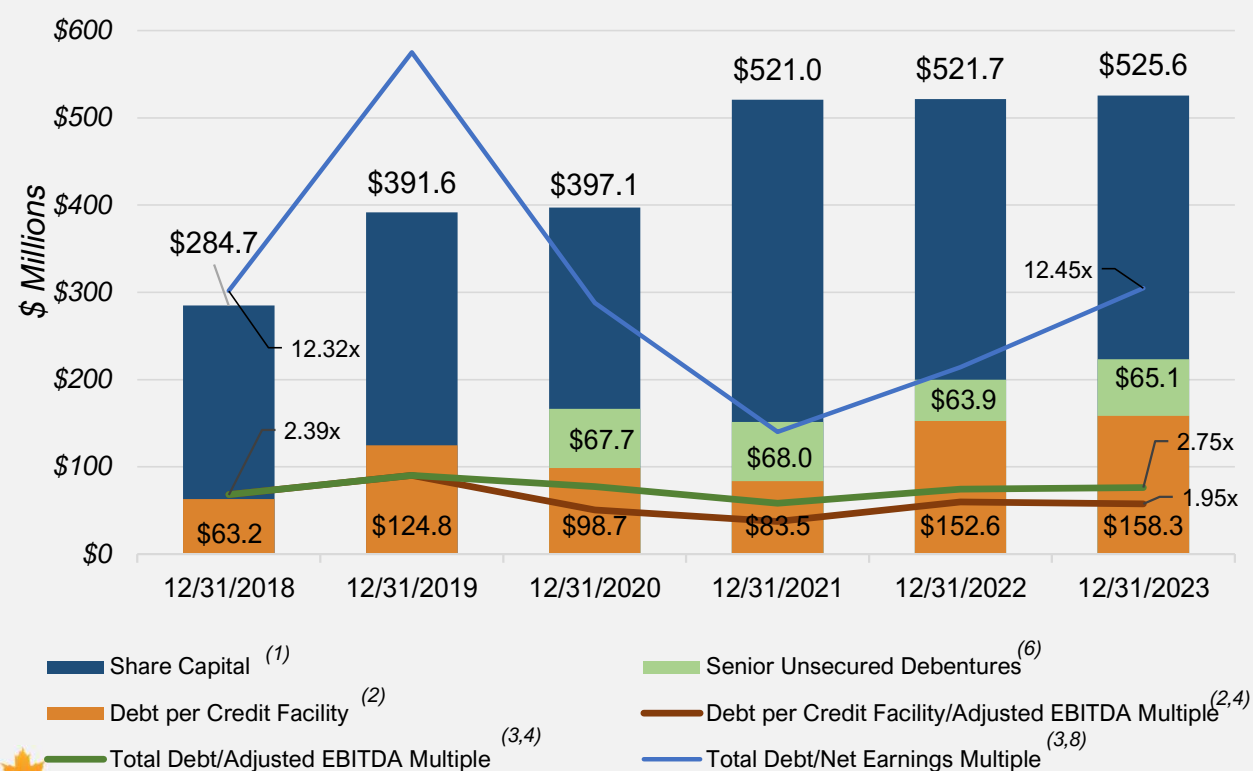


# Balance Sheet Strength

US\$

Selected Balance Sheet Information (\$ Millions)	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Cash & Cash Equivalents	\$10.9	\$16.4	\$24.7	\$20.8	\$30.3	\$17.7
Pre-need Receivables	\$64.9	\$67.0	\$82.6	\$91.9	\$99.5	\$49.2
Care & Maintenance Trust Funds	\$151.2	\$172.8	\$193.2	\$230.0	\$209.5	\$175.4
Pre-need Trust Funds	\$121.6	\$195.7	\$230.2	\$259.7	\$239.3	\$174.9
Pre-need Backlog <sup>(5)</sup>	\$364.3	\$536.5	\$658.3	\$855.0	\$940.7	\$843.5

## Debt / Adjusted EBITDA <sup>(2,4,7)</sup>



## Other Events

### December 31, 2023

- For the year ended December 31, 2023, PLC purchased 332,957 Common Shares for aggregate consideration of \$4,803,758.

### December 20, 2023

- PLC completed the divestiture of the Disposed Businesses for consideration of \$70M, consisting of \$55M paid in cash at closing and \$15M in deferred compensation.
- The proceeds were used to repay a portion of PLC's outstanding balance on its Credit Facility.

### August 10, 2023

- The Company received TSX approval to renew its NCIB to purchase up to 3.39M Common Shares.

### April 14, 2023

- The Company filed a short-form base shelf prospectus to offer an unlimited number of securities from time to time, during the 25-month period that the shelf prospectus is effective.

### February/March 2023

- To reduce its exposure to increasing interest rates, the Company entered into three interest rate swap transactions that mature in 2025 and 2026. The weighted average fixed rate of interest under these transactions is 4.29%.

- Share Capital includes contributed surplus.
- Debt per credit facility is long-term debt plus notes payable, leases, LOC, liabilities from interest rate swap arrangements less cash on hand. Prior to September 30, 2021, debt excluded IFRS 16 leases.
- Total debt is debt per credit facility plus Senior Unsecured Debentures (12/31/2025).
- Assumes full year of Adjusted EBITDA from Acquisitions. Prior to September 30, 2021, deducts for IFRS 16 Leasing Expense.
- Pre-Need Backlog consists of deferred revenue and prearranged funeral insurance contracts.
- Senior Unsecured Debentures converted to US\$ using FX Rate taken at period ended.
- This is a non-IFRS financial measure. Please refer to the Appendix for more information on each non-IFRS financial measure.
- Net Earnings for 2024 have been adjusted by excluding the impact of a loss of \$25,560,063 relating to the disposition of the Disposed Businesses in Q4 2023.




# Investment Highlights

- High growth operator in a stable and highly fragmented industry.
- An aging population across North America provides favourable demographic characteristics.
- Fragmentation allowing for complimentary acquisitions providing economies of scale.
- Margin expansion opportunities through increased scale and operating efficiencies.
- High barriers to entry due to zoning laws - particularly in cemeteries - and pricing pressure on smaller operators.
- Conservative capitalization facilitates further growth through acquisition.
- Continued execution on a robust M&A pipeline.







# Environmental & Sustainability Efforts




Implementation of a metals recycling program where residual metals from the cremation process are collected and recycled, and a percentage of the proceeds are donated to local charities (in 2023, approximately \$400,000 was donated).




Implementation of energy conservation initiatives in buildings and on cemetery grounds, where feasible (i.e., timed lighting and watering systems).




Partnering with certain cities/municipalities to repurpose spoils (extra dirt from cemeteries), i.e., filling in vacant lots where old houses were torn down.




Exploring a potential carbon offset program with PLC's primary vault supplier by adjusting the manufacturing process to remove the CO<sub>2</sub> from the environment and injecting it into the concrete portion of the vault.



Continuing the replacement of outdated fleet and equipment with more energy efficient technologies.



Performing annual emissions air modeling of certain crematoriums to track the particles of combustion released into the atmosphere to assess environmental performance.



For certain of our cremation businesses, working with a renewable energy partner to offset our current footprint by purchasing carbon credits that contribute to clean water projects and grassland conservation.



# Social & Governance Initiatives

## Social

- Provision of a **targeted** health and safety program focused on health and safety for funeral home, crematory and cemetery operations.
- Partnerships with responsible suppliers that give back to the environment and the community in a variety of meaningful ways, e.g. Batesville Living Memorial Program, Matthews Children's Foundation.
- Support of organizations dedicated to provide educational resources and programs to support deathcare professionals through regular donations, e.g. NFDA's Funeral Service Foundation and ICCFA's Educational Foundation.
- Partnership with the HeartLight Center allows PLC to offer support to its client families through grief counselling and support groups, education on logistical/financial matters following a death and other support initiatives.
- Formulation of an intercompany committee, "The Heart of the Company", provides grief seminars and workshops to employees.
- Through the **Park Lawn Cares Employee Assistance Fund**, eligible employees in need of immediate financial assistance following an unforeseen disaster or personal hardship, such as a natural disaster, accident, illness/injury, a violent crime, domestic abuse or death of a family member, can apply for financial support.



- Launched **Park Lawn University**, a unique and comprehensive professional development program that aims to support every PLC employee's commitment to lifelong learning through onboarding, role-specific training, and continuing education.

## Governance

- PLC's Board of Directors, through the Audit Committee, is responsible for overseeing modern slavery risks within PLC's operations and supply chains, cybersecurity risk, information security and technology risk and receives quarterly reports on the progress of the cybersecurity program.
- PLC's Board of Directors, through the Governance and Nominating Committee, is responsible for overseeing its ESG strategy, practices and policies.
- Adoption of a Diversity Policy to increase diversity on the Board and senior management team, considering such criteria as gender, age, ethnicity, disability, Aboriginal status, visible minority status and geographical background. As at the date hereof, three of the Company's eight Directors (37.5%) are women, two (25%) Board members are persons with disabilities and one (12.5%) Director self-identifies as a visible minority.
- Code of Business Conduct and Ethics sets forth our expectations for ethical conduct, outlines how to take action if issues arise, establishes best practices for anyone acting on our behalf and includes guidelines to help employees deal appropriately with a broad range of issues.



# Appendix





# Definitions of Non-IFRS Financial Measures

Reconciliations for the following Non-IFRS measures to the nearest IFRS measure are provided herein. For further information, please see the Company's most recent management's discussion and analysis, available at [www.sedarplus.com](http://www.sedarplus.com) or the Company's website at [www.parklawncorp.com](http://www.parklawncorp.com).

## **EBITDA**

Defined as earnings before income taxes, finance costs, depreciation and amortization (including amortization of tangible and intangible assets and cost of cemetery property). The Company believes EBITDA to be an important measure that allows investors and other third parties to assess the operating performance of its ongoing business and to compare its results to prior periods and to the results of its competitors. The definition of EBITDA has been revised from prior periods due to a change in financial statement presentation of the Company's statement of earnings, and adjustments for acquisition and integration expenses, and other (income) expenses which were previously presented as adjustments to EBITDA are now adjusted only for purposes of calculating Adjusted EBITDA.

The Company's cemetery property inventory is acquired or constructed over many years, if not decades, in advance of its sale. The cash associated with this investing activity is a cash outflow in the period in which the inventory is acquired or constructed and classified as investing activities in the Company's consolidated statement of cash flows. As sales occur, the Company draws down its inventory by making a non-cash charge to cost of sales.

## **Adjusted EBITDA**

Adjusted EBITDA is EBITDA adjusted for the fair value adjustment on any hedging arrangements, share-based compensation, acquisition and integration expenses, and other (income) expenses. The Company believes that the inclusion of Adjusted EBITDA also provides useful supplementary information to investors and other third parties that allows them to assess the operating performance of the Company's ongoing business and to compare its results to prior periods and to the results of its competitors. The definition of Adjusted EBITDA has been revised due to a change in financial statement presentation of the Company's statement of earnings, and adjustments for acquisition and integration expenses, and other (income) expenses which were previously presented as adjustments to EBITDA are now adjusted for in Adjusted EBITDA.

## **Adjusted EBITDA Margin**

Defined as Adjusted EBITDA as a percentage of total revenue. The Company believes the Adjusted EBITDA Margin helps to assess the operating performance of the Company and to compare its results to prior periods and to the results of its competitors.

## **Adjusted EBITDA per Share**

Defined as Adjusted EBITDA divided by diluted shares outstanding at the respective reporting period.

## **Adjusted Net Earnings**

Defined as net earnings adjusted for non-recurring, one-time or non-cash income or expense, and other items. The Company uses Adjusted Net Earnings to assist in evaluating its operating performance. The Company believes that this non-IFRS measure provides meaningful supplemental information to investors and other third parties regarding operating results because it excludes certain income or expense items that are non-cash in nature and/or do not relate to core operating activities of the Company's underlying business and which may not be indicative of the Company's future financial results.

The adjustments may include, but are not limited to, the after-tax impact of acquisition and integration costs, share based compensation, amortization of intangibles and other income (expenses) and the fair value of any hedging arrangements.

## **Adjusted Net Earnings per Share (Adj EPS)**

Defined as Adjusted Net Earnings divided by diluted shares outstanding at the respective reporting period.

## **Disposed Businesses**

Consists of the Company's divestiture of substantially all of the assets of The Park Lawn Cemetery Company (USA), Inc. PLC Saber Ltd. and PLC Citadel Ltd. on December 20, 2023, which included 72 cemeteries in Kentucky, Michigan, North Carolina and 11 funeral homes in Kentucky and North Carolina.





# Adjusted EBITDA

US\$ (in millions except per share amounts)

	December 31, 2023		12 Months Ended December 31,					
	2023	2022	2021	2020	2019	2018	2017	
(Loss) earnings before income taxes	\$ (8.3)	\$ 35.6	\$ 39.0	\$ 22.0	\$ 7.6	\$ 7.1	\$ 3.9	
Adjusted for the impact of								
Finance Costs	18.3	8.3	7.7	7.4	4.3	1.8	0.3	
Depreciation and amortization	16.6	13.1	11.8	11.8	10.1	4.1	1.9	
Cost of cemetery property	6.9	7.6	7.2	6.6	5.8	4.8	3.2	
Non-controlling interest	-	(0.0)	(0.2)	(0.5)	(0.4)	(0.5)	(0.5)	
<b>EBITDA, PLC Shareholders</b>	<b>\$ 33.5</b>	<b>\$ 64.6</b>	<b>\$ 65.4</b>	<b>\$ 47.3</b>	<b>\$ 27.3</b>	<b>\$ 17.4</b>	<b>\$ 8.8</b>	
Fair value adjustment on interest swaps	0.5	-	-	-	-	-	-	
Share based compensation	5.7	4.6	3.8	3.9	2.7	0.9	0.7	
Acquisition and integration costs	7.5	7.0	5.7	4.9	9.8	8.0	3.1	
Other (income) expenses	31.5	(1.4)	1.4	3.4	0.3	0.2	0.2	
<b>Adjusted EBITDA, PLC Shareholders</b>	<b>\$ 78.7</b>	<b>\$ 74.9</b>	<b>\$ 76.3</b>	<b>\$ 59.5</b>	<b>\$ 40.2</b>	<b>\$ 26.4</b>	<b>\$ 12.9</b>	





# Adjusted EBITDA Cont'd

US\$ (in millions except per share amounts)

12 Months Ended December 31,							
	2023	2022	2021	2020	2019	2018	2017
<b>EBITDA, PLC Shareholders – per share</b>							
Basic	\$ 0.983	\$ 1.891	\$ 2.102	\$ 1.592	\$ 0.975	\$ 0.842	\$ 0.657
Diluted	0.962	1.864	2.073	1.582	0.972	0.840	0.656
<b>Adjusted EBITDA, PLC Shareholders – per share</b>							
Basic	2.310	2.193	2.452	2.004	1.432	1.282	0.968
Diluted	2.261	2.162	2.418	1.992	1.428	1.279	0.966
<b>Weighted Average Shares Outstanding (in thousands)</b>							
Basic	34,079	34,173	31,111	29,717	28,042	20,610	13,336
Diluted	34,816	34,664	31,550	29,894	28,121	20,655	13,363





# Adjusted Net Earnings per Share

US\$ (in millions except per share amounts)

	December 31, 2023			12 Months Ended December 31,				
	2023	2022	2021	2020	2019	2018	2017	
Net (Loss) Earnings	\$ (7.6)	\$ 25.1	\$ 27.8	\$ 14.2	\$ 5.2	\$ 5.1	\$ 3.3	
Adjusted for the impact of								
Amortization of intangible assets	1.6	1.2	1.4	1.8	2.1	0.2	-	
Fair Value adjustment on interest swaps	0.5	-	-	-	-	-	-	
Share based compensation	5.7	4.6	3.8	3.9	2.7	0.9	0.7	
Acquisition and integration costs	7.5	7.0	5.7	4.9	9.8	8.0	3.1	
Other (income) expenses	31.5	(1.4)	1.4	3.4	0.3	0.2	0.2	
Tax effect of the above items	(8.8)	(2.7)	(2.1)	(2.4)	(4.0)	(2.1)	(0.6)	
<b>Adjusted Net Earnings, PLC Shareholders</b>	<b>\$ 30.4</b>	<b>\$ 33.8</b>	<b>\$ 38.0</b>	<b>\$ 25.8</b>	<b>\$ 16.1</b>	<b>\$ 12.3</b>	<b>\$ 6.7</b>	
<b>Adjusted Net Earnings, PLC Shareholders – per share</b>								
Basic	\$0.893	\$0.990	\$ 1.222	\$ 0.869	\$ 0.573	\$ 0.597	\$ 0.499	
Diluted	0.874	0.976	1.205	0.864	0.571	0.595	0.498	
<b>Weighted Average Shares Outstanding (in thousands)</b>								
Basic	34,079	34,173	31,111	29,717	28,042	20,610	13,336	
Diluted	34,816	34,664	31,550	29,894	28,121	20,655	13,363	



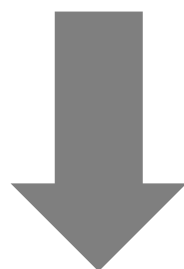


# Adjusted Net Earnings

(in millions)

12 Months Ended December 31,						
CAD\$	2021	2020	2019	2018	2017	2016
Net Earnings	\$ 34.9	\$ 19.0	\$ 6.9	\$ 6.7	\$ 4.2	\$ 7.5
Adjusted for the impact of						
Acquisition and integration costs	7.2	6.5	13.0	10.4	4.1	0.9
Share based compensation	4.8	5.3	3.6	1.2	0.9	0.4
Amortization of intangible assets	1.7	2.5	2.8	0.3	-	-
Other (income) expenses	1.7	4.6	0.4	0.2	0.3	(3.6)
Tax effect of the above items	(2.6)	(3.3)	(4.3)	(2.7)	(0.9)	(0.3)
<b>Adjusted Net Earnings, PLC Shareholders</b>	<b>\$ 47.7</b>	<b>\$ 34.6</b>	<b>\$ 22.4</b>	<b>\$ 16.1</b>	<b>\$ 8.6</b>	<b>\$ 4.9</b>

12 Months Ended December 31,						
US\$	2021	2020	2019	2018	2017	2016
Net Earnings	\$ 27.8	\$ 14.2	\$ 5.2	\$ 5.1	\$ 3.3	\$ 5.7
Adjusted for the impact of						
Acquisition and integration costs	5.7	4.9	9.8	8.0	3.1	0.6
Share based compensation	3.8	3.9	2.7	0.9	0.7	0.3
Amortization of intangible assets	1.4	1.8	2.1	0.2	-	-
Other (income) expenses	1.4	3.4	0.3	0.2	0.2	(2.8)
Tax effect of the above items	(2.1)	(2.4)	(4.0)	(2.1)	(0.6)	(0.1)
<b>Adjusted Net Earnings, PLC Shareholders</b>	<b>\$ 38.0</b>	<b>\$ 25.8</b>	<b>\$ 16.1</b>	<b>\$ 12.3</b>	<b>\$ 6.7</b>	<b>\$ 3.7</b>





# CAD\$:US\$ Exchange Rates

	12 Months Ended December 31,				
	2021	2020	2019	2018	2017
Rate at December 31,	0.7888	0.7854	0.7699	0.7330	0.7937
Average rate for the year	0.7978	0.7454	0.7536	0.7718	0.7692

