



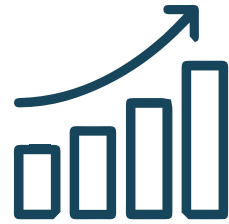
# Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements in this presentation that are not historical facts are forward-looking statements. You can generally identify our forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “objective,” “plan,” “potential,” “predict,” “projection,” “should,” “target,” “will,” or other similar words. The absence of these or similar words, however, does not mean that the statements are not forward-looking. These statements are based on assumptions and expectations that the Company believes are reasonable at the time made; however, many important factors could cause the Company’s actual results in the future to differ materially from any forward-looking statements.

For further information on these and other risks and uncertainties, see our Securities and Exchange Commission filings, including our 2022 Annual Report on Form 10-K. Copies of this document as well as other SEC filings can be obtained from our website at [www.SCI-Corp.com](http://www.SCI-Corp.com). Except as required by law, we undertake no obligation to update or revise any forward-looking statements made herein or any other forward-looking statements made by us, whether as a result of new information, future events, or otherwise.



# Our strategy has been effective and remains intact



**GROW  
REVENUE**



**LEVERAGE  
SCALE**



**DEPLOY  
CAPITAL**



# Our financial position affords us financial flexibility, which allows us to be opportunistic

Provides financial flexibility to invest in our associates and our businesses, and pursue strategic acquisitions and new builds

## LIQUIDITY

**\$1.03B**

Cash \$170M / Credit Facility \$860M

## LEVERAGE

**3.60x**

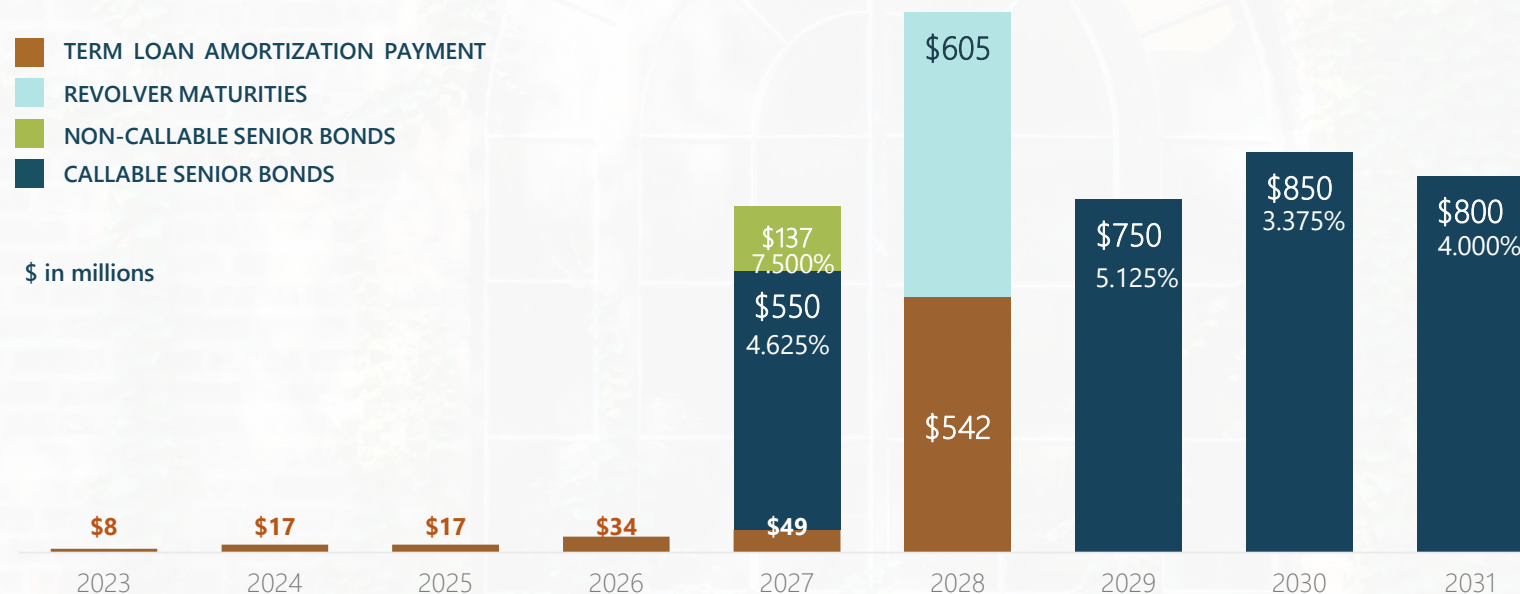
Target 3.50x–4.00x

## DEBT MATURITY PROFILE

June 30, 2023

- TERM LOAN AMORTIZATION PAYMENT
- REVOLVER MATURITIES
- NON-CALLABLE SENIOR BONDS
- CALLABLE SENIOR BONDS

\$ in millions



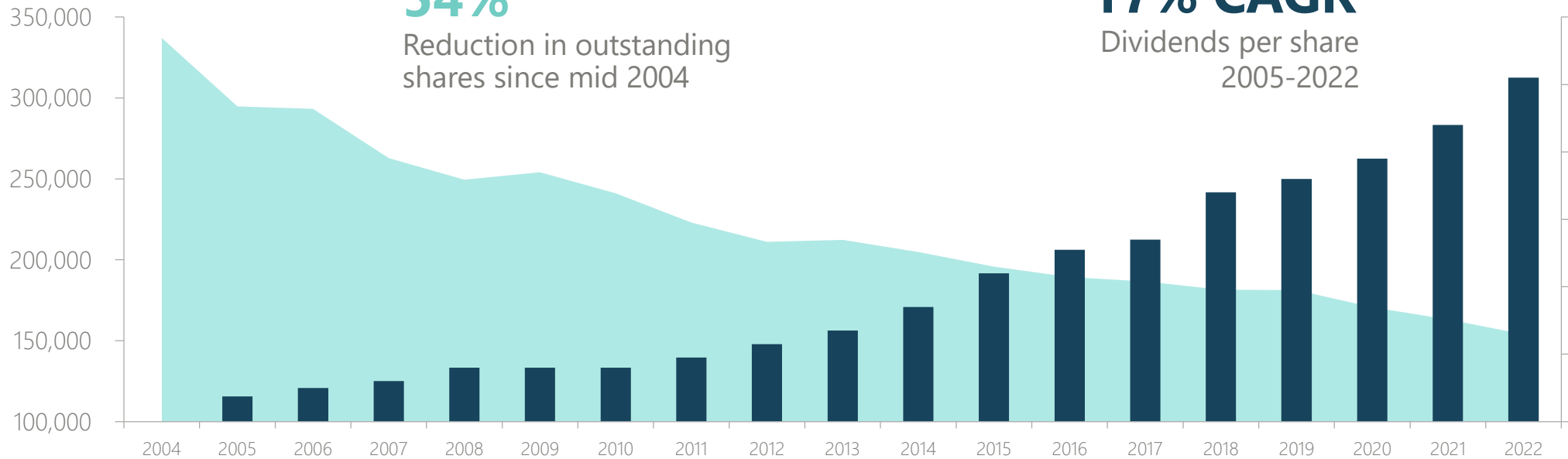
# We have enhanced shareholder returns through dividends and share repurchases

## VALUE RETURNED TO SHAREHOLDERS

~\$6B

Value returned to shareholders through dividends and share repurchases since 2004

### SHARES OUTSTANDING



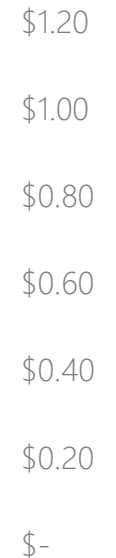
**54%**

Reduction in outstanding shares since mid 2004

**17% CAGR**

Dividends per share 2005-2022

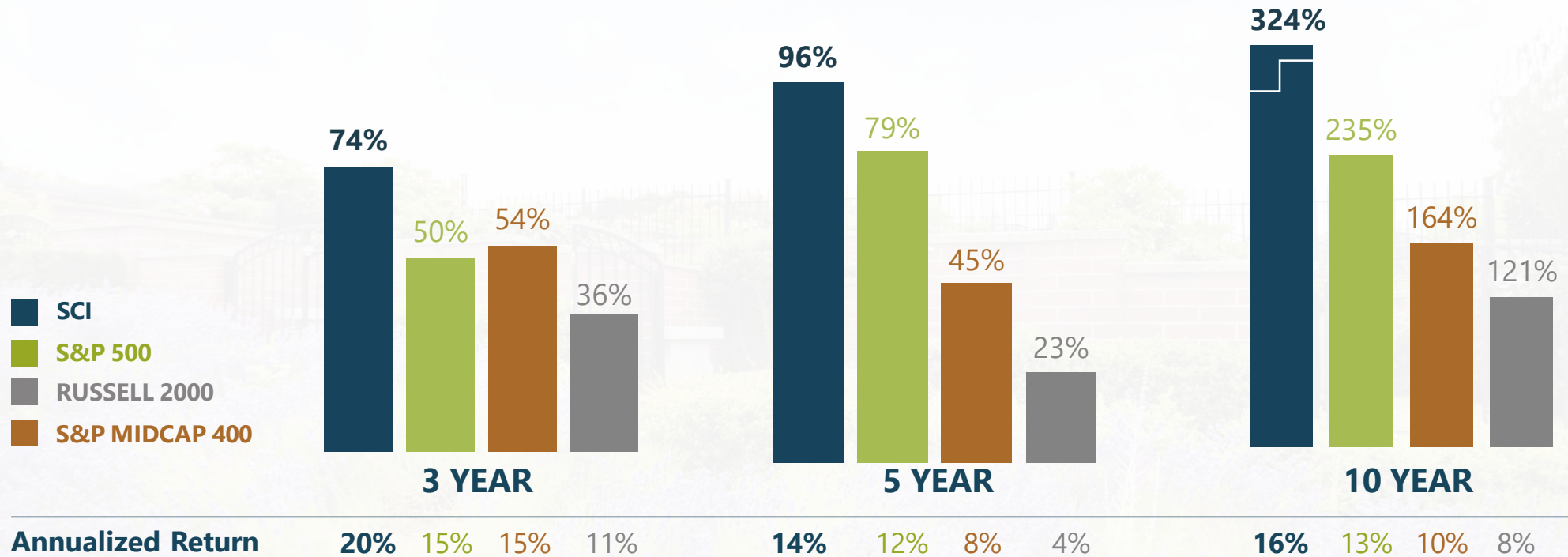
### DIVIDENDS PER SHARE



# Our execution has translated into superior total shareholder returns over the long term

## TOTAL SHAREHOLDER RETURN

June 30, 2023



# Sustainable value creation foundational in everything we do



## SUPPORTING OUR 25,000 ASSOCIATES

Supporting the personal and professional goals of our associates and empowering inclusive and diverse teams



## INVESTING IN OUR COMMUNITIES

Delivering service excellence and supporting the communities where we do business and where our associates live and work



## OPERATING WITH PRINCIPLE

Operating with integrity, responsibility and accountability to our stakeholders and with respect to our environment

Our 2022 Sustainability Report is available at [sci-corp.com](https://www.sci-corp.com)



# SCI at a glance

## 2022 SNAPSHOT



Revenues  
\$4.1B



Employees  
25K



Customers Served  
~706K



Preneed Sales  
\$2.5B



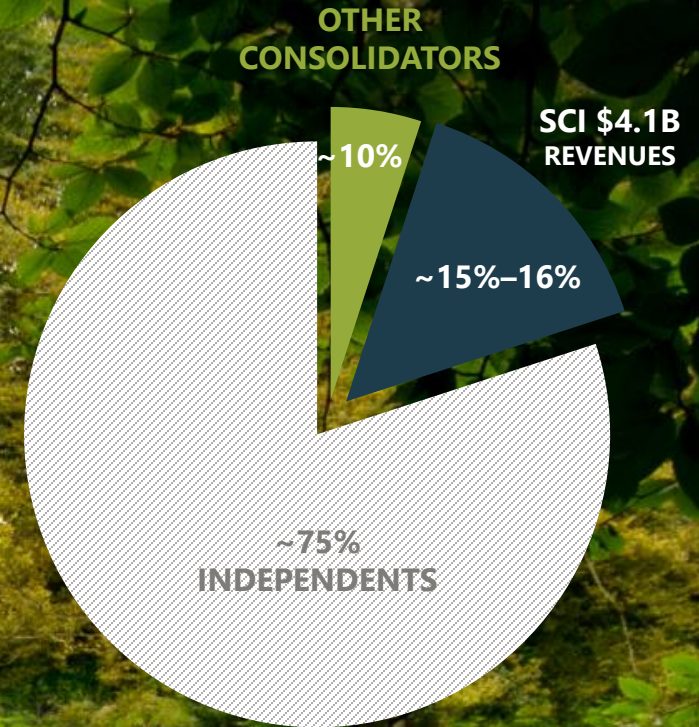
Backlog of  
Future Revenue  
~\$14B



We are the largest company in the highly fragmented deathcare space with an approximate 15%–16% revenue market share in the U.S. & Canada



Market Cap  
\$10B  
(as of 8/3/2023)



<sup>1</sup> Total revenues in the Deathcare industry in the U.S. and Canada are estimated at \$22 billion using data from U.S. Census Bureau and Statistics Canada.





# Our scale and footprint provides competitive advantages

## CANADA

162  
FUNERAL

12  
CEMETERY

## UNITED STATES

1,326  
FUNERAL

479  
CEMETERY

1,979  
LOCATIONS

As of June 30, 2023



- National brand
- Leading technologies
- Supply chain cost advantages
- Premier preneed sales program
- Network optimization/ back office efficiencies
- Leading cemeteries in markets where we operate
- Differential economics in preneed trust/ insurance structures
- Training and development – Dignity University®



# Long-Term Power of SCI's Growth Model



**Our base  
case earnings  
framework  
remains sound**

**8%–12%**

**ORGANIC**

**5%–7%**

**FUNERAL**

Modest revenue growth driven by increases in volume and sales average supporting stable margins

**CEMETERY**

Mid-single digit % preneed sales growth supporting increasing margins

**CAPITAL DEPLOYMENT**

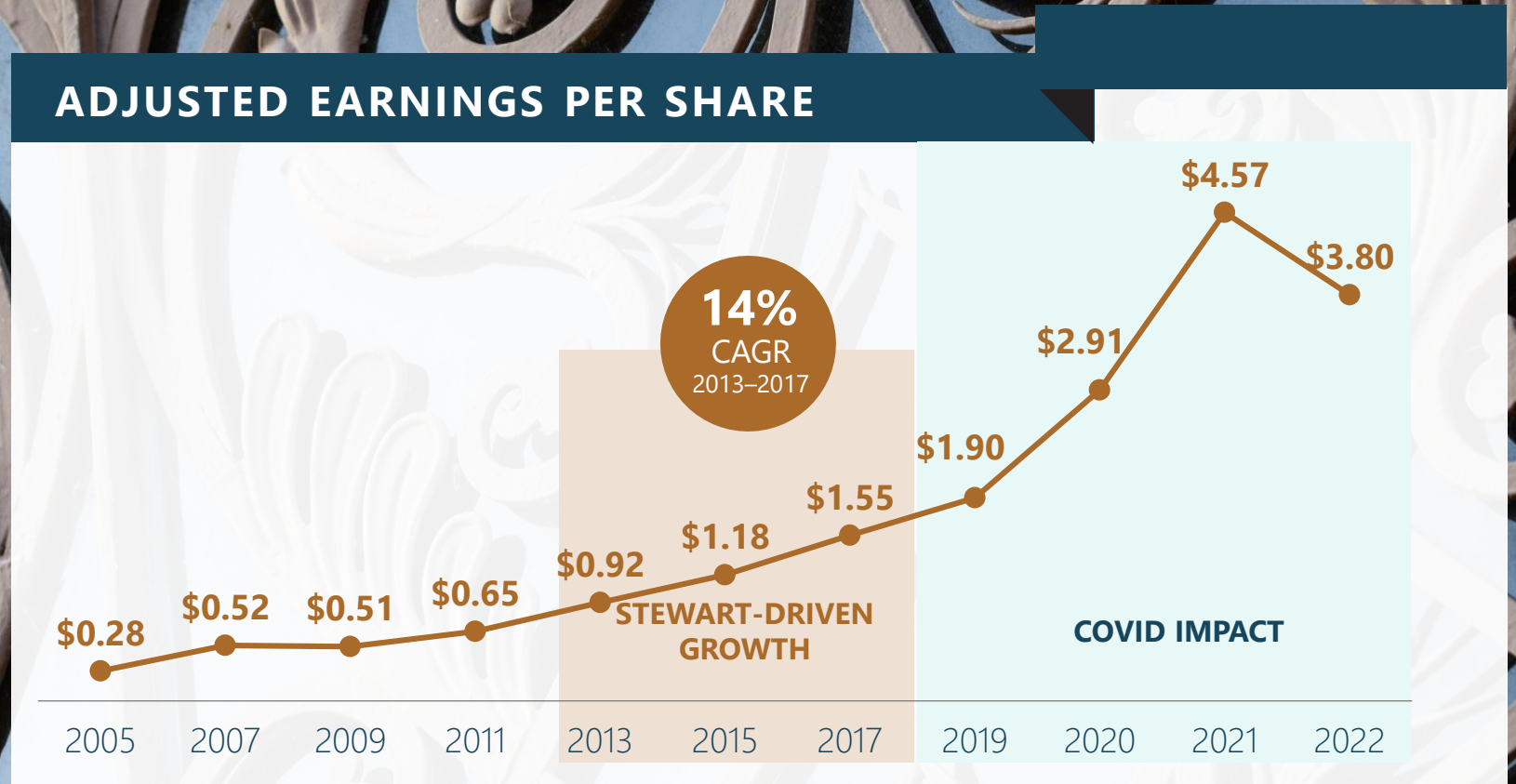
**3%–5%**

Continue Reinvesting in Business, Growth Capital,  
Share Repurchases and Debt Management

# Long-Term Consistent EPS Growth

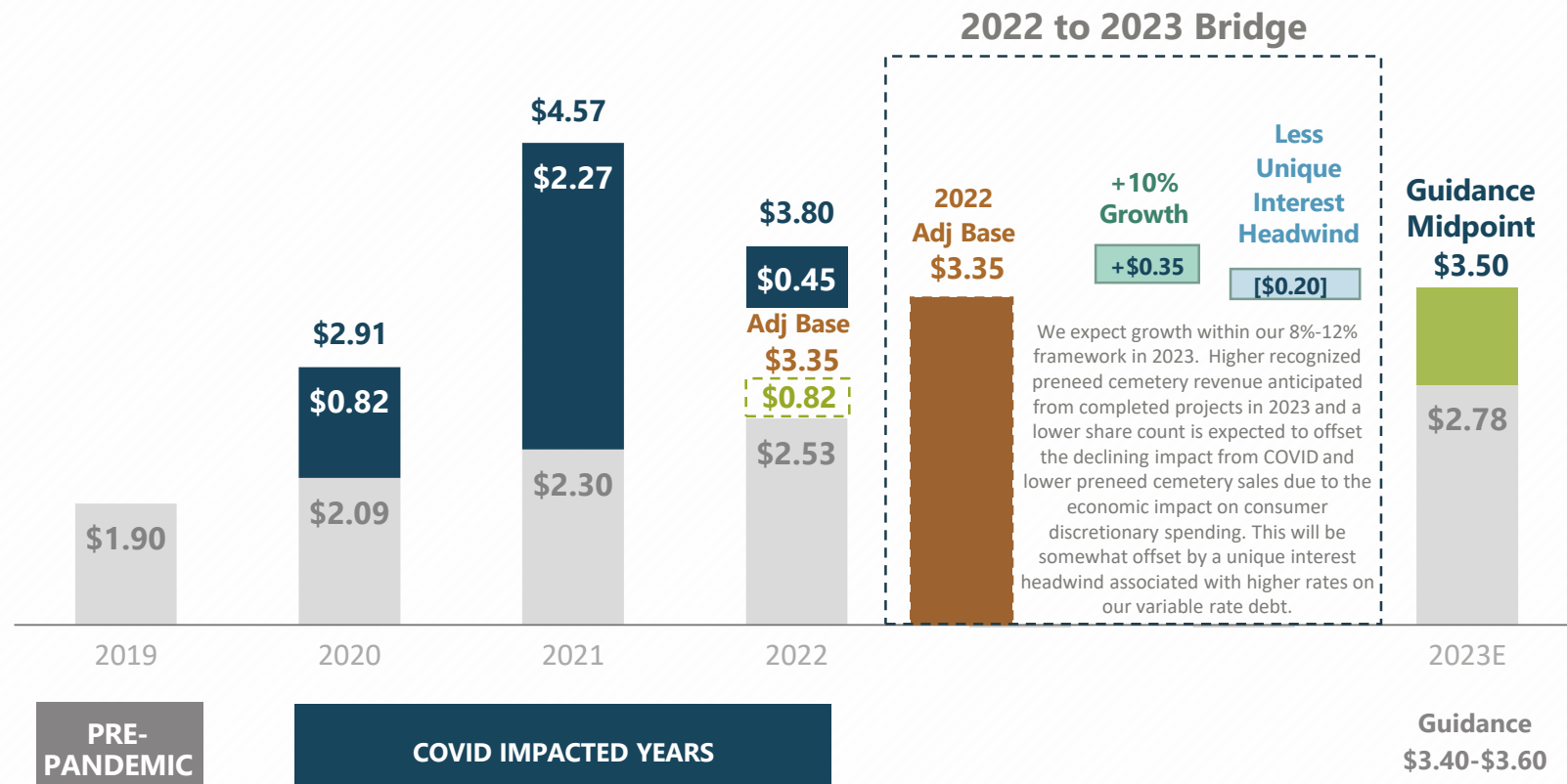
Modest incremental revenue growth drives EPS above the range

Our business model has proven that incremental revenue yields significant profitability; similar to post-Stewart, post-COVID, we expect to return to 8%-12% earnings growth framework on a new, higher earnings base



# New higher earnings base reflects post-COVID learnings and efficiencies

## ADJUSTED EARNINGS PER SHARE



### Estimated COVID Impact

Incremental learnings & efficiencies to Pre-COVID 2022 Base

Pre-COVID 10% Earnings CAGR off of 2019 base of \$1.90

Adjusted earnings per share is a non-GAAP financial measure. Please see appendix for a reconciliation to the appropriate GAAP measure and for other disclosures.



# There are 4 key pillars to reach even greater potential growth



**Demographic  
Tailwinds**



**Marketing,  
Sales &  
Cemetery  
Inventory  
Impact**



**Enhanced  
Growth Capital  
Opportunities**



**Preneed  
Backlog  
Impact**

# Favorable conditions exist for future volume growth

## MAIN DRIVERS



**AGING  
DEMOGRAPHICS**

**EXCESS DEATHS  
(INCLUDING COVID)**

**PRENEED DRIVING  
MARKET SHARE**

These drivers could easily increase our current assumptions for funeral volume and cemetery atneed production

# Initiatives underway supporting even further production growth

## MAIN DRIVERS



**QUALITY & QUANTITY  
OF MARKETING-  
DRIVEN LEADS**

**IMPROVED SALES  
EFFECTIVENESS &  
EFFICIENCIES**

**CEMETERY  
INVENTORY  
OPPORTUNITIES**

These drivers could easily increase our current assumptions for cemetery preneed production



# Our growth capital continues to add strength to our earnings growth framework

## MAIN DRIVERS



### ACQUISITIONS

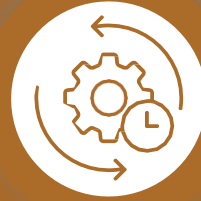
### NEW BUILDS

### OTHER GROWTH CAPITAL

With continued deployment like recent years, we are able to support higher earnings growth potential

# Our preneed strategy and backlog are structured to drive earnings and cash flow growth

## MAIN DRIVERS



**HIGHER-QUALITY  
CONTRACT SALES  
PRODUCTION**

**TRUST INVESTMENT  
RETURNS SUPPORTING  
FUTURE GROWTH**

**INCREASING  
CEMETERY BACKLOG  
RECOGNITION**

Strength in our backlog could easily drive increases in our sales average and cemetery recognition assumptions

# Key Takeaways

1

Strong business model with a sustainable growth platform

2

Significant and consistent cash flow continues to grow the company and enhance shareholder value

3

Industry leaders in innovation and technology

4

Preneed model and backlog strength differentiates us

5

Potential for incremental growth is much greater in the coming years, as we are poised to benefit from demographic tailwinds

# APPENDIX



# Definitions: Non-GAAP Financial Measures

**This information should not be considered in isolation or as a substitute for related GAAP measures. Additionally, these measures as calculated by the Company may not be comparable to similarly titled measures used by other companies.**

## **ADJUSTED EPS OR DILUTED EARNINGS PER SHARE EXCLUDING SPECIAL ITEMS**

We use diluted earnings per share excluding special items (adjusted EPS) as an underlying operational performance measure of the business and to have a basis to compare operating results to prior and future periods. We make adjustments to net income (a GAAP measure) to remove certain charges and credits. We believe these adjustments are relevant in evaluating the overall performance of the business.

## **ADJUSTED OPERATING CASH FLOW OR NET CASH PROVIDED BY OPERATING ACTIVITIES EXCLUDING SPECIAL ITEMS**

We use adjusted operating cash flow, or net cash provided by operating activities excluding special items, as an underlying operational performance measure of the continuing operations of the business and to have a basis to compare excluding special items cash flow results to prior and future periods. We make adjustments to cash flow from operations (a GAAP measure) to remove certain receipts and payments. We believe these adjustments are relevant in evaluating the overall performance of the business.

## **FREE CASH FLOW**

We define free cash flow as adjusted operating cash flow minus expenditures for capital improvements at existing locations, expenditures for the development of cemetery property, and digital investments and corporate, collectively referred to as Maintenance capital expenditures. We use free cash flow to assess the financial performance of the Company. We believe that free cash flow is useful to investors because it relates the operating cash flow of the Company to the capital that is spent to continue and improve business operations, such as investment in the Company's existing businesses. Further, free cash flow facilitates our ability to strengthen the Company's balance sheet, repay our debt obligations, pay cash dividends and repurchase our common shares. We also believe the presentation of this measure will enhance the investors' ability to analyze trends in the business and evaluate our underlying performance relative to other companies in the industry.

## **ADJUSTED EBITDA**

We define adjusted EBITDA as a financial measure calculated in accordance with our credit agreement and represents EBITDA to remove certain charges and credits. We use adjusted EBITDA to provide investors and lenders with additional information to measure our financial performance and evaluate our ability to service debt.

# Adjusted EPS – 2014 to 2022

(In millions, except Diluted EPS)

	12 Months Ended December 31,																	
	2022		2021		2020		2019		2018		2017		2016		2015		2014	
	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS
Net income attributable to common stockholders, as reported	\$565.3	\$ 3.53	\$802.9	\$ 4.72	\$515.9	\$ 2.88	\$369.6	\$ 1.99	\$447.2	\$ 2.39	\$546.7	\$ 2.84	\$177.0	\$ 0.90	\$233.8	\$ 1.14	\$172.5	\$ 0.81
<u>Pre-tax reconciling items:</u>																		
(Gains) losses on divestitures and impairment charges, net	(10.0)	(0.06)	(25.2)	(0.15)	(7.0)	(0.03)	(32.9)	(0.18)	(15.9)	(0.09)	(7.0)	(0.04)	26.8	0.14	(6.0)	(0.02)	(113.5)	(0.53)
(Gains) losses on early extinguishment of debt	1.2	0.01	5.2	0.03	18.4	0.10	16.6	0.09	10.1	0.05	0.3	—	22.5	0.11	6.9	0.03	29.7	0.14
Acquisition, integration costs, and system transition costs	—	—	—	—	—	—	—	—	—	—	—	—	17.5	0.09	6.8	0.03	55.0	0.25
Legal/contractual settlement, net of insurance recoveries	64.6	0.40	(8.3)	(0.05)	—	—	6.4	0.03	—	—	24.3	0.13	5.6	0.03	—	—	12.3	0.06
Foreign currency exchange loss	1.5	0.01	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<u>Tax reconciling items:</u>																		
Tax effect from special items	(14.0)	(0.09)	7.3	0.04	(2.6)	(0.02)	4.1	0.02	1.6	0.01	(5.7)	(0.03)	(17.2)	(0.09)	(2.3)	(0.01)	77.8	0.37
Change in certain tax reserves and other	(0.7)	—	(4.0)	(0.02)	(3.0)	(0.02)	(10.9)	(0.05)	(107.8)	(0.57)	(260.1)	(1.35)	20.9	0.11	3.0	0.01	3.2	0.01
Earnings and diluted earnings per share excluding special items (Adjusted EPS)	\$607.9	\$ 3.80	\$777.9	\$ 4.57	\$521.7	\$ 2.91	\$352.9	\$ 1.90	\$335.2	\$ 1.79	\$298.5	\$ 1.55	\$253.1	\$ 1.29	\$242.2	\$ 1.18	\$237.0	\$ 1.11
Diluted weighted average shares outstanding (in thousands)	160,131		170,114		178,990		185,523		186,972		192,246		196,042		204,450		214,200	

The 2018 change in certain tax reserves and others is primarily impacted by the reduction in uncertain tax reserves due to the expiration of statutes of limitations for the Internal Revenue Service to assess tax on tax years prior to 2015. On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the "Tax Act." As a result of the Tax Act, we realized a net tax benefit for the remeasurement of deferred tax assets and liabilities, partially offset by a transition tax on certain unrepatriated earnings of our foreign subsidiaries. 2017 is also impacted by the settlement of IRS tax audits related to tax years 1999-2005. Please see Part II, Item 8. Financial Statements, Note 5 in our 2018 Form 10-K filing for further details.

The estimate of \$64.6 million included in 2022 Legal/contractual settlement, net of insurance recoveries, is for an immaterial preliminary settlement in a private litigation matter in Florida and subsequently we engaged in settlement discussions with the California Attorney General. Both matters relate to previously disclosed litigation.



# Adjusted EPS – 2005 to 2013

(In millions, except Diluted EPS)

	12 Months Ended December 31,																	
	2013		2012		2011		2010		2009		2008		2007		2006		2005	
	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS
Net income (loss) attributable to common stockholders, as reported	\$147.3	\$ 0.68	\$153.8	\$ 0.70	\$144.9	\$ 0.61	\$126.4	\$ 0.50	\$123.1	\$ 0.49	\$ 97.1	\$ 0.37	\$247.7	\$ 0.85	\$ 56.5	\$ 0.19	\$(127.9)	\$ (0.42)
<u>After tax reconciling items:</u>																		
(Gains) losses on divestitures and impairment charges, net	5.9	0.03	1.6	0.01	1.8	0.01	2.2	0.01	1.8	0.01	24.5	0.10	(6.0)	(0.02)	50.1	0.17	30.3	0.10
(Gains) losses on early extinguishment of debt	(0.5)	—	14.4	0.07	2.2	0.01	5.9	0.02	(2.1)	(0.01)	—	—	8.7	0.03	10.7	0.04	9.3	0.03
Acquisition, integration costs, and system transition costs	55.6	0.26	5.9	0.02	1.4	0.01	9.4	0.04	8.2	0.03	0.7	—	16.4	0.06	8.2	0.02	—	—
Legal/contractual settlement, net of insurance recoveries	11.7	0.05									—	—	6.5	0.02	—	—	1.5	0.01
Income from French equity investment/DISCO											0.4	—	(121.8)	(0.42)	(3.9)	(0.01)	(4.5)	(0.01)
Cumulative effect of accounting change	(26.0)	(0.12)															187.5	0.61
Change in certain tax reserves and other	4.9	0.02	0.6	—	2.6	0.01	5.1	0.02	(2.0)	(0.01)	11.5	0.04	—	—	—	—	(11.8)	(0.04)
Earnings and diluted earnings per share excluding special items (Adjusted EPS)	\$198.9	\$ 0.92	\$176.3	\$ 0.80	\$152.9	\$ 0.65	\$149.0	\$ 0.59	\$129.0	\$ 0.51	\$134.2	\$ 0.51	\$151.5	\$ 0.52	\$121.6	\$ 0.41	\$ 84.4	\$ 0.28
Diluted weighted average shares outstanding (in thousands)		216,014		219,066		236,669		250,602		252,484		260,983		290,444		297,371		306,745

# Adjusted cash flow from operations and free cash flow

(In millions)

Net cash provided by operating activities  
 Contractual/Legal settlements, net of insurance recoveries  
 IRS tax settlement (receipt) payment  
 Net cash provided by operating activities excluding special items  
*(Adjusted operating cash flow)*

Total maintenance, cemetery development, and other capital  
 expenditures  
 Free cash flow

Net cash used in investing activities  
 Net cash used in financing activities

12 Months Ended December 31,					
2022	2021	2020	2019	2018	2017
\$ 825.7	\$ 920.6	\$ 804.4	\$ 628.8	\$ 615.8	\$ 503.4
-	(8.3)	-	6.4	-	17.8
-	-	-	-	(5.6)	34.2
\$ 825.7	\$ 912.3	\$ 804.4	\$ 635.2	\$ 610.2	\$ 555.4
(334.6)	(260.2)	(185.6)	(204.3)	(203.5)	(196.6)
\$ 491.1	\$ 652.1	\$ 618.8	\$ 430.9	\$ 406.7	\$ 358.8
\$ (447.9)	\$ (414.9)	\$ (318.4)	\$ (278.5)	\$ (414.6)	\$ (242.9)
\$ (448.0)	\$ (465.6)	\$ (492.8)	\$ (319.1)	\$ (329.2)	\$ (136.4)



# Financial outlook

In Millions, except Adjusted EPS	GUIDANCE		
	2023		
	Low	Midpoint	High
Diluted earnings per share excluding special items <i>Adjusted EPS</i>	\$3.40	\$3.50	\$3.60
Net cash provided by operating activities excluding special items and cash taxes	\$920	\$940	\$960
Cash taxes expected in 2023 (at the midpoint of Diluted earnings per share guidance)	Approximately \$80M-\$90M		
<small><i>In 2023, we are implementing a tax accounting method change that will result in the deferral of tax payments to future years. As we transition to this new method, cash tax payments in 2023 and 2024 will be lower than normal.</i></small>			
Net cash provided by operating activities excluding special items <i>Adjusted operating cash flow</i>	\$830	\$855	\$880
Total maintenance, cemetery development, and other capital expenditures (Maintenance capital expenditures)	\$290	\$300	\$310

Diluted earnings per share excluding special items and net cash provided by operating activities excluding special items are non-GAAP financial measures. We normally reconcile these non-GAAP financial measures from diluted earnings per share and net cash provided by operating activities; however, these measures calculated in accordance with GAAP are not current accessible on a forward-looking basis. Our outlook for 2023 excludes the following because this information is not currently available for 2023: expenses net of insurance recoveries related to hurricanes, gains or losses associated with asset divestitures, gains or losses associated with the early extinguishment of debt, potential tax reserve adjustments and IRS payments and/or refunds, acquisition and integration costs, system implementation and transition costs, and potential costs associated with estimated litigation charges or legal settlements or the recognition of receivables for insurance recoveries associated with litigation, or deferred tax items. The foregoing items could materially impact our forward-looking diluted earnings per share and/or our net cash provided by operating activities calculated in accordance with GAAP.

Our outlook for 2023 reflects management's current views and estimates regarding the impact on results from the Covid pandemic, future economic and financial market conditions, company performance and financial results, business prospects, the competitive environment, and other events. These views and estimates that support the outlook provided are subject to a number of risks and uncertainties, many of which are beyond the control of SCI, that could cause actual results to differ materially from the potential results.