



Investor Presentation

*As of February
2018*

Park Lawn Corporation
TSX:PLC

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Corporate Overview

- **Park Lawn Corporation** (TSX: PLC) is the largest publicly traded Canadian-owned funeral, cremation and cemetery provider with operations in Canada and the United States
- Park Lawn is a progressive, growth-oriented company that delivers high quality products and services to meet the rapidly evolving needs of the North American market
 - Products and services, including cemetery lots, crypts, funeral services and cremation options, are sold to clients on a pre-planned basis (pre-need) or at the time of death (at-need)
- Current portfolio¹ is positioned to take advantage of favourable population demographics and industry trends
 - Park Lawn operates 97 locations including cemeteries, crematoria, funeral homes, chapels, planning offices and a transfer service
 - Operating Regions:
 - Canada: Ontario (Head Office: Toronto), British Columbia, Manitoba, Quebec & Saskatchewan
 - United States: Kentucky, Illinois, Michigan, New Jersey, New York & Texas

Park Lawn's Growth Strategy

- **EBITDA target of \$25 million by 2019**
- Growth to be driven by a combination of **acquisitions and organic growth**
 - Acquisitions expected to contribute approximately 60% – 70% of the Company's growth targets
 - Organic growth expected to contribute approximately 30% – 40% of the Company's growth targets
- Park Lawn has a strong track-record of exceeding significant growth targets since current management takeover in 2013

2013

- 6 Cemetery properties & 3 Crematoria
 - Location: Ontario

Accretive
Acquisitions &
Organic Growth

Current Portfolio¹

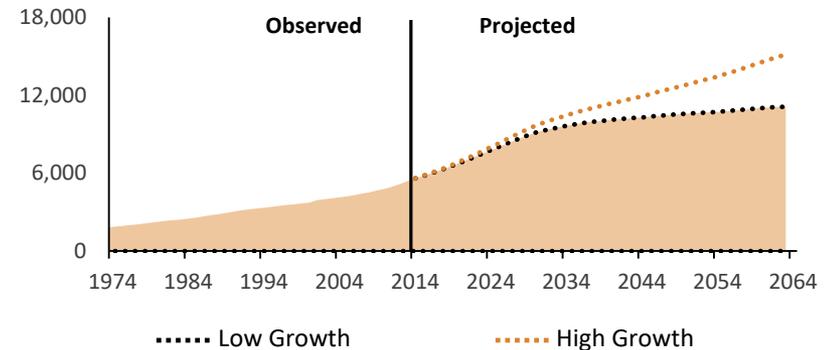
- Park Lawn now operates 97 locations including cemeteries, crematoria, funeral homes, chapels, planning offices and a transfer service

Positioned For Future Success

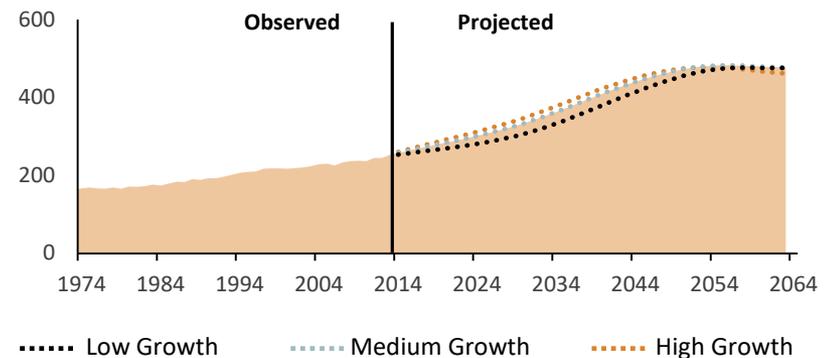
- **Park Lawn** is uniquely positioned to take advantage of population demographics
- Real Estate & Services
 - Approximately 75% of our funeral home services are sold at-need
 - 80 – 90% of cemetery business is pre-need
- Favourable demographics
 - Aging population - Pre-Need on the cemetery side
 - Increasing death rate - At-Need on the funeral side
- PLC revenue split is ~ 18% funeral & 82% cemetery / cremation

Park Lawn is Able to Capture Market Share in an Industry Trends Favouring Low-Cost Cremation

Canadian Population 65 & Older⁽¹⁾



Number of Deaths in Canada⁽²⁾



Source: ICCFA, OACFP, NFDA, Statistics Canada.

(1) Statistics Canada. *Estimates of population, by age group and sex for July 1, Canada, provinces and territories, annual* (CANSIM Table 051-0001); and Statistics Canada. *Projected population, by projection scenario, sex and age group as of July 1, Canada, provinces and territories, annual* (CANSIM table 052-0005). Ottawa: Statistics Canada, 2014.

(2) Source: Statistics Canada. *Population Projections for Canada (2013 to 2063), Provinces and Territories (2013 to 2038)* (Publication 91-520-X). Ottawa: Statistics Canada, 2015.

Park Lawn's Growth Targets

Organic Growth

Growth by Acquisition

Cemetery & Crematoria

- Greenfield development on cemetery land
- Sale of lots, cremation lots and niches
- Target Internal Rate of Return >20%
- Example: Expansion of the Paradise Mausoleum at Park Lawn Cemetery

- Increases # of cemeteries, adds funeral home assets into the U.S. operations & geographically diversifies U.S. operations



Funeral Homes

- Grow the Funeral Care & Pre-Need businesses
- Focus on improving operational efficiency and expense reduction
- 20% Target annual EBITDA margin

- Able to strengthen the death care service value-chain with Park Lawn's existing portfolio of cemeteries
- Example: Acquired Reynolds Funeral Home 'Turner Chapel' in January 2017

Reynolds Funeral Home ~ Turner Chapel



Recent Activity

- **Bought Deal Offering:** \$80.5 million priced at \$19.00 – June 2017
 - Both offerings were upsized as a result of institutional investor demand
- **United States Acquisitions:**
 - **CMS Mid-Atlantic¹:** 7 cemeteries (NJ, NY)
 - US\$50.00 million in cash
 - **Saber Management:** 19 cemeteries and 4 on-site funerals homes (KY, IL, TX)
 - US\$48.75 million in cash, additional considerations of up to US\$9.75 million in PLC common shares
- **Canadian Expansion:**
 - **Funeral Home Clustering:** North of Toronto (Hwy 400/Hwy 11)
 - **TCS Funeral Services:** Business-to-business service provider providing outsourced embalming, transfer and other services to funeral homes, cemeteries, municipalities and hospitals
 - **Expansion in British Columbia:** Providence Funeral Homes and Credible Cremations

CMS Mid-Atlantic

Acquisition Highlights

- **Acquisition:** CMS Mid-Atlantic
 - Pending acquisition of **7 cemeteries**¹ in New Jersey & New York
 - Head Office: Located in Pittsburgh, PA
 - Ideal given operations in Toronto, Michigan & Kentucky
- **Consideration:** US\$50.00 million in cash
- **Rationale:** Accelerate PLC's growth strategy, while increasing its scale and geographic diversification in the U.S. market

Financial Highlights

- **12-Month Budgeted EBITDA:** US\$5.2 million
- **Implied Purchase Price Multiple:** 9.4x
- **Expected Closing:** March 2018

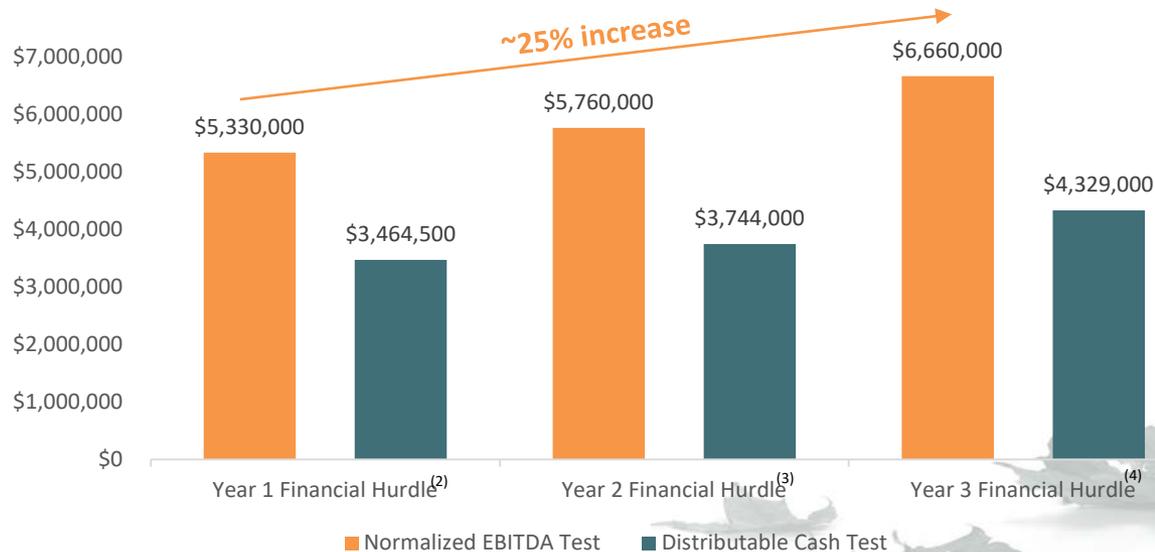
CMS Mid-Atlantic Materially Increases PLC's Revenue and is Immediately Accretive to Adjusted EBITDA and Adjusted Cash Flow, While Providing a Business Platform With Strong Operating Margins

Saber Management

Acquisition Highlights

- **Acquisition:** Saber Management
 - Completed acquisition of **19 cemeteries and 4 funeral homes** in Kentucky, Illinois & Houston, Texas
- **Consideration:** US\$48.75 million in cash, plus additional consideration of up to US\$9.75 million in PLC common shares
- **Rationale:** Significantly increases the number of cemeteries in the Company's portfolio, adds funeral home assets into the U.S. portfolio and geographically diversifies the Company's U.S. operations

Earn-Out Structure⁽¹⁾



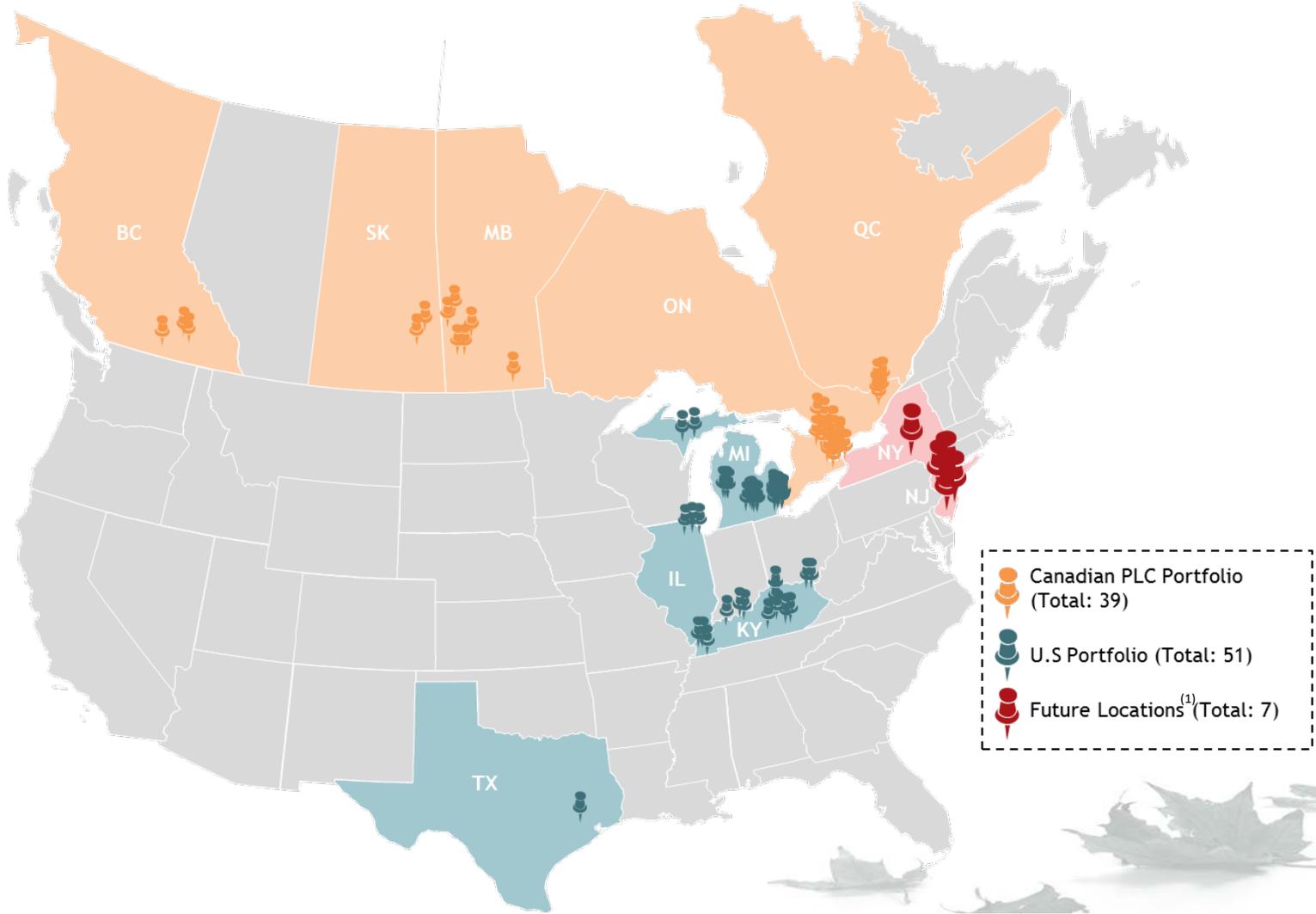
(1) All numbers reported regarding Saber Management earn-out structure are reported in U.S. dollars.

(2) Distributable Cash available to Buyer at the end of Period of at least US\$3,464,500.

(3) Distributable Cash available to Buyer at the end of Period of at least US\$3,744,000, after deducting any Distributable Cash not actually distributed to Buyer with respect to First Period.

(4) Distributable Cash available to Buyer at the end of Period of at least US\$4,329,000, after deducting any Distributable Cash not actually distributed to Buyer with respect to First Period and Second Period.

Park Lawn's Current Geographic Reach



(1) Future Locations include CMS Mid-Atlantic properties. Transaction expected to close in March 2018.

Investment Highlights

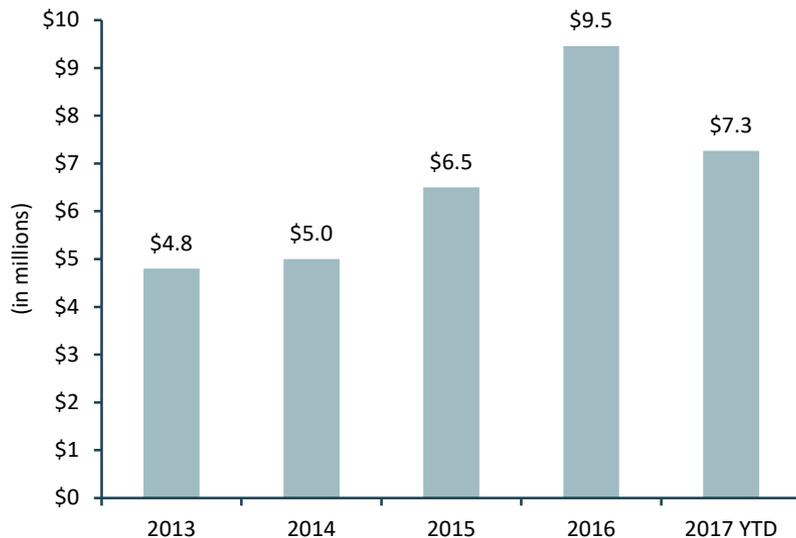
- **Dynamic & Focused Management Team:** CEO Andrew Clark and CFO Joe Leeder have been in place since July 2013
 - Focused on optimizing product / service offerings, expanding organically, and completing strategic and accretive acquisitions
- **Industry with High Barriers to Entry:** High zoning and permitting thresholds provide incumbents with a significant market position, given land and inventory positions, and providing a meaningful competitive advantage
- **Acquisitive Growth in a Fragmented Industry:** Wide scope and mandate for growth-by-acquisition through a variety of means including through private-owner successions
- **Economies of Scale:** With each acquisition, management is able to leverage resources to effectively exploit available operational synergies
- **Organic Growth:** Built-in growth potential at existing locations through inventory sales and expansion (average property inventory of 40+ years)
- **Sustainable Yield:** Attractive dividend yield at ~2.2% with a low payout ratio⁽¹⁾
- **Solid Balance Sheet:** Net cash position and minimal maintenance capital expenditure requirements⁽²⁾

Park Lawn Offers Investors a Vehicle Committed to Growth While Maintaining a Sustainable Dividend

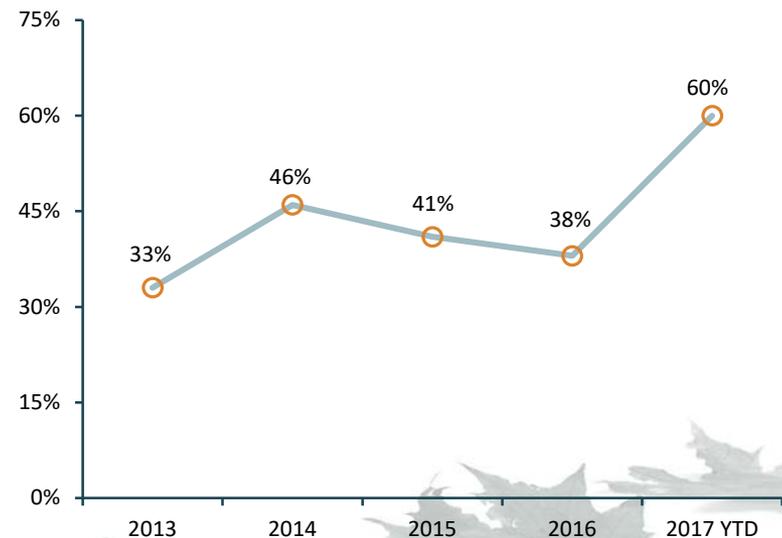
Diversified Revenue with Foundation for Strong Growth

- **Park Lawn** generates strong cash flow and has maintained a low payout ratio⁽¹⁾
- The increased payout ratio is largely attributable to the increase in acquisition and integration costs in 2017 compared to 2016
 - Acquisition costs for the three months ended September 30, 2017 were ~\$2.18 million

Adjusted Cash Flow⁽²⁾



Dividend Payout Ratio⁽¹⁾



Appendix A – Financial Summary

As at September 30, 2017; Reported in Canadian Dollars	2017 YTD	2016
Total Revenue	\$61,360,002	\$67,042,172
Cost of Sales	\$13,984,623	\$17,618,819
Operating Expenses	\$41,048,668	\$44,013,523
Earnings from Continuing Operations	\$6,326,711	\$5,409,830
Other Income	(\$852,684)	\$3,662,658
Acquisitions / Integration Costs	(\$3,301,341)	(\$904,621)
Earnings Before Income Taxes	\$2,172,686	\$8,167,867
Income Tax Expense	\$5,948	\$312,108
Net Earnings For the Period	\$2,166,738	\$7,855,759
Net Earnings, PLC Shareholders	\$1,938,857	\$7,490,132
Net Earnings Per Share (Diluted)	\$0.15	\$0.94
Earnings from Operations	\$6,326,711	\$5,409,830
Interest Expense	\$283,255	\$624,051
Depreciation and Amortization	\$1,837,414	\$1,622,481
Amortization of Cemetery Property	\$2,548,457	\$3,755,565
Share Based Compensation	\$555,876	\$370,211
Other	\$0	\$0
Adjusted EBITDA, Non-Controlling Interest	(\$509,066)	(\$705,632)
Adjusted EBITDA, PLC Shareholders	\$11,042,647	\$11,076,506
Adjusted EBITDA Per Share (Diluted)	\$0.72	\$1.40
Dividends Paid to Shareholders	\$4,440,449	\$3,725,315
Total Assets	\$459,205,049	\$290,340,791

Appendix B – Acquisition History (Continued)

- May 2017 – TCS Funeral Services
 - TCS Funeral Services is a business-to-business service provider in the funeral industry, providing outsourced embalming, transfer and other services to funeral homes, cemeteries, municipalities and hospitals across Ontario
 - Total purchase price of \$3,660,000 paid with cash raised from PLC's November 2016 bought deal public offering
- February 2017 – British Columbia Operations
 - Providence Funeral Homes & Crematorium, consists of a funeral home and separate crematorium site in Penticton, BC and a funeral home in Summerland, BC
 - Credible Cremations Services Ltd, a low-cost funeral service provider in the Okanagan Valley
 - Total purchase price of \$1,896,650, paid for with cash raised from PLC's November 2016 bought deal public offering
- January 2017 – Ontario Funeral Homes
 - Reynolds Funeral Home 'Turner Chapel' in Bracebridge & Cavill-Turner Funeral Home in Gravenhurst
 - Jennett Funeral and Cremation Centre Ltd in Barrie & Innisfil Funeral Home Limited in Innisfil
 - Total purchase price of \$6,753,000, paid for with cash raised from PLC's November 2016 bought deal public offering
- March 2016 – Midwest Memorial Group (Michigan)
 - Midwest Memorial Group was a significant acquisition (~US\$16 million) and is expected to add over C\$30 million in annual revenue in 2016
 - Adding 26 owned cemeteries (nine of which include crematoria) and two managed cemeteries to the Company's asset base
- Previous Acquisitions Include:
 - March 2016 – Korban Funeral Chapel (Manitoba)
 - February 2016 – Mundell Funeral Home (Ontario)
 - November 2015 – Basic Funerals (Ontario)

Appendix C – Share Price Performance

Total Return Analysis⁽¹⁾

- Since January 1, 2013, Park Lawn posted a total return of over 226%
- Comparatively, the S&P/TSX Composite Index posted a 45% total return over that same time period

