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Park Lawn Corporation to Acquire CMS Mid-Atlantic

Acquisition expands PLC cemetery and mausoleum operations into New Jersey and New York

TORONTO, ONTARIO, February 28, 2018 - Park Lawn Corporation (TSX: PLC) (“**PLC**” or the “**Company**”) is pleased to announce that it has entered into a definitive agreement to acquire (the “**Acquisition**”) all of the outstanding membership interests of CMS Mid-Atlantic (“**CMS Mid-Atlantic**”) for a purchase price of approximately US\$50 million in cash, subject to customary working capital adjustments. The purchase price will be funded from PLC’s existing credit facility.

CMS Mid Atlantic currently operates, manages and provides financial services for seven cemeteries in New Jersey (6) and New York (1). Additionally, there is an agreement to purchase 78 acres of land in the Township of Lafayette, New Jersey, which is subject to several State regulatory and Government approvals.

“CMS Mid-Atlantic’s assets in the metropolitan New Jersey / New York area, one of North America’s most ethnically and culturally diverse markets, share many favourable characteristics with our platform in Toronto,” stated Andrew Clark, Chairman & CEO of PLC. “This acquisition is enhanced by CMS Mid-Atlantic’s strong and capable management team, who will further strengthen our operations in the US.”

“We look forward to working with Park Lawn, and believe it is the right partner to continue what we have built at CMS Mid-Atlantic,” stated Bernard “Buzzy” Stoecklein, current President of CMS Mid-Atlantic. “I believe Park Lawn’s team-driven approach will ensure continuity in the short-term and maximize the opportunity for growth in the long term.”

Completion of the Acquisition, which is expected to occur in March 2018, is subject to the satisfaction or waiver of certain closing conditions, including, among other things, third party consents and approvals.

Acquisition Highlights

- Continues to accelerate PLC’s growth strategy, while increasing its scale and geographic diversification in the U.S. market.
- Expected to materially increase PLC’s revenue and be immediately accretive to adjusted EBITDA and adjusted cash flow, while providing a business platform with strong operating margins.
- The purchase price multiple will be approximately 9.4x CMS Mid-Atlantic’s 12-month budgeted EBITDA of US\$5.2 million.

- Going forward, CMS Mid-Atlantic's experienced management will join the Company's existing U.S. management team, which will help the Company further execute its growth strategy.

About Park Lawn Corporation:

PLC provides goods and services associated with the disposition and memorialization of human remains. Products and services are sold on a pre-planned basis (pre-need) or at the time of a death (at-need). PLC and its subsidiaries own and operate 90 businesses including cemeteries, crematoria, funeral homes, chapels, planning offices and a transfer service. PLC operates in five Canadian provinces and four US states.

Cautionary Statement Regarding Forward-Looking Information

This news release 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", "project", "expect", "intend", "plan", "will", "may", "estimate" and other similar expressions. These statements are based on the Company's expectations, estimates, forecasts and projections and include, without limitation, statements regarding the completion of the Acquisition, the Company's continued growth strategy, the anticipated effect of the Acquisition on the performance of the Company (including the extent to which the Acquisition is expected to be accretive to adjusted EBITDA and adjusted cash flow and provide strong operating margins), the expected purchase price multiple and CMS Mid-Atlantic's 12 month budgeted EBITDA. The forward-looking statements in this news release are based on certain assumptions, including without limitation that all conditions to completion of the Acquisition will be satisfied or waived, CMS Mid-Atlantic's business will continue its current performance. The Company will be able to retain key CMS Mid-Atlantic personnel, there will be no unexpected expenses occurring as a result of the Acquisition, and that currency exchange rates remain consistent. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. 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, the factors discussed under the heading "Risk Factors" in the Company's annual information form available at www.sedar.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 news release 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.

Non-IFRS Measures

EBITDA, adjusted EBITDA and adjusted cash flow are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. Such measures are presented in this news release because management of the Company believes that such measures are relevant in interpreting the effect of the Acquisition on 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 Company's most recent management's discussion and analysis for how the Company reconciles such measures to the nearest IFRS measure.

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