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## Park Lawn Corporation Releases Q2 Results

### *Lays Out Long-Term Targets for Next Phase of Organic and Acquisitional Growth Plan*

TORONTO, ONTARIO – [August 14, 2018] Today, Park Lawn Corporation (TSX: PLC) (“**PLC**”) released its second quarter results for 2018 (“**Q2 2018**”). The results show solid operating performance across the majority of the business, particularly in the CMS Mid-Atlantic and Saber businesses.

PLC’s revenue increased year-over-year by 100.4% to \$40,349,440 in Q2 2018, as compared to \$20,138,853 in the second quarter of 2017 (“**Q2 2017**”). After adjusting for the increase of foreign exchange growth from PLC’s comparable businesses, revenue grew 5.2% in Q2 2018 as compared to Q2 2017.

Net earnings (loss) attributable to PLC shareholders was \$(435,849) in Q2 2018 compared to \$812,444 in Q2 2017. On a fully-diluted per share basis, net earnings (loss) attributable to PLC shareholders was \$(0.021) in Q2 2018 compared with \$0.072 for the same period in 2017.

As with previous reporting periods, net earnings have been impacted by certain one-time, non-recurring or non-cash revenue and expense items. After accounting for the impact of these one-time items:

- Adjusted Net Earnings attributable to PLC shareholders for Q2 2018 increased by 102.5% to \$3,659,838 from \$1,807,640 in Q2 2017. On a fully diluted per share basis, Adjusted Net Earnings were \$0.180 for Q2 2018 compared to \$0.160 in Q2 2017, which represents a 12.5% increase year-over-year.
- Adjusted EBITDA attributable to PLC shareholders for Q2 2018 was \$8,321,069 compared to \$3,681,726 in Q2 2017, which represents a year-over-year increase of 126.0%. On a fully diluted per share basis, Adjusted EBITDA was \$0.409 for Q2 2018 compared to \$0.325 for Q2 2017, which represents an increase of 25.8%.

### **Long Term Growth Targets**

“Between 2013 and 2018 year to date, Park Lawn has experienced robust growth both organically and through acquisition. We believe the deathcare sector continues to exhibit highly attractive growth characteristics. As part of our growth plan, we have set an aspirational growth target of achieving pro forma Adjusted EBITDA of \$100 million by the end of 2022,” stated Andrew Clark, Chairman & CEO.

Achieving this long-term target is based on the following key assumptions:

- Acquisitions will contribute approximately \$35 million of incremental pro forma Adjusted EBITDA by the end of 2022.
- Margin expansion through synergies and operational improvements will contribute approximately \$7-8 million of incremental pro forma Adjusted EBITDA by the end of 2022.
- Organic growth, through price increases, introduction of new products/services, investment in mausoleums, on-site funeral homes and other growth capital projects will contribute approximately \$10-12 million of incremental pro forma Adjusted EBITDA by the end of 2022.
- Organic growth capital of approximately \$40 million is deployed between 2019 and 2022.
- Target leverage ratio remains in the range of approximately 2x debt/ pro forma Adjusted EBITDA throughout.

## **Q2 2018 Acquisitions**

- On April 9, 2018, PLC acquired Opatovsky Funeral Homes, a two-location business operating in Sundridge and Burk’s Falls Ontario.
- On May 7, 2018, PLC acquired Signature Group, which operates nine cemeteries, twenty-one funeral homes (including seven on-site) and five crematoriums with operations in Texas, Kansas, Missouri, New Mexico and Mississippi.
- On July 11, 2018, PLC acquired Hansons Arbor Funeral Chapels and Crematorium with four locations and a crematorium in the Okanagan Valley.

## **Important Reminder**

PLC will host a conference call at 9:30AM (EST) on Wednesday August 15, 2018 to discuss its Q2 2018 financial results. Details of the conference call are as follows:

- Date: Wednesday August 15, 2018
- Time: 9:30AM (EST)
- Dial-In: Local (647) 427-7450 | Toll Free (888) 231-8191 | Conference ID 8080588

## **About PLC**

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 144 businesses including cemeteries, crematoria, funeral homes, chapels, planning offices and a transfer service. PLC operates in 5 Canadian provinces and 10 US states.

## **Non-IFRS Measures**

Adjusted Net Earnings, Adjusted EBITDA and their related per share amounts, 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 PLC believes that such measures are relevant in evaluating PLC's operating performance. Such measures, as computed by PLC, 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 PLC's most recent Management's Discussion and Analysis for PLC reconciles Adjusted Net Earnings, Adjusted EBITDA and their related per share amount to the nearest IFRS measure.

## **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 PLC 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", "pro-forma" and other similar expressions. These statements are based on PLC's expectations, estimates, forecasts and projections and include, without limitation, statements regarding the deathcare sector's characteristics and the growth targets that PLC aspires to achieve by the end of 2022. The forward-looking statements in this news release are based on certain assumptions, including those set out above under "Long Term Growth Targets", as well as that acquisition multiples remain at or below levels paid by PLC for previously announced acquisitions, the CAD\$ to US\$ exchange rate remains consistent, the acquisition and financing markets remain accessible, capital can be obtained at reasonable costs, and PLC's current business lines operate and obtain synergies as expected. Forward-looking statements 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 PLC's Annual Information Form available at [www.sedar.com](http://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, PLC assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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