



SERVICE CORPORATION INTERNATIONAL

INVESTOR DAY 2022



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 2021 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. 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.





Introduction Video



Investor Day 2022

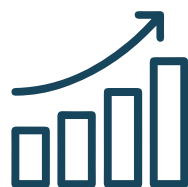


**TOM
RYAN**

Chairman of the Board
CEO and President



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

\$1.04B

Cash \$300M /
Credit Facility \$740M

LEVERAGE

2.6x

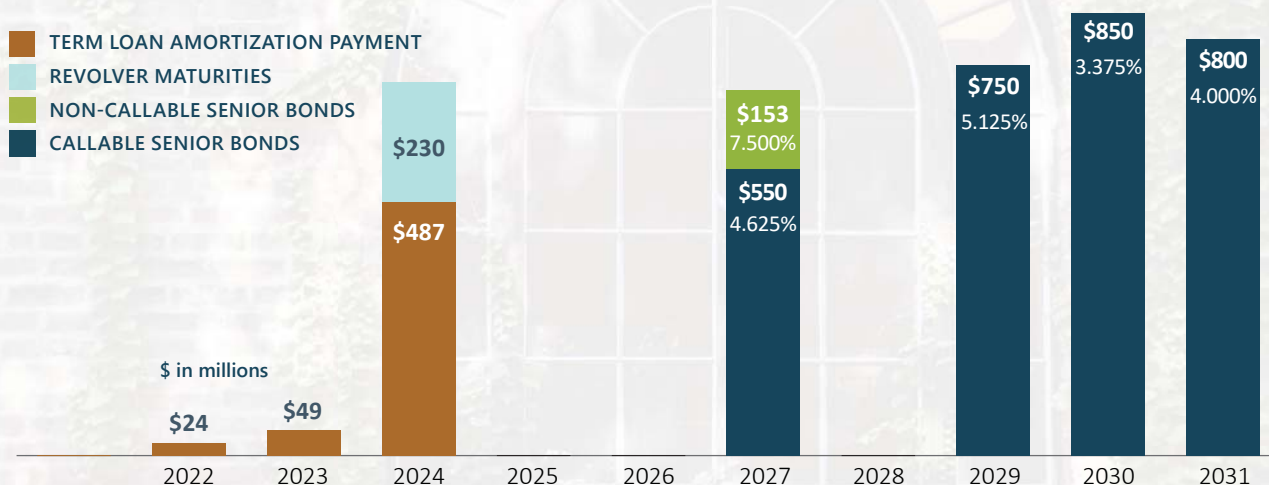
Target
3.50x–4.00x

DEBT MATURITY PROFILE

March 31, 2022

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

\$ in millions



Making our equity sweat— enhancing shareholder returns

VALUE RETURNED TO SHAREHOLDERS

\$5.3B

Value returned to shareholders
through dividends and share repurchases since 2004

SHARES OUTSTANDING

350,000
325,000
300,000
275,000
250,000
225,000
200,000
175,000
150,000

2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

52%

Reduction in outstanding
shares since mid 2004

17% CAGR

Dividends per share
2005-2021

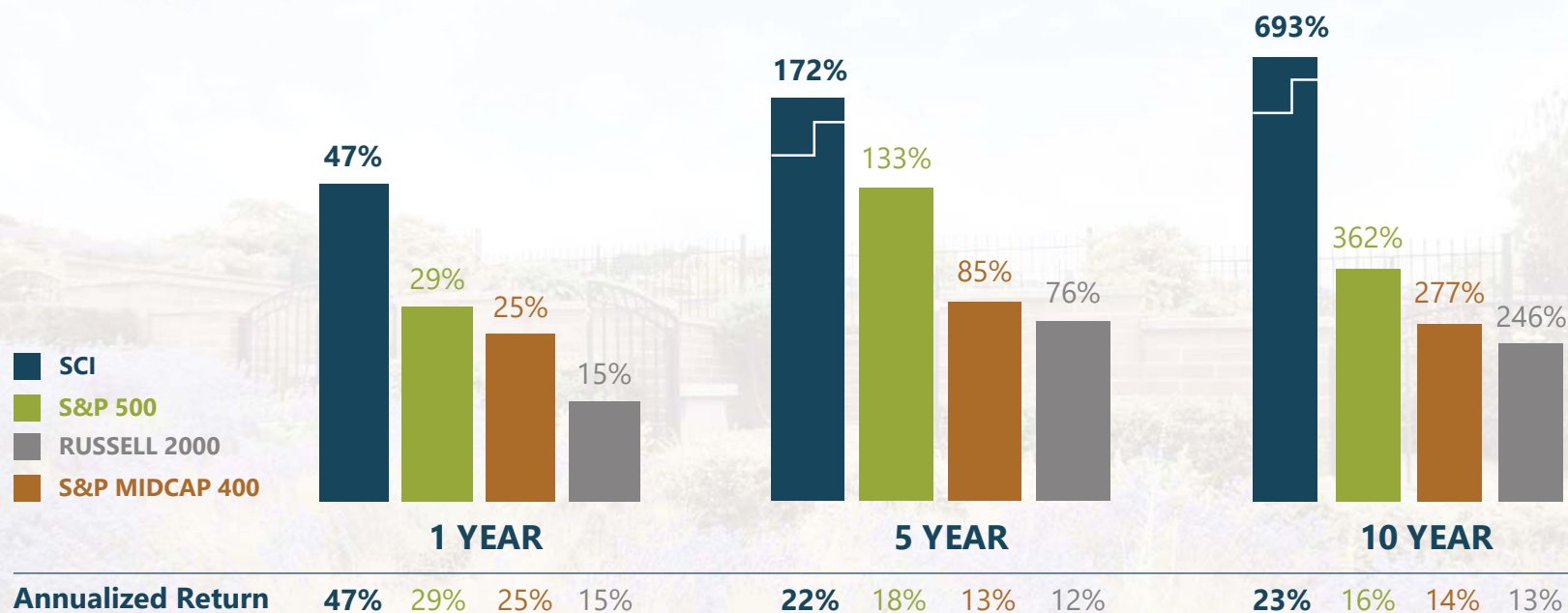
DIVIDENDS PER SHARE

\$1.00
\$0.90
\$0.80
\$0.70
\$0.60
\$0.50
\$0.40
\$0.30
\$0.20
\$0.10
\$-



Our execution has translated into superior total shareholder returns over time

TOTAL SHAREHOLDER RETURN December 31, 2021



Sustainable value creation foundational in everything we do



SUPPORTING OUR 24,000 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 inaugural 2021 Sustainability Report is available at [sci-corp.com](https://www.sci-corp.com)



2021 Sustainability Report



SERVICE CORPORATION INTERNATIONAL

Investor Day 2022 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

Agenda

OPENING & OVERVIEW



Welcome

Tom Ryan



Industry/Company Overview

Jay Waring



Funeral & Cemetery Segment Overview

Steve Tidwell



New Earnings Base for Growth

Eric Tanzberger

GROWTH DRIVERS



Demographic Tailwinds

Elisabeth Nash



Marketing, Sales & Cemetery Inventory Impact

Jamie Pierce
Gerry Heard
Michael Johnson



Enhanced Growth Capital Opportunities

John Faulk



Preneed Backlog Impact

Aaron Foley

CLOSING



Long-Term Power of SCI's Growth Model

Eric Tanzberger



Q&A

Tom Ryan





INDUSTRY/COMPANY **Overview**



**JAY
WARING**

Senior Vice President
Chief Operating Officer



North America Deathcare Industry (U.S. & Canada)

THE INDUSTRY IS HIGHLY FRAGMENTED

~22,000
Funeral Homes

~\$17B

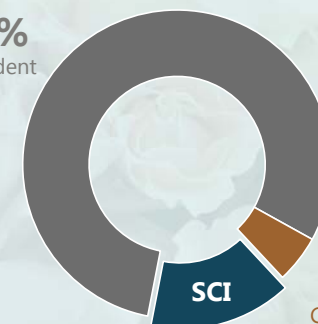
~5,500
Cemeteries

~\$5B

~\$22B
Deathcare Industry
Revenues

Industry Revenue Contribution

~80%
Independent



~5%
Other Large
Consolidators

~15-16%

North America is defined throughout this presentation as U.S. and Canada. Industry revenue estimated from 2020 U.S. Census Bureau and Statistics Canada data. Large consolidator revenue based on public information and company estimates. | Number of funeral homes and cemeteries estimated by SCI from various sources and include only those of size. We estimate that there are several thousand smaller funeral homes and smaller municipal, church and not-for-profit cemeteries.

Service Corporation International

WE ARE THE LARGEST COMPANY IN THE INDUSTRY

1,471
Funeral Homes

\$2.3B

488
Cemeteries

\$1.8B

\$4.1B
2021 SCI
Revenue

2021 Snapshot

~24K
Employees

~750K
Customers Served (Funeral & Cemetery)

\$2.4B
Preneed Sales

~\$14B
Backlog of Future Revenue

Our scale and footprint provides competitive advantages

CANADA

165

FUNERAL

12

CEMETERY

UNITED STATES

1,306

FUNERAL

476

CEMETERY

1,959
LOCATIONS

As of December 31, 2021



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®

Funeral and cemetery have different business characteristics

	BUSINESS FOCUS	BARRIERS TO ENTRY	REVENUE RECOGNITION	FUTURE OUTLOOK
 FUNERAL	High-touch personalized service/retail	Moderate, except low in the price-sensitive market	Generally recognized at time of death	Revenue growth and high incremental margin growth expected from demographic tailwinds
 CEMETERY	Real estate/sales/service	High (Capital/regulatory/permitting)	Preneed property sales can be recognized before death	Continued growth in revenues and high incremental margins driven by demographics and robust preneed sales program

**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%**

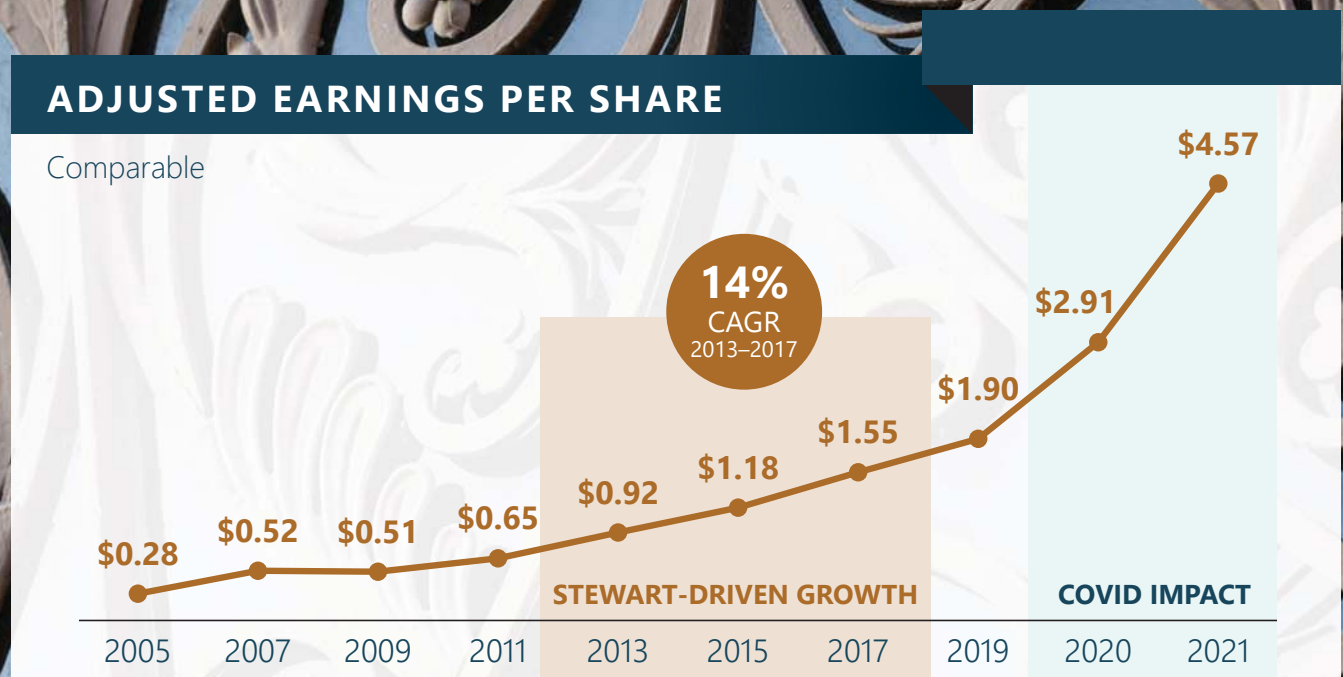
Continue Reinvesting in Business, Growth Capital,
Share Repurchases and Debt Management



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



FUNERAL & CEMETERY

Segment Overview



**STEVE
TIDWELL**

Senior Vice President
Sales & Marketing

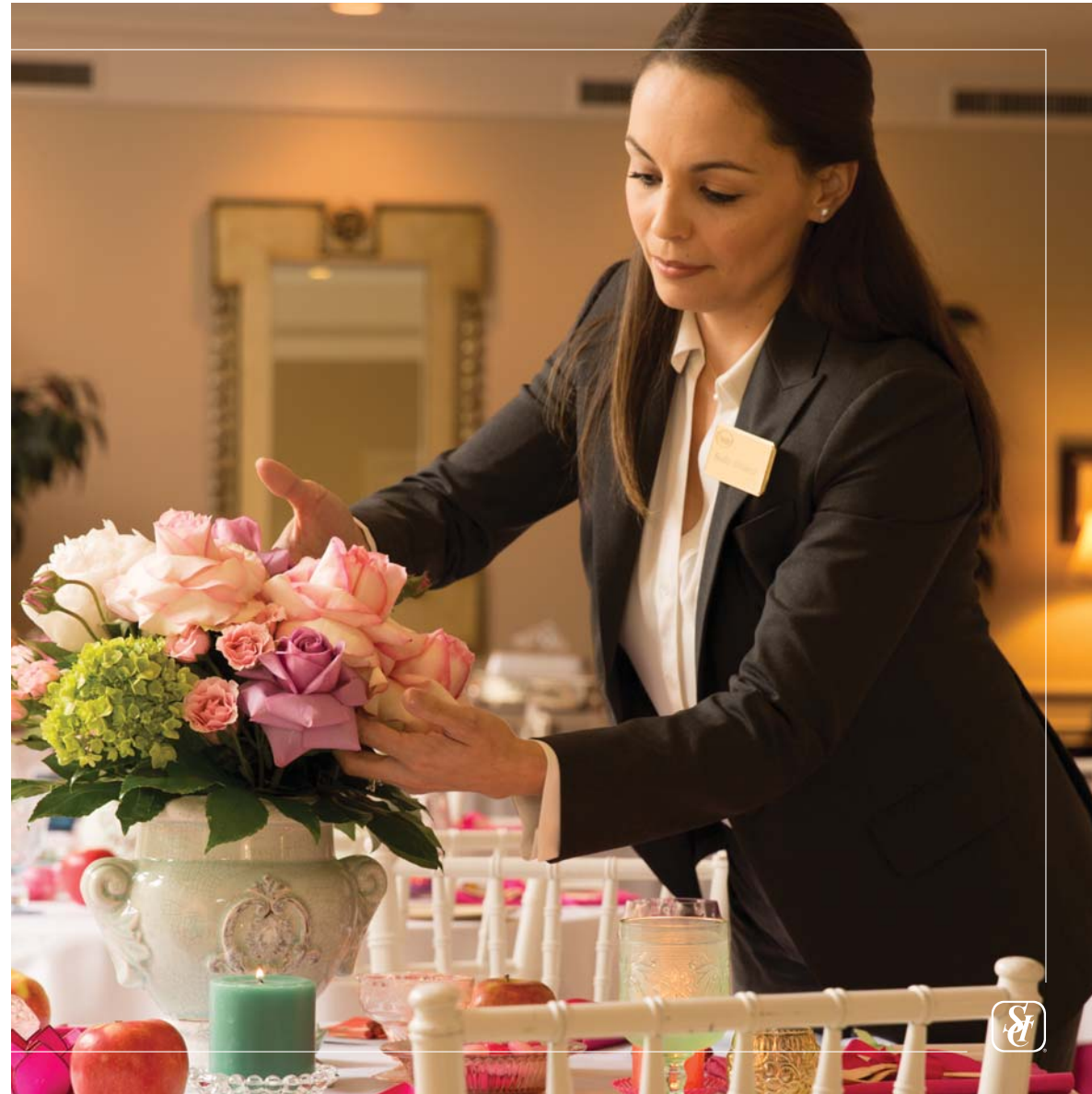


FUNERAL & CEMETERY SEGMENT OVERVIEW



Funeral

Dedicated to caring for
customers and poised
for growth



Funeral segment overview



BUSINESS FOCUS

High-touch personalized service/retail



BARRIERS TO ENTRY

Moderate, except low in the price-sensitive market



REVENUE RECOGNITION

Generally recognized at time of death



FUTURE OUTLOOK

Revenue growth and high incremental margin growth expected from demographic tailwinds

2021 SNAPSHOT

Consolidated Operations

\$2.3B

Revenues

~500K

Customers Served
(atneed and preneed)

1,471

Funeral Homes

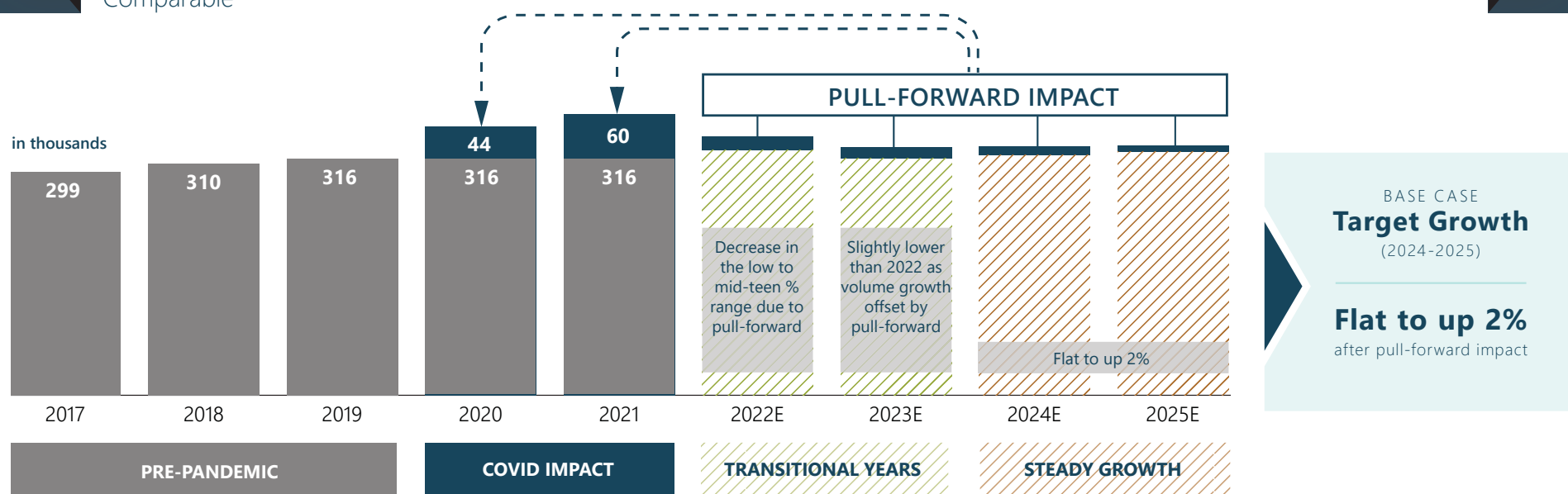
~\$10B

Preneed Backlog

Volume expected to be flat to up 2% beyond 2023

FUNERAL SERVICES PERFORMED

Comparable



As a result of COVID, some volume has been pulled forward into 2020 and 2021.

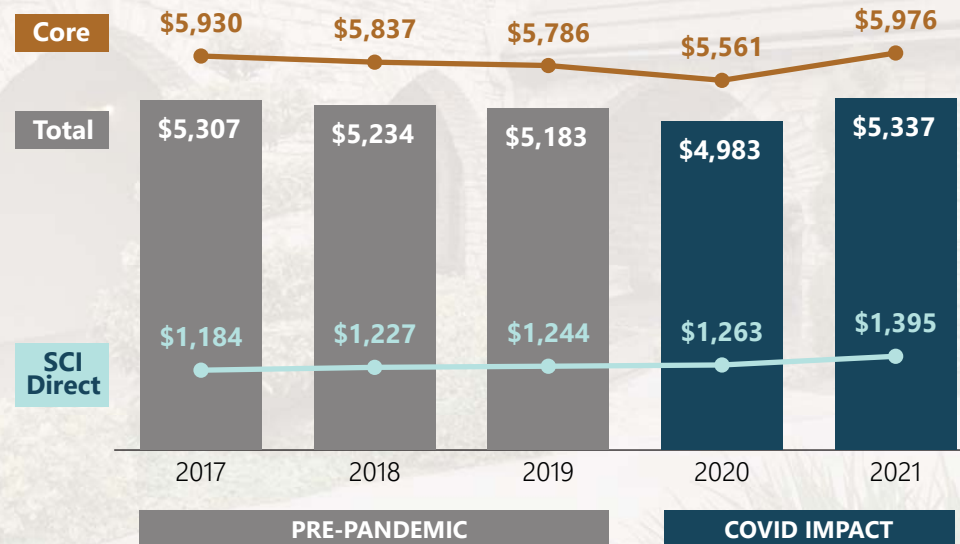
We expect the largest portion of this impact to be captured in 2022 and 2023, with a diminishing effect in later years.

We expect continued growth in the sales average

We are confident in our ability to continue to grow the sales average through:

- Inflationary Price Adjustments
- Innovative Products/Services
- Dignity Packages
- Venue Options/Pricing
- Cremation Opportunities
- Preneed Strength

AVERAGE REVENUE PER FUNERAL SERVICE Comparable

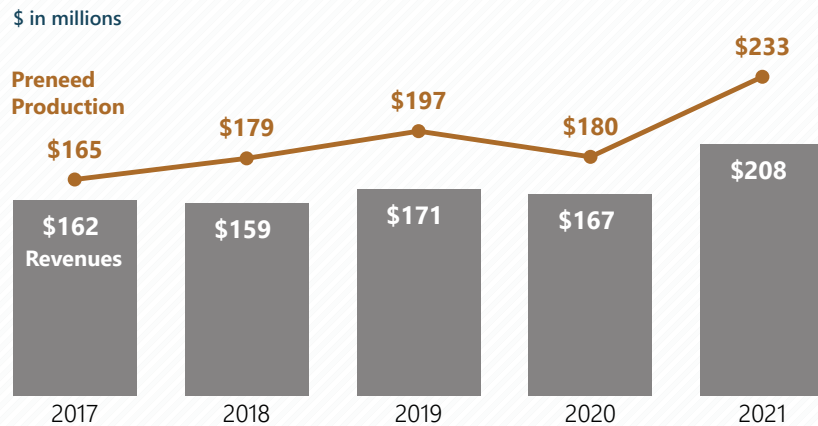


BASE CASE
Target Growth
(2022-2025)

Low single-digit
% range after
cremation mix shift

SCI Direct benefits from expanding market generating double-digit profit growth

SCI DIRECT REVENUES AND PRENEED PRODUCTION Comparable



BASE CASE
TARGET GROWTH
(2022-2025)

Mid to High Single-Digit % Range

2021 SNAPSHOT

\$37M
Gross Profit

109
Locations

31
States



THE OPPORTUNITY

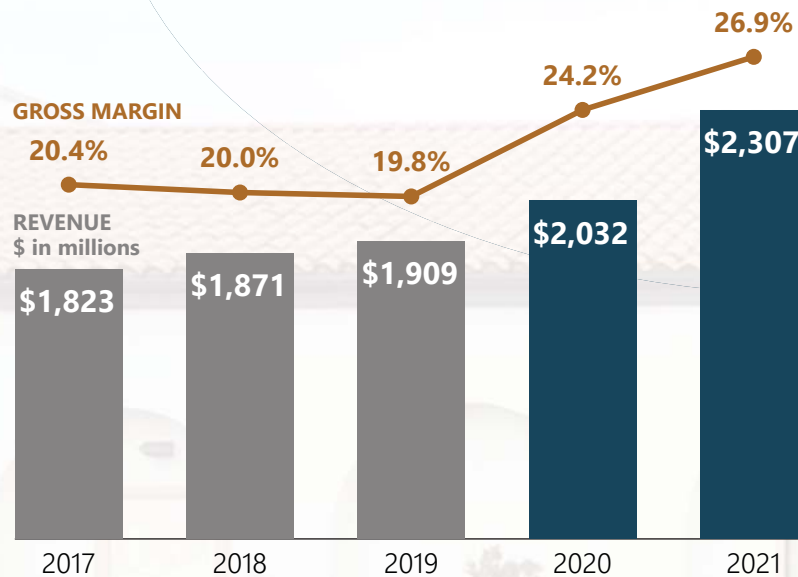
- Asset light preneed model serving the direct cremation consumer
- Incremental channel to capture the price-sensitive consumer
- Simple product offerings and packaged pricing
- Growing volume and average



Moderate funeral revenue growth with stable margins expected beyond 2023

REVENUE AND GROSS MARGIN

Comparable



2022 revenues expected to slightly exceed 2019 levels, but decline low-teen %'s from 2021

2023 revenues expected to be flat to down low single-digit %'s from 2022

Margins in both years expected in high-teen to low-20's range

BASE CASE
Target Growth
(2024-2025)

REVENUES
1%-3%

MARGINS
High-teen to low-20's range

PRE-PANDEMIC

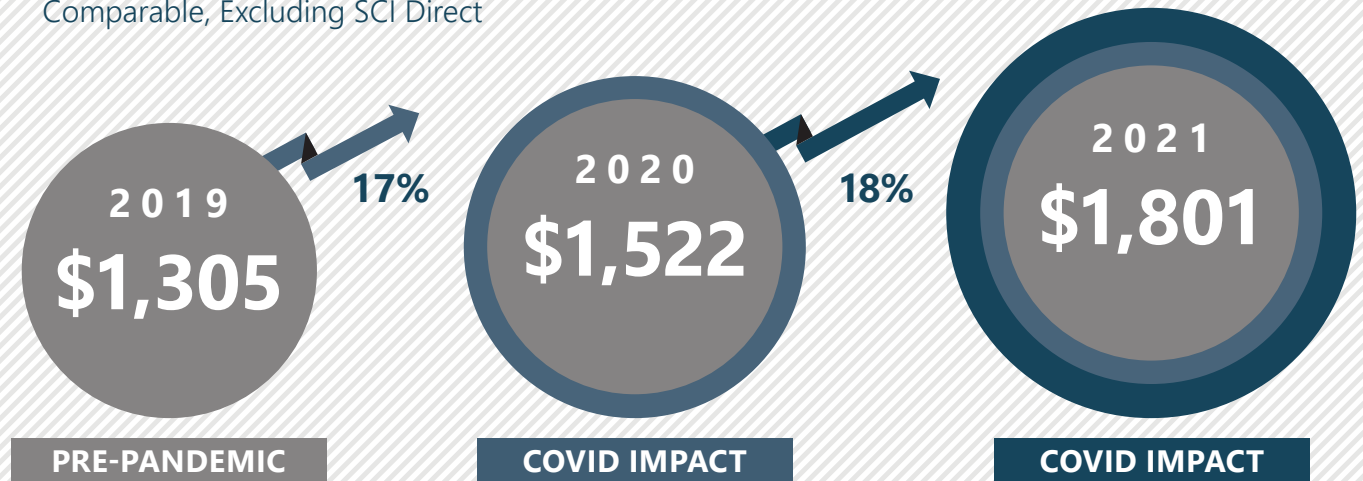
COVID IMPACT

TRANSITIONAL YEARS

Strength of operating leverage proven during the pandemic

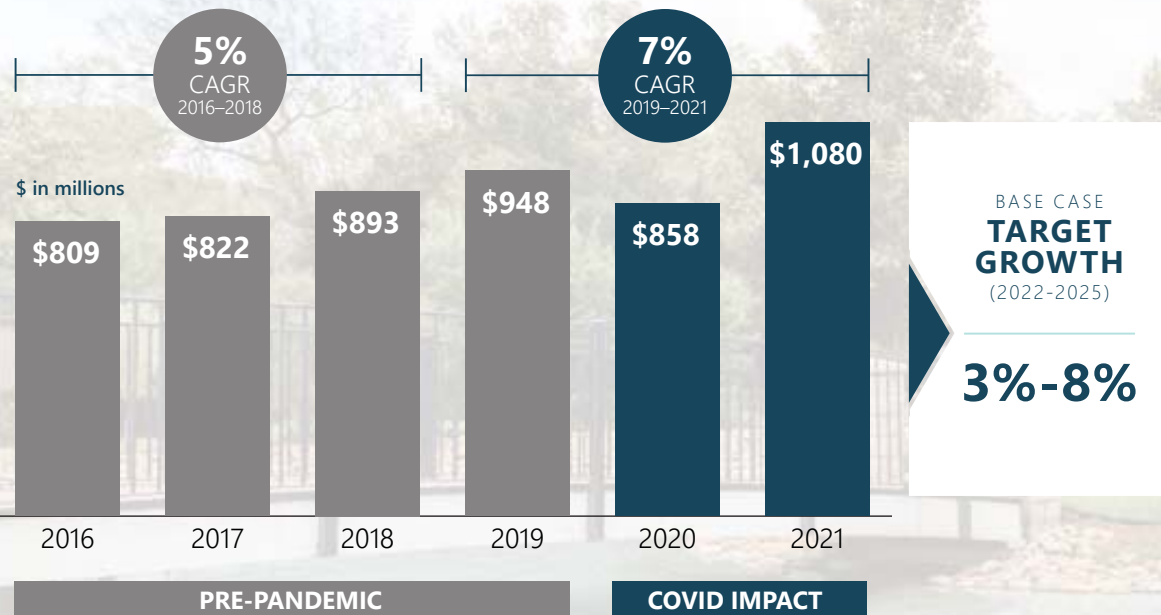
SCI has proven we have the capacity to manage increased volumes expected with the Baby Boomer generation as well as the power of incremental margins on higher sales

CORE GROSS PROFIT PER FUNERAL SERVICE Comparable, Excluding SCI Direct



Funeral preneed program supporting future growth

PRENEED FUNERAL SALES PRODUCTION Comparable



DIFFERENTIAL GROWTH OPPORTUNITY

Independents do not have well-structured and scalable preneed programs

OUR PROGRAM IS CASH FLOW NEUTRAL

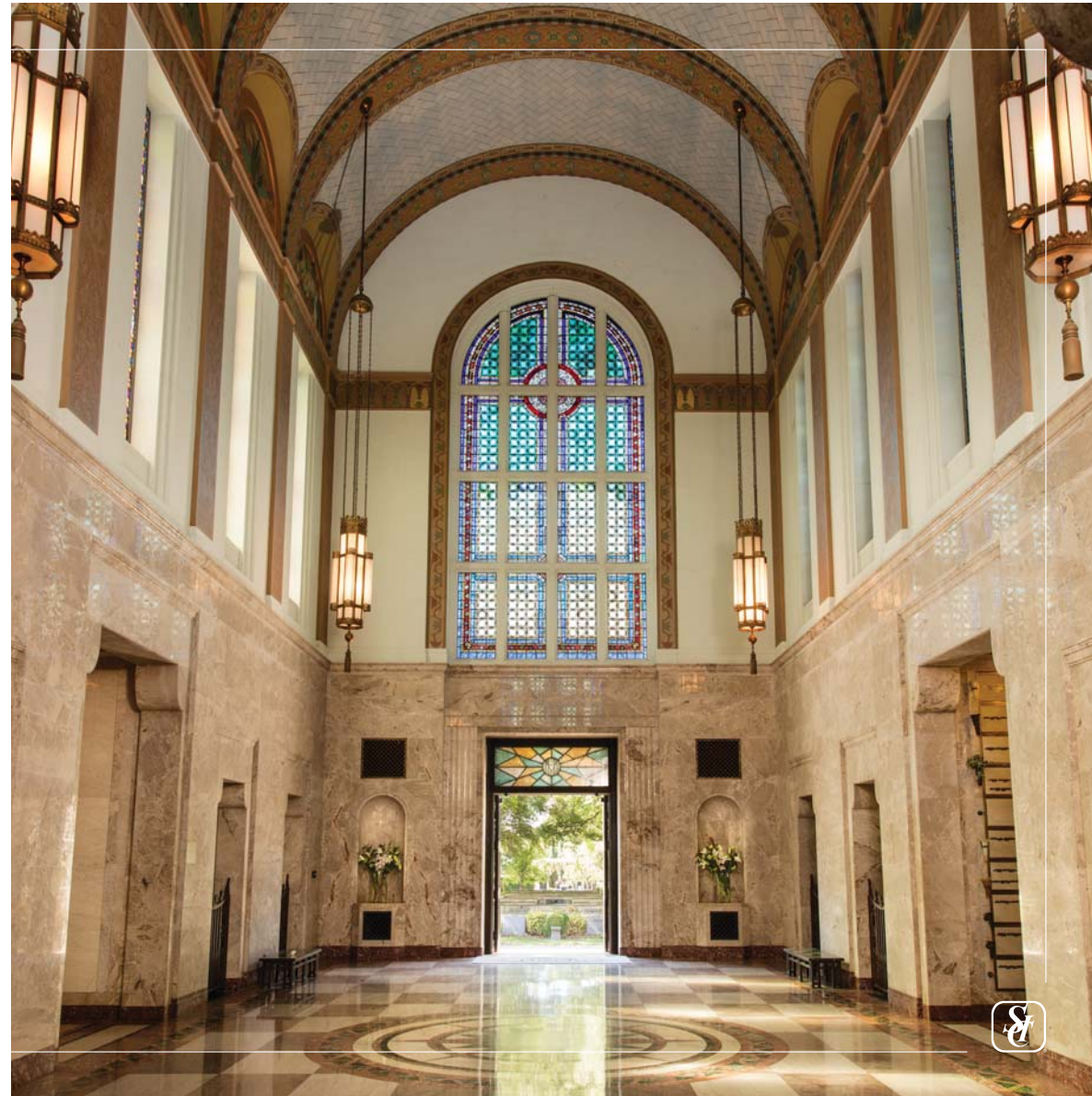
Insurance commissions and trust retainage covers selling compensation outflows

FUNERAL & CEMETERY SEGMENT OVERVIEW



Cemetery

Our robust preneed sales program and ability to invest in new and unique property set us apart



Cemetery segment overview



BUSINESS FOCUS

Real estate/sales/service



BARRIERS TO ENTRY

High
(Capital/regulatory/permitting)



REVENUE RECOGNITION

Preneed property sales can be recognized before death



FUTURE OUTLOOK

Continued growth in revenues and high incremental margins driven by demographics and robust preneed sales program

2021 SNAPSHOT

Consolidated Operations

\$1.8B

Revenues

250K

Customers Served
(atneed and preneed)

488

Cemeteries
(61% combos)

\$4B

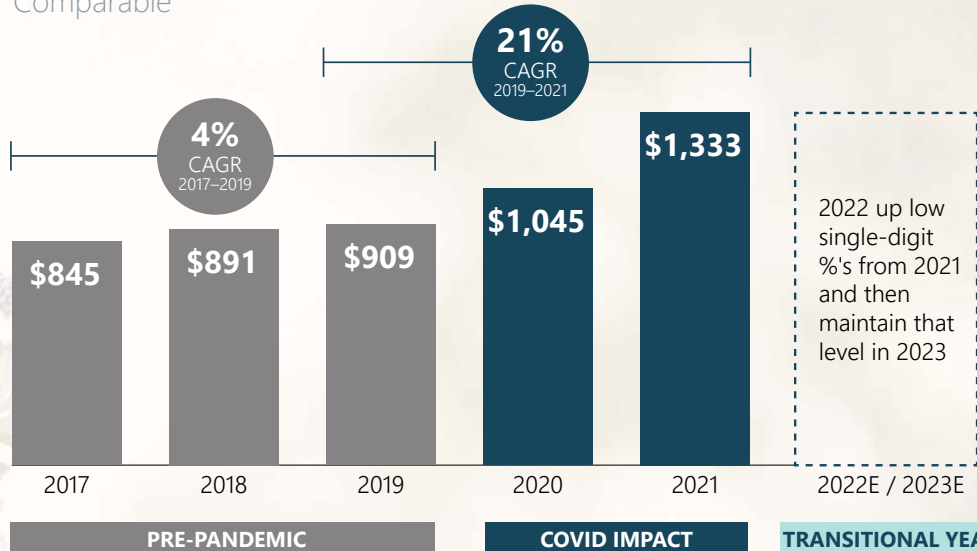
Preneed backlog of
merchandise and services sold

Mid single-digit % growth in preneed sales production expected on higher post-pandemic base

Production growth benefited during the pandemic; not only from higher volumes, but also from sustainable enhanced productivity, which is expected to continue to drive growth on a much higher base

CEMETERY PRENEED SALES PRODUCTION

Comparable



TARGET GROWTH
ON NEW
HIGHER BASE
(2024-2025)

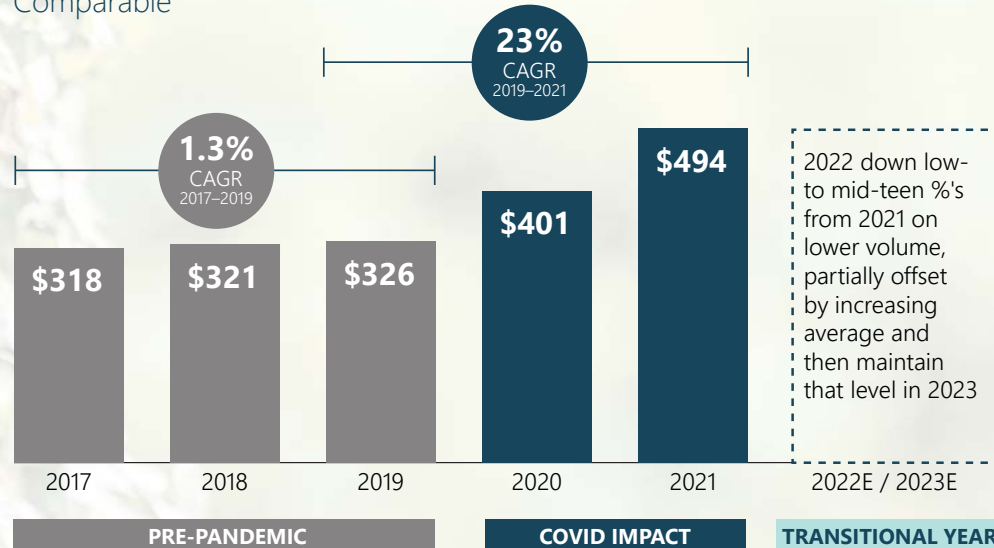
Mid single-digit %

Modest growth in atneed sales production on higher base 2023 and beyond

Strong atneed sales production during pandemic driven by both volume and sales average increases

CEMETERY ATNEED SALES PRODUCTION

Comparable



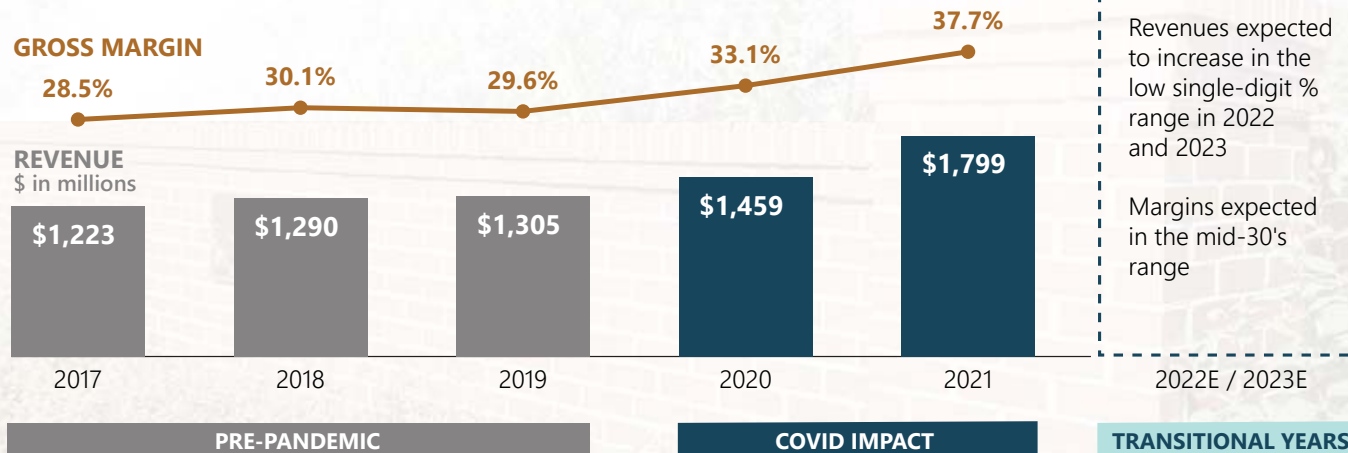
TARGET GROWTH
ON NEW
HIGHER BASE
(2024-2025)

2%-4%

Future cemetery revenue and margin growth expected from sales production strength

REVENUE AND GROSS MARGIN

Comparable



BASE CASE

Target Growth
(2024-2025)

REVENUES
Mid single-digit %

MARGINS
Mid to high 30's
Growing 50-80 bps per year



New Earnings Base for Growth



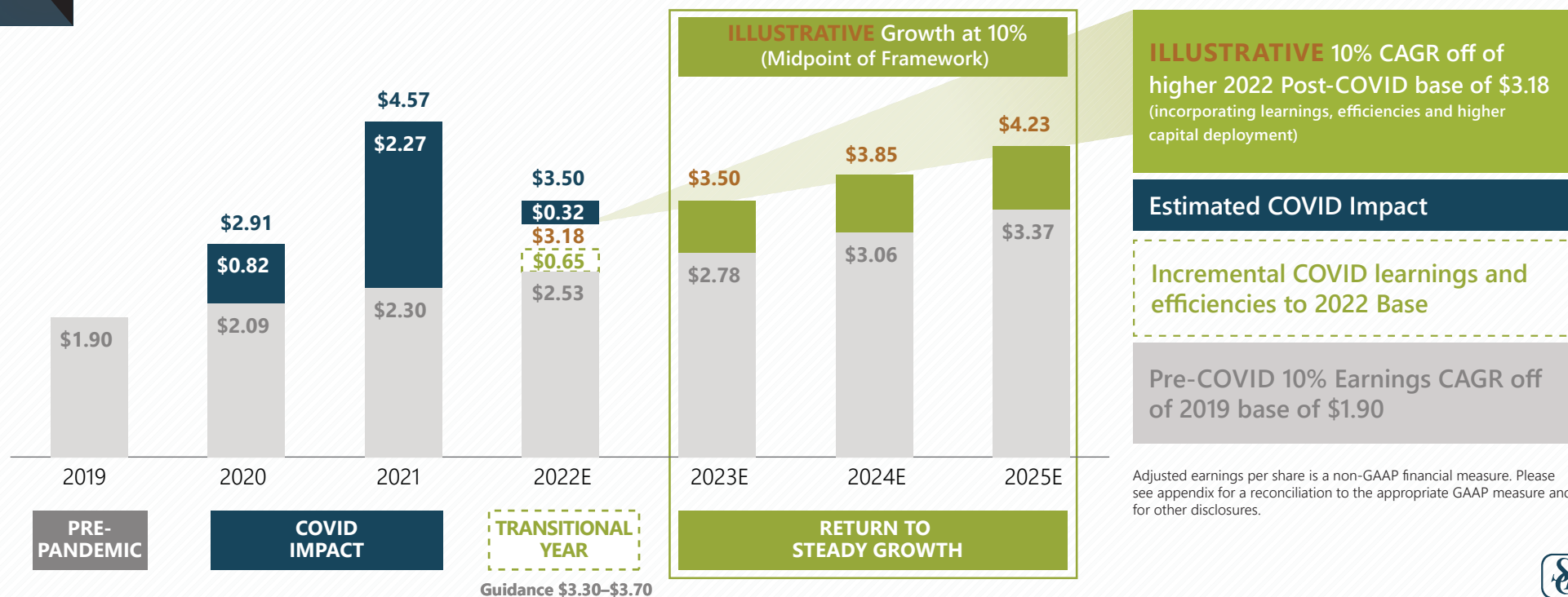
**ERIC
TANZBERGER**

Senior Vice President
Chief Financial Officer

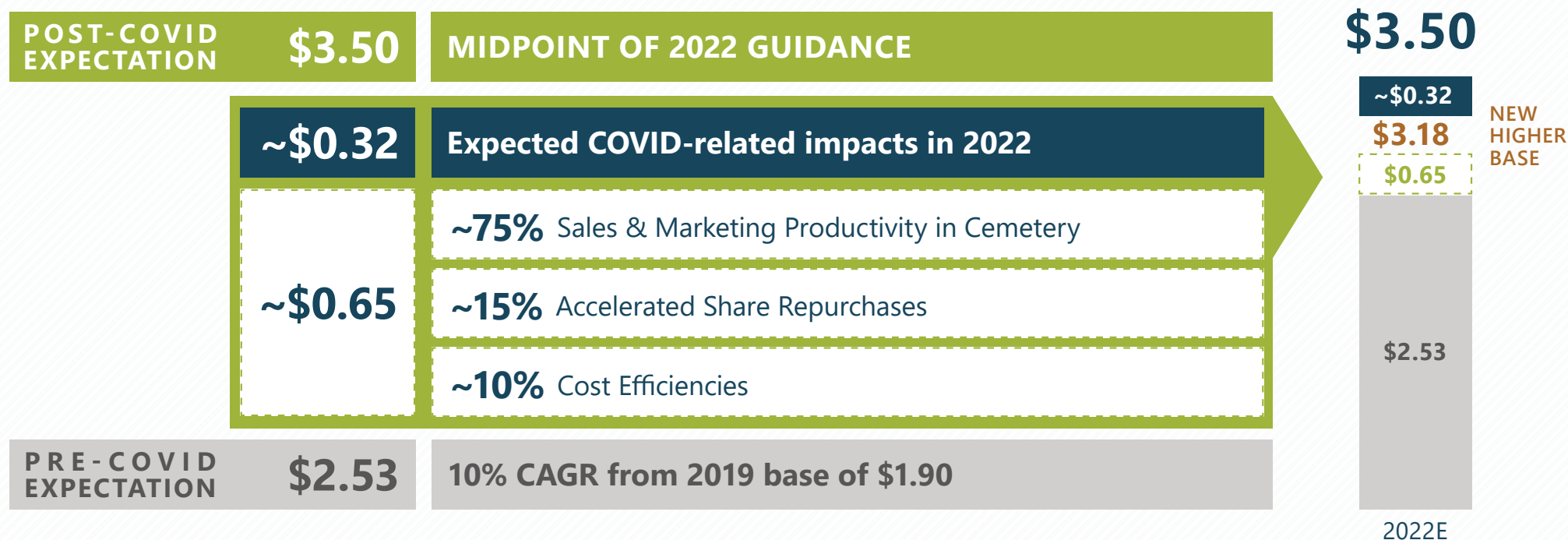


New earnings base reflects post-COVID learnings and efficiencies

ADJUSTED EARNINGS PER SHARE



Incremental EPS growth in 2022 above pre-COVID expectations



There are 4 key pillars to reach even greater potential growth



**Demographic
Tailwinds**



**Marketing,
Sales &
Cemetery
Inventory
Impact**



**Enhanced
Growth Capital
Opportunities**



**Prenneed
Backlog
Impact**

KEY GROWTH DRIVERS

Demographic Tailwinds



**ELISABETH
NASH**

Senior Vice President
Operation Services

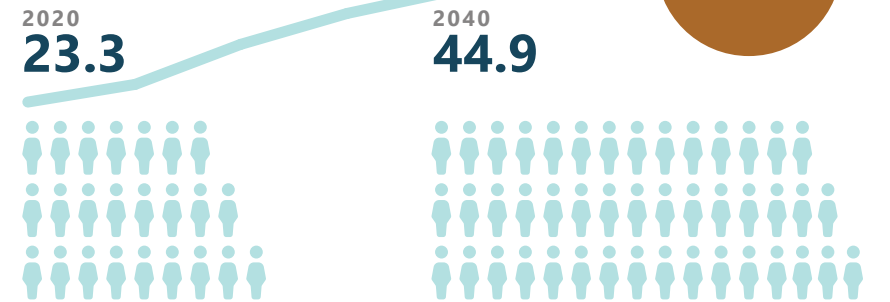


Funeral and cemetery growth coming with aging demographics

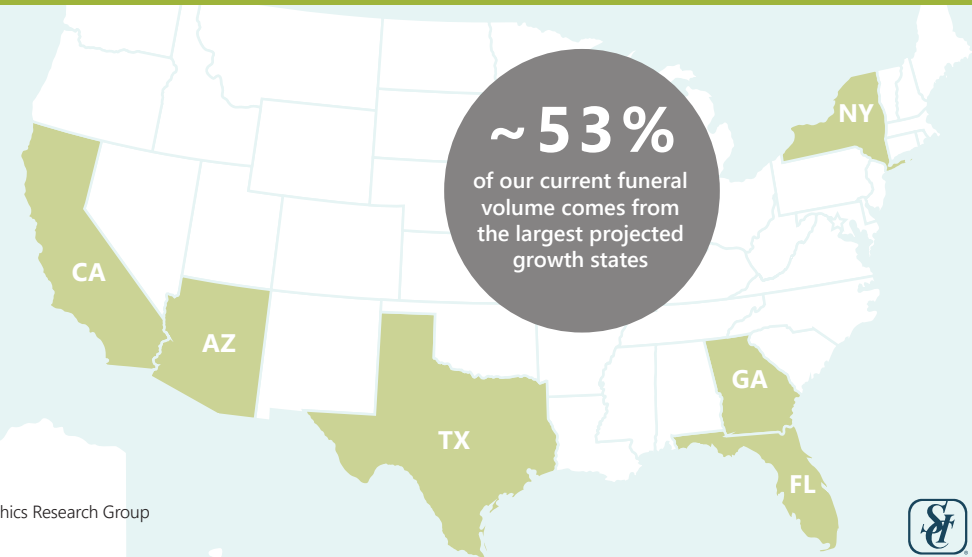
	U.S. 75+ Population 2020-2040		SCI U.S. Volume 2021	SCI Footprint	
LARGEST GROWTH STATES	INCREASE (millions)	% INCREASE	% OF TOTAL FUNERAL SERVICES	NUMBER OF FUNERAL HOMES	NUMBER OF CEMETERIES
California	2.4	96%	19%	158	39
Florida	2.3	117%	13%	132	61
Texas	1.9	125%	12%	166	65
New York	0.9	63%	3%	52	N/A
Arizona	0.8	133%	4%	31	11
Georgia	0.7	113%	2%	32	18

PEOPLE AGE 75 AND OLDER

(U.S. population, in millions)

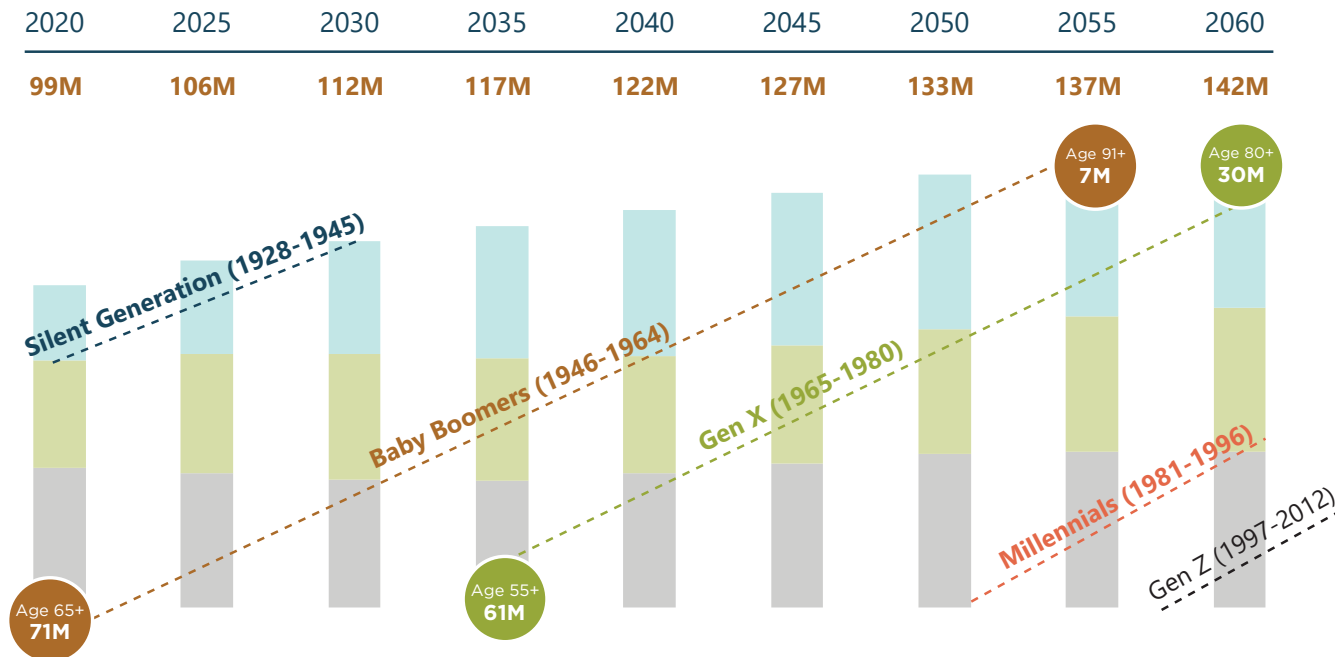


Top 6 population growth states by 2040¹ & SCI footprint²



Longer-term growth expected post-Baby Boomer generation

MILLIONS OF PEOPLE AGE 55 AND OLDER (U.S. POPULATION)



Average Age SCI Customer

Atneed Customer
75+



Preneed Funeral Customer
65-74

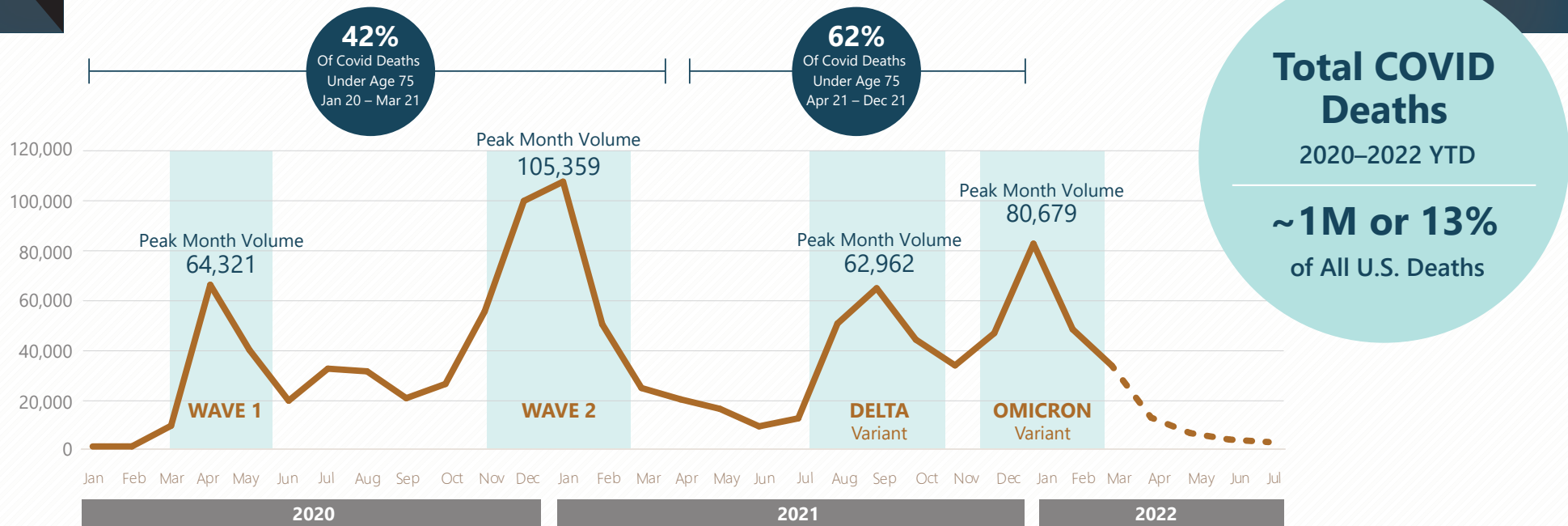


Preneed Cemetery Customer
55-64



COVID mortality has been significant, affecting a younger population as it progresses

U.S. COVID DEATHS




Modest COVID pull-forward impact expected

ESTIMATED SCI COVID DEATHS PULLED FORWARD INTO 2020, 2021 AND 2022 AS A PERCENTAGE OF 2019 PRE-COVID VOLUME



We expect the pull-forward of funeral volumes to mainly impact 2022 and 2023 then begin to diminish

Unfortunately, the indirect effect of COVID on mortality continues to have an impact



One of the things that we don't know is ... how the COVID pandemic will affect mortality indirectly.

ELIZABETH ARIAS, CDC

FTC Report Finds Annual Cigarette Sales Increased for the First Time in 20 Years... FEDERAL TRADE COMMISSION

We're facing a mental health crisis like we've never seen before as Covid continues... CNBC

The pandemic may have created a nation of problem drinkers... CNN HEALTH

The Pandemic Has Worsened the U.S. Obesity Epidemic... FEDERAL TRADE COMMISSION

Doctors see advanced cancer cases in the wake of pandemic-delayed screenings and treatment... CNN HEALTH

U.S. overdose deaths increased almost 30% last year during pandemic... CNBC

Traffic deaths are surging during the pandemic... NY TIMES

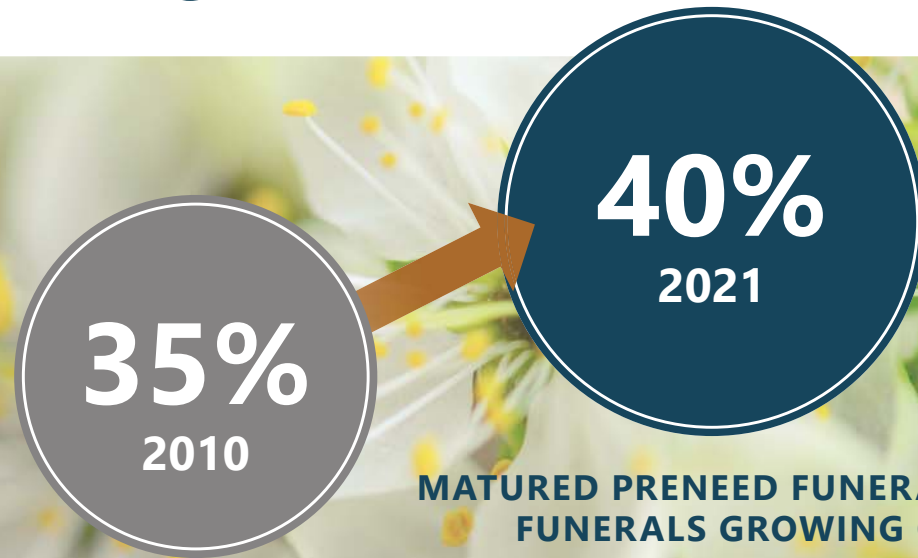
Heart disease and diabetes deaths climbed amid Covid, CDC says... NBC NEWS

The Pandemic Has Made Many Seniors Less Active... NY TIMES

Preneed strategy also supporting volume growth

We believe we are more active and effective than our competitors at building a high-quality funeral backlog

Our sophisticated marketing approach is proactively targeting consumers, generating incremental leads with lower atneed cannibalization rates



MATURED PRENEED FUNERALS/TOTAL FUNERALS GROWING OVER TIME

Consolidated

We anticipate growth in future volume market share

Favorable conditions exist for future volume growth

MAIN DRIVERS



**AGING
DEMOGRAPHICS**

**MODERATION
OF COVID
PULL-FORWARD**

**PRENEED DRIVING
MARKET SHARE**

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

KEY GROWTH DRIVERS

Marketing, Sales & Cemetery Inventory Impact



Marketing, Sales & Cemetery Inventory Impact

Driving current and sustained growth



JAMIE PIERCE

Vice President — Chief Marketing Officer



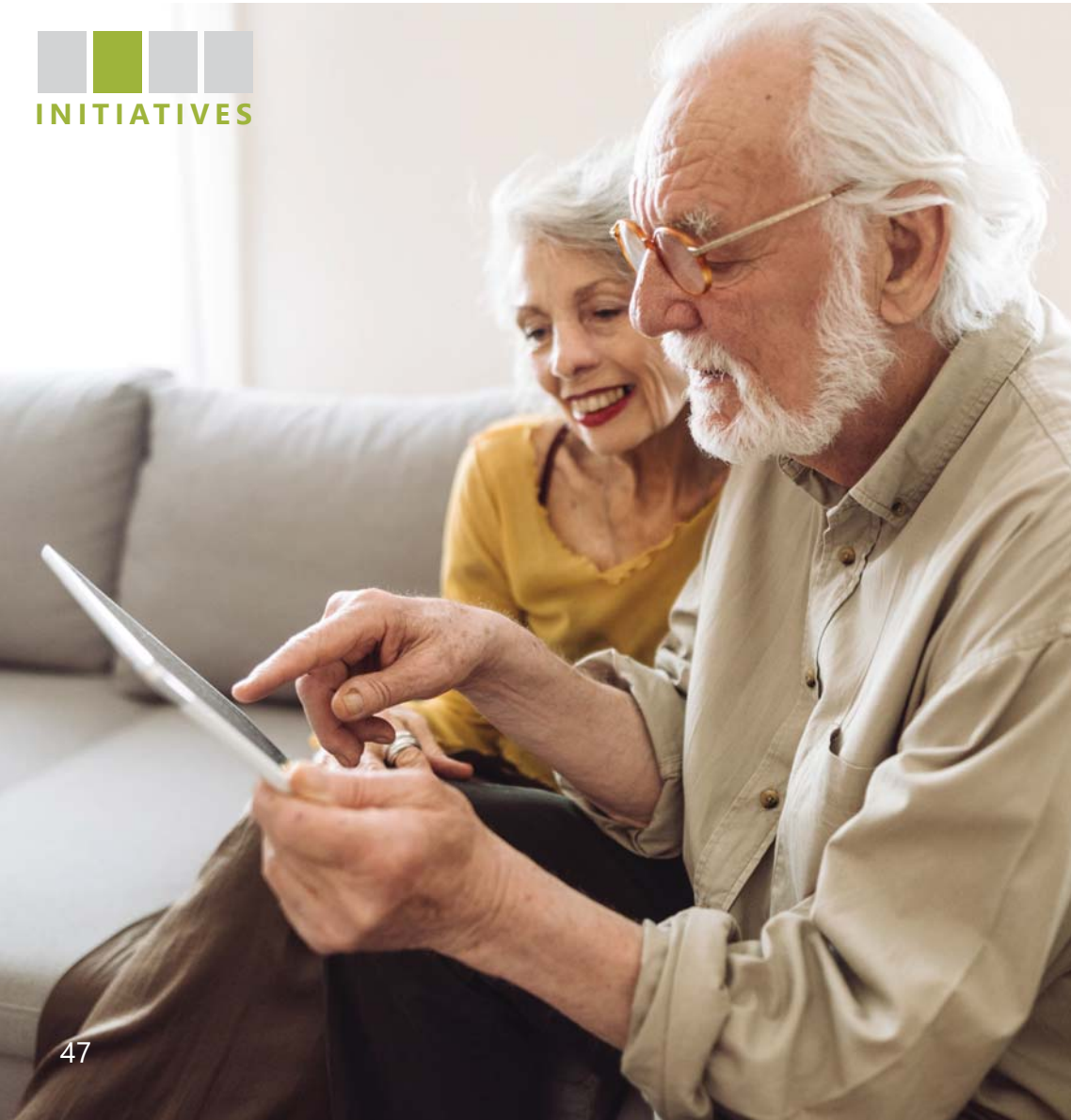
GERRY HEARD

Vice President — Sales



MICHAEL JOHNSON

Vice President — Revenue Management



QUALITY & QUANTITY OF **Marketing- Driven Leads**



JAMIE PIERCE

Vice President
Chief Marketing Officer



Marketing channels are generating new and accretive leads

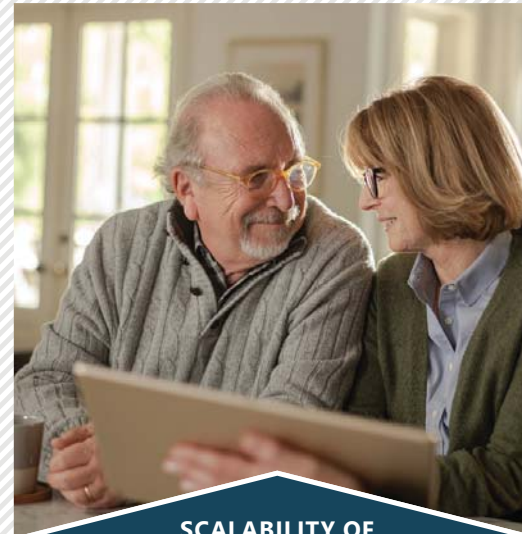
CORE LEADS

Leads driven by continued relationships and referrals from atneed families, as well as the power of our local brands



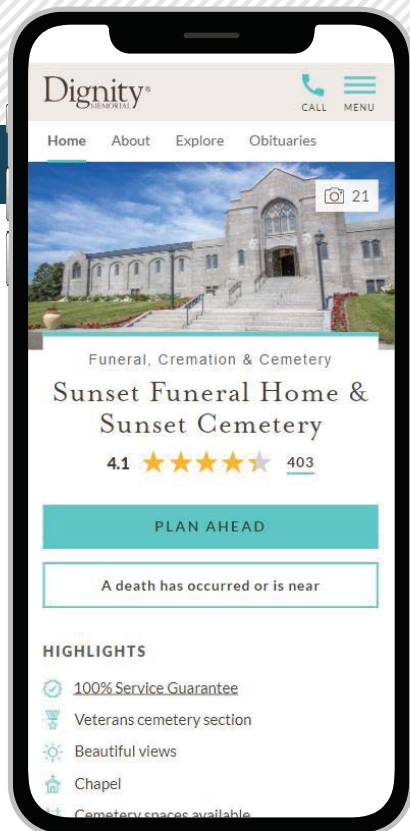
MARKETING LEADS

Proactive outreach to consumers driven primarily by paid lead generation efforts and managed by our marketing and sales teams through three primary channels – digital (website), direct mail and seminars



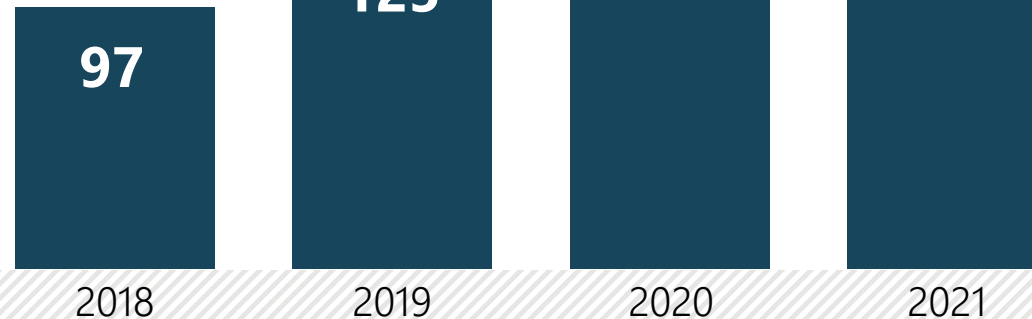
SCALABILITY OF
MARKETING STRATEGY IS A
COMPETITIVE ADVANTAGE

Tremendous growth in visits to our websites



ANNUAL WEBSITE VISITS IN MILLIONS

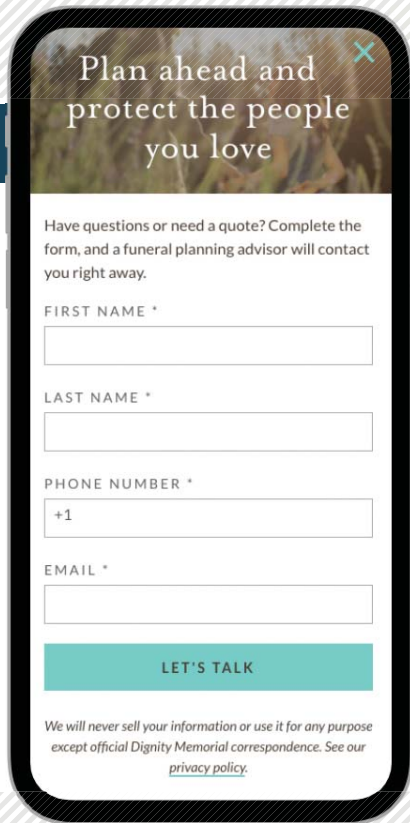
in millions



27%
CAGR
2018–2021

Our active, ongoing investments in search engine optimization (SEO) and user experience improvements (website redesigns or navigation changes) have more than doubled the number of annual visits to our websites

These visits are driving material increases in digital lead volume and preneed sales production



Plan ahead and protect the people you love

Have questions or need a quote? Complete the form, and a funeral planning advisor will contact you right away.

FIRST NAME *

LAST NAME *

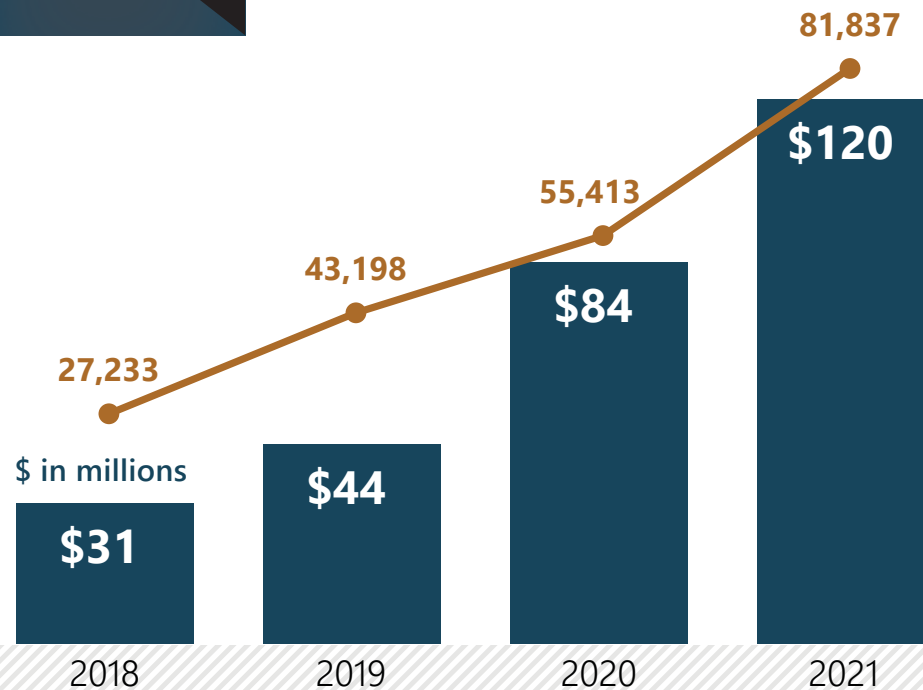
PHONE NUMBER *

EMAIL *

LET'S TALK

We will never sell your information or use it for any purpose except official Dignity Memorial correspondence. See our [privacy policy](#).

DIGITAL LEAD GENERATION AND PRENEED SALES FROM DIGITAL LEADS



Digital Lead Generation



Permanent efficiencies and effectiveness from our improved lead generation efforts

Digital Lead Generated Preneed Sales



Advanced targeting for direct mail implemented in 2019 is driving increases in production

DIRECT MAIL MARKETING LEAD GENERATION AND PRENEED SALES FROM DIRECT MAIL LEADS

100,669



Direct Mail Marketing Lead Generation



Direct Mail Marketing Lead Generated Preneed Sales

12,897

21,020

59,564

\$55

\$ in millions

\$10

\$13

\$28

51 2018

2019

2020

2021

ADVANCED CONSUMER DATA MODELING

Demographic



Behavioral



Purchase Data



Response Data



Over 2,000 variables considered with over 200 specific variables driving the model

Major changes in marketing strategy are driving sizable growth in production

THREE PRIMARY MARKETING LEAD CHANNELS

DIGITAL



DIRECT MAIL



SEMINARS



BEFORE CHANGES

- Few major enhancements annually
- Static website focused on information only
- Not a driver for preneed growth
- Outsourced obituary experience
- 5M – 6M visits monthly

Changes Implemented

AFTER CHANGES

- 100+ enhancements released annually
- Dynamic website focused on consumer experience
- Key driver for preneed growth
- Ownership of obituary experience
- 17M – 20M visits monthly

- Basic-level consumer targeting (age, proximity, income)
- Decentralized management of spend and strategy

- Basic-level consumer targeting (age, proximity, income)
- Decentralized management of local seminars

2018

2019

- Dynamic, predictive model with over 200 demographic, behavioral and first-party predictive response data, conversion and sales
- Centralized management of spend, strategy and data model

2022

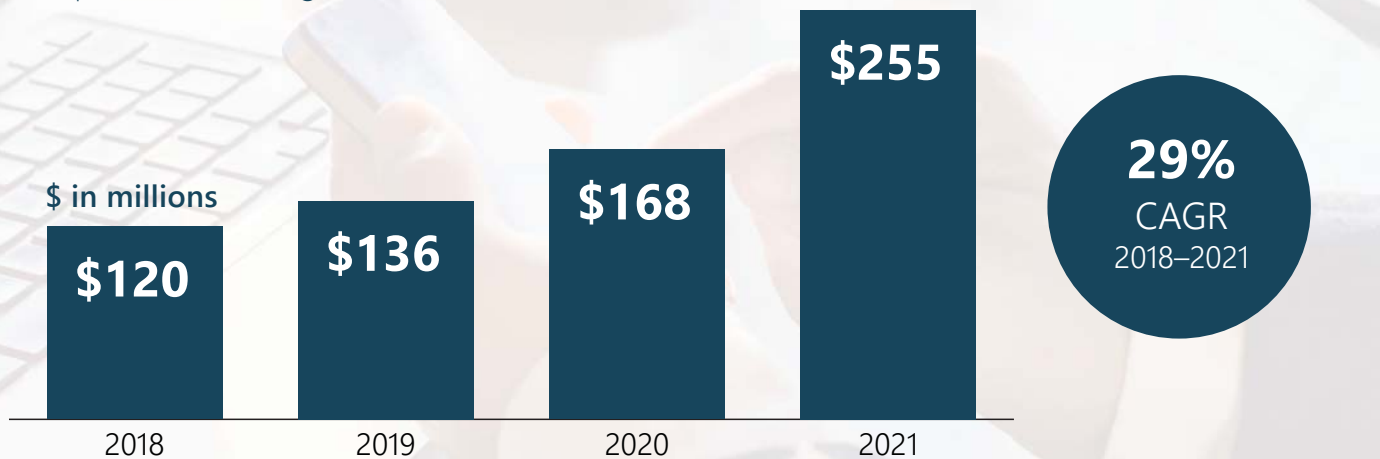
- Dynamic predictive modeling for response, conversion and sales
- Centralized management of spend, strategy and seminar locations

Enhanced capabilities have more than doubled production from marketing leads since 2018

Strong growth in marketing-generated leads resulted in significant increases in sales production, with 5% less lead-generating marketing spend since 2018

MARKETING GENERATED PRENEED SALES PRODUCTION

Comparable , Excluding SCI Direct



These marketing leads are driving differential sales production growth

Our marketing lead growth is not cannibalizing our core preneed sales growth, as both are resulting in impressive growth

TOTAL PRENEED SALES PRODUCTION BY LEAD CHANNEL

Comparable , Excluding SCI Direct

\$ in millions

\$1,605

\$120
\$1,485

2018

\$1,660

\$136
\$1,524

2019

\$1,724

\$168
\$1,556

2020

\$2,179

\$255
\$1,924

2021

Marketing-Generated
Prenneed Sales

29%

CAGR
2018-2021

Core-Generated
Prenneed Sales

9%

CAGR
2018-2021



Improved Sales Effectiveness & Efficiencies



**GERRY
HEARD**

Vice President
Sales

Improved marketing approach igniting higher sales effectiveness...



CUSTOMERS

Marketing data analysis improves targeted customer prospects

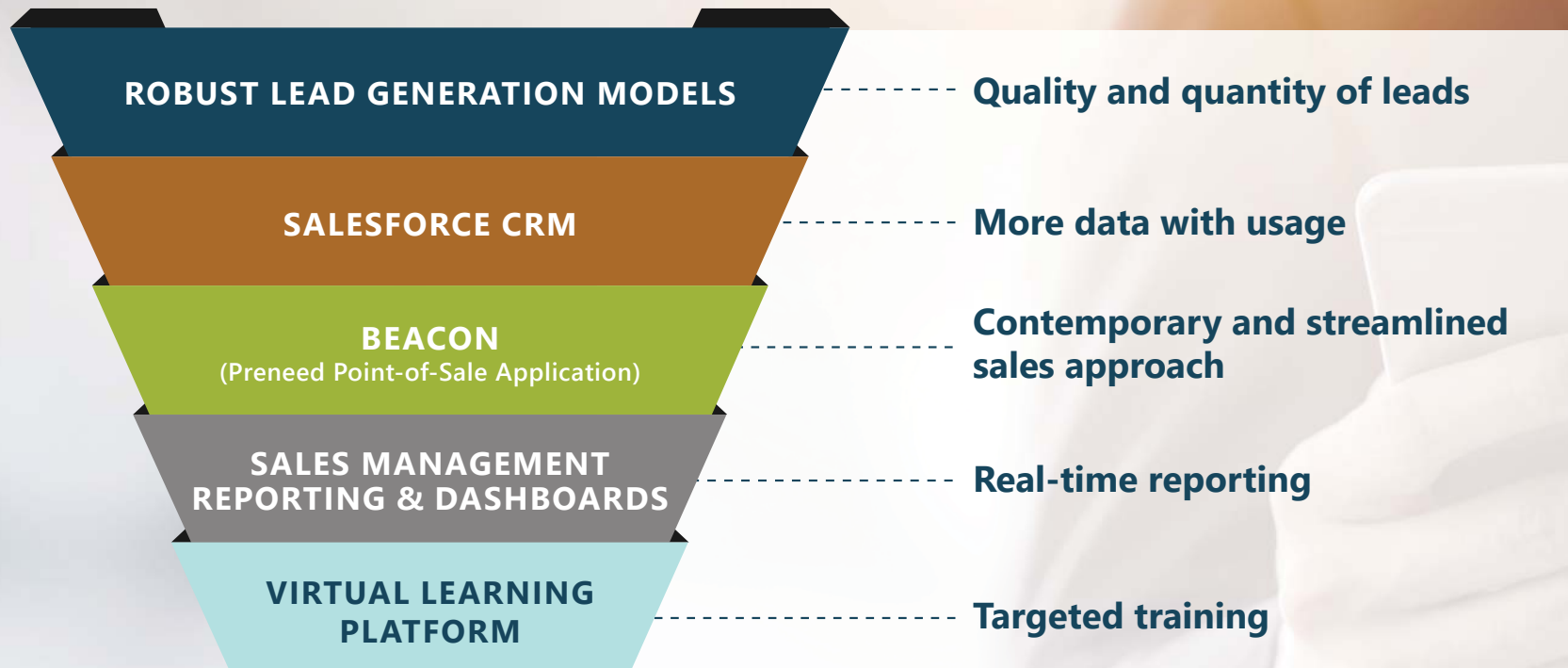


COUNSELORS

Sales customer relationship management systems improve matching prospects with expert counselors

...which is driving higher efficiencies and effectiveness to improve our production capabilities

Technology is foundational for continued and efficient sales production growth



Increased usage of our CRM during COVID accelerated growth

SALESFORCE AND SALES MANAGEMENT



BEFORE

- "Rolodex" or relationship sales approach
- Honor system used for following up on leads
- No visibility into how leads were allocated
- Difficulties in stratification of data tranches and manual reporting limited timeliness and quality of reporting

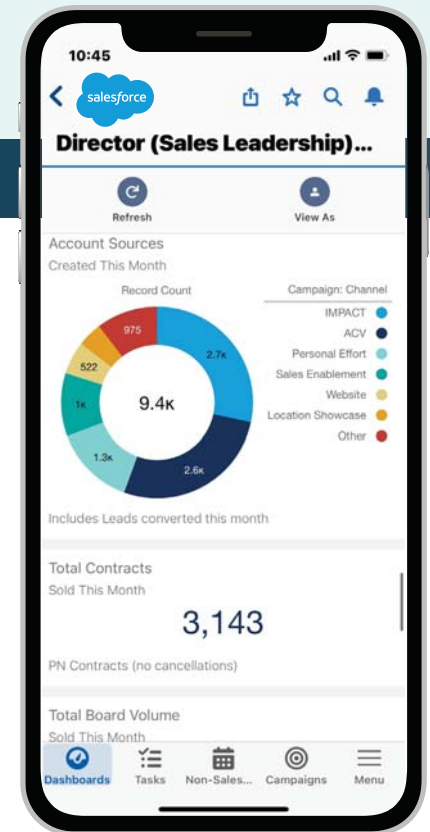
PUSH REPORTING | 30+ DAYS
Sales Leadership Travel Time ~75%



NOW

- Higher lead quality and quantity provides competitive advantage, reduces turnover
- No counselor protection of unworked leads
- Counselor metrics explain lead assignment
- Automated activity and performance insights allow quick pivoting for forecasting, incentives, lead management and training

PULL REPORTING | Immediate Data
Sales Leadership Travel Time ~25%



65% reduction in cost to train



SALES COUNSELOR TRAINING



BEFORE

- Physical sales schools and in-person visits from sales leadership team for training
- Training took counselors out of the market, reducing selling opportunities
- Due to costs associated with travel, counselors may delay or forego training



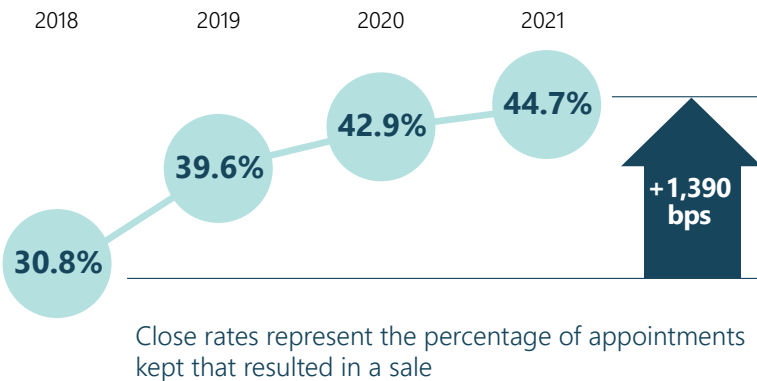
NOW

- Training from sales school and sales leadership held virtually and scheduled so counselor can spend half day at training and other half being productive
- Lower travel costs generate cost savings
- Flexibility encourages more timely and targeted training

Improvements resulted in higher close rates and higher sales with fewer counselors

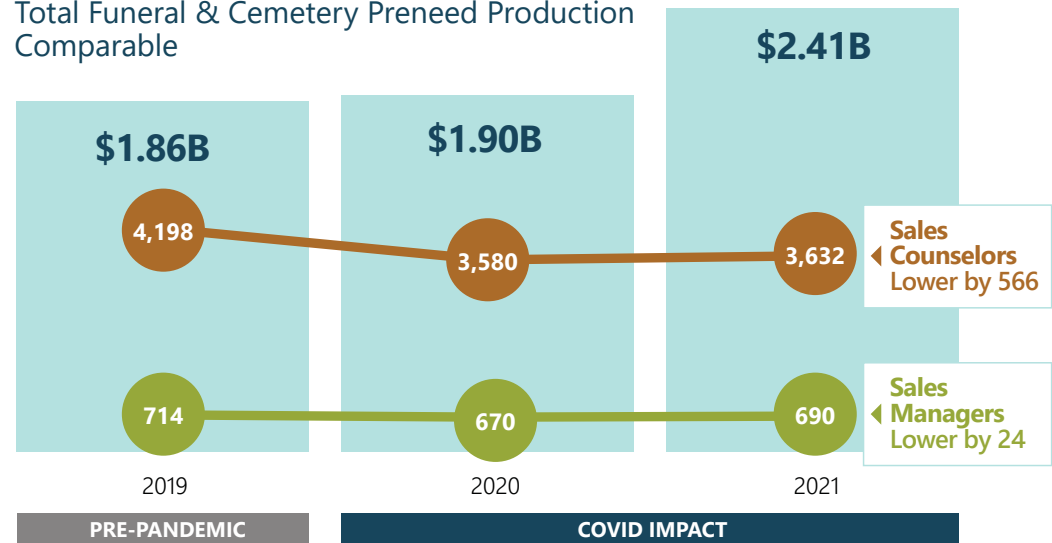
CORE CLOSE RATES ON ALL LEADS

Appointments to Sale



FEWER, BUT MORE EFFECTIVE SALES COUNSELORS SUPPORTED BY TECHNOLOGY

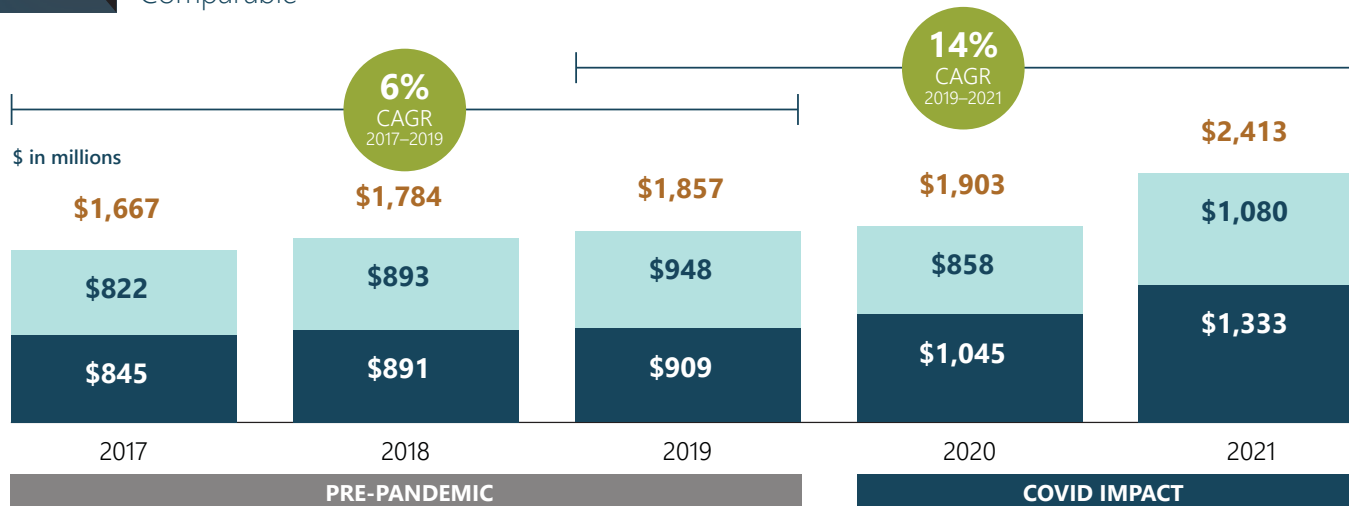
Total Funeral & Cemetery Preneed Production Comparable



Expecting continued growth off a higher base post-COVID

TOTAL CEMETERY & FUNERAL PRENEED SALES PRODUCTION

Comparable



2017-2021 CAGR

10%

TOTAL PRENEED PRODUCTION

7%

FUNERAL PRENEED PRODUCTION

12%

CEMETERY PRENEED PRODUCTION

Beyond 2022, our base case expects a combined funeral and cemetery preneed annual growth rate in the mid single-digit % range on a new elevated base; however, with more effective lead generation and sales management we see potential for higher growth



Cemetery Inventory Opportunities



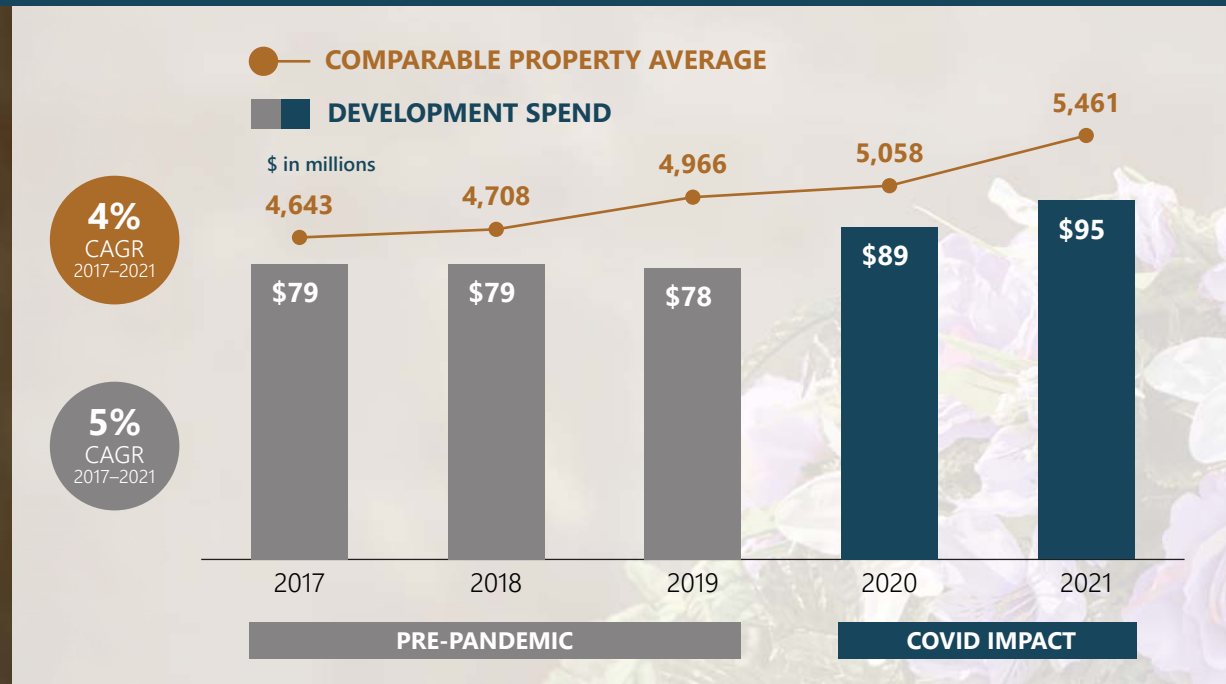
**MICHAEL
JOHNSON**

Vice President
Revenue Management



Development of tiered property inventory supporting average growth

CEMETERY PROPERTY SALES AVERAGES & DEVELOPMENT SPEND



Our cemetery property product offerings are aligning with changing consumer preferences

Development spend today supports future velocity and sales average growth

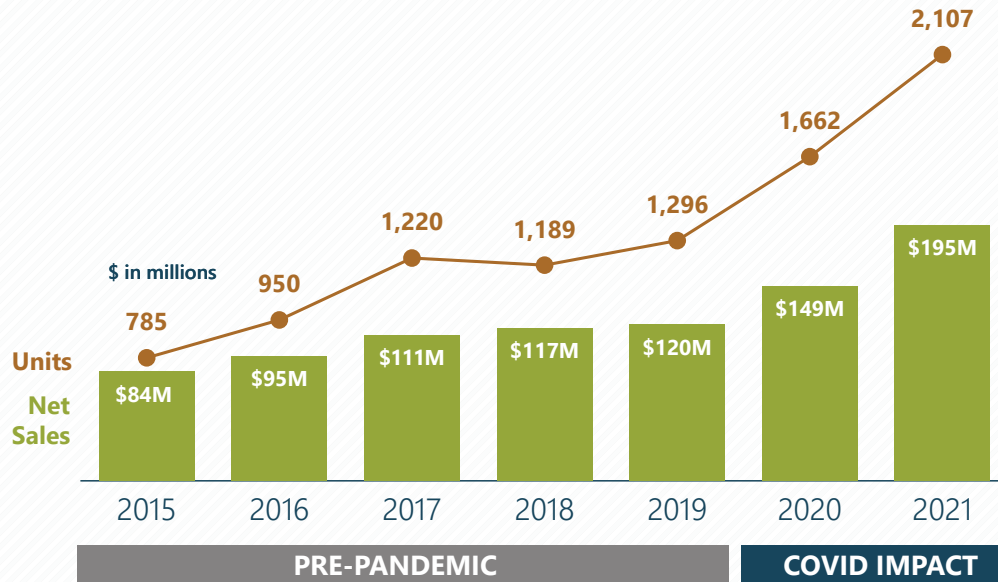


Cemetery Video

Demand for premium property increasing

PREMIUM PROPERTY SALES (>\$40K)

Consolidated



18%
CAGR
2015-2021



BENCH ESTATE
\$50,000 – \$250,000



GATED ESTATE
\$100,000 – \$500,000

15%
CAGR
2015-2021



HEDGE ESTATE
\$25,000 – \$125,000



PRIVATE MAUSOLEUM
\$250,000 – \$5,000,000

Aligning developments with culturally diverse and expanding customer segments is driving incremental growth

HISPANIC OPPORTUNITIES



Our Lady of Guadalupe — Valhalla Memorial Park, Burbank, California

Cultural preneed
property sales

24%

2019-2021 CAGR

VS.

All other preneed
property sales

16%

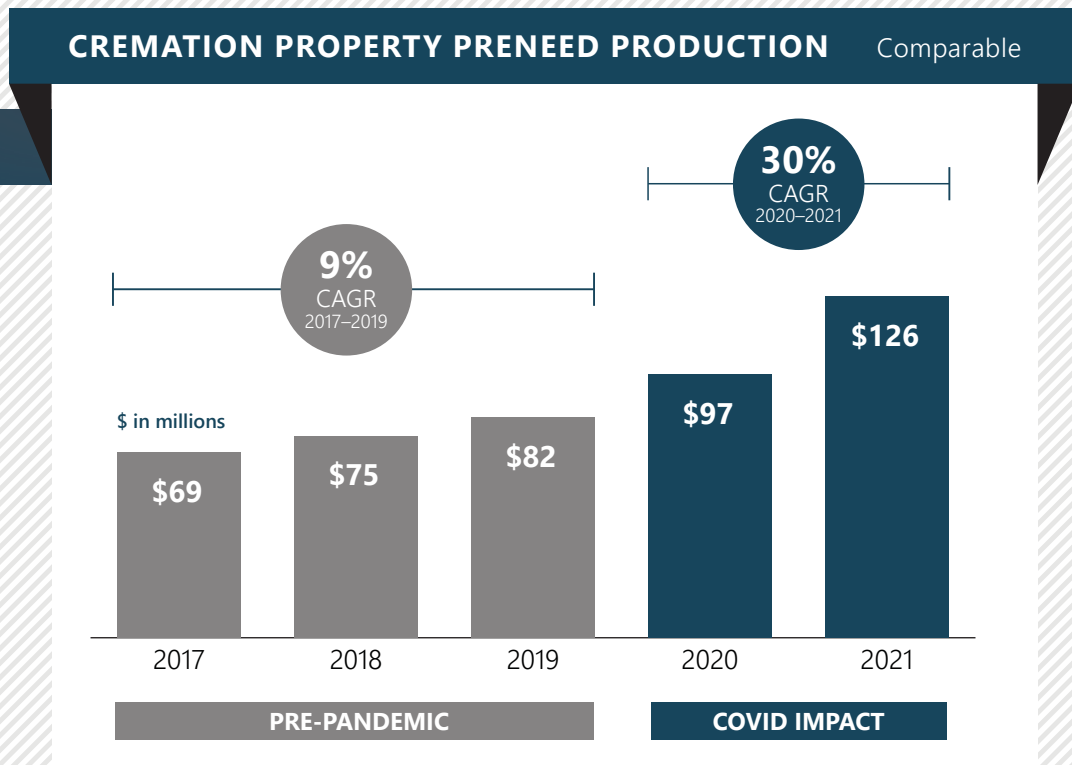
2019-2021 CAGR

CHINESE / VIETNAMESE OPPORTUNITIES



Eternity Columbarium & Estates — Live Oak Memorial Park, Monrovia, California

Cremation inventory is a significant growth opportunity for us



GLASS-FRONT NICHE
\$5,000 - \$75,000



COLUMBARIUM
\$10,000 - \$100,000



CREMATION GARDEN
\$2,000 - \$25,000

We have ample capacity in our cemeteries for many years to come

~12,000

Acres Remaining

~2,000

**Acres of
Developed/
Unsold Land**

~10,000

**Acres of
Undeveloped/
Unsold Land**



~110

**Average Acres
Sold per Year**



~110

**Years of
Available Life**

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

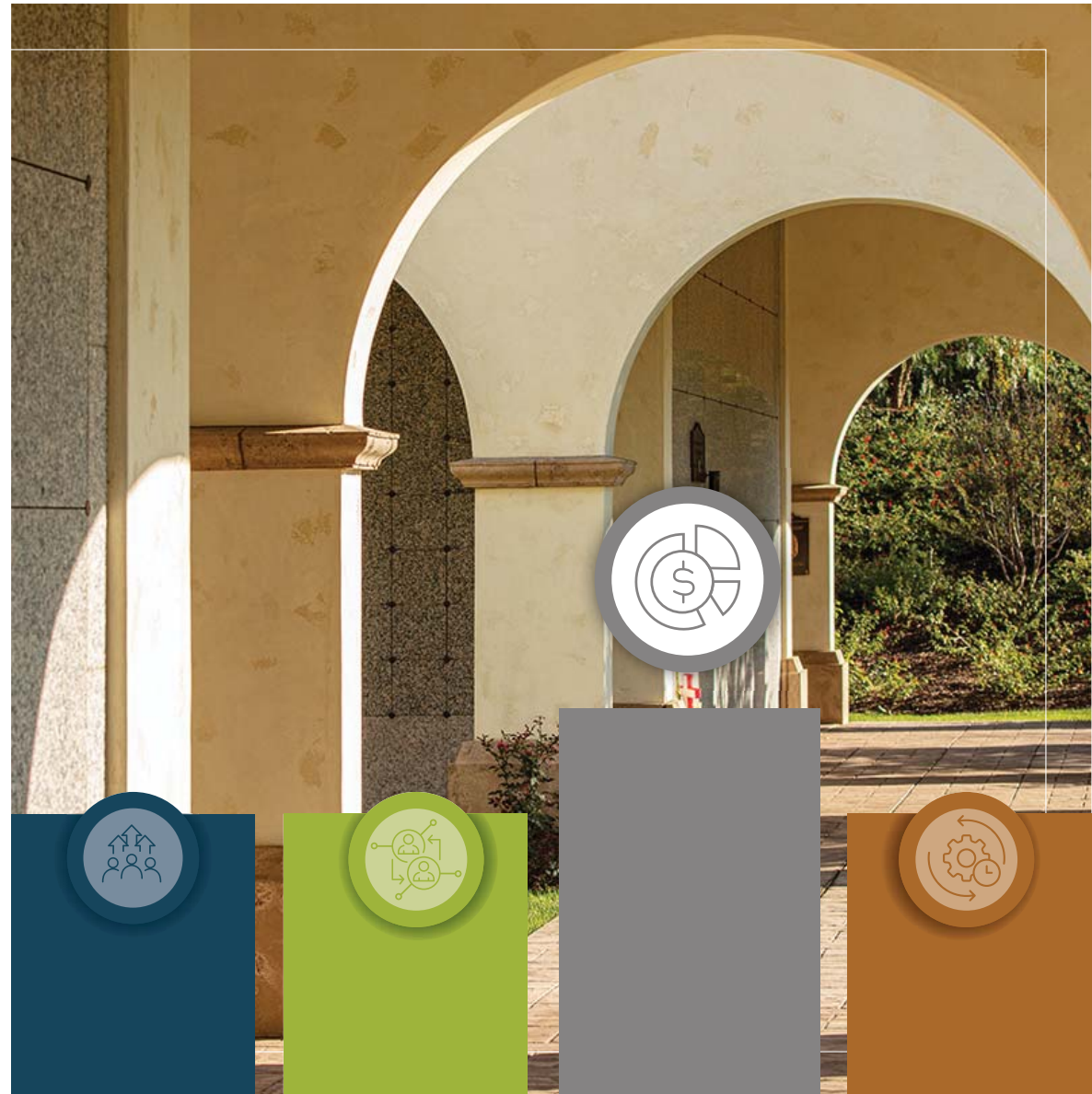
KEY GROWTH DRIVERS

Enhanced Growth Capital Opportunities



**JOHN
FAULK**

Senior Vice President
Revenue & Business
Development



Growth capital spend varies across our footprint

ACQUISITIONS



Purchase of funeral homes and cemeteries

NEW BUILDS



New funeral home or cemetery on existing or new property

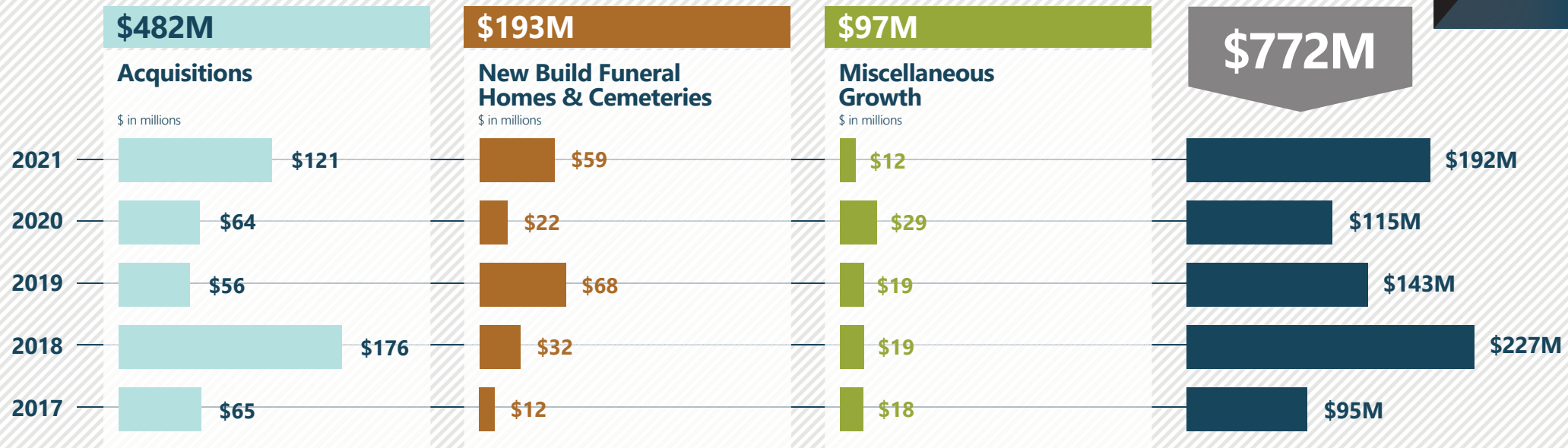
MISCELLANEOUS GROWTH



Facility expansions and significant ad-hoc accretive investments

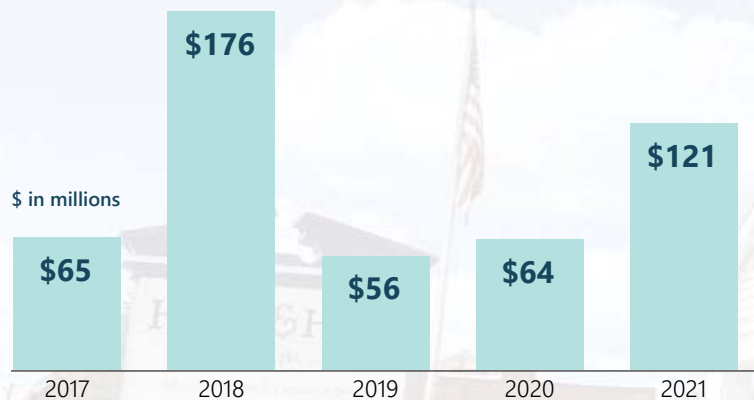
Over \$770M invested in growth opportunities over the past 5 years

TOTAL 5-YEAR GROWTH CAPEX SPEND



Acquisitions are our best use of capital

ACQUISITION SPEND



UPDATED
TARGET
**\$75M-
\$125M**

	2017	2018	2019	2020	2021	
	7	5	11	8	8	Number of Transactions
	22	24	16	17	30	Funeral Home Locations
	6	9	—	1	2	Cemetery Locations

THE OPPORTUNITY

- Low-to mid-teen IRRs
- Still ample opportunity to acquire closely held candidates (Target list represents \$0.8B–\$1B in revenue)
- Opportunities could accelerate as pandemic wanes

BENEFITS WITH SCI

- Funeral revenue growth due to improved funeral merchandising and packaging
- Cemetery revenue growth due to enhanced cemetery offerings and experienced sales force
- Access to capital provides ability to upgrade facilities
- Cost savings related to local and national scale

**SCHOEDINGER FUNERAL & CREMATION
SERVICE | NEW DUBLIN, OH**

12 locations in the greater Columbus area in Ohio

**MILLER JONES MORTUARY & CREMATORY AND
MENIFEE VALLEY CEMETERY | HEMET, CA**

7 funeral locations and 1 cemetery location in the Hemet Valley area in California

2021 Acquisitions
consisted of
32 businesses in
7 states with
annual revenues
of ~\$40M

**SKYLINE MEMORIAL PARK & CREMATORY
MONEE, IL**

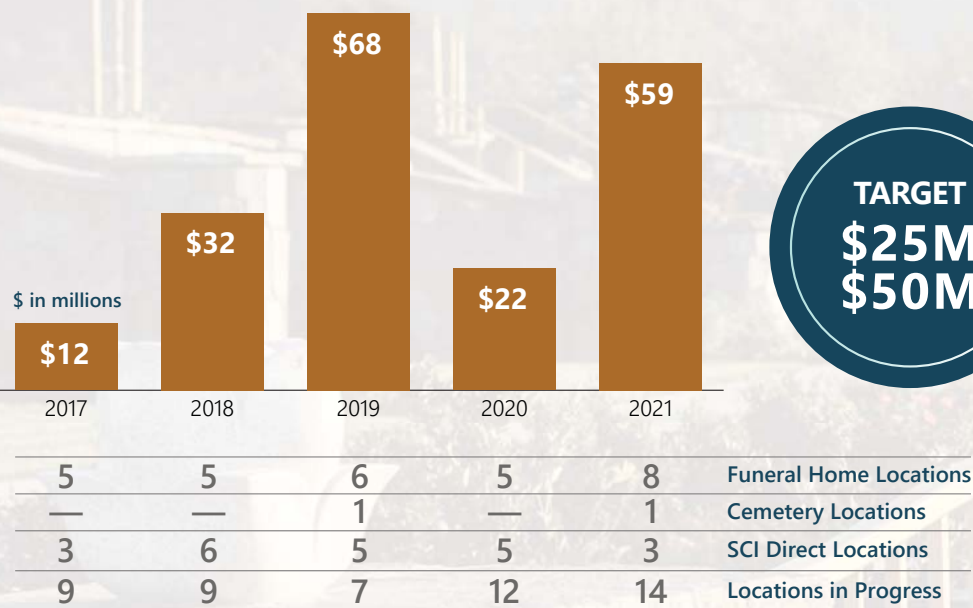
1 cemetery location south of Chicago

**WAPPNER FUNERAL DIRECTORS
ONTARIO, OH**

4 locations in the Mansfield area in Ohio

Greenfield new build opportunities are an increasing focus for us

NEW BUILD FUNERAL HOMES & CEMETERIES



THE OPPORTUNITY

- Expansion of footprint to reach growing demographics and target customers
- Target 10 to 15 new funeral homes annually
- Invest in select, strategic cemetery start-up projects where opportunities meet market needs
- Low- to mid-teen IRRs

WHERE WE FOCUS

Target growing suburbs in urban markets where we operate

Look to be the first entrant where there is a sizeable representation of our target customer

Also will create combos via building funeral homes on existing, owned cemeteries

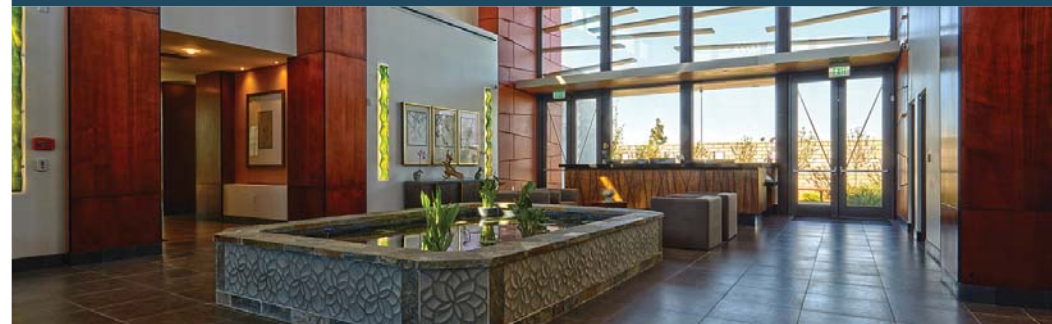
Opportunistically rebuild combo funeral homes with attractive demographics



DIGNITY MEMORIAL LIFE CELEBRATION CENTER | WILDWOOD, FL



ALLNUT FUNERAL & CREMATION | GREELEY, CO



HUA YUAN AT ROSE HILLS | WHITTIER, CA

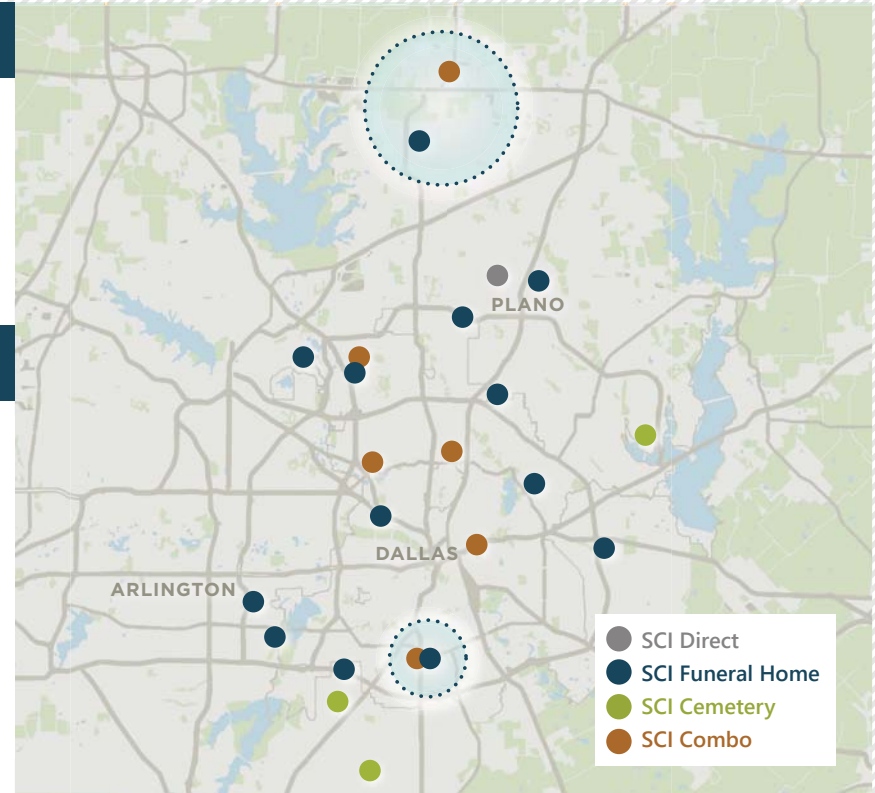
Dallas, Texas - Market Footprint

OVERVIEW

- Dallas is among the fastest growth areas in U.S.
- We have scale, serving over 5,100 funeral customers and 3,800 cemetery customers

GROWTH PROJECTS

- Two new locations in the northern growth corridor where we lacked presence:
 - Stand-alone funeral home in Frisco
 - Planned combo facility in Prosper
- Rebuilt our flagship property, Laurel Land Funeral Home (combo), into a modern, contemporary space





STONEBRIAR FUNERAL HOME | FRISCO, TX *(North of Dallas)*

OPENED 2013 | Serving ~240 families annually



LAUREL LAND FUNERAL HOME | DALLAS, TX

NEW FACILITY OPENED 2019 | Serving ~650 families annually

**New build
projects in Dallas
will drive future
growth for our
shareholders**



PROSPER TRAILS FUNERAL HOME & CEMETERY | DALLAS, TX

RENDERING | Construction starting soon

Opportunistic considerations for expansion and redesign of current business

MISCELLANEOUS GROWTH



THE OPPORTUNITY

- Expand high-growth funeral homes to increase their capacity to serve
- Opportunistic, high-return capital opportunities such as:
 - Purchases of leased real estate
 - Adding infrastructure to lower cost to serve (e.g., crematories, solar power, etc.)

Creating unique new venues within our existing footprint



Memorial Oaks Funeral Home, Houston, TX



Blount & Curry Funeral Home - MacDill Avenue, Tampa, FL



Hodges Funeral Home, Naples, FL



Joseph Gawler's Sons, Washington, DC



Woodlawn-Roesch-Patton Funeral Home, Nashville, TN



Geo. H. Lewis & Sons Funeral Directors, Houston, TX

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

MAIN DRIVERS



ACQUISITIONS

NEW BUILDS

OTHER GROWTH CAPITAL

With more deployment years like 2021, with nearly \$200M in acquisitions and new builds, we are able to support higher earnings growth potential

KEY GROWTH DRIVERS

Preneed Backlog Impact



**AARON
FOLEY**

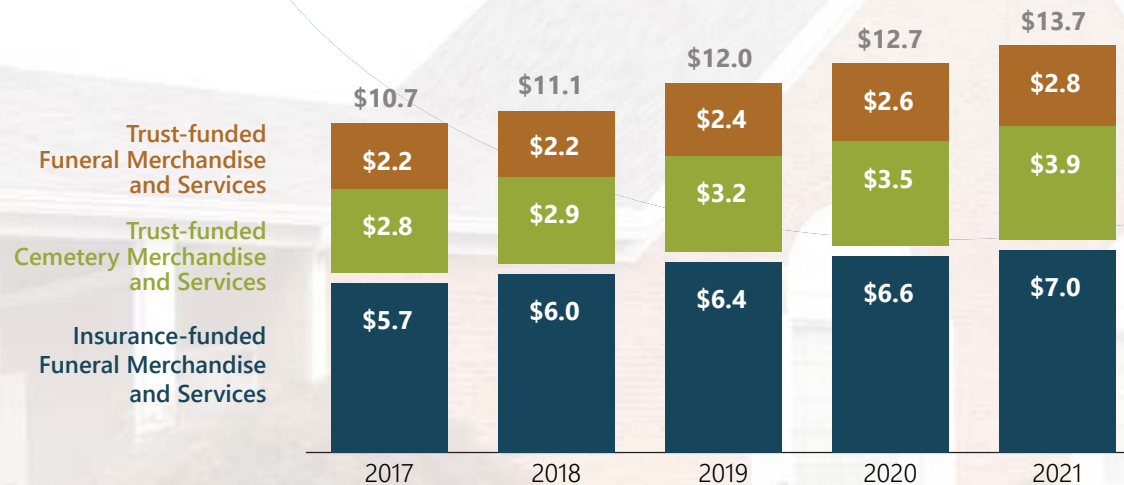
Vice President
Treasurer



Preneed backlog supporting earnings growth and stability

DEFERRED REVENUE BACKLOG

\$ in billions



6%
CAGR
2017-2021

9%
CAGR
2017-2021

5%
CAGR
2017-2021

TRUST

Supported by marketable securities and customer receivables

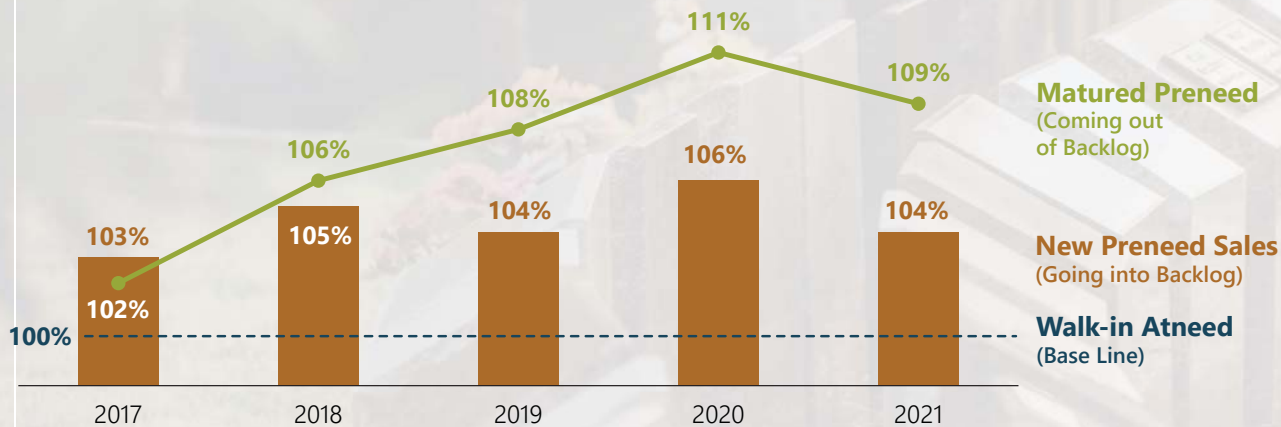
INSURANCE

Supported by third-party life insurance policies

Funeral averages going into and coming out of backlog supporting sales average growth

CORE FUNERAL SALES AVERAGES

Comparable, Excluding SCI Direct



~\$10B
Funeral Backlog
 70% INSURANCE | 30% TRUST

Presold funeral merchandise and services, which will be recognized upon delivery driving future profits

~4.5x
CURRENT FUNERAL REVENUES

Cemetery backlog positioned to drive future revenue growth

RECOGNIZED MERCHANDISE & SERVICE REVENUE PRENEED MERCHANDISE & SERVICE SALES Comparable

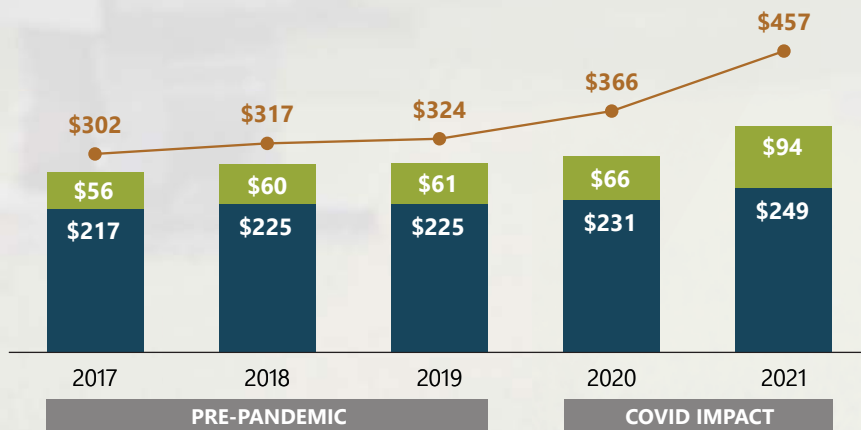
\$ in millions

- PRENEED MERCHANDISE & SERVICE SALES
- RECOGNIZED PRENEED MERCHANDISE & SERVICE TRUST INCOME
- RECOGNIZED MERCHANDISE & SERVICE REVENUE

11%
CAGR
2017-2021

14%
CAGR
2017-2021

3%
CAGR
2017-2021



~\$4B 100% TRUST
Cemetery Backlog

Presold cemetery merchandise and services, which will be recognized upon delivery driving future profits

Cemetery backlog trust income has grown at a CAGR of 14% and should continue providing support with compounding effects of strong markets

10-year Cemetery Merchandise & Service Trust accumulated return of 10.3% at December 31, 2021

~6x

CURRENT AT-NEED & PRENEED MERCHANDISE & SERVICE REVENUE

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

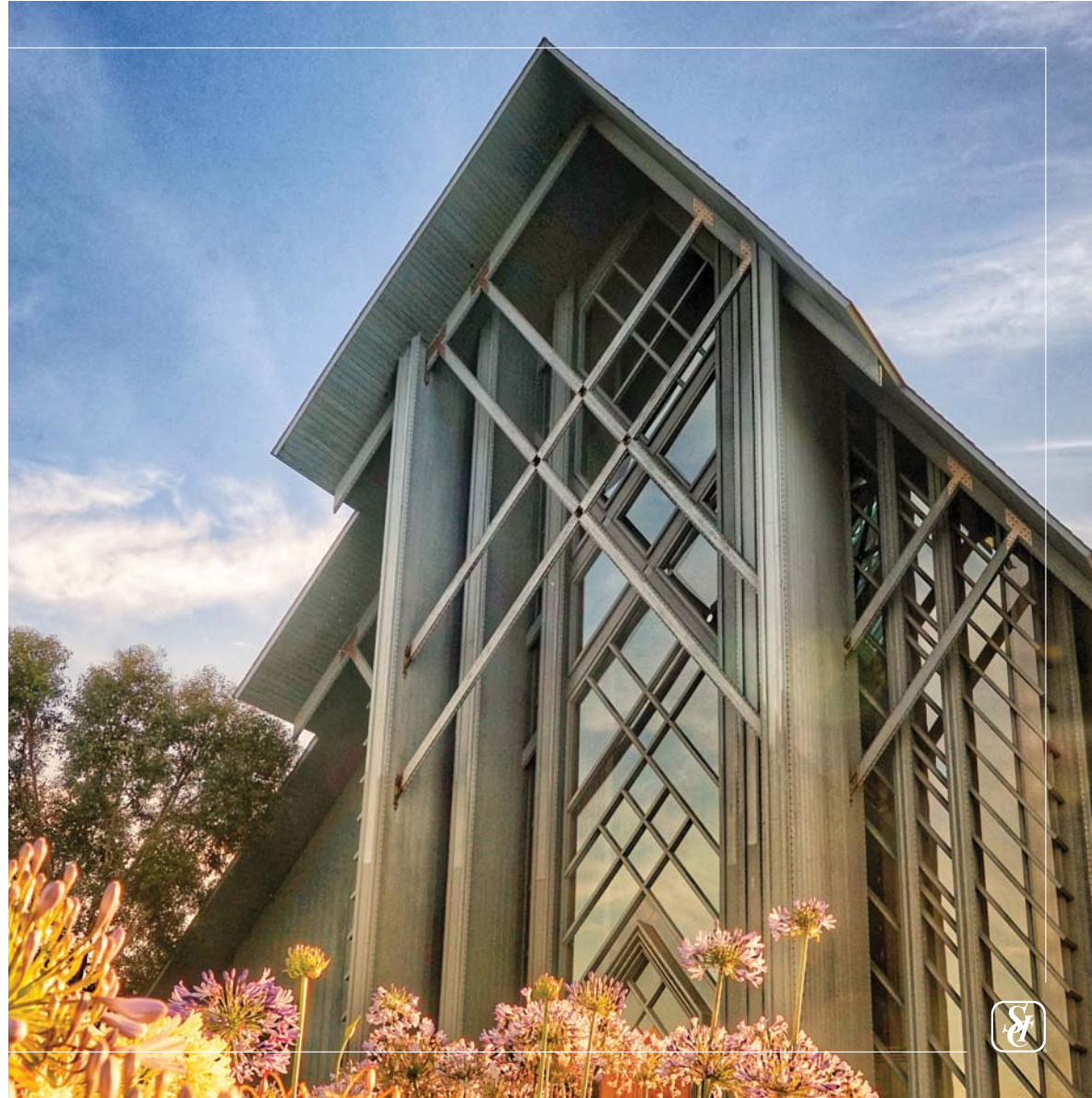


Long-Term Power of SCI's Growth Model



**ERIC
TANZBERGER**

Senior Vice President
Chief Financial Officer



There are 4 key pillars to reach even greater potential growth



**Demographic
Tailwinds**



**Marketing,
Sales &
Cemetery
Inventory
Impact**



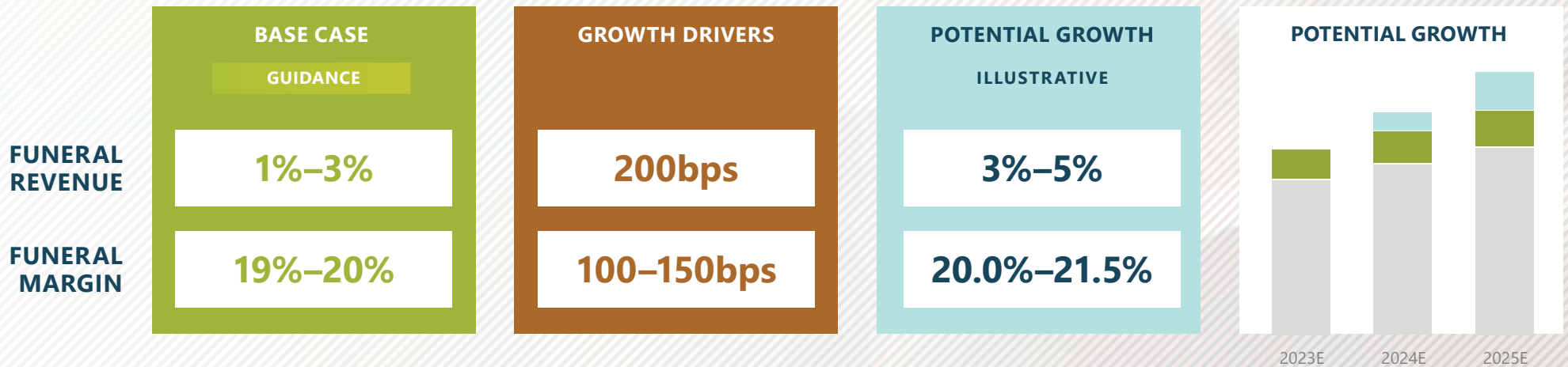
**Enhanced
Growth Capital
Opportunities**



**Prenneed
Backlog
Impact**

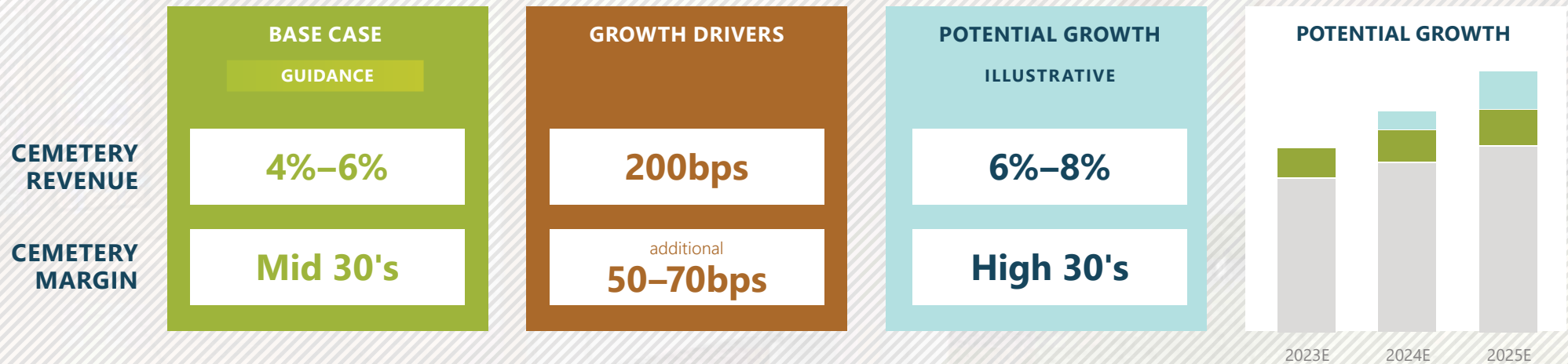
FUNERAL SEGMENT

Demographic tailwinds, preneed backlog strength and average growth could drive accelerated growth



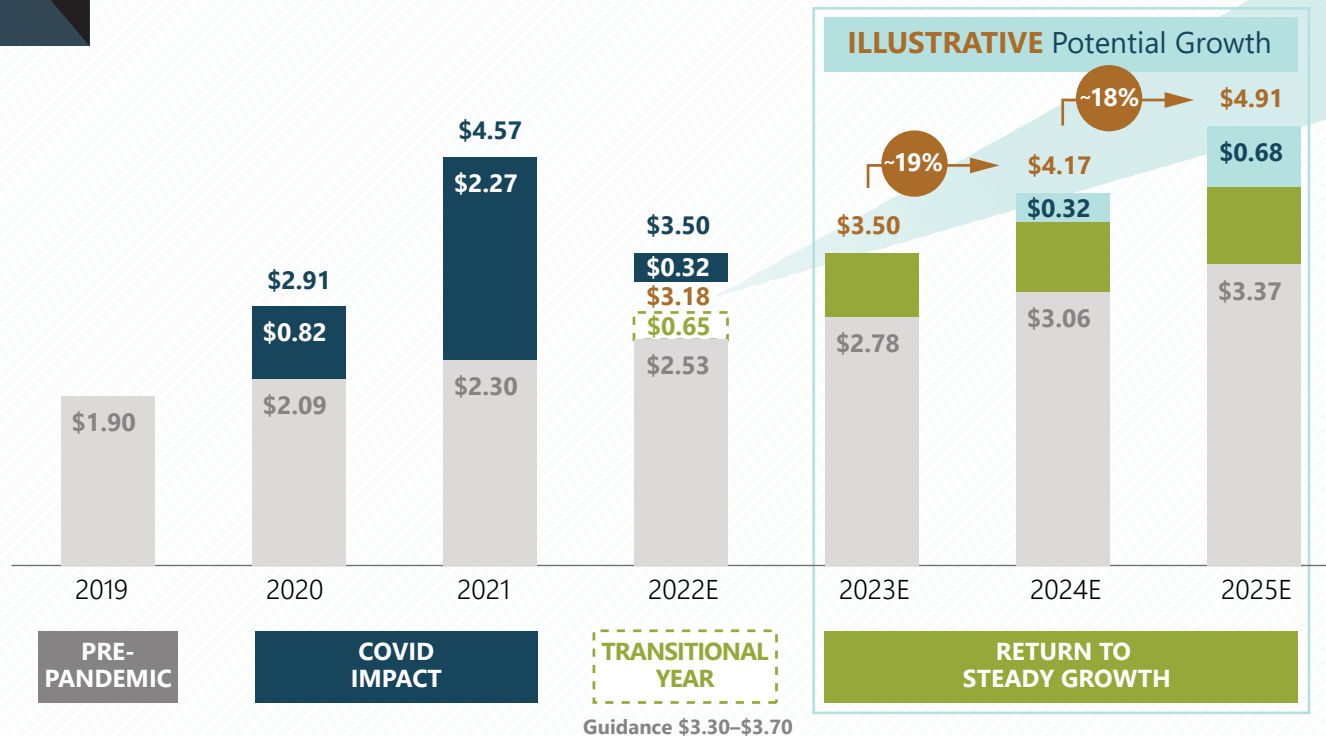
CEMETERY SEGMENT

Marketing, sales and cemetery inventory initiatives, along with favorable demographics, could drive increases in revenues



Growth Drivers could increase our earnings growth to high-teen percentages or low 20's

ADJUSTED EARNINGS PER SHARE



ILLUSTRATIVE Potential Growth over Post-COVID base on demographic tailwinds and exceptional execution on initiatives

ILLUSTRATIVE 10% CAGR off of higher 2022 Post-COVID base of \$3.18 (incorporating learnings, efficiencies and higher capital deployment)

Estimated COVID Impact

Incremental COVID learnings and efficiencies to 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.



SCI continues to evolve to stay relevant in a changing landscape

CUSTOMER TRENDS ARE AT THE CORE OF OUR INNOVATION STRATEGIES

**Consumer
desire for more
celebratory
environments**

01.

**Elevated
experiences
for simple
cremation**

02.

03.

**Seamless experiences
powered by technology**



Looking Forward

Investor Day 2022 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

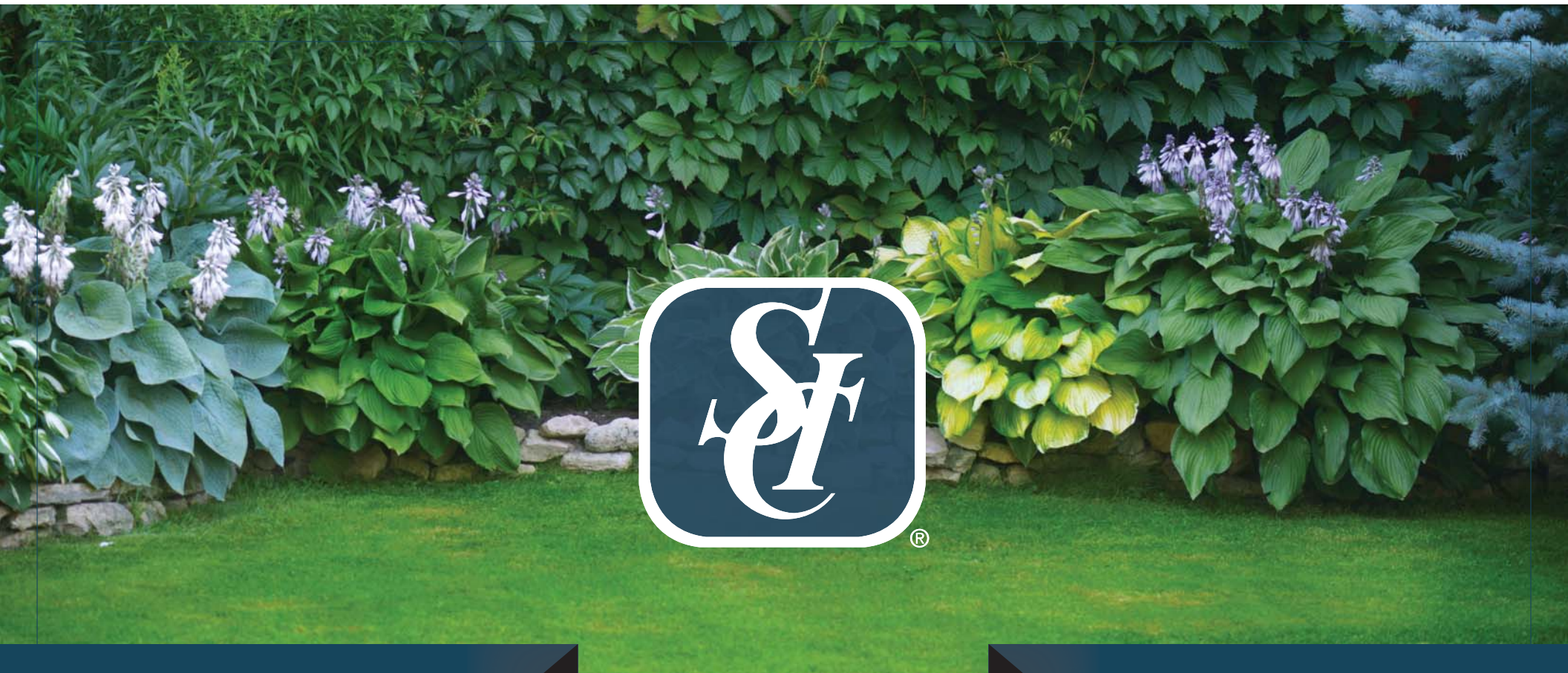
Industry leaders in innovation and technology

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



Q & A

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 CASH FLOW FROM OPERATIONS 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 and expenditures for the development of cemetery property, collectively referred to as recurring CAPEX. 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 – 2013 to 2021

(In millions, except Diluted EPS)

(In millions, except Diluted EPS)

	12 Months Ended December 31,																	
	2021		2020		2019		2018		2017		2016		2015		2014		2013	
	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	\$ 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	\$ 147.3	\$ 0.68
<u>Pre-tax reconciling items:</u>																		
(Gains) losses on divestitures and impairment charges, net	(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)	5.9	0.03
(Gains) losses on early extinguishment of debt	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	(0.5)	—
Acquisition, integration costs, and system transition costs	—	—	—	—	—	—	—	—	—	—	17.5	0.09	6.8	0.03	55.0	0.25	55.6	0.26
Legal/contractual settlement, net of insurance recoveries	(8.3)	(0.05)	—	—	6.4	0.03	—	—	24.3	0.13	5.6	0.03	—	—	12.3	0.06	11.7	0.05
<u>Tax reconciling items:</u>																		
Tax effect from special items	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	(26.0)	(0.12)
Change in certain tax reserves and other	(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	4.9	0.02
Earnings and diluted earnings per share excluding special items (Adjusted EPS)	\$ 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	\$ 198.9	\$ 0.92
Diluted weighted average shares outstanding (in thousands)	170,114		178,990		185,523		186,972		192,246		196,042		204,450		214,200		216,014	

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.



Adjusted EPS – 2005 to 2012

(In millions, except Diluted EPS)

Net income (loss) attributable to common stockholders, as reported

Pre-tax reconciling items:

(Gains) losses on divestitures and impairment charges, net

(Gains) Losses on early extinguishment of debt

Acquisition, integration costs, and system transition costs

Legal/contractual settlement, net of insurance recoveries

Income from French equity investment/DISCO

Cumulative effect of accounting change

Tax reconciling items:

Change in certain tax reserves and other

Earnings and diluted earnings per share excluding special items (Adjusted EPS)

Diluted weighted average shares outstanding (in thousands)

12 Months Ended December 31,															
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
\$ 153.8	\$ 0.70	\$ 146.0	\$ 0.62	\$ 126.4	\$ 0.50	\$ 123.1	\$ 0.49	\$ 97.1	\$ 0.37	\$ 247.7	\$ 0.85	\$ 56.5	\$ 0.19	\$ (127.9)	\$ (0.42)
1.6	0.01	1.8	0.01	2.2	0.01	1.8	0.01	36.0	0.15	(6.0)	(0.02)	50.1	0.17	30.3	0.10
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
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	—	—
								—	—	6.5	0.02			(10.3)	(0.03)
								0.4	—	(121.8)	(0.42)	(3.9)	(0.01)	(4.5)	(0.01)
														187.5	0.61
0.6	—	2.6	0.01	5.1	0.02	(2.0)	(0.01)	—	—	—	—	—	—	—	—
\$ 176.3	\$ 0.80	\$ 154.0	\$ 0.66	\$ 149.0	\$ 0.59	\$ 129.0	\$ 0.51	\$ 134.2	\$ 0.52	\$ 151.5	\$ 0.52	\$ 121.6	\$ 0.41	\$ 84.4	\$ 0.28
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 cash flow from operations)

Capital improvements at existing locations
 Development of cemetery property

Free cash flow

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

12 Months Ended December 31,				
2021	2020	2019	2018	2017
\$ 920.6	\$ 804.4	\$ 628.8	\$ 615.8	\$ 503.4
(8.3)	-	6.4	-	17.8
-	-	-	(5.6)	34.2
\$ 912.3	\$ 804.4	\$ 635.2	\$ 610.2	\$ 555.4
(164.8)	(96.8)	(126.5)	(124.8)	(117.6)
(95.4)	(88.8)	(77.8)	(78.7)	(79.0)
\$ 652.1	\$ 618.8	\$ 430.9	\$ 406.7	\$ 358.8
\$ (414.9)	\$ (318.4)	\$ (278.5)	\$ (414.6)	\$ (242.9)
\$ (465.6)	\$ (492.8)	\$ (319.1)	\$ (329.2)	\$ (136.4)

Financial outlook

(In millions, except Adjusted EPS)

	2022 GUIDANCE		
	Low	Midpoint	High
Net cash provided by operating activities <i>Adjusted cash flow from operations</i>	\$750	\$775	\$800
Capital improvements at existing locations & Development of Cemetery Property	\$270	\$280	\$290
Diluted earnings per share excluding special items <i>Adjusted EPS</i>	\$3.30	\$3.50	\$3.70
Cash taxes included in Adjusted cash flow from operations	Approximately \$180 at the midpoint of Adj EPS guidance		

Reconciliations from GAAP Net cash provided by operating activities are not provided for these forward-looking estimates because GAAP net cash provided by operating activities for the fiscal year ending December 31, 2022, is not accessible and reconciling information is not available without unreasonable effort. We are unable to predict changes in assets and liabilities; future acquisition and transition costs; system and process transitions costs; potential tax adjustments to reserves, payments, credits or refunds; potential legal defense costs or settlements of litigation or the recognition of receivables for insurance recoveries associated with litigation, and these amounts could be material such that the amount of net cash provided by operating activities would vary substantially from the amount of projected net cash provided by operating activities excluding special items.

Reconciliations from GAAP Net income per share are not provided for these forward-looking estimates because GAAP Net income per share for the fiscal year ending December 31, 2022, is not accessible and reconciling information is not available without unreasonable effort. We are not able to predict future system and process transition costs; acquisition and transition costs; gains/losses and impairment charges associated with asset dispositions; gains/losses associated with the early extinguishment of debt or foreign currency transactions; potential tax adjustments to reserves, payments, credits or refunds; potential costs associated with settlements of litigation or the recognition of receivables for insurance recoveries associated with litigation, and these amounts could be material, such that the amount of Net income per share would vary substantially from the amount of projected Adjusted earnings per share.

Our outlook for year 2022 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 SCL, that could cause actual results to differ materially from the potential results.