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STONEMOR PARTNERS L.P. REPORTS FINANCIAL RESULTS FOR 2018 THIRD QUARTER

TREVOSE, PA – February 15, 2019 – StoneMor Partners L.P. (NYSE: STON) (“StoneMor” or the “Partnership”), a leading owner and operator of cemeteries and funeral homes, today reported financial results for the three and nine month periods ended September 30, 2018. Investors are encouraged to read the Partnership's quarterly report on Form 10-Q which it expects to file with the Securities and Exchange Commission (the “SEC”) later today. That report, which will contain additional details, will be able to be found at www.stonemor.com after it is filed.

Joe Redling, StoneMor’s President and Chief Executive Officer, said, “Soon after joining StoneMor in July of 2018, we began to implement changes that we believed lay the foundation for improvements in 2019 and beyond. We established a new operating structure to drive greater accountability, and we executed a comprehensive cost reduction plan, which has continued into 2019. Our third quarter financial results do not yet reflect the benefits of these efforts, which, as we have previously stated, will take time to deliver the desired financial results. With the filing of our interim financial statements we are pleased to be up to date with our financial reporting. With this behind us, we can now focus on the work of improving operational and financial performance.”

THIRD QUARTER AND NINE MONTH FINANCIAL PERFORMANCE

- For the three months ended September 30, 2018, revenues were \$73.2 million compared to \$84.0 million in the prior year period. 2018 nine-month revenues were \$232.7 million compared to \$252.9 million in the prior year period. As previously reported, in 2017, revenues benefited from a large backlog of preneed cemetery merchandise that became available to be serviced. Third quarter and year-to-date revenues were also impacted by decreases of \$4.7 million and \$9.5 million, respectively, in investment and other income, primarily due to the adoption of ASC 606.
- Third quarter net loss was \$17.2 million compared to \$9.6 million in the prior year period. Year-to-date net loss was \$52.2 million compared to \$29.7 million in the prior year period. The increased losses were driven largely by the unfavorable comparisons previously mentioned and lower overall sales resulting from the impact of cost cutting and implementation of the general manager operating model. Overall expenses

increased as a result of adoption of ASC 606, as well as higher corporate overhead related to professional fees associated with delayed SEC filings, work related to our planned conversion to a C-Corp, and legal costs.

- For the nine months ended September 30, 2018, cash from operating activities was \$19.4 million, compared to \$24.7 million in the prior year period.
- Merchandise trust value at September 30, 2018 was \$520.0 million compared to \$515.5 million at December 31, 2017.
- Deferred revenue at September 30, 2018 was \$943.8 million compared to \$912.6 million at December 31, 2017.
- As of September 30, 2018, the Partnership had \$8.0 million of cash and cash equivalents and \$315.3 million of total debt, including \$150.0 million outstanding under its revolving credit facility.

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About StoneMor Partners L.P.

StoneMor Partners L.P., headquartered in Treviso, Pennsylvania, is an owner and operator of cemeteries and funeral homes in the United States, with 322 cemeteries and 90 funeral homes in 27 states and Puerto Rico.

StoneMor is the only publicly traded death care company structured as a partnership. StoneMor's cemetery products and services, which are sold on both a pre-need (before death) and at-need (at death) basis, include: burial lots, lawn and mausoleum crypts, burial vaults, caskets, memorials, and all services which provide for the installation of this merchandise. For additional information about StoneMor Partners L.P., please visit StoneMor's website, and the investors section, at <http://www.stonemor.com>.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this press release, including, but not limited to, information regarding the expected timing of filing the Form 10-Q Report for the Quarter Ended September 30, 2018 (the "Third Quarter 10-Q") and operational improvements, are forward-looking statements. Generally, the words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "project," "expect," "predict" and similar expressions identify these forward-looking statements. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements are based on management's current expectations and estimates. These statements are neither promises nor guarantees and are made subject to certain risks and uncertainties that could cause actual results to differ materially from the results stated or implied in this press release. StoneMor's major risks are related to our substantial secured and unsecured indebtedness, our ability to refinance our secured indebtedness in the near term, uncertainties associated with the cash flow from pre-need and at-need sales, trusts and financings, which may impact StoneMor's ability to meet its financial projections, service its debt and resume paying distributions, as well as with StoneMor's ability to maintain an effective system of internal control over financial reporting and disclosure controls and procedures.

StoneMor's additional risks and uncertainties include, but are not limited to: the consequences of the Partnership's delinquent filing of its Third Quarter 10-Q, including that the U.S. Securities and Exchange Commission could institute an administrative proceeding seeking the revocation of the registration of the Partnership's common units under the Exchange Act, and that the Partnership remains delinquent in its required filings with the New York Stock Exchange ("NYSE") and could ultimately face the possible delisting of its common units from the NYSE; the potential for defaults under the Partnership's amended credit facility if the Third Quarter 10-Q is not filed today or the indenture governing its senior notes if the Partnership fails to file it within 120 days after notice from the trustee under the indenture; the Partnership's ability to obtain relief from its creditors if it cannot file the Third Quarter 10-Q today or within 120 days after notice from the trustee under the indenture governing its senior notes, the terms on which such relief might be granted and any restrictions that might be imposed in connection with any relief that might be obtained; uncertainty associated with the consummation of the Partnership's reorganization transactions; StoneMor's ability to successfully implement its strategic plan relating to achieving operating improvements, including improving sales productivity and reducing operating expenses; the effect of economic downturns; the impact of StoneMor's significant leverage on its operating plans; the decline in the fair value of certain equity and debt securities held in StoneMor's trusts; StoneMor's ability to attract, train and retain an adequate number of sales people; uncertainties associated with the volume and timing of pre-need sales of cemetery services and products; increased use of cremation; changes in the death rate; changes in the political or regulatory environments, including potential changes in tax accounting and trusting policies; StoneMor's ability to successfully compete in the cemetery and funeral home industry; litigation or legal proceedings that could expose StoneMor to significant liabilities and damage StoneMor's reputation, including but not limited to litigation and governmental investigations or proceedings arising out of or related to accounting and financial reporting matters; the effects of cyber security attacks due to StoneMor's significant reliance on information technology; uncertainties relating to the financial condition of third-party insurance companies that fund StoneMor's pre-need funeral contracts; and various other uncertainties associated with the death care industry and StoneMor's operations in particular.

When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements set forth in StoneMor's Annual Report on Form 10-K and the other reports that StoneMor files with the Securities and Exchange Commission, from time to time. Except as required under applicable law, StoneMor assumes no obligation to update or revise any forward-looking statements made herein or any other forward-looking statements made by it, whether as a result of new information, future events or otherwise.

STONEMOR PARTNERS L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands)

| | <u>September 30, 2018</u> | <u>December 31, 2017</u> |
|---|---------------------------|--------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 8,043 | \$ 6,821 |
| Accounts receivable, net of allowance | 64,150 | 79,116 |
| Prepaid expenses | 9,218 | 4,580 |
| Assets held for sale | 1,083 | 1,016 |
| Other current assets | 19,145 | 21,453 |
| Total current assets | <u>101,639</u> | <u>112,986</u> |
| Long-term accounts receivable, net of allowance | 89,765 | 105,935 |
| Cemetery property | 333,724 | 333,404 |
| Property and equipment, net of accumulated depreciation | 113,674 | 114,090 |
| Merchandise trusts, restricted, at fair value | 520,027 | 515,456 |
| Perpetual care trusts, restricted, at fair value | 345,022 | 339,928 |
| Deferred selling and obtaining costs | 112,621 | 126,398 |
| Deferred tax assets | 95 | 84 |
| Goodwill | 24,862 | 24,862 |
| Intangible assets, net | 61,905 | 63,244 |
| Other assets | 24,549 | 19,695 |
| Total assets | <u>\$ 1,727,883</u> | <u>\$ 1,756,082</u> |
| Liabilities and Partners' Capital | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 56,472 | \$ 43,023 |
| Accrued interest | 5,331 | 1,781 |
| Current portion, long-term debt | 1,184 | 1,002 |
| Total current liabilities | <u>62,987</u> | <u>45,806</u> |
| Long-term debt, net of deferred financing costs | 314,103 | 317,693 |
| Deferred revenues, net | 943,805 | 912,626 |
| Deferred tax liabilities | 6,730 | 9,638 |
| Perpetual care trust corpus | 345,022 | 339,928 |
| Other long-term liabilities | 41,776 | 38,695 |
| Total liabilities | <u>1,714,423</u> | <u>1,664,386</u> |
| Commitments and contingencies | | |
| Partners' capital (deficit): | | |
| General partner interest | (3,794) | (2,959) |
| Common limited partners' interest | 17,254 | 94,655 |
| Total partners' capital | <u>13,460</u> | <u>91,696</u> |
| Total liabilities and partners' capital | <u>\$ 1,727,883</u> | <u>\$ 1,756,082</u> |

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

STONEMOR PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per unit data)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|-------------------|---------------------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenues: | | | | |
| Cemetery: | | | | |
| Interments | \$ 17,716 | \$ 17,841 | \$ 58,130 | \$ 55,460 |
| Merchandise | 18,023 | 20,051 | 51,766 | 57,182 |
| Services | 16,419 | 17,729 | 50,647 | 52,861 |
| Investment and other | 9,247 | 13,922 | 30,785 | 40,313 |
| Funeral home: | | | | |
| Merchandise | 5,581 | 6,591 | 19,532 | 21,176 |
| Services | 6,199 | 7,900 | 21,841 | 25,940 |
| Total revenues | <u>73,185</u> | <u>84,034</u> | <u>232,701</u> | <u>252,932</u> |
| Costs and Expenses: | | | | |
| Cost of goods sold | 12,866 | 11,910 | 39,387 | 37,472 |
| Cemetery expense | 19,407 | 19,984 | 57,828 | 56,805 |
| Selling expense | 14,251 | 17,082 | 47,673 | 49,164 |
| General and administrative expense | 10,916 | 9,752 | 32,037 | 29,462 |
| Corporate overhead | 12,876 | 11,887 | 39,868 | 39,058 |
| Depreciation and amortization | 2,737 | 3,186 | 8,853 | 10,032 |
| Funeral home expenses: | | | | |
| Merchandise | 1,341 | 1,793 | 4,927 | 5,176 |
| Services | 5,493 | 5,442 | 16,593 | 16,595 |
| Other | 3,314 | 5,346 | 12,315 | 15,678 |
| Total costs and expenses | <u>83,201</u> | <u>86,382</u> | <u>259,481</u> | <u>259,442</u> |
| Other (losses) gains, net | 702 | 338 | (4,503) | (733) |
| Interest expense | (7,638) | (6,944) | (22,858) | (20,391) |
| Loss before income taxes | (16,952) | (8,954) | (54,141) | (27,634) |
| Income tax benefit (expense) | (273) | (622) | 1,976 | (2,085) |
| Net loss | <u>\$ (17,225)</u> | <u>\$ (9,576)</u> | <u>\$ (52,165)</u> | <u>\$ (29,719)</u> |
| General partner's interest | \$ (179) | \$ (99) | \$ (543) | \$ (309) |
| Limited partners' interest | \$ (17,046) | \$ (9,477) | \$ (51,622) | \$ (29,410) |
| Net loss per limited partner unit (basic and diluted) | \$ (0.45) | \$ (0.25) | \$ (1.36) | \$ (0.78) |
| Weighted average number of limited partners' units outstanding (basic and diluted) | 37,959 | 37,958 | 37,959 | 37,945 |

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

STONEMOR PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

| | Nine Months Ended September 30, | |
|---|---------------------------------|-----------------|
| | 2018 | 2017 |
| Cash Flows From Operating Activities: | | |
| Net loss | \$ (52,165) | \$ (29,719) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Cost of lots sold | 5,850 | 7,823 |
| Depreciation and amortization | 8,853 | 10,032 |
| Provision for bad debt | 3,776 | 5,123 |
| Non-cash compensation expense | 2,026 | 656 |
| Non-cash interest expense | 4,576 | 3,318 |
| Non-cash impairment charge and other losses | 4,503 | 517 |
| Changes in assets and liabilities: | | |
| Accounts receivable, net of allowance | 5,574 | (8,576) |
| Merchandise trust fund | (6,917) | 44,251 |
| Other assets | (2,047) | (5,053) |
| Deferred selling and obtaining costs | (4,780) | (7,246) |
| Deferred revenues, net | 40,361 | (12,119) |
| Deferred taxes, net | (2,545) | 1,425 |
| Payables and other liabilities | 12,346 | 14,269 |
| Net cash provided by operating activities | <u>19,411</u> | <u>24,701</u> |
| Cash Flows From Investing Activities: | | |
| Cash paid for capital expenditures | (10,164) | (7,960) |
| Cash paid for acquisitions | (1,667) | — |
| Proceeds from divestitures | — | 701 |
| Proceeds from asset sales | 954 | 401 |
| Net cash used in investing activities | <u>(10,877)</u> | <u>(6,858)</u> |
| Cash Flows From Financing Activities: | | |
| Cash distributions | — | (24,545) |
| Proceeds from borrowings | 23,880 | 78,792 |
| Repayments of debt | (27,924) | (74,627) |
| Cost of financing activities | (3,268) | (1,573) |
| Net cash used in financing activities | <u>(7,312)</u> | <u>(21,953)</u> |
| Net increase (decrease) in cash and cash equivalents | 1,222 | (4,110) |
| Cash and cash equivalents - Beginning of period | <u>6,821</u> | <u>12,570</u> |
| Cash and cash equivalents - End of period | <u>\$ 8,043</u> | <u>\$ 8,460</u> |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the period for interest | \$ 15,809 | \$ 13,653 |
| Cash paid during the period for income taxes | \$ 1,517 | \$ 2,884 |
| Non-cash investing and financing activities: | | |
| Acquisition of assets by financing | \$ 1,620 | \$ 2,285 |
| Classification of assets as held for sale | \$ 543 | \$ 1,169 |

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

SUPPLEMENTAL OPERATING DATA

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|--------|------------------------------------|--------|
| | 2018 | 2017 | 2018 | 2017 |
| Interments performed | 12,876 | 12,859 | 41,550 | 40,916 |
| Interment rights sold ⁽¹⁾ | | | | |
| Lots | 4,787 | 5,644 | 20,264 | 21,497 |
| Mausoleum crypts (including pre-construction) | 235 | 275 | 1,082 | 1,358 |
| Niches | 336 | 443 | 1,195 | 1,405 |
| Net interment rights sold ⁽¹⁾ | 5,358 | 6,362 | 22,541 | 24,260 |
| Number of pre-need cemetery contracts written | 9,067 | 10,411 | 30,776 | 33,934 |
| Number of at-need cemetery contracts written | 13,892 | 14,211 | 43,895 | 45,070 |
| Number of cemetery contracts written | 22,959 | 24,622 | 74,671 | 79,004 |

(1) Net of cancellations. Sales of double-depth burial lots are counted as two sales