StoneMor Debt/Equity Recapitalization Overview

June 28, 2019

Cautionary Statement

Certain statements contained in this presentation, including, but not limited to, information regarding the Partnership's contemplated rights offering and transition to a corporate structure, as well as continued performance and cost structure improvement efforts undertaken by the Partnership, 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 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, with the proposed merger and whether and when the transactions contemplated by the merger and reorganization agreement will be consummated, 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: uncertainties associated with future revenue and revenue growth; uncertainties associated with the integration or anticipated benefits of recent acquisitions or any future acquisitions; 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.

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Introductions

Joe Redling

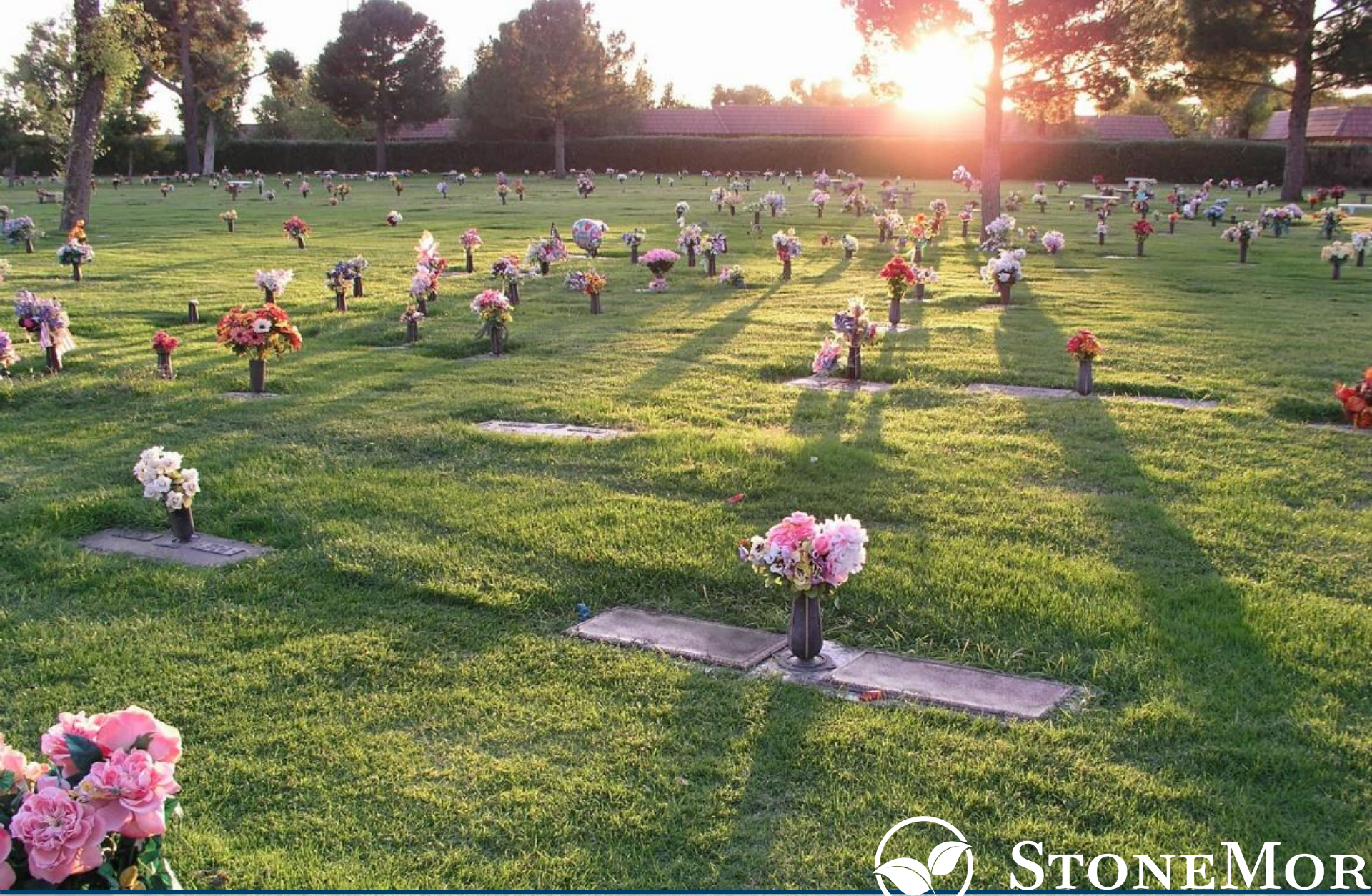
President & Chief Executive Officer

- Joined StoneMor in July 2018
- Previously served as COO of Vonage and CEO of Nutrisystem, managing both businesses through high-growth periods while also executing aggressive cost-cutting initiatives (combined ~$70M in cost reductions)
- Previously spent eight years at AOL as President of the subscription business, leading the transformation to an ad-based business model and reducing costs by $1.5B over two years
- Significant experience leading transformative initiatives at complex, high-fixed cost companies, including Six Flags and Arnold Palmer Golf Management

Garry Herdler

SVP & Chief Financial Officer

- Joined StoneMor on April 15, 2019 with over 25 years of experience
- Previous CFO (6 mid-market PE-owned, a $27B global, a NYSE-listed)
- Acted in multiple integrations & turnarounds; and in 3 restructurings
- M&A as CFO: completed > 20 mid-market M&A deals in 6 different CFO roles
- Most recently: CFO of QuadReal Property Group to financially integrate 4 firms and grow real estate portfolio from $19B to $27B in 17 countries
- PE Operational Improvement Consulting (Alvarez & Marsal and PE Funds)
- Leveraged finance Investment Banker (~10 years at Deutsche Bank Securities / Bankers Trust and CIBC); and a KPMG CPA/Tax Advisor
- Public Board: Diversified Royalty Corp: Chair of Investment Cmte., AC Member



Executive Summary

Situation Overview

- StoneMor has raised $385M of senior secured debt with a $57.5M preferred equity raise to refinance the existing Revolving Credit Facility and Senior Unsecured Notes
  - Fully retire existing Credit Facility due May 2020 and existing Senior Notes due June 2021
  - A common unit rights offering of at least $40.185M will be launched and executed within ~100 days to all common unit holders, excluding preferred purchasers and AIM, to retire up to 2/3 of the Convertible Preferred Units
- With the recapitalization, the Company's Board of Directors is changing significantly
  - Andrew Axelrod – Founder and Managing Partner of Axar Capital – is now Chairman of the Board
  - Addition of two new independent directors to replace existing directors
- Recapitalization provides sufficient liquidity to execute the turnaround strategy
- StoneMor formed a new executive team over the last year to spearhead the turnaround
  - CEO, Joe Redling, joined in July 2018
  - CFO, Garry Herdler, joined April 2019
  - COO, Jim Ford, joined March 2018
- The new management team has already taken decisive action to:
  - Increase sales productivity and drive asset-level accountability and profitability
  - Identify and execute cost reductions; $30M of reductions underway with more to come
  - The Company is now a timely filer with 1Q19, ended 3/31/19, filed on May 10, 2019
- Company now well positioned to execute turnaround strategy

CEO Initial Assessment

Following Joe Redling's appointment in July 2018, management immediately conducted a thorough operational review, identifying several critical issues and swiftly implementing strategic initiatives to address the challenges

Area of Focus	Observation	Initiative
Asset Base	• Substantial asset base for a company of its size • Lack of true understanding of diverse asset base	• Reorganized how the Company views its assets: – Tiering of operating units by class and contribution – Initiating a divestiture plan for "lower tier" assets that are adding no significant value – Prioritizing resources to optimize top tier properties – Focus on trust asset management
Cost Structure	• Bloated cost structure presented material opportunity for expense cuts	• Targeting to eliminate a minimum of $30M costs across corporate G&A, sales and field operations (initial plan)
Pre-Need Sales Production	• Sales continued to struggle with minimal insights, solutions or controls on sales profitability	• Reducing selling costs by eliminating low producing staff and revising staffing models to align with addressable market sizing
Organizational / Corporate Structure	• A major reorganization was required: leadership, structure and culture • Streamlining of operations was required • Visibility and focus on profitability was lacking at the corporate and business unit level • There was no clear leadership or strategy as to how the organization would move forward • Non-distributing Master Limited Partnership made accessing the capital markets difficult	• Re-aligned priorities to focus on field operating units, instilling HQ as a service bureau attitude • Decentralized operations, pushing accountability and authority to the divisional level • Added 10 key members to the leadership team both at HQ and in the field • Made the conversion of the company to a C-Corp. a condition of joining the Company so capital could be accessed in the future

Strategic Evaluation of Asset Base

Management is utilizing the insight gained from its asset-level review to share best-practices and drive increased profitability across StoneMor's portfolio of cemeteries and funeral homes

- The Company now reviews performance by tier and region, providing management with an ability to derive asset-level, data-driven insights
- Management is seeing traction with the general manager operating model and leveraging insights from top performing regional operators and applying best-practices throughout the asset base

Over 90% of asset-level operating income and pre-need sales production

Tier 1
~25% of assets

- **Qualities**: Top performing assets with attractive qualities, such as high volume, strong market presence and experienced, efficient operators
- **Plan for Improvement**: Assess current operating performance and identify areas for improvement
- **Strategy**: Focus on continued investment in the assets to ensure full inventory offering to customer base and emphasis on retaining and incentivizing key employees at these assets

Tier 2
~40% of assets

- **Qualities**: Assets that possess some attractive qualities, but require operational improvement, such as increasing operating efficiency, market share and volume
- **Plan for Improvement**: Address key issues with divisional presidents, design and implement plan to remedy existing issues at the asset level and improve financial and operational performance
- **Strategy**: Place timeline for execution of initiatives

Tier 3
~35% of assets

- **Qualities**: Weakly performing assets qualified by low volume, unattractive market composition, weak market share and poor operating efficiency
- **Plan for Improvement**: Reduce costs to mitigate losses and divert time / attention spent at assets to Tier 1 and 2 assets
- **Strategy**: Assets must generate cash flow or become potential candidate for divestiture

Operations is focused on "Tier 1" & Key Tier 2 Locations for Quick Operational Execution Impacts

Turnaround Strategy

- StoneMor is focused on improving sales while reducing costs to improve 4-wall profitability, benchmarking against deathcare peers and to more closely approach industry norms

Company Goals

1. Improve **Cash Flow** & **Liquidity**
2. Optimize **Capital Structure**
3. Strategic **Balance Sheet/ Portfolio Review**
4. **Improve Performance** thru
   - **Cost Reductions**
   - **Revenue Enhancement**
5. **Align Team Goals and Cadence; Prioritize; Execute**
   - Interdependencies, resources
   - Deliverables next 6-18 months

Strategic Initiatives

A. Improve Processes and Modernize Tools
- Improve Process/Quick Wins
- Closing Cadence, Processing
- Field Operations Processes

B. Maximize Revenue and Profitability
- 4-Wall Contribution
- Sales, Margins, Contribution
- Regional Overheads
- Corporate Overhead
- Working Capital

C. Digitize StoneMor
- Other IT "Quick" wins
- Procure-to-Pay
- Customer Connection
- Work/Service orders

Workstream / Action Plans

Selling Productivity
- Digitize the Customer Connection
- Organize/ Incent Field / Max Productivity
- Improve CRM integration & Conversion
- Focus on Pre-Need Sales
- Unlock the Funeral Home potential

Spending Efficiency / Working Capital
- Manage Business Spend
- Upgrade Contracting Processes
- Retail Mindset to Inventory & Assortment
- Focus on Collections & Credit for WC

Process Improve & Real Time Mgmt.
- Improve Process, Systems & Security
- Increase 4-Wall & KPI Metrics-Based Focus
- Improve Financial Measurement and Management Toolsets → Actionable Info
- Enhance Audits & Accelerate Closings

Funding the Future
- Align/prioritize CapEx strategic investment

StoneMor

Recapitalization Summary

Recapitalization Highlights

- **Facility:** $385M of Senior Secured PIK Toggle Notes
- **Maturity:** 5 Years
- **Interest:** 9.875% or 7.50% Cash Interest / 4.00% PIK for 30 months
- **Prepayment Premium:** Non-Call 2 / 104 / 102 / Par thereafter
- **Equity:** $57.5M convertible preferred unit issuance at $1.104 per share
- A common unit rights offering of at least $40.185 million will be launched and executed within ~100 days to all common unit holders, excluding preferred purchasers and AIM, at $1.20 per share to retire up to $40.185 million of Convertible Preferred Units
- Plan to convert to C-Corp on ~December 31, 2019, but not later than March 31, 2020

Recapitalization provides sufficient liquidity to execute the turnaround strategy

Refinance Revolving Credit Facility and Senior Unsecured Bonds and $57.5 MM Equity Injection

Recapitalization provides the Company with the liquidity and flexibility to execute its turnaround plan

Sources & Uses

Sources	Amount
Senior Secured PIK Toggle Notes due 6/30/2024	$385,000
New Equity (Net Proceeds)	57,500
Total	**$442,500**

Uses	Amount
Refinance Tranche A Revolving Credit Facility	$156,648
Refinance Tranche B Revolving Credit Facility	36,329
Refinance 7.875% Senior Notes	176,362
Original Issue Discount of 3.5%	13,475
Financial Advisory Fees	7,031
Other Transaction Fees and Expenses	6,731
Cash Collateralization of LCs Under Existing Credit Facility[1]	15,665
Cash to / (from) Balance Sheet - Unrestricted	30,260
Total	**$442,500**

Pro Forma Capitalization

($ in thousands)	Pro Forma	Pricing
Unrestricted Cash	~$40,000	
Debt		
Senior Secured PIK Toggle Notes due 6/30/2024	$385,000	9.875% Cash or 7.50% / 4.00% PIK
Other Debt[2]	1,403	
Capital Leases	5,716	
Total Debt and Obligations	**$392,119**	
Net Debt	**~$352,119**	
Partners Equity[3]	**$28,665**	

Note: Please see appendix for further detail of capitalization table

(1) Includes ~$10 million for existing letters of credit and ~$6 million to secure credit card program

(2) Other debt is composed of notes payable – acquisition debt and insurance & vehicle financing

(3) Adjustment does not reflect write-off of deferred financing fees or transaction expenses

Summary Debt Term Sheet

	Debt Term Sheet Overview
Facility	• $385 million Senior Secured PIK Toggle Notes
Ranking / Security	• First priority perfected lien on all existing & future assets
Maturity	• 5 years
Interest Rate	• 9.875% cash • PIK toggle available for 2.5 years: 7.50% cash & 4.00% PIK • Interest paid quarterly
Fees	• OID: 3.5%
Prepayment Premium	• NC – 2 / 104 / 102 / par thereafter • Carve-out for certain asset sales
Schedule Mandatory Amortization	• None
Excess Cash Flow Sweep / Asset Sales	• 75% excess cash flow sweep • Company to keep a portion of asset sale proceeds over $55M, but not in excess of $155M, for reinvestment
Covenants	• Minimum Interest Coverage • Minimum Asset Coverage • Minimum Liquidity (step-downs over time)
Other	• Minimum $57.5 million primary equity issuance at closing

Equity Summary

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Convertible Preferred Offering

- **Securities offered:** Preferred Units of the Partnership convertible into Common Units (the "Convertible Preferred Units")
- **Amounts & Purchase Price:** Stated value of $62.5M ($1.20 per share) with a purchase price of $57.5M ($1.104 per share, 8.0% OID)
- **Units Issued:** 52,083,333 Convertible Preferred Units
- **Use of Proceeds:** General corporate purposes, including debt refinancing and related expenses
- **Conversion:** Convert to common on a 1:1 basis

Rights Offering Overview

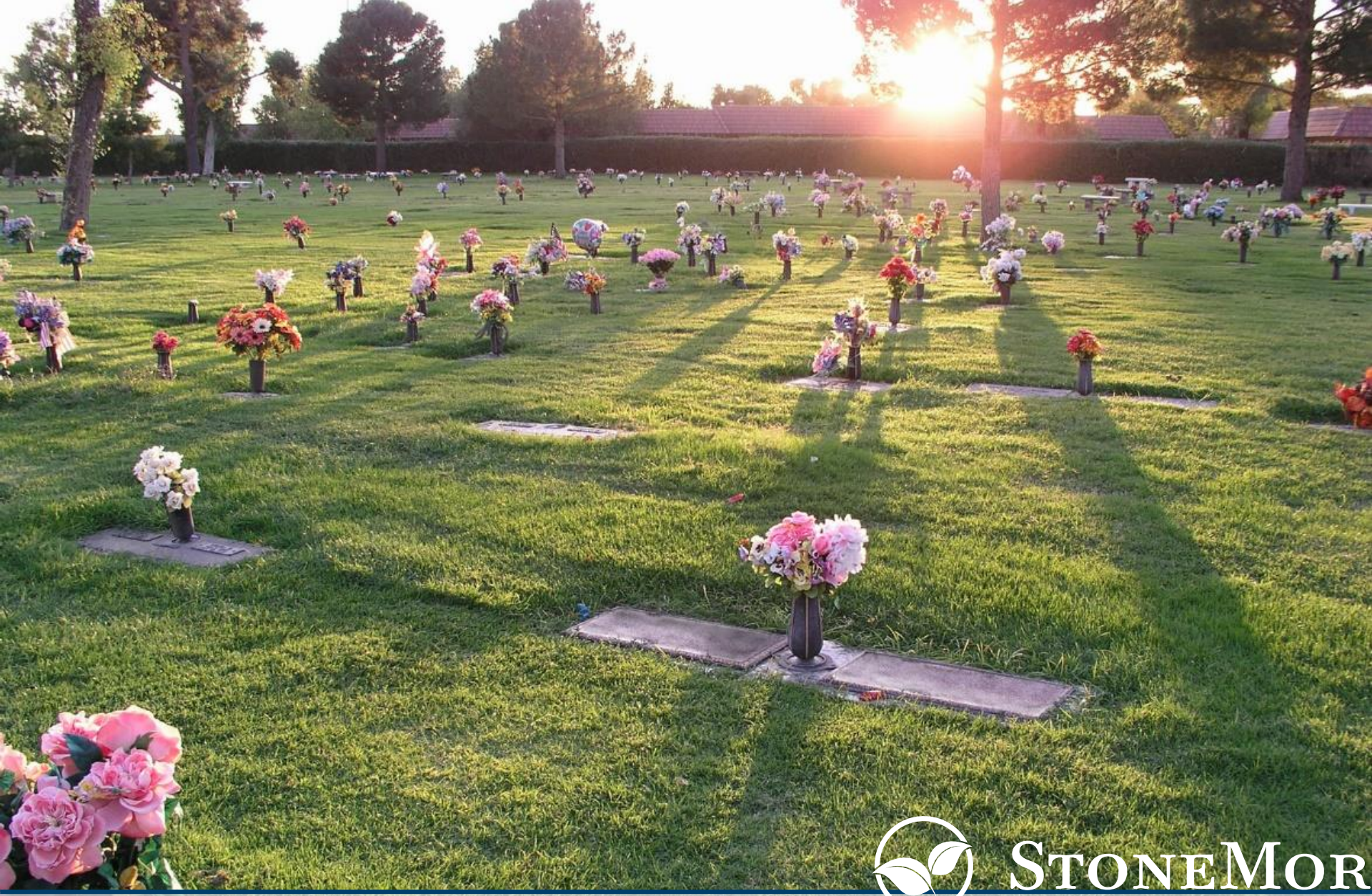
- **At least $40.185M common equity unit rights offering at $1.20 per unit to retire up to 33,487,904 of the Convertible Preferred Units (excludes 18,595,429 Convertible Preferred Units purchased by Axar)**
- **Rights offering to be launched and completed within 100 days to all common unitholders, excluding preferred purchasers and AIM**
- **Offers opportunity for existing common unitholders to maintain their pro rata ownership in the Partnership**

Timeline

Objective	Estimated Duration
Rights Offering	To be launched and completed within 100 days
C-Corp Conversion	Targeting completion for December 31, 2019; expected no later than March 31, 2020

Board of Directors

Name	Background	New Board Member	Independent Board Member
Andrew Axelrod	Chairman; Founder and Managing Partner of Axar Capital	✓	
Joe Redling	President & CEO		
David Miller	Chairman of JG Wentworth	✓	✓
Spencer Goldenberg	CFO of Menin Hospitality	✓	✓
Bob Hellman	Co-Founder of American Infrastructure MLP Funds		
Stephen Negrotti	Chair of Audit Committee; Former EY Partner		✓
Patricia Wellenbach	CEO of Philadelphia Please Touch Museum		✓



Investment Highlights

Investment Highlights

1. Highly Attractive Market Opportunity
2. Significant Backlog
3. Strong Asset Base with Meaningful Intrinsic Value
4. Strategic Initiatives Driving Improved Performance
5. Experienced Management Team and Reconstituted Board

Highly Attractive Market Opportunity

Large, steady and growing addressable market and significant fragmentation provide for a highly attractive market opportunity

Industry Characteristics

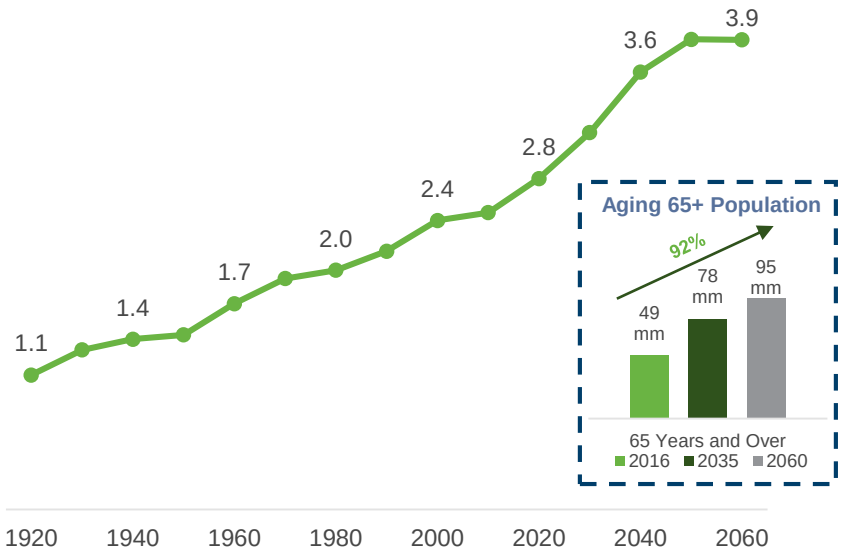
Large, Steady and Growing Addressable Market

- Cemeteries and funeral homes represent a ~$21B market opportunity annually
- Addressable market continues to expand with the aging of the baby boomer generation

Highly Fragmented Industry with Significant Consolidation Opportunities

- Highly fragmented industry; top 5 players control ~21% of market
- Fragmentation presents significant opportunity for future consolidation with no distinct number 2 player in North America

Historical & Projected U.S. Deaths (in millions)



North American Deathcare Market Share [1]

1	SCI	15.1%
2	StoneMor	1.5%
3	Carriage	1.3%
4	NorthStar	1.2%
5	Arbor	1.1%

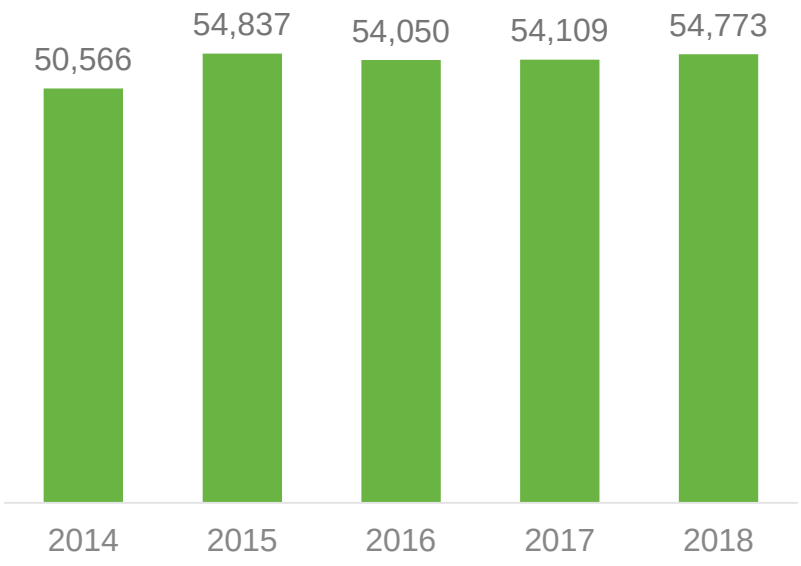
Source: IBIS World
(1) SCI and Carriage are based on publicly available information. NorthStar and Arbor are based on internal estimates

Significant Backlog

- StoneMor has built a significant backlog driven by strong pre-need production over the years

- Continued pre-need contract sales refill and grow backlog, locking in future cash flow

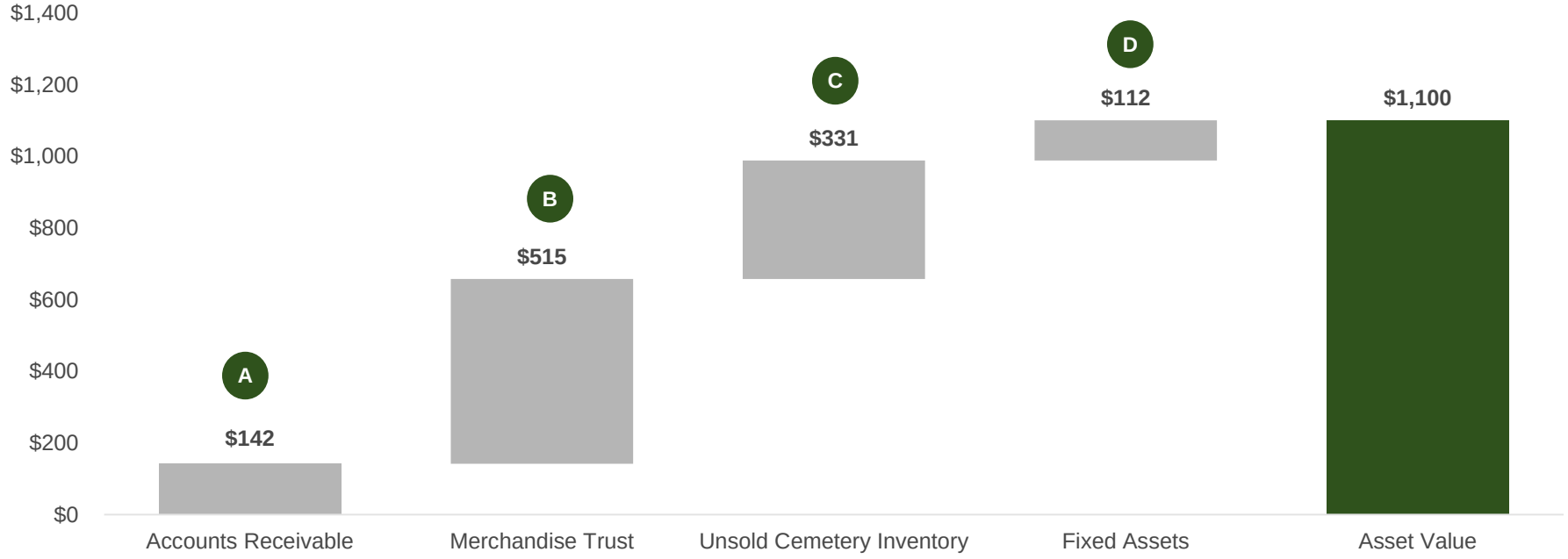
Total Cemetery Interments Performed



Deferred Revenue

Strong Asset Base with Meaningful Intrinsic Value

($ in millions)
Financial data as of March 31, 2019



A • *Consumer receivables associated with pre-need contracts, net of cancellation reserve*

B • *Cash held in state regulated merchandise trusts associated with pre-need sales*

C • *Carrying value of unsold cemetery inventory*

D • *Carrying value of plant, property and equipment, including funeral home buildings and land, as well as cemetery buildings and equipment*

Significant asset base book value to service net debt and merchandise liability

Initiatives Driving Improved Performance

Improving Sales Productivity

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Sales Productivity

Revenue

Establishment of KPIs and New Focused Recruiting Strategy

- Establishment of sales and marketing KPIs to install accountability and enhance productivity
- Daily sales calls focused on accountability involving divisional, regional and local teams
- Focused recruiting strategy based on addressable market opportunity, ROI and asset tier
- CRM analytics to improve location funnel and conversion metrics
- Implementation of GM structure driving accountability at the asset level
- SWAT approach targeting underperformance at high value properties

Expenses

Address Misaligned Incentive Structure and Poor Recruiting Strategy

- Eliminated the following misaligned incentives:
  - Area sales managers' salaries and bonuses
  - Annual sales trip
  - Triple override bonus
  - Other local bonuses
- High turnover and on-boarding costs per hire were a net drain on resources
  - After "freezing" the broken hiring process, management introduced a new On-boarding Program for 2019
- Experiencing lower churn in 2019 as a result of improved recruiting and on-boarding

Improving sales personnel retention and sales productivity

Initiatives Driving Improved Performance

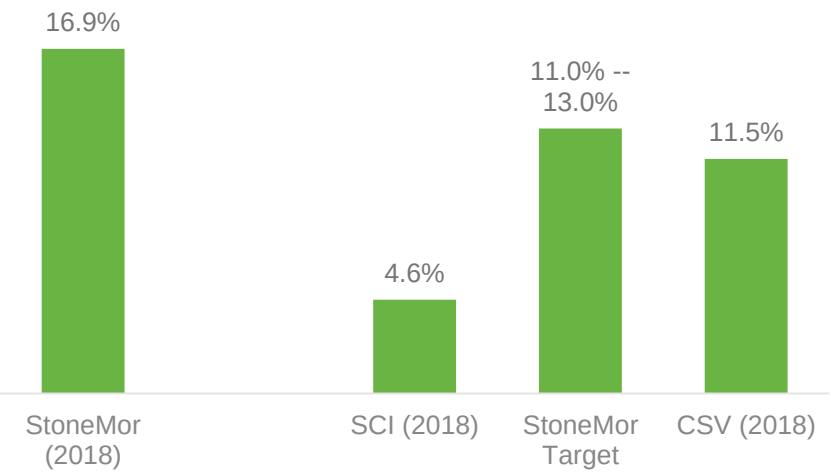
Cost Reductions

Improving Corporate Exp. Relative to Peers

- Initiated a comprehensive vendor/supplier review that resulted in material changes to key vendors: payroll, health benefits, insurance, credit & collections, etc.
- Rationalizing employee base across the field and corporate
- Identified over $30M in costs across corporate G&A, Sales and Field operations with more to come

Improving Corporate Exp. Relative to Peers

2018 Corporate Expense / Revenue



Experienced Management Team Now In Place

Joe Redling
- President and Chief Executive Officer
- 25+ years experience, including significant experience as a senior executive in consumer businesses undergoing significant change / turnarounds

Garry Herdler
- SVP & Chief Financial Officer
- Joined StoneMor on April 25, 2019
- Over 27 years experience as CFO, in PE ops consulting, capital markets, retail & turnarounds

Lindsay Granson
- National Vice President of Sales & Marketing
- Joined StoneMor in 2017
- Promoted to VP of Sales & Mktg in November 2018
- Over 10 years experience

Jim Ford
- SVP & Chief Operating Officer
- Joined StoneMor in March 2018
- Over 30 years experience in the deathcare industry

Austin So
- General Counsel, Chief Legal Officer & Secretary
- Joined StoneMor in 2016
- 17 years experience

Gina Mack
- Vice President of Human Resources
- Joined StoneMor in 2007
- Over 20 years experience

Joined StoneMor in 2018 or 2019

Team in Place

Summary and Q&A

Focus on Goals for Performance Improvement → Align Management Team → Execute Strategy

1. Improve Cash Flow & Liquidity ✓

2.Optimize Capital Structure ✓✓

3. Strategic Balance Sheet / Portfolio Review ✓

4. Improve Performance thru Cost Reductions & Revenue Enhancement

5. Set and Align Goals and Cadence; Execute

Appendix

Refinance Revolving Credit Facility and Senior Unsecured Bonds and $57.5 MM Equity Injection

Illustrative Sources and Uses

($ in thousands)

Sources & Uses

Sources	Amount	Uses	Amount
Senior Secured PIK Toggle Notes due 6/30/2024	$385,000	Refinance Tranche A Revolving Credit Facility	$156,648
New Equity (Net Proceeds)	57,500	Refinance Tranche B Revolving Credit Facility	36,329
		Refinance 7.875% Senior Notes	176,362
		Original Issue Discount of 3.5%	13,475
		Financial Advisory Fees	7,031
		Other Transaction Fees and Expenses	6,731
		Cash Collateralization of LCs Under Existing Credit Facility[1]	15,665
		Cash to / (from) Balance Sheet - Unrestricted	30,260
Total	**$442,500**	**Total**	**$442,500**

Pro Forma Capitalization

($ in thousands)	3/31/2019	Adj.	Pro Forma	Pricing
Unrestricted Cash	$19,978	~$20,000	~$40,000	
Restricted Cash	4,470	15,800	20,270	
Total Cash	**$24,448**	**~$35,800**	**~$60,000**	
Debt				
Tranche A Credit Facility	$155,739	($155,739)	$ -	
Tranche B Credit Facility[2]	35,000	(35,000)	-	
Senior Secured PIK Toggle Notes due 6/30/2024	-	385,000	385,000	9.875% Cash or 7.50% / 4.00% PIK
7.875% Senior Notes due June 2021	175,000	(175,000)	-	
Other Debt[3]	1,403	-	1,403	
Total Debt	**$367,142**	**$19,261**	**$386,403**	
Capital Leases	5,716	-	5,716	
Total Debt and Obligations	**$372,858**	**$19,261**	**$392,119**	
Less deferred financing costs, net of accumulated amortization	(10,256)	(3,219)	(13,475)	
Total Debt, Net of Deferred Financing	**$362,602**	**$16,042**	**$378,644**	
Net Debt and Obligations, Excluding Deferred Financing, Excluding Restricted Cash	**$352,880**	**($739)**	**$352,119**	
Partners Equity[4]	**($28,835)**	**$57,500**	**$28,665**	

(1) Includes ~$10 million for existing letters of credit and ~$6 million to secure credit card program
(2) Includes $10 million additional draw made on April 26, 2019 per note 17 of StoneMor's 10-Q for the 1st quarter ended March 31, 2019
(3) Other debt is composed of notes payable – acquisition debt and insurance & vehicle financing
(4) Adjustment does not reflect write-off of deferred financing fees or transaction expenses


StoneMor