StoneMor

StoneMor Partners L.P.

StoneMor Partners L.P.
Raymond James
Investor Conference
March 2016

Forward-Looking Statements

This presentation contains forward-looking statements that involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. The Partnership cautions readers that any forward-looking information is not a guarantee of future performance. Such forward-looking statements include, but are not limited to, statements about future financial and operating results, the Partnership's plans, objectives, expectations and intentions and other statements that are not historical facts. Risks, assumptions and uncertainties that could cause actual results to materially differ from the forward-looking statements include, but are not limited to, those associated with the cash flow from our pre-need and at-need sales, our trusts, and financings, which may impact our ability to meet our financial projections, our ability to service our debt and pay distributions, and our ability to increase our distributions; future revenue and revenue growth; the integration or anticipated benefits of our recent acquisitions or any future acquisitions; our ability to complete and fund additional acquisitions; the effect of economic downturns; the impact of our leverage on our operating plans; the decline in the fair value of certain equity and debt securities held in our trusts; our ability to attract, train and retain an adequate number of sales people; 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; litigation or legal proceedings that could expose us to significant liabilities and damage our reputation; the effects of cyber security attacks due to our significant reliance on information technology; the financial condition of third-party insurance companies that fund our pre-need funeral contracts; and other risks, assumptions and uncertainties detailed from time to time in the Partnership's reports filed with the U.S. Securities and Exchange Commission, including quarterly reports on Form 10-Q, reports on Form 8-K and annual reports on Form 10-K. Forward-looking statements speak only as of the date hereof, and the Partnership assumes no obligation to update such statements, except as may be required by applicable law.

StoneMor At-a-Glance

Second largest owner and operator of cemeteries in the U.S.

- 307 cemeteries / 105 funeral homes, located across 28 states and Puerto Rico
- Complete range of funeral merchandise and services, along with cemetery property, merchandise and services, both at the time of need and on a pre-need basis
- Over 15,900 acres of land, as of December 31, 2015, equivalent to a weighted average sales life of 237 years
- 54,837 burials performed in 2015 / 15,838 funeral service calls
- $772.5 million in Merchandise and Perpetual Care Trusts as of December 31, 2015
- We are the only deathcare company structured as a master limited partnership (MLP)

Strategy Overview

- Experts at owning / operating a cemetery-focused deathcare business
  - We purchase lucrative real estate assets, introduce cost efficiencies and grow revenues & cash flow through pre-need sales
- Acquisition strategy that is measured and repeatable
  - 175 cemeteries and 98 funeral homes acquired since 2004 IPO*
- Effective management of trust fund assets provides predictable cash flows
  - Target 4%-5% annual returns
- Maintain conservative financial profile
  - $119mm excess cash and assets net of debt, Merchandise Trust liability, AP & Accrued Liabilities

Net of sales, divestitures and consolidation

Key Investment Appeals

- Industry driven by predictable death rates and demographic trends
- Stable and predictable cash flows
- Geographic reach and scale
  - Large sales force (806) a key strength
- Barriers to entry
- Conservative financial profile provides ongoing flexibility
- 13.5% ten-year total stock return*

**As of 02-15-2016*

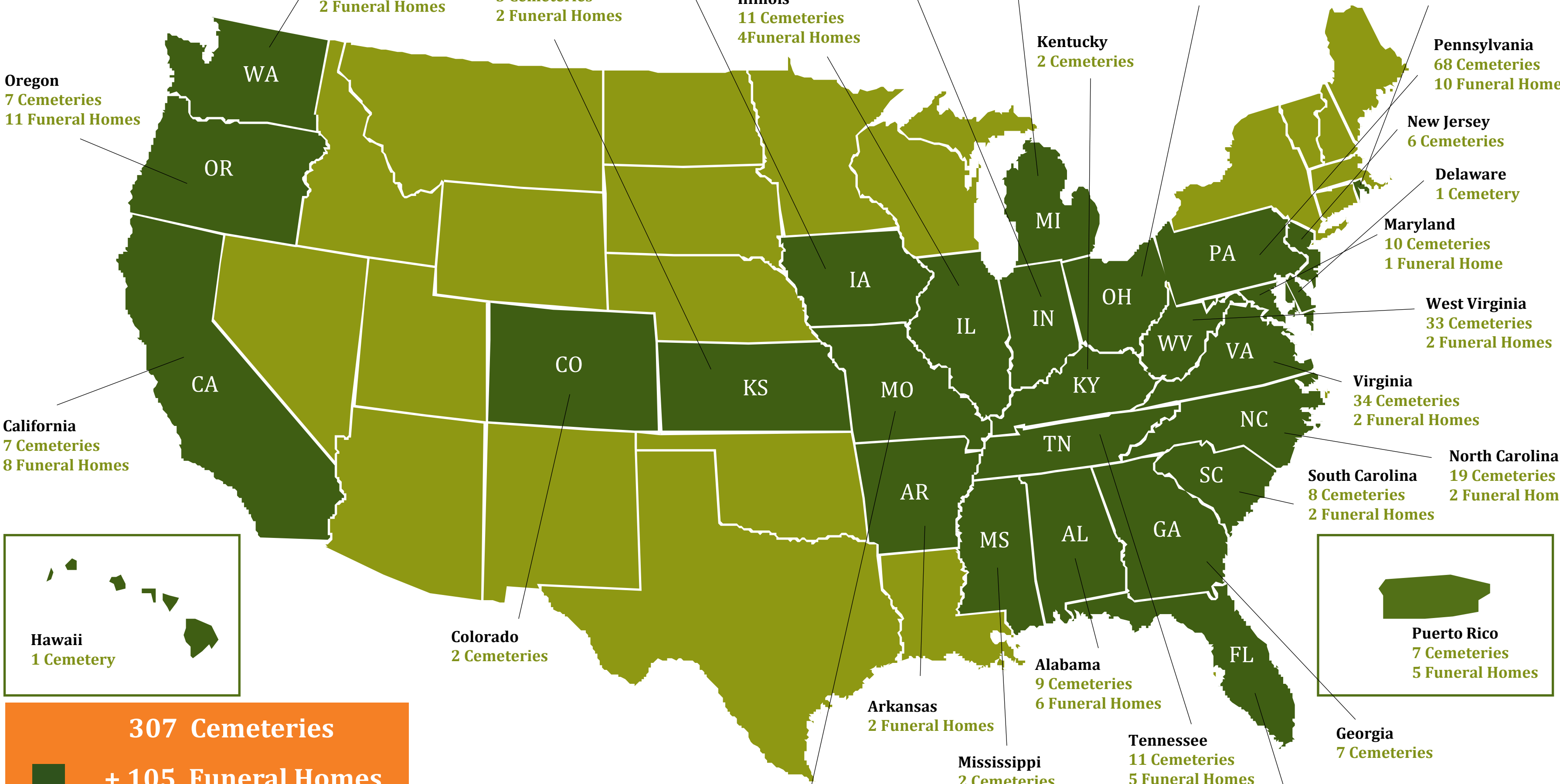
Our Evolution

	2004 (IPO)(1)	2015(2)
Operational Data		
Cemeteries / Funeral Homes	132 / 7	307 / 105
Employees	~1,100	~3,400
Annual Interments	~22,000	~55,000
Funeral Service Calls	650	15,800
Financial Data		
Production-Based Revenue	$89 million	$398 million
Adjusted EBITDA	$29 million	$98.2 million
Distribution per Unit	$1.85	$2.64
Market Cap	$175 million	$884 million

(1) Represents data as of 12/31/2004 or for the twelve month period ended 12/31/2004, as applicable.
(2) Represents data as of 12/31/2015 or for the twelve month period ended 12/31/2015, as applicable.

Our Footprint Today

- Significantly enhanced geographic scale and diversity



Washington
3 Cemeteries
2 Funeral Homes

Oregon
7 Cemeteries
11 Funeral Homes

California
7 Cemeteries
8 Funeral Homes

Hawaii
1 Cemetery

Kansas
3 Cemeteries
2 Funeral Homes

Colorado
2 Cemeteries

Iowa
1 Cemetery

Illinois
11 Cemeteries
4Funeral Homes

Missouri
6 Cemeteries
5 Funeral Homes

Arkansas
2 Funeral Homes

Indiana
11 Cemeteries
5 Funeral Homes

Michigan
13 Cemeteries

Kentucky
2 Cemeteries

Ohio
14 Cemeteries
2 Funeral Homes

Mississippi
2 Cemeteries
1 Funeral Home

Alabama
9 Cemeteries
6 Funeral Homes

Tennessee
11 Cemeteries
5 Funeral Homes

Florida
9 Cemeteries
28 Funeral Homes

Georgia
7 Cemeteries

Rhode Island
2 Cemeteries

Pennsylvania
68 Cemeteries
10 Funeral Homes

New Jersey
6 Cemeteries

Delaware
1 Cemetery

Maryland
10 Cemeteries
1 Funeral Home

West Virginia
33 Cemeteries
2 Funeral Homes

Virginia
34 Cemeteries
2 Funeral Homes

North Carolina
19 Cemeteries
2 Funeral Homes

South Carolina
8 Cemeteries
2 Funeral Homes

Puerto Rico
7 Cemeteries
5 Funeral Homes

307 Cemeteries
🟩 **+ 105 Funeral Homes**
= 412 Total Locations

As of December 31, 2015

Mission-Driven Strategy

Mission	To help families memorialize every life with dignity.
Vision	To be the preferred operator of deathcare facilities and preferred provider of deathcare services.
Strategy	To use an aggressive, yet conservatively financed acquisition strategy to build market share. Leverage these positions to expand service offerings.

Industry Snapshot

- We are an industry leader with great opportunity

Favorable Demographics	Aging population driving both at-need and pre-need demand
Large and Growing Market	$20 billion industry Healthy historical and projected growth
Fragmented Ownership	80% of properties* are owned by independents Only a few scale players
Substantial Barriers to Entry	No new supply Significant financial and operating regulations

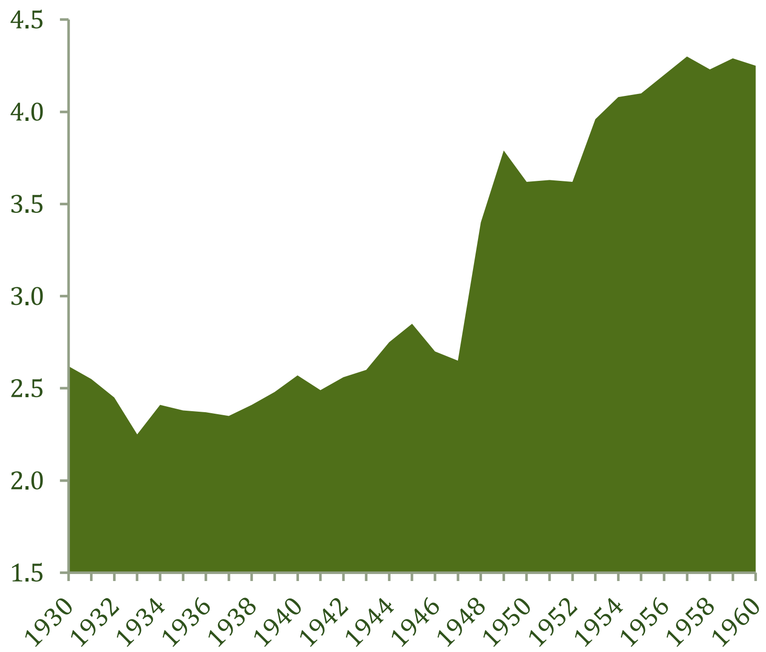
*Cemeteries and funeral homes combined

Demographic Tailwinds

- Aging Baby Boom Generation will:
  1. Accelerate the death rate
  2. Expand our target pre-need market (55 to 65 age range)
     - More financially stable and resilient to economic downturns
     - Beginning to think of legacy

ANNUAL BIRTHS IN THE U.S. (1930-1960)

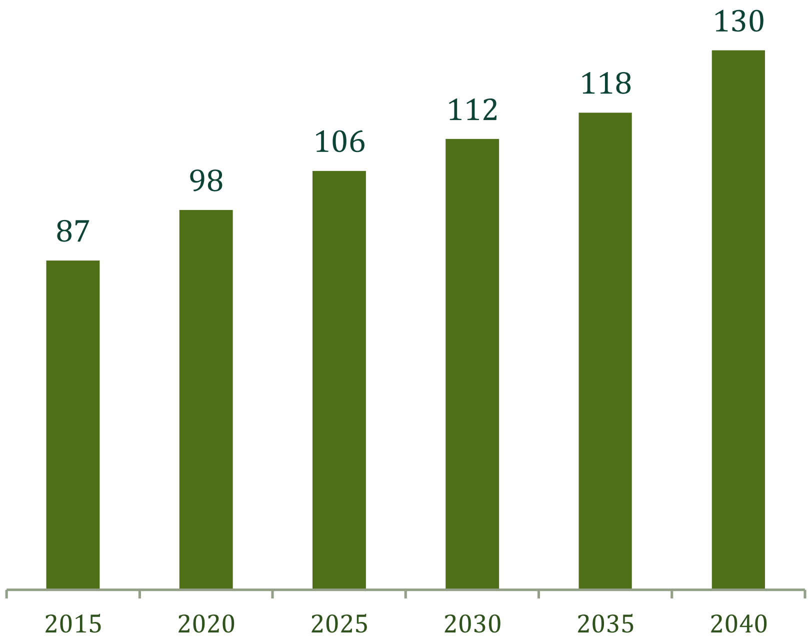
(in millions)



Source: Department of Health and Human Services.

PROJECTED U.S. POPULATION OVER 55

(in millions)



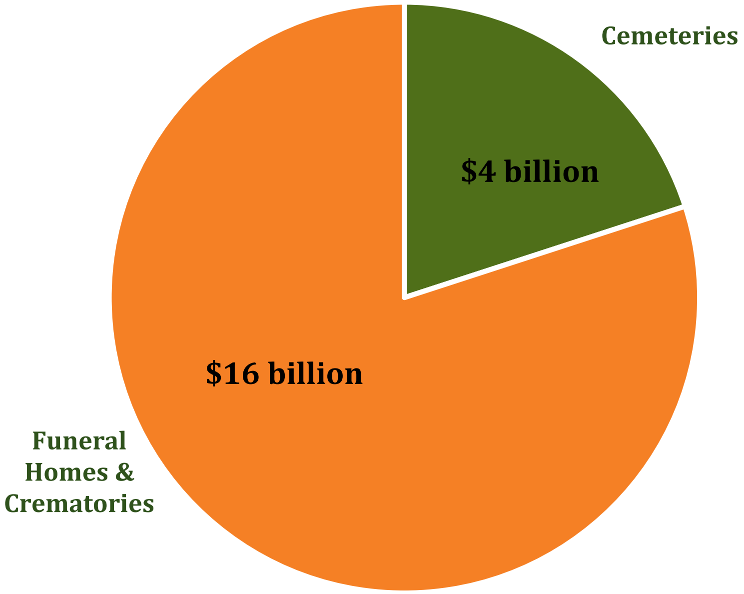
Source: U.S. Department of Commerce Census Bureau.

Large and Growing Industry

- Industry growth driven by demographics and supported by ever-present demand for memorialization and celebrations of life

DEATHCARE MARKET SIZE

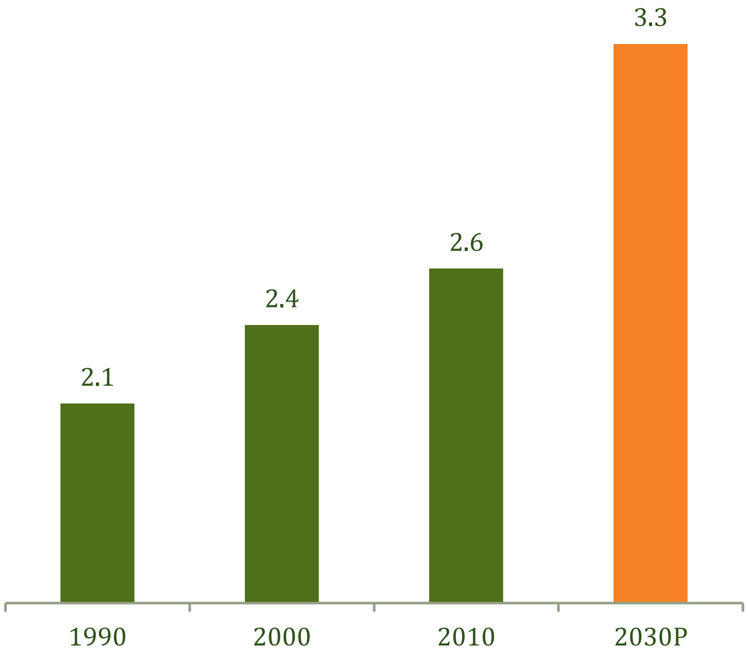
$20 Billion Market



Source: National Funeral Directors Association; IBIS World Market Research

CONTINUED GROWTH

Deaths in the U.S.
(millions)

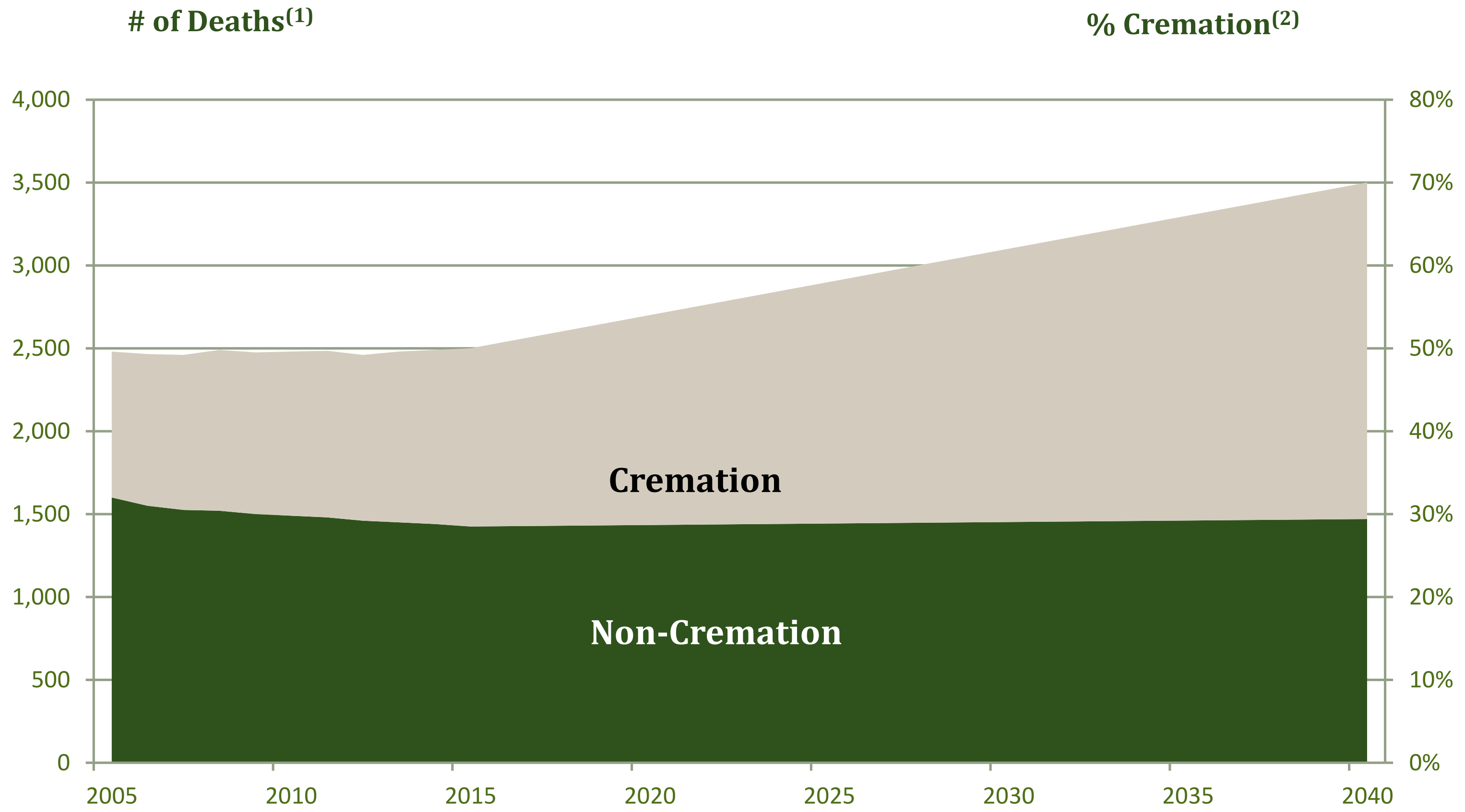


Source: National Funeral Directors Association; U.S. Census Bureau.

Cremation: Friend (not Foe)

- Cremation projected to rise to ~50% of total deaths in the U.S. by 2020
  - However, number of non-cremation deaths will remain steady in the future

RISE IN CREMATION…



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(1) Total anticipated deaths per U.S. Census Bureau 2009 projections

(2) Source: National Funeral Directors Association (NFDA)

Cremation: Friend (not Foe)

- A key component of our growth strategy
- Link between cremation and memorialization growing.
  - Cremations with some form of memorialization have risen to 35.5%
  - Increases land utilization
  - Higher profit margins

...CREATES OPPORTUNITY

Our Acquisition Approach

Philosophy

- Disciplined target selection – "never break the model"
- Strategic locations to create and / or enhance market clusters

Target Criteria

- Accretive from day one
- IRR > cost of capital

Cemetery	Funeral
– 25+ year sales life	– 150+ Annual Calls
– 200+ annual interments	– Strong legacy

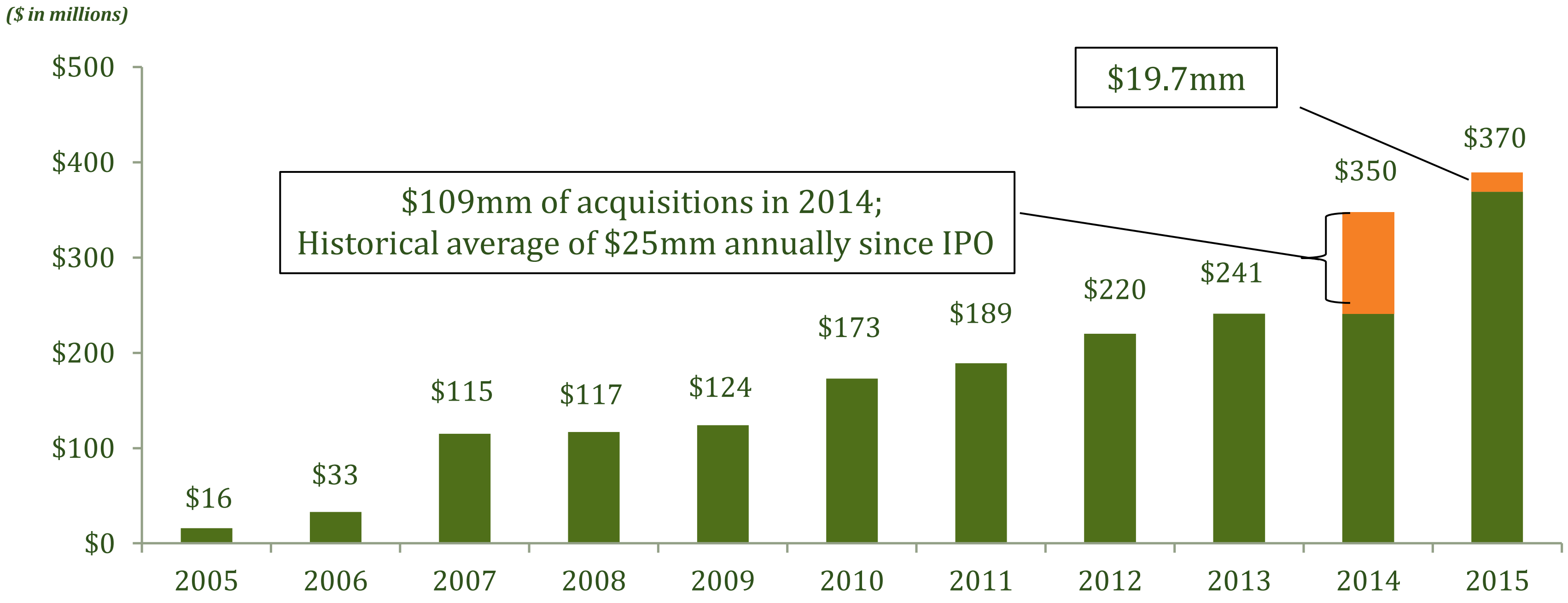
Integration

- Seasoned, professional management
- Consolidate office functions into home office
- Institute pre-need sales program
- Leverage buying power to reduce product costs
- Professional trust fund management

Proven Acquisition Track Record

- 175 cemeteries and 98 funeral homes acquired since 2004 IPO*
- Target acquisition multiples of 4x – 6x EBITDA
- Acquisition pipeline remains robust

ACQUISITIONS SINCE IPO (CUMULATIVE PURCHASE PRICE)



$19.7mm

$109mm of acquisitions in 2014;
Historical average of $25mm annually since IPO

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
# Cemeteries:	22	45	91	100	103	122	139	144	145	171	175*
# Funeral Homes:	6	19	43	45	45	51	64	77	83	91	98*

**Net of sales, divestitures and consolidation*

Organic Growth Initiatives

- Continuous organic growth efforts support our acquisition strategy

Salesforce Development	▪ Has grown from 310 at IPO to ~800 today ▪ Commission schedule incentivizes top performers ▪ Recently implemented regional training centers

Insurance Division	▪ Currently 29 sales people
	▪ Pre-need Insurance
	  ▪ 2015 sales surpassed 2014 sales by ~$1.4 million
	▪ Final Expense Insurance
	  ▪ Serving the growing needs of the 50% of Americans who say they don't have enough Life Insurance*
	▪ Telemedicine, ID Theft, Medicare Consulting, Private Exchange

* Source: LIMRA (Life Insurance Marketing Research Association)

Organic Growth Initiatives

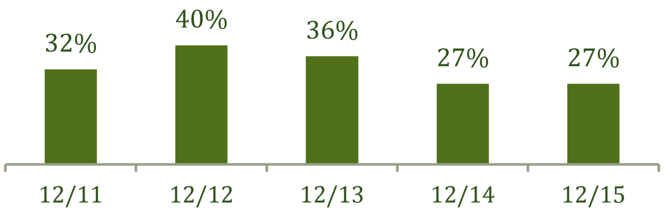
Expanded Product/Service Offerings	▪ Substantial growth in cremation related products and services ▪ Jewelry ▪ Memorialization keepsakes ▪ Cremation gardens
Optimize Real Estate Productivity	▪ Land sales ▪ Ability to add vertical structures to property
Marketing & Consumer Reach	▪ A website with strong lead generation capabilities to serve as foundation for direct marketing program ▪ burialplanning.com ▪ 296,373 new visitors compared to 266,805 in 2014 ▪ $5.8mm in revenue vs. $4.4mm in 2014

Keys to Our Success

- We have delivered steady, conservatively financed growth

	Proven Track Record	Recent Developments
Growth Through Disciplined Acquisition Strategy	▪ Avg. $26mm annual acquisitions ('05-'15*) – *ex-2014 acquisitions ~4x average annual pace ▪ Target 4x – 6x EBITDA purchase prices	▪ $19.7mm acquisitions in 2015 ▪ AOP and SCI properties operating on plan
Prudent Balance Sheet Management	Debt/Enterprise Value (chart below)	▪ Conservative leverage (3.2x debt/ Adj. EBITDA)
Deliver Reliable, Consistent Value to Unitholders	Annual Distributions/LP Unit (chart below)	▪ Distribution coverage conservatively managed

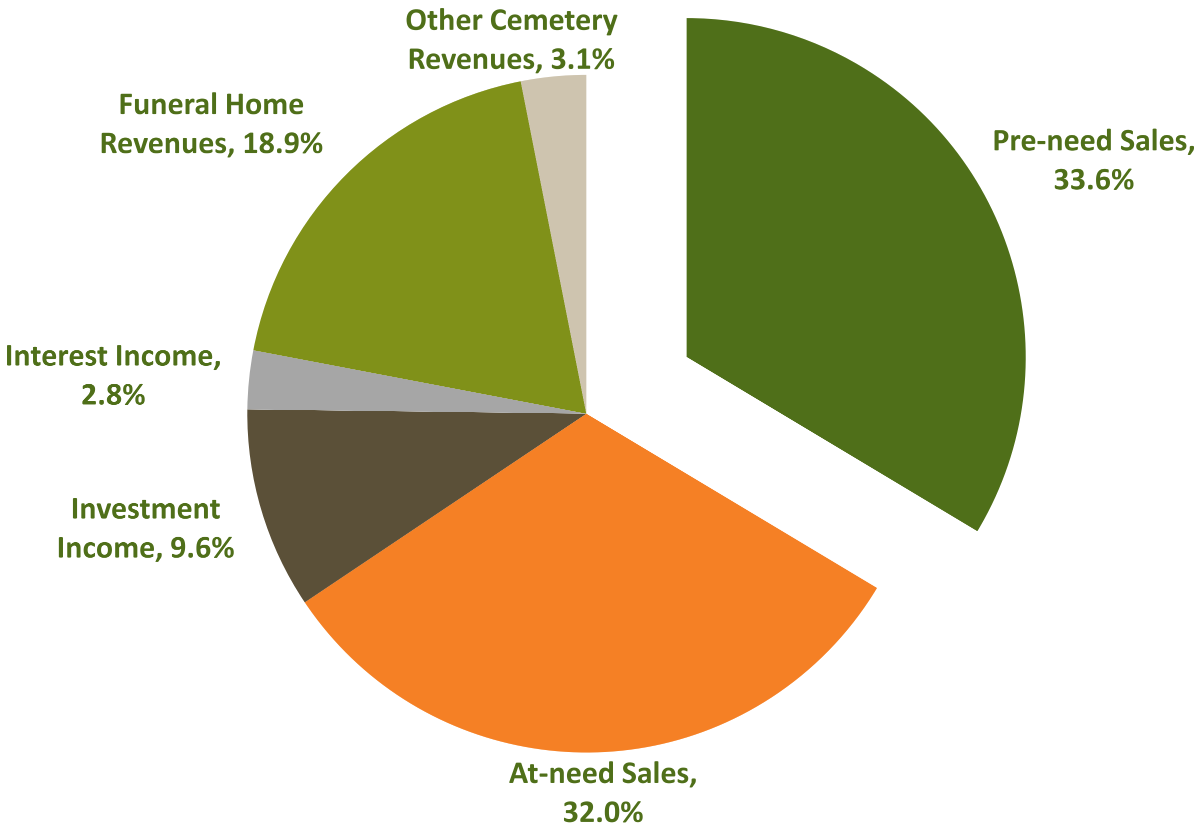
Debt/Enterprise Value



Annual Distributions/LP Unit

Diversified Revenue Streams

BUSINESS MIX GENERATES STABLE AND PREDICTABLE REVENUE STREAMS

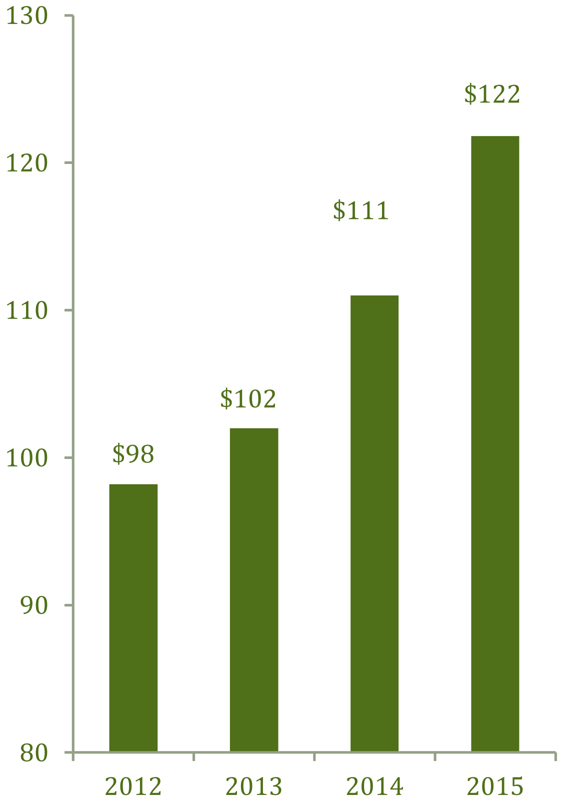


> 50% of revenues generated through at-need and other highly predictable sources

Strong and Stable Results

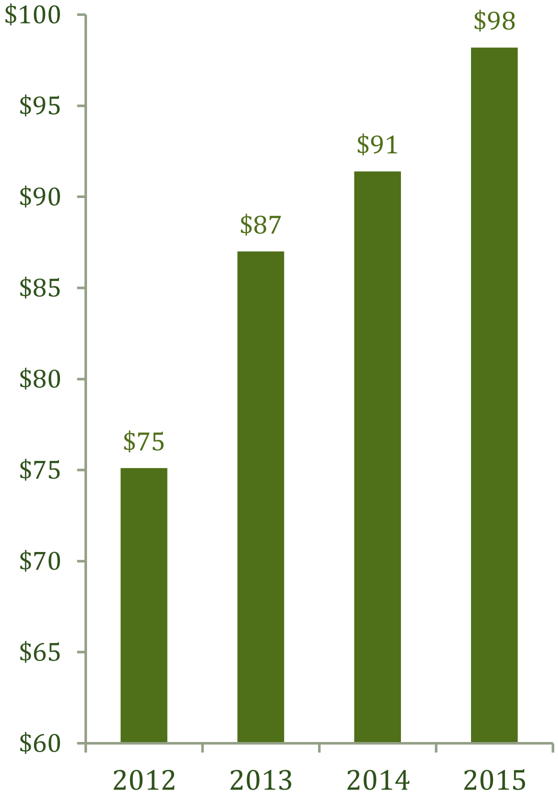
CONTRACTS WRITTEN

(in thousands)



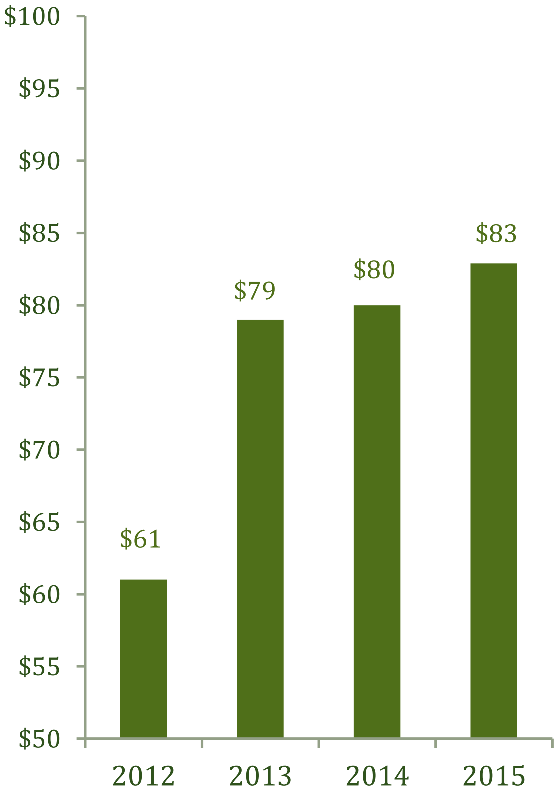
ADJUSTED EBITDA

($ in millions)



DISTRIBUTABLE AVAILABLE CASH

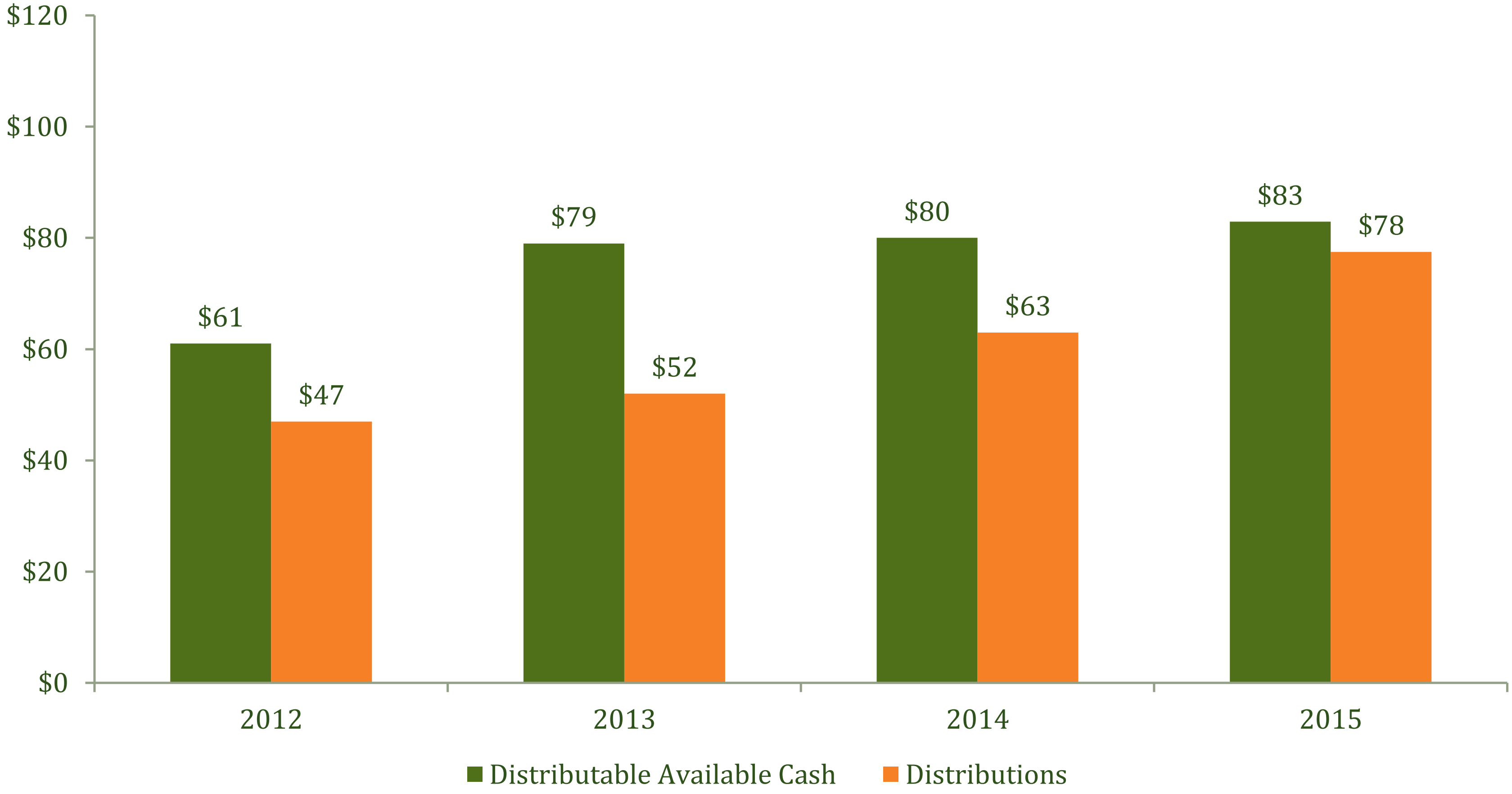
($ in millions)



Sustained and Stable Cash Flows

DISTRIBUTABLE AVAILABLE CASH AND DISTRIBUTIONS

($ in millions)



Strong and Growing Asset Base

- Asset base has grown while leverage has remained steady

TOTAL ASSETS AND DEBT

($ in millions)

	2010	2011	2012	2013	2014	2015
Total Assets	$1,146	$1,249	$1,344	$1,474	$1,690	$1,686
Total Debt	$220	$195	$255	$292	$278	$319

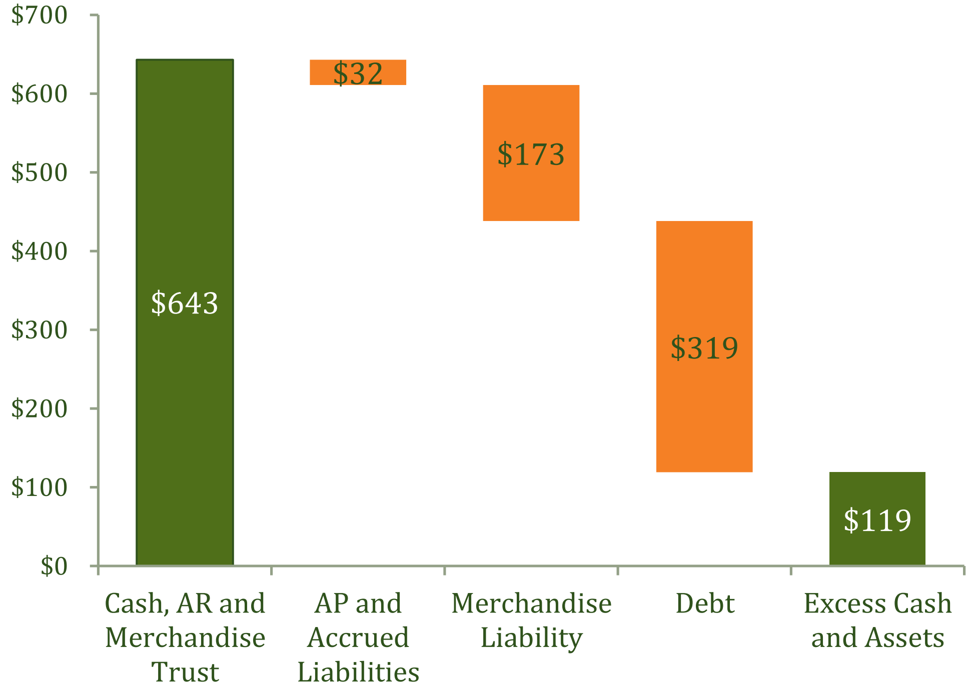
Significant Asset Value

- Conservative balance sheet:
  - $119mm of net liquid assets (detail below) at 12/31/15
  - Significant additional value from long-term, profit-generating assets of the business

NET LIQUID ASSETS

- Marketable assets provide debt protection and $119mm of excess value

($ in millions)



FUTURE VALUE-GENERATING ASSETS

- Assets underlying $91mm of Adjusted EBITDA in 2014 & $98mm in 2015

- **Cemetery Property:**
  - $343mm book value
  - Approximately 15,900acres
  - Weighted average sales life of 237 years
- **Property and Equipment:**
  - $104.3mm book value, net
- **Perpetual Care Trusts:**
  - $308mm under management
  - Fund future maintenance costs

Trust Management

Merchandise Trust and Perpetual Care Trust

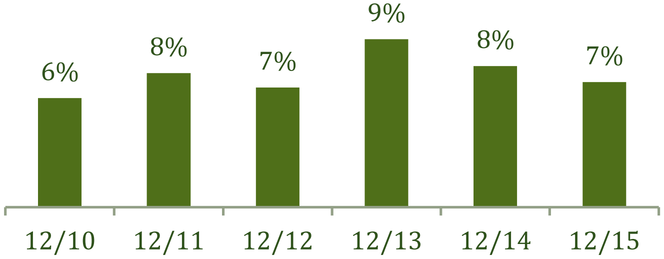
- $465 million (Merchandise Trust)
  - All principal, interest and dividends accrue to StoneMor over time
- $308 Million (Perpetual Care)
  - Principal remains in trust in perpetuity
  - Interest and dividends accrue to StoneMor

Investment Management

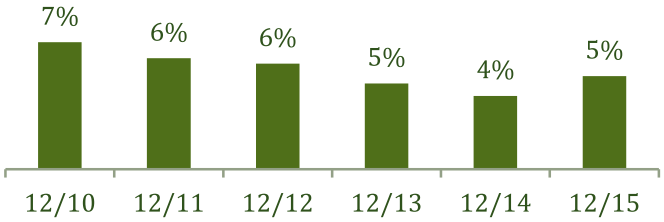
- Governed by investment guidelines adopted by Trust and Compliance Committee of B.O.D.
- Balanced approach to preservation of capital
- Variety of intermediate-term, investment-grade, fixed-income securities, high-yield securities, REITS, MLPs, other equities and cash

Measured Performance*

Merchandise Trust



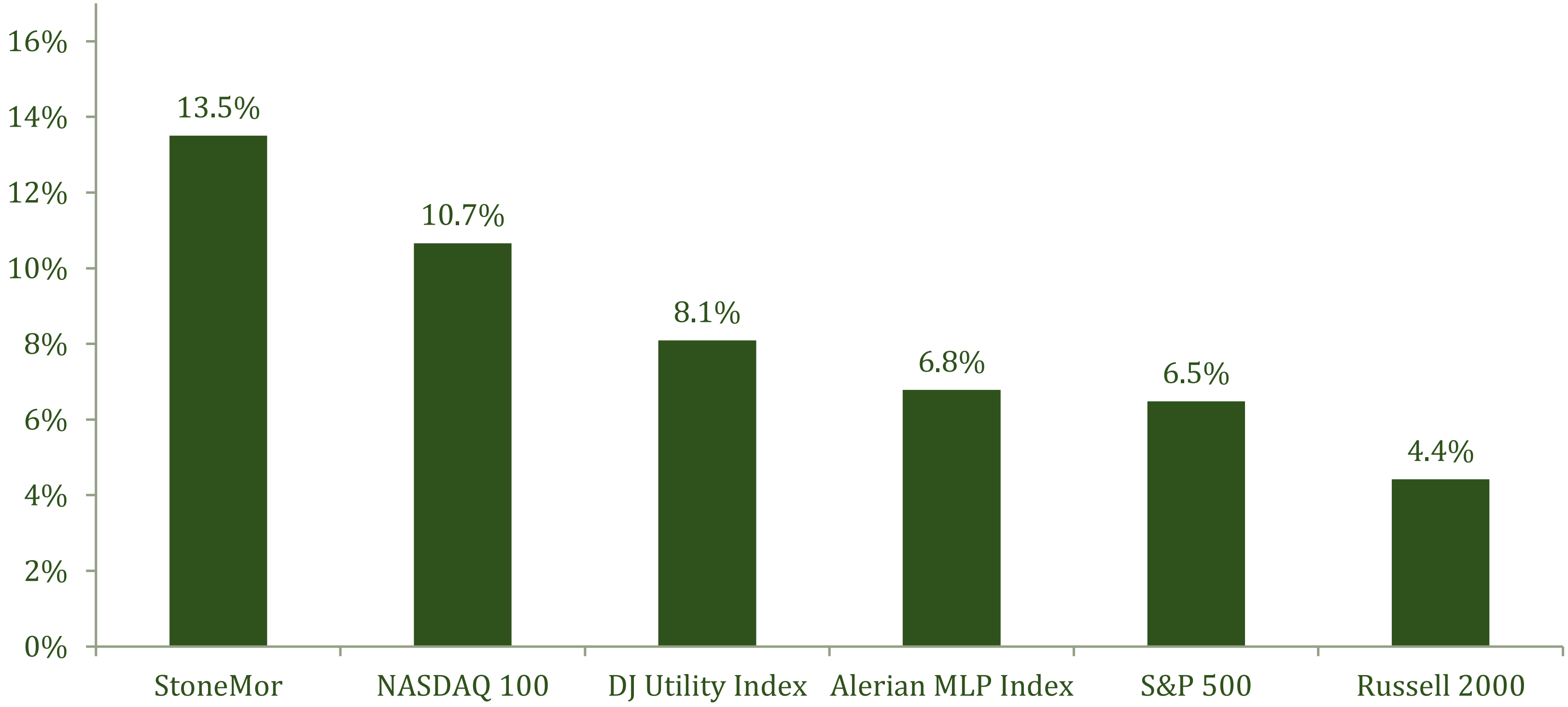
Perpetual Care Trust



*Past performance is not indicative of future performance

Total Return

STON TEN-YEAR AVERAGE ANNUAL TOTAL RETURN vs. BENCHMARK ASSET CLASSES



Source: Bloomberg and Index monthly reports. Market data as of 02-15-2016

Recap – StoneMor Investment Thesis

- StoneMor features the key attributes of the most stable MLPs as well as an attractive total return profile

Key Attributes of the Most Stable MLPs	**StoneMor?**	**StoneMor Investment Thesis**
Stable and Growing Cash Flow	✓	Highly predictable, non-cyclical business model 45 consecutive quarterly distributions Proven track record of accretive acquisitions
Long-lived, Secure Assets	✓	\$343mm+ of cemetery property (book value) 15,900 acres of land; avg. sales life of 237 years \$772mm+ in perpetual & merchandise trusts
Defensible Competitive Advantage	✓	Scale to create leveraged market positions Cemetery / pre-need expertise drives organic growth MLP facilitates acquisition growth
Attractive Industry Fundamentals	✓	Demographic tailwinds Large, growing and fragmented market Prohibitive barriers to entry
Conservative Financial Profile	✓	Significant, growing asset base with modest leverage Discipline in returning capital to unitholders

StoneMor

StoneMor Partners L.P.

Appendix

StoneMor's Master Limited Partnership Structure

MLP Overview

- StoneMor makes distributions to its unitholders on a quarterly basis
  - Paid from available cash after debt service and other expenses

Tax Status

- MLP structure is predominantly tax free
  - Reviewed by IRS and confirmed in recent audit
- At least 90% of gross income must be "qualifying income"
  - Qualifying income comprised of sale of real property (burial lots, lawn and mausoleum crypts), cremation niches, interest and dividends
- Non-qualifying income, such as caskets, markers and funeral home sales, are operated through tax-subject subsidiaries

Cemetery Accounting – GAAP vs. Accrual

- GAAP requires that cemetery product revenue be deferred until (i) the product is purchased, (ii) the product is specifically identified to the customer, and (iii) title is transferred

- Management uses “accrual” accounting to monitor its performance, recognizing revenue at the time a contract is finalized

- The timing differences between GAAP criteria for recognition and the time sales are made create significant disparities in financial results across the two methods
  - Cemetery operations are particularly affected due to the high level of pre-need sales

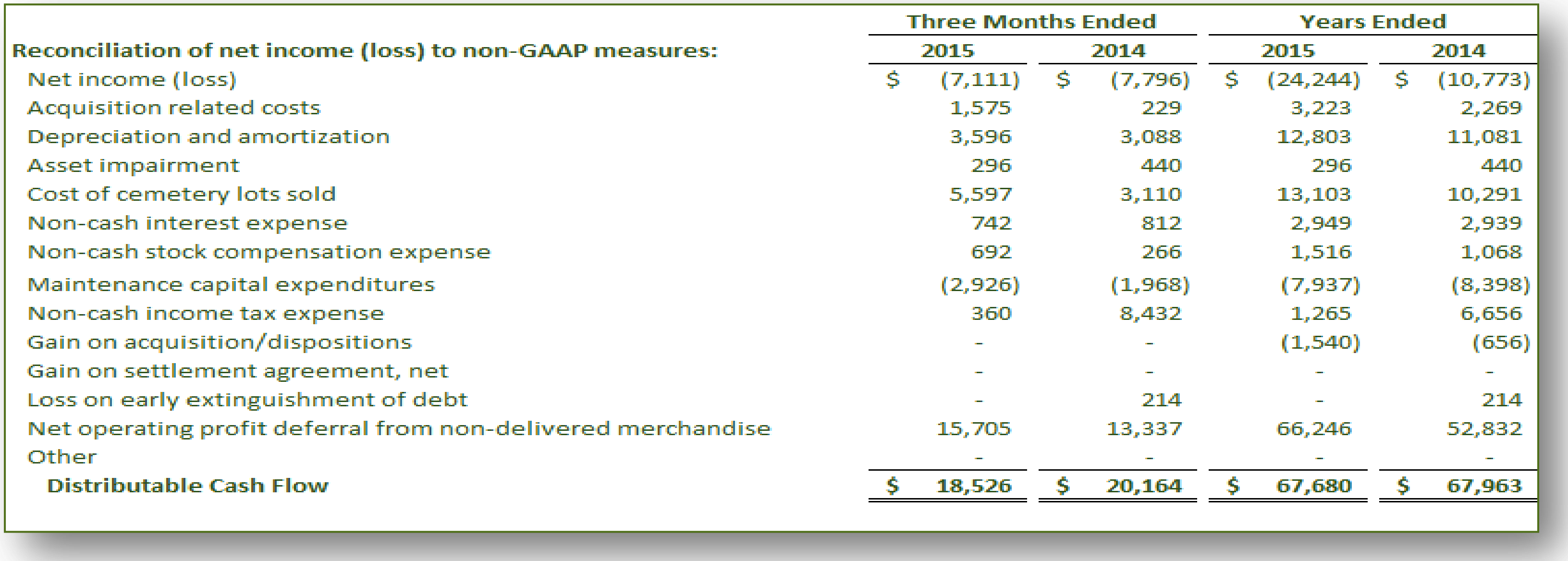
Cemetery Revenue – Accounting Recognition

- There are significant timing differences for cemetery product revenue recognition between GAAP and accrual accounting

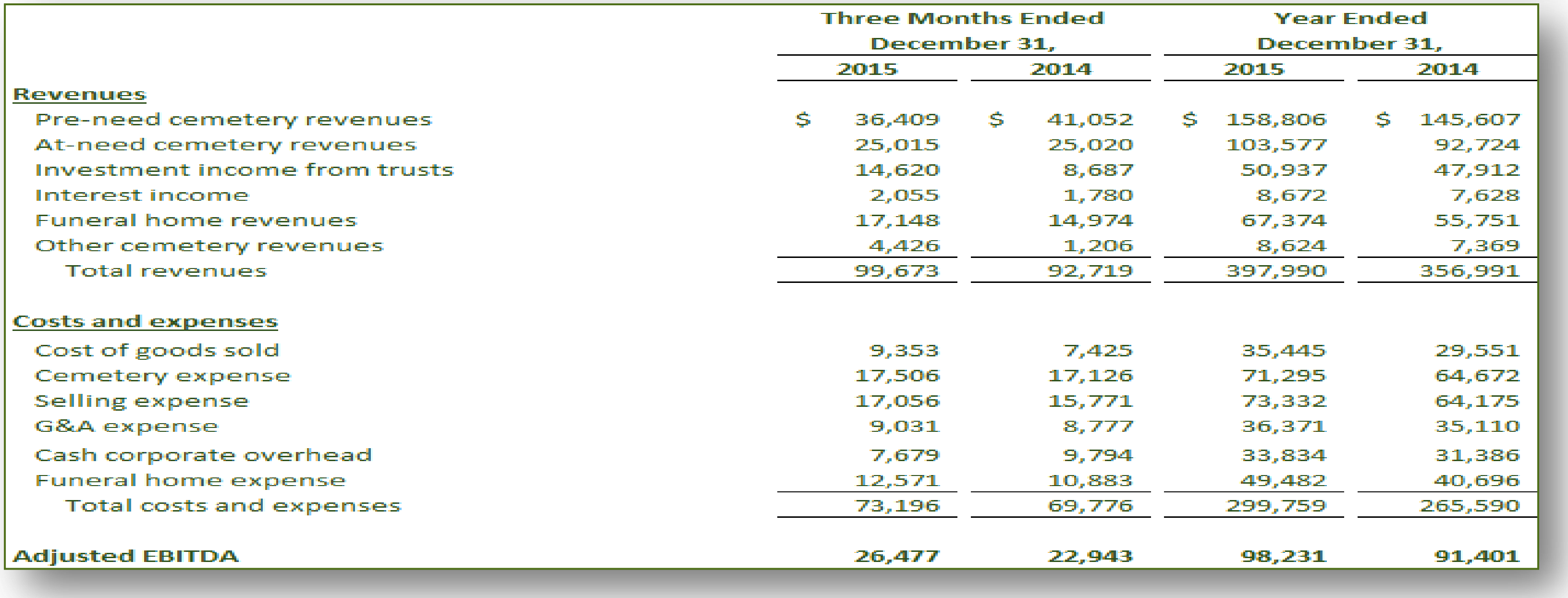
CEMETARY PRODUCT	GAAP REVENUE RECOGNITION	ACCRUAL REVENUE RECOGNITION
Burial Lots	**10% of selling price collected**	**• Recognized when the customer and StoneMor finalize a contract for a particular product or service • Revenue is recorded less a 10% bad debt reserve (historically 8.8%) • Expenses are accrued • Receivables are booked**
Mausoleums (Pre-Constructed)	**% of completion basis, once 10% of selling price collected**	
Mausoleums (Existing)	**10% of selling price collected**	
Burial Vaults and Crypts	**When installed in the ground (0 to 18 months)**	
Grave Markers	**When stored in a warehouse owned by a 3rd party (0 to 18 months)**	
Caskets	**When stored in a warehouse owned by a 3rd party (0 to 18 months)**	
Grave Opening (initial)	**When vault is installed (0 to 18 months)**	
Grave Opening (final)	**When customer is dead & buried (~25 years)**	

Net Income / Adjusted EBITDA Reconciliation

($ in thousands)



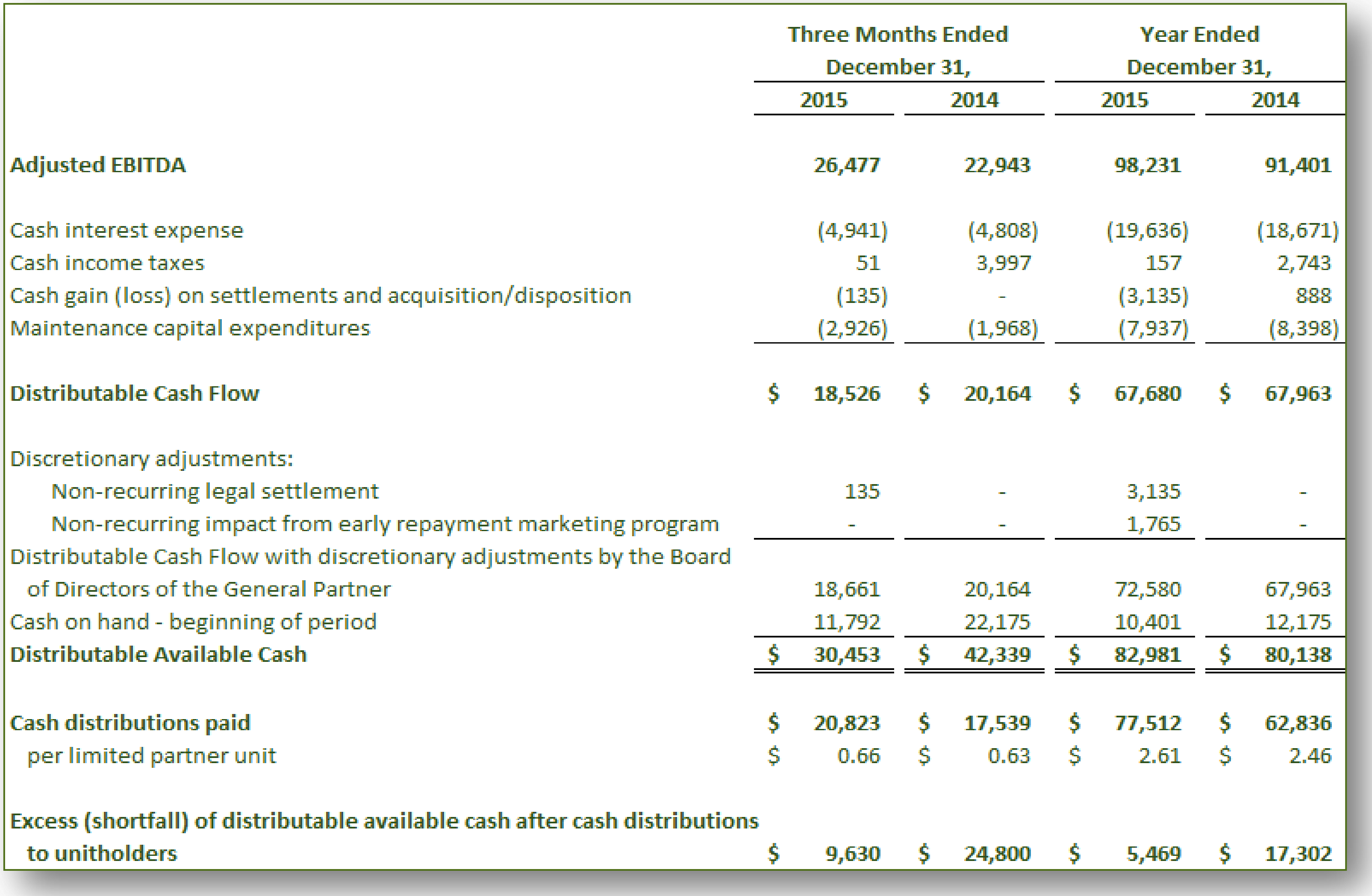
	Three Months Ended		Years Ended	
Reconciliation of net income (loss) to non-GAAP measures:	**2015**	**2014**	**2015**	**2014**
Net income (loss)	$ (7,111)	$ (7,796)	$ (24,244)	$ (10,773)
Acquisition related costs	1,575	229	3,223	2,269
Depreciation and amortization	3,596	3,088	12,803	11,081
Asset impairment	296	440	296	440
Cost of cemetery lots sold	5,597	3,110	13,103	10,291
Non-cash interest expense	742	812	2,949	2,939
Non-cash stock compensation expense	692	266	1,516	1,068
Maintenance capital expenditures	(2,926)	(1,968)	(7,937)	(8,398)
Non-cash income tax expense	360	8,432	1,265	6,656
Gain on acquisition/dispositions	-	-	(1,540)	(656)
Gain on settlement agreement, net	-	-	-	-
Loss on early extinguishment of debt	-	214	-	214
Net operating profit deferral from non-delivered merchandise	15,705	13,337	66,246	52,832
Other	-	-	-	-
Distributable Cash Flow	**$ 18,526**	**$ 20,164**	**$ 67,680**	**$ 67,963**



	Three Months Ended December 31,		Year Ended December 31,	
	2015	**2014**	**2015**	**2014**
Revenues				
Pre-need cemetery revenues	$ 36,409	$ 41,052	$ 158,806	$ 145,607
At-need cemetery revenues	25,015	25,020	103,577	92,724
Investment income from trusts	14,620	8,687	50,937	47,912
Interest income	2,055	1,780	8,672	7,628
Funeral home revenues	17,148	14,974	67,374	55,751
Other cemetery revenues	4,426	1,206	8,624	7,369
Total revenues	99,673	92,719	397,990	356,991
Costs and expenses				
Cost of goods sold	9,353	7,425	35,445	29,551
Cemetery expense	17,506	17,126	71,295	64,672
Selling expense	17,056	15,771	73,332	64,175
G&A expense	9,031	8,777	36,371	35,110
Cash corporate overhead	7,679	9,794	33,834	31,386
Funeral home expense	12,571	10,883	49,482	40,696
Total costs and expenses	73,196	69,776	299,759	265,590
Adjusted EBITDA	**26,477**	**22,943**	**98,231**	**91,401**

Distributable Available Cash

($ in thousands, except per unit data)



	Three Months Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
Adjusted EBITDA	**26,477**	**22,943**	**98,231**	**91,401**
Cash interest expense	(4,941)	(4,808)	(19,636)	(18,671)
Cash income taxes	51	3,997	157	2,743
Cash gain (loss) on settlements and acquisition/disposition	(135)	-	(3,135)	888
Maintenance capital expenditures	(2,926)	(1,968)	(7,937)	(8,398)
Distributable Cash Flow	**$ 18,526**	**$ 20,164**	**$ 67,680**	**$ 67,963**
Discretionary adjustments:				
Non-recurring legal settlement	135	-	3,135	-
Non-recurring impact from early repayment marketing program	-	-	1,765	-
Distributable Cash Flow with discretionary adjustments by the Board of Directors of the General Partner	18,661	20,164	72,580	67,963
Cash on hand - beginning of period	11,792	22,175	10,401	12,175
Distributable Available Cash	**$ 30,453**	**$ 42,339**	**$ 82,981**	**$ 80,138**
Cash distributions paid	**$ 20,823**	**$ 17,539**	**$ 77,512**	**$ 62,836**
per limited partner unit	$ 0.66	$ 0.63	$ 2.61	$ 2.46
Excess (shortfall) of distributable available cash after cash distributions to unitholders	**$ 9,630**	**$ 24,800**	**$ 5,469**	**$ 17,302**

STONEMOR

STONEMOR PARTNERS L.P.

Thank You