

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549**

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 23, 2018

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**MATTHEWS INTERNATIONAL CORPORATION**

(Exact name of registrant as specified in its charter)

**PENNSYLVANIA**  
(State or other jurisdiction of  
Incorporation or organization)

**0-09115**  
(Commission  
File Number)

**25-0644320**  
(I.R.S. Employer  
Identification No.)

**TWO NORTSHORE CENTER, PITTSBURGH, PA**  
(Address of principal executive offices)

**15212-5851**  
(Zip Code)

**(412) 442-8200**  
(Registrant's telephone number, including area code)

**NOT APPLICABLE**  
(Former name, former address and former fiscal year, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition.**

Attached is Matthews International Corporation's standard investor presentation updated with financial results for first fiscal quarter of 2018. This presentation may be provided to existing and/or prospective investors during future meetings. The presentation is furnished herewith as Exhibit 99.1 and will also be posted to the Company's website at [www.matw.com/investor](http://www.matw.com/investor).

This information, including exhibits attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. This information shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference to this Form 8-K in such a filing.

**Item 7.01 Regulation FD Disclosure.**

See discussion of Matthews International Corporation's investor presentation set forth above in Item 2.02, which is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| <b>Exhibit<br/>Number</b> | <b>Description</b>  |
|---------------------------|---|
| <a href="#">99.1</a>      | Matthews International Corporation investor presentation for first quarter of fiscal 2018 |

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MATTHEWS INTERNATIONAL CORPORATION  
(Registrant)

By: /s/ Steven F. Nicola

Steven F. Nicola  
Chief Financial Officer and Secretary

Date: February 23, 2018

# Matthews

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INVESTOR PRESENTATION  
1<sup>st</sup> QUARTER FISCAL 2018



# Matthews

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## Business Overview

# Disclaimer

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Any forward-looking statements with respect to Matthews International Corporation (the "Company") in connection with this presentation are being made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results in future periods to be materially different from management's expectations. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Factors that could cause the Company's results to differ from those presented herein are set forth in the Company's Annual Report on Form 10-K and other periodic filings with the Securities and Exchange Commission ("SEC").

The Company periodically provides information derived from financial data which is not presented in the consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Certain of this information are considered "non-GAAP financial measures" under the SEC rules. The Company believes that this information provides management and investors with a useful measure of the Company's financial performance on a comparable basis. These non-GAAP financial measures are supplemental to the Company's GAAP disclosures and should not be considered an alternative to the GAAP financial information.

The Company uses non-GAAP financial measures to assist in comparing its performance on a consistent basis for purposes of business decision making by removing the impact of certain items that management believes do not directly reflect the Company's core operations including acquisition-related items, system-integration costs, adjustments related to intangible assets, litigation items, and strategic initiative and other charges, which includes non-recurring charges related to operational initiatives and exit activities. Management believes that presenting non-GAAP financial measures is useful to investors because it (i) provides investors with meaningful supplemental information regarding financial performance by excluding certain items, (ii) permits investors to view performance using the same tools that management uses to budget, forecast, make operating and strategic decisions, and evaluate historical performance, and (iii) otherwise provides supplemental information that may be useful to investors in evaluating the Company's results. The Company believes that the presentation of these non-GAAP financial measures, when considered together with the corresponding GAAP financial measures and the reconciliations to those measures, provided herein, provides investors with an additional understanding of the factors and trends affecting the Company's business that could not be obtained absent these disclosures.

The Company has presented free cash flow and free cash flow yield as supplemental measures of cash flow that are not required by, or presented in accordance with, GAAP. Management believes that these measures provide relevant and useful information, which is widely used by analysts and investors as well as by our management. These measures provide management with insight on the cash generated by operations, excluding certain expenses, above and beyond the annual capital expenditures. These measures allows management, as well as analysts and investors, to assess the Company's ability to pursue growth and investment opportunities designed to increase Shareholder value.

The Company also has presented adjusted operating profit and believes that it provides relevant and useful information, which is widely used by analysts and investors, as well as by the Company's management in assessing both consolidated and segment performance. Adjusted operating profit provides the Company with an understanding of the results from the primary operations of its business by excluding the effects of certain acquisition and system-integration costs, and items that do not reflect the ordinary earnings of the Company's operations. This measure may be useful to an investor in evaluating the underlying primary operating performance of the Company's segments and business overall on a consistent basis.

Similarly, the Company believes that EBITDA and adjusted EBITDA provide relevant and useful information, which is widely used by analysts and investors, as well as by the Company's management in assessing the performance of its business. Adjusted EBITDA provides the Company with an understanding of earnings before the impact of investing and financing charges and income taxes, and the effects of certain acquisition and system-integration costs, and items that do not reflect the ordinary earnings of the Company's operations. This measure may be useful to an investor in evaluating operating performance. It is also useful as a financial measure for lenders and is used by the Company's management to measure performance as well as strategic planning and forecasting.

The Company has also presented adjusted earnings per share and believes it provides relevant and useful information, which is widely used by analysts and investors, as well as by the Company's management in assessing the performance of its business. Adjusted earnings per share provides the Company with an understanding of the results from the primary operations of our business by excluding the per share effects of certain acquisition and system-integration costs, and items that do not reflect the ordinary earnings of our operations. This measure provides management with insight into the earning value for shareholders excluding certain costs, not related to the Company's primary operations. Likewise, this measure may be useful to an investor in evaluating the underlying operating performance of the Company's business overall, as well as performance trends, on a consistent basis.

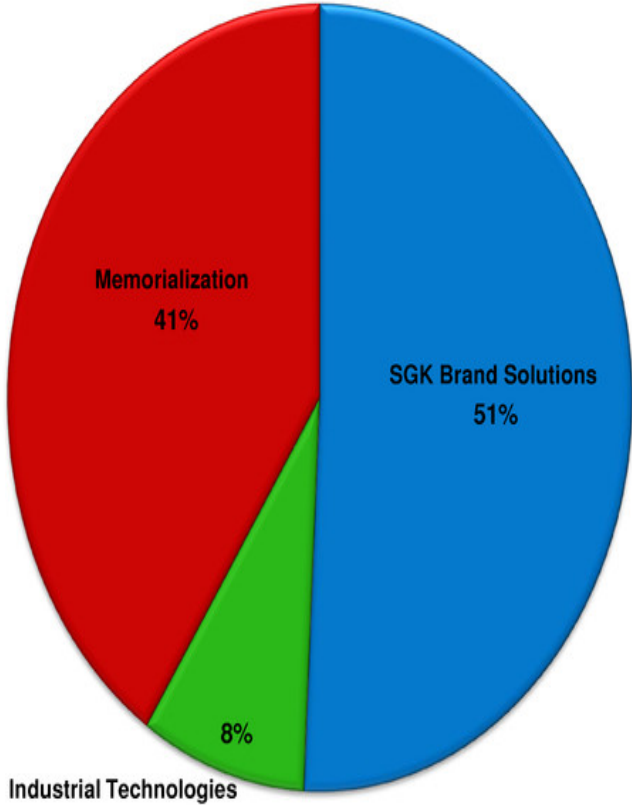
Lastly, the Company has presented adjusted net income and believes it provides relevant and useful information, which is widely used by analysts and investors, as well as by the Company's management in assessing financial performance. Adjusted net income provides the Company with an understanding of the results from the primary operations of its business by excluding the effects of certain acquisition and system-integration costs, and items that do not reflect the ordinary earnings of the Company's operations. This measure may be useful to an investor in evaluating the underlying performance of the business.

# Matthews



- Founded in 1850 – headquartered in Pittsburgh, PA
  
- Three business segments:
  - SGK Brand Solutions
  - Memorialization
  - Industrial Technologies
  
- Approximately 11,000 employees
  
- Over 25 countries
  
- NASDAQ – 32.3 million shares outstanding, as of December 31, 2017

# Fiscal 2017 Sales





## SGK BRAND SOLUTIONS

# SGK Brand Solutions

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Monoprix, a major city center retailer in France, teamed up with Brandimage to launch its new Food To Go line.



Anthem developed a three-year "Live Your Break" connected platform for Nestlé KitKat. The activity combines connected packaging via a mobile digital hub of user generated "breaker" content with a real-world brand experience.



Roto-gravure cylinder by Saueressig

## Marketing / Packaging Execution



# SGK Brand Solutions

- SGK Brand Solutions has longstanding relationships with a large, blue chip customer base consisting of many of the Fortune 100 and Fortune 50 companies
- Through brand development, SGK Brand Solutions has developed “strategic” relationships rather than “vendor” relationships which enables more valued client engagement, with over 400 employees working onsite across 85+ client locations
- Brand solutions is a critical cog in the marketing programs of the top world-wide brands, particularly where global consistency is highly valued

| US Food / Beverage Clients | Top Global Pharmaceutical Clients | Top Global Retailer Clients | Other Key Partners |
|----------------------------|-----------------------------------|-----------------------------|--------------------|
|                            |                                   |                             |                    |

## MEMORIALIZIZATION

# Memorialization

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Bronze Memorials



Matthews Architectural Products - Building signs are an example of the segment's architectural product offerings.



Forest Park West Cemetery Cremation Garden

# Memorialization

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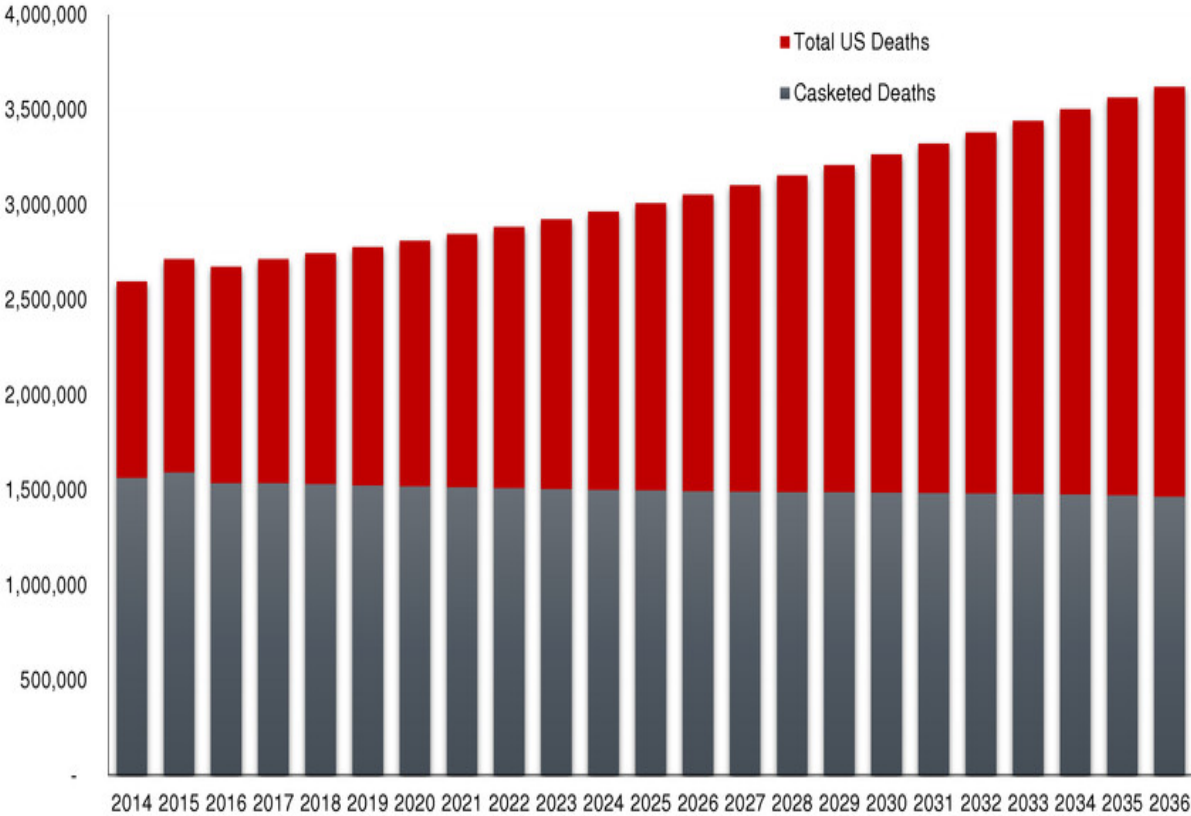
The Company is a leading manufacturer and distributor of caskets (wood, metal and cremation) in North America.



The Super Power Pak III Plus cremation unit has some of the most advanced features in combustion technology as well as industry leading performance, reliability and support.

# Memorialization

## ❖ Casketed Deaths vs. Total Deaths



Company estimates. Data compiled from CDC, US Census Bureau, Industry reports and internal projections.



## INDUSTRIAL TECHNOLOGIES

# Industrial Technologies

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Pyramid introduced a new warehouse execution solution, Continuous Intelligent Operations to enhance automated distribution operations — from receiving to shipping.



Multiple integrated distribution and fulfillment systems (including laser-based identification and dimensioning technologies) communicate in a warehouse to identify and route items and parcels through the facility and out to a customer.



Non-contact ink-jet printing units apply print on products.



Pick-to-Light Systems utilizing light indicators for sorting and control of merchandise.



# Matthews

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## Financial Overview

# Key Elements of Long-Term EPS Growth

- Internal Growth
  - Expand market presence of existing products
  - Manufacturing/cost structure improvements
  - New product development
  
- Acquisitions
  - Primary objective to support strategic business plans
  - Leverage existing operating infrastructure
  - Achieve long-term annual return (EBITDA) of at least 15% on invested capital
  
- Share Repurchases
  - Repurchase in periods of excess cash flow
  - Current remaining authorization – 1.7 million shares

# Consolidated Results

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(Dollars in thousands,  
except per share data)

|                           | Fiscal year ended September 30, |              |              | QTD December 31,        |                     |
|---------------------------|---------------------------------|--------------|--------------|-------------------------|---------------------|
|                           | 2015                            | 2016         | 2017         | 2016 (a)<br>(unaudited) | 2017<br>(unaudited) |
| Sales                     | \$ 1,426,068                    | \$ 1,480,464 | \$ 1,515,608 | \$ 348,998              | \$ 369,454          |
| Operating Profit          | \$ 105,023                      | \$ 118,815   | \$ 112,603   | \$ 19,063               | \$ 17,924           |
| Adj. Operating Profit (b) | \$ 141,906                      | \$ 154,872   | \$ 151,062   | \$ 27,713               | \$ 22,597           |
| EBITDA (c)                | \$ 173,043                      | \$ 185,646   | \$ 191,074   | \$ 34,118               | \$ 34,992           |
| Adj. EBITDA (d)           | \$ 215,974                      | \$ 239,586   | \$ 238,683   | \$ 50,635               | \$ 46,496           |
| EPS - GAAP                | \$ 1.91                         | \$ 2.03      | \$ 2.28      | \$ 0.32                 | \$ 1.10             |
| Adj. EPS (e)              | \$ 3.03                         | \$ 3.38      | \$ 3.60      | \$ 0.66                 | \$ 0.64             |

(a) Fiscal 2017 first quarter information has been adjusted to reflect the adoption of ASU No. 2016-09. The Company early adopted this ASU in the fourth quarter of fiscal 2017, which resulted in a reduction to income tax expense of \$1,234, and a corresponding favorable impact on diluted earnings per share of \$0.04, both of which have been retroactively included in the first quarter results for fiscal 2017.

(b) Adjusted operating profit reflects certain adjustments to facilitate comparability. See reconciliation at Appendix A.

(c) EBITDA represents earnings before interest expense, income taxes, depreciation and amortization. See reconciliation at Appendix B.

(d) Adjusted EBITDA represents EBITDA plus stock compensation expense and the non-service cost portion of pension/post-retirement expense, and also reflects certain adjustments to facilitate comparability. See reconciliation at Appendix B.

(e) Adjusted earnings per share reflects certain adjustments to facilitate comparability and excludes intangible amortization and the non-service cost portion of pension/post-retirement expense. See reconciliation at Appendix C.

# Segment Operating Results (as reported)



(Dollars in thousands)

|                          | Fiscal year ended September 30, |                     |                     | QTD December 31,  |                   |
|--------------------------|---------------------------------|---------------------|---------------------|-------------------|-------------------|
|                          | 2015                            | 2016                | 2017                | 2016              | 2017              |
| <u>Sales:</u>            |                                 |                     |                     | (unaudited)       | (unaudited)       |
| SGK Brand Solutions      | \$ 798,339                      | \$ 755,975          | \$ 770,181          | \$ 175,801        | \$ 191,766        |
| Memorialization          | 508,058                         | 610,142             | 615,882             | 145,622           | 144,889           |
| Industrial Technologies  | 119,671                         | 114,347             | 129,545             | 27,575            | 32,799            |
| Consolidated             | <u>\$ 1,426,068</u>             | <u>\$ 1,480,464</u> | <u>\$ 1,515,608</u> | <u>\$ 348,998</u> | <u>\$ 369,454</u> |
| <u>Operating Profit:</u> |                                 |                     |                     |                   |                   |
| SGK Brand Solutions      | \$ 21,864                       | \$ 42,909           | \$ 24,919           | \$ 4,190          | \$ 3,152          |
| Memorialization          | 70,064                          | 68,252              | 80,652              | 14,367            | 14,454            |
| Industrial Technologies  | 13,095                          | 7,654               | 7,032               | 506               | 318               |
| Consolidated             | <u>\$ 105,023</u>               | <u>\$ 118,815</u>   | <u>\$ 112,603</u>   | <u>\$ 19,063</u>  | <u>\$ 17,924</u>  |

# Segment Results – Sales & Adjusted EBITDA **Matthews**

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(Dollars in thousands)

|                          | Fiscal year ended September 30, |                     |                     | QTD December 31,  |                   |
|--------------------------|---------------------------------|---------------------|---------------------|-------------------|-------------------|
|                          | 2015                            | 2016                | 2017                | 2016              | 2017              |
| <u>Sales:</u>            |                                 |                     |                     | (unaudited)       | (unaudited)       |
| SGK Brand Solutions      | \$ 798,339                      | \$ 755,975          | \$ 770,181          | \$ 175,801        | \$ 191,766        |
| Memorialization          | 508,058                         | 610,142             | 615,882             | 145,622           | 144,889           |
| Industrial Technologies  | 119,671                         | 114,347             | 129,545             | 27,575            | 32,799            |
| Consolidated             | <u>\$ 1,426,068</u>             | <u>\$ 1,480,464</u> | <u>\$ 1,515,608</u> | <u>\$ 348,998</u> | <u>\$ 369,454</u> |
| <u>Adjusted EBITDA:*</u> |                                 |                     |                     |                   |                   |
| SGK Brand Solutions      | \$ 106,463                      | \$ 119,844          | \$ 107,216          | \$ 23,354         | \$ 21,382         |
| Memorialization          | 92,416                          | 107,061             | 118,880             | 25,301            | 23,061            |
| Industrial Technologies  | 17,095                          | 12,681              | 12,587              | 1,980             | 2,053             |
| Consolidated             | <u>\$ 215,974</u>               | <u>\$ 239,586</u>   | <u>\$ 238,683</u>   | <u>\$ 50,635</u>  | <u>\$ 46,496</u>  |

\* Adjusted EBITDA represents EBITDA plus stock compensation expense and the non-service cost portion of pension/post-retirement expense, and also reflects certain adjustments to facilitate comparability. See reconciliations at Appendix B and E.

# Free Cash Flow

| (Dollars in thousands)                  | Fiscal year ended September 30, |                   |                   |
|---|---------------------------------|-------------------|-------------------|
|   | 2015                            | 2016              | 2017              |
| Net Income                              | \$ 63,449                       | \$ 66,749         | \$ 74,368         |
| Depreciation and Amortization           | 62,620                          | 65,480            | 67,981            |
| Stock-Based Compensation                | 9,097                           | 10,612            | 14,562            |
| Pension Cost (non-service portion)      | 5,677                           | 8,413             | 8,773             |
| Subtotal                                | 140,843                         | 151,254           | 165,684           |
| Capital Expenditures                    | (48,251)                        | (41,682)          | (44,935)          |
| Free Cash Flow <sup>(1)</sup>           | <u>\$ 92,592</u>                | <u>\$ 109,572</u> | <u>\$ 120,749</u> |
| Cash Provided from Operating Activities | <u>\$ 141,064</u>               | <u>\$ 140,274</u> | <u>\$ 149,299</u> |

(1) See Disclaimer (Page 3) for Management's assessment of supplemental information related to free cash flow.



# Free Cash Flow Yield

| (Dollars in thousands)   | Fiscal year ended September 30, |              |              |
|--|---------------------------------|--------------|--------------|
|  | 2015                            | 2016         | 2017         |
| Free Cash Flow <sup>(1)</sup>                                    | \$ 92,592                       | \$ 109,572   | \$ 120,749   |
| Market Capitalization  | \$ 1,609,892                    | \$ 1,952,929 | \$ 2,001,249 |
| Free Cash Flow Yield <sup>(1)</sup>                              | <u>5.75%</u>                    | <u>5.61%</u> | <u>6.03%</u> |
| Free Cash Flow Yield (based on 12/31/2017 Market Capitalization) |                                 |              | <u>7.08%</u> |

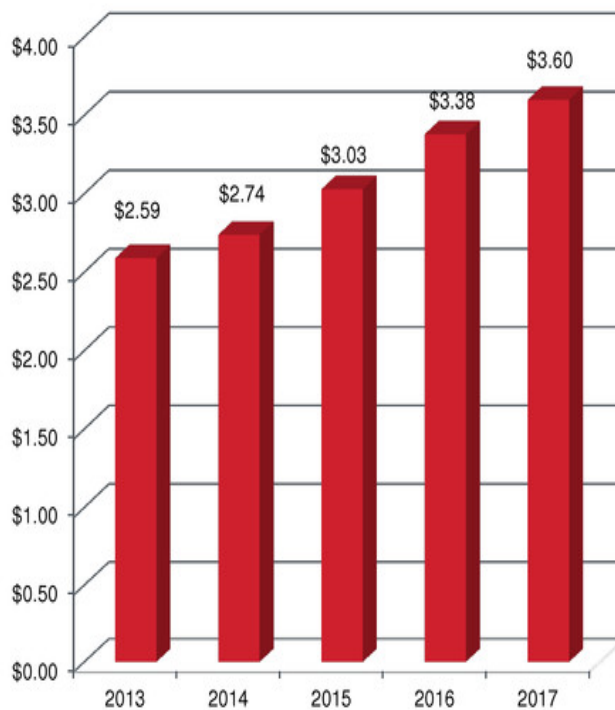
(1) See Disclaimer (Page 3) for Management's assessment of supplemental information related to free cash flow, free cash flow yield.

# Earnings Per Share

## Earnings Per Share



## Adjusted Earnings Per Share



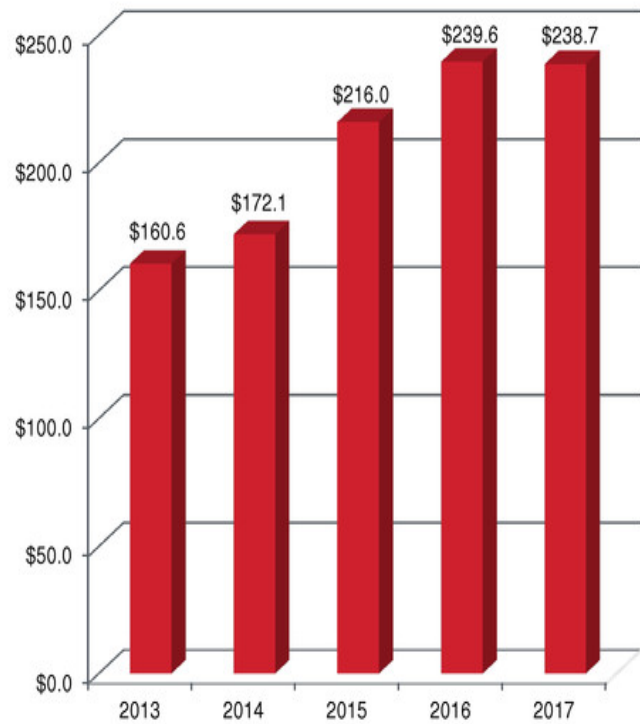
Note: Adjusted earnings per share reflects certain adjustments to facilitate comparability and other adjustments. See reconciliation at Appendix C.

# EBITDA

(Dollars in millions)

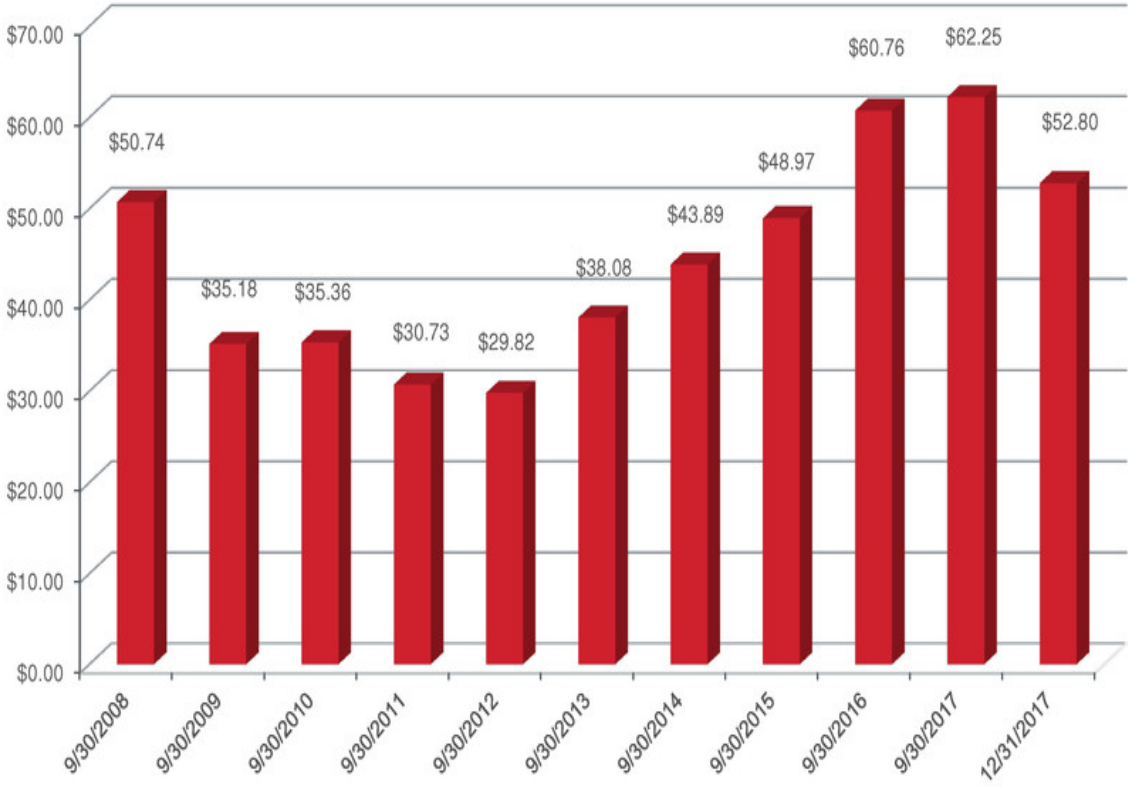
## EBITDA

## Adjusted EBITDA



Note: EBITDA represents earnings before interest expense, income taxes, depreciation and amortization. See reconciliation at Appendix B. Adjusted EBITDA represents EBITDA plus certain expenses, and also reflects certain adjustments to facilitate comparability. See reconciliation at Appendix B.

# Common Stock Price



Note: Stock price obtained from NASDAQ for each respective month-end period.

# Recent Highlights

- Company raised fiscal 2018 non-GAAP earnings per share expectations to be better than 10% over fiscal 2017
- Reported record sales of \$1.52 billion in fiscal 2017
- Increased quarterly dividend 11.8% to 19.0 cents (November 2017)
  - 23<sup>rd</sup> consecutive annual dividend increase since the Company's IPO
- Record operating cash flow of \$149.3 million in fiscal 2017
- Completed a \$300 million 5.25% bond issuance in the 1st quarter of fiscal 2018
- The U.S. Tax Cuts and Jobs Act reduces the U.S. federal corporate tax rate
- Analyst coverage:
  - CJS Securities
  - FBR Capital Markets
  - Great Lakes Review

# Institutional Shareholders



|   | Shares<br><u>12/31/2017</u> |                             |
|---|-----------------------------|-----------------------------|
| BlackRock Institutional Trust Company, N.A. | 4,166,858                   |                             |
| The Vanguard Group, Inc.                    | 3,217,078                   |                             |
| Franklin Advisory Services, LLC             | 2,955,118                   |                             |
| Wellington Management Company, LLP          | 1,465,646                   |                             |
| Dimensional Fund Advisors, L.P.             | 1,275,732                   |                             |
| Clarkston Capital Partners, LLC             | 1,137,592                   |                             |
| State Street Global Advisors (US)           | 792,019                     |                             |
| T. Rowe Price Associates, Inc.              | 565,150                     |                             |
| Fidelity Management & Research Company      | 514,685                     |                             |
| Bank of New York Mellon Corporation         | <u>494,651</u>              |                             |
| <br>  |                             |                             |
| Top Ten Institutions                        | 16,584,529                  | 51.4% of outstanding shares |
| <br>  |                             |                             |
| Remaining Institutions                      | <u>9,193,340</u>            |                             |
| <br>  |                             |                             |
| Total Institutional Ownership               | <u>25,777,869</u>           | 79.8% of outstanding shares |

Note: Institutional share information obtained from NASDAQ as of December 31, 2017.



# Matthews

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## Appendices

## Appendix A

# Adjusted Operating Profit

## Non-GAAP Reconciliation



| (Dollars in thousands)                                | Fiscal year ended September 30, |                   |                   | QTD December 31, |                  |
|---|---------------------------------|-------------------|-------------------|------------------|------------------|
|   | 2015                            | 2016              | 2017              | 2016             | 2017             |
| <b>SGK Brand Solutions</b>                            |                                 |                   |                   |                  |                  |
| Operating Profit                                      | \$ 21,864                       | \$ 42,909         | \$ 24,919         | \$ 4,190         | \$ 3,152         |
| Acquisition-related items <sup>(1)</sup>              | 33,605                          | 24,872            | 21,103            | 6,202            | 3,507            |
| Intangible asset write-offs                           | 4,842                           | -                 | -                 | -                | -                |
| Strategic initiative and other charges <sup>(2)</sup> | 1,016                           | 120               | 8,620             | -                | 269              |
| Adjusted Operating Profit                             | <u>\$ 61,327</u>                | <u>\$ 67,901</u>  | <u>\$ 54,642</u>  | <u>\$ 10,392</u> | <u>\$ 6,928</u>  |
| <b>Memorialization</b>                                |                                 |                   |                   |                  |                  |
| Operating Profit                                      | \$ 70,064                       | \$ 68,252         | \$ 80,652         | \$ 14,367        | \$ 14,454        |
| Acquisition-related items <sup>(1)</sup>              | 5,260                           | 11,022            | 7,791             | 2,147            | 519              |
| Litigation matter                                     | (8,996)                         | -                 | -                 | -                | -                |
| Strategic initiative and other charges <sup>(2)</sup> | 1,156                           | (589)             | -                 | -                | 288              |
| Adjusted Operating Profit                             | <u>\$ 67,484</u>                | <u>\$ 78,685</u>  | <u>\$ 88,443</u>  | <u>\$ 16,514</u> | <u>\$ 15,261</u> |
| <b>Industrial Technologies</b>                        |                                 |                   |                   |                  |                  |
| Operating Profit                                      | \$ 13,095                       | \$ 7,654          | \$ 7,032          | \$ 506           | \$ 318           |
| Acquisition-related items <sup>(1)</sup>              | -                               | -                 | 356               | 301              | -                |
| Strategic initiative and other charges <sup>(2)</sup> | -                               | 632               | 589               | -                | 90               |
| Adjusted Operating Profit                             | <u>\$ 13,095</u>                | <u>\$ 8,286</u>   | <u>\$ 7,977</u>   | <u>\$ 807</u>    | <u>\$ 408</u>    |
| <b>Consolidated</b>                                   |                                 |                   |                   |                  |                  |
| Operating Profit                                      | \$ 105,023                      | \$ 118,815        | \$ 112,603        | \$ 19,063        | \$ 17,924        |
| Acquisition-related items <sup>(1)</sup>              | 38,865                          | 35,894            | 29,250            | 8,650            | 4,026            |
| Intangible asset write-offs                           | 4,842                           | -                 | -                 | -                | -                |
| Litigation matter                                     | (8,996)                         | -                 | -                 | -                | -                |
| Strategic initiative and other charges <sup>(2)</sup> | 2,172                           | 163               | 9,209             | -                | 647              |
| Adjusted Operating Profit                             | <u>\$ 141,906</u>               | <u>\$ 154,872</u> | <u>\$ 151,062</u> | <u>\$ 27,713</u> | <u>\$ 22,597</u> |

Note: See Disclaimer (Page 3) for Management's assessment of supplemental information related to adjusted operating profit.

(1) Acquisition-related items also include one-time charges related to depreciation and amortization.

(2) See Disclosure (Page 3).



## Appendix B

# EBITDA and Adjusted EBITDA

## Non-GAAP Reconciliation



| (Dollars in thousands)                                | Fiscal year ended September 30, |                   |                   | QTD December 31,    |                  |
|---|---------------------------------|-------------------|-------------------|---------------------|------------------|
|   | 2015                            | 2016              | 2017              | 2016 <sup>(1)</sup> | 2017             |
| Net Income  | \$ 63,449                       | \$ 66,749         | \$ 74,368         | \$ 10,322           | \$ 35,180        |
| Interest expense                                      | 20,610                          | 24,344            | 26,371            | 6,148               | 7,801            |
| Income tax provision (benefit)                        | 26,364                          | 29,073            | 22,354            | 2,489               | (25,227)         |
| Depreciation and amortization <sup>(2)</sup>          | 62,620                          | 65,480            | 67,981            | 15,159              | 17,238           |
| <b>EBITDA</b>   | <b>\$ 173,043</b>               | <b>\$ 185,646</b> | <b>\$ 191,074</b> | <b>\$ 34,118</b>    | <b>\$ 34,992</b> |
| Acquisition-related items <sup>(2)</sup>              | 38,865                          | 34,674            | 25,748            | 8,226               | 3,958            |
| Intangible asset write-offs                           | 4,842                           | -                 | -                 | -                   | -                |
| Litigation matter                                     | (8,996)                         | -                 | -                 | -                   | -                |
| Strategic initiative and other charges <sup>(3)</sup> | 4,968                           | 241               | 9,209             | -                   | 647              |
| Loss recoveries, net of costs                         | -                               | -                 | (10,683)          | -                   | -                |
| Pension settlement                                    | (11,522)                        | -                 | -                 | -                   | -                |
| Stock-based compensation                              | 9,097                           | 10,612            | 14,562            | 6,097               | 5,474            |
| Pension and postretirement expense <sup>(4)</sup>     | 5,677                           | 8,413             | 8,773             | 2,194               | 1,425            |
| <b>Adjusted EBITDA</b>                                | <b>\$ 215,974</b>               | <b>\$ 239,586</b> | <b>\$ 238,683</b> | <b>\$ 50,635</b>    | <b>\$ 46,496</b> |

Note: See Disclaimer (Page 3) for Management's assessment of supplemental information related to EBITDA and adjusted EBITDA.

(1) Fiscal 2017 first quarter information has been adjusted to reflect the adoption of ASU No. 2016-09. The Company early adopted this ASU in the fourth quarter of fiscal 2017, which resulted in a reduction to income tax expense of \$1,234, and a corresponding favorable impact on diluted earnings per share of \$0.04, both of which have been retroactively included in the first quarter results for fiscal 2017.

(2) One-time depreciation and amortization charges related to recent acquisitions are included in the Depreciation and amortization.

(3) See Disclosure (Page 3). One-time non-operating related charges are included in the calculation of Adjusted EBITDA.

(4) The non-GAAP adjustment to pension and postretirement expense represents the add-back of the non-service related components of these costs. Non-service related components include interest cost, expected return on plan assets and amortization of actuarial gains and losses. The service cost and prior service cost components of pension and postretirement expense are considered to be a better reflection of the ongoing service-related costs of providing these benefits. The other components of GAAP pension and postretirement expense are primarily influenced by general market conditions impacting investment returns and interest (discount) rates. Please note that GAAP pension and postretirement expense or the adjustment above are not necessarily indicative of the current or future cash flow requirements related to these employee benefit plans.

## Appendix C

# Adjusted Earnings Per Share

## Non-GAAP Reconciliation



|   | Fiscal year ended September 30, |                |                | QTD December 31,    |                |
|---|---------------------------------|----------------|----------------|---------------------|----------------|
|   | 2015                            | 2016           | 2017           | 2016 <sup>(1)</sup> | 2017           |
| EPS - GAAP  | \$ 1.91                         | \$ 2.03        | \$ 2.28        | \$ 0.32             | \$ 1.10        |
| Acquisition-related items                             | 0.79                            | 0.74           | 0.65           | 0.19                | 0.09           |
| Intangible asset write-offs                           | 0.10                            | -              | -              | -                   | -              |
| Litigation matter                                     | (0.18)                          | -              | -              | -                   | -              |
| Strategic initiative and other charges <sup>(2)</sup> | 0.14                            | 0.01           | 0.21           | -                   | 0.02           |
| Loss recoveries, net of costs                         | -                               | -              | (0.23)         | -                   | -              |
| Pension settlement                                    | (0.24)                          | -              | -              | -                   | -              |
| Income tax regulation changes <sup>(3)</sup>          | -                               | -              | -              | -                   | (0.76)         |
| Pension and postretirement expense <sup>(4)</sup>     | 0.12                            | 0.17           | 0.19           | 0.05                | 0.03           |
| Intangible amortization expense                       | 0.39                            | 0.43           | 0.50           | 0.10                | 0.16           |
| Adjusted EPS  | <u>\$ 3.03</u>                  | <u>\$ 3.38</u> | <u>\$ 3.60</u> | <u>\$ 0.66</u>      | <u>\$ 0.64</u> |

Note: See Disclaimer (Page 3) for Management's assessment of supplemental information related to adjusted earnings per share. All per-share amounts are net of tax.

(1) Fiscal 2017 first quarter information has been adjusted to reflect the adoption of ASU No. 2016-09. The Company early adopted this ASU in the fourth quarter of fiscal 2017, which resulted in a reduction to income tax expense of \$1,234, and a corresponding favorable impact on diluted earnings per share of \$0.04, both of which have been retroactively included in the first quarter results for fiscal 2017.

(2) See Disclosure (Page 3).

(3) The adjustment for income tax regulation changes consist of an estimated favorable tax benefit of approximately \$38.0 million for the reduction in the Company's net deferred tax liability principally reflecting the lower U.S. Federal tax rate, offset partially by an estimated repatriation transition tax charge of approximately \$13.5 million.

(4) The non-GAAP adjustment to pension and postretirement expense represents the add-back of the non-service related components of these costs. Non-service related components include interest cost, expected return on plan assets and amortization of actuarial gains and losses. The service cost and prior service cost components of pension and postretirement expense are considered to be a better reflection of the ongoing service-related costs of providing these benefits. The other components of GAAP pension and postretirement expense are primarily influenced by general market conditions impacting investment returns and interest (discount) rates. Please note that GAAP pension and postretirement expense or the adjustment above are not necessarily indicative of the current or future cash flow requirements related to these employee benefit plans.

## Appendix D

# Adjusted Net Income

### Non-GAAP Reconciliation



(Dollars in thousands)

|   | Fiscal year ended September 30, |                  |               |                  |               |                  |
|---|---------------------------------|------------------|---------------|------------------|---------------|------------------|
|   | 2015                            |                  | 2016          |                  | 2017          |                  |
|   | <u>Pretax</u>                   | <u>After Tax</u> | <u>Pretax</u> | <u>After Tax</u> | <u>Pretax</u> | <u>After Tax</u> |
| Net Income  | \$ 89,652                       | \$ 63,449        | \$ 95,234     | \$ 66,749        | \$ 96,287     | \$ 74,368        |
| Acquisition-related items                             | 38,865                          | 26,428           | 34,674        | 23,578           | 29,449        | 20,615           |
| Intangible asset write-offs                           | 4,842                           | 3,293            | -             | -                | -             | -                |
| Litigation matter                                     | (8,996)                         | (6,117)          | -             | -                | -             | -                |
| Loss recoveries, net of costs                         | -                               | -                | -             | -                | (10,683)      | (7,478)          |
| Strategic initiative and other charges <sup>(1)</sup> | 4,968                           | 3,378            | 241           | 164              | 9,209         | 6,722            |
| Pension settlement                                    | (11,522)                        | (7,835)          | -             | -                | -             | -                |
| Tax related   |                                 | <u>1,334</u>     |               | <u>-</u>         |               | <u>485</u>       |
| Adjusted Net Income                                   |                                 | <u>\$ 83,930</u> |               | <u>\$ 90,491</u> |               | <u>\$ 94,712</u> |

Note: See Disclaimer (Page 3) for Management's assessment of supplemental information related to adjusted net income. Adjusted net income reflects non-GAAP adjustments at an effective tax rate of approximately 32.0%.

(1) See Disclosure (Page 3).

# Appendix E

## Adjusted EBITDA by Segment

### Non-GAAP Reconciliation

**Matthews**  
INTERNATIONAL

| (Dollars in thousands)                     | Fiscal year ended September 30, |            |            | QTD December 31, |           |
|--|---------------------------------|------------|------------|------------------|-----------|
|  | 2015                            | 2016       | 2017       | 2016 (1)         | 2017      |
| <b>SGK Brand Solutions</b>                 |                                 |            |            |                  |           |
| Operating Profit                           | \$ 21,864                       | \$ 42,909  | \$ 24,919  | \$ 4,190         | \$ 3,152  |
| Depreciation and amortization (2)          | 47,215                          | 42,471     | 43,508     | 8,973            | 11,454    |
| Other (3)                                  | 2,538                           | 662        | 4,877      | (48)             | (79)      |
| EBITDA                                     | \$ 71,617                       | \$ 86,042  | \$ 73,304  | \$ 13,114        | \$ 14,527 |
| Acquisition-related items (2)              | 33,605                          | 24,380     | 19,541     | 6,402            | 3,507     |
| Intangible asset write-offs                | 4,842                           | -          | -          | -                | -         |
| Strategic initiative and other charges (4) | 1,016                           | 120        | 8,620      | -                | 269       |
| Loss recoveries, net of costs              | -                               | -          | (4,968)    | -                | -         |
| Pension settlement                         | (11,522)                        | -          | -          | -                | -         |
| Stock-based compensation                   | 4,236                           | 5,180      | 6,639      | 2,817            | 2,416     |
| Pension and postretirement expense (5)     | 2,669                           | 4,122      | 4,080      | 1,020            | 663       |
| Adjusted EBITDA                            | \$ 106,463                      | \$ 119,844 | \$ 107,216 | \$ 23,353        | \$ 21,382 |
| <b>Memorialization</b>                     |                                 |            |            |                  |           |
| Operating Profit                           | \$ 70,064                       | \$ 68,252  | \$ 80,652  | \$ 14,367        | \$ 14,454 |
| Depreciation and amortization (2)          | 13,019                          | 20,305     | 21,408     | 5,529            | 4,600     |
| Other (3)                                  | 2,484                           | 580        | 4,983      | (49)             | (81)      |
| EBITDA                                     | \$ 85,567                       | \$ 89,137  | \$ 107,043 | \$ 19,847        | \$ 18,974 |
| Acquisition-related items (2)              | 5,260                           | 10,294     | 5,851      | 1,523            | 451       |
| Litigation matter                          | (8,996)                         | -          | -          | -                | -         |
| Strategic initiative and other charges (4) | 3,952                           | (511)      | -          | -                | 288       |
| Loss recoveries, net of costs              | -                               | -          | (5,074)    | -                | -         |
| Stock-based compensation                   | 4,022                           | 4,523      | 6,893      | 2,889            | 2,672     |
| Pension and postretirement expense (5)     | 2,611                           | 3,618      | 4,167      | 1,042            | 677       |
| Adjusted EBITDA                            | \$ 92,416                       | \$ 107,061 | \$ 118,880 | \$ 25,301        | \$ 23,061 |
| <b>Industrial Technologies</b>             |                                 |            |            |                  |           |
| Operating Profit                           | \$ 13,095                       | \$ 7,654   | \$ 7,032   | \$ 506           | \$ 318    |
| Depreciation and amortization (2)          | 2,386                           | 2,704      | 3,065      | 657              | 1,184     |
| Other (3)                                  | 378                             | 109        | 630        | (6)              | (10)      |
| EBITDA                                     | \$ 15,859                       | \$ 10,467  | \$ 10,727  | \$ 1,157         | \$ 1,492  |
| Acquisition-related items (2)              | -                               | -          | 356        | 301              | -         |
| Strategic initiative and other charges (4) | -                               | 632        | 589        | -                | 90        |
| Loss recoveries, net of costs              | -                               | -          | (641)      | -                | -         |
| Stock-based compensation                   | 839                             | 909        | 1,030      | 391              | 386       |
| Pension and postretirement expense (5)     | 397                             | 673        | 526        | 132              | 86        |
| Adjusted EBITDA                            | \$ 17,095                       | \$ 12,681  | \$ 12,587  | \$ 1,980         | \$ 2,053  |
| <b>Consolidated</b>                        |                                 |            |            |                  |           |
| Operating Profit                           | \$ 105,023                      | \$ 118,815 | \$ 112,603 | \$ 19,063        | \$ 17,924 |
| Depreciation and amortization (2)          | 62,620                          | 65,480     | 67,981     | 15,159           | 17,238    |
| Other (3)                                  | 5,400                           | 1,351      | 10,490     | (104)            | (170)     |
| EBITDA                                     | \$ 173,043                      | \$ 185,646 | \$ 191,074 | \$ 34,118        | \$ 34,992 |
| Acquisition-related items (2)              | 38,865                          | 34,674     | 25,748     | 8,226            | 3,958     |
| Intangible asset write-offs                | 4,842                           | -          | -          | -                | -         |
| Litigation matter                          | (8,996)                         | -          | -          | -                | -         |
| Strategic initiative and other charges (4) | 4,968                           | 241        | 9,209      | -                | 647       |
| Loss recoveries, net of costs              | -                               | -          | (10,683)   | -                | -         |
| Pension settlement                         | (11,522)                        | -          | -          | -                | -         |
| Stock-based compensation                   | 9,097                           | 10,612     | 14,562     | 6,097            | 5,474     |
| Pension and postretirement expense (5)     | 5,677                           | 8,413      | 8,773      | 2,194            | 1,425     |
| Adjusted EBITDA                            | \$ 215,974                      | \$ 239,586 | \$ 238,683 | \$ 50,635        | \$ 46,496 |

Note: See Disclaimer (Page 3) for Management's assessment of supplemental information related to EBITDA and adjusted EBITDA.

- (1) - Fiscal 2017 first quarter information has been adjusted to reflect the adoption of ASU No. 2016-09. The Company early adopted this ASU in the fourth quarter of fiscal 2017, which resulted in a reduction to income tax expense of \$1,234, and a corresponding favorable impact on diluted earnings per share of \$0.04, both of which have been retroactively included in the first quarter results for fiscal 2017.
- (2) - One-time depreciation and amortization charges related to recent acquisitions are included in the Depreciation and amortization.
- (3) - Other represents Investment income, Other income (deductions), net, and Net loss (income) attributable to noncontrolling interests.
- (4) - See Disclosure (Page 3). One-time non-operating related charges are included in the calculation of Adjusted EBITDA.
- (5) - See FN 4 in Appendix C.

## Appendix F

# Additional Segment Information

## Supplemental Asset Data



(Dollars in thousands)  
(unaudited)

|                        | Fiscal 2017            |                   |                            |                  |                     |
|------------------------|------------------------|-------------------|----------------------------|------------------|---------------------|
|                        | SGK Brand<br>Solutions | Memorialization   | Industrial<br>Technologies | Corporate        | Total               |
| Operating assets (a)   | \$ 391,716             | \$ 262,515        | \$ 55,040                  | \$ 17,273        | \$ 726,544          |
| Intangible assets, net | 797,779                | 440,189           | 84,208                     | -                | 1,322,176           |
| Other                  | 86,800                 | 38,444            | 22,224                     | 48,461           | 195,929             |
| <b>Total assets</b>    | <b>\$ 1,276,295</b>    | <b>\$ 741,148</b> | <b>\$ 161,472</b>          | <b>\$ 65,734</b> | <b>\$ 2,244,649</b> |

|                        | Fiscal 2016            |                   |                            |                  |                     |
|------------------------|------------------------|-------------------|----------------------------|------------------|---------------------|
|                        | SGK Brand<br>Solutions | Memorialization   | Industrial<br>Technologies | Corporate        | Total               |
| Operating assets (a)   | \$ 357,392             | \$ 267,541        | \$ 29,155                  | \$ 22,791        | \$ 676,879          |
| Intangible assets, net | 738,259                | 442,446           | 64,625                     | -                | 1,245,330           |
| Other                  | 82,165                 | 25,998            | 28,399                     | 32,270           | 168,832             |
| <b>Total assets</b>    | <b>\$ 1,177,816</b>    | <b>\$ 735,985</b> | <b>\$ 122,179</b>          | <b>\$ 55,061</b> | <b>\$ 2,091,041</b> |

|                        | Fiscal 2015            |                   |                            |                   |                     |
|------------------------|------------------------|-------------------|----------------------------|-------------------|---------------------|
|                        | SGK Brand<br>Solutions | Memorialization   | Industrial<br>Technologies | Corporate         | Total               |
| Operating assets (a)   | \$ 344,679             | \$ 276,684        | \$ 36,572                  | \$ 24,859         | \$ 682,794          |
| Intangible assets, net | 764,113                | 447,257           | 59,358                     | -                 | 1,270,728           |
| Other                  | 48,979                 | 38,087            | 19,734                     | 83,289            | 190,089             |
| <b>Total assets</b>    | <b>\$ 1,157,771</b>    | <b>\$ 762,028</b> | <b>\$ 115,664</b>          | <b>\$ 108,148</b> | <b>\$ 2,143,611</b> |

(a) Operating assets include accounts receivable, net, inventories and property, plant and equipment, net.

