

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

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): June 20, 2018

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 NORTHSORE 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)

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.

Item 2.02 Results of Operations and Financial Condition.

Attached is Matthews International Corporation's standard investor presentation updated with financial results for the second 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.

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.

Exhibit Number	Description
99.1	Matthews International Corporation investor presentation for the second quarter of fiscal 2018

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: June 20, 2018

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INVESTOR PRESENTATION
2nd QUARTER FISCAL 2018



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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.

- Founded in 1850 – headquartered in Pittsburgh, PA

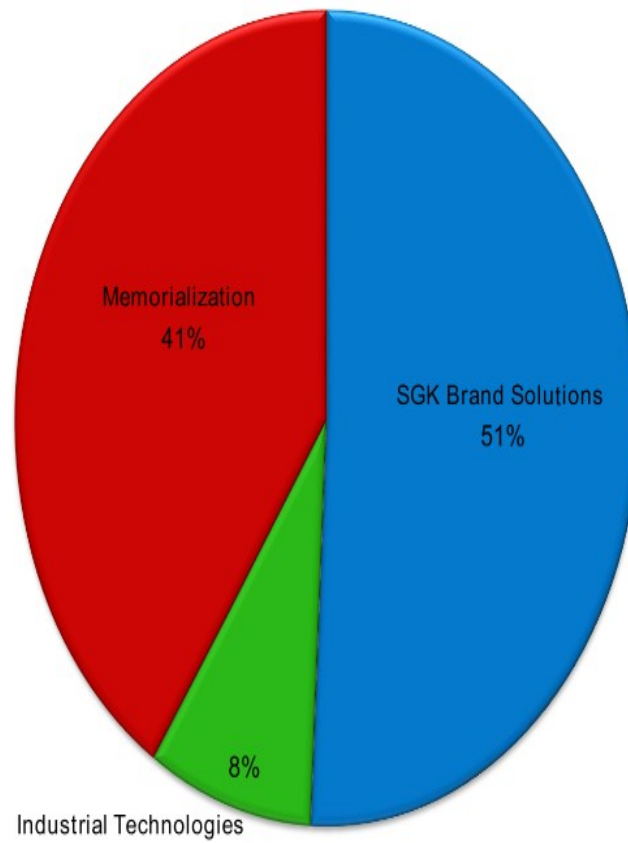
- Three business segments:
 - SGK Brand Solutions
 - Memorialization
 - Industrial Technologies

- Approximately 11,000 employees

- Over 25 countries

- NASDAQ – 32.1 million shares outstanding, as of March 31, 2018

Fiscal 2017 Sales



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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

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MEMORIALIZATION

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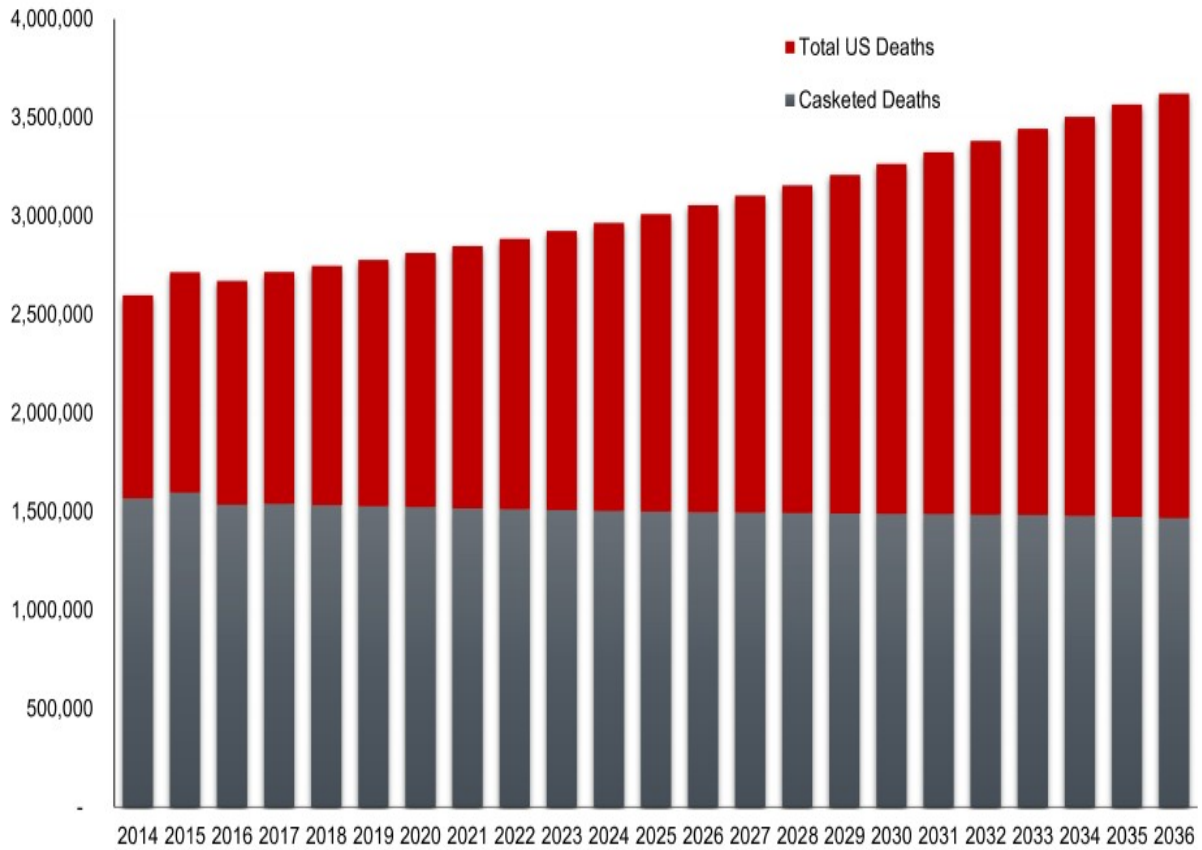
The Company is a leading manufacturer and distributor of caskets (wood, metal and cremation) in North America.



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.

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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.



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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 – 1.5 million shares

Consolidated Results

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(Dollars in thousands, except per share data)	Fiscal year ended September 30,			YTD March 31,	
	2015	2016	2017	2017 (a) (unaudited)	2018 (unaudited)
Sales	\$ 1,426,068	\$ 1,480,464	\$ 1,515,608	\$ 729,914	\$ 783,515
Operating Profit	\$ 105,023	\$ 118,815	\$ 112,603	\$ 45,891	\$ 47,715
Adj. Operating Profit (b)	\$ 166,383	\$ 184,106	\$ 183,148	\$ 79,135	\$ 79,136
EBITDA (c)	\$ 173,043	\$ 185,646	\$ 191,074	\$ 78,760	\$ 84,396
Adj. EBITDA (d)	\$ 215,974	\$ 239,586	\$ 238,683	\$ 108,965	\$ 108,951
Diluted EPS	\$ 1.91	\$ 2.03	\$ 2.28	\$ 0.77	\$ 1.68
Adj. EPS (e)	\$ 3.03	\$ 3.38	\$ 3.60	\$ 1.48	\$ 1.57

- (a) Information for the six months ended March 31, 2017 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, both of which have been retroactively included in the first quarter results for fiscal 2017. There was no impact for the three month period ended March 31, 2017.
- (b) Adjusted operating profit reflects certain adjustments to exclude the effects of certain acquisition and system-integration costs, plus intangible amortization expense and the non-service cost portion of pension/post-retirement expense 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)

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(Dollars in thousands)

	Fiscal year ended September 30,			YTD March 31,	
	2015	2016	2017	2017 (unaudited)	2018 (unaudited)
Sales:					
SGK Brand Solutions	\$ 798,339	\$ 755,975	\$ 770,181	\$ 365,921	\$ 398,818
Memorialization	508,058	610,142	615,882	307,730	313,578
Industrial Technologies	119,671	114,347	129,545	56,263	71,119
Consolidated	<u>\$ 1,426,068</u>	<u>\$ 1,480,464</u>	<u>\$ 1,515,608</u>	<u>\$ 729,914</u>	<u>\$ 783,515</u>
Operating Profit:					
SGK Brand Solutions	\$ 21,864	\$ 42,909	\$ 24,919	\$ 8,551	\$ 8,242
Memorialization	70,064	68,252	80,652	37,305	38,364
Industrial Technologies	13,095	7,654	7,032	35	1,109
Consolidated	<u>\$ 105,023</u>	<u>\$ 118,815</u>	<u>\$ 112,603</u>	<u>\$ 45,891</u>	<u>\$ 47,715</u>

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

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(Dollars in thousands)

	Fiscal year ended September 30,			YTD March 31,	
	2015	2016	2017	2017	2018
<u>Sales:</u>				(unaudited)	(unaudited)
SGK Brand Solutions	\$ 798,339	\$ 755,975	\$ 770,181	\$ 365,921	\$ 398,818
Memorialization	508,058	610,142	615,882	307,730	313,578
Industrial Technologies	119,671	114,347	129,545	56,263	71,119
Consolidated	<u>\$ 1,426,068</u>	<u>\$ 1,480,464</u>	<u>\$ 1,515,608</u>	<u>\$ 729,914</u>	<u>\$ 783,515</u>
<u>Adjusted EBITDA:*</u>					
SGK Brand Solutions	\$ 106,463	\$ 119,844	\$ 107,216	\$ 47,782	\$ 47,363
Memorialization	92,416	107,061	118,880	58,503	56,343
Industrial Technologies	17,095	12,681	12,587	2,680	5,245
Consolidated	<u>\$ 215,974</u>	<u>\$ 239,586</u>	<u>\$ 238,683</u>	<u>\$ 108,965</u>	<u>\$ 108,951</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 D.

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 ⁽¹⁾	<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 ⁽¹⁾	\$ 92,592	\$ 109,572	\$ 120,749
Market Capitalization	\$ 1,609,892	\$ 1,952,929	\$ 2,001,249
Free Cash Flow Yield ⁽¹⁾	<u>5.75%</u>	<u>5.61%</u>	<u>6.03%</u>
Free Cash Flow Yield (based on 3/31/2018 Market Capitalization)			<u>7.43%</u>

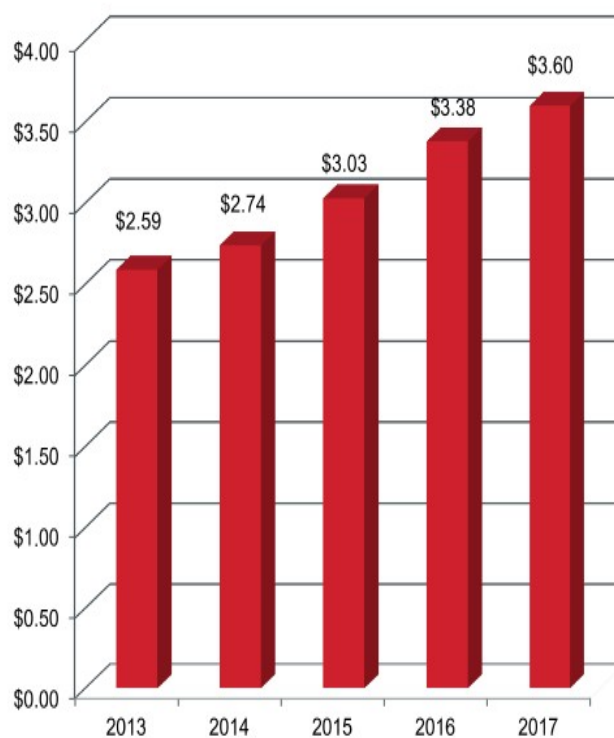
(1) See Disclaimer (Page 3) for Management's assessment of supplemental information related to free cash flow, free cash flow yield.

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.

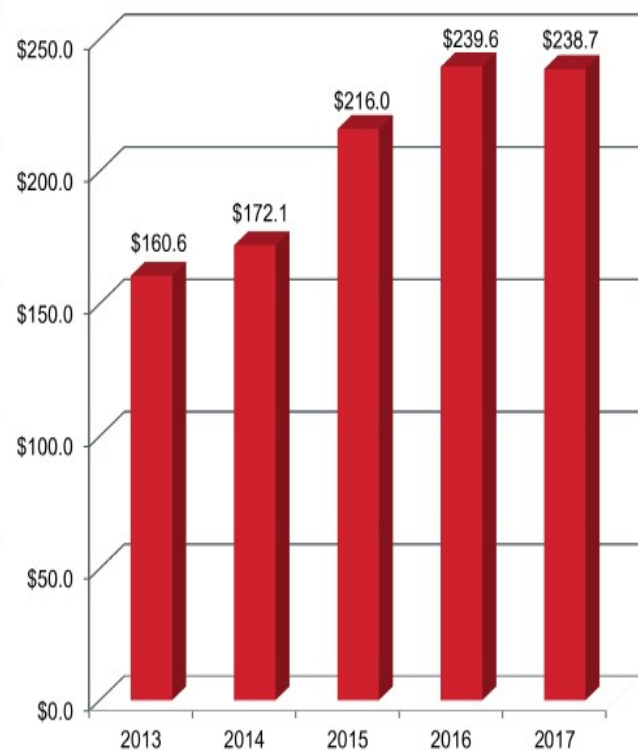
EBITDA

(Dollars in millions)

EBITDA

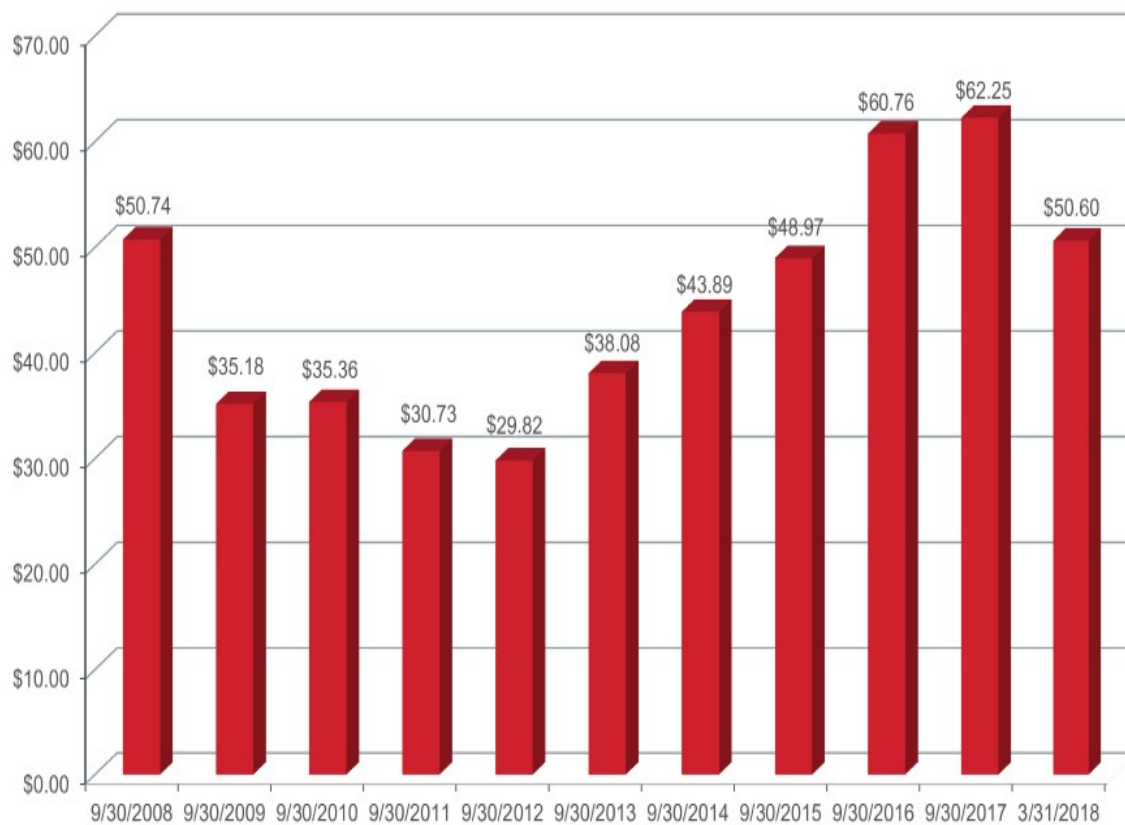


Adjusted EBITDA



Note: EBITDA represents earnings before interest expense, income taxes, depreciation and amortization. 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 at least 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)
 - 23rd 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



	<u>Shares</u> <u>3/31/2018</u>	
BlackRock Institutional Trust Company, N.A.	4,134,966	
The Vanguard Group, Inc.	3,235,155	
Franklin Advisory Services, LLC	2,955,118	
Wellington Management Company, LLP	1,450,766	
Dimensional Fund Advisors, L.P.	1,340,204	
Clarkston Capital Partners, LLC	1,123,094	
T. Rowe Price Associates, Inc.	1,024,585	
State Street Global Advisors (US)	804,330	
Voya Investment Management LLC	573,291	
Bank of New York Mellon Corporation	<u>469,478</u>	
Top Ten Institutions	17,110,987	53.2% of outstanding shares
Remaining Institutions	<u>9,377,153</u>	
Total Institutional Ownership	<u><u>26,488,140</u></u>	82.4% of outstanding shares

Note: Institutional share information obtained from NASDAQ as of March 31, 2018.

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Appendices

Appendix A

Adjusted Operating Profit

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Non-GAAP Reconciliation

(Dollars in thousands)	Fiscal year ended September 30,			YTD March 31,	
	2015	2016	2017	2017	2018
SGK Brand Solutions					
Operating Profit	\$ 21,864	\$ 42,909	\$ 24,919	\$ 8,551	\$ 8,242
Acquisition-related items ⁽¹⁾	33,605	24,872	21,103	13,110	9,646
Intangible asset write-offs	4,842	-	-	-	-
Litigation matter	-	-	-	-	-
Strategic initiative and other charges ⁽²⁾	10,116	120	8,620	-	698
Subtotal	61,327	67,901	54,642	21,661	18,586
Intangible amortization expense	15,914	15,027	17,252	7,815	10,144
Pension and postretirement expense ⁽³⁾	2,669	4,122	4,080	2,040	1,325
Adjusted Operating Profit	\$ 79,910	\$ 87,050	\$ 75,974	\$ 31,516	\$ 30,055
Memorialization					
Operating Profit	\$ 70,064	\$ 68,252	\$ 80,652	\$ 37,305	\$ 38,364
Acquisition-related items ⁽¹⁾	5,260	11,022	7,791	4,727	1,699
Intangible asset write-offs	-	-	-	-	-
Litigation matter	(8,996)	-	-	-	-
Strategic initiative and other charges ⁽²⁾	1,156	(589)	-	-	930
Subtotal	67,484	78,685	88,443	42,032	40,993
Intangible amortization expense	2,111	4,934	4,803	2,345	3,186
Pension and postretirement expense ⁽³⁾	2,611	3,618	4,167	2,084	1,354
Adjusted Operating Profit	\$ 72,206	\$ 87,237	\$ 97,413	\$ 46,461	\$ 45,533
Industrial Technologies					
Operating Profit	\$ 13,095	\$ 7,654	\$ 7,032	\$ 35	\$ 1,109
Acquisition-related items ⁽¹⁾	-	-	356	444	81
Intangible asset write-offs	-	-	-	-	-
Litigation matter	-	-	-	-	-
Strategic initiative and other charges ⁽²⁾	-	632	589	-	587
Subtotal	13,095	8,286	7,977	479	1,777
Intangible amortization expense	775	860	1,258	415	1,600
Pension and postretirement expense ⁽³⁾	397	673	526	264	171
Adjusted Operating Profit	\$ 14,267	\$ 9,819	\$ 9,761	\$ 1,158	\$ 3,548
Consolidated					
Operating Profit	\$ 105,023	\$ 118,815	\$ 112,603	\$ 45,891	\$ 47,715
Acquisition-related items ⁽¹⁾	38,865	35,894	29,250	18,281	11,428
Intangible asset write-offs	4,842	-	-	-	-
Litigation matter	(8,996)	-	-	-	-
Strategic initiative and other charges ⁽²⁾	2,172	183	9,209	-	2,215
Subtotal	141,906	154,872	151,062	64,172	61,356
Intangible amortization expense	18,800	20,821	23,313	10,575	14,930
Pension and postretirement expense ⁽³⁾	5,677	8,413	8,773	4,388	2,850
Adjusted Operating Profit	\$ 166,383	\$ 184,116	\$ 183,148	\$ 79,135	\$ 79,136

Note: See Disclaimer (Page 3) for Management's assessment of supplemental information related to adjusted operating profit. Adjusted Operating Profit has been updated to include intangible amortization expense and pension/postretirement expense for all periods presented.

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

(2) See Disclaimer (Page 3).

(3) See Exhibit B Footnote (5).

Appendix B

EBITDA and Adjusted EBITDA

Non-GAAP Reconciliation



(Dollars in thousands)	Fiscal year ended September 30,			YTD March 31,	
	2015	2016	2017	2017 ⁽¹⁾	2018
Net Income	\$ 63,449	\$ 66,749	\$ 74,368	\$ 25,242	\$ 53,362
Interest expense	20,610	24,344	26,371	12,762	17,063
Income tax provision (benefit) ⁽²⁾	26,364	29,073	22,354	8,462	(23,015)
Depreciation and amortization ⁽³⁾	62,620	65,480	67,981	32,294	36,986
EBITDA	\$ 173,043	\$ 185,646	\$ 191,074	\$ 78,760	\$ 84,396
Acquisition-related items ⁽³⁾	38,865	34,674	25,748	16,800	11,358
Intangible asset write-offs	4,842	-	-	-	-
Litigation matter	(8,996)	-	-	-	-
Strategic initiative and other charges ⁽⁴⁾	4,968	241	9,209	-	2,215
Loss recoveries, net of costs	-	-	(10,683)	-	-
Pension settlement	(11,522)	-	-	-	-
Stock-based compensation	9,097	10,612	14,562	9,017	8,132
Pension and postretirement expense ⁽⁵⁾	5,677	8,413	8,773	4,388	2,850
Adjusted EBITDA	\$ 215,974	\$ 239,586	\$ 238,683	\$ 108,965	\$ 108,951

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

(1) Information for the six months ended March 31, 2017 has been adjusted to reflect the adoption of ASU No. 2015-09. 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, both of which have been retroactively included in the first quarter results for fiscal 2017. There was no impact for the three month period ended March 31, 2017.

(2) The income tax regulation changes identified in the adjusted net income/earnings per share reconciliation are included in this line and therefore not separately identified in the calculation of adjusted EBITDA.

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

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

(5) 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 Net Income and EPS

Non-GAAP Reconciliation



(Dollars in thousands, except per share data)

	Fiscal year ended September 30,			YTD March 31,	
	2015	2016	2017	2017 ⁽¹⁾	2018
Net income attributable to Matthews	\$ 63,449	\$ 66,749	\$ 74,368	\$ 25,242	\$ 53,362
Acquisition-related items	26,428	23,578	20,615	12,845	8,455
Intangible asset write-offs	3,293	-	-	-	-
Litigation matter	(6,117)	-	-	-	-
Loss recoveries, net of costs	-	-	(7,478)	-	-
Strategic initiatives and other charges ⁽²⁾	3,378	1,031	6,722	-	1,640
Pension settlement	(7,835)	-	-	-	-
Pension and postretirement expense ⁽³⁾	3,961	5,729	6,141	3,049	2,109
Intangible amortization expense	12,784	14,179	16,319	7,350	11,048
Tax related ⁽⁴⁾	1,334	-	485	135	(26,738)
Adjusted net income	<u>\$ 100,675</u>	<u>\$ 111,266</u>	<u>\$ 117,172</u>	<u>\$ 48,621</u>	<u>\$ 49,876</u>
Adjusted EPS	<u>\$ 3.03</u>	<u>\$ 3.38</u>	<u>\$ 3.60</u>	<u>\$ 1.48</u>	<u>\$ 1.57</u>

Note: See Disclaimer (Page 3) for Management's assessment of supplemental information related to adjusted net income and adjusted EPS. Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 26.0% and 30.5% for the six months ended March 31, 2018 and 2017, respectively, and approximately 32.0% for all prior fiscal years presented.

(1) Information for the six months ended March 31, 2017 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, both of which have been retroactively included in the first quarter results for fiscal 2017. There was no impact for the three month period ended March 31, 2017.

(2) See Disclaimer (Page 3).

(3) See Exhibit B Footnote (5).

(4) The tax-related adjustments in fiscal 2018 consisted of income tax regulation changes which included an estimated favorable tax benefit of approximately \$37,800 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 and other charges of approximately \$11,100, for the six month period ended March 31, 2018.

Appendix D Adjusted EBITDA by Segment

Matthews

Non-GAAP Reconciliation

(Dollars in thousands)	Fiscal year ended September 30,			INTERNATIONAL ¹ YTD March 31,	
	2015	2016	2017	2017 ⁽¹⁾	2018
SGK Brand Solutions					
Operating Profit	\$ 21,064	\$ 42,909	\$ 24,919	\$ 8,551	\$ 8,242
Depreciation and amortization ⁽²⁾	47,215	42,471	43,508	19,896	24,018
Other ⁽³⁾	2,536	662	4,877	267	(142)
EBITDA	\$ 71,617	\$ 86,042	\$ 73,304	\$ 28,717	\$ 32,118
Acquisition-related items ⁽²⁾	33,605	24,380	19,541	12,877	9,646
Intangible asset write-offs	4,842	-	-	-	-
Strategic initiative and other charges ⁽⁴⁾	1,016	120	8,620	-	698
Loss recoveries, net of costs	-	-	(4,968)	-	-
Pension settlement	(11,522)	-	-	-	-
Stock-based compensation	4,236	5,180	6,639	4,149	3,576
Pension and post retirement expense ⁽⁵⁾	2,669	4,122	4,080	2,040	1,325
Adjusted EBITDA	\$ 106,463	\$ 119,844	\$ 107,216	\$ 47,783	\$ 47,363
Memorialization					
Operating Profit	\$ 70,064	\$ 68,252	\$ 80,652	\$ 37,305	\$ 38,364
Depreciation and amortization ⁽²⁾	13,019	20,305	21,408	11,103	10,248
Other ⁽³⁾	2,484	580	4,983	273	(145)
EBITDA	\$ 85,567	\$ 89,137	\$ 107,043	\$ 48,681	\$ 48,467
Acquisition-related items ⁽²⁾	5,260	10,294	5,851	3,479	1,631
Litigation matter	(8,996)	-	-	-	-
Strategic initiative and other charges ⁽⁴⁾	3,952	(511)	-	-	930
Loss recoveries, net of costs	-	-	(5,074)	-	-
Stock-based compensation	4,022	4,523	6,893	4,259	3,961
Pension and post retirement expense ⁽⁵⁾	2,611	3,618	4,167	2,084	1,354
Adjusted EBITDA	\$ 92,416	\$ 107,061	\$ 118,880	\$ 58,503	\$ 56,343
Industrial Technologies					
Operating Profit	\$ 13,095	\$ 7,654	\$ 7,032	\$ 35	\$ 1,109
Depreciation and amortization ⁽²⁾	2,386	2,704	3,065	1,293	2,720
Other ⁽³⁾	378	109	630	35	(18)
EBITDA	\$ 15,859	\$ 10,467	\$ 10,727	\$ 1,363	\$ 3,811
Acquisition-related items ⁽²⁾	-	-	356	444	81
Strategic initiative and other charges ⁽⁴⁾	-	632	589	-	587
Loss recoveries, net of costs	-	-	(641)	-	-
Stock-based compensation	839	909	1,030	610	595
Pension and post retirement expense ⁽⁵⁾	397	673	526	263	171
Adjusted EBITDA	\$ 17,095	\$ 12,681	\$ 12,587	\$ 2,679	\$ 5,244
Consolidated					
Operating Profit	\$ 105,023	\$ 118,815	\$ 112,603	\$ 45,891	\$ 47,715
Depreciation and amortization ⁽²⁾	62,620	65,480	67,981	32,294	36,986
Other ⁽³⁾	5,400	1,351	10,490	575	(305)
EBITDA	\$ 173,043	\$ 185,646	\$ 191,074	\$ 78,760	\$ 84,396
Acquisition-related items ⁽²⁾	38,865	34,674	25,748	16,800	11,358
Intangible asset write-offs	4,842	-	-	-	-
Litigation matter	(8,996)	-	-	-	-
Strategic initiative and other charges ⁽⁴⁾	4,968	241	9,209	-	2,215
Loss recoveries, net of costs	-	-	(10,683)	-	-
Pension settlement	(11,522)	-	-	-	-
Stock-based compensation	9,097	10,612	14,562	9,018	8,132
Pension and post retirement expense ⁽⁵⁾	5,677	8,413	8,773	4,388	2,850
Adjusted EBITDA	\$ 215,974	\$ 239,586	\$ 238,683	\$ 108,965	\$ 108,951

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

- (1) - Information for the six months ended March 31, 2017 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, both of which have been retroactively included in the first quarter results for fiscal 2017. There was no impact for the three month period ended March 31, 2017.
- (2) - One-time depreciation and amortization charges related to recent acquisitions are included in the Depreciation and amortization.
- (3) - Other represents Investment income (loss), Other income (deductions), net, and Net loss (income) attributable to noncontrolling interests.
- (4) - See Disclaimer (Page 3). One-time non-operating related charges are included in the calculation of Adjusted EBITDA.
- (5) - See Appendix B Footnote (5).

Appendix E

Additional Segment Information

Supplemental Asset Data

Matthews
INTERNATIONAL

(Dollars in thousands)
(unaudited)

	Fiscal 2017				
	SGK Brand		Industrial		Total
	Solutions	Memorialization	Technologies	Corporate	
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
Total assets	\$ 1,276,295	\$ 741,148	\$ 161,472	\$ 65,734	\$ 2,244,649
	Fiscal 2016				
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
Total assets	\$ 1,177,816	\$ 735,985	\$ 122,179	\$ 55,061	\$ 2,091,041
	Fiscal 2015				
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
Total assets	\$ 1,157,771	\$ 762,028	\$ 115,664	\$ 108,148	\$ 2,143,611

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

