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): July 26, 2018

MATTHEWS INTERNATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

PENNSYLVANIA	**0-09115**	**25-0644320**
(State or other jurisdiction of Incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

TWO NORTHSHORE CENTER, PITTSBURGH, PA	**15212-5851**
(Address of principal executive offices)	(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.

On July 26, 2018, Matthews International Corporation ("Matthews") issued a press release announcing its earnings for the third fiscal quarter of 2018. A copy of the press release is furnished hereto as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

On July 26, 2018, Matthews posted to the Company's website (www.matw.com/investor) its earnings teleconference presentation which includes selected financial results for the third fiscal quarter of 2018. The presentation is furnished herewith as Exhibit 99.2. 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 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release, dated July 26, 2018, issued by Matthews International Corporation
99.2	Matthews International Corporation earnings teleconference presentation for the third 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: July 27, 2018

NEWS RELEASE

Matthews International Corporation
Corporate Office
Two NorthShore Center
Pittsburgh, PA 15212-5851
Phone: (412) 442-8200
Fax: (412) 442-8290

July 26, 2018

Contact: Steven F. Nicola
Chief Financial Officer and Secretary

MATTHEWS INTERNATIONAL REPORTS RESULTS FOR FISCAL 2018 THIRD QUARTER

- ***GAAP EPS of $0.77 for the current quarter; $2.44 fiscal 2018 year-to-date***
- ***Non-GAAP EPS of $1.16 for the current quarter, up 10.5% over last year***
- ***Consolidated sales of $411.6 million, up 5.6% over last year***
- ***Company sets new quarterly record for adjusted EPS***
- ***Reaffirming non-GAAP EPS growth expectations for fiscal 2018***

PITTSBURGH, PA, JULY 26, 2018 - Matthews International Corporation (NASDAQ GSM: MATW) today announced financial results for its fiscal third quarter and nine months ended June 30, 2018.

In discussing the Company's results for the quarter, Joseph C. Bartolacci, President and Chief Executive Officer, stated: "I am pleased to report that our adjusted earnings per share of $1.16 for the fiscal 2018 third quarter were ahead of our internal expectations, reflecting growth in excess of 10% over the same quarter last year on a comparable basis. This performance is a reflection of continued strengthening in our Industrial Technologies segment, improving conditions in several of our brand markets, acquisition synergy realization in the Memorialization group, the impact of recent acquisitions, and lower income taxes.

"Our fiscal 2018 third quarter results established a new quarterly record for non-GAAP earnings per share. In addition, our sales and adjusted EBITDA set new third quarter records.

"On a consolidated basis, our operating cash flow continues to be strong. As a result, during the fiscal 2018 third quarter, we reduced our gross long-term debt by approximately $20 million."

Third Quarter Fiscal 2018 Consolidated Results (Unaudited)

($ in millions, except per share data)	Q3 FY2018		Q3 FY2017		Change		% Change
Sales	$	411.6	$	389.6	$	22.0	5.6%
Net income attributable to Matthews	$	24.4	$	29.5	$	(5.1)	(17.3)%
Diluted EPS	$	0.77	$	0.91	$	(0.14)	(15.4)%
Non-GAAP adjusted net income	$	36.7	$	34.2	$	2.5	7.3%
Non-GAAP adjusted EPS	$	1.16	$	1.05	$	0.11	10.5%
Adjusted EBITDA	$	69.2	$	65.6	$	3.6	5.5%

Note: See the attached tables for additional important disclosures regarding Matthews' use of non-GAAP measures as well as a reconciliation of net income to non-GAAP adjusted net income and adjusted EBITDA.

Consolidated sales for the fiscal 2018 third quarter were $411 .6 million, representing an increase of $22.0 million, or 5.6% over the third quarter last year. The Company reported higher sales in each of its three business segments. Sales growth in the principal product lines for the Industrial Technologies segment, higher European sales in the SGK Brand Solutions segment, an increase in cremation equipment sales in North America, and acquisitions were the principal factors in the increase in consolidated sales. In addition, changes in foreign currency exchange rates had a favorable impact of $8.1 million on consolidated sales compared to a year ago.

Net income attributable to the Company for the quarter ended June 30 , 2018 was $24.4 million, or $0.77 per share, compared with $29.5 million, or $0.91 per share, a year ago. Intangible amortization expense increased approximately $2.0 million (pre-tax) for the current quarter primarily related to the Company's recent acquisitions and the prior year third quarter included loss recoveries, excluding related costs, of $10.0 million (pre-tax).

On a non-GAAP adjusted basis, earnings for the fiscal 2018 third quarter were $1 .16 per share, compared with $1.05 per share for the fiscal 2017 third quarter, representing an increase of 10.5%, primarily reflecting the impact of higher sales, acquisition synergy realization and lower income taxes.

Adjusted EBITDA (net income before interest expense, income taxes, depreciation and amortization, and other adjustments) for the fiscal 2018 third quarter was $69.2 million, compared to $65.6 million for the same quarter a year ago.

Sales for the SGK Brand Solutions segment were $203.0 million for the quarter ended June 30, 2018, compared to $200.6 million a year ago, representing an increase of $2.4 million, or 1.2%. The segment reported higher sales in Europe, including sales for the surfaces and engineered solutions businesses. Sales in the U.K. and Asia markets were also higher for the quarter. In addition, recent acquisitions contributed to the sales growth for the segment. The segment's sales in North America were lower than a year ago as the prior year third quarter included the benefit of a significant merchandising display project. Changes in foreign currency exchange rates had a favorable impact of $6.9 million on the segment's sales compared with the same quarter last year.

Memorialization segment sales for the fiscal 2018 third quarter were $162.0 million, compared to $155.8 million a year ago, representing an increase of $6.2 million, or 3.9%. Higher sales principally resulted from an increase in sales of cremation equipment in North America and the acquisition of Star Granite & Bronze. Memorial and casket sales volumes for the fiscal 2018 third quarter were lower than a year ago, consistent with an estimated decline in U.S. casketed deaths.

Sales for the Industrial Technologies segment were $46.7 million for the quarter ended June 30, 2018, compared to $33.2 million a year ago, representing an increase of $13.5 million, or 40.6%. The increase reflected higher sales of marking products, OEM solutions and fulfillment systems, and the benefit of the recent acquisition of Compass Engineering.

Nine Months Fiscal 2018 Consolidated Results (Unaudited)

($ in millions, except per share data)	YTD FY2018		YTD FY2017		Change		% Change
Sales	$	1,195.1	$	1,119.5	$	75.6	6.8%
Net income attributable to Matthews	$	77.8	$	54.7	$	23.1	42.2%
Diluted EPS	$	2.44	$	1.68	$	0.76	45.2%
Non-GAAP adjusted net income	$	86.6	$	82.8	$	3.8	4.6%
Non-GAAP adjusted EPS	$	2.72	$	2.55	$	0.17	6.7%
Adjusted EBITDA	$	178.2	$	174.6	$	3.6	2.1%

Note: See the attached tables for additional important disclosures regarding Matthews' use of non-GAAP measures as well as a reconciliation of net income to non-GAAP adjusted net income and adjusted EBITDA.

Consolidated sales for the nine months ended June 30, 2018 were $1.2 billion, an increase of $75.6 million, or 6.8% over the prior year. The Company reported higher sales in each of its three business segments. Sales growth in all of the principal product lines for the Industrial Technologies segment, higher international sales in the SGK Brand Solutions segment, an increase in cremation equipment sales, and acquisitions were the principal factors in the increase in consolidated sales. In addition, changes in foreign currency exchange rates had a favorable impact of $30.3 million on consolidated sales compared to a year ago.

Net income attributable to the Company for the nine months ended June 30, 2018 was $77.8 million, or $2.44 per share, compared to $54.7 million, or $1.68 per share, a year ago. The increase primarily reflected the impact of higher sales, acquisition synergy realization, and lower acquisition integration costs. In addition, the U.S. Tax Cuts and Jobs Act contributed to a significant reduction in the Company's income tax expense for fiscal 2018, primarily related to a favorable adjustment in deferred income taxes offset partially by an estimated repatriation tax.

On a non-GAAP adjusted basis, earnings for the first nine months of fiscal 2018 were $2.72 per share, compared with $2.55 per share last year, primarily reflecting the impact of higher sales, acquisition synergy realization, and lower income taxes. Adjusted EBITDA (net income before interest expense, income taxes, depreciation and amortization, and other adjustments) for the nine months ended June 30, 2018 was $178.2 million, compared to $174.6 million last year.

Sales for the SGK Brand Solutions segment were $601.8 million for the nine months ended June 30, 2018, compared to $566.5 million a year ago, representing an increase of $35.3 million, or 6.2%. The segment reported higher sales in its Europe, U.K. and Asia Pacific markets. In addition, recent acquisitions contributed to current year sales growth. Sales of merchandising displays were lower as last year included the benefit of a significant project. Changes in currency rates had a favorable impact of $25.4 million on the segment's sales compared to a year ago.

Memorialization segment sales for the first nine months of fiscal 2018 were $475.6 million, compared to $463.6 million a year ago, representing an increase of $12.0 million. The increase primarily reflected higher cremation equipment sales and the acquisition of Star Granite & Bronze. Memorial and casket sales volumes for the current year were lower than a year ago reflecting an estimated decline in U.S. casketed deaths. Changes in foreign currency exchange rates had a favorable impact of $3.1 million on the segment's sales compared to last year.

Sales for the Industrial Technologies segment were $117.8 million for the nine months ended

June 30, 2018, compared to $89.5 million a year ago, representing an increase of $28.3 million, or 31.7%. The increase reflected higher sales of marking products, OEM solutions and fulfillment systems, and the benefit of recent acquisitions. Changes in foreign currency exchange rates had a favorable impact of approximately $1.7 million on the segment's sales compared to a year ago.

Outlook

Mr. Bartolacci further stated: "We remain on target to achieve our fiscal 2018 objectives. Order rates for fulfillment systems in our Industrial Technologies segment and for engineered solutions in our SGK Brand Solutions segment remain strong. In addition, recent new brand account wins have started to contribute to our results. As a result, based on our year-to-date results and projections for the fiscal 2018 fourth quarter, we are re-affirming our target for fiscal 2018 and expect to achieve growth in non-GAAP earnings per share of at least 10% over fiscal 2017."

Webcast

The Company will host a conference call and webcast Friday, July 27, 2018 at 9:00 a.m. Eastern Time to review its financial and operating results, and discuss its corporate strategies and outlook. A question-and-answer session will follow.

The conference call can be accessed by calling (201) 689 -8471. The audio webcast can be monitored at www.matw.com. A telephonic replay will be available from 12:00 p.m. ET on the day of the call through Friday, August 10, 2018. To listen to the archived call, dial (412) 317-6671 and enter the pass code 13680880. The webcast replay will be available in the investor relations section of the Company's website at www.matw.com, where a transcript will also be posted once available.

About Matthews International Corporation

Matthews International Corporation is a global provider of brand solutions, memorialization products and industrial technologies. The SGK Brand Solutions segment is a leader in providing brand development, deployment and delivery services that help build our clients' brands and consumers' desire for them. The Memorialization segment is a leading provider of memorialization products, including memorials, caskets and cremation equipment, primarily to cemetery and funeral home customers that help families move from grief to remembrance. The Industrial Technologies segment designs, manufactures and distributes marking, coding and industrial automation technologies and solutions. The Company has approximately 11,000 employees in more than 25 countries on six continents that are committed to delivering the highest quality products and services.

Forward-looking Information

Any forward-looking statements contained in this release are included 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 materially from the results discussed in such forward-looking statements principally include changes in economic conditions, competitive environment, death rate, foreign currency exchange rates, technological factors beyond the Company's control , and other factors described in the Company's Annual Report on Form 10-K and other periodic filings with the U .S. Securities and Exchange Commission.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(In thousands, except per share data)

	Three Months Ended June 30,			Nine Months Ended June 30,		
	2018	2017	% Change	2018	2017 (1)	% Change
Sales	**$ 411,621**	**$ 389,630**	**6 %**	**$ 1,195,136**	**$ 1,119,544**	**7 %**
Cost of sales	(259,720)	(245,536)	6 %	(762,570)	(709,761)	7 %
Gross profit	**151,901**	**144,094**	**5 %**	**432,566**	**409,783**	**6 %**
Gross margin	*36.9%*	*37.0%*		*36.2%*	*36.6%*	
Selling and administrative expenses	(105,672)	(100,944)	5 %	(323,692)	(310,167)	4 %
Amortization of intangible assets	(8,334)	(6,364)	31 %	(23,264)	(16,939)	37 %
Operating profit	**37,895**	**36,786**	**3 %**	**85,610**	**82,677**	**4 %**
Operating margin	*9.2%*	*9.4%*		*7.2%*	*7.4%*	
Interest and other income (deductions), net	(9,238)	1,378	(770)%	(26,738)	(10,975)	144 %
Income before income taxes	**28,657**	**38,164**	**(25)%**	**58,872**	**71,702**	**(18)%**
Income taxes	(4,312)	(8,856)	(51)%	18,703	(17,318)	(208)%
Net income	24,345	29,308	(17)%	77,575	54,384	43 %
Non-controlling interests	69	177	(61)%	201	343	(41)%
Net income attributable to Matthews	**$ 24,414**	**$ 29,485**	**(17)%**	**$ 77,776**	**$ 54,727**	**42 %**
Earnings per share -- diluted	**$ 0.77**	**$ 0.91**	**(15)%**	**$ 2.44**	**$ 1.68**	**45 %**
Earnings per share -- non-GAAP (2)	**$ 1.16**	**$ 1.05**	**10 %**	**$ 2.72**	**$ 2.55**	**7 %**
Dividends declared per share	**$ 0.19**	**$ 0.17**	**12 %**	**$ 0.57**	**$ 0.51**	**12 %**

(1) Information for the nine months ended June 30, 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 June 30, 2017.

(2) See reconciliation of non-GAAP financial information provided in tables at the end of this release

Reconciliations of Non-GAAP Financial Measures

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, 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 (such as EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income and Adjusted EPS) 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. 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.

ADJUSTED NET INCOME AND EPS RECONCILIATION (Unaudited)
(In thousands, except per share data)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2018	2017	2018	2017 [(1)]
Net income attributable to Matthews	**$ 24,414**	**$ 29,485**	**$ 77,776**	**$ 54,727**
Acquisition-related items	4,609	5,127	13,064	17,972
Pension and postretirement expense [(2)]	1,055	1,525	3,164	4,574
Intangible amortization expense	6,167	4,423	17,215	11,773
Strategic initiatives and other charges	478	—	2,118	—
Loss recoveries, net of costs	—	(6,504)	—	(6,504)
Tax-related [(3)]	—	150	(26,738)	285
Adjusted net income	**$ 36,723**	**$ 34,206**	**$ 86,599**	**$ 82,827**
Adjusted EPS	**$ 1.16**	**$ 1.05**	**$ 2.72**	**$ 2.55**

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 26.0% and 22.7%, for the three months ended June 30, 2018 and 2017, respectively, and 26.0% and 20.1% for the nine months ended June 30, 2018 and 2017, respectively.

(1) Information for the nine months ended June 30, 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 June 30, 2017.

(2) 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.

(3) 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 nine month period ended June 30, 2018.

ADJUSTED EBITDA RECONCILIATION (Unaudited)
(In thousands)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2018	2017	2018	2017 (1)
Net income attributable to Matthews	**$ 24,414**	**$ 29,485**	**$ 77,776**	**$ 54,727**
Interest expense	9,719	6,988	26,782	19,750
Income taxes (2)	4,312	8,856	(18,703)	17,318
Depreciation and amortization	20,066	18,516	57,052	50,810
EBITDA	**58,511**	**63,845**	**142,907**	**142,605**
Acquisition-related items	6,229	6,097	17,587	22,897
Strategic initiatives and other charges	647	—	2,862	—
Loss recoveries, net of costs	—	(9,358)	—	(9,358)
Stock-based compensation	2,399	2,837	10,531	11,854
Pension and postretirement expense (3)	1,426	2,194	4,276	6,582
Adjusted EBITDA	**$ 69,212**	**$ 65,615**	**$ 178,163**	**$ 174,580**
Adjusted EBITDA margin	*16.8%*	*16.8%*	*14.9%*	*15.6%*

(1) Information for the nine months ended June 30, 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 June 30, 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) 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.

Third Quarter Fiscal 2018 Earnings Teleconference

July 27, 2018

Matthews INTERNATIONAL®

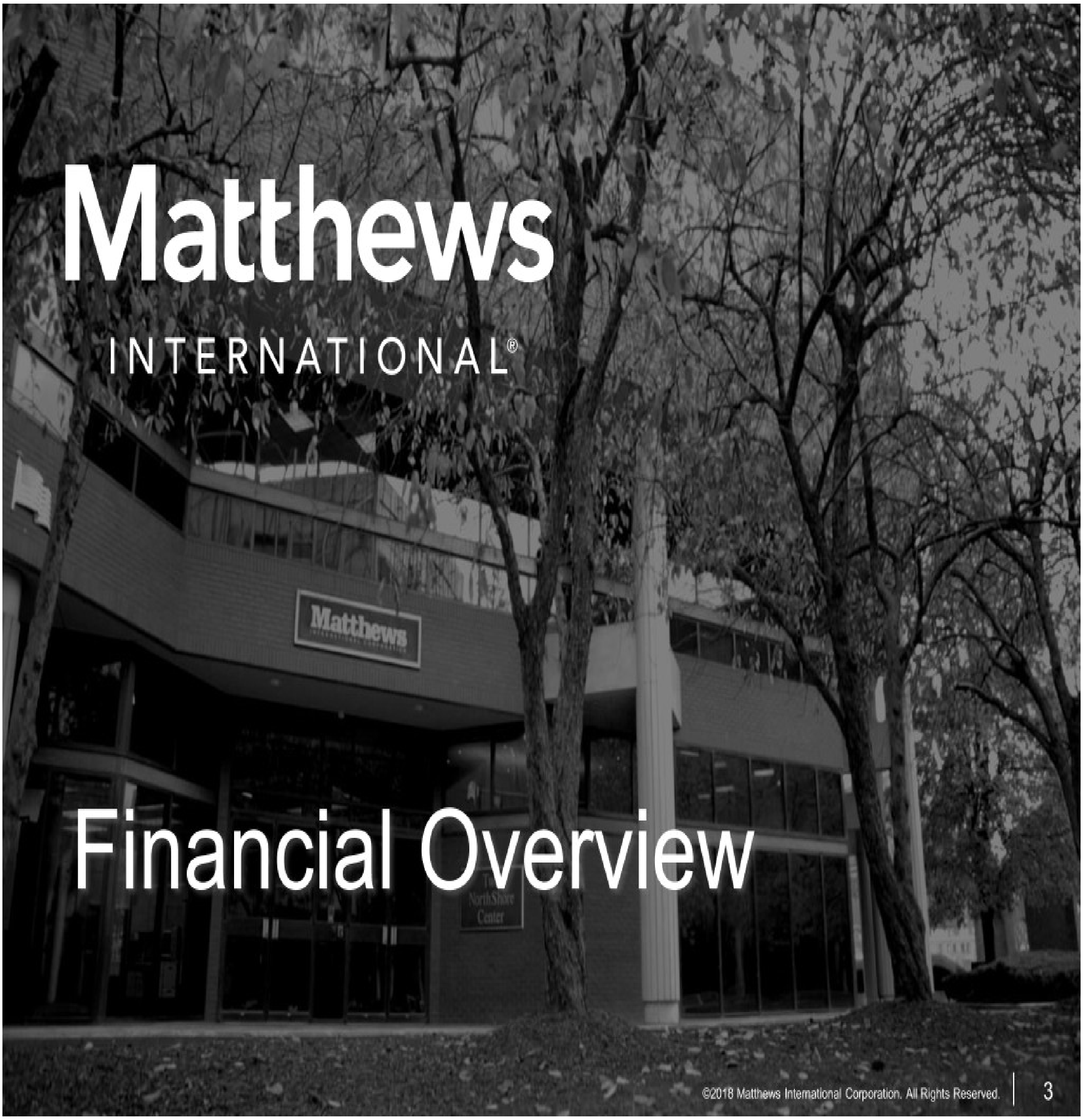
Joseph C. Bartolacci
President and Chief Executive Officer

Steven F. Nicola
Chief Financial Officer

Disclaimer

Matthews INTERNATIONAL

- 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 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, adjusted EBITDA, and adjusted EBITDA margin 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
INTERNATIONAL®
Financial Overview
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Q3 FY2018 Highlights

Matthews INTERNATIONAL

EPS - Diluted

Adjusted EPS*

- Factors impacting Q3 GAAP EPS
  - Higher intangible amortization
  - Prior year included loss recoveries

- Drivers of Q3 Adjusted EPS growth

  Improvements
  - Higher sales – all segments
  - Acquisitions and acquisition synergies
  - Lower US tax rates
  - Favorable foreign currency

  Partial offsets
  - Higher commodity costs
  - PY merchandising display project comp

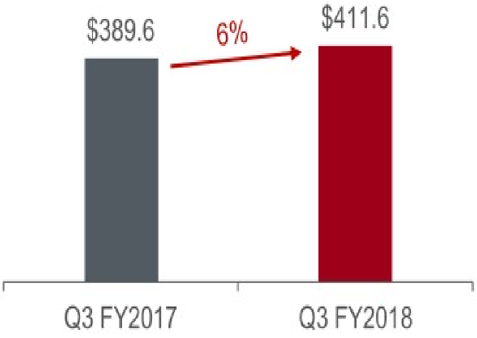
* See supplemental slide for Adjusted EPS reconciliation and other important disclaimers regarding *Matthews' use* of Non-GAAP measures

Q3 FY18 Consolidated Results

Matthews INTERNATIONAL

($ in millions)

Sales

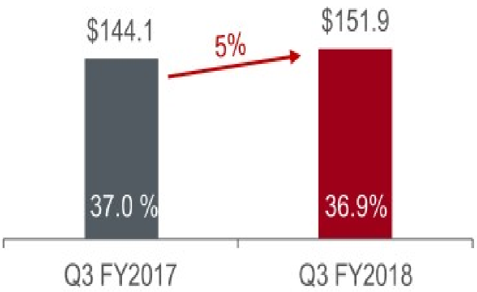


GAAP Operating Profit

and Margin

GAAP Gross Profit

and Margin



Adjusted EBITDA*

and Margin

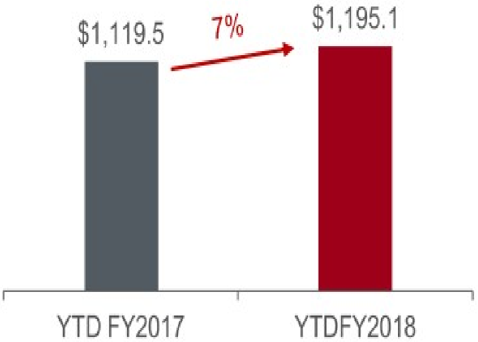
* *See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-*GAAP measures

YTD FY18 Consolidated Results

Matthews INTERNATIONAL

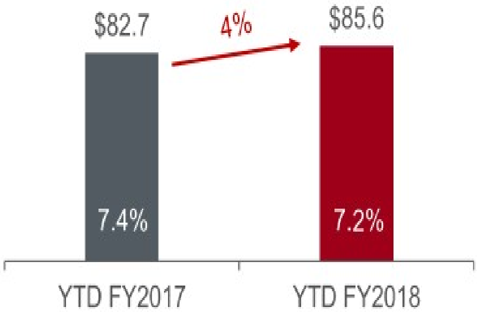
($ in millions)

Sales



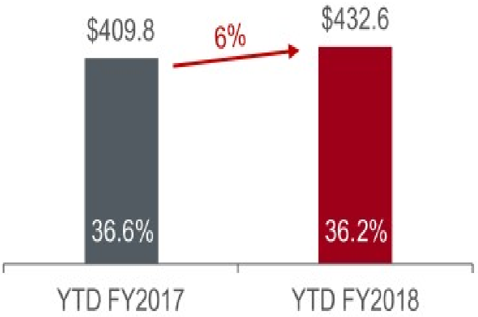
GAAP Operating Profit

and Margin



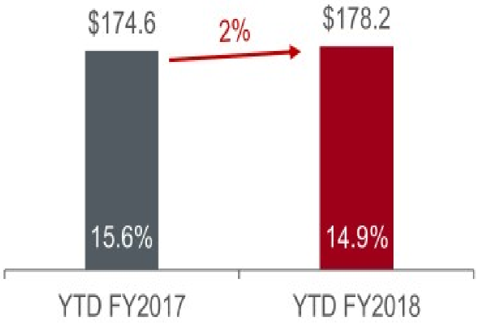
GAAP Gross Profit

and Margin



Adjusted EBITDA*

and Margin

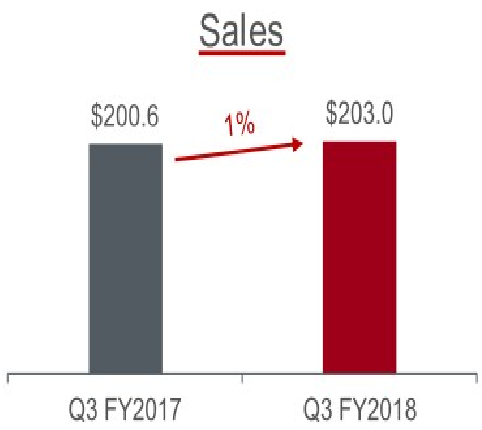


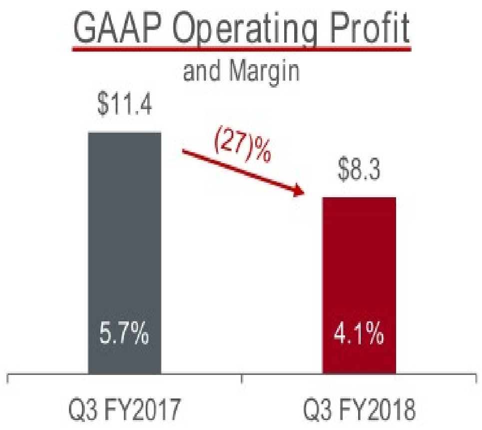
** See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures*

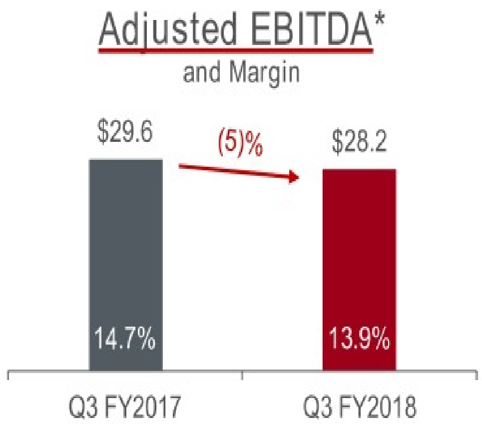
Q3 FY18 SGK Brand Solutions Results

Matthews INTERNATIONAL

($ in millions)







- Higher European sales (brand / surfaces & engineering), acquisitions and currency; PY included significant merchandising project
- Operating profit includes $4.7 million and $5.3 million of amortization expense in Q3 FY2017 and Q3 FY2018
- Adjusted EBITDA comparison impacted by PY merchandising display project & current year start-up costs for new account wins

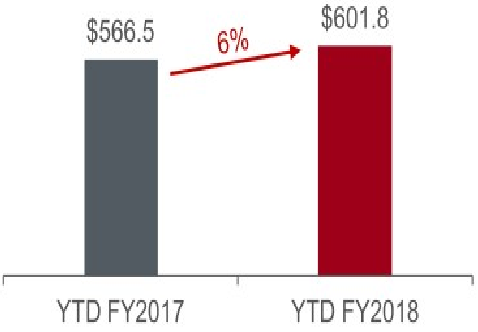
* *See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures*

YTD FY18 SGK Brand Solutions Results

Matthews INTERNATIONAL

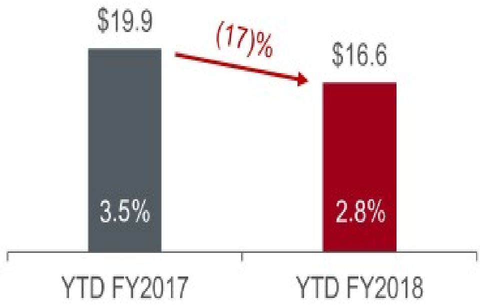
($ in millions)

Sales



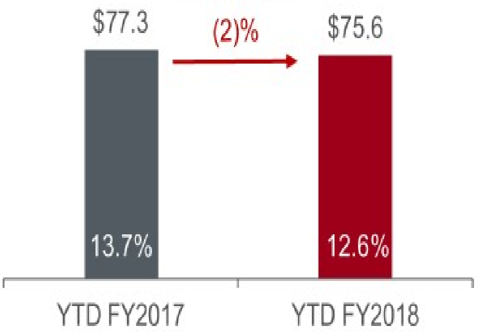
GAAP Operating Profit

and Margin



Adjusted EBITDA*

and Margin



- Sales growth driven by Europe, UK & Asia Pacific, acquisitions, and favorable currency
- Operating profit includes $12.5 million and $15.4 million of amortization expense for YTD FY17 and YTD FY18
- Adjusted EBITDA benefited from sales growth, acquisitions and currency; PY included significant merchandising project

** See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures*

Q3 FY18 Memorialization Results

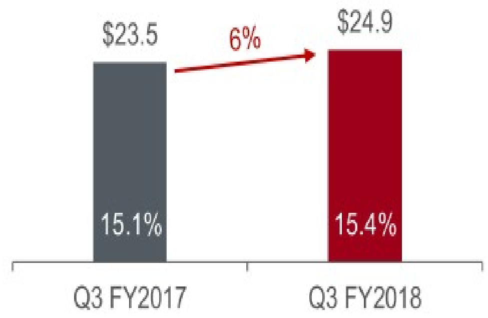
Matthews INTERNATIONAL

($ in millions)

Sales

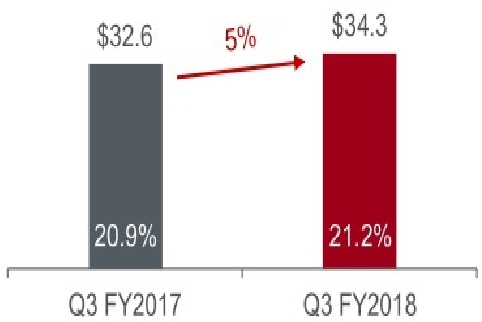
GAAP Operating Profit

and Margin



Adjusted EBITDA*

and Margin



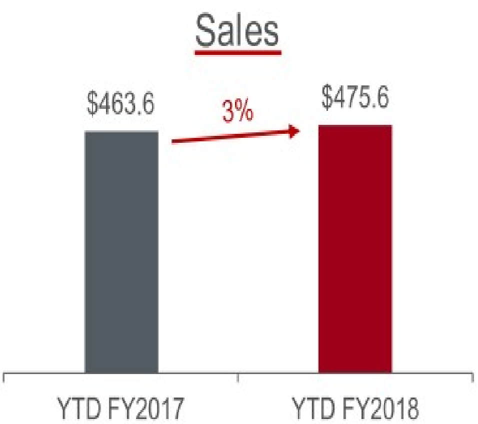
- Sales growth driven by cremation equipment and Star acquisition; partially offset by lower memorial and casket sales
- Operating profit includes $1.2 million and $2.1 million of amortization expense in Q3 FY2017 and Q3 FY2018
- Adjusted EBITDA growth reflects higher sales, acquisitions, and synergies; partially offset by higher material costs

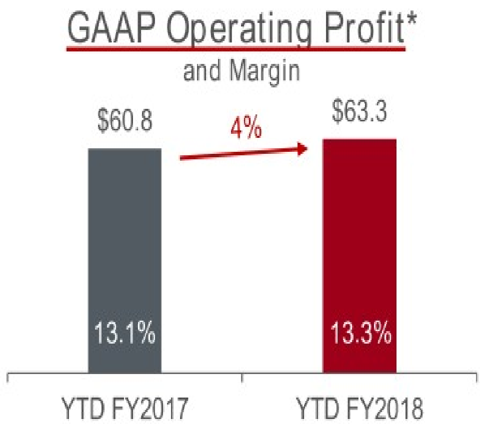
** See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures*

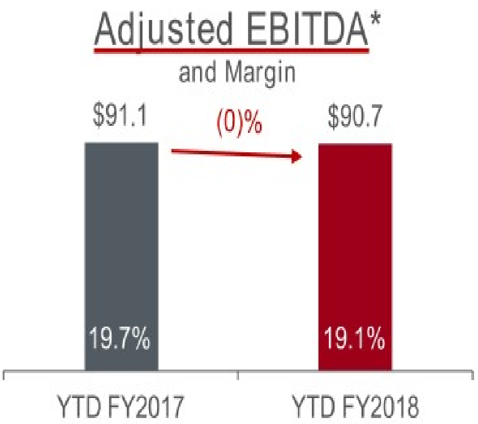
YTD FY18 Memorialization Results

Matthews INTERNATIONAL

($ in millions)







- Sales growth driven by cremation equipment, and acquisition; partially offset by lower memorial and casket sales
- Operating profit includes $3.6 million and $5.3 million of amortization expense in YTD FY17 and YTD FY18
- Adjusted EBITDA benefited from acquisition synergies; offset by impact of lower memorial & casket sales and higher material costs

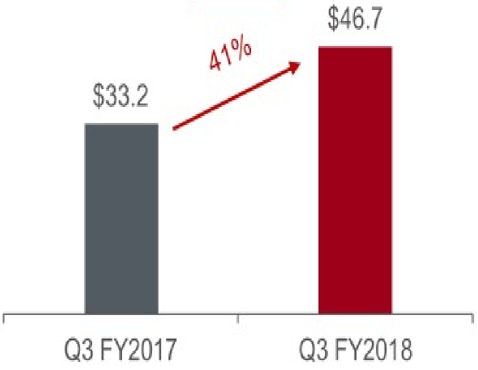
** See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures*

Q3 FY18 Industrial Technologies Results

Matthews INTERNATIONAL

($ in millions)

Sales



GAAP Operating Profit

and Margin

Adjusted EBITDA*

and Margin

- Sales growth reflected increases in marking products, fulfillment systems and OEM solutions; and recent acquisition
- Operating profit includes $0.4 million and $1.0 million of amortization expense in Q3 FY2017 and Q3 FY2018
- Adjusted EBITDA benefited from higher sales; partially offset by higher new product development project costs ($1.9 million in Q3 FY2017 vs. $2.3 million in Q3 FY2018)

** See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures*

YTD FY18 Industrial Technologies Results

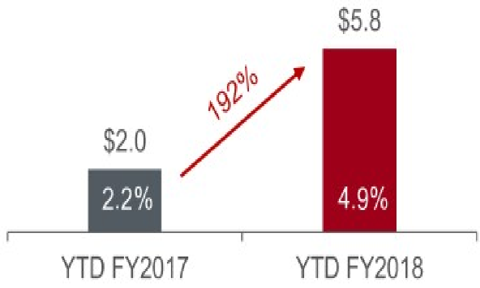
Matthews INTERNATIONAL

($ in millions)

Sales

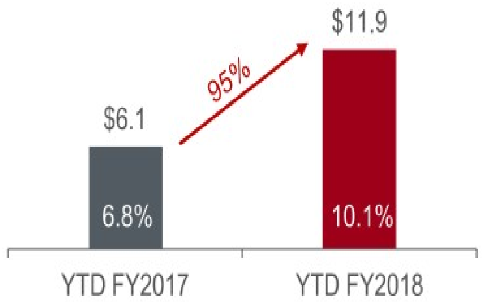
GAAP Operating Profit

and Margin



Adjusted EBITDA*

and Margin



- Sales benefited from higher organic revenues and acquisitions
- Operating profit includes $0.9 million and $2.6 million of amortization expense in YTD FY17 and YTD FY18
- Adjusted EBITDA benefited from higher sales; partially offset by higher new product development project costs ($5.1 million in YTD FY2017 vs. $6.2 million in YTD FY2018)

** See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures*

Capitalization and Cash Flows

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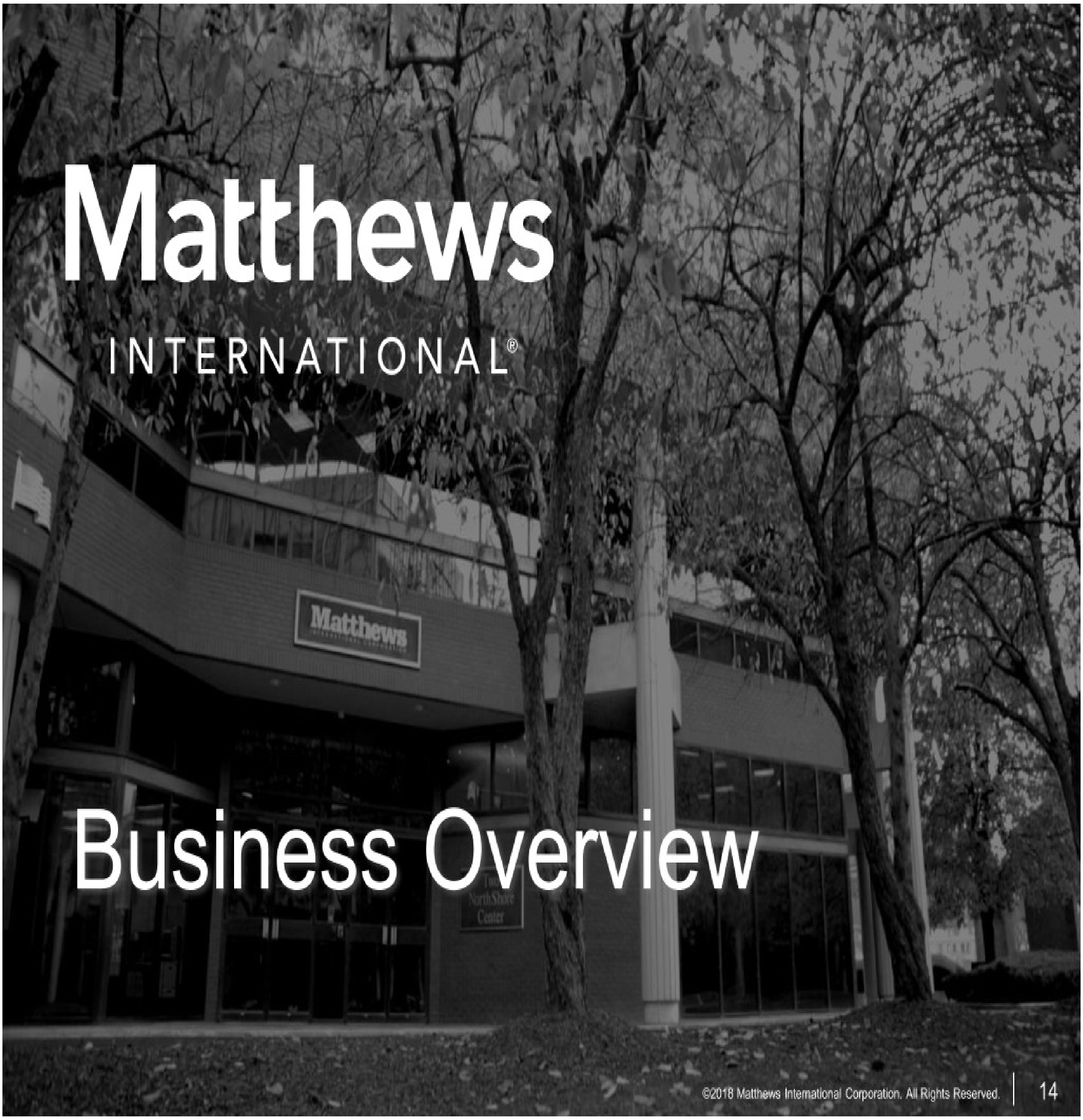
($ in millions)

Debt

Operating Cash Flow

Cash

- Debt reduction of $19.9 million during Q3 FY2018
- YTD operating cash flow impacted by CY pension contribution; PY included benefit of loss recoveries
- Q3 FY2018 purchased 36k shares for $1.8 million; YTD FY18 purchased 372k shares for $20.1 million
- Quarterly dividend $0.19/share, payable 8/13/18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Business Overview
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Business Highlights & Market Climate

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SGK Brand Solutions

- Strong backlog, particularly in engineering; Equator, US, UK, new wins ramping up; EMEA tobacco slowed but expected to rebound; Q3 difficult comp due to large project PY Q3
- Benefiting from cost initiatives

Memorialization

- Sales growth driving adjusted EBITDA – cremation equipment, Star Granite & Bronze, Aurora synergies; partially offset by lower casketed deaths
- Commodity cost pressures

Industrial Technologies

- Strong organic growth driving good backlog, Compass contributing; delivering turnkey solution for major customer
- Placed first new product beta test unit in Q3, expect to place more betas in September; new product launch still expected early 2019

Acquisitions Integration

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SGK Brand Solutions

- Equator (March 2017)
- Ungricht (January 2017)
- VCG (January 2017)

Memorialization

- Star Granite & Bronze (February 2018)
- Aurora (August 2015)

Industrial Technologies

- Compass Engineering (November 2017)
- RAF Technology (February 2017)

Outlook for Fiscal 2018*

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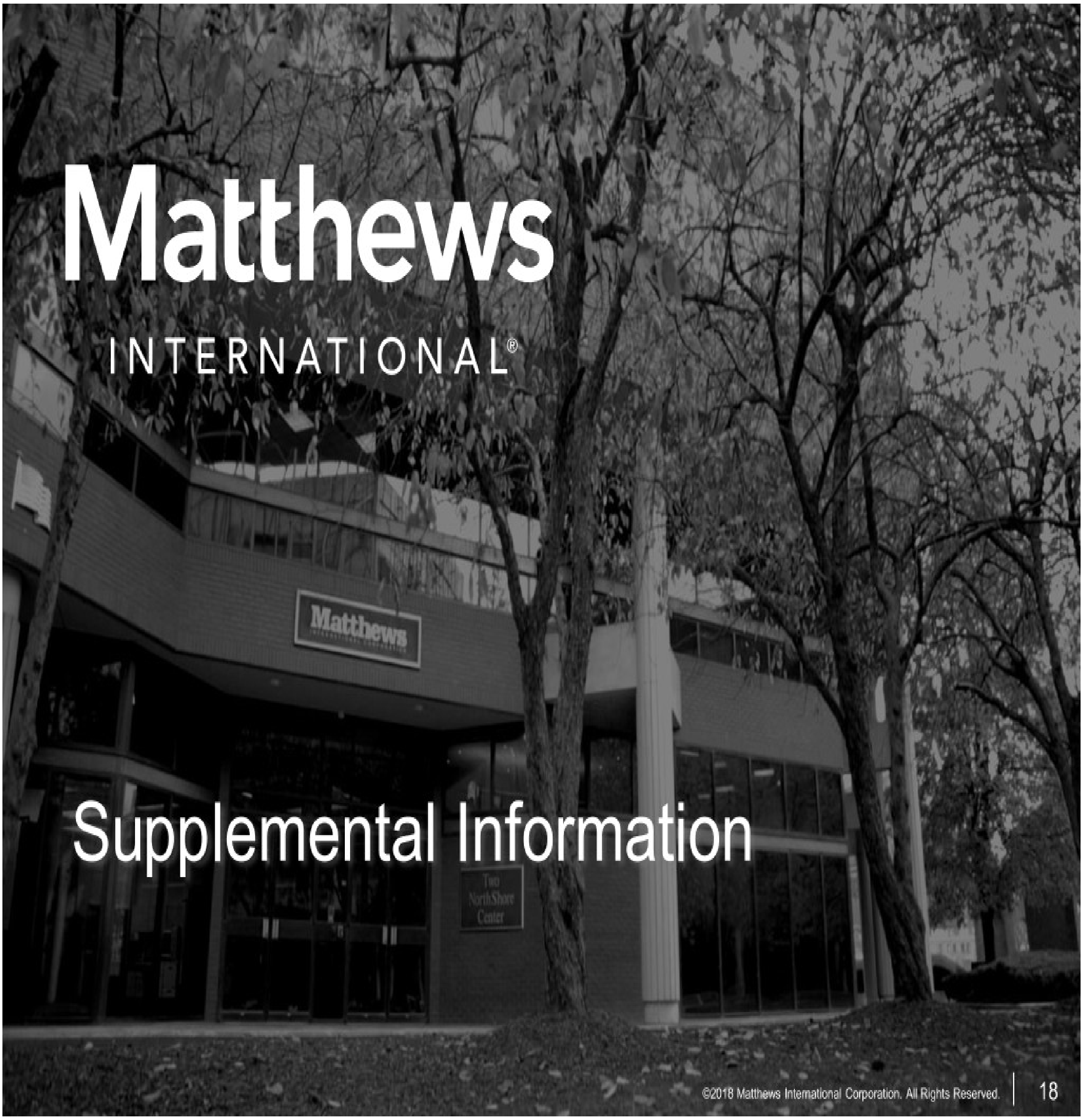
- Growth in non-GAAP EPS by at least 10% over FY 2017
- Operating cash flow currently expected to exceed FY2017 record level

* As of July 26, 2018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Supplemental Information
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Reconciliations of Non-GAAP Financial Measures

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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, 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 (such as EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted operating profit, Adjusted net income and Adjusted EPS) 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. 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.

Adjusted Earnings Per Share

Non-GAAP Reconciliation

Matthews INTERNATIONAL

($ in thousands, except per share data)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2018	2017	2018	2017 (1)
Net income attributable to Matthews	$ 24,414	$ 29,485	$ 77,776	$ 54,727
Acquisition-related items	4,609	5,127	13,064	17,972
Pension and postretirement expense (2)	1,055	1,525	3,164	4,574
Intangible amortization expense	6,167	4,423	17,215	11,773
Strategic initiatives and other charges	478	—	2,118	—
Loss recoveries, net of costs	—	(6,504)	—	(6,504)
Tax-related (3)	—	150	(26,738)	285
Adjusted net income	$ 36,723	$ 34,206	$ 86,599	$ 82,827
Adjusted EPS	$ 1.16	$ 1.05	$ 2.72	$ 2.55

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 26.0% and 22.7%, for the three months ended June 30, 2018 and 2017, respectively, and 26.0% and 20.1% for the nine months ended June 30, 2018 and 2017, respectively.

(1) Information for the nine months ended June 30, 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 June 30, 2017.

(2) 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.

(3) 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 nine month period ended June 30, 2018.

** See Disclaimer (page 2) for Management's assessment of supplemental information related to adjusted net income and adjusted* EPS.

EBITDA and Adjusted EBITDA

Non-GAAP Reconciliation

Matthews INTERNATIONAL

($ in thousands, except percentage amounts)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Nine Months Ended June 30, 2018	Nine Months Ended June 30, 2017 (1)
Net income attributable to Matthews	$ 24,414	$ 29,485	$ 77,776	$ 54,727
Interest expense	9,719	6,988	26,782	19,750
Income taxes (2)	4,312	8,856	(18,703)	17,318
Depreciation and amortization	20,066	18,516	57,052	50,810
EBITDA	58,511	63,845	142,907	142,605
Acquisition-related items	6,229	6,097	17,587	22,897
Strategic initiatives and other charges	647	—	2,862	—
Loss recoveries, net of costs	—	(9,358)	—	(9,358)
Stock-based compensation	2,399	2,837	10,531	11,854
Pension and postretirement expense (3)	1,426	2,194	4,276	6,582
Adjusted EBITDA	$ 69,212	$ 65,615	$ 178,163	$ 174,580
Adjusted EBITDA margin	16.8 %	16.8 %	14.9 %	15.6 %

(1) Information for the nine months ended June 30, 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 June 30, 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) 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.

** See Disclaimer (page 2) for Management's assessment of supplemental information related to EBITDA, adjusted EBITDA, and adjusted EBITDA margin.*

Adjusted Operating Profit by Segment

Non-GAAP Reconciliation

Matthews INTERNATIONAL

($ in thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Nine Months Ended June 30, 2018	Nine Months Ended June 30, 2017
SGK Brand Solutions				
Operating profit	$ 8,308	$ 11,390	$ 16,550	$ 19,941
Acquisition-related items (1)	5,162	4,785	14,808	17,895
Strategic initiatives and other charges	303	-	1,001	-
Intangible amortization expense	5,255	4,708	15,399	12,523
Pension and postretirement expense (2)	663	1,020	1,988	3,060
Adjusted operating profit	$ 19,691	$ 21,903	$ 49,746	$ 53,419
Memorialization				
Operating profit	$ 24,930	$ 23,454	$ 63,294	$ 60,759
Acquisition-related items (1)	955	2,284	2,654	7,011
Strategic initiatives and other charges	344	-	1,274	-
Intangible amortization expense	2,071	1,208	5,257	3,553
Pension and postretirement expense (2)	677	1,042	2,031	3,126
Adjusted operating profit	$ 28,977	$ 27,988	$ 74,510	$ 74,449
Industrial Technologies				
Operating profit	$ 4,657	$ 1,942	$ 5,766	$ 1,977
Acquisition-related items (1)	112	309	193	753
Strategic initiatives and other charges	-	-	587	-
Intangible amortization expense	1,008	448	2,608	863
Pension and postretirement expense (2)	86	132	257	396
Adjusted operating profit	$ 5,863	$ 2,831	$ 9,411	$ 3,989
Consolidated				
Operating profit	$ 37,895	$ 36,786	$ 85,610	$ 82,677
Acquisition-related items (1)	6,229	7,378	17,655	25,659
Strategic initiatives and other charges	647	-	2,862	-
Intangible amortization expense	8,334	6,364	23,264	16,939
Pension and postretirement expense (2)	1,426	2,194	4,276	6,582
Adjusted operating profit	$ 54,531	$ 52,722	$ 133,667	$ 131,857

Note: See Disclaimer (Page 2) *for Management's assessment of* supplemental information related to adjusted operating profit.

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

(2) 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.

Adjusted EBITDA by Segment

Non-GAAP Reconciliation

Matthews INTERNATIONAL

($ in thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Nine Months Ended June 30, 2018	Nine Months Ended June 30, 2017 [1]
SGK Brand Solutions				
Operating profit	$ 8,308	$ 11,390	$ 16,550	$ 19,941
Depreciation and amortization [2]	12,468	12,097	36,486	31,995
Other [3]	256	3,972	114	4,240
EBITDA	21,032	27,459	53,150	56,176
Acquisition-related items [2]	5,162	4,128	14,808	17,005
Strategic initiatives and other charges [4]	303	—	1,001	—
Loss recoveries, net of costs	—	(4,351)	—	(4,351)
Stock-based compensation	1,042	1,296	4,618	5,445
Pension and postretirement expense [5]	663	1,020	1,988	3,060
Adjusted EBITDA	$ 28,202	$ 29,552	$ 75,565	$ 77,335
Memorialization				
Operating profit	$ 24,930	$ 23,454	$ 63,294	$ 60,759
Depreciation and amortization [2]	5,980	5,524	16,228	16,627
Other [3]	261	4,058	116	4,331
EBITDA	31,171	33,036	79,638	81,717
Acquisition-related items [2]	955	1,660	2,586	5,139
Strategic initiatives and other charges [4]	344	—	1,274	—
Loss recoveries, net of costs	—	(4,445)	—	(4,445)
Stock-based compensation	1,166	1,329	5,127	5,588
Pension and postretirement expense [5]	677	1,042	2,031	3,126
Adjusted EBITDA	$ 34,313	$ 32,622	$ 90,656	$ 91,125
Industrial Technologies				
Operating profit	$ 4,657	$ 1,942	$ 5,766	$ 1,977
Depreciation and amortization [2]	1,618	895	4,338	2,188
Other [3]	33	513	15	547
EBITDA	6,308	3,350	10,119	4,712
Acquisition-related items [2]	112	309	193	753
Strategic initiatives and other charges [4]	—	—	587	—
Loss recoveries, net of costs	—	(562)	—	(562)
Stock-based compensation	191	212	786	821
Pension and postretirement expense [5]	86	132	257	396
Adjusted EBITDA	$ 6,697	$ 3,441	$ 11,942	$ 6,120
Consolidated				
Operating profit	$ 37,895	$ 36,786	$ 85,610	$ 82,677
Depreciation and amortization [2]	20,066	18,516	57,052	50,810
Other [3]	550	8,543	245	9,118
EBITDA	58,511	63,845	142,907	142,605
Acquisition-related items [2]	6,229	6,097	17,587	22,897
Strategic initiatives and other charges [4]	647	—	2,862	—
Loss recoveries, net of costs	—	(9,358)	—	(9,358)
Stock-based compensation	2,399	2,837	10,531	11,854
Pension and postretirement expense [5]	1,426	2,194	4,276	6,582
Adjusted EBITDA	$ 69,212	$ 65,615	$ 178,163	$ 174,580

Note: See Disclaimer (Page 2) *for Management's assessment of* supplemental information related to EBITDA and adjusted EBITDA.

(1) Information for the nine months ended June 30, 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 June 30, 2017.

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

(3) Other represents Investment (loss) income, Other income (deductions), net, and Net loss (income) attributable to noncontrolling interests

(4) 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 post retirement 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.

Third Quarter Fiscal 2018
Earnings Teleconference
July 27, 2018

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