

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

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**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): February 25, 2019

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**MATTHEWS INTERNATIONAL CORPORATION**

(Exact name of registrant as specified in its charter)

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

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

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

**TWO 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)

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

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

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

Emerging growth company ☐

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

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

Attached is Matthews International Corporation's standard investor presentation updated with financial results for the first quarter of fiscal 2019. This presentation, or excerpts from this presentation, may be provided to existing and/or prospective investors during future meetings. The presentation is furnished herewith as Exhibit 99.1 and will also be posted to the Company's website at [www.matw.com/investor](http://www.matw.com/investor).

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

**Item 7.01 Regulation FD Disclosure.**

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

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit Number</b>	<b>Description</b>
<a href="#"><u>99.1</u></a>	Matthews International Corporation investor presentation for the first quarter of fiscal 2019

SIGNATURE

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

MATTHEWS INTERNATIONAL CORPORATION  
(Registrant)

By: /s/ Steven F. Nicola

Steven F. Nicola  
Chief Financial Officer and Secretary

Date: February 25, 2019

# Matthews

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INVESTOR PRESENTATION  
FIRST QUARTER FISCAL YEAR 2019



# Matthews

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## Business Overview

# Disclaimer

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Any forward-looking statements contained in this presentation 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 domestic or international economic conditions, changes in foreign currency exchange rates, changes in the cost of materials used in the manufacture of the Company's products, changes in mortality and cremation rates, changes in product demand or pricing as a result of consolidation in the industries in which the Company operates, changes in product demand or pricing as a result of domestic or international competitive pressures, unknown risks in connection with the Company's acquisitions, cybersecurity concerns, effectiveness of the Company's internal controls, compliance with domestic and foreign laws and regulations, 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 ("SEC").

The information contained in this presentation, including any financial data, is made as of December 31, 2018 unless otherwise noted. The Company does not, and is not obligated to, update this information after the date of such information. Included in this report are measures of financial performance that are not defined by generally accepted accounting principles in the United States ("GAAP"). 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 costs, ERP integration costs, strategic initiative and other charges (which includes non-recurring charges related to operational initiatives and exit activities), stock-based compensation and the non-service portion of pension and postretirement expense. 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 that management believes do not directly reflect the Company's core operations, (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 believes that adjusted EBITDA provides relevant and useful information, which is used by the Company's management in assessing the performance of its business. Adjusted EBITDA is defined by the Company as earnings before interest, taxes, depreciation, amortization and certain non-cash and/or non-recurring items that do not contribute directly to management's evaluation of its operating results. These items include stock-based compensation, the non-service portion of pension and postretirement expense, acquisition costs, ERP integration costs, and strategic initiatives and other charges. 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 ERP 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 business performance. Adjusted EBITDA is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income or other performance measures derived in accordance with GAAP, or as an alternative to cash flow from operating activities as a measure of the Company's liquidity. The Company's definition of adjusted EBITDA may not be comparable to similarly titled measures used by other companies.

The Company has also presented adjusted net income and adjusted earnings per share and believes each measure 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 net income and adjusted earnings per share provides the Company with an understanding of the results from the primary operations of our business by excluding the effects of certain acquisition and system-integration costs, and items that do not reflect the ordinary earnings of our operations. These measures provide management with insight into the earning value for shareholders excluding certain costs, not related to the Company's primary operations. Likewise, these measures 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.

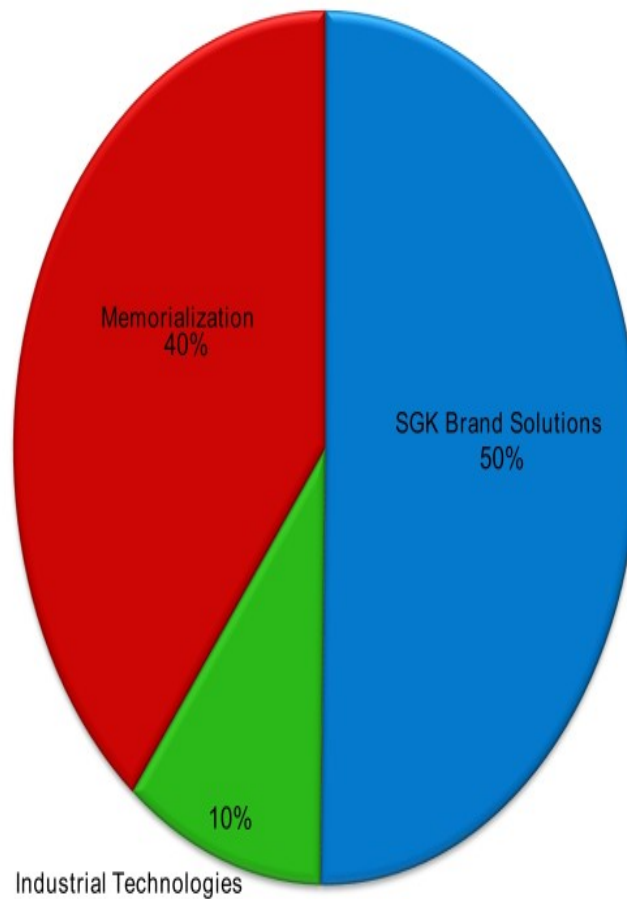
The Company has presented free cash flow and free cash flow yield as supplemental measures of cash flow that are not required by, or presented in accordance with, GAAP. Management believes that these measures provide relevant and useful information, which is widely used by analysts and investors as well as by our management. These measures provide management with insight on the cash generated by operations, excluding 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.

Lastly, the Company has presented net debt and the ratio of net debt to adjusted EBITDA and believes each measure provides relevant and useful information, which is widely used by analysts and investors, as well as by the Company's management in assessing the overall indebtedness and leverage. These measures provide the Company with an understanding of its leverage before the impact of investing and financing charges and other charges that do not reflect the ordinary earnings of the Company's operations. These measures may be useful to an investor in evaluating indebtedness and leverage 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 – 31.9 million shares outstanding, as of December 31, 2018

# Fiscal 2018 Sales (Percentage of Total 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

# SGK Brand Solutions

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## Marketing / Packaging Execution



# SGK Brand Solutions

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- 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
           	             	           	            



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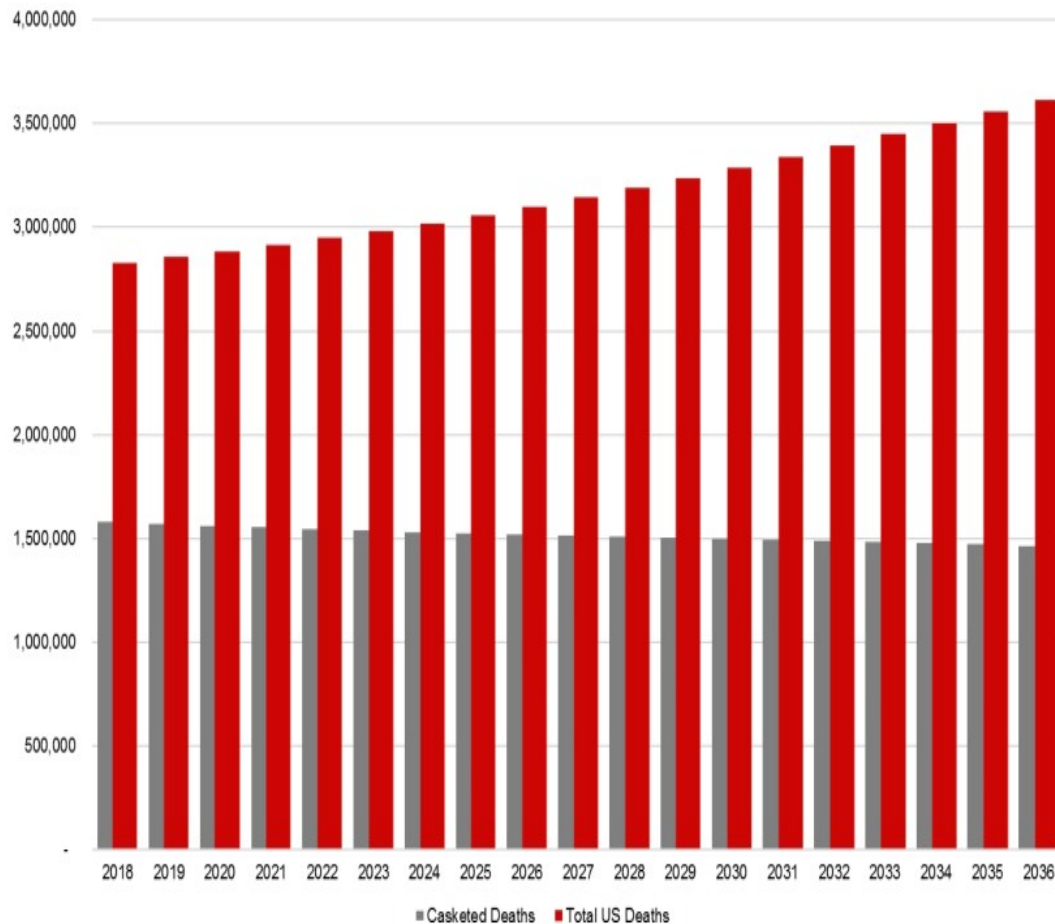
The Company is a leading manufacturer and distributor of caskets (wood, metal and cremation) in North America.



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.





## INDUSTRIAL TECHNOLOGIES

# Industrial Technologies

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



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



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



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



# Matthews

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## Financial Overview

# Driving Growth Amidst Change

## EPS Growth Strategy

### Organic

- New product introductions
- Synergies and manufacturing/cost structure improvements
- Expanding market penetration with existing products

### Acquisitions

- Support segment business plans
- Leverage existing operating infrastructure
- Achieve long-term annual return (EBITDA) of at least 14% on invested capital

### Share Repurchases

- Opportunistic
- Repurchase in periods of excess cash flow
- Current remaining authorization – 1.2 million shares

### Debt Reduction

- Net Debt goal of under 3x Adjusted EBITDA

# Consolidated Results

**Matthews**  
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(Dollars in thousands, except per share data)	Fiscal Year Ended September 30,			YTD December 31,	
	2016	2017	2018	2017	2018
				(unaudited)	(unaudited)
Consolidated Sales	\$ 1,480,464	\$ 1,515,608	\$ 1,602,580	\$ 369,454	\$ 374,177
Net Income Attributable to Matthews	\$ 66,749	\$ 74,368	\$ 107,371	\$ 35,180	\$ 3,097
Total Adjusted EBITDA <sup>(1)</sup>	\$ 239,586	\$ 238,683	\$ 255,114	\$ 46,496	\$ 46,481
Diluted EPS	\$ 2.03	\$ 2.28	\$ 3.37	\$ 1.10	\$ 0.10
Non-GAAP Adjusted EPS <sup>(2)</sup>	\$ 3.38	\$ 3.60	\$ 3.96	\$ 0.64	\$ 0.50

*Note: See Disclaimer (Page 3) for Management's assessment of supplemental information related to total adjusted EBITDA and non-GAAP adjusted EPS.*

(1) Total adjusted EBITDA is defined by the Company as earnings before interest, taxes, depreciation, amortization and certain non-cash and/or non-recurring items that do not contribute directly to management's evaluation of its operating results. See reconciliation at Appendix A.

(2) Non-GAAP adjusted EPS 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 B.



# Segment Operating Results

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(Dollars in thousands)	Fiscal Year Ended September 30,			YTD December 31,	
	2016	2017	2018	2017 (unaudited)	2018 (unaudited)
<b>Sales:</b>					
SGK Brand Solutions	\$ 755,975	\$ 770,181	\$ 805,274	\$ 191,766	\$ 185,300
Memorialization	610,142	615,882	631,392	144,889	153,886
Industrial Technologies	114,347	129,545	165,914	32,799	34,991
Consolidated Sales	<u>\$ 1,480,464</u>	<u>\$ 1,515,608</u>	<u>\$ 1,602,580</u>	<u>\$ 369,454</u>	<u>\$ 374,177</u>
<b>Adjusted EBITDA:</b>					
SGK Brand Solutions	\$ 152,323	\$ 144,783	\$ 150,233	\$ 30,852	\$ 27,351
Memorialization	125,886	139,192	145,487	28,443	30,321
Industrial Technologies	17,583	18,481	25,864	3,687	3,595
Corporate and Non-Operating	(56,206)	(63,773)	(66,470)	(16,486)	(14,786)
Total Adjusted EBITDA <sup>(1)</sup>	<u>\$ 239,586</u>	<u>\$ 238,683</u>	<u>\$ 255,114</u>	<u>\$ 46,496</u>	<u>\$ 46,481</u>

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

(1) Total adjusted EBITDA is defined by the Company as earnings before interest, taxes, depreciation, amortization and certain non-cash and/or non-recurring items that do not contribute directly to management's evaluation of its operating results. See reconciliation at Appendix A.

# Free Cash Flow Yield

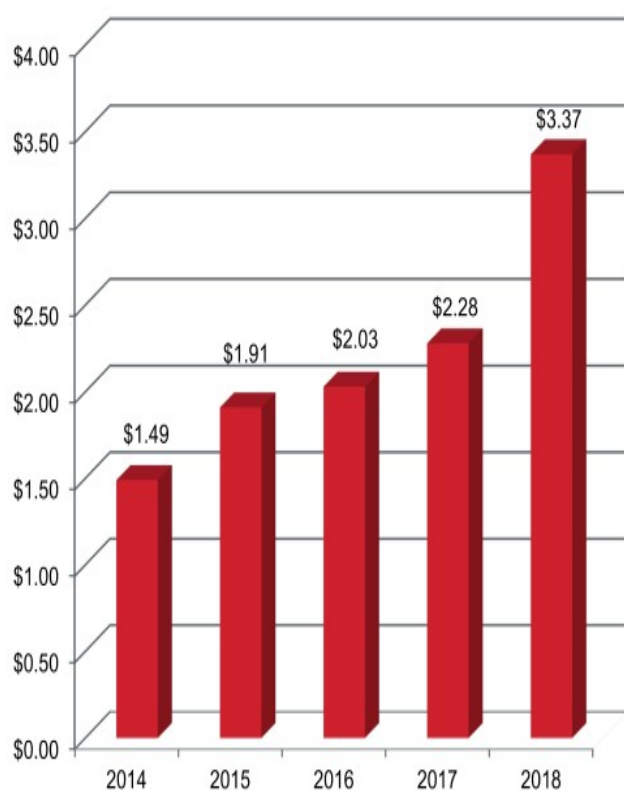
(Dollars in thousands)	Fiscal Year Ended September 30,		
	2016	2017	2018
Cash Provided from Operating Activities	\$ 140,274	\$ 149,299	\$ 147,574
Less: Capital Expenditures	(41,682)	(44,935)	(43,200)
Free Cash Flow	\$ 98,592	\$ 104,364	\$ 104,374
Market Capitalization	1,952,929	2,001,249	1,608,551
Free Cash Flow Yield	5.05%	5.21%	6.49%
Free Cash Flow Yield (based on 12/31/18 Market Capitalization)			8.06%

*Note: See Disclaimer (Page 3) for Management's assessment of supplemental information related to free cash flow and free cash flow yield.*

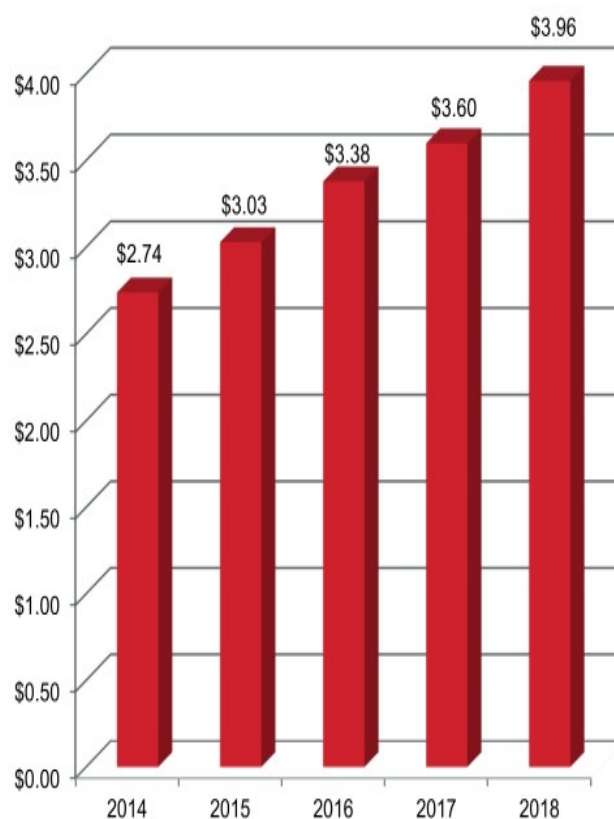
# Earnings Per Share (EPS)

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## Diluted EPS



## Non-GAAP Adjusted EPS<sup>(1)</sup>



*Note: See Disclaimer (Page 3) for Management's assessment of supplemental information related to non-GAAP adjusted EPS.*

(1) Non-GAAP adjusted EPS 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 B.

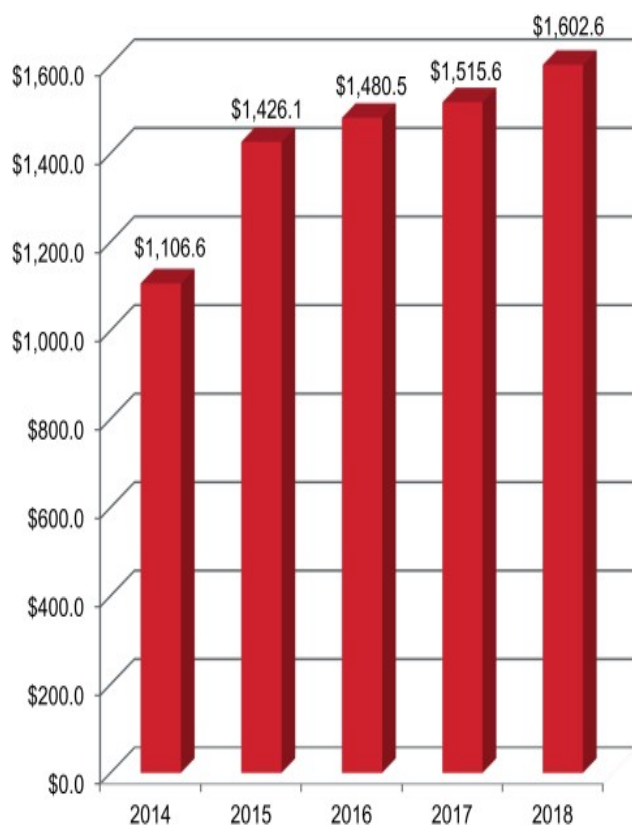


# Sales & Total Adjusted EBITDA

(Dollars in millions)

**Matthews**  
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## Consolidated Sales



## Total Adjusted EBITDA<sup>(1)</sup>

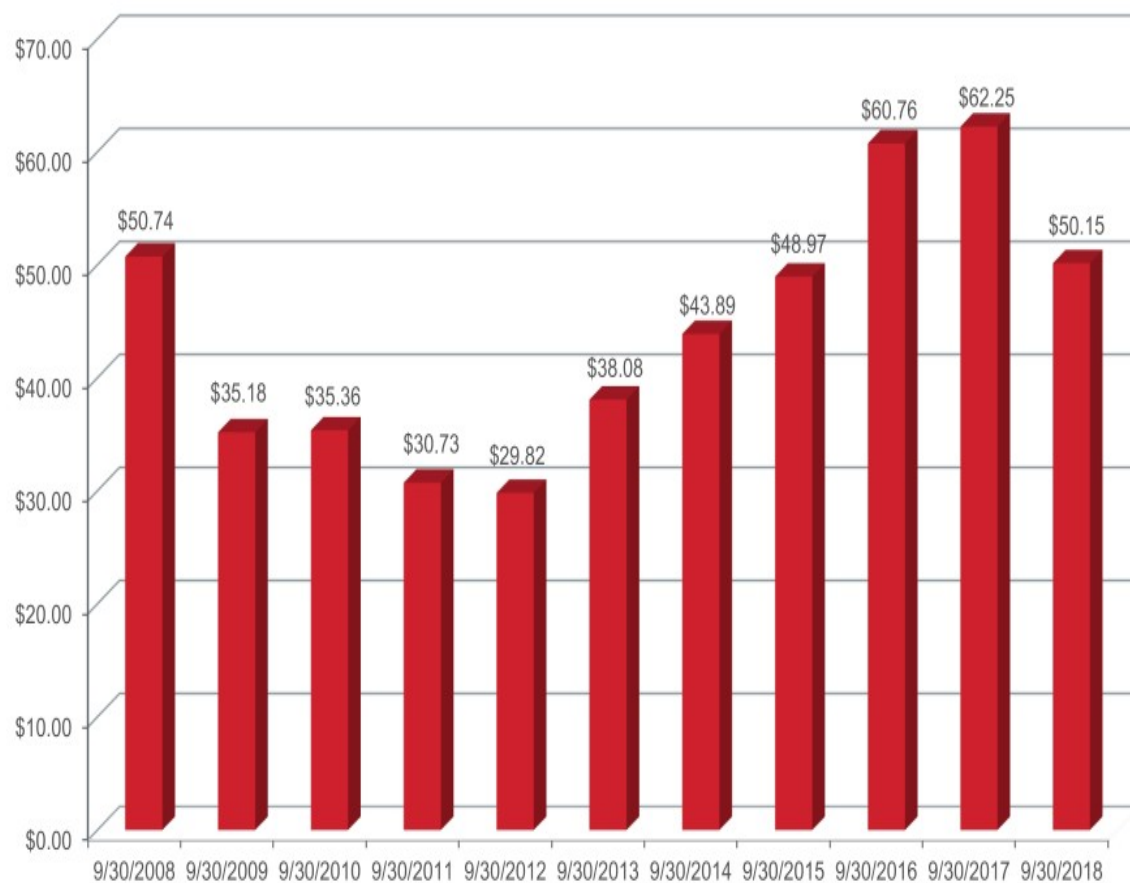


*Note: See Disclaimer (Page 3) for Management's assessment of supplemental information related to total adjusted EBITDA.*

(1) Total adjusted EBITDA is defined by the Company as earnings before interest, taxes, depreciation, amortization and certain non-cash and/or non-recurring items that do not contribute directly to management's evaluation of its operating results. See reconciliation at Appendix A.

# Common Stock Price

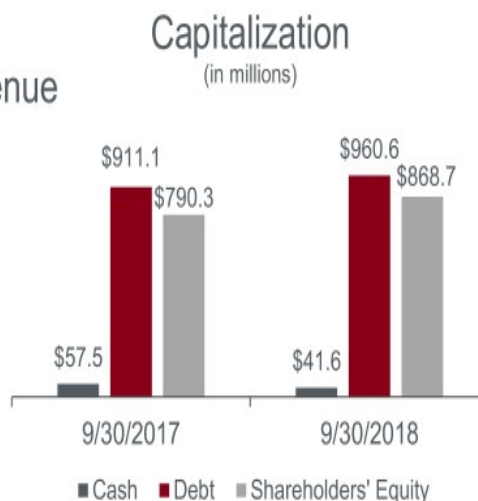
**Matthews**  
INTERNATIONAL\*



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

# Capital Allocation Priorities

- Invest in organic growth
  - Three-year average capex ~2.8% of revenue
- Debt reduction
  - \$65.8 million reduction in Q4 FY2018
  - 3.6x Net debt : adjusted EBITDA  
(See Appendix D for reconciliation of non-GAAP measure)
  - Goal of under 3x
- Annualized Dividends
  - \$0.80 per share for FY2019 (1.9% yield)
- Acquisitions
  - Extend capabilities in existing businesses
  - Geographic expansion
- Share repurchases
  - Opportunistic
  - 1.2 million shares authorized



# Recent Developments



- FY2019 Targets<sup>(1)</sup>
  - Total Adjusted EBITDA<sup>(2)</sup> targeted to grow mid-to-high single digit rate over FY2018
  - Non-GAAP Adjusted EPS<sup>(2)</sup> targeted to grow mid-single digit rate over FY2018; pre-tax to contribute mid-to-high-single digit growth, partially offset by higher taxes
  - Operating cash flow generation targeted to grow over FY2018; Debt reduction remains a priority
- FY2018 results
  - Record sales of \$1.6 billion
  - Record adjusted EBITDA<sup>(2)</sup> of \$255.1 million
  - Diluted EPS of \$3.37; non-GAAP EPS<sup>(2)</sup> of \$3.96, up 10.0% over FY2017
  - Reduced debt by \$65.8 million in Q4, significantly improving leverage ratio
- Acquisition integrations remain on track; pending synergies of \$8.4 million expected within next two years
- Increased quarterly dividend 5.3% to 20 cents / share (November 2018)
  - 24<sup>th</sup> consecutive annual dividend increase since the Company's IPO
- Small acquisition – Frost Converting Systems in November 2018 (SGK Brand Solutions)
  - Leading supplier of cutting, creasing and embossing tooling to the packaging industry
- Analyst coverage:
  - Buckingham Research
  - CJS Securities
  - B. Riley / FBR Capital Markets
  - Great Lakes Review

(1) FY2019 Targets as of January 31, 2019

(2) See Disclaimer (page 3) and appendices for Total Adjusted EBITDA and Non-GAAP Adjusted EPS reconciliations and other important disclosures regarding Matthews' use of Non-GAAP measures

# Institutional Shareholders

## Shares

December 31, 2018

BlackRock, Inc.	4,688,448	
The Vanguard Group, Inc.	3,444,457	
Franklin Resources, Inc.	2,937,019	
Dimensional Fund Advisors, L.P.	1,737,395	
Clarkston Capital Partners, LLC	1,497,956	
Wellington Management Group, LLP	1,234,561	
State Street Corporation	866,524	
T. Rowe Price Associates, Inc.	728,002	
Bank of New York Mellon Corporation	505,383	
Voya Investment Management, LLC	485,203	
Top Ten Institutions	18,124,948	56.9% of outstanding shares
Remaining Institutions	8,393,574	
Total Institutional Ownership	<u>26,518,522</u>	83.2% of outstanding shares

Note: Institutional share information obtained from Nasdaq as of December 31, 2018

# Matthews

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## Appendices



## Appendix A

# Total Adjusted EBITDA

## Non-GAAP Reconciliation



(Dollars in thousands) (unaudited)	Fiscal Year Ended September 30,			YTD December 31,	
	2016	2017	2018	2017	2018
Net income	\$ 66,161	\$ 73,933	\$ 107,111	\$ 35,158	\$ 2,984
Income tax provision (benefit)	29,073	22,354	(9,118)	(25,227)	605
Income before income taxes	95,234	96,287	97,993	9,931	3,589
Net loss attributable to noncontrolling interests	588	435	260	22	113
Interest expense	24,344	26,371	37,427	7,801	10,301
Depreciation and amortization	65,480	67,981	76,974	17,238	19,226
Acquisition costs <sup>(1)</sup>	23,847	17,722	10,918	1,931	2,032
ERP integration costs <sup>(2)</sup>	10,827	8,026	10,864	2,027	2,177
Loss recoveries, net of costs <sup>(3)</sup>	-	(10,683)	-	-	-
Strategic initiatives and other charges <sup>(4)</sup>	241	9,209	1,495	647	-
Loss on divestiture <sup>(5)</sup>	-	-	-	-	4,465
Stock-based compensation	10,612	14,562	13,460	5,474	3,647
Non-service pension and postretirement <sup>(6)</sup>	8,413	8,773	5,723	1,425	931
Total Adjusted EBITDA	\$ 239,586	\$ 238,683	\$ 255,114	\$ 46,496	\$ 46,481

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

(1) Includes certain non-recurring costs associated with recent acquisition activities.

(2) Represents costs associated with global ERP system integration efforts.

(3) Represents loss recoveries, net of related costs, related to the theft of funds by a former employee.

(4) Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels.

(5) Represents a loss on the sale of a controlling interest in a Memorialization business.

(6) Non-service pension and postretirement expense includes interest cost, expected return on plan assets and amortization of actuarial gains and losses. These benefit cost components are excluded from adjusted EBITDA since they are primarily influenced by external market conditions that impact investment returns and interest (discount) rates. The service cost and prior service cost components of pension and postretirement expense are included in the calculation of adjusted EBITDA, since they are considered to be a better reflection of the ongoing service-related costs of providing these benefits. 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 B

# Adjusted Net Income and EPS

## Non-GAAP Reconciliation



	Fiscal Year Ended September 30,			YTD December 31,	
	2016	2017	2018	2017	2018
(Dollars in thousands, except per share data) (unaudited)					
Net income attributable to Matthews	\$ 66,749	\$ 74,368	\$ 107,371	\$ 35,180	\$ 3,097
Acquisition costs <sup>(1)</sup>	16,240	13,828	8,128	1,429	1,504
ERP integration costs <sup>(2)</sup>	7,338	6,787	8,040	1,550	1,611
Loss recoveries, net of costs <sup>(3)</sup>	-	(7,478)	-	-	-
Strategic initiatives and other charges <sup>(4)</sup>	1,031	6,722	1,106	479	-
Loss on divestiture <sup>(5)</sup>	-	-	-	-	3,304
Non-service pension and postretirement <sup>(6)</sup>	5,729	6,141	4,235	1,055	689
Intangible amortization expense	14,179	16,319	23,356	4,944	6,004
Tax related <sup>(7)</sup>	-	485	(25,967)	(24,356)	(300)
Adjusted net income	\$ 111,266	\$ 117,172	\$ 126,269	\$ 20,281	\$ 15,909
Adjusted EPS	\$ 3.38	\$ 3.60	\$ 3.96	\$ 0.64	\$ 0.50

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%, 30.0% and 32.0% for fiscal years ended September 30, 2018, 2017 and 2016, respectively, and 26% for the three months ended December 31, 2018 and 2017, respectively.

(1) Includes certain non-recurring costs associated with recent acquisition activities.

(2) Represents costs associated with global ERP system integration efforts.

(3) Represents loss recoveries, net of related costs, related to the theft of funds by a former employee.

(4) Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels.

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(7) 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 fiscal year-to-date periods ended September 30, 2018 and December 31, 2017 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 \$11,800 and \$13,500, for the fiscal year-to-date periods ended September 31, 2018 and December 31, 2017, respectively.



## Appendix C

# Additional Segment Information

## Supplemental Asset Data

(Dollars in thousands) (unaudited)	SGK Brand Solutions	Memorialization	Industrial Technologies	Corporate and Non-Operating	Total
Fiscal 2018					
Operating assets <sup>(1)</sup>	\$ 408,167	\$ 265,352	\$ 64,655	\$ 26,515	\$ 764,689
Intangible assets, net	785,155	479,450	128,199	-	1,392,804
Other	107,463	69,998	6,010	34,521	217,992
Total assets	\$ 1,300,785	\$ 814,800	\$ 198,864	\$ 61,036	\$ 2,375,485
Fiscal 2017					
Operating assets <sup>(1)</sup>	\$ 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 <sup>(1)</sup>	\$ 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

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

## Appendix D

# Net Debt Ratio

## Non-GAAP Reconciliation



(Dollars in thousands) (unaudited)	Fiscal Year Ended September 30,		
	2016	2017	2018
Balance Sheet Information:			
Long-term debt, current maturities	\$ 27,747	\$ 29,528	\$ 31,260
Long-term debt	844,807	881,602	929,342
Total debt	872,554	911,130	960,602
Less: Cash and cash equivalents	55,711	57,515	41,572
Net Debt	\$ 816,843	\$ 853,615	\$ 919,030
Adjusted EBITDA (Appendix A)	\$ 239,586	\$ 238,683	\$ 255,114
Net Debt:Adjusted EBITDA Ratio	3.4	3.6	3.6

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

