

**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): August 20, 2020

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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, \$1.00 par value	MATW	Nasdaq Global Select Market

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 third quarter of fiscal 2020. 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.

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
<u>99.1</u>	Matthews International Corporation investor presentation for the third quarter of fiscal 2020

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: August 20, 2020

A stylized, light gray world map is visible in the background, showing the outlines of continents. The map is centered behind the text and has a subtle 3D effect with shadows.

Matthews

INTERNATIONAL®

INVESTOR PRESENTATION

THIRD QUARTER FISCAL YEAR 2020

www.matw.com | Nasdaq: MATW

DISCLAIMER

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, ability to achieve cost reduction objectives, 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, impact of pandemics or similar outbreaks, such as coronavirus disease 2019 ("COVID-19") or other disruptions to our industries, customers or supply chains, 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 June 30, 2020 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, income 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 also presented net debt and believes that this measure provides relevant and useful information, which is widely used by analysts and investors as well as by our management. This measure provides management with insight on the indebtedness of the Company, net of cash and cash equivalents. This measure allows management, as well as analysts and investors, to assess the Company's leverage.

Lastly, 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 allow 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 background of the slide features a stylized, light gray world map. A prominent red horizontal band crosses the middle of the map. The company name and title are overlaid on this band.

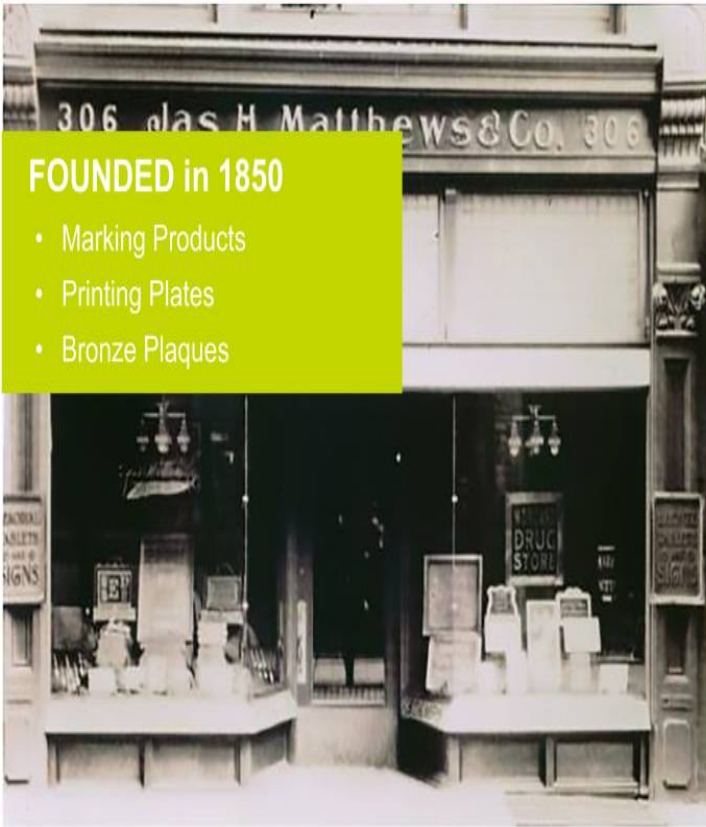
Matthews

INTERNATIONAL®

BUSINESS OVERVIEW

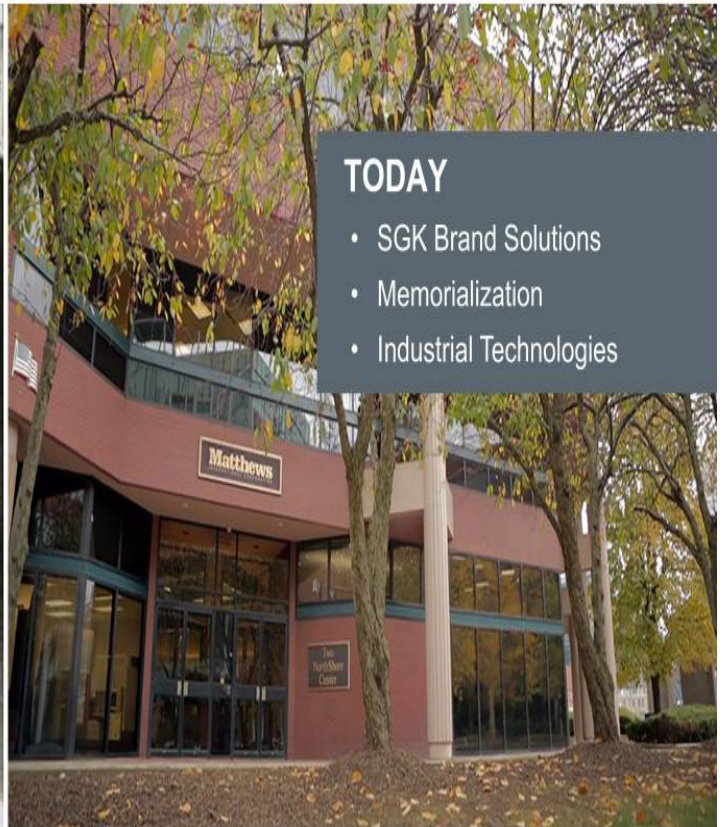
FOUNDED in 1850

- Marking Products
- Printing Plates
- Bronze Plaques



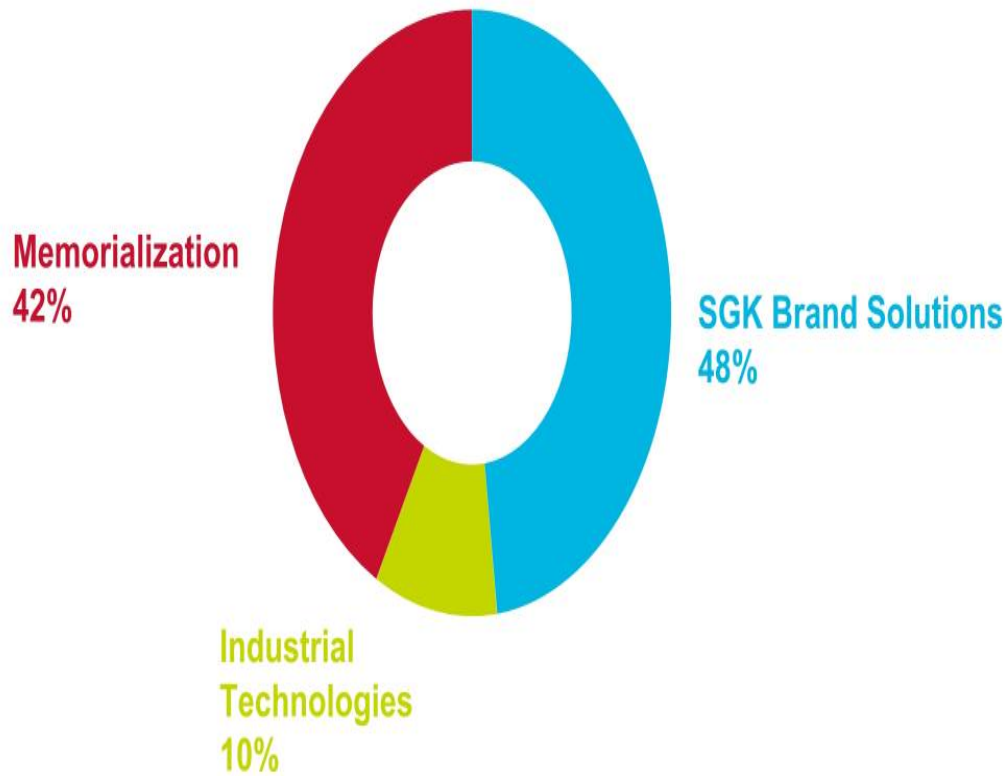
TODAY

- SGK Brand Solutions
- Memorialization
- Industrial Technologies



Fiscal 2019 SEGMENT SALES

(% of Total)



COVID-19 IMPACTS

CRITICAL SUPPLIER IN MOST OF OUR BUSINESSES

- Continuing operations as an essential supplier
- Safeguarding our employees is top priority
- Meeting demand with virtual information technology enabled environment - globally

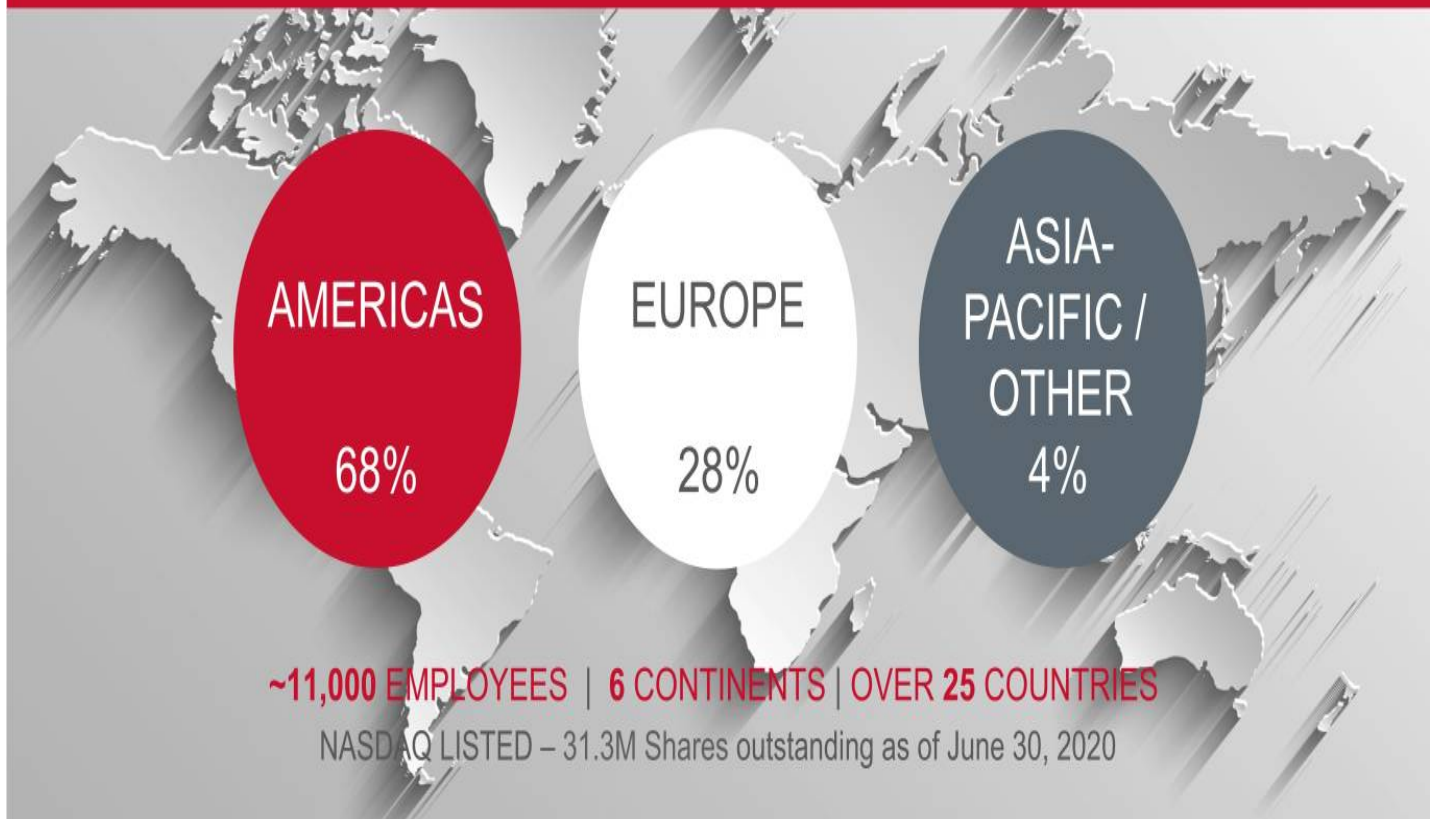
COMMERCIAL IMPACTS VARY

- Memorialization – Recent higher casket volume; delayed orders for cemetery memorial products
- SGK Brand Solutions – Relatively stable sales from consumer packaged goods clients; other businesses vary.
- Industrial Technologies – Customer delays in warehouse automation but backlog remains strong; potential project deferrals

LIQUIDITY AVAILABLE

- Capacity under domestic credit facility
- Strict cash management

GLOBAL PRODUCTS AND SERVICES SALES ACROSS DIVERSE BUSINESSES (FY19)





**BRAND
SOLUTIONS**

PACKAGING PRODUCTION: OUR CORE BUSINESS

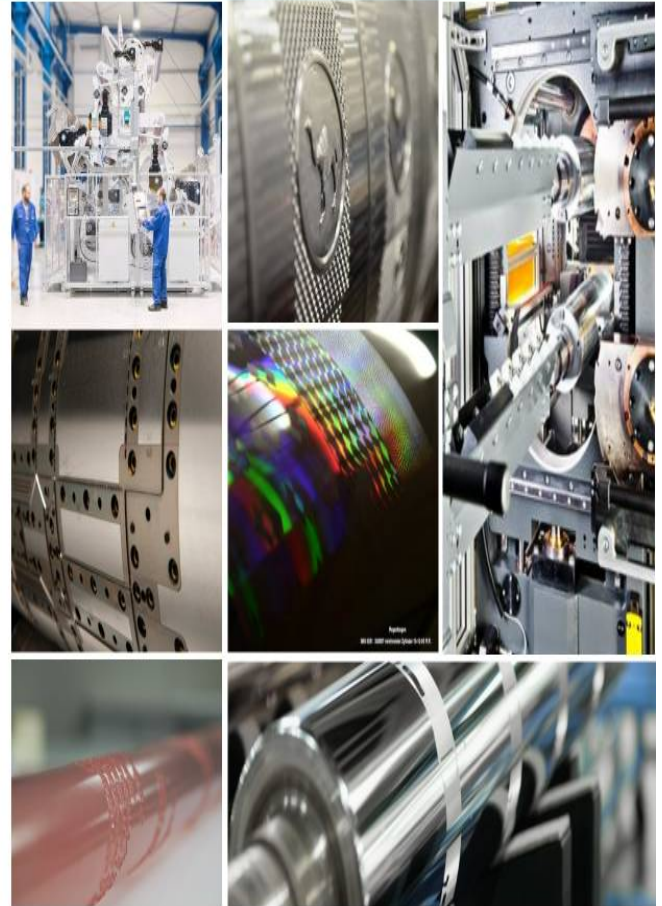
From Logo To Shelf



TOOLING EXPERTISE

Taking Ideas To Finished Products.

We are a leading global designer and supplier of rotary tools and services for printing, texturing and converting of packaging and other non-woven materials with new opportunities in energy storage.



SGK BRAND SOLUTIONS

SERVICING GLOBAL AND REGIONAL CLIENTS

- Longstanding relationships with a large, blue chip customer base consisting of many Fortune 100 and Fortune 500 companies
- "Strategic" relationships rather than "vendor" relationships - more valued client engagement
- Critical service provider in marketing execution of top worldwide brands, particularly where global consistency is highly valued

FOOD/BEVERAGE CLIENTS	GLOBAL PHARMA / HEALTHCARE CLIENTS	GLOBAL RETAILER CLIENTS	OTHER LEADING BRANDS
              	           	              	             

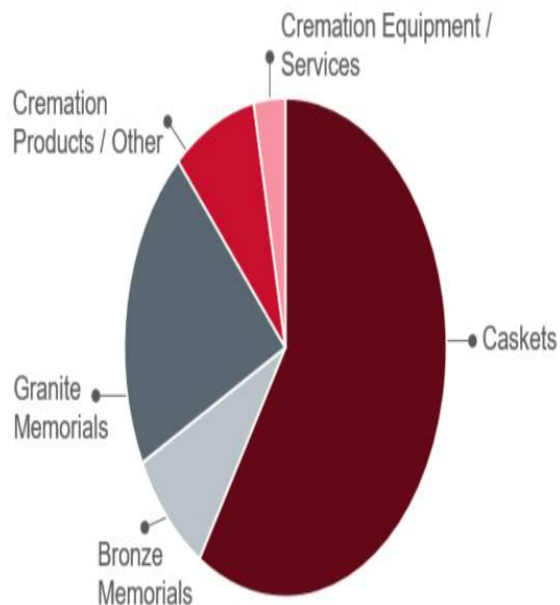


PRODUCTS

Cemetery Products	Funeral Home Products	Cremation and Incineration Equipment
		
Market Position (U.S.)		
Bronze Memorials - #1 Granite Memorials - #1	Caskets - #2	Cremation Equipment - #1
Core Geographies		
North America, Italy, Australia	United States	Global

OUR MARKET

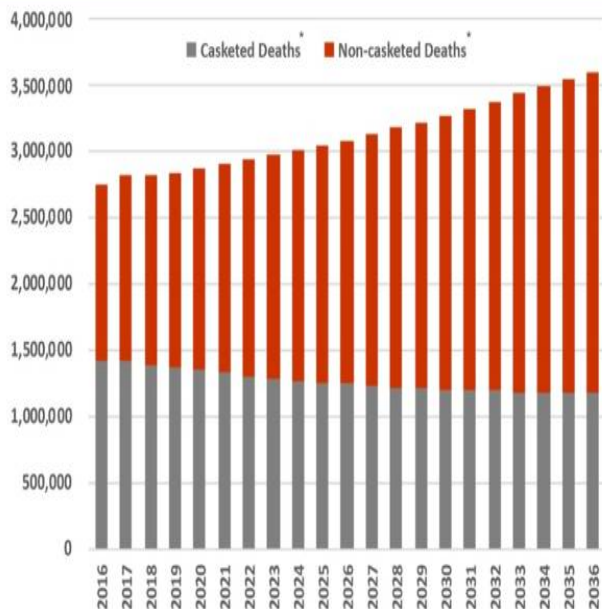
Product Markets*



Full-service provider – leading position across key product markets

Customer base consolidating but still fragmented

Casketed Deaths vs. Total Deaths*

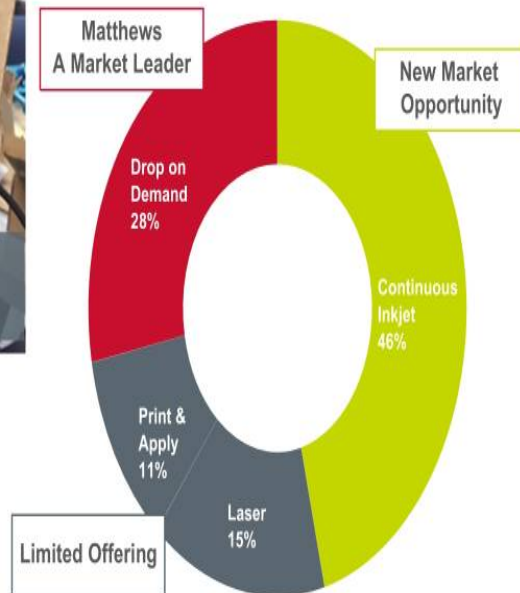


Relatively stable demand driven by predictable trends:
increased deaths and rising cremation rates

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



PRODUCT IDENTIFICATION



Source: Technavio Report (May 2017)



WAREHOUSE AUTOMATION AND APPLIED TECHNOLOGIES



Autonomous Vehicle Navigation

The market looks to Matthews as a trail blazer for applying robotics in fulfillment and distribution applications.



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



Industrial's **Pick-to-Light Systems** utilizing light indicators for sorting and control of merchandise.



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.



Matthews
INTERNATIONAL®

**FINANCIAL
OVERVIEW**

VALUE CREATION

ORGANIC

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

ACQUISITIONS

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

SHARE REPURCHASES

- Opportunistic
 - Repurchase in periods of excess cash flow
 - Current remaining authorization: 0.6 million shares

CONSOLIDATED RESULTS

(Dollars in thousands, except per share data)	Fiscal Year Ended September 30,			Year to Date June 30,	
	2017	2018	2019	2019	2020
				(unaudited)	(unaudited)
Consolidated Sales	\$ 1,515,608	\$ 1,602,580	\$ 1,537,276	\$ 1,144,871	\$ 1,099,166
Net Income Attributable to Matthews	\$ 74,368	\$ 107,371	\$ (37,988)	\$ 33,143	\$ (94,561)
Total Adjusted EBITDA ⁽¹⁾	\$ 238,683	\$ 255,114	\$ 220,872	\$ 161,623	\$ 139,024
Diluted EPS	\$ 2.28	\$ 3.37	\$ (1.21)	\$ 1.05	\$ (3.04)
Non-GAAP Adjusted EPS ⁽²⁾	\$ 3.60	\$ 3.96	\$ 3.31	\$ 2.30	\$ 1.90

Note: See Disclaimer (Page 2) 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, income 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

(Dollars in thousands)	Fiscal Year Ended September 30,			Year to Date June 30,	
	2017	2018	2019	2019 (unaudited)	2020 (unaudited)
Sales:					
SGK Brand Solutions	\$ 770,181	\$ 805,274	\$ 743,869	\$ 557,881	\$ 513,515
Memorialization	615,882	631,392	636,892	474,279	478,342
Industrial Technologies	129,545	165,914	156,515	112,711	107,309
Consolidated Sales	<u>\$ 1,515,608</u>	<u>\$ 1,602,580</u>	<u>\$ 1,537,276</u>	<u>\$ 1,144,871</u>	<u>\$ 1,099,166</u>
Adjusted EBITDA:					
SGK Brand Solutions	\$ 144,783	\$ 150,233	\$ 119,493	\$ 86,612	\$ 61,808
Memorialization	139,192	145,487	134,286	101,361	103,020
Industrial Technologies	18,481	25,864	24,082	15,665	15,205
Corporate and Non-Operating	(63,773)	(66,470)	(56,989)	(42,015)	(41,009)
Total Adjusted EBITDA ⁽¹⁾	<u>\$ 238,683</u>	<u>\$ 255,114</u>	<u>\$ 220,872</u>	<u>\$ 161,623</u>	<u>\$ 139,024</u>

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

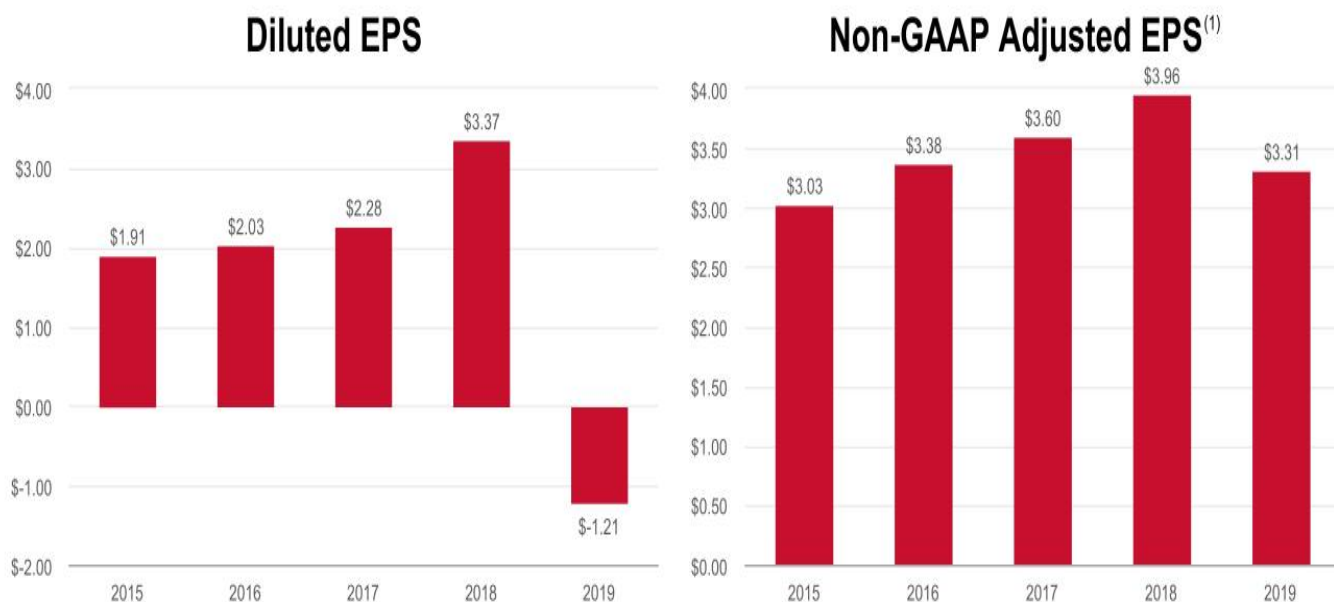
⁽¹⁾ Total adjusted EBITDA is defined by the Company as earnings before interest, income taxes, depreciation, amortization and certain non-cash and/or non-recurring items that do not contribute directly to management's evaluation of its operating results. See reconciliation at Appendix A.

FREE CASH FLOW YIELD

(Dollars in thousands)	Fiscal Year Ended September 30,		
	2017	2018	2019
Cash Provided from Operating Activities	\$ 149,299	\$ 147,574	\$ 131,083
Less: Capital Expenditures	(44,935)	(43,200)	(37,688)
Free Cash Flow	\$ 104,364	\$ 104,374	\$ 93,395
Market Capitalization	2,001,249	1,608,551	1,109,112
Free Cash Flow Yield	5.21 %	6.49 %	8.42 %
Free Cash Flow Yield (based on 6/30/2020 Market Capitalization)			15.64 %

Note: See Disclaimer (Page 2) for Management's assessment of supplemental information related to free cash flow and free cash flow yield.

EARNINGS PER SHARE (EPS)



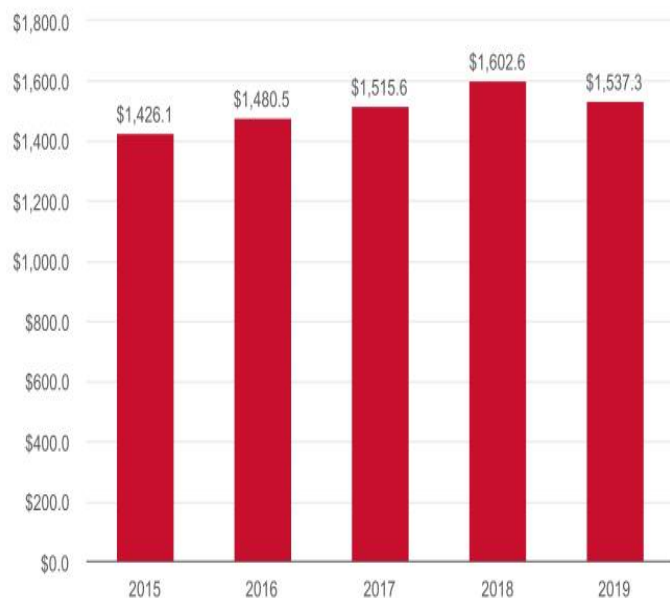
Note: See Disclaimer (Page 2) for Management's assessment of supplemental information related to non-GAAP adjusted EPS.

(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.

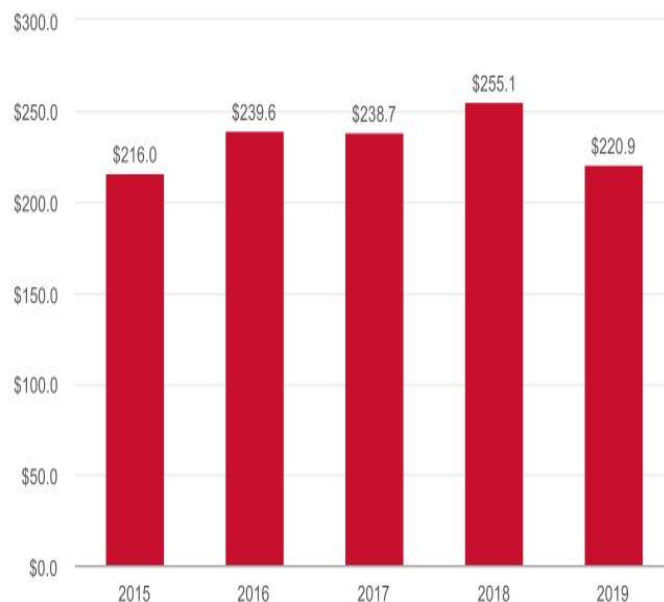
SALES AND TOTAL ADJUSTED EBITDA

(Dollars in millions)

Consolidated Sales



Total Adjusted EBITDA⁽¹⁾



Note: See Disclaimer (Page 2) 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, income 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



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

CAPITAL ALLOCATION PRIORITIES

Debt Reduction

- Significant Q3 reduction in debt of \$104.9M
- Near-term focus of cash flow on debt reduction

Cash Dividend

- \$0.80 per share for FY2019
- \$0.21 per share for Q3 FY2020

Invest in Growth

- Capital investment of 2.5% to 3% of revenue

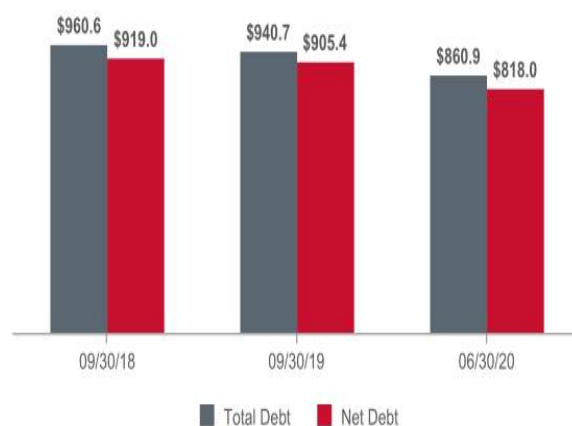
Acquisitions

- Extend capabilities in existing businesses
- Geographic expansion

Share Repurchases

- Repurchase in periods of excess cash flow
- 0.6 million shares authorized

Total Debt and Net Debt*
(in millions)



* See Appendix D for Net Debt reconciliation and Disclaimer (page 2) for Management's assessment of supplemental information related to net debt.

INSTITUTIONAL SHAREHOLDERS

Shares

June 30, 2020

BlackRock, Inc.	4,634,523	
The Vanguard Group, Inc.	3,282,744	
Franklin Resources, Inc.	2,276,340	
Dimensional Fund Advisors, L.P.	1,850,072	
Aristotle Capital Boston, LLC	1,132,609	
State Street Corporation	1,032,686	
Gamco Investors, Inc. et al	720,557	
Ameriprise Financial, Inc.	623,216	
Wellington Management Group, LLP	602,577	
Millennium Management, LLC	531,487	
Top Ten Institutions	16,686,811	53.4 % of outstanding shares
Remaining Institutions	8,837,005	
Total Institutional Ownership	25,523,816	81.6 % of outstanding shares

Note: Institutional share information obtained from Nasdaq as of August 17, 2020

The background of the page features a stylized, light gray world map. A prominent horizontal band of solid red color runs across the middle of the page, partially obscuring the map. The map shows the outlines of continents, with North and South America visible on the left and Africa and Australia on the right.

Matthews

INTERNATIONAL®

APPENDICES

TOTAL ADJUSTED EBITDA

NON-GAAP RECONCILIATION (Unaudited)

APPENDIX A

(In thousands, except per share data)

	Fiscal Year Ended September 30,			Year to Date June 30,	
	2017	2018	2019	2019	2020
Net income (loss)	\$ 73,933	\$ 107,111	\$ (38,889)	\$ 32,602	\$ (95,052)
Income tax provision (benefit)	22,354	(9,118)	806	4,429	(22,672)
Income (loss) before income taxes	96,287	97,993	(38,083)	37,031	(117,724)
Net losses attributable to noncontrolling interests	435	260	901	541	491
Interest expense	26,371	37,427	40,962	31,068	26,935
Depreciation and amortization	67,981	76,974	90,793	60,759	88,418
Acquisition costs ⁽¹⁾	17,722	10,918	10,872	8,386	2,912
ERP integration costs ⁽²⁾	8,026	10,864	7,508	6,337	2,160
Loss recoveries, net of costs ⁽³⁾	(10,683)	—	—	—	—
Strategic initiatives and other charges ⁽⁴⁾	9,209	5,266	13,449	3,149	25,040
Net realized (gain) loss on divestitures and asset dispositions ⁽⁵⁾	—	(3,771)	3,853	4,465	(11,208)
Legal matter reserve ⁽⁶⁾	—	—	—	—	10,566
Non-recurring / incremental COVID-19 costs ⁽⁷⁾	—	—	—	—	2,534
Goodwill write-down ⁽⁸⁾	—	—	77,572	—	90,408
Joint Venture depreciation, amortization, interest expense and other charges ⁽⁹⁾	—	—	1,514	866	4,732
Stock-based compensation	14,562	13,460	7,729	6,169	7,078
Non-service pension and postretirement expense ⁽¹⁰⁾	8,773	5,723	3,802	2,852	6,682
Total Adjusted EBITDA	\$ 238,683	\$ 255,114	\$ 220,872	\$ 161,623	\$ 139,024

⁽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 primarily associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels.

⁽⁵⁾ Includes loss on divestitures of \$6,469 within the Memorialization segment for the fiscal year ended September 30, 2019; net gains from sale of buildings and vacant properties of \$7,347 for the fiscal year ended September 30, 2019; realized loss and gain of \$4,731 for the fiscal year ended September 30, 2019 and \$3,771 for the fiscal year ended September 30, 2018, respectively; and realized gain of \$11,208 on sale of ownership interests in a subsidiary within the Memorialization segment for the nine months ended June 30, 2020.

⁽⁶⁾ Represents a reserve established for a legal matter involving a letter of credit for a customer in Saudi Arabia within the Memorialization segment.

⁽⁷⁾ Includes certain non-recurring direct incremental costs (such as costs for purchases of computer peripherals and devices to facilitate working-from-home, additional personal protective equipment and cleaning supplies and services, etc.) incurred in response to COVID-19. This amount does not include the impact of any lost sales or underutilization due to COVID-19.

⁽⁸⁾ Represents the goodwill write-down for two reporting units within the SGK Brand Solutions segment.

⁽⁹⁾ Represents the Company's portion of depreciation, intangible amortization, interest expense, and other non-recurring charges incurred by non-consolidated subsidiaries accounted for as equity-method investments within the Memorialization segment.

⁽¹⁰⁾ 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 adjusted EBITDA.

ADJUSTED NET INCOME AND EARNINGS PER SHARE

NON-GAAP RECONCILIATION (Unaudited)

APPENDIX B

(In thousands, except per share data)

	Fiscal Year Ended September 30,								Year to Date June 30,											
	2017		2018		2019		2019		2020											
				per share		per share		per share		per share										
Net income (loss) attributable to Matthews	\$	74,368	\$	2.28	\$	107,371	\$	3.37	\$	(37,988)	\$	(1.21)	\$	33,143	\$	1.05	\$	(94,561)	\$	(3.04)
Acquisition costs ⁽¹⁾		13,828		0.42		8,129		0.26		8,371		0.27		6,373		0.20		2,184		0.07
ERP integration costs ⁽²⁾		6,787		0.21		8,039		0.25		5,781		0.18		4,816		0.15		1,620		0.05
Loss recoveries, net of costs ⁽³⁾		(7,478)		(0.23)		—		—		—		—		—		—		—		—
Strategic initiatives and other charges ⁽⁴⁾		6,722		0.21		3,897		0.13		10,591		0.34		2,393		0.08		18,915		0.62
Joint Venture intangible amortization expense and other charges ⁽⁵⁾		—		—		—		—		266		0.01		210		0.01		2,433		0.08
Non-recurring / incremental COVID-19 costs ⁽⁶⁾		—		—		—		—		—		—		—		—		1,900		0.06
Goodwill write-down ⁽⁷⁾		—		—		—		—		76,316		2.42		—		—		81,861		2.63
Net realized (gain) loss on divestitures and asset dispositions ⁽⁸⁾		—		—		(2,791)		(0.09)		3,232		0.10		3,394		0.10		(8,406)		(0.27)
Legal matter reserve ⁽⁹⁾		—		—		—		—		—		—		—		—		7,924		0.25
Non-service pension and postretirement expense ⁽¹⁰⁾		6,141		0.19		4,235		0.13		2,927		0.09		2,167		0.07		5,012		0.16
Intangible amortization expense		16,319		0.50		23,356		0.73		35,232		1.12		20,646		0.65		40,229		1.29
Tax-related ⁽¹¹⁾		485		0.02		(25,967)		(0.82)		(300)		(0.01)		(300)		(0.01)		—		—
Adjusted net income	\$	117,172	\$	3.60	\$	126,269	\$	3.96	\$	104,428	\$	3.31	\$	72,842	\$	2.30	\$	59,111	\$	1.90

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 25% for the nine months ended June 30, 2020, 24% for the nine months ended June 30, 2019, and 23.0%, 26.0% and 30.0% for the fiscal years ended September 30, 2019, 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 primarily associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels.

(5) Represents the Company's portion of depreciation, intangible amortization, interest expense, and other non-recurring charges incurred by non-consolidated subsidiaries accounted for as equity-method investments within the Memorialization segment.

(6) Includes certain non-recurring direct incremental costs (such as costs for purchases of computer peripherals and devices to facilitate working-from-home, additional personal protective equipment and cleaning supplies and services, etc.) incurred in response to COVID-19. This amount does not include the impact of any lost sales or underutilization due to COVID-19.

(7) Represents the goodwill write-down for two reporting units within the SGK Brand Solutions segment.

(8) Includes loss on divestitures of \$6,469 within the Memorialization segment for the fiscal year ended September 30, 2019; net gains from sale of buildings and vacant properties of \$7,347 for the fiscal year ended September 30, 2019; realized loss and gain of \$4,731 for the fiscal year ended September 30, 2019 and \$3,771 for the fiscal year ended September 30, 2018, respectively; and realized gain of \$11,208 on sale of ownership interests in a subsidiary within the Memorialization segment for the nine months ended June 30, 2020.

(9) Represents a reserve established for a legal matter involving a customer in Saudi Arabia within the Memorialization segment.

(10) 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.

(11) 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 \$11,000, for the fiscal year ended September 30, 2018.

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

ADDITIONAL SEGMENT INFORMATION

SUPPLEMENTAL ASSET DATA

APPENDIX C

(Dollars in thousands) (unaudited)					
	SGK Brand Solutions	Memorialization	Industrial Technologies	Corporate and Non-Operating	Total
	Fiscal 2019				
Operating assets ⁽¹⁾	\$ 397,544	\$ 263,685	\$ 53,133	\$ 22,110	\$ 736,472
Intangible assets, net	664,168	459,423	123,865	—	1,247,456
Other	44,564	107,269	14,535	40,307	206,675
Total assets	\$ 1,106,276	\$ 830,377	\$ 191,533	\$ 62,417	\$ 2,190,603
	Fiscal 2018				
Operating assets ⁽¹⁾	\$ 408,167	\$ 265,352	\$ 64,655	\$ 26,515	\$ 764,689
Intangible assets, net	785,155	479,450	128,199	—	1,392,804
Other	91,731	69,998	4,001	34,521	200,251
Total assets	\$ 1,285,053	\$ 814,800	\$ 196,855	\$ 61,036	\$ 2,357,744
	Fiscal 2017				
Operating assets ⁽¹⁾	\$ 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

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

NET DEBT

NON-GAAP RECONCILIATION (Unaudited)

APPENDIX D

(Dollars in thousands) (unaudited)	Fiscal Year Ended September 30,			June 30,
	2017	2018	2019	2020
Long-term debt, current maturities	\$ 29,528	\$ 31,260	\$ 42,503	\$ 23,114
Long-term debt	881,602	929,342	898,194	837,770
Total debt	911,130	960,602	940,697	860,884
Less: Cash and cash equivalents	57,515	41,572	35,302	42,904
Net Debt	\$ 853,615	\$ 919,030	\$ 905,395	\$ 817,980

* See Disclaimer (page 2) for Management's assessment of supplemental information related to net debt.



Matthews

INTERNATIONAL®



Proprietary and confidential. © 2020 Matthews International Corporation. All rights reserved. No part of this document may be reproduced or utilized in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage or retrieval systems, without permission in writing from Matthews International Corporation. This document is intended only for the use of the individual or entity to whom it is addressed and contains information that is privileged, confidential or otherwise exempt from disclosure under applicable law. All recipients of this document are notified that the information contained herein includes proprietary and confidential information of Matthews International Corporation and recipient may not make use of, disseminate, or in any way disclose this document or any of the enclosed information to any person other than employees of addressee to the extent necessary for consultations with authorized personnel of Matthews International Corporation.

