

**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): May 24, 2021

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 ~~see~~ General Instruction A.2. below):

- ☐ 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))

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

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition.

Attached is Matthews International Corporation's standard investor presentation updated with financial results for the second quarter of fiscal 2021. 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 second quarter of fiscal 2021

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: May 24, 2021



Matthews

INTERNATIONAL®

INVESTOR PRESENTATION

SECOND QUARTER FISCAL YEAR 2021

www.matw.com | Nasdaq: MATW

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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 March 31, 2021 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 provide 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 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.

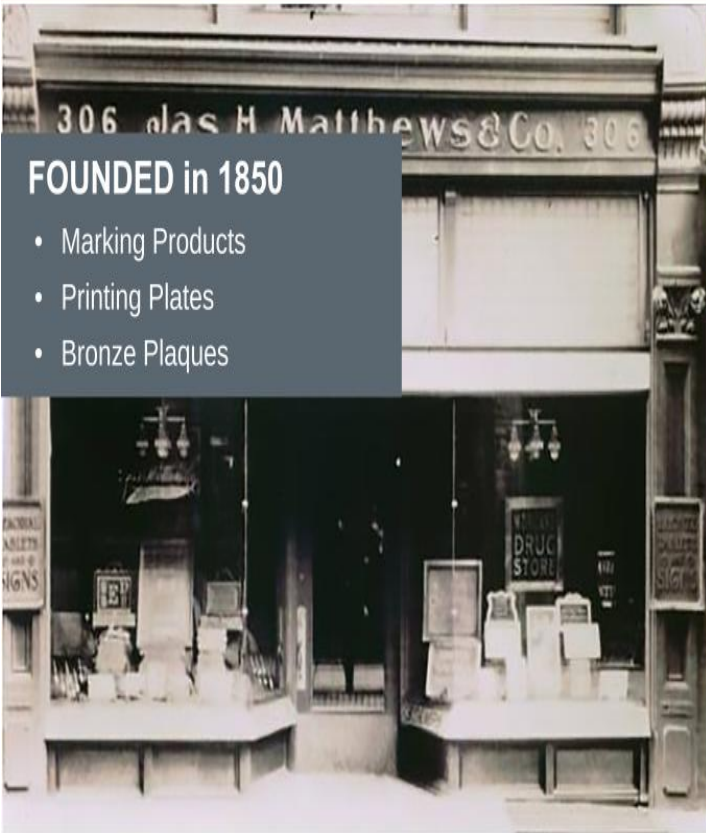


Matthews
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**BUSINESS
OVERVIEW**

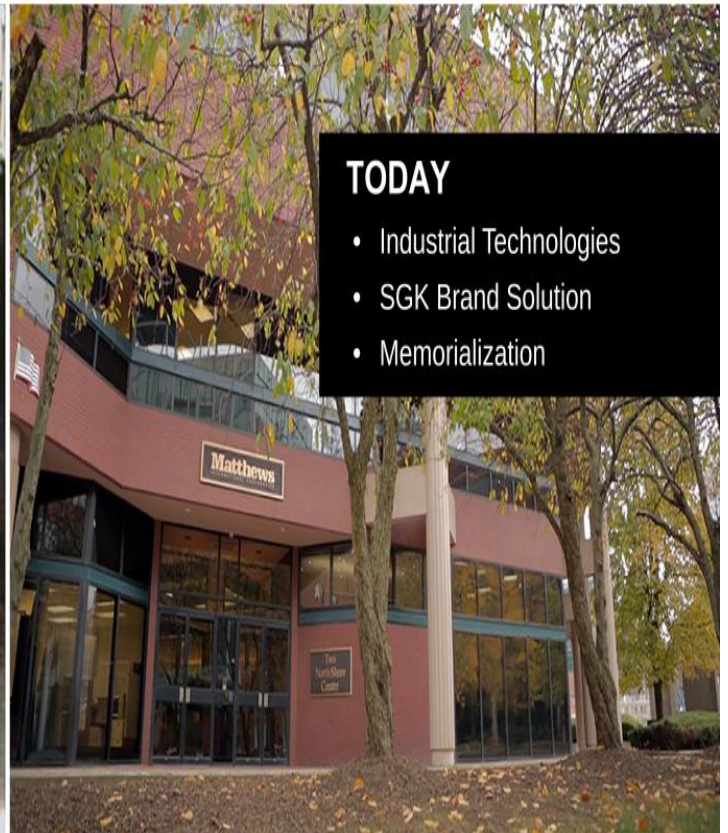
FOUNDED in 1850

- Marking Products
- Printing Plates
- Bronze Plaques



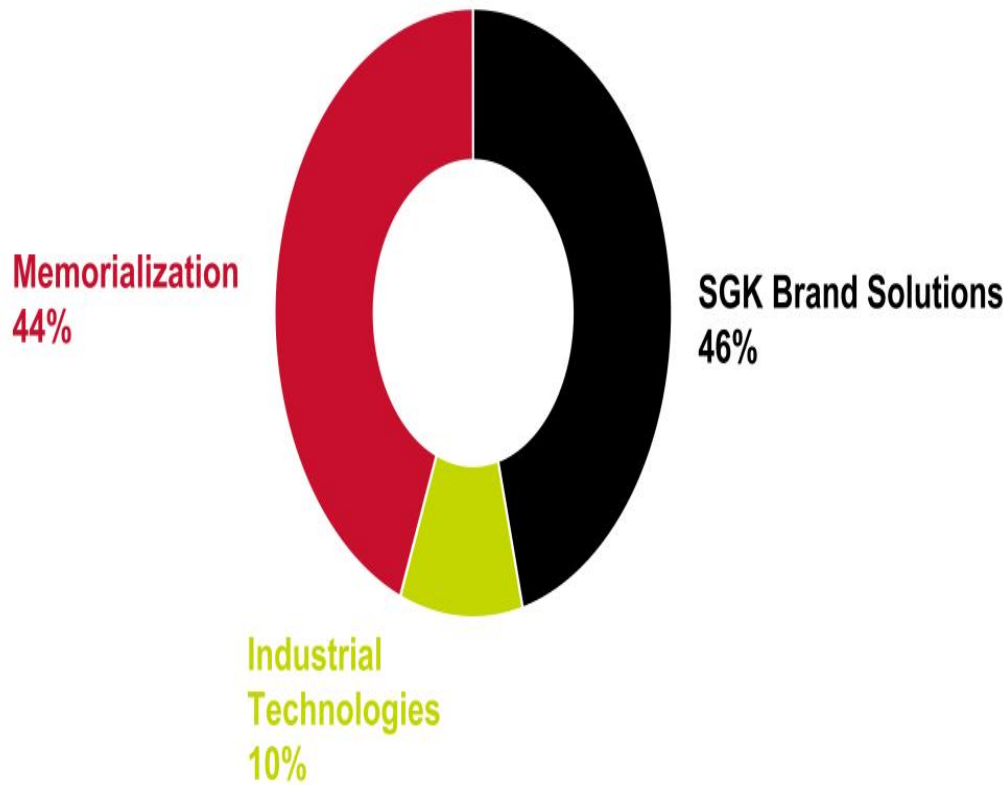
TODAY

- Industrial Technologies
- SGK Brand Solution
- Memorialization

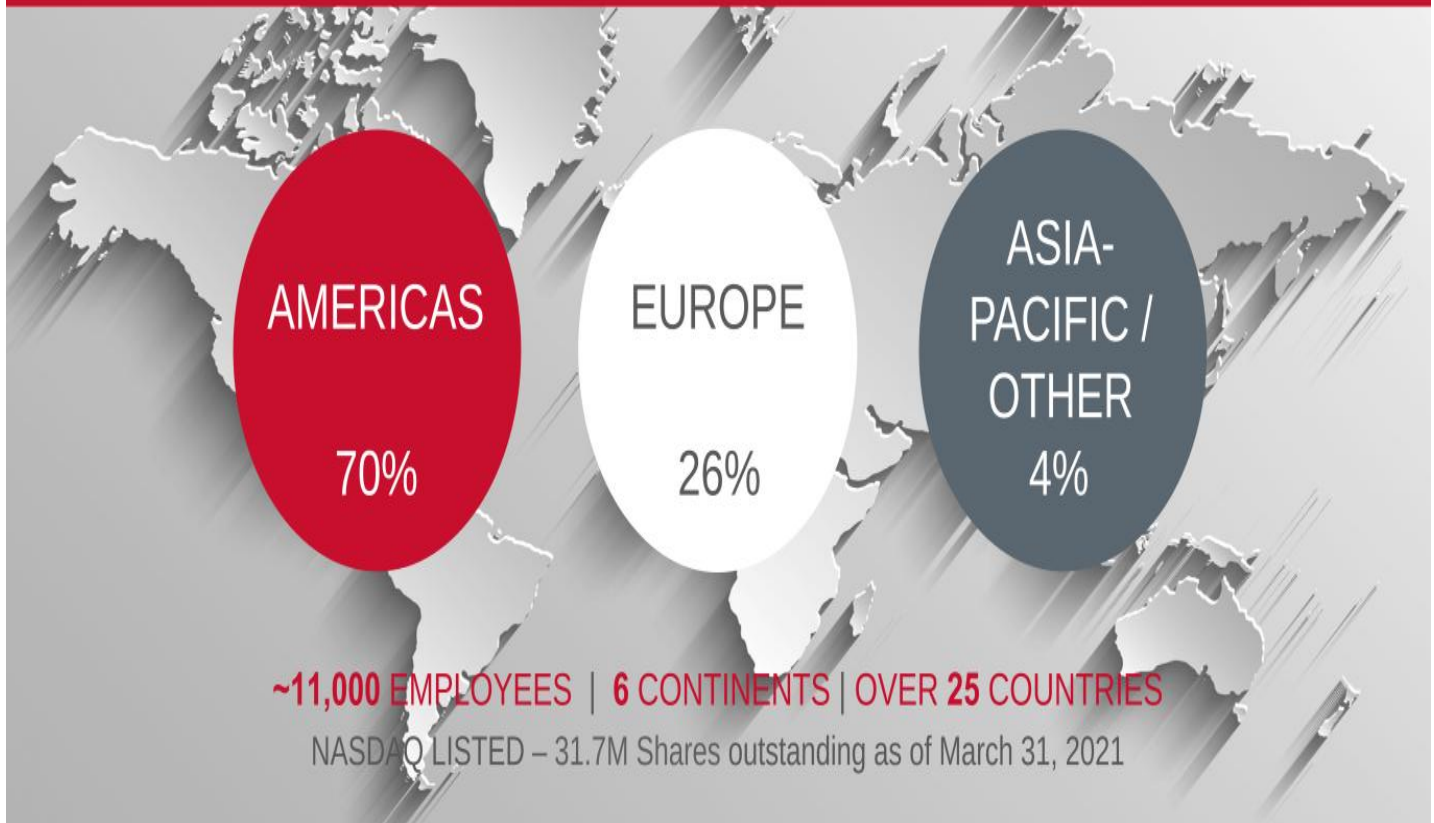


Fiscal 2020 SEGMENT SALES

(% of Total)



GLOBAL PRODUCTS AND SERVICES SALES ACROSS DIVERSE BUSINESSES (FY2020)





**BRAND
SOLUTIONS**

**SIMPLIFY MARKETING.
AMPLIFY BRANDS.
DELIVER VALUE.**

CORE PACKAGING SERVICES



TOOLING EXPERTISE

TAKING IDEAS TO FINISHED PRODUCTS

- Saueressig is leading global designer and supplier of rotary tools for non-woven materials:
 - Printing
 - Texturing
 - Converting
- Growth opportunities in purpose-built equipment and engineered solutions for energy storage and other applications



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
             	           	             	             

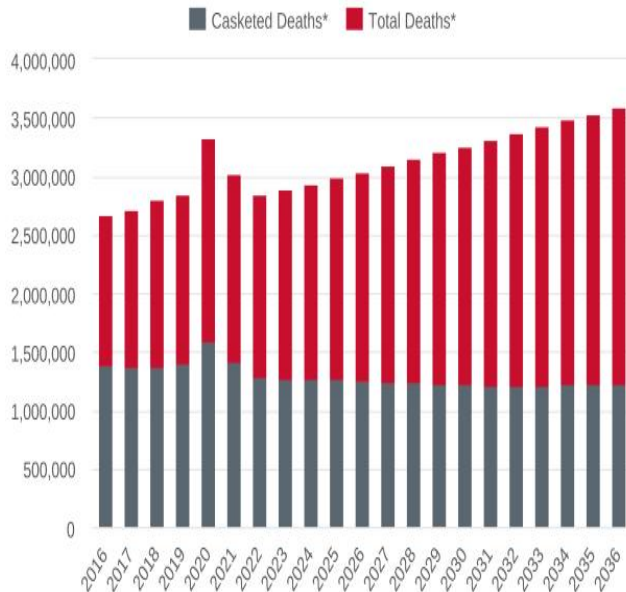


PRODUCTS

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

STABILITY IN MEMORIALIZATION

Casketed Deaths vs. Total Deaths*



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

Sales of Cremation Products



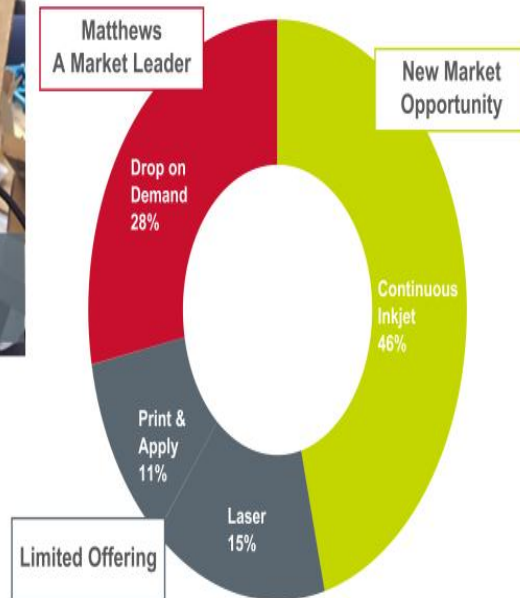
Cremation related sales continue to grow with cremation trend**

** Includes incineration products.

*Company 2020 estimates. Data compiled from CDC, US Census Bureau, Industry reports and internal projections. 2020 increase significantly impacted by the COVID-19 pandemic.



PRODUCT IDENTIFICATION



Source: Technavio Report (May 2017)



WAREHOUSE AUTOMATION AND APPLIED TECHNOLOGIES



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.



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.



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

ESG LEADERSHIP

OUR COMMITMENT TO BUILDING A BETTER WORLD

BRINGING ENVIRONMENTALLY RESPONSIBLE SOLUTIONS TO THE MARKETPLACE

- Provider of Energy storage solutions including battery production technology for electric vehicles
- Waste-to-Energy solutions with projects in UK and Europe

SUSTAINABILITY IMPROVEMENT PROJECTS

- Solid waste reduction with 80% reduction in hazardous waste since 2017
- Converting site lighting to LED reducing lighting energy use by 53%
- Ongoing sustainability projects to reduce solid waste, water usage, electrical usage and emissions

SOCIALLY RESPONSIBLE EMPLOYMENT ENVIRONMENT

- Committed to a culture of diversity and inclusion
- Safe work environment with TRR and DART rates below industry averages
- Committed to being a good neighbor in our communities



FINANCIAL REVIEW

VALUE CREATION

DEBT REDUCTION

- Last twelve month debt reduction of \$183.3 million
- Targeting Net Debt to Adjusted EBITDA of 3X or less

ORGANIC

- Leverage existing capability in new markets and geographic regions
- Cost structure improvements
- New product development

ACQUISITIONS

- Support business strategic plans; fill product / geographic gaps
- 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: 0.4 million shares

CONSOLIDATED RESULTS

(Dollars in thousands, except per share data)	Fiscal Year Ended September 30,			Year to Date March 31,	
	2018	2019	2020	2020	2021
				(unaudited)	(unaudited)
Consolidated Sales	\$ 1,602,580	\$ 1,537,276	\$ 1,498,306	\$ 739,744	\$ 803,811
Net Income Attributable to Matthews	\$ 107,371	\$ (37,988)	\$ (87,155)	\$ (96,830)	\$ 3,231
Total Adjusted EBITDA ⁽¹⁾	\$ 255,114	\$ 220,872	\$ 203,080	\$ 89,627	\$ 115,703
Diluted EPS	\$ 3.37	\$ (1.21)	\$ (2.79)	\$ (3.11)	\$ 0.10
Non-GAAP Adjusted EPS ⁽²⁾	\$ 3.96	\$ 3.31	\$ 3.01	\$ 1.10	\$ 1.57

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 March 31,	
	2018	2019	2020	2020 (unaudited)	2021 (unaudited)
Sales:					
SGK Brand Solutions	\$ 805,274	\$ 743,869	\$ 693,093	\$ 347,735	\$ 339,164
Memorialization	631,392	636,892	656,035	316,224	388,731
Industrial Technologies	165,914	156,515	149,178	75,785	75,916
Consolidated Sales	<u>\$ 1,602,580</u>	<u>\$ 1,537,276</u>	<u>\$ 1,498,306</u>	<u>\$ 739,744</u>	<u>\$ 803,811</u>
Adjusted EBITDA:					
SGK Brand Solutions	\$ 150,233	\$ 119,493	\$ 90,644	\$ 40,962	\$ 42,168
Memorialization	145,487	134,286	146,285	65,286	95,678
Industrial Technologies	25,864	24,082	22,753	10,526	9,302
Corporate and Non-Operating	<u>(66,470)</u>	<u>(56,989)</u>	<u>(56,602)</u>	<u>(27,147)</u>	<u>(31,445)</u>
Total Adjusted EBITDA ⁽¹⁾	<u>\$ 255,114</u>	<u>\$ 220,872</u>	<u>\$ 203,080</u>	<u>\$ 89,627</u>	<u>\$ 115,703</u>

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

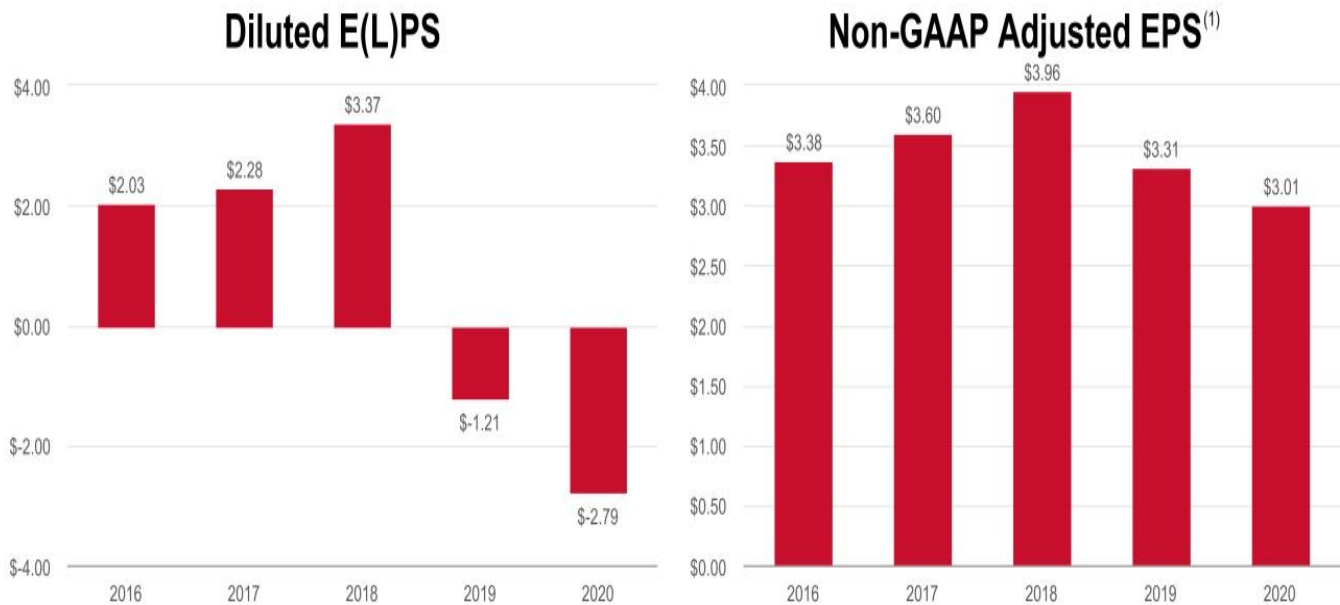
⁽¹⁾ Total adjusted EBITDA is defined by the Company as earnings before interest, income taxes, depreciation, amortization and certain non-cash and/or non-recurring items that do not contribute directly to management's evaluation of its operating results. See reconciliation at Appendix A.

FREE CASH FLOW YIELD

(Dollars in thousands)	Fiscal Year Ended September 30,		
	2018	2019	2020
Cash Provided from Operating Activities	\$ 147,574	\$ 131,083	\$ 180,447
Less: Capital Expenditures	(43,200)	(37,688)	(34,849)
Free Cash Flow	\$ 104,374	\$ 93,395	\$ 145,598
Market Capitalization	1,608,551	1,109,112	710,860
Free Cash Flow Yield	6.49 %	8.42 %	20.48 %
Free Cash Flow Yield (based on 3/31/2021 Market Capitalization)			11.63 %

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)



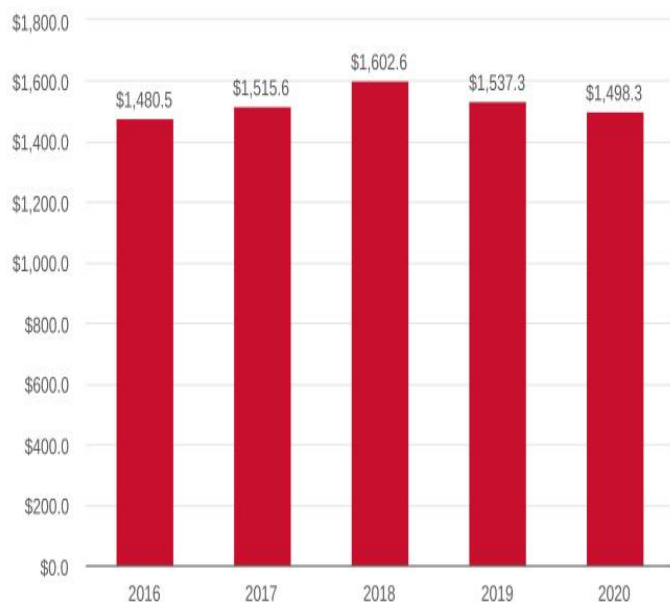
Note: See Disclaimer (Page 2) for Management's assessment of supplemental information related to non-GAAP adjusted EPS.

(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.

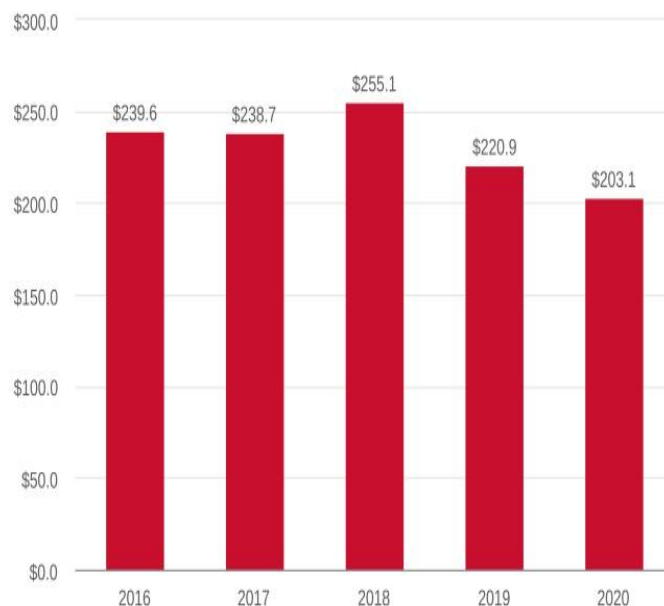
SALES AND TOTAL ADJUSTED EBITDA

(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.

CAPITAL ALLOCATION PRIORITIES

Debt Reduction

- Continued Q2 debt reduction of \$42.1M
- Last twelve month debt reduction of \$183.3M
- Near-term focus of cash flow and continued debt reduction

Cash Dividend

- \$0.21 per share quarterly for FY2020
- \$0.215 per share for Q2 FY2021

Invest in Growth

- Capital investment of ~ 2.5% of revenue

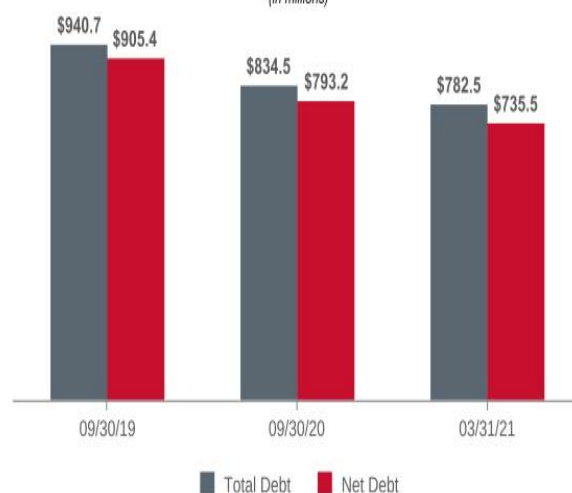
Acquisitions

- Extend capabilities in existing businesses
- Geographic expansion

Share Repurchases

- Opportunistic repurchase in periods of excess cash flow
- 0.4 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

March 31, 2021

BlackRock, Inc.	5,584,003	
The Vanguard Group, Inc.	3,304,625	
Dimensional Fund Advisors, L.P.	1,579,351	
Aristotle Capital Boston, LLC	1,136,915	
Gamco Investors, Inc. et al	1,063,557	
State Street Corporation	1,015,794	
Ameriprise Financial, Inc.	707,854	
Phoenix Holdings LTD.	695,333	
Geode Capital Management, LLC	517,616	
Wells Fargo & Company/MN	508,340	
Top Ten Institutions	16,113,388	50.9 % of outstanding shares
Remaining Institutions	8,930,205	
Total Institutional Ownership	25,043,593	79.1 % of outstanding shares

Note: Institutional share information obtained from Nasdaq as of May 20, 2021



Matthews

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APPENDICES

COVID-19 IMPACTS

MATTHEWS IS A CRITICAL SUPPLIER

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

COMMERCIAL IMPACTS VARY

- **Memorialization:** Casket volume reflects changes in death rates; cemetery memorial products improving recently
- **SGK Brand Solutions:** Retail-based businesses unfavorably impacted to-date; relatively stable sales from consumer-packaged goods
- **Industrial Technologies:** Customer delays in warehouse automation, backlog remains strong; product identification orders recently improving

CASH FLOW REMAINS STRONG

- Significant ongoing debt reduction efforts
- Strict cash management

COMMON STOCK PRICE



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

TOTAL ADJUSTED EBITDA

NON-GAAP RECONCILIATION (Unaudited)

APPENDIX A

(In thousands, except per share data)

	Fiscal Year Ended September 30,			Year to Date March 31,	
	2018	2019	2020	2020	2021
Net income (loss)	\$ 107,111	\$ (38,889)	\$ (87,652)	\$ (96,901)	\$ 3,160
Income tax (benefit) provision	(9,118)	806	(18,685)	(16,463)	4,952
Income (loss) before income taxes	97,993	(38,083)	(106,337)	(113,364)	8,112
Net loss attributable to noncontrolling interests	260	901	497	71	71
Interest expense	37,427	40,962	34,885	18,853	14,961
Depreciation and amortization	76,974	90,793	119,058	58,250	62,530
Acquisition related items ⁽¹⁾	11,104	10,084	3,440	2,221	(360)
ERP integration costs ⁽²⁾	10,864	7,508	2,296	1,415	359
Strategic initiatives and other charges: ⁽³⁾					
Workforce reductions and related costs	1,067	5,061	9,232	3,649	8,818
Other cost-reduction initiatives	4,013	9,176	25,718	16,208	7,468
Legal matter reserve ⁽⁴⁾	—	—	10,566	—	—
Non-recurring / incremental coronavirus disease 2019 ("COVID-19") costs ⁽⁵⁾	—	—	3,908	663	2,696
Goodwill write-down ⁽⁶⁾	—	77,572	90,408	90,408	—
Net realized (gain) loss on divestitures and asset dispositions:					
Loss (gain) on sale of ownership interests in subsidiaries ⁽⁷⁾	—	6,469	(11,208)	—	—
Realized (gain) loss on cost method investments ⁽⁸⁾	(3,771)	4,731	—	—	—
Net gains from the sale of buildings and vacant properties ⁽⁹⁾	—	(7,347)	—	—	—
Joint Venture depreciation, amortization, interest expense and other charges ⁽¹⁰⁾	—	1,514	4,732	2,259	—
Stock-based compensation	13,460	7,729	8,096	4,539	7,247
Non-service pension and postretirement expense ⁽¹¹⁾	5,723	3,802	7,789	4,455	3,801
Total Adjusted EBITDA	\$ 255,114	\$ 220,872	\$ 203,080	\$ 89,627	\$ 115,703

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

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

⁽³⁾ Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels.

⁽⁴⁾ Represents a reserve established for a legal matter involving a letter of credit for a customer in Saudi Arabia within the Memorialization segment.

⁽⁵⁾ 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.

⁽⁶⁾ Represents the goodwill write-down for two reporting units within the SGK Brand Solutions segment.

⁽⁷⁾ Represents the loss (gain) on the sale of ownership interests in subsidiaries within the Memorialization segment.

⁽⁸⁾ Includes gains/losses related to cost-method investments, and related assets, within the SGK Brand Solutions and Memorialization segments.

⁽⁹⁾ Includes gains/losses related to significant building and vacant property transactions across all segments.

⁽¹⁰⁾ 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.

⁽¹¹⁾ 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.

* 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 March 31,			
	2018		2019		2020		2020		2021	
				per share		per share		per share		per share
Net income (loss) attributable to Matthews	\$ 107,371	\$ 3.37	\$ (37,988)	\$ (1.21)	\$ (87,155)	\$ (2.79)	\$ (96,830)	\$ (3.11)	\$ 3,231	\$ 0.10
Acquisition related items ⁽¹⁾	8,267	0.26	7,764	0.25	2,580	0.08	1,667	0.05	(267)	(0.01)
ERP integration costs ⁽²⁾	8,039	0.25	5,781	0.18	1,721	0.06	1,061	0.03	266	0.01
Strategic initiatives and other charges: ⁽³⁾										
Workforce reductions and related costs	789	0.03	3,897	0.12	6,924	0.22	2,737	0.09	8,381	0.26
Other cost-reduction initiatives	2,970	0.10	7,301	0.24	19,424	0.62	12,290	0.40	5,736	0.18
Legal matter reserve ⁽⁴⁾	—	—	—	—	7,924	0.25	—	—	—	—
Non-recurring / incremental COVID-19 costs ⁽⁵⁾	—	—	—	—	2,931	0.09	497	0.02	2,047	0.06
Goodwill write-down ⁽⁶⁾	—	—	76,316	2.42	81,861	2.63	81,861	2.63	—	—
Net realized (gains) losses on divestitures and asset dispositions ⁽⁷⁾	(2,791)	(0.09)	3,232	0.10	(8,406)	(0.27)	—	—	—	—
Joint Venture amortization and other charges ⁽⁸⁾	—	—	266	0.01	2,433	0.08	872	0.03	—	—
Non-service pension and postretirement expense ⁽⁹⁾	4,235	0.13	2,927	0.09	5,842	0.19	3,341	0.10	2,813	0.09
Amortization	23,356	0.73	35,232	1.12	53,636	1.72	26,861	0.86	28,231	0.88
Tax-related ⁽¹⁰⁾	(25,967)	(0.82)	(300)	(0.01)	4,175	0.13	—	—	—	—
Adjusted net income	\$ 126,269	\$ 3.96	\$ 104,428	\$ 3.31	\$ 93,890	\$ 3.01	\$ 34,357	\$ 1.10	\$ 50,438	\$ 1.57

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 26% for the six months ended March 31, 2021, 25% for the six months ended March 31, 2020, and 25.0%, 23.0%, and 26.0% for the fiscal years ended September 30, 2020, 2019, and 2018, respectively.

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

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

⁽³⁾ Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels.

⁽⁴⁾ Represents a reserve established for a legal matter involving a customer in Saudi Arabia within the Memorialization segment.

⁽⁵⁾ 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.

⁽⁶⁾ Represents the goodwill write-down for two reporting units within the SGK Brand Solutions segment.

⁽⁷⁾ Includes gains/losses related to the sale of ownership interests in subsidiaries within the Memorialization segment, gains/losses related to cost-method investments, and related assets, within the SGK Brand Solutions and Memorialization segments, and gains/losses related to significant building and vacant property transactions across all segments.

⁽⁸⁾ Represents the Company's portion of intangible amortization and other non-recurring charges incurred by non-consolidated subsidiaries accounted for as equity-method investments within the Memorialization segment.

⁽⁹⁾ 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.

⁽¹⁰⁾ 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. Fiscal 2020 balance represents tax-related items incurred in connection with goodwill write-downs.

* 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 2020				
Operating assets ⁽¹⁾	\$ 372,804	\$ 256,946	\$ 50,486	\$ 26,838	\$ 707,074
Intangible assets, net	522,114	456,224	120,548	—	1,098,886
Other	119,179	66,716	21,914	58,864	266,673
Total assets	\$ 1,014,097	\$ 779,886	\$ 192,948	\$ 85,702	\$ 2,072,633
	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

⁽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,			March 31,
	2018	2019	2020	2021
Long-term debt, current maturities	\$ 31,260	\$ 42,503	\$ 26,824	\$ 4,274
Long-term debt	929,342	898,194	807,710	778,209
Total debt	960,602	940,697	834,534	782,483
Less: Cash and cash equivalents	(41,572)	(35,302)	(41,334)	(46,980)
Net Debt	\$ 919,030	\$ 905,395	\$ 793,200	\$ 735,503

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

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