

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

**FORM 8-K
CURRENT REPORT**

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

Date of Report (Date of earliest event reported): July 29, 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.

On July 29, 2021, Matthews International Corporation ("Matthews") issued a press release announcing its earnings for the third fiscal quarter of 2021. A copy of the press release is furnished hereto as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

On July 29, 2021, Matthews posted to the Company's website (www.matw.com/investors) its earnings teleconference presentation which includes selected financial results for the third fiscal quarter of 2021. The presentation is furnished herewith as Exhibit 99.2. This information, including exhibits attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. This information shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference to this Form 8-K in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
<u>99.1</u>	Press Release, dated July 29, 2021, issued by Matthews International Corporation
<u>99.2</u>	Matthews International Corporation earnings teleconference presentation for the third fiscal quarter of 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: July 30, 2021

Matthews International Corporation

Corporate Office
Two NorthShore Center
Pittsburgh, PA 15212-5851
Phone: (412) 442-8200

July 29, 2021

Contact: Steven F. Nicola
Chief Financial Officer and
Secretary

William D. Wilson
Senior Director, Corporate
Development

**MATTHEWS INTERNATIONAL REPORTS RESULTS FOR
FISCAL 2021 THIRD QUARTER**

Financial Highlights:

- **Record quarterly sales of \$428.4 million; 19.2% increase over 3rd quarter last year**
- **All segments report higher sales; businesses begin to see recovery from COVID impacts**
- **Net income of \$3.4 million (\$0.10 per share); adjusted net income of \$29.3 million (\$0.91 per share)**
- **Adjusted EBITDA of \$60.0 million compared to \$49.4 million a year ago; increase of 21.5%**
- **Company further reduces net debt leverage ratio**
- **Company raises fiscal 2021 outlook**

PITTSBURGH, PA, July 29, 2021 - Matthews International Corporation (NASDAQ GSM: MATW) today announced financial results for its third quarter of fiscal 2021 and nine months ended June 30, 2021.

In discussing the results for the Company's fiscal 2021 third quarter, Joseph C. Bartolacci, President and Chief Executive Officer, stated:

"Our fiscal 2021 third quarter operating results again demonstrated the strength of our Company through the diversity of our businesses and the benefits of the investments that we have made over the last several years. I again want to recognize the tremendous efforts of our employees during this challenging pandemic. The Company's outstanding performance would not be possible without their hard work and commitment. The safety of our employees remains the top priority of our Board and leadership team.

"All of our segments reported higher sales than a year ago resulting in a new quarterly consolidated sales record for our Company. This performance reflected a combination of growth from our core businesses and significant contributions from our more recent investments and opportunities.

"Sales for the SGK Brand Solutions segment increased \$33.9 million (or 20.5%) to \$199.7 million for the current quarter compared to \$165.8 million for the same quarter a year ago. Sales for the energy solutions portion of this segment were significantly higher than a year ago and our order levels continue to grow. In addition, core brand packaging sales were higher for the current quarter, particularly in our European and Asia-Pacific markets. We were also encouraged by higher retail-based sales as these businesses started to show signs of recovery from the impacts of the pandemic.

"Our Memorialization segment reported sales of \$184.3 million for the current quarter, compared to \$162.1 million for the same quarter a year ago, representing an increase of \$22.2 million, or 13.7%. The growth primarily resulted from increased sales of cemetery memorial products and cremation equipment. As expected, unit sales of caskets decreased for the quarter reflecting lower U.S. deaths due to the declining impact of COVID-19.

"Current quarter sales for our Industrial Technologies segment were \$44.3 million, compared to \$31.5 million a year ago, representing an increase of \$12.8 million, or 40.6%. The increase primarily reflected higher warehouse automation sales and an increase in product identification sales. In addition to higher sales, order rates remain strong for both of these businesses and our backlogs for warehouse automation continue to be at historically high levels.

"Recent increases in commodity costs have begun to impact our margins, particularly in the Memorialization segment. However, realized benefits from our cost reduction initiatives and investments have mitigated some of this impact on a consolidated level."

Third Quarter Fiscal 2021 Consolidated Results (Unaudited)

(\$ in millions, except per share data)

	Q3 FY2021	Q3 FY2020	Change	% Change
Sales	\$ 428.4	\$ 359.4	\$ 69.0	19.2 %
Net income attributable to Matthews	\$ 3.4	\$ 2.3	\$ 1.1	47.9 %
Diluted earnings per share	\$ 0.10	\$ 0.07	\$ 0.03	42.9 %
Non-GAAP adjusted net income	\$ 29.3	\$ 24.8	\$ 4.5	18.1 %
Non-GAAP adjusted EPS	\$ 0.91	\$ 0.80	\$ 0.11	13.8 %
Adjusted EBITDA	\$ 60.0	\$ 49.4	\$ 10.6	21.5 %

Note: See the attached tables for additional important disclosures regarding Matthews' use of non-GAAP measures as well as reconciliations of non-GAAP measures to corresponding GAAP measures. Organic sales represent changes in sales excluding the impact of acquisitions, divestitures, and changes in foreign currency exchange rates.

Consolidated sales for the quarter ended June 30, 2021 were \$428.4 million, compared to \$359.4 million for the same quarter a year ago, representing an increase of \$69.0 million, or 19.2%. The increase reflected higher sales in all three of the Company's segments. Changes in foreign currency rates were estimated to have a favorable impact of \$13.3 million on consolidated sales compared to a year ago.

Net income attributable to the Company for the quarter ended June 30, 2021 was \$3.4 million, or \$0.10 per share, compared to \$2.3 million, or \$0.07 per share in the prior year. GAAP earnings for both periods continued to be impacted by the accelerated amortization of certain intangible assets in the SGK Brand Solutions segment.

On a non-GAAP adjusted basis, earnings for the fiscal 2021 third quarter were \$0.91 per share, compared to \$0.80 per share a year ago. Adjusted EBITDA (net income before interest expense, income taxes, depreciation and amortization, and other adjustments) for the fiscal 2021 third quarter was \$60.0 million, compared to \$49.4 million a year ago, representing an increase of \$10.6 million. These increases were primarily driven by higher sales as well as benefits from the Company's cost-reduction initiatives. See reconciliations of adjusted EBITDA and non-GAAP adjusted earnings per share below.

Fiscal 2021 Year-to-Date Consolidated Results (Unaudited)

(\$ in millions, except per share data)

	YTD FY2021	YTD FY2020	Change	% Change
Sales	\$ 1,232.2	\$ 1,099.2	\$ 133.0	12.1 %
Net income (loss) attributable to Matthews	\$ 6.6	\$ (94.6)	\$ 101.2	107.0 %
Diluted earnings (loss) per share	\$ 0.21	\$ (3.04)	\$ 3.25	106.9 %
Non-GAAP adjusted net income	\$ 79.8	\$ 59.1	\$ 20.7	35.0 %
Non-GAAP adjusted EPS	\$ 2.48	\$ 1.90	\$ 0.58	30.5 %
Adjusted EBITDA	\$ 175.7	\$ 139.0	\$ 36.7	26.4 %

Note: See the attached tables for additional important disclosures regarding Matthews' use of non-GAAP measures as well as reconciliations of non-GAAP measures to corresponding GAAP measures. Organic sales represent changes in sales excluding the impact of acquisitions, divestitures, and changes in foreign currency exchange rates.

Consolidated sales for the nine months ended June 30, 2021 were \$1.23 billion, compared to \$1.10 billion a year ago, representing an increase of \$133.0 million, or 12.1%. The increase for fiscal 2021 reflected higher sales across all of the Company's segments. Changes in foreign currency rates were estimated to have a favorable impact of \$27.4 million on fiscal 2021 consolidated sales compared to a year ago.

Net income attributable to the Company for the first nine months of fiscal 2021 was \$6.6 million, or \$0.21 per share, compared to a net loss of \$94.6 million, or \$3.04 per share in the prior year. GAAP earnings for both periods were impacted by the accelerated amortization of certain intangible assets in the SGK Brand Solutions segment, and charges related to the Company's cost-reduction initiatives. Prior year net loss also reflected a goodwill write down.

On a non-GAAP adjusted basis, earnings for the first nine months of fiscal 2021 were \$2.48 per share, compared to \$1.90 per share a year ago, representing an increase of \$0.58 per share or 30.5%. Adjusted EBITDA for the first nine months of fiscal 2021 was \$175.7 million, compared to \$139.0 million a year ago, representing an increase of \$36.7 million. These increases were primarily driven by higher consolidated sales as well as benefits from the Company's cost-reduction initiatives and lower travel and entertainment expenses. See reconciliations of adjusted EBITDA and non-GAAP adjusted earnings per share below.

Outlook

Mr. Bartolacci further stated: "Based on our year-to-date operating performance and current projections for the fourth quarter, we are raising our outlook for adjusted EBITDA to be at least \$225 million for fiscal 2021. We expect recovery from the pandemic to continue, particularly in our retail-based brand businesses and in our Industrial Technologies (product identification and warehouse automation) businesses that felt the more significant commercial impacts from COVID. Also, order rates for cemetery memorial products remained high through the end of the third quarter reflecting the seasonally stronger spring/summer months and delayed orders from the pandemic period.

"As COVID-19 subsides, we will be facing challenging year-over-year comparability for the next several quarters as casket sales are expected over that time to return to more normalized levels. In addition, recent increases in commodity costs such as steel, lumber and copper will impact the coming quarters, which we expect to partially mitigate through price realization. However, we currently expect the recoveries in our other business, growth in our energy solutions business, and benefits from our cost reduction initiatives to mitigate some of these unfavorable impacts.

"With respect to our energy solutions business, as I noted earlier, its revenues continue to grow. In fiscal 2020, its revenues were less than \$20 million. For the current fiscal year, we are currently forecasting its revenues to be more than double the fiscal 2020 level and, based on orders received through June 30, 2021, we are expecting this business to report another year of significant growth in fiscal 2022.

"Cash flow management efforts will continue to be a priority. During the third quarter, we further reduced our net debt leverage ratio to 3.1 and remain on target for our near-term objective of a net debt leverage ratio of 3.0. We expect continued solid operating cash flow and additional debt reduction during the fiscal 2021 fourth quarter."

Webcast

The Company will host a conference call and webcast on Friday, July 30, 2021 at 9:00 a.m. Eastern Time to review its financial and operating results and discuss its corporate strategies and outlook. A question-and-answer session will follow. The conference call can be accessed by calling (201) 689-8471. The audio webcast can be monitored at www.matw.com. As soon as available after the call, a transcript of the call will be posted in the Investor Relations section of the Company's website at www.matw.com.

About Matthews International Corporation

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

Forward-looking Information

Any forward-looking statements contained in this release are included pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results in future periods to be materially different from management's expectations. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Factors that could cause the Company's results to differ materially from the results discussed in such forward-looking statements principally include changes in 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.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In thousands, except per share data)

	Three Months Ended June 30,			Nine Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Sales	\$ 428,380	\$ 359,422	19.2 %	\$ 1,232,191	\$ 1,099,166	12.1 %
Cost of sales	(291,122)	(238,469)	22.1 %	(828,424)	(737,722)	12.3 %
Gross profit	137,258	120,953	13.5 %	403,767	361,444	11.7 %
Gross margin	32.0 %	33.7 %		32.8 %	32.9 %	
Selling and administrative expenses	(104,947)	(97,882)	7.2 %	(307,960)	(302,191)	1.9 %
Amortization of intangible assets	(23,039)	(17,825)	29.3 %	(61,190)	(53,639)	14.1 %
Goodwill write-down	—	—	— %	—	(90,408)	(100.0)%
Operating profit (loss)	9,272	5,246	76.7 %	34,617	(84,794)	140.8 %
Operating margin	2.2 %	1.5 %		2.8 %	(7.7)%	
Interest and other deductions, net	(8,231)	(9,606)	(14.3)%	(25,464)	(32,930)	(22.7)%
Income (loss) before income taxes	1,041	(4,360)	123.9 %	9,153	(117,724)	107.8 %
Income taxes	2,325	6,209	(62.6)%	(2,627)	22,672	(111.6)%
Net Income (loss)	3,366	1,849	82.0 %	6,526	(95,052)	106.9 %
Non-controlling interests	(11)	420	(102.6)%	60	491	(87.8)%
Net income (loss) attributable to Matthews	\$ 3,355	\$ 2,269	47.9 %	\$ 6,586	\$ (94,561)	107.0 %
Earnings (loss) per share -- diluted	\$ 0.10	\$ 0.07	42.9 %	\$ 0.21	\$ (3.04)	106.9 %
Earnings per share -- non-GAAP⁽¹⁾	\$ 0.91	\$ 0.80	13.8 %	\$ 2.48	\$ 1.90	30.5 %
Dividends declared per share	\$ 0.215	\$ 0.21	2.4 %	\$ 0.645	\$ 0.63	2.4 %
Diluted Shares	32,193	31,232		32,118	31,143	

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

SEGMENT INFORMATION (Unaudited)

(In thousands)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2021	2020	2021	2020
Sales:				
SGK Brand Solutions	\$ 199,715	\$ 165,780	\$ 538,879	\$ 513,515
Memorialization	184,337	162,118	573,068	478,342
Industrial Technologies	44,328	31,524	120,244	107,309
	\$ 428,380	\$ 359,422	\$ 1,232,191	\$ 1,099,166
Adjusted EBITDA:				
SGK Brand Solutions	\$ 33,258	\$ 20,846	\$ 75,426	\$ 61,808
Memorialization	36,402	37,734	132,080	103,020
Industrial Technologies	5,940	4,679	15,242	15,205
Corporate and Non-Operating	(15,585)	(13,862)	(47,030)	(41,009)
Total Adjusted EBITDA⁽¹⁾	\$ 60,015	\$ 49,397	\$ 175,718	\$ 139,024

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

CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION (Unaudited)
(In thousands)

	June 30, 2021	September 30, 2020
ASSETS		
Cash and cash equivalents	\$ 46,230	\$ 41,334
Accounts receivable, net	296,660	295,185
Inventories, net	194,700	175,100
Other current assets	83,141	63,954
Total current assets	620,731	575,573
Property, plant and equipment, net	229,207	236,788
Goodwill	780,375	765,388
Other intangible assets, net	285,756	333,498
Other long-term assets	158,982	161,386
Total assets	\$ 2,075,051	\$ 2,072,633
LIABILITIES		
Long-term debt, current maturities	\$ 4,994	\$ 26,824
Other current liabilities	324,471	290,044
Total current liabilities	329,465	316,868
Long-term debt	787,493	807,710
Other long-term liabilities	331,781	336,622
Total liabilities	1,448,739	1,461,200
SHAREHOLDERS' EQUITY		
Total shareholders' equity	626,312	611,433
Total liabilities and shareholders' equity	\$ 2,075,051	\$ 2,072,633

CONDENSED CONSOLIDATED CASH FLOWS INFORMATION (Unaudited)
(In thousands)

	Nine Months Ended June 30,	
	2021	2020
Cash flows from operating activities:		
Net income (loss)	\$ 6,526	\$ (95,052)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	97,919	88,418
Changes in working capital items	(7,513)	41,726
Goodwill write-down	—	90,408
Other operating activities	9,925	(1,892)
Net cash provided by operating activities	106,857	123,608
Cash flows from investing activities:		
Capital expenditures	(24,495)	(25,486)
Acquisitions, net of cash acquired	(15,623)	—
Other investing activities	17,211	32,885
Net cash (used in) provided by investing activities	(22,907)	7,399
Cash flows from financing activities:		
Net payments from long-term debt	(49,024)	(92,060)
Purchases of treasury stock	(6,149)	(2,372)
Dividends	(20,856)	(19,813)
Other financing activities	(3,801)	(8,845)
Net cash used in financing activities	(79,830)	(123,090)
Effect of exchange rate changes on cash	776	(315)
Net change in cash and cash equivalents	\$ 4,896	\$ 7,602

Reconciliations of Non-GAAP Financial Measures

Included in this report are measures of financial performance that are not defined by GAAP, including, without limitation, adjusted EBITDA, adjusted net income and EPS, net debt and net debt leverage ratio. The Company defines net debt leverage ratio as outstanding debt (net of cash) relative to adjusted EBITDA. 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's calculations of its non-GAAP financial measures, however, may not be comparable to similarly titled measures reported by other companies. 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, provide investors with an additional understanding of the factors and trends affecting the Company's business that could not be obtained absent these disclosures.

ADJUSTED EBITDA RECONCILIATION (Unaudited)
(In thousands)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 3,366	\$ 1,849	\$ 6,526	\$ (95,052)
Income tax (benefit) provision	(2,325)	(6,209)	2,627	(22,672)
Income (loss) before income taxes	\$ 1,041	\$ (4,360)	9,153	(117,724)
Net (income) loss attributable to noncontrolling interests	(11)	420	60	491
Interest expense	6,748	8,082	21,709	26,935
Depreciation and amortization *	35,389	30,168	97,919	88,418
Acquisition related items ^{(1)**}	398	355	38	2,576
ERP integration costs ^{(2)**}	118	745	477	2,160
Strategic initiatives and other charges: ^{(3)**}				
Workforce reductions and related costs	1,826	776	10,644	4,425
Other cost-reduction initiatives	4,871	4,743	12,339	20,951
Gain on sale of ownership interest in a subsidiary ⁽⁴⁾	—	(11,208)	—	(11,208)
Legal matter reserve ⁽⁵⁾	—	10,566	—	10,566
Non-recurring / incremental COVID-19 costs ⁽⁶⁾	1,993	1,871	4,689	2,534
Goodwill write-down ⁽⁷⁾	—	—	—	90,408
Joint Venture depreciation, amortization, interest expense and other charges ⁽⁸⁾	—	2,473	—	4,732
Stock-based compensation	5,713	2,539	12,960	7,078
Non-service pension and postretirement expense ⁽⁹⁾	1,929	2,227	5,730	6,682
Total Adjusted EBITDA	\$ 60,015	\$ 49,397	\$ 175,718	\$ 139,024
Adjusted EBITDA margin	14.0 %	13.7 %	14.3 %	12.6 %

⁽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 gain on the sale of an ownership interest in a subsidiary within the Memorialization segment.

⁽⁵⁾ Represents a reserve established for a legal matter involving a letter of credit for a customer in Saudi Arabia 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⁾ 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.

⁽⁹⁾ Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, and curtailment 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. Curtailment gains and losses are excluded from adjusted EBITDA since they generally result from certain non-recurring events, such as plan amendments to modify future benefits. 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.

* Depreciation and amortization was \$26,813 and \$21,833 for the SGK Brand Solutions segment, \$5,838 and \$5,549 for the Memorialization segment, \$1,399 and \$1,450 for the Industrial Technologies segment, and \$1,339 and \$1,336 for Corporate and Non-Operating, for the three months ended June 30, 2021 and 2020, respectively. Depreciation and amortization was \$72,700 and \$65,274 for the SGK Brand Solutions segment, \$17,016 and \$15,024 for the Memorialization segment, \$4,241 and \$4,320 for the Industrial Technologies segment, and \$3,962 and \$3,800 for Corporate and Non-Operating, for the nine months ended June 30, 2021 and 2020, respectively.

** Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$3,790 and \$1,794 for the SGK Brand Solutions segment, \$484 and \$697 for the Memorialization segment, and \$2,939 and \$4,128 for Corporate and Non-Operating, for the three months ended June 30, 2021 and 2020, respectively. Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$14,135 and \$9,058 for the SGK Brand Solutions segment, \$1,279 and \$1,754 for the Memorialization segment, and \$8,084 and \$19,032 for Corporate and Non-Operating, for the nine months ended June 30, 2021 and 2020, respectively. Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$268 for the Industrial Technologies segment, for the nine months ended June 30, 2020.

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

	Three Months Ended June 30,						Nine Months Ended June 30,						
	2021			2020			2021			2020			
	per share			per share			per share			per share			
Net income (loss) attributable to Matthews	\$	3,355	\$ 0.10	\$	2,269	\$ 0.07	\$	6,586	\$ 0.21	\$	(94,561)	\$	(3.04)
Acquisition related items ⁽¹⁾		295	0.01		265	0.01		28	—		1,932		0.06
ERP integration costs ⁽²⁾		87	—		559	0.02		353	0.01		1,620		0.05
Strategic initiatives and other charges: ⁽³⁾													
Workforce reductions and related costs		1,644	0.05		582	0.02		10,025	0.31		3,319		0.11
Other cost-reduction initiatives		3,949	0.13		3,558	0.12		9,685	0.30		15,848		0.52
Gain on sale of ownership interests in a subsidiary ⁽⁴⁾		—	—		(8,406)	(0.27)		—	—		(8,406)		(0.27)
Legal matter reserve ⁽⁵⁾		—	—		7,924	0.25		—	—		7,924		0.25
Non-recurring / incremental COVID-19 costs ⁽⁶⁾		1,512	0.05		1,403	0.04		3,559	0.11		1,900		0.06
Goodwill write-down ⁽⁷⁾		—	—		—	—		—	—		81,861		2.63
Joint Venture amortization and other charges ⁽⁸⁾		—	—		1,561	0.05		—	—		2,433		0.08
Non-service pension and postretirement expense ⁽⁹⁾		1,426	0.04		1,671	0.06		4,239	0.13		5,012		0.16
Amortization		17,050	0.53		13,368	0.43		45,281	1.41		40,229		1.29
Adjusted net income	\$	29,318	\$ 0.91	\$	24,754	\$ 0.80	\$	79,756	2.48	\$	59,111	\$	1.90

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 26% for the three and nine months ended June 30, 2021, and 25% for the three and nine months ended June 30, 2020.

⁽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 gain on the sale of an ownership interest in a subsidiary within the Memorialization segment.

⁽⁵⁾ Represents a reserve established for a legal matter involving a letter of credit for a customer in Saudi Arabia 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⁾ 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.

⁽⁹⁾ Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, and curtailment gains and losses. These benefit cost components are excluded from adjusted net income since they are primarily influenced by external market conditions that impact investment returns and interest (discount) rates. Curtailment gains and losses are excluded from adjusted net income since they generally result from certain non-recurring events, such as plan amendments to modify future benefits. The service cost and prior service cost components of pension and postretirement expense are included in the calculation of adjusted net income, 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.

NET DEBT AND NET DEBT LEVERAGE RATIO RECONCILIATION (Unaudited)
(Dollars in thousands)

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Long-term debt, current maturities	\$ 4,994	\$ 4,274	\$ 26,826	\$ 26,824
Long-term debt	787,493	778,209	797,805	807,710
Total debt	792,487	782,483	824,631	834,534
Less: Cash and cash equivalents	(46,230)	(46,980)	(41,175)	(41,334)
Net Debt	\$ 746,257	\$ 735,503	\$ 783,456	\$ 793,200
LTM adjusted EBITDA	\$ 239,774	\$ 229,156	\$ 217,613	\$ 203,080
Net Debt Leverage Ratio	3.1	3.2	3.6	3.9

- ### -



Third Quarter Fiscal 2021 Earnings Teleconference July 30, 2021

www.matw.com | Nasdaq: MATW

Joseph C. Bartolacci
President and Chief Executive Officer

Steven F. Nicola
Chief Financial Officer

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”).

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.

Lastly, the Company has presented net debt and a net debt leverage ratio and believes each measure provides 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 indebtedness of the Company, net of cash and cash equivalents and relative to adjusted EBITDA. These measures allow management, as well as analysts and investors, to assess the Company’s leverage.



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**FINANCIAL
OVERVIEW**

Q3 2021 SUMMARY

(\$ in millions except per-share amounts)

Q3	Q3 2020	Q3 2021
Sales	\$ 359.4	\$ 428.4
Gross Margin	33.7 %	32.0 %
Diluted EPS	\$ 0.07	\$ 0.10
Non-GAAP Adjusted EPS*	\$ 0.80	\$ 0.91
Net Income Attributable to Matthews	\$ 2.3	\$ 3.4
Adjusted EBITDA*	\$ 49.4	\$ 60.0

YTD	YTD 2020	YTD 2021
Sales	\$ 1,099.2	\$ 1,232.2
Gross Margin	32.9 %	32.8 %
Diluted (L)EPS	\$ (3.04)	\$ 0.21
Non-GAAP Adjusted EPS*	\$ 1.90	\$ 2.48
Net (Loss) Income Attributable to Matthews	\$ (94.6)	\$ 6.6
Adjusted EBITDA*	\$ 139.0	\$ 175.7

Highlights

Sales

- New Company record for quarterly sales
- Higher sales across all segments

GAAP EPS

- Impacted by accelerated intangible amortization in the SGK Brand Solutions segment; FY20 impacted by goodwill write-down
- Charges related to the Company's cost-reduction programs and COVID-19 costs

Adjusted EPS

- Benefit from higher Adjusted EBITDA
- Lower interest expense

Adjusted EBITDA

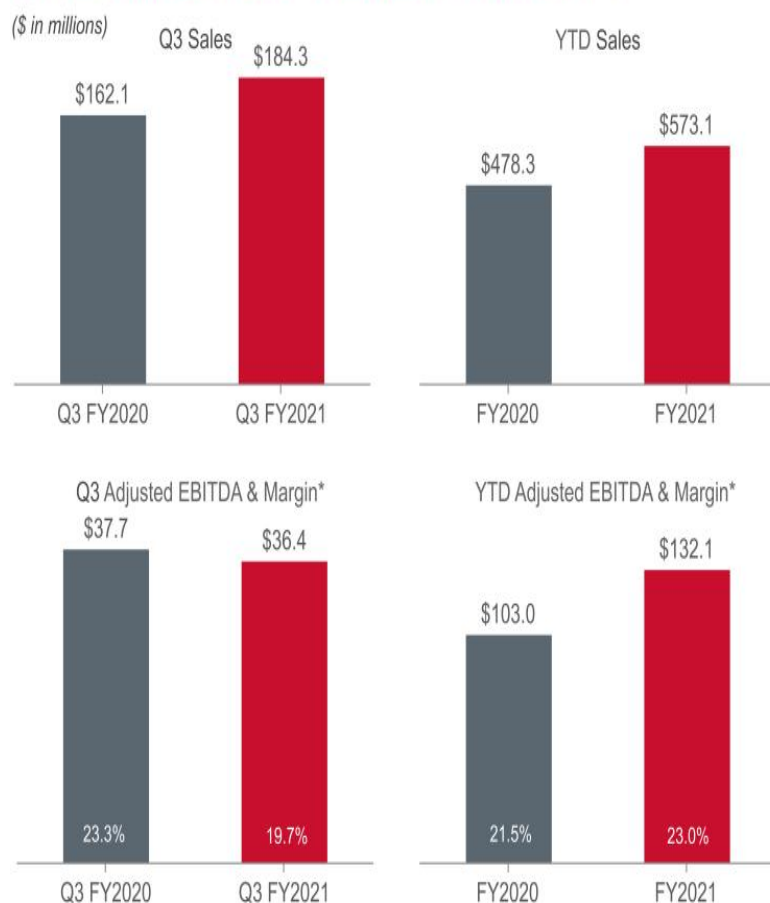
- Impact of higher consolidated sales
- Realized savings from the Company's cost-reduction program; offset by higher material and labor costs

Net Debt Leverage Ratio*

- Continued ratio reduction

* See supplemental slides for Adjusted EPS, Adjusted EBITDA, and Net Debt Leverage Ratio reconciliations, and other important disclaimers regarding Matthews' use of Non-GAAP measures

MEMORIALIZIZATION



Sales

- Higher sales of cemetery memorial products and cremation equipment
- Improved price realization
- Q3 casket volume decreased; declining impact of COVID-19
- Casket sales remain higher year-to-date in FY21

Adjusted EBITDA

- Sales growth and productivity initiatives continued to favorably impacted adjusted EBITDA
- Higher commodity, labor and freight costs more than offset sales favorability
- Impacts of lower margin cremation and incineration projects in the U.K.

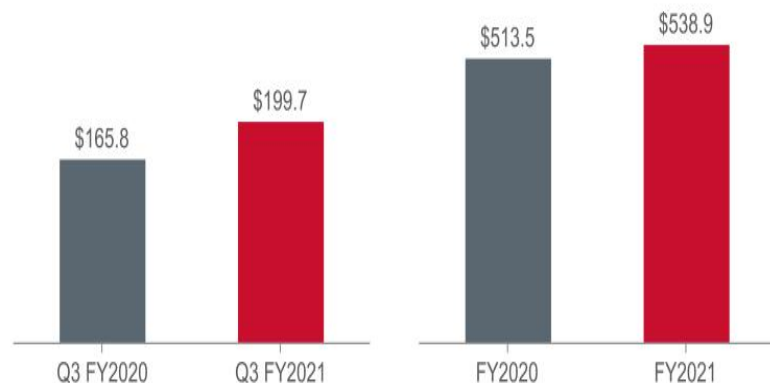
* See supplemental slide for Adjusted EBITDA reconciliation and other important disclaimers regarding Matthews' use of Non-GAAP measures

SGK BRAND SOLUTIONS

(\$ in millions)

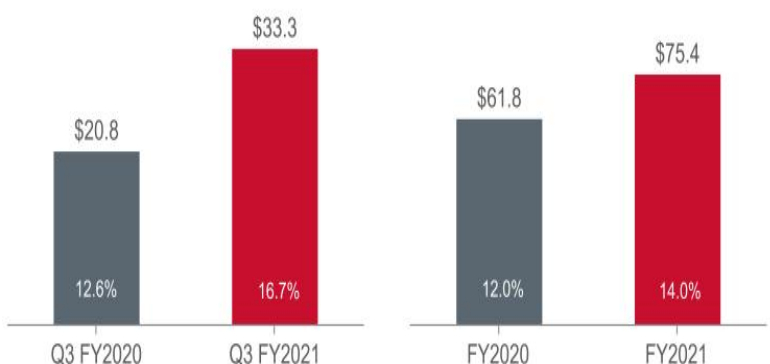
Q3 Sales

YTD Sales



Q3 Adjusted EBITDA & Margin*

YTD Adjusted EBITDA & Margin*



Sales

- Higher engineered products sales, particularly energy solutions
- Increases in core brand sales in Europe and Asia-Pacific markets
- Modestly higher retail-based sales
- Favorable currency impacts of \$10.6 million for the current quarter and \$21.0 million year-to-date

Adjusted EBITDA

- Sales growth favorably impacted adjusted EBITDA
- Favorable impact of realized savings from the Company's cost-reduction programs

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

INDUSTRIAL TECHNOLOGIES

(\$ in millions)

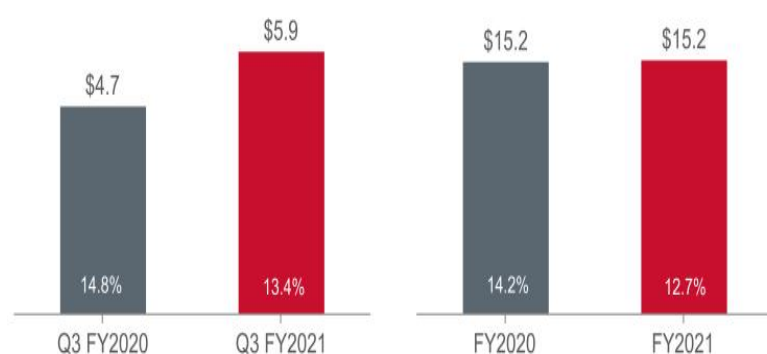
Q3 Sales

YTD Sales



Q3 Adjusted EBITDA & Margin*

YTD Adjusted EBITDA & Margin*



Sales

- Higher warehouse automation sales
- Higher product identification sales
- Incoming order rates across both businesses remain strong
- Warehouse automation continues to be impacted by customer delays

Adjusted EBITDA

- Q3 growth impacted by higher sales
- Unfavorable changes in product mix, higher labor costs and increases in product development costs

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

CAPITALIZATION AND CASH FLOWS

(\$ in millions)

Total Debt and Net Debt*

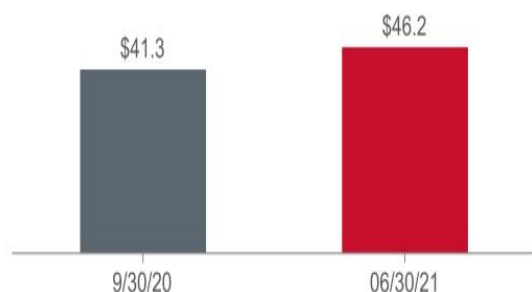


Note: Dark gray shades on the left represent Total Debt.

Operating Cash Flow



Cash



- FY21 operating cash flow impacted by:
 - \$15 million discretionary pension contribution
 - Record sales leading to higher receivables balance
 - Higher commodity costs increasing inventory value
 - \$8.4 million FICA payment delayed by COVID relief bill
- Net Debt Leverage Ratio* reduced to 3.1 as of June 30, 2021
- Quarterly dividend of \$0.215/share, payable 8/23/2021

* See supplemental slide for Net Debt and Net Debt Leverage Ratio reconciliation and other important disclaimers regarding Matthews' use of Non-GAAP measures



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**BUSINESS
OVERVIEW**

BUSINESS UPDATE

MEMORIALIZATION

- Higher cemetery memorial products and cremation equipment sales
- Higher direct material costs expected for the balance of the fiscal year
- Expected continued reduction in casket unit volume as COVID subsides

SGK BRAND SOLUTIONS

- Continued high growth in energy storage
- Global retail-related businesses showing signs of improvement
- Higher core packaging sales

INDUSTRIAL TECHNOLOGIES

- Strong warehouse automation orders continue
- Continued increase in product identification orders

OUTLOOK FOR FISCAL 2021

Key Drivers

- Increased guidance to at least \$225 million adjusted EBITDA
- Decline in casket sales expected as pandemic subsides
- Higher direct material costs (bronze, steel and lumber) as well as higher labor and freight costs expected to impact the remainder of fiscal 2021 and into fiscal 2022
- Orders continue to build in warehouse and energy storage
- Retail-based businesses showing signs of recovery
- Continued focus on the Company's cost-reduction programs
- Operating cash flow generation / further debt reduction
- Additional authorization of 2.5 million shares for opportunistic stock repurchase

A stylized, light gray world map is visible in the background, showing the outlines of continents. The map is centered behind a horizontal band that contains the company logo and title.

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**SUPPLEMENTAL
INFORMATION**

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

Included in this report are measures of financial performance that are not defined by GAAP, including, without limitation, adjusted EBITDA, adjusted net income and EPS, net debt and net debt leverage ratio. The Company defines net debt leverage ratio as outstanding debt (net of cash) relative to adjusted EBITDA. 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's calculations of its non-GAAP financial measures, however, may not be comparable to similarly titled measures reported by other companies. 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, provide investors with an additional understanding of the factors and trends affecting the Company's business that could not be obtained absent these disclosures.

ADJUSTED EBITDA

NON-GAAP RECONCILIATION (Unaudited) (In thousands)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 3,366	\$ 1,849	\$ 6,526	\$ (95,052)
Income tax (benefit) provision	(2,325)	(6,209)	2,627	(22,672)
Income (loss) before income taxes	\$ 1,041	\$ (4,360)	9,153	(117,724)
Net (income) loss attributable to noncontrolling interests	(11)	420	60	491
Interest expense	6,748	8,082	21,709	26,935
Depreciation and amortization ^(*)	35,389	30,168	97,919	88,418
Acquisition related items ^{(1)(*)}	398	355	38	2,576
ERP integration costs ^{(2)(*)}	118	745	477	2,160
Strategic initiatives and other charges ^{(3)(*)}				
Workforce reductions and related costs	1,826	776	10,644	4,425
Other cost-reduction initiatives	4,871	4,743	12,339	20,951
Gain on sale of ownership interest in a subsidiary ⁽⁴⁾	—	(11,208)	—	(11,208)
Legal matter reserve ⁽⁵⁾	—	10,566	—	10,566
Non-recurring / incremental coronavirus disease 2019 ("COVID-19") costs ⁽⁶⁾	1,993	1,871	4,689	2,534
Goodwill write-down ⁽⁷⁾	—	—	—	90,408
Joint Venture depreciation, amortization, interest expense and other charges ⁽⁸⁾	—	2,473	—	4,732
Stock-based compensation	5,713	2,539	12,960	7,078
Non-service pension and postretirement expense ⁽⁹⁾	1,929	2,227	5,730	6,682
Total Adjusted EBITDA	\$ 60,015	\$ 49,397	\$ 175,718	\$ 139,024
Adjusted EBITDA margin	14.0 %	13.7 %	14.3 %	12.6 %

⁽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 gain on the sale of an ownership interest in a subsidiary within the Memorialization segment.

⁽⁵⁾ Represents a reserve established for a legal matter involving a letter of credit for a customer in Saudi Arabia 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⁾ 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.

⁽⁹⁾ Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, and curtailment 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. Curtailment gains and losses are excluded from adjusted EBITDA since they generally result from certain non-recurring events, such as plan amendments to modify future benefits. 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.

* Depreciation and amortization was \$26,813 and \$21,833 for the SGK Brand Solutions segment, \$5,838 and \$5,549 for the Memorialization segment, \$1,399 and \$1,450 for the Industrial Technologies segment, and \$1,339 and \$1,336 for Corporate and Non-Operating, for the three months ended June 30, 2021 and 2020, respectively. Depreciation and amortization was \$72,700 and \$65,274 for the SGK Brand Solutions segment, \$17,016 and \$15,024 for the Memorialization segment, \$4,241 and \$4,320 for the Industrial Technologies segment, and \$3,962 and \$3,800 for Corporate and Non-Operating, for the nine months ended June 30, 2021 and 2020, respectively.

** Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$3,790 and \$1,794 for the SGK Brand Solutions segment, \$484 and \$697 for the Memorialization segment, and \$2,939 and \$4,128 for Corporate and Non-Operating, for the three months ended June 30, 2021 and 2020, respectively. Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$14,135 and \$9,058 for the SGK Brand Solutions segment, \$1,279 and \$1,754 for the Memorialization segment, and \$8,084 and \$19,032 for Corporate and Non-Operating, for the nine months ended June 30, 2021 and 2020, respectively.

* 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) (In thousands, except per share data)

	Three Months Ended June 30,				Nine Months Ended June 30,											
	2021		2020		2021		2020									
	per share		per share		per share		per share									
Net income (loss) attributable to Matthews	\$	3,355	\$	0.10	\$	2,269	\$	0.07	\$	6,586	\$	0.21	\$	(94,561)	\$	(3.04)
Acquisition related items ⁽¹⁾		295		0.01		265		0.01		28		—		1,932		0.06
ERP integration costs ⁽²⁾		87		—		559		0.02		353		0.01		1,620		0.05
Strategic initiatives and other charges: ⁽³⁾																
Workforce reductions and related costs		1,644		0.05		582		0.02		10,025		0.31		3,319		0.11
Other cost-reduction initiatives		3,949		0.13		3,558		0.12		9,685		0.30		15,848		0.52
Gain on sale of ownership interests in a subsidiary ⁽⁴⁾		—		—		(8,406)		(0.27)		—		—		(8,406)		(0.27)
Legal matter reserve ⁽⁵⁾		—		—		7,924		0.25		—		—		7,924		0.25
Non-recurring / incremental COVID-19 costs ⁽⁶⁾		1,512		0.05		1,403		0.04		3,559		0.11		1,900		0.06
Goodwill write-down ⁽⁷⁾		—		—		—		—		—		—		81,861		2.63
Joint Venture amortization and other charges ⁽⁸⁾		—		—		1,561		0.05		—		—		2,433		0.08
Non-service pension and postretirement expense ⁽⁹⁾		1,426		0.04		1,671		0.06		4,239		0.13		5,012		0.16
Amortization		17,050		0.53		13,368		0.43		45,281		1.41		40,229		1.29
Adjusted net income	\$	29,318	\$	0.91	\$	24,754	\$	0.80	\$	79,756	\$	2.48	\$	59,111	\$	1.90

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 26% for the three and nine months ended June 30, 2021, and 25% for the three and nine months ended June 30, 2020.

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

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

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⁽⁴⁾ Represents a gain on the sale of an ownership interest in a subsidiary within the Memorialization segment.

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⁽⁹⁾ Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, and curtailment gains and losses. These benefit cost components are excluded from adjusted net income since they are primarily influenced by external market conditions that impact investment returns and interest (discount) rates. Curtailment gains and losses are excluded from adjusted net income since they generally result from certain non-recurring events, such as plan amendments to modify future benefits. The service cost and prior service cost components of pension and postretirement expense are included in the calculation of adjusted net income, 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 net income and adjusted EPS.

NET DEBT AND NET DEBT LEVERAGE RATIO

NON-GAAP RECONCILIATION (Unaudited) (Dollars in thousands)

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Long-term debt, current maturities	\$ 4,994	\$ 4,274	\$ 26,826	\$ 26,824
Long-term debt	787,493	778,209	797,805	807,710
Total debt	792,487	782,483	824,631	834,534
Less: Cash and cash equivalents	(46,230)	(46,980)	(41,175)	(41,334)
Net Debt	\$ 746,257	\$ 735,503	\$ 783,456	\$ 793,200
LTM adjusted EBITDA	\$ 239,774	\$ 229,156	\$ 217,613	\$ 203,080
Net Debt Leverage Ratio	3.1	3.2	3.6	3.9

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

