

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

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**FORM 8-K  
CURRENT REPORT**

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

Date of Report (Date of earliest event reported): April 28, 2022

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**MATTHEWS INTERNATIONAL CORPORATION**

(Exact name of registrant as specified in its charter)

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<b>Pennsylvania</b>	<b>0-09115</b>	<b>25-0644320</b>
(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)

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

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

On April 28, 2022, Matthews International Corporation ("Matthews") issued a press release announcing its earnings for the second fiscal quarter of 2022. A copy of the press release is furnished hereto as Exhibit 99.1.

**Item 7.01 Regulation FD Disclosure.**

On April 28, 2022, Matthews posted to the Company's website ([www.matw.com/investors](http://www.matw.com/investors)) its earnings teleconference presentation which includes selected financial results for the second fiscal quarter of 2022. 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.

<b>Exhibit Number</b>	<b>Description</b>
<a href="#"><u>99.1</u></a>	Press Release, dated April 28, 2022, issued by Matthews International Corporation
<a href="#"><u>99.2</u></a>	Matthews International Corporation earnings teleconference presentation for the second fiscal quarter of 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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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: April 29, 2022

**Matthews International Corporation**

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

April 28, 2022

Contact: Steven F. Nicola  
Chief Financial Officer and  
Secretary

William D. Wilson  
Senior Director, Corporate  
Development

**MATTHEWS INTERNATIONAL REPORTS RESULTS FOR  
FISCAL 2022 SECOND QUARTER**

**Financial Highlights:**

- ***Record quarterly consolidated sales of \$445 million***
- ***Consolidated sales 6.7% higher than a year ago; all segments report growth***
- ***Industrial Technologies sales increased 19.7% on continued strength in energy business***
- ***\$83.1 million reduction in debt***
- ***Company re-affirms fiscal 2022 outlook***
- ***Webcast: Friday, April 29, 2022, 9:00 a.m., (201) 689-8471***

**PITTSBURGH, PA**, April 28, 2022 - Matthews International Corporation (NASDAQ GSM: MATW) today announced financial results for its second quarter of fiscal 2022 and six months ended March 31, 2022.

In discussing the results for the Company's fiscal 2022 second quarter, Joseph C. Bartolacci, President and Chief Executive Officer, stated:

"Matthews reported record quarterly consolidated sales, another strong quarter of revenue growth, and solid operating performance for the fiscal 2022 second quarter. Due to the ongoing efforts and resilience demonstrated by our employees, we continued to effectively manage our businesses through the current economic challenges, including inflation, supply chain disruptions, and other geopolitical events. Despite these challenges, we remained focused on the execution of our revenue growth strategies, while maintaining our emphasis on cost reduction initiatives. In addition, due to the critical nature of our products and services, we were able to implement pricing actions to mitigate some of these cost impacts.

"Our Industrial Technologies segment continued to report strong sales growth for the fiscal 2022 second quarter. The segment's current quarter sales were \$78.2 million, compared to \$65.3 million a year ago, representing an increase of \$12.9 million, or 19.7%. The increase resulted primarily from higher sales for our energy storage solutions business in addition to growth in warehouse automation and product identification sales.

"Sales for the Memorialization segment for the fiscal 2022 second quarter were \$220.0 million, compared to \$205.5 million for the same quarter a year ago, representing an increase of \$14.5 million, or 7.1%. The growth was primarily the result of higher cemetery memorial products sales and increased prices.

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“The SGK Brand Solutions segment also reported an increase in sales for the current quarter. The segment reported strong sales growth for its agency and merchandising business. In addition, European packaging (primarily cylinders) sales volume was higher for the current quarter. Unfortunately, these improvements were significantly mitigated by unfavorable changes in currency rates compared to a year ago.

“In addition, we further reduced our outstanding debt balance by \$83.1 million during the fiscal 2022 second quarter. A significant portion of the reduction resulted from changes we implemented in the replacement of our securitization facility that facilitated reductions in our debt and trade receivables balances. As of March 31, 2022, net debt (debt less cash) was under \$700 million with our leverage ratio on a net debt basis at 3.2. Over the last 2 years (since the beginning of the pandemic), we have reduced our outstanding debt balance by over \$200 million and our accrued pension balance by over \$100 million.”

## Second Quarter Fiscal 2022 Consolidated Results (Unaudited)

(\$ in millions, except per share data)

	Q2 FY2022	Q2 FY2021	Change	% Change
Sales	\$ 445.0	\$ 417.2	\$ 27.8	6.7 %
Net (loss) income attributable to Matthews	\$ (1.9)	\$ 5.0	\$ (6.9)	(138.2)%
Diluted (loss) earnings per share	\$ (0.06)	\$ 0.16	\$ (0.22)	(137.5)%
Non-GAAP adjusted net income	\$ 23.5	\$ 28.8	\$ (5.3)	(18.4)%
Non-GAAP adjusted EPS	\$ 0.74	\$ 0.89	\$ (0.15)	(16.9)%
Adjusted EBITDA	\$ 55.2	\$ 60.9	\$ (5.7)	(9.4)%

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 quarter ended March 31, 2022 were \$445.0 million, compared to \$417.2 million for the same quarter a year ago, representing an increase of \$27.8 million, or 6.7%. The increase reflected higher sales in all three of the Company's segments. Changes in foreign currency exchange rates were estimated to have an unfavorable impact of \$11.1 million on fiscal 2022 second quarter sales compared to the prior year.

Net loss attributable to the Company for the quarter ended March 31, 2022 was \$1.9 million, or \$0.06 per share, compared to income of \$5.0 million, or \$0.16 per share in the prior year. The current quarter reflected asset write-downs related to the Russia-Ukraine conflict. In addition, both periods reflected the impacts of intangible amortization expense.

On a non-GAAP adjusted basis, earnings for the fiscal 2022 second quarter were \$0.74 per share, compared to \$0.89 per share a year ago. Adjusted EBITDA (net income before interest expense, income taxes, depreciation and amortization, and other adjustments) for the fiscal 2022 second quarter was \$55.2 million, compared to \$60.9 million a year ago. The impact of higher consolidated sales was offset by significant material cost increases, higher labor costs, and other inflationary cost increases.

## Fiscal 2022 Year-to-Date Consolidated Results (Unaudited)

(\$ in millions, except per share data)

	YTD FY2022	YTD FY2021	Change	% Change
Sales	\$ 883.6	\$ 803.8	\$ 79.8	9.9 %
Net (loss) income attributable to Matthews	\$ (21.7)	\$ 3.2	\$ (24.9)	771.9 %
Diluted (loss) earnings per share	\$ (0.68)	\$ 0.10	\$ (0.78)	780.0 %
Non-GAAP adjusted net income	\$ 47.1	\$ 50.4	\$ (3.3)	(6.5)%
Non-GAAP adjusted EPS	\$ 1.48	\$ 1.57	\$ (0.09)	(5.7)%
Adjusted EBITDA	\$ 108.5	\$ 115.7	\$ (7.2)	(6.2)%

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 six months ended March 31, 2022 were \$883.6 million, compared to \$803.8 million a year ago, representing an increase of \$79.8 million, or 9.9%. The increase for fiscal 2022 reflected higher sales across all of the Company's segments. Changes in foreign currency exchange rates were estimated to have an unfavorable impact of \$15.2 million on fiscal 2022 sales compared to the prior year.

Net loss attributable to the Company for the first six months of fiscal 2022 was \$21.7 million, or \$0.68 per share, compared to income of \$3.2 million, or \$0.10 per share in the prior year. The loss in the current year-to-date period primarily resulted from the settlement of the Company's principal defined benefit pension plan in the fiscal 2022 first quarter and asset write-downs related to the Russia-Ukraine conflict.

On a non-GAAP adjusted basis, earnings for the first six months of fiscal 2022 were \$1.48 per share, compared to \$1.57 per share a year ago. Adjusted EBITDA for the first six months of fiscal 2022 was \$108.5 million, compared to \$115.7 million a year ago. The impact of higher consolidated sales was offset by significant material cost increases, higher labor costs, and other inflationary cost increases.

## Outlook

Mr. Bartolacci further stated: "Based on our second quarter performance, we remain on track to deliver on our earnings outlook. We continue to project consolidated sales growth with adjusted EBITDA of at least \$220 million for fiscal 2022.

"We are cautious in this outlook as the current economic challenges of inflation, supply chain issues and other geopolitical events are difficult to predict. However, based on current growth rates in our Industrial Technologies segment (energy, warehouse, and product identification) and strong backlogs in many of our businesses, together with actions we have taken to mitigate the impacts of the economic challenges, we have confidence in our ability to deliver on our outlook for the remainder of the fiscal year."

## Webcast

The Company will host a conference call and webcast on Friday, April 29, 2022 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](http://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](http://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 leading provider of packaging solutions and brand experiences, helping companies simplify their marketing, amplify their brands and provide value. 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, services and distributes high-tech custom energy storage, marking, coding and industrial automation technologies and solutions. The Company has approximately 11,000 employees in more than 26 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, or other factors such as supply chain disruptions, labor shortages or labor cost increases, 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, or other disruptions to our industries, customers, or supply chains, the impact of global conflicts, such as the current war between Russia and Ukraine, 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.

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## CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In thousands, except per share data)

	Three Months Ended March 31,			% Change	Six Months Ended March 31,			% Change
	2022	2021			2022	2021		
<b>Sales</b>	<b>\$ 444,978</b>	<b>\$ 417,154</b>		<b>6.7 %</b>	<b>\$ 883,557</b>	<b>\$ 803,811</b>		<b>9.9 %</b>
Cost of sales	(320,459)	(276,143)		16.0 %	(627,401)	(537,302)		16.8 %
<b>Gross profit</b>	<b>124,519</b>	<b>141,011</b>		<b>(11.7)%</b>	<b>256,156</b>	<b>266,509</b>		<b>(3.9)%</b>
Gross margin	28.0 %	33.8 %			29.0 %	33.2 %		
Selling and administrative expenses	(105,200)	(103,109)		2.0 %	(204,512)	(203,013)		0.7 %
Amortization of intangible assets	(11,953)	(22,930)		(47.9)%	(33,499)	(38,151)		(12.2)%
<b>Operating profit</b>	<b>7,366</b>	<b>14,972</b>		<b>(50.8)%</b>	<b>18,145</b>	<b>25,345</b>		<b>28.4 %</b>
Operating margin	1.7 %	3.6 %			2.1 %	3.2 %		
Interest and other deductions, net	(6,025)	(8,848)		(31.9)%	(43,242)	(17,233)		150.9 %
<b>Income (loss) before income taxes</b>	<b>1,341</b>	<b>6,124</b>		<b>78.1 %</b>	<b>(25,097)</b>	<b>8,112</b>		<b>409.4 %</b>
Income taxes	(3,277)	(972)		237.1 %	3,351	(4,952)		(167.7)%
Net (loss) income	(1,936)	5,152		(137.6)%	(21,746)	3,160		788.2 %
Non-controlling interests	31	(163)		(119.0)%	38	71		(46.5)%
<b>Net (loss) income attributable to Matthews</b>	<b>\$ (1,905)</b>	<b>\$ 4,989</b>		<b>(138.2)%</b>	<b>\$ (21,708)</b>	<b>\$ 3,231</b>		<b>771.9 %</b>
<b>(Loss) earnings per share -- diluted</b>	<b>\$ (0.06)</b>	<b>\$ 0.16</b>		<b>(137.5)%</b>	<b>\$ (0.68)</b>	<b>\$ 0.10</b>		<b>780.0 %</b>
<b>Earnings per share -- non-GAAP <sup>(1)</sup></b>	<b>\$ 0.74</b>	<b>\$ 0.89</b>		<b>(16.9)%</b>	<b>\$ 1.48</b>	<b>\$ 1.57</b>		<b>(5.7)%</b>
<b>Dividends declared per share</b>	<b>\$ 0.22</b>	<b>\$ 0.215</b>		<b>2.3 %</b>	<b>\$ 0.44</b>	<b>\$ 0.43</b>		<b>2.3 %</b>
<b>Diluted Shares</b>	<b>31,692</b>	<b>32,083</b>			<b>31,695</b>	<b>32,034</b>		

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

## SEGMENT INFORMATION (Unaudited) <sup>(2)</sup>

(In thousands)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2022	2021	2022	2021
<b>Sales:</b>				
SGK Brand Solutions	\$ 146,820	\$ 146,415	\$ 300,362	\$ 296,374
Memorialization	220,004	205,457	430,710	388,731
Industrial Technologies	78,154	65,282	152,485	118,706
	<b>\$ 444,978</b>	<b>\$ 417,154</b>	<b>\$ 883,557</b>	<b>\$ 803,811</b>
<b>Adjusted EBITDA:</b>				
SGK Brand Solutions	\$ 13,462	\$ 18,364	\$ 28,876	\$ 40,197
Memorialization	42,944	51,606	86,314	95,678
Industrial Technologies	14,385	8,277	21,568	11,273
Corporate and Non-Operating	(15,601)	(17,307)	(28,235)	(31,445)
<b>Total Adjusted EBITDA <sup>(1)</sup></b>	<b>\$ 55,190</b>	<b>\$ 60,940</b>	<b>\$ 108,523</b>	<b>\$ 115,703</b>

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

<sup>(2)</sup> Effective in the first quarter of fiscal 2022, the Company transferred its surfaces and engineered products businesses from the SGK Brand Solutions segment to the Industrial Technologies segment. This business segment change is consistent with internal management structure and reporting changes effective for fiscal 2022. Prior periods were revised to reflect retrospective application of this segment realignment.



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

	March 31, 2022	September 30, 2021
<b>ASSETS</b>		
Cash and cash equivalents	\$ 53,777	\$ 49,176
Accounts receivable, net	223,283	309,818
Inventories, net	201,566	189,088
Other current assets	133,666	76,083
Total current assets	612,292	624,165
Property, plant and equipment, net	213,104	223,707
Goodwill	769,111	773,787
Other intangible assets, net	227,255	261,542
Other long-term assets	131,031	148,877
<b>Total assets</b>	<b>\$ 1,952,793</b>	<b>\$ 2,032,078</b>
<b>LIABILITIES</b>		
Long-term debt, current maturities	\$ 3,872	\$ 4,624
Other current liabilities	334,687	349,601
Total current liabilities	338,559	354,225
Long-term debt	749,092	759,086
Other long-term liabilities	236,127	282,364
<b>Total liabilities</b>	<b>1,323,778</b>	<b>1,395,675</b>
<b>SHAREHOLDERS' EQUITY</b>		
Total shareholders' equity	629,015	636,403
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,952,793</b>	<b>\$ 2,032,078</b>

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

	Six Months Ended March 31,	
	2022	2021
<b>Cash flows from operating activities:</b>		
Net (loss) income	\$ (21,746)	\$ 3,160
Adjustments to reconcile net (loss) income to net cash flows from operating activities:		
Depreciation and amortization	57,225	62,530
Changes in working capital items	18,842	2,730
Other operating activities	18,402	23,762
<b>Net cash provided by operating activities</b>	<b>72,723</b>	<b>92,182</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(28,096)	(15,819)
Other investing activities	3,357	3,965
<b>Net cash used in investing activities</b>	<b>(24,739)</b>	<b>(11,854)</b>
<b>Cash flows from financing activities:</b>		
Net payments from long-term debt	(10,538)	(53,948)
Purchases of treasury stock	(12,138)	(4,486)
Dividends	(13,952)	(13,979)
Other financing activities	(2,047)	(3,040)
<b>Net cash used in financing activities</b>	<b>(38,675)</b>	<b>(75,453)</b>
Effect of exchange rate changes on cash	(1,580)	771
<b>Net change in cash, cash equivalents and restricted cash</b>	<b>\$ 7,729</b>	<b>\$ 5,646</b>

## 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.

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**ADJUSTED EBITDA RECONCILIATION (Unaudited)**  
(In thousands)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2022	2021	2022	2021
<b>Net (loss) income</b>	<b>\$ (1,936)</b>	<b>\$ 5,152</b>	<b>\$ (21,746)</b>	<b>\$ 3,160</b>
Income tax provision (benefit)	3,277	972	(3,351)	4,952
<b>Income (loss) before income taxes</b>	<b>\$ 1,341</b>	<b>\$ 6,124</b>	<b>(25,097)</b>	<b>8,112</b>
Net loss (income) attributable to noncontrolling interests	31	(163)	38	71
Interest expense	6,260	7,233	12,767	14,961
Depreciation and amortization *	23,724	35,179	57,225	62,530
Strategic initiatives and other charges <sup>(1)**</sup>	6,750	5,093	10,573	16,285
Non-recurring / incremental COVID-19 costs <sup>(2)***</sup>	1,213	1,572	1,903	2,696
Defined benefit plan termination related items <sup>(3)</sup>	(79)	—	347	—
Asset write-downs <sup>(4)</sup>	10,486	—	10,486	—
Stock-based compensation	5,222	4,001	8,931	7,247
Non-service pension and postretirement expense <sup>(5)</sup>	242	1,901	31,350	3,801
<b>Total Adjusted EBITDA</b>	<b>\$ 55,190</b>	<b>\$ 60,940</b>	<b>\$ 108,523</b>	<b>\$ 115,703</b>
<i>Adjusted EBITDA margin</i>	<i>12.4 %</i>	<i>14.6 %</i>	<i>12.3 %</i>	<i>14.4 %</i>

<sup>(1)</sup> Includes certain non-recurring items associated with recent acquisition activities, costs associated with global ERP system integration efforts, and certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels.

<sup>(2)</sup> 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.

<sup>(3)</sup> Represents items associated with the termination of the Company's DB Plan, supplemental retirement plan and the defined benefit portion of the officers retirement restoration plan.

<sup>(4)</sup> Represents asset write-downs within the SGK Brand Solutions segment.

<sup>(5)</sup> Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, curtailment gains and losses, and settlement 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 and settlement 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 or settlements of plan obligations. 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 \$14,060 and \$25,261 for the SGK Brand Solutions segment, \$5,803 and \$5,709 for the Memorialization segment, \$2,531 and \$2,880 for the Industrial Technologies segment, and \$1,330 and \$1,329 for Corporate and Non-Operating, for the three months ended March 31, 2022 and 2021, respectively. Depreciation and amortization was \$37,785 and \$43,109 for the SGK Brand Solutions segment, \$11,613 and \$11,178 for the Memorialization segment, \$5,184 and \$5,620 for the Industrial Technologies segment, and \$2,643 and \$2,623 for Corporate and Non-Operating, for the six months ended March 31, 2022 and 2021, respectively.

\*\* Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$4,475 and \$2,865 for the SGK Brand Solutions segment, charges of \$516 and income of \$335 for the Memorialization segment, charges of \$161 and \$126 for the Industrial Technologies segment, and \$1,598 and \$2,437 for Corporate and Non-Operating, for the three months ended March 31, 2022 and 2021, respectively. Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$5,703 and \$7,561 for the SGK Brand Solutions segment, \$1,188 and \$795 for the Memorialization segment, \$193 and \$2,785 for the Industrial Technologies segment, and \$3,489 and \$5,144 for Corporate and Non-Operating, for the six months ended March 31, 2022 and 2021, respectively.

\*\*\* Non-recurring/incremental COVID-19 costs were \$170 and \$297 for the SGK Brand Solutions segment, \$579 and \$1,240 for the Memorialization segment, \$1 and \$12 for the Industrial Technologies segment, and \$463 and \$23 for Corporate and Non-Operating, for the three months ended March 31, 2022 and 2021, respectively. Non-recurring/incremental COVID-19 costs were \$390 and \$706 for the SGK Brand Solutions segment, \$1,043 and \$1,890 for the Memorialization segment, \$5 and \$30 for the Industrial Technologies segment, and \$465 and \$70 for Corporate and Non-Operating, for the six months ended March 31, 2022 and 2021, respectively.

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

	Three Months Ended March 31,				Six Months Ended March 31,											
	2022		2021		2022		2021									
	<i>per share</i>		<i>per share</i>		<i>per share</i>		<i>per share</i>									
Net (loss) income attributable to Matthews	\$	(1,905)	\$	(0.06)	\$	4,989	\$	0.16	\$	(21,708)	\$	(0.68)	\$	3,231	\$	0.10
Strategic initiatives and other charges <sup>(1)</sup>		4,965		0.16		4,272		0.13		7,974		0.24		14,116		0.44
Non-recurring / incremental COVID-19 costs <sup>(2)</sup>		905		0.03		1,174		0.03		1,441		0.05		2,047		0.06
Defined benefit plan termination related costs <sup>(3)</sup>		82		—		—		—		401		0.01		—		—
Asset write-downs <sup>(4)</sup>		10,308		0.33		—		—		10,308		0.33		—		—
Non-service pension and postretirement expense <sup>(5)</sup>		181		—		1,407		0.05		23,512		0.74		2,813		0.09
Amortization		8,964		0.28		16,968		0.52		25,124		0.79		28,231		0.88
Adjusted net income	\$	23,500	\$	0.74	\$	28,810	\$	0.89	\$	47,052	\$	1.48	\$	50,438	\$	1.57

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 16.9% and 22% for the three and six months ended March 31, 2022, respectively, and 26% for the three and six months ended March 31, 2021.

<sup>(1)</sup> Includes certain non-recurring items associated with recent acquisition activities, costs associated with global ERP system integration efforts, and certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels.

<sup>(2)</sup> 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.

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

	March 31, 2022	September 30, 2021
Long-term debt, current maturities	\$ 3,872	\$ 4,624
Long-term debt	749,092	759,086
Total debt	752,964	763,710
Less: Cash and cash equivalents	(53,777)	(49,176)
<b>Net Debt</b>	<b>\$ 699,187</b>	<b>\$ 714,534</b>
Adjusted EBITDA	\$ 220,570	\$ 227,750
<b>Net Debt Leverage Ratio</b>	<b>3.2</b>	<b>3.1</b>

- ### -



**Second Quarter Fiscal  
2022 Earnings  
Teleconference  
April 29, 2022**

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**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, or other factors such as supply chain disruptions, labor shortages or labor cost increases, 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, or other disruptions to our industries, customers, or supply chains, the impact of global conflicts, such as the current war between Russia and Ukraine, 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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# Q2 2022 SUMMARY

(\$ in millions except per-share amounts)

Q2		Q2 2021	Q2 2022
	Sales	\$ 417.2	\$ 445.0
	Diluted (L)EPS	\$ 0.16	\$ (0.06)
	Non-GAAP Adjusted EPS*	\$ 0.89	\$ 0.74
	Net (Loss) Income Attributable to Matthews	\$ 5.0	\$ (1.9)
	Adjusted EBITDA*	\$ 60.9	\$ 55.2

YTD		YTD 2021	YTD 2022
	Sales	\$ 803.8	\$ 883.6
	Diluted (L)EPS	\$ 0.10	\$ (0.68)
	Non-GAAP Adjusted EPS*	\$ 1.57	\$ 1.48
	Net (Loss) Income Attributable to Matthews	\$ 3.2	\$ (21.7)
	Adjusted EBITDA*	\$ 115.7	\$ 108.5

## Highlights

### Sales

- Record for quarterly sales
- Higher sales across all segments

### GAAP EPS

- Both periods impacted by amortization expense
- Current quarter reflects asset write-downs related to Russia-Ukraine conflict
- Settlement of the Company's principal U.S. defined benefit plan significantly impacted current year-to-date earnings

### Adjusted EPS

- Impacted primarily due to lower adjusted EBITDA
- Lower interest expense

### Adjusted EBITDA

- Increased consolidated sales
- Significant material (commodity) cost increases, higher labor costs, and other inflationary cost increases

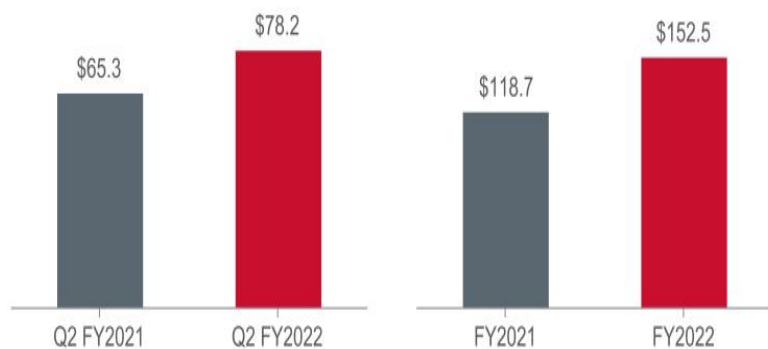
\* See supplemental slides for Adjusted EPS and Adjusted EBITDA reconciliations and other important disclaimers regarding Matthews' use of Non-GAAP measures

# INDUSTRIAL TECHNOLOGIES

(\$ in millions)

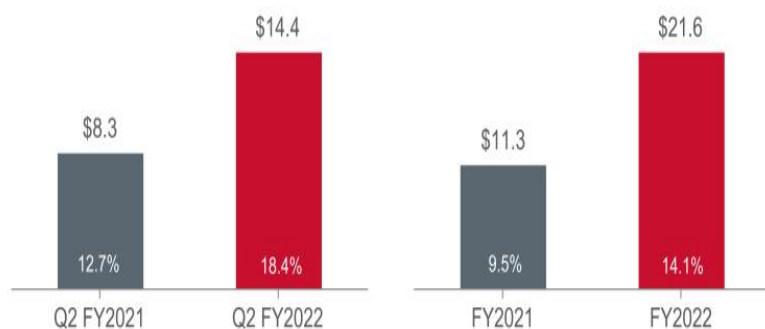
Q2 Sales

YTD Sales



Q2 Adjusted EBITDA & Margin\*

YTD Adjusted EBITDA & Margin\*



## Sales

- Higher engineering (principally energy storage solutions), warehouse automation, and product identification sales

## Adjusted EBITDA

- Growth impacted by higher sales
- Partially offset by higher labor and travel and entertainment costs

Note: Effective in the first quarter of fiscal 2022, the Company transferred its surfaces and engineered products businesses from the SGK Brand Solutions segment to the Industrial Technologies segment. This business segment change is consistent with internal management structure and reporting changes effective for fiscal 2022. Prior periods were revised to reflect retrospective application of this segment realignment.

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# MEMORIALIZATION

(\$ in millions)

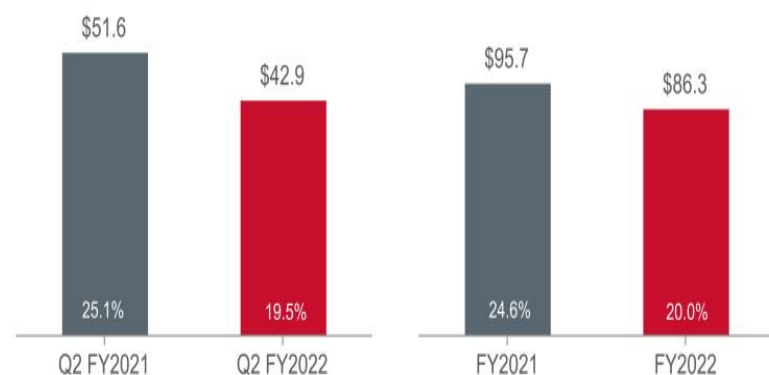
Q2 Sales

YTD Sales



Q2 Adjusted EBITDA & Margin\*

YTD Adjusted EBITDA & Margin\*



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## Sales

- Current year-to-date increased unit sales of caskets and bronze and granite memorial products, primarily due to COVID-19
- Improved price realization

## Adjusted EBITDA

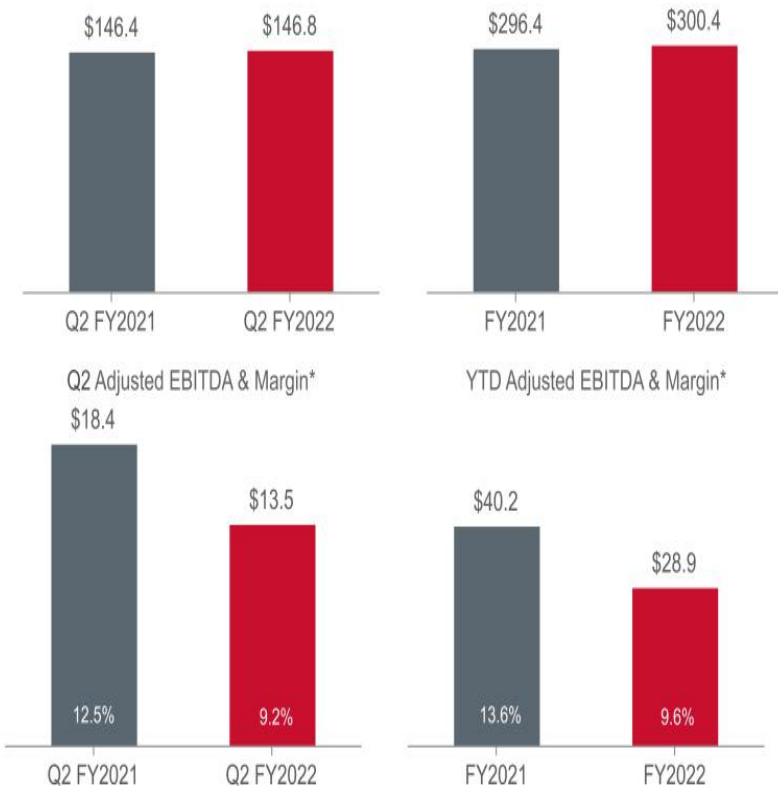
- Sales growth and improved pricing
- Higher commodity, labor and freight costs more than offset sales favorability

# SGK BRAND SOLUTIONS

(\$ in millions)

Q2 Sales

YTD Sales



## Sales

- Higher retail-based sales (principally merchandising solutions)
- Unfavorable currency impacts of \$7.0 million for the current quarter and \$9.4 million year-to-date

## Adjusted EBITDA

- Impacted by unfavorable changes in sales mix, production inefficiencies related to onsite/remote-work transitions, and higher travel and entertainment costs

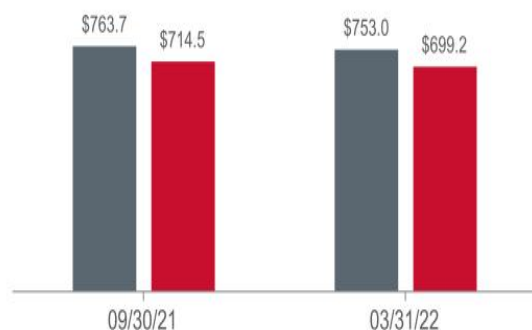
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# CAPITALIZATION AND CASH FLOWS

(\$ in millions)

Total Debt and Net Debt\*

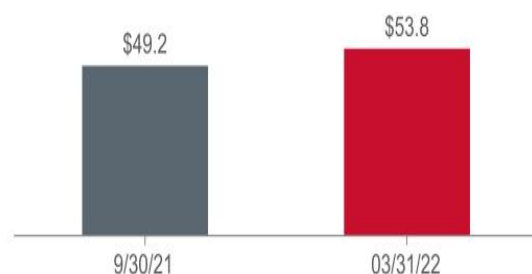


Note: Dark gray shades on the left represent Total Debt.

Operating Cash Flow



Cash



- FY'22 operating cash flow impacted by:
  - \$35.7 million contributions to the Company's principal defined benefit retirement plan
  - \$75.0 million of proceeds from the sale of receivables under a receivables purchase agreement
  - Increased fiscal year-end compensation-related payments
  - Higher inventory levels reflecting increased commodity costs
- Net Debt Leverage Ratio\* 3.2 as of March 31, 2022
- Quarterly dividend of \$0.22/share, payable 5/23/2022

\* 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 UPDATE

## INDUSTRIAL TECHNOLOGIES

- Continued high growth in energy storage solutions business
- Strong warehouse and product identification order rates and backlog

## MEMORIALIZATION

- Strong top line performance, particularly in cemetery and funeral home products
- Higher direct material, labor and freight costs expected for the balance of the fiscal year

## SGK BRAND SOLUTIONS

- Delivered organic revenue growth during quarter
- Challenged by unfavorable currency and sales mix changes

# OUTLOOK FOR FISCAL 2022

## Key Drivers

- Company re-affirms FY 2022 outlook of at least \$220 million adjusted EBITDA
- Inflationary pressures / commodity costs remain a challenge
- War in Ukraine causing uncertainty
- Impact of currency rate changes
- Growth in Industrial Technologies; strong backlogs in many of our businesses
- Pricing actions taken to date



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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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 March 31,		Six Months Ended March 31,	
	2022	2021	2022	2021
Net (loss) income	\$ (1,936)	\$ 5,152	\$ (21,746)	\$ 3,160
Income tax provision (benefit)	3,277	972	(3,351)	4,952
Income (loss) before income taxes	\$ 1,341	\$ 6,124	(25,097)	8,112
Net loss (income) attributable to noncontrolling interests	31	(163)	38	71
Interest expense	6,260	7,233	12,767	14,961
Depreciation and amortization *	23,724	35,179	57,225	62,530
Strategic initiatives and other charges <sup>(1)*</sup>	6,750	5,093	10,573	16,285
Non-recurring / incremental coronavirus disease 2019 ("COVID-19") costs <sup>(2)***</sup>	1,213	1,572	1,903	2,696
Defined benefit plan termination related items <sup>(3)</sup>	(79)	—	347	—
Asset write-downs <sup>(4)</sup>	10,486	—	10,486	—
Stock-based compensation	5,222	4,001	8,931	7,247
Non-service pension and postretirement expense <sup>(5)</sup>	242	1,901	31,350	3,801
<b>Total Adjusted EBITDA</b>	<b>\$ 55,190</b>	<b>\$ 60,940</b>	<b>\$ 108,523</b>	<b>\$ 115,703</b>
Adjusted EBITDA margin	12.4 %	14.6 %	12.3 %	14.4 %

<sup>(1)</sup> Includes certain non-recurring items associated with recent acquisition activities, costs associated with global ERP system integration efforts, and certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels.

<sup>(2)</sup> 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.

<sup>(3)</sup> Represents items associated with the termination of the Company's DB Plan, supplemental retirement plan and the defined benefit portion of the officers retirement restoration plan.

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\* 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 March 31,				Six Months Ended March 31,											
	2022		2021		2022		2021									
	per share		per share		per share		per share									
Net (loss) income attributable to Matthews	\$	(1,905)	\$	(0.06)	\$	4,989	\$	0.16	\$	(21,708)	\$	(0.68)	\$	3,231	\$	0.10
Strategic initiatives and other charges <sup>(1)</sup>		4,965		0.16		4,272		0.13		7,974		0.24		14,116		0.44
Non-recurring / incremental COVID-19 costs <sup>(2)</sup>		905		0.03		1,174		0.03		1,441		0.05		2,047		0.06
Defined benefit plan termination related costs <sup>(3)</sup>		82		—		—		—		401		0.01		—		—
Asset write-downs <sup>(4)</sup>		10,308		0.33		—		—		10,308		0.33		—		—
Non-service pension and postretirement expense <sup>(5)</sup>		181		—		1,407		0.05		23,512		0.74		2,813		0.09
Amortization		8,964		0.28		16,968		0.52		25,124		0.79		28,231		0.88
Adjusted net income	\$	23,500	\$	0.74	\$	28,810	\$	0.89	\$	47,052	\$	1.48	\$	50,438	\$	1.57

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 16.9% and 22% for the three and six months ended March 31, 2022, respectively, and 26% for the three and six months ended March 31, 2021.

<sup>(1)</sup> Includes certain non-recurring items associated with recent acquisition activities, costs associated with global ERP system integration efforts, and certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels.

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\* 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)

	March 31, 2022	September 30, 2021
Long-term debt, current maturities	\$ 3,872	\$ 4,624
Long-term debt	749,092	759,086
Total debt	752,964	763,710
Less: Cash and cash equivalents	(53,777)	(49,176)
<b>Net Debt</b>	<b>\$ 699,187</b>	<b>\$ 714,534</b>
Adjusted EBITDA	\$ 220,570	\$ 227,750
<b>Net Debt Leverage Ratio</b>	<b>3.2</b>	<b>3.1</b>

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

