

**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 28, 2022

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

Item 7.01 Regulation FD Disclosure.

On July 28, 2022, 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 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.

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

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 29, 2022

Matthews International Corporation

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

July 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 THIRD QUARTER**

Financial Highlights:

- ***Year-to-date consolidated sales of \$1.31 billion; 5.9% higher than last year***
- ***Company remains on track for consolidated sales growth for fiscal 2022***
- ***Company lowers earnings outlook reflecting currency impacts/global market conditions***
- ***GAAP EPS of \$0.09; non-GAAP adjusted EPS of \$0.58 for fiscal 2022 third quarter***
- ***Webcast: Friday, July 29, 2022, 9:00 a.m., (201) 689-8471***

PITTSBURGH, PA, July 28, 2022 - Matthews International Corporation (NASDAQ GSM: MATW) today announced financial results for its third quarter of fiscal 2022 and nine months ended June 30, 2022.

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

"Our Company reported another quarter of solid sales performance, despite increasingly challenged global economic conditions, and, as a result, we remain on track to deliver consolidated sales growth for fiscal 2022. We also expect to achieve this growth despite significant currency rate headwinds which have negatively impacted our year-to-date reported consolidated sales and adjusted EBITDA by \$32.8 million and \$6.2 million, respectively. We continue to focus our efforts toward managing through these challenges, including inflation, supply chain disruptions, currency volatility and other geopolitical events, and it is important to acknowledge the hard work and contributions of our employees in achieving these results.

"Memorialization sales continued to be strong in the fiscal 2022 third quarter. The segment reported sales of \$203.2 million for the current quarter compared to \$184.3 million a year ago, representing an increase of 10.2%. The increase primarily reflected growth in the sales of cemetery memorial products, steady casket sales, and improved pricing, which was necessary to mitigate commodity cost and other inflationary cost increases.

"For the fiscal 2022 third quarter, the Industrial Technologies segment (which includes our energy storage solutions business) reported sales of \$78.4 million, compared to \$81.8 million a year ago. Currency rate changes had an unfavorable impact of \$5.1 million on the segment's sales compared to a year ago. On a constant currency basis, the segment reported another quarter of organic sales growth primarily reflecting higher warehouse automation and product identification sales. Year-to-date, sales for the Industrial Technologies segment have increased 15.2% over last year.

"The SGK Brand Solutions segment reported lower sales for the current quarter compared to the third fiscal quarter last year. The segment's results were impacted by challenging market conditions, particularly in Europe, including a corresponding unfavorable effect on currency rates. Currency rate changes had an unfavorable impact of \$10.9 million on the segment's third quarter sales compared to a year ago.

"The pending acquisitions of OLBRICH GmbH and R+S Automotive GmbH represent an important part of our long-term strategy to provide turn-key processing equipment and services for the burgeoning electric vehicle business."

Third Quarter Fiscal 2022 Consolidated Results (Unaudited)

(\$ in millions, except per share data)

	Q3 FY2022	Q3 FY2021	Change	% Change
Sales	\$ 421.7	\$ 428.4	\$ (6.7)	(1.6)%
Net income attributable to Matthews	\$ 2.9	\$ 3.4	\$ (0.5)	(13.8)%
Diluted earnings per share	\$ 0.09	\$ 0.10	\$ (0.01)	(10.0)%
Non-GAAP adjusted net income	\$ 17.8	\$ 29.3	\$ (11.5)	(39.2)%
Non-GAAP adjusted EPS	\$ 0.58	\$ 0.91	\$ (0.33)	(36.3)%
Adjusted EBITDA	\$ 46.0	\$ 60.0	\$ (14.0)	(23.3)%

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, 2022 were \$421.7 million, compared to \$428.4 million for the same quarter a year ago, representing a decrease of \$6.7 million, or 1.6%. Changes in foreign currency exchange rates were estimated to have an unfavorable impact of \$17.6 million on fiscal 2022 third quarter sales compared to the prior year.

Net income attributable to the Company for the quarter ended June 30, 2022 was \$2.9 million, or \$0.09 per share, compared to \$3.4 million, or \$0.10 per share in the prior year. On a non-GAAP adjusted basis, earnings for the fiscal 2022 third quarter were \$0.58 per share, compared to \$0.91 per share a year ago. Adjusted EBITDA (net income before interest expense, income taxes, depreciation and amortization, and other adjustments) for the fiscal 2022 third quarter was \$46.0 million, compared to \$60.0 million a year ago. The decrease primarily reflected lower consolidated sales and the impacts of significant material cost increases (i.e. steel, lumber, copper), higher labor and freight costs, increased travel and entertainment costs, and other inflationary cost increases. These impacts were partially offset by the benefits of sales price increases and continued cost reduction efforts.

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

(\$ in millions, except per share data)

	YTD FY2022	YTD FY2021	Change	% Change
Sales	\$ 1,305.3	\$ 1,232.2	\$ 73.1	5.9%
Net (loss) income attributable to Matthews	\$ (18.8)	\$ 6.6	\$ (25.4)	(385.7)%
Diluted (loss) earnings per share	\$ (0.60)	\$ 0.21	\$ (0.81)	(385.7)%
Non-GAAP adjusted net income	\$ 64.8	\$ 79.8	\$ (15.0)	(18.8)%
Non-GAAP adjusted EPS	\$ 2.06	\$ 2.48	\$ (0.42)	(16.9)%
Adjusted EBITDA	\$ 154.5	\$ 175.7	\$ (21.2)	(12.1)%

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, 2022 were \$1.31 billion, compared to \$1.23 billion a year ago, representing an increase of \$73.1 million, or 5.9%. The increase for fiscal 2022 reflected higher sales in both the Industrial Technologies and Memorialization segments. Changes in foreign currency exchange rates were estimated to have an unfavorable impact of \$32.8 million on fiscal 2022 sales compared to the prior year.

Net loss attributable to the Company for the nine months ended June 30, 2022 was \$18.8 million, or \$0.60 per share, compared to income of \$6.6 million, or \$0.21 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 in the fiscal 2022 second quarter.

On a non-GAAP adjusted basis, earnings for the nine months ended June 30, 2022 were \$2.06 per share, compared to \$2.48 per share a year ago. Adjusted EBITDA for the nine months ended June 30, 2022 was \$154.5 million, compared to \$175.7 million a year ago. The impact of higher consolidated sales was offset by significant material cost increases, higher labor and freight costs, and other inflationary cost increases.

Outlook

Mr. Bartolacci further stated: "Based on our year-to-date results and current fourth quarter projections, we remain on track to deliver consolidated sales growth for fiscal 2022. Order rates in our growing Industrial Technologies segment remained solid through the fiscal 2022 third quarter, which are expected to support the segment's organic growth objectives for the balance of fiscal 2022 and into next fiscal year. Additionally, while the COVID-related impact on death rates continued to subside, we currently project fiscal 2022 fourth quarter Memorialization sales to be relatively comparable with a year ago."

"Market conditions, particularly in Europe, and the corresponding impact on currency rates are expected to continue to impact our businesses. In addition, inflation, supply chain issues and other geopolitical events are expected to persist and challenge our results. We will continue to implement actions in an effort to mitigate these challenges. As a result, based primarily on current European market conditions and the corresponding unfavorable impact on currency rates, we currently expect fiscal 2022 adjusted EBITDA in the range of \$200 million to \$210 million."

Webcast

The Company will host a conference call and webcast on Friday, July 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. 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 memorialization products, industrial technologies, and brand solutions. 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 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 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.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In thousands, except per share data)

	Three Months Ended June 30,			% Change	Nine Months Ended June 30,			% Change
	2022	2021			2022	2021		
Sales	\$ 421,719	\$ 428,380		(1.6)%	\$ 1,305,276	\$ 1,232,191		5.9 %
Cost of sales	(300,854)	(291,122)		3.3 %	(928,255)	(828,424)		12.1 %
Gross profit	120,865	137,258		(11.9)%	377,021	403,767		(6.6)%
Gross margin	28.7 %	32.0 %			28.9 %	32.8 %		
Selling and administrative expenses	(98,098)	(104,947)		(6.5)%	(302,610)	(307,960)		(1.7)%
Amortization of intangible assets	(11,804)	(23,039)		(48.8)%	(45,303)	(61,190)		(26.0)%
Operating profit	10,963	9,272		18.2 %	29,108	34,617		(15.9)%
Operating margin	2.6 %	2.2 %			2.2 %	2.8 %		
Interest and other deductions, net	(7,048)	(8,231)		(14.4)%	(50,290)	(25,464)		97.5 %
Income (loss) before income taxes	3,915	1,041		276.1 %	(21,182)	9,153		(331.4)%
Income taxes	(1,040)	2,325		(144.7)%	2,311	(2,627)		188.0 %
Net income (loss)	2,875	3,366		(14.6)%	(18,871)	6,526		(389.2)%
Non-controlling interests	18	(11)		263.6 %	56	60		(6.7)%
Net income (loss) attributable to Matthews	\$ 2,893	\$ 3,355		(13.8)%	\$ (18,815)	\$ 6,586		(385.7)%
Earnings (loss) per share -- diluted	\$ 0.09	\$ 0.10		(10.0)%	\$ (0.60)	\$ 0.21		(385.7)%
Earnings per share -- non-GAAP ⁽¹⁾	\$ 0.58	\$ 0.91		(36.3)%	\$ 2.06	\$ 2.48		(16.9)%
Dividends declared per share	\$ 0.22	\$ 0.215		2.3 %	\$ 0.66	\$ 0.645		2.3 %
Diluted Shares	31,552	32,193			31,531	32,118		

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

SEGMENT INFORMATION (Unaudited) ⁽²⁾

(In thousands)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2022	2021	2022	2021
Sales:				
Memorialization	\$ 203,158	\$ 184,337	\$ 633,868	\$ 573,068
Industrial Technologies	78,443	81,832	230,928	200,538
SGK Brand Solutions	140,118	162,211	440,480	458,585
	\$ 421,719	\$ 428,380	\$ 1,305,276	\$ 1,232,191
Adjusted EBITDA:				
Memorialization	\$ 32,090	\$ 36,402	\$ 118,404	\$ 132,080
Industrial Technologies	11,809	12,173	33,377	23,446
SGK Brand Solutions	14,546	27,025	43,422	67,222
Corporate and Non-Operating	(12,421)	(15,585)	(40,656)	(47,030)
Total Adjusted EBITDA ⁽¹⁾	\$ 46,024	\$ 60,015	\$ 154,547	\$ 175,718

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

⁽²⁾ 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)

	June 30, 2022	September 30, 2021
ASSETS		
Cash and cash equivalents	\$ 45,846	\$ 49,176
Accounts receivable, net	207,503	309,818
Inventories, net	211,161	189,088
Other current assets	134,119	76,083
Total current assets	598,629	624,165
Property, plant and equipment, net	209,110	223,707
Goodwill	754,649	773,787
Other intangible assets, net	213,371	261,542
Other long-term assets	128,930	148,877
Total assets	\$ 1,904,689	\$ 2,032,078
LIABILITIES		
Long-term debt, current maturities	\$ 3,364	\$ 4,624
Other current liabilities	306,427	349,601
Total current liabilities	309,791	354,225
Long-term debt	772,673	759,086
Other long-term liabilities	231,622	282,364
Total liabilities	1,314,086	1,395,675
SHAREHOLDERS' EQUITY		
Total shareholders' equity	590,603	636,403
Total liabilities and shareholders' equity	\$ 1,904,689	\$ 2,032,078

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

	Nine Months Ended June 30,	
	2022	2021
Cash flows from operating activities:		
Net (loss) income	\$ (18,871)	\$ 6,526
Adjustments to reconcile net (loss) income to net cash flows from operating activities:		
Depreciation and amortization	80,163	97,919
Changes in working capital items	(8,393)	(7,513)
Other operating activities	31,468	9,925
Net cash provided by operating activities	84,367	106,857
Cash flows from investing activities:		
Capital expenditures	(40,597)	(24,495)
Acquisitions, net of cash acquired	—	(15,623)
Other investing activities	1,668	17,211
Net cash used in investing activities	(38,929)	(22,907)
Cash flows from financing activities:		
Net payments from long-term debt	13,763	(49,024)
Purchases of treasury stock	(33,986)	(6,149)
Dividends	(20,812)	(20,856)
Other financing activities	(2,741)	(3,801)
Net cash used in financing activities	(43,776)	(79,830)
Effect of exchange rate changes on cash	(3,862)	776
Net change in cash, cash equivalents and restricted cash	\$ (2,200)	\$ 4,896

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,	
	2022	2021	2022	2021
Net income (loss)	\$ 2,875	\$ 3,366	\$ (18,871)	\$ 6,526
Income tax provision (benefit)	1,040	(2,325)	(2,311)	2,627
Income (loss) before income taxes	\$ 3,915	\$ 1,041	(21,182)	9,153
Net loss (income) attributable to noncontrolling interests	18	(11)	56	60
Interest expense	6,659	6,748	19,426	21,709
Depreciation and amortization *	22,938	35,389	80,163	97,919
Strategic initiatives and other charges ^{(1)**}	7,290	7,213	17,863	23,498
Non-recurring / incremental coronavirus disease 2019 ("COVID-19") costs ⁽²⁾	301	1,993	2,204	4,689
Defined benefit plan termination related items ⁽³⁾	(63)	—	284	—
Asset write-downs, net ⁽⁴⁾	(469)	—	10,017	—
Stock-based compensation	5,197	5,713	14,128	12,960
Non-service pension and postretirement expense ⁽⁵⁾	238	1,929	31,588	5,730
Total Adjusted EBITDA	\$ 46,024	\$ 60,015	\$ 154,547	\$ 175,718
<i>Adjusted EBITDA margin</i>	<i>10.9 %</i>	<i>14.0 %</i>	<i>11.8 %</i>	<i>14.3 %</i>

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

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ Represents asset write-downs, net of recoveries within the SGK Brand Solutions segment.

⁽⁵⁾ 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 \$5,835 and \$5,838 for the Memorialization segment, \$2,459 and \$2,829 for the Industrial Technologies segment, \$13,334 and \$25,383 for the SGK Brand Solutions segment, and \$1,310 and \$1,339 for Corporate and Non-Operating, for the three months ended June 30, 2022 and 2021, respectively. Depreciation and amortization was \$17,448 and \$17,016 for the Memorialization segment, \$7,643 and \$8,449 for the Industrial Technologies segment, \$51,119 and \$68,492 for the SGK Brand Solutions segment, and \$3,953 and \$3,962 for Corporate and Non-Operating, for the nine months ended June 30, 2022 and 2021, respectively.

** Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$902 and \$484 for the Memorialization segment, \$1,183 and \$881 for the Industrial Technologies segment, \$1,970 and \$2,909 for the SGK Brand Solutions segment, and \$3,235 and \$2,939 for Corporate and Non-Operating, for the three months ended June 30, 2022 and 2021, respectively. Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$2,090 and \$1,279 for the Memorialization segment, \$1,376 and \$3,666 for the Industrial Technologies segment, \$7,673 and \$10,470 for the SGK Brand Solutions segment, and \$6,724 and \$8,083 for Corporate and Non-Operating, for the nine months ended June 30, 2022 and 2021, respectively.

*** Non-recurring/incremental COVID-19 costs were \$225 and \$1,333 for the Memorialization segment, \$1 and \$6 for the Industrial Technologies segment, \$74 and \$638 for the SGK Brand Solutions segment, and \$1 and \$16 for Corporate and Non-Operating, for the three months ended June 30, 2022 and 2021, respectively. Non-recurring/incremental COVID-19 costs were \$1,268 and \$3,223 for the Memorialization segment, \$6 and \$36 for the Industrial Technologies segment, \$464 and \$1,344 for the SGK Brand Solutions segment, and \$466 and \$86 for Corporate and Non-Operating, for the nine months ended June 30, 2022 and 2021, respectively.

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

	Three Months Ended June 30,				Nine Months Ended June 30,											
	2022		2021		2022		2021									
	<i>per share</i>		<i>per share</i>		<i>per share</i>		<i>per share</i>									
Net income (loss) attributable to Matthews	\$	2,893	\$	0.09	\$	3,355	\$	0.10	\$	(18,815)	\$	(0.60)	\$	6,586	\$	0.21
Strategic initiatives and other charges ⁽¹⁾		5,689		0.19		5,975		0.19		13,663		0.44		20,091		0.62
Non-recurring / incremental COVID-19 costs ⁽²⁾		235		—		1,512		0.05		1,676		0.05		3,559		0.11
Defined benefit plan termination related items ⁽³⁾		(46)		—		—		—		355		0.01		—		—
Asset write-downs, net ⁽⁴⁾		(353)		(0.01)		—		—		9,955		0.32		—		—
Non-service pension and postretirement expense ⁽⁵⁾		305		0.02		1,426		0.04		23,817		0.76		4,239		0.13
Amortization		9,034		0.29		17,050		0.53		34,158		1.08		45,281		1.41
Adjusted net income	\$	17,757	\$	0.58	\$	29,318	\$	0.91	\$	64,809	\$	2.06	\$	79,756	\$	2.48

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 21.7% and 24.6% for the three and nine months ended June 30, 2022, respectively, and 26% for the three and nine months ended June 30, 2021.

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

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ Represents asset write-downs, net of recoveries within the SGK Brand Solutions segment.

⁽⁵⁾ 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.

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

	June 30, 2022	September 30, 2021
Long-term debt, current maturities	\$ 3,364	\$ 4,624
Long-term debt	772,673	759,086
Total debt	776,037	763,710
Less: Cash and cash equivalents	(45,846)	(49,176)
Net Debt	\$ 730,191	\$ 714,534
Adjusted EBITDA	\$ 206,579	\$ 227,750
Net Debt Leverage Ratio	3.5	3.1

- ### -



Third Quarter Fiscal 2022 Earnings Teleconference July 29, 2022

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, 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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**BUSINESS
OVERVIEW**

BUSINESS UPDATE

INDUSTRIAL TECHNOLOGIES

- Continued high year-to-date 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

- Challenged by unfavorable currency and weakened economic conditions in Europe

OUTLOOK FOR FISCAL 2022

Key Drivers

- Company expects fiscal 2022 adjusted EBITDA in the range of \$200 million to \$210 million
- Inflationary pressures / commodity costs remain a challenge
- War in Ukraine causing uncertainty, particularly in Europe
- Weakened global economic conditions, including impact of currency rate changes
- Growth in Industrial Technologies; strong backlogs in many of our businesses
- Pricing actions taken to date



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**FINANCIAL
OVERVIEW**

Q3 2022 SUMMARY

(\$ in millions except per-share amounts)

Q3		Q3 2021	Q3 2022
	Sales	\$ 428.4	\$ 421.7
	Diluted EPS	\$ 0.10	\$ 0.09
	Non-GAAP Adjusted EPS*	\$ 0.91	\$ 0.58
	Net Income Attributable to Matthews	\$ 3.4	\$ 2.9
	Adjusted EBITDA*	\$ 60.0	\$ 46.0

YTD		YTD 2021	YTD 2022
	Sales	\$ 1,232.2	\$ 1,305.3
	Diluted (L)EPS	\$ 0.21	\$ (0.60)
	Non-GAAP Adjusted EPS*	\$ 2.48	\$ 2.06
	Net Income (Loss) Attributable to Matthews	\$ 6.6	\$ (18.8)
	Adjusted EBITDA*	\$ 175.7	\$ 154.5

Quarter-to-Date Highlights

- Memorialization sales up 10.2%
- Warehouse Automation and Product Identification sales higher for the Industrial Technologies segment
- Significant currency impacts in Q3 on consolidated results compared to a year ago
- Global market conditions, particularly in Europe, impact Q3 results

Year-to-Date Highlights

Sales

- Consolidated sales 5.9% higher than last year
- Unfavorable impacts due to currency exchange rates

GAAP EPS

- Settlement of the Company's principal U.S. defined benefit plan in Q1 2022 and asset write-downs related to Russia-Ukraine conflict in Q2 2022

Adjusted EPS

- Impacted primarily due to lower adjusted EBITDA

Adjusted EBITDA

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

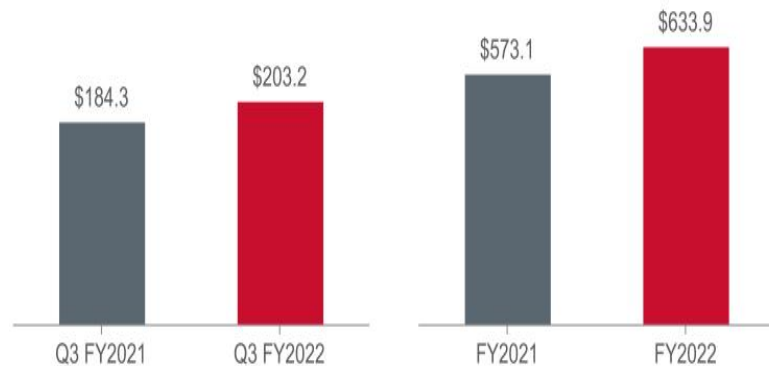
* See supplemental slides for Adjusted EPS and Adjusted EBITDA reconciliations and other important disclaimers regarding Matthews' use of Non-GAAP measures

MEMORIALIZIZATION

(\$ in millions)

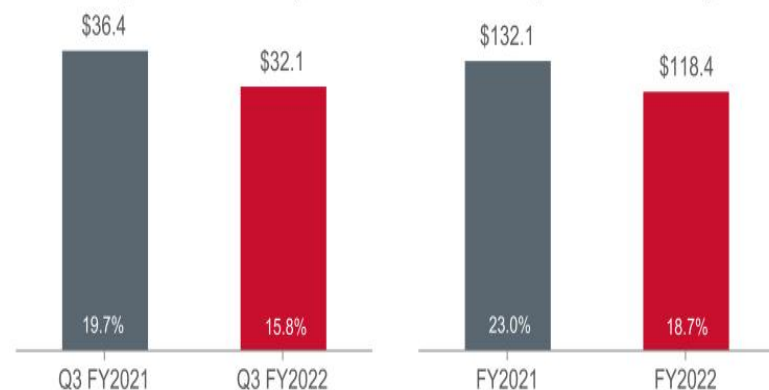
Q3 Sales

YTD Sales



Q3 Adjusted EBITDA & Margin*

YTD Adjusted EBITDA & Margin*



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

Sales

- Higher Q3 cemetery memorial products and steady casket sales
- Current year-to-date higher cemetery memorial products and casket sales
- Improved price realization

Adjusted EBITDA

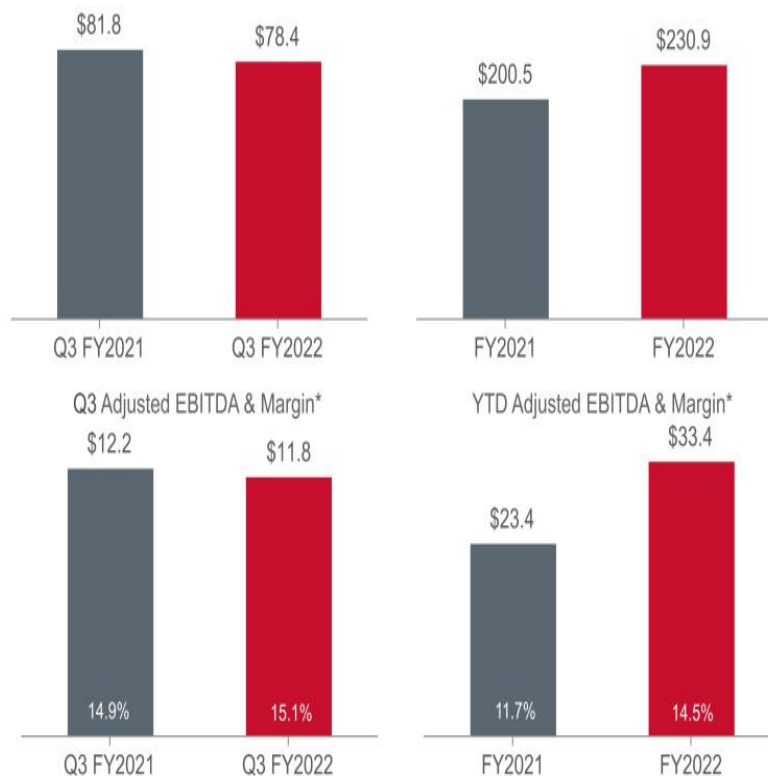
- Sales growth and improved pricing
- Higher commodity, labor, freight, and other inflationary costs more than offset sales favorability

INDUSTRIAL TECHNOLOGIES

(\$ in millions)

Q3 Sales

YTD Sales



Sales

- Currency rate changes had an unfavorable impact of \$5.1 million on the segment's quarter-to-date sales compared to a year ago
- Quarter-to-date organic sales growth primarily reflecting higher warehouse automation and product identification sales
- Year-to-date sales 15.2% higher than last year

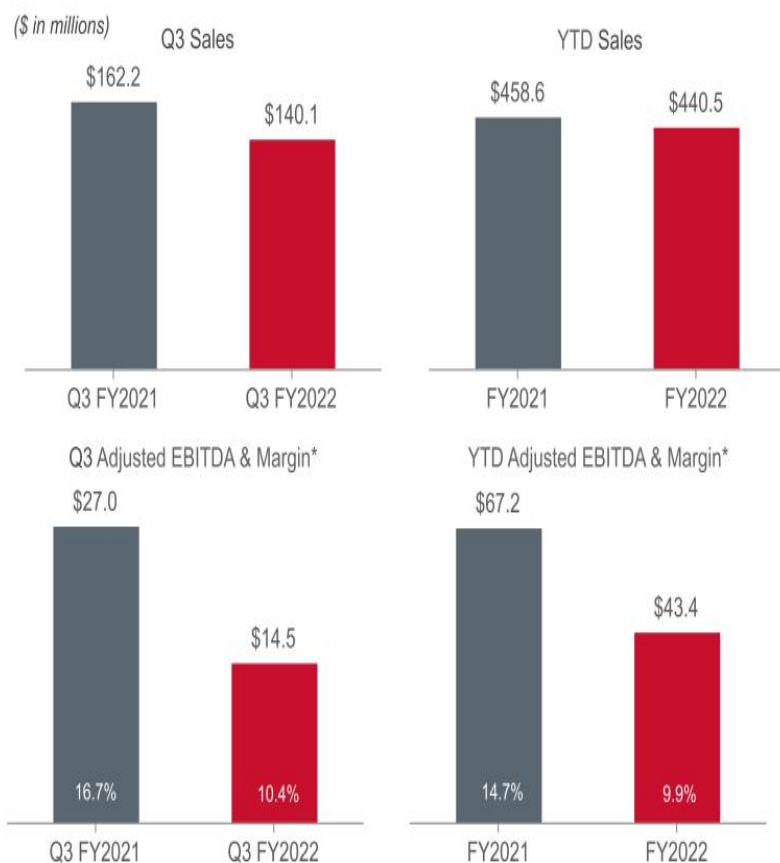
Adjusted EBITDA

- Quarter-to-date growth impacted by unfavorable currency rate changes of \$1 million
- Year-to-date adjusted EBITDA approximately 42% higher than last year

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.

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

SGK BRAND SOLUTIONS



Sales

- Unfavorable currency impacts of \$10.9 million for the current quarter and \$20.3 million year-to-date
- Year-to-date higher retail-based sales (principally merchandising solutions) and brand sales in the Asia-Pacific market

Adjusted EBITDA

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

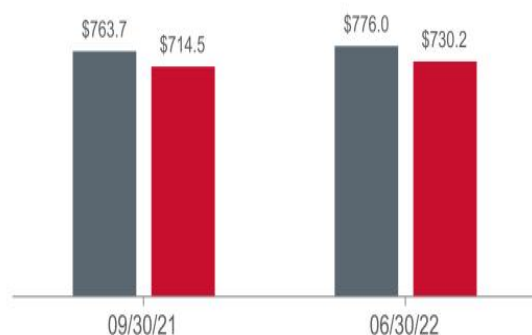
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CAPITALIZATION AND CASH FLOWS

(\$ 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
 - \$100.0 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* 3.5 as of June 30, 2022
- Quarterly dividend of \$0.22/share, payable 8/22/2022

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

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,	
	2022	2021	2022	2021
Net income (loss)	\$ 2,875	\$ 3,366	\$ (18,871)	\$ 6,526
Income tax provision (benefit)	1,040	(2,325)	(2,311)	2,627
Income (loss) before income taxes	\$ 3,915	\$ 1,041	(21,182)	9,153
Net loss (income) attributable to noncontrolling interests	18	(11)	56	60
Interest expense	6,659	6,748	19,426	21,709
Depreciation and amortization *	22,938	35,389	80,163	97,919
Strategic initiatives and other charges ^{(1)*}	7,290	7,213	17,863	23,498
Non-recurring / incremental coronavirus disease 2019 ("COVID-19") costs ^{(2)***}	301	1,993	2,204	4,689
Defined benefit plan termination related items ⁽³⁾	(63)	—	284	—
Asset write-downs, net ⁽⁴⁾	(469)	—	10,017	—
Stock-based compensation	5,197	5,713	14,128	12,960
Non-service pension and postretirement expense ⁽⁵⁾	238	1,929	31,588	5,730
Total Adjusted EBITDA	\$ 46,024	\$ 60,015	\$ 154,547	\$ 175,718
Adjusted EBITDA margin	10.9 %	14.0 %	11.8 %	14.3 %

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

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⁽⁴⁾ Represents asset write-downs, net of recoveries within the SGK Brand Solutions segment.

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* Depreciation and amortization was \$5,835 and \$5,838 for the Memorialization segment, \$2,459 and \$2,829 for the Industrial Technologies segment, \$13,334 and \$25,383 for the SGK Brand Solutions segment, and \$1,310 and \$1,339 for Corporate and Non-Operating, for the three months ended June 30, 2022 and 2021, respectively. Depreciation and amortization was \$17,448 and \$17,016 for the Memorialization segment, \$7,643 and \$8,449 for the Industrial Technologies segment, \$51,119 and \$68,492 for the SGK Brand Solutions segment, and \$3,953 and \$3,962 for Corporate and Non-Operating, for the nine months ended June 30, 2022 and 2021, respectively.

** Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$902 and \$484 for the Memorialization segment, \$1,183 and \$881 for the Industrial Technologies segment, \$1,970 and \$2,909 for the SGK Brand Solutions segment, and \$3,235 and \$2,939 for Corporate and Non-Operating, for the three months ended June 30, 2022 and 2021, respectively. Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$2,090 and \$1,279 for the Memorialization segment, \$1,376 and \$3,666 for the Industrial Technologies segment, \$7,673 and \$10,470 for the SGK Brand Solutions segment, and \$6,724 and \$8,083 for Corporate and Non-Operating, for the nine months ended June 30, 2022 and 2021, respectively.

*** Non-recurring/incremental COVID-19 costs were \$225 and \$1,333 for the Memorialization segment, \$1 and \$6 for the Industrial Technologies segment, \$74 and \$638 for the SGK Brand Solutions segment, and \$1 and \$16 for Corporate and Non-Operating, for the three months ended June 30, 2022 and 2021, respectively. Non-recurring/incremental COVID-19 costs were \$1,268 and \$3,223 for the Memorialization segment, \$6 and \$36 for the Industrial Technologies segment, \$464 and \$1,344 for the SGK Brand Solutions segment, and \$466 and \$86 for Corporate and Non-Operating, for the nine months ended June 30, 2022 and 2021, 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,											
	2022		2021		2022		2021									
	per share		per share		per share		per share									
Net income (loss) attributable to Matthews	\$	2,893	\$	0.09	\$	3,355	\$	0.10	\$	(18,815)	\$	(0.60)	\$	6,586	\$	0.21
Strategic initiatives and other charges ⁽¹⁾		5,689		0.19		5,975		0.19		13,663		0.44		20,091		0.62
Non-recurring / incremental COVID-19 costs ⁽²⁾		235		—		1,512		0.05		1,676		0.05		3,559		0.11
Defined benefit plan termination related items ⁽³⁾		(46)		—		—		—		355		0.01		—		—
Asset write-downs, net ⁽⁴⁾		(353)		(0.01)		—		—		9,955		0.32		—		—
Non-service pension and postretirement expense ⁽⁵⁾		305		0.02		1,426		0.04		23,817		0.76		4,239		0.13
Amortization		9,034		0.29		17,050		0.53		34,158		1.08		45,281		1.41
Adjusted net income	\$	17,757	\$	0.58	\$	29,318	\$	0.91	\$	64,809	\$	2.06	\$	79,756	\$	2.48

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 21.7% and 24.6% for the three and nine months ended June 30, 2022, respectively, and 26% for the three and nine months ended June 30, 2021.

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

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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)

	June 30, 2022	September 30, 2021
Long-term debt, current maturities	\$ 3,364	\$ 4,624
Long-term debt	772,673	759,086
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Net Debt	\$ 730,191	\$ 714,534
Adjusted EBITDA	\$ 206,579	\$ 227,750
Net Debt Leverage Ratio	3.5	3.1

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

