

**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): January 26, 2023

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 January 26, 2023, Matthews International Corporation ("Matthews") issued a press release announcing its earnings for the first fiscal quarter of 2023. A copy of the press release is furnished hereto as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

On January 26, 2023, Matthews posted to the Company's website (www.matw.com/investors) its earnings teleconference presentation which includes selected financial results for the first fiscal quarter of 2023. 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 January 26, 2023, issued by Matthews International Corporation
<u>99.2</u>	Matthews International Corporation earnings teleconference presentation for the first fiscal quarter of 2023
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: January 27, 2023

Matthews International Corporation

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

January 26, 2023

Contact: Steven F. Nicola
Chief Financial Officer and
Secretary

William D. Wilson
Senior Director, Corporate
Development

**MATTHEWS INTERNATIONAL REPORTS RESULTS FOR
FISCAL 2023 FIRST QUARTER**

Financial Highlights:

- ***Sales increased \$10.6 million from last year; \$27.6 million on a constant currency basis***
- ***Industrial Technologies sales 47% higher than a year ago***
- ***Company reaffirms guidance***
- ***Webcast: Friday, January 27, 2023, 9:00 a.m., (201) 689-8471***

PITTSBURGH, PA, January 26, 2023 - Matthews International Corporation (NASDAQ GSM: MATW) today announced financial results for its first quarter of fiscal 2023.

In discussing the results for the Company's fiscal 2023 first quarter, Joseph C. Bartolacci, President and Chief Executive Officer, stated:

"We had a strong start to fiscal 2023. Order rates in our Industrial Technologies segment have grown significantly. Total orders for the segment were almost \$270 million for the quarter, including the recently announced orders received for our energy storage solutions business.

"On a consolidated basis for the three months ended December 31, 2022, we reported another consecutive quarter of year-over-year sales growth, primarily resulting from a 47% increase in sales for our Industrial Technologies segment.

"The continued strength in orders for our energy storage solutions business reaffirms our commitment to the energy space. Our goal is to be the premier, global supplier of highly engineered, clean energy equipment with industry-leading customers across renewable energy services, transportation, and infrastructure. We are confident that the global and growing shift to electrification, coupled with our recent acquisitions, will continue to drive growth for our Company.

"Memorialization sales were relatively steady for the current quarter as the segment reported only a modest decline despite lower death rates compared to a year ago. Consistent with last quarter, U.S. death rates have substantially normalized from higher pandemic levels, impacting unit volumes for caskets and bronze memorials. However, these impacts were largely mitigated by improved pricing and higher granite memorial products and U.S. cremation equipment sales.

“For our SGK Brand Solutions segment, currency rate changes compared to a year ago, particularly the Euro and British Pound, represented over half of the reported decline in sales, while continued challenges in Europe also negatively impacted sales and profitability. However, we expect the cost reduction actions initiated last quarter will begin to produce improved margins.”

First Quarter Fiscal 2023 Consolidated Results (Unaudited)

(\$ in millions, except per share data)

	Q1 FY2023	Q1 FY2022	Change	% Change
Sales	\$ 449.2	\$ 438.6	\$ 10.6	2.4 %
Net income (loss) attributable to Matthews	\$ 3.7	\$ (19.8)	\$ 23.5	118.7 %
Diluted earnings (loss) per share	\$ 0.12	\$ (0.62)	\$ 0.74	119.4 %
Non-GAAP adjusted net income	\$ 16.4	\$ 23.6	\$ (7.2)	(30.5)%
Non-GAAP adjusted EPS	\$ 0.53	\$ 0.74	\$ (0.21)	(28.4)%
Adjusted EBITDA	\$ 49.3	\$ 53.3	\$ (4.0)	(7.5)%

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

Consolidated sales for the quarter ended December 31, 2022 were \$449.2 million, compared to \$438.6 million for the same quarter a year ago, representing an increase of \$10.6 million, or 2.4%. On a constant currency basis, consolidated sales increased \$27.7 million, or 6.3%, from a year ago. Changes in foreign currency exchange rates were estimated to have an unfavorable impact of \$17.0 million on fiscal 2023 first quarter sales compared to the prior year.

Net income attributable to the Company for the quarter ended December 31, 2022 was \$3.7 million, or \$0.12 per share, compared to loss of \$19.8 million, or \$0.62 per share in the prior year. The first quarter last year included a charge in connection with the termination and settlement of the Company's principal U.S. pension plan. On a non-GAAP adjusted basis, earnings for the fiscal 2023 first quarter were \$0.53 per share, compared to \$0.74 per share a year ago, primarily reflecting lower adjusted EBITDA (net income before interest expense, income taxes, depreciation and amortization, and other adjustments) and higher interest expense. Adjusted EBITDA for the fiscal 2023 first quarter was \$49.3 million. On a constant currency basis, adjusted EBITDA was \$50.9 million for the current quarter, compared to \$53.3 million a year ago, primarily reflecting lower adjusted EBITDA for the Memorialization and SGK Brand Solutions segments offset partially by growth in the Industrial Technologies segment.

Outlook

Mr. Bartolacci further stated: “Based on our orders received in the first quarter and continued robust activity in all of our Industrial Technologies products and services, we expect to report another strong year in this segment. Timing of new projects will influence our results as deliveries for portions of the orders will extend up to 18 months. We expect Memorialization operating results to remain relatively steady compared to last year, primarily reflecting the level of our cremation-related products sales and expected recovery in the segment's margins. Lastly, for our SGK Brand Solutions segment, year-over-year currency rate changes are expected to present a challenge for the near term. However, our cost reduction actions should improve margins in this business.

“At the present time, we are maintaining our previously reported guidance for fiscal 2023 (adjusted EBITDA range of \$215 million to \$235 million). Importantly, as we further assess expected timing of deliveries for the recent energy storage solutions orders, our confidence level within this range should improve. We continue, however, to express caution as global economic conditions remain uncertain.”

"Lastly, as we anticipated, our debt levels have recently increased primarily as a result of investments in our recent acquisitions and the energy storage solutions business. Based on the expected performance and related cash flows of this business, we expect these levels to decline as fiscal 2023 progresses."

Webcast

The Company will host a conference call and webcast on Friday, January 27, 2023 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, cremation-related products, 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 solutions, product identification, and warehouse 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 12,000 employees in more than 30 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 interest 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 December 31,		% Change
	2022	2021	
Sales	\$ 449,240	\$ 438,579	2.4 %
Cost of sales	(310,310)	(306,942)	1.1 %
Gross profit	138,930	131,637	5.5 %
<i>Gross margin</i>	<i>30.9 %</i>	<i>30.0 %</i>	
Selling and administrative expenses	(111,360)	(99,312)	12.1 %
Amortization of intangible assets	(10,342)	(21,546)	(52.0)%
Operating profit	17,228	10,779	59.8 %
<i>Operating margin</i>	<i>3.8 %</i>	<i>2.5 %</i>	
Interest and other deductions, net	(12,269)	(37,217)	(67.0)%
Income (loss) before income taxes	4,959	(26,438)	118.8 %
Income taxes	(1,312)	6,628	119.8 %
Net income (loss)	3,647	(19,810)	118.4 %
Non-controlling interests	56	7	NM
Net income (loss) attributable to Matthews	\$ 3,703	\$ (19,803)	118.7 %
Earnings (loss) per share -- diluted	\$ 0.12	\$ (0.62)	119.4 %
Earnings per share -- non-GAAP ⁽¹⁾	\$ 0.53	\$ 0.74	(28.4)%
Dividends declared per share	\$ 0.23	\$ 0.22	4.5 %
Diluted Shares	30,953	31,719	

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

NM: Not meaningful

SEGMENT INFORMATION (Unaudited)

(In thousands)

	Three Months Ended December 31,	
	2022	2021
Sales:		
Memorialization	\$ 206,502	\$ 210,706
Industrial Technologies	109,143	74,331
SGK Brand Solutions	133,595	153,542
	\$ 449,240	\$ 438,579
Adjusted EBITDA:		
Memorialization	\$ 39,137	\$ 43,370
Industrial Technologies	12,202	7,183
SGK Brand Solutions	12,232	15,414
Corporate and Non-Operating	(14,280)	(12,634)
Total Adjusted EBITDA ⁽¹⁾	\$ 49,291	\$ 53,333

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

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

	December 31, 2022	September 30, 2022
ASSETS		
Cash and cash equivalents	\$ 42,718	\$ 69,016
Accounts receivable, net	221,613	221,015
Inventories, net	245,565	225,440
Other current assets	123,348	113,145
Total current assets	633,244	628,616
Property, plant and equipment, net	264,684	256,065
Goodwill	692,015	675,421
Other intangible assets, net	193,756	202,154
Other long-term assets	119,243	120,515
Total assets	\$ 1,902,942	\$ 1,882,771
LIABILITIES		
Long-term debt, current maturities	\$ 2,977	\$ 3,277
Other current liabilities	363,767	408,098
Total current liabilities	366,744	411,375
Long-term debt	834,127	795,291
Other long-term liabilities	197,154	189,029
Total liabilities	1,398,025	1,395,695
SHAREHOLDERS' EQUITY		
Total shareholders' equity	504,917	487,076
Total liabilities and shareholders' equity	\$ 1,902,942	\$ 1,882,771

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

	Three Months Ended December 31,	
	2022	2021
Cash flows from operating activities:		
Net income (loss)	\$ 3,647	\$ (19,810)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:		
Depreciation and amortization	23,729	33,501
Changes in working capital items	(43,152)	(40,816)
Other operating activities	(20,448)	(31)
Net cash used in operating activities	(36,224)	(27,156)
Cash flows from investing activities:		
Capital expenditures	(12,398)	(12,640)
Acquisitions, net of cash acquired	(1,759)	—
Other investing activities	4	171
Net cash used in investing activities	(14,153)	(12,469)
Cash flows from financing activities:		
Net payments from long-term debt	32,722	72,345
Purchases of treasury stock	(2,451)	(2,435)
Dividends	(7,003)	(6,824)
Other financing activities	(946)	(725)
Net cash provided by financing activities	22,322	62,361
Effect of exchange rate changes on cash	1,757	(928)
Net change in cash, cash equivalents and restricted cash	\$ (26,298)	\$ 21,808

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, constant currency sales, constant currency adjusted EBITDA, 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. Constant currency sales and constant currency adjusted EBITDA remove the impact of changes due to foreign exchange translation rates. To calculate sales and adjusted EBITDA on a constant currency basis, amounts for periods in the current fiscal year are translated into U.S. dollars using exchange rates applicable to the comparable periods of the prior fiscal year. 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 December 31,	
	2022	2021
Net income (loss)	\$ 3,647	\$ (19,810)
Income tax provision (benefit)	1,312	(6,628)
Income (loss) before income taxes	4,959	(26,438)
Net loss attributable to noncontrolling interests	56	7
Interest expense	10,215	6,507
Depreciation and amortization *	23,729	33,501
RPA financing fees ⁽¹⁾	456	—
Acquisition costs ^{(2)**}	1,285	—
Strategic initiatives and other charges ^{(3)**}	1,760	3,823
Non-recurring / incremental coronavirus disease 2019 ("COVID-19") costs ^{(4)***}	—	690
Exchange losses related to highly inflationary accounting ⁽⁵⁾	1,088	—
Defined benefit plan termination related items ⁽⁶⁾	21	426
Stock-based compensation	4,334	3,709
Non-service pension and postretirement expense ⁽⁷⁾	1,388	31,108
Total Adjusted EBITDA	\$ 49,291	\$ 53,333
<i>Adjusted EBITDA margin</i>	<i>11.0 %</i>	<i>12.2 %</i>

⁽¹⁾ Represents fees for receivables sold under the Company's RPA agreement.

⁽²⁾ Includes certain non-recurring costs associated with recent acquisition activities.

⁽³⁾ Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels, costs associated with global ERP system integration efforts, and asset write-downs associated with certain operations in Russia, net of recoveries.

⁽⁴⁾ 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.

⁽⁵⁾ Represents exchange losses associated with highly inflationary accounting related to the Company's Turkish subsidiaries.

⁽⁶⁾ 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.

⁽⁷⁾ 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 \$5,574 and \$5,810 for the Memorialization segment, \$5,853 and \$2,653 for the Industrial Technologies segment, \$11,060 and \$23,725 for the SGK Brand Solutions segment, and \$1,242 and \$1,313 for Corporate and Non-Operating, for the three months ended December 31, 2022 and 2021, respectively.

** Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$378 and \$671 for the Memorialization segment, \$937 and \$32 for the Industrial Technologies segment, \$521 and \$1,229 for the SGK Brand Solutions segment, and \$1,209 and \$1,891 for Corporate and Non-Operating, for the three months ended December 31, 2022 and 2021, respectively.

*** Non-recurring/incremental COVID-19 costs were \$464 for the Memorialization segment, \$4 for the Industrial Technologies segment, \$220 for the SGK Brand Solutions segment, and \$2 for Corporate and Non-Operating, for the three months ended December 31, 2021.

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

	Three Months Ended December 31,			
	2022		2021	
	per share		per share	
Net income (loss) attributable to Matthews	\$	3,703	\$	(19,803)
Acquisition related items ⁽¹⁾		1,062		—
Strategic initiatives and other charges ⁽²⁾		1,771		3,009
Non-recurring / incremental COVID-19 costs ⁽³⁾		—		536
Exchange losses related to highly inflationary accounting ⁽⁴⁾		1,088		—
Defined benefit plan termination related items ⁽⁵⁾		16		319
Non-service pension and postretirement expense ⁽⁶⁾		1,041		23,331
Amortization		7,757		16,160
Adjusted net income	\$	16,438	\$	23,552
		0.12		(0.62)
		0.03		0.08
		0.06		0.02
		0.04		0.01
		0.03		0.74
		0.25		0.51
		0.53		0.74

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 22.1% for the three months ended December 31, 2022, and 24.7% for the three months ended December 31, 2021.

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

⁽²⁾ Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels, costs associated with global ERP system integration efforts, and asset write-downs associated with certain operations in Russia, net of recoveries.

⁽³⁾ 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.

⁽⁴⁾ Represents exchange losses associated with highly inflationary accounting related to the Company's Turkish subsidiaries.

⁽⁵⁾ 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.

⁽⁶⁾ 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.

CONSTANT CURRENCY SALES AND ADJUSTED EBITDA RECONCILIATION (Unaudited)
(In thousands)

	Memorialization	Industrial Technologies	SGK Brand Solutions	Corporate and Non-Operating	Consolidated
Reported sales for the quarter ended December 31, 2022	\$ 206,502	\$ 109,143	\$ 133,595	\$ —	\$ 449,240
Changes in foreign exchange translation rates	1,481	4,821	10,729	—	17,031
Constant currency sales for the quarter ended December 31, 2022	<u>\$ 207,983</u>	<u>\$ 113,964</u>	<u>\$ 144,324</u>	<u>\$ —</u>	<u>\$ 466,271</u>
Reported adjusted EBITDA for the quarter ended December 31, 2022	\$ 39,137	\$ 12,202	\$ 12,232	\$ (14,280)	\$ 49,291
Changes in foreign exchange translation rates	(138)	1,111	983	(323)	1,633
Constant currency adjusted EBITDA for the quarter ended December 31, 2022	<u>\$ 38,999</u>	<u>\$ 13,313</u>	<u>\$ 13,215</u>	<u>\$ (14,603)</u>	<u>\$ 50,924</u>

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

	December 31, 2022	September 30, 2022
Long-term debt, current maturities	\$ 2,977	\$ 3,277
Long-term debt	834,127	795,291
Total debt	<u>837,104</u>	<u>798,568</u>
Less: Cash and cash equivalents	<u>(42,718)</u>	<u>(69,016)</u>
Net Debt	<u>\$ 794,386</u>	<u>\$ 729,552</u>
Adjusted EBITDA	<u>\$ 206,366</u>	<u>\$ 210,408</u>
Net Debt Leverage Ratio	<u>3.8</u>	<u>3.5</u>

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First Quarter Fiscal 2023 Earnings Teleconference January 27, 2023

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 presented constant currency sales and constant currency adjusted EBITDA and believes these measures provide relevant and useful information, which is used by the Company's management in assessing the performance of its business on a consistent basis by removing the impact of changes due to foreign exchange translation rates. These measures allow management, as well as investors, to assess the Company's sales and adjusted EBITDA on a constant currency basis.

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.

The background of the slide features a stylized, light gray world map. A prominent red horizontal band spans the middle of the image, serving as a backdrop for the company name and title. The map shows the outlines of continents, with some areas appearing more detailed than others.

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**BUSINESS
OVERVIEW**

BUSINESS UPDATE

INDUSTRIAL TECHNOLOGIES

- Continued high growth and significant order rates in energy storage solutions business

MEMORIALIZATION

- Improved pricing and higher granite memorial products and U.S. cremation equipment sales
- U.S. death rates have substantially normalized from higher pandemic levels

SGK BRAND SOLUTIONS

- Challenged by unfavorable currency and weakened economic conditions in Europe
- Cost reduction initiatives expected to produce improved margins

OUTLOOK FOR FISCAL 2023

Key Drivers

- Company reaffirms fiscal 2023 adjusted EBITDA in the range of \$215 million to \$235 million
- Growth in Industrial Technologies; strong backlogs in many of our businesses
- Orders during the fiscal 2023 first quarter exceeded \$200 million for the energy storage solutions business
- Global economic conditions remain uncertain, including impact of currency rate changes
- Higher interest rates, labor costs and inflationary pressures
- Debt levels expected to decline as fiscal 2023 progresses



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**FINANCIAL
OVERVIEW**

Q1 2023 SUMMARY

(\$ in millions except per-share amounts)

Q1

	Q1 2022	Q1 2023
Sales	\$ 438.6	\$ 449.2
Diluted earnings (loss) per share	\$ (0.62)	\$ 0.12
Non-GAAP Adjusted EPS*	\$ 0.74	\$ 0.53
Net income (loss) attributable to Matthews	\$ (19.8)	\$ 3.7
Adjusted EBITDA*	\$ 53.3	\$ 49.3

Highlights

Sales

- Sales increased \$10.6 million from last year; \$27.6 million on a constant currency basis
- Q1 sales increase reflects impact of Olbrich GmbH and R+S Automotive GmbH acquisitions

GAAP EPS

- Settlement of the Company's principal U.S. defined benefit plan significantly impacted prior period earnings

Adjusted EPS

- Lower adjusted EBITDA and higher interest expense

Adjusted EBITDA

- Lower adjusted EBITDA for the Memorialization and SGK Brand Solutions segments offset partially by growth in the Industrial Technologies segment
- Changes in foreign exchange translation rates had an unfavorable impact of \$1.6 million

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

INDUSTRIAL TECHNOLOGIES

(\$ in millions)



Sales

- 47% higher than a year ago.
- Olbrich GmbH and R+S Automotive GmbH acquisitions were a significant contributor to the segment's sales increase
- Growth for our energy storage solutions and product identification businesses
- Continued strength in orders for the energy storage solutions business

Adjusted EBITDA

- Q1 growth impacted by higher sales
- Improved margins for engineered products

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

MEMORIALIZATION

(\$ in millions)



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

Sales

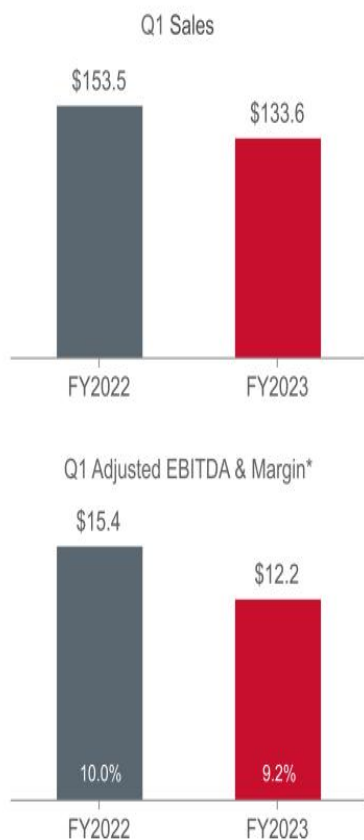
- Improved price realization
- Higher granite memorial products and U.S. cremation equipment sales
- U.S. death rates have substantially normalized from higher pandemic levels, impacting unit volumes for caskets and bronze memorials

Adjusted EBITDA

- Improved price realization and productivity initiatives
- Unfavorable changes in sales mix and higher material, labor, transportation and travel and entertainment costs

SGK BRAND SOLUTIONS

(\$ in millions)



Sales

- Changes in foreign currency exchange rates had an unfavorable impact of \$10.7 million
- Continued challenges in Europe also negatively impacted sales and profitability

Adjusted EBITDA

- Impacted by lower sales and higher travel, entertainment and labor costs

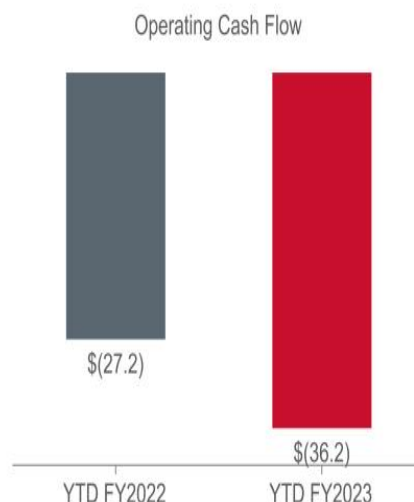
* See supplemental slides for Adjusted EBITDA, constant currency sales reconciliations and other important disclaimers regarding Matthews' use of Non-GAAP measures

CAPITALIZATION AND CASH FLOWS

(\$ in millions)



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



- Operating cash flow for both periods reflected final payouts for the settlement of the Company's U.S. retirement plan obligations
- Net Debt Leverage Ratio* 3.8 as of December 31, 2022
 - Debt levels have recently increased primarily as a result of investments in recent acquisitions and the energy storage solutions business
 - Debt levels expected to decline as fiscal 2023 progresses
- Quarterly dividend of \$0.23/share, payable 2/20/2023

* 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, constant currency sales, constant currency adjusted EBITDA, and 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. Constant currency sales and constant currency adjusted EBITDA removes the impact of changes due to foreign exchange translation rates. To calculate sales and adjusted EBITDA on a constant currency basis, amounts for periods in the current fiscal year are translated into U.S. dollars using exchange rates applicable to the comparable periods of the prior fiscal year. 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 December 31,	
	2022	2021
Net income (loss)	\$ 3,647	\$ (19,810)
Income tax provision (benefit)	1,312	(6,628)
Income (loss) before income taxes	4,959	(26,438)
Net loss attributable to noncontrolling interests	56	7
Interest expense	10,215	6,507
Depreciation and amortization *	23,729	33,501
RPA financing fees ⁽¹⁾	456	—
Acquisition costs ^{(2)**}	1,285	—
Strategic initiatives and other charges ^{(3)***}	1,760	3,823
Non-recurring / incremental coronavirus disease 2019 ("COVID-19") costs ^{(4)***}	—	690
Exchange losses related to highly inflationary accounting ⁽⁵⁾	1,088	—
Defined benefit plan termination related items ⁽⁶⁾	21	426
Stock-based compensation	4,334	3,709
Non-service pension and postretirement expense ⁽⁷⁾	1,388	31,108
Total Adjusted EBITDA	\$ 49,291	\$ 53,333
Adjusted EBITDA margin	11.0 %	12.2 %

⁽¹⁾ Represents fees for receivables sold under the Company's RPA agreement.

⁽²⁾ Includes certain non-recurring costs associated with recent acquisition activities.

⁽³⁾ Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels, costs associated with global ERP system integration efforts, and asset write-downs associated with certain operations in Russia, net of recoveries.

⁽⁴⁾ 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.

⁽⁵⁾ Represents exchange losses associated with highly inflationary accounting related to the Company's Turkish subsidiaries.

⁽⁶⁾ 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.

⁽⁷⁾ 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 \$5,574 and \$5,810 for the Memorialization segment, \$5,853 and \$2,653 for the Industrial Technologies segment, \$11,060 and \$23,725 for the SGK Brand Solutions segment, and \$1,242 and \$1,313 for Corporate and Non-Operating, for the three months ended December 31, 2022 and 2021, respectively.

** Acquisition costs, ERP integration costs, and strategic initiatives and other charges were \$378 and \$671 for the Memorialization segment, \$937 and \$32 for the Industrial Technologies segment, \$521 and \$1,229 for the SGK Brand Solutions segment, and \$1,209 and \$1,891 for Corporate and Non-Operating, for the three months ended December 31, 2022 and 2021, respectively.

*** Non-recurring/incremental COVID-19 costs were \$464 for the Memorialization segment, \$4 for the Industrial Technologies segment, \$220 for the SGK Brand Solutions segment, and \$2 for Corporate and Non-Operating, for the three months ended December 31, 2021.

* 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 December 31,			
	2022		2021	
	per share		per share	
Net income (loss) attributable to Matthews	\$ 3,703	\$ 0.12	\$ (19,803)	\$ (0.62)
Acquisition related items ⁽¹⁾	1,062	0.03	—	—
Strategic initiatives and other charges ⁽²⁾	1,771	0.06	3,009	0.08
Non-recurring / incremental COVID-19 costs ⁽³⁾	—	—	536	0.02
Exchange losses related to highly inflationary accounting ⁽⁴⁾	1,088	0.04	—	—
Defined benefit plan termination related items ⁽⁵⁾	16	—	319	0.01
Non-service pension and postretirement expense ⁽⁶⁾	1,041	0.03	23,331	0.74
Amortization	7,757	0.25	16,160	0.51
Adjusted net income	\$ 16,438	\$ 0.53	\$ 23,552	\$ 0.74

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 22.1% for the three months ended December 31, 2022, and 24.7% for the three months ended December 31, 2021.

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

⁽²⁾ Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels, costs associated with global ERP system integration efforts, and asset write-downs associated with certain operations in Russia, net of recoveries.

⁽³⁾ 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.

⁽⁴⁾ Represents exchange losses associated with highly inflationary accounting related to the Company's Turkish subsidiaries.

⁽⁵⁾ 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.

⁽⁶⁾ 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.

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

CONSTANT CURRENCY SALES AND ADJUSTED EBITDA

NON-GAAP RECONCILIATION (Unaudited) (In thousands)

	Memorialization	Industrial Technologies	SGK Brand Solutions	Corporate and Non-Operating	Consolidated
Reported sales for the quarter ended December 31, 2022	\$ 206,502	\$ 109,143	\$ 133,595	\$ —	\$ 449,240
Changes in foreign exchange translation rates	1,481	4,821	10,729	—	17,031
Constant currency sales for the quarter ended December 31, 2022	<u>\$ 207,983</u>	<u>\$ 113,964</u>	<u>\$ 144,324</u>	<u>\$ —</u>	<u>\$ 466,271</u>
Reported adjusted EBITDA for the quarter ended December 31, 2022	\$ 39,137	\$ 12,202	\$ 12,232	\$ (14,280)	\$ 49,291
Changes in foreign exchange translation rates	(138)	1,111	983	(323)	1,633
Constant currency adjusted EBITDA for the quarter ended December 31, 2022	<u>\$ 38,999</u>	<u>\$ 13,313</u>	<u>\$ 13,215</u>	<u>\$ (14,603)</u>	<u>\$ 50,924</u>

* See Disclaimer (page 2) for Management's assessment of supplemental information related to constant currency sales and constant currency adjusted EBITDA.

NET DEBT AND NET DEBT LEVERAGE RATIO

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

	December 31, 2022	September 30, 2022
Long-term debt, current maturities	\$ 2,977	\$ 3,277
Long-term debt	834,127	795,291
Total debt	837,104	798,568
Less: Cash and cash equivalents	(42,718)	(69,016)
Net Debt	\$ 794,386	\$ 729,552
Adjusted EBITDA	\$ 206,366	\$ 210,408
Net Debt Leverage Ratio	3.8	3.5

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

