

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

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the Fiscal Year Ended September 30, 2023  
or

Transition Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the Transition Period from \_\_\_\_ to \_\_\_\_  
Commission File No. 0-09115

**MATTHEWS INTERNATIONAL CORPORATION**

(Exact name of registrant as specified in its charter)

Pennsylvania

25-0644320

(State or other jurisdiction of incorporation or organization)

(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)

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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The aggregate market value of the Class A Common Stock held by non-affiliates of the registrant, based upon the closing sale price of the Class A Common Stock on the Nasdaq Global Select Market on March 31, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$1.10 billion.

As of October 31, 2023, shares of common stock outstanding were: Class A Common Stock 30,384,251 shares.

**Documents incorporated by reference:** Specified portions of the Proxy Statement for the 2024 Annual Meeting of Shareholders are incorporated by reference into Part III of this Report.

## PART I

### CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES:

Any forward-looking statements contained in this Annual Report on Form 10-K (including, but not limited to, those contained in Item 1, "Business," Item 1A, "Risk Factors" and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations") are included in this report pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements regarding the expectations, hopes, beliefs, intentions or strategies of Matthews International Corporation ("Matthews" or the "Company") regarding the future, and may be identified by the use of words such as "expects," "believes," "intends," "projects," "anticipates," "estimates," "plans," "seeks," "forecasts," "predicts," "objective," "potential," "outlook," "may," "will," "could" or the negative of these terms, other comparable terminology and variations thereof. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the actual results of Matthews 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. In addition to the risk factors previously disclosed and those discussed elsewhere in this Annual Report on Form 10-K, 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, any impairment of goodwill or intangible assets, environmental liability and limitations on the Company's operations due to environmental laws and regulations, disruptions to certain services, such as telecommunications, network server maintenance, cloud computing or transaction processing services, provided to the Company by third-parties, 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 and divestitures, cybersecurity concerns and costs arising with management of cybersecurity threats, 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 Item 1A, "Risk Factors" in this Form 10-K. In addition, although the Company does not have any customers that would be considered individually significant to consolidated sales, changes in the distribution of the Company's products or the potential loss of one or more of the Company's larger customers are also considered risk factors. Matthews cautions that the foregoing list of important factors is not all inclusive. Readers are also cautioned not to place undue reliance on any forward looking statements, which reflect management's analysis only as of the date of this report, even if subsequently made available by Matthews on its website or otherwise. Matthews does not undertake to update any forward looking statement, whether written or oral, that may be made from time to time by or on behalf of Matthews to reflect events or circumstances occurring after the date of this report. Matthews posts important information on its investor relations website, available at [matw.com/investors](http://matw.com/investors). The Company's shareholders are encouraged to review the contents of such website. Notwithstanding the foregoing, the contents of such website are not incorporated into this Annual Report on Form 10-K.

Included in this report are measures of financial performance that are not defined by generally accepted accounting principles in the United States ("GAAP"). These non-GAAP financial measures assist management in comparing the Company's 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. Refer to "Non-GAAP Financial Measures" in Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations."

### ITEM 1. BUSINESS.

Matthews, founded in 1850 and incorporated in Pennsylvania in 1902, is a global provider of memorialization products, industrial technologies and brand solutions. Memorialization products consist primarily of bronze and granite memorials and other memorialization products, caskets, cremation-related products, and cremation and incineration equipment primarily for the cemetery and funeral home industries. Industrial Technologies includes the design, manufacturing, service and distribution of high-tech custom energy storage solutions; product identification and warehouse automation technologies and solutions, including order fulfillment systems for identifying, tracking, picking and conveying consumer and industrial products; and coating and converting lines for the packaging, pharma, foil, décor and tissue industries. SGK Brand Solutions consists of brand management, pre-media services, printing plates and cylinders, imaging services, digital asset management, merchandising display systems, and marketing and design services primarily for the consumer goods and retail industries.

**ITEM 1. BUSINESS. (continued)**

The Company manages its business under three reporting segments, Memorialization, Industrial Technologies, and SGK Brand Solutions. The following table sets forth reported sales for the Company's business segments for the past three fiscal years. Detailed financial information relating to business segments and to domestic and international operations is presented in Note 20, "Segment Information" in Item 8 - "Financial Statements and Supplemental Data."

	Years Ended September 30,		
	2023	2022	2021
<b>Sales to external customers:</b>	<i>(Dollar amounts in thousands)</i>		
Memorialization	\$ 842,997	\$ 840,124	\$ 769,016
Industrial Technologies	505,751	335,523	284,495
SGK Brand Solutions	532,148	586,756	617,519
Consolidated Sales	<u>\$ 1,880,896</u>	<u>\$ 1,762,403</u>	<u>\$ 1,671,030</u>

In fiscal 2023, approximately 65% of the Company's sales were made from North America, 30% were made from Europe, 3% were made from Asia, and 2% were made from other regions. For further information on segments, see Note 20, "Segment Information" in Item 8 - "Financial Statements and Supplementary Data." Memorialization segment products are sold throughout the world, with the segment's principal operations located in North America, Europe, and Australia. The Industrial Technologies segment sells equipment and consumables directly to industrial consumers and distributors in North America and internationally through the Company's subsidiaries in Sweden, Germany and China, and other foreign distributors. Matthews owns a minority interest in Industrial Technologies product distributors in Asia, Australia and Europe. Products and services of the SGK Brand Solutions segment are sold throughout the world, with principal locations in North America, Europe and Asia.

**Memorialization:**

The Memorialization segment manufactures and markets a full line of memorialization products used primarily in cemeteries, funeral homes and crematories. The segment's products, which are sold principally in North America, Europe and Australia, include cast bronze memorials, granite memorials, caskets, cremation-related products, cremation and incineration equipment and other memorialization products. The segment also manufactures and markets architectural products that are used to identify or commemorate people, places, events and accomplishments.

Memorial products include flush bronze and granite memorials, upright granite memorials and monuments, concrete burial vaults, cremation memorialization products, granite benches, flower vases, crypt plates and letters, cremation urns, niche units, cemetery features and statues, along with other related products and services. Flush memorials are bronze plaques or granite memorials that contain personal information about a deceased individual (such as name, birth date and death date), photos and emblems. Flush bronze and granite memorials are even or "flush" with the ground and therefore are preferred by many cemeteries for easier lawn mowing and general maintenance. The segment's memorial products also include community and family mausoleums within North America. The segment's other memorial products include bronze plaques, letters, emblems, vases, lights and photo ceramics that can be affixed to granite monuments, mausoleums, crypts and flush memorials. Principal customers for memorial products are cemeteries and memorial parks, which in turn sell the Company's products to the consumer.

The Memorialization segment manufactures a full line of cremation-related products, including cremation urns in a variety of sizes, styles and shapes as well as standard and custom designed granite cremation pedestals and benches. Manufactured bronze and granite niche units are comprised of numerous compartments used to display cremation urns in mausoleums and churches. The Company also markets turnkey cremation gardens that include design and all related products for a cremation memorial garden.

Customers of the Memorialization segment can purchase memorials and vases on a "pre-need" basis. This concept permits families to arrange for these purchases in advance of their actual need. Upon request, the Company will manufacture the memorial to the customer's specifications (e.g., name and birth date) and place it in storage for future delivery. Memorials in storage have been paid in full with title conveyed to each pre-need purchaser.

The segment is a leading manufacturer and distributor of caskets and other funeral home products in North America, producing and marketing metal, wood and cremation caskets. Caskets are offered in a variety of colors, interior designs, handles and trim in order to accommodate specific religious, ethnic or other personal preferences and can also be personalized. Other specialized funeral home products such as urns, jewelry, interior panels, and stationery are also offered.

ITEM 1. BUSINESS. (continued)

Metal caskets are made from various gauges of cold-rolled steel, stainless steel, copper and bronze. Metal caskets are generally categorized by whether the casket is non-gasketed or gasketed, and by material (i.e., bronze, copper, or steel) and in the case of steel, by the gauge (thickness) of the metal. Wood caskets are primarily manufactured from nine different species of wood. The species of wood used are poplar, pine, ash, oak, pecan, maple, cherry, walnut and mahogany. The Memorialization segment is a leading manufacturer of all-wood constructed caskets, which are manufactured using pegged and dowelled construction, and include no metal parts. Cremation caskets are made primarily from wood or cardboard covered with cloth or veneer. These caskets appeal primarily to cremation consumers, environmentally concerned consumers and value buyers.

The Memorialization segment produces casket components, which include stamped metal parts, metal locking mechanisms for gasketed metal caskets and adjustable beds. Metal casket parts are produced by stamping cold-rolled steel, stainless steel, copper and bronze sheets into casket component parts. Locking mechanisms and adjustable beds are produced by stamping and assembling a variety of steel parts. The segment purchases various species of uncured wood from sawmills and lumber distributors, which it dries and cures before being processed into casket components.

The segment provides product and service assortment planning, as well as merchandising and display products to funeral service businesses. The Memorialization segment develops and sells technology solutions that help funeral homes manage their businesses and serve families through these digital platforms. Solutions are delivered as software as a service and include funeral home management systems and web-based arrangement and presentation systems. These products assist funeral service professionals in providing information, value and satisfaction to their client families.

The segment offers cremation systems, crematory management, and cremation service and supplies to the pet and human sector, and standard and specialized incineration systems, including abated filtration systems to satisfy strict environmental requirements. The primary market areas for these products and services are North America and Europe, although the segment also sells into Latin America and the Caribbean, Australia, Africa, the Middle East and Asia.

Cremation systems include flame-based systems for cremation of humans and pets, as well as equipment for processing the cremated remains and other related equipment (ventilated workstations, loading systems, tables, cooler racks, vacuums). The principal markets for these products are funeral homes, cemeteries, crematories, pet crematories, animal disposers and veterinarians. These products primarily are marketed directly by segment personnel. Human crematory management/operations represent the actual operation and management of client-owned crematories. Currently the segment provides these services primarily to municipalities and private operators in Europe. Cremation service and supplies consist of operator training, preventative maintenance and on-demand service work performed on various makes and models of equipment. This work can be as simple as replacing defective bulbs or as complex as complete reconstruction and upgrading or retrofitting on site. Supplies are consumable items and replacement parts associated with normal crematory operations.

Waste incineration systems encompass both batch load and continuous feed, static, stepped-hearth and rotary systems for incineration of many waste types, as well as equipment for in-loading waste, out-loading ash and energy recovery. The principal markets for these products are animal and medical waste disposal, oil and gas "work camp" wastes, industrial wastes and bio-mass generators, as well as destruction of low-volume, high-value waste types such as contraband and pharmaceutical products. Environmental and energy systems include emissions filtration units, waste heat recovery equipment, waste gas treatment products, as well as energy recovery. The segment also provides commissioning, training and user support for customers of incineration systems. The principal markets are municipalities or public/state agencies, the cremation industry and other industries that utilize incinerators for waste reduction and energy production.

Architectural products include cast bronze and aluminum plaques, etchings and letters that are used to recognize, commemorate and identify people, places, events and accomplishments. The Company's plaques are frequently used to identify the name of a building, or the names of companies or individuals located within a building. Such products are also used to commemorate events or accomplishments, such as military service or financial donations. The principal markets for the segment's architectural products are corporations, fraternal organizations, contractors, churches, hospitals, schools and government agencies. These products are sold to and distributed through a network of independent dealers including sign suppliers, awards and recognition companies, and trophy dealers.

ITEM 1. BUSINESS. (continued)

Raw materials used by the Memorialization segment to manufacture memorials consist principally of bronze and aluminum ingot, granite, sheet metal, coating materials, photopolymers and construction materials and are generally available in adequate supply. Ingot is obtained from various North American, European and Australian smelters. The primary materials required for casket manufacturing are cold-rolled steel and lumber. The segment also purchases copper, bronze, stainless steel, particleboard, corrugated materials, paper veneer, cloth, ornamental hardware and coating materials. Purchase orders or supply agreements are typically negotiated with steel suppliers that have demonstrated timely delivery, high quality material and competitive prices. Lumber is purchased from a number of sawmills and lumber distributors. Raw materials used to manufacture cremation and incineration products consist principally of structural steel, sheet metal, electrical components, combustion devices and refractory materials. These are generally available in adequate supply from numerous suppliers.

Competition from other manufacturers of memorial products is based on reputation, product quality, delivery, price, and design availability. The Company believes that its superior quality, broad product lines, innovative designs, delivery capability, customer responsiveness, experienced personnel and consumer-oriented merchandising systems are competitive advantages in its markets. Competition in the mausoleum construction industry includes various construction companies throughout North America and is based on design, quality and price. Competitors in the architectural market are numerous and include companies that manufacture cast and painted signs, plastic materials, sand-blasted wood and other fabricated products.

The Memorialization segment markets its casket products in the United States through a combination of Company-owned and independent casket distribution facilities. The segment's casket products are primarily sold through Company-owned distribution centers throughout the United States. The casket business is highly competitive and the Company competes with other manufacturers based on product quality, price, service, design availability and breadth of product line. The Memorialization segment provides a line of casket products that it believes is as comprehensive as any of its major competitors. There are a large number of casket industry participants operating in North America, and a few foreign casket manufacturers, primarily from China, participating in the North American market.

The Company competes with several manufacturers in the cremation and accessory equipment market principally based on product design, quality and price. The Memorialization segment and its three largest global competitors account for a substantial portion of the United States and European cremation equipment market.

The Memorialization segment works to provide a total solution to customers that own and operate businesses in both the cemetery and funeral home markets. The Company's memorial and casket products serve the relatively stable casketed and in-ground burial death market, while its memorial products and cremation and incineration equipment also serve the growing cremation market.

**Industrial Technologies:**

The Industrial Technologies segment includes the design, manufacturing, service and distribution of high-tech custom energy storage solutions; product identification and warehouse automation technologies and solutions, including order fulfillment systems for identifying, tracking, picking and conveying consumer and industrial products; and coating and converting lines for the packaging, pharma, foil, décor and tissue industries.

The energy storage solutions business produces engineered calendaring, laminating, and coating equipment used in the manufacturing of lithium-ion batteries and components of fuel cells. The segment currently delivers products to several major vehicle producers and is actively pursuing opportunities with several other electric vehicle and tier-one battery manufacturers. The segment also offers service, spare parts, calender- and coating-roller refurbishing and retrofits of complete production lines.

The coating and converting solutions business produces both complete production lines and individual units for drying, treating, coating, laminating and winding for the packaging, paper, labeling and foil industry as well as technical textiles and pharma industry but also for embossing, finishing, smoothing, perforating and calibrating web materials. The business supplies high-tech machines to large global customers and develops solutions collaboratively with them to make their processes more resource-efficient and their products more sustainable.

Production capabilities are available in Germany, the Czech Republic and the United States, with design and assembly in Germany, Switzerland, Czech Republic, Canada and the United States. The business is globally active with well-established customer relations.

ITEM 1. BUSINESS. (continued)

The energy storage solutions business has experienced significant growth primarily reflecting increasing demand for electric vehicles, as well as the expansion of renewable energy production globally. The segment has nearly a decade of experience in developing dry electrode battery solutions. Dry electrode technology makes producing lithium-ion batteries less expensive than the wet electrode process, and dry electrode manufacturing is also less impactful on the environment. These factors could contribute to increased utilization of dry electrode batteries in the electric vehicle market, and thus greater demand for this form of battery in the future.

Product identification systems range from stand-alone marking products to complex ink-jet printing systems that integrate into a customer's production process. The Company manufactures and markets products and systems that employ different marking technologies, including laser and ink-jet printing. These technologies apply product information required for identification and traceability, as well as to facilitate inventory and quality control, regulatory compliance and brand name communication. The segment also develops innovative, custom solutions to address specific customer requirements in a variety of industries, including oil field services and security scanning.

Warehouse automation systems complement the tracking and distribution of a customer's products with automated order fulfillment technologies, and controls for material handling systems. Material handling customers include some of the largest retail, e-commerce, and third-party logistics companies in the United States.

A significant portion of the revenue of the Industrial Technologies segment is attributable to the sale of consumables and replacement parts required by the marking, coding and tracking products sold by Matthews. The Company develops inks exclusively for the use with its marking equipment, which is critical to ensure ongoing equipment reliability and mark quality.

The principal customers for the Company's marking and fulfillment systems products are manufacturers, suppliers and distributors of durable goods, building products, consumer goods manufacturers (including food and beverage processors) and producers of pharmaceuticals. The Company also serves a wide variety of industrial markets, including metal fabricators, manufacturers of woven and non-woven fabrics, plastic, rubber and automotive products.

A portion of this segment's sales are outside the United States, sourced through the Company's subsidiaries in Sweden, Germany, Malaysia and China in addition to other international distributors. The Company owns a minority interest in distributors in Asia, Australia and Europe.

Major raw materials for this segment's products include precision components, electronics, printing components, chemicals, steel, copper, and film all of which are presently available in adequate supply from various sources.

Competitors in the marking and fulfillment systems industries are diverse, with some companies offering limited product lines for well-defined specialty markets, while others operate similarly to the Company, offering a broad product line and competing in multiple product markets and countries. Competitive differentiation for marking and fulfillment systems products is based on product performance, ease of integration into the manufacturing and/or distribution process, service and price. The Company typically competes with specialty companies in specific brand marking solutions and traceability applications. In the energy storage solutions business, the Company has patents and pending patent applications on its dry electrode calendaring equipment. The Company believes that, in general, its Industrial Technologies segment offers one of the broadest lines of products to address a wide variety of high-tech custom energy storage solutions, product identification and warehouse automation applications.

**SGK Brand Solutions:**

The SGK Brand Solutions segment provides packaging and brand experience solutions that simplify marketing, amplify brands and deliver value. Matthews has more than 100 years in the packaging business, which is comprised of broad technical, engineering, and artistic expertise relating to the creation and production of graphics, their workflows and best practices for the commercial packaging and retail channels. This combination of knowledge, experience and skill helps the SGK Brand Solutions segment differentiate itself from competitors.

The SGK Brand Solutions segment helps companies to define, create, produce and transform their packaging and marketing supply chains and the brand assets that flow through them. By simplifying marketing, the segment helps deliver greater speed through workflow efficiency, enabling clients to get new product introductions and campaigns to market faster which can result in a competitive advantage for the brand. By amplifying brands, the segment helps brands create meaningful experiences online and offline that enable them to stand out in the marketplace which can result in a stronger connection between consumers and the brand. The SGK Brand Solutions segment also helps clients deliver improved marketing productivity and profitability through innovative technology solutions.

**ITEM 1. BUSINESS. (continued)**

The packaging solutions part of its business integrates all packaging-related services from the beginning to the end of the packaging development workflow process. Clients may purchase stand-alone services or a combination of services that are designed to fulfill larger, more strategic objectives. These services include design and adaptive packaging design, production art, photography, retouching, the creation of e-commerce assets, premedia, print technical services, cylinder and flexo printing plate production, workflow efficiency consulting, change management and technology workflow solutions. Historically a print media based business, the business leverages their 100+ years of packaging expertise to create packaging assets required for the e-commerce channel. The business has evolved from creating and delivering graphic brand assets for a single medium (package on shelf) which required output for printing, into one that is deeply entrenched in a brand's journey across multiple mediums, requiring an almost infinite array of digital asset output across an ever-expanding multi-channel universe.

The brand experience part of the business integrates all marketing-related services from the beginning to the end of the marketing development workflow process. Clients may purchase stand-alone services or a combination of services that are designed to fulfill larger, more strategic objectives. These services include all the services that help create brand experiences: consumer insights, brand strategy, brand identity, content marketing strategy, marketing content creation, campaign strategy and development, online and in-store retail experiences and merchandising fabrication, creative process management and technology workflow solutions. Largely, an ideation and digital media-based business, the business leverages its branding expertise to drive the creation of digital experiences that "stick" with consumers.

The SGK Brand Solutions segment's principal clients are global, multinational and regional companies in highly regulated industries such as food and beverage, pharmaceutical and healthcare, beauty and cosmetics, and alcohol and tobacco. The segment also serves clients in a diverse range of sectors that includes leaders in home improvement, personal care, technology and electronics, snack food and confections, telecommunications, and apparel, as well as a diverse range of shopping formats that include big-box stores, department stores, specialty stores, grocery stores, pharmacy chains and online retailers. These large, well-known companies represent a variety of brands across the marketplace covering both national and private label brands with numerous packaging and marketing requirements. The segment is also a leading international supplier of pre-press, rotogravure and embossing tooling, with principal clients representing brand manufacturers, printers and converters.

The segment's products, services and solutions are purchased in part or whole by companies with operations in and/or across the North America, Europe and Asia regions. A large portion of these purchases result in annual or multi-year contracts; others are initiative-based. The segment generates new business opportunities through referrals and relationships, marketing and lead generation and select industry partnerships. The Company has many long-standing relationships among its client base that span decades and has new relationships with well-known global technology companies that are driving change in how consumers engage with brands and use devices like smartphones to shop and buy online and in-store.

Major raw materials for this segment's products include photopolymers, steel, copper, film, wood, corrugated materials, structural steel, plastic, laminates, inks and graphic art supplies. All such materials are presently available in adequate supply from various industry sources. Competition is on the basis of product quality, timeliness of delivery and price, and increasingly, the ability to provide a holistic solution for brand content beyond its use for packaging, while at the same time elevating the role of packaging in the marketing mix. The segment's ability to offer consistent service on a global basis is a key differentiator.

The segment competes in an industry that is constantly challenged by emerging technologies that impact packaging and marketing. These challenges can create new opportunities for the segment to create, produce and manage large volumes of brand content. They also provide the segment with opportunities to advise its clients on how to plan for, manage and execute the digital transformation of their packaging and marketing operations. Increasingly, with the growing awareness and commitment by its clients to environmental sustainability, the SGK Brand Solutions segment is providing solutions that enable its clients to advance their own sustainability initiatives.

**PATENTS, TRADEMARKS AND LICENSES:**

The Company holds a number of trademarks and in excess of 100 domestic and foreign patents for its products and related technologies. In addition, the Company maintains numerous trade secrets that further comprise its portfolio of intellectual property assets. The Company continues to assess, refine and expand its intellectual property portfolio, considering options to pursue additional patent filings and to further develop and continue to maintain processes to identify, inventory and safeguard evolving trade secrets and other intellectual property assets. The Company also enters into agreements with customers that authorizes the use of certain intellectual property through various licensing arrangements.

**HUMAN CAPITAL RESOURCES:**

**Introduction:**

The Company's culture of *Inspired Possibilities* empowers global teams to think creatively to inspire change that favorably impacts outcomes for the Company's customers, clients, and one another. Matthews' human resource strategies align with the business strategies to enable and optimize internal talent to achieve business and financial performance. At every stage of the employee lifecycle, the Company's people programs are rooted in a set of organizational competencies and capabilities, aligned with the Company's core values, that collectively build talent, enhance employee engagement, sustain retention, inspire innovation and drive results.

**Workforce Composition:**

As of October 31, 2023, the Company and its majority-owned subsidiaries employed approximately 12,000 people globally in 6 continents and more than 300 locations and 30 countries around the world. Its diverse team of talented employees possess a vast array of skills including engineering, manufacturing, research and development, plant operations, production, logistics, creative design, photography and corporate functional services, including legal, information technology, human resources and finance. Many of Matthews' employees have highly specialized skills and subject-matter expertise in their respective disciplines, enabling the Company to deliver industry leading products and services to its customers throughout the world.

**Diversity and Inclusion:**

Matthews views diversity and inclusion ("D&I") as a priority to be valued and promoted throughout its business. The Company understands and firmly believes in the value that diverse experiences, perspectives, and ideas bring to the workforce and offer to clients. Matthews knows its employees deserve equal opportunities regardless of race, national origin, gender, gender expression, age, disability, religion, sexual orientation and more. Matthews has consistently advocated that mutual respect, valuing the worth of all people, doing what's right and celebrating diversity is essential to how the Company operates and the way it does business.

Matthews' D&I strategy focuses on priorities across seven key areas including: Talent Acquisition, Employee Engagement, Learning and Awareness, Supplier Diversity, Connection to Customers, Normalizing Courageous Conversations, and Community Engagement. A global council representative of a diverse workforce exists to help shape plans and program priorities, and seven additional councils across the organization support the program within local/regional markets to champion the work. A full time D&I leader is actively focused on driving the overarching program and building progress across all seven focus areas. Matthews is a unique organization, diverse in culture, talent and geography. The Company stands committed to a culture reflecting the people, clients, customers, and communities it serves.

**Talent Acquisition and Total Rewards:**

To continue to grow and compete in a highly competitive labor market, Matthews works hard to attract and select top talent through a compelling employment value proposition. The Company's employment brand highlights its values including innovation, commitment to people culture, diversity, equity and inclusion, employee development, and wellbeing. The Company's selection process includes key behavioral questions that help select the right people for the right roles which helps to ensure cultural alignment.

Matthews understands the highly competitive market for talent and believes that to attract and retain top talent, it must offer competitive pay and benefit programs. The Company evaluates roles to ensure pay is at market rate, and offers annual incentive pay and a competitive benefit package. As a global company, adjustments are made for global and regional market demands.

**Talent Development/Management:**

From onboarding to leadership development, Matthews believes investing in its people leads to greater success. The Company's onboarding program reinforces its values and culture, supports its managers in creating a positive employee experience during the first 90 days and builds early commitment with all new hires.

Matthews knows that when employees have opportunities to learn and grow, see how their goals and objectives lead to something greater and understand their part in the organization's success, it helps build a place where people want to stay. Matthews' competency-based learning center helps employees select learning programs to continue their growth, and the Company facilitates both formal and informal mentoring that reinforces and supports its leaders during key developmental periods and beyond.

The Company's future success depends upon tomorrow's leaders. Matthews has implemented a robust talent review process that identifies critical talent and serves as the basis for succession planning. Each year, at the conclusion of this review, the executive team selects a cohort of critical talent by level to participate in comprehensive leadership programs designed to prepare leaders for enterprise roles. The Company believes this investment, which includes classroom learning, external assessments, coaching/mentoring, and project application, both prepares and strengthens the organization for the future, while deepening the commitment of its top talent.

**Performance Management:**

Connecting employees to the strategy ensures individual effort to a larger goal and strengthens commitment to the organization. The Company supports an annual leadership strategy cascade where each segment, division, group and team identify and align goals and objectives which serve as the basis for individual performance objectives, keeping employees firmly connected to the work and the Company's collective success. This process is rooted in ongoing coaching and feedback, and measures not just what was accomplished, but how it was accomplished because Matthews believes staying true to its values and key behaviors serves clients better, strengthens culture and keeps employees engaged.

**Change Management:**

Matthews is a constantly evolving multi-national company, leveraging new ways of working to improve its quality, service and delivery systems to better help customers and clients succeed. Building change capability to support employees through changes accelerates new ways of working, minimizes productivity loss, and accelerates improvement measures. The Company has a trained global change network embedded in the business to support transformational projects to help realize the goals and benefits of organizational changes.

**Health and Safety:**

Employee health and safety in the workplace remains the Company's highest priority and is one of the Company's core values. Safety efforts are led by the global health and safety team and supported by individuals at the local site level. Hazards in the workplace are timely identified and management actively tracks incidents so remedial actions may be implemented to improve workplace safety.

**BACKLOG:**

The Company's current backlog is expected to be substantially filled in fiscal 2024. Cremation and incineration equipment sales backlogs vary in a range of four to six months of sales. Backlogs vary in a range of approximately twelve to eighteen months of sales for mausoleums. Backlogs are generally in excess of a year for purpose-built machinery projects. Backlogs for warehouse automation and fulfillment systems generally vary in a range of up to four weeks for standard products, and are currently in the range of ten to twelve months for custom systems.

**REGULATORY MATTERS:**

The Company's operations are subject to various federal, state and local laws and regulations requiring strict compliance, including, but not limited to, the protection of the environment. The Company has established numerous internal compliance programs to further ensure lawful satisfaction of the applicable regulations. In addition, the Company is party to specific environmental matters which include obligations to investigate and mitigate the effects on the environment of certain materials at operating and non-operating sites. The Company is currently performing environmental assessments and remediation at certain sites, as applicable.

**AVAILABLE INFORMATION:**

The Company's principal executive offices are located at Two NorthShore Center, Pittsburgh, Pennsylvania 15212, its telephone number is (412) 442-8200 and its website is www.matw.com. The Company files or furnishes all required reports with the Securities and Exchange Commission ("SEC") in accordance with the Exchange Act. The Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and amendments to those reports are available free of charge on the Company's website as soon as reasonably practicable after being filed or furnished to the SEC. The Company's reports filed or furnished with the SEC, including exhibits attached to such reports, are also available on the SEC's website at www.sec.gov.

**ITEM 1A. RISK FACTORS.**

There are inherent risks and uncertainties associated with the Company's businesses that could adversely affect its operating performance and financial condition. Set forth below are descriptions of those risks and uncertainties that the Company believes to be material as of the date of this Annual Report on Form 10-K. Additional risks not known to the Company as of such date or risks that the Company deemed immaterial may also result in adverse effects on the Company in the future.

**Company-Specific Risk Factors:**

**Foreign Operations.** The Company conducts business in more than 30 countries around the world, and in fiscal 2023 approximately 37% of the Company's sales to external customers were to customers outside the United States. In addition, the Company's manufacturing operations, suppliers and employees are located in many places around the world. As such, the Company's future success depends in part on its ability to grow sales in non-U.S. markets. Sales and operations outside of the United States are subject to certain inherent risks. The Company anticipates that future sales to international customers will continue to account for a significant percentage of its revenues. Risks associated with the Company's international sales and operations include, but are not limited to:

- currency exchange rate fluctuations;
- global political and economic instability and uncertainty;
- international terrorism;
- export controls, including by the United States;
- failure to comply with anti-bribery legislation, including the U.S. Foreign Corrupt Practices Act (the "FCPA");
- changes in legal and regulatory requirements;
- policy changes by the United States and foreign governments affecting the markets for the Company's products;
- changes in tax laws, quotas, tariffs and other market barrier;
- difficulties in protection and enforcement of intellectual property rights;
- restrictions on the export or import of technology;
- failure to comply with the foreign data protection laws, including the European Union's General Data Protection Regulation (the "GDPR");
- inadvertent transfers of export-controlled information due to increased cross-border technology transfers and the use of offshore computer servers;
- transportation, including piracy in international waters; and
- challenges relating to managing a global workforce with diverse cultures, backgrounds and labor laws.

It also is possible that certain international contracts may include industrial cooperation agreements requiring specific in-country purchases, investments, manufacturing agreements or other financial obligations (known as offset obligations) and may provide for penalties if the Company fails to meet such requirements.

ITEM 1A. RISK FACTORS. (continued)

The impact of these risks is difficult to predict, but the occurrence of one or more of them could have a material adverse effect on the Company's financial position, results of operations, or cash flows.

**Changes in Foreign Currency Exchange Rates.** Production and sales of a significant portion of the Company's products are outside the United States, and accordingly, the Company holds assets, incurs liabilities, earns revenue and pays expenses in a variety of currencies. The Company's consolidated financial statements are presented in U.S. dollars, and therefore, the Company must translate the reported values of its foreign assets, liabilities, revenue and expenses into U.S. dollars. Increases or decreases in the value of the U.S. dollar compared to foreign currencies may negatively affect the value of these items in the Company's consolidated financial statements, even though their value has not changed in local currency.

**Changes in Interest Rates.** Interest rate fluctuations could increase the Company's financing costs to the extent such interest rates are not hedged. In addition, increases in interest rates could limit the Company's ability to obtain additional indebtedness or debt refinancing on terms that the Company deems attractive, or at all, which could have a material and adverse effect on the Company's borrowing costs, profitability, liquidity and capital resources. Borrowings under the Company's credit facilities, including the domestic credit facility, are subject to variable rates of interest and expose the Company to interest rate risk. The Company enters into interest rate swaps in order to achieve a mix of fixed and variable rate debt that it deems appropriate. To the extent that some or all of the Company's variable interest rate debt is not subject to interest rate swaps, if interest rates were to increase, the Company's interest expense would increase, negatively affecting earnings and reducing cash flows available for working capital, capital expenditures and other investments.

The Company also has \$299.6 million 5.25% senior unsecured notes due December 1, 2025 (the "2025 Senior Notes"). In the event the Company seeks to refinance indebtedness under the domestic credit facility or the 2025 Senior Notes, or obtain additional financing, higher interest rates may limit the Company's ability to incur such indebtedness on terms that it deems attractive, if at all. If the Company is unable to incur indebtedness on terms that it deems attractive, it could have a material and adverse effect on the Company's borrowing costs, profitability, liquidity and capital resources.

**Increased Prices for Raw Materials.** The Company's profitability is affected by the prices of the raw materials used in the manufacture of its products. These prices may fluctuate based on a number of factors, including changes in supply and demand, domestic and global economic conditions, volatility in commodity markets, currency exchange rates, labor costs, tariffs and fuel-related costs. If suppliers increase the price of critical raw materials, alternative sources of supply, or alternative materials, may not exist or be readily available. In addition, disruptions in the global supply chain may cause prices for raw materials to increase. See "Disruptions to the global supply chain."

The Company has standard selling price structures (i.e., list prices) in certain of its segments, which are reviewed for adjustment generally on an annual basis. In addition, the Company has established pricing terms with several of its customers through contracts or similar arrangements. Based on competitive market conditions and to the extent that the Company has established pricing terms with customers, the Company's ability to immediately increase the price of its products to offset the increased costs may be limited. Significant raw material price increases that cannot be mitigated by selling price increases or productivity improvements will negatively affect the Company's results of operations.

**Impairment of Goodwill and Intangible Assets.** The Company has recorded a significant amount of goodwill and intangible assets in its consolidated financial statements resulting from acquisition activities and has in the past recorded, and may in the future record, significant charges for impairment of goodwill and intangible assets. The Company tests, at least annually, the carrying value of goodwill for impairment. The estimates and assumptions about future results of operations and cash flows made in connection with the impairment testing could differ from future actual results of operations and cash flows. For example, during the fiscal year ended September 30, 2022, Matthews recorded an \$82.5 million goodwill write-down with respect to its SGK Brand Solutions reporting unit. See Note 22, "Goodwill and Other Intangible Assets" in Item 8 - "Financial Statements and Supplementary Data" for further details. If Matthews concludes that any further goodwill or intangible asset values are impaired, for reasons that may include, but are not limited to, underperformance in one or more reporting segments against forecast levels; changes in the Company's business strategy, structure, and/or the allocation of resources; the inability of acquisitions to achieve expected operating results; a decline in the Company's stock price for a sustained period; a potential recession or other disruption; or interest rate increases or other factors, any resulting non-cash impairment charge could have a material adverse effect on Matthews' business, results of operations and financial condition.

**Changes in Mortality and Cremation Rates.** Generally, life expectancy in the United States and other countries in which the Company's Memorialization segment operates has increased steadily for several decades and is expected to continue to do so in the future, absent events related to pandemics or similar outbreaks. The increase in life expectancy is also expected to impact the number of deaths in the future. Additionally, cremations have steadily grown as a percentage of total deaths in the United States since the 1960's, and are expected to continue to increase in the future. The Company expects that these trends will

ITEM 1A. RISK FACTORS. (continued)

continue in the future and sales of the Company's Memorialization segment may benefit from the continued growth in the number of cremations; however, such trends may adversely affect the volume of bronze and granite memorialization products and burial caskets sold in the United States.

**Changes in Product Demand or Pricing.** The Company's businesses have and will continue to operate in competitive markets. Changes in product demand or pricing are affected by domestic and foreign competition and an increase in consolidated purchasing by large customers operating in both domestic and global markets. The Memorialization businesses generally operate in markets with ample supply capacity and demand which is correlated to death rates. The SGK Brand Solutions businesses serve global customers that are requiring their suppliers to be global in scope and price-competitive. Additionally, in recent years the Company has witnessed an increase in products manufactured offshore, primarily in China, and imported into the Company's U.S. markets. It is expected that these trends will continue and may affect the Company's future results of operations.

**Changes in the Distribution of the Company's Products or the Loss of a Large Customer.** Although the Company does not have any customer that is individually significant to consolidated sales, it does have contracts with several large customers in each of its business segments. While these contracts provide important access to large purchasers of the Company's products, they can obligate the Company to sell products at contracted prices for extended periods of time, or, in the event of a dispute with a large customer, cause disruptions to the units sold to such customer, if any. Additionally, any significant divestiture of business properties or operations by current customers could result in a loss of business if the Company is not able to maintain the business with the subsequent owners of the businesses.

**Disruptions to the global supply chain.** The Company purchases components and materials to manufacture its products from a large number of suppliers, some of which may be critical to operations. The Company's product offerings are impacted by such suppliers' lead times, volume constraints and increasing costs. The Company has experienced and may continue to experience extended lead times and product unavailability due to manufacturing disruptions or closures as well as delays and unanticipated costs associated with the sourcing of materials. Matthews' supply chain operations span several geographies globally and are heavily dependent upon third party logistics and transportation services to deliver the Company's products to customers. Extended lead times and shortages could impair the Company's ability to meet its customer requirements, require the Company to pay higher prices or incur expedite fees or cause its customers to delay or forgo projects, which would harm Matthews' business and negatively impact the Company's gross margin and results of operations.

**Pandemics or similar outbreaks.** Pandemics or similar outbreaks could adversely affect the economies of developed and emerging markets, potentially resulting in an economic downturn that could affect customers' demand for the Company's products and services, as well as the Company's ability to access capital at acceptable interest rates. The spread of pandemics or similar outbreaks may also disrupt the Company's manufacturing and production operations, as well as its distribution systems, which include import and export for delivery of the Company's products to its customers. These factors could materially and adversely affect the Company's business, financial condition and results of operations. See also "Disruptions to the global supply chain."

Due to the uncertainty relating to a pandemic or similar outbreak, the Company, its customers or its suppliers may be required, or believe that it is advantageous, to take precautionary measures intended to minimize the risk of a virus or disease spreading to employees, customers, and the communities in which they operate, and these measures could negatively impact the Company's business. Further, if the scope and severity of an outbreak worsens and the Company's contingency plans prove ineffective, its global operations could potentially experience disruptions, such as temporary closure of facilities or delays or suspensions in product offerings and services, which may materially and adversely affect the Company's business, financial condition and results of operations.

**Global conflicts may impact the business of the Company and the markets in which it operates.** Global conflicts, such as the war in Ukraine, could impact the Company and its operations in a number of different ways, which are yet to be fully assessed and are therefore uncertain. The Company's principal concern is for the safety of its employees and other personnel, specifically those who are based in the affected region. The Company has employees who are based in Eastern Europe, including Russia and Ukraine, who may be affected by the ongoing hostilities. The Company additionally has property, plant and equipment in or around the affected region. The continuing impact of this war and the response of the United States and other countries to it by means of trade and economic sanctions, or other actions, is still evolving and unknown; however it could disrupt the Company's ability to work with certain parties. Similarly, the Company has employees based in the affected region and works with third-party providers from other parts of the world that may be affected by hostilities.

Due to the uncertainty relating to war or similar conflicts, the current war between Russia and Ukraine may adversely affect the Company's business, of which could materially and adversely affect the Company's results of operations. Such risks include,

ITEM 1A. RISK FACTORS. (continued)

but are not limited to, adverse effects on macroeconomic conditions, including inflation and business and consumer spending; disruptions to the Company's global technology infrastructure, including through cyberattack, ransom attack, or cyber-intrusion; adverse changes in international trade policies and relations; disruptions in global supply chains; exposure to foreign currency fluctuations; and constraints, volatility, or disruption in the capital markets. Similar uncertainties may arise in connection with other ongoing hostilities or future hostilities.

For so long as the hostilities continue, and perhaps even thereafter as the situation unfolds, the Company may see increased volatility in financial markets, which may impact equity markets generally, including the Company's stock price, and make it more difficult for the Company to raise additional capital at a strategically advantageous time, or for financing to be available upon acceptable terms. All or any of these risks separately, or in combination could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

**Risks in Connection with Acquisitions and Divestitures.** The Company has grown, in part, through acquisitions and continues to evaluate acquisition or divestiture opportunities that have the potential to support and strengthen its businesses. There is no assurance, however, that future acquisition opportunities will arise, or that if they do, that they will be consummated. In addition, acquisitions and divestitures involve inherent risks that the businesses acquired, or the remaining business, will not perform in accordance with expectations, or that synergies expected from the integration of an acquisition will not be achieved as rapidly as expected, or at all. The Company's pre-acquisition diligence review may not discover or accurately quantify certain undisclosed liabilities, and the Company may not be indemnified for such liabilities which could have an adverse effect on the acquired business. Failure to effectively integrate acquired businesses could prevent the realization of expected rates of return on the acquisition investment, including the achievement of cost-reduction objectives, and could have a negative effect on the Company's results of operations and financial condition.

**Protection of Intellectual Property.** Certain of the Company's businesses rely on various intellectual property rights, including patents, copyrights, trademarks and trade secrets, as well as confidentiality provisions and licensing arrangements, to establish proprietary rights. If the Company does not enforce, or is unsuccessful in enforcing, its intellectual property rights successfully, its competitive position may suffer, which could harm the Company's operating results. In addition, the Company's patents, copyrights, trademarks and other intellectual property rights, including its trade secrets, may not provide a significant competitive advantage. The Company may need to spend significant resources monitoring its intellectual property rights and may or may not be able to detect infringement by third parties. The Company's competitive position may be harmed if it cannot detect infringement and enforce its intellectual property rights quickly or at all. In some circumstances, the Company may choose to not pursue enforcement because an infringer has a dominant intellectual property position or for other business reasons, such as the expense of litigation against a well-resourced adversary. In addition, competitors might avoid infringement by designing around the Company's intellectual property rights or by developing non-infringing competing technologies. Intellectual property rights and the Company's ability to enforce them may be unavailable or limited in some countries which could make it easier for competitors to capture market share and could result in lost revenues.

**Intellectual property infringement assertions by third parties could result in significant costs and adversely affect the Company's business, financial condition, operating results and reputation.** The Company cannot guarantee that the operation of its business does not infringe, misappropriate or otherwise violate the intellectual property rights of third parties, nor can the Company assure that third parties will not assert claims, meritorious or otherwise. The Company cannot predict whether other assertions of third-party intellectual property rights or claims arising from such assertions would substantially adversely affect the Company's business, financial condition and operating results. The defense of these claims and any future infringement claims, whether they are with or without merit or are determined in the Company's favor, may result in costly litigation and diversion of technical and management personnel. Further, an adverse outcome of a dispute may require the Company to pay damages, cease making, licensing, or using products or offering services that are alleged to incorporate the intellectual property of others, expend additional development resources to redesign the Company's offerings, or enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary intellectual property, which may be unavailable on terms acceptable to the Company, or at all. Even if these matters do not result in litigation or are resolved in the Company's favor or without significant cash settlements, the time and resources necessary to resolve them could adversely affect the Company's business, reputation, financial condition and operating results.

ITEM 1A. RISK FACTORS. (continued)

**Environmental Remediation and Compliance.** The Company is subject to the risk of environmental liability and limitations on its operations due to environmental laws and regulations. The Company is subject to extensive federal, state, local and foreign environmental, health and safety laws and regulations concerning matters such as air emissions, wastewater discharges, solid and hazardous waste handling and disposal and the investigation and remediation of contamination. The risks of potentially substantial costs and liabilities related to compliance with these laws and regulations are an inherent part of the Company's business, and future conditions may develop, arise or be discovered that create substantial environmental compliance or remediation liabilities and costs. Compliance with environmental, health and safety legislation and regulatory requirements may prove to be more limiting and costly than the Company anticipates, and there is no assurance that significant expenditures related to such compliance may not be required in the future.

From time to time, the Company may be subject to legal proceedings brought by private parties or governmental authorities with respect to environmental matters, including matters involving alleged noncompliance with or liability under environmental, health and safety laws, property damage or personal injury. New laws and regulations, including those which may relate to emissions of greenhouse gases, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or the imposition of new clean-up requirements could require the Company to incur costs or become the basis for new or increased liabilities that could have a material adverse effect on the Company's business, financial condition or results of operations.

**Reliance on Third-Party Service Providers.** The Company has entered into agreements with a variety of third-party providers for information technology services, including telecommunications, network server maintenance, cloud computing and transaction processing services. In addition, Matthews has agreements through which it has outsourced certain activities related to the operations of the Company's business segments. A provider's ability to provide services could be disrupted for a variety of reasons, including, among others, software errors or design faults, human error, security breaches, power loss, telecommunications failures, equipment failures, electrical disruptions, labor issues, vandalism, fire, flood, extreme weather, terrorism and other events beyond their control. If one or more of Matthews' providers is unable to provide adequate or timely services, the Company's ability to deliver products and services to customers could be adversely affected. Matthews cannot completely eliminate the risk of such disruptions, many of which are impacted by events outside of the Company's control. Any significant disruption could harm the Company's business, including damage to brands and loss of customers. Additionally, although Matthews believes that most of these services are available from numerous sources, a failure to perform by one or more of the providers could cause a material disruption in the Company's business and an increase in expense while it works to obtain alternative services. Additionally, while the Company has policies and procedures for managing these relationships, they inherently involve a lesser degree of control over business operations, governance and compliance, thereby potentially increasing the profiles of Matthews' financial, legal, reputational and operational risks.

**Technological Factors Beyond the Company's Control.** The Company operates in certain markets in which technological product development contributes to its ability to compete effectively. There can be no assurance that the Company will be able to develop new products, that new products can be manufactured and marketed profitably, or that new products will successfully meet the expectations of customers.

**Changes in Laws and Regulations Governing Data Privacy and Data Protection.** The Company is subject to many data privacy, data protection, and data breach notification laws, including the GDPR, which became effective in May of 2018, and the California Consumer Privacy Act (the "CCPA"), which became effective in January 2020. The GDPR and the CCPA contain comprehensive data protection compliance requirements. Complying with the GDPR and the CCPA may continue to cause the Company to incur substantial operational costs or require the Company to change certain of its business practices in certain jurisdictions. The Company's measures to assess the requirements of, and to comply with, the GDPR and the CCPA, as well as new and existing data-related laws and regulations of other jurisdictions, could be challenged, including by authorities that regulate data-related compliance. The Company's ongoing compliance measures could result in the incurrence of significant expense in facilitating and responding to regulatory investigations, and if the measures initiated by the Company are deemed to be inadequate, the Company could be subject to litigation or enforcement actions that may require operational changes, fines, penalties or damages, which could have an adverse impact on the Company's business or results of operations.

**Changes in Tax Rules.** Matthews is subject to domestic and international tax laws and cannot predict the scope or effect of future tax law changes. Domestically, the U.S. Department of Treasury has broad authority to issue regulations and interpretive guidance. The Company has applied available guidance to estimate its tax obligations, but new guidance may cause the Company to make adjustments to its tax estimates in future periods.

ITEM 1A. RISK FACTORS. (continued)

**Compliance with Foreign Laws and Regulations.** Due to the international scope of the Company's operations, Matthews is subject to a complex system of commercial and trade regulations around the world, and the Company's foreign operations are governed by laws, rules and business practices that often differ from those of the United States. The Company cannot predict the nature, scope or effect of future regulatory requirements to which the Company's operations might be subject or the manner in which existing laws might be administered or interpreted, which could have a material and negative impact on the Company's business and results of operation. For example, recent years have seen an increase in the development and enforcement of laws and regulations regarding trade compliance, economic sanctions, anti-money laundering, and anti-corruption, such as the FCPA and similar laws in other countries. While Matthews maintains a variety of internal policies and controls and takes steps, including periodic training and internal audits, that the Company believes are reasonably calculated to discourage, prevent and detect violations of such laws, the Company cannot guarantee that such actions will be effective or that individual employees will not engage in inappropriate behavior in contravention of the Company's policies and instructions. Such conduct, or even the allegation thereof, could result in costly investigations and the imposition of severe criminal or civil sanctions, could disrupt the Company's business, and could materially and adversely affect the Company's reputation, business and results of operations or financial condition.

Further, the Company is subject to laws and regulations worldwide affecting its operations outside the United States in areas including, but not limited to, intellectual property ownership and infringement, tax, customs, import and export requirements, economic sanctions, anti-money laundering, anti-corruption and anti-bribery, foreign exchange controls and cash repatriation restrictions, foreign investment, data privacy requirements, anti-competition, pensions and social insurance, employment, and environment, health, and safety. Compliance with these laws and regulations may be onerous and expensive and requirements may differ among jurisdictions. Further, the promulgation of new laws, changes in existing laws and abrogation of local regulations by national laws may have a negative impact on the Company's business and prospects. In addition, certain laws and regulations are relatively new and their interpretation and enforcement involve significant uncertainties. There can be no assurance that any of these factors will not have a material adverse effect on the Company's business, results of operations or financial condition.

**General Risk Factors:**

**Changes in Economic Conditions.** Generally, changes in domestic and international economic conditions affect the industries in which the Company and its customers and suppliers operate. These changes include changes in the rate of consumption or use of the Company's products due to economic downturns, volatility in currency exchange rates, and changes in raw material prices resulting from supply and/or demand conditions.

Uncertainty about current global economic conditions poses a risk, as consumers and businesses may continue to postpone or cancel spending. Other factors that could influence customer spending include energy costs, conditions in the credit markets, consumer confidence, global pandemics, and other factors affecting consumer spending behavior. These and other economic factors could have an effect on demand for the Company's products and services and negatively impact the Company's financial condition and results of operations.

**Labor shortages, turnover and labor cost increases.** Labor is a significant component of the Company's operations. Several factors may adversely affect the labor force available to Matthews or increase labor costs (i.e., labor rates and overtime levels), including high employment levels, unemployment subsidies, increased wages offered by other employers, vaccine mandates and other government regulations and the Company's responses thereto. An overall labor shortage, lack of skilled labor, increased turnover, or labor inflation, caused by pandemics or as a result of general macroeconomic factors, could have a material adverse impact on the Company's business and operating results.

**Cybersecurity and Data Breaches.** In the course of business, the Company collects and stores sensitive data and proprietary business information. The Company could be subject to service outages or breaches of security systems which may result in disruption, unauthorized access, misappropriation, or corruption of this information. Security breaches of the Company's network or data including physical or electronic break-ins, vendor service outages, computer viruses, attacks by hackers or similar breaches can create system disruptions, shutdowns, or unauthorized disclosure of confidential information. Although the Company is not aware of any significant incidents to date, if it is unable to prevent, detect and timely remediate such security or privacy breaches, its operations could be disrupted or the Company may suffer legal claims, loss of reputation, financial loss, property damage, or regulatory penalties because of lost or misappropriated information.

The Company expects that compliance with laws governing data privacy and data protection will require ongoing investment in systems, policies and personnel and will continue to impact Matthews' business in the future by increasing legal, operational and compliance costs. There can be no assurance that the Company's efforts will meet the evolving standards imposed by governmental and regulatory agencies, including data protection authorities, with respect to standards that may be adopted in

ITEM 1A. RISK FACTORS. (continued)

the future. If the Company is found or suspected to have violated data privacy or data protection laws, it may be subject to potential private consumer, business partner or securities litigation, regulatory inquiries, governmental investigations and proceedings, and may incur damage to its reputation. Any such developments may subject Matthews to material fines and other monetary penalties and damages, divert management's time and attention, and lead to enhanced regulatory oversight, all of which could have a material adverse effect on the Company's business and results of operations.

**Effectiveness of Internal Controls.** Section 404 of the Sarbanes-Oxley Act of 2002 requires a comprehensive evaluation of the Company's internal control over financial reporting. To comply with this statute, the Company is required to document and test its internal control over financial reporting, management is required to assess and issue a report concerning internal control over financial reporting, and the Company's independent registered public accounting firm is required to attest to and report on the Company's assessment of the effectiveness of internal control over financial reporting. Any failure to maintain or implement required new or improved controls could cause the Company to fail to meet its periodic reporting obligations or result in material misstatements in the consolidated financial statements, and substantial costs and resources may be required to rectify these or other internal control deficiencies. If the Company cannot produce reliable financial reports, investors could lose confidence in the Company's reported financial information, the market price of the Company's common stock could decline significantly, and its business, financial condition, and reputation could be harmed.

**Compliance with Securities Laws and Regulations; Conflict Minerals Reporting.** The Company is required to comply with various securities laws and regulations, including but not limited to the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"). Dodd-Frank contains provisions, among others, designed to improve transparency and accountability concerning the supply chains of certain minerals originating from the Democratic Republic of Congo and adjoining countries that are believed to be benefiting armed groups ("Conflict Minerals"). While Dodd-Frank does not prohibit companies from using Conflict Minerals, the SEC mandates due diligence, disclosure and reporting requirements for companies for which Conflict Minerals are necessary to the functionality or production of a product. The Company's efforts to comply with Dodd-Frank and other evolving laws, regulations and standards could result in increased costs and expenses related to compliance and potential violations.

**ITEM 1B. UNRESOLVED STAFF COMMENTS.**

Not applicable.

## ITEM 2. PROPERTIES.

The Company's facilities provide adequate space for meeting its near-term production requirements. Significant principal properties of the Company and its majority-owned subsidiaries as of October 31, 2023 were as follows (properties, which are unencumbered, are owned by the Company except as noted):

Location	Description of Property
<b>Memorialization:</b>	
Pittsburgh, PA	Manufacturing / Division Offices
Apopka, FL	Manufacturing / Division Offices
Aurora, IN	Manufacturing
Colorno, Italy	Manufacturing
Dallas, TX	Distribution Hub (1)
Dandenong, Australia	Manufacturing (1)
Elberton, GA	Manufacturing
Fontana, CA	Distribution Hub (1)
Harrisburg, PA	Distribution Hub (1)
Indianapolis, IN	Distribution Hub (1)
Monterrey, Mexico	Manufacturing (1)
Richmond, IN	Manufacturing
Searcy, AR	Manufacturing
Stone Mountain, GA	Distribution Hub (1)
York, PA	Manufacturing
<b>Industrial Technologies:</b>	
Bocholt, Germany	Manufacturing / Division Offices
Cincinnati, OH	Manufacturing / Distribution
Fribourg, Switzerland	Manufacturing (1)
Gothenburg, Sweden	Manufacturing / Distribution (1)
Holoubkov, Czech Republic	Manufacturing
Lima, Costa Rica	Manufacturing (1)
Mönchengladbach, Germany	Manufacturing (1)
Pewaukee, WI	Manufacturing (1)
Pittsburgh, PA	Division Offices
San Antonio, TX	Manufacturing
Wilsonville, OR	Manufacturing
Vreden, Germany	Manufacturing (2)
<b>SGK Brand Solutions:</b>	
Battle Creek, MI	Production Facility (1)
Chennai, India	Production Facility (1)
Dachnow, Poland	Manufacturing (1)
East Butler, PA	Production Facility (1)
East Java, Indonesia	Production Facility (1)
Goslar, Germany	Production Facility (1)
Izmir, Turkey	Manufacturing
Jülich, Germany	Production Facility (1)
Manchester, England	Production Facility (1)
Minneapolis, MN	Production Facility
Mississauga, Canada	Production Facility (1)
Penang, Malaysia	Production Facility
Tigard, OR	Production Facility (1)
<b>Corporate and Administrative Offices:</b>	
Pittsburgh, PA	General Offices

(1) These properties are leased by the Company under operating lease arrangements.

(2) The Vreden, Germany location represents a shared facility for both the Industrial Technologies and SGK Brand Solutions segments.

**ITEM 3. LEGAL PROCEEDINGS.**

Matthews is subject to various legal proceedings and claims arising in the ordinary course of business. Management does not expect that the results of any of these legal proceedings will have a material adverse effect on Matthews' financial condition, results of operations or cash flows.

**ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable.

## OFFICERS AND EXECUTIVE MANAGEMENT OF THE REGISTRANT

The following information is furnished with respect to officers and executive management as of October 31, 2023:

<b>Name</b>	<b>Age</b>	<b>Positions with Registrant</b>
Joseph C. Bartolacci	63	President and Chief Executive Officer
Ronald C. Awenowicz	54	Senior Vice President, Global Compliance, Operations and N.A. Human Resources
Gregory S. Babe	66	Chief Technology Officer and Group President, Industrial Technologies
Davor Brkovich	55	Head of IT and Chief Information Officer
Steven D. Gackebach	60	Group President, Memorialization
Reena Gurtner	49	Senior Vice President, Human Resources
Gary R. Kohl	60	President, SGK Brand Solutions
Lee Lane	55	Group President, Matthews Industrial Automation and Matthews Environmental Solutions
Steven F. Nicola	63	Chief Financial Officer and Secretary
Brian D. Walters	54	Executive Vice President and General Counsel

**Joseph C. Bartolacci** was appointed President and Chief Executive Officer effective October 2006.

**Ronald C. Awenowicz** was appointed Senior Vice President, Global Compliance, Operations and North America Human Resources effective July 2021. Prior thereto, he served as Vice President of Americas Human Resources since May 2020 and prior thereto he served as Global Head of Human Resources Operations since February 2015, when he joined the Company.

**Gregory S. Babe** was appointed Chief Technology Officer and Group President, Industrial Technologies effective October 2022. Prior thereto, he served as Chief Technology Officer since November 2015.

**Davor Brkovich** was appointed Head of IT and Chief Information Officer effective November 2019. Prior thereto, he had been interim Head of IT and Chief Information Officer since February 2019 and prior thereto he served as Director, Global IT Infrastructure since January 2017, when he joined the Company.

**Steven D. Gackebach** was appointed Group President, Memorialization effective October 31, 2011.

**Reena Gurtner** was appointed Senior Vice President, Human Resources effective July 2021. Prior thereto, she served as Vice President, Human Resources APAC, Middle East and Africa since May 2020 and prior thereto she served as Regional Director of Human Resources APAC since January 2013.

**Gary R. Kohl** was appointed President, SGK Brand Solutions effective May 2017.

**Lee Lane** was appointed Group President for Matthews' Product Identification and Warehouse Automation businesses as well as Matthews Environmental Solutions effective October 2022. Prior thereto, he served as Senior Vice President of Matthews Automation since June 2022. Prior to joining the Company, he served as Vice President General Manager Sensing, Safety & Industrial Components Business at Rockwell Automation, Inc. since October 2020, and prior thereto he served as Vice President / General Manager Safety, Sensing & Connectivity Business at Rockwell Automation, Inc. since March 2017.

**Steven F. Nicola** was appointed Chief Financial Officer and Secretary effective December 2003.

**Brian D. Walters** was appointed Executive Vice President and General Counsel effective February 2023. Prior thereto, he served as Senior Vice President and General Counsel since February 2018.

## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

#### Market Information:

The authorized common stock of the Company consists of 70,000,000 shares of Class A Common Stock, \$1.00 par value. At September 30, 2023, 30,469,213 shares were outstanding. The Company's Class A Common Stock is traded on the Nasdaq Global Select Market under the symbol "MATW".

The Company has a stock repurchase program. The buy-back program is designed to increase shareholder value, enlarge the Company's holdings of its common stock, and add to earnings per share. Repurchased shares may be retained in treasury, utilized for acquisitions, or reissued to employees or other purchasers, subject to the restrictions set forth in the Company's Restated Articles of Incorporation. Under the current authorization, 1,195,013 shares remain available for repurchase as of September 30, 2023. All purchases of the Company's common stock during fiscal 2023 were part of this repurchase program.

The following table shows the monthly fiscal 2023 stock repurchase activity:

Period	Total number of shares purchased	Weighted-average price paid per share	Total number of shares purchased as part of a publicly announced plan	Maximum number of shares that may yet be purchased under the plan
October 2022	—	\$ —	—	1,294,842
November 2022	88,042	27.54	88,042	1,206,800
December 2022	983	27.54	983	1,205,817
January 2023	—	—	—	1,205,817
February 2023	549	37.09	549	1,205,268
March 2023	7,057	37.79	7,057	1,198,211
April 2023	—	—	—	1,198,211
May 2023	—	—	—	1,198,211
June 2023	2,068	38.86	2,068	1,196,143
July 2023	—	—	—	1,196,143
August 2023	1,130	32.79	1,130	1,195,013
September 2023	—	—	—	1,195,013
Total	99,829	\$ 28.61	99,829	

#### Holders:

Based on records available to the Company, the number of record holders of the Company's common stock was 473 at October 31, 2023.

#### Securities Authorized for Issuance Under Equity Compensation Plans:

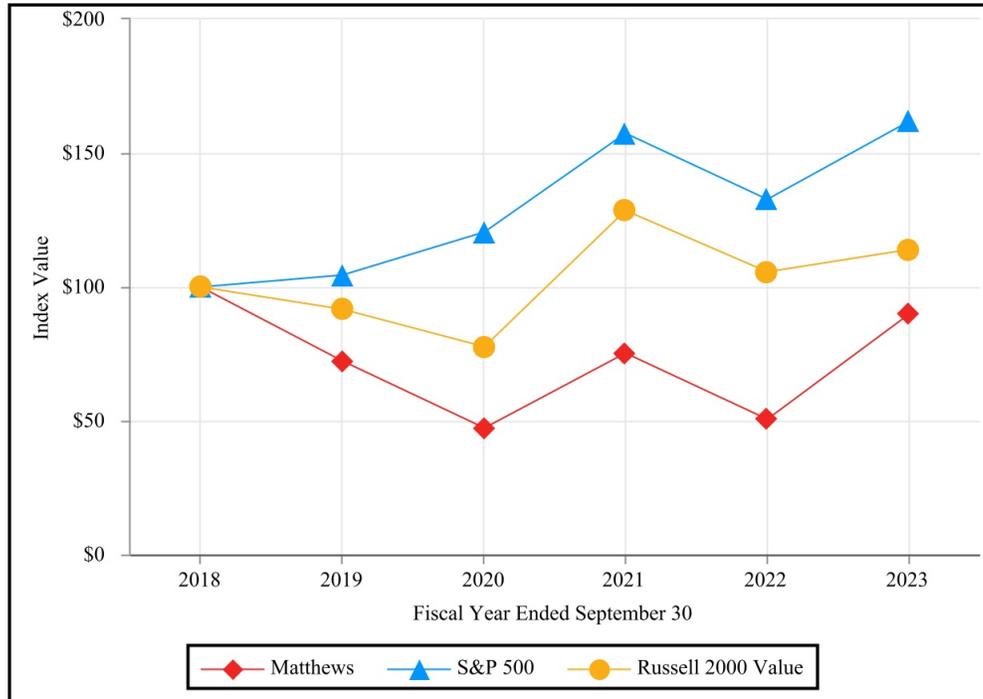
See Equity Compensation Plans in Item 12 "Security Ownership of Certain Beneficial Owners and Management."

**PERFORMANCE GRAPH**

**COMPARISON OF FIVE-YEAR CUMULATIVE RETURN \*  
AMONG MATTHEWS INTERNATIONAL CORPORATION,  
S&P 500 INDEX AND RUSSELL 2000 VALUE INDEX**

This graph compares the return on Matthews' common stock with that of the Standard & Poor's 500 Index and Russell 2000 Value Index for the period from October 1, 2018 through September 30, 2023. The graph assumes that on October 1, 2018, \$100 was invested in each of the Company's common stock, Standard & Poor's 500 Index and Russell 2000 Value Index. The graph measures total stockholder return, which takes into account both changes in stock price and dividends. It assumes that dividends paid are invested in like securities.

The following graph compares the total return on the Company's common stock with that of the Standard & Poor's 500 Index and the Russell 2000 Value Index. The results are not necessarily indicative of future performance.



\* Total return assumes dividend reinvestment

ITEM 6. [Reserved].

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read in conjunction with the consolidated financial statements of Matthews and related notes thereto. In addition, see "Cautionary Statement Regarding Forward-Looking Information" included in Part I of this Annual Report on Form 10-K.

### RESULTS OF OPERATIONS:

The Company manages its businesses under three segments: Memorialization, Industrial Technologies and SGK Brand Solutions. The Memorialization segment consists primarily of bronze and granite memorials and other memorialization products, caskets, cremation-related products, and cremation and incineration equipment primarily for the cemetery and funeral home industries. The Industrial Technologies segment includes the design, manufacturing, service and distribution of high-tech custom energy storage solutions; product identification and warehouse automation technologies and solutions, including order fulfillment systems for identifying, tracking, picking and conveying consumer and industrial products; and coating and converting lines for the packaging, pharma, foil, décor and tissue industries. The SGK Brand Solutions segment consists of brand management, pre-media services, printing plates and cylinders, imaging services, digital asset management, merchandising display systems, and marketing and design services primarily for the consumer goods and retail industries.

The Company's primary measure of segment profitability is adjusted earnings before interest, income taxes, depreciation and amortization ("adjusted EBITDA"). 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 and divestiture costs, ERP integration costs, and strategic initiatives and other charges. This presentation is consistent with how the Company's chief operating decision maker (the "CODM") evaluates the results of operations and makes strategic decisions about the business. For these reasons, the Company believes that adjusted EBITDA represents the most relevant measure of segment profit and loss.

In addition, the CODM manages and evaluates the operating performance of the segments, as described above, on a pre-corporate cost allocation basis. Accordingly, for segment reporting purposes, the Company does not allocate corporate costs to its reportable segments. Corporate costs include management and administrative support to the Company, which consists of certain aspects of the Company's executive management, legal, compliance, human resources, information technology (including operational support) and finance departments. These costs are included within "Corporate and Non-Operating" in the following table to reconcile to consolidated adjusted EBITDA and are not considered a separate reportable segment. Management does not allocate non-operating items such as investment income, other income (deductions), net and noncontrolling interest to the segments.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (continued)

The following table sets forth sales and adjusted EBITDA for the Company's Memorialization, Industrial Technologies and SGK Brand Solutions segments for each of the last three fiscal years. Refer to Note 20, "Segment Information" in Item 8 - "Financial Statements and Supplemental Data" for the Company's financial information by segment.

	Years Ended September 30,		
	2023	2022	2021
	<i>(Dollar amounts in thousands)</i>		
<b>Sales to external customers:</b>			
Memorialization	\$ 842,997	\$ 840,124	\$ 769,016
Industrial Technologies	505,751	335,523	284,495
SGK Brand Solutions	532,148	586,756	617,519
Consolidated Sales	<u>\$ 1,880,896</u>	<u>\$ 1,762,403</u>	<u>\$ 1,671,030</u>
<b>Adjusted EBITDA:</b>			
Memorialization	\$ 163,986	\$ 151,849	\$ 165,653
Industrial Technologies	66,278	56,762	34,889
SGK Brand Solutions	57,128	60,120	91,435
Corporate and Non-Operating	(61,583)	(58,323)	(64,227)
Total Adjusted EBITDA <sup>(1)</sup>	<u>\$ 225,809</u>	<u>\$ 210,408</u>	<u>\$ 227,750</u>

<sup>(1)</sup> Total Adjusted EBITDA is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section below.

**Comparison of Fiscal 2023 and Fiscal 2022:**

Sales for the year ended September 30, 2023 were \$1.88 billion, compared to \$1.76 billion for the year ended September 30, 2022, representing an increase of \$118.5 million. The increase in fiscal 2023 sales reflected higher sales in the Industrial Technologies and Memorialization segments, partially offset by lower sales in the SGK Brand Solutions segment. On a consolidated basis, changes in foreign currency exchange rates were estimated to have an unfavorable impact of \$23.6 million on fiscal 2023 sales compared to the prior year.

Memorialization segment sales for fiscal 2023 were \$843.0 million, compared to \$840.1 million for fiscal 2022. The sales increase reflected improved price realization, higher sales of mausoleums and cremation equipment in the U.S., and benefits from the acquisition of Eagle Granite Company (see Acquisitions and Divestitures below). These increases were partially offset by lower unit sales of caskets and bronze memorial products, reflecting a decrease in coronavirus disease 2019 ("COVID-19") related deaths in fiscal 2023, and lower sales of cremation and incineration products in Europe. Changes in foreign currency exchange rates had an unfavorable impact of \$1.8 million on the segment's sales compared to the prior year. Industrial Technologies segment sales for fiscal 2023 were \$505.8 million, compared to \$335.5 million for fiscal 2022. The sales increase primarily reflected the impact of the fiscal 2022 acquisitions of OLBRICH GmbH ("OLBRICH") and R+S Automotive GmbH ("R+S Automotive") (see Acquisitions and Divestitures below). The increase in sales also reflected higher sales of purpose-built engineered products (primarily energy storage solutions for the electric vehicle market) and higher product identification sales. These increases were partially offset by lower sales of warehouse automation solutions. Changes in foreign currency exchange rates had an unfavorable impact of \$5.7 million on the segment's sales compared to the prior year. In the SGK Brand Solutions segment, sales for fiscal 2023 were \$532.1 million, compared to \$586.8 million in fiscal 2022. Changes in foreign currency exchange rates had an unfavorable impact of \$16.1 million on the segment's sales compared to the prior year. The decrease in sales also reflected lower brand sales in the U.S. and Europe (including lower retail-based sales) and a decline in sales of cylinder (packaging) products in Europe. These decreases were partially offset by higher brand sales in the Asia-Pacific market and improved price realization.

Gross profit for the year ended September 30, 2023 was \$577.7 million, compared to \$522.3 million for fiscal 2022. Consolidated gross profit as a percent of sales was 30.7% and 29.6% in fiscal 2023 and fiscal 2022, respectively. The increase in gross profit primarily reflected the impact of higher sales (including benefits from recent acquisitions), lower transportation costs, and benefits from the realization of productivity improvements and other cost-reduction initiatives. These increases in gross profit were partially offset by the impact of higher material and labor costs, and lower margins on purpose-built engineered products. Gross profit also included acquisition integration costs and other charges primarily in connection with cost-reduction initiatives totaling \$12.2 million and \$12.6 million in fiscal 2023 and 2022, respectively. Fiscal 2022 gross

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (continued)

profit included \$9.7 million of asset write-downs related to the war between Russia and Ukraine (see Note 23, "Asset Write-downs" in Item 8 - "Financial Statements and Supplementary Data" for further details).

Selling and administrative expenses for the year ended September 30, 2023 were \$447.5 million, compared to \$426.7 million for fiscal 2022. Consolidated selling and administrative expenses, as a percent of sales, were 23.8% for fiscal 2023, compared to 24.2% in fiscal 2022. Fiscal 2023 selling and administrative expenses reflected the impact of higher salaries and wage rates, higher travel and entertainment ("T&E") costs, increased performance-based compensation compared to fiscal 2022, additional expenses from recently completed acquisitions, and fees associated with a receivables purchase agreement and factoring arrangement (see Liquidity and Capital Resources below). These increases in selling and administrative expenses were partially offset by benefits from ongoing cost-reduction initiatives. Selling and administrative expenses also included acquisition integration and related systems-integration costs, and other charges primarily in connection with cost-reduction initiatives totaling \$12.5 million in fiscal 2023, compared to \$27.1 million in fiscal 2022. Intangible amortization for the year ended September 30, 2023 was \$42.1 million, compared to \$57.1 million for fiscal 2022. Fiscal 2022 intangible amortization included \$9.5 million of amortization related to certain trade names that have been discontinued. In the fiscal 2022 fourth quarter, the Company recorded a goodwill write-down of \$82.5 million related to the SGK Brand Solutions reporting unit (formerly the Graphics Imaging reporting unit). Refer to Note 22, "Goodwill and Other Intangible Assets" in Item 8 - "Financial Statements and Supplementary Data" for further details.

Adjusted EBITDA for fiscal 2023 was \$225.8 million, compared to \$210.4 million for fiscal 2022. Memorialization segment adjusted EBITDA for fiscal 2023 was \$164.0 million, compared to \$151.8 million for fiscal 2022. The increase in segment adjusted EBITDA reflected the impact of higher sales, lower transportation costs, benefits from the acquisition of Eagle Granite Company, and benefits from productivity initiatives. These increases were partially offset by the impact of higher material, labor and T&E costs, and increased performance-based compensation compared to fiscal 2022. Adjusted EBITDA for the Industrial Technologies segment for fiscal 2023 was \$66.3 million, compared to \$56.8 million in fiscal 2022. The increase in segment adjusted EBITDA primarily reflected the impact of higher sales, partially offset by the impact of higher labor and T&E costs, increased performance-based compensation compared to fiscal 2022, and unfavorable contributions from recent acquisitions. Changes in foreign currency exchange rates had an unfavorable impact of \$1.3 million on the segment's adjusted EBITDA compared to the prior year. Adjusted EBITDA for the SGK Brand Solutions segment for fiscal 2023 was \$57.1 million, compared to \$60.1 million for fiscal 2022. The decrease in segment adjusted EBITDA primarily reflected the impact of lower sales and higher material, labor and T&E costs, partially offset by benefits from cost reduction initiatives. Changes in foreign currency exchange rates had an unfavorable impact of \$2.0 million on the segment's adjusted EBITDA compared to the prior year.

Interest expense for fiscal 2023 was \$44.6 million, compared to \$27.7 million in fiscal 2022. The increase in interest expense primarily reflected higher average interest rates in the current fiscal year. Other income (deductions), net for the year ended September 30, 2023 represented a decrease in pre-tax income of \$2.6 million, compared to a decrease in pre-tax income of \$32.6 million in fiscal 2022. Other income (deductions), net includes the non-service components of pension and postretirement expense, which totaled \$1.6 million and \$31.8 million in fiscal years 2023 and 2022, respectively. Fiscal 2023 non-service pension expense included a \$1.3 million non-cash charge resulting from the settlement of the Company's supplemental retirement plan ("SERP") and defined benefit portion of the officers retirement restoration plan ("ORRP") obligations. Fiscal 2022 non-service pension expense included a \$30.9 million non-cash charge resulting from the full settlement of the Company's principal defined benefit retirement plan ("DB Plan") obligations. Refer to Note 15, "Pension and Other Postretirement Plans" in Item 8 - "Financial Statements and Supplementary Data" for further details. Other income (deductions), net also includes investment income, banking-related fees and the impact of currency gains and losses on certain intercompany debt and foreign denominated cash balances. Other income (deductions), net included currency losses associated with highly inflationary accounting for the Company's subsidiaries in Turkey totaling \$1.4 million and \$1.5 million in fiscal years 2023 and 2022, respectively (see Note 2, "Summary of Significant Accounting Policies" in Item 8 - "Financial Statements and Supplementary Data" for further details).

The Company's consolidated income taxes for the year ended September 30, 2023 were an expense of \$1.8 million, compared to a benefit of \$4.4 million for fiscal 2022. The difference between the Company's consolidated income taxes for fiscal 2023 compared to fiscal 2022 partially resulted from fiscal 2023 having consolidated income before income taxes compared to fiscal 2022 having a consolidated loss before income taxes. The fiscal 2023 tax rate was negatively impacted by share-based compensation. Additionally, the fiscal 2023 tax rate benefited from research and development and foreign tax credits and the utilization of foreign tax net operating losses with a valuation allowance. The fiscal 2022 consolidated loss reflected a goodwill write-down recorded in the fourth quarter of fiscal 2022 that was primarily non-deductible. The fiscal 2022 effective tax rate also benefited from research and development and foreign tax credits. The fiscal 2022 effective tax rate was negatively impacted by foreign net operating losses requiring a full valuation allowance.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (continued)

Net losses attributable to noncontrolling interests were \$155,000 in fiscal 2023, compared to \$54,000 in fiscal 2022. The net losses attributable to noncontrolling interests primarily reflected losses in less than wholly-owned businesses.

**Comparison of Fiscal 2022 and Fiscal 2021:**

For a comparison of the Company's results of operations for the fiscal years ended September 30, 2022 and September 30, 2021, see "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation" of the Company's annual report on Form 10-K for the fiscal year ended September 30, 2022 filed with the SEC on November 18, 2022.

**NON-GAAP FINANCIAL MEASURES:**

Included in this report are measures of financial performance that are not defined by 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 and divestiture 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 and divestiture 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 divestiture costs, 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.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (continued)

The reconciliation of net income to adjusted EBITDA is as follows:

	Years Ended September 30,		
	2023	2022	2021
	<i>(Dollar amounts in thousands)</i>		
Net income (loss)	\$ 39,136	\$ (99,828)	\$ 2,858
Income tax provision (benefit)	1,774	(4,391)	6,375
Income (loss) before income taxes	40,910	(104,219)	9,233
Net loss attributable to noncontrolling interests	155	54	52
Interest expense, including Receivables Purchase Agreement ("RPA") and factoring financing fees <sup>(1)</sup>	48,690	28,771	28,684
Depreciation and amortization *	96,530	104,056	133,512
Acquisition and divestiture related items <sup>(2)**</sup>	5,293	7,898	541
Strategic initiatives and other charges <sup>(3)**</sup>	13,923	28,060	28,998
Non-recurring / incremental COVID-19 costs <sup>(4)***</sup>	—	2,985	5,312
Highly inflationary accounting losses (primarily non-cash) <sup>(5)</sup>	1,360	1,473	—
Defined benefit plan termination related items <sup>(6)</sup>	—	(429)	—
Asset write-downs, net <sup>(7)</sup>	—	10,050	—
Goodwill write-downs <sup>(8)</sup>	—	82,454	—
Stock-based compensation	17,308	17,432	15,581
Non-service pension and postretirement expense <sup>(9)</sup>	1,640	31,823	5,837
Total Adjusted EBITDA	<u>\$ 225,809</u>	<u>\$ 210,408</u>	<u>\$ 227,750</u>

<sup>(1)</sup> Includes fees for receivables sold under the RPA and factoring arrangements totaling \$4.0 million and \$1.0 million for the fiscal years ended September 30, 2023 and 2022, respectively.

<sup>(2)</sup> Includes certain non-recurring costs associated with recent acquisition and divestiture activities, and also includes a gain of \$1.8 million in fiscal year 2023 related to the divestiture of a business in the Industrial Technologies segment.

<sup>(3)</sup> Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels and costs associated with global ERP system integration efforts, net of loss recoveries of \$2.2 million in fiscal year 2023 related to a previously disclosed theft of funds by a former employee initially identified in fiscal 2015.

<sup>(4)</sup> Includes certain non-recurring direct incremental costs (such as costs for purchases of computer peripherals and devices to facilitate working-from-home, additional personal protective equipment and cleaning supplies and services, etc.) incurred in response to COVID-19. This amount does not include the impact of any lost sales or underutilization due to COVID-19.

<sup>(5)</sup> Represents exchange losses associated with highly inflationary accounting related to the Company's Turkish subsidiaries (see Note 2, "Summary of Significant Accounting Policies" in Item 8 - "Financial Statements and Supplementary Data").

<sup>(6)</sup> Represents items associated with the termination of the Company's DB Plan, supplemental retirement plan and the defined benefit portion of the officers retirement restoration plan.

<sup>(7)</sup> Represents asset write-downs, net of recoveries within the SGK Brand Solutions segment (see Note 23, "Asset Write-Downs" in Item 8 - "Financial Statements and Supplementary Data").

<sup>(8)</sup> Represents goodwill write-downs within the SGK Brand Solutions segment (see Note 22, "Goodwill and Other Intangible Assets" in Item 8 - "Financial Statements and Supplementary Data").

<sup>(9)</sup> Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, curtailment gains and losses, and settlement gains and losses. These benefit cost components are excluded from adjusted EBITDA since they are primarily influenced by external market conditions that impact investment returns and interest (discount) rates. Curtailment gains and losses and settlement gains and losses are excluded from adjusted EBITDA since they generally result from certain non-recurring events, such as plan amendments to modify future benefits or settlements of plan obligations. The service cost and prior service cost components of pension and postretirement expense are included in the calculation of adjusted EBITDA, since they are considered to be a better reflection of the ongoing service-related costs of providing these benefits. Please note that GAAP pension and postretirement expense or the adjustment above are not necessarily indicative of the current or future cash flow requirements related to these employee benefit plans.

\* Depreciation and amortization was \$23.7 million, \$23.2 million, and \$23.0 million, for the Memorialization segment, \$23.2 million, \$11.4 million, and \$11.4 million for the Industrial Technologies segment, \$44.8 million, \$64.2 million, and \$93.7 million for the SGK Brand Solutions segment, and \$4.8 million, \$5.3 million, and \$5.4 million for Corporate and Non-Operating, for the fiscal years ended September 30, 2023, 2022, and 2021, respectively.

\*\* Acquisition and divestiture costs, ERP integration costs, and strategic initiatives and other charges were \$1.0 million, \$3.5 million, and \$1.9 million for the Memorialization segment, \$4.1 million, \$5.6 million, and \$4.0 million for the Industrial Technologies segment, \$10.9 million, \$19.4 million, and \$12.3 million for the SGK Brand Solutions segment, and \$3.2 million, \$7.5 million, and \$11.3 million for Corporate and Non-Operating, for the fiscal years ended September 30, 2023, 2022, and 2021, respectively.

\*\*\* Non-recurring/incremental COVID-19 costs were \$1.3 million, and \$3.6 million for the Memorialization segment, \$6,000, and \$38,000 for the Industrial Technologies segment, \$1.2 million, and \$1.5 million for the SGK Brand Solutions segment, \$466,000, and \$89,000 for Corporate and Non-Operating, for the fiscal years ended September 30, 2022, and 2021, respectively.

**LIQUIDITY AND CAPITAL RESOURCES:**

Net cash provided by operating activities was \$79.5 million for the year ended September 30, 2023, compared to \$126.9 million and \$162.8 million for fiscal years 2022 and 2021, respectively. Operating cash flow for fiscal 2023 principally included net income (loss) adjusted for deferred taxes, depreciation and amortization, stock-based compensation expense, non-cash pension expense, gain on divestitures and sale of assets, and other non-cash adjustments, and changes in working capital items. Fiscal 2023 operating cash flow also reflected \$24.2 million of contributions to fund the settlement of the Company's SERP and ORRP obligations, and \$10.5 million of proceeds from the settlement of cash flow hedges. The change in working capital in fiscal 2023 primarily reflected higher inventory levels, lower trade accounts payable, and changes in contract assets and liabilities related to products and services provided to customers over time, partially offset by proceeds from the sale of receivables under a receivables purchase agreement and a non-recourse factoring arrangement (see below for further discussion). Operating cash flow for fiscal 2022 principally included net income (loss) adjusted for deferred taxes, depreciation and amortization, stock-based compensation expense, goodwill and other asset write-downs, non-cash pension expense, gain on divestitures and sale of assets, and other non-cash adjustments, and changes in working capital items. Fiscal 2022 operating cash flow also reflected \$35.7 million of contributions to fully fund the settlement of the Company's DB Plan obligations. The favorable movements in working capital in fiscal 2022 primarily reflected proceeds from the sale of receivables under a receivables purchase agreement, partially offset by higher inventory levels reflecting increased commodity costs, lower performance-based compensation accruals, and changes in other accounts. Operating cash flow for fiscal 2021 principally included net income (loss) adjusted for deferred taxes, depreciation and amortization, stock-based compensation expense, net gains related to investments, and non-cash pension expense, and changes in working capital items. Fiscal 2021 operating cash flow also reflected a \$15.0 million discretionary contribution to fund the DB Plan. The favorable movements in working capital in fiscal 2021 primarily reflected increased trade accounts payable.

Cash used in investing activities was \$58.7 million for the year ended September 30, 2023, compared to \$80.9 million and \$13.0 million for fiscal years 2022 and 2021, respectively. Investing activities for fiscal 2023 primarily reflected capital expenditures of \$50.6 million, acquisition payments (net of cash acquired or received from sellers) of \$15.3 million, purchases of investments of \$1.6 million, proceeds from the sale of assets of \$2.1 million, and proceeds from divestitures of \$6.7 million. Investing activities for fiscal 2022 primarily reflected capital expenditures of \$61.3 million, acquisition payments (net of cash acquired or received from sellers) of \$44.5 million, purchases of investments of \$2.2 million, proceeds from the sale of assets of \$5.0 million, proceeds from the sale of investments of \$8.8 million, and proceeds from the settlement of net investment hedges of \$13.1 million. Investing activities for fiscal 2021 primarily reflected capital expenditures of \$34.3 million, acquisition payments (net of cash acquired or received from sellers) of \$15.6 million, proceeds from the sale of assets of \$2.8 million, and proceeds from the sale of investments of \$34.2 million.

Capital expenditures were \$50.6 million for the year ended September 30, 2023, compared to \$61.3 million and \$34.3 million for fiscal years 2022 and 2021, respectively. Capital expenditures in each of the last three fiscal years reflected reinvestments in the Company's business segments and were made primarily for the purchase of new production machinery, equipment, software and systems, and facilities designed to improve product quality, increase manufacturing efficiency, lower production costs and meet regulatory requirements. Capital spending for property, plant and equipment has averaged \$48.7 million for the last three fiscal years. Capital expenditures for the last three fiscal years were primarily financed through operating cash. Capital spending for fiscal 2024 is currently estimated to be approximately \$75 million. Capital spending in fiscal years 2022 through 2024 reflects additional capital projects to support new production capabilities and increased efficiencies within the Memorialization and Industrial Technologies segments. The Company expects to generate sufficient cash from operations to fund all anticipated capital spending projects.

Cash used in financing activities for the year ended September 30, 2023 was \$50.2 million, and principally reflected repayments, net of proceeds, on long-term debt of \$18.2 million, purchases of treasury stock of \$2.9 million, and payment of dividends to the Company's shareholders of \$28.2 million (\$0.92 per share). Cash used in financing activities for the year ended September 30, 2022 was \$37.2 million, and principally reflected proceeds, net of repayments, on long-term debt of \$35.7 million, purchases of treasury stock of \$41.7 million, payment of dividends to the Company's shareholders of \$27.7 million (\$0.88 per share), and \$725,000 of holdback and contingent consideration payments related to acquisitions from prior years. Cash used in financing activities for the year ended September 30, 2021 was \$122.9 million, and principally reflected repayments, net of proceeds, on long-term debt of \$76.8 million, purchases of treasury stock of \$11.9 million, payment of dividends to the Company's shareholders of \$27.7 million (\$0.86 per share), \$1.8 million of holdback and contingent consideration payments related to acquisitions from prior years, and \$1.8 million of payments for the acquisition of noncontrolling interests.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (continued)**

The Company has a domestic credit facility with a syndicate of financial institutions that includes a \$750.0 million senior secured revolving credit facility, which matures in March 2025. A portion of the revolving credit facility (not to exceed \$350.0 million ) can be drawn in foreign currencies. In March 2023, an amendment to the domestic credit facility implemented SOFR as the replacement of LIBOR as the benchmark interest rate under the facility. The Company accounted for the change in reference rate as a non-substantial modification. Borrowings under the revolving credit facility now bear interest at SOFR, plus a 0.10% per annum rate spread adjustment, plus a factor ranging from 0.75% to 2.00% (1.25% at September 30, 2023) based on the Company's secured leverage ratio. Previously, borrowings under the revolving credit facility bore interest at LIBOR plus a factor ranging from 0.75% to 2.00% based on the Company's secured leverage ratio. The secured leverage ratio is defined as net secured indebtedness divided by EBITDA (earnings before interest, income taxes, depreciation and amortization) as defined within the domestic credit facility agreement. The Company is required to pay an annual commitment fee ranging from 0.15% to 0.30% (based on the Company's leverage ratio) of the unused portion of the revolving credit facility. The Company incurred debt issuance costs in connection with the domestic credit facility. Unamortized costs were \$949,000 and \$1.5 million at September 30, 2023 and September 30, 2022, respectively.

The domestic credit facility requires the Company to maintain certain leverage and interest coverage ratios. A portion of the facility (not to exceed \$55.0 million) is available for the issuance of trade and standby letters of credit. Outstanding U.S. dollar denominated borrowings on the revolving credit facility at September 30, 2023 and 2022 were \$405.0 million and \$428.0 million, respectively. Outstanding Euro denominated borrowings on the revolving credit facility at September 30, 2023 and 2022 were €55.0 million (\$58.2 million) and €45.0 million (\$44.1 million), respectively. The weighted-average interest rate on outstanding borrowings for the domestic credit facility (including the effects of interest rate swaps and Euro denominated borrowings) at September 30, 2023 and 2022 was 5.95% and 3.13%, respectively.

The Company has \$299.6 million of 5.25% senior unsecured notes due December 1, 2025 (the "2025 Senior Notes"). The 2025 Senior Notes bear interest at a rate of 5.25% per annum with interest payable semi-annually in arrears on June 1 and December 1 of each year. The Company's obligations under the 2025 Senior Notes are guaranteed by certain of the Company's direct and indirect wholly-owned domestic subsidiaries. The Company is subject to certain covenants and other restrictions in connection with the 2025 Senior Notes. The Company incurred direct financing fees and costs in connection with 2025 Senior Notes. Unamortized costs were \$1.1 million and \$1.7 million at September 30, 2023 and 2022, respectively.

The Company and certain of its domestic subsidiaries sell, on a continuous basis without recourse, their trade receivables to Matthews Receivables Funding Corporation, LLC ("Matthews RFC"), a wholly-owned bankruptcy-remote subsidiary of the Company. In March 2022, Matthews RFC entered into a receivables purchase agreement ("RPA") to sell up to \$125.0 million of receivables to certain purchasers (the "Purchasers") on a recurring basis in exchange for cash (referred to as "capital" within the RPA) equal to the gross receivables transferred. The parties intend that the transfers of receivables to the Purchasers constitute purchases and sales of receivables. Matthews RFC has guaranteed to each Purchaser the prompt payment of sold receivables, and has granted a security interest in its assets for the benefit of the Purchasers. Under the RPA, which matures in March 2024, each Purchaser's share of capital accrues yield at a floating rate plus an applicable margin. The Company is the master servicer under the RPA, and is responsible for administering and collecting receivables.

The proceeds of the RPA are classified as operating activities in the Company's Consolidated Statements of Cash Flows. Cash received from collections of sold receivables may be used to fund additional purchases of receivables on a revolving basis, or to reduce all or any portion of the outstanding capital of the Purchasers. The fair value of the sold receivables approximated book value due to their credit quality and short-term nature, and as a result, no gain or loss on sale of receivables was recorded. As of September 30, 2023, and 2022, the amount sold to the Purchasers was \$101.8 million and \$96.6 million, respectively which was derecognized from the Consolidated Balance Sheets. As collateral against sold receivables, Matthews RFC maintains a certain level of unsold receivables, which was \$57.9 million and \$44.3 million as of September 30, 2023 and 2022, respectively.

The following table sets forth a summary of receivables sold as part of the RPA:

	For the Year Ended September 30,	
	2023	2022
Gross receivables sold	\$ 393,493	\$ 424,789
Cash collections reinvested	(388,283)	(328,199)
Net cash proceeds received	\$ 5,210	\$ 96,590

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (continued)

In March 2023, the Company, through its U.K. subsidiary, entered into a non-recourse factoring arrangement. In connection with this arrangement, the Company periodically sells trade receivables to a third-party purchaser in exchange for cash. These transfers of financial assets are recorded at the time the Company surrenders control of the assets. As these transfers qualify as true sales under the applicable accounting guidance, the receivables are de-recognized from the Company's Consolidated Balance Sheets upon transfer. The principal amount of receivables sold under this arrangement was \$55.2 million during the fiscal year ended September 30, 2023. The discounts on the trade receivables sold are included within administrative expense in the Consolidated Statements of Income. The proceeds from the sale of receivables are classified as operating activities in the Company's Consolidated Statements of Cash Flows. As of September 30, 2023, the amount of factored receivables that remained outstanding was \$18.0 million.

The Company, through certain of its European subsidiaries, has a credit facility with a European bank, which is guaranteed by Matthews. The maximum amount of borrowings available under this facility is €10.0 million (\$10.6 million). This facility also provides €18.5 million (\$19.6 million) for bank guarantees. This facility has no stated maturity date and is available until terminated. There were no outstanding borrowings under the credit facility at September 30, 2023. Outstanding borrowings under the credit facility totaled €8.2 million (\$8,050) at September 30, 2022. The weighted-average interest rate on outstanding borrowings under this facility was 2.25% at September 30, 2022.

Other borrowings totaled \$19.2 million and \$13.4 million at September 30, 2023 and 2022, respectively. The weighted-average interest rate on these borrowings was 2.95% and 1.85% at September 30, 2023 and 2022, respectively.

The Company operates internationally and utilizes certain derivative financial instruments to manage its foreign currency, debt and interest rate exposures. The following table presents information related to interest rate swaps entered into by the Company and designated as cash flow hedges:

	September 30, 2023		September 30, 2022	
	<i>(Dollar amounts in thousands)</i>			
Notional amount	\$	175,000	\$	125,000
Weighted-average maturity period (years)		4.1		3.1
Weighted-average received rate		5.32 %		3.14 %
Weighted-average pay rate		3.83 %		1.04 %

The Company enters into interest rate swaps in order to achieve a mix of fixed and variable rate debt that it deems appropriate. In order to transition the Company's swaps from LIBOR-based to SOFR-based rates, the LIBOR-based swaps were settled during the second quarter of fiscal 2023, resulting in cash proceeds of \$10.5 million. Concurrently, the Company entered into new interest rate swaps with SOFR-based rates with a notional amount of \$175.0 million. The interest rate swaps have been designated as cash flow hedges of future variable interest payments, which are considered probable of occurring. Based on the Company's assessment, all of the critical terms of each of the hedges matched the underlying terms of the hedged debt and related forecasted interest payments, and as such, these hedges were considered highly effective.

The fair value of the interest rate swaps reflected a net unrealized gain of \$4.0 million (\$3.0 million after tax) and \$10.7 million (\$7.9 million after tax) at September 30, 2023 and 2022, respectively, that is included in shareholders' equity as part of accumulated other comprehensive income ("AOCI"). Unrecognized gains of \$8.1 million (\$6.0 million after tax) related to the terminated LIBOR-based swaps were also included in AOCI as of September 30, 2023. Assuming market rates remain constant with the rates at September 30, 2023, a gain (net of tax) of approximately \$3.9 million included in AOCI is expected to be recognized in earnings over the next twelve months.

The Company has a U.S. Dollar/Euro cross currency swap with a notional amount of \$81.4 million as of September 30, 2023 and 2022, which has been designated as a net investment hedge of foreign operations. The swap contract matures in September 2027. The Company assesses hedge effectiveness for this contract based on changes in fair value attributable to changes in spot prices. A loss of \$2.1 million (net of income taxes of \$701,000) and a gain of \$2.8 million (net of income taxes of \$940,000), which represented effective hedges of net investments, were reported as a component of AOCI within currency translation adjustment at September 30, 2023 and 2022, respectively. Income of \$1.2 million and \$1.6 million, which represented the recognized portion of the fair value of cross currency swaps excluded from the assessment of hedge effectiveness, was included in current period earnings as a component of interest expense for fiscal 2023 and fiscal 2022, respectively. At September 30,

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (continued)

2023 and 2022, the swap totaled \$2.8 million and \$3.7 million, respectively, and was included in other accrued liabilities and other assets in the Consolidated Balance Sheets, respectively.

The Company previously used certain foreign currency debt instruments as net investment hedges of foreign operations. Currency losses of \$5.4 million (net of income taxes of \$1.7 million), which represent effective hedges of net investments, were reported as a component of AOCI within currency translation adjustment at September 30, 2021.

The Company enters into certain derivative contracts in accordance with its risk management strategy that do not meet the criteria for hedge accounting but which have the economic impact of largely mitigating foreign currency exposure. Changes in the fair value of these economic hedges are recorded in current period earnings as a component of other income (deductions), net. During fiscal 2022, net gains from economic hedges (which largely offset losses from underlying foreign currency exposures) totaled \$4.7 million. No such economic hedge contracts were outstanding as of September 30, 2023 or 2022.

The Company has a stock repurchase program. The buy-back program is designed to increase shareholder value, enlarge the Company's holdings of its common stock, and add to earnings per share. Repurchased shares may be retained in treasury, utilized for acquisitions, or reissued to employees or other purchasers, subject to the restrictions set forth in the Company's Restated Articles of Incorporation. Under the current authorization, 1,195,013 shares remain available for repurchase as of September 30, 2023.

Consolidated working capital was \$253.7 million at September 30, 2023, compared to \$217.2 million at September 30, 2022. Cash and cash equivalents were \$42.1 million at September 30, 2023, compared to \$69.0 million at September 30, 2022. The Company's current ratio was 1.6 and 1.5 at September 30, 2023 and 2022, respectively.

**Long-Term Contractual Obligations:**

The following table summarizes the Company's contractual obligations at September 30, 2023, and the effect such obligations are expected to have on its liquidity and cash flows in future periods.

	Total	Payments due in fiscal year:				After 2028
		2024	2025 to 2026	2027 to 2028		
<i>(Dollar amounts in thousands)</i>						
Contractual Cash Obligations:						
Revolving credit facilities	\$ 463,168	\$ —	\$ 405,000	\$ —	\$ —	\$ 58,168
2025 Senior Notes	337,875	15,750	322,125	—	—	—
Finance lease obligations <sup>(1)</sup>	10,307	3,034	3,840	2,170	—	1,263
Non-cancelable operating leases <sup>(1)</sup>	79,413	26,123	36,646	13,169	—	3,475
Other	28,380	1,037	17,624	2,299	—	7,420
<b>Total contractual cash obligations</b>	<b>\$ 919,143</b>	<b>\$ 45,944</b>	<b>\$ 785,235</b>	<b>\$ 17,638</b>	<b>\$ —</b>	<b>\$ 70,326</b>

<sup>(1)</sup>Lease obligations have not been discounted to their present value.

In the first quarter of fiscal 2023, the Company made lump sum payments totaling \$24.2 million to fully settle the Company's non-qualified Supplemental Retirement Plan ("SERP") and defined benefit portion of the Company's Officers Retirement Restoration Plan ("ORRP") obligations. The settlement of these plan obligations resulted in the recognition of a non-cash charge of \$1.3 million, which has been presented as a component of other income (deductions), net for the year ended September 30, 2023. This amount represents the immediate recognition of the deferred AOCI balances related to the SERP and ORRP. During fiscal 2023, the remaining funds held in a rabbi trust associated with the SERP were transferred to the Company. Consequently, these amounts are no longer classified as restricted cash.

Unrecognized tax benefits are positions taken, or expected to be taken, on an income tax return that may result in additional payments to tax authorities. If a tax authority agrees with the tax position taken, or expected to be taken, or the applicable statute of limitations expires, then additional payments will not be necessary. As of September 30, 2023, the Company had unrecognized tax benefits, excluding penalties and interest, of approximately \$3.8 million. The timing of potential future payments related to the unrecognized tax benefits is not presently determinable. The Company believes that its current liquidity sources, combined with its operating cash flow and borrowing capacity, will be sufficient to meet its capital needs for the foreseeable future.

**ACQUISITIONS AND DIVESTITURES:**

Refer to Note 21, "Acquisitions and Divestitures" in Item 8 - "Financial Statements and Supplementary Data," for further details on the Company's acquisitions and divestitures.

**FORWARD-LOOKING INFORMATION:**

Management routinely develops and reviews with the Company's Board of Directors strategic plans with the primary objective of continuous improvement in the Company's consolidated sales and operating results. Strategic plans are developed at the business segment level and generally contain strategies for organic growth and acquisitions. Organic growth primarily reflects the Company's internal efforts to grow its businesses including commercial activities, cost structure and productivity improvements, new product development, and the expansion into new markets with existing products. Growth through acquisitions reflects the benefits from acquired businesses and also includes related integration activities to achieve commercial and cost synergy benefits.

The significant factors influencing organic sales growth in the Industrial Technologies segment include economic/industrial market conditions, new product development, and the electric vehicles ("EV") and e-commerce trends. The Industrial Technologies segment received over \$200 million of new orders during the fiscal 2023 first quarter for its energy storage solutions business. The orders have been received from multiple EV, fuel cell, and battery manufacturers and are expected to impact the segment's sales through mid-fiscal 2024. For the Memorialization segment, the Company expects that sales growth will be influenced by North America death rates and the impact of the increasing trend toward cremation on the segment's product offerings, including caskets, cemetery memorial products and cremation-related products. For the SGK Brand Solutions segment, the Company expects that sales growth will be influenced by global economic conditions, brand innovation, the level of marketing spending by the Company's clients, and government regulation. Due to the global footprint of the Company's businesses, particularly the Industrial Technologies and SGK Brand Solutions segments, currency fluctuations can also be a significant factor on Company's U.S. dollar reported results.

Recent labor cost increases, supply chain challenges, and other inflation-related impacts are expected to impact the Company's results for the near future. The Company expects to partially mitigate these cost increases through price realization and cost-reduction initiatives.

**CRITICAL ACCOUNTING POLICIES:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Therefore, the determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience, economic conditions, and in some cases, actuarial techniques. Actual results may differ from those estimates. A discussion of market risks affecting the Company can be found in Item 7A, "Quantitative and Qualitative Disclosures about Market Risk," of this Annual Report on Form 10-K.

The Company's significant accounting policies are included in the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K. Management believes that the application of these policies on a consistent basis enables the Company to provide useful and reliable financial information about the Company's operating results and financial condition. The following accounting policies involve significant estimates, which were considered critical to the preparation of the Company's consolidated financial statements for the year ended September 30, 2023.

**Long-Lived Assets, including Property, Plant and Equipment:**

Long-lived assets are recorded at their respective cost basis on the date of acquisition. Depreciation on property, plant and equipment is computed primarily on the straight-line method over the estimated useful lives of the assets. Intangible assets with finite useful lives are amortized over their estimated useful lives. The Company reviews long-lived assets, including property, plant and equipment, and intangibles with finite useful lives, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets is determined by evaluating the estimated undiscounted net cash flows of the operations to which the assets relate. An impairment loss would be recognized when the carrying amount of the assets exceeds the fair value, which is based on a discounted cash flow analysis. No such charges were recognized during the years presented, except as disclosed in Note 23, "Asset Write-Downs" in Item 8 - "Financial Statements and Supplementary Data."

**Goodwill and Indefinite-Lived Intangibles:**

Goodwill and intangible assets with indefinite useful lives are not amortized, but are tested annually for impairment, or when circumstances indicate that a possible impairment may exist. In general, when the carrying value of these assets exceeds the implied fair value, an impairment loss must be recognized. A significant decline in cash flows generated from these assets may result in a write-down of the carrying values of the related assets. For purposes of testing goodwill for impairment, the Company uses a combination of valuation techniques, including discounted cash flows and other market indicators. A number of assumptions and estimates are involved in the application of the discounted cash flow model to forecast operating cash flows, including sales volumes and pricing, costs to produce, tax rates, capital spending, working capital changes, and discount rates. The Company estimates future cash flows using volume and pricing assumptions based largely on existing customer relationships and contracts, and operating cost assumptions management believes are reasonable based on historical performance and projected future performance as reflected in its most recent operating plans and projections. The discount rates used in the discounted cash flow analyses are developed with the assistance of valuation experts and management believes the discount rates appropriately reflect the risks associated with the Company's operating cash flows. In order to further validate the reasonableness of the estimated fair values of the reporting units as of the valuation date, a reconciliation of the aggregate fair values of all reporting units to market capitalization is performed using a reasonable control premium.

The Company performed its annual impairment review of goodwill and indefinite-lived intangible assets in the second quarter of fiscal 2023 (January 1, 2023) and determined that the estimated fair values for all goodwill reporting units exceeded their carrying values, therefore no impairment charges were necessary. The estimated fair value of the Company's SGK Brand Solutions reporting unit exceeded the carrying value (expressed as a percentage of carrying value) by approximately 9% as of January 1, 2023. In light of the limited excess fair value over carrying value and further declines experienced by the SGK Brand Solutions reporting unit, management determined that a triggering event occurred during the fourth quarter of fiscal 2023, resulting in an interim assessment of goodwill for the reporting unit, as of September 1, 2023. The results of this review indicated that the estimated fair value of the Company's SGK Brand Solutions reporting unit exceeded the carrying value (expressed as a percentage of carrying value) by approximately 4%. The fair value for the reporting unit was determined using level 3 inputs (including estimates of revenue growth, EBITDA contribution and the discount rates) and a combination of the income approach using the estimated discounted cash flows and a market-based valuation methodology. If current projections are not achieved or specific valuation factors outside the Company's control (such as discount rates and continued economic and industry challenges) significantly change, additional goodwill write-downs may be necessary in future periods.

In fiscal 2022, in its assessment of the potential impacts of weakened economic conditions (particularly in Europe), increases in the cost of certain materials, labor, and other inflation-related pressures, and unfavorable changes in foreign exchange rates on the estimated future earnings and cash flows for the SGK Brand Solutions reporting unit, and in light of the limited excess fair value over carrying value for this reporting unit, management determined a triggering event occurred, resulting in a re-evaluation of goodwill for the reporting unit, as of September 1, 2022. As a result of this interim assessment, the Company recorded a goodwill write-down totaling \$82.5 million during the fiscal 2022 fourth quarter. Subsequent to this write-down, the fair value of the SGK Brand Solutions reporting unit approximated its carrying value at September 1, 2022. The fair value for the reporting unit was determined using level 3 inputs (including estimates of revenue growth, EBITDA contribution and the discount rates) and a combination of the income approach using the estimated discounted cash flows and a market-based valuation methodology.

**Income Taxes:**

Deferred tax assets and liabilities are provided for the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (continued)**

income taxes have not been provided on undistributed earnings of foreign subsidiaries since they have either been previously taxed, or are exempt from tax, or such earnings are considered to be reinvested indefinitely in foreign operations.

**INFLATION:**

Recent labor cost increases and other inflation-related pressures have had an unfavorable impact on the Company's results of operations (see "Results of Operations"). Although recent economic conditions increase the level of uncertainty in the Company's near-term outlook, inflation is not currently anticipated to have a material impact on a long-term basis.

**RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS:**

Refer to Note 3, "Accounting Pronouncements" in Item 8 - "Financial Statements and Supplementary Data," for further details on recently issued accounting pronouncements.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK:**

The following discussion about the Company's market risk involves forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. The Company has market risk related to changes in interest rates, commodity prices and foreign currency exchange rates. The Company does not generally use derivative financial instruments in connection with these market risks, except as noted below.

**Interest Rates** - The Company's most significant long-term instrument is the domestic credit facility. U.S. dollar denominated debt under the domestic credit facility bears interest at variable rates based on SOFR (LIBOR for periods prior to March 2023).

The following table presents information related to interest rate contracts entered into by the Company and designated as cash flow hedges:

	<b>September 30, 2023</b>	<b>September 30, 2022</b>
	<i>(Dollar amounts in thousands)</i>	
Pay fixed swaps - notional amount	\$ 175,000	\$ 125,000
Weighted-average maturity period (years)	4.1	3.1
Weighted-average received rate	5.32 %	3.14 %
Weighted-average pay rate	3.83 %	1.04 %

The interest rate swaps have been designated as cash flow hedges of the future variable interest payments which are considered probable of occurring. Based on the Company's assessment, all the critical terms of each of the hedges matched the underlying terms of the hedged debt and related forecasted interest payments, and as such, these hedges were considered highly effective.

The fair value of the interest rate swaps reflected a net unrealized gain of \$4.0 million (\$3.0 million after-tax) at September 30, 2023 that is included in equity as part of AOCI. A hypothetical decrease of 10% in market interest rates (e.g., a decrease from 5.0% to 4.5%) would result in a decrease of approximately \$502,000 in the fair value of the interest rate swaps.

**Foreign Currency Exchange Rates** - The Company is subject to changes in various foreign currency exchange rates, primarily including the Euro, British Pound, Canadian Dollar, and Australian Dollar in the conversion from local currencies to the U.S. dollar of the reported financial position and operating results of its non-U.S. based subsidiaries. An adverse change (strengthening U.S. dollar) of 10% in exchange rates would have resulted in a decrease in reported sales of \$69.5 million and a decrease in reported operating income of \$3.4 million for the year ended September 30, 2023.

As of September 30, 2023, the Company had a foreign currency derivative contract (U.S. Dollar/Euro cross currency swap) with a notional amount of \$81.4 million designated as a net investment hedge of foreign operations. The net unrealized loss for this swap contract at September 30, 2023 was of \$2.1 million (net of income taxes of \$701,000). As of September 30, 2023, the potential gain or loss in the fair value of the swap contract assuming a hypothetical 10% fluctuation in the market rates would be approximately \$9.0 million.

**Commodity Price Risks** - In the normal course of business, the Company is exposed to commodity price fluctuations related to the purchases of certain materials and supplies (such as bronze ingot, steel, granite, fuel and wood) used in its manufacturing operations. The Company obtains competitive prices for materials and supplies when available. In addition, based on competitive market conditions and to the extent that the Company has established pricing terms with customers through contracts or similar arrangements, the Company's ability to immediately increase the price of its products to offset the increased costs may be limited.

**Actuarial Assumptions** - As of September 30, 2023, all of the Company's defined benefit plans are unfunded. The most significant actuarial assumption affecting pension expense and pension obligations is discount rates. A hypothetical decrease of 1% in discount rates would result in an increase of approximately \$2.1 million in the projected benefit obligation. Refer to Note 15, "Pension and Other Postretirement Plans" in Item 8 – "Financial Statements and Supplementary Data" for additional information.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**

<b>Description</b>	<b>Pages</b>
Management's Report to Shareholders	<a href="#">36</a>
Report of Independent Registered Public Accounting Firm (PCAOB ID:42)	<a href="#">37</a>
Report of Independent Registered Public Accounting Firm	<a href="#">38</a>
Financial Statements:	
Consolidated Balance Sheets as of September 30, 2023 and 2022	<a href="#">40</a>
Consolidated Statements of Income (Loss) for the years ended September 30, 2023, 2022 and 2021	<a href="#">42</a>
Consolidated Statements of Comprehensive Income (Loss) for the years ended September 30, 2023, 2022 and 2021	<a href="#">43</a>
Consolidated Statements of Shareholders' Equity for the years ended September 30, 2023, 2022 and 2021	<a href="#">44</a>
Consolidated Statements of Cash Flows for the years ended September 30, 2023, 2022 and 2021	<a href="#">45</a>
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Financial Statement Schedule – Schedule II-Valuation and Qualifying Accounts for the years ended September 30, 2023, 2022 and 2021	<a href="#">75</a>

## MANAGEMENT'S REPORT TO SHAREHOLDERS

To the Shareholders and the Board of Directors of  
Matthews International Corporation

### Management's Report on Financial Statements

The accompanying consolidated financial statements of Matthews International Corporation and its subsidiaries (collectively, the "Company") were prepared by management, which is responsible for their integrity and objectivity. The statements were prepared in accordance with generally accepted accounting principles and include amounts that are based on management's best judgments and estimates. The other financial information included in this Annual Report on Form 10-K is consistent with that in the financial statements.

### Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company, as such term is defined in Exchange Act Rule 13a-15f. In order to evaluate the effectiveness of internal control over financial reporting management has conducted an assessment using the criteria in *Internal Control – Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Internal controls over financial reporting is a process under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by the Company's board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's internal control over financial reporting based on criteria in *Internal Control – Integrated Framework (2013)* issued by the COSO, and has concluded that the Company maintained effective internal control over financial reporting as of September 30, 2023. The effectiveness of the Company's internal control over financial reporting as of September 30, 2023 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

### Management's Certifications

The certifications of the Company's Chief Executive Officer and Chief Financial Officer required by the Sarbanes-Oxley Act have been included as Exhibits 31 and 32 in this Annual Report on Form 10-K.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of  
Matthews International Corporation

### Opinion on Internal Control Over Financial Reporting

We have audited Matthews International Corporation and Subsidiaries' internal control over financial reporting as of September 30, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Matthews International Corporation and Subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of September 30, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of September 30, 2023 and 2022, the related consolidated statements of income (loss), comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended September 30, 2023, and the related notes and the financial statement schedule listed in the Index at Item 15(a)2 and our report dated November 17, 2023 expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania  
November 17, 2023

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of  
Matthews International Corporation

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Matthews International Corporation and Subsidiaries (the Company) as of September 30, 2023 and 2022, the related consolidated statements of income (loss), comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended September 30, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(a)2 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 17, 2023 expressed an unqualified opinion thereon.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Description of the Matter*

***Valuation of SGK Brand Solutions Reporting Unit Goodwill***

As more fully described in Note 22 to the consolidated financial statements, during 2023, the Company performed its annual goodwill impairment test as of January 1, 2023 and determined that the estimated fair value of the SGK Brand Solutions reporting unit, within the SGK Brand Solutions segment, exceeded the carrying value (expressed as a percentage of carrying value) by approximately 9%. Because of the limited excess fair value over carrying value and further declines experienced by the SGK Brand Solutions reporting unit, the Company determined that a triggering event occurred during the fourth quarter of fiscal 2023, resulting in an interim assessment of goodwill for the reporting unit as of September 1, 2023. The results of this review indicated that the estimated fair value of the Company's SGK Brand Solutions reporting unit exceeded the carrying value (expressed as a percentage of carrying value) by approximately 4%. The Company utilized a combination of the income approach using the estimated discounted cash flows and a market-based valuation methodology. Significant assumptions used in the Company's fair value estimate included estimates of revenue growth, EBITDA contribution and the discount rates.

Auditing the annual and interim goodwill impairment analyses was complex, as it included estimating the fair value of the reporting unit. In particular, the fair value estimates are sensitive to the significant assumptions named above, which are affected by expected future market or economic conditions.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls over the Company's goodwill impairment review process. These controls include management's assessment of indicators of impairment, management's review of the assumptions utilized to develop the estimate, and management's verification of the completeness and accuracy of the underlying data utilized to project future operating results for the reporting unit.

To test the fair value of the reporting unit, our audit procedures included, among others, involving our valuation specialists to assist in assessing the valuation methodologies utilized by the Company and its valuation expert and testing the significant assumptions and underlying data used by the Company. We compared the significant assumptions used by management to current industry and economic trends, changes in the Company's business model, and other relevant factors. We also assessed the historical accuracy of management's estimates. We performed sensitivity analyses of significant assumptions to evaluate the sensitivity of the fair value of the reporting unit resulting from changes in key assumptions. We reviewed the reconciliation of the fair value of the reporting units to the market capitalization of the Company and assessed the resulting control premium.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2016.

Pittsburgh, Pennsylvania  
November 17, 2023

**MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**September 30, 2023 and 2022**  
*(Dollar amounts in thousands, except per share data)*

<b>ASSETS</b>	<b>2023</b>	<b>2022</b>
Current assets:		
Cash and cash equivalents	\$ 42,101	\$ 69,016
Accounts receivable, net of allowance for doubtful accounts of \$10,784 and \$10,138, respectively	207,526	221,015
Inventories	260,409	225,440
Restricted cash, current	—	2,398
Contract assets	74,646	48,210
Other current assets	63,575	62,537
<b>Total current assets</b>	<b>648,257</b>	<b>628,616</b>
Investments	24,988	25,976
Property, plant and equipment, net	270,326	256,065
Operating lease right-of-use-assets	71,629	71,974
Deferred income taxes	2,269	3,610
Goodwill	698,109	675,421
Other intangible assets, net	160,478	202,154
Other assets	11,325	18,955
<b>Total assets</b>	<b>\$ 1,887,381</b>	<b>\$ 1,882,771</b>

The accompanying notes are an integral part of these consolidated financial statements.

**MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS, continued**  
**September 30, 2023 and 2022**  
*(Dollar amounts in thousands, except per share data)*

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2023</b>	<b>2022</b>
<b>Current liabilities:</b>		
Long-term debt, current maturities	\$ 3,696	\$ 3,277
Current portion of operating lease liabilities	23,983	22,869
Trade accounts payable	114,316	121,359
Accrued compensation	58,872	58,272
Accrued income taxes	12,561	9,277
Contract liabilities	36,935	31,871
Other current liabilities	144,237	164,450
Total current liabilities	<u>394,600</u>	<u>411,375</u>
Long-term debt	786,484	795,291
Operating lease liabilities	50,189	51,445
Deferred income taxes	71,255	92,589
Other liabilities	59,572	44,995
Total liabilities	<u>1,362,100</u>	<u>1,395,695</u>
Shareholders' equity-Matthews:		
Class A common stock, \$1.00 par value; authorized 70,000,000 shares; 36,333,992 shares issued	36,334	36,334
Preferred stock, \$100 par value, authorized 10,000 shares, none issued	—	—
Additional paid-in capital	168,211	160,255
Retained earnings	714,727	706,749
Accumulated other comprehensive loss	(174,404)	(190,191)
Treasury stock, 5,864,778 and 6,035,940 shares, respectively, at cost	(219,200)	(225,795)
Total shareholders' equity-Matthews	<u>525,668</u>	<u>487,352</u>
Noncontrolling interests	(387)	(276)
Total shareholders' equity	<u>525,281</u>	<u>487,076</u>
Total liabilities and shareholders' equity	<u>\$ 1,887,381</u>	<u>\$ 1,882,771</u>

The accompanying notes are an integral part of these consolidated financial statements.

**MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
**for the years ended September 30, 2023, 2022 and 2021**  
*(Dollar amounts in thousands, except per share data)*

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Sales	\$ 1,880,896	\$ 1,762,403	\$ 1,671,030
Cost of sales	<u>(1,303,224)</u>	<u>(1,240,125)</u>	<u>(1,129,198)</u>
Gross profit	577,672	522,278	541,832
Selling expense	(140,119)	(128,362)	(130,199)
Administrative expense	(307,368)	(298,315)	(285,366)
Intangible amortization	(42,068)	(57,084)	(84,233)
Goodwill write-downs	<u>—</u>	<u>(82,454)</u>	<u>—</u>
Operating profit (loss)	88,117	(43,937)	42,034
Interest expense	(44,648)	(27,725)	(28,684)
Other income (deductions), net	<u>(2,559)</u>	<u>(32,557)</u>	<u>(4,117)</u>
Income (loss) before income taxes	40,910	(104,219)	9,233
Income tax (provision) benefit	<u>(1,774)</u>	<u>4,391</u>	<u>(6,375)</u>
Net income (loss)	39,136	(99,828)	2,858
Net loss attributable to noncontrolling interests	<u>155</u>	<u>54</u>	<u>52</u>
Net income (loss) attributable to Matthews shareholders	<u>\$ 39,291</u>	<u>\$ (99,774)</u>	<u>\$ 2,910</u>
Earnings (loss) per share attributable to Matthews shareholders:			
Basic	<u>\$ 1.28</u>	<u>\$ (3.18)</u>	<u>\$ 0.09</u>
Diluted	<u>\$ 1.26</u>	<u>\$ (3.18)</u>	<u>\$ 0.09</u>

The accompanying notes are an integral part of these consolidated financial statements.

**MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
for the years ended September 30, 2023, 2022 and 2021  
*(Dollar amounts in thousands)*

	Year Ended September 30, 2023		
	Matthews	Noncontrolling Interest	Total
Net income (loss)	\$ 39,291	\$ (155)	\$ 39,136
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustment	13,114	11	13,125
Pension plans and other postretirement benefits	1,578	—	1,578
Unrecognized gain (loss) on cash flow hedges:			
Net change from periodic revaluation	3,056	—	3,056
Net amount reclassified to earnings	(1,961)	—	(1,961)
Net change in unrecognized gain on cash flow hedges	1,095	—	1,095
Other comprehensive income, net of tax	15,787	11	15,798
Comprehensive income (loss)	<u>\$ 55,078</u>	<u>\$ (144)</u>	<u>\$ 54,934</u>

	Year Ended September 30, 2022		
	Matthews	Noncontrolling Interest	Total
Net loss	\$ (99,774)	\$ (54)	\$ (99,828)
Other comprehensive (loss) income, net of tax:			
Foreign currency translation adjustment	(48,059)	14	(48,045)
Pension plans and other postretirement benefits	41,112	—	41,112
Unrecognized gain on cash flow hedges:			
Net change from periodic revaluation	8,148	—	8,148
Net amount reclassified to earnings	1,347	—	1,347
Net change in unrecognized gain on cash flow hedges	9,495	—	9,495
Other comprehensive income, net of tax	2,548	14	2,562
Comprehensive loss	<u>\$ (97,226)</u>	<u>\$ (40)</u>	<u>\$ (97,266)</u>

	Year Ended September 30, 2021		
	Matthews	Noncontrolling Interest	Total
Net income (loss)	\$ 2,910	\$ (52)	\$ 2,858
Other comprehensive (loss) income, net of tax:			
Foreign currency translation adjustment	(3,370)	(127)	(3,497)
Pension plans and other postretirement benefits	47,024	—	47,024
Unrecognized gain on cash flow hedges:			
Net change from periodic revaluation	1,873	—	1,873
Net amount reclassified to earnings	2,453	—	2,453
Net change in unrecognized gain on cash flow hedges	4,326	—	4,326
Other comprehensive income (loss), net of tax	47,980	(127)	47,853
Comprehensive income (loss)	<u>\$ 50,890</u>	<u>\$ (179)</u>	<u>\$ 50,711</u>

The accompanying notes are an integral part of these consolidated financial statements.

**MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
for the years ended September 30, 2023, 2022 and 2021  
*(Dollar amounts in thousands, except per share data)*

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income (net of tax)	Treasury Stock	Non- controlling Interests	Total
Balance, September 30, 2020	\$ 36,334	\$ 135,187	\$ 859,002	\$ (240,719)	\$ (178,997)	\$ 626	\$ 611,433
Net income (loss)	—	—	2,910	—	—	(52)	2,858
Pension plans and other postretirement benefits	—	—	—	47,024	—	—	47,024
Translation adjustment	—	—	—	(3,370)	—	(127)	(3,497)
Fair value of cash flow hedges	—	—	—	4,326	—	—	4,326
Total comprehensive income	—	—	—	4,326	—	—	50,711
Stock-based compensation	—	15,581	—	—	—	—	15,581
Purchase of 380,109 shares of treasury stock	—	—	—	—	(11,858)	—	(11,858)
Issuance of 53,377 shares of treasury stock	—	(2,097)	—	—	2,097	—	—
Cancellation of 34,727 shares of treasury stock	—	1,981	—	—	(1,981)	—	—
Dividends	—	—	(27,704)	—	—	—	(27,704)
Transactions with noncontrolling interests	—	(1,168)	—	—	—	(592)	(1,760)
Balance, September 30, 2021	\$ 36,334	\$ 149,484	\$ 834,208	\$ (192,739)	\$ (190,739)	\$ (145)	\$ 636,403
Net loss	—	—	(99,774)	—	—	(54)	(99,828)
Pension plans and other postretirement benefits	—	—	—	41,112	—	—	41,112
Translation adjustment	—	—	—	(48,059)	—	14	(48,045)
Fair value of cash flow hedges	—	—	—	9,495	—	—	9,495
Total comprehensive loss	—	—	—	9,495	—	—	(97,266)
Stock-based compensation	—	17,432	—	—	—	—	17,432
Purchase of 1,363,785 shares of treasury stock	—	—	—	—	(41,717)	—	(41,717)
Issuance of 223,033 shares of treasury stock	—	(8,767)	—	—	8,767	—	—
Cancellation of 31,309 shares of treasury stock	—	2,106	—	—	(2,106)	—	—
Dividends	—	—	(27,685)	—	—	—	(27,685)
Divestiture	—	—	—	—	—	(91)	(91)
Balance, September 30, 2022	\$ 36,334	\$ 160,255	\$ 706,749	\$ (190,191)	\$ (225,795)	\$ (276)	\$ 487,076
Net income (loss)	—	—	39,291	—	—	(155)	39,136
Pension plans and other postretirement benefits	—	—	—	1,578	—	—	1,578
Translation adjustment	—	—	—	13,114	—	11	13,125
Fair value of cash flow hedges	—	—	—	1,095	—	—	1,095
Total comprehensive income	—	—	—	1,095	—	—	54,934
Stock-based compensation	—	17,308	—	—	—	—	17,308
Purchase of 99,829 shares of treasury stock	—	—	—	—	(2,857)	—	(2,857)
Issuance of 305,318 shares of treasury stock	—	(11,310)	—	—	11,410	—	100
Cancellation of 34,327 shares of treasury stock	—	1,958	—	—	(1,958)	—	—
Dividends	—	—	(31,313)	—	—	—	(31,313)
Transactions with noncontrolling interests	—	—	—	—	—	33	33
Balance, September 30, 2023	\$ 36,334	\$ 168,211	\$ 714,727	\$ (174,404)	\$ (219,200)	\$ (387)	\$ 525,281

The accompanying notes are an integral part of these consolidated financial statements.

**MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**for the years ended September 30, 2023, 2022 and 2021**  
*(Dollar amounts in thousands)*

	2023	2022	2021
Cash flows from operating activities:			
Net income (loss)	\$ 39,136	\$ (99,828)	\$ 2,858
Adjustments to reconcile net income (loss) to net cash flows from operating activities:			
Depreciation and amortization	96,530	104,056	133,512
Stock-based compensation expense	17,308	17,432	15,581
Deferred tax (benefit) provision	(21,626)	(32,962)	4,158
Gain on divestitures and sale of assets, net	(2,980)	(3,390)	(412)
Asset write-downs	—	10,050	—
Goodwill write-downs	—	82,454	—
Defined benefit plan settlement losses	1,271	30,856	—
Defined benefit plan settlement payments	(24,242)	(35,706)	—
Proceeds from the settlement of cash flow hedges	10,474	—	—
Changes in working capital items	(35,503)	29,590	12,982
Decrease in other assets	9,339	20,093	15,115
Decrease in other liabilities	(8,863)	(9,699)	(16,346)
Other operating activities, net	(1,320)	13,914	(4,637)
Net cash provided by operating activities	<u>79,524</u>	<u>126,860</u>	<u>162,811</u>
Cash flows from investing activities:			
Capital expenditures	(50,598)	(61,321)	(34,313)
Acquisitions, net of cash acquired	(15,341)	(44,469)	(15,623)
Purchases of investments	(1,606)	(2,198)	—
Proceeds from sale of assets	2,120	4,955	2,776
Proceeds from divestitures	6,700	344	—
Proceeds from sale of investments	—	8,771	34,167
Proceeds from the settlement of net investment hedges	—	13,066	—
Net cash used in investing activities	<u>(58,725)</u>	<u>(80,852)</u>	<u>(12,993)</u>
Cash flows from financing activities:			
Proceeds from long-term debt	865,747	777,809	625,628
Payments on long-term debt	(883,971)	(742,121)	(702,395)
Purchases of treasury stock	(2,857)	(41,717)	(11,858)
Dividends	(28,202)	(27,685)	(27,704)
Acquisition holdback and contingent consideration payments	—	(725)	(1,781)
Transactions with noncontrolling interests	—	—	(1,760)
Other financing activities	(912)	(2,774)	(2,982)
Net cash used in financing activities	<u>(50,195)</u>	<u>(37,213)</u>	<u>(122,852)</u>
Effect of exchange rate changes on cash	<u>83</u>	<u>(5,724)</u>	<u>43</u>
Net change in cash, cash equivalents and restricted cash	(29,313)	3,071	27,009
Cash, cash equivalents and restricted cash at beginning of year	<u>71,414</u>	<u>68,343</u>	<u>41,334</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 42,101</u>	<u>\$ 71,414</u>	<u>\$ 68,343</u>
Cash paid during the year for:			
Interest	\$ 43,525	\$ 27,411	\$ 28,824
Income taxes	18,014	13,647	9,166

The accompanying notes are an integral part of these consolidated financial statements.

**MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

*(Dollar amounts in thousands, except per share data)*

**1. NATURE OF OPERATIONS:**

Matthews International Corporation ("Matthews" or the "Company"), founded in 1850 and incorporated in Pennsylvania in 1902, is a global provider of memorialization products, industrial technologies and brand solutions. The Company manages its businesses under three segments: Memorialization, Industrial Technologies and SGK Brand Solutions. Memorialization products consist primarily of bronze and granite memorials and other memorialization products, caskets, cremation-related products, and cremation and incineration equipment primarily for the cemetery and funeral home industries. Industrial Technologies includes the design, manufacturing, service and distribution of high-tech custom energy storage solutions; product identification and warehouse automation technologies and solutions, including order fulfillment systems for identifying, tracking, picking and conveying consumer and industrial products; and coating and converting lines for the packaging, pharma, foil, décor and tissue industries. SGK Brand Solutions consists of brand management, pre-media services, printing plates and cylinders, imaging services, digital asset management, merchandising display systems, and marketing and design services primarily for the consumer goods and retail industries.

The Company has facilities in North America, Europe, Asia, Australia, and Central and South America.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Principles of Consolidation:**

The consolidated financial statements include all domestic and foreign subsidiaries in which the Company maintains an ownership interest and has operating control and any variable interest entities for which the Company is the primary beneficiary. Investments in certain companies over which the Company exerts significant influence, but does not control the financial and operating decisions, are accounted for as equity method investments. Investments in certain companies over which the Company does not exert significant influence are accounted for as cost-method investments. All intercompany accounts and transactions have been eliminated.

**Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash, Cash Equivalents and Restricted Cash:**

The Company considers all investments purchased with a remaining maturity of three months or less to be cash equivalents. Restricted cash represents amounts held for specific purposes, which are not available for general business use. The carrying amount of cash, cash equivalents and restricted cash approximates fair value due to the short-term maturities of these instruments.

**Trade Receivables and Allowance for Doubtful Accounts:**

Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest, although a finance charge may be applied to such receivables that are more than 30 days past due. The allowance for doubtful accounts is based on an evaluation of historical collection experience, the aging of accounts receivable, and economic trends and forecasts, and also reflects adjustments for specific customer accounts for which available facts and circumstances indicate collectability may be uncertain.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Dollar amounts in thousands, except per share data)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

#### Inventories:

Inventories are stated at the lower of cost or net realizable value with cost generally determined under the average cost method. Inventory costs include material, labor, and applicable manufacturing overhead (including depreciation) and other direct costs. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

#### Property, Plant and Equipment:

Property, plant and equipment are carried at cost. Depreciation is computed primarily on the straight-line method over the estimated useful lives of the assets, which generally range from 10 to 45 years for buildings and 3 to 12 years for machinery and equipment. Gains or losses from the disposition of assets are reflected in operating profit. The cost of maintenance and repairs is charged to expense as incurred. Renewals and betterments of a nature considered to extend the useful lives of the assets are capitalized. Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets is determined by evaluating the estimated undiscounted net cash flows of the operations to which the assets relate. An impairment loss would be recognized when the carrying amount of the assets exceeds the fair value, which is based on a discounted cash flow analysis. No such charges were recognized during the years presented, except as disclosed in Note 23, "Asset Write-Downs."

#### Leases:

A lease exists at contract inception if the contract conveys the right to control an identified asset for a period of time in exchange for consideration. Control is considered to exist when the lessee has the right to obtain substantially all of the economic benefits from the use of an identified asset, as well as the right to direct the use of that asset. If a contract is considered to be a lease, the Company recognizes a lease liability based on the present value of the future lease payments, and a corresponding right-of-use ("ROU") asset. As a majority of the Company's leases do not provide an implicit interest rate within the lease, an incremental borrowing rate is used to determine the ROU asset and lease liability which is based on information available at the commencement date. Options to purchase, extend or terminate a lease are included in the ROU asset and lease liability when it is reasonably certain an option will be exercised. Renewal options are most prevalent in the Company's real estate leases. In general, the Company has not included renewal options for leases in the ROU asset and lease liability because the likelihood of renewal is not considered to be reasonably certain. In addition, leases may include variable lease payments, for items such as maintenance and utilities, which are expensed as incurred as variable lease expense.

The Company applies the practical expedient to not separate lease components from non-lease components for all asset classes. In addition, the Company applies the practical expedient to utilize a portfolio approach for certain equipment asset classes, primarily information technology, as the application of the lease model to the portfolio would not differ materially from the application of the lease model to the individual leases within the portfolio.

There are two types of leases, operating leases and finance leases. Lease classification is determined at lease commencement. Leases not meeting the finance lease criteria are classified as operating leases. ROU assets and corresponding lease liabilities are recorded on the Consolidated Balance Sheet. ROU assets for operating leases are classified in other assets, and ROU assets for finance leases are classified in property, plant and equipment, net on the Consolidated Balance Sheet. For operating leases, short-term lease liabilities are classified in other current liabilities, and long-term lease liabilities are classified in other liabilities on the Consolidated Balance Sheet. For finance leases, short-term lease liabilities are classified in long-term debt, current maturities, and long-term lease liabilities are classified in long-term debt on the Consolidated Balance Sheet. Leases with an initial lease term of twelve months or less have not been recognized on the Consolidated Balance Sheet.

Lease expense for operating leases is recognized on a straight-line basis over the lease term as an operating expense, while the expense for finance leases is recognized as depreciation expense and interest expense using the interest method of recognition. On the cash flow statement, payments for operating leases are classified as operating activities. Payments for finance leases are classified as a financing activity, with the exception of the interest component of the payment which is classified as an operating activity.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Dollar amounts in thousands, except per share data)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

#### Goodwill and Other Intangible Assets:

Intangible assets with finite useful lives are amortized over their estimated useful lives, ranging from 2 to 15 years, and are reviewed when appropriate for possible impairment, similar to property, plant and equipment. Goodwill and intangible assets with indefinite lives are not amortized, but are tested annually for impairment, or when circumstances indicate that a possible impairment may exist. In general, when the carrying value of these assets exceeds the implied fair value, an impairment loss must be recognized. A significant decline in cash flows generated from these assets may result in a write-down of the carrying values of the related assets. For purposes of testing goodwill for impairment, the Company uses a combination of valuation techniques, including discounted cash flows and other market indicators. For purposes of testing indefinite-lived intangible assets, the Company generally uses a relief from royalty method.

#### Pension and Other Postretirement Plans:

Pension liabilities are determined on an actuarial basis and are affected by the discount rate used to determine the present value of benefit obligations which will affect the amount of pension cost. Differences between actual and expected results or changes in the value of the obligations are initially recognized through other comprehensive income and subsequently amortized to the Consolidated Statement of Income.

#### Environmental:

Costs that mitigate or prevent future environmental issues or extend the life or improve equipment utilized in current operations are capitalized and depreciated on a straight-line basis over the estimated useful lives of the related assets. Costs that relate to current operations or an existing condition caused by past operations are expensed. Environmental liabilities are recorded when the Company's obligation is probable and reasonably estimable. Accruals for losses from environmental remediation obligations do not consider the effects of inflation, and anticipated expenditures are not discounted to their present value.

#### Derivatives and Hedging:

Derivatives are generally held as part of a formal documented hedging program. All derivatives are held for purposes other than trading. Matthews measures effectiveness by formally assessing, at least quarterly, the historical and probable future high correlation of changes in the fair value or future cash flows of the hedged item. If the hedging relationship ceases to be highly effective or it becomes probable that an expected transaction will no longer occur, gains and losses on the derivative will be recorded in other income (deductions) at that time.

Changes in the fair value of derivatives designated as cash flow hedges are recorded in other comprehensive income (loss) ("OCI"), net of tax, and are reclassified to earnings in a manner consistent with the underlying hedged item. The cash flows from hedging activities are recognized in the statement of cash flows in a manner consistent with the underlying hedged item.

#### Foreign Currency:

The functional currency of the Company's foreign subsidiaries is generally the local currency. Balance sheet accounts for foreign subsidiaries are translated into U.S. dollars at exchange rates in effect at the consolidated balance sheet date. Gains or losses that result from this process are recorded in accumulated other comprehensive income (loss). The revenue and expense accounts of foreign subsidiaries are translated into U.S. dollars at the average exchange rates that prevailed during the period. Realized gains and losses from foreign currency transactions are presented in the Statement of Income in a consistent manner with the underlying transaction based upon the provisions of Accounting Standards Codification ("ASC") 830 "Foreign Currency Matters."

The Company applies highly inflationary accounting for subsidiaries when the cumulative inflation rate for a three-year period meets or exceeds 100 percent. Under highly inflationary accounting, the financial statements of these subsidiaries are remeasured into the Company's reporting currency (U.S. dollar) and exchange gains and losses from the remeasurement of monetary assets and liabilities are reflected in current earnings, rather than accumulated other comprehensive loss on the Consolidated Balance Sheets, until such time as the applicable economy is no longer considered highly inflationary.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Dollar amounts in thousands, except per share data)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Effective April 1, 2022, the Company applies highly inflationary accounting to its Turkish subsidiaries. As of September 30, 2023 and 2022, the Company had net monetary assets related to its Turkish subsidiaries of \$4,271 and \$5,022, respectively. Exchange losses related to highly inflationary accounting totaled \$1,360 and \$1,473 in fiscal 2023 and 2022, respectively, and were included in the Consolidated Statements of Income within other income (deductions), net.

#### **Comprehensive Income (Loss):**

Comprehensive income (loss) consists of net income adjusted for changes, net of any related income tax effect, in cumulative foreign currency translation, the fair value of cash flow hedges, unrealized investment gains and losses and remeasurement of pension and other postretirement liabilities.

#### **Treasury Stock:**

Treasury stock is carried at cost. The cost of treasury shares sold is determined under the average cost method.

#### **Revenue Recognition:**

Revenue is recognized when control of a good or service promised in a contract (i.e., performance obligation) is transferred to a customer. Control is obtained when a customer has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. For substantially all transactions, control passes in accordance with agreed upon delivery terms, including in certain circumstances, customer acceptance. Transaction price, for revenue recognition, is allocated to each performance obligation consisting of the stand alone selling price for goods and services, as well as warranties. Transaction price also reflects estimates of rebates, other sales or contract renewal incentives, cash discounts and sales returns ("Variable Consideration"). Estimates are made for Variable Consideration based on contract terms and historical experience of actual results and are applied to the performance obligations as they are satisfied. The Company elected to apply the practical expedient under Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* which exempts the adjustment of the consideration for the existence of a significant financing component when the period between the transfer of the services and the payment for such services is one year or less. Each product or service delivered to a third-party customer is considered to satisfy a performance obligation. Performance obligations generally occur at a point in time and are satisfied when control of the goods passes to the customer. Certain revenue related to mausoleum construction and significant engineering projects, including purpose-built engineered products (primarily in support of the electric vehicle and energy storage solutions industries), cremation and incineration projects, and product identification and warehouse automation projects, are recognized over time using the input method measuring progress toward completion of such projects. Contract assets include unbilled amounts resulting from sales under contracts where revenue is recognized over time and revenue exceeds the amount that can be billed to the customer based on the terms of the contract. Contract liabilities include customer deposits that are made prior to the satisfaction of performance obligations for a contract. The Company is entitled to collection of the sales price under normal credit terms in the regions in which it operates. Refer to Note 4, "Revenue Recognition," for a further discussion.

#### **Shipping and Handling Fees and Costs:**

All fees billed to the customer for shipping and handling are classified as a component of net revenues. All costs associated with shipping and handling are classified as a component of cost of sales or selling expense.

#### **Research and Development Expenses:**

Research and development costs are expensed as incurred and were approximately \$15,560, \$15,536 and \$13,206 for the years ended September 30, 2023, 2022 and 2021, respectively.

#### **Stock-Based Compensation:**

Stock-based compensation cost is measured at grant date, based on the fair value of the award, and is recognized as expense over the employee requisite service period.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Dollar amounts in thousands, except per share data)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

#### Income Taxes:

Deferred tax assets and liabilities are provided for the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred income taxes have not been provided on undistributed earnings of foreign subsidiaries since they have either been previously taxed, or are exempt from tax, or such earnings are considered to be reinvested indefinitely in foreign operations.

#### Earnings Per Share:

Basic earnings per share is computed by dividing net income by the average number of common shares outstanding. Diluted earnings per share is computed using the treasury stock method, which assumes the issuance of common stock for all dilutive securities.

### 3. ACCOUNTING PRONOUNCEMENTS:

#### Issued

In October 2021, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2021-08, *Business Combinations (Topic 805)* which improves the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency related to recognition of an acquired contract asset/liability, and payment terms and their effect on subsequent revenue recognized by the acquirer. This ASU is effective for the Company beginning in interim periods starting in fiscal 2024. While the impact of this ASU is dependent on the nature of any future transactions, the Company currently does not expect this ASU to have a significant impact on its consolidated financial statements.

In September 2022, the FASB issued ASU No. 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50)* which enhances the transparency of supplier finance programs by addressing disclosure requirements. Specifically, the amendment requires disclosure of key program terms, amounts outstanding, balance sheet presentation, and a rollforward of amounts outstanding during the annual period. The ASU will be effective beginning in the first quarter of fiscal 2024, except for the rollforward requirement, which is effective in fiscal year 2025. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

#### Adopted

In July 2023, the FASB issued ASU No. 2023-03, *Presentation of Financial Statements (Topic 205), Income Statement—Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation—Stock Compensation (Topic 718): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 120, SEC Staff Announcement at the March 24, 2022 EITF Meeting, and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280—General Revision of Regulation S-X: Income or Loss Applicable to Common Stock (SEC Update)* which enhances the transparency of stock based compensation and material nonpublic information at the time of a grant. The adoption of this ASU in the fourth quarter of fiscal 2023 had no material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-14, *Compensation - Retirement Benefits - Defined Benefit Plans - General (Subtopic 715-20)* which modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The adoption of this ASU in the first quarter ended December 31, 2020 had no material impact on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)*, which provides financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each report date. Subsequently, the FASB issued ASU No. 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses* and ASU No. 2020-02, *Financial Instruments—Credit Losses (Topic 326) and Leases (Topic 842)*, that provide certain amendments to the new guidance. The adoption of these ASUs in the first quarter ended December 31, 2020 had no material impact on the Company's consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollar amounts in thousands, except per share data)

**3. ACCOUNTING PRONOUNCEMENTS, (continued)**

The following table summarizes the activity for the accounts receivable allowance for doubtful accounts for the years ended September 30, 2023, 2022 and 2021.

Description	Balance at Beginning of Period	Charged to Expense	Charged to other Accounts	Deductions <sup>(1)</sup>	Balance at End of Period
<b>Allowance for Doubtful Accounts:</b>					
Fiscal Year Ended:					
September 30, 2023	\$ 10,138	\$ 1,625	\$ —	\$ (979)	\$ 10,784
September 30, 2022	10,654	1,368	—	(1,884)	10,138
September 30, 2021	9,618	2,182	—	(1,146)	10,654

<sup>(1)</sup> Amounts determined not to be collectible (including direct write-offs), net of recoveries.

**4. REVENUE RECOGNITION:**

The Company disaggregates revenue from contracts with customers by geography, as it believes geographic regions best depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Disaggregated sales by segment and region for the years ended September 30, 2023, 2022 and 2021 were as follows:

	North America	Central and South America	Europe	Australia	Asia	Consolidated
<b>Memorialization:</b>						
2023	\$ 799,153	\$ —	\$ 32,745	\$ 11,099	\$ —	\$ 842,997
2022	788,791	—	41,184	10,149	—	840,124
2021	710,926	—	47,858	10,232	—	769,016
<b>Industrial Technologies:</b>						
2023	\$ 164,334	\$ —	\$ 333,759	\$ —	\$ 7,658	\$ 505,751
2022	155,977	—	172,985	—	6,561	335,523
2021	142,516	—	135,612	—	6,367	284,495
<b>SGK Brand Solutions:</b>						
2023	\$ 255,751	\$ 5,260	\$ 206,232	\$ 8,814	\$ 56,091	\$ 532,148
2022	285,499	4,729	230,437	11,057	55,034	586,756
2021	287,954	5,036	262,804	13,336	48,389	617,519
<b>Consolidated:</b>						
2023	\$ 1,219,238	\$ 5,260	\$ 572,736	\$ 19,913	\$ 63,749	\$ 1,880,896
2022	1,230,267	4,729	444,606	21,206	61,595	1,762,403
2021	1,141,396	5,036	446,274	23,568	54,756	1,671,030

Revenue from products or services provided to customers over time accounted for approximately 15%, 12%, and 11% of revenue for the years ended September 30, 2023, 2022, and 2021, respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollar amounts in thousands, except per share data)

**5. FAIR VALUE MEASUREMENTS:**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three level fair value hierarchy is used to prioritize the inputs used in valuations, as defined below:

- Level 1: Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

As of September 30, 2023 and 2022, the fair values of the Company's assets and liabilities measured on a recurring basis were categorized as follows:

	<b>September 30, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Derivatives <sup>(1)</sup>	\$ —	\$ 4,006	\$ —	\$ 4,006
Equity and fixed income mutual funds	—	699	—	699
Life insurance policies	—	4,926	—	4,926
<b>Total assets at fair value</b>	<b>\$ —</b>	<b>\$ 9,631</b>	<b>\$ —</b>	<b>\$ 9,631</b>
<b>Liabilities:</b>				
Derivatives <sup>(1)</sup>	\$ —	\$ 2,766	\$ —	\$ 2,766
<b>Total liabilities at fair value</b>	<b>\$ —</b>	<b>\$ 2,766</b>	<b>\$ —</b>	<b>\$ 2,766</b>

	<b>September 30, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Derivatives <sup>(1)</sup>	\$ —	\$ 14,421	\$ —	\$ 14,421
Equity and fixed income mutual funds	—	—	—	—
Life insurance policies	—	4,439	—	4,439
<b>Total assets at fair value</b>	<b>\$ —</b>	<b>\$ 18,860</b>	<b>\$ —</b>	<b>\$ 18,860</b>

<sup>(1)</sup> Interest rate swaps and cross currency swaps are valued based on observable market swap rates and are classified within Level 2 of the fair value hierarchy.

The carrying values for other financial assets and liabilities approximated fair value for the years ended September 30, 2023 and 2022.

**6. INVENTORIES:**

Inventories at September 30, 2023 and 2022 consisted of the following:

	<b>2023</b>	<b>2022</b>
Raw materials	\$ 70,451	\$ 52,586
Work in process	108,400	94,804
Finished goods	81,558	78,050
	<b>\$ 260,409</b>	<b>\$ 225,440</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollar amounts in thousands, except per share data)

**7. INVESTMENTS:**

At September 30, 2023 and 2022, non-current investments were as follows:

	<u>2023</u>	<u>2022</u>
Equity and fixed income mutual funds	\$ 699	\$ —
Life insurance policies	4,926	4,439
Equity-method investments	323	2,729
Other (primarily cost-method) investments	19,040	18,808
	<u>\$ 24,988</u>	<u>\$ 25,976</u>

During fiscal 2023, the Company purchased the remaining ownership interest in a small Industrial Technologies business, which was previously held as an equity-method investment. See Note 21, "Acquisitions and Divestitures."

**8. PROPERTY, PLANT AND EQUIPMENT:**

Property, plant and equipment and the related accumulated depreciation at September 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Buildings	\$ 144,585	\$ 137,827
Machinery, equipment and other	493,313	477,004
	637,898	614,831
Less accumulated depreciation	(416,663)	(404,548)
	221,235	210,283
Land	20,943	20,209
Construction in progress	28,148	25,573
	<u>\$ 270,326</u>	<u>\$ 256,065</u>

Depreciation expense, including amortization of assets under finance lease, was \$54,462, \$46,972 and \$49,279 for each of the three years ended September 30, 2023, 2022 and 2021, respectively.

**9. DEBT AND FINANCING ARRANGEMENTS:**

Long-term debt at September 30, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Revolving credit facilities	\$ 463,168	\$ 480,107
2025 Senior Notes	298,500	297,961
Other borrowings	19,241	13,434
Finance lease obligations	9,271	7,066
Total debt	790,180	798,568
Less current maturities	(3,696)	(3,277)
Long-term debt	<u>\$ 786,484</u>	<u>\$ 795,291</u>

The Company has a domestic credit facility with a syndicate of financial institutions that includes a \$750,000 senior secured revolving credit facility, which matures in March 2025. A portion of the revolving credit facility (not to exceed \$350,000) can be drawn in foreign currencies. In March 2023, an amendment to the domestic credit facility implemented SOFR as the replacement of LIBOR as the benchmark interest rate under the facility. The Company accounted for the change in reference rate as a non-substantial modification. Borrowings under the revolving credit facility now bear interest at SOFR, plus a 0.10% per annum rate spread adjustment, plus a factor ranging from 0.75% to 2.00% (1.25% at September 30, 2023) based on the Company's secured leverage ratio. Previously, borrowings under the revolving credit facility bore interest at LIBOR plus a factor ranging from 0.75% to 2.00% based on the Company's secured leverage ratio. The secured leverage ratio is defined as net secured indebtedness divided by EBITDA (earnings before interest, income taxes, depreciation and amortization) as defined within the domestic credit facility agreement. The Company is required to pay an annual commitment fee ranging from 0.15%

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

*(Dollar amounts in thousands, except per share data)*

**9. DEBT AND FINANCING ARRANGEMENTS, (continued)**

to 0.30% (based on the Company's leverage ratio) of the unused portion of the revolving credit facility. The Company incurred debt issuance costs in connection with the domestic credit facility. Unamortized costs were \$949 and \$1,522 at September 30, 2023 and September 30, 2022, respectively.

The domestic credit facility requires the Company to maintain certain leverage and interest coverage ratios. A portion of the facility (not to exceed \$55,000) is available for the issuance of trade and standby letters of credit. Outstanding U.S. dollar denominated borrowings on the revolving credit facility at September 30, 2023 and 2022 were \$405,000 and \$427,960, respectively. Outstanding Euro denominated borrowings on the revolving credit facility at September 30, 2023 and 2022 were €55.0 million (\$58,168) and €45.0 million (\$44,097), respectively. The weighted-average interest rate on outstanding borrowings for the domestic credit facility (including the effects of interest rate swaps and Euro denominated borrowings) at September 30, 2023 and 2022 was 5.95% and 3.13%, respectively.

The Company has \$299,625 of 5.25% senior unsecured notes due December 1, 2025 (the "2025 Senior Notes"). The 2025 Senior Notes bear interest at a rate of 5.25% per annum with interest payable semi-annually in arrears on June 1 and December 1 of each year. The Company's obligations under the 2025 Senior Notes are guaranteed by certain of the Company's direct and indirect wholly-owned domestic subsidiaries. The Company is subject to certain covenants and other restrictions in connection with the 2025 Senior Notes. The Company incurred direct financing fees and costs in connection with 2025 Senior Notes. Unamortized costs were \$1,125 and \$1,664 at September 30, 2023 and 2022, respectively.

The Company and certain of its domestic subsidiaries sell, on a continuous basis without recourse, their trade receivables to Matthews Receivables Funding Corporation, LLC ("Matthews RFC"), a wholly-owned bankruptcy-remote subsidiary of the Company. In March 2022, Matthews RFC entered into a receivables purchase agreement ("RPA") to sell up to \$125,000 of receivables to certain purchasers (the "Purchasers") on a recurring basis in exchange for cash (referred to as "capital" within the RPA) equal to the gross receivables transferred. The parties intend that the transfers of receivables to the Purchasers constitute purchases and sales of receivables. Matthews RFC has guaranteed to each Purchaser the prompt payment of sold receivables, and has granted a security interest in its assets for the benefit of the Purchasers. Under the RPA, which matures in March 2024, each Purchaser's share of capital accrues yield at a floating rate plus an applicable margin. The Company is the master servicer under the RPA, and is responsible for administering and collecting receivables.

The proceeds of the RPA are classified as operating activities in the Company's Consolidated Statements of Cash Flows. Cash received from collections of sold receivables may be used to fund additional purchases of receivables on a revolving basis, or to reduce all or any portion of the outstanding capital of the Purchasers. The fair value of the sold receivables approximated book value due to their credit quality and short-term nature, and as a result, no gain or loss on sale of receivables was recorded. As of September 30, 2023 and 2022, the amount sold to the Purchasers was \$101,800 and \$96,590, respectively, which was derecognized from the Consolidated Balance Sheets. As collateral against sold receivables, Matthews RFC maintains a certain level of unsold receivables, which was \$57,897 and \$44,262 as of September 30, 2023 and 2022, respectively.

The following table sets forth a summary of receivables sold as part of the RPA:

	<b>For the Year Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
Gross receivables sold	\$ 393,493	\$ 424,789
Cash collections reinvested	(388,283)	(328,199)
Net cash proceeds received	<u>\$ 5,210</u>	<u>\$ 96,590</u>

In March 2023, the Company, through its U.K. subsidiary, entered into a non-recourse factoring arrangement. In connection with this arrangement, the Company periodically sells trade receivables to a third-party purchaser in exchange for cash. These transfers of financial assets are recorded at the time the Company surrenders control of the assets. As these transfers qualify as true sales under the applicable accounting guidance, the receivables are de-recognized from the Company's Consolidated Balance Sheets upon transfer. The principal amount of receivables sold under this arrangement was \$55,159 during the fiscal year ended September 30, 2023. The discounts on the trade receivables sold are included within administrative expense in the Consolidated Statements of Income. The proceeds from the sale of receivables are classified as operating activities in the Company's Consolidated Statements of Cash Flows. As of September 30, 2023, the amount of factored receivables that remained outstanding was \$18,045.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollar amounts in thousands, except per share data)

**9. DEBT AND FINANCING ARRANGEMENTS, (continued)**

The Company, through certain of its European subsidiaries, has a credit facility with a European bank, which is guaranteed by Matthews. The maximum amount of borrowings available under this facility is €10.0 million (\$10,576). The facility also provides €18.5 million (\$19,566) for bank guarantees. This facility has no stated maturity date and is available until terminated. There were no outstanding borrowings under the credit facility at September 30, 2023. Outstanding borrowings under the credit facility totaled €8.2 million (\$8,050) at September 30, 2022. The weighted-average interest rate on outstanding borrowings under this facility was 2.25% at September 30, 2022.

Other borrowings totaled \$19,241 and \$13,434 at September 30, 2023 and 2022, respectively. The weighted-average interest rate on these borrowings was 2.95% and 1.85% at September 30, 2023 and 2022, respectively.

As of September 30, 2023 and 2022, the fair value of the Company's long-term debt, including current maturities, which is classified as Level 2 in the fair value hierarchy, approximated the carrying value included in the Consolidated Balance Sheets. The Company was in compliance with all of its debt covenants as of September 30, 2023.

Aggregate maturities by fiscal year of long-term debt, including other borrowings, is as follows:

2024	\$	3,696
2025		406,032
2026		303,256
2027		1,101
2028		1,198
Thereafter		65,626
		<u>780,909</u>
Finance lease obligations		9,271 <sup>(a)</sup>
	\$	<u>790,180</u>

<sup>(a)</sup> Aggregate maturities of finance lease obligations can be found in Note 10, "Leases."

**10. LEASES:**

The Company's lease portfolio includes various contracts for real estate, vehicles, information technology and other equipment. The following table presents the balance sheet and lease classification for the Company's lease portfolio as of September 30, 2023 and 2022, respectively:

Balance Sheet Classification	Lease Classification	2023	2022
<b>Non-current assets:</b>			
Property, plant and equipment, net	Finance	\$ 10,804	\$ 10,727
Operating lease right-of-use-assets	Operating	71,629	71,974
Total lease assets		<u>\$ 82,433</u>	<u>\$ 82,701</u>
<b>Current liabilities:</b>			
Long-term debt, current maturities	Finance	\$ 2,683	\$ 2,284
Other current liabilities	Operating	23,983	22,869
<b>Non-current liabilities:</b>			
Long-term debt	Finance	6,588	4,782
Operating lease liabilities	Operating	50,189	51,445
Total lease liabilities		<u>\$ 83,443</u>	<u>\$ 81,380</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
*(Dollar amounts in thousands, except per share data)*

**10. LEASES, (continued)**

The following table presents the components of lease cost for the years ended September 30, 2023, 2022 and 2021, respectively:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Finance lease cost:			
Amortization of ROU assets	\$ 2,791	\$ 3,816	\$ 4,016
Interest on lease liabilities	248	205	248
Operating lease cost	21,546	21,675	21,716
Variable lease cost	10,601	10,486	6,752
Sublease income	(89)	(279)	(83)
<b>Total lease cost</b>	<b>\$ 35,097</b>	<b>\$ 35,903</b>	<b>\$ 32,649</b>

Supplemental information regarding the Company's leases follows:

	<b>For the Year Ended September 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Cash paid for finance and operating lease liabilities:			
Operating cash flows from finance leases	\$ 259	\$ 211	\$ 255
Operating cash flows from operating leases	27,194	27,648	28,246
Financing cash flows from finance leases	2,642	3,691	4,134
ROU assets obtained in exchange for new finance lease liabilities	4,745	1,516	3,687
ROU assets obtained in exchange for new operating lease liabilities	8,294	10,365	16,341

	<b>September 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Weighted-average remaining lease term - finance leases (years)	4.47	4.28	3.85
Weighted-average remaining lease term - operating leases (years)	3.52	3.62	3.82
Weighted-discount rate - finance leases	4.48 %	3.08 %	2.70 %
Weighted-discount rate - operating leases	3.47 %	2.45 %	2.28 %

Maturities of lease obligations by fiscal year were as follows as of September 30, 2023:

	<b>Operating Leases</b>		<b>Finance Leases</b>	
2024	\$	26,123	\$	3,034
2025		20,619		2,145
2026		16,027		1,695
2027		8,381		1,293
2028		4,788		877
Thereafter		3,475		1,263
<b>Total future minimum lease payments</b>		<b>79,413</b>		<b>10,307</b>
Less: Interest		5,241		1,036
<b>Present value of lease liabilities:</b>	<b>\$</b>	<b>74,172</b>	<b>\$</b>	<b>9,271</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollar amounts in thousands, except per share data)

**11. DERIVATIVES AND HEDGING ACTIVITIES:**

The Company operates internationally and utilizes certain derivative financial instruments to manage its foreign currency, debt and interest rate exposures. At September 30, 2023 and 2022, derivative instruments were reflected on a gross-basis in the consolidated balance sheets as follows:

Derivatives:	September 30, 2023		September 30, 2022	
	Interest Rate Swaps	Cross-Currency Swaps	Interest Rate Swaps	Cross-Currency Swaps
<b>Current assets:</b>				
Other current assets	\$ 920	\$ —	\$ 3,358	\$ —
<b>Long-term assets:</b>				
Other assets	3,086	—	7,341	3,722
<b>Long-term liabilities:</b>				
Other liabilities	—	(2,766)	—	—
<b>Total derivatives</b>	<b>\$ 4,006</b>	<b>\$ (2,766)</b>	<b>\$ 10,699</b>	<b>\$ 3,722</b>

The following table presents information related to interest rate swaps entered into by the Company and designated as cash flow hedges:

	September 30, 2023	September 30, 2022
Notional amount	\$ 175,000	\$ 125,000
Weighted-average maturity period (years)	4.1	3.1
Weighted-average received rate	5.32 %	3.14 %
Weighted-average pay rate	3.83 %	1.04 %

The Company enters into interest rate swaps in order to achieve a mix of fixed and variable rate debt that it deems appropriate. In order to transition the Company's swaps from LIBOR-based to SOFR-based rates, the LIBOR-based swaps were settled during the second quarter of fiscal 2023, resulting in cash proceeds of \$10,474. Concurrently, the Company entered into new interest rate swaps with SOFR-based rates with a notional amount of \$175,000. The interest rate swaps have been designated as cash flow hedges of future variable interest payments which are considered probable of occurring. Based on the Company's assessment, all of the critical terms of each of the hedges matched the underlying terms of the hedged debt and related forecasted interest payments, and as such, these hedges were considered highly effective.

The fair value of the interest rate swaps reflected a net unrealized gain of \$4,006 (\$2,991 after tax) and \$10,699 (\$7,937 after tax) at September 30, 2023 and 2022, respectively, that is included in shareholders' equity as part of accumulated other comprehensive income ("AOCI"). Unrecognized gains of \$8,084 (\$6,041 after tax) related to the terminated LIBOR-based swaps were also included in AOCI as of September 30, 2023. Assuming market rates remain constant with the rates at September 30, 2023, a gain (net of tax) of approximately \$3,850 included in AOCI is expected to be recognized in earnings over the next twelve months.

The Company has a U.S. Dollar/Euro cross currency swap with a notional amount of \$81,392 as of September 30, 2023 and 2022, which has been designated as a net investment hedge of foreign operations. The swap contract matures in September 2027. The Company assesses hedge effectiveness for this contract based on changes in fair value attributable to changes in spot prices. A loss of \$2,065 (net of income taxes of \$701) and a gain of \$2,782 (net of income taxes of \$940), which represented effective hedges of net investments, were reported as a component of AOCI within currency translation adjustment at September 30, 2023 and 2022, respectively. Income of \$1,159 and \$1,645, which represented the recognized portion of the fair value of cross currency swaps excluded from the assessment of hedge effectiveness, was included in current period earnings as a component of interest expense for fiscal 2023 and fiscal 2022, respectively. At September 30, 2023 and 2022, the swap totaled \$2,766 and \$3,722, respectively, and was included in other accrued liabilities and other assets in the Consolidated Balance Sheets, respectively.

The Company previously used certain foreign currency debt instruments as net investment hedges of foreign operations. Currency losses of \$5,370 (net of income taxes of \$1,743), which represent effective hedges of net investments, were reported as a component of AOCI within currency translation adjustment at September 30, 2021.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Dollar amounts in thousands, except per share data)

### 11. DERIVATIVES AND HEDGING ACTIVITIES, (continued)

The Company enters into certain derivative contracts in accordance with its risk management strategy that do not meet the criteria for hedge accounting but which have the economic impact of largely mitigating foreign currency exposure. Changes in the fair value of these economic hedges are recorded in current period earnings as a component of other income (deductions), net. During fiscal 2022, net gains from economic hedges (which largely offset losses from underlying foreign currency exposures) totaled \$4,677. No such economic hedge contracts were outstanding as of September 30, 2023 or 2022.

Refer to Note 16, "Accumulated Other Comprehensive Income" for further details regarding amounts recorded in AOCI and the Consolidated Statements of Income (Loss) related to derivatives.

### 12. SHAREHOLDERS' EQUITY:

The authorized common stock of the Company consists of 70,000,000 shares of Class A Common Stock, \$1.00 par value.

The Company has a stock repurchase program. The buy-back program is designed to increase shareholder value, enlarge the Company's holdings of its common stock, and add to earnings per share. Repurchased shares may be retained in treasury, utilized for acquisitions, or reissued to employees or other purchasers, subject to the restrictions set forth in the Company's Restated Articles of Incorporation. Under the current authorization, 1,195,013 shares remain available for repurchase as of September 30, 2023.

### 13. SHARE-BASED PAYMENTS:

The Company maintains an equity incentive plan (as amended and restated, the "2017 Equity Incentive Plan") that provides for grants of stock options, restricted shares, restricted share units, stock-based performance units and certain other types of stock-based awards. Under the 2017 Equity Incentive Plan, which has a ten-year term from the date the Company's Board of Directors approved of the amendment and restatement of the 2017 Equity Incentive Plan, the maximum number of shares available for grants or awards is an aggregate of 3,450,000 (subject to adjustment upon certain events such as stock dividends or stock splits), following the amendment and restatement of the 2017 Equity Incentive Plan at the Company's 2022 Annual Shareholder Meeting. At September 30, 2023, 496,508 shares have been issued under the 2017 Equity Incentive Plan. 1,041,615 time-based restricted share units, 1,313,162 performance-based restricted share units, and 75,000 stock options have been granted under the 2017 Equity Incentive Plan. 1,803,697 of these share-based awards are outstanding as of September 30, 2023. The 2017 Equity Incentive Plan is administered by the Compensation Committee of the Board of Directors (the "Committee"). The number of shares issued under performance-based restricted share units may be up to 200% of the number of performance-based restricted share units, based on the satisfaction of specific criteria established by the plan administrator.

For the years ended September 30, 2023, 2022 and 2021, stock-based compensation cost totaled \$17,308, \$17,432 and \$15,581, respectively. The associated future income tax benefit recognized was \$3,821, \$3,821 and \$3,247 for the years ended September 30, 2023, 2022 and 2021, respectively.

With respect to the restricted share unit grants, units generally vest on the third anniversary of the grant date. The number of units that vest depend on certain time and performance thresholds. Such performance thresholds include adjusted earnings per share, return on invested capital, appreciation in the market value of the Company's Class A Common Stock, or other targets established by the Committee. Approximately 43% of the outstanding share units vest based on time, while the remaining vest based on pre-defined performance thresholds. The Company issues common stock from treasury shares once vested.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollar amounts in thousands, except per share data)

**13. SHARE-BASED PAYMENTS, (continued)**

The transactions for restricted shares and restricted share units for the year ended September 30, 2023 were as follows:

	Shares	Weighted-average Grant-date Fair Value
Non-vested at September 30, 2022	1,459,233	\$ 33.78
Granted	618,050	27.69
Vested	(211,158)	34.94
Expired or forfeited	(137,428)	40.89
Non-vested at September 30, 2023	<u>1,728,697</u>	<u>\$ 30.90</u>

During fiscal 2021, 75,000 stock options were granted under the 2017 Equity Incentive Plan. The option price for each stock option granted was \$1.70, which was equal to the fair market value of the Company's Class A Common Stock on the date of grant. These options vest in one-third increments annually over three years from the grant date. Unvested stock options expire on the earlier of five years from the date of grant, or upon employment termination, retirement or death. The Company generally settles employee stock option exercises with treasury shares.

As of September 30, 2023, the total unrecognized compensation cost related to all unvested stock-based awards was \$8,305 which is expected to be recognized over a weighted-average period of 1.9 years.

The fair value of certain restricted share units that are subject to performance conditions and the fair value of stock options are estimated on the date of grant using a binomial lattice valuation model. The following table indicates the assumptions used in estimating the fair value of certain stock-based awards granted during the year ended September 30, 2021.

	Restricted Share Units	Stock Options
Expected volatility	42.9 %	41.9 %
Dividend yield	3.2 %	3.1 %
Average risk-free interest rate	0.2 %	0.5 %
Average expected term (years)	3.0	5.0

The risk-free interest rate is based on United States Treasury yields at the date of grant. The dividend yield is based on the most recent dividend payment and average stock price over the 12 months prior to the grant date. Expected volatilities are based on the historical volatility of the Company's stock price. The expected term for grants in the year ended September 30, 2021 represents an estimate of the average period of time for restricted share units and stock options to vest.

The Company maintains the Amended and Restated 2019 Director Fee Plan, the Amended and Restated 2014 Director Fee Plan and the 1994 Director Fee Plan (collectively, the "Director Fee Plans"). There will be no further fees or share-based awards granted under the Amended and Restated 2014 Director Fee Plan and the 1994 Director Fee Plan. Under the Amended and Restated 2019 Director Fee Plan, non-employee directors (except for the Chairman of the Board) each receive, as an annual retainer fee for fiscal 2023, either cash or shares of the Company's Class A Common Stock with a value equal to \$90. The annual retainer fee for fiscal 2023 paid to the non-employee Chairman of the Board is \$210. Where the annual retainer fee is provided in shares, each director may elect to be paid these shares on a current basis or have such shares credited to a deferred stock account as phantom stock, with such shares to be paid to the director subsequent to leaving the Board. The total number of shares of stock that have been authorized to be issued under the Amended and Restated 2019 Director Fee Plan or credited to a deferred stock compensation account for subsequent issuance is 300,000 shares of Common Stock (subject to adjustment upon certain events such as stock dividends or stock splits), following the amendment and restatement of the 2019 Director Fee Plan at the Company's 2023 Annual Shareholder Meeting. The value of deferred shares is recorded in other liabilities. A total of 45,218 shares and share units had been deferred under the Director Fee Plans at September 30, 2023. Additionally, non-employee directors each receive an annual stock-based grant (non-statutory stock options, stock appreciation rights and/or restricted shares or units) with a value of \$140 for fiscal 2023. As of September 30, 2023, 336,127 restricted shares and restricted share units have been granted under the Director Fee Plans, 162,898 of which were issued under the 2019 Director Fee Plan. 60,057 restricted share units are unvested at September 30, 2023 under the Director Fee Plans.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
*(Dollar amounts in thousands, except per share data)*

**14. EARNINGS PER SHARE:**

The information used to compute earnings (loss) per share attributable to Matthews' common shareholders was as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net income (loss) attributable to Matthews shareholders	\$ 39,291	\$ (99,774)	\$ 2,910
Weighted-average shares outstanding (in thousands):			
Basic shares	30,795	31,367	31,696
Effect of dilutive securities	494	—	291
Diluted shares	<u>31,289</u>	<u>31,367</u>	<u>31,987</u>
Dividends declared per common share	\$ 0.92	\$ 0.88	\$ 0.86

Anti-dilutive securities excluded from the dilutive calculation were insignificant for the fiscal years ended September 30, 2023 and 2021. During periods in which the Company incurs a net loss, diluted weighted-average shares outstanding are equal to basic weighted-average shares outstanding because the effect of all equity awards is anti-dilutive.

**15. PENSION AND OTHER POSTRETIREMENT PLANS:**

The Company provides defined benefit pension and other postretirement plans to certain employees. Effective January 1, 2014, the Company's principal defined benefit retirement plan ("DB Plan") was closed to new participants. As of September 30, 2023 and 2022, all of the Company's defined benefit plans are unfunded.

In April 2021, the Committee approved resolutions to freeze all future benefit accruals for all participants in the Company's non-qualified Supplemental Retirement Plan ("SERP") and the defined benefit portion of the Officers Retirement Restoration Plan ("ORRP"), effective April 30, 2021. In August 2021, the Committee approved the termination of the SERP and the defined benefit portion of the ORRP. In September 2021, the Company notified SERP and ORRP participants of its intention to fully settle the obligations of the SERP and ORRP in early fiscal 2023.

In August 2021, the Company's Board of Directors approved the freeze of all future benefit accruals for the Company's DB Plan, effective September 30, 2021, and the planned termination of the DB Plan in early fiscal 2022. At such time, the Company notified all plan participants of the Company's intentions to terminate and fully settle the obligations of the DB Plan early in fiscal 2022.

The freezing of the DB Plan, SERP, and ORRP triggered curtailments, which resulted in the remeasurement of the projected benefit obligations and the immediate recognition of prior service costs in earnings in fiscal 2021, which were previously included within AOCI.

In the first quarter of fiscal 2022, the Company terminated its DB Plan and made plan contributions totaling \$35,706 to fully fund the planned settlement of the DB Plan obligations. Also during the first quarter of fiscal 2022, lump sum distributions of \$185,958 were made from the DB Plan to plan participants, and non-participating annuity contracts totaling \$56,274 were purchased by the DB Plan for plan participants, resulting in the full settlement of the DB Plan obligations. The settlement of the DB Plan obligations resulted in the recognition of a non-cash charge of \$30,856, which has been presented as a component of other income (deductions), net for the year ended September 30, 2022. This amount represents the immediate recognition of the remaining portion of the deferred AOCI balances related to the DB Plan.

In the first quarter of fiscal 2023, the Company made lump sum payments totaling \$24,242 to fully settle the SERP and defined benefit portion of the ORRP obligations. The settlement of these plan obligations resulted in the recognition of a non-cash charge of \$1,271, which has been presented as a component of other income (deductions), net for the year ended September 30, 2023. This amount represents the immediate recognition of the deferred AOCI balances related to the SERP and ORRP. During fiscal 2023, the remaining funds held in a rabbi trust associated with the SERP were transferred to the Company. Consequently, these amounts are no longer classified as restricted cash.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

*(Dollar amounts in thousands, except per share data)*

**15. PENSION AND OTHER POSTRETIREMENT PLANS, (continued)**

The following provides a reconciliation of benefit obligations, plan assets and funded status of the plans as of the Company's actuarial valuation as of September 30, 2023 and 2022:

	Pension		Other Postretirement	
	2023	2022	2023	2022
<u>Change in benefit obligation:</u>				
Benefit obligation, beginning of year	\$ 36,609	\$ 293,926	\$ 12,813	\$ 18,841
Acquisitions <sup>(1)</sup>	—	9,829	—	—
Service cost	163	392	76	165
Interest cost	497	1,127	644	411
Actuarial gain	(512)	(19,978)	(641)	(5,989)
Settlement	(24,242)	(242,232)	—	—
Exchange loss (gain)	979	(3,093)	—	—
Benefit payments	(598)	(3,362)	(517)	(615)
Benefit obligation, end of year <sup>(2)</sup>	12,896	36,609	12,375	12,813
<u>Change in plan assets:</u>				
Fair value, beginning of year	—	208,344	—	—
Actual return	—	368	—	—
Benefit payments	(598)	(3,362)	(517)	(615)
Employer contributions	24,840	36,882	517	615
Settlement	(24,242)	(242,232)	—	—
Fair value, end of year	—	—	—	—
Funded status	(12,896)	(36,609)	(12,375)	(12,813)
Unrecognized actuarial (gain) loss	(1,518)	5,140	(5,906)	(5,973)
Unrecognized prior service (credit) cost	—	(4,815)	(956)	(1,320)
Net amount recognized	\$ (14,414)	\$ (36,284)	\$ (19,237)	\$ (20,106)
<u>Amounts recognized in the consolidated balance sheet:</u>				
Current liability	\$ (68)	\$ (24,172)	\$ (876)	\$ (830)
Noncurrent benefit liability	(12,828)	(12,437)	(11,499)	(11,983)
Accumulated other comprehensive (income) loss	(1,518)	325	(6,862)	(7,293)
Net amount recognized	\$ (14,414)	\$ (36,284)	\$ (19,237)	\$ (20,106)
<u>Amounts recognized in accumulated other comprehensive (income) loss:</u>				
Net actuarial (gain) loss	\$ (1,518)	\$ 5,140	\$ (5,906)	\$ (5,973)
Prior service (credit) cost	—	(4,815)	(956)	(1,320)
Net amount recognized	\$ (1,518)	\$ 325	\$ (6,862)	\$ (7,293)

<sup>(1)</sup> Fiscal 2022 reflects benefit obligations assumed in connection with the acquisition of OLBRICH and R+S Automotive. For additional information, see Note 21.

<sup>(2)</sup> Gains and losses related to changes in assumptions (e.g., discount rate, mortality, etc.), asset, salary and other experience, and curtailments impacted benefit obligations.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

*(Dollar amounts in thousands, except per share data)*

**15. PENSION AND OTHER POSTRETIREMENT PLANS, (continued)**

Based upon actuarial valuations performed as of September 30, 2023 and 2022, the accumulated benefit obligation for the Company's defined benefit pension plans was \$2,896 and \$36,609 at September 30, 2023 and 2022, respectively, and the projected benefit obligation for the Company's defined benefit pension plans was \$2,896 and \$36,609 at September 30, 2023 and 2022, respectively.

Net periodic pension and other postretirement benefit cost for the plans included the following:

	Pension			Other Postretirement		
	2023	2022	2021	2023	2022	2021
Service cost	\$ 163	\$ 392	\$ 7,919	\$ 76	\$ 165	\$ 201
Interest cost *	497	1,127	6,145	644	411	376
Expected return on plan assets *	—	(1,040)	(10,809)	—	—	—
Amortization:						
Prior service cost	—	(152)	(127)	(364)	(364)	(364)
Net actuarial (gain) loss *	(64)	469	9,769	(708)	—	—
Curtailed gain *	—	—	(220)	—	—	—
Special termination benefits *	—	—	315	—	—	—
Prior-service cost write-offs *	—	—	261	—	—	—
Settlement*	1,271	30,856	—	—	—	—
Net benefit cost	<u>\$ 1,867</u>	<u>\$ 31,652</u>	<u>\$ 13,253</u>	<u>\$ (352)</u>	<u>\$ 212</u>	<u>\$ 213</u>

\* Non-service components of pension and postretirement expense are included in other income (deductions), net.

Mathews has elected to utilize a full yield curve approach in the estimation of the service and interest cost components of net periodic benefit cost by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows.

Benefit payments under the Company's DB Plan were made from plan assets, while benefit payments under the SERP were made from the Company's operating funds. Benefit payments under the Company's postretirement benefit plan are made from the Company's operating funds.

Contributions made in fiscal 2023 are as follows:

Contributions	Pension	Other Postretirement
Supplemental retirement plan	\$ 23,469	\$ —
Other retirement plans	1,371	—
Other postretirement plan	—	517

The weighted-average assumptions in the following table represent the rates used to develop the actuarial present value of the projected benefit obligation for the year listed and also the net periodic benefit cost for the following year. The measurement date of annual actuarial valuations for the Company's pension and other postretirement benefit plans was September 30, for fiscal 2023, 2022 and 2021. The weighted-average assumptions for those plans were:

	Pension			Other Postretirement		
	2023	2022	2021	2023	2022	2021
Discount rate	4.13 %	4.01 %	2.79 %	5.86 %	5.37 %	2.83 %
Return on plan assets	— %	— %	3.10 %	—	—	—
Compensation increase	— %	— %	3.50 %	—	—	—

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

*(Dollar amounts in thousands, except per share data)*

**15. PENSION AND OTHER POSTRETIREMENT PLANS, (continued)**

In October 2014, the Society of Actuaries' Retirement Plans Experience Committee ("RPEC") released new mortality tables known as RP-2014. Each year, RPEC releases an update to the mortality improvement assumption that was released with the RP 2014 tables. The Company considered the RPEC mortality and mortality improvement tables and performed a review of its own mortality history to assess the appropriateness of the RPEC tables for use in generating financial results. In October 2019, the Society of Actuaries released updated base mortality tables denoted PRI-2012, replacing the RP-2014 base tables. In fiscal years 2023, 2022 and 2021, the Company elected to value its pension and other postretirement benefit plan liabilities using the base PRI-2012 mortality table and a slightly modified fully generational mortality improvement assumption. The revised assumption uses the most recent RPEC Scale MP mortality improvement table for all years where the RPEC tables are based on finalized data, and the most recently published Social Security Administration Intermediate mortality improvement for subsequent years.

Benefit payments expected to be paid are as follows:

<b>Years ending September 30:</b>	<b>Pension Benefits</b>	<b>Other Postretirement Benefits</b>
2024	\$ 616	\$ 876
2025	623	896
2026	628	910
2027	637	893
2028	650	893
2029-2033	3,499	4,287
	<u>\$ 6,653</u>	<u>\$ 8,755</u>

For measurement purposes, a rate of increase of 7.0% in the per capita cost of health care benefits was assumed for 2024; the rate was assumed to decrease gradually to 4.0% for 2073 and remain at that level thereafter. Assumed health care cost trend rates have a significant effect on the amounts reported.

The Company sponsors defined contribution plans for hourly and salary employees. The expense associated with the contributions made to these plans was \$13,297, \$12,442, and \$9,186 for the fiscal years ended September 30, 2023, 2022 and 2021, respectively. The Company also provides a non-qualified deferred compensation plan for certain executives that permits participants to defer an amount of income into the plan during each calendar year. The expense associated with the contributions made to this plan was \$1,385 for the fiscal year ended September 30, 2023.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollar amounts in thousands, except per share data)

**16. ACCUMULATED OTHER COMPREHENSIVE INCOME:**

The changes in AOCI by component, net of tax, for the years ended September 30, 2023, 2022, and 2021 were as follows:

	<u>Postretirement Benefit Plans</u>	<u>Currency Translation Adjustment</u>	<u>Cash Flow Hedges</u>	<u>Total</u>
Attributable to Matthews:				
Balance, September 30, 2020	\$ (82,954)	\$ (151,881)	\$ (5,884)	\$ (240,719)
OCI before reclassification	39,822	(3,322)	1,873	38,373
Amounts reclassified from AOCI	7,202 <sup>(a)</sup>	(48) <sup>(b)</sup>	2,453 <sup>(b)</sup>	9,607
Net current-period OCI	47,024	(3,370)	4,326	47,980
Balance, September 30, 2021	\$ (35,930)	\$ (155,251)	\$ (1,558)	\$ (192,739)
OCI before reclassification	17,851	(46,817)	8,148	(20,818)
Amounts reclassified from AOCI	23,261 <sup>(a)</sup>	(1,242) <sup>(b)</sup>	1,347 <sup>(b)</sup>	23,366
Net current-period OCI	41,112	(48,059)	9,495	2,548
Balance, September 30, 2022	\$ 5,182	\$ (203,310)	\$ 7,937	\$ (190,191)
OCI before reclassification	1,476	13,979	3,056	18,511
Amounts reclassified from AOCI	102 <sup>(a)</sup>	(865) <sup>(b)</sup>	(1,961) <sup>(b)</sup>	(2,724)
Net current-period OCI	1,578	13,114	1,095	15,787
Balance, September 30, 2023	\$ 6,760	\$ (190,196)	\$ 9,032	\$ (174,404)
Attributable to noncontrolling interest:				
Balance, September 30, 2020	\$ —	\$ 368	\$ —	\$ 368
OCI before reclassification	—	(127)	—	(127)
Net current-period OCI	—	(127)	—	(127)
Balance, September 30, 2021	\$ —	\$ 241	\$ —	\$ 241
OCI before reclassification	—	14	—	14
Net current-period OCI	—	14	—	14
Balance, September 30, 2022	\$ —	\$ 255	\$ —	\$ 255
OCI before reclassification	—	11	—	11
Net current-period OCI	—	11	—	11
Balance, September 30, 2023	\$ —	\$ 266	\$ —	\$ 266

<sup>(a)</sup> Amounts were included in net periodic benefit cost for pension and other postretirement benefit plans (see Note 15).

<sup>(b)</sup> Amounts were included in interest expense in the periods the hedged item affected earnings (see Note 11).

Accumulated other comprehensive loss at September 30, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Cumulative foreign currency translation	\$ (190,196)	\$ (203,310)
Fair value of cash flow hedges, net of tax of \$1,015 and \$2,762, respectively	9,032	7,937
Minimum pension liabilities, net of tax of \$1,620 and \$1,786, respectively	6,760	5,182
	<u>\$ (174,404)</u>	<u>\$ (190,191)</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollar amounts in thousands, except per share data)

**16. ACCUMULATED OTHER COMPREHENSIVE INCOME, (continued)**

Reclassifications out of AOCI for the years ended September 30, 2023, 2022 and 2021 were as follows:

Details about AOCI Components	September 30, 2023	September 30, 2022	September 30, 2021	Affected line item in the Statement of Income
Postretirement benefit plans				
Prior service (cost) credit <sup>(a)</sup>	\$ 364	\$ 516	\$ 491	
Actuarial gains (losses)	772	(469)	(9,769)	Other income (deductions), net
Prior service cost write-off	—	—	(261)	Other income (deductions), net
Settlement losses	(1,271)	(30,856)	—	Other income (deductions), net
	<u>(135)</u>	<u>(30,809)</u>	<u>(9,539)</u>	Income before income tax <sup>(b)</sup>
	33	7,548	2,337	Income taxes
	<u>\$ (102)</u>	<u>\$ (23,261)</u>	<u>\$ (7,202)</u>	Net income
Derivatives				
Cash flow hedges	\$ 2,626	\$ (1,786)	\$ (3,249)	Interest expense
Net investment hedges	1,159	1,645	63	Interest expense
	<u>3,785</u>	<u>(141)</u>	<u>(3,186)</u>	Income before income tax <sup>(b)</sup>
	(959)	36	781	Income taxes
	<u>\$ 2,826</u>	<u>\$ (105)</u>	<u>\$ (2,405)</u>	Net income

<sup>(a)</sup> Prior service cost amounts are included in the computation of pension and other postretirement benefit expense, which is reported in both cost of goods sold and selling and administrative expenses. For additional information, see Note 15.

<sup>(b)</sup> For pre-tax items, positive amounts represent income and negative amounts represent expense.

**17. INCOME TAXES:**

The income tax provision (benefit) consisted of the following:

	2023	2022	2021
Current:			
Federal	\$ 13,967	\$ 13,481	\$ (3,741)
State	4,381	4,676	3,579
Foreign	5,052	10,414	2,379
	<u>23,400</u>	<u>28,571</u>	<u>2,217</u>
Deferred:			
Federal	(14,466)	(24,239)	5,829
State	(1,887)	(3,895)	169
Foreign	(5,273)	(4,828)	(1,840)
	<u>(21,626)</u>	<u>(32,962)</u>	<u>4,158</u>
Total	<u>\$ 1,774</u>	<u>\$ (4,391)</u>	<u>\$ 6,375</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollar amounts in thousands, except per share data)

**17. INCOME TAXES, (continued)**

The reconciliation of the federal statutory tax rate to the consolidated effective tax rate was as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Federal statutory tax rate	21.0 %	21.0 %	21.0 %
Effect of state income taxes, net of federal deduction	3.8 %	0.2 %	37.5 %
Foreign statutory taxes compared to federal statutory rate	(0.7)%	1.6 %	(18.6)%
Share-based compensation	3.6 %	(1.1)%	24.5 %
Termination of SERP	— %	— %	28.6 %
Tax credits	(7.0)%	1.2 %	(26.6)%
Sale of SERP-related investments	— %	— %	23.8 %
Goodwill write-down	— %	(11.2)%	— %
Tax rate differential on net operating loss carryback	— %	— %	(21.4)%
Nontaxable income	(7.5)%	0.8 %	(9.9)%
Utilization of foreign losses with valuation allowance	(5.6)%	— %	— %
Other*	(3.3)%	(8.3)%	10.1 %
Effective tax rate	<u>4.3 %</u>	<u>4.2 %</u>	<u>69.0 %</u>

\* In Fiscal 2022, "Other" primarily consists of foreign net operating losses that had a full valuation allowance.

The Company's consolidated income taxes for the year ended September 30, 2023 were an expense of \$1,774, compared to a benefit of \$4,391 for fiscal 2022, and an expense of \$6,375 for fiscal 2021. The difference between the Company's consolidated income taxes for fiscal 2023 compared to fiscal 2022 partially resulted from fiscal 2023 having consolidated income before income taxes compared to fiscal 2022 having a consolidated loss before income taxes. The fiscal 2023 tax rate was negatively impacted by share-based compensation. Additionally, the fiscal 2023 tax rate benefited from research and development and foreign tax credits and the utilization of foreign tax net operating losses with a valuation allowance. The fiscal 2022 consolidated loss reflected a goodwill write-down recorded in the fourth quarter of fiscal 2022 that was primarily non-deductible. The fiscal 2022 effective tax rate also benefited from research and development and foreign tax credits. The fiscal 2022 effective tax rate was negatively impacted by foreign net operating losses requiring a full valuation allowance.

The difference between the Company's consolidated income taxes for fiscal 2022 compared to fiscal 2021 partially resulted from fiscal 2022 having a consolidated loss before income taxes compared to fiscal 2021 having consolidated income before income taxes. The fiscal 2022 consolidated loss reflected a goodwill write-down recorded in the fourth quarter of fiscal 2022 that was primarily non-deductible. The Company's fiscal 2021 effective tax rate benefited from research and development and foreign tax credits as well as the reduction of uncertain tax positions due to the expiration of the statute of limitations in certain jurisdictions, the completion of a state tax audit, and the tax benefit of the NOL carryback. The fiscal 2021 effective tax rate was negatively affected by the termination of the Company's SERP, which resulted in certain expenses that are nondeductible for tax purposes.

The Company's foreign subsidiaries had income before income taxes for the year ended September 30, 2023 of approximately \$3,090, loss before income taxes for the year ended September 30, 2022 of approximately \$47,653 and income before income taxes for the year ended September 30, 2021 of approximately \$6,685. Deferred income taxes have not been provided on undistributed earnings of foreign subsidiaries since they have either been previously taxed, or are now exempt from tax, under the U.S. Tax Cuts and Jobs Act, or such earnings are considered to be reinvested indefinitely in foreign operations. At September 30, 2023, undistributed earnings of foreign subsidiaries for which deferred income taxes have not been provided approximated \$368,306.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollar amounts in thousands, except per share data)

**17. INCOME TAXES, (continued)**

The components of deferred tax assets and liabilities at September 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Deferred tax assets:		
Pension and postretirement benefits	\$ 5,544	\$ 9,051
Accruals and reserves not currently deductible	11,158	10,909
Income tax credit carryforward	4,970	5,796
Operating and capital loss carryforwards	59,956	54,875
Stock options	8,007	7,103
Research and development capitalization	11,028	—
Other	3,016	50
Total deferred tax assets	<u>103,679</u>	<u>87,784</u>
Valuation allowances	<u>(22,506)</u>	<u>(27,552)</u>
Net deferred tax assets	<u>81,173</u>	<u>60,232</u>
Deferred tax liabilities:		
Depreciation	(23,547)	(27,317)
Unrealized gains and losses	(2,969)	(2,793)
Goodwill and intangible assets	(97,415)	(98,715)
Revenue recognized over time	(21,226)	(10,847)
Other	(5,002)	(9,539)
Total deferred tax liabilities	<u>(150,159)</u>	<u>(149,211)</u>
Net deferred tax liability	<u>\$ (68,986)</u>	<u>\$ (88,979)</u>

At September 30, 2023, the Company had foreign net operating loss carryforwards of \$292,206. The majority of the Company's foreign net operating losses have no expiration period. Certain of these carryforwards are subject to limitations on use due to tax rules affecting acquired tax attributes, loss sharing between group members, and business continuation. Therefore, the Company has established tax-effected valuation allowances against these tax benefits in the amount of \$22,506 at September 30, 2023. The Company has recorded deferred tax assets of \$2,756 for state net operating loss carryforwards, which will be available to offset future income tax liabilities.

Changes in the total amount of gross unrecognized tax benefits (excluding penalties and interest) are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 4,123	\$ 2,807	\$ 10,483
Increases for tax positions of prior years	100	1,393	—
Decreases for tax positions of prior years	—	(200)	(288)
Increases based on tax positions related to the current year	769	551	628
Decreases due to lapse of statute of limitation	(1,213)	(428)	(8,016)
Balance, end of year	<u>\$ 3,779</u>	<u>\$ 4,123</u>	<u>\$ 2,807</u>

The Company had unrecognized tax benefits of \$3,779 at September 30, 2023, which would impact the annual effective tax rate. It is reasonably possible that the amount of unrecognized tax benefits could decrease by approximately \$2,648 in the next 12 months primarily due to the completion of audits and the expiration of the statute of limitation related to specific tax positions.

The Company classifies interest and penalties on tax uncertainties as a component of the provision for income taxes. Total penalties and interest accrued were \$30 and \$876 at September 30, 2023 and 2022, respectively. These accruals may potentially be applicable in the event of an unfavorable outcome of uncertain tax positions.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
*(Dollar amounts in thousands, except per share data)*

**17. INCOME TAXES, (continued)**

The Company is currently under examination in several tax jurisdictions and remains subject to examination until the statute of limitation expires for those tax jurisdictions.

As of September 30, 2023, the tax years that remain subject to examination by major jurisdiction generally are:

United States - Federal	2020 and forward
United States - State	2019 and forward
Canada	2019 and forward
Germany	2019 and forward
United Kingdom	2022 and forward
Australia	2018 and forward
Singapore	2019 and forward

**18. COMMITMENTS AND CONTINGENT LIABILITIES:**

The Company is party to various legal proceedings, the eventual outcome of which are not predictable. Although the ultimate disposition of these proceedings is not presently determinable, management is of the opinion that they should not result in liabilities in an amount which would materially affect the Company's consolidated financial position, results of operations or cash flows.

In the normal course of business, the Company may provide certain customers with performance guarantees, and at times letters of credit or surety bonds. The terms of these agreements expire at various dates between fiscal 2024 and 2026. In general, the Company would only be liable for the amounts of these guarantees in the event that non-performance by the Company permits termination of the related contract by the Company's customer. The Company maintains it is in compliance with its performance obligations under all contracts for which there is a performance guarantee, and the ultimate liability, if any, incurred in connection with these guarantees will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

The Company has employment agreements with certain employees, the terms of which expire at various dates between fiscal 2024 and 2027. The agreements generally provide for base salary and bonus levels and include non-compete provisions. The aggregate commitment for salaries under these agreements at September 30, 2023 was \$5,838.

**19. SUPPLEMENTAL CASH FLOW INFORMATION:**

Changes in working capital items as presented in the Consolidated Statements of Cash Flows consisted of the following:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current assets:			
Accounts receivable	\$ 26,457	\$ 74,013	\$ (13,423)
Inventories	(23,990)	(23,459)	(12,839)
Other current assets	(26,724)	(15,770)	(15,618)
	<u>(24,257)</u>	<u>34,784</u>	<u>(41,880)</u>
Current liabilities:			
Trade accounts payable	(9,215)	7,437	29,621
Accrued compensation	(648)	(10,760)	10,791
Accrued income taxes	3,343	5,745	601
Other current liabilities	(4,726)	(7,616)	13,849
	<u>(11,246)</u>	<u>(5,194)</u>	<u>54,862</u>
Net change	<u>\$ (35,503)</u>	<u>\$ 29,590</u>	<u>\$ 12,982</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

*(Dollar amounts in thousands, except per share data)*

### 20. SEGMENT INFORMATION:

The Company manages its businesses under three segments: Memorialization, Industrial Technologies and SGK Brand Solutions. The Memorialization segment consists primarily of bronze and granite memorials and other memorialization products, caskets, cremation-related products, and cremation and incineration equipment primarily for the cemetery and funeral home industries. The Industrial Technologies segment includes the design, manufacturing, service and distribution of high-tech custom energy storage solutions; product identification and warehouse automation technologies and solutions, including order fulfillment systems for identifying, tracking, picking and conveying consumer and industrial products; and coating and converting lines for the packaging, pharma, foil, décor and tissue industries. The SGK Brand Solutions segment consists of brand management, pre-media services, printing plates and cylinders, imaging services, digital asset management, merchandising display systems, and marketing and design services primarily for the consumer goods and retail industries.

The Company's primary measure of segment profitability is adjusted earnings before interest, income taxes, depreciation and amortization ("adjusted EBITDA"). 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 and divestiture costs, ERP integration costs, and strategic initiatives and other charges. This presentation is consistent with how the Company's chief operating decision maker (the "CODM") evaluates the results of operations and makes strategic decisions about the business. For these reasons, the Company believes that adjusted EBITDA represents the most relevant measure of segment profit and loss.

In addition, the CODM manages and evaluates the operating performance of the segments, as described above, on a pre-corporate cost allocation basis. Accordingly, for segment reporting purposes, the Company does not allocate corporate costs to its reportable segments. Corporate costs include management and administrative support to the Company, which consists of certain aspects of the Company's executive management, legal, compliance, human resources, information technology (including operational support) and finance departments. These costs are included within "Corporate and Non-Operating" in the following table to reconcile to consolidated adjusted EBITDA and are not considered a separate reportable segment. Management does not allocate non-operating items such as investment income, other income (deductions), net and noncontrolling interest to the segments. The accounting policies of the segments are the same as those described in Note 2 "Summary of Significant Accounting Policies". Intersegment sales are accounted for at negotiated prices. Segment assets include those assets that are used in the Company's operations within each segment. Assets classified under "Corporate and Non-Operating" principally consist of cash and cash equivalents, investments, deferred income taxes and corporate headquarters' assets. Long-lived assets include property, plant and equipment (net of accumulated depreciation), goodwill, and other intangible assets (net of accumulated amortization).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
*(Dollar amounts in thousands, except per share data)*

**20. SEGMENT INFORMATION, (continued)**

Information about the Company's segments follows:

	<u>Memorialization</u>	<u>Industrial Technologies</u>	<u>SGK Brand Solutions</u>	<u>Corporate and Non- Operating</u>	<u>Consolidated</u>
<b>Sales to external customers:</b>					
2023	\$ 842,997	\$ 505,751	\$ 532,148	\$ —	\$ 1,880,896
2022	840,124	335,523	586,756	—	1,762,403
2021	769,016	284,495	617,519	—	1,671,030
<b>Intersegment sales:</b>					
2023	—	1,829	1,073	—	2,902
2022	—	1,057	1,295	—	2,352
2021	—	2,146	2,376	—	4,522
<b>Depreciation and amortization:</b>					
2023	23,738	23,184	44,842	4,766	96,530
2022	23,228	11,387	64,173	5,268	104,056
2021	23,043	11,427	93,665	5,377	133,512
<b>Adjusted EBITDA:</b>					
2023	163,986	66,278	57,128	(61,583)	225,809
2022	151,849	56,762	60,120	(58,323)	210,408
2021	165,653	34,889	91,435	(64,227)	227,750
<b>Total assets:</b>					
2023	794,129	482,444	572,601	38,207	1,887,381
2022	800,666	414,019	631,291	36,795	1,882,771
2021	807,215	285,710	874,001	65,152	2,032,078
<b>Capital expenditures:</b>					
2023	16,868	16,253	14,589	2,888	50,598
2022	28,899	13,646	14,287	4,489	61,321
2021	11,969	8,620	11,775	1,949	34,313

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollar amounts in thousands, except per share data)

**20. SEGMENT INFORMATION, (continued)**

A reconciliation of adjusted EBITDA to net income follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Adjusted EBITDA	\$ 225,809	\$ 210,408	\$ 227,750
Acquisition and divestiture related items <sup>(1)**</sup>	(5,293)	(7,898)	(541)
Strategic initiatives and other charges <sup>(2)**</sup>	(13,923)	(28,060)	(28,998)
Non-recurring / incremental COVID-19 costs <sup>(3)***</sup>	—	(2,985)	(5,312)
Highly inflationary accounting losses (primarily non-cash) <sup>(4)</sup>	(1,360)	(1,473)	—
Defined benefit plan termination related items <sup>(5)</sup>	—	429	—
Asset write-downs, net <sup>(6)</sup>	—	(10,050)	—
Goodwill write-downs <sup>(7)</sup>	—	(82,454)	—
Stock-based compensation	(17,308)	(17,432)	(15,581)
Non-service pension and postretirement expense <sup>(8)</sup>	(1,640)	(31,823)	(5,837)
Depreciation and amortization *	(96,530)	(104,056)	(133,512)
Interest expense, including RPA and factoring financing fees <sup>(9)</sup>	(48,690)	(28,771)	(28,684)
Net loss attributable to noncontrolling interests	(155)	(54)	(52)
Income (loss) before income taxes	<u>40,910</u>	<u>(104,219)</u>	<u>9,233</u>
Income tax (provision) benefit	(1,774)	4,391	(6,375)
Net income (loss)	<u>\$ 39,136</u>	<u>\$ (99,828)</u>	<u>\$ 2,858</u>

<sup>(1)</sup> Includes certain non-recurring costs associated with recent acquisition and divestiture activity, and also includes a gain of \$ 1,827 in fiscal year 2023 related to the divestiture of a business in the Industrial Technologies segment.

<sup>(2)</sup> Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels and costs associated with global ERP system integration efforts, net of loss recoveries of \$2,154 in fiscal year 2023 related to a previously disclosed theft of funds by a former employee initially identified in fiscal 2015.

<sup>(3)</sup> Includes certain non-recurring direct incremental costs (such as costs for purchases of computer peripherals and devices to facilitate working-from-home, additional personal protective equipment and cleaning supplies and services, etc.) incurred in response to COVID-19. This amount does not include the impact of any lost sales or underutilization due to COVID-19.

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

<sup>(5)</sup> Represents items associated with the termination of the Company's DB Plan, supplemental retirement plan and the defined benefit portion of the officers retirement restoration plan.

<sup>(6)</sup> Represents asset write-downs, net of recoveries within the SGK Brand Solutions segment (see Note 23, "Asset Write-Downs").

<sup>(7)</sup> Represents goodwill write-downs within the SGK Brand Solutions segment (see Note 22, "Goodwill and Other Intangible Assets").

<sup>(8)</sup> Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, curtailment gains and losses, and settlement gains and losses. These benefit cost components are excluded from adjusted EBITDA since they are primarily influenced by external market conditions that impact investment returns and interest (discount) rates. Curtailment gains and losses and settlement gains and losses are excluded from adjusted EBITDA since they generally result from certain non-recurring events, such as plan amendments to modify future benefits or settlements of plan obligations. The service cost and prior service cost components of pension and postretirement expense are included in the calculation of adjusted EBITDA, since they are considered to be a better reflection of the ongoing service-related costs of providing these benefits. Please note that GAAP pension and postretirement expense or the adjustment above are not necessarily indicative of the current or future cash flow requirements related to these employee benefit plans.

<sup>(9)</sup> Includes fees for receivables sold under the RPA and factoring arrangements totaling \$4,042 and \$1,046 for the fiscal years ended September 30, 2023 and 2022, respectively.

\* Depreciation and amortization was \$ 23,738, \$23,228, and \$23,043 for the Memorialization segment, \$23,184, \$11,387, and \$11,427 for the Industrial Technologies segment, \$44,842, \$64,173, and \$93,665 for the SGK Brand Solutions segment, and \$4,766, \$5,268, and \$5,377 for Corporate and Non-Operating, for the fiscal years ended September 30, 2023, 2022, and 2021, respectively.

\*\* Acquisition and divestiture costs, ERP integration costs, and strategic initiatives and other charges were \$ 1,002, \$3,517, and \$1,923 for the Memorialization segment, \$4,108, \$5,631, and \$4,026 for the Industrial Technologies segment, \$10,905, \$19,359, and \$12,323 for the SGK Brand Solutions segment, and \$3,201, \$7,451, and \$11,267 for Corporate and Non-Operating, for the fiscal years ended September 30, 2023, 2022, and 2021, respectively.

\*\*\* Non-recurring/incremental COVID-19 costs were \$1,314, and \$3,646 for the Memorialization segment, \$6, and \$38 for the Industrial Technologies segment, \$1,199, and \$1,539 for the SGK Brand Solutions segment, and \$466, and \$89 for Corporate and Non-Operating, for the fiscal years ended September 30, 2022, and 2021 respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

*(Dollar amounts in thousands, except per share data)*

**20. SEGMENT INFORMATION, (continued)**

Information about the Company's operations by geographic area follows:

	<u>North America</u>	<u>Central and South America</u>	<u>Europe</u>	<u>Australia</u>	<u>Asia</u>	<u>Consolidated</u>
<b>Sales to external customers:</b>						
2023	\$ 1,219,238	\$ 5,260	\$ 572,736	\$ 19,913	\$ 63,749	\$ 1,880,896
2022	1,230,267	4,729	444,606	21,206	61,595	1,762,403
2021	1,141,396	5,036	446,274	23,568	54,756	1,671,030
<b>Long-lived assets:</b>						
2023	806,182	11,690	255,748	14,099	41,194	1,128,913
2022	822,566	10,787	242,614	14,895	42,778	1,133,640
2021	890,545	14,226	277,655	21,012	55,598	1,259,036

**21. ACQUISITIONS AND DIVESTITURES:**

**Fiscal 2023:**

In September 2023, the Company completed a small divestiture within the Industrial Technologies segment. Net proceeds from the divestiture totaled approximately \$6,700, and the transaction resulted in a pre-tax gain of \$1,827, which was recorded as a component of administrative expenses for the year ended September 30, 2023. The transaction also included \$2,250 of contingent consideration, which represents the maximum amount the Company could potentially recognize at the resolution of the two-year contingency period.

In March 2023, the Company purchased the remaining ownership interest in a non-consolidated Industrial Technologies subsidiary for \$4,759 (net of cash acquired and holdbacks). The preliminary purchase price allocation was not finalized as of September 30, 2023 and remains subject to change as the Company obtains additional information related to working capital and other assets and liabilities.

In February 2023, the Company acquired Eagle Granite Company ("Eagle") within the Memorialization segment for a total purchase price of \$18,384, consisting of cash of \$8,650 (net of cash acquired) and a deferred purchase price amount of \$9,734, which is scheduled to be paid to the seller two years from the acquisition date. In addition, the Company recorded a liability of approximately \$1,030 for potential future contingent consideration related to certain earnout provisions, which, if owed, is scheduled to be paid to the seller four years from the acquisition date. Eagle serves cemeteries and monument companies with a full complement of granite memorialization products. The Company finalized the allocation of the purchase price in the fourth quarter of fiscal 2023, resulting in an immaterial adjustment to certain working capital accounts.

During the first fiscal quarter of 2023, the Company completed small acquisitions within the SGK Brand Solutions segment for a combined purchase price of \$,932 (net of cash acquired and holdbacks). The Company finalized the purchase price allocations in the fourth quarter of fiscal 2023, resulting in an immaterial adjustment to certain tax accounts.

**Fiscal 2022:**

In August 2022, the Company acquired German-based engineering firms OLBRICH and R+S Automotive for a purchase price of approximately €43,700 (\$44,469) (net of cash acquired) within the Industrial Technologies segment. OLBRICH is a production and intelligent equipment manufacturer, specializing in purpose-built rotary processing equipment, including equipment used in the manufacturing of dry and wet electrodes for lithium-ion batteries used in electric vehicles and components for hydrogen fuel cells and electrolyzers, with additional strong positions in Specialty & Pharma, Packaging and Home & Décor. R+S Automotive is a specialty engineering services provider of automation, plant and tooling concepts for automotive manufacturing companies around the world. Annual sales for these businesses were approximately \$140,000 prior to the acquisition. The Company finalized the allocation of the purchase price in the fourth quarter of fiscal 2023, resulting in an immaterial adjustment to certain working capital, tax, and other accounts.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

*(Dollar amounts in thousands, except per share data)*

**21. ACQUISITIONS AND DIVESTITURES, (continued)**

**Fiscal 2021:**

In April 2021, the Company completed a small acquisition in the hydrogen fuel cell industry within the Industrial Technologies segment for a purchase price of \$2,523 (net of cash acquired and holdback amounts). The Company finalized the allocation of the purchase price in the first quarter of fiscal 2022, resulting in an immaterial adjustment to certain working capital accounts.

In January 2021, the Company acquired a memorialization business that produces and distributes cemetery products for a purchase price of \$13,100. The Company finalized the allocation of the purchase price in the fourth quarter of fiscal 2021, resulting in an immaterial adjustment to certain working capital accounts.

**22. GOODWILL AND OTHER INTANGIBLE ASSETS:**

Changes to goodwill during the years ended September 30, 2023 and 2022, follow.

	<b>Memorialization</b>	<b>Industrial Technologies</b>	<b>SGK Brand Solutions</b>	<b>Consolidated</b>
Net goodwill at September 30, 2021	\$ 366,360	\$ 92,577	\$ 314,850	\$ 773,787
Additions during period	—	17,013	—	17,013
Translation and other adjustments	(4,578)	(2,568)	(25,779)	(32,925)
Goodwill write-down	—	—	(82,454)	(82,454)
Net goodwill at September 30, 2022	<u>361,782</u>	<u>107,022</u>	<u>206,617</u>	<u>675,421</u>
Additions during period	2,322	6,757	2,100	11,179
Divestiture during period	—	(2,525)	—	(2,525)
Translation and other adjustments	1,911	3,819	8,304	14,034
Net goodwill at September 30, 2023	<u>\$ 366,015</u>	<u>\$ 115,073</u>	<u>\$ 217,021</u>	<u>\$ 698,109</u>

The net goodwill balances at September 30, 2023 and 2022 included \$261,186 of accumulated impairment losses. Accumulated impairment losses at September 30, 2023 and 2022 were \$5,000, \$23,946, and \$232,240 for the Memorialization, Industrial Technologies and SGK Brand Solutions segments, respectively.

**Fiscal 2023:**

In fiscal 2023, the additions reflect the acquisition of Eagle Granite Company within the Memorialization segment, the purchase of the remaining ownership interest in an Industrial Technologies subsidiary, and small acquisitions within the SGK Brand Solutions segment.

The Company performed its annual impairment review of goodwill and indefinite-lived intangible assets in the second quarter of fiscal 2023 (January 1, 2023) and determined that the estimated fair values for all goodwill reporting units exceeded their carrying values, therefore no impairment charges were necessary. The estimated fair value of the Company's SGK Brand Solutions reporting unit exceeded the carrying value (expressed as a percentage of carrying value) by approximately 9% as of January 1, 2023. In light of the limited excess fair value over carrying value and further declines experienced by the SGK Brand Solutions reporting unit, management determined that a triggering event occurred during the fourth quarter of fiscal 2023, resulting in an interim assessment of goodwill for the reporting unit, as of September 1, 2023. The results of this review indicated that the estimated fair value of the Company's SGK Brand Solutions reporting unit exceeded the carrying value (expressed as a percentage of carrying value) by approximately 4%. The fair value for the reporting unit was determined using level 3 inputs (including estimates of revenue growth, EBITDA contribution and the discount rates) and a combination of the income approach using the estimated discounted cash flows and a market-based valuation methodology. If current projections are not achieved or specific valuation factors outside the Company's control (such as discount rates and continued economic and industry challenges) significantly change, additional goodwill write-downs may be necessary in future periods.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollar amounts in thousands, except per share data)

**22. GOODWILL AND OTHER INTANGIBLE ASSETS, (continued)**

**Fiscal 2022:**

In fiscal 2022, the additions to Industrial Technologies goodwill reflects the acquisition of OLBRICH and R+S Automotive.

In fiscal 2022, in its assessment of the potential impacts of weakened economic conditions (particularly in Europe), increases in the cost of certain materials, labor, and other inflation-related pressures, and unfavorable changes in foreign exchange rates on the estimated future earnings and cash flows for the SGK Brand Solutions reporting unit, and in light of the limited excess fair value over carrying value for this reporting unit, management determined a triggering event occurred, resulting in a re-evaluation of goodwill for the reporting unit, as of September 1, 2022. As a result of this interim assessment, the Company recorded a goodwill write-down totaling \$82,454 during the fiscal 2022 fourth quarter. Subsequent to this write-down, the fair value of the SGK Brand Solutions reporting unit approximated its carrying value at September 1, 2022. The fair value for the reporting unit was determined using level 3 inputs (including estimates of revenue growth, EBITDA contribution and the discount rates) and a combination of the income approach using the estimated discounted cash flows and a market-based valuation methodology.

The following tables summarize the carrying amounts and related accumulated amortization for intangible assets as of September 30, 2023 and 2022, respectively.

	<u>Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net</u>
<b>September 30, 2023</b>			
Indefinite-lived trade names	\$ 30,540	\$ —	\$ 30,540
Definite-lived trade names	151,185	(122,474)	28,711
Customer relationships	378,161	(280,910)	97,251
Copyrights/patents/other	19,375	(15,399)	3,976
	<u>\$ 579,261</u>	<u>\$ (418,783)</u>	<u>\$ 160,478</u>
<b>September 30, 2022</b>			
Indefinite-lived trade names	\$ 30,540	\$ —	\$ 30,540
Definite-lived trade names	150,528	(117,572)	32,956
Customer relationships	380,593	(248,464)	132,129
Copyrights/patents/other	20,878	(14,349)	6,529
	<u>\$ 582,539</u>	<u>\$ (380,385)</u>	<u>\$ 202,154</u>

The net change in intangible assets during fiscal 2023 included the impact of foreign currency fluctuations during the period, additional amortization, additions related to the Eagle acquisition, and disposals related to a small divestiture within the Industrial Technologies segment.

Amortization expense on intangible assets was \$42,068, \$57,084, and \$84,233 in fiscal 2023, 2022 and 2021, respectively. Fiscal year amortization expense is estimated to be approximately \$35,380 in 2024, \$20,394 in 2025, \$14,158 in 2026, \$13,081 in 2027 and \$11,030 in 2028.

**23. ASSET WRITE-DOWNS:**

The Company has certain operations in Russia within its SGK Brand Solutions segment. During fiscal 2022, in light of the war between Russia and Ukraine, and the resulting regional instability and evolving political and economic conditions within the region, the Company evaluated certain of its assets for recoverability and impairment. As a result of this assessment, and due to the uncertainty in projecting future cash flows for the Company's operations in Russia, the Company recorded asset write-downs totaling \$10,050 (net of recoveries) during fiscal 2022 to reduce the carrying value of these assets to zero. Asset write-downs (primarily related to property, plant and equipment) totaling \$9,686 and \$364 were reported within cost of sales and administrative expense, respectively, for the year ended September 30, 2022.

FINANCIAL STATEMENT SCHEDULE

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Period	Additions		Deductions <sup>(1)</sup>	Balance at End of Period
		Charged to Expense	Charged to other Accounts		
<i>(Dollar amounts in thousands)</i>					
<b>Allowance for Doubtful Accounts:</b>					
Fiscal Year Ended:					
September 30, 2023	\$ 10,138	\$ 1,625	\$ —	\$ (979)	\$ 10,784
September 30, 2022	10,654	1,368	—	(1,884)	10,138
September 30, 2021	9,618	2,182	—	(1,146)	10,654

<sup>(1)</sup> Amounts determined not to be collectible (including direct write-offs), net of recoveries.

Description	Balance at Beginning of Period	Provision (Credited) Charged To Expense <sup>(1,3)</sup>	Allowance Changes	Other (Deductions) Additions <sup>(2)</sup>	Balance at End of Period
<b>Deferred Tax Asset Valuation Allowance:</b>					
Fiscal Year Ended:					
September 30, 2023	\$ 27,552	\$ (4,709)	\$ —	\$ (337)	\$ 22,506
September 30, 2022	28,619	(1,300)	—	233	27,552
September 30, 2021	22,527	5,709	—	383	28,619

<sup>(1)</sup> Amounts relate primarily to adjustments in net operating loss carryforwards which are precluded from use.

<sup>(2)</sup> Consists principally of adjustments related to foreign exchange.

<sup>(3)</sup> Fiscal 2022 amount is comprised of a \$ 5,004 benefit related to non-survivability of deferred tax assets with full valuation allowance due to entity dissolution and a \$ 3,704 expense primarily related to adjustments in net operating loss carryforwards which are precluded from use.

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

None.

**ITEM 9A. CONTROLS AND PROCEDURES.**

**(a) Evaluation of Disclosure Controls and Procedures.**

The Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are designed to provide reasonable assurance that information required to be disclosed in the Company's reports filed under the Exchange Act, such as this Annual Report on Form 10-K, are recorded, processed, summarized and reported within the time periods specified in the rules of the Securities and Exchange Commission ("SEC"). These disclosure controls and procedures also are designed to provide reasonable assurance that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

Management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures in effect as of September 30, 2023. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2023, the Company's disclosure controls and procedures were effective to provide reasonable assurance that material information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, and that such information is recorded, processed, summarized and properly reported within the appropriate time period, relating to the Company and its consolidated subsidiaries, required to be included in the Exchange Act reports, including this Annual Report on Form 10-K.

**(b) Management's Report on Internal Control over Financial Reporting.**

Management's Report on Internal Control over Financial Reporting is included in Management's Report to Shareholders in Item 8 of this Annual Report on Form 10-K.

**(c) Report of Independent Registered Public Accounting Firm.**

The Company's internal control over financial reporting as of September 30, 2023 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included in Item 8 of this Annual Report on Form 10-K.

**(d) Changes in Internal Control over Financial Reporting.**

There have been no changes in the Company's internal controls over financial reporting that occurred during the fourth fiscal quarter ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

**ITEM 9B. OTHER INFORMATION.**

**(a)**

None.

**(b) Securities Trading Plans of Directors and Executive Officers.**

None of the Company's directors or officers adopted or terminated any Rule 10b5-1 trading arrangement or any non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended September 30, 2023. In addition, the Company did not adopt or terminate any Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended September 30, 2023.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.**

Not applicable.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

In addition to the information reported in Part I of this Annual Report on Form 10-K, under the caption "Officers and Executive Management of the Registrant," the information required by this item as to the directors of the Company is hereby incorporated by reference from the information appearing under the captions "General Information Regarding Corporate Governance – Audit Committee," "Proposal No. 1 – Elections of Directors" and "Delinquent Section 16(a) Reports" (if applicable) in the Company's definitive proxy statement, which involves the election of the directors and is to be filed with the Securities and Exchange Commission (the "SEC") pursuant to the Exchange Act, within 120 days of the end of the Company's fiscal year ended September 30, 2023.

The Company's Code of Ethics Applicable to Executive Management is set forth in Exhibit 14.1 hereto. Any amendment to the Company's Code of Ethics or waiver of the Company's Code of Ethics for senior financial officers, executive officers or directors will be posted on the Company's website within four business days following the date of the amendment or waiver, and such information will remain available on the website for at least a twelve-month period.

### ITEM 11. EXECUTIVE COMPENSATION.

The information required by this item as to the compensation of directors and executive management of the Company is hereby incorporated by reference from the information appearing under the captions "Compensation of Directors" and "Executive Compensation and Retirement Benefits" in the Company's definitive proxy statement which involves the election of directors and is to be filed with the SEC pursuant to the Exchange Act, within 120 days of the end of the Company's fiscal year ended September 30, 2023. The information contained in the "Compensation Committee Report" is specifically not incorporated herein by reference.

### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information required by this item as to the ownership by management and others of securities of the Company is hereby incorporated by reference from the information appearing under the caption "Stock Ownership" in the Company's definitive proxy statement, which involves the election of directors and is to be filed with the SEC pursuant to the Exchange Act, within 120 days of the end of the Company's fiscal year ended September 30, 2023.

#### Equity Compensation Plans:

The Company maintains an equity incentive plan (as amended and restated, the "2017 Equity Incentive Plan") that provides for grants of stock options, restricted shares, restricted share units, stock-based performance units and certain other types of stock-based awards. The Company also maintains equity incentive plans (the "2012 Equity Incentive Plan" and "2007 Equity Incentive Plan") and a stock incentive plan (the "1992 Incentive Stock Plan") that previously provided for grants of stock options, restricted shares, stock-based performance units and certain other types of stock-based awards. Under the 2017 Equity Incentive Plan, which has a ten-year term from the date the Company's Board of Directors approved of the amendment and restatement of the 2017 Equity Incentive Plan, the maximum number of shares available for grants or awards is an aggregate of 3,450,000 (subject to adjustment upon certain events such as stock dividends or stock splits), following the amendment and restatement of the 2017 Equity Incentive Plan at the Company's 2022 Annual Shareholder Meeting. There will be no further grants under the 2012 Equity Incentive Plan, the 2007 Equity Incentive Plan, or the 1992 Incentive Stock Plan. At September 30, 2023, 496,508 shares have been issued under the 2017 Equity Incentive Plan. 1,041,615 time-based restricted share units, 1,313,162 performance-based restricted share units, and 75,000 stock options have been granted under the 2017 Equity Incentive Plan. 1,803,697 of these share-based awards are outstanding as of September 30, 2023. All plans are administered by the Compensation Committee of the Board of Directors. The number of shares issued under performance-based restricted share units may be up to 200% of the number of performance-based restricted share units, based on the satisfaction of specific criteria established by the plan administrator.

With respect to the restricted share unit grants, units generally vest on the third anniversary of the grant date. The number of units that vest depend on certain time and performance thresholds. Such performance thresholds include adjusted earnings per share, return on invested capital, appreciation in the market value of the Company's Class A Common Stock, or other targets established by the Compensation Committee of the Board of Directors. Approximately 43% of the outstanding share units vest based on time, while the remaining vest based on pre-defined performance thresholds. The Company issues common stock from treasury shares once vested.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT, continued

With respect to outstanding stock option grants, options vest in one-third increments annually over three years from the grant date. Unvested stock options expire on the earlier of five years from the date of grant, or upon employment termination, retirement or death. The Company generally settles employee stock option exercises with treasury shares.

The Company maintains the Amended and Restated 2019 Director Fee Plan, the Amended and Restated 2014 Director Fee Plan and the 1994 Director Fee Plan (collectively, the "Director Fee Plans"). There will be no further fees or share-based awards granted under the Amended and Restated 2014 Director Fee Plan and the 1994 Director Fee Plan. Under the Amended and Restated 2019 Director Fee Plan, non-employee directors (except for the Chairman of the Board) each receive, as an annual retainer fee for fiscal 2023, either cash or shares of the Company's Class A Common Stock with a value equal to \$90,000. The annual retainer fee for fiscal 2023 paid to the non-employee Chairman of the Board is \$210,000. Where the annual retainer fee is provided in shares, each director may elect to be paid these shares on a current basis or have such shares credited to a deferred stock account as phantom stock, with such shares to be paid to the director subsequent to leaving the Board. The total number of shares of stock that have been authorized to be issued under the Amended and Restated 2019 Director Fee Plan or credited to a deferred stock compensation account for subsequent issuance is 300,000 shares of Common Stock (subject to adjustment upon certain events such as stock dividends or stock splits), following the amendment and restatement of the 2019 Director Fee Plans at the Company's 2023 Annual Shareholder Meeting. The value of deferred shares is recorded in other liabilities. A total of 45,218 shares and share units had been deferred under the Director Fee Plans at September 30, 2023. Additionally, non-employee directors each receive an annual stock-based grant (non-statutory stock options, stock appreciation rights and/or restricted shares or units) with a value of \$140,000 for fiscal 2023. As of September 30, 2023, 336,127 restricted shares and restricted share units have been granted under the Director Fee Plans, 162,898 of which were issued under the 2019 Director Fee Plan. 60,057 restricted share units are unvested at September 30, 2023 under the Director Fee Plans.

The following table provides information about grants under the Company's equity compensation plans as of September 30, 2023:

Plan category	Equity Compensation Plan Information		Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	
	(a)	(b)	
Equity compensation plans approved by security holders	120,218 <sup>(1)</sup>	\$ 41.70 <sup>(2)</sup>	4,548,853 <sup>(3)</sup>
Equity compensation plans not approved by security holders	None	None	None
Total	120,218	\$ 41.70	4,548,853

<sup>(1)</sup> Includes (1) deferred awards under Director Fee Plans; and (2) outstanding stock options.

<sup>(2)</sup> Weighted-average exercise price of outstanding stock options included in column (a).

<sup>(3)</sup> Includes (1) shares reserved under the 2017 Equity Incentive Plan, which provides for the grant or award of stock options, restricted shares, stock-based performance units and certain other types of stock based awards; (2) shares reserved under the 2019 Amended and Restated Director Fee Plan, which provides for the grant, award or deferral of stock options, restricted shares, stock-based performance units and certain other types of stock based awards and compensation; and (3) the shares purchased under the Employee Stock Purchase Plan which are purchased in the open market by employees at the fair market value of the Company's stock. The Company provides a matching contribution of 10% of such purchases subject to certain limitations under the Employee Stock Purchase Plan. As the Employee Stock Purchase Plan is an open market purchase plan, it does not have a dilutive effect.

**ITEM 13. CERTAIN RELATIONSHIPS, RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.**

The information required by this item as to certain relationships and transactions with management and other related parties of the Company is hereby incorporated by reference from the information appearing under the captions "Proposal No. 1 – Election of Directors" and "Certain Transactions with Related Persons" in the Company's definitive proxy statement, which involves the election of directors and is to be filed with the SEC pursuant to the Exchange Act, within 120 days of the end of the Company's fiscal year ended September 30, 2023.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.**

The information required by this item as to the fees billed and the services provided by the principal accounting firm of the Company is hereby incorporated by reference from the information appearing under the caption "Relationship with Independent Registered Public Accounting Firm" in the Company's definitive proxy statement, which involves the election of directors and is to be filed with the SEC pursuant to the Exchange Act within 120 days of the end of the Company's fiscal year ended September 30, 2023.

**PART IV**

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.**

**(a) 1. Financial Statements:**

The following items are included in Part II, Item 8:

	<u>Pages</u>
Management's Report to Shareholders	<a href="#">36</a>
Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)	<a href="#">37</a>
Report of Independent Registered Public Accounting Firm	<a href="#">38</a>
Consolidated Balance Sheets as of September 30, 2023 and 2022	<a href="#">40</a>
Consolidated Statements of Income (Loss) for the years ended September 30, 2023, 2022 and 2021	<a href="#">42</a>
Consolidated Statements of Comprehensive Income (Loss) for the years ended September 30, 2023, 2022 and 2021	<a href="#">43</a>
Consolidated Statements of Shareholders' Equity for the years ended September 30, 2023, 2022 and 2021	<a href="#">44</a>
Consolidated Statements of Cash Flows for the years ended September 30, 2023, 2022 and 2021	<a href="#">45</a>
Notes to Consolidated Financial Statements	<a href="#">46</a>

**2. Financial Statement Schedules:**

The following item is included in Part II, Item 8:

Schedule II - Valuation and Qualifying Accounts	<a href="#">75</a>
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**3. Exhibits Filed:**

Exhibits Index	<a href="#">82</a>
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**MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**EXHIBITS INDEX**

The following Exhibits to this report are filed herewith or, if marked with an asterisk (\*), are incorporated by reference. Exhibits marked with an "a" represent a management contract or compensatory plan, contract or arrangement required to be filed by Item 601(b)(10)(iii) of Regulation S-K.

<u>Exhibit No.</u>	<u>Description</u>	<u>Prior Filing or Sequential Page Numbers Herein</u>
3.1	Restated Articles of Incorporation*	Exhibit Number 3.1 to the Annual Report on Form 10-K for the year ended September 30, 1994
3.2	<a href="#">Amended and Restated By-laws of Matthews International Corporation</a>	Filed Herewith
4.1	Form of Share Certificate for Class A Common Stock*	Exhibit Number 4.9 to the Annual Report on Form 10-K for the year ended September 30, 1994
4.2	<a href="#">Indenture, dated as of December 6, 2017, by and among Matthews, the Guarantors, and the Bank of New York Mellon Trust Company, as trustee*</a>	Exhibit Number 4.1 to the Current Report on Form 8-K filed on December 7, 2017
4.3	<a href="#">5.25% Senior Notes due December 1, 2025*</a>	Exhibit Number 4.2 to the Current Report on Form 8-K filed on December 7, 2017
4.4	<a href="#">Description of Securities</a>	Filed Herewith
10.1	<a href="#">Shareholder's Agreement, dated as of March 16, 2014, by and among Matthews International Corporation, the Shareholders named therein and David A. Schawk, in his capacity as the Family Representative*</a>	Exhibit Number 10.2 to the Current Report on Form 8-K filed on March 19, 2014
10.2 a	<a href="#">Form of Schawk Family Share Purchase Agreement*</a>	Exhibit Number 10.1 to the Current Report on Form 8-K filed on May 16, 2016
10.3 a	<a href="#">Supplemental Retirement Plan (as amended through April 23, 2009)*</a>	Exhibit Number 10.5 to the Annual Report on Form 10-K for the year ended September 30, 2010
10.4 a	<a href="#">Amendment to the Supplemental Retirement Plan</a>	Exhibit Number 10.4 to the Annual Report on Form 10-K for the year ended September 30, 2021
10.5 a	<a href="#">Officers Retirement Restoration Plan (effective April 23, 2009)*</a>	Exhibit Number 10.6 to the Annual Report on Form 10-K for the year ended September 30, 2009
10.6 a	<a href="#">Amendment to the Officers Retirement Restoration Plan</a>	Exhibit Number 10.6 to the Annual Report on Form 10-K for the year ended September 30, 2021
10.7 a	<a href="#">1994 Director Fee Plan (as amended through April 22, 2010)*</a>	Exhibit Number 10.7 to the Annual Report on Form 10-K for the year ended September 30, 2013
10.8 a	<a href="#">Amended and Restated 2014 Director Fee Plan*</a>	Exhibit Number 10.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017
10.9 a	<a href="#">1994 Employee Stock Purchase Plan*</a>	Exhibit Number 10.2 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 1995

**MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**EXHIBITS INDEX, Continued**

<b>Exhibit No.</b>	<b>Description</b>	<b>Prior Filing or Sequential Page Numbers Herein</b>
10.10 a	<a href="#">2012 Equity Incentive Plan*</a>	Exhibit A to the Definitive Proxy Statement on Schedule 14A filed on January 22, 2013
10.11 a	<a href="#">2015 Incentive Compensation Plan*</a>	Exhibit A to the Definitive Proxy Statement on Schedule 14A filed on January 19, 2016
10.12 a	<a href="#">Amended and Restated 2017 Equity Incentive Plan*</a>	Exhibit Number 99.1 to the Registration Statement on Form S-8 filed on April 29, 2022
10.13 a	<a href="#">Form of Restricted Stock Unit Agreement under the 2017 Equity Incentive Plan*</a>	Exhibit Number 99.2 to the Registration Statement on Form S-8 filed on May 3, 2019
10.14 a	<a href="#">Matthews International Corporation Amended and Restated 2019 Director Fee Plan*</a>	Exhibit Number 10.1 to the Current Report on Form 8-K filed on February 17, 2023
10.15 a	<a href="#">Form of Restricted Stock Unit Agreement under the 2019 Director Fee Plan*</a>	Exhibit Number 99.4 to the Registration Statement on Form S-8 filed on May 3, 2019
10.16 a	<a href="#">Form of Change in Control Agreement*</a>	Exhibit Number 10.1 to Current Report on Form 8-K filed on October 3, 2019
10.17	<a href="#">Third Amended and Restated Loan Agreement*</a>	Exhibit Number 10.1 to the Current Report on Form 8-K filed on March 30, 2020
10.18	<a href="#">First Amendment to Third Amended and Restated Loan Agreement*</a>	Exhibit Number 10.1 to the Quarterly Report on Form 10-Q filed on April 30, 2021
10.19	<a href="#">Second Amendment to Third Amended and Restated Loan Agreement*</a>	Exhibit Number 10.1 to the Quarterly Report on Form 10-Q filed on July 29, 2022
10.20	<a href="#">Third Amendment to Third Amended and Restated Loan Agreement*</a>	Exhibit Number 10.20 to the Annual Report on Form 10-K for the year ended September 30, 2022
10.21	<a href="#">Agreement, dated as of December 30, 2022, by and among Matthews International Corporation, Barington Companies Equity Partners, L.P., Barington Capital Group, L.P. and Barington Companies Management, LLC*</a>	Exhibit Number 10.1 to the Current Report on Form 8-K filed on December 30, 2022
10.22 a	<a href="#">Matthews International Corporation Management Deferred Compensation Plan*</a>	Exhibit Number 10.1 to the Quarterly Report on Form 10-Q filed on January 27, 2023
10.23	<a href="#">Fourth Amendment to Third Amended and Restated Loan Agreement*</a>	Exhibit Number 10.2 to the Quarterly Report on Form 10-Q filed on April 28, 2023
14.1	<a href="#">Form of Code of Ethics Applicable to Executive Management*</a>	Exhibit Number 14.1 to the Annual Report on Form 10-K for the year ended September 30, 2004
21	<a href="#">Subsidiaries of the Registrant</a>	Filed Herewith

**MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**EXHIBITS INDEX, Continued**

<b>Exhibit No.</b>	<b>Description</b>	<b>Prior Filing or Sequential Page Numbers Herein</b>
23.1	<a href="#">Consent of Independent Registered Public Accounting Firm</a>	Filed Herewith
31.1	<a href="#">Certification of Principal Executive Officer for Joseph C. Bartolacci</a>	Filed Herewith
31.2	<a href="#">Certification of Principal Financial Officer for Steven F. Nicola</a>	Filed Herewith
32.1	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Joseph C. Bartolacci</a>	Furnished Herewith
32.2	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Steven F. Nicola</a>	Furnished Herewith
97	<a href="#">Matthews International Corporation Clawback Policy</a>	Filed Herewith
101.INS	XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	Filed Herewith
101.SCH	XBRL Taxonomy Extension Schema	Filed Herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	Filed Herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase	Filed Herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase	Filed Herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Filed Herewith
104.	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101)	Filed Herewith

Copies of any Exhibits will be furnished to shareholders upon written request. Requests should be directed to Mr. Steven F. Nicola, Chief Financial Officer and Secretary of the Registrant.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on November 17, 2023.

MATTHEWS INTERNATIONAL CORPORATION

(Registrant)

By /s/ Joseph C. Bartolacci  
Joseph C. Bartolacci  
President and Chief Executive Officer

Each person whose individual signature appears below hereby authorizes and appoints Joseph C. Bartolacci, Steven F. Nicola and Brian D. Walters, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this annual report on Form 10-K and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on November 17, 2023:

/s/ Joseph C. Bartolacci  
Joseph C. Bartolacci  
President and Chief Executive Officer  
(Principal Executive Officer)

/s/ Steven F. Nicola  
Steven F. Nicola  
Chief Financial Officer and Secretary  
(Principal Financial and Accounting Officer)

/s/ Alvaro Garcia-Tunon  
Alvaro Garcia-Tunon, Chairman of the Board

/s/ Morgan K. O'Brien  
Morgan K. O'Brien, Director

/s/ Gregory S. Babe  
Gregory S. Babe, Director

/s/ Aleta W. Richards  
Aleta W. Richards, Director

/s/ Katherine E. Dietze  
Katherine E. Dietze, Director

/s/ David A. Schawk  
David A. Schawk, Director

/s/ Terry L. Dunlap  
Terry L. Dunlap, Director

/s/ Jerry R. Whitaker  
Jerry R. Whitaker, Director

/s/ Lillian D. Etkorn  
Lillian D. Etkorn, Director

**MATTHEWS INTERNATIONAL CORPORATION**  
**AMENDED AND RESTATED BY-LAWS**

*As amended September 26, 2023*

**ARTICLE I**

**General**

Section 1.01 Seal. The Company shall have a corporate seal which shall consist of circle with the words, MATTHEWS INTERNATIONAL CORPORATION around the outer part thereof and the words, “Corporate Seal, 1902” therein.

Section 1.02 Fiscal Year. The fiscal year of the Company shall end on the 30<sup>th</sup> day of September.

Section 1.03 Financial Reports to Shareholders. The Board of Directors shall have discretion to determine whether and when financial reports shall be sent to shareholders, what any such reports contain, and whether such reports shall be audited and accompanied by the report of an independent or certified public accountant.

**ARTICLE II**

**Meetings**

Section 2.01 Time and Place of Annual Meeting. The annual meeting of the shareholders shall be held at such time as shall be designated by the Board of Directors, at the principal office of the Company or at such other place, within or without the Commonwealth of Pennsylvania, as shall be designated by the Board of Directors; *provided, however*, if a meeting is held by means of the Internet or other electronic communications technology in a fashion pursuant to which shareholders have the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the shareholders and pose questions to the directors, the meeting need not be held at a particular geographic location.

Section 2.02 Special Meetings. Special meetings of the shareholders may be called at any time by the Chairperson of the Board of Directors, or the President, or the Board of Directors, or, subject to Section 2421 of the Pennsylvania Business Corporation Law of 1988 (as amended, the “Pennsylvania Business Corporation Law”), upon written notice to the Secretary of the Company by persons who hold of record not less than 20% of the shares entitled to be voted upon any proposal to be considered at such meeting. At any time, upon written request of any person who has called a special meeting of the shareholders, subject to Section 2.03, the Secretary shall fix the time of the meeting which, if the meeting is called pursuant to a statutory

right, shall be held within any period specified by the Pennsylvania Business Corporation Law, or if no period is specified, not more than 60 days after the receipt of the request. If the Secretary neglects or refuses to fix the time of such meeting, subject to Section 2.03, the person or persons calling the meeting may do so.

Section 2.03 Notice of Meetings. Written notice of every meeting of the shareholders shall be given by, or at the direction of, the Secretary of the Company or other person authorized by the Board of Directors to give notice of such meeting, at least five days prior to the date fixed for the meeting and at least 14 days prior to the date fixed for any meeting at which Directors are to be elected. If the Secretary or other authorized person does not give notice of a meeting within a reasonable time, a person calling the meeting may do so. Such notice either personally or by sending a copy thereof through the mail or by telegram, charges prepaid, to each shareholder at his address appearing on the books of the Company or supplied by him to the Company for the purpose of notice. Such notice shall specify the place (provided, however, if a meeting is held by means of the Internet or other electronic communications technology in a fashion pursuant to which shareholders have the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the shareholders and pose questions to the directors, the meeting need not be held at a particular geographic location and the notice of such meeting shall so state), day, and hour of the meeting and, in the case of a special meeting, the general nature of the business to be transacted. No notice of an adjourned meeting need be given other than by announcement at the meeting at which such adjournment is taken.

Section 2.04 Waiver of Notice. A waiver of notice in writing signed by the shareholders or Directors entitled to such notice, whether before or after the time of the meeting stated therein, shall be deemed equivalent to the giving of such notice. Except as required by law, neither the business to be transacted nor the purpose of the meeting need be specified in the waiver of notice of such meeting. Attendance of a person either in person or by proxy at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 2.05 Quorum. The presence in person or by proxy of the holders of record of a majority of the shares entitled to be voted upon any proposal to be considered at the meeting shall constitute a quorum. The shareholders present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting to such time and place as they may determine but, in the case of any meeting called for the election of Directors, those who attend

the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing Directors.

Section 2.06 Presiding Officers. The Chairperson of the Board, or in his absence the President, shall preside, and the Secretary shall take the minutes, at all meetings of the shareholders. In the absence of the Chairperson of the Board and the President, the presiding Officer shall be designated by the Board of Directors or if not so designated selected by the shareholders present; and if the Secretary is unable to take the minutes of the meeting, the presiding Officer shall designate any other person to do so.

Section 2.07 Voting Power. Except as otherwise provided by law or in the Articles or in the By laws, any proposal duly made at a meeting of the shareholders shall be adopted only upon the affirmative vote, in person or by proxy, of the holders of record of majority of the shares cast at the meeting and entitled to be voted on such proposal.

Section 2.08 Non Personal Attendance. One or more Directors or shareholders may participate in a meeting of the Board, a Committee of the Board, or of the shareholders through communications equipment by means of which all persons participating in such meeting may hear each other.

Section 2.09 Notice of Shareholder Business.

(a) Annual Meetings of Shareholders.

(1) The proposal of business to be considered by the shareholders at an annual meeting of shareholders (other than the nomination of Director candidates) must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (including by a Committee appointed by the Board of Directors), (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors (including by a Committee appointed by the Board of Directors), or (c) otherwise properly brought before the meeting by a shareholder of the Company who was a shareholder of record at the time of giving of notice provided for in this Section 2.09(a), who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 2.09(a).

(2) For business to be properly brought before an annual meeting by a shareholder pursuant to paragraph (a)(1) of this Section 2.09, the shareholder must have given timely notice thereof in writing to the Secretary of the Company and such other business must be a proper matter for shareholder action. To be timely, a shareholder's written notice of such business shall be received by Secretary at the principal executive offices of the Company not later than the close of business on the 75th day nor earlier than the close of business on the 120th day prior to the anniversary date of the immediately preceding annual meeting; provided,

however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after the first anniversary of the preceding year's annual meeting, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 75th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a shareholder's notice as described above.

(b) Special Meetings of Shareholders. Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Company's notice of meeting.

(c) Nomination of Directors for Election. In addition to the procedures set forth in this Section 2.09 and Article SIXTH (or any successor article thereto) of the Articles of the Company with respect to the nomination of Director candidates, any nomination of Director candidates by a shareholder shall comply with the following requirements:

(1) Only persons who are nominated in accordance with the procedures set forth in these By-Laws shall be eligible for election as Directors. For purposes of this Section 2.09(c), a "nominee" shall include any person being considered to fill a vacancy on the Board of Directors.

(2) Nominations of persons who satisfy the eligibility requirements of subsection (4) of this Section 2.09(c) for the election of Directors may be made by the Board of Directors, by a committee appointed by the Board of Directors with authority from the Board to do so, or by any shareholder who complies with subsection (3) of this Section 2.09(c).

(3) Nominations of persons who satisfy the eligibility requirements of subsection (4) of this Section 2.09(c) for the election of Directors may be made by any person that (i) is a shareholder of record both at the time of giving of the notice provided for in this Section 2.09 and at the time of the annual meeting, (ii) is entitled to vote for the election of Directors at the meeting of the Company's shareholders and (iii) complies with the notice procedures set forth in this Section 2.09. Nomination for the election of Directors pursuant to this subsection (3) of this Section 2.09(c) is the exclusive means for a shareholder to make nominations before a meeting of shareholders. For nominations to be properly brought before a meeting of shareholders pursuant to subsection (c) of this Section 2.09(c), such nomination (other than a nomination to fill a vacancy resulting from removal from office by a vote of the shareholders under Section 1726(a) of the Pennsylvania Business Corporation Law) may be made by a shareholder only if:

(a) Advance written notice of a proposed nomination by a shareholder of the Company is made in accordance with Article SIXTH (or any successor article thereto) of the Articles of the Company;

(b) Any update or supplement to the notice delivered pursuant to Section 2.09(c)(3)(a) above is delivered pursuant to the requirements of subsections (c)(6) and (d)(5) of this Section 2.09;

(c) The nominating shareholder has complied in all respects with the requirements of Section 14 of the Exchange Act, including without limitation, the requirements of Rule 14a-19 (as such rule and regulations may be amended from time to time by the Securities and Exchange Commission (the “Commission”), including any Commission staff interpretation relating thereto); and

(d) The Board of Directors or an executive officer designated thereby has determined that the shareholder has reasonably satisfied the requirements of this Section 2.09(c).

(4) To be eligible to be a nominee for election as a Director pursuant to this Section 2.09(c), the prospective nominee (whether nominated by or at the direction of the Board of Directors or by a shareholder), or someone acting on such prospective nominee’s behalf, must deliver (with respect to any nomination by a shareholder pursuant to this Section 2.09(c), in accordance with any applicable time periods prescribed for delivery of notice under this Section 2.09(c)) to the Secretary at the principal executive offices of the Company a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request). Upon request, the prospective nominee must also provide a written representation and agreement, in the form provided by the Secretary upon written request, that such prospective nominee:

(a) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such prospective nominee, if elected as a director of the Company, will act or vote on any issue or question (a “Voting Commitment”) that has not been disclosed to the Company or (2) any Voting Commitment that could limit or interfere with such prospective nominee’s ability to comply, if elected as a director of the Company, with such prospective nominee’s fiduciary duties under applicable laws;

(b) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Company with

respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein; and

(c) would be in compliance if elected as a director of the Company, and will comply with all applicable corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Company.

(5) Each notice delivered pursuant to subsection (c)(3)(a) of this Section 2.09 shall set forth:

(a) as to each person whom the shareholder proposes to nominate for election or reelection as a Director:

(i) the information required under Article SIXTH (or any successor article thereto) of the Articles of the Company; and

(ii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and beneficial owner on whose behalf the nomination is being made, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and such nominees' respective affiliates and associates, or others acting in concert therewith, on the other hand, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the shareholder making the nomination and any beneficial owner on whose behalf the nomination is made, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant;

(b) as to the shareholder giving the notice and any Shareholder Associated Person on whose behalf the nomination is made, the information

(i) the information required under Article SIXTH (or any successor article thereto) of the Articles of the Company; and

(ii) the information required under Section 2.09(d)(2)(b).

(6) In addition, the shareholder making such nomination shall promptly provide any other information reasonably requested by the Company, including information to determine (1) the eligibility of such proposed nominee to serve as an independent

Director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such nominee; (2) whether the proposed nominee has any direct or indirect relationship with the Company other than those relationships that have been deemed categorically immaterial pursuant to the Company's corporate governance guidelines or its related party transaction policy; (3) whether the proposed nominee would, by serving on the Board of Directors, violate or cause the Company to be in violation of these By-Laws, the Articles of Incorporation, the rules and listing standards of the principal U.S. exchange upon which the common stock of the Company is listed or any applicable law, rule or regulation, and (4) whether the proposed nominee is or has been subject to any event specified in Item 401(f) of Regulation S-K (or successor rule) of the Commission.

(7) A shareholder who has delivered a notice of nomination pursuant to this Section 2.09(c) shall promptly certify to the Company in writing that it has complied with the requirements of Rule 14a-19 promulgated under the Exchange Act and deliver no later than five (5) business days prior to the annual meeting or special meeting, as applicable, reasonable evidence that it has complied with such requirements.

(8) Notwithstanding anything to the contrary in these By-Laws, unless otherwise required by law, if any shareholder (i) provides notice pursuant to Rule 14a-19 promulgated under the Exchange Act and (ii) subsequently (1) notifies the Company that such shareholder no longer intends to solicit proxies in support of director nominees other than the Company's director nominees in accordance with Rule 14a-19, (2) fails to comply with the requirements of Rule 14a-19 or (3) fails to provide reasonable evidence sufficient to satisfy the Company that such requirements have been met, such shareholder's nomination(s) shall be deemed null and void and the Company shall disregard any proxies or votes solicited for any nominee proposed by such shareholder.

(9) The Chairperson may, if the facts warrant, determine that any proposed nomination was not properly brought before the annual meeting in accordance with the provisions of this Section 2.09(c); and if the Chairperson shall so determine, the Chairperson shall so declare to the annual meeting, and any such nomination not properly brought before the annual meeting shall not be considered. A shareholder proposing a nomination for Director shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.09(c); provided, however, that any references in these By-Laws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the applicable requirements pursuant to this Section 2.09(c).

(10) Subject to Rules 14a-8 and 14a-19 promulgated under the Exchange Act, nothing in these By-Laws shall be construed to permit any shareholder, or give any shareholder the right to include or have disseminated or described in any proxy materials

relating to the Company's next annual meeting or special meeting, as applicable, any nomination of a director or directors or any other business proposal.

(d) General.

(1) Only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.09 and Article SIXTH (or any successor article thereto) of the Articles of the Company with respect to the nomination of Director candidates. Except as otherwise provided by law, the Chairperson of the meeting shall have the power and duty to determine whether any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.09 and Article SIXTH (or any successor article thereto) of the Articles of the Company with respect to the nomination of Director candidates and, if any proposed business is not in compliance with this Section 2.09 and Article SIXTH (or any successor article thereto) of the Articles of the Company with respect to the nomination of Director candidates, to declare that such defective proposal or nomination shall be disregarded.

(2) A shareholder's notice pursuant to Section 2.09(a) or a call for a special meeting of the shareholders made pursuant to Section 2.02 by persons who hold of record not less than 20% of the shares entitled to be voted upon any proposal to be considered at such meeting shall set forth:

(a) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend these By-Laws, the text of the proposed amendment) and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made;

(b) as to the shareholder giving the notice and any Shareholder Associated Person on whose behalf the proposal is made:

(i) the name and address of such shareholder who intends to propose the business, as they appear on the Company's books, and of such Shareholder Associated Person and

(ii) a representation that the shareholder is a holder of record of shares of the Company entitled to vote at such meeting and, if applicable, intends to appear in person or by proxy at the meeting to make the proposal to the meeting;

(iii) a representation that the shareholder will notify the Company in writing of the number and class of shares owned beneficially or of record by the shareholder and any Shareholder Associated Person as of the close of business on the record date for the meeting promptly, and in no event later than 10 days, following the later of the record date or the date notice of the record date is first publicly disclosed;

(iv) a description of all agreements, arrangements or understandings between the shareholder and persons (naming each person or persons) pursuant to which the business is to be proposed, and a representation that the shareholder will notify the Company in writing of any such agreement, arrangement or understanding in effect as of the close of business on the record date for the meeting promptly, and in no event later than 10 days, following the later of the record date or the date notice of the record date is first publicly disclosed;

(v) such other information regarding each matter of business to be proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Commission had the matter been proposed, or intended to be proposed by the Board of Directors; and

(vi) the information required by Section 2.09(d)(3), and a representation that the shareholder will notify the Company in writing of any changes in that information as of the close of business on the record date for the meeting promptly, and in no event later than 10 days, following the later of the record date or the date notice of the record date is first publicly disclosed.

(3) A notice submitted by a shareholder under Section 2.09 must describe in reasonable detail, with respect to the shareholder and any Shareholder Associated Person:

(a) any class or series and number of the Company's securities, including shares of the Company and Derivative Instruments, directly or indirectly beneficially owned by the shareholder or a Shareholder Associated Person, or any other direct or indirect opportunity for the shareholder or Shareholder Associated Person to profit or share in any profit derived from any increase or decrease in the value of shares of the Company;

(b) any interest in shares of the Company or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which the shareholder or Shareholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner;

(c) any hedging or other transaction or series of transactions that has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including, without limitation, any put, short position or any borrowing or lending of shares) that has been made by or on behalf of, a shareholder or any Shareholder Associated Person, the effect or intent of which is to mitigate loss to, or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, the shareholder or any Shareholder Associated Person with respect to any share of the Company;

(d) any proxy, contract, arrangement, understanding, or relationship pursuant to which such shareholder or Shareholder Associated Person has a right to vote any shares of any class or series of the Company's capital stock;

(e) any short interest of such shareholder or Shareholder Associated Person in any security of the Company (for purposes of this Section 2.09(d)(3), a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security);

(f) any rights to dividends on any securities of the Company owned beneficially by such shareholder or Shareholder Associated Person that are separated or separable from the underlying securities of the Company;

(g) any proportionate interest in shares of any class or series of the Company's capital stock or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such shareholder or Shareholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner;

(h) any performance-related fees (other than an asset-based fee) to which such shareholder or Shareholder Associated Person is entitled based on any increase or decrease in the value of securities of the Company or Derivative Instruments as of the date of such notice, including any such interests held by members of the immediate family of such shareholder or Shareholder Associated Person sharing the same household (which information shall be supplemented by such shareholder and Shareholder Associated Person not later than ten (10) days after the record date for the meeting to disclose such ownership as of the record date);

- (i) any significant equity interests or any Derivative Instruments or short interests in any principal competitor of the Company held by such shareholder or Shareholder Associated Person;
- (j) any direct or indirect interest of such shareholder or any Shareholder Associated Person in any contract with the Company, any affiliate of the Company or any principal competitor of the Company (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement);
- (k) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) or an amendment pursuant to Rule 13d-2(a) if such a statement were required to be filed under the Exchange Act of 1934 (as amended, the “Exchange Act”) and the rules and regulations promulgated thereunder by such shareholder or beneficial owner, if any;
- (l) any other information relating to such shareholder or Shareholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of Directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;
- (m) any material interest of the shareholder or Shareholder Associated Person on whose behalf the proposal is made in such business;
- (n) a description of all agreements, arrangements and understandings between such shareholder or such Shareholder Associated Person and any other person or persons (including their names) in connection with the proposal of such business;
- (o) a representation that the shareholder is a holder of record of capital stock of the Company, is entitled to vote at such meeting and intends to appear, in person or by proxy, at the meeting to propose such business; and
- (p) a representation as to whether the shareholder or such Shareholder Associated Person is or intends to be part of a group that intends (A) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Company’s outstanding capital stock required to approve or adopt the proposal and/or (B) otherwise to solicit proxies from shareholders in support of such proposal.

(4) As used in this Section 2.09, the following terms have the meaning indicated:

(a) “Public Announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Company with the Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(b) “Derivative Instrument” means an option, warrant, convertible security, stock appreciation right, or other right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to the value of any class or series of shares of the Company or with a value derived in whole or in part from the value of any class or series of shares of the Company, whether or not such instrument or right is subject to settlement in the underlying class or series of shares of the Company or otherwise.

(c) “Shareholder Associated Person” of a shareholder means (i) any person controlling, controlled by, under common control with, or acting in concert with, the shareholder, (ii) any beneficial owner of shares of the Company owned of record or beneficially by the shareholder, (iii) any entity of which the shareholder is an employee, officer, member, partner, trustee, director or, except for entities the shares of which are registered under the Exchange Act, a shareholder, and (iv) any person controlling, controlled by or under common control with, the Shareholder Associated Person.

(5) The shareholder and any Shareholder Associated Person shall update and supplement the notice required by this Section 2.09 by giving notice that the information provided or required to be provided in such notice shall be true and correct (1) as of the record date for the meeting and (2) as of the date that is ten (10) business days prior to the meeting or any adjournment, postponement or recess thereof. Such updates and supplements shall be delivered or mailed by certified mail to the Secretary and received at the principal executive offices of the Company not later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment, postponement or recess thereof) not later than five (5) business days prior to the date for the meeting or, if practicable, any adjournment, postponement or recess thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned, postponed or recessed). No such supplement or update may include any new nominees who were not named in the original notice of nomination or to be

deemed to cure any defects or limit the remedies (including without limitation under these By-Laws) available to the Company relating to any defect.

(6) Notwithstanding the foregoing provisions of this Section 2.09, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.09. Nothing in this Section 2.09 shall be deemed to affect any rights of (i) shareholders to request inclusion of proposals in the Company's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) the holders of any series of Preferred Stock to elect directors under specified circumstances.

(7) This Section 2.09 shall be the exclusive means for a shareholder to submit other business (other than matters properly brought under Rule 14a-8 under the Exchange Act, and included in the Company's notice of meeting) before any shareholder meeting. The chairperson of the meeting shall refuse to acknowledge the nomination of any person or the proposal of any business not made in compliance with the foregoing procedures. The provisions of this Section 2.09 shall also govern what constitutes timely notice for purposes of Rule 14a-4(c) of the Exchange Act.

Section 2.10 Proxies. Any shareholder entitled to vote at any meeting of shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such shareholder by proxy. A shareholder may authorize a valid proxy in any manner permitted by applicable law, including by executing a written instrument executed by such shareholder, or by causing such shareholder's signature to be affixed to such writing by any reasonable means, including by facsimile signature or by transmitting or authorizing an electronic transmission to the person designated as the holder of the proxy, a proxy solicitation firm or a like authorized agent. No such proxy shall be voted or acted upon after the expiration of three years from the date of such proxy, unless such proxy provides for a longer period. Every proxy shall be revocable at the pleasure of the shareholder executing it, unless such proxy is coupled with an interest sufficient in law to support an irrevocable power and except in any other case in which applicable law provides that such a proxy shall be irrevocable. A shareholder may revoke any proxy which is not irrevocable by giving notice of such revocation in writing or by electronic transmission to the Secretary or the designated agent of the Secretary. Proxies authorized by electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the shareholder. Any copy, facsimile telecommunication or other reliable reproduction of a writing or electronic transmission created pursuant to this Section 2.10 may be substituted or used in lieu of the original writing or electronic transmission, as the case may be, for any and all purposes for which the original writing or electronic transmission, as the case may be, could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original

writing or electronic transmission, as the case may be. Every proxy shall be filed with or transmitted to the Secretary or the Company's designated agent.

Any shareholder directly or indirectly soliciting proxies from other shareholders must use a proxy card color other than white, which shall be reserved for exclusive use by the Company.

### **ARTICLE III**

#### **Directors**

Section 3.01 Number and Eligibility (of Directors). The business and affairs of the Company shall be managed by its Board of Directors, the members of which need not be residents of the Commonwealth of Pennsylvania. The number and nomination of Directors shall be as set forth in Article SIXTH (or any successor article thereto) of the Articles of the Company. No one shall be eligible for nomination to stand as a Director, nor be elected to fill a vacancy in the Board of Directors, after attaining 75 years of age and any Director that, if nominated would attain 75 years of age during a term as a Director, shall retire from the Board of Directors immediately prior to the next annual meeting of the shareholders following such Director attaining 75 years of age.

Section 3.02 Election, Term and Vacancy. The election and term of office of Directors shall be as set forth in Article SIXTH (or any successor article thereto) of the Articles of the Company. Except as otherwise required by law, vacancies on the Board of Directors including vacancies resulting from an increase in the number of Directors shall be filled by unanimous vote of the remaining Board.

Section 3.03 Compensation of Directors. Directors shall receive such compensation for their services as Directors as the Board may from time to time determine; provided that nothing herein contained shall be construed to preclude any Director from serving the Company in any other capacity and receiving compensation therefor.

Section 3.04 Regular Meetings; Chairperson. The Board of Directors shall, without written notice, hold an annual meeting and other regular meetings at such times and places as the Board may determine from time to time. The Board shall elect one of its members Chairperson of the Board, and such Chairperson shall preside at all meetings of the shareholders and of the Board of Directors at which he is present.

Section 3.05 Special Meetings. Special meetings of the Board of Directors may be called at any time by the Board itself by vote at a meeting, or by the Chairperson of the

Board, the President or by any two Directors, to be held at such place and day and hour and for such purposes as shall be specified by the person or persons calling the meeting. Notice of every such special meeting, stating the place, day and hour thereof and the general nature of the business to be transacted thereat, shall be given to all Directors by, or at the direction of, the person or persons calling the meeting at least one day prior to the day named for the meeting.

Section 3.06 Quorum. A majority of the full Board of Directors shall constitute a quorum for the transaction of business at any regular or special meeting of the Board of otherwise required by law or by the Articles of the Company, resolutions of the Board of Directors shall be adopted, and any action of the Board at a meeting upon any matter shall be taken and be valid, with the affirmative vote of at least a majority of the Directors present at a meeting duly convened, provided that if all the Directors shall severally or collectively consent in writing to any action to be taken by the Company, such action shall be as valid corporate action as though it had been authorized at a meeting of the Board of Directors.

Section 3.07 Presumption of Assent. Minutes of each meeting of the Board of Directors shall be made available to each Director at or before the next succeeding regular meeting. Every Director shall be presumed to have assented to such minutes unless his written objection thereto shall be made to the Secretary within seven business days after receipt thereof in draft form.

Section 3.08 Resignation. Any Director may resign by submitting his resignation to the Chairperson of the Board or the President. Unless otherwise specified, any such resignation shall be effective immediately upon its receipt by such Officer.

Section 3.09 Executive Committee. The Board of Directors shall have authority to appoint an Executive Committee consisting of not more than five Directors, which committee shall, during intervals between meetings of the Board of Directors, have and exercise all the authority of the Board of Directors in the management of the business of the Company except as specially limited by the Board of Directors.

Section 3.10 Other Committees. The Board of Directors may from time to time appoint from its own number a Compensation Committee and such standing or other committees as it may deem in the best interests of the Company and may invest such committees with such powers as the Board of Directors deems appropriate.

Section 3.11 Conduct of Committees. The term "Board of Directors" or "Board" when used in any provision of these By-Laws related to the organization or procedures of or the manner of taking action by the Board of Directors, shall be construed to include and refer to any executive or other committee of the Board of Directors. Subject to any charter adopted by the

Board with respect to a committee of the Board of Directors, any provision of these Bylaws related or referring to action to be taken by the Board of Directors or the procedures required therefor shall be satisfied by the taking of corresponding action by a committee of the Board of Directors to the extent authority to take the action has been delegated to the committee pursuant to this Article III.

#### **ARTICLE IV** **Officers**

Section 4.01 Election of Officers. At the annual meeting of the Board of Directors following the annual meeting of shareholders, the Board of Directors shall elect such Officers and assistant Officers as the Board of Directors may deem appropriate. The Board of Directors may also elect, from time to time, such other Officers as it deems appropriate. The Board of Directors shall have power to define the cubes of all Officers and assistant Officers, may at any time in its discretion remove any Officer or assistant Officer appointed by it, and shall have power at any time to fill any vacancies in any office occurring for whatever reason. Unless sooner removed by the Board of Directors, all Officers shall hold office until their successors are elected, or until resignation or death, whichever is earlier. The Compensation Committee of the Board of Directors shall fix the compensation of all principal Officers.

Section 4.02 President. The President shall have all powers and perform all duties as from time to time may be prescribed by the Board of Directors. In the absence of the Chairperson of the Board of Directors, the President shall preside at meetings of the shareholders and of the Board of Directors. Such Officers as shall be designated from time to time by the Board of Directors shall report to the President.

Section 4.03 Vice Presidents. Vice Presidents shall perform such duties as may be assigned to them from time to time by the Board of Directors, or by the President.

Section 4.04 Secretary. The Secretary shall attend the meetings of the shareholders and of the Board of Directors and keep minutes thereof in suitable books. Unless some other person is designated to give such notice, the Secretary shall send out notices of all meetings of shareholders and of the Board of Directors which may be called in accordance with the provisions of law and the provisions of these By-laws. He shall perform all the usual duties incident to the office of Secretary.

Section 4.05 Treasurer. The Treasurer or his designee shall receive, and the Treasurer shall be responsible for, all money paid to the Company and keep, or cause to be kept, accurate accounts of all money received or payments made in books kept for that purpose. He or his designees shall deposit all money received in the name and to the credit of the Company in

such bank or other place or places of deposit as the Board of Directors shall designate. He shall be responsible for the proper disbursement of the Company funds. He shall perform all the usual duties incident to the office of Treasurer.

Section 4.06 Controller. The Controller shall direct the accounting activities of the Company, including financial reporting, provision of necessary procedures to provide accounting controls and services, and coordination of accounting and tax policies with Divisional Operating personnel, together with such duties as may be assigned from time to time by the Board of Directors or by the President.

Section 4.07 Assistant Officers. Each assistant Officer shall perform such duties as may be delegated to him by the Officer to whom he is an assistant, and in the absence or disability of such Officer may perform the duties of such Officer's office. Each assistant Officer shall perform such other duties as may be assigned to him by the Board of Directors.

Section 4.08 Delegation of Duties. In case of the absence of any Officer of the Company, or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate for the time being the power and duties, or any of them, of such Officer to any other Officer or Director or other person whom they may select.

## **ARTICLE V**

### **Execution of Documents**

Section 5.01 Notes, Checks, etc. All properly authorized notes, bonds, drafts, acceptances, checks, endorsements (other than for deposit), guarantees and all evidences of indebtedness of the Company whatsoever require two (2) signatures and shall be signed by such Officers or agents of the Company, subject to such requirements as to countersignatures or other conditions, as the Board of Directors from time to time may determine. Facsimile signatures on checks may be used if authorized by the Board of Directors.

Section 5.02 Execution of Instruments Generally. Except as provided in Section 5.01 all deeds, mortgages, contracts (except contracts in the normal course of business), and other instruments requiring execution of the Company may be executed and delivered by any Officer of the Company or by any such other person as may be authorized by the Board of Directors.

## **ARTICLE VI**

### **Indemnification**

Section 6.01 Personal Liability of Directors and Officers.

(a) To the fullest extent the laws of the Commonwealth of Pennsylvania permit elimination or limitation of the liability of Directors and Officers of the Company, no Director or Officer of the Company shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a Director or Officer, respectively, provided however, that this Section 6.01 shall only apply to Officers after this Section 6.01 to these By-Laws is approved by the shareholders of the Company in accordance with Pennsylvania law (the “Section 1735 Shareholder Approval”).

(b) This Section 6.01 shall apply to any breach of performance of duty or any failure of performance of duty by any Director of the Company occurring after January 27, 1987 and the performance of duty by any Officer of the Company occurring after the Section 1735 Shareholder Approval is obtained. The provisions of this Section shall be deemed to be a contract with each Director and Officer (in the case of Officers once Section 1735 Shareholder Approval is obtained) of the Company who serves as such at any time while this Section is in effect and each such Director or Officer (in the case of Officers once Section 1735 Shareholder Approval is obtained) shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any other By-Law or provision of the Articles of the Company which has the effect of increasing Director or Officer liability shall operate prospectively only and shall not have any effect with respect to any action taken, or any failure to act, by a Director or Officer prior to such amendment, repeal or adoption.

Section 6.02 Indemnification of Directors, Officers and Others.

(a) Right to Indemnification. Except as prohibited by law, every Director and Officer of the Company shall be entitled as of right to be indemnified by the Company against expenses and any liabilities paid or incurred by such person in connection with any actual or threatened claim, action, suit, or proceeding, civil, criminal, administrative, investigative or other, whether brought by or in the right of the Company or otherwise, in which he or she may be involved in any manner, as a party, witness or otherwise, or is threatened to be made so involved, by reason of such person being or having been a Director or Officer of the Company or of a subsidiary of the Company or by reason of the fact that such person is or was serving at the request of the Company as a Director, Officer, employee, fiduciary or other representative of another Company, partnership, joint venture, trust, employee benefit plan or other entity (such claim, action, suit or proceeding hereinafter being referred to as Factions); provided, that no such right of indemnification shall exist with respect to an Action initiated by an indemnitee (as hereinafter defined) against the Company (an Indemnitee Action); except as provided in the last sentence of this Subsection (a) Persons who are not Directors or Officers of the Company may be similarly indemnified in respect of service to the Company or to another such entity at the

request of the Company to the extent the Board of Directors at any time designates any of such persons as entitled to the benefits of this Article. As used in this Section 6.02, an indemnitee shall include each Director and Officer of the Company and each other person designated by the Board of Directors as entitled to the benefits of this Section 6.02, expenses shall mean all expenses actually and reasonably incurred, including fees and expenses of counsel selected by an indemnitee, and Liabilities shall mean amounts of judgments, excise taxes, fines, penalties and amounts paid in settlement. An indemnitee shall be entitled to be indemnified pursuant to this Subsection (a) for expenses incurred in connection with any Indemnitor Action only (i) if the indemnitee is successful, as provided in Subsection (c) of this Section 6.02, (ii) if the indemnitee is successful in whole or in part in another Indemnitor Action for which expenses are claimed or (iii) if the indemnification for expenses is included in a settlement of, or is awarded by a court in, such other Indemnitor Action.

(b) Right to Advancement of Expenses. Every indemnitee shall be entitled as of right to have his or her expenses in defending any Action, or in initiating and pursuing any Indemnitor Action for indemnity or advancement of expenses under Subsection (c) of this Section 6.02, paid in advance by the Company prior to final disposition of such Action or Indemnitor Action, provided that the Company receives a written undertaking by or on behalf of the indemnitee to repay the amount advanced if it should ultimately be determined that the indemnitee is not entitled to be indemnified for such expenses.

(c) Right of Indemnitor to Initiate Action. If a written claim under Subsection (a) or Subsection (b) of this Section 6.02 is not paid in full by the Company within 30 days after such claim has been received by the Company, the indemnitee may at any time thereafter initiate an Indemnitor Action the unpaid amount of the claim and, if successful in whole or in part, the indemnitee shall also be entitled to be paid the expense of prosecuting such Indemnitor Action. The only defense to an Indemnitor Action to recover on a claim for indemnification under Subsection (a) of this Section 6.02 shall be that the indemnitee's conduct was such that under Pennsylvania law the Company is prohibited from indemnifying the indemnitee for the amount claimed, but the burden of proving such defense shall be on the Company. The only defense to an Indemnitor Action to recover a claim for advancement of expenses under Subsection (b) of this Section 6.02 shall be the indemnitee's failure to provide the undertaking required by Subsection (b) of this Section 6.02.

(d) Insurance and Funding. The Company may purchase and maintain insurance to protect itself and any person eligible to be indemnified hereunder against any liability or expense asserted or incurred by such person in connection with any Action, whether or not the Company would have the power to indemnify such person against such liability or expense by law or under the provisions of this Section 6.02. The Company may create a trust fund, grant a security interest, cause a letter of credit to be issued or use other means (whether or

not similar to the foregoing) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

(e) Non-Exclusivity; Nature and Extent of Rights. The rights to indemnification and advancement of expenses provided for in this Section 6.02 shall (i) not be deemed exclusive of any other rights, whether now existing or hereafter created, to which any indemnitee may be entitled under any agreement or by law, charter provision, vote of shareholders or Directors or otherwise, (ii) be deemed to create contractual rights in favor of each indemnitee who serves the Company at any time while this Section 6.02 is in effect (and each such indemnitee shall be deemed to be so serving in reliance on the provisions of this Section), and (iii) continue as to each indemnitee who has ceased to have the status pursuant to which he or she was entitled or was designated as entitled to indemnification under this Section and shall inure to the benefit of the heirs and legal representatives of each indemnitee. Any amendment or repeal of this Section 6.02 or adoption of any other By-Law or provision of the Articles of the Company which limits in any way the right to indemnification or the right to advancement of expenses provided for in this Section 6.02 shall operate prospectively only and shall not affect any action taken, or failure to act, by an indemnitee prior to the adoption of such amendment, repeal, By-Law or other provision.

(f) Partial Indemnity. If an indemnitee is entitled under any provision of this Section 6.02 to indemnification by the Company for some or a portion of the expenses or liabilities paid or incurred by the indemnitee in the preparation, investigation, defense, appeal or settlement of any Action or Indemnitor Action but not, however, for the total amount thereof, the Company shall indemnify the indemnitee for the portion of such expenses or liabilities to which the indemnitee is entitled.

(g) Applicability of Section. This Section 6.02 shall apply to every Action, except that it shall not apply to the extent that Pennsylvania law does not permit its application to any breach of performance of duty or any failure of performance of duty by an indemnitee occurring prior to January 27, 1987.

**ARTICLE VII**  
**Share Certificates and Transfers**

Section 7.01 Share Certificates.

The shares of the Company's stock may be certificated or uncertificated, as provided under Pennsylvania law, and shall be entered in the books of the Company and registered as they are issued. Any certificates representing shares of stock shall be in such form as the Board of Directors shall prescribe, certifying the number and class of shares of the stock of the Company owned by the shareholder. Every share certificate shall be signed by the Chairperson of the Board, Chief Executive Officer, President, or a Vice President, or by any other Officer designated by the Board of Directors, and shall be countersigned by the Secretary and sealed with the Corporate Seal. The Corporate Seal may be a facsimile, engraved or printed, and where the share certificate is manually signed by a Corporate Officer, a transfer agent or a registrar the signature of any Corporate Officer upon such certificate may be a facsimile, engraved or printed.

Within a reasonable time after the issuance or transfer of uncertificated stock, the Company shall send to the registered owner thereof a written notice that shall set forth the name of the Company, that the Company is organized under the laws of the State of Pennsylvania, the name of the shareholder, the number and class (and the designation of the series, if any) of the shares represented, and any restrictions on the transfer or registration of such shares of stock imposed by the Company's articles of incorporation, these By-Laws, any agreement among shareholders or any agreement between shareholders and the Company.

Section 7.02 Transfer of Shares.

Upon surrender to the Company or the transfer agent of the Company of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Company to issue a new certificate or evidence of the issuance of uncertificated shares to the shareholder entitled thereto, cancel the old certificate and record the transaction upon the Company's books. Upon the surrender of any certificate for transfer of stock, such certificate shall be conspicuously marked on its face "Cancelled" and filed with the permanent stock records of the Company.

Upon the receipt of proper transfer instructions from the registered owner of uncertificated shares, such uncertificated shares shall be cancelled, issuance of new equivalent uncertificated shares or certificated shares shall be made to the shareholder entitled thereto and the transaction shall be recorded upon the books of the Company. If the Company has a transfer agent or registrar acting on its behalf, the signature of any officer or representative thereof may be in facsimile.

The Board of Directors may appoint a transfer agent and one or more co-transfer agents and registrar and one or more co-registrars and may make or authorize such agent to make all such rules and regulations deemed expedient concerning the issue, transfer and registration of shares of stock.

Section 7.03 Loss, Destruction or Mutilation of Share Certificate. In case of loss, destruction or mutilation of a share certificate, the Company may issue (i) a new certificate or certificates of stock or (ii) uncertificated shares in place of any certificate or certificates previously issued by the Company alleged to have been lost, stolen or destroyed, upon such terms and conditions as the Board of Directors may from time to time determine.

Section 7.04 Regulations Relating to Shares. The Board of Directors shall have power and authority to make such rules and regulations not inconsistent with these By-laws as it may deem expedient concerning the issue, transfer and registration of share certificates.

Section 7.05 Holder of Record. The Company shall be entitled to treat the holder of record of any share or shares of stock of the Company as the holder and owner in fact thereof for all purposes and shall not be bound to recognize any equitable or other claim to or right, title, or interest in such shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

Section 7.06 Non-applicability of Statute. Section 910 of the Pennsylvania Business Corporation Law (pertaining to control transactions) shall not be applicable to the Company. (This By-law provision was adopted by action of the Board of Directors on March 9, 1984 and restated on May 20, 1988, and may not be rescinded except by an amendment to the Articles of Incorporation.)

Section 7.07 Non-Applicability of Statute. Section 911 of the Pennsylvania Business Corporation Law (pertaining to certain business combinations) shall not be applicable to the Company. (This By-law provision was adopted by action of the Board of Directors effective May 20, 1988.)

Section 7.08 Non-Applicability of Statute. Subchapter G, Subchapter H, Subchapter I and Subchapter J of Chapter 25 of the Pennsylvania Business Corporation Law (pertaining to control share transactions) shall not be applicable to the Company. (This By-law provision was adopted by action of the Board of Directors effective May 18, 1990.)

**ARTICLE VIII**  
**Profit Distribution To Employees**

Section 8.01 Profit Distribution to Employees. The Board of Directors is hereby authorized to determine from time to time, and at its sole and complete discretion, whether and to what extent bonuses or profit distributions should be paid to Officers, department heads or any other employees of the Company. In making such determination, the Board of Directors or its designee shall have full power and authority, in its sole and complete discretion, to determine the recipients, the basis, the amount and the nature (whether in cash, stock or otherwise) of any such bonus or profit distribution; provided, however, no such bonus or profit distribution shall be made at any time unless, after giving effect thereto, and after all expenses, taxes and contingent liabilities are provided for, there shall be remaining out of the Company's current year's Consolidated Net Income an amount equal to or greater than 6% of the Invested Capital of the Company at the date of any such determination. For the purposes of this Section, the terms Consolidated Net Incomes and invested Capitals shall be determined in accordance with sound accounting principles. To be eligible for consideration for a profit sharing distribution, an employee must have completed at least three months of service with the Company at the close of the period for which profit sharing is being paid. In those locations where a labor agreement provides for the discontinuance or omission of the Profit Sharing Plan, bargaining unit employees will not be eligible for profit sharing distribution.

**ARTICLE IX**  
**Amendments**

Section 9.01 Amendments. These By-laws may be altered or amended by the Board of Directors or the shareholders at any annual, regular or special meeting duly convened after notice of the specific Sections to be altered or amended

**DESCRIPTION OF THE SECURITIES  
OF MATTHEWS INTERNATIONAL CORPORATION  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Last Updated: November 17, 2023**

Matthews International Corporation (the “Company,” “we” or “our”) has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our Class A Common Stock (our “common stock”).

The following description of our capital stock, including our common stock, is not complete and is qualified in its entirety by reference to, the Company’s Restated Articles of Incorporation (the “Company Articles”) and the Company’s Amended and Restated By-Laws (the “Company Bylaws”), each of which is filed with or incorporated by reference as an exhibit to our Annual Report on Form 10-K. For additional information, please read the Company Articles, Company Bylaws, and the applicable provisions of the Pennsylvania Business Corporation Law (the “PBCL”).

**General**

Under the Company Articles, the Company is authorized to issue 100,000,000 shares of common stock, \$1.00 par value per share, and 10,000 shares of preferred stock, \$100.00 par value per share. 70,000,000 shares of the Company’s common stock are designated as Class A Common Stock and 30,000,000 shares of the Company’s common stock are designated as Class B Common Stock.

As of October 31, 2023, there are approximately 30,384,251 shares of Class A Common Stock issued and outstanding, no shares of Class B Common Stock issued and outstanding (and were previously converted into shares of Class A Common Stock upon such date that the Class B Common Stock represented fewer than 5% of the outstanding shares of our common stock), and no shares of preferred stock issued and outstanding.

**The Company’s Class A Common Stock**

***Voting Rights***

Each share of the Company’s common stock is entitled to one vote on all matters requiring a vote of shareholders. Shareholders do not have cumulative voting rights in elections of directors. As of the date first written above, the Company’s board of directors (the “Company Board”) has fixed the number of directors constituting the full Company Board at ten, divided into three classes. The terms of office of the three classes of directors end in successive years. A director nominee will be elected to the Company Board at a meeting of shareholders if the votes cast “for” such nominee exceed the votes cast “against” such nominee (excluding abstentions), unless the number of nominees exceeds the number of directors to be elected, in which case the nominees receiving the highest number of votes up to the number of directors to be elected will be elected. However, in the event a nominee does not receive a majority of votes cast, such director is required under our Corporate Governance Guidelines to conditionally resign from the Company Board. Acceptance of such resignation is at the discretion of the Company Board.

***Dividend Rights***

Subject to the rights and preferences of the holders of any outstanding shares of preferred stock, each share of the Company’s common stock is entitled to receive any dividends, in cash, securities or property, as the Company Board may declare. Pennsylvania law prohibits the payment of dividends and the repurchase of capital stock if the Company is insolvent or if the Company would become insolvent after the dividend or repurchase (unless, in the case of a repurchase, the purchase price is deferred such that the Company will not become insolvent when it is paid).

### ***Liquidation and Other Rights***

In the event of the liquidation, dissolution or winding up, either voluntarily or involuntarily, of the Company, subject to the rights and preferences of the holders of any outstanding shares of preferred stock, holders of common stock will be entitled to share pro rata in all of the Company's remaining assets available for distribution.

### ***Miscellaneous***

The holders of the Company's common stock do not have preemptive rights or conversion rights, and there are no redemption or sinking fund provisions applicable to the Company's common stock. Holders of fully paid shares of the Company's common stock are not subject to any liability for further calls or assessments.

### **Description of Preferred Stock**

Under Pennsylvania law and the Company Articles, the Company Board is authorized to issue shares of preferred stock from time to time in one or more series without shareholder approval. Subject to limitations prescribed by Pennsylvania law, the Company Articles and the Company Bylaws, the Company Board is able to determine the number of shares constituting each series of preferred stock and the designation, preferences, qualifications, limitations, restrictions, and special or relative rights or privileges of that series.

Holders of the Company preferred stock will have no voting rights for the election of directors and have no other voting rights except as the Company Board may determine pursuant to its authority under the Company Articles with respect to any particular series of the Company preferred stock and except as provided by law.

The particular terms of any series of the Company preferred stock will be set by the Company Board for that series of preferred stock. Those terms may include:

- Any merger, consolidation or share exchange of the Company or any subsidiary of the Company with (a) any interested shareholder or with (b) any other person (whether or not itself an interested shareholder) which is, or after such merger, consolidation or share exchange would be, an affiliate or associate of an interested shareholder or which does not include in its articles of in Company the substance of the terms of the Company Articles, in each case without regard to which person is surviving person;
- the annual dividend rate for such series, if any, and the date or dates from which dividends shall commence to accrue;
- the redemption price or prices, if any, for shares of such series and the terms and conditions on which such shares may be redeemed;
- the provisions for a sinking, purchase or similar fund, if any, for the redemption or purchase of shares of such series;
- the preferential amount or amounts payable upon shares of such series in the event of the Company's voluntary or involuntary liquidation;
- the voting rights, if any, of shares of such series;
- the terms and conditions, if any, upon which shares of such series may be converted and the class or classes or series of the Company's securities into which such shares may be converted;
- the relative seniority, parity or junior rank of such series with respect to other series of preferred stock then or thereafter to be issued; and
- any other specific terms, preferences, rights, privileges, limitations or restrictions of such series.

While the terms summarized above may generally apply to any shares of preferred stock that the Company may offer, the Company Board will include the specific terms of each series of preferred stock in a statement with respect to shares that will be filed with the Pennsylvania Department of State and the Securities and Exchange Commission (the "Commission").

#### **Anti-Takeover Effect of the Company's Governing Documents and Pennsylvania Business Corporation Law**

The Company Articles and the Company Bylaws contain a number of provisions relating to corporate governance and to the rights of the Company shareholders. Certain of these provisions may have a potential "anti-takeover" effect by delaying, deferring or preventing a change of control of the Company. In addition, certain provisions of Pennsylvania law may have a similar effect.

#### ***Required Vote for Transactions Involving Interested Shareholders***

In addition to any other affirmative vote required by law, the Company Articles or otherwise, certain business combination transactions require the affirmative vote of (x) the holders of at least 80% of the outstanding shares of the Company capital stock entitled to vote in an annual election of directors of the Company, voting together as a single class, and (y) the holders of at least a majority of the outstanding shares of the Company capital stock entitled to vote in an annual election of directors of the Company, voting together as a single class, which are not beneficially owned by any person which is at such time (i) the beneficial owner, directly or indirectly of more than 15% of the outstanding shares of the Company capital stock entitled to vote in an annual election of directors of the Company, (ii) an affiliate of the Company and at any time within the two-year period immediately prior to such time was the beneficial owner, directly or indirectly, of more than 15% of the outstanding shares of the Company capital stock entitled to vote in an annual election of directors of the Company, or (iii) an assignee of or has otherwise succeeded to the beneficial ownership of any outstanding shares of the Company capital stock entitled to vote in an annual election of directors of the Company which were at any time within the two-year period immediately prior to such time beneficially owned by an interested shareholder (within the meaning of clauses (i) through (iii) hereof) (such person described in clauses (i) through (iii) is referred to in this prospectus as an interested shareholder), if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering with the meaning of the Securities Act. Such approval shall be required with respect to any of the following business combination transactions:

- Any merger, consolidation or share exchange of the Company or any subsidiary of the Company with (a) any interested shareholder or with (b) any other person (whether or not itself an interested shareholder) which is, or after such merger, consolidation or share exchange would be, an affiliate or associate of an interested shareholder or which does not include in its articles of in Company the substance of the terms of the Company Articles, in each case without regard to which person is surviving person;
- Any sale, lease, exchange, mortgage, pledge, transfer or other disposition or security arrangement, investment, loan, advance, guarantee, agreement to purchase, agreement to pay, extension of credit, joint venture participation or other arrangement (in one transaction or a class of transactions) to with or for the benefit of any interested shareholder or any affiliate or associate of any interested shareholder involving any assets, securities or commitments of the Company or any subsidiary of the Company having an aggregate fair market value, or involving aggregate commitments, equal to 5% or more of the consolidated total assets of the Company and its subsidiaries;
- The issuance or transfer by the Company or any subsidiary of the Company (in one transaction or a class of transactions) of any securities of the Company or any subsidiary of the Company to any interested shareholder or any affiliate or associate of any interested shareholder in exchange for cash, securities or other consideration (or a combination thereof) having an aggregate fair market value equal to 5% or more of the consolidated total assets of the Company and its subsidiaries;
- The adoption of any plan or proposal for the liquidation or dissolution of the company proposed by or on behalf of any interested shareholder or any affiliate or associate of any interested shareholder;

- Any reclassification of securities (including any reverse stock split), or recapitalization of the company, or any merger or consolidation of the Company with any of its subsidiaries or any other transaction (whether or not with or otherwise involving an interested shareholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity securities or securities convertible into equity securities of the company or any subsidiary of the Company which is directly or indirectly beneficially owned by any interested shareholder or any affiliate or associate of any interested shareholder; or
- Any other transaction or series of transactions similar in purpose or effect to, or any agreement, contract or other arrangement providing for, any one or more of the transactions specified in the (1) through (5) above.

The affirmative vote of holders of the Company's voting capital stock with respect to a business combination is not required if such business combination is approved by a majority of the directors of the Company who are not interested shareholders or an affiliate, associate or representative of an interested shareholder and either (A) was a director of the Company immediately prior to the time the interested shareholder became an interested shareholder or (B) was a successor to a director described in clause (A) and is recommended or elected to succeed a disinterested director by a majority of the directors describe in clause (A) (we refer in this prospectus to each such director described in clauses (A) and (B) as a disinterested director).

#### ***Required Vote for Amendment of the Company Articles and the Company Bylaws***

Subject to the voting rights given to any particular series of preferred stock by the Company Board, if any, pursuant to the Company Articles, and except as may be specifically provided to the contrary in any other provision in the Company Articles with respect to amendment or repeal of such provision, the Company Articles cannot be amended and no provision may be repealed by the Company shareholders without the affirmative vote of the holders of not less than 80% of the voting power of the then outstanding shares of the Company capital stock entitled to vote in an annual election of directors of the Company, voting together as a single class, and the holders of at least a majority of the voting power of the then outstanding shares of the Company capital stock entitled to vote in an annual election of directors of the Company which are not beneficially owned by any interested shareholder, voting together as a single class, unless such action has been previously approved by the affirmative vote of a majority of the disinterested directors then in office, in which event (unless otherwise expressly provided in the Company Articles) the Company Articles may be amended and any provision repealed by such shareholder approval as may be specified by law.

The Company Board may make, amend and repeal the Company Bylaws with respect to those matters which are not, by statute, reserved exclusively to the Company shareholders, subject to the power of the Company shareholders to change such action. No bylaw may be made, amended or repealed by the Company shareholders unless such action is approved by the affirmative vote of the holders of not less than majority of the voting power of the then outstanding shares of the Company capital stock at a duly organized meetings of the Company shareholders or as otherwise may be specified by law.

#### ***Preferred Stock***

The purpose of authorizing the Company Board to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a shareholder vote on specific issuances. The issuance of preferred stock, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from attempting to acquire, a majority of the Company's outstanding voting stock. The existence of the authorized but undesignated preferred stock may have a depressive effect on the market price of the Company's common stock.

***Anti-Takeover Law Provisions under the Pennsylvania Business Corporation Law***

The Company is subject to certain provisions of Chapter 25 of the Pennsylvania Business Corporation Law, which may have the effect of discouraging or rendering more difficult a hostile takeover attempt against the Company, including Section 2524, Section 2538, Subchapter 25E and Subchapter 25F of the PBCL.

Under Section 2524 of the PBCL, shareholders of the Company cannot act by partial written consent except if permitted under the Company Articles. The Company Articles do not permit shareholder action by partial written consent.

Section 2538 of the PBCL requires enhanced shareholder approval for certain transactions between the Company and an “interested shareholder” (defined as a shareholder who is a party to the transaction or is treated differently from other shareholders). Section 2538 applies if an interested shareholder (together with his, her or its affiliates) is to (i) be a party to a merger or consolidation, a share exchange or certain sales of assets involving the Company or one of the Company’s subsidiaries; (ii) receive a disproportionate amount of any securities of any corporation which survives or results from a division; (iii) be treated differently from others holding shares of the same class in a voluntary dissolution of such corporation; or (iv) have his or her percentage of voting or economic share interest in such corporation materially increased relative to substantially all other shareholders in a reclassification. Under these circumstances, the proposed transaction must be approved by the affirmative vote of the holders of shares representing at least a majority of the votes that all disinterested shareholders are entitled to cast with respect to such transaction. However, this special voting requirement will not apply where the proposed transaction has been approved in a prescribed manner by the members of the Company Board independent from the interested shareholder or if certain other conditions, including the amount of consideration to be paid to certain shareholders, are satisfied or the interested shareholder owns 80% or more of the Company. This voting requirement is in addition to any other voting requirement under the PBCL, the Company Articles or the Company Bylaws.

Under Subchapter 25E of the PBCL, if any person or group acting in concert acquires voting power over shares representing 20% or more of the votes which all of the Company’s shareholders would be entitled to cast in an election of directors, any other shareholder may demand that such person or group purchase such shareholder’s shares at a price determined in an appraisal proceeding.

Under Subchapter 25F of the PBCL, the Company may not engage in a merger, consolidation, share exchange, division, asset sale, disposition (in one transaction or a series of transactions) or a variety of other business combination transactions with a person who becomes the beneficial owner of shares representing 20% or more of the voting power in an election of the Company’s directors unless: (1) the business combination or the acquisition of the 20% interest is approved by the Company Board prior to the date the 20% interest is acquired; (2) the person beneficially owns at least 80% of the Company’s outstanding shares and the business combination (a) is approved by a majority vote of the disinterested shareholders and (b) satisfies certain minimum price and other conditions prescribed in Subchapter 25F; (3) the business combination is approved by a majority vote of the disinterested shareholders at a meeting called no earlier than five years after the date the 20% interest is acquired; or (4) the business combination (a) is approved by shareholder vote at a meeting called no earlier than five years after the date the 20% interest is acquired and (b) satisfies certain minimum price and other conditions prescribed in Subchapter 25F.

The Company has opted out of Subchapter 25G of the PBCL (which would have required a shareholder vote to accord voting rights to control shares acquired by a 20% shareholder in a control-share acquisition) and Subchapter 25H of the PBCL (which would have required a person or group to disgorge to the Company any profits received from a sale of the Company’s equity securities under certain circumstances).

***Advance Notice Requirements***

The Company Bylaws require the Company shareholders to provide advance notice if they wish to submit a proposal or nominate candidates for director at the Company’s annual meeting of shareholders. These procedures provide that notice of shareholder proposals at the Company’s annual meeting must be in writing and received by the Company’s secretary at its principal executive offices at least 75, but not more than 120, days prior to the anniversary of the date of the prior year’s annual meeting of shareholders, provided that with respect to shareholder proposals, in the event the date of the annual meeting is more than 30 days before or more than 60 days after the first anniversary of the preceding year’s annual meeting, a notice by the shareholder to be timely must be delivered at least 75, but not more than 120, days prior to such annual meeting or the 10th day following the date on which public announcement of the date of such meeting is first made. Such notice must include, among other things: (1) a brief description of the business desired to be brought before the meeting, (2) the reasons for conducting such business at the meeting, (3) the text of the proposal or business (including the text of any resolutions proposed for

consideration and, in the event that such business includes a proposal to amend these Company Bylaws the text of the proposed amendment), (3) any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made, (4) the name and address of such shareholder who intends to propose the business, as they appear on the Company's books, and of any associated person of such shareholder, (5) a representation that the shareholder is a holder of record of shares of the Company entitled to vote at such meeting and, if applicable, intends to appear in person or by proxy at the meeting to make the proposal to the meeting, and (6) a description of the Company's securities owned by such shareholder and by any associated person of such shareholder (collectively, the "Notice Requirements").

Shareholder nominations for election of director must be submitted to the Company's secretary at its principal executive offices at least 75 days prior to the anniversary of the date of the prior year's annual meeting of shareholders in writing in accordance with Section 6.1 of the Company Articles and Section 2.09 of the Company Bylaws, and must include, as to each prospective nominee and each shareholder giving notice, as applicable, (1) the name and address of the shareholder who intends to make the nomination and of the person(s) to be nominated; (2) a representation that the shareholder is a holder of record of common stock of the Company entitled to vote at such meeting and intends to appear "in person" or by proxy at the meeting to nominate the person(s) specified in the notice; (3) a description of all arrangements or understandings between the shareholder and each nominee and any other person(s) (naming such person(s)) pursuant to which the nomination or nominations are to be made by the shareholder; (4) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Commission, had the nominee been nominated by the Company Board; (5) the consent of each nominee to serve as a director of the Company if so elected; and (6) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and beneficial owner on whose behalf the nomination is being made, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and such nominees' respective affiliates and associates, or others acting in concert therewith, on the other hand. Such notice also must include, among other things, the Notice Requirements. To be eligible to be a nominee for election as a director, the prospective nominee, or someone acting on such prospective nominee's behalf, must deliver a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request). Upon request, the prospective nominee must also provide a written representation and agreement that such prospective nominee: (a) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such prospective nominee, if elected as a director of the Company, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Company or (2) any Voting Commitment that could limit or interfere with such prospective nominee's ability to comply, if elected as a director of the Company, with such prospective nominee's fiduciary duties under applicable laws; (b) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Company with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein; and (c) would be in compliance if elected as a director of the Company, and will comply with all applicable corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Company.

Subject to Rules 14a-8 and 14a-19 promulgated under the Securities Exchange Act of 1934, as amended, the Company Bylaws do not require the Company to include in its proxy materials for an annual meeting of shareholders any nominations of persons to serve on the Company Board made by the Company shareholders. The Corporate Governance Committee of the Company Board and the Company Board will consider any candidate for nominee as a director that is properly submitted by a shareholder in accordance with the Company Articles and Company Bylaws and does not maintain a policy with regard to such nominations distinct from such requirements.

### ***Special Meetings of Shareholders***

The Company Bylaws provide that a special meeting of shareholders may be called by the Company Board or chief executive officer. Only Company shareholders who hold of record at last 20% of the shares entitled to be voted upon any proposal to be considered at such meeting have a right to call a special meeting under the Company Bylaws.

### ***Special Treatment for Specified Groups of Nonconsenting Shareholders***

Additionally, in connection with a plan of merger, plan of interest exchange, plan of conversion, plan of division or plan of domestication, Section 329 and Section 1906 of the PBCL permits holders of shares of a class or series to be separated into one or more groups, if approved by a majority of the votes cast by any class or series of shares any of the shares of which are so classified into groups, to provide mandatory special treatment for the specified groups. Such classification is subject to additional specific requirements as set forth in Section 329 and Section 1906 of the PBCL. In the way of example, under these provisions of the PBCL, if the requirements are met, shares of common stock held only by designated shareholders of record, and no other shares of common stock, could be cashed out at a price determined by the company, subject to applicable dissenters' rights.

### ***Exercise of Director Powers Generally***

Section 1715 of the PBCL also provides that the directors of a corporation are not required to regard the interests of the shareholders as being dominant or controlling in making decisions concerning takeovers or any other matters. The directors may consider, to the extent they deem appropriate, among other things, (1) the effects of any proposed action upon any or all groups affected by the action, including, among others, shareholders, employees, creditors, customers and suppliers, (2) the short-term and long-term interests of the corporation, (3) the resources, intent and conduct of any person or group seeking to acquire control of the corporation and (4) all other pertinent factors. The PBCL expressly provides that directors do not violate their fiduciary duties solely by relying on "poison pills" or the anti-takeover provisions of the PBCL. The Company does not currently have a "poison pill."

### ***Limitations on Liability, Indemnification of Officers and Directors, and Insurance***

The PBCL permits a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that he is or was a representative of the corporation, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation, and with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. In an action by or in the right of the corporation, indemnification will not be made in respect of any claim, issue, or matter as to which the person has been adjudged to be liable to the corporation unless the applicable court otherwise determines.

Unless ordered by a court, the determination of whether indemnification is proper in a specific case will be determined by (1) the board of directors by a majority vote of a quorum consisting of directors who were not parties to the action or proceeding; (2) if such a quorum is not obtainable or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or (3) by the shareholders.

To the extent that a representative of a business corporation has been successful on the merits or otherwise in defense of a third-party action, derivative action, or corporate action, he or she must be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such individual in connection therewith.

Pennsylvania law permits a corporation to purchase and maintain insurance for a director or officer against any liability asserted against such individual, and incurred in his or her capacity as a director or officer or arising out of his or her position, whether or not the corporation would have the power to indemnify such individual against such liability under Pennsylvania law.

The Company Bylaws provide that a director of the Company shall, to the maximum extent permitted by Pennsylvania law, have no personal liability for monetary damages for any action taken, or any failure to take any action, as a director unless such director has breached or failed to perform the duties of his or her office under Chapter 17, Subchapter B of the PBCL (or any successor statute relating to directors' standard of care and justifiable reliance), and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. Subject to approval of the Company's shareholders, as proposed at the Company's 2024 Annual Meeting of Shareholders, the Company Bylaws further provide that officers of the Company shall, to the maximum extent permitted by Pennsylvania law, have no personal liability for monetary damages for any action taken, or any failure to take any action, as an officer unless such officer has breached or failed to perform the duties of his or her office under Chapter 17, Subchapter C of the PBCL (or any successor statute relating to directors' standard of care and justifiable reliance), and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; provided, however, that this right shall apply to officers only after such amendment is approved by the Company's shareholders in accordance with Pennsylvania law. If and until the such amendment is approved by the Company's shareholders, it will be of no force or effect.

The Company Articles further provide for indemnification for current and former directors and officers serving at the request of the Company to the fullest extent permitted by Pennsylvania law. The Company Articles and Company Bylaws also permit the advancement of expenses and expressly authorize the Company to carry directors' and officers' insurance to protect itself and its directors and officers against certain liabilities. The Company Bylaws also provide for indemnification of employees and agents of the Company under certain circumstances.

The limitation of liability and indemnification provisions in the Company Articles and the Company Bylaws may discourage shareholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against the Company's directors and officers, even though such an action, if successful, might otherwise benefit the Company and its shareholders. However, these provisions do not limit or eliminate the Company's rights, or those of any shareholder, to seek nonmonetary relief such as injunction or rescission in the event of a breach of a director's duty of care. The provisions do not alter the liability of directors under the federal securities laws. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, the Company pays the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. There is currently no pending material litigation or proceeding against any of the Company directors or officers for which indemnification is sought.

#### **Authorized but Unissued Shares**

Subject to applicable law and stock exchange rules, the Company's authorized but unissued shares of common stock and preferred stock are available for future issuance without your approval. The Company may use additional shares for a variety of purposes, including future public offerings to raise additional capital, to fund acquisitions and as employee compensation. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of the Company by means of a proxy contest, tender offer, merger or otherwise.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES  
SUBSIDIARIES OF THE REGISTRANT  
(as of October 31, 2023)

Name	Percentage Ownership
IDL Worldwide, Inc.	100
The SLN Group, Inc.	100
Saueressig North America, Inc.	100
Equator Design, Inc.	100
Kenuohua Matthews Electronic (Beijing) Company, Ltd.	60
Kenuohua Matthews Marking Products (Tianjin) Co., Ltd.	100
Matthews Canada Ltd.	100
Matthews Industries, Inc.	100
Matthews Bronze Pty. Ltd.	100
C. Morello (Australia) Pty Ltd.	100
Matthews International S.p.A.	100
Immobiliare Matthews International S.R.L.	100
Caggiati Espana S.A.	100
Matthews International Sarl	100
Gem Matthews International s.r.l.	95
Rottenecker-Caggiati GmbH	82
Matthews Marking Systems Sweden AB	100
Matthews Marking Systems Holding GmbH	100
Matthews Marking Systems Germany GmbH	100
Innovative Branding Technology Solutions, LLC	100
The York Group, Inc.	100
York Agency, Inc.	100
Milso Industries Corporation	100
New Liberty Casket Company LLC	100
York Casket Development Company, Inc.	100
Matthews Aurora, LLC	100
Aurora Casket Company, LLC	100
Aurora Casket de Mexico S. de R.L. de C.V.	100
Aurora St. Laurent, Inc.	100
Matthews Gibraltar Mausoleum & Construction Company	100
SGK LLC	100
Schawk Japan Ltd.	100
Schawk Thailand Ltd.	100
Schawk Worldwide Holdings, Inc.	100
Schawk Holdings Inc.	100
Miramar Equipment, Inc.	100
Schawk USA Inc.	100
Kedzie Aircraft, LLC	100
Schawk LLC	100
Schawk de Mexico SRL de CV	100
Schawk Servicios Administrativos, S. de R.L. de CV	100

Name	Percentage Ownership
Schawk Latin America Holdings, LLC	100
Schawk do Brasil Gestao de Marcas Ltda.	100
Schawk Panama Services, S de RL	100
Seven Worldwide (UK) Limited	100
MATW North America Holding LLC	100
MATW UK Holding LLP	100
Schawk Wace Group	100
Matthews International Corporation Costa Rica S.R.L.	100
Matthews Holding Germany LLP & Co. KG	100
Matthews Singapore Holding Pte. Ltd.	100
The InTouch Group Limited	100
Guidance Automation Limited	100
GJ Creative Limited	100
Equator (GJ) Limited	100
Equator (SA) Limited	100
Equator SA Limited	100
Equator Design Agency Australia PTY LIMITED	100
MATW Holding LLC	100
Matthews Corporation Holding Company (UK) Limited	100
Furnace Construction Cremators Limited	100
Matthews Environmental Solutions Limited	100
Schawk Canada Inc.	100
Protopak Innovations, Inc.	100
Desgrippes Gobe Group (Yuan Hosea)	100
Schawk UK Ltd.	100
Schawk UK Corporate Packaging	100
Brandimage Degrippes and LAGA SAS	100
Matthews International Malaysia Sdn. Bhd.	100
Schawk Spain S.L.	100
Schawk Poland Sp z.o.o.	100
Schawk Belgium BVBA	100
Schawk Asia Pacific Pte Ltd.	100
Schawk India Pvt Ltd.	100
Schawk Holdings Australia Pty Ltd.	100
Anthem! Design Pty. Limited	100
Marque Brand Consultants Pty Ltd.	100
Schawk Australia Pty. Limited	100
Schawk Hong Kong Ltd.	100
Desgripes Gobe Group (HK) Ltd.	100
Desgrippes (Shanghai) Brand Consulting Co Ltd.	100
Schawk Anthem Shenzhen Co Ltd.	100
Schawk Imaging (Shanghai) Co.	100
SGK Netherlands B.V.	100
Matthews Brand Solutions, S. de R.L. de CV	100
Saueressig Baski Oncesi Hazirlik Sistemier Sanaji ve Tricarct Amonin Sirketi	100

Name	Percentage Ownership
Matthews International Brasil Servicos de Marketing e Branding Ltda.	100
Matthews Europe GmbH	100
5flow GmbH	100
PT. Saueressig Engraving Indonesia	100
SGK Manila, Inc	99
SGK Germany GmbH	100
Repro Busek Druckvorstufentechnik GmbH	100
Repro Busek Druckvorstufentechnik GmbH & Co. KG	100
Tact Group Ltd.	100
Shenzen Jun Ye Design & Production Ltd.	100
Reproflex Vietnam Limited Company	60
Schawk Hungary Nyomdaipari Koriatolt Felelossegu Tarsasag	100
Matthews International GmbH	100
Matthews Verwaltungs GmbH	100
Ungricht GmbH + Co KG	100
Saueressig Polska Sp. z.o.o.	67
Saueressig 000	100
Wetzel GmbH	100
Saueressig Polska Sp. z.o.o.	33
Olbrich GmbH	100
R+S Automotive GmbH	100
Unterstützungskasse der Firma R+S Automotive GmbH	100
R+S Automotive CZ s.r.i.	100
Polytype Converting AG	100
Olbrich Machinery Trading (jiangyin) Co. Ltd.	100
Unterstützungskasse der Herbert Olbrich GmbH & Co. KG GmbH	100

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 333-231192, 333-194456, 333-190366, 333-157132, 333-131496, 333-83731, 033-57793, 033-57795, 033-57797, 333-264584 and 333-270254 and Form S-3 No. 333-251794) of our reports dated November 17, 2023, with respect to the consolidated financial statements and schedule of Matthews International Corporation and Subsidiaries and the effectiveness of internal control over financial reporting of Matthews International Corporation and Subsidiaries included in this Annual Report (Form 10-K) of Matthews International Corporation and Subsidiaries for the year ended September 30, 2023.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania  
November 17, 2023

CERTIFICATION  
PRINCIPAL EXECUTIVE OFFICER

I, Joseph C. Bartolacci, certify that:

1. I have reviewed this annual report on Form 10-K of Matthews International Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 17, 2023

/s/Joseph C. Bartolacci

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Joseph C. Bartolacci  
President and Chief Executive Officer

CERTIFICATION  
PRINCIPAL FINANCIAL OFFICER

I, Steven F. Nicola, certify that:

1. I have reviewed this annual report on Form 10-K of Matthews International Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 17, 2023

/s/Steven F. Nicola

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Steven F. Nicola  
Chief Financial Officer

Certification Pursuant to 18 U.S.C. Section 1350,

As Adopted Pursuant to

Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Matthews International Corporation (the "Company") on Form 10-K for the period ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph C. Bartolacci, President and Chief Executive Officer, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Joseph C. Bartolacci

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Joseph C. Bartolacci,  
President and Chief Executive Officer

November 17, 2023

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Matthews International Corporation and will be retained by Matthews International Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Certification Pursuant to 18 U.S.C. Section 1350,

As Adopted Pursuant to

Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Matthews International Corporation (the "Company") on Form 10-K for the period ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven F. Nicola, Chief Financial Officer, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Steven F. Nicola

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Steven F. Nicola,  
Chief Financial Officer

November 17, 2023

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Matthews International Corporation and will be retained by Matthews International Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**Policy No:** HR - 421    **Original Date:** September 25, 2023  
**Subject:** Clawback Policy    **Revision Date:** September 25, 2023  
**Effective Date:** September 30, 2023

Scope: This Policy shall only apply to Section 16 officers of the Company, consistent with the requirements of the U.S. Securities & Exchange Commission (the "SEC"). The Policy shall cover all incentive compensation that is tied to annual financial targets/financial performance of the Company; *provided, however*, in certain instances, the Company reserves the right to apply the Policy to certain non-Section 16 Officers if formally approved by the Compensation Committee of the Company's Board of Directors.

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**MATTHEWS INTERNATIONAL CORPORATION  
CLAWBACK POLICY**

The Board of Directors (the "Board") of Matthews International Corporation (the "Company") believes that it is in the best interests of the Company and its shareholders to adopt this Clawback Policy (this "Policy"), which provides for the recovery of certain incentive-based compensation upon the occurrence of certain events, including an Accounting Restatement (as defined below). This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rule 10D-1 promulgated under the Exchange Act ("Rule 10D-1") and Nasdaq Listing Rule 5608 (the "Listing Standards").

1. **Administration.** Except as specifically set forth herein, this Policy shall be administered by the Compensation Committee of the Board or, if so designated by the Board via a duly adopted resolution of the Board, the Board or another committee of the Board (the Board or such committee charged with administration of this Policy, the "Administrator"). The Administrator is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. Any determinations made by the Administrator shall be final and binding on all affected individuals and need not be uniform with respect to each individual covered by the Policy. In the administration of this Policy, the Administrator is authorized and directed to consult with the full Board or such other committees of the Board, such as the Audit Committee, as may be necessary or appropriate as to matters within the scope of such other committee's responsibility and authority. Subject to any limitation at applicable law, the Administrator may authorize and empower any officer or employee of the Company or any authorized agent of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee)

**2. Definitions.** As used in this Policy, the following definitions shall apply:

- “**Accounting Restatement**” means an accounting restatement<sup>1</sup> of the Company’s financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error<sup>2</sup> in previously issued financial statements that is material to the previously issued financial statements,<sup>3</sup> or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.<sup>4</sup> Notwithstanding the foregoing, the following types of changes to the Company’s financial statements do not represent error corrections, and therefore would likewise not trigger application of this Policy:

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<sup>1</sup> Under U.S. Generally Accepted Accounting Principles (“GAAP”), a restatement is “the process of revising previously issued financial statements to reflect the correction of an error in those financial statements.” See *Financial Accounting Standards Board Accounting Standards Codification Topic 250, Accounting Changes and Error Corrections* (“ASC Topic 250”). Under International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”), a retrospective restatement is “correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.” See *International Accounting Standard 8, Accounting Policies, Changes in Accounting Estimates and Errors* (“IAS 8”), paragraph 5.

<sup>2</sup> Under GAAP, an error in previously issued financial statements is “[a]n error in recognition, measurement, presentation, or disclosure in financial statements resulting from mathematical mistakes, mistakes in the application of generally accepted accounting principles (GAAP), or oversight or misuse of facts that existed at the time the financial statements were prepared. A change from an accounting principle that is not generally accepted to one that is generally accepted is a correction of an error.” See ASC Topic 250. Under IFRS, prior period errors are “omissions from, and misstatements in, the entity’s financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that: (a) was available when financial statements for those periods were authorized for issue; and (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.” See IAS 8, paragraph 5.

<sup>3</sup> Such restatements are referred to as “Big R” restatements. Note that certain errors may compound over time. While the initial error amount may not have been material to previously issued financial statements, it may become material due to its cumulative effect over multiple reporting periods. A material adjustment to the current period that relates to an error from previously issued financial statements would cause the current period financial statements to be materially misstated. An example of such error is an improper expense accrual (such as an overstated liability) that has built up over five years at \$10 million per year. Upon identification of the error in year five, the Company evaluated the misstatement as being immaterial to the financial statements in years one through four. To correct the overstated liability in year five a \$50 million credit to the statement of comprehensive income would be necessary; however, \$10 million of it would relate to the previously issued financial statements for years one through four. During the preparation of its annual financial statements for year five, the Company determines that, although a \$10 million annual misstatement of expense would not be material, the adjustment to correct the \$40 million cumulative error from previously issued financial statements would be material to comprehensive income for year five. Accordingly, the Company must correct the financial statements for years one through four.

<sup>4</sup> Such restatements are referred to as “little r” restatements. See Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements* (Sept. 13, 2006). In Memorandum from the Division of Economic and Risk Analysis (June 8, 2022), the Commission staff refers to “little r” restatements as restatements that correct errors that would only result in a material misstatement if the errors were left uncorrected in the current report or the error correction was recognized in the current period.

- o Retrospective application of a change in accounting principle;<sup>5</sup>
  - o Retrospective revision to reportable segment information due to a change in the structure of the Company's internal organization;<sup>6</sup>
  - o Retrospective reclassification due to a discontinued operation;
  - o Retrospective application of a change in reporting entity, such as from a reorganization of entities under common control; and
  - o Retrospective revision for stock splits, reverse stock splits, stock dividends or other changes in capital structure.
- "Administrator" has the meaning set forth in **Section 1** hereof.
  - "Applicable Period" means the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, as well as any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years (except that a transition period that comprises a period of at least nine months shall count as a completed fiscal year).
  - The "date on which the Company is required to prepare an Accounting Restatement" is the earlier to occur of (a) the date the Board, an authorized committee of the Board (e.g., the Audit Committee), or the officer or officers of the Company authorized to take such action if Board action is not required concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement or (b) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement, in each case regardless of if or when the restated financial statements are filed.
  - "Commission" means the U.S. Securities and Exchange Commission.
  - "Covered Executives" means the Company's current and former executive officers, as determined by the Administrator in accordance with the definition of executive officer set forth in Rule 10D-1 and the Listing Standards.
  - "Covered Persons" means such persons listed or described on **Schedule 1** hereto.
  - "Erroneously Awarded Compensation" has the meaning set forth in **Section 5** of this Policy.

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<sup>5</sup> A change in accounting principle is "[a] change from one generally accepted accounting principle to another generally accepted accounting principle when there are two or more generally accepted accounting principles that apply or when the accounting principle formerly used is no longer generally accepted. A change in the method of applying an accounting principle also is considered a change in accounting principle." See ASC Topic 250. IAS 8 has similar guidance. A change from an accounting principle that is not generally accepted to one that is generally accepted, however, would be a correction of an error.

<sup>6</sup> If the Company changes the structure of its internal organization in a manner that causes the composition of its reportable segments to change, the corresponding information for earlier periods, including interim periods, should be revised unless it is impracticable to do so. See ASC Topic 280-10-50-34. IFRS 8 has similar guidance.

- A “Financial Reporting Measure” is any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measure that is derived wholly or in part from such measure, whether or not such Financial Reporting Measure is included in a filing with the Commission. Financial Reporting Measures include but are not limited to the following (and any measures derived from the following): price of the Company’s securities listed on a securities exchange; total shareholder return (“TSR”); revenues; net income; operating income; profitability of one or more reportable segments; financial ratios (e.g., accounts receivable turnover and inventory turnover rates); earnings before interest, taxes, depreciation and amortization (“EBITDA”); funds from operations and adjusted funds from operations; liquidity measures (e.g., working capital, operating cash flow); return measures (e.g., return on invested capital, return on assets); earnings measures (e.g., earnings per share); sales per square foot or same store sales, where sales is subject to an Accounting Restatement; revenue per user, or average revenue per user, where revenue is subject to an Accounting Restatement; cost per employee, where cost is subject to an Accounting Restatement; any of such Financial Reporting Measures relative to a peer group, where the Company’s Financial Reporting Measure is subject to an Accounting Restatement; and tax basis income. A Financial Reporting Measure need not be presented within the Company’s financial statements or included in a filing with the Commission.
- “Incentive-Based Compensation” means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure, including, without limitation, (i) non-equity incentive plan awards that are earned based wholly or in part on satisfying a Financial Reporting Measure performance goal; (ii) bonuses paid from a “bonus pool,” the size of which is determined based wholly or in part on satisfying a Financial Reporting Measure performance goal; (iii) other cash awards based on satisfaction of a Financial Reporting Measure performance goal; (iv) restricted stock, restricted stock units, performance share units, stock options, and stock appreciation rights that are granted or become vested based wholly or in part on satisfying a Financial Reporting Measure performance goal; and (v) proceeds received upon the sale of shares acquired through an incentive plan that were granted or vested based wholly or in part on satisfying a Financial Reporting Measure performance goal.
- Incentive-Based Compensation is “received” for purposes of this Policy in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or

grant of such Incentive-Based Compensation occurs after the end of that period.<sup>7</sup> All conditions to an award for Incentive-Based Compensation need not be satisfied for the Incentive-Based Compensation to be deemed received under this Policy. Incentive-Based Compensation is deemed received even if there is a contingent right to payment at that time or payment remains subject to ministerial acts, such as calculating the amount earned or obtaining the approval of the Administrator or the Board.

3. **Covered Executives and Covered Persons; Incentive-Based Compensation.** Except as set forth in **Section 11** of this Policy, this Policy applies to Incentive-Based Compensation received by a Covered Executive (a) after beginning services as a Covered Executive; (b) if that person served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation; and (c) while the Company had a listed class of securities on a national securities exchange. Notwithstanding the foregoing, Appendix A to this Policy applies to Incentive-Based Compensation and certain other compensation described in Appendix A hereto that is received by a Covered Person while the Company had a listed class of securities on a national securities exchange.
4. **Required Recoupment of Erroneously Awarded Compensation in the Event of an Accounting Restatement.** In the event the Company is required to prepare an Accounting Restatement, the Company shall promptly recoup the amount of any Erroneously Awarded Compensation received by any Covered Executive, as calculated pursuant to **Section 5** hereof, during the Applicable Period.<sup>8</sup>
5. **Erroneously Awarded Compensation: Amount Subject to Recovery.** The amount of “Erroneously Awarded Compensation” subject to recovery under this Policy, as determined by the Administrator, is the amount of Incentive-Based Compensation received by the Covered Executive that exceeds the amount of Incentive-Based Compensation that would have been received by the Covered Executive had it been

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<sup>7</sup> The date of receipt of the Incentive-Based Compensation depends on the terms of the award. For example:

- If the grant of an award is based, either wholly or in part, on satisfaction of a Financial Reporting Measure performance goal, the award would be deemed received in the fiscal period when that measure was satisfied;
- If an equity award vests only upon satisfaction of a Financial Reporting Measure performance condition, the award would be deemed received in the fiscal period when it vests;
- A non-equity incentive plan award would be deemed received in the fiscal year that the executive officer earns the award based on satisfaction of the relevant Financial Reporting Measure performance goal, rather than a subsequent date on which the award was paid. This would be the same fiscal year for which the non-equity incentive plan award earnings are reported in the Summary Compensation Table, based on Instruction 1 to Item 402(c)(2)(vii) of Regulation S-K, which provides: “If the relevant performance measure is satisfied during the fiscal year (including for a single year in a plan with a multi-year performance measure), the earnings are reportable for that fiscal year, even if not payable until a later date, and are not reportable again in the fiscal year when amounts are paid to the named executive officer;” and
- A cash award earned upon satisfaction of a Financial Reporting Measure performance goal would be deemed received in the fiscal period when that measure is satisfied.

<sup>8</sup> Rule 10D-1 requires companies to recover erroneously awarded compensation “reasonably promptly.” Unpaid amounts will be subject to disclosure under Item 402(w)(1)(ii) and (iii). Further, Section 402 of the Sarbanes-Oxley Act prohibits publicly-traded companies from providing personal loans to directors and executive officers. While the Commission does not view recovery that is made reasonably promptly to prohibit Section 402 of the Sarbanes-Oxley Act, it did not extend such guidance in the event recovery is not made reasonably promptly.

determined based on the restated amounts.<sup>9</sup> Erroneously Awarded Compensation shall be computed by the Administrator without regard to any taxes paid by the Covered Executive in respect of the Erroneously Awarded Compensation. With respect to any compensation plans or programs that take into account Incentive-Based Compensation, the amount of Erroneously Awarded Compensation subject to recovery hereunder includes, but is not limited to, the amount contributed to any notional account based on Erroneously Awarded Compensation and any earnings accrued to date on that notional amount.

For Incentive-Based Compensation based on stock price or TSR: (a) the Administrator shall determine the amount of Erroneously Awarded Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received;<sup>10</sup> and (b) the Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to The Nasdaq Stock Market (“Nasdaq”).

- 6. Method of Recoupment.** The Administrator shall determine, in its sole discretion, the timing and method for promptly recouping Erroneously Awarded Compensation hereunder, as well as a reasonable amount of interest, as determined by the

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<sup>9</sup> Generally, after an Accounting Restatement, the Company must first recalculate the applicable Financial Reporting Measure and the amount of Incentive-Based Compensation based thereon. The Company must then determine whether, based on that Financial Reporting Measure as calculated by relying on the original financial statements and taking into account any discretion that the Compensation Committee of the Board had applied to reduce the amount originally received, the executive officer received a greater amount of Incentive-Based Compensation than would have been received applying the recalculated Financial Reporting Measure. For example, assume a situation in which, based on the Financial Reporting Measure as originally reported, the amount of the award was \$3,000. However, the Company exercised negative discretion to pay out only \$2,000. Following the restatement, the amount of the award based on the corrected Financial Reporting Measure is \$1,800. Taking into account the Company’s exercise of negative discretion, the amount of recoverable erroneously awarded compensation would be \$200 (i.e., \$2,000 - \$1,800).

Where Incentive-Based Compensation is based only in part on the achievement of a Financial Reporting Measure performance goal, the Company would first need to determine the portion of the original Incentive-Based Compensation based on or derived from the Financial Reporting Measure that was restated. The Company would then need to recalculate the affected portion based on the Financial Reporting Measure as restated, and recover the difference between the greater amount based on the original financial statements and the lesser amount that would have been received based on the restatement. For example, assume a situation in which, based on the financial reporting measure as originally reported, the amount of the award was \$3,000. The Company exercised positive discretion to increase the amount by \$1,000, paying out a total of \$4,000. Following the restatement, the amount of the award based on the corrected financial reporting measure is \$1,800. Taking into account the Company’s exercise of positive discretion, the amount of erroneously awarded compensation that would be recoverable would be \$1,200, provided that based on the revised measurement, the exercise of positive discretion to increase the amount by \$1,000 was still permitted under the terms of the plan (i.e., \$4,000 – (\$1,800 + \$1,000)).

For cash awards, the Erroneously Awarded Compensation is the difference between the amount of the cash award (whether payable as a lump sum or over time) that was received and the amount that should have been received applying the restated Financial Reporting Measure. For cash awards paid from bonus pools, the Erroneously Awarded Compensation is the pro rata portion of any deficiency that results from the aggregate bonus pool that is reduced based on applying the restated financial reporting measure. For equity awards, if the shares, options, or SARs are still held at the time of recovery, the Erroneously Awarded Compensation is the number of such securities received in excess of the number that should have been received applying the restated financial reporting measure (or the value of that excess number). If the options or SARs have been exercised, but the underlying shares have not been sold, the erroneously awarded compensation is the number of shares underlying the excess options or SARs (or the value thereof).

<sup>10</sup> Pursuant to Item 402(w)(1)(i)(C) of Regulation S-K, if at any time during or after the last completed fiscal year the Company was required to prepare an accounting restatement that required recovery of erroneously awarded compensation pursuant to this Policy, or there was an outstanding balance as of the end of the last completed fiscal year of erroneously awarded compensation to be recovered from the application of the policy to a prior restatement, and the financial reporting measure related to a stock price or TSR metric, the Company must disclose the estimates that were used in determining the erroneously awarded compensation attributable to such accounting restatement and an explanation of the methodology used for such estimates.

Administrator, to compensate the Company for the time-value of the Erroneously Awarded Compensation and reimbursement of direct expenses to recover the Erroneously Awarded Compensation, including without limitation any legal fees incurred by the Company, which may include without limitation (a) seeking reimbursement of all or part of any cash or equity-based award, (b) cancelling prior cash or equity-based awards, whether vested or unvested or paid or unpaid, (c) cancelling or offsetting against any planned future cash or equity-based awards, (d) forfeiture of deferred compensation, subject to compliance with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder and (e) any other method authorized by applicable law or contract. Subject to compliance with any applicable law, the Administrator may affect recovery under this Policy from any amount otherwise payable to the Covered Executive, including amounts payable to such individual under any otherwise applicable Company plan or program, including base salary, bonuses or commissions and compensation previously deferred by the Covered Executive.

The Company is authorized and directed pursuant to this Policy to recoup Erroneously Awarded Compensation in compliance with this Policy unless the Compensation Committee of the Board has determined that recovery would be impracticable solely for the following limited reasons, and subject to the following procedural and disclosure requirements:

- The direct expense paid to a third party<sup>11</sup> to assist in enforcing the Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Administrator must make a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover and provide that documentation to Nasdaq;
- Recovery would violate home country law of the Company where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law of the Company, the Administrator must satisfy the applicable opinion and disclosure requirements of Rule 10D-1 and the Listing Standards; or
- Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company,<sup>12</sup> to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

**7. No Indemnification of Covered Executives.** Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Covered Executive that may be interpreted to the contrary, the Company shall not indemnify any Covered Executives against the loss of any Erroneously Awarded Compensation,

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<sup>11</sup> Such direct costs include reasonable legal expenses and consulting fees, as well as the amount spent on a consultant or other third-party service provider to determine the amount of compensation to be recovered in connection with Incentive-Based Compensation tied to stock price or TSR once the recoverable amount is determined.

<sup>12</sup> Plans limited only to executive officers, SERPS and other nonqualified plan, and benefits therefrom, are subject to recovery under this Policy.

including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Executives to fund potential clawback obligations under this Policy.

8. **Administrator Indemnification.** Any members of the Administrator, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.
9. **Effective Date; Retroactive Application.** This Policy shall be effective as of October 1, 2023 (the "Effective Date"). The terms of this Policy shall apply to any Incentive-Based Compensation that is received by Covered Executives on or after the Effective Date, even if such Incentive-Based Compensation was approved, awarded, granted or paid to Covered Executives prior to the Effective Date. Without limiting the generality of **Section 6** hereof, and subject to applicable law, the Administrator may affect recovery under this Policy from any amount of compensation approved, awarded, granted, payable or paid to the Covered Executive prior to, on or after the Effective Date.
10. **Amendment; Termination.** The Board may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion, and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by a national securities exchange on which the Company's securities are listed.
11. **Other Recoupment Rights; Company Claims.** The Board intends that this Policy shall be applied to the fullest extent of the law. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under applicable law or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall limit any claims, damages or other legal remedies the Company or any of its affiliates may have against a Covered Executive arising out of or resulting from any actions or omissions by the Covered Executive.

Notwithstanding anything set forth in this Policy, by signing the acknowledgement below, the Company's Chief Executive Officer and Chief Financial Officer acknowledge that in the event the Company is required to prepare an accounting restatement subject to Section 304 of the Sarbanes-Oxley Act of 2002, as amended ("Section 304"), she or he shall forfeit such amounts required pursuant to Section 304.

**12. Successors.** This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

**13. Governing Law, Dispute Resolution and Venue.** This Policy and all acts and transactions pursuant hereto and the rights and obligations of the Parties hereto will be governed, construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to such state's conflict of laws rules.

Any and all disputes relating to, concerning or arising from this Policy, or relating to, concerning or arising from the relationship between the parties evidenced by this Policy, will be brought and heard exclusively in the United States District Court for the Western District of Pennsylvania or the state court of the Commonwealth of Pennsylvania located in Allegheny County, Pennsylvania. Each of the Company and each person subject to this Policy hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning, or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning, or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

**14. Exhibit Filing Requirement.** A copy of this Policy and any amendments thereto shall be posted on the Company's website and filed as an exhibit to the Company's annual report on Form 10-K.

Schedule 1  
Covered Persons

- Each employee of the Company and its subsidiaries.
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Appendix A  
Supplemental Terms Applicable to Covered Persons

In addition to the terms set forth in the Clawback Policy (as amended from time to time, the Policy) of Matthews International Corporation (the Company), the Board of Directors (the Board) of the Company believes that it is in the best interests of the Company and its shareholders to adopt these Supplemental Terms Applicable to Covered Persons (the Supplemental Terms), which applies in the event of any fraud or intentional misconduct by one or more Covered Persons (as defined in the Policy) that results in the required Accounting Restatement. Capitalized terms used, but not defined in these Supplemental Terms shall have the meaning ascribed to them in the Policy.

In the event of such an Accounting Restatement, the Administrator shall review the circumstances that caused the Accounting Restatement and shall take such action as it deems appropriate to prevent its recurrence, which may include requiring the reimbursement of certain compensation as provided in these Supplemental Terms.

Without limiting the foregoing, the Administrator may require reimbursement to the Company of the Erroneously Awarded Compensation from any Incentive-Based Compensation awarded to an Executive in the following circumstances:

- an Accounting Restatement is required as a result of any fraud or intentional misconduct by one or more Covered Person(s); and
- the Administrator determines in its discretion that a lower amount of Incentive-Based Compensation would have been paid to such Covered Person(s), but for the error giving rise to the Accounting Restatement such that the Covered Person(s) received Erroneously Awarded Compensation as a result.

Sections 1, 3, 6-8 and 10-13 of the Policy are incorporated by reference into these Supplemental Terms.

These Supplemental Terms shall apply to any Incentive-Based Compensation paid to a Covered Person from and after the date such Covered Person first signs a related consent agreement thus becoming subject to the terms hereof, and during the Applicable Period with respect to an Accounting Restatement.

If any provision of these Supplemental Terms violates or conflicts with any state, local or other applicable law or regulation, such terms will only be enforceable to the extent as to not violate or conflict with such laws or regulations. The Company's determinations under these Supplemental Terms need not be uniform and may be made by it selectively among Covered Persons who are subject to them.

## Clawback Policy Acknowledgment

***[TO BE SIGNED BY THE COMPANY'S EXECUTIVE OFFICERS:]***

I, the undersigned, agree and acknowledge that, in consideration of good a valuable consideration, I am fully bound by, and subject to, all of the terms and conditions of the Matthews International Corporation's Clawback Policy (as may be amended, restated, supplemented or otherwise modified from time to time, the "Policy"). In the event of any inconsistency between the Policy and the terms of any employment agreement, offer letter or similar arrangement to which I am a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid, the terms of the Policy shall govern. In the event it is determined by the Administrator that any amounts granted, awarded, earned or paid to me must be forfeited or reimbursed to the Company, I will promptly take any action necessary to effectuate such forfeiture and/or reimbursement. Any capitalized terms used in this Acknowledgment without definition shall have the meaning set forth in the Policy.

By: \_\_\_\_\_  
[Name]    Date  
[Title]