

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended March 31, 2025

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
(State or other jurisdiction of
incorporation or organization)

25-0644320
(I.R.S. Employer
Identification No.)

Two Northshore Center, Pittsburgh, PA 15212-5851
(Address of principal executive offices) (Zip Code)

(412) 442-8200
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, \$1.00 par value	MATW	Nasdaq Global Select Market

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

Yes No

As of March 31, 2025, shares of common stock outstanding were: Class A Common Stock 31,008,623 shares.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited)
(Dollar amounts in thousands)

	<u>March 31, 2025</u>	<u>September 30, 2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 40,246	\$ 40,816
Accounts receivable, net	146,135	205,984
Inventories, net	205,241	237,888
Contract assets	84,527	92,969
Other current assets	53,702	54,886
Current assets held-for-sale	124,562	—
Total current assets	<u>654,413</u>	<u>632,543</u>
Investments	22,275	23,076
Property, plant and equipment, net	222,365	279,499
Operating lease right-of-use assets	50,279	60,499
Deferred income taxes	7,830	6,548
Goodwill	473,119	697,123
Other intangible assets, net	86,775	126,026
Other non-current assets	6,739	9,576
Non-current assets held-for-sale	303,448	—
Total assets	<u>\$ 1,827,243</u>	<u>\$ 1,834,890</u>

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

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited), continued
(Dollar amounts in thousands)

	March 31, 2025	September 30, 2024
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Long-term debt, current maturities	\$ 6,357	\$ 6,853
Current portion of operating lease liabilities	17,372	22,617
Trade accounts payable	107,801	108,362
Accrued rebates	18,146	23,766
Accrued compensation	39,947	88,781
Accrued income taxes	4,612	7,522
Contract liabilities	11,125	28,723
Other current liabilities	135,526	148,151
Current liabilities held-for-sale	70,393	—
Total current liabilities	<u>411,279</u>	<u>434,775</u>
Long-term debt	815,823	769,614
Operating lease liabilities	34,455	40,073
Deferred income taxes	29,841	45,688
Other non-current liabilities	95,634	107,534
Non-current liabilities held-for-sale	31,971	—
Total liabilities	<u>1,419,003</u>	<u>1,397,684</u>
SHAREHOLDERS' EQUITY		
Shareholders' equity-Matthews:		
Common stock	\$ 36,334	\$ 36,334
Additional paid-in capital	148,922	159,497
Retained earnings	593,958	623,063
Accumulated other comprehensive loss	(175,174)	(168,742)
Treasury stock, at cost	(195,848)	(212,994)
Total shareholders' equity-Matthews	<u>408,192</u>	<u>437,158</u>
Noncontrolling interests	48	48
Total shareholders' equity	<u>408,240</u>	<u>437,206</u>
Total liabilities and shareholders' equity	<u>\$ 1,827,243</u>	<u>\$ 1,834,890</u>

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

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(Dollar amounts in thousands, except per share data)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Sales	\$ 427,629	\$ 471,223	\$ 829,471	\$ 921,209
Cost of sales	(283,517)	(323,041)	(559,667)	(640,674)
Gross profit	144,112	148,182	269,804	280,535
Selling expense	(36,972)	(36,004)	(71,829)	(70,448)
Administrative expense	(96,912)	(81,891)	(173,465)	(160,578)
Intangible amortization	(4,280)	(8,959)	(12,888)	(18,754)
Operating profit	5,948	21,328	11,622	30,755
Interest expense	(15,865)	(12,545)	(31,547)	(24,121)
Other income (deductions), net	(1,727)	(878)	2,451	(1,758)
(Loss) income before income taxes	(11,644)	7,905	(17,474)	4,876
Income tax benefit	2,728	1,122	5,086	1,848
Net (loss) income	(8,916)	9,027	(12,388)	6,724
Net loss attributable to noncontrolling interests	—	—	—	—
Net (loss) income attributable to Matthews shareholders	\$ (8,916)	\$ 9,027	\$ (12,388)	\$ 6,724
(Loss) earnings per share attributable to Matthews shareholders:				
Basic	\$ (0.29)	\$ 0.29	\$ (0.40)	\$ 0.22
Diluted	\$ (0.29)	\$ 0.29	\$ (0.40)	\$ 0.22

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

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)
(Dollar amounts in thousands)

	Three Months Ended March 31,					
	Matthews		Noncontrolling Interest		Total	
	2025	2024	2025	2024	2025	2024
Net (loss) income:	\$ (8,916)	\$ 9,027	\$ —	\$ —	\$ (8,916)	\$ 9,027
Other comprehensive income (loss) ("OCI"), net of tax:						
Foreign currency translation adjustment	8,352	(6,026)	—	—	8,352	(6,026)
Pension plans and other postretirement benefits	(69)	(282)	—	—	(69)	(282)
Unrecognized (loss) gain on cash flow hedges:						
Net change from periodic revaluation	(1,778)	1,983	—	—	(1,778)	1,983
Net amount reclassified to earnings	(188)	(499)	—	—	(188)	(499)
Net change in unrecognized (loss) gain on cash flow hedges	(1,966)	1,484	—	—	(1,966)	1,484
OCI, net of tax	6,317	(4,824)	—	—	6,317	(4,824)
Comprehensive (loss) income	\$ (2,599)	\$ 4,203	\$ —	\$ —	\$ (2,599)	\$ 4,203

	Six Months Ended March 31,					
	Matthews		Noncontrolling Interest		Total	
	2025	2024	2025	2024	2025	2024
Net (loss) income:	\$ (12,388)	\$ 6,724	\$ —	\$ —	\$ (12,388)	\$ 6,724
OCI, net of tax:						
Foreign currency translation adjustment	(6,259)	5,659	—	22	(6,259)	5,681
Pension plans and other postretirement benefits	(422)	(362)	—	—	(422)	(362)
Unrecognized gain (loss) on cash flow hedges:						
Net change from periodic revaluation	787	(2,406)	—	—	787	(2,406)
Net amount reclassified to earnings	(538)	(991)	—	—	(538)	(991)
Net change in unrecognized gain (loss) on cash flow hedges	249	(3,397)	—	—	249	(3,397)
OCI, net of tax	(6,432)	1,900	—	22	(6,432)	1,922
Comprehensive (loss) income	\$ (18,820)	\$ 8,624	\$ —	\$ 22	\$ (18,820)	\$ 8,646

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

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
for the three and six months ended March 31, 2025 and 2024 (Unaudited)
(Dollar amounts in thousands, except per share data)

	Shareholders' Equity						Total
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Non- controlling Interests	
Balance, September 30, 2024	\$ 36,334	\$ 159,497	\$ 623,063	\$ (168,742)	\$ (212,994)	\$ 48	\$ 437,206
Net loss	—	—	(3,472)	—	—	—	(3,472)
Minimum pension liability	—	—	—	(353)	—	—	(353)
Translation adjustment	—	—	—	(14,611)	—	—	(14,611)
Fair value of cash flow hedges	—	—	—	2,215	—	—	2,215
Total comprehensive loss	—	—	—	—	—	—	(16,221)
Stock-based compensation	—	4,979	—	—	—	—	4,979
Purchase of 171,101 shares of treasury stock	—	—	—	—	(4,275)	—	(4,275)
Issuance of 537,295 shares of treasury stock	—	(19,888)	—	—	19,888	—	—
Dividends	—	—	(8,233)	—	—	—	(8,233)
Balance, December 31, 2024	<u>\$ 36,334</u>	<u>\$ 144,588</u>	<u>\$ 611,358</u>	<u>\$ (181,491)</u>	<u>\$ (197,381)</u>	<u>\$ 48</u>	<u>\$ 413,456</u>
Net loss	—	—	(8,916)	—	—	—	(8,916)
Minimum pension liability	—	—	—	(69)	—	—	(69)
Translation adjustment	—	—	—	8,352	—	—	8,352
Fair value of cash flow hedges	—	—	—	(1,966)	—	—	(1,966)
Total comprehensive loss	—	—	—	—	—	—	(2,599)
Stock-based compensation	—	6,018	—	—	—	—	6,018
Purchase of 5,866 shares of treasury stock	—	—	—	—	(151)	—	(151)
Issuance of 45,803 shares of treasury stock	—	(1,684)	—	—	1,684	—	—
Dividends	—	—	(8,484)	—	—	—	(8,484)
Balance, March 31, 2025	<u>\$ 36,334</u>	<u>\$ 148,922</u>	<u>\$ 593,958</u>	<u>\$ (175,174)</u>	<u>\$ (195,848)</u>	<u>\$ 48</u>	<u>\$ 408,240</u>

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY, Continued
for the three and six months ended March 31, 2025 and 2024 (Unaudited)
(Dollar amounts in thousands, except per share data)

	Shareholders' Equity						Total
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Non- controlling Interests	
Balance, September 30, 2023	\$ 36,334	\$ 168,211	\$ 714,727	\$ (174,404)	\$ (219,200)	\$ (387)	\$ 525,281
Net loss	—	—	(2,303)	—	—	—	(2,303)
Minimum pension liability	—	—	—	(80)	—	—	(80)
Translation adjustment	—	—	—	11,685	—	22	11,707
Fair value of cash flow hedges	—	—	—	(4,881)	—	—	(4,881)
Total comprehensive income	—	—	—	—	—	—	4,443
Stock-based compensation	—	4,651	—	—	—	—	4,651
Purchase of 465,953 shares of treasury stock	—	—	—	—	(17,185)	—	(17,185)
Issuance of 678,750 shares of treasury stock	—	(25,356)	—	—	25,356	—	—
Dividends	—	—	(8,381)	—	—	—	(8,381)
Transactions with non-controlling interest	—	(412)	—	—	—	412	—
Balance, December 31, 2023	<u>\$ 36,334</u>	<u>\$ 147,094</u>	<u>\$ 704,043</u>	<u>\$ (167,680)</u>	<u>\$ (211,029)</u>	<u>\$ 47</u>	<u>\$ 508,809</u>
Net income	—	—	9,027	—	—	—	9,027
Minimum pension liability	—	—	—	(282)	—	—	(282)
Translation adjustment	—	—	—	(6,026)	—	—	(6,026)
Fair value of cash flow hedges	—	—	—	1,484	—	—	1,484
Total comprehensive income	—	—	—	—	—	—	4,203
Stock-based compensation	—	4,327	—	—	—	—	4,327
Purchase of 1,029 shares of treasury stock	—	—	—	—	(35)	—	(35)
Issuance of 28,878 shares of treasury stock	—	(1,077)	—	—	1,077	—	—
Dividends	—	—	(7,957)	—	—	—	(7,957)
Balance, March 31, 2024	<u>\$ 36,334</u>	<u>\$ 150,344</u>	<u>\$ 705,113</u>	<u>\$ (172,504)</u>	<u>\$ (209,987)</u>	<u>\$ 47</u>	<u>\$ 509,347</u>

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

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Dollar amounts in thousands)

	Six Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net (loss) income	\$ (12,388)	\$ 6,724
Adjustments to reconcile net (loss) income to net cash flows from operating activities:		
Depreciation and amortization	40,735	46,784
Stock-based compensation expense	10,997	8,978
Deferred tax (benefit) expense	(6,402)	29
Gain on sale of assets, net	(9,834)	(316)
Loss on divestiture	2,072	—
Changes in working capital items	(43,362)	(35,609)
Decrease in other non-current assets	10,614	11,724
Decrease in other non-current liabilities	(12,371)	(7,782)
Other operating activities, net	1,258	(691)
Net cash (used in) provided by operating activities	<u>(18,681)</u>	<u>29,841</u>
Cash flows from investing activities:		
Capital expenditures	(18,271)	(24,033)
Acquisitions, net of cash acquired	(2,218)	(5,825)
Proceeds from sale of assets	14,608	376
Proceeds from divestiture	2,049	—
Other investing activities, net	(63)	(281)
Net cash used in investing activities	<u>(3,895)</u>	<u>(29,763)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	495,634	491,142
Payments on long-term debt	(445,416)	(449,509)
Purchases of treasury stock	(4,426)	(17,220)
Dividends	(17,047)	(16,691)
Proceeds from net investment hedge	14,990	—
Acquisition holdback and deferred purchase price payments	(10,184)	—
Payments of debt issuance costs	—	(4,704)
Net cash provided by financing activities	<u>33,551</u>	<u>3,018</u>
Effect of exchange rate changes on cash	<u>(1,545)</u>	<u>300</u>
Net change in cash and cash equivalents including balances classified as assets held-for-sale	9,430	3,396
Less: Net change in cash and cash equivalents classified as assets held-for-sale	<u>(10,000)</u>	<u>—</u>
Net change in cash and cash equivalents	(570)	3,396
Cash and cash equivalents at beginning of year	40,816	42,101
Cash and cash equivalents at end of period	<u>\$ 40,246</u>	<u>\$ 45,497</u>

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

Note 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 sales 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. See Note 15, "Acquisitions and Divestitures" for a description of certain anticipated transactions with respect to the SGK Brand Solutions business.

As of March 31, 2025, the Company had facilities in North America, Europe, Asia, Australia, and Central and South America.

Note 2. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information for commercial and industrial companies and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. Certain assets and liabilities for the Company's SGK Brand Solutions business have been presented as held-for-sale on the Consolidated Balance Sheet as of March 31, 2025. The year-end consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the three and six months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2025. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2024. 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. The Company applies highly inflationary accounting for subsidiaries when the cumulative inflation rate for a three-year period meets or exceeds 100 percent.

Effective April 1, 2022, the Company has applied highly inflationary accounting to its Turkish subsidiaries. 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. As of March 31, 2025 and September 30, 2024, the Company had net monetary assets related to its Turkish subsidiaries of \$ 6,497 and \$5,327, respectively. Exchange losses related to highly inflationary accounting totaled \$ 520 and \$711 for the three and six months ended March 31, 2025, respectively, and \$390 and \$710 for the three and six months ended and March 31, 2024, respectively. Such amounts were included in the Consolidated Statements of Income within other income (deductions), net.

The preparation of financial statements in conformity with GAAP 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. Actual results could differ from those estimates.

Note 2. Basis of Presentation (continued)

New Accounting Pronouncements:

Issued

In November 2024, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)* which improves financial reporting by requiring disclosure of specified information about certain costs and expenses on an annual and interim basis for all public entities, including enhanced disaggregation disclosures. The ASU is effective for annual periods for the Company beginning in fiscal year 2028, and interim periods beginning in fiscal year 2029. The Company is in the process of assessing the impact this ASU will have on its consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740)* which enhances the transparency and decision usefulness of income tax disclosures including rate reconciliations and income taxes paid among other tax disclosures. The ASU is effective for annual periods for the Company beginning in fiscal year 2026. The Company is in the process of assessing the impact this ASU will have on its consolidated financial statements.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280)* which improves financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities, including enhanced disclosures about significant segment expenses. The amendments in this ASU do not affect the recognition, measurement, or financial statement presentation of expenses, but will require increased disclosures in annual and interim financial statements. The ASU is effective for annual periods for the Company beginning in fiscal year 2025, and interim periods beginning in fiscal year 2026. The Company is in the process of assessing the impact this ASU will have on its consolidated financial statements.

In October 2023, the FASB issued ASU No. 2023-06, *Disclosure Improvements*. The amendments in this update affect the presentation and disclosure of a variety of topics in the Accounting Standards Codification, and align them with the Securities and Exchange Commission ("SEC") regulations. The effective date of the amendments of this ASU will be determined for each individual disclosure based on the effective date of the SEC's removal of the related disclosure from Regulation S-X or Regulation S-K. If the SEC has not removed the applicable requirements from Regulation S-X or Regulation S-K by June 30, 2027, then this ASU will not become effective. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

Note 3. 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 three and six months ended March 31, 2025 and 2024 were as follows:

	Memorialization		Industrial Technologies		SGK Brand Solutions		Consolidated	
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2025	2024	2025	2024	2025	2024	2025	2024
North America	\$ 196,987	\$ 212,053	\$ 30,858	\$ 32,817	\$ 72,377	\$ 63,152	\$ 300,222	\$ 308,022
Central and South America	—	—	—	—	1,516	1,308	1,516	1,308
Europe	6,091	7,907	48,717	81,579	50,330	52,731	105,138	142,217
Australia	2,542	2,196	—	—	2,238	2,153	4,780	4,349
Asia	—	—	1,260	1,740	14,713	13,587	15,973	15,327
Total Sales	\$ 205,620	\$ 222,156	\$ 80,835	\$ 116,136	\$ 141,174	\$ 132,931	\$ 427,629	\$ 471,223

Note 3. Revenue Recognition (continued)

	Memorialization		Industrial Technologies		SGK Brand Solutions		Consolidated	
	Six Months Ended March 31,		Six Months Ended March 31,		Six Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024	2025	2024	2025	2024
North America	\$ 378,376	\$ 409,218	\$ 62,310	\$ 65,956	\$ 134,179	\$ 125,872	\$ 574,865	\$ 601,046
Central and South America	—	—	—	—	2,638	2,562	2,638	2,562
Europe	11,957	15,878	96,386	158,355	99,817	102,863	208,160	277,096
Australia	5,773	5,131	—	—	4,605	4,324	10,378	9,455
Asia	—	—	2,672	3,199	30,758	27,851	33,430	31,050
Total Sales	\$ 396,106	\$ 430,227	\$ 161,368	\$ 227,510	\$ 271,997	\$ 263,472	\$ 829,471	\$ 921,209

Revenue recognized using the over time method accounted for approximately 13% and 18% of revenue for the three months ended March 31, 2025 and 2024, respectively and 13% and 19% of revenue for the six months ended March 31, 2025 and 2024, respectively. As of March 31, 2025 and September 30, 2024, the Company had net contract assets for projects recognized using the over time method totaling \$73,402 and \$64,246, respectively, which primarily represent unbilled revenues, net of deferred revenues related to customer deposits and progress billings. Net contract assets at March 31, 2025 and September 30, 2024 predominantly related to ongoing projects with the Company's largest energy storage customer.

Note 4. 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.

The fair values of the Company's assets and liabilities measured on a recurring basis are categorized as follows:

	March 31, 2025				September 30, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Derivatives ⁽¹⁾	\$ —	\$ 570	\$ —	\$ 570	\$ —	\$ —	\$ —	\$ —
Equity and fixed income mutual funds	—	850	—	850	—	839	—	839
Life insurance policies	—	5,115	—	5,115	—	5,493	—	5,493
Total assets at fair value	\$ —	\$ 6,535	\$ —	\$ 6,535	\$ —	\$ 6,332	\$ —	\$ 6,332
Liabilities:								
Derivatives ^{(1) (2)}	\$ —	\$ 77,237	\$ —	\$ 77,237	\$ —	\$ 69,573	\$ —	\$ 69,573
Total liabilities at fair value	\$ —	\$ 77,237	\$ —	\$ 77,237	\$ —	\$ 69,573	\$ —	\$ 69,573

⁽¹⁾ 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.

⁽²⁾ Derivative amounts at March 31, 2025 and September 30, 2024 reflect \$ 73,422 and \$ 58,432 of partial advance payments received from the counterparties to certain cross-currency swaps, respectively. See Note 8, "Derivatives and Hedging Activities" for further details.

The carrying values for other financial assets and liabilities approximated fair value at March 31, 2025 and September 30, 2024.

Note 5. Inventories

Inventories consisted of the following:

	March 31, 2025	September 30, 2024
Raw materials	\$ 57,342	\$ 61,333
Work in process	75,935	96,488
Finished goods	71,964	80,067
	<u>\$ 205,241</u>	<u>\$ 237,888</u>

Note 6. Investments

Non-current investments consisted of the following:

	March 31, 2025	September 30, 2024
Equity and fixed income mutual funds	\$ 850	\$ 839
Life insurance policies	5,115	5,493
Equity-method investments	—	349
Other (primarily cost-method) investments	16,310	16,395
	<u>\$ 22,275</u>	<u>\$ 23,076</u>

During the first quarter of fiscal 2025, the Company completed the disposal of its investment in Liquid X Printed Metals Inc. ("Liquid X"), a private company specializing in ink technologies. The Company's investment in Liquid X was previously written-down in fiscal 2024, and had a net carrying value of zero at the time of the disposal transaction. The President and CEO of Liquid X is a former executive officer of the Company and a former member of Matthews' Board of Directors.

Note 7. Debt and Financing Arrangements

Long-term debt at March 31, 2025 and September 30, 2024 consisted of the following:

	March 31, 2025	September 30, 2024
Revolving credit facilities	\$ 498,912	\$ 444,011
2027 Senior Secured Notes	295,196	294,751
Other borrowings	6,495	15,602
Finance lease obligations	21,577	22,103
Total debt	<u>822,180</u>	<u>776,467</u>
Less current maturities	(6,357)	(6,853)
Long-term debt	<u>\$ 815,823</u>	<u>\$ 769,614</u>

The Company has a domestic credit facility with a syndicate of financial institutions that was amended and restated in September 2024. The amended and restated loan agreement includes a \$750,000 senior secured revolving credit facility, which matures in January 2029, subject to the terms and conditions of the amended facility. The obligations under the domestic credit facility are secured by a first priority lien on substantially all of the assets of the Company and certain of its domestic subsidiaries. A portion of the revolving credit facility (not to exceed \$350,000) can be drawn in foreign currencies. Borrowings under the revolving credit facility bear interest at the Secured Overnight Financing Rate ("SOFR"), plus a 0.10% per annum rate spread adjustment, plus a factor ranging from 1.00% to 2.00% (1.50% at March 31, 2025) based on the Company's leverage ratio. The leverage ratio is defined as total 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 amended and restated agreement. Unamortized costs were \$4,427 and \$4,961 at March 31, 2025 and September 30, 2024, respectively.

Note 7. Debt and Financing Arrangements (continued)

The domestic credit facility requires the Company to maintain certain leverage and interest coverage ratios. A portion of the facility (not to exceed \$75,000) is available for the issuance of trade and standby letters of credit. Outstanding U.S. dollar denominated borrowings on the revolving credit facility at March 31, 2025 and September 30, 2024 were \$495,000 and \$410,527, respectively. There were no outstanding Euro denominated borrowings on the revolving credit facility at March 31, 2025. Outstanding Euro denominated borrowings on the revolving credit facility at September 30, 2024 were €30.0 million (\$33,485). 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 March 31, 2025 and 2024 was 4.29% and 4.89%, respectively.

The Company has \$300,000 aggregate principal amount of 8.625% senior secured second lien notes due October 1, 2027 (the "2027 Senior Secured Notes"). The 2027 Senior Secured Notes bear interest at a rate of 8.625% per annum with interest payable semi-annually in arrears on April 1 and October 1 of each year beginning on April 1, 2025. The Company's obligations under the 2027 Senior Secured Notes are secured by a second priority lien on substantially all of the assets of the Company and certain of its domestic subsidiaries. The Company is subject to certain covenants and other restrictions in connection with the 2027 Senior Secured Notes. The Company incurred direct financing fees and costs in connection with 2027 Senior Secured Notes. Unamortized costs related to the Company's notes were \$4,804 and \$5,249 at March 31, 2025 and September 30, 2024, 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. Matthews RFC has 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, 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 RPA matures in March 2026.

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 March 31, 2025 and September 30, 2024, the amount sold to the Purchasers was \$99,100 and \$96,300, 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 \$67,807 and \$58,183 as of March 31, 2025 and September 30, 2024, respectively.

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

	Six Months Ended March 31, 2025	Six Months Ended March 31, 2024
Gross receivables sold	\$ 167,708	\$ 194,116
Cash collections reinvested	(164,908)	(186,016)
Net cash proceeds received	<u>\$ 2,800</u>	<u>\$ 8,100</u>

The Company, through its U.K. subsidiary, participates in 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 \$38,789 and \$34,993 during the six months ended March 31, 2025 and 2024, respectively. 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 March 31, 2025 and September 30, 2024, the amount of factored receivables that remained outstanding was \$16,215 and \$15,665, respectively.

Note 7. Debt and Financing Arrangements (continued)

The Company facilitates a voluntary supply chain finance program (the "Program") to provide certain suppliers with the opportunity to sell receivables due from the Company to participating financial institutions at the sole discretion of both the suppliers and the financial institutions. The Company is not a party to the agreements between the suppliers and the financial institutions and has no economic interest in a supplier's decision to sell a receivable. The range of payment terms negotiated with a supplier is consistent, irrespective of whether a supplier participates in the Program. All outstanding payments owed under the Program are recorded within trade accounts payable in the Consolidated Balance Sheets. The Company accounts for all payments made under the Program as a reduction to operating cash flows in changes in working capital within the Consolidated Statements of Cash Flows. The amounts owed to a participating financial institution under the Program and included in trade accounts payable were \$4,081 and \$3,014 at March 31, 2025 and September 30, 2024, respectively.

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 borrowing available under this facility is €8.0 million (\$8,658). The facility also provides €18.5 million (\$20,021) for bank guarantees. This facility has no stated maturity date and is available until terminated. Outstanding borrowings under the credit facility totaled €3.6 million (\$3,912) at March 31, 2025. There were no outstanding borrowings under the credit facility at September 30, 2024. The weighted-average interest rate on outstanding borrowings under this facility was 4.60% and 6.11% at March 31, 2025 and 2024, respectively.

Other borrowings totaled \$6,495 and \$15,602 at March 31, 2025 and September 30, 2024, respectively. The weighted-average interest rate on all other borrowings was 2.16% and 2.55% at March 31, 2025 and 2024, respectively.

As of March 31, 2025 and September 30, 2024, 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 March 31, 2025.

On March 11, 2025, in connection with the filing of an automatic shelf registration statement on Form S-3 pursuant to which the Company re-registered 8,000,000 shares of Class A Common Stock, the Company entered into an Equity Distribution Agreement for an At-The-Market equity offering program ("ATM Program") where the Company may issue and sell, from time to time, up to 1,250,000 shares of its Class A Common Stock under the shelf registration. For the three months ended March 31, 2025, the Company did not sell any shares of its Class A Common Stock under its ATM Program. As of March 31, 2025, the Company had 1,250,000 shares remaining for sale under the ATM Program. The Company has no near-term intention to utilize the ATM Program.

Note 8. 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 March 31, 2025 and September 30, 2024, derivative instruments were reflected on a gross-basis in the consolidated balance sheets as follows:

Derivatives:	March 31, 2025		September 30, 2024	
	Interest Rate Swaps	Cross-Currency Swaps	Interest Rate Swaps	Cross-Currency Swaps
Current assets:				
Other current assets	\$ 190	\$ —	\$ —	\$ —
Long-term assets:				
Other non-current assets	380	—	—	—
Current liabilities:				
Other current liabilities	(511)	(32,645)	(863)	(18,042)
Long-term liabilities:				
Other non-current liabilities	(824)	(43,257)	(1,743)	(48,925)
Total derivatives ⁽¹⁾	\$ (765)	\$ (75,902)	\$ (2,606)	\$ (66,967)

⁽¹⁾ Cross-currency swap amounts at March 31, 2025 and September 30, 2024 reflect \$ 73,422 and \$58,432 of partial advanced payments received from the counterparties to certain swap contracts, respectively (see below).

Note 8. Derivatives and Hedging Activities (continued)

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

	March 31, 2025	September 30, 2024
Notional amount	\$ 225,000	\$ 175,000
Weighted-average maturity period (years)	3.2	3.2
Weighted-average received rate	4.32 %	4.85 %
Weighted-average pay rate	3.80 %	3.83 %

The Company enters into interest rate swaps in order to achieve a mix of fixed and variable rate debt that it deems appropriate. 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 loss of \$765 (\$571 after tax) and \$2,606 (\$1,948 after tax) at March 31, 2025 and September 30, 2024, respectively, that is included in shareholders' equity as part of accumulated other comprehensive income (loss) ("AOCI"). Unrecognized gains of \$2,341 (\$1,746 after tax) and \$3,848 (\$2,874 after tax) related to previously terminated London Interbank Offered Rate ("LIBOR") based swaps were also included in AOCI as of March 31, 2025 and September 30, 2024, respectively. Assuming market rates remain constant with the rates at March 31, 2025, a gain (net of tax) of approximately \$ 755 included in AOCI is expected to be recognized in earnings over the next twelve months.

The Company utilizes certain cross currency swaps as net investment hedges of foreign operations and assesses effectiveness for these contracts based on changes in fair value attributable to changes in spot prices. The following table presents information related to cross currency swaps entered into by the Company and designated as net investment hedges:

Swap Currencies	Maturity Date	Notional Amount		Unrealized Gains (Losses) Recognized in AOCI	
		March 31, 2025	September 30, 2024	March 31, 2025	September 30, 2024
USD/EUR	September 2027	\$ 81,392	\$ 81,392	\$ (4,019)	\$ (5,440)
USD/SEK	June 2025	20,000	20,000	(137)	(468)
USD/SGD	August 2026	20,000	20,000	959	(441)
USD/EUR	August 2026	25,000	25,000	1,379	(30)
USD/CAD	May 2025	25,000	—	(41)	—
		<u>\$ 171,392</u>	<u>\$ 146,392</u>	<u>\$ (1,859)⁽¹⁾</u>	<u>\$ (6,379)⁽¹⁾</u>

⁽¹⁾ Total unrealized gains (losses) are presented net of tax of \$ 621 and \$ 2,156 as of March 31, 2025 and September 30, 2024, respectively.

In connection with certain of these cross currency swaps, the Company received cash from the counterparties, representing partial advance payments of amounts due under the U.S. dollar leg of the swaps. Advance payment amounts totaled \$73,422 at March 31, 2025, of which \$32,406 and \$41,016 were included in other current liabilities and other non-current liabilities on the Consolidated Balance Sheet, respectively. Advance payment amounts totaled \$ 58,432 at September 30, 2024, of which \$17,416 and \$41,016 were included in other current liabilities and other non-current liabilities on the Consolidated Balance Sheet, respectively.

The Company previously used certain foreign currency debt instruments as net investment hedges of foreign operations with a notional amount of €0.0 million (\$33,485) as of September 30, 2024. Currency losses of \$3,820 (net of income taxes of \$1,113), which represent effective hedges of net investments, were reported as a component of AOCI within currency translation adjustment at September 30, 2024.

Refer to Note 12, "Accumulated Other Comprehensive Income" for further details regarding amounts recorded in AOCI and the Consolidated Statements of Income (Loss) related to derivatives.

Note 9. Restructuring

During the fourth quarter of fiscal 2024, the Company initiated restructuring programs focused primarily on the Company's engineering and tooling operations in Europe, as well as the Company's general and administrative functions. Total estimated restructuring costs for these programs are currently expected to be approximately \$42,000, of which \$39,500 relates to severance and employee termination benefits, and \$2,500 relates to other exit and disposal activities. These restructuring activities are expected to be completed by fiscal 2026.

The following table sets forth amounts recognized by the Company in connection with its restructuring programs:

Restructuring amounts by line item in the Statement of Income ^(a)	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Cost of sales	\$ 3,013	\$ (475)	\$ 2,315	\$ (2,377)
Selling expense	(44)	(31)	(53)	225
Administrative expense	(498)	(316)	(957)	(631)
Income (loss) before income taxes	\$ 2,471	\$ (822)	\$ 1,305	\$ (2,783)

^(a) Positive amounts represent income and negative amounts represent expense.

The costs associated with the Company's restructuring programs principally relate to severance and employee termination benefits. The following table provides a summary of the severance and employee termination restructuring activities for the six-month period ended March 31, 2025.

	Severance and Employee Termination Restructuring Activities				
	Memorialization	Industrial Technologies	SGK Brand Solutions	Corporate/Non-Operating	Consolidated
Liability at September 30, 2024	\$ 181	\$ 35,368	\$ 1,247	\$ 4,226	\$ 41,022
Amounts charged (credited) to expense	—	(2,821)	473	(150)	(2,498)
Net cash payments	(147)	(26,791)	(553)	(3,540)	(31,031)
Other adjustments ⁽¹⁾	—	405	(156)	(175)	74
Reclassified to current liabilities held-for-sale	—	—	(1,011)	—	(1,011)
Liability at March 31, 2025	\$ 34	\$ 6,161	\$ —	\$ 361	\$ 6,556
Cumulative severance and employee termination costs incurred to date ⁽²⁾	\$ 181	\$ 32,789	\$ 1,563	\$ 4,803	\$ 39,336

⁽¹⁾ Other adjustments primarily reflects reclassifications of certain balance sheet amounts.

⁽²⁾ Substantially all estimated severance and employee termination costs related to the restructuring programs have been recognized as of March 31, 2025.

The severance and employee termination liability is included in accrued compensation in the accompanying Consolidated Balance Sheets.

Note 10. 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 ("RSUs"), 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 second amendment and restatement of the 2017 Equity Incentive Plan, the maximum number of shares available for grants or awards is an aggregate of 4,950,000 (subject to adjustment upon certain events such as stock dividends or stock splits), following the second amendment and restatement of the 2017 Equity Incentive Plan at the Company's 2025 Annual Shareholder Meeting. At March 31, 2025, 1,734,834 shares have been issued under the 2017 Equity Incentive Plan. 1,517,963 time-based RSUs, 1,961,834 performance-based RSUs, and 75,000 stock options have been granted under the 2017 Equity Incentive Plan. 1,818,068 of these share-based awards are outstanding as of March 31, 2025. The 2017 Equity Incentive Plan is administered by the Compensation Committee of the Board of Directors. The number of shares issued under performance-based RSUs may be up to 200% of the number of performance-based RSUs, based on the satisfaction of specific criteria established by the plan administrator.

For the three-month periods ended March 31, 2025 and 2024, stock-based compensation cost totaled \$6,018 and \$4,327, respectively. For the six-month periods ended March 31, 2025 and 2024, stock-based compensation cost totaled \$10,997 and \$8,978, respectively. The associated future income tax benefit recognized for stock-based compensation was \$1,520 and \$1,093 for the three-month periods ended March 31, 2025 and 2024, respectively, and \$2,338 and \$1,778 for the six-month periods ended March 31, 2025 and 2024, respectively.

With respect to the grants of RSUs, awards 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 40% 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 the units become vested.

The transactions for RSUs for the six months ended March 31, 2025 were as follows:

	RSUs	Weighted- average Grant-date Fair Value
Non-vested at September 30, 2024	1,707,349	\$ 33.59
Granted	668,700	25.53
Vested	(438,741)	37.38
Expired or forfeited	(119,240)	38.00
Non-vested at March 31, 2025	<u>1,818,068</u>	<u>\$ 29.42</u>

As of March 31, 2025, the total unrecognized compensation cost related to all unvested stock-based awards was \$8,080 and is expected to be recognized over a weighted average period of 2.1 years.

The fair value of certain stock-based awards that are subject to performance conditions 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 six-month period ended March 31, 2025.

	Six Months Ended March 31, 2025
Expected volatility	31.8 %
Dividend yield	3.4 %
Average risk-free interest rate	4.2 %
Average expected term (years)	3.0

Note 10. Share-Based Payments (continued)

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 six months ended March 31, 2025 represents an estimate of the average period of time for RSUs 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 2025, either cash or shares of the Company's Class A Common Stock with a value equal to \$90. The annual retainer fee for fiscal 2025 paid to the non-employee Chairman of the Board under the Amended and Restated 2019 Director Fee Plan 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 Class A 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 non-current liabilities. A total of 56,067 shares and share units had been deferred under the Director Fee Plans as of March 31, 2025. 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 2025. As of March 31, 2025, 439,740 restricted shares and RSUs have been granted under the Director Fee Plans, 266,511 of which were issued under the 2019 Director Fee Plan. 98,945 RSUs are unvested at March 31, 2025 under the Director Fee Plans.

Note 11. Earnings Per Share Attributable to Matthews' Shareholders

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Net (loss) income attributable to Matthews shareholders	\$ (8,916)	\$ 9,027	\$ (12,388)	\$ 6,724
Weighted-average shares outstanding (in thousands):				
Basic shares	31,192	30,926	31,113	30,921
Effect of dilutive securities	—	293	—	292
Diluted shares	31,192	31,219	31,113	31,213
Dividends declared per common share	\$ 0.25	\$ 0.24	\$ 0.50	\$ 0.48

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.

Note 12. Accumulated Other Comprehensive Income

The changes in AOCI by component, net of tax, for the three-month periods ended March 31, 2025 and 2024 were as follows:

	<u>Post-retirement benefit plans</u>	<u>Currency translation adjustment</u>	<u>Cash Flow Hedges</u>	<u>Total</u>
Attributable to Matthews:				
Balance, December 31, 2024	\$ 4,602	\$ (189,234)	\$ 3,141	\$ (181,491)
OCI before reclassification	100	8,580	(1,778)	6,902
Amounts reclassified from AOCI	(169) ^(a)	(228)	(188) ^(b)	(585)
Net current-period OCI	(69)	8,352	(1,966)	6,317
Balance, March 31, 2025	<u>\$ 4,533</u>	<u>\$ (180,882)</u>	<u>\$ 1,175</u>	<u>\$ (175,174)</u>
Attributable to noncontrolling interest:				
Balance, December 31, 2024	\$ —	\$ 289	\$ —	\$ 289
OCI before reclassification	—	—	—	—
Net current-period OCI	—	—	—	—
Balance, March 31, 2025	<u>\$ —</u>	<u>\$ 289</u>	<u>\$ —</u>	<u>\$ 289</u>

	<u>Post-retirement benefit plans</u>	<u>Currency translation adjustment</u>	<u>Cash Flow Hedges</u>	<u>Total</u>
Attributable to Matthews:				
Balance, December 31, 2023	\$ 6,680	\$ (178,511)	\$ 4,151	\$ (167,680)
OCI before reclassification	(72)	(5,779)	1,983	(3,868)
Amounts reclassified from AOCI	(210) ^(a)	(247)	(499) ^(b)	(956)
Net current-period OCI	(282)	(6,026)	1,484	(4,824)
Balance, March 31, 2024	<u>\$ 6,398</u>	<u>\$ (184,537)</u>	<u>\$ 5,635</u>	<u>\$ (172,504)</u>
Attributable to noncontrolling interest:				
Balance, December 31, 2023	\$ —	\$ 288	\$ —	\$ 288
OCI before reclassification	—	—	—	—
Net current-period OCI	—	—	—	—
Balance, March 31, 2024	<u>\$ —</u>	<u>\$ 288</u>	<u>\$ —</u>	<u>\$ 288</u>

^(a) Amounts were included in net periodic benefit cost for pension and other postretirement benefit plans.

^(b) Amounts were included in interest expense in the periods in which the hedged item affected earnings (see Note 8).

Note 12. Accumulated Other Comprehensive Income (continued)

The changes in AOCI by component, net of tax, for the six-month periods ended March 31, 2025 and 2024 were as follows:

	<u>Post-retirement benefit plans</u>	<u>Currency translation adjustment</u>	<u>Cash Flow Hedges</u>	<u>Total</u>
Attributable to Matthews:				
Balance, September 30, 2024	\$ 4,955	\$ (174,623)	926	(168,742)
OCI before reclassification	(82)	(12,607)	787	(11,902)
Amounts reclassified from AOCI	(940)	6,348	(538)	5,470
Net current-period OCI	(422)	(6,259)	249	(6,432)
Balance, March 31, 2025	\$ 4,533	\$ (180,882)	1,175	(175,174)
Attributable to noncontrolling interest:				
Balance, September 30, 2024	\$ —	\$ 289	\$ —	289
OCI before reclassification	—	—	—	—
Net current-period OCI	—	—	—	—
Balance, March 31, 2025	\$ —	\$ 289	\$ —	289

	<u>Post-retirement benefit plans</u>	<u>Currency translation adjustment</u>	<u>Cash Flow Hedges</u>	<u>Total</u>
Attributable to Matthews:				
Balance, September 30, 2023	\$ 6,760	\$ (190,196)	\$ 9,032	\$ (174,404)
OCI before reclassification	59	6,102	(2,406)	3,755
Amounts reclassified from AOCI	(421) ^(a)	(443)	(991) ^(b)	(1,855)
Net current-period OCI	(362)	5,659	(3,397)	1,900
Balance, March 31, 2024	\$ 6,398	\$ (184,537)	\$ 5,635	\$ (172,504)
Attributable to noncontrolling interest:				
Balance, September 30, 2023	\$ —	\$ 266	\$ —	\$ 266
OCI before reclassification	—	22	—	22
Net current-period OCI	—	22	—	22
Balance, March 31, 2024	\$ —	\$ 288	\$ —	\$ 288

^(a) Amounts were included in net periodic benefit cost for pension and other postretirement benefit plans.

^(b) Amounts were included in interest expense in the periods in which the hedged item affected earnings (see Note 8).

Note 12. Accumulated Other Comprehensive Income (continued)

Reclassifications out of AOCI for the three and six-month periods ended March 31, 2025 and 2024 were as follows:

Details about AOCI Components	Amount reclassified from AOCI		
	Three Months Ended March 31, 2025	Six Months Ended March 31, 2025	Affected line item in the Financial Statements
Postretirement benefit plans			
Prior service credit ^(a)	\$ 89	\$ 180	
Actuarial losses	137	274	Other income (deductions), net
	226	454	Income before income tax ^(b)
	(57)	(114)	Income taxes
	<u>\$ 169</u>	<u>\$ 340</u>	Net income
Derivatives			
Cash flow hedges	\$ 252	\$ 720	Interest expense
Net investment hedges	301	656	Interest expense
	553	1,376	Income before income tax ^(b)
	(137)	(342)	Income taxes
	<u>\$ 416</u>	<u>\$ 1,034</u>	Net income
Other			
Divestitures	\$ —	\$ (6,844)	Other current liabilities ^(c)

Details about AOCI Components	Amount reclassified from AOCI		Affected line item in the Statement of income
	Three Months Ended March 31, 2024	Six Months Ended March 31, 2024	
Postretirement benefit plans			
Prior service credit ^(a)	\$ 91	\$ 182	
Actuarial losses	190	381	Other income (deductions), net
	281	563	Income before income tax ^(b)
	(71)	(142)	Income taxes
	<u>\$ 210</u>	<u>\$ 421</u>	Net income
Derivatives			
Cash flow hedges	\$ 668	\$ 1,327	Interest expense
Net investment hedges	327	586	Interest expense
	995	1,913	Income before income tax ^(b)
	(249)	(479)	Income taxes
	<u>\$ 746</u>	<u>\$ 1,434</u>	Net income

^(a) Prior service cost amounts are included in the computation of pension and other postretirement benefit expense, which is reported in cost of goods sold and selling and administrative expenses.

^(b) For pre-tax items, positive amounts represent income and negative amounts represent expense.

^(c) Reflects the release of a reserve that was established for currency translation amounts related to certain net assets classified as held-for-sale as of September 30, 2024. See Note 15, "Acquisitions and Divestitures."

Note 13. Income Taxes

Income tax provisions for the Company's interim periods are based on the effective income tax rate expected to be applicable for the full year. The Company's consolidated income taxes for the first six months of fiscal 2025 represented a benefit of \$5,086, compared to a benefit of \$1,848 for the first six months of fiscal 2024. The difference between the Company's consolidated income taxes for the first six months of fiscal 2025 compared to the same period for fiscal 2024 resulted from a consolidated pre-tax loss in fiscal 2025 compared to consolidated pre-tax income in fiscal 2024. The Company's fiscal 2025 six month effective tax rate varied from the U.S. statutory tax rate of 21.0% primarily due to state taxes, tax credits, non-tax benefited foreign losses, and other net discrete tax benefits. The Company's fiscal 2024 six month effective tax rate varied from the U.S. statutory tax rate of 21.0% primarily due to state taxes, foreign statutory rate differentials, tax credits, non-tax benefited foreign losses, and a net discrete tax benefit.

The Company had unrecognized tax benefits (excluding penalties and interest) of \$1,977 and \$4,506 on March 31, 2025 and September 30, 2024, respectively, which would impact the annual effective rate at March 31, 2025 and September 30, 2024, respectively. It is reasonably possible that the amount of unrecognized tax benefits could decrease by approximately \$346 in the next 12 months primarily due to the completion of audits and the expiration of the statute of limitations.

The Company classifies interest and penalties on tax uncertainties as a component of the provision for income taxes. Total penalties and interest accrued were \$230 and \$588 at March 31, 2025 and September 30, 2024, respectively. These accruals may potentially be applicable in the event of an unfavorable outcome of uncertain tax positions.

The Company is currently under examination in several tax jurisdictions and remains subject to examination until the statute of limitations expires for those tax jurisdictions. As of March 31, 2025, the tax years that remain subject to examination by major jurisdictions generally are:

United States – Federal	2019, 2022 and forward
United States – State	2020 and forward
Canada	2021 and forward
Germany	2019 and forward
United Kingdom	2023 and forward
Singapore	2020 and forward
Australia	2020 and forward

Note 14. 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 sales 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. See Note 15, "Acquisitions and Divestitures" for a description of certain anticipated transactions with respect to the SGK Brand Solutions business.

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, enterprise resource planning ("ERP") system 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.

Note 14. Segment Information (continued)

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 following table sets forth information about the Company's segments, including a reconciliation of adjusted EBITDA to net income.

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Sales:				
Memorialization	\$ 205,620	\$ 222,156	\$ 396,106	\$ 430,227
Industrial Technologies	80,835	116,136	161,368	227,510
SGK Brand Solutions	141,174	132,931	271,997	263,472
Consolidated Sales	<u>\$ 427,629</u>	<u>\$ 471,223</u>	<u>\$ 829,471</u>	<u>\$ 921,209</u>
Adjusted EBITDA:				
Memorialization	\$ 45,038	\$ 46,614	\$ 81,650	\$ 83,314
Industrial Technologies	6,042	10,028	7,874	19,650
SGK Brand Solutions	15,596	15,370	27,888	28,263
Corporate and Non-Operating	(15,262)	(15,212)	(25,975)	(28,945)
Total Adjusted EBITDA	<u>\$ 51,414</u>	<u>\$ 56,800</u>	<u>\$ 91,437</u>	<u>\$ 102,282</u>
Acquisition and divestiture related items ^{(1)**}	(15,773)	(2,062)	(16,350)	(3,299)
Strategic initiatives and other items ^{(2)**†}	(5,373)	(4,962)	(5,988)	(10,882)
Highly inflationary accounting losses (primarily non-cash) ⁽³⁾	(520)	(390)	(711)	(710)
Stock-based compensation	(6,018)	(4,327)	(10,997)	(8,978)
Non-service pension and postretirement expense ⁽⁴⁾	(133)	(110)	(266)	(219)
Depreciation and amortization *	(18,231)	(23,261)	(40,735)	(46,784)
Interest expense, including RPA and factoring financing fees ⁽⁵⁾	(17,010)	(13,783)	(33,864)	(26,534)
(Loss) income before income taxes	(11,644)	7,905	(17,474)	4,876
Income tax benefit	2,728	1,122	5,086	1,848
Net (loss) income	<u>\$ (8,916)</u>	<u>\$ 9,027</u>	<u>\$ (12,388)</u>	<u>\$ 6,724</u>

Note 14. Segment Information (continued)

⁽¹⁾ Includes certain non-recurring items associated with recent acquisition and divestiture activities and also includes a loss of \$ 2,072 for the three and six months ended March 31, 2025 related to the divestiture of a business in the Industrial Technologies segment (See Note 15, "Acquisitions and Divestitures"). Fiscal 2025 also includes costs related to the pending sale of the Company's interest in the SGK Brand Solutions business which totaled \$10,586 for the three months ended March 31, 2025 and \$ 11,485 for the six months ended March 31, 2025.

⁽²⁾ Includes certain non-recurring costs associated with commercial, operational and cost-reduction initiatives, and costs associated with global ERP system integration efforts. Also includes legal costs related to an ongoing dispute with Tesla, Inc. ("Tesla"), which totaled \$ 1,757 and \$2,602 for the three months ended March 31, 2025 and 2024, respectively, and \$ 8,624 and \$4,972 for the six months ended March 31, 2025 and 2024, respectively (see Note 17, "Legal Matter"). Fiscal 2025 includes costs related to the Company's 2025 contested proxy which totaled \$4,538 for the three months ended March 31, 2025 and \$4,902 for the six months ended March 31, 2025. Fiscal 2025 includes net gains on the sales of certain significant property and other assets of \$8,655 for the six months ended March 31, 2025. Fiscal 2025 also includes loss recoveries totaling \$1,170 for the six months ended March 31, 2025 which were related to a previously disclosed theft of funds by a former employee initially identified in fiscal 2015.

⁽³⁾ Represents exchange losses associated with highly inflationary accounting related to the Company's Turkish subsidiaries (see Note 2, "Basis of Presentation").

⁽⁴⁾ 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.

⁽⁵⁾ Includes fees for receivables sold under the RPA and factoring arrangements totaling \$ 1,145 and \$1,238 for the three months ended March 31, 2025 and 2024, respectively, and \$ 2,317 and \$2,413 for the six months ended March 31, 2025 and 2024, respectively.

* Depreciation and amortization was \$ 7,170 and \$6,914 for the Memorialization segment, \$5,644 and \$5,571 for the Industrial Technologies segment, \$4,718 and \$9,669 for the SGK Brand Solutions segment, and \$699 and \$1,107 for Corporate and Non-Operating, for the three months ended March 31, 2025 and 2024, respectively. Depreciation and amortization was \$ 14,372 and \$13,327 for the Memorialization segment, \$11,318 and \$11,948 for the Industrial Technologies segment, \$13,578 and \$19,241 for the SGK Brand Solutions segment, and \$ 1,467 and \$2,268 for Corporate and Non-Operating, for the six months ended March 31, 2025 and 2024, respectively.

** Acquisition and divestiture costs, ERP system integration costs, and strategic initiatives and other charges were \$ 2,410 and \$1,037 for the Memorialization segment, \$2,264 and \$4,431 for the Industrial Technologies segment, \$416 and \$358 for the SGK Brand Solutions segment, and \$ 16,056 and \$1,198 for Corporate and Non-Operating, for the three months ended March 31, 2025 and 2024, respectively. Acquisition costs, ERP system integration costs, and strategic initiatives and other charges were \$3,713 and \$1,097 for the Memorialization segment, \$6,383 and \$9,799 for the Industrial Technologies segment, \$1,130 and \$1,221 for the SGK Brand Solutions segment, and \$ 11,112 and \$2,064 for Corporate and Non-Operating, for the six months ended March 31, 2025 and 2024, respectively.

† Strategic initiatives and other items includes charges for exit and disposal activities (including severance and other employee termination benefits) totaling \$ 2,471 of income and \$822 of expenses for the three months ended March 31, 2025 and 2024, respectively, and \$1,305 of income and \$2,783 of expenses for the six months ended March 31, 2025 and 2024, respectively. Refer to Note 9, "Restructuring" for further details.

Note 15. Acquisitions and Divestitures

Fiscal 2025:

In March 2025, the Company completed a small divestiture within the Industrial Technologies segment. Net proceeds from the divestiture totaled \$2,049, and the transaction resulted in a pre-tax loss of \$2,072, which was recorded as a component of administrative expense for the period ended March 31, 2025.

On January 7, 2025, the Company entered into a definitive contribution agreement (the "Contribution Agreement") under which it will sell its interest in the SGK Brand Solutions business to a newly formed entity created by affiliates of Southern Graphics, Inc. (the "New Entity"), which will combine the SGK Brand Solutions business with the Southern Graphics, Inc. business. Under the terms of the Contribution Agreement, at the closing of the proposed transactions, the Company will receive \$250,000 in cash and \$50,000 of preferred equity in the New Entity. In addition, at the closing of the proposed transactions, the Company will receive a 40% interest in the common equity of the New Entity. Trade receivables under the Company's RPA will not be contributed to the New Entity. The Company will also retain its European cylinders (packaging) business and other related investments following the closing of the proposed transactions. The proposed transactions are expected to be completed in the third quarter of fiscal 2025, subject to the satisfaction of customary closing conditions. The foregoing summary of the Contribution Agreement and the transactions contemplated thereby is incomplete and is qualified in its entirety to the complete text of the Contribution Agreement, which was filed as Exhibit 2.1 to that Current Report on Form 8-K with the SEC on January 8, 2025.

Note 15. Acquisitions and Divestitures (continued)

During the second quarter of fiscal 2025, the Company determined that the SGK Brand Solutions business met the criteria under U.S. GAAP to be classified as held-for-sale. Accordingly, the assets and liabilities for this business have been presented separately as current and non-current assets held-for-sale and current and non-current liabilities held-for-sale on the Consolidated Balance Sheet as of March 31, 2025.

The following table summarizes the carrying values of the SGK Brand Solutions business assets and liabilities classified as held-for-sale on the Consolidated Balance Sheet as of March 31, 2025.

	March 31, 2025
Assets:	
Cash and cash equivalents	\$ 10,000
Accounts receivable, net	71,543
Inventories, net	31,030
Property, plant and equipment, net	40,216
Operating lease right-of-use assets	17,904
Goodwill	218,049
Other intangible assets, net	23,941
Other current and non-current assets held-for-sale	15,327
Total assets held-for-sale	<u>428,010</u>
Liabilities:	
Current portion of operating lease liabilities	7,118
Trade accounts payable	25,020
Accrued compensation	11,805
Operating lease liabilities	11,537
Deferred income taxes	12,239
Other current and non-current liabilities held-for-sale	34,645
Total liabilities held-for-sale	<u>102,364</u>
Net assets held-for-sale	<u>\$ 325,646</u>

Income before income taxes for the SGK Brand Solutions business classified as held-for-sale totaled \$3,351 and \$8,170 for the three and six months ended March 31, 2025, respectively, and \$5,875 and \$8,791 for the three and six months ended March 31, 2024, respectively.

In January 2025, the Company entered into an agreement for the acquisition of a Memorialization business for a purchase price of \$7,000 in cash. The purchase price is subject to customary post-closing adjustments. The acquisition, which is subject to certain closing conditions, is expected to be completed mid-2025.

In October 2024, the Company completed a small acquisition within the Memorialization segment for a purchase price of \$218. The preliminary purchase price allocation was not finalized as of March 31, 2025 and remains subject to change as the Company obtains additional information related to working capital.

During the first quarter of fiscal 2025, the Company completed a small divestiture within the Memorialization segment. The net assets for this business were fully written-down in fiscal 2024 in anticipation of the disposal transaction.

Note 15. Acquisitions and Divestitures (continued)

Fiscal 2024:

In January 2024, the Company completed a small acquisition within the Memorialization segment for a purchase price of \$5,825 (net of holdbacks and other adjustments, including working capital). The Company finalized the allocation of the purchase price in the fourth quarter of fiscal 2024, resulting in no significant adjustments.

Note 16. Goodwill and Other Intangible Assets

A summary of the carrying amount of goodwill attributable to each segment as well as the changes in such amounts are as follows:

	<u>Memorialization</u>	<u>Industrial Technologies</u>	<u>SGK Brand Solutions</u>	<u>Consolidated</u>
Net goodwill at September 30, 2024	\$ 373,144	\$ 99,545	\$ 224,434	\$ 697,123
Additions during period	2,767	—	—	2,767
Translation and other adjustments	(1,873)	(464)	(6,385)	(8,722)
Reclassified to non-current assets held-for-sale	—	—	(218,049)	(218,049)
Net goodwill at March 31, 2025	<u>\$ 374,038</u>	<u>\$ 99,081</u>	<u>\$ —</u>	<u>\$ 473,119</u>

The net goodwill balances at March 31, 2025 and September 30, 2024 included \$45,673 and \$277,913 of accumulated impairment losses, respectively. Accumulated impairment losses at March 31, 2025 were \$5,000 and \$40,673 for the Memorialization and Industrial Technologies segments, respectively. Accumulated impairment losses at September 30, 2024 were \$5,000, \$40,673 and \$232,240 for the Memorialization, Industrial Technologies and SGK Brand Solutions segments, respectively.

The Company performed its annual impairment review of goodwill and indefinite-lived intangible assets in the second quarter of fiscal 2025 (January 1, 2025) and determined that the estimated fair values for all goodwill reporting units exceeded their carrying values, and, therefore, no impairment charges were necessary at such time.

The following tables summarize the carrying amounts and related accumulated amortization for intangible assets as of March 31, 2025 and September 30, 2024, respectively.

	<u>Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net</u>
March 31, 2025			
Indefinite-lived trade names	\$ 30,540	\$ —	\$ 30,540
Definite-lived trade names	25,662	(20,179)	5,483
Customer relationships	148,514	(100,317)	48,197
Copyrights/patents/other	16,080	(13,525)	2,555
	<u>\$ 220,796</u>	<u>\$ (134,021)</u>	<u>\$ 86,775</u>
September 30, 2024:			
Indefinite-lived trade names	\$ 30,540	\$ —	\$ 30,540
Definite-lived trade names	151,598	(127,829)	23,769
Customer relationships	380,387	(311,621)	68,766
Copyrights/patents/other	19,166	(16,215)	2,951
	<u>\$ 581,691</u>	<u>\$ (455,665)</u>	<u>\$ 126,026</u>

The net change in intangible assets during the six months ended March 31, 2025 primarily included the impact of foreign currency fluctuations during the period and additional amortization.

Note 16. Goodwill and Other Intangible Assets (continued)

Amortization expense on intangible assets was \$4,280 and \$8,959 for the three-month periods ended March 31, 2025 and 2024, respectively. Amortization expense on intangible assets was \$12,888 and \$18,754 for the six-month periods ended March 31, 2025 and 2024, respectively. The fiscal 2025 decrease in intangible amortization primarily resulted from certain intangible assets within the SGK Brand Solutions segment reaching the end of their amortizable lives. Amortization expense is estimated to be \$14,049 for the remainder of fiscal 2025, \$10,453 in 2026, \$9,509 in 2027, \$7,505 in 2028 and \$6,531 in 2029.

Note 17. Legal Matter

On October 7, 2024, the United States District Court for the Northern District of California granted the Company's motion to compel arbitration in response to a complaint filed by Tesla on June 14, 2024 against the Company in the Northern District of California, Civil Action No. 5:24-cv-03615 (N.D. Cal.), which alleged trade secret misappropriation under the Defend Trade Secrets Act (the "DTSA") and California's Uniform Trade Secrets Act (the "CUTSA"), breach of contract and unfair business practices. Given the Court's favorable ruling, the matter filed by Tesla has been effectively stayed pending arbitration, which Tesla has initiated. The Company maintains the claims vaguely stated in the complaint are without merit and intends to vigorously defend itself against the allegations in the arbitration.

In addition, on February 13, 2025, Tesla filed another additional complaint against the Company in the United States District Court for the Northern District of California alleging, in part, claims related to correction of inventorship, breach of contract, promissory estoppel and quasi-contract/restitution arising from and/or related to various U.S. patents and provisional patents, including but not limited to U.S. Patent No. 12,136,727. Similar to the prior matter, the Company maintains the claims vaguely stated in the complaint filed on February 13, 2025 are also without merit and intends to vigorously defend itself against the allegations.

An estimate of the possible loss or range of loss related to both matters cannot be made at this time given the continued lack of specificity in the applicable pleadings and/or proceedings. In light of the substantial harm caused to the Company by Tesla's actions, the Company is now pursuing counterclaims against Tesla.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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

The following discussion should be read in conjunction with the consolidated financial statements of Matthews International Corporation ("Matthews" or the "Company") and related notes thereto included in this Quarterly Report on Form 10-Q and the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2024. Any forward-looking statements contained herein are included 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 the Company regarding the future, including statements regarding the anticipated timing and benefits of the proposed joint venture transaction, and may be identified by the use of words such as "expects," "believes," "intends," "projects," "anticipates," "estimates," "plans," "seeks," "forecasts," "predicts," "objective," "targets," "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 Company's actual results in future periods to be materially different from management's expectations, and no assurance can be given that such expectations will prove correct. Factors that could cause the Company's results to differ materially from the results discussed in such forward-looking statements principally include our ability to satisfy the conditions precedent to the consummation of the proposed joint venture transaction on the expected timeline or at all, our ability to achieve the anticipated benefits of the proposed joint venture transaction, 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, including changes in costs due to adjustments to tariffs or trade wars, 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, divestitures, and business combinations, 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, the Company's plans and expectations with respect to its exploration, and contemplated execution, of various strategies with respect to its portfolio of businesses, the Company's plans and expectations with respect to its Board, and other factors described in Item 1A - "Risk Factors" in this Form 10-Q and Item 1A - "Risk Factors" in the Company's Form 10-K for the fiscal year ended September 30, 2024. In addition, although the Company does not currently 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 unless required by law.

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. For additional information and reconciliations from the consolidated financial statements see "Non-GAAP Financial Measures" below.

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 sales 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. See Note 15, "Acquisitions and Divestitures" in Item 1 - "Financial Statements" for a description of certain anticipated transactions with respect to the SGK Brand Solutions business.

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, enterprise resource planning ("ERP") system 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 following table sets forth the sales and adjusted EBITDA for the Company's three reporting segments for the three and six-month periods ended March 31, 2025 and 2024. Refer to Note 14, "Segment Information" in Item 1 - "Financial Statements" for the Company's financial information by segment. Net (loss) income was a loss of \$8.9 million and income of \$9.0 million for the three months ended March 31, 2025 and 2024, respectively, and a loss of \$12.4 million and income of \$6.7 million for the six months ended March 31, 2025 and 2024, respectively. Refer to "Non-GAAP Financial Measures" below for a reconciliation of net (loss) income to adjusted EBITDA.

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Sales:	<i>(Dollar amounts in thousands)</i>			
Memorialization	\$ 205,620	\$ 222,156	\$ 396,106	\$ 430,227
Industrial Technologies	80,835	116,136	161,368	227,510
SGK Brand Solutions	141,174	132,931	271,997	263,472
Consolidated Sales	\$ 427,629	\$ 471,223	\$ 829,471	\$ 921,209
Adjusted EBITDA:				
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Industrial Technologies	6,042	10,028	7,874	19,650
SGK Brand Solutions	15,596	15,370	27,888	28,263
Corporate and Non-Operating	(15,262)	(15,212)	(25,975)	(28,945)
Total Adjusted EBITDA ⁽¹⁾	\$ 51,414	56,800	91,437	102,282

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

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Sales for the six months ended March 31, 2025 were \$829.5 million, compared to \$921.2 million for the six months ended March 31, 2024. The decrease in fiscal 2025 sales reflected lower sales in the Industrial Technologies and Memorialization segments, and increased 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 \$5.7 million on fiscal 2025 sales compared to the prior year.

Memorialization segment sales for the first six months of fiscal 2025 were \$396.1 million, compared to \$430.2 million for the first six months of fiscal 2024. The sales decrease principally reflected lower unit sales of caskets, bronze and granite memorial products, and cremation equipment, primarily reflecting a decline in U.S. death rates. These declines were partially offset by improved price realization. Industrial Technologies segment sales were \$161.4 million for the first six months of fiscal 2025, compared to \$227.5 million for the first six months of fiscal 2024. The decrease in sales reflected lower sales of purpose-built engineered products (primarily energy storage solutions for the electric vehicle market and coating and converting equipment) and reduced sales of warehouse automation solutions. The decrease also reflected lower sales of R+S automotive engineering solutions, as the Company has discontinued these product offerings. Fiscal 2025 sales for the Industrial Technologies segment were impacted by slower market conditions for the warehouse automation business, and customer delays impacting the timing of projects within the energy storage business. Changes in foreign currency exchange rates had an unfavorable impact of \$1.9 million on the segment's sales compared to the prior year. In the SGK Brand Solutions segment, sales for the first six months of fiscal 2025 were \$272.0 million, compared to \$263.5 million for the first six months of fiscal 2024. The increase in sales reflected higher brand sales in the Asia-Pacific region, improved retail-based sales, increased private-label brand sales, and improved price realization to mitigate inflationary cost increases. These increases were partially offset by lower brand sales in Europe, lower sales of cylinder (packaging) products in Europe, and the impact of unfavorable changes in foreign exchange rates. Changes in foreign currency exchange rates had an unfavorable impact of \$3.2 million on the segment's sales compared to the prior year.

Gross profit for the six months ended March 31, 2025 was \$269.8 million, compared to \$280.5 million for the same period a year ago. Consolidated gross profit as a percent of sales was 32.5% and 30.5% for the first six months of fiscal 2025 and fiscal 2024, respectively. The decrease in gross profit reflected the impact of lower sales, higher material and labor costs, and lower margins on engineered products. These decreases were partially offset by the impact of improved price realization, and benefits from the realization of productivity improvements and other cost-reduction initiatives. Gross profit also included acquisition integration costs and other charges primarily in connection with cost-reduction initiatives totaling \$338,000 and \$5.9 million for the six months ended March 31, 2025 and 2024, respectively.

Selling and administrative expenses for the six months ended March 31, 2025 were \$245.3 million, compared to \$231.0 million for the first six months of fiscal 2024. Consolidated selling and administrative expenses, as a percent of sales, were 29.6% for the six months ended March 31, 2025, compared to 25.1% for the same period last year. Selling and administrative expenses in fiscal 2025 reflected higher compensation costs, offset by benefits from ongoing cost-reduction initiatives. Fiscal 2025 selling and administrative expenses included \$11.5 million of expenses related to the pending divestiture of the Company's interest in the SGK Brand Solutions business (See Acquisitions and Divestitures below), \$4.9 million of costs related to the Company's 2025 contested proxy, \$8.7 million of net gains on the sales of certain significant property and other assets, and a \$2.1 million loss on a small divestiture in the Industrial Technologies segment. Selling and administrative expenses included legal costs related to an ongoing dispute in the Company's energy storage business totaling \$8.6 million in fiscal 2025 and \$5.0 million in fiscal 2024 (see Legal Matter below). Selling and administrative expenses also included acquisition integration and related systems-integration costs, and other charges primarily in connection with certain commercial, operational and cost-reduction initiatives totaling \$7.1 million in fiscal 2025, compared to \$5.8 million in fiscal 2024. Intangible amortization for the six months ended March 31, 2025 was \$12.9 million, compared to \$18.8 million for the six months ended March 31, 2024. The fiscal 2025 decrease in intangible amortization primarily reflected certain intangible assets within the SGK Brand Solutions segment reaching the end of their amortizable lives.

Adjusted EBITDA was \$91.4 million for the six months ended March 31, 2025 and \$102.3 million for the six months ended March 31, 2024. Memorialization segment adjusted EBITDA was \$81.7 million for the first six months of fiscal 2025 compared to \$83.3 million for the first six months of fiscal 2024. The decrease in segment adjusted EBITDA reflected the impact of lower unit sales, and higher material and labor costs. These decreases were partially offset by the impact of improved price realization, benefits from productivity initiatives, and the favorable impact of a recent divestiture, which generated operating losses in the prior year. Adjusted EBITDA for the Industrial Technologies segment was \$7.9 million for the six months ended March 31, 2025 compared to \$19.7 million for the six months ended March 31, 2024. The decrease in segment adjusted EBITDA primarily reflected the impact of lower sales and margins on engineered products, and decreased sales of warehouse automation solutions. These decreases were partially offset by benefits from cost-reduction initiatives and lower performance-based compensation compared to fiscal 2024. Adjusted EBITDA for the SGK Brand Solutions segment was \$27.9 million for the first six months of fiscal 2025 compared to \$28.3 million for the same period a year ago. The decrease in

segment adjusted EBITDA primarily reflected the impact of higher labor costs, partially offset by the impact of improved price realization and benefits from cost-reduction initiatives.

Interest expense for the first six months of fiscal 2025 was \$31.5 million, compared to \$24.1 million for the same period last year. The increase in interest expense reflected higher average interest rates, partially offset by a decrease in average borrowing levels in the current fiscal year. Other income (deductions), net, for the six months ended March 31, 2025 represented an increase in pre-tax income of \$2.5 million, compared to a decrease in pre-tax income of \$1.8 million for the same period last year. Other income (deductions), net includes investment income, banking-related fees and the impact of currency gains and losses on certain intercompany debt and foreign denominated cash balances.

Income tax provisions for the Company's interim periods are based on the effective income tax rate expected to be applicable for the full year. The Company's consolidated income taxes for the first six months of fiscal 2025 represented a benefit of \$5.1 million, compared to a benefit of \$1.8 million for the first six months of fiscal 2024. The difference between the Company's consolidated income taxes for the first six months of fiscal 2025 compared to the same period for fiscal 2024 resulted from a consolidated pre-tax loss in fiscal 2025 compared to consolidated pre-tax income in fiscal 2024. The Company's fiscal 2025 six-month effective tax rate varied from the U.S. statutory tax rate of 21.0% primarily due to state taxes, tax credits, non-tax benefited foreign losses, and other net discrete tax benefits. The Company's fiscal 2024 six-month effective tax rate varied from the U.S. statutory tax rate of 21.0% primarily due to state taxes, foreign statutory rate differentials, tax credits, non-tax benefited foreign losses, and a net discrete tax benefit.

Legal Matter

Refer to Note 17, "Legal Matter" in Item 1 - "Financial Statements" for details related to an ongoing dispute with Tesla.

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 system integration costs, strategic initiatives and other charges (which includes non-recurring charges related to certain commercial and 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 system 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 and ERP system 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.

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
	<i>(Dollar amounts in thousands)</i>			
Net (loss) income	\$ (8,916)	\$ 9,027	\$ (12,388)	\$ 6,724
Income tax benefit	(2,728)	(1,122)	(5,086)	(1,848)
(Loss) income before income taxes	(11,644)	7,905	(17,474)	4,876
Interest expense, including RPA and factoring financing fees ⁽¹⁾	17,010	13,783	33,864	26,534
Depreciation and amortization *	18,231	23,261	40,735	46,784
Acquisition and divestiture related items ^{(2)**}	15,773	2,062	16,350	3,299
Strategic initiatives and other items ^{(3)**†}	5,373	4,962	5,988	10,882
Highly inflationary accounting losses (primarily non-cash) ⁽⁴⁾	520	390	711	710
Stock-based compensation	6,018	4,327	10,997	8,978
Non-service pension and postretirement expense ⁽⁵⁾	133	110	266	219
Total Adjusted EBITDA	\$ 51,414	\$ 56,800	\$ 91,437	\$ 102,282

⁽¹⁾ Includes fees for receivables sold under the RPA and factoring arrangements totaling \$1.1 million and \$1.2 million for the three months ended March 31, 2025 and 2024, respectively, and \$2.3 million and \$2.4 million for the six months ended March 31, 2025 and 2024, respectively.

⁽²⁾ Includes certain non-recurring items associated with recent acquisition and divestiture activities and also includes a loss of \$2.1 million for the three and six months ended March 31, 2025 related to the divestiture of a business in the Industrial Technologies segment (See Note 15, "Acquisitions and Divestitures" in Item 1 - "Financial Statements and Supplementary Data"). Fiscal 2025 also includes costs related to the pending sale of the Company's interest in the SGK Brand Solutions business which totaled \$10.6 million for the three months ended March 31, 2025 and \$11.5 million for the six months ended March 31, 2025.

⁽³⁾ Includes certain non-recurring costs associated with commercial, operational and cost-reduction initiatives, and costs associated with global ERP system integration efforts. Also includes legal costs related to an ongoing dispute with Tesla, which totaled \$1.8 million and \$2.6 million for the three months ended March 31, 2025 and 2024, respectively, and \$8.6 million and \$5.0 million for the six months ended March 31, 2025 and 2024, respectively (see Note 17, "Legal Matter" in Item 1 - "Financial Statements and Supplementary Data"). Fiscal 2025 includes costs related to the Company's 2025 contested proxy which totaled \$4.5 million for the three months ended March 31, 2025 and \$4.9 million for the six months ended March 31, 2025. Fiscal 2025 includes net gains on the sales of certain significant property and other assets of \$8.7 million for the six months ended March 31, 2025. Fiscal 2025 also includes loss recoveries totaling \$1.2 million for the six months ended March 31, 2025 which were related to a previously disclosed theft of funds by a former employee initially identified in fiscal 2015.

⁽⁴⁾ Represents exchange losses associated with highly inflationary accounting related to the Company's Turkish subsidiaries (see Note 2, "Basis of Presentation" in Item 1 - "Financial Statements and Supplementary Data").

⁽⁵⁾ Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, curtailment gains and losses, and settlement gains and losses. These benefit cost components are excluded from adjusted EBITDA since they are primarily influenced by external market conditions that impact investment returns and interest (discount) rates. Curtailment gains and losses and settlement gains and losses are excluded from adjusted EBITDA since they generally result from certain non-recurring events, such as plan amendments to modify future benefits or settlements of plan obligations. The service cost and prior service cost components of pension and postretirement expense are included in the calculation of adjusted EBITDA, since they are considered to be a better reflection of the ongoing service-related costs of providing these benefits. Please note that GAAP pension and postretirement expense or the adjustment above are not necessarily indicative of the current or future cash flow requirements related to these employee benefit plans.

* Depreciation and amortization was \$7.2 million and \$6.9 million for the Memorialization segment, \$5.6 million and \$5.6 million for the Industrial Technologies segment, \$4.7 million and \$9.7 million for the SGK Brand Solutions segment, and \$699,000 and \$1.1 million for Corporate and Non-Operating, for the three months ended March 31, 2025 and 2024, respectively. Depreciation and amortization was \$14.4 million and \$13.3 million for the Memorialization segment, \$11.3 million and \$11.9 million for the Industrial Technologies segment, \$13.6 million and \$19.2 million for the SGK Brand Solutions segment, and \$1.5 million and \$2.3 million for Corporate and Non-Operating, for the six months ended March 31, 2025 and 2024, respectively.

** Acquisition costs, ERP system integration costs, and strategic initiatives and other charges were \$2.4 million and \$1.0 million for the Memorialization segment, \$2.3 million and \$4.4 million for the Industrial Technologies segment, \$416,000 and \$358,000 for the SGK Brand Solutions segment, and \$16.1 million and \$1.2 million for Corporate and Non-Operating, for the three months ended March 31, 2025 and 2024, respectively. Acquisition costs, ERP system integration costs, and strategic initiatives and other charges were \$3.7 million and \$1.1 million for the Memorialization segment, \$6.4 million and \$9.8 million for the Industrial Technologies segment, \$1.1 million and \$1.2 million for the SGK Brand Solutions segment, and \$11.1 million and \$2.1 million for Corporate and Non-Operating, for the six months ended March 31, 2025 and 2024, respectively.

† Strategic initiatives and other items includes charges for exit and disposal activities (including severance and other employee termination benefits) totaling \$2.5 million of income and \$822,000 of expenses for the three months ended March 31, 2025 and 2024, respectively, and \$1.3 million of income and \$2.8 million of expenses for the six months ended March 31, 2025 and 2024, respectively. Refer to Note 9, "Restructuring" in Item 1 - "Financial Statements and Supplementary Data" for further details.

LIQUIDITY AND CAPITAL RESOURCES:

Net cash used in operating activities was \$18.7 million for the first six months of fiscal 2025, compared to net cash provided by operating activities of \$29.8 million for the first six months of fiscal 2024. Operating cash flow for both periods principally included net (loss) income adjusted for depreciation and amortization, stock-based compensation expense, other non-cash adjustments, and changes in working capital items. Net changes in working capital items decreased operating cash flow by \$43.4 million and \$35.6 million in fiscal 2025 and fiscal 2024, respectively. The fiscal 2025 change in working capital principally reflected incentive compensation-related payments, payments of severance and other employee termination benefits, changes in contract assets and liabilities related to revenue recognized using the over time method, and changes in other accounts.

Cash used in investing activities was \$3.9 million for the six months ended March 31, 2025, compared to \$29.8 million for the six months ended March 31, 2024. Investing activities for the first six months of fiscal 2025 primarily reflected capital expenditures of \$18.3 million, acquisitions, net of cash acquired, of \$2.2 million, proceeds from sale of assets of \$14.6 million, and proceeds from divestiture of \$2.0 million. Investing activities for the first six months of fiscal 2024 primarily reflected capital expenditures of \$24.0 million, and acquisitions, net of cash acquired, of \$5.8 million.

Capital expenditures reflected reinvestment 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 and capacity, lower production costs and meet regulatory requirements. Capital expenditures for the last three fiscal years were primarily financed through operating cash. Capital spending for property, plant and equipment has averaged \$52.4 million for the last three fiscal years. Capital spending for fiscal 2025 is currently estimated to be in the range of approximately \$40 million to \$50 million. The Company expects to generate sufficient cash from operations to fund all anticipated capital spending projects.

Cash provided by financing activities for the six months ended March 31, 2025 was \$33.6 million, primarily reflecting proceeds, net of repayments, on long-term debt of \$50.2 million, treasury stock purchases of \$4.4 million, dividends of \$17.0 million, proceeds from net investment hedge of \$15.0 million, and \$10.2 million of holdback and deferred purchase price payments related to acquisitions from prior years. Cash provided by financing activities for the six months ended March 31, 2024 was \$3.0 million, primarily reflecting proceeds, net of repayments, on long-term debt of \$41.6 million, treasury stock purchases of \$17.2 million, dividends of \$16.7 million, and payments of debt issuance costs of \$4.7 million.

The Company has a domestic credit facility with a syndicate of financial institutions that was amended and restated in September 2024. The amended and restated loan agreement includes a \$750.0 million senior secured revolving credit facility, which matures in January 2029, subject to the terms and conditions of the amended facility. The obligations under the domestic credit facility are secured by a first priority lien on substantially all of the assets of the Company and certain of its domestic subsidiaries. A portion of the revolving credit facility (not to exceed \$350.0 million) can be drawn in foreign currencies. Borrowings under the revolving credit facility bear interest at the Secured Overnight Financing Rate ("SOFR"), plus a 0.10% per annum rate spread adjustment, plus a factor ranging from 1.00% to 2.00% (1.50% at March 31, 2025) based on the Company's leverage ratio. The leverage ratio is defined as total 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 amended and restated agreement. Unamortized costs were \$4.4 million and \$5.0 million at March 31, 2025 and September 30, 2024, respectively.

The domestic credit facility requires the Company to maintain certain leverage and interest coverage ratios. A portion of the facility (not to exceed \$75.0 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 March 31, 2025 and September 30, 2024 were \$495.0 million and \$410.5 million, respectively. There were no outstanding Euro denominated borrowings on the revolving credit facility at March 31, 2025. Outstanding Euro denominated borrowings on the revolving credit facility at September 30, 2024 were €30.0 million (\$33.5 million). 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 March 31, 2025 and 2024 was 4.29% and 4.89%, respectively.

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The Company has \$300.0 million aggregate principal amount of 8.625% senior secured second lien notes due October 1, 2027 (the "2027 Senior Secured Notes"). The 2027 Senior Secured Notes bear interest at a rate of 8.625% per annum with interest payable semi-annually in arrears on April 1 and October 1 of each year beginning on April 1, 2025. The Company's obligations under the 2027 Senior Secured Notes are secured by a second priority lien on substantially all of the assets of the Company and certain of its domestic subsidiaries. The Company is subject to certain covenants and other restrictions in connection with the 2027 Senior Secured Notes. The Company incurred direct financing fees and costs in connection with 2027 Senior Secured Notes. Unamortized costs related to the Company's notes were \$4.8 million and \$5.2 million at March 31, 2025 and September 30, 2024, 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. Matthews RFC has 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, 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 RPA matures in March 2026.

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 March 31, 2025 and September 30, 2024, the amount sold to the Purchasers was \$99.1 million and \$96.3 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 \$67.8 million and \$58.2 million as of March 31, 2025 and September 30, 2024, respectively.

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

	Six Months Ended March 31, 2025	Six Months Ended March 31, 2024
	<i>(Dollar amounts in thousands)</i>	
Gross receivables sold	\$ 167,708	\$ 194,116
Cash collections reinvested	(164,908)	(186,016)
Net cash proceeds received	<u>\$ 2,800</u>	<u>\$ 8,100</u>

The Company, through its U.K. subsidiary, participates in 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 \$38.8 million and \$35.0 million during the six months ended March 31, 2025 and 2024, respectively. 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 March 31, 2025 and September 30, 2024, the amount of factored receivables that remained outstanding was \$16.2 million and \$15.7 million, respectively.

The Company facilitates a voluntary supply chain finance program (the "Program") to provide certain suppliers with the opportunity to sell receivables due from the Company to participating financial institutions at the sole discretion of both the suppliers and the financial institutions. The Company is not a party to the agreements between the suppliers and the financial institutions and has no economic interest in a supplier's decision to sell a receivable. The range of payment terms negotiated with a supplier is consistent, irrespective of whether a supplier participates in the Program. All outstanding payments owed under the Program are recorded within trade accounts payable in the Consolidated Balance Sheets. The Company accounts for all payments made under the Program as a reduction to operating cash flows in changes in working capital within the Consolidated Statements of Cash Flows. The amounts owed to a participating financial institution under the Program and included in trade accounts payable were \$4.1 million and \$3.0 million at March 31, 2025 and September 30, 2024, respectively.

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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 borrowing available under this facility is €8.0 million (\$8.7 million). The facility also provides €18.5 million (\$20.0 million) for bank guarantees. This facility has no stated maturity date and is available until terminated. Outstanding borrowings under the credit facility totaled €3.6 million (\$3.9 million) at March 31, 2025. There were no outstanding borrowings under the credit facility at September 30, 2024. The weighted-average interest rate on outstanding borrowings under this facility was 4.60% and 6.11% at March 31, 2025 and 2024, respectively.

Other borrowings totaled \$6.5 million and \$15.6 million at March 31, 2025 and September 30, 2024, respectively. The weighted-average interest rate on these borrowings was 2.16% and 2.55% at March 31, 2025 and 2024, 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:

	March 31, 2025	September 30, 2024
	<i>(Dollar amounts in thousands)</i>	
Notional amount	\$ 225,000	\$ 175,000
Weighted-average maturity period (years)	3.2	3.2
Weighted-average received rate	4.32 %	4.85 %
Weighted-average pay rate	3.80 %	3.83 %

The Company enters into interest rate swaps in order to achieve a mix of fixed and variable rate debt that it deems appropriate. 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 loss of \$765,000 (\$571,000 after tax) and \$2.6 million (\$1.9 million after tax) at March 31, 2025 and September 30, 2024, respectively, that is included in shareholders' equity as part of accumulated other comprehensive income (loss) ("AOCI"). Unrecognized gains of \$2.3 million (\$1.7 million after tax) and \$3.8 million (\$2.9 million after tax) related to previously terminated London Interbank Offered Rate ("LIBOR") based swaps were also included in AOCI as of March 31, 2025 and September 30, 2024, respectively. Assuming market rates remain constant with the rates at March 31, 2025, a gain (net of tax) of approximately \$755,000 included in AOCI is expected to be recognized in earnings over the next twelve months.

The Company utilizes certain cross currency swaps as net investment hedges of foreign operations and assesses effectiveness for these contracts based on changes in fair value attributable to changes in spot prices. The following table presents information related to cross currency swaps entered into by the Company and designated as net investment hedges:

Swap Currencies	Maturity Date	Notional Amount		Unrealized Gains (Losses) Recognized in AOCI	
		March 31, 2025	September 30, 2024	March 31, 2025	September 30, 2024
<i>(Dollar amounts in thousands)</i>					
USD/EUR	September 2027	\$ 81,392	\$ 81,392	\$ (4,019)	\$ (5,440)
USD/SEK	June 2025	20,000	20,000	(137)	(468)
USD/SGD	August 2026	20,000	20,000	959	(441)
USD/EUR	August 2026	25,000	25,000	1,379	(30)
USD/CAD	May 2025	25,000	—	(41)	—
		<u>\$ 171,392</u>	<u>\$ 146,392</u>	<u>\$ (1,859)⁽¹⁾</u>	<u>\$ (6,379)⁽¹⁾</u>

⁽¹⁾ Total unrealized gains (losses) are presented net of tax of \$621 and \$2,156 as of March 31, 2025 and September 30, 2024, respectively.

In connection with certain of these cross currency swaps, the Company received cash from the counterparties, representing partial advance payments of amounts due under the U.S. dollar leg of the swaps. Advance payment amounts totaled \$73.4 million at March 31, 2025, of which \$32.4 million and \$41.0 million were included in other current liabilities and other non-

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current liabilities on the Consolidated Balance Sheet, respectively. Advance payment amounts totaled \$58.4 million at September 30, 2024, of which \$17.4 million and \$41.0 million were included in other current liabilities and other non-current liabilities on the Consolidated Balance Sheet, respectively.

The Company previously used certain foreign currency debt instruments as net investment hedges of foreign operations with a notional amount of €30.0 million (\$33.5 million) as of September 30, 2024. Currency losses of \$3.8 million (net of income taxes of \$1.1 million), which represent effective hedges of net investments, were reported as a component of AOCI within currency translation adjustment at September 30, 2024.

The Company has a stock repurchase program. The buy-back program is designed to increase shareholder value, enlarge the Company's holdings of its Class A 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, 434,354 shares remained available for repurchase as of March 31, 2025. Refer to Item 2 - "Unregistered Sales of Equity Securities and Use of Proceeds" in Part II - "Other Information" for further details on the Company's repurchases in fiscal 2025.

On March 11, 2025, in connection with the filing of an automatic shelf registration statement on Form S-3 pursuant to which the Company re-registered 3,000,000 shares of Class A Common Stock, the Company entered into an Equity Distribution Agreement for an At-The-Market equity offering program ("ATM Program") where the Company may issue and sell, from time to time, up to 1,250,000 shares of its Class A Common Stock under the shelf registration. For the three months ended March 31, 2025, the Company did not sell any shares of its Class A Common Stock under its ATM Program. As of March 31, 2025, the Company had 1,250,000 shares remaining for sale under the ATM Program. The Company has no near-term intention to utilize the ATM Program.

Consolidated working capital of the Company was \$189.0 million at March 31, 2025, compared to \$197.8 million at September 30, 2024. Cash and cash equivalents were \$40.2 million at March 31, 2025, compared to \$40.8 million at September 30, 2024. The Company's current ratio was 1.6 at March 31, 2025 and 1.5 at September 30, 2024, respectively.

Long-Term Contractual Obligations:

The following table summarizes the Company's contractual obligations at March 31, 2025, and the effect such obligations are expected to have on its liquidity and cash flows in future periods.

	Payments due in fiscal year:				
	Total	2025 Remainder	2026 to 2027	2028 to 2029	After 2029
<i>(Dollar amounts in thousands)</i>					
Contractual Cash Obligations:					
Revolving credit facilities	\$ 498,912	\$ —	\$ 3,912	\$ 495,000	\$ —
2027 Senior Secured Notes	372,821	12,938	51,750	308,133	—
Finance lease obligations ⁽¹⁾	23,644	3,742	13,726	5,106	1,070
Non-cancelable operating leases ⁽¹⁾	56,471	10,276	28,672	12,616	4,907
Cross-currency swaps	75,902	32,645	43,257	—	—
Other ⁽²⁾	18,498	6,556	6,868	—	5,074
Total contractual cash obligations	\$ 1,046,248	\$ 66,157	\$ 148,185	\$ 820,855	\$ 11,051

⁽¹⁾ Lease obligations have not been discounted to their present value.

⁽²⁾ Includes \$6,556 of severance and other employee termination benefit obligations, as well as \$5,449 of deferred purchase price and contingent consideration obligations related to acquisitions completed in prior years.

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 March 31, 2025, the Company had unrecognized tax benefits, excluding penalties and interest, of approximately \$2.0 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.

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 enhance measures meant to 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.

ACQUISITIONS AND DIVESTITURES:

Refer to Note 15, "Acquisitions and Divestitures" in Item 1 - "Financial Statements" 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, with a view towards enterprise-level strategic transactions. 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. Sales within this segment are influenced by the timing of work with the Company's largest energy storage customer, which may be impacted by continuing disputes with such customer, as well as the level of advancement by existing and potential new customers towards adopting new production solutions. 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. In January 2025, the Company entered into a definitive contribution agreement (the "Contribution Agreement") to sell its interest in the SGK Brand Solutions business, which is expected to be completed in the third quarter of fiscal 2025, subject to the satisfaction of customary closing conditions (See Note 15, "Acquisitions and Divestitures" in Item 1 - "Financial Statements" for a description of the transactions with respect to the SGK Brand Solutions business). Upon completion of the transactions specified in the Contribution Agreement, the Company will record its investment and portion of income for the newly formed entity under the equity-method of accounting. The underlying business performance for this investment will be influenced by global economic conditions, brand innovation, the level of marketing spending by the investee's clients, government regulation, currency fluctuations, and the ability of the investee to effectively integrate and achieve anticipated synergy benefits from the joint venture.

The Matthews Board of Directors has launched a comprehensive review of strategic alternatives for the Company's entire portfolio of businesses, which was publicly announced in November 2024. The Board is dedicated to driving long-term value creation, and the strategic alternatives process is a reflection of that commitment. In addition to the pending divestiture of the Company's interest in the SGK Brand Solutions business, the Company expects to announce several additional initiatives over the course of fiscal 2025 that will focus on driving shareholder value. The Company also initiated cost reduction programs during the fourth quarter of fiscal 2024, which are primarily focused on the Company's engineering and tooling operations in Europe, as well as the Company's general and administrative functions. These cost reduction programs are expected to be completed by fiscal 2026.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES:

The preparation of financial statements in conformity with GAAP 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" in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2024.

A summary of the Company's significant accounting policies are included in the Notes to Consolidated Financial Statements and in the critical accounting policies in Management's Discussion and Analysis included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2024. 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.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS:

Refer to Note 2, "Basis of Presentation" in Item 1 - "Financial Statements," for further details on recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the Company's market risk during the three and six months ended March 31, 2025. For additional information, see Item 7A - "Quantitative and Qualitative Disclosures About Market Risk" in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2024.

Item 4. 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) are designed to provide reasonable assurance that information required to be disclosed in our reports filed under that Act (the "Exchange Act"), such as this Quarterly Report on Form 10-Q, is recorded, processed, summarized and reported within the time periods specified in the rules of the Securities and Exchange Commission. 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 the Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures in effect as of March 31, 2025. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2025, 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, 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 Quarterly Report on Form 10-Q.

There have been no changes in the Company's internal controls over financial reporting that occurred during the fiscal quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company 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 ordinary course legal proceedings, as presently positioned, will have a material adverse effect on Matthews' financial condition, results of operations or cash flows.

In addition to these ordinary course legal proceedings, the Company is involved in the following legal proceedings.

On October 7, 2024, the United States District Court for the Northern District of California granted the Company's motion to compel arbitration in response to a complaint filed by Tesla on June 14, 2024 against the Company in the Northern District of California, Civil Action No. 5:24-cv-03615 (N.D. Cal.), which alleged trade secret misappropriation under the DTSA and the CUTSA, breach of contract and unfair business practices. Given the Court's favorable ruling, the matter filed by Tesla has been effectively stayed pending arbitration, which Tesla has initiated. The Company maintains the claims vaguely stated in the complaint are without merit and intends to vigorously defend itself against the allegations in the arbitration.

In addition, on February 13, 2025, Tesla filed another additional complaint against the Company in the United States District Court for the Northern District of California alleging, in part, claims related to correction of inventorship, breach of contract, promissory estoppel and quasi-contract/restitution arising from and/or related to various U.S. patents and provisional patents, including but not limited to U.S. Patent No. 12,136,727. Similar to the prior matter, the Company maintains the claims vaguely stated in the complaint filed on February 13, 2025 are also without merit and intends to vigorously defend itself against the allegations.

An estimate of the possible loss or range of loss related to both matters cannot be made at this time given the continued lack of specificity in the applicable pleadings and/or proceedings. In light of the substantial harm caused to the Company by Tesla's actions, the Company is now pursuing counterclaims against Tesla. As of the date of the filing of this Quarterly Report on Form 10-Q, the Company does not expect these matters will have a material adverse effect on Matthews' financial condition, results of operations or cash flows. Sales relating to dry battery electrode solutions were approximately 6% of the Company's sales for fiscal 2024. For a discussion of the risks to the Company associated with this matter, see Part I, Item 1A to our Annual Report on Form 10-K for the fiscal year ended September 30, 2024 - "Risk Factors - Intellectual property infringement assertions by third parties, including those of Tesla, could result in significant costs and adversely affect the Company's business, financial condition, operating results and reputation."

Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A to our Annual Report on Form 10-K for the fiscal year ended September 30, 2024, except for the updated risk factor provided below. The risk factors disclosed in Part I, Item 1A to our Annual Report on Form 10-K for the fiscal year ended September 30, 2024, in addition to the other information set forth in this report, including the updated risk factor below, could adversely affect the Company's operating performance and financial condition. Additional risks not currently known or deemed immaterial may also result in adverse effects on the Company.

Changes to U.S. trade policy, including new or increased tariffs and changing import/export regulations, could have a material adverse effect on the Company's operating results. Changes in U.S. or international social, political, regulatory or economic conditions or in laws and policies governing foreign trade, and any potential negative sentiment toward the U.S. as a result of such changes, could materially and adversely affect the Company's business. The U.S. has instituted certain changes, and has proposed additional changes, in trade policies that include the negotiation or termination of trade agreements, the imposition of higher tariffs on imports into the U.S., and other government regulations affecting trade between the U.S. and other countries (such as the European Union, China, Canada and Mexico) where the Company conducts its business. For example, on April 2, 2025, the U.S. government announced a 10% tariff on product imports from almost all countries and individualized higher tariffs on certain other countries. While several tariff announcements have been followed by announcements of limited exemptions and temporary pauses, global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could further materially and adversely affect the Company's financial performance.

As a result of policy changes and government proposals, there may be greater restrictions and economic deterrents on international trade. New tariffs and other changes in U.S. trade policy have triggered retaliatory actions by affected countries and may trigger additional retaliatory actions in the future, and foreign governments have instituted or are considering imposing trade sanctions on U.S. goods. Such changes have the potential to adversely impact the U.S. economy, the industries in which the Company operates, and the global demand for its products, and as a result, could have a negative impact on its business, financial condition and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Stock Repurchase Plan

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, 434,354 shares remained available for repurchase as of March 31, 2025.

The following table shows the monthly stock repurchase activity for the second quarter of fiscal 2025:

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
January 2025	135	\$ 30.03	135	440,085
February 2025	1,414	29.20	1,414	438,671
March 2025	4,317	24.63	4,317	434,354
Total	5,866	\$ 25.86	5,866	

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

(a)

None.

(b)

None.

(c)

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 March 31, 2025.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

<u>Exhibit No.</u>	<u>Description</u>	<u>Method of Filing</u>
2.1+	Contribution Agreement dated as of January 7, 2025, by and among Matthews International Corporation, Logo Holdings II Corporation, and Peninsula Parent LLC*	Exhibit Number 2.1 to the Current Report on Form 8-K filed on January 8, 2025
3.1	Restated Articles of Incorporation*	Exhibit Number 3.1 to the Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2024
3.2	Amended and Restated By-laws of Matthews International Corporation*	Exhibit Number 3.2 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2023
10.1	Equity Distribution Agreement, dated March 11, 2025, by and among Matthews International Corporation and Truist Securities, Inc.*	Exhibit Number 10.1 to the Current Report on Form 8-K filed on March 11, 2025
10.2a	Second Amended and Restated 2017 Equity Incentive Plan	Filed herewith
31.1	Certification of Principal Executive Officer for Joseph C. Bartolacci	Filed herewith
31.2	Certification of Principal Financial Officer for Steven F. Nicola	Filed herewith
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Joseph C. Bartolacci	Furnished herewith
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Steven F. Nicola	Furnished 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

* Incorporated by reference

+ Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC or its staff upon request.

"a" Represents a management contract or compensatory plan, contract or arrangement required to be filed by Item 601(b)(10)(iii) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MATTHEWS INTERNATIONAL CORPORATION
(Registrant)

Date: April 30, 2025

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

Date: April 30, 2025

By: /s/ Steven F. Nicola
Steven F. Nicola, Chief Financial Officer

MATTHEWS INTERNATIONAL CORPORATION
SECOND AMENDED AND RESTATED 2017 EQUITY INCENTIVE PLAN

SECTION 1

Purpose; Definitions

1.1 Purpose. The purposes of the Second Amended and Restated 2017 Equity Incentive Plan (the “Plan”) are to encourage eligible employees of Matthews International Corporation (the “Corporation”) and its Subsidiaries to increase their efforts to make the Corporation and each Subsidiary more successful, to provide an additional inducement for such employees to remain with the Corporation or a Subsidiary, to reward such employees by providing an opportunity to acquire shares of Common Stock on favorable terms and to provide a means through which the Corporation may attract able persons to enter the employ of the Corporation or one of its Subsidiaries.

1.2 Certain Definitions. In addition to terms defined herein in the first place where they are used, the following terms are defined as set forth below:

(a) “Award” means a stock option, a stock appreciation right, restricted stock, restricted stock units, performance units or other stock-based award granted under the Plan.

(b) “Base Price” shall have the meaning set forth in Section 5.3.

(c) “Common Stock” shall mean the Class A Common Stock, par value \$1.00 per share, of the Corporation.

(d) “Fair Market Value” with respect to a share of the Common Stock shall mean the mean between the following prices, as applicable, for the date as of which Fair Market Value is to be determined as quoted in such reliable publication as the Committee, in its sole discretion, may determine to rely upon: (i) if the Common Stock is listed on the New York Stock Exchange, the highest and lowest sales prices per share of the Common Stock as quoted in the NYSE-Composite Transactions listing for such date, (ii) if the Common Stock is not listed on such exchange, the highest and lowest sales prices per share of Common Stock for such date on (or on any composite index including) the NASDAQ Exchange or the principal United States of America securities exchange registered under the Securities Exchange Act of 1934, as amended (the “1934 Act”) on which the Common Stock is listed. If there are no such sale price quotations for the date as of which Fair Market Value is to be determined but there are such sale price quotations within a reasonable period both before and after such date, then Fair Market Value shall be determined by taking a weighted average of the means between the highest and lowest sales prices per share of the Common Stock as so quoted on the nearest date before and the nearest date after the date as of which Fair Market Value is to be determined. The average should be weighted inversely by the respective numbers of trading days between the selling dates and the date as of which Fair Market Value is to be determined. If there are no such sale price quotations on or within a reasonable period both before and after the date as of which Fair Market Value is to be determined, then Fair Market Value of the Common Stock shall be the weighted average of the means between such bona fide bid and asked prices on the nearest trading date before and the nearest trading date after the date as of which Fair Market Value is to be determined, if both such dates are within a reasonable period. The average is to be determined in the manner described above in this definition. If the Fair Market Value of the Common Stock cannot be determined on the basis previously set forth in this definition on the date as of which Fair Market Value is to be determined, the Committee shall in good faith and in conformance with the requirements of Section 409A of the Code, to the extent applicable to an Award, determine the Fair Market Value of the Common Stock on such date. Fair Market Value shall be determined without regard to any restriction other than a restriction which, by its terms, will never lapse.

(e) “Free-Standing SARs” shall have the meaning set forth in Section 5.2.

(f) “Participant” means an eligible employee selected by the Committee who has received an Award under the Plan and any transferee or transferees of such employee to the extent the transfer is permitted under the Plan.

(g) "Performance Goals" means the performance goals, if any, established by the Committee in connection with the grant of restricted stock, restricted stock units, performance units or other Awards. In the case of Qualified Performance-Based Awards, the "Performance Goals" means such performance goals based on one or more of the following:

- (i) The following criteria for the Corporation on a consolidated basis, one or more of its direct or indirect Subsidiaries, and/or one or more divisions of the foregoing, either in absolute terms or relative to the performance of (x) the Corporation, its Subsidiaries or divisions (for a different period), (y) one or more other companies or (z) an index covering multiple companies:
 - 1. net income
 - 2. net income growth
 - 3. economic value added (earnings less a capital charge)
 - 4. EBITDA (earnings before interest, taxes, depreciation and amortization) or adjusted EBITDA
 - 5. sales
 - 6. revenue growth
 - 7. costs
 - 8. expenses
 - 9. gross margin
 - 10. operating margin
 - 11. pre-tax profit or income
 - 12. market share
 - 13. return on net assets
 - 14. return on assets
 - 15. return on capital
 - 16. return on invested capital
 - 17. cash flow
 - 18. free cash flow
 - 19. operating cash flow
 - 20. operating income
 - 21. EBIT (earnings before interest and taxes)
 - 22. debt to earnings (including EBITDA and EBIT)
 - 23. working capital
 - 24. working capital as a percent of sales
 - 25. performance versus budgeted amounts
 - 26. innovation as measured by a percentage of sales from new products
 - 27. environmental emissions improvement
 - 28. workforce diversity
 - 29. safety performance
- (ii) The following criteria for the Corporation, either in absolute terms or relative to the performance of the Corporation (for a different period), one or more other companies or an index covering multiple companies:

1. stock price
2. return on shareholders' equity
3. earnings per share (basic, diluted, GAAP or non-GAAP)
4. cash flow per share
5. total shareholder return (stock price appreciation plus dividends)

(h) "Qualified Performance-Based Award" means an Award intended to qualify for the Section 162(m) Exemption, as provided in Section 12.

(i) "Subsidiary" means any corporation, partnership, joint venture, limited liability company or other entity in an unbroken chain of entities beginning with the Corporation if each of the entities other than the last entity in the unbroken chain owns an equity interest possessing at least fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other entities in the chain.

(j) "Tandem SARs" shall have the meaning set forth in Section 5.2.

SECTION 2

Administration

2.1. **Committee.** The Plan shall be administered by a Committee (the "Committee") appointed by the Board of Directors of the Corporation (the "Board") and consisting of not less than two members of the Board, who, at the time of their appointment to the Committee and at all times during their service as members of the Committee, are (a) "Non-Employee Directors" as then defined under Rule 16b-3 under the 1934 Act, or any successor rule, (b) "outside directors" under Section 162(m)(4)(C) of the Internal Revenue Code of 1986 as amended (the "Code") or any successor provision, and (c) independent directors under the applicable rules of any applicable stock exchange, if the Common Stock is subject to such rules. The Committee shall have plenary authority to interpret the Plan and prescribe such rules, regulations and procedures in connection with the operations of the Plan as it shall deem to be necessary and advisable for the administration of the Plan consistent with the purposes of the Plan. Without limitation of the foregoing, the Committee shall have the authority, subject to the terms and conditions of the Plan:

- (a) to select the employees to whom Awards may be made;
- (b) to determine whether and to what extent incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units, performance units, other Awards of or based upon Common Stock, or any combination thereof, are to be granted hereunder;
- (c) to determine the number of shares of Common Stock to be covered by each Award made hereunder;
- (d) to determine the terms and conditions of each Award made hereunder, based on such factors as the Committee shall determine;
- (e) subject to Section 2.5, to modify, amend or adjust the terms and conditions of any Award;
- (f) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable;
- (g) to interpret the terms and provisions of the Plan and any Award under the Plan (and any agreement under Section 2.5 relating thereto);
- (h) subject to Section 2.5, to accelerate the vesting or lapse of restrictions on any outstanding Award, other than a Qualified Performance-Based Award, based in each case on such considerations as the Committee in its sole discretion determines;
- (i) to decide all other matters that must be determined in connection with an Award;

- (j) to determine whether, to what extent and under what circumstances cash, shares of Common Stock and other property and other amounts payable with respect to an Award under this Plan shall be deferred either automatically or at the election of the employee;
- (k) to establish any “blackout” period that the Committee in its sole discretion deems necessary or advisable; and
- (l) to otherwise administer the Plan.

In determining any Award to be made to any eligible employee, the Committee shall consider the position and the responsibilities of the employee being considered, the nature and value to the Corporation or a Subsidiary of his or her services, his or her present and/or potential contribution to the success of the Corporation or a Subsidiary and such other factors as the Committee may deem relevant. The Committee may, except to the extent prohibited by applicable law or the listing standards of the stock exchange which is the principal market for the Common Stock, allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any officers of the Corporation or committee of officers of the Corporation selected by it, except with respect to Awards (including Qualified Performance-Based Awards) to any covered employees as defined in Section 162(m)(3) of the Code (“Covered Employees”) or persons subject to Section 16 of the 1934 Act.

2.2. Committee Action. The Committee shall keep records of action taken at its meetings. A majority of the Committee shall constitute a quorum at any meeting and the acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by all members of the Committee, shall be the acts of the Committee.

2.3 Committee Discretion. Any determination made by the Committee or by an appropriately delegated officer pursuant to delegated authority under the provisions of the Plan with respect to any Award shall be made in the sole discretion of the Committee or such officer at the time of the Award or, unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Committee or any appropriately delegated officer pursuant to the provisions of the Plan shall be final and binding on all persons, including the Corporation and the employees eligible under the Plan.

2.4 Cancellation; Suspension; Clawback. Any or all outstanding Awards to a Participant may, at any time between the date of grant and the third anniversary of any exercise, payment or vesting of such Awards, in the Committee’s sole discretion and subject to such terms and conditions established by the Committee, be cancelled, suspended, or required to be repaid to the Corporation if the Participant (whether during or after termination of employment with the Corporation and its Subsidiaries) (i) engages in the operation or management of a business (whether as owner, partner, officer, director, employee or otherwise) which is in competition with the Corporation or any of its Subsidiaries, (ii) induces or attempts to induce any customer, supplier, licensee or other individual, corporation or other business organization having a business relationship with the Corporation or any of its Subsidiaries to cease doing business with the Corporation or any of its Subsidiaries or in any way interferes with the relationship between any such customer, supplier, licensee or other person and the Corporation or any of its Subsidiaries, (iii) solicits any employee of the Corporation or any of its Subsidiaries to leave the employment thereof or in any way interferes with the relationship of such employee with the Corporation or any of its Subsidiaries, or (iv) makes any statements or comments, orally or in writing, of a defamatory or disparaging nature regarding the Corporation or any of its Subsidiaries (including but not limited to regarding any of their respective businesses, officers, directors, personnel, products or policies), provided, however, that this sentence shall not apply following the occurrence of a Section 11 Event (as defined in Section 11) unless the agreement under Section 2.5 specifically so provides. Whether a Participant has engaged in any such activities shall also be determined, in its sole discretion, by the Committee, and any such determination by the Committee shall be final and binding. Notwithstanding anything to the contrary in the Plan or the Company’s internal clawback policy, as it may be amended from time to time (the “Clawback Policy”), and subject to further amendment of this Section 2.4 to the extent required to be in compliance with any applicable law or regulations, if the Committee determines that a vice president or more senior officer, including any named executive officer, Participant has engaged in fraud or misconduct that caused, in whole or in part, the need for a required restatement of the Company’s financial statements filed with the Securities and Exchange Commission

("SEC"), the Committee will review all incentive compensation awarded to or earned by the Participant, including, without limitation, any Award under the Plan, with respect to fiscal periods materially affected by the restatement and may recover from the Participant all such incentive compensation to the extent that the Committee deems appropriate after taking into account the relevant facts and circumstances. Any recoupment hereunder may be in addition to any other remedies that may be available to the Company under applicable law, including, disciplinary action up to and including termination of employment. For the avoidance of doubt, any Award granted under the Plan shall be subject to the Clawback Policy to the full extent such Clawback Policy applies.

2.5 Agreements. The terms and conditions of each Award shall be set forth in a written (or electronic) agreement, which shall be delivered to the Participant receiving such Award upon, or as promptly as is reasonably practicable following, the making of such Award. The effectiveness of an Award shall be subject to the agreement being signed by the Corporation and the Participant receiving the Award unless otherwise provided in the agreement. Unless otherwise provided in the agreement, each agreement or amendment thereto shall be executed on behalf of the Corporation by the Chief Executive Officer (if other than the President), the President or any Vice President and by the Participant. The agreement confirming a stock option shall specify whether the stock option is an incentive stock option or a nonstatutory stock option. The provisions of such agreements need not be identical. Without the consent of the Participant, upon notice to the Participant thereof, the Committee may amend any Award to the Participant and the corresponding agreement in any respect not materially adverse to the Participant. All other amendments to the agreement shall be in writing (including electronic amendments) and executed on behalf of the Corporation and by the Participant. Any reference in the Plan to the agreement under Section 2.5 shall include any amendment to such agreement.

SECTION 3

Eligibility

Those employees of the Corporation or any Subsidiary (including, but not limited to, Covered Employees) who share responsibility for the management, growth or protection of the business of the Corporation or any Subsidiary shall be eligible to receive Awards as described herein, provided however, that incentive stock options may be granted only to employees of the Corporation and Subsidiaries which are its subsidiaries within the meaning of Section 424(f) of the Code.

SECTION 4

Shares Subject to the Plan

4.1 Number of Shares. Subject to adjustment as provided in Section 4.5, the maximum aggregate number of shares of the Common Stock for which Awards may be made under the Plan shall be 4,950,000 shares. The maximum number of shares of Common Stock that may be granted pursuant to options intended to be incentive stock options shall be 1,000,000 shares.

4.2 Individual Limit. The maximum number of shares of Common Stock as to which Awards other than performance units under Section 8 or Awards under Section 9 may be made under the Plan to any one Participant in any one calendar year is 250,000 shares, subject to adjustment and substitution as set forth in Section 4.5. For the purposes of this limitation, any adjustment or substitution made pursuant to Section 4.5 in a calendar year with respect to the maximum number of shares set forth in the preceding sentence shall also be made with respect to any shares subject to Awards previously granted under the Plan to such Participant in the same calendar year.

4.3 Share Counting.

(a) For purposes of the limit set forth in the first sentence of Section 4.1 (but not for purposes of Section 4.2), (i) each share of Common Stock which is subject to an Award, other than performance units, shall be

counted as one (1) share, and (ii) with respect to any performance unit Award, one (1) share shall be counted for each performance unit subject to the Award, assuming the Performance Goals are satisfied at target level (as described in the Award Agreement) (the "Target Level"), provided, however, that upon the issuance of shares pursuant to the performance unit Award, (x) if greater than 100% of the Performance Goals are satisfied, one (1) additional share shall be counted for each share actually issued in excess of the number of shares that would have been issued at Target Level, and (y) if less than 100% of the Performance Goals are satisfied, such number of shares shall be forfeited pursuant to Section 4.3(b) equal to the difference between (a) the number of shares that would have been issued at 100% of Target Level and (b) the number of shares actually issued.

(b) To the extent that any Award is forfeited, or any option and the Tandem SAR (if any) or any Free-Standing SAR terminates, expires or lapses without being exercised, or any Award is settled for cash, the shares of Common Stock subject to such Awards shall again be available for Awards under the Plan under Section 4.1. However, shares of Common Stock subject to such Awards shall continue to be counted for purposes of Section 4.2 or Section 9, as applicable.

(c) If the exercise price of any option and/or the tax withholding obligations relating to any Awards are satisfied by delivering shares (either actually or through attestation) or withholding shares relating to such Award, the gross number of shares subject to the Award shall nonetheless be deemed to have been granted for purposes of Sections 4.1 and 4.2 and any shares which are delivered will not be added to the aggregate number of shares under Section 4.1 for which Awards may be made under the Plan.

(d) If a Tandem SAR is granted, each share of Common Stock subject to both the Tandem SAR and related stock option shall be counted as only one share of Common Stock for purposes of Sections 4.1 and 4.2.

(e) Each share of Common Stock subject to a stock option (with or without a Tandem SAR) or a Free-Standing SAR shall be counted as one share of Common Stock for purposes of Sections 4.1 and 4.2.

(f) All shares of Common Stock covered by a stock appreciation right, to the extent it is exercised and shares of Common Stock are actually issued upon exercise of the right, shall be counted for purposes of Sections 4.1 and 4.2, regardless of the number of shares used to settle the stock appreciation right upon exercise.

(g) Each share of Common Stock repurchased on the open market with the proceeds of a stock option exercise shall be deemed to have been granted for purposes of Sections 4.1 and 4.2 and any shares of Common Stock so repurchased will not be added to the aggregate number of shares under Section 4.1 for which Awards may be made under the Plan.

4.4 Common Stock. To the extent that the Corporation has such shares of Common Stock available to it and can issue such shares without violating any law or regulation, the Corporation will reserve Common Stock for issuance with respect to an Award payable in Common Stock. The shares of Common Stock which may be issued under the Plan may be either authorized but unissued shares or shares previously issued and thereafter acquired by the Corporation or partly each, as shall be determined from time to time by the Board.

4.5 Adjustment and Substitution of Shares. In the event of a merger, consolidation, acquisition of shares, stock rights offering, liquidation, separation, spinoff, disaffiliation of a Subsidiary from the Corporation, extraordinary dividend of cash or other property, or similar event affecting the Corporation or any of its Subsidiaries (each, a "Corporate Transaction"), the Committee or the Board shall make such substitutions or adjustments as it deems appropriate and equitable to prevent the dilution or enlargement of the rights of Participants to (A) the aggregate number and kind of shares of Common Stock reserved for issuance and delivery under the Plan, (B) the various maximum limitations set forth in Sections 4.1 and 4.2 upon certain types of Awards and upon the Awards to individuals, (C) the number and kind of shares of Common Stock subject to outstanding Awards; and (D) the exercise price of outstanding Awards. In the event of a stock dividend, stock split, reverse stock split, reorganization, share combination, or recapitalization or similar event affecting the capital structure of the Corporation (each, a "Share Change"), the Committee or the Board shall make such substitutions or adjustments as it deems appropriate and equitable to prevent the dilution or enlargement of the rights of Participants to (A) the aggregate number and kind of shares of Common Stock reserved for issuance and delivery under the Plan, (B) the various maximum limitations set forth in Sections 4.1 and 4.2 upon

certain types of Awards and upon the Awards to individuals, (C) the number and kind of shares of Common Stock subject to outstanding Awards; and (D) the exercise price of outstanding Awards. In the case of Corporate Transactions, such adjustments may include, without limitation, (1) the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee or the Board in its sole discretion (it being understood that in the case of a Corporate Transaction with respect to which shareholders of Common Stock receive consideration other than publicly-traded equity securities of the ultimate surviving entity, any such determination by the Committee that the value of an option or stock appreciation right shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each share pursuant to such Corporate Transaction over the exercise price of such option or stock appreciation right shall conclusively be deemed valid); (2) the substitution of other property (including, without limitation, cash or other securities of the Corporation and securities of entities other than the Corporation) for the shares subject to outstanding Awards; and (3) in connection with any disaffiliation of a Subsidiary, arranging for the assumption of Awards, or replacement of Awards with new Awards based on other property or other securities (including, without limitation, other securities of the Corporation and securities of entities other than the Corporation), by the affected Subsidiary, or by the entity that controls such Subsidiary following such disaffiliation (as well as any corresponding adjustments to Awards that remain based upon Corporation securities). The Committee shall adjust the Performance Goals applicable to any Awards to reflect any unusual or non-recurring events and other extraordinary items, impact of charges for restructurings, discontinued operations, and the cumulative effects of accounting or tax changes, each as defined by generally accepted accounting principles or as identified in the Corporation's financial statements, notes to the financial statements, management's discussion and analysis or other of the Corporation's SEC filings, *provided* that in the case of Performance Goals applicable to any Qualified Performance-Based Awards, such adjustment does not violate Section 162(m) of the Code or cause such Awards not to qualify for the Section 162(m) Exemption, as defined in Section 12.1. No adjustment or substitution provided in this Section 4.5 shall require the Corporation or any other entity to issue or sell a fraction of a share or other security. Except as provided in this Section 4.5, a Participant shall not have any rights with respect to any Corporate Transaction or Share Change.

4.6 Section 409A: Section 162(m); Incentive Stock Options Notwithstanding the foregoing: (i) any adjustments made pursuant to Section 4.5 to Awards that are considered "deferred compensation" within the meaning of Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code; (ii) any adjustments made pursuant to Section 4.5 to Awards that are not considered "deferred compensation" subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment, the Awards either (A) continue not to be subject to Section 409A of the Code or (B) comply with the requirements of Section 409A of the Code; and (iii) in any event, neither the Committee nor the Board shall have the authority to make any adjustments pursuant to Section 4.5 to the extent the existence of such authority would cause an Award that is not intended to be subject to Section 409A of the Code at the grant date of the Award to be subject thereto. If any such adjustment or substitution provided for in Section 4.5 requires the approval of shareholders in order to enable the Corporation to grant incentive stock options or to comply with Section 162(m) of the Code, then no such adjustment or substitution shall be made without the required shareholder approval. Notwithstanding the foregoing, in the case of incentive stock options, if the effect of any such adjustment or substitution would be to cause the option to fail to continue to qualify as an incentive stock option or to cause a modification, extension or renewal of such option within the meaning of Section 424 of the Code, the Committee may determine that such adjustment or substitution not be made but rather shall use reasonable efforts to effect such other adjustment of each then outstanding incentive stock option as the Committee, in its sole discretion, shall deem equitable and which will not result in any disqualification, modification, extension or renewal (within the meaning of Section 424 of the Code) of such incentive stock option.

SECTION 5

Grant of Stock Options and Stock Appreciation Rights

5.1 Types of Options; Limit on Incentive Stock Options The Committee shall have authority, in its sole discretion, to grant "incentive stock options" pursuant to Section 422 of the Code, to grant "nonstatutory stock options" (i.e.,

stock options which do not qualify under Sections 422 or 423 of the Code) or to grant both types of stock options (but not in tandem). Notwithstanding any other provision contained in the Plan or in any agreement under Section 2.5, but subject to the possible exercise of the Committee's discretion contemplated in the last sentence of this Section 5.1, the aggregate Fair Market Value on the date of grant of the shares with respect to which such incentive stock options are exercisable for the first time by a Participant during any calendar year under all plans of the corporation employing such Participant, any parent or subsidiary corporation of such corporation and any predecessor corporation of any such corporation shall not exceed \$100,000. If the date on which one or more incentive stock options could first be exercised would be accelerated pursuant to any provision of the Plan or any agreement under Section 2.5 and the acceleration of such exercise date would result in a violation of the \$100,000 restriction set forth in the preceding sentence, then, notwithstanding any such provision, but subject to the provisions of the next succeeding sentence, the exercise dates of such incentive stock options shall be accelerated only to the extent, if any, that does not result in a violation of such restriction and, in such event, the exercise dates of the incentive stock options with the lowest option prices shall be accelerated to the earliest such dates. The Committee may, in its sole discretion, authorize the acceleration of the exercise date of one or more incentive stock options even if such acceleration would violate the \$100,000 restriction set forth in the second sentence of this Section 5.1 and even if one or more such incentive stock options are thereby converted in whole or in part to nonstatutory stock options.

5.2 Types and Nature of Stock Appreciation Rights. Stock appreciation rights may be tandem stock appreciation rights which are granted in conjunction with incentive stock options or nonstatutory stock options ("Tandem SARs"), or stock appreciation rights which are not granted in conjunction with options ("Free-Standing SARs"). Upon the exercise of a stock appreciation right, the Participant shall be entitled to receive an amount in cash, shares of Common Stock, or both, in value equal to the product of (i) the excess of the Fair Market Value of one share of Common Stock on the date of exercise of the stock appreciation right over, in the case of a Tandem SAR, the exercise price of the related option, or in the case of a Free-Standing SAR, the Base Price per share (the "Spread"), multiplied by (ii) the number of shares of Common Stock in respect of which the stock appreciation right has been exercised. Notwithstanding the foregoing, the Committee at the time it grants a stock appreciation right may provide that the Spread covered by such stock appreciation right may not exceed a lower specified amount. The applicable agreement under Section 2.5 governing the stock appreciation rights shall specify whether such payment is to be made in cash or Common Stock or both, or shall reserve to the Committee or the Participant the right to make that determination prior to or upon the exercise of the stock appreciation right. Tandem SARs may be granted at the grant date of the related stock options or, in the case of a related nonstatutory stock option, also at a later date. At the time a Tandem SAR is granted, the Committee may limit the exercise period for such Tandem SAR, before and after which period no Tandem SAR shall attach to the underlying stock option. In no event shall the exercise period for a Tandem SAR exceed the exercise period for the related stock option. A Tandem SAR shall be exercisable only at such time or times and to the extent that the related option is exercisable in accordance with the provisions of this Section 5. A Tandem SAR shall terminate or be forfeited upon the exercise or forfeiture of the related stock option, and the related stock option shall terminate or be forfeited upon the exercise or forfeiture of the Tandem SAR. Any Tandem SAR granted with a related incentive stock option shall be exercisable only when the Fair Market Value of a share of Common Stock exceeds the exercise price for a share of Common Stock under the related incentive stock option.

5.3 Exercise Price and Base Price. The exercise price per share of Common Stock subject to an option and any Tandem SAR, and the base price per share for any Free-Standing SAR (the "Base Price"), shall be determined by the Committee and set forth in the applicable agreement under Section 2.5, and shall not be less than the Fair Market Value of a share of the Common Stock on the applicable grant date, except that in the case of an incentive stock option granted to a Participant who, immediately prior to such grant, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Corporation or any Subsidiary which is a corporation (a "Ten Percent Employee"), the exercise price shall not be less than one hundred ten percent (110%) of the Fair Market Value on the date of grant. For purposes of this Section 5.3, an individual (i) shall be considered as owning not only shares of stock owned individually but also all shares of stock that are at the time owned, directly or indirectly, by or for the spouse, ancestors, lineal descendants and brothers and sisters (whether by the whole or half blood) of such individual and (ii) shall be considered as owning proportionately any shares owned, directly or indirectly, by or for any corporation, partnership, estate or trust in which such individual is a shareholder, partner or

beneficiary. In no event may any option or stock appreciation right granted under this Plan, other than pursuant to Section 4.5, be amended to decrease the exercise price or Base Price thereof, be cancelled in conjunction with the grant of any new option or stock appreciation right with a lower exercise price or Base Price, be cancelled or repurchased for cash, property, or another Award at a time when the exercise price or Base Price is greater than the Fair Market Value of the underlying Common Stock, or otherwise be subject to any action that would be treated, for accounting purposes, as a "repricing" of such option or stock appreciation right, unless such amendment, cancellation, or action is approved by the Corporation's shareholders.

5.4 Term; Vesting and Exercisability. The term of each option and each stock appreciation right shall be fixed by the Committee, but shall not exceed ten years from the date of grant (five years in the case of an incentive stock option granted to a Ten Percent Employee). Except as otherwise provided herein, including without limitation, Section 15.11, options and stock appreciation rights shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee.

5.5 Method of Exercise. Subject to the provisions of this Section 5, options and stock appreciation rights may be exercised, in whole or in part (unless otherwise specified by the Committee in its sole discretion), at any time during the applicable term by giving written notice of exercise to the Corporation specifying the number of shares of Common Stock as to which the option or stock appreciation rights is being exercised. In the case of the exercise of an option, such notice shall be accompanied by payment in full of the exercise price in United States of America dollars by certified or bank check or wire of immediately available funds. If approved by the Committee (at the time of grant in the case of an incentive stock option or at any time in the case of a nonstatutory stock option), payment, in full or in part, may also be made as follows:

(a) Payment may be made in the form of unrestricted shares of Common Stock (by delivery of such shares or by attestation) of the same class as the Common Stock subject to the option already owned by the Participant (based on the Fair Market Value of the Common Stock on the date the option is exercised) provided however, that any portion of the exercise price representing a fraction of a share shall be paid in cash;

(b) To the extent permitted by applicable law, payment may be made by delivering a properly executed exercise notice to the Corporation, together with a copy of irrevocable instructions to a broker to deliver promptly to the Corporation the amount of sale or loan proceeds necessary to pay the exercise price, and, if requested, the amount of any federal, state, local or foreign withholding taxes. To facilitate the foregoing, the Corporation may, to the extent permitted by applicable law, enter into agreements for coordinated procedures with one or more brokerage firms. In the event the broker sells any shares on behalf of a Participant, the broker shall be acting solely as the agent of the Participant, and the Corporation disclaims any responsibility for the actions of the broker in making any such sales; and/or

(c) With such other instrument as approved by the Committee, including Corporation loans, to the extent permitted by applicable law.

5.6 Delivery; Rights of Shareholders. No shares shall be delivered pursuant to the exercise of an option until the exercise price for the option has been fully paid and applicable taxes have been withheld. Unless otherwise specified by the Committee, the applicable Participant shall have all of the rights of a shareholder of the Corporation holding Common Stock with respect to the shares of Common Stock to be issued upon the exercise of the option or stock appreciation right (including the right to vote the applicable shares and the right to receive dividends), when the Participant (i) has given written notice of exercise in accordance with the procedures established by the Committee, (ii) if requested, has given the representation described in Section 10, and (iii) in the case of an option, has paid in full the exercise price for such shares.

5.7 Nontransferability of Options and Stock Appreciation Rights. Unless the Committee shall otherwise determine in the case of nonstatutory stock options and stock appreciation rights and limited to a transfer without the payment of value or consideration to the Participant, (i) no option or stock appreciation right shall be transferable by a Participant other than by will, or if the Participant dies intestate, by the laws of descent and distribution of the state of domicile of the Participant at the time of death, and (ii) all stock options and stock appreciation rights shall be

exercisable during the lifetime of the Participant only by the Participant (or the Participant's guardian or legal representative). Any Tandem SAR shall be transferable only when the related stock option is transferable and with the related stock option.

5.8 Termination of Employment. Unless the Committee, in its sole discretion, shall otherwise determine at the time of grant of the Award or, other than in the case of incentive stock options, thereafter, but subject to the provisions of Section 5.1 in the case of incentive stock options:

- (a) If the employment of a Participant who is not disabled within the meaning of Section 422(c)(6) of the Code (a "Disabled Participant") is voluntarily terminated with the consent of the Corporation or a Subsidiary or a Participant retires under any retirement plan of the Corporation or a Subsidiary, any then outstanding incentive stock option held by such Participant shall be exercisable by the Participant (but only to the extent exercisable by the Participant immediately prior to the termination of employment) at any time prior to the expiration date of such incentive stock option or within three months after the date of termination of employment, whichever is the shorter period;
- (b) If the employment of a Participant who is not a Disabled Participant is voluntarily terminated with the consent of the Corporation or a Subsidiary or a Participant retires under any retirement plan of the Corporation or a Subsidiary, any then outstanding nonstatutory stock option or stock appreciation right held by such Participant shall be exercisable by the Participant (but only to the extent exercisable by the Participant immediately prior to the termination of employment) at any time prior to the expiration date of such nonstatutory stock option or stock appreciation right or within one year after the date of termination of employment, whichever is the shorter period;
- (c) If the employment of a Participant who is a Disabled Participant is voluntarily terminated with the consent of the Corporation or a Subsidiary, any then outstanding stock option or stock appreciation right held by such Participant shall be exercisable in full (whether or not so exercisable by the Participant immediately prior to the termination of employment) by the Participant at any time prior to the expiration date of such stock option or stock appreciation right or within one year after the date of termination of employment, whichever is the shorter period;
- (d) Following the death of a Participant during employment, any outstanding stock option or stock appreciation right held by the Participant at the time of death shall be exercisable in full (whether or not so exercisable by the Participant immediately prior to the death of the Participant) by the person entitled to do so under the will of the Participant, or, if the Participant shall fail to make testamentary disposition of the stock option or stock appreciation right or shall die intestate, by the legal representative of the Participant at any time prior to the expiration date of such stock option or stock appreciation right or within one year after the date of death, whichever is the shorter period;
- (e) Following the death of a Participant after termination of employment during a period when a stock option or stock appreciation right is exercisable, any outstanding stock option or stock appreciation right held by the Participant at the time of death shall be exercisable by such person entitled to do so under the will of the Participant or by such legal representative (but only to the extent the stock option or stock appreciation right was exercisable by the Participant immediately prior to the death of the Participant) at any time prior to the expiration date of such stock option or stock appreciation right or within one year after the date of death, whichever is the shorter period; and
- (f) Unless the exercise period of a stock option or stock appreciation right following termination of employment has been extended as provided in Section 11.3, if the employment of a Participant terminates for any reason other than voluntary termination with the consent of the Corporation or a Subsidiary, retirement under any retirement plan of the Corporation or a Subsidiary or death, all outstanding stock options and stock appreciation rights held by the Participant at the time of such termination of employment shall automatically terminate.

Whether termination of employment is a voluntary termination with the consent of the Corporation or a Subsidiary and whether a Participant is a Disabled Participant shall be determined in each case, in its sole

discretion, by the Committee (or, in the case of Participants who are not (i) Covered Employees as of the end of the Corporation's immediately preceding fiscal year or (ii) the Chief Executive Officer of the Corporation, by such Chief Executive Officer, in his sole discretion) and any such determination by the Committee or such Chief Executive Officer shall be final and binding. Without limitation of the foregoing, a termination of employment by the Participant shall not be a voluntary termination with the consent of the Corporation unless the Committee or, if applicable, such Chief Executive Officer, in its or his sole discretion, specifically consents to the termination of employment in writing. Termination of employment under the Plan shall occur only if the Participant is no longer employed by the Corporation or any Subsidiary. An approved leave of absence by the Participant from the Corporation or any Subsidiary shall not constitute a termination of employment under the Plan.

5.9 Other Terms and Conditions. Subject to the foregoing provisions of this Section 5 and the other provisions of the Plan, any stock option or stock appreciation right granted under the Plan may be exercised at such times and in such amounts and be subject to such restrictions and other terms and conditions, if any, as shall be determined, in its sole discretion, by the Committee and set forth in the agreement under Section 2.5.

SECTION 6

Restricted Stock

6.1 Restricted Stock Awards; Certificates. Shares of restricted stock are actual shares of Common Stock issued to a Participant, and shall be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates. Any certificate issued in respect of shares of restricted stock shall be registered in the name of the applicable Participant and, unless held by or on behalf of the Corporation in escrow or custody until the restrictions lapse or the shares are forfeited, shall bear an appropriate conspicuous legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the Matthews International Corporation Second Amended and Restated 2017 Equity Incentive Plan and a corresponding agreement. Copies of such Plan and agreement are on file at the offices of Matthews International Corporation, Two NorthShore Center, Pittsburgh, PA 15212-5851."

The Committee may require that the certificates evidencing such shares be held in escrow or custody by or on behalf of the Corporation until the restrictions thereon shall have lapsed or the shares are forfeited and that, as a condition of any Award of restricted stock, the applicable Participant deliver to the Corporation a stock power, endorsed in blank, relating to the Common Stock covered by such Award.

6.2 Terms and Conditions. Shares of restricted stock shall be subject to the restrictions set forth in Section 15.11 and the following terms and conditions:

(a) The Committee shall, prior to or at the time of grant, condition the vesting of an Award of restricted stock upon (i) the continued service of the applicable Participant, (ii) the attainment of Performance Goals, or (iii) the attainment of Performance Goals and the continued service of the applicable Participant. The Committee shall establish at the time the restricted stock is granted the performance periods during which any Performance Goals specified by the Committee with respect to the restricted stock Award are to be measured. In the event that the Committee conditions the vesting of an Award of restricted stock upon the attainment of Performance Goals or the attainment of Performance Goals and the continued service of the applicable Participant, the Committee may, prior to or at the time of grant, designate an Award of restricted stock as a Qualified Performance-Based Award. The conditions for vesting and the other provisions of restricted stock Awards (including without limitation any applicable Performance Goals) need not be the same with respect to each recipient, and shall be established by the Committee in its sole discretion. Except in the case of a Qualified Performance-Based Award and subject to the restrictions set forth in Section

15.11, the Committee at any time after the date of grant, in its sole discretion, may modify or waive any of the conditions applicable to an Award of restricted stock.

(b) Subject to the provisions of the Plan (including Section 6.3) and the applicable agreement under Section 2.5, during the period, if any, set by the Committee, commencing with the date of such restricted stock Award for which such vesting restrictions apply (the "Restriction Period"), and until the expiration of the Restriction Period, the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber shares of such restricted stock. A restricted stock Award may vest in part on a pro rata basis prior to the expiration of any Restriction Period.

(c) Except as provided in this Section 6 and in the applicable agreement under Section 2.5, the applicable Participant shall have, with respect to the shares of restricted stock, all of the rights of a shareholder of the Corporation holding the Common Stock that is the subject of the restricted stock, including, if applicable, the right to vote the shares and the right to receive any cash dividends. If so determined by the Committee and set forth in the applicable agreement under Section 2.5 and subject to Section 15.4, cash dividends on the Common Stock that is the subject of the restricted stock Award may be (i) automatically deferred and reinvested in additional restricted stock, and held subject to the same vesting and forfeiture conditions of the underlying restricted stock, or (ii) held by the Corporation in cash (without any payment of interest thereon) subject to the same vesting and forfeiture conditions of the restricted stock with respect to which the dividends are payable. Unless otherwise determined by the Committee and set forth in the applicable agreement under Section 2.5, any Common Stock or other securities payable with respect to any restricted stock as a result of or pursuant to Section 4.5, shall be held subject to the same vesting and forfeiture conditions of the underlying restricted stock.

(d) As soon as practicable after the applicable Restriction Period has ended, the Committee shall determine and certify (in writing in the case of Qualified Performance-Based Awards) whether and the extent to which the service period and/or the Performance Goals were met for the applicable restricted stock. If the vesting condition or conditions applicable to the restricted stock are not satisfied by the time the Restriction Period has expired, such restricted stock shall be forfeited. If and when the Restriction Period expires without a prior forfeiture of the shares of restricted stock (i) if legended certificates have been issued, unlegended certificates for such shares shall be delivered to the Participant upon surrender of the legended certificates, (ii) if legended certificates have not yet been issued, unlegended certificates (and any related blank stock powers previously executed by the Participant) shall be delivered to the Participant, and (iii) any cash dividends held by the Corporation pursuant to Section 6.2(c) shall be delivered to the Participant.

6.3 Permitted Transfers. Neither this Section 6 nor any other provision of the Plan shall preclude a Participant from transferring or assigning restricted stock, without the payment of value or consideration to the Participant, to (i) the trustee of a trust that is revocable by such Participant alone, both at the time of the transfer or assignment and at all times thereafter prior to such Participant's death or (ii) the trustee of any other trust to the extent approved in advance by the Committee, in its sole discretion, in writing. A transfer or assignment of restricted stock from such trustee to any person other than such Participant shall be permitted only to the extent approved in advance by the Committee, in its sole discretion, in writing, and restricted stock held by such trustee shall be subject to all of the conditions and restrictions set forth in the Plan and in the applicable agreement under Section 2.5 as if such trustee were a party to such agreement.

SECTION 7

Restricted Stock Units

7.1 Restricted Stock Unit Awards. Restricted stock units are Awards denominated in shares of Common Stock that will be settled, subject to the terms and conditions of the restricted stock units and at the sole discretion of the Committee, in an amount in cash, shares of Common Stock, or both, based upon the Fair Market Value of a specified number of shares of Common Stock.

7.2 Terms and Conditions. Restricted stock units shall be subject to the restrictions set forth in Section 15.11 and the following terms and conditions:

(a) The Committee shall, prior to or at the time of grant, condition the vesting of restricted stock units upon (i) the continued service of the applicable Participant, (ii) the attainment of Performance Goals or (iii) the attainment of Performance Goals and the continued service of the applicable Participant. In the event that the Committee conditions the vesting of restricted stock units upon the attainment of Performance Goals or the attainment of Performance Goals and the continued service of the applicable Participant, the Committee may, prior to or at the time of grant, designate the restricted stock units as a Qualified Performance-Based Award. The Committee shall determine the performance period(s) during which any Performance Goals are to be achieved. The conditions for grant or vesting and the other provisions of restricted stock units (including without limitation any applicable Performance Goals) need not be the same with respect to each recipient. An Award of restricted stock units shall be settled as and when the restricted stock units vest, as determined and certified (in writing in the case of Qualified Performance-Based Awards) by the Committee, or at a later time specified by the Committee or in accordance with an election of the Participant, if the Committee so permits. Except in the case of a Qualified Performance-Based Award and subject to the restrictions set forth in Section 15.11, the Committee at any time after the date of grant, in its sole discretion, may modify or waive any of the conditions applicable to an Award of restricted stock units.

(b) Subject to the provisions of the Plan and the applicable agreement under Section 2.5, during the period, if any, set by the Committee, commencing with the date of grant of such restricted stock units for which such vesting restrictions apply (the "Units Restriction Period"), and until the expiration of the Units Restriction Period, the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber restricted stock units. A restricted stock unit may vest in part prior to the expiration of any Units Restriction Period.

(c) Participants granted restricted stock units shall not be entitled to any dividends payable on the Common Stock unless the agreement under Section 2.5 for restricted stock units specifies to what extent and on what terms and conditions the applicable Participant shall be entitled to receive current or deferred payments of cash, Common Stock or other property corresponding to the dividends payable on the Common Stock (subject to Section 15.4 below). Restricted stock units shall not have any voting rights, and holders of restricted stock units shall not be shareholders of the Corporation unless and until shares of Common Stock are issued by the Corporation (in book-entry form or otherwise).

SECTION 8

Performance Units

Performance units may be granted hereunder to eligible employees, for no cash consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards granted under the Plan. The Committee shall establish at the time the performance unit is granted the performance period(s) during which any Performance Goals specified by the Committee with respect to the Award are to be measured, provided, however, that performance units shall be subject to the restrictions set forth in Section 15.11. The Performance Goals to be achieved during any performance period(s) and the length of the performance period(s) shall be determined by the Committee upon the grant of each performance unit. The Committee may, in connection with the grant of performance units, designate them as Qualified Performance-Based Awards. The conditions for grant or vesting and the other provisions of performance units (including without limitation any applicable Performance Goals) need not be the same with respect to each Participant. Performance units may be paid in cash, shares of Common Stock, other property or any combination thereof, in the sole discretion of the Committee as set forth in the applicable agreement under Section 2.5. Performance units shall not have any voting rights, and holders of performance units shall not be shareholders of the Corporation unless and until shares of Common Stock are issued by the Corporation (in book-entry form or otherwise). The Performance Goals to be achieved for each performance period, whether the Performance Goals have been achieved, and the amount of the Award to be distributed shall be conclusively determined and certified (in writing in the case of Qualified Performance-Based Awards) by the

Committee. Performance units may be paid in a lump sum or in installments following the close of the performance period(s). The Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber performance units. The maximum value of the property, including cash, that may be paid or distributed to any Participant pursuant to a grant of performance units made in any one calendar year shall be five million United States of America dollars (\$5,000,000). Except in the case of a Qualified Performance-Based Award and subject to the restrictions set forth in Section 15.11, the Committee at any time after the grant of performance units, in its sole discretion, may modify or waive any of the conditions applicable to an Award of performance units.

SECTION 9

Other Stock-Based Awards

The Committee may award Common Stock and other Awards that are valued in whole or in part by reference to, or are otherwise based upon, Common Stock, including but not limited to, unrestricted stock or dividend equivalents. Any such Award shall be subject to the restrictions set forth in Section 15.11 and such other terms and conditions as established by the Committee, and may include Qualified Performance-Based Awards. The maximum value of Common Stock and other property, including cash, that may be paid or distributed to any Participant pursuant to this Section 9 (and not pursuant to other sections of the Plan) in any one calendar year shall be five million United States of America dollars (\$5,000,000).

SECTION 10

Issuance of Shares

The Committee may require each person purchasing or receiving shares of Common Stock pursuant to an Award to represent to and agree with the Corporation in writing that such person is acquiring the shares only for investment and without a present view to the sale or distribution thereof. The certificates for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer. The obligation of the Corporation to issue shares of Common Stock under the Plan shall be subject to (i) the effectiveness of a registration statement under the Securities Act of 1933, as amended, with respect to such shares, if deemed necessary or appropriate by counsel for the Corporation, (ii) the condition that the shares shall have been listed (or authorized for listing upon official notice of issuance) upon each stock exchange, if any, on which the shares of Common Stock may then be listed, (iii) all other applicable laws, regulations, rules and orders which may then be in effect and (iv) obtaining any other consent, approval, or permit from any state or federal governmental agency which the Committee shall, in its sole discretion, determine to be necessary or advisable. The inability or impracticability of the Corporation to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Corporation's counsel to be necessary to the lawful issuance, sale or delivery of any shares of Common Stock hereunder, shall relieve the Corporation of any liability in respect of the failure to issue, sell or deliver such shares of Common Stock as to which such requisite authority shall not have been obtained.

SECTION 11

Additional Rights in Certain Events

11.1 Definitions.

For purposes of this Section 11, the following terms shall have the following meanings:

- (1) The term "Person" shall be used as that term is used in Sections 13(d) and 14(d) of the 1934 Act as in effect on the effective date of the Plan.

(2) "Beneficial Ownership" shall be determined as provided in Rule 13d-3 under the 1934 Act as in effect on the effective date of the Plan.

(3) "Voting Shares" shall mean all securities of a corporation entitling the holders thereof to vote in an annual election of Directors (without consideration of the rights of any class of stock other than the common stock of the corporation to elect directors by a separate class vote); and a specified percentage of "Voting Power" of a corporation shall mean such number of the Voting Shares as shall enable the holders thereof to cast such percentage of all the votes which could be cast in an annual election of directors (without consideration of the rights of any class of stock other than the common stock of a corporation to elect directors by a separate class vote).

(4) "Section 11 Event" shall mean the date upon which any of the following events occurs:

(a) The Corporation acquires actual knowledge that any Person other than the Corporation, a Subsidiary or any employee benefit plan(s) sponsored by the Corporation has acquired the Beneficial Ownership, directly or indirectly, of securities of the Corporation entitling such Person to 20% or more of the Voting Power of the Corporation;

(b) At any time less than 60% of the members of the Board of Directors (excluding vacant seats) shall be individuals who were either (i) Directors on the effective date of the Plan or (ii) individuals whose election, or nomination for election, was approved by a vote (including a vote approving a merger or other agreement providing the membership of such individuals on the Board of Directors) of at least two-thirds of the Directors then still in office who were Directors on the effective date of the Plan or who were so approved (other than an individual whose initial assumption of office is in connection with an actual or threatened election contest or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors relating to the election of Directors which would be subject to Rule 14a-11 under the 1934 Act, or any successor rule, including by reason of any agreement intended to avoid or settle any such election contest or proxy contest);

(c) The consummation of a merger, consolidation, share exchange, division or sale or other disposition of assets of the Corporation as a result of which the shareholders of the Corporation immediately prior to such transaction shall not hold, directly or indirectly, immediately following such transaction, a majority of the Voting Power of (i) in the case of a merger or consolidation, the surviving or resulting corporation, (ii) in the case of a share exchange, the acquiring corporation or (iii) in the case of a division or a sale or other disposition of assets, each surviving, resulting or acquiring corporation which, immediately following the transaction, holds more than 30% of the consolidated assets of the Corporation immediately prior to the transaction; or

(d) The commencement of any liquidation or dissolution of the Corporation (other than pursuant to any transfer of 70% or more of the consolidated assets of the Corporation to an entity or entities controlled by the Corporation and/or its shareholders following such liquidation or dissolution);

provided, however, that if securities beneficially owned by a Participant are included in determining the Beneficial Ownership of a Person referred to in paragraph 4(a) above, then no Section 11 Event with respect to such Participant shall be deemed to have occurred by reason of such event.

11.2 Acceleration of the Exercise Date of Stock Options and Stock Appreciation Rights. Subject to the provisions of Section 5 in the case of incentive stock options and Section 11.6, unless the agreement under Section 2.5 shall otherwise provide, notwithstanding any other provision contained in the Plan, in case any Section 11 Event occurs all outstanding stock options and stock appreciation rights (other than those held by a Participant referred to in the proviso to Section 11.1(4)) shall become immediately and fully exercisable whether or not otherwise exercisable by their terms.

11.3 Extension of the Expiration Date of Stock Options and Stock Appreciation Rights. Subject to the provisions of Section 5 in the case of incentive stock options and Section 11.6, unless the agreement under Section 2.5 shall otherwise provide, notwithstanding any other provision contained in the Plan, all stock options and stock appreciation rights held by a Participant (other than those held by a Participant referred to in the proviso to Section

11.1(4)) whose employment with the Corporation or a Subsidiary terminates within one year of any Section 11 Event for any reason other than voluntary termination with the consent of the Corporation or a Subsidiary, retirement under any retirement plan of the Corporation or a Subsidiary or death shall be exercisable for a period of three months from the date of such termination of employment, but in no event after the expiration date of the stock option or stock appreciation right.

11.4 Lapse of Restrictions on Restricted Stock Awards. Unless the agreement under Section 2.5 shall otherwise provide, notwithstanding any other provision contained in the Plan other than Section 11.6, if any Section 11 Event occurs prior to the scheduled lapse of all restrictions applicable to restricted stock Awards under the Plan (including but not limited to Qualified Performance-Based Awards), all such restrictions (other than those applicable to a Participant referred to in the proviso to Section 11.1(4)) shall lapse upon the occurrence of any such Section 11 Event regardless of the scheduled lapse of such restrictions.

11.5 Vesting of Restricted Stock Units and Performance Units. Unless the agreement under Section 2.5 shall otherwise provide, notwithstanding any other provision contained in the Plan other than Section 11.6, if any Section 11 Event occurs, all restricted stock units and performance units (including but not limited to Qualified Performance-Based Awards) (other than those held by a Participant referred to in the proviso to Section 11.1(4)) shall be considered to be earned and payable in full, any vesting conditions shall be considered to have been satisfied, and such restricted stock units and performance units shall be settled in cash as promptly as is practicable after the Section 11 Event.

11.6 Code Section 409A. Notwithstanding the foregoing, if any Award is subject to Section 409A of the Code, this Section 11 shall be applicable only to the extent specifically provided in the agreement under Section 2.5 applicable to the Award and permitted pursuant to Section 12.2.

SECTION 12

Qualified Performance-Based Awards; Section 409A

12.1 Qualified Performance-Based Awards.

(a) The provisions of this Plan are intended to ensure that all options and stock appreciation rights granted hereunder to any Participant who is or may be a Covered Employee in the tax year in which any amount attributable to such option or stock appreciation right is expected to be deductible to the Corporation qualify for the exemption from the limitation on deductions imposed by Section 162(m) of the Code (the "Section 162(m) Exemption"), and all such Awards shall therefore be considered Qualified Performance-Based Awards and this Plan shall be interpreted and operated consistent with that intention. When granting any Award other than an option or stock appreciation right, the Committee may designate such Award as a Qualified Performance-Based Award, based upon a determination that (i) the recipient is or may be a Covered Employee with respect to such Award, and (ii) the Committee wishes such Award to qualify for the Section 162(m) Exemption, and the terms of any such Award (and of the grant thereof) shall be consistent with such designation. With respect to Qualified Performance-Based Awards, within 90 days after the commencement of a performance period or, if earlier, by the expiration of 25% of a performance period, the Committee will designate one or more performance periods, determine the Participants for the performance periods and establish the Performance Goals for the performance periods.

(b) Each Qualified Performance-Based Award (other than an option or stock appreciation right) shall be earned, vested and/or payable (as applicable) upon certification in writing by the Committee of the achievement of one or more Performance Goals, together with the satisfaction of any other conditions, such as continued employment, as previously established by the Committee with respect to such Award.

(c) Notwithstanding any provision in the Plan or in any agreement under Section 2.5, to the extent that any such provision or action of the Committee would cause any Qualified Performance-Based Award not to

qualify for the Section 162(m) Exemption, such provision or action shall be null and void as it relates to Covered Employees, to the extent permitted by law and deemed advisable by the Committee.

12.2 Code Section 409A. It is the intention of the Corporation that no Award shall be “deferred compensation” subject to Section 409A of the Code, unless and to the extent that the Committee specifically determines otherwise as provided in the immediately following sentence, and the Plan and the terms and conditions of all Awards shall be interpreted accordingly. The terms and conditions governing any Awards that the Committee determines will be subject to Section 409A of the Code, including any rules for elective or mandatory deferral of the delivery of cash or shares of Common Stock pursuant thereto and any rules regarding treatment of such Awards in the event of a Section 11 Event, shall be set forth in the applicable agreement under Section 2.5, and shall comply in all respects with Section 409A of the Code.

SECTION 13

Effect of the Plan on the Rights of Employees and Employer

Neither the adoption of the Plan nor any action of the Board or the Committee pursuant to the Plan shall be deemed to give any employee any right to be granted any Award under the Plan. Nothing in the Plan, in any Award under the Plan or in any agreement under Section 2.5 providing for any Award under the Plan shall confer any right to any employee to continue in the employ of the Corporation or any Subsidiary or interfere in any way with the rights of the Corporation or any Subsidiary to terminate the employment of any employee at any time or adjust the compensation of any employee at any time.

SECTION 14

Amendment or Termination

The right to amend the Plan at any time and from time to time and the right to terminate the Plan are hereby specifically reserved to the Board; provided that no such amendment of the Plan shall, without shareholder approval (a) increase the maximum aggregate number of shares of Common Stock for which Awards may be made under Section 4.1 of the Plan, (b) increase the maximum aggregate number of shares of Common Stock as to which incentive stock options may be granted under Section 4.1 of the Plan, (c) make any changes in the class of employees eligible to receive Awards under the Plan, (d) change the maximum number of shares of Common Stock as to which Awards may be made to any Participant under Section 4.2 of the Plan, or the maximum amount that may be paid or distributed to any Participant pursuant to a grant of performance units or other stock-based Awards made in any one calendar year under Section 8 or 9 of the Plan, respectively, (e) change the exercise price or Base Price permitted under Section 5.3 of the Plan or the restrictions regarding repricing under Section 5.3 of the Plan, (f) be made if shareholder approval of the amendment is at the time required for Awards under the Plan to qualify for the exemption from Section 16(b) of the 1934 Act provided by Rule 16b-3 or by the rules of any stock exchange on which the Common Stock may then be listed or (g) be made to the extent such approval is needed for Qualified Performance-Based Awards to qualify for the Section 162(m) Exemption. No amendment or termination of the Plan shall, without the written consent of the holder of an Award under the Plan, adversely affect the rights of such holder with respect thereto.

SECTION 15

General Provisions

15.1 Additional Compensation Arrangements. Nothing contained in the Plan shall prevent the Corporation or any Subsidiary from adopting other or additional compensation arrangements for its employees.

15.2 Tax Withholding. No later than the date as of which an amount first becomes includible in the gross income of a Participant for federal, state, local or foreign income or employment or other tax purposes with respect to any Award under the Plan, such Participant shall pay to the Corporation (or, if applicable, a Subsidiary), or make arrangements satisfactory to the Corporation (or, if applicable, a Subsidiary) regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Unless otherwise determined by the Committee, withholding obligations may be settled with Common Stock, including Common Stock that is part of the Award that gives rise to the withholding requirement, having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount unless otherwise determined by the Committee) required to be withheld for tax purposes, all in accordance with such procedures as the Committee establishes, and provided that any fractional share amount must be paid in cash or withheld from compensation otherwise due to the Participant. The obligations of the Corporation under the Plan shall be conditional on such payment or arrangements, and the Corporation and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to such Participant. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for the settlement of withholding obligations with Common Stock.

15.3 Limitation of Liability. The grant of any Award shall not:

- (a) give a Participant any rights except as expressly set forth in the Plan or in the agreement under Section 2.5;
- (b) create any fiduciary or other obligation of the Corporation or any Subsidiary to take any action or provide to the Participant any assistance or dedicate or permit the use of any assets of the Corporation or any Subsidiary that would permit the Participant to be able to attain any Performance Goals associated with any Award;
- (c) create any trust, fiduciary or other duty or obligation of the Corporation or any Subsidiary to engage in any particular business, continue to engage in any particular business, engage in any particular business practices or sell any particular product or products; or
- (d) create any obligation of the Corporation or any Subsidiary that shall be greater than the obligation of the Corporation or that Subsidiary to any of their general unsecured creditors.

15.4 Limitation on Dividend Reinvestment and Dividend Equivalents Reinvestment of dividends in additional restricted stock at the time of any dividend payment, and the payment of shares with respect to dividends to Participants holding Awards of restricted stock units, shall only be permissible if authorized by the Committee and if sufficient shares of Common Stock are available under Section 4 for such reinvestment or payment (taking into account then outstanding Awards). In the event that sufficient shares of Common Stock are not available for such reinvestment or payment, such reinvestment or payment shall be made in the form of a grant of restricted stock units equal in number to the shares of Common Stock that would have been obtained by such payment or reinvestment, the terms of which restricted stock units shall provide for settlement in cash and for dividend equivalent reinvestment in further restricted stock units on the terms contemplated by this Section 15.4.

15.5 Governing Law and Interpretation. To the extent not preempted by federal law, the Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without reference to principles of conflict of laws. The captions of this Plan are not part of the provisions hereof and shall have no force or effect.

15.6 Dispute Resolution. Since Awards are granted in Western Pennsylvania, records relating to the Plan and Awards are located in Western Pennsylvania, and the Plan and Awards are administered in Western Pennsylvania, the Corporation and the Participant to whom an Award is granted, for themselves and their heirs, representatives, successors and assigns (collectively, the "Parties") irrevocably submit to the exclusive and sole jurisdiction and venue of the state courts of Allegheny County, Pennsylvania and the federal courts of the Western District of Pennsylvania with respect to any and all disputes arising out of or relating to the Plan, the subject matter of the Plan or any Awards under the Plan, including but not limited to any disputes arising out of or relating to the interpretation

and enforceability of any Awards or the terms and conditions of the Plan. To achieve certainty regarding the appropriate forum in which to prosecute and defend actions arising out of or relating to the Plan, and to ensure consistency in application and interpretation of the governing law under Section 15.5 of the Plan, the Parties agree that (a) sole and exclusive appropriate venue for any such action shall be the Pennsylvania courts described in the immediately preceding sentence, and no other, (b) all claims with respect to any such action shall be heard and determined exclusively in such Pennsylvania courts, and no other, (c) such Pennsylvania courts shall have sole and exclusive jurisdiction over the Parties and over the subject matter of any dispute relating hereto and (d) the Parties waive any and all objections and defenses to bringing any such action before such Pennsylvania courts, including but not limited to those relating to lack of personal jurisdiction, improper venue or *forum non conveniens*.

15.7 Non-Transferability. Except as otherwise specifically provided in the Plan or by the Committee and limited to a transfer without the payment of value or consideration to the Participant, Awards under the Plan are not transferable except by will or by laws of descent and distribution of the state of domicile of the Participant at the time of death.

15.8 Deferrals. The Committee shall be authorized to establish procedures pursuant to which the payment of any Award may be deferred, provided that any such deferral is consistent with all aspects of Section 409A of the Code. Subject to the provisions of this Plan and any agreement under Section 2.5, the recipient of an Award (including, without limitation, any deferred Award) may, if so determined by the Committee, be entitled to receive, currently or on a deferred basis, interest or dividends, or interest or dividend equivalents, with respect to the number of shares covered by the Award, as determined by the Committee, in its sole discretion, and the Committee may provide that such amounts (if any) shall be deemed to have been reinvested in additional shares or otherwise reinvested; provided, however, that in no event shall interest, dividends or dividend equivalents be paid on any unearned Awards until such Awards have vested.

15.9 Integration. The Plan and any written agreements executed by Participants and the Corporation under Section 2.5 contain all of the understandings and representations between the parties and supersede any prior understandings and agreements entered into between them regarding the subject matter within. There are no representations, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of the Plan which are not fully expressed in the Plan and the written agreements.

15.10 Foreign Employees and Foreign Law Considerations. The Committee may grant Awards to eligible employees who are foreign nationals, who are located outside the United States of America or who are not compensated from a payroll maintained in the United States of America, or who are otherwise subject to (or could cause the Corporation to be subject to) legal or regulatory provisions of countries or jurisdictions outside the United States of America, on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan, and, in furtherance of such purposes, the Committee may make such modifications, amendments, procedures, or subplans as may be necessary or advisable to comply with such legal or regulatory provisions.

15.11 Certain Restrictions on Awards. Subject to the terms of the Plan and more restrictive terms, if any, of the applicable agreement under Section 2.5, (a) any Award of restricted stock, restricted stock units, performance units, or other stock-based Awards under Section 9 shall be subject to vesting during a restriction period of at least three (3) years following the date of grant and (b) any Award of options and stock appreciation rights under Section 5 shall be subject to vesting during a restriction period of at least one (1) year following the date of grant, provided, however, that:

(i) With respect to any Award of restricted stock, restricted stock units, performance units, or other stock-based Awards under Section 9, a restriction period of only at least one (1) year following the date of grant is permissible if vesting is conditional, in whole or in part, upon the achievement of Performance Goals, except that there need not be any minimum restriction period for a Performance Goal based upon stock price if there is also a service-based restriction of at least one (1) year following the date of grant;

(ii) To the extent permitted by the Committee, in its sole discretion, and specified in the applicable agreement under Section 2.5, an Award of restricted stock, restricted stock units, performance units, or other stock-based Awards under Section 9 with a restriction period of at least three (3) years may first vest

in part upon completion of one year of service measured from the vesting commencement date of the Award and thereafter on a pro rata basis over the remainder of any such restriction period;

(iii) To the extent permitted by the Committee, in its sole discretion, and specified in the applicable agreement under Section 2.5, an Award may vest prior to the expiration of any restriction period required under this Section 15.11 in the event of a Participant's death or retirement, the Participant becoming a Disabled Participant, or an involuntary termination of the Participant's employment by the Corporation or a Subsidiary;

(iv) In the event of the occurrence of a Section 11 Event, an Award may vest prior to the expiration of any restriction period required under this Section 15.11 pursuant to Section 11.4 or Section 11.5 or as otherwise permitted by the Committee, in its sole discretion, and specified in the applicable agreement under Section 2.5; and

(v) The Committee may grant Awards without regard to the foregoing requirements, and the Committee may accelerate the vesting of and lapse any restrictions with respect to, any such Awards (in addition to the potential acceleration under (ii)-(iv) of the foregoing), for up to, collectively for all such Awards, five percent (5%) of the shares of Common Stock for which Awards may be made under Section 4.1 of the Plan, as adjusted under the terms of the Plan.

15.12 Other Benefit Plans. All Awards shall constitute a special incentive payment to the Participant and shall not be taken into account in computing the amount of salary or compensation of the Participant for the purpose of determining any benefit under any pension, retirement, profit sharing, bonus, life insurance or other benefit plan of the Corporation or any Subsidiary or under any agreement between the Corporation or any Subsidiary and the Participant, unless such plan or agreement specifically provides otherwise.

15.13 Indemnification. Subject to the requirements of Pennsylvania state law, each individual who is or shall have been a member of the Board, or a Committee appointed by the Board, or an officer of the Corporation to whom authority was delegated in accordance with Section 2.1, shall be indemnified and held harmless by the Corporation against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Corporation's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Corporation an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his/her own behalf, unless such loss, cost, liability, or expense is a result of his/her own willful misconduct or except as expressly provided by statute. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such individuals may be entitled under the Corporation's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Corporation may have to indemnify them or hold them harmless.

15.14 No Representations or Covenants With Respect to Tax Qualification. Although the Corporation may endeavor to (i) qualify an Award for favorable United States or foreign tax treatment (e.g., incentive stock options under Section 422 of the Code) or (ii) avoid adverse tax treatment (e.g., under Section 409A of the Code), the Corporation makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Corporation shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under the Plan.

15.15 Compliance With Laws. Without limitation of Section 10, the granting of Awards and the issuance of shares of Common Stock under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Corporation is listed as may be required.

SECTION 16

Effective Date and Duration of Plan

The effective date and date of adoption of the Plan (as amended and restated) shall be the date of adoption of the Plan (as amended and restated) by the Board (the "Adoption Date"), provided that the Plan (as amended and restated) is approved by a majority of the votes cast at a meeting of shareholders duly called, convened and held prior to the anniversary of the Adoption Date (the day prior to such anniversary, the "Forfeiture Date"), at which a quorum representing a majority of the outstanding Voting Shares of the Corporation is, either in person or by proxy, present and voting on the Plan. Except with respect to 3,450,000 shares of Common Stock reserved under the Plan prior to the second amendment and restatement and subject to Awards granted prior to, on or following the Adoption Date, no stock option or stock appreciation right granted under the Plan on or after the Adoption Date may be exercised until after such approval and any restricted stock, restricted stock units, performance units or other Award awarded under the Plan shall be forfeited to the Corporation on the Forfeiture Date if such approval has not been obtained on or prior to that date. No Award under the Plan may be made subsequent to the day prior to the ten-year anniversary of the Adoption Date, but Awards granted prior to such date may extend beyond such date.

CERTIFICATION
PRINCIPAL EXECUTIVE OFFICER

I, Joseph C. Bartolacci, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: April 30, 2025

/s/Joseph C. Bartolacci

Joseph C. Bartolacci
President and
Chief Executive Officer

CERTIFICATION
PRINCIPAL FINANCIAL OFFICER

I, Steven F. Nicola, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: April 30, 2025

/s/Steven F. Nicola

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 Quarterly Report of Matthews International Corporation (the "Company") on Form 10-Q for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph C. Bartolacci, 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

Joseph C. Bartolacci,
President and Chief Executive Officer

April 30, 2025

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 Quarterly Report of Matthews International Corporation (the "Company") on Form 10-Q for the period ended March 31, 2025 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

Steven F. Nicola,
Chief Financial Officer

April 30, 2025

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.