



# Matthews

INTERNATIONAL<sup>®</sup>

## INVESTOR & ANALYST DAY

June 19, 2019

[www.matw.com](http://www.matw.com) | Nasdaq: MATW

# DISCLAIMER

Any forward-looking statements contained in this presentation are included pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Company’s actual results in future periods to be materially different from management’s expectations. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Factors that could cause the Company’s results to differ materially from the results discussed in such forward-looking statements principally include changes in domestic or international economic conditions, changes in foreign currency exchange rates, changes in the cost of materials used in the manufacture of the Company’s products, changes in mortality and cremation rates, changes in product demand or pricing as a result of consolidation in the industries in which the Company operates, changes in product demand or pricing as a result of domestic or international competitive pressures, unknown risks in connection with the Company’s acquisitions, cybersecurity concerns, effectiveness of the Company’s internal controls, compliance with domestic and foreign laws and regulations, technological factors beyond the Company’s control, and other factors described in the Company’s Annual Report on Form 10-K and other periodic filings with the U.S. Securities and Exchange Commission (“SEC”).

The information contained in this presentation, including any financial data, is made as of March 31, 2019 unless otherwise noted. The Company does not, and is not obligated to, update this information after the date of such information. Included in this report are measures of financial performance that are not defined by generally accepted accounting principles in the United States (“GAAP”). The Company uses non-GAAP financial measures to assist in comparing its performance on a consistent basis for purposes of business decision-making by removing the impact of certain items that management believes do not directly reflect the Company’s core operations including acquisition costs, ERP integration costs, strategic initiative and other charges (which includes non-recurring charges related to operational initiatives and exit activities), stock-based compensation and the non-service portion of pension and postretirement expense. Management believes that presenting non-GAAP financial measures is useful to investors because it (i) provides investors with meaningful supplemental information regarding financial performance by excluding certain items that management believes do not directly reflect the Company’s core operations, (ii) permits investors to view performance using the same tools that management uses to budget, forecast, make operating and strategic decisions, and evaluate historical performance, and (iii) otherwise provides supplemental information that may be useful to investors in evaluating the Company’s results. The Company believes that the presentation of these non-GAAP financial measures, when considered together with the corresponding GAAP financial measures and the reconciliations to those measures, provided herein, provides investors with an additional understanding of the factors and trends affecting the Company’s business that could not be obtained absent these disclosures.

The Company believes that adjusted EBITDA provides relevant and useful information, which is used by the Company’s management in assessing the performance of its business. Adjusted EBITDA is defined by the Company as earnings before interest, income taxes, depreciation, amortization and certain non-cash and/or non-recurring items that do not contribute directly to management’s evaluation of its operating results. These items include stock-based compensation, the non-service portion of pension and postretirement expense, acquisition costs, ERP integration costs, and strategic initiatives and other charges. Adjusted EBITDA provides the Company with an understanding of

earnings before the impact of investing and financing charges and income taxes, and the effects of certain acquisition and ERP integration costs, and items that do not reflect the ordinary earnings of the Company’s operations. This measure may be useful to an investor in evaluating operating performance. It is also useful as a financial measure for lenders and is used by the Company’s management to measure business performance. Adjusted EBITDA is not a measure of the Company’s financial performance under GAAP and should not be considered as an alternative to net income or other performance measures derived in accordance with GAAP, or as an alternative to cash flow from operating activities as a measure of the Company’s liquidity. The Company’s definition of adjusted EBITDA may not be comparable to similarly titled measures used by other companies.

The Company has also presented adjusted net income and adjusted earnings per share and believes each measure provides relevant and useful information, which is widely used by analysts and investors, as well as by the Company’s management in assessing the performance of its business. Adjusted net income and adjusted earnings per share provides the Company with an understanding of the results from the primary operations of our business by excluding the effects of certain acquisition and system-integration costs, and items that do not reflect the ordinary earnings of our operations. These measures provide management with insight into the earning value for shareholders excluding certain costs, not related to the Company’s primary operations. Likewise, these measures may be useful to an investor in evaluating the underlying operating performance of the Company’s business overall, as well as performance trends, on a consistent basis.

Lastly, the Company has presented net debt and the ratio of net debt to adjusted EBITDA and believes each measure provides relevant and useful information, which is widely used by analysts and investors, as well as by the Company’s management in assessing the overall indebtedness and leverage. These measures provide the Company with an understanding of its leverage before the impact of investing and financing charges and other charges that do not reflect the ordinary earnings of the Company’s operations. These measures may be useful to an investor in evaluating indebtedness and leverage of the business.

#### Rider 21-A

Cash dividends have been paid on common shares in every year for at least the past forty-nine years. It is the present intention of the Company to continue to pay quarterly cash dividends on its common stock. However, there is no assurance that dividends will be declared and paid as the declaration and payment of dividends is at the discretion of the Board of Directors of the Company and is dependent upon many factors, including but not limited to the Company’s financial condition, results of operations, cash requirements, future prospects and other factors deemed relevant by the Board.

# AGENDA & WELCOME

9:00 AM	Welcome & Overview	Joe Bartolacci, President and Chief Executive Officer
9:05 AM	Business & Financial Review	Joe Bartolacci, President and Chief Executive Officer Steve Nicola, Chief Financial Officer and Secretary
9:30 AM	SGK Brand Solutions	Gary Kohl, President, SGK Brand Solutions Greg Babe, Chief Technology Officer
10:15 AM	BREAK	
10:25 AM	Industrial Technologies	Brian Dunn, Executive Vice President, Strategy & Corporate Development Paul Jensen, Division President, Industrial Technologies
11:05 AM	Memorialization	Steven Gackenbach, Group President, Memorialization Brian Dunn, Executive Vice President, Strategy & Corporate Development
11:45 AM	Q&A	All Leadership
12:00-1:00 PM	LUNCH	



# Matthews

INTERNATIONAL<sup>®</sup>

**JOE BARTOLACCI**

President & Chief Executive Officer

**STEVE NICOLA**

Chief Financial Officer & Secretary

A market-leading global company  
serving the consumer products, memorialization  
and industrial technologies markets.

Nasdaq: MATW

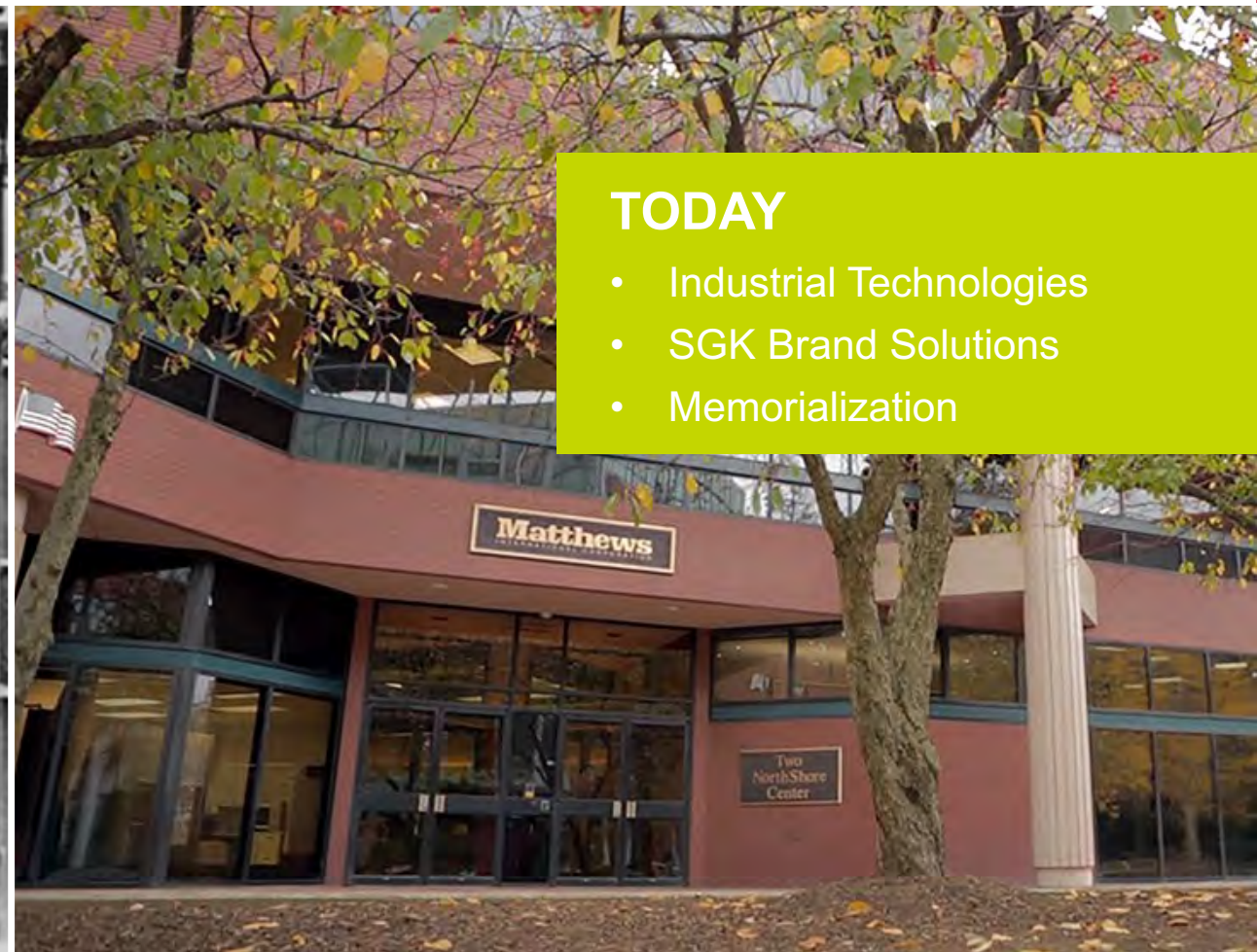
<b>Founded</b>	<b>1850</b>	<b>Common Shares Outstanding</b>	<b>31.7 million</b>
<b>Market Capitalization</b>	<b>\$1.2 billion</b>	<b>Annualized Dividend / Yield</b>	<b>\$0.80 / 2.2%</b>
<b>Recent Price</b>	<b>\$36.63</b>	<b>Institutional Ownership</b>	<b>84%</b>
<b>52-Week Range</b>	<b>\$33.73-\$61.25</b>	<b>Insider Ownership</b>	<b>3%</b>
<b>Average Trading Volume</b> <i>(trailing three months)</i>	<b>128k</b>	<b>Fiscal Year End</b>	<b>September 30</b>

*Market data as of June 14, 2019 [Source: NASDAQ IQ]; ownership as of most recent filings.*



## FOUNDED in 1850

- Marking Products
- Printing Plates
- Bronze Plaques

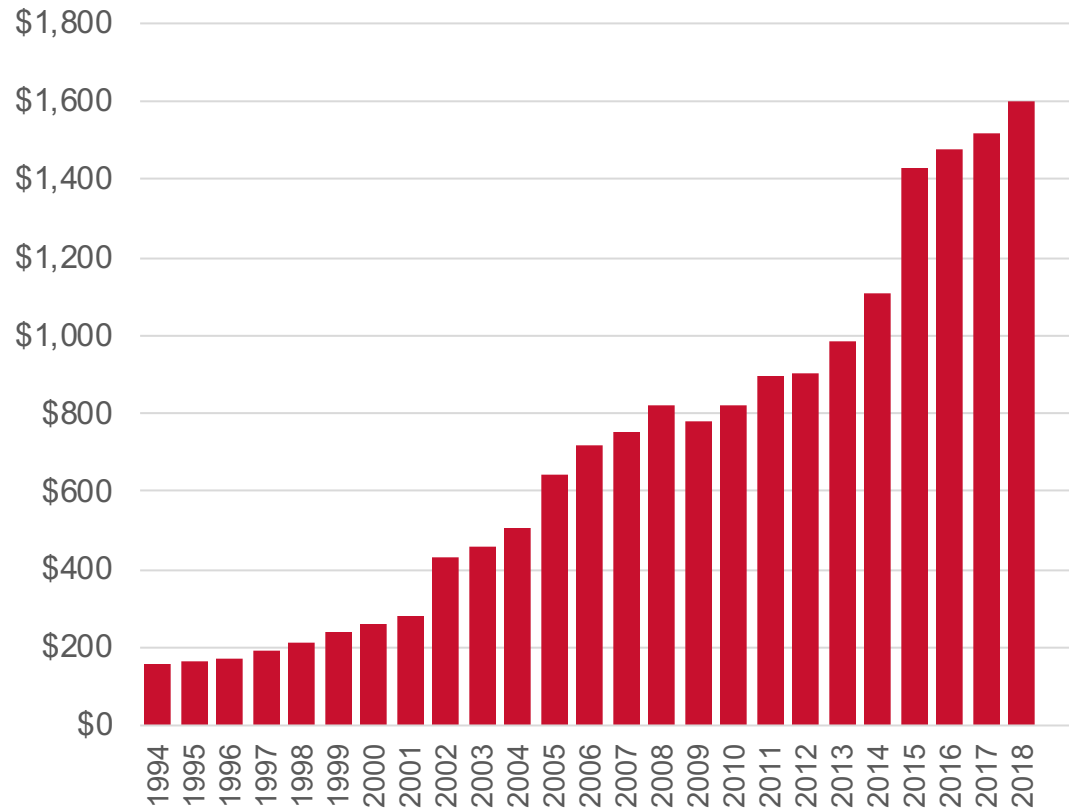


## TODAY

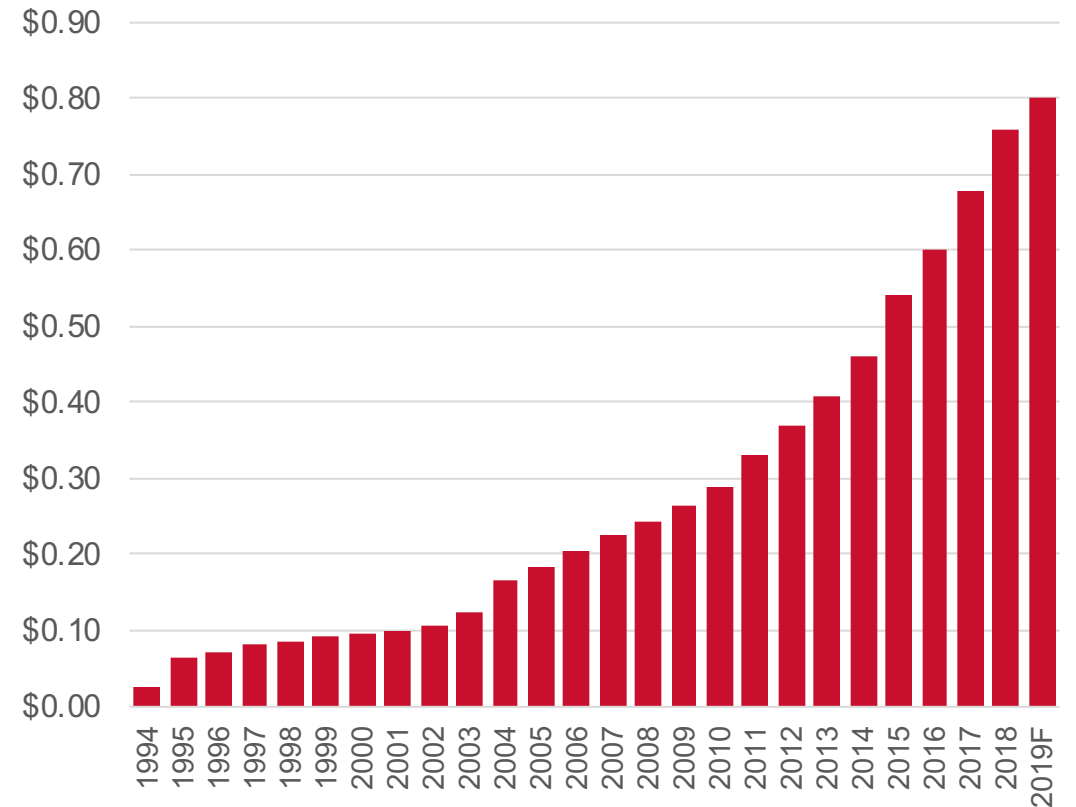
- Industrial Technologies
- SGK Brand Solutions
- Memorialization

# MATTHEWS GROWTH

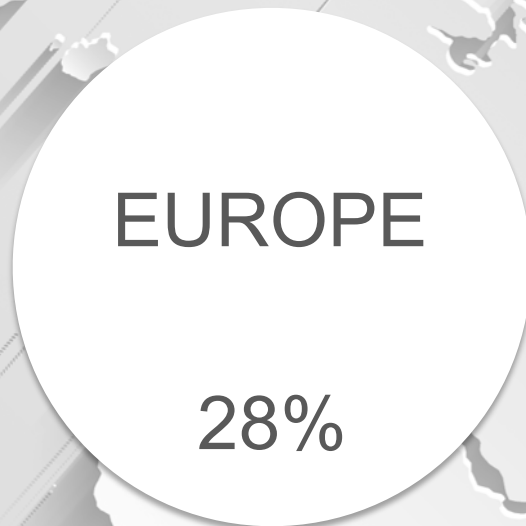
## ANNUAL SALES (\$M)



## ANNUAL DIVIDENDS / SHARE



# GLOBAL PRODUCTS AND SERVICES ACROSS DIVERSE BUSINESSES



**11,000 EMPLOYEES | 6 CONTINENTS**



# MATTHEWS TODAY

## LEADING POSITION IN STABLE MARKETS

- Primarily #1 or #2 in markets where we compete or positioning to be there
- Stable markets
- High customer retention rates
- New product development and innovation of existing products
- Strong cash flow and history of annual dividend increases
- Target 14% return on invested capital

# STABLE PERFORMANCE

(\$ in millions, except EPS)

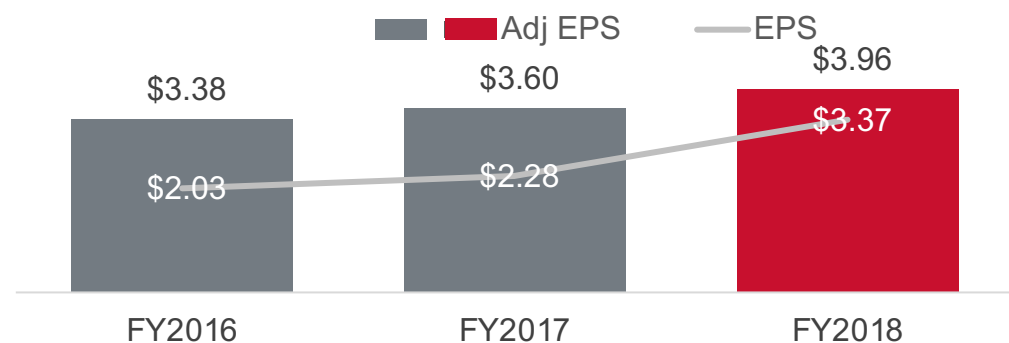
## Sales



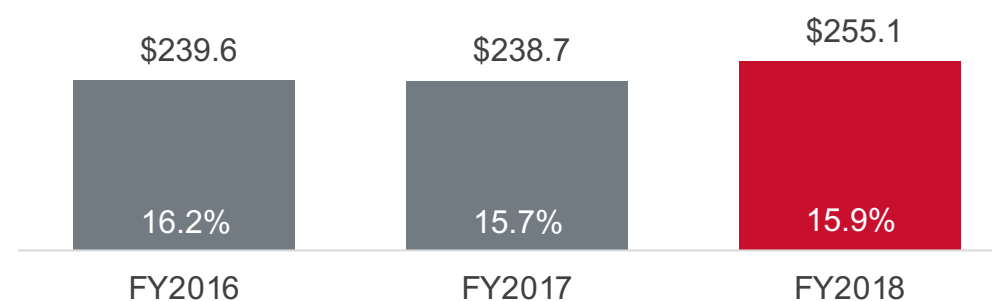
## Net Income



## EPS & Adjusted EPS<sup>(1)</sup>



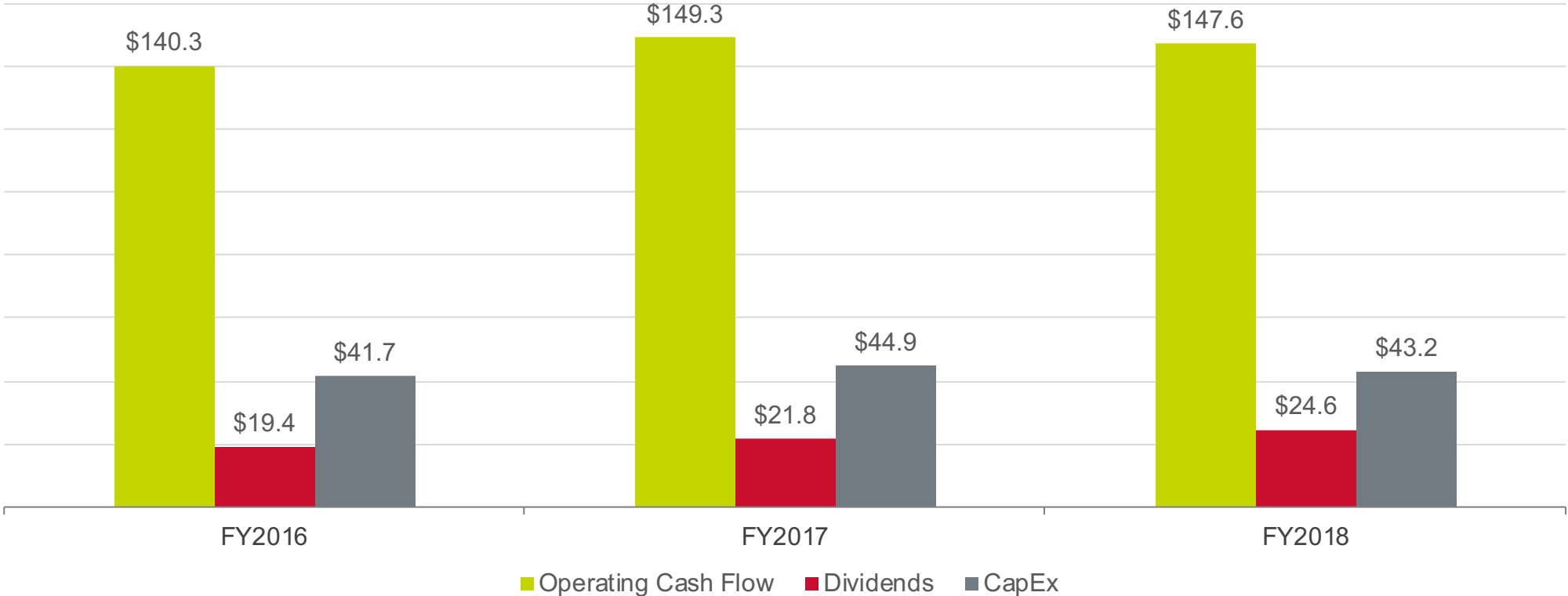
## Adjusted EBITDA<sup>(1)</sup> and Margin<sup>(1)</sup>



<sup>(1)</sup> See appendix for Adjusted EBITDA, Margin and Adjusted EPS reconciliations and other important disclosures regarding Matthews' use of Non-GAAP measures

# CONSISTENT CASH GENERATION

(\$ in millions)



# SEGMENT CONTRIBUTIONS

(\$ in millions)

**SGK  
BRAND SOLUTIONS**



**MEMORIALIZATION**

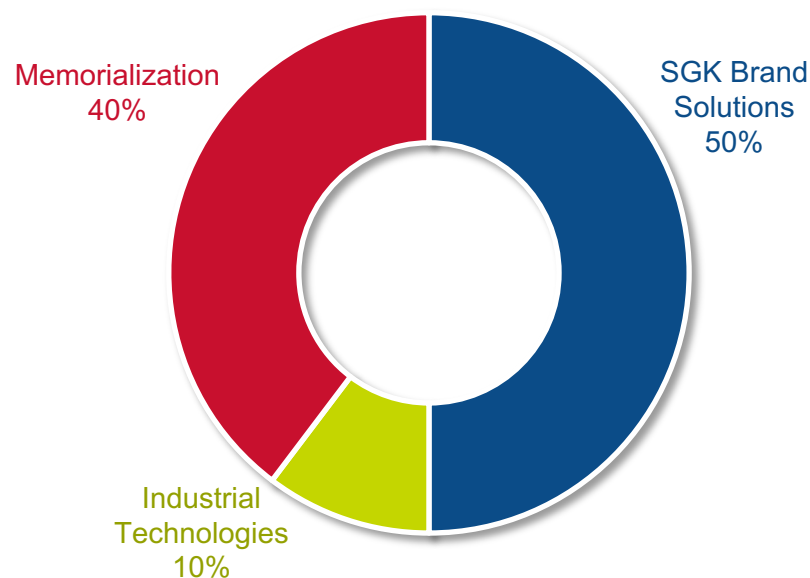


**INDUSTRIAL  
TECHNOLOGIES**



**FY2018 Sales** Consolidated: \$1,602.6

**FY2018 Adjusted EBITDA<sup>(1)</sup>** Consolidated: \$255.1



(Dollars in thousands)

**Adjusted EBITDA:**

	Fiscal Year Ended September 30, 2018
SGK Brand Solutions	\$ 150.2
Memorialization	\$ 145.5
Industrial Technologies	\$ 25.9
Corporate and Non-Operating	\$ (66.5)
<b>Total Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 255.1</b>

<sup>(1)</sup> See appendix for Adjusted EBITDA reconciliations and other important disclosures regarding Matthews' use of Non-GAAP measures

# SGK BRAND SOLUTIONS

## OVERVIEW

### Brand/Marketing Execution Services

- Creative Design
- Artwork Production (reprographic / pre-press)
- Tooling (printing plates)
- Merchandising

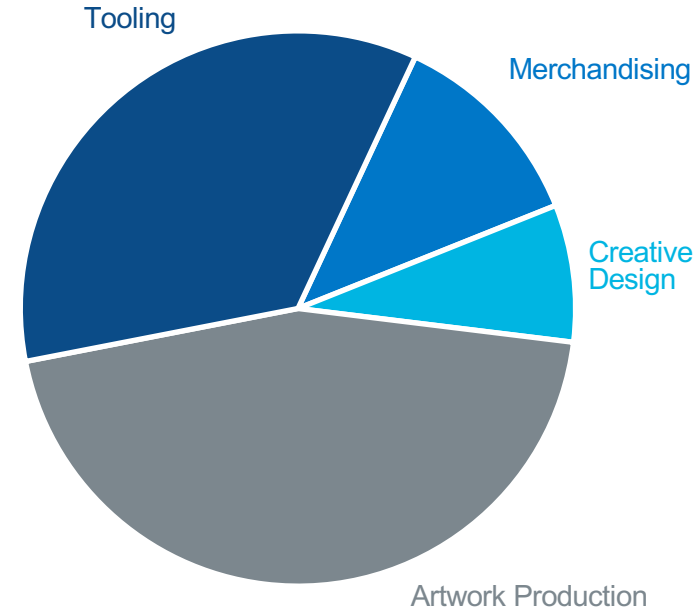
### FY2018 Financial Results

- Sales: \$805.3 million
- Adjusted EBITDA<sup>(1)</sup>: \$150.2 million, 18.7% of sales

**~7,000 Employees**

### Leading Global Brands

## REVENUES



SAUERESSIG®



BRANDIMAGE®



<sup>(1)</sup> See appendix for Adjusted EBITDA reconciliations and other important disclosures regarding Matthews' use of Non-GAAP measures

# SGK BRAND SOLUTIONS

## SERVICING GLOBAL AND REGIONAL CLIENTS

- Longstanding relationships with a large, blue chip customer base consisting of many Fortune 100 and Fortune 50 companies
- “Strategic” relationships rather than “vendor” relationships – more valued client engagement
- Critical service provider in marketing execution of top world-wide brands, particularly where global consistency is highly valued

### FOOD/ BEVERAGE CLIENTS



### GLOBAL PHARMACEUTICAL CLIENTS



### GLOBAL RETAILER CLIENTS



### OTHER LEADING BRANDS



# SGK BRAND SOLUTIONS

## DIFFERENTIATORS

- Global footprint, regional relationships difficult to reproduce
- #1 global market share
- Execution capability, local know-how

## TRENDS

- Branded vs. private label
- Centralizing, with local adoption
- Online marketing, consistency with on-shelf

## STRATEGY

- Maximize cash flow via low single-digit organic revenue growth, acquisition synergies, operational improvements
- **Organic** – develop print consultation solutions and outsourced marketing services
- **Acquisition** – extend capabilities and geographies

# MEMORIALIZATION

## OVERVIEW

### Caskets, Memorials, Cremation Equipment

- #1 – Bronze and granite markers
- #2 – Caskets
- #1 – Cremation equipment

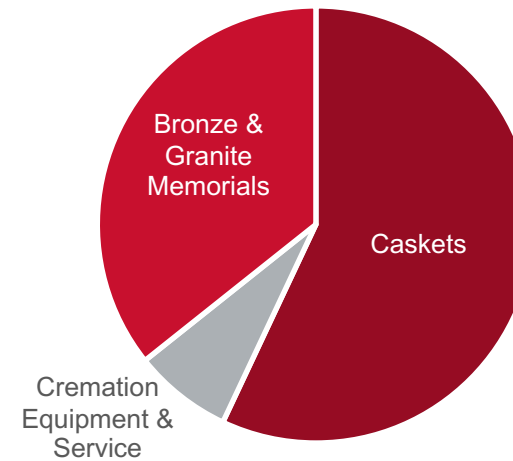
### FY2018 Financial Results

- Sales: \$631.4 million
- Adjusted EBITDA<sup>(1)</sup>: \$145.5 million, 23.0% of sales

**~3,300 Employees**

<sup>(1)</sup> See appendix for Adjusted EBITDA reconciliations and other important disclosures regarding Matthews' use of Non-GAAP measures

## REVENUES



The Super Power Pak III Plus cremation unit has some of the most advanced features in combustion technology, as well as industry leading performance, reliability and support.



Bronze Memorials



Forest Park West Cemetery Cremation Garden



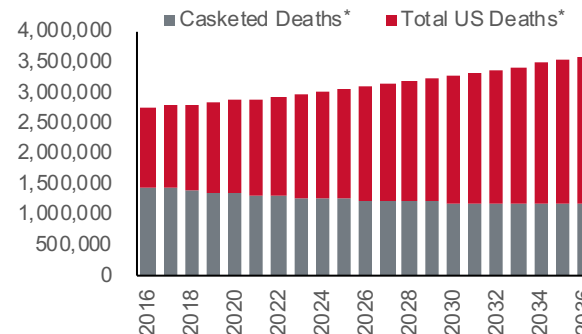
# MEMORIALIZATION

## DIFFERENTIATORS

- #1 / #2 market positions
- Distribution footprint
- Breadth of product offering

## TRENDS

- Population growth... increasing deaths
- Long-term cultural shift from casketed deaths to cremation with memorialization



\*Company estimates. Data compiled from CDC, US Census Bureau, Industry reports and internal projections.

## STRATEGY

- Maximize cash flow via low single digit organic revenue growth, acquisition synergies, operational improvements
- **Organic** – stable caskets / memorials, growth in cremation equipment and cremation-related products, incineration projects, pre-need products
- **Acquisition** – extend products / regions

# INDUSTRIAL TECHNOLOGIES

## OVERVIEW

### Products & Services

- Product Identification Equipment / Consumables
- Warehouse Automation
- Applied Technologies

### High Growth, Disruptive Opportunities

### FY2018 Financial Results

- Sales: \$165.9 million
- Adjusted EBITDA<sup>(1)</sup>: \$25.9 million, 15.6% of sales
- Product development costs

~500 Employees



<sup>(1)</sup> See appendix for Adjusted EBITDA reconciliations and other important disclosures regarding Matthews' use of Non-GAAP measures

# INDUSTRIAL TECHNOLOGIES

## DIFFERENTIATORS

- Broad marking product offerings, including equipment, inks and service
- Leading warehouse fulfillment systems provider
- Innovative mindset

## TRENDS

- New product development focus on total cost of ownership
- Growth in e-commerce warehousing, logistics

## STRATEGY

- Product development to disrupt market place
- Proprietary software to facilitate tracking throughout warehouse to customer doorstep
- Acquisitions to fill-out solutions portfolio

# VALUE CREATION

## ORGANIC

- Expanding market penetration with existing products
- Synergies and manufacturing / cost structure improvements
- New product introductions

## ACQUISITIONS

- Support segment business plans; fill product / geographic gaps
- Leverage existing operating infrastructure
- Achieve long-term annual return (EBITDA) on invested capital of at least 14%

## SHARE REPURCHASES

- Opportunistic
  - Repurchase in periods of excess cash flow
  - Current remaining authorization: 1.1 million shares

# CAPITAL ALLOCATION PRIORITIES

## Debt Reduction

- \$7.3 million reduction in Q2 FY2019
- 3.8x Net debt: Adjusted EBITDA<sup>(1)</sup> based on LTM 3/31/19
- Target less than 3x Adjusted EBITDA<sup>(1)</sup>

## Annualized Cash Dividend (current)

- \$0.80 per share for FY2019

## Invest in Growth

- Three-year average capex ~2.8% of revenue

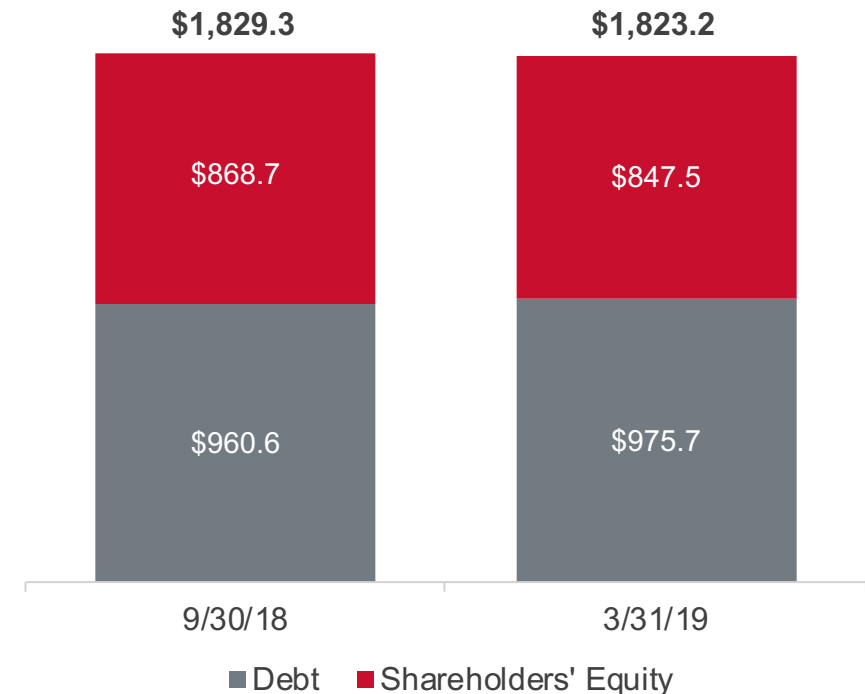
## Acquisitions

- Extend capabilities in existing businesses
- Geographic expansion

## Share Repurchases

- Opportunistic
- 1.1 million shares authorized

## Capitalization *(in millions)*



<sup>(1)</sup> See appendix for Net debt, Adjusted EBITDA reconciliations and other important disclosures regarding Matthews' use of Non-GAAP measures

# INVESTMENT HIGHLIGHTS



● LEADING MARKET POSITIONS

● STRONG CASH FLOW

● STABLE END MARKETS

● TRACK RECORD OF SUCCESSFUL ACQUISITION  
INTEGRATION



**BRAND  
SOLUTIONS**

**GARY KOHL**

President, SGK Brand Solutions

# WHO WE ARE

## OVERVIEW

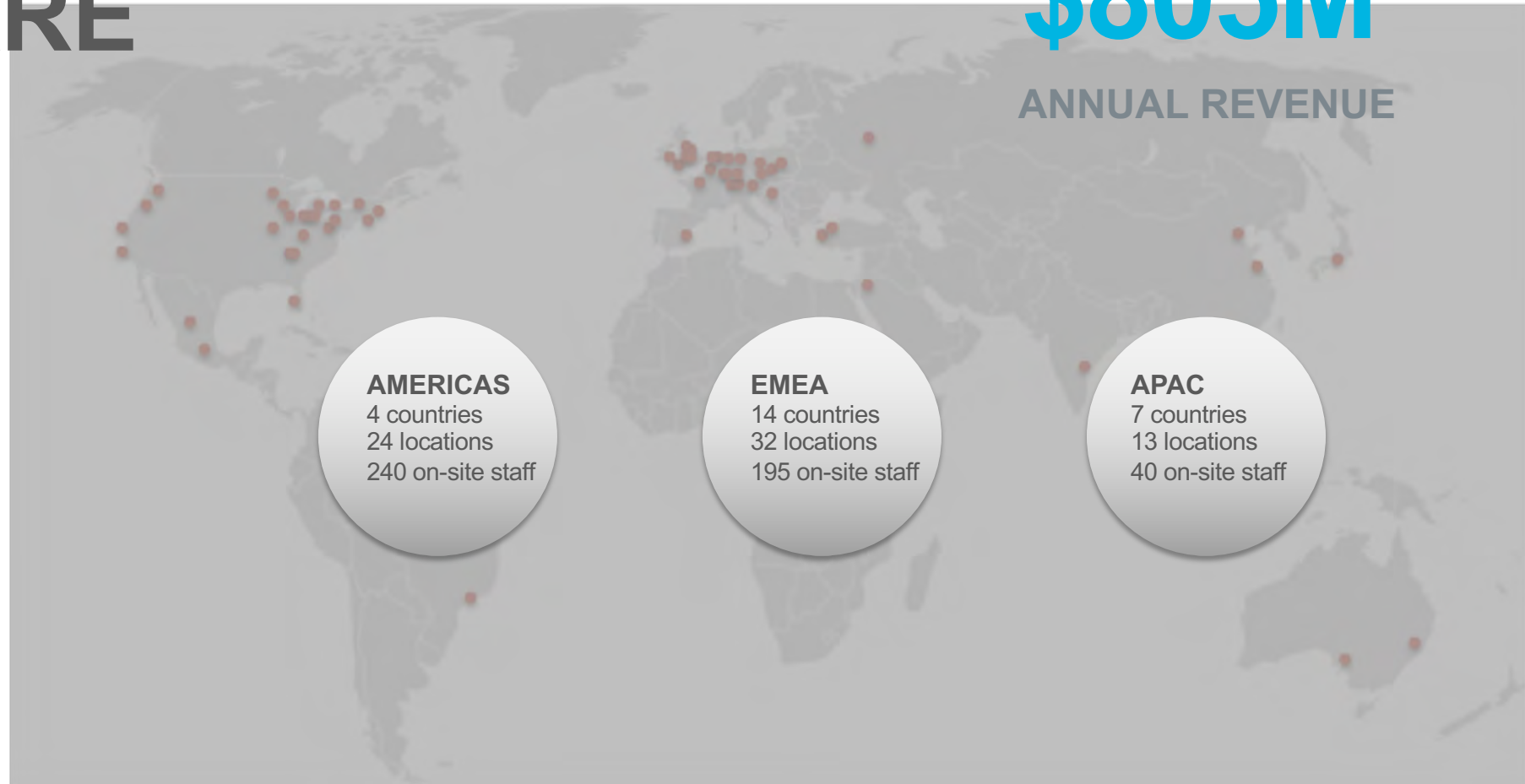
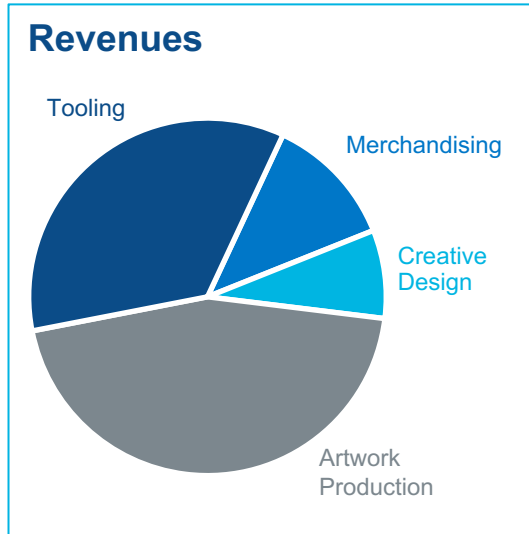


# WHO WE ARE

## Business Overview

# \$805M

ANNUAL REVENUE



# 25/6

Countries/Continents

# 28+

Languages

# 69

Locations

# 475

On-site Staff

# 7,000

Employees Worldwide

# WHAT WE DO

CREATIVE DESIGN, ARTWORK PRODUCTION, TOOLING

# PACKAGING PRODUCTION: OUR CORE BUSINESS

## From Logo To Shelf

### BRAND CREATIVE & DESIGN



### BRAND ASSETS, CLIENT & LEGAL INPUTS



Serving Size 1 can (12 fl oz)	
Serving Per Container 1	
Amount Per Serving	
Calories 140	
	% Daily Value*
<b>Total Fat</b> 0g	0%
Saturated Fat 0g	0%
Trans Fat 0g	
<b>Cholesterol</b> 0mg	0%
<b>Sodium</b> 45mg	2%
<b>Total Carbohydrate</b> 39g	13%
Dietary Fiber 0g	0%
Sugars 39g	
<b>Protein</b> 0g	0%



CLASSIC

zero SUGAR

Diet Coke

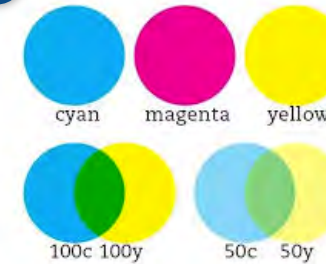
330ml	Energy	Fat	Saturates	Sugars	Salt
	5kJ	0g	0g	0g	0.07g
	1kcal	0g	0g	0g	1g
	0%	0%	0%	0%	1%

100ml: 1.4kJ / 0.3kcal

### PACKAGING LAYOUT, PRODUCTION ART & COLOR SEPERATION



### COLOR CONTROL & PRINT TOOLING

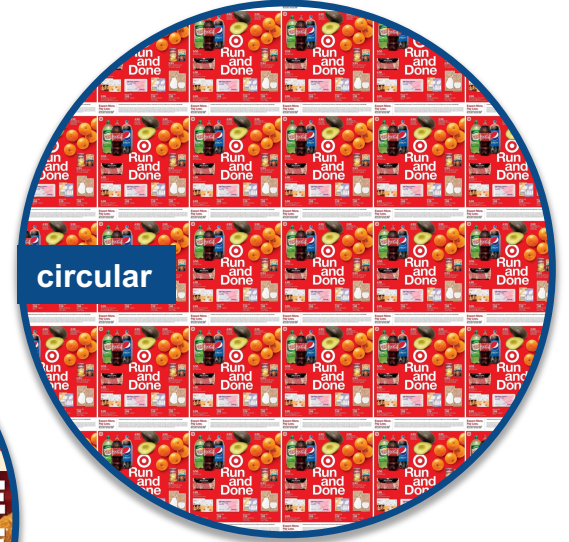


### PRINTED PACKAGING SKU's



# EXTENDING OUR CORE BUSINESS

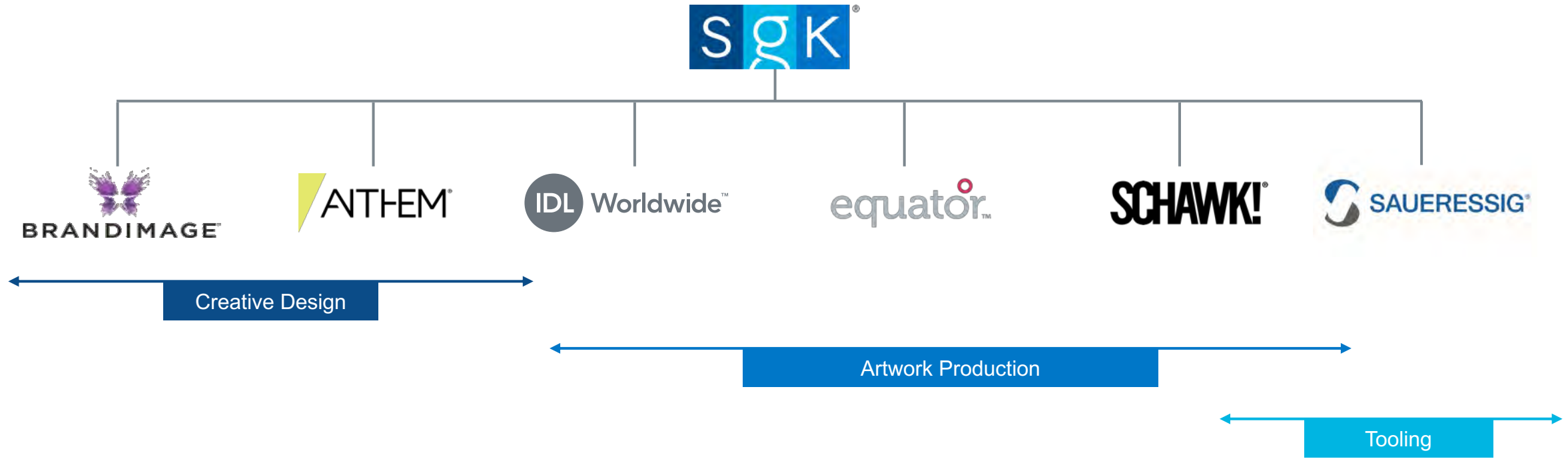
From Shelf To Experience



# HOW WE DO IT

TECHNOLOGY AND SCALE

# BROAD CAPABILITIES ON A GLOBAL SCALE



**18 of the top 25**  
Global CPGs are SGK clients

**1,000,000+**  
Unique elements  
produced for packaging

**190,000**  
Print gravure  
cylinders produced

# TECHNOLOGY AS A KEY DIFFERENTIATOR

We Envision Our Technology As An Enabler Of The  
Most Productive Marketing Ecosystems On The Planet.

## Proprietary Software

- Enables direct client interaction
- Supports cost-to-serve and speed-to-market
- Allows complex workflows at global scale

## SAP

Enables data for real-time reporting and project insights.

## SAP

Effective Control and Sharing of Master Data  
Enterprise-Based Management Information System

- Enable rapid response to changes in the marketplace
- Allows the systematic delivery of relevant content across all marketing channels
- Standard and customized, real-time reporting provides for visibility across multiple metrics
- Sets the foundation for efficient production of large-scale content at the greatest value

# WHO WE DO IT FOR

CLIENTS AND CASE STUDIES



# BLUE CHIP BRANDS TRUST SGK

## CPG



## HEALTH



## PRIVATE LABEL & OTHER CONSUMER BRANDS



## TECH



## PRINT



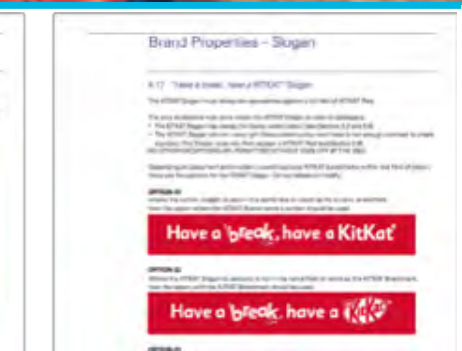
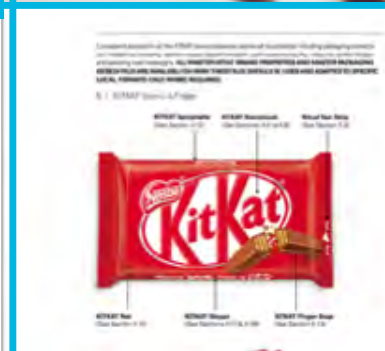
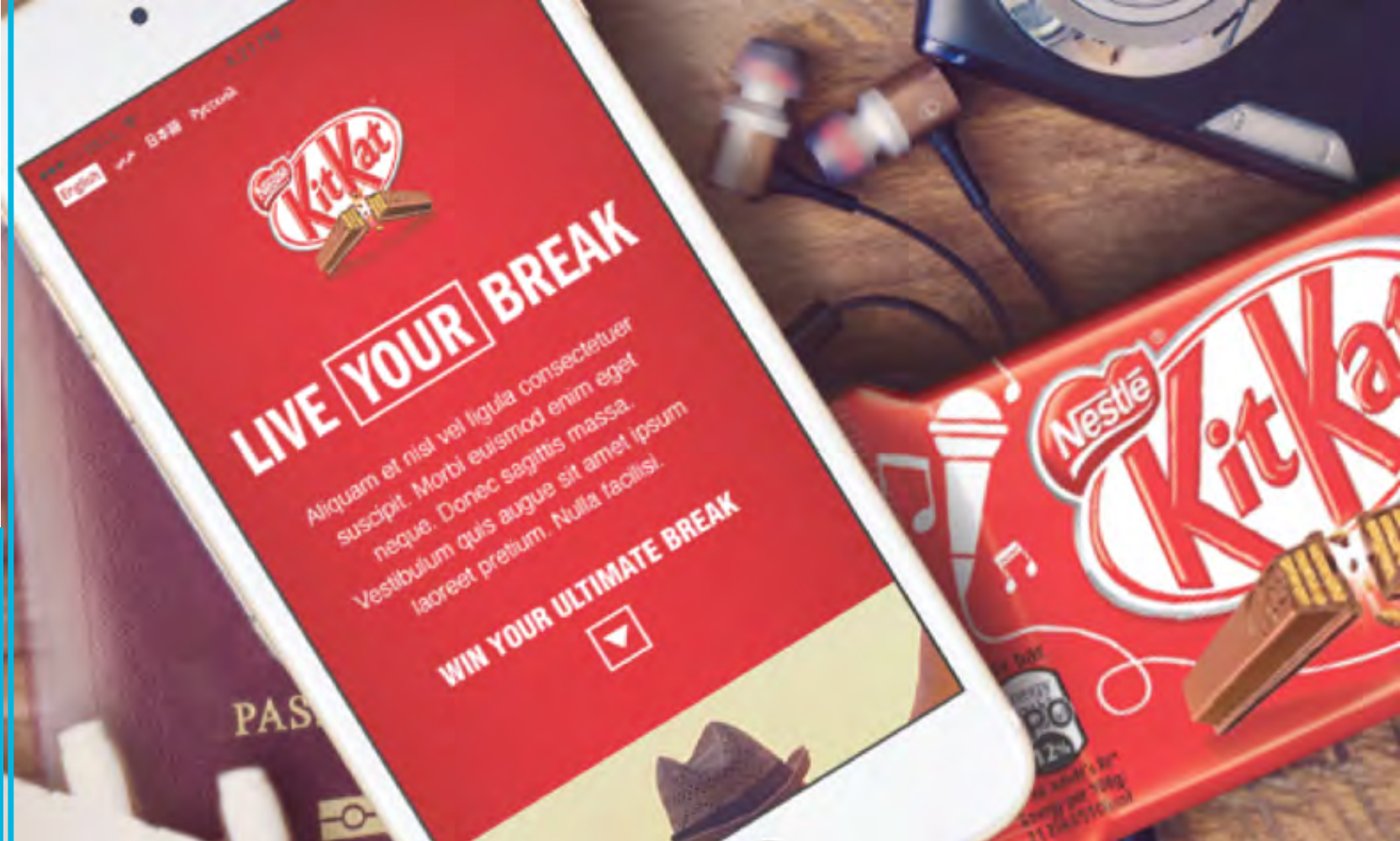
# CREATIVE BRAND EXTENSION

KitKat needed a new strategy to reach millennial travelers around the world. Following the creation of an updated brand identity we successfully created the entire line for a unified, quality, appearance on shelf.

We built awareness beyond the shelf through a digital campaign that created buzz and social engagement.

## RESULTS

Launched 'Live Your Break,' a digital hub using content from travel influencers with UGC, a worldwide competition & brand experiences in 50 of the world's busiest airports.



# CREATIVE BRAND IDENTITY

When Accor transformed from hotel operator to lifestyle ecosystem with a strategy of 'augmented hospitality' we created a new brand platform, portfolio, architecture and visual brand world.

We can strategically position existing brands to reach new audiences or help launch new brand to the world.

## RESULTS

Positioning Accor as a premium, high-performance brand who understands the future of hospitality, with their new signature—"Live Limitless"—to elevate lifestyle moments.



# MERCHANDISING EXPERTISE

Dick's Sporting Goods, collaborated with The North Face, for a bold refresh of their in-store showcase redesign. They wanted to blow-up the existing shop concept and completely reimagine it as an elevated cold weather destination.

Immersive brand experiences create sharable moments that drive brand loyalty and social media engagement.

## RESULTS

Using our extensive familiarity and fanatic enthusiasm for The North Face brand, we created an in-store experience that operated in an entirely new stratosphere. The result? Total client love.



# SCALED GLOBAL PRODUCTION

Producing 6,000 SKUs across 100 countries, the goals of this project were to flawlessly adapt our client's strategic design intent in order to drive Colgate brand consistency around the world.

6,000 SKUs  
100 Countries  
1-Year Deployment

## RESULTS

We simplified and standardized ways of working around the globe. We were able to ensure success and mitigate risk by instituting a cohesive, controlled, global, process.



# Colgate®

# SCALED GLOBAL PRODUCTION OWN-BRAND

We partnered with ALDI US to create their beautiful new baby brand “Little Journey” by delivering our end-to-end model across a wide range of products, covering both food and non-food.



This exciting opportunity used the full strength of Equator’s end-to-end offering.



## RESULTS

One of the highest selling private brands across ALDI US. Delivery by Equator’s unique model in a competitive and saturated market.



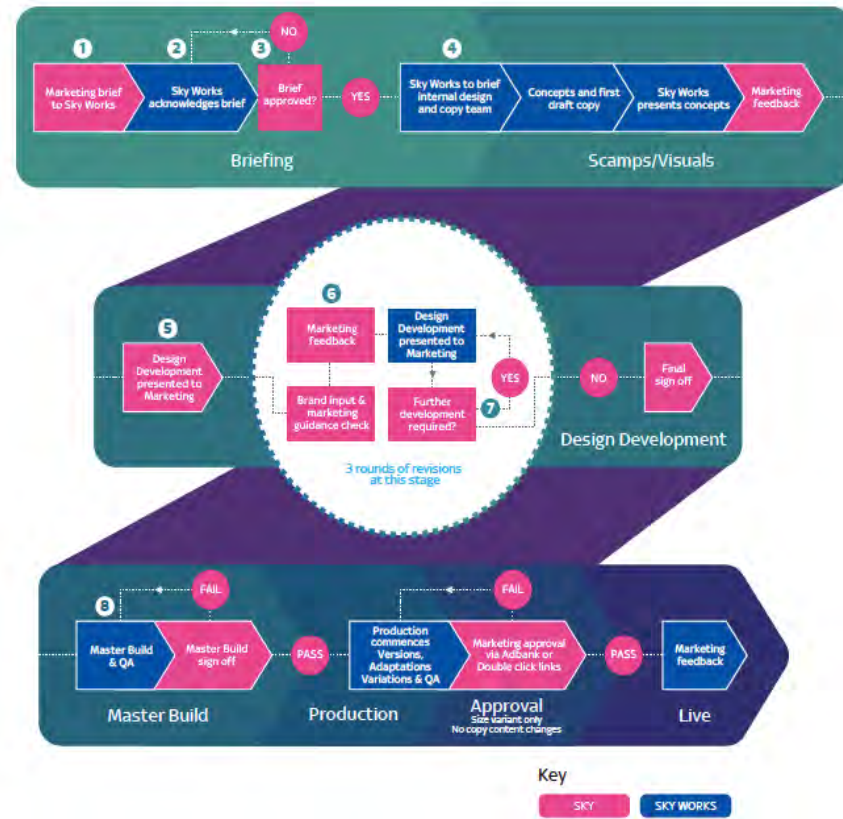
# CREATIVE PRODUCTION OUTSOURCING

We partnered with SKY UK to build an in-house studio that transformed their ability to compete more effectively. Our consulting team audited their current marcom ecosystem, diagnosed redundancies and re-engineered processes.

Delivered significant efficiencies and cost savings while producing a higher volume of assets more swiftly, accurately and consistently.

## RESULTS

- 50% increase in velocity to market
- Significant cost reduction
- Allowed client to focus on higher value needs
- All brands now digitally executed



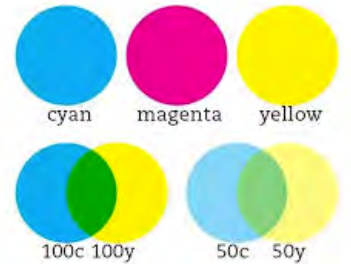
# TOOLING

10 Global Production Facilities  
190,000 Gravure Cylinders Per Year  
~3,000,000 Square Feet Of  
Flexographic Plates Per Year



Original design, development,  
production, color management,  
customized printing plates and  
cylinders for all conventional  
printing procedures.

Roller systems especially made to meet  
the individual requirements of our clients  
for the processing of roll-to-roll materials.





# MARKET OVERVIEW

## MARKET REVIEW AND REACTION

# MARKET OVERVIEW

## Market Drivers And Industry Trends

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Zero-based budgeting across global CPGs continuing to redefine marketing budgets.

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The trend of centralization now being balanced with the regional approach.

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Exploding digital and social media channels challenge traditional marketing approach.

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The global content marketing industry is projected to enjoy a CAGR of 16%.<sup>(1)</sup>

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## Our Response

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Continued investment in technology drives automation and efficiency.

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Additional geographic expansion drives leverage while our global footprint provides local flexibility.

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Accelerated diversification into new capabilities and services.

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Our unique ability to provide global end-to-end solutions allows for capture of larger percentage of marketing spend.

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(1) Technavio: <https://www.thedrum.com/news/2017/11/06/content-marketing-industry-be-worth-412bn-2021-following-four-year-growth-spurt>



**TOOLING  
EXPERTISE**

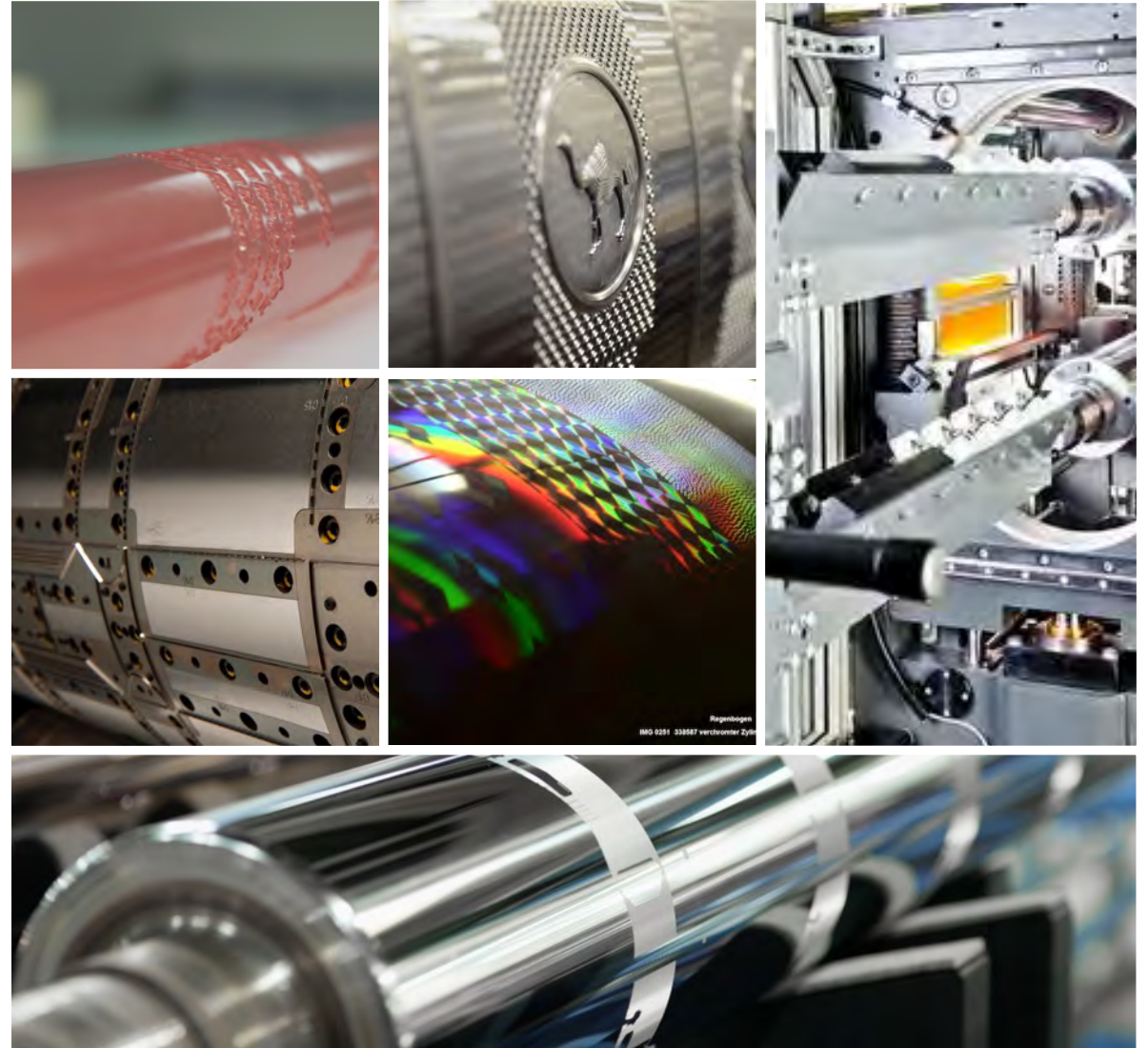
**GREG BABE**

Chief Technology Officer

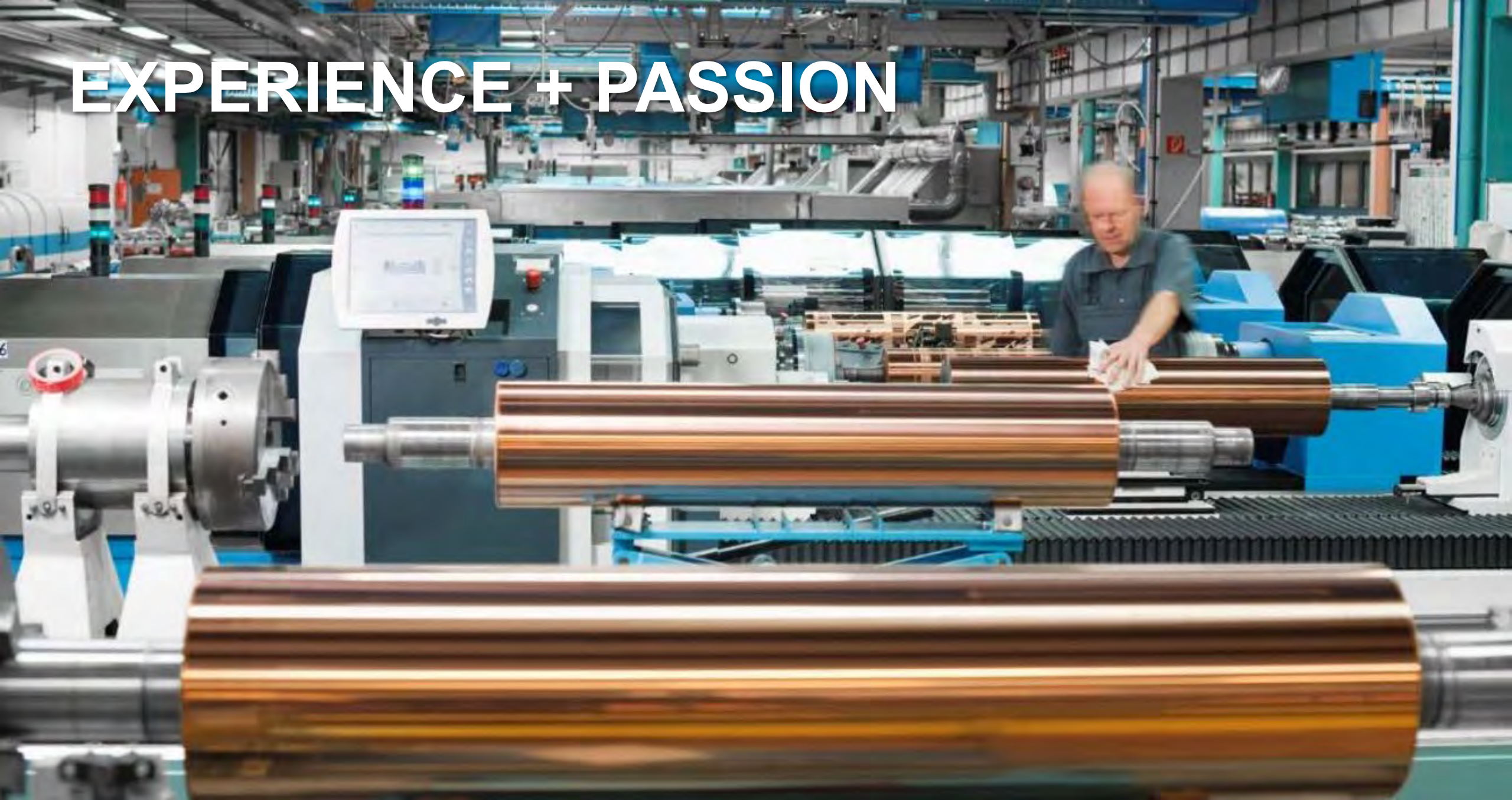
# TOOLING EXPERTISE

Taking Ideas To Finished Products.

We are a leading global designer and supplier of rotary tools and services for printing, texturing and converting of packaging and other web-based materials.



# EXPERIENCE + PASSION



# WHAT WE DO

PACKAGING AND CONVERTING

# TOBACCO PACKAGING



# TOBACCO PACKAGING

## Applications



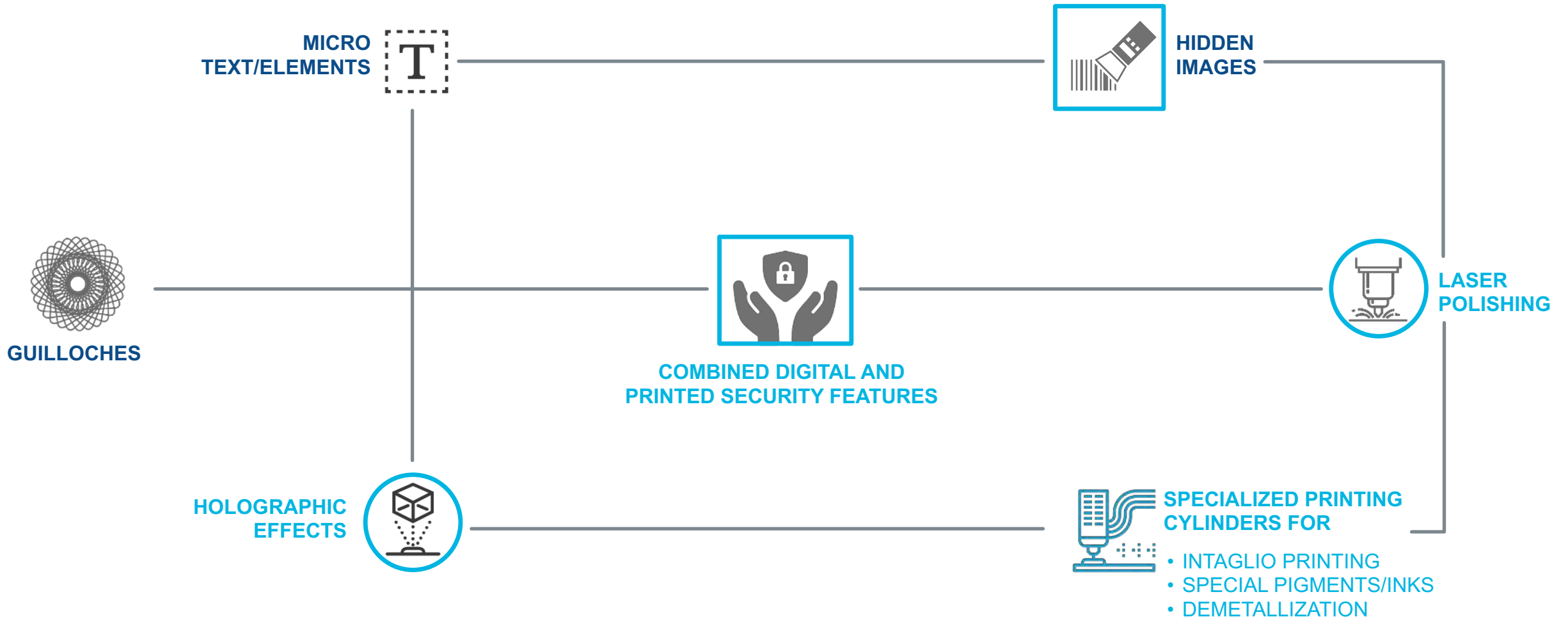


# SECURITY FEATURES



# SECURITY FEATURES

## PORTFOLIO



# EMBOSSING TOOLS





# EMBOSSING TOOLS



# CUTTING TOOLS



# CUTTING TOOLS



# FLEXO PLATES





# WHAT WE DO

SURFACES

# SURFACES

We Are The Company That Creates The Look, Touch And Function Of The Products In Our Everyday Life

- Home
- Automotive & Fashion
- Energy
- Glass
- Metal
- Nonwovens
- Tissue
- Plastics
- Coating

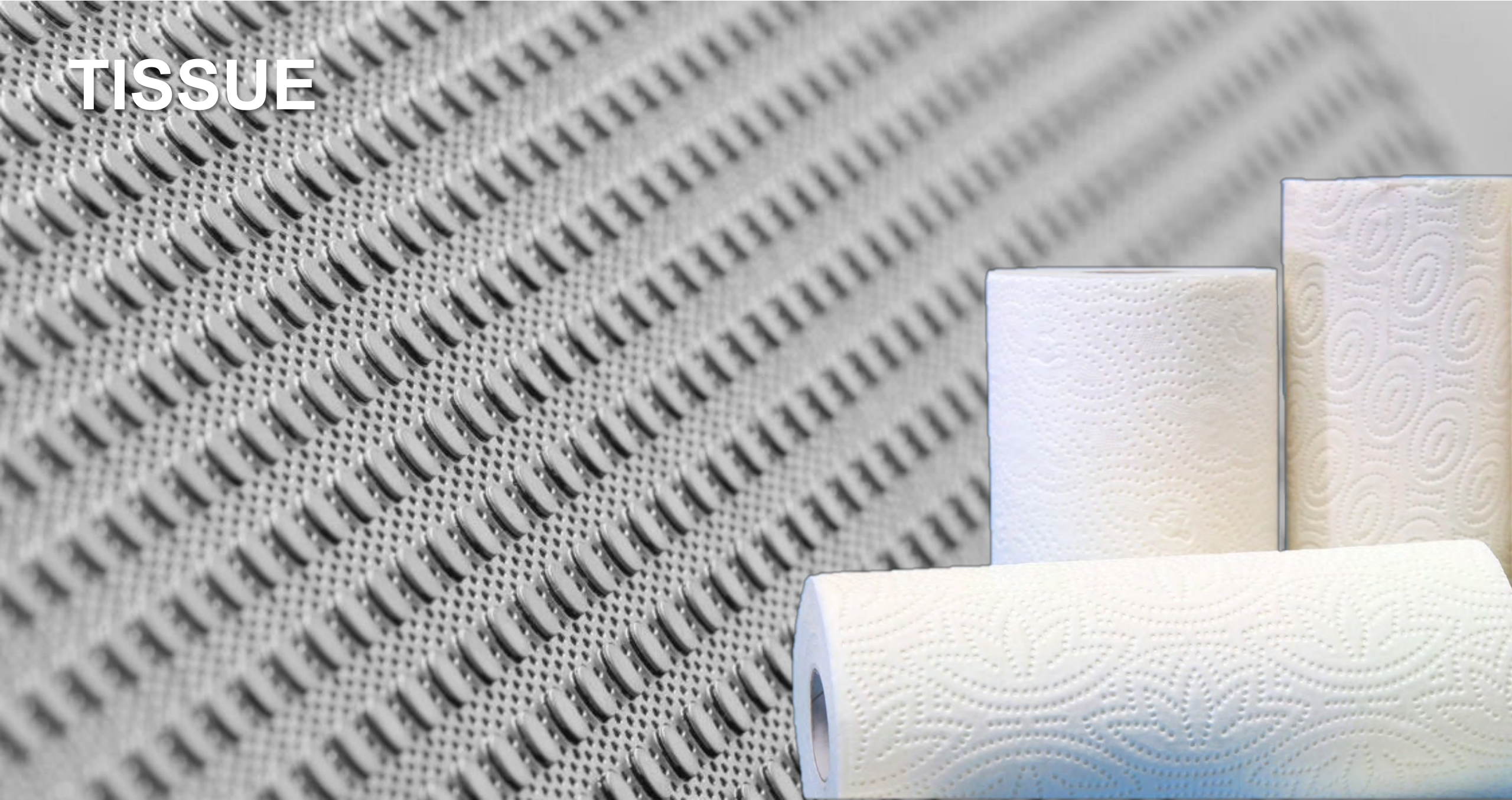


**Inspired by design.**  
**Driven by technology.**

# NONWOVENS



# TISSUE



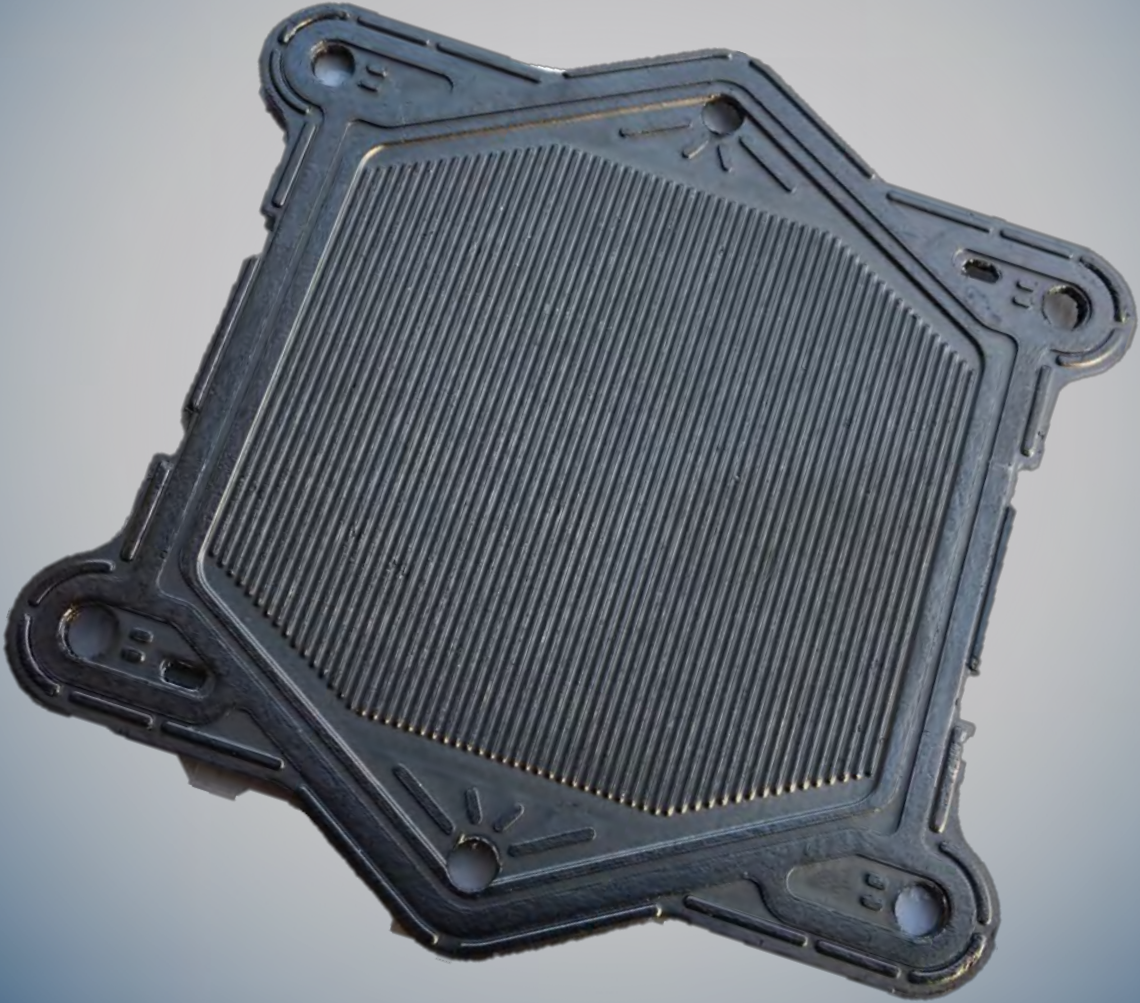
# FLOORING



# AUTOMOTIVE & LEATHER



# CLEAN ENERGY



# WHAT WE DO

ENGINEERING



# ENGINEERING

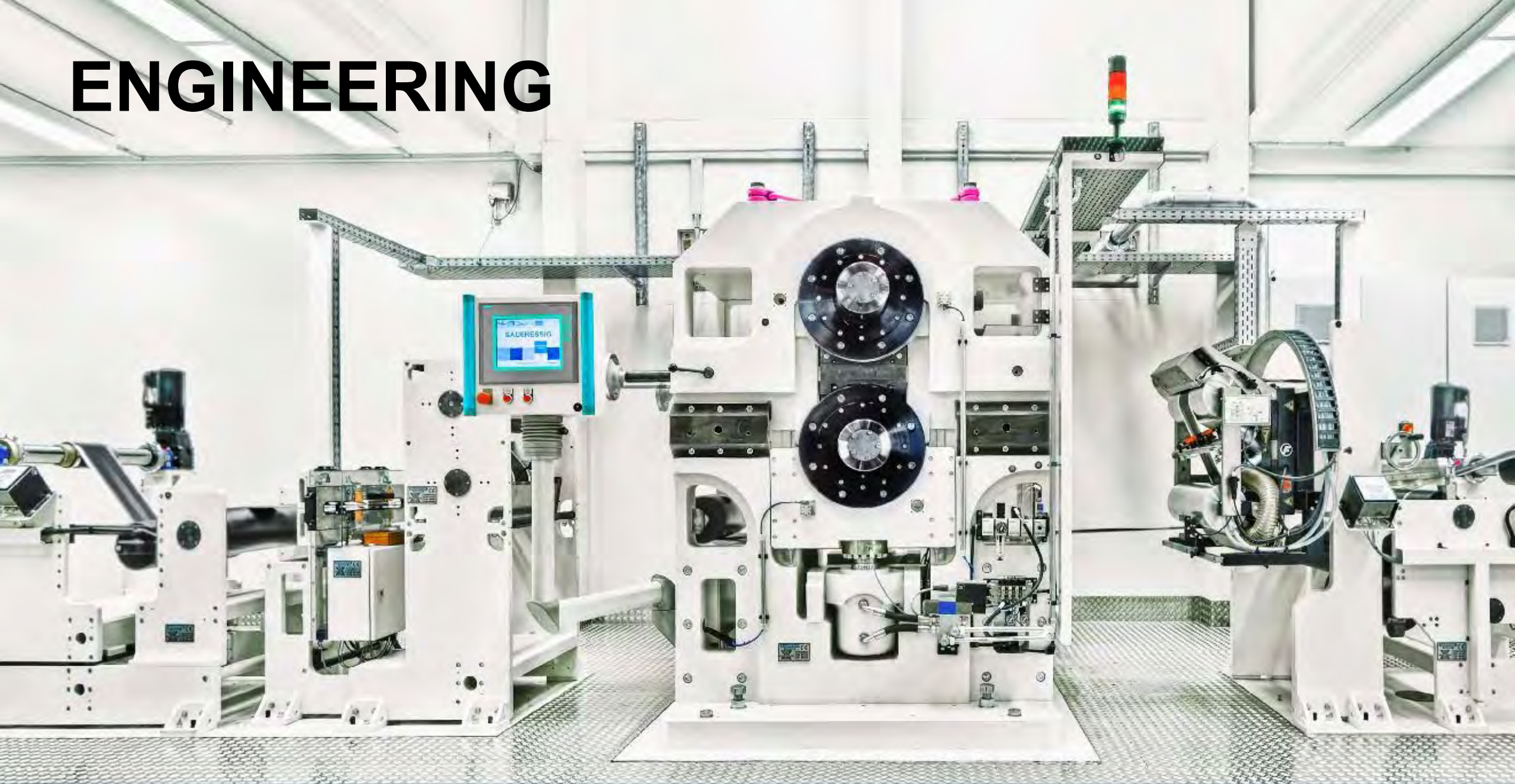
## Core Products And Services

**We are a reliable and innovative provider for standard and special models of calenders and systems.**

- Specialty, Purpose-built Machinery
- Automation Advancements
- Contract Manufacturing
- Technical Rollers
- Research & Development
- Laboratory Calenders



# ENGINEERING



# GLOBAL FOOTPRINT & GROWTH PATHS

# GLOBAL FOOTPRINT

CLOSE TO OUR CUSTOMERS ALL OVER THE WORLD

## Germany

Vreden  
Moenchengladbach  
Grenzach-Wyhlen

## Poland

Poznan  
Warsaw

## Nigeria

Ibadan

## USA

Burlington, NC  
Milwaukee, WI

## Russia

Veliky  
Novgorod

## Indonesia

Surabaya  
(coming soon)

## Turkey

Izmir  
Istanbul



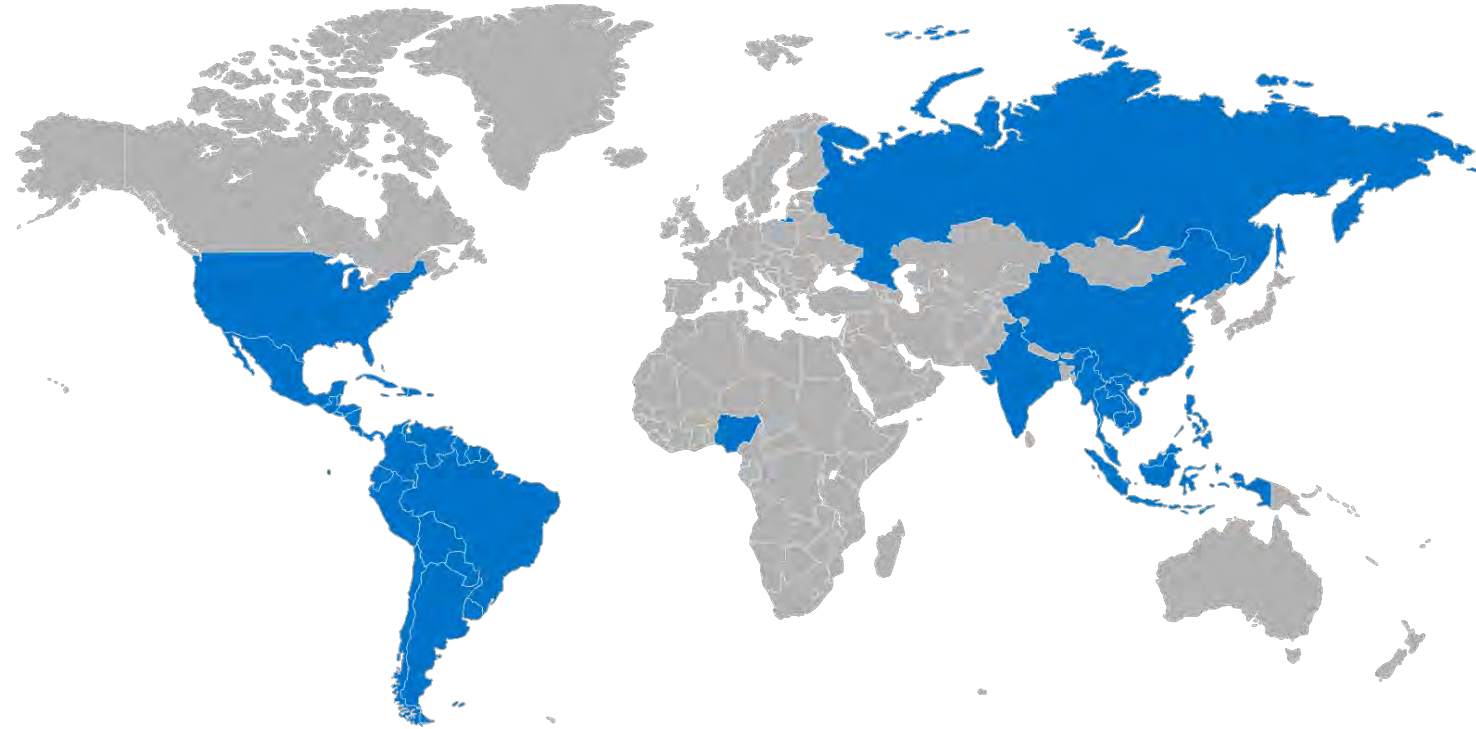
# GLOBAL PERSPECTIVE

## REGIONAL GROWTH PATHS

Reliability, excellence and innovation are interwoven in Matthews.

We owe this global strength to our ability to identify market trends at an early stage and to develop forward-looking products for our business operations across all borders

- USA
- LatAm
- Russia
- Nigeria
- South East Asia, China and India



# INNOVATIONS

## IN-HOUSE DEVELOPMENTS

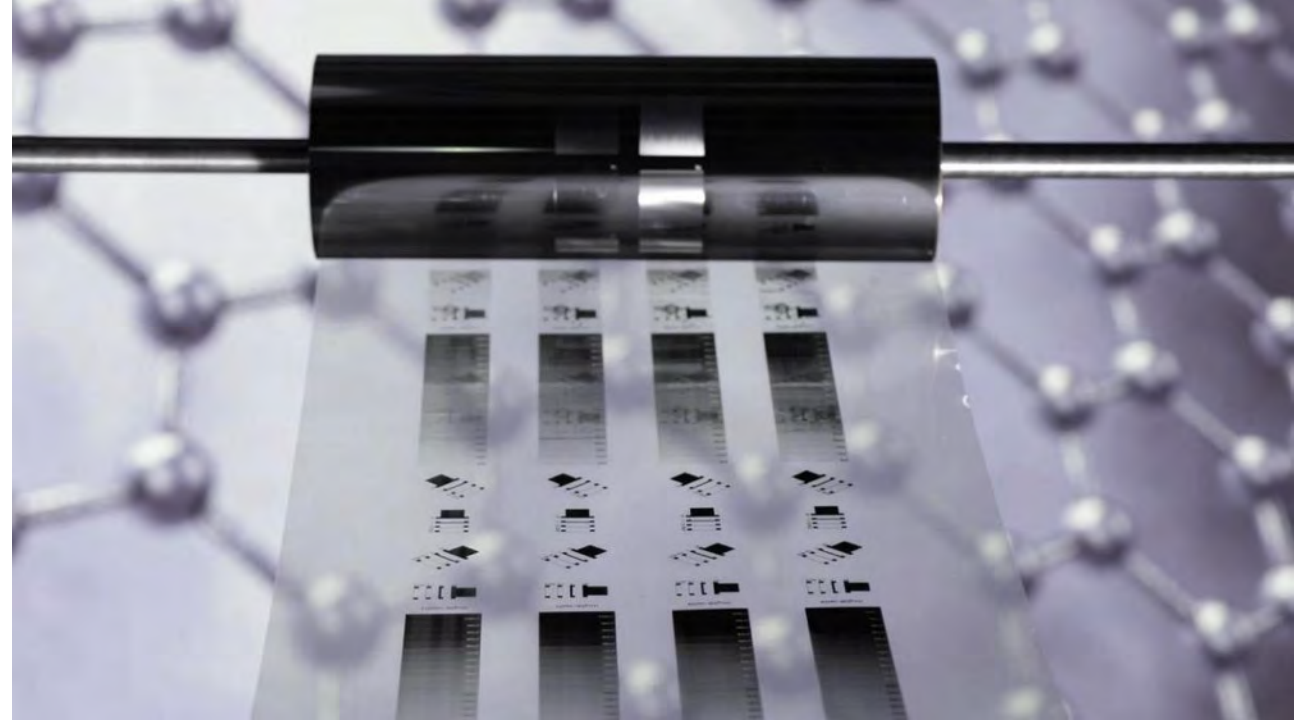
# INNOVATIVE STRENGTH

## Exclusive Technology And Sophisticated Know How

Through our ingenuity and creativity we create unique solutions and find better ways every day.

With a view on the trends of tomorrow, current developments are continuously adapted to the needs of the market.

We hold **more than 100 patents** for exclusive technology innovations.





**BREAK**





# INDUSTRIAL TECHNOLOGIES

**BRIAN DUNN**

Executive Vice President, Strategy & Corporate  
Development

**PAUL JENSEN**

Division President, Industrial Technologies

# INDUSTRIAL TECHNOLOGIES

2018 Revenue \$165.9M

## Warehouse Automation

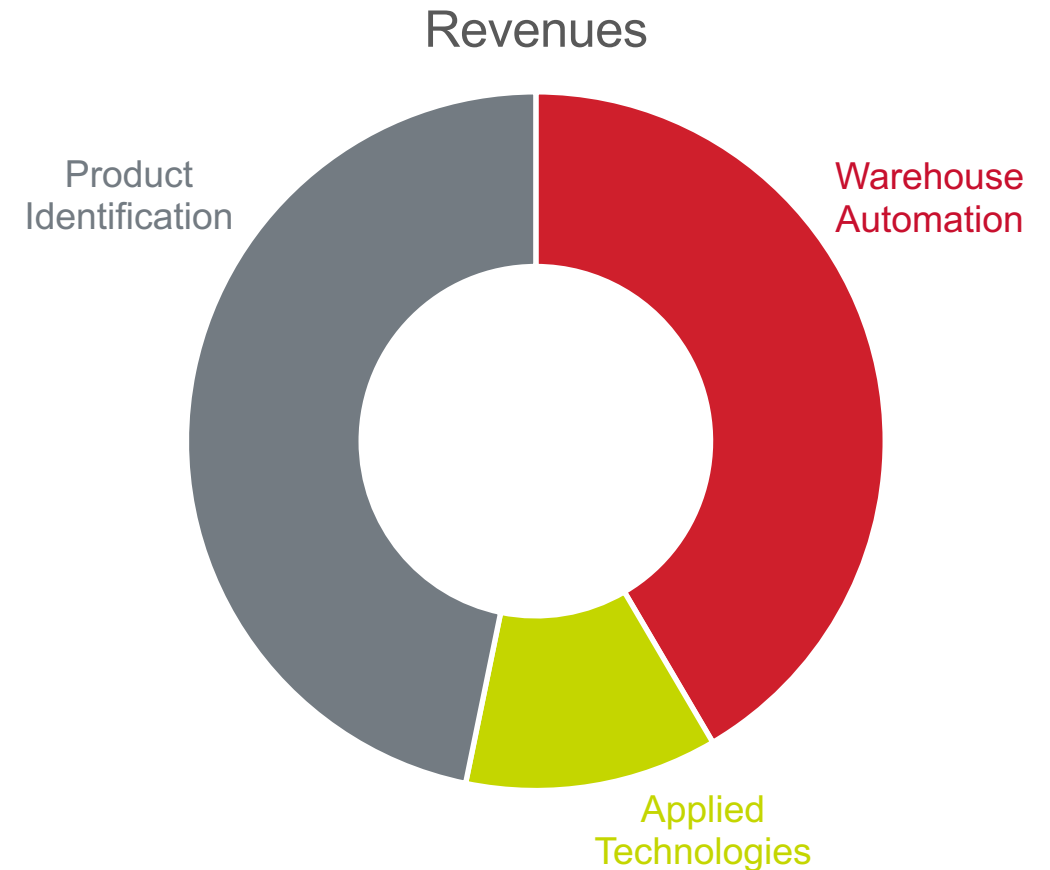
Software and control solutions for retail and e-commerce distribution centers.

## Product Identification

Marking and coding solutions for product identification, branding and traceability.

## Applied Technologies

Technologies that advance the productivity of targeted industrial applications.



# WAREHOUSE AUTOMATION

# WAREHOUSE AUTOMATION CUSTOMERS



# E-COMMERCE ORDER FLOW

Online Order



ERP



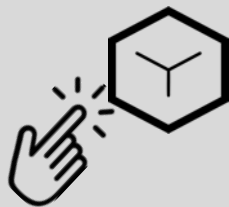
Warehouse Management System

SAP | Oracle | Manhattan



**Matthews  
WES/WCS**

Warehouse Execution Software and Control Systems by Matthews



**Pick**



**Sort**



**Pack**



**Ship**

# OPPORTUNITIES FOR INNOVATION

## Character Recognition

RAF software sorts mail throughout the world. This technology can be applied to parcel sorting in warehouse automation.



## Autonomous Vehicle Navigation

The market looks to Matthews as a trail blazer for applying robotics in fulfillment and distribution applications.



# WAREHOUSE AUTOMATION



# AUTONOMOUS MOBILE ROBOTS

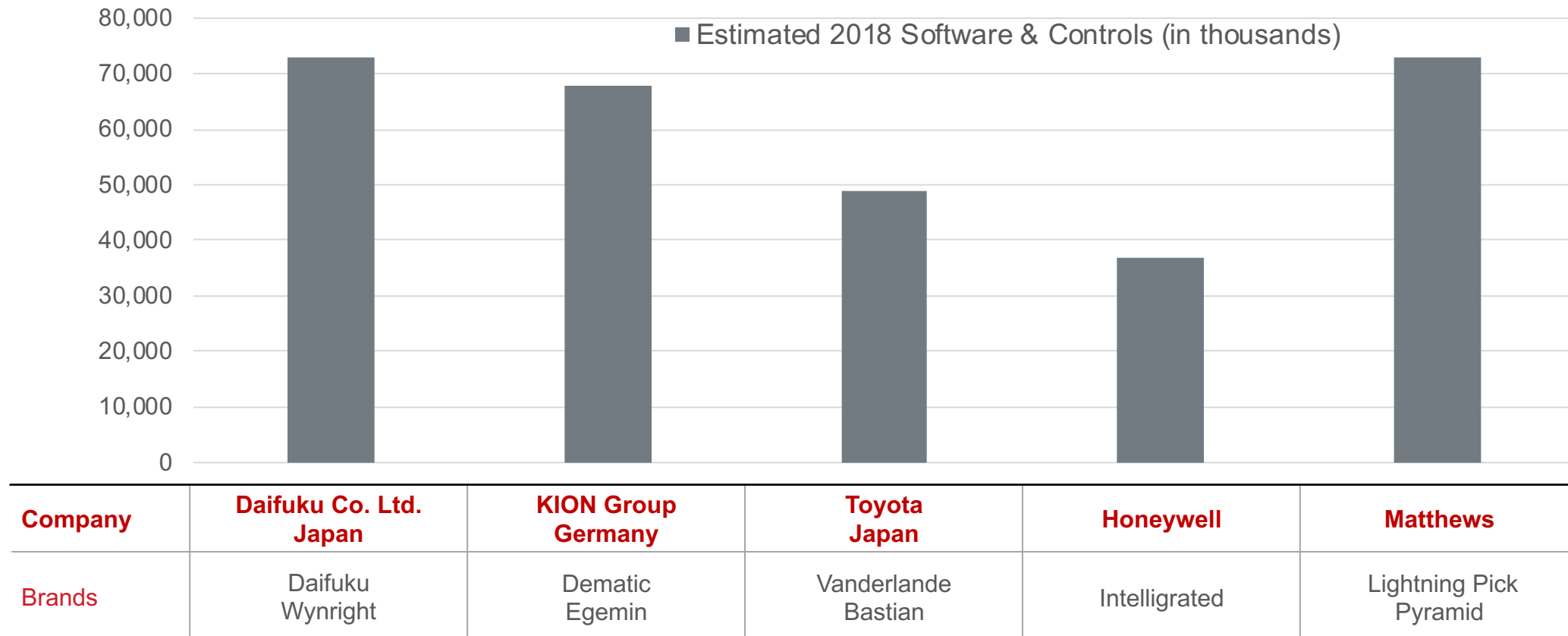
## FOR AUTOMATED ORDER FULFILLMENT



- Navigates off natural features in environment
- Customizable for material handling requirements
- Synchronized with operator and pick / put systems



# U.S. WAREHOUSE AUTOMATION



Source: Estimated from Modern Material Handling study published April 2019.

# PRODUCT IDENTIFICATION

# PRODUCT IDENTIFICATION CUSTOMERS

DIAGEO

*National*   
*Gypsum*®

**ROSS**  
DRESS FOR LESS®

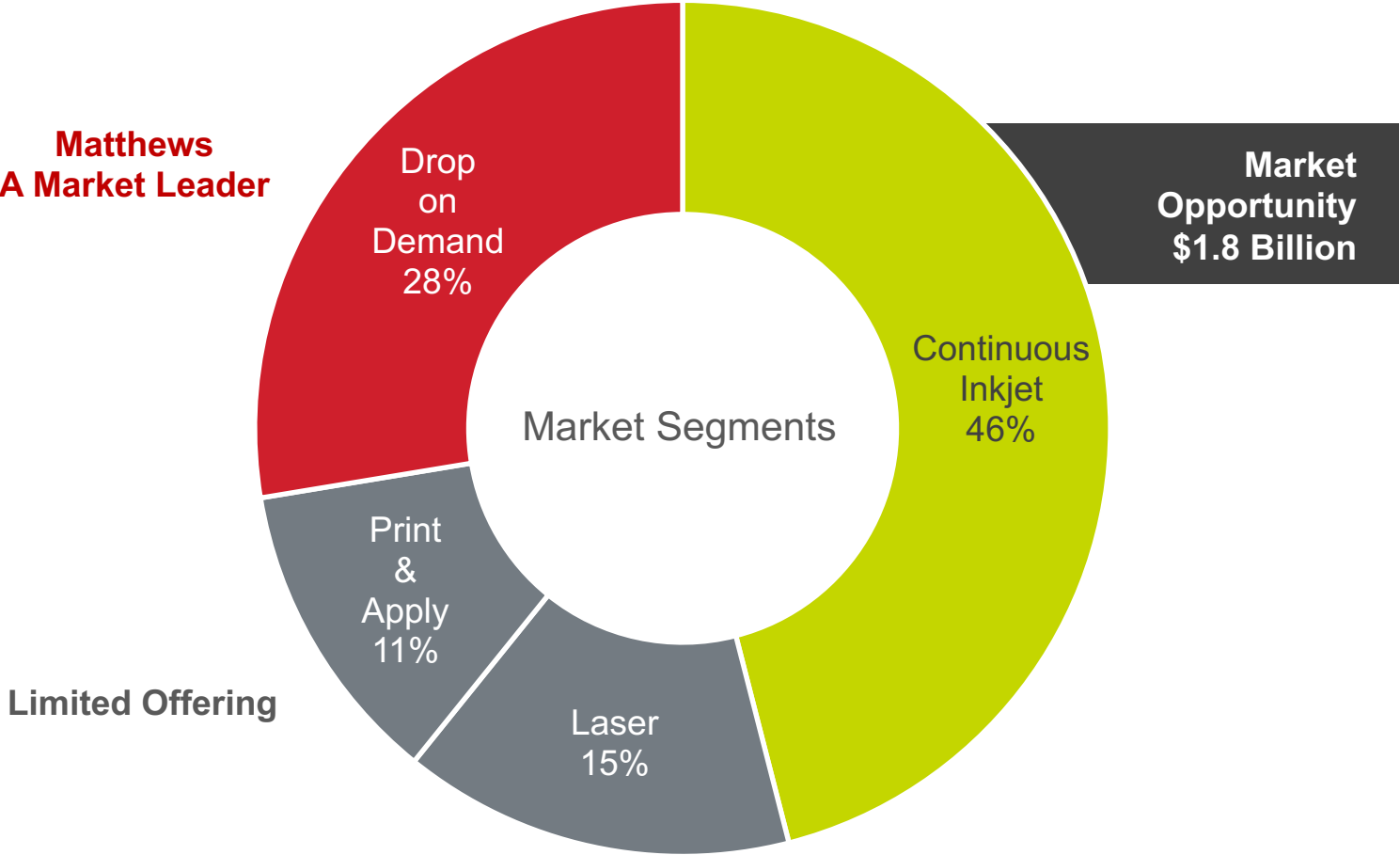
  
**PIRELLI**

**JIM BEAM**  


  
**Georgia-Pacific**

# SMALL CHARACTER OPORTUNITY

Estimated Total Marking and Coding Industry \$3.8 Billion in 2019



Source: Technavio Report

# NEW TECHNOLOGY VALUE PROPOSITION

## CIJ Print Head



## New Technology

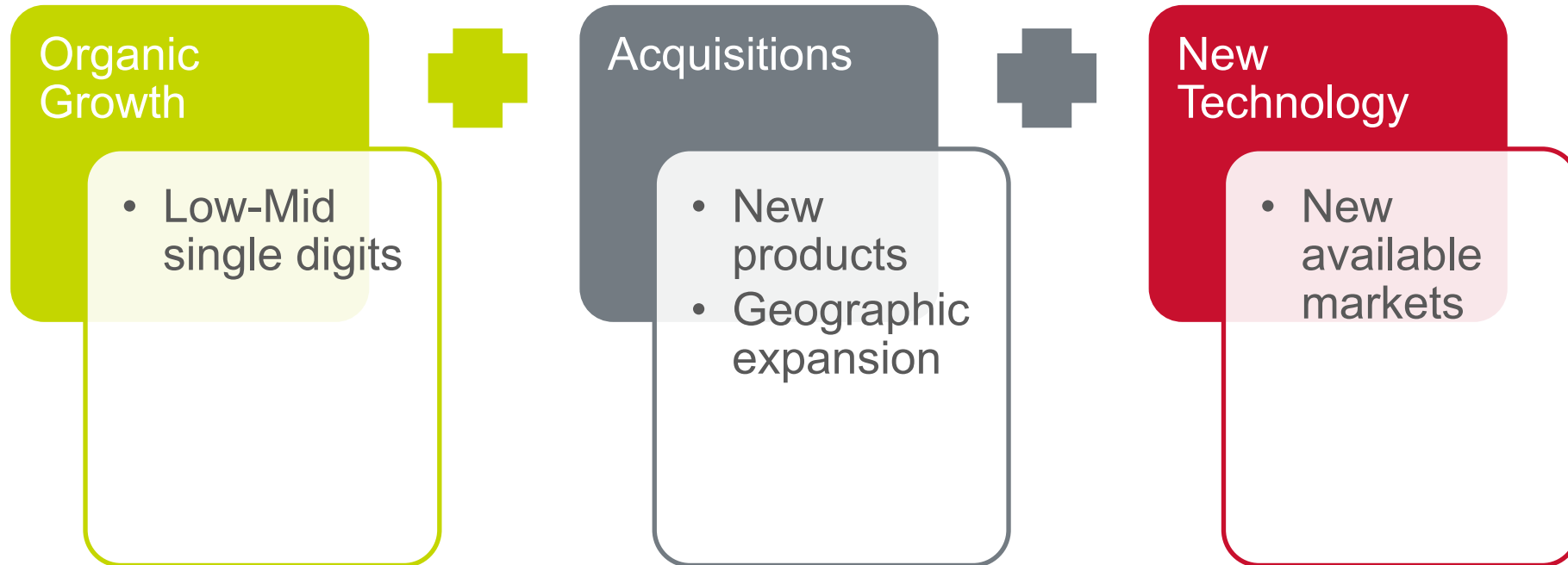


Improved Reliability

Up to 75% Lower Cost  
of Ownership

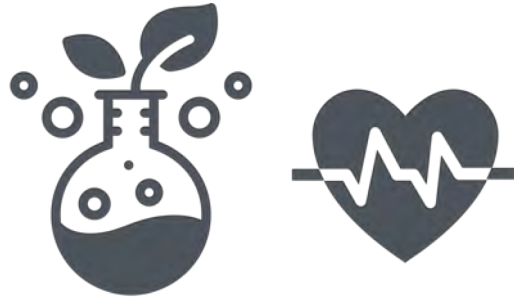
Downtime Reduced to Minutes

# GROWTH STRATEGIES

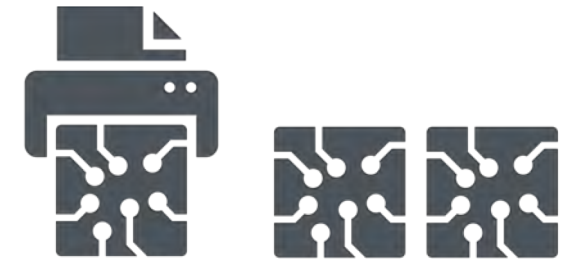


# ADDITIONAL FIELDS OF USE

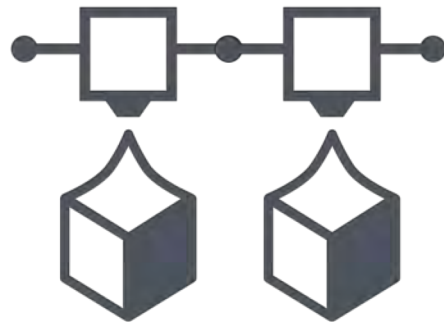
**Life Sciences**



**Printed Electronics**



**3D Printing**



**Airflow**



*Source: Technavio Report*



**STEVE GACKENBACH**

Group President

**BRIAN DUNN**

Executive Vice President, Strategy & Corporate  
Development



## OVERVIEW

### ❖ Largest supplier of memorialization products

- Cemetery Products: Bronze and Granite Memorials
- Funeral Home Products: Caskets
- Cremation Equipment
- Other Cremation Products

### ❖ FY2018 Financial Results:

- Sales: \$631.4 million
- Adjusted EBITDA<sup>(1)</sup>: \$145.5 million

<sup>(1)</sup> See appendix for Adjusted EBITDA reconciliations and other important disclosures regarding Matthews' use of Non-GAAP measures

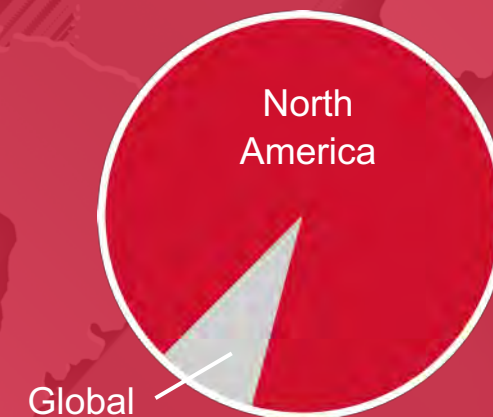
## PRODUCT

### REVENUES



## GEOGRAPHY

### REVENUES



# PRODUCTS

## Cemetery Products



## Funeral Home Products



## Cremation Equipment



## Market Position (U.S.)

Bronze Memorials - #1  
Granite Memorials - #1

Caskets - #2

Cremation Equipment - #1

## Core Geographies

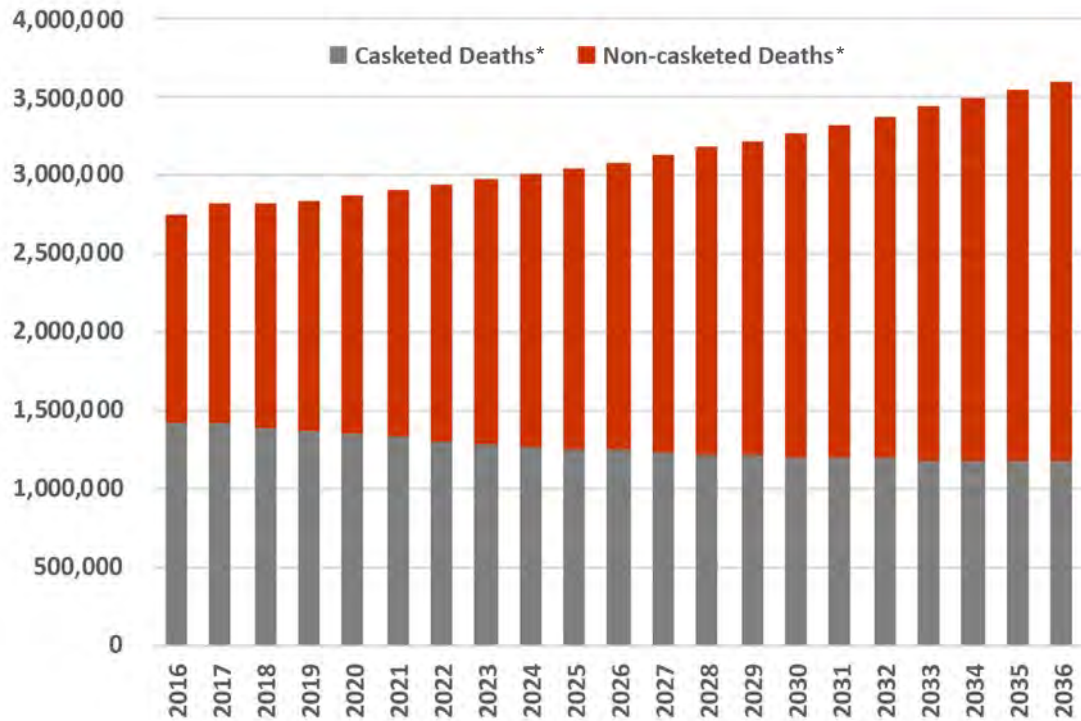
North America, Italy, Australia

United States

Global

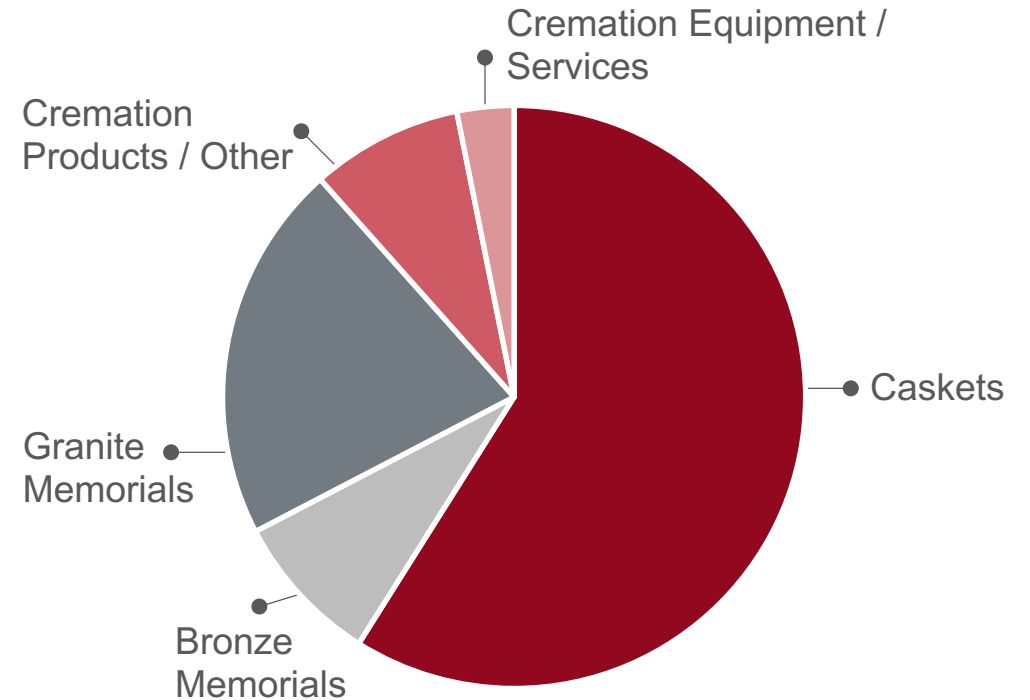
# OUR MARKETS

## Casketed Deaths vs. Total Deaths



Relatively stable demand driven by predictable trends: increased deaths and rising cremation rates

## Estimated U.S. Market ~\$2B\*



Full-service provider – leading position across key segments

Customer base consolidating but still fragmented

\*Company estimates. Data compiled from CDC, US Census Bureau, Industry reports and internal projections.

# COMPETITIVELY ADVANTAGED MARKET POSITION

## Business Scope

Full-service provider to both funeral homes and cemeteries

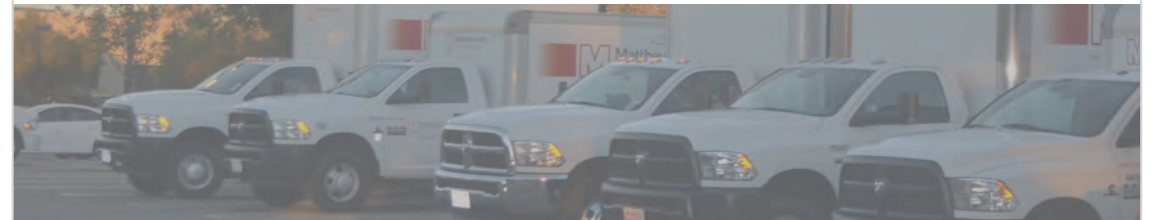
### Commercial Strengths

- ❖ Market leader – strong brand and reputation
- ❖ Deep customer relationships with strong sales capabilities
- ❖ Value-added services / innovation to help customers grow their business



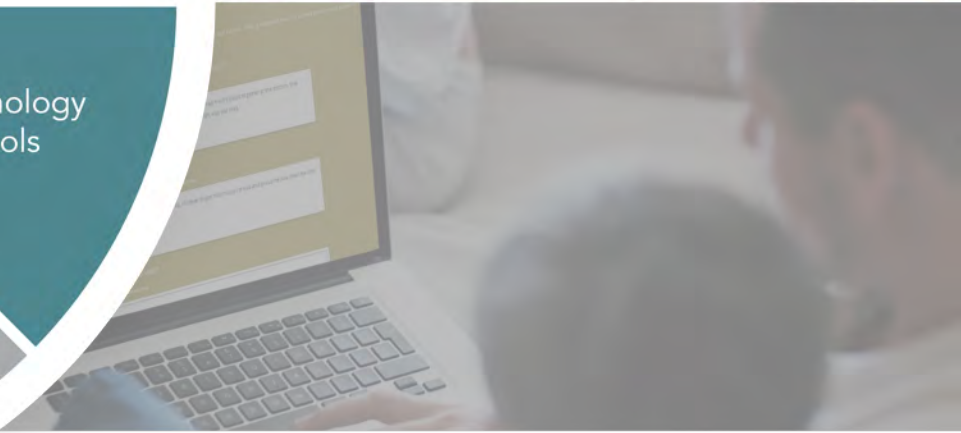
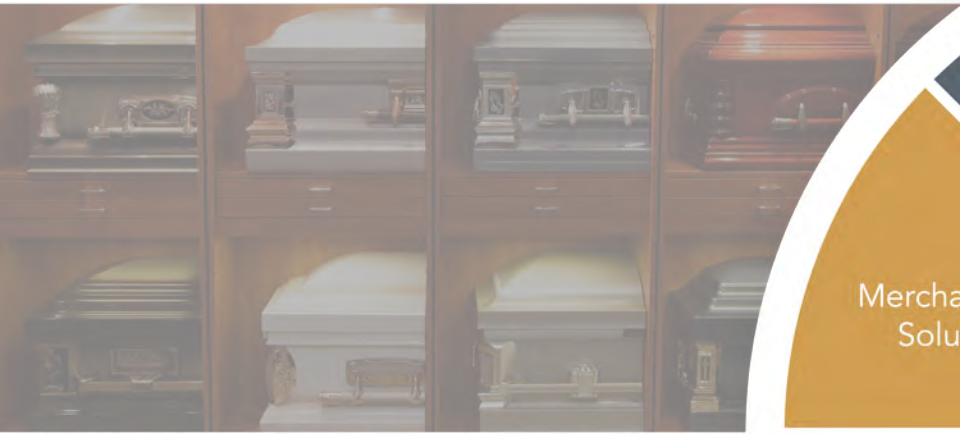
### Operational Strengths

- ❖ World class manufacturing network with Lean operating model
- ❖ National casket delivery network
- ❖ Superior product quality and service



*Leadership position and barriers to entry create strong margins and stable cash flow generation*

# ADVANTAGED GO TO MARKET CAPABILITIES



# KEY STRATEGIES

- ❖ Pursue growth opportunities in memorialization
- ❖ Drive operational excellence to manage cost and asset structure
- ❖ Integrate and pursue tuck-in acquisitions



# PURSuing GROWTH OPPORTUNITIES IN CORE MARKETS ADDRESSING CONSUMER TRENDS

## CREMATION



## PERSONALIZATION



# PURSUING GROWTH OPPORTUNITIES IN CORE MARKETS ADDRESSING CONSUMER TRENDS

## TECHNOLOGY



BeRemembered Life Story™

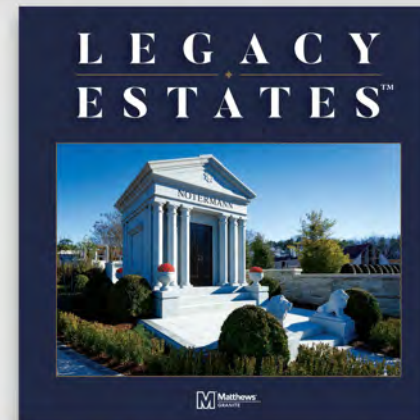


Matthews  
eVantage®



Digital merchandising  
Family planning portal  
Arrangement software  
Funeral case management  
Professional development  
Stationery personalization  
Online ordering

## PREMIUM SEGMENT





# DRIVE OPERATIONAL EXCELLENCE TO MANAGE COST AND ASSET STRUCTURE

## Manage Cost Structure to Improve EBITDA Margin

- ❖ Continue to use proven Lean techniques to improve quality and reduce waste
- ❖ Complete acquisition facility consolidations
- ❖ Leverage technology / automation

## Manage Assets to Deliver Strong Cash Flow

- ❖ SKU rationalization to optimize inventory
- ❖ Working capital management
- ❖ Modest on-going capex requirements



# INTEGRATE ACQUISITIONS AND PURSUE TUCK-IN OPPORTUNITIES

## Aurora

- ❖ Integration complete in 2019
- ❖ Consolidated four plants and 35 service centers
- ❖ Integrated and upgraded product line and services
- ❖ Generated \$20M+ in EBITDA synergies

## Star

- ❖ Consolidated foundry operations
- ❖ Driving granite growth and cost opportunities

## Tuck-in Acquisitions

- ❖ Expand leadership positions
- ❖ Expand in adjacencies



# KEY MESSAGES

- Full-service provider with industry leading positions, significant barriers to entry and advantaged capabilities
- Pursuing strategies to drive Adjusted EBITDA growth in stable market
- Track record of building business and successful acquisition integration
- Generate strong margins and predictable cash flow

# ENVIRONMENTAL SOLUTIONS

## OVERVIEW

- Matthews Environmental Solutions Division offers cremation equipment, supplies and incineration equipment for global customers
- Cremation equipment is #1 worldwide with a large installed base to complement our position in the Casket and Bronze businesses
- Base product revenue augmented with service contracts and operating agreements
- Growth opportunities with Incineration for Stand-alone incinerators and Engineered Systems at \$5M-\$10M per system



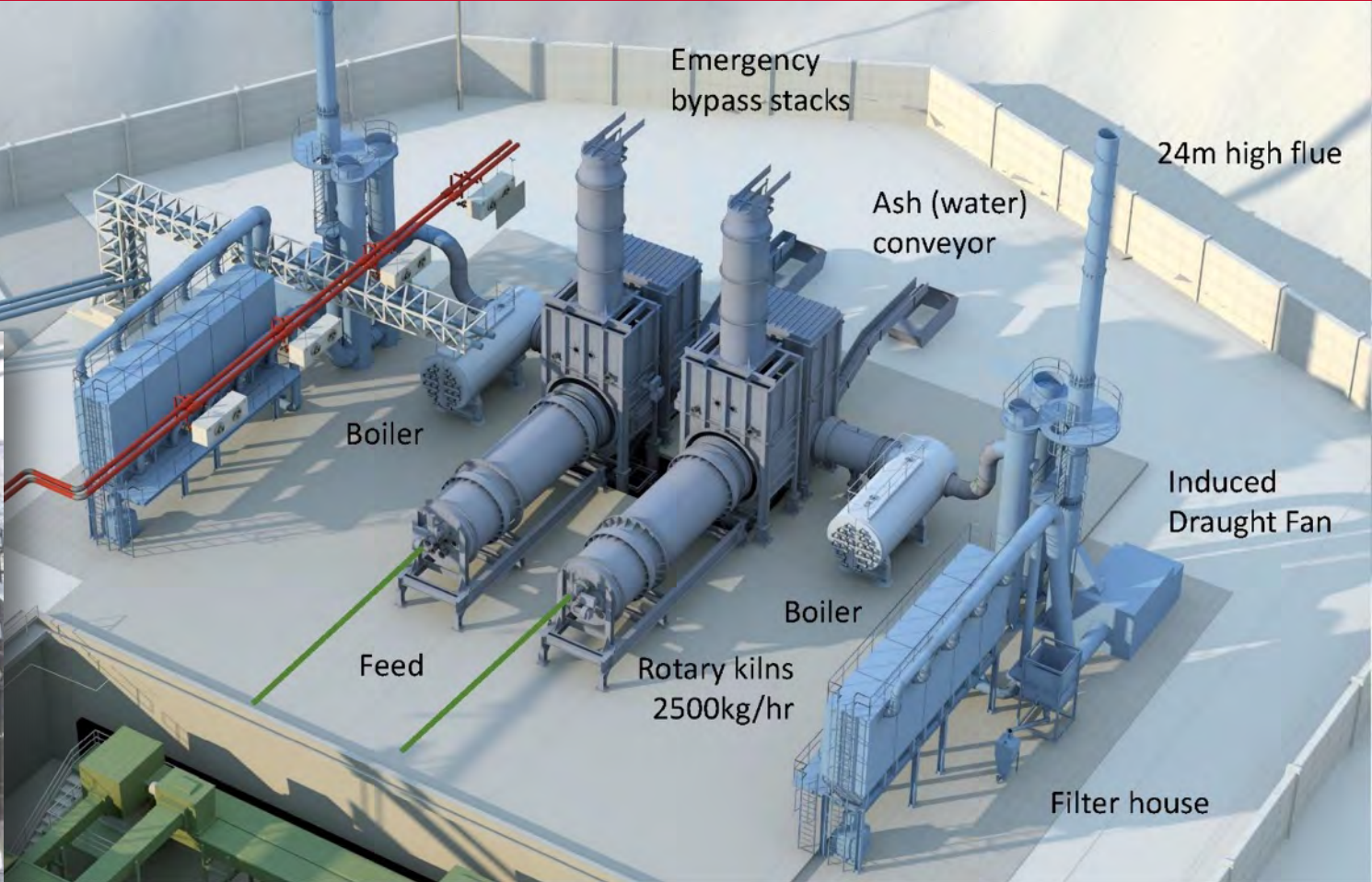
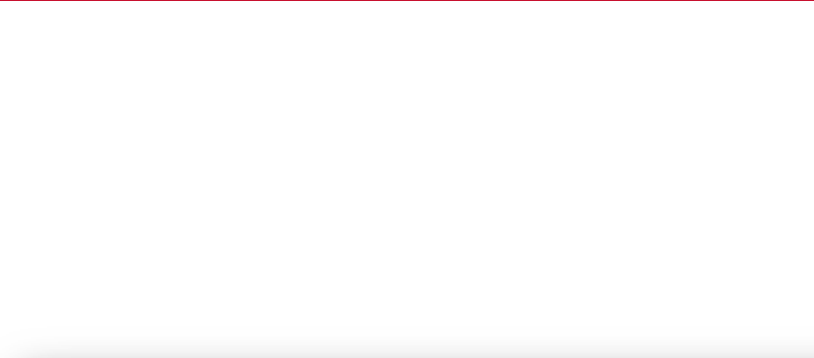
# CREMATOR WITH FILTRATION SYSTEM



# ISLE OF JERSEY WASTE-ENERGY PLANT



# MAKKAH INCINERATION PLANT







# Matthews

INTERNATIONAL®

THANK YOU

[www.matw.com](http://www.matw.com) | Nasdaq: MATW

# APPENDIX

# RECONCILIATION OF NON-GAAP FINAL MEASURES

Included in this report are measures of financial performance that are not defined by generally accepted accounting principles in the United States (“GAAP”). The Company uses non-GAAP financial measures to assist in comparing its performance on a consistent basis for purposes of business decision-making by removing the impact of certain items that management believes do not directly reflect the Company’s core operations including acquisition costs, ERP integration costs, strategic initiative and other charges (which includes non-recurring charges related to operational initiatives and exit activities), stock-based compensation and the non-service portion of pension and postretirement expense. Management believes that presenting non-GAAP financial measures is useful to investors because it (i) provides investors with meaningful supplemental information regarding financial performance by excluding certain items that management believes do not directly reflect the Company’s core operations, (ii) permits investors to view performance using the same tools that management uses to budget, forecast, make operating and strategic decisions, and evaluate historical performance, and (iii) otherwise provides supplemental information that may be useful to investors in evaluating the Company’s results. The Company believes that the presentation of these non-GAAP financial measures, when considered together with the corresponding GAAP financial measures and the reconciliations to those measures, provided herein, provides investors with an additional understanding of the factors and trends affecting the Company’s business that could not be obtained absent these disclosures.

# ADJUSTED EARNINGS PER SHARE

## NON-GAAP RECONCILIATION

(Dollars in thousands, except per share data) (unaudited)	Fiscal Year Ended September 30,					
	2016		2017		2018	
		per share		per share		per share
<b>Net income attributable to Matthews</b>	<b>\$ 66,749</b>	<b>\$ 2.03</b>	<b>\$ 74,368</b>	<b>\$ 2.28</b>	<b>\$ 107,371</b>	<b>\$ 3.37</b>
Acquisition costs <sup>(1)</sup>	16,240	0.50	13,828	0.42	8,128	0.26
ERP integration costs <sup>(2)</sup>	7,338	0.22	6,787	0.21	8,040	0.25
Loss recoveries, net of costs <sup>(3)</sup>	-	-	(7,478)	(0.23)	-	-
Strategic initiatives and other charges <sup>(4)</sup>	1,031	0.03	6,722	0.21	1,106	0.04
Loss on divestiture <sup>(5)</sup>	-	-	-	-	-	-
Non-service pension and postretirement <sup>(6)</sup>	5,729	0.17	6,141	0.19	4,235	0.12
Intangible amortization expense	14,179	0.43	16,319	0.50	23,356	0.73
Tax related <sup>(7)</sup>	-	-	485	0.02	(25,967)	(0.81)
<b>Adjusted net income</b>	<b>\$ 111,266</b>	<b>\$ 3.38</b>	<b>\$ 117,172</b>	<b>\$ 3.60</b>	<b>\$ 126,269</b>	<b>\$ 3.96</b>

Note: See Disclaimer (Page 2) for Management's assessment of supplemental information related to adjusted net income and adjusted EPS. Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 26.0%, 30.0% and 32.0% for fiscal years ended September 30, 2018, 2017 and 2016, respectively.

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

(2) Represents costs associated with global ERP system integration efforts.

(3) Represents loss recoveries, net of related costs, related to the theft of funds by a former employee.

(4) Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels.

(5) Represents a loss on the sale of a controlling interest in a Memorialization business.

(6) Non-service pension and postretirement expense includes interest cost, expected return on plan assets and amortization of actuarial gains and losses. These benefit cost components are excluded from adjusted net income and EPS since they are primarily influenced by external market conditions that impact investment returns and interest (discount) rates. The service cost and prior service cost components of pension and postretirement expense are included in the calculation of adjusted net income and EPS, 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.

(7) The tax-related adjustments in fiscal 2018 consisted of income tax regulation changes which included an estimated favorable tax benefit of approximately \$37,800 for the fiscal year-to-date periods ended September 30, 2018 and March 31, 2018 for the reduction in the Company's net deferred tax liability principally reflecting the lower U.S. Federal tax rate, offset partially by an estimated repatriation transition tax charge and other charges of approximately \$11,800 and \$11,000, for the fiscal year-to-date periods ended September 31, 2018 and March 31, 2018, respectively.

# ADJUSTED EBITDA

## NON-GAAP RECONCILIATION

(Dollars in thousands) (unaudited)	Fiscal Year Ended September 30,		
	2016	2017	2018
<b>Net income</b>	<b>\$ 66,161</b>	<b>\$ 73,933</b>	<b>\$ 107,111</b>
Income tax provision (benefit)	29,073	22,354	(9,118)
<b>Income before income taxes</b>	<b>95,234</b>	<b>96,287</b>	<b>97,993</b>
Net loss attributable to noncontrolling interests	588	435	260
Interest expense	24,344	26,371	37,427
Depreciation and amortization	65,480	67,981	76,974
Acquisition costs <sup>(1)</sup>	23,847	17,722	10,918
ERP integration costs <sup>(2)</sup>	10,827	8,026	10,864
Loss recoveries, net of costs <sup>(3)</sup>	-	(10,683)	-
Strategic initiatives and other charges <sup>(4)</sup>	241	9,209	1,495
Loss on divestiture <sup>(5)</sup>	-	-	-
Stock-based compensation	10,612	14,562	13,460
Non-service pension and postretirement <sup>(6)</sup>	8,413	8,773	5,723
<b>Total Adjusted EBITDA</b>	<b>\$ 239,586</b>	<b>\$ 238,683</b>	<b>\$ 255,114</b>

Note: See Disclaimer (Page 2) for Management's assessment of supplemental information related to total adjusted EBITDA.

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

(2) Represents costs associated with global ERP system integration efforts.

(3) Represents loss recoveries, net of related costs, related to the theft of funds by a former employee.

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# NET DEBT RATIO

## NON-GAAP RECONCILIATION

(Dollars in thousands) (unaudited)	Fiscal Year Ended September 30,		
	2016	2017	2018
<b>Balance Sheet Information:</b>			
Long-term debt, current maturities	\$ 27,747	\$ 29,528	\$ 31,260
Long-term debt	844,807	881,602	929,342
Total debt	872,554	911,130	960,602
Less: Cash and cash equivalents	55,711	57,515	41,572
<b>Net Debt</b>	<b>\$ 816,843</b>	<b>\$ 853,615</b>	<b>\$ 919,030</b>
Adjusted EBITDA (Appendix A)	\$ 239,586	\$ 238,683	\$ 255,114
<b>Net Debt:Adjusted EBITDA Ratio</b>	<b>3.4</b>	<b>3.6</b>	<b>3.6</b>
<b>Net Debt:Adjusted EBITDA Ratio (Based on LTM 3/31/19)</b>			<b>3.8</b>
<i>Note: See Disclaimer (Page 2) for Management's assessment of supplemental information related to net debt and net debt:adjusted EBITDA ratio.</i>			

# SEGMENT INFORMATION

(Dollars in thousands)

	Fiscal Year Ended September 30,		
	2016	2017	2018
<b>Sales:</b>			
SGK Brand Solutions	\$ 755,975	\$ 770,181	\$ 805,274
Memorialization	610,142	615,882	631,392
Industrial Technologies	114,347	129,545	165,914
<b>Consolidated Sales</b>	<b>\$ 1,480,464</b>	<b>\$ 1,515,608</b>	<b>\$ 1,602,580</b>
<b>Adjusted EBITDA:</b>			
SGK Brand Solutions	\$ 152,323	\$ 144,783	\$ 150,233
Memorialization	125,886	139,192	145,487
Industrial Technologies	17,583	18,481	25,864
Corporate and Non-Operating	(56,206)	(63,773)	(66,470)
<b>Total Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 239,586</b>	<b>\$ 238,683</b>	<b>\$ 255,114</b>

Note: See Disclaimer (Page 2) for Management's assessment of supplemental information related to total adjusted EBITDA.

(1) Total 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.