

INVESTOR PRESENTATION – QUARTERLY UPDATE

Fiscal First Quarter 2024

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. 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, 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 changes in domestic or international economic conditions, changes in foreign currency exchange rates, changes in interest rates, changes in the cost of materials used in the manufacture of the Company’s products, any impairment of goodwill or intangible assets, environmental liability and limitations on the Company’s operations due to environmental laws and regulations, disruptions to certain services, such as telecommunications, network server maintenance, cloud computing or transaction processing services, provided to the Company by third-parties, changes in mortality and cremation rates, changes in product demand or pricing as a result of consolidation in the industries in which the Company operates, or other factors such as supply chain disruptions, labor shortages or labor cost increases, changes in product demand or pricing as a result of domestic or international competitive pressures, ability to achieve cost-reduction objectives, unknown risks in connection with the Company’s acquisitions and divestitures, cybersecurity concerns and costs arising with management of cybersecurity threats, effectiveness of the Company’s internal controls, compliance with domestic and foreign laws and regulations, technological factors beyond the Company’s control, impact of pandemics or similar outbreaks, or other disruptions to our industries, customers, or supply chains, the impact of global conflicts, such as the current war between Russia and Ukraine, and other factors described in 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 December 31, 2023 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 and divestiture costs, ERP integration costs, strategic initiative 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 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, divestiture and ERP integration costs, and items that do not reflect the ordinary earnings of the Company’s operations. This measure may be useful to an investor in evaluating operating performance. It is also useful as a financial measure for lenders and is used by the Company’s management to measure business performance. Adjusted EBITDA is not a measure of the Company’s financial performance under GAAP and should not be considered as an alternative to net income or other performance measures derived in accordance with GAAP, or as an alternative to cash flow from operating activities as a measure of the Company’s liquidity. The Company’s definition of adjusted EBITDA may not be comparable to similarly titled measures used by other companies.

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

The Company has also presented adjusted net income and adjusted earnings per share and believes each measure provides relevant and useful information, which is widely used by analysts and investors, as well as by the Company’s management in assessing the performance of its business. Adjusted net income and adjusted earnings per share provides the Company with an understanding of the results from the primary operations of our business by excluding the effects of certain acquisition, divestiture 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.

The Company has also presented net debt and a net debt leverage ratio and believes each measure provides relevant and useful information, which is widely used by analysts and investors as well as by our management. These measures provide management with insight on the indebtedness of the Company, net of cash and cash equivalents and relative to adjusted EBITDA. These measures allow management, as well as analysts and investors, to assess the Company’s leverage..

Lastly, the Company has presented free cash flow as supplemental measures of cash flow that are not required by, or presented in accordance with, GAAP. Management believes that these measures provide relevant and useful information, which is widely used by analysts and investors as well as by our management. These measures provide management with insight on the cash generated by operations, excluding capital expenditures. These measures allows management, as well as analysts and investors, to assess the Company’s ability to pursue growth and investment opportunities designed to increase Shareholder value.

OUR BUSINESS SEGMENTS

Matthews today builds on its legacy with development of new technologies that provide a platform for continued evolution and growth.



The Industrial Technologies segment designs, manufactures, services and distributes high-tech custom energy storage solutions, product identification, and warehouse automation technologies and solutions.



The Memorialization segment is a leading provider of memorialization products, including memorials, caskets, cremation-related products, and cremation and incineration equipment, primarily to cemetery and funeral home customers that help families move from grief to remembrance.



The SGK Brand Solutions segment is a leading provider of packaging solutions and brand experiences, helping companies simplify their marketing, amplify their brands and provide value.



Q1 2024 SUMMARY

(\$ in millions except per-share amounts)

Q1

	Q1 2023	Q1 2024
Sales	\$ 449.2	\$ 450.0
Diluted EPS	\$ 0.12	\$ (0.07)
Non-GAAP Adjusted EPS*	\$ 0.53	\$ 0.37
Net Income Attributable to Matthews	\$ 3.7	\$ (2.3)
Adjusted EBITDA*	\$ 49.3	\$ 45.5

Highlights

Sales

- Industrial Technologies and Memorialization report another quarter of sales growth

GAAP EPS

- Operating profit for the current quarter offset by interest expense

Adjusted EPS

- Lower adjusted EBITDA and higher interest expense

Adjusted EBITDA

- Lower adjusted EBITDA for the Memorialization and Industrial Technologies segments offset partially by growth in the SGK Brand Solutions segment and lower corporate and non-operating costs

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

FINANCIAL SUMMARY

(Unaudited)

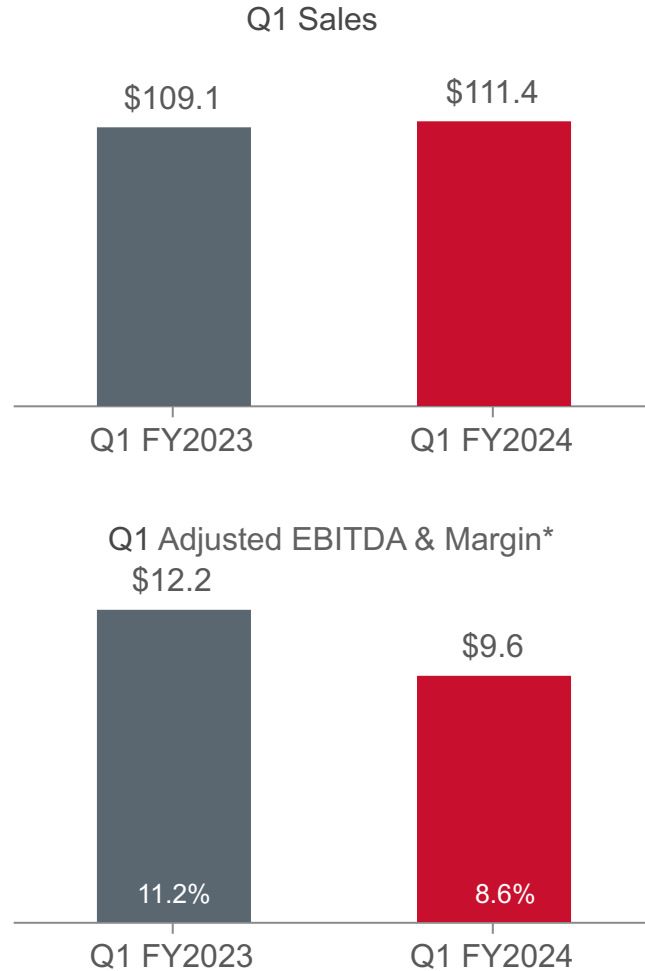
(Dollars in thousands)	Fiscal Year Ended September 30,			Year to Date December 31,	
	2021	2022	2023	2022	2023
Sales:					
Memorialization	\$ 769,016	\$ 840,124	\$ 842,997	\$ 206,502	\$ 208,071
Industrial Technologies	284,495	335,523	505,751	109,143	111,374
SGK Brand Solutions	617,519	586,756	532,148	133,595	130,541
Consolidated Sales	<u>\$ 1,671,030</u>	<u>\$ 1,762,403</u>	<u>\$ 1,880,896</u>	<u>\$ 449,240</u>	<u>\$ 449,986</u>
Adjusted EBITDA:					
Memorialization	\$ 165,653	\$ 151,849	\$ 163,986	\$ 39,137	\$ 36,700
Industrial Technologies	34,889	56,762	66,278	12,202	9,622
SGK Brand Solutions	91,435	60,120	57,128	12,232	12,893
Corporate and Non-Operating	<u>(64,227)</u>	<u>(58,323)</u>	<u>(61,583)</u>	<u>(14,280)</u>	<u>(13,733)</u>
Total Adjusted EBITDA ⁽¹⁾	<u>\$ 227,750</u>	<u>\$ 210,408</u>	<u>\$ 225,809</u>	<u>\$ 49,291</u>	<u>\$ 45,482</u>

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. See reconciliation at Appendix B.

INDUSTRIAL TECHNOLOGIES

(\$ in millions)



Sales

- Another quarter of sales growth compared to a year ago
- Continued growth of energy business
- Sales growth for product identification and surfaces businesses

Adjusted EBITDA

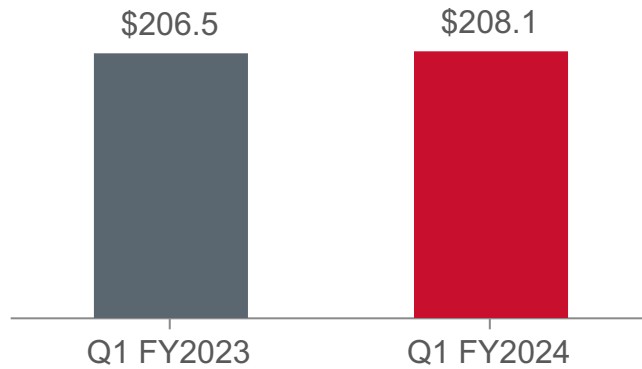
- Higher labor costs and lower margins on engineered products

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

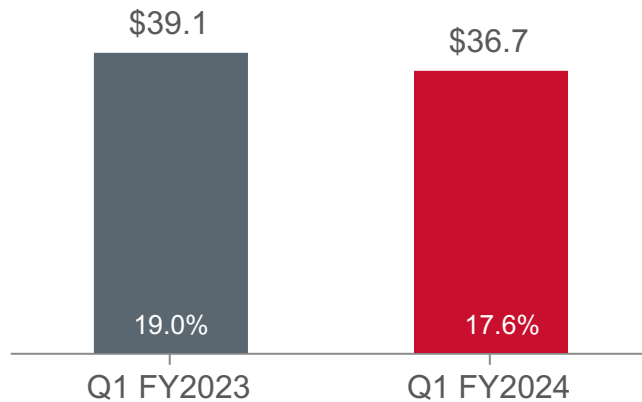
MEMORIALIZIZATION

(\$ in millions)

Q1 Sales



Q1 Adjusted EBITDA & Margin*



Sales

- Higher sales of granite memorial products and the acquisition of Eagle Granite Company
- Casket sales declined reflecting lower death rates for the current quarter compared to a year ago which still included excess COVID-related deaths

Adjusted EBITDA

- Improved price realization and productivity initiatives
- Higher material and labor costs, lower margins on cremation products, and unfavorable changes in sales mix

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

SGK BRAND SOLUTIONS

(\$ in millions)



Sales

- Lower retail-based sales, partially offset by improved price realization

Adjusted EBITDA

- Higher adjusted EBITDA than a year ago
- Improved pricing and realized benefits from recent cost reduction actions

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

APPENDIX

TOTAL ADJUSTED EBITDA

NON-GAAP RECONCILIATION (Unaudited)

(In thousands, except per share data)

	Fiscal Year Ended September 30,			Year to Date December 31,	
	2021	2022	2023	2022	2023
Net income (loss)	\$ 2,858	\$ (99,828)	\$ 39,136	\$ 3,647	\$ (2,303)
Income tax provision (benefit)	6,375	(4,391)	1,774	1,312	(726)
Income (loss) before income taxes	9,233	(104,219)	40,910	4,959	(3,029)
Net loss attributable to noncontrolling interests	52	54	155	56	—
Interest expense, including Receivables Purchase Agreement ("RPA") and factoring financing fees ⁽¹⁾	28,684	28,771	48,690	10,671	12,751
Depreciation and amortization	133,512	104,056	96,530	23,729	23,523
Acquisition and divestiture related items ⁽²⁾	541	7,898	5,293	1,285	1,237
Strategic initiatives and other charges ⁽³⁾	34,310	31,045	13,923	1,781	5,920
Highly inflationary accounting losses (primarily non-cash) ⁽⁴⁾	—	1,473	1,360	1,088	320
Defined benefit plan termination related items ⁽⁵⁾	—	(429)	—	—	—
Asset write-downs, net ⁽⁶⁾	—	10,050	—	—	—
Goodwill write-downs ⁽⁷⁾	—	82,454	—	—	—
Stock-based compensation	15,581	17,432	17,308	4,334	4,651
Non-service pension and postretirement expense ⁽⁸⁾	5,837	31,823	1,640	1,388	109
Total Adjusted EBITDA	\$ 227,750	\$ 210,408	\$ 225,809	\$ 49,291	\$ 45,482

⁽¹⁾ Includes fees for receivables sold under the RPA and factoring arrangements totaling \$1,175 and \$456 for the three months ended December 31, 2023 and 2022, respectively.

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

⁽³⁾ Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels and costs associated with global ERP system integration efforts, net of loss recoveries related to a previously disclosed theft of funds by a former employee initially identified in fiscal 2015. Fiscal 2024 also includes certain legal expenses related to a contract matter in the Industrial Technologies segment.

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

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

⁽⁶⁾ Represents asset write-downs, net of recoveries within the SGK Brand Solutions segment.

⁽⁷⁾ Represents goodwill write-downs within the SGK Brand Solutions segment.

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

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

ADJUSTED NET INCOME & EARNINGS PER SHARE

NON-GAAP RECONCILIATION (Unaudited)

(In thousands, except per share data)

	Fiscal Year Ended September 30,						Year to Date December 31,			
	2021		2022		2023		2022		2023	
			per share		per share		per share		per share	
Net income (loss) attributable to Matthews	\$ 2,910	\$ 0.09	\$ (99,774)	\$ (3.18)	\$ 39,291	\$ 1.26	\$ 3,703	\$ 0.12	\$ (2,303)	\$ (0.07)
Acquisition and divestiture costs ⁽¹⁾	407	0.01	6,319	0.20	4,874	0.15	1,062	0.03	899	0.03
Strategic initiatives and other charges ⁽²⁾	28,936	0.91	26,092	0.84	11,106	0.36	1,787	0.06	5,004	0.16
Highly inflationary accounting losses (primarily non-cash) ⁽³⁾	—	—	1,473	0.05	1,360	0.04	1,088	0.04	320	0.01
Defined benefit plan termination related items ⁽⁴⁾	—	—	(182)	(0.01)	665	0.02	—	—	—	—
Asset write-downs, net ⁽⁵⁾	—	—	9,993	0.32	—	—	—	—	—	—
Goodwill write-downs ⁽⁶⁾	—	—	79,762	2.54	—	—	—	—	—	—
Non-service pension and postretirement expense ⁽⁷⁾	4,395	0.14	23,867	0.76	1,230	0.04	1,041	0.03	81	—
Intangible amortization expense	63,428	1.98	42,813	1.36	31,551	1.01	7,757	0.25	7,346	0.24
Tax-related ⁽⁸⁾	4,837	0.15	—	—	—	—	—	—	—	—
Adjusted net income	\$ 104,913	\$ 3.28	\$ 90,363	\$ 2.88	\$ 90,077	\$ 2.88	\$ 16,438	\$ 0.53	\$ 11,347	\$ 0.37

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 26.4% for the three months ended December 31, 2023, 22.1% for the three months ended December 31, 2022, and 25.7%, 14.5%, and 24.7% for the fiscal years ended September 30, 2023, 2022, and 2021, respectively.

⁽¹⁾ Includes certain non-recurring costs associated with recent acquisition and divestiture activities, and also includes a gain in fiscal year 2023 related to the divestiture of a business in the Industrial Technologies segment.

⁽²⁾ Includes certain non-recurring costs associated with productivity and cost-reduction initiatives intended to result in improved operating performance, profitability and working capital levels and costs associated with global ERP system integration efforts, net of loss recoveries in fiscal year 2023 related to a previously disclosed theft of funds by a former employee initially identified in fiscal 2015. Also includes certain non-recurring direct incremental costs (such as costs for purchases of computer peripherals and devices to facilitate working-from-home, additional personal protective equipment and cleaning supplies and services, etc.) incurred in response to COVID-19. This amount does not include the impact of any lost sales or underutilization due to COVID-19. Fiscal 2024 also includes certain legal expenses related to a contract matter in the Industrial Technologies segment.

⁽³⁾ Represents exchange gains and losses associated with highly inflationary accounting related to the Company's Turkish subsidiaries

⁽⁴⁾ Represents items associated with the termination of the Company's DB Plan, supplemental retirement plan and the defined benefit portion of the officers retirement restoration plan.

⁽⁵⁾ Represents asset write-downs, net of recoveries within the SGK Brand Solutions segment.

⁽⁶⁾ Represents goodwill write-downs within the SGK Brand Solutions segment.

⁽⁷⁾ Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, curtailment gains and losses, and settlement gains and losses. These benefit cost components are excluded from adjusted EBITDA since they are primarily influenced by external market conditions that impact investment returns and interest (discount) rates. Curtailment gains and losses and settlement gains and losses are excluded from adjusted EBITDA since they generally result from certain non-recurring events, such as plan amendments to modify future benefits or settlements of plan obligations. The service cost and prior service cost components of pension and postretirement expense are included in the calculation of adjusted EBITDA, since they are considered to be a better reflection of the ongoing service-related costs of providing these benefits. Please note that GAAP pension and postretirement expense or the adjustment above are not necessarily indicative of the current or future cash flow requirements related to these employee benefit plans.

⁽⁸⁾ Fiscal 2021 balance represents tax-related items incurred in connection with the termination of the Company's Supplemental Retirement Plan.

* Per share amounts based on the diluted shares for each respective period.

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

NET DEBT & NET DEBT LEVERAGE RATIO

NON-GAAP RECONCILIATION (Unaudited)

	Fiscal Year Ended September 30,			December 31,
	2021	2022	2023	2023
(Dollars in thousands)				
Long-term debt, current maturities	\$ 4,624	\$ 3,277	\$ 3,696	\$ 4,948
Long-term debt	759,086	795,291	786,484	857,423
Total debt	763,710	798,568	790,180	862,371
Less: Cash and cash equivalents	(49,176)	(69,016)	(42,101)	(37,921)
Net Debt	\$ 714,534	\$ 729,552	\$ 748,079	\$ 824,450
Adjusted EBITDA (trailing 12 months)	\$ 227,750	\$ 210,408	\$ 225,809	\$ 222,000
Net Debt Leverage Ratio	3.1	3.5	3.3	3.7

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