



**Matthews**  
INTERNATIONAL®

**INVESTOR  
PRESENTATION**  
**FIRST QUARTER FISCAL YEAR 2023**

[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, or other factors such as supply chain disruptions, labor shortages or labor cost increases, changes in product demand or pricing as a result of domestic or international competitive pressures, ability to achieve cost-reduction objectives, unknown risks in connection with the Company’s acquisitions, cybersecurity concerns, effectiveness of the Company’s internal controls, compliance with domestic and foreign laws and regulations, technological factors beyond the Company’s control, impact of pandemics or similar outbreaks, or other disruptions to our industries, customers, or supply chains, the impact of global conflicts, such as the current war between Russia and Ukraine, and other factors described in the Company’s Annual Report on Form 10-K and other periodic filings with the U.S. Securities and Exchange Commission (“SEC”).

The information contained in this presentation, including any financial data, is made as of December 31, 2022 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 presented constant currency sales and constant currency adjusted EBITDA and believes these measures provide relevant and useful information, which is used by the Company’s management in assessing the performance of its business on a consistent basis by removing the impact of changes due to foreign exchange translation rates. These measures allow management, as well as investors, to assess the Company’s sales and adjusted EBITDA on a constant currency basis.

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

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.

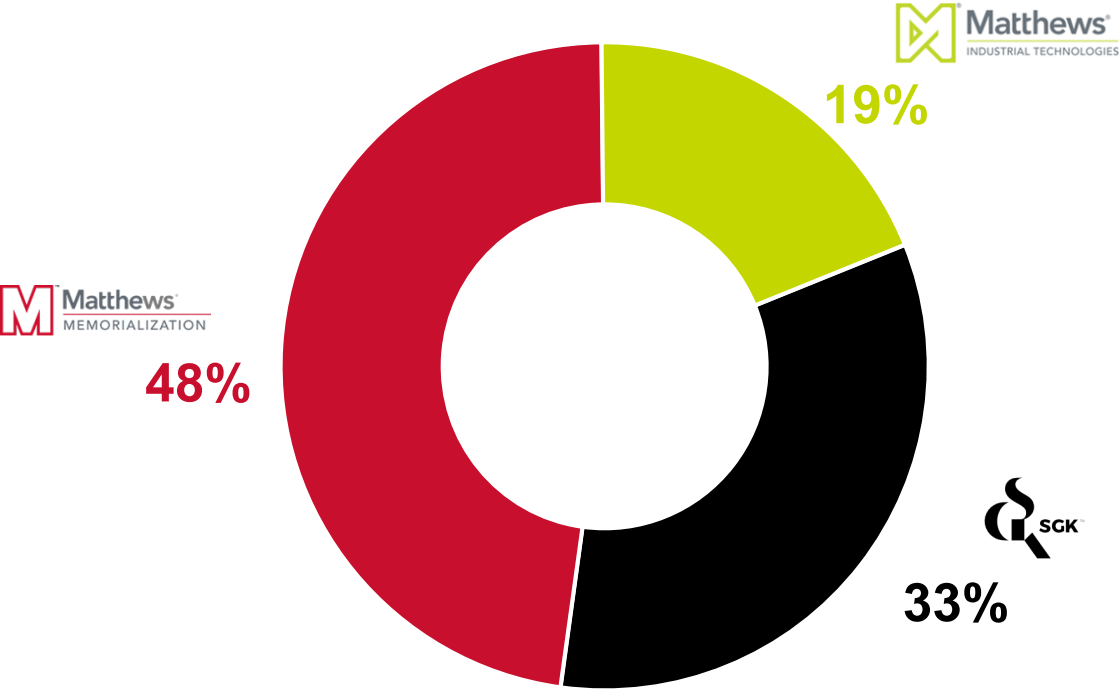


# BUSINESS OVERVIEW

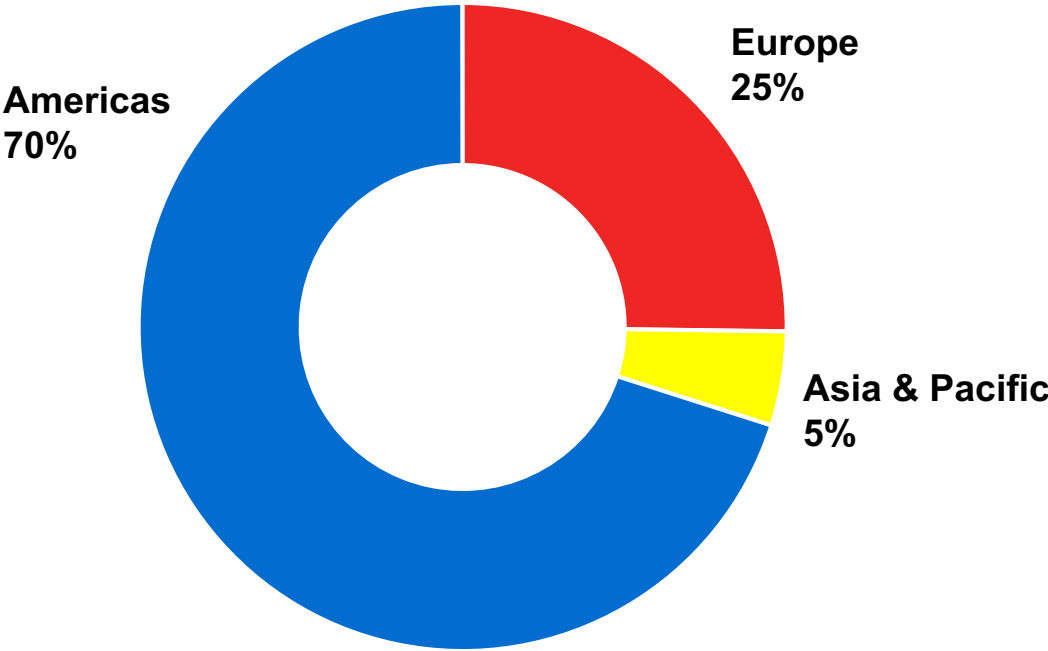


# MATTHEWS AT A GLANCE - \$1.76B FY2022 REVENUE

TOTAL SALES BY SEGMENT



TOTAL SALES BY REGION







# ENGINEERED SOLUTIONS PRODUCT IDENTIFICATION WAREHOUSE AUTOMATION

# INDUSTRIAL TECHNOLOGIES PRODUCTS AND MARKETS

## PRINCIPAL PRODUCT LINES

### Energy Storage Solutions

- Design and build advanced purpose-built equipment including tooling that supports lithium-ion battery production



### Warehouse Automation

- Warehouse Automation systems provides software, hardware and control solutions that allow the tracking and distribution of products with automated order fulfillment for material handling systems



### Product Identification

- Manufactures and markets products and systems that employ different marking technologies, including laser and ink-jet printing



## COMPETITIVE ADVANTAGES

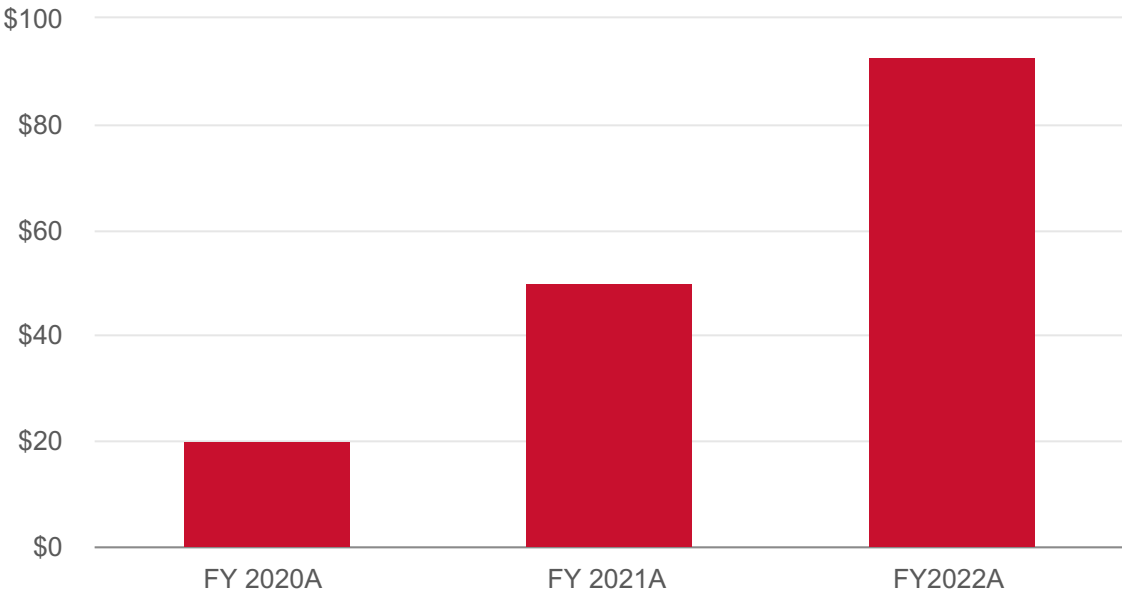
- ✓ IP protected process for advanced calendering processes
  - ✓ Leader in the renewable energy market with advanced manufacturing solutions for lithium-ion batteries
  - ✓ Positioned to serve the complementary hydrogen fuel cell industry through the Olbrich and Terrella Energy acquisitions
- 
- ✓ Diversified client base including some of the largest retailers and e-commerce leaders
  - ✓ Highly innovative and customized designs and solutions in robotics for fulfillment and distribution applications
  - ✓ High switching costs and relative operational ease and maintenance result in high customer retention
- 
- ✓ Expertise in the space allows for greater ease of marking equipment integration in manufacturing and distribution facilities
  - ✓ Variety of product offerings meet customers' diverse set of manufacturing and distribution needs while reducing maintenance costs and downtime
  - ✓ Recurring revenue from consumables and replacement parts required by MATW's marking, coding and tracking products

# ENERGY STORAGE SOLUTIONS

## BACKGROUND

- Matthews Saueressig subsidiary has been working to apply advanced calendaring patented IP and knowledge to the manufacturing of lithium-ion and embossing plates used in fuel cells
- Q1-23 orders over \$200M solidifies Matthew's position in the growing electric vehicle ("EV") energy storage solutions industry
- Company received orders from multiple manufacturers of EV, battery, and hydrogen fuel cell components
- Olbrich acquisition expands skills and reach in the EV market and provides complex equipment to produce components for hydrogen fuel cells and electrolyzers
- Tax incentives in the US provide tailwinds for the growing EV and green energy market

## ENERGY STORAGE SOLUTIONS SALES (\$mm)



Growing demand for fuel  
efficient and low  
emission vehicles

Stringent rules and  
regulations on  
emissions

Increasing government  
support

*Note: All figures reflect fiscal years ended September 30<sup>th</sup>.*

# POSITION STRENGTHENED WITH INFLATION REDUCTION ACT

## TAX INCENTIVES STIMULATE DEMAND

- Projections on incremental Gigawatt hour (GWh) installed for U.S. by 2030 was over 600 GWh prior to the Inflation Reduction Act
- Expect this number to be significantly higher based on the tax credits and incentives available
- Matthews estimates this is a \$6B global market potential by 2030

## DRY BATTERY ELECTRODES BENEFITS

### LEADING EXPERTISE

- 10 Years experience
- 7 patent families

### REDUCED COST OF PRODUCTION

- Energy consumptions
- Labor Cost
- Plant footprint
- Lower capital investment
- Eliminate environmental concern

### BETTER BATTERY

- Improved life
- Improved density
- Step toward solid state



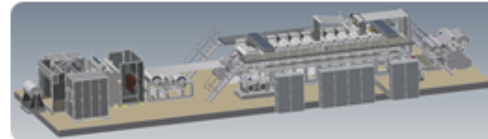
# ENERGY OPPORTUNITIES REACH BEYOND EV

## LINE OF BUSINESS

## DESCRIPTION OF PRODUCTS / SERVICES

### Battery

- “All-in-one” electrode calendaring lines
- Lab/pilot scale calender machines



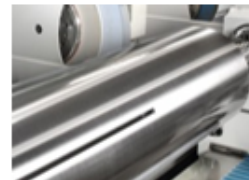
### Hydrogen Fuel Cells

- Embossing Cylinders
- Purpose Built Production Lines
- Graphite Bipolar Plates



### Rollers & After Sales Service

- Technical Rollers
- Refurbishment of rollers for battery lines
- Production Line Spare parts & service contracts

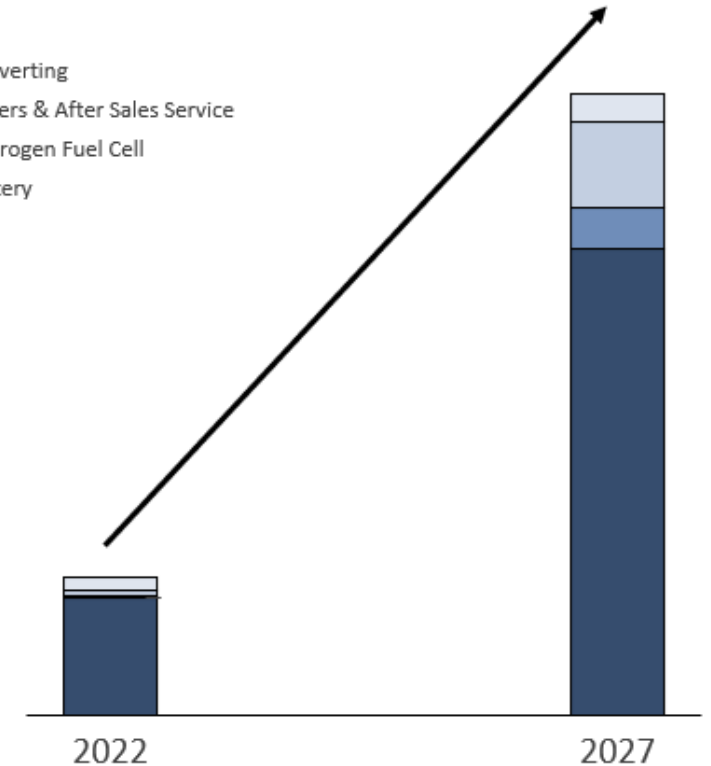
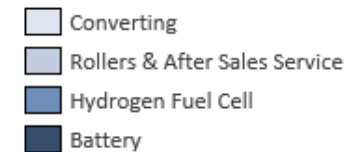


### Converting

- Purpose Built Production lines for industry outside of Energy (e.g., plastics, metal foil, non-woven)

## 5 YEAR POTENTIAL REVENUE

Revenue, \$M







Source: Business Strategic Plan (Management Estimate)

# WAREHOUSE AUTOMATION

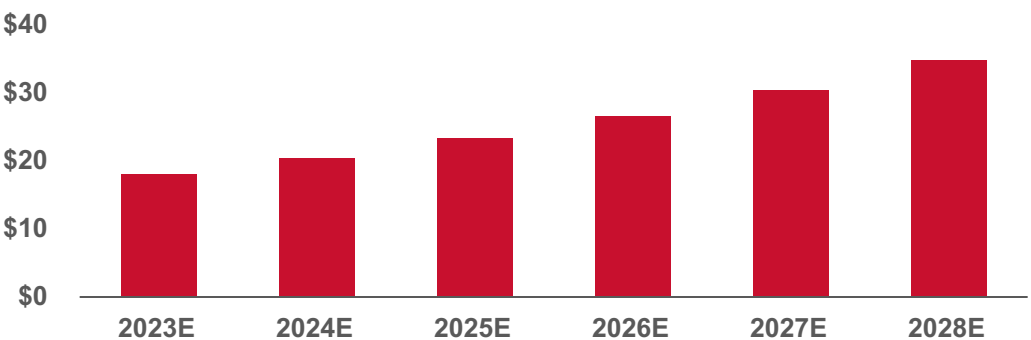
## BACKGROUND

- Warehouse Automation systems complement the tracking and distribution of a customer's products with automated order fulfillment technologies and controls for material handling systems
- Material handling customers include some of the largest retail, e-commerce and automated assembly companies in the United States
- Matthews engineers innovative, custom solutions to address specific customer requirements in a variety of industries

## SELECT MATTHEWS SOLUTIONS

DISTRIBUTION AND FULFILLMENT SYSTEMS	PYRAMID	PICK-TO-LIGHT SYSTEMS	AUTONOMOUS VEHICLE NAVIGATION
			
Systems interact with the warehouse management system or enterprise resource planning system to integrate, optimize, manage and control all warehouse material handling equipment	Pyramid integrates hardware agnostic controls and software capable of managing and directing the operation of any automated material handling system	Utilizes light indicators to help increase the speed, accuracy and efficiency of material handling tasks	Expertise in this fast-growing segment to provide innovative solutions beyond traditional conveyance and human operated forklifts to move materials in warehouses and manufacturing plants

## GLOBAL WAREHOUSE AUTOMATION MARKET SIZE (\$bn)



Source: Polaris Report 2022, Management estimates

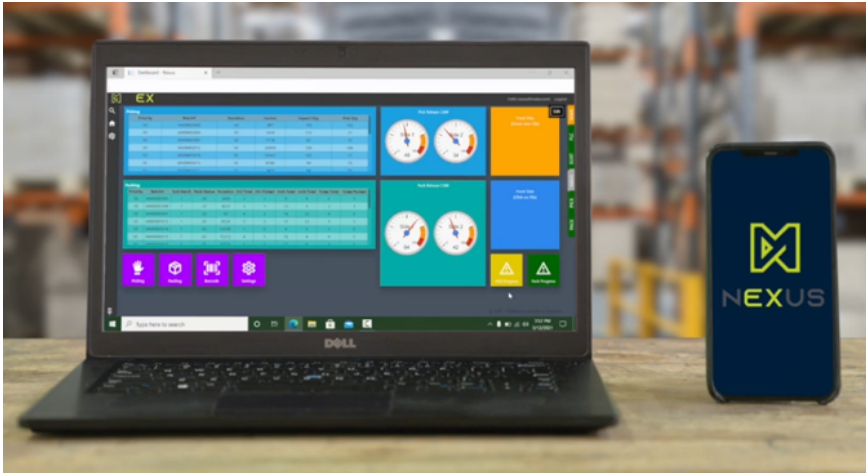
## KEY MEGATRENDS DRIVING GROWTH

Speed of shipping	▶▶	<ul style="list-style-type: none"><li>• Consumers expect faster delivery speeds while ordering a variety of SKUs</li><li>• Shift toward one-day shipping has made automation of certain warehousing tasks essential</li></ul>
Growth of e-commerce	▶▶	<ul style="list-style-type: none"><li>• Growth of e-commerce sales requires improved order fulfillment capabilities</li><li>• Increased throughput volume and the importance of accuracy requires reducing human-error in sorting and picking processes</li></ul>
Labor shortages in warehouse	▶▶	<ul style="list-style-type: none"><li>• Shortages of qualified skilled labor for warehouse fulfillment exacerbated in periods of peak labor demand</li><li>• Wages steadily rising contributes to margin pressure in non automated facilities</li></ul>

# WAREHOUSE AUTOMATION EXPANSION POTENTIAL

## NEXUS WAREHOUSE EXECUTION SOFTWARE DEVELOPMENT

- Expand configurability and web interface for information everywhere
- Continued growth in e-commerce solutions
- Warehouse automation market continues to grow in demand from both greenfield sites as well as retrofit opportunities

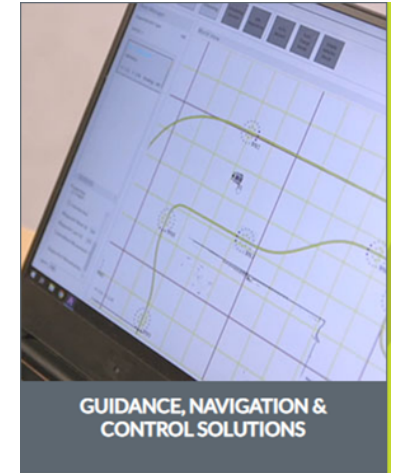


## GLOBAL EXPANSION AND INDUSTRIAL AUTOMATION

- European expansion from Guidance AMR platform
- Expansion into Industrial Automation from the foundation of engineers acquired with R + S Automotive



ACCELERATING AUTONOMOUS  
MOBILE ROBOT DEVELOPMENT



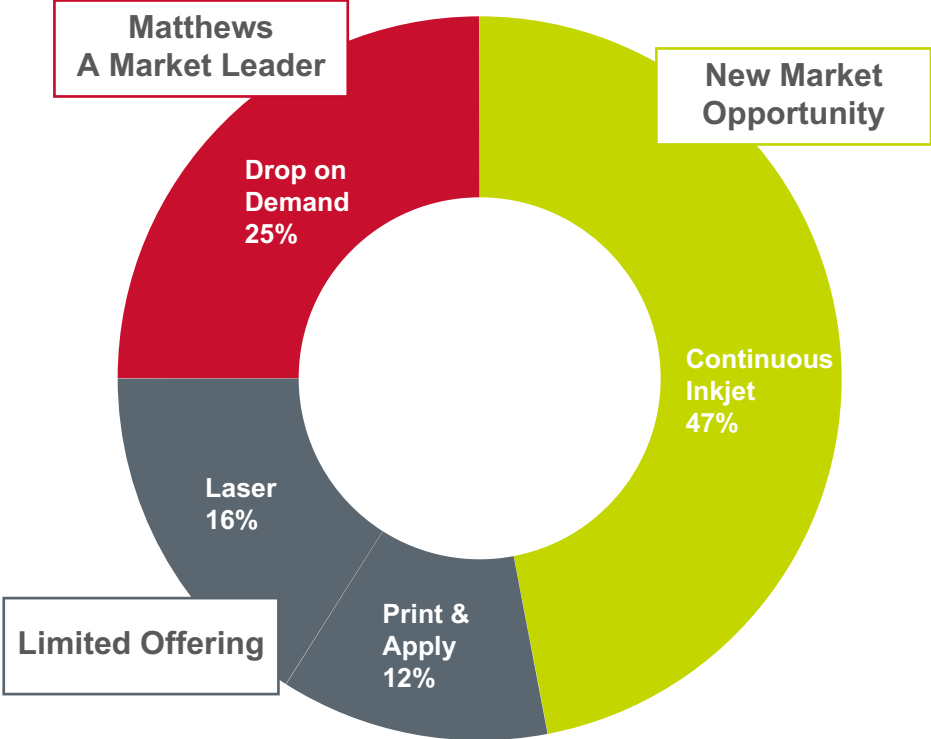
GUIDANCE, NAVIGATION &  
CONTROL SOLUTIONS

# PRODUCT IDENTIFICATION

## BACKGROUND

- Product identification dates back to Matthews' original branding irons and hand stamps from the 1850s
- Matthews identified a significant market opportunity to displace incumbent continuous inkjet (CIJ) technology, which is complex, releases harmful volatiles into the environment and requires complete rebuilds every two years, with new inkjet technology
- Heavy R&D was deployed in developing a new technology that culminated in a product that reduces environmental impact, experiences less downtime and results in approximately 75% lower cost of ownership versus legacy products

## MARKET OPPORTUNITY



- Drop on Demand includes valve and Thermal Inkjet

Significant market opportunity for organically developed product

Source: Technavio Report 2022



# NEW PRINthead TECHNOLOGY DRIVES ADDITIONAL DEMAND

## PATENTED TECHNOLOGY USE BEYOND PRINTING

- Technology miniaturizes valves the same way a transistor miniaturized switches
- Business development evaluating additional opportunities in adjacent markets
- Reduces VOC emissions in printing process

## REGULATORY

- Closed system uses less chemicals and releases less volatiles into the environment versus current technologies
- Better fit for new regulations requiring 2D codes

## GLOBAL EXPANSION

- Europe's focus on environmental concerns strengthens the value of the technology
- Reduced maintenance value proposition fits very well in fast growing Asian market





**CEMETERY PRODUCTS  
FUNERAL HOME PRODUCTS  
CREMATION PRODUCTS AND EQUIPMENT**

# MARKET LEADERSHIP

Cemetery Products	Funeral Home Products	Cremation and Incineration Equipment
		
Market Position (U.S.)		
Bronze Memorials - #1 Granite Memorials - #1	Caskets - #2	Cremation Equipment - #1
Core Geographies		
North America, Italy, Australia	United States	United States and Europe

# MEMORIALIZATION MARKET POSITION

## COMPETITIVE ADVANTAGE



### STRONG BRAND AND REPUTATION

- Respected and growing market leader within the death care services industry



### BREADTH OF PRODUCT OFFERING

- Superior product quality and service



### DEEP CUSTOMER RELATIONSHIPS

- Provides innovative, value-added services to help clients grow their businesses



### LEAN OPERATING MODEL AND NATIONAL DELIVERY NETWORK

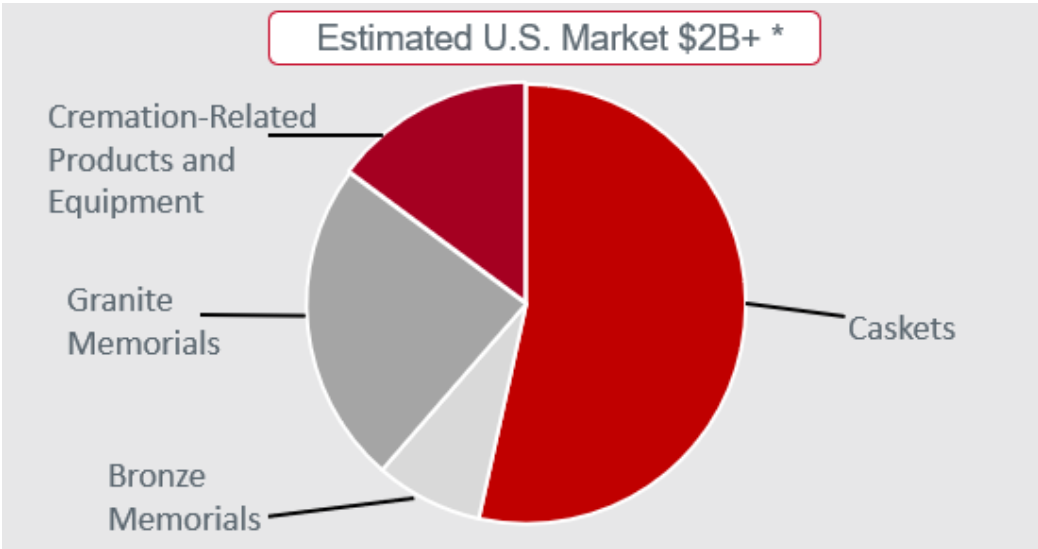
- Maintains a strong supply chain that maximizes efficiency and reliability



### OPERATOR OF SCALE

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

## LEADING MARKET POSITION



### MARKET POSITIONS (U.S.)



Bronze Memorials



Granite Memorials



Caskets



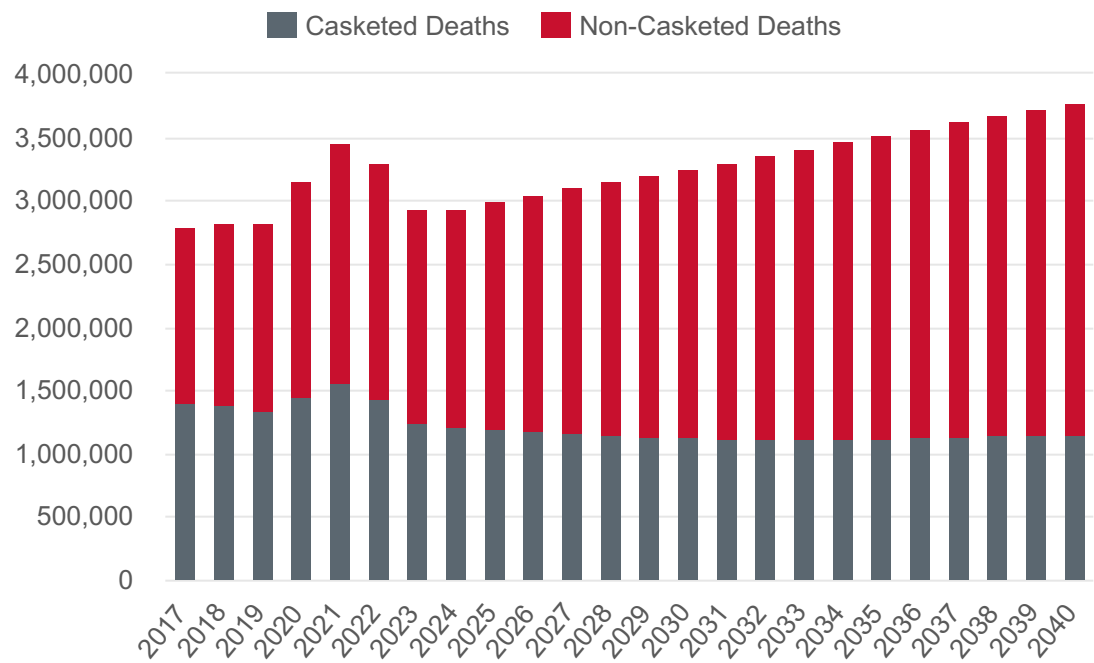
Cremation Equipment

\* Company estimates based on industry reports for fiscal year 2022



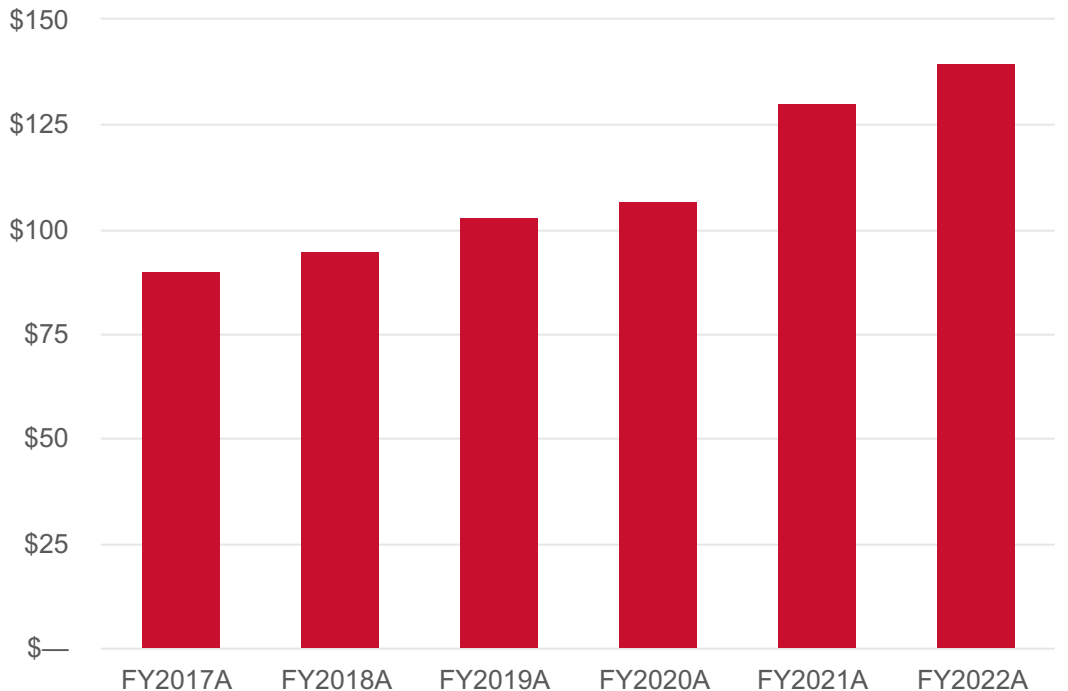
# STABILITY IN MEMORIALIZIZATION WITH GROWTH POTENTIAL

CASKETED VS. NON-CASKETED DEATHS <sup>1</sup>



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

SALES OF CREMATION PRODUCTS (in millions) <sup>2</sup>



Significant and growing position in cremation products and  
equipment with average annual growth of 9% for 2017 through 2022

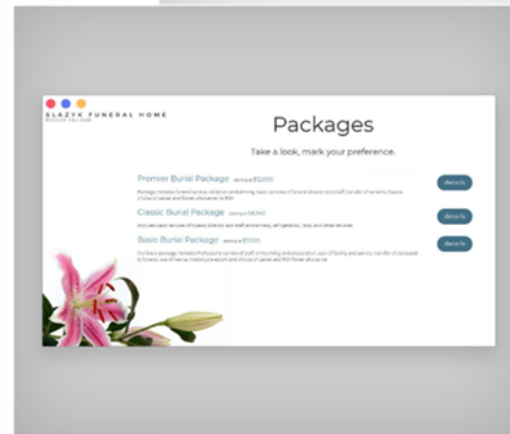
Note: All financial figures reflect fiscal years ended September 30th.

<sup>1</sup> Internal estimates based upon data compiled from CDC, US Census Bureau and Industry reports; <sup>2</sup> Includes incineration products

# STABILITY IN MEMORIALIZIZATION WITH GROWTH POTENTIAL

## STRATEGIC GROWTH OPPORTUNITIES

- Cremation products
- Online solutions
- Technology services – software as a service
- Complimentary new products to funeral homes / cemeteries
- 3D printing proprietary capabilities to enter new markets







# **BRAND SOLUTIONS CORE PACKAGING SERVICES**



# CORE PACKAGING SERVICES

SGK's packaging solutions can be purchased as an integrated, end to end solution or as stand-alone services.





# BRAND EXPERIENCE SOLUTIONS

Tailored solutions for brand commerce and brand activation that deliver more connected and enriching experiences between brand and consumer



# SGK BRAND SOLUTIONS

## SERVICING GLOBAL AND REGIONAL CLIENTS

- Longstanding relationships with a large, blue chip customer base consisting of many Fortune 100 and Fortune 500 companies
- "Strategic" relationships rather than "vendor" relationships – more valued client engagement
- Critical service provider in marketing execution of top worldwide brands, particularly where global consistency is highly valued
- Global ERP platform provides improvements for the segment operations

### FOOD/BEVERAGE CLIENTS



### GLOBAL PHARMA / HEALTHCARE CLIENTS



### GLOBAL RETAILER CLIENTS



### OTHER LEADING BRANDS



# SGK MARKET POSITION & STRATEGIC INITIATIVES

## COMPETITIVE ADVANTAGES

### SCALE

- One of the largest global provider of brand solutions

### FINANCIAL FLEXIBILITY

- Well capitalized business able to make investments through the cycle

### GLOBAL DIVERSITY

- Global provider with operations across North America, Europe, and Asia

### CUSTOMER RELATIONSHIPS

- Long-term relationships with top tier client base

### BREADTH OF PRODUCT

- Diversified product portfolio offering wide breadth of solutions

### TECHNOLOGY

- Technology investments driving sustainable competitive advantage

## ADDITIONAL NEW PRODUCTS AND POSITIVE MARKET TRENDS



DESIRE FOR  
SUSTAINABILITY



OUTSOURCING  
OF NON-CORE  
FUNCTIONS



PRIVATE LABEL  
BRANDS



GOVERNMENT  
REGULATION

## SGK's STRATEGIC INITIATIVES

### EXTEND REVENUE OPPORTUNITY WITHIN THE CORE PACKAGING BUSINESS

- Improving focus and messaging in the marketplace
- Redesigning, rebranding and bundling products and services
- Continued focus on ESG through sustainability and D&I initiatives

### CONTINUE TO EVOLVE THE BRAND EXPERIENCE

- Extend brand experience offering to existing pack clients and new verticals
- Develop internal expertise in digitally native content beyond digital asset production and management
  - Social media
  - Dynamic Media
  - Virtual Experiences, etc.
- Leverage all teams worldwide through a council designed to coordinate global targeting to clients

### LEVERAGE IT INVESTMENT IN WORKFLOW TOOLS TO DRIVE DIFFERENTIATION

- Rebranding technology approach and communications
- Enhance automation offering to self-service model and end-to-end solutions; build a cloud-based technology infrastructure
- Drive global operations with data-driven reporting

# SGK TECHNOLOGY CONTINUES TO DRIVE GROWTH

## TODAY

### DESIGN2PHYSICAL

Creative

Artwork

Print

#### TODAY

Services related to packaging and brand experience

Tech stack primarily serves internal users (HubX, Automation Suite,)

+

#### NEAR-TERM

Service expansion into digital

Tech stack moves to the cloud

Cloud-based, microservice development approach

SGK develops virtual desktop (VDI) capabilities for creative and graphics professionals

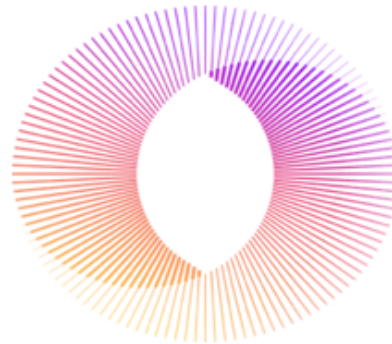
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#### LONG-TERM

**Service expansion into Content as a Service (CaaS) platform provider:**  
Automation/AI, Authoring, Analytics, Publishing, Visibility

SGK begins to sell outcomes in addition to traditional services. Our platform is an enabler; requires new pricing models.

SGK's CaaS platform opens to SGK staff, freelancers, traditional clients, agencies and other types of clients to serve their packaging, BE and digital needs



## TOMORROW

### DESIGN2EVERYWHERE

CGI  
DIGITIZATION

**Style**  
New or existing

**Assets**  
Artwork, Wireframe,  
Template

**Codify &  
Generate**  
Automated

**Publish**  
Location

OMNICHANNEL  
DIGITAL  
CAMPAIGNS

**Style**  
New or existing

**Brief**  
Guided brief assets

**Generate &  
customise**  
To targeting

**Publish**  
Platform

METAVESE  
COMMERCE

**Project brief & consulting**

**Bespoke  
world  
creation**





## INVESTMENT THESIS





# KEY HIGHLIGHTS

1

GROWTH OPPORTUNITIES SUPPORTED BY STABLE CORE BUSINESSES

2

FAVORABLE COMPETITIVE POSITIONS IN ATTRACTIVE ADDRESSABLE MARKETS

3

DISCIPLINED TRACK RECORD OF ACQUISITIONS AND INTEGRATION

4

ROBUST CASH FLOW HISTORY

5

STRONG AND EXPERIENCED MANAGEMENT TEAM

# GROWING ATTRACTIVE ADDRESSABLE MARKETS

Matthews  
INTERNATIONAL®

A



Attractive  
markets and  
growth  
opportunities

- **Energy storage solutions:**  
High-growth, high-margin battery business supported by global vehicle electrification
- **Warehouse automation:**  
Growth in retail e-commerce and demand for automation in US and Europe
- **Inkjet:**  
Highly disruptive opportunity with new product resulting in lower total cost of ownership for customers

B



- Stable demand driven by increased deaths as a result of population growth
- Strong presence and growing revenue in cremation products and equipment
- Investment in innovations to drive profitability



- Expanding digital and social media channels challenge traditional marketing approach
- Positioned across global markets to leverage scale
- Positive trends including consumer focus on sustainability, private label proliferation

STRONG HISTORY OF 170+ YEARS ROOTED IN IDENTIFICATION PRODUCTS

# STABLE CORE BUSINESSES SUPPORT GROWTH OPPORTUNITIES

## STABLE CORE BUSINESSES

- **Industrial Technologies**
  - Core product line in product identification equipment and consumables
- **Memorialization**
  - Demographic (death rate) trends support long-term stable demand for core product lines
  - Strong market positions/customer relationships in core product offerings
- **SGK**
  - Longstanding relationships with large, blue chip clients
  - Critical provider in marketing execution of top global brands

## GROWTH OPPORTUNITIES

- **Industrial Technologies**
  - **Energy storage solutions:** Critical supplier of leading edge dry process to high-growth electric vehicle market
  - **Warehouse automation:** Growth in retail e-commerce and demand for automation
  - **Inkjet:** Highly disruptive opportunity with new product resulting in lower total cost of ownership for customers
- **Memorialization** experiencing growth in cremation and new, innovative solutions driving margin enhancement
- **SGK** well positioned for growing digital and social media channels continuing to disrupt traditional marketing approach

# DISCIPLINED TRACK RECORD OF ACQUISITIONS AND INTEGRATION

## PRINCIPAL OBJECTIVE

- Identify and integrate complementary businesses with an insistence on prudent capital deployment
- Focus on complementary geographies, vertical integration or additional technical capabilities

## FINANCIAL CRITERIA

- Immediately accretive to earnings per share and cash flow
- Achieve return on invested capital of at least 12% over the long-term

## INTEGRATION FOCUS

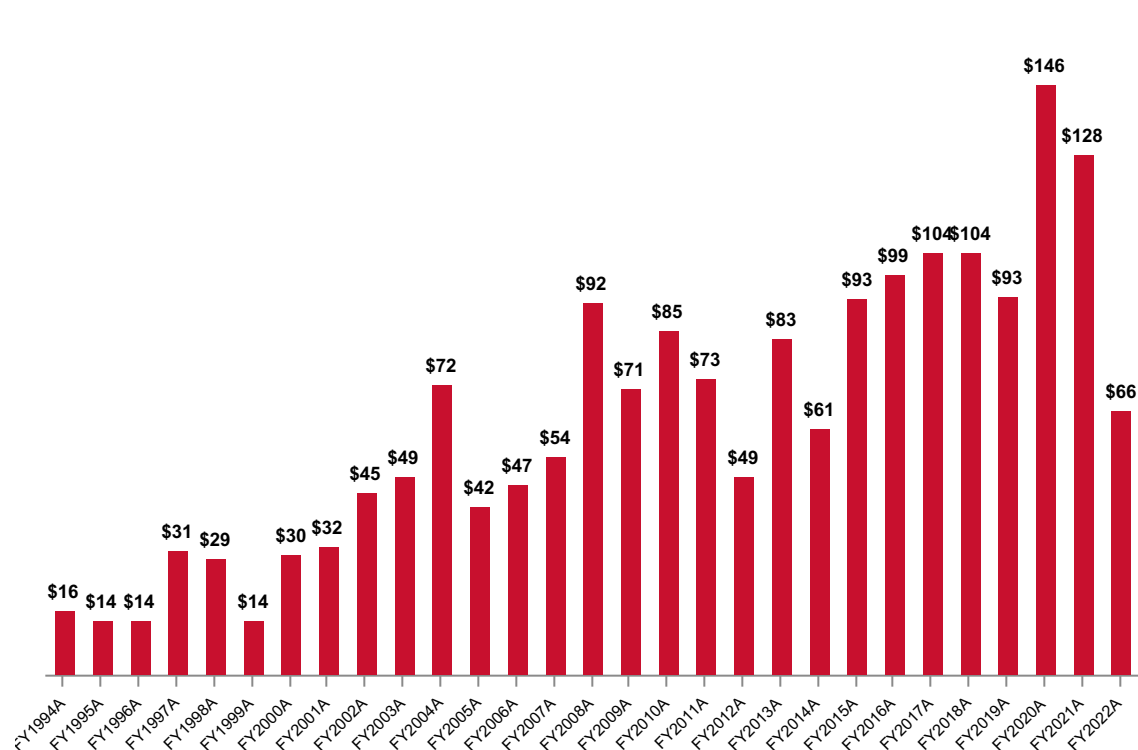
- Matthews has a long track record of successfully integrating acquisitions and has carried out more than 20 acquisitions in last five years

## RECENT M&A ACTIVITY

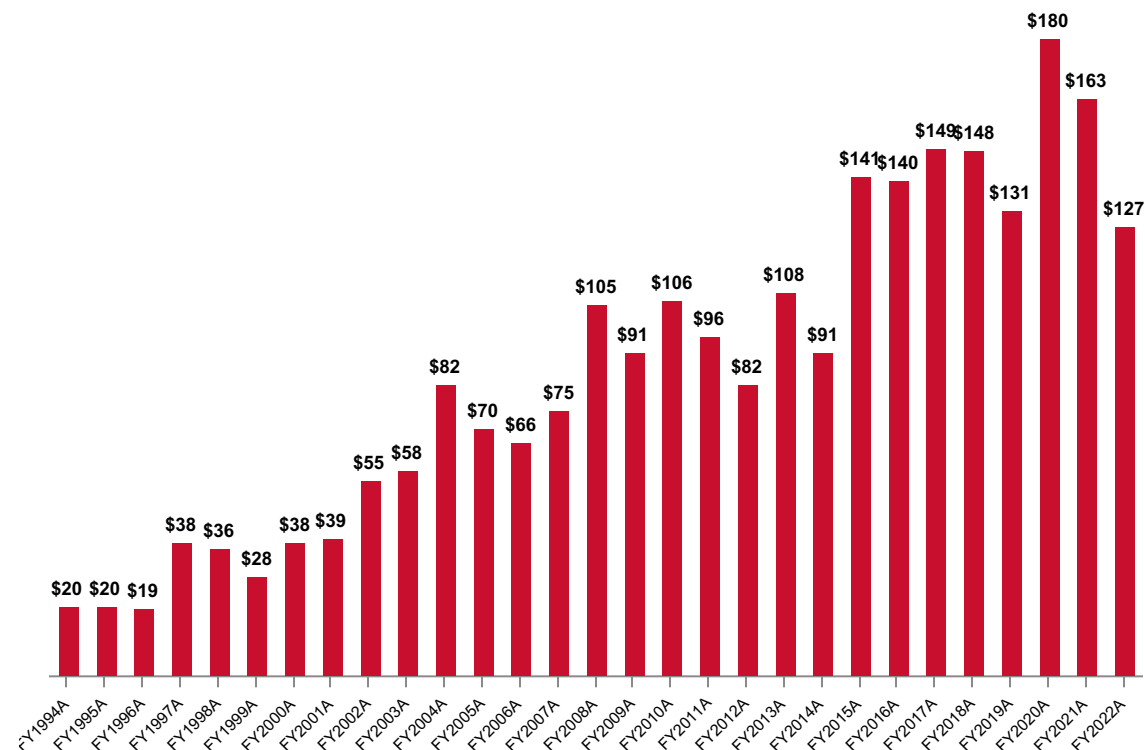
- OLBRICH , R+S

# ROBUST CASH FLOW HISTORY

## FREE CASH FLOW <sup>1</sup> (\$mm)



## OPERATING CASH FLOW (\$mm)



Note: All figures reflect fiscal years ended September 30th; Historical FY1994 – FY2018 reflect amounts as reported in the Company's 10-K filings for those fiscal years.

See Disclaimer (Page 2) for Management's assessment of supplemental information related to non-GAAP measures.

<sup>1</sup> Defined as cash provided from operating activities less capital expenditures. See reconciliation in appendix E



# STRONG AND EXPERIENCED MANAGEMENT TEAM



**Joseph Bartolacci**  
Chief Executive Officer and  
President

- Chief Executive Officer and President since 2006 and previously served as Chief Operating Officer from 2005-2006
- President of York Casket division and EVP of Matthews from 2004-2005
- Joined Matthews in 1997 and later served as president of Caggiati and Matthews, Europe from 1999-2004



**Greg Babe**  
Chief Technology Officer

- Chief Technology Officer since 2015
- Served as interim Chief Information Officer / Chief Technology Officer in 2014
- Also served as President and Chief Executive Officer of Bayer Corporation North America from 2008-2012 before retiring from that role



**Lee Lane**  
Group President of Industrial  
Automation and  
Environmental Solutions

- Group President, Matthews Industrial Automation and Matthews Environmental Solutions
- Prior to joining Matthews in 2022, Lee led the Safety, Sensing and Industrial Components business unit of Rockwell Automation, Inc.
- During his career at Rockwell, Lee held roles in engineering, marketing product management and product security



**Steven Gackenbach**  
Group President of  
Memorialization

- Joined Matthews in January 2011 and originally served as Chief Commercial Officer, Memorialization Group
- Group President of Memorialization since 2011
- Spent 18 years in marketing, general management and strategy assignments with Kraft Foods prior to joining Matthews



**Gary Kohl**  
President, SGK Brand  
Solutions

- Became SGK's Group president in 2017
- Prior to serving in his current role, he was the Executive Vice President, Global Development at SGK
- Prior to joining SGK, he was the group senior vice president of the digital solutions, global packaging and printed electronics team at RR Donnelley



**Steve Nicola**  
Chief Financial Officer and  
Secretary

- Chief Financial Officer since 2003
- Previously served as Vice President, Accounting and Finance and Controller
- Joined Matthews in 1992



## FINANCIAL OVERVIEW



# FINANCIAL POLICY AND CAPITAL ALLOCATION STRATEGY

## DEBT REDUCTION

- Historically maintained a modest leverage profile
- Publicly stated Net Debt Leverage Ratio <sup>(1)</sup> target of 3.0x or less
- Continued emphasis on leverage, balanced growth and share repurchase
- Settled the principal U.S. defined benefit plan and SERP plan, reducing the Company's accrued pension liabilities over \$135 million from September 30, 2020
- New receivables purchased agreement entered into during Q2 of FY2022 (reduced debt \$114 million as of December 31, 2022)

## GROWTH – ORGANIC & ACQUISITIONS

- Organic: Leverage existing capability in new markets and geographic regions, cost structure improvements, new product development
- Recent growth initiatives include (i) Saueressig engineered machines used in electric vehicle battery production, and (ii) new technology in industrial product identification business
- Acquisitions: Identify and integrate complementary businesses with prudent capital deployment (achieve long-term annual return on invested capital of at least 12%)

## SHARE REPURCHASES & DIVIDENDS

- Opportunistically repurchase in periods of excess cash flow
- Authorization of 1.2 million shares at December 31, 2022
- Quarterly dividend of \$0.22 per share for FY2022. For Q1 FY2023, the Company declared a dividend of \$.23 per share

*Note: See Disclaimer (Page 2) for Management's assessment of supplemental information related to non-GAAP net debt leverage ratio.*

*<sup>(1)</sup> Non-GAAP net debt leverage ratio is defined as outstanding debt (net of cash) relative to adjusted EBITDA. See reconciliation at Appendix D.*

# FINANCIAL SUMMARY

(Unaudited)

(Dollars in thousands)	Fiscal Year Ended September 30,			Year to Date December 31,	
	2020	2021	2022	2021	2022
<b>Sales:</b>					
Memorialization	\$ 656,035	\$ 769,016	\$ 840,124	\$ 210,706	\$ 206,502
Industrial Technologies	228,453	284,495	335,523	74,331	109,143
SGK Brand Solutions	613,818	617,519	586,756	153,542	133,595
Consolidated Sales	<u>\$ 1,498,306</u>	<u>\$ 1,671,030</u>	<u>\$ 1,762,403</u>	<u>\$ 438,579</u>	<u>\$ 449,240</u>
<b>Adjusted EBITDA:</b>					
Memorialization	\$ 146,285	\$ 165,653	\$ 151,849	\$ 43,370	\$ 39,137
Industrial Technologies	23,055	34,889	56,762	7,183	12,202
SGK Brand Solutions	90,342	91,435	60,120	15,414	12,232
Corporate and Non-Operating	(56,602)	(64,227)	(58,323)	(12,634)	(14,280)
Total Adjusted EBITDA <sup>(1)</sup>	<u>\$ 203,080</u>	<u>\$ 227,750</u>	<u>\$ 210,408</u>	<u>\$ 53,333</u>	<u>\$ 49,291</u>

Note: Effective in the first quarter of fiscal 2022, the Company transferred its surfaces and engineered products businesses from the SGK Brand Solutions segment to the Industrial Technologies segment. The above chart sets forth sales and adjusted EBITDA for the years ended September 30, 2021, and 2020 as if the segments had been reported under the new reportable segment structure. See Disclaimer (Page 2) for Management's assessment of supplemental information related to total adjusted EBITDA.

<sup>(1)</sup> 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.





## ESG OVERVIEW



# COMMITMENT TO SUSTAINABILITY

## BUSINESS SOLUTIONS TO DRIVE EFFICIENCY AND ENVIRONMENTAL PERFORMANCE

- Provider of Energy storage solutions including battery production technology for electric vehicles
- Waste-to-Energy solutions with projects in UK and Europe
- Creating environmental solutions to reduce packaging materials
- Working to reduce VOC emissions with launch of new printing technology

## SOCIALLY RESPONSIBLE EMPLOYMENT ENVIRONMENT

- D&I program that supports diversity in culture, talent and geography
- Comprehensive EHS system covering all employees and contractors, focuses on actions to actively reduce risk, identifies and addresses serious incident potential, and influences a positive safety culture that ensures compliance
- Committed to being a good neighbor in our communities

## KEY AREAS OF ENVIRONMENTAL METRICS FOCUS IDENTIFIED FOR THE BUSINESS

Green House Gas (GHG) Emissions
Energy Management
Solid Waste and Hazardous Waste Management
Water Management

- Matthews is committed to being part of the global solution in reducing carbon emissions consistent with the 2°C Scenario.
- Matthews’ absolute target for non-renewable energy usage is to use 20% less KWH/\$1000 revenue by 2030
- The Company is committed to reduce the waste from both operations and packaging by 50% by 2030 from the 2017 baseline
- Matthews’ target is to reduce water usage by 10% by the year 2030.



## APPENDIX



# TOTAL ADJUSTED EBITDA

## NON-GAAP RECONCILIATION (Unaudited)

### APPENDIX A

(In thousands, except per share data)

	Fiscal Year Ended September 30,			Year to Date December 31,	
	2020	2021	2022	2021	2022
<b>Net (loss) income</b>	<b>\$ (87,652)</b>	<b>\$ 2,858</b>	<b>\$ (99,828)</b>	<b>\$ (19,810)</b>	<b>\$ 3,647</b>
Income tax provision (benefit)	(18,685)	6,375	(4,391)	(6,628)	1,312
<b>(Loss) income before income taxes</b>	<b>(106,337)</b>	<b>9,233</b>	<b>(104,219)</b>	<b>(26,438)</b>	<b>4,959</b>
Net loss attributable to noncontrolling interests	497	52	54	7	56
Interest expense	34,885	28,684	27,725	6,507	10,215
Depreciation and amortization	119,058	133,512	104,056	33,501	23,729
Receivables Purchase Agreement ("RPA") financing fees <sup>(1)</sup>	—	—	1,046	—	456
Acquisitions costs <sup>(2)</sup>	3,440	541	7,898	—	1,285
Strategic initiatives and other charges <sup>(3)</sup>	37,246	28,998	29,533	3,823	1,760
Legal matter reserve <sup>(4)</sup>	10,566	—	—	—	1,088
Non-recurring / incremental COVID-19 costs <sup>(5)</sup>	3,908	5,312	2,985	690	—
Defined benefit plan termination related items <sup>(6)</sup>	—	—	(429)	426	21
Asset write-downs, net <sup>(7)</sup>	—	—	10,050	—	—
Goodwill write-downs <sup>(8)</sup>	90,408	—	82,454	—	—
Gain on sale of ownership interests in subsidiaries <sup>(9)</sup>	(11,208)	—	—	—	—
Joint Venture depreciation, amortization, interest expense and other charges <sup>(10)</sup>	4,732	—	—	—	—
Stock-based compensation	8,096	15,581	17,432	3,709	4,334
Non-service pension and postretirement expense <sup>(11)</sup>	7,789	5,837	31,823	31,108	1,388
<b>Total Adjusted EBITDA</b>	<b>\$ 203,080</b>	<b>\$ 227,750</b>	<b>\$ 210,408</b>	<b>\$ 53,333</b>	<b>\$ 49,291</b>

<sup>(1)</sup> Represents fees for receivables sold under the RPA.

<sup>(2)</sup> Includes certain non-recurring costs associated with recent acquisition activities.

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

<sup>(4)</sup> Represents a reserve established for a legal matter involving a letter of credit for a customer in Saudi Arabia within the Memorialization segment.

<sup>(5)</sup> Includes certain non-recurring direct incremental costs (such as costs for purchases of computer peripherals and devices to facilitate working-from-home, additional personal protective equipment and cleaning supplies and services, etc.) incurred in response to COVID-19. This amount does not include the impact of any lost sales or underutilization due to COVID-19.

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

<sup>(7)</sup> Represents asset write-downs, net of recoveries within the SGK Brand Solutions segment.

<sup>(8)</sup> Represents goodwill write-downs within the SGK Brand Solutions segment.

<sup>(9)</sup> Represents the gain on the sale of ownership interests in subsidiaries within the Memorialization segment.

<sup>(10)</sup> Represents the Company's portion of depreciation, intangible amortization, interest expense, and other non-recurring charges incurred by non-consolidated subsidiaries accounted for as equity-method investments within the Memorialization segment.

<sup>(11)</sup> Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, curtailment gains and losses, and settlement gains and losses. These benefit cost components are excluded from adjusted EBITDA since they are primarily influenced by external market conditions that impact investment returns and interest (discount) rates. Curtailment gains and losses and settlement gains and losses are excluded from adjusted EBITDA since they generally result from certain non-recurring events, such as plan amendments to modify future benefits or settlements of plan obligations. The service cost and prior service cost components of pension and postretirement expense are included in the calculation of adjusted EBITDA, since they are considered to be a better reflection of the ongoing service-related costs of providing these benefits. Please note that GAAP pension and postretirement expense or the adjustment above are not necessarily indicative of the current or future cash flow requirements related to these employee benefit plans.

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



# ADJUSTED NET INCOME AND EARNINGS PER SHARE

## NON-GAAP RECONCILIATION (Unaudited)

### APPENDIX B

(In thousands, except per share data)

(In thousands, except per share data)	Fiscal Year Ended September 30,						Year to Date December 31,													
	2020		2021		2022		2021		2022											
			per share		per share		per share		per share											
Net (loss) income attributable to Matthews	\$	(87,155)	\$	(2.79)	\$	2,910	\$	0.09	\$	(99,774)	\$	(3.18)	\$	(19,803)	\$	(0.62)	\$	3,703	\$	0.12
Acquisitions costs <sup>(1)</sup>		2,580		0.08		407		0.01		4,614		0.15		—		—		1,062		0.03
Strategic initiatives and other charges <sup>(2)</sup>		28,069		0.90		24,830		0.78		26,999		0.87		3,009		0.08		1,771		0.06
Legal matter reserve <sup>(3)</sup>		7,924		0.25		—		—		—		—		—		—		—		—
Non-recurring / incremental COVID-19 costs <sup>(4)</sup>		2,931		0.09		4,106		0.13		2,271		0.07		536		0.02		—		—
Exchange losses related to highly inflationary accounting <sup>(5)</sup>		—		—		—		—		—		—		—		—		1,088		0.04
Defined benefit plan termination related items <sup>(6)</sup>		—		—		—		—		(182)		(0.01)		319		0.01		16		—
Asset write-downs, net <sup>(7)</sup>		—		—		—		—		9,993		0.32		—		—		—		—
Goodwill write-downs <sup>(8)*</sup>		81,861		2.63		—		—		79,762		2.54		—		—		—		—
Gain on sale of ownership interests in subsidiaries <sup>(9)</sup>		(8,406)		(0.27)		—		—		—		—		—		—		—		—
Joint Venture depreciation, amortization, interest expense and other charges <sup>(10)</sup>		2,433		0.08		—		—		—		—		—		—		—		—
Non-service pension and postretirement expense <sup>(11)</sup>		5,842		0.19		4,395		0.14		23,867		0.76		23,331		0.74		1,041		0.03
Intangible amortization expense		53,636		1.72		63,428		1.98		42,813		1.36		16,160		0.51		7,757		0.25
Tax-related <sup>(12)</sup>		4,175		0.13		4,837		0.15		—		—		—		—		—		—
Adjusted net income	\$	93,890	\$	3.01	\$	104,913	\$	3.28	\$	90,363	\$	2.88	\$	23,552	\$	0.74	\$	16,438	\$	0.53

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 22.1% for the three months ended December 31, 2022, 24.7% for the three months ended December 31, 2021, and 14.5%, 24.7%, and 25.0% for the fiscal years ended September 30, 2022, 2021, and 2020, respectively.

<sup>(1)</sup> Includes certain non-recurring costs associated with recent acquisition activities.

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

<sup>(3)</sup> Represents a reserve established for a legal matter involving a letter of credit for a customer in Saudi Arabia within the Memorialization segment.

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

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

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

<sup>(7)</sup> Represents asset write-downs, net of recoveries within the SGK Brand Solutions segment.

<sup>(8)</sup> Represents goodwill write-downs within the SGK Brand Solutions segment.

<sup>(9)</sup> Represents the gain on the sale of ownership interests in subsidiaries within the Memorialization segment.

<sup>(10)</sup> Represents the Company's portion of depreciation, intangible amortization, interest expense, and other non-recurring charges incurred by non-consolidated subsidiaries accounted for as equity-method investments within the Memorialization segment.

<sup>(11)</sup> Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, curtailment gains and losses, and settlement gains and losses. These benefit cost components are excluded from adjusted EBITDA since they are primarily influenced by external market conditions that impact investment returns and interest (discount) rates. Curtailment gains and losses and settlement gains and losses are excluded from adjusted EBITDA since they generally result from certain non-recurring events, such as plan amendments to modify future benefits or settlements of plan obligations. The service cost and prior service cost components of pension and postretirement expense are included in the calculation of adjusted EBITDA, since they are considered to be a better reflection of the ongoing service-related costs of providing these benefits. Please note that GAAP pension and postretirement expense or the adjustment above are not necessarily indicative of the current or future cash flow requirements related to these employee benefit plans.

<sup>(12)</sup> Fiscal 2021 balance represents tax-related items incurred in connection with the termination of the Company's Supplemental Retirement Plan. Fiscal 2020 balance represents tax-related items incurred in connection with goodwill write-downs.

\* 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.

# CONSTANT CURRENCY SALES AND ADJUSTED EBITDA

NON-GAAP RECONCILIATION (Unaudited) (In thousands)

## APPENDIX C

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

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

# NET DEBT AND NET DEBT LEVERAGE RATIO

NON-GAAP RECONCILIATION (Unaudited)

## APPENDIX D

(Dollars in thousands) (unaudited)	Fiscal Year Ended September 30,			December 31,
	2020	2021	2022	2022
Long-term debt, current maturities	\$ 26,824	\$ 4,624	\$ 3,277	\$ 2,977
Long-term debt	807,710	759,086	795,291	834,127
Total debt	834,534	763,710	798,568	837,104
Less: Cash and cash equivalents	(41,334)	(49,176)	(69,016)	(42,718)
<b>Net Debt</b>	<b>\$ 793,200</b>	<b>\$ 714,534</b>	<b>\$ 729,552</b>	<b>\$ 794,386</b>
Adjusted EBITDA	\$ 203,080	\$ 227,750	\$ 210,408	\$ 206,366
<b>Net Debt Leverage Ratio</b>	<b>3.9</b>	<b>3.1</b>	<b>3.5</b>	<b>3.8</b>

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

# FREE CASH FLOW

NON-GAAP RECONCILIATION (Unaudited)

## APPENDIX E

(Dollars in thousands)	Fiscal Year Ended September 30,			Three Months Ended December 31, 2022
	2020	2021	2022	
Cash Provided from Operating Activities	\$ 180,447	\$ 162,811	\$ 126,860	\$ (36,224)
Less: Capital Expenditures	(34,849)	(34,313)	(61,321)	(12,398)
Free Cash Flow	\$ 145,598	\$ 128,498	\$ 65,539	\$ (48,622)

*Note: See Disclaimer (Page 2) for Management's assessment of supplemental information related to free cash flow.*

# INSTITUTIONAL SHAREHOLDERS

## APPENDIX F

### Shares

September 30, 2022

BlackRock, Inc.	4,966,753	
The Vanguard Group, Inc.	3,470,115	
Phoenix Holdings Ltd.	1,809,178	
Dimensional Fund Advisors, L.P.	1,530,530	
Gamco Investors, Inc. et al	1,136,500	
Ameriprise Financial, Inc.	1,116,514	
State Street Corporation	1,114,002	
Aristotle Capital Boston, LLC	1,028,341	
Geode Capital Management, LLC	565,809	
Palisade Capital Management, LLC	514,084	
Top Ten Institutions	17,251,826	56.9 % of outstanding shares
Remaining Institutions	7,912,396	
Total Institutional Ownership	25,164,222	83.1 % of outstanding shares

Note: Institutional share information obtained from Nasdaq as of November 16, 2022.



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