

**Selected Financial Data (Updated November 21, 2016)**

**September 30, 2016**

**(Dollars in thousands, except per share data)**

**INCOME STATEMENT INFORMATION**

**Statements of Income**

	Three Months Ended September 30,		Year-to-Date	
	2016	2015	2016	2015
Sales	\$ 376,995	\$ 368,338	\$ 1,480,464	\$ 1,426,068
Cost of sales	(230,165)	(226,764)	(924,010)	(896,693)
Gross profit	146,830	141,574	556,454	529,375
Selling and administrative expenses	(107,158)	(108,816)	(437,639)	(424,352)
Operating profit	39,672	32,758	118,815	105,023
Investment income (loss)	601	(856)	2,061	175
Interest expense	(6,198)	(5,494)	(24,344)	(20,610)
Other income (deductions) , net	(692)	(1,356)	(1,298)	5,064
Income before income taxes	33,383	25,052	95,234	89,652
Income taxes	(9,783)	(8,050)	(29,073)	(26,364)
Net income	23,600	17,002	66,161	63,288
Net loss (income) attributable to noncontrolling interests	263	(28)	588	161
Net income attributable to Matthews' shareholders	<u>\$ 23,863</u>	<u>\$ 16,974</u>	<u>\$ 66,749</u>	<u>\$ 63,449</u>
Diluted earnings per share	<u>\$ 0.74</u>	<u>\$ 0.51</u>	<u>\$ 2.03</u>	<u>\$ 1.91</u>

**Segment Results**

	Three Months Ended September 30,			Year-to-Date		
	2016	2015	% Change	2016	2015	% Change
Sales:						
SGK Brand Solutions	\$ 193,667	\$ 200,701	(3.5 )%	\$ 755,975	\$ 798,339	(5.3 )%
Memorialization	152,340	135,982	12.0 %	610,142	508,058	20.1 %
Industrial Technologies	30,988	31,655	(2.1 )%	114,347	119,671	(4.4 )%
	<u>\$ 376,995</u>	<u>\$ 368,338</u>	<u>2.4 %</u>	<u>\$ 1,480,464</u>	<u>\$ 1,426,068</u>	<u>3.8 %</u>
Operating Profit:						
SGK Brand Solutions	\$ 16,801	\$ 16,328	2.9 %	\$ 42,909	\$ 21,864	96.3 %
Memorialization	20,193	12,690	59.1 %	68,252	70,064	(2.6 )%
Industrial Technologies	2,678	3,740	(28.4 )%	7,654	13,095	(41.6 )%
	<u>\$ 39,672</u>	<u>\$ 32,758</u>	<u>21.1 %</u>	<u>\$ 118,815</u>	<u>\$ 105,023</u>	<u>13.1 %</u>

**Unusual items, by segment, were as follows:**

	Three Months Ended September 30,		Year-to-Date	
	2016	2015	2016	2015
SGK Brand Solutions	\$ (6,312)	\$ (7,150)	\$ (24,992)	\$ (39,463)
Memorialization	(2,419)	(4,383)	(10,433)	2,580
Industrial Technologies	(403)	—	(632)	—
Operating Profit impact	<u>\$ (9,134)</u>	<u>\$ (11,533)</u>	<u>\$ (36,057)</u>	<u>\$ (36,883)</u>

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**INCOME STATEMENT INFORMATION (continued)**

**Reconciliation of Adjusted EBITDA:**

	Three Months Ended September 30,		Year-to-Date	
	2016	2015	2016	2015
Net income attributable to Matthews	\$ 23,863	\$ 16,974	\$ 66,749	\$ 63,449
Interest	6,198	5,494	24,344	20,610
Taxes	9,783	8,050	29,073	26,364
Depreciation and amortization	16,202	15,549	65,480	62,620
<b>EBITDA</b>	<b>56,046</b>	<b>46,067</b>	<b>185,646</b>	<b>173,043</b>
Acquisition-related costs	8,216	10,920	34,674	38,865
Intangible asset write-offs	—	—	—	4,842
Litigation matter	—	—	—	(8,996)
Strategic initiatives and other charges	403	1,139	241	4,968
Pension settlement	—	—	—	(11,522)
Stock-based compensation expense	2,672	2,259	10,612	9,097
Pension and postretirement expense	2,185	1,297	8,413	5,677
<b>Adjusted EBITDA</b>	<b>\$ 69,522</b>	<b>\$ 61,682</b>	<b>\$ 239,586</b>	<b>\$ 215,974</b>

**BALANCE SHEET INFORMATION**

**Cash & Cash Equivalents**

9/30/2016	9/30/2015
55,711	72,196

**Accounts Receivable**

9/30/2016	9/30/2015
294,915	283,963
DSO 70.4	66.2

**Inventory**

9/30/2016	9/30/2015
162,472	171,423

**Current Ratio**

9/30/2016	9/30/2015
2.2	2.4

**Intangibles**

9/30/2016	9/30/2015
Goodwill 851,489	855,728
Other Intangibles 393,841	415,000
<b>1,245,330</b>	<b>1,270,728</b>

**Total Assets**

9/30/2016	9/30/2015
2,091,041	2,143,611

**Debt**

9/30/2016	9/30/2015
Current 27,747	11,737
Long Term 844,807	891,217
<b>872,554</b>	<b>902,954</b>

**Total Equity**

9/30/2016	9/30/2015
709,334	734,046

**CASH FLOW INFORMATION**

**Depreciation & Amortization**

Three Months Ended September 30,	
2016	2015
16,202	15,549

Year-to-Date	
2016	2015
65,480	62,620

**Capital Expenditures**

Three Months Ended September 30,	
2016	2015
8,985	13,586

Year-to-Date	
2016	2015
41,682	48,251

**Cash Flow from Operations**

Three Months Ended September 30,	
2016	2015
41,869	38,725

Year-to-Date	
2016	2015
140,274	141,064