

Selected Financial Data
March 31, 2017
(Dollars in thousands, except per share data)

INCOME STATEMENT INFORMATION

Statements of Income

	Three Months Ended March 31,		Year-to-Date	
	2017	2016	2017	2016
Sales	\$ 380,916	\$ 367,176	\$ 729,914	\$ 721,408
Cost of sales	(242,494)	(229,416)	(464,225)	(457,081)
Gross profit	138,422	137,760	265,689	264,327
Selling and administrative expenses	(111,594)	(111,325)	(219,798)	(225,854)
Operating profit	26,828	26,435	45,891	38,473
Investment income	780	235	1,117	936
Interest expense	(6,614)	(6,049)	(12,762)	(11,889)
Other income (deductions) , net	(153)	(192)	(708)	(1,066)
Income before income taxes	20,841	20,429	33,538	26,454
Income taxes	(5,973)	(6,163)	(9,696)	(7,685)
Net income	14,868	14,266	23,842	18,769
Net loss attributable to noncontrolling interests	52	91	166	202
Net income attributable to Matthews shareholders	<u>\$ 14,920</u>	<u>\$ 14,357</u>	<u>\$ 24,008</u>	<u>\$ 18,971</u>
Diluted earnings per share attributable to Matthews shareholders	<u>\$ 0.46</u>	<u>\$ 0.43</u>	<u>\$ 0.74</u>	<u>\$ 0.57</u>

Segment Results

	Three Months Ended March 31,			Year-to-Date		
	2017	2016	% Change	2017	2016	% Change
Sales:						
SGK Brand Solutions	\$ 190,120	\$ 184,384	3.1 %	\$ 365,921	\$ 362,675	0.9 %
Memorialization	162,108	157,376	3.0 %	307,730	304,987	0.9 %
Industrial Technologies	28,688	25,416	12.9 %	56,263	53,746	4.7 %
	<u>\$ 380,916</u>	<u>\$ 367,176</u>	<u>3.7 %</u>	<u>\$ 729,914</u>	<u>\$ 721,408</u>	<u>1.2 %</u>
Operating Profit:						
SGK Brand Solutions	\$ 4,361	\$ 5,500	(20.7) %	\$ 8,551	\$ 8,255	3.6 %
Memorialization	22,938	19,470	17.8 %	37,305	27,159	37.4 %
Industrial Technologies	(471)	1,465	(132.2) %	35	3,059	(98.9) %
	<u>\$ 26,828</u>	<u>\$ 26,435</u>	<u>1.5 %</u>	<u>\$ 45,891</u>	<u>\$ 38,473</u>	<u>19.3 %</u>

Unusual items, by segment, were as follows:

	Three Months Ended March 31,		Year-to-Date	
	2017	2016	2017	2016
SGK Brand Solutions	\$ (6,908)	\$ (7,573)	\$ (13,110)	\$ (14,904)
Memorialization	(2,580)	(685)	(4,727)	(7,930)
Industrial Technologies	(143)	(44)	(444)	(44)
Operating Profit impact	<u>\$ (9,631)</u>	<u>\$ (8,302)</u>	<u>\$ (18,281)</u>	<u>\$ (22,878)</u>

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INCOME STATEMENT INFORMATION (continued)

Reconciliation of Adjusted EBITDA:

	Three Months Ended March 31,		Year-to-Date	
	2017	2016	2017	2016
Net income attributable to Mathews shareholders	\$ 14,920	\$ 14,357	\$ 24,008	\$ 18,971
Interest expense	6,614	6,049	12,762	11,889
Income taxes	5,973	6,163	9,696	7,685
Depreciation and amortization	17,135	16,414	32,294	32,158
EBITDA	44,642	42,983	78,760	70,703
Acquisition-related costs	8,574	8,247	16,800	22,758
Strategic initiatives and other charges	—	55	—	198
Stock-based compensation expense	2,920	2,741	9,017	5,267
Pension and postretirement expense	2,194	2,076	4,388	4,152
Adjusted EBITDA	<u>\$ 58,330</u>	<u>\$ 56,102</u>	<u>\$ 108,965</u>	<u>\$ 103,078</u>

BALANCE SHEET INFORMATION

Cash and cash equivalents

3/31/2017	9/30/2016
43,603	55,711

Accounts receivable, net

3/31/2017	9/30/2016
302,558	294,915
DSO 71.7	70.4

Inventories

3/31/2017	9/30/2016
174,796	162,472

Current Ratio

3/31/2017	9/30/2016
2.1	2.2

Goodwill and other intangibles assets

	3/31/2017	9/30/2016
Goodwill	867,883	851,489
Other intangible assets, net	430,258	393,841
	<u>1,298,141</u>	<u>1,245,330</u>

Total assets

3/31/2017	9/30/2016
2,173,859	2,091,041

Debt

	3/31/2017	9/30/2016
Long-term debt, current maturities	29,653	27,747
Long-term debt	917,698	844,807
	<u>947,351</u>	<u>872,554</u>

Total shareholders' equity

3/31/2017	9/30/2016
704,323	709,334

CASH FLOW INFORMATION

Depreciation and amortization

Three Months Ended March 31,		Year-to-Date	
2017	2016	2017	2016
17,135	16,414	32,294	32,158

Capital expenditures

Three Months Ended March 31,		Year-to-Date	
2017	2016	2017	2016
8,181	9,788	13,250	23,946

Net cash provided by operating activities

Three Months Ended March 31,		Year-to-Date	
2017	2016	2017	2016
28,240	41,872	44,286	51,891