

**Selected Financial Data**  
**June 30, 2017**  
(Dollars in thousands, except per share data)

**INCOME STATEMENT INFORMATION**

**Statements of Income**

	Three Months Ended June 30,		Year-to-Date	
	2017	2016	2017	2016
Sales	\$ 389,630	\$ 382,061	\$ 1,119,544	\$ 1,103,469
Cost of sales	(245,536)	(236,764)	(709,761)	(693,845)
Gross profit	144,094	145,297	409,783	409,624
Selling and administrative expenses	(107,308)	(104,627)	(327,106)	(330,481)
Operating profit	36,786	40,670	82,677	79,143
Investment income	431	524	1,548	1,460
Interest expense	(6,988)	(6,257)	(19,750)	(18,146)
Other income (deductions) , net	7,935	460	7,227	(606)
Income before income taxes	38,164	35,397	71,702	61,851
Income taxes	(8,856)	(11,605)	(18,552)	(19,290)
Net income	29,308	23,792	53,150	42,561
Net loss attributable to noncontrolling interests	177	123	343	325
Net income attributable to Matthews shareholders	<u>\$ 29,485</u>	<u>\$ 23,915</u>	<u>\$ 53,493</u>	<u>\$ 42,886</u>
Diluted earnings per share attributable to Matthews shareholders	<u>\$ 0.91</u>	<u>\$ 0.73</u>	<u>\$ 1.64</u>	<u>\$ 1.30</u>

**Segment Results**

	Three Months Ended June 30,			Year-to-Date		
	2017	2016	% Change	2017	2016	% Change
Sales:						
SGK Brand Solutions	\$ 200,606	\$ 199,633	0.5 %	\$ 566,527	\$ 562,308	0.8 %
Memorialization	155,837	152,815	2.0 %	463,567	457,802	1.3 %
Industrial Technologies	33,187	29,613	12.1 %	89,450	83,359	7.3 %
	<u>\$ 389,630</u>	<u>\$ 382,061</u>	<u>2.0 %</u>	<u>\$ 1,119,544</u>	<u>\$ 1,103,469</u>	<u>1.5 %</u>
Operating Profit:						
SGK Brand Solutions	\$ 11,390	\$ 17,853	(36.2) %	\$ 19,941	\$ 26,108	(23.6) %
Memorialization	23,454	20,900	12.2 %	60,759	48,059	26.4 %
Industrial Technologies	1,942	1,917	1.3 %	1,977	4,976	(60.3) %
	<u>\$ 36,786</u>	<u>\$ 40,670</u>	<u>(9.6) %</u>	<u>\$ 82,677</u>	<u>\$ 79,143</u>	<u>4.5 %</u>

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

	Three Months Ended June 30,		Year-to-Date	
	2017	2016	2017	2016
SGK Brand Solutions	\$ (4,785)	\$ (3,776)	\$ (17,895)	\$ (18,680)
Memorialization	(2,284)	(84)	(7,011)	(8,014)
Industrial Technologies	(309)	(185)	(753)	(229)
Operating Profit impact	<u>\$ (7,378)</u>	<u>\$ (4,045)</u>	<u>\$ (25,659)</u>	<u>\$ (26,923)</u>

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**INCOME STATEMENT INFORMATION (continued)**

**Reconciliation of Adjusted EBITDA:**

	Three Months Ended June 30,		Year-to-Date	
	2017	2016	2017	2016
Net income attributable to Mathews shareholders	\$ 29,485	\$ 23,915	\$ 53,493	\$ 42,886
Interest expense	6,988	6,257	19,750	18,146
Income taxes	8,856	11,605	18,552	19,290
Depreciation and amortization	18,516	17,120	50,810	49,278
EBITDA	63,845	58,897	142,605	129,600
Acquisition-related items	6,097	3,930	22,897	26,687
Loss recoveries, net of costs, and other	(9,358)	(589)	(9,358)	(391)
Stock-based compensation expense	2,837	2,673	11,854	7,940
Pension and postretirement expense	2,194	2,076	6,582	6,228
Adjusted EBITDA	<u>\$ 65,615</u>	<u>\$ 66,987</u>	<u>\$ 174,580</u>	<u>\$ 170,064</u>

**BALANCE SHEET INFORMATION**

**Cash and cash equivalents**

6/30/2017	9/30/2016
56,752	55,711

**Accounts receivable, net**

6/30/2017	9/30/2016
307,232	294,915
DSO 71.0	70.4

**Inventories**

6/30/2017	9/30/2016
179,873	162,472

**Current Ratio**

6/30/2017	9/30/2016
2.1	2.2

**Goodwill and other intangibles assets**

	6/30/2017	9/30/2016
Goodwill	884,745	851,489
Other intangible assets, net	428,858	393,841
	<u>1,313,603</u>	<u>1,245,330</u>

**Total assets**

6/30/2017	9/30/2016
2,235,903	2,091,041

**Debt**

	6/30/2017	9/30/2016
Long-term debt, current maturities	31,908	27,747
Long-term debt	910,050	844,807
	<u>941,958</u>	<u>872,554</u>

**Total shareholders' equity**

6/30/2017	9/30/2016
762,002	709,334

**CASH FLOW INFORMATION**

**Depreciation and amortization**

Three Months Ended June 30,		Year-to-Date	
2017	2016	2017	2016
18,516	17,120	50,810	49,278

**Capital expenditures**

Three Months Ended June 30,		Year-to-Date	
2017	2016	2017	2016
18,965	8,751	32,215	32,697

**Net cash provided by operating activities**

Three Months Ended June 30,		Year-to-Date	
2017	2016	2017	2016
51,476	46,514	95,762	98,405