

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

INCOME STATEMENT INFORMATION

Condensed Statements of Income

	Three Months Ended September 30,		Year-to-Date	
	2017	2016	2017	2016
Sales	\$ 396,064	\$ 376,995	\$ 1,515,608	\$ 1,480,464
Cost of sales	(242,460)	(230,165)	(952,221)	(924,010)
Gross profit	153,604	146,830	563,387	556,454
Selling and administrative expenses	(123,678)	(107,158)	(450,784)	(437,639)
Operating profit	29,926	39,672	112,603	118,815
Investment income	920	601	2,468	2,061
Interest expense	(6,621)	(6,198)	(26,371)	(24,344)
Other income (deductions) , net	360	(692)	7,587	(1,298)
Income before income taxes	24,585	33,383	96,287	95,234
Income taxes	(5,036)	(9,783)	(22,354)	(29,073)
Net income	19,549	23,600	73,933	66,161
Net loss attributable to noncontrolling interests	92	263	435	588
Net income attributable to Matthews' shareholders	<u>\$ 19,641</u>	<u>\$ 23,863</u>	<u>\$ 74,368</u>	<u>\$ 66,749</u>
Diluted earnings per share	<u>\$ 0.60</u>	<u>\$ 0.74</u>	<u>\$ 2.28</u>	<u>\$ 2.03</u>

Segment Results

	Three Months Ended September 30,			Year-to-Date		
	2017	2016	% Change	2017	2016	% Change
Sales:						
SGK Brand Solutions	\$ 203,654	\$ 193,667	5.2 %	\$ 770,181	\$ 755,975	1.9 %
Memorialization	152,315	152,340	— %	615,882	610,142	0.9 %
Industrial Technologies	40,095	30,988	29.4 %	129,545	114,347	13.3 %
	<u>\$ 396,064</u>	<u>\$ 376,995</u>	<u>5.1 %</u>	<u>\$ 1,515,608</u>	<u>\$ 1,480,464</u>	<u>2.4 %</u>
Operating Profit:						
SGK Brand Solutions	\$ 4,978	\$ 16,801	(70.4) %	\$ 24,919	\$ 42,909	(41.9) %
Memorialization	19,893	20,193	(1.5) %	80,652	68,252	18.2 %
Industrial Technologies	5,055	2,678	88.8 %	7,032	7,654	(8.1) %
	<u>\$ 29,926</u>	<u>\$ 39,672</u>	<u>(24.6) %</u>	<u>\$ 112,603</u>	<u>\$ 118,815</u>	<u>(5.2) %</u>

Unusual items, by segment, were as follows:

	Three Months Ended September 30,		Year-to-Date	
	2017	2016	2017	2016
SGK Brand Solutions	\$ (11,828)	\$ (6,312)	\$ (29,723)	\$ (24,992)
Memorialization	(780)	(2,419)	(7,791)	(10,433)
Industrial Technologies	(192)	(403)	(945)	(632)
Operating Profit impact	<u>\$ (12,800)</u>	<u>\$ (9,134)</u>	<u>\$ (38,459)</u>	<u>\$ (36,057)</u>

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INCOME STATEMENT INFORMATION (continued)

Reconciliation of Adjusted EBITDA:

	Three Months Ended September 30,		Year-to-Date	
	2017	2016	2017	2016
Net income attributable to Matthews	\$ 19,641	\$ 23,863	\$ 74,368	\$ 66,749
Interest expense	6,621	6,198	26,371	24,344
Income taxes	5,036	9,783	22,354	29,073
Depreciation and amortization	17,171	16,202	67,981	65,480
EBITDA	48,469	56,046	191,074	185,646
Acquisition-related costs	6,134	8,216	25,748	34,674
Strategic initiatives and other charges	5,925	403	9,209	241
Loss recoveries, net of costs	(1,325)	—	(10,683)	—
Stock-based compensation expense	2,708	2,672	14,562	10,612
Pension and postretirement expense	2,191	2,185	8,773	8,413
Adjusted EBITDA	\$ 64,102	\$ 69,522	\$ 238,683	\$ 239,586

BALANCE SHEET INFORMATION

Cash & Cash Equivalents	<u>9/30/2017</u>	<u>9/30/2016</u>
	57,515	55,711
Accounts Receivable	<u>9/30/2017</u>	<u>9/30/2016</u>
	319,566	294,915
DSO	72.6	70.4
Inventory	<u>9/30/2017</u>	<u>9/30/2016</u>
	171,445	162,472
Current Ratio	<u>9/30/2017</u>	<u>9/30/2016</u>
	2.1	2.2
Intangibles	<u>9/30/2017</u>	<u>9/30/2016</u>
Goodwill	897,794	851,489
Other Intangibles	424,382	393,841
	<u>1,322,176</u>	<u>1,245,330</u>
Total Assets	<u>9/30/2017</u>	<u>9/30/2016</u>
	2,244,649	2,091,041
Debt	<u>9/30/2017</u>	<u>9/30/2016</u>
Current	29,528	27,747
Long Term	881,602	844,807
	<u>911,130</u>	<u>872,554</u>
Total Equity	<u>9/30/2017</u>	<u>9/30/2016</u>
	790,259	709,334

CASH FLOW INFORMATION

Depreciation & Amortization	Three Months Ended September 30,		Year-to-Date	
	2017	2016	2017	2016
	17,171	16,202	67,981	65,480
Capital Expenditures	Three Months Ended September 30,		Year-to-Date	
	2017	2016	2017	2016
	12,720	8,985	44,935	41,682
Cash Flow from Operations	Three Months Ended September 30,		Year-to-Date	
	2017	2016	2017	2016
	53,537	41,869	149,299	140,274