

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549**

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 15, 2018

MATTHEWS INTERNATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

PENNSYLVANIA
(State or other jurisdiction of
Incorporation or organization)

0-09115
(Commission
File Number)

25-0644320
(I.R.S. Employer
Identification No.)

TWO NORTSHORE CENTER, PITTSBURGH, PA
(Address of principal executive offices)

15212-5851
(Zip Code)

(412) 442-8200
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 15, 2018, Matthews International Corporation ("Matthews") issued a press release announcing its earnings for the fourth quarter and fiscal year ended September 30, 2018. A copy of the press release is furnished hereto as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

On November 15, 2018, Matthews posted to the Company's website (www.matw.com/investor) its earnings teleconference presentation which includes selected financial results for the fourth quarter and fiscal year ended September 30, 2018. The presentation is furnished herewith as Exhibit 99.2. This information, including exhibits attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. This information shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference to this Form 8-K in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
<u>99.1</u>	Press Release, dated November 15, 2018, issued by Matthews International Corporation
<u>99.2</u>	Matthews International Corporation earnings teleconference presentation for the fourth quarter and fiscal year ended September 30, 2018

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MATTHEWS INTERNATIONAL CORPORATION
(Registrant)

By: /s/ Steven F. Nicola

Steven F. Nicola
Chief Financial Officer and Secretary

Date: November 16, 2018

Matthews International Corporation

Corporate Office
Two NorthShore Center
Pittsburgh, PA 15212-5851
Phone: (412) 442-8200

November 15, 2018

Contact: Steven F. Nicola
Chief Financial Officer

**MATTHEWS INTERNATIONAL REPORTS RESULTS FOR
FOURTH QUARTER AND FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Fourth Quarter Financial Highlights:

- **GAAP EPS of \$0.93 for the current quarter; compared to \$0.60 last year**
- **Non-GAAP EPS of \$1.23 for the current quarter, up 16.0% over last year**
- **Consolidated sales of \$407.4 million, up 2.9% over last year**
- **Reduction in outstanding debt of \$65.8 million during current quarter**

Fiscal Year Financial Highlights:

- **GAAP EPS of \$3.37 for fiscal 2018; compared to \$2.28 last year**
- **Non-GAAP EPS of \$3.96 for the current year, up 10.0% over last year**
- **New annual record for sales of \$1.6 billion**
- **New annual record for adjusted EBITDA of \$255.1 million**
- **Generated strong operating cash flow of \$147.6 million**

PITTSBURGH, PA, NOVEMBER 15, 2018 - [Matthews International Corporation](#) (NASDAQ GSM: MATW) today announced financial results for its fiscal 2018 fourth quarter and fiscal year ended September 30, 2018.

In discussing the Company's results for the quarter, Joseph C. Bartolacci, President and Chief Executive Officer, stated: "As projected, strong fourth quarter results drove a solid finish to fiscal year 2018. Adjusted earnings per share were \$1.23 for the fiscal 2018 fourth quarter, representing 16.0% growth over a year ago. Adjusted EBITDA for the quarter increased to \$77.0 million, representing a 20.1% improvement over the prior year.

"For the current quarter, acquisitions, primarily Star Granite & Bronze and Compass Engineering, were the principal contributors to our sales increase. We also reported modest organic growth on a consolidated basis as our Industrial Technologies segment reported another quarter of sales growth for fulfillment systems and marking products. In addition, our SGK Brand Solutions segment generated sales growth over the prior year, reflecting good performance by its foreign operations.

"Operating cash flow for the recent quarter also remained strong and, as a result, we reduced total outstanding debt by \$65.8 million, significantly improving our leverage ratio.

“In January 2018, we raised our fiscal 2018 adjusted earnings per share target to growth of at least 10% over fiscal 2017. Despite some headwinds including the impact of a decline in casketed deaths on memorial and casket sales as well as higher commodity costs, we are pleased to report that we achieved our adjusted EPS growth objective. The continuous operating improvements of our businesses were a significant factor in achieving these results.

“In addition, we continue to strategically expand our global footprint with the recent small acquisition of Frost Converting Systems (“Frost”) in North Carolina (November 2018). Frost is a leading supplier of cutting, creasing and embossing tooling to the packaging industry. With the combined capacity of our Saueressig business and the acquisitions of A+E Ungricht GmbH & Co. KG (January 2017) and Frost, we are a leading global provider of critical tooling to packaging converters and industrial surfaces.”

Fourth Quarter Fiscal 2018 Consolidated Results (Unaudited)

(\$ in millions, except per share data)	Q4 FY2018	Q4 FY2017	Change	% Change
Sales	\$ 407.4	\$ 396.1	\$ 11.3	2.9%
Net income attributable to Matthews	\$ 29.6	\$ 19.6	\$ 10.0	51.0%
Diluted EPS	\$ 0.93	\$ 0.60	\$ 0.33	55.0%
Non-GAAP adjusted net income	\$ 39.7	\$ 34.3	\$ 5.4	15.7%
Non-GAAP adjusted EPS	\$ 1.23	\$ 1.06	\$ 0.17	16.0%
Adjusted EBITDA	\$ 77.0	\$ 64.1	\$ 12.9	20.1%

Note: See the attached tables for additional important disclosures regarding Matthews’ use of non-GAAP measures as well as a reconciliation of net income to non-GAAP adjusted net income and adjusted EBITDA. Organic sales represents changes in sales excluding the impact of acquisitions, divestitures, and changes in foreign currency exchange rates.

Consolidated sales for the quarter ended September 30, 2018 were \$407.4 million, compared to \$396.1 million a year ago, representing an increase of \$11.3 million, or 2.9%, over the fourth quarter last year. The increase primarily reflected the impact of recent acquisitions and organic sales growth in the Industrial Technologies and SGK Brand Solutions segments. Changes in foreign currency exchange rates had an unfavorable impact of \$3.4 million on consolidated fourth quarter sales compared to a year ago.

Net income attributable to the Company for the quarter ended September 30, 2018 was \$29.6 million, or \$0.93 per share, compared with \$19.6 million, or \$0.60 per share, a year ago. The increase primarily reflected the impact of higher sales, acquisition synergy realization, and lower selling and administrative costs (including lower acquisition-related and ERP implementation costs).

On a non-GAAP adjusted basis, earnings for the fiscal 2018 fourth quarter were \$1.23 per share, compared with \$1.06 per share for the fiscal 2017 fourth quarter, representing an increase of 16.0%. The increase was driven primarily by the impact of higher sales, lower selling and administrative costs, and acquisition synergy realization.

Adjusted EBITDA (net income before interest expense, income taxes, depreciation and amortization, and other adjustments) for the fiscal 2018 fourth quarter was \$77.0 million, compared to \$64.1 million for the same quarter a year ago, representing an increase of 20.1%. See reconciliation of adjusted EBITDA below.

Sales for the SGK Brand Solutions segment were \$203.5 million for the quarter ended September 30, 2018, compared to \$203.7 million a year ago. The segment reported higher sales in Europe, primarily in the surfaces and engineered solutions businesses, the U.K. and Asia, which were offset partially by lower sales in North America. In addition, recent acquisitions contributed to sales for the segment. Changes in foreign currency exchange rates had an unfavorable impact of \$2.6 million on the segment's sales compared with the same quarter last year.

Memorialization segment sales for the fiscal 2018 fourth quarter were \$155.8 million, compared to \$152.3 million a year ago, representing an increase of \$3.5 million, or 2.3%. Higher sales principally resulted from the acquisition of Star Granite & Bronze (February 2018). Memorial and casket sales volumes for the fiscal 2018 fourth quarter were lower than a year ago, reflecting an estimated decline in U.S. casketed deaths.

Sales for the Industrial Technologies segment were \$48.1 million for the quarter ended September 30, 2018, compared to \$40.1 million a year ago, representing an increase of \$8.0 million, or 20.0%. The increase reflected organic sales growth for fulfillment systems and marking products, and the benefit of the recent acquisition of Compass Engineering (November 2017).

Fiscal Year 2018 Consolidated Results (Unaudited)

(\$ in millions, except per share data)	FY2018	FY2017	Change	% Change
Sales	\$ 1,602.6	\$ 1,515.6	\$ 87.0	5.7%
Net income attributable to Matthews	\$ 107.4	\$ 74.4	\$ 33.0	44.4%
Diluted EPS	\$ 3.37	\$ 2.28	\$ 1.09	47.8%
Non-GAAP adjusted net income	\$ 126.3	\$ 117.2	\$ 9.1	7.8%
Non-GAAP adjusted EPS	\$ 3.96	\$ 3.60	\$ 0.36	10.0%
Adjusted EBITDA	\$ 255.1	\$ 238.7	\$ 16.4	6.9%

Note: See the attached tables for additional important disclosures regarding Matthews' use of non-GAAP measures as well as a reconciliation of net income to non-GAAP adjusted net income and adjusted EBITDA. Organic sales represents changes in sales excluding the impact of acquisitions, divestitures, and changes in foreign currency exchange rates.

Consolidated sales for the year ended September 30, 2018 were \$1.6 billion, compared to \$1.5 billion last year, representing an increase of \$87.0 million, or 5.7%. The increase primarily reflected the impact of recent acquisitions, favorable currency rate changes and organic sales growth in the Industrial Technologies segment. Changes in foreign currency exchange rates had a favorable impact of \$26.9 million on consolidated sales compared to a year ago. These increases were partially offset by lower sales (excluding acquisitions and currency) in the SGK Brand Solutions and Memorialization segments.

Net income attributable to the Company for the year ended September 30, 2018 was \$107.4 million, or \$3.37 per share, compared to \$74.4 million, or \$2.28 per share, last year. The increase primarily reflected the impact of higher sales, acquisition synergy realization, and lower selling and administrative costs (including lower acquisition-related costs). In addition, the U.S. Tax Cuts and Jobs Act contributed to a significant reduction in the Company's income tax expense for fiscal 2018, primarily related to a favorable adjustment in deferred income taxes offset partially by an estimated repatriation tax.

On a non-GAAP adjusted basis, earnings for the year ended September 30, 2018 were \$3.96 per share, compared with \$3.60 per share last year, representing an increase of 10.0%. The growth primarily reflected the impact of higher sales, lower selling and administrative costs, acquisition synergy realization, and lower income taxes. Adjusted EBITDA (see reconciliation of adjusted EBITDA below) for the year ended September 30, 2018 was \$255.1 million, compared to \$238.7 million last year, representing an increase of 6.9%.

Sales for the SGK Brand Solutions segment were \$805.3 million for the year ended September 30, 2018, compared to \$770.2 million a year ago, representing an increase of \$35.1 million, or 4.6%. The segment reported higher sales in Europe, the U.K. and Asia. In addition, acquisitions contributed to current year sales growth. Sales of merchandising displays were lower in the current year as last year included the benefit of a significant project. Changes in currency rates had a favorable impact of \$22.8 million on the segment's sales compared to a year ago.

Memorialization segment sales for the year ended September 30, 2018 were \$631.4 million, compared to \$615.9 million a year ago, representing an increase of \$15.5 million, or 2.5%. The increase primarily reflected higher cremation equipment sales and the acquisition of Star Granite & Bronze. Memorial and casket sales volumes for the current year were lower than a year ago reflecting an estimated decline in U.S. casketed deaths. Changes in foreign currency exchange rates had a favorable impact of \$2.8 million on the segment's sales compared to last year.

Sales for the Industrial Technologies segment were \$165.9 million for the year ended September 30, 2018, compared to \$129.5 million a year ago, representing an increase of \$36.4 million, or 28.1%. The increase reflected higher sales of fulfillment systems and marking products, and the benefit of recent acquisitions. Changes in foreign currency exchange rates had a favorable impact of approximately \$1.2 million on the segment's sales compared to a year ago.

Outlook

Mr. Bartolacci further stated: "As we enter fiscal 2019, we see both opportunities and challenges. Order rates for fulfillment systems in our Industrial Technologies segment and for engineered solutions in our SGK Brand Solutions segment remain solid. In addition, recent new brand account wins and the acquisition of Frost should contribute to our results. However, commodity cost increases will offset some of these benefits. In addition, we expect higher income tax expense in fiscal 2019 as tax benefits discrete to fiscal 2018 will not repeat. As a result, based on our current projections, we expect to achieve growth in adjusted EBITDA in the mid-to-high single digit percentage range over fiscal 2018 and growth in non-GAAP earnings per share in the mid-single digit percentage range over fiscal 2018."

Webcast

The Company will host a conference call and webcast on Friday, November 16, 2018 at 9:00 a.m. Eastern Time to review its financial and operating results, and discuss its corporate strategies and outlook. A question-and-answer session will follow.

The conference call can be accessed by calling (201) 689-8471. The audio webcast can be monitored at www.matw.com. A telephonic replay will be available from 12:00 p.m. ET on the day of the call through Friday, November 30, 2018. To listen to the archived call, dial (412) 317-6671 and enter the pass code 13683891. The webcast replay will be available in the investor relations section of the Company's website at www.matw.com, where a transcript will also be posted once available.

About Matthews International Corporation

Matthews International Corporation is a global provider of brand solutions, memorialization products and industrial technologies. The SGK Brand Solutions segment is a leader in providing brand development, deployment and delivery services that help build our clients' brands and consumers' desire for them. The Memorialization segment is a leading provider of memorialization products, including memorials, caskets and cremation equipment, primarily to cemetery and funeral home customers that help families move from grief to remembrance. The Industrial Technologies segment designs, manufactures and distributes marking, coding and industrial automation technologies and solutions. The Company has approximately 11,000 employees in more than 25 countries on six continents that are committed to delivering the highest quality products and services.

Forward-looking Information

Any forward-looking statements contained in this release 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 economic conditions, competitive environment, death rate, foreign currency exchange rates, technological factors beyond the Company's control, 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.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(In thousands, except per share data)

	Three Months Ended September 30,			Fiscal Year Ended September 30,		
	2018	2017	% Change	2018	2017	% Change
Sales	\$ 407,444	\$ 396,064	2.9 %	\$ 1,602,580	\$ 1,515,608	5.7 %
Cost of sales	(258,660)	(242,460)	6.7 %	(1,021,230)	(952,221)	7.2 %
Gross profit	148,784	153,604	(3.1)%	581,350	563,387	3.2 %
<i>Gross margin</i>	36.5%	38.8%		36.3%	37.2%	
Selling and administrative expenses	(93,262)	(117,304)	(20.5)%	(416,954)	(427,471)	(2.5)%
Amortization of intangible assets	(8,298)	(6,374)	30.2 %	(31,562)	(23,313)	35.4 %
Operating profit	47,224	29,926	57.8 %	132,834	112,603	18.0 %
<i>Operating margin</i>	11.6%	7.6%		8.3%	7.4%	
Interest and other income (deductions), net	(8,103)	(5,341)	51.7 %	(34,841)	(16,316)	113.5 %
Income before income taxes	39,121	24,585	59.1 %	97,993	96,287	1.8 %
Income taxes	(9,585)	(5,036)	90.3 %	9,118	(22,354)	(140.8)%
Net income	29,536	19,549	51.1 %	107,111	73,933	44.9 %
Non-controlling interests	59	92	(35.9)%	260	435	(40.2)%
Net income attributable to Mathews	\$ 29,595	\$ 19,641	50.7 %	\$ 107,371	\$ 74,368	44.4 %
Earnings per share -- diluted	\$ 0.93	\$ 0.60	55.0 %	\$ 3.37	\$ 2.28	47.8 %
Earnings per share -- non-GAAP ⁽¹⁾	\$ 1.23	\$ 1.06	16.0 %	\$ 3.96	\$ 3.6	10.0 %
Dividends declared per share	\$ 0.19	\$ 0.17	11.8 %	\$ 0.76	\$ 0.68	11.8 %

(1) See reconciliation of non-GAAP financial information provided in tables at the end of this release

Reconciliations of Non-GAAP Financial Measures

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-related items, adjustments related to intangible assets, litigation items, and strategic initiative and other charges, which includes non-recurring charges related to operational initiatives and exit activities. Management believes that presenting non-GAAP financial measures (such as EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income and Adjusted EPS) is useful to investors because it (i) provides investors with meaningful supplemental information regarding financial performance by excluding certain items, (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. These non-GAAP financial measures are supplemental to the Company's GAAP disclosures and should not be considered an alternative to the GAAP financial information.

ADJUSTED NET INCOME AND EPS RECONCILIATION (Unaudited) (In thousands, except per share data)

	Three Months Ended September 30,		Fiscal Year Ended September 30,	
	2018	2017	2018	2017
Net income attributable to Matthews	\$ 29,595	\$ 19,641	\$ 107,371	\$ 74,368
Acquisition-related items	3,104	4,925	16,168	20,615
Pension and postretirement expense ⁽¹⁾	1,071	1,567	4,235	6,141
Intangible amortization expense	6,141	4,546	23,356	16,319
Strategic initiatives and other charges	(1,012)	4,440	1,106	6,722
Loss recoveries, net of costs	—	(974)	—	(7,478)
Tax-related ⁽²⁾	771	200	(25,967)	485
Adjusted net income	\$ 39,670	\$ 34,345	\$ 126,269	\$ 117,172
Adjusted EPS	\$ 1.23	\$ 1.06	\$ 3.96	\$ 3.60

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 26.0% and 20.1%, for the three months ended September 30, 2018 and 2017, respectively, and 26.0% and 30.0% for the fiscal year ended September 30, 2018 and 2017, respectively.

(1) The non-GAAP adjustment to pension and postretirement expense represents the add-back of the non-service related components of these costs. Non-service related components include interest cost, expected return on plan assets and amortization of actuarial gains and losses. The service cost and prior service cost components of pension and postretirement expense are considered to be a better reflection of the ongoing service-related costs of providing these benefits. The other components of GAAP pension and postretirement expense are primarily influenced by general market conditions impacting investment returns and interest (discount) rates. 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.

(2) The tax-related adjustments in fiscal 2018 consisted of income tax regulation changes which included an estimated favorable tax benefit of approximately \$37,800 for the reduction in the Company's net deferred tax liability principally reflecting the lower U.S. Federal tax rate, offset partially by an estimated repatriation transition tax charge and other charges of approximately \$11,800, for the fiscal year ended September 30, 2018.

ADJUSTED EBITDA RECONCILIATION (Unaudited)
(In thousands)

	Three Months Ended September 30,		Fiscal Year Ended September 30,	
	2018	2017	2018	2017
Net income attributable to Matthews	\$ 29,595	\$ 19,641	\$ 107,371	\$ 74,368
Interest expense	10,645	6,621	37,427	26,371
Income taxes ⁽¹⁾	9,585	5,036	(9,118)	22,354
Depreciation and amortization	19,922	17,171	76,974	67,981
EBITDA	69,747	48,469	212,654	191,074
Acquisition-related items	4,195	6,135	21,782	25,748
Strategic initiatives and other charges	(1,367)	5,925	1,495	9,209
Loss recoveries, net of costs	—	(1,325)	—	(10,683)
Stock-based compensation	2,929	2,708	13,460	14,562
Pension and postretirement expense ⁽²⁾	1,447	2,191	5,723	8,773
Adjusted EBITDA	\$ 76,951	\$ 64,103	\$ 255,114	\$ 238,683
<i>Adjusted EBITDA margin</i>	18.9%	16.2%	15.9%	15.7%

(1) The income tax regulation changes identified in the adjusted net income/earnings per share reconciliation are included in this line and therefore not separately identified in the calculation of adjusted EBITDA.

(2) The non-GAAP adjustment to pension and postretirement expense represents the add-back of the non-service related components of these costs. Non-service related components include interest cost, expected return on plan assets and amortization of actuarial gains and losses. The service cost and prior service cost components of pension and postretirement expense are considered to be a better reflection of the ongoing service-related costs of providing these benefits. The other components of GAAP pension and postretirement expense are primarily influenced by general market conditions impacting investment returns and interest (discount) rates. 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.

Fourth Quarter Fiscal 2018
Earnings Teleconference
November 16, 2018

Matthews
INTERNATIONAL®

Joseph C. Bartolacci
President and Chief Executive Officer

Steven F. Nicola
Chief Financial Officer

Disclaimer

- Any forward-looking statements with respect to Matthews International Corporation (the "Company") in connection with this presentation are being made 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 from those presented herein are set forth in the Company's Annual Report on Form 10-K and other periodic filings with the Securities and Exchange Commission ("SEC").
- The Company periodically provides information derived from financial data which is not presented in the consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Certain of this information are considered "non-GAAP financial measures" under the SEC rules. The Company believes that this information provides management and investors with a useful measure of the Company's financial performance on a comparable basis. These non-GAAP financial measures are supplemental to the Company's GAAP disclosures and should not be considered an alternative to the GAAP financial information.
- 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-related items, system-integration costs, adjustments related to intangible assets, litigation items, and strategic initiative and other charges, which includes non-recurring charges related to operational initiatives and exit activities. 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, (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.
- Similarly, the Company believes that EBITDA, adjusted EBITDA, and adjusted EBITDA margin provide 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 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 system-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 performance as well as strategic planning and forecasting.
- The Company has also presented adjusted earnings per share and believes it 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 earnings per share provides the Company with an understanding of the results from the primary operations of our business by excluding the per share effects of certain acquisition and system-integration costs, and items that do not reflect the ordinary earnings of our operations. This measure provides management with insight into the earning value for shareholders excluding certain costs, not related to the Company's primary operations. Likewise, this measure 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.
- Lastly, the Company has presented adjusted net income and believes it provides relevant and useful information, which is widely used by analysts and investors, as well as by the Company's management in assessing financial performance. Adjusted net income provides the Company with an understanding of the results from the primary operations of its business by excluding the effects of certain acquisition and system-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 the underlying performance of the business.



Matthews

INTERNATIONAL®

Financial Overview

Q4 FY2018 Highlights

EPS - Diluted



➤ Drivers of Q4 FY2018 GAAP EPS growth

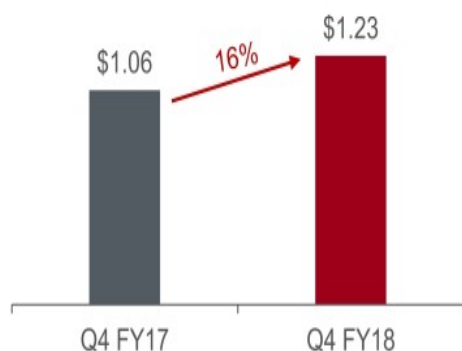
Improvements

- Higher sales
- Acquisitions & synergies
- Cost reduction initiatives; lower SG&A

Partial offsets

- Higher commodity costs
- Higher intangible amortization expense
- Higher interest expense

Adjusted EPS*



➤ Drivers of Q4 FY2018 Adjusted EPS growth

- Above factors that impacted GAAP EPS, except amortization expense is excluded from non-GAAP EPS
- Lower unusual items (acquisition-related items, strategic initiatives & other charges)

* See supplemental slide for Adjusted EPS reconciliation and other important disclaimers regarding *Matthews'* use of Non-GAAP measures

Full Year Highlights

EPS - Diluted



Adjusted EPS*



➤ Drivers of FY2018 GAAP EPS growth

Improvements

- Higher sales
- Acquisitions & synergies
- Cost reduction initiatives; lower SG&A
- Tax regulation implementation

Partial offsets

- Higher commodity costs
- Higher intangible amortization expense
- Higher interest expense
- FY2017 included nonrecurring loss recoveries

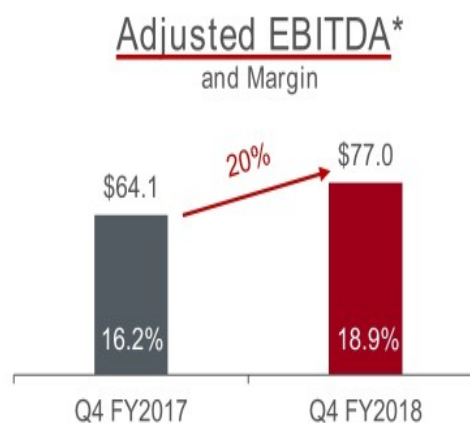
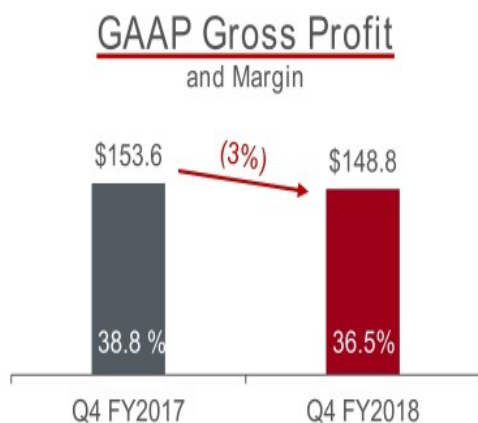
➤ Drivers of FY2018 Adjusted EPS growth

- Above factors that impacted GAAP EPS, except amortization expense and tax regulation implementation are excluded from non-GAAP EPS
- Lower unusual items (acquisition-related items, strategic initiatives & other charges)

* See supplemental slide for Adjusted EPS reconciliation and other important disclaimers regarding *Matthews'* use of Non-GAAP measures

Q4 FY2018 Consolidated Results

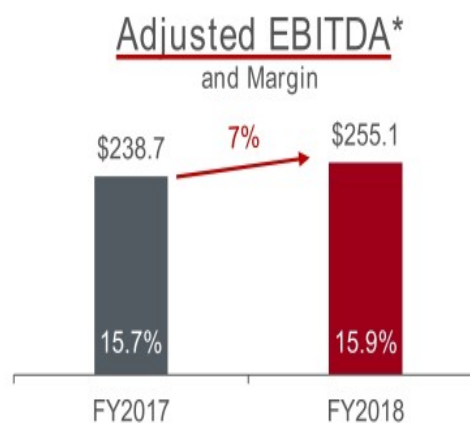
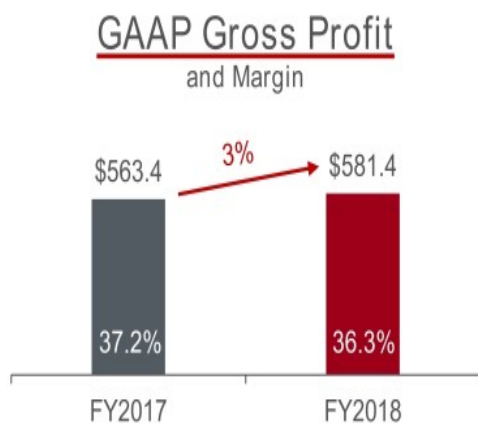
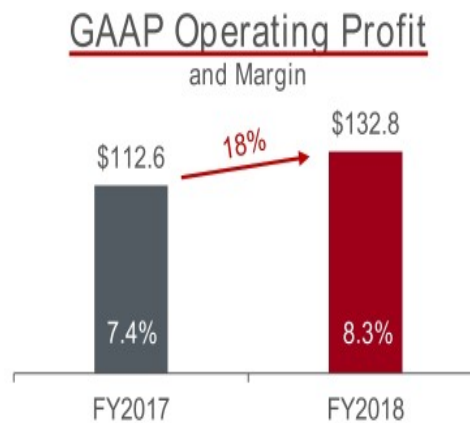
(\$ in millions)



* See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures

Full Year Consolidated Results

(\$ in millions)

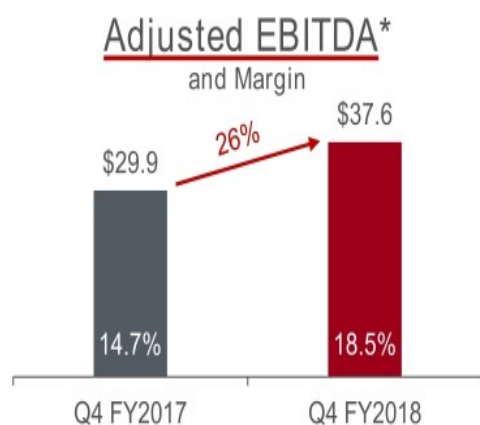
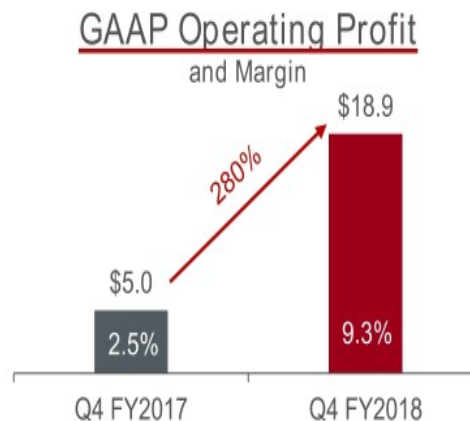


* See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures

Q4 FY18 SGK Brand Solutions Results

Matthews
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(\$ in millions)

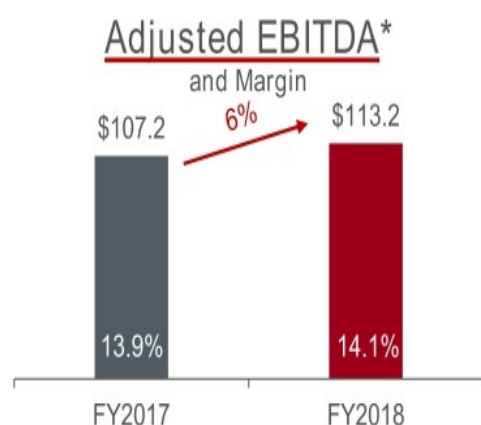
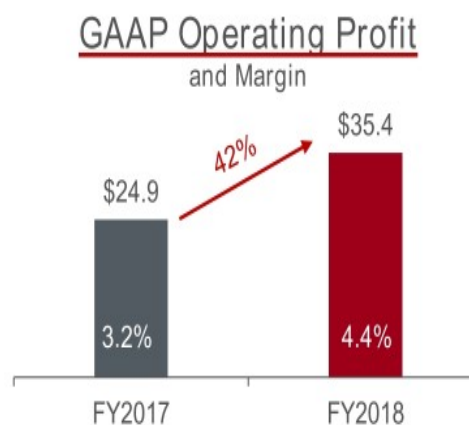
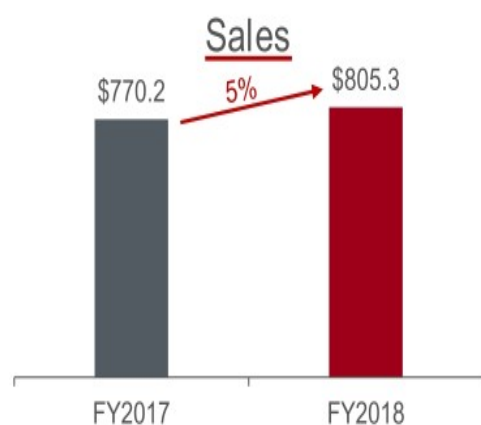


- Higher sales in Europe (surfaces & engineering), UK, Asia, acquisitions; Fx was \$2.6 million unfavorable
- GAAP operating profit includes \$4.7 million and \$5.2 million of amortization expense in Q4 FY2017 and Q4 FY2018
- Lower unusual charges by \$6.7 million favorably impacted GAAP operating profit in Q4 FY2018
- Adjusted EBITDA benefited from higher sales, cost reduction initiatives, lower performance-related compensation

* See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures

Full Year SGK Brand Solutions Results

(\$ in millions)

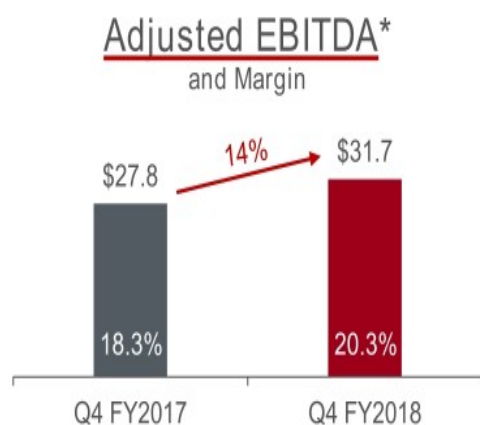
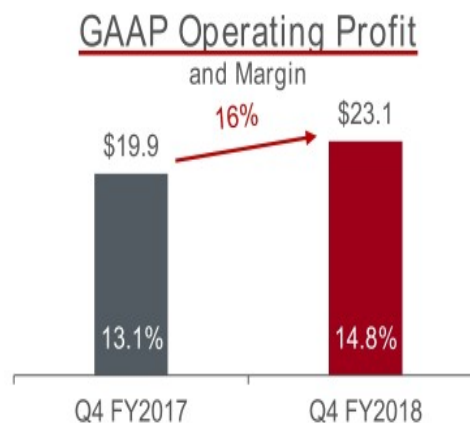
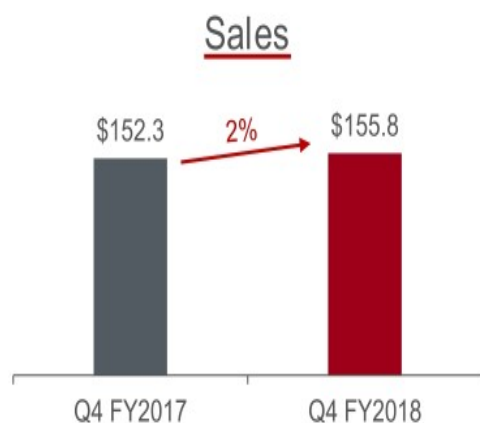


- Higher sales in Europe (surfaces & engineering), UK, Asia, acquisitions; Fx was \$22.8 million favorable; LY included \$18 million nonrecurring merchandising project
- GAAP operating profit includes \$17.3 million and \$20.6 million of amortization expense in FY2017 and FY2018
- Lower unusual charges by \$8.8 million favorably impacted GAAP operating profit in FY2018
- Adjusted EBITDA benefited from higher sales, cost reduction initiatives, lower performance-related compensation

* See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures

Q4 FY18 Memorialization Results

(\$ in millions)

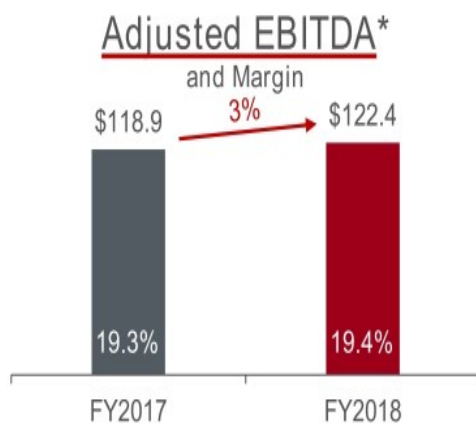
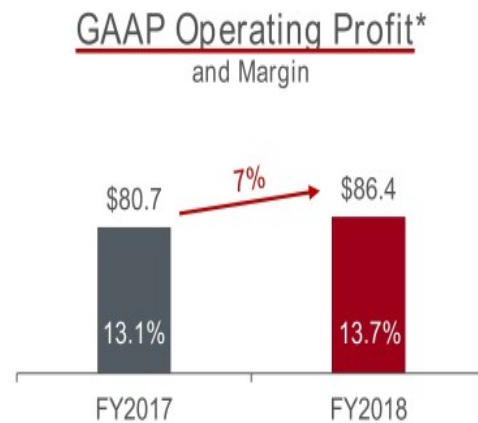
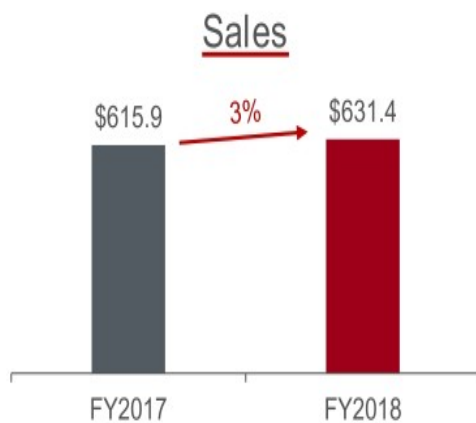


- Higher sales from acquisitions and bronze market share gains partially offset by lower casket sales, memorials and pre-need; Fx was \$0.3 million unfavorable
- GAAP operating profit includes \$1.3 million and \$2.1 million of amortization expense in Q4 FY2017 and Q4 FY2018
- Adjusted EBITDA benefited from acquisition synergies and higher sales; partially offset by higher steel costs

* See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures

Full Year Memorialization Results

(\$ in millions)



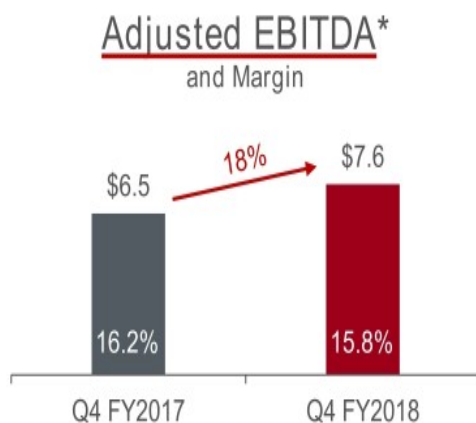
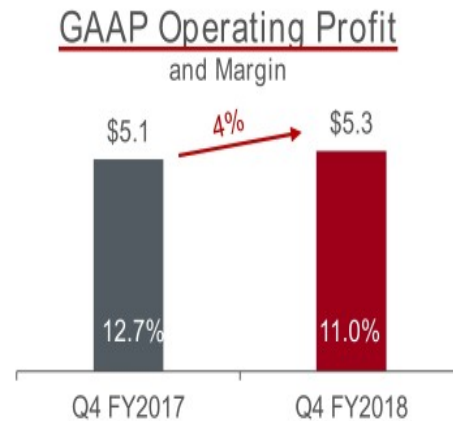
- Higher sales from cremation equipment, acquisitions and bronze market share gains partially offset by lower casket sales, memorials and pre-need; Fx was \$2.8 million favorable
- GAAP operating profit includes \$4.8 million and \$7.3 million of amortization expense in FY2017 and FY2018
- Adjusted EBITDA benefited from acquisition synergies and higher sales; partially offset by higher steel costs

* See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures

Q4 FY18 Industrial Technologies Results **Matthews**

INTERNATIONAL

(\$ in millions)

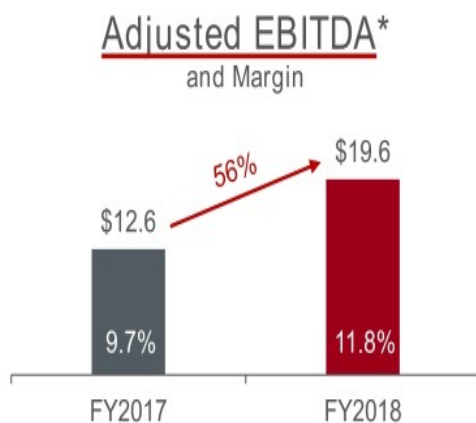
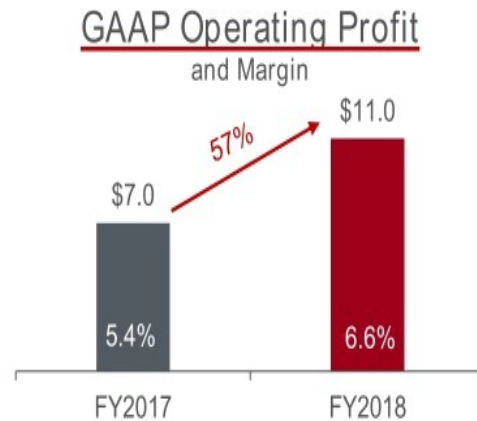


- Higher sales from fulfillment systems, marking products, OEM solutions, Compass Engineering acquisition; Fx was \$0.5 million unfavorable
- GAAP operating profit includes \$0.4 million and \$1.0 million of amortization expense in Q4 FY2017 and Q4 FY2018
- Adjusted EBITDA benefited from higher sales; each period includes \$1.8 million of new product development project costs

* See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures

Full Year Industrial Technologies Results **Matthews** INTERNATIONAL

(\$ in millions)



- Higher sales from fulfillment systems, marking products, OEM solutions, acquisitions; Fx was \$1.2 million favorable
- GAAP operating profit includes \$1.3 million and \$3.6 million of amortization expense in FY2017 and FY2018
- Adjusted EBITDA benefited from higher sales; partially offset by higher new product development project costs (\$6.9 million in FY2017 vs. \$8.0 million in FY2018)

* See supplemental slide for Adjusted EBITDA reconciliation and other important disclosures regarding Matthews' use of Non-GAAP measures

Capitalization and Cash Flows

(\$ in millions)

Debt



Operating Cash Flow



Cash



- Debt reduction of \$65.8 million during Q4 FY2018, significantly reducing leverage ratio
- Generated strong operating cash flow; record level in FY2017 included ~ \$10 million from nonrecurring loss recoveries
- Q4 FY2018 purchased 22k shares for \$1.1 million; FY2018 purchased 394k shares for \$21.2 million
- Quarterly dividend increased to \$0.20/share, represents 5.3% increase; payable 12/10/18; 24th consecutive annual dividend increase



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Business Overview

Business Highlights & Market Climate

SGK Brand Solutions

- Equator showing signs of recent wins; private label and retail focused
- Europe seeing positive momentum
- Several new account wins; but volume ramp has been slow
- Several global clients pressuring segment performance
- Currency climate
- Realizing benefits from cost savings initiatives

Memorialization

- Acquisitions mitigated impact of declines in US casketed deaths
- Gaining market share in bronze cemetery products
- Price realization
- Aurora synergies continue to increase
- Realizing planned synergies from Star Granite & Bronze acquisition
- Commodity cost pressures continue
- Strong cost controls

Industrial Technologies

- Fulfillment products group increasing market penetration
- Released new products by product identification group, gaining traction
- Compass Engineering acquisition contributing to segment performance
- New product in beta test phase; launch still expected early 2019
- Expanding opportunities with new customer for turnkey warehouse solutions
- Large, global logistics client releasing new projects

Acquisitions Integration Update

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SGK Brand Solutions

- Frost Converting Systems (November 2018)
- Equator (March 2017)
- Ungricht (January 2017)
- VCG (January 2017)



Memorialization

- Star Granite & Bronze (February 2018)
- Aurora (August 2015)



Industrial Technologies

- Compass Engineering (November 2017)
- RAF Technology (February 2017)



Outlook for Fiscal 2019*

Observations

- Order rates for fulfillment systems (Industrial Technologies) and engineered solutions (SGK Brand Solutions) remain solid
- Recent new brand account wins and Frost acquisition will contribute favorably
- Commodity cost increases (primarily steel) present ongoing headwinds
- Effective income tax rate will increase since tax benefits discrete to FY2018 will not repeat next year

Guidance

- Adjusted EBITDA will grow mid-to-high single digit rate over FY2018
- Non-GAAP EPS will grow mid-single digit rate over FY2018; pre-tax to contribute high-single digit EPS growth, partially offset by higher tax rate
- Excess cash will be applied to reduce debt

* As of November 15, 2018



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Supplemental Information

Reconciliations of Non-GAAP Financial Measures

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-related items, adjustments related to intangible assets, litigation items, and strategic initiative and other charges, which includes non-recurring charges related to operational initiatives and exit activities. Management believes that presenting non-GAAP financial measures (such as EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income and Adjusted EPS) is useful to investors because it (i) provides investors with meaningful supplemental information regarding financial performance by excluding certain items, (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. These non-GAAP financial measures are supplemental to the Company's GAAP disclosures and should not be considered an alternative to the GAAP financial information.

Adjusted Earnings Per Share

Non-GAAP Reconciliation

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(\$ in thousands, except per share data)

	Three Months Ended September 30,		Fiscal Year Ended September 30,	
	2018	2017	2018	2017
Net income attributable to Matthews	\$ 29,595	\$ 19,641	\$ 107,371	\$ 74,368
Acquisition-related items ⁽¹⁾	3,104	4,925	16,168	20,615
Pension and postretirement expense ⁽²⁾	1,071	1,567	4,235	6,141
Intangible amortization expense	6,141	4,546	23,356	16,319
Strategic initiatives and other charges	(1,012)	4,440	1,106	6,722
Loss recoveries, net of costs	-	(974)	-	(7,478)
Tax-related ⁽³⁾	771	200	(25,967)	485
Adjusted net income	\$ 39,670	\$ 34,345	\$ 126,269	\$ 117,172
Adjusted EPS	\$ 1.23	\$ 1.06	\$ 3.96	\$ 3.60

Note: Adjustments to net income for non-GAAP reconciling items were calculated using an income tax rate of 26.0% and 20.1%, for the three months ended September 30, 2018 and 2017, respectively, and 26.0% and 30.0% for the fiscal year ended September 30, 2018 and 2017, respectively.

(1) Acquisition-related items included acquisition costs and ERP integration costs, net of tax, for each period presented, as follows:

	Three Months Ended September 30,		Fiscal Year Ended September 30,	
	2018	2017	2018	2017
Acquisition costs	1,191	3,093	8,128	13,828
ERP integration costs	1,913	1,832	8,040	6,787
Total Acquisition-related items	3,104	4,925	16,168	20,615

(2) The non-GAAP adjustment to pension and postretirement expense represents the add-back of the non-service related components of these costs. Non-service related components include interest cost, expected return on plan assets and amortization of actuarial gains and losses. The service cost and prior service cost components of pension and postretirement expense are considered to be a better reflection of the ongoing service-related costs of providing these benefits. The other components of GAAP pension and postretirement expense are primarily influenced by general market conditions impacting investment returns and interest (discount) rates. 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.

(3) The tax-related adjustments in fiscal 2018 consisted of income tax regulation changes which included an estimated favorable tax benefit of approximately \$37,800 for the reduction in the Company's net deferred tax liability principally reflecting the lower U.S. Federal tax rate, offset partially by an estimated repatriation transition tax charge and other charges of approximately \$11,800, for the fiscal year ended September 30, 2018.

* See Disclaimer (page 2) for Management's assessment of supplemental information related to adjusted net income and adjusted EPS.

EBITDA and Adjusted EBITDA

Non-GAAP Reconciliation

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(\$ in thousands, except percentage amounts)	Three Months Ended September 30,		Fiscal Year Ended September 30,	
	2018	2017	2018	2017
Net income attributable to Matthews	\$ 29,595	\$ 19,641	\$ 107,371	\$ 74,368
Interest expense	10,645	6,621	37,427	26,371
Income taxes ⁽¹⁾	9,585	5,036	(9,118)	22,354
Depreciation and amortization	19,922	17,171	76,974	67,981
EBITDA	\$ 69,747	\$ 48,469	\$ 212,654	\$ 191,074
Acquisition-related items ⁽²⁾	4,195	6,135	21,782	25,748
Strategic initiatives and other charges	(1,367)	5,925	1,495	9,209
Loss recoveries, net of costs	-	(1,325)	-	(10,683)
Stock-based compensation	2,929	2,708	13,460	14,562
Pension and postretirement expense ⁽³⁾	1,447	2,191	5,723	8,773
Adjusted EBITDA	\$ 76,951	\$ 64,103	\$ 255,114	\$ 238,683
Adjusted EBITDA margin	18.9%	16.2%	15.9%	15.7%

(1) The income tax regulation changes identified in the adjusted net income/earnings per share reconciliation are included in this line and therefore not separately identified in the calculation of adjusted EBITDA.

(2) Acquisition-related items included acquisition costs and ERP integration costs for each period presented, as follows:

	Three Months Ended September 30,		Fiscal Year Ended September 30,	
	2018	2017	2018	2017
Acquisition costs	1,609	3,577	10,918	17,722
ERP integration costs	2,586	2,558	10,864	8,026
Total Acquisition-related items	4,195	6,135	21,782	25,748

(3) The non-GAAP adjustment to pension and postretirement expense represents the add-back of the non-service related components of these costs. Non-service related components include interest cost, expected return on plan assets and amortization of actuarial gains and losses. The service cost and prior service cost components of pension and postretirement expense are considered to be a better reflection of the ongoing service-related costs of providing these benefits. The other components of GAAP pension and postretirement expense are primarily influenced by general market conditions impacting investment returns and interest (discount) rates. 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 EBITDA, adjusted EBITDA, and adjusted EBITDA margin.

Adjusted EBITDA by Segment

Non-GAAP Reconciliation

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(\$ in thousands)	Three Months Ended		Year Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
SGK Brand Solutions				
Operating profit	\$ 18,893	\$ 4,978	\$ 35,443	\$ 24,919
Depreciation and amortization ⁽¹⁾	12,484	11,513	48,970	43,508
Other ⁽²⁾	1,209	637	1,323	4,877
EBITDA	32,586	17,128	85,736	73,304
Acquisition-related items ⁽¹⁾	4,071	5,407	18,879	19,541
Strategic initiatives and other charges ⁽³⁾	(984)	5,749	17	8,620
Loss recoveries, net of costs	—	(617)	—	(4,968)
Stock-based compensation	1,274	1,194	5,892	6,639
Pension and postretirement expense ⁽⁴⁾	674	1,020	2,662	4,080
Adjusted EBITDA	\$ 37,621	\$ 29,881	\$ 113,186	\$ 107,216
Memorialization				
Operating profit	\$ 23,076	\$ 19,893	\$ 86,370	\$ 80,652
Depreciation and amortization ⁽¹⁾	5,733	4,781	21,961	21,408
Other ⁽²⁾	1,236	652	1,352	4,983
EBITDA	30,045	25,326	109,683	107,043
Acquisition-related items ⁽¹⁾	44	712	2,630	5,851
Strategic initiatives and other charges ⁽³⁾	(505)	—	769	—
Loss recoveries, net of costs	—	(629)	—	(5,074)
Stock-based compensation	1,426	1,305	6,553	6,893
Pension and postretirement expense ⁽⁴⁾	687	1,041	2,718	4,167
Adjusted EBITDA	\$ 31,697	\$ 27,755	\$ 122,353	\$ 118,880
Industrial Technologies				
Operating profit	\$ 5,255	\$ 5,055	\$ 11,021	\$ 7,032
Depreciation and amortization ⁽¹⁾	1,705	877	6,043	3,065
Other ⁽²⁾	156	83	171	630
EBITDA	7,116	6,015	17,235	10,727
Acquisition-related items ⁽¹⁾	80	16	273	356
Strategic initiatives and other charges ⁽³⁾	122	176	709	589
Loss recoveries, net of costs	—	(79)	—	(641)
Stock-based compensation	229	209	1,015	1,030
Pension and postretirement expense ⁽⁴⁾	86	130	343	526
Adjusted EBITDA	\$ 7,633	\$ 6,467	\$ 19,575	\$ 12,587
Consolidated				
Operating profit	\$ 47,224	\$ 29,926	\$ 132,834	\$ 112,603
Depreciation and amortization ⁽¹⁾	19,922	17,171	76,974	67,961
Other ⁽²⁾	2,601	1,372	2,846	10,490
EBITDA	69,747	48,469	212,654	191,074
Acquisition-related items ⁽¹⁾	4,195	6,135	21,782	25,748
Strategic initiatives and other charges ⁽³⁾	(1,367)	5,925	1,495	9,209
Loss recoveries, net of costs	—	(1,325)	—	(10,683)
Stock-based compensation	2,929	2,708	13,460	14,562
Pension and postretirement expense ⁽⁴⁾	1,447	2,191	5,723	8,773
Adjusted EBITDA	\$ 76,951	\$ 64,103	\$ 255,114	\$ 238,683

Note: See Disclaimer (Page 2) for Management's assessment of supplemental information related to EBITDA and adjusted EBITDA.

(1) One-time depreciation and amortization charges related to recent acquisitions are included in Depreciation and amortization.

(2) Other represents Investment (loss) income, Other income (deductions), net, and Net loss (income) attributable to noncontrolling interests.

(3) One-time non-operating related charges are included in the calculation of Adjusted EBITDA.

(4) The non-GAAP adjustment to pension and postretirement expense represents the add-back of the non-service related components of these costs. Non-service related components include interest cost, expected return on plan assets and amortization of actuarial gains and losses. The service cost and prior service cost components of pension and postretirement expense are considered to be a better reflection of the ongoing service-related costs of providing these benefits. The other components of GAAP pension and postretirement expense are primarily influenced by general market conditions impacting investment returns and interest (discount) rates. 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.

Fourth Quarter Fiscal 2018
Earnings Teleconference
November 16, 2018

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