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UNITED STATESSECURITIES AND EXCHANGE COMMISSIONWashington, D. C. 20549____ FORM 10-Qâ˜’ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934For the Quarterly Period Ended JuneÂ 30, 2024 orâ˜ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934For the Transition Period from _____ to _____Commission File No. 0-09115 ____MATTHEWS INTERNATIONAL CORPORATION(Exact name of registrant as specified in its charter)____Pennsylvania25-0644320(State or other jurisdiction ofÂ incorporation or organization)(I.R.S. Employer Identification No.)Two Northshore Center, Pittsburgh, PA 15212-5851 (Address of principal executive offices) (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)Securities registered pursuant to Section 12(b) of the Act:Title of each classTrading SymbolName of each exchange on which registeredClass A Common Stock, $1.00 par valueMATWNasdaq Global Select MarketIndicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes Ã½ No o Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes Ã½ No o Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.Large accelerated filerÂ Ã½Accelerated filerâ˜Non-accelerated filerÂ â˜Smaller reporting companyâ˜Emerging growth companyâ˜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. â˜Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).Â Â Â Â Yes â˜ No Ã½ As of JuneÂ 30, 2024, shares of common stock outstanding were: Class A Common Stock 30,597,624 shares.PART I â€' FINANCIAL INFORMATIONItem 1.Â Â Financial StatementsMATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIESCONSOLIDATED BALANCE SHEETS (Unaudited)(Dollar amounts in thousands)Â June 30, 2024September 30, 2023ASSETSÂ Â Â Current assets:Â Â Â Â Cash and cash equivalentsÂ $42,745Â Â $42,101Â Accounts receivable, netÂ 192,817Â Â 207,526Â Inventories, netÂ 248,644Â Â 260,409Â Contract assets95,263Â 74,646Â Other current assetsÂ 62,610Â Â 63,575Â Total current assetsÂ 642,079Â Â 648,257Â InvestmentsÂ 26,810Â Â 24,988Â Property, plant and equipment, netÂ 272,875Â Â 270,326Â Operating lease right-of-use assets64,009Â 71,629Â Deferred income taxesÂ 2,075Â Â 2,269Â GoodwillÂ 706,219Â Â 698,109Â Other intangible assets, netÂ 134,801Â Â 160,478Â Other assets13,009Â 11,325Â Total assetsÂ $1,861,877Â Â $1,887,381Â LIABILITIESÂ Â Â Current liabilities:Â Â Â Â Long-term debt, current maturities Â $5,476Â Â $3,696Â Current portion of operating lease liabilities23,321Â 23,983Â Trade accounts payableÂ 113,636Â Â 114,316Â Accrued compensationÂ 47,025Â Â 58,872Â Accrued income taxesÂ 10,164Â Â 12,561Â Contract liabilities31,389Â 36,935Â Other current liabilitiesÂ 155,141Â Â 144,237Â Total current liabilitiesÂ 386,152Â Â 394,600Â Long-term debtÂ 824,745Â Â 786,484Â Operating lease liabilities42,914Â 50,189Â Deferred income taxesÂ 45,164Â Â 71,255Â Other liabilitiesÂ 59,210Â Â 59,572Â Total liabilitiesÂ 1,358,185Â Â 1,362,100Â SHAREHOLDERS' EQUITYÂ Â Â Â Shareholders' equity-Matthews:Â Â Â Â Common stock$36,334Â Â $36,334Â Â Additional paid-in capital155,584Â Â 168,211Â Â Retained earnings699,037Â Â 714,727Â Â Accumulated other comprehensive loss(174,109)Â (174,404)Â Treasury stock, at cost(213,201)Â (219,200)Â Total shareholders' equity-MatthewsÂ 503,645Â Â 525,668Â Noncontrolling interestsÂ 47Â Â (387)Total shareholders' equityÂ 503,692Â Â 525,281Â Total liabilities and shareholders' equityÂ $1,861,877Â Â $1,887,381Â The accompanying notes are an integral part of these consolidated financial statements.2MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIESCONSOLIDATED STATEMENTS OF INCOME (Unaudited)(Dollar amounts in thousands, except per share data)Three Months EndedJune 30,Nine Months EndedJune 30,Â 2024202320242023Sales$427,833Â $471,908Â $1,349,042Â $1,400,728Â Cost of sales(295,996)(333,603)(936,670)(973,870)Gross profit131,837Â 138,305Â 412,372Â 426,858Â Selling expense(36,012)(36,345)(106,460)(104,323)Administrative expense(80,086)(69,796)(240,664)(229,233)Intangible amortization(9,037)(10,640)(27,791)(31,499)Operating profit6,702Â 21,524Â 37,457Â 61,803Â Interest expense(12,780)(10,924)(36,901)(33,186)Other income (deductions), net(974)(2,487)(2,732)(3,038)(Loss) income before income taxes(7,052)8,113Â (2,176)25,579Â Income tax benefit (provision)8,829Â 558Â 10,677Â (4,136)Net income1,777Â 8,671Â 8,501Â 21,443Â Net loss attributable toÂ noncontrolling interestsâ€"Â 67Â â€"Â 125Â Net income attributable to Matthews shareholders$1,777Â $8,738Â $8,501Â $21,568Â Earnings per share attributable to Matthews shareholders:Basic$0.06Â $0.28Â $0.28Â $0.70Â Diluted$0.06Â $0.28Â $0.27Â $0.69Â The accompanying notes are an integral part of these consolidated financial statements.3MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIESCONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)(Dollar amounts in thousands) Â Three Months Ended June 30,Â MatthewsNoncontrolling InterestTotalÂ 202420232024202320242023Net income (loss):$1,777Â $8,738Â $â€"Â (67)1,777Â $8,671Â Other comprehensive (loss) income ("OCI"), net of tax:Â Â Â Â Â Â Foreign currency translation adjustment(970)923Â â€"Â (31)(970)892Â Pension plans and other postretirement benefits(234)(210)â€"Â â€"Â (234)(210)Unrecognized gain (loss) on cash flow hedges:Â Â Â Â Â Â Net change from periodic revaluation105Â 2,745Â â€"Â â€"Â 105Â 2,745Â Net amount reclassified to earnings(506)(238)â€"Â â€"Â (506)(238)Net change in unrecognized (loss) gain on cash flow hedges(401)2,507Â â€"Â â€"Â (401)2,507Â OCI, net of tax(1,605)3,220Â â€"Â (31)(1,605)3,189Â Comprehensive income (loss)$172Â $11,958Â $â€"Â (98)172Â $11,860Â Â Nine Months Ended June 30,Â MatthewsNoncontrolling InterestTotalÂ 202420232024202320242023Net income (loss):$8,501Â $21,568Â $â€"Â (125)8,501Â $21,443Â OCI, net of tax:Â Â Â Â Â Â Foreign currency translation adjustment4,689Â 25,915Â 22Â (32)4,711Â 25,883Â Pension plans and other postretirementÂ benefits(596)559Â â€"Â â€"Â (596)559Â Unrecognized (loss) gain on cash flow hedges:Â Â Â Â Â Â Net change from periodic revaluation(2,301)1,367Â â€"Â â€"Â (2,301)1,367Â Net amount reclassified to earnings(1,497)(1,506)â€"Â â€"Â (1,497)(1,506)Net change in unrecognized loss on cash flow hedges(3,798)(139)â€"Â â€"Â (3,798)(139)OCI, net of tax295Â 26,335Â 22Â (32)317Â 26,303Â Comprehensive income (loss)$8,796Â $47,903Â $22Â (157)8,818Â $47,746Â The accompanying notes are an integral part of these consolidated financial statements.4MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY for the three and nine months ended JuneÂ 30, 2024 and 2023 (Unaudited) (Dollar amounts in thousands, except per share data)Â Shareholders' EquityCommonStockAdditionalPaid-inCapitalRetainedEarningsAccumulatedOtherComprehensive(Loss) IncomeTreasuryStockNon-controllingInterestsTotalBalance, Â Â Â Â Â September 30, 2023$36,334Â $168,211Â $714,727Â $(174,404)$(219,200)(387)525,281Â Net lossâ€"Â â€"Â (2,303)â€"Â â€"Â â€"Â (2,303)Minimum pension liabilityâ€"Â â€"Â â€"Â (80)â€"Â â€"Â (80)Translation adjustmentâ€"Â â€"Â â€"Â 11,685Â â€"Â 22Â 11,707Â Fair value of cash flow hedgesâ€"Â â€"Â â€"Â (4,881)â€"Â â€"Â (4,881)Total comprehensive incomeÂ Â Â Â Â Â 4,443Â Stock-based compensationâ€"Â 4,651Â â€"Â â€"Â â€"Â â€"Â 4,651Â Purchase of 465,953 shares of treasury stockâ€"Â â€"Â â€"Â â€"Â (17,185)â€"Â (17,185)Issuance of 678,750 shares of treasury stockâ€"Â (25,356)â€"Â â€"Â 25,356Â â€"Â â€"Â Dividendsâ€"Â â€"Â (8,381)â€"Â â€"Â â€"Â (8,381)Transactions with non-controlling interestâ€"Â (412)â€"Â â€"Â â€"Â 412Â â€"Â Balance, Â Â Â Â Â December 31, 2023$36,334Â $147,094Â $704,043Â $(167,680)$(211,029)$47Â $508,809Â Net incomeâ€"Â â€"Â 9,027Â â€"Â â€"Â â€"Â 9,027Â Minimum pension liabilityâ€"Â â€"Â â€"Â (282)â€"Â â€"Â (282)Translation adjustmentâ€"Â â€"Â â€"Â (6,026)â€"Â â€"Â (6,026)Fair value of cash flow hedgesâ€"Â â€"Â â€"Â 1,484Â â€"Â â€"Â 1,484Â Total comprehensive incomeÂ Â Â Â Â Â 4,203Â Stock-based compensationâ€"Â 4,327Â â€"Â â€"Â â€"Â â€"Â 4,327Â Purchase of 1,029 shares of treasury stockâ€"Â â€"Â â€"Â â€"Â (35)â€"Â (35)Issuance of 28,878 shares of treasury stockâ€"Â (1,077)â€"Â â€"Â 1,077Â â€"Â â€"Â Dividendsâ€"Â â€"Â (7,957)â€"Â â€"Â â€"Â (7,957)Balance, Â Â Â Â Â March 31, 2024$36,334Â $150,344Â $705,113Â $(172,504)$(209,987)$47Â $509,347Â Net incomeâ€"Â â€"Â 1,777Â â€"Â â€"Â â€"Â 1,777Â Minimum pension liabilityâ€"Â â€"Â â€"Â (234)â€"Â â€"Â (234)Translation adjustmentâ€"Â â€"Â â€"Â (970)â€"Â â€"Â (970)Fair value of cash flow hedgesâ€"Â â€"Â â€"Â (401)â€"Â â€"Â (401)Total comprehensive income172Â Stock-based compensationâ€"Â 5,331Â â€"Â â€"Â â€"Â â€"Â 5,331Â Purchase of 114,666 shares of treasury stockâ€"Â â€"Â â€"Â â€"Â (3,305)â€"Â (3,305)Issuance of 2,431 shares of treasury stockâ€"Â (91)â€"Â â€"Â 91Â â€"Â â€"Â Dividendsâ€"Â â€"Â (7,853)â€"Â â€"Â â€"Â (7,853)Balance, Â Â Â Â Â June 30, 2024$36,334Â $155,584Â $699,037Â $(174,109)$(213,201)$47Â $503,692Â 5MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY, Continuedfor the three and nine months ended JuneÂ 30, 2024 and 2023 (Unaudited) (Dollar amounts in thousands, except per share data) Â Shareholders' EquityCommonStockAdditionalPaid-inCapitalRetainedEarningsAccumulatedOtherComprehensive(Loss) IncomeTreasuryStockNon-controllingInterestsTotalBalance, Â Â Â Â Â September 30, 2022$36,334Â $160,255Â $706,749Â $(190,191)$(225,795)(276)487,076Â Net income (loss)â€"Â â€"Â 3,703Â â€"Â â€"Â (56)3,647Â Minimum pension liabilityâ€"Â â€"Â â€"Â 945Â â€"Â â€"Â 945Â Translation adjustmentâ€"Â â€"Â â€"Â 20,560Â â€"Â 4Â 20,564Â Fair value of cash flow hedgesâ€"Â â€"Â â€"Â (404)â€"Â â€"Â (404)Total comprehensive incomeÂ Â Â Â Â Â 24,752Â Stock-based compensationâ€"Â 4,334Â â€"Â â€"Â â€"Â â€"Â 4,334Â Purchase of 89,025 shares of treasury stockâ€"Â â€"Â â€"Â â€"Â (2,451)â€"Â (2,451)Issuance of 245,006 shares of treasury stockâ€"Â (9,154)â€"Â â€"Â 9,154Â â€"Â â€"Â Cancellations of 34,327 shares of treasury stockâ€"Â 1,958Â â€"Â â€"Â (1,958)â€"Â â€"Â Dividendsâ€"Â â€"Â (8,794)â€"Â â€"Â â€"Â (8,794)Balance, Â Â Â Â Â December 31, 2022$36,334Â $157,393Â $701,658Â $(169,090)$(221,050)(328)504,917Â Net income (loss)â€"Â â€"Â 9,127Â â€"Â â€"Â (2)9,125Â Minimum pension liabilityâ€"Â â€"Â â€"Â (176)â€"Â â€"Â (176)Translation adjustmentâ€"Â â€"Â â€"Â 4,432Â â€"Â (5)4,427Â Fair value of cash flow hedgesâ€"Â â€"Â â€"Â (2,242)â€"Â â€"Â (2,242)Total comprehensive incomeÂ Â Â Â Â Â 11,134Â Stock-based compensationâ€"Â 4,278Â â€"Â â€"Â â€"Â â€"Â 4,278Â Purchase of 7,606 shares of treasury stockâ€"Â â€"Â â€"Â â€"Â (288)â€"Â (288)Issuance of 46,069 shares of treasury stockâ€"Â (1,723)â€"Â â€"Â 1,723Â â€"Â â€"Â Dividendsâ€"Â â€"Â (7,683)â€"Â â€"Â â€"Â (7,683)Transactions with noncontrolling interestsâ€"Â â€"Â â€"Â â€"Â â€"Â 33Â 33Â Balance, Â Â Â Â Â March 31, 2023$36,334Â $159,948Â $703,102Â $(167,076)$(219,615)(302)512,391Â Net income (loss)â€"Â â€"Â 8,738Â â€"Â â€"Â (67)8,671Â Minimum pension liabilityâ€"Â â€"Â â€"Â (210)â€"Â â€"Â (210)Translation adjustmentâ€"Â â€"Â â€"Â 923Â â€"Â (31)892Â Fair value of cash flow hedgesâ€"Â â€"Â â€"Â 2,507Â â€"Â â€"Â 2,507Â Total comprehensive income11,860Â Stock-based compensationâ€"Â 5,023Â â€"Â â€"Â â€"Â â€"Â 5,023Â Purchase of 2,068 shares of treasury stockâ€"Â â€"Â â€"Â â€"Â (79)â€"Â (79)Issuance of 11,562 shares of treasury stockâ€"Â (331)â€"Â â€"Â 431Â â€"Â 100Â Dividendsâ€"Â â€"Â (7,474)â€"Â â€"Â â€"Â (7,474)Balance, Â Â Â Â Â June 30, 2023$36,334Â $164,640Â $704,366Â $(163,856)$(219,263)(400)521,821Â The accompanying notes are an integral part of these consolidated financial statements.6MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIESCONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)(Dollar amounts in thousands)Nine Months EndedJune 30,Â 20242023Cash flows from operating activities:Â Â Net income$8,501Â $21,443Â Adjustments to reconcile net income to net cash flows from operating activities:Â Â Depreciation and amortization70,441Â 71,813Â Stock-based compensation expense14,309Â 13,635Â Deferred tax (benefit) provision(24,269)680Â (Gain) loss on sale of assets, net(453)594Â Defined benefit plan settlement lossesâ€"Â 1,271Â Defined benefit plan settlement paymentsâ€"Â (24,242)Proceeds from the settlement of cash flow hedgesâ€”Â 10,474Â Changes in working capital items(29,154)(16,131)Decrease in other assets14,490Â 4,313Â Decrease in other liabilities(12,334)(4,748)Other operating activities, net1,805Â (2,196)Net cash provided by operating activities43,336Â 76,906Â Cash flows from investing activities:Â Â Capital expenditures(33,180)(37,107)Acquisitions, net of cash acquired(5,825)(15,341)Purchases of investments(825)(1,536)Other investing activities, net1,199Â 267Â Net cash used in investing activities(38,631)(53,717)Cash flows from financing activities:Â Â Proceeds from long-term debt714,414Â 612,052Â Payments on long-term debt(686,634)(643,494)Purchases of treasury stock(20,525)(2,818)Dividends(24,063)(21,184)Payments of debt issuance costs(4,704)â€”Â Proceeds from net investment hedge17,416Â â€”Â Other financing activitiesâ€”Â (913)Net cash used in financing activities(4,096)(56,357)Effect of exchange rate changes on cash35Â 1,049Â Net change in cash and cash equivalents644Â (32,119)Cash and cash equivalents at beginning of year42,101Â 71,414Â Cash and cash equivalents at end of period$42,745Â $39,295Â The accompanying notes are an integral part of these consolidated financial statements.7MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)JuneÂ 30, 2024(Dollar amounts in thousands, except per share data)Note 1.Â Â Nature of OperationsMatthews International Corporation ("Matthews" or the "Company"), founded in 1850 and incorporated in Pennsylvania in 1902, is a global provider of memorialization products, industrial technologies and brand solutions. The Company manages its businesses under three segments: Memorialization, Industrial Technologies and SGK Brand Solutions. Memorialization products consist primarily of bronze and granite memorials and other memorialization products, caskets, cremation-related products, and cremation and incineration equipment primarily for the cemetery and funeral home industries. Industrial Technologies includes the design, manufacturing, service and distribution of high-tech custom energy storage solutions; product identification and warehouse automation technologies and solutions, including order fulfillment systems for identifying, tracking, picking and conveying consumer and industrial products; and coating and converting lines for the packaging, pharma, foil, dÃ©cor and tissue industries. SGK Brand Solutions consists of brand management, pre-media services, printing plates and cylinders, imaging services, digital asset management, merchandising display systems, and marketing and design services primarily for the consumer goods and retail industries.The Company has facilities in North America, Europe, Asia, Australia, and Central and South America.Note 2.Â Â Basis of PresentationThe accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information for commercial and industrial companies and the instructions to FormÂ 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The year-end consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP.Â In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the three and nine months ended JuneÂ 30, 2024 are not necessarily indicative of the results that may be expected for the fiscal year ending SeptemberÂ 30, 2024. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended SeptemberÂ 30, 2023. The consolidated financial statements include all domestic and foreign subsidiaries in which the Company maintains an ownership interest and has operating control and any variable interest entities for which the Company is the primary beneficiary.Â Investments in certain companies over which the Company exerts significant influence, but does not control the financial and operating decisions, are accounted for as equity method investments. Investments in certain companies over which the Company does not exert significant influence are accounted for as cost method investments. All intercompany accounts and transactions have beenÂ eliminated. The Company applies highly inflationary accounting for subsidiaries when the cumulative inflation rate for a three-year period meets or exceeds 100 percent. Effective April 1, 2022, the Company has applied highly inflationary accounting to its Turkish subsidiaries. Under highly inflationary accounting, the financial statements of these subsidiaries are remeasured into the Company's reporting currency (U.S. dollar) and exchange gains and losses from the remeasurement of monetary assets and liabilities are reflected in current earnings, rather than accumulated other comprehensive loss on the Consolidated Balance Sheets, until such time as the applicable economy is no longer considered highly inflationary. As of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, the Company had net monetary assets related to its Turkish subsidiaries of $6,701 and $4,271, respectively. Exchange losses related to highly inflationary accounting totaled $185 and $895 for the three and nine months endedÂ JuneÂ 30, 2024, respectively, and $1,826 and $3,074 for the three and nine months endedÂ JuneÂ 30, 2023, respectively. Such amounts were included in the Consolidated Statements of Income within other income (deductions), net. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. 8NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 2.Â Â Basis of Presentation (continued)New Accounting Pronouncements:IssuedIn December 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes (Topic 740) which enhances the transparency and decision usefulness of income tax disclosures including rate reconciliations and income taxes paid among other tax disclosures. The ASU is effective for annual periods for the Company beginning in fiscal year 2026. The Company is in the process of assessing the impact this ASU will have on its consolidated financial statements.In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280) which improves financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities, including enhanced disclosures about significant segment expenses. The ASU is effective for annual periods for the Company beginning in fiscal year 2025, and interim periods beginning in fiscal year 2026. The Company is in the process of assessing the impact this ASU will have on its consolidated financial statements.In October 2023, the FASB issued ASU No. 2023-06, Disclosure Improvements. The amendments in this update affect the presentation and disclosure of a variety of topics in the Accounting Standards Codification, and align them with the Securities and Exchange Commission ("SEC") regulations. The effective date of the amendments of this ASU will be determined for each individual disclosure based on the effective date of the SECâ€™s removal of the related disclosure from Regulation S-X or Regulation S-K. If the SEC has not removed the applicable requirements from Regulation S-X or Regulation S-K by June 30, 2027, then this ASU will not become effective. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.AdoptedIn September 2022, the FASB issued ASU No. 2022-04, Liabilities - Supplier Finance Programs (Subtopic 405-50) which enhances the transparency of supplier finance programs by addressing disclosure requirements. Specifically, the amendment requires disclosure of key program terms, amounts outstanding, balance sheet presentation, and a rollforward of amounts outstanding during the annual period. The adoption of this ASU in the first quarter of fiscal 2024 had no material impact on the Company's consolidated financial statements.The Company facilitates a voluntary supply chain finance program (the "Program") to provide certain suppliers with the opportunity to sell receivables due from the Company to participating financial institutions at the sole discretion of both the suppliers and the financial institutions. The Company is not a party to the agreements between the suppliers and the financial institutions and has no economic interest in a supplier's decision to sell a receivable. The range of payment terms negotiated with a supplier is consistent, irrespective of whether a supplier participates in the Program. All outstanding payments owed under the Program are recorded within trade accounts payable in the Consolidated Balance Sheets. The Company accounts for all payments made under the Program as a reduction to operating cash flows in changes in working capital within the Consolidated Statements of Cash Flows. The amounts owed to a participating financial institution under the Program and included in trade accounts payable were $3,868 and $3,027 at JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively.In October 2021, the FASB issued ASU No. 2021-08, Business Combinations (Topic 805) which improves the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency related to recognition of an acquired contract asset/liability, and payment terms and their effect on subsequent revenue recognized by the acquirer. The adoption of this ASU in the first quarter of fiscal 2024 had no material impact on the Company's consolidated financial statements.9NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 3.Â Â Revenue RecognitionThe Company disaggregatesÂ revenueÂ from contracts with customers byÂ geography, as it believes geographic regions best depict how the nature, amount, timing and uncertainty ofÂ revenueÂ and cash flows are affected by economic factors. Disaggregated sales by segment and region for the three and nine months endedÂ JuneÂ 30, 2024Â and 2023Â were as follows:Â MemorializationIndustrial TechnologiesSGK Brand SolutionsConsolidatedThree Months Ended June 30,Three Months Ended June 30,Three Months Ended June 30,Three Months Ended June 30,20242023202420232024202320242023North America$192,575Â $197,309Â $33,526Â $43,924Â $62,960Â $63,000Â $289,061Â $304,233Â Central and South Americaâ€”Â â€”Â â€”Â â€”Â 1,641Â 1,342Â 1,641Â 1,342Â Europe7,496Â 8,468Â 56,558Â 84,577Â 50,671Â 51,532Â 114,725Â 144,577Â Australia2,593Â 2,951Â â€”Â â€”Â 2,235Â 2,020Â 4,828 Sales$202,664Â $208,728Â $91,731Â $130,533Â $133,438Â $132,647Â $427,833Â $471,908Â Â MemorializationIndustrial TechnologiesSGK Brand SolutionsConsolidatedNine Months Ended June 30,Nine Months Ended June 30,Nine Months Ended June 30,Nine Months Ended June 30,20242023202420232024202320242023North America$601,793Â $604,386Â $99,482Â $121,900Â $188,832Â $192,904Â $890,107Â $919,190Â Central and South Americaâ€”Â â€”Â â€”Â â€”Â 4,203Â 3,674Â 4,203Â 3,674Â Europe23,374Â 25,293Â 214,913Â 237,847Â 153,534Â 152,990Â 391,821Â 416,130Â Australia7,724Â 8,440Â â€”Â â€”Â 6,559Â 6,535 Sales$632,891Â $638,119Â $319,241Â $365,190Â $396,910Â $397,419Â $1,349,042Â $1,400,728Â Revenue from products or services provided to customers over time accounted for approximately 13% and 17% of revenue for the three months endedÂ JuneÂ 30, 2024 and 2023, respectively and 17% and 14% of revenue for the nine months ended JuneÂ 30, 2024 and 2023, respectively. As of June 30, 2024 and September 30, 2023, the Company had net contract assets for projects recognized using the over time method totaling $63,874 and $37,711, respectively, which primarily represent unbilled revenues, net of deferred revenues related to customer deposits and progress billings. Net contract assets at June 30, 2024 predominantly related to ongoing projects with the Company's largest energy storage customer.10NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 4.Â Â Fair Value MeasurementsFair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.Â A three level fair value hierarchy is used to prioritize the inputs used in valuations, as defined below:Level 1: Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets.Level 2:Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.Level 3:Unobservable inputs for the asset or liability.The fair values of the Company's assets and liabilities measured on a recurring basis are categorized as follows:Â June 30, 2024September 30, 2023Â Level 1Level 2Level 3TotalLevel 1Level 2Level 3TotalAssets:Â Â Â Â Â Â Â Â Derivatives (1)$â€”Â $2,257Â $â€”Â $2,257Â $â€”Â $4,006Â $â€”Â $4,006Â Equity and fixed income mutual fundsâ€”Â 1,484Â â€”Â 1,484Â â€”Â 699Â â€”Â 699Â Life insurance policiesâ€”Â 4,835Â â€”Â 4,835Â â€”Â 4,926Â â€”Â 4,926Â Total assets at fair value$â€”Â $8,576Â $â€”Â $8,576Â $â€”Â $9,631Â $â€”Â $9,631Â Liabilities:Â Â Â Â Â Â Â Â Derivatives (1)$â€”Â $21,279Â $â€”Â $21,279Â $â€”Â $2,766Â $â€”Â $2,766Â Total liabilities at fair value$â€”Â $21,279Â $â€”Â $21,279Â $â€”Â $2,766Â $â€”Â $2,766Â (1) Interest rate swaps and cross currency swaps are valued based on observable market swap rates and are classified within Level 2 of the fair value hierarchy.The carrying values for other financial assets and liabilities approximated fair value at JuneÂ 30, 2024 and SeptemberÂ 30, 2023.Note 5.Â Â InventoriesInventories consisted of the following:Â June 30, 2024September 30, 2023Raw materials$68,833Â $70,451Â Work in process102,741Â 108,400Â Finished goods77,070Â 81,558Â Â $248,644Â $260,409Â Note 6. Â Â Â Â InvestmentsNon-current investments consisted of the following:Â June 30, 2024September 30, 2023Equity and fixed income mutual funds$1,484Â $699Â Life insurance policies4,835Â 4,926Â Equity-method investments333Â 323Â Other (primarily cost-method) investments20,158Â 19,040Â Â $26,810Â $24,988Â 11NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 7.Â Â Debt and Financing Arrangements Long-term debt at JuneÂ 30, 2024 and SeptemberÂ 30, 2023 consisted of the following:Â June 30, 2024September 30, 2023Revolving credit facilities$498,668Â $463,168Â 2025 Senior Notes298,497Â 298,500Â Other borrowings16,744Â 19,241Â Finance lease obligations16,312Â 9,271Â Total debt830,221Â 790,180Â Less current maturities(5,476)(3,696)Long-term debt$824,745Â $786,484Â The Company has a domestic credit facility with a syndicate of financial institutions that was amended and restated in January 2024. The amended and restated loan agreement includes a $750,000 senior secured revolving credit facility, which matures in January 2029, subject to the terms and conditions of the amended facility. A portion of the revolving credit facility (not to exceed $350,000) can be drawn in foreign currencies. Borrowings under the revolving credit facility bear interest at the Secured Overnight Financing Rate ("SOFR"), plus a 0.10% per annum rate spread adjustment, plus a factor ranging from 1.00% to 2.00% (1.50% at JuneÂ 30, 2024) based on the Company's leverage ratio. The leverage ratio is defined as total indebtedness divided by EBITDA (earnings before interest, income taxes, depreciation and amortization) as defined within the domestic credit facility agreement. The Company is required to pay an annual commitment fee ranging from 0.15% to 0.30% (based on the Company's leverage ratio) of the unused portion of the revolving credit facility. The Company incurred new debt issuance costs of $4,704 in connection with the amended and restated agreement, which were deferred and are being amortized over the term of the facility. Unamortized costs were $5,063 and $949 at JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively.The domestic credit facility requires the Company to maintain certain leverage and interest coverage ratios. A portion of the facility (not to exceed $55,000) is available for the issuance of trade and standby letters of credit. Outstanding U.S. dollar denominated borrowings on the revolving credit facility at JuneÂ 30, 2024 and SeptemberÂ 30, 2023 were $436,632 and $405,000, respectively. Outstanding Euro denominated borrowings on the revolving credit facility at JuneÂ 30, 2024 and SeptemberÂ 30, 2023 were â‚¬55.0 million ($58,947) and â‚¬55.0 million ($58,168), respectively. The weighted-average interest rate on the outstanding borrowings for the domestic credit facility (including the effects of interest rate swaps and Euro denominated borrowings) at JuneÂ 30, 2024 and 2023 was 4.61% and 5.59%, respectively.The Company has $299,217 of 5.25% senior unsecured notes due December 1, 2025 (the "2025 Senior Notes"). The 2025 Senior Notes bear interest at a rate of 5.25% per annum with interest payable semi-annually in arrears on June 1 and December 1 of each year. The Company's obligations under the 2025 Senior Notes are guaranteed by certain of the Company's direct and indirect wholly-owned subsidiaries. The Company is subject to certain covenants and other restrictions in connection with the 2025 Senior Notes. The Company incurred direct financing fees and costs in connection with the 2025 Senior Notes. Unamortized costs were $720 and $1,125 at JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively.The Company and certain of its domestic subsidiaries sell, on a continuous basis without recourse, their trade receivables to Matthews Receivables Funding Corporation, LLC (â€œMatthews RFCâ€), a wholly-owned bankruptcy-remote subsidiary of the Company. Matthews RFC has a receivables purchase agreement (â€œRPAâ€) to sell up to $125,000 of receivables to certain purchasers (the â€œPurchasersâ€) on a recurring basis in exchange for cash (referred to as â€œcapitalâ€ within the RPA) equal to the gross receivables transferred. The parties intend that the transfers of receivables to the Purchasers constitute purchases and sales of receivables. Matthews RFC has guaranteed to each Purchaser the prompt payment of sold receivables, and has granted a security interest in its assets for the benefit of the Purchasers. Under the RPA, each Purchaserâ€™s share of capital accrues yield at a floating rate plus an applicable margin. The Company is the master servicer under the RPA, and is responsible for administering and collecting receivables. The RPA, which had a maturity date of March 2024, was amended in March 2024 to extend the maturity date to March 2026.12NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 7.Â Â Debt and Financing Arrangements (continued)The proceeds of the RPA are classified as operating activities in the Companyâ€™s Consolidated Statements of Cash Flows. Cash received from collections of sold receivables may be used to fund additional purchases of receivables on a revolving basis, or to reduce all or any portion of the outstanding capital of the Purchasers. The fair value of the sold receivables approximated book value due to their credit quality and short-term nature, and as a result, no gain or loss on sale of receivables was recorded. As of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, the amount sold to the Purchasers was $105,100 and $101,800, respectively, which was derecognized from the Consolidated Balance Sheets. As collateral against sold receivables, Matthews RFC maintains a certain level of unsold receivables, which was $52,464 and $57,897 as of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively. The following table sets forth a summary of receivables sold as part of the RPA:Nine Months EndedJune 30, 2024Nine Months EndedJune 30, 2023Gross receivables sold$291,189Â $301,045Â Cash collections reinvested(287,889)(284,435)Net cash proceeds received$3,300Â $16,610Â In March 2023, the Company, through its U.K. subsidiary, entered into a non-recourse factoring arrangement. In connection with this arrangement, the Company periodically sells trade receivables to a third-party purchaser in exchange for cash. These transfers of financial assets are recorded at the time the Company surrenders control of the assets. As these transfers qualify as true sales under the applicable accounting guidance, the receivables are de-recognized from the Company's Consolidated Balance Sheets upon transfer. The principal amount of receivables sold under this arrangement was $53,087 and $36,045 during the nine months ended JuneÂ 30, 2024 and 2023, respectively. The discounts on the trade receivables sold are included within administrative expense in the Consolidated Statements of Income. The proceeds from the sale of receivables are classified as operating activities in the Company's Consolidated Statements of Cash Flows. As of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, the amount of factored receivables that remained outstanding was $16,424 and $18,045, respectively.The Company, through certain of its European subsidiaries, has a credit facility with a European bank, which is guaranteed by Matthews. The maximum amount of borrowing available under this facility is â‚¬10.0 million ($10,718). The facility also provides â‚¬18.5 million ($19,828) for bank guarantees. Â This facility has no stated maturity date and is available until terminated. Outstanding borrowings under the credit facility totaled â‚¬2.9 million ($3,088) at JuneÂ 30, 2024. There were no outstanding borrowings under the credit facility at SeptemberÂ 30, 2023. The weighted-average interest rate on outstanding borrowings under this facility was 5.88% and 5.65% at JuneÂ 30, 2024 and 2023, respectively.Other borrowings totaled $16,744 and $19,241 at JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively. The weighted-average interest rate on all other borrowings was 2.61% and 2.44% at JuneÂ 30, 2024 and 2023, respectively. As of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, the fair value of the Company's long-term debt, including current maturities, which is classified as Level 2 in the fair value hierarchy, approximated the carrying value included in the Consolidated Balance Sheets. The Company was in compliance with all of its debt covenants as of JuneÂ 30, 2024. 13NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 8.Â Â Derivatives and Hedging ActivitiesThe Company operates internationally and utilizes certain derivative financial instruments to manage its foreign currency, debt and interest rate exposures. At JuneÂ 30, 2024 and SeptemberÂ 30, 2023, derivative instruments were reflected on a gross-basis in the consolidated balance sheets as follows:Derivatives:June 30, 2024September 30, 2023Interest Rate SwapsCross- Currency SwapsInterest Rate SwapsCross- Currency SwapsCurrent assets:Â Â Other current assets$616Â $â€”Â $920Â $â€”Â Long-term assets:Â Â Other assets1,641Â â€”Â 3,086Â â€”Â Current liabilities:Â Â Other current liabilitiesâ€”Â (17,416)â€”Â â€”Â Long-term liabilities:Â Â Other liabilitiesâ€”Â (3,863)â€”Â (2,766)Total derivatives$2,257Â $(21,279)$4,006Â $(2,766)The following table presents information related to interest rate swaps entered into by the Company and designated as cash flow hedges:June 30, 2024September 30, 2023Notional amount$175,000Â $175,000Â Weighted-average maturity period (years)3.44.1Weighted-average received rate5.34Â %5.32Â %Weighted-average pay rate3.83Â %3.83Â %The Company enters into interest rate swaps in order to achieve a mix of fixed and variable rate debt that it deems appropriate. The interest rate swaps have been designated as cash flow hedges of future variable interest payments which are considered probable of occurring.Â Based on the Company's assessment, all of the critical terms of each of the hedges matched the underlying terms of the hedged debt and related forecasted interest payments, and as such, these hedges were considered highly effective.The fair value of the interest rate swaps reflected a net unrealized gain of $2,257 ($1,685 after tax) at JuneÂ 30, 2024 and $4,006 ($2,991 after tax) at SeptemberÂ 30, 2023, that is included in shareholders' equity as part of accumulated other comprehensive income (loss) ("AOCI"). Unrecognized gains of $4,751 ($3,549 after tax) and $8,084 ($6,041 after tax) related to previously terminated LIBOR-based swaps were also included in AOCI as of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively. Assuming market rates remain constant with the rates at JuneÂ 30, 2024, a gain (net of tax) of approximately $2,580Â included in AOCI is expected to be recognized in earnings over the next twelve months.The Company has a U.S. Dollar/Euro cross currency swap with a notional amount of $81,392, as of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, which has been designated as a net investment hedge of foreign operations. The swap contract matures in September 2027. The Company assesses hedge effectiveness for this contract based on changes in fair value attributable to changes in spot prices. A loss of $2,884 (net of income taxes of $979) and a loss of $2,065 (net of income taxes of $701), which represented effective hedges of net investments, were reported as a component of AOCI within currency translation adjustment at JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively. Income of $306 and $891, which represented the recognized portion of the fair value of cross currency swaps excluded from the assessment of hedge effectiveness, was included in current period earnings as a component of interest expense for the three and nine months ended JuneÂ 30, 2024, respectively. Income of $284 and $866, which represented the recognized portion of the fair value of cross currency swaps excluded from the assessment of hedge effectiveness, was included in current period earnings as a component of interest expense for the three and nine months ended JuneÂ 30, 2023, respectively. At JuneÂ 30, 2024 and SeptemberÂ 30, 2023, the swap totaled $3,863 and $2,766, respectively, and was included in other accrued liabilities in the Consolidated Balance Sheets.14NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 8.Â Â Derivatives and Hedging Activities (continued)During the third quarter of fiscal 2024, the Company entered into a U.S. Dollar/SEK cross currency swap with a notional amount of SEK 212.7 million ($20,000), which was designated as a net investment hedge of foreign operations. The swap contract matures in June 2025. In connection with this transaction, the Company received $17,416 from the counterparty, representing partial advance payment of amounts due under the U.S. Dollar leg of the swap. The Company assesses hedge effectiveness for this contract based on changes in fair value attributable to changes in spot prices. At June 30, 2024, the swap totaled $17,416 and was included in other current liabilities in the Consolidated Balance Sheet.The Company uses certain foreign currency debt instruments as net investment hedges of foreign operations with a notional amount of â‚¬55.0 million ($58,947) as of JuneÂ 30, 2024. Currency losses of $1,693 (net of income taxes of $574), which represent effective hedges of net investments, were reported as a component of AOCI within currency translation adjustment at JuneÂ 30, 2024.Refer to Note 12, "Accumulated Other Comprehensive Income" for further details regarding amounts recorded in AOCI and the Consolidated Statements of Income (Loss) related to derivatives.Note 9.Â Â Share-Based PaymentsThe Company maintains an equity incentive plan (as amended and restated, the "2017 Equity Incentive Plan") that provides for grants of stock options, restricted shares, restricted share units ("RSUs"), stock-based performance units and certain other types of stock-based awards. Under the 2017 Equity Incentive Plan, which has a ten-year term from the date the Company's Board of Directors approved of the amendment and restatement of the 2017 Equity Incentive Plan, the maximum number of shares available for grants or awards is an aggregate of 3,450,000 (subject to adjustment upon certain events such as stock dividends or stock splits), following the amendment and restatement of the 2017 Equity Incentive Plan at the Company's 2022 Annual Shareholder Meeting. At JuneÂ 30, 2024, 1,180,989 shares have been issued under the 2017 Equity Incentive Plan. 1,233,583 time-based RSUs, 1,579,514 performance-based RSUs, and 75,000 stock options have been granted under the 2017 Equity Incentive Plan. 1,717,761 of these share-based awards are outstanding as of JuneÂ 30, 2024.Â The 2017 Equity Incentive Plan is administered by the Compensation Committee of the Board of Directors. The number of shares issued under performance-based RSUs may be up to 200% of the number of performance-based RSUs, based on the satisfaction of specific criteria established by the plan administrator. For the three-month periods ended JuneÂ 30, 2024 and 2023, stock-based compensation cost totaled $5,331 and $5,023, respectively. For the nine-month periods ended JuneÂ 30, 2024 and 2023, stock-based compensation totaled $14,309 and $13,635, respectively. The associated future income tax benefit recognized for stock-based compensation was $1,351 and $1,249 for the three-month periods ended JuneÂ 30, 2024 and 2023, respectively, and $3,128 and $2,856 for the nine-month periods ended JuneÂ 30, 2024 and 2023, respectively. With respect to the restricted share unit grants, units generally vest on the third anniversary of the grant date. The number of units that vest depend on certain time and performance thresholds. Such performance thresholds include adjusted earnings per share, return on invested capital, appreciation in the market value of the Company's Class A Common Stock, or other targets established by the Compensation Committee of the Board of Directors. Approximately 40% of the outstanding share units vest based on time, while the remaining vest based on pre-defined performance thresholds. The Company issues common stock from treasury shares once the units become vested.The transactions for RSUs for the nine months ended JuneÂ 30, 2024 were as follows:RSUsWeighted-averageGrant-dateFair ValueNon-vested at September 30, 20231,728,697Â $30.90Â Granted458,320Â 40.39Â Vested(452,206)30.08Â Expired or forfeited(17,050)35.44Â Non-vested at June 30, 20241,717,761Â $33.60Â 15NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 9.Â Â Share-Based Payments (continued)During the third quarter of fiscal 2021, 75,000 stock options were granted under the 2017 Equity Incentive Plan. The option price for each stock option granted was $41.70, which was equal to the fair market value of the Company's Class A Common Stock on the date of grant. During the second quarter of fiscal 2024, all of these stock options were forfeited in connection with an employee retirement.As of JuneÂ 30, 2024, the total unrecognized compensation cost related to all unvested stock-based awards was $22,341 and is expected to be recognized over a weighted average period of 1.9 years.The fair value of certain stock-based awards that are subject to performance conditions are estimated on the date of grant using a binomial lattice valuation model. The following table indicates the assumptions used in estimating the fair value of certain stock-based awards granted during the nine-month period ended JuneÂ 30, 2024.Nine Months EndedJune 30, 2024Expected volatility31.8Â %Dividend yield2.4Â %Average risk-free interest rate4.7Â %Average expected term (years)3.0The risk-free interest rate is based on United States Treasury yields at the date of grant. The dividend yield is based on the most recent dividend payment and average stock price over the 12 months prior to the grant date. Expected volatilities are based on the historical volatility of the Company's stock price. The expected term for grants in the nine months ended JuneÂ 30, 2024 represents an estimate of the average period of time for RSUs to vest.The Company maintains the Amended and Restated 2019 Director Fee Plan, the Amended and Restated 2014 Director Fee Plan and the 1994 Director Fee Plan (collectively, the "Director Fee Plans").Â There will be no further fees or share-based awards granted under the Amended and Restated 2014 Director Fee Plan and the 1994 Director Fee Plan.Â Under the Amended and Restated 2019 Director Fee Plan, non-employee directors (except for the Chairman of the Board) each receive, as an annual retainer fee for fiscal 2024, either cash or shares of the Company's Class A Common Stock with a value equal to $90.Â The annual retainer fee for fiscal 2024 paid to the non-employee Chairman of the Board is $210.Â Where the annual retainer fee is provided in shares, each director may elect to be paid these shares on a current basis or have such shares credited to a deferred stock account as phantom stock, with such shares to be paid to the director subsequent to leaving the Board.Â The total number of shares of stock that have been authorized to be issued under the Amended and Restated 2019 Director Fee Plan or credited to a deferred stock compensation account for subsequent issuance is 300,000 shares of Class A Common Stock (subject to adjustment upon certain events such as stock dividends or stock splits), following the amendment and restatement of the 2019 Director Fee Plan at the Company's 2023 Annual Shareholder Meeting. The value of deferred shares is recorded in other liabilities.Â A total of 50,725 shares and share units had been deferred under the DirectorÂ Fee Plans as of JuneÂ 30, 2024.Â Additionally, non-employee directors each receive an annual stock-based grant (non-statutory stock options, stock appreciation rights and/or restricted shares or units) with a value of $140 for fiscal 2024.Â As of JuneÂ 30, 2024, 377,460 restricted shares and RSUs have been granted under the Director Fee Plans, 204,231 of which were issued under the 2019 Director Fee Plan.Â 71,549 RSUs are unvested at JuneÂ 30, 2024 under the Director Fee Plans.16NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 10.Â Â Earnings Per Share Attributable to Matthews' ShareholdersThe information used to compute earnings per share attributable to Matthews' common shareholders was as follows:Three Months EndedJune 30,Nine Months EndedJune 30,Â 2024202320242023Net income attributable to Matthews shareholders$1,777Â $8,738Â $8,501Â $21,568Â Weighted-average shares outstanding (in thousands):Â Â Â Â Basic shares30,892Â 30,795Â 30,907Â 30,758Â Effect of dilutive securities336Â 449Â 316Â 371Â Diluted shares31,228Â 31,244Â 31,223Â 31,129Â Dividends declared per common share$0.24Â $0.23Â $0.72Â $0.69Â Note 11.Â Â Pension and Other Postretirement Benefit PlansThe Company provides defined benefit pension and other postretirement plans to certain employees. Net periodic pension and other postretirement benefit cost for the plans included the following:Â Three months ended June 30,Â PensionOther PostretirementÂ 2024202320242023Service cost$30Â $31Â $14Â $19Â Interest cost *130Â 106Â 171Â 161Â Amortization:Â Â Â Â Prior service creditâ€”Â â€”Â (91)(92)Net actuarial gains *(13)(5)(180)(177)Net benefit cost$147Â $132Â (86)(89)Â Nine months ended June 30,Â PensionOther PostretirementÂ 2024202320242023Service cost$91Â $119Â $41Â $57Â Interest cost *388Â 354Â 513Â 483Â Amortization:Â Â Â Â Prior service creditâ€”Â â€”Â (273)(274)Net actuarial gains *(33)(21)(541)(531)Settlement losses *â€”Â 1,271Â â€”Â â€”Â Net benefit cost$446Â $1,723Â (260)(265)* Non-service components of pension and postretirement expense are included in other income (deductions), net.In the first quarter of fiscal 2023, the Company made lump sum payments totaling $24,242 to fully settle the supplemental retirement plan ("SERP") and defined benefit portion of the officers retirement restoration plan ("ORRP") obligations. The settlement of these plan obligations resulted in the recognition of a non-cash charge of $1,271, which has been presented as a component of other income (deductions), net for the nine months ended JuneÂ 30, 2023. This amount represents the immediate recognition of the deferred AOCI balances related to the SERP and ORRP.17NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 12.Â Â Accumulated Other Comprehensive Income The changes in AOCI by component, net of tax, for the three-month periods ended JuneÂ 30, 2024 and 2023 were as follows: Â Â Â Post-retirement benefit plansCurrency translation adjustmentCash Flow HedgesTotalAttributable to Matthews:Â Â Â Â Â Â Balance, March 31, 2024Â $6,398Â $(184,537)Â $5,635Â $(172,504)OCI before reclassificationÂ (22)(738)Â 105Â (655)Amounts reclassified from AOCI(212)(a)(232)(506)(b)(950)Net current-period OCI(234)Â (970)Â (401)Â (1,605)Balance, June 30, 2024$6,164Â $(185,507)Â $5,234Â $(174,109)Attributable to noncontrolling interest:Â Â Â Â Â Â Balance, March 31, 2024Â $â€”Â $288Â Â $â€”Â $288Â OCI before reclassificationÂ â€”Â â€”Â Â â€”Â Â â€”Â Net current-period OCIÂ â€”Â â€”Â Â â€”Â â€”Â Balance, June 30, 2024Â $â€”Â $288Â Â $â€”Â $288Â Â Â Â Post-retirement benefit plansCurrency translation adjustmentCash Flow HedgesTotalAttributable to Matthews:Â Â Â Â Â Â Balance, March 31, 2023Â $5,951Â $(178,318)Â $5,291Â $(167,076)OCI before reclassificationÂ (5)1,135Â Â 2,745Â 3,875Â Amounts reclassified from AOCI(205)(a)(212)(238)(b)(655)Net current-period OCIÂ (210)923Â Â 2,507Â 3,220Â Balance, June 30, 2023Â $5,741Â $(177,395)Â $7,798Â $(163,856)Attributable to noncontrolling interest:Â Â Â Â Â Â Balance, March 31, 2023Â $â€”Â $254Â Â $â€”Â $254Â OCI before reclassificationÂ â€”Â (31)Â â€”Â (31)Net current-period OCIÂ â€”Â (31)Â â€”Â (31)Balance, June 30, 2023Â $â€”Â $223Â Â $â€”Â $223Â (a) Amounts were included in net periodic benefit cost for pension and other postretirement benefit plans (see Note 11).(b) Amounts were included in interest expense in the periods the hedged item affected earnings (see Note 8).18NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 12.Â Â Accumulated Other Comprehensive Income (continued)The changes in AOCI by component, net of tax, for the nine-month periods ended JuneÂ 30, 2024 and 2023 were as follows: Â Â Â Post-retirement benefit plansCurrency translation adjustmentÂ Cash Flow HedgesTotalAttributable to Matthews:Â Â Â Â Â Â Balance, September 30, 2023Â $6,760Â $(190,196)Â $9,032Â $(174,404)OCI before reclassificationÂ 37Â 5,364Â Â (2,301)3,100Â Amounts reclassified from AOCI(633)(a)(675)(1,497)(b)(2,805)Net current-period OCI(596)Â 4,689Â Â (3,798)295Â Balance, June 30, 2024Â $6,164Â $(185,507)Â $5,234Â $(174,109)Attributable to noncontrolling interest:Â Â Â Â Â Â Balance, September 30, 2023Â $â€”Â $266Â Â $â€”Â $266Â OCI before reclassificationÂ â€”Â 22Â Â â€”Â 22Â Net current-period OCIÂ â€”Â 22Â Â â€”Â 22Â Balance, June 30, 2024Â $â€”Â $288Â Â $â€”Â $288Â Â Â Â Post-retirement benefit plansCurrency translation adjustmentÂ Cash Flow HedgesTotalAttributable to Matthews:Â Â Â Â Â Â Balance, September 30, 2022Â $5,182Â $(203,310)Â $7,937Â $(190,191)OCI before reclassificationÂ 226Â 26,561Â Â 1,367Â 28,154Â Amounts reclassified from AOCI333Â (a)(646)(1,506)(b)(1,819)Net current-period OCIÂ 559Â 25,915Â Â (139)26,335Â Balance, June 30, 2023Â $5,741Â $(177,395)Â $7,798Â $(163,856)Attributable to noncontrolling interest:Â Â Â Â Â Â Balance, September 30, 2022Â $â€”Â $255Â Â $â€”Â $255Â OCI before reclassificationÂ â€”Â (32)Â â€”Â (32)Net current-period OCIÂ â€”Â (32)Â â€”Â (32)Balance, June 30, 2023Â $â€”Â $223Â Â $â€”Â $223Â (a) Amounts were included in net periodic benefit cost for pension and other postretirement benefit plans (see Note 11).(b) Amounts were included in interest expense in the periods the hedged item affected earnings (see Note 8).19NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 12.Â Â Accumulated Other Comprehensive Income (continued)Reclassifications out of AOCI for the three and nine-month periods ended JuneÂ 30, 2024 and 2023 were as follows:Â Amount reclassified from AOCIÂ Details about AOCI ComponentsThree Months Ended June 30, 2024Â Nine Months Ended June 30, 2024Affected line item in the Statement of incomePostretirement benefit plansÂ Â Â Â Â Â Prior service credit (a)$91Â $273Â Â Actuarial losses193Â 574Â Other income (deductions), netÂ 284Â 847Â Income before income tax (b)Â (72)Â (214)Income taxesÂ $212Â Â $633Â Net incomeDerivativesÂ Â Â Â Â Â Cash flow hedges$678Â Â $2,005Â Interest expenseNet investment hedges306Â 891Â Interest expenseÂ 984Â 2,896Â Income before income tax (b)Â (246)Â (724)Income taxesÂ $738Â Â $2,172Â Net incomeÂ Â Details about AOCI ComponentsThree Months EndedJune 30, 2023Â Nine Months EndedJune 30, 2023Affected line item in the Statement of incomePostretirement benefit plansÂ Â Â Â Â Â Prior service credit (a)$92Â $274Â Â Actuarial losses182Â 552Â Other income (deductions), netSettlement lossesâ€”Â (1,271)Other income (deductions), netÂ 274Â (445)Income before income tax (b)(69)Â 112Â Income taxesÂ $205Â Â $(333)Net incomeDerivativesÂ Â Â Â Â Â Cash flow hedges$317Â Â $2,014Â Interest expenseNet investment hedges284Â 866Â Interest expenseÂ 601Â 2,880Â Income before income tax (b)Â (151)Â (728)Income taxesÂ $450Â Â $2,152Â Net income(a) Prior service cost amounts are included in the computation of pension and other postretirement benefit expense, which is reported in cost of goods sold and selling and administrative expenses. For additional information, see Note 11.(b) For pre-tax items, positive amounts represent income and negative amounts represent expense.20NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 13.Â Â Income TaxesIncome tax provisions for the Company's interim periods are based on the effective income tax rate expected to be applicable for the full year. The Company's consolidated income taxes for the first nine months of fiscal 2024 represented a benefit of $10,677, compared to an expense of $4,136 for the first nine months of fiscal 2023. The difference between the Companyâ€™s consolidated income taxes for the first nine months of fiscal 2024 compared to the same period for fiscal 2023 resulted from a consolidated pre-tax loss in fiscal 2024 compared to pre-tax income in fiscal 2023, as well as a net tax benefit from discrete items in fiscal 2024. The Companyâ€™s fiscal 2024 nine month effective tax rate varied from the U.S. statutory tax rate of 21.0% primarily due to tax credits, jurisdictional tax rate netting, recognition of certain previously unrecognized deferred tax assets and other net discrete tax benefits. The Companyâ€™s fiscal 2023 nine month effective tax rate varied from the U.S. statutory tax rate of 21.0% primarily due to state taxes, foreign statutory rate differentials, tax credits, and non-tax benefited foreign losses.The Company had unrecognized tax benefits (excluding penalties and interest) of $4,536 and $3,779 on JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively, which would impact the annual effective rate at JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively. It is reasonably possible that the amount of unrecognized tax benefits could decrease by approximately $2,725 in the next 12 months primarily due to the completion of audits and the expiration of the statute of limitations.The Company classifies interest and penalties on tax uncertainties as a component of the provision for income taxes.Â Total penalties and interest accrued were $702 and $730 at JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively.Â These accruals may potentially be applicable in the event of an unfavorable outcome of uncertain tax positions.The Company is currently under examination in several tax jurisdictions and remains subject to examination until the statute of limitations expires for those tax jurisdictions.Â As of JuneÂ 30, 2024, the tax years that remain subject to examination by major jurisdictions generally are:United States â€“ Federal2020 and forwardUnited States â€“ State2019 and forwardCanada2020 and forwardGermany2019 and forwardUnited Kingdom2022 and forwardSingapore2020 and forwardAustralia2020 and forward21NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 14.Â Â Segment InformationThe Company manages its businesses under three segments: Memorialization, Industrial Technologies and SGK Brand Solutions. The Memorialization segment consists primarily of bronze and granite memorials and other memorialization products, caskets, cremation-related products, and cremation and incineration equipment primarily for the cemetery and funeral home industries. The Industrial Technologies segment includes the design, manufacturing, service and distribution of high-tech custom energy storage solutions; product identification and warehouse automation technologies and solutions, including order fulfillment systems for identifying, tracking, picking and conveying consumer and industrial products; and coating and converting lines for the packaging, pharma, foil, dÃ©cor and tissue industries. The SGK Brand Solutions segment consists of brand management, pre-media services, printing plates and cylinders, imaging services, digital asset management, merchandising display systems, and marketing and design services primarily for the consumer goods and retail industries.The Company's primary measure of segment profitability is adjusted earnings before interest, income taxes, depreciation and amortization ("adjusted EBITDA"). Adjusted EBITDA is defined by the Company as earnings before interest, income taxes, depreciation, amortization and certain non-cash and/or non-recurring items that do not contribute directly to managementâ€™s evaluation of its operating results. These items include stock-based compensation, the non-service portion of pension and postretirement expense, acquisition and divestiture costs, enterprise resource planning ("ERP") integration costs, and strategic initiatives and other charges. This presentation is consistent with how the Company's chief operating decision maker (the â€œCODMâ€) evaluates the results of operations and makes strategic decisions about the business. For these reasons, the Company believes that adjusted EBITDA represents the most relevant measure of segment profit and loss.In addition, the CODM manages and evaluates the operating performance of the segments, as described above, on a pre-corporate cost allocation basis. Accordingly, for segment reporting purposes, the Company does not allocate corporate costs to its reportable segments. Corporate costs include management and administrative support to the Company, whichÂ consists of certain aspects of the Companyâ€™s executive management, legal, compliance, human resources, information technology (including operational support) and finance departments. These costs are included within "Corporate and Non-Operating" in the following table to reconcile to consolidated adjusted EBITDA and are not considered a separate reportable segment. Management does not allocate non-operating items such as investment income, other income (deductions), net and noncontrolling interest to the segments.22NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 14.Â Â Segment Information (continued)The following table sets forth information about the Company's segments, including a reconciliation of adjusted EBITDA to net income.Three Months EndedJune 30,Nine Months EndedJune 30,Â 2024202320242023Sales:Â Memorialization$202,664Â $208,728Â $632,891Â $638,119Â Industrial Technologies91,731Â 130,533Â 319,241Â 365,190Â SGK Brand Solutions133,438Â 132,647Â 396,910Â 397,419Â Consolidated Sales$427,833Â $471,908Â $1,349,042Â $1,400,728Â Adjusted EBITDA:Â Â Â Â Memorialization$38,737Â $39,929Â $122,051Â $127,096Â Industrial Technologies4,196Â 15,041Â 23,846Â 42,808Â SGK Brand Solutions16,054Â 16,364Â 44,317Â 39,616Â Corporate and Non-Operating(14,241)(15,146)(43,186)(45,594)Total Adjusted EBITDA$44,746Â $56,188Â $147,028Â $163,926Â Acquisition and divestiture related items (1)**(2,266)(308)(5,565)(4,445)Strategic initiatives and other charges (2)**(6,246)(4,694)(17,128)(7,755)Highly inflationary accounting losses (primarily non-cash) (3)(185)(1,826)(895)(3,074)Stock-based compensation (5,331)(5,023)(14,309)(13,635)Non-service pension and postretirement expense (4)(108)(85)(327)(1,556)Depreciation and amortization *(23,657)(23,936)(70,441)(71,813)Interest expense, including RPA and factoring financing fees (5)(14,005)(12,136)(40,539)(35,944)Net loss attributable toÂ noncontrolling interestsâ€”Â (67)â€”Â (125)(Loss) income before income taxes(7,052)8,113Â (2,176)25,579Â Income tax benefit (provision)8,829Â 558Â 10,677Â (4,136)Net income$1,777Â $8,671Â $8,501Â $21,443Â (1) Includes certain non-recurring items associated with recent acquisition and divestiture activities.(2) Includes certain non-recurring costs associated with commercial, operational and cost-reduction initiatives, and costs associated with global ERP system integration efforts. Fiscal 2024 also includes legal costs related to an ongoing dispute with Tesla, Inc. ("Tesla"), which totaled $3,166 and $8,138 for the three and nine months ended JuneÂ 30, 2024, respectively (see Note 17, "Legal Matter"). Fiscal 2023 includes loss recoveries totaling $2,154 for the nine months ended JuneÂ 30, 2023, which were related to a previously disclosed theft of funds by a former employee initially identified in fiscal 2015. (3) Represents exchange losses associated with highly inflationary accounting related to the Company's Turkish subsidiaries (see Note 2, "Basis of Presentation").(4) Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, curtailment gains and losses, and settlement gains and losses. These benefit cost components are excluded from adjusted EBITDA since they are primarily influenced by external market conditions that impact investment returns and interest (discount) rates. Curtailment gains and losses and settlement gains and losses are excluded from adjusted EBITDA since they generally result from certain non-recurring events, such as plan amendments to modify future benefits or settlements of plan obligations. The service cost and prior service cost components of pension and postretirement expense are included in the calculation of adjusted EBITDA, since they are considered to be a better reflection of the ongoing service-related costs of providing these benefits. 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.(5) Includes fees for receivables sold under the RPA and factoring arrangements totaling $1,225 and $1,212 for the three months ended JuneÂ 30, 2024 and 2023, respectively, and $3,638 and $2,758 for the nine months ended JuneÂ 30, 2024 and 2023, respectively.* Depreciation and amortization was $7,073 and $5,807 for the Memorialization segment, $5,796 and $5,815 for the Industrial Technologies segment, $9,702 and $11,164 for the SGK Brand Solutions segment, and $1,086 and $1,150 for Corporate and Non-Operating, for the three months ended JuneÂ 30, 2024 and 2023, respectively. Depreciation and amortization was $20,400 and $17,092 for the Memorialization segment, $17,744 and $17,584 for the Industrial Technologies segment, $28,943 and $33,543 for the SGK Brand Solutions segment, and $3,354 and $3,594 for Corporate and Non-Operating, for the nine months ended JuneÂ 30, 2024 and 2023, respectively.** Acquisition costs, ERP integration costs, and strategic initiatives and other charges were $1,108 and $270 for the Memorialization segment, $4,490 and $120 for the Industrial Technologies segment, $1,473 and $3,897 for the SGK Brand Solutions segment, and $1,441 and $715 for Corporate and Non-Operating, for the three months ended JuneÂ 30, 2024 and 2023, respectively. Acquisition costs, ERP integration costs, and strategic initiatives and other charges were $2,204 and $981 for the Memorialization segment, $14,288 and $3,494 for the Industrial Technologies segment, $2,694 and $7,028 for the SGK Brand Solutions segment, and $3,507 and $697 for Corporate and Non-Operating, for the nine months ended JuneÂ 30, 2024 and 2023, respectively.23NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 15. Acquisitions and DivestituresFiscal 2024:In January 2024, the Company completed a small acquisition within the Memorialization segment for a purchase price of $5,825 (net of holdbacks and other adjustments, including working capital). The preliminary purchase price allocation was not finalized as of JuneÂ 30, 2024 and remains subject to change as the Company obtains additional information related to working capital, intangible assets and other liabilities.Fiscal 2023:In September 2023, the Company completed a small divestiture within the Industrial Technologies segment. Net proceeds from the divestiture totaled approximately $6,700, and the transaction resulted in a pre-tax gain of $1,827, which was recorded as a component of administrative expenses in the fourth quarter of fiscal 2023. The transaction also included $2,250 of contingent consideration, which represents the maximum amount the Company could potentially recognize at the resolution of the two-year contingency period.In March 2023, the Company purchased the remaining ownership interest in a non-consolidated Industrial Technologies subsidiary for $4,759 (net of cash acquired and holdbacks). The Company finalized the allocation of the purchase price in the first quarter of fiscal 2024, resulting in no significant adjustments.In February 2023, the Company acquired Eagle Granite Company ("Eagle") within the Memorialization segment for a total purchase price of $18,384, consisting of cash of $8,650 (net of cash acquired) and a deferred purchase price amount of $9,734, which is scheduled to be paid to the seller two years from the acquisition date. In addition, the Company recorded a liability of approximately $3,800 for potential future contingent consideration related to certain earnout provisions, which, if owed, is scheduled to be paid to the seller four years from the acquisition date. Eagle serves cemeteries and monument companies with a full complement of granite memorialization products. The Company finalized the allocation of the purchase price in the first quarter of fiscal 2024, resulting in adjustments to certain liability accounts. During the first fiscal quarter of 2023, the Company completed small acquisitions within the SGK Brand Solutions segment for a combined purchase price of $1,932 (net of cash acquired and holdbacks). The Company finalized the purchase price allocations in the fourth quarter of fiscal 2023, resulting in an immaterial adjustment to certain tax accounts.Note 16.Â Â Goodwill and Other Intangible AssetsA summary of the carrying amount of goodwill attributable to each segment as well as the changes in such amounts are as follows:MemorializationIndustrial TechnologiesSGK BrandSolutionsConsolidatedNet goodwill at SeptemberÂ 30, 2023$366,015Â $115,073Â $217,021Â $698,109Â Additions during period2,551Â â€”Â â€”Â 2,551Â Translation and other adjustments3,272Â 383Â 1,904Â 5,559Â Net goodwill at JuneÂ 30, 2024$371,838Â $115,456Â $218,925Â $706,219Â The net goodwill balances at JuneÂ 30, 2024 and SeptemberÂ 30, 2023 included $261,186 of accumulated impairment losses. Accumulated impairment losses at JuneÂ 30, 2024 and SeptemberÂ 30, 2023 were $5,000, $23,946 and $232,240 for the Memorialization, Industrial Technologies and SGK Brand Solutions segments, respectively. 24NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued(Dollar amounts in thousands, except per share data)Note 16.Â Â Goodwill and Other Intangible Assets (continued)The Company performed its annual impairment review of goodwill and indefinite-lived intangible assets in the second quarter of fiscal 2024 (January 1, 2024) and determined that the estimated fair values for all goodwill reporting units exceeded their carrying values, therefore no impairment charges were necessary. The results of this review indicated that the estimated fair value of the Company's SGK Brand Solutions reporting unit exceeded the carrying value (expressed as a percentage of carrying value) by approximately 7%. The fair value for the reporting unit was determined using level 3 inputs (including estimates of revenue growth, EBITDA contribution and the discount rates) and a combination of the income approach using the estimated discounted cash flows and a market-based valuation methodology. If current projections are not achieved or specific valuation factors outside the Company's control (such as discount rates and continued economic and industry challenges) significantly change, additional goodwill write-downs may be necessary in future periods.The following tables summarize the carrying amounts and related accumulated amortization for intangible assets as of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively.CarryingAmountAccumulatedAmortizationNetJune 30, 2024:Â Â Â Â Indefinite-lived trade names$30,540Â $â€”Â $30,540Â Definite-lived trade names151,296Â (126,231)25,065Â Customer relationships379,300Â (303,219)76,081Â Copyrights/patents/other19,240Â (16,125)3,115Â Â $580,376Â $(445,575)$134,801Â September 30, 2023:Â Â Â Indefinite-lived trade names$30,540Â $â€”Â $30,540Â Definite-lived trade names151,185Â (122,474)28,711Â Customer relationships378,161Â (280,910)97,251Â Copyrights/patents/other19,375Â (15,399)3,976Â $579,261Â $(418,783)$160,478Â The net change in intangible assets during the nine months ended JuneÂ 30, 2024 included the impact of foreign currency fluctuations during the period, additional amortization, and additions related to a small acquisition within the Memorialization segment.Amortization expense on intangible assets was $9,037 and $10,640 for the three-month periods ended JuneÂ 30, 2024 and 2023, respectively. Amortization expense on intangible assets was $27,791 and $31,499 for the nine-month periods ended JuneÂ 30, 2024 and 2023, respectively. Amortization expense is estimated to be $9,126 for the remainder of fiscal 2024, $21,195 in 2025, $14,116 in 2026, $13,023 in 2027 and $10,959 in 2028. Note 17.Â Â Legal Matter On June 14, 2024, Tesla filed a complaint against the Company in the Northern District of California, Civil Action No. 5:24-cv-03615 (N.D. Cal.). The complaint alleges trade secret misappropriation under the Defend Trade Secrets Act (the â€œDTSAâ€) and Californiaâ€™s Uniform Trade Secrets Act (the â€œCUTSAâ€), breach of contract and unfair business practices. Tesla alleges that the Company improperly incorporated Teslaâ€™s confidential trade secrets into patent filings relating to the Companyâ€™s dry battery electrode solutions and that the Company disclosed Teslaâ€™s confidential trade secrets to other companies, including Tesla competitors. Tesla served the complaint on June 24, 2024. On June 25, 2024, the Company filed a Motion to Compel Arbitration based on the provisions of the underlying contract governing the relationship between the Company and Tesla, which requires arbitration. The Company believes the claims stated in the complaint are without merit and intends to vigorously defend itself against the allegations. 25Item 2.Â Â Management's Discussion and Analysis of Financial Condition and Results of OperationsCAUTIONARY STATEMENTS REGARDING FORWARD LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES:The following discussion should be read in conjunction with the consolidated financial statements of Matthews International Corporation ("Matthews" or the "Company") and related notes thereto included in this Quarterly Report on Form 10-Q and the Company's Annual Report on Form 10-K for the fiscal year ended SeptemberÂ 30, 2023.Â Any forward-looking statements contained herein are included pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements regarding the expectations, hopes, beliefs, intentions or strategies of the Company regarding the future, and may be identified by the use of words such as â€œexpects,â€ â€œbelieves,â€ â€œintends,â€ â€œprojects,â€ â€œanticipates,â€ â€œestimates,â€ â€œplans,â€ â€œseeks,â€ â€œforecasts,â€ â€œpredicts,â€ â€œobjective,â€ â€œtargets,â€ â€œpotential,â€ â€œoutlook,â€ â€œmay,â€ â€œwill,â€ â€œcouldâ€ or the negative of these terms, other comparable terminology and variations thereof.Â 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, and no assurance can be given that such expectations will prove correct.Â Factors that could cause the Company's results to differ materially from the results discussed in such forward-looking statements principally include changes in domestic or international economic conditions, changes in foreign currency exchange rates, changes in interest rates, changes in the cost of materials used in the manufacture of the Company's products, any impairment of goodwill or intangible assets, environmental liability and limitations on the Companyâ€™s operations due to environmental laws and regulations, disruptions to certain services, such as telecommunications, network server maintenance, cloud computing or transaction processing services, provided to the Company by third-parties, changes in mortality and cremation rates, changes in product demand or pricing as a result of consolidation in the industries in which the Company operates or other factors such as supply chain disruptions, labor shortages or labor cost increases, changes in product demand or pricing as a result of domestic or international competitive pressures, ability to achieve cost-reduction objectives, unknown risks in connection with the Company's acquisitions and divestitures, cybersecurity concerns and costs arising with management of cybersecurity threats, effectiveness of the Company's internal controls, compliance with domestic and foreign laws and regulations, technological factors beyond the Company's control, impact of pandemics or similar outbreaks or other disruptions to our industries, customers or supply chains, the impact of global conflicts, such as the current war between Russia and Ukraine, the outcome of the Company's dispute with Tesla, Inc. ("Tesla"), and other factors described in Item 1A - "Risk Factors" in this Form 10-Q and Item 1A - "Risk Factors" in the Company's Form 10-K for the fiscal year ended September 30, 2023.Â In addition, although the Company does not currently have any customers that would be considered individually significant to consolidated sales, changes in the distribution of the Company's products or the potential loss of one or more of the Company's larger customers are also considered risk factors. Matthews cautions that the foregoing list of important factors is not all inclusive. Readers are also cautioned not to place undue reliance on any forward looking statements, which reflect management's analysis only as of the date of this report, even if subsequently made available by Matthews on its website or otherwise. Matthews does not undertake to update any forward looking statement, whether written or oral, that may be made from time to time by or on behalf of Matthews to reflect events or circumstances occurring after the date of this report unless required by law.Included in this report are measures of financial performance that are not defined by generally accepted accounting principles in the United States ("GAAP"). These non-GAAP financial measures assist management in comparing the Company's 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. For additional information and reconciliations from the consolidated financial statements seeÂ "Non-GAAP Financial Measures" below. RESULTS OF OPERATIONS:The Company manages its businesses under three segments: Memorialization, Industrial Technologies and SGK Brand Solutions. The Memorialization segment consists primarily of bronze and granite memorials and other memorialization products, caskets, cremation-related products, and cremation and incineration equipment primarily for the cemetery and funeral home industries. The Industrial Technologies segment includes the design, manufacturing, service and distribution of high-tech custom energy storage solutions; product identification and warehouse automation technologies and solutions, including order fulfillment systems for identifying, tracking, picking and conveying consumer and industrial products; and coating and converting lines for the packaging, pharma, foil, dÃ©cor and tissue industries. The SGK Brand Solutions segment consists of brand management, pre-media services, printing plates and cylinders, imaging services, digital asset management, merchandising display systems, and marketing and design services primarily for the consumer goods and retail industries.26Item 2.Â Â Management's Discussion and Analysis of Financial Condition and Results of Operations, ContinuedThe Company's primary measure of segment profitability is adjusted earnings before interest, income taxes, depreciation and amortization ("adjusted EBITDA"). Adjusted EBITDA is defined by the Company as earnings before interest, income taxes, depreciation, amortization and certain non-cash and/or non-recurring items that do not contribute directly to managementâ€™s evaluation of its operating results. These items include stock-based compensation, the non-service portion of pension and postretirement expense, acquisition and divestiture costs, enterprise resource planning ("ERP") integration costs, and strategic initiatives and other charges. This presentation is consistent with how the Company's chief operating decision maker (the â€œCODMâ€) evaluates the results of operations and makes strategic decisions about the business. For these reasons, the Company believes that adjusted EBITDA represents the most relevant measure of segment profit and loss. In addition, the CODM manages and evaluates the operating performance of the segments, as described above, on a pre-corporate cost allocation basis. Accordingly, for segment reporting purposes, the Company does not allocate corporate costs to its reportable segments. Corporate costs include management and administrative support to the Company, whichÂ consists of certain aspects of the Companyâ€™s executive management, legal, compliance, human resources, information technology (including operational support) and finance departments. These costs are included within "Corporate and Non-Operating" in the following table to reconcile to consolidated adjusted EBITDA and are not considered a separate reportable segment. Management does not allocate non-operating items such as investment income, other income (deductions), net and noncontrolling interest to the segments.The following table sets forth the sales and adjusted EBITDA for the Company's three reporting segments for the three and nine-month periods ended JuneÂ 30, 2024 and 2023. Refer to Note 14, "Segment Information" in Item 1 - "Financial Statements" for the Company's financial information by segment. Three Months EndedJune 30,Nine Months EndedJune 30,Â 2024202320242023Sales:(Dollar amounts in thousands)Memorialization$202,664Â $208,728Â $632,891Â $638,119Â Industrial Technologies91,731Â 130,533Â 319,241Â 365,190Â SGK Brand Solutions133,438Â 132,647Â 396,910Â 397,419Â Consolidated Sales$427,833Â $471,908Â $1,349,042Â $1,400,728Â Adjusted EBITDA:Â Â Â Â Memorialization$38,737Â $39,929Â $122,051Â $127,096Â Industrial Technologies4,196Â 15,041Â 23,846Â 42,808Â SGK Brand Solutions16,054Â 16,364Â 44,317Â 39,616Â Corporate and Non-Operating(14,241)(15,146)(43,186)(45,594)Total Adjusted EBITDA (1) $44,746Â $56,188Â $147,028Â $163,926Â (1) Total Adjusted EBITDA is a non-GAAP financial measure. See theÂ "Non-GAAP Financial Measures"Â section below.Sales for the nine months ended JuneÂ 30, 2024 were $1.35 billion, compared to $1.40 billion for the nine months ended JuneÂ 30, 2023.Â The decrease in fiscal 2024 sales primarily reflected lower sales in the Industrial Technologies segment. Sales in the Memorialization segment were also lower. On a consolidated basis, changes in foreign currency exchange rates were estimated to have a favorable impact of $660,000 on fiscal 2024 sales compared to the prior year. Memorialization segment sales for the first nine months of fiscal 2024 were $632.9 million, compared to $638.1 million for the first nine months of fiscal 2023. The sales decrease reflected lower unit sales of caskets, cemetery memorial products, and cremation equipment, predominantly resulting from a return to more normalized death rates following the COVID-19 pandemic. These declines were partially offset by improved price realization, higher mausoleum sales, and benefits from recent acquisitions (primarily the fiscal 2023 acquisition of Eagle Granite Company). Industrial Technologies segment sales were $319.2 million for the first nine months of fiscal 2024, compared to $365.2 million for the first nine months of fiscal 2023. The decrease in sales reflected lower sales of purpose-built engineered products (primarily energy storage solutions for the electric vehicle market) and reduced sales of warehouse automation solutions. The decrease also reflected lower sales of automotive engineering solutions and the sales impact of a fiscal 2023 divestiture (see Acquisitions and Divestitures below). Fiscal 2024 sales for the Industrial Technologies segment were impacted by slower market conditions for the warehouse automation business, and customer delays impacting the timing of projects within the energy storage business. Changes in foreign currency exchange rates had a favorable impact of $3.3 million on the segment's sales compared to the prior year. In the SGK Brand 27Item 2.Â Â Management's Discussion and Analysis of Financial Condition and Results of Operations, ContinuedSolutions segment, sales for the first nine months of fiscal 2024 were $396.9 million, which was relatively unchanged from $397.4 million for the first nine months of fiscal 2023.Â Lower retail-based sales, lower brand sales in Europe, and the impact of unfavorable changes in foreign exchange rates were substantially offset by higher brand sales in the Asia-Pacific region, increased sales of cylinder (packaging) products in Europe, and improved price realization. Changes in foreign currency exchange rates had an unfavorable impact of $2.9 million on the segment's sales compared to the prior year. Gross profit for the nine months ended JuneÂ 30, 2024 was $412.4 million, compared to $426.9 million for the same period a year ago.Â Consolidated gross profit as a percent of sales was 30.6% and 30.5% for the first nine months of fiscal 2024 and fiscal 2023, respectively.Â The decrease in gross profit reflected the impact of lower sales, lower margins on engineered products, and higher material and labor costs. These decreases were partially offset by improved margins on product identification sales and cylinder (packaging) products, and benefits from the realization of productivity improvements and other cost-reduction initiatives. Gross profit also included acquisition integration costs and other charges primarily in connection with cost-reduction initiatives totaling $9.2 million and $6.1 million for the nine months ended JuneÂ 30, 2024 and 2023, respectively. Selling and administrative expenses for the nine months ended JuneÂ 30, 2024 were $347.1 million, compared to $333.6 million for the first nine months of fiscal 2023.Â Consolidated selling and administrative expenses, as a percent of sales, were 25.7% for the nine months ended JuneÂ 30, 2024, compared to 23.8% for the same period last year.Â Selling and administrative expenses included acquisition integration and related systems-integration costs, and other charges primarily in connection with certain commercial, operational and cost-reduction initiatives totaling $9.1 million in fiscal 2024, compared to $10.8 million in fiscal 2023. Fiscal 2024 selling and administrative expenses also included $8.1 million of legal costs related to an ongoing dispute in the Company's energy storage business (see Legal Matter below). Selling and administrative expenses in fiscal 2024 also reflected the impact of higher compensation, partially offset by benefits from ongoing cost-reduction initiatives. Intangible amortization for the nine months ended JuneÂ 30, 2024 was $27.8 million, compared to $31.5 million for the nine months ended JuneÂ 30, 2023. Adjusted EBITDA was $147.0 million for the nine months ended JuneÂ 30, 2024 and $163.9 million for the nine months ended JuneÂ 30, 2023. Memorialization segment adjusted EBITDA was $122.1 million for the first nine months of fiscal 2024 compared to $127.1 million for the first nine months of fiscal 2023. The decrease in segment adjusted EBITDA reflected the impact of lower unit sales, higher material and labor costs, and lower margins on cremation equipment. These decreases were partially offset by the impact of improved price realization, benefits from productivity initiatives, lower transportation costs, and lower performance-based compensation compared to fiscal 2023. Adjusted EBITDA for the Industrial Technologies segment was $23.8 million for the nine months ended JuneÂ 30, 2024 compared to $42.8 million for the nine months ended JuneÂ 30, 2023. The decrease in segment adjusted EBITDA primarily reflected the impact of lower sales, higher labor costs, and lower margins on engineered products. These decreases were partially offset by improved margins on product identification sales, benefits from cost-reduction initiatives, and lower performance-based compensation compared to fiscal 2023. Adjusted EBITDA for the SGK Brand Solutions segment was $44.3 million for the first nine months of fiscal 2024 compared to $39.6 million for the same period a year ago. The increase in segment adjusted EBITDA primarily reflected the impact of improved price realization, benefits from cost-reduction initiatives and improved margins on cylinder (packaging) products, partially offset by the impact of higher labor costs and higher performance-based compensation compared to fiscal 2023.Interest expense for the first nine months of fiscal 2024 was $36.9 million, compared to $33.2 million for the same period last year.Â The increase in interest expense reflected higher average interest rates and an increase in average borrowing levels in the current fiscal year.Â Other income (deductions), net, for the nine months ended JuneÂ 30, 2024 represented a decrease in pre-tax income of $2.7 million, compared to a decrease in pre-tax income of $3.0 million for the same period last year.Â Other income (deductions), net includes the non-service components of pension and postretirement expense, which totaled $327,000 and $1.6 million for the nine months ended JuneÂ 30, 2024 and 2023, respectively. Fiscal 2023 non-service pension expense included a $1.3 million non-cash charge resulting from the settlement of the Company's supplemental retirement plan ("SERP") and defined benefit portion of the officers retirement restoration plan ("ORRP") obligations. Refer to Note 11, "Pension and Other Postretirement Benefit Plans" in Item 1 - "Financial Statements" for further details. Other income (deductions), net also includes investment income, banking-related fees and the impact of currency gains and losses on certain intercompany debt and foreign denominated cash balances.Â Other income (deductions), net included $895,000 and $3.1 million of currency losses associated with highly inflationary accounting for the Company's subsidiaries in Turkey for the nine months ended JuneÂ 30, 2024 and 2023, respectively (see Note 2, "Basis of Presentation" in Item 1 - "Financial Statements"). Income tax provisions for the Company's interim periods are based on the effective income tax rate expected to be applicable for the full year. The Company's consolidated income taxes for the first nine months of fiscal 2024 represented a benefit of $10.7 million, compared to an expense of $4.1 million for the first nine months of fiscal 2023. The difference between the Companyâ€™s consolidated income taxes for the first nine months of fiscal 2024 compared to the same period for fiscal 2023 28Item 2.Â Â Management's Discussion and Analysis of Financial Condition and Results of Operations, Continuedresulted from a consolidated pre-tax loss in fiscal 2024 compared to pre-tax income in fiscal 2023, as well as a net tax benefit from discrete items in fiscal 2024. The Companyâ€™s fiscal 2024 nine month effective tax rate varied from the U.S. statutory tax rate of 21.0% primarily due to tax credits, jurisdictional tax rate netting, recognition of certain previously unrecognized deferred tax assets and other net discrete tax benefits. The Companyâ€™s fiscal 2023 nine month effective tax rate varied from the U.S. statutory tax rate of 21.0% primarily due to state taxes, foreign statutory rate differentials, tax credits, and non-tax benefited foreign losses.Net losses attributable to noncontrolling interests were $125,000 for the nine months ended JuneÂ 30, 2023, reflecting losses in less than wholly-owned businesses.Legal MatterRefer to Note 17, "Legal Matter" in Item 1 - "Financial Statements" for details related to an ongoing dispute with Tesla.NON-GAAP FINANCIAL MEASURES: Included in this report are measures of financial performance that are not defined by GAAP. 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 Companyâ€™s core operations including acquisition and divestiture costs, ERP integration costs, strategic initiatives and other charges (which includes non-recurring charges related to certain commercial and operational initiatives and exit activities), stock-based compensation and the non-service portion of pension and postretirement expense. 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 that management believes do not directly reflect the Company's core operations, (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 Companyâ€™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 Companyâ€™s business that could not be obtained absent these disclosures. The Company believes that adjusted EBITDA provides relevant and useful information, which is used by the Companyâ€™s management in assessing the performance of its business. Adjusted EBITDA is defined by the Company as earnings before interest, income taxes, depreciation, amortization and certain non-cash and/or non-recurring items that do not contribute directly to managementâ€™s evaluation of its operating results. These items include stock-based compensation, the non-service portion of pension and postretirement expense, acquisition and divestiture costs, ERP integration costs, and strategic initiatives and other charges. 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 divestiture and ERP integration costs, and items that do not reflect the ordinary earnings of the Companyâ€™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 Companyâ€™s management to measure business performance. Adjusted EBITDA is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income or other performance measures derived in accordance with GAAP, or as an alternative to cash flow from operating activities as a measure of the Company's liquidity. The Company's definition of adjusted EBITDA may not be comparable to similarly titled measures used by other companies.29Item 2.Â Â Management's Discussion and Analysis of Financial Condition and Results of Operations, ContinuedThe reconciliation of net income to adjusted EBITDA is as follows:Three Months EndedJune 30,Nine Months EndedJune 30,2024202320242023(Dollar amounts in thousands)Net income$1,777Â $8,671Â $8,501Â $21,443Â Income tax (benefit) provision(8,829)(558)(10,677)4,136Â (Loss) income before income taxes(7,052)8,113Â (2,176)25,579Â Net loss attributable toÂ noncontrolling interestsâ€”Â 67Â â€”Â 125Â Interest expense, including RPA and factoring financing fees (1)14,005Â 12,136Â 40,539Â 35,944Â Depreciation and amortization *23,657Â 23,936Â 70,441Â 71,813Â Acquisition and divestiture related items (2)**2,266Â 308Â 5,565Â 4,445Â Strategic initiatives and other charges (3)**6,246Â 4,694Â 17,128Â 7,755Â Highly inflationary accounting losses (primarily non-cash) (4)185Â 1,826Â 895Â 3,074Â Stock-based compensation 5,331Â 5,023Â 14,309Â 13,635Â Non-service pension and postretirement expense (5)108Â 85Â 327Â 1,556Â Total Adjusted EBITDA$44,746Â $56,188Â $147,028Â $163,926Â (1) Includes fees for receivables sold under the RPA and factoring arrangements totaling $1.2 million and $1.2 million for the three months ended JuneÂ 30, 2024 and 2023, respectively, and $3.6 million and $2.8 million for the nine months ended JuneÂ 30, 2024 and 2023, respectively.(2) Includes certain non-recurring items associated with recent acquisition and divestiture activities.(3) Includes certain non-recurring costs associated with commercial, operational and cost-reduction initiatives, and costs associated with global ERP system integration efforts. Fiscal 2024 also includes legal costs related to an ongoing dispute with Tesla, which totaled $3.2 million and $8.1 million for the three and nine months ended JuneÂ 30, 2024, respectively (see Note 17, "Legal Matter" in Item 1 - "Financial Statements and Supplementary Data"). Fiscal 2023 includes loss recoveries totaling $2.2 million for the nine months ended JuneÂ 30, 2023, which were related to a previously disclosed theft of funds by a former employee initially identified in fiscal 2015. (4) Represents exchange losses associated with highly inflationary accounting related to the Company's Turkish subsidiaries (see Note 2, "Basis of Presentation" in Item 1 - "Financial Statements and Supplementary Data").(5) Non-service pension and postretirement expense includes interest cost, expected return on plan assets, amortization of actuarial gains and losses, curtailment gains and losses, and settlement gains and losses. These benefit cost components are excluded from adjusted EBITDA since they are primarily influenced by external market conditions that impact investment returns and interest (discount) rates. Curtailment gains and losses and settlement gains and losses are excluded from adjusted EBITDA since they generally result from certain non-recurring events, such as plan amendments to modify future benefits or settlements of plan obligations. The service cost and prior service cost components of pension and postretirement expense are included in the calculation of adjusted EBITDA, since they are considered to be a better reflection of the ongoing service-related costs of providing these benefits. 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.* Depreciation and amortization was $7.1 million and $5.8 million for the Memorialization segment, $5.8 million and $5.8 million for the Industrial Technologies segment, $9.7 million and $11.2 million for the SGK Brand Solutions segment, and $1.1 million and $1.2 million for Corporate and Non-Operating, for the three months ended JuneÂ 30, 2024 and 2023, respectively. Depreciation and amortization was $20.4 million and $17.1 million for the Memorialization segment, $17.7 million and $17.6 million for the Industrial Technologies segment, $28.9 million and $33.5 million for the SGK Brand Solutions segment, and $3.4 million and $3.6 million for Corporate and Non-Operating, for the nine months ended JuneÂ 30, 2024 and 2023, respectively.** Acquisition costs, ERP integration costs, and strategic initiatives and other charges were $1.1 million and $270,000 for the Memorialization segment, $4.5 million and $120,000 for the Industrial Technologies segment, $1.5 million and $3.9 million for the SGK Brand Solutions segment, and $1.4 million and $715,000 for Corporate and Non-Operating, for the three months ended JuneÂ 30, 2024 and 2023, respectively. Acquisition costs, ERP integration costs, and strategic initiatives and other charges were $2.2 million and $981,000 for the Memorialization segment, $14.3 million and $3.5 million for the Industrial Technologies segment, $2.7 million and $7.0 million for the SGK Brand Solutions segment, and $3.5 million and $697,000 for Corporate and Non-Operating, for the nine months ended JuneÂ 30, 2024 and 2023, respectively.30Item 2.Â Â Management's Discussion and Analysis of Financial Condition and Results of Operations, ContinuedLIQUIDITY AND CAPITAL RESOURCES:Net cash provided by operating activities was $43.3 million for the first nine months of fiscal 2024, compared to $76.9 million for the first nine months of fiscal 2023. Operating cash flow for both periods principally included net income adjusted for deferred taxes, depreciation and amortization, stock-based compensation expense, non-cash pension expense, other non-cash adjustments, and changes in working capital items. Fiscal 2023 operating cash flow also reflected $24.2 million of contributions to fund the settlement of the Company's SERP and ORRP obligations, and $10.5 million of proceeds from the settlement of cash flow hedges. Net changes in working capital items decreased operating cash flow by $29.2 million and $16.1 million in fiscal 2024 and fiscal 2023, respectively. The fiscal 2024 change in working capital principally reflected lower accounts receivable and inventory, changes in contract assets and liabilities related to products and services provided to customers over time, lower performance-based compensation accruals, and changes in other accounts.Cash used in investing activities was $38.6 million for the nine months ended JuneÂ 30, 2024, compared to $53.7 million for the nine months ended JuneÂ 30, 2023.Â Investing activities for the first nine months of fiscal 2024 primarily reflected capital expenditures of $33.2 million, acquisitions, net of cash acquired, of $5.8 million, and purchases of investments of $825,000.Â Investing activities for the first nine months of fiscal 2023 primarily reflected capital expenditures of $37.1 million, acquisitions, net of cash acquired, of $15.3 million, and purchases of investments of $1.5 million.Capital expenditures reflected reinvestment in the Company's business segments and were made primarily for the purchase of new production machinery, equipment, software and systems, and facilities designed to improve product quality, increase manufacturing efficiency and capacity, lower production costs and meet regulatory requirements.Â Capital expenditures for the last three fiscal years were primarily financed through operating cash.Â Capital spending for property, plant and equipment has averaged $48.7Â million for the last three fiscal years.Â Capital spending for fiscal 2024 is currently estimated to be approximately $50 million. Capital spending in fiscal 2024 and 2023 reflects additional capital projects to support new production capabilities and increased efficiencies, particularly within the Memorialization and Industrial Technologies segments. The Company expects to generate sufficient cash from operations to fund all anticipated capital spending projects.Cash used in financing activities for the nine months ended JuneÂ 30, 2024 was $4.1 million, primarily reflecting proceeds, net of repayments, on long-term debt of $27.8 million, treasury stock purchases of $20.5 million, dividends of $24.1 million, payments of debt issuance costs of $4.7 million (see below), and proceeds from a net investment hedge of $17.4 million (see below). Cash used in financing activities for the nine months ended JuneÂ 30, 2023 was $56.4 million, primarily reflecting repayments, net of proceeds, on long-term debt of $31.4 million, treasury stock purchases of $2.8 million and dividends of $21.2 million.The Company has a domestic credit facility with a syndicate of financial institutions that was amended and restated in January 2024. The amended and restated loan agreement includes a $750.0 million senior secured revolving credit facility, which matures in January 2029, subject to the terms and conditions of the amended facility. A portion of the revolving credit facility (not to exceed $350.0 million) can be drawn in foreign currencies. Borrowings under the revolving credit facility bear interest at the Secured Overnight Financing Rate ("SOFR"), plus a 0.10% per annum rate spread adjustment, plus a factor ranging from 1.00% to 2.00% (1.50% at JuneÂ 30, 2024) based on the Company's leverage ratio. The leverage ratio is defined as total indebtedness divided by EBITDA (earnings before interest, income taxes, depreciation and amortization) as defined within the domestic credit facility agreement. The Company is required to pay an annual commitment fee ranging from 0.15% to 0.30% (based on the Company's leverage ratio) of the unused portion of the revolving credit facility. The Company incurred new debt issuance costs of $4.7 million in connection with the amended and restated agreement, which were deferred and are being amortized over the term of the facility. Unamortized costs were $5.1 million and $949,000 at JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively.The domestic credit facility requires the Company to maintain certain leverage and interest coverage ratios. A portion of the facility (not to exceed $55.0 million) is available for the issuance of trade and standby letters of credit. Outstanding U.S. dollar denominated borrowings on the revolving credit facility at JuneÂ 30, 2024 and SeptemberÂ 30, 2023 were $436.6 million and $405.0 million, respectively. Outstanding Euro denominated borrowings on the revolving credit facility at JuneÂ 30, 2024 and SeptemberÂ 30, 2023 were â‚¬55.0 million ($58.9 million) and â‚¬55.0 million ($58.2 million), respectively. The weighted-average interest rate on outstanding borrowings for the domestic credit facility (including the effects of interest rate swaps and Euro denominated borrowings) at JuneÂ 30, 2024 and 2023 was 4.61% and 5.59%, respectively. 31Item 2.Â Â Management's Discussion and Analysis of Financial Condition and Results of Operations, ContinuedThe Company has $299.2 million of 5.25% senior unsecured notes due December 1, 2025 (the "2025 Senior Notes"). The 2025 Senior Notes bear interest at a rate of 5.25% per annum with interest payable semi-annually in arrears on June 1 and December 1 of each year. The Company's obligations under the 2025 Senior Notes are guaranteed by certain of the Company's direct and indirect wholly-owned subsidiaries. The Company is subject to certain covenants and other restrictions in connection with the 2025 Senior Notes. The Company incurred direct financing fees and costs in connection with the 2025 Senior Notes. Unamortized costs were $720,000 and $1.1 million at JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively.The Company and certain of its domestic subsidiaries sell, on a continuous basis without recourse, their trade receivables to Matthews Receivables Funding Corporation, LLC (â€œMatthews RFCâ€), a wholly-owned bankruptcy-remote subsidiary of the Company. Matthews RFC has a receivables purchase agreement (â€œRPAâ€) to sell up to $125.0 million of receivables to certain purchasers (the â€œPurchasersâ€) on a recurring basis in exchange for cash (referred to as â€œcapitalâ€ within the RPA) equal to the gross receivables transferred. The parties intend that the transfers of receivables to the Purchasers constitute purchases and sales of receivables. Matthews RFC has guaranteed to each Purchaser the prompt payment of sold receivables, and has granted a security interest in its assets for the benefit of the Purchasers. Under the RPA, each Purchaserâ€™s share of capital accrues yield at a floating rate plus an applicable margin. The Company is the master servicer under the RPA, and is responsible for administering and collecting receivables. The RPA, which had a maturity date of March 2024, was amended in March 2024 to extend the maturity date to March 2026.The proceeds of the RPA are classified as operating activities in the Companyâ€™s Consolidated Statements of Cash Flows. Cash received from collections of sold receivables may be used to fund additional purchases of receivables on a revolving basis, or to reduce all or any portion of the outstanding capital of the Purchasers. The fair value of the sold receivables approximated book value due to their credit quality and short-term nature, and as a result, no gain or loss on sale of receivables was recorded. As of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, the amount sold to the Purchasers was $105.1 million and $101.8 million, respectively, which was derecognized from the Consolidated Balance Sheets. As collateral against sold receivables, Matthews RFC maintains a certain level of unsold receivables, which was $52.5 million and $57.9 million as of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively.The following table sets forth a summary of receivables sold as part of the RPA:Nine Months EndedJune 30, 2024Nine Months EndedJune 30, 2023(Dollar amounts in thousands)Gross receivables sold$291,189Â $301,045Â Cash collections reinvested(287,889)(284,435)Net cash proceeds received$3,300Â $16,610Â In March 2023, the Company, through its U.K. subsidiary, entered into a non-recourse factoring arrangement. In connection with this arrangement, the Company periodically sells trade receivables to a third-party purchaser in exchange for cash. These transfers of financial assets are recorded at the time the Company surrenders control of the assets. As these transfers qualify as true sales under the applicable accounting guidance, the receivables are de-recognized from the Company's Consolidated Balance Sheets upon transfer. The principal amount of receivables sold under this arrangement was $53.1 million and $36.0 million during the nine months ended JuneÂ 30, 2024 and 2023, respectively. The discounts on the trade receivables sold are included within administrative expense in the Consolidated Statements of Income. The proceeds from the sale of receivables are classified as operating activities in the Company's Consolidated Statements of Cash Flows. As of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, the amount of factored receivables that remained outstanding was $16.4 million and $18.0 million, respectively.The Company, through certain of its European subsidiaries, has a credit facility with a European bank, which is guaranteed by Matthews. The maximum amount of borrowing available under this facility is â‚¬10.0 million ($10.7 million). The facility also provides â‚¬18.5 million ($19.8 million) for bank guarantees. This facility has no stated maturity date and is available until terminated. Outstanding borrowings under the credit facility totaled â‚¬2.9 million ($3.1 million) at JuneÂ 30, 2024. There were no outstanding borrowings under the credit facility at SeptemberÂ 30, 2023. The weighted-average interest rate on outstanding borrowings under this facility was 5.88% and 5.65% at JuneÂ 30, 2024 and 2023, respectively.32Item 2.Â Â Management's Discussion and Analysis of Financial Condition and Results of Operations, ContinuedOther borrowings totaled $16.7 million and $19.2 million at JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively. The weighted-average interest rate on these borrowings was 2.61% and 2.44% at JuneÂ 30, 2024 and 2023, respectively. The Company operates internationally and utilizes certain derivative financial instruments to manage its foreign currency, debt and interest rate exposures. The following table presents information related to interest rate swaps entered into by the Company and designated as cash flow hedges: June 30, 2024September 30, 2023(Dollar amounts in thousands)Notional amount$175,000Â $175,000Â Weighted-average maturity period (years)3.44.1Weighted-average received rate5.34Â %5.32Â %Weighted-average pay rate3.83Â %3.83Â %The Company enters into interest rate swaps in order to achieve a mix of fixed and variable rate debt that it deems appropriate. The interest rate swaps have been designated as cash flow hedges of future variable interest payments, which are considered probable of occurring.Â Based on the Company's assessment, all of the critical terms of each of the hedges matched the underlying terms of the hedged debt and related forecasted interest payments, and as such, these hedges were considered highly effective.The fair value of the interest rate swaps reflected a net unrealized gain of $2.3 million ($1.7 million after tax) at JuneÂ 30, 2024 and $4.0 million ($3.0 million after tax) at SeptemberÂ 30, 2023, that is included in shareholders' equity as part of accumulated other comprehensive income (loss) ("AOCI"). Unrecognized gains of $4.8 million ($3.5 million after tax) and $8.1 million ($6.0 million after tax) related to previously terminated LIBOR-based swaps were also included in AOCI as of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively. Assuming market rates remain constant with the rates at JuneÂ 30, 2024, a gain (net of tax) of approximately $2.6 millionÂ included in AOCI is expected to be recognized in earnings over the next twelve months.The Company has a U.S. Dollar/Euro cross currency swap with a notional amount of $81.4 million as of JuneÂ 30, 2024 and SeptemberÂ 30, 2023, which has been designated as a net investment hedge of foreign operations. The swap contract matures in September 2027. The Company assesses hedge effectiveness for this contract based on changes in fair value attributable to changes in spot prices. A loss of $2.9 million (net of income taxes of $1.0 million) and a loss of $2.1 million (net of income taxes of $701,000), which represented effective hedges of net investments, were reported as a component of AOCI within currency translation adjustment at JuneÂ 30, 2024 and SeptemberÂ 30, 2023, respectively. Income of $306,000 and $891,000, which represented the recognized portion of the fair value of cross currency swaps excluded from the assessment of hedge effectiveness, was included in current period earnings as a component of interest expense for the three and nine months ended JuneÂ 30, 2024, respectively. Income of $284,000 and $866,000, which represented the recognized portion of the fair value of cross currency swaps excluded from the assessment of hedge effectiveness, was included in current period earnings as a component of interest expense for the three and nine months ended JuneÂ 30, 2023, respectively. At JuneÂ 30, 2024 and SeptemberÂ 30, 2023, the swap totaled $3.9 million and $2.8 million, respectively, and was included in other accrued liabilities in the Consolidated Balance Sheets.During the third quarter of fiscal 2024, the Company entered into a U.S. Dollar/SEK cross currency swap with a notional amount of SEK 212.7 million ($20.0 million), which was designated as a net investment hedge of foreign operations. The swap contract matures in June 2025. In connection with this transaction, the Company received $17.4 million from the counterparty, representing partial advance payment of amounts due under the U.S. Dollar leg of the swap. The Company assesses hedge effectiveness for this contract based on changes in fair value attributable to changes in spot prices. At June 30, 2024, the swap totaled $17.4 million and was included in other current liabilities in the Consolidated Balance Sheet.The Company uses certain foreign currency debt instruments as net investment hedges of foreign operations with a notional amount of â‚¬55.0 million ($58.9 million) as of JuneÂ 30, 2024. Currency losses of $1.7 million (net of income taxes of $574,000), which represent effective hedges of net investments, were reported as a component of AOCI within currency translation adjustment at JuneÂ 30, 2024.33Item 2.Â Â Management's Discussion and Analysis of Financial Condition and Results of Operations, ContinuedThe Company has a stock repurchase program. The buy-back program is designed to increase shareholder value, enlarge the Company's holdings of its Class A common stock, and add to earnings per share. Repurchased shares may be retained in treasury, utilized for acquisitions, or reissued to employees or other purchasers, subject to the restrictions set forth in the Company's Restated Articles of Incorporation. Under the current authorization, 613,365 shares remain available for repurchase as of JuneÂ 30, 2024. Refer to Item 2 - "Unregistered Sales of Equity Securities and Use of Proceeds" in Part II - "Other Information" for further details on the Company's repurchases in fiscal 2024.Consolidated working capital of the Company was $255.9 million at JuneÂ 30, 2024, compared to $253.7 million at SeptemberÂ 30, 2023.Â Cash and cash equivalents were $42.7 million at JuneÂ 30, 2024, compared to $42.1 million at SeptemberÂ 30, 2023.Â The Company's current ratio was 1.7 at JuneÂ 30, 2024 and 1.6 at SeptemberÂ 30, 2023, respectively. Long-Term Contractual Obligations:The following table summarizes the Company's contractual obligations at JuneÂ 30, 2024, and the effect such obligations are expected to have on its liquidity and cash flows in future periods.Â Payments due in fiscal year:Total2024Remainder2025 to 20262027 to 2028After2028Contractual Cash Obligations:(Dollar amounts in thousands)Revolving credit facilities $498,668Â $â€”Â $3,088Â $â€”Â $495,580Â 2025 Senior Notes322,122Â â€”Â 322,122Â â€”Â â€”Â Finance lease obligations (1)18,007Â 1,441Â 9,585Â 5,688Â 1,293Â Non-cancelable operating leases (1)71,413Â 6,923Â 42,852Â 16,110Â 5,528Â Other49,501Â 257Â 35,394Â 6,135Â 7,715Â Total contractual cash obligations$959,711Â $8,621Â $413,041Â $27,933Â $510,116Â (1) Lease obligations have not been discounted to their present value.In the first quarter of fiscal 2023, the Company made lump sum payments totaling $24.2 million to fully settle the SERP and defined benefit portion of the ORRP obligations. The settlement of these plan obligations resulted in the recognition of a non-cash charge of $1.3 million, which has been presented as a component of other income (deductions), net for the nine months ended JuneÂ 30, 2023. This amount represents the immediate recognition of the deferred AOCI balances related to the SERP and ORRP. Unrecognized tax benefits are positions taken, or expected to be taken, on an income tax return that may result in additional payments to tax authorities.Â If a tax authority agrees with the tax position taken, or expected to be taken, or the applicable statute of limitations expires, then additional payments will not be necessary. As of JuneÂ 30, 2024, the Company had unrecognized tax benefits, excluding penalties and interest, of approximately $4.5 million.Â The timing of potential future payments related to the unrecognized tax benefits is not presently determinable. The Company believes that its current liquidity sources, combined with its operating cash flow and borrowing capacity, will be sufficient to meet its capital needs for the foreseeable future.REGULATORY MATTERS:The Companyâ€™s operations are subject to various federal, state and local laws and regulations requiring strict compliance, including, but not limited to, the protection of the environment. The Company has established numerous internal compliance programs to further enhance measures meant to ensure lawful satisfaction of the applicable regulations. In addition, the Company is party to specific environmental matters which include obligations to investigate and mitigate the effects on the environment of certain materials at operating and non-operating sites. The Company is currently performing environmental assessments and remediation at certain sites, as applicable.ACQUISITIONS AND DIVESTITURES:Refer to Note 15, "Acquisitions and Divestitures" in Item 1 - "Financial Statements" for further details on the Company's acquisitions and divestitures.34Item 2.Â Â Management's Discussion and Analysis of Financial Condition and Results of Operations, ContinuedFORWARD-LOOKING INFORMATION:Management routinely develops and reviews with the Companyâ€™s Board of Directors strategic plans with the primary objective of continuous improvement in the Companyâ€™s consolidated sales and operating results. Strategic plans are developed at the business segment level and generally contain strategies for organic growth and acquisitions. Organic growth primarily reflects the Companyâ€™s internal efforts to grow its businesses including commercial activities, cost structure and productivity improvements, new product development, and the expansion into new markets with existing products. Growth through acquisitions reflects the benefits from acquired businesses and also includes related integration activities to achieve commercial and cost synergy benefits.The significant factors influencing organic sales growth in the Industrial Technologies segment include economic/industrial market conditions, new product development, and the electric vehicles ("EV") and e-commerce trends. Sales within this segment may also be influenced by the timing of work with the Company's largest energy storage customer, as well as the level of advancement by existing and potential new customers towards adopting new production solutions. For the Memorialization segment, the Company expects that sales growth will be influenced by North America death rates and the impact of the increasing trend toward cremation on the segment's product offerings, including caskets, cemetery memorial products and cremation-related products. For the SGK Brand Solutions segment, the Company expects that sales growth will be influenced by global economic conditions, brand innovation, the level of marketing spending by the Company's clients, and government regulation. Due to the global footprint of the Companyâ€™s businesses, particularly the Industrial Technologies and SGK Brand Solutions segments, currency fluctuations can also be a significant factor on the Companyâ€™s U.S. dollar reported results.Recent labor cost increases, supply chain challenges, and other inflation-related impacts are expected to impact the Company's results for the near future. The Company expects to partially mitigate these cost increases through price realization and cost-reduction initiatives. The Company plans to initiate cost reduction programs during the fourth quarter of fiscal 2024, which are primarily focused on the Company's engineering and tooling operations in Europe. These initiatives are designed to position these businesses to capitalize on future growth opportunities.CRITICAL ACCOUNTING ESTIMATES AND POLICIES:The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.Â Therefore, the determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience, economic conditions, and in some cases, actuarial techniques.Â Actual results may differ from those estimates. A discussion of market risks affecting the Company can be found in Item 7A - "Quantitative and Qualitative Disclosures about Market Risk" in the Company's Annual Report on Form 10-K for the fiscal year ended SeptemberÂ 30, 2023.A summary of the Company's significant accounting policies are included in the Notes to Consolidated Financial Statements and in the critical accounting policies in Management's Discussion and Analysis included in the Company's Annual Report on Form 10-K for the year ended SeptemberÂ 30, 2023.Â Management believes that the application of these policies on a consistent basis enables the Company to provide useful and reliable financial information about the Company's operating results and financial condition.The Company performed its annual impairment review of goodwill and indefinite-lived intangible assets in the second quarter of fiscal 2024 (January 1, 2024) and determined that the estimated fair values for all goodwill reporting units exceeded their carrying values, therefore no impairment charges were necessary. The results of this review indicated that the estimated fair value of the Company's SGK Brand Solutions reporting unit exceeded the carrying value (expressed as a percentage of carrying value) by approximately 7%. The fair value for the reporting unit was determined using level 3 inputs (including estimates of revenue growth, EBITDA contribution and the discount rates) and a combination of the income approach using the estimated discounted cash flows and a market-based valuation methodology. If current projections are not achieved or specific valuation factors outside the Company's control (such as discount rates and continued economic and industry challenges) significantly change, additional goodwill write-downs may be necessary in future periods.35Item 2.Â Â Management's Discussion and Analysis of Financial Condition and Results of Operations, ContinuedRECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS:Refer to Note 2, "Basis of Presentation" in Item 1 - "Financial Statements," for further details on recently issued accounting pronouncements.Item 3.Â Â Quantitative and Qualitative Disclosures About Market RiskExcept as set forth in Note 8, "Derivatives and Hedging Activities" in Item 1 - "Financial Statements", there have been no material changes in the Companyâ€™s market risk during the three and nine months ended JuneÂ 30, 2024. For additional information see Item 7A - "Quantitative and Qualitative Disclosures About Market Risk" in the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended SeptemberÂ 30, 2023.Item 4.Â Controls and ProceduresThe Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) are designed to provide reasonable assurance that information required to be disclosed in our reports filed under that Act (the "Exchange Act"), such as this Quarterly Report on FormÂ 10-Q, is recorded, processed, summarized and reported within the time periods specified in the rules of the Securities and Exchange Commission. These disclosure controls and procedures also are designed to provide reasonable assurance that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.Management, under the supervision and with the participation of our Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures in effect as of JuneÂ 30, 2024. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of JuneÂ 30, 2024, the Company's disclosure controls and procedures were effective to provide reasonable assurance that material information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, and that such information is recorded, summarized and properly reported within the appropriate time period, relating to the Company and its consolidated subsidiaries, required to be included in the Exchange Act reports, including this Quarterly Report on FormÂ 10-Q.There have been no changes in the Company's internal controls over financial reporting that occurred during the fiscal quarter ended JuneÂ 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.36PART II â€' OTHER INFORMATIONItem 1. Legal ProceedingsThe Company is subject to various legal proceedings and claims arising in the ordinary course of business.Â Management does not expect that the results of any of these ordinary course legal proceedings, as presently positioned, will have a material adverse effect on Matthews' financial condition, results of operations or cash flows.In addition to these ordinary course legal proceedings, the Company is involved in the following legal proceeding.On June 14, 2024, Tesla filed a complaint against the Company in the Northern District of California, Civil Action No. 5:24-cv-03615 (N.D. Cal.). The complaint alleges trade secret misappropriation under the Defend Trade Secrets Act (the â€œDTSAâ€) and Californiaâ€™s Uniform Trade Secrets Act (the â€œCUTSAâ€), breach of contract and unfair business practices. Tesla alleges that the Company improperly incorporated Teslaâ€™s confidential trade secrets into patent filings relating to the Companyâ€™s dry battery electrode solutions and that the Company disclosed Teslaâ€™s confidential trade secrets to other companies, including Tesla competitors. The complaint seeks: (i) a permanent injunction ceasing all sales, offers to sell, and/or demonstrations to others of machines embodying any of Teslaâ€™s confidential and proprietary technology; (ii) transfer of ownership of all patent applications incorporating any of Teslaâ€™s confidential and proprietary technology; (iii) damages, costs, expenses, and pre-judgment and post-judgment interest; (iv) disgorgement of any and all unjust enrichment; and (v) a finding that any misconduct has been knowing, willful, and malicious, and enhancing any damages award. Tesla served the complaint on June 24, 2024. On June 25, 2024, the Company filed a Motion to Compel Arbitration based on the provisions of the underlying contract governing the relationship between the Company and Tesla, which requires arbitration. The Company believes the claims stated in the complaint are without merit and intends to vigorously defend itself against the allegations. The Company currently does not expect this matter will have a material adverse effect on Matthews' financial condition, results of operations or cash flows. At present, sales relating to dry battery electrode solutions are not expected to exceed 7% of the Company's sales for fiscal 2024. For a discussion of the risks to the Company associated with this matter, see â€œRisk Factors - Intellectual property infringement assertions by third parties, including those of Tesla, could result in significant costs and adversely affect the Company's business, financial condition, operating results and reputation.â€Item 1A. Risk FactorsThere have been no material changes in our risk factors from those disclosed in Part I, Item 1A to our Annual Report on Form 10-K for the fiscal year ended SeptemberÂ 30, 2023, except for the updated risk factor provided below. The risk factors disclosed in Part I, Item 1A to our Annual Report on Form 10-K for the fiscal year ended SeptemberÂ 30, 2023, in addition to the other information set forth in this report, including the updated risk factor below, could adversely affect the Company's operating performance and financial condition. Additional risks not currently known or deemed immaterial may also result in adverse effects on the Company.Intellectual property infringement assertions by third parties, including those of Tesla, could result in significant costs and adversely affect the Company's business, financial condition, operating results and reputation. The Company actively manages its businesses to ensure compliance under contractual commitments with its customers, including matters related to intellectual property rights. While the Company believes it has complied with its obligations in this regard and has not infringed on the intellectual property of third parties, the Company cannot assure that third parties will not assert claims, meritorious or otherwise. For example, while the Company has attempted to work under the terms of its existing contracts with Tesla to affirm the ownership of its intellectual property, in June 2024, Tesla filed a complaint against the Company (the â€œTesla Complaintâ€) alleging trade secret misappropriations under the DTSA and the CUTSA, breach of contract and unfair business practices relating to the Companyâ€™s dry battery electrode solutions. The Company cannot predict whether the assertions in the Tesla Complaint or other assertions of third-party intellectual property rights or claims arising from such assertions would substantially adversely affect the Company's business, financial condition and operating results. The defense of these claims, including the Tesla Complaint, and any future infringement claims, whether they are with or without merit or are determined in the Company's favor, may result in costly litigation and diversion of technical and management personnel. Further, an adverse outcome of a dispute, including the dispute with Tesla, may require the Company to pay damages, cease making, licensing, or using products or offering services that are alleged to incorporate the intellectual property of others, expend additional development resources to redesign the Company's offerings, or enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary intellectual property, which may be unavailable on terms acceptable to the Company, or at all. Even if these matters do not result in litigation or are resolved in the Company's favor or without significant 37Part IIÂ - Other Information, Continuedcash settlements, the time and resources necessary to resolve them could adversely affect the Company's business, reputation, financial condition and operating results.Item 2. Unregistered Sales of Equity Securities and Use of ProceedsStock Repurchase PlanThe Company has a stock repurchase program. The buy-back program is designed to increase shareholder value, enlarge the Company's holdings of its common stock, and add to earnings per share. Repurchased shares may be retained in treasury, utilized for acquisitions, or reissued to employees or other purchasers, subject to the restrictions set forth in the Company's Restated Articles of Incorporation. Under the current authorization, 613,365 shares remain available for repurchase as of JuneÂ 30, 2024.The following table shows the monthly stock repurchase activity for the third quarter of fiscal 2024:PeriodTotal number of shares purchasedWeighted-average price paid per shareTotal number of shares purchased as part of a publicly announced planMaximum number of shares that may yet be purchased under the planApril 2024â€"Â $â€"Â â€"Â 728,031Â May 2024106,018Â 28.84Â 106,018Â 622,013Â June 20248,648Â 28.50Â 8,648Â 613,365Â Total114,666Â $28.82Â 114,666Â Â Item 3. Defaults Upon Senior SecuritiesNot Applicable.Item 4. Mine Safety DisclosuresNot Applicable.Item 5. Other Information(a)None.(b) None.(c)None of the Companyâ€™s directors or officers adopted or terminated any Rule 10b5-1 trading arrangement or any non-Rule 10b5-1 trading arrangement during the Companyâ€™s fiscal quarter ended JuneÂ 30, 2024. 38Item 6. Exhibits and Reports on Form 8-K(a)ExhibitsÂ Â Â Exhibit No.DescriptionMethod of Filing3.1Restated Articles of Incorporation*Exhibit Number 3.1 to the Annual Report on Form 10-K for the year ended September 30, 1994 (filed in paper format)3.2Amended and Restated By-laws of Matthews International Corporation*Exhibit Number 3.2 to the Annual Report on Form 10-K for the year ended September 30, 2023Â 31.1Certification of Principal Executive Officer for Joseph C. BartolacciFiled herewithÂ 31.2Certification of Principal Financial Officer for Steven F. NicolaFiled herewithÂ 32.1Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Joseph C. BartolacciFurnished herewithÂ 32.2Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Steven F. NicolaFurnished herewithÂ 101.INSXBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL documentFiled herewithÂ 101.SCHXBRL Taxonomy Extension SchemaFiled herewithÂ 101.CALXBRL Taxonomy Extension Calculation LinkbaseFiled herewithÂ 101.DEFXBRL Taxonomy Extension Definition LinkbaseFiled herewithÂ 101.LABXBRL Taxonomy Extension Label LinkbaseFiled herewithÂ 101.PREXBRL Taxonomy Extension Presentation LinkbaseFiled herewith104Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101)Filed herewith* Incorporated by reference39SIGNATURESPursuant 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 thereunto duly authorized.Â Â MATTHEWS INTERNATIONAL CORPORATIONÂ Â (Registrant)Â Â Â Date:August 2, 2024Â By: /s/ Joseph C. BartolacciÂ Â Joseph C. Bartolacci, PresidentÂ Â and Chief Executive OfficerÂ Â Â Â Â Â Date:August 2, 2024Â By: /s/ Steven F. NicolaÂ Â Steven F. Nicola, Chief Financial OfficerÂ Â and SecretaryÂ Â Â 40DocumentExhibit 31.1CERTIFICATIONPRINCIPAL EXECUTIVE OFFICERI, Joseph C. Bartolacci, certify that:1. I have reviewed this quarterly report on Form 10-Q of Matthews International Corporation;2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;b)Â designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; andb) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.Date: AugustÂ 2, 2024 /s/Joseph C. Bartolacci------------------------Joseph C. BartolacciPresident andChief Executive OfficerDocumentExhibit 31.2CERTIFICATIONPRINCIPAL FINANCIAL OFFICERI, Steven F. Nicola, certify that:1. I have reviewed this quarterly report on Form 10-Q of Matthews International Corporation;2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;b)Â designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; andb) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.Date: AugustÂ 2, 2024 /s/Steven F. Nicola------------------------Steven F. NicolaChief Financial Officerand SecretaryDocumentExhibit 32.1Certification Pursuant to 18 U.S.C. Section 1350,As Adopted Pursuant toSection 906 of The Sarbanes-Oxley Act of 2002In connection with the Quarterly Report of Matthews International Corporation (the "Company") on Form 10-Q for the period ended JuneÂ 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph C. Bartolacci, Chief Executive Officer, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:(1)Â The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and(2)Â The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company./s/Joseph C. Bartolacci------------------------------------Joseph C. Bartolacci,President and Chief Executive OfficerAugustÂ 2, 2024 A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Matthews International Corporation and will be retained by Matthews International Corporation and furnished to the Securities and Exchange Commission or its staff upon request.DocumentExhibit 32.2Certification Pursuant to 18 U.S.C. Section 1350,As Adopted Pursuant toSection 906 of The Sarbanes-Oxley Act of 2002In connection with the Quarterly Report of Matthews International Corporation (the "Company") on Form 10-Q for the period ended JuneÂ 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven F. Nicola, Chief Financial Officer, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that: (1)Â The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and(2)Â The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company./s/Steven F. Nicola-------------------------------------Steven F. Nicola,Chief Financial Officer and SecretaryAugustÂ 2, 2024 A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Matthews International Corporation and will be retained by Matthews International Corporation and furnished to the Securities and Exchange Commission or its staff upon request.