

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

FORM 10-Q

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

For the Quarterly Period Ended December 31, 2024

or

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

For the Transition Period from _____ to _____

Commission File No. 0-09115

MATTHEWS INTERNATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania

25-0644320

(State or other jurisdiction of
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 class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, \$1.00 par value	MATW	Nasdaq Global Select Market

Indicate 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 No

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 No

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 filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of December 31, 2024, shares of common stock outstanding were: Class A Common Stock 30,968,686 shares.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited)
(Dollar amounts in thousands)

	December 31, 2024	September 30, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 33,513	\$ 40,816
Accounts receivable, net	199,303	205,984
Inventories, net	241,585	237,888
Contract assets	88,617	92,969
Other current assets	60,181	54,886
Total current assets	623,199	632,543
Investments	22,615	23,076
Property, plant and equipment, net	264,895	279,499
Operating lease right-of-use assets	62,063	60,499
Deferred income taxes	6,120	6,548
Goodwill	685,967	697,123
Other intangible assets, net	116,878	126,026
Other assets	9,982	9,576
Total assets	<u>\$ 1,791,719</u>	<u>\$ 1,834,890</u>
LIABILITIES		
Current liabilities:		
Long-term debt, current maturities	\$ 7,260	\$ 6,853
Current portion of operating lease liabilities	22,365	22,617
Trade accounts payable	101,927	108,362
Accrued rebates	23,422	23,766
Accrued compensation	59,663	88,781
Accrued income taxes	7,872	7,522
Contract liabilities	28,388	28,723
Other current liabilities	144,684	148,151
Total current liabilities	395,581	434,775
Long-term debt	801,951	769,614
Operating lease liabilities	41,824	40,073
Deferred income taxes	46,674	45,688
Other liabilities	92,233	107,534
Total liabilities	<u>1,378,263</u>	<u>1,397,684</u>
SHAREHOLDERS' EQUITY		
Shareholders' equity-Matthews:		
Common stock	\$ 36,334	\$ 36,334
Additional paid-in capital	144,588	159,497
Retained earnings	611,358	623,063
Accumulated other comprehensive loss	(181,491)	(168,742)
Treasury stock, at cost	(197,381)	(212,994)
Total shareholders' equity-Matthews	413,408	437,158
Noncontrolling interests	48	48
Total shareholders' equity	<u>413,456</u>	<u>437,206</u>
Total liabilities and shareholders' equity	<u>\$ 1,791,719</u>	<u>\$ 1,834,890</u>

The accompanying notes are an integral part of these consolidated financial statements.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(Dollar amounts in thousands, except per share data)

	Three Months Ended December 31,	
	2024	2023
Sales	\$ 401,842	\$ 449,986
Cost of sales	<u>(276,150)</u>	<u>(317,633)</u>
Gross profit	125,692	132,353
Selling expense	(34,857)	(34,444)
Administrative expense	<u>(76,553)</u>	<u>(78,687)</u>
Intangible amortization	<u>(8,608)</u>	<u>(9,795)</u>
Operating profit	5,674	9,427
Interest expense	(15,682)	(11,576)
Other income (deductions), net	<u>4,178</u>	<u>(880)</u>
Loss before income taxes	(5,830)	(3,029)
Income tax benefit	<u>2,358</u>	<u>726</u>
Net loss	(3,472)	(2,303)
Net loss attributable to noncontrolling interests	<u>—</u>	<u>—</u>
Net loss attributable to Matthews shareholders	<u>\$ (3,472)</u>	<u>\$ (2,303)</u>
Loss per share attributable to Matthews shareholders:		
Basic	<u>\$ (0.11)</u>	<u>\$ (0.07)</u>
Diluted	<u>\$ (0.11)</u>	<u>\$ (0.07)</u>

The accompanying notes are an integral part of these consolidated financial statements.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)
(Dollar amounts in thousands)

Three Months Ended December 31,

	Matthews		Noncontrolling Interest		Total	
	2024	2023	2024	2023	2024	2023
Net loss:	\$ (3,472)	\$ (2,303)	\$ —	\$ —	\$ (3,472)	\$ (2,303)
Other Comprehensive Income ("OCI"), net of tax:						
Foreign currency translation adjustment	(14,611)	11,685	—	22	(14,611)	11,707
Pension plans and other postretirement benefits	(353)	(80)	—	—	(353)	(80)
Unrecognized gain (loss) on cash flow hedges:						
Net change from periodic revaluation	2,565	(4,389)	—	—	2,565	(4,389)
Net amount reclassified to earnings	(350)	(492)	—	—	(350)	(492)
Net change in unrecognized loss on cash flow hedges	2,215	(4,881)	—	—	2,215	(4,881)
OCI, net of tax	<u>(12,749)</u>	<u>6,724</u>	<u>—</u>	<u>22</u>	<u>(12,749)</u>	<u>6,746</u>
Comprehensive (loss) income	<u>\$ (16,221)</u>	<u>\$ 4,421</u>	<u>\$ —</u>	<u>\$ 22</u>	<u>\$ (16,221)</u>	<u>\$ 4,443</u>

The accompanying notes are an integral part of these consolidated financial statements.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
for the three months ended December 31, 2024 and 2023 (Unaudited)

(Dollar amounts in thousands, except per share data)

	Shareholders' Equity								
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income		Treasury Stock	Non- controlling Interests		
				Treasury Stock	Non- controlling Interests				
Balance, September 30, 2024	\$ 36,334	\$ 159,497	\$ 623,063	\$ (168,742)	\$ (212,994)	\$ 48	\$ 437,206		
Net loss	—	—	(3,472)	—	—	—	(3,472)		
Minimum pension liability	—	—	—	(353)	—	—	(353)		
Translation adjustment	—	—	—	(14,611)	—	—	(14,611)		
Fair value of cash flow hedges	—	—	—	2,215	—	—	2,215		
Total comprehensive loss							(16,221)		
Stock-based compensation	—	4,979	—	—	—	—	4,979		
Purchase of 171,101 shares of treasury stock	—	—	—	—	(4,275)	—	(4,275)		
Issuance of 537,295 shares of treasury stock	—	(19,888)	—	—	19,888	—	—		
Dividends	—	—	(8,233)	—	—	—	(8,233)		
Balance, December 31, 2024	<u>\$ 36,334</u>	<u>\$ 144,588</u>	<u>\$ 611,358</u>	<u>\$ (181,491)</u>	<u>\$ (197,381)</u>	<u>\$ 48</u>	<u>\$ 413,456</u>		
Shareholders' Equity									
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income		Treasury Stock	Non- controlling Interests		
				Treasury Stock	Non- controlling Interests				
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Non- controlling Interests	Total			
Balance, September 30, 2023	\$ 36,334	\$ 168,211	\$ 714,727	\$ (174,404)	\$ (219,200)	\$ (387)	\$ 525,281		
Net loss	—	—	(2,303)	—	—	—	(2,303)		
Minimum pension liability	—	—	—	(80)	—	—	(80)		
Translation adjustment	—	—	—	11,685	—	22	11,707		
Fair value of cash flow hedges	—	—	—	(4,881)	—	—	(4,881)		
Total comprehensive income							4,443		
Stock-based compensation	—	4,651	—	—	—	—	4,651		
Purchase of 465,953 shares of treasury stock	—	—	—	—	(17,185)	—	(17,185)		
Issuance of 678,750 shares of treasury stock	—	(25,356)	—	—	25,356	—	—		
Dividends	—	—	(8,381)	—	—	—	(8,381)		
Transactions with non-controlling interest	—	(412)	—	—	—	412	—		
Balance, December 31, 2023	<u>\$ 36,334</u>	<u>\$ 147,094</u>	<u>\$ 704,043</u>	<u>\$ (167,680)</u>	<u>\$ (211,029)</u>	<u>\$ 47</u>	<u>\$ 508,809</u>		

The accompanying notes are an integral part of these consolidated financial statements.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Dollar amounts in thousands)

	Three Months Ended December 31,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (3,472)	\$ (2,303)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation and amortization	22,504	23,523
Stock-based compensation expense	4,979	4,651
Deferred tax benefit	—	(1)
Gain on sale of assets, net	(9,572)	(87)
Changes in working capital items	(39,170)	(51,640)
Decrease in other assets	6,996	5,888
Decrease in other liabilities	(8,814)	(4,068)
Other operating activities, net	1,540	(3,229)
Net cash used in operating activities	(25,009)	(27,266)
Cash flows from investing activities:		
Capital expenditures	(9,532)	(14,073)
Acquisitions, net of cash acquired	(2,218)	—
Proceeds from sale of assets	13,249	124
Other investing activities, net	(63)	(237)
Net cash provided by (used in) investing activities	1,436	(14,186)
Cash flows from financing activities:		
Proceeds from long-term debt	250,996	274,275
Payments on long-term debt	(219,047)	(211,696)
Purchases of treasury stock	(4,275)	(17,185)
Dividends	(9,237)	(9,280)
Net cash provided by financing activities	18,437	36,114
Effect of exchange rate changes on cash	(2,167)	1,158
Net change in cash and cash equivalents	(7,303)	(4,180)
Cash and cash equivalents at beginning of year	40,816	42,101
Cash and cash equivalents at end of period	\$ 33,513	\$ 37,921

The accompanying notes are an integral part of these consolidated financial statements.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

December 31, 2024

(Dollar amounts in thousands, except per share data)

Note 1. Nature of Operations

Matthews 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 sales 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, décor 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. See Note 17, "Subsequent Event" for a description of proposed transactions with respect to the SGK Brand Solutions business.

The Company has facilities in North America, Europe, Asia, Australia, and Central and South America.

Note 2. Basis of Presentation

The 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 Form 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. 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 months ended December 31, 2024 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2025. 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 fiscal year ended September 30, 2024. 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. 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 been 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 December 31, 2024 and September 30, 2024, the Company had net monetary assets related to its Turkish subsidiaries of \$5,621 and \$5,327, respectively. Exchange losses related to highly inflationary accounting totaled \$191 and \$320 for the three months ended December 31, 2024 and December 31, 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.

Note 2. Basis of Presentation (continued)

New Accounting Pronouncements:

Issued

In November 2024, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)* which improves financial reporting by requiring disclosure of specified information about certain costs and expenses on an annual and interim basis for all public entities, including enhanced disaggregation disclosures. The ASU is effective for annual periods for the Company beginning in fiscal year 2028, and interim periods beginning in fiscal year 2029. The Company is in the process of assessing the impact this ASU will have on its consolidated financial statements.

In December 2023, the FASB issued 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 amendments in this ASU do not affect the recognition, measurement, or financial statement presentation of expenses, but will require increased disclosures in annual and interim financial statements. 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 SEC'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.

Note 3. Revenue Recognition

The Company disaggregates revenue from contracts with customers by geography, as it believes geographic regions best depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Disaggregated sales by segment and region for the three months ended December 31, 2024 and 2023 were as follows:

	Memorialization		Industrial Technologies		SGK Brand Solutions		Consolidated	
	Three Months Ended December 31,		Three Months Ended December 31,		Three Months Ended December 31,		Three Months Ended December 31,	
	2024	2023	2024	2023	2024	2023	2024	2023
North America	\$ 181,389	\$ 197,165	\$ 31,452	\$ 33,139	\$ 61,802	\$ 62,720	\$ 274,643	\$ 293,024
Central and South America	—	—	—	—	1,122	1,254	1,122	1,254
Europe	5,866	7,971	47,669	76,776	49,487	50,132	103,022	134,879
Australia	3,231	2,935	—	—	2,367	2,171	5,598	5,106
Asia	—	—	1,412	1,459	16,045	14,264	17,457	15,723
Total Sales	\$ 190,486	\$ 208,071	\$ 80,533	\$ 111,374	\$ 130,823	\$ 130,541	\$ 401,842	\$ 449,986

Note 3. Revenue Recognition (continued)

Revenue from products or services provided to customers over time accounted for approximately 12% and 19% of revenue for the three months ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and September 30, 2024, the Company had net contract assets for projects recognized using the over time method totaling \$60,229 and \$64,246, respectively, which primarily represent unbilled revenues, net of deferred revenues related to customer deposits and progress billings. Net contract assets at December 31, 2024 and September 30, 2024 predominantly related to ongoing projects with the Company's largest energy storage customer.

Note 4. Fair Value Measurements

Fair 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. 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:

	December 31, 2024				September 30, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Derivatives ⁽¹⁾	\$ —	\$ 1,475	\$ —	\$ 1,475	\$ —	\$ —	\$ —	\$ —
Equity and fixed income mutual funds	—	843	—	843	—	839	—	839
Life insurance policies	—	5,385	—	5,385	—	5,493	—	5,493
Total assets at fair value	\$ —	\$ 7,703	\$ —	\$ 7,703	\$ —	\$ 6,332	\$ —	\$ 6,332
Liabilities:								
Derivatives ^{(1) (2)}	\$ —	\$ 55,358	\$ —	\$ 55,358	\$ —	\$ 69,573	\$ —	\$ 69,573
Total liabilities at fair value	\$ —	\$ 55,358	\$ —	\$ 55,358	\$ —	\$ 69,573	\$ —	\$ 69,573

⁽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.

⁽²⁾ Derivative amounts at December 31, 2024 and September 30, 2024 reflect \$68,432 of partial advance payments received from the counterparties to certain cross-currency swaps. See Note 8, "Derivatives and Hedging Activities" for further details.

The carrying values for other financial assets and liabilities approximated fair value at December 31, 2024 and September 30, 2024.

Note 5. Inventories

Inventories consisted of the following:

	December 31, 2024	September 30, 2024
Raw materials	\$ 62,048	\$ 61,333
Work in process	102,179	96,488
Finished goods	77,358	80,067
	<u>\$ 241,585</u>	<u>\$ 237,888</u>

Note 6. Investments

Non-current investments consisted of the following:

	December 31, 2024	September 30, 2024
Equity and fixed income mutual funds	\$ 843	\$ 839
Life insurance policies	5,385	5,493
Equity-method investments	—	349
Other (primarily cost-method) investments	16,387	16,395
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 22,615	\$ 23,076

During the first quarter of fiscal 2025, the Company completed the disposal of its investment in Liquid X Printed Metals Inc. ("Liquid X"), a private company specializing in ink technologies. The Company's investment in Liquid X was previously written-down in fiscal 2024, and had a net carrying value of zero at the time of the disposal transaction. One of the Company's Executive Officers and member of Matthews' Board of Directors serves as President and CEO of Liquid X.

Note 7. Debt and Financing Arrangements

Long-term debt at December 31, 2024 and September 30, 2024 consisted of the following:

	December 31, 2024	September 30, 2024
Revolving credit facilities	\$ 484,083	\$ 444,011
2027 Senior Secured Notes	294,799	294,751
Other borrowings	7,869	15,602
Finance lease obligations	22,460	22,103
Total debt	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
Less current maturities	(7,260)	(6,853)
Long-term debt	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 801,951	\$ 769,614

The Company has a domestic credit facility with a syndicate of financial institutions that was amended and restated in September 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. The obligations under the domestic credit facility are secured by a first priority lien on substantially all of the assets of the Company and certain of its domestic subsidiaries. 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 December 31, 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 debt issuance costs in connection with the amended and restated agreement. Unamortized costs were \$4,713 and \$4,961 at December 31, 2024 and September 30, 2024, respectively.

The domestic credit facility requires the Company to maintain certain leverage and interest coverage ratios. A portion of the facility (not to exceed \$75,000) is available for the issuance of trade and standby letters of credit. Outstanding U.S. dollar denominated borrowings on the revolving credit facility at December 31, 2024 and September 30, 2024 were \$480,969 and \$410,527, respectively. There were no outstanding Euro denominated borrowings on the revolving credit facility at December 31, 2024. Outstanding Euro denominated borrowings on the revolving credit facility at September 30, 2024 were €30.0 million (\$33,485). 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 December 31, 2024 and 2023 was 5.17% and 5.32%, respectively.

Note 7. Debt and Financing Arrangements (continued)

The Company has \$300,000 aggregate principal amount of 8.625% senior secured second lien notes due October 1, 2027 (the "2027 Senior Secured Notes"). The 2027 Senior Secured Notes bear interest at a rate of 8.625% per annum with interest payable semi-annually in arrears on April 1 and October 1 of each year beginning on April 1, 2025. The Company's obligations under the 2027 Senior Secured Notes are secured by a second priority lien on substantially all of the assets of the Company and certain of its domestic subsidiaries. The Company is subject to certain covenants and other restrictions in connection with the 2027 Senior Secured Notes. The Company incurred direct financing fees and costs in connection with 2027 Senior Secured Notes. Unamortized costs related to the Company's notes were \$5,201 and \$5,249 at December 31, 2024 and September 30, 2024, 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 ("Matthews RFC"), a wholly-owned bankruptcy-remote subsidiary of the Company. Matthews RFC has a receivables purchase agreement ("RPA") to sell up to \$125,000 of receivables to certain purchasers (the "Purchasers") on a recurring basis in exchange for cash (referred to as "capital" 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 Purchaser'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 matures in March 2026.

The proceeds of the RPA are classified as operating activities in the Company'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 December 31, 2024 and September 30, 2024, the amount sold to the Purchasers was \$100,700 and \$96,300, 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 \$66,272 and \$58,183 as of December 31, 2024 and September 30, 2024, respectively.

The following table sets forth a summary of receivables sold as part of the RPA:

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Gross receivables sold	\$ 89,486	\$ 92,809
Cash collections reinvested	(85,086)	(92,709)
Net cash proceeds received	<u><u>\$ 4,400</u></u>	<u><u>\$ 100</u></u>

The Company, through its U.K. subsidiary, participates in 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 derecognized from the Company's Consolidated Balance Sheets upon transfer. The principal amount of receivables sold under this arrangement was \$21,449 and \$17,118 during the three months ended December 31, 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 December 31, 2024 and September 30, 2024, the amount of factored receivables that remained outstanding was \$17,126 and \$15,665, respectively.

Note 7. Debt and Financing Arrangements (continued)

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 \$3,012 and \$3,014 at December 31, 2024 and September 30, 2024, 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 €8.0 million (\$8,310). The facility also provides €18.5 million (\$19,218) for bank guarantees. This facility has no stated maturity date and is available until terminated. Outstanding borrowings under the credit facility totaled €3.0 million (\$3,114) at December 31, 2024. There were no outstanding borrowings under the credit facility at September 30, 2024. The weighted-average interest rate on outstanding borrowings under this facility was 5.10% and 6.11% at December 31, 2024 and 2023, respectively.

Other borrowings totaled \$7,869 and \$15,602 at December 31, 2024 and September 30, 2024, respectively. The weighted-average interest rate on all other borrowings was 2.33% and 4.20% at December 31, 2024 and 2023, respectively.

As of December 31, 2024 and September 30, 2024, 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 December 31, 2024.

Note 8. Derivatives and Hedging Activities

The Company operates internationally and utilizes certain derivative financial instruments to manage its foreign currency, debt and interest rate exposures. At December 31, 2024 and September 30, 2024, derivative instruments were reflected on a gross-basis in the consolidated balance sheets as follows:

Derivatives:	December 31, 2024		September 30, 2024	
	Interest Rate Swaps	Cross-Currency Swaps	Interest Rate Swaps	Cross-Currency Swaps
Current assets:				
Other current assets	\$ 454	\$ —	\$ —	\$ —
Long-term assets:				
Other assets	1,021	—	—	—
Current liabilities:				
Other current liabilities	(133)	(15,931)	(863)	(18,042)
Long-term liabilities:				
Other liabilities	(210)	(39,084)	(1,743)	(48,925)
Total derivatives⁽¹⁾	\$ 1,132	\$ (55,015)	\$ (2,606)	\$ (66,967)

⁽¹⁾ Cross-currency swap amounts at December 31, 2024 and September 30, 2024 reflect \$58,432 of partial advanced payments received from the counterparties to certain swap contracts (see below).

The following table presents information related to interest rate swaps entered into by the Company and designated as cash flow hedges:

	December 31, 2024	September 30, 2024
Notional amount	\$ 175,000	\$ 175,000
Weighted-average maturity period (years)	2.9	3.2
Weighted-average received rate	4.33 %	4.85 %
Weighted-average pay rate	3.83 %	3.83 %

Note 8. Derivatives and Hedging Activities (continued)

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. 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 \$ 1,132 (\$844 after tax) at December 31, 2024 and a net unrealized loss of \$2,606 (\$1,948 after tax) at September 30, 2024, that is included in shareholders' equity as part of accumulated other comprehensive income (loss) ("AOCI"). Unrecognized gains of \$3,076 (\$2,297 after tax) and \$3,848 (\$2,874 after tax) related to previously terminated London Interbank Offered Rate ("LIBOR") based swaps were also included in AOCI as of December 31, 2024 and September 30, 2024, respectively. Assuming market rates remain constant with the rates at December 31, 2024, a gain (net of tax) of approximately \$1,566 included in AOCI is expected to be recognized in earnings over the next twelve months.

The Company utilizes certain cross currency swaps as net investment hedges of foreign operations and assesses effectiveness for these contracts based on changes in fair value attributable to changes in spot prices. The following table presents information related to cross currency swaps entered into by the Company and designated as net investment hedges:

Swap Currencies	Maturity Date	Notional Amount		Unrealized Gains (Losses) Recognized in AOCI	
		December 31, 2024	September 30, 2024	December 31, 2024	September 30, 2024
USD/EUR	September 2027	\$ 81,392	\$ 81,392	\$ (1,423)	\$ (5,440)
USD/SEK	June 2025	20,000	20,000	1,110	(468)
USD/SGD	August 2026	20,000	20,000	988	(441)
USD/EUR	August 2026	25,000	25,000	1,879	(30)
		\$ 146,392	\$ 146,392	\$ 2,554 ⁽¹⁾	\$ (6,379) ⁽¹⁾

⁽¹⁾ Total unrealized gains (losses) are presented net of tax of \$863 and \$2,156 as of December 31, 2024 and September 30, 2024, respectively.

In connection with certain of these cross currency swaps, the Company received cash from the counterparties, representing partial advance payments of amounts due under the U.S. dollar leg of the swaps. Such amounts totaled \$58,432, of which \$17,416 and \$41,016 were included in other current liabilities and other liabilities, respectively, on the Consolidated Balance Sheets at December 31, 2024 and September 30, 2024.

The Company previously used certain foreign currency debt instruments as net investment hedges of foreign operations with a notional amount of € 30.0 million (\$33,485) as of September 30, 2024. Currency losses of \$3,820 (net of income taxes of \$1,113), which represent effective hedges of net investments, were reported as a component of AOCI within currency translation adjustment at September 30, 2024.

Refer to Note 11, "Accumulated Other Comprehensive Income" for further details regarding amounts recorded in AOCI and the Consolidated Statements of Income (Loss) related to derivatives.

Note 9. Share-Based Payments

The 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. In November 2024, the Board of Directors approved the Second Amended and Restated 2017 Equity Incentive Plan (the "Second Amended 2017 Plan"), which increases the maximum number of shares available for grants or awards to an aggregate of 4,950,000. The Second Amended 2017 Plan is subject to shareholder approval at the February 2025 Annual Shareholder Meeting. At December 31, 2024, 1,720,138 shares have been issued under the 2017 Equity Incentive Plan. 1,459,643 time-based RSUs, 1,874,354 performance-based RSUs, and 75,000 stock options have been granted under the 2017 Equity Incentive Plan. 1,685,714 of these share-based awards are outstanding as of December 31, 2024. 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 December 31, 2024 and 2023, stock-based compensation cost totaled \$ 4,979 and \$4,651, respectively. The associated future income tax benefit recognized for stock-based compensation was \$818 and \$684 for the three-month periods ended December 31, 2024 and 2023, respectively.

With respect to the grants of RSUs, awards 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 three months ended December 31, 2024 were as follows:

	RSUs	Weighted-average Grant-date Fair Value
Non-vested at September 30, 2024	1,707,349	\$ 33.59
Granted	520,900	25.52
Contingent grant*	145,800	25.45
Vested	(423,295)	37.69
Expired or forfeited	(119,240)	38.00
Non-vested at December 31, 2024	<u>1,831,514</u>	<u>\$ 27.38</u>

* In connection with its annual grant of equity awards, the Compensation Committee of the Board of Directors granted the President and Chief Executive Officer an award contingent upon the approval by the Company's shareholders of the Second Amended 2017 Plan. Such award consists of (i) time-based restricted stock units, which may settle into a maximum of 58,320 shares of Common Stock, subject to continued service to the Company through November 18, 2027, (ii) performance units, which may settle into a maximum of 43,740 shares of Common Stock at target levels, upon the Company achieving certain metrics based on return on invested capital ("ROIC"); and (iii) performance units, which may settle into a maximum of 43,740 shares of Common Stock at target levels upon stock price appreciation for the Common Stock.

As of December 31, 2024, the total unrecognized compensation cost related to all unvested stock-based awards was \$ 30,002 and is expected to be recognized over a weighted average period of 2.3 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 three-month period ended December 31, 2024.

Note 9. Share-Based Payments (continued)

	Three Months Ended December 31, 2024
Expected volatility	31.8 %
Dividend yield	3.4 %
Average risk-free interest rate	4.2 %
Average expected term (years)	3.0

The 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 three months ended December 31, 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"). 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. 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 2025, either cash or shares of the Company's Class A Common Stock with a value equal to \$90. The annual retainer fee for fiscal 2025 paid to the non-employee Chairman of the Board is \$ 210. 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. 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. A total of 51,527 shares and share units had been deferred under the Director Fee Plans as of December 31, 2024. 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 2025. As of December 31, 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. 71,549 RSUs are unvested at December 31, 2024 under the Director Fee Plans.

Note 10. Earnings Per Share Attributable to Matthews' Shareholders

The information used to compute loss per share attributable to Matthews' common shareholders was as follows:

	Three Months Ended December 31,	
	2024	2023
Net loss attributable to Matthews shareholders	\$ (3,472)	\$ (2,303)
Weighted-average shares outstanding (in thousands):		
Basic shares	31,110	30,915
Effect of dilutive securities	—	—
Diluted shares	31,110	30,915
Dividends declared per common share	\$ 0.25	\$ 0.24

During periods in which the Company incurs a net loss, diluted weighted-average shares outstanding are equal to basic weighted-average shares outstanding because the effect of all equity awards is anti-dilutive.

Note 11. Accumulated Other Comprehensive Income

The changes in AOCI by component, net of tax, for the three-month periods ended December 31, 2024 and 2023 were as follows:

	Post-retirement benefit plans	Currency translation adjustment	Cash Flow Hedges	Total
Attributable to Matthews:				
Balance, September 30, 2024	\$ 4,955	\$ (174,623)	\$ 926	\$ (168,742)
OCI before reclassification	(181)	(21,187)	2,565	(18,803)
Amounts reclassified from AOCI	(172) ^(a)	6,576	(350) ^(b)	6,054
Net current-period OCI	(353)	(14,611)	2,215	(12,749)
Balance, December 31, 2024	<u>\$ 4,602</u>	<u>\$ (189,234)</u>	<u>\$ 3,141</u>	<u>\$ (181,491)</u>

Attributable to noncontrolling interest:

	Post-retirement benefit plans	Currency translation adjustment	Cash Flow Hedges	Total
Attributable to Matthews:				
Balance, September 30, 2024	\$ —	\$ 289	\$ —	\$ 289
OCI before reclassification	—	—	—	—
Net current-period OCI	—	—	—	—
Balance, December 31, 2024	<u>\$ —</u>	<u>\$ 289</u>	<u>\$ —</u>	<u>\$ 289</u>

	Post-retirement benefit plans	Currency translation adjustment	Cash Flow Hedges	Total
Attributable to Matthews:				
Balance, September 30, 2023	\$ 6,760	\$ (190,196)	\$ 9,032	\$ (174,404)
OCI before reclassification	131	11,881	(4,389)	7,623
Amounts reclassified from AOCI	(211) ^(a)	(196)	(492) ^(b)	(899)
Net current-period OCI	(80)	11,685	(4,881)	6,724
Balance, December 31, 2023	<u>\$ 6,680</u>	<u>\$ (178,511)</u>	<u>\$ 4,151</u>	<u>\$ (167,680)</u>
Attributable to noncontrolling interest:				
Balance, September 30, 2023	\$ —	\$ 266	\$ —	\$ 266
OCI before reclassification	—	22	—	22
Net current-period OCI	—	22	—	22
Balance, December 31, 2023	<u>\$ —</u>	<u>\$ 288</u>	<u>\$ —</u>	<u>\$ 288</u>

^(a) Amounts were included in net periodic benefit cost for pension and other postretirement benefit plans.

^(b) Amounts were included in interest expense in the periods the hedged item affected earnings (see Note 8).

Note 11. Accumulated Other Comprehensive Income (continued)

Reclassifications out of AOCI for the three-month periods ended December 31, 2024 and 2023 were as follows:

Details about AOCI Components			Amount reclassified from AOCI
	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Affected line item in the Financial Statements
Postretirement benefit plans			
Prior service credit ^(a)	\$ 91	\$ 91	
Actuarial losses	139	191	Other income (deductions), net
	230	282	Income before income tax ^(b)
	(58)	(71)	Income taxes
	\$ 172	\$ 211	Net income
Derivatives			
Cash flow hedges	\$ 468	\$ 659	Interest expense
Net investment hedges	354	259	Interest expense
	822	918	Income before income tax ^(b)
	(204)	(230)	Income taxes
	\$ 618	\$ 688	Net income
Other			
Divestitures	\$ (6,844)	\$ —	Other current liabilities ^(c)

^(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.

^(b) For pre-tax items, positive amounts represent income and negative amounts represent expense.

^(c) Reflects the release of a reserve that was established for currency translation amounts related to certain net assets classified as held-for-sale as of September 30, 2024. See Note 14, "Acquisitions and Divestitures."

Note 12. Income Taxes

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 three months of fiscal 2025 represented a benefit of \$2,358, compared to a benefit of \$ 726 for the first three months of fiscal 2024. The difference between the Company's consolidated income taxes for the first three months of fiscal 2025 compared to the same period for fiscal 2024 resulted from an increase in consolidated pre-tax loss in fiscal 2025 compared to fiscal 2024, as well as a discrete net tax benefit related to adjustments in tax reserves resulting from the progression of foreign tax audits. The Company's fiscal 2025 three month effective tax rate varied from the U.S. statutory tax rate of 21.0% primarily due to state taxes, tax credits, non-tax benefited foreign losses, and other net discrete tax benefits. The Company's fiscal 2024 three 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 a net discrete tax benefit.

The Company had unrecognized tax benefits (excluding penalties and interest) of \$ 1,941 and \$4,506 on December 31, 2024 and September 30, 2024, respectively, which would impact the annual effective rate at December 31, 2024 and September 30, 2024, respectively. It is reasonably possible that the amount of unrecognized tax benefits could decrease by approximately \$281 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. Total penalties and interest accrued were \$229 and \$588 at December 31, 2024 and September 30, 2024, respectively. These accruals may potentially be applicable in the event of an unfavorable outcome of uncertain tax positions.

Note 12. Income Taxes (continued)

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. As of December 31, 2024, the tax years that remain subject to examination by major jurisdictions generally are:

United States – Federal	2019, 2022 and forward
United States – State	2020 and forward
Canada	2020 and forward
Germany	2019 and forward
United Kingdom	2023 and forward
Singapore	2020 and forward
Australia	2020 and forward

Note 13. Segment Information

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 sales 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, décor 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. See Note 17, "Subsequent Event" for a description of proposed transactions with respect to the SGK Brand Solutions business.

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 management'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") system integration costs, and strategic initiatives and other charges. This presentation is consistent with how the Company's chief operating decision maker (the "CODM") 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, which consists of certain aspects of the Company'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.

Note 13. 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 Ended December 31,	
	2024	2023
Sales:		
Memorialization	\$ 190,486	\$ 208,071
Industrial Technologies	80,533	111,374
SGK Brand Solutions	130,823	130,541
Consolidated Sales	<u><u>\$ 401,842</u></u>	<u><u>\$ 449,986</u></u>
Adjusted EBITDA:		
Memorialization	\$ 36,612	\$ 36,700
Industrial Technologies	1,832	9,622
SGK Brand Solutions	12,292	12,893
Corporate and Non-Operating	<u><u>(10,713)</u></u>	<u><u>(13,733)</u></u>
Total Adjusted EBITDA	<u><u>\$ 40,023</u></u>	<u><u>\$ 45,482</u></u>
Acquisition and divestiture related items ^{(1)**}	(577)	(1,237)
Strategic initiatives and other items ^{(2)**†}	(615)	(5,920)
Highly inflationary accounting losses (primarily non-cash) ⁽³⁾	(191)	(320)
Stock-based compensation	(4,979)	(4,651)
Non-service pension and postretirement expense ⁽⁴⁾	(133)	(109)
Depreciation and amortization *	(22,504)	(23,523)
Interest expense, including RPA and factoring financing fees ⁽⁵⁾	<u><u>(16,854)</u></u>	<u><u>(12,751)</u></u>
Loss before income taxes	(5,830)	(3,029)
Income tax benefit	2,358	726
Net loss	<u><u>\$ (3,472)</u></u>	<u><u>\$ (2,303)</u></u>

⁽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. Also includes legal costs related to an ongoing dispute with Tesla, Inc. ("Tesla"), which totaled \$ 6,867 and \$2,370 for the three months ended December 31, 2024 and 2023, respectively (see Note 16, "Legal Matter"). Fiscal 2025 includes \$8,702 of net gains on the sales of certain significant property and other assets. Fiscal 2025 also includes loss recoveries totaling \$1,170 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 \$1,172 and \$1,175 for the three months ended December 31, 2024 and 2023, respectively.

* Depreciation and amortization was \$7,202 and \$6,413 for the Memorialization segment, \$5,674 and \$6,377 for the Industrial Technologies segment, \$8,860 and \$9,572 for the SGK Brand Solutions segment, and \$768 and \$1,161 for Corporate and Non-Operating, for the three months ended December 31, 2024 and December 31, 2023, respectively.

** Acquisition costs, ERP system integration costs, and strategic initiatives and other items were \$1,303 and \$60 for the Memorialization segment, \$4,119 and \$5,367 for the Industrial Technologies segment, \$714 and \$863 for the SGK Brand Solutions segment, and income of \$4,944 and charges of \$867 for Corporate and Non-Operating, for the three months ended December 31, 2024 and December 31, 2023, respectively.

Note 13. Segment Information (continued)

† Strategic initiatives and other items includes charges for exit and disposal activities (including severance and other employee terminations) totaling \$13 and \$1,961 for the three months ended December 31, 2024 and 2023, respectively. Fiscal 2025 amounts totaling charges of \$601 and income of \$288 for the three months ended December 31, 2024 were presented in cost of sales and administrative expense, respectively. Fiscal 2024 amounts totaling charges of \$1,902, income of \$256 and charges of \$315 for the three months ended December 31, 2023 were presented in cost of sales, selling expense, and administrative expense, respectively. Accrued severance and other termination benefits totaled \$23,637 and \$42,245 as of December 31, 2024 and September 30, 2024, respectively.

Note 14. Acquisitions and Divestitures

Fiscal 2025:

In October 2024, the Company completed a small acquisition within the Memorialization segment for a purchase price of \$ 2,218. The preliminary purchase price allocation was not finalized as of December 31, 2024 and remains subject to change as the Company obtains additional information related to working capital.

During the first quarter of fiscal 2025, the Company completed a small divestiture within the Memorialization segment. The net assets for this business were fully written-down in fiscal 2024 in anticipation of the disposal transaction.

Fiscal 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 Company finalized the allocation of the purchase price in the fourth quarter of fiscal 2024, resulting in no significant adjustments.

Note 15. Goodwill and Other Intangible Assets

A summary of the carrying amount of goodwill attributable to each segment as well as the changes in such amounts are as follows:

	Memorialization	Industrial Technologies	SGK Brand Solutions	Consolidated
Net goodwill at September 30, 2024	\$ 373,144	\$ 99,545	\$ 224,434	\$ 697,123
Additions during period	2,767	—	—	2,767
Translation and other adjustments	(2,744)	(895)	(10,284)	(13,923)
Net goodwill at December 31, 2024	<u>\$ 373,167</u>	<u>\$ 98,650</u>	<u>\$ 214,150</u>	<u>\$ 685,967</u>

The net goodwill balances at December 31, 2024 and September 30, 2024 included \$ 277,913 of accumulated impairment losses. Accumulated impairment losses at December 31, 2024 and September 30, 2024 were \$5,000, \$40,673 and \$232,240 for the Memorialization, Industrial Technologies and SGK Brand Solutions segments, respectively.

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, and, therefore, no impairment charges were necessary at such time. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued
(Dollar amounts in thousands, except per share data)

Note 15. Goodwill and Other Intangible Assets (continued)

The following tables summarize the carrying amounts and related accumulated amortization for intangible assets as of December 31, 2024 and September 30, 2024, respectively.

	Carrying Amount	Accumulated Amortization	Net
December 31, 2024			
Indefinite-lived trade names	\$ 30,540	\$ —	\$ 30,540
Definite-lived trade names	151,104	(128,854)	22,250
Customer relationships	375,040	(313,665)	61,375
Copyrights/patents/other	18,725	(16,012)	2,713
	\$ 575,409	\$ (458,531)	\$ 116,878
September 30, 2024:			
Indefinite-lived trade names	\$ 30,540	\$ —	\$ 30,540
Definite-lived trade names	151,598	(127,829)	23,769
Customer relationships	380,387	(311,621)	68,766
Copyrights/patents/other	19,166	(16,215)	2,951
	\$ 581,691	\$ (455,665)	\$ 126,026

The net change in intangible assets during the three months ended December 31, 2024 primarily included the impact of foreign currency fluctuations during the period and additional amortization.

Amortization expense on intangible assets was \$8,608 and \$9,795 for the three-month periods ended December 31, 2024 and 2023, respectively. Amortization expense is estimated to be \$21,031 for the remainder of fiscal 2025, \$14,171 in 2026, \$13,068 in 2027, \$10,995 in 2028 and \$9,143 in 2029.

Note 16. Legal Matter

On October 7, 2024, the United States District Court for the Northern District of California granted the Company's motion to compel arbitration in response to a complaint filed by Tesla on June 14, 2024 against the Company in the Northern District of California, Civil Action No. 5:24-cv-03615 (N.D. Cal.), which alleged trade secret misappropriation under the Defend Trade Secrets Act (the "DTSA") and California's Uniform Trade Secrets Act (the "CUTSA"), breach of contract and unfair business practices. Given the Court's favorable ruling, the matter filed by Tesla has been effectively stayed pending arbitration, which Tesla has initiated. The Company maintains the claims vaguely stated in the complaint are without merit and intends to vigorously defend itself against the allegations in the arbitration. In light of the substantial harm caused to the Company by Tesla's actions, the Company is now pursuing counterclaims against Tesla in that arbitration.

On February 5, 2025, an arbitrator issued a decision on an arbitration demand filed by Matthews against Tesla in January 2024 seeking a declaratory ruling on certain contractual rights to Dry Battery Electrode ("DBE") technology, know-how, and intellectual property under the terms and conditions of the agreement between Tesla and Matthews. This ruling acknowledged Matthews' extensive background in advanced DBE manufacturing technology and affirmed that the Company has the right to sell its solutions to customers other than Tesla. The interim award issued by the arbitrator is subject to confirmation and a limited right of appeal.

Note 17. Subsequent Events

On January 7, 2025, subsequent to the date of the balance sheet, the Company entered into a definitive contribution agreement (the "Contribution Agreement") under which it will sell its interest in the SGK Brand Solutions business to a newly formed entity created by affiliates of Southern Graphics, Inc., which will combine the SGK Brand Solutions business with the Southern Graphics, Inc. business. Under the terms of the Contribution Agreement, at the closing of the proposed transactions, the Company will receive \$250,000 in cash and \$50,000 of preferred equity in the new entity. In addition, at the closing of the proposed transactions, the Company will receive a 40% interest in the common equity of the new entity. Trade receivables under the Company's RPA will not be contributed to the new entity. The Company will also retain its European cylinders (packaging) business and other related investments following the closing of the proposed transactions. The proposed transactions are expected to be completed later this fiscal year, subject to customary closing conditions, including regulatory approvals. The foregoing summary of the Contribution Agreement and the transactions contemplated thereby is incomplete and is qualified in its entirety to the complete text of the Contribution Agreement, which was filed as Exhibit 2.1 to that Current Report on Form 8-K with the SEC on January 8, 2025.

In January 2025, subsequent to the balance sheet date, the Company entered into an agreement for the acquisition of a Memorialization business for a purchase price of \$57 million in cash. The purchase price is subject to customary post-closing adjustments. The acquisition, which is subject to certain closing conditions, is expected to be completed mid-2025.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY 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 September 30, 2024. 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, including statements regarding the anticipated timing and benefits of the proposed joint venture transaction, and may be identified by the use of words such as "expects," "believes," "intends," "projects," "anticipates," "estimates," "plans," "seeks," "forecasts," "predicts," "objective," "targets," "potential," "outlook," "may," "will," "could" or the negative of these terms, other comparable terminology and variations thereof. 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. Factors that could cause the Company's results to differ materially from the results discussed in such forward-looking statements principally include the possibility that the terms of the final award to be issued by the Arbitrator in the Tesla, Inc. ("Tesla") dispute may differ from the terms of the interim award issued by the Arbitrator and may be challenged, our ability to satisfy the conditions precedent to the consummation of the proposed joint venture transaction on the expected timeline or at all, our ability to achieve the anticipated benefits of the proposed joint venture transaction, uncertainties regarding future actions that may be taken by Barington in furtherance of its intention to nominate director candidates for election at the Company's 2025 Annual Meeting, potential operational disruption caused by Barington's actions that may make it more difficult to maintain relationships with customers, employees or partners, 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, including changes in costs due to adjustments to tariffs, any impairment of goodwill or intangible assets, environmental liability and limitations on the Company'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, divestitures and business combinations, 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 Company's plans and expectations with respect to its exploration, and contemplated execution, of various strategies with respect to its portfolio of businesses, the Company's plans and expectations with respect to its Board, 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, 2024. 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 see "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 sales 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, décor 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. Refer to Note 17, "Subsequent Event" in Item 1 - "Financial Statements" for a description of proposed transactions with respect to the SGK Brand Solutions business.

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 management'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") system integration costs, and strategic initiatives and other charges. This presentation is consistent with how the Company's chief operating decision maker (the "CODM") 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, which consists of certain aspects of the Company'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-month periods ended December 31, 2024 and 2023. Refer to Note 13, "Segment Information" in Item 1 - "Financial Statements" for the Company's financial information by segment.

	Three Months Ended	
	December 31,	
	2024	2023
<i>(Dollar amounts in thousands)</i>		
Sales:		
Memorialization	\$ 190,486	\$ 208,071
Industrial Technologies	80,533	111,374
SGK Brand Solutions	130,823	130,541
Consolidated Sales	\$ 401,842	\$ 449,986
 Adjusted EBITDA:		
Memorialization	\$ 36,612	\$ 36,700
Industrial Technologies	1,832	9,622
SGK Brand Solutions	12,292	12,893
Corporate and Non-Operating	(10,713)	(13,733)
Total Adjusted EBITDA ⁽¹⁾	\$ 40,028	\$ 45,482

⁽¹⁾ Total Adjusted EBITDA is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section below.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, Continued

Sales for the three months ended December 31, 2024 were \$401.8 million, compared to \$450.0 million for the three months ended December 31, 2023. The decrease in fiscal 2025 sales primarily reflected lower sales in the Industrial Technologies and Memorialization segments. On a consolidated basis, changes in foreign currency exchange rates were estimated to have an unfavorable impact of \$1.2 million on fiscal 2025 sales compared to the prior year.

Memorialization segment sales for the first three months of fiscal 2025 were \$190.5 million, compared to \$208.1 million for the first three months of fiscal 2024. The sales decrease principally reflected lower unit sales of caskets, granite memorial products, and cremation equipment, primarily reflecting a decline in U.S. death rates. These declines were partially offset by improved price realization. Industrial Technologies segment sales were \$80.5 million for the first three months of fiscal 2025, compared to \$111.4 million for the first three months of fiscal 2024. 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 R+S automotive engineering solutions, as the Company has discontinued these product offerings. Fiscal 2025 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 an unfavorable impact of \$396,000 on the segment's sales compared to the prior year. In the SGK Brand Solutions segment, sales for the first three months of fiscal 2025 were \$130.8 million, compared to \$130.5 million for the first three months of fiscal 2024. The increase in sales reflected higher sales of cylinder (packaging) products in Europe, higher brand sales in the Asia-Pacific region, increased private-label brand sales, and improved price realization to mitigate inflationary cost increases. These increases were partially offset by lower retail-based sales, lower brand sales in Europe, and the impact of unfavorable changes in foreign exchange rates. Changes in foreign currency exchange rates had an unfavorable impact of \$700,000 on the segment's sales compared to the prior year.

Gross profit for the three months ended December 31, 2024 was \$125.7 million, compared to \$132.4 million for the same period a year ago. Consolidated gross profit as a percent of sales was 31.3% and 29.4% for the first three months of fiscal 2025 and fiscal 2024, respectively. The decrease in gross profit reflected the impact of lower sales, lower margins on engineered products, and higher labor costs. These decreases were partially offset by improved margins on cremation equipment, 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 \$1.1 million and \$3.9 million for the three months ended December 31, 2024 and 2023, respectively.

Selling and administrative expenses for the three months ended December 31, 2024 were \$111.4 million, compared to \$113.1 million for the first three months of fiscal 2024. Consolidated selling and administrative expenses, as a percent of sales, were 27.7% for the three months ended December 31, 2024, compared to 25.1% for the same period last year. Selling and administrative expenses in fiscal 2025 reflected higher compensation costs, offset by benefits from ongoing cost-reduction initiatives. Fiscal 2025 selling and administrative expenses included \$8.7 million of net gains on the sales of certain significant property and other assets. Selling and administrative expenses included legal costs related to an ongoing dispute in the Company's energy storage business totaling \$6.9 million in fiscal 2025 and \$2.4 million in fiscal 2024 (see Legal Matter below). Selling and administrative expenses also included acquisition integration and related systems-integration costs, and other charges primarily in connection with certain commercial, operational and cost-reduction initiatives totaling \$4.3 million in fiscal 2025, compared to \$2.2 million in fiscal 2024. Intangible amortization for the three months ended December 31, 2024 was \$8.6 million, compared to \$9.8 million for the three months ended December 31, 2023.

Adjusted EBITDA was \$40.0 million for the three months ended December 31, 2024 and \$45.5 million for the three months ended December 31, 2023. Memorialization segment adjusted EBITDA was \$36.6 million for the first three months of fiscal 2025 compared to \$36.7 million for the first three months of fiscal 2024. The decrease in segment adjusted EBITDA reflected the impact of lower unit sales, and higher labor costs. These decreases were partially offset by the impact of improved price realization, higher margins on cremation equipment, and benefits from productivity initiatives. Adjusted EBITDA for the Industrial Technologies segment was \$1.8 million for the three months ended December 31, 2024 compared to \$9.6 million for the three months ended December 31, 2023. The decrease in segment adjusted EBITDA primarily reflected the impact of lower sales and lower margins on engineered products. These decreases were partially offset by benefits from cost-reduction initiatives and lower performance-based compensation compared to fiscal 2024. Adjusted EBITDA for the SGK Brand Solutions segment was \$12.3 million for the first three months of fiscal 2025 compared to \$12.9 million for the same period a year ago. The decrease in segment adjusted EBITDA primarily reflected the impact of higher labor costs, partially offset by the impact of improved price realization and benefits from cost-reduction initiatives.

Interest expense for the first three months of fiscal 2025 was \$15.7 million, compared to \$11.6 million for the same period last year. The increase in interest expense reflected higher average interest rates, partially offset by a decrease in average borrowing levels in the current fiscal year. Other income (deductions), net, for the three months ended December 31, 2024 represented an

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, Continued

increase in pre-tax income of \$4.2 million, compared to a decrease in pre-tax income of \$880,000 for the same period last year. Other income (deductions), net includes investment income, banking-related fees and the impact of currency gains and losses on certain intercompany debt and foreign denominated cash balances.

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 three months of fiscal 2025 represented a benefit of \$2.4 million, compared to a benefit of \$726,000 for the first three months of fiscal 2024. The difference between the Company's consolidated income taxes for the first three months of fiscal 2025 compared to the same period for fiscal 2024 resulted from an increase in consolidated pre-tax loss in fiscal 2025 compared to fiscal 2024, as well as a discrete net tax benefit related to adjustments in tax reserves resulting from the progression of foreign tax audits. The Company's fiscal 2025 three-month effective tax rate varied from the U.S. statutory tax rate of 21.0% primarily due to state taxes, tax credits, non-tax benefited foreign losses, and other net discrete tax benefits. The Company's fiscal 2024 three-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 a net discrete tax benefit.

Legal Matter

Refer to Note 16, "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 Company's core operations including acquisition and divestiture costs, ERP system 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 Company's results. The Company believes that the presentation of these non-GAAP financial measures, when considered together with the corresponding GAAP financial measures and the reconciliations to those measures, provided herein, provides investors with an additional understanding of the factors and trends affecting the Company's business that could not be obtained absent these disclosures.

The Company believes that adjusted EBITDA provides relevant and useful information, which is used by the Company'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 management'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 system 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 system integration costs, and items that do not reflect the ordinary earnings of the Company's operations. This measure may be useful to an investor in evaluating operating performance. It is also useful as a financial measure for lenders and is used by the Company's management to measure 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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, Continued

The reconciliation of net income to adjusted EBITDA is as follows:

	Three Months Ended December 31,	
	2024	2023
(Dollar amounts in thousands)		
Net loss	\$ (3,472)	\$ (2,303)
Income tax benefit	(2,358)	(726)
Loss before income taxes	(5,830)	(3,029)
Interest expense, including RPA and factoring financing fees ⁽¹⁾	16,854	12,751
Depreciation and amortization *	22,504	23,523
Acquisition and divestiture related items ^{(2)**}	577	1,237
Strategic initiatives and other items ^{(3)**†}	615	5,920
Highly inflationary accounting losses (primarily non-cash) ⁽⁴⁾	191	320
Stock-based compensation	4,979	4,651
Non-service pension and postretirement expense ⁽⁵⁾	133	109
Total Adjusted EBITDA	\$ 40,023	\$ 45,482

⁽¹⁾ Includes fees for receivables sold under the RPA and factoring arrangements totaling \$1.2 million for each of the three months ended December 31, 2024 and 2023.

⁽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. Also includes legal costs related to an ongoing dispute with Tesla, which totaled \$6.9 million and \$2.4 million for the three months ended December 31, 2024 and 2023, respectively (see Note 16, "Legal Matter" in Item 1 - "Financial Statements and Supplementary Data"). Fiscal 2025 includes \$8.7 million of net gains on the sales of certain significant property and other assets. Fiscal 2025 also includes loss recoveries totaling \$1.2 million 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 \$7.2 million and \$6.4 million for the Memorialization segment, \$5.7 million and \$6.4 million for the Industrial Technologies segment, \$8.9 million and \$9.6 million for the SGK Brand Solutions segment, and \$768,000 and \$1.2 million for Corporate and Non-Operating, for the three months ended December 31, 2024 and 2023, respectively.

** Acquisition costs, ERP system integration costs, and strategic initiatives and other items were \$1.3 million and \$60,000 for the Memorialization segment, \$4.1 million and \$5.4 million for the Industrial Technologies segment, \$714,000 and \$863,000 for the SGK Brand Solutions segment, and income of \$4.9 million and charges of \$867,000 for Corporate and Non-Operating, for the three months ended December 31, 2024 and 2023, respectively.

† Strategic initiatives and other items includes charges for exit and disposal activities (including severance and other employee terminations) totaling \$313,000 and \$2.0 million for the three months ended December 31, 2024 and 2023, respectively. Fiscal 2025 amounts totaling charges of \$601,000 and income of \$288,000 for the three months ended December 31, 2024 were presented in cost of sales and administrative expense, respectively. Fiscal 2024 amounts totaling charges of \$1.9 million, income of \$256,000 and charges of \$315,000 for the three months ended December 31, 2023 were presented in cost of sales, selling expense, and administrative expense, respectively. Accrued severance and other termination benefits totaled \$23.6 million and \$42.2 million as of December 31, 2024 and September 30, 2024, respectively.

LIQUIDITY AND CAPITAL RESOURCES:

Net cash used in operating activities was \$25.0 million for the first three months of fiscal 2025, compared to \$27.3 million for the first three months of fiscal 2024. Operating cash flow for both periods principally included net loss adjusted for depreciation and amortization, stock-based compensation expense, non-cash pension expense, other non-cash adjustments, and changes in working capital items. Net changes in working capital items decreased operating cash flow by \$39.2 million and \$51.6 million in fiscal 2025 and fiscal 2024, respectively. The fiscal 2025 change in working capital principally reflected incentive compensation-related payments, payments of severance and other employee termination benefits, lower accounts receivable and trade accounts payable, changes in contract assets and liabilities related to products and services provided to customers over time, and changes in other accounts.

Cash provided by investing activities was \$1.4 million for the three months ended December 31, 2024, compared to cash used in investing activities of \$14.2 million for the three months ended December 31, 2023. Investing activities for the first three months of fiscal 2025 primarily reflected capital expenditures of \$9.5 million, acquisitions, net of cash acquired, of \$2.2 million, and proceeds from sale of assets of \$13.2 million. Investing activities for the first three months of fiscal 2024 primarily reflected capital expenditures of \$14.1 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. Capital expenditures for the last three fiscal years were primarily financed through operating cash. Capital spending for property, plant and equipment has averaged \$52.4 million for the last three fiscal years. Capital spending for fiscal 2025 is currently estimated to be in the range of approximately \$50 million to \$60 million. The Company expects to generate sufficient cash from operations to fund all anticipated capital spending projects.

Cash provided by financing activities for the three months ended December 31, 2024 was \$18.4 million, primarily reflecting proceeds, net of repayments, on long-term debt of \$31.9 million, treasury stock purchases of \$4.3 million, and dividends of \$9.2 million. Cash provided by financing activities for the three months ended December 31, 2023 was \$36.1 million, primarily reflecting proceeds, net of repayments, on long-term debt of \$62.6 million, treasury stock purchases of \$17.2 million and dividends of \$9.3 million.

The Company has a domestic credit facility with a syndicate of financial institutions that was amended and restated in September 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. The obligations under the domestic credit facility are secured by a first priority lien on substantially all of the assets of the Company and certain of its domestic subsidiaries. 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 December 31, 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 debt issuance costs in connection with the amended and restated agreement. Unamortized costs were \$4.7 million and \$5.0 million at December 31, 2024 and September 30, 2024, respectively.

The domestic credit facility requires the Company to maintain certain leverage and interest coverage ratios. A portion of the facility (not to exceed \$75.0 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 December 31, 2024 and September 30, 2024 were \$481.0 million and \$410.5 million, respectively. There were no outstanding Euro denominated borrowings on the revolving credit facility at December 31, 2024. Outstanding Euro denominated borrowings on the revolving credit facility at September 30, 2024 were €30.0 million (\$33.5 million). 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 December 31, 2024 and 2023 was 5.17% and 5.32%, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, Continued

The Company has \$300.0 million aggregate principal amount of 8.625% senior secured second lien notes due October 1, 2027 (the "2027 Senior Secured Notes"). The 2027 Senior Secured Notes bear interest at a rate of 8.625% per annum with interest payable semi-annually in arrears on April 1 and October 1 of each year beginning on April 1, 2025. The Company's obligations under the 2027 Senior Secured Notes are secured by a second priority lien on substantially all of the assets of the Company and certain of its domestic subsidiaries. The Company is subject to certain covenants and other restrictions in connection with the 2027 Senior Secured Notes. The Company incurred direct financing fees and costs in connection with 2027 Senior Secured Notes. Unamortized costs related to the Company's notes were \$5.2 million at December 31, 2024 and September 30, 2024.

The Company and certain of its domestic subsidiaries sell, on a continuous basis without recourse, their trade receivables to Matthews Receivables Funding Corporation, LLC ("Matthews RFC"), a wholly-owned bankruptcy-remote subsidiary of the Company. Matthews RFC has a receivables purchase agreement ("RPA") to sell up to \$125.0 million of receivables to certain purchasers (the "Purchasers") on a recurring basis in exchange for cash (referred to as "capital" 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 Purchaser'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 matures in March 2026.

The proceeds of the RPA are classified as operating activities in the Company'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 December 31, 2024 and September 30, 2024, the amount sold to the Purchasers was \$100.7 million and \$96.3 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 \$66.3 million and \$58.2 million as of December 31, 2024 and September 30, 2024, respectively.

The following table sets forth a summary of receivables sold as part of the RPA:

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
(Dollar amounts in thousands)		
Gross receivables sold	\$ 89,486	\$ 92,809
Cash collections reinvested	(85,086)	(92,709)
Net cash proceeds received	\$ 4,400	\$ 100

The Company, through its U.K. subsidiary, participates in 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 \$21.4 million and \$17.1 million during the three months ended December 31, 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 December 31, 2024 and September 30, 2024, the amount of factored receivables that remained outstanding was \$17.1 million and \$15.7 million, respectively.

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 \$3.0 million at December 31, 2024 and September 30, 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, Continued

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 €8.0 million (\$8.3 million). The facility also provides €18.5 million (\$19.2 million) for bank guarantees. This facility has no stated maturity date and is available until terminated. Outstanding borrowings under the credit facility totaled €3.0 million (\$3.1 million) at December 31, 2024. There were no outstanding borrowings under the credit facility at September 30, 2024. The weighted-average interest rate on outstanding borrowings under this facility was 5.10% and 6.11% at December 31, 2024 and 2023, respectively.

Other borrowings totaled \$7.9 million and \$15.6 million at December 31, 2024 and September 30, 2024, respectively. The weighted-average interest rate on these borrowings was 2.33% and 4.20% at December 31, 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:

	December 31, 2024	September 30, 2024
(Dollar amounts in thousands)		
Notional amount	\$ 175,000	\$ 175,000
Weighted-average maturity period (years)	2.9	3.2
Weighted-average received rate	4.33 %	4.85 %
Weighted-average pay rate	3.83 %	3.83 %

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. 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 \$1.1 million (\$844,000 after tax) at December 31, 2024 and a net unrealized loss of \$2.6 million (\$1.9 million after tax) at September 30, 2024, that is included in shareholders' equity as part of accumulated other comprehensive income (loss) ("AOCI"). Unrecognized gains of \$3.1 million (\$2.3 million after tax) and \$3.8 million (\$2.9 million after tax) related to previously terminated LIBOR-based swaps were also included in AOCI as of December 31, 2024 and September 30, 2024, respectively. Assuming market rates remain constant with the rates at December 31, 2024, a gain (net of tax) of approximately \$1.6 million included in AOCI is expected to be recognized in earnings over the next twelve months.

The Company utilizes certain cross currency swaps as net investment hedges of foreign operations and assesses effectiveness for these contracts based on changes in fair value attributable to changes in spot prices. The following table presents information related to cross currency swaps entered into by the Company and designated as net investment hedges:

Swap Currencies	Maturity Date	Notional Amount		Unrealized Gains (Losses)		
		December 31, 2024	September 30, 2024	December 31, 2024	September 30, 2024	
(Dollar amounts in thousands)						
USD/EUR	September 2027	\$ 81,392	\$ 81,392	\$ (1,423)	\$ (5,440)	
USD/SEK	June 2025	20,000	20,000	1,110	(468)	
USD/SGD	August 2026	20,000	20,000	988	(441)	
USD/EUR	August 2026	25,000	25,000	1,879	(30)	
		<u>\$ 146,392</u>	<u>\$ 146,392</u>	<u>\$ 2,554</u> ⁽¹⁾	<u>\$ (6,379)</u> ⁽¹⁾	

⁽¹⁾ Total unrealized gains (losses) are presented net of tax of \$863 and \$2,156 as of December 31, 2024 and September 30, 2024, respectively.

In connection with certain of these cross currency swaps, the Company received cash from the counterparties, representing partial advance payments of amounts due under the U.S. dollar leg of the swaps. Such amounts totaled \$58.4 million, of which \$17.4 million and \$41.0 million were included in other current liabilities and other liabilities, respectively, on the Consolidated Balance Sheets at December 31, 2024 and September 30, 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, Continued

The Company previously used certain foreign currency debt instruments as net investment hedges of foreign operations with a notional amount of €30.0 million (\$33.5 million) as of September 30, 2024. Currency losses of \$3.8 million (net of income taxes of \$1.1 million), which represent effective hedges of net investments, were reported as a component of AOCI within currency translation adjustment at September 30, 2024.

The 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, 440,220 shares remain available for repurchase as of December 31, 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 2025.

Consolidated working capital of the Company was \$227.6 million at December 31, 2024, compared to \$197.8 million at September 30, 2024. Cash and cash equivalents were \$33.5 million at December 31, 2024, compared to \$40.8 million at September 30, 2024. The Company's current ratio was 1.6 at December 31, 2024 and 1.5 at September 30, 2024, respectively.

Long-Term Contractual Obligations:

The following table summarizes the Company's contractual obligations at December 31, 2024, and the effect such obligations are expected to have on its liquidity and cash flows in future periods.

	Payments due in fiscal year:				
	2025		2026 to 2027		After 2029
	Total	Remainder	2026 to 2027	2028 to 2029	After 2029
Contractual Cash Obligations:					
Revolving credit facilities	\$ 484,083	\$ —	\$ 3,114	\$ 480,969	\$ —
2027 Senior Secured Notes	372,425	12,938	51,750	307,737	—
Finance lease obligations ⁽¹⁾	24,737	5,484	13,389	4,805	1,059
Non-cancelable operating leases ⁽¹⁾	69,635	19,258	33,529	11,218	5,630
Cross-currency swaps	55,015	15,931	39,084	—	—
Other ⁽²⁾	53,008	34,018	9,901	2,419	6,670
Total contractual cash obligations	\$ 1,058,903	\$ 87,629	\$ 150,767	\$ 807,148	\$ 13,359

⁽¹⁾ Lease obligations have not been discounted to their present value.

⁽²⁾ Includes \$23,637 of severance and other employee termination benefit obligations, as well as \$15,433 of deferred purchase price and contingent consideration obligations related to acquisitions completed in prior years.

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. 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 December 31, 2024, the Company had unrecognized tax benefits, excluding penalties and interest, of approximately \$1.9 million. 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 Company'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 14, "Acquisitions and Divestitures" in Item 1 - "Financial Statements" for further details on the Company's acquisitions and divestitures.

SUBSEQUENT EVENTS:

Refer to Note 17, "Subsequent Events" in Item 1 - "Financial Statements" for further details on the Company's subsequent events.

FORWARD-LOOKING INFORMATION:

Management routinely develops and reviews with the Company's Board of Directors strategic plans with the primary objective of continuous improvement in the Company's consolidated sales and operating results, with a view towards enterprise-level strategic transactions. Strategic plans are developed at the business segment level and generally contain strategies for organic growth and acquisitions. Organic growth primarily reflects the Company'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. Additionally, the Company initiated cost reduction programs during the fourth quarter of fiscal 2024, which are primarily focused on the Company's engineering and tooling operations in Europe, as well as the Company's general and administrative functions.

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 are influenced by the timing of work with the Company's largest energy storage customer, which may be impacted by continuing disputes with such 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 Company's businesses, particularly the Industrial Technologies and SGK Brand Solutions segments, currency fluctuations can also be a significant factor on the Company's U.S. dollar reported results.

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. 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. 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 September 30, 2024.

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 fiscal year ended September 30, 2024. 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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, 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, and, therefore, no impairment charges were necessary at such time. 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.

RECENTLY 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. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the Company's market risk during the three months ended December 31, 2024. For additional information, see Item 7A - "Quantitative and Qualitative Disclosures About Market Risk" in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2024.

Item 4. Controls and Procedures

The 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 Form 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 December 31, 2024. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 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 Form 10-Q.

There have been no changes in the Company's internal controls over financial reporting that occurred during the fiscal quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is subject to various legal proceedings and claims arising in the ordinary course of business. 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 proceedings.

On October 7, 2024, the United States District Court for the Northern District of California granted the Company's motion to compel arbitration in response to a complaint filed by Tesla on June 14, 2024 against the Company in the Northern District of California, Civil Action No. 5:24-cv-03615 (N.D. Cal.), which alleged trade secret misappropriation under the DTSA and the CUTSA, breach of contract and unfair business practices. Given the Court's favorable ruling, the matter filed by Tesla has been effectively stayed pending arbitration, which Tesla has initiated. The Company maintains the claims vaguely stated in the complaint are without merit and intends to vigorously defend itself against the allegations in the arbitration. In light of the substantial harm caused to the Company by Tesla's actions, the Company is now pursuing counterclaims against Tesla in that arbitration. As of the date of the filing of this Quarterly Report on Form 10-Q, the Company does not expect this matter will have a material adverse effect on Matthews' financial condition, results of operations or cash flows. Sales relating to dry battery electrode solutions were approximately 6% of the Company's sales for fiscal 2024. For a discussion of the risks to the Company associated with this matter, see Part I, Item 1A to our Annual Report on Form 10-K for the fiscal year ended September 30, 2024 - "Risk 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."

On February 5, 2025, an arbitrator issued a decision on an arbitration demand filed by Matthews against Tesla in January 2024 seeking a declaratory ruling on certain contractual rights to Dry Battery Electrode ("DBE") technology, know-how, and intellectual property under the terms and conditions of the agreement between Tesla and Matthews. This ruling acknowledged Matthews' extensive background in advanced DBE manufacturing technology and affirmed that the Company has the right to sell its solutions to customers other than Tesla. The interim award issued by the arbitrator is subject to confirmation and a limited right of appeal.

Item 1A. Risk Factors

There 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 September 30, 2024. The risk factors disclosed in Part I, Item 1A to our Annual Report on Form 10-K for the fiscal year ended September 30, 2024, in addition to the other information set forth in this report, 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.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Stock Repurchase Plan

The 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, 440,220 shares remain available for repurchase as of December 31, 2024.

The following table shows the monthly stock repurchase activity for the first quarter of fiscal 2025:

Period	Total number of shares purchased	Weighted-average price paid per share	Total number of shares purchased as part of a publicly announced plan	Maximum number of shares that may yet be purchased under the plan
October 2024	—	\$ —	—	611,321
November 2024	144,924	24.36	144,924	466,397
December 2024	26,177	28.44	26,177	440,220
Total	171,101	\$ 24.98	171,101	

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

(a)

None.

(b)

None.

(c)

None of the Company's directors or officers adopted or terminated any Rule 10b5-1 trading arrangement or any non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended December 31, 2024.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

<u>Exhibit No.</u>	<u>Description</u>	<u>Method of Filing</u>
2.1	<u>Contribution Agreement dated as of January 7, 2025, by and among Matthews International Corporation, Logo Holdings II Corporation, and Peninsula Parent LLC</u>	Exhibit Number 2.1 to the Current Report on Form 8-K filed on January 8, 2025
3.1	<u>Restated Articles of Incorporation</u>	Filed herewith
3.2	<u>Amended and Restated By-laws of Matthews International Corporation*</u>	Exhibit Number 3.2 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2023
31.1	<u>Certification of Principal Executive Officer for Joseph C. Bartolacci</u>	Filed herewith
31.2	<u>Certification of Principal Financial Officer for Steven F. Nicola</u>	Filed herewith
32.1	<u>Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Joseph C. Bartolacci</u>	Furnished herewith
32.2	<u>Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Steven F. Nicola</u>	Furnished herewith
101.INS	XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	Filed herewith
101.SCH	XBRL Taxonomy Extension Schema	Filed herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	Filed herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase	Filed herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase	Filed herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Filed herewith
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101)	Filed herewith

* Incorporated by reference

SIGNATURES

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

MATTHEWS INTERNATIONAL CORPORATION

(Registrant)

Date: February 7, 2025

By: /s/ Joseph C. Bartolacci

Joseph C. Bartolacci, President
and Chief Executive Officer

Date: February 7, 2025

By: /s/ Steven F. Nicola

Steven F. Nicola, Chief Financial Officer
and Secretary

**MATTHEWS INTERNATIONAL CORPORATION
RESTATED ARTICLES OF INCORPORATION
(As Amended)**

FIRST: The name of the Corporation is Matthews International Corporation

SECOND: The registered office of the corporation shall be provided by Corporation Service Company, located in Dauphin County in the Commonwealth of Pennsylvania.

THIRD: The purposes for which the Corporation is incorporated under the Business Corporation Law of the Commonwealth of Pennsylvania are to engage in the manufacture, fabrication, assembly, merchandising and distribution of various items, as well as to engage in and to do any lawful act concerning any or all lawful business for which corporations may be organized under the Business Corporation law of 1988.

FOURTH: The term of the Corporation's existence shall be perpetual.

FIFTH: 5.1 Capitalization

The total number of shares which the Corporation shall have authority to issue is 100,010,000, of which 100,000,000 shares shall be Common Stock, par value \$1.00 per share, issuable in two classes, and 10,000 shares shall be Preferred Stock, par value \$100 per share, issuable in one or more classes.

5.2 Common Stock

A. *Two Classes*

The Common Stock shall be divided into two classes, one such class being denominated "Class A Common Stock" and the other such class being denominated "Class B Common Stock". There shall be authorized 70,000,000 shares of Class A Common Stock and 30,000,000 shares of Class B Common Stock. The designations, powers, preferences, qualifications, privileges, limitations, restrictions, voting rights, relative voting power and other special or relative rights of the Class A Common Stock and of the Class B Common Stock shall be as set forth in this Section 5.2.

B. *Dividends and Other Distributions*

Each share of Class A Common Stock and each share of Class B Common Stock shall be identical to each other in respect of rights to all dividends and distributions (including distributions upon liquidation of the Corporation) made with respect to shares of Common Stock, except that in the case of dividends or other distributions payable in Common Stock, including distributions pursuant to stock splits or stock dividends, such dividends or distributions shall be declared at the same rate and number per share on Class A Common Stock and on Class B

Common Stock, but only shares of the Class A Common Stock shall be distributed with respect to Class A Common Stock and only shares of Class B Common Stock shall be distributed with respect to Class B Common Stock. If the Corporation shall in any manner split, subdivide or combine the outstanding shares of Class A Common Stock or Class B Common Stock, the outstanding shares of the other class of Common Stock shall be split, subdivided or combined in the same manner proportionately and on the same basis per share, shares of each such class being split, subdivided or combined only into or with shares of the same class.

C. *Voting*

(1) With respect to all matters upon which shareholders are entitled to vote or to which shareholders are entitled or requested to give consent, the holders of the outstanding shares of Class A Common Stock and the holders of the outstanding shares of Class B Common Stock (together with the holders of any outstanding shares of the Preferred Stock, if entitled to vote) shall vote together without regard to class except as provided in subparagraph (2) of this Paragraph C or applicable law, and every holder of the outstanding shares of Class A Common Stock shall be entitled to cast thereon one vote in person or by proxy for each share of Class A Common Stock standing in the holder's name and every holder of the outstanding shares of Class B Common Stock shall be entitled to cast thereon ten votes in person or by proxy each share of Class B Common Stock standing in the holders' name.

(2) With respect to any proposed amendment to the Articles which would increase or decrease the par value or the number of authorized shares of either Class A Common Stock or Class B Common Stock, or alter or change the powers, preferences, qualifications, privileges, limitations, restrictions, voting rights, relative voting power or other special or relative rights of the shares of Class A Common Stock or the shares of Class B Common Stock or both, the approval of a majority of the shares of each class, voting separately as a class, shall be required to be obtained in addition to any other shareholder vote required by the Articles or applicable law.

(3) In the election of directors, no shareholder shall have any right to cumulate his votes and cast them for one candidate or distribute them among two or more candidates.

D. *Issuance of Class B Common Stock*

Effective upon filing of these Restated Articles of Incorporation with the Pennsylvania Department of State, each share of the Corporation's Common Stock, par value \$.10 per share, issued and outstanding immediately prior to such filing, shall be and become fifteen shares of Class B Common Stock par value \$1.00 per share without any further action on anyone's part. Shares of Common Stock which are not outstanding shall cease to exist. Thereafter, the Corporation may issue shares of Class B Common Stock only (i) to an active employee of the

Corporation in sole or joint name, but only to the extent permitted by applicable law and the regulations of the National Association of Securities Dealers, Inc. (the "NASD"), or (ii) in the form of a distribution pursuant to a stock dividend on or split of the share of Class B Common Stock and only to then holders of the outstanding shares of Class B Common Stock in conjunction with and in the same ratio as a stock dividend on or split of the share of Class A Common Stock.

E. *Transfer of Class B Common Stock*

(1) No person holding shares of Class B Common Stock of record (a "Class B Holder") may transfer, and the Corporation shall not register the transfer of, such shares of Class B Common Stock, as Class B Common Stock, whether by sale, assignment, in inheritance, gift, bequest, appointment or otherwise, except to the Corporation or to a person who is an active employee of the Corporation, holding in a sole or joint name. Subject to the next succeeding sentence, Class B Holders shall be permitted to transfer their stock by exchanging such Class B Common Stock for Class A Common Stock and then so transferring such Class A Common Stock. Except under the circumstances described in subparagraph (2) of this Paragraph E, no exchange of Class B Common Stock for Class A Common Stock, whether in contemplation of transfer of such stock or otherwise, shall be permitted unless the Class B Holder (including, in the case of death, the legal representative thereof) shall first offer to the Corporation in writing the Class B shares to be exchanged, upon which the Corporation shall within 24 hours of such offer notify the Class B Holder whether the Corporation will purchase such shares. If the Corporation does so notify the Class B Holder, the shares will be purchased at the fair market value per share (as defined below) of the Class A Common Stock as determined on the date the Corporation so notifies the Class B Holder. If the Corporation does not so notify the Class B Holder, the Class B Holder shall tender such shares to the Corporation, upon which the Corporation shall exchange such shares for a like number of shares of Class A Common Stock.

Fair market value for the purposes of this subparagraph (1) shall be the mean between the following prices, as applicable, for the date as of which fair market value is to be determined as quoted in *The Wall Street Journal* (or in such other reliable publication as the Corporation, in its discretion, may determine to rely upon): (a) if the Class A Common Stock is listed on the New York Stock Exchange, the highest and lowest sales prices per share of the Class A Common Stock as quoted in the NYSE-Composite Transactions listing for such date, (b) if the Class A Common Stock is not listed on such exchange, the highest and lowest sales prices per share of Class A Common Stock for such date on (or on any composite index including) the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which the Class A Common Stock is listed or (c) if the Class A Common Stock is not listed on any such exchange, the highest and lowest sales prices per share of the Class A Common Stock for such date on the National Association of Securities

Dealers Automated Quotations System or any successor system then in use ("NASDAQ"). If there are no such sale price quotations for the date as of which fair market value is to be determined but there are such sale price quotations within a reasonable period both before and after such date, then fair market value shall be determined by taking a weighted average of the means between the highest and lowest sales prices per share of the Class A Common Stock as so quoted on the nearest date before and the nearest date after the date as of which fair market value is to be determined. The average should be weighted inversely by the respective numbers of trading days between the selling dates and the date as of which fair market value is to be determined. If there are no such sale price quotations on or within a reasonable period both before and after the date as of which fair market value is to be determined, then fair market value of the Class A Common Stock shall be the mean between the bona fide bid and asked prices per share of Class A Common Stock as so quoted for such date on NASDAQ, or if none, the weighted average of the means between such bona fide bid and asked prices on the nearest trading date before and the nearest trading date after the date as of which fair market value is to be determined, if both such dates are within a reasonable period. The average is to be determined in the manner described above in this subparagraph (1). If the fair market value of the Class A Common Stock cannot be determined on the basis previously set forth in this Paragraph E on the date as of which fair market value is to be determined, the Corporation shall in good faith determine the fair market value of the Class A Common Stock on such date. Fair market value shall be determined without regard to any restriction other than a restriction which, by its terms, will never lapse.

(2) From and after the date these Restated Articles of Incorporation are filed with the Pennsylvania Department of State, upon the retirement or termination of employment for any reason of an employee of the Corporation who is a sole or joint Class B Holder, such Class B Holder shall immediately tender the Class B shares to the Corporation in exchange for a like number of shares of Class A Common Stock. If any shares of Class B Common Stock are held in a joint name, the retirement or termination of employment for any reason of one of the joint holders shall not require the exchange described in this subparagraph (2) as to such shares so long as at least one of the remaining holders thereof is an active employee of the Corporation.

(3) Notwithstanding anything to the contrary set forth herein, any Class B Holder may pledge such holder's shares of Class B Common Stock to a pledgee pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee, provided that such shares shall not be transferred to or registered in the name of the pledgee and shall remain subject to the provisions of this Paragraph E. In the event of foreclosure or other similar action by the pledgee, such pledged shares of Class B Common Stock may only be (i) transferred to the Corporation or to a person who is an active employee of the Corporation,

holding in a sole or joint name or (ii) tendered to the Corporation in exchange for a like number of shares of Class A Common Stock, in accordance with the procedure described in subparagraph (1) of this Paragraph E, as the pledgee may elect.

(4) Any attempted transfer of shares of Class B Common Stock for which an exchange described in subparagraphs (1) or (2) of this Paragraph E cannot be effected shall result in the conversion of such shares Class B Common Stock into shares of Class A Common Stock and the transfer thereof to the transferee, effective as of the date on which certificates representing such shares of Class B Common Stock are presented for transfer on the books of the Corporation.

(5) Shares of Class B Common Stock shall be registered only in the names of the beneficial owners thereof and not in "street" or "nominee" name. For this purpose a "beneficial owner" of any shares of Class B Common Stock shall mean a person who, or an entity which, possesses the power, either singly or jointly, to direct the disposition of such shares.

(6) The Corporation shall make appropriate, conspicuous reference in or on the certificates for shares of Class B Common Stock of the restrictions on transfer imposed by this Paragraph E.

F. *Automatic Conversion of Class B Common Stock*

At any time when the number of outstanding shares of Class B Common Stock as reflected on the stock transfer books of the Corporation falls below 5% of the aggregate number of the issued and outstanding shares of Class A Common Stock and Class B Common Stock of the Corporation, or the Board of Directors and the holders of a majority of the outstanding shares of Class B Common Stock approve the conversion of all of the Class B Common Stock into Class A Common Stock, then, immediately upon the occurrence of either such event, the outstanding shares of Class B Common Stock shall be deemed, without further act, to be converted into shares of Class A Common Stock on a one-for-one basis. In the event of such a conversion, certificates formerly representing outstanding shares of Class B Common Stock shall thereupon and thereafter be deemed to represent a like number of shares of Class A Common Stock.

G. *Issuance and Transfer of Class A Common Stock*

Except as otherwise restricted by applicable law or regulation, the right of the Board of Directors to issue Class A Common Stock shall not require shareholder action, and shares of Class A Common Stock are freely transferable.

H. *Other Rights*

Except as otherwise required by the Pennsylvania Business Corporation Law of 1988, as amended, or as otherwise provided in the Articles, each share of Class A Common Stock and each share of Class B Common Stock shall have identical preferences, qualifications, privileges, limitations and other rights, including

rights in liquidation or upon a merger, consolidation or sale of substantially all the assets of the Corporation.

5.3 Preferred Stock

A. *Issuance of Preferred Stock*

The Preferred Stock may be issued in one or more classes or series, with such voting rights, dividend rights, redemption rights, rights upon dissolution, conversion or exchange rights, designations, preferences and other special rights, if any, and qualifications or restrictions thereof, as shall be set forth in the resolution or resolutions providing for the issue of such Preferred Stock, or classes or series thereof, adopted at any time or from time to time by the Board of Directors of the Corporation.

B. *Rights of Holders of Preferred Stock*

Except for and subject to these rights expressly granted to the holders of the Preferred Stock or any class or series thereof by resolution or resolutions adopted by the Board of Directors pursuant to Section 5.3. Paragraph A of this Article FIFTH and except as may be provided by the laws of the Commonwealth of Pennsylvania, the holders of the Common Stock shall have exclusively all other rights of shareholders.

SIXTH: 6.1 The business and affairs of the Corporation shall be managed under the direction of a Board of Directors comprised as follows:

A. *Number*

The Board of Directors shall consist of such number of persons (not less than five and not more than fifteen) as may from time to time be fixed by the Board pursuant to a resolution adopted by the affirmative vote of a majority of the directors then in office.

B. *Class Election and Terms*

The directors elected by the holders of Voting Stock shall be classified in respect of the time for which they shall severally hold office by dividing them into three classes, as nearly equal in number as possible. If such classes of director are not equal, the Board of Directors shall determine which class shall contain an unequal number of directors. At the Annual Meeting of Shareholders of the Corporation in 1995, separate elections shall be held for the directors of each class, the term of office of the directors of the first class to expire at the first annual meeting after their election, the term of office of the directors of the second class to expire at the second annual meeting after their election and the term of office of the directors of the third class to expire at the third annual meeting after their election. At each succeeding annual meeting of shareholders, the shareholders shall elect directors

of the class whose term then expires, to hold office until the third succeeding annual meeting. Each director shall hold office for the term for which elected until his or her successor shall be elected and shall qualify.

C. *Nominations of Director Candidates*

Nominations for the election of directors may be made only by the Board of Directors or a committee appointed by the Board of Directors or by a holder of record of stock entitled to vote in the election of the directors to be elected: provided, however, that a nomination may be made by a shareholder only if written notice of such nomination is received by the Secretary of the Corporation not later than (i) with respect to an election to be held at an annual meeting of shareholders, 75 days prior to the anniversary date of the immediately preceding annual meeting, and (ii) with respect to an election to be held at a special meeting of shareholders, the close of business on the 10th day following the date on which notice of such meeting is first given to shareholders, such notice to include; (1) the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated; (2) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (3) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (4) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated by the Board of Directors; and (5) the consent of each nominee to serve as a director of the Corporation if so elected. Only candidates who have been nominated in accordance with this Article SIXTH shall be eligible for election by the shareholders as directors of the Corporation.

SEVENTH: 7.1 Elimination of Liability of Directors.

To the fullest extent that the laws of the Commonwealth of Pennsylvania permit elimination or limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.

7.2 Matters Regarding Elimination of Director Liability.

This Article SEVENTH shall apply to any breach of performance of duty or any failure of performance of duty by any director of the Corporation occurring after January 27, 1987. The provisions of this Article shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Article is in effect and each such director shall be deemed to be so serving in

reliance on the provisions of this Article. Any amendment or repeal of this Article or adoption of any By-law or other provision of the Articles of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not have any effect with respect to any action taken, or any failure to act, by a director prior to such amendment, repeal or adoption.

EIGHTH: 8.1 Right to Indemnification.

Except as prohibited by law, every director and officer of the Corporation shall be entitled to as a matter of right to be indemnified by the Corporation against expenses and any liabilities paid or incurred by such person in connection with any actual or threatened claim, action, suit or proceedings, civil, criminal, administrative, investigative or other, whether brought by or in the right of the Corporation or otherwise, in which he or she may be involved in any manner, as a party, witness or otherwise, or is threatened to be made so involved, by reason of such person being or having been a director or officer of the Corporation or of a subsidiary of the Corporation or by reason of the fact that such person is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or other representative of another corporation, partnership, joint venture, trust, employee benefit plan or other entity (such claim, action, suit or proceeding hereinafter being referred to as an "Action"); provided, that no such right of indemnification shall exist with respect to an action initiated by an indemnitee (as hereinafter defined) against the Corporation (an "Indemnitee Action") except as provided in the last sentence of this Section 8.1. Persons who are not directors or officers of the Corporation may be similarly indemnified in respect of service to the Corporation or to another such entity at the request of the Corporation to the extent the Board of Directors at any time designates any of such persons as entitled to the benefits of this Article EIGHTH. As used in this Article EIGHTH, "indemnitee" shall include each director and officer of the Corporation and each other person designated by the Board of Directors as entitled to the benefits of this Article EIGHTH, "expenses" shall mean all expenses actually and reasonably incurred, including fees and expenses of counsel selected by an indemnitee, and "liabilities" shall mean amounts of judgments, excise taxes, fines, penalties and amounts paid in settlement. An indemnitee shall be entitled to be indemnified pursuant to this Section 8.1 for expenses incurred in connection with any Indemnitee Action only (i) if the indemnitee is successful, and provided in Section 8.3 of this Article EIGHTH, (ii) if the indemnitee is successful in whole or in part in another Indemnitee Action for which expenses are claimed or (iii) if the indemnification for expenses is included in a settlement of, or is awarded by a court in, such other Indemnitee Action.

8.2 Right to Advancement of Expenses

Every indemnitee shall be entitled as a matter of right to have his or her expenses in defending any Action, or in initiating and pursuing any Indemnitee Action for indemnity or advancement of expenses under Section 8.3 of this Article EIGHTH,

paid in advance by the Corporation prior to final disposition of such Action or Indemnitee Action, provided that the Corporation receives a written undertaking by or on behalf of the indemnitee to repay the amount advanced if it should ultimately be determined that the indemnitee is not entitled to be indemnified for such expenses.

8.3 Right of Indemnitee to Initiate Action.

If a written claim under Section 8.1 or Section 8.2 of this Article EIGHTH is not paid in full by the Corporation within thirty days after such claim has been received by the Corporation, the indemnitee may at any time thereafter initiate an Indemnitee Action to recover the unpaid amount of the claim and, if successful in whole or in part, the indemnitee shall also be entitled to be paid the expense of prosecuting such Indemnitee Action. The only defense to an Indemnitee Action to recover on a claim for indemnification under Section 8.1 of this Article EIGHTH shall be that the indemnitee's conduct was such that under Pennsylvania law the Corporation is prohibited from indemnifying the indemnitee for the amount claimed, but the burden of proving such defense shall be on the Corporation. The only defense to an Indemnitee Action to recover a claim for advancement of expenses under Section 8.2 of this Article EIGHTH shall be the indemnitee's failure to provide the undertaking required by Section 8.2 of this Article EIGHTH.

8.4 Insurance and Funding.

The Corporation may purchase and maintain insurance to protect itself and any person eligible to be indemnified hereunder against any liability or expense asserted or incurred by such person in connection with any Action, whether or not the Corporation would have the power to indemnify such person against such liability or expense by law or under the provisions of this Article EIGHTH. The Corporation may create a trust fund, grant a security interest, cause a letter of credit to be issued or use other means (whether or not similar to the foregoing) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

8.5 Non-Exclusivity: Nature and Extent of Rights.

The rights to indemnification and advancement of expenses provided for in this Article EIGHTH shall (i) not be deemed exclusive of any other rights, whether now existing or hereafter created, to which any indemnitee may be entitled under any agreement or By-law, charter provision, vote of shareholders or directors or otherwise, (ii) be deemed to create contractual rights in favor of each indemnitee who serves the Corporation at any time while this Article EIGHTH is in effect (and each such indemnitee shall be deemed to be so serving in reliance on the provision, of this Article), and (iii) continue as to each indemnitee who has ceased to have the status pursuant to which he or she was entitled or was designated as

entitled to indemnification under this Article EIGHTH and shall inure to the benefit of the heirs and legal representatives of each indemnitee. Any amendment or repeal of this Article EIGHTH or adoption of any other By-law or provision of the Articles of the Corporation which limits in any way the right to indemnification or the right to advancement of expenses provided for in this Article EIGHTH shall operate prospectively only and shall not affect any action taken, or failure to act, by an indemnitee prior to the adoption of such amendment, repeal, By-law or other provision.

8.6 Partial Indemnity.

If an indemnitee is entitled under any provision of this Article EIGHTH to indemnification by the Corporation for some or a portion of the expenses or liabilities paid or incurred by the indemnitee in the preparation, investigation, defense, appeal or settlement of any Action or Indemnitee Action but not, however, for the total amount thereof, the Corporation shall indemnify the indemnitee for the portion of such expenses or liabilities to which the indemnitee is entitled.

8.7 Applicability of Section.

This Article EIGHTH shall apply to every Action, except that it shall not apply to the extent that Pennsylvania law does not permit its application to any breach of performance of duty or any failure of performance of duty by an indemnitee occurring prior to January 17, 1987.

NINTH: 9.1 Votes Required for Certain Busine Combinations.

A. *Special Votes for Certain Business Combinations.*

In addition to any affirmative vote required by law, these Articles or otherwise, and except as otherwise expressly provided in Section 9.2:

(1) any merger, consolidation or share exchange of the Corporation or any Subsidiary with (a) any Interested Shareholder or with (b) any other person (whether or not itself an Interested Shareholder) which is, or after such merger, consolidation or share exchange would be, an Affiliate or Associate of an Interested Shareholder or which does not include in its articles of incorporation the substance of the terms of this Article NINTH, in each case without regard to which person is the surviving person;

(2) any sale, lease, exchange, mortgage, pledge, transfer or other disposition or security arrangement, investment, loan, advance, guarantee, agreement to purchase, agreement to pay, extension of credit, joint venture participation or other arrangement (in one transaction or a class of transactions) to, with or for the benefit of any Interested Shareholder or any Affiliate or Associate of any Interested Shareholder involving any assets, securities or commitments of the Corporation or any Subsidiary

having an aggregate Fair Market Value and/or involving aggregate commitments equal to 5% or more of Total Assets;

(3) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a class of transactions) of any securities of the Corporation or any Subsidiary to any Interested Shareholder or any Affiliate or Associate any Interested Shareholder in exchange for cash, securities or other consideration (or a combination thereof) having an aggregate Fair Market Value equal to 5% or more of Total Assets;

(4) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of any Interested Shareholder or any Affiliate or Associate of any Interested Shareholder;

(5) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving an Interested Shareholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity securities or securities convertible into equity securities of the Corporation or any Subsidiary which is directly or indirectly beneficially owned by any Interested Shareholder or any Affiliate or Associate of any Interested Shareholder; or

(6) any other transaction or series of transactions similar in purpose or effect to, or any agreement, contract or other arrangement providing for, any one or more of the transactions specified in the foregoing subparagraphs (1) through (5);

shall require the affirmative votes of (i) the holders of at least 80% of the voting power of all then outstanding shares of Voting Stock, voting together as a single class and (ii) the holders of at least a majority of the voting power of the then outstanding shares of Voting Stock which are not beneficially owned by such Interested Shareholder, voting together as a single class. Such affirmative votes shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or in any agreement with any national securities exchange or otherwise.

B. *Definition of "Business Combination"*

The term "Business Combination" as used in this Article NINTH shall mean any transaction which is referred to in any one or more of clauses (1) through (6) of Paragraph A of this Section 9. I.

9.2 Exceptions to Special Vote Requirements.

The provisions of Section 9. I shall not be applicable to any Business Combination, and such Business Combination shall require only such affirmative vote (if any) as is required by law, any other provision of these Articles, any

agreement with any national securities exchange or otherwise, if the Business Combination shall have been approved by a majority of the Disinterested Directors.

9.3 No Effect on Fiduciary Obligations of Interested Shareholder.

Nothing contained in this Article NINTH shall be construed to relieve any Interested Shareholder from any fiduciary obligation imposed by law or equity.

TENTH: 10.1 Definitions

For the purposes of Articles SIXTH and NINTH.

- A. A "person" shall mean any individual, firm, corporation, partnership, joint venture, trust or other entity and shall include any group comprised of any person and any other person with whom such person or any Affiliate or Associate of such person has any agreement, arrangement or understanding, directly or indirectly, for the purpose of acquiring, holding, voting or disposing of Voting Stock. As used herein, the pronouns "which", "that" and "it" in relation to persons that are individuals shall be construed to mean "who" or "whom", "he" or "she" and "him" or "her", as appropriate.
- B. "Interested Shareholder" at any particular time shall mean any person (other than the Corporation or a Subsidiary, or an employee benefit plan of the Corporation or a Subsidiary, or a trustee of fiduciary of any such plan when acting in such capacity) which:
 - (1) is at such time the beneficial owner, directly or indirectly, of more than 15% of the voting power of the outstanding Voting Stock;
 - (2) is at such time an Affiliate of the Corporation and at any time within the two-year period immediately prior to such time was the beneficial owner, directly or indirectly, of more than 15% of the voting power of then outstanding Voting Stock; or
 - (3) is at such time an assignee of or has otherwise succeeded to the beneficial ownership of any shares of Voting Stock which were at any time within the two year period immediately prior to such time beneficially owned by any Interested Shareholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.

With respect to any particular transaction, the term "Interested Shareholder" means any Interested Shareholder involved in such transaction, any Affiliate or Associate of such Interested Shareholder and any other member of a group acting in concert with such Interested Shareholder.

- C. A person shall be a "beneficial owner" of any shares of Voting Stock:

- (1) which such person or any of its Affiliates or Associates beneficially owns, directly or indirectly;
- (2) which such person or any of its Affiliates or Associates has (a) the right to acquire (whether or not such right is exercisable immediately) pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, revocation of a trust, or otherwise, or (b) the right to vote, or to direct the voting of, pursuant to any agreement, arrangement or understanding; or
- (3) which are beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Voting Stock.

For the purposes of determining whether a person is an Interested Shareholder pursuant to Paragraph B of this Section 10.1, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned by an Interested Shareholder through application of this Paragraph C but shall not include any other shares of Voting Stock which may be issuable pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise.

- D. “Affiliate” of a specified person shall mean any person which, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the person specified.
- E. An “Associate” of a specified person shall mean (1) any director, officer or partner of, or any beneficial owner, directly or indirectly, of 5% or more of any class of equity security of, such person or any of its Affiliates, (2) any corporation or organization (other than the Corporation or a Subsidiary) of which such person is a director, officer or partner or is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities, (3) any trust or other estate (other than an employee benefit plan of the Corporation or a Subsidiary) in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, (4) any relative or spouse of such person, or any relative of such spouse, who has the same home as such person or who is a director or officer of the Corporation or any of its parents or Subsidiaries and (5) any investment company registered under the Investment Company Act of 1940 for which such person or any Affiliate or Associate of such person serves as investment advisor.
- F. “Subsidiary” shall mean any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the Corporation, as well as any Affiliate of the Corporation which is controlled by the Corporation; provided, however, that for purposes of the definition of Interested Shareholder set forth in Paragraph B of this Section 10.1, the term “Subsidiary” shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

G. "Disinterested Director" shall mean a director of the Corporation who is not an Interested Shareholder or an Affiliate, Associate or representative of an Interested Shareholder and either (1) was a director of the Corporation immediately prior to the time the Interested Shareholder became an Interested Shareholder or (2) is a successor to a Disinterested Director and is recommended or elected to succeed a Disinterested Director by a majority of the then Disinterested Directors. Whenever the holders of any class or series of stock having a preference over the Common Stock as to dividends or assets shall have the right, voting separately as a class or series, to elect one or more directors of the Corporation, the term "Disinterested Director" shall not include any director elected by the holders of such class or series. As used with respect to any particular transaction in Article NINTH or with respect to a determination or interpretation as to such transaction under Paragraph H of this Section 10.1 or Section 10.2, the term "Disinterested Director" shall include all directors who are Disinterested Directors with respect to the Interested Shareholders involved in such transaction. In all other cases, unless the context otherwise clearly requires, the term "Disinterested Director" shall mean only those directors who are Disinterested Directors with respect to all persons who are then Interested Shareholders.

H. "Fair Market Value" shall mean (1) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing sale price or, if none, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotation System or any similar system then in use, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined in good faith by a majority vote of the Disinterested Directors; and (2) in the case of property other than stock or cash, the fair market value of such property on the date in question as determined in good faith by a majority vote of the Disinterested Directors or by a qualified appraiser retained by them for such purpose.

I. "Voting Stock" shall mean capital stock of the Corporation entitled to vote generally in an annual election of directors of the Corporation.

J. "Announcement Date" shall mean the date of the first public announcement of the proposed Business Combination.

K. "Total Assets" shall mean the consolidated total assets of the Corporation and its consolidated subsidiaries as of the close of the most recent fiscal quarter ended on or prior to the Announcement Date of the Business Combination in question, as shown on the consolidated balance sheet published by the Corporation for such quarter.

10.2 Power of the Disinterested Directors.

The Disinterested Directors, by a majority vote, are authorized to interpret all the terms and provisions of Articles SIXTH, NINTH and Section 10.1 of Article TENTH and to determine, on the basis of information known to them after reasonable inquiry, any fact necessary to determine compliance with any such term or provision, including, without limitation, (a) whether a person is an Interested Shareholder, (b) the number of shares of Voting Stock beneficially owned by any person, (c) whether a person is an Affiliate or Associate of another person, (d) whether any Articles provision required by Paragraph A(1) of Section 9.1 complies with such Section and is valid and enforceable, (e) whether the requirements of Section 9.2 have been met with respect to any Business Combination and (f) whether the assets which are the subject of any Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Business Combination has, an aggregate Fair Market Value equal to 5% or more of Total Assets. Any such interpretation or determination made in good faith shall be binding and conclusive for all purposes of these Articles.

10.3 Amendments to Articles.

In addition to any affirmative vote required by law, these Articles or otherwise, any amendment, alteration, change or repeal of any provision of these Articles, or the adoption of any provision inconsistent therewith, shall require the affirmative votes of (a) the holders of at least 80% of the voting power of all then outstanding shares of Voting Stock, voting together as a single class and (b) the holders of at least a majority of the voting power of the then outstanding shares of Voting Stock which are not beneficially owned by any Interested Shareholder, voting together as a single class; provided, however, that the additional affirmative votes required by this Section 10.3 shall not apply to any amendment, alteration, change, repeal or provision if it is recommended and submitted to the shareholders for their consideration by the affirmative vote of a majority of the Disinterested Directors then in office.

CERTIFICATION
PRINCIPAL EXECUTIVE OFFICER

I, 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) 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; and
 - d) 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; and
5. 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; and
 - b) 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: February 7, 2025

/s/Joseph C. Bartolacci

Joseph C. Bartolacci
President and
Chief Executive Officer

CERTIFICATION
PRINCIPAL FINANCIAL OFFICER

I, 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) 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; and
 - d) 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; and
5. 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; and
 - b) 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: February 7, 2025

/s/Steven F. Nicola

Steven F. Nicola
Chief Financial Officer
and Secretary

Certification Pursuant to 18 U.S.C. Section 1350,

As Adopted Pursuant to

Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Matthews International Corporation (the "Company") on Form 10-Q for the period ended December 31, 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) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) 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 Officer

February 7, 2025

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.

Certification Pursuant to 18 U.S.C. Section 1350,

As Adopted Pursuant to

Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Matthews International Corporation (the "Company") on Form 10-Q for the period ended December 31, 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) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) 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 Secretary

February 7, 2025

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.