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

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**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (Date of earliest event reported) February 17, 2017

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**MATERION CORPORATION**  
(Exact name of registrant as specified in its charter)

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**Ohio**  
(State or other jurisdiction of incorporation or organization)

**001-15885**  
(Commission File Number)

**34-1919973**  
(I.R.S. Employer Identification No.)

**6070 Parkland Blvd., Mayfield Hts., Ohio**  
(Address of principal executive offices)

**44124**  
(Zip Code)

**Registrant's telephone number, including area code (216) 486-4200**

**Not Applicable**  
(Former name or former address, if changed since last report)

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure.**

On February 17, 2017, Materion Corporation updated its website with a slide presentation that will be presented to investors. A copy of the presentation is attached hereto as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

*Exhibits.*

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Investor Presentation dated February 17, 2017

## 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 hereunto duly authorized.

Materion Corporation

February 17, 2017

By: /s/ Stephen Shamrock  
Stephen Shamrock  
Vice President, Controller and Investor Relations

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**Exhibit Index**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Investor Presentation dated February 17, 2017



# INVESTOR PRESENTATION

February 2017

## ▶ Forward-looking Statements

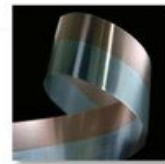
These slides contain (and the accompanying oral discussion will contain, where applicable) “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by these statements, including health issues, litigation and regulation relating to our business, our ability to achieve and/or maintain profitability, significant cyclical fluctuations in our customers’ businesses, competitive substitutes for our products, risks associated with our international operations, including foreign currency rate fluctuations, energy costs and the availability and prices of raw materials, and other factors disclosed in periodic reports filed with the Securities and Exchange Commission. Consequently, these forward-looking statements should be regarded as the Company’s current plans, estimates and beliefs.

The Company does not undertake and specifically declines any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

These slides include certain non-GAAP financial measures as defined by the rules and regulations of the Securities and Exchange Commission. A reconciliation of those measures to the most directly comparable GAAP equivalent is provided in the Appendix to this presentation.

## ► Materion: Our Purpose

Making advanced materials that  
improve the world



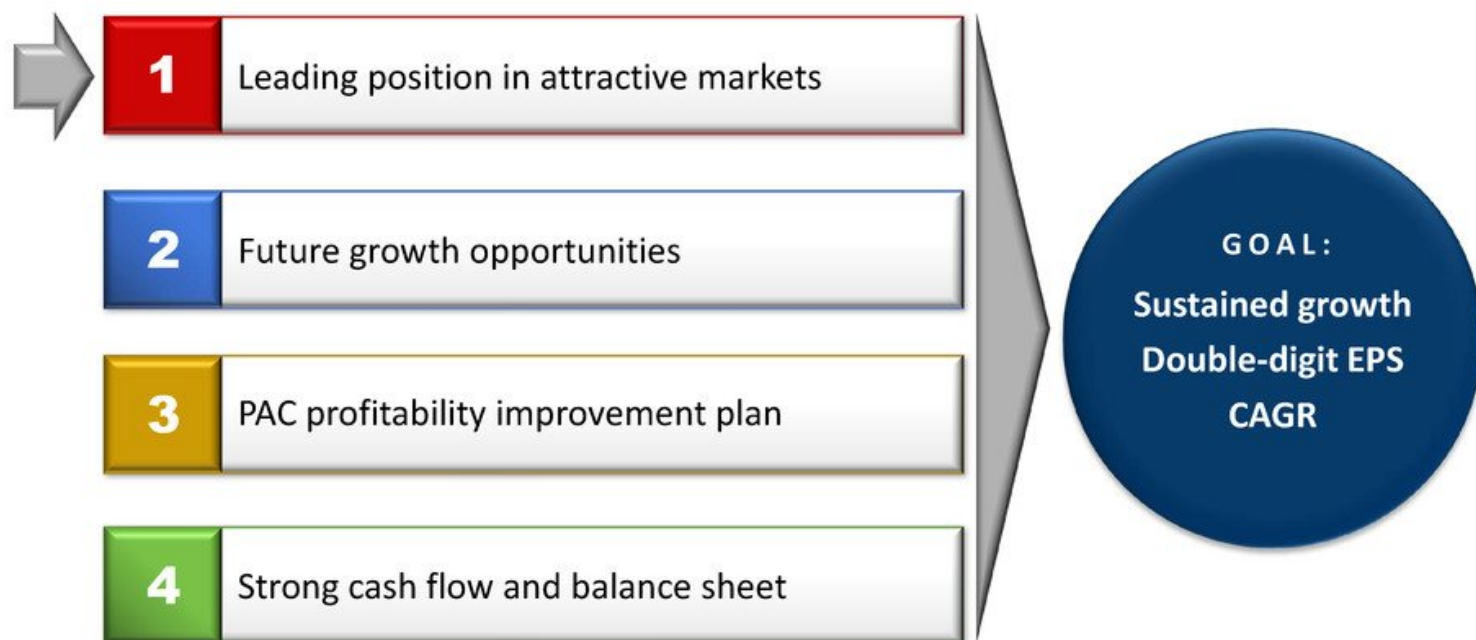
# ► Materion at a Glance

	2016
Revenues	\$969M
Value-added sales <sup>1</sup>	\$600M
Adjusted EPS <sup>1</sup>	\$1.32
Adjusted EBITDA <sup>1</sup>	\$81M
Market cap @ 12/31/16	\$791M
Debt-to-capitalization <sup>1</sup>	1%
Operating cash flow	\$67M
Dividend yield	~1%

<sup>1</sup> Non-GAAP, excludes special items. Refer to the Appendix for additional detail.








# Why Invest in Materion?



# Well-positioned with Leading Global Product Offering

## Key Differentiated Products

	Product	2016 % of Value-added Sales	Expected Annual Growth Next 3-5 Years
	Leading supplier of beryllium-containing products	~43%	↑
	Leading supplier of high-purity precious metal for physical vapor deposition (PVD) market	~21%	↑
	Leading supplier of high-end optical coatings	~9%	↑
	Leading supplier of specialty coating test strips for medical diagnosis	~7%	↑
	Only supplier of unique copper-nickel-tin materials, ToughMet®	~6%	↑↑

↑ Single digit growth

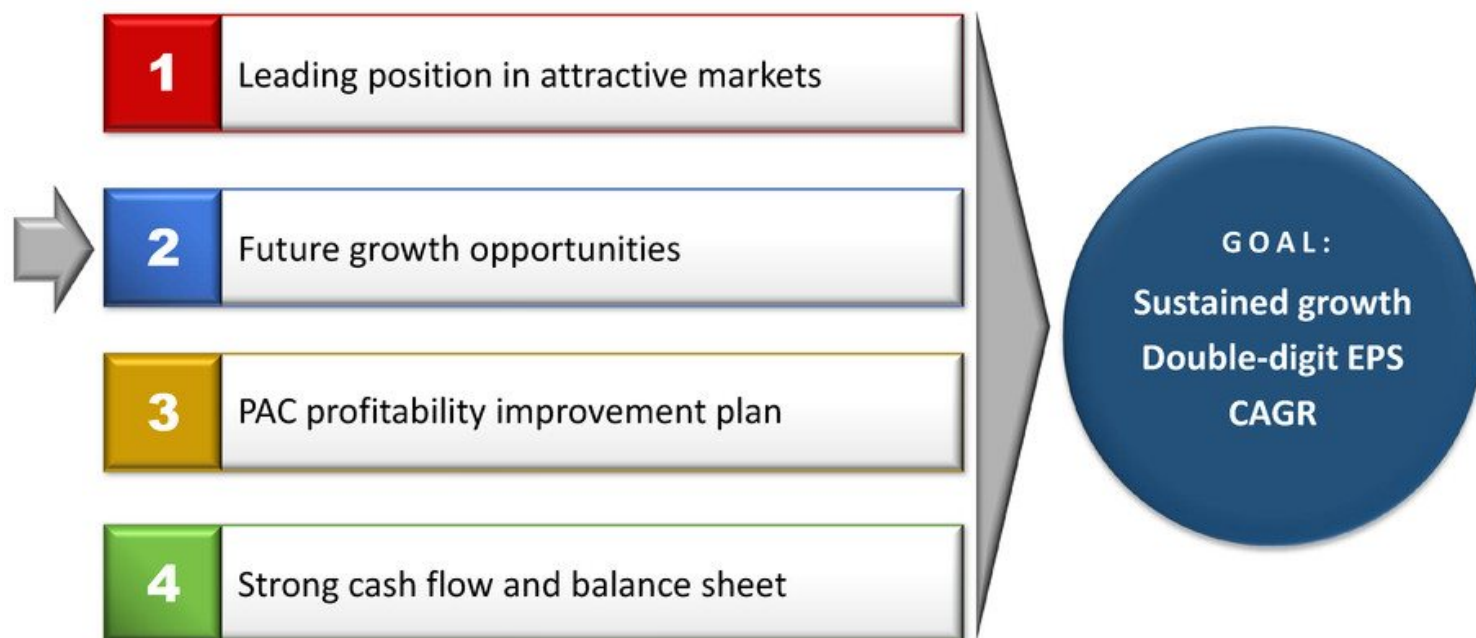
↑↑ Double digit growth

## ► Top Key Markets Over 80% of Sales

Market	2016 % of Value-added Sales	Macro Trends	Key Drivers
Consumer Electronics	28%	→	<ul style="list-style-type: none"> <li>• Smart device growth</li> <li>• Gesture control</li> </ul>
Industrial Components	15%	→	<ul style="list-style-type: none"> <li>• Heavy equipment builds</li> <li>• Plastic tooling</li> <li>• Fire protection (R and C construction)</li> </ul>
Medical	11%	→	<ul style="list-style-type: none"> <li>• Blood analysis test coating for medical diagnosis</li> <li>• Nuclear diagnostics equipment</li> </ul>
Defense	9%	→	<ul style="list-style-type: none"> <li>• Precision-guided munitions</li> <li>• Structural and electronic components for satellites, combat vehicles, and military aircraft</li> </ul>
Automotive Electronics	8%	→	<ul style="list-style-type: none"> <li>• Electronic systems and engine control</li> <li>• Increasing emissions standards</li> </ul>
Telecom Infrastructure	6%	→	<ul style="list-style-type: none"> <li>• Undersea repeater housings</li> <li>• 4G completion/5G rollout</li> </ul>
Energy	5%	→	<ul style="list-style-type: none"> <li>• Deep sea drilling and completion</li> <li>• Directional drilling</li> <li>• Solar, batteries, and smart grid devices</li> </ul>

Total     82%

# ► Why Invest in Materion?



# ► Global Megatrends Play to our Strengths

## Key Trends

- Miniaturization of electronics/IOT
- Additional electronic instruments for autos, aircraft
- Expanding high performance optical device opportunities
- Innovation in medical diagnostics and sensors
- Extraction of oil and gas from previously inaccessible locations
- Alternative energy
- New aircraft builds and retrofits
- Advancements in lighting (LED)



## Characteristics of our Materials

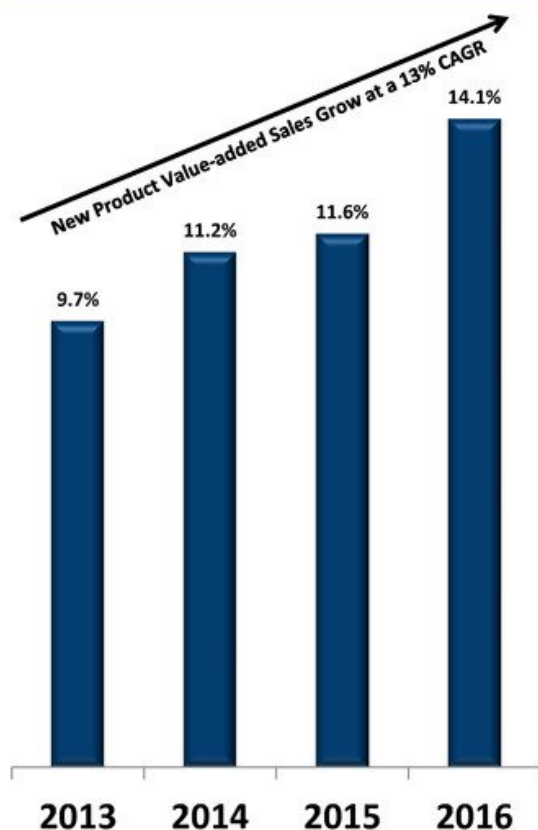
- ✓ Conductivity
- ✓ Corrosion resistance
- ✓ Weight savings (lighter)
- ✓ Purity
- ✓ Wavelength management
- ✓ Heat resistance
- ✓ Lubricity
- ✓ Reliability
- ✓ Durability
- ✓ Miniaturization
- ✓ Strength





# Innovation Leading to Organic Growth

New Product Value-added Sales as % of Total



Noteworthy New Products Offerings

## Phosphor Wheel

- Provides high brightness, longer life
- Offers low noise characteristics, individual precision balancing, and stable colors



## Dovetail Clad®

- Best solution for laser welding of Li-Ion batteries
- Lowest cost assembly



## eStainless®

- Thermally conductive replacement for conventional stainless steels
- Manages higher heat of today's processing technology



## ToughMet Couplings

- Copper-nickel-tin alloy that resists mechanical wear, thread damage, corrosion, and erosion
- Maximizes oilfield production



# Heraeus – Augmentation through M&A

## Acquisition Description

- ▶ Acquisition of high-performance target materials business of Heraeus Group
- ▶ **Precious and non-precious metal targets for architectural and automotive glass, electronic display, photovoltaic, and semiconductor markets**
- ▶ Facilities in Germany, Taiwan, and United States

## Transaction Considerations

- ▶ **\$30 million purchase price**
- ▶ Inclusive of assumed pension liability and estimated non-recurring deal, carve-out, and integration costs – **represents a ~6.5x EBITDA multiple<sup>1</sup>**

## Forecasted Financial Impact

- ▶ Annualized value-added sales of \$50 – \$60 million
- ▶ **EPS accretive in year one, excluding special one-time costs**
- ▶ Operating margins - mid single digits prior to synergies
- ▶ Significant synergy opportunity both commercial and operational
- ▶ **Forecasted > 15% IRR**

## Closing

- ▶ European regulatory approval received
- ▶ **Expected closing Q1 2017**

<sup>1</sup> EBITDA based on Forecasted 2016

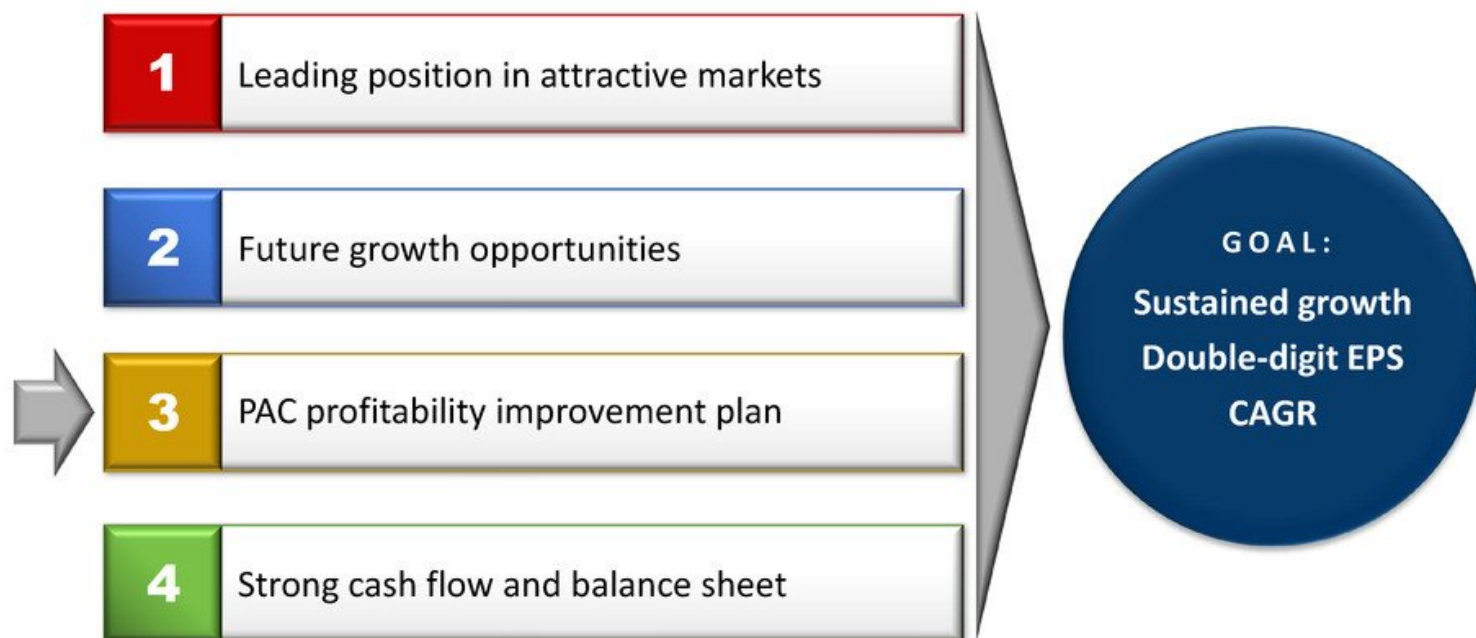
<sup>2</sup> Annual sales/cost synergies expected to be realized by end of year three

## ▶ Heraeus – A Compelling Strategic Fit for Materion

- ▶ Accelerates and solidifies global precious metal position in growth portfolio (semiconductor)
- ▶ Provides diversification through critical mass in non-semiconductor business to grow and effectively compete worldwide
- ▶ Achieves economies of scale in cost-sensitive targets business
- ▶ Improves our global footprint in Europe and Asia
- ▶ Improves organizational strength through complementary technical talent



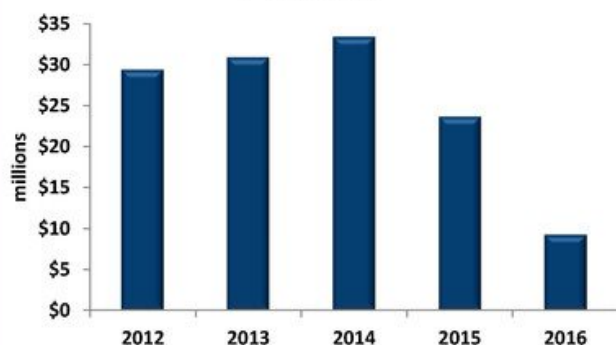
# Why Invest in Materion?



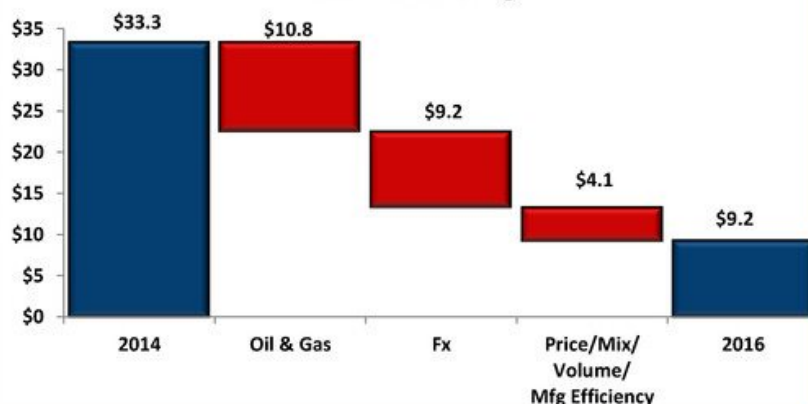
# PAC Profitability Improvement Plan

## How did we get here?

PAC Operating Profit Excluding Special Items<sup>1</sup>  
5-year Trend



PAC Operating Profit Excluding Special Items<sup>1</sup>  
2014 – 2016 Bridge



## Recovery plan

1. Reduce PAC cost footprint and move to a more variable cost structure
2. Improve product portfolio mix and profitability through pricing and manufacturing process changes
3. Leverage beryllium market supply opportunity

Expect to return to historical profitability levels by end of 2018  
(high single digit operating margins)

<sup>1</sup> Non-GAAP, excludes special one-time costs. Refer to the Appendix for additional detail

## ▶ Reduce Cost Footprint

- ▶ Exit service center in Fukaya, Japan
  - ▶ Service large Japanese customers out of U.S.
  - ▶ Transfer smaller customers to local distributors
  - ▶ Lower in-country headcount and investments
- ▶ Reduce annual costs by \$2.0 million
- ▶ Continue exploring other cost reduction options

# ► Beryllium Market Supply Opportunity

## Materion – leading position in beryllium market

- Only global integrated producer
  - minimum of 75 years of proven reserves in Utah mine
  - supplies over 70% of world's mined beryllium
- 40% of company sales include beryllium in some form

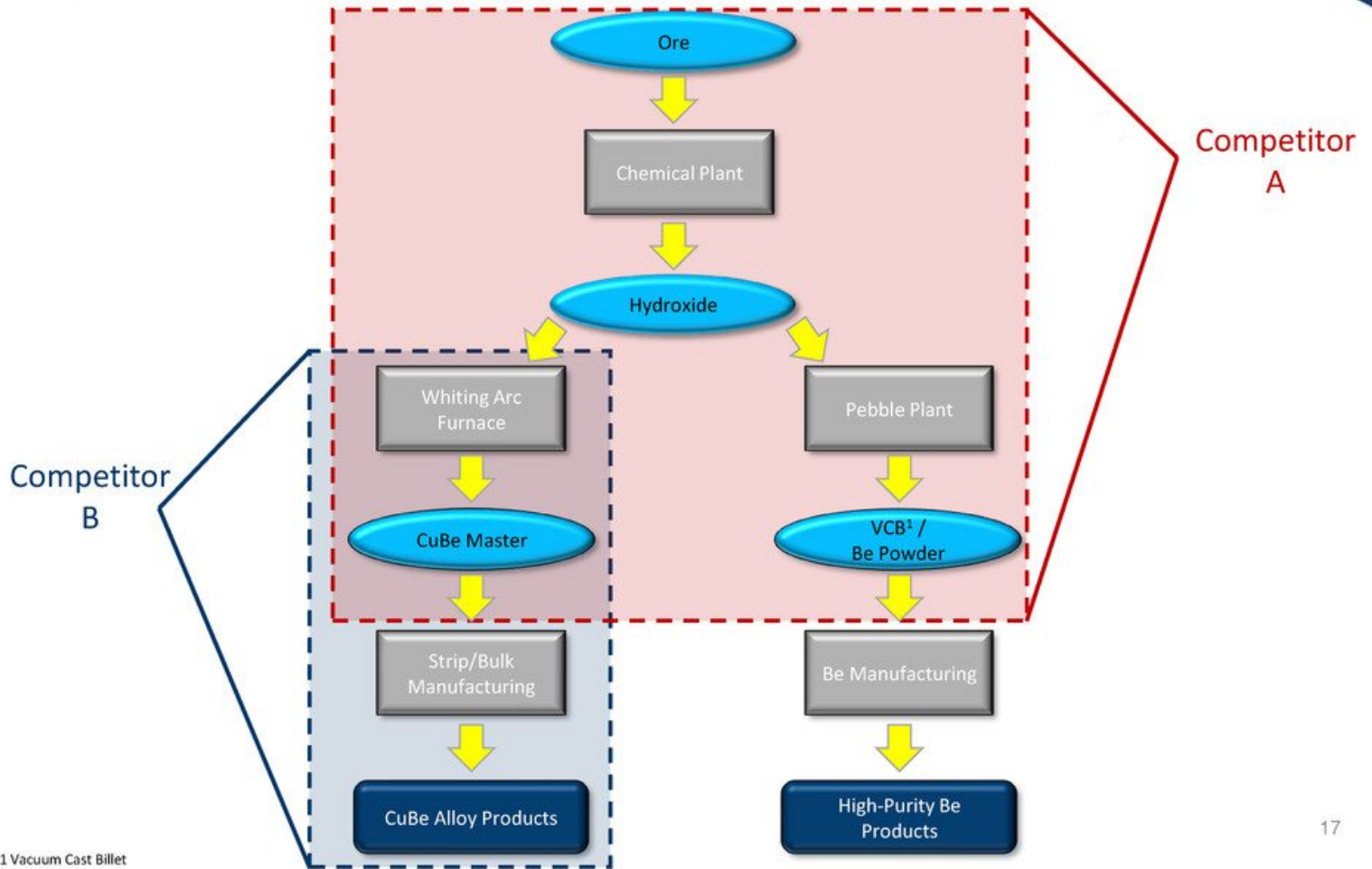


## Signs of shortage ahead

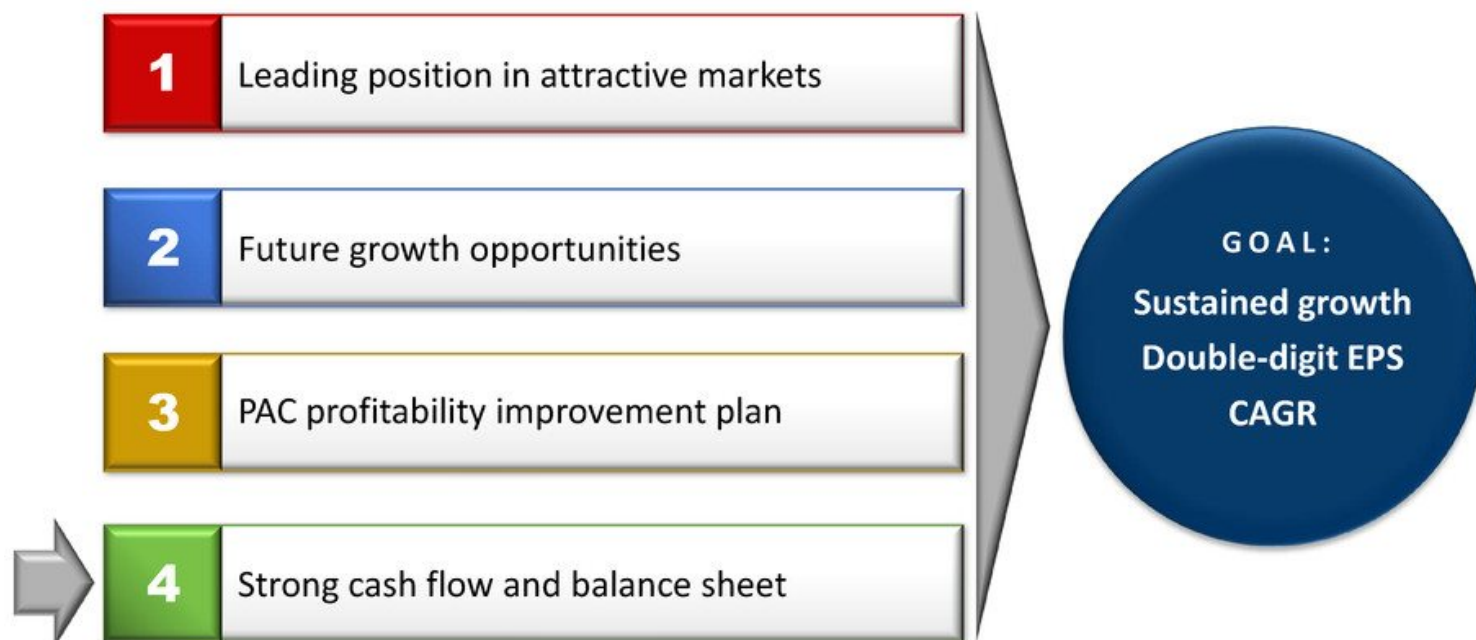
- Global stockpiled sources depleting
- No other commercially active bertrandite ore mine

- Materion positioned to support world demand
- Significant incremental profit potential

# World's Only Vertically Integrated Beryllium Producer



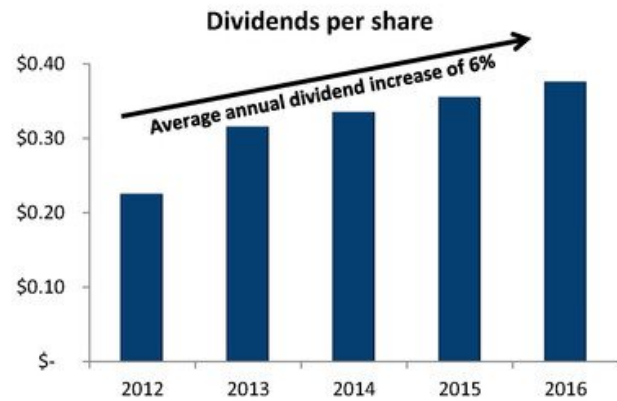
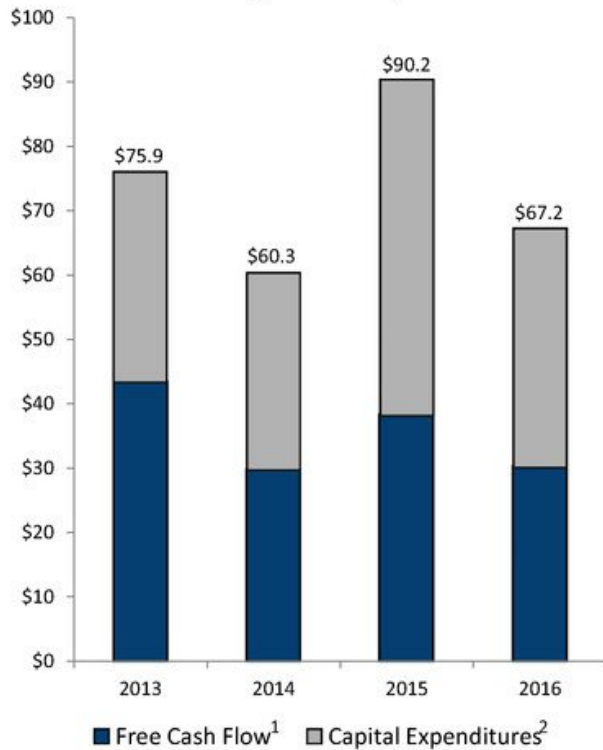
# Why Invest in Materion?





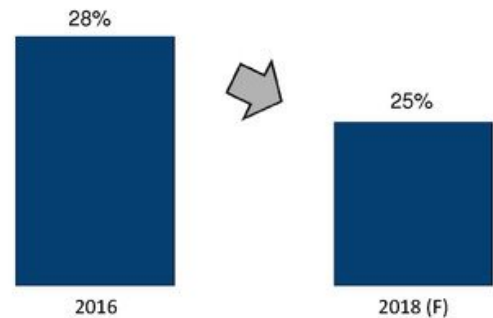
# Cash Flow and Working Capital Efficiency Focus

**Cash Flow from Operations**  
(\$ in millions)



## Improve Working Capital<sup>3</sup> Efficiency

Working capital % of net sales

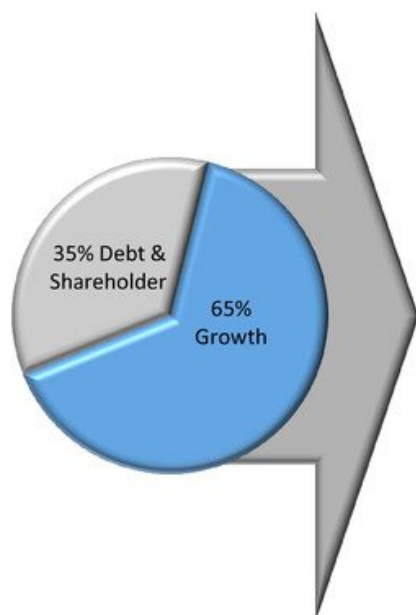


<sup>1</sup> Free Cash Flow calculated as cash flow from operations less capital expenditures

<sup>2</sup> Capital Expenditures includes mine development costs

<sup>3</sup> Working capital is calculated as accounts receivable plus inventory less accounts payable.

# Disciplined Capital Deployment Going Forward



## Return Cash to Shareholders

- Share repurchase - \$50M authorization (\$17M remaining)
- Dividends – increased 6% in 2016



## Capex Below Depreciation

- Invest in facilities
- Invest in new products



## Growth

- Organic
- Selective bolt-on acquisitions







## Appendix



# Materion: Mission Critical Advanced Materials



# Performance Alloys and Composites

Value-added Sales



Growth Drivers

## New product development

- New proprietary non-Be alloys with improved durability & weight-to-strength ratio
- New heat dissipating clad material
- Improving customer yields with "near net shape" products

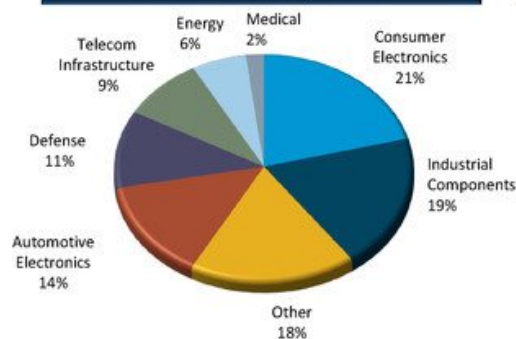
## New application development

- Clad material serving the renewable energy market
- Precision rolling to thinner strips opening new application opportunities
- ToughMet couplings serving the oil and gas production market resist mechanical wear, thread damage, corrosion, and erosion

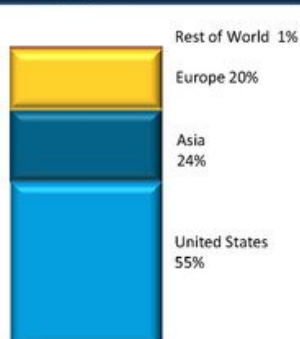
## Changing beryllium demand

- World's only fully integrated producer
- Minimum of 75 years of proven mine reserves in Delta, UT
- Primary Be competitor is consuming stockpiled ore

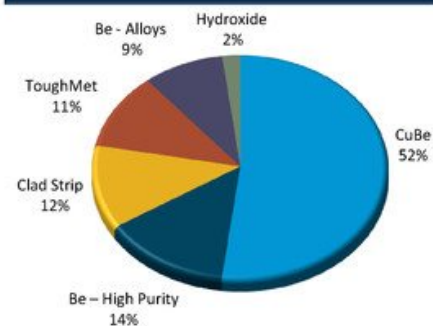
Value-added Sales by Market<sup>1</sup>



Geographic Mix<sup>1</sup>



Product Mix<sup>1</sup>



<sup>1</sup> Reflects 2016 mix by market, geography, and product

# Advanced Materials

Value-added Sales



Growth Drivers

## New product development

- Highly technical advanced chemicals, pure metals, and alloys, including evaporation materials and large PVD targets
- High-value products with capacity to scale

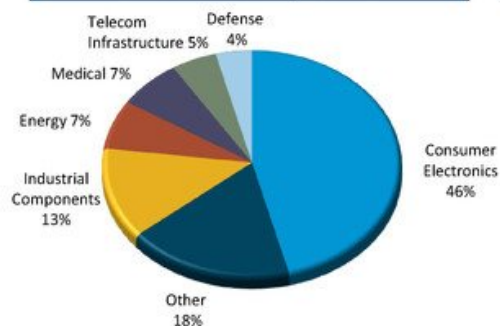
## Semiconductor

- Long-term high growth market
- Heraeus acquisition further accelerates position in this market
- Full suite of best in class ultra-pure, clean room ready products
- Quality and reliability highly valued

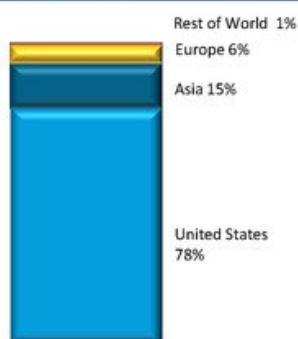
## Growth opportunities

- Continued product and market diversification
- Continued geographic diversification specifically in Asia and Europe
- Asia is a high growth region where customers are exploiting excess fab capacity and use our current material set

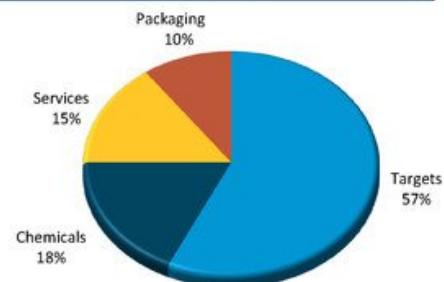
Value-added Sales by Market<sup>1</sup>



Geographic Mix<sup>1</sup>



Product Mix<sup>1</sup>

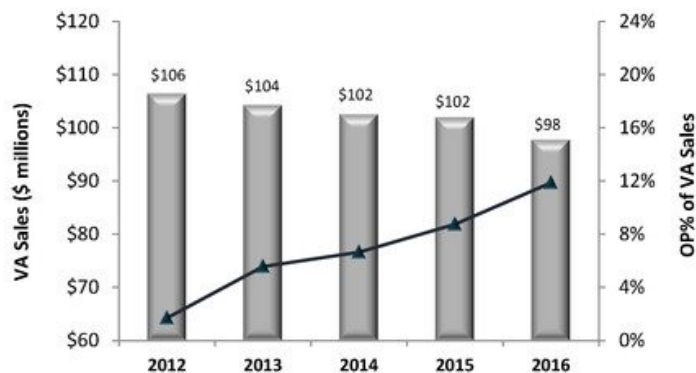


<sup>1</sup> Reflects 2016 mix by market, geography, and product



# Precision Coatings

## Value-added Sales



## Growth Drivers

### New product development

- New precious metal coating stacks
- Novel electrode alloys
- Gesture control sensing
- Phosphor wheel and thermal imaging

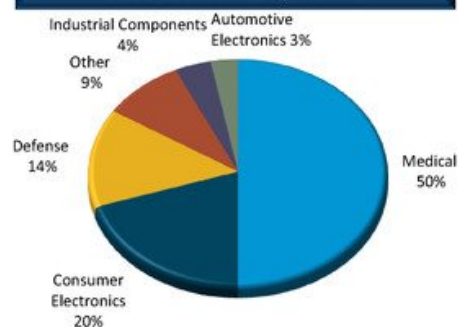
### New market development

- Expanding into Asia with blood glucose test strips
- New applications for medical sensing films
- Growing demand for optical filters in consumer electronics and automotive sensors

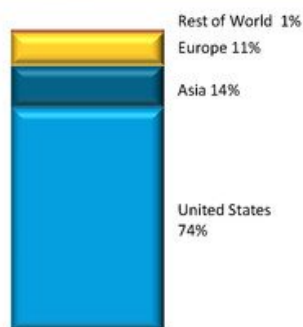
### Expanded service offering

- Optical coating is the critical sensor assembly application
- Gettering capabilities for wafer level processing
- Laser patterning
- Precision film slitting & sheeting

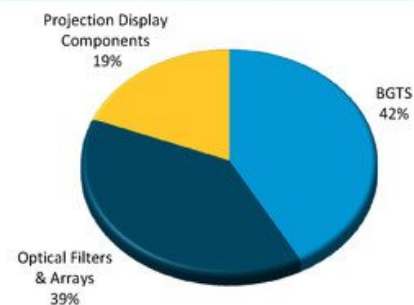
## Value-added Sales by Market<sup>1</sup>



## Geographic Mix<sup>1</sup>



## Product Mix<sup>1</sup>



<sup>1</sup> Reflects 2016 mix by market, geography, and product



# Applications



## ▶ Consumer Electronics

- ▶ Advanced chemicals for OLED applications
- ▶ Multiple product offerings for smartphones, including connector material and voice coil motor (auto focus lens stabilizer)
- ▶ Phosphor wheel and opto-ceramic coatings for laser projectors
- ▶ Wafer level optical coatings for electronic devices
- ▶ 3D/gesture control optical filter capability
- ▶ Semiconductor targets for Tier 1 suppliers



## ▶ Medical

- ▶ Precious metal blood glucose test strips for diabetes testing
- ▶ Be material for x-ray equipment applications
- ▶ Narrow-band optical filters for spectroscopy
- ▶ Continuous glucose monitoring (CGM) electrodes for type 2 diabetes





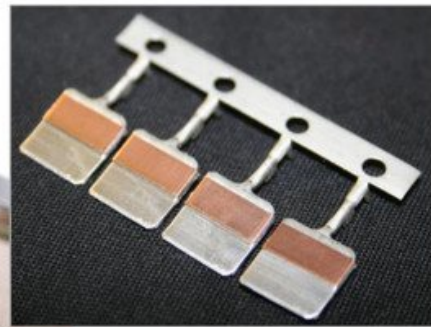
## ► Defense

- Infrared sensors for fighter jet, unmanned aerial vehicle optical targeting
- Optical filters for precision-guided munitions
- Structural components for combat vehicles and aircraft
- Optical, structural, and electronic components for satellites



## ▶ Automotive Electronics

- ▶ Connector material for battery and high temperature applications
- ▶ High-performance alloys (i.e., CuBe, ToughMet®) for the powertrain
- ▶ Metal matrix composites (i.e., SupremEx®) for chassis, suspension, and braking component applications
- ▶ Optical filters: night vision, speed control, sensors, camera applications



## Energy

- ▶ ToughMet couplings for oil production
- ▶ ToughMet components for oil drilling applications
- ▶ Connector materials (i.e., Dovetail®) for fuel cell batteries
- ▶ Precious metal targets for coatings on construction glass





# Financial Information





# Reconciliation for Value-Added Sales

\$ in millions

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Net Sales</b>					
Performance Alloys and Composites	\$ 387.5	\$ 394.8	\$ 433.3	\$ 422.9	\$ 424.4
Advanced Materials	437.2	482.3	547.3	592.0	694.8
Precision Coatings	144.4	148.4	147.7	152.3	153.0
Other	-	(0.2)	(1.3)	(0.3)	0.9
<b>Total</b>	<u>\$ 969.2</u>	<u>\$ 1,025.3</u>	<u>\$ 1,126.9</u>	<u>\$ 1,166.9</u>	<u>\$ 1,273.1</u>
<b>Less: pass-through metal costs</b>					
Performance Alloys and Composites	\$ 55.5	\$ 59.7	\$ 74.8	\$ 83.0	\$ 87.4
Advanced Materials	260.9	299.5	366.2	423.4	522.7
Precision Coatings	46.8	46.6	45.3	48.0	46.7
Other	6.1	2.3	3.5	3.3	0.7
<b>Total</b>	<u>\$ 369.3</u>	<u>\$ 408.1</u>	<u>\$ 489.8</u>	<u>\$ 557.8</u>	<u>\$ 657.5</u>
<b>Value-added sales</b>					
Performance Alloys and Composites	\$ 332.0	\$ 335.1	\$ 358.5	\$ 339.9	\$ 337.0
Advanced Materials	176.3	182.8	181.0	168.6	172.1
Precision Coatings	97.6	101.8	102.4	104.2	106.4
Other	(6.1)	(2.5)	(4.9)	(3.6)	0.1
<b>Total</b>	<u>\$ 599.9</u>	<u>\$ 617.2</u>	<u>\$ 637.1</u>	<u>\$ 609.1</u>	<u>\$ 615.6</u>

Value-added sales is a non-GAAP measure that removes the impact of pass-through metal costs and allows for analysis without the distortion of the movement or volatility in metal prices. Internally, we manage our business on this basis, and a reconciliation of net sales to value-added sales is included herein.

# Reconciliation for Adjusted EPS

\$ in millions, except per share amounts

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>GAAP As Reported</b>					
Operating Profit	\$ 27.1	\$ 45.3	\$ 57.6	\$ 27.6	\$ 36.2
Net Income	25.7	32.2	42.1	20.2	24.3
Weighted average diluted shares outstanding	20.213	20.402	20.852	20.943	20.740
EPS - Diluted	\$ 1.27	\$ 1.58	\$ 2.02	\$ 0.97	\$ 1.17
<b>Operating Profit Special Items</b>					
Cost reductions	\$ 2.6	\$ 1.9	\$ (1.6)	\$ 4.9	\$ -
Legacy legal & environmental costs (benefits)	1.4	(1.4)	(6.9)	-	7.4
Acquisition costs	3.9	-	-	-	-
<b>Total operating profit special items</b>	\$ 7.9	\$ 0.5	\$ (8.5)	\$ 4.9	\$ 7.4
Operating Profit Special Items - net of tax	\$ 5.1	\$ 0.3	\$ (5.6)	\$ 3.4	\$ 4.8
Tax Special Item	\$ (4.2)	\$ 0.2	\$ (1.8)	\$ -	\$ -
<b>Non-GAAP Measures - Adjusted Profitability</b>					
Operating Profit	\$ 35.0	\$ 45.8	\$ 49.1	\$ 32.5	\$ 43.6
Net Income	26.6	32.7	34.7	23.6	29.1
EPS - Diluted	\$ 1.32	\$ 1.60	\$ 1.67	\$ 1.13	\$ 1.40

As detailed in the above reconciliation, we have adjusted the results for certain special items, such as cost reduction initiatives (i.e., asset impairment charges and severance), legacy legal and environmental costs, merger and acquisition costs, and certain income tax items from the applicable GAAP measure. Internally, management reviews the results of operations without the impact of these costs in order to assess the profitability from ongoing activities. We are providing this information because we believe it will assist investors in analyzing our financial results and, when viewed in conjunction with the GAAP results, provide a more comprehensive understanding of the factors and trends affecting our operations.

A-13

# Other Non-GAAP Items

\$ in millions

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating Profit	\$ 27.1	\$ 45.3	\$ 57.6	\$ 27.6
Special Items	7.9	0.5	(8.5)	4.9
Adjusted Operating Profit	\$ 35.0	\$ 45.8	\$ 49.1	\$ 32.5
Depreciation, depletion, and amortization	45.6	37.8	42.7	41.6
<b>Adjusted EBITDA</b>	<b>\$ 80.6</b>	<b>\$ 83.6</b>	<b>\$ 91.8</b>	<b>\$ 74.1</b>
Total Debt	\$ 4.6	\$ 13.6	\$ 24.3	\$ 64.8
Less: Cash & Cash Equivalents	31.5	24.2	13.1	22.8
Net Debt (Cash)	\$ (26.9)	\$ (10.6)	\$ 11.2	\$ 42.0
Total Shareholders' Equity	\$ 494.1	\$ 483.0	\$ 459.0	\$ 464.4
<b>Debt-to-Capitalization</b>	<b>1%</b>	<b>3%</b>	<b>5%</b>	<b>13%</b>

Adjusted EBITDA is calculated by adding depreciation, depletion, and amortization and certain special items such as cost reduction initiatives (i.e., asset impairment charges and severance), legacy legal and environmental costs, merger and acquisition costs, and certain income tax items to our operating profit. Internally, management reviews the results of operations without the impact of these costs in order to assess the profitability from ongoing operations

Debt-to-capitalization is our total debt divided by net debt plus shareholders' equity. Net debt (cash) is a non-GAAP measure calculated by subtracting cash & cash equivalents from our total outstanding debt. We are providing this information because we believe it is more indicative of our overall financial position. It is also a measure our management uses to assess financing and other decisions.

# Historical Financials

(\$ in millions, except per share data)

	2014				2014	2015				2015	2016				2016
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
<b>Sales</b>															
PAC	\$ 97.2	\$ 109.6	\$ 114.2	\$ 112.3	\$ 433.3	\$ 103.3	\$ 107.7	\$ 93.6	\$ 90.3	\$ 394.8	\$ 90.6	\$ 97.7	\$ 103.7	\$ 95.5	\$ 387.5
AM	129.3	145.0	137.6	135.3	547.3	149.9	131.4	113.6	87.4	482.3	108.1	113.6	107.2	108.3	437.2
PC	33.9	34.1	39.9	39.7	147.7	36.6	38.3	37.2	36.4	148.4	36.8	38.5	38.7	30.5	144.5
Other	(1.5)	(0.7)	(0.1)	1.1	(1.4)	0.2	(0.5)	-	-	(0.2)	-	-	-	-	-
Consolidated MTRN	258.9	288.0	291.6	288.4	1,126.9	290.0	276.9	244.4	214.0	1,025.3	235.5	249.8	249.6	234.3	969.2
<b>VA</b>															
PAC	80.0	89.9	94.7	93.9	358.5	85.6	91.5	79.6	78.4	335.1	78.2	83.4	87.2	83.2	332.0
AM	41.7	45.0	46.1	48.3	181.0	51.7	46.7	44.5	39.8	182.8	42.1	47.0	46.0	41.2	176.3
PC	23.9	24.9	27.0	26.5	102.4	24.6	25.2	25.7	26.4	101.8	24.6	25.1	25.8	22.2	97.7
Other	(0.7)	(0.2)	(2.2)	(1.7)	(4.8)	0.7	(1.0)	(1.0)	(1.2)	(2.5)	(1.0)	(1.6)	(2.0)	(1.5)	(6.1)
Consolidated MTRN	144.9	159.6	165.6	167.0	637.1	162.6	162.4	148.8	143.4	617.2	143.9	153.9	157.0	145.1	599.9
<b>Gross Margin</b>															
PAC	22.7	24.6	26.8	26.8	100.9	23.1	25.5	18.0	17.9	84.6	17.7	16.3	20.6	19.0	73.6
AM	16.1	17.6	19.3	20.6	73.6	20.7	18.8	17.1	15.5	72.1	15.8	19.1	20.0	16.7	71.6
PC	7.1	7.7	9.0	9.6	33.3	8.3	7.5	9.2	9.1	34.1	10.0	9.5	10.7	7.6	37.8
Other	(0.4)	(0.1)	(0.3)	(1.1)	(1.9)	0.3	(0.5)	(0.3)	0.6	-	(0.1)	0.4	(0.5)	0.8	0.5
Consolidated MTRN	45.5	49.8	54.8	55.8	205.9	52.4	51.3	44.0	43.1	190.8	43.4	45.3	50.8	44.1	183.5
<b>Gross Margin as a % of VA</b>															
PAC	28%	27%	28%	29%	28%	27%	28%	23%	23%	25%	23%	20%	24%	23%	22%
AM	39%	39%	42%	43%	41%	40%	40%	38%	39%	39%	38%	41%	43%	41%	41%
PC	30%	31%	33%	36%	33%	34%	30%	36%	34%	33%	41%	38%	41%	34%	39%
Other	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Consolidated MTRN	31%	31%	33%	33%	32%	32%	32%	30%	30%	31%	30%	29%	32%	30%	31%
<b>Operating Profit</b>															
PAC	6.2	6.3	10.8	9.9	33.3	6.8	9.3	4.5	2.9	23.6	1.5	0.2	4.4	0.5	6.6
AM	5.1	12.5	7.8	7.2	32.7	8.9	7.4	7.0	4.5	27.8	5.2	7.3	8.3	5.5	26.3
PC	4.1	0.5	2.1	2.5	9.3	1.7	0.6	2.3	3.0	7.5	4.1	2.3	3.4	1.8	11.6
Other	(3.9)	(5.4)	(3.0)	(5.2)	(17.7)	(4.2)	(4.2)	(2.9)	(2.3)	(13.6)	(3.3)	(4.0)	(5.9)	(4.2)	(17.4)
Consolidated MTRN	11.6	13.9	17.7	14.4	57.6	13.2	13.1	10.9	8.1	45.3	7.5	5.8	10.2	3.6	27.1
<b>Special Items - OP<sup>1</sup></b>															
PAC	-	-	-	-	-	-	-	-	-	-	-	-	-	2.6	2.6
AM	0.4	(5.4)	-	-	(5.1)	-	-	-	-	-	-	-	-	-	-
PC	(2.6)	0.1	-	-	(2.5)	-	-	1.3	0.1	1.4	-	-	-	-	-
Other	0.2	1.5	(2.7)	-	(0.9)	(2.1)	-	0.5	0.7	(0.9)	-	2.3	2.0	1.0	5.3
Consolidated MTRN	(2.0)	(3.8)	(2.7)	-	(8.5)	(2.1)	-	1.8	0.8	0.5	-	2.3	2.0	3.6	7.9
<b>Operating Profit ex Spec Items<sup>1</sup></b>															
PAC	6.2	6.3	10.8	9.9	33.3	6.8	9.3	4.5	2.9	23.6	1.5	0.2	4.4	3.1	9.2
AM	5.5	7.1	7.8	7.2	27.6	8.9	7.4	7.0	4.5	27.8	5.2	7.3	8.3	5.5	26.3
PC	1.6	0.6	2.1	2.5	6.8	1.7	0.6	3.6	3.1	8.9	4.1	2.3	3.4	1.8	11.6
Other	(3.7)	(3.9)	(5.7)	(5.2)	(18.6)	(6.3)	(4.2)	(2.4)	(1.6)	(14.5)	(3.3)	(1.7)	(3.9)	(3.2)	(12.1)
Consolidated MTRN	9.7	10.1	15.0	14.4	49.1	11.1	13.1	12.7	8.9	45.8	7.5	8.1	12.2	7.2	35.0
<b>OP ex Spec Items as a % of VA<sup>1</sup></b>															
PAC	7.8%	7.1%	11.4%	10.5%	9.3%	7.9%	10.2%	5.7%	3.7%	7.0%	1.9%	0.2%	5.0%	3.7%	2.8%
AM	13.2%	15.8%	16.9%	14.9%	15.2%	17.2%	15.8%	15.7%	11.3%	15.2%	12.4%	15.5%	18.0%	13.3%	14.9%
PC	6.5%	2.4%	7.8%	9.4%	6.6%	6.9%	2.4%	14.0%	11.7%	8.7%	16.7%	9.2%	13.2%	8.1%	11.9%
Other	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Consolidated MTRN	6.7%	6.4%	9.1%	8.6%	7.7%	6.8%	8.1%	8.5%	6.2%	7.4%	5.2%	5.3%	7.8%	5.0%	5.8%

<sup>1</sup> Internally, management reviews the results of operations without the impact of special one-time costs in order to assess the profitability from ongoing activities. Refer to the note on page A-13 for a full reconciliation of adjusted earnings.



## ▶ 2017 Forecasted Financial Guidance

### ▶ Full Year Guidance

- ▶ Adjusted EPS of \$1.45 - \$1.60
- ▶ Operating cash \$50M - \$60M
- ▶ Capex approximately \$30M
- ▶ Mine development capital expenditures <\$3M
- ▶ Depreciation and amortization expense of \$43M - \$45M
- ▶ Effective tax rate excluding special items 20% - 24%



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