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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): August 1, 2018

MATERION CORPORATION

(Exact name of registrant as specified in its charter)

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)

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§204.12b-2 of this chapter).

Emerging Growth Company ☐

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

Item 7.01 Regulation FD Disclosure.

On August 1, 2018, Materion Corporation issued an updated slide presentation that will be presented to investors. A copy of the presentation is attached hereto as Exhibit 99.1. The Company undertakes no obligation to update, supplement or amend the materials 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	<u>Investor Presentation dated August 1, 2018</u>

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

August 1, 2018

By:

/s/ Stephen Shamrock

Stephen Shamrock

Vice President, Corporate Controller and Investor Relations

Exhibit Index

Exhibit No.

99.1

Description

[Investor Presentation dated August 1, 2018](#)

INVESTOR PRESENTATION

August 2018

▶ 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.

▶ Q2 2018 Highlights

- ▶ Six consecutive quarters of sales and profit growth
- ▶ Record level value-added sales of \$189.9M
- ▶ Adjusted operating profit highest in past 5+ years
- ▶ PAC generated operating profit of \$12.3 million, highest ever recorded by this segment
- ▶ Working capital as a % of net sales < 25%
- ▶ Ended Q2 2018 in a net cash position of ~ \$40M vs. net debt position of \$8M at end of Q2 2017
- ▶ Raised full-year earnings guidance

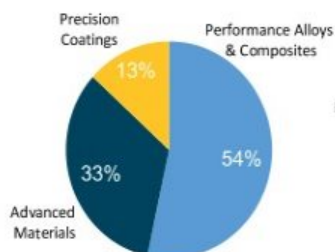
Materion Company Profile

Company Overview

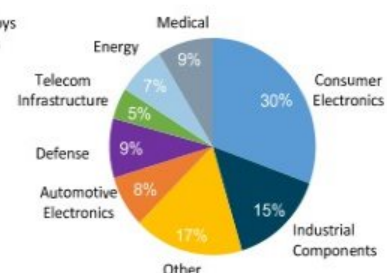
- **Materion is an integrated producer of high-performance advanced engineered materials**
 - Leading market position for specialty products across multiple end markets
 - Strong positions in growing markets with high barriers to entry
 - Only global vertically integrated producer of beryllium (Be) and Be alloys
- **New CEO hired in March 2017 with One Materion focus on building performance excellence in five main areas:**
 - Operational
 - Commercial
 - Innovation
 - Digital
 - Inorganic growth

Value-added (VA) Sales

2017 VA Sales¹ by Segment



2017 VA Sales¹ by End Market



¹ Non-GAAP, excludes pass-through metal costs and special items. Refer to the Appendix for additional detail.

Key Facts

Share Statistics as of 06/29/2018

Trading Symbol	MTRN
Stock Price	\$54.15
Shares O/S	20.2M
52 wk Range	\$36.69 - \$57.20
3 Mo Avg Vol	105,960
Market Cap	\$1,094M
Enterprise Value	\$1,054M



Research coverage: KeyBanc, Jefferies, Sidoti, and Stonegate

Q2 2018 TTM Financial Information

Revenues	\$1,216M
Value-added sales ¹	\$724M
Adjusted EPS ¹	\$2.06
Adjusted EBITDA ¹	\$102M
Debt-to-capitalization ¹	<1%
Operating cash flow	\$97M
Dividend yield	~1%

¹ Non-GAAP, excludes pass-through metal costs and special items. Refer to the Appendix for additional detail.

Performance Alloys and Composites (PAC)

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

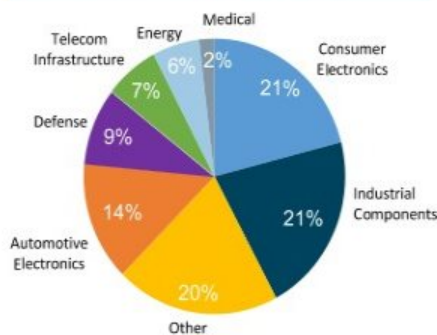
New application development

- 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

Beryllium market

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

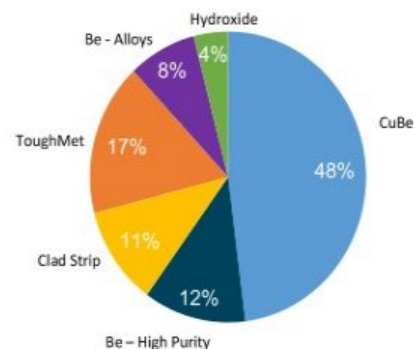
Value-added Sales by Market²



Geographic Mix²



Product Mix²



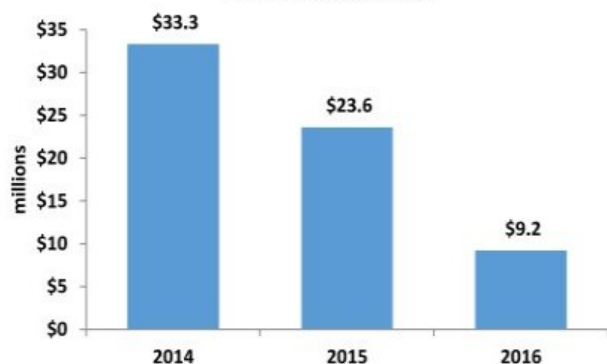
¹ Non-GAAP, excludes pass-through metal costs and special items. Refer to the Appendix for additional detail.

² Reflects 2017 mix by market, geography, and product

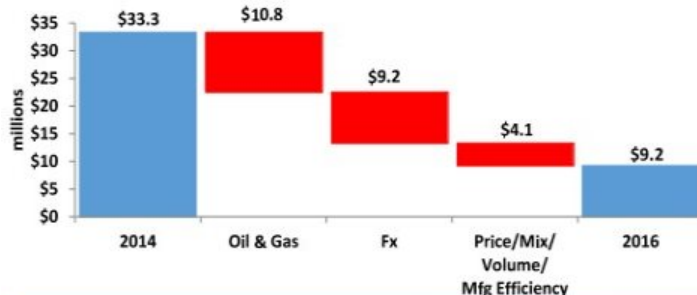
PAC Recovery Plan/Opportunity

How did we get here?

PAC Operating Profit¹



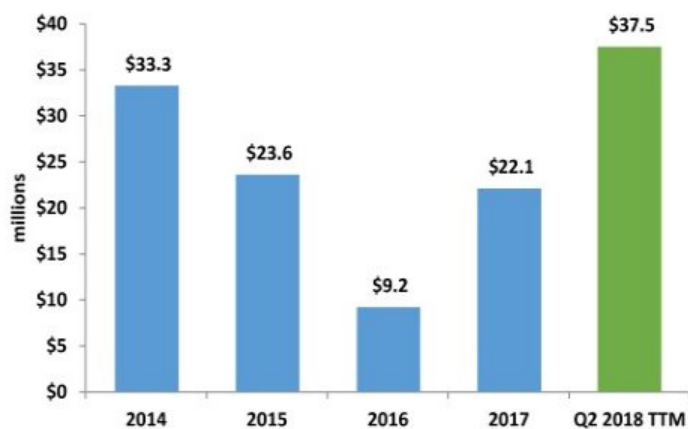
2014 – 2016 Bridge



Recovery Plan

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

PAC Operating Profit¹



Consistently return to historical profitability levels in 2018

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

Advanced Materials

Value-added Sales



Growth Drivers

Semiconductor

- \$400B market with strong growth outlook driven by macro consumer electronics and IoT trends
- Continue to expand organically in core PVD and packaging applications
- Expand into new technologies and chemistries

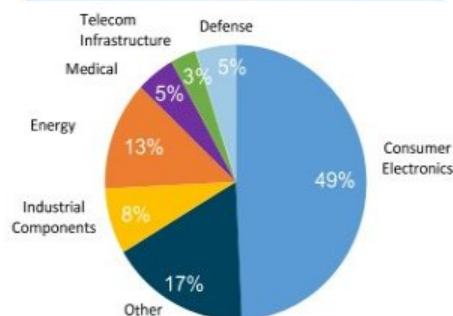
Application development and R&D

- Invest in application development laboratories
- Invest in additional innovation-based R&D capabilities to meet market demand for quick turn prototypes

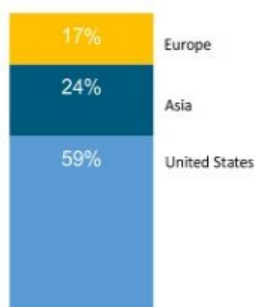
Develop functional areas that require attention to support growth

- Improve sales focus on high value customers by improving web-based solutions for small customers
- Reduce R&D cycle time to match the industry

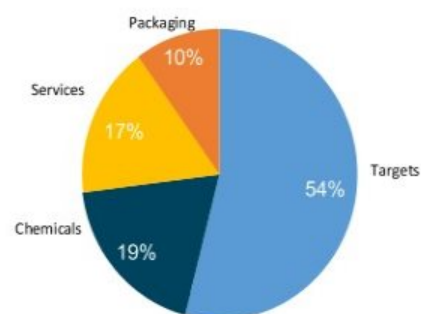
Value-added Sales by Market²



Geographic Mix²



Product Mix²



¹ Non-GAAP, excludes pass-through metal costs and special items. Refer to the Appendix for additional detail.

² Reflects 2017 mix by market, geography, and product

Precision Coatings

Value-added Sales



Growth Drivers

New product development

- Novel electrode alloys
- Wafer level thermal imaging coatings
- Enhanced phosphor wheels

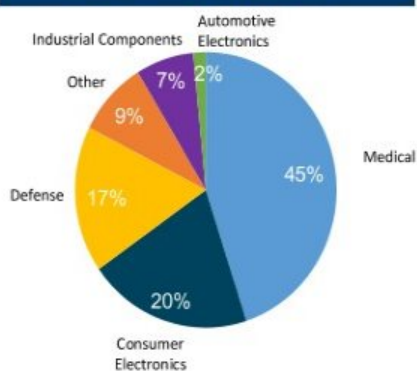
New market development

- New applications for medical sensing films
- Growing demand for optical filters in consumer electronics and automotive sensors

Expanded product and service offerings

- Gettering capabilities for wafer level processing
- Laser patterning
- Precision film slitting & sheeting
- Expand array product line

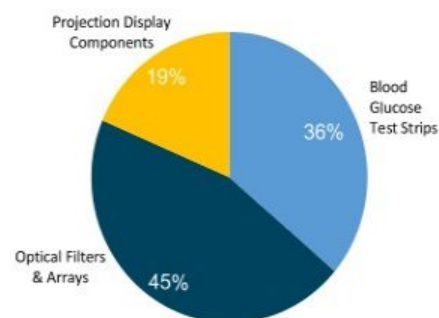
Value-added Sales by Market²



Geographic Mix²



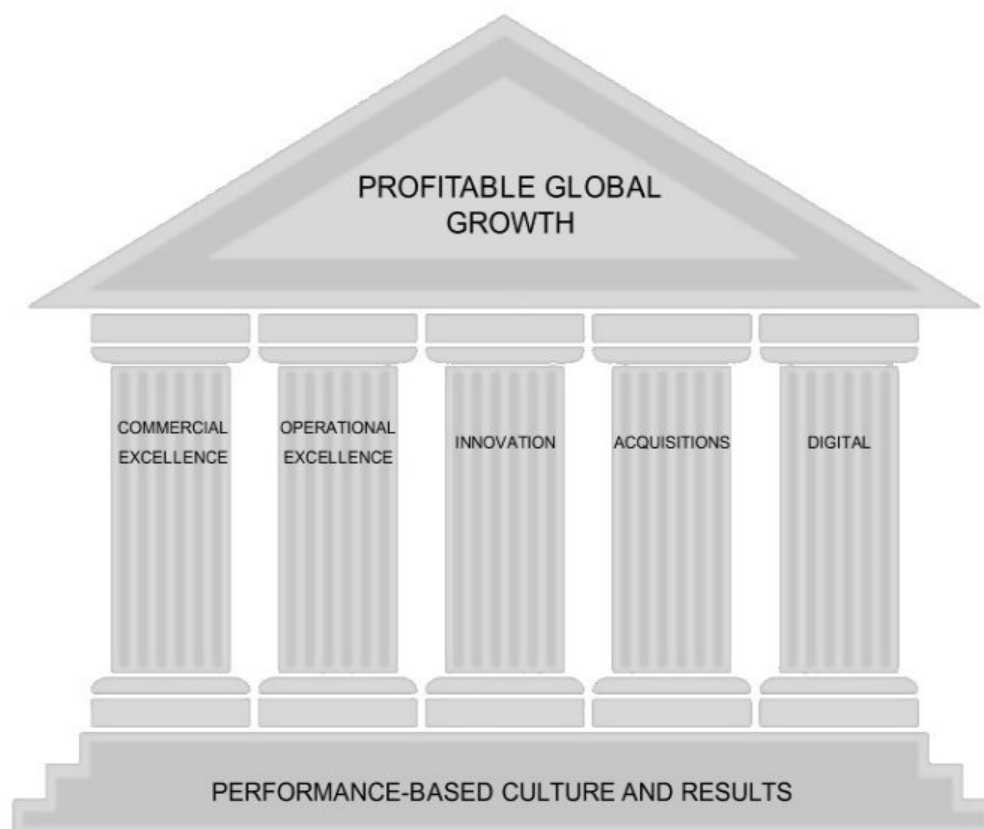
Product Mix²



¹ Non-GAAP, excludes pass-through metal costs and special items. Refer to the Appendix for additional detail.





² Reflects 2017 mix by market, geography, and product

► Consistently Deliver Profitable Growth



Deliver sustained double-digit EPS growth

Well-positioned with Leading Global Product Offering

	Product	External Segment	2017 % of Value-added Sales ¹	Expected Annual Growth Next 3-5 Years
	Leading supplier of beryllium-containing products	Performance Alloys & Composites	~39%	↑
	Leading supplier of high-purity precious metal for physical vapor deposition (PVD) market	Advanced Materials	~24%	↑
	Leading supplier of high-end optical coatings	Precision Coatings	~9%	↑
	Only supplier of unique copper-nickel-tin materials, ToughMet®	Performance Alloys & Composites	~9%	↑↑

↑ Single digit growth

↑↑ Double digit growth

¹ Non-GAAP, excludes pass-through metal costs. Refer to the Appendix for additional detail.

▶ Global Megatrends Play to Our Strengths

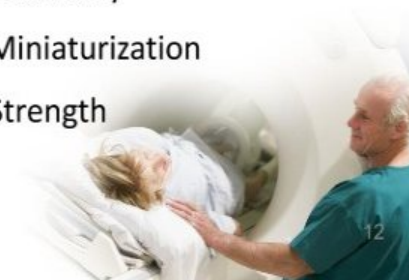
Key Trends

- 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
- ✓ Thermal management
- ✓ Lubricity
- ✓ Reliability
- ✓ Durability
- ✓ Miniaturization
- ✓ Strength



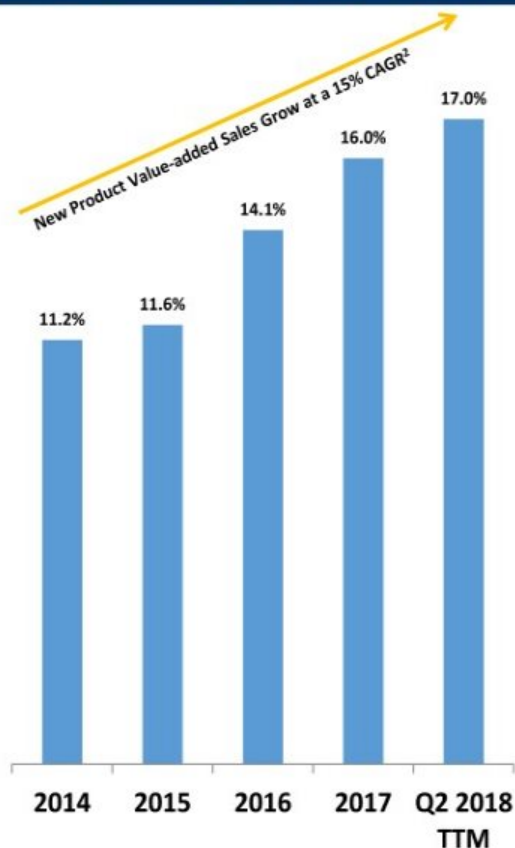
► Well-diversified Market Penetration

Market	2017 % of Value-added Sales ¹	Key Drivers
Consumer Electronics	30%	<ul style="list-style-type: none"> • Smart device growth • Sensing devices • Internet of Things (IoT)
Industrial Components	15%	<ul style="list-style-type: none"> • Heavy equipment builds • Plastic tooling • Fire protection (R and C construction)
Medical	9%	<ul style="list-style-type: none"> • Blood analysis test coating for medical diagnosis • Nuclear diagnostics equipment
Defense	9%	<ul style="list-style-type: none"> • Precision-guided munitions • Structural and electronic components for satellites, combat vehicles, and military aircraft
Automotive Electronics	8%	<ul style="list-style-type: none"> • Electronic systems and engine control • Increasing emissions standards
Energy	7%	<ul style="list-style-type: none"> • Deep sea drilling and completion • Directional drilling • Solar, batteries, and smart grid devices
Telecom Infrastructure	5%	<ul style="list-style-type: none"> • 4G completion/5G rollout • Undersea repeater housings
Total	<u>83%</u>	

¹ Non-GAAP, excludes pass-through metal costs. Refer to the Appendix for additional detail.

Innovation Leading to Organic Growth

New Product Value-added Sales¹ as % of Total



¹ Non-GAAP, excludes pass-through metal costs. Refer to the Appendix for additional detail.

² CAGR calculated from 2014 – 2017

Noteworthy New Products Offerings

Phosphor Wheel

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



Aluminum/Scandium Targets

- New mobile applications in MEMS devices, including speakers in phone
- Offers superior performance to alternative materials



eStainless[®]

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



ToughMet[®] Bushings

- Copper-nickel-tin alloy that resists mechanical wear, thread damage, corrosion, and erosion
- Minimizes weight & maintenance cost

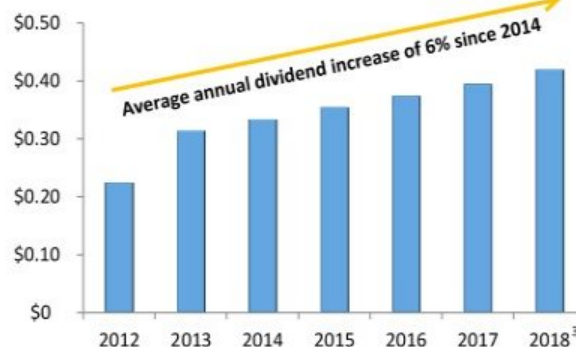


Cash Flow and Working Capital Efficiency Focus

Cash Flow from Operations
(\$ in millions)



Dividends per share



Improve Working Capital⁴ Efficiency

Working capital % of net sales



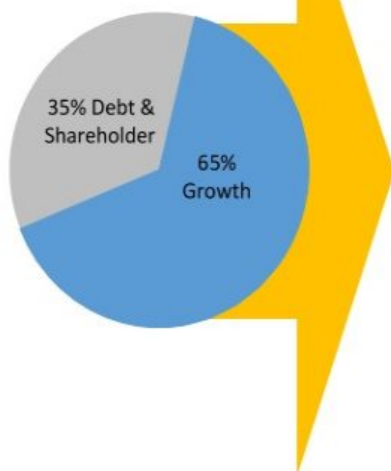
¹ Free Cash Flow calculated as cash flow from operations less capital expenditures

² Capital Expenditures includes mine development costs

³ Annualized basis from dividend increase announced May 2, 2018

⁴ 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 (\$16M remaining)
- Dividends – increased 5% in 2018



Organic Growth

- Invest in facilities and productivity projects
- Invest in new products



Inorganic Growth

- Complimentary products/technologies
- Maintain financial discipline



► Materion Investment Thesis

- Clearly defined strategy and execution led by new management team
- Differentiated product portfolio aligned with global megatrends to accelerate future growth
- Driving significant improvement in profitability and cash flow growth
 - Consistently delivering profitable growth
 - Six consecutive quarters of year-over-year VA sales and OP growth

▶ 2018 Forecasted Financial Guidance

▶ Full-year guidance

- ▶ Adjusted EPS of \$2.00 - \$2.15
- ▶ Capex ~ \$30M - \$35M
- ▶ Mine development capital expenditures \$5M - \$10M
- ▶ Depreciation and amortization expense of \$35M - \$40M
- ▶ Effective tax rate excluding special items 16% – 18%



Appendix



Materion: Making Advanced Materials That Improve the World



% of Value-added Sales¹ 2017

¹ Non-GAAP, excludes pass-through metal costs. Refer to the Appendix for additional detail.

► Beryllium Market Supply Opportunity

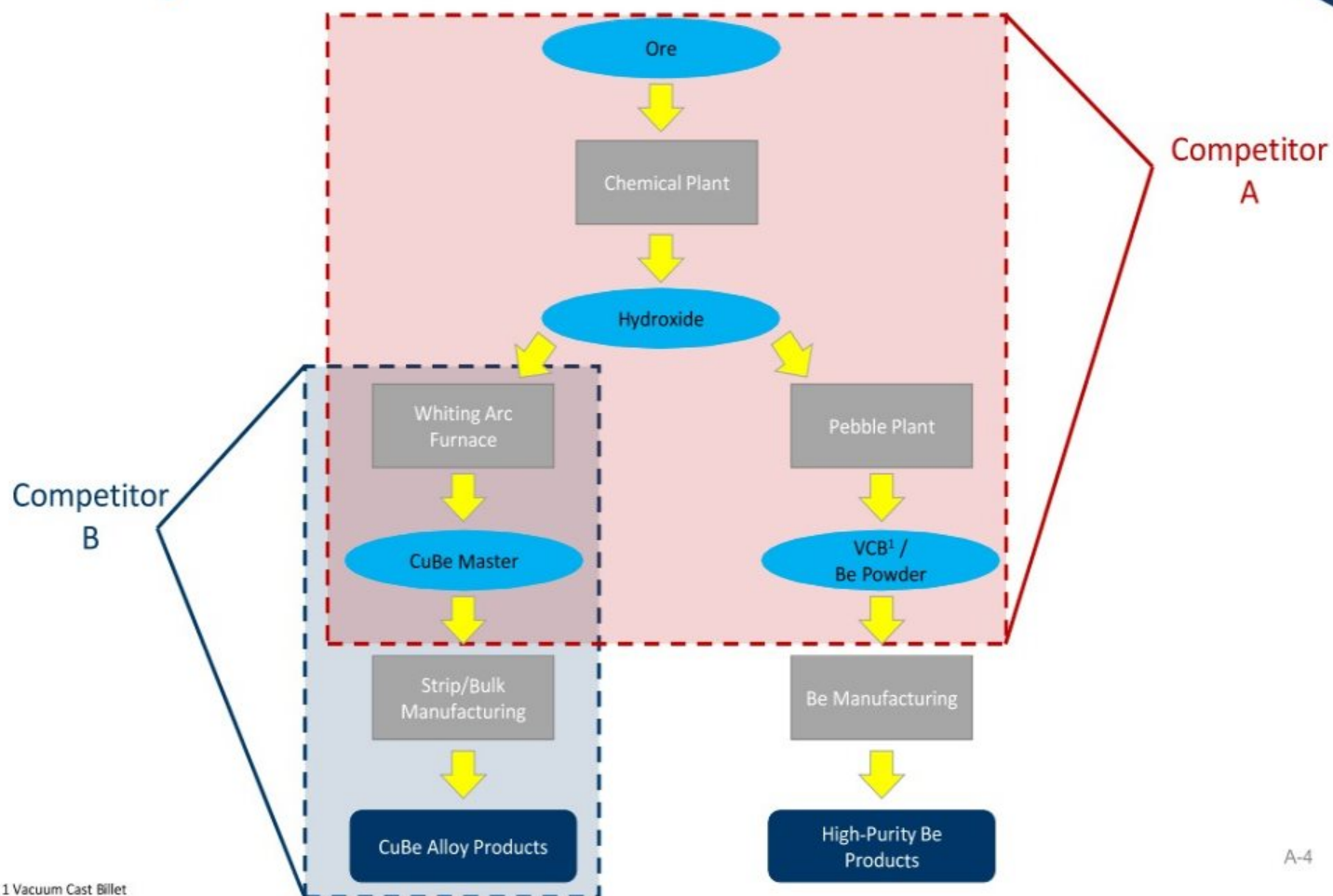
Materion – leading position in beryllium market

- 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
- Global stockpiled sources depleting
- Only significant commercially active bertrandite ore mine



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

World's Only Vertically Integrated Beryllium Producer





Financial Information



MATERION

Reconciliation for Value-added Sales

\$ in millions

	Q2 2018	Q1 2018	Q2 2018 TTM	2017	2016	2015	2014
Net Sales							
Performance Alloys and Composites	\$ 129.7	\$ 118.3	\$ 476.4	\$ 429.5	\$ 387.5	\$ 394.8	\$ 433.3
Advanced Materials	150.4	153.5	622.9	590.8	437.2	482.3	547.3
Precision Coatings	29.0	31.7	116.3	119.2	144.5	148.4	147.7
Other	-	-	-	-	-	(0.2)	(1.4)
Total	\$ 309.1	\$ 303.5	\$ 1,215.6	\$ 1,139.5	\$ 969.2	\$ 1,025.3	\$ 1,126.9
Less: pass-through metal costs							
Performance Alloys and Composites	\$ 19.6	\$ 18.0	\$ 74.4	\$ 66.0	\$ 55.5	\$ 59.7	\$ 74.8
Advanced Materials	93.1	95.2	388.6	362.8	260.9	299.5	366.3
Precision Coatings	5.6	8.1	24.5	28.5	46.8	46.6	45.3
Other	0.9	0.9	4.3	4.5	6.1	2.3	3.4
Total	\$ 119.2	\$ 122.2	\$ 491.8	\$ 461.8	\$ 369.3	\$ 408.1	\$ 489.8
Value-added sales							
Performance Alloys and Composites	\$ 110.1	\$ 100.3	\$ 402.0	\$ 363.5	\$ 332.0	\$ 335.1	\$ 358.5
Advanced Materials	57.3	58.3	234.3	228.0	176.3	182.8	181.0
Precision Coatings	23.4	23.6	91.8	90.7	97.7	101.8	102.4
Other	(0.9)	(0.9)	(4.3)	(4.5)	(6.1)	(2.5)	(4.8)
Total	\$ 189.9	\$ 181.3	\$ 723.8	\$ 677.7	\$ 599.9	\$ 617.2	\$ 637.1

Value-added sales is a non-GAAP financial 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>Q2 2018</u>	<u>Q1 2018</u>	<u>Q2 2018 TTM</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
GAAP As Reported							
Operating Profit	\$ 15.2	\$ 13.3	\$ 54.8	\$ 40.1	\$ 27.1	\$ 45.3	\$ 57.6
Net Income	11.1	10.6	22.8	11.5	25.7	32.2	42.1
Weighted average diluted shares outstanding	20.593	20.574	20.593	20.415	20.213	20.402	20.852
EPS - Diluted	0.54	0.51	1.11	0.56	1.27	1.58	2.02
Operating Profit Special Items							
Cost reductions	\$ -	\$ -	\$ (0.7)	\$ 0.7	\$ 2.6	\$ 1.9	\$ (1.6)
Legacy legal & environmental costs (benefits)	-	0.7	1.0	0.5	1.4	(1.4)	(6.9)
CEO transition	-	-	1.5	4.1	-	-	-
Acquisition costs	-	-	-	2.1	3.9	-	-
Total operating profit special items	\$ -	\$ 0.7	\$ 1.8	\$ 7.4	\$ 7.9	\$ 0.5	\$ (8.5)
Operating Profit Special Items - net of tax	\$ -	\$ 0.6	\$ 1.3	\$ 4.8	\$ 5.1	\$ 0.3	\$ (5.6)
Tax Special Item	\$ -	\$ (0.6)	\$ 18.3	\$ 18.9	\$ (4.2)	\$ 0.2	\$ (1.8)
Non-GAAP Measures - Adjusted Profitability							
Operating Profit	\$ 15.2	\$ 14.0	\$ 56.7	\$ 47.5	\$ 35.0	\$ 45.8	\$ 49.1
Net Income	11.1	10.6	42.4	35.2	26.6	32.7	34.7
EPS - Diluted	0.54	0.51	2.06	1.72	1.32	1.60	1.67

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, CEO transition 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 operations. 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-7

Other Non-GAAP Items

\$ in millions

	Q2 2018 TTM	2017	2016	2015	2014
Operating Profit	\$ 54.8	\$ 40.1	\$ 27.1	\$ 45.3	\$ 57.6
Special Items	1.8	7.4	7.9	0.5	(8.5)
Adjusted Operating Profit	\$ 56.6	\$ 47.5	\$ 35.0	\$ 45.8	\$ 49.1
Depreciation, depletion, and amortization	40.4	42.8	45.7	37.8	42.7
Mine Amortization (included above)	3.7	5.7	9.9	2.7	7.6
5-Year Average	5.2	5.2	5.2	5.2	5.2
Normalized Mine Amortization Adjustment	\$ 1.5	\$ (0.5)	\$ (4.7)	\$ 2.5	\$ (2.5)
Non Cash Stock-Based Compensation	3.7	5.0	3.2	5.5	4.8
Adjusted EBITDA	\$ 102.2	\$ 94.8	\$ 79.2	\$ 91.6	\$ 94.2
Total Debt	\$ 3.3	\$ 3.8	\$ 4.6	\$ 13.6	\$ 24.3
Less: Cash & Cash Equivalents	42.9	41.8	31.5	24.2	13.1
Net Debt (Cash)	\$ (39.6)	\$ (38.0)	\$ (26.9)	\$ (10.6)	\$ 11.2
Total Shareholders' Equity	\$ 515.7	\$ 495.0	\$ 494.1	\$ 483.0	\$ 459.0
Debt-to-Capitalization	1%	1%	1%	3%	5%

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, CEO transition costs, merger and acquisition costs, and certain income tax items to our operating profit. Due to the variability of annual mine amortization related to the timing of pit openings, amortization is adjusted for a normalized mine amortization based on a 5-year average. Internally, management reviews the results of operations without the impact of these costs and adjustments 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 financial 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)																	
	2015					2016					2017 ²					2018	
	Q1	Q2	Q3	Q4	2015	Q1	Q2	Q3	Q4	2016	Q1	Q2	Q3	Q4	2017	Q1	Q2
Sales																	
PAC	\$ 103.3	\$ 107.7	\$ 93.6	\$ 90.3	\$ 394.8	\$ 90.6	\$ 97.7	\$ 103.7	\$ 95.5	\$ 387.5	\$ 92.6	\$ 108.5	\$ 109.4	\$ 119.0	\$ 429.5	\$ 118.3	\$ 129.7
AM	149.9	131.4	113.6	87.4	482.3	108.1	113.6	107.2	108.3	437.2	114.7	157.1	157.8	161.2	590.8	153.5	150.4
PC	36.6	38.3	37.2	36.4	148.4	36.8	38.5	38.7	30.5	144.5	33.4	30.2	27.1	28.5	119.2	31.7	29.0
Other	0.2	(0.5)	-	-	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated MTRN	290.0	276.9	244.4	214.0	1,025.3	235.5	249.8	249.6	234.3	969.2	240.7	295.8	294.3	308.7	1,139.5	303.5	309.1
VA																	
PAC	85.6	91.5	79.6	78.4	335.1	78.2	83.4	87.2	83.2	332.0	79.2	92.7	90.6	101.0	363.5	100.3	110.1
AM	51.7	46.7	44.5	39.8	182.8	42.1	47.0	46.0	41.2	176.3	47.3	62.0	60.4	58.3	228.0	58.3	57.3
PC	24.6	25.2	25.7	26.4	101.8	24.6	25.1	25.8	22.2	97.7	23.3	22.6	21.9	22.9	90.7	23.6	23.4
Other	0.7	(1.0)	(1.0)	(1.2)	(2.5)	(1.0)	(1.6)	(2.0)	(1.5)	(6.1)	(0.8)	(1.2)	(1.5)	(1.0)	(4.5)	(0.9)	(0.9)
Consolidated MTRN	162.6	162.4	148.8	143.4	617.2	143.9	153.9	157.0	145.1	599.9	149.0	176.1	171.4	181.2	677.7	181.3	189.9
Gross Margin																	
PAC	23.1	25.5	18.0	17.9	84.6	17.7	16.3	20.6	19.0	73.6	16.3	22.8	23.6	27.0	89.7	27.8	31.1
AM	20.7	18.8	17.1	15.5	72.1	15.8	19.1	20.0	16.7	71.6	18.4	23.3	24.4	22.4	88.5	20.8	21.3
PC	8.3	7.5	9.2	9.1	34.1	10.0	9.5	10.7	7.6	37.8	8.3	8.9	7.4	9.1	33.7	10.0	9.1
Other	0.3	(0.5)	(0.3)	0.6	-	(0.1)	0.4	(0.5)	0.8	0.5	0.2	(0.2)	0.1	0.5	0.6	(0.3)	0.3
Consolidated MTRN	52.4	51.3	44.0	43.1	190.8	43.4	45.3	50.8	44.1	183.5	43.2	54.8	55.5	59.0	212.5	58.3	61.8
Gross Margin as a % of VA																	
PAC	27%	28%	23%	23%	25%	23%	20%	24%	23%	22%	21%	25%	26%	27%	25%	28%	28%
AM	40%	40%	38%	39%	39%	38%	41%	43%	41%	41%	39%	38%	40%	38%	39%	36%	37%
PC	34%	30%	36%	34%	33%	41%	38%	41%	34%	39%	36%	39%	34%	40%	37%	42%	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	N/M	N/M
Consolidated MTRN	32%	32%	30%	30%	31%	30%	29%	32%	30%	31%	29%	31%	32%	33%	31%	32%	33%
Operating Profit ¹																	
PAC	6.8	9.3	4.5	2.9	23.6	1.5	0.2	4.4	0.5	6.6	0.2	5.5	6.8	9.5	22.0	9.9	12.3
AM	8.9	7.4	7.0	4.5	27.8	5.2	7.3	8.3	5.5	26.3	6.4	8.7	9.8	7.9	32.8	5.9	5.6
PC	1.7	0.6	2.3	3.0	7.5	4.1	2.3	3.4	1.8	11.6	2.2	2.3	1.6	2.3	8.4	3.4	2.2
Other	(4.2)	(4.2)	(2.9)	(2.3)	(13.6)	(3.3)	(4.0)	(5.9)	(4.2)	(17.4)	(5.1)	(6.4)	(6.2)	(5.4)	(23.1)	(5.9)	(4.9)
Consolidated MTRN	13.2	13.1	10.9	8.1	45.3	7.5	5.8	10.2	3.6	27.1	3.7	10.1	12.0	14.3	40.1	13.3	15.2
Special Items - OP																	
PAC	-	-	-	-	-	-	-	-	2.6	2.6	0.5	0.6	0.2	(1.3)	0.1	-	-
AM	-	-	-	-	-	-	-	-	-	-	1.0	0.3	-	-	1.3	-	-
PC	-	-	1.3	0.1	1.4	-	-	-	-	-	-	-	0.4	-	0.4	-	-
Other	(2.1)	-	0.5	0.7	(0.9)	-	2.3	2.0	1.0	5.3	2.8	1.0	0.8	1.0	5.6	0.7	-
Consolidated MTRN	(2.1)	-	1.8	0.8	0.5	-	2.3	2.0	3.6	7.9	4.3	1.9	1.4	(0.3)	7.4	0.7	-
Operating Profit ex Spec Items ¹																	
PAC	6.8	9.3	4.5	2.9	23.6	1.5	0.2	4.4	3.1	9.2	0.7	6.0	7.0	8.3	22.1	9.9	12.3
AM	8.9	7.4	7.0	4.5	27.8	5.2	7.3	8.3	5.5	26.3	7.4	9.0	9.8	7.9	34.1	5.9	5.6
PC	1.7	0.6	3.6	3.1	8.9	4.1	2.3	3.4	1.8	11.6	2.2	2.3	2.1	2.3	8.8	3.4	2.2
Other	(6.3)	(4.2)	(2.4)	(1.6)	(14.5)	(3.3)	(1.7)	(3.9)	(3.2)	(12.1)	(2.3)	(5.4)	(5.4)	(4.4)	(17.5)	(5.2)	(4.9)
Consolidated MTRN	11.1	13.1	12.7	8.9	45.8	7.5	8.1	12.2	7.2	35.0	8.0	11.9	13.5	14.0	47.5	14.0	15.2
OP ex Spec Items as a % of VA																	
PAC	7.9%	10.2%	5.7%	3.7%	7.0%	1.9%	0.2%	5.0%	3.7%	2.8%	0.9%	6.5%	7.7%	8.2%	6.1%	9.9%	11.2%
AM	17.2%	15.8%	15.7%	11.3%	15.2%	12.4%	15.5%	18.0%	13.3%	14.9%	15.6%	14.5%	16.2%	13.5%	14.9%	10.1%	9.8%
PC	6.9%	2.4%	14.0%	11.7%	8.7%	16.7%	9.2%	13.2%	8.1%	11.9%	9.4%	10.2%	9.5%	9.8%	9.7%	14.4%	9.5%
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	N/M	N/M
Consolidated MTRN	6.8%	8.1%	8.5%	6.2%	7.4%	5.2%	5.3%	7.8%	5.0%	5.8%	5.4%	6.8%	7.9%	7.7%	7.0%	7.7%	8.0%

¹ Internally, management reviews the results of operations without the impact of special one-time costs in order to assess the profitability from ongoing operations. Refer to the note on page A-8 for a full reconciliation of adjusted earnings.

² Results retroactively adjusted to reflect impact of new pension guidance effective January 1, 2018.



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