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

Form 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported):

November 9, 2015

Materion Corporation

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(Exact name of registrant as specified in its charter)

Ohio

001-15885

34-1919973

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(State or other jurisdiction of  
incorporation)

---

(Commission  
File Number)

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(I.R.S. Employer  
Identification No.)

6070 Parkland Blvd., Mayfield Hts., Ohio

44124

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(Address of principal executive offices)

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(Zip Code)

Registrant's telephone number, including area code:

216-486-4200

Not Applicable

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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))
-

**Item 7.01 Regulation FD Disclosure.**

On November 9, 2015, 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.*

**Exhibit Number****Description of Exhibit**

99.1

November 2015 Investor Presentation

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## 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

November 9, 2015

By: /s/ Michael C. Hasychak  
Michael C. Hasychak  
Vice President, Treasurer and Secretary



Exhibit 99.1



**MATERION**

# Investor Presentation

November 2015

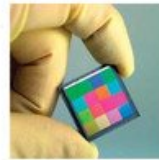
# Forward-looking Statements

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.

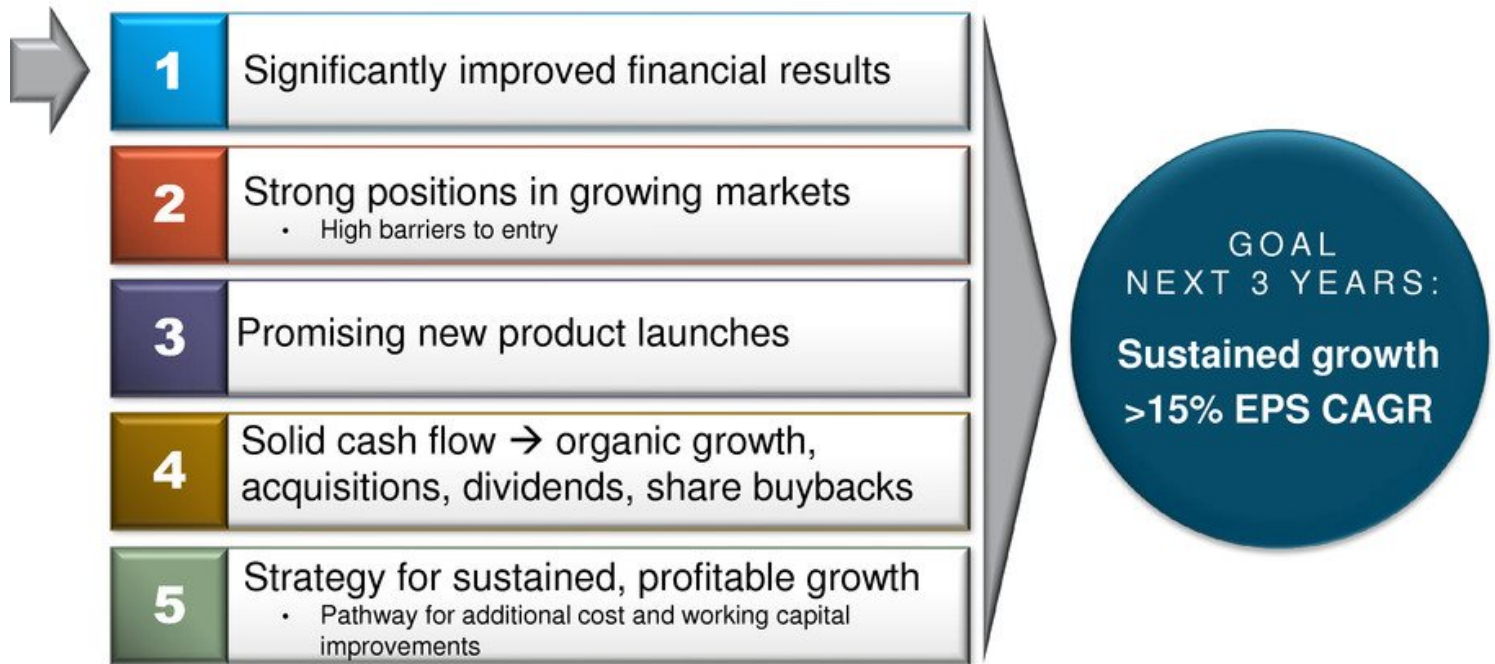
The Company does not undertake and specifically declines any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or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

## Making advanced materials that improve the world



# Why Invest in Materion?





# Materion at a Glance

	2014
Revenues	\$1.13B
Value-added sales	\$637.1M
Adjusted EPS <sup>(1)</sup>	\$1.65
Market cap @ 12/31/14	\$ 708M
Debt-to-capitalization	5%
Operating cash flow	\$60M
Dividend yield	~1%
EV @ 12/31/14 / Adjusted EBITDA <sup>(1)</sup>	8.0

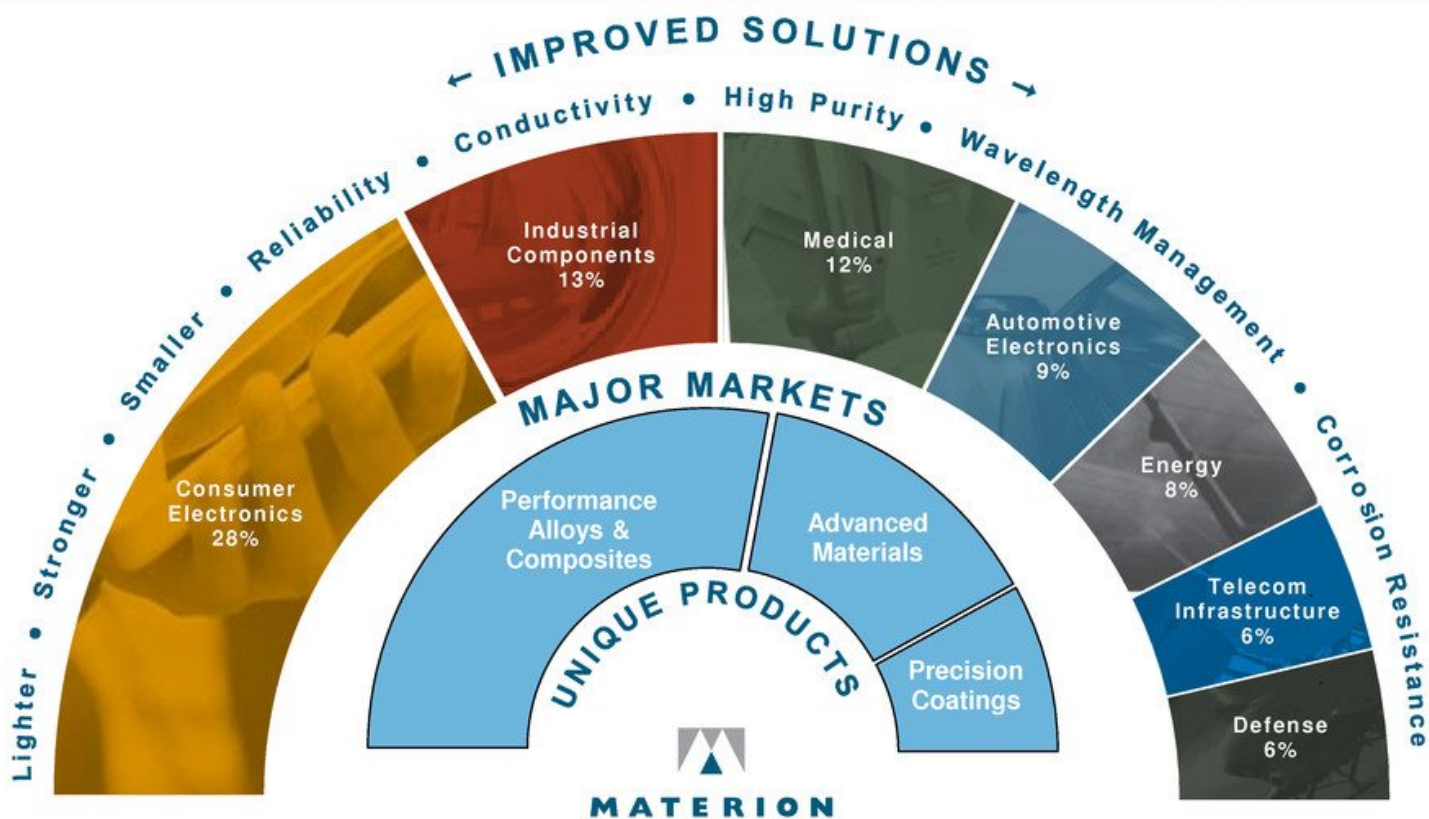


(1) Non-GAAP, excludes special items



WHAT WE DO

# Materion: Mission Critical Advanced Materials



**A Balanced Portfolio**  
2014

# Entering a Phase of Renewed Profitable Growth

2002

Transformation:  
Growth in new markets  
and technologies



2012 / 2013

Consolidation  
and product  
rationalization




Today

Sharpened execution,  
renewed profitable  
growth



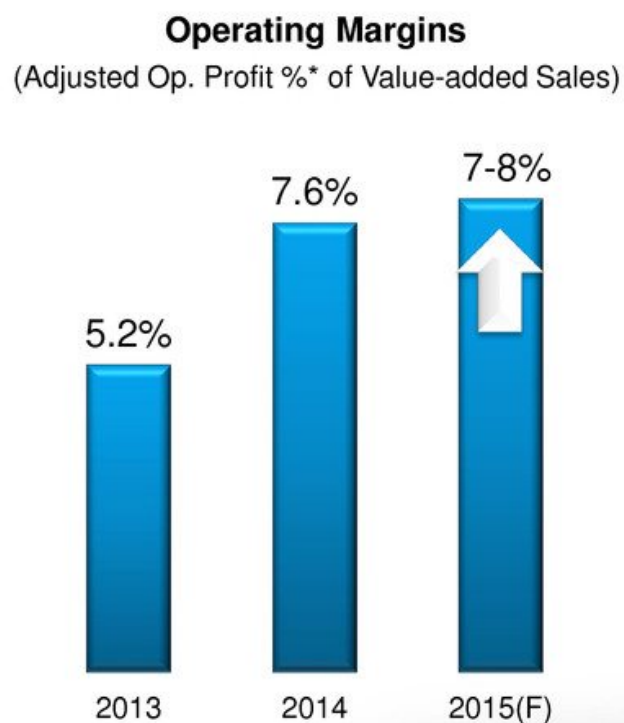
# Materion: The Transformation

Faster growth – Higher margins – Stronger balance sheet

			
GDP growth	→	Multiples of GDP	
Limited markets	→	Broader market opportunities	
Low margin	→	Higher margin	
High infrastructure	→	Efficient infrastructure	
High fixed and working capital	→	Lower capital intensity	
Slow cash to cash cycle	→	Faster cash cycle	



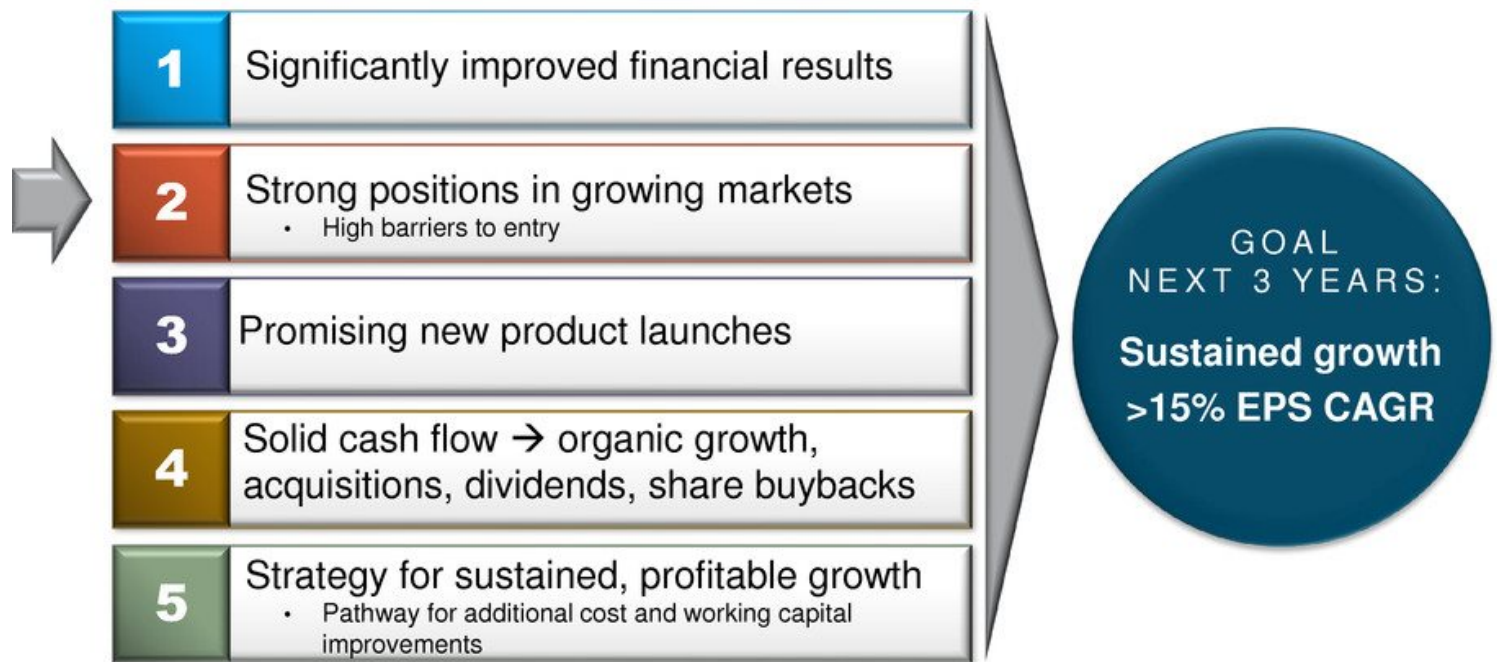
# Clear Evidence Materion is on Track



\* Adjusted EPS and operating profit percent of value-added sales are non-GAAP results which exclude non-recurring costs in 2013 of \$0.16 per share and non-recurring gains of \$0.35 per share in 2014



# Why Invest in Materion?





# Secular Market Trends 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 O&G 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



# Well-positioned with Leading Global Product Offering

## Key Differentiated Products

	Product	2014 Percent of Value-added Sales	Expected Annual Growth Next 3-5 Years
	Leading supplier of beryllium-containing products	~42%	↑
	Leading supplier of high-purity precious metal for PVD market	~20%	↑
	Only supplier of unique copper-nickel-tin materials, ToughMet®	~7%	↑↑
	Leading supplier of high-end optical coatings	~10%	↑↑
	Leading supplier of specialty coating test strips for medical diagnosis	~6%	↑↑



Single digit growth



Double digit growth



# Evolving Potential from Beryllium Supply Shortage

## **Materion – leading position in beryllium market**

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

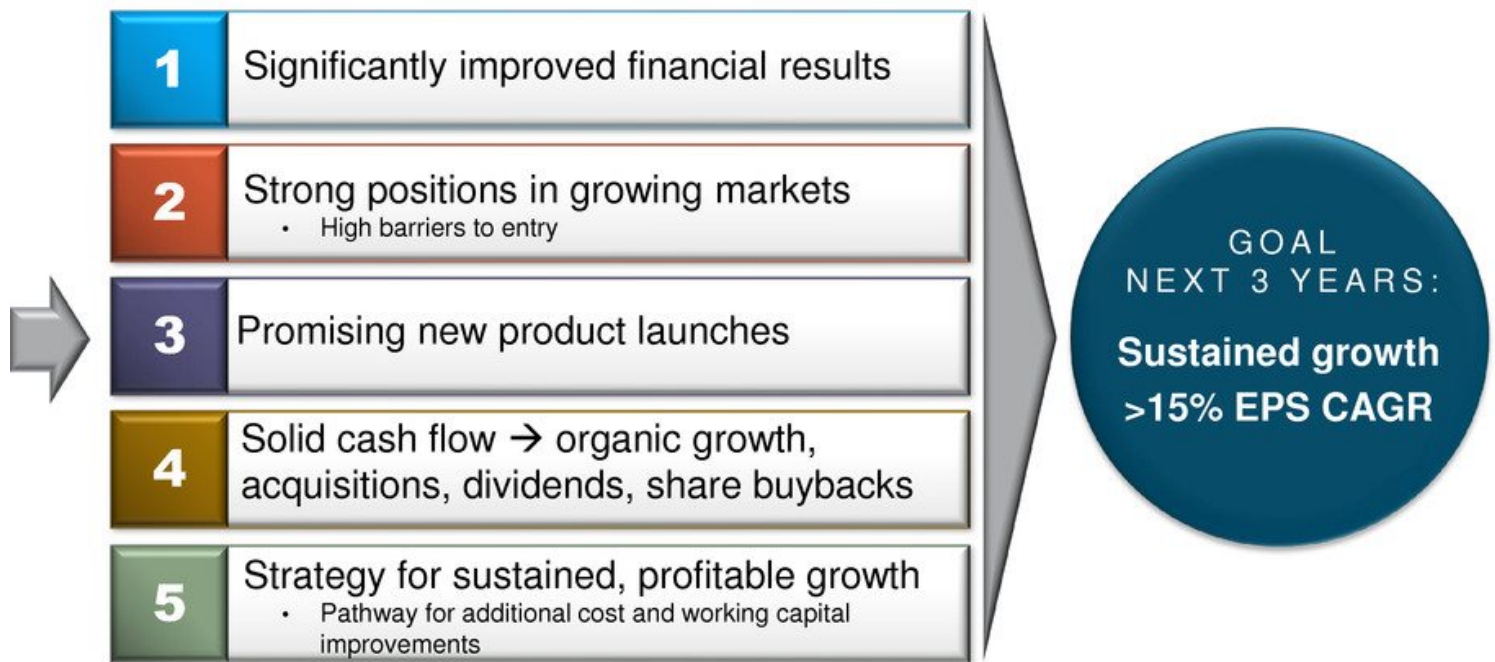


## **Signs of shortage ahead**

- Global sources depleting

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

# Why Invest in Materion?



# Wide Range of Strategic Investments...

**New Wafer Coating Facility**



**ISO Class 5 for Semiconductor Cleanroom**



**Increased Capacity LED Phosphor**



**ToughMet® Capacity Expansion**



**Expanded Beryllium Hydroxide Capacity**



**Singapore Expansion**



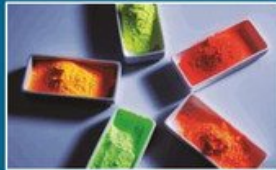
# ... Driving Record Number of New Product Launches

## Examples of New Products

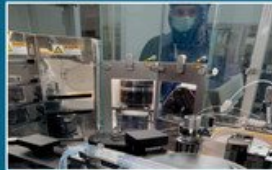
Gesture Controls



LED Phosphorous



Wafer Level Processing



ToughMet®  
Oil & Gas



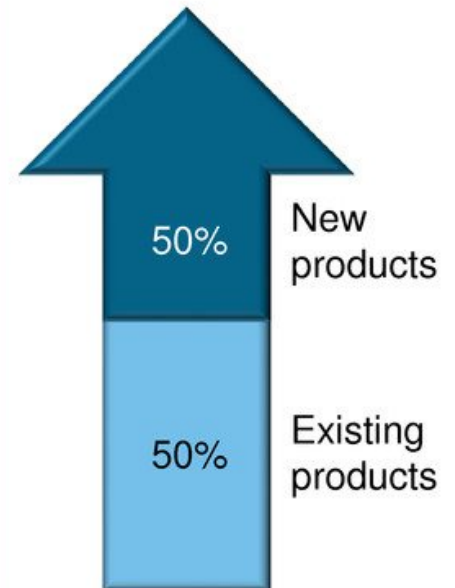
Bulk Metallic Glass  
(Liquidmetal)



Dovetail Connectors



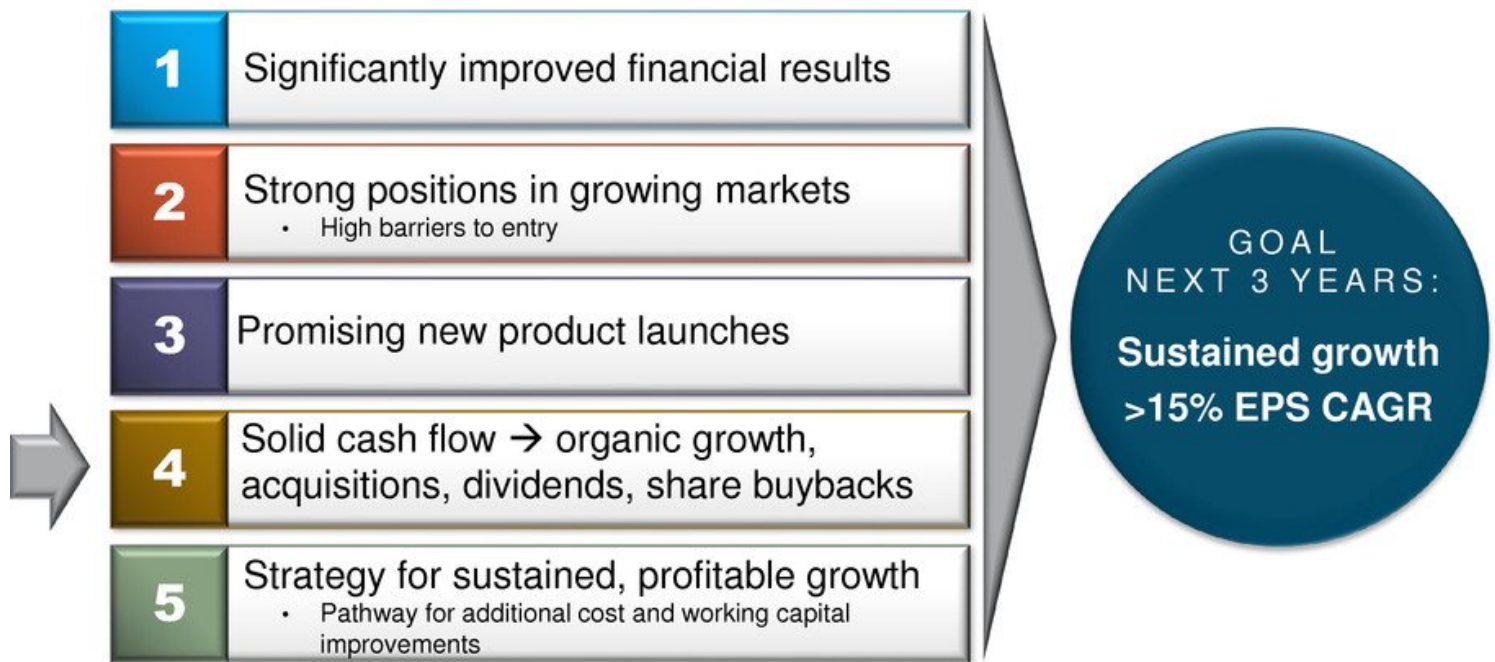
## Sales Growth



Sales from new products were 11% of total value-added sales for 2014



# Why Invest in Materion?



# Continue to Improve Fixed and Working Capital Efficiency

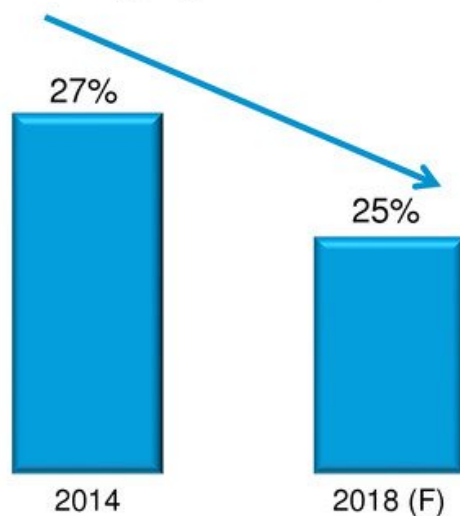
## Lean Sigma

- Cycle time reduction
- Yield improvement
- On-time shipments



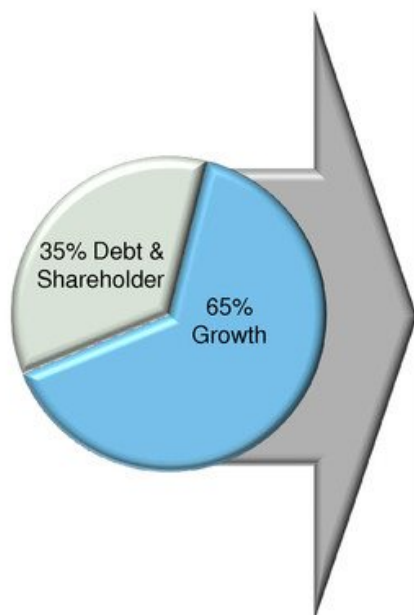
## Improve Working Capital Efficiency

Working capital % of net sales



**A 500 basis point reduction in working capital as a % of sales = \$60M cash**

# Disciplined Capital Deployment Going Forward



## Return Cash to Shareholders

- Share repurchase - \$50M authorization
- Dividends – increased 6% in 2015



## Capex Below Depreciation

- Invest in facilities
- Invest in new products



## Growth

- Organic
- Selective bolt-on acquisitions





# Why Invest in Materion?

**1** Significantly improved financial results

**2** Strong positions in growing markets

- High barriers to entry

**3** Promising new product launches

**4** Solid cash flow → organic growth, acquisitions, dividends, share buybacks

**5** Strategy for sustained, profitable growth

- Pathway for additional cost and working capital improvements

GOAL  
NEXT 3 YEARS:

**Sustained growth  
>15% EPS CAGR**

# Financial Goals Next 3 Years

	2014	2016 - 2018
Value-added sales growth	4.6%	5% –10% annually
Value-added sales	\$637.1M	\$740M - \$850M
Margins (adjusted OP % VA)	7.6% <sup>(1)</sup>	9% –11%
Adjusted ROIC	7.3% <sup>(1)</sup>	>2% over cost of capital
Operating Cash Flow	\$60M	>\$50M
Working capital % sales	27%	<25%
Debt-to-capitalization	5%	<30%
Acquisition Investment	N/A	\$50M – \$100M annually
EPS	\$1.65 <sup>(1)</sup>	>\$3.00 <sup>(2)</sup>



**MATERION**

(1) Non-GAAP, excludes non-recurring items

(2) Includes bolt-on acquisitions



# Continuing to Execute Three Point Strategy

## Creating Shareholder Value

1

### Grow and Diversify Revenue

- New products
- Asia expansion
- Strategic acquisitions



2

### Expand Margins

- Higher margin products
- Cost reductions
- Disciplined pricing



3

### Improve Capital Utilization

- Lean sigma
- Improve working capital efficiency





**MATERION**

## Appendix

# Higher Operating Margin Targets

## Removing High Value Metals Clarifies Margins 3 Year Target

	GAAP Margin	Value-added Margin
Gross Profit	18% – 20%	34% – 36%
Operating Profit	4% – 7%	9% – 11%





# Top Key Markets Over 80% of Sales

Market	Q3 2015 % of Value-added Sales	Macro Trends	Key Drivers
Consumer Electronics	26%	↗	<ul style="list-style-type: none"> <li>• Smart device growth</li> <li>• Gesture control</li> </ul>
Industrial Components	17%	↗	<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	12%	↗	<ul style="list-style-type: none"> <li>• Blood analysis test coating for medical diagnosis</li> <li>• Nuclear diagnostics equipment</li> </ul>
Automotive Electronics	9%	↗	<ul style="list-style-type: none"> <li>• Increasing global car production</li> <li>• Electronic systems and engine control</li> </ul>
Defense	9%	↗	<ul style="list-style-type: none"> <li>• Night vision system optics</li> <li>• Structural and electronic components for satellites</li> </ul>
Telecom Infrastructure	6%	↘	<ul style="list-style-type: none"> <li>• Undersea repeater housings</li> <li>• Shielding, modular jacks, PCB and processor sockets for local area networks</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>

# Strong Cash Flow and Balance Sheet

## Cash Flow

2014 operating  
cash flow

**\$60M**

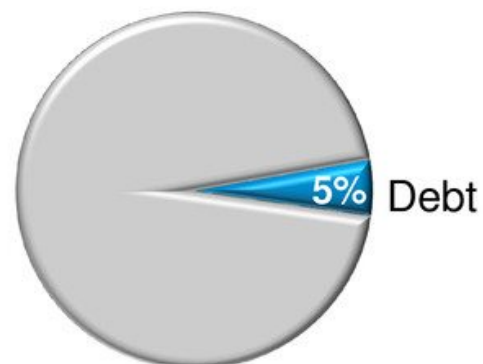
Average operating cash  
flow last 5 years

**>\$50M**

## Balance Sheet

2014

Total Capitalization





# A Strong Record of Synergistic Acquisitions

Acquisitions 2005-2012	Impact	
	Add complementary products / technology	Expand market position
OMC – shield kit cleaning – 2005	✓	✓
CERAC – inorganic chemicals – 2006	✓	✓
Techni-Met – thin film coatings – 2008	✓	✓
Barr – thin film coatings – 2009	✓	✓
Academy – precious metals – 2010	✓	✓
EIS Optics – thin film coatings – 2011	✓	✓
AMC – metal matrix composites – 2012	✓	✓

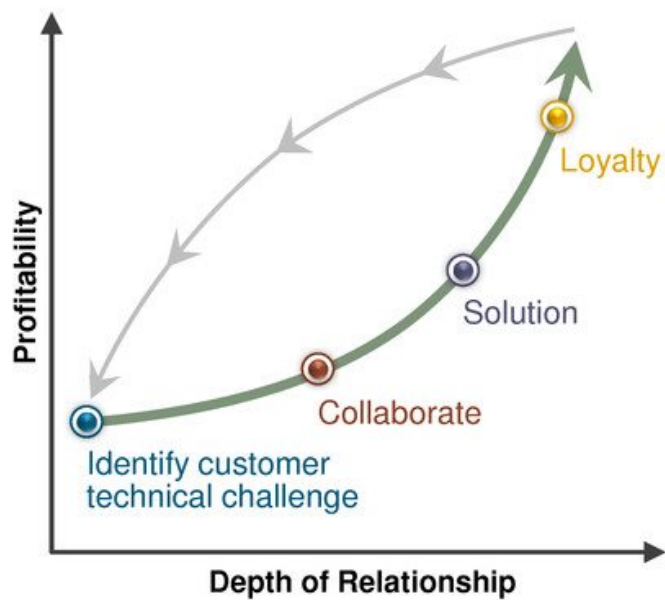


# High Value-added Business Model



# Building Lasting Customer Relationships

## Our Customer Model



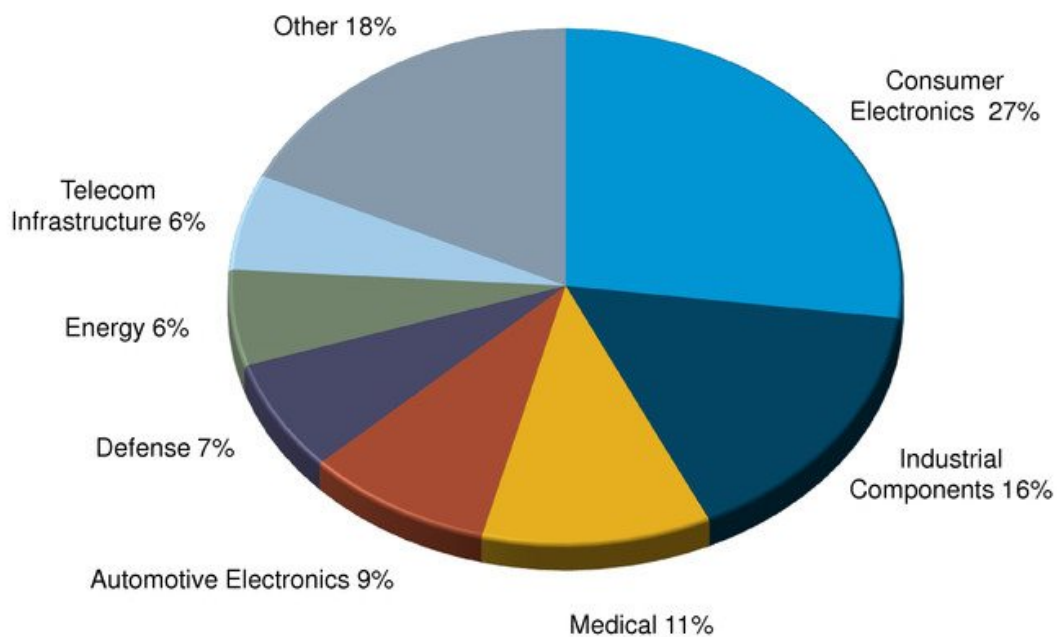
## Advantages

- ✓ Deep relationships
- ✓ Higher margin
- ✓ High barriers to competition



# Materion Value-added Sales by Market

**YTD Q3 2015 - \$473.8M**

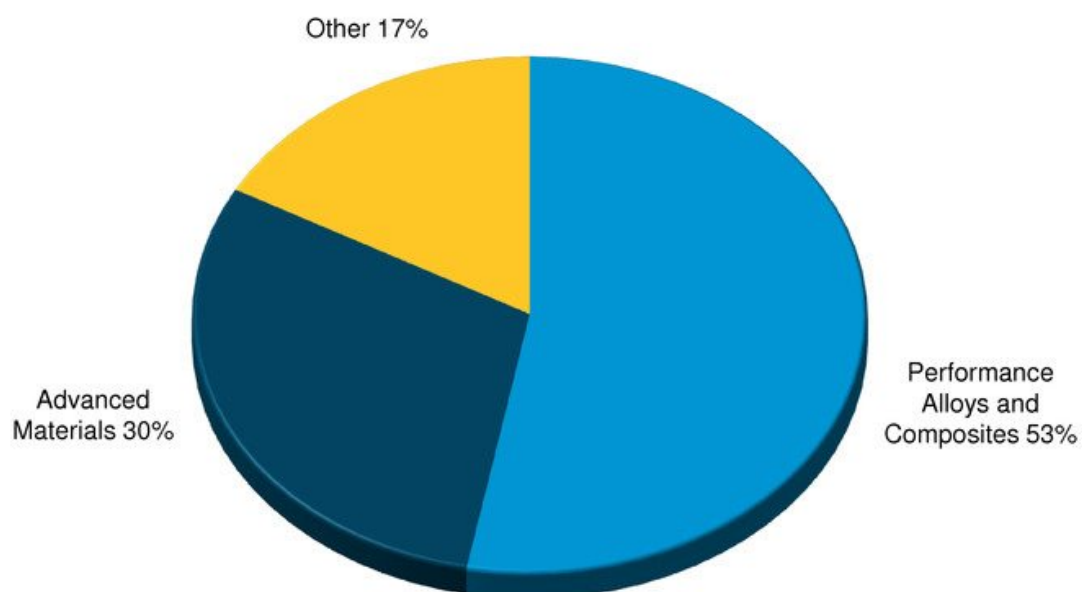


\*Excludes non-recurring items

Adjusted OP% of Value-added Sales 8%\*

# Value-added Sales by Segment

**YTD Q3 2015 - \$473.8M**

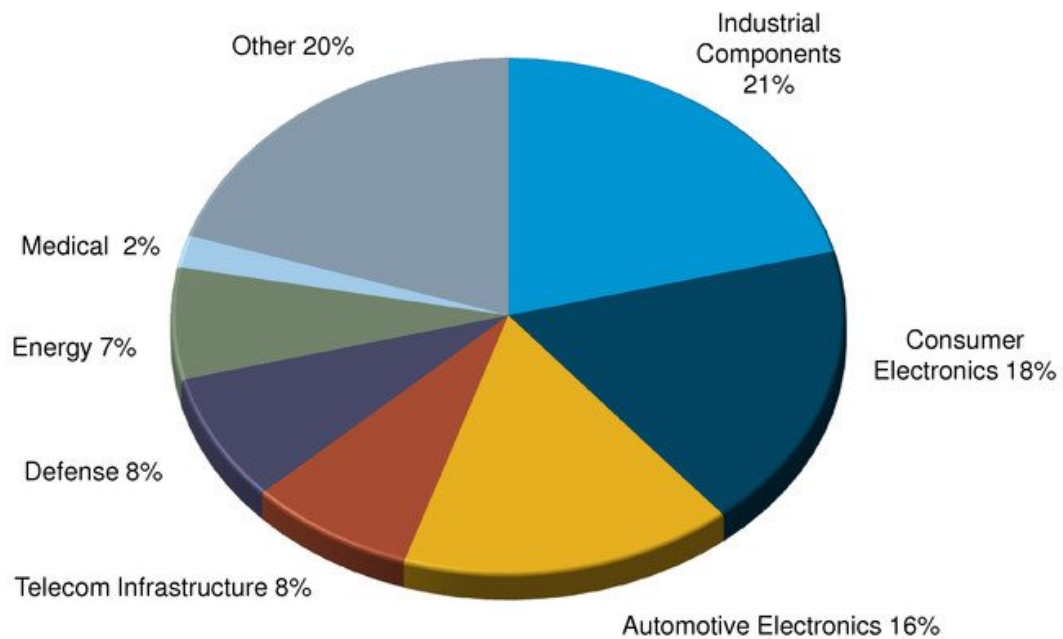


\*Excludes non-recurring items

Adjusted OP% of Value-added Sales 8%\*

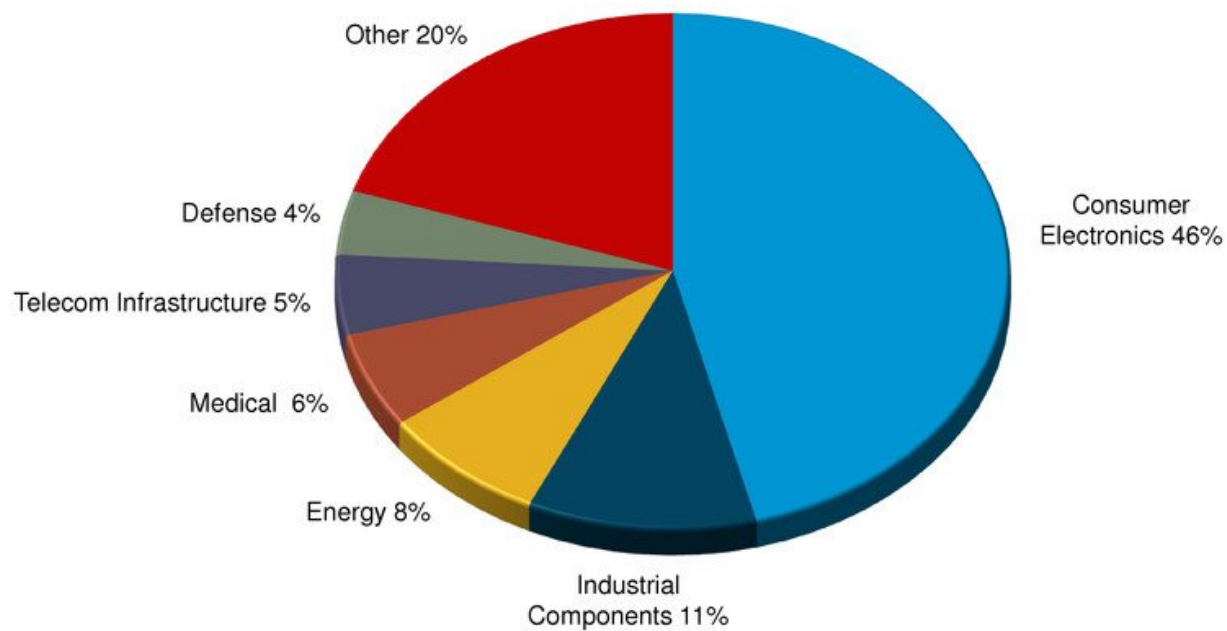
# Value-added Sales: Performance Alloys and Composites

YTD Q3 2015 - \$256.7M



# Value-added Sales: Advanced Materials

**YTD Q3 2015 - \$143.0M**



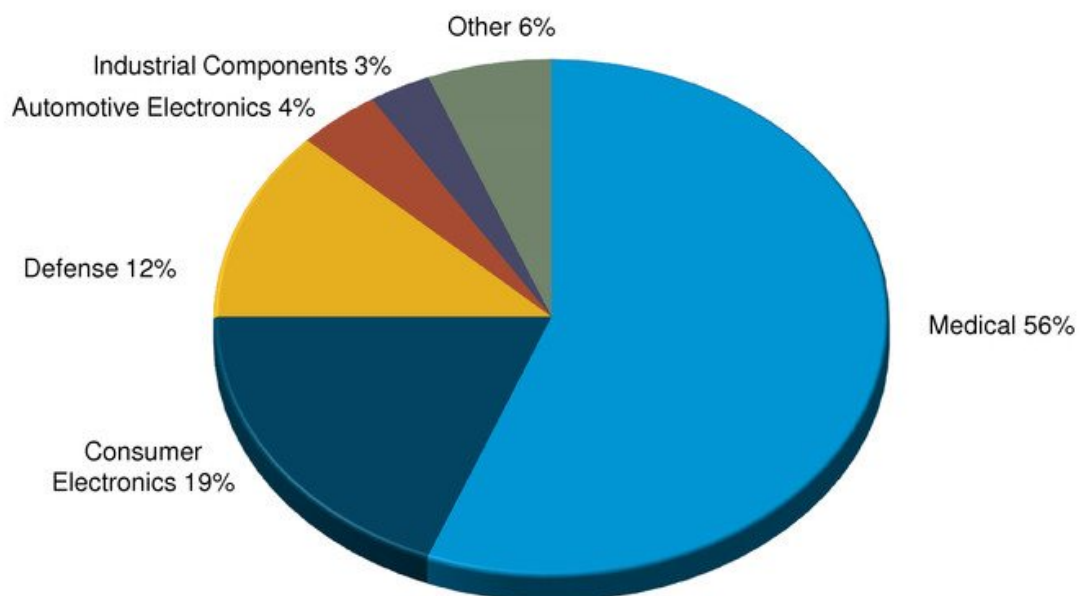
\*Excludes non-recurring items

OP% of Value-added Sales 16%\*



# Value-added Sales: Other

YTD Q3 2015 - \$74.1M



\*Excludes non-recurring items

Adjusted OP% of Value-added Sales 8%\*

# Core Technologies

1	High purity precious metal refining and life cycle management for electronics and industrial applications
2	Powder metallurgy, high pressure consolidation to processing of finished products
3	Metal surface enhancement by cladding, electroplating and surface treatments
4	Wide spectrum, precision optical filter coating and fabrication
5	Continuous roll-to-roll thin film large area coating
6	Inorganic chemical synthesis, refining, processing and recycling
7	Amorphous metals / bulk metallic glass materials
8	Full spectrum metal processing, from ore through smelting, hot and cold processing to finished shapes
9	Cleaning, precious metal recycling and refurbishing of semiconductor fab equipment shield kits
10	Vapor deposition sputtering target technology, from metals refining to target manufacture and recycling



# New Product and Technology Development

## Performance Alloys and Composites

- ToughMet® alloy “strip” for high volume bearing applications
- BrushForm 158 “strip” for cell phone camera suspension applications
- ToughMet® for oil production couplings
- ToughMet® alloy “bulk” with enhanced impact toughness
- ToughMet® “alloy “sheet” for vehicle gearboxes
- “Next generation” alloy for oil & gas



- Nearer net shape fabrication (hot isostatic pressing)
- Investment casting
- Amorphous metals / bulk metallic glass
- SupremEX™ aluminum metal matrix composites
- Improved foils for x-ray windows
- Durox® alumina ceramics



- Dovetail connector for hybrid car systems
- eStainless for cellphone and tablet applications
- Smart grid meters



# New Product and Technology Development

## Advanced Materials

### Materials and Services

- Expanded shield kit cleaning services – including new technology to improve precious metal returns
- Materials for high brightness LEDs
- Specialty inorganic compounds for thin film solar panels (solar, security)
- High purity metals and chemicals for semiconductor, compound semiconductor and display applications
- Next generation memory and thin film head materials



### Packaging

- RF packages for the latest infrastructure technology (3G and 4G)



# New Product and Technology Development

Other

## Coatings

- Thin film vapor deposited electrodes for medical diagnostics
- Precision optical thin film coatings (specialty filters)
- Large area format serving astronomy, space, science
- Multi-hyper – spectral array filters
- Precision reel-to-reel medical thin film coating, patterning and conversion of thin flexible substrates





# Applications: Smart Phones

## Internal Antenna Contacts

Voice Coil Motor (auto focus lens stabilizer)

Grounding Clips and Audio Jacks

Micro Mezzanine Connectors for LCD Screen

I/O Connector Contacts

## Internal Electronics

- Precursor materials for GaAs wafer production

## Internal Electronics and LED

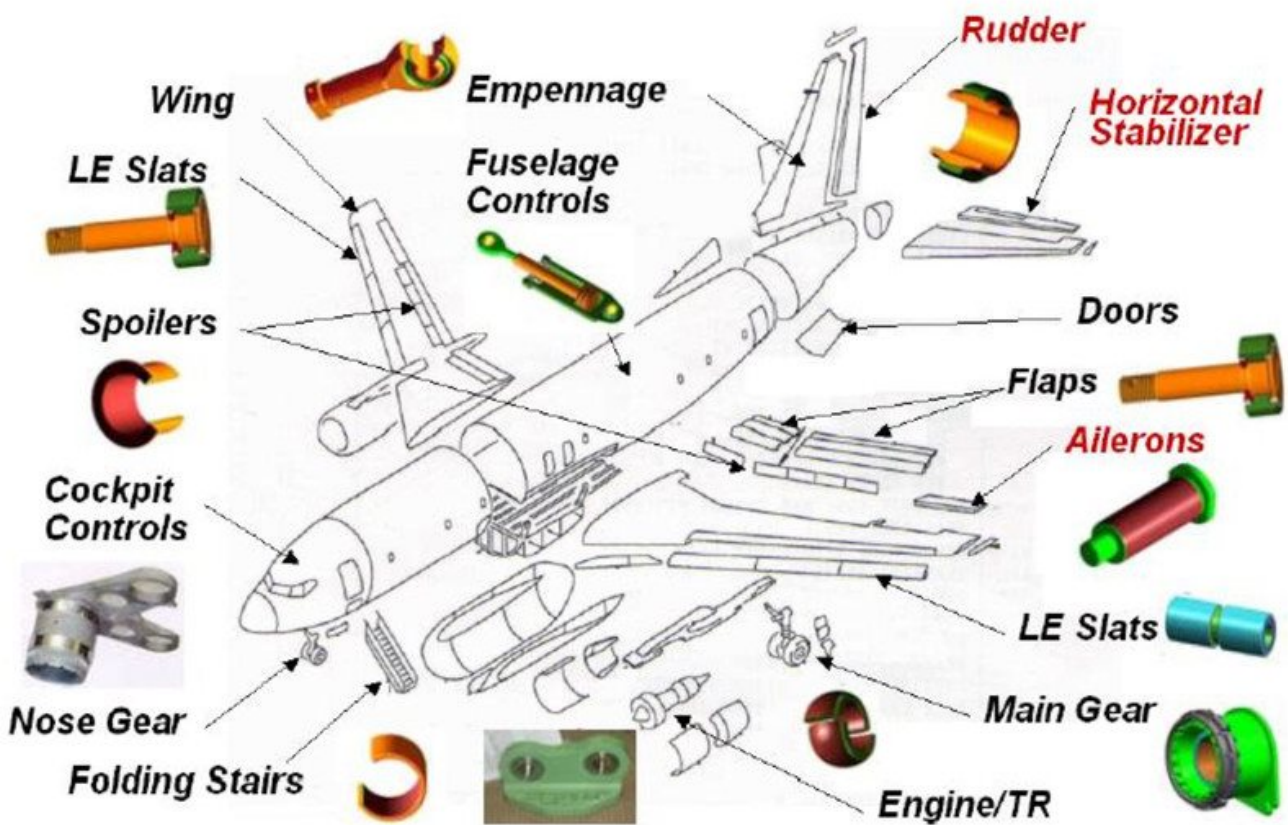
- Thin film materials – power amplifiers, LED, SAW and BAW devices, filters, and ICs
- Hermetic solutions for SAW
- Refining / recycling
- Precision parts cleaning

Battery Contacts

### Other Smart Phone Applications:

- Circuit board and IC inspection
- RoHS compliance assurance
- Cellular infrastructure with high power RF packaging

# Application: Aircraft



# ToughMet Heavy Machinery Applications



Steel at 3600 hours

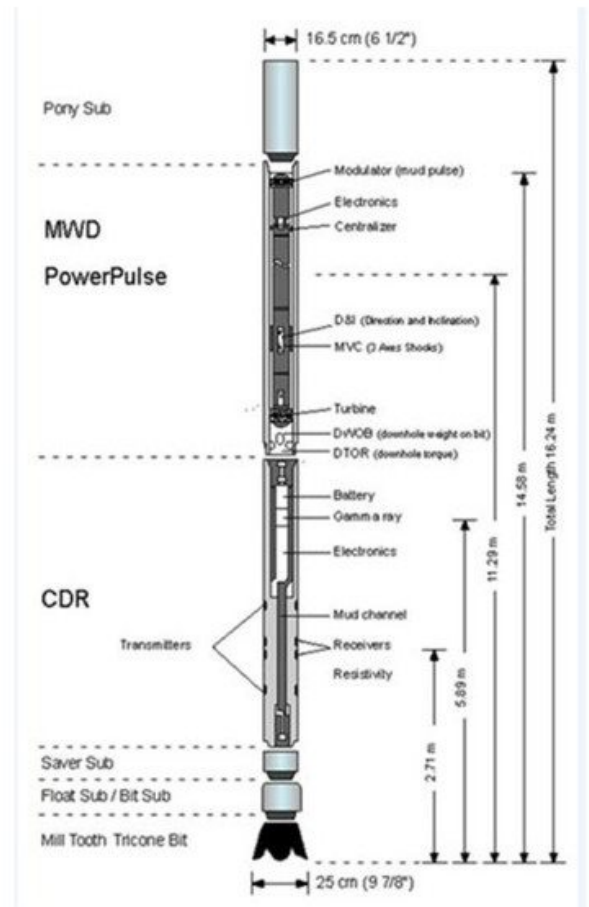
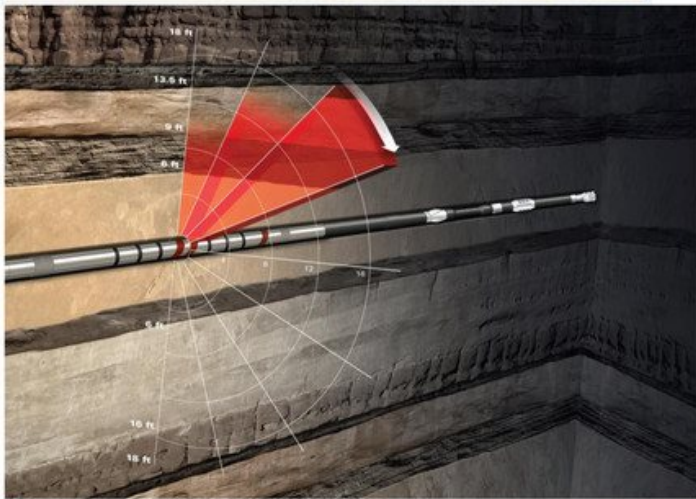
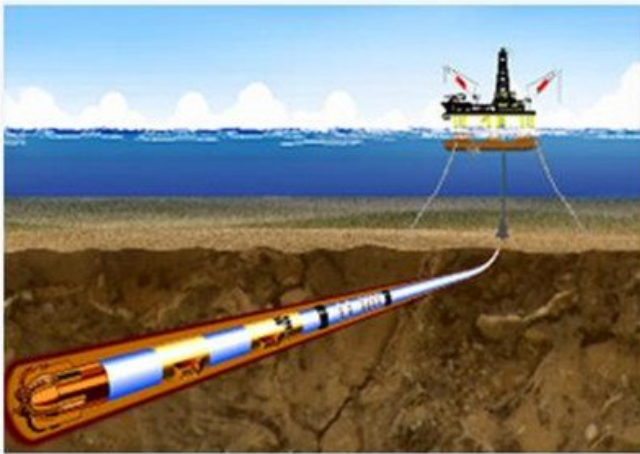
ToughMet® at 8125 hours





# Directional Drilling and Measurement

(Many ToughMet Components)



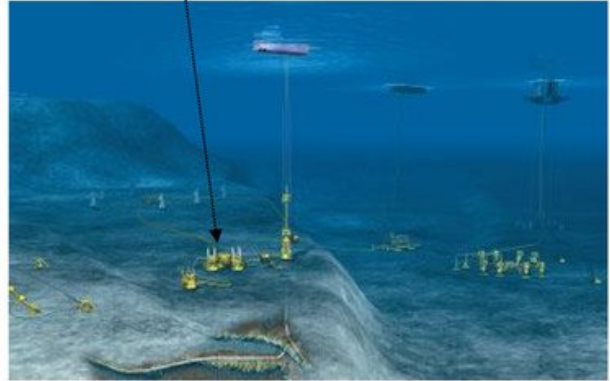
© 2013 – Proprietary to Materion Brush Inc.

# Applications: Oil & Gas



## Under Water Wellhead Equipment

- Remote operated vehicles, blow out preventers, hydraulic actuators, control fluid couplings



## Other Oil & Gas Applications:

- Artificial lift equipment
- Elemental analysis
- Down hole x-ray inspection



# Applications: Medical

## Seizure Control

- Thin film deposition implantable electrode – Parkinson's disease (R&D)

## X-Ray Mammography

## Subcutaneous Glucose Analysis

- Thin film coatings – electrode monitoring device

## External glucose analysis

- Subcutaneous sensors for glucose measurement

## Insulin Pump

- EMI shielding and grounding
- Electrical terminals in connectors

## Battery Contacts for Hearing Aids

## Radiation Therapy – Neutron Reflectors

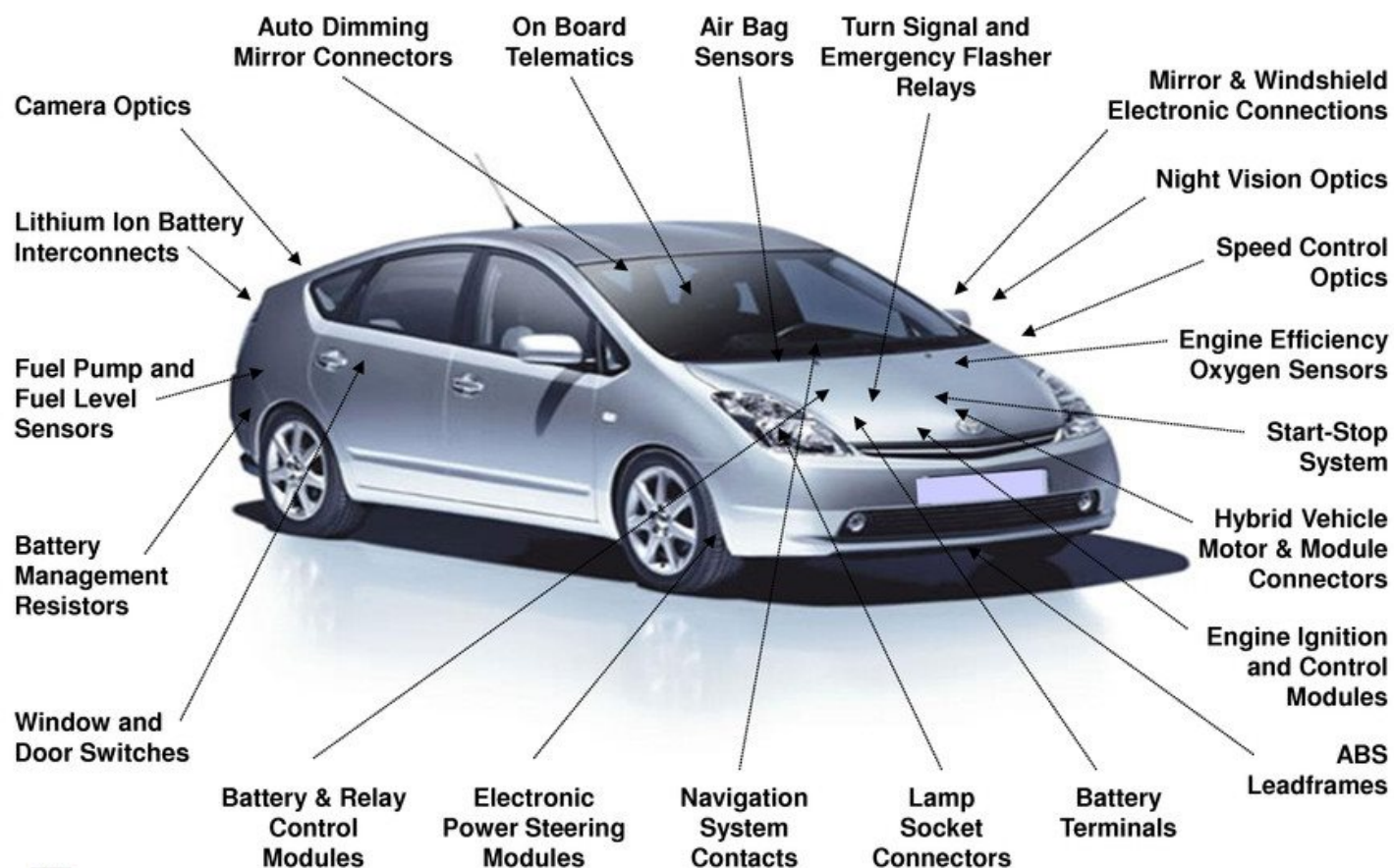
## Cardiac Rhythm Management

- Electronic interconnects / components
- Niobium / titanium electron beam weld

## Other Medical Applications:

- DNA sequencing optics
- CT scan
- Diagnostic x-rays
- Advanced drug delivery components
- Diagnostic electronic components
- Anesthesia monitoring components
- Operating instruments
- Medical radioisotopes (production reactors)
- RF connectors for MRI equipment, communication devices
- RF connectors for portable diagnostic / therapeutic equipment

# Applications: Automotive Electronics



# Applications: Defense

- Infrared Sensors for fighter jet and UAV optical targeting
- Electronic packaging for defense avionics, radar and electronic countermeasure systems
- Structural and electronic components for satellites
- X-ray windows in security imaging systems
- Laser protection optical coatings
- Night vision system optics



  
MATERION



A-23

# Applications: Telecommunications Infrastructure



## **Base Stations**

- Coaxial connectors
- High power amplifiers

## **Local Area Networks**

- Shielding
- Modular jacks
- PCB sockets
- Processor sockets

## **Other Telecommunications Infrastructure Applications**

- Undersea repeater housings



# Applications: Solar Energy

## Technology: Crystalline Silicon (Si)

### Interconnect Materials

- Front and backplane systems for high efficiency designs

## Technology: Copper Indium Gallium Selenide (CIGS)

### Thin Film (PVD) Materials as well as Powders for Printing CIGS applications

- Copper indium gallium selenide thin film and screen printing applications for flexible and rigid solar cells

## Technology: Amorphous Silicon (a-Si, tandem and multi-junction)

### Thin Film (PVD) Materials Silicon based photovoltaic cells

- Front and back contact layers
- TCO Transparent conductive oxide layers

## Technology: Flexible Solar Cells / Building Integrated Photovoltaic

### Thin Film Services

- Solar cells built in flexible substrates to accommodate applications such as roofing tiles or defense

## Technology: Cadmium Telluride (CdTe) Thin Film (PVD) Materials

- Cadmium based solar cell architecture. N and P type cadmium semiconductor materials
- TCO transparent conductive oxide layers
- Front and back-contact layers

### 25 Alloy Strip

- Panel interconnects

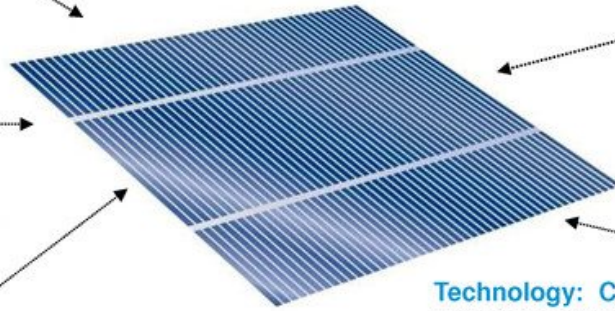
## Technology: Concentrator Photovoltaic (CPV)

### Thin Film (PVD) Materials

- Solar technology based on concentrating solar rays into a semiconductor device via large lens
- Anti-reflection coating materials
- Precious metal contact materials

### Micro Electronic Packaging Products

- Bonding ribbon – Au & Ag
- Lead-free solders
- Metalized ceramic substrates





# Reconciliation of Non-GAAP Measure - Profitability

(In millions except per share amounts)	Third Quarter Ended		Nine Months Ended	
	Oct. 2, 2015	Sept. 26, 2014	Oct. 2, 2015	Sept. 26, 2014
<b>GAAP as Reported</b>				
Net sales	\$ 244.4	\$ 291.6	\$ 811.2	\$ 838.5
Gross margin	44.0	54.8	147.7	150.1
Operating profit	10.2	17.7	37.2	43.2
Net income	6.9	12.6	25.4	29.9
EPS - Diluted	\$ 0.34	\$ 0.61	\$ 1.24	\$ 1.42
<b>Reorganization costs (benefits)</b>				
Cost of sales	\$ 0.6	-	\$ 0.6	\$ 0.2
Selling, general, and administrative expense	1.2	0.3	1.2	0.8
Other-net	-	-	-	(2.6)
<b>Recovery from insurance and other litigation, net of expenses</b>				
Cost of sales	-	-	-	-
Selling, general, and administrative expense	-	1.0	1.7	3.9
Other-net	-	(4.0)	(3.8)	(10.8)
<b>Total special items</b>	<u>\$ 1.8</u>	<u>\$ (2.7)</u>	<u>\$ (0.3)</u>	<u>\$ (8.5)</u>
<b>Special items - net of tax</b>	\$ 1.3	\$ (1.8)	\$ (0.2)	\$ (5.6)
<b>Tax Special Item</b>	-	-	\$ 0.2	-
<b>Non-GAAP Measures - Adjusted Profitability</b>				
Value-added (VA) sales	\$ 148.8	\$ 165.6	\$ 473.8	\$ 470.1
Gross margin	44.6	54.8	148.3	150.3
Gross margin % of VA	30.0%	33.1%	31.3%	32.0%
Operating profit	12.0	15.0	36.9	34.7
Operating profit % of VA	8.1%	9.1%	7.8%	7.4%
Net income	8.2	10.8	25.4	24.3
EPS - Diluted	\$ 0.40	\$ 0.52	\$ 1.24	\$ 1.16

In addition to presenting financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP), this earnings release contains financial measures, including gross margin, operating profit, net income and earnings per share, on a non-GAAP basis. As detailed in the above reconciliation, we have adjusted out the cost (benefit) impact of the net recovery from insurance and other litigation claims, reorganization costs (benefits) 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.

# Glossary of Terms

1. Debt-to-capitalization =  $\text{debt} / (\text{net debt} + \text{Shareholders' equity})$
2. EV / Adjusted EBITDA = Enterprise Value/EBITDA =  $(\text{Market Cap} + \text{Debt}) / \text{EBITDA}$
3. Total Capitalization = Net debt + Shareholders' equity
4. Working Capital % of net sales =  $(\text{A/R} + \text{Inv} - \text{A/P}) / \text{Total Sales}$
5. ROIC = After-tax adjusted operating profit/average capitalization

