
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 13, 2015

Materion Corporation

(Exact name of registrant as specified in its charter)

Ohio

001-15885

34-1919973

(State or other jurisdiction of
incorporation)

(Commission File
Number)

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

6070 Parkland Blvd., Mayfield Hts., Ohio

44124

(Address of principal executive offices)

(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))
-

Item 7.01 Regulation FD Disclosure.

On August 13, 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.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	August 2015 Investor Presentation

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 13, 2015

By: /s/ Michael C. Hasychak

Michael C. Hasychak

Vice President, Treasurer and Secretary

Exhibit Index

Exhibit No.	Description
99.1	August 2015 Investor Presentation



MATERION

Investor Presentation

August 2015

Forward-looking Statements

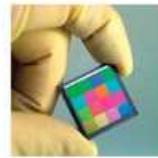
These slides contain (and the accompanying oral discussion will contain) “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the 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.

Materion: Our Purpose

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 ⁽¹⁾	\$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 ⁽¹⁾	8.0



(1) Non-GAAP, excludes special items

WHAT WE DO

Materion: Mission Critical Advanced Materials



A Balanced Portfolio
Second Quarter 2015

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

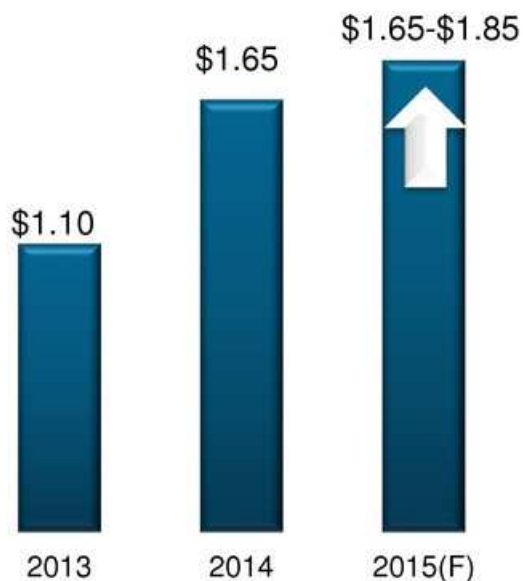
Faster growth – Higher margins – Stronger balance sheet

				
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		

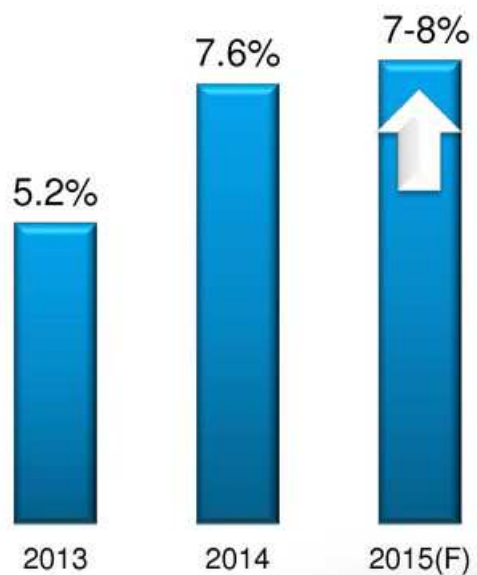


Clear Evidence Materion is on Track

Guidance (Adjusted EPS*)



Operating Margins (Adjusted Op. Profit %* of Value-added Sales)



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








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 Cleanroom



Increased Capacity LED Phosphor



ToughMet® Capacity Expansion



Expanded Beryllium Hydroxide Capacity



Singapore Expansion

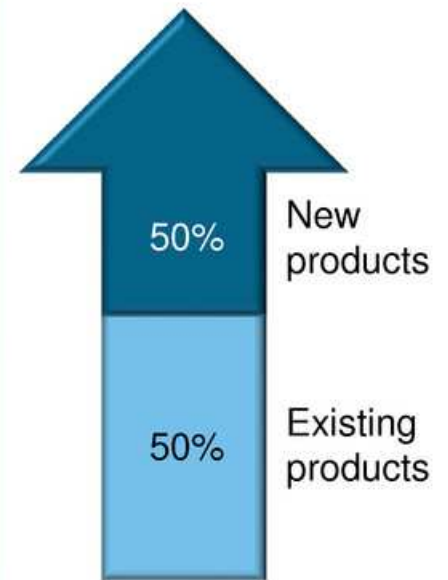


... Driving Record Number of New Product Launches

Examples of New Products



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

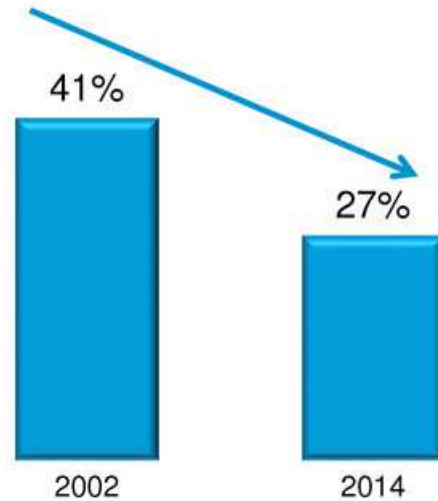
Lean Sigma

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



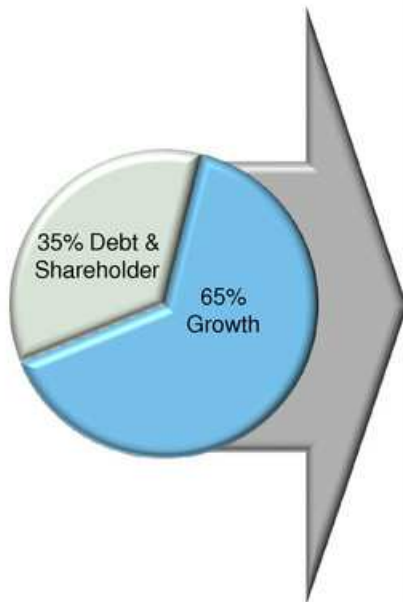
Improve Working Capital Efficiency

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?



2015 Organic Growth Targets

Targets		
Value-added sales growth	→	2X GDP
Expanding operating margins	→	50 - 100 bps
Operating cash flow	→	>\$50M
EPS	→	\$1.65 - \$1.85
New product value-added sales growth	→	>20%

Financial Goals Next 3 Years

	2014	Next 3 years ⁽²⁾
Value-added sales growth	4.6%	5% –10% annually
Value-added sales	\$637.1M	\$740M - \$850M
Margins (adjusted OP % VA)	7.6% ⁽¹⁾	9% –11%
Adjusted ROIC	7.0% ⁽¹⁾	>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 ⁽¹⁾	>\$3.00



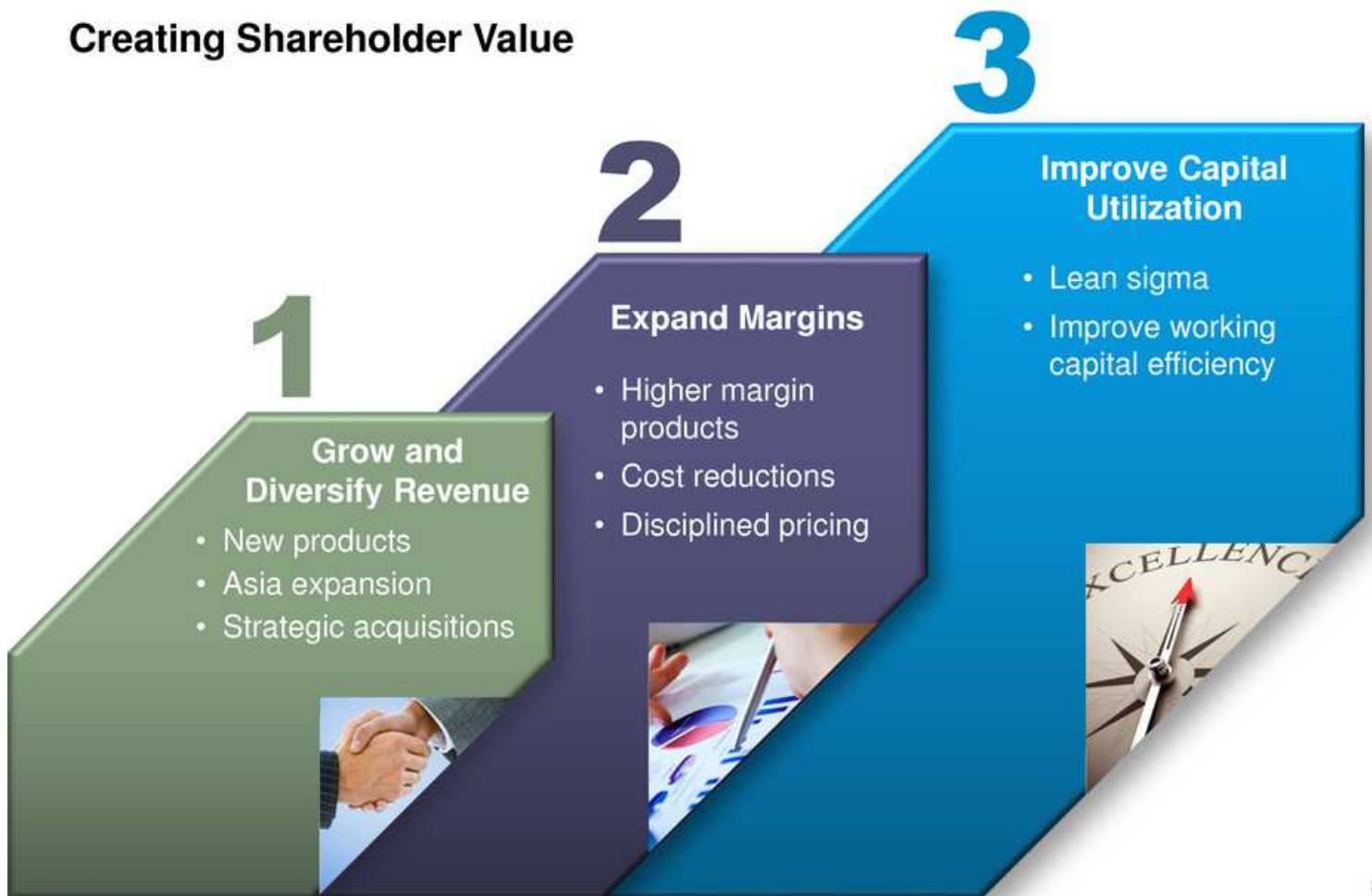
(1) Non-GAAP, excludes non-recurring items

(2) Includes bolt-on acquisitions



Continuing to Execute Three Point Strategy

Creating Shareholder Value





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 → 80% of Sales

Market	Q2 2015 % of Value-added Sales	Macro Trends	Key Drivers
Consumer Electronics	26%	↗	<ul style="list-style-type: none"> • Smart device growth • Gesture control
Industrial Components	14%	↗	<ul style="list-style-type: none"> • Heavy equipment builds • Plastic tooling • Fire protection (R and C construction)
Medical	11%	↑	<ul style="list-style-type: none"> • Blood analysis test coating for medical diagnosis • Nuclear diagnostics equipment
Automotive Electronics	9%	↗	<ul style="list-style-type: none"> • Increasing global car production • Electronic systems and engine control
Defense	7%	↗	<ul style="list-style-type: none"> • Night vision system optics • Structural and electronic components for satellites
Telecom Infrastructure	7%	↘	<ul style="list-style-type: none"> • Undersea repeater housings • Shielding, modular jacks, PCB and processor sockets for local area networks
Energy	6%	↓	<ul style="list-style-type: none"> • Deep sea drilling and completion • Directional drilling • Solar, batteries and smart grid devices



Total 80%

Strong Cash Flow and Balance Sheet

Cash Flow

2014 operating
cash flow

\$60M

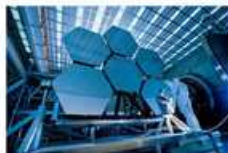
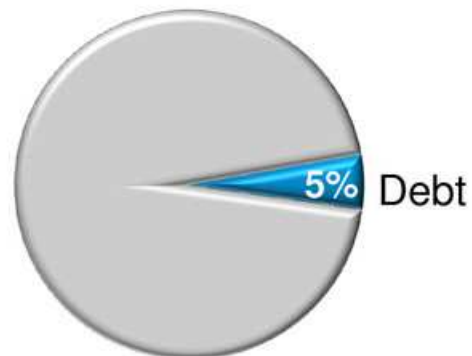
Average operating cash
flow last 5 years

>\$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	✓	✓
TFT – thin film coatings – 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	✓	✓

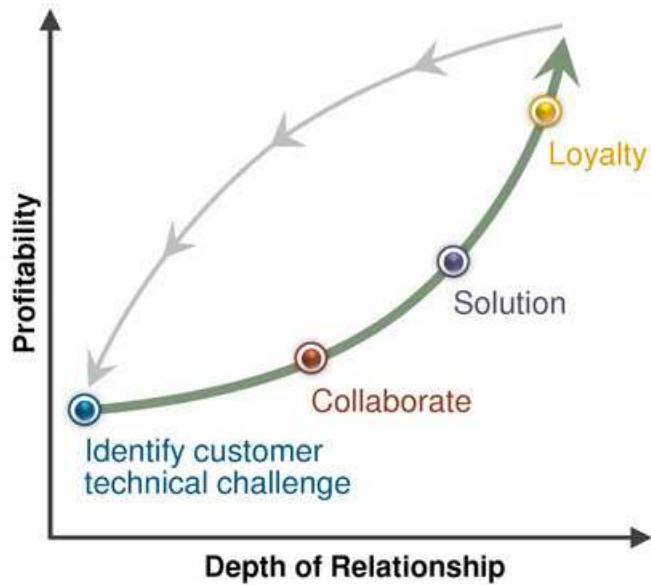


High Value-added Business Model



Building Lasting Customer Relationships

Our Customer Model



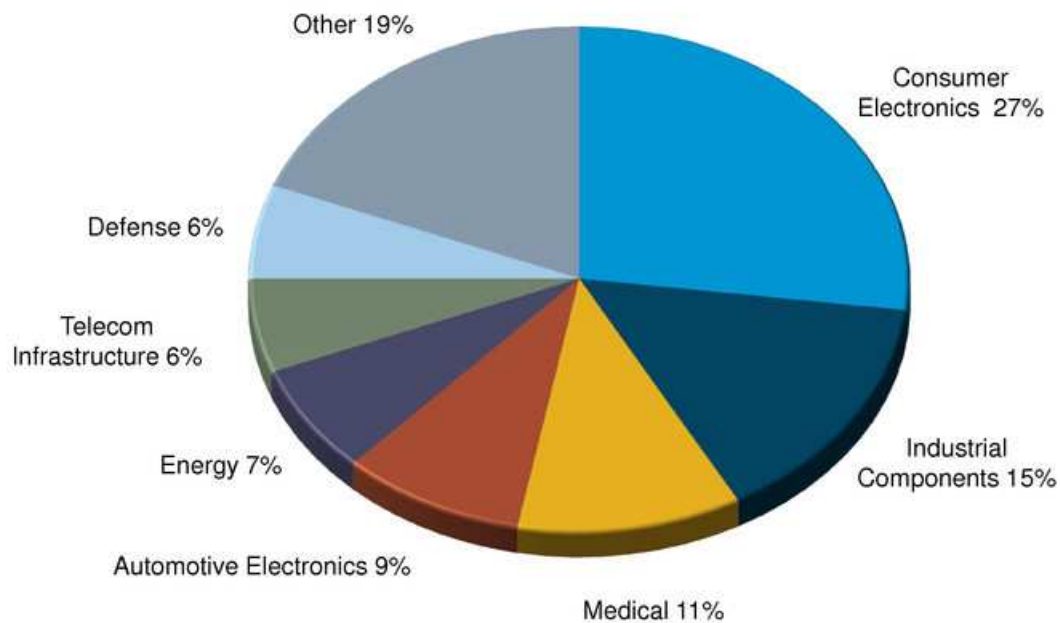
Advantages

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



Materion Value-added Sales by Market

YTD Q2 2015 - \$325.0M

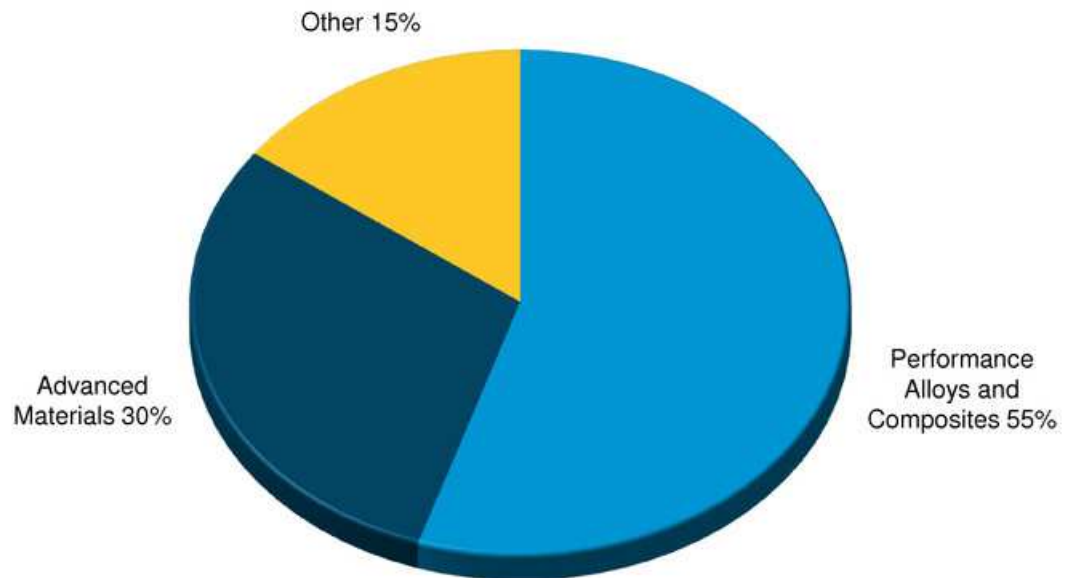


*Excludes non-recurring items

Adjusted OP% of Value-added Sales 8%*

Value-added Sales by Segment

YTD Q2 2015 - \$325.0M

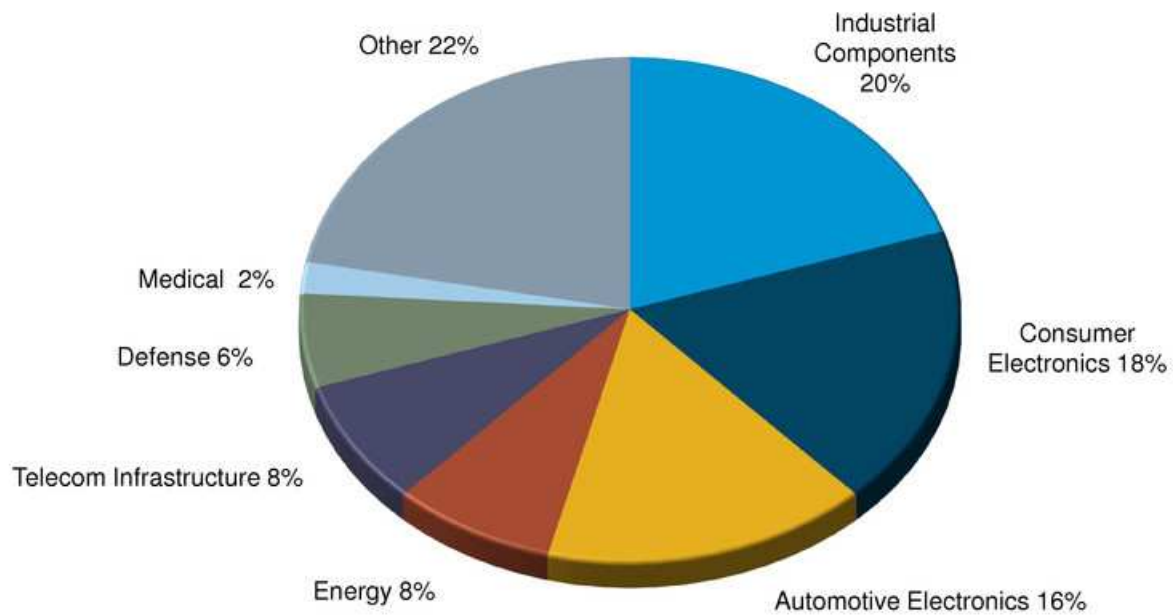


*Excludes non-recurring items

Adjusted OP% of Value-added Sales 8%*

Value-added Sales: Performance Alloys and Composites

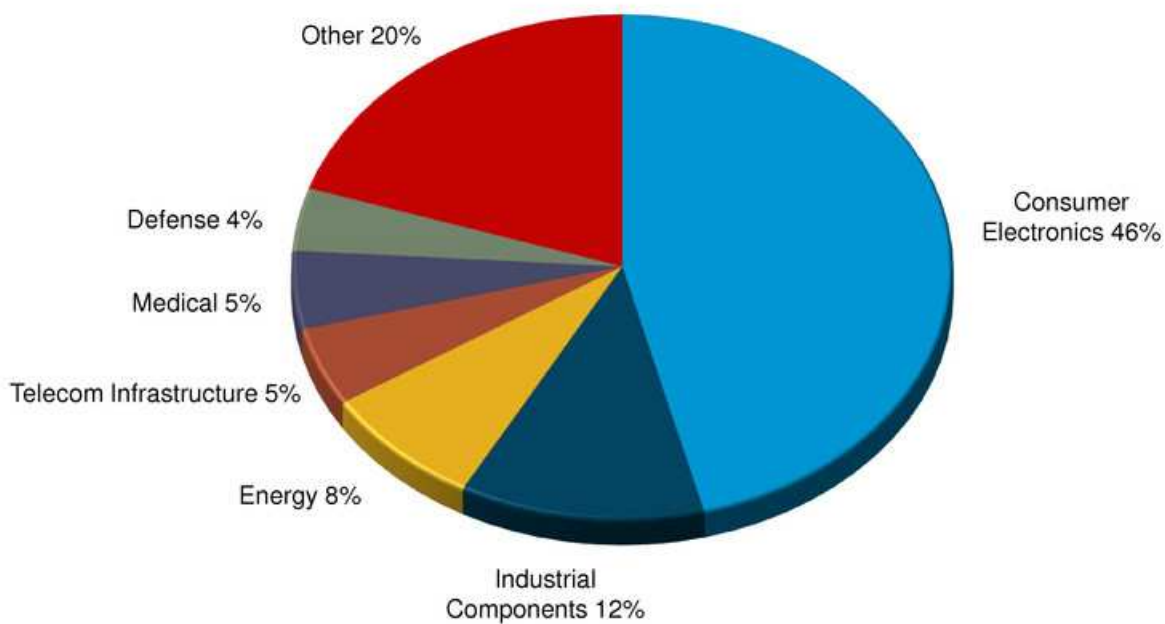
YTD Q2 2015 - \$177.1M



OP% of Value-added Sales 9%

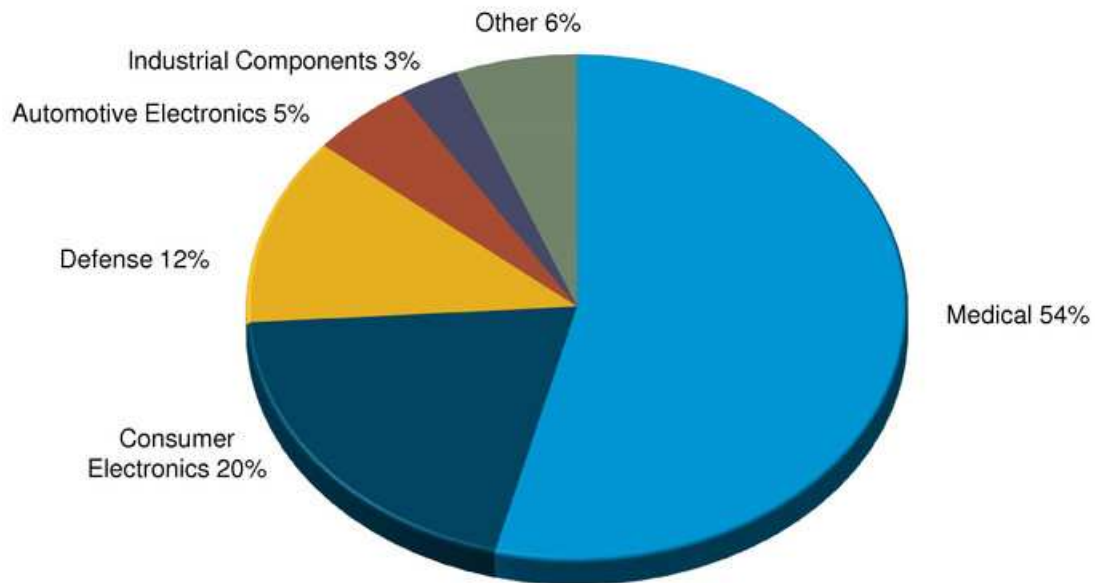
Value-added Sales: Advanced Materials

YTD Q2 2015 - \$98.4M



Value-added Sales: Other

YTD Q2 2015 - \$49.5M



*Excludes non-recurring items

Adjusted OP% of Value-added Sales 5%*

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
- Patterned medical large area coatings capabilities



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

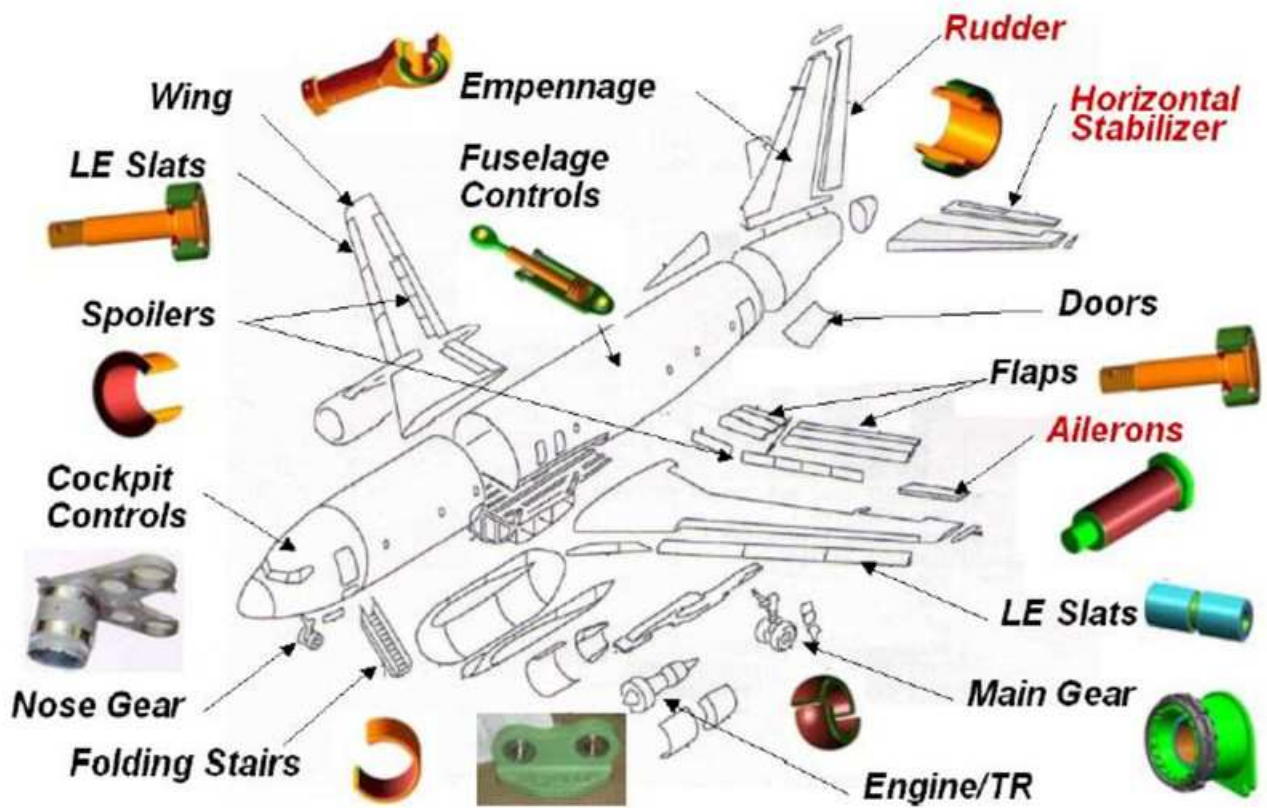
- Thin film materials – power amplifiers, LED, SAW and BAW devices, filters, and ICs
- Hermetic solutions for SAW
- Refining / recycling
- Precision parts cleaning

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

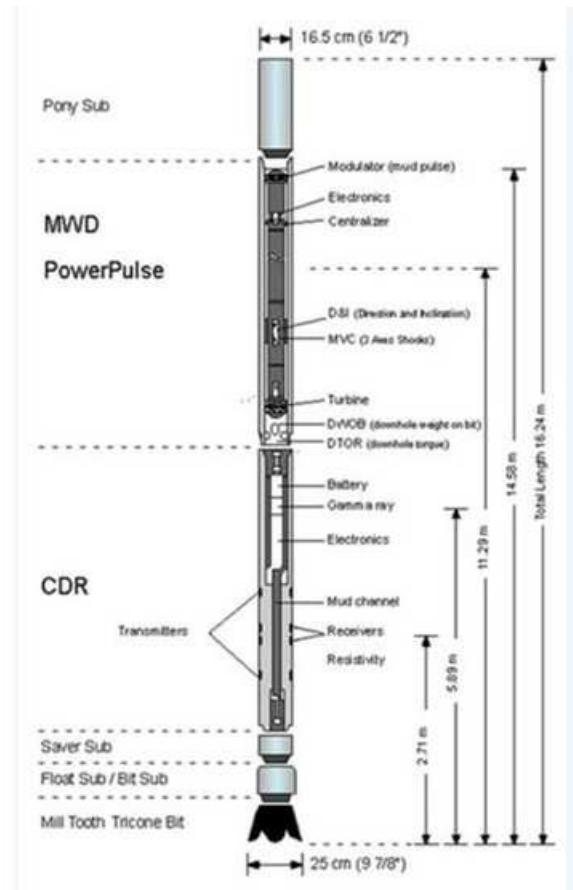
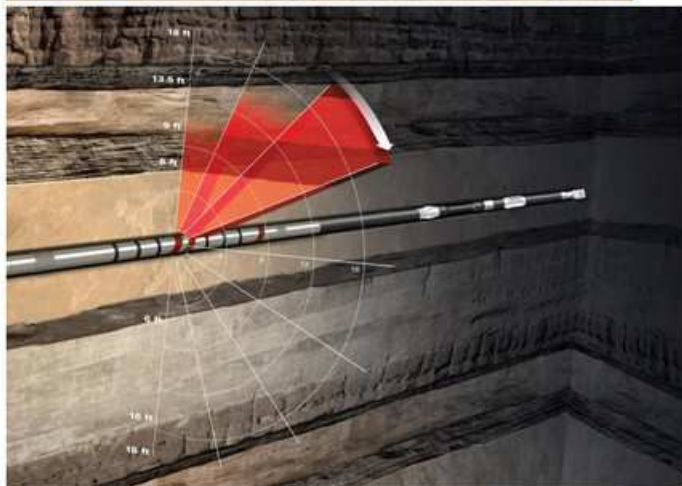
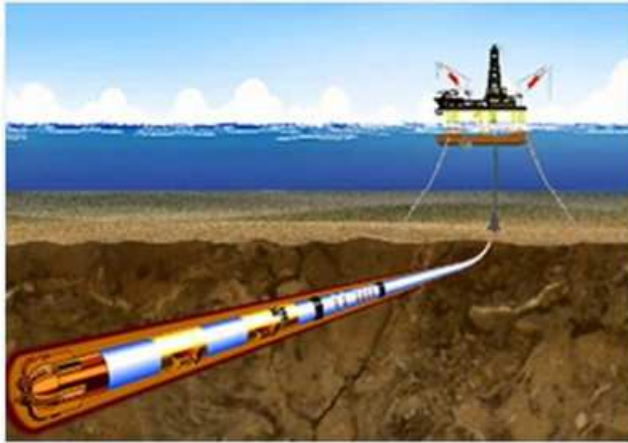


Steel at 3600 hours

ToughMet® at 8125 hours



Directional Drilling and Measurement (Many ToughMet Components)



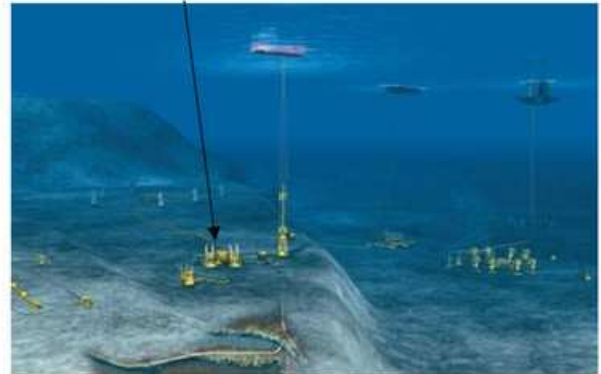
© 2013 – Proprietary to Materion Brush Inc.

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

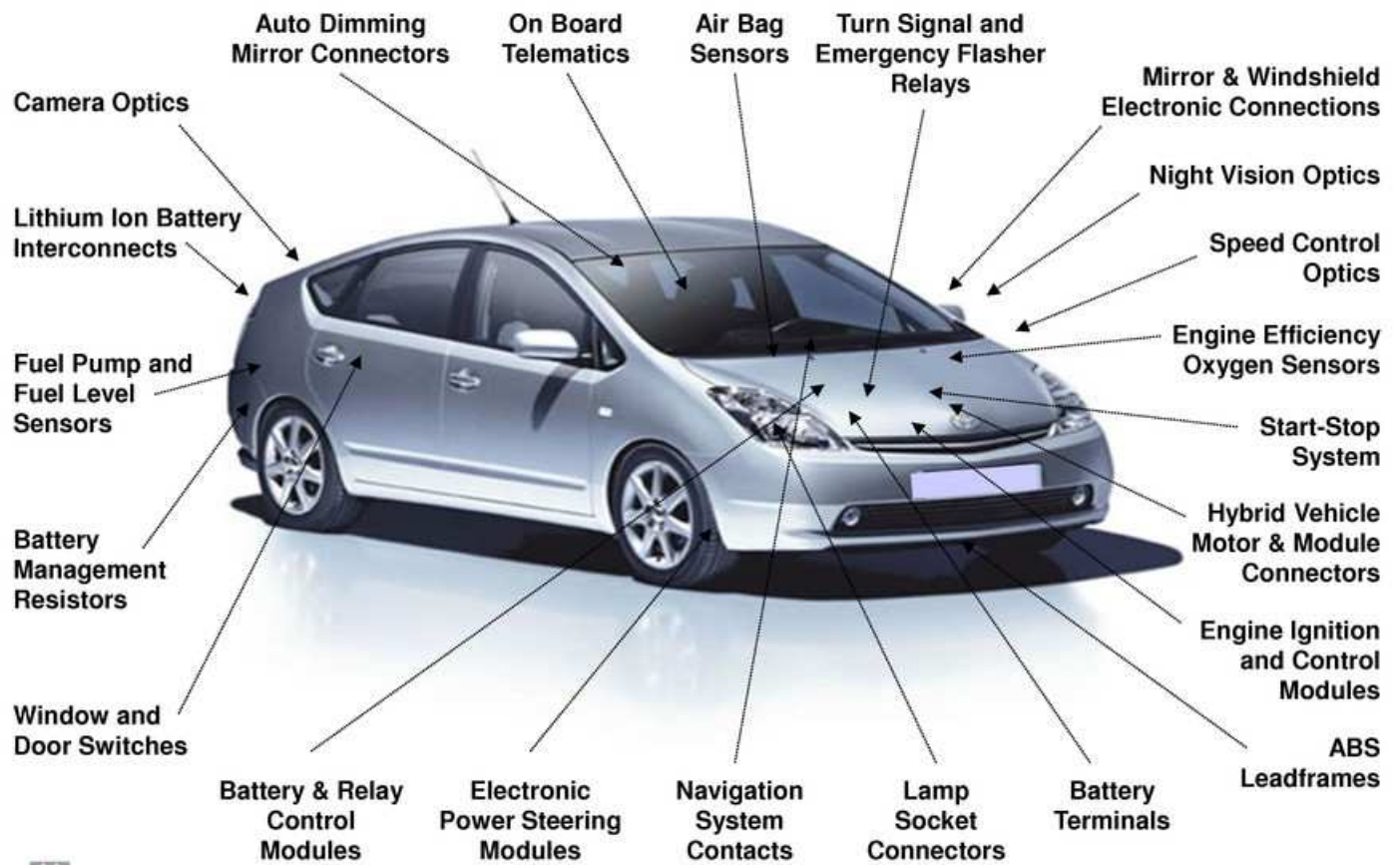
Cardiac Rhythm Management

- 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



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: 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

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

25 Alloy Strip

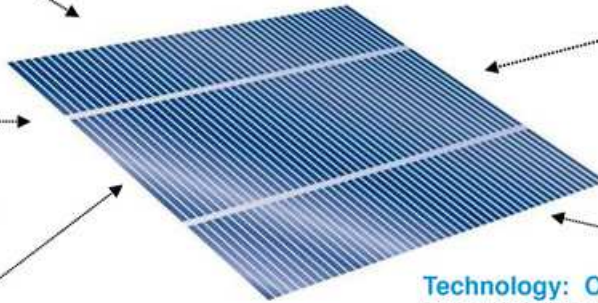
- Panel interconnects

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

	Second Quarter Ended		Six Months Ended	
	July 3, 2015	June 27, 2014	July 3, 2015	June 27, 2014
(In millions except per share amounts)				
GAAP as Reported				
Net sales	\$ 276.9	\$ 288.0	\$ 566.9	\$ 546.9
Gross margin	51.3	49.8	103.7	95.3
Operating profit	12.8	14.5	27.0	25.6
Net income	8.9	10.0	18.5	17.3
EPS - Diluted	\$ 0.43	\$ 0.47	\$ 0.90	\$ 0.82
Facility closure and reorganization costs (benefits)				
Cost of goods sold	\$ -	\$ -	\$ -	\$ 0.2
Selling, general and administrative	-	-	-	0.5
Other-net	-	-	-	(2.6)
Recovery from insurance and other litigation, net of expenses				
Selling, general and administrative	\$ -	\$ 2.9	\$ 1.7	\$ 2.9
Other-net	-	(6.7)	(3.8)	(6.8)
Total special items	\$ -	\$ (3.8)	\$ (2.1)	\$ (5.8)
Special items - net of tax	\$ -	\$ (2.5)	\$ (1.5)	\$ (3.8)
Tax Special Item	\$ -	\$ -	\$ 0.2	\$ -
Non-GAAP Measures - Adjusted Profitability				
Value-added (VA) sales	\$ 162.4	\$ 159.6	\$ 325.0	\$ 304.5
Gross margin	51.3	49.8	103.7	95.5
Gross margin % of VA	31.6%	31.2%	31.9%	31.4%
Operating profit	12.8	10.7	24.9	19.8
Operating profit % of VA	7.9%	6.7%	7.7%	6.5%
Net income	8.9	7.5	17.2	13.5
EPS - Diluted	\$ 0.43	\$ 0.36	\$ 0.84	\$ 0.64

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 facility closure and reorganization costs, the net recovery from insurance and other litigation claims, 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

