
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):

October 31, 2016

Materion Corporation

(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction of
incorporation)

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))
-

Item 7.01 Regulation FD Disclosure.

On October 31, 2016, 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	November 2016 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

October 31, 2016

By: /s/ Michael C. Hasychak

Michael C. Hasychak

Vice President, Treasurer and Secretary

Exhibit Index

Exhibit No.	Description
99.1	November 2016 Investor Presentation



MATERION

Investor Presentation

November 2016

Forward-looking Statements

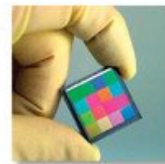


These slides contain (and the accompanying oral discussion will contain, where applicable) “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors that could cause the actual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

Making advanced materials that
improve the world



Materion at a Glance

	2015
Revenues	\$1.03B
Value-added sales ⁽¹⁾	\$617.2M
Adjusted EPS ⁽¹⁾	\$1.60
Market cap @ 12/31/15	\$560M
Debt-to-capitalization ⁽¹⁾	3%
Operating cash flow	\$90M
Dividend yield	~1%
EV @ 12/31/15 / Adjusted EBITDA ⁽¹⁾	6.9



(1) For information on our use of non-GAAP financial measures, refer to the Appendix.

WHAT WE DO

Materion: Mission Critical Advanced Materials

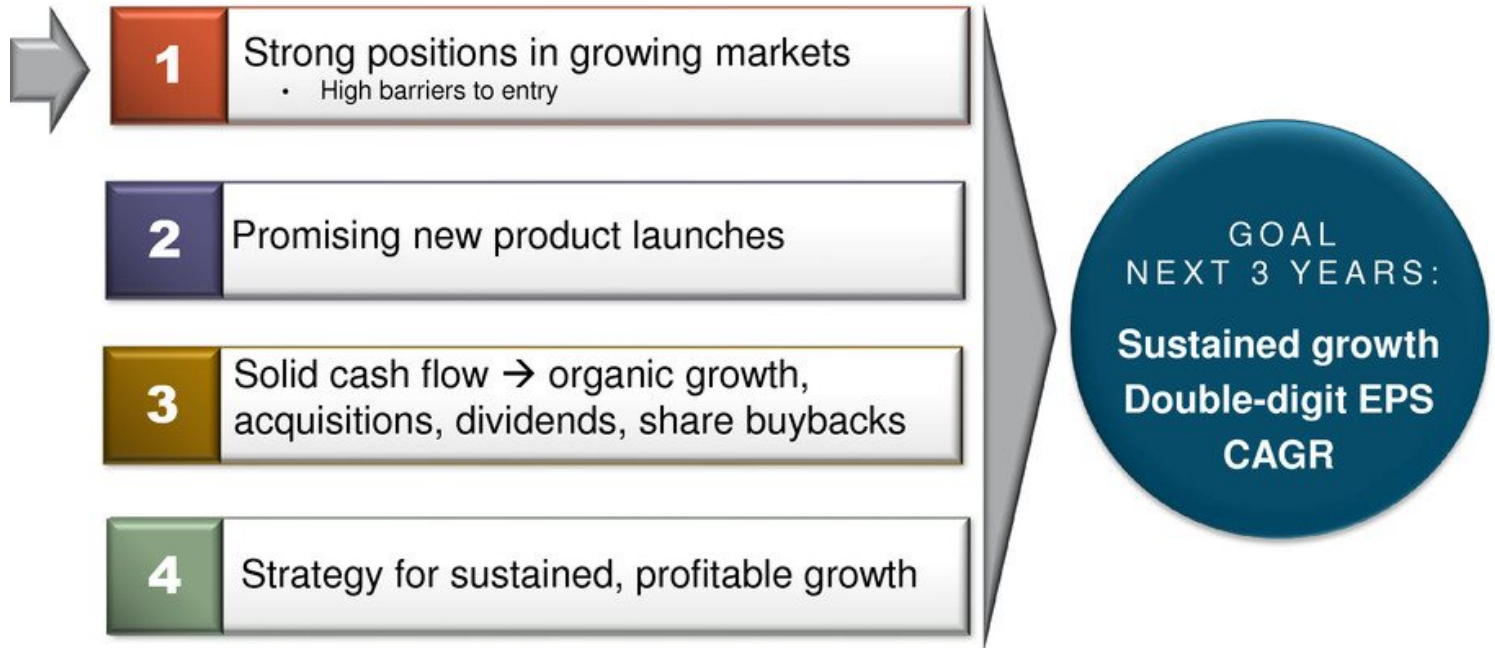


A Balanced Portfolio

% of Value-added Sales

Q3 - 2016

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		2015 Percent of Value-added Sales	Expected Annual Growth Next 3-5 Years
	Leading supplier of beryllium-containing products	~40%	↑
	Leading supplier of high-purity precious metal for PVD market	~22%	↑
	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

Evolving Potential from Beryllium Supply Shortage

Materion – leading position in beryllium market

- Only global integrated producer
 - approximately 70 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

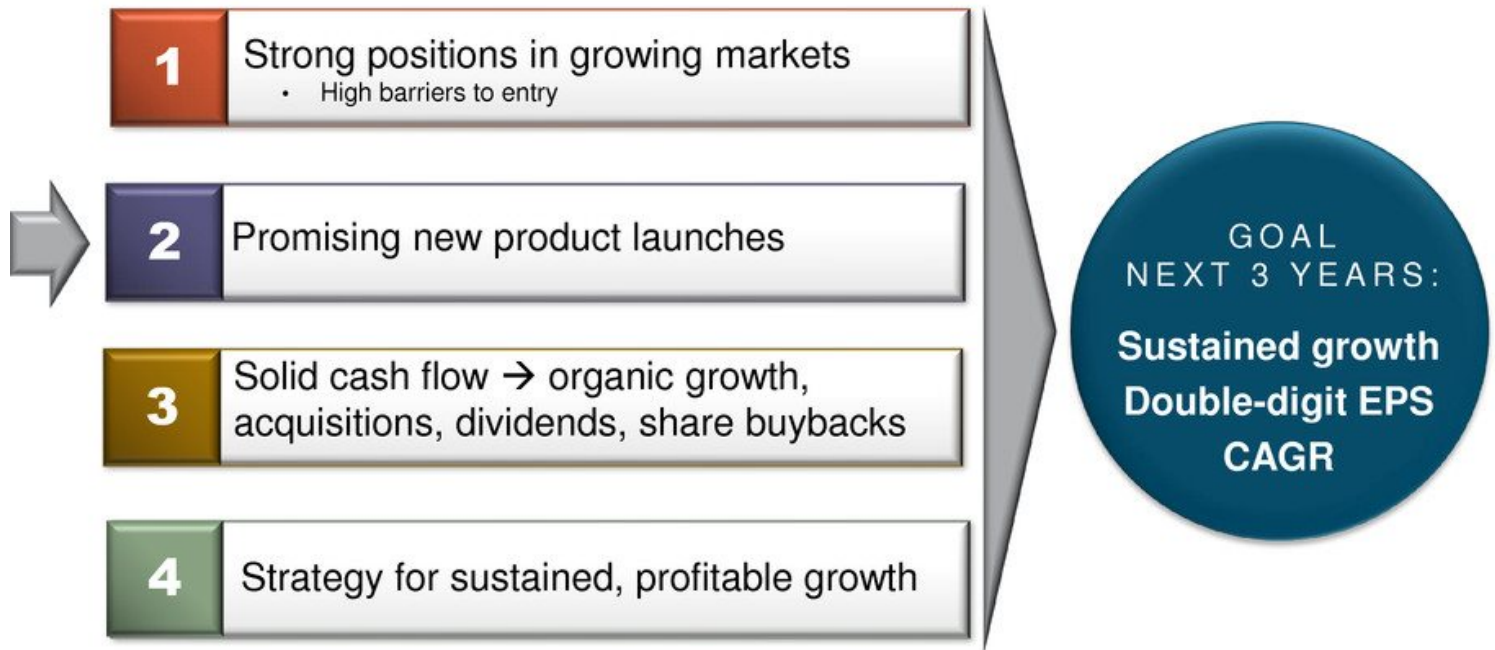
- Global stockpiled sources depleting
- No other commercially active bertrandite ore mine

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

Top Key Markets Over 80% of Sales

Market	2015 % of Value-added Sales	Macro Trends	Key Drivers
Consumer Electronics	26%	→	<ul style="list-style-type: none"> • Smart device growth • Sensing devices • IOT
Industrial Components	15%	→	<ul style="list-style-type: none"> • Heavy equipment builds • Plastic tooling • Fire protection (R and C construction)
Medical	12%	→	<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	8%	↗	<ul style="list-style-type: none"> • Optics: Night vision, missile guidance, satellites • Structural and electronic components for aircraft, satellites, and missiles
Telecom Infrastructure	6%	→	<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

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

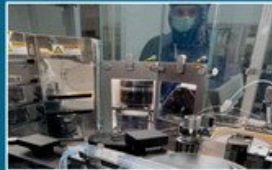
Gesture Controls



Dovetail Clad



Wafer Level Processing



ToughMet®
Oil & Gas



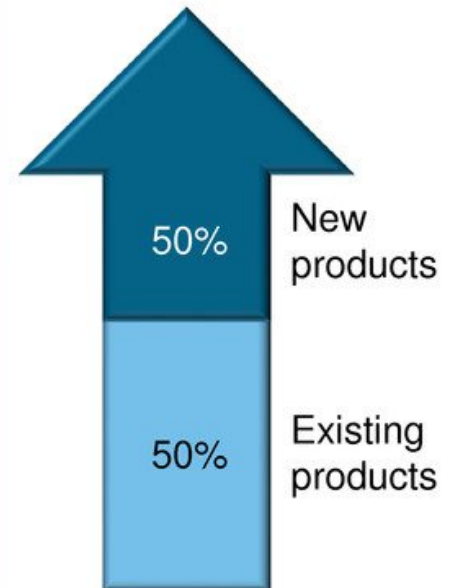
Bulk Metallic Glass
(Liquidmetal)



Dovetail Connectors



Sales Growth



Sales from new products were 12% of total value-added sales for 2015

Why Invest in Materion?

1

Strong positions in growing markets

- High barriers to entry

2

Promising new product launches

3

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

4

Strategy for sustained, profitable growth

GOAL
NEXT 3 YEARS:

Sustained growth
Double-digit EPS
CAGR

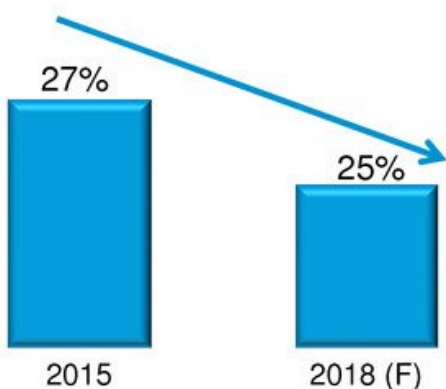
Cash Flow and Working Capital Efficiency Focus

Lean Sigma

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

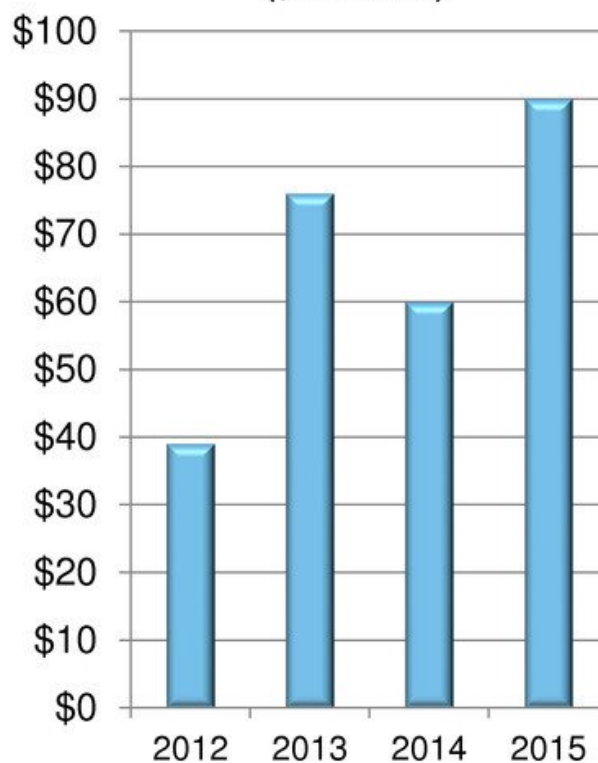
Improve Working Capital*

Working capital % of net sales

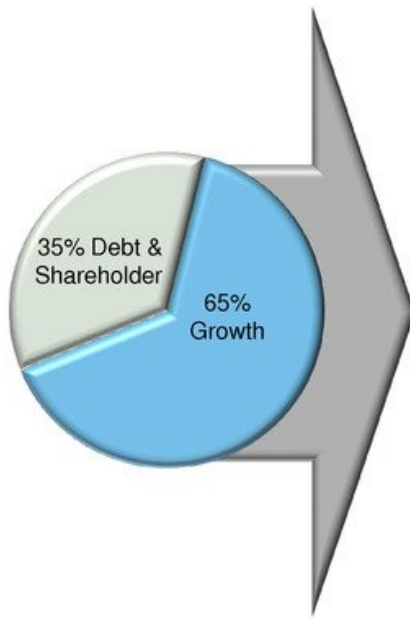


*Working capital is calculated as accounts receivable plus inventory less accounts payable.

Cash Flow from Operations (\$ in millions)



Disciplined Capital Deployment Going Forward



Return Cash to Shareholders

- Share repurchase - \$50M authorization (\$17M remaining)
- 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?

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acquisitions, dividends, share buybacks

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Strategy for sustained, profitable growth

GOAL
NEXT 3 YEARS:

Sustained growth
Double-digit EPS
CAGR

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



High Value-added Business Model



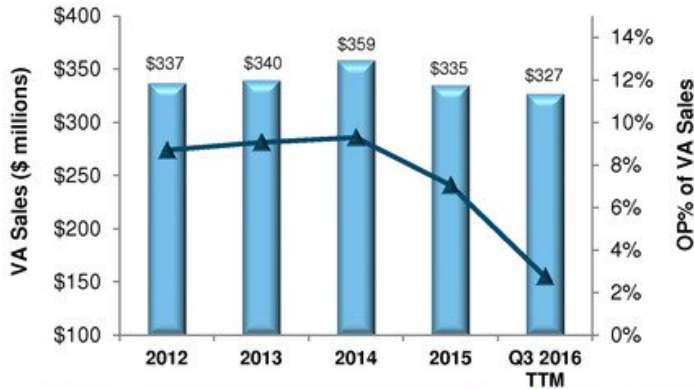


MATERION

Appendix

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

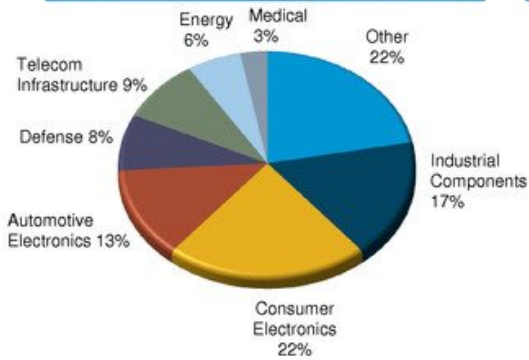
New application development

- Clad material serving the renewable energy market
- Precision rolling to thinner strips opening new application opportunities

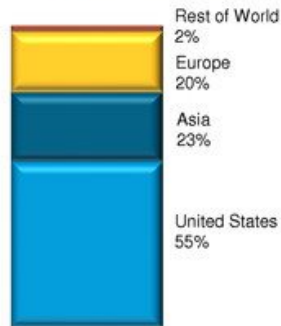
Changing Beryllium demand

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

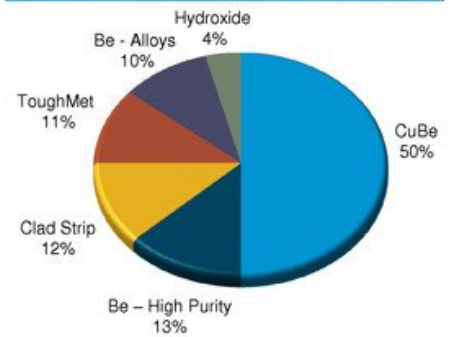
Value-added Sales by Market*



Geographic Mix*



Product Mix*



Advanced Materials

Value-added Sales



Growth Drivers

New product development

- Highly technical advanced materials and alloys, including evaporation materials and larger PVD targets
- High-value products with capacity to scale

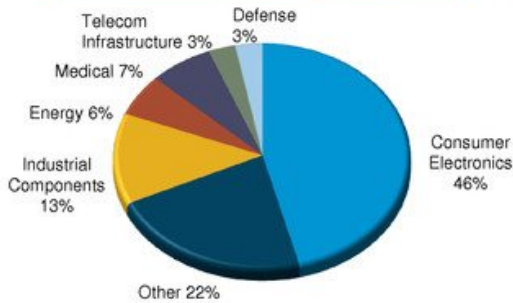
Semiconductor

- Long-term high growth market
- Best in class purity and cleanliness
- Quality and reliability highly valued

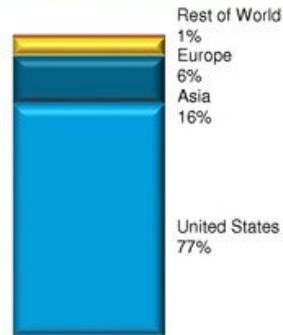
Growing Asia demand

- High growth region for our products
- Customers exploiting excess Asian fab capacity
- Use current material set and seed new business from US

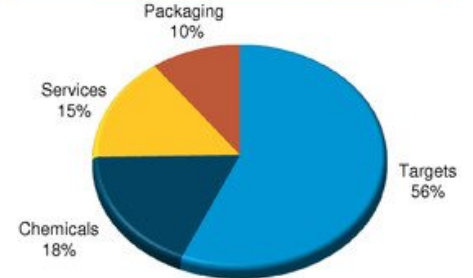
Value-added Sales by Market*



Geographic Mix*

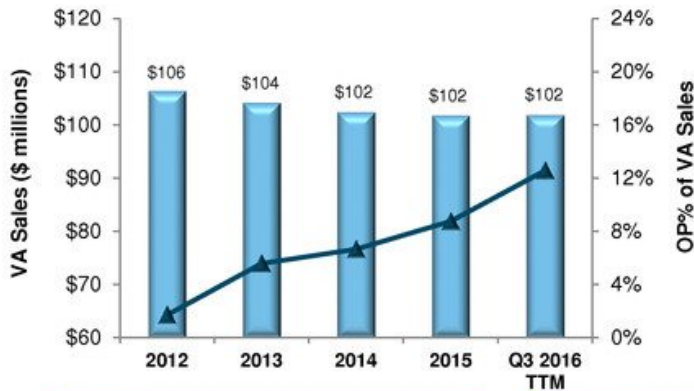


Product Mix*



Precision Coatings

Value-added Sales



Growth Drivers

New product development

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

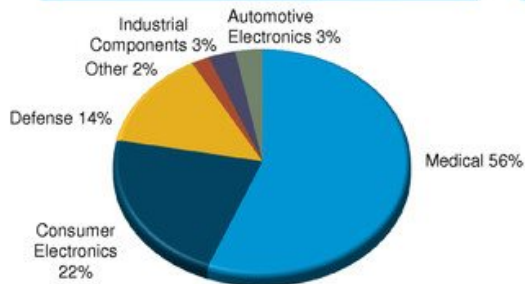
New market development

- 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

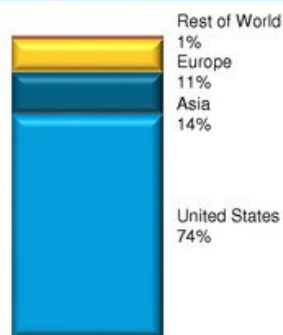
Expanded service offering

- Optical coating is the critical sensor assembly application
- Wafer level processing
- Film slitting to size

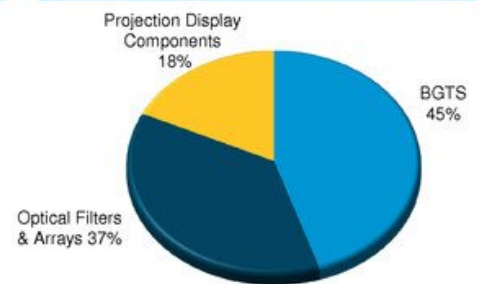
Value-added Sales by Market*



Geographic Mix*

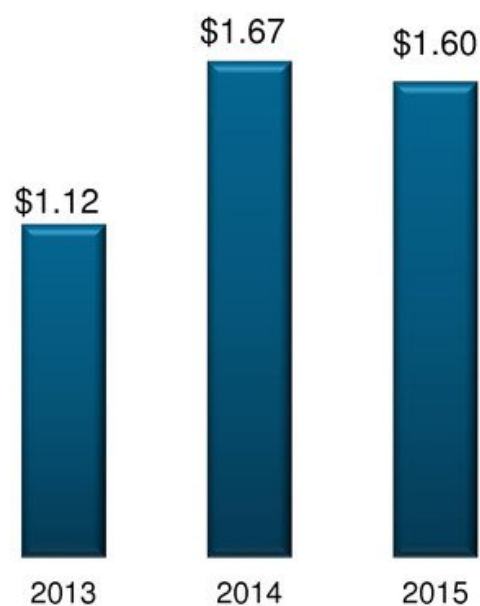


Product Mix*



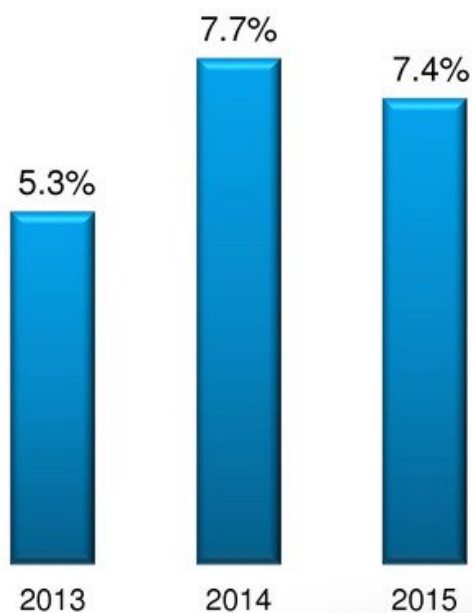
Performing Well Despite Headwinds

Adjusted EPS*



Operating Margins

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



* Adjusted EPS and adjusted operating profit as a percent of value-added sales are non-GAAP results. A reconciliation of these measures to the most directly comparable GAAP equivalent is provided on Slides A-18 and A-19.



Strong Cash Flow and Balance Sheet

Cash Flow

2015 operating cash flow

\$90M

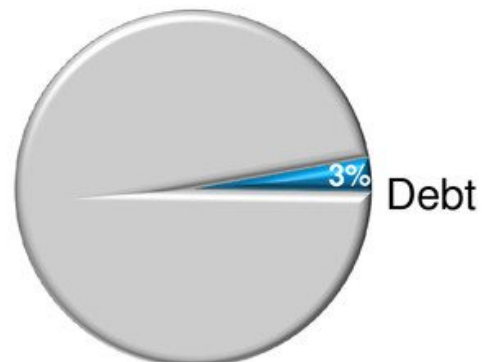
Average operating cash flow last 5 years

>\$60M

Balance Sheet

2015

Total Capitalization



Entering a Phase of Renewed Long-term Profitable Growth

2002

Transformation:
Growth in new markets
and technologies



2012 / 2014

Consolidation
and product
rationalization



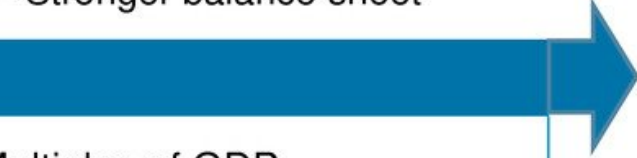
Today

Sharpened execution,
renewed long-term
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		



Applications: Smartphones

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

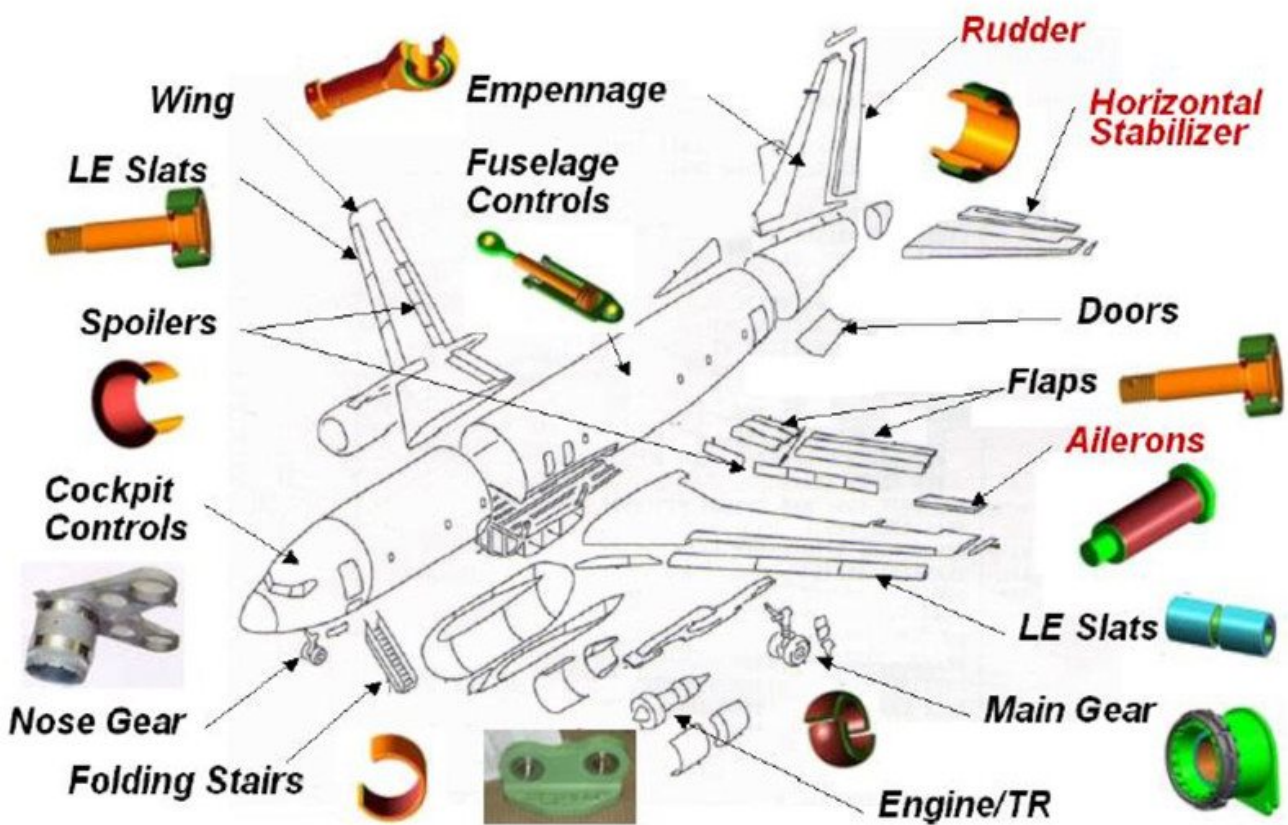
- Thin film materials – power amplifiers, LED, SAW and BAW devices, filters, and ICs
- Hermetic solutions for SAW
- Refining / recycling
- Precision parts cleaning

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



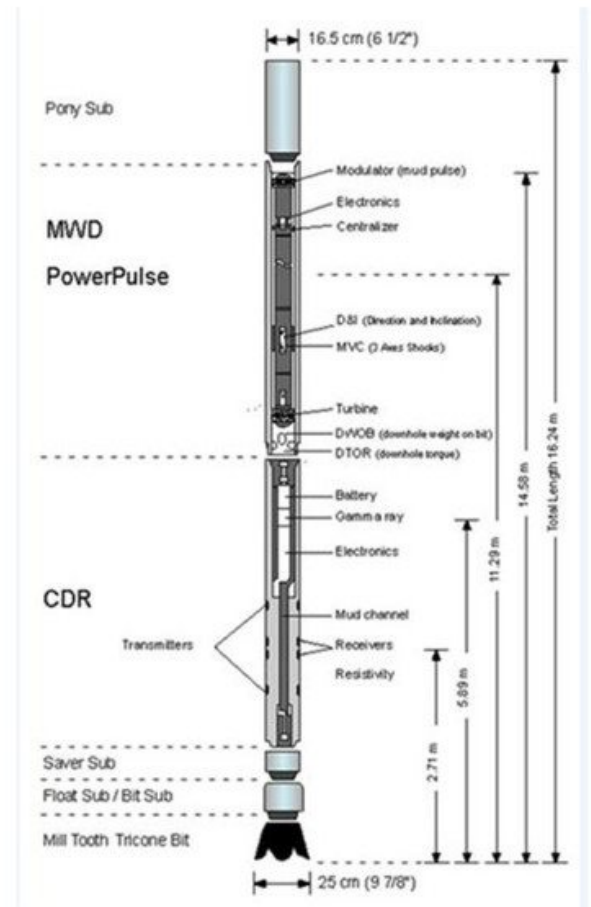
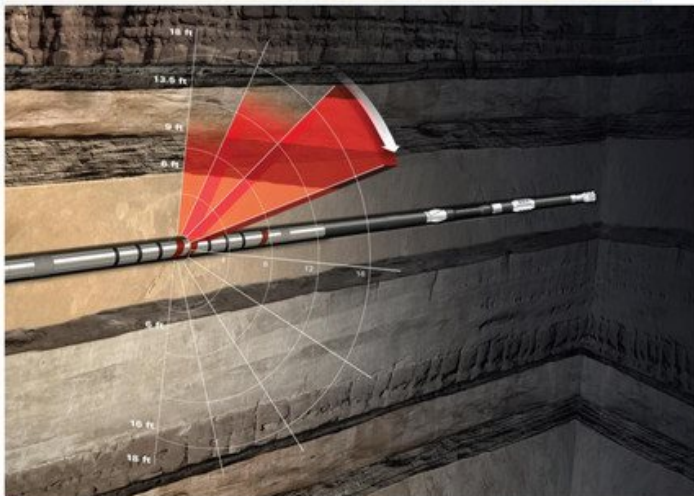
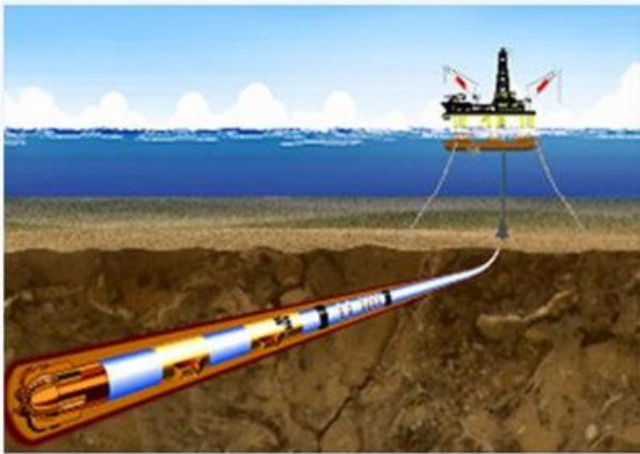
Steel at 3600 hours

ToughMet® at 8125 hours



Directional Drilling and Measurement

(Many ToughMet Components)



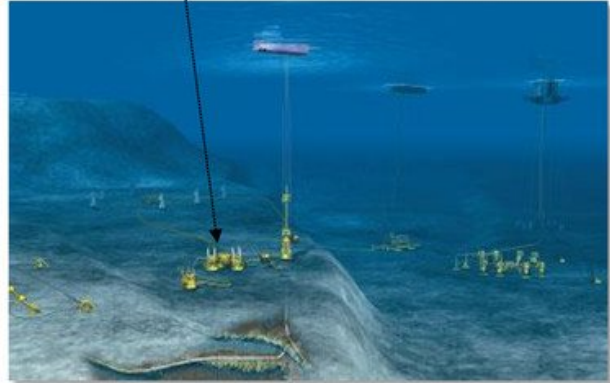
© 2013 – Proprietary to Materion Brush Inc.

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

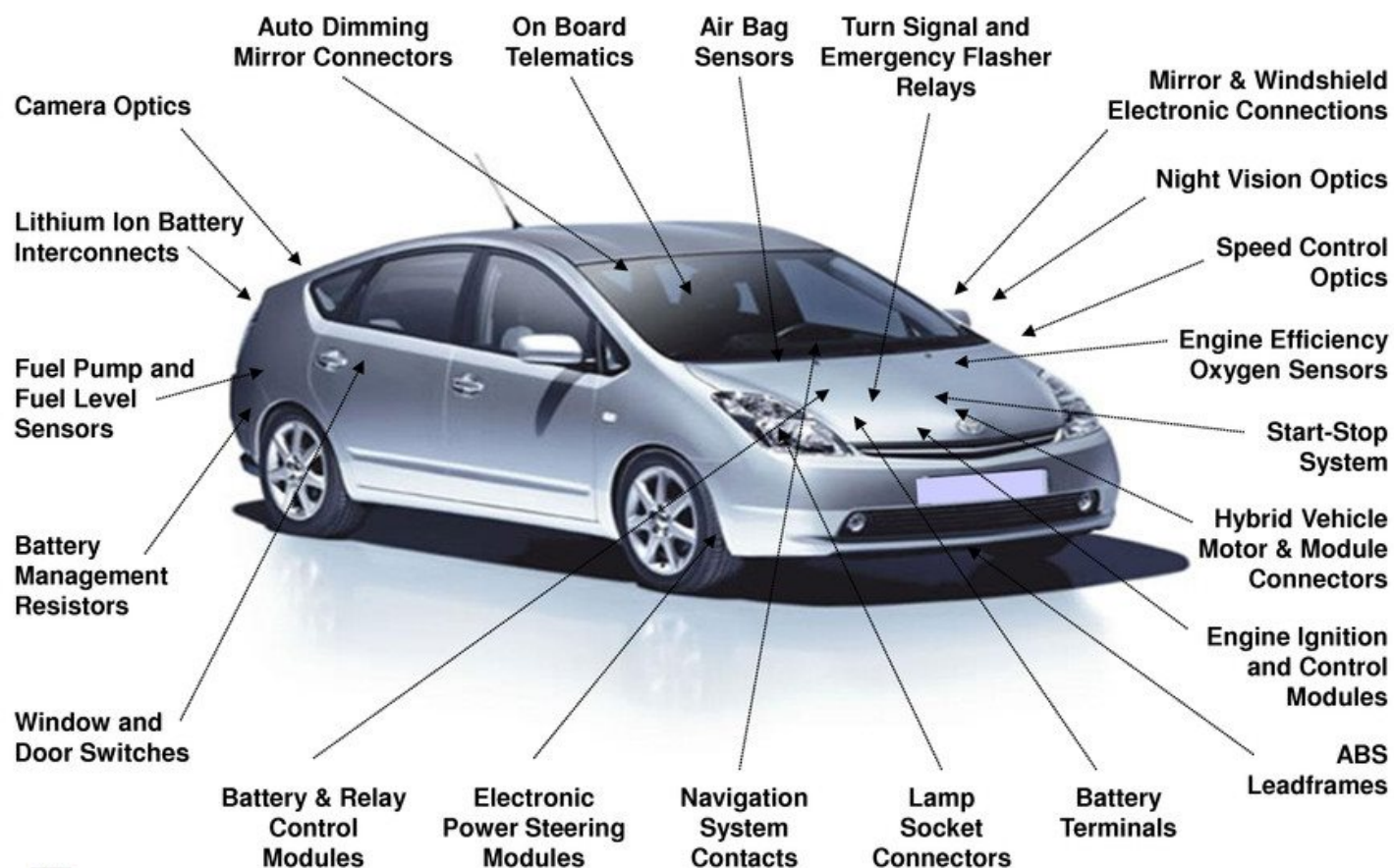
Cardiac Rhythm Management

- 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-15

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

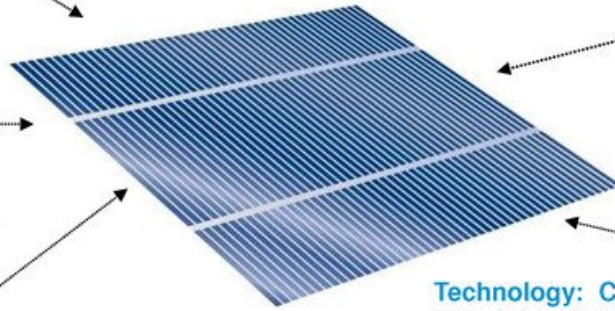
- Front and back contact layers
- TCO Transparent conductive oxide layers

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



25 Alloy Strip

- Panel interconnects

Reconciliation for Value-Added Sales

\$ in millions

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Q3 2016 TTM</u>
Net Sales					
Performance Alloys and Composites	\$ 424.4	\$ 422.9	\$ 433.3	\$ 394.8	\$ 382.3
Advanced Materials	694.8	592.0	547.3	482.3	416.3
Precision Coatings	153.0	152.3	147.7	148.4	150.4
Other	0.9	(0.3)	(1.3)	(0.2)	-
Total	<u>\$ 1,273.1</u>	<u>\$ 1,166.9</u>	<u>\$ 1,126.9</u>	<u>\$ 1,025.3</u>	<u>\$ 949.0</u>
Less: pass-through metal costs					
Performance Alloys and Composites	\$ 87.4	\$ 83.0	\$ 74.8	\$ 59.6	\$ 55.0
Advanced Materials	522.7	423.4	366.2	299.5	241.4
Precision Coatings	46.7	48.0	45.3	46.7	48.5
Other	0.7	3.3	3.5	2.2	5.8
Total	<u>\$ 657.5</u>	<u>\$ 557.8</u>	<u>\$ 489.8</u>	<u>\$ 408.0</u>	<u>\$ 350.7</u>
Value-added sales					
Performance Alloys and Composites	\$ 337.0	\$ 339.9	\$ 358.5	\$ 335.1	\$ 327.2
Advanced Materials	172.1	168.6	181.0	182.8	174.9
Precision Coatings	106.4	104.2	102.4	101.8	101.9
Other	0.1	(3.6)	(4.9)	(2.4)	(5.8)
Total	<u>\$ 615.6</u>	<u>\$ 609.1</u>	<u>\$ 637.1</u>	<u>\$ 617.2</u>	<u>\$ 598.2</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

Amounts in millions

	<u>2015</u>	<u>2014</u>	<u>2013</u>
GAAP As Reported			
Operating Profit	\$ 45.3	\$ 57.6	\$ 27.6
Net Income	32.2	42.1	20.2
Weighted average diluted shares outstanding	20.402	20.852	20.943
EPS - Diluted	\$ 1.58	\$ 2.02	\$ 0.97
Reorganization costs (benefits)			
Cost of Goods Sold	\$ 0.8	\$ 0.2	\$ 1.3
Selling, General & Administration	1.2	0.8	2.2
Other-net	-	(2.6)	1.4
Recovery from insurance and other litigation, net of expenses			
Cost of Goods Sold	-	-	-
Selling, General & Administration	1.7	3.9	-
Other-net	(3.2)	(10.8)	-
Total Special Items	\$ 0.5	\$ (8.5)	\$ 4.9
Special Items - net of tax	\$ 0.3	\$ (5.6)	\$ 3.4
Tax Special Item	\$ 0.2	\$ (1.8)	\$ -
Non-GAAP Measures - Adjusted Profitability			
Operating Profit	\$ 45.8	\$ 49.1	\$ 32.5
Net Income	\$ 32.7	\$ 34.7	\$ 23.6
EPS - Diluted	\$ 1.60	\$ 1.67	\$ 1.13

As detailed in the above reconciliation, we have adjusted the results for certain special items such as insurance and other litigation claims, legacy environmental costs, merger and acquisition costs, cost reduction actions, 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.

Reconciliation for Debt-to-Capitalization

\$ in millions

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total outstanding debt	\$ 13.3	\$ 23.9	\$ 64.3
Less: Cash & cash equivalents	<u>24.2</u>	<u>13.1</u>	<u>22.8</u>
Net (cash) debt	\$ (10.9)	\$ 10.8	\$ 41.5
Total Shareholders' Equity	\$483.0	\$459.0	\$464.4
Net Debt-to-Capitalization	3%	5%	13%

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.

Reconciliation for EV / Adjusted EBITDA

Amounts in millions, except share price

	<u>2015</u>
Weighted average basic shares outstanding	20.097
Closing Share Price at end of fiscal year	<u>\$ 28.00</u>
Market Cap	\$ 562.7
Debt	<u>13.3</u>
Enterprise Value	\$ 576.0
Operating Profit	\$ 45.3
Special Items	<u>0.5</u>
Adjusted Operating Profit	\$ 45.8
Depreciation, depletion and amortization	<u>37.8</u>
Adjusted EBITDA	\$ 83.6

Enterprise Value / Adjusted EBITDA **6.9**

EV/Adjusted EBITDA is our enterprise value divided by adjusted EBITDA. Adjusted EBITDA is calculated by adding depreciation, depletion & amortization and certain special items such as insurance and other litigation claims, legacy environmental costs, merger and acquisition costs, cost reduction actions, 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 activities.



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