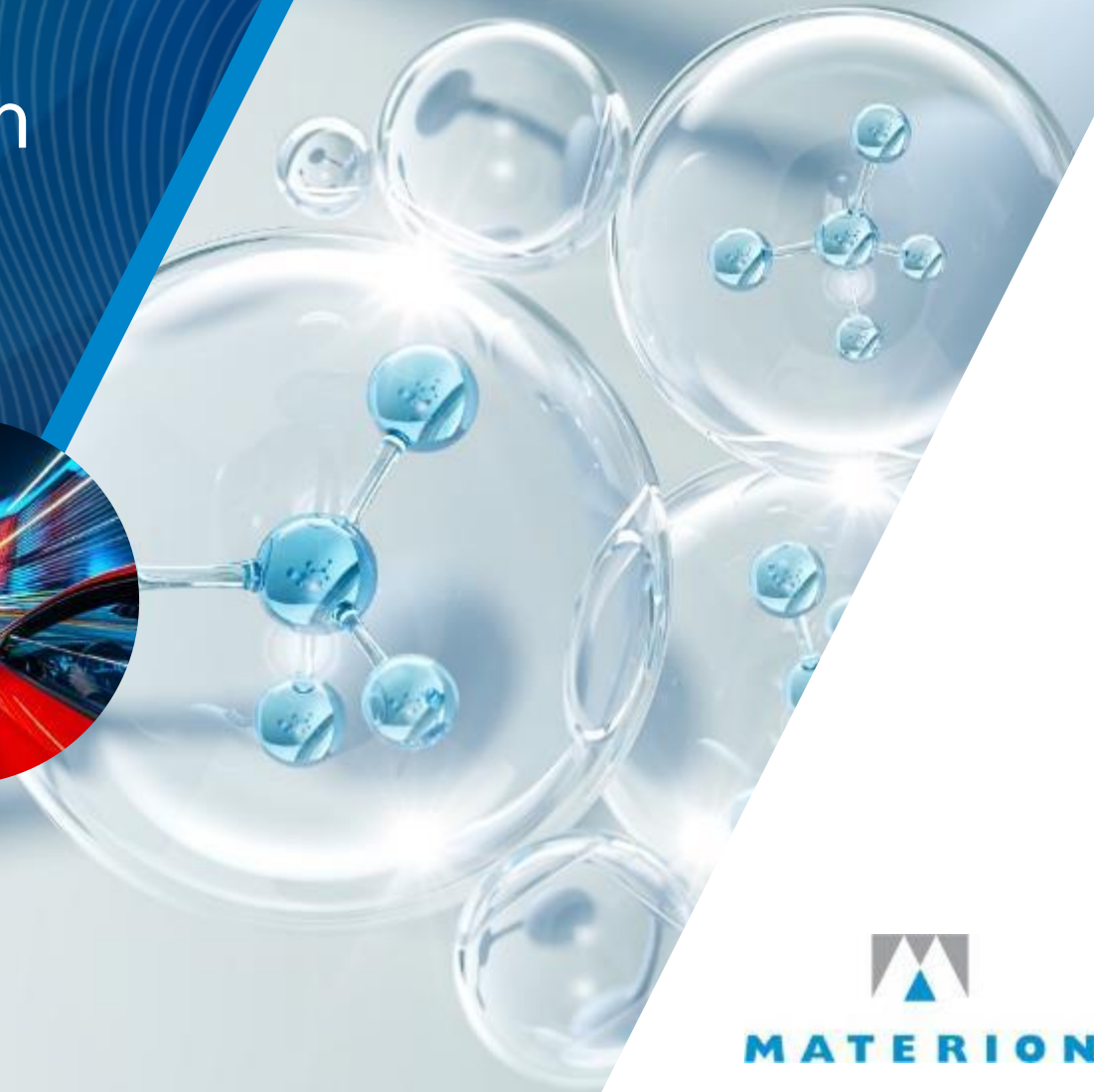


Materion Corporation 4Q 2024 Earnings Presentation

February 19, 2025



Agenda

Introduction

Kyle Kelleher – Director, Investor Relations and Corporate FP&A

Opening Remarks & Business Update

Jugal Vijayvargiya – President and Chief Executive Officer

Financial Review

Shelly Chadwick – Vice President and Chief Financial Officer

Q&A

Question and Answer Session

Forward-looking Statements and Non-GAAP Financial Information

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 our actual results to differ materially from the results expressed or implied by these statements as a result of a variety of factors. These factors include, in addition to those mentioned elsewhere herein: the global economy, including inflationary pressures, potential future recessionary conditions and the impact of tariffs and trade agreements; the impact of any U.S. Federal Government shutdowns or sequestrations; the condition of the markets which we serve, whether defined geographically or by segment; changes in product mix and the financial condition of customers; our success in developing and introducing new products and new product ramp-up rates; our success in passing through the costs of raw materials to customers or otherwise mitigating fluctuating prices for those materials, including the impact of fluctuating prices on inventory values; our success in identifying acquisition candidates and in acquiring and integrating such businesses; the impact of the results of acquisitions on our ability to fully achieve the strategic and financial objectives related to these acquisitions; our success in implementing our strategic plans and the timely and successful start-up and completion of any capital projects; other financial and economic factors, including the cost and availability of raw materials (both base and precious metals), physical inventory valuations, metal consignment fees, tax rates, exchange rates, interest rates, pension costs and required cash contributions and other employee benefit costs, energy costs, regulatory compliance costs, the cost and availability of insurance, credit availability, and the impact of the Company’s stock price on the cost of incentive compensation plans; the uncertainties related to the impact of war, hostilities, terrorist activities, and acts of God; changes in government regulatory requirements and the enactment of new legislation that impacts our obligations and operations; the conclusion of pending litigation matters in accordance with our expectation that there will be no material adverse effects; the disruptions in operations from, and other effects of, catastrophic and other extraordinary events including outbreaks from infectious diseases and the conflict between Russia and Ukraine and other hostilities; realization of expected financial benefits expected from the Inflation Reduction Act of 2022; and other risk 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 update or 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.

To supplement our consolidated financial statements presented in accordance with GAAP, the Company considers certain financial measures that are not prepared in accordance with GAAP, including value-added sales (VA sales), adjusted earnings before interest and taxes depreciation and amortization (EBITDA), adjusted net income, adjusted earnings per diluted share and net debt (cash). The Company uses these non-GAAP financial measures, in addition to GAAP financial measures, to evaluate our operating and financial performance and to compare such performance to that of prior periods and to the performance of our competitors. Also, the Company uses these non-GAAP financial measures in making operational and financial decisions and in establishing operational goals. The Company also believes providing these non-GAAP financial measures to investors, as a supplement to GAAP financial measures, helps investors evaluate our operating and financial performance and trends in our business, consistent with how management evaluates such performance and trends. The Company also believes these non-GAAP financial measures may be useful to investors in comparing its performance to the performance of other companies, although its non-GAAP financial measures are specific to the Company and the non-GAAP financial measures of other companies may not be calculated in the same manner.

It is not possible for the Company to identify the amount or significance of future adjustments associated with potential insurance and litigation claims, legacy environmental costs, acquisition and integration costs, certain income tax items, or other non-routine costs that the Company adjusts in the presentation of adjusted earnings guidance. These items are dependent on future events that are not reasonably estimable at this time. Accordingly, the Company is unable to reconcile without unreasonable effort the forecasted range of adjusted earnings guidance for the full year to a comparable GAAP range. However, items excluded from the Company’s adjusted earnings guidance include the historical adjustments noted in slides 23 through 29 in the appendix.

For more information on Non-GAAP measures, please refer to the appendix.



Opening Remarks & Business Update

Jugal Vijayvargiya

President and Chief Executive Officer



Q4 2024 Highlights

Record Adjusted Earnings on Strong Operational Performance

Value-added (VA) sales of \$296.1 million, up 2% YoY

- Increase driven by continued strength in space & defense and gradual improvement in semiconductor
- Partially offset by continued headwinds across automotive, industrial and energy






















Record adjusted EBITDA of \$61.5 million or 20.8% of VA, up 15% YoY

- Delivered third consecutive quarter of 20%+ adjusted EBITDA margins, 240 bps YoY improvement
- Led primarily by strong cost management and operational performance

Adjusted EPS of \$1.55, up 10% YoY, a quarterly record



End Market Performance

Q4 2024				FY 2024	
Market	VA Sales	vs. Q4 2023	Q4 Comments	VA Sales	vs. 2023
 Semiconductor	\$68.8	 7%	<ul style="list-style-type: none"> Improving demand across advanced logic and memory applications 	\$264.2	 -3%
 Aerospace & Defense	\$66.9	 15%	<ul style="list-style-type: none"> Fifteenth consecutive quarter of YoY growth in Aerospace led by significant contribution from emerging Space market Strongest defense quarter in 2024 	\$209.1	 28%
 Consumer Electronics	\$62.7	 3%	<ul style="list-style-type: none"> Increase driven by higher precision clad strip sales General market softness across consumer applications 	\$236.8	 3%
 Industrial	\$43.2	 -5%	<ul style="list-style-type: none"> Up 3% excluding beryllium-nickel spring material; nearing end of inventory correction 	\$160.3	 -16%
 Automotive	\$14.5	 -13%	<ul style="list-style-type: none"> EV market improvement offset by continued weakness in the traditional ICE vehicle market 	\$63.1	 -19%
 Energy	\$14.1	 -19%	<ul style="list-style-type: none"> Down 9% excluding the non-core large area glass business divestiture Clean energy order timing, partially offset by Oil & Gas sales improvement 	\$59.3	 -23%
 Life Sciences	\$8.9	 -13%	<ul style="list-style-type: none"> Slight decrease due to order timing 	\$43.1	 4%

2024 Highlights

Delivered Fourth Consecutive Year of Record Adjusted EBITDA and EBITDA margin

Delivered VA sales of \$1.1 billion, down 3% YoY

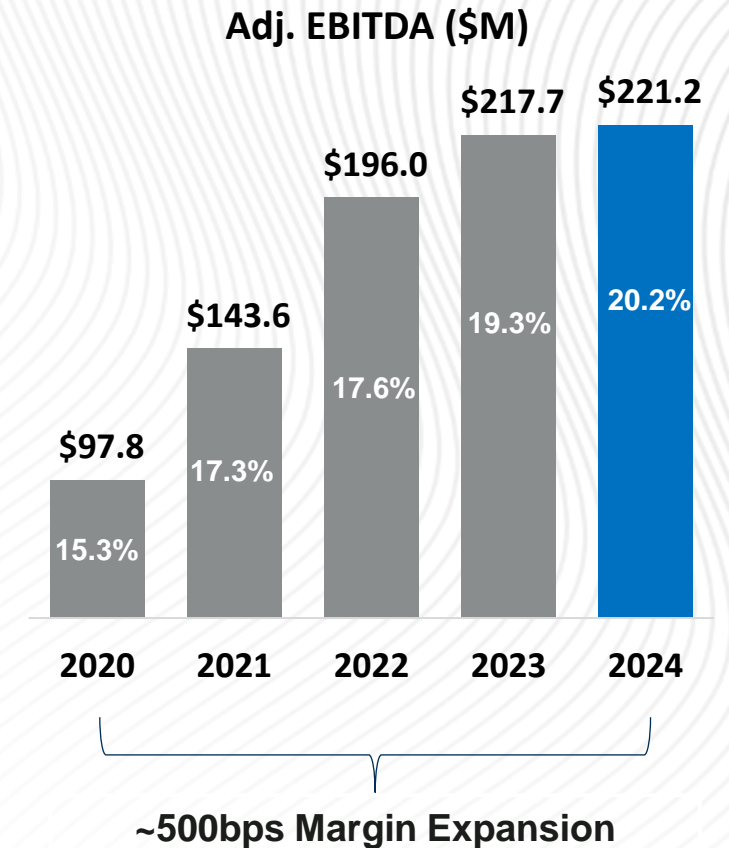
- Diverse portfolio and positive impact of organic wins helped offset significant softness across several markets

Achieved record adjusted EBITDA of \$221.2 million, up 2% YoY

- Increase driven by strong operational performance, cost management and positive price/mix
- Delivered adjusted EBITDA margin of 20.2%, up 90 bps YoY

Achieved full year adjusted EBITDA margin >20%, first time in company history

- Outperformed 20% adjusted EBITDA margin target three out of four quarters during year
- Drove significant actions to improve cost structure and lean-out back office functions



2024 Highlights

Significant Advancements on Strategic Initiatives

Advanced portfolio initiatives to address under-performing sites

- Completed sale of non-core large area targets business in Albuquerque, New Mexico
- Consolidated/closed operations to drive scale and efficiency

Secured significant new business wins and customer partnerships

- Awarded \$150M multiyear contract to supply critical materials for space propulsion systems
- Leading aerospace & defense customer investing ~\$10M to expand Materion capacity and capabilities
- Selected as technology partner for major global semi equipment supplier in development of their new deposition technology

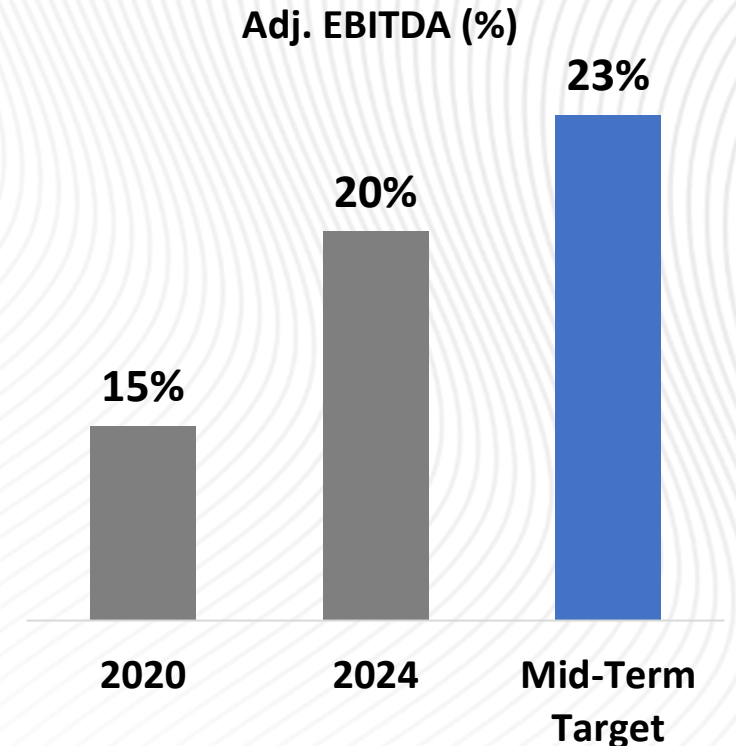
Precision Optics business transformation underway with appointment of new president



Establishing New Mid-Term Margin* Target of 23%

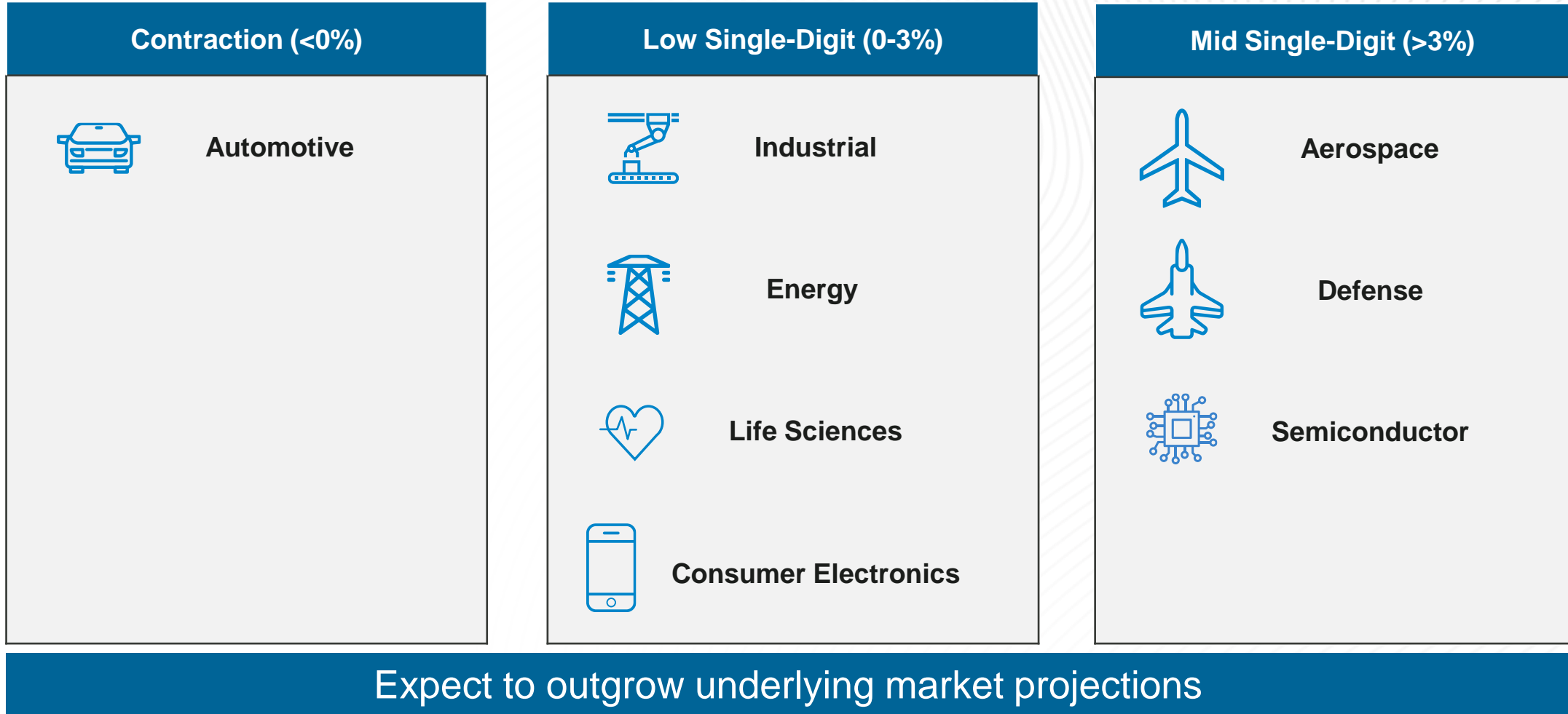
Materion is on a path to drive further margin expansion

- Delivered mid-term target margins of 20% in 2024; with margin expansion every year since 2020
- Expect to outgrow end-markets by 200 - 300bps with global megatrend aligned portfolio, complimented by opportunistic bolt-on M&A
- Precision clad strip to return to meaningful growth
- Maintain sharp focus on value-based pricing and improving mix through new business
- Actions taken have resulted in a leaner cost structure that will lever well as markets improve
- Continue to drive operational improvements, lowering our cost to produce



On a path to deliver another 300bps margin expansion

2025 End-Market Growth Outlook



Looking Ahead to 2025

Expect to outperform end markets, delivering mid-single digit top line growth excluding precision clad strip

- Markets to improve sequentially as we move through the year

Precision Clad Strip inventory correction will continue in 2025, expect a return to growth in 2026

Expect another year of 20%+ adjusted EBITDA margin, driven by improving market conditions and continued strong operational performance

Precision Optics business transformation resulting in meaningful year-over-year improvement

Establishing a new mid-term adjusted EBITDA margin target of 23%; a 300 bps improvement



Financial Review

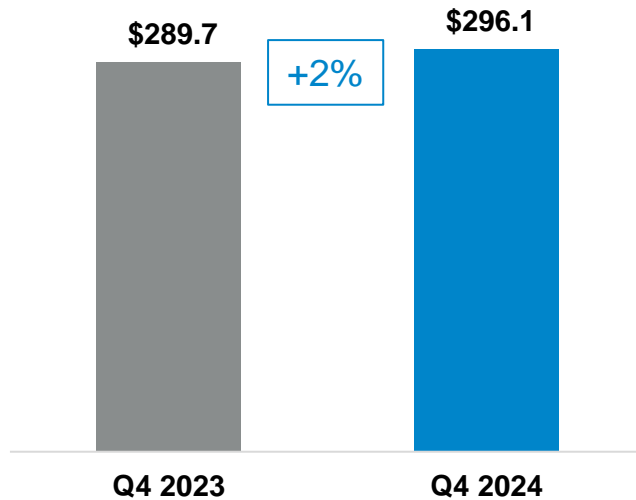
Shelly Chadwick

Vice President and Chief Financial Officer



Q4 2024 Operating Performance

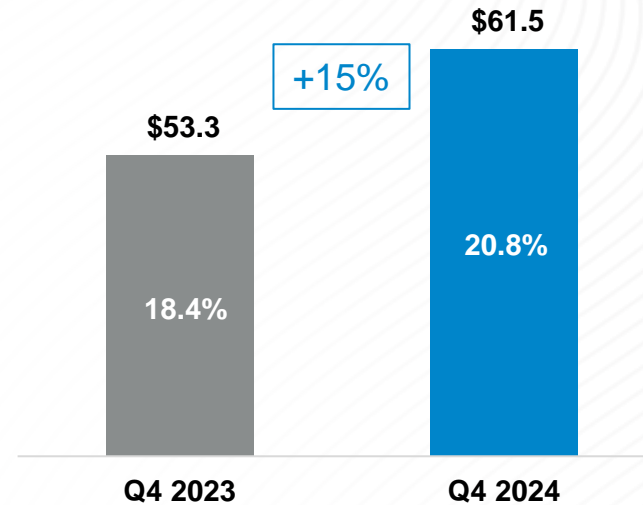
Value-added Sales (\$M)



Value-added sales were \$296.1 million

- Increase driven by continued strength in space & defense and gradual improvement in semiconductor
- Partially offset by market headwinds across automotive, industrial and energy

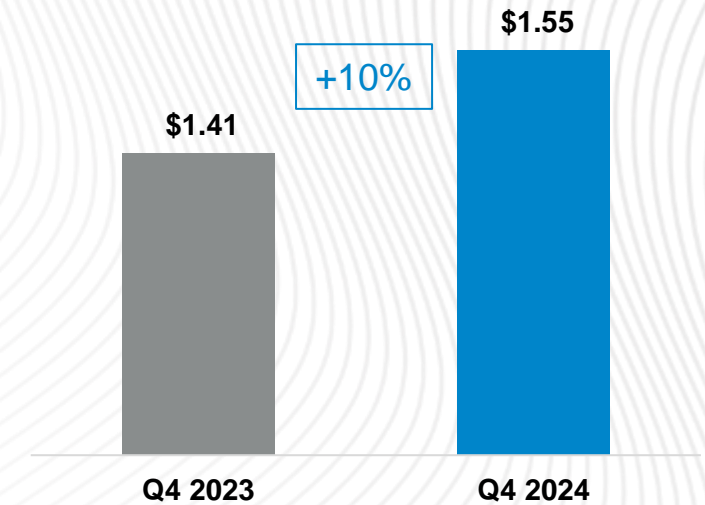
Adj. EBITDA (\$M)



Adjusted EBITDA at \$61.5 million, margin of 20.8%, up 240 bps YoY

- Record adjusted EBITDA for any quarter
- Outperformed mid-term adjusted EBITDA margin target of 20% for third consecutive quarter
- Increase driven primarily by strong cost management and operational performance

Adj. EPS



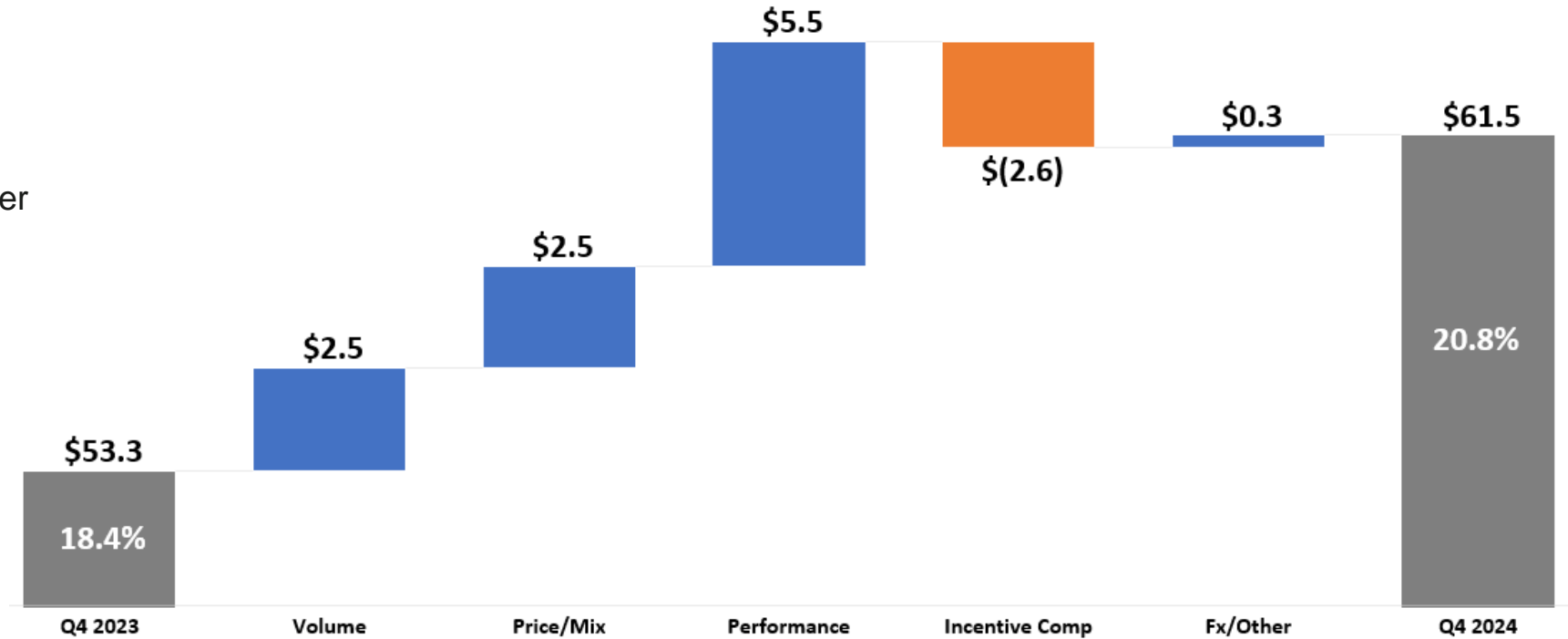
Adjusted EPS of \$1.55

- Record adjusted EPS for any quarter
- Interest and tax expense a ~\$0.04 headwind vs '23

Q4 2024 Financial Comparison

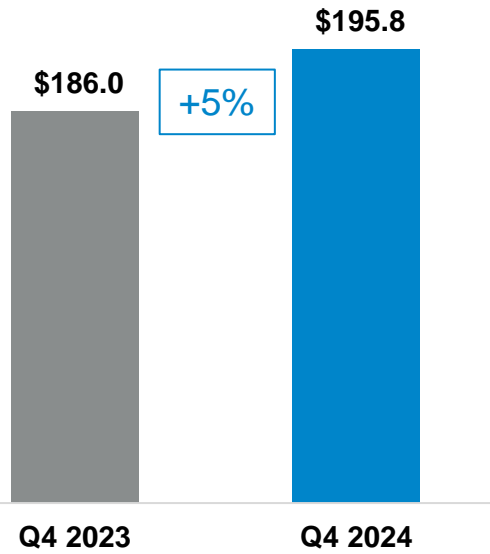
Adjusted EBITDA of \$61.5 million, or 20.8% of VA Sales, up 240 bps YoY

- Outperformed the mid-term adjusted EBITDA margin target of 20% for third consecutive quarter
- Record adjusted EBITDA for any quarter
- Increase driven by higher volume, price/mix and performance
- Incentive Comp is a headwind due to timing of earnings; majority of variable incentive booked in Q4

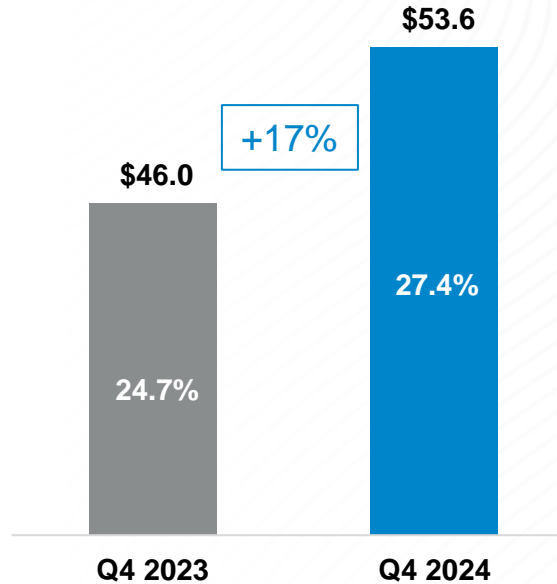


Performance Materials Segment

Value-added Sales (\$M)



Adj. EBITDA (\$M)



Record value-added sales of \$195.8 million, up 5% YoY

- Increase primarily driven by continued strength across the space & defense and consumer electronics end markets

Record adjusted EBITDA of \$53.6 million, up 17% YoY

- Increase driven by higher volume, strong price/mix and operational performance, including higher production credit benefit
- 270 bps of YoY margin expansion

2025 Outlook:

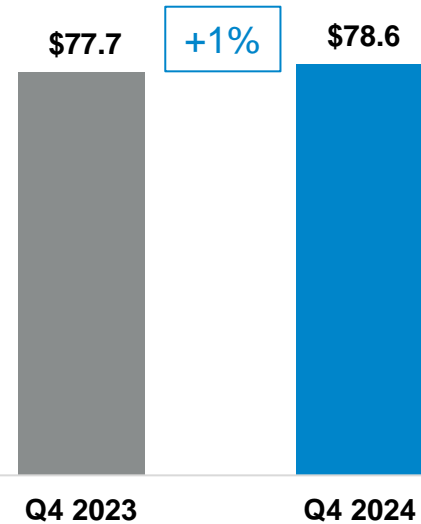
- Continued strength in the aerospace & defense end market
- Expect market conditions to improve across energy and industrial
- Expect the automotive market to remain challenged; contract for second straight year

Q4 Performance by End Market

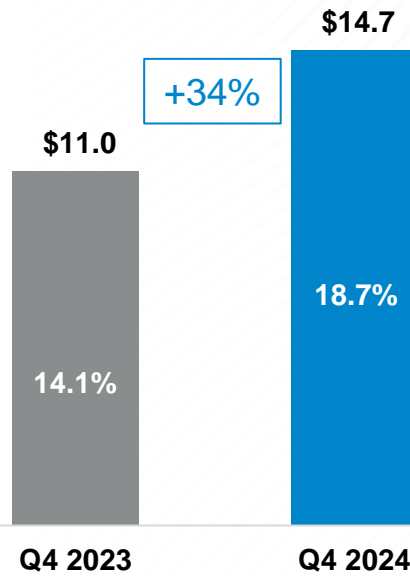


Electronic Materials Segment

Value-added Sales (\$M)



Adj. EBITDA (\$M)



Value-added sales of \$78.6 million, up 1% YoY

- Increase driven by improving semiconductor demand, specifically across logic & memory devices and data storage
- Up 4% YoY excluding the divested Albuquerque large area targets business

Adjusted EBITDA of \$14.7 million, up 34% YoY

- Increased driven by improved mix, strong operational performance and cost management
- Delivered 460bps of margin expansion YoY

2025 Outlook:

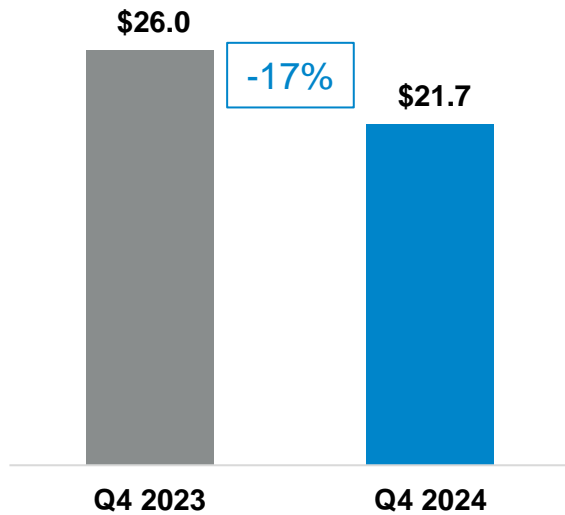
- Semiconductor market to improve throughout the year, particularly across logic & memory devices and data storage
 - Expect power semi to remain challenged
- Continued benefit from strong cost management and operational performance

Q4 Performance by End Market

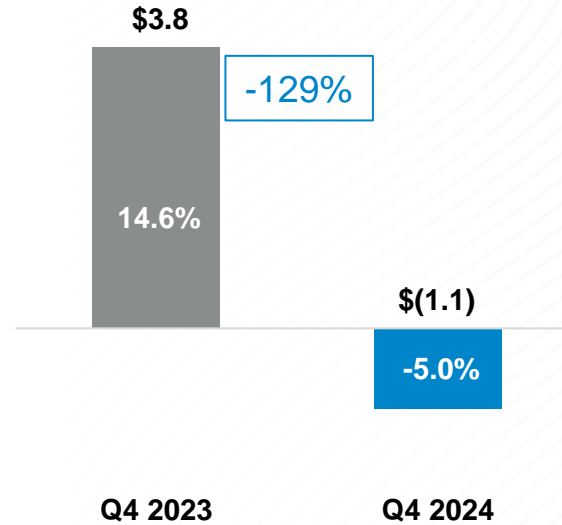


Precision Optics Segment

Value-added Sales (\$M)



Adj. EBITDA (\$M)



Value-added sales of \$21.7 million

- Decrease due to market weakness in several end markets partially offset by strength in space and semiconductor

Adjusted EBITDA loss of \$1.1 million

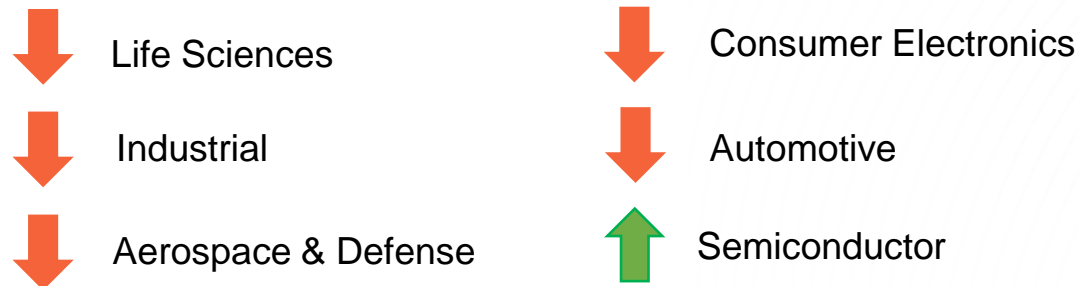
- Decrease primarily driven by volume, unfavorable product mix and operational challenges

Recorded a non-cash goodwill and intangible impairment to reflect the current business outlook

2025 Outlook:

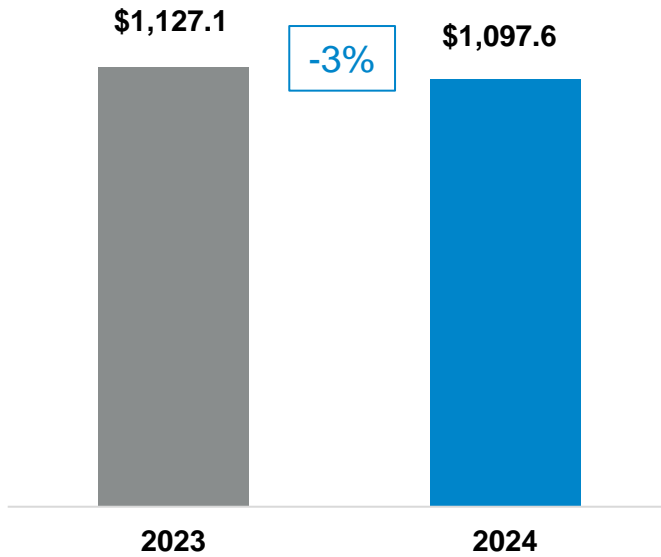
- Business transformation resulting in meaningful YoY improvement
- Expect top line growth from improving market conditions led by space & defense

Q4 Performance by End Market



Full Year Operating Performance

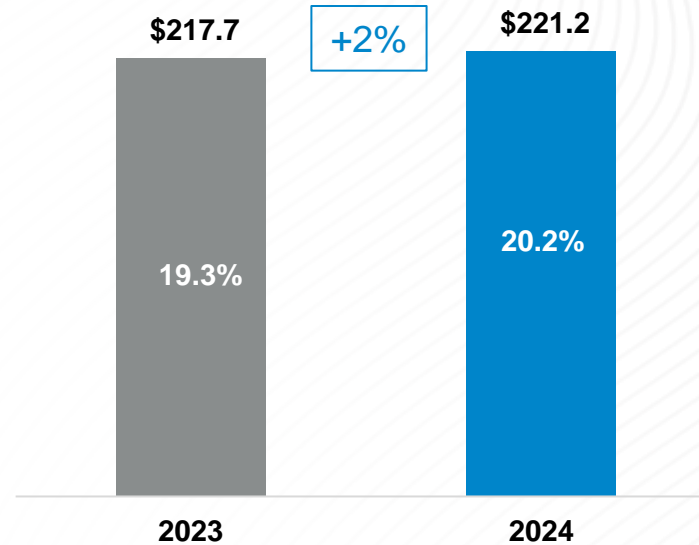
Value-added Sales (\$M)



Value-added sales of \$1,097.6 million

- Decline due to weakness in several end markets including industrial, energy and automotive
- Partially offset by strength across space & defense and increase in precision clad strip sales

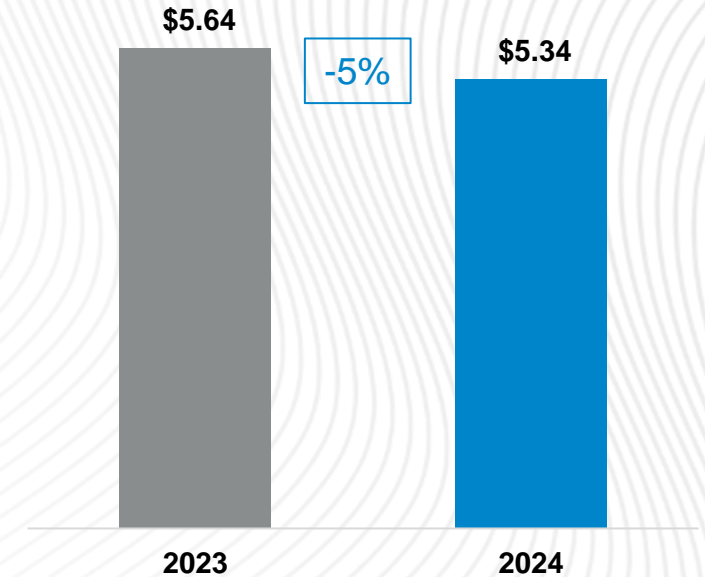
Adj. EBITDA (\$M)



Adjusted EBITDA at \$221.2 million, margin of 20.2% up 90 bps YoY

- Record full year adjusted EBITDA and margin
- Outperformed 20% EBITDA margin target for the full year
- Driven by strong price/mix and operational excellence despite softer volume

Adj. EPS



Adjusted EPS of \$5.34

- Favorable tax rate at 13.3% due to non-taxable production credit and foreign earnings benefit
- Interest expense \$0.16 headwind YoY

Cash, Debt and Liquidity

(\$M)	Q4 2023	Q4 2024
Short-term Debt	\$38.6	\$34.3
Long-term Debt	\$387.6	\$407.7
Total Debt	\$426.2	\$442.0
Cash & Cash Equivalents	\$13.3	\$16.7
Net Debt (Cash)	\$412.9	\$425.3
TTM Adjusted EBITDA	\$217.7	\$221.2
Net Debt (Cash) / TTM Adj. EBITDA	1.9x	1.9x

Leverage at midpoint of target range of 1.5x – 3x

- Improvement from 2.2x at the end of Q3

Strong free cash flow of \$57M generated in fourth quarter

Approximately \$169 million available on existing revolving credit facility

- Adequate liquidity remains to support growth initiatives

No share buyback activity in the quarter

- Board authorization in place for up to \$50M worth of shares with \$8.3M remaining

Balanced capital allocation approach, prioritizing organic investment

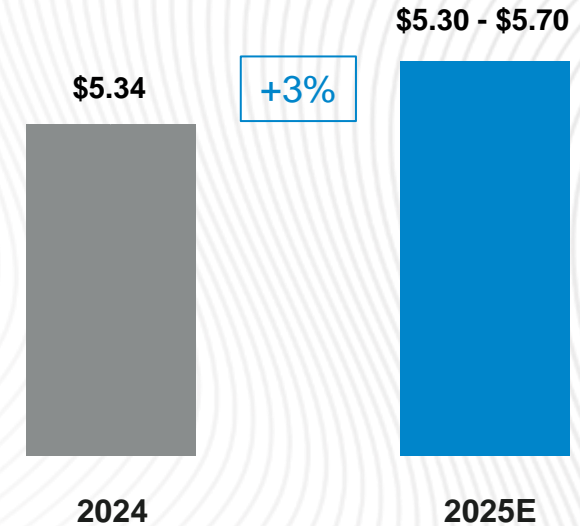


Full Year 2025 Guidance

2025 Guidance

- Introducing full year adjusted EPS guidance of **\$5.30 - \$5.70**
- Expect sequential improvement through the year

Adj. EPS Guidance



2025 Modeling Assumptions

Capital Expenditures	\$80M	Interest Expense	\$30M
HCS-Electronic Materials	\$25M	Effective Tax Rate	15-16%
Normal Segment Capex	\$55M	Depreciation and Amortization	\$70M
Mine Development – New Pit Openings	\$20M	Acquisition Amortization	\$11M



Invest in Materion as We Advance Our Strategy



Becoming a global leader in high-performing advanced materials serving diverse and attractive markets well aligned with megatrends



Building robust pipeline with investments in R&D as we focus on developing innovative solutions for our customers



Leveraging strong cash flow and deploying a disciplined, strategic approach toward profitable growth opportunities, both organic and inorganic



Energized management team laser focused on execution and increasing value for all stakeholders

Appendix

Reconciliation for Value-added Sales

(Millions)	Fourth Quarter Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net Sales				
Performance Materials	\$ 211.0	\$ 201.1	\$ 744.5	\$ 755.5
Electronic Materials	204.2	193.9	845.7	805.8
Precision Optics	21.7	26.0	94.5	103.9
Other	—	—	—	—
Total	\$ 436.9	\$ 421.0	\$ 1,684.7	\$ 1,665.2
Less: Pass-through Metal Cost				
Performance Materials	\$ 15.2	\$ 15.1	\$ 56.5	\$ 66.9
Electronic Materials	125.6	116.2	530.4	471.1
Precision Optics	—	—	0.2	0.1
Other	—	—	—	—
Total	\$ 140.8	\$ 131.3	\$ 587.1	\$ 538.1
Value-added Sales (non-GAAP)				
Performance Materials	\$ 195.8	\$ 186.0	\$ 688.0	\$ 688.6
Electronic Materials	78.6	77.7	315.3	334.7
Precision Optics	21.7	26.0	94.3	103.8
Other	—	—	—	—
Total	\$ 296.1	\$ 289.7	\$ 1,097.6	\$ 1,127.1

The cost of gold, silver, platinum, palladium, copper, ruthenium, iridium, rhodium, rhenium, and osmium is passed through to customers and, therefore, the trends and comparisons of net sales are affected by movements in the market price of these metals. The use of value-added sales allows management to assess the impact of differences in net sales and analyze the resulting profitability without the distortion of metal pricing movements, which the Company believes would be useful information for investors.



Reconciliation for Non-GAAP Measures

(Millions)	Fourth Quarter Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Operating Profit (Loss)				
Performance Materials	\$ 43.4	\$ 33.0	\$ 132.1	\$ 143.9
Electronic Materials	2.9	3.8	29.4	28.6
Precision Optics	(77.0)	(0.4)	(84.7)	(2.0)
Other	(7.7)	(8.8)	(29.6)	(34.1)
Total	\$ (38.4)	\$ 27.6	\$ 47.2	\$ 136.4
Non-Operating (Income) Expense				
Performance Materials	\$ 0.1	\$ 0.2	\$ 0.5	\$ 0.6
Electronic Materials	—	(0.1)	—	(0.1)
Precision Optics	—	—	(0.4)	(0.6)
Other	(0.6)	(0.7)	(2.5)	(2.7)
Total	\$ (0.5)	\$ (0.6)	\$ (2.4)	\$ (2.8)
Depreciation, Depletion, and Amortization				
Performance Materials	\$ 10.1	\$ 7.6	\$ 37.7	\$ 31.2
Electronic Materials	4.4	4.3	18.0	17.0
Precision Optics	2.4	2.6	11.0	11.3
Other	0.5	0.6	2.0	2.1
Total	\$ 17.4	\$ 15.1	\$ 68.7	\$ 61.6
Segment EBITDA				
Performance Materials	\$ 53.4	\$ 40.4	\$ 169.3	\$ 174.5
Electronic Materials	7.3	8.2	47.4	45.7
Precision Optics	(74.6)	2.2	(73.3)	9.9
Other	(6.6)	(7.5)	(25.1)	(29.3)
Total	\$ (20.5)	\$ 43.3	\$ 118.3	\$ 200.8

We have adjusted the results for certain special items such as restructuring and cost reduction initiatives (including costs associated with temporarily idled facilities), Electronic Materials inventory adjustment, business transformation costs, additional start up resources and scrap, and merger, acquisition and divestiture related costs from the applicable GAAP financial measure. Management reviews the results of operations without the impact of these items to assess profitability from ongoing activities and believes this will assist investors in analyzing our financial results.



Reconciliation for Non-GAAP Measures

(Millions)	Fourth Quarter Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Special Items⁽²⁾				
Performance Materials	\$ 0.2	\$ 5.6	\$ 9.5	\$ 6.7
Electronic Materials	7.4	2.8	14.6	7.3
Precision Optics	73.5	1.6	75.2	2.8
Other	0.9	—	3.6	0.1
Total	\$ 82.0	\$ 10.0	\$ 102.9	\$ 16.9
Adjusted EBITDA Excluding Special Items				
Performance Materials	\$ 53.6	\$ 46.0	\$ 178.8	\$ 181.2
Electronic Materials	14.7	11.0	62.0	53.0
Precision Optics	(1.1)	3.8	1.9	12.7
Other	(5.7)	(7.5)	(21.5)	(29.2)
Total	\$ 61.5	\$ 53.3	\$ 221.2	\$ 217.7

We have adjusted the results for certain special items such as restructuring and cost reduction initiatives (including costs associated with temporarily idled facilities), Electronic Materials inventory adjustment, business transformation costs, additional start up resources and scrap, and merger, acquisition and divestiture related costs from the applicable GAAP financial measure. Management reviews the results of operations without the impact of these items to assess profitability from ongoing activities and believes this will assist investors in analyzing our financial results.



Reconciliation for Non-GAAP Measures (Cont.)

(Millions)	Fourth Quarter Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net sales	\$ 436.9	\$ 421.0	\$ 1,684.7	\$ 1,665.2
Pass-through metal cost	140.8	131.3	587.1	538.1
Value-added sales	\$ 296.1	\$ 289.7	\$ 1,097.6	\$ 1,127.1
Net income	\$ (48.8)	\$ 19.5	\$ 5.9	\$ 95.7
Income tax expense	2.1	0.2	9.0	12.2
Interest expense - net	8.8	8.5	34.7	31.3
Depreciation, depletion and amortization	17.4	15.1	68.7	61.6
Consolidated EBITDA	\$ (20.5)	\$ 43.3	\$ 118.3	\$ 200.8
<i>Net Income as a % of Net Sales</i>	<i>(11.2)%</i>	<i>4.6 %</i>	<i>0.4 %</i>	<i>5.7 %</i>
<i>Net Income as a % of Value-Added Sales</i>	<i>(16.5)%</i>	<i>6.7 %</i>	<i>0.5 %</i>	<i>8.5 %</i>
<i>EBITDA as a % of Net Sales</i>	<i>(4.7)%</i>	<i>10.3 %</i>	<i>7.0 %</i>	<i>12.1 %</i>
<i>EBITDA as a % of Value-Added Sales</i>	<i>(6.9)%</i>	<i>14.9 %</i>	<i>10.8 %</i>	<i>17.8 %</i>
Special items				
Restructuring and cost reduction	\$ 0.7	\$ 4.2	\$ 11.4	\$ 11.1
Electronic Materials inventory adjustment	—	—	2.8	—
Business transformation costs	0.7	—	1.3	—
Pension settlement	—	0.2	—	0.2
Additional start up resources and scrap	—	5.6	6.1	5.6
Precision Optics impairments	73.2	—	73.2	—
Merger, acquisition and divestiture related costs	7.4	—	8.1	—
Total special items	82.0	10.0	102.9	16.9
Adjusted EBITDA	\$ 61.5	\$ 53.3	\$ 221.2	\$ 217.7
<i>Adjusted EBITDA as a % of Net Sales</i>	<i>14.1 %</i>	<i>12.7 %</i>	<i>13.1 %</i>	<i>13.1 %</i>
<i>Adjusted EBITDA as a % of Value-Added Sales</i>	<i>20.8 %</i>	<i>18.4 %</i>	<i>20.2 %</i>	<i>19.3 %</i>

We have adjusted the results for certain special items such as restructuring and cost reduction initiatives (including costs associated with temporarily idled facilities), Electronic Materials inventory adjustment, business transformation costs, additional start up resources and scrap, and merger, acquisition and divestiture related costs from the applicable GAAP financial measure. Management reviews the results of operations without the impact of these items to assess profitability from ongoing activities and believes this will assist investors in analyzing our financial results.



Reconciliation for Non-GAAP Measures (Cont.)

(Millions)	Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Net sales	\$ 1,757.1	\$ 1,510.6	\$ 1,176.3
Pass-through metal cost	642.7	681.0	536.2
Value-added sales	\$ 1,114.4	\$ 829.6	\$ 640.1
Net income	86.0	72.5	15.4
Income tax expense	17.1	4.8	(7.2)
Interest expense - net	21.9	4.9	3.9
Depreciation, depletion and amortization	53.4	44.2	42.4
Consolidated EBITDA	\$ 178.4	\$ 126.4	\$ 54.5
<i>Net Income as a % of Net Sales</i>	<i>4.9%</i>	<i>4.8%</i>	<i>1.3%</i>
<i>Net Income as a % of Value-Added Sales</i>	<i>7.7%</i>	<i>8.7%</i>	<i>2.4%</i>
<i>EBITDA as a % of Net Sales</i>	<i>10.2%</i>	<i>8.4%</i>	<i>4.6%</i>
<i>EBITDA as a % of Value-Added Sales</i>	<i>16.0%</i>	<i>15.2%</i>	<i>8.5%</i>
Special items			
Restructuring and cost reduction	1.5	0.4	11.7
Mine development costs	-	-	12.9
Forfeiture of non-cash stock based compensation	-	-	(2.1)
Non-cash inventory adjustments	-	-	1.3
COVID-19 related costs	-	-	4.1
Foreign currency hedge gain	-	-	(3.3)
Legacy legal and environmental costs	-	-	0.2
Pension settlement	(0.5)	-	-
Additional start up resources and scrap	4.1	-	-
Impairment charges	-	-	10.5
Merger, acquisition and divestiture related costs	12.5	16.8	8.0
Total special items	17.6	17.2	43.3
Adjusted EBITDA	\$ 196.0	\$ 143.6	\$ 97.8
<i>Adjusted EBITDA as a % of Net Sales</i>	<i>11.2%</i>	<i>9.5%</i>	<i>8.3%</i>
<i>Adjusted EBITDA as a % of Value-Added Sales</i>	<i>17.6%</i>	<i>17.3%</i>	<i>15.3%</i>

We have adjusted the results for certain special items such as restructuring and cost reduction initiatives (including costs associated with temporarily idled facilities), Electronic Materials inventory adjustment, business transformation costs, additional start up resources and scrap, and merger, acquisition and divestiture related costs from the applicable GAAP financial measure. Management reviews the results of operations without the impact of these items to assess profitability from ongoing activities and believes this will assist investors in analyzing our financial results.



Reconciliation for Non-GAAP Measures (Cont.)

Performance Materials (Millions)	Fourth Quarter Ended	
	December 31, 2024	December 31, 2023
Net sales	\$ 211.0	\$ 201.1
Pass-through metal cost	15.2	15.1
Value-added sales	\$ 195.8	\$ 186.0
EBITDA	\$ 53.4	\$ 40.4
Restructuring and cost reduction	0.1	—
Additional start up resources and scrap	—	5.6
Business transformation costs	0.1	—
Adjusted EBITDA	\$ 53.6	\$ 46.0
<i>EBITDA as a % of Net Sales</i>	25.3 %	20.1 %
<i>EBITDA as a % of Value-Added Sales</i>	27.3 %	21.7 %
<i>Adjusted EBITDA as a % of Net Sales</i>	25.4 %	22.9 %
<i>Adjusted EBITDA as a % of Value-Added Sales</i>	27.4 %	24.7 %

Electronic Materials (Millions)	Fourth Quarter Ended	
	December 31, 2024	December 31, 2023
Net sales	\$ 204.2	\$ 193.9
Pass-through metal cost	125.6	116.2
Value-added sales	\$ 78.6	\$ 77.7
EBITDA	\$ 7.3	\$ 8.2
Restructuring and cost reduction	0.2	2.8
Merger, acquisition and divestiture related costs	7.0	—
Business transformation costs	0.2	—
Electronic Materials inventory adjustment	—	—
Adjusted EBITDA	\$ 14.7	\$ 11.0
<i>EBITDA as a % of Net Sales</i>	3.6 %	4.2 %
<i>EBITDA as a % of Value-Added Sales</i>	9.3 %	10.6 %
<i>Adjusted EBITDA as a % of Net Sales</i>	7.2 %	5.7 %
<i>Adjusted EBITDA as a % of Value-Added Sales</i>	18.7 %	14.2 %

Precision Optics (Millions)	Fourth Quarter Ended	
	December 31, 2024	December 31, 2023
Net sales	\$ 21.7	\$ 26.0
Pass-through metal cost	—	—
Value-added sales	\$ 21.7	\$ 26.0
EBITDA	\$ (74.6)	\$ 2.2
Restructuring and cost reduction	0.3	1.4
Pension settlement	—	0.2
Precision Optics impairments	73.2	—
Adjusted EBITDA	\$ (1.1)	\$ 3.8
<i>EBITDA as a % of Net Sales</i>	(343.8)%	8.5 %
<i>EBITDA as a % of Value-Added Sales</i>	(343.8)%	8.5 %
<i>Adjusted EBITDA as a % of Net Sales</i>	(5.1)%	14.6 %
<i>Adjusted EBITDA as a % of Value-Added Sales</i>	(5.1)%	14.6 %

Other (Millions)	Fourth Quarter Ended	
	December 31, 2024	December 31, 2023
EBITDA	\$ (6.6)	\$ (7.5)
Restructuring and cost reduction	0.1	—
Business transformation costs	0.4	—
Merger, acquisition and divestiture related costs	0.4	—
Adjusted EBITDA	\$ (5.7)	\$ (7.5)

We have adjusted the results for certain special items such as restructuring and cost reduction initiatives (including costs associated with temporarily idled facilities), Electronic Materials inventory adjustment, business transformation costs, additional start up resources and scrap, and merger, acquisition and divestiture related costs from the applicable GAAP financial measure. Management reviews the results of operations without the impact of these items to assess profitability from ongoing activities and believes this will assist investors in analyzing our financial results.



Reconciliation for Non-GAAP Measures (Cont.)

(Millions)	Fourth Quarter Ended				Twelve Months Ended			
	December 31, 2024	Diluted EPS	December 31, 2023	Diluted EPS	December 31, 2024	Diluted EPS	December 31, 2023	Diluted EPS
Net income and EPS	\$ (48.8)	\$ (2.33)	\$ 19.5	\$ 0.93	\$ 5.9	\$ 0.28	\$ 95.7	\$ 4.58
Special items								
Restructuring and cost reduction	0.7		4.2		11.4		11.1	
Electronic Materials inventory adjustment	—		—		2.8		—	
Business transformation costs	0.7		—		1.3		—	
Pension settlement	—		0.2		—		0.2	
Additional start up resources and scrap	—		5.6		6.1		5.6	
Precision Optics impairments	73.2		—		73.2		—	
Merger, acquisition and divestiture related costs	7.4		—		8.1		—	
Provision for income taxes ⁽¹⁾	(3.0)		(2.4)		(6.6)		(4.4)	
Total special items	79.0	3.77	7.6	0.36	96.3	4.60	12.5	0.60
Adjusted net income and adjusted EPS	\$ 30.2	\$ 1.44	\$ 27.1	\$ 1.29	\$ 102.2	\$ 4.88	\$ 108.2	\$ 5.17
Acquisition amortization (net of tax)	2.2	0.11	2.5	0.12	9.6	0.46	9.8	0.47
Adjusted net income and adjusted EPS excl. amortization	\$ 32.4	\$ 1.55	\$ 29.6	\$ 1.41	\$ 111.8	\$ 5.34	\$ 118.0	\$ 5.64

We have adjusted the results for certain special items such as restructuring and cost reduction initiatives (including costs associated with temporarily idled facilities), Electronic Materials inventory adjustment, business transformation costs, additional start up resources and scrap, and merger, acquisition and divestiture related costs from the applicable GAAP financial measure. Management reviews the results of operations without the impact of these items to assess profitability from ongoing activities and believes this will assist investors in analyzing our financial results.



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Materion Corporation
+1 216.486.4200
<http://www.materion.com>

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