

Materion Corporation 2Q 2025 Earnings Presentation

July 30, 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, terrorist activities, and acts of God; changes in government regulatory requirements and the enactment of new legislation that impacts our obligations and operations, including changes in tax regulations or guidance promulgated pursuant to the new legislation implemented in the One Big Beautiful Bill Act; 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 of infectious diseases and the conflict between Russia and Ukraine; 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 19 through 26 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



Q2 2025 Highlights

Delivered Record Second Quarter Margins and Strong Cash Flow

Value-added (VA) sales of \$269.0 million, down 2% organic* YoY

- Decrease driven by lower PMI shipments and China Semi, partially offset by strength in aerospace & defense, energy and non-China semiconductor
- VA sales up 2% YoY excluding PMI and China Semi

Record second quarter adjusted EBITDA margin of 20.8% of VA, or \$55.8 million

- Delivered Electronic Materials adjusted EBITDA margin of 23.4%, an all-time high
- Precision Optics adjusted EBITDA margins up 950 bps sequentially

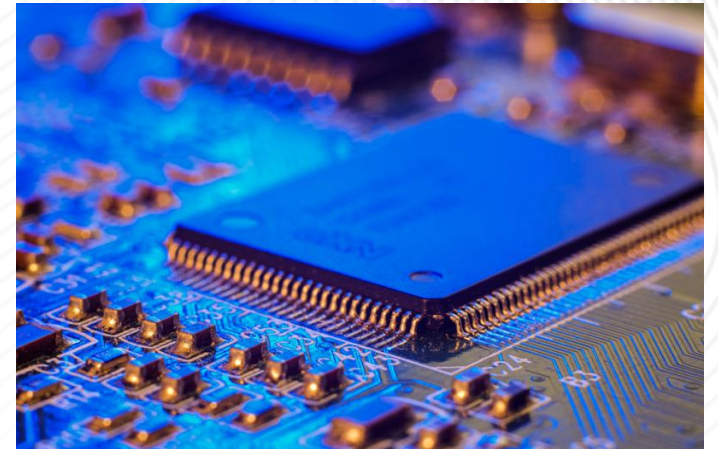
Adjusted EPS of \$1.37, up 21% sequentially

Generated ~\$36M Free Cash Flow

- On track to deliver 70%+ conversion for the full year

Repurchased 100,000 shares during the quarter at an average of ~\$78/share















Completed acquisition to expand semiconductor footprint and capabilities in Asia



See appendix for reconciliations of value-added sales, adjusted EBITDA, adjusted EBITDA margin and adjusted EPS (which excludes acquisition amortization) to their most comparable GAAP financial measures. Certain data presented above has been rounded for presentation purposes.

*Excludes value-added sales from the divested Albuquerque, New Mexico large area targets business sold in 2024.

End Market Performance

Q2 2025			
Market	VA Sales	vs. Q2 2024	Comments
 Semiconductor	\$63.1	 -4%	<ul style="list-style-type: none"> Excluding China Semi, up 6% YoY Improving demand in data storage, power and communication devices
 Consumer Electronics	\$58.1	 -12%	<ul style="list-style-type: none"> Excluding clad strip, up 5% YoY with general market improvement
 Aerospace & Defense	\$49.7	 5%	<ul style="list-style-type: none"> Defense up 21% YoY with new applications and global growth Aerospace impacted due to space shipment timing, with growth in commercial aerospace
 Industrial	\$38.4	 -3%	<ul style="list-style-type: none"> Up 2% YTD with order timing impacting the quarter
 Automotive	\$15.8	 -3%	<ul style="list-style-type: none"> Up 15% sequentially from Q1 low point with continued market softness
 Energy	\$15.6	 9%	<ul style="list-style-type: none"> Up 28% YTD with growth across both traditional and new energy sources
 Life Sciences	\$10.7	 -17%	<ul style="list-style-type: none"> Decrease due to order timing, up 22% sequentially

New Order Rates & Business Wins Improving 2nd Half Confidence

Q2 '25 weekly incoming order rate up 4% from Q1 '25, despite softer demand from China customers	
Semiconductor	<ul style="list-style-type: none"> Q2 '25 Non-China Semiconductor order rates up ~15% from Q1 '25
Defense	<ul style="list-style-type: none"> Record defense bookings at ~\$75M for 1H 2025 Pipeline of new program initiatives accelerating with \$100M of RFQs received in quarter Q2 '25 defense sales outside the US, up ~60% YoY
Space	<ul style="list-style-type: none"> Space order backlog** has more than doubled since Q2 '24 Secured a new application for ground station equipment with a leading space customer
Commercial Aerospace	<ul style="list-style-type: none"> Sales up ~25% sequentially, outpacing underlying market
Industrial	<ul style="list-style-type: none"> Beryllium-nickel sprinkler sales returning to normalized run rate
Energy	<ul style="list-style-type: none"> Sales up 28% in 1H 2025 as the world's energy needs evolve New energy sales in 1H 2025 have exceeded FY 2024 sales



**Excludes the impact of the ~\$150M multi-year order for space propulsion systems received in 2024.

Key Takeaways

- **Delivered Record Second Quarter Margins and Strong Free Cash Flow**
 - Record second quarter adjusted EBITDA margin at 20.8%
 - Electronic Materials adjusted EBITDA margin at all-time high of 23.4%, up 230 bps YoY
 - Precision Optics adjusted EBITDA margins up 950 bps sequentially
 - Generated ~\$36M Free Cash Flow
- **Repurchased 100,000 shares during the quarter at an average of ~\$78/share**
- **Completed acquisition to expand semiconductor footprint and capabilities in Asia**
- **Financial Outlook**
 - Affirming full year adjusted EPS guidance
 - On track to deliver 70%+ free cash flow
 - Expect to deliver 20%+ adjusted EBITDA margin for the full year



Financial Review

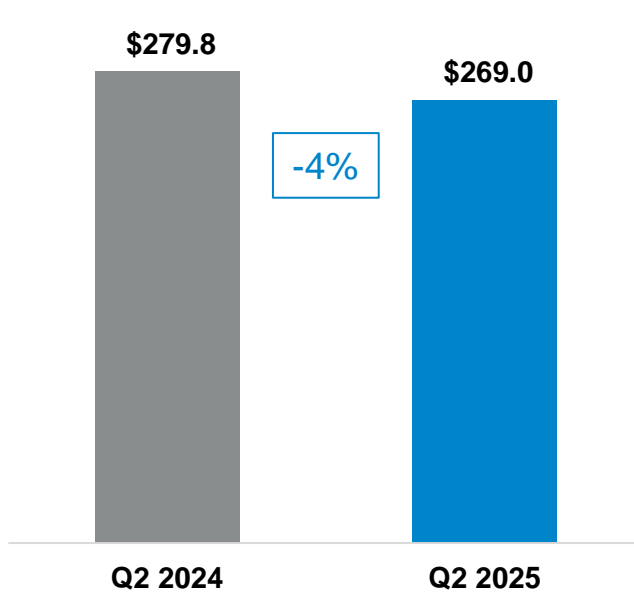
Shelly Chadwick

Vice President and Chief Financial Officer



Q2 2025 Operating Performance

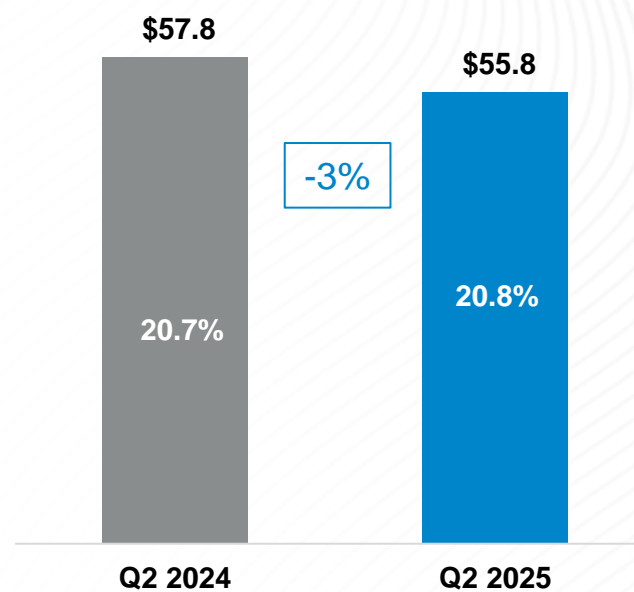
Value-added Sales (\$M)



Value-added sales were \$269.0 million, down 2% organic* YoY

- Decrease driven by lower PMI shipments and China Semi
- Partially offset by strength in aerospace & defense, energy and non-China semiconductor
- VA sales up 2% YoY excluding PMI and China Semi

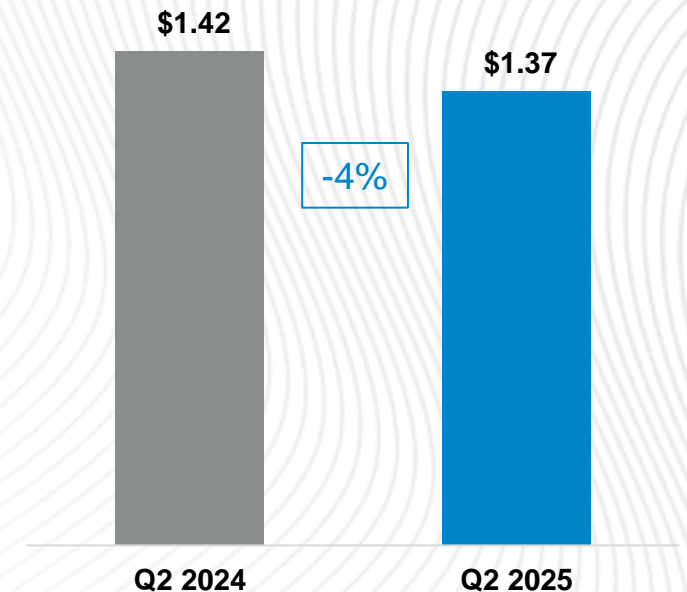
Adj. EBITDA (\$M)



Adjusted EBITDA at \$55.8 million, margin of 20.8%

- Record 2nd quarter adjusted EBITDA margin
- Up 15% sequentially

Adj. EPS

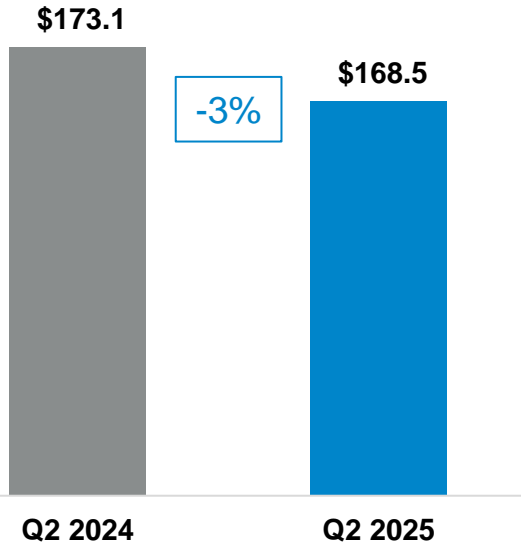


Adjusted EPS of \$1.37

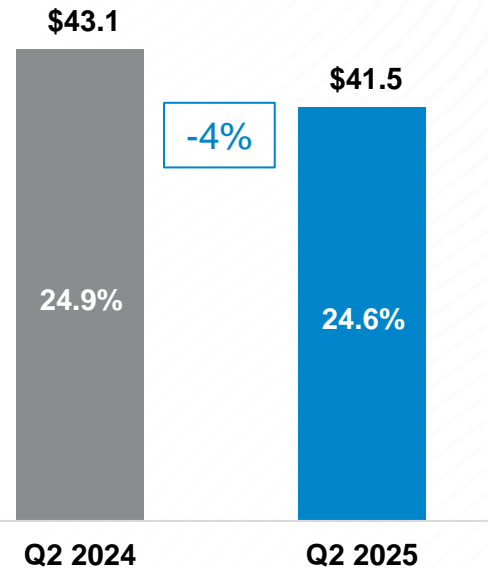
- Interest expense benefit of \$0.04 due to debt paydown
- Up 21% sequentially

Performance Materials Segment

Value-added Sales (\$M)



Adj. EBITDA (\$M)



Value-added sales of \$168.5 million

- Up 3% YoY excluding PMI driven by strength in energy and aerospace & defense
- PMI down ~\$9M YoY as inventory correction continues
- Sequential sales improvement of 5%

Adjusted EBITDA of \$41.5 million, or 24.6% of VA

- Strong operational performance and cost management, partially offset by lower volume and unfavorable mix

Outlook:

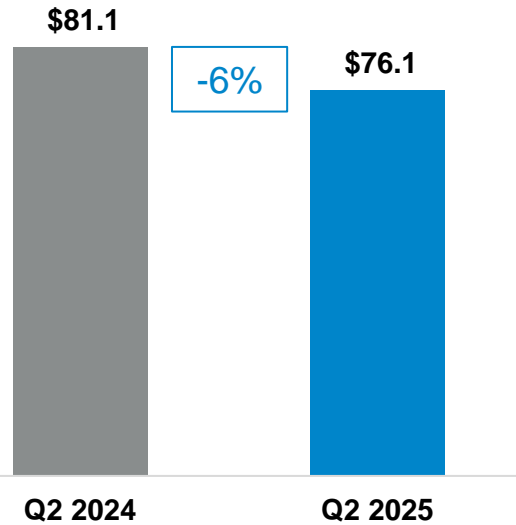
- Continued strength in the aerospace & defense end market
- Expect meaningful contribution from higher volume, operational performance and continued cost management

Q2 Performance by End Market

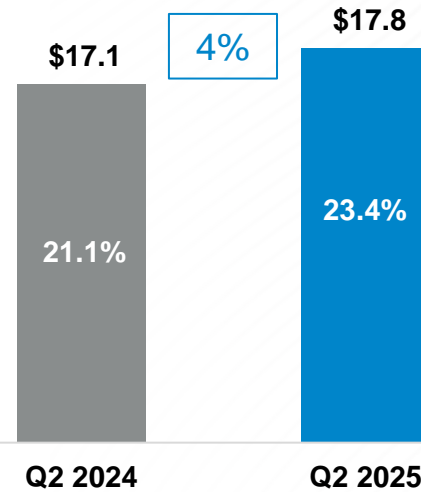


Electronic Materials Segment

Value-added Sales (\$M)



Adj. EBITDA (\$M)



Value-added sales of \$76.1 million

- Semiconductor sales drove YoY growth of 6% excluding China
- China orders slow to develop with tariff situation



Adjusted EBITDA of \$17.8 million, up 4% YoY

- Increase driven by operational performance and strong price/mix, despite softer top line
- Record adjusted EBITDA margin of 23.4%, up 230 bps YoY

Outlook:

- Semiconductor market expected to improve in the 2H driven by continued momentum
 - Uncertainty surrounding China semi
- Continued benefit from cost management and operational performance

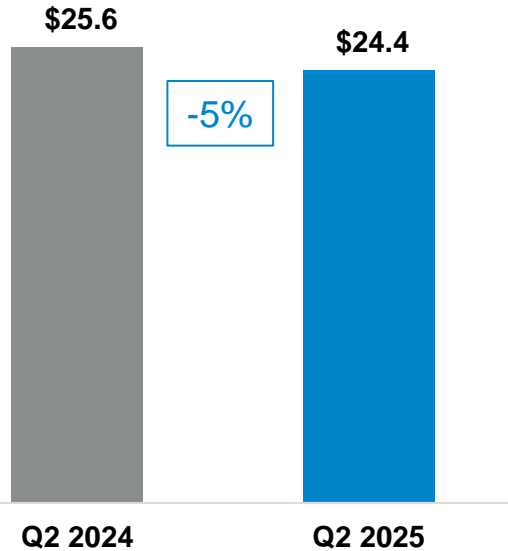
Q2 Performance by End Market

 Semiconductor
 Automotive

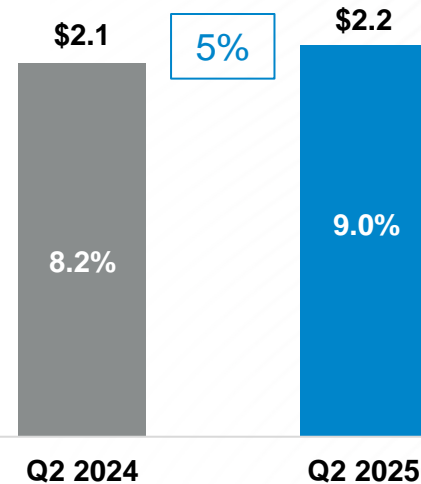
 Industrial
 Energy

Precision Optics Segment

Value-added Sales (\$M)



Adj. EBITDA (\$M)



Value-added sales of \$24.4 million

- Sequential improvement of 14%
- YoY decrease largely driven by defense order timing

Adjusted EBITDA of \$2.2 million, up 5%, or 80bps

- Increase primarily driven by improving performance and the impact of the structural cost changes
- 950bps of sequential margin improvement
- Second consecutive quarter of margin improvement

Outlook:

- Expect continued sequential improvement throughout the year
- New business initiatives advancing

Q2 Performance by End Market



Cash, Debt and Liquidity

(\$M)	Q2 2024	Q2 2025
Short-term Debt	\$38.8	\$19.9
Long-term Debt	\$446.0	\$405.7
Total Debt	\$484.8	\$425.6
Cash & Cash Equivalents	\$17.1	\$12.6
Net Debt (Cash)	\$467.7	\$413.0
TTM Adjusted EBITDA	\$211.7	\$222.7
Net Debt (Cash) / TTM Adj. EBITDA	2.2x	1.9x

Leverage slightly below midpoint of target range of 1.5x – 3x

Generated ~\$36M Free Cash Flow

- \$17M inventory reduction YoY
- \$26M debt paydown in quarter

Approximately \$257 million available on existing revolving credit facility

- Adequate liquidity remains to support growth initiatives

Repurchased 100,000 shares during the quarter at an average of ~\$78/share

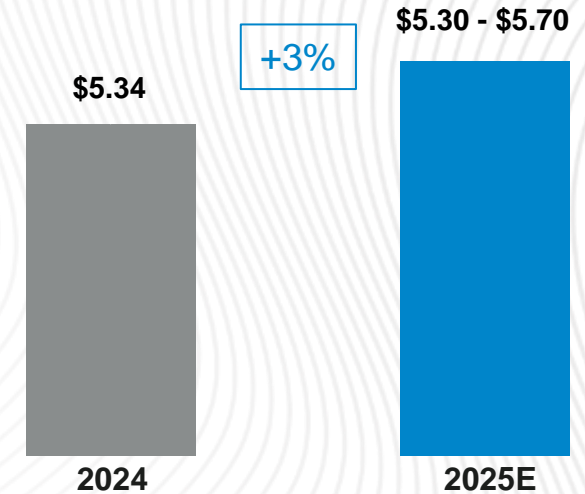


Full Year 2025 Guidance

2025 Guidance

- Affirming full year adjusted EPS guidance of **\$5.30 - \$5.70**

Adj. EPS Guidance



2025 Modeling Assumptions

Capital Expenditures	\$70M	Interest Expense	\$30M
HCS-Electronic Materials	\$25M	Effective Tax Rate	14-15%
Normal Segment Capex	\$45M	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)	Second Quarter Ended	
	June 27, 2025	June 28, 2024
Net Sales		
Performance Materials	\$ 182.8	\$ 187.5
Electronic Materials	224.4	212.7
Precision Optics	24.5	25.7
Other	—	—
Total	\$ 431.7	\$ 425.9
Less: Pass-through Metal Cost		
Performance Materials	\$ 14.3	\$ 14.4
Electronic Materials	148.3	131.6
Precision Optics	0.1	0.1
Other	—	—
Total	\$ 162.7	\$ 146.1
Value-added Sales (non-GAAP)		
Performance Materials	\$ 168.5	\$ 173.1
Electronic Materials	76.1	81.1
Precision Optics	24.4	25.6
Other	—	—
Total	\$ 269.0	\$ 279.8

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)	Second Quarter Ended		
	June 27, 2025	June 28, 2024	March 28, 2025
Operating Profit			
Performance Materials	\$ 31.0	\$ 31.9	\$ 31.3
Electronic Materials	13.3	8.9	6.8
Precision Optics	(0.6)	(1.4)	(4.1)
Other	(6.9)	(7.3)	(6.8)
Total	\$ 36.8	\$ 32.1	\$ 27.2
Non-Operating (Income)/Expense			
Performance Materials	\$ 0.1	\$ 0.2	\$ —
Electronic Materials	(0.1)	—	—
Precision Optics	(0.1)	(0.2)	(0.3)
Other	(0.5)	(0.6)	(0.4)
Total	\$ (0.6)	\$ (0.6)	\$ (0.7)
Depreciation, Depletion, and Amortization			
Performance Materials	\$ 10.2	\$ 8.7	\$ 9.4
Electronic Materials	4.2	4.5	4.3
Precision Optics	2.6	2.8	2.3
Other	0.5	0.5	0.5
Total	\$ 17.5	\$ 16.5	\$ 16.5
Segment EBITDA			
Performance Materials	\$ 41.1	\$ 40.4	\$ 40.7
Electronic Materials	17.6	13.4	11.1
Precision Optics	2.1	1.6	(1.5)
Other	(5.9)	(6.2)	(5.9)
Total	\$ 54.9	\$ 49.2	\$ 44.4

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.)

	Second Quarter Ended		March 28, 2025
	June 27, 2025	June 28, 2024	
Special Items⁽²⁾			
Performance Materials	\$ 0.4	\$ 2.7	\$ 0.2
Electronic Materials	0.2	3.7	2.2
Precision Optics	0.1	0.5	1.4
Other	0.2	1.7	0.5
Total	\$ 0.9	\$ 8.6	\$ 4.3
Adjusted EBITDA Excluding Special Items			
Performance Materials	\$ 41.5	\$ 43.1	\$ 40.9
Electronic Materials	17.8	17.1	13.3
Precision Optics	2.2	2.1	(0.1)
Other	(5.7)	(4.5)	(5.4)
Total	\$ 55.8	\$ 57.8	\$ 48.7

We have adjusted the results for certain special items such as restructuring and cost reduction initiatives (including costs associated with temporarily idled facilities), 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)	Second Quarter Ended	
	June 27, 2025	June 28, 2024
Net sales	\$ 431.7	\$ 425.9
Pass-through metal cost	162.7	146.1
Value-added sales	\$ 269.0	\$ 279.8
Net income	\$ 25.1	\$ 19.0
Income tax expense	4.0	4.9
Interest expense - net	8.3	8.8
Depreciation, depletion and amortization	17.5	16.5
Consolidated EBITDA	\$ 54.9	\$ 49.2
<i>Net Income as a % of Net sales</i>	5.8 %	4.5 %
<i>Net Income as a % of Value-added sales</i>	9.3 %	6.8 %
<i>EBITDA as a % of Net sales</i>	12.7 %	11.6 %
<i>EBITDA as a % of Value-added sales</i>	20.4 %	17.6 %
Special items		
Restructuring and cost reduction	\$ 0.5	\$ 6.7
Additional start up resources and scrap	—	1.2
Merger, acquisition and divestiture related costs	0.2	0.7
Business transformation costs	0.2	—
Total special items	0.9	8.6
Adjusted EBITDA	\$ 55.8	\$ 57.8
<i>Adjusted EBITDA as a % of Net sales</i>	12.9 %	13.6 %
<i>Adjusted EBITDA as a % of Value-added sales</i>	20.8 %	20.7 %

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.)

Performance Materials

(Millions)	Second Quarter Ended	
	June 27, 2025	June 28, 2024
Net sales	\$ 182.8	\$ 187.5
Pass-through metal cost	14.3	14.4
Value-added sales	\$ 168.5	\$ 173.1
EBITDA	\$ 41.1	\$ 40.4
Restructuring and cost reduction	0.3	1.5
Business transformation costs	0.1	—
Additional start up resources and scrap	—	1.2
Adjusted EBITDA	\$ 41.5	\$ 43.1
<i>EBITDA as a % of Net sales</i>	<i>22.5 %</i>	<i>21.5 %</i>
<i>EBITDA as a % of Value-added sales</i>	<i>24.4 %</i>	<i>23.3 %</i>
<i>Adjusted EBITDA as a % of Net sales</i>	<i>22.7 %</i>	<i>23.0 %</i>
<i>Adjusted EBITDA as a % of Value-added sales</i>	<i>24.6 %</i>	<i>24.9 %</i>

Electronic Materials

(Millions)	Second Quarter Ended	
	June 27, 2025	June 28, 2024
Net sales	\$ 224.4	\$ 212.7
Pass-through metal cost	148.3	131.6
Value-added sales	\$ 76.1	\$ 81.1
EBITDA	\$ 17.6	\$ 13.4
Restructuring and cost reduction	0.1	3.7
Merger, acquisition and divestiture related costs	0.1	—
Adjusted EBITDA	\$ 17.8	\$ 17.1
<i>EBITDA as a % of Net sales</i>	<i>7.8 %</i>	<i>6.3 %</i>
<i>EBITDA as a % of Value-added sales</i>	<i>23.1 %</i>	<i>16.5 %</i>
<i>Adjusted EBITDA as a % of Net sales</i>	<i>7.9 %</i>	<i>8.0 %</i>
<i>Adjusted EBITDA as a % of Value-added sales</i>	<i>23.4 %</i>	<i>21.1 %</i>

Precision Optics

(Millions)	Second Quarter Ended	
	June 27, 2025	June 28, 2024
Net sales	\$ 24.5	\$ 25.7
Pass-through metal cost	0.1	0.1
Value-added sales	\$ 24.4	\$ 25.6
EBITDA	\$ 2.1	\$ 1.6
Restructuring and cost reduction	0.1	0.5
Adjusted EBITDA	\$ 2.2	\$ 2.1
<i>EBITDA as a % of Net sales</i>	<i>8.6 %</i>	<i>6.2 %</i>
<i>EBITDA as a % of Value-added sales</i>	<i>8.6 %</i>	<i>6.3 %</i>
<i>Adjusted EBITDA as a % of Net sales</i>	<i>9.0 %</i>	<i>8.2 %</i>
<i>Adjusted EBITDA as a % of Value-added sales</i>	<i>9.0 %</i>	<i>8.2 %</i>

Other

(Millions)	Second Quarter Ended	
	June 27, 2025	June 28, 2024
EBITDA	\$ (5.9)	\$ (6.2)
Restructuring and cost reduction	—	1.0
Business transformation costs	0.1	—
Merger, acquisition and divestiture related costs	0.1	0.7
Adjusted EBITDA	\$ (5.7)	\$ (4.5)

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)	Second Quarter Ended				First Quarter Ended	
	June 27, 2025	Diluted EPS	June 28, 2024	Diluted EPS	March 28, 2025	Diluted EPS
Net income and EPS	\$ 25.1	\$ 1.21	\$ 19.0	\$ 0.91	\$ 17.7	\$ 0.85
Special items						
Restructuring and cost reduction	\$ 0.5		\$ 6.7		2.1	
Additional start up resources and scrap	—		1.2		—	
Merger, acquisition and divestiture related costs	0.2		0.7		2.1	
Business transformation costs	0.2		—		0.1	
Debt extinguishment costs ⁽¹⁾	0.5		—		—	
Provision for income taxes ⁽²⁾	(0.2)		(0.3)		(0.5)	
Total special items	1.2	0.05	8.3	0.40	3.8	0.18
Adjusted net income and adjusted EPS	\$ 26.3	\$ 1.26	\$ 27.3	\$ 1.31	\$ 21.5	\$ 1.03
Acquisition amortization (net of tax)	2.2	0.11	2.4	0.11	2.2	0.10
Adjusted net income and adjusted EPS excl. amortization	\$ 28.5	\$ 1.37	\$ 29.7	\$ 1.42	\$ 23.7	\$ 1.13

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, merger, acquisition and divestiture related costs and debt extinguishment 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.)

(\$ in millions)	Q2 2025	Q2 2024	Q2 2025 TTM	Q2 2024 TTM
GAAP as Reported				
Net income	\$ 25.1	\$ 19.0	\$ 16.3	\$ 78.5
Income tax expense (benefit)	4.0	4.9	10.2	9.3
Interest expense	8.3	8.8	32.8	33.3
Depreciation, depletion, and amortization	17.5	16.5	70.0	62.8
Consolidated EBITDA	54.9	\$ 49.2	\$ 129.3	\$ 183.9
Special Items				
Restructuring and cost reduction	\$ 0.5	\$ 6.7	\$ 4.9	\$ 16.4
Electronic Materials inventory adjustment	—	—	2.8	—
Business transformation costs	0.2	—	1.6	—
Precision Optics impairments	—	—	73.2	—
Merger, acquisition and divestiture related costs	0.2	0.7	9.7	0.7
Pension settlement	—	—	—	0.2
Additional start-up resources and scrap	—	1.2	1.2	10.5
Total Special Items	0.9	8.6	93.4	27.8
Adjusted EBITDA	\$ 55.8	\$ 57.8	\$ 222.7	\$ 211.7

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.



Free Cash Flow Reconciliation

(Millions)	Second Quarter Ended		Six Months Ended	
	June 27, 2025	June 28, 2024	June 27, 2025	June 28, 2024
Net cash provided by (used in) operating activities	\$ 49.9	\$ 20.3	\$ 65.4	\$ 6.5
Payments for purchase of property, plant and equipment	(12.7)	(17.1)	(25.0)	(38.4)
Payments for mine development	(1.5)	(5.1)	(10.2)	(10.4)
Free cash flow (FCF)	\$ 35.7	\$ (1.9)	\$ 30.2	\$ (42.3)

Free cash flow (FCF) represents operating cash flow adjusted for capital expenditures and mine development costs. Management believes FCF is an important performance measure of the business. FCF is not a measure calculated in accordance with GAAP, and it should not be considered a substitute for operating cash flow or any other measure of financial performance presented in accordance with GAAP.



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