RESEARCH UPDATE

MATERION CORPORATION (NYSE: MTRN)

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Market Statistics	
Price	$ 187.26
52 week Range	$110.69 - $324.99
Daily Vol (3-mo. average)	270,609
Market Cap (M):	$3,901.3
Enterprise Value (M):	$4,283.0
Shares Outstanding: (M)	20.8
Float (M)	20.6

Financial Summary	
Equity (M)	$1,029.3
BV/Sh	$ 49.37
Cash (M)	$ 15.4
Debt (M)	$ 397.0
Debt/Cap	27.8%

Valuation in USD	
Valuation Range	$241.33 - $284.63
2026 Price Target	$ 261.01

FYE: Dec	2025	2026	2027
(in $M, except per sh)			
Rev	$1,786.6	$2,329.3	$2,539.4
Chng%	6.0%	30.4%	9.0%
EBITDA	$ 216.9	$ 273.7	$ 326.5
EPS	$ 5.44	$ 7.25	$ 8.86
EV/R	2.4x	1.9x	1.7x
EV/EBITDA	20.1x	15.9x	13.3x
P/E	34.4x	25.8x	21.1x



COMPANY DESCRIPTION

Materion is a global supplier of highly engineered advanced materials to technology companies. Its materials are used in a variety of electrical, electronic, thermal, and structural applications in diverse markets such as semiconductors, consumer electronics, industrial components and commercial aerospace, defense and science, medical, automotive electronics, energy, and telecommunications infrastructure. Materion's advanced materials make applications lighter, stronger, faster, smaller and/or more reliable.

MTRN Reports Earnings

Materion's 3Q26 results strengthen the case for a higher earnings base entering 2027. Semiconductor outgrowth reflects contributions beyond market recovery, while defense orders support near-term shipment growth ahead of the capacity expansion. Electronic Materials sustained profitability despite expected mix normalization. In our view, the next step toward higher consolidated margins increasingly depends on profitable growth elsewhere in the portfolio. Cash generation and customer-funded capacity preserve flexibility as demand expands.

Quarterly Results - VA sales increased 19% y/y to $313.7M, adjusted EBITDA rose 27% to $70.7M, and adjusted EPS increased 37% to $1.93. EBITDA margin expanded 150bps y/y to 22.5% on volume and favorable price/mix. Sequentially, VA sales increased 2%, while EBITDA declined 2% and margin fell 80bps against 2Q's favorable mix and $2M-$3M of one-time benefits. That comparison does not, in our view, indicate weaker underlying demand. FCF totaled approximately $46M, representing 120% of GAAP net income. Net debt of $381.6M and leverage of 1.5x provide room for organic investment and potential acquisitions, although quarterly cash conversion should not be annualized.

Segment Performance – Electronic Materials led segment earnings growth, with VA sales rising 30% y/y to $103.4M and adjusted EBITDA increasing 54% to $33.2M. Margin reached 32.1%, supported by volume, pricing, new business, and prior cost reductions. YTD semiconductor sales increased approximately 26% versus projected wafer-start growth of approximately 11%. The gap suggests pricing, new business, and advanced applications are adding to market growth, although some quarterly sales reflected timing. Performance Materials reported VA sales of $178.7M and adjusted EBITDA of $42.6M, up 14% and 12% y/y, respectively. Unfavorable mix limited margin to 23.8%. Precision Optics generated $31.6M of VA sales and $5.5M of adjusted EBITDA. Its 17.4% margin declined from 21.4% in 2Q but expanded 560bps y/y. These differences highlight the importance of segment mix and incremental profitability to consolidated margin progression.

Orders and End Markets – Backlog increased approximately 35% y/y and 25% since year-end, while YTD incoming orders rose approximately 25%. Defense orders reached approximately $140M YTD, with open RFQs above $500M representing additional opportunities. Semiconductor VA sales increased 40% y/y, aerospace and defense 42%, and telecom/data center 71%. Management expects defense orders to lift 4Q sales before the $65M customer-funded expansion comes online by end-2027, separating near-term conversion from longer-term capacity growth. Precision clad strip production has recovered to pre-quality-issue production levels, with consumer electronics' 3% sales decline reflecting shipment timing.

Guidance – Management raised FY26 adjusted EPS guidance to $7.10-$7.40 from $6.80-$7.20 and expects high-teens VA sales growth versus mid-teens previously. We calculate implied 4Q adjusted EPS of $2.00-$2.30 using $5.10 YTD. Progress toward the 23% midterm EBITDA margin target is ahead of management's original expectations. Defense conversion, semiconductor outperformance, and working-capital improvement remain the priorities for year-end delivery.

Valuation – We use a DCF valuation to guide a price range for Materion. Our DCF analysis relies on a range of discount rates between 9.75% and 10.25% with a midpoint of 10.00%. This arrives at a valuation range of $241.33 to $284.63 with a mid-point of $261.01.

Exhibit 1: Estimates vs. Actuals

3Q26 Results *(in $M, except EPS)*	GAAP Revenue		VA Sales		
	Reported	Model	Reported	Model	Notes
Revenues	**$ 567.3**	**$ 609.9**	**$ 313.8**	**$ 314.9**	
Cost of sales	463.6	503.0	210.1	208.0	VA Sales in-line with model
Gross profit	**103.7**	**106.9**	**103.7**	**106.9**	
GPM	**18.3%**	**17.5%**	**33.0%**	**33.9%**	
SG&A	42.5	43.3	42.5	43.3	
R&D	6.5	6.3	6.5	6.3	
Other	4.2	5.5	4.2	5.5	
Operating Exp	53.2	55.1	53.2	55.1	Operating expense lower than modeled
OpInc - adj	**50.7**	**52.1**	**50.7**	**52.1**	
OPM	**8.9%**	**8.5%**	**16.2%**	**16.5%**	
EBITDA - adj	**70.7**	**70.8**	**70.7**	**70.8**	Adj. EBITDA in-line with expectations
EBITDA margin	**12.5%**	**11.6%**	**22.5%**	**22.5%**	
NI - adj	$ 40.8	$ 40.0	$ 40.8	$ 40.0	
EPS - adj	**$ 1.93**	**$ 1.89**	**$ 1.93**	**$ 1.89**	

Source: Company Reports

VALUATION SUMMARY

Our DCF valuation shows a range of $241.33 to $284.63 with a mid-point of $261.01. The mid-point is driven by a discount rate of 10.00%, a top line CAGR of 9.7%, a terminal growth rate with a midpoint of 2.0% and operating margins in the low double digits (mid to upper teens on VA sales) driven by revenue growth and MTRN's focus on operational excellence. We do not assume any acquisition growth.

Discount Rate	Terminal Growth Rates				
	1.0%	1.5%	2.0%	2.5%	3.0%
9.50%	$259.02	$270.10	$282.66	$297.01	$313.58
9.75%	$249.66	$259.91	$271.47	$284.63	$299.75
10.00%	$240.85	$250.33	$261.01	$273.10	$286.93
10.25%	$232.53	$241.33	$251.20	$262.34	$275.01
10.50%	$224.67	$232.84	$241.98	$252.26	$263.92

We outline potential catalysts for Materion:

- Improving semiconductor end market …..…… FY26+
- Overall operating margin expansion …..……..…..……...… FY26+
- Phase 2 of strip-clad project continues to ramp…….…….....FY26+
- New acquisitions ……..…….…… FY26+

INVESTMENT FACTORS

Materion Corporation is a supplier of highly engineered advanced materials to technology companies. Its materials are used in a variety of electrical, electronic, thermal, and structural applications in diverse markets such as semiconductors, consumer electronics, industrial components, aerospace, defense, medical, automotive and telecommunications. Materion's advanced materials make applications lighter, stronger, faster, smaller, and/or more reliable.

With a focus on supplying advanced materials to mission critical applications, a dominant position in the beryllium market, a solid cash flow positive business, and potential for further adjusted EBITDA margin expansion, we believe Materion is well positioned.

Investment Positives

Leading global positions in growing markets

The advanced materials market is not easily defined and hence market size and industry growth rates are difficult to gauge. We believe this to be the case because advanced materials can be several different materials, such as beryllium, composites, and/or high-performance alloys. Nonetheless, end market application growth rates and how Materion is positioning itself as a critical supplier to high growth markets bodes well for overall growth. Some of these markets include semiconductors, aerospace and defense, telecom and data center, and advanced optics.

As brief examples of the Company's positioning, we note that it is the only fully vertically integrated producer of beryllium and beryllium alloys (from mine to mill). Its integrated capabilities span mining, processing, and finished products, supporting its role as a critical supplier to demanding aerospace, defense, and other advanced applications.

Expansion of innovative products to drive revenue growth

The delivering of services to clients is a collaborative effort. In essence, clients present an engineering problem and Materion provides a solution. We also note that end market applications change rapidly due to technological advances. Materion can leverage its technical sales capabilities, R&D resources, and collaboration with customers and other partners to provide innovative solutions that competitors may find difficult to replicate. External funding also supports development activities, meaning reported R&D expense does not capture the full scope of resources supporting innovation.

Strategic push to expand margins and drive EPS growth

Materion's overall business strategy ("One Materion" introduced following current CEO Jugal Vijayvargiya's arrival in FY17) is centered on five pillars focused on driving profitability improvement and EPS growth. The One Materion strategy emphasizes unified execution and core competencies across global functions, regions, and businesses. We believe these pillars reinforce each other to help drive execution. Through this strategy, Materion is targeting a 23% midterm adjusted EBITDA margin on value-added (VA) sales, which exclude pass-through metal costs. Since its start in FY17, the Company has seen adjusted operating margins on VA sales expand from 7.0% to approximately 14% in FY25. Over this same period, adjusted EPS grew at a CAGR of approximately 15%. In 3Q26, adjusted EBITDA margin reached 22.5%, with management reporting faster progress toward its midterm target than originally expected.

Investment Challenges / Risks

Macroeconomic growth influences top line results

Many of Materion's clients are in highly cyclical industries, such as industrial components, commercial aerospace, automotive electronics, and semiconductors. Any negative economic headwinds to Materion's clients may slow or delay future orders, which would negatively impact operating results.

Part of the Company's strategy is focused on acquisitions

Materion has a history of acquisitions and is expected to continue evaluating additional opportunities. Management is considering acquisitions that expand capabilities and add capacity near customers. For modeling purposes, attempting to time acquisition dates and the level and/or make-up of revenues is difficult. Additionally, integrating acquisitions carries risks that could negatively impact the firm's financial results.

DISCOUNTED CASH FLOW ANALYSIS

Materion Corporation
Discounted Cash Flow Model (in $Ms)

Estimates:	2024	2025	2026 E	2027 E	2028 E	2029 E	2030 E	2031 E	2032 E	2033 E	2034 E	2035 E	Terminal Value
Revenue	1,684.7	1,786.6	2,329.3	2,539.4	2,783.2	3,079.3	3,411.9	3,773.5	4,158.4	4,549.3	4,954.2	5,345.6	
Operating Income	47.2	109.8	189.2	245.4	278.3	332.6	392.4	452.8	509.4	568.7	644.0	721.7	
Less: Taxes (benefit)	9.0	6.7	21.1	33.0	37.6	44.9	53.0	61.1	68.8	76.8	86.9	97.4	
NOPAT	38.2	103.1	168.2	212.3	240.7	287.7	339.4	391.7	440.6	491.9	557.1	624.2	
Plus: Depreciation & Amortization	68.6	69.0	76.3	80.0	86.3	95.5	95.5	101.9	104.0	104.6	104.0	106.9	
Plus: Changes in WC	(62.9)	(48.7)	(30.3)	(27.9)	(2.8)	3.1	10.2	18.9	20.8	22.7	24.8	26.7	
Less: Capex	(80.8)	(79.6)	(75.0)	(76.2)	(77.9)	(77.0)	(78.5)	(79.2)	(83.2)	(86.4)	(89.2)	(93.5)	
Free Cash Flow	(36.9)	43.8	139.2	188.2	246.3	309.2	366.7	433.2	482.2	532.8	596.7	664.3	8,470.1
Discount period - months			3	15	27	39	51	63	75	87	99	111	
Discount period - years			0.3	1.3	2.3	3.3	4.3	5.3	6.3	7.3	8.3	9.3	
Discount factor			0.98	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	
PV of FCF			135.9	167.1	198.8	226.9	244.6	262.6	265.8	267.0	271.8	275.1	3,507.6
Growth rate assumptions:													
Revenue		6.0%	30.4%	9.0%	9.6%	10.6%	10.8%	10.6%	10.2%	9.4%	8.9%	7.9%	
Operating Income		132.5%	72.3%	29.7%	13.4%	19.5%	18.0%	15.4%	12.5%	11.6%	13.3%	12.1%	
EBITDA		54.4%	48.5%	22.5%	12.1%	17.4%	14.0%	13.7%	10.6%	9.8%	11.1%	10.8%	
Free Cash Flow		-218.7%	217.6%	35.2%	30.9%	25.5%	18.6%	18.1%	11.3%	10.5%	12.0%	11.3%	
Margin assumptions:													
Operating Income	2.8%	6.1%	8.1%	9.7%	10.0%	10.8%	11.5%	12.0%	12.3%	12.5%	13.0%	13.5%	
Depr as a % of sales	4.1%	3.9%	3.3%	3.2%	3.1%	3.1%	2.8%	2.7%	2.5%	2.3%	2.1%	2.0%	
EBITDA	6.9%	10.0%	11.4%	12.8%	13.1%	13.9%	14.3%	14.7%	14.8%	14.8%	15.1%	15.5%	
Taxes	19.1%	6.1%	11.1%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	
Changes in WC	-3.7%	-2.7%	-1.3%	-1.1%	-0.1%	0.1%	0.3%	0.5%	0.5%	0.5%	0.5%	0.5%	
Capex as a % of sales	-4.8%	-4.5%	-3.2%	-3.0%	-2.8%	-2.5%	-2.3%	-2.1%	-2.0%	-1.9%	-1.8%	-1.8%	

Valuation:

Shares outstanding	20.8
PV of FCF	2,315.5
PV of Terminal Value	3,507.6
Enterprise Value	5,823.1
less: Net Debt	381.6
Estimated Total Value:	5,441.5
Est Equity Value/share:	**$261.01**
Price	$187.26

Sensitivity Analysis:

Discount Rate	Terminal Growth Rates 1.0%	1.5%	2.0%	2.5%	3.0%
9.50%	$259.02	$270.10	$282.66	$297.01	$313.58
9.75%	$249.66	$259.91	$271.47	$284.63	$299.75
10.00%	$240.85	$250.33	$261.01	$273.10	$286.93
10.25%	$232.53	$241.33	$251.20	$262.34	$275.01
10.50%	$224.67	$232.84	$241.98	$252.26	$263.92

Source: Company Reports, Stonegate Capital Parnters estimates

INCOME STATEMENT

Materion Corp. (NYSE: MTRN)
Consolidated Statements of Income (in $M, except per share amounts)
Fiscal Year: December

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 Sep-26	Q4 E Dec-26	FY 2026 E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027 E
Revenues																				
Revenues	1,176.3	1,510.6	1,757.1	1,665.2	1,684.7	420.3	431.7	444.8	489.8	1,786.6	549.8	613.9	567.3	598.2	2,329.3	606.7	635.3	641.4	656.0	2,539.4
Total revenue	**1,176.3**	**1,510.6**	**1,757.1**	**1,665.2**	**1,684.7**	**420.3**	**431.7**	**444.8**	**489.8**	**1,786.6**	**549.8**	**613.9**	**567.3**	**598.2**	**2,329.3**	**606.7**	**635.3**	**641.4**	**656.0**	**2,539.4**
Value Added Sales	**640.1**	**829.6**	**1,114.4**	**1,127.2**	**1,097.5**	**259.3**	**269.1**	**263.9**	**254.0**	**1,046.3**	**261.8**	**308.2**	**313.8**	**349.2**	**1,233.1**	**346.7**	**365.3**	**371.4**	**386.0**	**1,469.4**
Cost of revenues																				
Cost of sales	983.6	1,226.9	1,413.2	1,316.1	1,358.8	344.2	349.0	358.7	426.1	1,477.9	468.0	509.6	463.6	482.3	1,923.5	493.6	512.3	512.3	525.4	2,043.6
Total cost of revenues	983.6	1,226.9	1,413.2	1,316.1	1,358.8	344.2	349.0	358.7	426.1	1,477.9	468.0	509.6	463.6	482.3	1,923.5	493.6	512.3	512.3	525.4	2,043.6
Gross (loss) profit	**192.6**	**283.8**	**343.9**	**349.0**	**326.0**	**76.2**	**82.7**	**86.1**	**63.7**	**308.6**	**81.8**	**104.3**	**103.7**	**115.9**	**405.8**	**113.1**	**123.0**	**129.1**	**130.6**	**495.8**
Operating expenses																				
SG&A	134.0	163.8	169.3	157.9	145.6	35.4	35.0	38.3	34.3	143.1	36.2	42.3	42.5	43.7	164.7	47.2	49.7	50.1	52.1	199.1
R&D	20.3	26.6	29.0	27.5	29.0	6.5	6.4	6.5	6.5	25.9	6.2	6.6	6.5	7.0	26.2	6.9	7.3	7.4	7.7	29.4
Goodwill impairment	9.1	-	-	-	56.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other impairment/restructurings	12.7	(0.4)	1.6	3.8	30.4	2.0	0.5	0.2	0.4	3.2	2.3	0.3	0.1	-	2.7	-	-	-	-	-
Other - net	8.5	16.7	24.2	23.3	17.7	5.0	3.9	6.2	11.6	26.7	9.0	3.4	4.2	6.3	22.9	4.9	5.1	5.1	6.9	22.0
Total operating expenses	184.4	206.7	224.1	212.6	278.8	49.0	45.8	51.2	52.8	198.8	53.7	52.6	53.3	57.0	216.6	58.9	62.1	62.7	66.7	250.4
EBIT	**8.2**	**77.1**	**119.8**	**136.4**	**47.2**	**27.2**	**36.8**	**34.9**	**10.8**	**109.8**	**28.2**	**51.7**	**50.4**	**58.9**	**189.2**	**54.1**	**60.9**	**66.4**	**63.9**	**245.4**
EBIT- adj (1)	**51.5**	**94.3**	**133.3**	**157.1**	**156.3**	**31.5**	**38.2**	**37.5**	**39.0**	**146.2**	**34.2**	**52.3**	**50.7**	**59.2**	**196.4**	**54.4**	**61.2**	**66.7**	**64.2**	**246.5**
Other income (expense):																				
Interest expense	(3.9)	(4.9)	(21.9)	(31.3)	(34.8)	(6.9)	(8.2)	(7.5)	(8.0)	(30.7)	(7.6)	(7.5)	(6.6)	(6.3)	(28.1)	(6.8)	(6.8)	(6.8)	(6.8)	(27.1)
Other income/(expense)	3.9	5.1	5.3	2.7	2.4	0.7	0.6	0.7	0.5	2.4	0.3	0.3	0.4	0.4	1.3	0.5	0.5	0.5	0.5	2.0
Total other income (expense):	0.1	0.2	(16.7)	(28.6)	(32.3)	(6.3)	(7.7)	(6.8)	(7.5)	(28.3)	(7.3)	(7.2)	(6.2)	(6.0)	(26.7)	(6.3)	(6.3)	(6.3)	(6.3)	(25.1)
Pre-tax income (loss)	**8.3**	**77.3**	**103.1**	**107.8**	**14.9**	**20.9**	**29.2**	**28.1**	**3.3**	**81.5**	**20.9**	**44.5**	**44.2**	**52.9**	**162.5**	**47.9**	**54.7**	**60.1**	**57.6**	**220.3**
Provision for taxes (benefit)	(7.2)	4.9	17.1	12.1	9.0	3.2	4.0	2.7	(3.2)	6.7	1.5	5.7	5.8	7.9	21.1	7.2	8.2	9.0	8.6	33.0
Net inc (loss)	**15.5**	**72.5**	**86.0**	**95.7**	**5.9**	**17.7**	**25.1**	**25.4**	**6.6**	**74.8**	**19.4**	**38.8**	**38.3**	**45.0**	**141.5**	**40.7**	**46.5**	**51.1**	**49.0**	**187.2**
EPS (loss)	**$ 0.75**	**$ 3.51**	**$ 4.14**	**$ 4.58**	**$ 0.28**	**$ 0.85**	**$ 1.21**	**$ 1.22**	**$ 0.31**	**$ 3.58**	**$ 0.92**	**$ 1.84**	**$ 1.81**	**$ 2.12**	**$ 6.70**	**$ 1.91**	**$ 2.18**	**$ 2.39**	**$ 2.28**	**$ 8.76**
N(loss) - adj (1), (2)	**43.9**	**84.0**	**109.5**	**117.9**	**111.8**	**23.7**	**28.5**	**29.4**	**32.0**	**113.7**	**26.7**	**40.1**	**40.8**	**45.6**	**153.2**	**41.5**	**47.1**	**51.5**	**49.5**	**189.6**
EPS (loss) - adj (1), (2)	**$ 2.13**	**$ 4.06**	**$ 5.28**	**$ 5.64**	**$ 5.34**	**$ 1.13**	**$ 1.37**	**$ 1.41**	**$ 1.53**	**$ 5.44**	**$ 1.27**	**$ 1.90**	**$ 1.93**	**$ 2.15**	**$ 7.25**	**$ 1.95**	**$ 2.20**	**$ 2.41**	**$ 2.31**	**$ 8.86**
Basic S/O	20.3	20.4	20.5	20.6	20.7	20.8	20.8	20.7	20.7	20.8	20.8	20.8	20.8	20.9	20.8	21.0	21.0	21.1	21.1	21.1
Diluted S/O	20.5	20.7	20.8	20.9	20.9	20.9	20.8	20.9	21.0	20.9	21.0	21.1	21.2	21.3	21.1	21.3	21.4	21.4	21.5	21.4
EBITDA -adj (1) (3)	**93.9**	**138.4**	**190.9**	**217.6**	**221.2**	**48.7**	**55.8**	**55.5**	**57.0**	**216.9**	**52.9**	**71.9**	**70.7**	**78.2**	**273.7**	**74.4**	**81.2**	**86.7**	**84.2**	**326.5**
Margin Analysis																				
Value Added Sales	54.4%	54.9%	63.4%	67.7%	65.1%	61.7%	62.3%	59.3%	51.9%	58.6%	47.6%	50.2%	55.3%	58.4%	52.9%	57.1%	57.5%	57.9%	58.8%	57.9%
Gross margin	16.4%	18.8%	19.6%	21.0%	19.3%	18.1%	19.1%	19.4%	13.0%	17.3%	14.9%	17.0%	18.3%	19.4%	17.4%	18.6%	19.4%	20.1%	19.9%	19.5%
SG&A	11.4%	10.8%	9.6%	9.5%	8.6%	8.4%	8.1%	8.6%	7.0%	8.0%	6.6%	6.9%	7.5%	7.3%	7.1%	7.8%	7.8%	7.8%	7.9%	7.8%
R&D	1.7%	1.8%	1.6%	1.7%	1.7%	1.5%	1.5%	1.5%	1.3%	1.5%	1.1%	1.1%	1.1%	1.2%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%
EBIT margin	0.7%	5.1%	6.8%	8.2%	2.8%	6.5%	8.5%	7.9%	2.2%	6.1%	5.1%	8.4%	8.9%	9.9%	8.1%	8.9%	9.6%	10.3%	9.7%	9.7%
EBIT - adj margin	4.4%	6.2%	7.6%	9.4%	9.3%	7.5%	8.8%	8.4%	8.0%	8.2%	6.2%	8.5%	8.9%	9.9%	8.4%	9.0%	9.6%	10.4%	9.8%	9.7%
EBITDA- adj margin	8.0%	9.2%	10.9%	13.1%	13.1%	11.6%	12.9%	12.5%	11.6%	12.1%	9.6%	11.7%	12.5%	13.1%	11.7%	12.3%	12.8%	13.5%	12.8%	12.9%
Pre-tax margin	0.7%	5.1%	5.9%	6.5%	0.9%	5.0%	6.8%	6.3%	0.7%	4.6%	3.8%	7.2%	7.8%	8.8%	7.0%	7.9%	8.6%	9.4%	8.8%	8.7%
NI - adj margin	3.7%	5.6%	6.2%	7.1%	6.6%	5.6%	6.6%	6.6%	6.5%	6.4%	4.9%	6.5%	7.2%	7.6%	6.6%	6.8%	7.4%	8.0%	7.5%	7.5%
Tax rate	-86.9%	6.3%	16.6%	11.2%	60.5%	15.5%	13.8%	9.6%	-97.3%	8.2%	7.3%	12.9%	13.2%	15.0%	13.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Growth Rate Y/Y																				
Total revenue	-0.8%	28.4%	16.3%	-5.2%	1.2%	9.1%	1.4%	1.9%	12.1%	6.0%	30.8%	42.2%	27.5%	22.2%	30.4%	10.3%	3.5%	13.1%	9.7%	9.0%
SG&A	-9.3%	22.3%	3.4%	-6.7%	-7.8%	-1.1%	4.3%	9.3%	-16.6%	-1.7%	2.1%	20.8%	11.2%	27.2%	15.1%	30.3%	17.4%	17.9%	19.4%	20.9%
R&D	11.0%	31.0%	9.0%	-5.0%	5.4%	-8.9%	-16.7%	-16.8%	2.5%	-10.6%	-5.3%	2.3%	-0.7%	7.9%	1.0%	12.6%	11.3%	14.2%	10.5%	12.1%
EBIT - adj (1)	-40.3%	83.1%	41.4%	17.8%	-0.5%	5.2%	-12.6%	-3.8%	-10.7%	-6.5%	8.4%	37.0%	35.4%	52.0%	34.4%	59.3%	17.0%	31.5%	8.4%	25.5%
EBITDA -adj (1) (3)	-26.1%	47.5%	37.9%	14.0%	1.6%	7.8%	-3.5%	-2.2%	-7.3%	-1.9%	8.6%	28.8%	27.5%	37.3%	26.2%	40.7%	13.0%	22.6%	7.6%	19.3%
N(loss) - adj (1), (2)	-36.0%	91.2%	30.4%	7.7%	-5.2%	17.9%	-4.1%	-0.6%	-1.1%	1.7%	12.4%	40.5%	38.8%	42.6%	34.8%	55.5%	17.4%	26.1%	8.5%	23.7%
EPS (loss) - adj (1), (2)	-35.9%	90.9%	29.8%	6.9%	-5.3%	18.3%	-3.7%	-0.4%	-1.2%	1.8%	11.8%	38.9%	37.0%	40.6%	33.3%	53.4%	15.9%	24.7%	7.4%	22.3%
Diluted S/O	-0.6%	0.6%	0.4%	0.8%	0.1%	-0.3%	-0.4%	-0.2%	0.1%	-0.2%	0.4%	1.2%	1.3%	1.4%	1.1%	1.4%	1.3%	1.2%	1.0%	1.2%

(1) Excludes 1x items and special items identified by MTRN
(2) Excludes acquisition amortization
(3) Differs from MTRN definition by excluding other inc (exp)

Source: Company Reports, Stonegate Capital Markets estimates

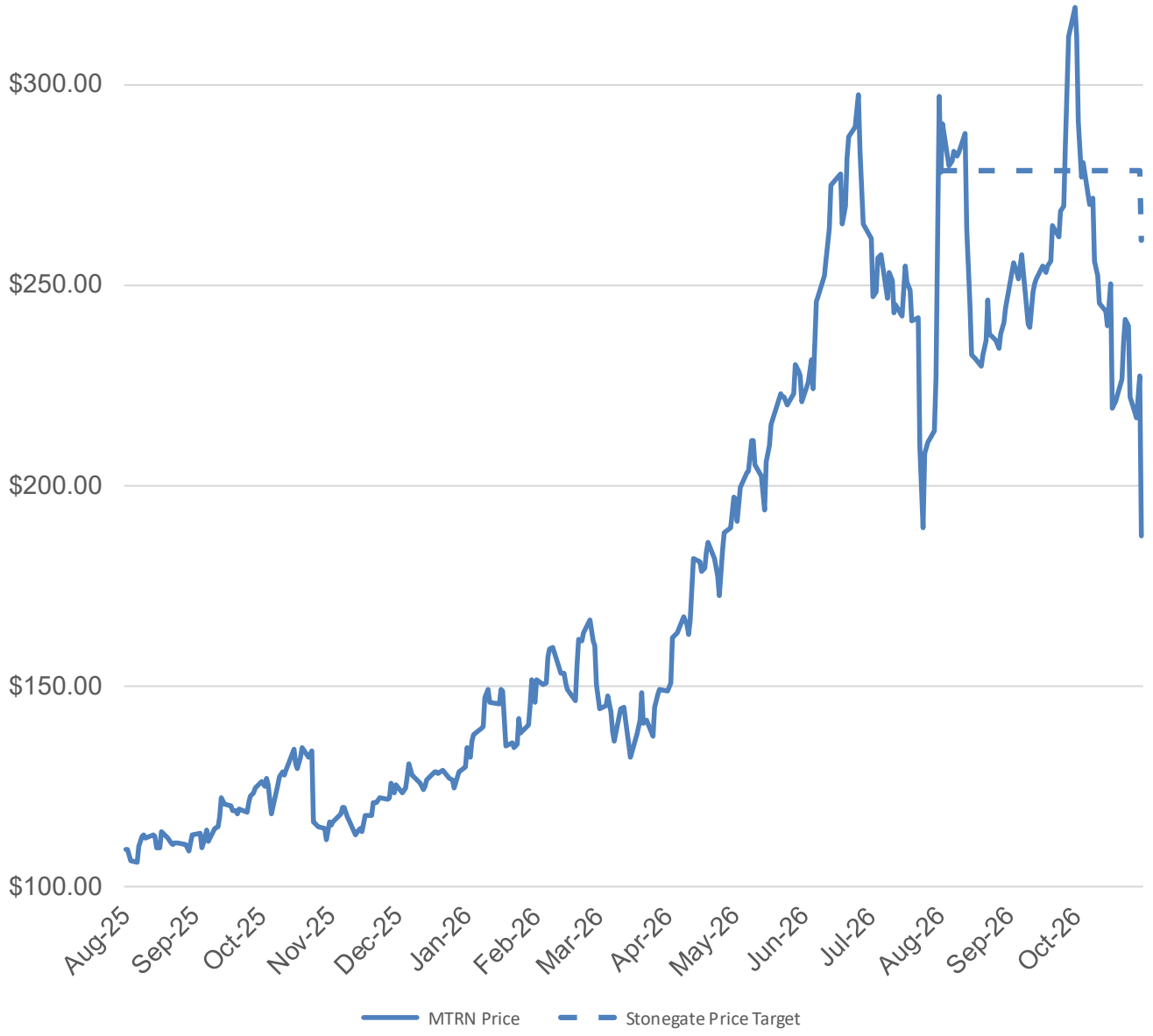
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