Materion Corporation
3Q 2026 Earnings Presentation

November 4, 2026







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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

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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 other extraordinary events including geopolitical events such as the conflict between Russia and Ukraine and the conflict between the United States and Iran 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 18 through 25 in the appendix.

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

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Opening Remarks & Business Update

Jugal Vijayvargiya

President and Chief Executive Officer

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Q3 2026 Highlights

Delivering Another Quarter of Record Sales, Earnings and Backlog

Record value-added (VA) sales of $313.7 million, up 19% YoY

- Driven primarily by all-time high semiconductor sales and continued strength in both aerospace & defense and telecom & data center
- Each business segment delivered double-digit YoY sales growth for the second consecutive quarter

Adjusted EBITDA of $70.7 million, up 27% YoY, with 22.5% margin

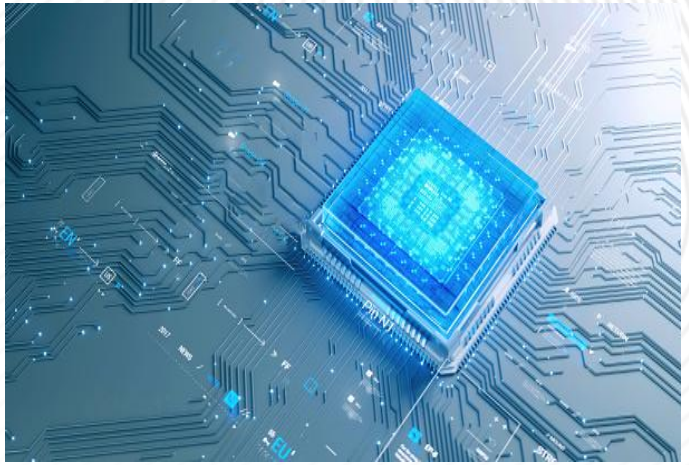
- Fourth consecutive quarter of YoY margin expansion, up 150 bps
- Driven by increased volume and strong price/mix
- Electronic Materials delivered record adjusted EBITDA margin of 32.1%

Record adjusted EPS of $1.93, up 37% YoY

Strong free cash flow generation of ~$46M in the quarter; 120% conversion

Incoming orders and backlog reached all-time high, up ~25% and ~35% YoY respectively





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

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End Market Performance

Q3 2026			
Market	**VA Sales**	**vs. Q3 2025**	**Comments**
Semiconductor	$93.3	40%	▪ Delivered all-time high quarterly sales driven by strong market growth and new business wins ▪ Fifth consecutive quarter of YoY growth
Aerospace & Defense	$67.5	42%	▪ Strength driven by double-digit growth across defense, space and commercial aerospace ▪ Third consecutive quarter of YoY growth
Consumer Electronics	$49.1	-3%	▪ Slightly down due to precision clad strip timing ▪ Up 2% sequentially
Industrial	$41.7	8%	▪ Fourth consecutive quarter of YoY improvement with growth across each business segment
Telecom & Data Center	$15.3	71%	▪ Strongest quarter since 2019 as data center and grid investment accelerates ▪ Sixth consecutive quarter of YoY growth
Automotive	$15.0	11%	▪ Increase driven by order timing; growth seen across each business segment
Energy	$13.1	-3%	▪ Slight decrease YoY due to order timing

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2026 Sales Outlook Strengthens as Backlog Grows for Fifth Consecutive Quarter

- **Exited the quarter with record backlog, up ~35% YoY and up ~25% since the beginning of the year**
- **YTD 2026 incoming orders reached a new high, increasing ~25% YoY**
- **Strong momentum continues in defense with record ~$140M of incoming orders YTD and $500M+ in open RFQs**
- **YTD incoming orders vs prior year:**
  - Telecom & data center up ~90%
  - Aerospace & defense up ~35%
  - Semiconductor up ~30%
  - Industrial up ~25%





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Key Takeaways

- **Delivered record quarterly VA sales and earnings**
- **Highest quarterly semiconductor sales in company history**
- **Each business segment delivered double-digit YoY growth on top and bottom-line**
- **Generated strong free cash flow of ~$46M in the quarter, conversion of 120%**
- **Positioned to deliver significant step up in Q4**
  - Increasing full-year sales outlook again, now expecting high-teens YoY growth
  - Raising full-year adjusted EPS guidance range to $7.10 - $7.40, an increase of 33% YoY at the midpoint
  - Approaching mid-term adjusted EBITDA margin target of 23%
  - Expect to deliver strong free cash flow from higher earnings and working capital improvements





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Financial Review

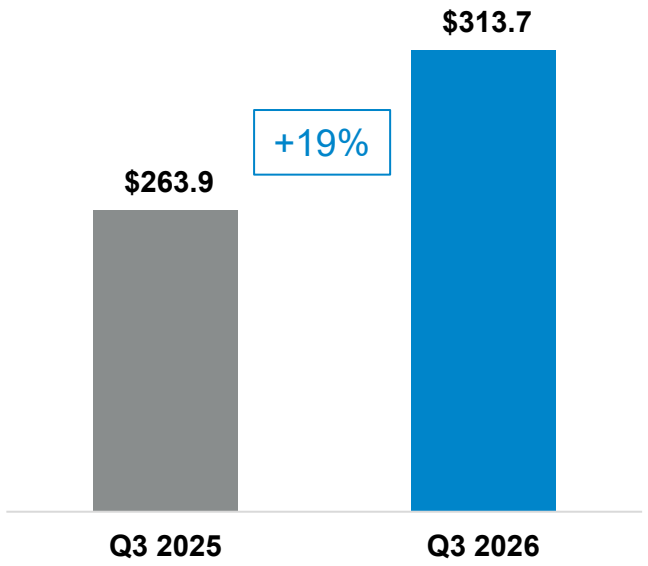
Shelly Chadwick

Vice President and Chief Financial Officer

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Q3 2026 Operating Performance

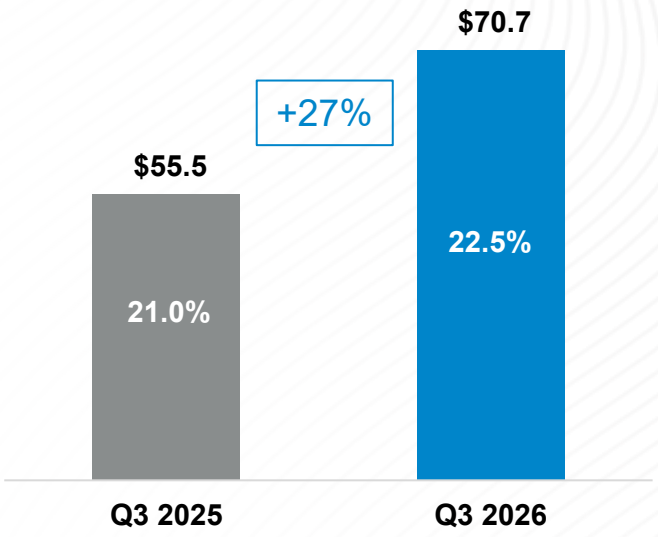
Value-added Sales ($M)



Record value-added sales of $313.7 million, up 19% YoY

- Driven by increased semiconductor sales and continued strength in both aerospace & defense and telecom & data center
- Each business segment delivered double-digit YoY sales growth for the second consecutive quarter

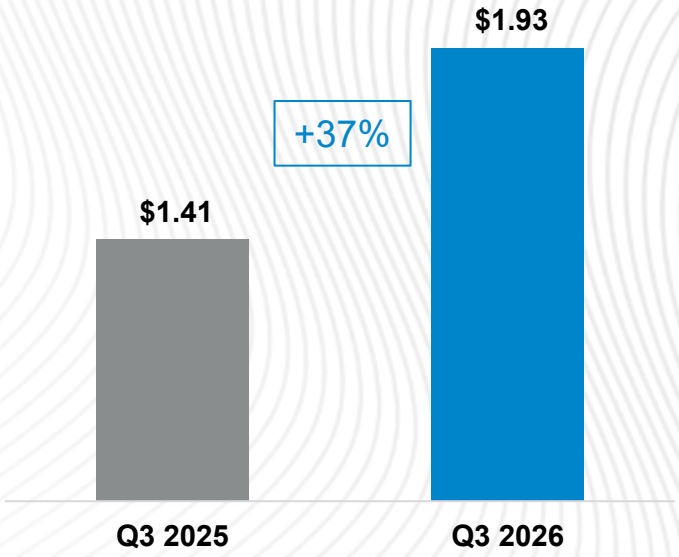
Adj. EBITDA ($M)



Adjusted EBITDA of $70.7 million, or 22.5% of VA

- Increase driven primarily by higher volume and strong price/mix
- Delivered 150 bps of margin expansion YoY

Adj. EPS



Record Adjusted EPS of $1.93, up 37% YoY

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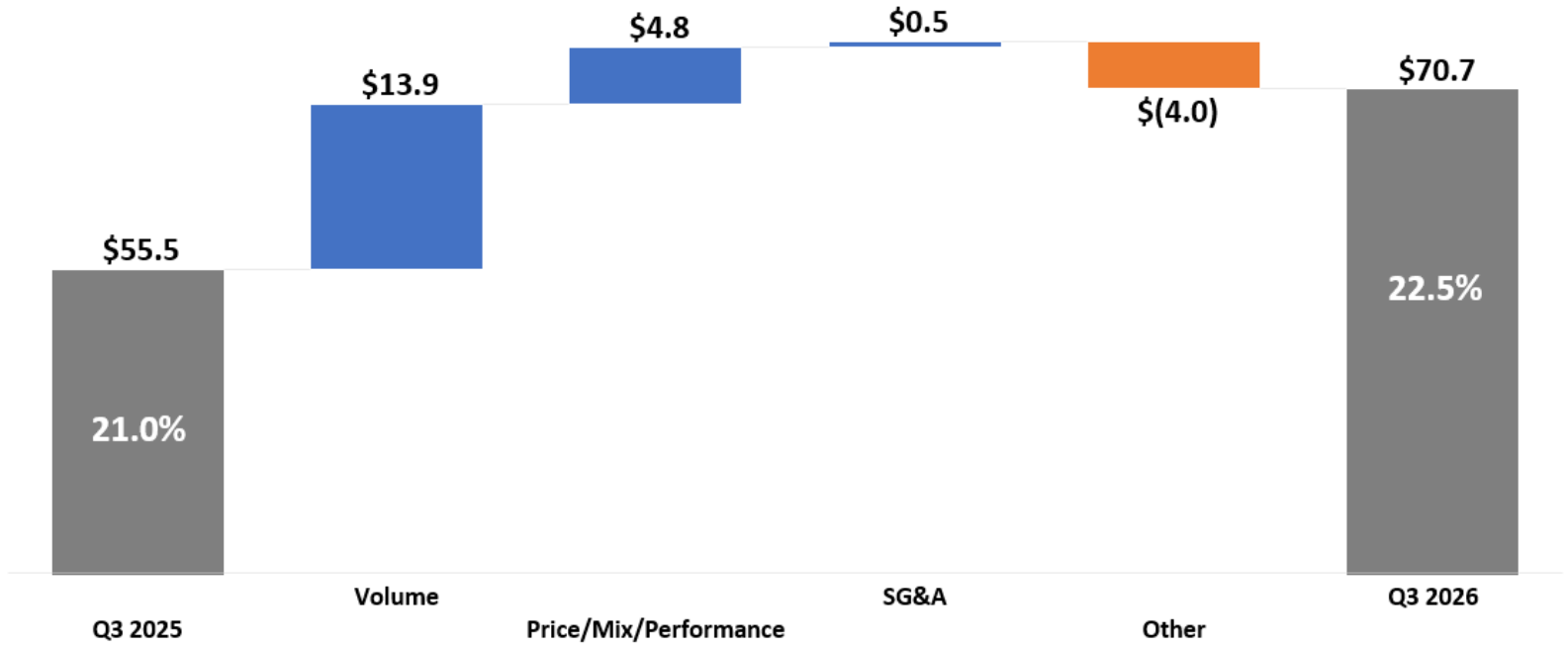
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See appendix for reconciliations of value-added sales, adjusted EBITDA, adjusted EBITDA margin and adjusted EPS (which excludes acquisition amortization) to their most comparable GAAP financial measures. Certain data presented above has been rounded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

Q3 2026 Financial Comparison

Adjusted EBITDA of $70.7 million, or 22.5% of VA, up 150 bps YoY

- Increase driven primarily by higher volume and strong price/mix
- Other includes incentive compensation and currency impact
- Continued progress towards mid-term adjusted EBITDA margin target of 23%

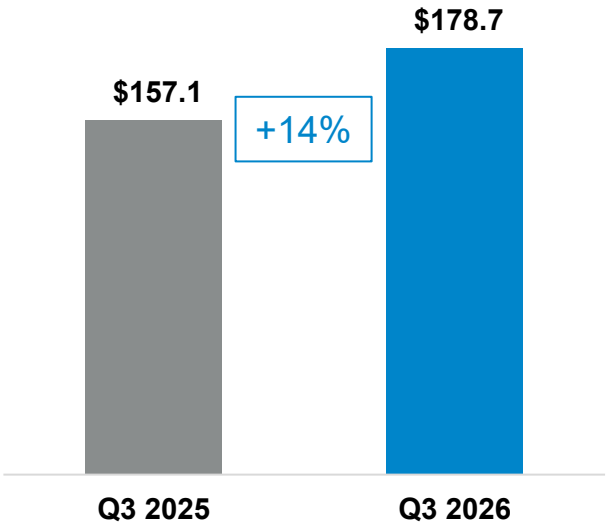


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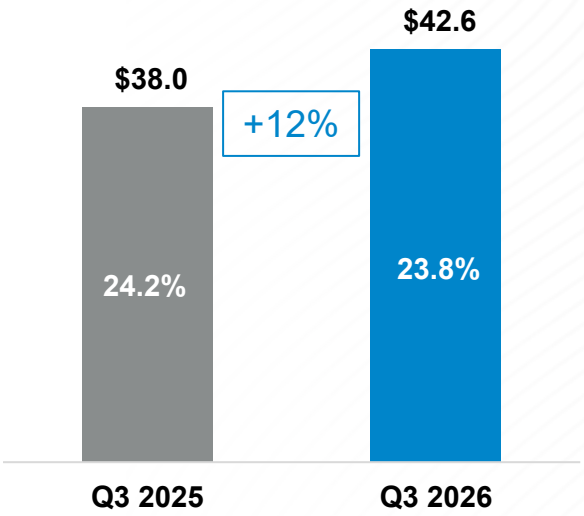
See appendix for reconciliations of value-added sales, adjusted EBITDA and adjusted EBITDA margin to their most comparable GAAP financial measures. Certain data presented above has been rounded for presentation purposes.

Performance Materials Segment

Value-added Sales ($M)



Adj. EBITDA ($M)



Q3 Performance by End Market

↑ Industrial	↑ Energy
↑ Aerospace & Defense	↓ Consumer Electronics
↑ Automotive	↑ Telecom & Data Center

Value-added sales of $178.7 million, up 14% YoY

- Increase driven primarily by market growth and new business in aerospace & defense, telecom & data center and industrial
- Second consecutive quarter of double-digit growth YoY

Adjusted EBITDA of $42.6 million, up 12% YoY

- Increase driven by higher volume and price, partially offset by mix

Q4 Outlook:

- Expect meaningful sales step-up, driven by large incoming defense orders and continued order momentum across other end markets

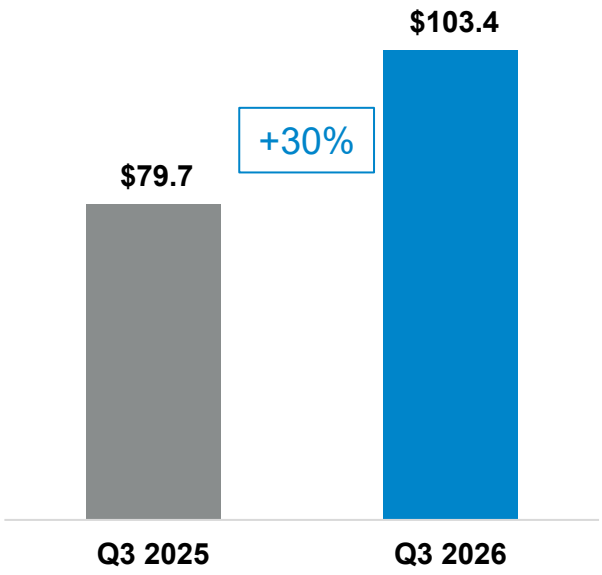
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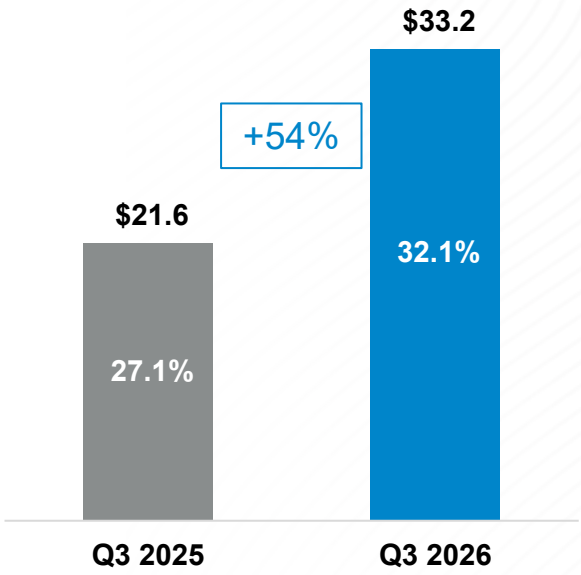
See appendix for reconciliation of value-added sales to the most comparable GAAP financial measure. Certain data presented above has been rounded for presentation purposes.

Electronic Materials Segment

Value-added Sales ($M)



Adj. EBITDA ($M)



Q3 Performance by End Market

- ↑ Semiconductor
- ↑ Automotive
- ↓ Life Sciences
- ↑ Industrial
- ↓ Energy
- ↑ Aerospace & Defense

Value-added sales of $103.4 million, up 30% YoY

- Record organic* sales driven by significant strength across the semiconductor market
- New business wins and accelerating broad-based demand are fueling sales to the semiconductor market

Record adjusted EBITDA of $33.2 million, up 54% YoY

- Increase driven by higher volume and strong price/mix
- Record margin of 32.1% with 500 bps of margin expansion YoY

Q4 Outlook:

- Expect strong top and bottom-line results driven by sustained semiconductor outperformance and contributions from new business wins

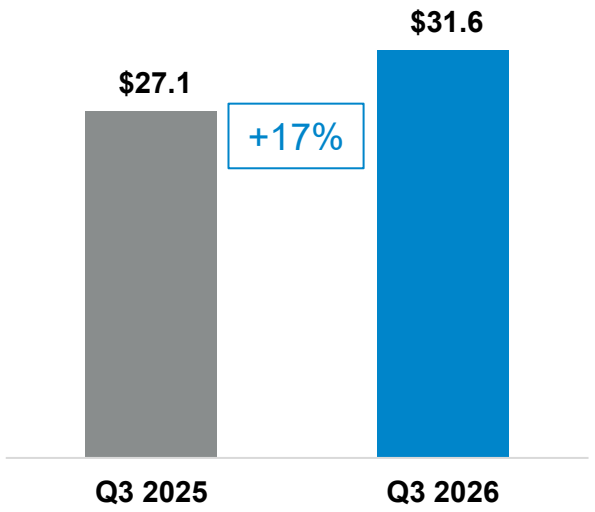
** Excludes value-added sales from the divested Albuquerque, New Mexico business sold in 2024.*

See appendix for reconciliation of value-added sales to the most comparable GAAP financial measure. Certain data presented above has been rounded for presentation purposes.

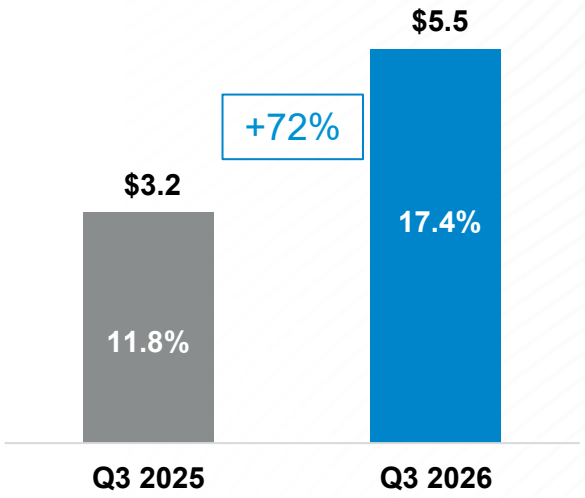
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Precision Optics Segment

Value-added Sales ($M)



Adj. EBITDA ($M)



Q3 Performance by End Market

- ↑ Life Sciences
- ↑ Industrial
- ↑ Aerospace & Defense
- ↓ Consumer Electronics
- ↑ Automotive
- ↑ Semiconductor

Value-added sales of $31.6 million, up 17% YoY

- Increase driven by new business wins and market strength across most end markets
- Sixth consecutive quarter of top-line improvement, the highest quarterly sales since 2021

Adjusted EBITDA of $5.5 million, up 72% YoY

- Increase driven by higher volume and strong price/mix
- 560 bps of margin expansion YoY
- Fifth consecutive quarter of double-digit YoY improvement

Q4 Outlook:

- Expect continued top and bottom-line improvement to close out the year

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See appendix for reconciliation of value-added sales to the most comparable GAAP financial measure. Certain data presented above has been rounded for presentation purposes.

Cash, Debt and Liquidity

($M)	Q3 2025	Q3 2026
Short-term Debt	$10.2	$19.6
Long-term Debt	$446.8	$377.4
Total Debt	**$457.0**	**$397.0**
Cash & Cash Equivalents	$16.4	$15.4
Net Debt (Cash)	**$440.6**	**$381.6**
TTM Adjusted EBITDA	$221.5	$252.4
Net Debt (Cash) / TTM Adj. EBITDA	2.0x	1.5x

Strong free cash flow generation of ~$46M in the quarter; 120% conversion

Leverage at low end of target range of 1.5x – 3x

Approximately $276 million available on the revolving credit facility

- Adequate liquidity remains to support growth initiatives

No share buyback activity this quarter

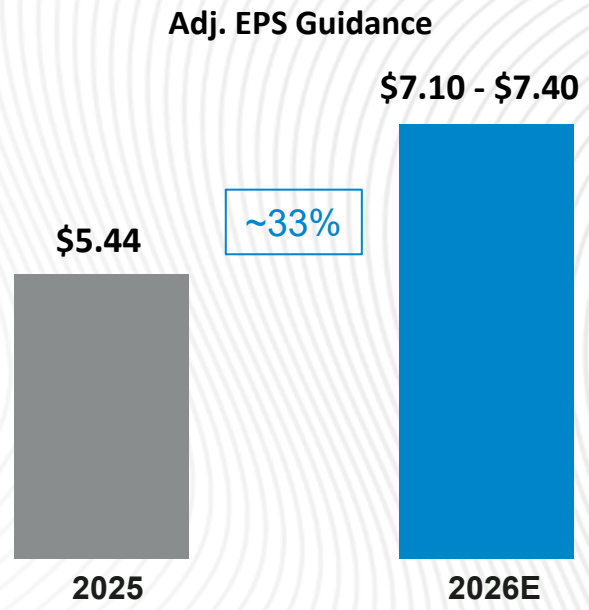
- Board authorization in place for up to $50M of shares

Balanced capital allocation approach, prioritizing organic investment

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Full Year 2026 Guidance



2026 Guidance

- Raising full-year adjusted EPS guidance to **$7.10 - $7.40**, an increase of ~33% YoY at the midpoint
- Expect strong top and bottom-line performance in Q4 to close out record 2026

2026 Modeling Assumptions			
Capital Expenditures	$70M	Interest Expense	$28M
Mine Development – New Pit Openings	$25M	Effective Tax Rate	13-14%
Depreciation and Amortization	$76M	Acquisition Amortization	$10M

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Note: This guidance was provided on November 4, 2026, and has not been confirmed or updated. The Company disclaims any obligation to do so based on any subsequent event or any other reason. In addition, as discussed on slide 3, it is not possible for the Company to forecast future adjustments to GAAP earnings.

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

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Reconciliation for Value-added Sales

(Millions)	Third Quarter Ended October 2, 2026	Third Quarter Ended September 26, 2025
Net Sales		
Performance Materials	$ 199.0	$ 170.8
Electronic Materials	336.6	246.8
Precision Optics	31.7	27.2
Other	—	—
Total	$ 567.3	$ 444.8
Less: Pass-through Metal Cost		
Performance Materials	$ 20.3	$ 13.7
Electronic Materials	233.2	167.1
Precision Optics	0.1	0.1
Other	—	—
Total	$ 253.6	$ 180.9
Value-added Sales (non-GAAP)		
Performance Materials	$ 178.7	$ 157.1
Electronic Materials	103.4	79.7
Precision Optics	31.6	27.1
Other	—	—
Total	$ 313.7	$ 263.9

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.

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Reconciliation for Non-GAAP Measures

(Millions)	Third Quarter Ended October 2, 2026	Third Quarter Ended September 26, 2025
Operating Profit/(Loss)		
Performance Materials	$ **30.4**	$ 26.8
Electronic Materials	**28.4**	16.3
Precision Optics	**3.0**	$ 0.7
Other	**(11.4)**	(8.9)
Total	$ **50.4**	$ 34.9
Non-Operating (Income)/Expense		
Performance Materials	$ **0.2**	$ 0.2
Electronic Materials	**—**	(0.2)
Precision Optics	**(0.3)**	(0.2)
Other	**(0.3)**	(0.6)
Total	$ **(0.4)**	$ (0.8)
Depreciation, Depletion, and Amortization		
Performance Materials	$ **12.3**	$ 10.3
Electronic Materials	**4.7**	4.4
Precision Optics	**2.2**	2.3
Other	**0.5**	0.5
Total	$ **19.7**	$ 17.5
Segment EBITDA		
Performance Materials	$ **42.5**	$ 36.9
Electronic Materials	**33.1**	20.9
Precision Optics	**5.5**	3.2
Other	**(10.6)**	(7.8)
Total	$ **70.5**	$ 53.2

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, environmental remediation, Precision Optics impairments, 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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Reconciliation for Non-GAAP Measures (Cont.)

(Millions)	Third Quarter Ended October 2, 2026	Third Quarter Ended September 26, 2025
Special Items[2]		
Performance Materials	$ **0.1**	$ 1.1
Electronic Materials	**0.1**	0.7
Precision Optics	**—**	—
Other	**—**	0.5
Total	$ **0.2**	$ 2.3
Adjusted EBITDA Excluding Special Items		
Performance Materials	$ **42.6**	$ 38.0
Electronic Materials	**33.2**	21.6
Precision Optics	**5.5**	3.2
Other	**(10.6)**	(7.3)
Total	$ **70.7**	$ 55.5

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, environmental remediation, Precision Optics impairments, 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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Reconciliation for Non-GAAP Measures (Cont.)

(Millions)	Third Quarter Ended October 2, 2026	Third Quarter Ended September 26, 2025
Net sales	$ 567.3	$ 444.8
Pass-through metal cost	253.6	180.9
Value-added sales	$ 313.7	$ 263.9
Net income	$ 38.3	$ 25.4
Income tax expense	5.9	2.7
Interest expense - net	6.6	7.6
Depreciation, depletion and amortization	19.7	17.5
Consolidated EBITDA	$ 70.5	$ 53.2
Net Income as a % of Net sales	*6.8 %*	*5.7 %*
Net Income as a % of Value-added sales	*12.2 %*	*9.6 %*
EBITDA as a % of Net sales	*12.4 %*	*12.0 %*
EBITDA as a % of Value-added sales	*22.5 %*	*20.2 %*
Special items		
Restructuring and cost reduction	$ 0.2	$ 0.2
Product quality issue	—	—
Business transformation costs	—	0.5
Merger, acquisition and divestiture related costs	—	1.0
Environmental Remediation	—	0.6
Other	—	—
Total special items	0.2	2.3
Adjusted EBITDA	$ 70.7	$ 55.5
Adjusted EBITDA as a % of Net sales	*12.5 %*	*12.5 %*
Adjusted EBITDA as a % of Value-added sales	*22.5 %*	*21.0 %*

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, environmental remediation, Precision Optics impairments, 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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Reconciliation for Non-GAAP Measures (Cont.)

(Millions)	Third Quarter Ended October 2, 2026	Diluted EPS	September 26, 2025	Diluted EPS
Net income and EPS	$ 38.3	$ 1.81	$ 25.4	$ 1.22
Special items				
Restructuring and cost reduction	0.2		0.2	
Product quality issue	—		—	
Business transformation costs	—		0.5	
Merger, acquisition and divestiture related costs	—		1.0	
Environmental Remediation	—		0.6	
Other	—		—	
Debt extinguishment costs[1]	—		—	
Provision for income taxes[2]	0.3		(0.4)	
Total special items	0.5	0.02	1.9	0.09
Adjusted net income and adjusted EPS	$ 38.8	$ 1.83	$ 27.3	$ 1.31
Acquisition amortization (net of tax)	2.0	0.10	2.1	0.10
Adjusted net income and adjusted EPS excl. amortization	$ 40.8	$ 1.93	$ 29.4	$ 1.41

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, environmental remediation, Precision Optics impairments, 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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Reconciliation for Non-GAAP Measures (Cont.)

Performance Materials

(Millions)	Third Quarter Ended October 2, 2026	Third Quarter Ended September 26, 2025
Net sales	$ 199.0	$ 170.8
Pass-through metal cost	20.3	13.7
Value-added sales	$ 178.7	$ 157.1
EBITDA	$ 42.5	$ 36.9
Restructuring and cost reduction	0.1	—
Product quality issue	—	—
Environmental remediation	—	0.6
Business transformation costs	—	0.5
Adjusted EBITDA	$ 42.6	$ 38.0
EBITDA as a % of Net sales	*21.4 %*	*21.6 %*
EBITDA as a % of Value-added sales	*23.8 %*	*23.5 %*
Adjusted EBITDA as a % of Net sales	*21.4 %*	*22.2 %*
Adjusted EBITDA as a % of Value-added sales	*23.8 %*	*24.2 %*

Electronic Materials

(Millions)	Third Quarter Ended October 2, 2026	Third Quarter Ended September 26, 2025
Net sales	$ 336.6	$ 246.8
Pass-through metal cost	233.2	167.1
Value-added sales	$ 103.4	$ 79.7
EBITDA	33.1	$ 20.9
Restructuring and cost reduction	0.1	0.2
Merger, acquisition and divestiture related costs	—	0.5
Other	—	—
Adjusted EBITDA	$ 33.2	$ 21.6
EBITDA as a % of Net sales	*9.8 %*	*8.5 %*
EBITDA as a % of Value-added sales	*32.0 %*	*26.2 %*
Adjusted EBITDA as a % of Net sales	*9.9 %*	*8.8 %*
Adjusted EBITDA as a % of Value-added sales	*32.1 %*	*27.1 %*

Precision Optics

(Millions)	Third Quarter Ended October 2, 2026	Third Quarter Ended September 26, 2025
Net sales	31.7	$ 27.2
Pass-through metal cost	0.1	0.1
Value-added sales	$ 31.6	$ 27.1
EBITDA	5.5	$ 3.2
Restructuring and cost reduction	—	—
Adjusted EBITDA	$ 5.5	$ 3.2
EBITDA as a % of Net sales	*17.4 %*	*11.8 %*
EBITDA as a % of Value-added sales	*17.4 %*	*11.8 %*
Adjusted EBITDA as a % of Net sales	*17.4 %*	*11.8 %*
Adjusted EBITDA as a % of Value-added sales	*17.4 %*	*11.8 %*

Other

(Millions)	Third Quarter Ended October 2, 2026	Third Quarter Ended September 26, 2025
EBITDA	$ (10.6)	$ (7.8)
Restructuring and cost reduction	—	—
Business transformation costs	—	—
Merger, acquisition and divestiture related costs	—	0.5
Other	—	—
Adjusted EBITDA	$ (10.6)	$ (7.3)

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, environmental remediation, Precision Optics impairments, 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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Reconciliation for Non-GAAP Measures (Cont.)

($ in millions)	Q3 2026	Q3 2025	Q3 2026 TTM	Q3 2025 TTM
GAAP as Reported				
Net income	$ 38.3	$ 25.4	$ 103.1	$ 19.4
Income tax expense (benefit)	5.9	2.7	9.9	12.2
Interest expense	6.6	7.6	29.7	31.6
Depreciation, depletion, and amortization	19.7	17.5	74.8	68.8
Consolidated EBITDA	**$ 70.5**	**$ 53.2**	**$ 217.5**	**$ 132.0**
Special Items				
Restructuring and cost reduction	$ 0.2	$ 0.2	$ 3.4	3.5
Business transformation costs	—	$ 0.5	0.2	1.5
Product quality issue	—	—	30.8	—
Environmental Remediation	—	$ 0.6	—	0.6
Precision Optics impairments	—	—	—	73.2
Merger, acquisition and divestiture related costs	—	$ 1.0	0.1	10.7
Pension settlement	—	—	0.3	—
Other	—	—	0.1	—
Total Special Items	0.2	2.3	34.9	89.5
Adjusted EBITDA	**$ 70.7**	**$ 55.5**	**$ 252.4**	**$ 221.5**

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.

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Free Cash Flow Reconciliation

(Millions)	Third Quarter Ended		Nine Months Ended	
	October 2, 2026	September 26, 2025	October 2, 2026	September 26, 2025
Net Income	$ **38.3**	$ 25.4	$ **96.5**	$ 68.3
Net cash provided by (used in) operating activities	$ **72.2**	$ 18.3	$ **142.7**	$ 83.7
Payments for purchase of property, plant and equipment	**(14.5)**	(13.7)	**(44.3)**	(38.7)
Payments for mine development	**(11.9)**	(9.8)	**(13.6)**	(20.0)
Free cash flow (FCF)	$ **45.8**	$ (5.2)	$ **84.8**	$ 25.0
Free cash flow conversion as a % of Net Income	**120 %**	(20)%	**88 %**	37 %

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