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Materion Corporation Enters into Definitive Agreement to Acquire Heraeus' Target Materials Business

MAYFIELD HEIGHTS, Ohio--(BUSINESS WIRE)-- Materion Corporation (NYSE: MTRN) announced today that it has entered into a definitive agreement to acquire the principal portion of the high-performance target materials business of the Heraeus Group of Hanau, Germany. The acquisition is expected to be consummated in the first quarter of 2017, subject to the satisfaction of regulatory approvals and customary closing conditions.

Negotiations for Heraeus' magnetic data storage business in Singapore continue and are not included in the definitive agreement announced today. Materion and Heraeus decided to proceed with the principal portion of the proposed acquisition announced in May 2016 in order to begin the regulatory approval process that is not expected to be required for the magnetic data storage business.

Heraeus' target materials business generates approximately \$60 million in annual value-added sales. The transaction purchase price is approximately \$30 million, which represents a 6 times multiple of EBITDA. The target materials business is forecasted to be accretive to earnings in 2017.

Heraeus manufactures precious and non-precious metal target materials for the architectural and automotive glass, electronic display, photovoltaic and semiconductor markets at facilities in Germany, Taiwan, the United States and Singapore. Once acquired, the businesses will operate within the Materion Advanced Materials business segment.

Commenting on the agreement, Donald G. Klimkowicz, President, Materion Advanced Materials, said, "We are excited to have reached this milestone toward acquiring this business. There are both complementary and unique aspects inherent to both Materion's and Heraeus' target materials offering and capabilities, which, once combined, will allow us to enhance our position in traditional markets, widen our product breadth and drive additional growth in new markets. This investment underscores our commitment to the long-term future of the target materials business."

Added Richard J. Hipple, Materion Chairman, President and CEO, "This planned acquisition is a compelling fit with our global growth strategy and our criteria for investment by adding critical mass in target materials underpinned by a broadened manufacturing presence in Europe, Taiwan and the U.S., as well as the addition of some highly differentiated technologies that will strengthen Materion's offering to global customers. We are looking forward to welcoming Heraeus' very talented target materials employees into the Materion family."

Materion Corporation is headquartered in Mayfield Heights, Ohio. The Company, through its wholly owned subsidiaries, supplies highly engineered advanced enabling materials to global markets. Products include precious and non-precious specialty metals, inorganic chemicals and powders, specialty coatings, specialty engineered beryllium alloys, beryllium and beryllium composites, and engineered clad and plated metal systems.

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