

Forbes

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200 BEST SMALL COMPANIES

Best of the Small

What does it take to be the best? To begin with, solid results—five years of consistent sales and earnings-per-share growth; four consecutive quarters of net income surpassing \$1 million. But getting on our list is more than just a numbers game. We put our candidates through hell, combing their financial documents for the slightest scent of trouble: bad debts, lawsuits, slow receivables, funny accounting—all grounds for dismissal. Those that make the final cut are truly gritty survivors. As General George S. Patton told his troops: "Battle ... brings out all that is best."

Matthews International

(Nasdaq / MATW)

Business Description: Matthews International Corporation is a designer, manufacturer and marketer principally of custom -made products which are used to identify people, places, products and events. The Bronze segment products include flush bronze memorials, flower vases, crypt letters, cremation urns, niche units, mausoleums, granite monuments, cemetery features, cremation equipment and architectural products. The Graphics Imaging segment provides printing plates, pre-press services and imaging systems to the corrugated and flexible packaging industries. The Marking Products segment designs, manufactures and distributes a wide range of marking equipment and consumables used by customers to identify various consumer and industrial products, components and packaging containers.

RANK '00 '99	COMPANY (consecutive years on list) business	PROFITABILITY				GROWTH				SALES latest 12 mos (\$mil)	NET INCOME latest 12 mos (\$mil)	RECENT PRICE (\$)	P/E 2001 estimated	MARKET VALUE ² (\$mil)
		Return on equity		Debt/ enter- prise value ¹	Sales		EPS							
		5-year average	latest 12 mos		Operating margin	5-year average	latest 12 mos	5-year average	latest 12 mos					
148 —	Matthews International makes bronze memorial products, graphic systems & marking products	20%	22%	22%	3%	10%	12%	16%	15%	260	27.2	29.00	15	444

Stock prices as of Sept. 27. —: Not on last year's list. Enterprise value: Market value of common plus liquidation of preferred plus debt minus cash and equivalents. ²Includes all share classes. NA: Not available or not applicable. NM: Not meaningful. Sources: William O'Neil & Co.; Interactive Data Corp.; Market Guide and IBES International via FactSet Research Systems.

COMPANY	WHERE THEY RANK										
	Overall	5-year average ROE	Latest- 12-mo ROE	Operating margin	5-year avg sales growth	Latest- 12-mo sales growth	5-year average EPS growth	Latest- 12-mo EPS growth	Sales	Net income	Market value
Matthews International	148	49	45	90	185	181	165	180	35	46	79