
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 2, 2017

Mettler-Toledo International Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

File No. 001-13595

(Commission File Number)

13-3668641

(IRS Employer Identification No.)

1900 Polaris Parkway

Columbus, OH

and

Im Langacher, P.O. Box MT-100

CH Greifensee, Switzerland

(Address of principal executive offices)

43240 and 8606

(Zip Code)

Registrant's telephone number, including area code: 1-614-438-4511 and +41-44-944-22-11

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13 (a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

The following information is furnished pursuant to Item 2.02, “Results of Operations and Financial Condition.” The information furnished in this Form 8-K and the Exhibit attached hereto shall not be treated as filed for purposes of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

On February 8, 2018 Mettler-Toledo International Inc. (“Mettler-Toledo”) issued a press release (the “Release”) setting forth its financial results for the three and twelve months ended December 31, 2017. A copy of the Release is furnished hereto as Exhibit 99.1 to this report.

Non-GAAP Financial Measures

Mettler-Toledo supplements its U.S. GAAP results with non-GAAP financial measures. The principal non-GAAP financial measures Mettler-Toledo uses are Adjusted Earnings per Share, Adjusted Operating Income, Free Cash Flow and Local Currency Sales Growth.

Adjusted Earnings per Share

Mettler-Toledo defines Adjusted Earnings per Share as diluted earnings per common share excluding certain non-recurring discrete tax items, amortization of purchased intangible assets, net of tax, restructuring charges, net of tax and certain other one-time charges, net of tax. The most directly comparable U.S. GAAP financial measure is diluted earnings per common share.

Mettler-Toledo believes that Adjusted Earnings per Share is important supplemental information for investors. Mettler-Toledo uses this measure because it excludes certain non-recurring discrete tax items, amortization of purchased intangibles, net of tax, restructuring charges, net of tax and certain other one-time charges, net of tax, which management believes are not directly related to current and ongoing operations thereby providing investors with information that helps to compare ongoing operating performance.

Adjusted Earnings per Share is used in addition to and in conjunction with results presented in accordance with U.S. GAAP. Adjusted Earnings per Share is not intended to represent diluted earnings per common share under U.S. GAAP and should not be considered as an alternative to diluted earnings per common share as an indicator of Mettler-Toledo’s performance because of the following limitations.

Limitations of Mettler-Toledo’s non-GAAP measure, Adjusted Earnings per Share

Mettler-Toledo’s non-GAAP measure, Adjusted Earnings per Share, has certain material limitations as follows:

It does not include certain non-recurring discrete tax items, amortization expense of purchased intangibles, net of tax, restructuring charges, net of tax and certain other one-time charges, net of tax. Because non-recurring discrete tax items, amortization of purchased intangibles, restructuring charges and certain other one-time charges are components of diluted earnings per share under U.S. GAAP, any measure that excludes non-recurring discrete tax items, amortization of purchased intangibles, restructuring charges and certain other one-time charges, has material limitations.

Adjusted Operating Income

Mettler-Toledo defines Adjusted Operating Income as gross profit less research and development and selling, general and administrative expenses before amortization, interest, restructuring charges and other charges (income), net and taxes. The most directly comparable U.S. GAAP financial measure is earnings before taxes.

Mettler-Toledo believes that Adjusted Operating Income is important supplemental information for investors. Adjusted Operating Income is used internally as the principal profit measurement by its segments in their reporting to management. Mettler-Toledo uses this measure because it excludes amortization, interest, restructuring charges and other charges (income), net and taxes, which are not allocated to the segments.

On a consolidated basis, Mettler-Toledo also believes Adjusted Operating Income is an important supplemental method of measuring profitability. It is used internally by senior management for measuring profitability and setting performance targets for managers, and has historically been used as one of the means of publicly providing guidance on possible future results. Mettler-Toledo also believes that Adjusted Operating Income is an important performance measure because it provides a measure of comparability to other companies with different capital or legal structures, which accordingly may be subject to disparate interest rates and effective tax rates, and to companies which may incur different amortization expenses or impairment charges related to intangible assets.

Adjusted Operating Income is used in addition to and in conjunction with results presented in accordance with U.S. GAAP. Adjusted Operating Income is not intended to represent operating income under U.S. GAAP and should not be considered as an alternative to earnings before taxes as an indicator of Mettler-Toledo's performance because of the following limitations.

Limitations of Mettler-Toledo's non-GAAP measure, Adjusted Operating Income

Mettler-Toledo's non-GAAP measure, Adjusted Operating Income, has certain material limitations as follows:

- It excludes amortization expense. Because this item is recurring, any measure that excludes amortization expense has material limitations.
- It does not include interest expense. Because Mettler-Toledo has borrowed money to finance some of its operations, interest is a necessary and ongoing part of its costs and has assisted Mettler-Toledo in generating revenue. Therefore any measure that excludes interest expense has material limitations.
- It excludes restructuring charges. Because restructuring charges are a component of operating income under U.S. GAAP, any measure that excludes restructuring charges, has material limitations.
- It excludes other charges (income), net. Because other charges (income), net is a component of operating income under U.S. GAAP, any measure that excludes other charges (income), net, has material limitations.

Free Cash Flow

Mettler-Toledo defines Free Cash Flow as net cash provided by operating activities including proceeds from the sale of property, plant and equipment, less capital expenditures, and before restructuring and acquisition cost payments. The most directly comparable U.S. GAAP financial measure is net cash provided by operating activities

Mettler-Toledo believes Free Cash Flow is important supplemental information for investors. It is used internally by senior management for measuring operating cash flow generation and setting performance targets for managers, and has historically been used as one of the means of providing guidance on possible future cash flows.

Free Cash Flow is used in addition to and in conjunction with results presented in accordance with U.S. GAAP. Free Cash Flow is not intended to represent net cash provided by operating activities recorded under U.S. GAAP and should not be considered as an alternative to net cash provided by operating activities as an indicator of Mettler-Toledo's performance because of the following limitations.

Limitations of Mettler-Toledo's non-GAAP measure, Free Cash Flow

Mettler-Toledo's non-GAAP measure, Free Cash Flow, has certain material limitations as follows:

- It includes proceeds from the sale of property, plant and equipment and purchases of property, plant and equipment, which are not considered to be components of net cash provided by operating activities under U.S. GAAP. Therefore any measure that includes proceeds from the sale of property, plant and equipment and purchases of property, plant and equipment has material limitations.
- It excludes restructuring and acquisition cost payments, which is considered to be a component of net cash provided by operating activities under U.S. GAAP. Therefore any measure that excludes these items has material limitations.

Local Currency Sales Growth

Mettler-Toledo defines Local Currency Sales Growth as sales growth excluding the effect of currency exchange rate fluctuations that result from translating activity outside of the United States into U.S. dollars. The most directly comparable U.S. GAAP financial measure is U.S. dollar sales growth.

Mettler-Toledo believes that Local Currency Sales Growth is important supplemental information for investors. Mettler-Toledo believes local currency information provides a helpful assessment of business performance and a useful measure of results between periods.

Local Currency Sales Growth is used in addition to and in conjunction with results presented in accordance with U.S. GAAP. Local Currency Sales Growth is not intended to represent U.S. dollar sales growth under U.S. GAAP and should not be considered as an alternative to U.S. dollar sales growth as an indicator of Mettler-Toledo's performance because of the following limitations.

Limitations of Mettler-Toledo's non-GAAP measure, Local Currency Sales Growth

Mettler-Toledo's non-GAAP measure, Local Currency Sales Growth, has certain material limitations as follows:

It does not include the effect of currency exchange rate fluctuations that result from translating activity outside of the United States into U.S. dollars. Because the effect of changes in foreign currency exchange rates is a component of sales growth under U.S. GAAP, any measure that excludes the effect of changes in foreign currency exchange rates, has material limitations.

Adjusted Earnings per Share, Adjusted Operating Income, Free Cash Flow and Local Currency Sales Growth should not be relied upon to the exclusion of U.S. GAAP financial measures, but reflect additional measures of comparability and means of viewing aspects of Mettler-Toledo's operations that, when viewed together with its U.S. GAAP results and the accompanying reconciliations to net earnings, net cash provided by operating activities and diluted earnings per share, provide a more complete understanding of factors and trends affecting its business.

Because Adjusted Earnings per Share, Adjusted Operating Income, Free Cash Flow and Local Currency Sales Growth are not standardized, it may not be possible to compare with other companies' non-GAAP financial measures having the same or similar names. We strongly encourage investors to review our financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

The Release provides a reconciliation of Adjusted Earnings per Share, Adjusted Operating Income and Free Cash Flow to the most comparable financial measures recorded under U.S. GAAP. The Release also presents Local Currency Sales Growth in conjunction with its most comparable financial measure recorded under U.S. GAAP.

Item 9.01 Financial Statements and Exhibits

Exhibit No.	Description
99.1	Press release, dated February 8, 2018, issued by Mettler-Toledo International Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 8, 2018

METTLER-TOLEDO INTERNATIONAL INC.

By: /s/ Shawn P. Vadala

Shawn P. Vadala

Chief Financial Officer

**METTLER-TOLEDO INTERNATIONAL INC. REPORTS
FOURTH QUARTER 2017 RESULTS**

**-- Good Sales Growth --
-- Continued Strong EPS Growth --**

COLUMBUS, Ohio, USA - February 8, 2018 - Mettler-Toledo International Inc. (NYSE: MTD) today announced fourth quarter results for 2017. Provided below are the highlights:

- Sales in local currency increased 6% in the quarter compared with the prior year. Reported sales increased 10% as currency increased sales growth by 4% in the quarter.
- Net earnings per diluted share as reported (EPS) were \$2.93, compared with \$5.17 in the prior-year period. Adjusted EPS was \$5.97, an increase of 13% over the prior-year amount of \$5.28. EPS includes a \$2.74 income tax charge related to the new U.S. tax legislation. Adjusted EPS is a non-GAAP measure, and we have included a reconciliation to EPS on the last page of the attached schedules.

Fourth Quarter Results

Olivier Filliol, President and Chief Executive Officer, stated, "Sales growth in the quarter was good, with particularly strong broad-based growth in our Laboratory business. Our productivity initiatives continue to generate positive results which contributed to another strong growth in Adjusted EPS."

EPS in the quarter was \$2.93, compared with the prior-year amount of \$5.17. Adjusted EPS was \$5.97, an increase of 13% over the prior-year amount of \$5.28. EPS includes a \$2.74 income tax charge related to the new U.S. tax legislation.

Sales were \$778.0 million, a 6% increase in local currency sales, compared with \$709.7 million in the prior-year quarter. Reported sales increased 10% as currency increased sales growth by 4% in the quarter. As compared with the prior year, local currency sales increased 9% in the Americas, 1% in Europe and 7% in Asia/Rest of World. Adjusted operating income amounted to \$217.8 million, a 9% increase from the prior-year amount of \$200.2 million. Adjusted operating income is a non-GAAP measure, and a reconciliation to earnings before taxes is provided in the attached schedules.

Full Year Results

EPS for 2017 was \$14.24, compared with the prior-year amount of \$14.22. Adjusted EPS was \$17.57, an increase of 19% over the prior-year amount of \$14.80. EPS includes a \$2.73 income tax charge related to the new U.S. tax legislation.

Sales were \$2.725 billion, an 8% increase in local currency sales, compared with \$2.508 billion in the prior-year period. Reported sales increased 9% as currency increased sales growth by 1% in the period.

As compared with the prior year, local currency sales increased 8% in the Americas, 5% in Europe and 11% in Asia/Rest of World. Adjusted operating income amounted to \$656.6 million, a 13% increase from the prior-year amount of \$583.0 million. Adjusted operating income is a non-GAAP measure, and a reconciliation to earnings before taxes is provided in the attached schedules.

Outlook

The Company said that based on its assessment of market conditions today, management anticipates local currency sales growth in 2018 will be approximately 6%. This sales growth is expected to result in Adjusted EPS in the range of \$19.95 to \$20.15, which reflects growth of 14% to 15%. This compares to previous Adjusted EPS guidance of \$19.65 to \$19.85.

Management anticipates that local currency sales growth in the first quarter 2018 will be approximately 5%, and Adjusted EPS is forecasted to be in the range of \$3.65 to \$3.70, an increase of 9% to 11%.

While the Company has provided an outlook for Adjusted EPS, it has not provided an outlook for EPS as it would require an estimate of non-recurring items, which are not yet known. The Company noted in making its outlook that economic uncertainty remains in certain regions of the world and market conditions are subject to change.

Conclusion

Filioli concluded, "Diligent execution of our strategic initiatives, supported by favorable economic conditions in all major regions of the world, resulted in excellent operating results in 2017. We believe we are well positioned for further share gains with the benefit of our Spinnaker sales and marketing initiatives, excellent product pipeline, additional investments in sales resources and further use of sophisticated tools such as big data analytics to identify growth opportunities in our markets. We expect our growth initiatives combined with our margin and productivity programs will generate strong operating results and provide the capacity for future growth investments."

Other Matters

The Company will host a conference call to discuss its quarterly results today (Thursday, February 8) at 5:00 p.m. Eastern Time. To hear a live webcast or replay of the call, visit the investor relations page on the Company's website at www.mt.com/investors. The presentation referenced in the conference call will be located on the website prior to the call.

METTLER TOLEDO is a leading global supplier of precision instruments and services. The Company has strong leadership positions in all businesses and believes it holds global number-one market positions in a majority of them. Specifically, METTLER TOLEDO is the largest provider of weighing instruments for use in laboratory, industrial and food retailing applications. The Company is also a leading provider in analytical instruments for use in life science, reaction engineering and real-time analytic systems used in drug and chemical compound development and process analytics instruments used for in-line measurement in production processes. In addition, METTLER TOLEDO is the largest supplier of end-of-line inspection systems used in production and packaging for food, pharmaceutical and other industries. Additional information about METTLER TOLEDO can be found at www.mt.com/investors.

Statements in this press release which are not historical facts constitute "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. These statements involve known and unknown risks, uncertainties and other factors that may cause our or our businesses' actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or "continue" or the negative of those terms or other comparable terminology. For a discussion of these risks and uncertainties, please see the discussion on forward-looking statements in our current report on Form 8-K to which this release has been furnished as an exhibit. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under the captions "Factors affecting our future operating results" and in the "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of our annual report on Form 10-K for the most recently completed fiscal year, which describe risks and factors that could cause results to differ materially from those projected in those forward-looking statements.

METTLER-TOLEDO INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands except share data)
(unaudited)

	Three Months Ended December 31, 2017		% of sales	Three Months Ended December 31, 2016		% of sales
Net sales	\$	778,031 (a)	100.0	\$	709,699	100.0
Cost of sales		322,812	41.5		291,089	41.0
Gross profit		455,219	58.5		418,610	59.0
Research and development		32,542	4.2		30,155	4.2
Selling, general and administrative		204,860	26.3		188,223	26.5
Amortization		11,661	1.5		9,886	1.4
Interest expense		8,625	1.1		7,407	1.1
Restructuring charges		3,932	0.5		1,656	0.3
Other charges (income), net		(301)	(0.0)		(1)	(0.0)
Earnings before taxes		193,900	24.9		181,284	25.5
Provision for taxes		116,924 (b)	15.0		43,508	6.1
Net earnings	\$	<u>76,976</u>	<u>9.9</u>	\$	<u>137,776</u>	<u>19.4</u>
Basic earnings per common share:						
Net earnings	\$	3.01		\$	5.27	
Weighted average number of common shares		25,562,542			26,139,024	
Diluted earnings per common share:						
Net earnings	\$	2.93		\$	5.17	
Weighted average number of common and common equivalent shares		26,229,052			26,631,269	

- Note:
- (a) Local currency sales increased 6% as compared to the same period in 2016.
- (b) Provision for taxes for the three months ended December 31, 2017 includes a provisional one-time charge of \$72 million for the implementation of the TaxCuts and Jobs Act. Of this amount, \$59 million is expected to be paid over a period of up to eight years. The estimated charge may change with the finalization of implementation.

RECONCILIATION OF EARNINGS BEFORE TAXES TO ADJUSTED OPERATING INCOME

	Three Months Ended December 31, 2017		% of sales	Three Months Ended December 31, 2016		% of sales
Earnings before taxes	\$	193,900		\$	181,284	
Amortization		11,661			9,886	
Interest expense		8,625			7,407	
Restructuring charges		3,932			1,656	
Other charges (income), net		(301)			(1)	
Adjusted operating income	\$	<u>217,817 (b)</u>	28.0	\$	<u>200,232</u>	28.2

- Note:
- (b) Adjusted operating income increased 9% as compared to the same period in 2016.

METTLER-TOLEDO INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands except share data)
(unaudited)

	Twelve Months Ended		% of sales	Twelve Months Ended		
	December 31, 2017			December 31, 2016		
Net sales	\$	2,725,053 (a)	100.0	\$	2,508,257	100.0
Cost of sales		1,151,740	42.3		1,072,670	42.8
Gross profit		1,573,313	57.7		1,435,587	57.2
Research and development		129,265	4.7		119,968	4.8
Selling, general and administrative		787,464	28.8		732,622	29.2
Amortization		42,671	1.6		36,052	1.4
Interest expense		32,785	1.2		28,026	1.1
Restructuring charges		12,772	0.5		6,235	0.3
Other charges (income), net		(5,866)	(0.2)		8,491	0.3
Earnings before taxes		574,222	21.1		504,193	20.1
Provision for taxes		198,250 (b)	7.3		119,823	4.8
Net earnings	\$	<u>375,972</u>	<u>13.8</u>	\$	<u>384,370</u>	<u>15.3</u>
Basic earnings per common share:						
Net earnings	\$	14.62		\$	14.49	
Weighted average number of common shares		25,713,575			26,517,768	
Diluted earnings per common share:						
Net earnings	\$	14.24		\$	14.22	
Weighted average number of common and common equivalent shares		26,393,783			27,023,905	

Note:

- (a) Local currency sales increased 8% as compared to the same period in 2016.
- (b) Provision for taxes for the twelve months ended December 31, 2017 includes a provisional one-time charge of \$72 million for the implementation of the TaxCuts and Jobs Act. Of this amount, \$59 million is expected to be paid over a period of up to eight years. The estimated charge may change with the finalization of implementation.

RECONCILIATION OF EARNINGS BEFORE TAXES TO ADJUSTED OPERATING INCOME

	Twelve Months Ended		% of sales	Twelve Months Ended		
	December 31, 2017			December 31, 2016		
Earnings before taxes	\$	574,222		\$	504,193	
Amortization		42,671			36,052	
Interest expense		32,785			28,026	
Restructuring charges		12,772			6,235	
Other charges (income), net		(5,866) (c)			8,491 (e)	
Adjusted operating income	\$	<u>656,584 (d)</u>	24.1	\$	<u>582,997</u>	23.2

Note:

- (c) Other charges (income), net includes a one-time gain of \$3.4 million relating to the sale of a facility in Switzerland in connection with our initiative to consolidate Swiss operations into a new facility and \$1.7 million of acquisition costs for the twelve months ended December 31, 2017.
- (d) Adjusted operating income increased 13% as compared to the same period in 2016.
- (e) Other charges (income), net includes a one-time non-cash pension settlement charge of \$8.2 million related to a lump sum settlement to former employees of our U.S. pension plan and acquisition costs of \$1.1 million for the twelve months ended December 31, 2016.

METTLER-TOLEDO INTERNATIONAL INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands)
(unaudited)

	December 31, 2017	December 31, 2016
Cash and cash equivalents	\$ 148,687	\$ 158,674
Accounts receivable, net	528,615	454,988
Inventories	255,390	222,047
Other current assets and prepaid expenses	74,031	61,075
Total current assets	1,006,723	896,784
Property, plant and equipment, net	668,271	563,707
Goodwill and other intangible assets, net	766,556	643,433
Other non-current assets	108,255	62,853
Total assets	\$ 2,549,805	\$ 2,166,777
Short-term borrowings and maturities of long-term debt	\$ 19,677	\$ 18,974
Trade accounts payable	167,627	146,593
Accrued and other current liabilities	502,369	421,948
Total current liabilities	689,673	587,515
Long-term debt	960,170	875,056
Other non-current liabilities	352,682	269,263
Total liabilities	2,002,525	1,731,834
Shareholders' equity	547,280	434,943
Total liabilities and shareholders' equity	\$ 2,549,805	\$ 2,166,777

METTLER-TOLEDO INTERNATIONAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)
(unaudited)

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Cash flow from operating activities:				
Net earnings	\$ 76,976	\$ 137,776	\$ 375,972	\$ 384,370
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation	9,037	8,216	33,458	32,743
Amortization	11,661	9,886	42,671	36,052
Deferred tax provision (benefit)	5,009	12,956	(2,745)	1,878
Share-based compensation	4,759	4,445	16,582	15,306
Provisional onetime charge on U.S. tax reform	71,982	—	71,982	—
Gain on facility sale	—	—	(3,394)	—
Non-cash pension settlement charge	—	—	—	8,189
Other	16	175	243	181
Decrease in cash resulting from changes in operating assets and liabilities	(14,350)	(20,009)	(18,444)	(17,961)
Net cash provided by operating activities	165,090	153,445	516,325	460,758
Cash flows from investing activities:				
Proceeds from sale of property, plant and equipment (a)	1,536	62	11,973	423
Purchase of property, plant and equipment	(41,600)	(72,723)	(127,426)	(123,957)
Acquisitions	—	(1,700)	(108,445)	(111,381)
Net hedging settlements on intercompany loans	2,838	1,428	6,554	3,459
Net cash used in investing activities	(37,226)	(72,933)	(217,344)	(231,456)
Cash flows from financing activities:				
Proceeds from borrowings	258,501	195,786	1,244,195	905,774
Repayments of borrowings	(351,111)	(138,265)	(1,185,172)	(594,178)
Proceeds from exercise of stock options	5,334	5,284	28,649	25,471
Repurchases of common stock	(64,999)	(124,998)	(399,997)	(499,992)
Acquisition contingent consideration paid	—	—	—	(471)
Other financing activities	—	—	(7,205)	(209)
Net cash used in financing activities	(152,275)	(62,193)	(319,530)	(163,605)
Effect of exchange rate changes on cash and cash equivalents	4,012	(5,778)	10,562	(5,910)
Net increase (decrease) in cash and cash equivalents	(20,399)	12,541	(9,987)	59,787
Cash and cash equivalents:				
Beginning of period	169,086	146,133	158,674	98,887
End of period	\$ 148,687	\$ 158,674	\$ 148,687	\$ 158,674

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW

Net cash provided by operating activities	\$ 165,090	\$ 153,445	\$ 516,325	\$ 460,758
Payments in respect of restructuring activities	4,962	2,072	12,663	8,376
Payments for acquisition costs	672	—	1,436	910
Proceeds from sale of property, plant and equipment (a)	1,536	62	11,973	423
Purchase of property, plant and equipment	(41,600)	(72,723)	(127,426)	(123,957)
Free cash flow	\$ 130,660	\$ 82,856	\$ 414,971	\$ 346,510

(a) Proceeds from sale of property, plant and equipment includes \$9.9 million relating to the sale of a facility in Switzerland in connection with our initiative to consolidate certain Swiss operations into a new facility for the twelve months ended December 31, 2017.

METTLER-TOLEDO INTERNATIONAL INC.
OTHER OPERATING STATISTICS

SALES GROWTH BY DESTINATION
(unaudited)

	Europe	Americas	Asia/RoW	Total
U.S. Dollar Sales Growth				
Three Months Ended December 31, 2017	9%	9%	10%	10%
Twelve Months Ended December 31, 2017	6%	8%	11%	9%
Local Currency Sales Growth				
Three Months Ended December 31, 2017	1%	9%	7%	6%
Twelve Months Ended December 31, 2017	5%	8%	11%	8%

RECONCILIATION OF DILUTED EPS AS REPORTED TO ADJUSTED DILUTED EPS
(unaudited)

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Growth	2017	2016	% Growth
EPS as reported, diluted	\$ 2.93	\$ 5.17	(43)%	\$ 14.24	\$ 14.22	—%
Restructuring charges, net of tax	0.12 (a)	0.05 (a)		0.38 (a)	0.18 (a)	
Purchased intangible amortization, net of tax	0.09 (b)	0.06 (b)		0.27 (b)	0.18 (b)	
U.S. tax reform	2.74 (c)	—		2.73 (c)	—	
Income tax expense	0.09 (d)	—		—	—	
Acquisition costs, net of tax	—	—		0.05 (e)	0.03 (e)	
Gain on facility sale	—	—		(0.10) (f)	—	
Non-cash pension settlement charge, net of tax	—	—		—	0.19 (g)	
Adjusted EPS, diluted	<u>\$ 5.97</u>	<u>\$ 5.28</u>	13%	<u>\$ 17.57</u>	<u>\$ 14.80</u>	19%

Notes:

- (a) Represents the EPS impact of restructuring charges of \$3.9 million (\$3.1 million after tax) and \$1.7 million (\$1.3 million after tax) for the three months ended December 31, 2017 and 2016, and \$12.8 million (\$10.0 million after tax) and \$6.2 million (\$4.7 million after tax) for the twelve months ended December 31, 2017 and 2016, respectively, which primarily include employee related costs.
- (b) Represents the EPS impact of purchased intangibles amortization of \$3.7 million (\$2.3 million after tax) and \$2.2 million (\$1.5 million after tax) for the three months ended December 31, 2017 and 2016, and \$10.9 million (\$7.1 million after tax) and \$7.4 million (\$5.0 million after tax) for the twelve months ended December 31, 2017 and 2016, respectively.
- (c) Represents the EPS impact of a provisional one-time charge of \$72.0 million for the three and twelve months ended December 31, 2017 for the implementation of the TaxCuts and Jobs Act ("Tax Act") which was signed into law in December 2017. The enactment of the Tax Act results in a one-time cash charge for un-repatriated foreign earnings of \$59 million which is expected to be paid over a period of up to eight years, and a one-time non-cash charge of \$13 million related to certain deferred tax and other non-cash items. The estimated charge may change with the finalization of the implementation.
- (d) Represents the EPS impact of the difference between our reported tax rate of 23% before a one-time charge related to U.S. tax reform during the three months ending December 31, 2017 and our annual income tax rate of 22%, which reflects a 2% annual benefit pertaining to excess tax benefits associated with stock option exercises.
- (e) Represents the EPS impact of acquisition costs of \$1.7 million (\$1.3 million after tax) and \$1.1 million (\$0.8 million after tax) for the twelve months ended December 31, 2017 and 2016, respectively.
- (f) Represents the EPS impact of a one-time gain of \$3.4 million (\$2.7 million after tax) for the twelve months ended December 31, 2017 relating to the sale of a facility in Switzerland in connection with our initiative to consolidate certain Swiss operations into a new facility.
- (g) Represents the EPS impact of a one-time non-cash pension settlement charge of \$8.2 million (\$5.1 million after tax) related to a lump sum settlement to former employees of our U.S. pension plan for the twelve months ended December 31, 2016.

