



News Release

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For Immediate Release
February 4, 2021

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Minerals Technologies Reports Fourth Quarter 2020 Earnings of \$0.91 Per Share, or \$1.08 Per Share, Excluding Special Items

**Company Reports Full Year 2020 Earnings of \$3.29 Per Share,
or \$3.99 Per Share, Excluding Special Items**

Fourth Quarter Highlights:

- Sales of \$432 Million, 11 Percent Higher Sequentially
- Demand Continued to Improve Across Major End Markets
- Consumer-Oriented Products Remained Strong
- Operating Margin Improved Sequentially and Versus Prior Year
- Strong Cash Flow from Operations of \$92 Million and Free Cash Flow of \$72 Million

Full Year Highlights:

- Navigated a Challenging Environment; Health and Safety #1 Priority
- Improved Cost Position; 4 Percent Productivity Improvement
- Operating Margin Improved Versus Prior Year
- Strong Cash Flow from Operations of \$241 Million and Free Cash Flow of \$175 Million
- Improved Financial Flexibility by Extending Debt Maturities and Increasing Liquidity

NEW YORK, February 4, 2021 – Minerals Technologies Inc. (NYSE: MTX) (“MTI” or “the Company”) today reported diluted earnings per share of \$1.08, excluding special items, for the fourth quarter ended December 31, 2020, compared with \$0.95 in the prior year. Reported diluted earnings per share were \$0.91 compared with \$0.83 in the prior year.

“We had a solid fourth quarter as demand in several key markets continued to improve, resulting in sequential sales growth in nearly all of our product lines. We also realized the benefits of our actions related to cost control, pricing, and productivity to deliver higher operating margin sequentially and compared to the prior year. In addition, we generated strong cash flow and maintained our solid financial position,” said Douglas T. Dietrich, Chief Executive Officer.

Mr. Dietrich added, “I am very proud of our team’s performance in 2020. We adapted quickly and focused on our key priorities, including keeping our employees safe, supporting our

customers, introducing new value-added products, diligently managing our costs, and maintaining our strong balance sheet. We advanced our strategic growth initiatives throughout the year and ended with strong momentum across many of our businesses. With an enhanced cost profile, we believe we are well-positioned to drive improved profitability as volumes recover in 2021.”

Fourth Quarter 2020

Worldwide net sales were \$431.8 million, up 11 percent sequentially on improvement across several key end markets and 2 percent lower than the prior year. Reported operating income was \$54.5 million. Operating income excluding special items increased 19 percent sequentially and 15 percent year over year to \$61.1 million and represented 14.2 percent of sales compared to 13.3 percent in the third quarter and 12.0 percent in the prior year.

Cash flow from operations was \$92.2 million compared to \$54.3 million in the third quarter and \$79.8 million in the prior year. Free cash flow was \$71.9 million versus \$40.1 million in the third quarter and \$66.6 million in the prior year. The company repaid \$80 million of debt and repurchased \$15 million of shares in the quarter.

The Company incurred special charges of \$5.8 million after-tax in the fourth quarter, or \$0.17 per share. The charges included acquisition-related expenses, costs associated with a cybersecurity incident, and a non-cash pension settlement charge.

Segment Information

Performance Materials and Specialty Minerals

Sales in the Minerals businesses, which include the Performance Materials and Specialty Minerals segments, were \$341.1 million in the fourth quarter, up 8 percent sequentially and 1 percent lower than the prior year. Operating income for the Minerals businesses was \$52.2 million and represented 15.3 percent of sales.

Performance Materials segment sales were \$202.2 million in the fourth quarter, up 6 percent sequentially and up slightly versus the prior year.

Metalcasting sales increased 17 percent sequentially and were 6 percent higher than the prior year as foundry production improved in North America and demand remained strong in China. Household, Personal Care & Specialty Products sales increased 9 percent sequentially and 6 percent versus the prior year on continued strong demand for consumer-oriented products. Environmental Products and Building Materials continued to experience project delays, and sales remained below prior year levels.

Operating income for the segment was \$30.3 million, up 7 percent sequentially and up 31 percent versus the prior year. Operating margin was 15.0 percent of sales versus 14.8 percent in the third quarter and 11.5 percent in the prior year. Continued pricing actions, strong cost

control and expense reductions more than offset the operating income impact of lower sales versus the prior year.

The Performance Materials segment provides a wide range of bentonite-based and synthetic materials for industrial and consumer-oriented markets and for non-residential construction, environmental remediation, and infrastructure projects worldwide.

Specialty Minerals segment sales, which consist of the Precipitated Calcium Carbonate (PCC) and Processed Minerals product lines, were \$138.9 million in the fourth quarter, up 11 percent sequentially and 2 percent lower than the prior year.

Worldwide sales of PCC, which is used in paper and packaging, automotive and construction sealants, and the food and pharmaceutical industries, increased 12 percent sequentially as paper mill operating rates continued to improve. Specialty PCC sales increased 13 percent sequentially on strength in the automotive, residential construction, and consumer-oriented markets.

Processed Minerals sales increased 8 percent sequentially and 10 percent versus the prior year on strength in residential construction and automotive markets. Processed Minerals products are used in the building materials, polymers, ceramics, consumer products, paints and coatings, glass, and other manufacturing industries.

Segment operating income was \$21.9 million, up 22 percent sequentially excluding special items, and up 13 percent versus the prior year. Operating margin was 15.8 percent of sales compared to 14.3 percent in the third quarter and 13.7 percent in the prior year.

Refractories and Energy Services

Sales in the Service businesses, which include the Refractories and Energy Services segments, were \$90.7 million in the fourth quarter, 25 percent higher sequentially and 6 percent below the prior year. Operating income for the Service businesses was \$11.7 million and represented 12.9 percent of sales.

Refractories segment sales were \$73.9 million in the fourth quarter, up 25 percent sequentially and up 1 percent versus the prior year as steel mill utilization rates continued to gradually improve in North America and Europe.

Segment operating income was \$11.1 million and represented 15.0 percent of sales compared to 12.3 percent in the third quarter and 14.2 percent in the prior year. The Refractories segment provides products and services primarily to the worldwide steel industry.

Energy Services segment sales were \$16.8 million in the fourth quarter, up 26 percent sequentially and 29 percent below the prior year. Segment operating income was \$0.6 million. Energy Services offers a range of patented technologies, products and services for off-shore filtration and well testing to the worldwide oil and gas industry.

Full Year 2020

Worldwide net sales were \$1,594.8 million, 11 percent lower than the prior year. Foreign exchange impacted sales unfavorably by \$17 million, or 1 percentage point. Reported operating income was \$187.9 million. Operating income excluding special items was \$213.0 million and represented 13.4 percent of sales compared to 13.1 percent in the prior year.

Cash flow from operations was \$240.6 million versus \$238.3 million in the prior year. Free cash flow was \$174.5 million versus \$173.3 million in the prior year.

Segment Information

Performance Materials and Specialty Minerals

Sales in the Minerals businesses, which include the Performance Materials and Specialty Minerals segments, were \$1,263.7 million, 10 percent lower than the prior year. Reported operating income for the Minerals businesses was \$171.4 million. Operating income excluding special items was \$179.0 million and represented 14.2 percent of sales compared to 13.6 percent in the prior year.

Performance Materials segment sales were \$752.8 million, 9 percent lower than the prior year.

Metalcasting sales were 11 percent lower. Household, Personal Care & Specialty Products sales increased 1 percent on strong demand for consumer-oriented products. Environmental Products and Building Materials experienced COVID-19 related project delays, and sales were below prior year levels.

Operating income for the segment was \$103.6 million, flat versus the prior year. Operating margin was 13.8 percent of sales versus 12.6 percent in the prior year. Pricing actions, strong cost control and expense reductions more than offset the margin impact of lower sales versus the prior year.

Specialty Minerals segment sales were \$510.9 million, 11 percent lower than the prior year.

Worldwide sales of PCC decreased 13 percent, due to lower paper demand and temporary COVID-19 related customer shutdowns. Specialty PCC sales were flat as automotive and residential construction markets rebounded during the year and consumer-oriented markets remained strong.

Processed Minerals sales were 5 percent lower than the prior year, primarily due to the slowdown in residential construction and automotive markets in the second and third quarters.

Segment reported operating income was \$67.8 million. Operating income excluding special items was \$75.4 million and represented 14.8 percent of sales compared to 14.9 percent in the

prior year. Pricing actions and cost control resulted in stable operating margins for this segment despite the lower sales.

Refractories and Energy Services

Sales in the Service businesses, which include the Refractories and Energy Services segments, were \$331.1 million, 16 percent below the prior year. Operating income for the Service businesses was \$40.7 million and represented 12.3 percent of sales.

Refractories segment sales were \$258.1 million, 13 percent lower than the prior year as steel mill utilization rates declined in the second quarter in North America and Europe followed by gradual improvement in the second half of the year.

Segment operating income was \$35.5 million and represented 13.8 percent of sales.

Energy Services segment sales were \$73.0 million, 23 percent lower than the prior year. Segment operating income was \$5.2 million.

Minerals Technologies will host a conference call tomorrow, February 5, 2021 at 11 a.m. Eastern Time. The conference call will be broadcast live on our website: www.mineralstech.com. To listen to the call, go to the website and click on "Investor Relations," then click on "Quarterly Results & Conference Calls." A presentation for the call will be available at the same location at approximately 10:30 a.m. Eastern Time on February 5, 2021.

FORWARD-LOOKING STATEMENTS

This press release may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations and forecasts of future events such as new products, revenues and financial performance, and are not limited to describing historical or current facts. They can be identified by the use of words such as "believes," "expects," "plans," "intends," "anticipates," and other words and phrases of similar meaning. Forward-looking statements are necessarily based on assumptions, estimates and limited information available at the time they are made. A broad variety of risks and uncertainties, both known and unknown, as well as the inaccuracy of assumptions and estimates, can affect the realization of the expectations or forecasts in these statements. Actual future results may vary materially. Significant factors that could affect the expectations and forecasts include the duration and scope of the COVID-19 pandemic, and government and other third-party responses to it; worldwide general economic, business, and industry conditions, including the effects of the COVID-19 pandemic on the global economy; the cyclicity of our customers' businesses and their changing demands; the dependence of certain of our product lines on the commercial construction and infrastructure markets, the domestic building and construction markets, and the automotive market; our ability to effectively achieve and implement our growth initiatives; our ability to service our debt; our ability to comply with

the covenants in our senior secured credit facility; our ability to renew or extend long term sales contracts for our PCC satellite operations; consolidation in customer industries, principally paper, foundry and steel; compliance with or changes to regulation in the areas of environmental, health and safety, and tax; claims for legal, environmental and tax matters or product stewardship issues; our ability to successfully develop new products; our ability to defend our intellectual property; the increased risks of doing business abroad; the availability of raw materials and access to ore reserves at our mining operations; increases in costs of raw materials, energy, or shipping; our ability to compete in very competitive industries; operating risks and capacity limitations affecting our production facilities; seasonality of some of our segments; cybersecurity and other threats relating to our information technology systems; and other risk factors and cautionary statements in our 2019 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports filed with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise.

About Minerals Technologies Inc.

New York-based Minerals Technologies Inc. (MTI) is a global resource- and technology-based company that develops, produces and markets a broad range of specialty mineral, mineral-based and synthetic mineral products and related systems and services. MTI serves the paper, foundry, steel, construction, environmental, energy, polymer and consumer products industries. The Company reported sales of \$1.6 billion in 2020. For further information, please visit our website at www.mineralstech.com. (MTI-E)

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