

MINERALS TECHNOLOGIES INC.

MAY 4, 2018

# FIRST QUARTER 2018 CONFERENCE CALL



INNOVATION ■ LEADERSHIP ■ EXCELLENCE

# SAFE HARBOR STATEMENT

---



*This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 which describe or are based on current expectations. Actual results may differ materially from these expectations. In addition, any statements that are not historical fact (including statements containing the words “believes,” “plans,” “anticipates,” “expects,” “estimates,” and similar expressions) should also be considered to be forward-looking statements. The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements in this document should be evaluated together with the many uncertainties that affect our businesses, particularly those mentioned in the risk factors and other cautionary statements in our 2017 Annual Report on Form 10-K and in our other reports filed with the Securities and Exchange Commission.*

*Also, this presentation will include certain financial measures that were not prepared in accordance with generally accepted accounting principles. Reconciliations of those non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in our Current Report on Form 8-K dated May 3, 2018, and in our other reports filed with the Securities and Exchange Commission, available on our website at [www.mineralstech.com](http://www.mineralstech.com) in the “Investor Information -- SEC Filings” section.*

MINERALS TECHNOLOGIES INC.

MAY 4, 2018

# DOUGLAS DIETRICH

CHIEF EXECUTIVE OFFICER



INNOVATION ■ LEADERSHIP ■ EXCELLENCE

# FIRST QUARTER 2018 HIGHLIGHTS

---



- Earnings per Share +6% to \$1.13
- Revenue +6% to \$431 Million
  - Metalcasting +19%
  - HPC & Specialty Products +18%
  - Environmental Products +20%
  - Building Materials +9%
  - Refractory Segment +10%
- Operating Income -1%
  - +10% Excluding Bulk Chromite
- 4% Productivity Improvement
- Seasonal Operational Challenges and Higher Raw Material and Logistics Costs
- Acquisition of Sivomatic, Leading European Pet Litter Producer

---

The above figures reflect the Company's operating income, operating margin, and EPS, excluding special items, such as acquisition-related costs, restructuring, gains/(losses) on asset sales and impairment costs and related tax effects, for all periods presented. These are non-GAAP measures that the Company believes provide meaningful supplemental information regarding its performance.

# MTI GROWTH STRATEGIES



## ORGANIC GROWTH OF EXISTING BUSINESSES

THROUGH



Value added technology driven minerals companies

### MTI Business System / Operational Excellence

Continuously improving our processes and systems




Continuously improving our leadership / employee capabilities

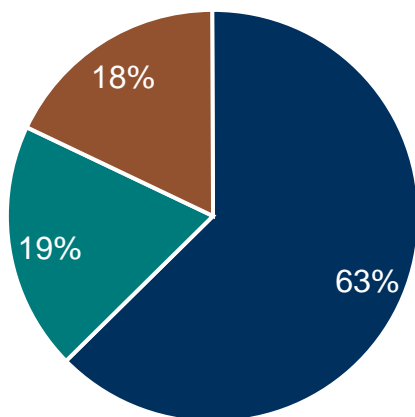
# ORGANIC GROWTH HIGHLIGHTS



## Revenue by Region

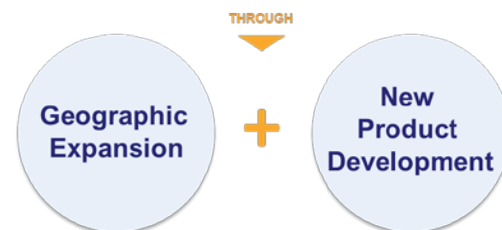
Trailing Nine Months; Growth Excludes Foreign Exchange and Bulk Chromite

% of Total	Growth
 Americas 63%	+5%
 Europe & Africa 19%	+4%
 Asia 18%	+8%
<b>Total MTI</b>	<b>+5%</b>



## Growth Drivers

### ORGANIC GROWTH OF EXISTING BUSINESSES



- New PCC Satellites and Expansions Globally
- Specialty PCC Expansions in US / UK
- Continued Metalcasting Penetration in Asia
- Fabric Care – New Additive Rolling Out Globally
- Continued Growth in Lightweight Cat Litter
- New Bleaching Earth Facility in Turkey – Ramping Up Second Half 2018
- New Waste Water and Environmental Remediation Technologies

# ACQUISITION: SIVOMATIC



## MTI Acquisition Criteria & Sivomatic

Criteria	Sivomatic
• Minerals-based Companies with Technological Differentiation	✓
• Provide Additional Growth Venues (Geographies, Attractive Markets)	✓
• Extend Existing Business Positions (Global Reach, Technology)	✓



## Transaction Summary

- Purchase Price: €110M
- Accretive to Earnings Year 1
- FY17 Revenue: €73M
- Strong Track Record of Revenue Growth (8% CAGR Last 5 Years)

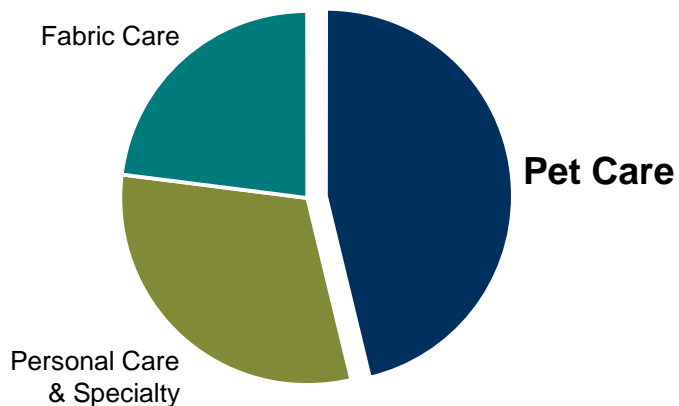
# MTI PET CARE BUSINESS



## Overview

- 100% Mine-to-Market; Great Value to Retail Partners
- Current Production Facilities in the US, China, Australia, and Thailand
- Private Label Scoopable Cat Litter Supplier
- Supply the Largest US Branded Companies with Bulk Scoopable Litter

-----  
**Household, Personal Care & Specialty Products:**  
**Revenue by Sub-Product Line, FY17**  
**Total: \$170M**



## Established Brands & Partnerships

### Strong Presence in Major North American Retailers



## Value Proposition

- High Quality Sodium Bentonite Reserves in the US
  - Big Horn and Colony Areas of WY
- Pipeline of Innovative Products
- Expanding Position in the Growing Asian Cat Litter Market
- 100% Vertically Integrated
- World Class Operations and Supply Chain Teams

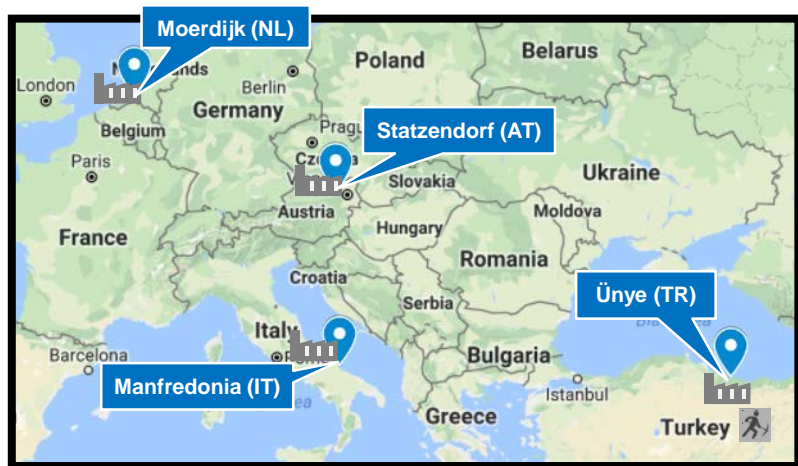


# SIVOMATIC PET CARE BUSINESS



## Overview

- Vertically Integrated Manufacturer of Premium Cat Litter in Europe with ~115 Employees
- Compatible Operations Footprint; Production Facilities in the Netherlands, Austria, and Turkey
- Leading Position in Premium Litter Products
- Mining Reserves: Bentonite Sourced Primarily from Wholly-owned Mines in Turkey



## Established Brands & Partnerships

### Strong Presence in Major European Retailers



## Strategic Fit with MTI

- Extends Existing Pet Care Business into Europe
- Doubles MTI Pet Care Business
- Expands MTI's High Quality Ore Reserves in Turkey
- Fits Well Within Our Existing Operating Footprint in Europe
  - MTI: 26 Facilities / Offices, Including 4 Plants and 1 Office in Turkey

# MATTHEW GARTH

CHIEF FINANCIAL OFFICER



INNOVATION ■ LEADERSHIP ■ EXCELLENCE

# FIRST QUARTER FINANCIAL HIGHLIGHTS

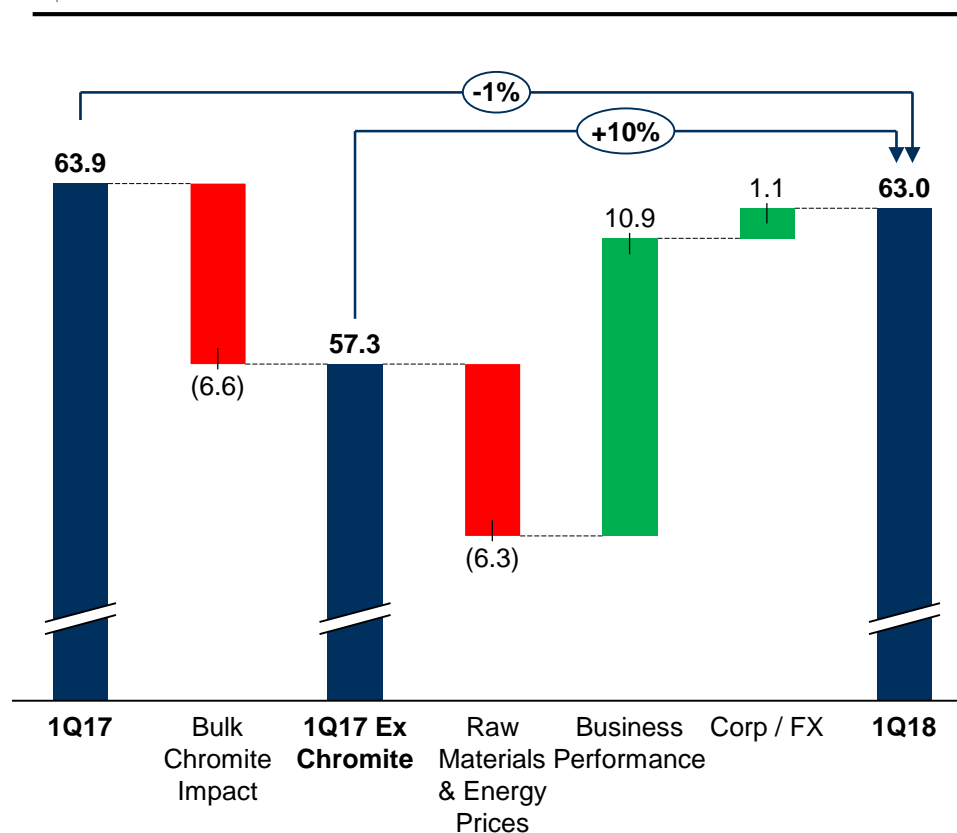


## KEY FINANCIALS

	1Q17	1Q18	Change
Sales (\$M)	405.0	431.3	+6%
Gross Margin (%)	28.1	26.3	(6%)
SGA (%)	12.3	11.7	(5%)
Operating Income (\$M)	63.9	63.0	(1%)
Operating Margin (%)	15.8	14.6	(8%)
Earnings per Share (\$)	1.07	1.13	+6%

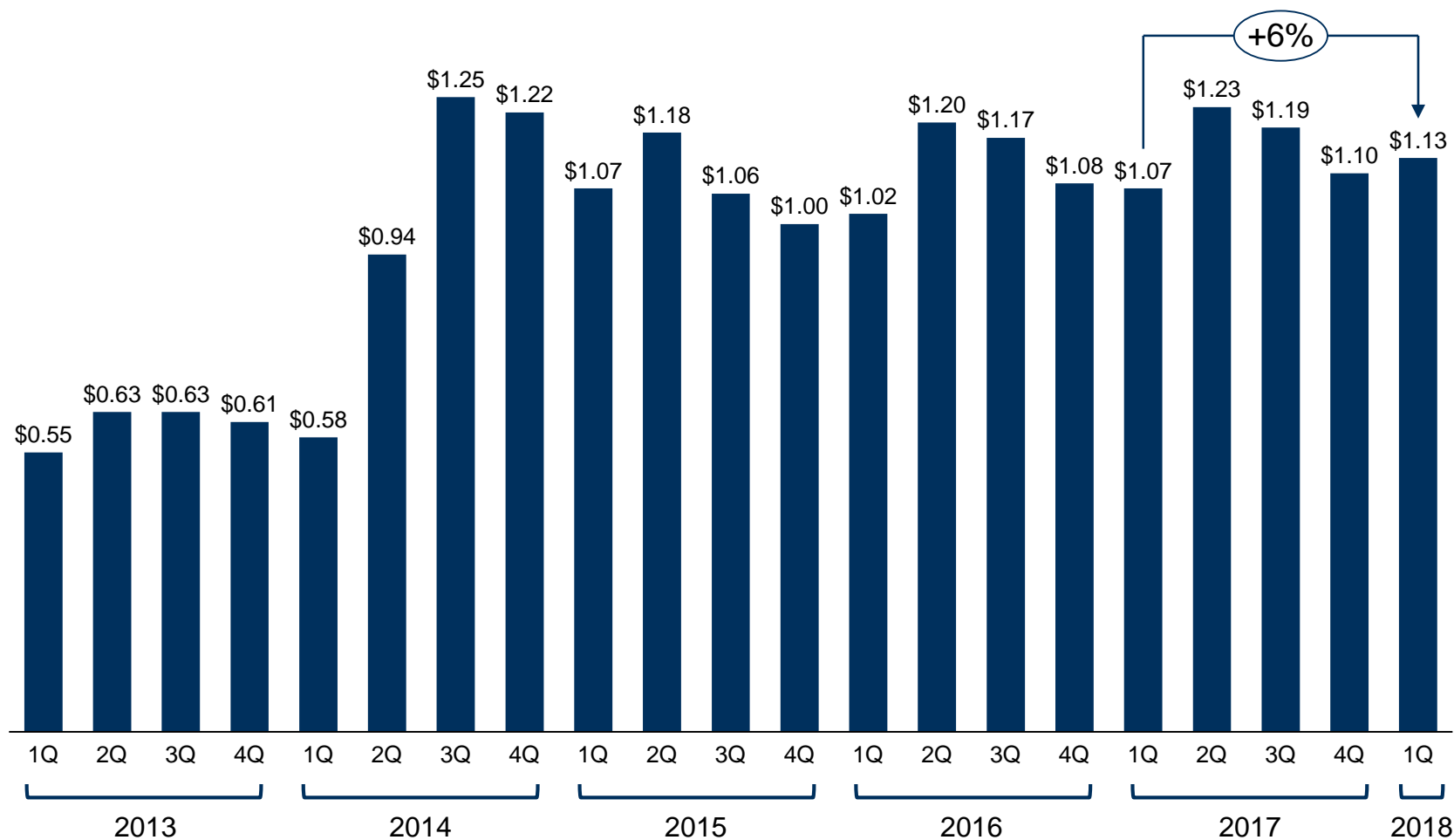
## OPERATING INCOME BRIDGE

\$ Millions



The above figures reflect the Company's EPS, operating income, and operating margin, excluding special items, such as acquisition-related costs, restructuring, gains/(losses) on asset sales and impairment costs and related tax effects, for all periods presented. These are non-GAAP measures that the Company believes provide meaningful supplemental information regarding its performance.

# QUARTERLY EPS TREND



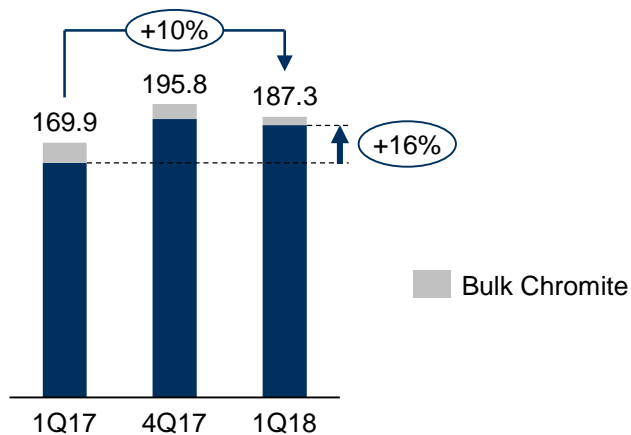
The above chart reflects the Company's EPS, excluding special items, such as acquisition-related costs, restructuring, gains/(losses) on asset sales and impairment costs and related tax effects, for all periods presented. This is a non-GAAP measure that the Company believes provides meaningful supplemental information regarding its performance.

# PERFORMANCE MATERIALS

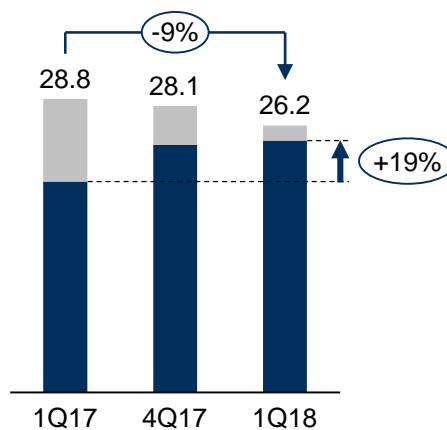


\$ Millions

## SALES



## OPERATING INCOME



## FIRST QUARTER HIGHLIGHTS

- Metalcasting Sales +19%, Driven by Growth Across All Regions
- Household, Personal Care & Specialty +18%
- Environmental Products +20%
- Building Materials +9%
- Drilling Products +35%
- Operating Margin at 14.0%

## SECOND QUARTER OUTLOOK

- Continued Growth Across Most Product Lines
- Seasonal Volume Increases
- Improved Productivity

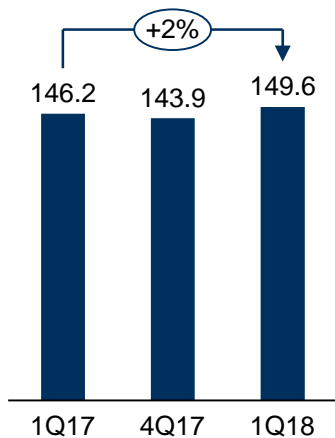




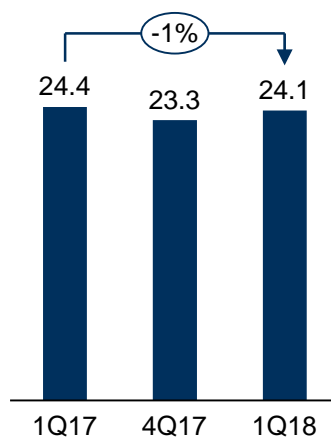
# SPECIALTY MINERALS

\$ Millions

## SALES



## OPERATING INCOME



## FIRST QUARTER HIGHLIGHTS

- Paper PCC
  - Total Sales +4%: Europe +15%; Asia +10%; Latin America +8%; US Down 5%
  - Improved Profitability; Executing on Restructuring Program
- Performance Minerals
  - Demand Remains Strong
  - Challenging Operating Quarter
- Segment Operating Margin at 16.1%

## SECOND QUARTER OUTLOOK

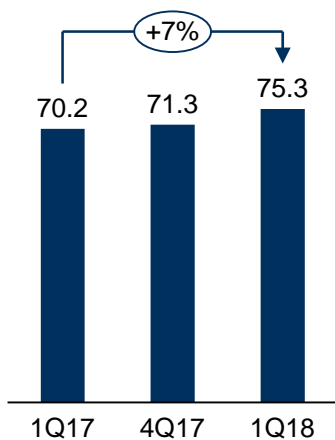
- Paper PCC
  - Continued Growth in Europe and Asia, Offset by Typical North America Paper Mill Maintenance Outages
- Performance Minerals
  - Peak Seasonal Demand and Improving Operations



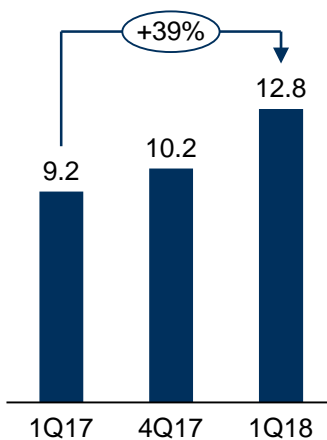
# REFRACTORIES

\$ Millions

## SALES



## OPERATING INCOME



## FIRST QUARTER HIGHLIGHTS

- Refractory Products Sales +10%, Partially Offset by Metallurgical Sales Down 4%
- Strong Demand in the US and Europe
- Record Operating Margin of 17.0%

## SECOND QUARTER OUTLOOK

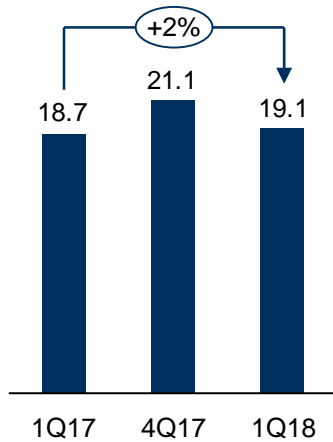
- Market Conditions Remain Strong
- Margin Impact from Raw Material Cost Increases



# ENERGY SERVICES

\$ Millions

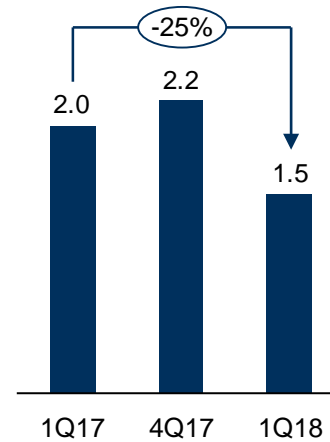
## SALES



## FIRST QUARTER HIGHLIGHTS

- Sales +2%, Driven by Higher Filtration Activity
- Operating Margin of 7.9% Due to Sales Mix

## OPERATING INCOME



## SECOND QUARTER OUTLOOK


- Higher Level of Offshore Service Activity
- Sequential and Year-Over-Year Growth

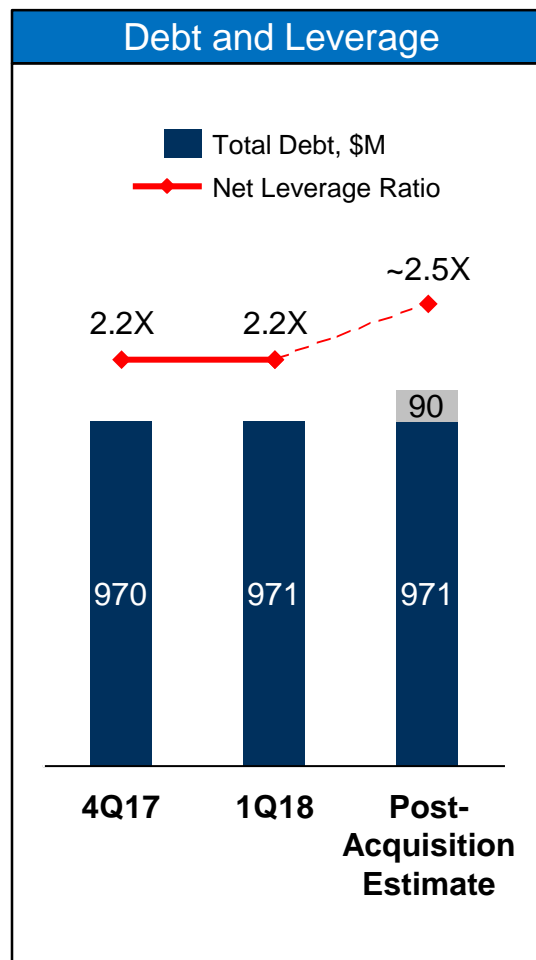




# LIQUIDITY AND DEBT HIGHLIGHTS



Cash Generation and Use	
	<b><u>1Q18</u></b>
Cash From Ops	\$36M
CapEx	\$18M
<b>Free Cash Flow</b>	<b>\$18M</b>
	
<b>Share Repurchases</b>	
	<b><u>1Q18</u></b>
# of Shares	82,174
Value	\$5.7M
\$ / Share	\$69.64



Liquidity	
	<b><u>1Q18</u></b>
Cash, Cash Equivalents, and ST Investments	\$227M
Revolver	\$200M
<b>Total Liquidity</b>	<b>\$427M</b>
<b>Refinanced Revolving Credit Facility in April 2018</b>	
<ul style="list-style-type: none"> <li>• Increased to \$300M</li> <li>• Extended to 2023</li> <li>• Reduced Interest Rate to LIBOR + 1.625%</li> </ul>	

# SECOND QUARTER OUTLOOK

---



## MINERALS BUSINESSES

- Performance Materials
  - Continued Growth Across Most Product Lines
  - Seasonal Volume Increases
  - Improved Productivity
- Specialty Minerals
  - Paper PCC: Continued Growth in Europe and Asia, Offset by Typical North America Paper Mill Maintenance Outages
  - Performance Minerals: Peak Seasonal Demand and Improving Operations

## SERVICE BUSINESSES

- Refractories
  - Market Conditions Remain Strong
  - Margin Impact from Raw Material Cost Increases
- Energy Services
  - Higher Level of Offshore Service Activity
  - Sequential and Year-Over-Year Growth



---

Revenue Growth

---

Driving Profitability

---

Solid Financial Position

MINERALS TECHNOLOGIES INC.

MAY 4, 2018

# FIRST QUARTER 2018 CONFERENCE CALL



INNOVATION ■ LEADERSHIP ■ EXCELLENCE