



# 3rd Quarter 2022 Earnings Conference Call

October 28, 2022

# Forward Looking Statements and Non-GAAP Measures



This presentation 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 cyclical nature 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 the agreements governing our debt; 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 2021 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.

Also, this presentation will include certain financial measures that were not prepared in accordance with generally accepted accounting principles. In particular, operating income, operating margin, adjusted EBITDA, adjusted EBITDA margin, and EPS referenced in this presentation exclude special items, such as acquisition-related costs, restructuring, gains/(losses) on asset sales, impairment costs, and other significant non-recurring or unusual items and related tax effects for all periods presented. The company also provides figures for free cash flow and constant currency revenue. These are non-GAAP measures that the Company believes provide meaningful supplemental information regarding its performance as inclusion of such special items are not indicative of the ongoing operating results and thereby affect the comparability of results between periods. The company believes inclusion of these non-GAAP measures also provides consistency in its financial reporting and facilitates investors' understanding of historic operating trends. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in our Current Report on Form 8-K dated October 27, 2022, 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. It is not possible, without unreasonable effort, for the company to identify and estimate the amount or significance of future non-recurring or unusual items. Accordingly, the company does not provide reconciliations of forward-looking non-GAAP financial measures to the most comparable GAAP financial measures on a forward-looking basis.





**Douglas Dietrich**

**Chairman of the Board and Chief Executive Officer**

# Third Quarter 2022 Financial Summary



Figures in \$M, except per share data

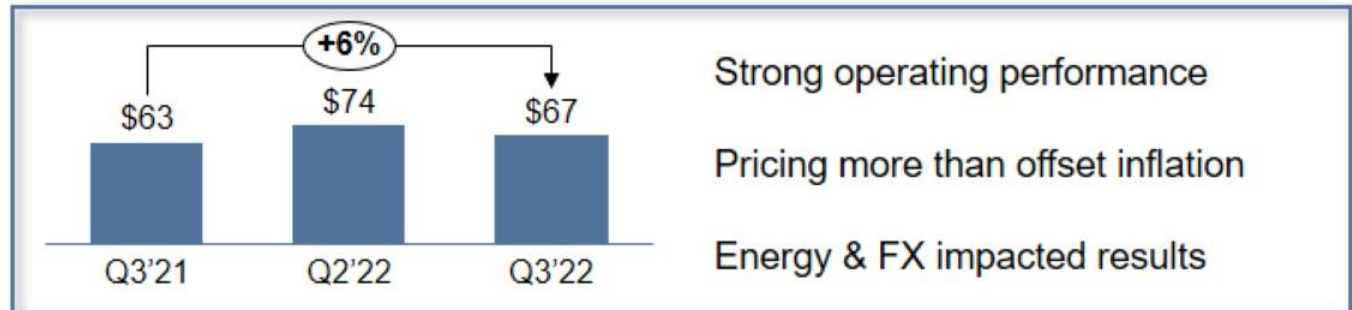
**\$542**

Net Sales



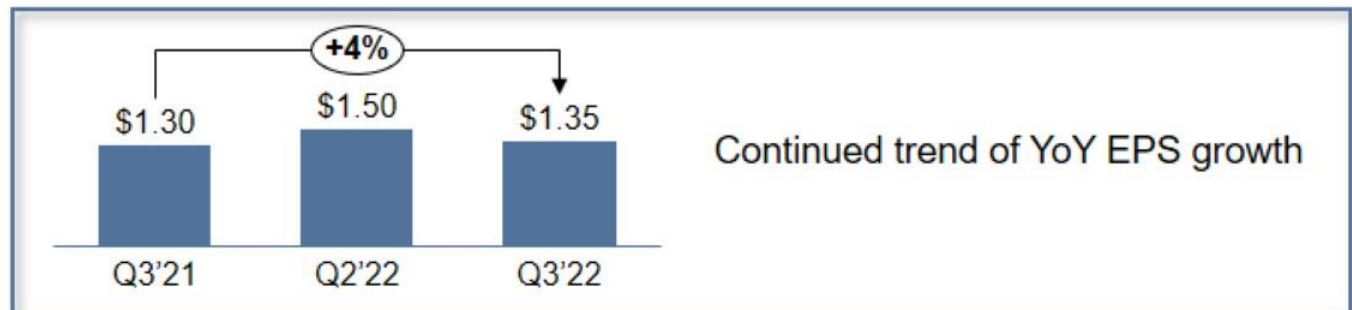
**\$67**

Operating Income\*



**\$1.35**

Earnings Per Share\*



\*Operating income and earnings per share (EPS) exclude special items



# Strategic Execution Driving Sustainable Growth



22% Sales Growth in Q3'22\*



## Positioning in growing markets & geographies

- Positioning in growing, non-cyclical / consumer markets
- Growing in large underserved markets with core technologies
- More than offsetting inflation with pricing



## Accelerating new product development

- New products sales +48% YTD; represent 14% of total sales
- MTI solutions save money, enhance performance, reduce environmental footprint, eliminate/recycle waste streams



## Acquisitions of minerals-based companies

- Completed 4 acquisitions over the last 4 years, nearly \$300M in sales
- Active pipeline of opportunities

Enabled by MTI's leading **technology platforms**, **application expertise**, **valuable mineral reserves**, on a solid foundation of our **People, Values**, and culture of **Operational Excellence**.

# End Market Perspectives



## Segment & Percentage of MTI Sales

## Outlook

## Commentary

### Performance Materials



HPC & Specialty 26%



Continued strength in consumer-oriented products

Metalcasting 16%



Auto recovery; continued strong heavy equipment, rebound in China

Environmental Products 9%



Water treatment demand solid; typical seasonal reduction for lining system projects

Building Materials 3%



General slowdown in EU; project outlook for NA relatively strong; typical seasonal reductions

### Specialty Minerals



Paper PCC 18%



NA strong; India growing; China rebound + new plant start ups; EU volume pressure

Specialty PCC 5%



Strong consumer & auto demand; cautious on residential construction; typical seasonal reductions

Processed Minerals 8%



### Refractories



Refractory & Wire 16%



NA stable with utilization rates ~75%, EU softer; upside from new business wins and auto rebound



# Matthew Garth

Senior Vice President, Finance and Treasury and  
Chief Financial Officer

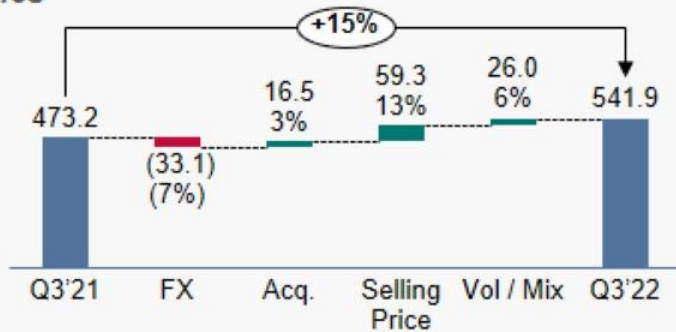
# Third Quarter Financial Review



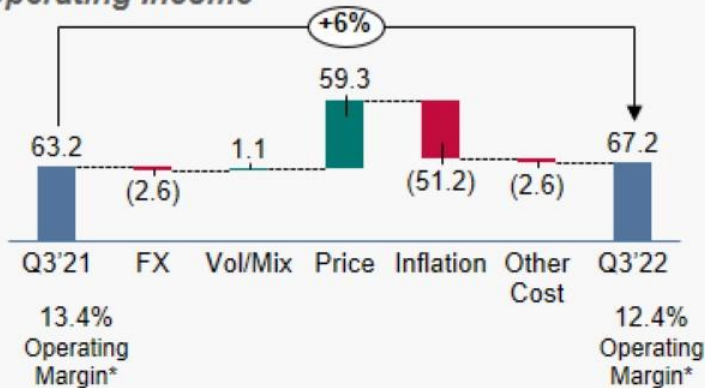
Figures in \$M, except where noted

## Prior Year

### Sales

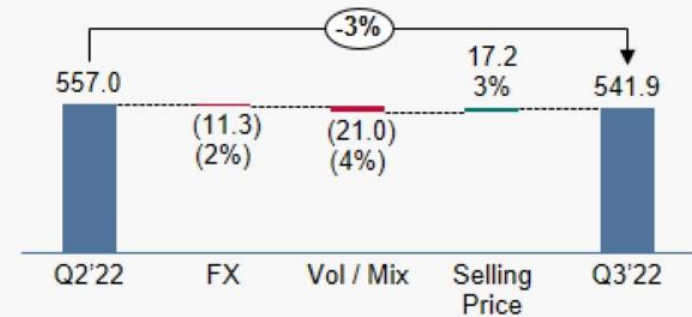


### Operating Income\*

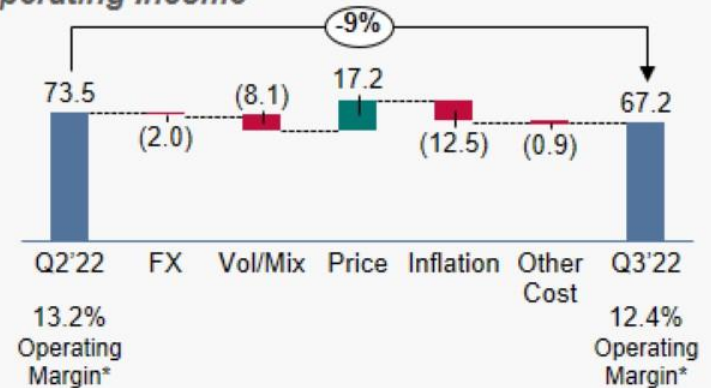


## Sequential Quarter

### Sales



### Operating Income\*



\*Operating income and operating margin exclude special items



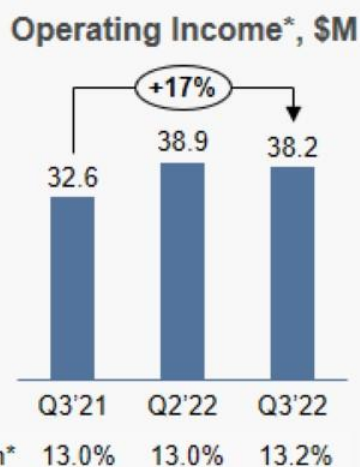
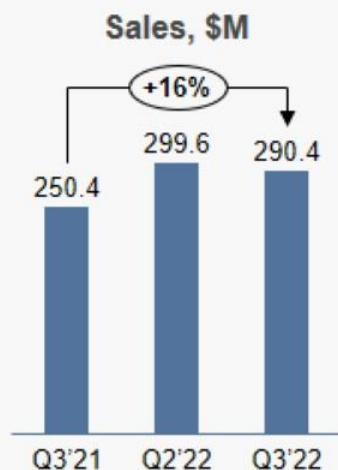
# Reported Earnings Reconciliation



Figures in \$M, pre-tax, except for per share data

<b>Reported EPS</b>		<b>\$0.41</b>
Litigation costs	\$31.1M	\$0.76
Debt extinguishment costs	\$6.9M	\$0.17
Acquisition & pension settlement costs	\$0.7M	\$0.01
<b>EPS, Excluding Special Items</b>		<b>\$1.35</b>

## Third Quarter Results

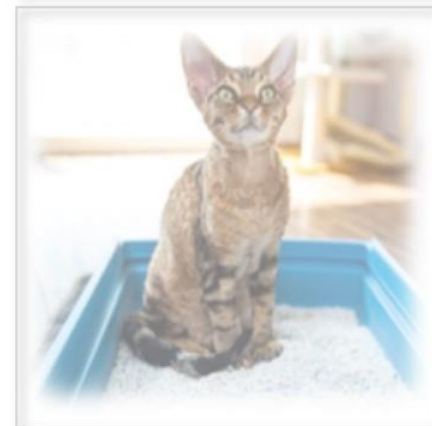


### Third Quarter Highlights

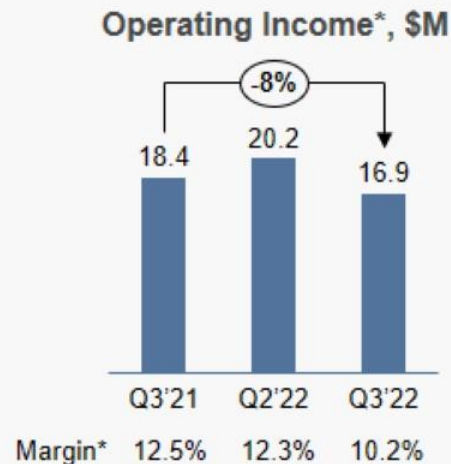
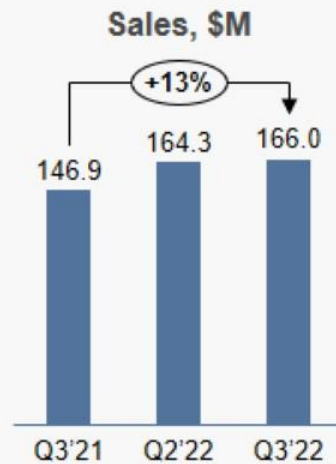
- Continued growth in consumer-oriented products
- Strong North America Metalcasting volumes vs prior year; Slower rebound in China volumes
- Selling price actions continue to cover YoY inflation impacts

### Fourth Quarter Outlook

- Seasonal impacts: Pet Care higher, project-oriented businesses lower
- North America remains strong
- Asia remains mixed: China improves at a modest pace; continued strength elsewhere
- Europe economic conditions uncertain; Pet Care resilient



## Third Quarter Results

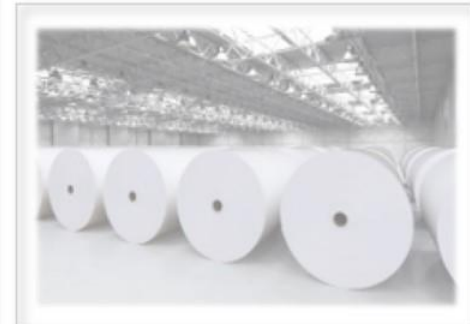


### Third Quarter Highlights

- PCC – Strong NA and India demand; China volumes remained low
- Europe demand slower than anticipated for PCC and SPCC
- Continued higher energy and operating costs impacted income

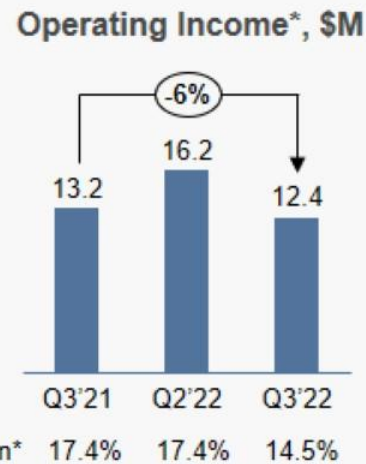
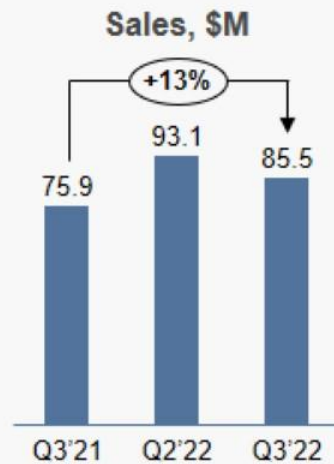
### Fourth Quarter Outlook

- North America stable, with typical seasonal reductions for construction markets
- Demand in China remains low; uncertainty in Europe
- Continued pricing adjustments to cover inflation





## Third Quarter Results



### Third Quarter Highlights

- Refractory Products volume growth continued in North America
- Demand for Refractory Products in Europe and Global demand for Metallurgical Wire slowed
- Inflationary costs impacted margins

### Fourth Quarter Outlook

- Market outlook:
  - Similar utilization rates
  - Monitoring Europe
- Continued raw material inflation and pricing adjustments
- Additional laser equipment sales in Q4

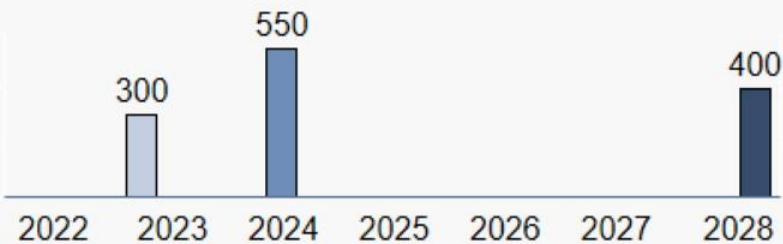


# Debt and Liquidity Highlights



## Debt Structure

Pre-Refinancing Debt Maturity Profile (\$M)



Post-Refinancing Debt Maturity Profile (\$M)



■ Revolving Credit Facility   
 ■ Term-Loan   
 ■ 8-Year Note

## Cash Flow

	Q3'22
Cash From Operations	\$30M
Capital Expenditures	\$19M
<b>Free Cash Flow</b>	<b>\$11M</b>

## Liquidity

	Q3'22
Cash, Cash Equivalents, and ST Investments	\$226M
Available Revolver*	\$182M
<b>Total Liquidity</b>	<b>\$408M</b>

\*Excludes \$10M related to Letters of Credit

# Fourth Quarter Outlook Summary



- Demand remains solid for consumer-oriented products
- Stable demand across most end markets in North America
- Seasonally slow period for construction & project-oriented businesses
- Improvement in China; similar conditions elsewhere in Asia
- Europe industrial conditions remain soft, potential for higher energy-related costs
- Inflationary environment persists; pricing adjustments to continue to recover margin



**Operating Income**  
**+10% YoY**

**Q4 EPS**  
**~\$1.20**





# 3<sup>rd</sup> Quarter 2022 Earnings Conference Call October 28, 2022