



Second Quarter 2023 Earnings Conference Call

July 28, 2023

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 worldwide general economic, business, and industry conditions; the cyclical nature of our customers' businesses and their changing regional demands; our ability to compete in very competitive industries; consolidation in customer industries, principally paper, foundry and steel; our ability to renew or extend long term sales contracts for our satellite operations; our ability to generate cash to service our debt; our ability to comply with the covenants in the agreements governing our debt; our ability to effectively achieve and implement our growth initiatives; 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, or increases in costs of raw materials, energy, or shipping; 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; the continuing effects of the COVID-19 pandemic and the resulting preventative measures; operating risks and capacity limitations affecting our production facilities; seasonality of some of our businesses; cybersecurity and other threats relating to our information technology systems; and other risk factors and cautionary statements in our 2022 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 July 27, 2023, and in our other reports filed with the Securities and Exchange Commission, available on our website at 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 T. Dietrich

Chairman & Chief Executive Officer

Second Quarter 2023 Highlights



\$552

Net Sales

\$71

Operating
Income*

\$1.31

Earnings
Per Share*

Figures in \$M, except per share data

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Sales comparable to prior year and prior quarter

- Strong sales across majority of our businesses
- Softness in some regional markets

Operating income* 12% higher, sequentially; Operating margin* improved 120 bps

YTD Cash flow from operations more than doubled vs. last year

Cost savings plan expected to save \$10M on an annualized basis

BMI subsidiary announced plan to exit the talc business

*Operating income and earnings per share exclude special items 4

Market Outlook



Segment	Product lines	Market outlook	Comments
Consumer & Specialties	Household & Personal Care		<ul style="list-style-type: none"> • Continued strong demand in pet care, animal health and edible oil/renewable fuel purification; • Continued customer destocking in personal care
	Specialty Additives		<ul style="list-style-type: none"> • Improvement in North America paper demand; • 2 new satellite ramp-ups in China; • Modest regional improvement in residential construction
Engineered Solutions	High-Temperature Technologies		<ul style="list-style-type: none"> • Stable steel and foundry demand in North America; • Improving foundry volumes in China
	Environmental & Infrastructure		<ul style="list-style-type: none"> • Stable demand for wastewater and remediation; • Environmental lining solutions and commercial construction projects expected to remain soft

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Erik Aldag

Senior Vice President, Finance and Treasury,
& Chief Financial Officer

Second Quarter Financial Review



Versus Prior Quarter

Sales (\$M)



Operating Income* (\$M)



Versus Prior Year

Sales (\$M)



Operating Income* (\$M)



Second Quarter Earnings Per Share



		EPS
Reported EPS		\$0.82
Severance Related Costs	\$6.6M	\$0.16
Litigation Related Costs	\$13.9M	\$0.33
EPS, Excluding Special Items		\$1.31

Consumer & Specialties Segment



Financial Results

Sales, \$M



Operating Income*, \$M



Operating Income* % Sales

11.9% 10.8% 11.7%

Second Quarter Highlights

Household & Personal Care

- Strong demand in pet litter, edible oil purification and animal health
- Destocking in personal care

Specialty Additives

- YoY growth from PCC satellites in Asia
- Destocking in North America paper and food markets
- Resilient demand in residential construction, automotive and pharma

Sequential margin improvement +90 bps

Third Quarter Outlook

Household & Personal Care

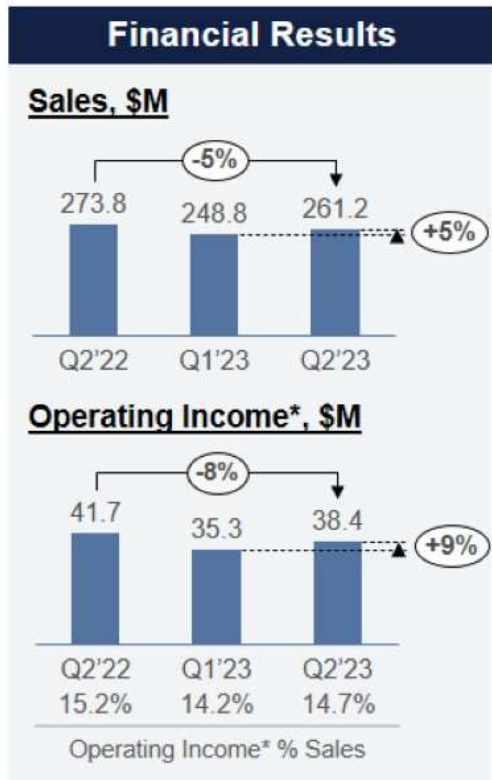
- Continued strength in global pet litter demand
- Additional selling price adjustments

Specialty Additives

- North America paper market improvement
- Stable demand across other end-markets

Operating Income Up 5% Sequentially

Engineered Solutions Segment



Second Quarter Highlights

High-Temperature Technologies

- North America foundry & steel demand remained strong
- Sequential improvement in China

Environmental & Infrastructure

- Continued growth in wastewater & remediation applications and drilling products
- Slower activity in environmental lining solutions and commercial construction projects

Sequential margin improvement +50 bps

Third Quarter Outlook

High-Temperature Technologies

- Stable North America foundry & steel demand
- Improvement in China continues

Environmental & Infrastructure

- Stable demand for wastewater remediation projects
- Environmental lining solutions and commercial construction projects remain soft

Operating Income Similar to Q2

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*Operating income excludes special items

Balance Sheet & Cash Flow



YTD Cash Flow and Capital Deployment

	YTD'22	YTD'23
Cash from operations	\$33M	\$79M
Capital expenditures	\$40M	\$46M
Free cash flow	(\$7M)	\$33M

YTD Debt Paydown **\$20M**

Liquidity

	Q2'23
Cash, Cash Equivalents, and Short-Term Investments	\$255M
Available Revolver	\$182M
Total Liquidity	\$437M

Debt & Leverage

Net Debt, \$M Net Leverage Ratio: 2.4X



Key highlights

Similar demand to second quarter
Additional pricing actions
Continued margin and cash flow improvement

Q3 Operating Income
\$70M - \$73M

Q3 EPS
\$1.30 - \$1.35



Douglas T. Dietrich

Chairman & Chief Executive Officer



Continue to Advance Sustainability Initiatives

- Comprehensive view into who we are and our culture
- Demonstrates our progress meeting environmental targets:
 - Exceeded four out of six 2025 goals
 - Significant progress on emissions, water and waste reductions
- Highlights our people-focused culture via Safety, Social and Diversity & Inclusion programs
- Explains our focus on further enhancing disclosures:
 - Continue CDP disclosure journey
 - Commencing Science Based Targets initiative (SBTi) journey
 - Starting Scope 3 emissions determination
- Visit [mineralstech.com](https://www.mineralstech.com) to download a copy

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Appendix

The information set forth in the Analyst Presentation presents financial measures of the Company that exclude certain special items, and are therefore not in accordance with GAAP. The following is a presentation of the Company's non-GAAP net income and operating income, excluding special items, and free cash flow for the quarterly and six month periods ended July 2, 2023 and July 3, 2023 and a reconciliation to GAAP net income and operating income and cash flow from operations, respectively, for such periods. The Company's management believes these non-GAAP measures 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 feels inclusion of these non-GAAP measures also provides consistency in its financial reporting and facilitates investors' understanding of historic operating trends.

(millions of dollars, except per share data)

	Quarter Ended		Six Months Ended	
	Jul. 2, 2023	Jul. 3, 2022	Jul. 2, 2023	Jul. 3, 2022
Net income attributable to MTI	\$ 26.6	\$ 44.9	\$ 63.6	\$ 89.0
Special items:				
Restructuring and other items, net	6.6	0.0	6.6	0.0
Acquisition related expenses	0.2	2.6	0.3	4.2
Litigation expenses	13.9	1.5	13.9	1.5
Non-cash pension settlement charge	0.0	1.5	0.0	1.5
Related tax effects on special items	<u>(4.6)</u>	<u>(1.3)</u>	<u>(4.6)</u>	<u>(1.7)</u>
Net income attributable to MTI, excluding special items	\$ <u>42.7</u>	\$ <u>49.2</u>	\$ <u>79.8</u>	\$ <u>94.5</u>
Diluted earnings per share, excluding special items	\$ 1.31	\$ 1.50	\$ 2.46	\$ 2.85
Segment Operating Income Data				
Consumer & Specialties Segment	\$ 19.4	\$ 31.6	\$ 51.6	\$ 62.9
Engineered Solutions Segment	35.2	41.7	70.5	79.0
Unallocated Corporate Expenses	<u>(4.7)</u>	<u>(3.9)</u>	<u>(9.2)</u>	<u>(6.3)</u>
Consolidated	\$ 49.9	\$ 69.4	\$ 112.9	\$ 135.6
Special Items				
Consumer & Specialties Segment	\$ 14.5	\$ 2.0	\$ 14.5	\$ 3.0
Engineered Solutions Segment	3.2	0.0	3.2	0.0
Unallocated Corporate Expenses	<u>3.0</u>	<u>2.1</u>	<u>3.1</u>	<u>2.7</u>
Consolidated	\$ 20.7	\$ 4.1	\$ 20.8	\$ 5.7
Segment Operating Income Data, Excluding Special Items				
Consumer & Specialties Segment	\$ 33.9	\$ 33.6	\$ 66.1	\$ 65.9
Engineered Solutions Segment	38.4	41.7	73.7	79.0
Unallocated Corporate Expenses	<u>(1.7)</u>	<u>(1.8)</u>	<u>(6.1)</u>	<u>(3.6)</u>
Consolidated	\$ 70.6	\$ 73.5	\$ 133.7	\$ 141.3
% of Sales	12.8%	13.2%	12.2%	13.1%
Cash flow from operations	\$ 45.5	\$ 32.9	\$ 79.2	\$ 33.2
Capital expenditures	<u>21.4</u>	<u>21.2</u>	<u>45.9</u>	<u>40.2</u>
Free cash flow	\$ <u>24.1</u>	\$ <u>11.7</u>	\$ <u>33.3</u>	\$ <u>(7.0)</u>

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