



# Investor Presentation

September 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 or consummate the transactions described in the statements; 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 and Operating Margin 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), which are as set forth in our quarterly earnings releases. The Company also provides figures for free cash flow and cash flow conversion. 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 are included in the appendix to this presentation, which will be provided on our website at [www.mineralstech.com](http://www.mineralstech.com). It is not possible, without unreasonable effort, for the Company to identify and estimate the amount of future non-recurring or unusual items. This is due to the inherent difficulty of forecasting the timing and amount of nonroutine costs. Each of such adjustments has not yet occurred, are out of the Company's control and/or cannot be reasonably predicted. 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. For the same reasons, the Company is unable to address the probable significance of the unavailable information.

# MINERALS TECHNOLOGIES A Global Specialty Minerals Company



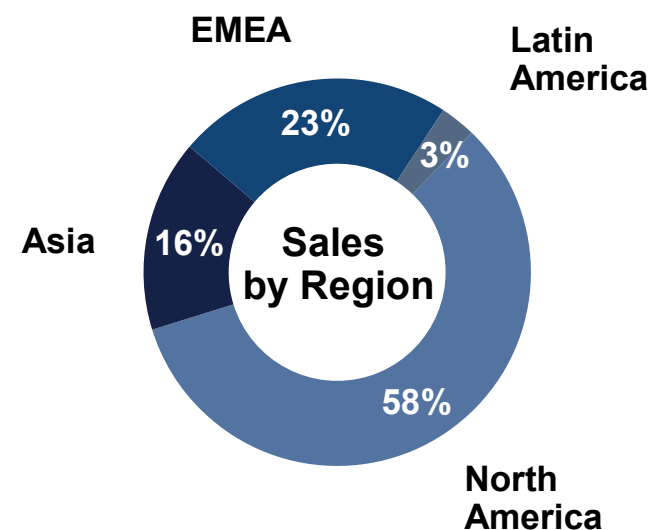
**\$2.1B**  
Net Sales

**4,000+**  
Employees

**32**  
Countries

**12**  
R&D Centers

- Technology driven specialty solutions and applications provider that are ***essential part of everyday life***
- Global footprint aligned with our customers and growth opportunities
- Vertically integrated with unique mineral reserves



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\*All numbers are full year 2022

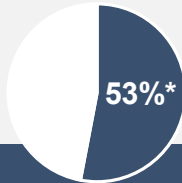
MTI OF TODAY

# A Well-Balanced and Well-Positioned Growth Portfolio



## CONSUMER & SPECIALTIES

Functional components in a variety of consumer and industrial goods



### Household & Personal Care



Functional Additives

#### Mineral-to-market products

Serves consumer-oriented end markets, including pet care, personal care, fabric care, edible oil, animal feed, agriculture applications and others



### Specialty Additives



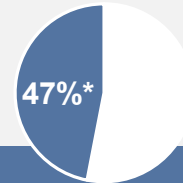
Crystal Engineering

#### Mineral additives

Serves paper, packaging, food & pharmaceutical, sealants & adhesives, paints & coatings, ceramics, plastics markets

## ENGINEERED SOLUTIONS

Designed to improve our customers' manufacturing processes and projects



### High-Temperature Technologies



Engineered Blends

Specially formulated blends and technologies for high-temperature applications  
Serves primarily foundry and steelmaking industries



### Environmental & Infrastructure



Particle Surface Modification

Project based products and solutions  
Environmental, remediation, water treatment, building materials and other infrastructure related solutions

Common technologies, common customer types, common strategies: **SYNERGISTIC GROWTH**

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\*Percentage of Total 2022 Sales

Technology and Application Know-how



Beneficial attributes and functionalities

- Lightweighting
- CO2 sequestration
- Calcium fortification
- Strength
- Ad/Absorption
- Rheology modification
- Energy savings
- Water and Fluid filtration
- Recyclability
- Productivity improvement

Leading Market Positions\*

- #1 Worldwide Bentonite
- #1 Worldwide in Precipitated Calcium Carbonate (PCC)
- #1 Global Private Label Cat Litter Provider
- #1 Global Refractory Laser Measurement Systems
- #1 World Largest Producer and Supplier of Green Sand Bonds
- #1 North America Bulk Clumping Cat Litter
- #1 Europe Premium Cat Litter
- #1 North America Specialty PCC
- #1 North America Monolithic Refractories
- #1 North America Solid Core Calcium Wire
- #1 Active Waterproofing for Concrete Structures

\*Based on management estimates

# Managing Our Portfolio Through Strategic Priorities



## Sustainable Long-Term Growth



### Innovation

- Accelerating new product development
- Working alongside our customers focusing on further differentiation and value-add
- Focusing on Sustainable solutions

- 15% of total 2022 sales are New product sales
- 85% of Projects developed with customers
- ~\$200M increase in sales from New product sales since 2016



### Organic & Inorganic Growth

- Expanding core products into faster growing markets
- Acquisitions in core and adjacent value-add markets
- Focusing on margin expansion and growth in consumer-oriented products and solutions

#### **Over the last 5 years:**

- 4 targeted acquisitions in Consumer-oriented businesses
- Investments in Edible Oil and Personal Care
- Expansion of core businesses into Asia markets, incl. China

## Agile Operational Performance







### Operational Excellence

- Deeply rooted culture focusing on:
  - Strong safety
  - Lean principles
  - Process reliability
  - Sustainability
  - Diversity & Inclusion
- Efficient capital deployment

# Multiple Organic Growth Levers Across All Product Lines



Product Line / Segment	2022 Revenue	5-Year Sales CAGR Projection*	Key Growth Drivers
 Household & Personal Care	\$476M	7-10%	Pet care growth Market share growth of high-margin specialty products
 Specialty Additives	\$648M	3-5%	Further geographic expansion into Asian markets Expansion of sustainable solutions and market share growth for packaging
<b>CONSUMER &amp; SPECIALTIES</b>		5-7%	
 High-Temperature Technologies	\$703M	4-6%	Further expansion into Asian foundry markets Innovation for new and existing customers
 Environmental & Infrastructure	\$298M	3-6%	Innovation in environmental and sustainable solutions Demand growth driven by environmental regulations and infrastructure spending
<b>ENGINEERED SOLUTIONS</b>		3-6%	
<b>TOTAL MTI</b>		\$2,126M	4-7%

\*2022-2027 organic growth only

# Translating Sales Growth Into Significant Value Creation



	2022	2027 Projected Financial Metrics	
Revenue growth	\$2.1B	5% CAGR	~\$2.7B
Operating Margin <sup>1</sup>	12% of sales	15% of sales	~\$400M Op Income >\$500M EBITDA
Operating Income <sup>1</sup>	\$253M	10% CAGR	
Cash Flow Conversion <sup>2</sup>	77% <sup>4</sup>	78%	~\$190M FCF
Free Cash Flow (FCF) <sup>3</sup> as % of Sales	7% of sales <sup>4</sup>	7% of sales	
Return On Invested Capital <sup>4</sup>	9%	~12%	

1: Excluding special items; 2: (EBITDA excluding special items – Capex) / EBITDA excluding special items; 3: FCF = Cash Flow from Operations – Capex; 4: 5 year average



# Strong Financial Profile



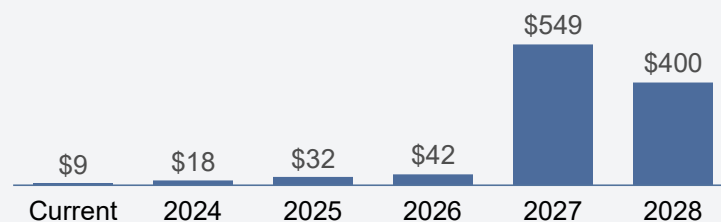
## Free Cash Flow and Capital Deployment

	2018	2019	2020	2021	2022	2023 Guide
FCF, \$M	128	173	175	146	24	100-125
% of Sales	7%	10%	11%	8%	1%	

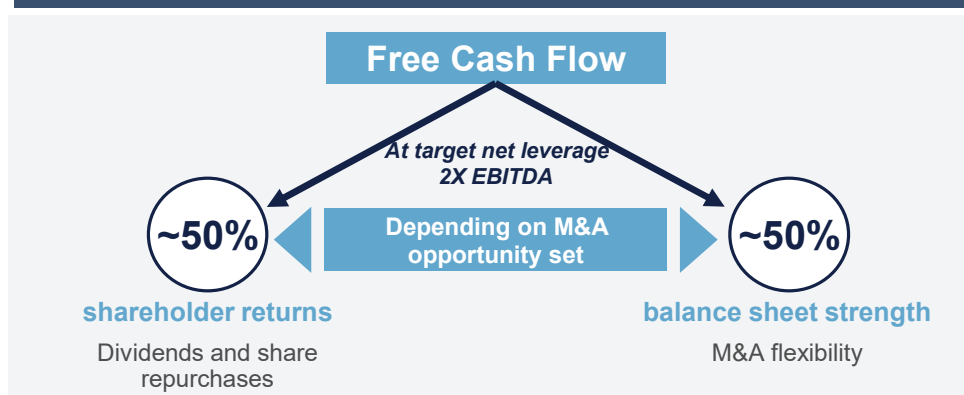
## Debt & Leverage

Q2/23 Net Debt: \$787M  
Net Leverage Ratio: 2.4X

■ Debt Maturities as of Q2/23



## Balanced Approach to Capital Allocation

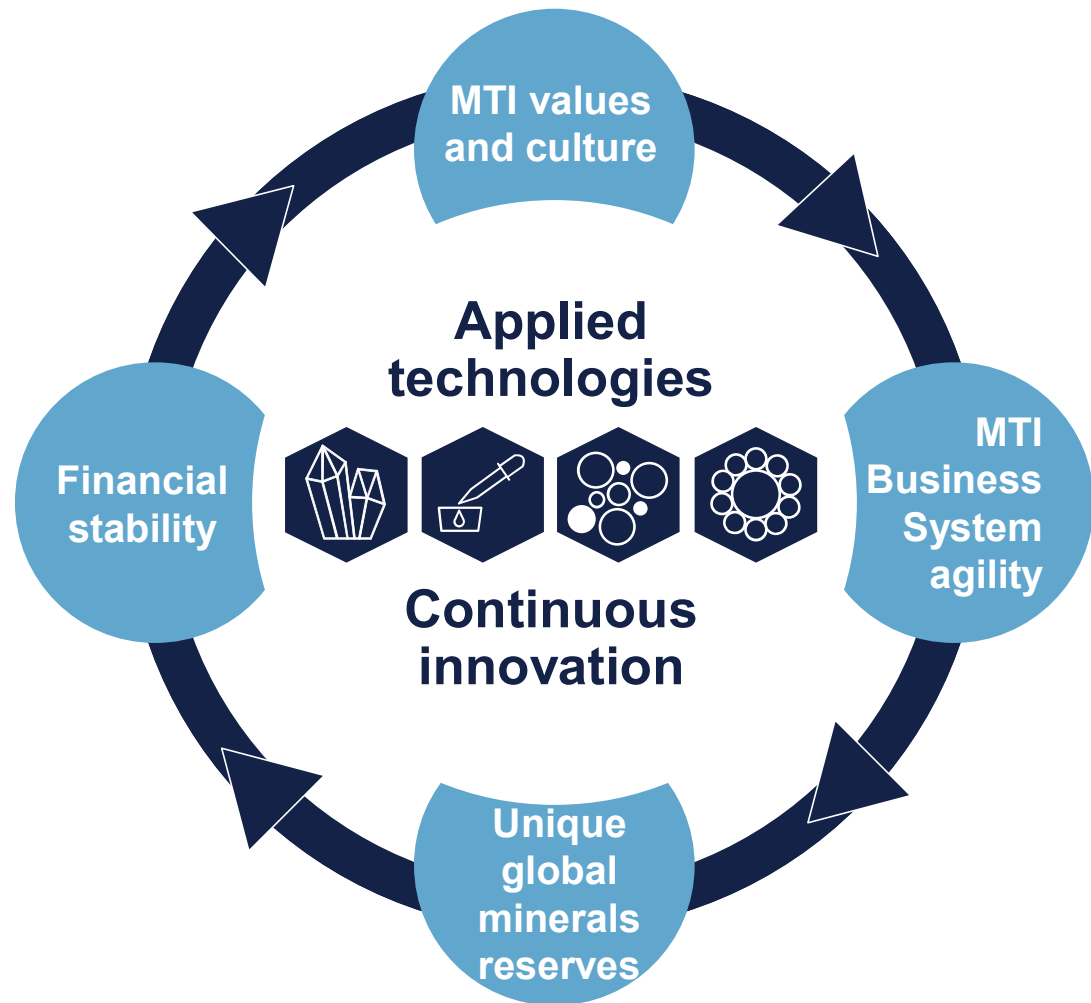


# Key Investment Takeaways



- 1 Organic sales growing at **5% CAGR** through 2027
- 2 Margin improvement of **+300 bps** by 2025
- 3 Operating Income growing at **10% CAGR** through 2027
- 4 Continued **strong FCF** generation
- 5 **Strong balance sheet** with flexibility for inorganic growth

**MTI is  
uniquely  
positioned &  
well set for  
sustainable  
growth**



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*Innovative technologies. Essential solutions.*<sup>TM</sup>

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## **Investor Relations Contact**

Lydia Kopylova

Phone: (212) 878-1831

Email: [lydia.kopylova@mineralstech.com](mailto:lydia.kopylova@mineralstech.com)

## **Website**

[www.mineralstech.com](http://www.mineralstech.com)

# Reconciliation of Non-GAAP Measures



Information presented by Minerals Technologies Inc. during Investor Day on May 24, 2023 included non-GAAP financials measures, as defined by Securities and Exchange Commission Regulation G. Non-GAAP financial measures should be considered in addition to, not as a substitute for, the financial measures reported in accordance with U.S. generally accepted accounting principles (GAAP).

To supplement the Company's consolidated financial statements presented in accordance with GAAP, the following is a presentation of the Company's non-GAAP operating income, excluding special items for the year ended December 31, 2022, constituting a reconciliation to GAAP operating income. The Company's management believe this non-GAAP measure provides meaningful supplemental information regarding its performance as inclusion of such special items are not indicative of ongoing operating results and thereby affect the comparability of results between periods. The Company believes inclusion of this non-GAAP measure also provides consistency in its financial reporting and facilitates investors' understanding of historic operating trends.

\$ in millions	<u>2022</u>
Total Sales	\$ 2,125.5
Operating income, as reported	\$ 214.8
Special Items	
Acquisition related transaction and integration costs	5.1
Litigation costs	<u>32.6</u>
Operating Income excluding Special Items	\$ 252.5
Operating Income Margin	12%

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# Reconciliation of Non-GAAP Measures



“Adjusted EBITDA” is a non-GAAP financial measure and refers to earnings before interest, taxes, depreciation and amortization (EBITDA), excluding special items. The following is a presentation of the Company's non-GAAP EBITDA and Adjusted EBITDA for the annual periods ended December 31, 2018 through December 31, 2022 and a reconciliation to net income for such periods. The Company's management believes these non-GAAP measures provide meaningful supplemental information regarding its performance and facilitates investors' understanding of historic operating trends.

\$ in millions	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>5 year Average</u>
Net Income	\$ 122.2	\$ 164.4	\$ 112.4	\$ 132.7	\$ 169.0	
Add back:						
Depreciation, Depletion and amortization	94.2	94.6	93.9	98.4	94.3	
Interest expense, net	43.9	37.2	38.2	43.2	45.9	
Equity in earnings of affiliates, net of tax	(1.7)	(2.8)	(2.2)	(1.9)	(3.5)	
Net income attributable to non-controlling interests	4.1	4.1	3.4	3.7	4.2	
Provision for taxes on income	<u>32.1</u>	<u>36.6</u>	<u>24.4</u>	<u>22.8</u>	<u>34.4</u>	
EBITDA	294.8	334.1	270.1	298.9	344.3	
Add special items:						
Acquisition related transaction and integration costs	5.1	4.0	3.1	-	1.7	
Litigation costs	32.6	-	10.4	10.9	-	
Restructuring and other items, net	-	1.1	7.6	13.2	2.5	
Cybersecurity incident costs	-	-	4.0	-	-	
Write-off due to UK bankruptcy	-	-	-	2.5	-	
Non-cash intangible step-up charges	-	-	-	-	-	
Debt extinguishment expenses	6.9	-	-	-	-	
Non-cash pension settlement charge	<u>3.5</u>	<u>1.8</u>	<u>6.4</u>	<u>-</u>	<u>4.4</u>	
Adjusted EBITDA	\$ 342.9	\$ 341.0	\$ 301.6	\$ 325.5	\$ 352.9	\$ 332.8

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# Reconciliation of Non-GAAP Measures



Total Sales	\$ 2,125.5	\$ 1,858.3	\$ 1,594.8	\$ 1,791.0	\$ 1,807.6	\$ 1,835.4
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Free cash flow is defined as cash flow from operations, less capital expenditures. The following is a presentation of the Company's non-GAAP free cash flow for the annual periods ended December 31, 2018 through December 31, 2022 and a reconciliation to cash flow from operations for such periods. The Company's management believes this non-GAAP measure provides meaningful supplemental information as management uses this measure to evaluate the Company's ability to maintain capital assets, satisfy current and future obligations, repurchase stock, pay dividends and fund future business opportunities. Free cash flow is not a measure of cash available for discretionary expenditures since the Company has certain non-discretionary obligations such as debt service that are not deducted from the measure. The Company's definition of free cash flow may not be comparable to similarly titled measures reported by other companies.

\$ in millions	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>5 year Average</u>
Cash from Operations	\$ 105.9	\$ 232.4	\$ 240.6	\$ 238.3	\$ 203.6	\$ 204.2
Capital Expenditures	<u>82.3</u>	<u>86.0</u>	<u>66.8</u>	<u>65.0</u>	<u>75.9</u>	<u>75.2</u>
Free Cash Flow	\$ 23.6	\$ 146.4	\$ 173.8	\$ 173.3	\$ 127.7	\$ 129.0
Free Cash Flow as % of Sales						7%

Cash flow conversion is defined as (Adjusted EBITDA-Capital Expenditures)/Adjusted EBITDA. The following is a presentation of the Company's non-GAAP average cash flow conversion percentage for the five-year period from December 31, 2018 through December 31, 2022. The Company's management believes this non-GAAP measure provides meaningful supplemental information in evaluating our financial performance and measures the Company's ability to convert its operating profits into free cash flow in a given period.

\$ in millions	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>5 year Average</u>
Adjusted EBITDA	\$ 342.9	\$ 341.0	\$ 301.6	\$ 325.5	\$ 352.9	\$ 332.8
CAPEX	<u>82.3</u>	<u>86.00</u>	<u>66.80</u>	<u>65.00</u>	<u>75.9</u>	<u>75.2</u>
Cash flow conversion %						77%



# Reconciliation of Non-GAAP Measures



Return on Invested Capital (ROIC) is defined as net operating profit after tax (NOPAT) divided the average of current year and prior year equity plus net debt. The following is a presentation of the Company's non-GAAP ROIC for the annual periods ended December 31, 2018 through December 31, 2022. The Company's management believes this non-GAAP measure provides meaningful supplemental information in evaluating how effectively the Company is using capital to generate financial returns.

\$ in millions	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Income	\$ 122.2	\$ 164.4	\$ 112.4	\$ 132.7	\$ 169.0	
Add back:						
Interest expense, net	43.9	37.2	38.2	43.2	45.9	
Equity in earnings of affiliates, net of tax	(1.7)	(2.8)	(2.2)	(1.9)	(3.5)	
Net income attributable to non-controlling interests	4.1	4.1	3.4	3.7	4.2	
Provision for taxes on income	<u>32.1</u>	<u>36.6</u>	<u>24.4</u>	<u>22.8</u>	<u>34.4</u>	
EBIT	200.6	239.5	176.2	200.5	250.0	
Special Items						
Acquisition related transaction and integration costs	5.1	4.0	3.1	-	1.7	
Litigation costs	32.6	-	10.4	10.9	-	
Restructuring and other items, net	-	1.1	7.6	13.2	2.5	
Cybersecurity incident costs	-	-	4.0	-	-	
Write-off due to bankruptcy	-	-	-	2.5	-	
Non-cash inventory step-up charges	-	-	-	-	-	
Debt extinguishment expenses	6.9	-	-	-	-	
Non-cash pension settlement charge	<u>3.5</u>	<u>1.8</u>	<u>6.4</u>	<u>-</u>	<u>4.4</u>	
EBIT excluding Special Items	\$ 248.7	\$ 246.4	\$ 207.7	\$ 227.1	\$ 258.6	
Effective tax rate (excluding Special Tax Items)	20.5%	18.1%	17.7%	17.7%	18.7%	
NOPAT (excluding Special Items)	\$ 197.7	\$ 201.8	\$ 170.9	\$ 186.9	\$ 210.2	

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# Reconciliation of Non-GAAP Measures



Total Debt	\$ 1,062.3	\$ 1,017.0	\$ 934.2	\$ 927.6	\$ 1,016.3	\$ 969.9
Cash and cash equivalents	<u>247.2</u>	<u>299.5</u>	<u>367.7</u>	<u>241.6</u>	<u>208.8</u>	<u>212.2</u>
Net Debt	815.1	717.5	566.5	686.0	807.5	757.7
Shareholders Equity	<u>1,613.1</u>	<u>1,579.5</u>	<u>1,498.7</u>	<u>1,434.6</u>	<u>1,385.3</u>	<u>1,279.1</u>
Net Debt + Equity	\$ 2,428.2	\$ 2,297.0	\$ 2,065.2	\$ 2,120.6	\$ 2,192.8	\$ 2,036.8
Average Invested Capital	\$ 2,362.6	\$ 2,181.1	\$ 2,092.9	\$ 2,156.7	\$ 2,114.8	
ROIC (excluding Special Items)	8.4%	9.3%	8.2%	8.7%	9.9%	
5 Year average ROIC	8.9%					