



# Minerals Technologies Overview

March 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 cyclicality 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 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 PCC satellite operations; our ability 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; 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 segments; 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, references in this presentation to operating income, operating margin, adjusted EBITDA, adjusted EBITDA margin, and EPS 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 this presentation as well as our Current Report on Form 8-K dated February 2, 2023, 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.

# MINERALS TECHNOLOGIES A Global Specialty Minerals Company



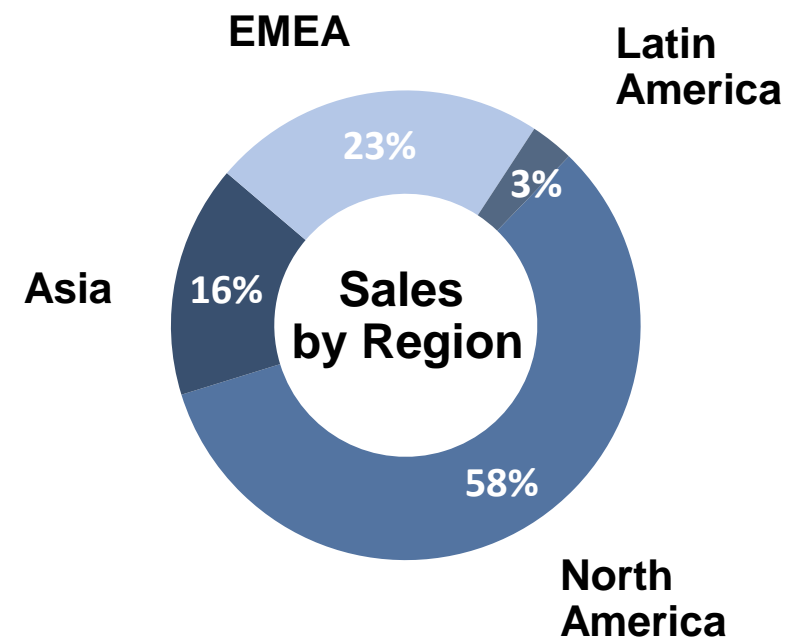
**\$2.1B**  
Net Sales

**4,000+**  
Employees

**32**  
Countries

**12**  
R&D Centers

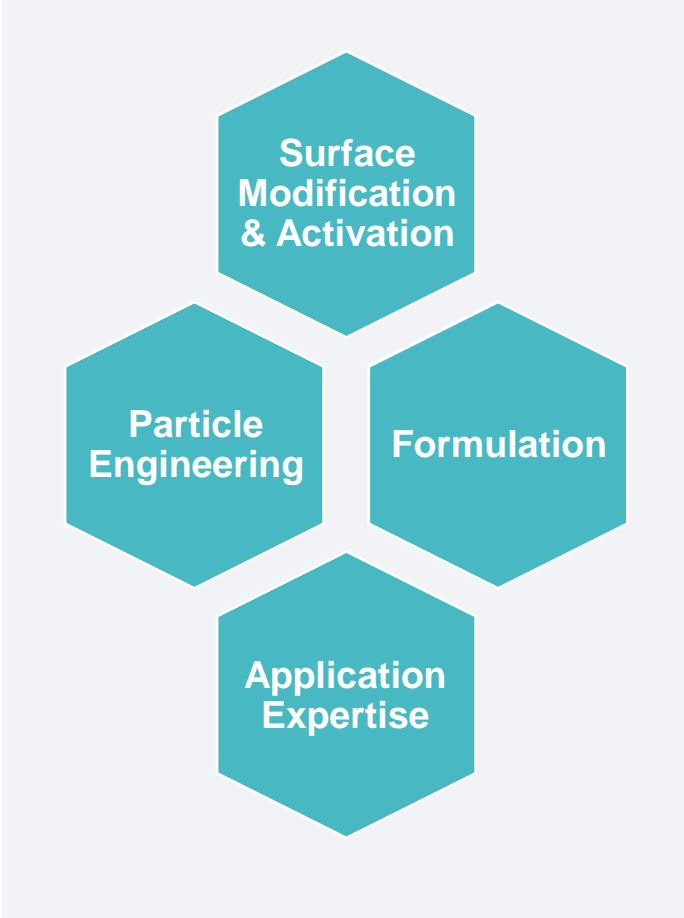
- Vertically integrated with unique mineral reserves
- Technology driven specialty solutions and applications provider that are ***essential part of everyday life***
- Global footprint aligned with our customers and growth opportunities



\*All numbers are full year 2022



**Technology and Application Know-how**



**Beneficial attributes and functionalities**

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

**Leading Market Positions\***

- #1 Worldwide Bentonite
- #1 Worldwide in Precipitated Calcium Carbonate (PCC)
- #1 Worldwide Refractory Laser Measurement Systems
- #1 US Metalcasting Binders
- #1 US Bulk Clumping Cat Litter
- #1 Europe Premium Cat Litter
- #1 North America Specialty PCC
- #1 North America Monolithic Refractories
- #1 North America and Europe Solid Core Calcium Wire
- #1 Quality Assured Waterproof 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

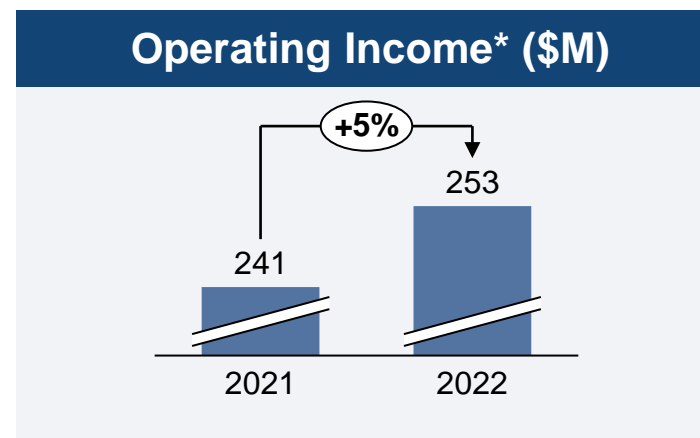
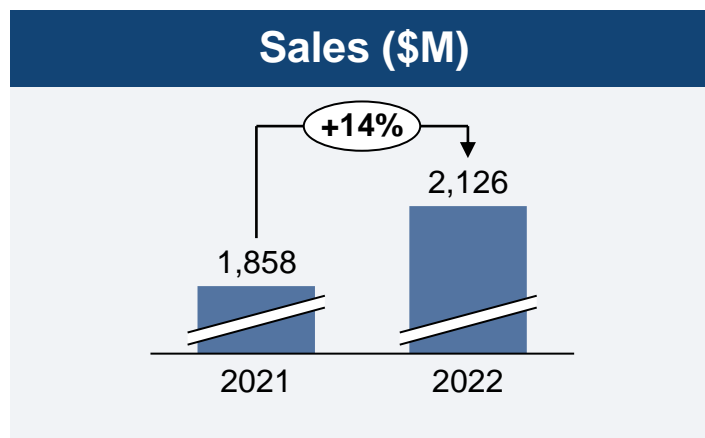
## Agile Operational Performance



### Operational Excellence

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

## OVERALL SOLID PERFORMANCE IN A DYNAMIC ENVIRONMENT



### Delivered a Solid Performance

- Record sales for MTI
- More than offset inflationary impacts with price increases

### Progress on Growth Strategy

- Continued to expand in faster-growing markets & geographies
  - Concept Pet Acquisition
  - 2 new PCC satellite contracts
- Accelerated the development of new products & technologies
  - Sales from new products +42%
  - Commercialized 63 new products

### Navigated a Dynamic Macro Environment

- Inflation exceeded expectations
- Very strong demand in 1st half
- Softening in construction & steel end-markets in 2nd half
- Impacts from geopolitical tensions & COVID policy

\*Operating income excludes special items

# Strong Financial Profile



## Liquidity

	<b>Q4'22</b>
Cash, Cash Equivalents, and ST Investments	\$253M
Available Revolver*	\$179M
<b>Total Liquidity</b>	<b>\$432M</b>

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

## Free Cash Flow and Capital Deployment

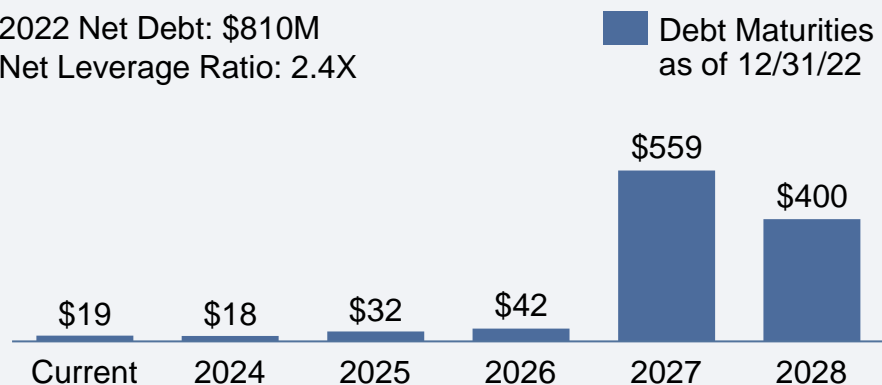
	2018	2019	2020	2021	2022	2023 Guide
FCF, \$M	128	173	175	146	24	150
% of Sales	7%	10%	11%	8%	1%	

### 2022 Capital Deployment:

- \$82M Capital Expenditures
- Concept Pet Acquisition

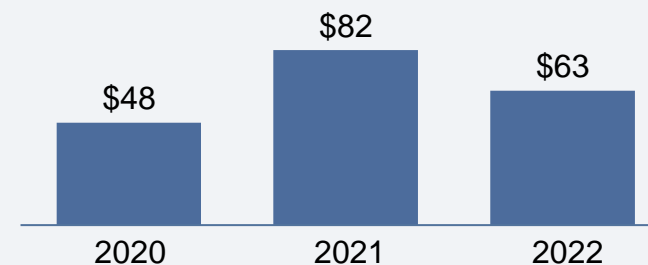
## Debt & Leverage

2022 Net Debt: \$810M  
Net Leverage Ratio: 2.4X



## Returning cash to shareholders

■ Total share repurchase plus dividends, \$M



# Sustainability Is a Part of Our DNA



## Focusing on achieving highest industry standards

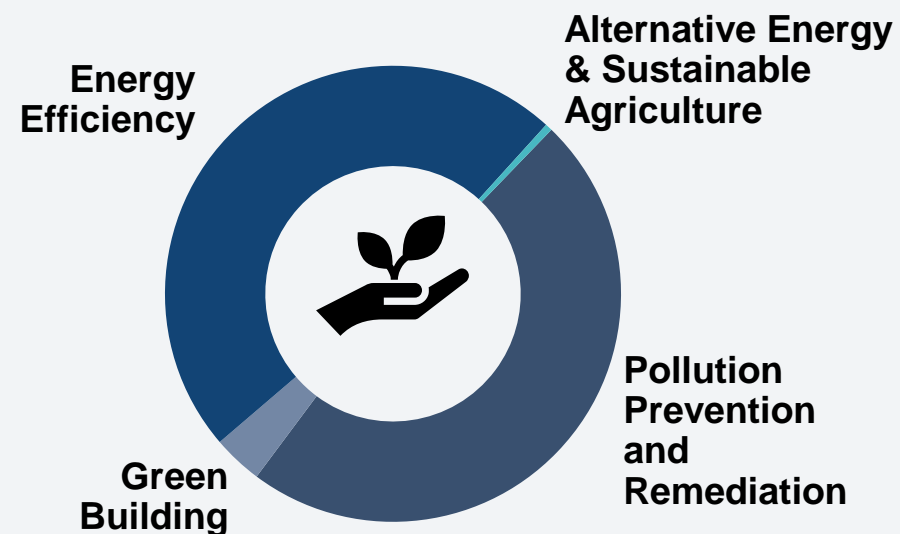
	2025 Targets	Progress since 2018*
Direct greenhouse gas emissions	25% Reduction	66% of Target
Indirect greenhouse emissions	40% Reduction	80% of Target
Airborne pollutants	55% Reduction	39% of Target
Water used	20% Reduction	71% of Target
Water discharged	20% Reduction	87% of Target
Landfill waste	20% Reduction	67% of Target



12th percentile in Specialty Chemicals Industry



## Providing our customers with sustainable solutions



~70% of Revenue is sustainable and clean technology products\*

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\* As of 2021



A well-balanced, resilient and well positioned for growth portfolio

## CONSUMER & SPECIALTIES

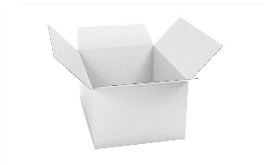
53%



Household & Personal Care



Specialty Additives



## ENGINEERED SOLUTIONS

47%



High-Temperature Technologies



Environmental & Infrastructure





### Financial Performance

Multiple levers for margin improvement

Maintain strong balance sheet and improve cash flows

- Working capital release
- Balanced capital deployment
- Prioritize debt repayment

### Organization & People

Strengthening and furthering MTI culture

Leverage the new organizational structure

- Enhance operational efficiencies
- Speed up decision making
- Better align accountability

### Growth

Continue to expand in core markets & growing geographies

Focus on Sustainable solutions

New Product Development across all product lines

Targeted inorganic growth opportunities

## Operational Excellence      Innovation      People      MTI Values

# Key Investment Takeaways



**Products and technologies** that are essential in everyday life



**Organic and inorganic growth strategy** focusing on market share gains in specialized markets and strategic geographies



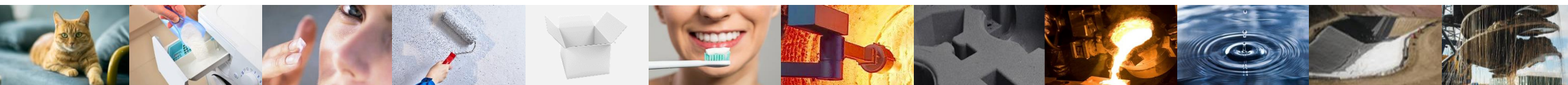
**Market-leading positions** across each product line



**Attractive financial position** and **demonstrated resiliency**



**Experienced management team**



# Investor Contact



## **Investor Relations Contact**

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# Minerals Technologies

MINERALS TECHNOLOGIES INC.  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO GAAP

## Minerals Technologies Inc.

(millions of dollars)

(unaudited)

SEGMENT OPERATING INCOME (LOSS) DATA	Quarter Ended			% Growth		Twelve Months Ended		% Growth
	Dec. 31, <u>2022</u>	Oct. 2, <u>2022</u>	Dec. 31, <u>2021</u>	Prior Qtr.	Prior Year	Dec. 31, <u>2022</u>	Dec. 31, <u>2021</u>	Prior Year
Performance Materials Segment	\$ <u>18.7</u>	\$ <u>37.9</u>	\$ <u>28.5</u>	(51)%	(34)%	\$ <u>127.2</u>	\$ <u>125.0</u>	<u>2%</u>
% of Sales	7.0%	13.1%	11.1%			11.3%	12.8%	
Specialty Minerals Segment	\$ <u>16.9</u>	\$ <u>(14.2)</u>	\$ <u>14.5</u>	*	17%	\$ <u>41.3</u>	\$ <u>72.9</u>	(43)%
% of Sales	10.9%	*	10.2%			6.4%	12.6%	
Refractories Segment	\$ <u>12.5</u>	\$ <u>12.4</u>	\$ <u>12.4</u>	1%	1%	\$ <u>57.6</u>	\$ <u>49.3</u>	17%
% of Sales	14.4%	14.5%	15.7%			16.5%	16.2%	
Unallocated and Other Corporate Expenses	\$ <u>(4.5)</u>	\$ <u>(0.5)</u>	\$ <u>(2.8)</u>	*	*	\$ <u>(11.3)</u>	\$ <u>(11.5)</u>	(2)%
Consolidated	\$ <u>43.6</u>	\$ <u>35.6</u>	\$ <u>52.6</u>	22%	(17)%	\$ <u>214.8</u>	\$ <u>235.7</u>	(9)%
% of Sales	8.6%	6.6%	11.0%			10.1%	12.7%	
SPECIAL ITEMS								
Performance Materials Segment	\$ <u>0.3</u>	\$ <u>0.3</u>	\$ <u>0.6</u>	*	*	\$ <u>3.6</u>	\$ <u>1.2</u>	*
Specialty Minerals Segment	\$ <u>0.0</u>	\$ <u>31.1</u>	\$ <u>0.0</u>	*	*	\$ <u>31.1</u>	\$ <u>1.1</u>	*
Refractories Segment	\$ <u>0.0</u>	\$ <u>0.0</u>	\$ <u>0.0</u>	*	*	\$ <u>0.0</u>	\$ <u>0.0</u>	*
Unallocated and Other Corporate Expenses	\$ <u>0.1</u>	\$ <u>0.2</u>	\$ <u>1.5</u>	*	*	\$ <u>3.0</u>	\$ <u>2.7</u>	*
Consolidated	\$ <u>0.4</u>	\$ <u>31.6</u>	\$ <u>2.1</u>	*	*	\$ <u>37.7</u>	\$ <u>5.0</u>	*

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. This excludes special items (set forth in the above table), for the quarterly periods ended December 31, 2022, October 2, 2022, and December 31, 2021, and the twelve month periods ended December 31, 2022 and December 31, 2021, constituting a reconciliation to GAAP operating income set forth above. The Company's management believe these non-GAAP measures provide 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 these non-GAAP measures also provides consistency in its financial reporting and facilitates investors' understanding of historic operating trends.

SEGMENT OPERATING INCOME, EXCLUDING SPECIAL ITEMS	Quarter Ended			% Growth		Twelve Months Ended		% Growth
	Dec. 31, <u>2022</u>	Oct. 2, <u>2022</u>	Dec. 31, <u>2021</u>	Prior Qtr.	Prior Year	Dec. 31, <u>2022</u>	Dec. 31, <u>2021</u>	Prior Year
Performance Materials Segment	\$ <u>19.0</u>	\$ <u>38.2</u>	\$ <u>29.1</u>	(50)%	(35)%	\$ <u>130.8</u>	\$ <u>126.2</u>	4%
% of Sales	7.2%	13.2%	11.4%			11.6%	12.9%	
Specialty Minerals Segment	\$ <u>16.9</u>	\$ <u>16.9</u>	\$ <u>14.5</u>	(0)%	17%	\$ <u>72.4</u>	\$ <u>74.0</u>	(2)%
% of Sales	10.9%	10.2%	10.2%			11.2%	12.8%	
Refractories Segment	\$ <u>12.5</u>	\$ <u>12.4</u>	\$ <u>12.4</u>	1%	1%	\$ <u>57.6</u>	\$ <u>49.3</u>	17%
% of Sales	14.4%	14.5%	15.7%			16.5%	16.2%	
Unallocated Corporate Expenses	\$ <u>(4.4)</u>	\$ <u>(0.3)</u>	\$ <u>(1.3)</u>	1367%	(238)%	\$ <u>(8.3)</u>	\$ <u>(8.8)</u>	6%
Consolidated	\$ <u>44.0</u>	\$ <u>67.2</u>	\$ <u>54.7</u>	(35)%	(20)%	\$ <u>252.5</u>	\$ <u>240.7</u>	5%
% of Sales	8.7%	12.4%	11.5%			11.9%	13.0%	

\* Percentage not meaningful

**Minerals Technologies Inc.**  
(millions of dollars except per share data)  
(unaudited)

Earnings Per Share, Excluding Special Items

To supplement the Company's consolidated financial statements presented in accordance with GAAP, the following is a presentation of the Company's non-GAAP earnings per share, excluding special items, for the quarterly periods ended December 31, 2022, October 2, 2022, and December 31, 2021, and the twelve month periods ended December 31, 2022 and December 31, 2021 and a reconciliation to reported earnings per share 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 believes inclusion of these non-GAAP measures also provides consistency in its financial reporting and facilitates investors' understanding of historic operating trends.

(millions of dollars)	Quarter Ended			Twelve Months Ended	
	Dec. 31, <u>2022</u>	Oct. 2, <u>2022</u>	Dec. 31, <u>2021</u>	Dec. 31, <u>2022</u>	Dec. 31, <u>2021</u>
Net income attributable to MTI	\$ 20.0	\$ 13.4	\$ 41.1	\$ 122.2	\$ 164.4
% of sales	3.9%	2.5%	8.6%	5.7%	8.8%
Special items:					
Acquisition related transaction and integration costs	0.4	0.5	2.1	5.1	4.0
Litigation costs	0.0	31.1	0.0	32.6	0.0
Debt extinguishment expenses	0.0	6.9	0.0	6.9	0.0
Non-cash pension settlement (gain)	1.8	0.2	(1.2)	3.5	1.8
Restructuring and other items, net	0.0	0.0	0.0	0.0	1.1
Related tax effects on special items	<u>(0.5)</u>	<u>(8.0)</u>	<u>(0.2)</u>	<u>(10.2)</u>	<u>(1.6)</u>
Net income attributable to MTI, excluding special items	\$ <u>21.7</u>	\$ <u>44.1</u>	\$ <u>41.8</u>	\$ <u>160.1</u>	\$ <u>169.7</u>
% of sales	4.3%	8.1%	8.8%	7.5%	9.1%
Diluted earnings per share, excluding special items	\$ 0.67	\$ 1.35	\$ 1.25	\$ 4.88	\$ 5.02

Included in litigation costs for the twelve month period ended December 31, 2022 are costs of \$32.6 million incurred to defend against, opportunistically settle, and establish a reserve for claims associated with certain talc products from our Barretts Minerals Inc subsidiary.



**Minerals Technologies Inc.**  
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Free Cash Flow

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 quarterly periods ended December 31, 2022, October 2, 2022, and December 31, 2021, and the twelve month periods ended December 31, 2022 and December 31, 2021 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.

(millions of dollars)	Quarter Ended			Twelve Months Ended	
	Dec. 31, <u>2022</u>	Oct. 2, <u>2022</u>	Dec. 31, <u>2021</u>	Dec. 31, <u>2022</u>	Dec. 31, <u>2021</u>
Cash flow from operations	\$ 42.3	\$ 30.4	\$ 69.3	\$ 105.9	\$ 232.4
Capital expenditures	<u>22.9</u>	<u>19.2</u>	<u>23.0</u>	<u>82.3</u>	<u>86.0</u>
Free cash flow	\$ <u>19.4</u>	\$ <u>11.2</u>	\$ <u>46.3</u>	\$ <u>23.6</u>	\$ <u>146.4</u>
Depreciation, depletion and amortization expense	\$ <u>23.0</u>	\$ <u>23.3</u>	\$ <u>23.6</u>	\$ <u>94.2</u>	\$ <u>94.6</u>

Constant Currency Sales Growth

To supplement the Company's consolidated financial statements presented in accordance with GAAP, the following is a presentation of the Company's year over year sales growth on a constant currency basis, which is a non-GAAP measure, for the three months and twelve months ended December 31, 2022, constituting a reconciliation to GAAP sales growth set forth below. Constant currency basis eliminates the exchange rate fluctuations when calculating sales performance figures. The Company's management feels this non-GAAP measure provides meaningful supplemental information regarding its performance and facilitates investors' understanding of sales trends for the fourth quarter and full year 2022.

	<u>Quarter Ended December 31, 2022</u>			<u>Year Ended December 31, 2022</u>			
	Sales Growth	Impact of Foreign Exchange	Sales Growth on Constant Currency Basis	Sales Growth	Impact of Foreign Exchange	Sales Growth on Constant Currency Basis	
Performance Materials	4%	7%	11%	16%	6%	22%	
Specialty Minerals	10%	4%	14%	12%	4%	16%	
Refractories	10%	7%	17%	15%	6%	21%	
MTI	6%	7%	13%	14%	6%	20%	

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Adjusted EBITDA

“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 quarterly periods ended December 31, 2022, October 2, 2022, and December 31, 2021, and the twelve month periods ended December 31, 2022 and December 31, 2021, 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.

(millions of dollars)	Quarter Ended			Twelve Months Ended	
	Dec. 31, <u>2022</u>	Oct. 2, <u>2022</u>	Dec. 31, <u>2021</u>	Dec. 31, <u>2022</u>	Dec. 31, <u>2021</u>
Net income	\$ 20.0	\$ 13.4	\$ 41.1	\$ 122.2	\$ 164.4
Add back:					
Depreciation, depletion and amortization	23.0	23.3	23.6	94.2	94.6
Interest expense, net	12.7	11.0	9.0	43.9	37.2
Equity in earnings of affiliates, net of tax	(0.3)	(0.7)	(0.9)	(1.7)	(2.8)
Net income attributable to non-controlling interests	1.4	1.2	0.9	4.1	4.1
Provision for taxes on income	<u>6.3</u>	<u>3.2</u>	<u>9.0</u>	-	<u>36.6</u>
EBITDA	63.1	51.4	82.7	294.8	334.1
Add special items:					
Acquisition related transaction and integration costs	0.4	0.5	2.1	5.1	4.0
Litigation costs	0.0	31.1	0.0	32.6	0.0
Restructuring and other items, net	0.0	0.0	0.0	0.0	1.1
Debt extinguishment expenses	0.0	6.9	0.0	6.9	0.0
Non-cash pension settlement charge	<u>1.8</u>	<u>0.2</u>	<u>(1.2)</u>	-	<u>1.8</u>
Adjusted EBITDA	\$ 65.3	\$ 90.1	\$ 83.6	\$ 342.9	\$ 341.0
% of sales	12.9%	16.6%	17.5%	16.1%	18.4%