



Fourth Quarter 2023 Earnings Conference Call

February 2, 2024

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; risks and uncertainties related to the voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code filed by our subsidiaries Barretts Minerals Inc. and Barretts Ventures Texas LLC; 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 February 1, 2024, 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

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Fourth Quarter 2023 Highlights



Record fourth quarter sales

- Consumer & Specialties sales +3% YoY
- Engineered Solutions sales +4% YoY



Operating margin of 13.2%

Record fourth quarter earnings per share

Quarterly cash from operations \$95M

Increased dividend; Initiated a 1-Year, \$75M share repurchase program



2023 Year-in-Review: Executing on Our Priorities



- ✓ **Record sales** with growth in both segments
 - Solid growth across all strategic priorities
 - Benefited from the balanced portfolio
- ✓ **Strong operating margin expansion**
 - +100bps YOY
 - 13.6% for H2'23
- ✓ **Record operating income, EBITDA and EPS**
- ✓ **Strong cash flow and balance sheet**
 - Free cash flow \$140M
 - Net leverage ratio of 1.9X EBITDA
 - Increased dividend and initiated share repurchase program

**Supported by strong
culture of Operational
Excellence**


**>8,800
Kaizens**
Problem-Solving
Events


**>65,000
Employee
Suggestions**

Growth Driver Spotlight: Innovation Aligned With Key Macro Trends



Long-term growth drivers

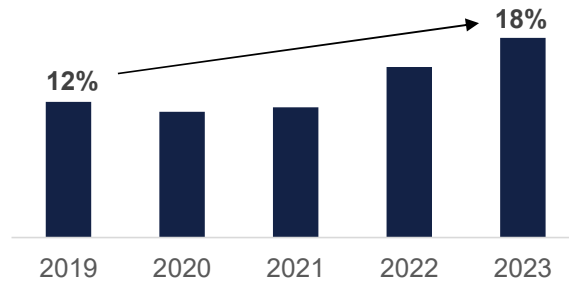
 Expansion in higher growth consumer-oriented markets

 Leading positions in key industrial markets

 Geographic expansion

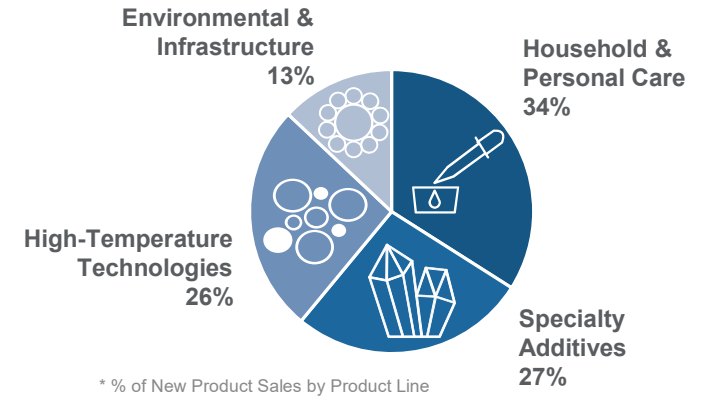
 **Product innovation**

Revenue as % of Sales from New Products



* % of sales from commercialization in last 5 years

A Well-Balanced New Product Portfolio



* % of New Product Sales by Product Line

2023 Highlights:

- **HPC:** New cat litter formulas, renewable fuel purification, natural feed additives and personal care products
- **SA:** PCC environmental solutions and new packaging technologies (e.g., NewYield[®])
- **HTT:** Commercialization of Scantrol[™] technology and new foundry blends
- **E&I:** Expansion of Fluoro-Sorb[®] Adsorbent technology applications and new infrastructure drilling products



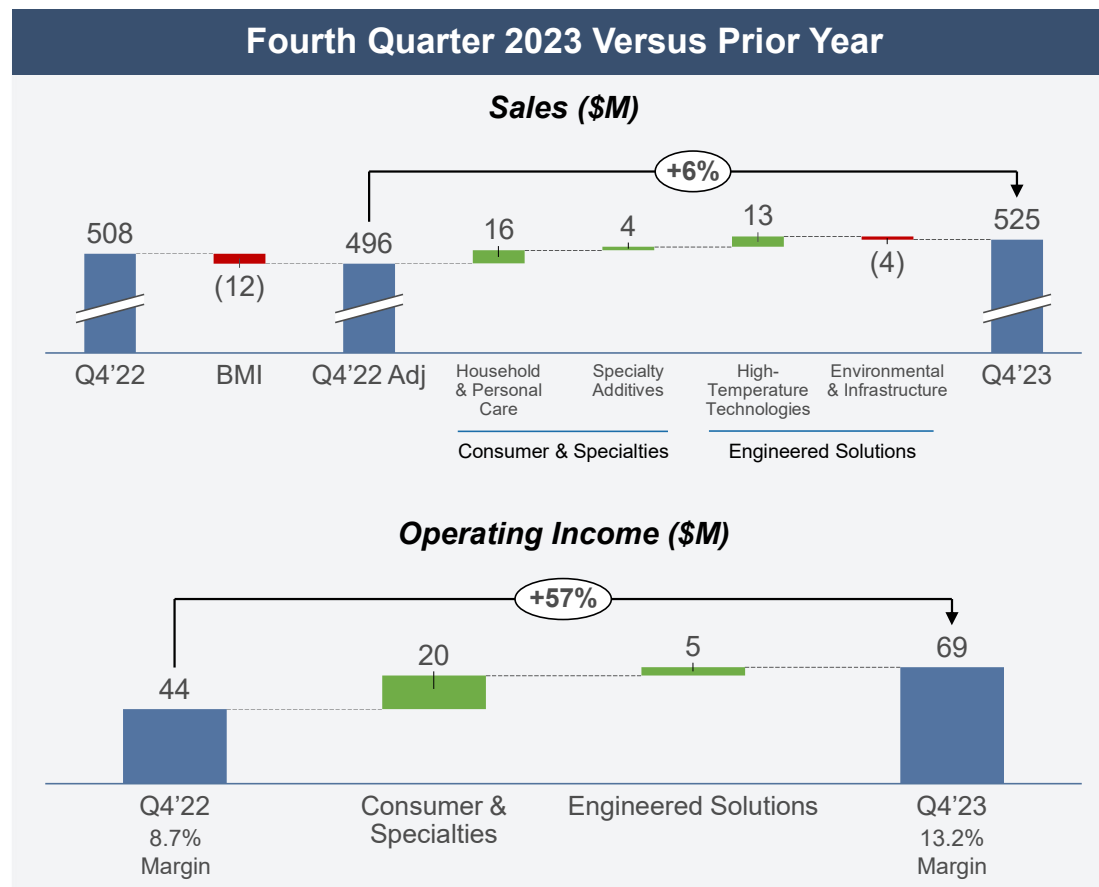
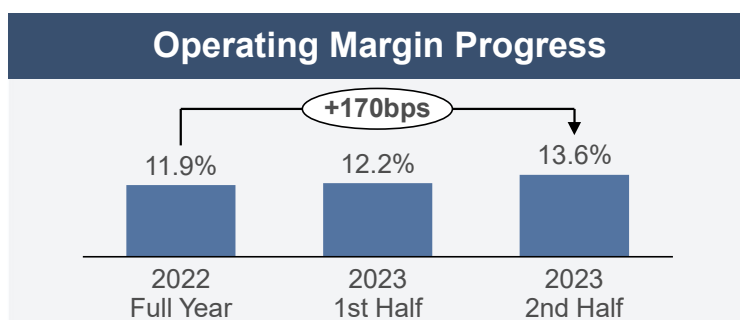
Erik Aldag

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

Fourth Quarter Financial Review



	Q4'23	YoY
Sales (\$M)	525	+3%
Operating Income (\$M)	69	+57%
Operating Margin (%)	13.2	+450bps
EBITDA (\$M)	90	+38%
EBITDA Margin (%)	17.1	+420bps
EPS (\$)	1.28	+91%
Free Cash Flow (\$M)	73	+374%



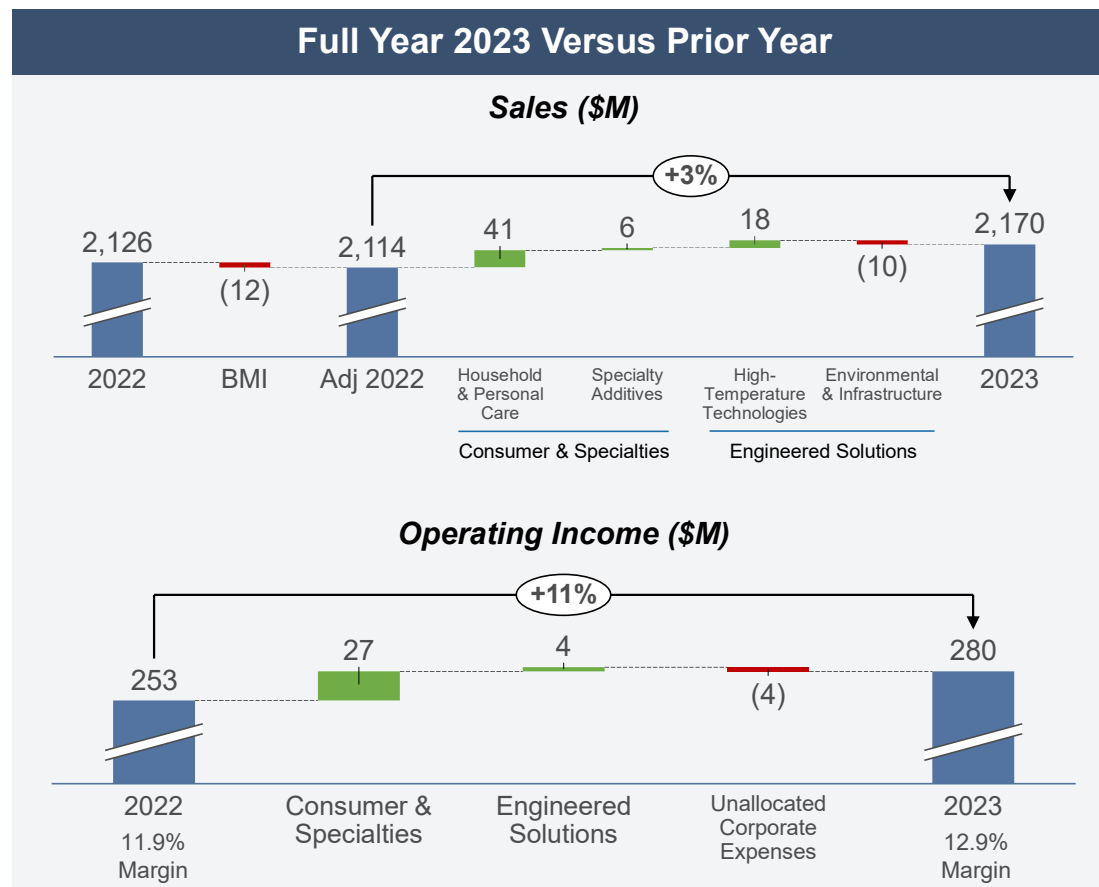
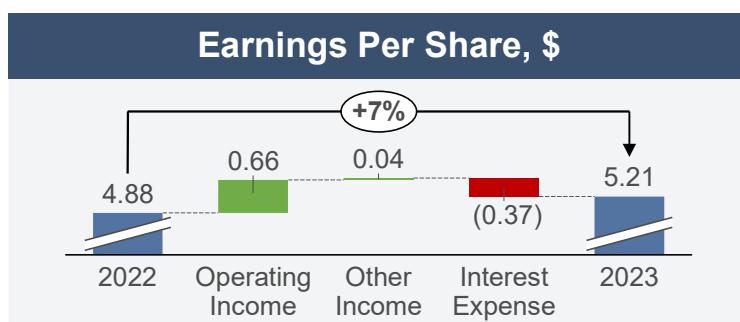
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Operating Income, Operating Margin, EBITDA, EBITDA Margin, and Earnings Per Share exclude special items 8

Full Year Financial Review



	FY'23	YoY
Sales (\$M)	2,170	+2%
Operating Income (\$M)	280	+11%
Operating Margin (%)	12.9	+100bps
EBITDA (\$M)	370	+8%
EBITDA Margin (%)	17.1	+100bps
EPS (\$)	5.21	+7%
Free Cash Flow (\$M)	140	+593%



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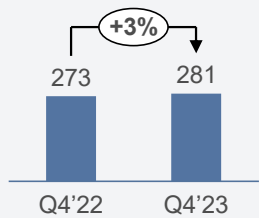
Operating Income, Operating Margin, EBITDA, EBITDA Margin, and Earnings Per Share exclude special items 9

Consumer & Specialties Segment



Fourth Quarter

Sales, \$M

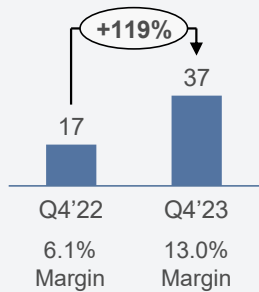


Sales +8%, Excluding BMI

Household & Personal Care

- Sales +13% YoY
- Strong cat litter demand
- Double-digit growth in animal health & bleaching earth filtration

Operating Income, \$M

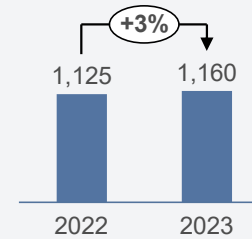


Specialty Additives

- Sales +3%, excluding BMI
- Ramp up of new satellites in Asia, including packaging satellite in China

Full Year

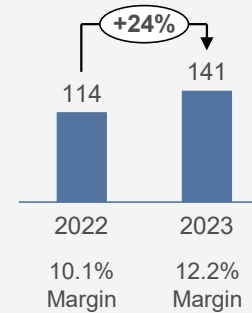
Sales, \$M



Household & Personal Care

- Sales +9% YoY
- Strong cat litter demand
- Significant growth in animal health
- Personal care destocking

Operating Income, \$M

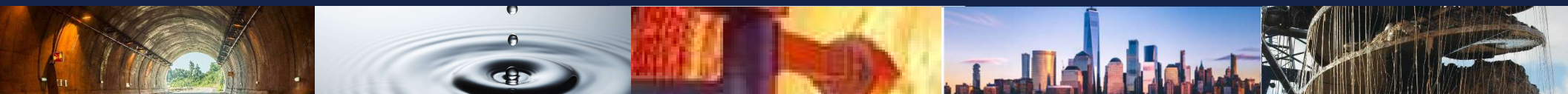


Specialty Additives

- Sales +1%, excluding BMI
- 3 new satellite startups
- Slow sales into new construction applications

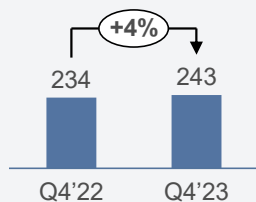
Operating Margin Improvement +210bps YoY

Engineered Solutions Segment



Fourth Quarter

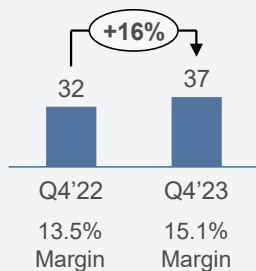
Sales, \$M



High-Temperature Technologies

- Sales +7% YoY
- Steady demand in North America steel & foundry
- Growth in Asia foundry

Operating Income, \$M

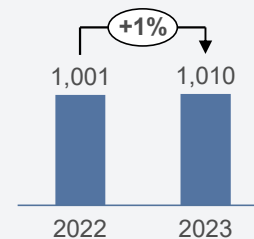


Environmental & Infrastructure

- Sales -6% YoY
- Growth in infrastructure drilling products
- Slow demand in commercial construction

Full Year

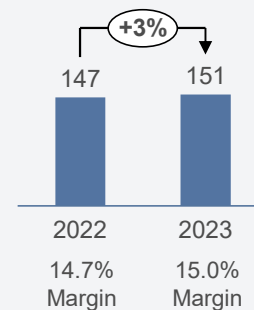
Sales, \$M



High-Temperature Technologies

- Sales +3% YoY
- Stable demand for steel & foundry in North America
- Soft steel market in Europe
- Slow start in China foundry; improvement in H2

Operating Income, \$M



Environmental & Infrastructure

- Sales -3% YoY
- Growth in remediation, wastewater & drilling applications
- Slow demand in commercial construction

Continued Strong Operating Margin +30bps YoY

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Operating income and operating margin exclude special items

Balance Sheet & Cash Flow



Cash Flow and Capital Deployment

Cash Flow

	Q4'23	FY'23
Cash From Operations	\$95M	\$234M
Capital Expenditures	\$22M	\$94M
Free Cash Flow	\$73M	\$140M

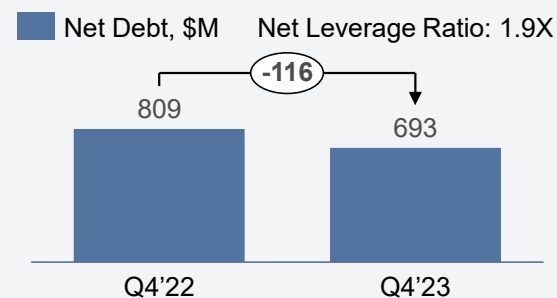
Capital Deployment

	FY'23
Debt Paydown	\$49M
Share Repurchases	\$14M
Dividends	\$8M

Liquidity

	Q4'23
Cash, Cash Equivalents, and Short-Term Investments	\$322M
Available Revolver	\$206M
Total Liquidity	\$528M

Debt & Leverage



Key drivers

- Similar market conditions in both segments sequentially
- Consumer & Specialties:
 - Strength in Household & Personal Care
 - Seasonally slow period in Specialty Additives, gradual improvement in NA paper
- Engineered Solutions:
 - Stable demand in High-Temperature Technologies
 - Seasonally slow period in Environmental & Infrastructure

Q1 Operating Income
~\$70M

Q1 EPS
\$1.25-1.30

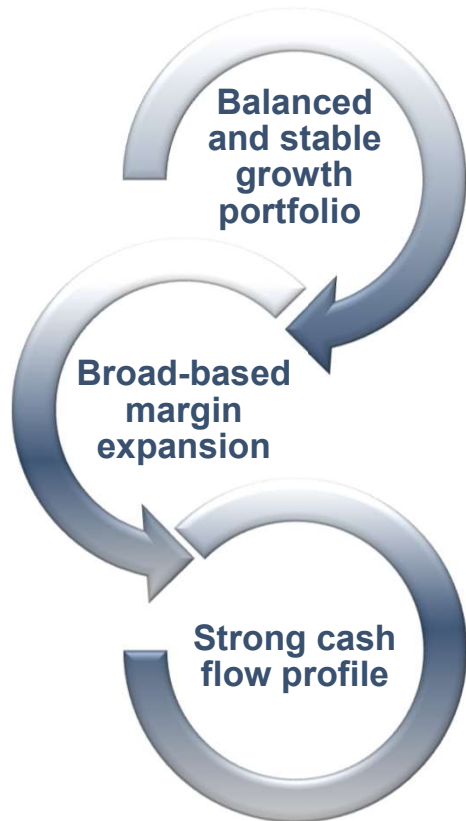


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Chairman & Chief Executive Officer

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2024 Priorities and Outlook

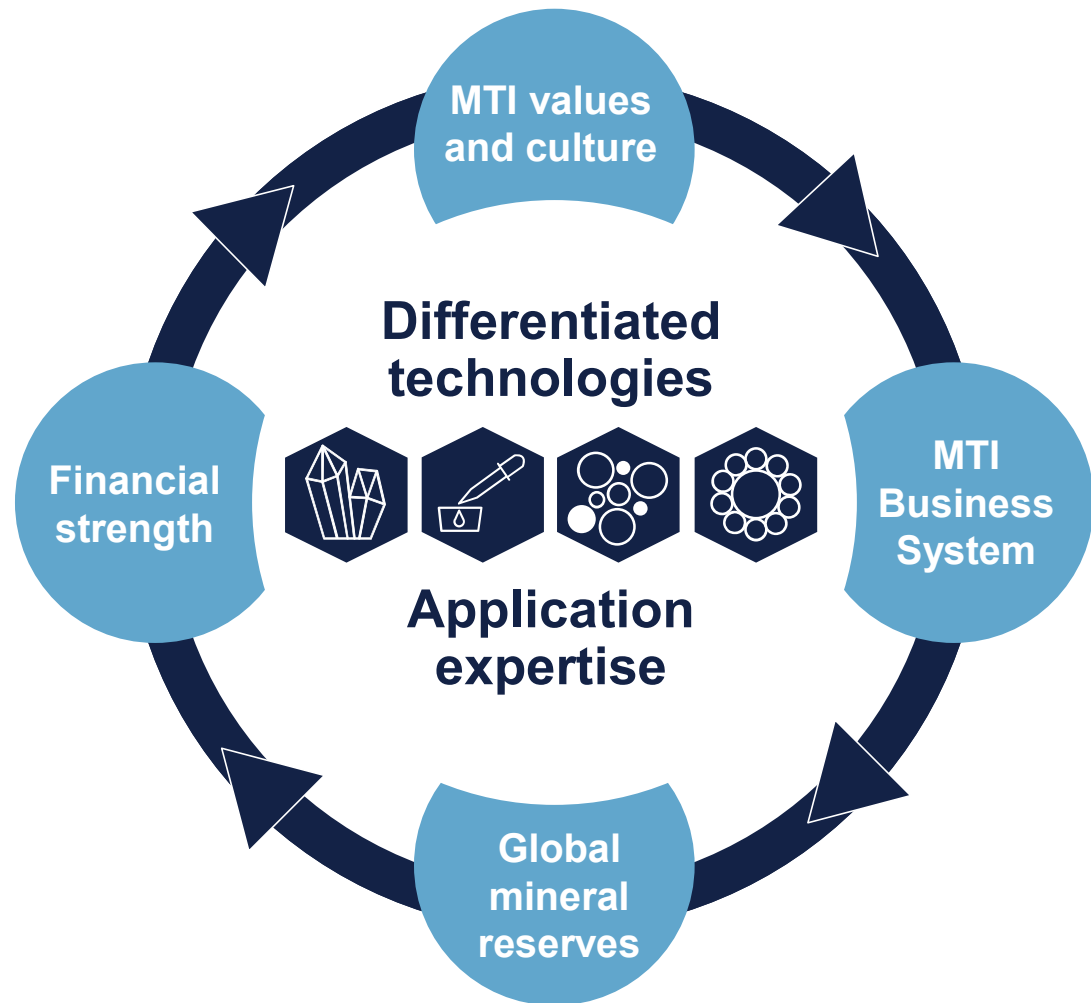


- Stable market trends across majority of markets
- Continued strong growth in Household & Personal Care
- Further expansion in Asia in Specialty Additives and High-Temperature Technologies
- Expect improved demand conditions in North America paper and personal care
- Potential for improved commercial construction market in H2 2024

- Targeting 14% operating margin in 2024
- Margin expansion through growth in higher margin products and fixed cost leverage

- Strong cash conversion levels
- Maintaining a solid balance sheet
- Returning capital to shareholders while preserving M&A flexibility

**A powerful
combination
to drive
shareholder
value**



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Appendix

Reconciliation

Net Income and Diluted EPS Excluding Special Items



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, operating income and EBITDA, excluding special items, and free cash flow for the quarterly and full year periods ended December 31, 2023 and December 31, 2022 and a reconciliation to GAAP net income, operating income and EBITDA, 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	Quarter Ended			Twelve Months Ended	
	Dec. 31, 2023	Oct. 1, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Net income (loss) attributable to MTI	\$ 39.8	\$ (19.2)	\$ 20.0	\$ 84.1	\$ 122.2
Special items:					
Restructuring and other items, net	0.0	0.3	0.0	6.9	0.0
Impairment of assets	0.0	71.7	0.0	71.7	0.0
Acquisition-related expenses	0.0	0.0	0.4	0.3	5.1
Litigation expenses	2.4	12.9	0.0	29.2	32.6
Debt extinguishment expenses	0.0	0.0	0.0	0.0	6.9
Non-cash pension settlement charge	0.0	0.0	1.8	0.0	3.5
Related tax effects on special items	<u>(0.5)</u>	<u>(17.2)</u>	<u>(0.5)</u>	<u>(22.3)</u>	<u>(10.2)</u>
Net income attributable to MTI, excluding special items	\$ 41.7	\$ 48.5	\$ 21.7	\$ 169.9	\$ 160.1
Diluted earnings per share, excluding special items	\$ 1.28	\$ 1.49	\$ 0.67	\$ 5.21	\$ 4.88

Reconciliation

Segment Operating Income Excluding Special Items



millions of dollars	Quarter Ended			Twelve Months Ended	
	Dec. 31, 2023	Oct. 1, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
SEGMENT OPERATING INCOME(LOSS) DATA					
Consumer & Specialties Segment	\$ 36.6	\$ (46.6)	\$ 16.4	\$ 41.6	\$ 79.0
Engineered Solutions Segment	\$ 36.7	\$ 40.6	\$ 31.7	\$ 147.8	\$ 147.1
Unallocated and Other Corporate Expenses	\$ (6.5)	\$ (1.9)	\$ (4.5)	\$ (17.6)	\$ (11.3)
Consolidated	\$ 66.8	\$ (7.9)	\$ 43.6	\$ 171.8	\$ 214.8
SPECIAL ITEMS					
Consumer & Specialties Segment	\$ 0.0	\$ 84.9	\$ 0.3	\$ 99.4	\$ 34.7
Engineered Solutions Segment	\$ 0.0	\$ 0.0	\$ 0.0	\$ 3.2	\$ 0.0
Unallocated and Other Corporate Expenses	\$ 2.4	\$ 0.0	\$ 0.1	\$ 5.5	\$ 3.0
Consolidated	\$ 2.4	\$ 84.9	\$ 0.4	\$ 108.1	\$ 37.7
SEGMENT OPERATING INCOME, EXCLUDING SPECIAL ITEMS					
Consumer & Specialties Segment	\$ 36.6	\$ 38.3	\$ 16.7	\$ 141.0	\$ 113.7
	<i>% of Sales</i>	<i>13.0%</i>	<i>13.2%</i>	<i>12.2%</i>	<i>10.1%</i>
Engineered Solutions Segment	\$ 36.7	\$ 40.6	\$ 31.7	\$ 151.0	\$ 147.1
	<i>% of Sales</i>	<i>15.1%</i>	<i>15.8%</i>	<i>15.0%</i>	<i>14.7%</i>
Unallocated Corporate Expenses	\$ (4.1)	\$ (1.9)	\$ (4.4)	\$ (12.1)	\$ (8.3)
Consolidated	\$ 69.2	\$ 77.0	\$ 44.0	\$ 279.9	\$ 252.5
	<i>% of Sales</i>	<i>13.2%</i>	<i>14.1%</i>	<i>12.9%</i>	<i>11.9%</i>

Reconciliation

EBITDA Excluding Special Items



millions of dollars	Quarter Ended			Twelve Months Ended	
	Dec. 31, 2023	Oct. 1, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Net income (loss)	\$ 39.8	\$ (19.2)	\$ 20.0	\$ 84.1	\$ 122.2
Add back:					
Depreciation, depletion and amortization	23.5	24.3	23.0	95.0	94.2
Interest expense, net	15.2	15.3	12.7	59.2	43.9
Equity in earnings of affiliates, net of tax	(1.4)	(1.0)	(0.3)	(4.3)	(1.7)
Net income attributable to non-controlling interests	1.0	1.1	1.4	4.2	4.1
Provision (benefit) for taxes on income	<u>9.2</u>	<u>(3.5)</u>	<u>6.3</u>	<u>23.7</u>	<u>32.1</u>
EBITDA	87.3	17.0	63.1	261.9	294.8
Add special items:					
Restructuring and other items, net	0.0	0.3	0.0	6.9	0.0
Impairment of assets	0.0	71.7	0.0	71.7	0.0
Acquisition-related expenses	0.0	0.0	0.4	0.3	5.1
Litigation expenses	2.4	12.9	0.0	29.2	32.6
Debt extinguishment expenses	0.0	0.0	0.0	0.0	6.9
Non-cash pension settlement charge	<u>0.0</u>	<u>0.0</u>	<u>1.8</u>	<u>0.0</u>	<u>3.5</u>
Adjusted EBITDA	\$ 89.7	\$ 101.9	\$ 65.3	\$ 370.0	\$ 342.9
% of sales	17.1%	18.6%	12.9%	17.1%	16.1%

Reconciliation

The Company Sales Growth Excluding BMI



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, excluding the sales of Barretts Minerals Inc. for the three months ended December 31, 2022, constituting a reconciliation to GAAP sales growth set forth below. On October 2, 2023, Barretts Minerals Inc. filed for relief under Chapter 11 of the U.S. Bankruptcy Code and as such the results of Barretts Minerals are not included in the Company's consolidated results for the fourth quarter of 2023. Barretts Minerals sales for the fourth quarter of 2022 were \$12.0 million. 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 of 2023.

Year over Year Sales Growth	Quarter Ended December 31, 2023			Year Ended December 31, 2023		
	Sales Growth	Impact of BMI Q4	Underlying Sales Growth	Sales Growth	Impact of BMI Q4	Underlying Sales Growth
	As Reported	Deconsolidation		As Reported	Deconsolidation	
Specialty Additives	(5)%	(8)%	3%	(1)%	(2)%	1%
Consumer & Specialties	3%	(5)%	8%	3%	(1)%	4%
MTI Consolidated	<u>3%</u>	<u>(3)%</u>	<u>6%</u>	<u>2%</u>	<u>(1)%</u>	<u>3%</u>

Reconciliation Free Cash Flow



millions of dollars	Quarter Ended			Twelve Months Ended	
	Dec. 31, 2023	Oct. 1, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Cash flow from operations	\$ 95.3	\$ 59.1	\$ 42.3	\$ 233.6	\$ 105.9
Capital expenditures	<u>22.5</u>	<u>25.1</u>	<u>22.9</u>	<u>93.5</u>	<u>82.3</u>
Free cash flow	\$ 72.8	\$ 34.0	\$ 19.4	\$ 140.1	\$ 23.6
Depreciation, depletion and amortization expense	\$ 23.5	\$ 24.3	\$ 23.0	\$ 95.0	\$ 94.2