

MINERALS TECHNOLOGIES INC.

FEB 1, 2019

FOURTH QUARTER 2018 CONFERENCE CALL



INNOVATION • LEADERSHIP • EXCELLENCE

SAFE HARBOR STATEMENT



This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 which describe or are based on current expectations. Actual results may differ materially from these expectations. In addition, any statements that are not historical fact (including statements containing the words “believes,” “plans,” “anticipates,” “expects,” “estimates,” and similar expressions) should also be considered to be forward-looking statements. The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements in this document should be evaluated together with the many uncertainties that affect our businesses, particularly those mentioned in the risk factors and other cautionary statements in our 2017 Annual Report on Form 10-K and in our other reports filed with the Securities and Exchange Commission.

Also, this presentation will include certain financial measures that were not prepared in accordance with generally accepted accounting principles. Reconciliations of those non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in our Current Report on Form 8-K dated January 31, 2019, 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.

MINERALS TECHNOLOGIES INC.

FEB 1, 2019

DOUGLAS DIETRICH

CHIEF EXECUTIVE OFFICER



INNOVATION • LEADERSHIP • EXCELLENCE

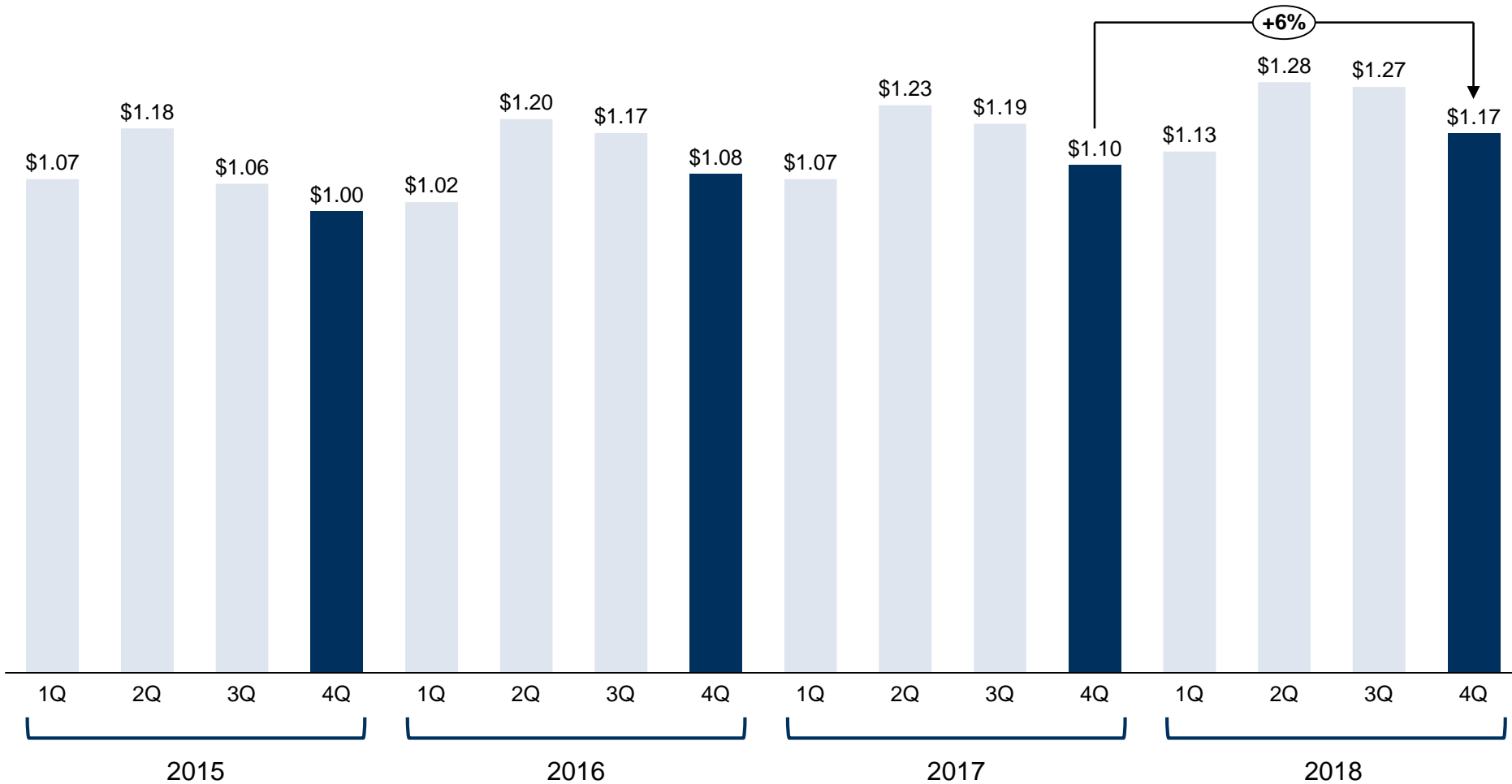
FOURTH QUARTER 2018 HIGHLIGHTS



- Earnings per Share +6% to \$1.17
- Revenue +4% to \$448 Million
- Operating Income of \$64M
- Pricing Actions and Strong Operating Performance Fully Offset Inflationary Costs
- 6% Productivity Improvement
- Progress with our Growth Initiatives

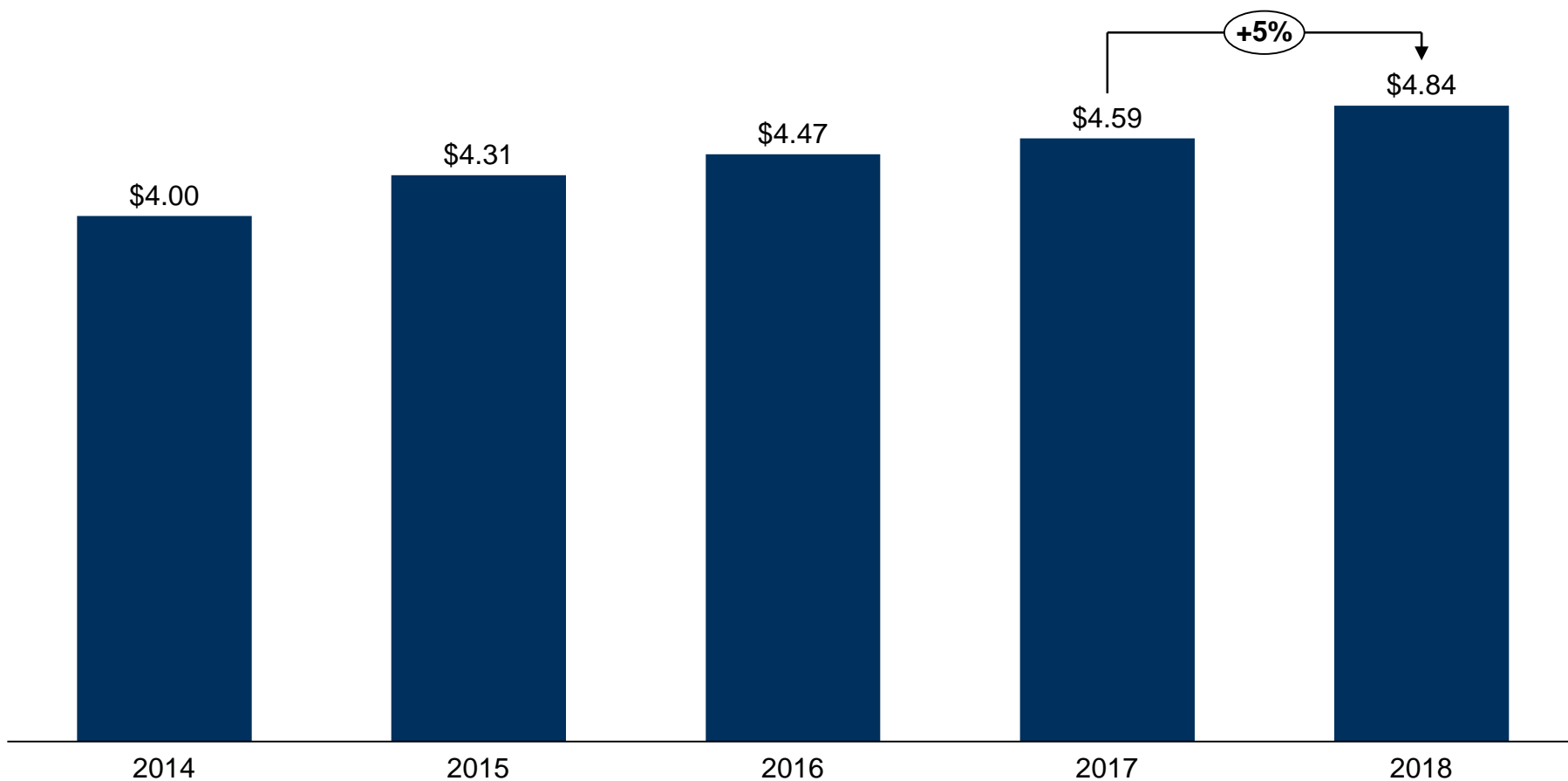
The above figures reflect the Company's operating income and EPS, excluding special items, such as acquisition-related costs, restructuring, gains/(losses) on asset sales and impairment costs and related tax effects, for all periods presented. These are non-GAAP measures that the Company believes provide meaningful supplemental information regarding its performance.

QUARTERLY EPS TREND



The above chart reflects the Company's EPS, excluding special items, such as acquisition-related costs, restructuring, gains/(losses) on asset sales and impairment costs and related tax effects, for all periods presented. This is a non-GAAP measure that the Company believes provides meaningful supplemental information regarding its performance.

ANNUAL EPS TRENDS



The above chart reflects the Company's EPS, excluding special items, such as acquisition-related costs, restructuring, gains/(losses) on asset sales and impairment costs and related tax effects, for all periods presented. This is a non-GAAP measure that the Company believes provides meaningful supplemental information regarding its performance.

2018 YEAR IN REVIEW



Growth

Sales, \$M
\$1,808
+8%

**Executing
Our Strategy**

Geographic Expansion

- Penetration of PCC and Metalcasting
- Double Digit Growth in India, Turkey, Indonesia, and Thailand

New Product Development

- Commercialized 35 New Products;
>\$100M Revenue Potential

Acquisition and Integration of Sivomatic

Operating Performance

EPS
\$4.84
+5%

**Strong Performance in
Challenging Environment**

Significant Margin Pressures

- \$41M in Higher Costs

Pricing Actions

- \$35M Price Increases Realized

Leveraged Strong Operating Culture

- Employee Engagement
- 6% Productivity
- SGA Percent of Sales 90 BPS Lower

Capital Deployment

**Continued Strong
Cash Generation**

**Balanced
Capital Deployment**

\$76M Capital Expenditures

- Investing in High Return Opportunities

\$123M Sivomatic Acquisition

\$80M Debt Repayment

\$29M Returned to Shareholders

The above chart reflects the Company's EPS, excluding special items, such as acquisition-related costs, restructuring, gains/(losses) on asset sales and impairment costs and related tax effects, for all periods presented. This is a non-GAAP measure that the Company believes provides meaningful supplemental information regarding its performance.

MATTHEW GARTH

CHIEF FINANCIAL OFFICER



INNOVATION ■ LEADERSHIP ■ EXCELLENCE

FOURTH QUARTER FINANCIAL HIGHLIGHTS

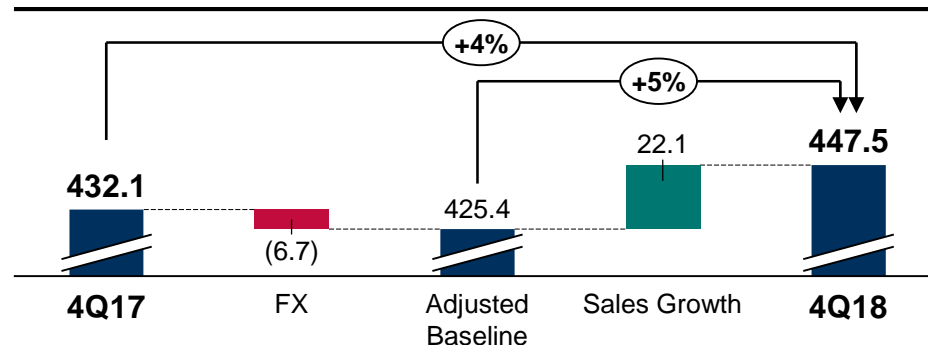


KEY FINANCIALS

	4Q17	4Q18	Change
Sales (\$M)	432.1	447.5	+4%
Gross Margin (%)	26.5	25.2	(130) bps
SGA (%)	11.9	10.9	(100) bps
Operating Income (\$M)	62.9	64.1	+2%
Operating Margin (%)	14.6	14.3	(30) bps
Earnings per Share (\$)	1.10	1.17	+6%

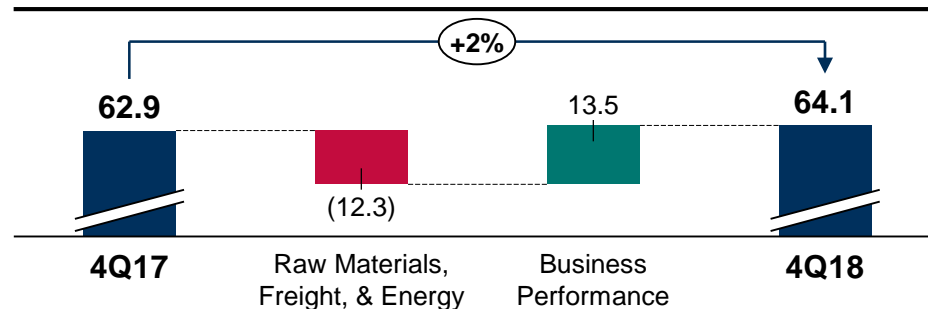
SALES BRIDGE

\$ Millions



OPERATING INCOME BRIDGE

\$ Millions



The above figures reflect the Company's EPS, operating income, and operating margin, excluding special items, such as acquisition-related costs, restructuring, gains/(losses) on asset sales and impairment costs and related tax effects, for all periods presented. These are non-GAAP measures that the Company believes provide meaningful supplemental information regarding its performance.

2018 FULL YEAR FINANCIAL HIGHLIGHTS

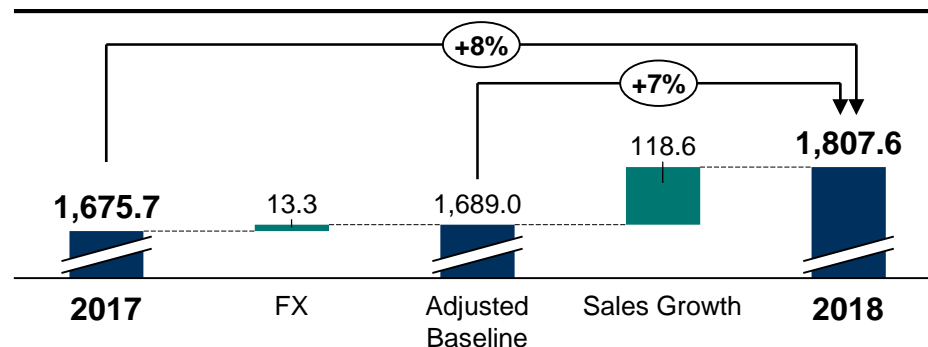


KEY FINANCIALS

	2017	2018	Change
Sales (\$M)	1,676	1,808	+8%
Gross Margin (%)	27.9	25.6	(230) bps
SGA (%)	12.1	11.2	(90) bps
Operating Income (\$M)	265	261	(2%)
Operating Margin (%)	15.8	14.4	(140) bps
Earnings per Share (\$)	4.59	4.84	+5%

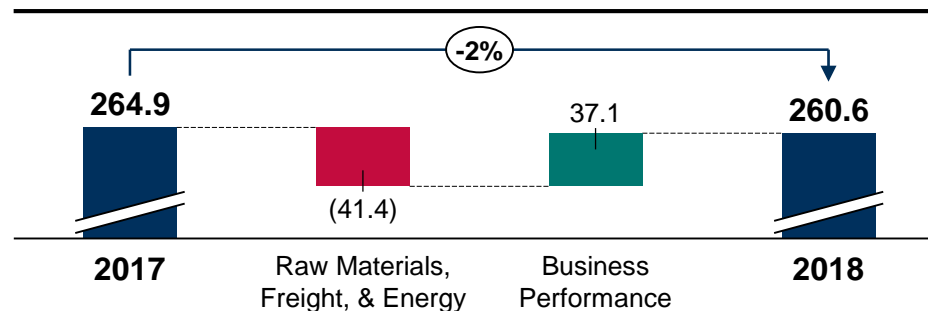
SALES BRIDGE

\$ Millions



OPERATING INCOME BRIDGE

\$ Millions



The above figures reflect the Company's EPS, operating income, and operating margin, excluding special items, such as acquisition-related costs, restructuring, gains/(losses) on asset sales and impairment costs and related tax effects, for all periods presented. These are non-GAAP measures that the Company believes provide meaningful supplemental information regarding its performance.

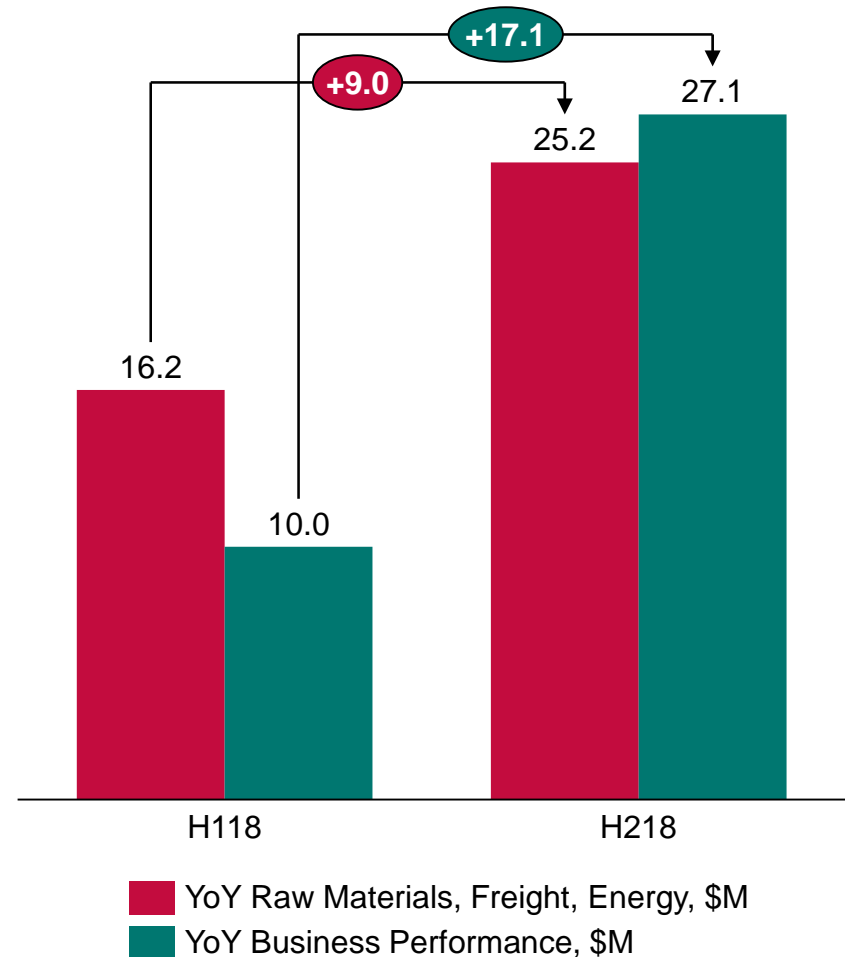
2018 ACTIONS TO OFFSET INFLATIONARY COSTS

Significant Inflationary Costs

- Raw Materials
- Freight
- Energy

Business Performance

- Price Increases
- Expense Control
- Productivity Improvement
- Continued Sales Growth

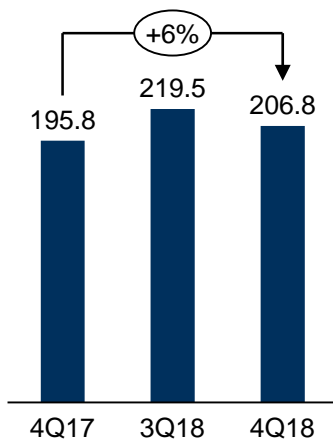


PERFORMANCE MATERIALS

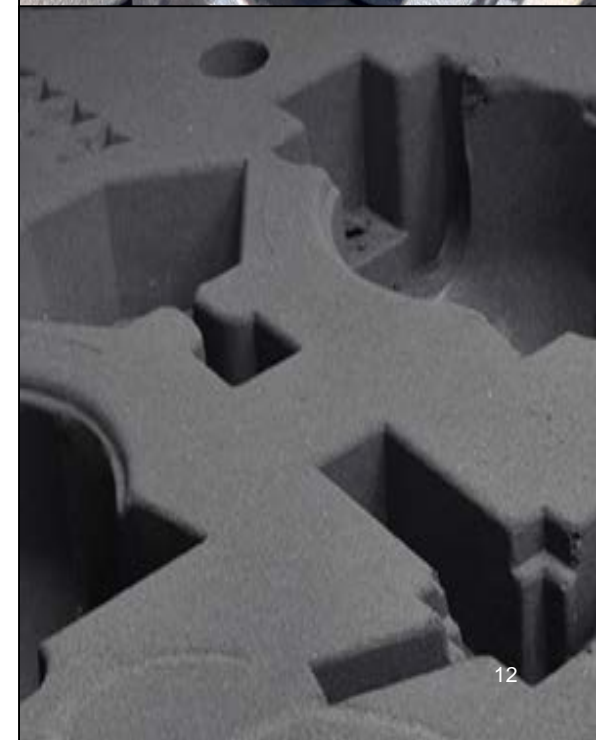
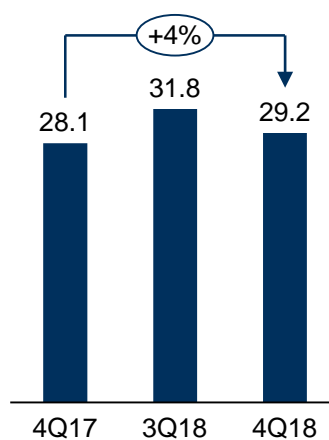


Fourth Quarter Results

Sales, \$M



Operating Income, \$M



Fourth Quarter Highlights

- Metalcasting +6%
- Household, Personal Care & Specialty (HPC) +50%
- Pricing and Productivity Offset Higher Raw Materials and Logistics Costs; Operating Margin at 14.1%

First Quarter Outlook

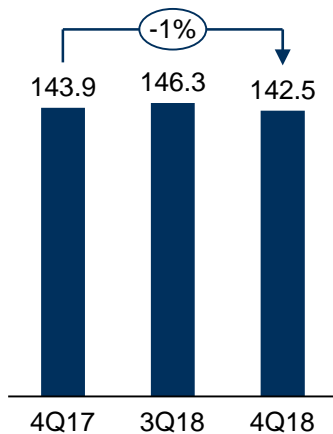
- Additional Pricing Actions In Place to Offset Logistics & Energy Inflation
- HPC Markets Remain Strong
- Seasonally Slow Period for Building Materials and Environmental Products
- Slowdown in Automotive in China; Blended Products Growth to Continue

SPECIALTY MINERALS

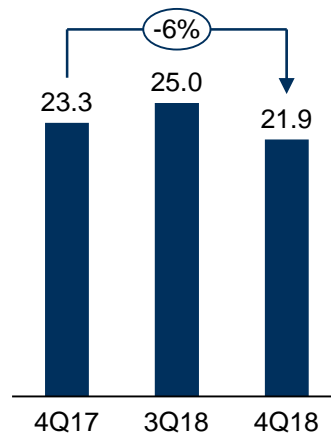


Fourth Quarter Results

Sales, \$M



Operating Income, \$M



Fourth Quarter Highlights

- PCC
 - Growth in Asia +2% Partially Offsetting Previously Announced NA Closures
- Processed Minerals Sales Flat
- Higher Energy and Lime Costs
- Segment Operating Margin at 15.4%

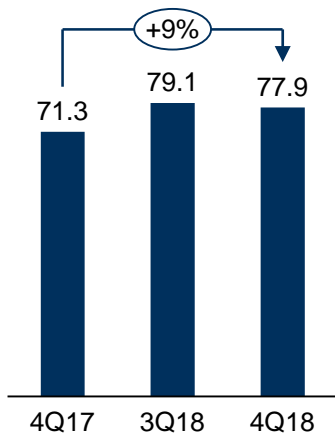
First Quarter Outlook

- PCC
 - Volume Impact of Port Hudson Closure
 - Continued Growth in Asia
 - Higher Lime Costs
- Processed Minerals
 - Typical Seasonality
 - Continued Pricing Actions
 - Higher Energy, Transportation Costs

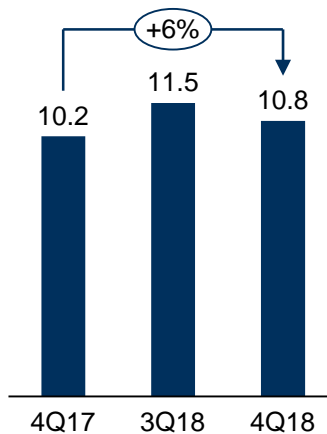
REFRACTORIES

Fourth Quarter Results

Sales, \$M



Operating Income, \$M



Fourth Quarter Highlights

- Strong Global Steel Utilization Rates at ~75% Driving Refractory Demand
- Refractory Product Sales +14%
- Pricing Actions and New Product Formulations Mitigating Raw Material Cost Increases
- Operating Margin of 13.9%

First Quarter Outlook

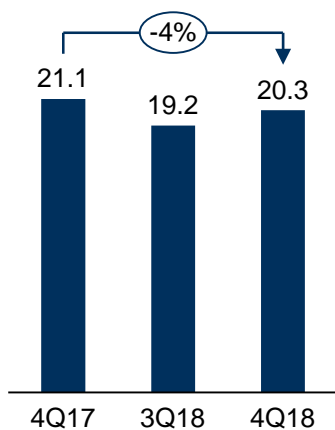
- North America Remains Strong
- European Steel Production Stable
- Signs of Slowing Steel Production in Turkey



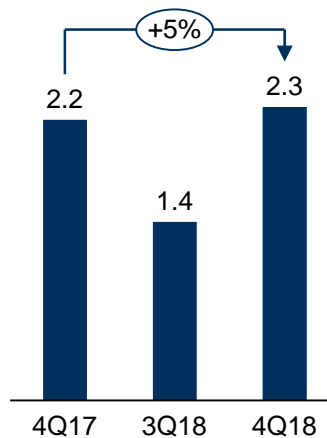
ENERGY SERVICES

Fourth Quarter Results

Sales, \$M



Operating Income, \$M



Fourth Quarter Highlights

- Sales Lower on Timing of Capital Sales
- Favorable Mix and Lower Expenses Versus Prior Year
- Operating Margin of 11.3%


First Quarter Outlook

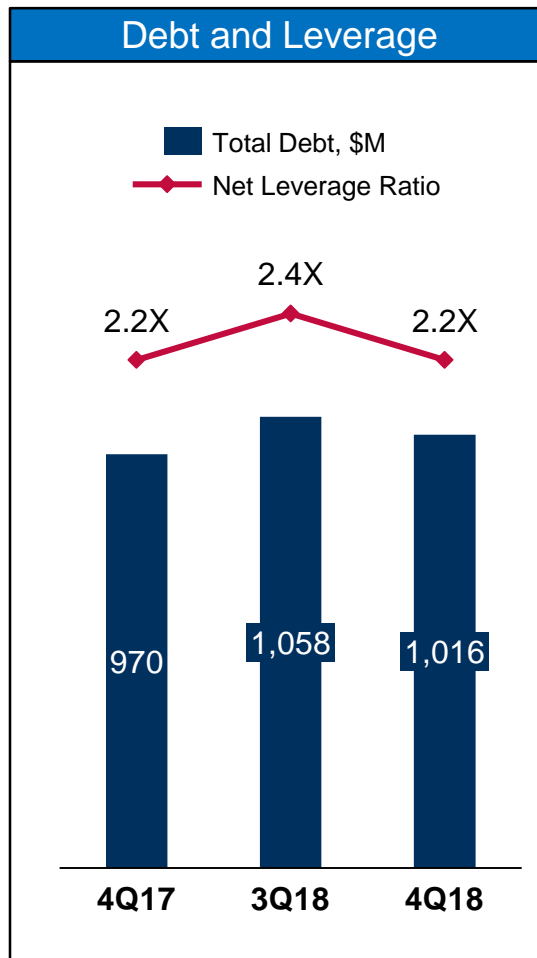
- Pipeline of Activity is Strong
- Expect Similar Level of Operating Performance



LIQUIDITY AND DEBT HIGHLIGHTS



Cash Generation and Use	
	<u>2018</u>
Cash From Ops*	\$204M
CapEx	\$76M
Free Cash Flow (FCF)	\$128M
*Includes \$15M Discretionary Pension Contributions	
	
\$80M Debt Repayment	
\$22M Share Repurchases	
\$7M Dividends Paid	



Liquidity	
	<u>12/31/18</u>
Cash, Cash Equivalents, and ST Investments	\$213M
Available Revolver	\$200M
Total Liquidity	\$413M

FIRST QUARTER OUTLOOK



MINERALS BUSINESSES

Performance Materials

- Additional Pricing Actions In Place to Offset Logistics & Energy Inflation
- HPC Markets Remain Strong
- Seasonally Slow Period for Building Materials and Environmental Products
- Slowdown in Automotive in China; Blended Products Growth to Continue

Specialty Minerals

- PCC: Volume Impact of Port Hudson Closure; Continued Growth in Asia; Higher Lime Cost
- Processed Minerals: Typical Seasonality; Continued Pricing Actions; Higher Energy, Transportation Costs

SERVICE BUSINESSES

Refractories

- North America Remains Strong
- European Steel Production Stable
- Signs of Slowing Steel Production in Turkey

Energy Services

- Pipeline of Activity is Strong
- Expect Similar Level of Operating Performance

Sales Growth

Continued Cost Recapture

Typical Seasonality

2019 PERSPECTIVE



MTI Fundamentals

**Engaged & Energized
Team**

**Advancing Growth
Strategy**

**Strong
Operating Culture**

2019 Business Outlook



- | | |
|------------------------------|--|
| Performance Materials | <ul style="list-style-type: none"> • Strong Pet Care Demand Globally; Leveraging Sivomatic Acquisition • Continued Metalcasting Penetration Despite Slowing Industry Growth in China • Trend Toward Higher-Value Environmental Products • Moderate Building Materials Growth |
|------------------------------|--|

- | | |
|---------------------------|---|
| Specialty Minerals | <ul style="list-style-type: none"> • Constructing Two Paper PCC Satellites; Robust Pipeline • SPCC Expansions • Acting to Offset Lime and Energy Inflation & North America Shutdowns |
|---------------------------|---|

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| Refractories | <ul style="list-style-type: none"> • Global Steel Utilization Rates Remaining Strong • Softness in Turkey Steel Market |
|---------------------|--|

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| Energy Services | <ul style="list-style-type: none"> • Moderate Increase in Activity • Opportunities in Well Testing and Produced Water |
|------------------------|---|

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| Operating Environment | <ul style="list-style-type: none"> • Continue to Manage Inflationary Costs • Pricing Actions in Place and Will Continue |
|------------------------------|---|

Aligned Organization • Operational Excellence • Strong Balance Sheet

FOURTH QUARTER 2018 CONFERENCE CALL



INNOVATION • LEADERSHIP • EXCELLENCE