

MINERALS TECHNOLOGIES (NYSE: MTX)

May 2019

# MTI OVERVIEW

INNOVATION • LEADERSHIP • EXCELLENCE



# SAFE HARBOR STATEMENT

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*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 2018 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 May 2, 2019, 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.*

# MTI AT A GLANCE



COUNTRIES

35

PRODUCTION  
LOCATIONS

158

R&D CENTERS

12

EMPLOYEES

3,720

2018 TOTAL NET SALES

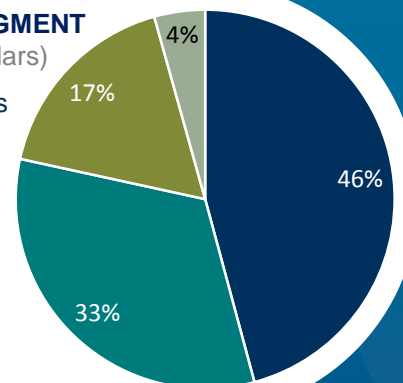
**\$1.8 BILLION**

**MINERALS TECHNOLOGIES INC.** is a resource- and technology-based company that develops, produces and markets worldwide a broad range of specialty mineral, mineral-based and synthetic mineral products and related systems and services.

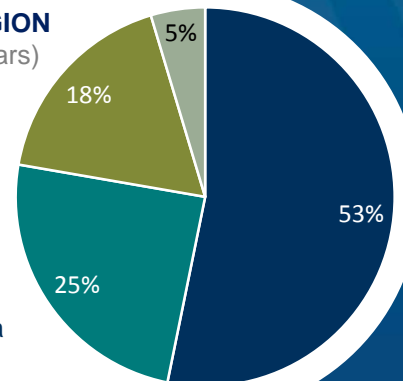
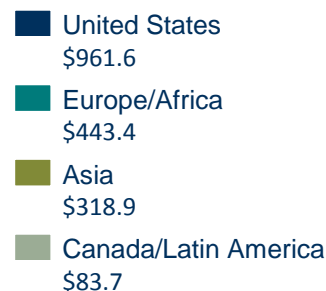
MTX  
LISTED  
NYSE

Since October 23, 1992

**2018 NET SALES BY SEGMENT**  
(percentage/millions of dollars)



**2018 NET SALES BY REGION**  
(percentage/millions of dollars)



# MTI BUSINESS SEGMENTS



	Minerals Businesses		Service Businesses	
	Performance Materials (Bentonite)	Specialty Minerals (Carbonates)	Refractories	Energy Services
2018 Net Sales	\$828M 46% of MTI	\$589M 33% of MTI	\$312M 17% of MTI	\$78M 4% of MTI
2018 Operating Income	\$117.3M 14.2% of Sales	\$96.1M 16.3% of Sales	\$45.4M 14.6% of Sales	\$6.3M 8.0% of Sales
Product Lines	Metalcasting Household & Personal Care Basic Minerals Environmental Products Building Materials	Precipitated Calcium Carbonate (Paper and Specialty)  Ground Calcium Carbonate  Talc	Refractory Products Metallurgical Wire Laser Measurement Equipment Steel Mill Service	Off-Shore Water Filtration Off-Shore Well Testing
Market Positions	#1 Worldwide in Bentonite #1 in U.S. in Metalcasting Binders #1 in U.S. in Bulk Clumping Cat Litter and #1 in Europe in Premium Cat Litter #1 in Quality Assurance Waterproof Concrete Structures	#1 Worldwide in Precipitated Calcium Carbonate  #1 in North America in Specialty PCC	#1 in N. American Monolithic Refractories #1 N. America and Europe in Solid Core Calcium Wire #1 Globally in Refractory Laser Measurement Systems	#1 in Gulf of Mexico Flow-back Filtration, Produced Water Deepwater Projects, and High Pressure/High-Temp Well Testing  Leading Global Off-Shore Produced Water and Well Testing Services Company

# MTI VALUE PROPOSITION



## Leveraging Unique Reserve Position

### Carbonate Mines



*Global, High Quality Mines  
Highly Competitive Ore Brightness  
25+ Years of Reserves*

### Bentonite Mines



*World Bentonite Leader  
Unmatched Natural Sodium Bentonite  
25+ Years of Reserves*

## Adding Value Through Operational Excellence & Innovation

### World Class Operations



**35**  
Countries

**158**  
Locations

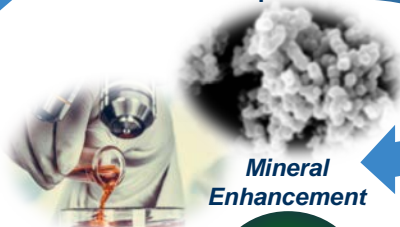
**6%**  
Productivity

### Environmental Responsibility

*PCC Consumed  
1.3M Tons CO<sub>2</sub>*

*China  
Eco-Partnership*

### Customer Focused Research & Development

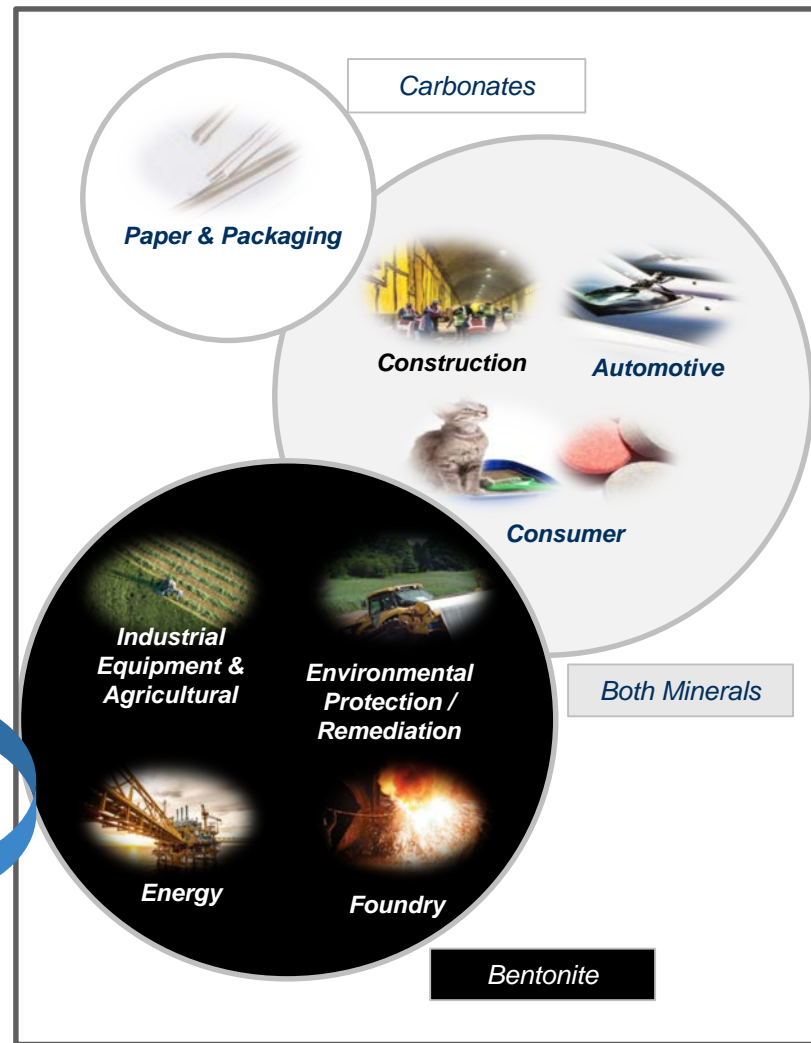


*Product & Process  
Innovation*

*Mineral  
Enhancement*

**12**  
R&D Labs

## Serving Customer Needs in High-Value Markets



# MTI GROWTH STRATEGY



## ORGANIC GROWTH OF EXISTING BUSINESSES

THROUGH



**Geographic Expansion**



**New Product Development**



**Acquisitions**

Value added technology  
driven minerals companies

**MTI Business System / Operational Excellence**

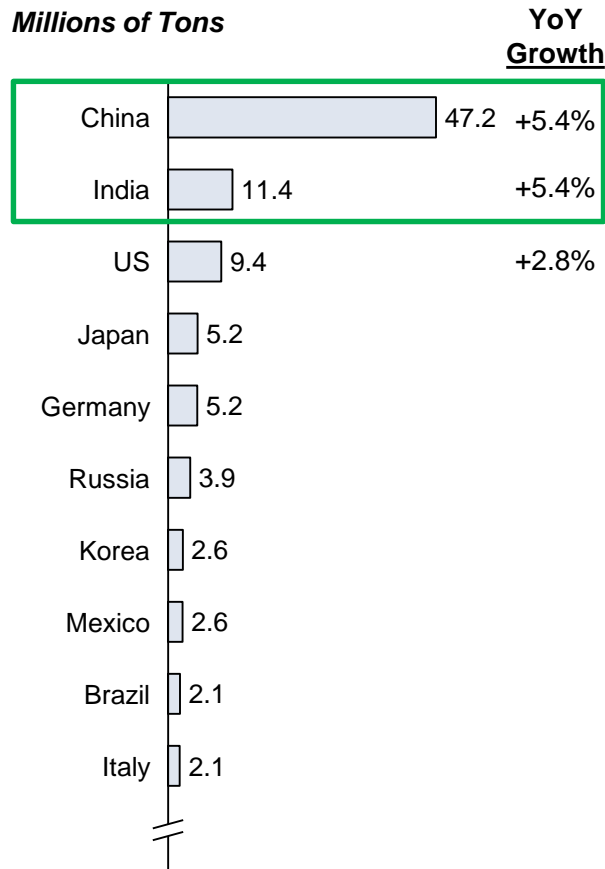
Continuously improving our  
processes and systems

Continuously improving our  
leadership / employee capabilities

# METALCASTING PENETRATION IN CHINA AND INDIA



## Casting Production by Country



Source: Modern Casting, December 2017

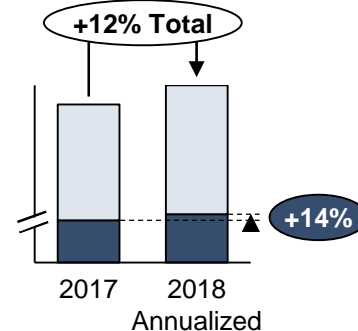
## MTI Greensand Bond Sales

### MTI Sales Growth

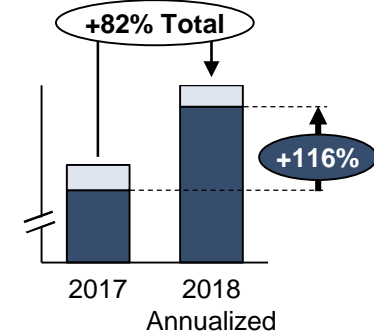
Charts on Different Scales

■ Pre-Blended Products ■ Bulk Bentonite

### China

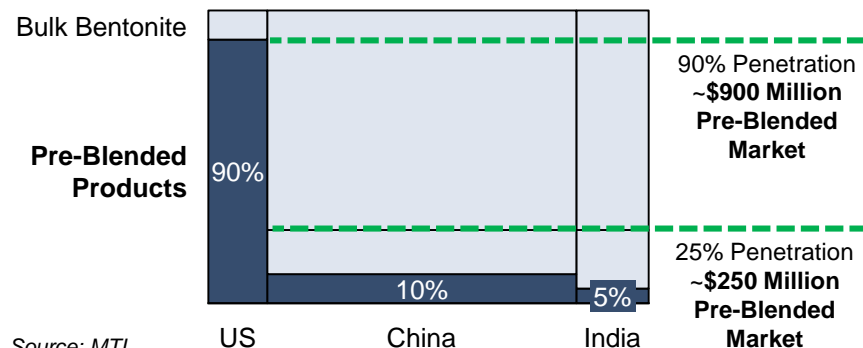


### India



## Pre-Blended Market Penetration

### Relative Market Size (Width) and Pre-Blended Penetration (%)



Source: MTI

The numbers above reflect estimates provided on MTI's second quarter 2018 earnings call.

# PAPER PCC PENETRATION IN CHINA AND INDIA



## Uncoated Woodfree Paper Demand

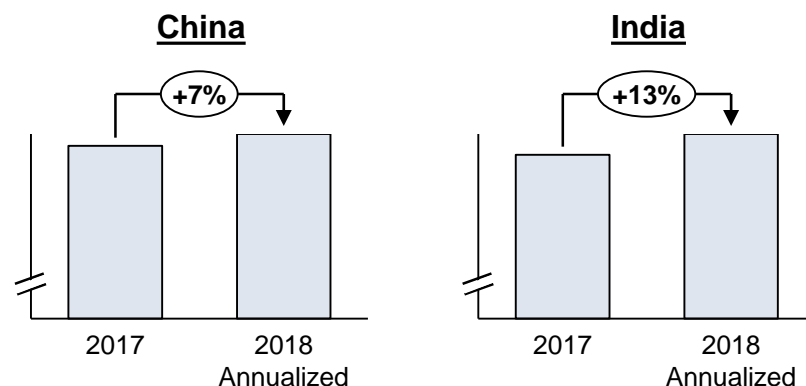
	Millions of Tons, 2017	YoY Growth*
China	15.6	+1.2%
Europe	9.8	(1.4%)
Rest of Asia	8.9	+0.7%
N. America	7.6	(2.9%)
India	4.0	+3.7%
L. America	3.4	+1.4%

\*2018 Forecast  
Source: RISI 03-2018

## MTI Paper PCC Sales

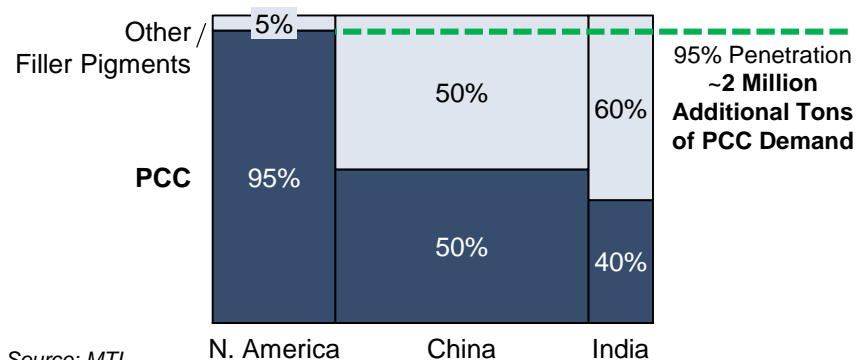
### MTI Paper PCC Sales Growth

Charts on Different Scales



## PCC Uncoated Woodfree Market Penetration

### Relative Market Size (Width) and PCC Penetration (%)



Source: MTI

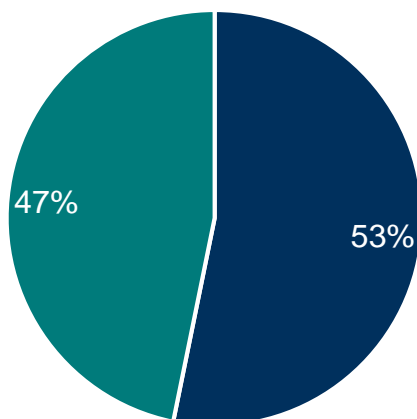
# ORGANIC GROWTH HIGHLIGHTS



## Revenue by Region

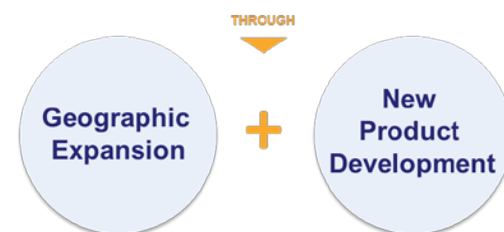
Year Ended December 31, 2018

% of Total	Growth (Excluding FX)	Growth (Including FX)
<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #003366; margin-right: 5px;"></div> <div>US 53%</div> </div>	+2%	+2%
<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #008080; margin-right: 5px;"></div> <div>International 47%</div> </div>	+13%	+15%
<b>Total MTI</b>	<b>+7%</b>	<b>+8%</b>



## Growth Drivers

### ORGANIC GROWTH OF EXISTING BUSINESSES



- New PCC Satellites and Expansions Globally
- Specialty PCC Expansions in US / UK
- Continued Metalcasting and PCC Penetration in Asia
- Fabric Care – New Additive Rolling Out Globally
- Continued Growth in Lightweight Cat Litter
- Bleaching Earth Facility in Turkey Ramping Up
- New Waste Water and Environmental Remediation Technologies
- ~280 Products in Development Representing >\$600M Revenue at Full Potential

# ACQUISITION IN 2018: SIVOMATIC PET CARE BUSINESS



## MTI Acquisition Criteria & Sivomatic

Criteria	Sivomatic
<ul style="list-style-type: none"> <li>Minerals-based Companies with Technological Differentiation</li> </ul>	✓
<ul style="list-style-type: none"> <li>Provide Additional Growth Venues (Geographies, Attractive Markets)</li> </ul>	✓
<ul style="list-style-type: none"> <li>Extend Existing Business Positions (Global Reach, Technology)</li> </ul>	✓



## Transaction Summary

- Purchase Price: \$122.5M
- Accretive to Earnings in 2018
- FY18 Revenue: \$61.8M (acquired 4/30/18)
- Strong Track Record of Revenue Growth

# 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

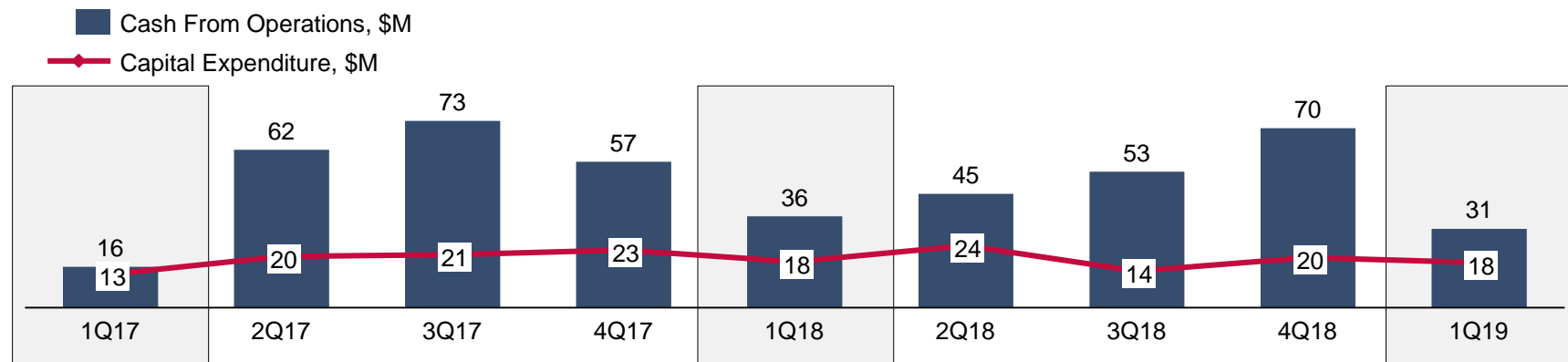
### \$29M Returned to Shareholders

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.

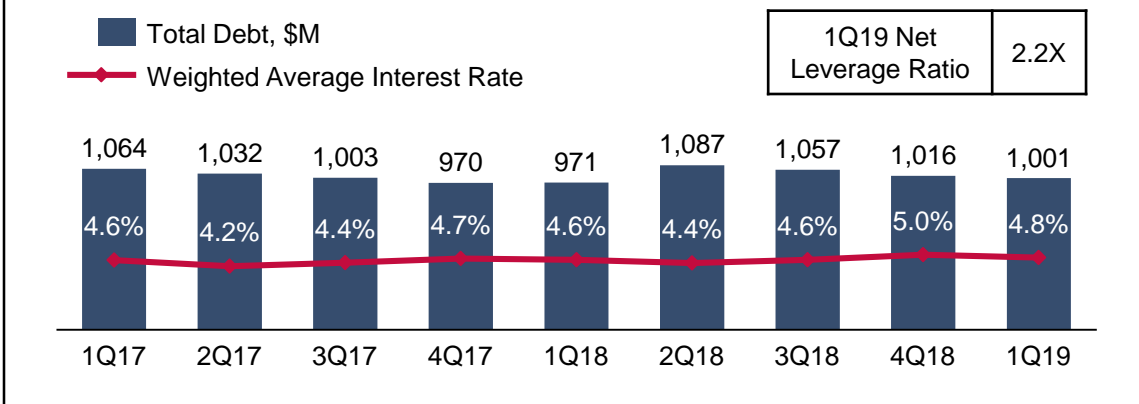
# LIQUIDITY AND DEBT HIGHLIGHTS



## Cash Flow and Capital Deployment



## Debt and Leverage

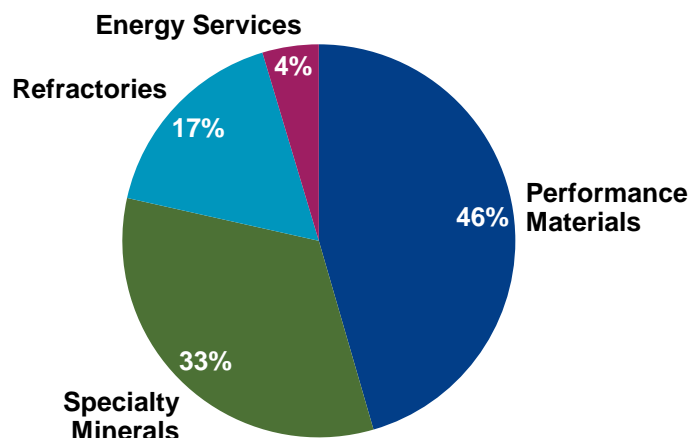


## Liquidity

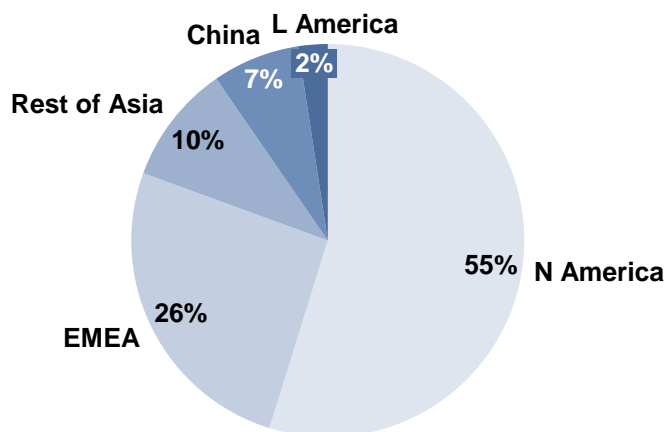
	3/31/19
Cash, Cash Equivalents, and ST Investments	\$207M
Available Revolver	\$200M
<b>Total Liquidity</b>	<b>\$407M</b>

# MTI MARKET OVERVIEW

## 1Q19 Sales by Segment



## 1Q19 Sales by Geographic Area



## Market Commentary

### Performance Materials (Bentonite-based)

Metalcasting: Continued Strong Demand in NA, India and Southeast Asia; Stronger Second Half in China

Pet Care: Positive Outlook; Global Position; Strong Private Label Demand

Building Materials: Seasonal Increases in Q2; Cautious Outlook on Commercial Construction Market

Environmental: Strong Customer Pull for Our New Higher Margin Remediation Products

### Specialty Minerals (Carbonate-based)

PCC: Healthy NA & EU Paper Mill Operating Rates; Demand for SPCC Supported by New Products and Expansions

GCC / Talc: Seasonal Uptick in Our Residential Construction Products

### Refractories

Stable Steel Market Conditions in US; Europe Slower

### Energy Services

Increased Activity in GOM Driving Demand for Well Testing and Filtration

# FINANCIAL ADDENDUM: Q1 Earnings Materials

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# FIRST QUARTER 2019 HIGHLIGHTS

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## Financial Highlights

- Revenue +1% to \$438 Million; +4% Excluding Foreign Exchange
- Operating Income of \$62M
- Double Digit Operating Margins Across All Segments
- Earnings per Share of \$1.11

## Market Highlights

- Slow Start to the Year; Business Activity Accelerated in March
- Strong Pet Care, Environmental Products and SPCC

## Growth Strategy

- Capacity Expansions Driving Geographic Growth
- Robust Innovation Pipeline
- Continue to Evaluate Acquisitions

## Operational Highlights

- 2% Price Increase Offsetting Inflation
- 4% Productivity Improvement
- Strong Expense Control

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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.

# FIRST QUARTER FINANCIAL HIGHLIGHTS

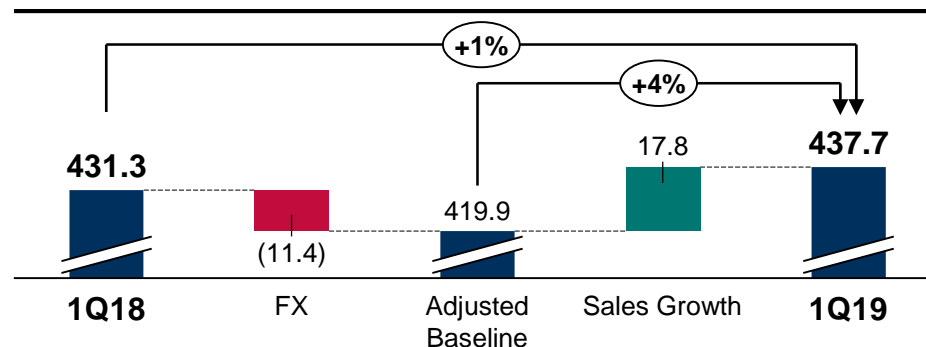


## KEY FINANCIALS

	1Q18	1Q19	Change
Sales (\$M)	431.3	437.7	+1%
Gross Margin (%)	26.3	25.1	(120) bps
SGA (%)	11.7	10.9	(80) bps
Operating Income (\$M)	63.0	62.0	(2%)
Operating Margin (%)	14.6	14.2	(40) bps
Earnings per Share (\$)	1.13	1.11	(2%)

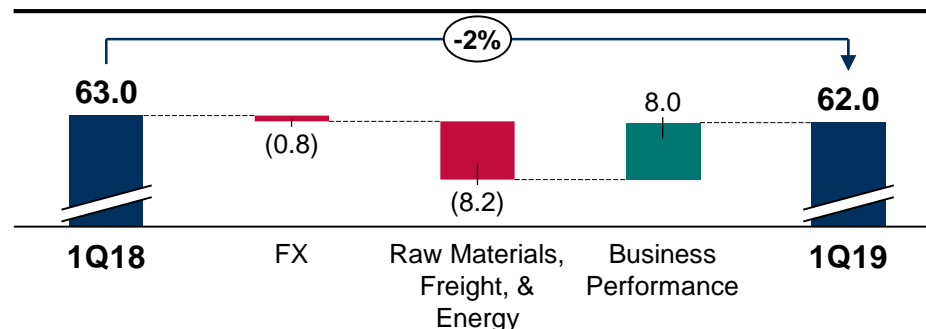
## SALES BRIDGE

\$ Millions



## OPERATING INCOME BRIDGE

\$ Millions



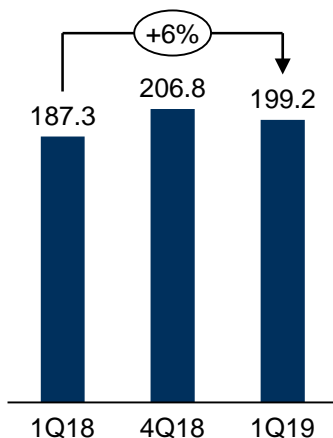
The above figures reflect the Company's EPS, operating income, and operating margin, excluding special items, such as acquisition-related costs, restructuring, gains/(losses) on asset sales and impairment costs and related tax effects, for all periods presented. These are non-GAAP measures that the Company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

# PERFORMANCE MATERIALS

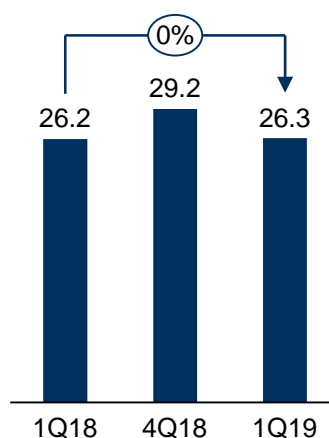


## First Quarter Results

### Sales, \$M



### Operating Income, \$M

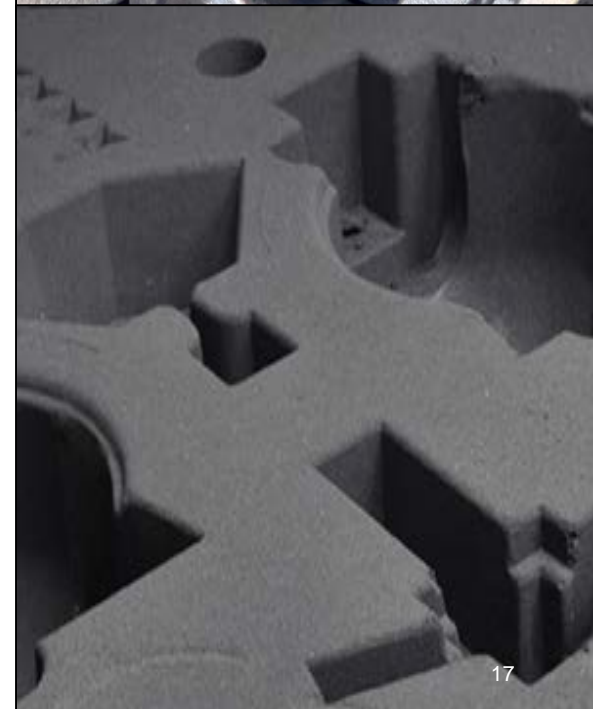


## First Quarter Highlights

- HPC +54%: Sivomatic and NA Pet Care
- Environmental Products +25%
- Slow Start in Building Materials, Basic Minerals, and China Metalcasting (Primarily Specialty Sands)
- Operating Margin at 13.2%; Impacted by Weaker Product Mix

## Second Quarter Outlook

- Seasonally Stronger Period
- Continued Strength in HPC, Driven by Pet Care
- Greensand Bond Sales Improving in Asia and Continued Strength in US Metalcasting

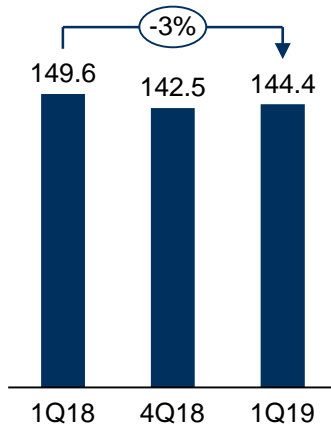


# SPECIALTY MINERALS

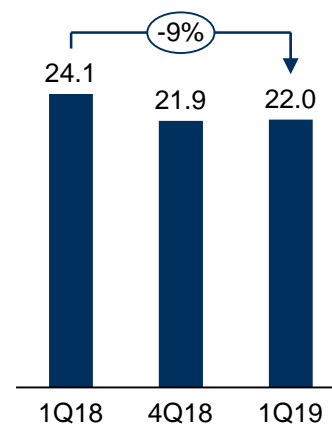


## First Quarter Results

### Sales, \$M



### Operating Income, \$M



## First Quarter Highlights

- Sales Flat Excluding Foreign Exchange
- Paper Machine Shutdowns in North America and Slow Start in China, Partially Offset by SPCC Growth
- Segment Operating Margin at 15.2%; Margins Impacted by Foreign Exchange and PCC Shutdowns

## Second Quarter Outlook

### PCC

- Paper Machine Shutdowns Offset by Continued Penetration in Asia
- Continued Growth in SPCC

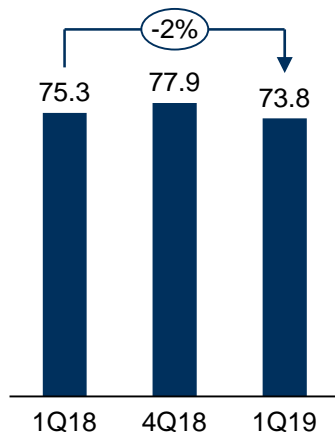
### Processed Minerals

- Seasonally Stronger Period

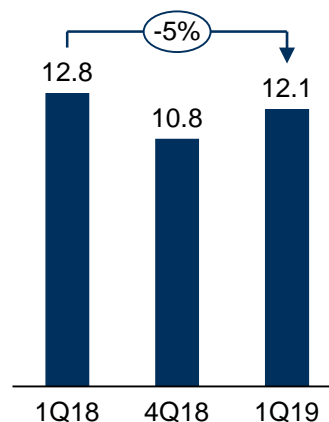
# REFRACTORIES

## First Quarter Results

### Sales, \$M



### Operating Income, \$M



## First Quarter Highlights

- Continued Strong Steel Market Conditions in US; Utilization Rates 82%
- Weaker Q1 Conditions in Europe, Mainly in Turkey and Germany
- Lower Metallurgical Wire Sales
- Operating Margin of 16.4%

## Second Quarter Outlook

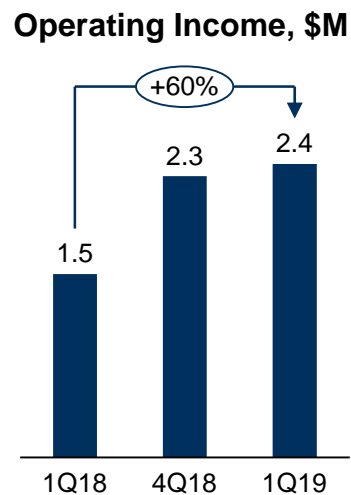
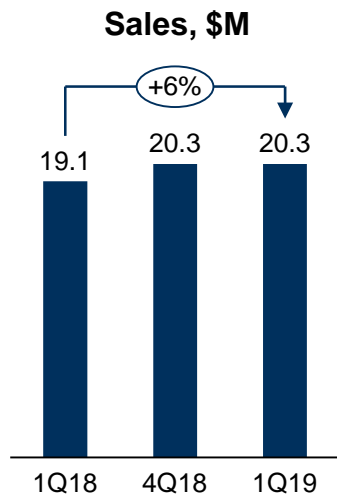
- North America Remains Strong, Continuing to Offset Softness in Europe
- Strong Year for Equipment Sales; Lower Sales in Q2 Due to Timing
- Newest Hybrid Product Trials in Europe



# ENERGY SERVICES



## First Quarter Results



## First Quarter Highlights

- Sales Growth Driven by Higher Well Testing Activity
- Favorable Mix and Lower Expenses Versus Prior Year
- Operating Margin of 11.8%

## Second Quarter Outlook

- Customer Activity Improving in GOM
- Strong Sales Pipeline Shaping Up for the Rest of the Year

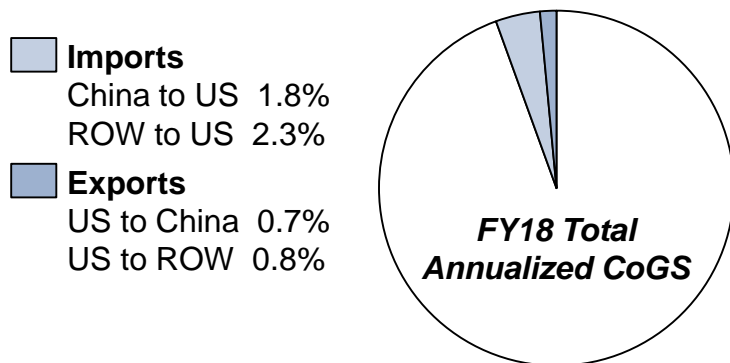


# GLOBAL TRADE DYNAMICS

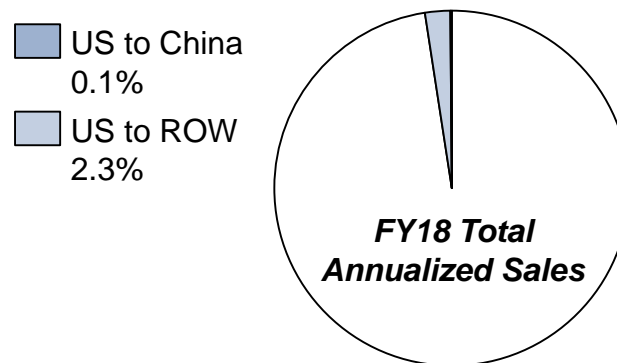


## MTI Trade Flows To / From USA

### Raw Material Imports / Exports

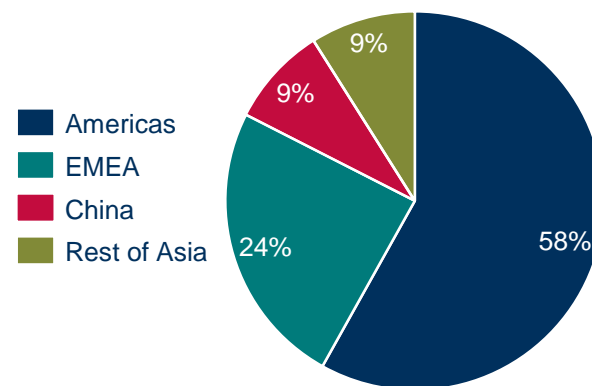


### Finished Goods Exports



- **MTI Primarily Sources and Sells Locally**
- **Primary Import:** Magnesium Oxide (MgO) for Refractory Products (Currently no tariff proposed).
- **Primary Export:** Bentonite (Currently 8% tariff imposed on bentonite).
- **Total Tariff Impact:** <\$1M

## 2018 Annualized Sales by Region



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