



Third Quarter 2023 Earnings Conference Call

October 27, 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; 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 October 26, 2023, 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

Third Quarter 2023 Highlights



Net Sales

\$548M

▲
+1%

Operating
Income

\$77M

▲
+15%

EPS

\$1.49

▲
+10%

Record third quarter sales

Record quarterly operating income

- Operating margin 14.1%, 170 bps improvement YoY

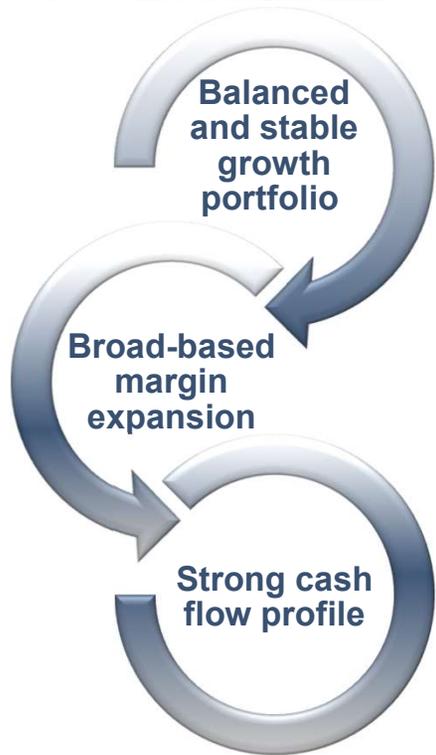
Cash flow generation continues to accelerate

- Q3 cash from operations increased 30% sequentially
- YTD cash from operations more than doubled over prior year

Announced dividend increase and new \$75M share repurchase program

Barretts Minerals Inc. (“BMI”) bankruptcy protection

Strong Business Model Driving Performance



- Expanding in higher growth consumer-oriented markets and geographies
- Differentiated positions in key industrial markets
- Applying core technologies for continuous innovation

- Price/cost benefits
- Growth in higher margin products
- Leveraging fixed cost base

- Returning to historical levels of cash conversion
- Maintaining a strong balance sheet
- Capacity to return capital to shareholders while preserving M&A flexibility

People | Operational Excellence | Core Technologies | Unique Mineral Reserves

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Market Outlook



CONSUMER & SPECIALTIES



Household & Personal Care

Strong market outlook



- Seasonally high period for cat litter and continued growth in private label
- Stable market growth in other consumer-oriented markets



Specialty Additives

Steady market outlook



- Gradual improvement in paper production in North America
- Continued strength in Asia paper and packaging
- Seasonally slower period in construction

ENGINEERED SOLUTIONS



High-Temperature Technologies

Strong market outlook



- Stable steel and foundry demand in North America
- Steady improvement in demand for foundry products in China



Environmental & Infrastructure

Cautious market outlook



- Continued weakness in commercial construction
- Environmental remediation and wastewater solutions demand remains stable



Erik Aldag

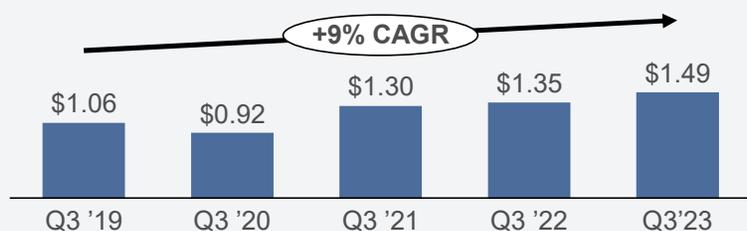
Senior Vice President, Finance and Treasury,
& Chief Financial Officer

Third Quarter Financial Review



	Q3'23	YoY	Seq
Sales (\$M)	548	+1%	(1%)
Operating Income (\$M)	77	+15%	+9%
Operating Margin (%)	14.1	+170bps	+130bps
EBITDA (\$M)	102	+13%	+10%
EBITDA Margin (%)	18.6	+200bps	+180bps
EPS (\$)	1.49	+10%	+14%

Earnings Per Share Trend



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Versus Prior Year

Sales (\$M)



Operating Income (\$M)



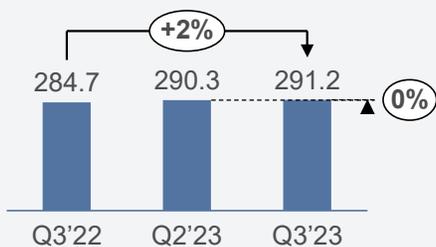
Operating Income, Operating Margin, EBITDA, and Earnings Per Share exclude special items

Consumer & Specialties Segment

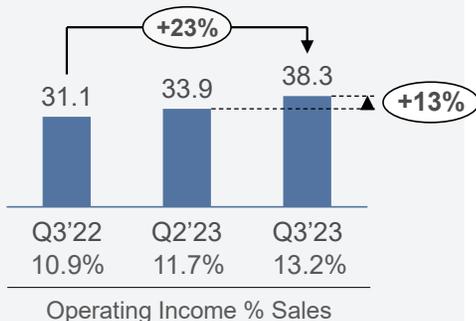


Financial Results

Sales, \$M



Operating Income, \$M



Third Quarter Highlights

Household & Personal Care

- Strong growth in pet care, +15% YoY
- Growth sequentially in personal care, edible-oil purification & animal health applications

Specialty Additives

- Growth from new PCC satellites in Asia
- Lower sales in food; strength in other consumer end-markets for GCC
- Mixed conditions in construction

YoY margin improvement +230 bps

Fourth Quarter Outlook

Household & Personal Care

- Continued strength in global pet litter demand
- Stronger conditions across other end-markets

Specialty Additives

- Gradual improvement in paper & packaging; new plant start-ups in Asia
- Seasonally slower period for construction
- Deconsolidation of BMI

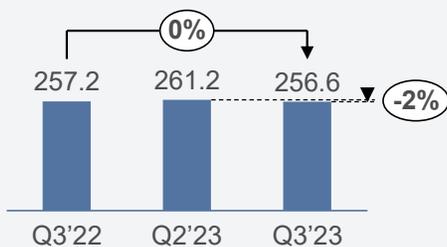
Operating income ~\$33M

Engineered Solutions Segment

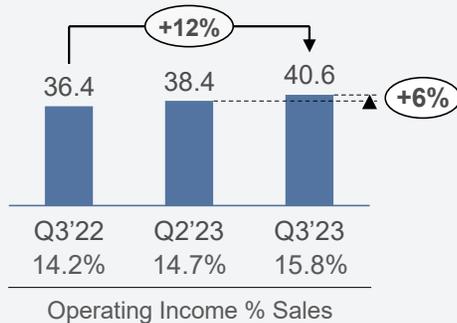


Financial Results

Sales, \$M



Operating Income, \$M



Third Quarter Highlights

High-Temperature Technologies

- Continued strong pull in North America foundry & steel
- Growth in foundry volume in China

Environmental & Infrastructure

- YoY growth in remediation, wastewater and drilling applications continued
- Commercial construction remains slow

YoY margin improvement +160 bps

Fourth Quarter Outlook

High-Temperature Technologies

- Stable demand conditions in North America foundry & steel
- Continued improvement in China foundry
- Increase in laser equipment sales

Environmental & Infrastructure

- Seasonally slower period for environmental and construction projects

Operating Income ~\$35M

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Operating income and operating margin exclude special items

Balance Sheet & Cash Flow



Cash Flow and Capital Deployment

	Q3'23	YTD'23
Cash From Operations	\$59M	\$138M
Capital Expenditures	\$25M	\$71M
Free Cash Flow	\$34M	\$67M

Shareholder Returns

Increased Quarterly Dividend to \$0.10 per Share

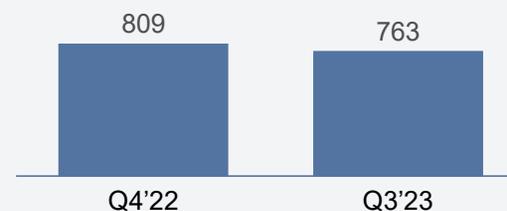
\$75M Share Repurchase Program

Liquidity

	Q3'23
Cash, Cash Equivalents, and Short-Term Investments	\$278M
Available Revolver	\$180M
Total Liquidity	\$458M

Debt & Leverage

Net Debt, \$M Net Leverage Ratio: 2.2X



Fourth Quarter Outlook Summary



Key drivers

- Consumer & Specialties:
 - Continued strength in Household & Personal Care
 - Improving paper volumes offset other seasonal impacts in Specialty Additives
- Engineered Solutions:
 - Continued strength in High-Temperature Technologies
 - Seasonally slower period in Environmental & Infrastructure
- Continued cash flow improvement

Q4 Operating Income
\$65M - \$70M

Q4 EPS
\$1.20 - \$1.30

Guidance reflects the deconsolidation of BMI

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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 nine month periods ended October 1, 2023 and October 2, 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, except per share data	Quarter Ended		Nine Months Ended	
	Oct. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022
Net income (loss) attributable to MTI	\$ (19.2)	\$ 13.4	\$ 44.4	\$ 102.4
Special items:				
Restructuring and other items, net	0.3	0.0	6.9	0.0
Impairment of assets	71.7	0.0	71.7	0.0
Acquisition related expenses	0.0	0.5	0.3	4.7
Litigation expenses	12.9	31.1	26.8	32.6
Debt extinguishment expenses	0.0	6.9	0.0	6.9
Non-cash pension settlement charge	0.0	0.2	0.0	1.7
Related tax effects on special items	<u>(17.2)</u>	<u>(8.0)</u>	<u>(21.8)</u>	<u>(9.7)</u>
Net income attributable to MTI, excluding special items	\$ <u>48.5</u>	\$ <u>44.1</u>	\$ <u>128.3</u>	\$ <u>138.6</u>
Diluted earnings per share, excluding special items	\$ 1.49	\$ 1.35	\$ 3.94	\$ 4.21

Reconciliation

Segment Operating Income Excluding Special Items and Free Cash Flow

millions of dollars, except per share data

	Quarter Ended		Nine Months Ended	
	Oct. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022
Segment Operating Income (Loss) Data				
Consumer & Specialties Segment	\$ (46.6)	\$ (0.3)	\$ 5.0	\$ 62.6
Engineered Solutions Segment	40.6	36.4	111.1	115.4
Unallocated Corporate Expenses	<u>(1.9)</u>	<u>(0.5)</u>	<u>(11.1)</u>	<u>(6.8)</u>
Consolidated	\$ (7.9)	\$ 35.6	\$ 105.0	\$ 171.2
Special Items				
Consumer & Specialties Segment	\$ 84.9	\$ 31.4	\$ 99.4	\$ 34.4
Engineered Solutions Segment	0.0	0.0	3.2	0.0
Unallocated Corporate Expenses	<u>0.0</u>	<u>0.2</u>	<u>3.1</u>	<u>2.9</u>
Consolidated	\$ 84.9	\$ 31.6	\$ 105.7	\$ 37.3
Segment Operating Income Data, Excluding Special Items				
Consumer & Specialties Segment	\$ 38.3	\$ 31.1	\$ 104.4	\$ 97.0
% of Sales	13.2%	10.9%	11.9%	11.4%
Engineered Solutions Segment	40.6	36.4	114.3	115.4
% of Sales	15.8%	14.2%	14.9%	15.1%
Unallocated Corporate Expenses	<u>(1.9)</u>	<u>(0.3)</u>	<u>(8.0)</u>	<u>(3.9)</u>
Consolidated	\$ 77.0	\$ 67.2	\$ 210.7	\$ 208.5
% of Sales	14.1%	12.4%	12.8%	12.9%
Cash flow from operations	\$ 59.1	\$ 30.4	\$ 138.3	\$ 63.6
Capital expenditures	<u>25.1</u>	<u>19.2</u>	<u>71.0</u>	<u>59.4</u>
Free cash flow	\$ 34.0	\$ 11.2	\$ 67.3	\$ 4.2

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Reconciliation

EBITDA Excluding Special Items



millions of dollars, except per share data

	Quarter Ended		Nine Months Ended	
	Oct. 1, 2023	Oct. 2, 2022	Oct. 1, 2023	Oct. 2, 2022
Net income (loss) attributable to MTI	\$ (19.2)	\$ 13.4	\$ 44.4	\$ 102.4
Add back:				
Depreciation, depletion and amortization	24.3	23.3	71.5	71.2
Interest expense, net	15.3	11.0	44.0	31.2
Equity in earnings of affiliates, net of tax	(1.0)	(0.7)	(3.0)	(1.4)
Net income attributable to non-controlling interests	1.1	1.2	3.2	2.6
Provision (benefit) for taxes on income	<u>(3.5)</u>	<u>3.2</u>	<u>14.5</u>	<u>25.8</u>
EBITDA	17.0	51.4	174.6	231.8
Add special items:				
Restructuring and other items, net	0.3	0.0	6.9	0.0
Impairment of assets	71.7	0.0	71.7	0.0
Acquisition-related expenses	0.0	0.5	0.3	4.7
Litigation expenses	12.9	31.1	26.8	32.6
Debt extinguishment expenses	0.0	6.9	0.0	6.9
Non-cash pension settlement charge	<u>0.0</u>	<u>0.2</u>	<u>0.0</u>	<u>1.7</u>
Adjusted EBITDA	\$ 101.9	\$ 90.1	\$ 280.3	\$ 277.7
% of sales	18.6%	16.6%	17.0%	17.2%