

MINERALS TECHNOLOGIES INC
Form 10-Q
May 03, 2019
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2019

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-11430

--

MINERALS TECHNOLOGIES INC.
(Exact name of registrant as specified in its charter)

DELAWARE 25-1190717
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

622 Third Avenue, New York, NY 10017-6707
(Address of principal executive offices, including zip code)

(212) 878-1800
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, \$0.10 par value	MTX	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

Edgar Filing: MINERALS TECHNOLOGIES INC - Form 10-Q

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer
Non-accelerated Filer (Do not check if a smaller reporting company) Smaller Reporting Company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

As of April 22, 2019, there were 35,235,161 shares of common stock, par value of \$0.10 per share, of the registrant outstanding.

MINERALS TECHNOLOGIES INC.
INDEX TO FORM 10-Q

	Page No.
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements:	
<u>Condensed Consolidated Statements of Income for the three-month periods ended March 31, 2019 and April 1, 2018 (Unaudited)</u>	3
<u>Condensed Consolidated Statements of Comprehensive Income for the three-month periods ended March 31, 2019 and April 1, 2018 (Unaudited)</u>	4
<u>Condensed Consolidated Balance Sheets as of March 31, 2019 (Unaudited) and December 31, 2018</u>	5
<u>Condensed Consolidated Statements of Cash Flows for the three-month periods ended March 31, 2019 and April 1, 2018 (Unaudited)</u>	6
<u>Condensed Consolidated Statements of Shareholders' Equity for the three-month periods ended March 31, 2019 and April 1, 2018 (Unaudited)</u>	7
<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>	8
<u>Report of Independent Registered Public Accounting Firm</u>	22
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	23
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	30
Item 4. <u>Controls and Procedures</u>	30
PART II. OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	32
Item 1A. <u>Risk Factors</u>	33
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	33
Item 3. <u>Default Upon Senior Securities</u>	33
Item 4. <u>Mine Safety Disclosures</u>	33
Item 5. <u>Other Information</u>	33
Item 6. <u>Exhibits</u>	33
<u>Signature</u>	34

PART 1. FINANCIAL INFORMATION

ITEM 1. Financial Statements

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)

	Three Months Ended	
	Mar. 31, 2019	Apr. 1, 2018
(in millions of dollars, except per share data)		
Product sales	\$417.4	\$412.2
Service revenue	20.3	19.1
Total net sales	437.7	431.3
Cost of goods sold	314.0	305.0
Cost of service revenue	14.0	12.8
Total cost of sales	328.0	317.8
Production margin	109.7	113.5
Marketing and administrative expenses	42.9	44.4
Research and development expenses	4.8	6.1
Acquisition related transaction and integration costs	—	0.4
Income from operations	62.0	62.6
Interest expense, net	(11.4)	(10.7)
Other non-operating deductions, net	(1.4)	(2.7)
Total non-operating deductions, net	(12.8)	(13.4)
Income from operations before tax and equity in earnings	49.2	49.2
Provision for taxes on income	9.3	9.3
Equity in earnings of affiliates, net of tax	0.1	1.2
Consolidated net income	40.0	41.1
Less:		
Net income attributable to non-controlling interests	0.9	1.2
Net income attributable to Minerals Technologies Inc.	\$39.1	\$39.9

Earnings per share:

Basic:

Income from operations attributable to Minerals Technologies Inc.	\$ 1.11	\$ 1.13
---	---------	---------

Diluted:

Edgar Filing: MINERALS TECHNOLOGIES INC - Form 10-Q

Income from operations attributable to Minerals Technologies Inc.	\$ 1.11	\$ 1.12
Cash dividends declared per common share	\$0.05	\$0.05
Shares used in computation of earnings per share:		
Basic	35.2	35.4
Diluted	35.3	35.7

See accompanying Notes to Condensed Consolidated Financial Statements.

3

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited)

	Three Months Ended	
	Mar. 31, 2019	Apr. 1, 2018
(millions of dollars)		
Consolidated net income	\$40.0	\$41.1
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(0.4)	15.2
Pension and postretirement plan adjustments	1.6	1.9