

MINERALS TECHNOLOGIES INC
Form 10-Q
August 04, 2017

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 July 2, 2017

or

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

Commission File Number 1-11430

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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)

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

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or and 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.

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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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 21, 2017
Common Stock, \$0.10 par value	35,093,234

MINERALS TECHNOLOGIES INC.

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PART 1. FINANCIAL INFORMATION

ITEM 1. Financial Statements

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

	Three Months		Six Months Ended	
	Ended		July 2,	July 3,
	July 2,	July 3,	July 2,	July 3,
	2017	2016	2017	2016
	(in millions, except per share data)			
Product sales	\$396.2	\$407.0	\$782.5	\$791.4
Service revenue	17.9	20.0	36.6	45.8
Total net sales	414.1	427.0	819.1	837.2
Cost of goods sold	282.7	291.2	561.7	568.8
Cost of service revenue	11.7	14.7	24.0	34.6
Total cost of sales	294.4	305.9	585.7	603.4
Production margin	119.7	121.1	233.4	233.8
Marketing and administrative expenses	44.1	45.1	88.5	91.8
Research and development expenses	6.1	6.1	11.9	12.0
Acquisition related transaction and integration costs	0.8	1.6	2.3	3.2
Restructuring and other changes, net	0.2	28.8	0.5	29.7
Income from operations	68.5	39.5	130.2	97.1
Interest expense, net	(10.2)	(13.9)	(22.0)	(28.0)
Debt modification costs and fees	-	-	(3.9)	-
Other non-operating income (deductions), net	(1.2)	0.6	(1.7)	2.3
Total non-operating deductions, net	(11.4)	(13.3)	(27.6)	(25.7)
Income from continuing operations before provision for taxes and equity in earnings	57.1	26.2	102.6	71.4
Provision for taxes on income	13.4	4.5	23.5	15.2
Equity in earnings of affiliates, net of tax	0.1	0.6	0.3	0.9
Consolidated net income	43.8	22.3	79.4	57.1
Less:				
Net income attributable to non-controlling interests	0.8	1.1	1.8	2.0
Net income attributable to Minerals Technologies Inc. (MTI)	\$43.0	\$21.2	\$77.6	\$55.1
Earnings per share:				
Basic:				
Income from continuing operations attributable to MTI	\$1.23	\$0.61	\$2.21	\$1.58