

MINERALS TECHNOLOGIES INC
Form 10-Q
July 26, 2013
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 June 30, 2013

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 (I.R.S. Employer
incorporation or organization) 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 or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b2 of the Exchange Act.

Edgar Filing: MINERALS TECHNOLOGIES INC - Form 10-Q

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company

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 15, 2013
Common Stock, \$0.10 par value	34,662,751

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 and six-month periods ended June 30, 2013 and July 1, 2012 (Unaudited)</u>	3
<u>Condensed Consolidated Statements of Comprehensive Income for the three-month and six-month periods ended June 30, 2013 and July 1, 2012 (Unaudited)</u>	4
<u>Condensed Consolidated Balance Sheets as of June 30, 2013 (Unaudited) and December 31, 2012</u>	5
<u>Condensed Consolidated Statements of Cash Flows for the six-month periods ended June 30, 2013 and July 1, 2012 (Unaudited)</u>	6
<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>	7
<u>Review Report of Independent Registered Public Accounting Firm</u>	16
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	17
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	26
Item 4. <u>Controls and Procedures</u>	27
PART II. OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	27
Item 1A. <u>Risk Factors</u>	28
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	28
Item 3. <u>Default Upon Senior Securities</u>	28
Item 4. <u>Mine Safety Disclosures</u>	29
Item 5. <u>Other Information</u>	29

Item 6. Exhibits

29

Signature

30

PART 1. FINANCIAL INFORMATION

ITEM 1. Financial Statements

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

(in thousands, except per share data)	Three Months Ended		Six Months Ended	
	June 30, 2013	July 1, 2012	June 30, 2013	July 1, 2012
Net sales	\$256,844	\$251,358	\$507,357	\$505,916
Cost of goods sold	197,995	194,562	392,625	393,511
Production margin	58,849	56,796	114,732	112,405
Marketing and administrative expenses	21,644	21,631	44,456	44,304
Research and development expenses	4,826	5,025	9,644	10,072
Income from operations	32,379	30,140	60,632	58,029
Non-operating deductions, net	(1,472)	(767)	(1,339)	(1,366)
Income from continuing operations before provision for taxes	30,907	29,373	59,293	56,663
Provision for taxes on income	8,221	8,682	16,267	16,755
Income from continuing operations, net of tax	22,686	20,691	43,026	39,908
Loss from discontinued operations, net of tax	(4,947)	(452)	(5,683)	(1,061)
Consolidated net income	17,739	20,239	37,343	38,847
Loss: income attributable to non-controlling interests	619	524	1,467	1,100
Net income attributable to Minerals Technologies Inc. (MTI)	17,120	19,715	35,876	37,747
Earnings (Loss) per share:				
Basic:				
Income from continuing operations attributable to MTI	\$0.63	\$0.57	\$1.19	\$1.09
Loss from discontinued operations attributable to MTI	(0.14)	(0.01)	(0.16)	(0.03)
	\$0.49	\$0.56	\$1.03	\$1.06

Basic earnings per share attributable to
MTI

Diluted:

Income from continuing operations attributable to MTI	\$0.63	\$0.57	\$1.18	\$1.09
Loss from discontinued operations attributable to MTI	(0.14)	(0.01)	(0.16)	(0.03)
Diluted earnings per share attributable to MTI	\$0.49	\$0.56	\$1.02	\$1.06

Cash dividends declared per common share	\$0.050	\$0.025	\$0.10	\$0.05
---	---------	---------	--------	--------

Shares used in computation of earnings per share:

Basic	34,799	35,448	34,897	35,442
Diluted	35,031	35,580	35,141	35,590

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(thousands of dollars)	Three Months Ended		Six Months Ended	
	June 30, 2013	July 1, 2012	June 30, 2013	July 1, 2012
Consolidated net income	\$17,739	\$20,239	\$37,343	\$38,847
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	(7,826)	(16,066)	(22,611)	(6,967)
Pension and postretirement plan adjustments	1,983	1,831	3,749	3,652
Cash flow hedges:				
Net derivative gains (losses) arising during the period	(72)	1,213	514	679
Comprehensive income	11,824	7,217	18,995	36,211
Comprehensive (income) loss attributable to non-controlling interest	211	132	(168)	(811)
Comprehensive income attributable to MTI	\$12,035	\$7,349	\$18,827	\$35,400

See accompanying Notes to Condensed Consolidated Financial Statements.