

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 18, 2016**

**NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**001-11038**  
(Commission File Number)

**41-0857886**  
(I.R.S. Employer Identification Number)

**4201 Woodland Road**  
**P.O. Box 69**  
**Circle Pines, Minnesota**  
(Address of principal executive offices)

**55014**  
(Zip Code)

**(763) 225-6600**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 7.01. Regulation FD Disclosure.**

Beginning on or after July 18, 2016, management of Northern Technologies International Corporation (“NTIC”) intends to make presentations at investor conferences and in other forums and these presentations may include the information contained in Exhibit 99.1 attached to this Current Report on Form 8-K. A copy of the presentation slides containing such information that may be disclosed by NTIC is attached as Exhibit 99.1 to this report and the information set forth therein is incorporated herein by reference and constitutes a part of this report. NTIC intends to disclose the information contained in Exhibit 99.1, in whole or in part, and with updates and possibly modifications, in connection with presentations to investors, analysts and others during the remainder of calendar 2016.

NTIC is furnishing the information contained in Exhibit 99.1 pursuant to Regulation FD. This information is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

The information contained in Exhibit 99.1 is summary information that is intended to be considered in the context of NTIC’s Securities and Exchange Commission (“SEC”) filings and other public announcements that NTIC may make, by press release or otherwise, from time to time. NTIC undertakes no duty or obligation to publicly update or revise the information contained in this report or Exhibit 99.1, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure. By filing this report and furnishing this information, NTIC makes no admission as to the materiality of any information in this report and Exhibit 99.1 that is required to be disclosed solely by reason of Regulation FD.

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits.*

<b>Exhibit No.</b>	<b>Description</b>
99.1	Presentation by Northern Technologies International Corporation (furnished herewith)

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**NORTHERN TECHNOLOGIES  
INTERNATIONAL CORPORATION**

A handwritten signature in black ink, appearing to read 'M. C. Wolsfeld', written in a cursive style.

By: Matthew C. Wolsfeld  
*Chief Financial Officer and Corporate Secretary*

Dated: July 18, 2016

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NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

CURRENT REPORT ON FORM 8-K

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>	<u>Method of Filing</u>
99.1	Presentation by Northern Technologies International Corporation	Furnished herewith



 **Northern Technologies  
International Corporation**

Fiscal 2016 Third Quarter  
Investor Presentation





# Forward Looking Statements



Statements contained in this presentation that are not historical information are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about NTIC's future financial performance and targets; the future estimated market sizes, growth rates, demand for and sales of NTIC's products, and such other statements which can be identified by words such as "expect," "anticipate," "estimate," "will," "would," "could," "targets," words of similar meaning, future dates and any other statements that are not historical facts. Such forward-looking statements are based upon the current beliefs and expectations of NTIC's management and are inherently subject to risks and uncertainties that could cause actual results to differ materially from those projected or implied. Such potential risks and uncertainties include, but are not limited to, in no particular order: the success of NTIC China and its ability to generate significant sales, NTIC's pending litigation with its former Chinese joint venture partners and Cortec Corporation; NTIC's dependence on the success of its joint ventures and fees and dividend distributions that NTIC receives from them; NTIC's relationships with its joint ventures and its ability to maintain those relationships; effect of the recent referendum vote of the United Kingdom to exit the European Union on NTIC's operating results, including in particular future net sales of NTIC's European and other joint ventures; risks related to the European sovereign debt crisis, economic slowdown and political unrest; risks associated with NTIC's international operations; exposure to fluctuations in foreign currency exchange rates; the health of the U.S. and worldwide economies, including in particular the U.S. automotive industry; the level of growth in NTIC's markets; NTIC's investments in research and development efforts; acceptance of existing and new products; timing of NTIC's receipt of purchase orders under supply contracts; variability in oil and gas, and Natur-Tec sales, and the effect on NTIC's quarterly financial results; increased competition; the costs and effects of complying with changes in tax, fiscal, government and other regulatory policies, including rules relating to environmental, health and safety matters; and NTIC's reliance on its intellectual property rights and the absence of infringement of the intellectual property rights of others. More detailed information on these and additional factors which could affect NTIC's results is described in NTIC's filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q. NTIC urges all interested parties to read these reports to gain a better understanding of the many business and other risks that the company faces. Additionally, NTIC undertakes no obligation to publicly release the results of any revisions to these forward-looking statements, which may be made to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events.

## Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), NTIC uses certain non-GAAP financial measures in this presentation. NTIC uses non-GAAP financial measures as supplemental measures of performance and believes these measures facilitate operating performance comparisons from period to period and company to company by factoring out potential differences caused by non-recurring, unusual or infrequent charges not related to NTIC's regular, ongoing business, variations in capital structure, tax positions, depreciation, non-cash charges and certain large and unpredictable charges. NTIC believes that the presentation of certain non-GAAP financial measures provides useful information to investors in evaluating its operations, period over period. Non-GAAP measures have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of NTIC's results as reported under GAAP. When analyzing NTIC's operating performance, investors should not consider NTIC's net income, as adjusted, for example, as a substitute for NTIC's net income prepared in accordance with GAAP or any other non-GAAP financial measure as a substitute for the comparable GAAP financial measure. Investors should note that any non-GAAP financial measures used by NTIC may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies. Whenever NTIC uses non-GAAP financial measures, it provides a reconciliation of the non-GAAP financial measure to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measure.

## Industry Information

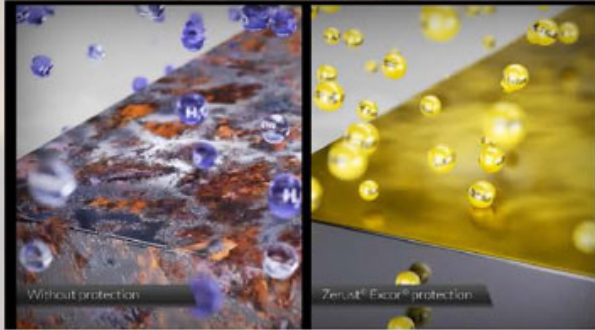
Information regarding market and industry statistics contained in this presentation is based on information available to NTIC that NTIC believes is accurate. It is generally based on publications that are not produced for these purposes or economic analysis.

# Northern Technologies International Corporation (Nasdaq: NTIC)



Northern Technologies International Corporation develops leading corrosion inhibiting products and services, as well as bio-based and biodegradable polymer compounds.

## Core Zerust VCI (Volatile Corrosion Inhibitor) Protection Technology



Leading Brands Solving Large Global Problems

**ZERUST**  **EXCOR**

**ZERUST**® OIL & GAS

**Natur-Tec**®  
Sustainable Biobased Materials





# NTIC At A Glance



## Business



Founded 1970



Global Presence  
Through 19 JVs and 3  
Subsidiaries



Approximately 120  
Global  
Employees

## Strong Balance Sheet (at May 31, 2016)



Total Cash Position<sup>(1)</sup>



Cash at JVs<sup>(2)</sup>



No Debt

<sup>(1)</sup>Includes cash and cash equivalents and securities available for sale

<sup>(2)</sup>Of the \$18.6 mil. of investments in JVs, over 55% is cash, with the remaining balance invested in working capital

## Stock Data (at June 30, 2016)



Recent  
Stock Price



Diluted Shares  
Outstanding



Market  
Cap

## Growth



37% CAGR in Net Sales  
from 2009 - 2015



Oil & Gas and Bioplastics  
Growth Catalysts



# Long-Term Growth Initiatives



## Fiscal 2019 Financial Targets

- Double reported net sales
- Achieve earnings per diluted share over \$2.00

## Enhance Market Share



Increase Core Industrial Corrosion Business



Develop New Corrosion Prevention Solutions



Enhance JVs

## Emerging Geographies



Ramp Up New Chinese 100% Owned Subsidiary

## Develop New Business Opportunities



Grow Oil & Gas Business



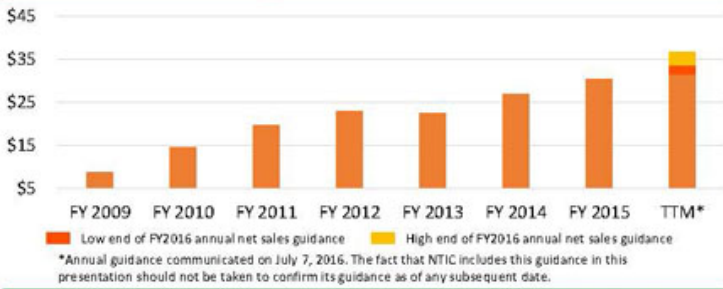
Accelerate Natur-Tec Business



# Annual Sales



## NTIC Reported Net Sales Growth

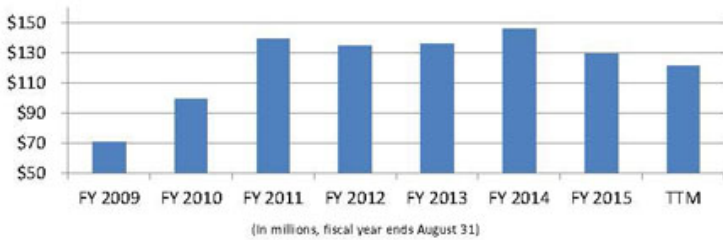


NTIC has a unique financial model, as sales through JVs are not consolidated on the company's income statement

Reported net sales increased from fiscal 2009 - 2015 at a 37.1% CAGR

Management expects fiscal 2016 reported net sales to be up at least 12% compared to the prior fiscal year

## Worldwide Net Sales (Includes JVs and NTIC Sales)



Fiscal 2016 nine month annual worldwide net sales impacted by:

- The absence of NTIC's former Chinese JV net sales,
- Significant weakening of major foreign currencies in comparison to the US dollar, and
- weaker demand for our ZERUST products in Europe.

NTIC is proactively working with JVs to strengthen market share and improve performance globally

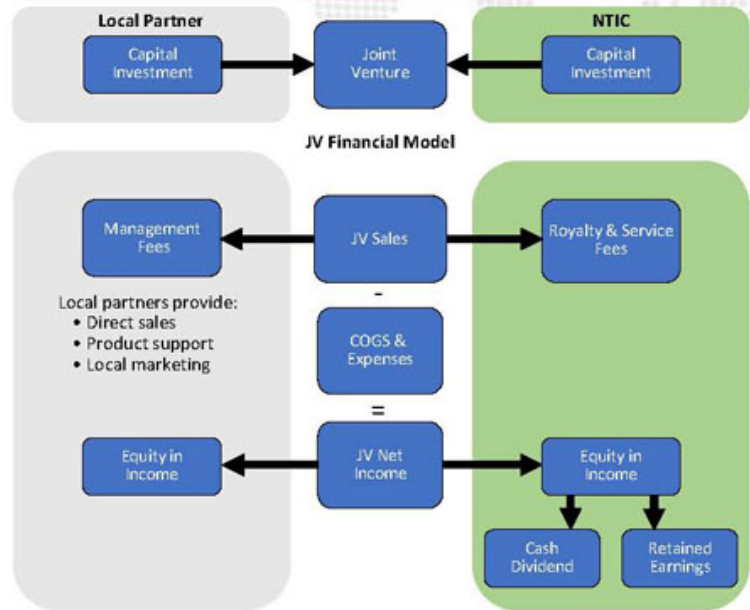
# Joint Venture Network Overview



## Joint Venture Overview

- 19 international joint ventures
  - Generally 50/50 ownership with local JV partner
  - NTIC receives ~7% fee on JV sales and 50% of JV dividend distributions after year end
- Equity method accounting on GAAP financial statements
  - Equity in income reported on GAAP income statement
  - Gross JV sales not included in NTIC's net sales but disclosed in notes to consolidated financial statements
- Direct expenses to support JVs are relatively fixed, representing significant operating leverage on incremental JV sales

## Joint Venture Financial Overview



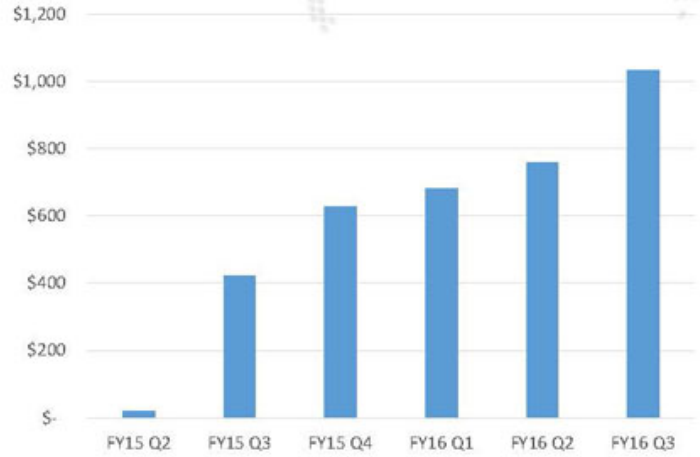


# Chinese Operations

- Terminated license agreement on Dec. 31, 2014, with former Chinese JV, and created a new wholly-owned subsidiary, NTIC China
  - NTIC filed suit against its former JV partner seeking, among other things, an orderly liquidation of the former Chinese JV
  - NTIC currently evaluating if, and when, it may need to write down the \$1.9 million investment in its former JV
- During FY 2015, NTIC incurred approximately \$1.6 million in start-up expenses related to the establishment of NTIC China, the termination of the JV license agreement, the ongoing litigation against its former JV partner, and the anticipated liquidation of Tianjin Zerust
- Sales ramping as subsidiary establishes market presence
- Expect improved profitability as NTIC will receive 100% of current subsidiary's profits vs. 30% in prior JV arrangement



New Wholly-Owned Chinese  
Subsidiary Net Sales Ramp  
(in thousands)



# Corrosion is a Big and Expensive Problem



## Solutions



Coatings



Cathodic



Chemical Inhibitors

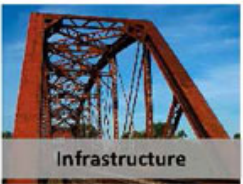
A 2016 study <sup>(1)</sup> is the industry template on the costs and control of corrosion worldwide. The report estimated annual direct global costs of corrosion to the economy to be \$2.5 Trillion. It further estimated that corrosion control practices could realize a savings of between 15-35% of the cost.

<sup>(1)</sup> NACE International initiated the International Measures of Prevention, Application, and Economics of Corrosion Technologies (IMPACT) Study

## Common Corrosion Markets



Water & Wastewater



Infrastructure



Pipelines



Oil & Gas



Maritime



Defense

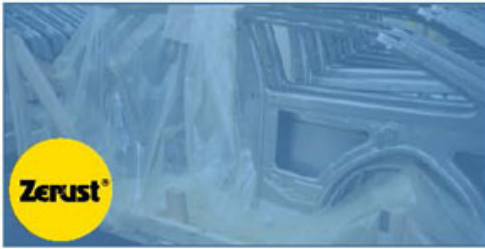
Corrosion not only damages the appearance of metal products and components, but also negatively impacts their mechanical performance.



# NTIC Operates in Compelling Niche Markets<sup>(1)</sup>



## Corrosion Markets



- Annual Market Potential **\$520 million**
- Est. Annual Growth Rate **5-10%**
- Market Growth Drivers:
  - Global trade and manufacturing demand
  - Complex long-distance global supply chains

- Annual Market Potential **\$2.5 billion**
- Est. Annual Growth Rate **10%**
- Market Growth Drivers:
  - Increasing focus on cost containment
  - Expensive alternative products

## Bioplastic Market



- Annual Market Potential **\$1 billion**
- Est. Annual Growth Rate **>25%**
- Market Growth Drivers:
  - Heightened social concern for the global environment
  - Increased environmental regulations

<sup>(1)</sup> Annual Market Size and Growth Rates are NTIC's estimates



# Research & Development

- In 1979, NTIC developed and patented the first polyolefin (plastic) based industrial corrosion inhibiting packing material in the world
- R&D activities focused on improving existing products, developing new products, reducing costs and improving quality assurance through improved testing of NTIC's products
- Research facilities located in Circle Pines, Minnesota; Beachwood, Ohio; and Dresden, Germany
- Strategic relationship with the premier Biomaterials Research Institute at Michigan State University
- Approximately 15 Patents and 50 Trademarks



Annual R&D Spend and Percent of Reported Net Sales  
(in thousands)





## Pioneers in Corrosion Management



Zerust® VCI technology proven effective for 40+ Years



Product and service revenue model



Reduces costs up to 20% while increasing process yields

## Growth Opportunities

- Expansion of non-automotive segments with core Zerust® products and services such as Military, Electrical/electronics, Marine and Agriculture
- Grow liquid and powder applications

## Leading Customer Relationships



100% of major global automotive suppliers use Zerust®

- Fiscal 2015 Zerust Industrial Sales Increased 9.1 % to \$24.2 million (79.7% of Total Net Sales)
- Gross Profit Profile is Approximately 30%

## Differentiated Solutions



Zero-rust on metal products during shipment and storage



Environmentally responsible corrosion protection services



Worldwide on-site technical consulting for rust and corrosion prevention issues

## Product Examples



Zerust High Strength VCI Film



VCI Weapon Bags



VCI Coated Poly Kraft Paper



Water Based Coatings



Rust Preventative Vapor Diffusers

NTIC's core business continues to be Zerust Industrial Sales. A portion of the operating cash flows this segment produces is used to fund the start-up and R&D investments of NTIC's Oil & Gas and Natur-Tec businesses.

# Zerust Oil & Gas: Tank Bottom Solutions

## Compelling Opportunity



NTIC's solutions produce meaningful cost savings by minimizing maintenance downtime on critical oil and gas industry infrastructure



Tank bottom solutions need to be recharged every five years



Large, growing addressable global market

## Growing Tank Implementations



FY 2015



FY 2016 YTD

Up 37.5%

## Increasing Tank Customers



FY 2015



FY 2016 YTD

Up 55.6%

- Fiscal 2015 Oil & Gas Sales Increased 10.9% to \$1.9 million (6.2% of Total Net Sales)
- Gross Profit Profile is Approximately 55%



## Quarterly Net Sales Performance



Zerust Oil & Gas Quarterly Sales (Includes Brazil), in Thousands

## Product Examples



**Oil Storage Tank Bottom Protection**



**Oil Storage Tank Top Protection**



**Outdoor Preservation VCI Film**



**Zerust<sup>®</sup> Flange Saver**



**AutoFog VCI Sachets**



**Liquid Rust Removal**

Oil & Gas sales are inherently volatile, but compelling gross margins within this segment offer a lower breakeven than other NTIC products.

## NTIC Bioplastics' Competitive Advantages



Natur-Tec's patented process is easier to manufacture, less expensive, and better performance



Strong presence in Janitorial/Sanitorial and Food Service market segments



Broad product portfolio provides one-stop bioplastic solutions.

## Accelerating Results



Natur-Tec® product net sales increased 25.0% to a record \$1,501,000 in the fiscal 2016 third quarter

## Global Growth Opportunities

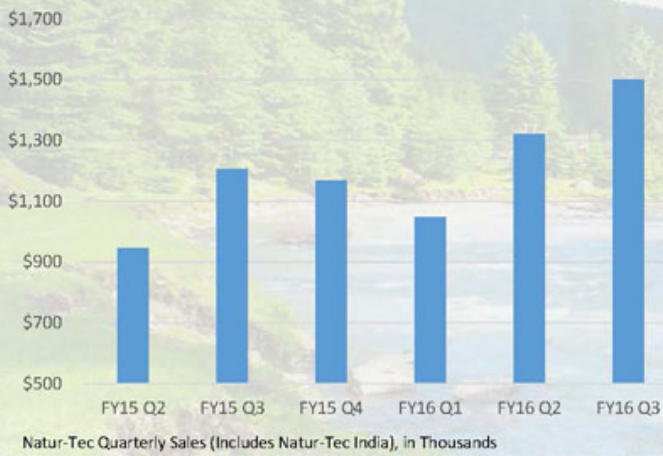
- Asia: Adoption of sustainable packaging solutions for branded apparel
- Italy: Legislation mandating use of biodegradable shopping bags
- Europe: Demand for compostable packaging for foodservice and fast moving consumer goods
- North America: Demand for agricultural and mulch film applications

- Fiscal 2015 Natur-Tec Sales Increased 43.6% to \$4.2 million (14.1% of Total Net Sales)
- Gross Profit Profile is Approximately 25%



# Building Leading Bioplastics Company

## Ramping Bioplastics Sales



## Product Examples



Customized Resin Compounds



Food Packaging



Zero Waste Solutions for Foodservice



Sustainable Packaging Solutions for Branded Apparel



Retail Consumer Products

As global sales continue to increase, NTIC expects Natur-Tec to contribute to operating profits at approximately \$7.5 million of annual revenue

# Financial Overview – Net Sales



## Three Months Ended

	May 31, 2016	% of Net Sales	May 31 2015	% of Net Sales	% Change
ZERUST® industrial net sales .....	\$ 6,018,276	69.3%	\$ 5,849,301	70.7%	2.9%
ZERUST® joint venture net sales.....	655,823	7.5%	723,618	8.7%	(9.4%)
ZERUST® oil & gas net sales .....	511,856	5.9%	503,841	6.1%	1.6%
Total ZERUST® net sales .....	\$ 7,185,955	82.7%	\$ 7,076,760	85.5%	1.5%
Total Natur-Tec® net sales .....	1,500,620	17.3%	1,200,815	14.5%	25.0%
Total net sales .....	\$ 8,686,575	100.0%	\$ 8,277,575	100.0%	4.9%

## Nine Months Ended

	May 31, 2016	% of Net Sales	May 31, 2015	% of Net Sales	% Change
ZERUST® industrial net sales.....	\$ 16,357,983	69.9%	\$ 15,526,505	69.9%	5.4%
ZERUST® joint venture net sales.....	1,961,565	8.4%	2,189,888	9.9%	(10.4%)
ZERUST® oil & gas net sales .....	1,229,426	5.3%	1,382,423	6.2%	(11.1%)
Total ZERUST® net sales .....	\$ 19,548,974	83.5%	\$ 19,098,816	86.0%	2.4%
Total Natur-Tec® net sales .....	3,866,972	16.5%	3,121,563	14.0%	23.9%
Total net sales .....	\$ 23,415,946	100.0%	\$ 22,220,379	100.0%	5.4%



# Financial Overview – Net Income



**Fiscal 2016 Third Quarter Net Income** (in thousands)



**Fiscal 2016 Third Quarter JV Operating Income** (in thousands)



**Fiscal 2016 Third Quarter Profitability Highlights:**

- Operating expenses, as a percent of net sales, for the FY16 third quarter were 54.1%, compared to 54.7% for the same period last fiscal year, primarily a result of operating leverage on higher sales, stable SG&A expenses, and lower expenses incurred in support of JVs, partially offset by higher R&D expenses.
- Equity in income of JVs decreased 3.5% during the FY16 third quarter, respectively, primarily a result of slight decreases in the profitability at the JVs and a decrease in profitability associated with the anticipated liquidation of Tianjin Zerust.
- The FY16 third quarter included \$383,000 of expenses associated with legal and professional fees related to the termination of the JV agreement with Tianjin Zerust, the initiation of the liquidation of Tianjin Zerust, and the formation and initial operation of NTIC China.
- Net income for the FY16 third quarter was \$917,000, or \$0.20 per diluted share, compared to \$905,000, or \$0.20 per diluted share for the same period last fiscal year.

# Strong Balance Sheet and Capital Structure



## Enterprise Value (in thousands)

Market Cap <sup>(1)</sup>	\$	50,641
Total Debt <sup>(2)</sup>		0
Total Cash <sup>(2)</sup>	\$	6,866
Enterprise Value	\$	43,775
Diluted Shares Outstanding <sup>(2)</sup>		4,587

<sup>(1)</sup> At June 30, 2016

<sup>(2)</sup> At May 31, 2016

Total cash does not include \$18.6 million of investments in joint ventures, of which over 55% is cash, with the remaining balance invested in working capital

## At May 31, 2016:

- \$6.9 million in cash and cash equivalents, and available for sale securities
- Unpaid dividends NTIC receives from its JVs is accounted for on balance sheet in investments in joint ventures.
- No debt
- Only \$4.0 million in total liabilities
- Total equity of \$48.8 million, or \$10.64 per share outstanding
- NTIC had \$2.9 million remaining under its January 15, 2015 stock repurchase program

# Fiscal 2016 Financial Outlook\*

(in millions, except per share data)



	FY 2015	FY 2016		Year-Over-Year Growth	
		Low	High	Low	High
<b>Annual:</b>					
Net Sales	\$ 30.3	\$ 34.0	\$ 37.0	12.2%	22.1%
Net Income	\$ 1.8	\$ 2.0	\$ 3.2	11.1%	77.8%
Earnings per Diluted Share	\$ 0.38	\$ 0.40	\$ 0.70	5.3%	84.2%
<b>Fourth Quarter:</b>					
Net Sales	\$ 8.1	\$ 10.6	\$ 13.6	30.6%	67.7%
Net Income	\$ 0.0	\$ 1.4	\$ 2.6	NM	NM
Earnings per Diluted Share	\$ 0.00	\$ 0.27	\$ 0.57	NM	NM

\*Annual guidance communicated on July 7, 2016. The fact that NTIC includes this guidance in this presentation should not be taken to confirm its guidance as of any subsequent date.