



G L A T F E L T E R

## **2020 Second Quarter Earnings Conference Call**

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NYSE: GLT

# Forward Looking Statements and Use of Non-GAAP Financial Measures

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During the course of this presentation, certain non-U.S. GAAP financial measures will be presented. A reconciliation of these measures to U.S. GAAP financial measures is included in the appendix of this presentation.



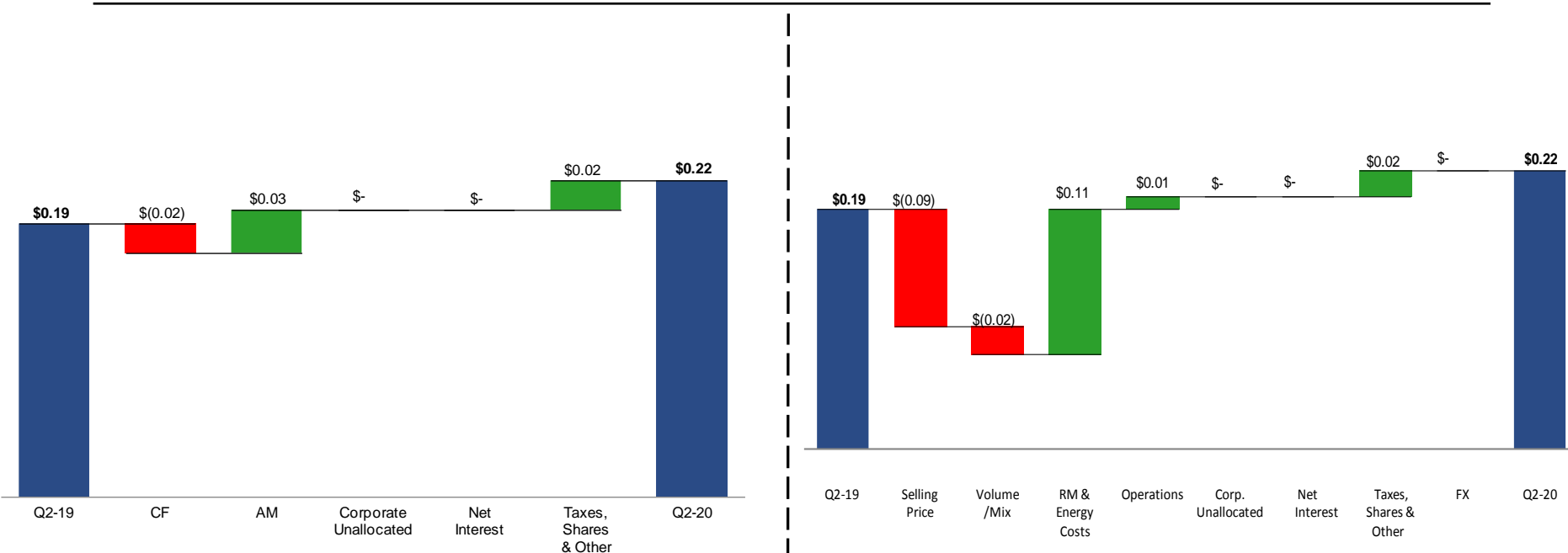
# Highlights – Q2 2020

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- **Q2 2020 Adjusted EPS of \$0.22 and Adjusted EBITDA of \$29 million**
  - EPS \$0.05 higher than consensus driven by CF segment results and lower taxes
- **Another record quarterly EBITDA for Airlaid Materials of \$17.8 million**
  - Favorable mix, disciplined cost control, and efficient operations resulted in a record 19% EBITDA margin
- **Composite Fibers business outperformed expectations for the quarter**
  - Strong shipments in the Food & Beverage category as well as better than expected demand for wallcover products
- **All production locations remained operational during COVID-19 pandemic**
  - Extensive health and safety protocols working effectively
- **Pension termination and settlement activities complete**
  - \$33.1 million remainder available for general corporate purposes
- **Adjusted free cash flow in-line with Q2 2019**
- **Strong Balance Sheet - Net Leverage at 2.4x as of June 30, 2020**



# Adjusted EPS – Q2 2020 vs. Q2 2019



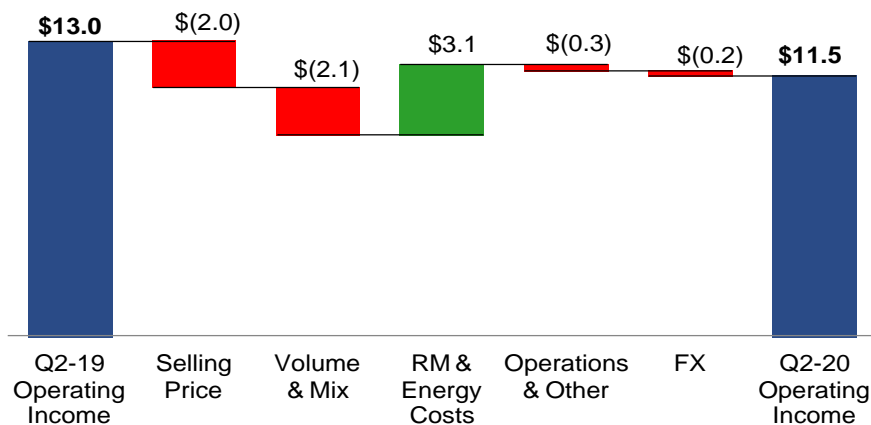
On a GAAP basis, net loss from continuing operations for Q2 2020 was \$2.3 million or (\$0.05) per share compared to net income from continuing operations of \$6.3 million or \$0.14 per share in Q2 2019. GAAP pre-tax loss driven by \$6.3 million of net pension settlement expenses, \$5.1 million of metallized restructuring, \$0.9 million of non-cash impairment of the Dresden trade name, and \$1.9 million of other special items as highlighted in the appendix.



# Composite Fibers Q2 2020 Highlights

Dollars in Thousands

	Q2 2019	Q1 2020	Q2 2020
<b>Tons shipped (MT)</b>	<b>34,523</b>	<b>35,983</b>	<b>29,032</b>
<b>Net sales</b>	<b>\$132,581</b>	<b>\$132,711</b>	<b>\$122,137</b>
<b>Operating income</b>	<b>\$12,985</b>	<b>\$15,102</b>	<b>\$11,487</b>
<b>EBITDA</b>	<b>\$19,586</b>	<b>\$21,567</b>	<b>\$17,919</b>
<b>EBITDA margin</b>	<b>14.8%</b>	<b>16.3%</b>	<b>14.7%</b>

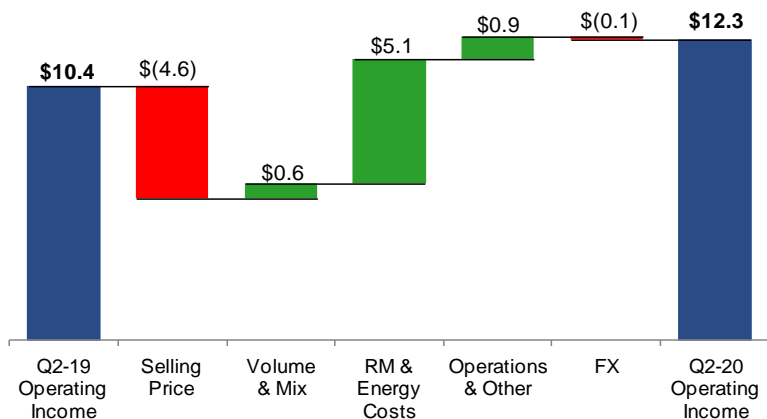


- **Revenue down 6.3% versus Q2 2019 on constant currency**
  - Volume down 16% driven by lower wallcover demand
    - Wallcover down 49%
    - Food & Beverage up 12%
  - Selling prices decreased \$2.0 million versus Q2 2019
- **Raw material and energy costs favorable \$3.1 million versus Q2 2019 – primarily wood pulp**
- **Operations slightly unfavorable by \$0.3 million**
  - Market related downtime to manage inventory levels for wallcover products mostly offset by improved operations and strong cost control actions
- **FX unfavorable \$0.2 million versus Q2 2019**
- **Outlook (Q3 2020 versus Q2 2020)**
  - Shipments up 5+ % driven by gradual wallcover recovery partially offset by unfavorable mix due to seasonal slow down in food & beverage category
  - Selling prices and raw material prices expected to be in-line
  - Operations expected to be down \$1 million
    - Increased production in Dresden from gradual wallcover recovery more than offset by downtime to manage inventory levels and normal seasonal maintenance
  - Expect Q3 earnings to be approximately in-line with Q2



# Airlaid Materials Q2 2020 Highlights

<i>Dollars in Thousands</i>	Q2 2019	Q1 2020	Q2 2020
<b>Tons shipped (MT)</b>	34,041	35,039	33,277
<b>Net sales</b>	\$102,472	\$98,849	\$94,046
<b>Operating income</b>	\$10,362	\$12,022	\$12,292
<b>EBITDA</b>	\$15,640	\$17,473	\$17,765
<b>EBITDA margin</b>	15.3%	17.7%	18.9%



- **Record quarterly profit and margins**
- **Revenue down 7.2% versus Q2 2019 on constant currency**
  - Volume down 2% driven by lower table top demand
    - Table Top down 63%
    - Wipes up 24%
    - Home Care products up 64%
    - Fem Hygiene up 3%
- **Lower selling prices reflect the contractual pass-through of lower raw material prices**
- **Favorable sales mix improved earnings despite lower volume**
- **Operations favorable \$0.9 million**
  - Strong demand for essential product categories in North American facilities
  - Disciplined cost control
- **Outlook (Q3 2020 versus Q2 2020)**
  - Shipping volumes expected to increase slightly
  - Selling prices and raw material prices are expected to increase slightly fully offsetting each other
  - Operations expected to be lower \$1 million driven by lower production to manage inventory levels



# Corporate Costs and Other Financial items

## Details of Other and Unallocated

The following sets forth details of 'Other and Unallocated' amounts presented in the Company's Segment Financial Information included in total operating income in the earnings release.

(in millions)	Q2'19	Q2'20	YTD'19	YTD'20
Restructuring charge – Metallized operations	-	(\$5.1)	-	(\$11.1)
Cost optimization actions	(\$2.0)	(\$1.3)	(\$5.9)	(\$3.1)
COVID-19 costs	-	(\$1.2)	-	(\$1.2)
Timberland sales and related costs	\$0.4	\$0.6	\$0.9	\$0.6
Strategic initiatives	(\$0.1)	-	(\$0.2)	-
Asset impairment charge	-	(\$0.9)	-	(\$0.9)
Airlaid capacity expansion costs	-	-	(\$1.0)	-
Fox River environmental matter	-	-	\$2.5	-
Special items excluded from adjusted earnings	(\$1.7)	(\$7.9)	(\$3.7)	(\$15.6)
<b>Corporate costs*</b>	<b>(\$6.5)</b>	<b>(\$6.8)</b>	<b>(\$14.2)</b>	<b>(\$13.9)</b>
<b>Total corporate costs &amp; other financial items</b>	<b>(\$8.2)</b>	<b>(\$14.7)</b>	<b>(\$17.9)</b>	<b>(\$29.5)</b>

- **Corporate costs slightly higher than Q2 2019 by \$0.3 million**
- **Closure of Gernsbach metallized operations completed as of April 30<sup>th</sup>**
  - \$5.1 million costs in Q2 2020 and June YTD costs of \$11.1 million
- **Recorded \$6.3 million charge related to pension settlement activities in Q2 2020**
  - \$8.3 million excise tax
  - \$2.1 million of additional cash receipts as part of final settlement adjustments
- **Outlook (FY 2020)**
  - Corporate costs estimated to be \$28 to \$30 million in 2020 (in-line with previous target)
  - Interest expense & other financial costs estimated to be ~\$10 million or ~\$3 million lower in 2020 (\$1 million below previous target driven by lower interest rates)

Notes: \* Corporate costs are primarily comprised of employee costs, legal fees, and professional services fees. The sum of individual amounts set forth above may not agree to the column totals due to rounding.



# Cash flow

- **Adjusted Free Cash Flow favorable \$17 million YTD**
- **Cash flow from continuing operations favorable by \$18.4 million for the first half of the year**
  - Adjusted EBITDA improved by \$7.6 million
  - Metallized restructuring and cost optimization cash payments in 2020 of approximately \$9 million
  - Higher incentive compensation payments in 2020 of ~\$5 million
  - Taxes and interest payments are combined favorable \$7.0 million in 2020
  - Fox River liability settlement of \$20.5 million paid in Q1 2019
- **Q2 & YTD 2020 capital expenditures slightly higher**
- **Expect total capital expenditures to be \$30 to \$33 million in 2020**
- **Expect depreciation and amortization expense to be ~ \$52 million in 2020**

(in millions)	Q2'19	Q2'20	H1'19	H1'20
Adjusted EBITDA	\$28.0	\$29.0	\$53.6	\$61.2
Change in working capital (*)	(18.4)	(16.6)	(40.0)	(39.1)
Taxes paid	(4.2)	(1.2)	(7.2)	(4.7)
Interest paid	(1.8)	(1.7)	(7.7)	(3.2)
Other (includes Fox River settlement in Q1'19)	1.3	(4.7)	(18.0)	(15.2)
<b>Cash Flow from continuing Operations</b>	<b>4.9</b>	<b>4.7</b>	<b>(19.3)</b>	<b>(0.9)</b>
Less: Capital expenditures	(4.8)	(5.0)	(10.6)	(12.0)
<b>Free Cash Flow</b>	<b>0.1</b>	<b>(0.3)</b>	<b>(29.9)</b>	<b>(12.9)</b>
Adjustment for major capital projects	0.0	0.0	0.0	0.0
<b>Adjusted Free Cash Flow</b>	<b>\$0.1</b>	<b>(\$0.3)</b>	<b>(\$29.9)</b>	<b>(\$12.9)</b>

Notes:

(\*) - Working capital is defined as accounts receivable plus inventories less accounts payable.

The sum of individual amounts set forth above may not agree to the column totals due to rounding.





# Balance Sheet and Liquidity

- Dec 2019 Cash includes ~ \$53.4 million related to the pension settlement
- **\$33.1 million – final Pension Settlement Cash available for general use**
  - \$14.1 million contributed to a 401K suspense account for future contributions
  - \$8.3 million excise tax accrual associated with the pension termination and settlement; cash to flow in Q3 2020
  - \$2.1 million received in final settlement
- **Leverage slightly higher at 2.4x**
- **Expect liquidity to continue to improve in 2020 driven by EBITDA growth**
- **Moody's and S&P reaffirm their rating for Glatfelter with stable outlook (April 2020)**

(in millions)	31-Dec-18	31-Dec-19	30-Jun-20
<b>Cash</b>	\$142.7	\$126.2	\$76.6
<b>Debt</b>			
Current portion of long term debt	10.8	22.9	22.9
5%% Notes, due October 2020	250.0	-	-
Term Loans 1.3% - 2.4% due 2022 - 2025	37.7	255.1	242.8
Revolving credit agreement	114.5	84.3	84.0
Unamortized deferred financing costs	(1.3)	(2.4)	(2.1)
<b>Total Debt</b>	<b>\$411.7</b>	<b>\$359.9</b>	<b>\$347.6</b>
<b>Net Debt</b>	<b>\$269.1</b>	<b>\$233.7</b>	<b>\$270.9</b>
<b>Shareholders' Equity</b>	<b>\$538.9</b>	<b>\$556.0</b>	<b>\$541.0</b>
<b>TTM Adj. EBITDA</b>	<b>\$88.6</b>	<b>\$106.7</b>	<b>\$114.4</b>
<b>Net Leverage*</b>	<b>3.0</b>	<b>2.2</b>	<b>2.4</b>
<b>Available Liquidity</b>	<b>\$152.9</b>	<b>\$200.4</b>	<b>\$188.8</b>

Notes: (\*) -For leverage calculation, "31-Dec-18" column includes full year of Steinfurt financials for TTM EBITDA calculation.

The above calculation is not intended to be used for purposes of calculating debt covenant compliance.

The sum of individual amounts set forth above may not agree to the column totals due to rounding.



# Appendix

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G L A T F E L T E R

# ESSENTIAL for Everyday Life



## FOOD & BEVERAGE

Tea Bag; Single-serve Coffee; Food Pad

**ESSENTIAL** – as you brew your favorite beverage and prepare nutritious meals for your family:



High-performance tea bag filters for superior infusion



Coffee solutions suitable for all common brewing devices



Safe, absorbent packaging for meat, poultry & fish



## PERSONAL CARE

Feminine Hygiene; Adult Incontinence; Baby Wipes

**ESSENTIAL** - for maintaining a healthy and active lifestyle even as we practice social distancing:



Absorbent cores trusted by hygiene industry leaders



Comfortable and discreet adult consumer products



Soft and strong cleaning solutions for our little ones



## CONSUMER SOLUTIONS

Floor & Home Care; Table Top; Dispersible Wipes

**ESSENTIAL** - for maintaining a clean and safe environment for your family:



Disinfect hard surfaces, keyboards, cell phones



Dust, absorb spills and scrub hard to clean surfaces



Replace linens with disposable napkins and table cloth



Protect laundry loads with color-catching sheets

Approximately 85% of Glatfelter Revenue is tied to Essential Consumer Staples



# Effective Tax Rate

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- **Q2 2020 tax rate on adjusted earnings is 31.7%**
- **Guiding to Q3 tax rate of approximately 47% on adjusted earnings**
  - Projected Q3 tax rate increase driven by UK tax rate increase that was expected in Q2 and timing of certain unusual items
- **Guiding full year tax rate between 38% and 40% for 2020 on adjusted earnings (in-line with previous guidance)**
  - Rate Drivers:
    - Currently generating losses in U.S. with no tax benefit due to U.S. valuation allowance
    - U.S. tax on foreign earnings (Global Intangible Low Taxed Income – GILTI)
    - Due to utilization of U.S. tax loss carryforwards the 50% GILTI deduction and use of foreign tax credits is not available
- **CARES ACT signed into law allows for the carry back of certain prior losses creating a tax provision benefit of \$2.6 million in Q1 2020**
  - Tax benefit excluded from adjusted earnings



# Financial Overview

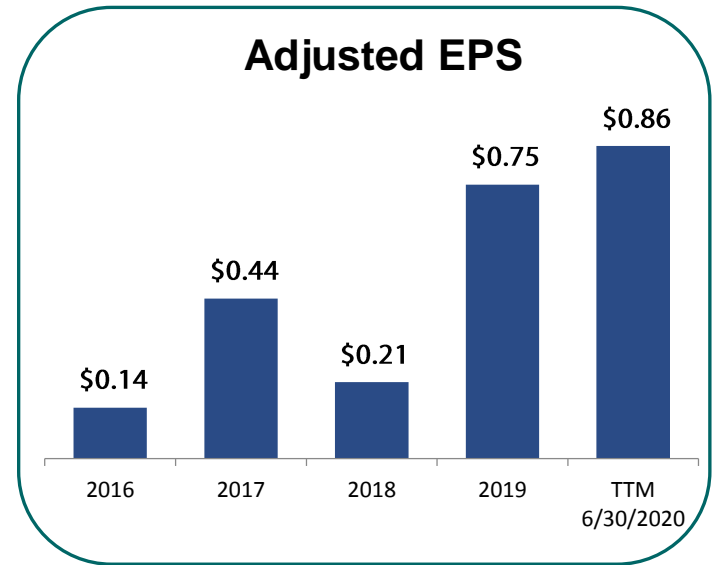
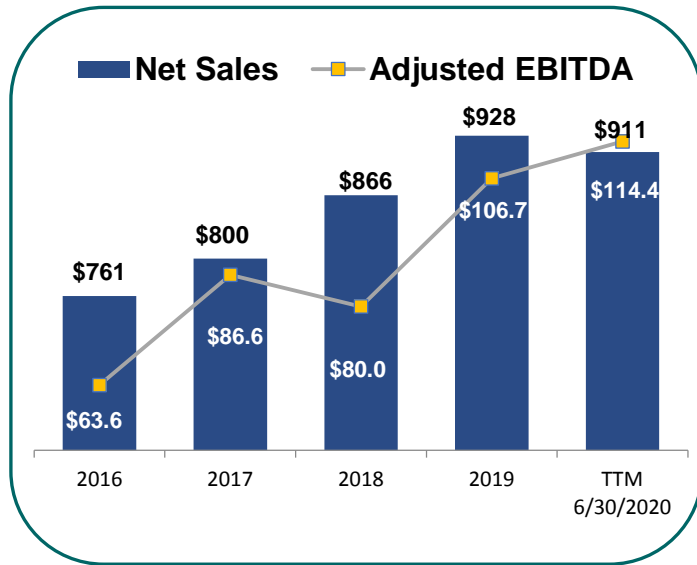
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(in millions)	Q2'19	Q2'20
Net Sales	\$235.1	\$216.2
Adjusted operating income	\$16.8	\$17.0
Adjusted EBITDA	\$28.0	\$29.0
Free Cash Flow	\$0.1	(\$0.3)
Adjusted Free Cash Flow	\$0.1	(\$0.3)

(in millions)	Dec 31 2019	Jun 30 2020
Net Debt	\$233.7	\$270.9
Cash	\$126.2	\$76.6



# Earnings Trends

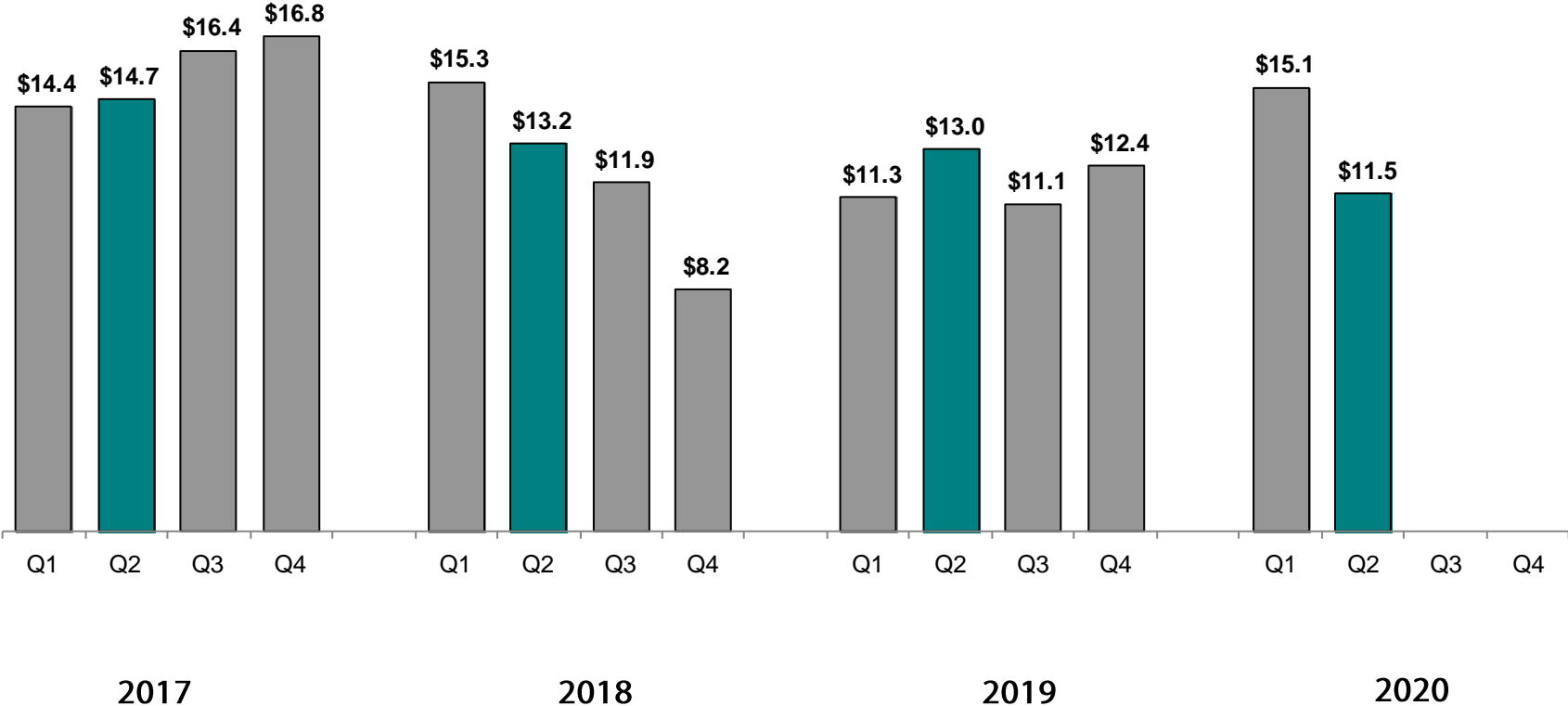


Note: Results are from continuing operations with an assumed tax rate of 40% for 2016 – 2017 (without the Specialty Papers business) ; Net sales and Adjusted EBITDA in millions

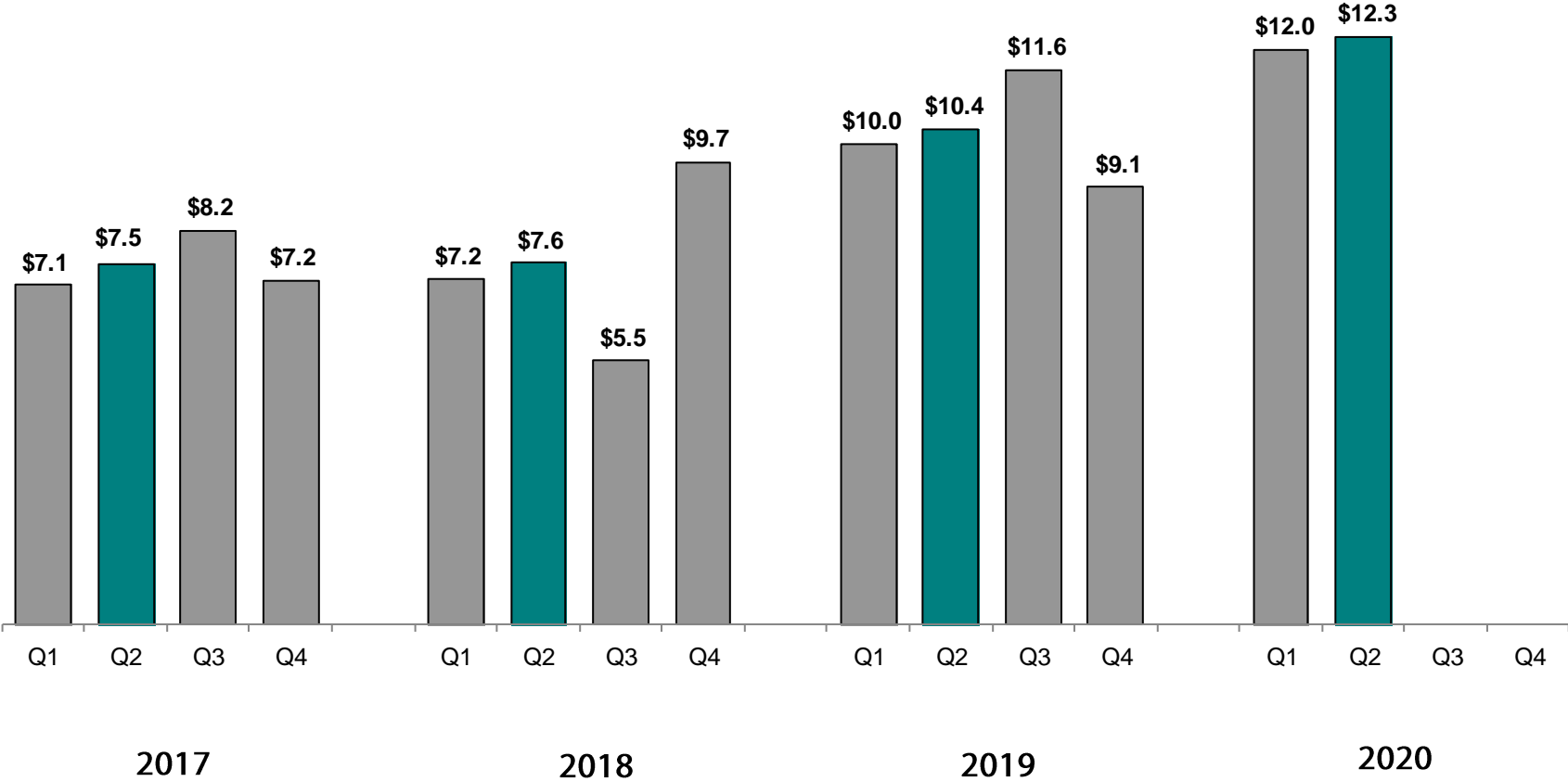


# Composite Fibers Operating Income

\$'s in millions



# Airlaid Materials Operating Income





# Reconciliation of Non-GAAP measures

## Adjusted EBITDA and Adjusted Operating Income from continuing operations

<i>In millions</i>	Q2 2019	Q2 2020	H1 2019	H1 2020
Net Income	\$ 5.8	\$ (2.4)	\$ 11.1	\$ 5.0
Adjust: Discontinued ops	0.5	\$ 0.1	(0.2)	0.1
Add: Taxes	5.7	\$ 2.6	7.5	5.2
Add: Depreciation and Amortization	12.7	\$ 14.2	25.5	29.6
Add: Net Interest Expense	1.6	\$ 1.7	\$ 5.9	3.2
EBITDA	\$ 26.3	\$ 16.1	\$ 49.8	\$ 43.1
<u>Adjustments / Exclusions:</u>				
Pension settlement expenses, net	-	\$ 6.3	-	6.4
Gains on Timberland Sales and Transaction Related Costs	(0.4)	\$ (0.6)	(0.9)	(0.6)
Restructuring charge - Metallized operations (net of asset write-off)	-	\$ 3.7	-	7.2
Airlaid Capacity Expansion	(0.0)	\$ -	1.0	-
COVID-19 incremental costs	-	\$ 1.2	-	1.2
Cost optimization actions	2.0	\$ 1.3	5.9	3.0
Asset impairment charge	-	\$ 0.9	-	0.9
Costs related to strategic initiatives	0.1	\$ -	0.2	-
Fox River environmental matter	-	\$ -	(2.5)	-
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 28.0</b>	<b>\$ 29.0</b>	<b>\$ 53.6</b>	<b>\$ 61.2</b>
Depreciation and Amortization	(12.7)	(12.8)	(25.5)	(25.7)
Other (Income)/Expense	1.6	0.8	2.5	1.5
<b>Adjusted Operating Income from continuing operations</b>	<b>\$ 16.8</b>	<b>\$ 17.0</b>	<b>\$ 30.6</b>	<b>\$ 37.0</b>

Note: The sum of individual amounts set forth above may not agree to the column totals due to rounding.



# Reconciliation of Non-GAAP measures

## Adjusted EBITDA from continuing operations

<i>In millions</i>	2016	2017	2018	2019	TTM 6/30/2020
<b>Net Income (Loss)</b>	<b>\$ 21.6</b>	<b>\$ 7.9</b>	<b>\$(177.6)</b>	<b>\$ (21.5)</b>	<b>\$ (27.7)</b>
Adjust: Discontinued ops	(35.7)	(13.5)	177.2	(3.7)	(3.3)
Add: Taxes from continuing operations	(28.4)	25.1	7.7	(9.2)	(11.6)
Add: Depreciation and Amortization	39.5	42.1	47.5	50.8	54.9
Add: Net Interest Expense	13.6	13.1	15.0	9.3	6.6
EBITDA from continuing operations	<u>\$ 10.6</u>	<u>\$ 74.6</u>	<u>\$ 69.8</u>	<u>\$ 25.7</u>	<u>\$ 18.9</u>
<u>Adjustments / Exclusions:</u>					
Pension settlement expenses, net	7.3	-	-	75.3	81.7
Gains on Timberland Sales and Transaction Related Costs	-	(0.2)	(3.2)	(1.6)	(1.3)
Asset impairment charge	-	-	-	-	0.9
Airlaid Capacity Expansion	2.7	10.9	7.1	1.0	-
Restructuring charge - Metallized operations (net of asset write off)	-	-	-	-	7.2
Cost optimization actions (net of asset write off)	3.1	1.3	0.4	8.6	5.7
COVID-19 incremental costs	-	-	-	-	1.2
Costs related to strategic initiatives <sup>(1)</sup>	-	-	5.9	0.2	(0.0)
Fox River environmental matter	40.0	-	-	(2.5)	-
<b>Adjusted EBITDA from continuing operations</b>	<b><u>\$ 63.6</u></b>	<b><u>\$ 86.6</u></b>	<b><u>\$ 80.0</u></b>	<b><u>\$ 106.7</u></b>	<b><u>\$ 114.4</u></b>

(1) The amount for 2018 includes approximately \$2.9 million of foreign currency gains associated with the financing for the Steinfurt acquisition.

Note: The sum of individual amounts set forth above may not agree to the column totals due to rounding.



# Reconciliation of Non-GAAP measures

## Adjusted EBITDA used for leverage calculation

<i>In millions</i>	2018	2019	TTM 6/30/2020
<b>Net Loss</b>	<b>\$ (177.6)</b>	<b>\$ (21.5)</b>	<b>\$ (27.7)</b>
Adjust: Discontinued ops	177.2	(3.7)	(3.3)
Add: Taxes from continuing operations	7.7	(9.2)	(11.6)
Add: Depreciation and Amortization	47.5	50.8	54.9
Add: Net Interest Expense	15.0	9.3	6.6
<b>EBITDA</b>	<b>\$ 69.8</b>	<b>\$ 25.7</b>	<b>\$ 18.9</b>
EBITDA from Steinfurt operations	8.6	-	-
<u>Adjustments / Exclusions:</u>			
Gains on Timberland Sales and Transaction Related Costs	(3.2)	(1.6)	(1.3)
Asset impairment charge	-	-	0.9
Pension settlement expenses, net	-	75.3	81.7
Airlaid Capacity Expansion	7.1	1.0	-
Restructuring charge - Metallized operations (net of asset write off)	-	-	7.2
Cost optimization actions (net of asset write off)	0.4	8.6	5.7
COVID-19 incremental costs	-	-	1.2
Costs related to strategic initiatives <sup>(1)</sup>	5.9	0.2	(0.0)
Fox River environmental matter	-	(2.5)	-
<b>Adjusted EBITDA</b>	<b>\$ 88.6 (*)</b>	<b>\$ 106.7</b>	<b>\$ 114.4</b>

(1) The amount for 2018 includes approximately \$2.9 million of foreign currency gains associated with the financing for the Steinfurt acquisition.

Notes: (\*) -For leverage calculation, EBITDA includes applicable Steinfurt financials add back; The sum of individual amounts set forth above may not agree to the column totals due to rounding.



# Reconciliation of Non-GAAP measures

## Adjusted EPS from continuing operations

<i>In millions</i>	2016	2017	2018	2019	TTM 6/30/2020
<b>Net Income (Loss)</b>	\$ 21.6	\$ 7.9	\$ (177.6)	\$ (21.5)	\$ (27.7)
Adjust: Discontinued ops, net of tax	(35.7)	(13.5)	177.2	(3.7)	(3.3)
<b>Income (loss) from continuing operations</b>	<b>(14.2)</b>	<b>(5.6)</b>	<b>(0.4)</b>	<b>(25.2)</b>	<b>(31.0)</b>
<u>Adjustments / Exclusions:</u>					
Pension settlement expenses, net	7.3	-	-	75.3	81.7
Gains on Timberland Sales and Transaction Related Costs	-	(0.2)	(3.2)	(1.6)	(1.3)
Asset impairment charge	-	-	-	-	0.9
Airlaid Capacity Expansion	2.7	10.9	7.1	1.0	-
COVID-19 incremental costs	-	-	-	-	1.2
Debt refinancing fees	-	-	-	1.0	-
Cost optimization actions	3.1	2.6	0.4	8.6	9.6
Restructuring charge - Metallized operations	-	-	-	-	7.2
Costs related to strategic initiatives <sup>(1)</sup>	-	-	5.9	0.2	(0.0)
Fox River environmental matter	40.0	-	-	(2.5)	-
Income Tax impact on adjustments	(19.4)	18.8	(0.5)	(23.7)	(30.2)
Total adjustments	33.6	32.0	9.6	58.4	69.1
<b>Adjusted income from continuing operations</b>	<b>19.4</b>	<b>26.4</b>	<b>9.2</b>	<b>33.2</b>	<b>38.1</b>
Normalizing tax rate to 40% provision (2016 - 2017)	13.1	6.8	-	-	-
<b>Adjusted earnings for continuing operations</b>	<b>\$ 6.4</b>	<b>\$ 19.6</b>	<b>\$ 9.2</b>	<b>\$ 33.2</b>	<b>\$ 38.1</b>
<b>Adjusted EPS for continuing operations</b>	<b>\$ 0.14</b>	<b>\$ 0.44</b>	<b>\$ 0.21</b>	<b>\$ 0.75</b>	<b>\$ 0.86</b>
<i>Weighted average shares</i>	<i>44,129</i>	<i>44,439</i>	<i>43,768</i>	<i>44,132</i>	<i>44,309</i>

(1) The amount for 2018 includes approximately \$2.9 million of foreign currency gains associated with the financing for the Steinfurt acquisition.

Note: The sum of individual amounts set forth above may not agree to the column totals due to rounding.



# Reconciliation of Non-GAAP measures

## Adjusted EPS from continuing operations

<i>In millions</i>	Q2'19	Q2'20
<b>Net Income</b>	\$ 5.8	\$ (2.4)
Adjust: Discontinued ops, net of tax	0.5	0.1
<b>Income from continuing operations</b>	<b>6.3</b>	<b>(2.3)</b>
<u>Adjustments / Exclusions:</u>		
Pension settlement expenses, net	-	6.3
Gains on Timberland Sales and Transaction Related Costs	(0.4)	(0.6)
Asset impairment charge	-	0.9
COVID-19 incremental costs	-	1.2
Cost optimization actions	2.0	1.3
Restructuring charge - Metallized operations	-	5.1
Costs related to strategic initiatives	0.1	-
Income Tax impact on adjustments (*)	0.5	(2.0)
Total adjustments	2.2	12.2
<b>Adjusted income from continuing operations</b>	<b>\$ 8.5</b>	<b>\$ 9.9</b>
<b>Adjusted EPS for continuing operations</b>	<b>\$ 0.19</b>	<b>\$ 0.22</b>
<i>Weighted average shares - QTD</i>	<i>44,382</i>	<i>44,343</i>

(\*) – Income tax adjustments for Q1'20 includes \$2.6 million "CARE" Act net benefit

Note: The sum of individual amounts set forth above may not agree to the column totals due to rounding.



# Reconciliation of Non-GAAP measures

## Adjusted EBITDA from continuing operations

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<i>In thousands</i>	<b>Q2'19</b>	<b>Q1'20</b>	<b>Q2'20</b>
Composite Fibers Operating Profit	\$12,985	\$15,102	\$11,487
Addback: Depreciation & Amortization	6,602	6,466	6,432
Composite Fibers EBITDA	<u>\$19,586</u>	<u>\$21,567</u>	<u>\$17,919</u>
Airlaid Materials Operating Profit	\$10,362	\$12,022	\$12,292
Addback: Depreciation & Amortization	5,278	5,451	5,473
Airlaid Materials EBITDA	<u>\$15,640</u>	<u>\$17,473</u>	<u>\$17,765</u>

Note: The sum of individual amounts set forth above may not agree to the column totals due to rounding.



# Reconciliation of Non-GAAP measures

## Net Debt and Leverage

<b>Net debt &amp; Leverage</b>	<b>December 31</b>	<b>December 31</b>	<b>June 30</b>
<i>In millions</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Current Portion of Long-Term Debt	\$10.8	\$22.9	\$22.9
Long-Term Debt	401.0	336.9	324.7
Total Debt	411.7	359.9	347.6
Less: Cash	(142.7)	(126.2)	(76.6)
Net Debt	\$269.1	\$233.7	\$270.9
Net Debt	\$269.1	\$233.7	\$270.9
Divided by: TTM Adjusted EBITDA	88.6	106.7	114.4
Net Leverage*	3.0x	2.2x	2.4x

Notes: (\*) -For leverage calculation, "December 31 2018" column includes full year of Steinfurt financials for TTM EBITDA calculation  
The above calculation is not intended to be used for purposes of calculating debt covenant compliance.  
The sum of individual amounts set forth above may not agree to the column totals due to rounding.

