



**G L A T F E L T E R**

## **2020 Third Quarter Earnings Conference Call**

Dante C. Parrini, Chairman & CEO

Samuel L. Hillard, SVP & CFO

---

November 9, 2020

NYSE: GLT

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

---

*Any statements included in this presentation which pertain to future financial and business matters are “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. The Company uses words such as “anticipates”, “believes”, “expects”, “future”, “intends” and similar expressions to identify forward-looking statements. Any such statements are based on management’s current expectations and are subject to numerous risks, uncertainties and other unpredictable or uncontrollable factors that could cause future results to differ materially from those expressed in the forward-looking statements including, but not limited to: the impacts of the COVID-19 pandemic, changes in industry, business, market, political and economic conditions globally, demand for or pricing of its products, changes in tax legislation, governmental laws, regulations and policies, initiatives of regulatory authorities, technological changes and innovations, market growth rates, and currency exchange rates. In light of these risks, uncertainties and other factors, the forward-looking matters discussed in this presentation may not occur and readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements speak only as of the date of this presentation and Glatfelter undertakes no obligation, and does not intend, to update these forward-looking statements to reflect events or circumstances occurring after the date of this presentation. More information about these factors is contained in Glatfelter’s filings with the U.S. Securities and Exchange Commission, which are available at [www.glatfelter.com](http://www.glatfelter.com).*

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.



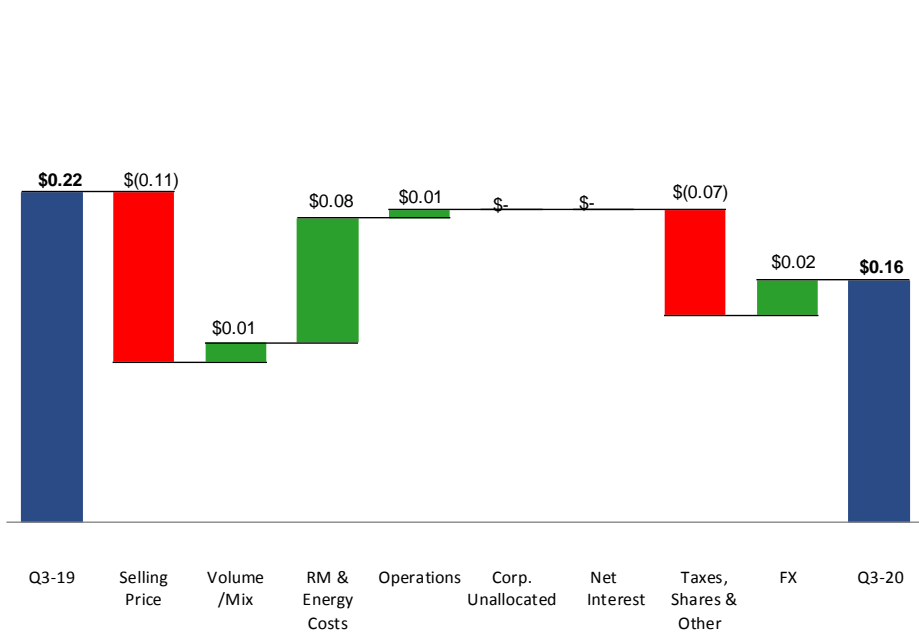
# Highlights – Q3 2020

---

- **Adjusted EBITDA of \$29 million ahead of expectations**
  - Adjusted EPS of \$0.16 in-line with expectations
- **Another record quarterly EBITDA for Airlaid Materials of \$18.6 million**
  - Strong Euro and favorable mix positively impacted results
- **Composite Fibers had strong shipments driven by wallcover recovery**
  - Profit unfavorably impacted by downtime taken to manage inventory and optimize cash flow
- **All production locations remained operational**
- **YTD Adjusted free cash flow \$6.8 million higher than last year**
- **Strong Balance Sheet - Net Leverage at 2.4x as of September 30, 2020**



# Adjusted EPS – Q3 2020 vs. Q3 2019



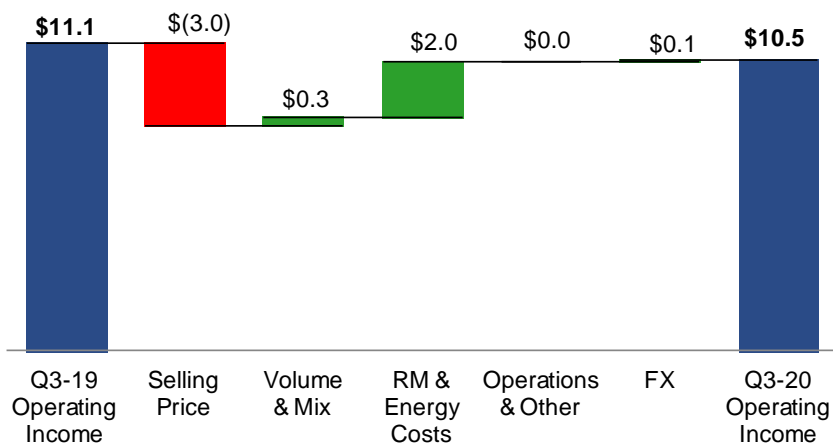
**On a GAAP basis, net income from continuing operations for Q3 2020 was \$6.5 million or \$0.15 per share compared to net income from continuing operations of \$8.6 million or \$0.19 per share in Q3 2019.**



# Composite Fibers Q3 2020 Highlights

Dollars in Thousands

	Q3 2019	Q2 2020	Q3 2020
<b>Tons shipped (MT)</b>	<b>33,394</b>	<b>29,032</b>	<b>35,009</b>
<b>Net sales</b>	<b>\$127,704</b>	<b>\$122,137</b>	<b>\$132,419</b>
<b>Operating income</b>	<b>\$11,129</b>	<b>\$11,487</b>	<b>\$10,464</b>
<b>EBITDA</b>	<b>\$17,574</b>	<b>\$17,919</b>	<b>\$17,220</b>
<b>EBITDA margin</b>	<b>13.8%</b>	<b>14.7%</b>	<b>13.0%</b>

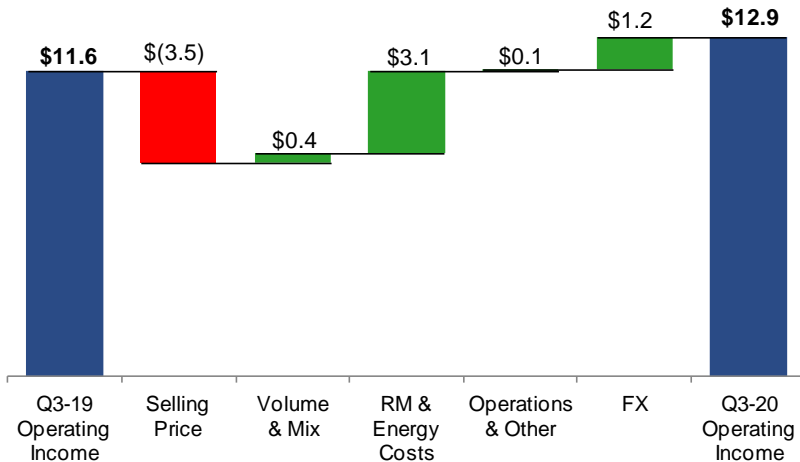


- **Revenue down 0.5% versus Q3 2019 on constant currency**
  - Volume up 5% driven by higher wallcover demand
    - o Wallcover up 18%
    - o Food & Beverage up 2%
    - o Technical Specialties up 11%
    - o Metallized products down 32%
  - Selling prices decreased \$3.0 million versus Q3 2019
- **Raw material and energy costs favorable \$2.0 million versus Q3 2019 – primarily wood pulp**
- **Operations in-line with Q3 2019**
  - Improved efficiency and strong cost control actions were offset by machine downtime to manage inventory across most products
  - Wallcover production capacity in Dresden, Germany intentionally reduced (June – October) due to pandemic to closely manage inventory and labor costs, with demand fulfilled from inventory
- **Outlook (Q4 2020 versus Q3 2020)**
  - Expect shipments to be flat
  - Selling prices and raw material prices expected to be in-line
  - Expect higher production, operating efficiencies and improved mix to benefit operating profit by \$2 million



# Airlaid Materials Q3 2020 Highlights

<i>Dollars in Thousands</i>	Q3 2019	Q2 2020	Q3 2020
<b>Tons shipped (MT)</b>	<b>35,907</b>	<b>33,277</b>	<b>34,752</b>
<b>Net sales</b>	<b>\$104,811</b>	<b>\$94,046</b>	<b>\$101,054</b>
<b>Operating income</b>	<b>\$11,595</b>	<b>\$12,292</b>	<b>\$12,917</b>
<b>EBITDA</b>	<b>\$16,880</b>	<b>\$17,765</b>	<b>\$18,591</b>
<b>EBITDA margin</b>	<b>16.1%</b>	<b>18.9%</b>	<b>18.4%</b>



- **Record quarterly EBITDA**
- **Revenue down 6.4% versus Q3 2019 on constant currency**
  - Volume down 3% driven by lower tabletop demand
    - Tabletop down 38%
    - Fem Hygiene up 2%
    - Wipes up 5%
    - Home Care products up 56%
- **Lower selling prices reflect the contractual pass-through of lower raw material prices**
- **Favorable sales mix improved earnings despite lower volume**
- **Operations slightly favorable driven by disciplined cost control and efficient operations**
- **FX favorably impacted results by \$1.2 million driven by stronger Euro**
- **Outlook (Q4 2020 versus Q3 2020)**
  - Expect shipments to be down ~5% driven by lower year-end demand in feminine hygiene category
  - Selling prices and raw material prices are expected to increase slightly fully offsetting each other
  - Operations expected to be lower \$1 million to \$2 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)	Q3'19	Q3'20	YTD'19	YTD'20
Restructuring charge – Metallized operations	-	(\$0.1)	-	(\$11.1)
Cost optimization actions	(\$1.7)	(\$1.3)	(\$7.6)	(\$4.4)
COVID 19 incremental costs		(\$0.6)	-	(\$1.8)
Timberland sales and related costs	\$0.2	\$0.4	\$1.1	\$1.0
Strategic initiatives	-	(\$0.8)	(\$0.2)	(\$0.8)
Asset impairment charge	-	-	-	(\$0.9)
Corporate headquarters relocation	-	(\$0.6)	-	(\$0.6)
Airlaid capacity expansion costs	-	-	(\$1.0)	-
Fox River environmental matter	-	-	\$2.5	-
Special items excluded from adjusted earnings	(\$1.5)	(\$3.0)	(\$5.3)	(\$18.6)
<b>Corporate costs*</b>	<b>(\$6.7)</b>	<b>(\$6.4)</b>	<b>(\$20.8)</b>	<b>(\$20.3)</b>
<b>Total corporate costs &amp; other financial items</b>	<b>(\$8.2)</b>	<b>(\$9.4)</b>	<b>(\$26.1)</b>	<b>(\$38.9)</b>

- **Corporate costs slightly lower than Q3 2019 by \$0.3 million**
- **Closure of Gernsbach metallized operations completed end of April**
- **Strategic initiative costs of \$0.8 million associated with Glatfelter's transformation effort**
- **Corporate HQ relocation costs of \$0.6 million**
- **Outlook (FY 2020)**
  - Corporate costs estimated to be approximately \$27 million in 2020 (below prior guidance)
  - Interest expense & other financial costs estimated to be ~\$10 million or ~\$2 million lower in 2020

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 \$7 million YTD**
- **Cash flow from continuing operations favorable by \$8.9 million for the first nine months of the year**
  - Adjusted EBITDA improved by \$8.8 million
  - Metallized restructuring and cost optimization cash payments in 2020 of approximately \$8 million
  - Higher incentive compensation payments in Q1 2020 of ~\$5 million
  - Taxes and interest payments are combined favorable \$6.7 million in 2020
  - Excise taxes of \$8.3 million paid in Q3 2020
  - Fox River liability settlement of \$20.5 million paid in Q1 2019 versus government oversight cost of \$3.2 million in 2020
- **Q3 & YTD 2020 capital expenditures slightly higher**
- **Expect total capital expenditures to be \$28 to \$30 million in 2020**
- **Expect depreciation and amortization expense to be ~ \$53 million in 2020**
  - Increase to prior guidance driven by strengthening of Euro and GBP versus USD

(in millions)	Q3'19	Q3'20	YTD'19	YTD'20
Adjusted EBITDA	\$27.6	\$28.8	\$81.2	\$90.0
Change in working capital (*)	5.5	1.5	(34.5)	(37.6)
Taxes paid	(3.6)	(3.9)	(10.7)	(8.6)
Interest paid	(1.5)	(1.5)	(9.2)	(4.7)
Other (includes Fox River settlement in Q1'19)	6.9	0.6	(11.2)	(14.5)
<b>Cash Flow from continuing Operations</b>	<b>34.9</b>	<b>25.5</b>	<b>15.6</b>	<b>24.5</b>
Less: Capital expenditures	(7.4)	(8.2)	(18.0)	(20.2)
<b>Adjusted Free Cash Flow</b>	<b>\$27.5</b>	<b>\$17.3</b>	<b>(\$2.4)</b>	<b>\$4.4</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
- **\$32.7 million – Pension Settlement Cash available for general use**
  - \$14.1 million contributed to a 401K suspense account for future contributions
  - \$8.3 million excise tax paid in Q3 2020
- **Leverage slightly higher at 2.4x**
  - Increase in Net debt driven by foreign exchange and contributions to 401k account (noted above)
- **Expect liquidity to continue to improve in 2020 driven by EBITDA growth**
- **Moody’s and S&P reaffirmed their rating for Glatfelter with stable outlook (April 2020)**

(in millions)	31-Dec-18	31-Dec-19	30-Sep-20
<b>Cash</b>	\$142.7	\$126.2	\$59.2
<b>Debt</b>			
Current portion of long term debt	10.8	22.9	23.9
5% Notes, due October 2020	250.0	-	-
Term Loans 1.3% - 2.4% due 2022 - 2025	37.7	255.1	247.9
Revolving credit agreement	114.5	84.3	62.1
Unamortized deferred financing costs	(1.3)	(2.4)	(2.0)
<b>Total Debt</b>	<b>\$411.7</b>	<b>\$359.9</b>	<b>\$331.9</b>
<b>Net Debt</b>	<b>\$269.1</b>	<b>\$233.7</b>	<b>\$272.7</b>
<b>Shareholders' Equity</b>	<b>\$538.9</b>	<b>\$556.0</b>	<b>\$558.4</b>
<b>TTM Adj. EBITDA</b>	<b>\$88.6</b>	<b>\$106.7</b>	<b>\$115.5</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>\$195.0</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

---





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

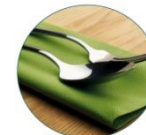
**ESSENTIAL** - for maintaining a clean and safe environment for your family:



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

---

- **Q3 2020 tax rate on adjusted earnings is 47.8%**
- **Guiding to Q4 tax rate of approximately 47% on adjusted earnings**
  - 2020 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 \$2.5 million in Q3 2020 and \$5.0 million for YTD September 2020**
  - Tax benefit excluded from adjusted earnings



# Financial Overview

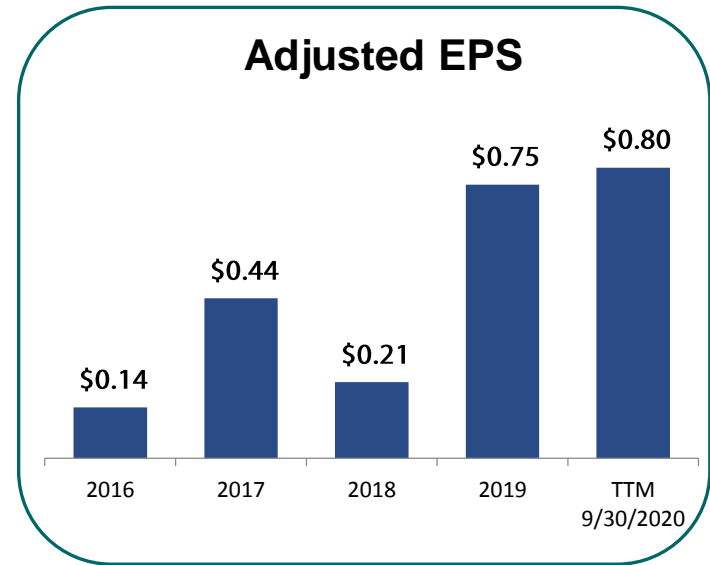
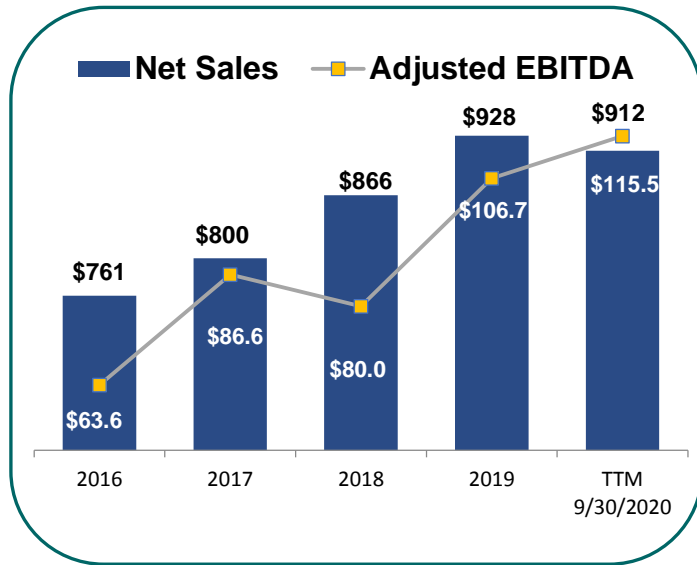
---

(in millions)	Q3'19	Q3'20
Net Sales	\$232.5	\$233.5
Adjusted operating income	\$16.0	\$17.0
Adjusted EBITDA	\$27.6	\$28.8
Free Cash Flow	\$27.5	\$17.3
Adjusted Free Cash Flow	\$27.5	\$17.3

(in millions)	Dec 31 2019	Sep 30 2020
Net Debt	\$233.7	\$272.7
Cash	\$126.2	\$59.2



# Earnings Trends

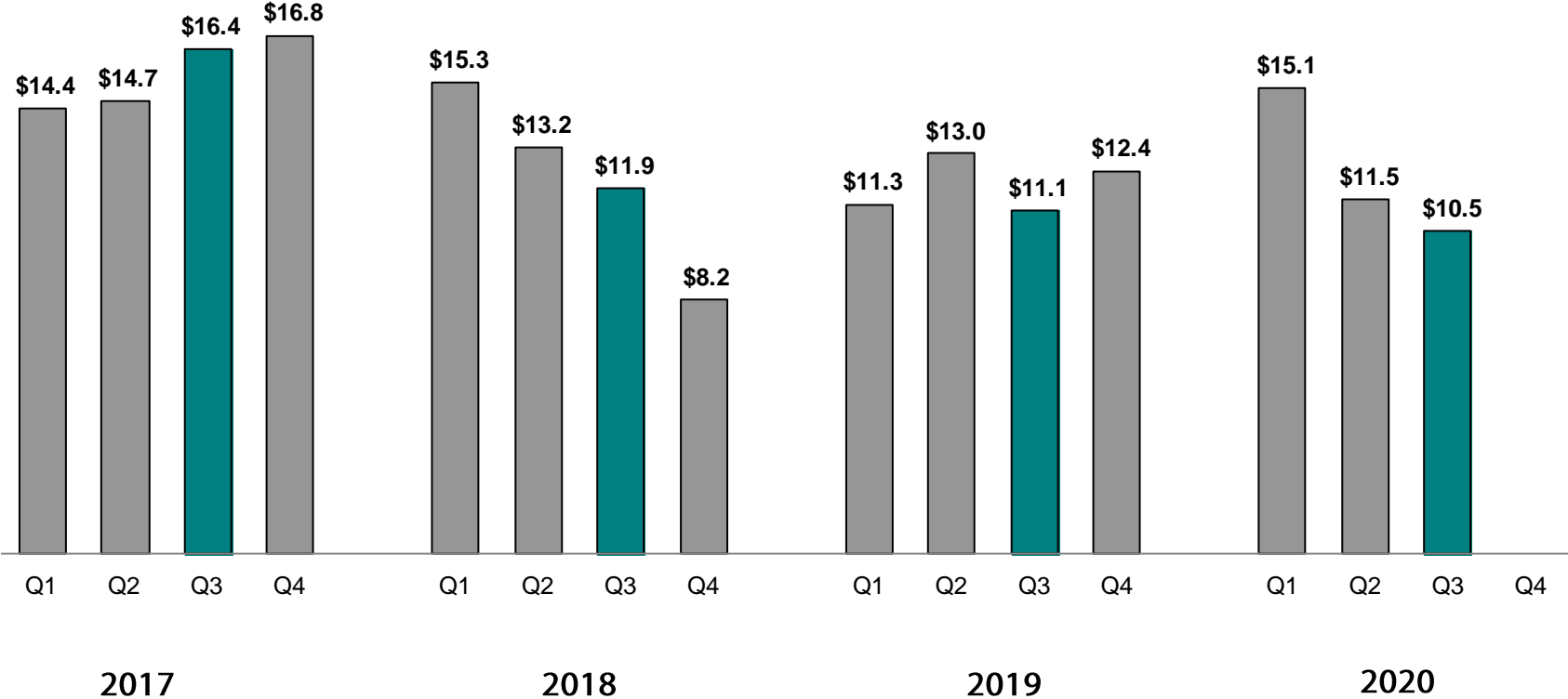


Note: Results are from continuing operations with an assumed tax rate of 40% for 2016 – 2017 (without the Specialty Papers business) ; Net sales and Adjusted EBITDA in millions



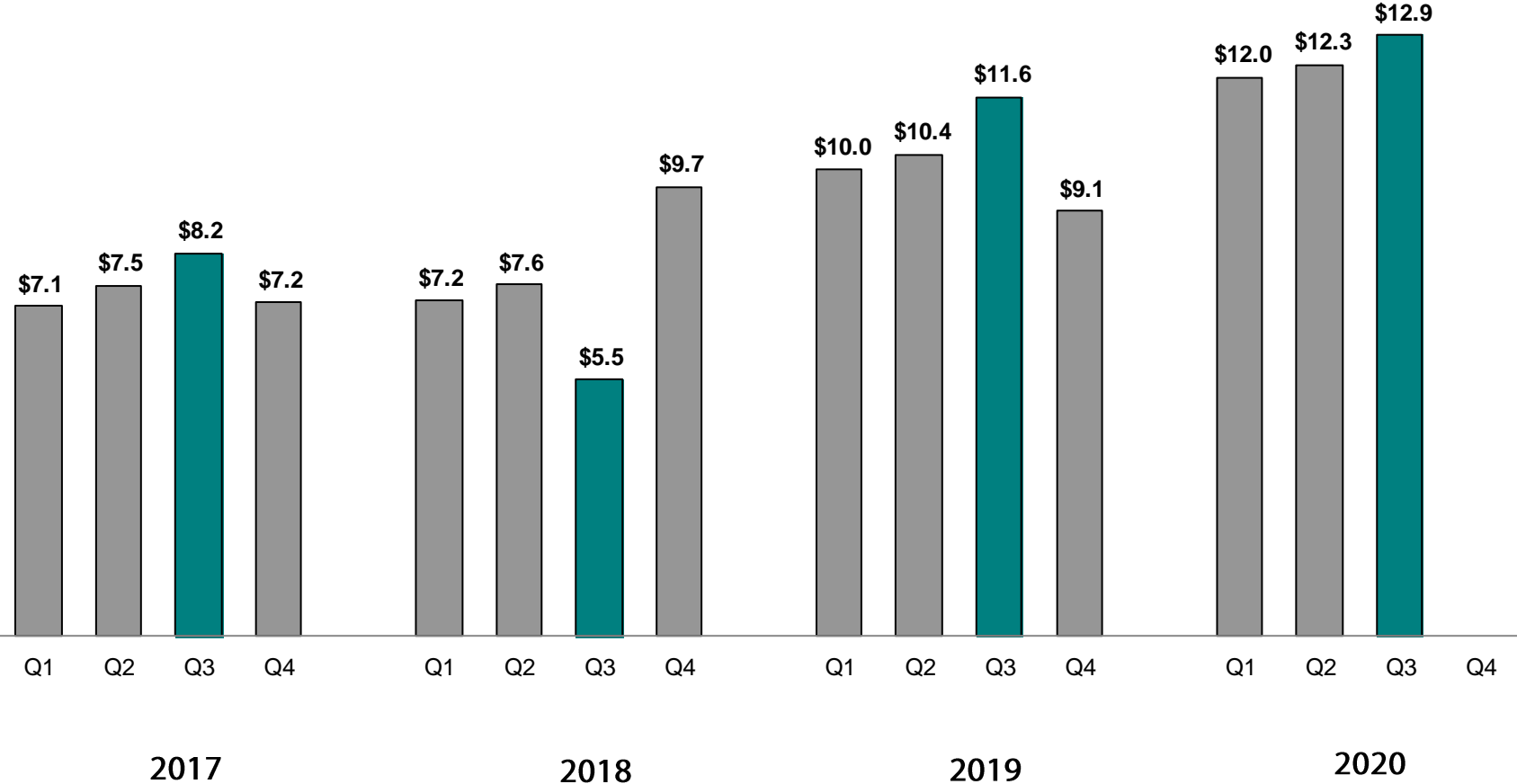
# Composite Fibers Operating Income

\$'s in millions



# Airlaid Materials Operating Income

\$'s in millions





# Reconciliation of Non-GAAP measures

## Adjusted EBITDA and Adjusted Operating Income from continuing operations

<i>In millions</i>	Q3 2019	Q3 2020	YTD 2019	YTD 2020
Net Income	\$ 12.2	\$ 6.5	\$ 23.3	\$ 11.5
Adjust: Discontinued ops	(3.6)	-	(3.8)	0.1
Add: Taxes	3.1	3.6	10.7	8.8
Add: Depreciation and Amortization	12.6	13.7	38.1	43.3
Add: Net Interest Expense	1.7	1.8	\$ 7.6	5.0
EBITDA	\$ 26.1	\$ 25.6	\$ 75.9	\$ 68.7
<u>Adjustments / Exclusions:</u>				
Pension settlement expenses, net	-	0.4	-	6.8
Gains on Timberland Sales and Transaction Related Costs	(0.2)	(0.4)	(1.1)	(1.0)
Restructuring charge - Metallized operations (net of asset write-off)	-	0.1	-	7.2
Airlaid Capacity Expansion	-	-	1.0	-
COVID-19 incremental costs	-	0.6	-	1.8
Cost optimization actions	1.7	1.3	7.6	4.4
Asset impairment charge	-	-	-	0.9
Costs related to strategic initiatives	-	0.8	0.2	0.8
Corporate headquarters relocation (net of asset write off)	-	0.4	-	0.4
Fox River environmental matter	-	-	(2.5)	-
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 27.6</b>	<b>\$ 28.8</b>	<b>\$ 81.2</b>	<b>\$ 90.0</b>
Depreciation and Amortization	(12.6)	(13.5)	(38.1)	(39.2)
Other (Income)/Expense	1.0	1.7	3.5	3.2
<b>Adjusted Operating Income from continuing operations</b>	<b>\$ 16.0</b>	<b>\$ 17.0</b>	<b>\$ 46.6</b>	<b>\$ 54.0</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 9/30/2020
<b>Net Income (Loss)</b>	<b>\$ 21.6</b>	<b>\$ 7.9</b>	<b>\$(177.6)</b>	<b>\$ (21.5)</b>	<b>\$ (33.4)</b>
Adjust: Discontinued ops	(35.7)	(13.5)	177.2	(3.7)	0.3
Add: Taxes from continuing operations	(28.4)	25.1	7.7	(9.2)	(11.1)
Add: Depreciation and Amortization	39.5	42.1	47.5	50.8	56.0
Add: Net Interest Expense	13.6	13.1	15.0	9.3	6.7
EBITDA from continuing operations	<b>\$ 10.6</b>	<b>\$ 74.6</b>	<b>\$ 69.8</b>	<b>\$ 25.7</b>	<b>\$ 18.5</b>
<u>Adjustments / Exclusions:</u>					
Pension settlement expenses, net	7.3	-	-	75.3	82.1
Gains on Timberland Sales and Transaction Related Costs	-	(0.2)	(3.2)	(1.6)	(1.5)
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	3.1	1.3	0.4	8.6	5.3
COVID-19 incremental costs	-	-	-	-	1.8
Corporate headquarters relocation (net of asset write off)	-	-	-	-	0.4
Costs related to strategic initiatives <sup>(1)</sup>	-	-	5.9	0.2	0.8
Fox River environmental matter	40.0	-	-	(2.5)	-
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 63.6</b>	<b>\$ 86.6</b>	<b>\$ 80.0</b>	<b>\$ 106.7</b>	<b>\$ 115.5</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 9/30/2020
<b>Net Loss</b>	<b>\$ (177.6)</b>	<b>\$ (21.5)</b>	<b>\$ (33.4)</b>
Adjust: Discontinued ops	177.2	(3.7)	0.3
Add: Taxes from continuing operations	7.7	(9.2)	(11.1)
Add: Depreciation and Amortization	47.5	50.8	56.0
Add: Net Interest Expense	15.0	9.3	6.7
EBITDA	\$ 69.8	\$ 25.7	\$ 18.5
EBITDA from Steinfurt operations	8.6	-	-
<u>Adjustments / Exclusions:</u>			
Gains on Timberland Sales and Transaction Related Costs	(3.2)	(1.6)	(1.5)
Asset impairment charge	-	-	0.9
Pension settlement expenses, net	-	75.3	82.1
Airlaid Capacity Expansion	7.1	1.0	-
Restructuring charge - Metallized operations (net of asset write off)	-	-	7.2
Cost optimization actions	0.4	8.6	5.3
COVID-19 incremental costs	-	-	1.8
Corporate headquarters relocation (net of asset write off)	-	-	0.4
Costs related to strategic initiatives <sup>(1)</sup>	5.9	0.2	0.8
Fox River environmental matter	-	(2.5)	-
<b>Adjusted EBITDA</b>	<b>\$ 88.6 (*)</b>	<b>\$ 106.7</b>	<b>\$ 115.5</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 9/30/2020
<b>Net Income (Loss)</b>	<b>\$ 21.6</b>	<b>\$ 7.9</b>	<b>\$ (177.6)</b>	<b>\$ (21.5)</b>	<b>\$ (33.4)</b>
Adjust: Discontinued ops, net of tax	(35.7)	(13.5)	177.2	(3.7)	0.3
<b>Loss from continuing operations</b>	<b>(14.2)</b>	<b>(5.6)</b>	<b>(0.4)</b>	<b>(25.2)</b>	<b>(33.1)</b>
<b>Adjustments / Exclusions:</b>					
Pension settlement expenses, net	7.3	-	-	75.3	82.1
Gains on Timberland Sales and Transaction Related Costs	-	(0.2)	(3.2)	(1.6)	(1.5)
Asset impairment charge	-	-	-	-	0.9
Airlaid Capacity Expansion	2.7	10.9	7.1	1.0	-
COVID-19 incremental costs	-	-	-	-	1.8
Debt refinancing fees	-	-	-	1.0	-
Cost optimization actions	3.1	2.6	0.4	8.6	5.3
Restructuring charge - Metallized operations	-	-	-	-	11.1
Costs related to strategic initiatives <sup>(1)</sup>	-	-	5.9	0.2	0.8
Fox River environmental matter	40.0	-	-	(2.5)	-
Corporate headquarters relocation	-	-	-	-	0.6
Income Tax impact on adjustments	(19.4)	18.8	(0.5)	(23.7)	(32.6)
Total adjustments	33.6	32.0	9.6	58.4	68.5
<b>Adjusted income from continuing operations</b>	<b>19.4</b>	<b>26.4</b>	<b>9.2</b>	<b>33.2</b>	<b>35.4</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>\$ 35.4</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>\$ 0.80</b>
<i>Weighted average shares</i>	<i>44,129</i>	<i>44,439</i>	<i>43,768</i>	<i>44,132</i>	<i>44,329</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>	Q3'19	Q3'20
<b>Net Income</b>	\$ 12.2	\$ 6.5
Adjust: Discontinued ops, net of tax	(3.6)	-
<b>Income from continuing operations</b>	<b>8.6</b>	<b>6.5</b>
<u>Adjustments / Exclusions:</u>		
Pension settlement expenses, net	-	0.4
Gains on Timberland Sales and Transaction Related Costs	(0.2)	(0.4)
COVID-19 incremental costs	-	0.6
Corporate headquarters relocation	-	0.6
Cost optimization actions	1.7	1.3
Restructuring charge - Metallized operations	-	0.1
Costs related to strategic initiatives	-	0.8
Income Tax impact on adjustments (*)	(0.4)	(2.8)
Total adjustments	1.1	0.5
<b>Adjusted income from continuing operations</b>	<b>\$ 9.7</b>	<b>\$ 7.0</b>
<b>Adjusted EPS for continuing operations</b>	<b>\$ 0.22</b>	<b>\$ 0.16</b>
<i>Weighted average shares - QTD</i>	<i>44,442</i>	<i>44,636</i>

(\*) – Income tax adjustments for Q3'20 includes \$2.5 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

---

<i>In thousands</i>	<b>Q3'19</b>	<b>Q2'20</b>	<b>Q3'20</b>
Composite Fibers Operating Profit	\$11,129	\$11,487	\$10,464
Addback: Depreciation & Amortization	6,445	6,432	6,755
Composite Fibers EBITDA	<u>\$17,574</u>	<u>\$17,919</u>	<u>\$17,220</u>
Airlaid Materials Operating Profit	\$11,595	\$12,292	\$12,917
Addback: Depreciation & Amortization	5,285	5,473	5,674
Airlaid Materials EBITDA	<u>\$16,880</u>	<u>\$17,765</u>	<u>\$18,591</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>September 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	\$23.9
Long-Term Debt	401.0	336.9	308.0
Total Debt	411.7	359.9	331.9
Less: Cash	(142.7)	(126.2)	(59.2)
Net Debt	\$269.1	\$233.7	\$272.7
Net Debt	\$269.1	\$233.7	\$272.7
Divided by: TTM Adjusted EBITDA	88.6	106.7	115.5
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.

