



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

## **2021 First Quarter Earnings Conference Call**

Dante C. Parrini, Chairman & CEO

Samuel L. Hillard, SVP & CFO

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May 4, 2021

NYSE: GLT

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

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*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.



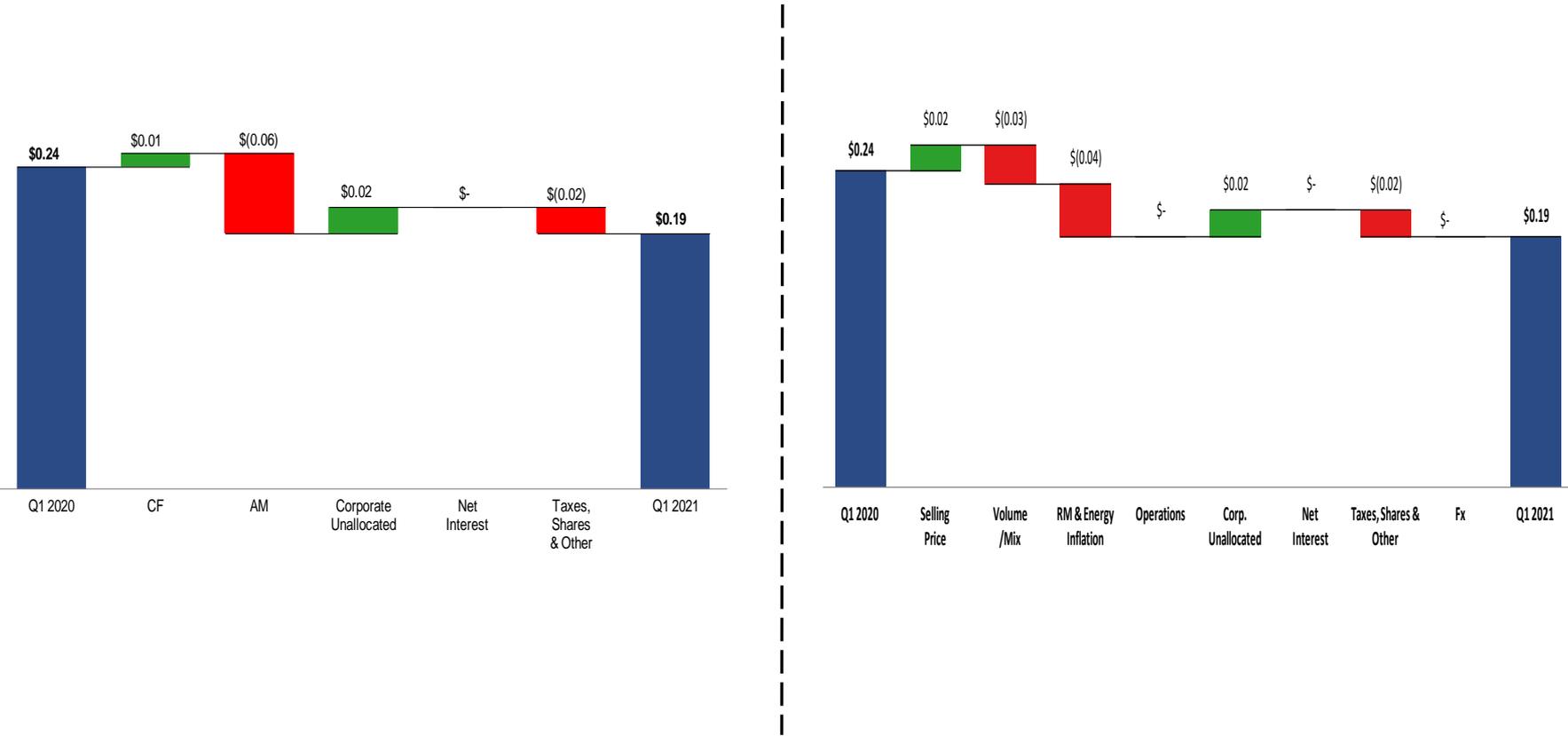
# Highlights – Q1 2021

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- **Adjusted EBITDA of \$31 million and Adjusted EPS of \$0.19, ahead of expectations**
- **Airlaid Materials profitability below guidance driven by customers adjusting buying patterns from COVID-related year-end inventories and continued softness in restaurant dining**
  - Additional downtime required to manage inventory levels which negatively impacted profitability
- **Composite Fibers outperformed expectations for the quarter**
  - Improved mix and favorable asset utilization driven by strong customer demand boosted profitability
  - Announced price increases to mitigate impacts from higher raw material, energy and logistics cost inflation
- **All production locations remained operational**
- **Strong Balance Sheet - Net Leverage increased nominally to 1.9x at March 31, 2021 from 1.8x on December 31, 2020**
- **Expect to close pending acquisition of Georgia-Pacific's U.S. nonwovens business by mid-May**



# Adjusted EPS – Q1 2021 vs. Q1 2020



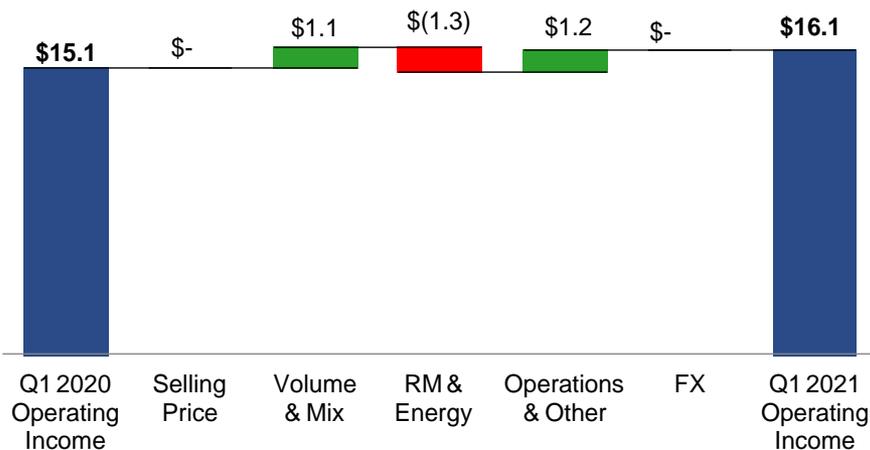
**On a GAAP basis, net income from continuing operations for Q1 2021 was \$8.4 million or \$0.19 per share compared to net income from continuing operations of \$7.4 million or \$0.17 per share in Q1 2020.**



# Composite Fibers Q1 2021 Highlights

Dollars in Thousands

	Q1 2020	Q4 2020	Q1 2021
<b>Tons shipped (MT)</b>	<b>35,983</b>	<b>34,734</b>	<b>34,140</b>
<b>Net sales</b>	<b>\$132,711</b>	<b>\$137,822</b>	<b>\$141,249</b>
<b>Operating income</b>	<b>\$15,102</b>	<b>\$15,041</b>	<b>\$16,065</b>
<b>EBITDA</b>	<b>\$21,567</b>	<b>\$21,564</b>	<b>\$23,046</b>
<b>EBITDA margin</b>	<b>16.3%</b>	<b>15.6%</b>	<b>16.3%</b>

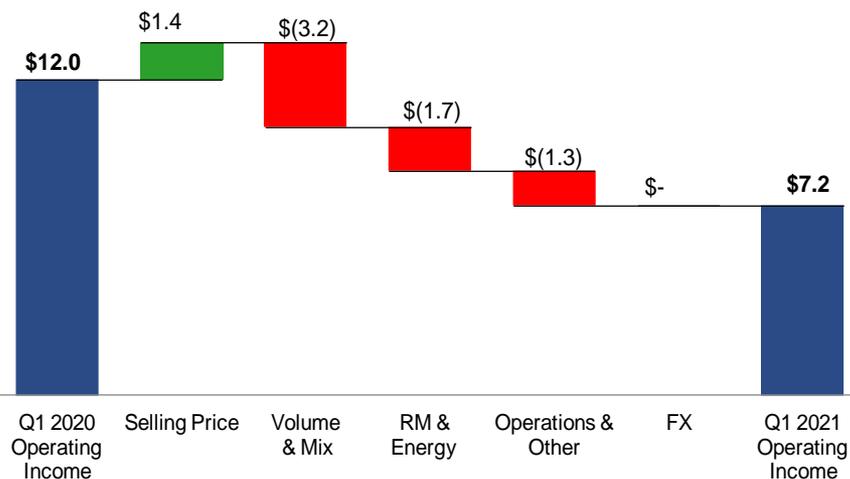


- **Revenue down 1.4% versus Q1 2020 on constant currency**
  - Volume down 5% (flat excluding metallized)
    - Food & Beverage up 2%
    - Technical Specialties up 3%
    - Wallcover down 2%
    - Composite Laminates down 6%
    - Metallized products down 40% (restructured in Q2 2020)
- **Raw material and energy prices unfavorable \$1.3 million versus Q1 2020 – primarily higher wood pulp and energy prices**
- **Operations favorable \$1.2 million versus Q1 2020 driven by improved material efficiencies and lower spending**
- **Outlook (Q2 2021 versus Q1 2021)**
  - Expect shipments to be in-line with Q1 2021
  - Expect higher selling prices to partially offset higher raw material, energy and logistics inflation, net unfavorable impact of \$1 million to \$2 million
  - Expect lower production due to planned maintenance downtime to lower operating profit by \$2 million

# Airlaid Materials Q1 2021 Highlights

Dollars in Thousands

	Q1 2020	Q4 2020	Q1 2021
<b>Tons shipped (MT)</b>	<b>35,039</b>	<b>33,593</b>	<b>28,864</b>
<b>Net sales</b>	<b>\$98,849</b>	<b>\$97,460</b>	<b>\$84,425</b>
<b>Operating income</b>	<b>\$12,022</b>	<b>\$9,073</b>	<b>\$7,197</b>
<b>EBITDA</b>	<b>\$17,473</b>	<b>\$14,891</b>	<b>\$13,046</b>
<b>EBITDA margin</b>	<b>17.7%</b>	<b>15.3%</b>	<b>15.5%</b>



- **Revenue down 18.8% versus Q1 2020 on constant currency**
  - Volume down 18% from COVID-related impacts
    - Tabletop down 55%
    - Home Care products down 28%
    - Wipes down 5%
    - Fem Hygiene down 11%
- **Higher selling prices reflect the contractual pass-through of higher raw material prices**
- **Operations unfavorable \$1.3 million mainly driven by lower production to manage inventory levels in response to weaker customer demand**
- **Outlook (Q2 2021 versus Q1 2021)**
  - Guidance includes approximately 6 weeks of new Mt. Holly facility in Q2 2021 (although downtime required for IT systems cut over)
  - Expect shipments to be approximately 15% higher but partially offset by unfavorable mix (includes Mt. Holly acquisition)
  - Selling and raw material prices expected to be slightly higher
  - Lower production to manage inventory levels expected to unfavorably impact operating profit by \$1 million
  - Expect Q2 2021 operating profit to be in-line with Q1 2021



# 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)	Q1 2020	Q1 2021
Restructuring charge – Metallized operations	(\$6.0)	\$-
Cost optimization actions	(1.7)	-
Timberland sales and related costs	-	0.9
Strategic initiatives	-	(0.6)
Corporate headquarters relocation	-	(0.2)
Pension settlement expenses, net	(0.1)	-
Special items excluded from adjusted earnings	(\$7.8)	\$0.1
Corporate costs*	(\$7.0)	(\$6.0)
<b>Total corporate costs &amp; other financial items</b>	<b>(\$14.8)</b>	<b>(\$5.9)</b>

- **Corporate costs \$1.0 million lower than Q1 2020**
- **Strategic initiatives costs of \$0.6 million related to Georgia-Pacific U.S. acquisition**
- **Corporate HQ relocation costs of \$0.2 million during the quarter**
- **Outlook (FY 2021)**
  - Corporate costs estimated to be \$25 - \$26 million in 2021
  - Interest expense & other financial costs estimated to be ~\$12 million (reflects Mt. Holly acquisition)
  - Expect full year tax rate to be approximately 42% to 44%

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

- **Cash flow from continuing operations in-line with last year**
- **Q1 2021 Adjusted Free Cash Flow higher by ~\$2 million**
  - Capital expenditures spending lower by \$1.6 million
- **2021 Outlook:**
  - Expect capital expenditures to be approximately \$40 to \$42 million (includes one-time system start-up integration capital as well as on-going capital for Mt. Holly)
  - Expect depreciation and amortization expense to be approximately \$62 million (includes Mt. Holly facility)

(in millions)	Q1 2020	Q1 2021
Adjusted EBITDA	\$32.2	\$30.7
Change in working capital (*)	(22.5)	(27.7)
Taxes paid	(3.4)	(3.5)
Interest paid	(1.4)	(1.4)
Other	(10.4)	(4.2)
<b>Cash Flow from continuing Operations</b>	<b>(\$5.6)</b>	<b>(\$6.0)</b>
Less: Capital expenditures	(7.0)	(5.4)
<b>Free Cash Flow</b>	<b>(\$12.6)</b>	<b>(\$11.4)</b>
Less: Adjustments to Free Cash Flow	2.0	2.5
<b>Adjusted Free Cash Flow</b>	<b>(\$10.6)</b>	<b>(\$8.9)</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.

(1) – Slide 25 in appendix includes the details for the Adjustments to Free Cash Flow and recasts prior quarters to align with full year presentation



# Balance Sheet and Liquidity

- Liquidity remains strong
- Leverage slightly higher at 1.9x versus December 2020
- December 2019 cash includes ~ \$53.4 million related to pension settlement
- Rating agencies reaffirmed credit ratings and view Georgia-Pacific U.S. nonwovens acquisition as credit positive

(in millions)	31-Dec-19	31-Dec-20	31-Mar-21
<b>Cash</b>	\$126.2	\$99.6	\$87.4
<b>Debt</b>			
Current portion of long term debt	22.9	25.1	23.9
Short term debt	-	-	11.7
Term Loans 1.3% - 2.4% due 2022 - 2025	255.1	253.5	236.3
Revolving credit agreement	84.3	36.8	36.5
Unamortized deferred financing costs	(2.4)	(1.9)	(1.7)
<b>Total Debt</b>	<b>359.9</b>	<b>313.5</b>	<b>306.7</b>
<b>Net Debt</b>	<b>\$233.7</b>	<b>\$213.9</b>	<b>\$219.4</b>
<b>Shareholders' Equity</b>	<b>\$556.0</b>	<b>\$577.9</b>	<b>\$571.1</b>
<b>TTM Adj. EBITDA</b>	<b>106.7</b>	<b>119.6</b>	<b>118.1</b>
<b>Net Leverage</b>	<b>2.2x</b>	<b>1.8x</b>	<b>1.9x</b>
<b>Available Liquidity</b>	<b>\$200.4</b>	<b>\$274.8</b>	<b>\$265.4</b>

*Notes:*

*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.*

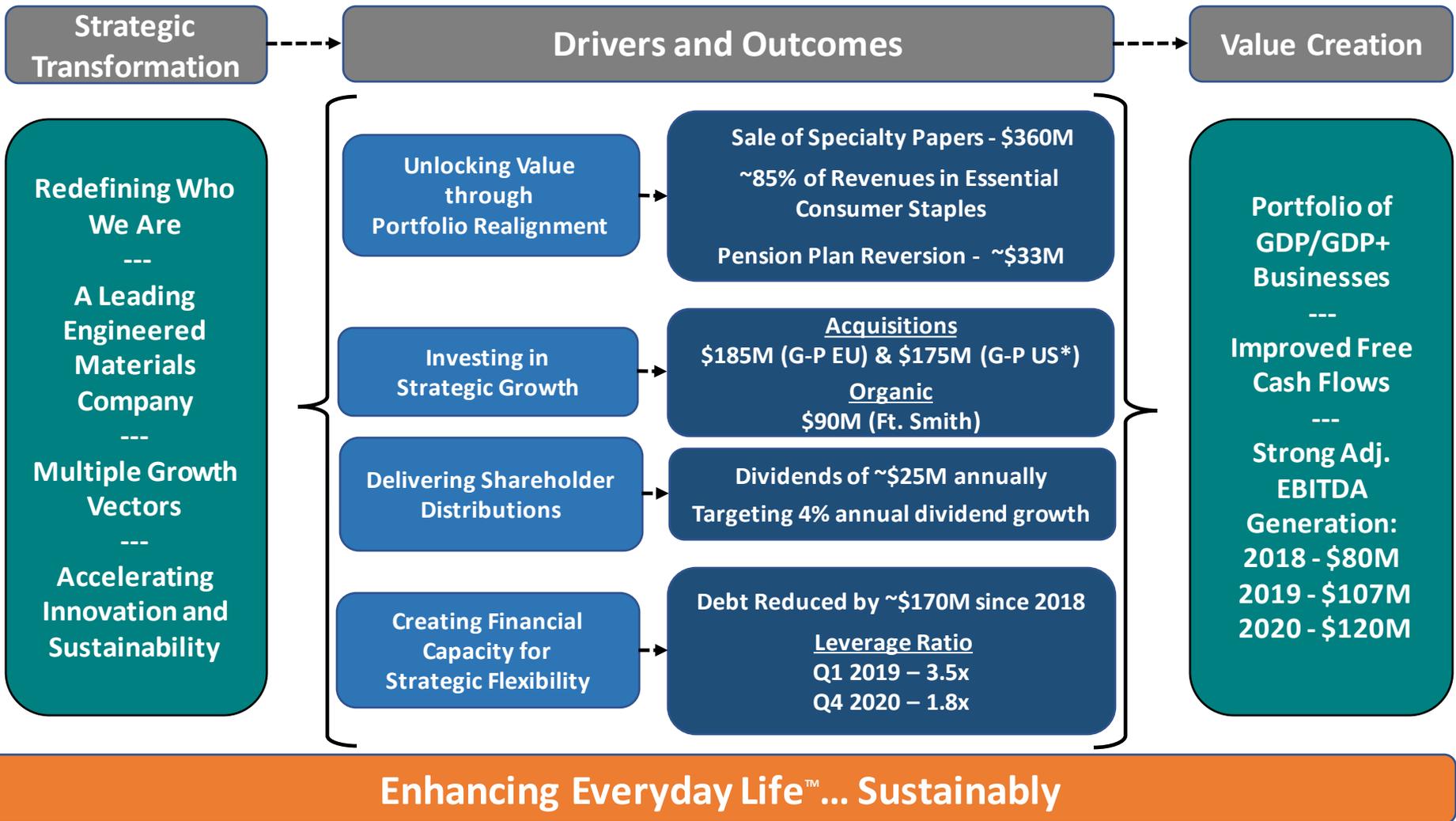


# Appendix

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# The New Glatfelter



\* Pending closing of transaction



# Product Portfolio - Enhancing Everyday Life<sup>®</sup>



## 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; Tabletop; 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 tablecloth



Protect laundry loads with color-catching sheets

**Over 85% of Glattfelter Revenue is tied to Essential Consumer Staples**



# Georgia-Pacific U.S. Nonwovens Acquisition

## Strategic Fit for Airlaid Segment Growth

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- **Signed definitive agreement to purchase Georgia-Pacific's U.S. nonwovens business for \$175M**
  - Airlaid facility located in Mount Holly, NC and R&D center located in Memphis, TN (~150 non-union employees total)
  - 2 production lines with ~37K MT total capacity, pilot line to accelerate ongoing innovation efforts
- **Annual Revenues and Adjusted EBITDA of approximately \$100M and \$20M, respectively**
- **Expected annual cost synergies of \$4M to \$6M within 3 years**
- **Transaction and integration costs expected to be ~\$10M**
- **Acquisition to be financed with combination of cash and borrowings under revolving credit facility**
- **Business and customer base complementary to existing Glatfelter Airlaid segment**
  - Wipes and tabletop product categories comprise approximately 90% of 2020 estimated sales
- **Synergistic acquisition that enables capacity optimization, increased output, operational improvements and cost reduction**
- **Expands Glatfelter's footprint and income generation in the U.S. and balances sales mix between Airlaid and Composite Fibers segments**
  - Post acquisition, Airlaid segment within Glatfelter will comprise:
    - ~49% of total sales (vs. 43%)
    - ~51% of EBITDA (vs. 45%)



# Effective Tax Rate

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- **Q1 2021 tax rate on adjusted earnings is 45.3%**
  - Local German tax rate change increased Q1 tax rate by ~ 3%
- **Guiding to 2021 tax rate of ~ 42% - 44% on adjusted earnings**
  - 2021 Rate Drivers:
    - Tax rate changes: Q1 local German rate change and expected Q3 UK rate change increasing guidance by ~ 3%
    - 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 carry forwards, the 50% GILTI deduction and use of foreign tax credits is not available



# Georgia-Pacific U.S. Nonwovens Acquisition Effective Tax Rate Impacts

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- **Acquisition to be treated as a purchase of assets for tax purposes, utilizing a section 338(h)(10) tax election under the Internal Revenue Code**
  - Election will provide an NPV of future tax benefits of ~\$3 million
- **Effective tax rate guidance will remain unchanged for 2021**
  - U.S. will remain in overall loss position with a full valuation allowance, however acquisition meaningfully reduces annual losses in U.S.
  - Expect slight rate benefit after 2021
- **No increase to U.S. cash taxes in the foreseeable future**
  - Significant tax losses from tax election will offset additional taxable income from acquisition



# Financial Overview

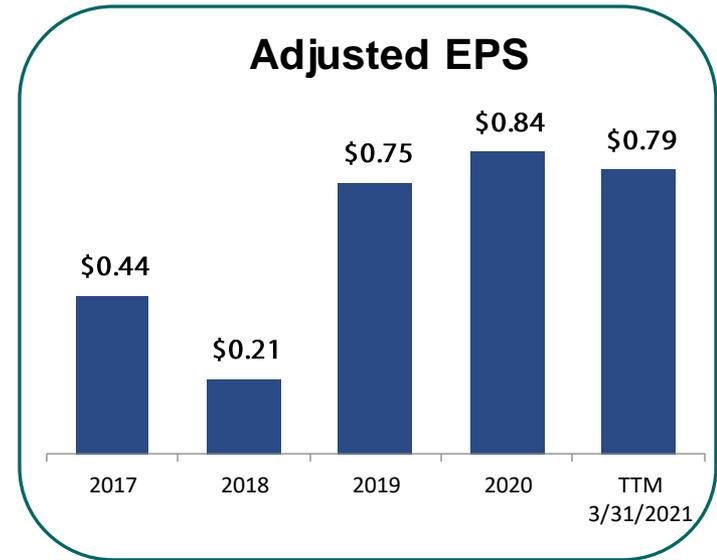
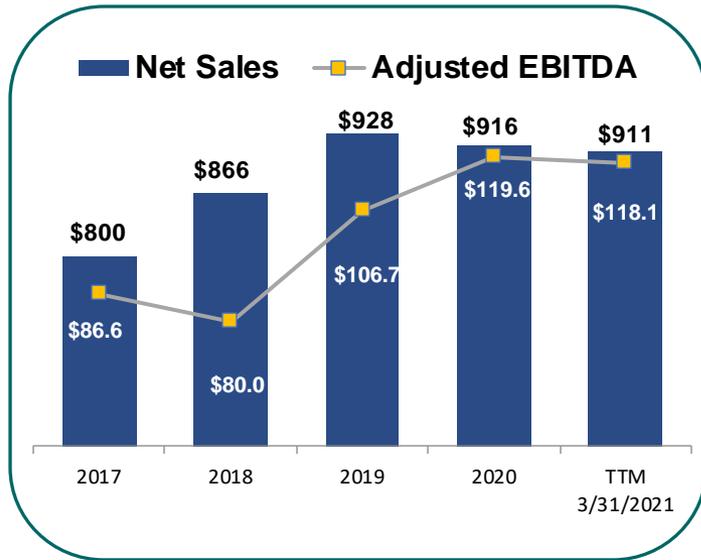
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(in millions)	Q1 2020	Q1 2021
Net Sales	\$231.6	\$225.7
Adjusted operating income	\$20.0	\$17.2
Adjusted EBITDA	\$32.2	\$30.7
Free Cash Flow	(\$12.6)	(\$11.4)
Adjusted Free Cash Flow	(\$10.6)	(\$8.9)

(in millions)	Dec 31 2020	Mar 31 2021
Net Debt	\$213.9	\$219.4
Cash	\$99.6	\$87.4



# Earnings Trends

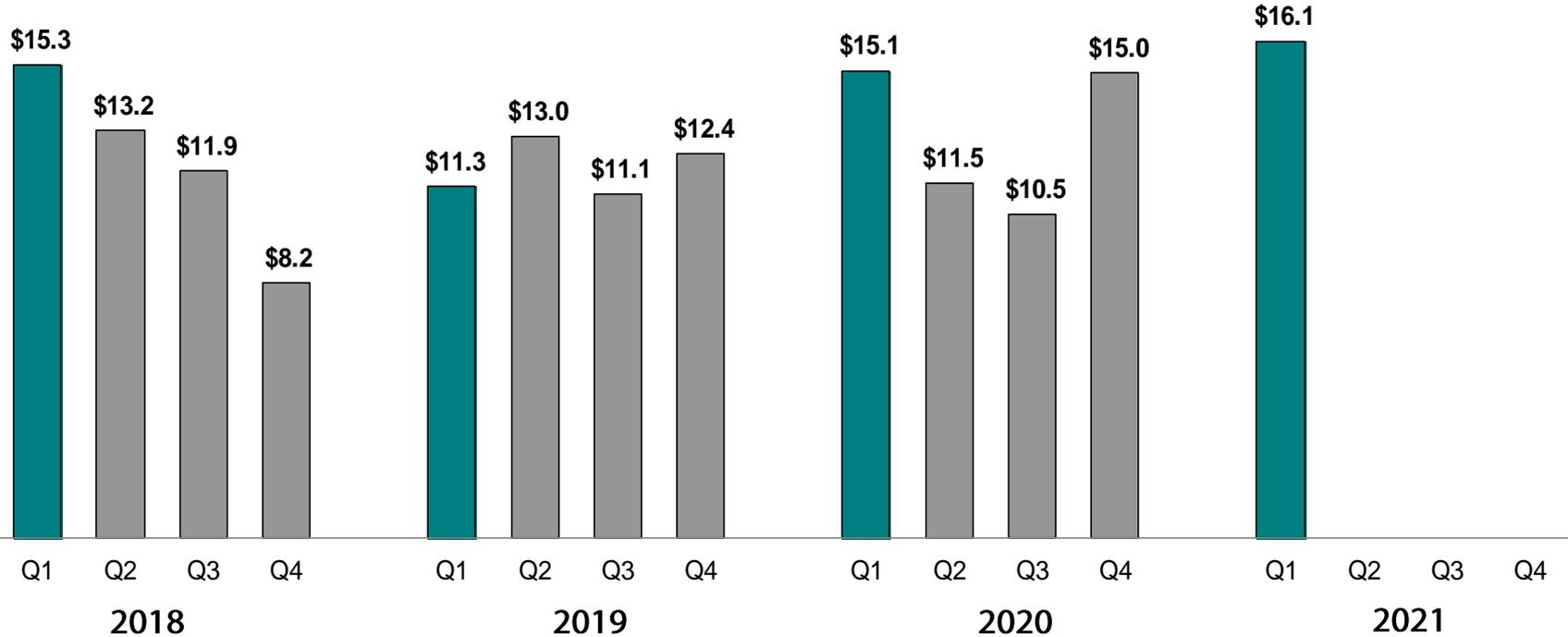


Note: Results are from continuing operations with an assumed tax rate of 40% for 2017 (without the Specialty Papers business); Net sales and Adjusted EBITDA in millions



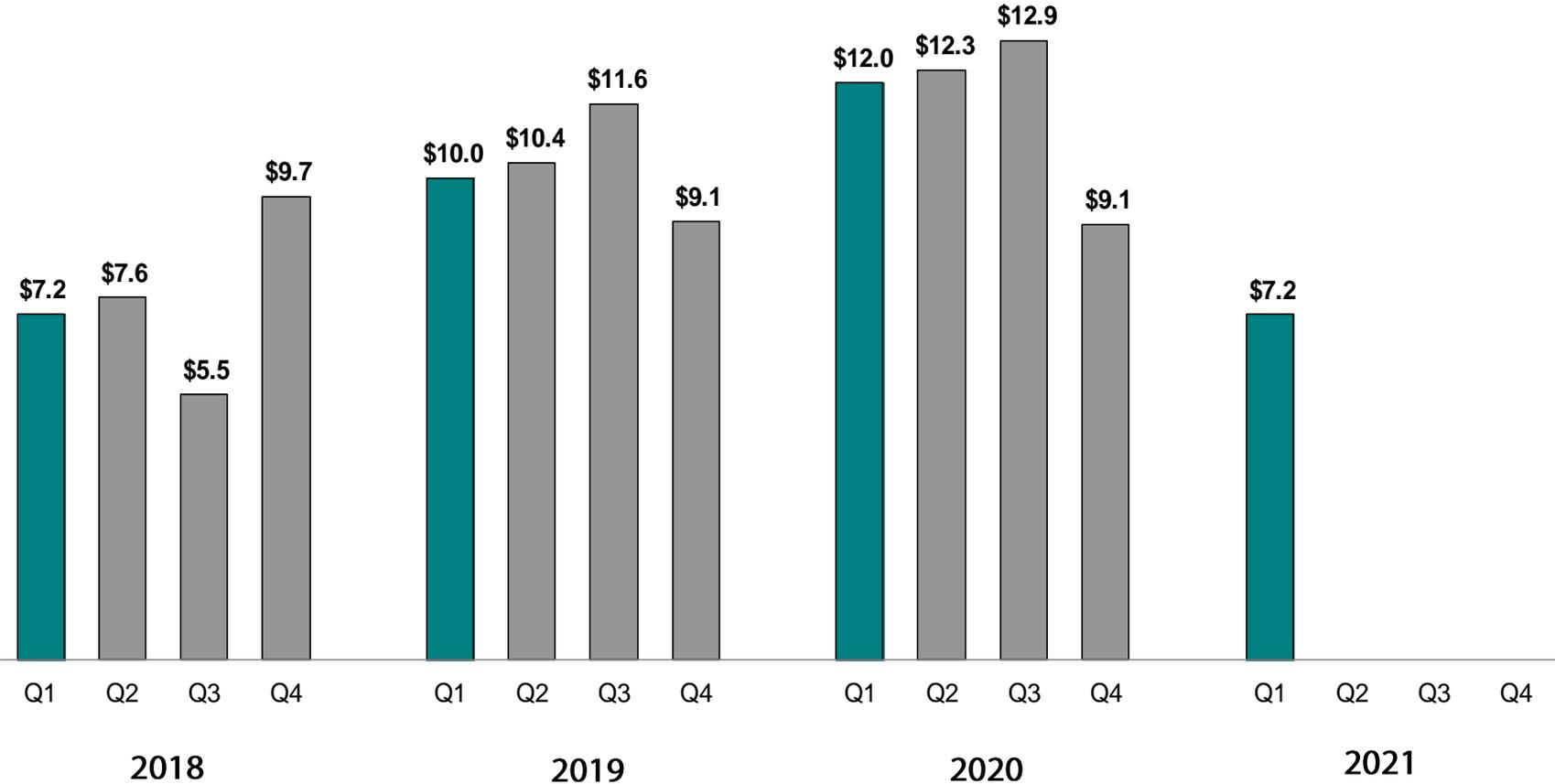
# Composite Fibers Operating Income

\$'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>	Q1 2020	Q1 2021
Net Income	\$ 7.4	\$ 8.4
Add: Taxes	2.6	7.2
Add: Depreciation and Amortization <sup>(1)</sup>	15.4	13.7
Add: Net Interest Expense	1.5	1.5
EBITDA	\$ 26.9	\$ 30.8
<u>Adjustments / Exclusions:</u>		
Pension settlement expenses, net	0.1	-
Gains on Timberland Sales and Transaction Related Costs	-	(0.9)
Restructuring charge - Metallized operations (net of asset write-off)	3.5	-
Cost optimization actions	1.7	-
Costs related to strategic initiatives	-	0.6
Corporate headquarters relocation (net of asset write off)	-	0.2
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 32.2</b>	<b>\$ 30.7</b>
Depreciation and Amortization <sup>(2)</sup>	(12.9)	(13.7)
Other (Income)/Expense	0.7	0.2
<b>Adjusted Operating Income from continuing operations</b>	<b>\$ 20.0</b>	<b>\$ 17.2</b>

(1) – 2020 includes accelerated depreciation incurred in connection with restructuring of Composite Fibers' Metallized operations of \$2.5 million, not included in adjusted operating income (2)

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>	2017	2018	2019	2020	TTM 3/31/2021
<b>Net Income (loss)</b>	<b>\$ 7.9</b>	<b>\$ (177.6)</b>	<b>\$ (21.5)</b>	<b>\$ 21.3</b>	<b>\$ 22.3</b>
Adjust: Discontinued ops	(13.5)	177.2	(3.7)	(0.5)	(0.5)
Add: Taxes from continuing operations	25.1	7.7	(9.2)	11.6	16.2
Add: Depreciation and Amortization	42.1	47.5	50.8	56.6	54.9
Add: Net Interest Expense	13.1	15.0	9.3	6.6	6.6
EBITDA from continuing operations	\$ 74.6	\$ 69.8	\$ 25.7	\$ 95.6	\$ 99.5
<u>Adjustments / Exclusions:</u>					
Pension settlement expenses, net	-	-	75.3	6.2	6.1
Gains on Timberland Sales and Transaction Related Costs	(0.2)	(3.2)	(1.6)	(1.4)	(2.2)
Asset impairment charge	-	-	-	0.9	0.9
Airlaid Capacity Expansion	10.9	7.1	1.0	-	-
Restructuring charge - Metallized operations (net of asset write off)	-	-	-	7.2	3.7
Cost optimization actions	1.3	0.4	8.6	6.0	4.2
COVID-19 incremental costs	-	-	-	2.7	2.7
Corporate headquarters relocation (net of asset write off)	-	-	-	0.9	1.0
Costs related to strategic initiatives <sup>(1)</sup>	-	5.9	0.2	1.6	2.2
Fox River environmental matter	-	-	(2.5)	-	-
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 86.6</b>	<b>\$ 80.0</b>	<b>\$ 106.7</b>	<b>\$ 119.6</b>	<b>\$ 118.1</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>	2019	2020	TTM 3/31/2021
<b>Net Income (loss)</b>	<b>\$ (21.5)</b>	<b>\$ 21.3</b>	<b>\$ 22.3</b>
Adjust: Discontinued ops	(3.7)	(0.5)	(0.5)
Add: Taxes from continuing operations	(9.2)	11.6	16.2
Add: Depreciation and Amortization	50.8	56.6	54.9
Add: Net Interest Expense	9.3	6.6	6.6
<b>EBITDA</b>	<b>\$ 25.7</b>	<b>\$ 95.6</b>	<b>\$ 99.5</b>
<u>Adjustments / Exclusions:</u>			
Gains on Timberland Sales and Transaction Related Costs	(1.6)	(1.4)	(2.2)
Asset impairment charge	-	0.9	0.9
Pension settlement expenses, net	75.3	6.2	6.1
Airlaid Capacity Expansion	1.0	-	-
Restructuring charge - Metallized operations (net of asset write off)	-	7.2	3.7
Cost optimization actions	8.6	6.0	4.2
COVID-19 incremental costs	-	2.7	2.7
Corporate headquarters relocation (net of asset write off)	-	0.9	1.0
Costs related to strategic initiatives <sup>(1)</sup>	0.2	1.6	2.2
Fox River environmental matter	(2.5)	-	-
<b>Adjusted EBITDA</b>	<b>\$ 106.7</b>	<b>\$ 119.6</b>	<b>\$ 118.1</b>



# Reconciliation of Non-GAAP measures

## Adjusted EPS from continuing operations

<i>In millions</i>	2017	2018	2019	2020	TTM 3/31/2021
<b>Net Income (loss)</b>	\$ 7.9	\$ (177.6)	\$ (21.5)	\$ 21.3	\$ 22.3
Adjust: Discontinued ops, net of tax	(13.5)	177.2	(3.7)	(0.5)	(0.5)
<b>Income (loss) from continuing operations</b>	<b>(5.6)</b>	<b>(0.4)</b>	<b>(25.2)</b>	<b>20.8</b>	<b>21.8</b>
<b>Adjustments / Exclusions:</b>					
Pension settlement expenses, net	-	-	75.3	6.2	6.1
Gains on Timberland Sales and Transaction Related Costs	(0.2)	(3.2)	(1.6)	(1.4)	(2.2)
Asset impairment charge	-	-	-	0.9	0.9
Airlaid Capacity Expansion	10.9	7.1	1.0	-	-
COVID-19 incremental costs	-	-	-	2.7	2.7
Debt refinancing fees	-	-	1.0	-	-
Cost optimization actions	2.6	0.4	8.6	6.0	4.2
Restructuring charge - Metallized operations	-	-	-	11.1	5.1
Costs related to strategic initiatives <sup>(1)</sup>	-	5.9	0.2	1.6	2.2
Fox River environmental matter	-	-	(2.5)	-	-
Corporate headquarters relocation	-	-	-	1.1	1.3
Income Tax impact on adjustments	18.8	(0.5)	(23.7)	(11.5)	(6.9)
<b>Total adjustments</b>	<b>32.0</b>	<b>9.6</b>	<b>58.4</b>	<b>16.6</b>	<b>13.4</b>
<b>Adjusted income from continuing operations</b>	<b>26.4</b>	<b>9.2</b>	<b>33.2</b>	<b>37.4</b>	<b>35.1</b>
Normalizing tax rate to 40% provision (2017)	6.8	-	-	-	-
<b>Adjusted earnings for continuing operations</b>	<b>\$ 19.6</b>	<b>\$ 9.2</b>	<b>\$ 33.2</b>	<b>\$ 37.4</b>	<b>\$ 35.1</b>
<b>Adjusted EPS for continuing operations</b>	<b>\$ 0.44</b>	<b>\$ 0.21</b>	<b>\$ 0.75</b>	<b>\$ 0.84</b>	<b>\$ 0.79</b>
<i>Weighted average shares</i>	<i>44,439</i>	<i>43,768</i>	<i>44,132</i>	<i>44,614</i>	<i>44,640</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>	Q1 2020	Q1 2021
<b>Net Income</b>	<b>\$ 7.4</b>	<b>\$ 8.4</b>
Adjust: Discontinued ops, net of tax	-	-
<b>Income from continuing operations</b>	<b>7.4</b>	<b>8.4</b>
<u>Adjustments / Exclusions:</u>		
Pension settlement expenses, net	0.1	-
Gains on Timberland Sales and Transaction Related Costs	-	(0.9)
Corporate headquarters relocation	-	0.2
Cost optimization actions	1.7	-
Restructuring charge - Metallized operations	6.0	-
Costs related to strategic initiatives	-	0.6
Income Tax impact on adjustments (*)	(4.4)	0.2
Total adjustments	3.4	0.1
<b>Adjusted income from continuing operations</b>	<b>\$ 10.8</b>	<b>\$ 8.5</b>
<b>Adjusted EPS for continuing operations</b>	<b>\$ 0.24</b>	<b>\$ 0.19</b>
<i>Weighted average shares - QTD</i>	<i>44,530</i>	<i>44,869</i>

(\*) Income tax adjustments for Q1 2020 and Q1 2021 includes \$2.6 million benefit and \$0.1 million expense, respectively, for CARES Act of 2020  
 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 Free Cash Flow from Continuing Operations

In millions	Q1 2020	Q1 2021
Adjusted EBITDA <sup>(1)</sup>	\$32.2	\$30.7
Change in working capital	(22.5)	(27.7)
Taxes paid	(3.4)	(3.5)
Interest paid	(1.4)	(1.4)
Other	(10.4)	(4.2)
<b>Cash Flow from continuing Operations</b>	<b>(\$5.6)</b>	<b>(\$6.0)</b>
Less: Capital expenditures	(7.0)	(5.4)
<b>Free Cash Flow</b>	<b>(\$12.6)</b>	<b>(\$11.4)</b>
Fox River Payments	0.1	0.3
Strategic Initiatives	-	0.7
Cost Optimization	1.9	1.2
Metallized Restructuring	-	1.1
HQ Relocation	-	0.3
Taxes (Refunds) on adjusting items	-	(1.1)
Less: Adjustments to Free Cash Flow	2.0	2.5
<b>Adjusted Free Cash Flow</b>	<b>(\$10.6)</b>	<b>(\$8.9)</b>

(1) – Reconciliations for adjusted EBITDA to net income not included in this presentation, are included in prior quarter earnings presentations  
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>Q1 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>
Composite Fibers Operating Profit	\$15,102	\$15,041	\$16,065
Addback: Depreciation & Amortization	6,466	6,523	6,981
Composite Fibers EBITDA	<u>\$21,567</u>	<u>\$21,564</u>	<u>\$23,046</u>
Airlaid Materials Operating Profit	\$12,022	\$9,073	\$7,197
Addback: Depreciation & Amortization	5,451	5,818	5,848
Airlaid Materials EBITDA	<u>\$17,473</u>	<u>\$14,891</u>	<u>\$13,046</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>March 31</b>
<i>In millions</i>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Current Portion of Long-Term Debt	\$22.9	\$25.1	\$23.9
Short-Term Debt	-	-	11.7
Long-Term Debt	336.9	288.5	271.1
Total Debt	359.9	313.5	306.7
Less: Cash	(126.2)	(99.6)	(87.4)
Net Debt	\$233.7	\$213.9	\$219.4
Net Debt	\$233.7	\$213.9	\$219.4
Divided by: TTM Adjusted EBITDA	106.7	119.6	118.1
Net Leverage	2.2x	1.8x	1.9x

*Notes:*

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.

