



G L A T F E L T E R

2021 Second Quarter Earnings Conference Call

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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.

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.

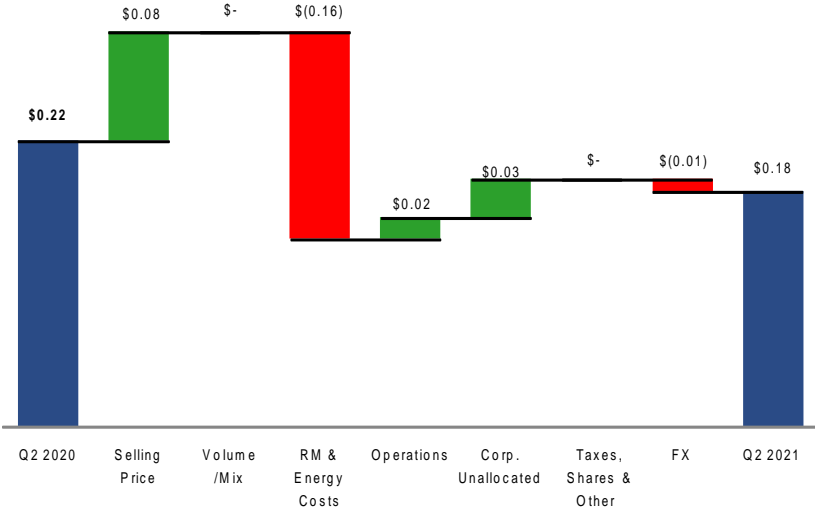
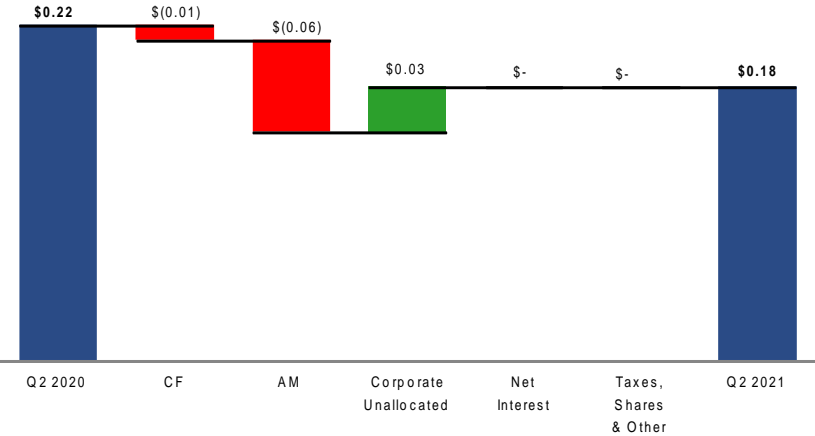


Highlights – Q2 2021

- **Adjusted EBITDA of \$28 million in-line with expectations**
 - Adjusted EPS of \$0.18, ahead of expectations driven primarily by a lower tax rate
 - Airlaid segment finished the quarter strong with improving demand conditions
- **Airlaid Materials outperformed expectations for the quarter driven by rebound in tabletop category and performance of Mount Holly**
- **Composite Fibers' profitability below expectations driven by unfavorable sales mix and higher energy prices**
- **All production locations remained operational**
- **Net Leverage 3.1x at June 2021 following Mount Holly acquisition**
- **Recent announcement to acquire Jacob Holm will add scale and provide a best-in-class suite of nonwovens technologies, applications, and products to serve customers' growing global demand**



Adjusted EPS – Q2 2021 vs. Q2 2020



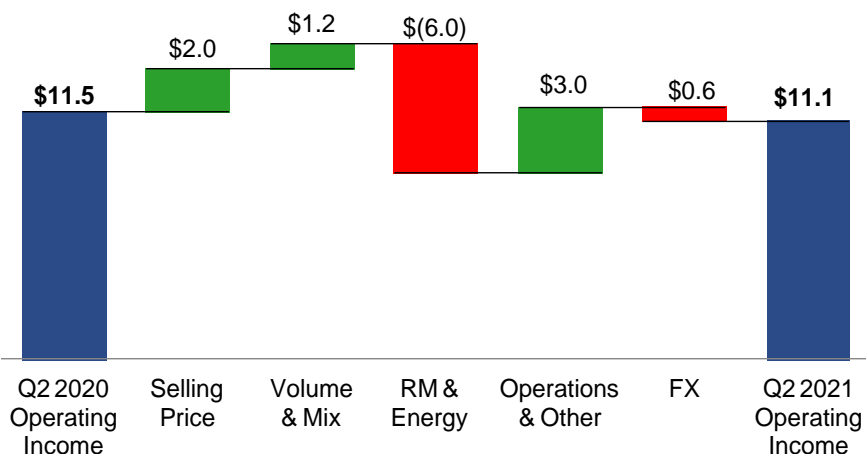
On a GAAP basis, net income from continuing operations for Q2 2021 was \$1.5 million or \$0.03 per share compared to net loss from continuing operations of \$2.3 million or \$(0.05) per share in Q2 2020.



Composite Fibers Q2 2021 Highlights

Dollars in Thousands

	Q2 2020	Q1 2021	Q2 2021
Tons shipped (MT)	29,032	34,140	34,471
Net sales	\$122,137	\$141,249	\$141,598
Operating income	\$11,487	\$16,065	\$11,063
EBITDA	\$17,919	\$23,047	\$18,061
EBITDA margin	14.7%	16.3%	12.8%



- **Revenue up 7.1% versus Q2 2020 on constant currency**

- Selling prices higher by \$2 million
- Volume up 26% (excluding metallized)
 - o Wallcover up 95%
 - o Technical Specialties up 27%
 - o Composite Laminates up 15%
 - o Food & Beverage down 11%
 - o Metallized products down 28% (restructured in Q2 2020)

- **Raw material and energy prices unfavorable \$6.0 million mainly due to higher wood pulp and energy prices but partially offset by selling price increases**

- **Operations favorable \$3.0 million driven by strong production in Dresden and Gernsbach to meet customer demand**

- **Outlook (Q3 2021 versus Q2 2021)**

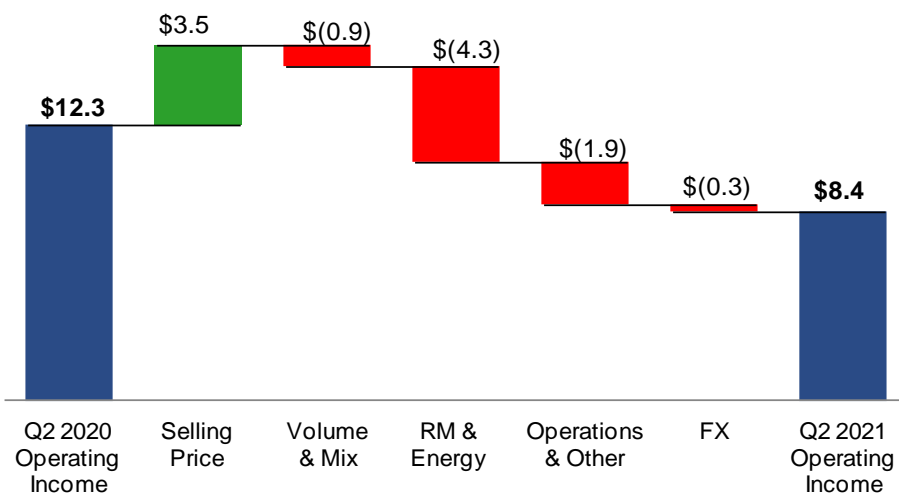
- Expect shipments to be 2% to 3% higher, favorably impacting operating profit by approximately \$0.4 million
- Higher selling prices expected to fully offset higher raw material, energy and logistics inflation
- Operations expected to be in-line with the second quarter



Airlaid Materials Q2 2021 Highlights

Dollars in Thousands

	Q2 2020	Q1 2021	Q2 2021
Tons shipped (MT)	33,277	28,864	34,315
Net sales	\$94,046	\$84,425	\$103,313
Operating income	\$12,292	\$7,197	\$8,431
EBITDA	\$17,765	\$13,046	\$15,197
EBITDA margin	18.9%	15.5%	14.7%



- **Revenue up 5.0% versus Q2 2020 on constant currency, including six weeks of Mount Holly acquisition in Q2 2021**
 - Volume up 3% but unfavorable mix
 - Tabletop up 177%
 - Wipes up 9%
 - Home Care products down 5%
 - Hygiene products down 13%
- **Higher selling prices reflect the contractual pass-through of higher raw material prices**
 - Price inflation in nearly all raw materials
- **Operations unfavorable \$1.9 million mainly driven by lower production to manage elevated inventory**
- **Outlook (Q3 2021 versus Q2 2021)**
 - Expect shipments to be 15% to 20% higher
 - Higher selling prices expected to fully offset higher raw material, energy and logistics inflation
 - Higher production to meet customer demand and prepare for a Q4 machine upgrade is expected to favorably impact operating profit by \$1 to \$2 million



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 2020	Q2 2021	YTD 2020	YTD 2021
Restructuring charge – Metallized operations	(5.1)	-	(\$11.1)	-
Cost optimization actions	(1.3)	-	(3.1)	-
Timberland sales and related costs	0.6	1.6	0.6	2.4
COVID-19 incremental costs	(1.2)	-	(1.2)	-
Strategic initiatives	-	(7.8)	-	(8.4)
Asset impairment charge	(0.9)	-	(0.9)	-
Corporate headquarters relocation	-	(0.2)	-	(0.4)
Special items excluded from adjusted earnings	(7.9)	(6.5)	(15.6)	(6.4)
Corporate costs*	(6.8)	(4.9)	(13.9)	(10.9)
Total corporate costs & other financial items	(14.7)	(11.4)	(29.5)	(17.3)

- Corporate costs \$1.9 million lower than Q2 2020 and \$3.0 million lower June YTD 2021
- Strategic initiatives costs of \$8.4 million YTD related to acquisition activities including Mount Holly and recently announced Jacob Holm transaction
- Outlook (FY 2021)
 - Corporate costs estimated to be approximately \$23 million in 2021
 - Interest expense & other financial costs estimated to be ~\$11 million (reflects Mount Holly acquisition)
 - Expect full year tax rate to be approximately 38% to 40%

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

- **YTD cash flow from continuing operations \$2.3 million higher versus last year**
- **Adjusted Free Cash Flow lower by ~\$6 million**
 - Cash flow used for working capital is unfavorable after adjusting for special items
- **2021 Outlook:**
 - Expect capital expenditures to be approximately \$30 to \$35 million
 - Includes capital spending at Mount Holly for initial development to stand up an integrated IT system as well as on-going capital for the remainder of 2021
 - Expect depreciation and amortization expense to be approximately \$60 million (includes Mount Holly)

(in millions)	Q2 2020	Q2 2021	H1'20	H1'21
Adjusted EBITDA	\$29.0	\$28.5	\$61.2	\$59.2
Change in working capital (*)	(16.6)	(10.2)	(39.1)	(37.9)
Taxes paid	(1.2)	(3.6)	(4.7)	(7.1)
Interest paid	(1.7)	(1.5)	(3.2)	(2.9)
Other	(4.7)	(5.7)	(15.2)	(9.9)
Cash Flow from continuing Operations	\$4.7	\$7.4	(\$0.9)	\$1.4
Less: Capital expenditures	(5.0)	(5.8)	(12.0)	(11.2)
Free Cash Flow	(\$0.3)	\$1.6	(\$12.9)	(\$9.8)
Less: Adjustments to Free Cash Flow	12.4	2.6	14.5	5.0
Adjusted Free Cash Flow	\$12.1	\$4.1	\$1.6	(\$4.8)

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 27 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

- Higher leverage of 3.1x as of June 30, 2021 versus 1.8x as of December 31, 2020 driven by Mount Holly acquisition in Q2 2021 for \$175 million
- December 2019 cash includes ~\$53.4 million related to pension settlement
- Continue to maintain adequate liquidity of ~\$200 million

(in millions)	31-Dec-19	31-Dec-20	30-Jun-21
Cash	\$126.2	\$99.6	\$84.2
Debt			
Current portion of long term debt	22.9	25.1	24.3
Short term debt	-	-	11.9
Term Loans 1.3% - 2.4% due 2022 - 2025	255.1	253.5	233.4
Revolving credit agreement	84.3	36.8	213.5
Unamortized deferred financing costs	(2.4)	(1.9)	(1.6)
Total Debt	359.9	313.5	481.4
Net Debt	\$233.7	\$213.9	\$397.2
Shareholders' Equity	\$556.0	\$577.9	\$571.2
TTM Adj. EBITDA (*)	106.7	119.6	128.0
Net Leverage	2.2x	1.8x	3.1x
Available Liquidity	\$200.4	\$274.8	\$197.1

Notes:

(*) TTM Adjusted EBITDA as of June 30, 2021 includes \$10.4 million of Mount Holly EBITDA for 10.5 months not under Glatfelter. 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.



Jacob Holm Nonwovens Acquisition

Will add Scale, New Technologies and Product Categories

- **Signed definitive agreement to purchase Jacob Holm nonwovens business for \$308M and expected to close later this year**
 - Headquartered in Basel, Switzerland with four manufacturing facilities in the US (2), France and Spain
- **A global leader in sustainable materials for personal care, hygiene, industrial and medical applications**
- **Expands Glatfelter's footprint and income generation in the U.S. and Asia Pacific regions**
- **6/30/2021 LTM Revenues and EBITDA of approximately \$400 million and \$45 million, respectively**
 - June LTM results include a benefit from COVID-related demand estimated to be \$10 million to \$15 million of EBITDA
- **Acquisition to be financed with issuance of new \$550 million senior unsecured bond with transaction costs and fees expected to be ~\$25 million**
- **Synergistic acquisition adding new technologies and product categories, while enabling product line optimization, operational improvements, strategic sourcing savings and cost reductions**
 - Expected annual synergies of ~ \$20 million within 24 months
- **Net Leverage expected to increase from 3.1x at June 30, 2021 to ~ 4.0x after acquisition of Jacob Holm based on combined EBITDA, inclusive of \$20 million of transaction synergies ⁽¹⁾**

(1) - Normalized for Covid related tailwinds experienced in 2020 and LTM June 2021



Jacob Holm: Company Overview

- A global leader in spunlace nonwovens for the personal care, hygiene, industrial and medical end markets
- Operates four manufacturing facilities with eight production lines
- Organized into three business units: Sontara Professional, Health & Skin Care, and Personal Care
- Headquartered in Basel, Switzerland

Expansive product portfolio focused on attractive, diversified segments



Medical



Beauty



Automotive



Hygiene



Household



Electronics

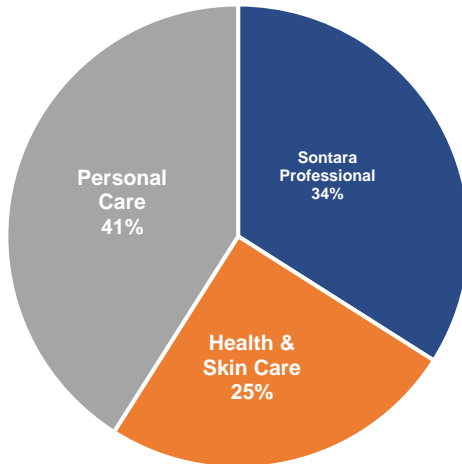


Hospitality / food

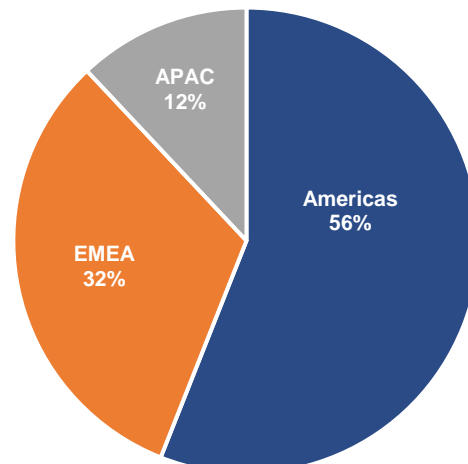


Printing











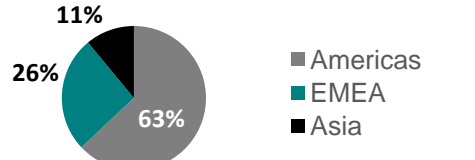
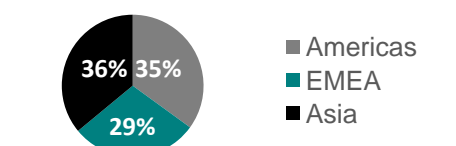
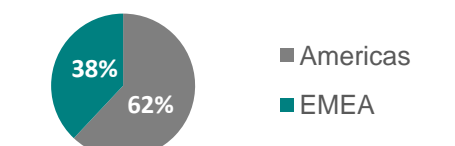
2020 Sales by Segment



2020 Sales by Region



Jacob Holm: Business Line Overview

	Sontara Professional	Health & Skin Care	Personal Care
% of Revenue (FY2020A)	34%	25%	41%
Key Products	<ul style="list-style-type: none"> Critical Cleaning: Aerospace & life science, clean room and printing High Performance Materials: Acoustics and aramid fabrics 	<ul style="list-style-type: none"> Health Care: Gowns & drapes, wound care, face mask components Beauty Care: Facial masks, face wipes, and body wipes 	<ul style="list-style-type: none"> Consumer wipes: baby wipes, household wipes, and dispersible wipes Hygiene: Baby care, feminine care, adult care
Product Examples	<p>Cleanroom and Aerospace Wipes</p> 	<p>Gowns and drapes</p>  <p>Wound dressings</p>  <p>Facial mask</p> 	<p>Premium baby wipes</p>  <p>Dispersible wipes (MTT)</p>  <p>Feminine care</p> 
Customer Examples			
Revenue by Geography (FY2020A)			

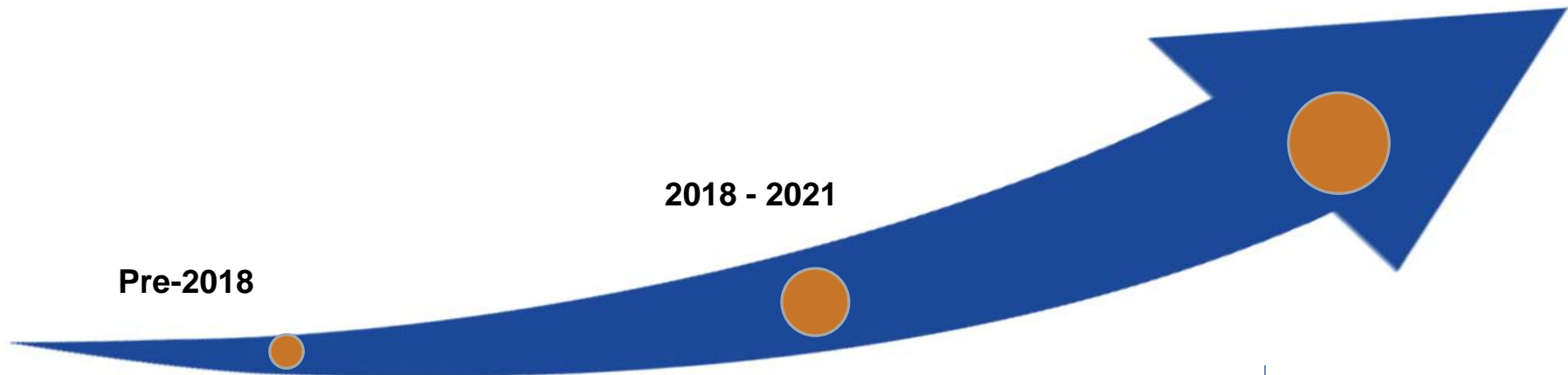


Glatfelter's Ongoing Strategic Transformation

2022 & Beyond

2018 - 2021

Pre-2018



- **Expanded internationally** acquiring Schoeller & Hoesch GmbH creating Composite Fibers business

- **Acquired Lydney, UK facility** to expand tea and coffee business

- **Acquisition of Concert Industries** creates Airlaid Materials business

- **Dresden acquisition** adds Nonwoven Wallcover product line

- **Completed capacity expansions** in Composite Fibers to serve Tea, Coffee, and consumer growth markets

- **Oberschmitt acquisition** expands Electrical product line

- **Sale of Specialty Papers business** creates more growth focused and stable Engineered Materials platform

- **Terminated and settled qualified pension plan** and reverted \$33 million cash back to company

- **Fox River liability settled** and paid \$20.5 million as part of final settlement

- **New airlaid facility** in Fort Smith, AR expanded capacity by 20%

- **Acquired 2 Georgia-Pacific airlaid facilities** to capture and service long term demand for health and hygiene products

- **Issued first "Sustainability" report in 2020** formalizing our ESG priorities

- **Relocated Corporate Headquarters to Charlotte, North Carolina** to enhance access to resources and more diverse talent

- **Recently announced acquisition of Jacob Holm** to add scale and best-in-class suite of nonwovens technologies, applications, and products

- **Execute on integration** of recently announced acquisitions with a focus on synergy capture and deleveraging

- **Accelerate innovation** to further expand engineered materials product portfolio

- **Continue to pursue attractive growth investment opportunities** as balance sheet permits



Appendix



Product Portfolio - Enhancing 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; 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 table cloth



Protect laundry loads with color-catching sheets

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



Effective Tax Rate

- **Q2 2021 tax rate on adjusted earnings is 33.2%**
 - Lower tax rate primarily due to changes in jurisdictional mix of pretax earnings
 - Partially offset by UK tax rate increase
- **Guiding to 2021 tax rate of ~ 38% - 40% on adjusted earnings**
 - 2021 Rate Drivers:
 - Tax rate changes: Q1 local German rate change and Q2 UK rate change negatively impacting full year rate 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



Jacob Holm Financing and Tax Summary

- **Glatfelter intends to finance the acquisition of Jacob Holm with the proceeds of a new \$550 million senior unsecured bond issuance**
 - HSBC has underwritten 100% of a Senior Unsecured Bridge Facility backing the proposed bond issuance
 - Glatfelter intends to apply excess proceeds from the bond offering to repay outstandings under the Revolving Credit Facility (used to finance Mount Holly acquisition)
- **Pro forma for the acquisition, Glatfelter's net leverage is expected to increase to 4.0x, inclusive of \$20 million of synergies and \$25 million of transaction costs**
 - GLT net leverage as of June 30, 2021 of 3.1x
- **In connection with the transaction, Glatfelter is seeking to amend its existing credit facilities to, among other items,**
 - Provide additional cushion under the financial maintenance covenant
 - Extend the maturity of the Revolving Credit Facility to five years to ensure adequate long-term liquidity
- **Effective tax rate guidance will remain unchanged for 2021**
 - Tax rate will initially increase by ~ 3% until U.S. tax losses are fully utilized within next two years
 - Beginning in 2024 a tax rate benefit of ~3% is expected
 - U.S. will remain in overall loss position with a full valuation allowance
- **Decrease to global cash tax rate**
 - Cash tax rate will decrease by ~2% beginning in 2024



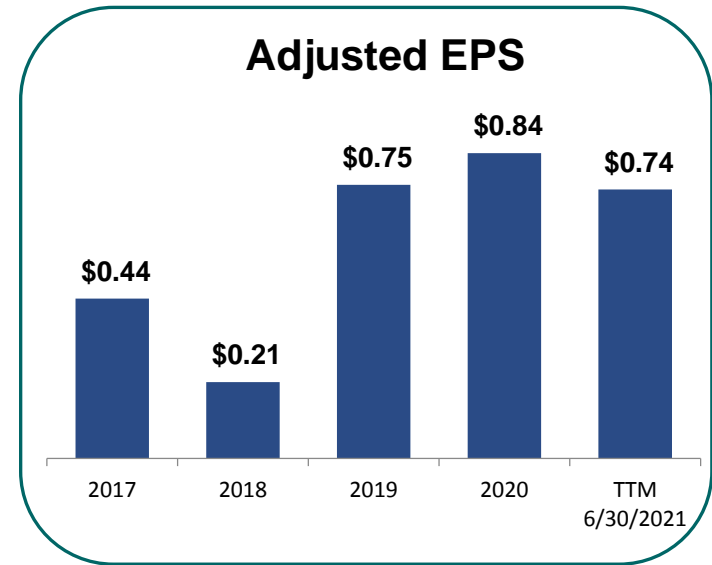
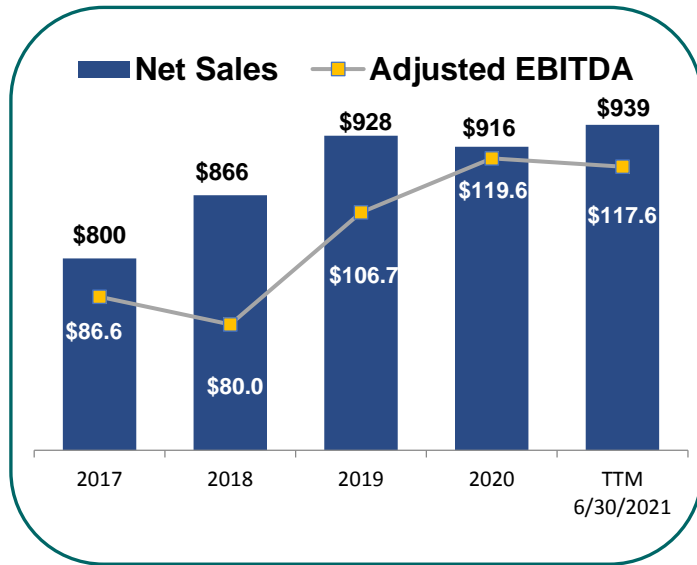
Financial Overview

(in millions)	Q2 2020	Q2 2021
Net Sales	\$216.2	\$244.9
Adjusted operating income	\$17.0	\$14.6
Adjusted EBITDA	\$29.0	\$28.5
Free Cash Flow	(\$0.3)	\$1.6
Adjusted Free Cash Flow	\$12.1	\$4.1

(in millions)	Dec 31 2020	Jun 30 2021
Net Debt	\$213.9	\$397.2
Cash	\$99.6	\$84.2



Earnings Trends

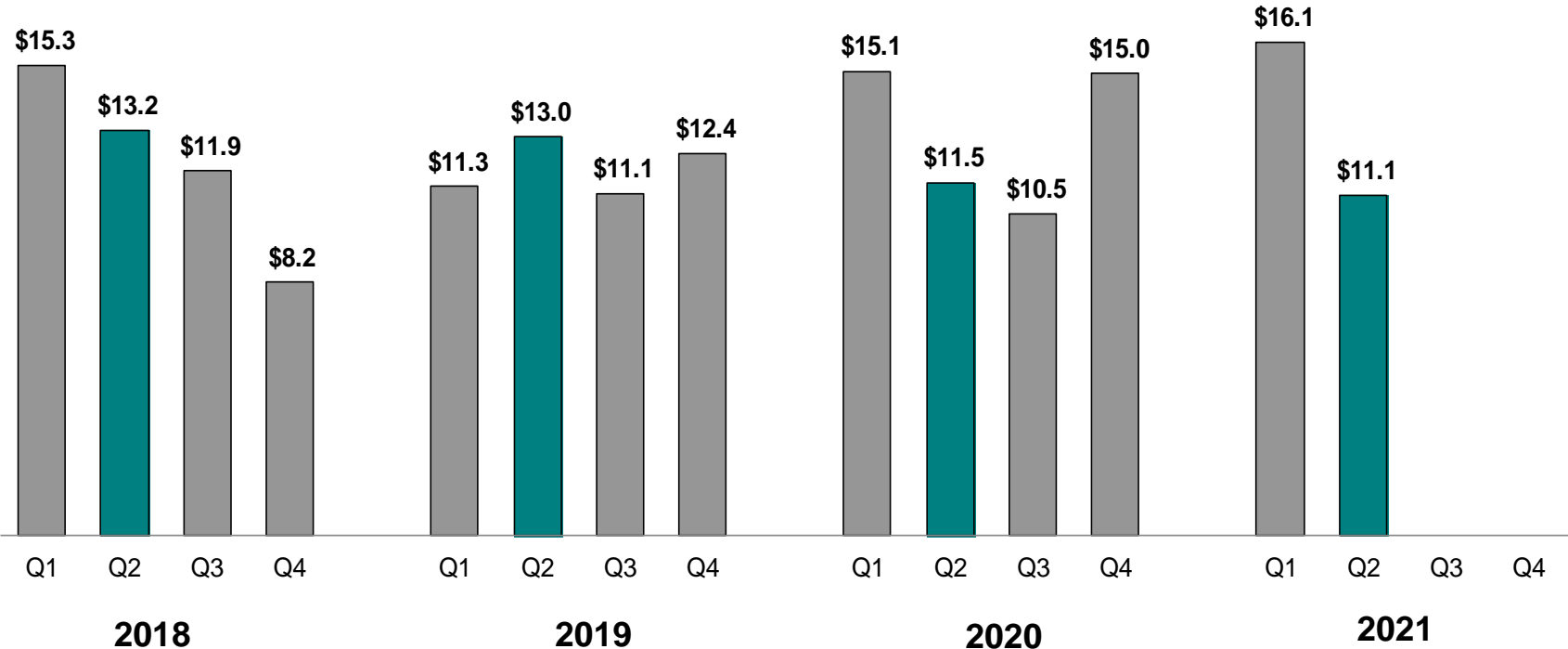


Note: Results are from continuing operations with an assumed tax rate of 40% for 2017 (without the Specialty Papers business) ; Net sales and Adjusted EBITDA in millions



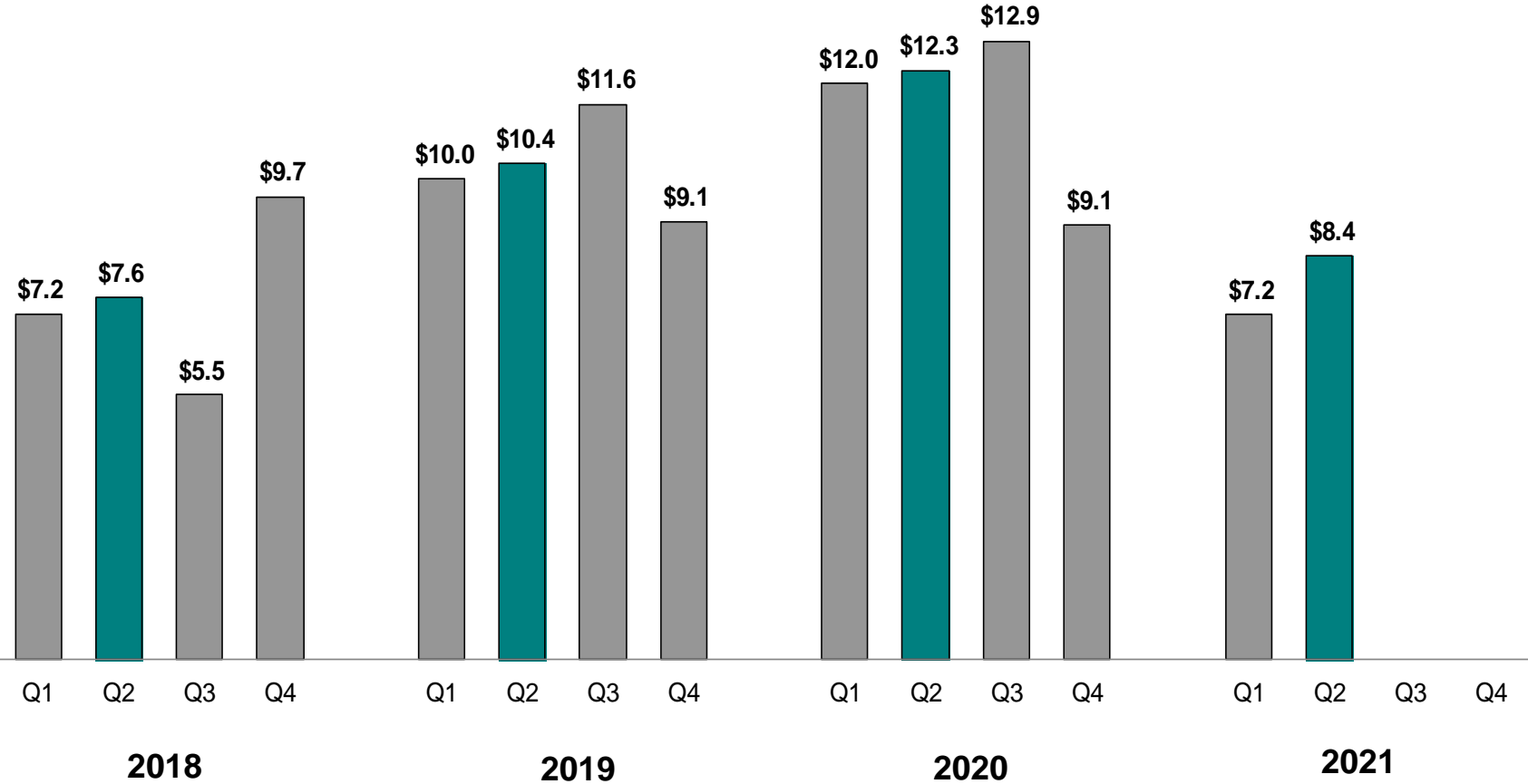
Composite Fibers Operating Income

\$'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>	Q2 2020	Q2 2021	H1 2020	H1 2021
Net Income (loss)	\$ (2.4)	\$ 1.4	\$ 5.0	\$ 9.8
Adjust: Discontinued ops	0.1	0.1	0.1	0.1
Add: Taxes	2.6	4.0	5.2	11.2
Add: Depreciation and Amortization ⁽¹⁾	14.2	14.7	29.6	28.5
Add: Net Interest Expense	1.7	1.8	3.2	3.3
EBITDA	\$ 16.1	\$ 22.0	\$ 43.1	\$ 52.8
<u>Adjustments / Exclusions:</u>				
Pension settlement expenses, net	6.3	-	6.4	-
Gains on Timberland Sales and Transaction Related Costs	(0.6)	(1.6)	(0.6)	(2.4)
Restructuring charge - Metallized operations (net of asset write-off)	3.7	-	7.2	-
COVID-19 incremental costs	1.2	-	1.2	-
Cost optimization actions	1.3	-	3.0	-
Asset impairment charge	0.9	-	0.9	-
Costs related to strategic initiatives	-	7.8	-	8.4
Corporate headquarters relocation (net of asset write off)	-	0.2	-	0.4
Adjusted EBITDA from continuing operations	\$ 29.0	\$ 28.5	\$ 61.2	\$ 59.2
Depreciation and Amortization ⁽²⁾	(12.8)	(14.7)	(25.7)	(28.5)
Other (Income)/Expense	0.8	0.8	1.5	1.1
Adjusted Operating Income from continuing operations	\$ 17.0	\$ 14.6	\$ 37.0	\$ 31.8

(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 6/30/2021
Net Income (loss)	\$ 7.9	\$ (177.6)	\$ (21.5)	\$ 21.3	\$ 26.1
Adjust: Discontinued ops	(13.5)	177.2	(3.7)	(0.5)	(0.6)
Add: Taxes from continuing operations	25.1	7.7	(9.2)	11.6	17.6
Add: Depreciation and Amortization	42.1	47.5	50.8	56.6	55.5
Add: Net Interest Expense	13.1	15.0	9.3	6.6	6.7
EBITDA from continuing operations	\$ 74.6	\$ 69.8	\$ 25.7	\$ 95.6	\$ 105.3
<u>Adjustments / Exclusions:</u>					
Pension settlement expenses, net	-	-	75.3	6.2	(0.2)
Gains on Timberland Sales and Transaction Related Costs	(0.2)	(3.2)	(1.6)	(1.4)	(3.2)
Asset impairment charge	-	-	-	0.9	-
Airlaid Capacity Expansion	10.9	7.1	1.0	-	-
Restructuring charge - Metallized operations (net of asset write off)	-	-	-	7.2	0.1
Cost optimization actions	1.3	0.4	8.6	6.0	2.9
COVID-19 incremental costs	-	-	-	2.7	1.5
Corporate headquarters relocation (net of asset write off)	-	-	-	0.9	1.2
Costs related to strategic initiatives ⁽¹⁾	-	5.9	0.2	1.6	10.0
Fox River environmental matter	-	-	(2.5)	-	-
Adjusted EBITDA from continuing operations	\$ 86.6	\$ 80.0	\$ 106.7	\$ 119.6	\$ 117.6

(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 6/30/2021
Net Income (loss)	\$ (21.5)	\$ 21.3	\$ 26.1
Adjust: Discontinued ops	(3.7)	(0.5)	(0.6)
Add: Taxes from continuing operations	(9.2)	11.6	17.6
Add: Depreciation and Amortization	50.8	56.6	55.5
Add: Net Interest Expense	9.3	6.6	6.7
EBITDA	\$ 25.7	\$ 95.6	\$ 105.3
EBITDA from Mount Holly Operations	-	-	10.4
<u>Adjustments / Exclusions:</u>			
Gains on Timberland Sales and Transaction Related Costs	(1.6)	(1.4)	(3.2)
Asset impairment charge	-	0.9	-
Pension settlement expenses, net	75.3	6.2	(0.2)
Airlaid Capacity Expansion	1.0	-	-
Restructuring charge - Metallized operations (net of asset write off)	-	7.2	0.1
Cost optimization actions	8.6	6.0	2.9
COVID-19 incremental costs	-	2.7	1.5
Corporate headquarters relocation (net of asset write off)	-	0.9	1.2
Costs related to strategic initiatives	0.2	1.6	10.0
Fox River environmental matter	(2.5)	-	-
Adjusted EBITDA	\$ 106.7	\$ 119.6	\$ 128.0 (*)

(*) For leverage calculation the June 30, 2021 column includes a full year of Mt. Holly financials for TTM EBITDA calculation



Reconciliation of Non-GAAP measures

Adjusted EPS from continuing operations

<i>In millions</i>	2017	2018	2019	2020	TTM 6/30/2021
Net Income (loss)	\$ 7.9	\$ (177.6)	\$ (21.5)	\$ 21.3	\$ 26.1
Adjust: Discontinued ops, net of tax	(13.5)	177.2	(3.7)	(0.5)	(0.6)
Income (loss) from continuing operations	(5.6)	(0.4)	(25.2)	20.8	25.5
<u>Adjustments / Exclusions:</u>					
Pension settlement expenses, net	-	-	75.3	6.2	(0.2)
Gains on Timberland Sales and Transaction Related Costs	(0.2)	(3.2)	(1.6)	(1.4)	(3.2)
Asset impairment charge	-	-	-	0.9	-
Airlaid Capacity Expansion	10.9	7.1	1.0	-	-
COVID-19 incremental costs	-	-	-	2.7	1.5
Debt refinancing fees	-	-	1.0	-	-
Cost optimization actions	2.6	0.4	8.6	6.0	2.9
Restructuring charge - Metallized operations	-	-	-	11.1	-
Costs related to strategic initiatives ⁽¹⁾	-	5.9	0.2	1.6	10.0
Fox River environmental matter	-	-	(2.5)	-	-
Corporate headquarters relocation	-	-	-	1.1	1.5
Income Tax impact on adjustments	18.8	(0.5)	(23.7)	(11.5)	(4.8)
Total adjustments	32.0	9.6	58.4	16.6	7.6
Adjusted income from continuing operations	26.4	9.2	33.2	37.4	33.2
Normalizing tax rate to 40% provision (2017)	6.8	-	-	-	-
Adjusted earnings for continuing operations	\$ 19.6	\$ 9.2	\$ 33.2	\$ 37.4	\$ 33.2
Adjusted EPS for continuing operations	\$ 0.44	\$ 0.21	\$ 0.75	\$ 0.84	\$ 0.74
<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>	Q2 2020	Q2 2021
Net Income (loss)	\$ (2.4)	\$ 1.4
Adjust: Discontinued ops, net of tax	0.1	0.1
Net Income (loss) from continuing operations	(2.3)	1.5
<u>Adjustments / Exclusions:</u>		
Pension settlement expenses, net	6.3	-
Gains on Timberland Sales and Transaction Related Costs	(0.6)	(1.6)
Asset impairment charge	0.9	-
COVID-19 incremental costs	1.2	-
Corporate headquarters relocation	-	0.2
Cost optimization actions	1.3	-
Restructuring charge - Metallized operations	5.1	-
Costs related to strategic initiatives	-	7.8
Income Tax impact on adjustments (*)	(2.0)	-
Total adjustments	12.2	6.5
Adjusted income from continuing operations	\$ 9.9	\$ 8.0
Adjusted EPS for continuing operations	\$ 0.22	\$ 0.18
<i>Weighted average shares - QTD</i>	<i>44,343</i>	<i>44,872</i>

(*) Income tax adjustments for Q2 2021 includes \$0.1 million expense 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	Q2'20	Q2'21	H1'20	H1'21
Adjusted EBITDA ⁽¹⁾	\$29.0	\$28.5	\$61.2	\$59.2
Change in working capital	(16.6)	(10.2)	(39.1)	(37.9)
Taxes paid	(1.2)	(3.6)	(4.7)	(7.1)
Interest paid	(1.7)	(1.5)	(3.2)	(2.9)
Other	(4.7)	(5.7)	(15.2)	(9.9)
Cash Flow from continuing Operations	\$4.7	\$7.4	(\$0.9)	\$1.4
Less: Capital expenditures	(5.0)	(5.8)	(12.0)	(11.2)
Free Cash Flow	(\$0.3)	\$1.6	(\$12.9)	(\$9.8)
Fox River Payments	2.1	0.5	2.2	0.8
Pension Settlement	6.3	-	6.3	-
Strategic Initiatives	-	0.8	-	1.6
Cost Optimization	0.4	0.5	2.3	1.6
Metallized Restructuring	4.3	0.1	4.3	1.3
HQ Relocation	0.1	0.5	0.1	0.8
COVID19 related costs	1.2	-	1.2	-
Taxes (Refunds) on adjusting items	(1.9)	0.1	(1.8)	(1.0)
Less: Adjustments to Free Cash Flow	12.4	2.6	14.5	5.0
Adjusted Free Cash Flow	\$12.1	\$4.1	\$1.6	(\$4.8)

(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

<i>In thousands</i>	Q2 2020	Q1 2021	Q2 2021
Composite Fibers Operating Profit	\$11,487	\$16,065	\$11,063
Addback: Depreciation & Amortization	6,431	6,981	7,000
Composite Fibers EBITDA	<u>\$17,919</u>	<u>\$23,047</u>	<u>\$18,062</u>
Airlaid Materials Operating Profit	\$12,292	\$7,197	\$8,431
Addback: Depreciation & Amortization	5,473	5,848	6,767
Airlaid Materials EBITDA	<u>\$17,765</u>	<u>\$13,046</u>	<u>\$15,197</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

Net debt & Leverage	December 31	December 31	June 30
<i>In millions</i>	2019	2020	2021
Current Portion of Long-Term Debt	\$22.9	\$25.1	\$24.3
Short-Term Debt	-	-	11.7
Long-Term Debt	336.9	288.5	445.4
Total Debt	359.9	313.5	481.4
Less: Cash	(126.2)	(99.6)	(84.2)
Net Debt	<u>\$233.7</u>	<u>\$213.9</u>	<u>\$397.2</u>
Net Debt	\$233.7	\$213.9	\$397.2
Divided by: TTM Adjusted EBITDA	106.7	119.6	128.0
Net Leverage (*)	<u>2.2x</u>	<u>1.8x</u>	<u>3.1x</u>

Notes:

(*) For leverage calculation the June 30, 2021 column includes a full year of Mt. Holly 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.

