



G L A T F E L T E R

2023 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”, “plans”, “targets”, and similar expressions to identify forward-looking statements. Any such statements are based on the Company’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, which are described in the Company’s filings with the U.S. Securities and Exchange Commission (“SEC”), including those set forth in the Risk Factors section and under the heading “Forward-Looking Statements” in the Company’s most recently filed Annual Report on Form 10-K and Quarterly Report on Form 10-Q, which are available on the SEC’s website at www.sec.gov. 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 the Company 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.

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.



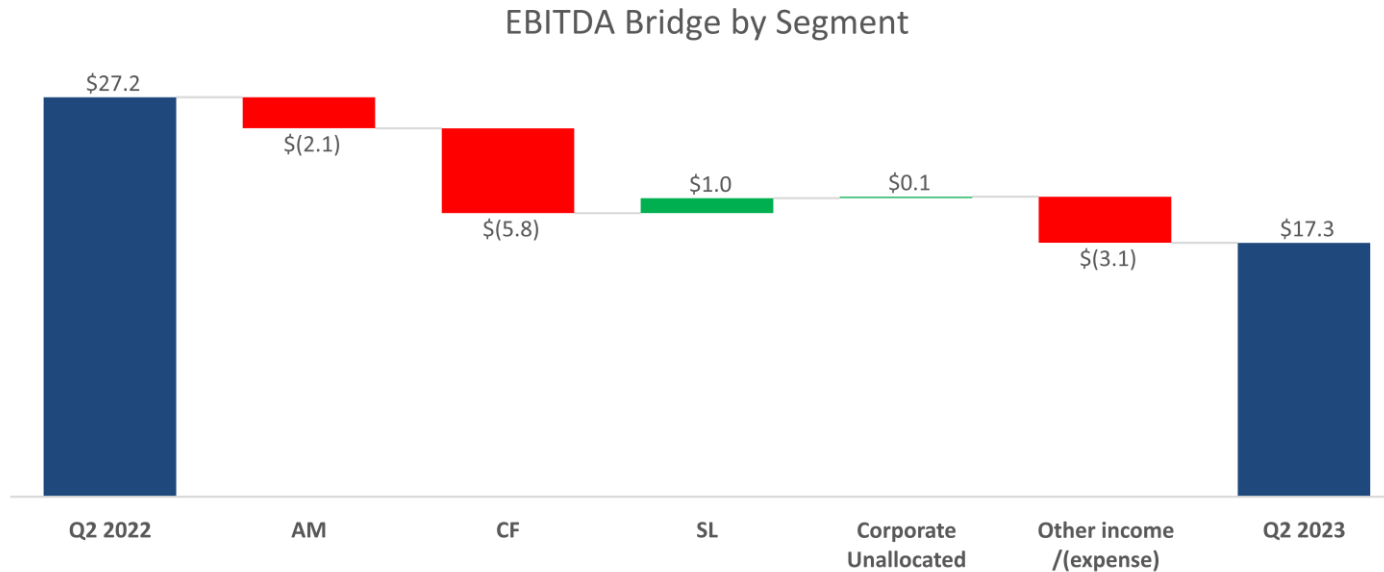
Highlights – Q2 2023

- **Q2 Adjusted EBITDA of \$17.3 million was ~\$10 million lower versus Q2 2022 mainly driven by declines in Ober-Schmitt, market softness, and one-time events**
 - Market softness and customer inventory destocking resulted in lower production impacting EBITDA by ~\$7 million
 - Turnaround Strategy (price-cost gap improvement and fixed cost reduction actions) improved EBITDA by ~\$7 million
 - Deterioration of ~\$4 million in Ober-Schmitt results, a site slated for wind-down as part of portfolio optimization
 - Fires in Fort Smith and Asheville caused downtime and repair costs impacting EBITDA by ~\$3 million
 - Unfavorable FX, customer financing costs from rising interest rates and other costs impacted EBITDA by ~\$3 million
- **Airlaid Materials EBITDA lower by ~\$2 million versus Q2 2022 driven by lower volume related to elevated customer inventory levels and fire event at Fort Smith**
- **Composite Fibers' EBITDA lower ~\$6 million versus Q2 2022 driven by Ober-Schmitt, market weakness and lower production to manage inventory levels**
- **Spunlace EBITDA higher by ~\$1 million versus Q2 2022 driven by turnaround strategy actions and lower operational spending, despite impact of fire at Asheville**
- **Adjusted free cash flow lower by ~\$10 million versus Q2 2022**
- **Leverage, as calculated based on covenants of our latest credit agreement, is 3.4x* at June 30, 2023**
- **2023 Adjusted EBITDA annual guidance range lowered to between \$100 million and \$110 million**



Financial Summary

On a GAAP basis, net loss from continuing operations for Q2 2023 was \$36.6 million or (\$0.82) per share compared to net loss from continuing operations of \$2.5 million or (\$0.05) per share in Q2 2022



Airlaid Materials Q2 2023 Highlights

<i>USD in Thousands</i>	Q2 2022	Q1 2023	Q2 2023
Tons Shipped (MT)	40,681	39,827	39,246
Net Sales	143,708	159,441	152,511
Operating Income	11,944	13,914	9,726
EBITDA	19,486	21,600	17,363
EBITDA Margin	13.6%	13.5%	11.4%

- **Revenue up 5% versus Q2 2022 on constant currency**

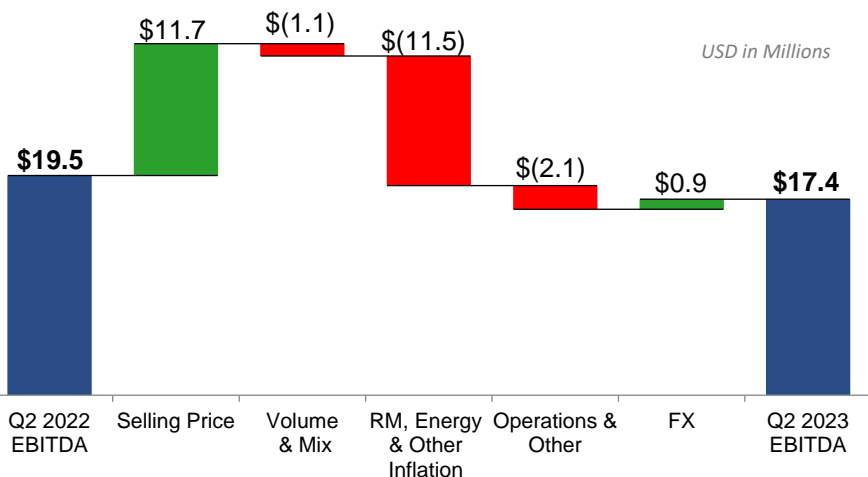
- Volume down 4% vs. Q2 2022
 - Hygiene down 15%
 - Tabletop up 5%
 - Wipes up 8%
 - Home Care up 17%

- **Selling price benefit of \$11.7 million reflects the pass-through of higher raw material costs and energy surcharges**

- **Raw material, energy & other inflation unfavorable \$11.5 million due to continued significant inflationary pressures in fluff pulp and other operational areas (excludes labor inflation)**

- **Operations unfavorable by \$2.1 million mainly driven by fire at Fort Smith**

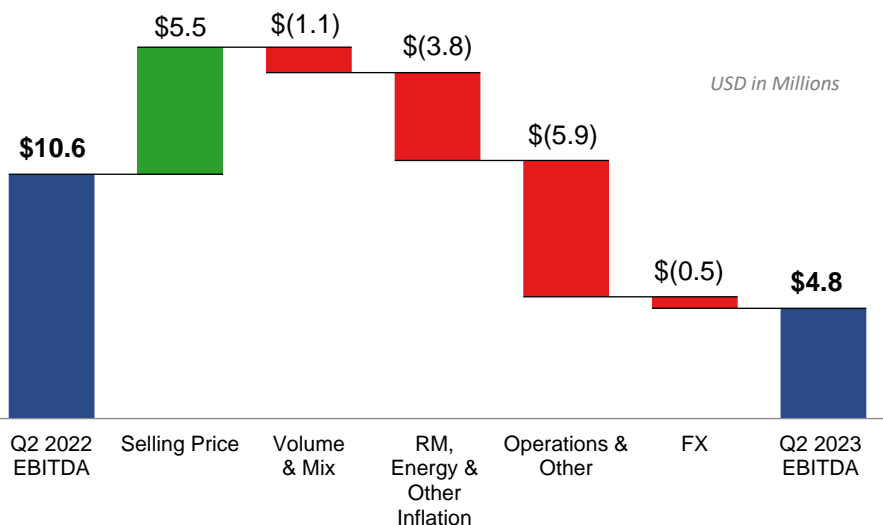
- **FX, net of currency hedging, was \$0.9 million favorable driven by the strengthening of the Euro**



Composite Fibers Q2 2023 Highlights

USD in Thousands

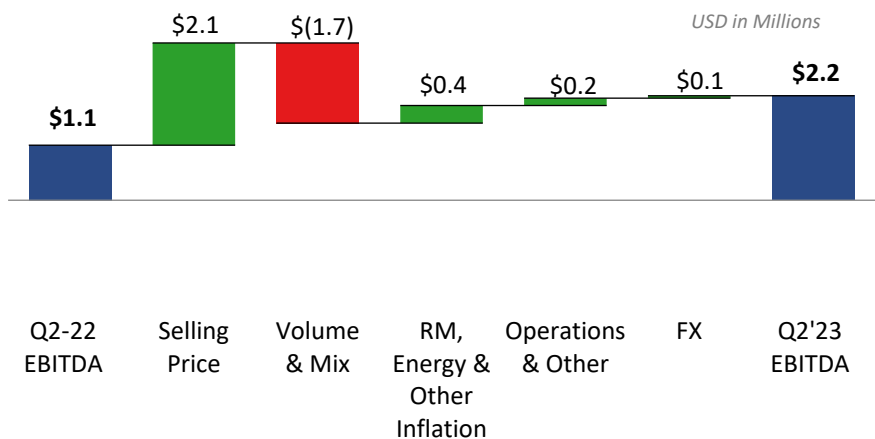
	Q2 2022	Q1 2023	Q2 2023
Tons Shipped (MT)	24,246	24,818	24,966
Net Sales	123,338	132,591	125,725
Operating Income	5,779	6,127	898
EBITDA	10,575	10,092	4,795
EBITDA Margin	8.6%	7.6%	3.8%



- **Revenue up 1% versus Q2 2022 on constant currency**
 - Volume up 3% vs. Q2 2022 but fully offset by unfavorable mix
 - Metallized products down 36%
 - Composite Laminates down 30%
 - Food & Beverage down 12%
 - Technical specialties down 5%
 - Wallcover up 79%
- **Selling prices were \$5.5 million higher versus Q2 2022 reflecting pricing actions to recover significant inflation across all input cost categories**
- **Raw material, energy, and other inflation unfavorable \$3.8 million due to continued significant inflationary pressures in energy, raw materials, and other operational areas (excludes labor inflation)**
- **Operations unfavorable \$5.9 million mainly driven by lower production**
- **Ober-Schmitt negatively impacted y-o-y results by \$4.3 million – site closure announced in late May**
- **FX unfavorable y-o-y by \$0.5 million mainly driven by hedging gains last year**

Spunlace Q2 2023 Highlights

<i>USD in Thousands</i>	Q2 2022	Q1 2023	Q2 2023
Tons Shipped (MT)	19,358	16,420	15,191
Net Sales	96,917	86,723	79,420
Operating loss	(1,808)	(2,023)	(1,314)
EBITDA	1,137	1,069	2,162
EBITDA Margin	1.2%	1.2%	2.7%



- **Revenue down 19% versus Q2 2022 on constant currency**
 - Volume 22% lower vs. Q2 2022
 - Critical cleaning down 47%
 - Hygiene down 30%
 - Consumer wipes down 11%
 - Healthcare down 5%
- **Selling price increases, energy surcharges, and raw material pass-through provisions combined were higher by \$2.1 million**
- **Raw material, energy, and other inflation favorable \$0.4 million mainly driven by lower energy prices**
- **Operations slightly favorable by \$0.2 million as headcount actions taken in 2022 and early 2023 to improve segment profitability and lower operational spending fully offset lower production**



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.

<i>USD in Millions</i>	Q2 2022	Q2 2023	YTD 2022	YTD 2023
Goodwill and other asset impairment charges	\$ -	\$ -	\$ (117.3)	\$ -
Cost optimization actions	-	-	(0.9)	-
Timberland sales and related costs	-	-	3.0	0.6
Russia/Ukraine conflict charges	-	-	(3.9)	-
Strategic initiatives	(0.7)	(0.9)	(2.5)	(1.6)
Corporate headquarters relocation	(0.1)	-	(0.2)	-
Turnaround strategy costs	-	(2.2)	-	(6.7)
Ober-Schmitt closure costs	-	(10.8)	-	(10.8)
Debt refinancing	-	-	-	(0.1)
Special items excluded from adjusted earnings	(0.8)	(13.9)	(122.0)	(18.6)
Corporate costs excluding depreciation and amortization*	(5.0)	(5.0)	(8.6)	(11.2)
Depreciation and amortization costs	(1.2)	(1.0)	(2.6)	(1.9)
Total corporate costs	(6.2)	(5.9)	(11.2)	(13.1)
Total corporate costs & other financial items	(7.0)	(19.8)	(133.2)	(31.7)

- **Q2 2023 Corporate expenses slightly lower versus Q2 2022**
- **YTD 2023 Corporate expenses ~\$2 million higher than YTD 2022 driven by:**
 - Higher professional services costs
 - Higher spend on travel
 - Wage inflation

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

- Q2 2023 Adjusted Free Cash Flow from continuing operations ~ \$10 million lower versus Q2 2022**

- Adjusted EBITDA lower by ~\$10 million
- Interest paid increased by ~\$8 million related to higher interest rates and debt refinancing
- Q2'23 includes ~\$7 million related to COVID-19 ERC tax credit recovery

(in millions)	Q2 2022	Q2 2023	H1'22	H1'23
Adjusted EBITDA	\$27.2	\$17.3	\$50.2	\$42.0
Change in working capital (*)	(19.3)	(21.3)	(88.6)	(55.6)
Taxes paid	(6.5)	(2.4)	(14.7)	(4.1)
Interest paid	(14.4)	(22.0)	(15.9)	(27.0)
Other	(0.3)	6.1	(10.5)	(8.3)
Cash Flow from continuing Operations	(\$13.3)	(\$22.4)	(\$79.5)	(\$53.0)
Less: Capital expenditures	(10.3)	(8.0)	(22.7)	(17.5)
Free Cash Flow	(\$23.6)	(\$30.3)	(\$102.2)	(\$70.5)
Less: Adjustments to Free Cash Flow ⁽¹⁾	4.0	0.2	7.2	12.0
Adjusted Free Cash Flow	(\$19.7)	(\$30.2)	(\$95.0)	(\$58.4)

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

Notes:

(1) – Appendix includes the details for the Adjustments to Free Cash Flow in page 24



Balance Sheet and Liquidity

- Leverage, as calculated in accordance with the covenants of our new bank credit agreement is 3.4x* at June 30, 2023
- Available liquidity of approximately \$145 million

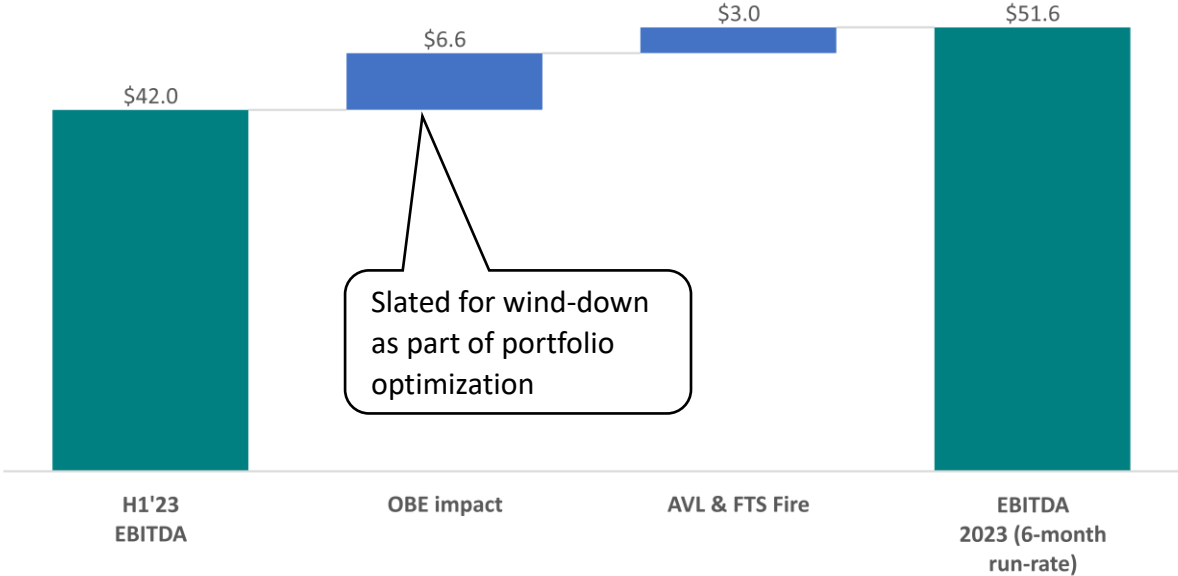
(in millions)	31-Dec-21	31-Dec-22	30-Jun-23
Cash	\$138.4	\$110.7	\$53.9
Debt			
Current portion of long term debt	26.4	40.4	3.0
Short term debt	22.8	11.4	7.2
\$500 million 4.75% bond	500.0	500.0	500.0
Term Loans 1.3% - 2.4% due 2022 - 2025	239.5	185.1	-
11.25% Term Loan, due 2029	-	-	266.2
Revolving credit agreement	10.0	118.7	105.5
Unamortized deferred financing costs	(11.4)	(10.5)	(18.7)
Total Debt	\$787.4	\$845.1	\$863.2
Net Debt	\$648.9	\$734.4	\$809.4
Shareholders' Equity	\$542.8	\$318.0	\$278.8
TTM Adj. EBITDA	\$119.6	\$98.9	\$90.7
Available Liquidity	\$258.0	\$87.4	\$143.5

Notes:

(*) - Debt covenant compliance ratio of 3.4x as of June 30, 2023 includes additional add backs permitted under credit agreement (max of 4.25x)
The sum of individual amounts set forth above may not agree to the column totals due to rounding.



2023 YTD EBITDA Run-rate



2023 EBITDA and Cash Flow Guidance

- Expect full year 2023 EBITDA to be between \$100 million and \$110 million
- Cash Interest estimated to be approximately \$60 million, reflecting the latest refinancing completed in Q1 2023
- Capital expenditures estimated to be in the range of \$30 million to \$35 million
- Expect working capital cash usage and turnaround strategy implementation costs projected to be between \$40 million and \$50 million
- Cash taxes to be between \$15 million and \$20 million



Appendix



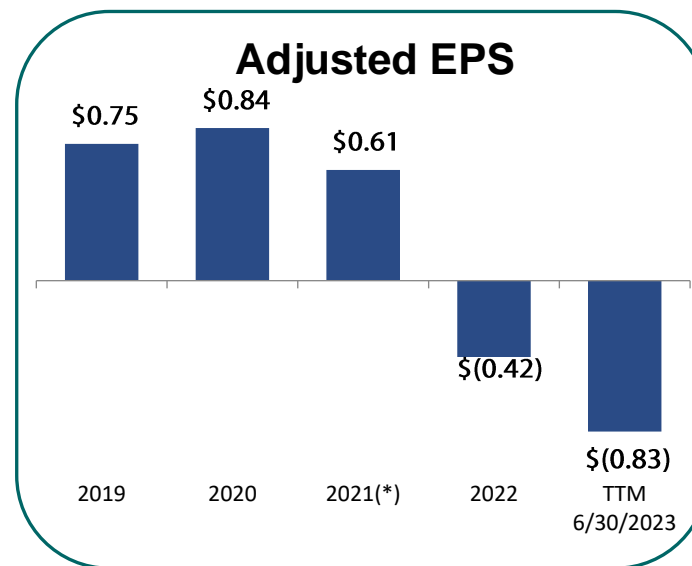
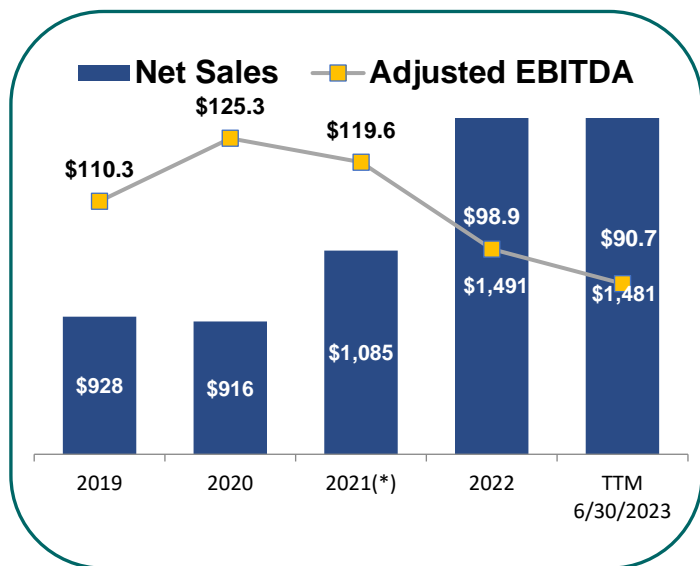
Financial Overview

<i>USD in Millions</i>	Q2 2022	Q2 2023
Net Sales	\$364.0	\$357.0
Adjusted operating income	\$9.7	\$3.4
Adjusted EBITDA	\$27.2	\$17.3
Free Cash Flow	(\$23.6)	(\$30.3)
Adjusted Free Cash Flow	(\$19.7)	(\$30.2)

<i>USD in Millions</i>	Dec 31 2022	Jun 30 2023
Net Debt	\$734.4	\$809.4
Cash	\$110.7	\$53.9



Earnings Trends



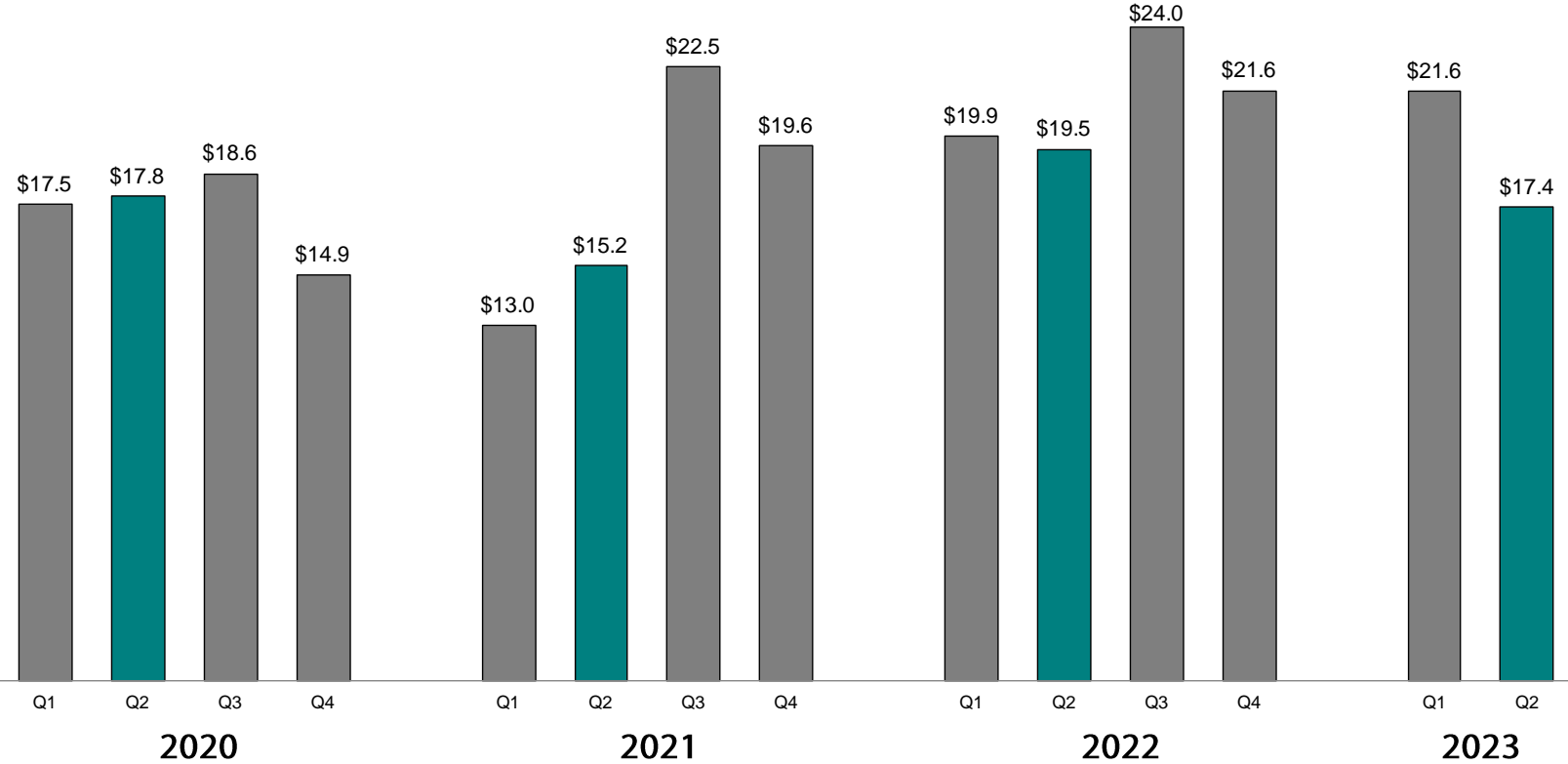
Notes:

- (*) -2021 includes Mount Holly prospectively from May 13, 2021 acquisition date; 2021 includes Spunlace segment from its October 29, 2021 acquisition date.



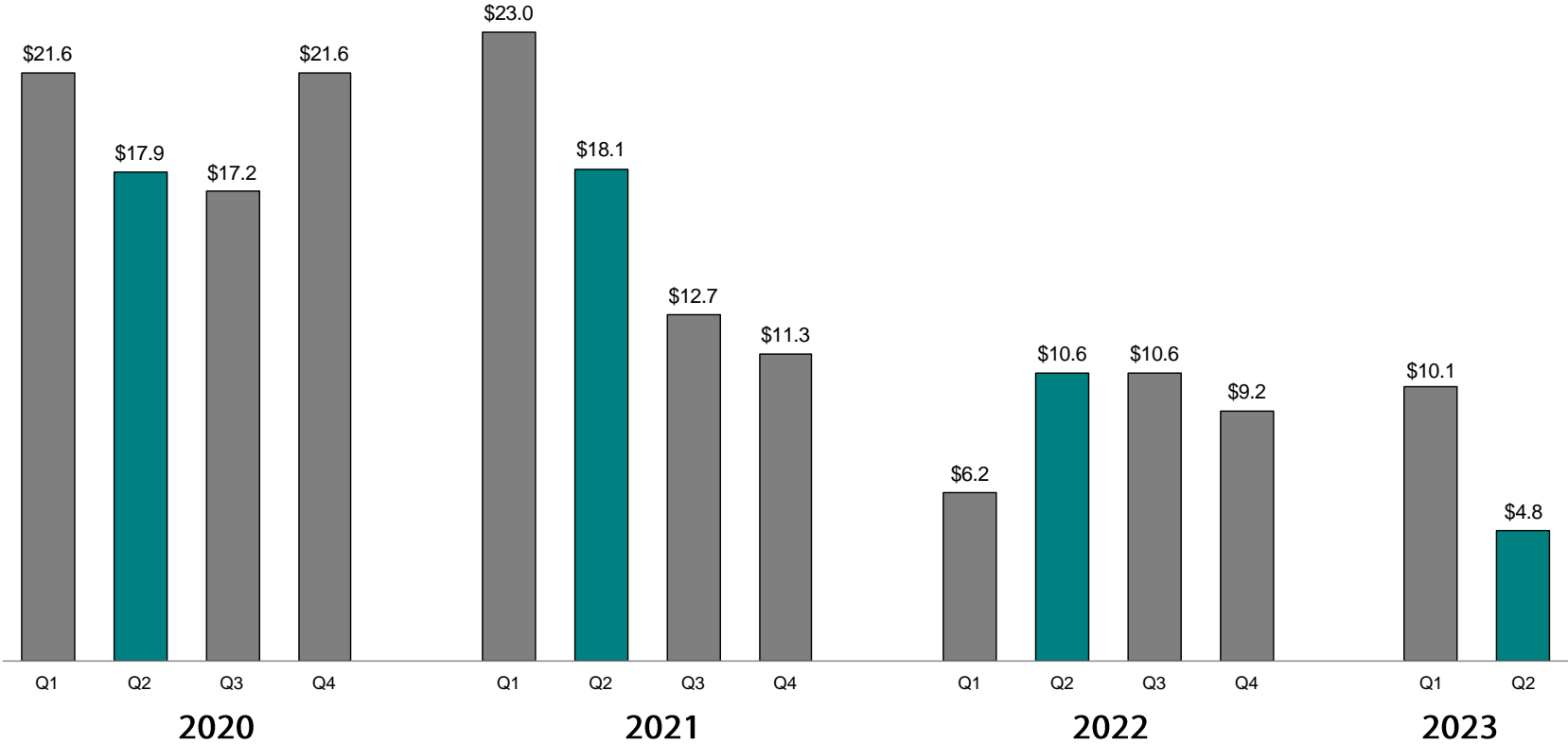
Airlaid Materials EBITDA

USD in millions



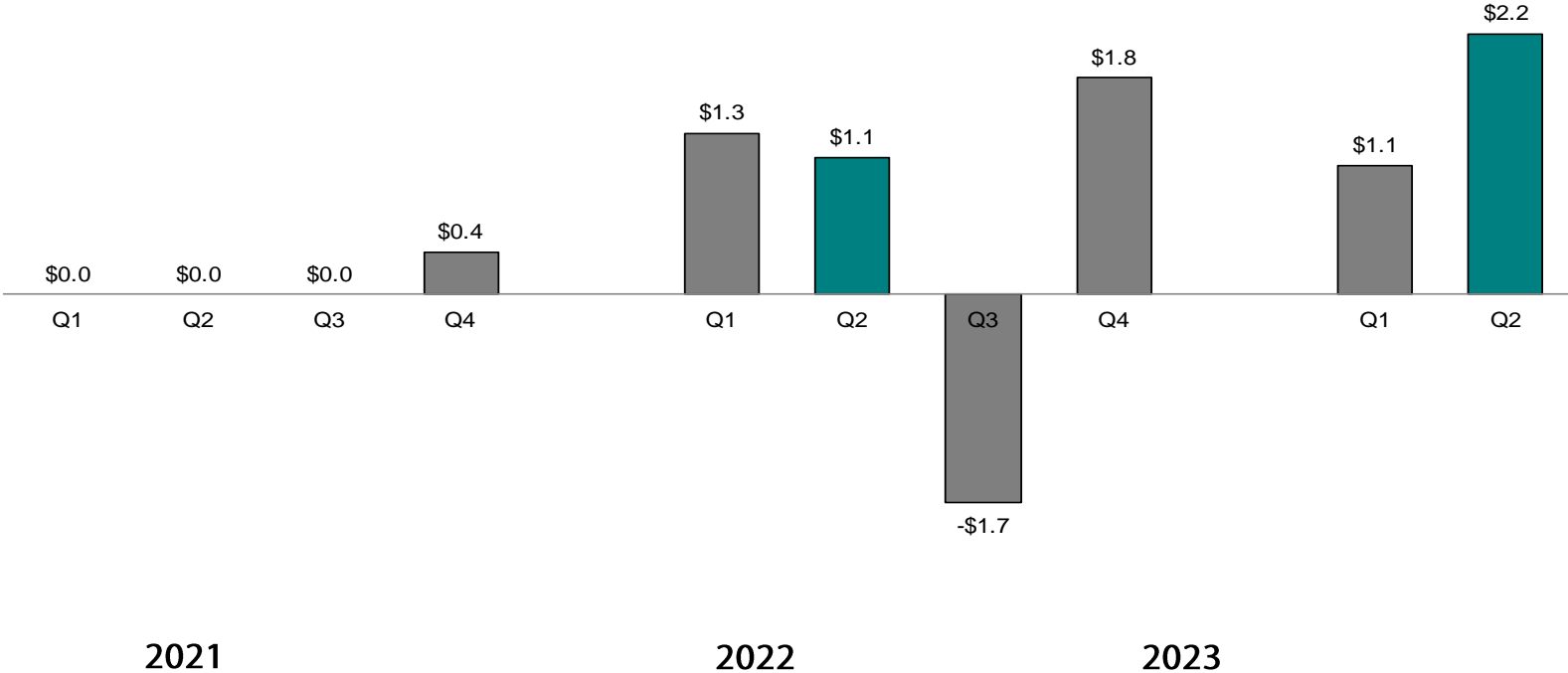
Composite Fibers EBITDA

USD in millions



Spunlace EBITDA

USD in millions



Reconciliation of Non-GAAP measures

Adjusted EPS from continuing operations

<i>In millions</i>	2019	2020	2021	2022	TTM 6/30/2023
Net Income (loss)	\$ (21.5)	\$ 21.3	\$ 6.9	\$ (194.2)	\$ (134.4)
Adjust: Discontinued ops, net of tax	(3.7)	(0.5)	(0.2)	0.1	1.2
Income (loss) from continuing operations	(25.2)	20.8	6.7	(194.1)	(133.2)
<u>Adjustments / Exclusions:</u>					
Pension settlement expenses, net	75.3	6.2	-	-	-
Gains on Timberland Sales and Transaction Related Costs	(1.6)	(1.4)	(5.2)	(3.0)	(0.6)
Goodwill and other asset impairment charges	-	0.9	-	190.6	73.3
Russia / Ukraine conflict charges / (recovery)	-	-	-	3.2	(0.7)
CEO transition costs	-	-	-	1.7	2.4
COVID-19 incremental costs/(ERC recovery)	-	2.7	-	(7.3)	(7.6)
Debt refinancing fees	1.0	-	-	-	1.9
Turnaround strategy costs	-	-	-	8.0	14.7
Cost optimization actions	8.6	6.0	0.9	0.9	(0.0)
Restructuring charge - Metallized operations	-	11.1	-	-	-
Strategic initiatives	1.3	1.6	30.9	5.6	4.8
Ober-Schmitt closure costs	-	-	-	-	10.8
Fox River environmental matter	(2.5)	-	-	-	-
Corporate headquarters relocation	-	1.1	0.6	0.4	0.1
Income Tax impact and other adjustments	(23.7)	(11.5)	(6.3)	(25.1)	(3.3)
Total adjustments	58.4	16.6	20.9	175.1	95.6
Adjusted income (loss) from continuing operations	33.2	37.4	27.6	(19.0)	(37.6)
Adjusted EPS for continuing operations	\$ 0.75	\$ 0.84	\$ 0.61	\$ (0.42)	\$ (0.83)

Reconciliation of Non-GAAP measures

Adjusted EPS from continuing operations

<i>USD In millions</i>	Q2 2022		Q2 2023		H1 2022		H1 2023	
Net loss	\$	(2.1)	\$	(36.9)	\$	(110.4)	\$	(50.5)
Adjust: Discontinued ops, net of tax		(0.4)		0.3		(0.4)		0.7
Net loss from continuing operations		(2.5)		(36.6)		(110.8)		(49.8)
Adjustments / Exclusions:								
Goodwill and other asset impairment charges		-		-		117.3		-
Turnaround strategy costs		-		2.2		-		6.7
Russia / Ukraine conflict charges		-		-		3.9		-
Strategic initiatives		0.7		0.9		2.5		1.6
Ober-Schmitt closure costs		-		10.8		-		10.7
Debt Refinancing		-		-		-		1.9
CEO transition costs		-		-		-		0.6
Corporate headquarters relocation		0.1		-		0.2		-
Cost optimization actions		-		-		0.9		-
COVID-19 ERC recovery		-		(0.2)		-		(0.2)
Gains on Timberland Sales and Transaction Related Costs		-		-		(3.0)		(0.6)
Income Tax impacts and other adjustments		0.1		2.5		(19.0)		2.7
Total adjustments		0.9		16.2		103.0		23.4
Adjusted income from continuing operations	\$	(1.6)	\$	(20.4)	\$	(7.8)	\$	(26.4)
Adjusted EPS for continuing operations	\$	(0.04)	\$	(0.45)	\$	(0.17)	\$	(0.59)



Reconciliation of Non-GAAP measures

Adjusted EBITDA from continuing operations

<i>In millions</i>	Q2 2022	Q2 2023	H1 2022	H1 2023
Net loss	\$ (2.1)	\$ (36.9)	\$ (110.4)	\$ (50.5)
Adjust: Discontinued ops	(0.4)	0.3	(0.4)	0.7
Add: Taxes	3.3	6.4	(13.5)	10.1
Add: Depreciation and Amortization	16.5	16.0	34.9	31.7
Add: Net Interest Expense	7.6	16.7	15.5	29.0
EBITDA	24.9	2.4	(73.8)	21.0
<u>Adjustments / Exclusions:</u>				
Goodwill and other asset impairment charges	-	-	117.3	-
Turnaround strategy costs	-	2.7	-	7.2
Russia / Ukraine conflict charges / (recovery)	-	-	3.9	-
Strategic initiatives	0.7	0.9	2.5	1.6
Ober-Schmitt closure costs	-	10.8	-	10.7
Debt refinancing costs	-	-	-	0.1
CEO transition costs	-	-	-	0.6
Corporate headquarters relocation	0.1	-	0.2	-
Share-based compensation	1.5	0.4	2.4	1.3
Cost optimization actions	-	-	0.6	-
Gains on Timberland Sales and Transaction Related Costs	-	-	(3.0)	(0.6)
Adjusted EBITDA from continuing operations	\$ 27.2	\$ 17.3	\$ 50.2	\$ 42.0
Depreciation and Amortization	(16.5)	(16.0)	(34.6)	(31.7)
Other Expense	0.5	3.0	1.8	5.6
Share-based compensation	(1.5)	(0.9)	(2.4)	(1.8)
Adjusted Operating Income from continuing operations	\$ 9.7	\$ 3.4	\$ 15.0	\$ 14.1



Reconciliation of Non-GAAP measures

Adjusted EBITDA from continuing operations

<i>In millions</i>	2019	2020	2021	2022	TTM 6/30/2023
Net Income (loss)	\$ (21.5)	\$ 21.3	\$ 6.9	\$ (194.2)	\$ (134.4)
Exclude: Loss (Income) from discontinued operations, net of tax	(3.7)	(0.5)	(0.2)	0.1	1.2
Add: Taxes from continuing operations	(9.2)	11.6	7.0	(10.3)	13.3
Add: Depreciation and Amortization	50.8	56.6	61.4	66.4	63.1
Add: Net Interest Expense	9.3	6.6	12.3	32.8	46.3
EBITDA from continuing operations	\$ 25.7	\$ 95.6	\$ 87.4	\$ (105.2)	\$ (10.4)
<u>Adjustments / Exclusions:</u>					
Share-based compensation	3.6	5.7	5.1	0.8	(0.3)
Pension settlement expenses, net	75.3	6.2	-	-	-
Gains on Timberland Sales and Transaction Related Costs	(1.6)	(1.4)	(5.2)	(3.0)	(0.6)
Goodwill and other asset impairment charges	-	0.9	-	190.6	73.3
Russia / Ukraine conflict charges / (recovery)	-	-	-	3.2	(0.7)
Debt refinancing costs	-	-	-	-	0.1
Restructuring charge - Metallized operations (net of accelerated depreciation)	-	7.2	-	-	-
CEO transition costs	-	-	-	4.8	5.5
Cost optimization actions	8.6	6.0	0.9	0.9	0.3
COVID-19 incremental costs/(ERC recovery)	-	2.7	-	(7.3)	(7.3)
Corporate headquarters relocation (net of asset write off)	-	0.9	0.6	0.4	0.1
Strategic initiatives	1.3	1.6	30.9	5.6	4.8
Turnaround strategy costs	-	-	-	8.0	15.2
Ober-Schmitt closure costs	-	-	-	-	10.8
Fox River environmental matter	(2.5)	-	-	-	-
Adjusted EBITDA from continuing operations	\$ 110.3	\$ 125.3	\$ 119.6	\$ 98.9	\$ 90.7

Reconciliation of Non-GAAP measures

Adjusted Free Cash Flow from Continuing Operations

In millions	Q2 2022	Q2 2023	H1'22	H1'23
Adjusted EBITDA	\$27.2	\$17.3	\$50.2	\$42.0
Accounts receivable	\$0.4	\$6.5	(\$52.9)	\$4.2
Inventories	(\$27.4)	\$7.2	(\$45.1)	(\$1.7)
Accounts payable	\$7.7	(\$35.0)	\$9.5	(\$58.1)
Change in working capital	(19.3)	(21.3)	(88.6)	(55.6)
Taxes paid	(6.5)	(2.4)	(14.7)	(4.1)
Interest paid	(14.4)	(22.0)	(15.9)	(27.0)
Other	(0.3)	6.1	(10.5)	(8.3)
Cash Flow from continuing Operations	(\$13.3)	(\$22.4)	(\$79.5)	(\$53.0)
Less: Capital expenditures	(10.3)	(8.0)	(22.7)	(17.5)
Free Cash Flow	(\$23.6)	(\$30.3)	(\$102.2)	(\$70.5)
Fox River Payments	0.2	0.2	1.4	0.4
Turnround strategy costs	-	4.3	-	9.6
Strategic Initiatives	1.1	1.2	2.5	1.3
CEO transition costs	-	0.5	-	7.6
Cost Optimization	0.5	0.1	1.1	0.1
Metallized Restructuring	-	0.0	-	0.0
HQ Relocation	0.1	-	(0.4)	-
Oberschmitt closure costs	-	0.4	-	0.4
COVID-19 ERC recovery	-	(6.6)	-	(6.6)
Tax payments (refunds) on adjusting items	2.0	(0.1)	2.5	(0.9)
Less: Adjustments to Free Cash Flow	4.0	0.2	7.2	12.0
Adjusted Free Cash Flow	(\$19.7)	(\$30.2)	(\$95.0)	(\$58.4)



Reconciliation of Non-GAAP measures

Adjusted EBITDA from continuing operations

<i>USD in Thousands</i>	Q2 2022	Q1 2023	Q2 2023
Airlaid Materials Operating Profit	\$11,944	\$13,914	\$9,726
Addback: Depreciation & Amortization	7,542	7,686	7,637
Airlaid Materials EBITDA	\$19,486	\$21,600	\$17,363
Composite Fibers Operating Profit	\$5,779	\$6,127	\$898
Addback: Depreciation & Amortization	4,796	3,965	3,897
Composite Fibers EBITDA	\$10,575	\$10,092	\$4,795
Spunlace Operating Loss	(\$1,808)	(\$2,023)	(\$1,314)
Addback: Depreciation & Amortization	2,945	3,092	3,476
Spunlace EBITDA	\$1,137	\$1,069	\$2,162

