



G L A T F E L T E R

2023 Third Quarter Earnings Conference Call

Thomas Fahnemann, President & CEO

Ramesh Shettigar, SVP, CFO & Treasurer

November 2, 2023

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.



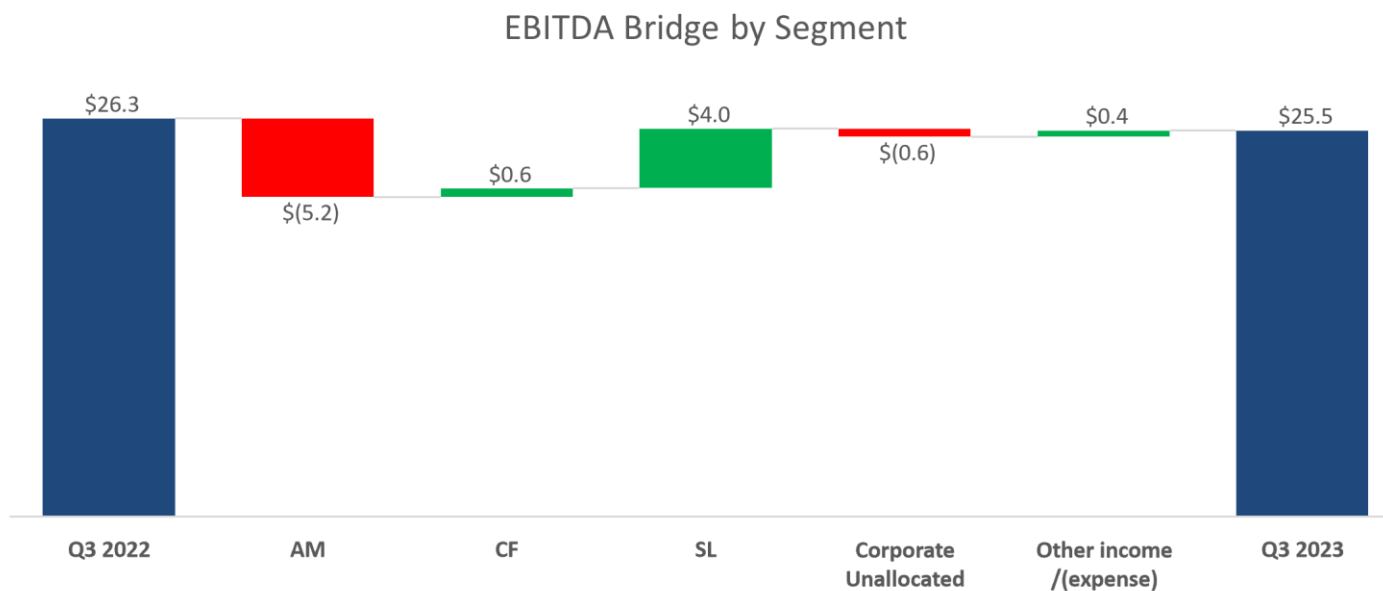
Highlights – Q3 2023

- **Q3 2023 adjusted EBITDA of \$25.5 million sequentially recovered by ~\$8 million**
 - Turnaround Strategy more than offset volume decline from market weakness
 - Strong operations in Q3 2023 and the absence of one-time events from the prior quarter improved earnings sequentially
 - Ober-Schmitt divestiture in August 2023 eliminated ongoing losses
- **Airlaid Materials EBITDA lower by ~\$5 million versus Q3 2022 driven by adverse price-cost gap, lower shipments and lower production to manage inventory**
- **Composite Fibers' EBITDA higher by ~\$1 million versus Q3 2022 mainly driven by price-cost gap improvements as input cost decreases more than offset selling price declines**
- **Spunlace EBITDA higher by ~\$4 million versus Q3 2022 driven by turnaround strategy actions and lower raw material and energy costs**
- **Adjusted free cash flow in-line with Q3 2022**
- **Leverage, based on covenants in our credit agreement, was 3.1x* at September 30, 2023**
- **2023 Adjusted EBITDA guidance lowered by \$10 million due to ongoing industry-wide market weakness, lower volume and continued customer destocking**



Financial Summary

On a GAAP basis, net loss from continuing operations for Q3 2023 was \$19.7 million or (\$0.43) per share compared to net loss from continuing operations of \$49.3 million or (\$1.10) per share in Q3 2022



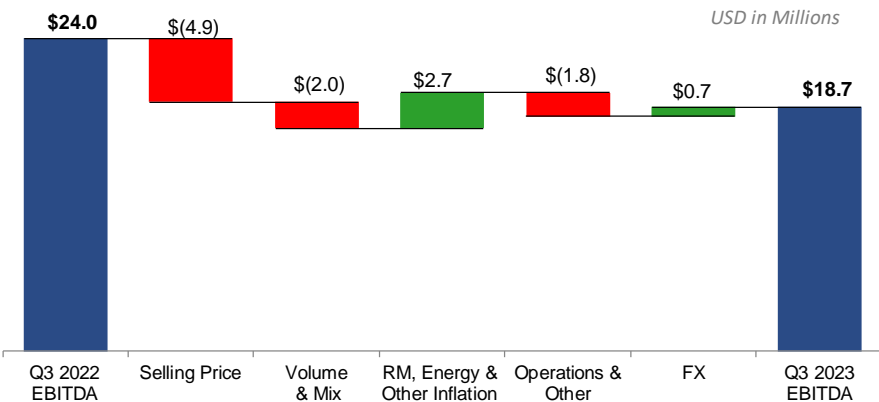
Airlaid Materials Q3 2023 Highlights

USD in Thousands

	Q3 2022	Q2 2023	Q3 2023
Tons Shipped (MT)	41,925	39,246	40,076
Net Sales	154,351	152,511	147,014
Operating Income	16,553	9,726	11,196
EBITDA	23,953	17,363	18,749
EBITDA Margin	15.5%	11.4%	12.8%

- **Revenue down 8% versus Q3 2022 on constant currency**
 - Volume down 4% vs. Q3 2022
 - Wipes up 1%
 - Home Care up 12%
 - Tabletop down 6%
 - Hygiene down 7%
- **Selling price \$4.9 million lower versus Q3 2022 which reflects the lower raw materials costs pass-through, selective pricing actions to retain volume, and lower energy surcharges**
- **Raw material, energy & other inflation favorable \$2.7 million mainly due to lower raw material costs**
- **Operations unfavorable by \$1.8 million due to lower production and higher operational spending**
- **FX, net of currency hedging, was \$0.7 million favorable**

USD in Millions



Composite Fibers Q3 2023 Highlights

USD in Thousands

	Q3 2022	Q2 2023	Q3 2023
Tons Shipped (MT)	24,958	24,966	22,188
Net Sales	128,269	125,725	109,715
Operating Income	6,636	898	7,268
EBITDA	10,597	4,795	11,166
EBITDA Margin	8.3%	3.8%	10.2%

- **Revenue down 20% versus Q3 2022 on constant currency**

- Volume down 11% vs. Q3 2022
 - Technical specialties excluding Ober-Schmitten up 1%
 - Wallcover up 31%
 - Food & Beverage down 17%
 - Composite Laminates down 17%
 - Metallized products down 41%

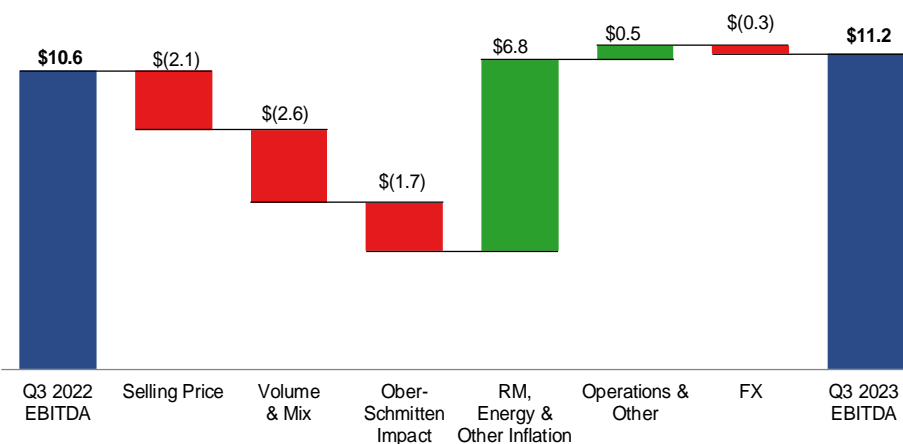
- **Selling prices were \$2.1 million lower versus Q3 2022 driven by targeted pricing actions to retain volume and lower raw-material costs pass-through to floating customers and lower energy surcharges**

- **Raw material, energy, and other inflation favorable \$6.8 million mainly due to a decrease in input costs**

- **Operations are slightly favorable as benefits from the turnaround strategy more than offset the negative impact of lower production**

- **Ober-Schmitten negatively impacted y-o-y results by \$1.7 million – site divested in August 2023**

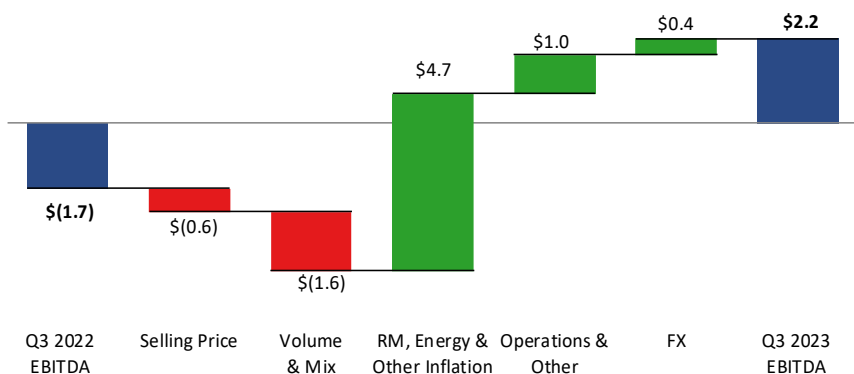
- **FX, net of currency hedging, was \$0.3 million unfavorable**



Spunlace Q3 2023 Highlights

USD in Thousands

	Q3 2022	Q2 2023	Q3 2023
Tons Shipped (MT)	17,674	15,191	14,436
Net Sales	89,160	79,420	73,791
Operating Loss	(4,671)	(1,314)	(1,053)
EBITDA	(1,717)	2,162	2,236
EBITDA Margin	-1.9%	2.7%	3.0%



- **Revenue down 19% versus Q3 2022 on constant currency**
 - Volume 18% lower vs. Q3 2022
 - Consumer wipes down 11%
 - Critical cleaning down 18%
 - Healthcare down 34%
 - Hygiene down 36%
 - Lower volume reflects intentional customer rationalization in Sultz, France to eliminate negative margin book of business
- **Selling prices were \$0.6 million lower versus Q3 2022 reflecting lower cost of raw materials pass-through and energy surcharges**
- **Raw material, energy, and other inflation favorable \$4.7 million mainly driven by lower input costs**
- **Operations favorable by \$1 million as turnaround strategy partly offset by lower production to match customer demand**
- **FX is slightly favorable driven by Euro strengthening**



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.

USD in Millions	Q3 2022	Q3 2023	YTD 2022	YTD 2023
Goodwill and other asset impairment charges	\$ (42.5)	\$ -	\$ (159.9)	\$ -
Cost optimization actions	-	-	(0.9)	-
CEO transition costs	(1.5)	0.1	(1.5)	0.1
Timberland sales and related costs	-	0.7	3.0	1.3
Russia/Ukraine conflict charges	-	-	(3.9)	-
Strategic initiatives	(2.2)	(0.5)	(4.7)	(2.1)
Corporate headquarters relocation	(0.1)	-	(0.3)	-
Turnaround strategy costs	-	(0.4)	-	(7.1)
Ober-Schmitt divestiture costs	-	(8.1)	-	(18.8)
Special items excluded from adjusted earnings	(46.3)	(8.2)	(168.3)	(26.8)
Corporate costs excluding depreciation and amortization*	(5.0)	(5.6)	(13.6)	(16.8)
Depreciation and amortization costs	(1.2)	(1.0)	(3.8)	(2.9)
Total corporate costs	(6.2)	(6.6)	(17.4)	(19.8)
Total corporate costs & other financial items	(52.6)	(14.8)	(185.8)	(46.5)

- **Q3 2023 Corporate expenses \$0.4 million higher versus Q3 2022**

- Includes \$1.2 million write-down related to Supplier faulty material
- Includes benefits from headcount count actions related to turnaround strategy
- Lower professional services costs

- **YTD 2023 Corporate expenses \$2.4 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

Q3 2023 Adjusted Free Cash Flow in-line with Q3 2022

- Interest paid increased by ~\$8 million related to higher interest rates and debt refinancing
- Working capital improved by ~\$23 million driven by raw material price decline and working capital management
- Other unfavorable by \$15 million driven by higher prepayments and turnaround strategy implementation costs

(in millions)	Q3 2022	Q3 2023	YTD'22	YTD'23
Adjusted EBITDA	\$26.3	\$25.5	\$76.6	\$67.5
Change in working capital (*)	(7.4)	15.3	(96.0)	(40.3)
Taxes paid	0.0	(2.7)	(14.7)	(6.8)
Interest paid	(2.0)	(10.0)	(17.9)	(37.0)
Other	(1.7)	(17.0)	(12.3)	(25.3)
Cash Flow from continuing Operations	\$15.2	\$11.1	(\$64.4)	(\$42.0)
Less: Capital expenditures	(7.4)	(7.8)	(30.1)	(25.2)
Free Cash Flow	\$7.8	\$3.3	(\$94.4)	(\$67.2)
Less: Adjustments to Free Cash Flow ⁽¹⁾	(1.0)	4.2	6.2	16.3
Adjusted Free Cash Flow	\$6.8	\$7.5	(\$88.1)	(\$50.9)

(*) - 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 22



Balance Sheet and Liquidity

- Leverage, as calculated in accordance with the covenants of our credit agreement is 3.1x* on September 30, 2023
- Available liquidity of approximately \$185 million

(in millions)	31-Dec-21	31-Dec-22	30-Sep-23
Cash	\$138.4	\$110.7	\$52.7
Debt			
Current portion of long term debt	26.4	40.4	1.9
Short term debt	22.8	11.4	5.6
\$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	-	-	259.9
Revolving credit agreement	10.0	118.7	105.9
Unamortized deferred financing costs	(11.4)	(10.5)	(18.0)
Total Debt	\$787.4	\$845.1	\$855.3
Net Debt	\$648.9	\$734.4	\$802.6
Shareholders' Equity	\$542.8	\$318.0	\$253.7
TTM Adj. EBITDA	\$119.6	\$98.8	\$89.8
Available Liquidity	\$258.0	\$87.4	\$186.3

Notes:

(*) - Debt covenant compliance ratio of 3.1x as of September 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 EBITDA and Cash Flow Guidance

- Full-year 2023 EBITDA guidance lowered by \$10 million versus prior guidance
- Cash Interest is estimated to be approximately \$60 million
- 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 approximately \$60 million
- Cash taxes to be approximately \$15 million



Appendix

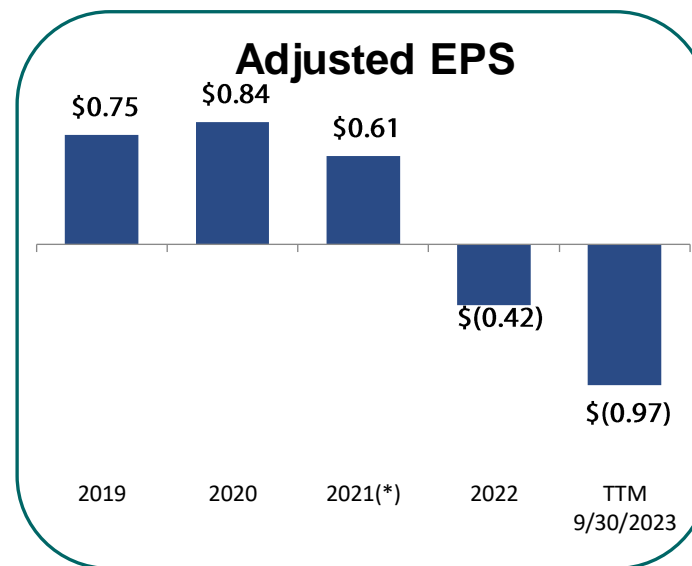
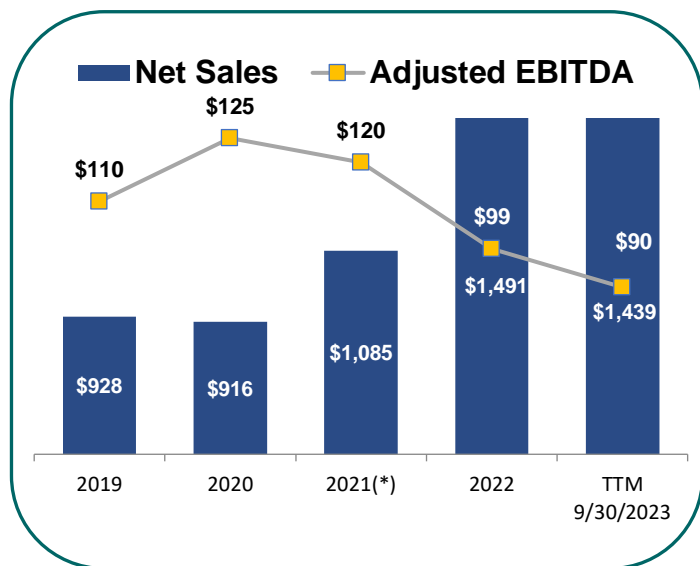
Financial Overview

<i>USD in Millions</i>	Q3 2022	Q3 2023
Net Sales	\$371.8	\$329.9
Adjusted operating income	\$12.3	\$10.8
Adjusted EBITDA	\$26.3	\$25.5
Free Cash Flow	\$7.8	\$3.3
Adjusted Free Cash Flow	\$6.8	\$7.5

<i>USD in Millions</i>	Dec 31 2022	Sep 30 2023
Net Debt	\$734.4	\$802.6
Cash	\$110.7	\$52.7



Earnings Trends

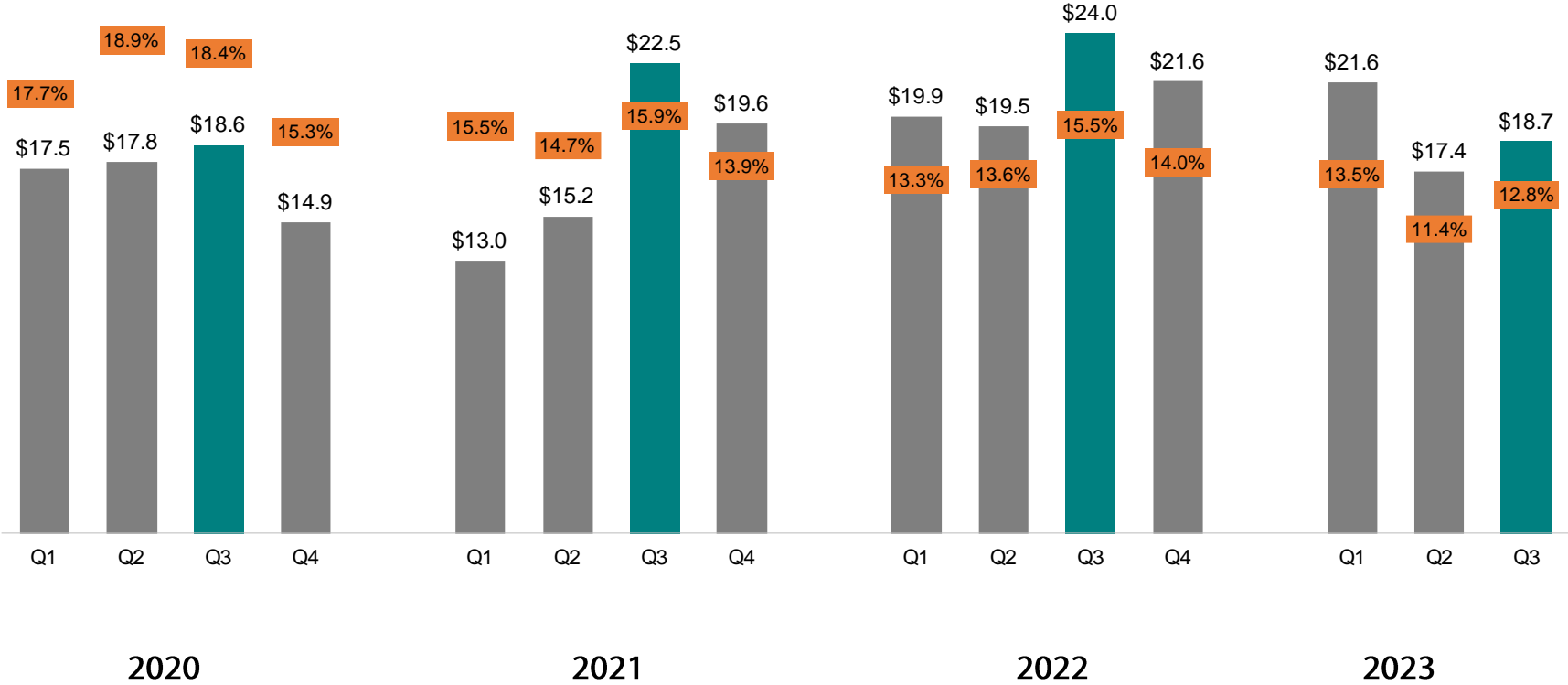


Notes:

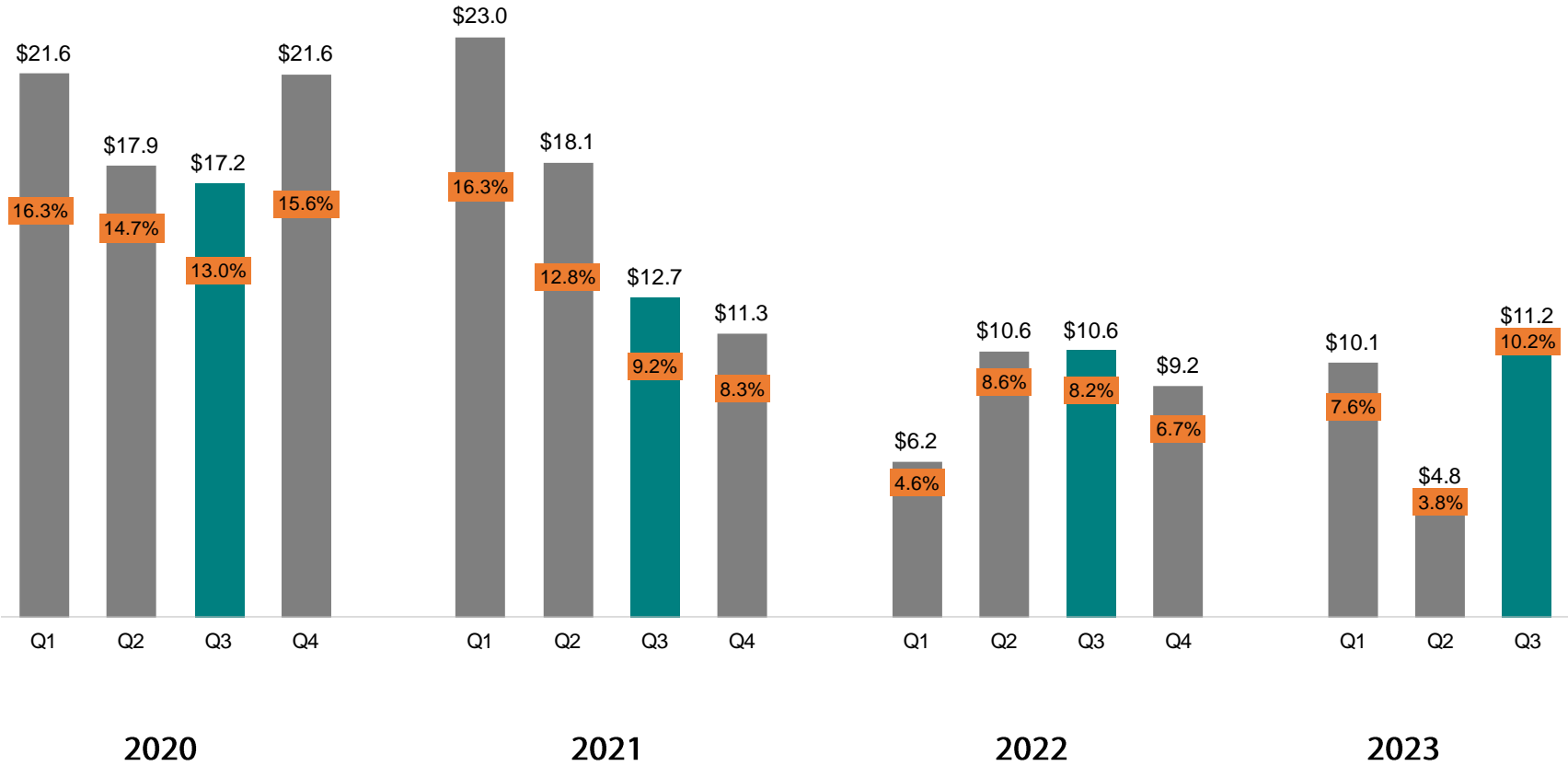
- (*) -2021 includes Mount Holly prospectively from May 13, 2021 acquisition date; 2021 includes Spunlace segment from its October 29, 2021 acquisition date.



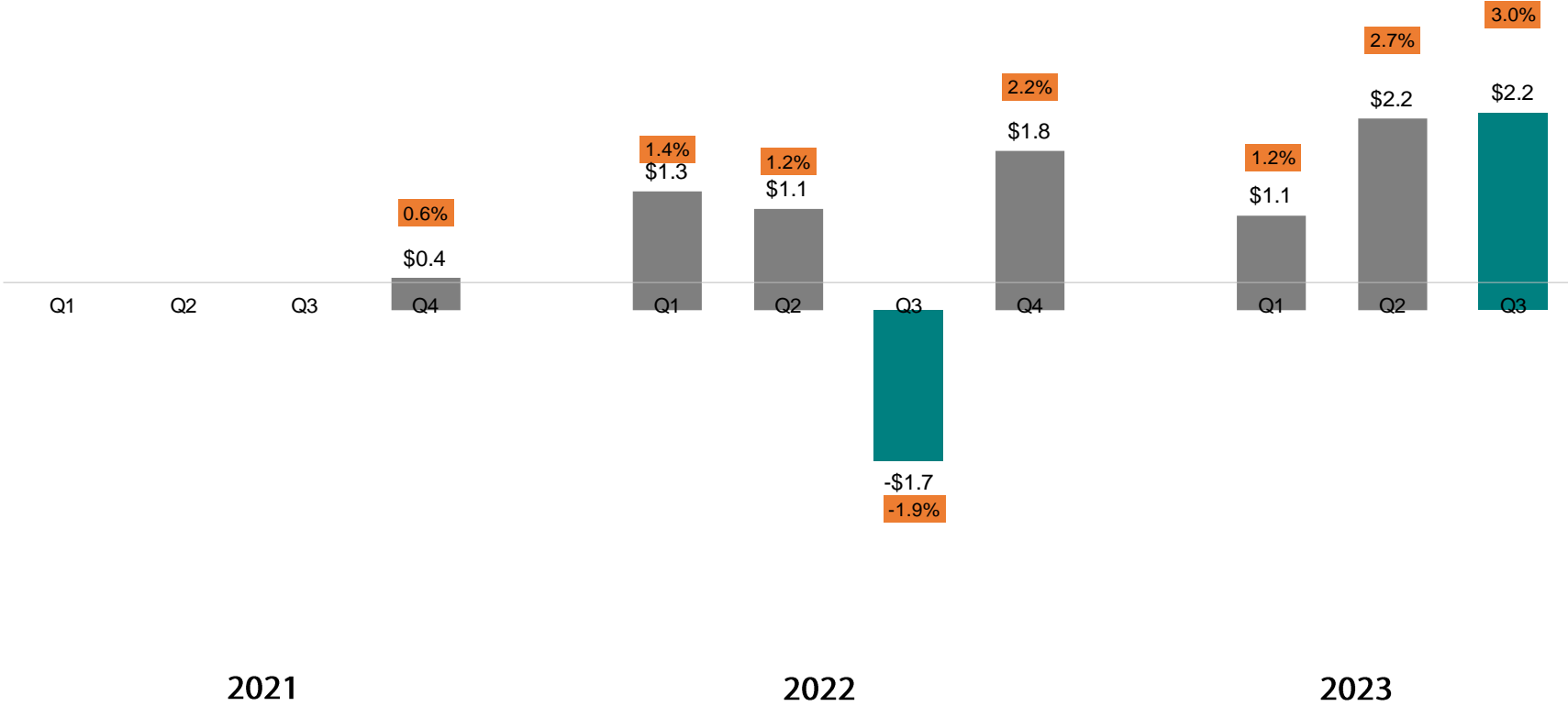
Airlaid Materials EBITDA and EBITDA Margin



Composite Fibers EBITDA and EBITDA Margin



Spunlace EBITDA and EBITDA Margin



Reconciliation of Non-GAAP measures

Adjusted EPS from continuing operations

<i>In millions</i>	2019	2020	2021	2022	TTM 9/30/2023
Net Income (loss)	\$ (21.5)	\$ 21.3	\$ 6.9	\$ (194.2)	\$ (104.6)
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)	(103.5)
<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)	(1.3)
Goodwill and other asset impairment charges	-	0.9	-	190.6	30.7
Russia / Ukraine conflict charges / (recovery)	-	-	-	3.2	(0.7)
CEO transition costs	-	-	-	1.7	0.8
COVID-19 incremental costs/(ERC recovery)	-	2.7	-	(7.3)	(7.5)
Debt refinancing fees	1.0	-	-	-	1.9
Turnaround strategy costs	-	-	-	8.0	15.1
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	3.0
Ober-Schmitt divestiture costs	-	-	-	-	18.8
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)	(0.9)
Total adjustments	58.4	16.6	20.9	175.1	60.0
Adjusted income (loss) from continuing operations	33.2	37.4	27.6	(19.0)	(43.5)
Adjusted EPS for continuing operations	\$ 0.75	\$ 0.84	\$ 0.61	\$ (0.42)	\$ (0.97)

Reconciliation of Non-GAAP measures

Adjusted EPS from continuing operations

<i>USD In millions</i>	Q3 2022	Q3 2023	YTD'22	YTD'23
Net loss	\$ (49.5)	\$ (19.9)	\$ (159.9)	\$ (70.4)
Adjust: Discontinued ops, net of tax	0.2	0.2	(0.2)	0.9
Net loss from continuing operations	(49.3)	(19.7)	(160.0)	(69.5)
<u>Adjustments / Exclusions:</u>				
Goodwill and other asset impairment charges	42.5	-	159.9	-
Turnaround strategy costs	-	0.4	-	7.1
Russia / Ukraine conflict charges	-	-	3.9	-
Strategic initiatives	2.2	0.5	4.7	2.1
Ober-Schmittent divestiture costs	-	8.1	-	18.8
Debt Refinancing	-	-	-	1.9
CEO transition costs	1.5	(0.1)	1.5	0.6
Corporate headquarters relocation	0.1	-	0.3	-
Cost optimization actions	-	-	0.9	-
COVID-19 ERC recovery	-	-	-	(0.2)
Gains on Timberland Sales and Transaction Related Costs	-	(0.7)	(3.0)	(1.3)
Income Tax impacts and other adjustments	(1.4)	1.1	(20.4)	3.8
Total adjustments	44.9	9.3	147.9	32.9
Adjusted income from continuing operations	\$ (4.3)	\$ (10.4)	\$ (12.1)	\$ (36.6)
Adjusted EPS for continuing operations	\$ (0.10)	\$ (0.23)	\$ (0.28)	\$ (0.81)



Reconciliation of Non-GAAP measures

Adjusted EBITDA from continuing operations

<i>In millions</i>	Q3 2022	Q3 2023	YTD'22	YTD'23
Net loss	\$ (49.5)	\$ (19.9)	\$ (159.9)	\$ (70.4)
Adjust: Discontinued ops	0.2	0.2	(0.1)	0.9
Add: Taxes	4.9	3.3	(8.6)	13.4
Add: Depreciation and Amortization	15.5	15.7	50.5	47.4
Add: Net Interest Expense	8.0	17.1	23.5	46.1
EBITDA	(20.7)	16.4	(94.6)	37.4
<u>Adjustments / Exclusions:</u>				
Goodwill and other asset impairment charges	42.5	-	159.9	-
Turnaround strategy costs	-	0.4	-	7.6
Russia / Ukraine conflict charges / (recovery)	-	-	3.9	-
Strategic initiatives	2.2	0.5	4.7	2.2
Ober-Schmitt divestiture costs	-	8.1	-	18.8
Debt refinancing costs	-	-	-	0.1
CEO transition costs	4.6	(0.1)	4.6	0.6
Corporate headquarters relocation	0.1	-	0.3	-
Share-based compensation	(2.4)	0.9	0.0	2.2
Cost optimization actions	-	-	0.6	-
Gains on Timberland Sales and Transaction Related Costs	-	(0.7)	(3.0)	(1.3)
Adjusted EBITDA from continuing operations	\$ 26.3	\$ 25.5	\$ 76.6	\$ 67.5
Depreciation and Amortization	(15.5)	(15.7)	(50.5)	(47.4)
Other Expense	2.2	1.9	4.0	7.6
Share-based compensation	(0.7)	(0.9)	(3.1)	(2.7)
Adjusted Operating Income from continuing operations	\$ 12.3	\$ 10.8	\$ 27.4	\$ 25.0

Reconciliation of Non-GAAP measures

Adjusted EBITDA from continuing operations

<i>In millions</i>	2019	2020	2021	2022	TTM 9/30/2023
Net Income (loss)	\$ (21.5)	\$ 21.3	\$ 6.9	\$ (194.2)	\$ (104.7)
Exclude: Loss (Income) from discontinued operations, net of tax	(3.7)	(0.5)	(0.2)	0.1	1.1
Add: Taxes from continuing operations	(9.2)	11.6	7.0	(10.3)	11.7
Add: Depreciation and Amortization	50.8	56.6	61.4	66.4	63.3
Add: Net Interest Expense	9.3	6.6	12.3	32.8	55.4
EBITDA from continuing operations	\$ 25.7	\$ 95.6	\$ 87.4	\$ (105.2)	\$ 26.8
Adjustments / Exclusions:					
Share-based compensation	3.6	5.7	5.1	0.8	3.0
Pension settlement expenses, net	75.3	6.2	-	-	-
Gains on Timberland Sales and Transaction Related Costs	(1.6)	(1.4)	(5.2)	(3.0)	(1.3)
Goodwill and other asset impairment charges	-	0.9	-	190.6	30.7
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	0.8
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	0.0
Strategic initiatives	1.3	1.6	30.9	5.6	3.1
Turnaround strategy costs	-	-	-	8.0	15.6
Ober-Schmitt divestiture costs	-	-	-	-	18.8
Fox River environmental matter	(2.5)	-	-	-	-
Adjusted EBITDA from continuing operations	\$ 110.3	\$ 125.3	\$ 119.6	\$ 98.9	\$ 89.8



Reconciliation of Non-GAAP measures

Adjusted Free Cash Flow from Continuing Operations

In millions	Q3 2022	Q3 2023	YTD'22	YTD'23
Adjusted EBITDA	\$26.3	\$25.5	\$76.6	\$67.5
Accounts receivable	10.0	14.4	(42.9)	18.6
Inventories	(25.7)	2.8	(70.8)	1.1
Accounts payable	8.2	(1.9)	17.7	(60.0)
Change in working capital	(7.4)	15.3	(96.0)	(40.3)
Taxes paid	-	(2.7)	(14.7)	(6.8)
Interest paid	(2.0)	(10.0)	(17.9)	(37.0)
Other	(1.7)	(17.0)	(12.3)	(25.3)
Cash Flow from continuing Operations	\$15.2	\$11.1	(\$64.4)	(\$42.0)
Less: Capital expenditures	(7.4)	(7.8)	(30.1)	(25.2)
Free Cash Flow	\$7.8	\$3.3	(\$94.4)	(\$67.2)
Fox River Payments	-	0.2	1.4	0.5
Turnround strategy costs	-	3.2	-	12.8
Strategic Initiatives	(1.3)	0.1	1.2	1.4
CEO transition costs	0.3	0.6	0.3	8.2
Cost Optimization	-	0.1	1.1	0.2
HQ Relocation	(0.6)	-	(1.0)	-
Oberschmitt divestiture costs	-	0.1	-	0.6
COVID-19 ERC recovery	-	-	-	(6.6)
Tax payments (refunds) on adjusting items	0.6	-	3.1	(0.9)
Less: Adjustments to Free Cash Flow	(1.0)	4.2	6.2	16.3
Adjusted Free Cash Flow	\$6.8	\$7.5	(\$88.1)	(\$50.9)



Reconciliation of Non-GAAP measures

Adjusted EBITDA from continuing operations

<i>USD in Thousands</i>	Q3 2022	Q2 2023	Q3 2023
Airlaid Materials Operating Profit	\$16,553	\$9,726	\$11,196
Addback: Depreciation & Amortization	7,400	7,637	7,553
Airlaid Materials EBITDA	\$23,953	\$17,363	\$18,749
Composite Fibers Operating Profit	\$6,636	\$898	\$7,268
Addback: Depreciation & Amortization	3,961	3,897	3,898
Composite Fibers EBITDA	\$10,597	\$4,795	\$11,166
Spunlace Operating Loss	(\$4,671)	(\$1,314)	(\$1,053)
Addback: Depreciation & Amortization	2,954	3,476	3,289
Spunlace EBITDA	(\$1,717)	\$2,162	\$2,236