UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2023

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

GLATFELTER

4350 Congress Street, Suite 600
Charlotte, North Carolina 28209
(Address of principal executive offices)

(704) 885-2555
(Registrant's telephone number, including area code)

Commission file number	Exact name of registrant as specified in its charter	IRS Employer Identification No.	State or other jurisdiction of incorporation or organization
1-03560	**Glatfelter Corporation**	**23-0628360**	**Pennsylvania**

(N/A)
Former name or former address, if changed since last report

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	**GLT**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a small reporting company or emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒.

Common Stock outstanding on July 28, 2023 totaled 45,045,910 shares.

GLATFELTER CORPORATION AND SUBSIDIARIES
REPORT ON FORM 10-Q

For the Quarterly Period Ended

June 30, 2023

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PART I

Item 1 – Financial Statements

GLATFELTER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

In thousands, except per share	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Net sales	**$ 357,005**	$ 363,963	**$ 735,213**	$ 745,643
Costs of products sold	**338,872**	326,566	**680,866**	676,581
Gross profit	**18,133**	37,397	**54,347**	69,062
Selling, general and administrative expenses	**28,639**	28,400	**59,384**	61,566
Goodwill and other asset impairment charges	**—**	—	**—**	117,349
Gains (losses) on dispositions of plant, equipment and timberlands, net	**(21)**	73	**(665)**	(2,888)
Operating income (loss)	**(10,485)**	8,924	**(4,372)**	(106,965)
Non-operating income (expense)				
Interest expense	**(17,261)**	(7,672)	**(29,855)**	(15,534)
Interest income	**559**	38	**830**	55
Other, net	**(3,045)**	(455)	**(6,323)**	(1,795)
Total non-operating expense	**(19,747)**	(8,089)	**(35,348)**	(17,274)
Income (loss) from continuing operations before income taxes	**(30,232)**	835	**(39,720)**	(124,239)
Income tax provision (benefit)	**6,399**	3,295	**10,093**	(13,489)
Loss from continuing operations	**(36,631)**	(2,460)	**(49,813)**	(110,750)
Discontinued operations:				
Income (loss) before income taxes	**(309)**	408	**(711)**	371
Income tax provision	**—**	—	**—**	—
Income (loss) from discontinued operations	**(309)**	408	**(711)**	371
Net loss	**$ (36,940)**	$ (2,052)	**$ (50,524)**	$ (110,379)
Basic earnings per share				
Loss from continuing operations	**$ (0.82)**	$ (0.05)	**$ (1.11)**	$ (2.47)
Income (loss) from discontinued operations	**(0.01)**	0.01	**(0.02)**	0.01
Basic loss per share	**$ (0.83)**	$ (0.04)	**$ (1.13)**	$ (2.46)
Diluted earnings per share				
Loss from continuing operations	**$ (0.82)**	$ (0.05)	**$ (1.11)**	$ (2.47)
Income (loss) from discontinued operations	**(0.01)**	0.01	**(0.02)**	0.01
Diluted loss per share	**$ (0.83)**	$ (0.04)	**$ (1.13)**	$ (2.46)
Weighted average shares outstanding				
Basic	**45,041**	44,841	**44,999**	44,775
Diluted	**45,041**	44,841	**44,999**	44,775

The accompanying notes are an integral part of these condensed consolidated financial statements.

GLATFELTER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

In thousands	Three months ended June 30, **2023**	Three months ended June 30, 2022	Six months ended June 30, **2023**	Six months ended June 30, 2022
Net loss	**$ (36,940)**	$ (2,052)	**$ (50,524)**	$ (110,379)
Foreign currency translation adjustments	**2,820**	(28,675)	**9,483**	(39,590)
Net change in:				
Deferred gains (losses) on derivatives, net of taxes of $96, $(2,029), $149 and $(2,629), respectively	**(11)**	8,534	**146**	8,177
Unrecognized retirement obligations, net of taxes of $(3), $(49), $(4) and $(101), respectively	**18**	152	**670**	304
Other comprehensive income (loss)	**2,827**	(19,989)	**10,299**	(31,109)
Comprehensive loss	**$ (34,113)**	$ (22,041)	**$ (40,225)**	$ (141,488)

The accompanying notes are an integral part of these condensed consolidated financial statements.

GLATFELTER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

In thousands	June 30, 2023	December 31, 2022
Assets		
Cash and cash equivalents	**$ 53,864**	$ 110,660
Accounts receivable, net	**189,628**	195,665
Inventories	**314,673**	309,436
Prepaid expenses and other current assets	**56,329**	63,723
Total current assets	**614,494**	679,484
Plant, equipment and timberlands, net	**670,347**	675,811
Goodwill	**106,495**	105,195
Intangible assets, net	**106,043**	108,670
Other assets	**79,184**	78,193
Total assets	**$ 1,576,563**	$ 1,647,353
Liabilities and Shareholders' Equity		
Current portion of long-term debt	**$ 2,963**	$ 40,435
Short-term debt	**7,238**	11,422
Accounts payable	**161,148**	217,625
Environmental liabilities	**2,000**	2,200
Other current liabilities	**89,539**	88,724
Total current liabilities	**262,888**	360,406
Long-term debt	**853,025**	793,252
Deferred income taxes	**56,621**	54,388
Other long-term liabilities	**125,191**	121,303
Total liabilities	**1,297,725**	1,329,349
Commitments and contingencies		
Shareholders’ equity		
Common stock	**544**	544
Capital in excess of par value	**57,945**	60,663
Retained earnings	**448,339**	498,863
Accumulated other comprehensive loss	**(87,596)**	(97,895)
	419,232	462,175
Less cost of common stock in treasury	**(140,394)**	(144,171)
Total shareholders’ equity	**278,838**	318,004
Total liabilities and shareholders’ equity	**$ 1,576,563**	$ 1,647,353

The accompanying notes are an integral part of these condensed consolidated financial statements.

GLATFELTER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six months ended June 30,	
In thousands	**2023**	2022
Operating activities		
Net loss	**$ (50,524)**	$ (110,379)
Loss (income) from discontinued operations, net of taxes	**711**	(371)
Adjustments to reconcile to net cash used by continuing operations:		
Depreciation, depletion and amortization	**31,701**	34,936
Amortization of debt issue costs and original issue discount	**3,281**	963
Pension settlement charge	**633**	—
Goodwill and other asset impairment charges	**—**	117,349
Russia/Ukraine conflict charges	**—**	3,948
Deferred income tax expense (benefit)	**959**	(22,186)
Gains on dispositions of plant, equipment and timberlands, net	**(665)**	(2,888)
Share-based compensation	**1,307**	2,419
Change in operating assets and liabilities:		
Accounts receivable	**4,180**	(52,936)
Inventories	**(1,656)**	(45,148)
Prepaid and other current assets	**7,418**	3,472
Accounts payable	**(58,129)**	9,516
Accruals and other current liabilities	**3,633**	(16,910)
Other	**4,130**	(1,320)
Net cash used by operating activities from continuing operations	**(53,021)**	(79,535)
Investing activities		
Expenditures for purchases of plant, equipment and timberlands	**(17,458)**	(22,697)
Proceeds from disposals of plant, equipment and timberlands, net	**735**	3,173
Acquisition, net of cash acquired	**—**	1,413
Other	**—**	(25)
Net cash used by investing activities from continuing operations	**(16,723)**	(18,136)
Financing activities		
Proceeds from term loan	**262,273**	—
Repayment of term loans	**(226,451)**	(23,793)
Net borrowings (repayments) under revolving credit facility	**(14,988)**	72,176
Payments of borrowing costs	**(10,071)**	(1,102)
Payments of dividends	**—**	(12,498)
Payments related to share-based compensation awards and other	**(248)**	(1,237)
Net cash provided by financing activities from continuing operations	**10,515**	33,546
Effect of exchange rate changes on cash	**1,096**	(3,587)
Net decrease in cash, cash equivalents and restricted cash	**(58,133)**	(67,712)
Decrease in cash, cash equivalents and restricted cash from discontinued operations	**(428)**	(231)
Cash, cash equivalents and restricted cash at the beginning of period	**119,162**	148,814
Cash, cash equivalents and restricted cash at the end of period	**60,601**	80,871
Less: restricted cash in Prepaid expenses and other current assets	**(3,600)**	(2,000)
Less: restricted cash in Other assets	**(3,137)**	(7,395)
Cash and cash equivalents at the end of period	**$ 53,864**	$ 71,476
Supplemental cash flow information		
Cash paid for:		
Interest	**$ 27,001**	$ 15,879
Income taxes, net	**4,109**	14,699

The accompanying notes are an integral part of these condensed consolidated financial statements.

GLATFELTER CORPORATION AND SUBSIDIARIES
STATEMENTS OF SHAREHOLDERS' EQUITY
(unaudited)

In thousands	Common stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Shareholders' Equity
Balance at April 1, 2023	**$ 544**	**$ 59,256**	**$ 485,279**	**$ (90,423)**	**$ (142,069)**	**$ 312,587**
Net loss			**(36,940)**			**(36,940)**
Other comprehensive income				**2,827**		**2,827**
Comprehensive loss						**(34,113)**
Share-based compensation expense		**376**				**376**
Delivery of treasury shares:						
RSUs and PSAs		**(1,687)**			**1,675**	**(12)**
Balance at June 30, 2023	**$ 544**	**$ 57,945**	**$ 448,339**	**$ (87,596)**	**$ (140,394)**	**$ 278,838**
Balance at April 1, 2022	$ 544	$ 61,873	$ 591,012	$ (91,424)	$ (145,272)	$ 416,733
Net loss			(2,052)			(2,052)
Other comprehensive loss				(19,989)		(19,989)
Comprehensive loss						(22,041)
Cash dividends declared ($0.14 per share)			(6,273)			(6,273)
Share-based compensation expense		1,510				1,510
Delivery of treasury shares:						
RSUs and PSAs		(828)			821	(7)
Balance at June 30, 2022	$ 544	$ 62,555	$ 582,687	$ (111,413)	$ (144,451)	$ 389,922
Balance at January 1, 2023	**$ 544**	**$ 60,663**	**$ 498,863**	**$ (97,895)**	**$ (144,171)**	**$ 318,004**
Net loss			**(50,524)**			**(50,524)**
Other comprehensive income				**10,299**		**10,299**
Comprehensive loss						**(40,225)**
Share-based compensation expense		**1,307**				**1,307**
Delivery of treasury shares:						
RSUs and PSAs		**(4,025)**			**3,777**	**(248)**
Balance at June 30, 2023	**$ 544**	**$ 57,945**	**$ 448,339**	**$ (87,596)**	**$ (140,394)**	**$ 278,838**
Balance at January 1, 2022	$ 544	$ 64,779	$ 705,600	$ (80,304)	$ (147,857)	$ 542,762
Net loss			(110,379)			(110,379)
Other comprehensive loss				(31,109)		(31,109)
Comprehensive loss						(141,488)
Cash dividends declared (0.14 per share)			(12,534)			(12,534)
Share-based compensation expense		2,419				2,419
Delivery of treasury shares:						
RSUs and PSAs		(4,643)			3,406	(1,237)
Balance at June 30, 2022	$ 544	$ 62,555	$ 582,687	$ (111,413)	$ (144,451)	$ 389,922

The accompanying notes are an integral part of these condensed consolidated financial statements.

GLATFELTER CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. ORGANIZATION

Glatfelter Corporation and subsidiaries ("Glatfelter") is a leading global supplier of engineered materials with a strong focus on innovation and sustainability. Glatfelter's high quality, technology-driven, innovative, and customizable nonwovens solutions can be found in products that are Enhancing Everyday Life®. These include personal care and hygiene products, food and beverage filtration, critical cleaning products, medical and personal protection, packaging products, as well as home improvement and industrial applications. Headquartered in Charlotte, NC, our 2022 net sales were $1.5 billion. At December 31, 2022, we employed approximately 3,250 employees worldwide. Glatfelter's operations utilize a variety of manufacturing technologies including airlaid, wetlaid, and spunlace with sixteen manufacturing sites located in the United States, Canada, Germany, the United Kingdom, France, Spain, and the Philippines. The Company has sales offices in all major geographies serving customers under the Glatfelter and Sontara brands. Additional information about Glatfelter may be found at www.glatfelter.com. The terms "we," "us," "our," "the Company," or "Glatfelter," refer to Glatfelter Corporation and subsidiaries unless the context indicates otherwise.

2. ACCOUNTING POLICIES

Basis of Presentation The unaudited condensed consolidated financial statements ("financial statements") include the accounts of Glatfelter and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated.

We prepared these financial statements in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles" or "GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission pertaining to interim financial statements. In our opinion, the financial statements reflect all normal, recurring adjustments needed to present fairly our results for the interim periods. When preparing these financial statements, we have assumed you have read the audited consolidated financial statements included in our 2022 Annual Report on Form 10-K.

Discontinued Operations The results of operations and cash flows of our former Specialty Papers business have been classified as discontinued operations for all periods presented in the condensed consolidated statements of income.

Accounting Estimates The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies as of the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management believes the estimates and assumptions used in the preparation of these financial statements are reasonable, based upon currently available facts and known circumstances, but recognizes actual results may differ from those estimates and assumptions.

3. REVENUE

The following tables set forth disaggregated information pertaining to our net sales:

	Three months ended June 30,		Six months ended June 30,	
In thousands	**2023**	2022	**2023**	2022
Revenue by product category				
Airlaid Materials				
Feminine hygiene	**$ 51,882**	$ 56,943	**$ 110,127**	$ 116,255
Specialty wipes	**45,535**	37,908	**90,329**	75,003
Tabletop	**31,778**	26,771	**62,193**	57,518
Food pads	**3,361**	3,475	**6,901**	6,951
Home care	**6,781**	5,513	**14,140**	11,798
Adult incontinence	**7,063**	6,260	**14,422**	12,989

Other	**6,111**	6,838	**13,840**	12,658
	152,511	143,708	**311,952**	293,172
Composite Fibers				
Food & beverage	**70,755**	74,465	**149,699**	149,688
Wallcovering	**19,570**	9,902	**35,727**	25,733
Technical specialties	**20,542**	18,603	**41,995**	41,739
Composite laminates	**8,818**	11,570	**17,801**	22,867
Metallized	**6,040**	8,798	**13,094**	19,140
	125,725	123,338	**258,316**	259,167
Spunlace				
Consumer wipes	**34,759**	39,549	**72,868**	85,706
Critical cleaning	**17,584**	27,783	**46,733**	52,061
Health care	**16,808**	15,434	**27,183**	29,039
Hygiene	**5,034**	6,233	**10,694**	12,146
High performance	**4,608**	4,018	**7,817**	8,130
Beauty care	**627**	3,900	**848**	6,222
	79,420	96,917	**166,143**	193,304
Inter-segment sales elimination	**(651)**	—	**(1,198)**	—
Total	**$ 357,005**	$ 363,963	**$ 735,213**	$ 745,643

Revenue by geography

Airlaid Materials				
Americas	**$ 85,492**	$ 77,608	**$ 175,329**	$ 158,521
Europe, Middle East and Africa	**63,519**	63,355	**129,510**	126,491
Asia Pacific	**3,500**	2,745	**7,113**	8,160
	152,511	143,708	**311,952**	293,172
Composite Fibers				
Americas	**32,416**	42,077	**66,628**	80,053
Europe, Middle East and Africa	**72,680**	59,868	**146,530**	133,472
Asia Pacific	**20,629**	21,393	**45,158**	45,642
	125,725	123,338	**258,316**	259,167
Spunlace				
Americas	**50,001**	54,985	**103,153**	110,469
Europe, Middle East and Africa	**23,289**	30,245	**48,352**	60,070
Asia Pacific	**6,130**	11,687	**14,638**	22,765
	79,420	96,917	**166,143**	193,304
Inter-segment sales elimination	**(651)**	—	**(1,198)**	—
Total	**$ 357,005**	$ 363,963	**$ 735,213**	$ 745,643

4. CLOSURE OF OBER-SCHMITTEN, GERMANY FACILITY

In the second quarter of 2023, we announced our plans to close Composite Fibers' Ober-Schmitten, Germany facility as part of the Company's turnaround strategy that aimed at improving financial performance of the Company's overall business. Pending the completion of negotiations with the Ober-Schmitten Economic Committee and Works Council ("Works Council"), we expect to cease operations at the site during the third quarter of 2023 with some final finishing, shipping wind-down and decommissioning to follow. In connection with the planned closure, we recognized the following costs which are included in our condensed consolidated statements of income:

In thousands	Three months ended June 30, 2023	Six months ended June 30, 2023
Severance and benefit continuation	**10,368**	**10,368**
Other costs	**424**	**373**
Total	**$ 10,792**	**$ 10,741**

The Company now estimates that it will incur approximately $10.4 million of cash expenses in connection with employee severance and benefit costs associated with the termination of the employees at the Facility and has recognized an expense for this amount included in "Cost of Goods Sold" in its condensed consolidated financial statements for the three and six months ended June 30, 2023. This estimate is based on the Company's estimate of the cost of the current proposed compromise of interest and social plan made to the Works Council. As negotiations between the Company and the Works Council have not been finalized, the total amount of severance and benefit continuation costs that will ultimately be recognized is subject to change until such time as negotiations with the local works council are concluded. The accrued and unpaid severance and benefit continuation totaled approximately $10.4 million as of June 30, 2023.

The Company has also recognized other shutdown related costs at the Facility, related to potential contract termination costs, site closure costs, and other associated costs, and the Company expects that it will continue to incur other shutdown related costs. The Company has recognized such other costs of approximately $0.4 million, which are predominately non-cash expenses and included in "Selling, general & administrative expenses" in its condensed consolidated financial statements for the three and six months ended June 30, 2023. The Company is currently unable to make a good faith determination of an estimate of the amount or range of the amounts of the charges expected to be recorded in connection with other major types of cost associated with the closure (such as contract termination costs and other associated costs) or the amount or range of amounts of such charges that will result in future cash expenditures.

5. GAINS ON DISPOSITION OF PLANT, EQUIPMENT AND TIMBERLANDS

The following table sets forth sales of timberlands and other assets completed during the first six months of 2023 and 2022:

Dollars in thousands	Acres	Proceeds	Gain (loss)
2023			
Timberlands	**216**	**$ 630**	**$ 617**
Other	**n/a**	**105**	**48**
Total		**$ 735**	**$ 665**
2022			
Timberlands	790	$ 3,130	$ 2,962
Other	n/a	43	(74)
Total		$ 3,173	$ 2,888

6. GOODWILL AND OTHER ASSET IMPAIRMENT

No impairment charges were recognized during the first six months of 2023.

During the first quarter of 2022, in connection with an assessment of potential impairment of long-lived and indefinite lived intangible assets stemming from the compounding impacts resulting from the Russia/Ukraine military conflict and related sanctions, we recorded a $117.3 million non-cash asset impairment charge related to Composite Fibers' Dresden facility and an impairment of Composite Fibers' goodwill. Dresden is a single-line facility that produces wallcover base paper, the majority of which is sold into the Russian and Ukrainian markets. As a direct result of the economic impacts from the conflict, and the disruptions in the underlying financial systems and restrictions on our ability to export wallcover base paper to Russia due to related sanctions, management expected a significant reduction in wallcover revenues and associated cash flows for the foreseeable future. In addition, the conflict also impacted other Composite Fibers products that are also subject to export sanctions into this region, and continued to significantly impact energy prices. Accordingly, a charge was recorded to reduce the carrying value of the Dresden fixed assets and intangible assets (technological know-how, customer relationships, and an indefinite-lived trade name), along with Composite Fibers' goodwill to fair value.

The following table summarizes the impairment charges recorded during the six months ended June 30, 2023 and 2022, respectively, in the accompanying condensed consolidated statements of income under the caption "Goodwill and other asset impairment charges:"

In thousands	**2023**	2022
Plant, property and equipment	$ —	$ 27,619
Technological know-how	—	18,443
Customer relationships	—	11,695
Tradename	—	3,530
Goodwill	—	56,062
Total	**$** —	$ 117,349

The fair value of the underlying assets was estimated using discounted cash flow models, independent appraisals and similar methods, all of which are Level 3 fair value classification.

7. DISCONTINUED OPERATIONS

For the three and six months ended June 30, 2023, we recognized a loss in discontinued operations of $0.3 million and $0.7 million, respectively, primarily related to an insurance claim and legal costs. For both the three and six months ended June 30 2022, we recognized income of $0.4 million which primarily represents the successful appeal of a sales and use tax audit partially offset by legal costs.

The following table sets forth a summary of cash flows from discontinued operations which is included in the condensed consolidated statements of cash flows:

	Six months ended June 30,	
In thousands	**2023**	2022
Net cash used by operating activities	**$ (428)**	$ (231)
Net cash used by investing activities	—	—
Net cash provided by financing activities	—	—
Change in cash and cash equivalents from discontinued operations	**$ (428)**	$ (231)

8. EARNINGS PER SHARE

The following table sets forth the details of basic and diluted earnings per share ("EPS") from continuing operations:

In thousands, except per share	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Loss from continuing operations	**$ (36,631)**	$ (2,460)	**$ (49,813)**	$ (110,750)
Weighted average common shares outstanding used in basic EPS	**45,041**	44,841	**44,999**	44,775
Common shares issuable upon exercise of dilutive stock options and PSAs / RSUs	**—**	—	**—**	—
Weighted average common shares outstanding and common share equivalents used in diluted EPS	**45,041**	44,841	**44,999**	44,775
Loss per share from continuing operations				
Basic	**$ (0.82)**	$ (0.05)	**$ (1.11)**	$ (2.47)
Diluted	**(0.82)**	(0.05)	**(1.11)**	(2.47)

The following table sets forth potential common shares outstanding that were not included in the computation of diluted EPS for the periods indicated, because their effect would be anti-dilutive:

In thousands	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Potential common shares	**618**	934	**618**	934

9. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following table sets forth details of the changes in accumulated other comprehensive income (losses) for the three months and six months ended June 30, 2023 and 2022.

In thousands	Currency translation adjustments	Unrealized gain (loss) on derivatives	Change in pensions	Change in other postretirement defined benefit plans	Total
Balance at April 1, 2023	**$ (99,579)**	**$ 11,333**	**$ (2,587)**	**$ 410**	**$ (90,423)**
Other comprehensive income before reclassifications (net of tax)	**2,820**	**57**	**—**	**—**	**2,877**
Amounts reclassified from accumulated other comprehensive income (net of tax)	**—**	**(68)**	**25**	**(7)**	**(50)**
Net current period other comprehensive income (loss)	**2,820**	**(11)**	**25**	**(7)**	**2,827**
Balance at June 30, 2023	**$ (96,759)**	**$ 11,322**	**$ (2,562)**	**$ 403**	**$ (87,596)**
Balance at April 1, 2022	$ (80,672)	$ 1,631	$ (11,356)	$ (1,027)	$ (91,424)
Other comprehensive income (loss) before reclassifications (net of tax)	(28,675)	9,760	—	—	(18,915)
Amounts reclassified from accumulated other comprehensive income (net of tax)	—	(1,226)	126	26	(1,074)
Net current period other comprehensive income (loss)	(28,675)	8,534	126	26	(19,989)
Balance at June 30, 2022	$ (109,347)	$ 10,165	$ (11,230)	$ (1,001)	$ (111,413)
Balance at January 1, 2023	**$ (106,242)**	**$ 11,176**	**$ (3,247)**	**$ 418**	**$ (97,895)**
Other comprehensive income before reclassifications (net of tax)	**9,483**	**1,613**	**—**	**—**	**11,096**
Amounts reclassified from accumulated other comprehensive income (net of tax)	**—**	**(1,467)**	**685**	**(15)**	**(797)**
Net current period other comprehensive income (loss)	**9,483**	**146**	**685**	**(15)**	**10,299**
Balance at June 30, 2023	**$ (96,759)**	**$ 11,322**	**$ (2,562)**	**$ 403**	**$ (87,596)**
Balance at January 1, 2022	$ (69,757)	$ 1,988	$ (11,482)	$ (1,053)	$ (80,304)
Other comprehensive income (loss) before reclassifications (net of tax)	(39,590)	10,143	—	—	(29,447)
Amounts reclassified from accumulated other comprehensive income (net of tax)	—	(1,966)	252	52	(1,662)
Net current period other comprehensive income (loss)	(39,590)	8,177	252	52	(31,109)
Balance at June 30, 2022	$ (109,347)	$ 10,165	$ (11,230)	$ (1,001)	$ (111,413)

Reclassifications out of accumulated other comprehensive income and into the condensed consolidated statements of income were as follows:

	Three months ended June 30,		Six months ended June 30,		
In thousands	**2023**	2022	**2023**	2022	
Description					**Line Item in Statements of Income**
Cash flow hedges (Note 18)					
Gains on cash flow hedges	**$ (400)**	$ (1,697)	**$ (1,318)**	$ (2,769)	Costs of products sold
Tax expense (benefit)	**332**	480	**(149)**	792	Income tax provision
Net of tax	**(68)**	(1,217)	**(1,467)**	(1,977)	
Loss (gain) on interest rate swaps	**—**	(9)	**—**	11	Interest expense
Tax expense	**—**	—	**—**	—	Income tax provision
Net of tax	**—**	(9)	**—**	11	
Total cash flow hedges	**(68)**	(1,226)	**(1,467)**	(1,966)	
Retirement plan obligations (Note 11)					
Amortization of deferred benefit pension plans					
Prior service costs	**6**	11	**12**	22	Other, net
Actuarial losses	**21**	164	**43**	331	Other, net
Pension settlement	**—**	—	**633**	—	Other, net
	27	175	**688**	353	
Tax benefit	**(2)**	(49)	**(3)**	(101)	Income tax provision
Net of tax	**25**	126	**685**	252	
Amortization of deferred benefit other plans					
Prior service costs	**5**	26	**10**	52	Other, net
Actuarial gain	**(12)**	—	**(25)**	—	Other, net
	(7)	26	**(15)**	52	
Tax expense	**—**	—	**—**	—	Income tax provision
Net of tax	**(7)**	26	**(15)**	52	
Total reclassifications, net of tax	**$ (50)**	$ (1,074)	**$ (797)**	$ (1,662)	

10. SHARE-BASED COMPENSATION

On May 5, 2023 (the "Effective Date"), the Board and shareholders approved an amendment and restatement of the Glatfelter Corporation 2022 Long-Term Incentive Plan (the "Equity Plan") to increase the number of shares available for grant under the Equity Plan (as amended and restated, the "Amended Plan") (collectively, the "LTIP"). The LTIP is a long-term incentive plan, pursuant to which awards may be granted to full-time or part-time employees, officers, non-employee directors, and consultants of the Company or any subsidiary or affiliate of the Company, including stock options, stock-only stock appreciation rights ("SOSARs"), restricted stock awards, restricted stock units ("RSUs"), performance share awards ("PSAs"), and other share-based awards. The Amended Plan was adopted primarily to increase the number of shares of Company common stock reserved for equity-based awards by 675,000 shares (in addition to any shares that remained available for awards under the Equity Plan as of the Effective Date and any shares subject to outstanding awards granted under the Equity Plan as of the Effective Date). As of June 30, 2023, there were 2,386,035 shares of common stock available for future issuance under the LTIP.

Pursuant to terms of the LTIP, we have issued to eligible participants RSUs, PSAs and SOSARs.

Restricted Stock Units and Performance Share Awards In the first six months of 2023 and 2022, we granted RSUs and PSAs to employees under our LTIP. In both 2023 and 2022, 50% of fair value of the awards granted were RSUs, which vest based on the passage of time, generally over a graded three-year period or, in certain instances, the RSUs were cliff vesting after one or three years. The remaining 50% of the fair value of the awards granted in 2023 and 2022 were PSAs. The PSAs awarded vest based on either the achievement of cumulative financial performance targets covering a two-year period or based on the three-year total shareholder return relative to a broad market index. The performance measures include a minimum, target and maximum performance level providing the grantees an opportunity to receive more or less shares than targeted depending on actual financial performance.

For RSUs, the grant date fair value of the awards, or the closing price per common share on the date of the award, is used to determine the amount of expense to be recognized over the applicable service period. For PSAs, the grant date fair value is estimated using a lattice model. The significant inputs include the stock price, volatility, dividend yield, and risk-free rate of return. Settlement of RSUs and PSAs will be made in shares of our common stock currently held in treasury.

The following table summarizes RSU and PSA activity during periods indicated:

Units	**2023**	2022
Balance at January 1,	**1,650,152**	1,111,382
Granted	**1,354,102**	718,668
Forfeited	**(445,742)**	(215,656)
Shares delivered	**(313,569)**	(305,739)
Balance at June 30,	**2,244,943**	1,308,655

The amount granted in 2023 and 2022 includes 698,741 and 341,429, respectively, of PSAs exclusive of reinvested dividends.

The following table sets forth aggregate RSU and PSA compensation expense included in continuing operations for the periods indicated:

	June 30,	
In thousands	**2023**	2022
Three months ended	**$ 376**	$ 1,509
Six months ended	**$ 1,307**	$ 2,418

Stock-Only Stock Appreciation Rights Under terms of the SOSAR, a recipient receives the right to a payment in the form of shares of common stock equal to the difference, if any, in the fair market value of one share of common stock at the time of exercising the SOSAR and the exercise price. All SOSARs are vested and have a term of ten years. No SOSARs have been awarded since 2016.

The following table sets forth information related to outstanding SOSARs:

	2023		2022	
	Shares	Wtd Avg Exercise Price	Shares	Wtd Avg Exercise Price
Outstanding at January 1,	**769,544**	**$ 21.34**	1,079,113	$ 20.42
Granted	**—**	**—**	—	—
Exercised	**—**	**—**	—	—
Canceled / forfeited	**(151,487)**	**18.36**	(145,440)	15.61
Outstanding at June 30,	**618,057**	**$ 22.07**	933,673	$ 21.17

11. RETIREMENT PLANS AND OTHER POST-RETIREMENT BENEFITS

The following tables provide information with respect to the net periodic costs of our pension and post-retirement medical benefit plans included in continuing operations.

	Three months ended June 30,		Six months ended June 30,	
In thousands	**2023**	2022	**2023**	2022
Pension Benefits				
Service cost	**$ —**	$ —	**$ —**	$ —
Interest cost	**362**	179	**773**	414
Amortization of prior service cost	**6**	11	**12**	22
Amortization of actuarial loss	**21**	164	**43**	331
Pension settlement charge	**—**	—	**633**	—
Total net periodic benefit expense	**$ 389**	$ 354	**$ 1,461**	$ 767
Other Benefits				
Service cost	**$ 2**	$ —	**$ 5**	$ —
Interest cost	**45**	32	**89**	65
Amortization of prior service cost	**5**	26	**10**	52
Amortization of actuarial gain	**(12)**	—	**(25)**	—
Total net periodic benefit expense	**$ 40**	$ 58	**$ 79**	$ 117

During the six months ended June 30, 2023, we made a $5.8 million lump-sum payment to our former CEO under the terms of his non-qualified pension plan. In accordance with pension settlement accounting, we recorded a $0.6 million settlement charge reflecting the recognition of amounts previously included in accumulated other comprehensive income.

12. INCOME TAXES

Income taxes are recognized for the amount of taxes payable or refundable for the current year, and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our condensed consolidated financial statements or tax returns. The effects of income taxes are measured based on enacted tax laws and rates.

For the six months ended June 30, 2023, we had a pretax loss from continuing operations of $39.7 million and income tax expense of $10.1 million. The effective income tax rate for the six months ended June 30, 2023 was unfavorably impacted by the jurisdictional mix of pretax results among the Company and its subsidiaries and losses which generated no tax benefit in domestic and certain foreign jurisdictions.

For the six months ended June 30, 2023, we recorded an increase in the valuation allowance of $11.4 million for U.S. federal and certain foreign jurisdictions against our net deferred tax assets. In assessing the need for a valuation allowance, management considers all available positive and negative evidence in its analysis. Based on this analysis, we recorded a valuation allowance for the portion of deferred tax assets where the weight of the evidence indicated it is more likely than not that the deferred assets will not be realized.

As of June 30, 2023 and December 31, 2022, we had \$60.5 million and \$56.5 million, respectively, of gross unrecognized tax benefits. As of June 30, 2023, if such benefits were to be recognized, approximately \$57.4 million would be recorded as a component of income tax expense, thereby affecting our effective tax rate.

The amount of income taxes we pay is subject to ongoing audits by federal, state and foreign tax authorities, which often result in proposed assessments. Management performs a comprehensive review of its global tax positions on a quarterly basis and accrues amounts for uncertain tax positions. Based on these reviews and the result of discussions and resolutions of matters with tax authorities and the closure of tax years subject to tax audit, reserves are adjusted as necessary. However, future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are determined or resolved or as statutes are closed. Due to potential resolution of federal, state and foreign examinations, and the lapse of various statutes of limitation, it is reasonably possible our gross unrecognized tax benefits may decrease within the next twelve months by a range of zero to \$8.5 million. We recognize interest and penalties related to uncertain tax positions as income tax expense.

The following table summarizes information included in continuing operations related to interest on uncertain tax positions:

	Six months ended June 30,	
In millions	**2023**	2022
Interest expense	**$ 1.0**	$ 0.8

	June 30, 2023	December 31, 2022
Accrued interest payable	**$ 5.8**	$ 4.8
Accrued penalties	**3.0**	3.0

13. INVENTORIES

Inventories, net of reserves, were as follows:

In thousands	**June 30, 2023**	December 31, 2022
Raw materials	**$ 98,538**	$ 109,166
In-process and finished	**152,664**	142,331
Supplies	**63,471**	57,939
Total	**$ 314,673**	$ 309,436

14. GOODWILL AND OTHER INTANGIBLE ASSETS

The following table sets forth changes in the amounts of goodwill and other intangible assets recorded by each of our segments during the periods indicated:

In thousands	December 31, 2022	Purchase price allocation adjustment	Translation	**June 30, 2023**
Goodwill				
Airlaid Materials	$ 105,195	$ —	$ 1,300	**$ 106,495**
Total	$ 105,195	$ —	$ 1,300	**$ 106,495**

Other Intangible Assets	December 31, 2022	Amortization	Translation	**June 30, 2023**
Airlaid Materials				
Tradename	$ 3,442	$ —	$ 64	**$ 3,506**
Accumulated amortization	(739)	(87)	(14)	**(840)**
Net	2,703	(87)	50	**2,666**
Technology and related	17,512	—	317	**17,829**
Accumulated amortization	(5,437)	(580)	(113)	**(6,130)**
Net	12,075	(580)	204	**11,699**
Customer relationships and related	43,152	—	434	**43,586**
Accumulated amortization	(13,571)	(1,853)	(187)	**(15,611)**
Net	29,581	(1,853)	247	**27,975**
Spunlace				
Products and Tradenames	27,290	—	678	**27,968**
Accumulated amortization	(1,759)	(731)	20	**(2,470)**
Net	25,531	(731)	698	**25,498**
Technology and related	14,372	—	357	**14,729**
Accumulated amortization	(1,455)	(603)	(191)	**(2,249)**
Net	12,917	(603)	166	**12,480**
Customer relationships and related	27,666	—	687	**28,353**
Accumulated amortization	(1,803)	(778)	(47)	**(2,628)**
Net	25,863	(778)	640	**25,725**
Total intangibles	133,434	—	2,537	**135,971**
Total accumulated amortization	(24,764)	(4,632)	(532)	**(29,928)**
Net intangibles	$ 108,670	$ (4,632)	$ 2,005	**$ 106,043**

15. LEASES

We enter into a variety of arrangements in which we are the lessee for the use of automobiles, forklifts and other production equipment, production facilities, warehouses, office space and land. We determine if an arrangement contains a lease at inception. All our lease arrangements are operating leases and are recorded in the condensed consolidated balance sheet under the caption “Other assets” and the lease obligation is under “Other current liabilities” and “Other long-term liabilities.” We do not have any finance leases.

Operating lease right of use (“ROU”) assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. ROU assets also include any initial direct costs incurred and any lease payments made at or before the lease commencement date, less lease incentives received. We use our incremental borrowing rate based on information available at the commencement date in determining the lease liabilities as our leases generally do not provide an implicit rate. For purposes of recording the lease arrangement, the term of lease may include options to extend or terminate when we are reasonably certain that the option will be exercised. Lease expense is recognized on a straight-line basis over the lease term.

The following table sets forth information related to our leases as of the periods indicated.

Dollars in thousands	**June 30, 2023**	December 31, 2022
Right of use asset	**$ 27,812**	$ 25,420
Weighted average discount rate	**3.64 %**	3.14 %
Weighted average remaining maturity *(years)*	**18.6**	21.2

The following table sets forth operating lease expense for the periods indicated:

	June 30,	
In thousands	**2023**	2022
Three months ended	**$ 1,568**	$ 1,499
Six months ended	**$ 3,393**	$ 2,920

The following table sets forth required remaining future minimum lease payments during the years indicated:

In thousands	
2023	**$ 3,374**
2024	**5,586**
2025	**4,645**
2026	**2,679**
2027	**2,211**
Thereafter	**20,147**

16. LONG-TERM DEBT

Long-term debt is summarized as follows:

In thousands	June 30, 2023	December 31, 2022
Revolving credit facility, due Sep 2026	**$ 105,534**	$ 118,685
4.750% Senior Notes, due Oct 2029	**500,000**	500,000
11.25% Term loan, due Mar 2029	**266,374**	—
Term loan, due Feb 2024	**—**	193,588
2.05% Term Loan, due Mar 2023	**—**	1,423
1.30% Term Loan, due Jun 2023	**—**	762
1.55% Term Loan, due Sep 2025	**—**	3,594
1.10% Term Loan, due Mar 2024	**2,963**	4,848
0.57% Term Loan, due Jul 2023	**—**	21,332
Total long-term debt	**874,871**	844,232
Less current portion	**(2,963)**	(40,435)
Unamortized deferred issuance costs	**(18,883)**	(10,545)
Long-term debt, net of current portion	**$ 853,025**	$ 793,252

On September 2, 2021, we entered into a restatement agreement as part of a Fourth Amended and Restated $400.0 million Revolving Credit Facility and a €220.0 million Term Loan (collectively, the "Credit Agreement").

On March 30, 2023, we entered into an amendment to the Credit Agreement which reduced the Revolving Credit Facility to $250.0 million and had us fully extinguish the €220.0 million Term Loan. The amendment: i) modifies the "leverage ratio" to be the ratio of consolidated senior secured debt to consolidated adjusted EBITDA ; ii) increases the maximum interest rate borrowing margin to be applied to the applicable index by 275 basis points; and iii) pledges as collateral substantially all domestic and Canadian assets to secure obligations owed under the Credit Agreement, as well as, on a second lien basis, the European assets that secure the AG Loan (as defined below). As amended, we are obligated to maintain a leverage ratio under 4.25 to 1.0 through the quarter ended December 31, 2024, stepping down to 4.0 to 1.0 at March 31, 2025, and 3.50 to 1.0 at March 31, 2026.

Borrowing rates for the Revolving Loans are determined at our option at the time of each borrowing. For all U.S. Dollar denominated Revolving Loan borrowings, the borrowing rate is either, (a) the bank's base rate which is equal to the greater of i) the prime rate; ii) the overnight bank funding rate plus 50 basis points; or iii) the daily Simple Secured Overnight Financing Rate ("SOFR") rate plus 100 basis points plus an applicable spread over either i), ii) or iii) ranging from 250 basis points to 400 basis points based on the Company's leverage ratio; or (b) the daily Term SOFR-rate plus an applicable margin ranging from 350 basis points to 500 basis points based on the Company's leverage ratio. For non-U.S. Dollar denominated borrowings, interest is based on the Euro-rate or EURIBOR-rate plus an applicable margin ranging from 350 basis points to 500 basis points based on the Company's leverage ratio.

The Credit Agreement contains a number of customary covenants for financings of this type that, among other things, restrict our ability to dispose of or create liens on assets, incur additional indebtedness, limits certain intercompany financing arrangements, make acquisitions and engage in mergers or consolidations. The Credit Agreement also contains covenants requiring a minimum debt coverage ratio.

Revolving Loans borrowings are available in U.S. Dollars, Euros, British Pound Sterling, and Canadian Dollars.

All remaining principal outstanding and accrued interest under the Revolving Credit Facility will be due and payable on September 2, 2026.

As of June 30, 2023, the leverage ratio, as calculated in accordance with the definition in our Credit Agreement, was 3.4x. A breach of these requirements would give rise to certain remedies under the Revolving Credit Facility, among which is the termination of the agreement.

On March 30, 2023, we entered into a €250.0 million Term Loan with certain affiliates of Angelo, Gordon & Co., L.P. (“AG Loan”). The net proceeds from the AG Loan were used to extinguish the €220.0 million Term Loan, to repay a portion of outstanding revolving borrowings under the Revolving Credit Facility, for working capital and general corporate purposes and to pay estimated fees and expenses.

The AG Loan will mature on March 23, 2029. Interest on the AG Loan accrues at the rate of 11.25% per annum and is payable quarterly in arrears on March 31, June 30, September 30, and December 31 each year, commencing on June 30, 2023.

The AG Loan is prepayable, in whole or in part, at any time at the prepayable premium specified in the Term Loan Agreement. Prior to September 30, 2024, we may prepay some or all of the AG Loan at a "make-whole" premium as specified.

Under the terms of the AG Loan, we have pledged as collateral substantially all assets of our subsidiaries in Germany, Luxembourg, United Kingdom, Malta and Switzerland, as well as, on a second lien basis, the domestic and Canadian assets that secure the Revolving Credit Facility.

All covenants contained in the AG Loan agreement are substantially consistent with the Credit Agreement.

On October 25, 2021, we issued $500.0 million aggregate principal amount of 4.750% senior notes due 2029 (the “Notes”). The Notes are guaranteed on a senior unsecured basis, jointly and severally, by each of our existing and future domestic restricted subsidiaries that guarantees our obligations under the Credit Agreement, and/or certain other indebtedness.

The Notes were issued pursuant to an indenture dated as of October 25, 2021 (the “Base Indenture”), as supplemented by the supplemental indenture dated as of October 25, 2021 (the “Supplemental Indenture” and, together with the Base Indenture, the “Indenture”) among the Company, certain subsidiaries of the Company party thereto, as guarantors, and Wilmington Trust, National Association, as trustee.

The net proceeds from the offering of the Notes, together with cash on hand, were used to pay the purchase price of the Jacob Holm acquisition, to repay certain indebtedness of Jacob Holm, to repay outstanding revolving borrowings under the Revolving Credit Facility, and to pay estimated fees and expenses.

The Notes will mature on November 15, 2029. Interest on the Notes accrues at the rate of 4.750% per annum and is payable semi-annually in arrears on May 15 and November 15 of each year, commencing on May 15, 2022.

The Notes are redeemable, in whole or in part, at any time at the redemption prices specified in the Indenture. Prior to November 15, 2024, we may redeem some or all of the Notes at a "make-whole" premium as specified in the Indenture.

The Notes contain various covenants customary to indebtedness of this nature, including limitations on i) the amount of indebtedness that may be incurred; ii) certain restricted payments including common stock dividends; iii) distributions from certain subsidiaries; iv) sales of assets; v) transactions amongst subsidiaries; and vi) incurrence of liens on assets. In addition, the Notes contain cross default provisions that could result in all such notes becoming due and payable in the event of a failure to repay debt outstanding under the Credit Agreement at maturity or a default under the Credit Agreement that accelerates the debt outstanding thereunder. As of March 31, 2023, we met all of the requirements of our debt covenants.

Glatfelter Gernsbach GmbH (“Gernsbach”), a wholly-owned subsidiary of ours, entered into a series of borrowing agreements with IKB Deutsche Industriebank AG, Düsseldorf (“IKB”). Each of the borrowings require quarterly repayments of principal and interest and provide for representations, warranties and covenants customary for financings of these types. The financial covenants of these borrowings are calculated by reference to the Credit Agreement. These borrowings were fully extinguished on March 14, 2023.

In 2021, Gernsbach also entered into two fixed-rate non-amortizing term loans with certain financial institutions. Similar to the IKB loans discussed above, the financial covenants of these borrowings are calculated by reference to the Credit Agreement. On February 28, 2023, one of these term loans for €20.0 million was fully extinguished. The remaining term loan has a principal balance of $3.0 million and matures in March 2024.

Aggregated unamortized deferred debt issuance costs incurred in connection with all of our outstanding debt totaled $18.9 million at June 30, 2023. The deferred costs are being amortized on a straight-line basis over the life of the underlying instruments. Amortization expense related to deferred debt issuance costs totaled $3.1 million and $1.9 million in 2023 and 2022, respectively.

The following schedule sets forth the amortization of our term loan agreements together with the maturity of our other long-term debt during the indicated year.

In thousands	
2023	**$ 1,976**
2024	**987**
2025	—
2026	**105,534**
2027	—
Thereafter	**766,374**

Glatfelter Corporation guarantees all debt obligations of its subsidiaries. All such obligations are recorded in these consolidated financial statements.

As of June 30, 2023 and December 31, 2022, we had $5.3 million and $4.7 million, respectively, of letters of credit issued to us by certain financial institutions. The letters of credit, which reduce amounts available under our Revolving Credit Facility, provide financial assurances for the performance of long-term monitoring activities associated with the Fox River environmental matter and for the benefit of certain state workers compensation insurance agencies in conjunction with our self-insurance program. We bear the credit risk on this amount to the extent that we do not comply with the provisions of certain agreements. No amounts are outstanding under the letters of credit.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The amounts reported on the condensed consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable and short-term debt approximate their respective fair value. The following table sets forth carrying value and fair value of long-term debt:

	June 30, 2023		December 31, 2022	
In thousands	Carrying Value	Fair Value	Carrying Value	Fair Value
Revolving credit facility, due Sep 2026	**$ 105,534**	**$ 105,534**	$ 118,685	$ 118,685
4.750% Senior Notes, due Oct 2029	**500,000**	**328,125**	500,000	301,250
11.25% Term loan, due Mar 2029	**266,374**	**269,277**	—	—
Term loan, due Feb 2024	—	—	193,588	188,998
2.05% Term Loan, due Mar 2023	—	—	1,423	1,418
1.30% Term Loan, Jun 2023	—	—	762	754
1.55% Term Loan, due Sep 2025	—	—	3,594	3,430
1.10% Term Loan, due Mar 2024	**2,963**	**2,900**	4,848	4,721
0.57% Term Loan, due Jul 2023	—	—	21,332	20,932
Total	**$ 874,871**	**$ 705,836**	$ 844,232	$ 640,188

The values set forth above are based on observable inputs and other relevant market data (Level 2). The fair value of financial derivatives is set forth below in Note 18.

18. FINANCIAL DERIVATIVES AND HEDGING ACTIVITIES

As part of our overall risk management practices, we enter into financial derivatives primarily designed to either i) hedge foreign currency risks associated with forecasted transactions ("cash flow hedges"); ii) mitigate the impact that changes in currency exchange rates have on intercompany financing transactions and foreign currency denominated receivables and payables ("foreign currency hedges"); or iii) convert variable-interest-rate debt to fixed rates.

Derivatives Designated as Hedging Instruments - Cash Flow Hedges We use currency forward contracts as cash flow hedges to manage our exposure to fluctuations in the currency exchange rates on certain forecasted production costs. Currency forward contracts involve fixing the exchange for delivery of a specified amount of foreign currency on a specified date. As of June 30, 2023, the maturity of currency forward contracts ranged from one month to 18 months.

We designate certain currency forward contracts as cash flow hedges of forecasted raw material purchases, certain production costs or capital expenditures with exposure to changes in foreign currency exchange rates. Changes in the fair value of derivatives designated and that qualify as cash flow hedges of foreign exchange risk is deferred as a component of accumulated other comprehensive income in the accompanying condensed consolidated balance sheets. With respect to hedges of forecasted raw material purchases or production costs, the amount deferred is subsequently reclassified into costs of products sold in the period that, inventory produced using the hedged transaction, affects earnings. For hedged capital expenditures, deferred gains or losses are reclassified and included in the historical cost of the capital asset and subsequently affect earnings as depreciation is recognized.

We had the following outstanding derivatives that were used to hedge foreign exchange risks associated with forecasted transactions and designated as hedging instruments:

In thousands	**June 30, 2023**	December 31, 2022
Derivative		
Sell/Buy - sell notional		
Euro / British Pound	**13,504**	18,961
U.S. Dollar / British Pound	**27,780**	34,501
U.S. Dollar / Euro	**1**	824
Sell/Buy - buy notional		
Euro / Philippine Peso	**1,130,029**	1,030,114
British Pound / Philippine Peso	**808,909**	1,144,839
Euro / U.S. Dollar	**91,934**	78,435
U.S. Dollar / Canadian Dollar	**31,192**	36,423

On June 15, 2022, we terminated a €180 million notional value floating-to-fixed interest rate swap agreement with certain financial institutions that was entered into in October 2019 and was to mature in December 2022. During the life of the swap, we paid a fixed interest rate of the applicable margin plus 0.0395% on €180 million of the underlying variable rate term loan. We received the greater of 0.00% or the EURIBOR-rate. At termination, we recognized a deferred gain of $0.4 million that was amortized into interest expense through December 2022.

Derivatives Designated as Hedging Instruments – Net Investment Hedge The €220 million Term Loan discussed in Note 16 – "*Long-Term Debt"* was designated as a net investment hedge of our Euro functional currency foreign subsidiaries and was extinguished on March 30, 2023 in conjunction with the amendment of the Credit Facility. During the first six months of 2023 and 2022, we recognized a pre-tax loss of $3.7 million and a pre-tax gain of $15.7 million, respectively, on the remeasurement of the term loan from changes in currency exchange rates. Such amounts are recorded as a component of Other Comprehensive Income (Loss).

On September 6, 2022, we terminated a $150.0 million cross currency swap agreement with certain financial institutions that was entered into in March 2022 and was to mature in May 2025. Pursuant to the terms of the swap, we agreed to receive 4.750% interest denominated in U.S. dollars and we agreed to pay 3.06% interest denominated in euros. We designated the cross-currency swap as a hedge of our net investment in certain euro functional currency subsidiaries. We collected cash proceeds of approximately $15.2 million upon termination. The gain associated with the swap remains in accumulated other comprehensive loss.

Derivatives Not Designated as Hedging Instruments - Foreign Currency Hedges We also entered into forward foreign exchange contracts to mitigate the impact changes in currency exchange rates have on balance sheet monetary assets and liabilities. None of these contracts are designated as hedges for financial accounting purposes and, accordingly, changes in value of the foreign exchange forward contracts and in the offsetting underlying on-balance-sheet transactions are reflected in the accompanying condensed consolidated statements of income under the caption "Other, net."

The following sets forth derivatives used to mitigate the impact changes in currency exchange rates have on balance sheet monetary assets and liabilities:

In thousands	**June 30, 2023**	December 31, 2022
Derivative		
Sell/Buy - sell notional		
U.S. Dollar / British Pound	**22,400**	28,600
British Pound / Euro	**3,000**	2,800
U.S. Dollar / Swiss Franc	**11,700**	—
British Pound / Swiss Franc	**1,900**	2,535
Euro / Swiss Franc	**6,800**	—
Euro / U.S. Dollar	**9,700**	9,630
Sell/Buy - buy notional		
Euro / U.S. Dollar	**1,750**	2,900
British Pound / Euro	**6,400**	15,950
Swiss Franc / Euro	**—**	2,250
Swiss Franc / U.S. Dollar	**—**	930
Chinese Yuan / U.S. Dollar	**2,680**	4,400

These contracts have maturities of one month from the date originally entered into.

Fair Value Measurements The following table summarizes the fair values of derivative instruments for the period indicated and the line items in the accompanying condensed consolidated balance sheets where the instruments are recorded:

In thousands	**June 30, 2023**	December 31, 2022	**June 30, 2023**	December 31, 2022
Balance sheet caption	Prepaid Expenses and Other Current Assets		Other Current Liabilities	
Designated as hedging:				
Forward foreign currency exchange contracts	**$ 1,039**	$ 1,795	**$ 1,131**	$ 2,368
Not designated as hedging:				
Forward foreign currency exchange contracts	**$ 896**	797	**$ 353**	$ 317

The amounts set forth in the table above represent the net asset or liability giving effect to rights of offset with each counterparty. The effect of netting the amounts presented above did not have a material effect on our consolidated financial position.

The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The fair values of the foreign exchange forward contracts are considered to be Level 2. Foreign currency forward contracts are valued using foreign currency forward and interest rate curves. The fair value of each contract is determined by comparing the contract rate to the forward rate and discounting to present value. Contracts in a gain position are recorded in the condensed consolidated balance sheets under the caption “Prepaid expenses and other current assets” and the value of contracts in a loss position is recorded under the caption “Other current liabilities.”

The following table summarizes the amount of income or (loss) from derivative instruments recognized in our results of operations for the periods indicated and the line items in the accompanying condensed consolidated statements of income where the results are recorded:

In thousands	Three months ended June 30, 2023	2022	Six months ended June 30, 2023	2022
Designated as hedging:				
Forward foreign currency exchange contracts:				
Cost of products sold	**$ (400)**	$ (1,697)	**$ (1,318)**	$ (2,769)
Interest expense	**—**	(9)	**—**	11
Not designated as hedging:				
Forward foreign currency exchange contracts:				
Other – net	**$ 16**	$ 1,289	**$ (218)**	$ 1,729

The impact of activity not designated as hedging was substantially all offset by the remeasurement of the underlying on-balance-sheet item.

A rollforward of fair value amounts recorded as a component of accumulated other comprehensive income (loss), before taxes, is as follows:

In thousands	2023	2022
Balance at January 1,	**$ 242**	$ 2,889
Deferred gains on cash flow hedges	**1,315**	6,565
Reclassified to earnings	**(1,318)**	(2,758)
Balance at June 30,	**$ 239**	$ 6,696

We expect substantially all of the amounts recorded as a component of accumulated other comprehensive income will be recorded in results of operations within the next 12 to 18 months and the amount ultimately recognized will vary depending on actual market rates.

Credit risk related to derivative activity arises in the event the counterparty fails to meet its obligations to us. This exposure is generally limited to the amounts, if any, by which the counterparty's obligations exceed our obligation to them. Our policy is to enter into contracts only with financial institutions which meet certain minimum credit ratings.

19. COMMITMENTS, CONTINGENCIES AND LEGAL PROCEEDINGS

Fox River - Neenah, Wisconsin

Background We have previously reported that we face liabilities associated with environmental claims arising out of the presence of polychlorinated biphenyls ("PCBs") in sediments in the lower Fox River, on which our former Neenah facility was located, and in the Bay of Green Bay, Wisconsin (collectively, the "Site"). Since the early 1990s, the United States, the State of Wisconsin and two Indian tribes (collectively, the "Governments") have pursued a cleanup of a 39-mile stretch of river from Little Lake Butte des Morts into Green Bay and natural resource damages ("NRDs"). The United States originally notified several entities that they were potentially responsible parties ("PRPs"); however, after giving effect to settlements reached with the Governments, the remaining PRPs exposed to continuing obligations to implement the remainder of the cleanup consist of us, Georgia-Pacific Consumer Products, L.P. ("Georgia-Pacific") and NCR Corporation. The United States Environmental Protection Agency ("EPA") has divided the Site into five "operable units", including the most upstream portion of the Site on which our facility was located ("OU1") and four downstream reaches of the river and bay ("OU2-5").

Over the past several years, we and certain other PRPs completed all remedial actions pursuant to applicable consent decrees or a Unilateral Administrative Order. In January 2019, we reached an agreement with the United States, the State of Wisconsin, and Georgia-Pacific to resolve all remaining claims among those parties. Under the Glatfelter consent decree, we are primarily responsible for long-term monitoring and maintenance in OU2-OU4a and for reimbursement of government oversight costs paid after October 2018. Finally, we remain responsible for our obligation to continue long-term monitoring and maintenance under our OU1 consent decree.

Cost estimates Our remaining obligations under the OU1 consent decree consist of long-term monitoring and maintenance. Furthermore, we are primarily responsible for long-term monitoring and maintenance in OU2-OU4a over a period of at least 30 years. The monitoring activities consist of, among others, testing fish tissue, sampling water quality and sediment, and inspections of the engineered caps. In 2018, we entered into a fixed-price, 30-year agreement with a third party for the performance of all of our monitoring and maintenance obligations in OU1 through OU4a with limited exceptions, such as, for extraordinary amounts of cap maintenance or replacement. Our obligation under this agreement is included in our total reserve for the Site. We are obligated to make the regular payments under that fixed-price contract until the remaining amount due is less than the OU1 escrow account balance. We are permitted to pay for this contract using the remaining balance of the escrow account established by us and WTM I Company ("WTM I") another PRP, under the OU1 consent decree during any period that the balance in the escrow account exceeds the amount due under our fixed-price contract. As of June 30, 2023, the balance in the escrow is less than amounts due under the fixed-price contract by approximately $1.1 million. Our obligation to pay this difference is secured by a letter of credit**.**

At June 30, 2023, the escrow account balance totaled $8.9 million which is included in the condensed consolidated balance sheet under the caption "Other assets."

Under the consent decree, we are responsible for reimbursement of government oversight costs paid from October 2018 and later over approximately the next 30 years. We anticipate that oversight costs will decline as activities at the site have transitioned from remediation to long-term monitoring and maintenance.

Reserves for the Site Our reserve for past and future government oversight costs and long-term monitoring and maintenance totaled $14.2 million at June 30, 2023, of which $2.0 million is recorded in the accompanying June 30, 2023 condensed consolidated balance sheet under the caption "Environmental liabilities" and the remaining $12.2 million is recorded under the caption "Other long-term liabilities."

Range of Reasonably Possible Outcomes Based on our analysis of all available information, including but not limited to decisions of the courts, official documents such as records of decision, discussions with legal counsel, cost estimates for future monitoring and maintenance and other post-remediation costs to be performed at the Site, we do not believe that our costs associated with the Fox River matter could exceed the aggregate amounts accrued by a material amount.

20. SEGMENT INFORMATION

The following tables set forth financial and other information by segment for the period indicated:

Dollars in thousands	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Net Sales				
Airlaid Material	**$ 152,511**	$ 143,708	**$ 311,952**	$ 293,172
Composite Fibers	**125,725**	123,338	**258,316**	259,167
Spunlace	**79,420**	96,917	**166,143**	193,304
Inter-segment sales elimination	**(651)**	—	**(1,198)**	—
Total	**$ 357,005**	$ 363,963	**$ 735,213**	$ 745,643
Operating income (loss)				
Airlaid Material	**$ 9,726**	$ 11,944	**$ 23,640**	$ 24,165
Composite Fibers	**898**	5,779	**7,025**	5,444
Spunlace	**(1,314)**	(1,808)	**(3,337)**	(3,380)
Other and unallocated	**(19,795)**	(6,991)	**(31,700)**	(133,194)
Total	**$ (10,485)**	$ 8,924	**$ (4,372)**	$ (106,965)
Depreciation and amortization				
Airlaid Material	**$ 7,637**	$ 7,542	**$ 15,323**	$ 15,171
Composite Fibers	**3,897**	4,796	**7,862**	11,315
Spunlace	**3,476**	2,945	**6,568**	5,859
Other and unallocated	**960**	1,169	**1,948**	2,591
Total	**$ 15,970**	$ 16,452	**$ 31,701**	$ 34,936
Capital expenditures				
Airlaid Material	**$ 2,332**	$ 2,064	**$ 4,414**	$ 5,532
Composite Fibers	**2,110**	4,131	**5,773**	10,258
Spunlace	**2,509**	1,801	**5,210**	3,886
Other and unallocated	**1,007**	2,353	**2,061**	3,021
Total	**$ 7,958**	$ 10,349	**$ 17,458**	$ 22,697
Tons shipped (metric)				
Airlaid Material	**39,246**	40,681	**79,073**	83,733
Composite Fibers	**24,966**	24,246	**49,784**	52,457
Spunlace	**15,191**	19,358	**31,611**	40,094
Total	**79,403**	84,285	**160,468**	176,284

Segments Results of individual operating segments are presented based on our management accounting practices and management structure. There is no comprehensive, authoritative body of guidance for management accounting equivalent to accounting principles generally accepted in the United States of America; therefore, the financial results of individual segments are not necessarily comparable with similar information for any other company. The management accounting process uses assumptions and allocations to measure performance of the segments. Methodologies are refined from time to time as management accounting practices are enhanced and businesses change. The costs incurred by support areas not directly aligned with the segment are allocated primarily based on an estimated utilization of support area services or are included in "Other and Unallocated" in the table set forth above.

Management evaluates results of operations of the operating segments before certain corporate level costs and the effects of certain gains or losses not considered to be related to the core business operations. Management believes that this is a more meaningful representation of the operating performance of its core businesses, the profitability of the segments and the extent of cash flow generated from these core operations. Such amounts are presented under the caption “Other and Unallocated.” In the evaluation of operating segments results, management does not use any measures of total assets. This presentation is aligned with the management and operating structure of our company. It is also on this basis that the Company’s performance is evaluated internally and by the Company’s Board of Directors.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the information in the unaudited condensed consolidated financial statements and notes thereto included herein and Glatfelter's Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our 2022 Annual Report on Form 10-K ("2022 Form 10-K").

Forward-Looking Statements This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including statements regarding industry prospects and future consolidated financial position or results of operations, made in this Report on Form 10-Q are forward looking. We use words such as "anticipates", "believes", "expects", "future", "intends" and similar expressions to identify forward-looking statements. Forward-looking statements reflect management's current expectations and are inherently uncertain. Our actual results may differ significantly from such expectations. The following discussion includes forward-looking statements all of which are inherently difficult to predict. Although we make such statements based on assumptions that we believe to be reasonable, there can be no assurance that actual results will not differ materially from our expectations. Accordingly, we identify the following important factors, among others, which could cause our results to differ from any results that might be projected, forecasted or estimated in any such forward-looking statements:

i. risks related to the military conflict between Russia and Ukraine and its impact on our production, sales, supply chain, cost of energy, and availability of energy due to natural gas supply issues into Europe from the Nord Stream 1 pipeline;
ii. risks associated with the impact of the COVID-19 pandemic, including global and regional economic conditions, changes in demand for our products, interruptions in our global supply chain, ability to continue production by our facilities, credit conditions of our customers or suppliers, or potential legal actions that could arise due to our operations during the pandemic;
iii. disruptions of our global supply chain, including the availability of key raw materials and transportation for the delivery of critical inputs and of products to customers, and the increase in the costs of transporting materials and products;
iv. risks associated with our ability to increase selling prices quickly or sufficiently enough to recover rapid cost inflation in our raw materials, energy, freight and other costs, and the potential reduction or loss of sales due to price increases;
v. variations in demand for our products, including the impact of unplanned market-related downtime, variations in product pricing, or product substitution;
vi. the impact of competition, changes in industry production capacity, including the construction of new facilities or new machines, the closing of facilities and incremental changes due to capital expenditures or productivity increases;
vii. risks associated with our international operations, including local economic and political environments and fluctuations in currency exchange rates;
viii. our ability to develop new, high value-added products;
ix. changes in the price or availability of raw materials we use, particularly woodpulp, pulp substitutes, synthetic pulp, other specialty fibers and abaca fiber;
x. changes in energy-related prices and commodity raw materials with an energy component;
xi. the impact of unplanned production interruption at our facilities or at any of our key suppliers;
xii. disruptions in production and/or increased costs due to labor disputes;
xiii. the gain or loss of significant customers and/or on-going viability of such customers;
xiv. the impact of war and terrorism;
xv. the impact of unfavorable outcomes of audits by various state, federal or international tax authorities or changes in pre-tax income and its impact on the valuation of deferred taxes;
xvi. enactment of adverse state, federal or foreign tax or other legislation or changes in government legislation, policy or regulation; and
xvii. our ability to finance, consummate and integrate acquisitions, including our acquisitions of Mount Holly and Jacob Holm.

Introduction We manufacture a wide array of engineered materials and manage our company along three operating segments:

- *Airlaid Materials* with sales of airlaid nonwoven fabric-like materials used in feminine hygiene products, adult incontinence products, tabletop, specialty wipes, home care products and other airlaid applications;

- *Composite Fibers* with sales of single-serve tea and coffee filtration papers, wallcovering base materials, composite laminate papers, technical specialties including substrates for electrical applications, and metallized products; and
- *Spunlace* with sales of premium quality spunlace nonwovens for critical cleaning, high-performance materials, personal care, hygiene and medical applications.

The former Specialty Papers business' results of operations and financial condition are reported as discontinued operations. Following is a discussion and analysis primarily of the financial results of operations and financial condition of our continuing operations.

RESULTS OF OPERATIONS

Six months ended June 30, 2023 versus the six months ended June 30, 2022

Overview For the first six months of 2023, we reported a loss from continuing operations of $49.8 million, or $1.11 per share compared with a loss of $110.8 million or $2.47 per share in the year earlier period. The following table sets forth summarized consolidated results of operations:

	Six months ended June 30,	
In thousands, except per share	**2023**	2022
Net sales	**$ 735,213**	$ 745,643
Gross profit	**54,347**	69,062
Operating loss	**(4,372)**	(106,965)
Continuing operations		
Loss	**(49,813)**	(110,750)
Loss per share	**(1.11)**	(2.47)
Net loss	**(50,524)**	(110,379)
Loss per share	**(1.13)**	(2.46)

The reported results are in accordance with generally accepted accounting principles in the United States ("GAAP") and reflect the impact of a number of significant items including debt refinancing, turnaround strategy costs, strategic initiatives, CEO transition costs, and cost optimization, among others. Our operating results for the first six months of 2023 reflect: i) the impact of market softness and customer destocking resulting in lower sales volumes and sales, as well as, lower production, ii) higher interest expense stemming from the debt refinancing in the first quarter of 2023, iii) costs incurred related to the planned closure of our Ober-Schmitten, Germany facility and our turnaround strategy.

In addition to the results reported in accordance with GAAP, we evaluate our performance using financial metrics not calculated in accordance with GAAP, including adjusted earnings and adjusted earnings before interest expense, interest income, income taxes, depreciation and amortization and share-based compensation ("Adjusted EBITDA"). On an adjusted earnings basis, a non-GAAP measure, we had an adjusted loss from continuing operations of $26.3 million, or $0.58 per share for the first six months of 2023, compared with a loss of $7.8 million, or $0.17 per share, a year ago. Our Adjusted EBITDA, also a non-GAAP measure, was $42.0 million for the six months ended June 30, 2023 as compared to $50.2 million for the same period in 2022. We disclose this information to allow investors to evaluate our performance exclusive of certain items that impact the comparability of results from period to period and we believe it is helpful in understanding underlying operating trends and cash flow generation.

Adjusted earnings consists of net income determined in accordance with GAAP adjusted to exclude the impact of the following:

Goodwill and other asset impairment charges. This adjustment represents non-cash charges recorded to reduce the carrying amount of certain long-lived assets of our Dresden, Germany facility and goodwill of our Composite Fibers reporting segment.

Turnaround strategy costs. This adjustment reflects costs incurred in connection with the Company's turnaround strategy initiated in 2022 under its new chief executive officer to drive operational and financial improvement. These costs are primarily related to professional services fees and employee separation costs.

Russia/Ukraine conflict charges. This adjustment represents a non-cash charge recorded to reduce the carrying amount of accounts receivable and inventory directly related to the Russia/Ukraine military conflict.

Strategic initiatives. These adjustments primarily reflect professional and legal fees incurred directly related to evaluating and executing certain strategic initiatives including costs associated with acquisitions, related integrations, and charges incurred to step-up acquired inventory to fair-value.

Ober-Schmitten closure costs. These adjustments reflect employee separation costs and professional and other costs directly associated with the closure of the Ober-Schmitten, Germany facility.

Debt refinancing costs. Represents charges to write-off unamortized debt issuance costs in connection with the extinguishment of the Company's €220.0 million Term Loan and IKB loans, as well as the amendment to the Company's credit facility. These costs also include an early repayment penalty related to the extinguishment of the IKB loans.

CEO transition costs. This adjustment reflects a non-cash pension settlement charge associated with the separation of our former CEO related to a lump-sum distribution made in Q1 2023 under the terms of his non-qualified pension plan agreement.

Corporate headquarters relocation. These adjustments reflect costs incurred in connection with the strategic relocation of the Company's corporate headquarters to Charlotte, NC. The costs are primarily related to employee relocation costs and exit costs at the former corporate headquarters.

Cost optimization actions. These adjustments reflect charges incurred in connection with initiatives to optimize the cost structure of the Company, improve efficiencies or other objectives. Such actions may include asset rationalization, headcount reductions, or similar actions. These adjustments, which have occurred at various times in the past, are irregular in timing and relate to specific identified programs to reduce or optimize the cost structure of a particular operating segment or the corporate function.

COVID-19 ERC recovery. This adjustment reflects the benefit recognized from employee retention credits claimed under the Coronavirus Aid, Relief, and Economic Security Act ("CARES") Act and the Taxpayer Certainty and Disaster Tax Relief Act of 2020 and professional services fees directly associated with claiming this benefit.

Timberland sales and related costs. These adjustments exclude gains from the sales of timberlands as these items are not considered to be part of our core business, ongoing results of operations or cash flows. These adjustments are irregular in timing and amount and may benefit our operating results.

These adjustments are each unique and not considered to be on-going in nature. The transactions are irregular in timing and amount and may significantly impact our operating performance. As such, these items may not be indicative of our past or future performance and therefore are excluded for comparability purposes.

Adjusted earnings and adjusted earnings per share are considered measures not calculated in accordance with GAAP, and therefore are non-GAAP measures. The non-GAAP financial information should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with GAAP.

The following table sets forth the reconciliation of net loss to adjusted loss from continuing operations for the periods indicated:

	Six months ended June 30,			
	2023		2022	
In thousands, except per share	**Amount**	**EPS**	Amount	EPS
Net loss	**$ (50,524)**	**$ (1.13)**	$ (110,379)	$ (2.46)
Exclude: Loss (income) from discontinued operations, net of tax	**711**	**0.02**	(371)	(0.01)
Loss from continuing operations	**(49,813)**	**(1.11)**	(110,750)	(2.47)
Adjustments *(pre-tax):*				
Goodwill and other asset impairment charges (1)	**—**		117,349	
Turnaround strategy costs (2)	**6,682**		—	
Russia/Ukraine conflict charges (3)	**—**		3,948	
Strategic initiatives (4)	**1,670**		2,488	
Ober-Schmitten closure costs(5)	**10,742**		—	
Debt refinancing (6)	**1,883**		—	
CEO transition costs (7)	**633**		—	
Corporate headquarters relocation	**—**		223	
Cost optimization actions (8)	**—**		941	
COVID-19 ERC recovery (9)	**(233)**		—	
Timberland sales and related costs	**(617)**		(2,962)	
Total adjustments (pre-tax)	**20,760**		121,987	
Income taxes (10)	**(61)**		(19,167)	
Other tax adjustments (11)	**2,798**		175	
Total after-tax adjustments	**23,497**	**0.52**	102,995	2.30
Adjusted loss from continuing operations	**$ (26,316)**	**$ (0.58)**	$ (7,755)	$ (0.17)

(1) Reflects goodwill impairment charge of $56.1 million and other asset impairment charges of $61.3 million recognized in Q1 2022.
(2) Reflects employee separation costs of $4.0 million and $2.7 million in professional fees.
(3) Reflects bad debt expense charges of $2.9 million and inventory reserves charges of $1.0 million recognized in Q1 2022.
(4) For 2023, primarily reflects integration activities including consulting and legal fees of $0.7 million, the write-off of construction in process asset deemed unusable of $0.5 million, employee separation costs of $0.1 million, and other costs of $0.4 million. For 2022, reflects professional, consulting and legal fees of $1.7 million, employee separation and other costs of $0.8 million, all of which are directly related to acquisitions.
(5) Reflects employee separation costs of $10.4 million and professional services fees and other costs of $0.3 million in connection with the closure of the Ober-Schmitten facility.
(6) Reflects $1.8 million write-off of deferred debt issuance costs in connection with the Company's debt refinancing in Q1 2023, and $0.1 million in early repayment penalties and write-off of unamortized financing fees on the IKB loans.
(7) Reflects pension settlement charge related to former CEO's separation.
(8) Primarily reflects employee separation costs of $0.4 million, equipment write-down of $0.4 million and other costs of $0.1 million directly associated with closure of a synthetic fiber production facility in the U.K. recognized in Q1 2022.
(9) Reflects $0.2 million of interest income on employee retention credits claimed under the CARES Act of 2020 and the subsequent related amendments.
(10) Tax effect on adjustments calculated based on the incremental effective tax rate of the jurisdiction in which each adjustment originated. For items originating in the U.S., no tax effect is recognized due to the previously established valuation allowance on the net deferred tax assets.
(11) Tax effect of applying certain provisions of the CARES Act of 2020. The amount in 2023 also includes $2.4 million of deferred tax expense resulting from valuation allowance for Ober-Schmitten facility.

The following table sets forth the reconciliation of net loss to adjusted EBITDA for the periods indicated:

Adjusted EBITDA

In thousands	Six months ended June 30, 2023	2022
Net loss	**$ (50,524)**	$ (110,379)
Exclude: Loss (income) from discontinued operations, net of tax	**711**	(371)
Add back: Taxes on continuing operations	**10,093**	(13,489)
Depreciation and amortization	**31,701**	34,936
Interest expense, net	**29,025**	15,479
EBITDA	**21,006**	(73,824)
Adjustments:		
Goodwill and other asset impairment charges	**—**	117,349
Turnaround strategy costs	**7,196**	—
Russia/Ukraine conflict charges	**—**	3,948
Strategic initiatives	**1,670**	2,488
Ober-Schmitten closure costs	**10,742**	—
Debt refinancing	**59**	—
CEO transition costs	**633**	—
Corporate headquarters relocation	**—**	223
Share-based compensation	**1,307**	2,419
Cost optimization actions, excluding accelerated depreciation	**—**	589
COVID-19 ERC recovery	**41**	—
Timberland sales and related costs	**(617)**	(2,962)
Adjusted EBITDA	**$ 42,037**	$ 50,230

EBITDA is a measure used by management to assess our operating performance and is calculated using income (loss) from continuing operations and excludes interest expense, interest income, income taxes, and depreciation and amortization. Adjusted EBITDA is calculated using EBITDA and further excludes certain items management considers to be unrelated to the company's core operations. The adjustments include, among others, goodwill and other asset impairment charges, the costs of strategic initiatives, turnaround strategy costs, Ober-Schmitten closure costs, CEO transition costs, and share-based compensation expense, as well as the elimination of gains from sales of timberlands, among others. Adjusted EBITDA is a performance measure that excludes costs that we do not consider to be indicative of our ongoing operating performance.

Segment Financial Performance

Dollars in thousands	Six months ended June 30, 2023	2022
Net Sales		
Airlaid Material	**$ 311,952**	$ 293,172
Composite Fibers	**258,316**	259,167
Spunlace	**166,143**	193,304
Inter-segment sales elimination	**(1,198)**	—
Total	**$ 735,213**	$ 745,643
Operating income (loss)		
Airlaid Material	**$ 23,640**	$ 24,165
Composite Fibers	**7,025**	5,444
Spunlace	**(3,337)**	(3,380)
Other and unallocated	**(31,700)**	(133,194)
Total	**$ (4,372)**	$ (106,965)
Depreciation and amortization		
Airlaid Material	**$ 15,323**	$ 15,171
Composite Fibers	**7,862**	11,315
Spunlace	**6,568**	5,859
Other and unallocated	**1,948**	2,591
Total	**$ 31,701**	$ 34,936
Capital expenditures		
Airlaid Material	**$ 4,414**	$ 5,532
Composite Fibers	**5,773**	10,258
Spunlace	**5,210**	3,886
Other and unallocated	**2,061**	3,021
Total	**$ 17,458**	$ 22,697
Tons shipped (metric)		
Airlaid Material	**79,073**	83,733
Composite Fibers	**49,784**	52,457
Spunlace	**31,611**	40,094
Total	**160,468**	$ 176,284

Segments Results of individual operating segments are presented based on our management accounting practices and management structure. There is no comprehensive, authoritative body of guidance for management accounting equivalent to accounting principles generally accepted in the United States of America; therefore, the financial results of individual segments are not necessarily comparable with similar information for any other company. The management accounting process uses assumptions and allocations to measure performance of the segments. Methodologies are refined from time to time as management accounting practices are enhanced and businesses change. The costs incurred by support areas not directly aligned with the segment are allocated primarily based on an estimated utilization of support area services or are included in “Other and Unallocated” in the table set forth above.

Management evaluates results of operations of the operating segments before certain corporate level costs and the effects of certain gains or losses not considered to be related to the core business operations. Management believes that this is a more meaningful representation of the operating performance of its core businesses, the profitability of the segments and the extent of cash flow generated from these core operations. Such amounts are presented under the caption “Other and Unallocated.” In the evaluation of operating segments results, management does not use any measures of total assets. This presentation is aligned with the management and operating structure of our company. It is also on this basis that the Company's performance is evaluated internally and by the Company's Board of Directors.

Sales and Costs of Products Sold

In thousands	Six months ended June 30, 2023	2022	Change
Net sales	**$ 735,213**	$ 745,643	$ (10,430)
Costs of products sold	**680,866**	676,581	4,285
Gross profit	**$ 54,347**	$ 69,062	$ (14,715)
Gross profit as a percent of Net sales	**7.4 %**	9.3 %	

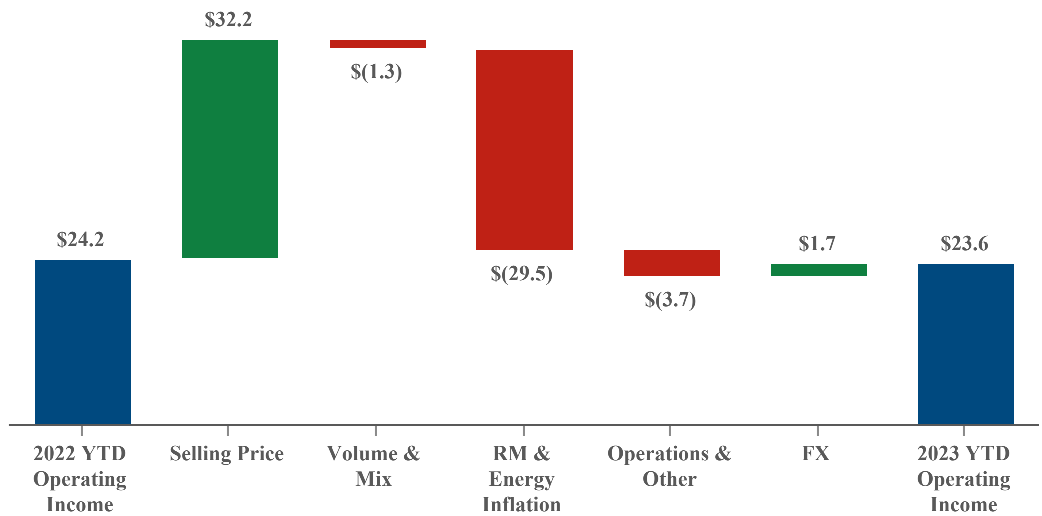
The following table sets forth the contribution to consolidated net sales by each segment:

Percent of Total	Six months ended June 30, 2023	2022
Segment		
Airlaid Materials	**42.4 %**	34.8 %
Composite Fibers	**35.1**	39.3
Spunlace	**22.5**	25.9
Total	**100.0 %**	100.0 %

Net sales totaled $735.2 million and $745.6 million in the first six months of 2023 and 2022, respectively. Net sales for Airlaid Materials and Composite Fibers increased by 8.9% and 2.0%, respectively, on a constant currency basis. The Spunlace segment''s net sales decreased by 8.6% on a constant currency basis.

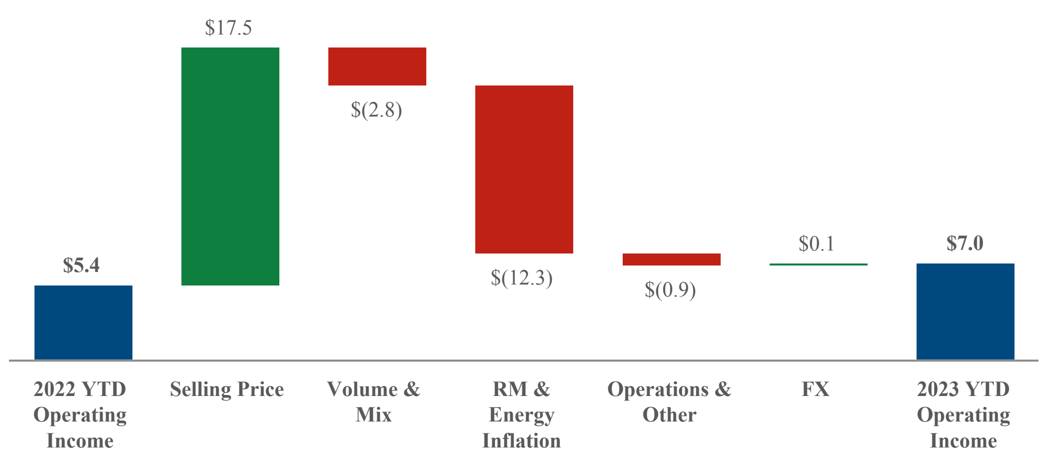
Airlaid Materials' net sales increased $18.8 million in the year-over-year comparison mainly driven by higher selling prices from cost-pass-through arrangements with customers and pricing actions to recover significant inflation in raw materials and energy. Shipments were 5.6% lower mainly due to feminine hygiene and tabletop categories and currency translation was unfavorable by $1.8 million.

Airlaid Materials' first six months operating income of $23.6 million was $0.5 million lower when compared to the first six months of 2022. Lower shipments lowered results by $1.2 million. Selling price increases and energy surcharges of $32.2 million more than offset higher raw material and energy costs of $29.5 million. In the first six months of 2023, primary raw material input costs increased $28 million, or 19%, and energy costs increased $1 million, or 7%, compared to the first six months of 2022. The increase in primary raw material input costs was approximately in-line with broader market indices, and energy prices were less volatile with the government legislation in Europe capping energy prices. We expect prices for both energy and raw materials to steadily decline in 2023. As of June 30, 2023, Airlaid Materials had approximately 74% of its net sales with contracts with pass-through provisions. Operations were unfavorable by $3.6 million mainly driven by lower production to manage customer demand as some customers slowed ordering patterns to manage inventory levels built up at the end of 2022 to avoid anticipated energy and supply chain disruptions in the beginning of 2023. The impact of currency and related hedging positively impacted earnings by $1.7 million. The primary drivers of the change in Airlaid Materials' operating income are summarized in the following chart (presented in millions):



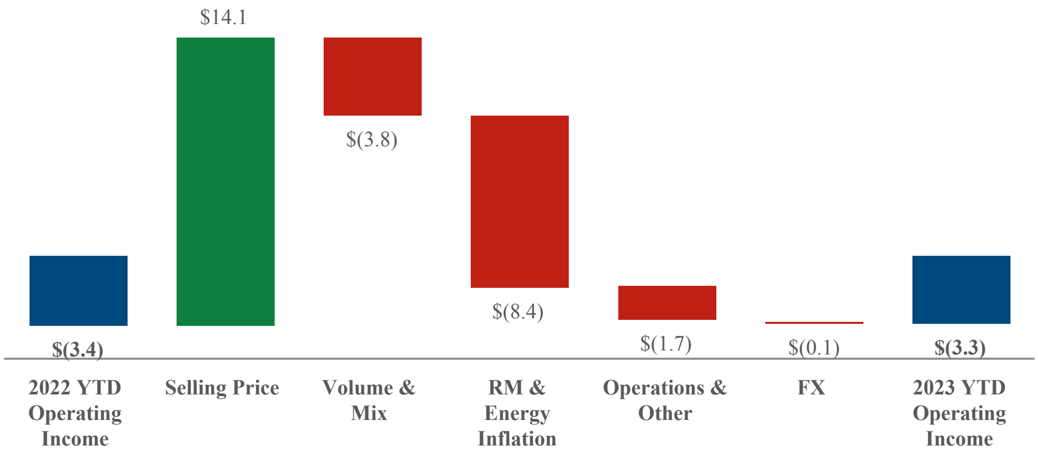
Composite Fibers' net sales was $0.9 million lower in the first six months of 2023, compared to the year-ago period as lower shipment of 5.1% and unfavorable currency translation of $4.6 million was partially offset by higher selling prices of $17.5 million.

Composite Fibers had operating income for the first six months of $7.0 million compared with operating income of $5.4 million in the first six months of 2022. Higher selling prices and energy surcharges more than offset the continued inflation in energy, raw material, and freight and was a net favorable benefit to results of $5.2 million. In the first six months of 2023, energy costs increased $2.7 million, or 7%, and primary raw material input costs increased $9.6 million, or 10%, compared to the first six months of 2022. The increase in primary raw material input costs was approximately in-line with broader market indices, and energy prices were less volatile with the government legislation in Europe capping energy prices. We expect prices for both energy and raw materials to steadily decline in 2023. As of June 30, 2023, Composite Fibers had approximately 46% of its net sales with contracts with pass-through provisions. Operations was unfavorable by $0.9 million mainly driven by lower production volume to match customer demand and manage inventory levels, largely offset by cost savings from headcount reduction actions taken related to the turnaround strategy, lower energy consumption due to lower production volume and lower depreciation expense due to the Dresden and Ober-Schmitten asset impairments in 2022. The Ober-Schmitten site negatively impacted year-over-year results by $5.5 million. The impact of currency and related hedging positively impacted earnings by $0.1 million. The primary drivers of the change in Composite Fibers' operating income are summarized in the following chart (presented in millions):



Spunlace's net sales was $27.2 million lower in the first six months of 2023, compared to the year-ago period as lower shipment of 21.2% and unfavorable currency translation of $0.9 million was partially offset by higher selling prices of $14.1 million.

Spunlace had an operating loss of $3.3 million in the first six months of this year compared with an operating loss of $3.4 million in the first six months of 2022. Higher selling prices and energy surcharges were partially offset by higher raw material and energy costs favorably impacting earnings by $5.7 million. In the first six months of 2023, primary raw material input costs increased $10.0 million, or 10%, and energy costs decreased $1.4 million, or 9%, compared to the first six months of 2022. The increase in primary raw material input costs was approximately in-line with broader market indices and energy prices were less volatile with the government legislation in Europe capping energy prices. We expect prices for both energy and raw materials to decline in 2023. Volume was unfavorable by $3.8 million driven by lower shipments in almost all categories. As of June 30, 2023, Spunlace had approximately 37% of its net sales with contracts with pass-through provisions. The primary drivers of the change in Spunlace's operating income are summarized in the following chart (presented in millions):



Asset Impairment During the first quarter of 2022, in connection with an assessment of potential impairment of long-lived and indefinite-lived intangible assets stemming from the compounding impacts resulting from the Russia/ Ukraine military conflict and related sanctions, we recorded a $117.3 million non-cash asset impairment charge related to Composite Fibers' Dresden facility and an impairment of Composite Fibers' goodwill. Dresden is a single-line facility that produces wallcover base paper, the majority of which is directly sold into the Russian and Ukrainian markets.

In addition, as a result of economic sanctions and disruptions to the financial markets, certain customers were not able to satisfy outstanding accounts receivables. As such, during the first quarter of 2022, we recognized bad debt expense of approximately $2.9 million directly related to Russian and Ukrainian customers which is included in "Selling, general and administrative expenses" in the accompanying condensed consolidated statements of income. Furthermore, during the first quarter of 2022, we increased inventory reserves by approximately $1.0 million, primarily related to wallcover products. The charge related to inventory reserves is included in "Cost of products sold" in the accompanying condensed consolidated statements of income.

Other and Unallocated The amount of net operating expenses not allocated to an operating segment, and reported as "Other and Unallocated" in our table of Segment Financial Performance, totaled $31.7 million in the first six months of 2023 compared with $133.2 million in the same period a year ago. Excluding the items identified to present "adjusted earnings," unallocated expenses for the first six months of 2023 increased $1.9 million compared to the same period in 2022 mainly driven by higher professional services costs, travel expenses and wage inflation.

Income Taxes For the six months ended June 30, 2023, we recorded a $10.1 million income tax provision on a pretax loss of $39.7 million from continuing operations. The comparable amounts for 2022 were $13.5 million income tax benefit on a pre-tax loss of $124.2 million. The income tax provision in both periods reflects valuation allowances recorded for the operating losses in the U.S. and certain foreign jurisdictions for which no income tax benefit was recorded. The income tax benefit in 2022 also includes deferred tax benefits associated with the asset impairment charges and related bad debt and inventory reserves.

Foreign Currency We own and operate facilities in Canada, Germany, France, the United Kingdom, Spain, and the Philippines. The functional currency of our Canadian operations is the U.S. dollar. However, in Germany, France and Spain, it is the euro, in the UK, it is the British pound sterling, and in the Philippines the functional currency is the peso. On an annual basis, our euro denominated net sales exceeds euro expenses by an estimated €190 million. For the first six months of 2023, the average currency exchange rate was 1.08 dollar/euro compared with 1.09 in the same period of 2022. With respect to the British pound sterling, Canadian dollar, and Philippine peso, we have differing amounts of inflows and outflows of these currencies, although to a lesser degree than the euro. As a result, we are exposed to changes in currency exchange rates and such changes could be significant. The translation of the results from international operations into U.S. dollars is subject to changes in foreign currency exchange rates.

The table below summarizes the translation impact on reported results that changes in currency exchange rates had on our non-U.S. based operations from the conversion of these operation's results for the first six months of 2023.

In thousands		**Six months ended June 30,**
		Favorable (unfavorable)
Net sales	**$**	**(7,316)**
Costs of products sold		**8,540**
SG&A expenses		**449**
Income taxes and other		**41**
Net loss	**$**	**1,714**

The above table only presents the financial reporting impact of foreign currency translations assuming currency exchange rates in 2023 were the same as 2022. It does not present the impact of certain competitive advantages or disadvantages of operating or competing in multi-currency markets.

Three months ended June 30, 2023 versus the three months ended June 30, 2022

Overview For the second quarter of 2023, we reported a loss from continuing operations of $36.6 million, or $0.82 per share compared with a loss of $2.5 million or $0.05 per share in the same period in 2022. The following table sets forth summarized consolidated results of operations:

In thousands, except per share		**Three months ended June 30,**		
		2023		2022
Net sales	**$**	**357,005**	$	363,963
Gross profit		**18,133**		37,397
Operating income (loss)		**(10,485)**		8,924
Continuing operations				
Loss		**(36,631)**		(2,460)
Loss per share		**(0.82)**		(0.05)
Net loss		**(36,940)**		(2,052)
Loss per share		**(0.83)**		(0.04)

The reported results are in accordance with generally accepted accounting principles in the United States ("GAAP") and reflect the impact of a number of significant items including debt refinancing, turnaround strategy costs, strategic initiatives, CEO transition costs, and cost optimization, among others. Our operating results for the three months ended June 30, 2023 reflect: i) the impact of market softness and customer destocking resulting in lower sales volumes and sales, as well as, lower production, ii) higher interest expense stemming from the debt refinancing in the first quarter of 2023, iii) costs incurred related to the planned closure of our Ober-Schmitten, Germany facility and our turnaround strategy.

In addition to the results reported in accordance with GAAP, we evaluate our performance using financial metrics not calculated in accordance with GAAP, including adjusted earnings and adjusted earnings before interest expense, interest income, income taxes, depreciation and amortization and share-based compensation ("Adjusted EBITDA"). On an adjusted earnings basis, a non-GAAP measure, we had an adjusted loss from continuing operations of $20.5 million, or $(0.45) per share for the second quarter of 2023, compared with a loss of $1.6 million, or $(0.04) per share, a year ago. Our Adjusted EBITDA, also a non-GAAP measure, was $17.3 million for the three months ended June 30, 2023 as compared to $27.2 million for the same period in 2022. We disclose this information to allow investors to evaluate our performance exclusive of certain items that impact the comparability of results from period to period and we believe it is helpful in understanding underlying operating trends and cash flow generation.

Adjusted earnings and adjusted earnings per share are considered measures not calculated in accordance with GAAP, and therefore are non-GAAP measures. The non-GAAP financial information should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with GAAP.

The following table sets forth the reconciliation of net loss to adjusted loss from continuing operations for the periods indicated:

	Three months ended June 30,			
	2023		2022	
In thousands, except per share	**Amount**	**EPS**	Amount	EPS
Net loss	**$ (36,940)**	**$ (0.83)**	$ (2,052)	$ (0.04)
Exclude: Loss (income) from discontinued operations, net of tax	**309**	**0.01**	(408)	(0.01)
Loss from continuing operations	**(36,631)**	**(0.82)**	(2,460)	(0.05)
Adjustments *(pre-tax):*				
Turnaround strategy costs (1)	**2,199**		—	
Strategic initiatives (2)	**889**		653	
Ober-Schmitten closure costs (3)	**10,793**		—	
Corporate headquarters relocation	—		135	
COVID-19 ERC recovery (4)	**(233)**		—	
Total adjustments (pre-tax)	**13,648**		788	
Income taxes (5)	**(58)**		(20)	
Other tax adjustments (6)	**2,591**		96	
Total after-tax adjustments	**16,181**	**0.36**	864	0.01
Adjusted loss from continuing operations	**$ (20,450)**	**$ (0.45)**	$ (1,596)	$ (0.04)

(1) Reflects professional services fees of $1.5 million and employee separation costs of $0.7 million.
(2) For 2023, primarily reflects integration activities including the write-off of construction in process asset deemed unusable of $0.5 million, consulting and legal fees of $0.3 million, and other costs of $0.1 million. For 2022, primarily reflects professional services fees (including legal, audit, valuation specialists and consulting) of $0.5 million, employee separation and other costs of $0.4 million, all of which are directly related to acquisitions.
(3) Reflects employee separation costs of $10.4 million and professional services fees and other costs of $0.4 million in connection with the closure of the Ober-Schmitten facility.
(4) Reflects $0.2 million of interest income on employee retention credits claimed under the CARES Act of 2020 and the subsequent related amendments.
(5) Tax effect on adjustments calculated based on the incremental effective tax rate of the jurisdiction in which each adjustment originated. For items originating in the U.S., no tax effect is recognized due to the previously established valuation allowance on the net deferred tax assets.
(6) Tax effect of applying certain provisions of the CARES Act of 2020. The amount in 2023 also includes $2.4 million of deferred tax expense resulting from valuation allowance for Ober-Schmitten facility.

The following table sets forth the reconciliation of net loss to adjusted EBITDA for the periods indicated:

Adjusted EBITDA

In thousands	Three months ended June 30, 2023	2022
Net loss	**$ (36,940)**	$ (2,052)
Exclude: Loss (income) from discontinued operations, net of tax	**309**	(408)
Add back: Taxes on continuing operations	**6,399**	3,295
Depreciation and amortization	**15,970**	16,452
Interest expense, net	**16,702**	7,634
EBITDA	**2,440**	24,921
Adjustments:		
Turnaround strategy costs	**2,713**	—
Strategic initiatives	**889**	653
Ober-Schmitten closure costs	**10,793**	—
Corporate headquarters relocation	**—**	135
Share-based compensation	**376**	1,510
COVID-19 ERC recovery	**41**	—
Adjusted EBITDA	**$ 17,252**	$ 27,219

EBITDA is a measure used by management to assess our operating performance and is calculated using income (loss) from continuing operations and excludes interest expense, interest income, income taxes, and depreciation and amortization. Adjusted EBITDA is calculated using EBITDA and further excludes certain items management considers to be unrelated to the company's core operations. The adjustments include, among others, Ober-Schmitten closure costs, turnaround strategy costs, strategic initiative costs, corporate headquarters relocation expenses, and share-based compensation expense. Adjusted EBITDA is a performance measure that excludes costs that we do not consider to be indicative of our ongoing operating performance.

Segment Financial Performance

Dollars in thousands	Three months ended June 30, 2023	2022
Net Sales		
Airlaid Material	**$ 152,511**	$ 143,708
Composite Fibers	**125,725**	123,338
Spunlace	**79,420**	96,917
Inter-segment sales elimination	**(651)**	—
Total	**$ 357,005**	$ 363,963
Operating income (loss)		
Airlaid Material	**$ 9,726**	$ 11,944
Composite Fibers	**898**	5,779
Spunlace	**(1,314)**	(1,808)
Other and unallocated	**(19,795)**	(6,991)
Total	**$ (10,485)**	$ 8,924
Depreciation and amortization		
Airlaid Material	**$ 7,637**	$ 7,542
Composite Fibers	**3,897**	4,796
Spunlace	**3,476**	2,945
Other and unallocated	**960**	1,169
Total	**$ 15,970**	$ 16,452
Capital expenditures		
Airlaid Material	**$ 2,332**	$ 2,064
Composite Fibers	**2,110**	4,131
Spunlace	**2,509**	1,801
Other and unallocated	**1,007**	2,353
Total	**$ 7,958**	$ 10,349
Tons shipped (metric)		
Airlaid Material	**39,246**	40,681
Composite Fibers	**24,966**	24,246
Spunlace	**15,191**	19,358
Total	**79,403**	$ 84,285

Segments Results of individual operating segments are presented based on our management accounting practices and management structure. There is no comprehensive, authoritative body of guidance for management accounting equivalent to accounting principles generally accepted in the United States of America; therefore, the financial results of individual segments are not necessarily comparable with similar information for any other company. The management accounting process uses assumptions and allocations to measure performance of the segments. Methodologies are refined from time to time as management accounting practices are enhanced and businesses change. The costs incurred by support areas not directly aligned with the segment are allocated primarily based on an estimated utilization of support area services or are included in "Other and Unallocated" in the table set forth above.

Management evaluates results of operations of the operating segments before certain corporate level costs and the effects of certain gains or losses not considered to be related to the core business operations. Management believes that this is a more meaningful representation of the operating performance of its core businesses, the profitability of the segments and the extent of cash flow generated from these core operations. Such amounts are presented under the caption "Other and Unallocated." In the evaluation of operating segments results, management does not use any measures of total assets. This presentation is aligned with the management and operating structure of our company. It is also on this basis that the Company's performance is evaluated internally and by the Company's Board of Directors.

Sales and Costs of Products Sold

In thousands	Three months ended June 30, 2023	2022	Change
Net sales	**$ 357,005**	$ 363,963	$ (6,958)
Costs of products sold	**338,872**	326,566	12,306
Gross profit	**$ 18,133**	$ 37,397	$ (19,264)
Gross profit as a percent of Net sales	**5.1 %**	10.3 %	

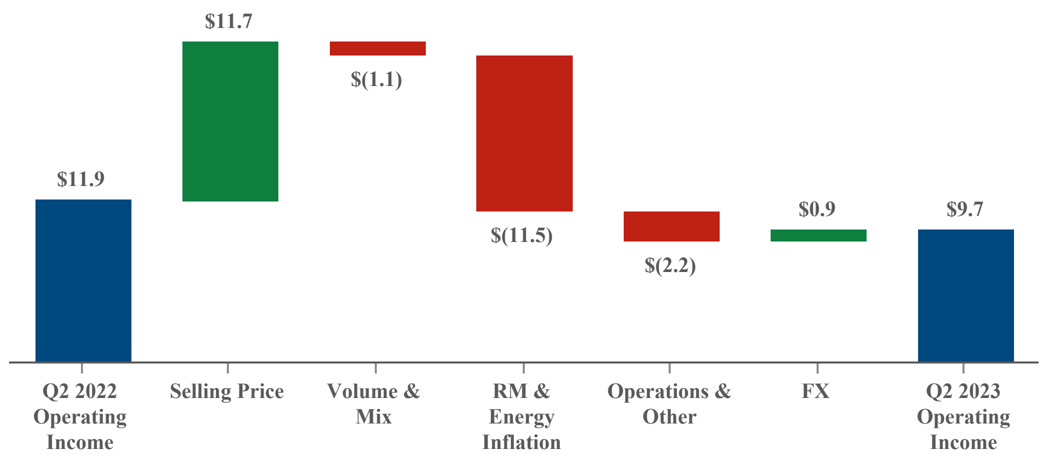
The following table sets forth the contribution to consolidated net sales by each segment:

Percent of Total	Three months ended June 30, 2023	2022
Segment		
Airlaid Materials	**42.6 %**	33.9 %
Composite Fibers	**35.2**	39.5
Spunlace	**22.2**	26.6
Total	**100.0 %**	100.0 %

Net sales totaled $357.0 million and $364.0 million in the three months ended June 30, 2023 and 2022, respectively. Net sales for Airlaid Materials and Composite Fibers increased by 8.9% and 2.0%, respectively, on a constant currency basis. The Spunlace segment''s net sales decreased by 8.6% on a constant currency basis.

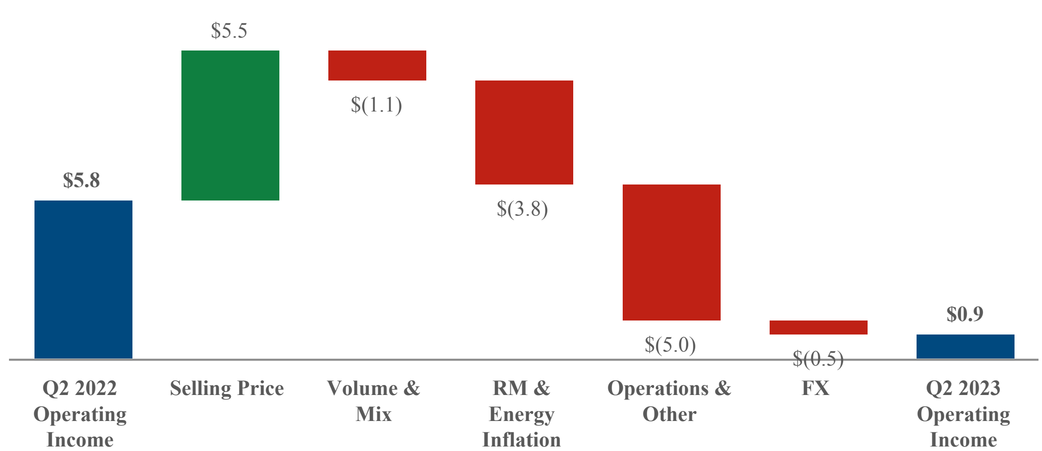
Airlaid Materials' second quarter net sales increased $8.8 million in the year-over-year comparison mainly driven by higher selling prices from cost pass-through arrangements and pricing actions to recover significant inflation in raw materials and energy. Shipments were 3.5% lower mainly due to the feminine hygiene category where feminine hygiene customers were destocking inventory and closely managing inventory levels. Currency translation was favorable by $1.6 million.

Airlaid Materials' second quarter operating income of $9.7 million was $2.2 million lower when compared to the second quarter of 2022. Shipments were lower primarily in the feminine hygiene category with some offset in wipes and tabletop categories, lowering results by $1.1 million. Selling price increases and energy surcharges of $11.7 million offset the higher raw material and energy costs of $11.5 million. In the three months ended June 30, 2023, primary raw material input costs increased $11.0 million, or 16%, and energy costs was in-line with the second quarter of 2022. The increase in primary raw material input costs was approximately in-line with broader market indices and energy prices were less volatile with the government legislation in Europe capping energy prices. We expect prices for both energy and raw materials to steadily decline in 2023. As of June 30, 2023, Airlaid Materials had approximately 74% of its net sales with contracts with pass-through provisions. Operations were unfavorable by $2.1 million primarily due to a fire at our Fort Smith, Arkansas facility in June and wage inflation. The impact of currency and related hedging positively impacted earnings by $0.9 million. The primary drivers of the change in Airlaid Materials' operating income are summarized in the following chart (presented in millions):



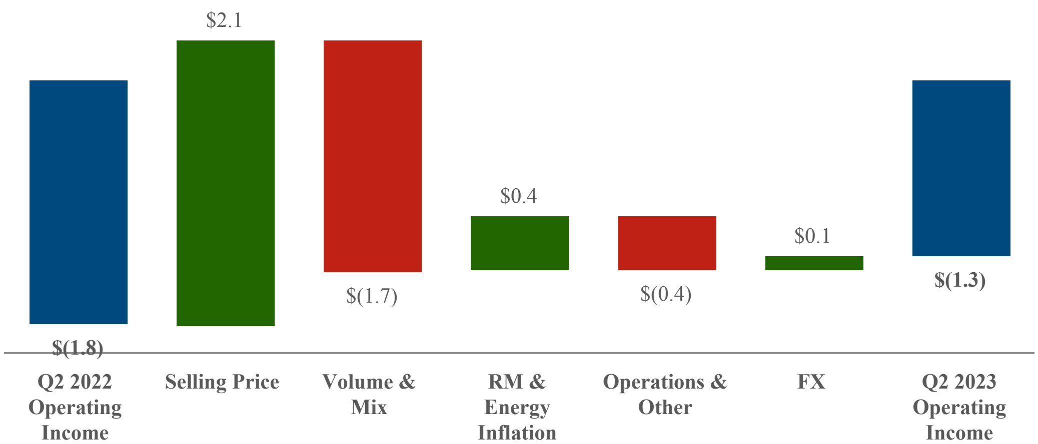
Composite Fibers' revenue was $2.4 million higher in the second quarter of 2023, compared to the year-ago quarter due to higher selling prices of $5.5 million, partly offset by unfavorable mix. Shipments were up 3.0% on strong wallcover sales which was substantially offset by lower food and beverage, composite laminates and metallized products shipments. Currency translation was favorable by $1.4 million.

Composite Fibers had operating income for the second quarter of $0.9 million compared with operating income of $5.8 million in the second quarter of 2022. Higher selling prices and energy surcharges more than offset the continued inflation in energy and raw materials and was a net favorable benefit to results of $1.7 million. The strong wallcover shipments were more than offset by lower shipments of higher margin food and beverage and composite laminates categories that negatively impacted income by $1.1 million. In the second quarter of 2023, energy costs increased $1.6 million, or 11%, and primary raw material input costs increased $2.2 million, or 5%, compared to the second quarter of 2022. The increase in primary raw material input costs was approximately in-line with broader market indices, however, and energy prices were less volatile with the government legislation in Europe capping energy prices. We expect prices for both energy and raw materials to steadily decline in 2023. As of June 30, 2023, freight inflation reported as part of raw material, energy and other inflation decreased as global supply chain disruptions experienced in 2022 significantly improved in 2023. As of June 30, 2023, Composite Fibers had approximately 46% of its net sales with contracts with pass-through provisions. During the three months ended June 30, 2023, operations was unfavorable compared to the second quarter of 2022 by $5.0 million mainly driven by lower production volume to match customer demand and manage inventory levels. The Ober-Schmitten site negatively impacted year-over-year results by $4.2 million. The impact of currency and related hedging negatively impacted earnings by $0.5 million. The primary drivers of the change in Composite Fibers' operating income are summarized in the following chart (presented in millions):



Spunlace's revenue was $17.5 million lower in the second quarter of 2023, compared to the year-ago quarter as lower shipments of 21.5% were partially offset by higher selling prices of $2.1 million and favorable currency translation of $0.5 million.

Spunlace had an operating loss of $1.3 million in the second quarter of this year compared with an operating loss of $1.8 million in the second quarter of 2022.In the second quarter of 2023, primary raw material input costs were in-line with Q2 2022 and energy costs decreased $0.6 million, or 8%, compared to the second quarter of 2022. The increase in primary raw material input costs was approximately in-line with broader market indices and energy prices were less volatile with the government legislation in Europe capping energy prices. We expect prices for both energy and raw materials to decline in 2023. Volume was unfavorable $1.7 million driven by lower shipments in all categories. As of June 30, 2023, Spunlace had approximately 37% of its net sales with contracts with pass-through provisions. Operations was unfavorable by $0.4 million mainly driven by lower production to manage inventory and a fire at our Asheville, North Carolina facility partially offset by lower costs due to the headcount actions taken in 2022, improved converting and lower spending. The impact of currency positively impacted earnings by $0.1 million. The primary drivers of the change in Spunlace's operating income are summarized in the following chart (presented in millions):



Other and Unallocated The amount of net operating expenses not allocated to an operating segment, and reported as "Other and Unallocated" in our table of Segment Financial Performance, totaled $19.8 million in the first three months of 2023 compared with $7.0 million in the same period a year ago. Excluding the items identified to present "adjusted earnings," unallocated expenses for the second quarter of 2023 decreased $0.3 million compared to the same period in 2022.

Income taxes For the three months ended June 30, 2023, we recorded a $6.4 million income tax provision on a pretax loss of $30.2 million from continuing operations. The comparable amounts for 2022 were $3.3 million income tax provision on pre-tax income of $0.8 million. The income tax provision in both periods reflects valuation allowances recorded for the operating losses in the U.S. and certain foreign jurisdictions for which no income tax benefit was recorded.

Foreign Currency We own and operate facilities in Canada, Germany, France, the United Kingdom, Spain, and the Philippines. The functional currency of our Canadian operations is the U.S. dollar. However, in Germany, France and Spain, it is the euro, in the UK, it is the British pound sterling, and in the Philippines the functional currency is the peso. On an annual basis, our euro denominated net sales exceeds euro expenses by an estimated €190 million. For the three months ended June 30, 2023, the average currency exchange rate was 1.09 dollar/euro compared with 1.07 in the same period of 2022. With respect to the British pound sterling, Canadian dollar, and Philippine peso, we have differing amounts of inflows and outflows of these currencies, although to a lesser degree than the euro. As a result, we are exposed to changes in currency exchange rates and such changes could be significant. The translation of the results from international operations into U.S. dollars is subject to changes in foreign currency exchange rates.

The table below summarizes the translation impact on reported results that changes in currency exchange rates had on our non-U.S. based operations from the conversion of these operation's results for the second quarter of 2023.

In thousands	Three months ended June 30,	
	Favorable (unfavorable)	
Net sales	$	2,874
Costs of products sold		(2,237)
SG&A expenses		(240)
Income taxes and other		(11)
Net loss	$	386

The above table only presents the financial reporting impact of foreign currency translations assuming currency exchange rates in 2023 were the same as 2022. It does not present the impact of certain competitive advantages or disadvantages of operating or competing in multi-currency markets.

LIQUIDITY AND CAPITAL RESOURCES

Our business requires significant expenditures for new or enhanced equipment, to support our research and development efforts, and to support our business strategy. In addition, we have mandatory debt service requirements of both principal and interest. The following table summarizes cash flow information for each of the periods presented:

	Six months ended June 30,			
In thousands		2023		2022
Cash, cash equivalents and restricted cash at the beginning of period	$	119,162	$	148,814
Cash provided (used) by				
Operating activities		(53,021)		(79,535)
Investing activities		(16,723)		(18,136)
Financing activities		10,515		33,546
Effect of exchange rate changes on cash		1,096		(3,587)
Change in cash and cash equivalents from discontinued operations		(428)		(231)
Net cash used		(58,561)		(67,943)
Cash, cash equivalents and restricted cash at the end of period		60,601		80,871
Less: restricted cash in Prepaid and other current assets		(3,600)		(2,000)
Less: restricted cash in Other assets		(3,137)		(7,395)
Cash and cash equivalents at the end of period	$	53,864	$	71,476

At June 30, 2023, we had $53.9 million in cash and cash equivalents ("cash") held by both domestic and foreign subsidiaries. Approximately 97.2% of our cash and cash equivalents is held by our foreign subsidiaries but could be repatriated without incurring a significant amount of additional taxes.

Cash used by operating activities in the first six months of 2023 totaled $53.0 million compared with $79.5 million in the same period a year ago. The decrease in cash used was primarily due to a decrease in working capital usage of approximately $33.0 million, primarily due to: i) accounts receivable, which was driven by higher accounts receivables in the first six months of 2022 due in part to the termination of the Spunlace factoring program in the U.S., ii) inventory, which was driven by higher inventory values in 2022 due to raw material and energy inflation, partially offset by iii) accounts payable which declined in 2023 due to inflationary impacts in 2022. Operating cash also improved $10.6 million from a decrease in income taxes paid due to higher Canadian income taxes and withholding tax in the first six months of 2022 and a U.K. income tax refund in Q1 2023. Interest paid increased $11.1 million due to higher interest rates on our debt stemming from the debt refinancing in the first quarter of 2023.

Net cash used by investing activities was $16.7 million compared with $18.1 million in the same period a year ago. Capital expenditures totaled $17.5 million and $22.7 million for the six months ended June 30, 2023 and 2022, respectively. Capital expenditures are expected to total between $30 million and $35 million in 2023.

Net cash provided by financing activities totaled $10.5 million in the first six months of 2023 compared with $33.5 million in the same period of 2022. The change in financing activities primarily reflects the new €250.0 million Term Loan we entered into in which the proceeds were used to fully extinguish the €220.0 million Term Loan, the IKB term loans and reduced the revolving credit facility balance. In 2022, we used borrowings under the revolving credit facility for working capital and other operating expenditures.

As discussed in Item 1 - Financial Information, Note - 15, our Credit Agreement contains a number of customary compliance covenants. As of June 30, 2023, the leverage ratio, as calculated in accordance with the definition in our Credit Agreement, was 3.4x, well within the maximum limit allowed under our Credit Agreement. A breach of these requirements would give rise to certain remedies under the Revolving Credit Facility, among which are the termination of the agreement and accelerated repayment of the outstanding borrowings plus accrued and unpaid interest under the Credit Agreement and the Term loan. As discussed in Note 16 - *"Long Term Debt,"* on March 30, 2023, we amended our Credit Agreement to permit the maximum leverage ratio (calculated as consolidated senior secured debt to consolidated adjusted EBITDA) to be 4.25 to 1.0 through the quarter ended December 31, 2024, stepping down to 4.0 to 1.0 at March 31, 2025, and 3.50 to 1.0 at March 31, 2026.

Details of our outstanding long-term indebtedness are set forth under Item 1 - Financial Statements – Note 16 -"*Long-Term Debt*."

Financing activities include cash used for common stock dividends. Our Board of Directors determines what, if any, dividends will be paid to our shareholders. In the third quarter of 2022, our Board of Directors suspended the Company's quarterly cash dividend to focus efforts on optimizing the operational and financial results of the business. As such, we paid no cash dividends in the first six months of 2023. In the first six months of 2022, we paid $12.5 million of cash for dividends on our common stock.

We are subject to various federal, state and local laws and regulations intended to protect the environment, as well as human health and safety. At various times, we have incurred significant costs to comply with these regulations and we could incur additional costs as new regulations are developed or regulatory priorities change.

At June 30, 2023, we had ample liquidity consisting of $53.9 million of cash on hand and $89.6 million of capacity under our revolving credit facility. We expect to meet all of our near and long-term cash needs from a combination of operating cash flow, cash and cash equivalents, our existing credit facility and other long-term debt.

On April 13, 2023, our credit rating from Moody's Investor Service was upgraded to B3, in part due to our successful refinancing of our €220.0 million Term Loan with the €250.0 million AG Loan as discussed in Note 16 - *"Long Term Debt,".* In October 2022, our credit rating was downgraded by S&P Global Ratings to CCC+ based on its latest assessment of our business, and no further action has been taken to date. Although the Moody's Investor Service ratings upgrade action is positive, it does not impact our current interest costs, or reduce the possibility of default on any of our debt.

Off-Balance-Sheet Arrangements As of June 30, 2023 and December 31, 2022, we had not entered into any off-balance-sheet arrangements. Financial derivative instruments, to which we are a party, and guarantees of indebtedness, which solely consist of obligations of subsidiaries, are reflected in the condensed consolidated balance sheets included herein in Item 1 – Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

	Year Ended December 31					June 30, 2023	
In thousands, except percentages	2023	2024	2025	2026	2027	Carrying Value	Fair Value
Long-term debt							
Average principal outstanding							
At variable interest rates	$299,764	$105,534	$105,534	$71,127	$ —	$ 105,534	$ 105,534
At fixed interest rates	785,477	767,204	766,217	766,217	766,217	769,337	600,302
						$ 874,871	$ 705,836
Weighted-average interest rate							
On variable rate debt	3.56 %	8.01 %	8.01 %	5.40 %	— %		
On fixed rate debt	5.91 %	7.00 %	7.01 %	7.01 %	7.01 %		

Our market risk exposure primarily results from changes in interest rates and currency exchange rates. The table above presents the average principal outstanding and related interest rates for the next five years for debt outstanding as of June 30, 2023. Fair values included herein have been determined based upon rates currently available to us for debt with similar terms and remaining maturities.

At June 30, 2023, we had $874.9 million of long-term debt, of which $105.5 million was at variable interest rates. Variable-rate debt represents borrowings under our credit agreement. Borrowing rates under our credit agreement are determined at our option at the time of each borrowing. For all U.S. Dollar denominated borrowings, the borrowing rate is either, (a) the bank's base rate which is equal to the greater of i) the prime rate; ii) the overnight bank funding rate plus 50 basis points; or iii) the daily Simple Secured Overnight Financing Rate ("SOFR") rate plus 100 basis points plus an applicable spread over either i), ii) or iii) ranging from 250 basis points to 400 basis points based on the Company's leverage ratio; or (b) the daily Term SOFR-rate plus an applicable margin ranging from 350 basis points to 500 basis points based on the Company's leverage ratio. For non-U.S. Dollar denominated borrowings, interest is based on the Euro-rate or EURIBOR-rate plus an applicable margin ranging from 350 basis points to 500 basis points based on the Company's leverage ratio.

At June 30, 2023, the weighted-average interest rate paid was equal to 8.01%. A hypothetical 100 basis point increase in the interest rate on variable rate debt would increase annual interest expense by $1.1 million. In the event rates are 100 basis points lower, interest expense would be $1.1 million lower.

We are subject to certain risks associated with changes in foreign currency exchange rates to the extent our operations are conducted in currencies other than the U.S. dollar. On an annual basis, our euro denominated revenue exceeds euro expenses by an estimated €190 million. With respect to the British pound sterling, Canadian dollar, and Philippine peso, we have differing amounts of inflows and outflows of these currencies, although to a lesser degree than the euro. As a result, particularly with respect to the euro, we are exposed to changes in currency exchange rates and such changes could be significant.

As part of our overall risk management practices, we enter into financial derivatives primarily designed to either i) hedge foreign currency risks associated with forecasted transactions – "cash flow hedges"; or ii) mitigate the impact that changes in currency exchange rates have on intercompany financing transactions and foreign currency denominated receivables and payables – "foreign currency hedges." For a more complete discussion of this activity, refer to Item 1 – Financial Statements – Note 18.

Critical Accounting Estimates

The preceding discussion and analysis of our consolidated financial position and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, net sales and expenses, and related disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to long-lived assets, environmental liabilities, and income taxes. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. We believe that our policies for long- and indefinite-lived assets, environmental liabilities and income taxes represent the most significant and subjective estimates used in the preparation of our consolidated financial statements and are therefore considered our critical accounting policies and estimates.

During the six months ended June 30, 2023, there were no changes in our critical accounting policies or estimates. See Note 2 — Accounting Policies, of the Condensed Consolidated Financial Statements included elsewhere in this Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC, for additional information regarding our critical accounting policies.

Long- and indefinite-lived Assets We evaluate the recoverability of our long- and indefinite-lived assets, including plant, equipment, timberlands, goodwill, and other intangible assets periodically or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Goodwill is reviewed for impairment annually during the fourth quarter, or more frequently if impairment indicators are present.

The fair value of our reporting units, which are also our operating segments, is determined using a market approach and a discounted cash flow model. Our evaluations include a variety of qualitative factors and analyses based on estimates of future cash flows expected to be generated from the use of the underlying assets, trends or other determinants of fair value. If the value of an asset determined by these evaluations is less than its carrying amount, a loss is recognized for the difference between the fair value and the carrying value of the asset. In 2022, all the goodwill of our Composite Fibers and Spunlace operating segments was fully impaired. Our Airlaid Materials segment’s fair value substantially exceeded its carrying value at the time of its last valuation performed in connection with the last annual impairment test in the fourth quarter of 2022. Airlaid Material’s fair value, as well as the asset groups within each of our operating segment, could be impacted by factors such as unexpected changes in inflation, significant disruptions in the delivery of energy to our sites, particularly in Europe, among other factors. Future adverse changes such as these or in market conditions or poor operating results of the related business may indicate an inability to recover the carrying value of the assets, thereby possibly requiring an impairment charge in the future.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures Our Chief Executive Officer and our principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of June 30, 2023, have concluded that, as of the evaluation date, our disclosure controls and procedures are effective.

Changes in Internal Controls During the three months ended June 30, 2023, we completed the implementation of new enterprise resource planning and manufacturing systems for Spunlace’s Old Hickory, Tennessee, U.S.A and Asturias, Spain locations. There were no other changes in our internal control over financial reporting during the three months ended June 30, 2023 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See the discussion of legal proceedings contained in Note 19 - *"Commitments, Contingencies and Legal Proceedings"* to our unaudited consolidated financial statements in Part I, Item 1 of this report, which is incorporated herein by reference.

ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2023, none of the Company's directors or "officers," as defined in Rule 16a-1(f) of the Exchange Act, adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

The following exhibits are filed or furnished herewith or incorporated by reference as indicated.

		Incorporated by reference to
10.1	Amended and Restated 2022 Long-Term Incentive Plan**	Appendix A to the Proxy Statement filed March 31, 2023
10.2	Form of Restricted Stock Unit Award Certificate (form effective as of May 5, 2023)**	
10.3	Form of Performance Share Award Certificate (form effective as of May 5, 2023)**	
10.4	Form of Non-Employee Director Restricted Stock Unit Award Certificate (form effective as of May 5, 2023)**	
31.1	Certification of Thomas M. Fahnemann, President and Chief Executive Officer of Glatfelter, pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002, filed herewith.	
31.2	Certification of Ramesh Shettigar, Senior Vice President, Chief Financial Officer and Treasurer of Glatfelter, pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002, filed herewith.	
32.1	Certification of Thomas M. Fahnemann, President and Chief Executive Officer of Glatfelter, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, furnished herewith.	
32.2	Certification of Ramesh Shettigar, Senior Vice President, Chief Financial Officer and Treasurer of Glatfelter, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, furnished herewith.	
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data file because its iXBRL tags are embedded within the Inline XBRL document.	
101.SCH	Inline XBRL Taxonomy Extension Schema.	
101.CAL	Inline XBRL Extension Calculation Linkbase.	
101.DEF	Inline XBRL Extension Definition Linkbase.	
101.LAB	Inline XBRL Extension Label Linkbase.	
101.PRE	Inline XBRL Extension Presentation Linkbase.	
104	Cover Page Interactive Data File (formatted as an inline XBRL and contained in Exhibit 101).	

**Management contract or compensatory plan

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Glatfelter Corporation
(Registrant)

August 3, 2023

By /s/ David C. Elder

David C. Elder
Vice President, Finance and Chief Accounting Officer
(Principal accounting officer)

EXHIBIT 10.2

Glatfelter Corporation

Restricted Stock Unit Award Certificate

Award Number: _____-RSU-01 Award Date: ______________

Number of Restricted Stock Units: ______________

Vesting Schedule:

<u>Vesting Date</u>	<u>RSUs Vesting</u>

THIS CERTIFIES THAT Glatfelter Corporation, a Pennsylvania corporation (the "Company") has on the Award Date specified above granted to:

Name

(the "Participant") an award (the "Award") to receive that number of Restricted Stock Units (the "RSUs") indicated above in the space labeled "Number of Restricted Stock Units," each RSU representing the right to receive one share of the Company's common stock (the "Common Stock"), subject to the terms and conditions contained in this Award Certificate and the Company's 2022 Long-Term Incentive Plan, as amended and restated (the "Plan"). In the event of any conflict between the terms of the Plan and this Award Certificate, the terms of the Plan will prevail. Any capitalized terms not defined herein will have the meaning set forth in the Plan.

* * * *

1. <u>Rights of the Participant with Respect to the Restricted Stock Units</u>.

(a) <u>No Shareholder Rights</u>. The RSUs granted under this Award do not and will not entitle the Participant to any rights of a holder of Common Stock. The rights of the Participant with respect to the RSUs will remain forfeitable at all times prior to the date on which the rights become vested, according to Section 2, 3, 4 or 7.

(b) <u>Dividend Equivalents</u>. During the period from the Award Date to the issuance of shares of Common Stock according to Section 1(c), the Participant will be credited with deemed dividends (a "Deemed Dividend") in an amount equal to each cash dividend payable after the Award Date, just as though the Participant, on the record date for payment of the dividend, had been the holder of record of shares of Common Stock equal to the number of RSUs represented by this Award Certificate. The

Deemed Dividends will be converted to additional RSUs, rounded down to the nearest whole number, by dividing the Deemed Dividends by the Fair Market Value of one share of Common Stock on the date the cash dividend to which it relates is paid. The Company will establish a bookkeeping record to account for the Deemed Dividends and additional RSUs to be credited to the Participant. The additional RSUs represented by Deemed Dividends are subject to the same vesting requirements as the Award.

(c) Conversion of Restricted Stock Units; Issuance of Common Stock.

(i) No shares of Common Stock will be issued to the Participant prior to the date on which the RSUs vest, in accordance with Section 2, 3, 4 or 7. Neither this Section 1(c) nor any action taken according to this Section will be construed to create a trust of any kind. After vesting takes place according to Section 2, 3, 4 or 7, the Company will cause to be issued, within thirty (30) days following the date of vesting (subject to Section 6(a)), in payment for such RSUs that number of shares of Common Stock equal to the number of vested RSUs.

(ii) Notwithstanding anything in the Agreement to the contrary: If the Participant incurs a Separation from Service on account of Retirement, death, Disability, or a CIC Termination (as defined below), in each case, upon or within two years after a Change in Control that constitutes a "change in control event" for purposes of Code section 409A ("409A CIC"), payment in respect of the vested RSUs will be made to the Participant within sixty (60) days following such Separation from Service, subject to Section 6(a) below. If a Participant incurs a Separation from Service on account of Retirement and a Change in Control that constitutes a 409A CIC subsequently occurs before the Final Vesting Date, any RSUs that vest pursuant to Section 4(c) will be paid upon the Change in Control. If a Change in Control does not constitute a 409A CIC or if the Separation from Service occurs more than two years after a 409A CIC, and if required by Code section 409A, payment will be made on the date on which payment would have been made had there been no Change in Control.

2. Vesting.

(a) Except as set forth in Section 4(b) or 4(c), the RSUs will vest on the following dates; provided the Participant remains continuously employed by the Company on the applicable dates below (each, a "Vesting Date"):

Vesting Date	RSUs Vesting

Except as provided in Sections 3, 4 or 7, if the Participant should, prior to the applicable Vesting Date, have a Separation from Service, the unvested RSUs will, upon the occurrence of the event, be forfeited and no shares of common stock will be issued to the Participant.

(b) The vesting of the RSUs is cumulative but shall not exceed 100% of the RSUs. If the foregoing schedule or the provisions of Section 3 would produce fractional units, the number of RSUs vesting shall be rounded up to the nearest whole unit, but not in excess of 100% of the RSUs.

3. Early Vesting upon Separation following Change in Control. Notwithstanding the vesting provision contained in Section 2 and Section 4(c), but subject to the other terms and conditions set forth herein, including Section 7, and provided that the Participant is employed by the Company immediately

prior to a Change in Control, as hereinafter defined, in the event of the Participant's (i) involuntary Separation from Service by the Company other than for Cause or (ii) voluntary Separation from Service for Good Reason, in each case upon or following a Change in Control and before the Final Vesting Date (in either case, a "CIC Termination"), all of the unvested RSUs will become fully vested.

4. Forfeiture or Early Vesting upon Separation from Service.

(a) Separation from Service Generally. If, prior to vesting of the RSUs according to Section 2, the Participant has a Separation from Service with the Company or any of its subsidiaries for any reason (voluntary or involuntary) other than death, Disability, or Retirement, then any unvested RSUs will be immediately and irrevocably forfeited.

(b) Death or Disability. Provided that the Participant is employed by the Company immediately prior to such event, upon the Participant's death or Disability (whether or not a Separation from Service), then all unvested RSUs will become fully vested.

(c) Vesting upon Retirement. If the Participant incurs a Separation from Service due to Retirement prior to the Final Vesting Date, an amount of unvested RSUs will vest on the next Vesting Date immediately following the date of Retirement, which amount shall be determined by multiplying the number of RSUs by a fraction, the numerator of which is the number of days in the period starting with (i) the Award Date through (ii) the date of Retirement, and the denominator of which is _____, and subtracting the RSUs that had vested as of the date of Retirement in accordance with Section 2(a), rounded down to the nearest whole unit, without regard to continued service. Restrictions on all RSUs that vest in accordance with this Section 4(c) will lapse on the next Vesting Date immediately following the date of Retirement and be paid out after such Vesting Date according to Section 1(c). Any unvested RSUs shall be forfeited as of the date of Retirement and cease to be outstanding, unless Section 3 applies.

5. Restriction on Transfer. The RSUs and any rights under the Award may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by the Participant, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition of RSUs or other rights under the Award will be void and unenforceable against the Company and will result in the immediate forfeiture of such RSUs and rights. Notwithstanding the foregoing, the Participant may, in the manner established by the Compensation Committee, designate a beneficiary or beneficiaries to exercise the rights of the Participant and receive any shares of Common Stock issued or any cash paid with respect to the RSUs upon the death of the Participant.

6. Tax Matters; Compliance with Code section 409A.

(a) Distributions of Common Stock in payment for RSUs as described herein which represent a "deferral of compensation" within the meaning of Code section 409A will conform to the applicable requirements of Code section 409A including, without limitation, the requirement that a distribution to a Participant who is a "specified employee" within the meaning of Code section 409A(a)(2)(B)(i) which is made on account of the specified employee's Separation from Service will not be made before the date which is six (6) months after the date of Separation from Service. If such distribution is delayed pursuant to Code section 409A, the distribution will be paid within thirty (30) days after the end of the six-month period. If the Participant dies during such six-month period, any postponed amounts shall be paid within ninety (90) days of the Participant's death. In no event shall the Participant, directly or indirectly, designate the calendar year of payment.

(b) In order to comply with all applicable federal, state and local tax laws or regulations, the Company may take such actions as it deems appropriate to ensure that all applicable federal, state and local payroll, withholding, income or other taxes are withheld or collected from the Participant.

(c) The Company will take such actions as it deems appropriate to ensure all applicable federal, state, local or foreign taxes are withheld or collected from the Participant. In accordance with the terms of the Plan, the Committee hereby confirms that the Participant may elect to satisfy the Participant's federal, state, local and foreign tax withholding obligations arising from the receipt of shares of Common Stock following the vesting of the RSUs by (i) delivering a check or money order payable to the Company in an amount equal to the federal, state, local or foreign taxes the Company is required to withhold to satisfy its withholding obligations, or (ii) having the Company withhold a portion of the shares of Common Stock otherwise to be delivered having a Fair Market Value equal to the amount of such federal, state, local or foreign taxes the Company is required to withhold to satisfy its minimum withholding obligations (or such other withholding rate as is affirmatively approved by the Committee). The Company will not deliver any fractional share of Common Stock but will instead round down to the next full number the amount of shares of Common Stock to be delivered. The Participant's election must be made on or before the date that any such withholding obligation with respect to the RSUs arises, based on procedures established by the Company. If the Participant fails to make a timely election, the Company will have the right to withhold a portion of the shares of Common Stock otherwise to be delivered having a Fair Market Value equal to the amount the Company's minimum withholding obligations with respect to such taxes.

7. Change in Control. In the event of a Change in Control in which the Company's stock is no longer the stock of the surviving entity, the Company will cause the surviving entity to issue replacement RSUs ("Replacement RSUs"). The number of Replacement RSUs to be issued will be calculated based on the fair market value of the Company's Common Stock at the date of the Change in Control divided by the fair market value of the surviving entity's common stock on such date. If such replacement RSUs are not issued for any reason, or if the common stock of the surviving entity is not publicly traded at the date of the Change in Control, then, notwithstanding the provisions of Section 3, all RSUs will vest in full upon the occurrence of the Change in Control. The terms and provisions of this Certificate will continue to apply to the Replacement RSUs when issued, including, without limitation, Section 3.

8. Miscellaneous.

(a) The Award does not confer on the Participant any right with respect to the continuance of any relationship with the Company or its subsidiaries, nor will it interfere in any way with the right of the Company to terminate such relationship at any time.

(b) The Company will not be required to deliver any shares of Common Stock upon vesting or lapse of restrictions of any RSUs until the requirements of any federal or state securities laws, rules or regulations or other laws or rules (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(c) All distributions under this Award shall be subject to any applicable clawback or recoupment policies, insider trading policies, policies prohibiting pledging or hedging of shares of Common Stock, and other polices that may be implemented by the Board from time to time.

(d) An original record of the Award and all the terms thereof, executed by the Company, will be held on file by the Company. To the extent there is any conflict between the terms contained in the

Award Certificate and the terms contained in the original record held by the Company, the terms of the original record held by the Company will control.

9. Definitions.

(a) "*Board*" will have the meaning set forth in the Plan.

(b) "*Cause*" will mean (i) an act or acts of personal dishonesty taken by the Participant and intended to result in substantial personal enrichment of the Participant at the expense of the Company, (ii) the Participant's willful, deliberate and continued failure to substantially perform for the Company the normal material duties related to Participant's job position which are not remedied in a reasonable period of time after receipt of written notice from the Company, (iii) violation by the Participant of any of the Company's policies, including, but not limited to, policies regarding sexual harassment, insider trading, confidentiality, non-disclosure, non-competition, non-disparagement, substance abuse and conflicts of interest and any other written policy of the Company, which violation could result in the termination of the Participant's employment; or (iv) the conviction of the Participant of a felony.

(c) "*Change in Control.*" will have the meaning set forth in the Plan.

(d) "*Code*" will mean the Internal Revenue Code of 1986, as amended.

(e) "*Committee*" will have the meaning set forth in the Plan.

(f) "*Disability*" will have the meaning set forth in the Plan.

(g) "*Fair Market Value*" will have the meaning set forth in the Plan.

(h) "*Good Reason*" will mean "Good Reason" as defined in the Participant's Change in Control Employment Agreement for those Participants subject to such agreement; otherwise, "Good Reason" will mean (i) a material diminution in the Participant's base salary, or (ii) a material change in the geographic location at which the Participant must perform services (for this purpose, a requirement that the Participant's services be performed at a location less than forty (40) miles from the location where the Participant previously performed services will not be considered a material change. In order for termination to be for Good Reason, within ninety (90) days after the occurrence of any of the events listed in clauses (i) or (ii) above, (x) the Participant must deliver written notice to the Company of his/her intention to terminate his/her employment for Good Reason specifying in reasonable detail the facts and circumstances deemed to give rise to the Participant's right to terminate his/her employment for Good Reason, (y) the Company will not have cured such facts and circumstances within thirty (30) days after delivery of such notice by the Participant to the Company, and (z) the Participant must have a Separation from Service no later than thirty (30) days following the expiration of such thirty (30) day cure period.

(i) "*Retirement*" will mean the retirement of an employee from employment with the Company and all affiliates on or after attaining age sixty five (65), or on or after attaining age fifty five (55) with a minimum of ten (10) years of service.

(j) "*Separation from Service*" will have the meaning set forth in the Plan.

A copy of the Plan is attached to this Certificate.

EXHIBIT 10.2

GLATFELTER CORPORATION

____

By my signature below, I hereby acknowledge receipt of this Award Certificate on the date shown above, which has been issued to me under the terms and conditions of the Plan. I further acknowledge that I reviewed the Plan and agree to conform to all of the terms and conditions of the Award Certificate and the Plan.

Signature: ____________________________________ Date: ___________________________

Name

GLATFELTER CORPORATION

Performance Share Award Certificate

Award Number: ______-PSA-01

Award Date: __________

Award Type: Performance Share Units

Number of Performance Share Units Granted at Target:

Performance Period: ______________

Vesting Date: ___________________

Method of Payment: If vested and earned, this Performance Share Award will be paid in shares of Common Stock (except as otherwise set forth herein).

THIS CERTIFIES THAT Glatfelter Corporation, a Pennsylvania corporation (the "Company") has, on the Award Date specified above, granted to:

Name

(the "Participant," as defined in the Plan) a Performance Share Award (the "Award") subject to the terms of this Award Certificate and the Company's 2022 Long-Term Incentive Plan, as amended and restated (the "Plan"). Capitalized terms used in this Award Certificate without definition will have the meanings set forth in the Plan.

Each Performance Share Unit, if vested and earned, will entitle the Participant to receive one (1) share of the Company's Common Stock. In the event of any conflict between the terms of the Plan and this Award Certificate, the terms of the Plan will prevail.

1. Vesting of Performance Share Units. The Performance Share Units (and any Deemed Dividends with respect to such Performance Share Units as set forth in Section 4) will vest and be earned based on the achievement of the Company's performance goals outlined below (the "Performance Goals") and the Participant's continued employment with the Company or one of its subsidiaries through the Vesting Date, unless otherwise provided in Section 5(b) or 5(c). The Company's Compensation Committee (the "Committee") of the Board of Directors (the "Board") will determine whether the Performance Goals have been achieved. The number of Performance Share Units earned by the Participant will be determined by the Committee after the applicable Performance Period concludes, based on the level of achievement of the applicable Performance Goals, as more fully described on Exhibits A, B, and C, conditioned on continued employment through the Vesting Date, except as otherwise provided in Section 5(b) or 5(c).

2. Performance Goals. The Company must meet or exceed the Performance Goals described on Exhibit A, B, or C, as applicable, in order for the following portions of the Performance Share Units to be earned and eligible to vest.

3. Determination of Achievement of Performance Goals.

(a) After each Performance Period concludes, the Committee will determine whether the Performance Goals have been achieved for that Performance Period, and the level of such achievement, and the Committee will determine the number of Performance Share Units that may be earned with respect to that Performance Period, if any. The number of Performance Share Units will be based on the degree of achievement of the Performance Goals according to the following guidelines and the Participant's continued employment though the Vesting Date, except as otherwise set forth in Sections 5(b) and 5(c). In no event may the Performance Share Units payout exceed the 200% of the target number of Performance Share Units.

(b) The Committee has the discretion to adjust some or all of the number of shares of Common Stock that would otherwise be payable as a result of satisfying the Performance Goals. In making this determination, the Committee may take into account any factors it determines are appropriate, including but not limited to Company or individual performance.

4. Dividends on Performance Share Units. During the period from the Award Date to the issuance of shares of Common Stock, the Participant will be credited with deemed dividends (a "Deemed Dividend") in an amount equal to each cash dividend payable after the Award Date, just as though the Participant, on the record date for payment of the dividend, had been the holder of record of shares of Common Stock equal to the number of Performance Share Units at target (adjusted as described in the following sentence) represented by this Award Certificate. The Deemed Dividends will be converted to additional Performance Share Units, rounded down to the nearest whole number, by dividing the Deemed Dividends by the Fair Market Value of one share of Common Stock on the date the cash dividend to which it relates is paid. The Company will establish a bookkeeping record to account for the Deemed Dividends and additional Performance Share Units to be credited to the Participant. The additional Performance Share Units represented by Deemed Dividends are subject to the same vesting and performance requirements as the other Performance Share Units, including without limitation the requirement that the applicable Performance Goals have been achieved. The Deemed Dividends will be added to the target number of Performance Share Units before calculating the number of Performance Share Units earned during the applicable Performance Period, in accordance with Section 3.

5. Separation from Service Prior to the Vesting Date.

(a) In General. Subject to Sections 5(b) and 5(c) below, if, prior to the Vesting Date, the Participant ceases to be an employee of the Company and its subsidiaries for any reason (whether voluntarily or involuntarily), then this Award will be immediately and irrevocably forfeited.

(b) Retirement, Death or Disability. Notwithstanding the foregoing, if the Participant incurs a Separation from Service due to death, Retirement or Disability, and such event takes place on or after the Award Date but prior to the end of the Vesting Period, then the Participant will be entitled to receive a pro-rated Award following the end of the Vesting Period, but only to the extent that the Performance Goals are determined to have been achieved. Such pro-ration will be determined by multiplying the number of Performance Share Units the Participant would have received by a fraction, the numerator of which equals the number of days that elapse between _______ and the date of Separation from Service on account of death, Retirement or Disability, and the denominator will be _________.

(c) Impact of a Change in Control.

(i) In the event of a Change in Control in which the Company is not the surviving entity, this Award will be deemed to be earned at the greater of target or actual performance through the date of the Change in Control, as determined by the Board, for any Performance Period that has not been completed as of the date of the Change in Control, and (except as described below) the earned Performance Share Units for such Performance Period and for any previously completed Performance Period will be replaced with performance share units with respect to the common stock of the surviving entity ("Replacement Performance Share Units"). The number of Replacement Performance Share Units will be calculated based on the Fair Market Value of the Company's Common Stock at the date of the Change in Control divided by the fair market value of the surviving entity's common stock on such date.

(ii) Notwithstanding the foregoing, if Replacement Performance Share Units are not issued for any reason, or if the common stock of the surviving entity is not publicly traded at the date of the Change in Control, then all Performance Share Units will be deemed to be earned and vested upon the occurrence of the Change in Control (i) at the greater of target or actual performance through the date of the Change in Control, as determined by the Committee, for any Performance Period that has not been completed as of the date of the Change in Control, and (ii) at the amount earned based on performance for any previously completed Performance Period.

(iii) The Participant's right to such Replacement Performance Share Units will not vest unless and until the Participant has remained in continuous employment with the Company or a subsidiary, or the Company's successor or a subsidiary, through the Vesting Date, except as provided otherwise in Section 5(b), Section 5(c)(ii) or the following sentence. Notwithstanding the foregoing, if the Participant has (x) an involuntary Separation from Service, other than for Cause, with the Company or the surviving entity upon or following a Change in Control and before the Vesting Date or (y) a voluntary Separation from Service for Good Reason upon or following a Change in Control and before the Vesting Date (in either case, a "CIC Termination"), the requirement of continued employment through the Vesting Date will be waived and the Participant will be deemed vested with respect to payment of the Replacement Performance Share Units on the date of Separation from Service. The terms and provisions of this Award Certificate will continue to apply to the Replacement Performance Share Units when issued.

6. Restriction on Transfer. No rights under this Award may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by the Participant, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition of Performance Share Units or other rights under this Award will be void and unenforceable against the Company and will result in the immediate forfeiture of such Award and rights. Notwithstanding the foregoing, the Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of the Participant and receive any shares of Common Stock issued with respect to the Award upon the death of the Participant.

7. Payment of Performance Share Units.

(i) Payment in respect of vested Performance Share Units shall occur in calendar year _______, as soon as possible after the end of the Performance Period ending ___________, to the extent it is determined that the applicable Performance Goals and other requirements set forth herein have been met, except as described below.

(ii) If the Participant incurs a Separation from Service on account of Retirement, death, Disability or a CIC Termination, in each case, upon or within two years after a Change in Control that constitutes a "change in control event" for purposes of Section 409A of the Internal Revenue Code of 1986, as amended ("Code") (a "409A CIC"), payment in respect of the vested Performance Share Units will be made to the Participant within sixty (60) days following such Separation from Service, subject to

Section 8 below. If a Participant incurs a Separation from Service on account of Retirement, death or Disability, and a Change in Control that constitutes a 409A CIC subsequently occurs before the Vesting Date, any PSAs that vest pursuant to Section 5(b) will be paid upon the Change in Control. If the Participant incurs a Separation from Service on account of Retirement, death or Disability, and a Change in Control that does not constitute a 409A CIC subsequently occurs before the Vesting Date, or if the Separation from Service occurs more than two years after a 409A CIC, and if required by Code section 409A, payment will be made in calendar year _______.

(iii) Payment of vested Performance Share Units will be made in shares of Common Stock, subject to Section 5(c). The number of shares issued will be rounded down to the next whole number of shares and the Company will issue the shares, in book-entry form, registered in the Participant's name or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be, in satisfaction of the Performance Share Units, the number of shares of Common Stock equal to the number of vested Performance Share Units.

(iv) The Company will take such actions as it deems appropriate to ensure all applicable federal, state, local or foreign payroll, withholding, income or other taxes are withheld or collected from the Participant. In accordance with the terms of the Plan, the Committee hereby confirms that the Participant may elect to satisfy the Participant's federal, state, local and foreign tax withholding obligations arising from the receipt of shares of Common Stock following the vesting of the Performance Share Units by (i) delivering check or money order payable to the Company in any amount equal to the federal, state, local or foreign taxes the Company determines is required to satisfy its minimum withholding obligations (or such other withholding rate affirmatively approved by the Committee), or (ii) having the Company withhold a portion of the shares of Common Stock otherwise to be delivered having a Fair Market Value equal to the amount of such federal, state, local or foreign taxes the Company determines is required to satisfy its minimum withholding obligations (or such other withholding rate as is affirmatively approved by the Committee). The Company will not deliver any fractional share of Common Stock but will instead round down to the next full number the amount of shares of Common Stock to be delivered. The Participant's election must be made on or before the date that any such withholding obligation with respect to the Performance Share Units arises, based on procedures established by the Company. If the Participant fails to make a timely election, the Company will have the right to withhold a portion of the shares of Common Stock otherwise to be delivered having a Fair Market Value equal to the amount the Company determines is required to satisfy its minimum withholding obligations with respect to such taxes.

8. <u>Compliance with Code Section 409A</u>. This Award is intended to comply with the requirements of Code section 409A or an exemption and will be interpreted accordingly. To the extent that distributions in payment of this Award represent a "deferral of compensation" within the meaning of Code section 409A, such distributions will conform to the applicable requirements of Code section 409A including, without limitation, the requirement that a distribution to a Participant who is a "specified employee" within the meaning of Code section 409A(a)(2)(B)(i) which is made on account of the specified employee's Separation from Service will not be made before the date which is six (6) months after the date of Separation from Service. If such distribution is delayed pursuant to Code section 409A, the distribution will be paid within thirty (30) days after the end of the six-month period. If the Participant dies during such six-month period, any postponed amounts shall be paid within ninety (90) days of the Participant's death. In no event shall the Participant, directly or indirectly, designate the calendar year of payment.

9. <u>Miscellaneous</u>.

(a) The Award does not confer on the Participant any right with respect to the continuance of any relationship with the Company or its subsidiaries, nor will it interfere in any way with the right of the Company to terminate such relationship at any time.

(b) The Company will not be required to deliver any shares of Common Stock upon vesting of the Performance Share Units until the requirements of any federal or state securities laws, rules or regulations or other laws or rules (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(c) All distributions under this Award shall be subject to any applicable clawback or recoupment policies, insider trading policies, policies prohibiting pledging or hedging of shares of Common Stock, and other polices that may be implemented by the Board from time to time.

(d) An original record of the Award and all the terms thereof, executed by the Company, will be held on file by the Company. To the extent there is any conflict between the terms contained in the Award Certificate and the terms contained in the original record held by the Company, the terms of the original record held by the Company will control.

(e) Definitions. In addition to the definitions set forth in the Plan, the following definitions will apply to this Award Certificate:

"*Cause*" means (i) an act or acts of personal dishonesty taken by the Participant and intended to result in substantial personal enrichment of the Participant at the expense of the Company, (ii) the Participant's willful, deliberate and continued failure to substantially perform for the Company the normal material duties related to Participant's job position which are not remedied in a reasonable period of time after receipt of written notice from the Company, (iii) violation by the Participant of any of the Company's policies, including, but not limited to, policies regarding sexual harassment, insider trading, confidentiality, non-disclosure, non-competition, non-disparagement, substance abuse and conflicts of interest and any other written policy of the Company, which violation could result in the termination of the Participant's employment; or (iv) the conviction of the Participant of a felony.

"*Change in Control*" will have the meaning set forth in the Plan.

"Good Reason" means (i) a material diminution in the Participant's base salary, or (ii) a material change in the geographic location at which the Participant must perform services (for this purpose, a requirement that the Participant's services be performed at a location less than forty (40) miles from the location where the Participant previously performed services will not be considered a material change). In order for termination to be for Good Reason, within ninety (90) days after the occurrence of any of the events listed in clauses (i) or (ii) above, (x) the Participant must deliver written notice to the Company of his/her intention to terminate his/her employment for Good Reason specifying in reasonable detail the facts and circumstances deemed to give rise to the Participant's right to terminate his/her employment for Good Reason, (y) the Company will not have cured such facts and circumstances within thirty (30) days after delivery of such notice by the Participant to the Company, and (z) the Participant must have a Separation from Service no later than thirty (30) days following the expiration of such thirty (30) day cure period.

"*Retirement*" will mean the retirement of an employee from employment with the Company and all affiliates on or after attaining age sixty five (65), or on or after attaining age fifty five (55) with a minimum of ten (10) years of service.

A copy of the Plan is available by request to the office of the Corporate Secretary.

Glatfelter Corporation

By my signature below, I hereby acknowledge receipt of this Award Certificate on the date shown above, which has been issued to me under the terms and conditions of the Plan. I further acknowledge that I reviewed the Plan and agree to conform to all of the terms and conditions of the Award Certificate and the Plan.

Signature: ______________________________ Date: _____________
Name

Exhibit A

Exhibit B

Exhibit C

GLATFELTER CORPORATION

Non-Employee Director Restricted Stock Unit Award Certificate

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Award Number: _____ Award Date: __________

Number of Restricted Stock Units: __________

Final Vesting Date: __________

THIS CERTIFIES THAT Glatfelter Corporation, a Pennsylvania corporation (the "Company") has on the Award Date specified above granted to:

Name

(the "Participant") an award (the "Award") to receive that number of Restricted Stock Units (the "RSUs") indicated above in the space labeled "Number of Restricted Stock Units," each RSU representing the right to receive one share of the Company's common stock (the "Common Stock"), subject to certain restrictions and on the terms and conditions contained in this Award Certificate and the Company's 2022 Long-Term Incentive Plan (the "Plan"). In the event of any conflict between the terms of the Plan and this Award Certificate, the terms of the Plan shall prevail. Any capitalized terms not defined herein shall have the meaning set forth in the Plan.

* * * *

1. Rights of the Participant with Respect to the Restricted Stock Units.

    a. No Shareholder Rights. The RSUs granted pursuant to the Award do not and shall not entitle the Participant to any rights of a holder of Common Stock. The rights of the Participant with respect to the RSUs shall remain forfeitable at all times prior to the date on which such rights become vested, and the restrictions with respect to the RSUs lapse, in accordance with Section 2 or 3.

    b. Dividend Equivalents. During the period from the Award Date to the issuance of shares of Common Stock according to Section 1(c), the Participant will be credited with deemed dividends (a "Deemed Dividend") in an amount equal to each cash dividend payable after the Award Date, just as though the Participant, on the record date for payment of the dividend, had been the holder of record of shares of Common Stock equal to the number of RSUs represented by this Award Certificate. The Deemed Dividends will be converted to additional RSUs, rounded down to the nearest whole number, by dividing the Deemed

Dividends by the Fair Market Value of one share of Common Stock on the date the cash dividend to which it relates is paid. The Company will establish a bookkeeping record to account for the Deemed Dividends and additional RSUs to be credited to the Participant. The additional RSUs represented by Deemed Dividends are subject to the same vesting requirements as the Award.

c. Conversion of Restricted Stock Units; Issuance of Common Stock. No shares of Common Stock shall be issued to the Participant prior to the date on which the RSUs vest and the restrictions with respect to the RSUs lapse, in accordance with Section 2 or 3. Neither this Section 1(c) nor any action taken pursuant to or in accordance with this Section 1(c) shall be construed to create a trust of any kind. After any restrictions with respect to RSUs lapse pursuant to Section 2 or 3, the Company shall cause to be issued as soon as practicably possible, but in no event later than thirty (30) days following the date all restrictions lapse (subject to Section 6(a)) in certificated or book- entry form, registered in the Participant's name or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be, in payment for such RSUs that number of shares of Common Stock equal to the number of RSUs with respect to which the restrictions have lapsed.

2. Vesting. Subject to Section 3, 100% of the total amount of RSUs awarded will vest, and all restrictions with respect to the RSUs awarded shall lapse, on the Final Vesting Date, if the Participant continues to serve continuously as a director of the Company until the Final Vesting Date.

3. Forfeiture or Early Vesting Upon Ceasing to be a Director.

   a. Removal as a Director for Cause. If, prior to the vesting of the RSUs pursuant to Section 2, the Participant is involuntarily removed as a director of the Company by vote of the either the Board of Directors or the shareholders of the Company for Cause, then all unvested RSUs shall be immediately and irrevocably forfeited.

   b. Other Cessation of Service as a Director. In the event that the Participant shall cease to be a director of the Company for any reason (including without limitation by reason of death or Disability) other than as described in paragraph (a) above, and further provided that such cessation of service as a director of the Company is a Separation from Service, then all unvested RSUs shall become immediately vested, and the restrictions with respect to such RSUs shall lapse.

   c. Definition of Cause. For purposes of this Agreement, *"Cause"* shall mean (i) an act or acts of personal dishonesty taken by the Participant and intended to result in substantial personal enrichment of the Participant at the expense of the Company, (ii) the Participant's continued failure to substantially perform for the Company the normal material duties related to Participant's position as a non-employee director of the Company, (iii) violation by the Participant of any of the Company's policies applicable to non-employee directors of the Company, including, but not limited to, policies regarding insider trading, confidentiality, non-disclosure, non-disparagement, related party transactions and conflicts of interest and any other written policy of the Company; or (iv) the conviction of the Participant of a felony.

4. Restriction on Transfer. The RSUs and any rights under the Award may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by the Participant, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition of RSUs or other

rights under the Award shall be void and unenforceable against the Company and shall result in the immediate forfeiture of such RSUs and rights. Notwithstanding the foregoing, the Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of the Participant and receive any shares of Common Stock issued with respect to the RSUs upon the death of the Participant.

5. Tax Matters; Compliance with Code Section 409A.

    a. Distributions of Common Stock in payment for RSUs as described herein which represent a "deferral of compensation" within the meaning of Code section 409A shall conform to the applicable requirements of Code section 409A including, without limitation, the requirement that a distribution to the Participant, who at the time of his or her Separation from Service as a director is also a "specified employee" within the meaning of Code section 409A(a)(2)(B)(i), which is made on account of the Participant's Separation from Service shall not be made before the date which is six (6) months after the date of Separation from Service. However, distributions as aforesaid shall not be deemed to be a "deferral of compensation" subject to Code section 409A to the extent provided in the exception in Treasury Regulation Section 1.409A-1(b)(4) for short-term deferrals.

    b. In order to comply with all applicable federal, state and local tax laws or regulations, the Company may take such actions as it deems appropriate to ensure that all applicable federal, state and local payroll, withholding, income or other taxes are withheld or collected from the Participant.

    c. In accordance with the terms of the Plan, and such rules as may be adopted by the Committee under the Plan, the Participant may elect to satisfy the Participant's federal, state and local tax withholding obligations, if any, arising from the receipt of the RSUs or the shares of Common Stock following the vesting of, or the lapse of restrictions relating to, the RSUs, by (i) delivering cash, check or money order payable to the Company, or (ii) having the Company withhold a portion of the shares of Common Stock otherwise to be delivered having a Fair Market Value equal to the amount of such taxes. The Company will not deliver any fractional share of Common Stock but will instead round down to the next full number the amount of shares of Common Stock to be delivered. The Participant's election must be made on or before the date that any such withholding obligation with respect to the RSUs arises. If the Participant fails to timely make such an election, the Company shall have the right to withhold a portion of the shares of Common Stock otherwise to be delivered having a Fair Market Value equal to the amount of such taxes.

6. Miscellaneous.

    a. The Award does not confer on the Participant any right with respect to the continuance of any relationship with the Company or its subsidiaries, nor will it interfere in any way with the right of the Company to terminate such relationship at any time.

    b. The Company shall not be required to deliver any shares of Common Stock upon vesting of any RSUs until the requirements of any federal or state securities laws, rules or regulations or other laws or rules (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

c. An original record of the Award and all the terms thereof, executed by the Company, shall be held on file by the Company. To the extent there is any conflict between the terms contained in the Award Certificate and the terms contained in the original record held by the Company, the terms of the original record held by the Company shall control.

A copy of the Plan is available upon request.

GLATFELTER CORPORATION

____

By my signature below, I hereby acknowledge receipt of this Award Certificate on the date shown above, which has been issued to me under the terms and conditions of the Plan. I further acknowledge receipt of the copy of the Plan and agree to conform to all of the terms and conditions of the Award Certificate and the Plan.

Signature: ___________________________________ Date: ________________________

Name

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 (a) OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas M. Fahnemann certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 of Glatfelter Corporation and subsidiaries ("Glatfelter");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. Glatfelter's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Glatfelter and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Glatfelter, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of Glatfelter's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in Glatfelter's internal control over financial reporting that occurred during Glatfelter's most recent fiscal quarter (the fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, Glatfelter's internal control over financial reporting.

5. Glatfelter's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Glatfelter's auditors and the audit committee of Glatfelter's board of directors (or persons performing similar functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Glatfelter's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Glatfelter's internal control over financial reporting.

August 3, 2023

By /s/ Thomas M. Fahnemann

Thomas M. Fahnemann

President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 (a) OF THE SARBANES-OXLEY ACT OF 2002

I, Ramesh Shettigar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 of Glatfelter Corporation and subsidiaries (“Glatfelter”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. Glatfelter’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Glatfelter and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Glatfelter, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of Glatfelter’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in Glatfelter’s internal control over financial reporting that occurred during Glatfelter’s most recent fiscal quarter (the fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, Glatfelter's internal control over financial reporting.
5. Glatfelter’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Glatfelter’s auditors and the audit committee of Glatfelter’s board of directors (or persons performing similar functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Glatfelter’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Glatfelter’s internal control over financial reporting.

August 3, 2023

By /s/ Ramesh Shettigar

Ramesh Shettigar
Senior Vice President, Chief Financial Officer & Treasurer

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 of Glatfelter Corporation (the “Company”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Thomas M. Fahnemann, President and Chief Executive Officer of the Company, certify to the best of my knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Glatfelter and will be retained by Glatfelter and furnished to the Securities and Exchange Commission or its staff upon request.

August 3, 2023

By /s/ Thomas M. Fahnemann

Thomas M. Fahnemann

President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 of Glatfelter Corporation (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ramesh Shettigar Senior Vice President, Chief Financial Officer & Treasurer of the Company, certify to the best of my knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Glatfelter and will be retained by Glatfelter and furnished to the Securities and Exchange Commission or its staff upon request.

August 3, 2023

By /s/ Ramesh Shettigar

Ramesh Shettigar
Senior Vice President, Chief Financial Officer & Treasurer