



G L A T F E L T E R

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NYSE: GLT

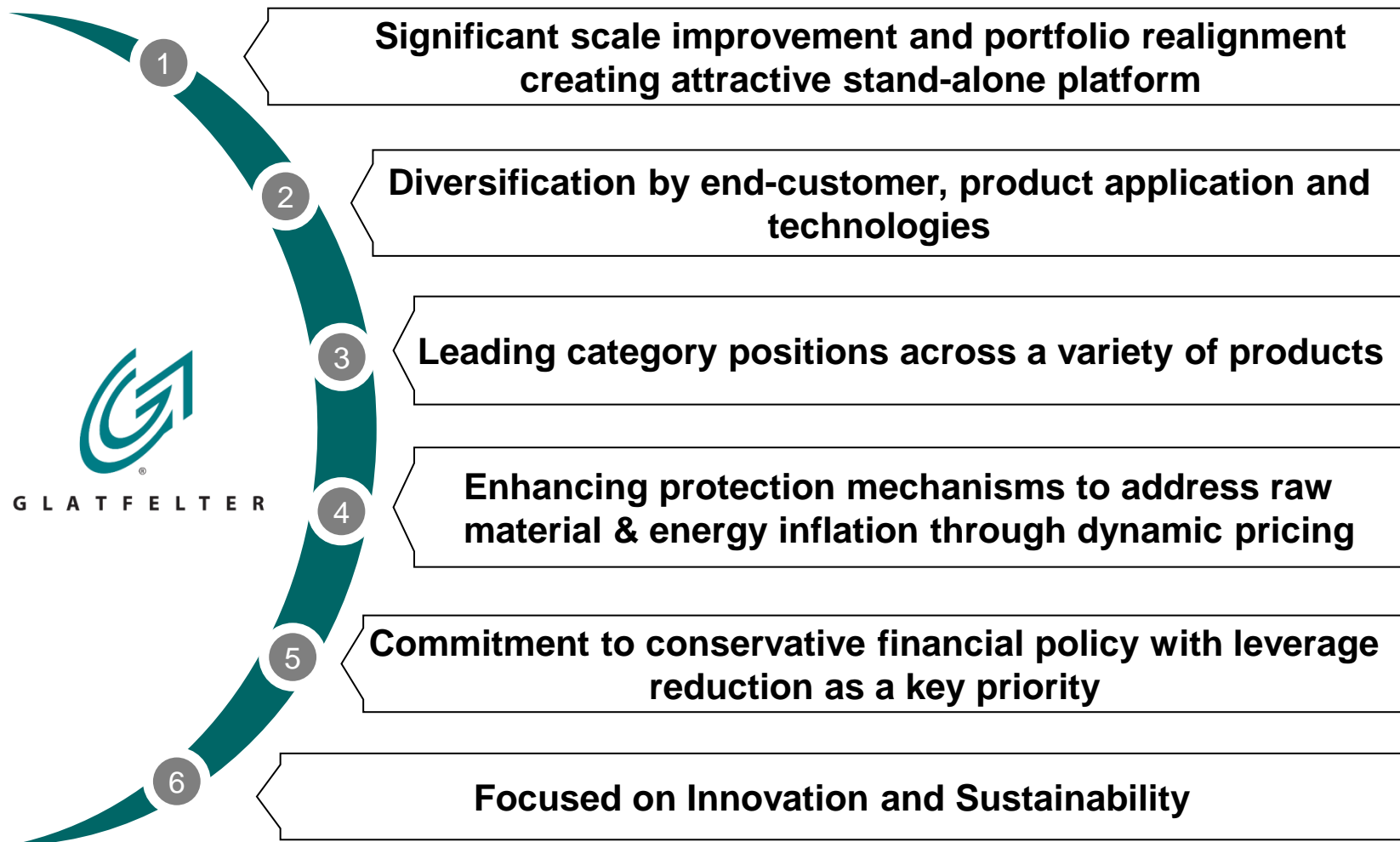
Forward Looking Statements and Use of Non-GAAP Financial Measures

Any statements included in this presentation which pertain to future financial and business matters are “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. The Company uses words such as “anticipates”, “believes”, “expects”, “future”, “intends”, “plans”, “targets”, and similar expressions to identify forward-looking statements. Any such statements are based on the Company’s current expectations and are subject to numerous risks, uncertainties and other unpredictable or uncontrollable factors that could cause future results to differ materially from those expressed in the forward-looking statements, which are described in the Company’s filings with the U.S. Securities and Exchange Commission (“SEC”), including those set forth in the Risk Factors section and under the heading “Forward-Looking Statements” in the Company’s most recently filed Annual Report on Form 10-K and Quarterly Report on Form 10-Q, which are available on the SEC’s website at www.sec.gov. In light of these risks, uncertainties and other factors, the forward-looking matters discussed in this presentation may not occur and readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements speak only as of the date of this presentation and the Company undertakes no obligation, and does not intend, to update these forward-looking statements to reflect events or circumstances occurring after the date of this presentation.

During the course of this presentation, certain non-U.S. GAAP financial measures will be presented. A reconciliation of these measures to U.S. GAAP financial measures is included in the appendix of this presentation.



Key Investment Highlights



Segment Update



Airlaid Materials

Key Performance Characteristics

Highly absorbent
Very thin profile
Soft, cloth-like feel
Multi-layer capability to create dynamic fluid management systems

Primary Applications

Absorbent Hygiene Products
Personal Care and Home Care Wipes, Industrial Wipes
Disposable Tabletop Products
Absorbent Food Pads

Primary Inputs

Fluff Pulp
Synthetic Fibers
Super Absorbent Polymers
Binder

Applications



Blue Chip Customers



Procter & Gamble



rockline



Johnson & Johnson



Kimberly-Clark



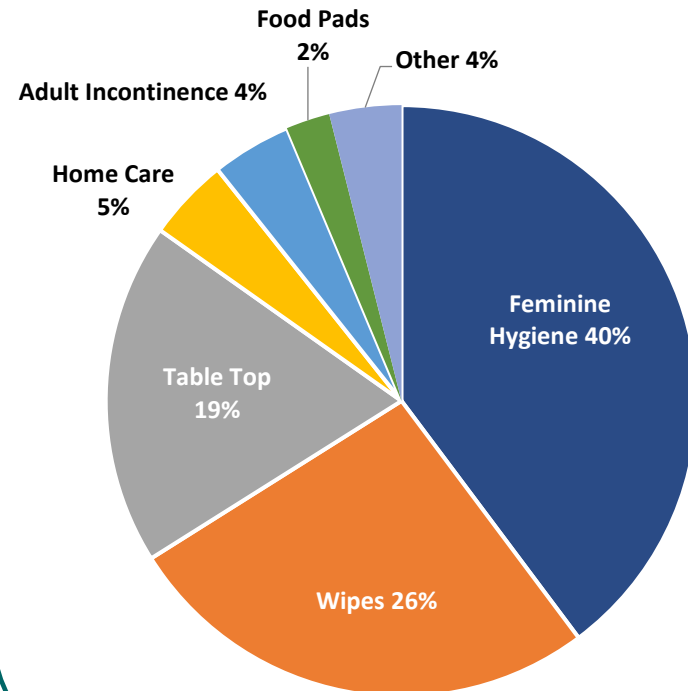
Airlaid Materials

Portfolio Summary

Key Success Factors

- Megatrends driving demand:
 - Sustainability (~70% plant-based feedstock)
 - Health, hygiene and wellness
 - Convenience
 - Aging population
- Categories growing at normalized GDP/GDP+ rates:
 - Feminine Hygiene ~1%
 - Consumer Wipes ~3-4%
 - Tabletop ~2-3%
 - Adult Incontinence ~4%
- Raw material cost pass-through protection on ~70% of revenues
- Economies of scale, global manufacturing footprint and diversified product portfolio
- Innovation and product development partner for “Blue Chip” players
 - Sustainable bottle screw caps through joint innovation with ALPLA (BOC joint venture)

Sales Mix



Composite Fibers

Key Performance Characteristics

Light weight substrates with wet strength

High quality improves efficiency on customer manufacturing equipment

Dimensional stability, dry stripability, and printability for wallcover

Primary Applications

Tea Bag and Single-Serve Coffee

Wallcover and Decorative Laminate

Pasting Paper for Lead-Acid Batteries

Personal Care and Home Care Wipes

Glassine

Primary Inputs

Softwood Pulps

Abaca Pulp

Specialty Fibers

Applications



Blue Chip Customers



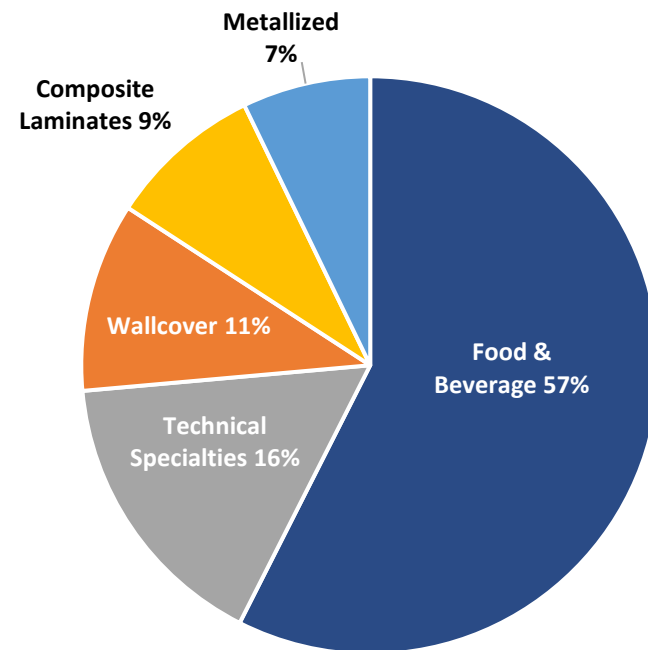
Composite Fibers

Portfolio Summary

Key Success Factors

- Megatrends driving demand:
 - Sustainability (~65% plant-based feedstock)
 - Convenience
 - Mobility
- Categories growing at normalized GDP/GDP+ rates:
 - Tea ~1-2%
 - Single Serve Coffee ~3-4%
 - Electrical ~3%
 - Composite Laminates ~2-3%
- Impacted by Russia/Ukraine conflict and related sanctions (Wallcover and Tea)
- Unrivaled inclined-wire manufacturing assets, captive abaca pulp supply and superior quality
- ~55% of revenue base converted to cost pass-through mechanism to protect against inflation

Sales Mix



Spunlace

Key Performance Characteristics

Softness
Highly absorbent
Low linting
Breathability

Primary Applications

Personal Care Wipes
Home Care Wipes
Critical Cleaning
(Automotive, Aerospace, Printing)
Health and Skin Care Products

Primary Inputs

Cellulosic Fibers
Synthetic Fibers
Fluff Pulp

Applications



Blue Chip Customers

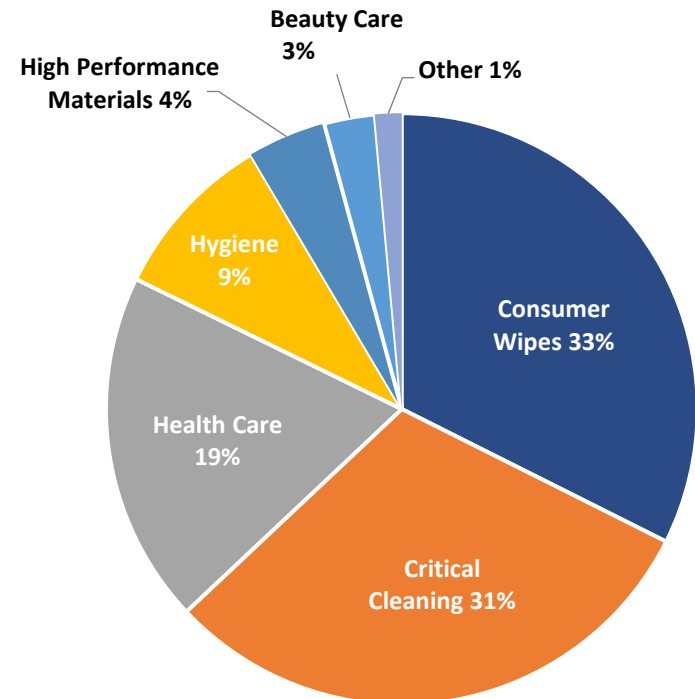


Spunlace Portfolio Summary

Key Success Factors

- Megatrends driving demand:
 - Health, hygiene and wellness
 - Aging population
 - Convenience
- Categories growing at normalized GDP/GDP+ rates:
 - Consumer Wipes ~2-3%
 - Critical Cleaning ~3-4%
 - Health Care ~4%
 - Hygiene ~2%
- EBITDA growth initiatives include:
 - Price increases & energy surcharges
 - Operational efficiencies
 - Cost reduction and overhead improvement
 - Synergy realization
- Branded finished goods footprint with diverse product portfolio and global manufacturing
- Innovation-focused to advance sustainability aspirations and deliver growth
 - ~60% plant-based feedstock

Sales Mix



Financial Update



Airlaid Materials

Financial Trends

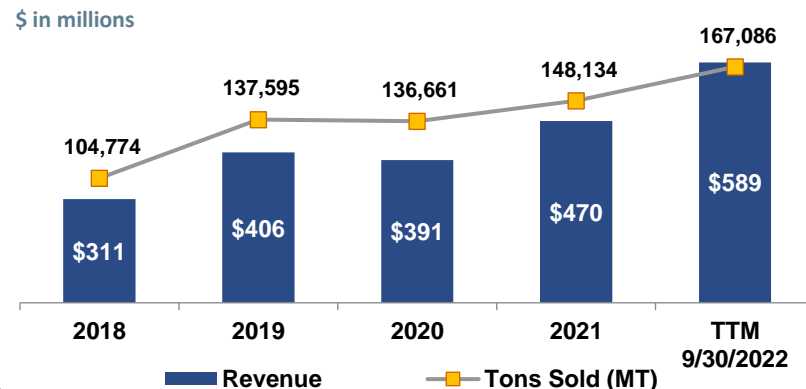
Positioned for Volume Growth with addition of Mount Holly to the asset portfolio

- Volume grew in all product categories except tabletop in 2020, which was negatively impacted by COVID restrictions
- 2021 growth primarily driven by addition of Mount Holly acquisition; Hygiene experienced softer demand as customers continued destocking in the first half of 2021 but recovered to normalized levels during the 2nd half
- TTM 2022 reflects tabletop recovery, strong North America demand and addition of Mount Holly as of May 2021

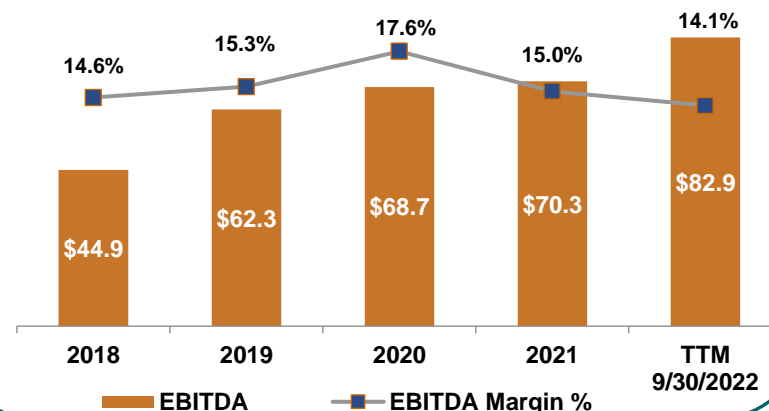
Track Record of Improving Profitability and Margins

- Strong operational excellence and CI programs improving efficiencies
- Pass through of raw material cost changes (on ~70% of revenue) allows for margin preservation during inflationary environments
 - Also successfully increased prices on non pass-through customers
 - Implemented energy surcharges in 2021 and 2022 to offset rising energy costs in Europe
- Profitability improved in 2nd half of 2021 and 2022 due to more normalized demand and addition of Mount Holly
 - Overall EBITDA improvement in 2022 driven by favorable customer mix and strong customer demand in North America

Revenue & Shipment Trend



EBITDA & EBITDA Margin



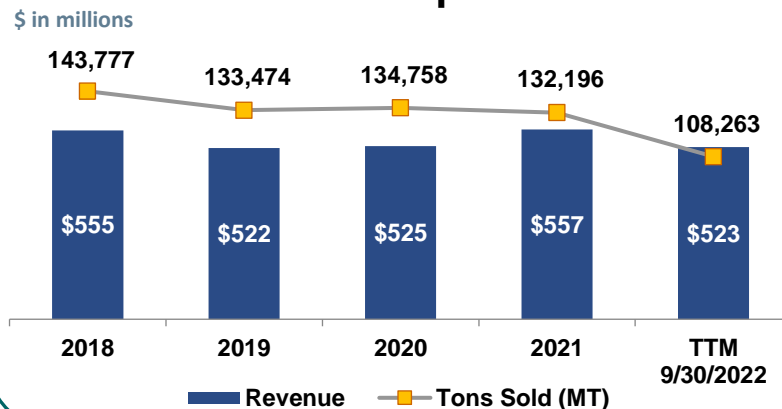
Composite Fibers

Financial Trends

Shipments decline mainly due to Russia/Ukraine conflict and associated sanctions

- Steady growth in coffee and electrical categories including high demand in composite laminates and technical specialties during pandemic
- Wallcover and tea volume in Russia/Ukraine severely impacted by conflict in Q1 2022 and ensuing sanctions
 - Recorded asset and goodwill impairment charge of ~\$121 million in Q1 2022
- Actively pursuing new customers & products to improve asset utilization in Dresden

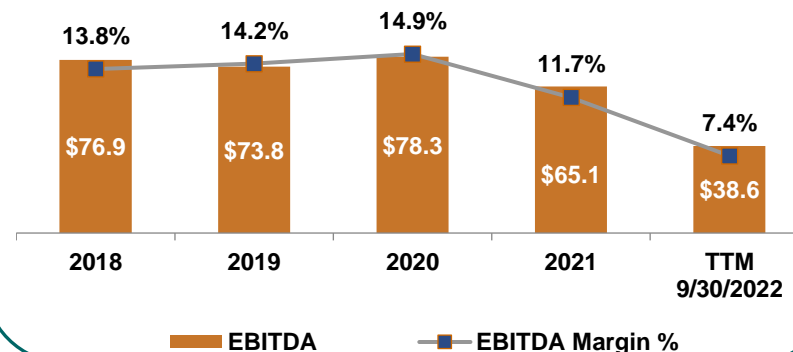
Revenue & Shipment Trend



Profitability impacted by inflation, geopolitical conflict and global supply chain disruptions

- Margin profile steadily improving since 2018; 2021 and 2022 severely impacted by inflationary pressures
- Announced price increases in Q1-21 and Q3-21 and energy surcharges in Q4-21 and 2022 to offset rising input costs (wood pulp, energy and logistics)
- Converted ~55% of revenue to dynamic model by end of Q3 2022
- Focused on returning margin profile to 2020 levels through dynamic pass-through provisions as well as price increases for non-floating customers

EBITDA & EBITDA Margin



Spunlace

Financial Trends

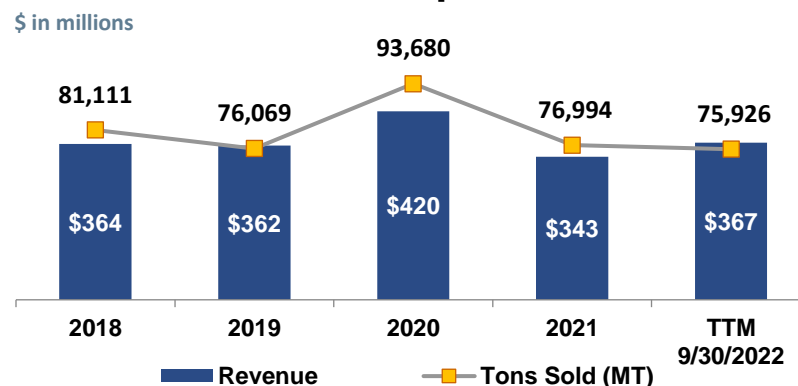
Volume decline due to labor constraints in North American sites and softness in European markets

- Peak revenue in 2020 driven by global surge in demand for nonwoven materials arising from COVID
- 2021 volume softness due to supply chain inventory correction starting in mid-2021
- Applications such as Automotive, Aerospace and Hospital Operating Room recovering after slowdown due to COVID
- Recorded goodwill impairment charge of ~\$43 million in Q3 2022

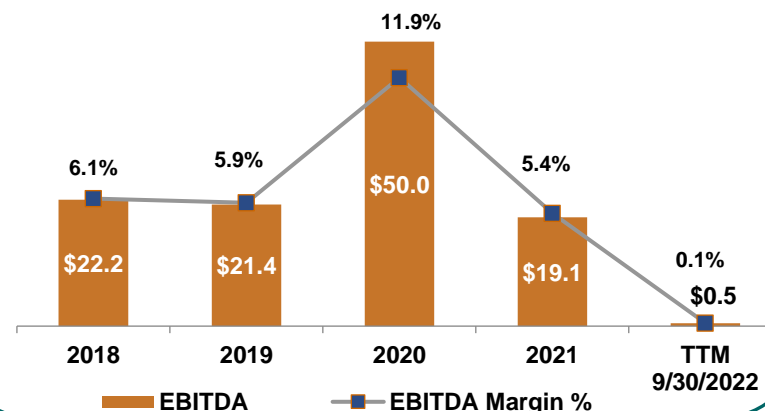
Profitability significantly impacted by inflation, lower shipments and operational inefficiencies

- Pass-through of raw material inflation in place with larger consumers and medical accounts; Majority of Sontara business historically on annual pricing
 - Commercial leadership actively working to increase frequency of pricing updates and reduce cost pass-through lag
- Implemented price increases and temporary energy surcharges in Q4'21 (EMEA only) and 2022 (global) to offset rising input costs
- Enhanced integration efforts to address near term challenges and accelerate profit turnaround
- Key focus areas include improving production capabilities to meet customer demand, particularly in North America, and reducing costs

Revenue & Shipment Trend



EBITDA* & EBITDA Margin



Cash Flow

- **YTD 2022 Adjusted Free Cash Flow from continuing operations ~ \$119 million lower versus last year**

- Adjusted EBITDA lower by ~\$17 million
- Higher working capital usage of ~\$62 million
 - Termination of Spunlace factoring program \$15m,
 - Higher A/R driven by price increases, and
 - Higher inventory due to volume and RM/Energy inflation
- Interest paid increased by ~\$13 million related to acquisition financing in 2021
- Higher taxes paid of ~\$9 million driven by Canadian income and dividend taxes, and one-time taxes related to integration
- Higher capital expenditures of ~\$12 million, including the two recent acquisitions

- **2022 Outlook:**

- Expect capital expenditures to be approximately \$35 to \$40 million, including \$4 to \$5 million for Spunlace integration
- Expect depreciation and amortization expense to be approximately \$66 million

(in millions)	Q3 2021	Q3 2022	YTD'21	YTD'22
Adjusted EBITDA	\$32.1	\$26.3	\$93.9	\$76.6
Change in working capital (*)	3.8	(7.4)	(34.1)	(96.0)
Taxes paid	(2.7)	0.0	(9.8)	(19.1)
Interest paid	(1.8)	(2.0)	(4.7)	(17.9)
Other	5.7	(1.7)	(6.8)	(7.9)
Cash Flow from continuing Operations	\$37.1	\$15.2	\$38.5	(\$64.4)
Less: Capital expenditures	(7.3)	(7.4)	(18.5)	(30.1)
Free Cash Flow	\$29.8	\$7.8	\$20.0	(\$94.4)
Less: Adjustments to Free Cash Flow ⁽¹⁾	5.4	(1.0)	10.5	6.4
Adjusted Free Cash Flow	\$35.2	\$6.8	\$30.4	(\$88.1)

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

- **Q4 2022 Outlook:**

- Expect Q4 2022 EBITDA to be in the range of \$23 million to \$26 million

Notes:

Adjusted EBITDA for all periods presented has been modified to add back share-based compensation consistent with the newly amended credit agreement.

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



Balance Sheet and Liquidity

- Net Leverage, as calculated in accordance with the covenants of our bank credit agreement, increased to 5.7x* at Sept 30, 2022, driven by lower trailing twelve-month earnings
- Compliant with all financial covenants

(in millions)	31-Dec-20	31-Dec-21	30-Sep-22
Cash	\$99.6	\$138.4	\$95.3
Debt			
Current portion of long term debt	25.1	26.4	38.6
Short term debt	-	22.8	10.1
\$500 million 4.75% bond	-	500.0	500.0
Term Loans 1.3% - 2.4% due 2022 - 2025	253.5	239.5	173.0
Revolving credit agreement	36.8	10.0	108.1
Unamortized deferred financing costs	(1.9)	(11.4)	(11.0)
Total Debt	313.5	787.4	818.8
Net Debt	\$213.9	\$648.9	\$723.5
Shareholders' Equity	\$577.9	\$542.8	\$319.7
TTM Adj. EBITDA (**)	125.3	119.6	102.3
Available Liquidity	\$274.8	\$258.0	\$127.1

Notes:

(*) - Debt covenant compliance ratio of 5.7x as of Sept 30, 2022 includes additional add backs permitted under credit agreement (max of 6.75x)

(**) EBITDA calculation modified to add back share-based compensation consistent with the newly amended credit agreement.

The sum of individual amounts set forth above may not agree to the column totals due to rounding.



Turnaround Strategy

Initiatives focused on 6 key areas to drive rapid profit improvement:

- Portfolio Optimization
 - Ongoing review of non-core assets
- Margin improvement
 - Accelerating pricing actions with our customers to address input cost inflation to return segment profitability to pre-covid levels
- Fixed cost reduction
 - Implement SG&A reduction program to yield full year run-rate savings of \$9 million to \$10 million by 2024
 - Evaluating indirect spend for further overhead reduction
- Cash liberation
 - Suspended dividend freeing up ~\$25 million annually in cash flow
 - Aggressively focusing on improving working capital
- Operational effectiveness
 - Internal workstreams in place to improve key KPI's like waste, uptime efficiency, and asset utilization
- Return Spunlace to profitability
 - Prioritized experienced internal operators to address the high cost of production and improve output to meet customer demand
 - Engaged expert external resources to supplement internal team



Sustainability & Innovation Update



Commitment to Sustainability

Long Standing Core Values

Committed to sustainability and being a responsible corporate citizen

- 1 > Integrity
- 2 > Financial Discipline
- 3 > Mutual Respect
- 4 > Customer Focus
- 5 > Environmental Responsibility
- 6 > Social Responsibility

ESG Priorities



Environmental Responsibility

- Innovation and Environmental Responsible Products
- Environmental Impact Management



Social Responsibility

- Occupational Health & Safety
- Diversity, Equity & Inclusion
- Product Safety & Quality
- Community & Employee Engagement



Governance and Ethics

- Corporate Governance
- Ethics and Integrity

EcoVadis Silver Medal Recipient

Innovation Efforts

- **Innovation continues to be a key area of focus for growth and sustainability initiatives:**

Priorities

- Leveraging plant-based inputs that support growing sustainability megatrend
- Developing new materials and applications using extensive and evolving technology platforms
- Accelerating IP protection efforts on new-to-world products and technologies
- Advancing partnerships outside of GLT to bolster joint development and know-how
- Maintaining focus on developing fit-for-purpose products for more price sensitive regions and applications

Recognitions

❖ **Industry Recognition:**

- ❖ IDEA22 Sustainability Advancement Award for Blue Ocean Closures partnership
- ❖ Index 20 Innovation Award for Sontara Dual nonwoven wipes
- ❖ GlatPure™ Backsheet Nominated for Hygienix Innovation Award
- ❖ GlatClean™ Nominated for World of Wipes Innovation Award

❖ **Supplier Recognition:**

- ❖ KDP Continuous Improvement Award and 'Supplier of the Year'
- ❖ Rockline Industries' Innovation Award

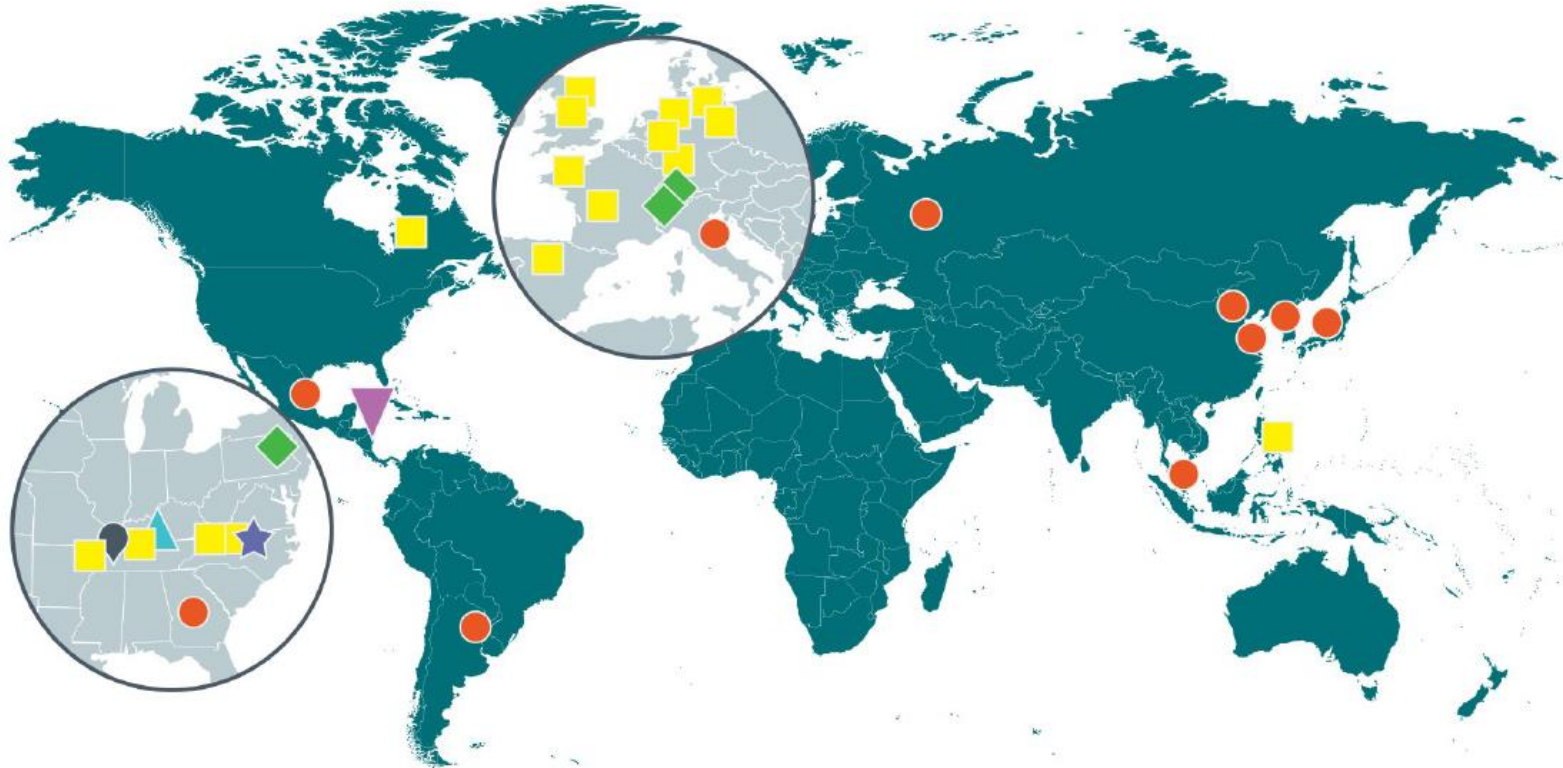
❖ **Certifications:**

- ❖ "Fine to Flush" Certificate for Dispersible Wipes (UK)

Appendix



Glatfelter Locations (~ 3,300 PEOPLE)



Corporate Headquarters
Charlotte, NC



3 Global Centers



10 Sales and Distribution Centers



16 Manufacturing Sites

USA
Fort Smith, AR; Old Hickory, TN;
Mt. Holly, NC; Asheville, NC
Germany
Gernsbach, Falkenhagen, Dresden,
Ober-Schmitten, Steinfurt
Canada
Gatineau, QC

United Kingdom
Lydney, Caerphilly
France
Scaer, Soultz
Spain
Asturias
Philippines
Lanao del Norte



R&D Center
Memphis, TN



Converting Site
Madison, TN



Abaca Processing Site
Costa Rica

Glatfelter Airlaid Materials Sites



Falkenhagen, Germany



~400
employees



3 Airlaid Lines

- Latex-bonded
- Multi-bonded
- 55 – 600 g/sqm

3 Slitters

3 Single-Lane
Festooner
Lines



Fort Smith, Arkansas, USA



~70
employees



1 Airlaid Line

- Thermo-bonded
- Multi-bonded
- 50 – 55 g/sqm (specialized for thin product)



Gatineau, Quebec, Canada



~300
employees



2 Airlaid Lines

- Thermo-bonded
- Multi-bonded
- 50 – 600 g/sqm

2 Single-Lane
Festooner
Lines



Mount Holly, NC, USA



~135
employees



2 Airlaid Lines

- Latex-bonded
- Multi-bonded
- Thermal Bonded
- 45 – 300 g/sqm



Steinfurt, Germany



~200
employees



2 Airlaid Lines

- Latex-bonded
- Multi-bonded
- 50 – 300 g/sqm

3 Slitters

3 Single-Lane
Festooner
Lines



Glatfelter Composite Fibers Sites



Caerphilly, United Kingdom



~60 employees



- 3 Laquering Machines
- 2 Metallizers



Dresden, Germany



~120 employees



- 1 Duplex-Fourdrinier
- 65 – 175 g/sqm
- 3.40 mm
- Synthetic fiber preparation and dosing technologies



Gernsbach, Germany



~600 employees



- 5 Inclined-Wire Machines
- 9 Slitters
- 1 Embossing Calendar
- 8 – 100 g/sam



Lydney, United Kingdom



~270 employees



- 3 Inclined-Wire Machines
- 12.3 – 60 g/sqm
- 2.20 – 4.20 m deckles



Glatfelter Composite Fibers Sites (continued)



Ober-Schmitten, Germany



~170 employees



- 4 Fourdriniers
- 1.50 – 1.70 m for glassine paper
- 1.90 – 2.10 m for capacitor paper



Scaer, France



~120 employees



- 2 Inclined-Wire Machines
- 9 – 60 g/sqm
- 1.60 – 1.80 m deckles



Newtech Pulp - Philippines



~140 employees



- Dedicated Abaca Pulp site
- Produces a variety of specialty pulps for F&B
- Main supplier of GLT Abaca pulp for all production sites



Glatfelter Spunlace Sites



Old Hickory, TN, USA

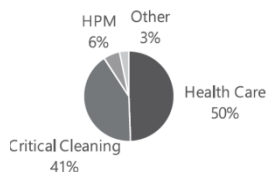


~170 employees



3 Spunlace Lines

- 640m sqm Capacity



Madison, TN, USA



~85 employees



Converting



Asturias, Spain



~110 employees



1 Spunlace Line

- 160m sqm



Soultz, France

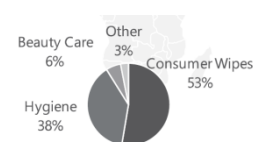


~180 employees



2 Spunlace Lines

- 505m sqm



Ashville, NC, USA



~180 employees



2 Spunlace Lines

- 470m sqm



Reconciliation of Non-GAAP measures

Adjusted EBITDA and Adjusted Operating Income from continuing operations

<i>In millions</i>	Q3 2021	Q3 2022	YTD 2021	YTD 2022
Net Income (loss)	\$ 7.5	\$ (49.5)	\$ 17.3	\$ (159.9)
Adjust: Discontinued ops	0.5	0.2	0.6	(0.1)
Add: Taxes	3.6	4.9	14.8	(8.6)
Add: Depreciation and Amortization	15.7	15.5	44.2	50.5
Add: Net Interest Expense	2.0	8.0	5.3	23.5
EBITDA	\$ 29.4	\$ (20.7)	\$ 82.2	\$ (94.6)
<u>Adjustments / Exclusions:</u>				
Share-based compensation ⁽¹⁾	1.5	(2.4)	4.0	3.1
Gains on Timberland Sales and Transaction Related Costs	(2.2)	-	(4.6)	(3.0)
Cost optimization actions	0.7	-	0.7	0.6
Goodwill and other asset impairment charges	-	42.5	-	159.9
Russia / Ukraine conflict charges	-	-	-	3.9
CEO transition costs	-	4.6	-	1.5
Strategic initiatives	2.8	2.2	11.2	4.7
Corporate headquarters relocation	0.1	0.1	0.4	0.3
Adjusted EBITDA from continuing operations	\$ 32.1	\$ 26.3	\$ 93.9	\$ 76.6
Depreciation and Amortization	(15.7)	(15.5)	(44.2)	(50.1)
Other Expense	0.9	2.2	1.9	4.0
Share-based compensation ⁽¹⁾	(1.5)	(0.7)	(4.0)	(3.1)
Adjusted Operating Income from continuing operations	\$ 15.8	\$ 12.3	\$ 47.7	\$ 27.3

Notes:

(1) - Adjusted EBITDA for all periods presented has been modified to add back share-based compensation consistent with the newly amended credit agreement
The sum of individual amounts set forth above may not agree to the column totals due to rounding



Reconciliation of Non-GAAP measures

Adjusted EPS from continuing operations

<i>In millions</i>	2018	2019	2020	2021	TTM 9/30/2022
Net Income (loss)	\$ (177.6)	\$ (21.5)	\$ 21.3	\$ 6.9	\$ (170.3)
Adjust: Discontinued ops, net of tax	177.2	(3.7)	(0.5)	(0.2)	(1.0)
Income (loss) from continuing operations	(0.4)	(25.2)	20.8	6.7	(171.2)
Adjustments / Exclusions:					
Pension settlement expenses, net	-	75.3	6.2	-	-
Gains on Timberland Sales and Transaction Related Costs	(3.2)	(1.6)	(1.4)	(5.2)	(3.6)
Goodwill and other asset impairment charges	-	-	0.9	-	159.9
Russia / Ukraine conflict charges	-	-	-	-	3.9
CEO transition costs	-	-	-	-	1.5
COVID-19 incremental costs	-	-	2.7	-	-
Debt refinancing fees	-	1.0	-	-	-
Cost optimization actions	0.4	8.6	6.0	0.9	1.1
Restructuring charge - Metallized operations	-	-	11.1	-	-
Strategic initiatives ⁽¹⁾	13.0	1.3	1.6	30.9	24.4
Fox River environmental matter	-	(2.5)	-	-	-
Corporate headquarters relocation	-	-	1.1	0.6	0.5
Income Tax impact and other adjustments	(0.5)	(23.7)	(11.5)	(6.3)	(27.0)
Total adjustments	9.6	58.4	16.6	20.9	160.8
Adjusted income (loss) from continuing operations	9.2	33.2	37.4	27.6	(10.4)
Adjusted EPS for continuing operations	\$ 0.21	\$ 0.75	\$ 0.84	\$ 0.61	\$ (0.23)
<i>Weighted average shares</i>	<i>43,768</i>	<i>44,132</i>	<i>44,614</i>	<i>44,924</i>	<i>45,141</i>

Notes:

(1) - The amount for 2018 includes approximately \$2.9 million of foreign currency gains associated with the financing for the Steinfurt acquisition



Reconciliation of Non-GAAP measures

Adjusted EPS from continuing operations

<i>In millions</i>	Q3 2021	Q3 2022	2021	2022
Net Income (loss)	\$ 7.5	\$ (49.5)	\$ 17.3	\$ (159.9)
Adjust: Discontinued ops, net of tax	0.5	0.2	0.6	(0.1)
Net Income (loss) from continuing operations	8.1	(49.3)	17.9	(160.0)
<u>Adjustments / Exclusions:</u>				
Gains on Timberland Sales and Transaction Related Costs	(2.2)	-	(4.6)	(3.0)
Goodwill and other asset impairment charges	-	42.5	-	159.9
Russia / Ukraine conflict charges	-	-	-	3.9
CEO transition costs	-	1.5	-	1.5
Corporate headquarters relocation	0.1	0.1	0.4	0.3
Cost optimization actions	0.7	-	0.7	0.9
Strategic initiatives	2.8	2.2	11.2	4.7
Income Tax impacts and other adjustments	0.1	(1.4)	0.3	(20.4)
Total adjustments	1.4	44.9	8.0	147.9
Adjusted income from continuing operations	\$ 9.5	\$ (4.3)	\$ 26.0	\$ (12.1)
Adjusted EPS for continuing operations	\$ 0.21	\$ (0.10)	\$ 0.58	\$ (0.27)
<i>Weighted average shares - QTD/YTD</i>	<i>44,939</i>	<i>44,877</i>	<i>44,939</i>	<i>44,877</i>



Reconciliation of Non-GAAP measures

Adjusted EBITDA from continuing operations

<i>In millions</i>	2018	2019	2020	2021	TTM 9/30/2022
Net Income (loss)	\$(177.6)	\$ (21.5)	\$ 21.3	\$ 6.9	\$ (170.3)
Exclude: Income from discontinued operations, net of tax	177.2	(3.7)	(0.5)	(0.2)	(1.0)
Add: Taxes from continuing operations	7.7	(9.2)	11.6	7.0	(16.4)
Add: Depreciation and Amortization	47.5	50.8	56.6	61.4	67.7
Add: Net Interest Expense	15.0	9.3	6.6	12.3	30.5
EBITDA from continuing operations	\$ 69.8	\$ 25.7	\$ 95.6	\$ 87.4	\$ (89.4)
<u>Adjustments / Exclusions:</u>					
Share-based compensation	6.3	3.6	5.7	5.1	1.1
Pension settlement expenses, net	-	75.3	6.2	-	-
Gains on Timberland Sales and Transaction Related Costs	(3.2)	(1.6)	(1.4)	(5.2)	(3.6)
Goodwill and other asset impairment charges	-	-	0.9	-	159.9
Russia / Ukraine conflict charges	-	-	-	-	3.9
Restructuring charge - Metallized operations (net of accelerated depreciation)	-	-	7.2	-	-
CEO transition costs	-	-	-	-	4.6
Cost optimization actions	0.4	8.6	6.0	0.9	0.8
COVID-19 incremental costs	-	-	2.7	-	-
Corporate headquarters relocation (net of asset write off)	-	-	0.9	0.6	0.5
Strategic initiatives ⁽¹⁾	13.0	1.3	1.6	30.9	24.4
Fox River environmental matter	-	(2.5)	-	-	-
Adjusted EBITDA from continuing operations ⁽²⁾	\$ 86.3	\$ 110.3	\$ 125.3	\$ 119.6	\$ 102.3

(1) The amount for 2018 includes approximately \$2.9 million of foreign currency gains associated with the financing for the Steinfurt acquisition

(2) Adjusted EBITDA for all periods presented has been modified to add back share-based compensation consistent with the newly amended credit agreement



Reconciliation of Non-GAAP measures

Adjusted Free Cash Flow from Continuing Operations

In millions	Q3 2021	Q3 2022	YTD'21	YTD'22
Adjusted EBITDA ⁽¹⁾	\$32.1	\$26.3	\$93.9	\$76.6
Change in working capital	3.8	(7.4)	(34.1)	(96.0)
Taxes paid	(2.7)	0.0	(9.8)	(19.1)
Interest paid	(1.8)	(2.0)	(4.7)	(17.9)
Other	5.7	(1.7)	(6.8)	(7.9)
Cash Flow from continuing Operations	\$37.1	\$15.2	\$38.5	(\$64.4)
Less: Capital expenditures	(7.3)	(7.4)	(18.5)	(30.1)
Free Cash Flow	\$29.8	\$7.8	\$20.0	(\$94.4)
Fox River Payments	0.8	0.0	1.6	1.4
Strategic Initiatives	3.6	(1.3)	5.2	1.2
CEO transition costs	0.0	0.3	0.0	0.3
Cost Optimization	1.1	0.0	2.8	1.1
Metallized Restructuring	(0.2)	0.0	1.0	0.0
HQ Relocation	0.1	(0.6)	0.9	(0.3)
Tax payments (refunds) on adjusting items	0.0	0.6	(1.0)	2.6
Less: Adjustments to Free Cash Flow	5.4	(1.0)	10.5	6.4
Adjusted Free Cash Flow	\$35.2	\$6.8	30.4	(\$88.1)

(1) - Adjusted EBITDA for all periods presented has been modified to add back share-based compensation consistent with the newly amended credit agreement
Note: The sum of individual amounts set forth above may not agree to the column totals due to rounding



Reconciliation of Non-GAAP measures

Adjusted EBITDA from continuing operations

<i>In thousands</i>	Q3 2021	Q2 2022	Q3 2022
Composite Fibers Operating Profit	\$5,812	\$5,779	\$6,636
Addback: Depreciation & Amortization	6,904	4,823	3,960
Composite Fibers EBITDA	<u>\$12,717</u>	<u>\$10,602</u>	<u>\$10,611</u>
Airlaid Materials Operating Profit	\$14,742	\$11,944	\$16,553
Addback: Depreciation & Amortization	7,763	7,563	7,400
Airlaid Materials EBITDA	<u>\$22,505</u>	<u>\$19,507</u>	<u>\$23,968</u>
Spunlace Operating Loss	-	(\$1,808)	(\$4,671)
Addback: Depreciation & Amortization	-	2,952	2,954
Spunlace EBITDA	<u>\$-</u>	<u>\$1,143</u>	<u>(\$1,716)</u>

