



G L A T F E L T E R

2019 Third Quarter Earnings Conference Call

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NYSE: GLT

Forward Looking Statements and Use of Non-GAAP Financial Measures

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

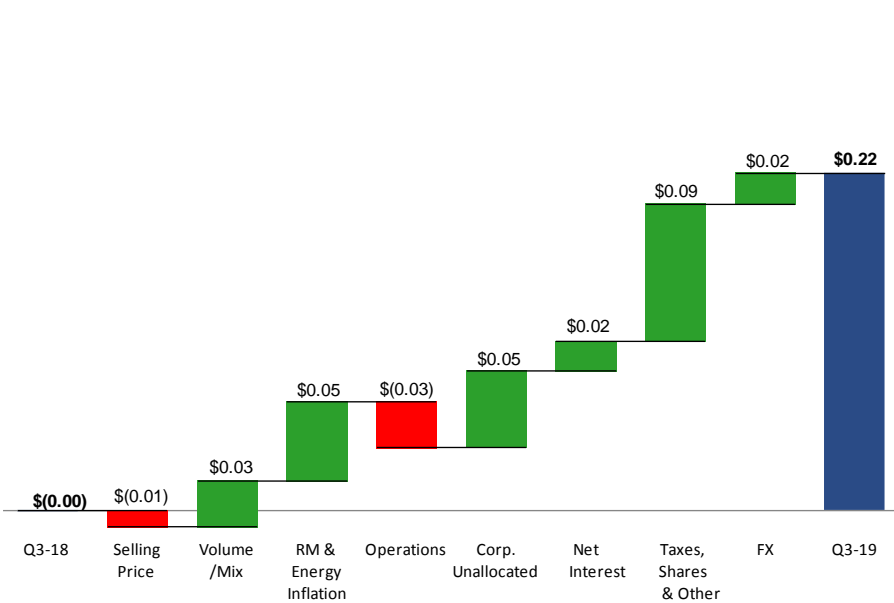
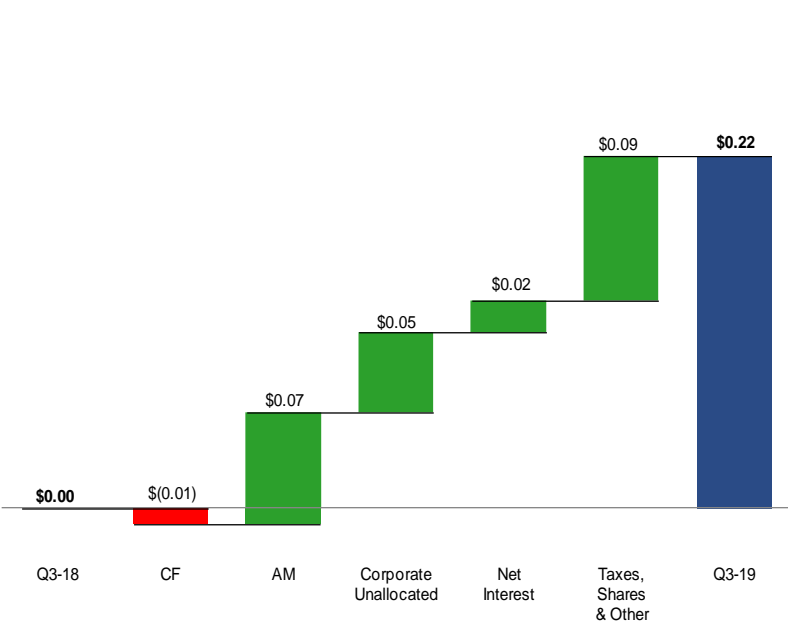


Highlights

- **Generated Adjusted EPS of \$0.22 and Adjusted EBITDA of \$28 million**
 - EPS – in line with expectations with additional benefit from tax
- **Record quarter for Airlaid business with revenue up 51% in constant currency**
 - Organic revenue growth of 14% in constant currency, reflecting continued progress with new business in North America
 - On track to deliver previously communicated growth in legacy volume and Steinfurt acquisition operating profit
- **Composite Fibers shipping revenue down 4% in constant currency**
 - Continued to be impacted by market pressure and weak demand in wallcover and metalized
- **Corporate costs reduced by \$4.2 million versus Q3 2018**
- **Cash flow from continuing operations is \$31.8 million higher versus first nine months of 2018**
- **Net leverage dropped to 2.9x driven by higher earnings and lower net debt**
- **Completed transition services for Specialty Papers business in July 2019**
- **Announced the addition of Senior Vice President, Global Supply Chain to complete the transition of Senior Executive Team from a business unit operating model to a functional operating model**



Adjusted EPS – Q3 2019 vs. Q3 2018



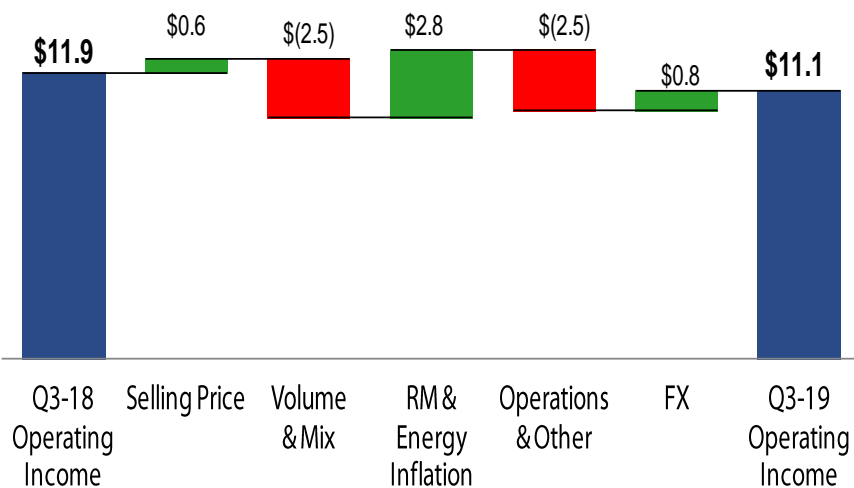
On a GAAP basis, net income from continuing operations for Q3 2019 was \$8.6 million or \$0.19 per share compared to net loss of \$0.7 million or \$(0.02) per share in Q3 2018



Composite Fibers Q3 2019 Highlights

Dollars in Thousands

	Q3 2018	Q2 2019	Q3 2019
Tons shipped (MT)	37,421	34,523	33,394
Net sales	\$139,176	\$132,581	\$127,704
Operating income	\$11,859	\$12,985	\$11,128
EBITDA	\$18,921	\$19,586	\$17,573
EBITDA margin	13.6%	14.8%	13.8%



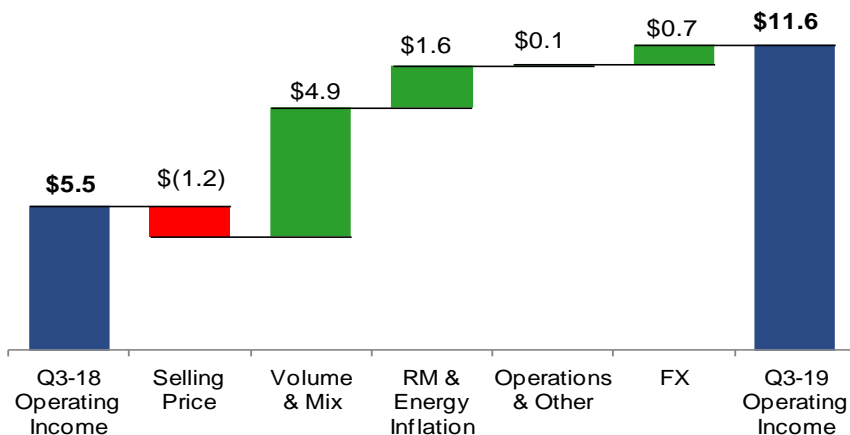
- **Revenue down 4% versus Q3 2018 on constant currency**
 - Volume down 11%
 - Metalized products down 20%
 - Wallcover down 17%
 - Composite Laminates down 10%
 - Selling prices increased \$0.6 million versus Q3 2018
- **Raw material and energy costs favorable \$2.8 million versus Q3 2018**
- **Operations unfavorable \$2.5 million versus Q3 2018**
 - \$1.3 million related to additional machine downtime to manage inventory levels to demand
 - \$1.2 million related to inflation and higher operating costs
- **Fx favorable \$0.8 million versus Q3 2018 due to favorable hedges**
- **Outlook (Q4 2019 versus Q3 2019)**
 - Shipping volumes expected to be in-line with Q3 2019
 - Selling prices expected to be in-line
 - Raw material prices are expected to be in-line as pulp price benefit is offset by higher abaca fiber costs
 - Expect additional market related downtime of \$1.0 million



Airlaid Materials Q3 2019 Highlights

Dollars in Thousands

	Q3 2018	Q2 2019	Q3 2019
Tons shipped (MT)	24,032	34,041	35,907
Net sales	\$70,679	\$102,472	\$104,811
Operating income	\$5,524	\$10,362	\$11,595
EBITDA	\$8,915	\$15,640	\$16,882
EBITDA margin	12.6%	15.3%	16.1%



- **Record quarter with revenue up 51% versus Q3 2018 on constant currency**
 - Excluding Steinfurt, shipping volume up 16% and net sales up 14% on constant currency basis
 - Table top up 143%
 - Wipes up 36%
 - Hygiene products up 7%
- **Lower selling prices reflect the contractual pass through of lower raw material prices**
- **Operating profit improved \$6.1 million versus Q3 2018**
 - \$3.1 million from Steinfurt acquisition
- **Outlook (Q4 2019 versus Q3 2019)**
 - Shipments expected to be approximately 3% to 5% lower, but fully offset by operational efficiencies
 - Selling prices are expected to decline slightly
 - Raw material prices are expected to be slightly lower
- **Outlook 2019**
 - Legacy volumes at or above the top end of our previously announced 8%-10% range
 - Expect Steinfurt operating profit at the higher end of our previously announced \$7 to \$9 million range with D&A of \$7 million



Corporate Costs and Other Financial items

Details of Other and Unallocated

The following sets forth details of 'Other and Unallocated' amounts presented in the Company's Business Segment Financial Information included in total operating income in the earnings release.

(in millions)	Q3 2018	Q3 2019	YTD'18	YTD'19
Timberland sales and related costs	\$0.2	\$0.2	\$1.9	\$1.1
Strategic initiatives	(\$1.6)	-	(\$3.8)	(\$0.2)
Airlaid capacity expansion	(\$0.9)	-	(\$5.6)	(\$1.0)
Cost optimization actions	-	(\$1.7)	-	(\$7.6)
Fox River environmental matter	-	-	-	\$2.5
Special items excluded from adjusted earnings	(\$2.2)	(\$1.5)	(\$7.5)	(\$5.3)
Corporate costs*	(\$10.9)	(\$6.7)	(\$33.3)	(\$20.8)
Total corporate costs & other financial items	(\$13.1)	(\$8.2)	(\$40.8)	(\$26.1)

- **Corporate costs lower than Q3 2018 by \$4.2 million**
- **Corporate costs reduction exceeds 2019 targets**
 - Continue to rightsize corporate shared services
 - Completed transition services for the Specialty Papers business in July
 - Corporate costs estimated to be approximately \$7 million in Q4 2019
 - Corporate costs estimated to be \$28 to \$30 million in 2020
- **Qualified pension plan terminated effective June 30, 2019**
 - Eliminates long term risks
 - Reverts cash from overfunded pension
 - Replaced defined benefit plan with an enhanced defined contribution plan
 - 2019 post-retirement costs are not expected to change materially

Notes: * Corporate costs are primarily comprised of legal fees, professional services fees and employee costs. The sum of individual amounts set forth above may not agree to the column totals due to rounding.



Cash flow

- **Cash flow from continuing operations higher by \$27.2 million in Q3 2019 and by \$31.8 million for the first nine months of the year versus prior year periods**
 - Fox River liability settlement of \$20.5 million paid in Jan 2019
- **Capital expenditures in Q3 2019 were \$1.2 million higher than Q3 2018**
- **Expect total capital expenditures to be \$23 to \$28 million in 2019**
- **Depreciation and amortization expense for 2019 estimated to be \$52 million**
- **Tax rate for 2019 estimated to be approximately 34%**

(in millions)	Q3'18	Q3'19	YTD'18	YTD'19
Adjusted EBITDA	\$17.4	\$27.6	\$60.1	\$81.2
Change in working capital (*)	(10.7)	5.5	(52.8)	(34.5)
Taxes paid	(4.2)	(3.6)	(11.0)	(10.7)
Interest paid	(0.3)	(1.5)	(7.2)	(9.2)
Other (includes Fox River)	5.5	6.9	(5.4)	(11.1)
Cash Flow from continuing Operations	7.7	34.9	(16.2)	15.6
Less: Capital expenditures	(6.2)	(7.4)	(32.2)	(18.0)
Free Cash Flow	1.4	27.5	(48.4)	(2.4)
Adjustment for major capital projects	0.1	0.0	12.7	0.0
Adjusted Free Cash Flow	\$1.6	\$27.5	(\$35.6)	(\$2.4)

Notes:
 (*) - Working capital is defined as accounts receivable plus inventories less accounts payable.
 The sum of individual amounts set forth above may not agree to the column totals due to rounding.



Balance Sheet and Liquidity

- Renewed 5-year revolving credit facility
- Redeemed 5³/₈% Notes in February 2019, and replaced with a term loan which will reduce interest expense by \$7 million in 2019
- Swapped €180 million of floating rate term loan to fixed on October 1st 2019
 - Interest rate locked in at 4 bps over applicable margin (currently 1.50%)
- Paid \$20.5 million in January 2019 related to Fox River settlement
- Leverage drops to 2.9x driven by both improved earnings and lower net debt
 - Liquidity based on leverage covenant of 4.5x which drops to 4.0x at December 31, 2019
- Expect liquidity to continue to improve in Q4 2019
 - Earnings growth from segments
 - Reduction in corporate shared services costs
 - Lower capital expenditures

(in millions)	31-Dec-18	30-Jun-19	30-Sep-19
Cash	\$142.7	\$58.9	\$57.0
Debt			
Current portion of long term debt	10.8	23.2	22.2
5 ³ / ₈ % Notes, due October 2020	250.0	-	-
Term Loans 1.3% - 2.4% due 2022 - 2025	37.7	270.0	252.8
Revolving credit agreement	114.5	94.5	79.5
Unamortized deferred financing costs	(1.3)	(2.7)	(2.5)
Total Debt	\$411.7	\$385.0	\$352.0
Net Debt	\$269.1	\$326.1	\$295.0
Shareholders' Equity	\$538.9	\$543.1	\$538.8
TTM Adj. EBITDA	\$88.6	\$92.2	\$101.1
Net Leverage*	3.0	3.5	2.9
Available Liquidity	\$152.9	\$99.3	\$173.3

Notes: (*) -For leverage calculation, "31-Dec-18" column includes full year of Steinfurt financials for TTM EBITDA calculation, "30-Jun-19" column includes add back of Q3 2018 Steinfurt financial for TTM EBITDA calculation

The above calculation is not intended to be used for purposes of calculating debt covenant compliance.

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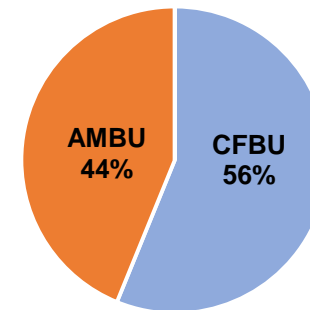
2019 Profit Drivers

- **Airlaid Materials**
 - Expect legacy volumes to grow 10% or higher
 - Expect Steinfurt acquisition operating profit to be at the high end of the previously announced \$7 to \$9 million range
- **Composite Fibers**
 - Focus on operational excellence and productivity
 - Reduced headcount and continued focus on cost control
- Achieve cost reduction of \$14 to \$16 million by the end of 2020
- Reduced interest expense by \$7 million versus 2018

Financial Highlights

(TTM 9/30/19)

Sales: \$926 million



Adjusted EBITDA

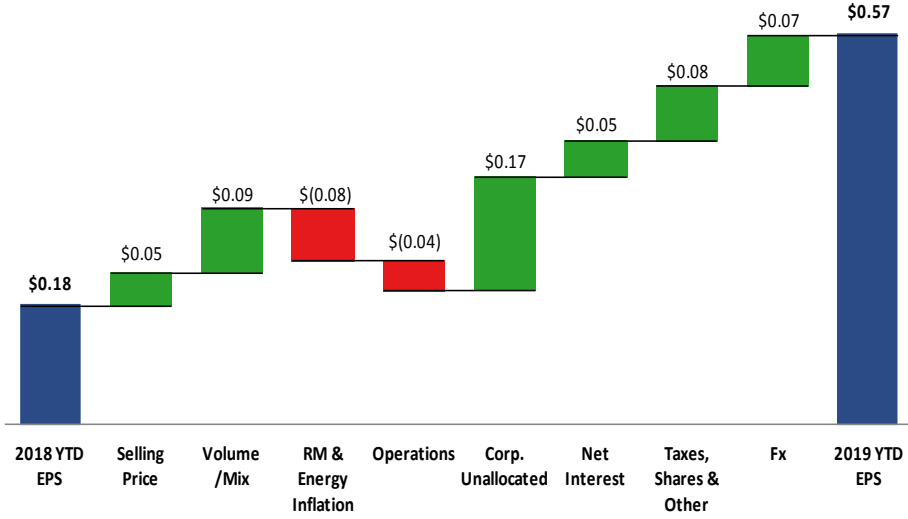
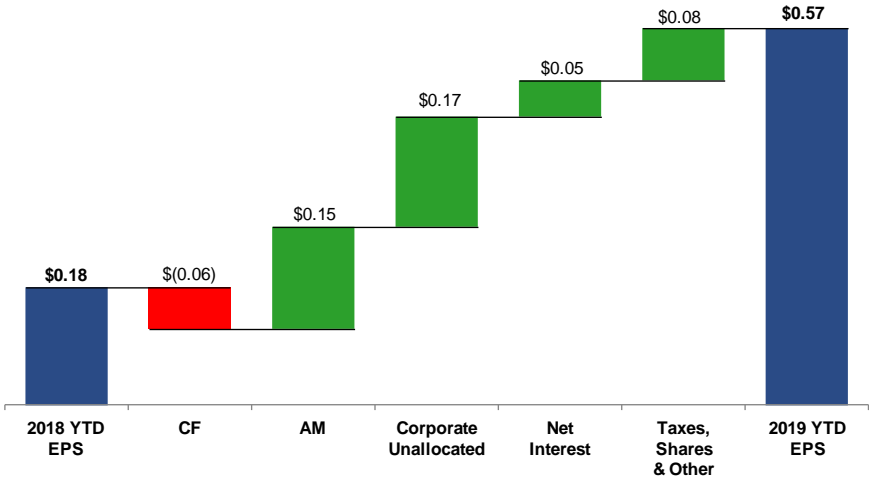
\$101.1 million

10.9%

Appendix



Adjusted EPS – YTD 2019 vs. YTD 2018



On a GAAP basis, net income from continuing operations for YTD 2019 was \$19.5 million or \$0.44 per share compared to net income of \$2.8 million or \$0.06 per share YTD 2018



Effective Tax Rate

- Estimated tax rate for 2019 of approximately 34% on adjusted earnings
 - Glatfelter utilizing NOL's in U.S.
 - When using NOL's cannot take 50% deduction or use foreign tax credits to reduce GILTI
- Drivers of tax rate
 - U.S. tax on foreign earnings (Global Intangible Low Taxed Income – GILTI)
 - Glatfelter currently generating a loss in U.S. and cannot recognize tax benefit
- Expect tax rate to begin to improve in 2020 as NOL's are fully utilized and U.S. earnings improve
 - Estimated tax rate for 2020 of approximately 35%
 - Estimated tax rate for 2021 of approximately 30%



Capital Expenditures

Capital Expenditures Estimate

(in millions)	2017A	2018A	2019E
Normal Capital Expenditures	\$35	\$29	\$23 - \$28
Major Projects			
Capacity expansion (AMBU)	\$46	\$13	\$0
Total	\$81	\$42	\$23 - \$28

- **Expect total capital expenditures to be \$23 to \$28 million in 2019**
- **Depreciation and amortization expense for 2019 estimated to be \$52 million**
- **Airlaid Materials capacity expansion project completed in 2018**
 - Commercial shipments started in Q1'18

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



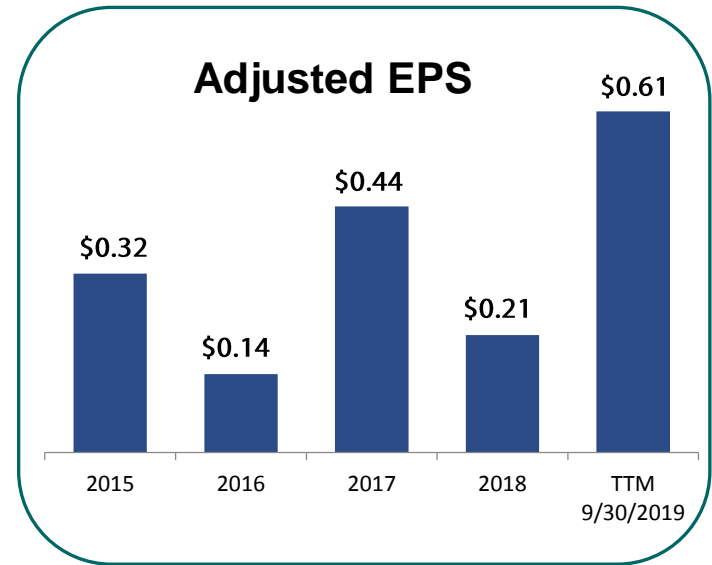
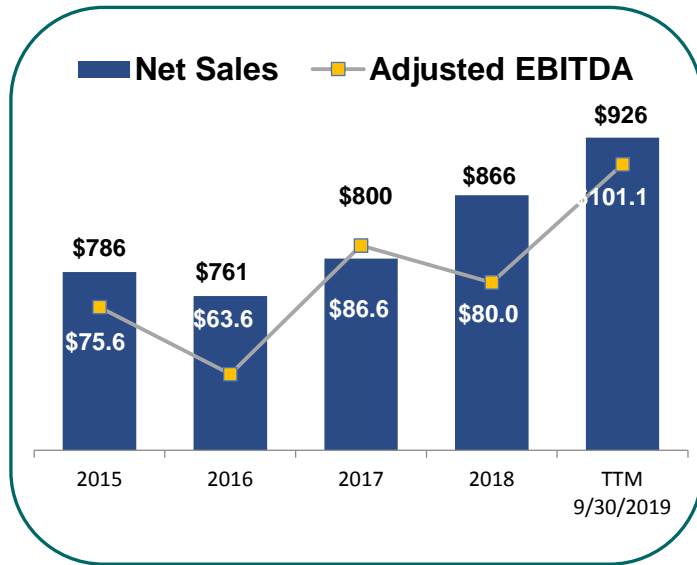
Financial Overview

(in millions)	Q3'18	Q3'19
Net Sales	\$209.9	\$232.5
Adjusted operating income	\$6.5	\$16.0
Adjusted EBITDA	\$17.4	\$27.6
Free Cash Flow	\$1.4	\$27.5
Adjusted Free Cash Flow	\$1.6	\$27.5

(in millions)	Dec 31 2018	Sep 30 2019
Net Debt	\$269.1	\$295.0
Cash	\$142.7	\$57.0



Earnings Trends

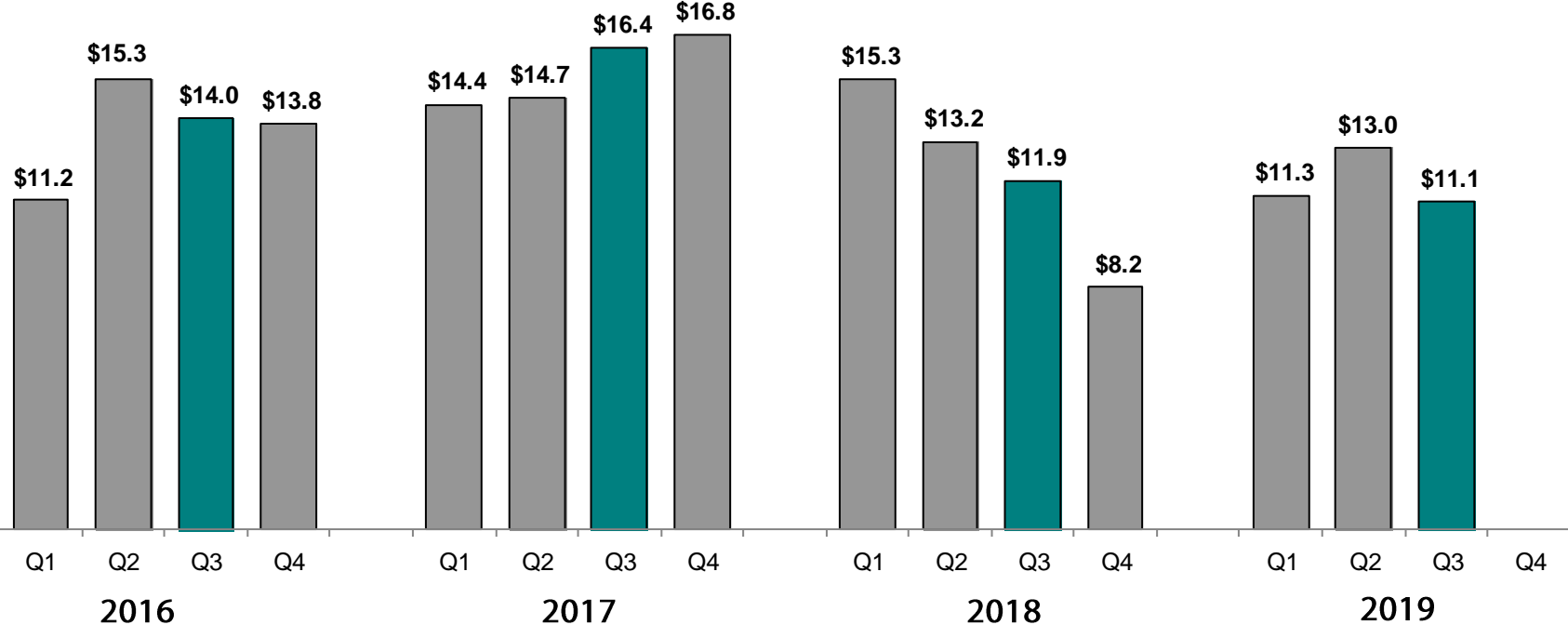


Note: Results are from continuing operations with an assumed tax rate of 40% for 2015 – 2017 ; Net sales and Adjusted EBITDA in millions



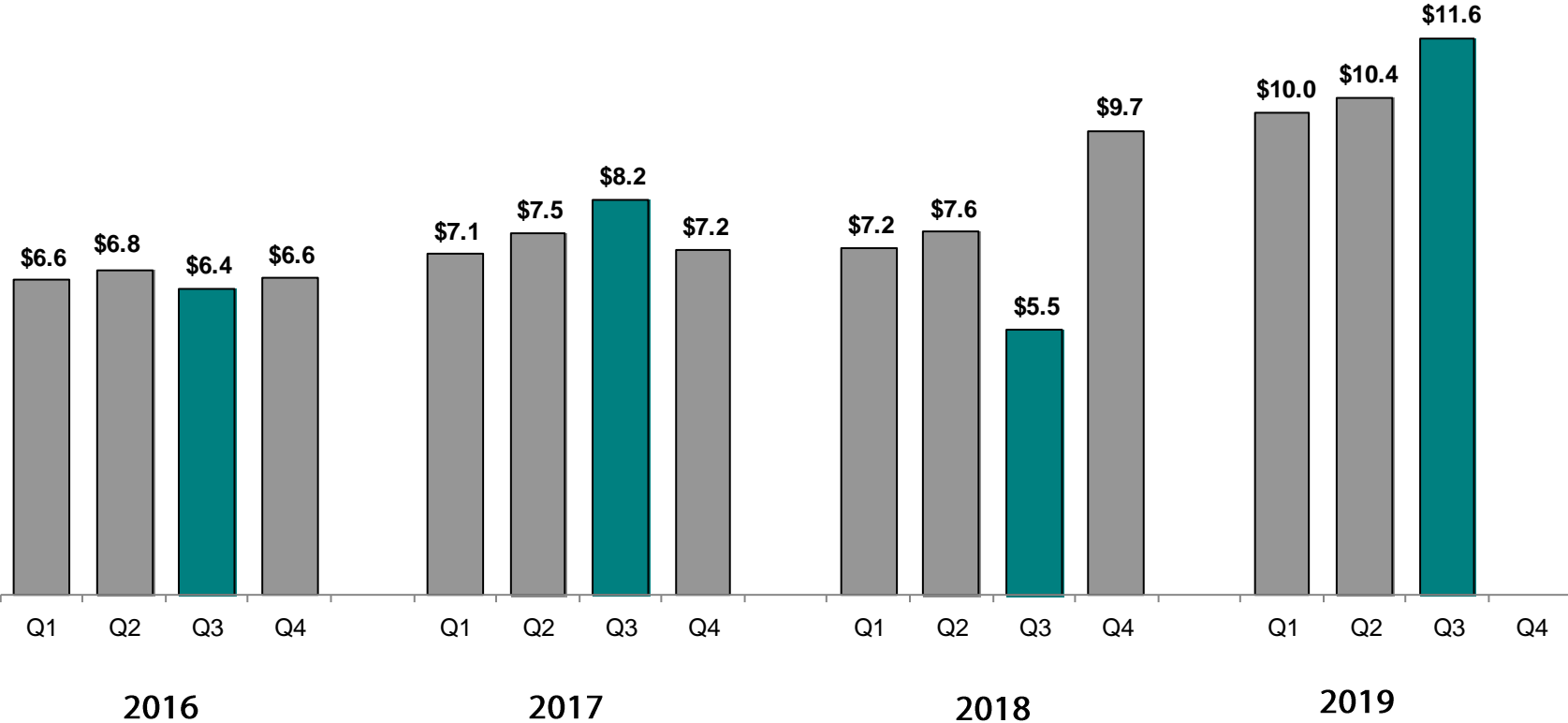
Composite Fibers Operating Income

\$'s in millions



Airlaid Materials Operating Income

\$'s in millions



Reconciliation of Non-GAAP measures

Adjusted EBITDA and Adjusted Operating Income from continuing operations

<i>In millions</i>	Q3 2018	Q3 2019	YTD 2018	YTD 2019
Net Income (Loss)	\$ (95.8)	\$ 12.2	\$ (97.5)	\$ 23.3
Adjust: Discontinued ops	95.1	(3.6)	100.4	(3.8)
Add: Taxes	3.5	3.1	7.0	10.7
Add: Depreciation and Amortization	11.5	12.6	34.7	38.1
Add: Net Interest Expense	3.8	1.7	11.0	7.6
EBITDA	\$ 18.1	\$ 26.1	\$ 55.6	\$ 75.9
<u>Adjustments / Exclusions:</u>				
Gains on Timberland Sales and Transaction Related Costs	(0.2)	(0.2)	(1.9)	(1.1)
Airlaid Capacity Expansion	0.9	-	5.6	1.0
Cost optimization actions	-	1.7	(0.0)	7.6
Costs related to strategic initiatives ⁽¹⁾	(1.3)	0.0	0.9	0.2
Fox River environmental matter	-	-	-	(2.5)
Adjusted EBITDA from continuing operations	\$ 17.4	\$ 27.6	\$ 60.1	\$ 81.2
Depreciation and Amortization	(11.5)	(12.6)	(34.7)	(38.1)
Other (Income)/Expense	0.7	1.0	1.8	3.5
Adjusted Operating Income from continuing operations	\$ 6.5	\$ 16.0	\$ 27.2	\$ 46.6

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

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



Reconciliation of Non-GAAP measures

Adjusted EBITDA from continuing operations

<i>In millions</i>	2015	2016	2017	2018	TTM 9/30/2019
Net Income (Loss)	\$ 64.6	\$ 21.6	\$ 7.9	\$(177.6)	\$ (56.8)
Adjust: Discontinued ops	(34.2)	(35.7)	(13.5)	177.2	73.0
Add: Taxes from continuing operations	0.2	(28.4)	25.1	7.7	11.3
Add: Depreciation and Amortization	37.3	39.5	42.1	47.5	50.9
Add: Net Interest Expense	14.8	13.6	13.1	15.0	11.6
EBITDA from continuing operations	\$ 82.7	\$ 10.6	\$ 74.6	\$ 69.8	\$ 90.1
<u>Adjustments / Exclusions:</u>					
Pension settlement charge	-	7.3	-	-	-
Gains on Timberland Sales and Transaction Related Costs	(20.9)	-	(0.2)	(3.2)	(2.4)
Asset impairment charge	1.2	-	-	-	-
Airlaid Capacity Expansion	0.0	2.7	10.9	7.1	2.5
Cost optimization actions (net of asset write off)	2.3	3.1	1.3	0.4	8.1
Costs related to strategic initiatives ⁽¹⁾	0.2	-	-	5.9	5.3
Fox River environmental matter	10.0	40.0	-	-	(2.5)
Adjusted EBITDA from continuing operations	\$ 75.6	\$ 63.6	\$ 86.6	\$ 80.0	\$ 101.1

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

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



Reconciliation of Non-GAAP measures

Adjusted EBITDA used for leverage calculation

<i>In millions</i>	2018	Pro forma TTM 6/30/2019	Pro forma TTM 9/30/2019
Net Loss	\$ (177.6)	\$ (164.8)	\$ (56.8)
Adjust: Discontinued ops	177.2	171.7	73.0
Add: Taxes from continuing operations	7.7	11.7	11.3
Add: Depreciation and Amortization	47.5	49.8	50.9
Add: Net Interest Expense	15.0	13.7	11.6
EBITDA	\$ 69.8	\$ 82.1	\$ 90.1
EBITDA from Steinfurt operations	8.6	1.3	-
<u>Adjustments / Exclusions:</u>			
Gains on Timberland Sales and Transaction Related Costs	(3.2)	(2.4)	(2.4)
Airlaid Capacity Expansion	7.1	3.4	2.5
Cost optimization actions (net of asset write off)	0.4	6.3	8.1
Costs related to strategic initiatives ⁽¹⁾	5.9	4.0	5.3
Fox River environmental matter	-	(2.5)	(2.5)
Adjusted EBITDA	\$ 88.6 (*)	\$ 92.2 (*)	\$ 101.1

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

Notes: (*) -For leverage calculation, EBITDA includes applicable Steinfurt financials add back; 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>	2015	2016	2017	2018	TTM 9/30/2019
Net Income (Loss)	\$ 64.6	\$ 21.6	\$ 7.9	\$ (177.6)	\$ (56.8)
Adjust: Discontinued ops, net of tax	(34.2)	(35.7)	(13.5)	177.2	73.0
Income (loss) from continuing operations	30.4	(14.2)	(5.6)	(0.4)	16.2
<u>Adjustments / Exclusions:</u>					
Pension settlement charge	-	7.3	-	-	-
Gains on Timberland Sales and Transaction Related Costs	(20.9)	-	(0.2)	(3.2)	(2.4)
Asset impairment charge	1.2	-	-	-	-
Airlaid Capacity Expansion	0.0	2.7	10.9	7.1	2.5
Debt refinancing fees	-	-	-	-	1.0
Cost optimization actions	2.3	3.1	2.6	0.4	8.1
Costs related to strategic initiatives ⁽¹⁾	0.2	-	-	5.9	5.3
Fox River environmental matter	10.0	40.0	-	-	(2.5)
Income Tax impact on adjustments	1.3	(19.4)	18.8	(0.5)	(1.3)
Total adjustments	(5.8)	33.6	32.0	9.6	10.7
Adjusted income from continuing operations	24.6	19.4	26.4	9.2	26.9
Normalizing tax rate to 40% provision (2015 - 2017)	10.4	13.1	6.8	-	-
Adjusted earnings for continuing operations	\$ 14.1	\$ 6.4	\$ 19.6	\$ 9.2	\$ 26.9
Adjusted EPS for continuing operations	\$ 0.32	\$ 0.14	\$ 0.44	\$ 0.21	\$ 0.61
<i>Weighted average shares</i>	43,942	44,129	44,439	43,768	44,430

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

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



Reconciliation of Non-GAAP measures

Adjusted EPS from continuing operations

<i>In millions</i>	Q3'18	Q3'19
Net Income (Loss)	\$ (95.8)	\$ 12.2
Adjust: Discontinued ops, net of tax	95.1	(3.6)
Income (loss) from continuing operations	(0.7)	8.6
<u>Adjustments / Exclusions:</u>		
Gains on Timberland Sales and Transaction Related Costs	(0.2)	(0.2)
Airlaid Capacity Expansion	0.9	-
Cost optimization actions	-	1.7
Costs related to strategic initiatives ⁽¹⁾	(1.3)	0.0
Income Tax impact on adjustments	1.2	(0.4)
Total adjustments	0.5	1.1
Adjusted income (loss) from continuing operations	\$ (0.2)	\$ 9.7
Adjusted EPS for continuing operations	\$ (0.00)	\$ 0.22
<i>Weighted average shares - QTD</i>	43,792	44,442

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

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Reconciliation of Non-GAAP measures

Adjusted EBITDA from continuing operations

<i>In thousands</i>	Q3'18	Q2'19	Q3'19
Composite Fibers Operating Profit	\$11,859	\$12,985	\$11,128
Addback: Depreciation & Amortization	7,062	6,602	6,445
Composite Fibers EBITDA	<u>\$18,921</u>	<u>\$19,586</u>	<u>\$17,573</u>
Airlaid Materials Operating Profit	\$5,524	\$10,362	\$11,595
Addback: Depreciation & Amortization	3,391	5,278	5,287
Airlaid Materials EBITDA	<u>\$8,915</u>	<u>\$15,640</u>	<u>\$16,882</u>

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



Reconciliation of Non-GAAP measures

Net Debt and Leverage

Net debt & Leverage	December 31	June 30	September 30
<i>In millions</i>	2018	2019	2019
Current Portion of Long-Term Debt	\$10.8	\$23.2	\$22.2
Long-Term Debt	401.0	361.8	329.8
Total Debt	411.7	385.0	352.0
Less: Cash	(142.7)	(58.9)	(57.0)
Net Debt	\$269.1	\$326.1	\$295.0
Net Debt	\$269.1	\$326.1	\$295.0
Divided by: TTM Adjusted EBITDA	88.6	92.2	101.1
Net Leverage*	3.0x	3.5x	2.9x

Notes: (*) -For leverage calculation, "December 31 2018" column includes full year of Steinfurt financials for TTM EBITDA calculation, "June 30 2019" column includes add back of Q3 2018 Steinfurt financial for TTM EBITDA calculation

The above calculation is not intended to be used for purposes of calculating debt covenant compliance.

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

