



G L A T F E L T E R

Jefferies Industrials Conference

August 7, 2019

NYSE: GLT

Dante Parrini, Chairman & CEO

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” and similar expressions to identify forward-looking statements. Any such statements are based on management’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 including, but not limited to: changes in industry, business, market, political and economic conditions in the U.S. and other countries in which the Company does business, demand for or pricing of its products, changes in tax legislation, governmental laws, regulations and policies, initiatives of regulatory authorities, technological changes and innovations, market growth rates, and cost reduction initiatives. 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 Glatfelter 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. More information about these factors is contained in Glatfelter’s filings with the U.S. Securities and Exchange Commission, which are available at www.glatfelter.com.

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.



Agenda

- Investment Highlights & Company Evolution
- Business Overview:
 - Airlaid Materials
 - Composite Fibers
- Cash Flow, Balance Sheet & Liquidity
- 2019 Growth & Profit Drivers



Investment Highlights

Leading Positions in Growing Markets

- Global engineered materials company serving attractive markets growing at GDP / GDP+ levels
- #1 market share in feminine hygiene, adult incontinence, table top, tea bags, single-serve coffee, and wallcover

Strong Engineering & Innovation Capabilities

- Deep knowledge of materials, manufacturing technology, and product performance
- Delivering customized solutions and innovative products to key strategic customers

Operational Excellence & Continuous Improvement

- Robust Continuous Improvement program focused on minimizing waste and maximizing uptime
- Corporate costs to be reduced by \$14 - \$16 million by end of 2020 (vs. 2018)

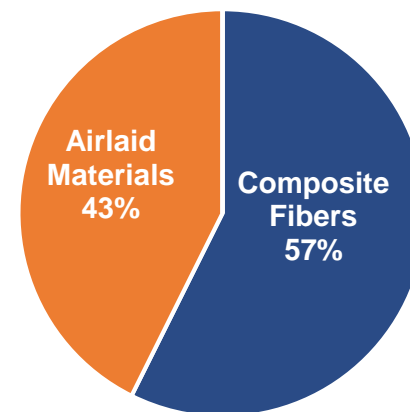
Improving Cash Flow and Balance Sheet

- More stable cash flows and strong balance sheet to fund attractive dividend and growth opportunities
- Less capital intensity post divestiture of Specialty Papers & recently resolved Fox River environmental matter

Financial Profile

(Proforma TTM 6/30/19)

Sales: \$927 million

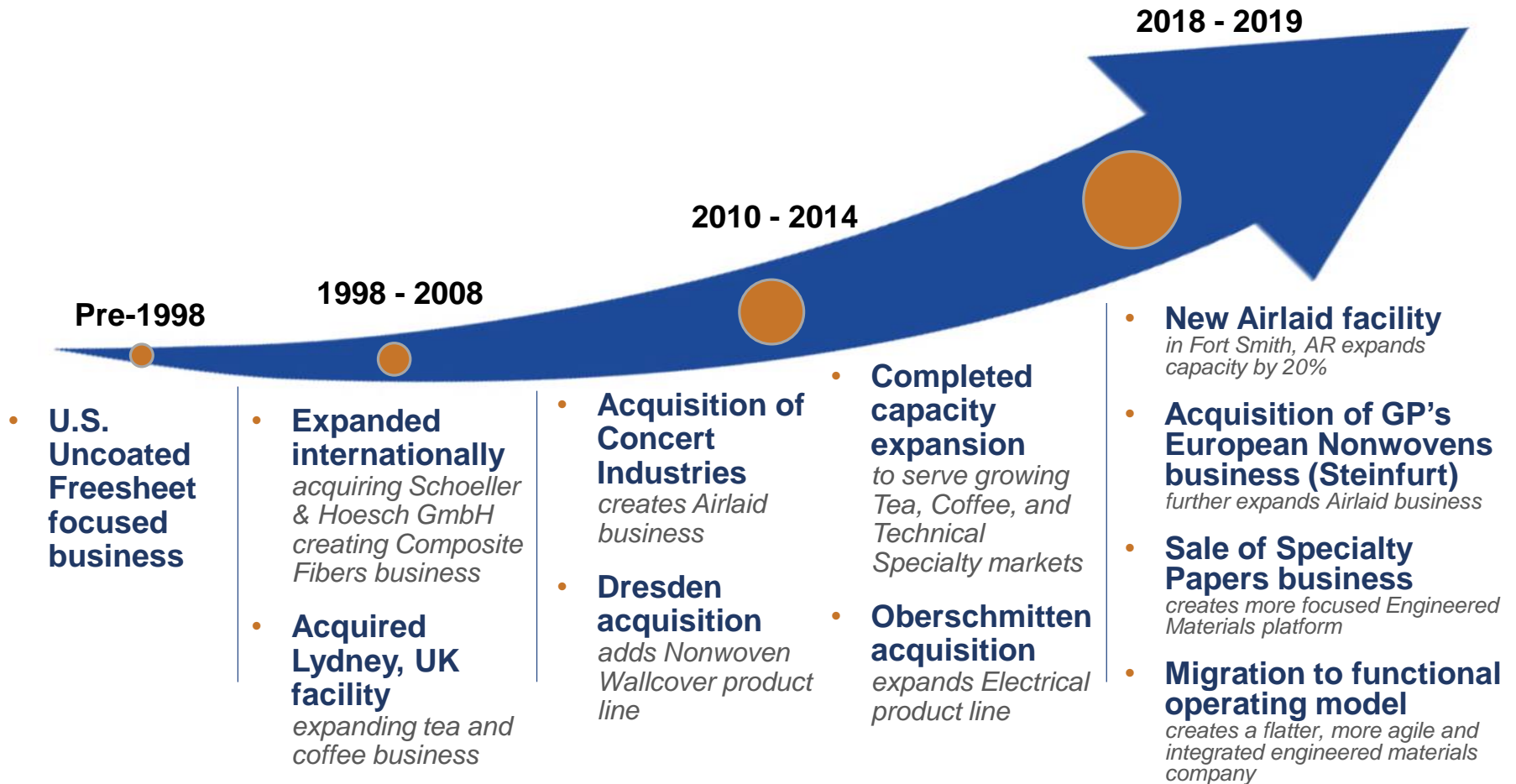


Adjusted EBITDA

\$92.2 million

10.0%

Evolution of the New Glatfelter



About Airlaid Materials

Key Performance Characteristics

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

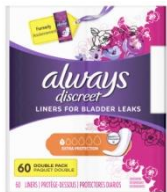
Primary Applications

- Absorbent core for fem-care and adult incontinence products*
- Moist wipes for consumer applications*
- Disposable table top products*
- Absorbent food pads*

Primary Inputs

- Fluff pulp*
- Synthetic fibers*
- Super absorbent polymers*
- Latex*

Applications



Blue Chip Customers



Procter & Gamble



ROCKLINE INDUSTRIES



Johnson + Johnson



Kimberly-Clark



First Quality



Leading Positions Across Airlaid Portfolio

Key Success Factors

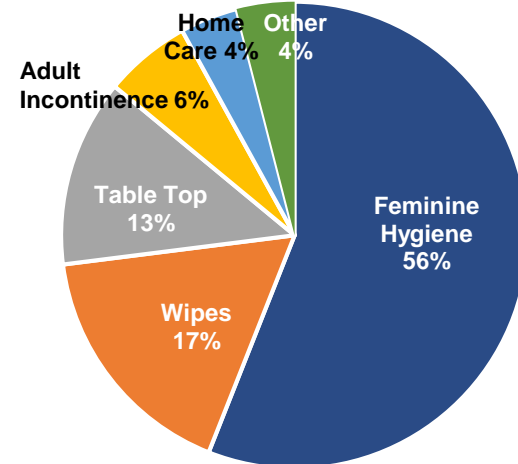
- Increased consumer focus on health & wellness, convenience and an aging population driving attractive long term growth opportunities
- Markets growing at GDP / GDP+ rates:
 - Feminine Hygiene ~2%
 - Wipes ~4%
 - Table Top ~4%
 - Adult Incontinence ~6%
- Acknowledged industry leader with economies of scale, global manufacturing footprint and diversified product portfolio
- Innovation and product development partner with “Blue Chip” customers

(*) - Pro-forma Sales mix including Steinfurt

Airlaid Market Positions

Feminine Hygiene	#1
Adult Incontinence	#1
Table Top	#1
Wipes	#2

Sales Mix (*)



Airlaid Materials

Financial Trends

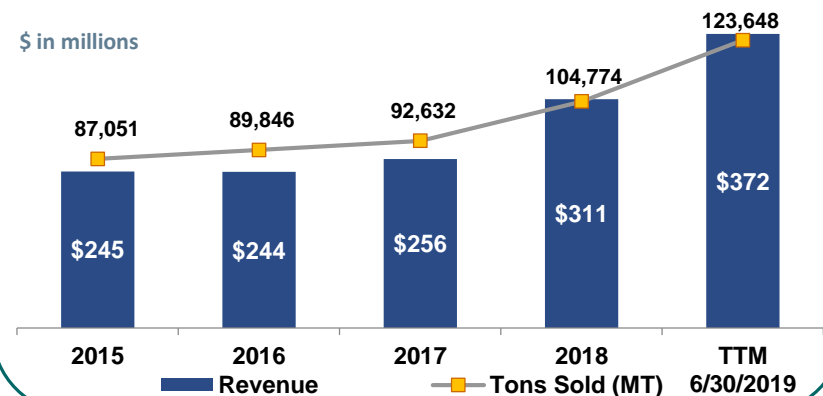
Positioned for Growth

- Revenue and Operating Profit up ~20% in 2019 (6/30 TTM) versus 2018
- New Fort Smith Arkansas capacity provides significant organic upside
- Closed Steinfurt acquisition on October 1st and driver of inorganic growth

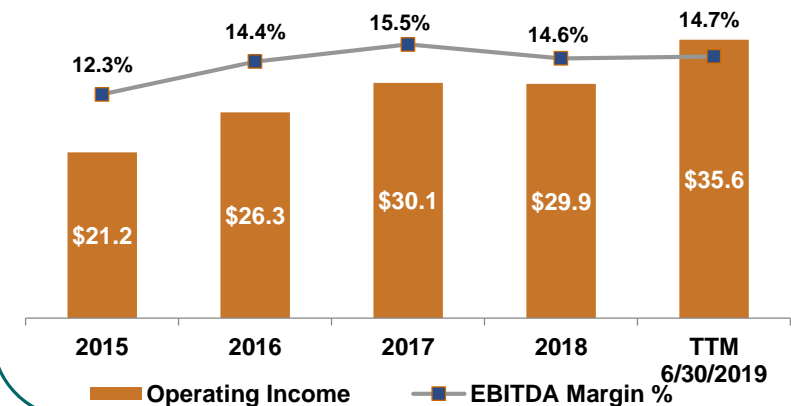
Track Record of Improving Profitability and Margins

- Strong operational excellence and CI programs improving efficiencies
- Pass through of raw material cost changes (on ~70% of revenue)
- Synergy opportunity of \$6 million from Steinfurt acquisition

Revenue & Shipment Trend



Operating Income & EBITDA Margin



About Composite Fibers

Key Performance Characteristics

Light weight substrates with excellent wet strength

High quality improves efficiency on customer production lines

Dimensional stability and dry stripability for wallcover

Primary Applications

Tea and single-serve coffee

Wallcover

Functional materials for batteries and capacitors

Dispersible consumer wipes

Furniture and flooring

Primary Inputs

Softwood pulps

Abaca pulp

Specialty fibers

Applications



Blue Chip Customers



Leading Positions Across Composite Fibers Portfolio

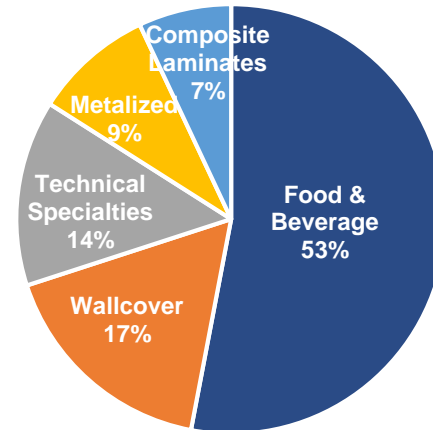
Key Success Factors

- Increased consumer focus on convenience, wellness, and mobility driving attractive long term growth opportunities
- Markets growing at GDP / GDP+ rates:
 - Tea ~2%
 - Single Serve Coffee ~6%
 - Electrical ~4%
 - Wipes ~4%
- Unrivaled incline-wire manufacturing assets and superior product quality
- Innovation driving growth in Technical Specialties

Market Positions

Tea Bags	#1
Single-Serve Coffee	#1
Nonwoven Wallcover	#1

Sales Mix



Composite Fibers

Financial Trends

Growth Outlook

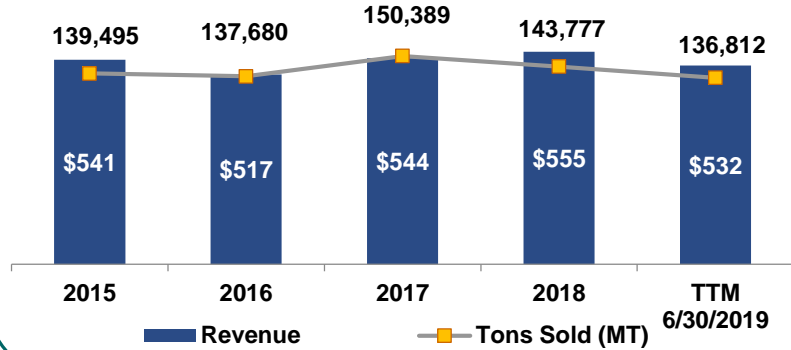
- Strategic partnerships with leading, global customers
- Strong growth in single-serve coffee, electrical and wipes products
- Recent challenges in wallcover and metalized markets

Key Profitability Factors

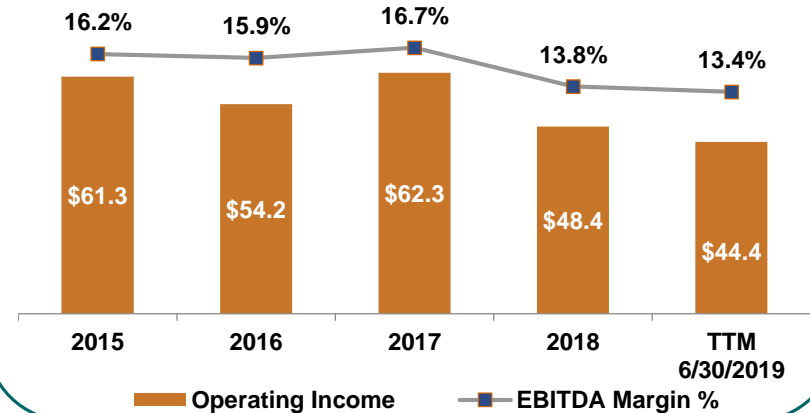
- Operational excellence program improving efficiencies
- Significant increase in pulp prices impacted 2018 – prices moderating in 2019
- Aggressive cost control initiatives

Revenue & Shipment Trend

\$ in millions



Operating Income & EBITDA Margin



Cash Flow

- Cash flow from continuing operations higher by \$4.6 million for the first half of the year driven by improved earnings
 - Fox River liability settlement of \$20.5 million paid in Jan'19
- Capital expenditures trending downward
 - Expect total capital expenditures to be \$23 million to \$28 million in 2019
- Tax rate for 2019 projected to be ~38%

(in millions)	Q2'18	Q2'19	H1'18	H1'19
Adjusted EBITDA	\$21.6	\$28.0	\$42.7	\$53.6
Change in working capital (*)	(24.5)	(18.4)	(42.0)	(40.0)
Taxes paid	(3.8)	(4.2)	(6.8)	(7.2)
Interest paid	(6.9)	(1.8)	(6.9)	(7.7)
Other (includes Fox River)	(3.0)	1.3	(10.9)	(18.0)
Cash Flow from continuing Operations	(16.7)	4.9	(23.9)	(19.3)
Less: Capital expenditures	(5.9)	(4.8)	(25.9)	(10.6)
Free Cash Flow	(22.6)	0.1	(49.8)	(29.9)
Adjustment for major capital projects	1.3	0.0	12.6	0.0
Adjusted Free Cash Flow	(\$21.3)	\$0.1	(\$37.2)	(\$29.9)

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

- Completed debt refinancing in early 2019
 - Renewed 5-year revolving credit facility
 - Redeemed 5³/₈% Notes and replaced with term loan (lowered interest expense)
- Temporary uptick in leverage driven by Fox River payment and working capital use
 - Liquidity based on leverage covenant of 4.5x which drops to 4.0x at December 31, 2019
- Expect liquidity to improve in 2019
 - Underlying earnings growth
 - Reduction in corporate costs
 - Lower capital expenditures

(in millions)	31-Dec-18	31-Mar-19	30-Jun-19
Cash	\$142.7	\$76.7	\$58.9
Debt			
Current portion of long term debt	10.8	19.9	23.2
5 ³ / ₈ % Notes, due October 2020	250.0	-	-
Term Loans 1.3% - 2.4% due 2022 - 2025	37.7	272.3	270.0
Revolving credit agreement	114.5	101.1	94.5
Unamortized deferred financing costs	(1.3)	(2.8)	(2.7)
Total Debt	\$411.7	\$390.4	\$385.0
Net Debt	\$269.1	\$313.8	\$326.1
Shareholders' Equity	\$538.9	\$536.2	\$543.1
TTM Adj. EBITDA	\$88.6	\$88.8	\$92.2
Net Leverage*	3.0	3.5	3.5
Available Liquidity	\$152.9	\$94.5	\$99.3

Notes: (*) -For leverage calculation, 2018 EBITDA includes full year of Steinfurt financials, TTM 3/31/2019 EBITDA includes add back of Q2'18 and Q3'18 Steinfurt financial and TTM 6/30/2019 EBITDA includes add back of Q3'18 Steinfurt financials

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

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2019 Growth & Profit Drivers



Airlaid – Growth driving performance



Composite Fibers – OpEx & CI focus



Reduce corporate costs by ~ \$9MM



Lower interest expense by ~ \$6MM



Migrate to Functional Operating Model

Appendix



Summary of Sale of Specialty Papers

- Closed sale of the Specialty Papers business unit on October 31, 2018 to Pixelle Specialty Solutions LLC, an affiliate of Lindsay Goldberg (“Purchaser”)
- Sale price of \$360 million on a cash free, debt free basis
 - Purchaser assuming approximately \$38 million of retiree healthcare liabilities
 - Net cash proceeds of approximately \$323 million
- Price is subject to a customary post-closing working capital adjustment as well as an adjustment for the final measurement of retiree healthcare liabilities assumed by Purchaser
- Purchaser also assumed approximately \$210 million in pension liabilities relating to Specialty Papers’ employees and will receive approximately \$280 million of related assets from Glatfelter’s existing pension plan
 - Glatfelter’s remaining pension plan will continue to be significantly overfunded; no contributions expected for the foreseeable future
- Glatfelter will be required to reimburse Purchaser up to \$7.5 million if certain assets require additional repairs after the closing
- Transaction costs of approximately \$12 million



Airlaid Materials

Growth Catalysts

Start-up of New Facility in Fort Smith, Arkansas

- New state-of-the-art facility
- Expanded legacy capacity by ~20% (20,000 MT)
- Supports growth in Wipes, Hygiene, and Table Top markets
- Investment completed in early 2018
- Commercial shipments began in Q1'18
- Drives substantial growth over next 2-3 years
 - Expect shipping volumes to increase 10% in 2019 vs. 2018 (excluding Steinfurt acquisition impact)

Steinfurt Acquisition

- Closed acquisition October 1 for purchase price of \$185 million
- Annual revenue of ~\$100 million
- Leading positions in Table Top and Wipes markets in Europe
- Total capacity of 32,000 MT
 - Total Glatfelter capacity ~150,000 MT
- Products and technology compliment existing business
- Synergy opportunity from improved efficiency across European platform and procurement
- Expect shipments of 28,000 MT's in 2019 and operating profit of \$7 million to \$9 million
 - Includes synergies of approximately \$2 million
 - Includes D&A of approximately \$7 million, including basis step-up

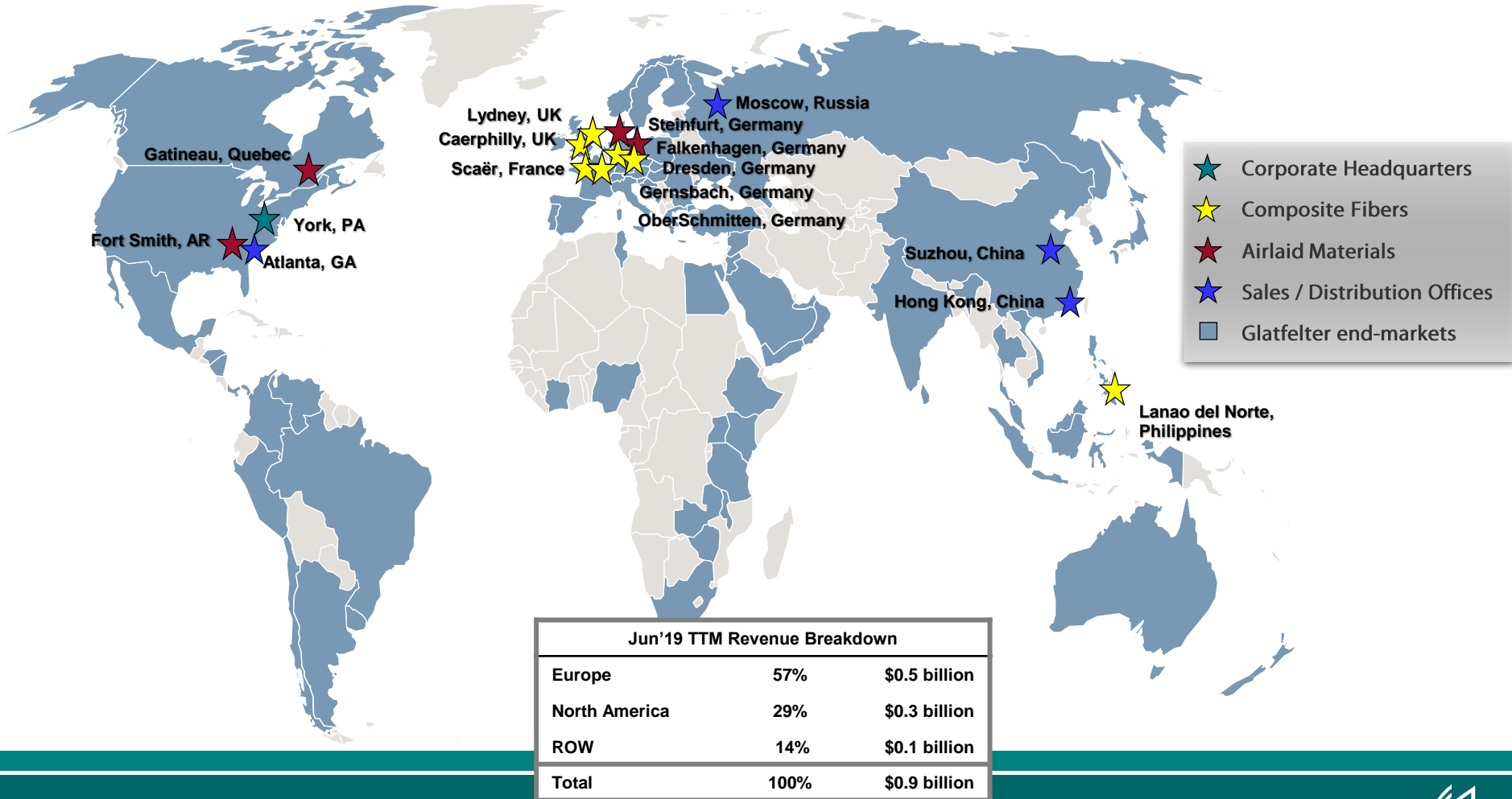


Effective Tax Rate

- Estimated tax rate for 2019 of approximately 38% 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%

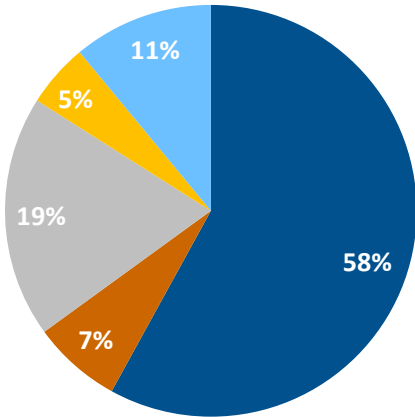
Flexible Operating Platforms Strong Global Reach

Glatfelter's strong global production platform in core geographies is enhanced by key sales and distribution operations

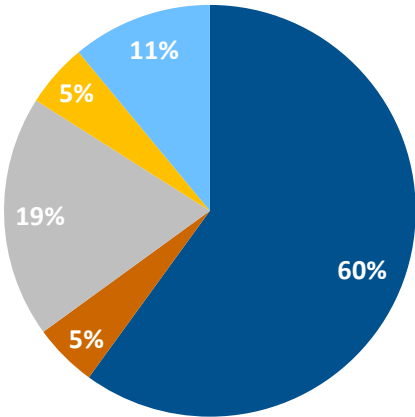


Cost of Goods Sold Breakdown

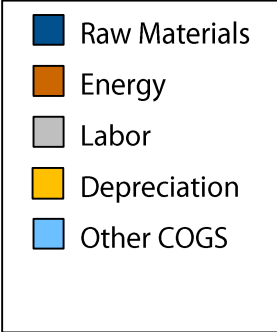
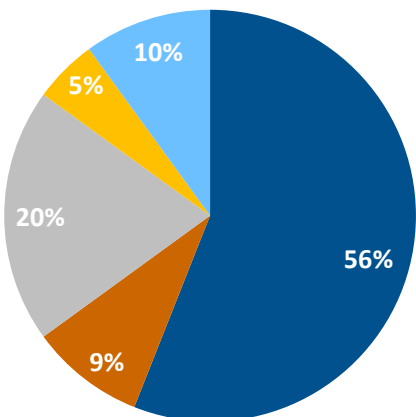
— Total Glatfelter —



— Airlaid Materials —



— Composite Fibers —



Reconciliation of Non-GAAP measures

Adjusted EBITDA from continuing operations

<i>In millions</i>	2015	2016	2017	2018	TTM 6/30/2019
Net Income (Loss)	\$ 64.6	\$ 21.6	\$ 7.9	\$(177.6)	\$ (164.8)
Adjust: Discontinued ops	(34.2)	(35.7)	(13.5)	177.2	171.7
Add: Taxes from continuing operations	0.2	(28.4)	25.1	7.7	11.7
Add: Depreciation and Amortization	37.3	39.5	42.1	47.5	49.8
Add: Net Interest Expense	14.8	13.6	13.1	15.0	13.7
EBITDA from continuing operations	\$ 82.7	\$ 10.6	\$ 74.6	\$ 69.8	\$ 82.1
<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	3.4
Cost optimization actions (net of asset write off)	2.3	3.1	1.3	0.4	6.3
Costs related to strategic initiatives	0.2	-	-	5.9	4.0
Fox River environmental matter	10.0	40.0	-	-	(2.5)
Adjusted EBITDA from continuing operations	\$ 75.6	\$ 63.6	\$ 86.6	\$ 80.0	\$ 90.9

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 3/31/2019	Pro forma TTM 6/30/2019
Net Income (Loss)	\$ (177.6)	\$ (178.0)	\$ (164.8)
Adjust: Discontinued ops	177.2	179.9	171.7
Add: Taxes from continuing operations	7.7	7.8	11.7
Add: Depreciation and Amortization	47.5	49.0	49.8
Add: Net Interest Expense	15.0	15.9	13.7
EBITDA	\$ 69.8	\$ 74.6	\$ 82.1
EBITDA from Steinfurt operations	8.6	4.4	1.3
<u>Adjustments / Exclusions:</u>			
Gains on Timberland Sales and Transaction Related Costs	(3.2)	(2.6)	(2.4)
Airlaid Capacity Expansion	7.1	5.1	3.4
Cost optimization actions (net of asset write off)	0.4	4.4	6.3
Costs related to strategic initiatives	5.9	5.5	4.0
Fox River environmental matter	-	(2.5)	(2.5)
Adjusted EBITDA	\$ 88.6 (*)	\$ 88.8 (*)	\$ 92.2 (*)

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 6/30/2019
Net Income (Loss)	\$ 64.6	\$ 21.6	\$ 7.9	\$ (177.6)	\$ (164.8)
Adjust: Discontinued ops, net of tax	(34.2)	(35.7)	(13.5)	177.2	171.7
Income (loss) from continuing operations	30.4	(14.2)	(5.6)	(0.4)	6.9
<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	3.4
Debt refinancing fees	-	-	-	-	1.0
Cost optimization actions	2.3	3.1	2.6	0.4	6.3
Costs related to strategic initiatives	0.2	-	-	5.9	4.0
Fox River environmental matter	10.0	40.0	-	-	(2.5)
Income Tax impact on adjustments	1.3	(19.4)	18.8	(0.5)	0.3
Total adjustments	(5.8)	33.6	32.0	9.6	10.1
Adjusted income from continuing operations	24.6	19.4	26.4	9.2	17.0
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	\$ 17.0
Adjusted EPS for continuing operations	\$ 0.32	\$ 0.14	\$ 0.44	\$ 0.21	\$ 0.38
<i>Weighted average shares</i>	43,942	44,129	44,439	43,768	44,389

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	March 31	June 30
<i>In millions</i>	2018	2019	2019
Current Portion of Long-Term Debt	\$10.8	\$19.9	\$23.2
Long-Term Debt	401.0	370.6	361.8
Total Debt	411.7	390.4	385.0
Less: Cash	(142.7)	(76.7)	(58.9)
Net Debt	\$269.1	\$313.8	\$326.1
Net Debt	\$269.1	\$313.8	\$326.1
Divided by: TTM Adjusted EBITDA	88.6	88.8	92.2
Leverage*	3.0x	3.5x	3.5x

Notes: (*) -For leverage calculation, 2018 EBITDA includes full year of Steinfurt financials, TTM 3/31/2019 EBITDA includes add back of Q2'18 and Q3'18 Steinfurt financial and TTM 6/30/2019 EBITDA includes add back of Q3'18 Steinfurt financials

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