

mativ™

# Investor Presentation

Sidoti Virtual Investor Conference
September 2022



# Investment Highlights—a new opportunity

## Leadership Positions

in attractive global product categories

## Accelerated Growth Potential

with multiple product and marketplace drivers

## Global Operations & Supply Chain

with a diverse technology portfolio to drive innovation

## Material Science Expertise

creates deep moats for defensibility

## Achievable Cost Synergies

anchor multi-year margin expansion

## Solid Financial Profile & Cash Flow

supports strong dividend, total return potential

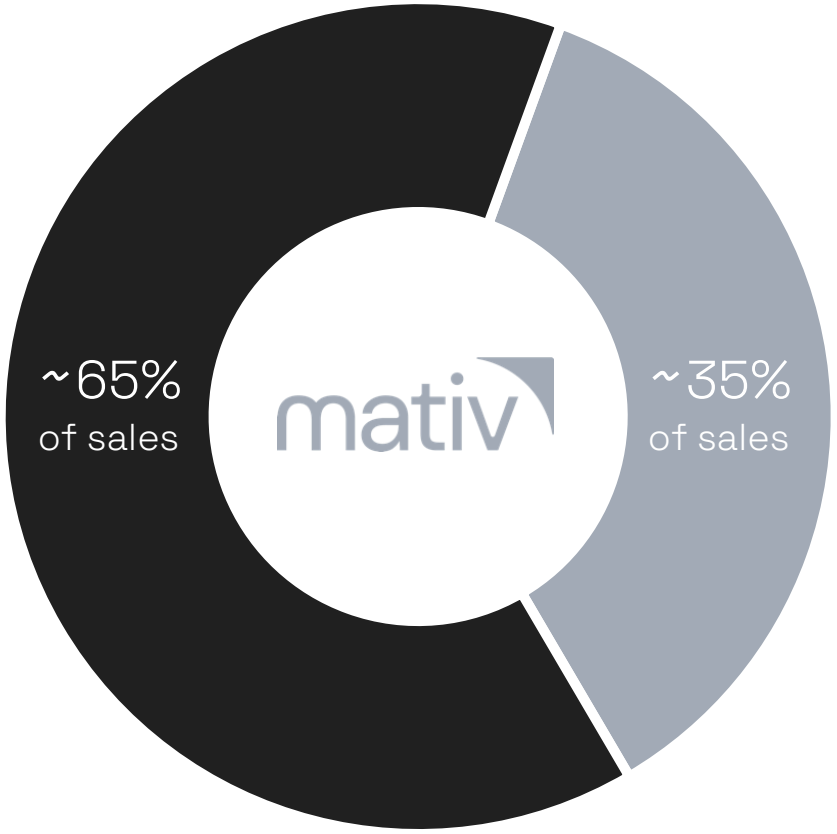
# Global Leader in Specialty Materials

Advanced Technical Materials (ATM)

GDP+ growth

Diversified end-markets

Deep polymer, resin, coating expertise




Fiber-Based Solutions (FBS)

High margin and cash flow

Sustainability opportunities

Advanced fiber capabilities

~$3 billion annual sales

~$450+ million synergized EBITDA(1)

15%+ synergized EBITDA margins and expanding

Resilient and diversified portfolio

Attractive dividend

(1) Illustrative approximation of 2022 mid-point guidance (~$260M SWM; NP ~$140M) for both companies plus $65M estimated synergies

# Two Shared Journeys




mativ™

## Common History

Legacy of manufacturing excellence for over 150 years

Strong financial profiles, cash flows, and dividends

## Clear Strategy

Leading positions in high growth markets

Diverse and complimentary technology capabilities

Powered by innovation

## Shared Vision

Solving customers' most complex challenges

Enhance performance of everyday products used around the world

# A Powerful Combination

## Strategic Fit

Complementary customers, products, and technologies

- ✓ Strengthens positions in key end-markets and geographies
- ✓ Expands technology suite for innovation
- ✓ Minimal “overlaps”, many attractive adjacencies

## Synergies

$65 million+ initial cost synergies with potential for more

- ✓ Highly achievable, run-rate of half expected <12 months
- ✓ Combination of public company costs, SG&A, procurement/supply chain
- ✓ Additional revenue upside opportunities

## Scale

Increased importance with customers, suppliers and investors

- ✓ Global capabilities, local supply chains to meet our customers needs
- ✓ Improved stock liquidity, access to capital markets
- ✓ Unlocks strategic optionality

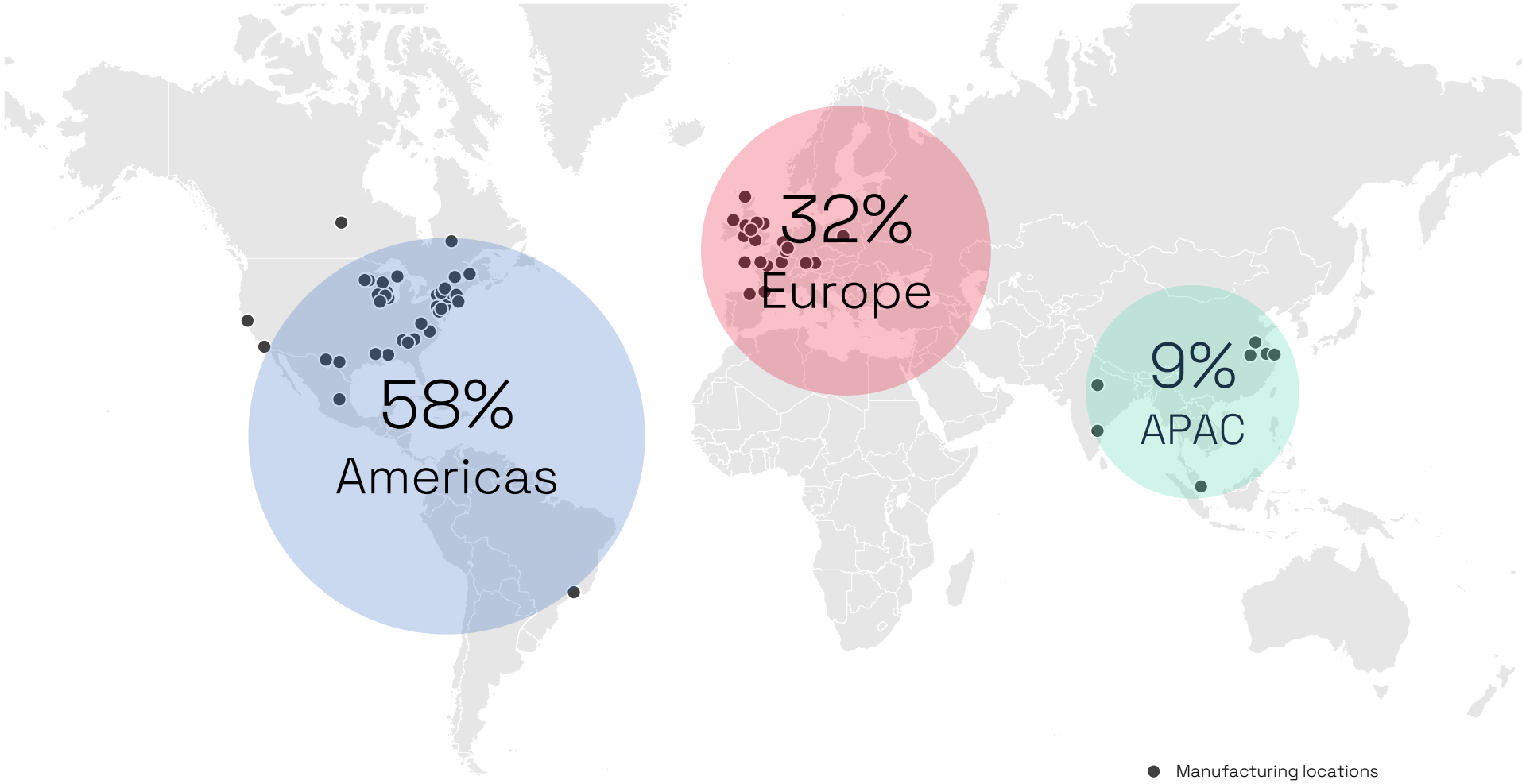
**Two complementary businesses coming together to accelerate strategic execution, drive growth, and unlock value**

# Global Scale and Footprint

Sales in
**100+**
Countries

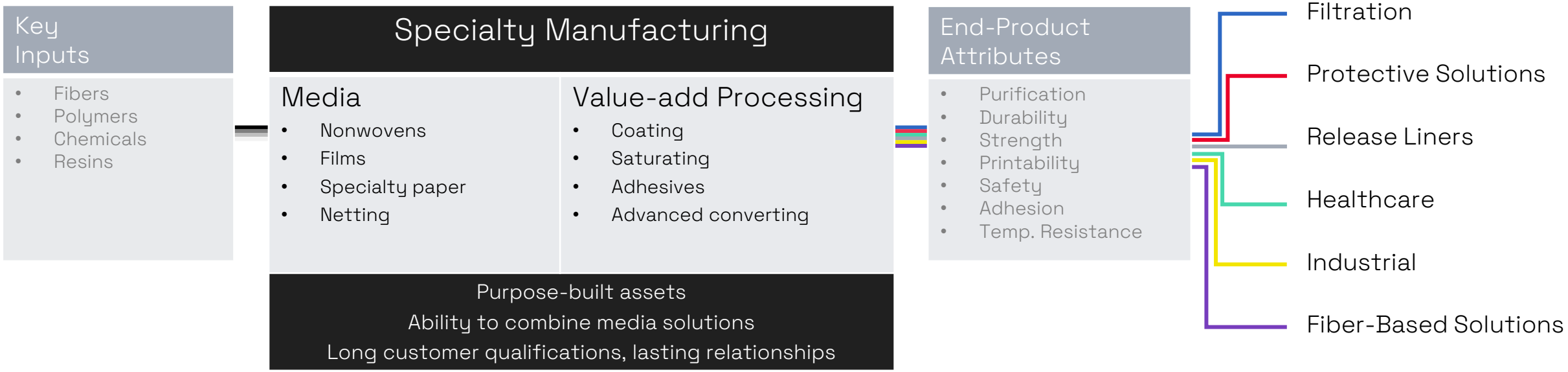
Manufacturing on
**4**
Continents

**~7,500**
Employees



# Driving Customer Value

We combine raw materials → To create critical components → That deliver essential performance → For demanding applications



# Advanced Technical Materials

## ~65% Enterprise sales; diverse, GDP+ growth end-markets

| | Filtration | Protective Solutions | Release Liners | Healthcare | Industrials |
|---|---|---|---|---|---|
| Key Applications | • Transportation<br>• Water<br>• HVAC and industrial<br>• Life sciences | • Paint protection<br>• Interlayer lamination<br>• Graphics<br>• Smart glass | • Hygiene<br>• Labels<br>• Adhesive backing<br>• Composites & other | • Adv. woundcare<br>• Device fixation<br>• Consumer wellness<br>• Bandages | • Tapes<br>• Abrasives<br>• Construction<br>• Specialties |
| Growth Outlook | ↑↑↑ | ↑↑↑ | ↑↑↑ | ↑↑ | ↑ |
| % Segment Sales | ~25% | ~15% | ~10% | ~15% | ~35% |
| Illustrative Offerings |   |   |   |   |   |

# Fiber-Based Solutions

## ~35% enterprise sales; defensible, leading positions in legacy markets

| | Key Applications | % Segment Sales | Illustrative Offerings |
|---|---|---|---|
| Packaging & Specialty Papers | ▪ Premium packaging<br>▪ Commercial print<br>▪ Consumer products<br>▪ Digital transfer | ~55% |  |
| Engineered Papers | ▪ Combustibles<br>▪ Reduced risk<br>▪ Lightweight applications | ~45% |  |

- ✓ Natural, renewable fiber-based products aligned with trend towards sustainable alternatives
- ✓ Mature categories with strong margins and cash flows
- ✓ Repositioning business by leveraging assets and innovation capabilities to diversify end-markets and enhance growth

# How We Win

## Customer-Centric

Enduring track record as a trusted collaborator and innovator with blue chip customers around the world

## Solution Driven

We make it happen; customized products meet demanding performance needs

## Extensive Product & Technology Portfolio

Focused on unique capabilities for premium applications



## Global Scale & Reach

We have worldwide scale and resources with local assets and service

## Material Science

Deep technical expertise, making us the ideal innovation and development partner

## People & Values

At the heart of our actions, we are committed to improving the environment, our communities, and the lives of our employees



# Financial Overview

# Compelling Financial Profile

## Better. Stronger. Together.

| | Actuals YE 2021 | | | |
|---|---|---|---|---|
| | SWM | NEENAH | | mativ Pro Forma |
| Revenue | $1.4B | $1.0B | ✓ Full year impact of 2021 strategic acquisitions<br>✓ Robust end-market demand<br>✓ Activation of pricing actions | ~$3B |
| Adj. EBITDA[1] | $209M | $117M | ✓ Issued 2H:22 combined guidance of $210M - $230M in 2Q:22 earnings release<br>✓ Recovery of input cost impacts<br>✓ ~$65M cost synergies<br>✓ Capacity for continued growth<br>✓ Initiatives in place to drive margin expansion | ~$450M+ |
| Adj. EBITDA Margin | 15% | 11% | | 15%+ |

Notes: Standalone metrics represent as-reported 2021A financials inclusive of partial contribution from SWM acquisition of Scapa and Neenah acquisition of ITASA in April 2021; see pages 21 and 22 for non-GAAP reconciliation. Pro-forma illustrative approximation of 2022 mid-point guidance (~$260M SWM; NP ~$140M) for both companies plus $65M total estimated synergies

# Clear Drivers of Revenue Growth

## Fueled by key trends, category dynamics, innovation, and synergies

**Aligned with key megatrends and robust category growth**

| | | |
|---|---|---|
| Filtration | → | Demand for cleaner air and water |
| Protective Solutions | → | Adoption of paint protection films |
| Release Liners | → | Increased uses of adhesives |
| Healthcare | → | Advancements in medical and wellness |
| Industrials | → | Alternative solutions in building practices |
| Fiber-Based Solutions | → | Sustainability and eco-friendly alternatives |

**Revenue Synergies**

Strategic cross-selling and innovation in high-growth categories
*Example: Filtration media & components in water and air applications*

Geographic expansion and complementary footprints
*Example: Asia/LatAm expansion with existing infrastructure; NA/EU mutual strengths*

More comprehensive value chain position
*Example: Tape/Release Liners; cross-source and present more complete offering*

# Multiple Catalysts to Expand Margins

## Significant value creation potential

**$65m+ Cost Synergies**

- Highly achievable and well vetted
- Additional upside from revenue, working capital

**Pricing**

- Ability to recover input costs over time
- Improved pricing flexibility to accelerate response to dynamic conditions

**Positive Mix**

- Faster growth in higher-margin products
- Product optimization and improving conditions in supply chain availability

**Operational Excellence**

- Continuous improvement, with broad employee engagement
- Leveraging LEAN techniques and data analytics

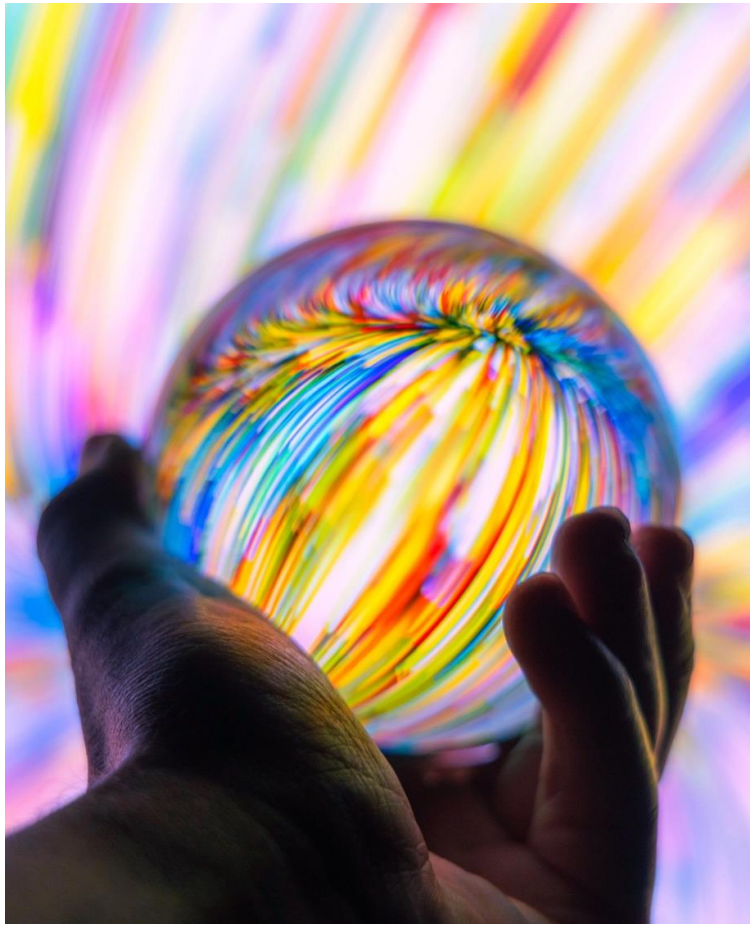
| Merger Synergy Details | |
|---|---|
| Size | Initial $65m+ cost target<br>Tangible upside from strategic fit<br>Transformation Office in place to drive execution |
| Sources | SG&A (50%)<br>Redundant public company costs, organizational optimization, consolidation of external spend<br>Supply chain & Other (50%)<br>Procurement and in-sourcing, route/warehousing optimization |
| Timing | 50% run-rate by Year 1 |

# Thoughtful Capital Allocation

| | |
|---|---|
| De-levering a priority | ~3.75x or below by YE 2022; expect to reach long-term target 2.5-3.5x in 2023 |
| Renewed debt structure (see appendix for detail) | Ample liquidity, staggered maturities; target ~75% fixed interest rate |
| Capital spending | Historical 3-4% of sales; expansion capital aligned with high growth categories |
| Returns to shareholders | Cash dividend $1.60/share annualized<br>Once approaching target leverage, opportunistic buybacks considered |
| M&A strategy | Increased opportunity for portfolio management with larger scale<br>Ongoing priority in context of leverage |

**Clear path to rapid de-levering; strong cash supports attractive dividend**

# Strong Transition to a Powerful Future Together, 2Q:22 Results and Update

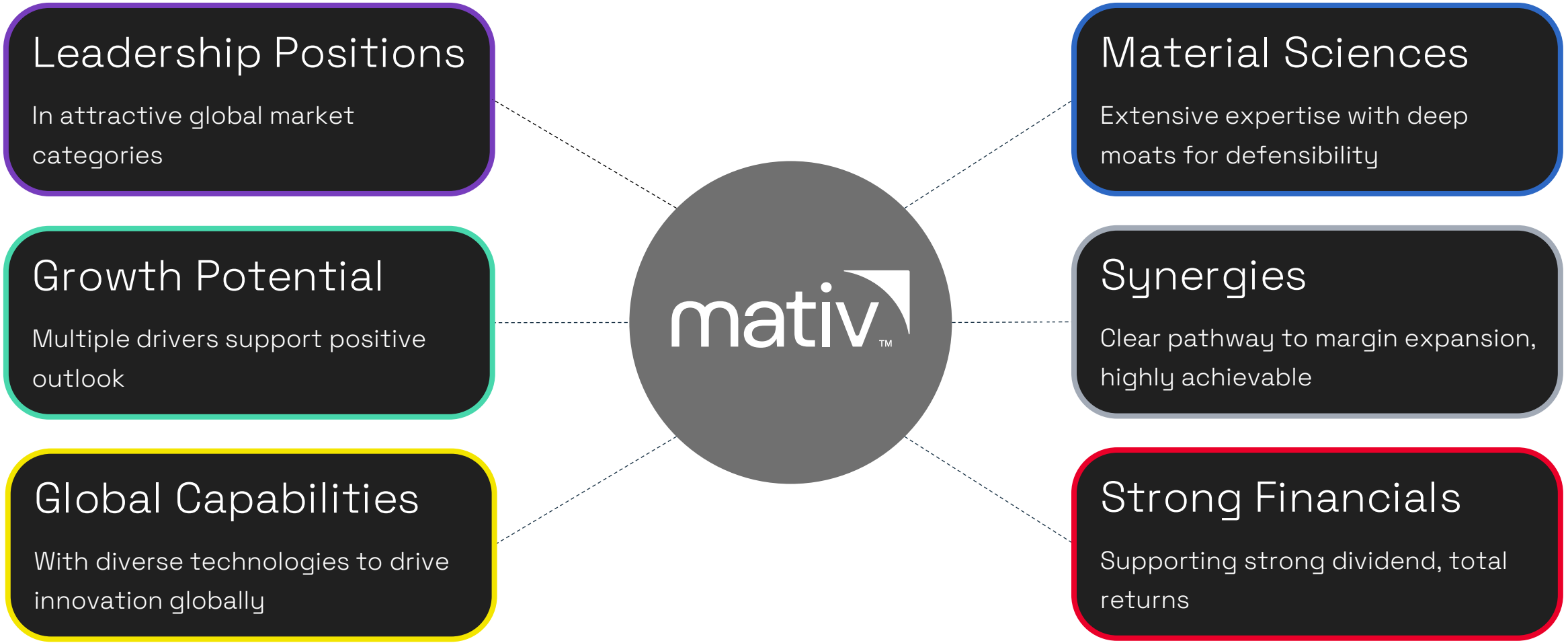


Solid 2Q results for legacy businesses despite persistent inflation… poised for continued momentum as Mativ

- ✓ First-half results consistent with previous annual guidance
- ✓ Merger closed in early July
- ✓ Integration underway and on-plan
- ✓ Solid 2H:22 Adj. EBITDA outlook: $210 to $230 million
- ✓ Early-stage synergy execution, $20 million run-rate by YE 2022
- ✓ Identifying additional growth and margin accelerators
- ✓ Attractive cash dividend announced, $1.60/share annualized
- ✓ De-levering a priority

# Investment Highlights

New beginning. Tremendous opportunity.



# Contact Us

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# Appendix

# Executive Leadership

## Diverse. Global. Experienced.



**Julie Schertell**

*President & Chief Executive Officer*



**Andy Wamser**

*Chief Financial Officer*



**Mike Rickheim**

*Chief Human Resources Officer & Administrative Officer*



**Natalie Poteran**

*Chief Transformation Officer*



**Omar Hoek**

*Chief Operations Officer*



**Ricardo Nuñez**

*Chief Legal Officer & Chief Compliance Officer*



**Sarma Malladi**

*Chief Information Officer*

# Non-GAAP Financial Measures

Certain financial measures and comments contained in this presentation are “non-GAAP” financial measures. We believe that investors’ understanding is enhanced by disclosing these non-GAAP financial measures as a reasonable basis for comparison of our ongoing results of operations. All non-GAAP (Adjusted) figures are reconciled to closest GAAP measure in the following pages. All financial metrics are presented on a continuing operations basis unless noted otherwise; all per share metrics are on a diluted basis.

# GAAP Reconciliation

## SWM Historical[1]

| Adjusted EBITDA from Continuing Operations ($ millions): | FY 2017 | FY 2018 | FY 2019 | FY 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | FY 2021 | Q1 2022 | Q2 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Income | $ 34.5 | $ 94.5 | $ 85.8 | $ 83.8 | $ 21.6 | $ 1.8 | $ 12.2 | $ 53.3 | $ 88.9 | $ 1.6 | $ 11.8 |
| Plus: Loss (income) from discontinued operations | (0.1) | 0.3 | - | - | - | - | - | - | - | - | - |
| Income from continuing operations | 34.4 | 94.8 | 85.8 | 83.8 | 21.6 | 1.8 | 12.2 | 53.3 | 88.9 | 1.6 | 11.8 |
| Plus: Interest expense | 26.9 | 28.2 | 29.0 | 30.5 | 7.4 | 13.1 | 15.3 | 14.8 | 50.6 | 14.5 | 21.1 |
| Plus: Interest on Brazil tax assessments | - | - | 7.1 | 0.1 | (4.5) | - | - | - | (4.5) | - | (0.7) |
| Plus: Provision for income taxes | 69.6 | 10.7 | 15.2 | 18.4 | 7.4 | 3.5 | 1.5 | (21.8) | (9.4) | 2.1 | 4.6 |
| Plus: Depreciation & amortization | 61.5 | 60.2 | 58.0 | 70.1 | 16.4 | 27.0 | 24.1 | 26.5 | 94.0 | 23.9 | 23.6 |
| Plus: Restructuring and impairment expense | 8.1 | 1.7 | 3.7 | 11.9 | 1.7 | 2.3 | 1.9 | 4.2 | 10.1 | 13.5 | 2.4 |
| Plus: Inventory write-down expense related to plant closure | - | - | - | 2.0 | - | - | 0.5 | (0.2) | 0.3 | - | - |
| Plus: Acquisition and integration related costs | - | - | - | - | 3.6 | 12.1 | 3.3 | 2.4 | 21.4 | 7.1 | 6.5 |
| Plus: loss (Income) from equity affiliates | (2.5) | 11.3 | (4.1) | (4.9) | (1.0) | (2.8) | (2.3) | (0.3) | (6.4) | (2.1) | (1.7) |
| Plus: Other (income) expense, net | (0.1) | (10.0) | 1.0 | 1.0 | (1.4) | (1.0) | (3.7) | (35.1) | (41.2) | (5.5) | (7.3) |
| Plus: Acquisition related foreign currency exchange impacts | - | - | - | - | 5.6 | 1.3 | - | - | 6.9 | - | - |
| Plus: Brazil tax assessments | - | - | 1.5 | - | (1.6) | - | - | - | (1.6) | - | (2.2) |
| Adjusted EBITDA from continuing operations | $ 197.9 | $ 196.9 | $ 197.2 | $ 212.9 | $ 55.2 | $ 57.3 | $ 52.8 | $ 43.8 | $ 209.1 | $ 55.1 | $ 58.1 |

| Adjusted EBITDA from Continuing Operations: | FY 2017 | FY 2018 | FY 2019 | FY 2020 | Q2 2021 | Q2 2021 | Q3 2021 | Q4 2021 | FY 2021 | Q1 2022 | Q1 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| AMS adjusted EBITDA | $ 87.1 | $ 86.5 | $ 99.2 | $ 106.7 | $ 32.1 | $ 40.2 | $ 34.3 | $ 28.1 | $ 134.7 | $ 42.4 | $ 49.2 |
| EP adjusted EBITDA | 148.6 | 146.5 | 146.6 | 158.0 | 37.0 | 31.9 | 32.0 | 30.2 | 131.1 | 30.9 | 26.1 |
| Unallocated adjusted EBITDA | (37.8) | (36.1) | (48.6) | (51.8) | (13.9) | (14.8) | (13.5) | (14.5) | (56.7) | (18.2) | (17.2) |
| Adjusted EBITDA from continuing operations | $ 197.9 | $ 196.9 | $ 197.2 | $ 212.9 | $ 55.2 | $ 57.3 | $ 52.8 | $ 43.8 | $ 209.1 | $ 55.1 | $ 58.1 |

(1) Represents non-GAAP reconciliations as published for SWM International, Inc. for periods prior to merger July 6, 2022.

# GAAP Reconciliation

## Neenah Historical[1]

| Adjusted EBITDA from Continuing Operations ($ millions): | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | LTM Q2 2022 |
|---|---|---|---|---|---|---|
| Net Income (Loss) | $80.3 | $ 36.4 | $ 55.4 | ($ 15.8) | ($ 24.9) | |
| Loss from Discontinued Operations | - | 0.8 | - | - | - | |
| Income (Loss) from Continuing Operations | 80.3 | 37.2 | 55.4 | (15.8) | (24.9) | |
| Plus: Provision (Benefit) for income taxes | 11.4 | 3.9 | 11.1 | (2.9) | (4.8) | |
| Plus: Interest expense, net | 12.6 | 13.0 | 11.8 | 12.6 | 17.9 | |
| EBIT (Operating Income) | 104.3 | 54.1 | 78.3 | (6.1) | (11.8) | 36.4 |
| Plus: Impairment and asset restructuring costs | - | 31.1 | 4.7 | 57.8 | 37.3 | 1.0 |
| Plus: Acquisition-related costs | - | - | - | 1.5 | 18.4 | 12.2 |
| Plus: Pension and SERP settlement and other costs | (2.6) | (2.5) | (1.4) | 1.6 | 17.4 | 16.4 |
| Plus: Loss on debt extinguishment | - | - | - | 1.9 | 7.2 | - |
| Plus: Other restructuring and non-routine costs | 1.3 | 2.1 | 1.5 | 4.2 | 1.9 | 2.6 |
| Plus: COVID-19 costs | - | - | - | 3.5 | 1.6 | 1.5 |
| Adjusted EBIT | $ 84.8 | $ 84.8 | $ 83.1 | $ 64.4 | $ 72.0 | $ 70.1 |
| Plus: Net depreciation and amortization | 32.1 | 35.0 | 33.8 | 32.5 | 40.3 | 40.6 |
| Plus: Stock-based compensation | 6.4 | 4.0 | 5.6 | 4.2 | 4.5 | 5.1 |
| Adjusted EBITDA | $141.5 | $ 123.8 | $ 122.5 | $ 101.1 | $ 116.8 | $ 115.8 |



(1) Represents non-GAAP reconciliations as published by Neenah, Inc. for periods prior to merger July 6, 2022. For the 6/30/2022 quarter, Mativ reported selected financial results for Legacy Neenah, excluding items below EBIT, thus the LTM reconciliation is shown from GAAP EBIT to Adj. EBITDA

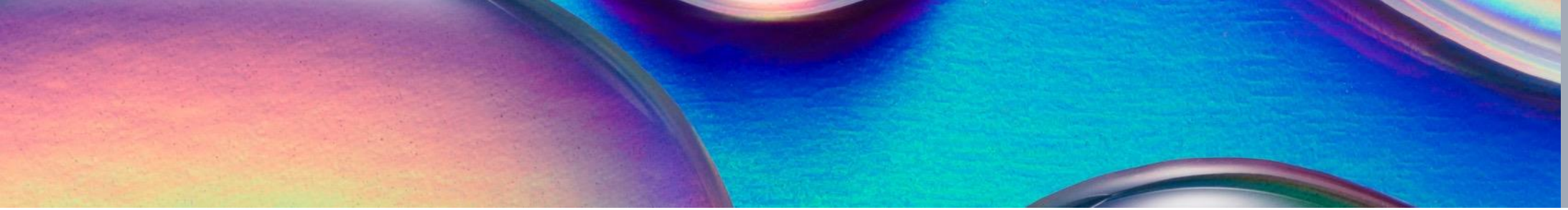
# Mativ Debt Structure

| *$ millions* | As of 6/30/22 | Change | As of 7/6/22 (Merger Close) |
|---|---|---|---|
| $350mm Senior unsecured notes due 2026 | $350 | - | $350 |
| $500mm secured revolving credit facility due 2023 | 389 | (389) | - |
| $600mm secured revolving credit facility due 2027 | - | 289 | 289 |
| $193mm Term Loan A due 2025 | 193 | (193) | - |
| $193mm Term Loan A due 2027 | - | 193 | 193 |
| $650mm Delayed Draw Term Loan A due 2027 | - | 650 | 650 |
| $350mm Term Loan B due 2028 | 347 | - | 347 |
| Other [1] | (24) | 22 | (2) |
| Total Legacy SWM at 6/30, Mativ at merger close | $1,255 | | $1,827 |
| | | | |
| Global ABL Facility due 2023 | $59 | (59) | $- |
| Term Loan B due 2028 | 446 | (446) | - |
| Other [1] | 22 | (22) | - |
| Total Legacy Neenah | $527 | | $- |
| | | | |
| Total Cash [2] | $112 | $36 | $148 |
| Net Debt | $1,670 | | $1,679 |

Senior unsecured notes due in 2026 represent earliest maturity

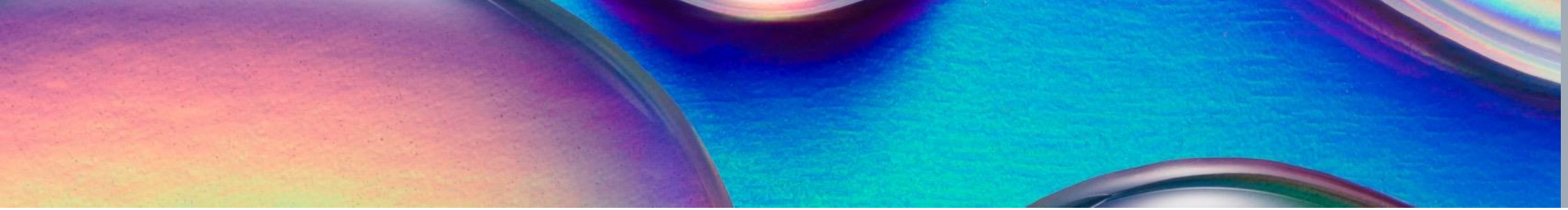
(1) Other includes Capital Leases, French profit sharing plan, and certain secured CapEx financing net of unamortized discounts and issuance costs

(2) Cash of 6/30 is shown as total for both companies. The change represents proceeds from the Delayed Draw Term Loan A not used to repay the revolving credit facility or to pay closing costs



# Forward Looking Statements

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are based on current expectations, estimates and projections about the industry and markets in which Mativ operates and beliefs of and assumptions made by Mativ management, involve uncertainties that could significantly affect the financial condition, results of operations, business plans and the future performance of Mativ. Words such as “believes,” “anticipates,” “expects,” “assumes,” “outlook,” “intends,” “targeted,” “estimates,” “forecasts,” “projects,” “plans,” “may,” “could,” “should,” “would” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying these statements. Such forward-looking statements include, but are not limited to, statements about the strategic rationale and financial benefits of the transaction, including expected future financial and operating results and the combined company’s plans, objectives, expectations and intentions. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to projections of revenue, income or loss, earnings or loss per share, the payment or nonpayment of dividends, capital structure and other financial items; statements of plans and objectives of Mativ or its management or Board of Directors, including those relating to products or services; and statements of future economic performance — are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained, and therefore actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. In addition to factors previously disclosed in Mativ’s reports filed with the U.S. Securities and Exchange Commission (the “SEC”) and those identified elsewhere in this communication, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: failing to fully realize anticipated cost savings and other anticipated benefits of the merger with Neenah when expected or at all; the substantial indebtedness Mativ has incurred and assumed in connection with the transaction and the need to generate sufficient cash flows to service and repay such debt; the possibility that Mativ may be unable to achieve expected synergies and operating efficiencies within the expected time-frames or at all and to successfully integrate Neenah’s operations with those of Mativ; failing to comply with the applicable laws or legal or regulatory developments; inflation, currency and interest rate fluctuations; the ability of Mativ to retain and hire key personnel; the diversion of management’s attention from ongoing business operations;



# Forward Looking Statements (cont.)

the duration and effects of the COVID-19 pandemic, general economic and business conditions, particularly in the context of the COVID-19 pandemic; increases in maintenance and operating costs; security threats; reliance on technology and related cybersecurity risk; trade restrictions or other changes to international trade arrangements; transportation of hazardous materials; various events which could disrupt operations, including geopolitical events, wars, conflicts, illegal blockades of rail networks, and natural events such as severe weather, droughts, fires, floods and earthquakes; climate change; labor negotiations and disruptions; environmental claims; uncertainties of investigations, proceedings or other types of claims and litigation; risks and liabilities arising from train derailments; timing and completion of capital programs; uncertainty as to the long-term value of the common stock of Mativ, including the dilution caused by Mativ's issuance of additional shares of its common stock in connection with the merger; the continued availability of capital and financing; the business, economic and political conditions in the markets in which Mativ operates; and events beyond Mativ's control, such as acts of terrorism.
Any forward-looking statements speak only as of the date of this communication or as of the date they were made, and Mativ does not undertake any obligation to update forward-looking statements. For a more detailed discussion of these factors, also see the information under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Mativ's most recent annual report on Form 10-K for the year ended December 31, 2021, quarterly report on Form 10-Q for the period ended June 30, 2022, and any material updates to these factors contained in any of Mativ's future filings with the SEC.

As for the forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent uncertainties of estimates, forecasts and projections and may be better or worse than projected and such differences could be material. Given these uncertainties, you should not place any reliance on these forward-looking statements. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.