Neenah - InvestorRoom

Neenah Provides Key Updates on Business; Guides 2022 Adjusted EBITDA Growth of 15-25%

ALPHARETTA, Ga.--(BUSINESS WIRE)-- Neenah, Inc. (NYSE:NP), a leading global manufacturer of specialty materials, today announced updates on recent business developments and provided EBITDA growth guidance.

Key Updates:

- Restart of Brownville facility ahead of schedule
- Limited direct Russia/Ukraine business exposure
- Full-year 2022 Adjusted EBITDA on track to be $135-145 million, an increase of 15-25% over prior year

Neenah announced today the restart of its Brownville, New York manufacturing facility. The facility, which has been closed as a result of a recent fire, is resuming production earlier than anticipated. Although the restart will not materially reduce the estimated $3.0 million impact on the first quarter, it provides additional capacity to address the elevated level of demand and reduces supply uncertainty for Neenah's customers.

Secondly, in light of the rapidly deteriorating events in Ukraine, Russia and Belarus, Neenah is confirming its limited direct exposure to the region. The Company does not have facilities or inventory located in these countries. Annual sales in the region have historically been less than 1% of overall revenue, and the Company does not have meaningful exposure to raw materials sourced from these countries. Like many businesses, however, the company may experience ancillary impacts, including elevated energy prices, which the company is prepared to manage.

"Neenah continues to execute on its strategy, resulting in top-line growth early in 2022, with sustained demand and acceleration of pricing initiatives. Given the uncertainties caused by the war in Ukraine and by a challenging supply chain and manufacturing environment, we are issuing guidance for the full year of 2022 to help provide clarity on our expectations and reflect the confidence we have in the strength of our underlying business," said Julie Schertell, Chief Executive Officer. "While, as expected, the first quarter will be a challenging comparison to prior year, we are encouraged by the early restart of the Brownville facility and we remain confident in the advancement of our efforts throughout 2022."

Full-year Adjusted EBITDA growth guidance assumes the following:

- Continued strong demand across our portfolio
- Pricing, including energy and freight surcharges, continues to be implemented to offset volatile input costs
- Manufacturing and supply chain challenges from labor and raw material availability improve as the year progresses, and cost containment initiatives take hold
- Realization of the benefits of key strategic actions, including the Appleton facility closure and ITASA acquisition
- Raw material and other key cost drivers begin stabilizing

- Neenah does not experience significant or lasting impacts from the war in Ukraine, energy, or transportation costs

Adjusted EBITDA is a non-GAAP measure used to enhance understanding and comparability of year-on-year results. Details on adjusting items and a reconciliation to comparable GAAP measures are included in the reconciliation at the end of this release.

About Neenah

Neenah is a leading global manufacturer of specialty materials serving customers across six continents, with headquarters in Alpharetta, Georgia. We are focused on growing in filtration media, specialty coatings, engineered materials and imaging & packaging. Our materials are in various products used every day, such as transportation and water filters, premium packaging of spirits, technology and beauty products, industrial labels, tapes and abrasives, and digital printing for high-end apparel. To learn more, please visit www.neenah.com.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this press release may constitute “forward-looking” statements as defined under the federal securities laws. Statements contained in this press release that are not historical facts may be forward-looking statements within the meaning of the federal securities laws and caution is given to investors that any forward-looking statements are not guarantees or indicative of future performance. These forward-looking statements rely on a number of assumptions concerning future events and are subject to risks, uncertainties and other factors, many of which are outside the Company's control and could cause actual results to materially differ from such statements. Such risks, uncertainties and other factors include, but are not necessarily limited to, those set forth under the captions “Cautionary Note Regarding Forward-Looking Statements” and/or “Risk Factors” of the latest Form 10-K filed with the SEC as periodically updated by subsequently filed Form 10-Qs (these securities filings can be located at www.neenah.com). Unless specifically required by law, the Company assumes no obligation to update or revise these forward-looking statements to reflect new events or circumstances. These cautionary statements are being made with the intention of obtaining the benefits of the “safe harbor” provisions for forward-looking statements under the federal securities laws.

GAAP Reconciliation

$ Millions		2021
Net Income (Loss)	$	(24.9)
Plus: Provision (Benefit) for income taxes		(4.8)
Plus: Interest expense, net		17.9
EBIT (Operating Income (Loss))		(11.8)
Plus: Impairment and asset restructuring costs		37.3
Plus: Acquisition-related costs		18.4
Plus: Pension and SERP settlement and curtailment losses		17.4
Plus: Loss on debt extinguishment		7.2
Plus: Other restructuring and non-routine costs		1.9
Plus: COVID-19 costs		1.6
Adjusted EBIT		72.0
Plus: Depreciation and amortization		40.3
Plus: Stock-based compensation		4.5
Adjusted EBITDA	$	116.8

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