



Mativ First Quarter 2025 Earnings Release Presentation

May 2025

Forward Looking Statements, Non-GAAP Disclosure, & Definitions



This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws that are subject to the safe harbor created by such laws and other legal protections. Caution should be taken not to place undue reliance on any such forward-looking statements because actual results may differ materially from the results suggested by these statements. These forward-looking statements are made only as of the date of this presentation. We undertake no obligation, except as may be required by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and present expectations or projections. These risks and uncertainties include, but are not limited to, those described in Part I, “Item 1A. Risk Factors” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2024, and those described from time to time in our periodic and other reports filed with the Securities and Exchange Commission.

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 appendix. All financial metrics are presented on a continuing operations basis unless noted otherwise; all per share metrics are on a diluted basis.

Q1 Consolidated Results



(\$ millions, except EPS)

	Q1 FY25	Q1 FY24
Sales	\$484.8	\$500.2
Organic Sales	\$484.8	\$483.9
<i>% versus:</i>		+0%

GAAP EPS	\$(7.82)	\$(0.52)
Adjusted EPS	\$(0.14)	\$0.02

Operating Profit (Loss)	\$(430.6)	\$(13.8)
GAAP Net Loss	\$(425.5)	\$(28.0)

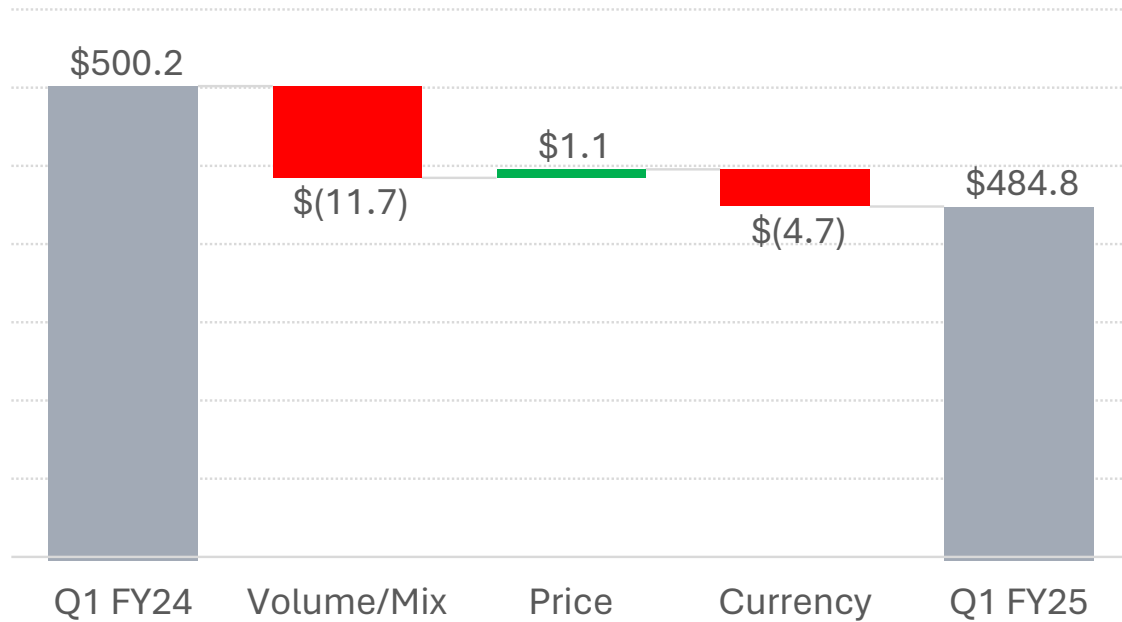
Adjusted EBITDA	\$37.2	\$45.8
<i>% versus:</i>		-19%

- Sales essentially flat organically year-over-year
- Volume improvements in SAS were largely offset by continued lower demand across many of our FAM product categories
- GAAP EPS in 2025 included non-cash goodwill impairment charge of \$411.9 million (\$7.57 per share) as well as \$14.5 million of organizational realignment and asset impairment expenses
- Adjusted EBITDA down as lower SG&A expenses across both segments and higher volume/mix in SAS were more than offset by higher manufacturing and distribution costs, unfavorable net selling price versus input cost performance, and lower volume/mix in FAM
- Anticipating material step-up in adjusted EBITDA starting in Q2

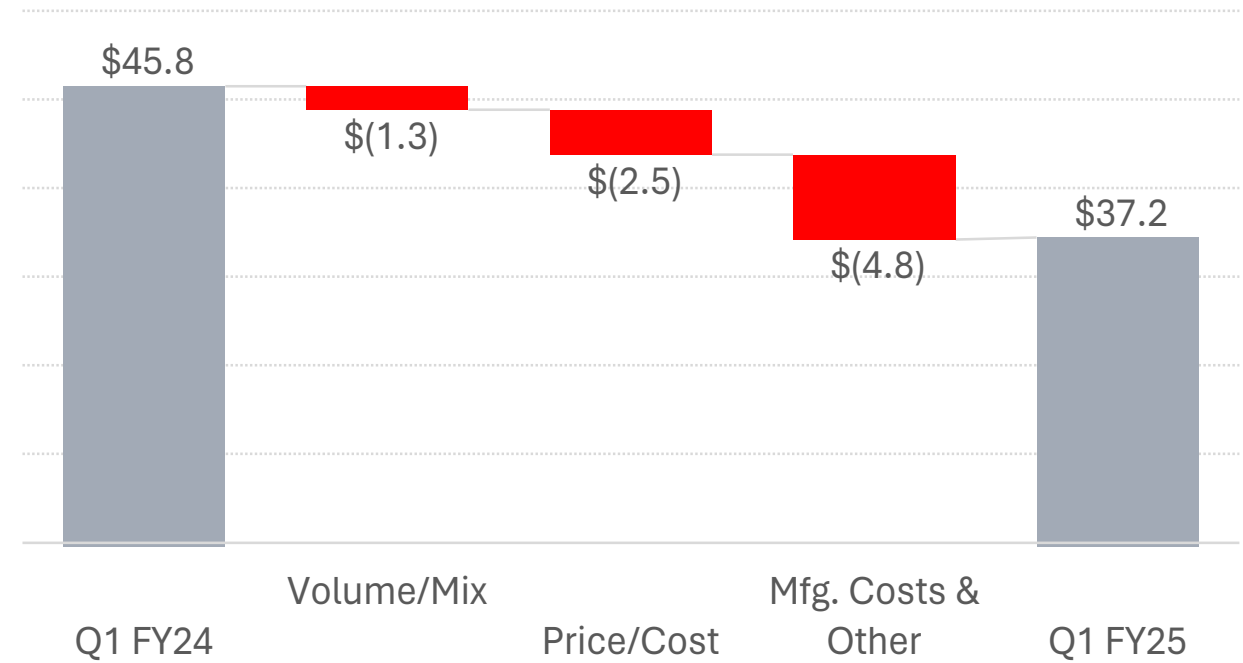
Q1 Consolidated Results Variances



Net Sales



Adj. EBITDA



Q1 Segment Results



	(\$ millions)	Q1 FY25	Q1 FY24
FAM	Sales	\$187.6	\$202.7
	% versus:		-7%
	GAAP Operating Profit	\$(410.0)	\$14.6
	Adj. EBITDA	23.3	33.2
	% versus:		-30%
SAS	Sales	\$297.2	\$297.5
	Organic Sales	\$297.2	\$281.2
	% versus:		+6%
	GAAP Operating Profit	\$13.0	\$4.2
	Adj. EBITDA	33.3	32.3
	% versus:		+3%
	Unallocated GAAP Op. Expense	\$(33.6)	\$(32.6)
Unallocated Adj. EBITDA	\$(19.4)	\$(19.7)	

- FAM Sales reflecting lower volume/mix, lower selling prices and unfavorable currency translation
- SAS Sales were up 6% on organic basis as higher volume across all product categories and higher selling prices were offset by sales associated with closed and divested plants and unfavorable currency translation
- FAM Adjusted EBITDA declined as lower SG&A expenses were more than offset by lower volume/mix, higher manufacturing and distribution costs, and unfavorable net selling price versus input cost performance
- SAS Adjusted EBITDA increased more than 3% driven by higher volume across all product categories excluding the impact from closed and divested plants, and lower SG&A expenses partially offset by higher manufacturing and distribution costs, and unfavorable net selling price versus input cost performance

2025 Key Priorities To Drive Improved Performance



Driving Enhanced Commercial Execution

- Leverage successful SAS go-to-market approach across the Company
- Harmonize tools, level of empowerment, and organizational support across salesforce
- Prioritize growth initiatives, align incentive structures, and delayer
- Move existing products into new geographies and adjacent applications
- Cross-sell full Mativ portfolio
- Make it much easier for our customers to do business with us

De-Lever through Margin and Cash Flow Improvement

- Announced pricing actions effective in March
- Taskforce underway to comprehensively review cost and operating structure
- More aggressive asset optimization
- Target **\$10M - \$15M of cost reductions** in 2025
 - In addition to previously announced \$20M wave by year-end 2026
- Target **\$40M in 2025 capital expenditures**
 - Reduction from \$55M incurred in 2024
- Target **\$20M - \$30M inventory reduction** by year-end 2025
 - Working capital now expected to be \$10M source of cash for full year 2025

Conduct Strategic Portfolio Review

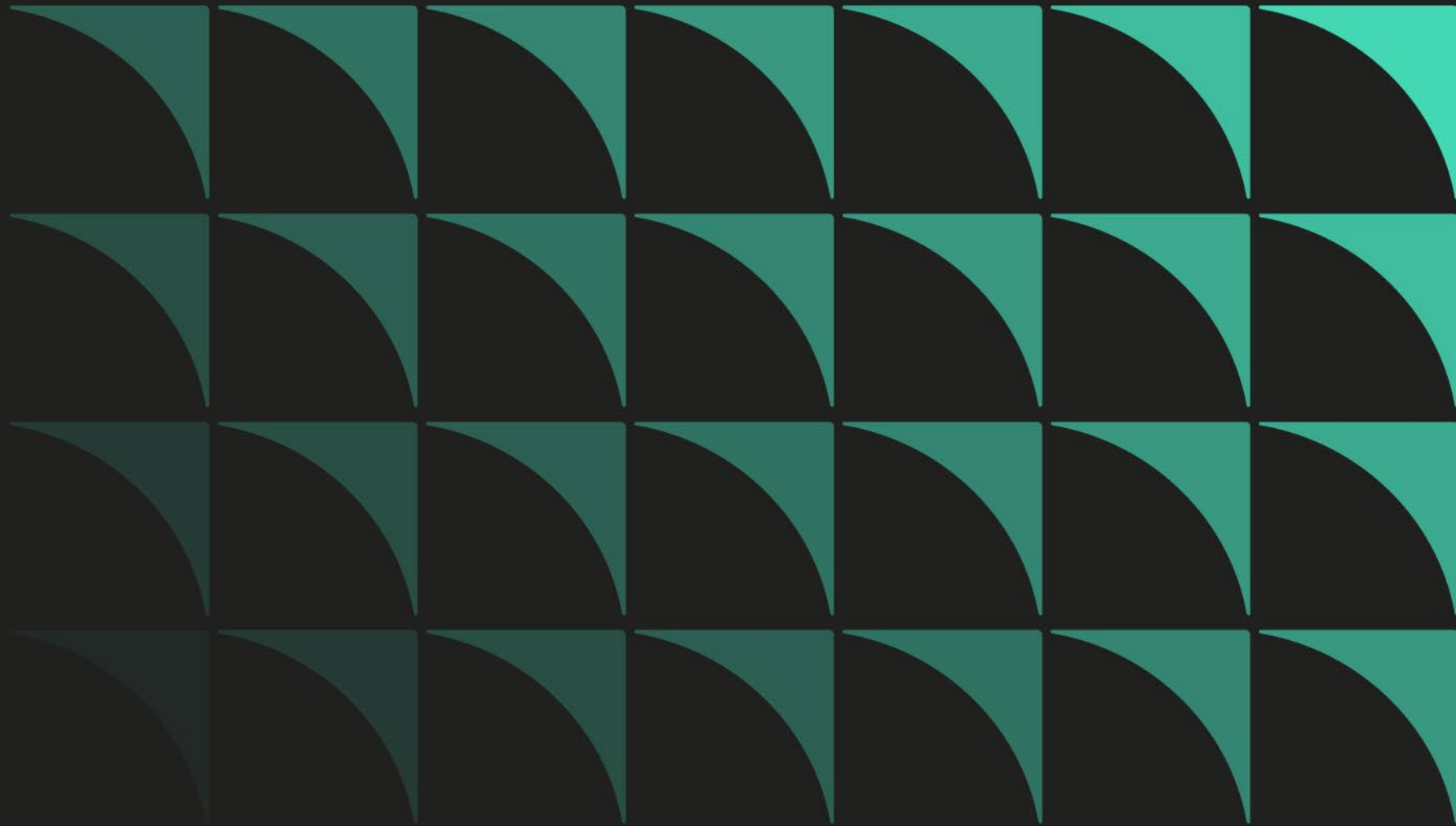
- Strategic review of assets and business lines
- Wide range of characteristics on how each product category contributes to Mativ's bottom line, competitive position, margin profile and portfolio diversity
- Ensure strategically balanced contribution
- Evaluate opportunities to unlock value and enhance balance sheet and go-to-market positioning
- Align capital allocation to highest margin and growth opportunities

2025 Full Year Considerations



- Additional cost reductions of \$10-15 million
- Depreciation, amortization and stock-based comp to be around \$100 million
- Interest expense to be around \$75 million plus another \$9 million in fees for our A/R facility
- Capital expenditures of around \$40 million
- One-time costs to be around \$15-\$20 million
- Working capital to be a \$10 million source of cash, driven by inventory reduction of \$20-30 million
- Normalized tax rate of 24%

Appendix



Non-GAAP Reconciliation: Segment Reporting



Segment Results

	Three Months Ended March 31,	
	2025	2024
Net sales		
FAM	\$ 187.6	\$ 202.7
SAS	297.2	297.5
Total Consolidated	\$ 484.8	\$ 500.2
Cost of products sold		
FAM	\$ 155.5	\$ 160.2
SAS	256.7	256.0
Consolidated	\$ 412.2	\$ 416.2
Total nonmanufacturing expenses		
FAM	\$ 24.2	\$ 24.7
SAS	27.2	29.1
Total segments	51.4	53.8
Unallocated	33.6	29.6
Consolidated	\$ 85.0	\$ 83.4
Restructuring and impairment		
FAM	\$ 417.9	\$ 3.2
SAS	0.3	8.2
Total segments	418.2	11.4
Unallocated	—	3.0
Consolidated	\$ 418.2	\$ 14.4

Operating profit (loss)

	Three Months Ended March 31,			
			Return on Net Sales	
	2025	2024	2025	2024
FAM	\$ (410.0)	\$ 14.6	(218.6)%	7.2 %
SAS	13.0	4.2	4.4 %	1.4 %
Unallocated	(33.6)	(32.6)	(6.9)%	(6.5)%
Total Consolidated	\$ (430.6)	\$ (13.8)	(88.8)%	(2.8)%

Non-GAAP Adjustments to Operating Profit (Loss)

	Three Months Ended March 31,	
	2025	2024
FAM - Amortization of intangibles and other purchase accounting adjustments	\$ 8.5	\$ 8.7
FAM - Restructuring, restructuring related, and impairment expenses	417.9	3.2
SAS - Amortization of intangibles and other purchase accounting adjustments	6.9	7.2
SAS - Restructuring, restructuring related, and impairment expenses	0.3	7.6
SAS - Organizational realignment and integration costs ⁽²⁾	—	(0.1)
Unallocated - Restructuring, restructuring related, and impairment expenses	—	3.1
Unallocated - Organizational realignment and integration costs ⁽²⁾	9.2	4.4
Unallocated - Divestiture costs	0.8	1.5
Unallocated - Financing fees ⁽¹⁾	2.0	2.4
Unallocated - Amortization of cloud-based software costs	0.2	—
Total Consolidated	\$ 445.8	\$ 38.0

⁽¹⁾ Financing fees incurred for the Receivables Sales Agreement.

⁽²⁾ Costs associated with the organizational realignment plan ("the Plan") announced on January 24, 2024 totaled \$9.2 million and \$2.5 million for the three months ended March 31, 2025 and 2024 respectively, which included advisory fees, system-related initiatives, and CEO transition costs. Integration costs totaled \$1.8 million for the three months ended March 31, 2024, which included stock-based compensation, employee compensation, and consulting fees.

Adjusted Operating Profit

	Three Months Ended March 31,			
			Return on Net Sales	
	2025	2024	2025	2024
FAM	\$ 16.4	\$ 26.5	8.7 %	13.1 %
SAS	20.2	18.9	6.8 %	6.4 %
Unallocated	(21.4)	(21.2)	(4.4)%	(4.2)%
Total Consolidated	\$ 15.2	\$ 24.2	3.1 %	4.8 %

Non-GAAP Reconciliation: Segment Reporting (cont.)



Non-GAAP Adjustments to Adjusted Operating Profit

	Three Months Ended March 31,	
	2025	2024
FAM - Depreciation	\$ 6.6	\$ 6.6
FAM - Stock-based compensation ⁽¹⁾	0.3	0.1
SAS - Depreciation	12.7	13.4
SAS - Stock-based compensation ⁽¹⁾	0.4	—
Unallocated - Depreciation	0.6	0.5
Unallocated - Stock-based compensation ⁽¹⁾	1.4	1.0
Total Consolidated	\$ 22.0	\$ 21.6

⁽¹⁾ Stock-based compensation excludes stock-based compensation included in restructuring and organizational realignment and integration costs.

Adjusted EBITDA

	Three Months Ended March 31,			
			Return on Net Sales	
	2025	2024	2025	2024
FAM	\$ 23.3	\$ 33.2	12.4 %	16.4 %
SAS	33.3	32.3	11.2 %	10.9 %
Unallocated	(19.4)	(19.7)	(4.0)%	(3.9)%
Total Consolidated	\$ 37.2	\$ 45.8	7.7 %	9.2 %

Non-GAAP Reconciliation of Organic Net Sales Growth

	FAM	SAS	Consolidated Mativ
	Three Months Ended March 31,		
Mativ 2024 Net Sales	\$ 202.7	\$ 297.5	\$ 500.2
Divestiture/closure adjustments	—	(16.3)	(16.3)
Mativ 2024 comparable Net Sales	\$ 202.7	\$ 281.2	\$ 483.9
Mativ 2025 Net Sales	\$ 187.6	\$ 297.2	\$ 484.8
Divestiture/closure adjustments	—	—	—
Mativ 2025 comparable Net Sales	\$ 187.6	\$ 297.2	\$ 484.8
<i>Organic growth</i>	(7.4)%	5.7 %	0.2 %
Currency effects on 2025	\$ (2.1)	\$ (2.6)	\$ (4.7)
Mativ 2025 comparable Net Sales with Currency Adjustment	\$ 189.7	\$ 299.8	\$ 489.5
<i>Organic constant currency growth</i>	(6.4)%	6.6 %	1.2 %

Non-GAAP Reconciliation: Consolidated Reported Results



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND SUPPLEMENTAL DATA

(in millions, except per share amounts)

	Three Months Ended March 31,	
	2025	2024
Operating loss	\$ (430.6)	\$ (13.8)
Plus: Restructuring, restructuring related, and impairment expenses	6.3	13.9
Plus: Goodwill impairment	411.9	—
Plus: Purchase accounting adjustments	15.4	15.9
Plus: Organizational realignment and integration costs	9.2	4.3
Plus: Divestiture costs	0.8	1.5
Plus: Financing fees	2.0	2.4
Plus: Amortization of cloud-based software costs	0.2	—
Adjusted operating profit	<u>\$ 15.2</u>	<u>\$ 24.2</u>
Net loss	\$ (425.5)	\$ (28.0)
Plus: Restructuring, restructuring related, and impairment expenses	4.7	10.5
Plus: Goodwill impairment	347.2	—
Plus: Purchase accounting adjustments	11.9	12.2
Plus: Organizational realignment and integration costs	6.9	3.3
Plus: Divestiture costs	0.6	1.1
Plus: Change of valuation allowance on tax attributes	48.2	—
Plus: Tax legislative changes, net of other discrete items	—	2.0
Adjusted income (loss)	<u>\$ (6.0)</u>	<u>\$ 1.1</u>
Earnings (loss) per share - diluted	\$ (7.82)	\$ (0.52)
Plus: Restructuring, restructuring related, and impairment expenses	0.09	0.19
Plus: Goodwill impairment	6.35	—
Plus: Purchase accounting adjustments	0.22	0.23
Plus: Organizational realignment and integration costs	0.13	0.06
Plus: Divestiture costs	0.01	0.02
Plus: Change of valuation allowance on tax attributes	0.88	—
Plus: Tax legislative changes, net of other discrete items	—	0.04
Adjusted Earnings (loss) per share - diluted	<u>\$ (0.14)</u>	<u>\$ 0.02</u>

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND SUPPLEMENTAL DATA

(in millions, except per share amounts)

	Three Months Ended March 31,	
	2025	2024
Net loss	\$ (425.5)	\$ (28.0)
Plus: Interest expense	17.8	18.3
Plus: Financing fees	2.0	2.4
Plus: Provision for income taxes	(24.7)	(2.4)
Plus: Depreciation & amortization	35.3	36.4
Plus: Amortization of cloud-based software costs	0.2	—
Plus: Stock compensation expense	2.1	1.1
Plus: Restructuring, restructuring related, and impairment expenses	6.3	13.9
Plus: Goodwill impairment	411.9	—
Plus: Organizational realignment and integration costs	9.2	4.3
Plus: Divestiture costs	0.8	1.5
Plus: Other income (expense), net	1.8	(1.7)
Adjusted EBITDA	<u>\$ 37.2</u>	<u>\$ 45.8</u>
Cash used in operating activities	\$ (15.9)	\$ (13.0)
Less: Capital spending	(13.9)	(12.1)
Less: Cloud-based software costs	—	(0.5)
Free cash flow	<u>\$ (29.8)</u>	<u>\$ (25.6)</u>
Total debt	\$ 1,122.8	\$ 1,089.3
Less: Cash	84.0	94.3
Net debt	<u>\$ 1,038.8</u>	<u>\$ 995.0</u>