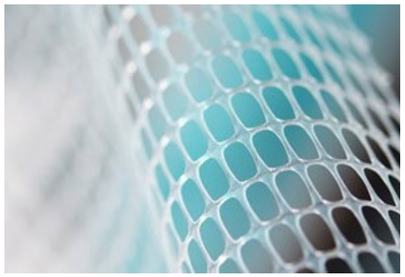
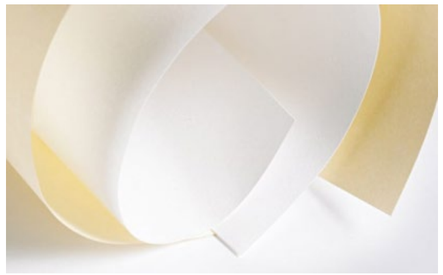
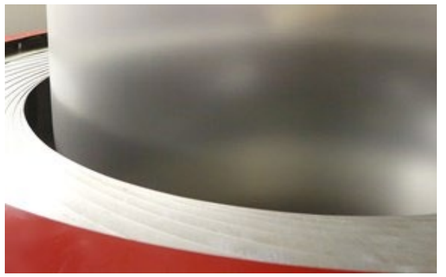
Third Quarter 2021
Earnings Conference Call


November 4, 2021

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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. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as, without limitation, "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "aim", "will", "may", "hope", "continue", "would", "could" or "should" or other words of similar meaning or the negative thereof. 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. They are prospective in nature and note based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which our business shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. No assurance can be given that such expectations will prove to have been correct and persons reading this presentation are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this presentation. We undertake no obligation, nor have any intention, 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, 2020 and those described from time to time in our periodic and other reports filed with the Securities and Exchange Commission. Among such factors are changes in global, political, economic, business, competitive, market and regulatory forces, risks associated with the COVID-19 pandemic, future exchange and interest rates, changes in tax rates and future business combinations or disposals. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

Certain financial measures and comments contained in this presentation are "non-GAAP" financial measures, specifically measures which exclude one or more of the following: restructuring and impairment expenses, certain purchase accounting adjustments related to AMS segment acquisitions, acquisition and integration related costs, interest expense, the effect of income tax provisions and other tax impacts, capital spending, capitalized software costs, and depreciation and amortization. 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. Adjusted measures are reconciled to GAAP at the end of this presentation.

The following terms/abbreviations are used throughout the presentation and are defined as follows:

AMS - Advanced Materials & Structures segment, EP – Engineered Papers segment, LIP – low ignition propensity cigarette paper, EBITDA - earnings before interest taxes depreciation and amortization

3Q 2021 Financial Highlights

($ in Millions, Except Per Share Amounts)	3Q:21	3Q:20
Sales	**$383.6**	**$279.3**
GAAP EPS	**$0.38**	**$0.78**
Adjusted EPS (1)	**$0.82**	**$1.16**

- **Continued strong demand across many key growth markets**
- **Global supply chain challenges, input cost inflation**
- **Expect 2021 Adj. EPS below original guidance, expect profit rebound and "normalization" by 2H:22**
- **Continued investment in growth and efficiency projects**

(1) Throughout this presentation, the term GAAP EPS will be used to represent GAAP Diluted EPS, and Adjusted EPS will be used to represent Adjusted Diluted EPS. Adjusted Diluted EPS and Free Cash Flow, adjusted EBITDA and adjusted operating profit are non-GAAP financial measures. See non-GAAP reconciliations and supplemental data in appendix. All financial measures presented relate to continuing operations.

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Advanced Materials & Structures (AMS)

Continued strong Covid-recovery demand; 10% organic sales increase driven by rapid growth in transportation and filtration

3Q:21 Business Highlights

- Sales up 87%, 10% organic growth
  - Transportation: up ≈ 25%; paint protection film sales still constrained by raw material scarcity, could have been significantly stronger if not for resin supply limitations
  - Filtration: also up ≈ 25%, fastest growth in water and process
  - Legacy Healthcare: comparisons remain challenging vs 3Q:20 when facemask materials surging
- Adjusted OP(1) up 9% including Scapa contribution; raw materials cost increases and supply chain challenges constrained growth and pressured margins
- 3Q:21 results key takeaways:
  - Good demand with momentum expected to continue, Scapa sales rebounding vs 2020
  - Aggressive price increases still catching up to inflationary impacts
  - Signs of relief on raw material costs and access to specialty resins for 2022

(1) Adjusted Operating Profit (OP) is a non-GAAP financial measure. See non-GAAP reconciliations and supplemental data in appendix. All financial measures presented relate to continuing operations.

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Engineered Papers (EP)

Toughest year/year comparison in 3Q, price increases and cost actions to offset inflationary pressures

3Q:21 Business Highlights

- Sales down 12%
  - Volume down 10%, price/mix 3% unfavorable, currency up 1%
  - Strong HnB growth continued
  - Very difficult comparison to 3Q:20 when certain customers built LIP inventories, impacted mix

- Adjusted OP(1) down 29%; pulp and other costs up significantly, LIP comparisons difficult as signaled when 2021 guidance issued

- 3Q:21 results key takeaways:
  - Customer inventory rebalancing to more normalized levels mostly completed
  - Price increases still catching up to raw material inflation, signs pulp prices have peaked
  - Innovation remains key focus, supplemented with continued cost reduction actions

(1) Adjusted Operating Profit (OP) is a non-GAAP financial measure. See non-GAAP reconciliations and supplemental data in appendix. All financial measures presented relate to continuing operations.

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Sales & Operating Profits

AMS organic growth and Scapa acquisition remain strategic highlights; growth offset by current inflationary pressures and supply chain challenges

$ in Millions	3Q:21	3Q:20	Key Trends/Comments
AMS Sales	**$260.1**	**$138.9**	**Up 87%, up 10% organic, transportation, filtration led growth**
AMS Adj. OP [(1)]	**$27.2**	**$25.0**	**Benefit from organic sales growth and Scapa contribution; resin input costs and materials scarcity limited growth and impacted margins**
Margin	***10.5%***	***18.0%***	
EP Sales	**$123.5**	**$140.4**	**Down 12% with volume (-10%) and price/mix (-3%)**
EP Adj. OP [(1)]	**$26.4**	**$37.3**	**Negative mix from lower LIP volumes, higher wood pulp and energy costs**
Margin	***21.4%***	***26.6%***	
Adj. Unallocated Expenses	**$13.6**	**$9.6**	**Includes $2.5 million of Scapa unallocated, remainder of increase are investments to support growth**
Total Sales	**$383.6**	**$279.3**	**Up 37%, down 1% organic**
Total Adj. OP [(1)]	**$40.0**	**$52.7**	**Inflationary and global supply chain headwinds, see positive signs of relief, price increases ongoing and improved supply chain expected in 2022**
Margin	***10.4%***	***18.9%***	

(1) Adjusted Operating Profit (OP), EBITDA and EPS are non-GAAP financial measure. See non-GAAP reconciliations and supplemental data in appendix. All financial measures presented relate to continuing operations.

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GAAP & Adjusted EPS, Cash Flow

$0.82 of Adjusted EPS(1), as Company executes to offset challenges from inflation and supply chain

3Q:21 GAAP EPS of $0.38 versus $0.78 in 3Q:20

- Included $0.14 of increased purchase accounting expenses ($0.29 in 3Q:21 vs $0.15 in 3Q:20) related to Scapa acquisition
- Included $0.08 per share of expenses related to the Scapa acquisition and integration

3Q:21 Adjusted EPS (1) of $0.82, vs $1.16 in 3Q:20

Expect 2021 Adjusted EPS to finish below original guidance of $3.75 to $4.05

Operating and Free Cash Flows

- YTD OCF: $27.5 million in 2021 versus $107.5 million in 2020; YTD FCF(1): $1.8 million in 2021 versus $84.0 million in 2020
  - High working capital outflows due to strong AMS sales and rising raw material costs (higher cost inventories)
  - Expect free cash flow to normalize in coming quarters
  - Leverage 4.8x Net Debt/EBITDA

(1) Adjusted EPS and free cash flow are a non-GAAP financial measure. See non-GAAP reconciliations and supplemental data in appendix. All financial measures presented relate to continuing operations.

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Closing Comments

Q&A Session

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Non-GAAP Reconciliations

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Non-GAAP Reconciliations

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Adjusted Operating Profit from Continuing Operations:	**YTD 2019**	**Q1 2020**	**Q2 2020**	**Q3 2020**	**Q4 2020**	**YTD 2020**	**Q1 2021**	**Q2 2021**	**Q3 2021**	**YTD 2021**
Operating Profit from Continuing Operations	$ 134.0	$ 34.1	$ 34.4	$ 37.0	$ 23.3	$ 128.8	$ 33.5	$ 15.9	$ 23.0	$ 72.4
Plus: Restructuring and impairment, and plant closure expenses	3.7	0.1	1.6	9.2	6.0	16.9	1.7	2.3	2.4	6.4
Plus: Purchase accounting adjustments	20.3	5.6	7.2	6.5	6.5	25.8	6.5	14.3	11.3	32.1
Plus: Acquisition related costs	-	-	-	-	-	-	3.6	12.1	3.3	19.0
Plus: Brazil tax assessment	1.5	-	-	-	0.1	0.1	-	-	-	-
Adjusted Operating Profit from Continuing Operations	$ 159.5	$ 39.8	$ 43.2	$ 52.7	$ 35.9	$ 171.6	$ 45.3	$ 44.6	$ 40.0	$ 129.9
Adjusted Operating Margin from Continuing Operations	8.8%	15.2%	17.0%	18.9%	12.8%	16.0%	15.7%	11.8%	10.4%	12.4%

Adjusted Net Income from Continuing Operations:	**YTD 2019**	**Q1 2020**	**Q2 2020**	**Q3 2020**	**Q4 2020**	**YTD 2020**	**Q1 2021**	**Q2 2021**	**Q3 2021**	**YTD 2021**
Net income from continuing operations	$ 85.8	$ 22.5	$ 21.5	$ 24.5	$ 15.3	$ 83.8	$ 21.6	$ 1.8	$ 12.2	$ 35.6
Plus: Restructuring and impairment expense	3.7	0.1	1.6	6.0	4.2	11.9	1.7	2.3	1.9	5.9
Less: Tax impact of restructuring and impairment expense	(0.7)	-	(0.5)	(1.5)	(1.1)	(3.1)	(0.4)	(0.6)	(0.5)	(1.5)
Plus: Plant closure	-	-	-	3.2	1.7	4.9	-	-	0.5	0.5
Less: Tax impact of plant closure	-	-	-	(0.7)	(0.4)	(1.1)	-	-	(0.1)	(0.1)
Plus: Purchase accounting adjustments	20.3	5.6	7.2	6.5	6.5	25.8	6.5	14.3	11.3	32.1
Less: Tax impact of purchase accounting adjustments	(3.7)	(1.4)	(1.7)	(1.6)	(1.6)	(6.3)	(1.6)	(2.6)	(2.2)	(6.4)
Plus: Brazil tax assessments	10.8	-	-	-	0.1	0.1	(6.1)	-	-	(6.1)
Less: Tax impact of Brazil tax assessments	(4.2)	-	-	-	-	-	2.7	(0.2)	0.3	2.8
Plus: Acquisition and integration related costs	-	-	-	-	-	-	3.6	12.1	3.3	19.0
Less: Tax impact on acquisition and integration related costs	-	-	-	-	-	-	(0.8)	(2.6)	(0.8)	(4.2)
Plus: Acquisition related foreign currency exchange impacts	-	-	-	-	-	-	5.6	1.3	-	6.9
Less: Tax impact on Acquisition related foreign currency exchange impacts	-	-	-	-	-	-	(1.3)	1.3	-	-
Less: Transitional tax adjustment	(0.6)	-	-	-	-	-	-	-	-	-
Less: Tax legislative changes, net of other discrete items	(0.8)	(0.3)	(0.1)	-	-	(0.4)	0.7	1.5	(0.1)	2.1
Less: RTL-Philippine sale gain	(0.3)	-	-	-	-	-	-	-	-	-
Adjusted Net Income from Continuing Operations	$ 110.3	$ 26.5	$ 28.0	$ 36.4	$ 24.7	$ 115.6	$ 32.2	$ 28.6	$ 25.8	$ 86.6

Adjusted EBITDA from Continuing Operations:	**YTD 2019**	**Q1 2020**	**Q2 2020**	**Q3 2020**	**Q4 2020**	**YTD 2020**	**Q1 2021**	**Q2 2021**	**Q3 2021**	**YTD 2021**
Net Income	$ 85.8	$ 22.5	$ 21.5	$ 24.5	$ 15.3	$ 83.8	$ 21.6	$ 1.8	$ 12.2	$ 35.6
Plus: Loss (income) from discontinued operations	-	-	-	-	-	-	-	-	-	-
Income from continuing operations	85.8	22.5	21.5	24.5	15.3	83.8	21.6	1.8	12.2	35.6
Plus: Interest expense	29.0	6.9	8.1	7.8	7.7	30.5	7.4	13.1	15.3	35.8
Plus: Interest on Brazil tax assessments	7.1	-	-	-	0.1	0.1	(4.5)	-	-	(4.5)
Plus: Provision for income taxes	15.2	5.3	5.4	4.8	2.9	18.4	7.4	3.5	1.5	12.4
Plus: Depreciation & amortization	58.0	14.8	16.8	19.2	19.3	70.1	16.4	27.0	24.1	67.5
Plus: Restructuring and impairment expense	3.7	0.1	1.6	6.0	4.2	11.9	1.7	2.3	1.9	5.9
Plus: Inventory w rite-dow n expense related to plant closure	-	-	-	2.0	-	2.0	-		0.5	0.5
Plus: Acquisition related costs	-	-	-	-	-	-	3.6	12.1	3.3	19.0
Plus: loss (Income) from equity affiliates	(4.1)	-	(0.9)	(1.1)	(2.9)	(4.9)	(1.0)	(2.8)	(2.3)	(6.1)
Plus: Other (income) expense, net	1.0	(0.6)	0.3	1.0	0.3	1.0	(1.4)	(1.0)	(3.7)	(6.1)
Plus: Acquisition related foreign currency exchange impacts	-	-	-	-	-	-	5.6	1.3	-	6.9
Plus: Brazil tax assessments	1.5	-	-	-	-	-	(1.6)	-	-	(1.6)
Adjusted EBITDA from continuing operations	$ 197.2	$ 49.0	$ 52.8	$ 64.2	$ 46.9	$ 212.9	$ 55.2	$ 57.3	$ 52.8	$ 165.3

Adjusted EBITDA from Continuing Operations:	**YTD 2019**	**Q1 2020**	**Q2 2020**	**Q3 2020**	**Q4 2020**	**YTD 2020**	**Q1 2021**	**Q2 2021**	**Q3 2021**	**YTD 2021**
AMS adjusted EBITDA	$ 99.2	$ 22.7	$ 24.8	$ 29.1	$ 30.1	$ 106.7	$ 32.1	$ 40.2	$ 34.3	$ 106.6
EP adjusted EBITDA	146.6	39.0	38.3	44.4	36.3	158.0	37.0	31.9	32.0	100.9
Unallocated adjusted EBITDA	(48.6)	(12.7)	(10.3)	(9.3)	(19.5)	(51.8)	(13.9)	(14.8)	(13.5)	(42.2)
Adjusted EBITDA from continuing operations	$ 197.2	$ 49.0	$ 52.8	$ 64.2	$ 46.9	$ 212.9	$ 55.2	$ 57.3	$ 52.8	$ 165.3

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Adjusted Earnings Per Share from Continuing Operations - Diluted	**YTD 2019**	**Q1 2020**	**Q2 2020**	**Q3 2020**	**Q4 2020**	**YTD 2020**	**Q1 2021**	**Q2 2021**	**Q3 2021**	**YTD 2021**
Diluted net income per share from continuing operations	$ 2.76	$ 0.72	$ 0.68	$ 0.78	$ 0.48	$ 2.66	$ 0.68	$ 0.06	$ 0.38	$ 1.12
Plus: Restructuring and impairment expense, per share	0.12	-	0.06	0.19	0.13	0.38	0.06	0.07	0.06	0.19
Less: Tax impact of restructuring and impairment expense, per share	(0.02)	-	(0.02)	(0.04)	(0.04)	(0.10)	(0.01)	(0.02)	(0.02)	(0.05)
Plus: Plant closure	-	-	-	0.10	0.06	0.16	-	-	0.02	0.02
Less: Tax impact of plant closure	-	-	-	(0.02)	(0.02)	(0.04)	-	-	-	-
Plus: Purchase accounting adjustments, per share	0.66	0.18	0.24	0.20	0.21	0.83	0.21	0.45	0.36	1.02
Less: Tax impact of purchase accounting adjustments, per share	(0.12)	(0.04)	(0.06)	(0.05)	(0.05)	(0.20)	(0.05)	(0.09)	(0.07)	(0.21)
Plus: Brazil tax assessments	0.35	-	-	-	-	-	(0.20)	-	-	(0.20)
Less: Tax impact of Brazil tax assessments	(0.14)	-	-	-	-	-	0.09	(0.01)	0.01	0.09
Plus: Acquisition and integration related costs	-	-	-	-	-	-	0.11	0.39	0.10	0.60
Less: Tax impact on acquistion and integration related costs	-	-	-	-	-	-	(0.02)	(0.09)	(0.02)	(0.13)
Plus: Acquisition related foreign currency exchange impacts	-	-	-	-	-	-	0.18	0.04	-	0.22
Less: Tax impact on acquisition related foreign currency exchange impacts	-	-	-	-	-	-	(0.05)	0.05	-	-
Less: Transitional tax adjustment	(0.02)	-	-	-	-	-	-	-	-	-
Less: Write off of contingent consideration	-	-	-	-	-	-	-	-	-	-
Plus: Tax impact of w rite off of contingent consideration	-	-	-	-	-	-	-	-	-	-
Plus: CTS impairment expense	-	-	-	-	-	-	-	-	-	-
Less: Tax legistlative changes, Net deferred tax movements, one-time tax expense & income tax valuation allow ance	(0.03)	(0.01)	-	-	-	(0.01)	0.02	0.05	-	0.07
Less: RTL-Philippine sale gain	(0.01)	-	-	-	-	-	-	-	-	-
Adjusted Earnings Per Share from Continuing Operations - Diluted	$ 3.55	$ 0.85	$ 0.90	$ 1.16	$ 0.77	$ 3.68	$ 1.02	$ 0.90	$ 0.82	$ 2.74

Free Cash Flow	**YTD 2019**	**Q1 2020**	**Q2 2020**	**Q3 2020**	**Q4 2020**	**YTD 2020**	**Q1 2021**	**Q2 2021**	**Q3 2021**	**YTD 2021**
Cash provided by Operating Activities by Continuing Operations	$ 160.3	$ 5.1	$ 44.2	$ 58.2	$ 54.1	$ 161.6	$ 12.7	$ 7.1	$ 7.7	$ 27.5
Less: Capital spending	(28.6)	(7.4)	(7.5)	(5.8)	(9.4)	(30.1)	(7.1)	(9.2)	(7.5)	(23.8)
Less: Capitalized softw are expenditure	(5.5)	(0.7)	(1.0)	(1.1)	(0.4)	(3.2)	(0.5)	(0.8)	(0.6)	(1.9)
Free Cash Flow	$ 126.2	$ (3.0)	$ 35.7	$ 51.3	$ 44.3	$ 128.3	$ 5.1	$ (2.9)	$ (0.4)	$ 1.8

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