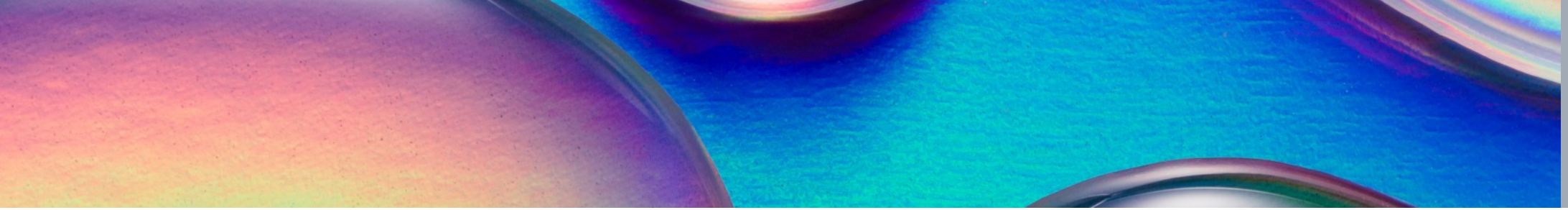
Mativ 1Q 2023
Earnings Release Presentation



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, 2022, 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.

The following terms/abbreviations are used throughout the presentation and are defined as follows: ATM – Advanced Technical Materials segment, FBS – Fiber-Based Solutions segment, P&SP – packaging and specialty paper, OP - operating profit, EBITDA - earnings before interest taxes depreciation and amortization, EPS - earnings per share.

Forward Looking Statements, Non-GAAP Disclosure, & Definitions

Combined Legacy Financial Information

Due to the significance of the Neenah merger and the resulting change in our reportable segments, Mativ is providing the supplemental combined legacy financial information set forth in the tables below under the captions “Non-GAAP Reconciliation: Combined Legacy Neenah and SWM Results for Comparability” and “Non-GAAP Reconciliation: Sales Results” to enhance its investors’ ability to evaluate the Company's operating performance on a combined basis with Neenah. The purpose of the supplemental legacy combined financial information is to reflect changes to our reportable segments and to present certain non-GAAP financial measures on a combined company basis for the current and corresponding prior year periods.

The supplemental combined legacy financial information in the attached schedules is not necessarily indicative of the operating results of the combined companies had the Neenah merger been completed at the beginning of or prior to the periods presented or of the operating results of the combined company in the future. The supplemental combined legacy financial information for periods prior to the date of the Neenah merger does not reflect cost savings or other synergies anticipated as a result of the merger. The supplemental combined legacy financial information is not pro forma information prepared in accordance with Article 11 of Regulation S-X of the SEC, and the preparation of information in accordance with Article 11 would result in a different presentation.

Please refer to the Company’s 8-K filed on December 22, 2022, which includes historical reconciliations of non-GAAP results for periods beginning with the first quarter of 2021, for additional information, as well as the 8-K and earnings release dated February 22, 2023 for fourth quarter 2022 and full year 2022 reconciliations.

Strong Price Exceeded Input Costs; Volume Pressure & Operational Challenges Drove Lower Profitability



	As reported			Comparable*	
($ millions, except EPS)	1Q:23	1Q:22		1Q:23	1Q:22
Sales	**$679.0**	**$406.8**		**$679.0**	**$691.6**
GAAP Income	**($7.7)**	**$1.6**		**($7.7)**	N/A
GAAP EPS	**($0.14)**	**$0.05**		**($0.14)**	N/A
Adjusted EBITDA	**$65.7**	**$55.1**		**$65.7**	**$88.1**
Adjusted EPS	**$0.25**	**$0.89**		**$0.25**	N/A

- 1Q:23 organic sales growth of 1% ex-currency
- Pricing versus input cost inflation net benefit nearly $40 million
- Volume/mix impacted by customer de-stocking across end-markets
- French strikes and manufacturing inefficiencies, mostly in FBS, were biggest hurdles
- Engineered papers accounted for ≈ $15 million of $22 million total EBITDA decline
- Operations improving, synergy realization on track, cost reduction actions underway, de-stocking expected to end in 2Q, inputs costs easing
- Expect strong sequential EBITDA growth through remainder of 2023

Note: Adjusted EBITDA, Adjusted EPS, Comparable results, and organic sales growth are non-GAAP measures and reconciled in the appendix of this presentation.
* See non-GAAP reconciliations for analyses of current period reported results compared to prior year period results of legacy Neenah and legacy SWM combined. Please refer to reconciliations at the end of this presentation and in the 8-K and earnings release dated May 10, 2023 for additional details.

Operating Challenges Offsetting Otherwise Solid Performance

Nearly $40 million of price/cost favorability

- Pricing actions of 2022 remain in effect, input costs have begun to ease
- Both FBS and ATM showing strong price/cost performance

Synergy actions remain on-plan

- Majority of SG&A actions taken in 2022; 2023 focus on procurement and supply chain
- ≈ 5+ million of realized synergies vs 1Q:23, on track for $25 million incremental synergy realization in 2023

De-stocking drove lower 1Q volumes, expect 2H normalization; FBS impacted by French strikes

- Customers de-stocking across end-markets
- French strikes resulted in lost sales and operational disruptions

Manufacturing inefficiencies

- FBS accounted for majority of total EBITDA decline
- Labor turnover in US impacting plant performance, overstaffed relative to volume needs; improvement plans in place

1Q:23 Results Overview

$ millions	1Q:23	Comments
ATM Sales	434.3	Up 2% constant currency organic
FBS Sales	244.7	Down 1% constant currency organic
Total Sales	**679.0**	Up 1% constant currency organic
GAAP Income / EPS	($7.7) / ($0.14)	
Adj. Income / EPS	$13.7 / $0.25	
ATM Adj. EBITDA	$58.8 *13.5% margin*	Comparable*: down 7%, 90 bps of margin contraction, driven by favorable price/cost offset by lower volumes and manufacturing inefficiencies
FBS Adj. EBITDA	$28.4 *11.6% margin*	Comparable*: down 40%, 720 bps of margin contraction, fully driven by operational challenges from French strikes, overstaffing, and US site labor turnover which caused manufacturing inefficiencies
Unallocated	($21.5) *3.2% of total sales*	Comparable*: down 10 bps, synergy execution, partially offset by general inflation
Total Adj. EBITDA	**$65.7** *9.7% margin*	Comparable*: down 25%, 300 bps of margin contraction

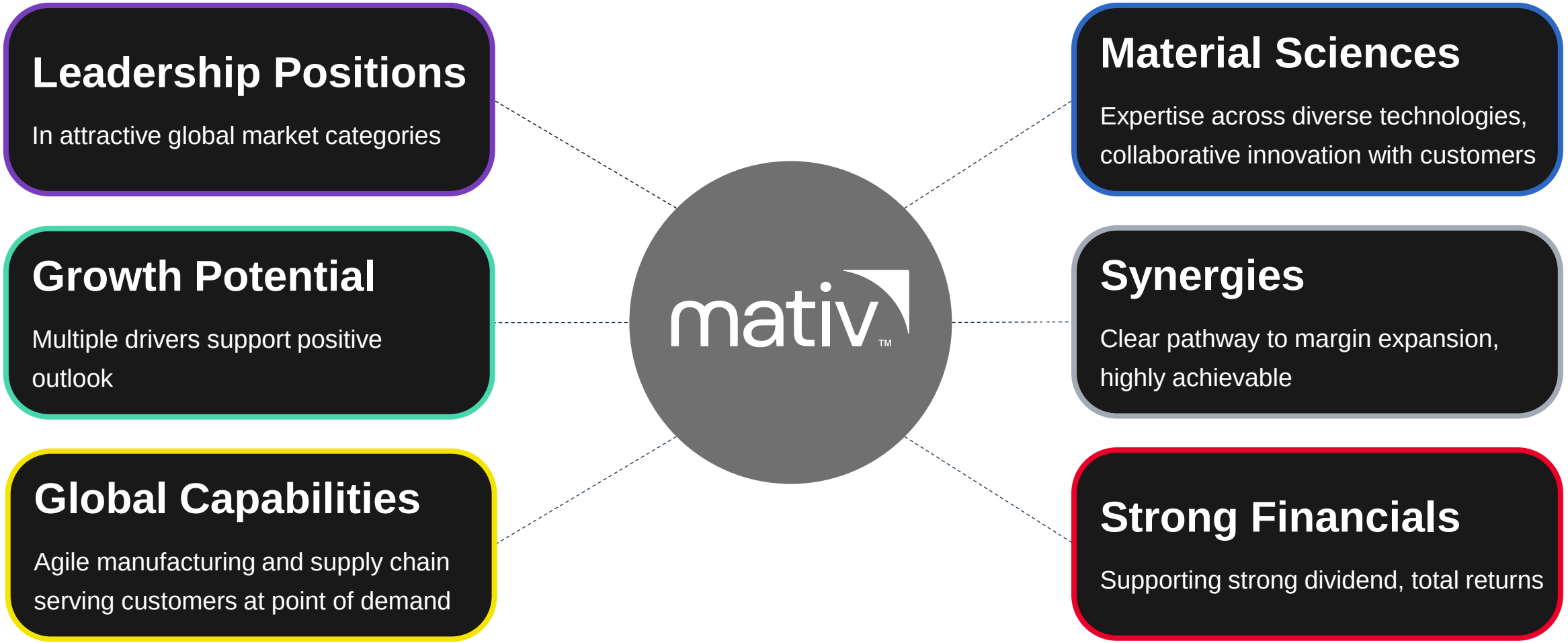
Note: Adjusted Income, Adjusted EPS, and Adjusted EBITDA are non-GAAP measures and are reconciled in the appendix of this presentation.
* See non-GAAP reconciliations for analyses of current period reported results compared to prior year period results of legacy Neenah and legacy SWM combined. Please refer to reconciliations at the end of this presentation and in the 8-K and earnings release dated May 10, 2023 for additional details.

1Q:23 Key Variances & Trends

$ millions		Trend	Outlook
1Q:22 Adj. EBITDA (Comparable)	$88		
Price	≈ $60	Up 8%, strong pricing actions to recover input cost inflation	Focus on maintaining price increases
Cost	≈ ($20)	Input costs off peak levels	Several key inputs expected to be lower in 2023 v 2022
Price vs Cost	≈ $40	Strong momentum from 2H:22	Looking to maintain positive spread to offset volume headwinds
Volume/Mix	≈ ($60)	De-stocking primary driver, French strikes/shutdowns over $5 million	De-stocking impacts continue into 2Q, French strikes expected to lessen
Manuf./Dist.		Overstaffed relative to volume, labor turnover, sub-standard efficiency, French strikes	Action plans implemented across sites to drive manufacturing improvement, cost reductions including labor
1Q:23 Adj. EBITDA	$66	**Expect sequential growth for remainder of 2023**	

Investment Highlights

New beginning. Tremendous opportunity.




Appendix

Non-GAAP Reconciliation: Segment Reporting

NOTE RE: SEGMENT REPORTING & COMPARABILITY

Effective July 6, 2022, in connection with the close of the Neenah merger, Mativ has two reportable segments for financial reporting purposes: Advanced Technical Materials ("ATM") and Fiber-Based Solutions ("FBS"). ATM is comprised of the legacy SWM Advanced Materials & Structures segment and the legacy Neenah Technical Products segment. FBS is comprised of the legacy SWM Engineered Papers segment and the legacy Neenah Fine Paper and Packaging segment. For accounting purposes, SWM was the surviving entity, thus results for the September 2022 quarter onward reflect the merged company's financials while all prior periods reflect only previously reported SWM consolidated and segment results.

BUSINESS SEGMENTS, AS REPORTED, $ millions

Net Sales

	Three Months Ended March 31,		
	2023	2022	% Change
ATM	$ 434.3	$ 272.9	59.1 %
FBS	244.7	133.9	82.7 %
Total Consolidated	$ 679.0	$ 406.8	66.9 %

Operating Profit

	Three Months Ended March 31,			
			Return on Net Sales	
	2023	2022	2023	2022
ATM	$ 37.6	$ 10.3	8.7 %	3.8 %
FBS	6.2	25.7	2.5 %	19.2 %
Unallocated	(34.5)	(25.4)	(5.1)%	(6.2)%
Total Consolidated	$ 9.3	$ 10.6	1.4 %	2.6 %

Non-GAAP Adjustments to Operating Profit

	Three Months Ended March 31,	
	2023	2022
ATM - Amortization of intangibles and other purchase accounting adjustments	$ 7.0	$ 11.1
ATM - Restructuring, impairment, and other expenses	0.7	13.2
FBS - Amortization of intangibles and other purchase accounting adjustments	8.9	—
FBS - Restructuring, impairment, and other expenses	0.1	0.3
Unallocated - Acquisition/Merger and integration costs	10.4	7.1
Total Consolidated	$ 27.1	$ 31.7

Non-GAAP Reconciliation: Segment Reporting (cont.)

BUSINESS SEGMENTS, AS REPORTED, $ millions

Adjusted Operating Profit

	Three Months Ended March 31,			
			Sales	
	2023	2022	2023	2022
ATM	$ 45.3	$ 34.6	10.4 %	12.7 %
FBS	15.2	26.0	6.2 %	19.4 %
Unallocated	(24.1)	(18.3)	(3.5)%	(4.5)%
Total Consolidated	$ 36.4	$ 42.3	5.4 %	10.4 %

Non-GAAP Adjustments to Adjusted Operating Profit

	Three Months Ended March 31,	
	2023	2022
ATM - Depreciation and stock-based compensation	$ 13.5	$ 7.8
FBS - Depreciation and stock-based compensation	13.2	4.9
Unallocated - Depreciation and stock-based compensation	2.6	3.5
Total Consolidated	$ 29.3	$ 16.2

Adjusted EBITDA

	Three Months Ended March 31,			
			Sales	
	2023	2022	2023	2022
ATM	$ 58.8	$ 42.4	13.5 %	15.5 %
FBS	28.4	30.9	11.6 %	23.1 %
Unallocated	(21.5)	(14.8)	(3.2)%	(3.6)%
Total Consolidated	$ 65.7	$ 58.5	9.7 %	14.4 %

Non-GAAP Reconciliation: Consolidated Reported Results

$ millions	Three Months Ended March 31,	
	2023	2022
Operating profit	$ 9.3	$ 10.6
Plus: Restructuring and impairment related expenses	0.8	13.5
Plus: Purchase accounting adjustments	15.9	11.1
Plus: Acquisition/merger and integration related costs	10.4	7.1
Adjusted Operating Profit	$ 36.4	$ 42.3
Income (loss)	$ (7.7)	$ 1.6
Plus: Restructuring and impairment expenses	0.8	13.5
Less: Tax impact of restructuring and impairment expense	(0.2)	(2.8)
Less: Gain on sale of assets	—	(0.5)
Plus: Tax impact on gain on sale of assets	—	0.1
Plus: Other restructuring related expenses	0.5	—
Less: Tax impact of other restructuring related expenses	(0.1)	—
Plus: Purchase accounting adjustments	15.9	11.1
Less: Tax impact of purchase accounting adjustments	(3.6)	(2.3)
Plus: Acquisition/merger and integration related costs	10.4	7.1
Less: Tax impact on acquisition/merger and integration related costs	(2.3)	(1.5)
Plus: Tax legislative changes, net of other discrete items	—	1.8
Adjusted Income	$ 13.7	$ 28.1
Earnings (loss) per share - diluted	$ (0.14)	$ 0.05
Plus: Restructuring and impairment related expenses	0.01	0.43
Less: Tax impact of restructuring and impairment expense	—	(0.09)
Less: Gain on sale of assets	—	(0.02)
Plus: Other restructuring related expenses	0.01	—
Plus: Purchase accounting adjustments	0.29	0.35
Less: Tax impact of purchase accounting adjustment	(0.07)	(0.07)
Plus: Acquisition/merger and integration related costs	0.19	0.23
Less: Tax impact on acquisition/merger and integration related costs	(0.04)	(0.05)
Plus: Tax legislative changes, net of other discrete items	—	0.06
Adjusted Earnings Per Share - Diluted	$ 0.25	$ 0.89

Non-GAAP Reconciliation: Consolidated Reported Results (cont.)

$ millions	Three Months Ended March 31,	
	2023	2022
Net Income (loss)	$ (7.7)	$ 1.6
Plus: Interest expense	26.5	14.5
Plus: Provision for income taxes	(2.4)	2.1
Plus: Depreciation & amortization	42.0	23.9
Plus: Stock compensation expense	1.8	—
Plus: Inventory step up expense	1.4	—
Plus: Restructuring and impairment expense	0.8	13.5
costs	10.4	7.1
Plus: Income from equity affiliates	(0.1)	(2.1)
Plus: Other income, net	(7.0)	(5.5)
Adjusted EBITDA (1)	$ 65.7	$ 55.1
Cash provided by (used in) operating activities	$ (20.7)	$ 5.0
Less: Capital spending	(19.1)	(8.7)
Less: Capitalized softw are costs	(0.1)	(0.9)
Free Cash Flow	$ (39.9)	$ (4.6)

	March 31, 2023	December 31, 2022
Total Debt	$ 1,733.0	$ 1,693.9
Less: Cash	97.0	124.4
Net Debt	$ 1,636.0	$ 1,569.5

(1) This reconciliation from Net income to Adjusted EBITDA for the quarter ended March 31, 2022 is consistent w ith the press release filed on May 4, 2022. For conformed reconciliations for the quarter ended March 31, 2022, refer to the Non-GAAP reconciliations of combined results in the tables below .

Non-GAAP Reconciliation: Combined Legacy Neenah and SWM Results for Comparability

$ millions

	Three Months Ended					
	March 31, 2022					March 31, 2023
	Legacy Neenah	Adjustments	Legacy Neenah	Legacy SWM	Mativ Combined for	Mativ
Advanced Technical Materials (ATM) (1)						
Net Sales	**$ 185.6**	**$ (18.9)**	**$ 166.7**	**$ 272.9**	**$ 439.6**	**$ 434.3**
GAAP Operating Profit	**12.1**	**1.7**	**13.8**	**10.3**	**24.1**	**37.6**
Amortization of intangibles and other purchase accounting adjustments	2.2	(0.1)	2.1	11.1	13.2	7.0
Restructuring, impairment, and other expenses	0.6	—	0.6	13.2	13.8	0.7
Acquisition/Merger and integration costs	0.2	—	0.2	—	0.2	—
Adjusted Operating Profit (2)	**$ 15.1**	**$ 1.6**	**$ 16.7**	**$ 34.6**	**$ 51.3**	**$ 45.3**
Adjusted Operating Profit Margin	8.1 %	N/A	10.0 %	12.7 %	11.7 %	10.4 %
Depreciation and stock-based compensation expense (3)	5.1	(0.7)	4.4	7.8	12.2	13.5
Adjusted EBITDA (4)	**$ 20.2**	**$ 0.9**	**$ 21.1**	**$ 42.4**	**$ 63.5**	**$ 58.8**
Adjusted EBITDA Margin	10.9 %	N/A	12.7 %	15.5 %	14.4 %	13.5 %
Fiber-Based Solutions (FBS) (1)						
Net Sales	**$ 99.2**	**$ 18.9**	**$ 118.1**	**$ 133.9**	**$ 252.0**	**$ 244.7**
GAAP Operating Profit	**11.9**	**1.1**	**13.0**	**25.7**	**38.7**	**6.2**
Amortization of intangibles and other purchase accounting adjustments	0.2	0.1	0.3	—	0.3	8.9
Restructuring, impairment, and other expenses	—	—	—	0.3	0.3	0.1
Other	0.1	—	0.1	—	0.1	—
Adjusted Operating Profit (2)	**$ 12.2**	**$ 1.2**	**$ 13.4**	**$ 26.0**	**$ 39.4**	**$ 15.2**
Adjusted Operating Profit Margin	12.3 %	N/A	11.3 %	19.4 %	15.6 %	6.2 %
Depreciation and stock-based compensation expense (3)	2.3	0.7	3.0	4.9	7.9	13.2
Adjusted EBITDA (4)	**$ 14.5**	**$ 1.9**	**$ 16.4**	**$ 30.9**	**$ 47.3**	**$ 28.4**
Adjusted EBITDA Margin	14.6 %	N/A	13.9 %	23.1 %	18.8 %	11.6 %

Non-GAAP Reconciliation: Combined Legacy Neenah and SWM Results for Comparability (cont.)

$ millions	Three Months Ended March 31, 2022					March 31, 2023
	Legacy Neenah	Adjustments	Legacy Neenah	Legacy SWM	Mativ Combined for	Mativ
Corporate Unallocated						
GAAP Operating Loss	**$ (11.8)**	**$ (3.5)**	**$ (15.3)**	**$ (25.4)**	**$ (40.7)**	**$ (34.5)**
Acquisition/Merger and integration costs	5.1	—	5.1	7.1	12.2	10.4
Other	0.5	—	0.5	—	0.5	—
Adjusted Operating Loss (2)	**$ (6.2)**	**$ (3.5)**	**$ (9.7)**	**$ (18.3)**	**$ (28.0)**	**$ (24.1)**
% of total Net Sales	(2.2)%	N/A	(3.4)%	(4.5)%	(4.0)%	(3.5)%
Depreciation and stock-based compensation expense (3)	1.8	—	1.8	3.5	5.3	2.6
Adjusted EBITDA (4)	**$ (4.4)**	**$ (3.5)**	**$ (7.9)**	**$ (14.8)**	**$ (22.7)**	**$ (21.5)**
% of total Net Sales	(1.5)%	N/A	(2.8)%	(3.6)%	(3.3)%	(3.2)%
Consolidated						
Net Sales	**$ 284.8**	**$ —**	**$ 284.8**	**$ 406.8**	**$ 691.6**	**$ 679.0**
GAAP Operating Profit (1)	**12.2**	**(0.7)**	**11.5**	**10.6**	**22.1**	**9.3**
Amortization of intangibles and other purchase accounting adjustments	2.4	—	2.4	11.1	13.5	15.9
Restructuring, impairment, and other expenses	0.6	—	0.6	13.5	14.1	0.8
Acquisition/Merger and integration costs	5.3	—	5.3	7.1	12.4	10.4
Other	0.6	—	0.6	—	0.6	—
Adjusted Operating Profit (2)	**$ 21.1**	**$ (0.7)**	**$ 20.4**	**$ 42.3**	**$ 62.7**	**$ 36.4**
Adjusted Operating Profit Margin	7.4 %	N/A	7.2 %	10.4 %	9.1 %	5.4 %
Depreciation and stock-based compensation expense (3)	9.2	—	9.2	16.2	25.4	29.3
Adjusted EBITDA (4)	**$ 30.3**	**$ (0.7)**	**$ 29.6**	**$ 58.5**	**$ 88.1**	**$ 65.7**
Adjusted EBITDA Margin	10.6 %	N/A	10.4 %	14.4 %	12.7 %	9.7 %

The following notes apply to all periods and tables presented herein:

(1) Effective with the merger, certain assets/net sales were reclassified out of ATM and into FBS, and to conform with legacy SWM accounting practices certain of legacy Neenah operating expenses were reclassified out of the ATM and FBS operating segments and moved to Corporate Unallocated. In addition, certain legacy Neenah Corporate Unallocated operating expenses were reclassified out of GAAP Operating Profit and moved to Other income, net to conform with legacy SWM accounting practices.

(2) Effective with the merger, legacy Neenah's definition of Adjusted Operating Profit, a non-GAAP financial measure, was conformed to legacy SWM's Adjusted Operating Profit definition which includes an add-back for amortization of intangible assets and other purchase accounting adjustments.

(3) Depreciation and stock-based compensation excludes stock-based compensation included in acquisition/merger and integration costs.

(4) Effective with the merger, legacy SWM's definition of EBITDA, a non-GAAP financial measure, was conformed to legacy Neenah's EBITDA definition which includes an add-back for stock-based compensation. The revised EBITDA definition is more aligned with the terms of the Company's Credit Agreement.

Non-GAAP Reconciliation: Sales Results

Non-GAAP Reconciliation of Organic Net Sales Growth

$ millions

	Advanced Technical	Fiber-Based Solutions	Consolidated Mativ
	Three Months Ended March 31,		
Mativ Combined 2022 Net Sales	$ 439.6	$ 252.0	$ 691.6
Divestiture/closure adjustments	(5.2)	—	(5.2)
Mativ Combined 2022 Comparable Net Sales	**$ 434.4**	**$ 252.0**	**$ 686.4**
Mativ Combined 2023 Net Sales	$ 434.3	$ 244.7	$ 679.0
Divestiture/closure adjustments	—	—	—
Mativ Combined 2023 Comparable Net Sales	**$ 434.3**	**$ 244.7**	**$ 679.0**
Organic growth	0.0 %	(2.9)%	(1.1)%
Currency effects on 2023	$ (9.2)	$ (4.6)	$ (13.8)
Mativ 2023 Comparable Net Sales with Currency Adjustment	**$ 443.5**	**$ 249.3**	**$ 692.8**
Organic constant currency growth	2.1 %	(1.1)%	0.9 %