



Investor Presentation

Q1 2022

We Manufacture Growth



Company Overview

An innovative leader in the manufacturing of specialty materials focused on premium markets

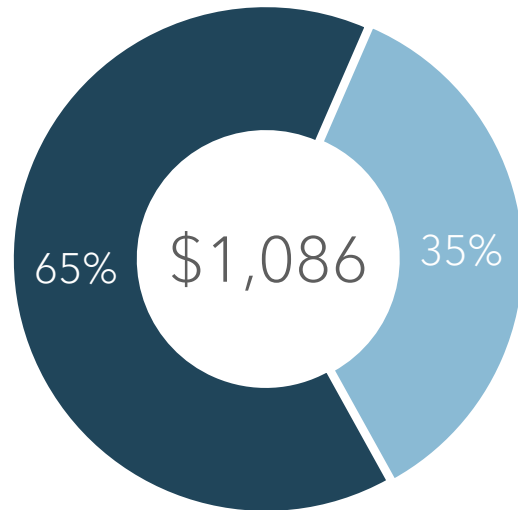
Business Segments

Technical Products

Filtration

Specialty Coatings

Engineered Materials



Fine Paper & Packaging

Commercial Consumer Packaging

Financial Highlights

(\$ Millions - LTM Q122)

\$1,086

Net Sales

\$1111

Adj. EBITDA

5%

Dividend Yield

3.9x

Net Debt/Adj EBITDA

6%

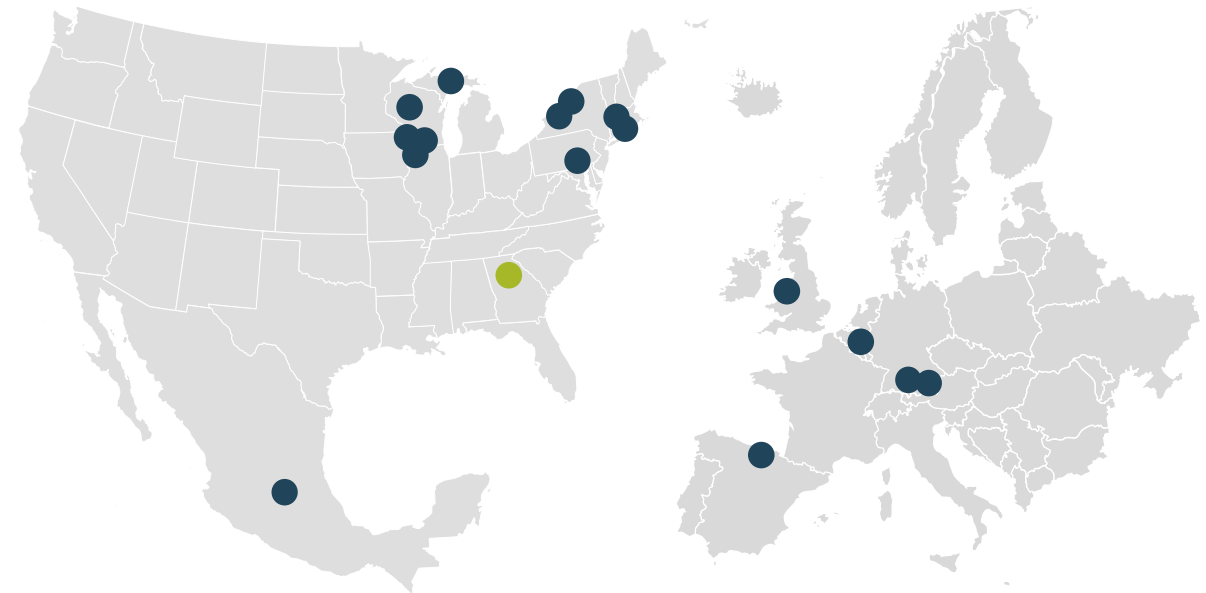
5-yr avg Free Cash Flow %

8%

5-yr avg ROIC

Global Footprint

● Headquarters ● Manufacturing facilities



Our Platforms and Products

Technical Products (65%)

Fine Paper & Packaging (35%)

Filtration

Specialty Coatings

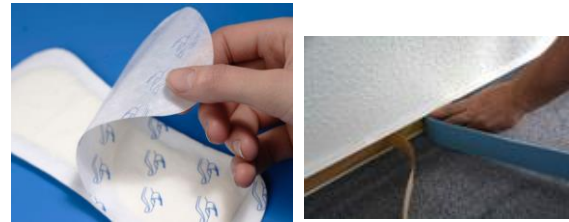
Engineered Materials

Imaging & Packaging

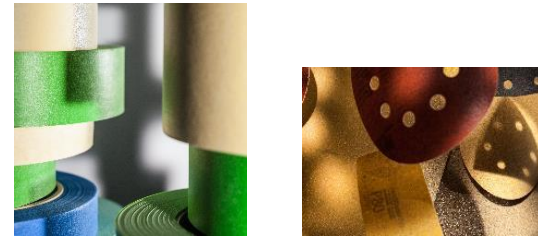


Industrial

Water



Release Liners



Tape

Abrasives



Premium Packaging



HVAC

Life Sciences



Dye Sublimation



Performance Labels



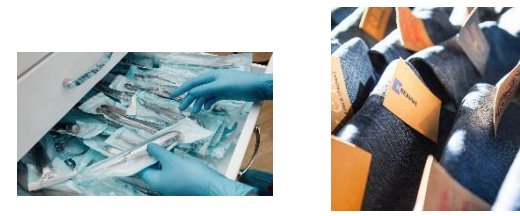
Consumer



Transportation



Heat Transfer










Medical Packaging & Specialties



Commercial

Our End Markets

Diversified portfolio of products serving various growing end-markets

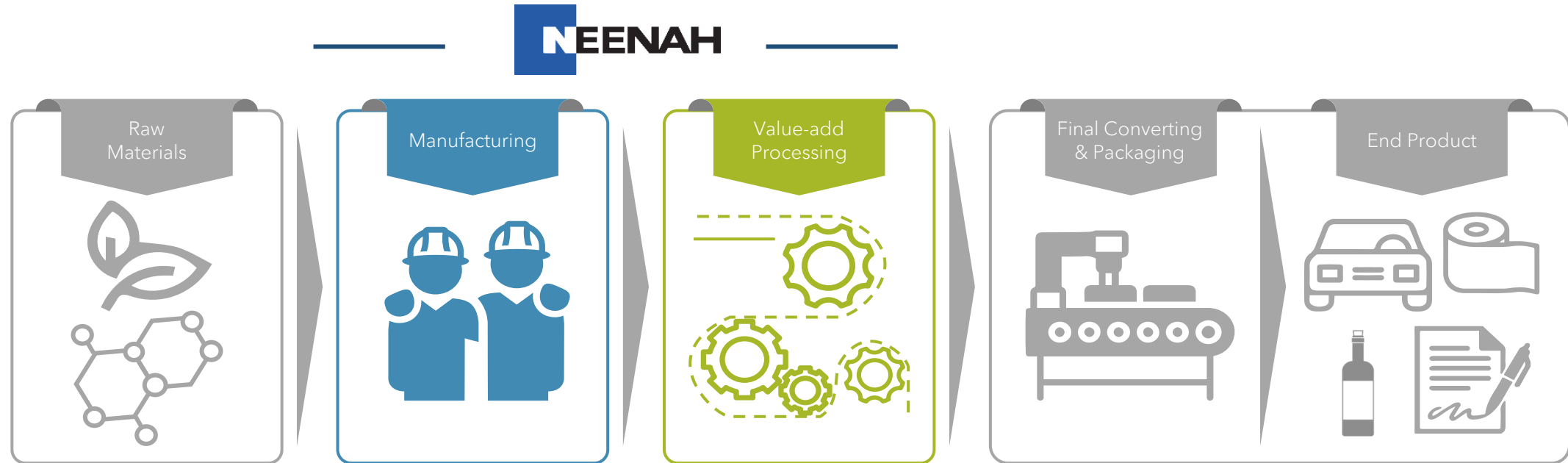
| | |  Health & Wellness |  Consumer Goods |  Food & Beverage |  Transport & Mobility |  Home & construction |  Industrial Processes |  Comms & Graphics |
|------------------------|----------------------|---|---|---|--|---|--|--|
| Technical Products | Filtration | ✓ | | ✓ | ✓ | ✓ | ✓ | |
| | Specialty Coatings | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |
| | Engineered Materials | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Fine Paper & Packaging | Premium Packaging | ✓ | ✓ | ✓ | | | | ✓ |
| | Consumer | | ✓ | ✓ | | ✓ | | ✓ |
| | Commercial | | | ✓ | | | | ✓ |

Mega-Trend Influences Supporting Growth

| | | Technical Products | | | Fine Paper & Packaging | | |
|-----------------------|--|--------------------|--------------------|----------------------|------------------------|-------------------|------------------|
| | | Filtration | Specialty Coatings | Engineered Materials | Premium Packaging | Consumer Products | Commercial Print |
| Population | | ↑ | ↑ | ↑ | ↑ | ↑ | |
| Technology | | ↑ | ↑ | | ↑ | ↑ | ↑ |
| Health & Wellness | | ↑ | ↑ | ↑ | ↑ | | |
| Urbanization | | ↑ | ↑ | ↑ | | | |
| Sustainability | | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| Aging Population | | | ↑ | ↑ | | | |
| Regulation | | ↑ | | ↑ | ↑ | ↑ | |
| Infrastructure | | | ↑ | | | | |
| Neenah Growth Outlook | | ↑ | ↑ | ↔ | ↑ | ↔ | ↑ |

How We Make It

We combine fibers and polymers to create value-added media for specialty markets



Our products are critical to performance, but a small part of the cost of end-product

Competitive Advantages



Leading positions in profitable, defensible markets

- Foundational businesses with barriers to entry
- Long-standing customer relationships
- Pricing power to offset short-term material inflation



Effective technology base

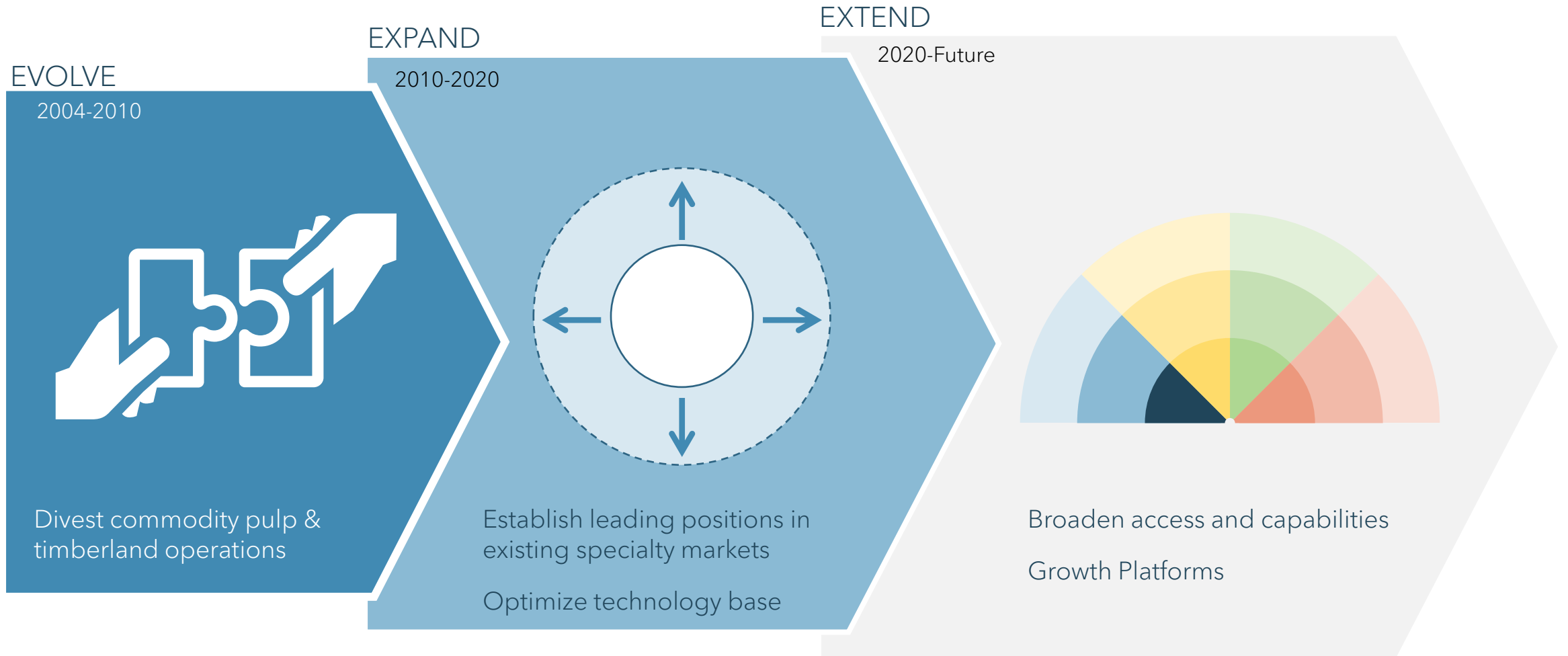
- Wide array of advanced technical capabilities
- Neenah Operating System continuous improvement program
- Global footprint aligned with desired local supply chains for customers



Financial strength and discipline

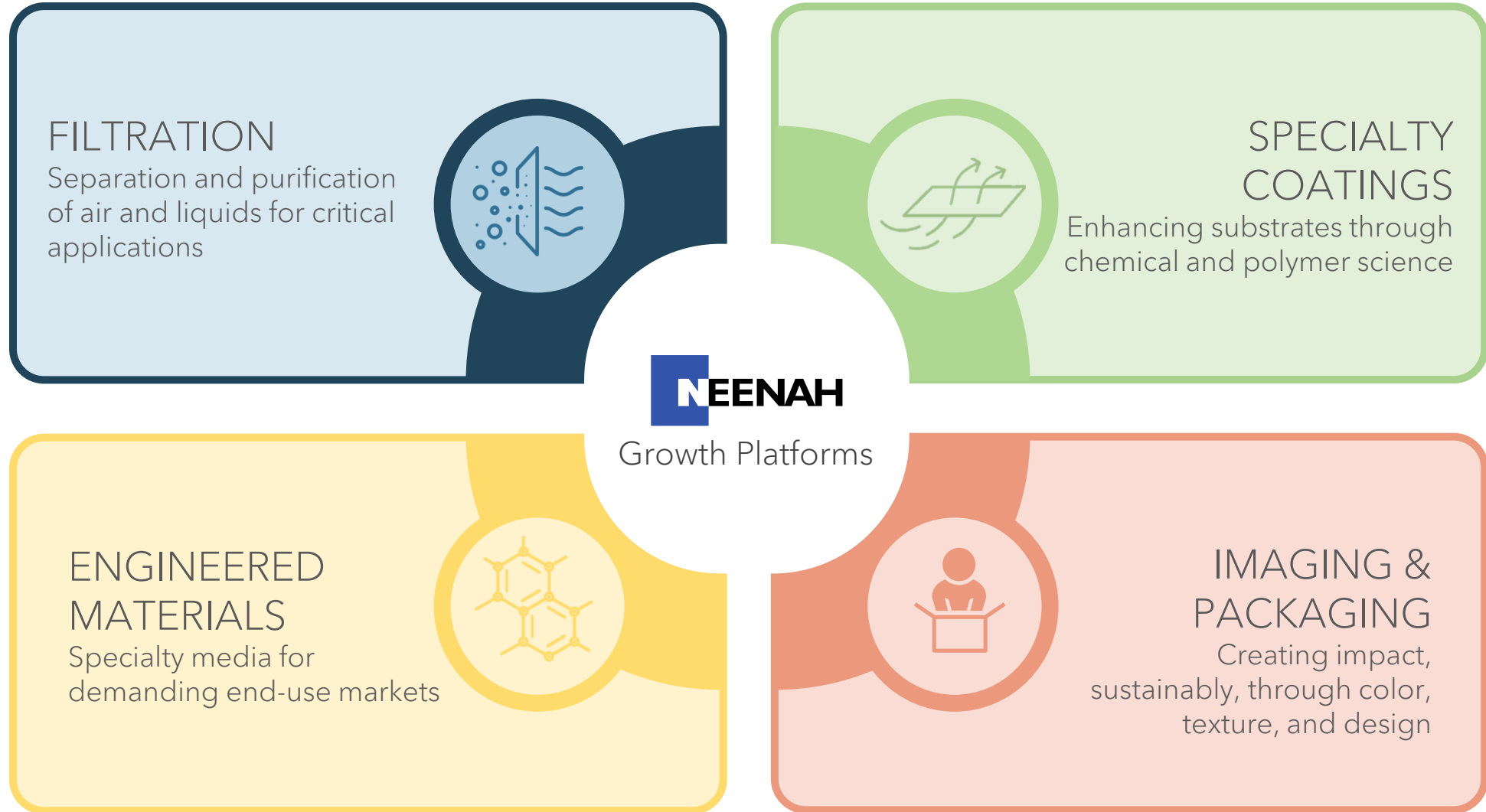
- Strong balance sheet/robust cash flow generation
- History of balanced capital deployment to drive added value
- Eleven consecutive years of dividend increases

Continued Evolution in Specialty Materials



Our Growth Platforms

Where we focus our resources, talent, and investments

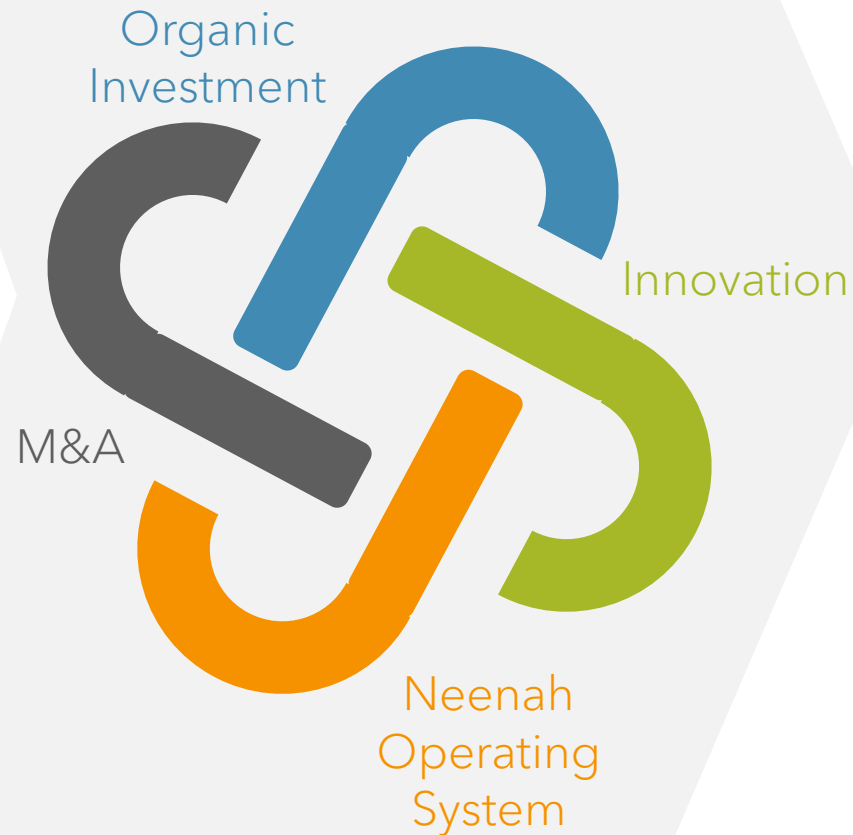


Strategic Execution

Growth Platforms



Strategy Drivers



Goals

5%

SALES GROWTH

10%

PROFIT GROWTH

15%+

EBITDA MARGINS

Merger of Equals



- Strategic combination creates ~\$3 billion global leader in specialty materials
- Unlocks \$65+ million of initial cost synergies for meaningful value creation
- Enhanced ability to accelerate revenue growth and drive innovation
- Robust cash flow supports quick de-leveraging and dividends
- Strong, experienced leadership and organizational talent
- Filed form S-4 on May 4, 2022; on track to close 2H 2022

Rationale for the Merger

1 Strategic Fit

- ✓ Complementary customer and product portfolios
- ✓ Broadens positions in key end-markets and geographies
- ✓ Expands technology suite for innovation

Growth acceleration

2 Synergies

- ✓ \$65 million+ initial cost synergies
- ✓ Highly achievable and can be delivered quickly
- ✓ Additional upside revenue opportunities and working capital

Meaningful Value Creation Potential

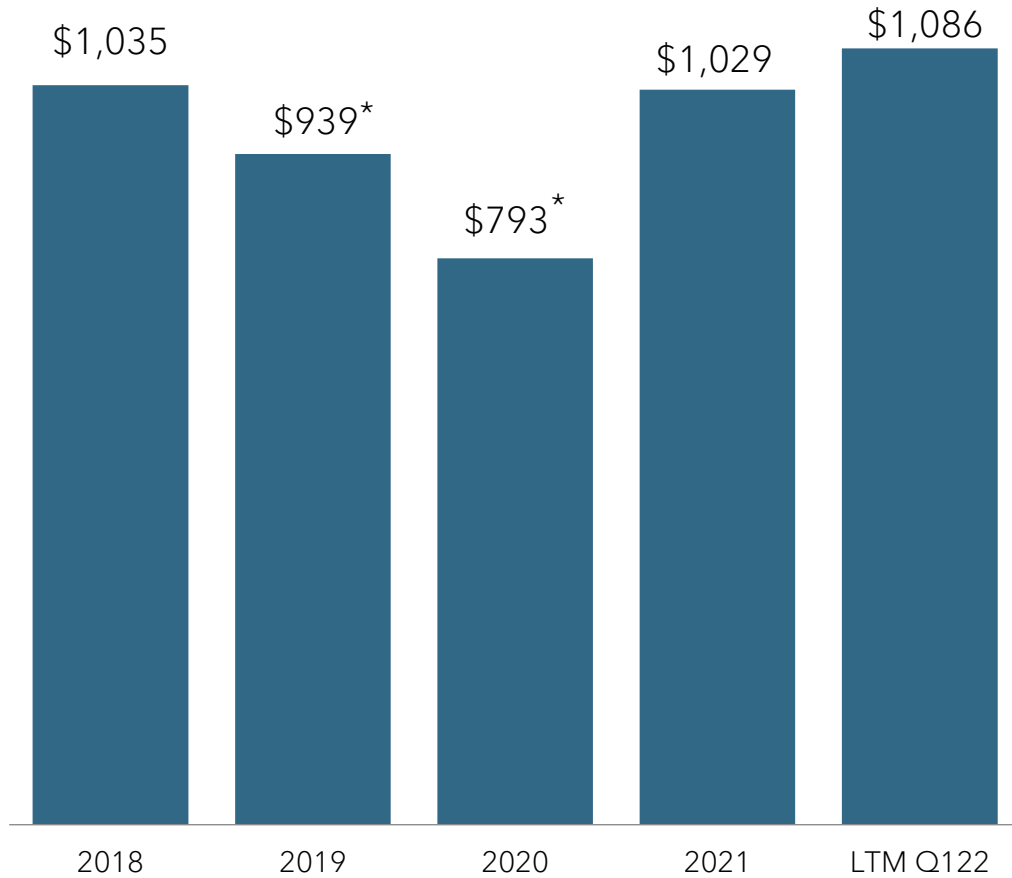
3 Scale

- ✓ Increased relevance with customers and suppliers
- ✓ Improved stock liquidity and access to capital markets
- ✓ Unlocks strategic optionality

Global leader in Specialty Materials

Our Financials

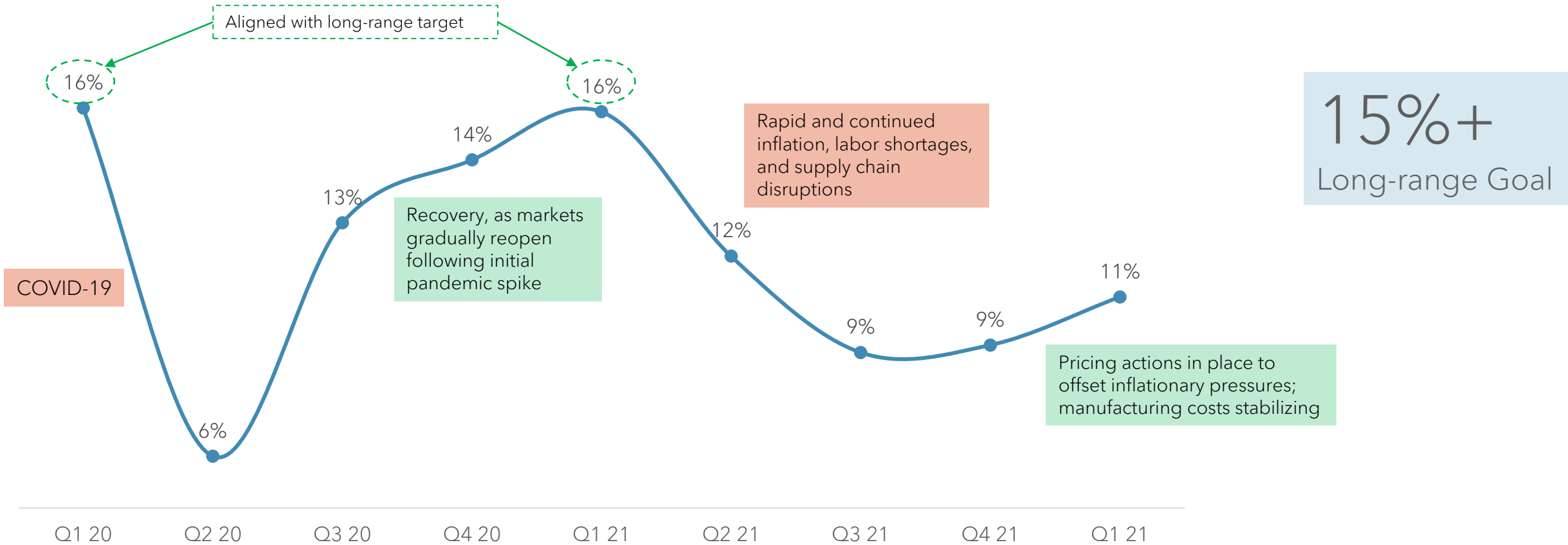
Revenue Trends



- Repositioning Neenah for growth and margin improvement
- Focused on four Growth Platforms
 - ✓ Robust M&A pipeline (acquired Itasa Q221)
 - ✓ New coater expansion (Specialty Coating)
 - ✓ New meltblown expansion (Filtration)
 - ✓ Restart of asset to support packaging
 - ✓ Increased investment in innovation

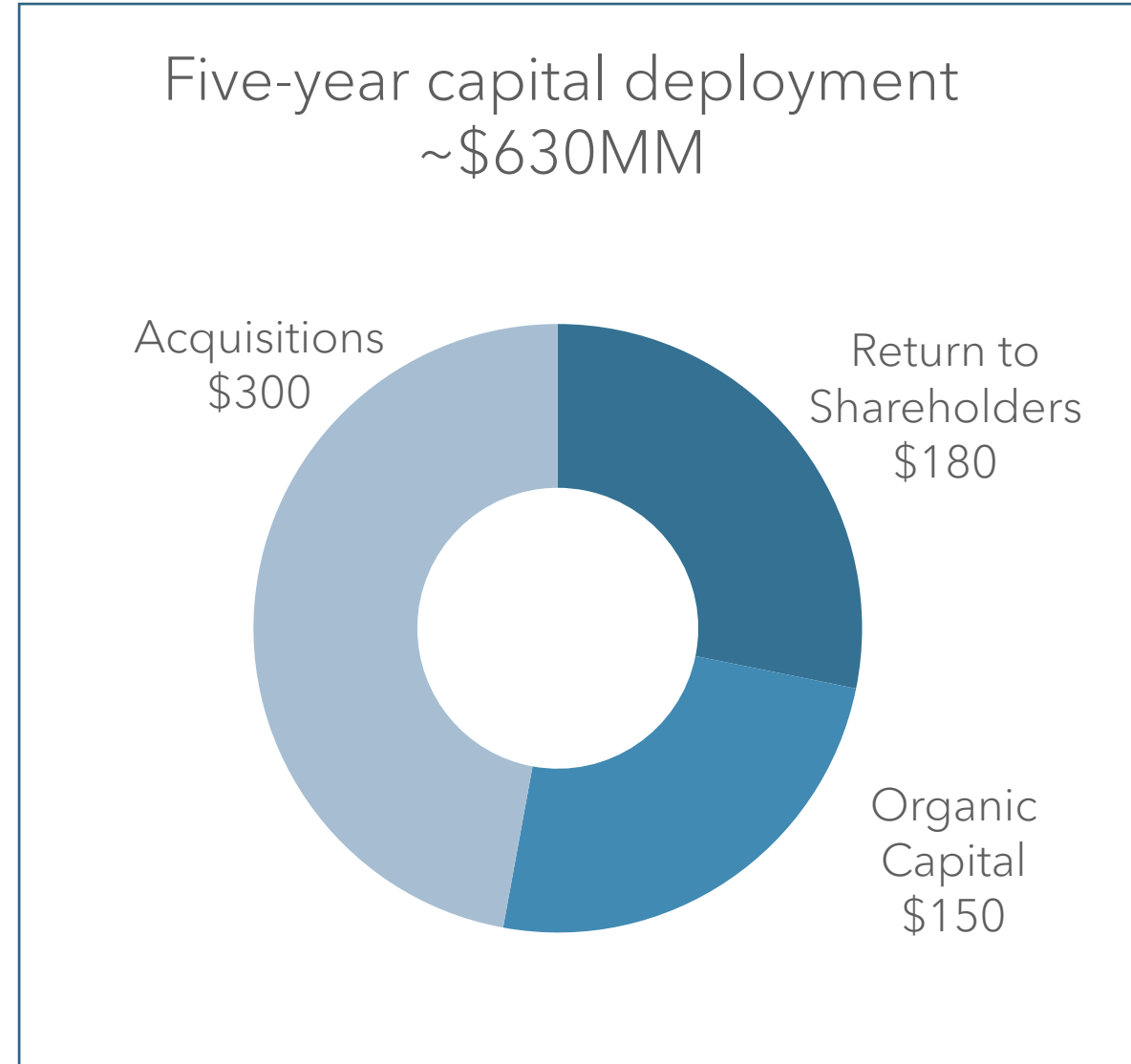
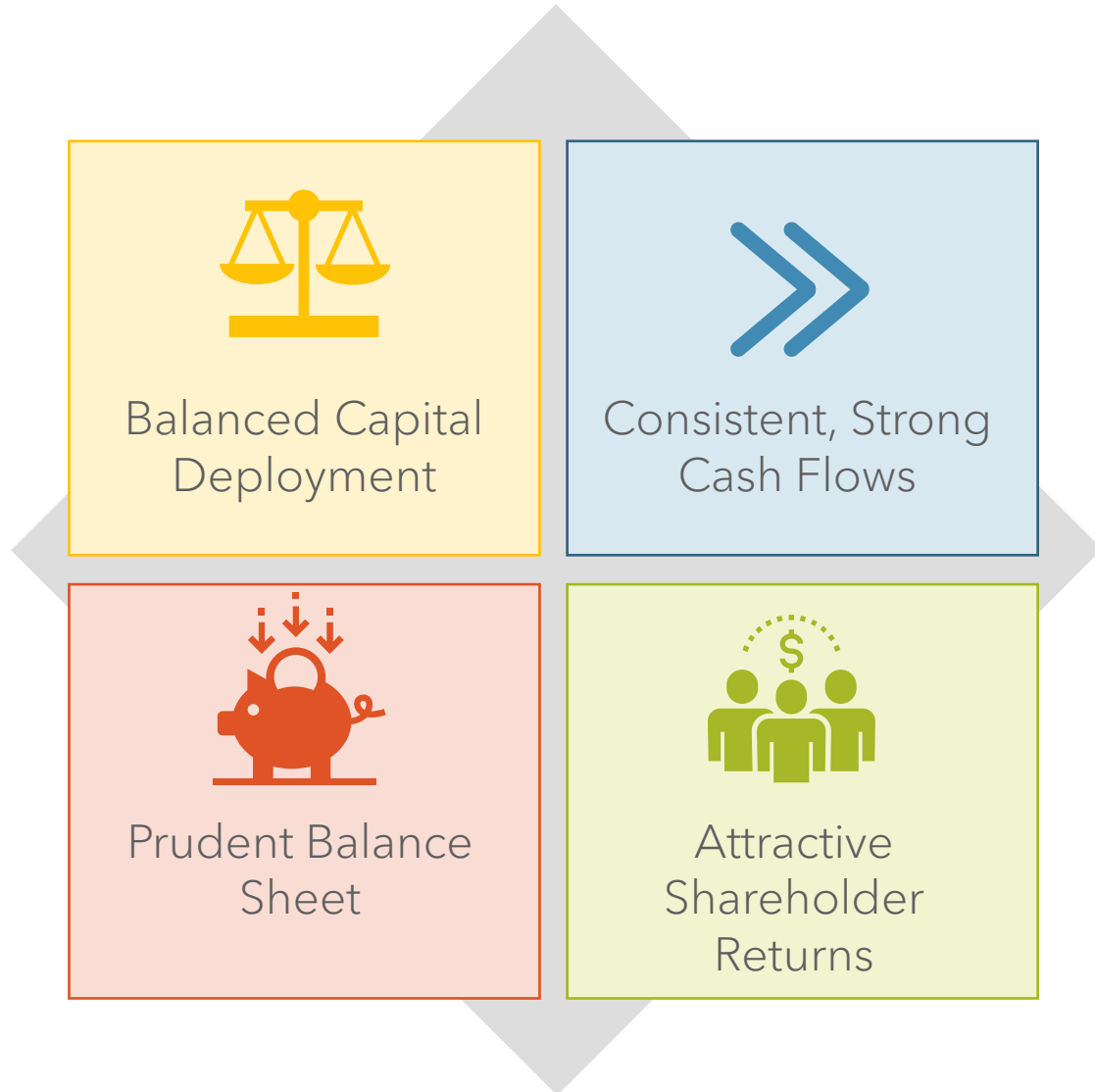
*Results reflect non-core divestiture, Asian Tariff/trade war and COVID-19

EBITDA Margin Trends



Demonstrated track record of margin recovery over time; pricing and other profit initiatives beginning to show traction

Financial Objectives



Strong Cash Flow & Balance Sheet

Efficient asset base & capital spending needs

- Target 2-4% of sales
- Maintenance capital ~\$15MM

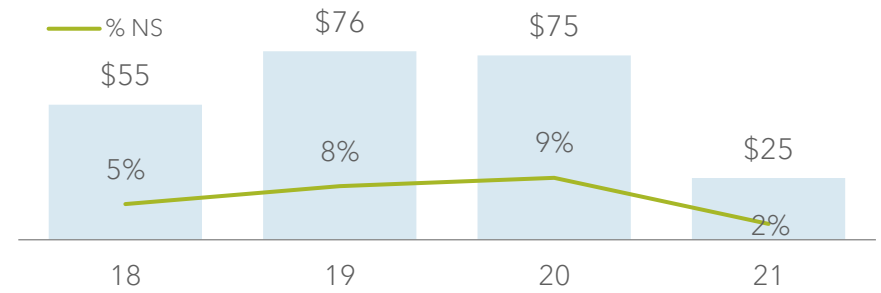
Strong balance sheet & liquidity

- Flexible \$450MM Term Loan B due 2028; variable rate currently 3.5%
- Substantial capacity available with \$175MM Global Revolving Credit Facility
- All debt facilities considered covenant-light

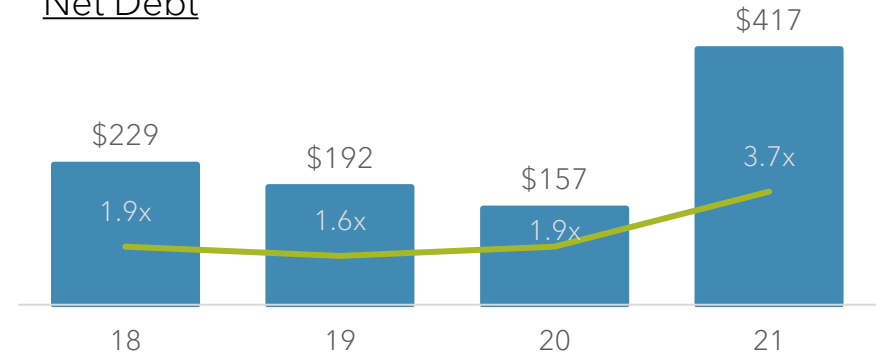
Attractive direct returns to shareholders

- History of consistent and growing dividends
- Modest share buy-backs to offset dilution

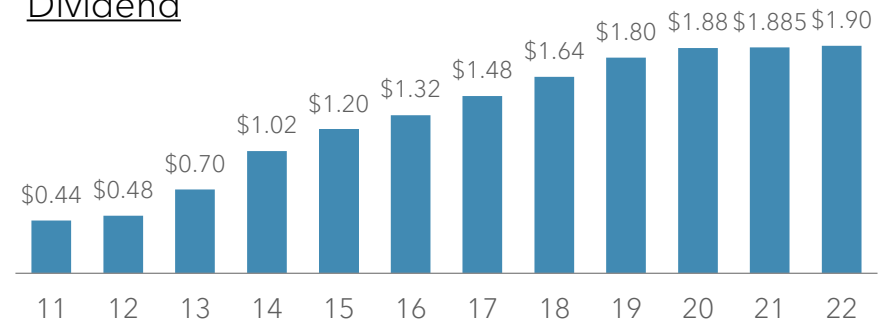
Free Cash Flow



Net Debt



Dividend



ESG: A Part of Our Strategy and Culture



Environmental

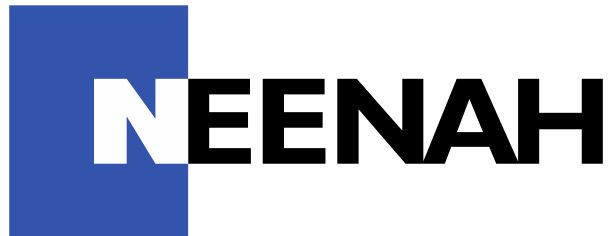
- **Corporate Sustainability Report** published annually in line with SASB industry guidelines
- Double-digit reductions achieved in greenhouse gas, water and energy usage
- 100% of wood fiber purchases are FSC-certified or controlled
- **Largest purchaser of Green-E** in the state of Wisconsin
- **Reinvigorated our innovation efforts** to develop sustainable products that drive sustainable, long-term value creation
- **EcoVadis 2021 Gold Medal (Spain) and Silver Medal (all other locations) for Sustainability**

Social

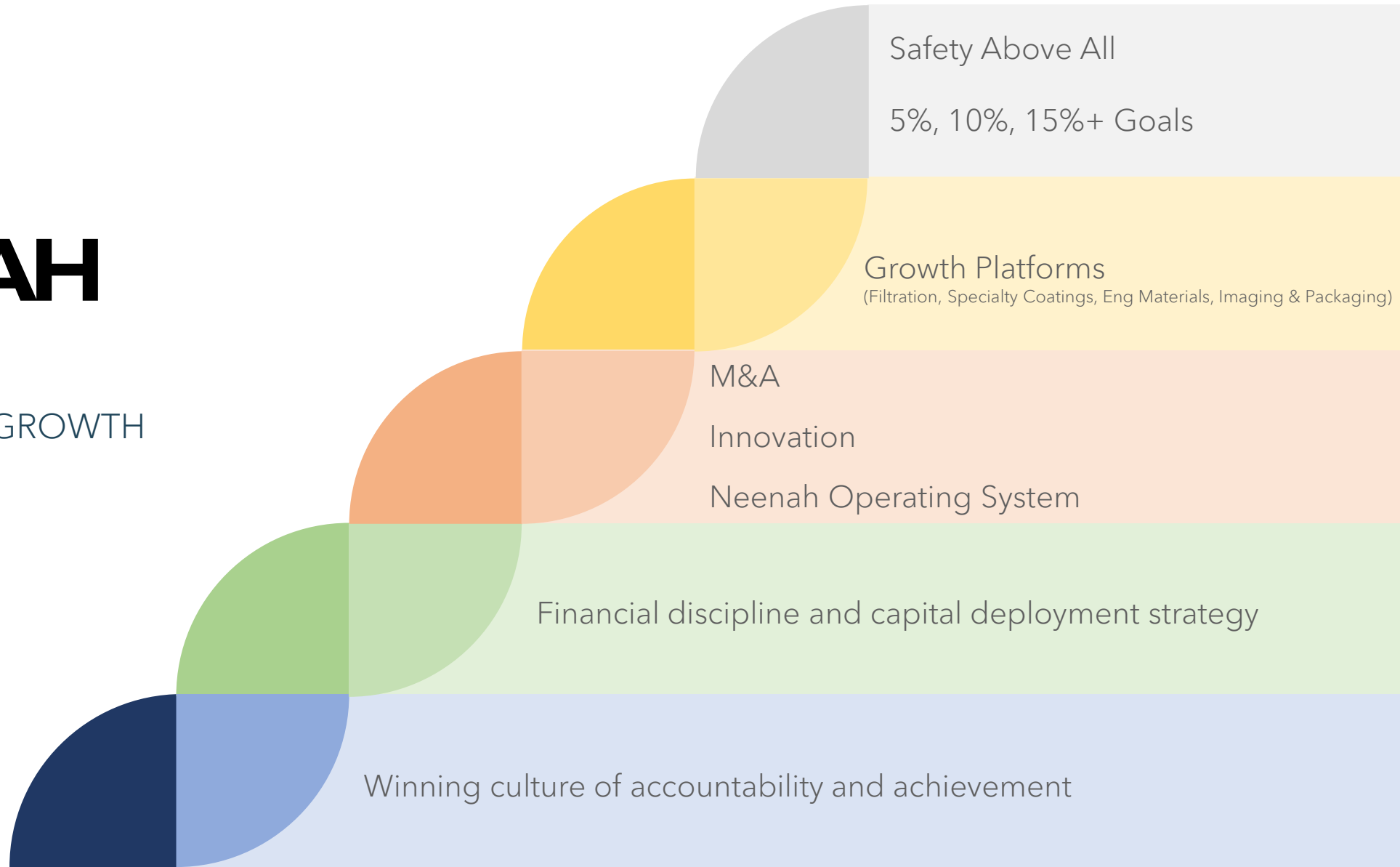
- **Clear mission, vision, values and strategy**, providing direction and focus on key drivers
- **30% improvement in workplace safety** performance; remains #1 commitment and priority
- Along with our employees, contribute **over \$250,000 annually** to local charities in our communities
- Dedicated resources reinforcing **commitment to diverse, inclusive and equitable workforce**; on-going employee training; establishing Employee Resource Groups; member of CEO Action for Diversity & Inclusion organization & ATL for Action
- **Strong industry relationships** Board seats on Paper and Packaging Board and National Paper Trade Association Packaging Board and National Paper Trade Association

Governance

- Increasingly diverse governance; **50% Board of Directors identify as female or underrepresented minorities**
- Chair of Board of Directors recipient of **NACD Public Company Director of the Year** award
- Board providing risk oversight on Climate Change, Cybersecurity and Human Capital Management
- **"Pay for Performance"** compensation plan aligned with stakeholders
- Guidelines and ongoing training on our **Code of Business Conduct and Ethics** and other trending topics



WE MANUFACTURE GROWTH



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Appendix

Forward Looking Statements

Statements in this presentation which are not statements of historical fact are “forward-looking statements” within the “safe harbor” provision of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by, Neenah, Inc. at the time this presentation was made. Although Neenah believes that the assumptions underlying such statements are reasonable, it can give no assurance that they will be attained. Factors that could cause actual results to differ materially from expectations include the risks detailed in the section “Risk Factors” in the Company’s most recent Form 10-K and SEC filings.

In addition, the company may use certain figures in this presentation that include non-GAAP financial measures as defined by SEC regulations. As required by those regulations, a reconciliation of these measures to what management believes are the most directly comparable GAAP measures would be included as an appendix to this presentation and posted on the company’s web site at www.neenah.com

GAAP Reconciliation

| <i>\$ millions</i> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>LTM Q1 2022</u> |
|---|-------------|-------------|-------------|-------------|--------------------|
| Net Income (Loss) | \$ 36.4 | \$ 55.4 | (\$ 15.8) | (\$ 24.9) | (\$ 27.5) |
| Loss from Discontinued Operations | <u>0.8</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Income (Loss) from Continuing Operations | 37.2 | 55.4 | (15.8) | (24.9) | (24.9) |
| Plus: Provision (Benefit) for income taxes | 3.9 | 11.1 | (2.9) | (4.8) | (5.5) |
| Plus: Interest expense, net | <u>13.0</u> | <u>11.8</u> | <u>12.6</u> | <u>17.9</u> | <u>19.8</u> |
| EBIT (Operating Income) | 54.1 | 78.3 | (6.1) | (11.8) | (13.2) |
| Plus: Impairment and asset restructuring costs | 31.1 | 4.7 | 57.8 | 37.3 | 37.9 |
| Plus: Acquisition-related costs | - | - | 1.5 | 18.4 | 11.7 |
| Plus: Pension and SERP settlement and other costs | (2.5) | (1.4) | 1.6 | 17.4 | 17.4 |
| Plus: Loss on debt extinguishment | - | - | 1.9 | 7.2 | 7.2 |
| Plus: Other restructuring and non-routine costs | 2.1 | 1.5 | 4.2 | 1.9 | 1.9 |
| Plus: COVID-19 costs | <u>-</u> | <u>-</u> | <u>3.5</u> | <u>1.6</u> | <u>1.7</u> |
| Adjusted EBIT | \$ 84.8 | \$ 83.1 | \$ 64.4 | \$ 72.0 | \$ 64.6 |
| Plus: Net depreciation and amortization | 35.0 | 33.8 | 32.5 | 40.3 | 42.1 |
| Plus: Stock-based compensation | <u>4.0</u> | <u>5.6</u> | <u>4.2</u> | <u>4.5</u> | <u>4.7</u> |
| Adjusted EBITDA | \$ 123.8 | \$ 122.5 | \$ 101.1 | \$ 116.8 | \$ 111.4 |
| | | | | | |
| Diluted Earnings (Loss) per Share | \$ 2.17 | \$ 3.26 | (\$ 0.96) | (\$ 1.49) | (\$ 1.64) |
| Plus: Impairment and asset restructuring costs | 1.37 | 0.21 | 2.64 | 1.66 | 1.68 |
| Plus: Acquisition-related costs | - | - | 0.07 | 0.83 | 0.54 |
| Plus: Pension and SERP settlement and other costs | 0.06 | (0.06) | 0.07 | 0.77 | 0.77 |
| Plus: Loss on debt extinguishment | - | - | 0.08 | 0.32 | 0.32 |
| Plus: Other restructuring and non-routine costs | (0.11) | 0.06 | 0.18 | 0.08 | 0.08 |
| Plus: COVID-19 costs | - | - | 0.16 | 0.07 | 0.08 |
| Plus: Income tax adjustments | <u>0.01</u> | <u>-</u> | <u>0.22</u> | <u>0.29</u> | <u>0.29</u> |
| Diluted Adjusted Earnings per Share | \$ 3.50 | \$ 3.47 | \$ 2.46 | \$ 2.53 | \$ 2.12 |