



# First Quarter Earnings Release Materials

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## **ARSEN KITCH**

President, Chief Executive Officer and Director

## **SHERRI BAKER**

Senior Vice President and Chief Financial Officer



# Forward Looking Statements

## Cautionary Statement Regarding Forward Looking Statements

This presentation of supplemental information contains, in addition to historical information, certain “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995 as amended, including statements as to: our expectations regarding additional savings from our fixed cost reduction initiatives; the Company’s strategic positioning to capitalize on the paperboard industry’s cyclical nature and deliver strong returns; product demand and industry trends; assumptions for Q2 2026 and full year 2026, including operational factors, capital, input costs, lower pricing and inflation; our capital allocation priorities; our strategy, including achieving target leverage ratio and maintaining liquidity; our focus on free cash flow generation through operational efficiencies and demand; our plans to explore avenues for strategic growth opportunities, particularly to expand our own product offerings and broaden such offerings to North American customers; continued investments into our assets to strengthen our competitive advantages and maintain our long-term performance; expectations regarding the paperboard market; targeted working capital improvements; and our financial flexibility and liquidity; and repurchases under the existing share buyback authorization. These forward-looking statements are based on management’s current expectations, estimates, assumptions and projections that are subject to change. Our actual results of operations may differ materially from those expressed or implied by the forward-looking statements contained in this presentation. Important factors that could cause or contribute to such differences include the risks and uncertainties described from time to time in the Company’s public filings with the Securities and Exchange Commission, including but not limited to the following: our inability to realize the expected benefits of the Augusta, Georgia paperboard manufacturing facility acquisition, including anticipated financial results, due to integration challenges or other factors; unexpected costs, charges or expenses resulting from the sale of our consumer products division (tissue business) and the related restructuring initiatives; competitive pricing pressures for our products arising from capacity additions, demand reduction and market conditions; the loss of, changes in prices for, or reduction in, orders from significant customers; changes in customer preferences, industry consolidation and vertical integration; changes in the cost and availability of wood fiber, pulp, energy, chemicals, packaging and transportation services; cyclical industry conditions and broader U.S. and global economic conditions; manufacturing or operating disruptions; labor disruptions; reliance on a limited number of suppliers and service providers; cyber-security risks; environmental liabilities and litigation, including PFAS-related claims involving our Augusta facility; our ability to execute our growth, expansion and operational efficiency initiatives and capital projects; changes in expenses, required contributions or withdrawal costs associated with our pension plans; our ability to attract and retain qualified personnel; our ability to service our debt obligations and comply with debt covenants; changes in banking relationships or credit ratings; and changes in laws, regulations or industry standards affecting our business. Forward-looking statements contained in this presentation present management’s views only as of the date of this presentation. We undertake no obligation to publicly update forward-looking statements or to retract future revisions of management’s views based on events or circumstances occurring after the date of this presentation.

## Non-GAAP Financial Measures

This presentation includes certain financial measures that are not calculated in accordance with GAAP, including Adjusted EBITDA from continuing operations. The Company’s management believes that the presentation of these financial measures provides useful information to investors because these measures are regularly used by management in assessing the Company’s performance. These financial measures should be considered in addition to results prepared in accordance with GAAP but should not be considered substitutes for or superior to GAAP results. In addition, these non-GAAP financial measures may not be comparable to similarly-titled measures utilized by other companies, since such other companies may not calculate such measure in the same manner as we do. A reconciliation of Adjusted EBITDA to the most relevant GAAP measure is available in the appendix of this presentation.

# INDUSTRY TRENDS

## EXPECTING MODEST DEMAND GROWTH IN 2026

SBS industry shipments were nearly flat Q1'26 vs. Q1'25, outperformed CUK and CRB that were down 3%<sup>1</sup>

Demand growth of 4%<sup>2</sup> projected for 2026

SBS price per square foot is now below CUK and CRB levels

Some customers looking at substitution between substrates

## BLEACHED PAPERBOARD NET EXPORTS ARE EXPECTED TO IMPROVE IN 2026

Imports forecasted to decrease by ~12%<sup>2</sup> in 2026 vs. 2025

Exports forecasted to increase by ~1%<sup>2</sup> in 2026 vs. 2025

European imports of FBB were down 16%<sup>2</sup> 2025 vs. 2024

Tariffs and other trade actions impacting viability of imports

## INDUSTRY IMPACTED BY SBS CAPACITY ADDITIONS; RISI PROJECTING IMPROVEMENT IN 2026

Industry operating rates<sup>1</sup> at 82% Q1'26 vs 83% Q4'25

500K of new N.A. industry capacity added in 2025, total SBS capacity now at 5.7M tons<sup>2</sup>

Balanced market will have utilization rates approaching 95%<sup>2</sup>

RISI forecasting 400K ton capacity reduction and an increase in 2026 operating rates to 90%



# Q1 2026 Financial Summary

NET SALES FROM  
CONTINUING OPERATIONS

\$360M

NET LOSS FROM CONTINUING  
OPERATIONS

\$13M<sup>1</sup>

ADJUSTED EBITDA FROM  
CONTINUING OPERATIONS

\$1.9M

ADJUSTED EBITDA MARGIN  
FROM CONTINUING  
OPERATIONS

0.5%

**YEAR OVER YEAR GROWTH IN SALES VOLUMES**

+5% increase in Q1'26 vs. Q1'25

Gaining share in a competitive environment with volume growth in food service

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**PARTIALLY OFFSET BY MARKET DRIVEN PRICING**

-7% decrease in Q1'26 average pricing vs. Q1'25

RISI reported \$100/ton decrease in SBS folding carton prices in 2025

**ADJUSTED EBITDA SLIGHTLY ABOVE GUIDANCE**

Improved cost structure, driven by fixed cost reduction initiatives

Weather impact of \$15M

Lower SG&A costs

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**CONTINUED STRONG BALANCE SHEET**

Net leverage ratio at 2.9x<sup>2</sup>

Available liquidity of \$407 million

1. Includes \$13M in insurance proceeds (tax adjusted). 2. As calculated in accordance with CLW banking agreements

# Q1'26 VS Q1'25 Adjusted EBITDA Results from Continuing Operations

(\$ in millions)



# Outlook and Assumptions for Q2 and 2026

## **Q2 2026: \$0 to -\$10 million Adjusted EBITDA<sup>1</sup>**

Approximately 5% higher paperboard shipments vs. Q1'26

Planned major maintenance outage cost of \$22 - \$24M at Lewiston, ID

\$5 - \$7M higher input costs including impact from Iran war

## **FY 2026 Assumptions**

Revenue of \$1.4 to 1.5B, projected to run full balance of year after Cypress Bend restructure

~\$70M carryover impact from 2025 market driven pricing, including recent RISI changes from Q4

Direct major maintenance outages costs of \$45 - 50M, similar to 2025

Lewiston major outage in Q2, Augusta and Cypress Bend in Q4

Productivity and cost reduction efforts partially offsetting 2 - 3% of input cost inflation

Targeted working capital improvements of \$20M, primarily in inventory

Capital expenditures of \$65 - 75M

\$6M benefits from restructuring of Cypress Bend, Arkansas facility



# Clearwater is Well Positioned to Deliver Strong Returns Across the Cycle

**Paperboard industry is cyclical, driven by supply and demand balance**

Currently in downcycle as new capacity is added ahead of demand recovery

**Across the cycle Adjusted EBITDA margins target of 13% to 14%**

Delivering a 40-50% Adjusted EBITDA to free cash flow conversion rate<sup>1</sup>, or \$100M+ per year

**Clearwater is focused on value creation across the cycle**

Reduced fixed cost structure by over ~\$50M in 2025

Continued investment in assets to enhance competitiveness

Exploring growth opportunities to expand product offering through internal investments or external options

Strong balance sheet to sustain the business and create strategic options across the cycle

## TARGETING STRONG CASH FLOW GENERATION ACROSS THE CYCLE

ADJUSTED EBITDA TARGET MARGINS

**>16%**

**Cycle peak**

(>95% utilization, 50-60% FCF conversion)

**~13 to 14%**

**Average across cycle**

(90-95% utilization, 40-50% FCF conversion)

**<10%**

**Downcycle**

(<85% utilization, 0-20% FCF conversion)



# Exploring Options to Expand Our Product Offering

Evaluating internal and external options to broaden product offering to North American converter customers

Initiative	Status	Objective
Post consumer recycled content	Developed and in market	Provide options for converter customers to service sustainability driven Consumer Packaged Goods (CPG) and Quick Service Restaurants (QSR) customers
Compostable plate	BPI certified at two locations	Enable our plate converter customers to meet demands of leading domestic retailers
Lightweight folding carton	Launched Velora in April	Offer alternatives to Folding Boxboard (FBB) imports with superior performance
Poly-free coatings / barriers	Continuing to develop options in addition to current offering	Meet current and future needs of sustainability driven cup converters looking for a poly-free offering
Unbleached paperboard grade (CUK)	Technical feasibility and market opportunity complete; investment decision on hold	Enable independent converters to better compete with large integrated incumbents
Recycled paperboard grade (CRB)	Open to evaluating external options	Provide a more complete paperboard offering to existing Solid Bleached Sulfate (SBS) customers



# Optimized Capital Allocation Approach Supports Value Creation

## PRIORITIZING CAPITAL ALLOCATION TO CREATE SHAREHOLDER VALUE

Investing to maintain the long-term performance of our assets

**\$70-80M**

EXPECTED NORMALIZED ANNUAL MAINTENANCE CAPEX, EXCLUDING LARGE REPLACEMENT PROJECTS

Utilizing free cash flow (FCF) to deleverage our balance sheet

**1-2x**

TARGET LEVERAGE RATIO AT CROSS CYCLE

Evaluating capital investments to diversify product portfolio

Opportunistic M&A or other external options to support strategic priorities

Return capital to shareholders through share buybacks

# Optimistic About Long-Term Value Creation

## Sharp focus on improving and growing our paperboard business

- De-levered balance sheet with proceeds from tissue sale
- Focus on growing our position as a premier independent paperboard packaging supplier to North American converters

## Well invested asset base to support future growth

- High quality paperboard assets well positioned across the U.S. to efficiently service North American converters
- Strong legacy of prioritizing sustainability
- Focused on expanding product portfolio through internal investment and external options

## Focused on optimizing business to deliver free cash flows

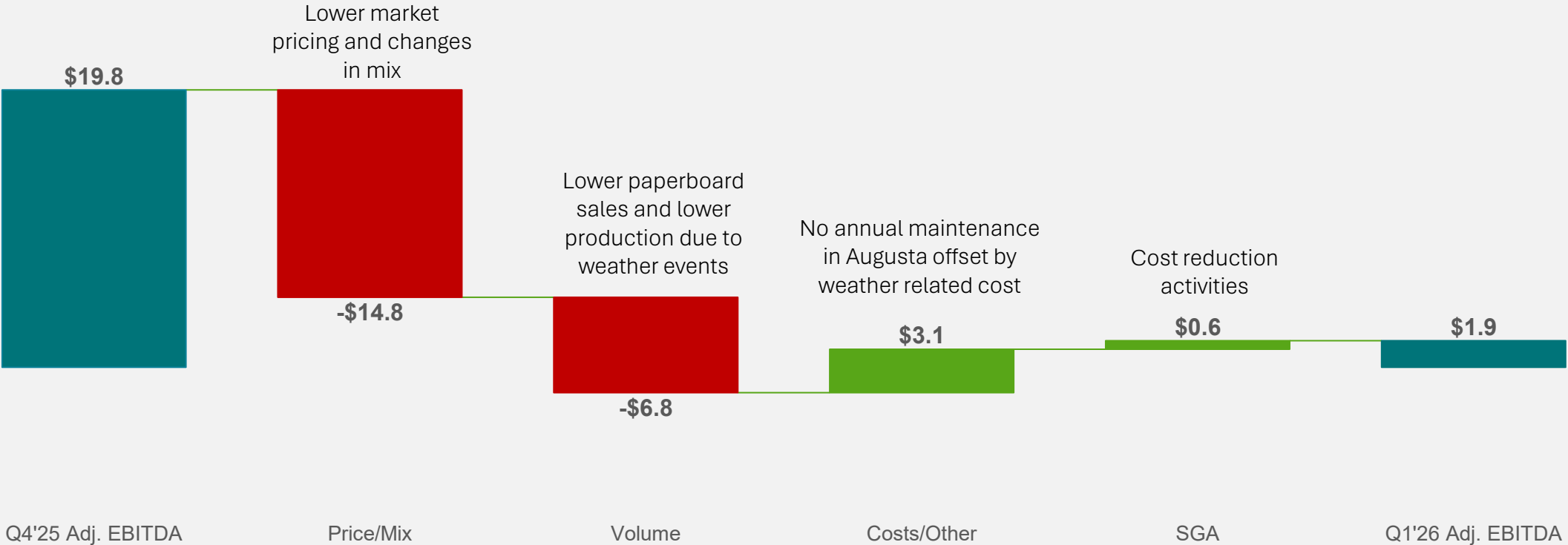
- Driving improvement in operational performance
- Consistently investing to maintain competitiveness of our assets
- Strategically deploy capital to create long-term shareholder value

# Appendix



# Q4'25 VS Q1'26 Adjusted EBITDA Results from Continuing Operations

(\$ in millions)



# Key Metrics

	Quarter Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
Food service	\$ 153.7	\$ 165.3	\$ 151.4
Folding carton	124.9	140.0	148.4
Sheeting & distribution	38.9	33.9	38.8
Pulp and other	42.7	47.2	39.6
Net sales	<u>\$ 360.3</u>	<u>\$ 386.4</u>	<u>\$ 378.2</u>
Input cost (raw materials & energy)	\$ 167.6	\$ 169.5	\$ 168.4
Labor and overhead	121.7	130.5	117.1
Supply chain costs (principally freight)	39.6	37.3	36.3
Depreciation	22.4	22.7	21.0
Other	9.9	9.2	(1.3)
Cost of sales	<u>\$ 361.2</u>	<u>\$ 369.2</u>	<u>\$ 341.5</u>
Paperboard sale volumes	302,918	317,715	289,487
Paperboard production volumes	292,479	308,660	290,223
Net sales price per ton	\$ 1,101	\$ 1,139	\$ 1,188

# Financial Performance

(\$ IN MILLIONS, UNAUDITED)

	Quarter Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
Net sales	\$ 360.3	\$ 386.4	\$ 378.2
Costs and expenses:			
Cost of sales	361.2	369.2	341.5
Selling, general and administrative expenses	20.6	21.1	28.9
Other operating charges, net	(11.1)	(11.5)	11.8
Total operating costs and expenses	370.7	378.8	382.2
Total income (loss) from operations	(10.4)	7.5	(4.0)
Total non-operating expense	(6.1)	(5.1)	(3.6)
Income (loss) from operations before income taxes	(16.5)	2.4	(7.7)
Income tax benefit	(3.7)	(0.8)	(1.8)
Income (loss) from continuing operations	(12.8)	3.2	(5.9)
Income (loss) from discontinued operations, net of tax	-	35.1	(0.4)
Net income (loss)	\$ (12.8)	\$ 38.3	\$ (6.3)

# Reconciliation of Adjusted EBITDA

(\$ IN MILLIONS, UNAUDITED)

	Quarter Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
Net income (loss)	\$ (12.8)	\$ 38.3	\$ (6.3)
Add (deduct):			
Less: Income (loss) from discontinued operations, net of tax	-	35.1	(0.4)
Income (loss) from continuing operations	(12.8)	3.2	(5.9)
Income tax benefit	(3.7)	(0.8)	(1.8)
Interest expense, net	5.0	4.8	3.3
Depreciation and amortization expense	23.4	23.7	22.0
Other operating charges, net	(11.1)	(11.5)	11.8
Other non-operating expense	1.1	0.3	0.3
Adjusted EBITDA from continuing operations	<u>\$ 1.9</u>	<u>\$ 19.8</u>	<u>\$ 29.8</u>
Adjusted EBITDA Margin	0.5%	5.1%	7.9%

# Reconciliation of Adjusted Net Income

(\$ IN MILLIONS, UNAUDITED)

	Quarter Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
Net income (loss)	\$ (12.8)	\$ 38.3	\$ (6.3)
Add (deduct):			
Less: Income (loss) from discontinued operations, net of tax	-	35.1	(0.4)
Income (loss) from continuing operations	<u>(12.8)</u>	<u>3.2</u>	<u>(5.9)</u>
Add back:			
Income tax benefit	(3.7)	(0.8)	(1.8)
Other operating charges, net	<u>(11.1)</u>	<u>(11.5)</u>	<u>11.8</u>
Adjusted income (loss) before tax	(27.7)	(9.1)	4.1
Normalized income provision (benefit)	<u>(6.9)</u>	<u>(2.3)</u>	<u>1.0</u>
Adjusted net income (loss) from continuing operations	<u>\$ (20.7)</u>	<u>\$ (6.8)</u>	<u>\$ 3.1</u>
Adjusted income (loss) from continuing operations, per diluted share	\$ (1.29)	\$ (0.42)	\$ 0.19