



PRESS RELEASE

Clearwater Paper Reports Second Quarter 2025 Results

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SPOKANE, Wash.--(BUSINESS WIRE)-- Clearwater Paper Corporation (NYSE:CLW), a premier independent supplier of bleached paperboard to North American converters today reported financial results for the second quarter ended June 30, 2025.

SECOND QUARTER HIGHLIGHTS

- Net sales of \$392 million, up 14% primarily due to incremental volume from our acquisition of the Augusta, Georgia mill on May 1, 2024
- Net income from continuing operations of \$4 million, or \$0.22 per diluted share compared net loss of \$42 million, or \$2.50 per diluted share
- Net income of \$3 million, or \$0.17 per diluted share compared to net loss of \$26 million, or \$1.55 per diluted share
- Adjusted EBITDA of \$40 million compared to negative \$9 million of Adjusted EBITDA in the second quarter last year
- Repurchased \$4 million of outstanding shares in the quarter and \$15 million of outstanding shares in the first six months of 2025
- Successfully completed the planned major maintenance outage at our Cypress Bend, Arkansas mill
- Continued to capture benefits from fixed cost reduction actions; on track to deliver targeted reductions of \$30 to \$40 million in 2025

"We delivered a strong second quarter in line with our expectations, with higher shipments, higher production, and lower fixed costs," said Arsen Kitch, president and chief executive officer.

OVERALL RESULTS

For the second quarter of 2025, Clearwater Paper reported net sales of \$392 million compared to \$344 million for the second quarter of 2024. Clearwater Paper reported net income from continuing operations in the second quarter of 2025 of \$4 million, or \$0.22 per diluted share compared to net loss from continuing operations of \$42 million, or \$2.50 per diluted share for the second quarter of 2024. Adjusted EBITDA was \$40 million compared to negative \$9 million in the second quarter of 2024. The increase in Adjusted EBITDA was primarily driven by higher sales volume due to the inclusion of our Augusta facility, timing on our planned major maintenance outages and benefits from our cost reduction plan, offset by lower sales prices and lack of insurance proceeds realized in the second quarter of 2024 related to a significant weather event which occurred at our Lewiston, Idaho facility in the first quarter of 2024.

For the first six months of 2025, Clearwater Paper reported net sales of \$770 million compared to \$603 million for the first six months of 2024. Clearwater Paper reported net loss from continuing operations in the first six months of 2025 of \$2 million, or \$0.14 per diluted share compared to net loss from continuing operations of \$44 million, or \$2.62 per diluted share for the first six months of 2024. Adjusted EBITDA was \$70 million compared to \$6 million in the first six months of 2024. The increase in Adjusted EBITDA was primarily driven by higher sales volume due to the inclusion of our Augusta facility, timing on our planned major maintenance outages and benefits from our cost reduction plan, offset by lower sales prices.

Sales volumes and prices:

- Sales volumes were 304,713 tons in the second quarter of 2025, an increase of 12% compared to 272,585 tons in the second quarter of 2024. Sales volumes were 594,200 tons in the six months of 2025, an increase of 29% compared to 459,888 tons in the first six months of 2024.
- Paperboard average net selling price decreased 3% to \$1,182 per ton for the second quarter of 2025, compared to \$1,216 per ton in the second quarter of 2024. Paperboard average net selling price decreased 5% to 1,185 per ton for the first six months of 2025, compared to \$1,244 per ton in the first six months of 2024.

COMPANY OUTLOOK

“As the industry continues to experience an oversupply position, we remain focused on what is within our control, namely strong operational execution, reducing our fixed costs, and maintaining share with our customers. These actions will continue to help us navigate this industry down cycle and position us well for a recovery,” concluded Kitch.

WEBCAST INFORMATION

Clearwater Paper Corporation will discuss these results during an earnings conference call that begins at 2:00 p.m. Pacific Time on July 29, 2025. A live webcast and accompanying supplemental information will be available on the company's website. A replay of the conference call will be available on the website beginning at 5:00 p.m. Pacific Time the same day.

ABOUT CLEARWATER PAPER CORPORATION

Clearwater Paper is a premier independent supplier of paperboard packaging products to North American converters. Headquartered in Spokane, Wash., our team produces high-quality paperboard that provides sustainable packaging solutions for consumer goods and food service applications. For additional information, please visit our website at www.clearwaterpaper.com.

USE OF NON-GAAP MEASURES

In this press release, the company presents certain non-GAAP financial information for the second quarter and first six months of 2025 and 2024, including Adjusted EBITDA. Because these amounts are not in accordance with GAAP, reconciliations to net income as determined in accordance with GAAP are included in the tables at the end of this press release. The company presents these non-GAAP metrics because management believes they assist investors and analysts in comparing the company's performance across reporting periods on a consistent basis by excluding items that the company does not believe are indicative of its core operating performance. In addition, the company uses Adjusted EBITDA: (i) as a factor in evaluating management's performance when determining incentive compensation, (ii) to evaluate the effectiveness of the company's business strategies, and (iii) because the company's credit agreement and the indentures governing the company's outstanding notes use metrics similar to Adjusted EBITDA to measure the company's compliance with certain covenants.

FORWARD-LOOKING STATEMENTS

This press release contains certain "forward-looking" statements within the meaning of Section 27A of 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 regarding: our outlook for the next quarter, our ability to continue realizing additional savings from our fixed cost reduction efforts during the remainder of 2026, our focus on operational execution amid challenging SBS industry conditions and our emphasis on maintaining strategic actions and customer relationships to navigate the industry down cycle. These forward-looking statements are based on management's current expectations, estimates, assumptions and projections that are subject to change. The company's actual results of operations may differ materially from those expressed or implied by the forward-looking statements contained in this press release. Factors that could cause or contribute to such material differences in actual results include, but are not limited to: there may be unexpected costs, charges or expenses

resulting from the tissue business sale transaction, including purchase price adjustments; competitive responses to the tissue business sale transaction; achievement of anticipated financial results and other benefits of the tissue business sale transaction; potential risks associated with operating without the tissue business, including less diversification in products offered; changes in the company's capital structure; risks relating to the achievement of anticipated financial results and other benefits of the Augusta, Georgia paperboard manufacturing facility acquisition; competitive pricing pressures for the company's products, including as a result of capacity additions, demand reduction and the impact of foreign currency fluctuations on the pricing of products globally; changes in the U.S. and international economies and in general economic conditions in the regions and industries in which we operate; increased regulation of retaliatory trade actions in response to announced or proposed U.S. tariffs, including potential impact on costs, structure, supply chains, or consumer demand; cyclical industry conditions; manufacturing or operating disruptions, including equipment malfunctions and damage to the company's manufacturing facilities; the loss of, changes in prices in regard to, or reduction in, orders from a significant customer; changes in the cost and availability of wood fiber and wood pulp; changes in energy, chemicals, packaging and transportation costs and disruptions in transportation services impacting the company's ability to receive inputs or ship products to customers; reliance on a limited number of third-party suppliers, vendors and service providers required for the production of the company's products and the company's operations; changes in customer product preferences and competitors' product offerings; labor disruptions; cyber-security risks; larger competitors having operational, financial and other advantages; consolidation and vertical integration of converting operations in the paperboard industry; the company's ability to execute on the company's growth and expansion strategies; the company's ability to successfully execute capital projects and other activities to operate the company's assets, including effective maintenance, implement the company's operational efficiencies and realize higher throughput or lower costs; IT system disruptions and IT system implementation failures; changes in expenses, required contributions and potential withdrawal costs associated with the company's pension plans; environmental liabilities or expenditures and climate change; risks and costs associated with new or ongoing environmental litigation, including PFAS related claims or regulatory actions affecting recently acquired facilities; the company's ability to attract, motivate, train and retain qualified and key personnel; the company's ability to service the company's debt obligations and restrictions on the company's business from debt covenants and terms; changes in the company's banking relations, or in the company's customer supply chain financing; negative changes in the company's credit agency ratings; changes in laws, regulations or industry standards affecting the company's business; and other risks and uncertainties described from time to time in the company's public filings with the Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended December 31, 2024. The forward-looking statements are made as of the date of this press release and the company does not undertake to update any forward-looking statements based on new developments or changes in the company's expectations after the date of this press release.

Clearwater Paper Corporation
Consolidated Statements of Operations
(Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
(In millions, except per-share data)	2025	2024	2025	2024
Net sales	\$ 391.8	\$ 344.4	\$ 770.0	\$ 603.2
Costs and expenses:				
Cost of sales	348.8	346.4	690.3	571.9
Selling, general and administrative expenses	26.1	30.3	55.0	58.4
Other operating charges, net ¹	7.1	14.6	18.9	20.6
Total operating costs and expenses	382.1	391.3	764.2	650.8
Income (loss) from continuing operations	9.8	(46.9)	5.8	(47.6)
Interest expense, net	(3.9)	(9.6)	(7.3)	(10.8)
Other non-operating income (expense)	(0.3)	0.3	(0.6)	0.7
Total non-operating expense	(4.2)	(9.3)	(7.9)	(10.1)
Income (loss) from continuing operations before income taxes	5.5	(56.2)	(2.1)	(57.7)
Income tax provision (benefit)	1.9	(14.6)	0.1	(14.1)
Income (loss) from continuing operations	3.6	(41.6)	(2.3)	(43.7)
Income (loss) from discontinued operations, net of tax	(0.9)	15.7	(1.3)	35.0
Net income (loss)	\$ 2.7	\$ (25.8)	\$ (3.6)	\$ (8.6)
Net income (loss) per common share:				
Income (loss) per share from continuing operations - basic	\$ 0.22	\$ (2.50)	\$ (0.14)	\$ (2.62)
Income (loss) per share from discontinued operations - basic	(0.06)	0.95	(0.08)	2.10
Net income (loss) per share - basic	0.17	(1.55)	(0.22)	(0.52)
Income (loss) per share from continuing operations - diluted	0.22	(2.50)	(0.14)	(2.62)
Income (loss) per share from discontinued operations - diluted	(0.06)	0.95	(0.08)	2.10
Net income (loss) per share - diluted	\$ 0.17	\$ (1.55)	\$ (0.22)	\$ (0.52)
Average shares outstanding (in thousands):				
Basic	16,220	16,661	16,297	16,634
Diluted	16,241	16,661	16,297	16,634

¹ Other operating charges, net consist of amounts unrelated to ongoing core operating activities. Please refer to Note 12 within Clearwater Paper's Form 10-Q filed with the SEC for the period ended June 30, 2025 for the detailed breakout of this amount.

Clearwater Paper Corporation
Condensed Consolidated Balance Sheets
(Unaudited)

(In millions)	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 46.7	\$ 79.6
Receivables, net	165.9	188.7
Inventories, net	283.9	258.0
Other current assets	13.7	19.1
Total current assets	510.1	545.4
Property, plant and equipment	2,369.8	2,328.4
Accumulated depreciation and amortization	(1,342.7)	(1,305.4)
	1,027.1	1,023.1
Goodwill and intangible assets, net	51.2	52.9
Other assets, net	52.4	57.9
Total assets	\$ 1,640.7	\$ 1,679.2
Liabilities and stockholders' equity		

Current liabilities:		
Current portion of long-term debt	\$ 0.6	\$ 0.6
Accounts payable and accrued liabilities	258.5	319.7
Total current liabilities	259.1	320.4
Long-term debt	328.5	281.6
Liability for pension and other postretirement employee benefits	51.9	52.5
Deferred tax liabilities and other long-term obligations	164.6	170.2
Total liabilities	804.0	824.7
Stockholders' equity:		
Common stock	—	—
Additional paid-in capital	6.5	11.5
Treasury stock, at cost	(12.7)	(3.3)
Retained earnings	877.3	880.8
Accumulated other comprehensive loss, net of tax	(34.4)	(34.5)
Total stockholders' equity	836.7	854.6
Total liabilities and stockholders' equity	\$ 1,640.7	\$ 1,679.2

Clearwater Paper Corporation
Consolidated Statements of Cash Flows
(Unaudited)

(In millions)	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating activities				
Net income (loss)	\$ 2.7	\$ (25.8)	\$ (3.6)	\$ (8.6)
Adjustments to reconcile net income (loss) to net cash flows provided by (used in) operating activities:				
Depreciation and amortization	23.0	30.9	45.0	54.1
Equity-based compensation expense	2.5	4.7	3.5	8.1
Deferred taxes	1.7	(3.5)	(0.6)	(5.1)
Defined benefit pension and other postretirement employee benefits	(0.1)	(0.8)	(0.2)	(1.7)
Amortization of deferred debt costs	0.6	0.7	1.1	1.1
Loss on sale or impairment associated with assets	3.0	0.7	3.1	0.8
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	11.5	(65.6)	22.6	(57.8)
(Increase) decrease in inventories	(26.2)	9.2	(25.3)	1.0
Decrease in other current assets	4.0	2.3	4.2	—
Increase (decrease) in accounts payable and accrued liabilities	(52.4)	69.4	(76.4)	89.9
Other, net	1.6	(1.2)	(0.1)	(1.5)
Net cash flows provided by (used in) operating activities	(28.2)	21.1	(26.7)	80.3
Investing activities				
Additions to property, plant and equipment, net	(22.9)	(18.1)	(55.6)	(36.6)
Acquisition of business	—	(708.2)	—	(708.2)
Net cash flows used in investing activities	(22.9)	(726.3)	(55.6)	(744.8)
Financing activities				
Borrowings on long-term debt	65.0	726.7	65.0	723.5
Repayments of long-term debt	(18.2)	(30.3)	(18.3)	(50.5)
Repurchases of common stock	(4.2)	(3.0)	(15.1)	(3.5)
Payments of debt issuance costs	—	(4.1)	—	(4.5)
Other, net	11.2	0.2	17.8	(2.9)
Net cash flows provided by financing activities	53.7	689.6	49.3	662.1
Increase (decrease) in cash, cash equivalents	2.6	(15.6)	(33.0)	(2.4)
Cash and cash equivalents at beginning of period	44.0	55.2	79.6	42.0
Cash and cash equivalents at end of period	\$ 46.7	\$ 39.6	\$ 46.7	\$ 39.6

Clearwater Paper Corporation
Reconciliation of Non-GAAP Financial Measures
Adjusted EBITDA
(Unaudited)

(In millions)	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 2.7	\$ (25.8)	\$ (3.6)	\$ (8.6)
Add (deduct):				
Less: income (loss) from discontinued operations, net of tax	(0.9)	15.7	(1.3)	35.0
Income (loss) from continuing operations	3.6	(41.6)	(2.3)	(43.7)
Income tax provision (benefit)	1.9	(14.6)	0.1	(14.1)
Interest expense, net	3.9	9.6	7.3	10.8
Depreciation and amortization	23.0	17.0	45.0	25.9
Inventory revaluation on acquired business	—	6.8	—	6.8
Other operating charges, net ¹	7.1	14.6	18.9	20.6
Other non-operating expense (income)	0.3	(0.3)	0.6	(0.7)
Adjusted EBITDA from continuing operations	\$ 39.9	\$ (8.6)	\$ 69.6	\$ 5.6

¹ Other operating charges, net consist of amounts unrelated to ongoing core operating activities. Please refer to Note 12 within Clearwater Paper's Form 10-Q filed with the SEC for the period ended June 30, 2025 for the detailed breakout of this amount.

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