



PRESS RELEASE

Clearwater Paper Reports Updated Fourth Quarter Guidance

12/21/2020

SPOKANE, Wash.--(BUSINESS WIRE)-- **Clearwater Paper Corporation (NYSE: CLW)**, a premier supplier of quality tissue and bleached paperboard products, today announced a preliminary update to the company's previous outlook for fourth quarter 2020 Adjusted EBITDA of \$52 to \$62 million.

Due to significantly greater than expected demand in tissue, strong operating performance, and favorable cost trends, the company now expects Adjusted EBITDA for the fourth quarter of 2020 to be in the range of \$71 to \$76 million.

"Demand for tissue products increased significantly in November through mid-December. We believe that the recent increase in COVID-19 cases caused a temporary change in consumer buying patterns, which are starting to normalize in later December," said Arsen Kitch, president and chief executive officer. "We now expect our fourth quarter volumes to be above our previous guidance, with shipments exceeding those experienced in the fourth quarter of 2019," Kitch concluded.

ABOUT CLEARWATER PAPER

Clearwater Paper is a premier supplier of private brand tissue to major retailers and wholesale distributors, including grocery, drug, mass merchants and discount stores. In addition, the company produces bleached paperboard used by quality-conscious printers and packaging converters, and offers services that include custom sheeting, slitting and cutting. Clearwater Paper's employees build shareholder value by developing strong relationships through quality and service.

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as amended, including statements regarding fourth quarter 2020 outlook for net income and Adjusted EBITDA and tissue shipments and orders. These forward-looking statements are based on current expectations, estimates, assumptions, and projections that are subject to change, and actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to: the impacts of the COVID-19 pandemic on the company's business and operations; competitive pricing pressures for the company's products, including as a result of increased capacity, as additional manufacturing facilities are operated by the company's competitors; 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 transportation costs and disruptions in transportation services; changes in customer product preferences and competitors' product offerings; larger competitors having operational and other advantages; customer acceptance and timing and quantity of purchases of the company's tissue products, including the existence of sufficient demand for and the quality of tissue produced by the company's expanded Shelby, North Carolina operations; consolidation and vertical integration of converting operations in the paperboard industry; the company's ability to successfully implement its operational efficiencies and cost savings strategies, along with related capital projects, and achieve the expected operational or financial results of those projects, including from the continuous digester at the company's Lewiston, Idaho facility; changes in the U.S. and international economies and in general economic conditions in the regions and industries in which the company operates; manufacturing or operating disruptions, including IT system and IT system implementation failures, equipment malfunctions and damage to the company's manufacturing facilities; cyber-security risks; changes in costs for and availability of packaging supplies, chemicals, energy, and maintenance and repairs; labor disruptions; cyclical industry conditions; changes in expenses, required contributions, and potential withdrawal costs associated with the company's pension plans; environmental liabilities or expenditures; reliance on a limited number of third-party suppliers for raw materials; the company's ability to attract, motivate, train and retain qualified and key personnel; material weaknesses in the company's internal control over financial reporting; the company's substantial indebtedness and ability to service its debt obligations; restrictions on the company's business from debt covenants and terms; 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 its Annual Report on Form 10-K for the year ended December 31, 2019. 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.

For additional information on Clearwater Paper, please visit our website at www.clearwaterpaper.com.

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

	THREE MONTHS ENDED DECEMBER 31, 2020	
	RANGE OF ESTIMATES	
	FROM	TO
Reconciliation to Adjusted EBITDA¹		
GAAP, net income	\$ 22	\$ 25
Income tax (benefit) provision	7	8
Depreciation and amortization	28	28
Non-operating items	14	15
Adjusted EBITDA	\$ 71	\$ 76

¹ Adjusted EBITDA is a non-GAAP measure that management uses as a supplemental performance measure. The most directly comparable GAAP measure is net income. Adjusted EBITDA is net income adjusted for non-operating items, income taxes, depreciation and amortization and excludes the impact of items that we do not believe are indicative of our core operating performance.

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