



2023

ANNUAL REPORT

Glatfelter is a leading global supplier of engineered materials with a strong focus on innovation and sustainability.

The Company's high quality, technology-driven, innovative, and customizable nonwovens solutions can be found in products that are Enhancing Everyday Life®. These include personal care and hygiene products, food and beverage filtration, critical cleaning products, medical and personal protection, packaging products, as well as home improvement and industrial applications. Headquartered in Charlotte, NC, the Company's annualized net sales approximate \$1.4 billion with approximately 2,980 employees worldwide. Glatfelter's operations utilize a variety of manufacturing technologies including airlaid, wetlaid and spunlace with fifteen manufacturing sites located in the United States, Canada, Germany, the United Kingdom, France, Spain, and the Philippines. The Company has sales offices in all major geographies serving customers under the Glatfelter and Sontara® brands. Additional information about Glatfelter may be found at

WWW.GLATFELTER.COM



FORWARD-LOOKING STATEMENTS

Certain statements included in this annual report that pertain to future financial and business matters are "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. We use words such as "anticipate", "believe", "expect", "future", "intend", "plan", "target", and similar expressions to identify forward-looking statements. Any such statements are based on the Company's current expectations and are subject to numerous risks, uncertainties and other unpredictable or uncontrollable factors that could cause future results to differ materially from those expressed in the forward-looking statements. The risks, uncertainties and other unpredictable or uncontrollable factors are described in our filings with the U.S. Securities and Exchange Commission ("SEC") in the Risk Factors section and under the heading "Forward-Looking Statements" in the accompanying Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, which are available on the SEC's website at www.sec.gov. In light of these risks, uncertainties and other factors, any such forward-looking matters may not occur, and readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements speak only as of the date of this annual report and the Company undertakes no obligation, and does not intend, to update these forward-looking statements to reflect events or circumstances occurring after the date of this annual report.

DEAR SHAREHOLDERS,

Glatfelter entered 2023 with a continued sense of urgency to return meaningful profitability to the business and value to our shareholders. We ended the year delivering Adjusted EBITDA of \$93 million on total sales of approximately \$1.4 billion. By accelerating our implementation of global key initiatives with our Turnaround Strategy, we made substantial progress, particularly in the Spunlace segment, despite continued market headwinds.

On February 7, 2024, Glatfelter and Berry Global announced the two companies had entered into a definitive agreement for Berry to spin-off and merge the majority of its Health, Hygiene and Specialties segment including its Global Nonwovens and Films business (“HHNF”) with Glatfelter, to create a leading, publicly traded company (“NewCo”) in the specialty materials industry. When combined, the two businesses will include forty-five (45) state-of-the-art manufacturing locations in the Americas, Europe, and Asia-Pacific, and employ over 8,500 talented employees worldwide.

The proposed transaction values NewCo at proforma revenue of approximately \$3.6 billion and proforma adjusted EBITDA of approximately \$455 million, including expected synergies. Closing of the transaction is anticipated in the second half of 2024, subject to customary closing conditions, including Glatfelter shareholder and regulatory approvals.

Berry’s HHNF business brings an extensive portfolio of proprietary technologies, with a strong focus on healthcare, hygiene, and specialty end markets. When combined with Glatfelter’s broad range of innovation capabilities and sustainable solutions in its airlaid, composite fibers, and spunlace segments, NewCo will

Thomas Fahnemann, President and Chief Executive Officer



have the foundation to become a premier nonwovens supplier and global leader in the growing specialty materials industry, unlocking greater value creation opportunities for customers through an extensive product portfolio, superior innovation capabilities and technical expertise.

Overall, Glatfelter is in a stronger position today compared to a year ago due to the efforts of our entire global team, which remains committed to delivering improved performance and additional turnaround benefits. Our performance in 2023 was highlighted by several meaningful accomplishments where we eliminated costs from the business, refinanced the Company’s debt, restructured the leadership team and optimized our portfolio. We have also made significant progress with closing the price-cost gap and implementing operational improvements that are enabling us to deliver better margins. While these actions are improving our financial performance, we expect the full realization of benefits from our Turnaround Strategy when the market substantially recovers. We remain encouraged by the work that lies ahead, knowing the strategy will position Glatfelter to effectively contribute to NewCo’s future success.

Thank you for your continued support.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Fahnemann', written in a cursive style.

Thomas M. Fahnemann
President and Chief Executive Officer

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended **December 31, 2023**

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____



G L A T F E L T E R

4350 Congress Street, Suite 600
Charlotte, North Carolina 28209

(Address of principal executive offices)

(704) 885-2555

(Registrant's telephone number, including area code)

<u>Commission file number</u>	<u>Exact name of registrant as specified in its charter</u>	<u>IRS Employer Identification No.</u>	<u>State or other jurisdiction of incorporation or organization</u>
1-03560	Glatfelter Corporation	23-0628360	Pennsylvania

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on which registered</u>
Common Stock, par value \$.01 per share	GLT	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No .

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No .

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No .

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. Large accelerated filer Accelerated filer Non-accelerated filer Small reporting company Emerging Growth Company

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No .

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Based on the closing price as of June 30, 2023, the aggregate market value of the Common Stock of the Registrant held by non-affiliates was \$112.7 million.

Common Stock outstanding on February 26, 2024 totaled 45,147,547 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement to be delivered to shareholders in connection with the Annual Meeting of Shareholders to be held on May 10, 2024 are incorporated by reference into Part III.

GLATFELTER CORPORATION
ANNUAL REPORT ON FORM 10-K
For the Year Ended
December 31, 2023
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PART I

Glatfelter Corporation makes regular filings with the Securities and Exchange Commission (“SEC”), including this Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. These filings are available, free of charge, on our website, www.glatfelter.com, and the SEC’s website at www.sec.gov. We also provide copies of our SEC filings at no charge upon request to Investor Relations at (717) 225-2746, ir@glatfelter.com, or by mail to Investor Relations, 4350 Congress Street, Suite 600, Charlotte, NC 28209. In this filing, unless the context indicates otherwise, the terms “we,” “our,” “us,” “the Company,” or “Glatfelter” refer to Glatfelter Corporation and subsidiaries.

The following discussion of our Business sets forth an update of the material developments since our most recent full discussion included in Item 1 – “Business” of our 2022 Annual Report on Form 10-K filed with the SEC on February 27, 2023.

ITEM 1 BUSINESS

Overview Glatfelter is a leading global supplier of engineered materials. Our high-quality, innovative, and customizable solutions are found in tea and single-serve coffee filtration, personal hygiene, as well as in many diverse packaging, home improvement and industrial applications. Our 2023 net sales were approximately \$1.4 billion with customers in over 100 countries. Our operations utilize a variety of manufacturing technologies including airlaid, wetlaid, and spunlace with fifteen manufacturing sites located in the United States, Canada, Germany, the United Kingdom, France, Spain, and the Philippines. We have sales offices in all major geographies serving customers under the Glatfelter and Sontara brands.

In 2022, Glatfelter began its turnaround strategy in conjunction with the appointment of Thomas Fahnemann as the new Chief Executive Officer of the Company. In making the transition, the Board of Directors reaffirmed its view that Glatfelter has the right combination of business segments serving attractive, growth-oriented markets and customers with sustainable product offerings, but had brought in a new CEO to address the challenges impacting Glatfelter’s financial performance while charting a new direction to unlock the full value of Glatfelter. In 2023, Glatfelter continued to deliver benefits from the turnaround strategy under new CEO leadership and the benefits from the program helped offset most of the the adverse impacts from volume declines and related machine downtimes. The turnaround strategy focuses on six key initiatives to drive profitability improvements:

- **Portfolio optimization** - Includes reviewing our entire asset portfolio and considering the strategic, financial, and operational value of each asset in the near- and long-term. We are focusing on areas of our portfolio that have scale, or the potential for scale, a strong market leading position and core competencies in manufacturing technology. During 2023, we divested our Ober-Schmitt, Germany and Costa Rica operations both part of the Composite Fibers segment.
- **Margin improvement** - This is a fundamental part of the turnaround strategy which includes placing greater focus on profitability rather than simple top-line growth. Price increases and energy surcharges implemented during 2022 to combat the significant impact of inflation and higher energy prices were largely maintained through the first quarter of 2023 and to the extent possible much of the year. In 2023, raw material and energy prices started to decline compared to high levels in 2022 and prices for customers with pass-through arrangements started to decline. For customers not on a contractual pass-through agreement, we selectively began to lower prices to maintain volume yet also focused on returning margins closer to pre-pandemic levels.
- **Fixed cost reduction** - Includes evaluating our fixed costs and taking actions to make significant reductions. We implemented select headcount reductions, partial capacity rationalizations, and created greater emphasis on reduction of indirect spend to deliver significant savings for 2023 and beyond.
- **Cash liberation** - This initiative is supported by the work on the first three initiatives in our plan. We will focus on paying down debt, decreasing our leverage, and increasing EBITDA. We will continue to make prudent decisions with respect to capital allocation and maintain a disciplined approach to managing our accounts receivables, finished goods inventory and raw material pricing.
- **Operational effectiveness** - We are driving continuous improvements across our operations, identifying areas for process enhancements and waste reduction, and expanding operational best practices across the organization. In addition, the team has made significant progress on reducing the cost of our supply chain by improving our warehousing, freight, and distribution processes.

- Return Spunlace to profitability - We are executing all the initiatives in our turnaround plan with a heightened sense of urgency of returning our Spunlace segment to profitability. In 2023, the profitability for this segment improved by approximately \$9 million compared to 2022 as a result of the actions taken.

We manage our business and make investment decisions under a functional operating model with three distinct reporting segments: Airlaid Materials, Composite Fibers and Spunlace. These segments serve growing global customers and markets providing innovative and customizable solutions, ultimately delivering high-quality engineered materials. As a leading global supplier of engineered materials for consumer and industrial applications, we partner with leading consumer product companies and other market leaders to provide innovative solutions delivering outstanding performance to meet market requirements. Over the past several years, we have divested non-strategic assets and made investments to increase production capacity and improve our technical capabilities to ensure we are best positioned to serve the market demands and grow our sales. We are committed to growing with our key markets and will make appropriate investments to support our customers and satisfy market demands.

In 2021, we completed two significant acquisitions to further our business transformation and in alignment with our stated strategy. On May 13, 2021, we completed the acquisition of all the outstanding equity interests of Georgia-Pacific Mt. Holly LLC, Georgia-Pacific's U.S. nonwovens business ("Mount Holly"), for \$170.9 million. This business includes the Mount Holly, NC manufacturing facility and an R&D center and pilot line for nonwovens product development in Memphis, TN. The Mount Holly facility produces high-quality airlaid products for the wipes, hygiene, and other nonwoven materials markets, competing in the marketplace with nonwoven technologies and substrates, as well as other materials focused primarily on consumer based end-use applications. The Mount Holly acquisition expanded our footprint and income generation in the U.S. and balanced our sales mix between the Airlaid Materials and Composite Fibers segments.

On October 29, 2021, we completed the acquisition of PMM Holding (Luxembourg) AG, and its wholly-owned subsidiaries ("Jacob Holm"), a global leading manufacturer of premium quality spunlace nonwoven fabrics for critical cleaning, high-performance materials, personal care, hygiene and medical applications, for an enterprise value of approximately \$304.0 million, including the extinguishment of debt. The combination created an expanded portfolio of engineered specialty applications manufactured on spunlace-based production assets with opportunities for long-term growth aligned with post-COVID lifestyle changes. Jacob Holm's results are reported prospectively from the date of acquisition as Spunlace, a newly established reporting segment.

Additional information related to these acquisitions is set forth in Item 8 – Financial Statements and Supplementary Data - Note 3 – "Acquisitions."

On February 7, 2024, we announced our entrance into definitive agreements with Berry Global Group, Inc. (NYSE:BERY) for Berry to spin-off and merge the majority of its Health, Hygiene and Specialties segment to include its Global Nonwovens and Films business ("HHNF") with Glatfelter, to create a leading, publicly-traded company in the specialty materials industry. The new combined company ("NewCo") will become a global leader in the growing specialty materials industry, serving the world's largest brand owners across global end markets with favorable long-term growth dynamics.

The proposed transaction represents the next significant milestone in the Company's time-tested strategy as a leading global supplier of specialty materials. The combination of Berry's HHNF business and Glatfelter provides meaningful scale given the complementary technology and product portfolios, along with a platform for considerable growth in future periods. The transaction provides NewCo the opportunity to deliver significant value creation for Glatfelter shareholders by immediately deleveraging Glatfelter's balance sheet and increasing the equity value of the overall enterprise, while also enhancing our credit profile with customers and suppliers. Glatfelter's recent focus on optimizing its portfolio, managing the price/cost spread dynamic, and driving commercial and operational excellence, along with G&A cost discipline, provides the foundation to meaningfully contribute towards the overall success of NewCo.

Segments Consolidated net sales and the relative net sales contribution of each of our segments for the past three years are summarized below (the data includes the results of the recently completed acquisitions prospectively from the closing date):

<i>Dollars in thousands</i>	2023	2022	2021
Net sales	\$ 1,385,516	\$ 1,491,326	\$ 1,084,694
<i>Operating segment contribution</i>			
Airlaid Materials	42.3 %	40.4 %	43.4 %
Composite Fibers	34.8 %	35.1 %	51.3 %
Spunlace	22.9 %	24.5 %	5.3 %
Total	100.0 %	100.0 %	100.0 %

Net tons sold by each segment for the past three years were as follows:

Metric tons	2023	2022	2021
Airlaid Materials	156,442	164,844	148,134
Composite Fibers	94,742	103,092	132,196
Spunlace	61,618	72,725	12,514
Inter-segment sales elimination	(1,258)	—	—
Total	311,544	340,661	292,844

AIRLAID MATERIALS Airlaid Materials, with 2023 net sales of approximately \$586.5 million, is a leading global supplier of highly absorbent and engineered cellulose-based airlaid nonwoven materials, primarily used to manufacture consumer products for growing global end-user markets. Our products are composed of all-natural fluff pulp, which is sustainable by design. The categories served by Airlaid Materials include:

- feminine hygiene and other hygiene products;
- specialty wipes;
- tabletop;
- adult incontinence;
- home care;
- food pads; and
- other consumer and industrial products.

Airlaid Materials' customers are industry leading consumer product companies, as well as private label converters. We believe this business holds a leading position in the majority of the markets it serves. Airlaid Materials has developed long-term customer relationships through superior quality, customer service, and a reputation for quickly bringing product and process innovations to market.

This segment's net sales composition by categories is set forth in Item 8 – Financial Statements and Supplementary Data - Note 8 – “Revenue.”

The feminine hygiene category accounted for 37.0% and 39.6% of Airlaid Material's net sales in 2023 and 2022, respectively. Most feminine hygiene sales are to a group of large, leading global consumer products companies. We believe these markets are growth oriented due to population growth in certain geographic regions and changing consumer preferences. In developing regions, demand is also influenced by increases in disposable income and cultural preferences.

Airlaid Materials operates state-of-the-art facilities in Falkenhagen and Steinfurt, Germany, Gatineau, Canada, Fort Smith, Arkansas, and Mount Holly, North Carolina. The segment's five facilities operate with the following combined attributes (in metric tons):

Airlaid Materials Production Capacity	Principal Raw Material (“PRM”)	Estimated Annual Quantity of PRM
190,000	Fluff pulp	130,000

Key raw materials used in the airlaid production process other than fluff pulp include synthetic fibers, super absorbent polymers, and latex. The cost to produce is influenced by the cost of critical raw materials and energy prices. Airlaid Materials purchases substantially all the electricity and natural gas used in its operations. Approximately 77% of this segment's net sales in 2023 was earned under contracts whose selling price is influenced by pass-through provisions directly related to the cost of certain key raw materials.

Airlaid Materials continues to be a technology and product innovation leader in technically demanding segments of the markets it serves. Its airlaid material production employs multi-bonded, thermal-bonded and hydrogen-bonded airlaid technologies. We believe that its facilities are among the most modern and flexible airlaid facilities in the world, allowing it to produce at industry leading operating rates. Its proprietary single-lane festooning technology provides converting and product packaging capabilities which supports efficiency in the customers converting processes. Airlaid Materials' in-house technical expertise combined with significant capital investment requirements and rigorous customer expectations creates large barriers to entry for new competitors.

The following summarizes Airlaid Materials' key competitors:

Market segment	Competitor
Hygiene and other absorbent products	Fitesa, McAirlaid's, Domtar, Suominen, Karweb Nonwovens, and Gelok International
Wipes	Suominen, Berry Global, Kimberly-Clark, Spuntech Industries, Domtar, and AS Nonwovens
Tabletop	SharpCell, Duni/Rexcell, Ascutec, Karweb Nonwovens, Domtar, and Main

Our strategy in Airlaid Materials is focused on:

- maintaining and expanding relationships with customers that are market-leading consumer product companies, as well as companies converting and distributing through private label arrangements;
- emphasizing our product development and process innovation capabilities, broadening of our product portfolio mix, and developing plastic-free technologies;
- expanding geographic reach of markets served;
- optimizing the use of existing production capacity; and
- employing continuous improvement methodologies and initiatives to reduce costs, improve efficiencies and create additional capacity.

COMPOSITE FIBERS Our Composite Fibers segment, with 2023 net sales of approximately \$483.5 million, processes specialty long fibers, primarily from natural sources such as abaca, and other materials to create premium value-added products in the following categories:

- **Food & beverage** filtration material primarily used for single-serve coffee and tea products;
- **Technical specialties** consists of a diverse line of specialty engineered products used in commercial and industrial applications such as electrical energy storage, home, hygiene, and other highly-engineered fiber-based applications;
- **Wallcover** base materials used by wallpaper manufacturers;
- **Composite laminates** decorative laminate solutions used in furniture, and household and commercial flooring, and other applications; and
- **Metallized products** used in labels, packaging liners, gift wrap, and other consumer product applications.

We believe Composite Fibers maintains a market leadership position in the single-serve coffee and tea filtration markets, wallcover base material and many other products it produces. We believe many of the markets served by Composite Fibers present attractive growth opportunities due to evolving consumer preferences, new or emerging geographic markets, new product innovation and increased market share through superior products and quality.

This segment's net sales composition by categories is set forth in Item 8 – Financial Statements and Supplementary Data - Note 8 – “Revenue.”

Composite Fibers is comprised of four production facilities (Germany (2), France, and England), a metallizing operation (Wales) and a pulp mill (the Philippines). The combined attributes of the facilities are summarized as follows (in metric tons):

Composite Fibers Production Capacity	Principal Raw Material (“PRM”)	Estimated Annual Quantity of PRM
142,500 lightweight and other paper	Abaca pulp	14,400
	Wood pulp	81,000
	Synthetic fiber	21,500
11,200 metallized	Base stock	7,500
12,000 abaca pulp	Abaca fiber	20,000

The primary raw materials used in the production of our lightweight materials are softwood pulps, abaca pulp, and other specialty fibers. Securing adequate quantities of abaca pulp and its source material, abaca fiber, are important to support growth in this segment. Abaca pulp, a specialized pulp with limited sources of availability globally, is produced by our Philippine pulp mill, providing a unique advantage to our Composite Fibers segment. At certain times, when the supply of abaca fiber becomes constrained or when production demands exceed the capacity of the Philippines mill, alternative sources and/or substitute fibers are used to meet customer demands. Glatfelter has also partnered with an external firm to sell any of the excess high quality, specialty abaca produced as part of the cash liberation turnaround initiative.

In addition to critical raw materials, Composite Fibers’ production cost is influenced by the price of electricity and natural gas. In 2023, Composite Fibers purchased approximately 45% of its electricity needs, the cost of which is influenced by the natural gas markets. In addition, the segment generates all the steam used in production by burning natural gas. Approximately 50% of this segment’s net sales in 2023 was earned under contracts whose selling price is influenced by pass-through provisions directly related to the cost of certain key raw materials.

In Composite Fibers’ markets, competition is product line specific as the necessity for technical expertise and specialized manufacturing equipment limits the number of companies offering multiple product lines. In addition, Composite Fibers’ lightweight products are produced using highly specialized inclined wire paper machine technology. The following chart summarizes key competitors by market segment:

Market segment	Competitor
Single serve coffee & tea	Ahlstrom, Delfort, Purico, Miquel y Costas, and Zhejiang Kan
Technical specialties	Nippon Kodoshi (NKK), Zhejiang Kan, Twin Rivers, Suominen, and Miquel y Costas
Wallcovering	Technocell, Neu Kaliss, Kaemmerer, and Ahlstrom
Composite laminates	Mativ, Purico, Miquel y Costas, and Qi Feng
Metallized	AR Metallizing, Torras Papel Novelis, Vaassen, Galileo Nanotech, and Wenzhou Protec Vacuum Metallizing Co.

Our strategy in Composite Fibers is focused on:

- leveraging innovation resources to drive plastic free applications, and new product and new business development;
- optimizing our asset utilization and product portfolio while capitalizing on growing global markets in beverage filtration, electrical storage, and consumer products trends;
- maximize continuous improvement methodologies to increase productivity, reduce costs, and expand capacity; and
- ensuring readily available access to specialized raw material requirements or suitable alternatives to support projected growth.

SPUNLACE Our Spunlace segment, with 2023 net sales of approximately \$317.9 million, is a global leading specialty manufacturer of premium quality spunlace nonwovens for critical cleaning, high-performance materials, personal care, surface disinfecting wipes, hygiene, beauty care and medical applications. Spunlace, formed as a result of our Jacob Holm acquisition, is a global manufacturer with state of the art proprietary production technology, conversion capabilities and branded products. Spunlace serves the world's largest consumer brands and focuses on quality, sustainability, and innovation. The categories served by Spunlace include:

- consumer wipes;
- critical cleaning;
- health care;
- feminine hygiene;
- high performance materials; and
- beauty care.

Spunlace's products are used by a wide range of end users. The critical cleaning and high performance product categories are used in applications such as automotive refinishing, aerospace, cleanroom, automotive acoustics, fire blocking and filtration. It has long-standing relationships with its customers who are niche players with highly specialized requirements. Health and beauty care includes medical gowns and drapes, wound care, surgical towels, facial masks and face and body wipes. Customers in the wipes and feminine hygiene category consist of some of the world's largest consumer brands, retailers, and converters.

Spunlace operates four manufacturing facilities, two of which are located in the United States, and one each in France and Spain. In addition, Spunlace provides converting capabilities transforming semi-finished roll goods into finished products using various converting technologies. Spunlace production facilities have the following combined attributes (in metric tons):

Spunlace Production Capacity	Principal Raw Material ("PRM")	Estimated Annual Quantity of PRM
91,000	Synthetic fibers	21,400
	Pulp-based fibers	24,200
	Fluff pulp	12,800
	Non-wood fibers	1,500
	Base paper	12,100

Key raw materials used in the spunlace production process include natural and synthetic fibers, pulps, and paper stock. The spunlace production process utilized by Spunlace's facilities consumes a significant amount of water to facilitate the formation of fibers into salable product. The cost to produce is influenced by the cost of critical raw materials and energy prices, including electricity and natural gas used in its operations. Approximately 48% of this segment's net sales in 2023 was earned under contracts whose selling price is influenced by pass-through provisions directly related to the price indices of certain key raw materials.

The following summarizes Spunlace's key competitors:

Market segment	Competitor
Critical cleaning and high performance	Kimberly-Clark, Berry Global, Sellars, Suominen, and Norafin
Feminine hygiene, personal care, health and beauty	Sandler, Suominen, BC Nonwovens, Spuntech, Mogul, Dalian Ruiguang Nonwoven Group, and Asahi Kasei

Our strategy in Spunlace is focused on:

- integrating its operations to maximize planned synergies;
- leading the industry transition in sustainability by leveraging our technological advantage;
- being the preferred co-innovator;
- optimizing the use of existing production capacity; and
- delivering operational excellence.

Concentration of Customers In 2023, 2022 and 2021, approximately 16%, 15% and 16%, respectively, of our consolidated net sales were from sales to Procter & Gamble Company, a customer in the Airlaid Materials and Spunlace segments.

The top three customers, in the aggregate, accounted for approximately 57% of Airlaid Materials' and approximately 42% of Spunlace's net sales in 2023.

Capital Expenditures Our business requires expenditures for equipment enhancements to support growth strategies, research and development initiatives, and for normal upgrades or replacements. Capital expenditures totaled \$33.8 million, \$37.7 million and \$30.0 million in 2023, 2022 and 2021, respectively. Capital expenditures in 2024 are estimated to total between approximately \$35 million and \$40 million.

Government Regulations We are subject to various federal, state and local laws and regulations intended to protect the environment, as well as human health and safety. These regulations include, among others, limits on air emissions and water use and discharges by our facilities and protection of our employees throughout the world. Glatfelter is committed to operating responsibly and addressing the concerns and needs of our stakeholders. At various times, we have incurred costs to comply with these regulations and we could incur additional costs as new regulations are developed or regulatory priorities change.

Human Capital Our business is guided by our Board of Directors and a diverse management team comprised of leaders with extensive business and industry experience. Additional information on our leadership team is set forth within this Form 10-K under the caption "Executive Officers." As of December 31, 2023, we employed approximately 2,920 people worldwide, the substantial majority of whom are skilled personnel responsible for the production and commercialization of our Airlaid Materials, Composite Fibers, and Spunlace products. Our facilities are a continuous flow manufacturing operation with approximately 68.3% of our employees represented by local works councils or trade unions in Europe, the United Kingdom, Canada, and the Philippines.

The daily work of Glatfelter employees is rooted in the Company's longstanding Code of Business Conduct and Core Values of Integrity, Financial Discipline, Mutual Respect, Customer Focus, Environmental Responsibility, and Social Responsibility.

Employee Health and Safety We have a well-established safety management system and ongoing employee well-being programs. The health and safety of our employees have remained a top priority, and we have been diligently taking the necessary measures to protect employees throughout our various facilities. This includes expanded safety, hygiene, and communication protocols as we operate in a post-pandemic environment.

We view health and safety as everyone's responsibility and involve all employees at every level of the organization in our programs. Glatfelter facilities are striving to be "injury free every day" through implementation of our Global Health & Safety Program, regulatory compliance, site-specific safety plans, safety resources and training, ongoing risk assessment and a safety auditing program. We track multiple safety metrics, including total case incident rate ("TCIR"), to encourage and ensure continuous improvement and mitigation of potential safety risks. In recent years, our TCIR has consistently ranked in the top quartile of safety performance in our industry.

Talent Attraction, Retention, and Development Our employees make essential contributions to our success and ability to drive growth and innovation. Even as the organization has undertaken substantial change in recent years, our vision and Core Values remain the center of our steadfast compliant culture. We are always working to enhance our human resources programs by implementing and integrating enterprise-level processes for talent attraction, career development, and training.

Glatfelter supports its team by providing competitive wages, comprehensive benefits, diverse well-being programs, and other benefits to help enhance the lives of our employees. We provide various work arrangements for employees whose jobs are conducive to remote or hybrid structures. We regularly review our employee offerings to ensure we are positioned competitively to attract and retain top-tier talent.

Employee Training Training and professional growth are central to developing our workforce and driving long-term success for our organization. Global training encompasses a variety of programs, from apprenticeships and machine-specific skill development, grant-funded partnerships, Lean Six Sigma principles training, leadership development and compliance training. To ensure we continue to have the necessary resources with skills necessary to support the production of increasingly sophisticated engineered materials, we invest in the development of skills necessary to operate our machinery, including operational apprenticeship programs in many of our global locations.

Diversity, Equity and Inclusion We are a global company that encourages and embraces different cultures and backgrounds. Our employees, including our management team, are diverse – as our facilities hire locally for leadership positions, as well as salaried and production positions at all levels. We strive to create an inclusive culture and provide opportunities for people of all backgrounds to share their unique viewpoints and contribute to our success. The global nature of our business helps drive our inclusive corporate environment, as we regularly collaborate with colleagues who have different backgrounds, ethnicities, and world views.

We are committed to ensuring our Company is a diverse and inclusive place to work, while also strengthening the communities in which we live.

Other Available Information The Corporate Governance page of our website includes our Articles of Incorporation, Bylaws, Corporate Governance Principles, Code of Business Conduct, and biographies of our Board of Directors and identifies our Executive Officers. In addition, the website includes charters of the Audit, Compensation, and Nominating and Corporate Governance Committees of the Board of Directors. The Corporate Governance page also includes the Code of Business Ethics for the CEO and Senior Financial Officers of Glatfelter, our "whistle-blower" hotline information and other related material. We satisfy the disclosure requirement for any future amendments to, or waivers from, our Code of Business Conduct or Code of Business Ethics for the CEO and Senior Financial Officers by posting such information on our website. We will provide a copy of these documents, without charge, to any person who requests one by contacting Investor Relations at (717) 225-2746, ir@glatfelter.com or by mail to 4350 Congress Street, Suite 600, Charlotte, NC 28209.

ITEM 1A RISK FACTORS

Our business and financial performance may be adversely affected by a weak global economic environment or downturns in the target markets that we serve.

Adverse global economic conditions could impact our target markets resulting in decreased demand for our products. Our results could be adversely affected if economic conditions weaken. Also, there may be periods during which demand for our products could be insufficient to enable us to operate our production facilities at full capacity and in an economical manner which may force us to curtail production by taking machine downtime.

Approximately 46% of our net sales in 2023 was from shipments to customers in Europe, the demand for which is dependent on economic conditions in this region, or to the extent such customers do business outside of Europe, in other regions of the world. Uncertain economic conditions in this region may cause weakness in demand for our products, as well as volatility in our customers buying patterns.

The cost of raw materials and energy used to manufacture our products could increase or the availability of certain raw materials could become constrained.

Our business requires access to sufficient, and reasonably priced, quantities of wood pulps, different pulps, pulp substitutes, abaca fiber, polyester and various synthetic fibers, and certain other raw materials, as well as access to reliable and abundant supplies of water to support many of our production facilities. Therefore, volatility in the price of key raw materials can have a significant impact on our results of operations.

Our Philippine production site purchases raw abaca fiber to produce abaca pulp, a key material used to manufacture material for single-serve coffee, tea, and technical specialty products at Composite Fibers' facilities. At certain times, the supply of abaca fiber has been constrained or the quality diminished due to factors such as weather-related damage to the source crop, as well as decisions by landowners to produce alternative crops in lieu of those used to produce abaca fiber. These factors have contributed to volatility in fiber prices or limited available supply.

Airlaid Materials requires access to sufficient quantities of fluff pulp, the supply of which is subject to availability of certain softwoods.

The cost of many of our production materials, including petroleum-based chemicals and freight charges, are influenced by the cost of oil. Natural gas is the principal source of fuel for each of our facilities worldwide and prices have historically been more volatile than other fuels. Our manufacturing operations are energy-intensive and prices can fluctuate significantly based on demand.

Government rules, regulations and policies have an impact on the cost of certain energy sources, particularly for our European operations. In Europe, we currently benefit from a number of government-sponsored programs related to, among others, green energy or renewable energy initiatives designed to mitigate the cost of electricity to larger industrial consumers of power. Any reduction in the extent of government sponsored incentives may adversely affect the cost ultimately borne by our operations.

Although we have contractual arrangements with certain customers pursuant to which our product's selling price is adjusted for changes in the cost of certain raw materials and energy, we may not be able to fully pass increased raw materials or energy costs on to all customers if the market will not bear the higher price or if existing supply agreements limit price increases. If price adjustments significantly trail increases in raw materials costs, our operating results could be adversely affected.

Our turnaround strategy is time-consuming and expensive and could significantly disrupt our business.

We initiated a significant turnaround strategy in late 2022 in an effort to optimize our portfolio, improve margins, reduce fixed costs, liberate cash, improve operational effectiveness and return Spunlace to profitability. These turnaround actions were, and will continue to be, initiated to deliver significantly improved financial performance. The nature of these activities involves topics that are complex and time-consuming in nature, and could significantly disrupt our business if we fail to execute them properly, which could ultimately result in financial impacts to the Company.

The conflict between Russia and Ukraine has adversely affected, and may continue to adversely affect, our business, financial condition, and results of operations.

Approximately \$36 million and \$40 million, or 2.6% and 2.7% of our net sales in 2023 and 2022, respectively, were earned from customers located in Russia and Ukraine. The geopolitical conditions resulting from the Russia/Ukraine military conflict, including government-imposed sanctions and the current macroeconomic climate in Russia and Ukraine,

have adversely impacted both demand for our products and our ability to deliver products to this region, as well as, limited customers' access to financial resources and their ability to satisfy obligations to us. For example, as a direct result of the military conflict, economic sanctions, and the disruptions in the region's financial systems, we have had a significant reduction in wallcover revenues and cash flows. We expect this reduction to continue for the foreseeable future and most directly impact our facility located in Dresden, Germany that produces wallcover base paper, a significant portion of which historically was sold into the Ukraine and Russian markets. As a result, during the first quarter of 2022, we recorded a \$117.3 million non-cash asset impairment charge related to assets of our Dresden facility and an impairment of our Composite Fibers business' goodwill. In addition, we operate manufacturing sites elsewhere in Europe that have been adversely impacted as a result of the military conflict in Ukraine and related geopolitical events and sanctions.

In the event that current geopolitical tensions fail to abate, or deteriorate further, or additional governmental sanctions are enacted against the Russian economy or its banking and monetary systems, we may face additional adverse consequences to our business and results of operations. Even if the conflict moderates or a resolution between Ukraine and Russia is reached, we expect that we will continue to experience ongoing adverse consequences to our business, financial condition, and results of operation resulting from the conflict for the foreseeable future, including and because certain of the economic and other sanctions imposed, or that may be imposed, against Russia may continue for a period of time after any resolution has been reached.

Disruption of our global supply chain could adversely affect our business.

Our ability to manufacture, sell and distribute products is critical to our operations. Our products contain raw materials that we source globally from suppliers. If there is a shortage of a key raw material in our supply chain, and a replacement cannot be readily sourced from an alternative supplier, the shortage may disrupt our production. Likewise, disruptions in the transportation and delivery of products - both from suppliers to our production facilities, and from our production facilities to our customers - may impact our ability to sell product and deliver goods to our customers on time and in full. In addition, the costs of transporting materials and products through our chain of sourcing and production may increase, and such increases could be significant. The failure of third parties on which we rely, including those third parties who supply our raw materials, packaging, capital equipment and other necessary operating materials, contract manufacturers, commercial transport, distributors, contractors, and external business partners, to meet their obligations to us, or significant disruptions in their ability to do so, may negatively impact our operations. Failure to take adequate steps to mitigate the likelihood or potential impact of such disruptions, or to effectively manage such disruptions if they occur, could adversely affect our business and results of operations, as well as require additional resources to restore our global supply chain. Any of these factors could have a material adverse impact on our results of operations and financial condition.

Foreign currency exchange rate fluctuations could adversely affect our results of operations.

A significant proportion of our net sales and earnings is generated from operations outside of the United States. In addition, we own and operate manufacturing facilities in Canada, Germany, France, Spain, the United Kingdom, and the Philippines. A significant portion of our business is transacted in currencies other than the U.S. dollar, including the euro, British pound, Canadian dollar, and Philippine peso, among others. Our euro denominated net sales exceed euro expenses by an estimated €170 million. With respect to the British pound, Canadian dollar, and Philippine peso, we have greater outflows than inflows of these currencies, although to a lesser degree than the euro. As a result, we are exposed to changes in currency exchange rates and such changes could be significant.

Our ability to maintain our products' price competitiveness is reliant, in part, on the relative strength of the currency in which the product is denominated compared to the currency of the market into which it is sold and the functional currency of our competitors. Changes in the rate of exchange of foreign currencies in relation to the U.S. dollar, and other currencies, may adversely impact our results of operations and our ability to offer products in certain markets at acceptable prices.

In the event of significant currency weakening in the countries into which our products are sold, demand for our products, pricing of our products, or a customer's ability to satisfy obligations to us, could be adversely impacted.

Our industry is highly competitive and increased competition could reduce our sales and profitability.

The global markets in which we compete are served by a variety of competitors and a variety of substrates. As a result, our ability to compete is sensitive to, and may be adversely impacted by:

- the entry of new competitors into the segments we serve;
- the aggressiveness of our competitors' pricing strategies, which could force us to decrease prices in order to maintain market share;
- our failure to anticipate and respond to changing customer preferences; and
- technological advances or changes that impact production or cost competitiveness of our products.

The impact of any significant changes may result in our inability to effectively compete in the segments in which we operate, and as a result our sales and operating results would be adversely affected.

We may not be able to develop new products acceptable to our existing or potential customers.

Our business strategy is market focused and includes investments in developing new products to meet the changing needs of our customers, serve new customers and to maintain our market share. Our success will depend, in part, on our ability to develop and introduce new and enhanced products that keep pace with introductions by our competitors and changing customer preferences. If we fail to anticipate or respond adequately to these factors, we may lose opportunities for business with both current and potential customers. The success of our new product offerings will depend on several factors, including our ability to:

- anticipate and properly identify our customers' needs and industry trends;
- develop and commercialize new products and applications in a timely manner;
- price our products competitively;
- differentiate our products from our competitors' products; and
- invest efficiently in research and development activities.

Our inability to develop new products or new business opportunities could adversely impact our business and ultimately harm our profitability.

We are subject to substantial costs and potential liability for environmental matters.

We are subject to various environmental laws and regulations that govern our operations, including discharges into the environment, and the handling and disposal of hazardous substances and wastes. We are also subject to laws and regulations that impose liability and clean-up responsibility for releases of hazardous substances. To comply with environmental laws and regulations, we have incurred, and will continue to incur, substantial expenditures.

We may incur obligations to remove or mitigate any adverse effects on the environment, such as air and water quality, resulting from production sites we operate or have operated. Potential obligations include costs for government oversight of the remediation activities, the restoration of natural resources, and/or personal injury and property damages.

We generate a substantial portion of Airlaid Materials' and Spunlace's net sales from a few large customers and the loss of any one could have a material adverse effect on our results of operations.

The top three customers in each of these segments, in the aggregate, accounted for approximately 57% of Airlaid Materials' and approximately 42% of Spunlace's net sales in 2023. Furthermore, Airlaid Materials and Spunlace derive approximately 37% and 7%, respectively, of their annual net sales from sales to the feminine hygiene market. The loss of any one of these large customers or a decline in sales of hygiene products could have a material adverse effect on these segments' operating results. Our ability to effectively compete could be affected by technological production alternatives, which could provide substitute products into this segment. Customers in the airlaid and spunlace nonwoven fabric material segments including hygiene, may also switch to less expensive products, change preferences or otherwise reduce demand for our products, thus reducing the size of the segments in which we currently sell our products. Any of the foregoing could have a material adverse effect on our financial performance and business prospects.

Our operations may be impaired, and we may be exposed to potential losses and liability as a result of natural disasters, acts of terrorism or sabotage or similar events.

If we have a catastrophic loss or unforeseen operational disruption at any of our facilities, we could suffer significant lost production which could impair our ability to satisfy customer demands.

Natural disasters, such as earthquakes, hurricanes, tornadoes, typhoons, flooding or fire, and acts of terrorism or sabotage affecting our operating activities and major facilities could materially and adversely affect our operations, operating results and financial condition.

In addition, many of our operations require a reliable and abundant supply of water. Such sites rely on local bodies of water or water sources for their production needs and, therefore, are particularly sensitive to drought conditions or other natural or man-made interruptions to water supplies. Any interruption or curtailment of operations at any of our production facilities due to flooding, drought or low flow conditions at the principal water source or another cause could materially and adversely affect our operating results and financial condition.

Our pulp facility in Lanao del Norte on the Island of Mindanao in the Republic of the Philippines is located along the Pacific Rim, one of the world's hazard belts. By virtue of its geographic location, this site is subject to similar types of natural disasters discussed above, cyclones, typhoons, and volcanic activity. Moreover, the area of Lanao del Norte has been a target of suspected terrorist activities. Our pulp mill in Mindanao is located in a rural portion of the island and is susceptible to attacks and/or power interruptions. The Mindanao site supplies the abaca pulp used by Composite Fibers to manufacture paper for single serve coffee and tea products and certain technical specialties products. Any interruption, loss, or extended curtailment of operations at our Mindanao site could affect our ability to meet customer demands for our products and materially affect our operating results and financial condition.

We have operations in a potentially politically and economically unstable location.

Our pulp facility in the Philippines is located in a region that is unstable and subject to political unrest. As discussed above, our Philippine pulp facility produces abaca pulp, a significant raw material used by Composite Fibers and is currently our main source of abaca pulp. There are limited suitable alternative sources of readily available abaca pulp in the world. In the event of a disruption in supply from our Philippine site, there is no guarantee that we could obtain adequate amounts of abaca pulp, if at all, from alternative sources at a reasonable price. Further, there is no assurance the performance of such alternative materials will satisfy customer performance requirements. As a consequence, any civil disturbance, unrest, political instability, or other event that causes a disruption in supply could limit the availability of abaca pulp and would increase our cost of obtaining abaca pulp. Such occurrences could adversely impact our sales volumes, net sales, and operating results.

Our international operations pose certain risks that may adversely impact sales and earnings.

We have significant operations and assets located in Canada, Germany, France, Spain, the United Kingdom, and the Philippines. Our international sales and operations are subject to a number of unique risks, in addition to the risks in our domestic sales and operations, including, but not limited to, economic and trade disruptions resulting from geopolitical developments, wars or other military conflicts (such as the ongoing conflicts in Ukraine and the Middle East), differing protections of intellectual property, trade barriers, labor unrest, exchange controls, regional economic uncertainty, differing (and possibly more stringent) labor regulation, risk of governmental expropriation, domestic and foreign customs and tariffs, differing regulatory environments, difficulty in managing widespread operations and political instability. These factors may adversely affect our future profits. Also, in some foreign jurisdictions, we may be subject to laws limiting the right and ability of entities organized or operating therein to pay dividends or remit earnings to affiliated companies unless specified conditions are met. Any such limitations would restrict our flexibility in using funds generated in those jurisdictions.

Our business depends on good relations with our employees and attracting and retaining key employees.

As of December 31, 2023, we employed approximately 2,920 people worldwide, the substantial majority of whom are skilled personnel responsible for the production and commercialization of our Airlaid Materials, Composite Fibers, and Spunlace products. Our facilities are a continuous flow manufacturing operation with approximately 68.3% of our employees represented by local works councils or trade unions in Europe, the United Kingdom, Canada, and the Philippines. The risk of labor disputes, work stoppages or other disruptions in production could adversely affect us, especially in conjunction with potential restructuring activities. Any work stoppage or failure to reach agreements with local works councils or trade unions could have a material adverse effect on our customer relations, our productivity, the profitability of a manufacturing facility, our ability to develop new products and our operations as a whole. Furthermore, the loss of any of our key employees, including our CEO and their direct reports, could adversely affect our business and thus our financial condition, results of operations and cash flows.

We are subject to cyber-security risks related to unauthorized or malicious access to sensitive customer, vendor, company, or employee information, as well as to the technology that supports our operations and other business processes.

Our business operations rely upon secure systems for site operations, and data capture, processing, storage, and reporting. Although we maintain appropriate data security and controls, our information technology systems, and those of our third-party providers, could become subject to cyberattacks. The result of such attacks could result in a breach of data security and controls. Such a breach of our network, systems, applications or data could result in operational disruptions or damage or information misappropriation including, but not limited to, interruption to systems availability; denial of access to and misuse of applications required by our customers to conduct business with us; denial of access to the applications we use to plan our operations, procure materials, manufacture and ship products and account for orders; theft of intellectual know-how and trade secrets; and inappropriate disclosure of confidential company, employee, customer or vendor information, could stem from such incidents. In addition, the rapid evolution and increased adoption of artificial intelligence technologies increases our cybersecurity risks, including generative artificial intelligence augmenting threat actors' technological sophistication to enhance existing or create new malware.

Any of these operational disruptions and/or misappropriation of information could adversely affect our results of operations, create negative publicity, and could have a material effect on our business. While we believe we devote significant resources to network security, disaster recovery, employee training and other measures to secure our information technology systems and prevent unauthorized access to or loss of data, there are no guarantees that they will be adequate to safeguard against all cyber incidents, systems disruptions, system compromises or misuses of data. In addition, while we currently maintain insurance coverage that, subject to its terms and conditions, is intended to address costs associated with certain aspects of cyber incidents and information systems failures, this insurance coverage may not, depending on the specific facts and circumstances surrounding an incident, cover all losses or all types of claims that arise from an incident, or the damage to our reputation or brands that may result from an incident.

We operate in and are subject to taxation from numerous U.S. and foreign jurisdictions.

The multinational nature of our business subjects us to taxation in the U.S. and numerous foreign jurisdictions. Due to economic and political conditions, tax rates in various jurisdictions are subject to significant change. Our effective tax rates could be affected by changes in tax laws or their interpretation, changes in the mix of earnings in jurisdictions with differing statutory tax rates, and changes in the valuation of deferred tax assets and liabilities. The Organization for Economic Cooperation and Development ("OECD") reached agreement among various countries to implement a minimum 15% tax rate on certain multinational enterprises, commonly referred to as Pillar Two. The minimum tax directive has been adopted by the EU for implementation by its Member States into national legislation effective for fiscal years beginning after 2023 and may be adopted by other jurisdictions including the U.S. Many countries where we have operations continue to announce changes in their tax laws and regulations based on the Pillar Two principles. These and other developments could significantly negatively impact the Company's overall tax expense, results of operations, and future cash flows.

In the event any of the above risk factors impact our business in a material way or in combination during the same period, we may be unable to generate enough cash flow to simultaneously fund our operations, finance capital expenditures, and satisfy obligations.

In addition to debt service obligations, our business requires expenditures to support growth strategies, research and development initiatives, and for normal upgrades or replacements. We expect to meet all our near and long-term cash needs from a combination of operating cash flow, cash and cash equivalents, availability under our credit facility or other long-term debt. If we are unable to generate enough cash flow from these sources, we could be unable to fund our operations, finance capital expenditures, or satisfy our near and long-term cash needs.

We have substantial indebtedness and may incur substantial additional indebtedness, which could adversely affect our financial health and our ability to obtain financing in the future, react to changes in our business and make payments on the notes.

As of December 31, 2023, we had approximately \$370.7 million of secured debt and \$501.0 million of unsecured debt. We are able to, and may, incur additional indebtedness in the future, subject to the limitations contained in the agreements governing our indebtedness. Our substantial indebtedness could have important consequences to holders of our indebtedness, including:

- making it more difficult for us to satisfy our obligations with respect to our long-term debt;

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements, and our ability to satisfy our obligations with respect to the notes in the future;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions, and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- exposing us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing us at a disadvantage compared to other, less leveraged competitors or competitors with comparable debt and more favorable terms and thereby affecting our ability to compete;
- increasing our cost of borrowing; and
- failing to comply with the covenants and other requirements contained in our credit agreements or our other debt instruments could cause an event of default under the relevant debt instrument.

Although our borrowing arrangements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. If new debt is added to our current debt levels, the related risks that we face would increase, and we may not be able to meet all our debt obligations, including the repayment of the notes. On March 30, 2023, we entered into an amendment to the Credit Agreement which obligates us to maintain a leverage ratio under 4.25 to 1.0 through the quarter ended December 31, 2024, stepping down to 4.0 to 1.0 at March 31, 2025, and 3.50 to 1.0 at March 31, 2026 and a debt service coverage ratio less than 1.25 to 1.0 through the quarter ended December 31, 2024, stepping up to 1.50 to 1.0 at March 31, 2025, and 2.00 to 1.0 at March 31, 2026.

ESG issues may have an adverse effect on our business, financial condition and results of operations, the desirability of our stock, and may damage our reputation.

If we are unable to meet our ESG goals or evolving investor, industry, or stakeholder expectations and standards, our customers may choose alternative suppliers and/or our reputation, the desirability of our stock to investors, and our business and/or financial condition may be adversely affected. Any failure to achieve our ESG goals, challenges to our ESG reporting or our failure to effectively respond to new, or changes in, legal or regulatory requirements concerning environmental or other ESG matters could adversely affect our business and thus our financial condition, results of operations and cash flows.

The pending Reverse Morris Trust transaction with Berry's HHNF Business may not be completed on the terms or timeline currently contemplated, or at all, and the failure to complete the transaction could adversely impact the market price of Glatfelter common stock, as well as its business and operating results.

On February 6, 2024, we entered into certain definitive agreements with Berry, for Berry to spin-off and merge the majority of its Health, Hygiene and Specialties segment including its Global Nonwovens and Films business (“HHNF”) with Glatfelter (the “Merger”). Immediately following the transaction, pre-merger holders of the shares of common stock of Glatfelter will own, in the aggregate, approximately 10% of the outstanding capital stock of Glatfelter and Berry stockholders will own, in the aggregate, approximately 90% of the outstanding capital stock of Glatfelter.

The consummation of the transaction is subject to certain conditions, including: (i) approval of the required transactions by Glatfelter’s shareholders; (ii) the effectiveness of the registration statements with the SEC registering the issuance of Glatfelter common stock (iii) the listing of Glatfelter common stock issuable to shareholders on the NYSE; (iv) receipt of applicable regulatory approvals, including the expiration or early termination of the statutory waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other required regulatory approvals, and (v) the receipt of a private letter ruling from the IRS to the effect that the transactions will qualify for tax-free treatment under the Code, among other customary conditions to closing. There is no assurance that these conditions will be met or waived or that the transaction will be completed on the terms or timeline currently contemplated, or at all.

If the transaction is not completed for any reason, the price of Glatfelter common stock could decline. Glatfelter also could experience negative reactions from employees, customers, suppliers or other third parties if the transaction is not completed.

Glatfelter and Berry have expended and will continue to expend significant management time and resources and have incurred and will continue to incur significant expenses related to the transaction, including legal, advisory, and financial services fees. Even if the transaction is completed, any delay in the completion of the transaction could diminish the anticipated benefits of the transaction or result in additional transaction expenses, loss of revenue or other effects associated with uncertainty about the transaction. If the transaction is not consummated because the merger agreement is terminated, Glatfelter may be required under certain circumstances to pay Berry a termination fee of \$10 million.

ITEM 1B UNRESOLVED STAFF COMMENTS

None.

ITEM 1C CYBERSECURITY

Cybersecurity Risk Management and Strategy

We operate in the engineered materials manufacturing sector, which is subject to various cybersecurity risks that could adversely affect our business, financial condition, and results of operations, including: intellectual property theft; fraud; extortion; harm to employees or customers; violation of privacy laws; and other litigation, legal and reputational risks. We have implemented a risk-based approach to identify and assess the cybersecurity threats that could affect our business and information systems. Our cybersecurity program is aligned with industry standards and best practices, such as the National Institute of Standards and Technology (NIST) Cybersecurity Framework. We conduct periodic risk assessments to identify the potential impact and likelihood of various cyber scenarios, including those involving third-party service providers, and to determine the appropriate mitigation strategies and controls. We use various tools and methodologies to manage cybersecurity risk, including implementation of a business continuity process that includes a comprehensive incident response plan and procedure that is tested on a regular cadence. We also monitor and evaluate our cybersecurity performance on an ongoing basis through regular vulnerability scans, threat intelligence feeds, and penetration tests by an independent third party. We require third-party service providers with access to personal, confidential or proprietary information to implement and maintain comprehensive cybersecurity practices consistent with applicable legal standards and industry best practices. The incident response team, which includes senior IT subject matter experts and security analysts, determines the apparent severity of reported potential incidents, and operationalizes the appropriate incident response plan. In addition, we continue to provide training and awareness practices to mitigate human risk, including mandatory computer-based training, internal communications, and regular phishing awareness campaigns that are designed to emulate real-world contemporary threats and provide feedback (and, if necessary, additional training or remedial action) to employees. We also maintain insurance coverage that, subject to its terms and conditions, is intended to address costs associated with certain aspects of cyber incidents and information systems failures should they occur.

Our business depends on the availability, reliability, and security of our information systems, networks, data, and intellectual property. Any disruption, compromise, or breach of our systems or data due to a cybersecurity threat or incident could adversely affect our operations, administrative functions, customer service, product development, and competitive position. They might also result in a breach of our contractual obligations or legal duties to protect the privacy and confidentiality of our stakeholders. Such a breach could expose us to business interruption, lost revenue, ransom payments, remediation costs, liabilities to affected parties, cybersecurity protection costs, lost assets, litigation, regulatory scrutiny and actions, reputational harm, customer dissatisfaction, harm to our vendor relationships, or loss of market share.

Cybersecurity Governance

The Company has increased its investment into combating cybersecurity risks which include increased Board Audit Committee oversight of IT's security risk reporting, formation of the Cybersecurity Steering Committee to directly govern IT cybersecurity strategies and strengthening the IT security management team which deploys resources to address cybersecurity risks on a day-to-day basis. Our internal cross-functional Cybersecurity Committee meets quarterly to discuss any issues and regulatory updates. The Board's Audit Committee exercises its oversight role and provides the Board with reports and findings from its annual cybersecurity meeting with management, including the Vice President of Global Information Technology and the Senior IT Director over Cybersecurity. Our Senior IT Director over Cybersecurity holds a Certified Information Systems Security Professional (CISSP) certification and has more than 25 years of experience in cybersecurity. Our Board also reviews our cybersecurity budget on an annual basis.

ITEM 2 PROPERTIES

We own substantially all the land and buildings comprising our manufacturing facilities located in the United States; Canada; the United Kingdom; Germany; France; Spain and the Philippines; as well as substantially all of the equipment used in our manufacturing and related operations. Certain of our operations are under lease arrangements, including our metallized paper production facility located in Caerphilly, Wales, land at our Mount Holly, North Carolina site, a converting and warehousing facility in Madison, Tennessee, office and various warehouse space in the United States, Canada, Europe, China and our corporate offices in Charlotte, North Carolina. All our properties, other than those that are leased, are free from any material liens or encumbrances. We consider all our buildings to be in good structural condition and well maintained and our properties to be suitable and adequate for present operations.

ITEM 3 LEGAL PROCEEDINGS

We are involved in various lawsuits that we consider to be ordinary and incidental to our business. The ultimate outcome of these lawsuits cannot be predicted with certainty; however, we do not expect such lawsuits, individually or in the aggregate, will have a material adverse effect on our consolidated financial position, liquidity, or results of operations.

EXECUTIVE OFFICERS

The following table sets forth certain information with respect to our executive officers and other senior management members of February 28, 2024.

Name	Age	Office with the Company
Thomas M. Fahnemann	62	President & Chief Executive Officer
Boris Illetschko	51	Senior Vice President, Chief Operating Officer
Eileen L. Beck	61	Senior Vice President, Global Human Resources & Administration
Ramesh Shettigar	48	Senior Vice President, Chief Financial Officer & Treasurer
David C. Elder	55	Vice President, Strategic Initiatives, Business Optimization & Chief Accounting Officer
Jill L. Urey	57	Vice President, General Counsel & Compliance

Thomas M. Fahnemann became President and Chief Executive Officer effective August 25, 2022. Since October 2017, he has served as Non-Executive Director, Member of the Board and Chairman of the Audit Committee for AustroCel Hallein, GmbH, in Amsterdam, the Netherlands. From 2010 to 2017, Mr. Fahnemann served as CEO and Chairman of the Management Board of Semperit Holding AG in Vienna, Austria.

Boris Illetschko became Senior Vice President, Chief Operating Officer effective August 1, 2023. From October 2019 until joining Glatfelter, Mr. Illetschko served as the global Group Chief Commercial Officer & Group Managing Director for voestalpine Rotec GmbH, Krieglach, Austria. Prior to this role, Boris worked as an independent industry consultant from 2017 to 2019 and from 2011 to 2017, he held various positions for Semperit AG Holding, Austria.

Eileen L. Beck was promoted to Senior Vice President, Global Human Resources & Administration in February 2023. She joined us in 2012 as Director, Global Compensation and Benefits, was promoted to Vice President in September 2015, and promoted to Vice President Human Resources & Administration in April 2017. Ms. Beck previously held various Human Resources roles at Armstrong World Industries.

Ramesh Shettigar was promoted to Senior Vice President, Chief Financial Officer and Treasurer in May 2022. He joined us in July 2014 as Vice President and Treasurer and was promoted to Vice President, ESG, Investor Relations and Corporate Treasurer in September 2021. Prior to joining Glatfelter, Mr. Shettigar was Director of Treasury at Quest Diagnostics with responsibility for a broad range of corporate finance activities including cash management, global liquidity, FX, debt/equity financing and capital planning. Mr. Shettigar has also held treasury and related positions with Praxair Inc, Delphi Corporation and McDermott International.

David C. Elder was named Vice President, Strategic Initiatives, Business Optimization and Chief Accounting Officer in April 2023. Prior to his promotion, he was Vice President, Finance and Chief Accounting Officer. Mr. Elder joined Glatfelter in January 2006 as our Vice President, Corporate Controller. Mr. Elder was previously Corporate Controller for YORK International Corporation.

Jill L. Urey was named Vice President, General Counsel & Compliance in December 2023. Prior to her promotion, she was Vice President, Chief Legal & Compliance Officer and Corporate Secretary since July 2019 and has led our legal function since December 2018. She joined Glatfelter in January 2013 as Assistant General Counsel and assumed the additional role of Chief Compliance Officer in the beginning of 2016. Prior to joining us, Ms. Urey was Corporate Counsel and later Interim General Counsel for Graham Packaging Company from 2007 to 2012.

ITEM 4 MINE SAFETY DISCLOSURES

Not Applicable

PART II

ITEM 5 MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the New York Stock Exchange under the symbol "GLT".

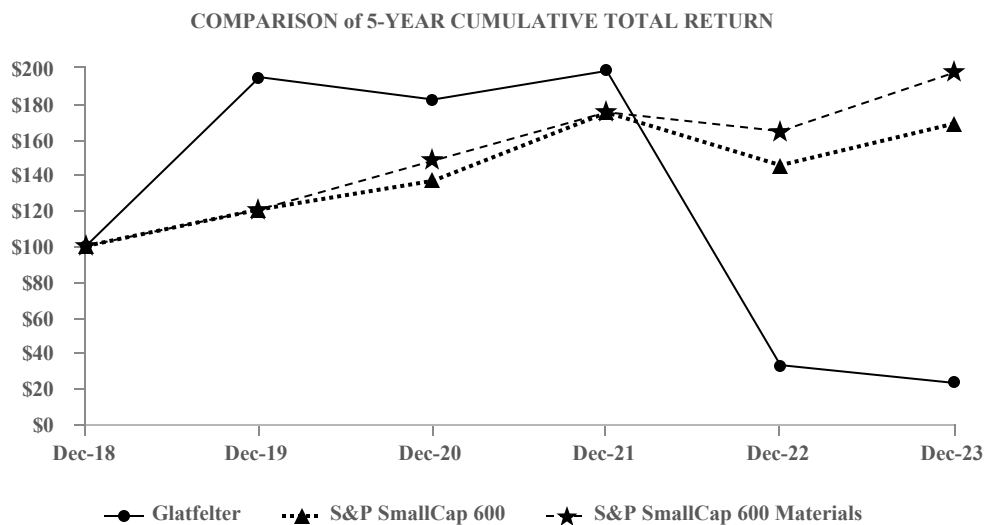
Our Board of Directors declared quarterly cash dividends of \$0.14 per common share for the first two quarters of 2022. In the third quarter of 2022, the Board of Directors suspended the quarterly cash dividend as part of our focused efforts to optimize the operational and financial results of the business. There were no cash dividends declared in 2023.

As of February 26, 2024, we had 850 shareholders of record.

STOCK PERFORMANCE GRAPH

The following stock performance graph compares the cumulative 5-year total return of our common stock with the cumulative total returns of both a broad market index and a peer group. We compare our stock performance to the S&P Small Cap 600 index and to the S&P Small Cap 600 Materials index.

The following graph assumes \$100 was invested in our common stock and in each index (including reinvestment of dividends) on December 31, 2018 and charts the performance through December 31, 2023.



ITEM 6 [RESERVED]

ITEM 7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations in conjunction with the financial statements and the notes thereto included elsewhere in this annual report. Our discussion and analysis of 2023 compared to 2022 is included herein. For discussion and analysis of 2022 compared to 2021, please refer to Item 7 of Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, which was filed with the United States Securities and Exchange Commission on February 27, 2023 and is incorporated herein by reference.

Forward-Looking Statements This Annual Report on Form 10-K includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including statements regarding industry prospects and future consolidated financial position or results of operations, made in this Report on Form 10-K are forward looking. We use words such as “anticipates”, “believes”, “expects”, “future”, “intends” and similar expressions to identify forward-looking statements. Forward-looking statements reflect management’s current expectations and are inherently uncertain. Our actual results may differ significantly from such expectations. The following discussion includes forward-looking statements regarding expectations of, among others, environmental costs, capital expenditures and liquidity, all of which are inherently difficult to predict. Although we make such statements based on assumptions that we believe to be reasonable, there can be no assurance that actual results will not differ materially from our expectations. Accordingly, we identify the following important factors, among others, which could cause our results to differ from any results that might be projected, forecasted or estimated in any such forward-looking statements:

- i. risks related to the military conflict between Russia and Ukraine and its impact on our production, sales, supply chain, cost of energy, and availability of energy due to natural gas supply issues into Europe;
- ii. disruptions of our global supply chain, including the availability of key raw materials and transportation for the delivery of critical inputs and of products to customers, and the increase in the costs of transporting materials and products;
- iii. risks associated with our ability to increase selling prices quickly or sufficiently enough to recover rapid cost inflation in our raw materials, energy, freight and other costs, and the potential reduction or loss of sales due to price increases;
- iv. variations in demand for our products, including the impact of unplanned market-related downtime, variations in product pricing, or product substitution;
- v. the impact of competition, changes in industry production capacity, including the construction of new facilities or new machines, the closing of facilities and incremental changes due to capital expenditures or productivity increases;
- vi. risks associated with our international operations, including local economic and political environments and fluctuations in currency exchange rates;
- vii. our ability to develop new, high value-added products;
- viii. changes in the price or availability of raw materials we use, particularly woodpulp, pulp substitutes, synthetic pulp, other specialty fibers and abaca fiber;
- ix. changes in energy-related prices and commodity raw materials with an energy component;
- x. the impact of unplanned production interruption at our facilities or at any of our key suppliers;
- xi. disruptions in production and/or increased costs due to labor disputes;
- xii. the gain or loss of significant customers and/or on-going viability of such customers;
- xiii. the impact of war, terrorism, and/or natural disasters;
- xiv. the impact of unfavorable outcomes of audits by various state, federal or international tax authorities or changes in pre-tax income and its impact on the valuation of deferred taxes; and
- xv. enactment of adverse state, federal or foreign tax or other legislation or changes in government legislation, policy or regulation.

Introduction We manufacture a wide array of engineered materials and manage our company along three operating segments:

- *Airlaid Materials* with sales of airlaid nonwoven fabric-like materials used in feminine hygiene products, adult incontinence products, tabletop, specialty wipes, home care products and other airlaid applications;
- *Composite Fibers* with sales of single-serve tea and coffee filtration papers, wallcovering base materials, composite laminate papers, technical specialties including substrates for electrical applications, and metallized products; and
- *Spunlace* with sales of premium quality spunlace nonwovens for critical cleaning, high-performance materials, personal care, hygiene and medical applications.

Acquisitions As discussed in Item 8 - Financial Statements and Supplementary Data, Note 3 “Acquisitions,” we completed our acquisitions of Georgia-Pacific's U.S. nonwovens business (“Mount Holly”) on May 13, 2021 for \$170.9 million and the acquisition of all outstanding equity of PMM Holdings (Luxembourg) AG (“Jacob Holm”) on October 29, 2021 for \$304.0 million. Refer to Note 3 - “Acquisitions” for additional information about these transactions.

RESULTS OF OPERATIONS

2023 versus 2022

Overview For the year ended December 31, 2023, we reported a loss from continuing operations of \$78.1 million, or loss of \$1.73 per share compared with a loss of \$194.1 million and loss of \$4.33 per share in 2022. The following table sets forth summarized GAAP-based consolidated results of operations:

<i>In thousands, except per share</i>	Year ended December 31,	
	2023	2022
Net sales	\$ 1,385,516	\$ 1,491,326
Gross profit	129,707	148,802
Operating income (loss)	2,712	(163,951)
Continuing operations:		
Income	(78,103)	(194,117)
Earnings per share	(1.73)	(4.33)
Discontinued operations:		
Income (expense)	(950)	(91)
Earnings per share	(0.02)	—
Net income (loss)	(79,053)	(194,208)
Earnings per share	\$ (1.75)	\$ (4.33)

We used \$25.6 million of cash for operating activities in 2023 compared with a cash outflow of \$40.8 million a year ago. During 2023 and 2022, capital expenditures totaled \$33.8 and \$37.7 million, respectively. Refer to [Liquidity and Capital Resources](#) for additional discussion of our sources and uses of cash.

The reported results are in accordance with generally accepted accounting principles in the United States (“GAAP”) and reflect a number of significant items both positive and negative to our Income from Continuing Operations, including: the Ober-Schmitt operations divestiture, turnaround strategy expenses, recognizing tornado related costs, strategic initiatives expenses, debt refinancing costs, and benefits from the sale of timberlands, among others. Excluding these items from reported results, our adjusted loss, a non-GAAP measure, was \$38.7 million, or \$0.86 loss per share for 2023, compared with our adjusted loss of \$19.0 million, or \$0.42 loss per share, a year ago. Operating income for our Airlaid Materials segment was \$11.6 million lower in 2023 compared with 2022. Operating income for our Composite Fibers segment and Spunlace segment were \$4.4 million and \$7.2 million higher, respectively. In addition to the results reported in accordance with GAAP, we evaluate our performance using adjusted earnings and adjusted earnings before interest expense, interest income, income taxes, depreciation and amortization and stock-based compensation (“Adjusted EBITDA”). We disclose this information to allow investors to evaluate our performance exclusive of certain items that impact the comparability of results from period to period and we believe it is helpful in understanding underlying operating trends and cash flow generation.

Adjusted earnings consists of net income determined in accordance with GAAP adjusted to exclude the impact of the following:

Goodwill and Other Asset Impairment Charges. This adjustment represents non-cash charges recorded to reduce the carrying amount of certain long-lived assets of our Dresden and Ober-Schmitten, Germany facilities and goodwill of our Composite Fibers and Spunlace reporting segments.

Turnaround strategy costs. This adjustment reflects costs incurred in connection with the Company's turnaround strategy initiated in 2022 under its new chief executive officer to drive operational and financial improvement. These costs are primarily related to professional services fees and employee separation expenses.

Russia/Ukraine conflict charges. This adjustment represents a non-cash charge recorded to reduce the carrying amount of accounts receivable and inventory directly related to the Russia/Ukraine military conflict.

Strategic initiatives. These adjustments primarily reflect professional and legal fees incurred directly related to evaluating and executing certain strategic initiatives including costs associated with acquisitions, the pending merger, and related integrations.

Ober-Schmitten divestiture costs. This adjustment reflects the loss on sale of the Ober-Schmitten, Germany operations and professional and other costs directly associated with the sale of the facility.

Tornado insurance deductible costs. This adjustment reflects the deductible on an insured loss to a leased Spunlace facility in Tennessee resulting from tornadoes in December 2023.

Debt refinancing costs. Represents charges to write-off unamortized debt issuance costs in connection with the extinguishment of the Company's €220.0 million Term Loan and IKB loans, as well as the amendment to the Company's credit facility. These costs also include an early repayment penalty related to the extinguishment of the IKB loans.

CEO transition costs. This adjustment reflects costs related to consulting services provided by the former CEO.

Corporate headquarters relocation. These adjustments reflect costs incurred in connection with the strategic relocation of the Company's corporate headquarters to Charlotte, NC. The costs are primarily related to employee relocation costs and exit costs at the former corporate headquarters.

Cost optimization actions. These adjustments reflect charges incurred in connection with initiatives to optimize the cost structure of the Company, improve efficiencies or other objectives. Such actions may include asset rationalization, headcount reductions or similar actions. These adjustments, which have occurred at various times in the past, are irregular in timing and relate to specific identified programs to reduce or optimize the cost structure of a particular operating segment or the corporate function.

COVID-19 ERC recovery. This adjustment reflects the benefit recognized from employee retention credits claimed under the Coronavirus Aid, Relief, and Economic Security Act ("CARES") Act and the Taxpayer Certainty and Disaster Tax Relief Act of 2020 and professional services fees directly associated with claiming this benefit.

Timberland sales and related costs. These adjustments exclude gains from the sales of timberlands as these items are not considered to be part of our core business, ongoing results of operations or cash flows. These adjustments are irregular in timing and amount and may benefit our operating results.

Discontinued Operations. In connection with the sale of the Specialty Papers business, its results of operations, are reported as discontinued operations for all periods presented. This adjustment reflects the net results of this discontinued operation.

Other tax adjustments. Tax effect on adjustments calculated based on the incremental effective tax rate of the jurisdiction in which each adjustment originated. For items originating in the U.S., no tax effect is recognized due to the previously established valuation allowance on the net deferred tax assets.

These adjustments are each unique and not considered to be on-going in nature. The transactions are irregular in timing and amount and may significantly impact our operating performance. As such, these items may not be indicative of our past or future performance and therefore are excluded for comparability purposes.

Adjusted earnings and adjusted EBITDA are considered measures not calculated in accordance with GAAP, and therefore are non-GAAP measures. The non-GAAP financial information should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with GAAP. The following table sets forth the reconciliation of net income to adjusted earnings for the periods presented:

Adjusted Earnings	Year ended December 31,			
	2023		2022	
	Amount	EPS	Amount	EPS
<i>In thousands, except per share</i>				
Net loss	\$ (79,053)	\$ (1.75)	\$ (194,208)	\$ (4.33)
Exclude: Loss from discontinued operations, net of tax	950	0.02	91	—
Loss from continuing operations	(78,103)	(1.73)	(194,117)	(4.33)
Adjustments (pre-tax):				
Goodwill and other asset impairment charges ⁽¹⁾	—		190,556	
Turnaround strategy costs ⁽²⁾	8,778		8,038	
Russia/Ukraine conflict charges/(recovery) ⁽³⁾	(1,441)		3,207	
Strategic initiatives ⁽⁴⁾	3,249		5,625	
Ober-Schmitt divestiture ⁽⁵⁾	18,797		—	
Tornado insurance deductible costs ⁽⁶⁾	5,000		—	
Debt refinancing ⁽⁷⁾	1,883		—	
CEO transition costs ⁽⁸⁾	579		1,728	
Corporate headquarters relocation	—		351	
Cost optimization actions ⁽⁹⁾	—		941	
COVID-19 ERC recovery ⁽¹⁰⁾	(233)		(7,344)	
Timberland sales and related costs	(1,305)		(2,962)	
Total adjustments (pre-tax)	35,307		200,140	
Income taxes ⁽¹¹⁾	902		(25,486)	
Other tax adjustments ⁽¹²⁾	3,211		428	
Total after-tax adjustments	39,420	0.87	175,082	3.91
Adjusted earnings from continuing operations	\$ (38,683)	\$ (0.86)	\$ (19,035)	\$ (0.42)

- (1) For 2022, reflects goodwill impairment charge of \$119.0 million and other asset impairment charges of \$71.6 million.
- (2) For 2023, primarily reflects employee separation costs of \$6.1 million and professional fees of \$2.7 million. For 2022, reflects professional services fees of \$4.7 million and employee separation costs of \$3.3 million.
- (3) For 2023, reflects reductions in accounts receivable reserves due to subsequent collections of \$1.4 million. For 2022, reflects accounts receivable reserves of \$2.9 million and inventory reserves of \$0.3 million.
- (4) For 2023, reflects primarily professional services fees related to acquisitions or dispositions (including transaction advisory, legal and other consultant costs) of \$1.7 million, a loss on the sale of our Costa Rica operations of \$0.6 million, a write-off of purchased construction in process of \$0.5 million, employee-related costs of \$0.2 million, and other costs of \$0.2 million. For 2022, reflects primarily professional services fees related to acquisitions (including transaction advisory, legal and other consultant costs) of \$4.3 million, employee separation and other costs of \$1.1 million, and other costs directly related to the acquisitions of \$0.2 million.
- (5) Reflects loss on sale of \$17.8 million, legal fees of \$0.5 million, employee separation costs of \$0.1 million, and other costs of \$0.4 million in connection with the sale of the Ober-Schmitt facility.
- (6) Reflects the deductible on an insured tornado loss to a leased Spunlace facility in Tennessee in December 2023.
- (7) Reflects \$1.8 million write-off of deferred debt issuance costs in connection with the Company's debt refinancing in Q1 2023, and \$0.1 million in early repayment penalties and write-off of unamortized financing fees on the IKB loans.
- (8) For 2023, primarily reflects a pension settlement charge of \$0.6 million related to the separation of our former CEO. For 2022, primarily reflects separation and transition related costs of \$4.8 million partially offset by a \$3.1 million non-cash benefit related to the forfeiture of stock-based compensation awards.
- (9) For 2022, primarily reflects employee separation costs of \$0.4 million, equipment write-down of \$0.4 million and other costs of \$0.1 million directly associated with closure of synthetic fiber production facility in the U.K.
- (10) For 2023 and 2022, reflects the benefit recognized from employee retention credits claimed under the CARES Act of 2020 and the subsequent related amendments, partially offset by professional services fees directly related to claiming this benefit.
- (11) Tax effect on adjustments calculated based on the incremental effective tax rate of the jurisdiction in which each adjustment originated. For items originating in the U.S., no tax effect is recognized due to the previously established valuation allowance on the net deferred tax assets.
- (12) Tax effect of applying certain provisions of the CARES Act of 2020. The amount in 2023 also includes \$2.4 million of valuation allowance added to deferred tax asset related to the Ober-Schmitt facility.

Adjusted EBITDA

Year ended December 31,

*In thousands***2023****2022**

	\$	(79,053)	\$	(194,208)
Net loss				
Exclude: Loss from discontinued operations, net of tax		950		91
Add back: Taxes on continuing operations		7,011		(10,275)
Depreciation and amortization		63,247		66,724
Interest expense, net		63,253		32,799
EBITDA		55,408		(104,869)
Adjustments:				
Goodwill and other asset impairment charges		—		190,556
Turnaround strategy costs		9,413		8,038
Russia/Ukraine conflict charges/(recovery)		(1,441)		3,207
Strategic initiatives		3,249		5,625
Ober-Schmitt divestiture		18,797		—
Tornado insurance deductible costs		5,000		—
Debt refinancing		59		—
CEO transition costs		579		4,831
Corporate headquarters relocation		—		351
Share-based compensation		2,797		831
Cost optimization actions		—		589
COVID-19 ERC recovery		41		(7,344)
Timberland sales and related costs		(1,305)		(2,962)
Adjusted EBITDA	\$	92,597	\$	98,853

EBITDA is a measure used by management to assess our operating performance and is calculated using income (loss) from continuing operations and excludes interest expense, interest income, income taxes and depreciation and amortization. Adjusted EBITDA is calculated using EBITDA and further excludes certain items management considers to be unrelated to the company's core operations. The adjustments include, among others, the costs of strategic initiatives, turnaround strategy costs, costs associated with the Ober-Schmitt divestiture, debt refinancing costs, CEO transition costs, certain cost optimization and restructuring activities, certain COVID-19 ERC recovery, corporate headquarters relocation expenses, asset impairment charge, and share-based compensation expense, as well as the elimination of gains from sales of timberlands. Adjusted EBITDA is a performance measure that excludes costs that we do not consider to be indicative of our ongoing operating performance.

Segment Financial Performance

<i>In thousands, except tons</i>	Year ended December 31,	
	2023	2022
Net Sales by Segment		
Airlaid Material	\$ 586,480	\$ 601,514
Composite Fibers	483,517	523,863
Spunlace	317,916	365,949
Inter-segment sales elimination	(2,397)	—
Total	<u>\$ 1,385,516</u>	<u>\$ 1,491,326</u>
Operating income (loss) by Segment		
Airlaid Material	\$ 43,207	\$ 54,809
Composite Fibers	21,347	16,923
Spunlace	(2,068)	(9,289)
Other and unallocated	(59,774)	(226,394)
Total	<u>\$ 2,712</u>	<u>\$ (163,951)</u>
Depreciation and amortization		
Airlaid Material	\$ 30,464	\$ 30,114
Composite Fibers	15,665	19,632
Spunlace	13,245	11,850
Other and unallocated	3,873	5,128
Total	<u>\$ 63,247</u>	<u>\$ 66,724</u>
Capital expenditures		
Airlaid Material	\$ 9,885	\$ 9,691
Composite Fibers	12,286	15,730
Spunlace	9,047	6,689
Other and unallocated	2,552	5,630
Total	<u>\$ 33,770</u>	<u>\$ 37,740</u>
Tons shipped (metric)		
Airlaid Material	156,442	164,844
Composite Fibers	94,742	103,092
Spunlace	61,618	72,725
Inter-segment sales elimination	(1,258)	—
Total	<u>311,544</u>	<u>340,661</u>
Plant, equipment and timberlands, net		
Airlaid Material	\$ 335,456	\$ 347,142
Composite Fibers	146,022	145,959
Spunlace	160,294	159,648
Other and unallocated	21,144	23,062
Total	<u>\$ 662,916</u>	<u>\$ 675,811</u>

Segments Results of individual operating segments are presented based on our management accounting practices and management structure. There is no comprehensive, authoritative body of guidance for management accounting equivalent to accounting principles generally accepted in the United States of America; therefore, the financial results of individual segments are not necessarily comparable with similar information for any other company. The management accounting process uses assumptions and allocations to measure performance of the segments. Methodologies are refined from time to time as management accounting practices are enhanced and businesses change. The costs incurred by support areas not directly aligned with the operating segment are allocated primarily based on an estimated utilization of support area services or are included in “Other and Unallocated” in the table above.

Management evaluates results of operations of the segments before certain corporate level costs and the effects of certain gains or losses not considered to be related to the core business operations. Management believes that this is a more meaningful representation of the operating performance of its core businesses, the profitability of operating segments, and the extent of cash flow generated from these core operations. Such amounts are presented under the caption “Other and Unallocated.” In the evaluation of operating segment results, management does not use any measures of total assets. This presentation is aligned with the management and operating structure of our company. It is also on this basis that the Company’s performance is evaluated internally and by the Company’s Board of Directors.

Sales and Costs of Products Sold

<i>In thousands</i>	Year ended December 31		
	2023	2022	Change
Net sales	\$ 1,385,516	\$ 1,491,326	\$ (105,810)
Costs of products sold	1,255,809	1,342,524	86,715
Gross profit	\$ 129,707	\$ 148,802	\$ (19,095)
Gross profit as a percent of Net sales	9.4 %	10.0 %	

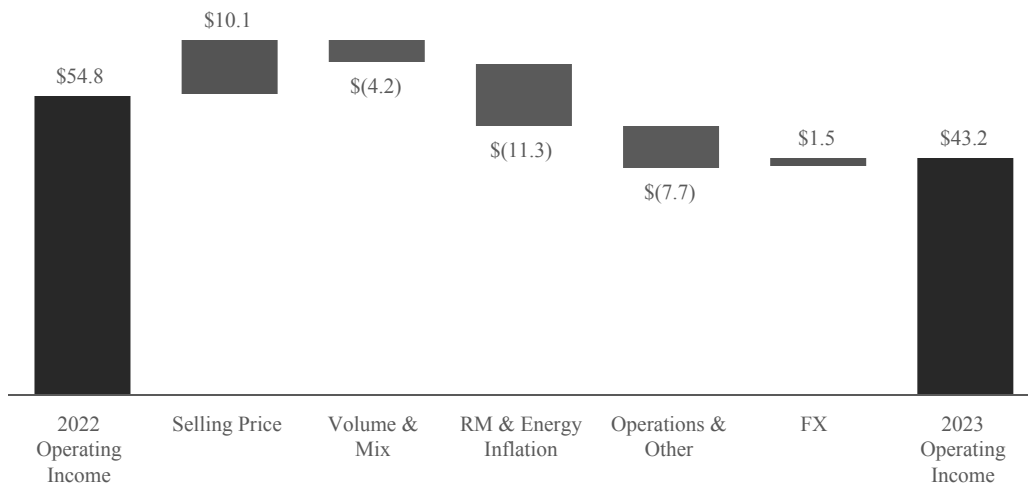
The following table sets forth the contribution to consolidated net sales by each segment:

<i>Percent of Total</i>	Year ended December 31	
	2023	2022
Segment		
Airlaid Materials	42.3 %	40.3 %
Composite Fibers	34.8	35.1
Spunlace	22.9	24.6
Total	100.0 %	100.0 %

Net sales on a consolidated basis totaled \$1,385.5 million and \$1,491.3 million in 2023 and 2022, respectively. Sales decreased 7.1%, or 7.9% on a constant currency basis, primarily due to an 8.5% decrease in shipments.

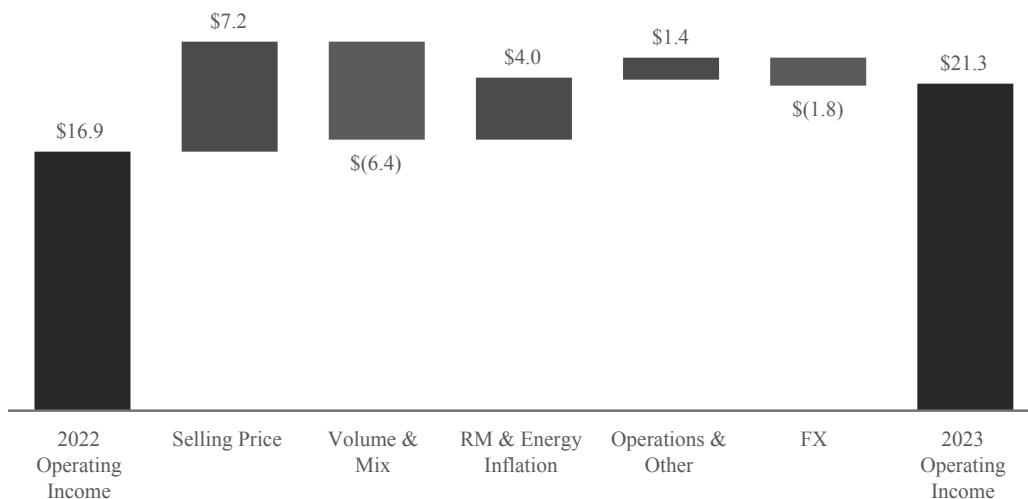
Airlaid Materials’ net sales decreased \$15.0 million or 2.5%, in the comparison of 2023 to 2022, mainly driven by lower shipments partially offset by higher selling prices from cost pass-through arrangements as raw material and energy costs remained high in the first half of 2023 compared to same period last year. Shipments decreased 5.1% driven by some of our larger customers destocking inventory coupled with weakness in the European market and competition from lower cost alternate substrates as consumers manage cost. Currency translation was \$6.2 million favorable.

Airlaid Materials’ 2023 operating income of \$43.2 million was \$11.6 million lower than 2022. Lower shipments and product mix negatively impacted results by \$4.2 million. Selling price increases and energy surcharges of \$10.1 million that were particularly higher in the first half of the year mostly offset the higher raw material, energy and other inflationary costs of \$11.3 million. For the full year 2023, primary raw material input costs increased \$14.2 million, or 5%, as inflationary pressure persisted in the early part of 2023. Overall, the trend in primary raw material input costs was in-line with broader market indices for 2023. Energy costs decreased \$2.9 million, or 8%, compared to 2022 as energy prices were less volatile. As of December 31, 2023, Airlaid Materials had approximately 77% of its net sales with contracts with pass-through provisions. Operations and other were unfavorable by \$7.7 million mainly driven by lower production to manage inventory as some customers slowed ordering patterns to manage inventory levels. The impact of currency and related hedging positively impacted earnings by \$1.5 million. The primary drivers of the change in Airlaid Materials’ operating income are summarized in the following chart (presented in millions):



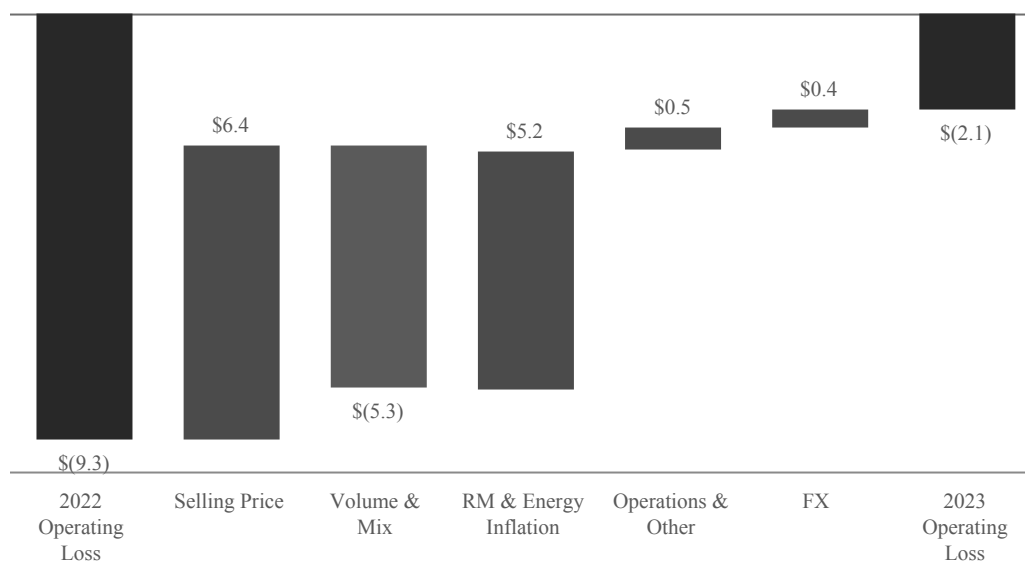
Composite Fibers' net sales decreased \$40.3 million or 7.7% in 2023 compared to 2022. The decline in net sales is primarily driven by a 8.1% decline in shipments. Shipments in all market categories, except for wallcover, were lower than in 2022 primarily due to customer destocking and pricing pressure driven by elevated inputs costs seen in the first half of 2023. Higher selling prices of \$7.2 million, driven by price increases and energy surcharges to recover input cost inflation, partially offset the overall lower shipments. Currency translation was favorable \$5.0 million.

Composite Fibers 2023 full year operating income of \$21.3 million was \$4.4 million higher than the full year operating income in 2022. Higher selling prices and energy surcharges of \$7.2 million more than offset the continued inflation in energy, raw material, and freight, particularly in the first half of the year. Full year energy costs were slightly favorable with 2022 while primary raw material input costs decreased \$3.6 million, or 2%, compared to 2022 as a result of inflationary pressures abating in second half of the year. Overall, the trend in primary raw material input costs was in-line with broader market indices for 2023 and energy prices were less volatile. As of December 31, 2023, Composite Fibers had approximately 50% of its net sales with contracts with pass-through provisions. Operations and other were favorable by \$1.4 million mainly driven by lower depreciation and amortization expense as a result of the 2022 impairment in the Composite Fibers business, but partially offset by lower inclined wire production in 2023. The Ober-Schmitt site negatively impacted full year-over-year results by \$8.3 million. The impact of currency and related hedging negatively impacted earnings by \$1.8 million. The primary drivers of the change in Composite Fibers' operating income are summarized in the following chart (presented in millions):



Spunlace's net sales decreased \$48.0 million or 13.1% in 2023 compared to 2022. The decline in net sales is primarily due to lower shipments of 15.3% driven by market softness and access to cheaper products in Europe combined with production constraints experienced on the converting side by our customers in North America. Selling prices were higher \$6.4 million driven by price increases and energy surcharges to recover input cost inflation particularly in first half of 2023. Currency translation was favorable \$1.0 million.

Spunlace's 2023 operating loss of \$2.1 million improved by \$7.2 million compared to an operating loss of \$9.3 million in 2022. Higher selling prices and energy surcharges particularly in the first half of the year were partially offset by higher raw material and energy costs that persisted in first half of the year but the price cost gap further improved in the second half of 2023 as inflationary pressures eased and overall positively impacted earnings by a combined \$11.6 million. In 2023, primary raw material input costs increased slightly by \$1.0 million while energy costs decreased by \$6.2 million, or 20%, compared to 2022. Overall, the trend in primary raw material input costs was in-line with broader market indices for 2023 and energy prices were less volatile. As of December 31, 2023, Spunlace had approximately 48% of its net sales with contracts with pass-through provisions. Operations and others were favorable by \$0.5 million as actions taken to improve operations and reduce overall spending were mostly offset by lower production to match customer demands. The impact of currency and related hedging positively impacted earnings by \$0.4 million. The primary drivers of the change in Spunlace's operating loss are summarized in the following chart (presented in millions):



Other and Unallocated The amount of net operating expenses not allocated to an operating segment and reported as “Other and Unallocated” in our table of Segment Financial Performance, totaled \$59.8 million for 2023 compared with \$226.4 million in 2022. Excluding the items identified to present “adjusted earnings,” unallocated expenses for the comparison increased \$0.3 million. The higher costs were driven by higher incentive accruals in 2023 compared to 2022, largely offset by expenses related to a customer claim. Expenses for 2023 and 2022 included a customer claim and associated costs totaling \$1.6 million and \$3.1 million, respectively, related to a supplier's raw material defect that was identified in 2022 by Glatfelter and reported to the customer thereby avoiding the impacted product from reaching the end consumer. The Company is in discussions with the supplier and its insurance provider to recover Glatfelter's losses related to the issue. No recovery of losses was recorded in the 2022 or 2023 financials.

Gain on Sales of Plant, Equipment and Timberlands, net During each of the past two years, we sold certain assets, primarily timberlands. For a summary of these transactions, refer to Item 8 - Financial Statements and Supplementary Data, Note 7 - *“Gain on Dispositions of Plant Equipment and Timberlands.”*

Interest expense, net For the year ended December 31, 2023, interest expense, net totaled \$63.3 million compared with \$32.8 million for 2022. The increase reflects our debt refinancing in 2023 in which we entered into a new €250.0 million term loan at a fixed rate of 11.25% per annum and extinguished our then existing €220 million term loan at a fixed rate of 3.75% per annum. For more detail regarding our debt activity, refer to Item 8 - Financial Statements and Supplementary Data, Note 20 - *“Long-Term Debt.”*

Income taxes For the year ended December 31, 2023, we recorded a \$7.0 million income tax provision on a pretax loss of \$71.1 million from continuing operations. The comparable amounts for 2022 were a \$10.3 million income tax benefit on a pre-tax loss of \$204.4 million. The income tax expense in 2023 includes a valuation allowance recorded for the operating losses in the U.S. and certain foreign jurisdictions for which no income tax benefit was recorded, partially offset by a deferred tax benefit associated with a notional interest deduction carryforward at a foreign subsidiary. The income tax benefit in 2022 includes deferred tax benefits associated with the asset impairment charges and related bad debt and inventory reserves, partially offset by a valuation allowance recorded for the operating losses in the U.S. and certain foreign jurisdictions for which no income tax benefit was recorded.

Foreign Currency We own and operate facilities in Canada, Germany, France, the United Kingdom, Spain and the Philippines. The functional currency of our Canadian operations is the U.S. dollar. However, in Germany, France and Spain it is the euro, in the UK, it is the British pound sterling, and in the Philippines the functional currency is the peso. On an annual basis, our euro denominated net sales exceeds euro expenses by an estimated €170 million. For 2023 compared to 2022, the average currency exchange rate of the euro strengthened relative to the U.S. dollar by approximately 2.6% , and the British pound sterling to the dollar strengthened by approximately 0.5%. With respect to the British pound sterling, Canadian dollar, and Philippine peso, we have differing amounts of inflows and outflows of these currencies, although to a lesser degree than the euro. As a result, we are exposed to changes in currency exchange rates and such changes could be significant. The translation of the results from international operations into U.S. dollars is subject to changes in foreign currency exchange rates.

The table below summarizes the translation impact on reported results that changes in currency exchange rates had on our non-U.S. based operations from the conversion of these operation’s results for the period indicated.

<i>In thousands</i>	Year ended December 31,2023
	Favorable (unfavorable)
Net sales	\$ 12,174
Costs of products sold	(11,453)
SG&A expenses	(337)
Income taxes and other	33
Net income	\$ 417

The above table only presents the financial reporting impact of foreign currency translations assuming currency exchange rates in 2023 were the same as 2022, or “constant currency.” It does not present the impact of certain competitive advantages or disadvantages of operating or competing in multi-currency markets.

Discontinued Operations We completed the sale of our Specialty Papers business on October 31, 2018. Its results of operations are reported as discontinued operations for all periods presented. There was an immaterial amount of activity in results of discontinued operations for 2023 and 2022.

LIQUIDITY AND CAPITAL RESOURCES

Our business requires expenditures for new or enhanced equipment, research and development efforts, and to support our business strategy. In addition, we have mandatory debt service requirements of both principal and interest. The following table summarizes cash flow information for each of the periods presented:

<i>In thousands</i>	Year ended December 31,	
	2023	2022
Cash and cash equivalents at beginning of period	\$ 110,660	\$ 138,436
Cash provided (used) by		
Operating activities	(25,616)	(40,820)
Investing activities	(37,101)	(33,098)
Financing activities	(949)	46,919
Effect of exchange rate changes on cash	1,033	(2,341)
Change in cash and cash equivalents from discontinued operations	(1,169)	(312)
Net cash used	(63,802)	(29,652)
Cash, cash equivalents and restricted cash at the end of period	55,360	119,162
Less: restricted cash in Prepaid and other current assets	(4,300)	(3,600)
Less: restricted cash in Other assets	(795)	(4,902)
Cash and cash equivalents at end of period	\$ 50,265	\$ 110,660

At December 31, 2023, we had \$50.3 million in cash and cash equivalents (“cash”), of which approximately 89.0% was held by foreign subsidiaries. Cash held by our foreign subsidiaries can be repatriated without incurring a significant amount of additional taxes.

Cash used by operating activities during the year ended December 31, 2023, totaled \$25.6 million compared with \$40.8 million in the same period a year ago. The decrease in cash used was primarily due to a decrease in working capital usage of approximately \$31.9 million, primarily due to: i) accounts receivable, which was driven by higher accounts receivables in 2022 due in part to the termination of the Spunlace factoring program in the U.S., and lower sales in 2023; ii) inventory, which was driven by higher inventory values in 2022 due to raw material and energy inflation and lower raw material levels in 2023, partially offset by; iii) accounts payable which declined in 2023 due to the abatement of inflationary impacts in 2022 and tighter credit terms by vendors reducing days to pay. Operating cash also improved \$15.0 million from a decrease in income taxes paid in 2023, due to higher Canadian income taxes and withholding tax in 2022 and a U.K. income tax refund in 2023 and receipt of \$7.6 million of employee retention credit payments in 2023. These improvements in operating cash flow were partially offset by lower earnings in 2023 compared to 2022, an increase in interest paid of \$26.0 million due to higher interest rates on our debt stemming from the debt refinancing in the first quarter of 2023. In addition, cash outflows related to our turnaround strategy and CEO transition increased \$19.8 million in 2023 compared to 2022.

Net cash used by investing activities for 2023 totaled \$37.1 million which primarily reflects capital expenditures totaling \$33.8 million partially offset by \$1.7 million in proceeds from the sales of timberlands. Net cash used by investing activities for 2022 totaled \$33.1 million which primarily reflects capital expenditures totaling \$37.7 million partially offset by \$3.2 million in proceeds from the sales of timberlands. Capital expenditures are expected to total between \$35 million and \$40 million in 2024.

Net cash used by financing activities totaled \$0.9 million in 2023 compared with \$46.9 million in 2022. The change in the year-to-year comparison primarily reflects increased borrowings under our revolving credit facility for working capital and other operating expenditures in 2022.

Our revolving credit facility due in September 2026, contains a number of customary compliance covenants. As of December 31, 2023, the leverage ratio, as calculated in accordance with the definition in our Credit Agreement, was 3.4x, well within the maximum limit allowed under our Credit Agreement. A breach of these requirements would give rise to certain remedies under the Revolving Credit Facility, among which are the termination of the agreement and accelerated repayment of the outstanding borrowings plus accrued and unpaid interest under the Credit Agreement. As discussed in Note 20 - “*Long-Term Debt*,” on March 30, 2023, we amended our Credit Agreement to increase the adjust leverage ratio (as defined in Credit Agreement) to 4.25 to 1.0 until the quarter ended December 31, 2024, stepping down to 4.0 to 1.0 at March 31, 2025, and 3.50 to 1.0 at March 31, 2026.

Details of our outstanding long-term indebtedness are set forth under Item 8 - Financial Statements and Supplementary Data – Note 20 - “*Long-Term Debt*.”

We are subject to various federal, state and local laws and regulations intended to protect the environment, as well as human health and safety. At various times, we have incurred costs to comply with these regulations and we could incur additional costs as new regulations are developed or regulatory priorities change.

As more fully discussed in Item 8 - Financial Statements and Supplementary Data – Note 24 – “*Commitments, Contingencies and Legal Proceedings*,” we are involved in the Lower Fox River in Wisconsin (the “Fox River”), an EPA Superfund site for which we remain potentially liable for certain government oversight and long-term monitoring and maintenance costs. Although there remains some uncertainty as to the amount we may ultimately be required to spend, primarily for government oversight costs, the consent decree specifies the nature of our future obligations.

We expect to meet all our near and long-term cash needs from a combination of operating cash flow, cash and cash equivalents, our existing credit facility and other long-term debt.

At December 31, 2023, we had ample liquidity consisting of \$50.3 million of cash on hand and \$85.1 million of capacity under our revolving credit facility. We expect to meet all of our near and long-term cash needs from a combination of operating cash flow, cash and cash equivalents, our existing credit facility and other long-term debt.

In October 2022, our credit rating was downgraded by S&P Global Ratings to CCC+ based on its latest assessment of our business. Although the downgrade does not impact our current interest costs or cause a default on any of our debt, it may impact our cost or our ability to refinance our debt or issue new debt in the future on terms as favorable as we might otherwise be able to achieve without the downgrade. Furthermore, the downgrade may increase the risk that our vendors could reduce our credit limits which may require earlier or more frequent payments to operate within our limits which would negatively impact our cash flow.

Off-Balance-Sheet Arrangements As of December 31, 2023 and 2022, we had not entered into any off-balance-sheet arrangements. Financial derivative instruments, to which we are a party, and guarantees of indebtedness, which solely consist of obligations of subsidiaries, are reflected in the consolidated balance sheets included herein in Item 8 – Financial Statements and Supplementary Data.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

<i>In thousands, except percentages</i>	For the year Ended December 31					December 31, 2023	
	2024	2025	2026	2027	2028	Carrying Value	Fair Value
Long-term debt							
Average principal outstanding							
At variable interest rates	\$ 99,450	\$ 99,450	\$ 67,027			\$ 99,450	\$ 99,450
At fixed interest rates – Term Loans	771,730	770,725	770,725	770,725	770,725	772,220	629,829
						<u>\$ 871,670</u>	<u>\$ 729,279</u>
Weighted-average interest rate							
On variable rate debt	8.37%	8.37%	8.37%				
On fixed rate debt	7.03%	7.03%	7.03%	7.03%	7.03%		

The table above presents the average principal outstanding and related interest rates for the next five years for debt outstanding as of December 31, 2023. Fair values included herein have been determined based upon rates currently available to us for debt with similar terms and remaining maturities.

Our market risk exposure primarily results from changes in interest rates and currency exchange rates. At December 31, 2023, we had \$853.2 million of long-term debt, net of deferred debt issuance costs. Approximately 11.4% of our debt was at variable interest rates. The fixed-rate Term Loans are euro-based borrowings and thus the value of which is also subject to currency risk. Variable-rate debt outstanding represents borrowings under our revolving credit agreement and a euro-denominated term loan which accrue interest based on one-month LIBOR plus a margin. At December 31, 2023, the weighted-average interest rate paid on variable debt was 8.37%. A hypothetical 100 basis point increase in interest rates would increase annual interest expense by \$1.0 million and a hypothetical decrease in rates would decrease annual interest expense by \$1.0 million.

On June 15, 2022, we terminated a €180 million notional value floating-to-fixed interest rate swap agreement with certain financial institutions that was entered into in October 2019 and was to mature in December 2022. During the life of the swap, we paid a fixed interest rate of the applicable margin plus 0.0395% on €180 million of the underlying variable rate term loan. We received the greater of 0.00% or EURIBOR. At termination, we recognized a deferred gain of \$0.4 million that was amortized into interest expense through December 2022.

As part of our overall risk management practices, we enter into financial derivatives primarily designed to either i) hedge currency risks associated with forecasted transactions – “cash flow hedges”; or ii) mitigate the impact that changes in currency exchange rates have on intercompany financing transactions and foreign currency denominated receivables and payables – “foreign currency hedges.” For a more complete discussion of this activity, refer to Item 8 – Financial Statements and Supplementary Data – Note 22 - *“Financial Derivatives and Hedging Activities.”*

We are subject to certain risks associated with changes in foreign currency exchange rates to the extent our operations are conducted in currencies other than the U.S. Dollar. On an annual basis, our euro denominated net sales is estimated to exceed euro expenses by approximately €170 million. With respect to the British pound sterling, Canadian dollar, and Philippine peso, we have greater outflows than inflows of these currencies, although to a lesser degree. As a result, particularly with respect to the euro, we are exposed to changes in currency exchange rates and such changes could be significant.

Critical Accounting Policies and Estimates The preceding discussion and analysis of our consolidated financial position and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, net sales and expenses, and related disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to long-lived assets, environmental liabilities, and income taxes. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

We believe the following represent the most significant and subjective estimates used in the preparation of our consolidated financial statements.

Long- and Indefinite-lived Assets We evaluate the recoverability of our long- and indefinite-lived assets, including plant, equipment, timberlands, goodwill, and other intangible assets periodically or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Goodwill and non-amortizing tradename intangible assets are reviewed for impairment annually, during the fourth quarter, or more frequently if impairment indicators are present.

The fair value of our reporting units, which are also our operating segments, is determined using a market approach and a discounted cash flow model. The fair value of non-amortizing tradename intangible assets is determined using a discounted cash flow model. Our evaluations include a variety of qualitative factors and analyses based on estimates of future cash flows expected to be generated from the use of the underlying assets, trends or other determinants of fair value. If the value of an asset determined by these evaluations is less than its carrying amount, a loss is recognized for the difference between the fair value and the carrying value of the asset.

Our Airlaid Materials segment’s fair value exceeded its carrying value at the time of its last valuation performed in connection with our annual impairment test in the fourth quarter of 2023 by approximately 19%.

Our Composite Fibers and Spunlace segments fully impaired their goodwill in 2022.

Our Composite Fibers segment recognized a goodwill impairment in the first quarter of 2022 of \$56.1 million in connection with an assessment of potential impairment of long-lived and indefinite-lived intangible assets stemming from the compounding impacts resulting from the Russia/Ukraine military conflict and related sanctions. During the fourth quarter 2022, in connection with our annual impairment test, we recognized an additional goodwill impairment of \$20.3 million, which represented the entirety of the remaining goodwill for Composite Fibers. The impairment was driven by the increase in the discount rate utilized to value this segment, despite its improving performance compared to the last valuation. The Company utilized both a market approach and an income approach, relying on a discounted present value cash flow model applying a 15.5% discount rate and a perpetual revenue growth rate of 2.5%, for purposes of the valuation of this operating segment.

Our Spunlace segment, which was formed in conjunction with the Jacob Holm acquisition on October 29, 2021, performed a valuation in the third quarter of 2022 driven by the financial developments subsequent to the acquisition and as a result recognized a \$42.5 million impairment charge, which impaired all the goodwill in this segment. The Company utilized both a market approach and an income approach, relying on a discounted present value cash flow model applying a 11% discount rate and a perpetual revenue growth rate of 2.5%, for purposes of the valuation of this operating segment.

The Airlaid segment's fair value, and the asset groups within each of our operating segments, could be impacted by factors such as unexpected changes in market demand for our products, the impact of competition, and the inability to successfully adjust selling prices in response to changes in inflation, among other factors. Future adverse changes such as these or in market conditions or poor operating results of the related business may indicate an inability to recover the carrying value of the asset groups, thereby possibly requiring an impairment charge in the future.

Environmental Liabilities We maintain accruals for losses associated with environmental obligations when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on existing legislation and remediation technologies. These accruals are adjusted periodically as assessment and remediation actions continue and/or further legal or technical information develops. Such liabilities are exclusive of any insurance or other claims against third parties. Environmental costs are capitalized if the costs extend the life of the asset, increase its capacity and/or mitigate or prevent contamination from future operations. Recoveries of environmental remediation costs from other parties, including insurance carriers, are recorded as assets when their receipt is assured beyond a reasonable doubt.

Income Taxes We record the estimated future tax effects of temporary differences between the tax bases of assets and liabilities and amounts reported in our consolidated balance sheets, as well as operating loss and tax credit carry forwards. These deferred tax assets and liabilities are measured using enacted tax rates and laws that will be in effect when such amounts are expected to reverse or be utilized. We regularly review our deferred tax assets for recoverability based on historical taxable income, projected future taxable income, the expected timing of the reversals of existing temporary differences and tax planning strategies. If we are unable to generate sufficient future taxable income, or if there is a material change in the actual effective tax rates or time period within which the underlying temporary differences become taxable or deductible, we could be required to increase the valuation allowance against our deferred tax assets, which may result in a substantial increase in our effective tax rate and a material adverse impact on our reported results.

Significant judgment is required in determining our worldwide provision for income taxes and recording the related assets and liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is less than certain. We and our subsidiaries are examined by various Federal, State and foreign tax authorities. We regularly assess the potential outcomes of these examinations and any future examinations for the current or prior years in determining the adequacy of our provision for income taxes. We continually assess the likelihood and amount of potential adjustments and adjust the income tax provision, the current liability and deferred taxes in the period in which the facts that give rise to a revision become known.

Other significant accounting policies, not involving the same level of uncertainties as those discussed above, are nevertheless important to an understanding of the Consolidated Financial Statements. Refer to Item 8 – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements for additional accounting policies.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Glatfelter Corporation (the “Company”) is responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control over financial reporting is a process designed under the supervision of the chief executive and chief financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States.

As of December 31, 2023, management conducted an assessment of the effectiveness of the Company’s internal control over financial reporting based on the framework established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management has determined that the Company’s internal control over financial reporting as of December 31, 2023, is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States.

The Company’s internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States, and that receipts and expenditures are being made only in accordance with authorizations of management; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on our financial statements.

The Company’s internal control over financial reporting as of December 31, 2023, has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein which expresses an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting as of December 31, 2023.

The Company’s management, including the chief executive officer and chief financial officer, does not expect that internal control over financial reporting will prevent or detect all errors and all frauds. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based, in part, on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Glatfelter Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Glatfelter Corporation and subsidiaries (the "Company") as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 28, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP
Charlotte, North Carolina
February 28, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Glatfelter Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Glatfelter Corporation and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of income (loss), comprehensive income (loss), shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2023, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 28, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Valuation— Airlaid Materials Reporting Unit — Refer to Notes 2 and 16 to the financial statements

Critical Audit Matter Description

The Company reviews goodwill for impairment annually during the fourth quarter, or more frequently if impairment indicators are present. The fair value of goodwill is determined using a market approach and a discounted cash flow model. These approaches incorporate several assumptions, including estimates of future cash flows expected to be generated from the use of the underlying assets. For Goodwill, impairment losses, if any, are recognized for the amount by which the carrying value of the reporting unit exceeds its fair value. The goodwill balance was \$107.7M as of December 31, 2023, of which all was attributable to the Airlaid Materials operating segment, which is also a reporting unit. The fair value of the Airlaid Materials reporting unit exceeded the carrying value and, therefore, no impairment was recognized.

The principal consideration for our determination that the valuation of the Airlaid Materials goodwill is a critical audit matter is that significant estimates and assumptions by management involve subjectivity and judgment in determining the fair value of the reporting unit using a market approach and a discounted cash flow model. Given the inherent uncertainties related to the Company's forecasts and how various factors could affect the Company's assumptions, performing audit procedures to evaluate management's assumptions required a high degree of auditor judgment and an increased extent of effort, including the need to involve valuation specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures over management's estimate of the reporting unit fair value, including the discounted cash flow model, included the following, among others:

- We tested the effectiveness of controls over management's impairment evaluation, including those over management's development of the estimates of future cash flows used to value the reporting unit;
- We evaluated the reasonableness of management's forecasts by comparing the forecasts to (1) historical results, (2) internal communications to management and those charged with governance, and (3) available industry data;
- With the assistance of our fair value specialists, we evaluated the reasonableness of valuation assumptions, including the discount rate, by (1) testing the source information underlying the determination of valuation assumptions; (2) testing the mathematical accuracy of the calculations; and (3) developing a range of independent estimates and comparing those to the valuation assumptions selected by management; and
- We evaluated the competency and objectivity of management's specialists who assisted with preparing the discounted future cash flows analysis.

/s/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina

February 28, 2024

We have served as the Company's auditor since at least 1940; however, an earlier year could not be reliably determined.

GLATFELTER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

<i>In thousands, except per share</i>	Year ended December 31,		
	2023	2022	2021
Net sales	\$ 1,385,516	\$ 1,491,326	\$ 1,084,694
Costs of products sold	1,255,809	1,342,524	939,899
Gross profit	129,707	148,802	144,795
Selling, general and administrative expenses	109,741	125,001	121,250
Goodwill and other asset impairment charges	—	190,556	—
Loss on sale of Ober-Schmitten and other non-strategic operation	18,365	—	—
Gains on dispositions of plant, equipment and timberlands, net	(1,111)	(2,804)	(5,069)
Operating income (loss)	2,712	(163,951)	28,614
Non-operating income (expense)			
Interest expense	(64,739)	(33,207)	(12,353)
Interest income	1,486	408	73
Other, net	(10,551)	(7,642)	(2,657)
Total non-operating expense	(73,804)	(40,441)	(14,937)
Income (loss) before income taxes	(71,092)	(204,392)	13,677
Income tax provision (benefit)	7,011	(10,275)	6,956
Income (loss) from continuing operations	(78,103)	(194,117)	6,721
Discontinued operations:			
Income (loss) before income taxes	(950)	(91)	216
Income tax provision	—	—	—
Income (loss) from discontinued operations	(950)	(91)	216
Net income (loss)	<u>\$ (79,053)</u>	<u>\$ (194,208)</u>	<u>\$ 6,937</u>
Basic earnings (loss) per share			
Income (loss) from continuing operations	\$ (1.73)	\$ (4.33)	\$ 0.15
Loss from discontinued operations	(0.02)	—	—
Basic earnings per share	<u>\$ (1.75)</u>	<u>\$ (4.33)</u>	<u>\$ 0.15</u>
Diluted earnings (loss) per share			
Income (loss) from continuing operations	\$ (1.73)	\$ (4.33)	\$ 0.15
Loss from discontinued operations	(0.02)	—	—
Diluted earnings per share	<u>\$ (1.75)</u>	<u>\$ (4.33)</u>	<u>\$ 0.15</u>
Weighted average shares outstanding			
Basic	45,058	44,828	44,551
Diluted	45,058	44,828	44,924

The accompanying notes are an integral part of these consolidated financial statements.

GLATFELTER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

<i>In thousands</i>	Year ended December 31,		
	2023	2022	2021
Net income (loss)	\$ (79,053)	\$ (194,208)	\$ 6,937
Foreign currency translation adjustments	15,509	(36,485)	(27,232)
Net change in:			
Deferred gains (losses) on derivatives, net of taxes of \$429, \$(2,513), and (1,866), respectively	(621)	9,188	4,484
Unrecognized retirement obligations, net of taxes of \$41, \$(898), and (111), respectively	498	9,706	1,097
Other comprehensive income (loss)	15,386	(17,591)	(21,651)
Comprehensive loss	<u>\$ (63,667)</u>	<u>\$ (211,799)</u>	<u>\$ (14,714)</u>

The accompanying notes are an integral part of these consolidated financial statements.

GLATFELTER CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<i>In thousands</i>	December 31,	
	2023	2022
Assets		
Cash and cash equivalents	\$ 50,265	\$ 110,660
Accounts receivable (less allowance for doubtful accounts: 2023 - \$2,638; 2022 - \$5,025)	170,974	195,665
Inventories	298,248	309,436
Prepaid expenses and other current assets	86,480	63,723
Total current assets	<u>605,967</u>	679,484
Plant, equipment and timberlands, net	662,916	675,811
Goodwill	107,691	105,195
Intangible assets, net	106,333	108,670
Other assets	80,889	78,193
Total assets	<u>\$ 1,563,796</u>	<u>\$ 1,647,353</u>
Liabilities and Shareholders' Equity		
Current portion of long-term debt	\$ 1,005	\$ 40,435
Short-term debt	6,150	11,422
Accounts payable	158,455	217,625
Environmental liabilities	2,000	2,200
Other current liabilities	112,758	88,724
Total current liabilities	<u>280,368</u>	360,406
Long-term debt	853,163	793,252
Deferred income taxes	52,219	54,388
Other long-term liabilities	121,192	121,303
Total liabilities	<u>1,306,942</u>	1,329,349
Commitments and contingencies	—	—
Shareholders' equity		
Common stock, \$0.01 par value; authorized - 120,000,000; issued - 54,361,980 (including treasury shares: 2023 - 9,275,061; 2022 - 9,568,457)	544	544
Capital in excess of par value	58,759	60,663
Retained earnings	419,810	498,863
Accumulated other comprehensive loss	(82,509)	(97,895)
Total shareholders' equity	<u>396,604</u>	462,175
Less cost of common stock in treasury	(139,750)	(144,171)
Total shareholders' equity	<u>256,854</u>	318,004
Total liabilities and shareholders' equity	<u>\$ 1,563,796</u>	<u>\$ 1,647,353</u>

The accompanying notes are an integral part of these consolidated financial statements.

GLATFELTER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended December 31,

<i>In thousands</i>	2023	2022	2021
Operating activities			
Net income (loss)	\$ (79,053)	\$ (194,208)	\$ 6,937
Income (loss) from discontinued operations, net of tax	950	91	(216)
Adjustments to reconcile to net cash provided (used) by operating activities:			
Depreciation, depletion and amortization	63,247	66,724	61,421
Amortization of debt issue costs and original issue discount	5,316	1,915	865
Loss on sale of Ober-Schmitten and other non-strategic operation	18,365	—	—
Pension settlement charge	633	—	—
Goodwill and other asset impairment charges	—	190,556	—
Russia/Ukraine conflict charges/(recovery)	(1,441)	3,207	—
Deferred income tax benefit	(12,176)	(24,022)	(13,619)
Gains on dispositions of plant, equipment and timberlands, net	(1,111)	(2,804)	(5,069)
Share-based compensation	2,797	831	5,063
Non-cash inventory charge	3,262	—	—
Change in operating assets and liabilities			
Accounts receivable	21,634	(35,294)	(14,794)
Inventories	9,605	(44,430)	(40,019)
Prepaid and other current assets	165	(3,234)	5,770
Accounts payable	(62,686)	16,398	65,828
Accruals and other current liabilities	5,240	(14,342)	(4,165)
Other	(363)	(2,208)	2,975
Net cash provided (used) by operating activities	(25,616)	(40,820)	70,977
Investing activities			
Expenditures for purchases of plant, equipment and timberlands	(33,770)	(37,740)	(30,037)
Proceeds from disposals of plant, equipment and timberlands, net	1,676	3,199	5,567
Payments related to sale of Ober-Schmitten and other non-strategic operation	(5,851)	—	—
Acquisitions, net of cash acquired	—	1,413	(464,856)
Other	844	30	(440)
Net cash used by investing activities	(37,101)	(33,098)	(489,766)
Financing activities			
Proceeds from note offerings	—	—	500,000
Proceeds from term loans	262,273	—	46,849
Repayment of term loans	(228,413)	(35,287)	(26,088)
Net borrowings (repayments) under revolving credit facility	(22,884)	103,519	(23,481)
Payments of borrowing costs	(11,645)	(1,285)	(10,132)
Payments of dividends	—	(18,766)	(24,458)
Proceeds from government grants	—	—	479
Payments related to share-based compensation awards and other	(280)	(1,262)	(817)
Net cash provided (used) by financing activities	(949)	46,919	462,352
Effect of exchange rate changes on cash	1,033	(2,341)	(5,418)
Net increase (decrease) in cash, cash equivalents and restricted cash	(62,633)	(29,340)	38,145
Change in cash and cash equivalents from discontinued operations	(1,169)	(312)	(996)
Cash, cash equivalents and restricted cash at the beginning of period	119,162	148,814	111,665
Cash, cash equivalents and restricted cash at the end of period	55,360	119,162	148,814
Less: restricted cash in Prepaid and other current assets	(4,300)	(3,600)	(2,000)
Less: restricted cash in Other assets	(795)	(4,902)	(8,378)
Cash and cash equivalents at the end of period	\$ 50,265	\$ 110,660	\$ 138,436
Supplemental cash flow information			
Cash paid for:			
Interest, net of amounts capitalized	\$ 59,182	\$ 33,203	\$ 6,957
Income taxes, net	\$ 9,424	\$ 24,445	\$ 15,500

The accompanying notes are an integral part of these consolidated financial statements.

GLATFELTER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

For the years ended December 31, 2023, 2022 and 2021

<i>In thousands</i>	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Shareholders' Equity
Balance at January 1, 2021	\$ 544	\$ 63,261	\$ 723,365	\$ (58,653)	\$ (150,585)	\$ 577,932
Net income			6,937			6,937
Other comprehensive loss				(21,651)		(21,651)
Comprehensive loss						(14,714)
Cash dividends declared (\$0.56 per share)			(24,702)			(24,702)
Share-based compensation expense		5,063				5,063
Delivery of treasury shares:						—
RSUs and PSAs		(3,538)			2,723	(815)
Employee stock options exercised — net		(7)			5	(2)
Balance at December 31, 2021	544	64,779	705,600	(80,304)	(147,857)	542,762
Net loss			(194,208)			(194,208)
Other comprehensive loss				(17,591)		(17,591)
Comprehensive loss						(211,799)
Cash dividends declared (\$0.28 per share)			(12,529)			(12,529)
Share-based compensation expense		831				831
Delivery of treasury shares:						—
RSUs and PSAs		(4,947)			3,686	(1,261)
Balance at December 31, 2022	544	60,663	498,863	(97,895)	(144,171)	318,004
Net loss			(79,053)			(79,053)
Other comprehensive income				15,386		15,386
Comprehensive loss						(63,667)
Share-based compensation expense		2,797				2,797
Delivery of treasury shares:						—
RSUs and PSAs		(4,701)			4,421	(280)
Balance at December 31, 2023	\$ 544	\$ 58,759	\$ 419,810	\$ (82,509)	\$ (139,750)	\$ 256,854

The accompanying notes are an integral part of the consolidated financial statements.

GLATFELTER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

Glatfelter Corporation and subsidiaries (“Glatfelter”) produce and supply high quality, technology-driven, innovative, and customizable nonwovens solutions which can be found in products that are Enhancing Everyday Life®. These include personal care and hygiene products, food and beverage filtration, critical cleaning products, medical and personal protection, packaging products, as well as home improvement and industrial applications. Headquartered in Charlotte, NC, our 2023 net sales were approximately \$1.4 billion. At December 31, 2023, we employed approximately 2,980 employees worldwide. Glatfelter’s operations utilize a variety of manufacturing technologies including airlaid, wetlaid and spunlace with fifteen manufacturing sites located in the United States, Canada, Germany, the United Kingdom, France, Spain, and the Philippines. The Company has sales offices in all major geographies serving customers under the Glatfelter and Sontara brands. The terms “we,” “us,” “our,” “the Company,” or “Glatfelter,” refer to Glatfelter Corporation and subsidiaries unless the context indicates otherwise.

2. ACCOUNTING POLICIES

Principles of Consolidation The consolidated financial statements include the accounts of Glatfelter and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated.

Reclassification of Prior Year Presentation Certain prior year amounts in the footnotes to the consolidated financial statements have been reclassified to conform to the current year presentation.

Accounting Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies as of the balance sheet date and the reported amounts of net sales and expenses during the reporting period. Management believes the estimates and assumptions used in the preparation of these consolidated financial statements are reasonable, based upon currently available facts and known circumstances, but recognizes that actual results may differ from those estimates and assumptions.

Discontinued Operations The results of operations for the Specialty Papers business have been classified as discontinued operations for all periods presented in the consolidated statements of income (loss).

Cash and Cash Equivalents We classify all highly liquid instruments with an original maturity of three months or less at the time of purchase as cash equivalents.

Inventories Our inventories are stated at the lower of cost or net realizable value. Raw materials, in-process and finished goods inventories are valued principally using the average-cost method.

Plant, Equipment and Timberlands For financial reporting purposes, depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

The range of estimated service lives used to calculate financial reporting depreciation for principal items of plant and equipment are as follows:

Buildings	15 – 45 years
Machinery and equipment	5 – 40 years
Other	3 – 25 years

Maintenance and Repairs Maintenance and repairs costs are charged to income and major renewals and improvements are capitalized. At the time property is retired or sold, the net carrying value is eliminated and any resultant gain or loss is included in income.

Valuation of Long-lived Assets, Intangible Assets and Goodwill We evaluate long-lived assets for impairment when a specific event indicates that the carrying value of an asset may not be recoverable. Recoverability is assessed based on estimates of future cash flows expected to result from the use and eventual disposition of the asset. If the sum of expected undiscounted cash flows is less than the carrying value of the asset, the asset’s fair value is estimated, and an impairment loss is recognized for the amount by which the carrying value exceeds the estimated fair value.

Goodwill and indefinite-lived intangible assets are not amortized and, therefore, are reviewed for impairment annually, during the fourth quarter, or more frequently if impairment indicators are present.

The fair value of our reporting units, which are also our operating segments, is determined using a market approach and a discounted cash flow model. The fair value of non-amortizing tradename intangible assets is determined using a discounted cash flow model and requires the use and analysis of significant assumptions including among others, estimated cash flows consistent with our long-term strategic plan, perpetuity growth rates, capital expenditures, and discount rates. In addition, the discounted cash flow model requires the use of significant judgement to assess the potential impact of macroeconomic conditions including raw material and energy prices in all three segments, logistics costs, competition and similar factors. For goodwill, impairment losses, if any, are recognized for the amount by which the carrying value of the reporting unit exceeds its fair value. The carrying value of a reporting unit is defined using an enterprise premise which is generally determined by the difference between the unit's assets and operating liabilities. With respect to non-amortizing tradenames, impairment losses, if any, are recognized for the amount by which the carrying value of the tradename exceeds its fair value. For additional information, refer to Note 6 – “*Goodwill and Asset Impairments.*”

Income Taxes Income taxes are determined using the asset and liability method of accounting for income taxes in accordance with FASB ASC 740 *Income Taxes* (“ASC 740”). Under ASC 740, tax expense includes U.S. and international income taxes plus the provision for U.S. taxes on undistributed earnings of international subsidiaries not deemed to be permanently invested. Tax credits and other incentives reduce tax expense in the year the credits are claimed. Certain items of income and expense are not reported in tax returns and financial statements in the same year. The tax effect of such temporary differences is reported in deferred income taxes. Deferred tax assets are recognized if it is more likely than not that the assets will be realized in future years. We establish a valuation allowance for deferred tax assets for which realization is not more likely than not.

Significant judgment is required in determining our worldwide provision for income taxes and recording the related assets and liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is less than certain. We and our subsidiaries are examined by various Federal, State, and foreign tax authorities. We regularly assess the potential outcomes of these examinations and any future examinations for the current or prior years in determining the adequacy of our provision for income taxes. We continually assess the likelihood and amount of potential adjustments and record any necessary adjustments in the period in which the facts that give rise to a revision become known.

Investment tax credits are accounted for by the flow-through method, which results in recognition of the benefit in the year in which the credit become available.

We account for global intangible low-taxed income (“GILTI”) tax in the period in which it is incurred. The GILTI provisions require entities to include in its U.S. income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiaries’ tangible assets.

Treasury Stock Common stock purchased for treasury is recorded at cost. At the date of subsequent reissue, the treasury stock account is reduced by the cost of such stock on the weighted-average cost basis.

Foreign Currency Translation Foreign currency translation gains and losses and the effect of exchange rate changes on transactions designated as hedges of net foreign investments are included as a component of other comprehensive income (loss). Transaction gains and losses are included in income in the period in which they occur.

Revenue Recognition We recognize revenue, or net sales, in accordance with ASU No. 2014-09, *Revenue from Contracts with Customers*. Our revenue is earned primarily from the manufacture and sale of engineered materials (“product sales”). Revenue is earned pursuant to contracts, supply agreements and other arrangements with a wide variety of customers. Our performance obligation is to produce a specified product according to technical specifications and, in substantially all instances, to deliver the product. Revenue from product sales is earned at a point in time. We recognize revenue on product sales when we have satisfied our performance obligation and control of the product has passed to the customer thereby entitling us to payment. With respect to substantially all arrangements for product sales, this is deemed to occur when title transfers in accordance with specified shipping terms.

Selling prices are fixed at the time the sales arrangement is entered into and payment terms are customary for similar arrangements in our industry. Many of our agreements include customary provisions for volume rebates, discounts and similar incentives. In addition, we are obligated for products that fail to meet agreed upon specification. Provisions for such items are estimated and recorded as sales deductions in the period in which the related revenue is recognized.

Refer to Note 8 – “*Revenue*” for additional information about the disaggregation of our net sales.

Environmental Liabilities Accruals for losses associated with environmental obligations are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on existing legislation and remediation technologies. These accruals are adjusted periodically as assessment and remediation actions continue and/or further legal or technical information develops. Such liabilities are exclusive of any insurance or other claims against third parties. Environmental costs are capitalized if the costs extend the life of the asset, increase its capacity and/or mitigate or prevent contamination from future operations. Recoveries of environmental remediation costs from other parties, including insurance carriers, are recorded as assets when their receipt is assured beyond a reasonable doubt.

Earnings Per Share Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted-average common shares outstanding during the respective periods. Diluted earnings per share is computed by dividing net income by the weighted-average common shares and common share equivalents outstanding during the period. In periods in which there is a net loss, diluted loss per share is equal to basic loss per share. The dilutive effect of common share equivalents is considered in the diluted earnings per share computation using the treasury stock method.

Financial Derivatives and Hedging Activities We use financial derivatives to manage exposure to changes in foreign currencies and interest rates. In accordance with FASB ASC 815 *Derivatives and Hedging* ("ASC 815"), we record all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative in a hedging relationship and apply hedge accounting, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting.

The gain or loss on those derivative instruments designated and qualifying as a hedge of the exposure to variability in expected future cash flows related to forecasted transactions is deferred and reported as a component of accumulated other comprehensive income (loss). Deferred gains or losses are reclassified to our results of operations at the time the hedged forecasted transaction is recorded in our results of operations. The effectiveness of cash flow hedges is assessed at inception and quarterly thereafter. If the instrument matures, is de-designated, becomes ineffective or it becomes probable that the originally forecasted transaction will not occur, the related change in fair value of the derivative instrument is also reclassified from accumulated other comprehensive income (loss) and recognized in earnings. For additional information, refer to Note 22 - "*Financial Derivatives and Hedging Activities*."

Fair Value of Financial Instruments Under the accounting for fair value measurements and disclosures, a fair value hierarchy was established that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

Employee Retention Tax Credit The Coronavirus Aid, Relief, and Economic Security Act of 2020 ("CARES") and the subsequent related amendments provided a refundable payroll tax credit for eligible wages paid to employees in 2020 and 2021. For 2021, the employee retention credit was equal to 70% of qualified wages paid to U.S. employees in quarters where certain criteria are met.

The Company qualified for the employee retention credits for the first and second quarters of 2021 and filed for a cash refund claim in the fourth quarter of 2022. During 2022, the Company recognized an employee retention credit of \$8.6 million of which \$7.3 million is included in cost of products sold and \$1.3 million is included in selling, general and administrative expenses in the accompanying consolidated statement of income (loss). At December 31, 2023 and 2022, we have employee retention credit receivables of \$0.1 million and \$8.6 million respectively and is included in Prepaid expenses and other current assets in the accompanying consolidated balance sheets.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"). The standard improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for annual reporting periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The guidance is to be applied retrospectively to all prior periods presented in the financial statements. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"). The standard enhances income tax disclosure requirements by requiring specified categories and greater disaggregation within the rate reconciliation table, disclosure of income taxes paid by jurisdiction, and provides clarification on uncertain tax positions and related financial statement impacts. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

3. ACQUISITIONS

On May 13, 2021, we completed the acquisition of all the outstanding equity interests in Georgia-Pacific Mt. Holly LLC, Georgia-Pacific's U.S. nonwovens business ("Mount Holly") for \$170.9 million. The Mount Holly acquisition was financed through a combination of cash on hand and borrowings under our revolving credit facility. This business includes the Mount Holly, NC manufacturing facility with annual production capacity of approximately 37,000 metric tons and an R&D center and pilot line for nonwovens product development in Memphis, TN. The Mount Holly facility produces high-quality airlaid products for the wipes, hygiene, and other nonwoven materials markets, competing in the marketplace with nonwoven technologies and substrates, as well as other materials focused primarily on consumer based end-use applications. The facility employs approximately 140 people. Mount Holly's results are reported prospectively from the acquisition date as part of our Airlaid Materials segment.

On October 29, 2021, we completed the acquisition of PMM Holding (Luxembourg) AG, the owner of all of the equity interest in Jacob Holm, a global leading manufacturer of premium quality spunlace nonwoven fabrics for critical cleaning, high-performance materials, personal care, hygiene and medical applications, for approximately \$304.0 million for all outstanding shares and the extinguishment of Jacob Holm's debt. The Jacob Holm acquisition was financed with the proceeds of a private placement of \$500.0 million of senior notes discussed in Note 20 - "Long-term Debt."

Jacob Holm's broad product offerings and blue-chip customer base expands our portfolio to include surgical drapes and gowns, wound care, face masks, facial wipes and cosmetic masks. Jacob Holm's Sontara brand is a leading producer of finished products for critical cleaning wipes and medical apparel, enhances our technological capabilities. Jacob Holm has approximately 760 employees, operates production facilities in the United States, France and Spain, and its revenue in 2020 totaled approximately \$400.0 million. The results of Jacob Holm's operations are reported as Spunlace, a newly formed segment, prospectively from the acquisition date.

Acquired property, plant and equipment in both acquisitions are being depreciated on a straight-line basis with estimated remaining lives ranging from 5 years to 35 years. Intangible assets recorded in connection with the Mount Holly acquisition consist of customer relationships and are being amortized on a straight-line basis (11 years). With respect to the Jacob Holm acquisition, identifiable intangible assets consist of trade and product names (15 to 20-year life), technical know-how (8 to 20-year life) and customer relationships (20-year life). These assets are being amortized on a straight-line basis. The goodwill arising from the acquisitions largely relates to strategic benefits, product and market diversification, assembled workforce, and similar factors. During 2022, we wrote off the entire amount of goodwill recorded as part of the Jacob Holm acquisition. Additional information is discussed in Note 6 - "Goodwill and Asset Impairments." Goodwill recorded in connection with the Mount Holly transaction is deductible for federal tax purposes over 15 years. Additional information is discussed in Note 16 - "Goodwill and Intangible Assets."

In connection with the Jacob Holm acquisition and as provided for in the underlying Share Purchase Agreement, we recorded a \$17.2 million indemnification asset related to certain potential tax liabilities. The indemnification asset is presented above under the caption "Other assets."

4. DISCONTINUED OPERATIONS

In 2018, we completed the sale of the Specialty Papers business on a cash free and debt free basis to Pixelle Specialty Solutions LLC, an affiliate of Lindsay Goldberg (the “Purchaser”) for \$360 million. The sale of the business was in connection with the strategic focus on our more growth oriented Composite Fibers and Airlaid Materials.

We incurred general and administrative expenses of \$1.0 million, \$0.1 million and a credit of \$0.2 million for the years ended 2023, 2022 and 2021, respectively. The amounts incurred in the past three years primarily represent legal costs incurred to pursue certain legal claims, costs related to an insurance claim and reversals of sales and use tax reserves due to the expiration of statutes of limitation.

For the years ended December 31, 2023, 2022 and 2021, we have incurred net operating cash outflows of approximately \$1.2 million, \$0.3 million and \$1.0 million, respectively.

5. SALE OF OBER-SCHMITTEN, GERMANY FACILITY

In the third quarter of 2023, we sold our Composite Fibers’ Ober-Schmitten, Germany operations as part of the Company’s turnaround strategy that is aimed at improving financial performance of the Company’s overall business. The Company sold the facility for one euro and recognized a loss on the sale of \$17.8 million during year ended December 31, 2023. The loss on sale is recapped as follows:

In thousands

Cash	\$	5,793
Accounts receivable		2,950
Inventory		5,039
Prepays and other current assets		8,847
Property, plant and equipment		2,513
Accounts payable and accrued liabilities		(7,337)
Loss on sale	\$	<u>17,805</u>

In connection with the sale, we entered into a transition services and distribution agreements with the purchaser pursuant to which we agreed to provide various back-office, information technology, commercial and operations support until the business is fully separated from us (estimated to be May 2024).

6. GOODWILL AND ASSET IMPAIRMENTS

We recorded no goodwill and asset impairments in 2023.

During the fourth quarter of 2022, we recognized a goodwill and asset impairment charge for our Composite Fibers segment of \$30.7 million. This charge includes a \$20.3 million goodwill impairment for the Composite Fibers segment, primarily driven by higher valuation discount rates despite our expectation of improvements in future financial results compared to our forecast included in our valuation performed in Q1 2022. In addition, we recognized a \$10.4 million non-cash asset impairment charge related to our OberSchmitten, Germany facility based on our expectations of future cash flows for this site. The facility was sold in the third quarter of 2023, as discussed in Note 5 - *“Sale of Ober-Schmitten, Germany Facility.”*

During the third quarter of 2022, we recognized a non-cash goodwill impairment charge for our Spunlace segment of \$42.5 million. The Spunlace segment has faced continued inflationary challenges which had escalated since our acquisition of this business in late 2021. Our selling price increases in 2022 were insufficient to offset the impact of inflation. Furthermore, the Spunlace segment has been impacted by unexpected supply chain and other operational issues which, in combination with the commercial issues, resulted in an unexpected increase in operating losses.

In the first quarter of 2022, in connection with an assessment of potential impairment of long-lived and indefinite-lived intangible assets stemming from the compounding impacts resulting from the Russia/Ukraine military conflict and related sanctions, we recorded a \$117.3 million non-cash asset impairment charge related to Composite Fibers' Dresden facility and an impairment of Composite Fibers' goodwill. Dresden is a single-line facility that produces wallcover base paper, the majority of which is sold into the Russian and Ukrainian markets. As a direct result of the economic impacts from the conflict, and the disruptions in the underlying financial systems and prohibition of the export of sanctioned wallcover base paper to Russia, a charge was recorded to reduce the carrying value of the Dresden fixed assets and intangible assets (technological know-how, customer relationships, and an indefinite-lived trade name), along with Composite Fibers’ goodwill to fair value.

The following table summarizes the impairment charges recorded in the accompanying consolidated statements of income (loss) under the caption “Goodwill and other asset impairment charges:”

<i>In thousands</i>	2023	2022	2021
Plant, property and equipment	\$ —	\$ 37,936	\$ —
Technological know-how	—	18,443	—
Customer relationships	—	11,695	—
Tradename	—	3,530	—
Goodwill	—	118,952	—
Total	<u>\$ —</u>	<u>\$ 190,556</u>	<u>\$ —</u>

The fair value of the underlying assets was estimated using discounted cash flow models, independent appraisals and similar methods, all of which are Level 3 fair value classification.

As a result of economic sanctions and disruptions to the financial markets, certain Russian and Ukrainian customers were not expected to satisfy outstanding accounts receivables. As such, during 2022, we recognized bad debt expense of approximately \$2.9 million directly related to Russian and Ukrainian customers. Furthermore, during 2022, we increased inventory reserves by approximately \$0.3 million, primarily related to wallcover products. In 2023, we reversed approximately \$1.4 million of bad debt expense based on actual and expected recoveries.

7. GAIN ON DISPOSITIONS OF PLANT, EQUIPMENT AND TIMBERLANDS

During 2023, 2022 and 2021, we completed the following sales of assets:

<i>Dollars in thousands</i>	Acres	Proceeds	Gain (loss)
2023			
Timberlands	546	\$ 1,340	\$ 1,305
Other	n/a	336	(194)
Total		\$ 1,676	\$ 1,111
2022			
Timberlands	790	\$ 3,130	\$ 2,962
Other	n/a	69	(158)
Total		\$ 3,199	\$ 2,804
2021			
Timberlands	1,796	\$ 5,567	\$ 5,239
Other	n/a	—	(170)
Total		\$ 5,567	\$ 5,069

8. REVENUE

The following table sets forth disaggregated information pertaining to our net sales from contracts with customers:

<i>In thousands</i>	Year ended December 31,		
	2023	2022	2021
Revenue by product category			
Airlaid Materials			
Feminine hygiene	\$ 217,147	\$ 238,420	\$ 207,116
Specialty wipes	167,702	156,516	110,201
Tabletop	109,293	117,070	76,904
Adult incontinence	29,611	27,102	22,034
Home care	27,424	25,842	25,575
Food pads	13,143	13,787	11,337
Other	22,160	22,777	17,083
	<u>586,480</u>	<u>601,514</u>	<u>470,250</u>
Composite Fibers			
Food & beverage	287,040	309,065	298,859
Technical specialties	74,019	83,225	92,351
Wallcovering	61,607	53,156	88,057
Composite laminates	35,869	43,088	43,438
Metallized	24,982	35,329	34,102
	<u>483,517</u>	<u>523,863</u>	<u>556,807</u>
Spunlace			
Consumer wipes	137,147	154,913	23,937
Critical cleaning	101,725	109,362	16,871
Health care	43,841	55,002	10,785
Hygiene	21,233	23,626	3,428
High performance	12,410	13,438	1,483
Beauty care	1,560	9,608	1,133
	<u>317,916</u>	<u>365,949</u>	<u>57,637</u>
Inter-segment sales elimination	(2,397)	—	—
Total	<u>\$ 1,385,516</u>	<u>\$ 1,491,326</u>	<u>\$ 1,084,694</u>

<i>In thousands</i>	Year ended December 31,		
	2023	2022	2021
Revenue by geography			
Airlaid Materials			
Americas	\$ 327,200	\$ 324,710	\$ 237,808
Europe, Middle East and Africa	246,073	263,843	223,718
Asia Pacific	13,207	12,961	8,724
	<u>586,480</u>	<u>601,514</u>	<u>470,250</u>
Composite Fibers			
Europe, Middle East and Africa	278,951	262,750	333,608
Americas	127,805	160,541	134,753
Asia Pacific	76,761	100,572	88,446
	<u>483,517</u>	<u>523,863</u>	<u>556,807</u>
Spunlace			
Americas	203,492	210,812	30,815
Europe, Middle East and Africa	88,132	110,638	19,990
Asia Pacific	26,292	44,499	6,832
	<u>317,916</u>	<u>365,949</u>	<u>57,637</u>
Inter-segment sales elimination	(2,397)	—	—
Total	<u>\$ 1,385,516</u>	<u>\$ 1,491,326</u>	<u>\$ 1,084,694</u>

9. EARNINGS PER SHARE

The following table sets forth the details of basic and diluted earnings (loss) per share (EPS):

<i>In thousands, except per share</i>	Year ended December 31,		
	2023	2022	2021
Net income (loss)	\$ (79,053)	\$ (194,208)	\$ 6,937
Weighted average common shares outstanding used in basic EPS	45,058	44,828	44,551
Common shares issuable upon exercise of dilutive stock options and PSAs / RSUs	—	—	373
Weighted average common shares outstanding and common share equivalents used in diluted EPS	<u>45,058</u>	<u>44,828</u>	<u>44,924</u>
Earnings (loss) per share			
Continuing operations	\$ (1.73)	\$ (4.33)	\$ 0.15
Discontinued operations	(0.02)	—	—

The following table sets forth the potential common shares outstanding for stock options that were not included in the computation of diluted EPS for the period indicated, because their effect would be anti-dilutive:

<i>In thousands</i>	Year ended December 31,		
	2023	2022	2021
Potential common shares	532	770	1,079

10. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following table sets forth details of the changes in accumulated other comprehensive income (losses) for the three years ended December 31, 2023, 2022 and 2021.

<i>In thousands</i>	Currency translation adjustments	Unrealized gain (loss) on cash flow hedges	Change in pensions	Change in other postretirement defined benefit plans	Total
Balance at January 1, 2023	\$ (106,242)	\$ 11,176	\$ (3,247)	\$ 418	\$ (97,895)
Other comprehensive income (loss) before reclassifications (net of tax)	15,509	735	(163)	(27)	16,054
Amounts reclassified from accumulated other comprehensive income (net of tax)	—	(1,356)	718	(30)	(668)
Net current period other comprehensive income (loss)	15,509	(621)	555	(57)	15,386
Balance at December 31, 2023	<u>\$ (90,733)</u>	<u>\$ 10,555</u>	<u>\$ (2,692)</u>	<u>\$ 361</u>	<u>\$ (82,509)</u>
Balance at January 1, 2022	\$ (69,757)	\$ 1,988	\$ (11,482)	\$ (1,053)	\$ (80,304)
Other comprehensive income (loss) before reclassifications (net of tax)	(36,485)	16,716	7,613	1,367	(10,789)
Amounts reclassified from accumulated other comprehensive income (net of tax)	—	(7,528)	622	104	(6,802)
Net current period other comprehensive income (loss)	(36,485)	9,188	8,235	1,471	(17,591)
Balance at December 31, 2022	<u>\$ (106,242)</u>	<u>\$ 11,176</u>	<u>\$ (3,247)</u>	<u>\$ 418</u>	<u>\$ (97,895)</u>
Balance at January 1, 2021	\$ (42,525)	\$ (2,496)	\$ (12,844)	\$ (788)	\$ (58,653)
Other comprehensive income (loss) before reclassifications (net of tax)	(27,232)	4,759	611	(79)	(21,941)
Amounts reclassified from accumulated other comprehensive income (net of tax)	—	(275)	751	(186)	290
Net current period other comprehensive income (loss)	(27,232)	4,484	1,362	(265)	(21,651)
Balance at December 31, 2021	<u>\$ (69,757)</u>	<u>\$ 1,988</u>	<u>\$ (11,482)</u>	<u>\$ (1,053)</u>	<u>\$ (80,304)</u>

The following table sets forth the amounts reclassified from accumulated other comprehensive income (losses) for the years indicated.

<i>In thousands</i>	Year ended December 31,			Line Item in Statements of Income
	2023	2022	2021	
Description				
Cash flow hedges (Note 22)				
Gains on cash flow hedges	\$ (1,785)	\$ (7,896)	\$ (382)	Costs of products sold
Tax expense (benefit)	429	703	22	Income tax provision (benefit)
Net of tax	(1,356)	(7,193)	(360)	
Loss (gain) on interest rate swaps	—	(335)	85	Interest expense
Tax expense	—	—	—	Income tax provision (benefit)
Net of tax	—	(335)	85	
Total cash flow hedges	(1,356)	(7,528)	(275)	
Retirement plan obligations (Note 13)				
Amortization of defined benefit pension plan items				
Prior service costs	23	43	47	Other, net
Actuarial losses	81	653	792	Other, net
Pension settlement	633	—	—	
	737	696	839	
Tax benefit	(19)	(74)	(88)	Income tax provision (benefit)
Net of tax	718	622	751	
Amortization of defined benefit other plan items				
Prior service costs	21	104	(233)	Other, net
Actuarial loss (gains)	(51)	—	47	Other, net
	(30)	104	(186)	
Tax expense	—	—	—	Income tax provision (benefit)
Net of tax	(30)	104	(186)	
Total reclassifications, net of tax	\$ (668)	\$ (6,802)	\$ 290	

11. INCOME TAXES

Income taxes are recognized for the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns. The effects of income taxes are measured based on enacted tax laws and rates.

The provision for (benefit from) income taxes from continuing operations consisted of the following:

<i>In thousands</i>	Year ended December 31,		
	2023	2022	2021
Current taxes			
Federal	\$ 2,864	\$ (801)	\$ (570)
State	974	239	584
Foreign	15,349	14,309	20,561
	19,187	13,747	20,575
Deferred taxes and other			
Federal	(258)	(33)	(1,159)
State	(1,233)	477	234
Foreign	(10,685)	(24,466)	(12,694)
	(12,176)	(24,022)	(13,619)
Income tax provision (benefit)	\$ 7,011	\$ (10,275)	\$ 6,956

The following are the domestic and foreign components of pretax income (loss) from continuing operations:

<i>In thousands</i>	Year ended December 31,		
	2023	2022	2021
United States	\$ (60,092)	\$ (63,421)	\$ (44,682)
Foreign	(11,000)	(140,971)	58,359
Total pretax income (loss)	\$ (71,092)	\$ (204,392)	\$ 13,677

The following table sets forth a reconciliation of the statutory federal income tax rate to our actual effective tax rate for continuing operations.

	Year ended December 31,		
	2023	2022	2021
Federal income tax provision at statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal income tax benefit	(2.3)	(0.6)	2.7
Foreign income tax rate differential	(0.1)	(4.6)	(1.9)
Tax effect of tax credits	1.0	0.1	(0.1)
Provision for (resolution of) tax matters	(6.2)	(1.4)	23.6
Rate changes due to enacted legislation	(1.3)	(0.1)	15.3
Change in reinvestment assertion	—	—	26.4
Effect of U.S. tax law change	(1.3)	(0.2)	2.8
Income inclusions from foreign subsidiaries	(1.6)	(0.6)	18.7
Stock-based compensation	(0.5)	0.7	3.9
Nondeductible officer's compensation	—	(0.3)	3.9
Valuation allowance	(30.1)	(6.8)	(3.1)
Tax effect of U.S. impairment	—	(1.5)	—
Recognition of non-U.S. intangible tax basis	—	—	(78.1)
Capitalized transaction costs	—	—	8.9
Foreign Attribute Recognition	13.0	—	—
Other	(1.5)	(0.6)	6.9
Actual tax rate	(9.9)%	5.1 %	50.9 %

The effective income tax rate in the year ended December 31, 2023 was impacted by losses in the U.S. and certain foreign jurisdictions for which no income tax benefit was recorded, offset in part by the recognition of a \$9.3 million deferred tax benefit associated with a notional interest deduction carryforward at a foreign subsidiary.

The lower income tax rate in the year ended December 31, 2022 was largely impacted by the \$119.0 million goodwill impairment charge (refer to Note 6), and operating losses in the U.S. and Spunlace operations in France, for which no tax benefit was recorded.

The effective income tax rate for the year ended December 31, 2021 was unfavorably impacted by operating losses in the U.S., restructuring and other non-recurring costs for which no tax benefit was recorded.

The sources of deferred income taxes were as follows at December 31:

<i>In thousands</i>	2023	2022
Reserves	\$ 391	\$ 1,489
Environmental	3,279	3,562
Compensation	2,583	2,687
Pension	1,473	2,323
Post-retirement benefits	749	795
Research & development expenses	6,062	5,986
Inventories	2,635	1,984
Tax carryforwards	101,017	61,828
Interest limitation carryforwards	59,579	9,854
Other	2,540	1,689
Deferred tax assets	<u>180,308</u>	<u>92,197</u>
Valuation allowance	(126,516)	(52,960)
Net deferred tax assets	53,792	39,237
Property	(77,518)	(79,164)
Intangible assets	(3,940)	(1,549)
Inventories	—	—
Other	(5,963)	(3,591)
Deferred tax liabilities	(87,421)	(84,304)
Net deferred tax liabilities	<u>\$ (33,629)</u>	<u>\$ (45,067)</u>

Non-current deferred tax assets and liabilities are included in the following balance sheet captions:

<i>In thousands</i>	December 31,	
	2023	2022
Other assets	\$ 18,590	\$ 9,321
Deferred income taxes	52,219	54,388

At December 31, 2023, we had federal, state and foreign tax net operating loss (“NOL”) carryforwards of \$124.3 million, \$203.2 million, and \$260.5 million, respectively. These NOL carryforwards are available to offset future taxable income. \$0.8 million of the federal NOL carryforward expires in 2037. The remaining \$123.5 million of the federal NOL has an indefinite carryforward and never expires. The state NOL carryforwards expire at various times and in various amounts beginning in 2024. Certain foreign NOL carryforwards begin to expire after 2029.

The federal, state, and international NOL carryforwards on the income tax returns filed included unrecognized tax benefits taken in prior years. The deferred tax assets recognized for financial statement purposes for such NOL carryforwards are presented net of these unrecognized tax benefits.

In addition, we had various federal tax credit carryforwards totaling \$15.0 million which begin to expire in 2035 and state tax credit carryforwards totaling \$3.6 million, which begin to expire in 2028.

As of December 31, 2023 and 2022, we had a valuation allowance of \$126.5 million and \$53.0 million, respectively, against net deferred tax assets, primarily due to uncertainty regarding the ability to utilize federal, state and foreign tax NOL carryforwards, federal and foreign interest deduction limitation carryforwards and certain state tax credits. In assessing the need for a valuation allowance, management considers all available positive and negative evidence in its analysis. Based on this analysis, we recorded a valuation allowance for the portion of deferred tax assets where the weight of available evidence indicated it is more likely than not that the deferred tax assets will not be realized.

Tax credits and other incentives reduce tax expense in the year the credits are claimed. We recorded tax credits of \$0.5 million, \$0.7 million and \$0.0 million in 2023, 2022 and 2021, respectively, related to research and development credits.

At December 31, 2023 and 2022, unremitted earnings of certain subsidiaries outside the United States deemed to be indefinitely reinvested totaled \$94.0 million and \$130.0 million, respectively. Because the unremitted earnings of those subsidiaries are deemed to be indefinitely reinvested as of December 31, 2023 and because we have no need for or plans to repatriate such earnings, no deferred tax liability has been recognized in our consolidated financial statements with regard to those subsidiaries. In 2021, we designated unremitted earnings of a subsidiary as not indefinitely reinvested. As of

December 31, 2023, we have \$2.3 million of deferred tax liabilities recorded with regard to the unremitted earnings of that subsidiary.

As of December 31, 2023, 2022 and 2021, we had \$60.7 million, \$56.5 million and \$55.7 million of gross unrecognized tax benefits, respectively. As of December 31, 2023, if such benefits were to be recognized, approximately \$58.1 million would be recorded as a component of income tax expense, thereby affecting our effective tax rate.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits is as follows:

<i>In thousands</i>	2023	2022	2021
Balance at January 1	\$ 56,506	\$ 55,660	\$ 46,259
Increases in tax positions for prior years	51	—	38
Decreases in tax positions for prior years	—	(995)	(638)
Acquisition related:			
Purchase Accounting	—	—	12,718
Increases in tax positions for current year	5,728	3,644	3,683
Settlements	—	—	—
Lapse in statutes of limitation	(1,552)	(1,803)	(6,400)
Balance at December 31	\$ 60,733	\$ 56,506	\$ 55,660

We, or one of our subsidiaries, file income tax returns with the United States Internal Revenue Service, as well as various state and foreign authorities. The following table summarizes tax years that remain subject to examination by major jurisdiction:

Jurisdiction	Open Tax Years	
	Examinations not yet initiated	Examination in progress
United States		
Federal	2014, 2015; 2020 - 2023	N/A
State	2019 - 2023	N/A
Canada ⁽¹⁾	2016 - 2018, 2023	2019-2022
Germany ⁽¹⁾	2020 - 2023	2016-2019
France	2023	2021-2022
United Kingdom	2022-2023	N/A
Philippines	2020, 2022-2023	N/A

(1) Includes provincial or similar local jurisdictions, as applicable.

The amount of income taxes we pay is subject to ongoing audits by federal, state and foreign tax authorities, which often result in proposed assessments. Management performs a comprehensive review of its global tax positions on a quarterly basis and accrues amounts for uncertain tax positions. Based on these reviews and the result of discussions and resolutions of matters with tax authorities and the closure of tax years subject to tax audit, reserves are adjusted as necessary. However, future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are determined or resolved or as such statutes are closed. Due to potential for resolution of federal, state and foreign examinations, and the expiration of various statutes of limitation, it is reasonably possible our gross unrecognized tax benefits may decrease within the next twelve months by a range of zero to \$8.4 million. The majority of this range relates to tax positions taken in foreign jurisdictions.

We recognize interest and penalties related to uncertain tax positions as income tax expense. The following table summarizes information related to interest and penalties on uncertain tax positions:

<i>In thousands</i>	As of or for the year ended December 31,		
	2023	2022	2021
Accrued interest payable	\$ 6,251	\$ 4,767	\$ 3,947
Accrued penalties	2,782	2,975	3,020
Interest expense	1,483	820	974

The Organization for Economic Cooperation and Development (“OECD”) reached agreement among various countries to implement a minimum 15% tax rate on certain multinational enterprises, commonly referred to as Pillar Two. The minimum tax directive has been adopted by the EU for implementation by its Member States into national legislation

effective for fiscal years beginning after 2023 and may be adopted by other jurisdictions including the U.S. Many countries where we have operations continue to announce changes in their tax laws and regulations based on the Pillar Two principles. We continue to monitor and evaluate the impact of these proposed and enacted legislative changes. Given the uncertainty regarding such proposed legislative changes, the impact of Pillar Two cannot be determined at this time.

12. STOCK-BASED COMPENSATION

On May 5, 2023, upon Board and shareholder approval, the Glatfelter Corporation 2022 Long-Term Incentive Plan, as Amended and Restated, became effective and is a successor plan to the Glatfelter Corporation 2022 Long-Term Incentive Plan (collectively, the “LTIP”), which was originally effective as of April 27, 2005 and was subsequently amended and restated on May 4, 2017, and May 5, 2022, respectively. The LTIP continues to provide for the issuance of Glatfelter common stock to eligible participants in the form of restricted stock units, restricted stock awards, non-qualified stock options, performance shares, incentive stock options and performance units. Furthermore, the LTIP increased the number shares previously available for issuance by 675,000 shares. As of December 31, 2023, there were 2,385,486 shares of common stock available for future issuance under the LTIP.

Pursuant to terms of the LTIP, we have issued to eligible participants restricted stock units (“RSUs”), performance share awards (“PSAs”) and stock-only stock appreciation rights (“SOSARs”).

Restricted Stock Units (“RSUs”) and Performance Share Awards (“PSAs”) Awards of RSUs and PSAs are made under our LTIP. The vesting of RSUs is generally based on the passage of time, generally over a three-year period or in certain instances the RSUs were issued with three-year cliff vesting. PSAs are issued to members of management and vesting is based on achievement of cumulative financial performance targets covering a two-year period followed by an additional one-year service period. The performance measures include a minimum, target and maximum performance level providing the grantees an opportunity to receive more or less shares than targeted depending on actual financial Performance. In addition, certain PSA awards include a modifier based on the three-year total shareholder return relative to a broad market index. Other awards include a hard-wired three-year total shareholder return metric relative to a broad market index. For RSUs, the grant date fair value of the awards, or the closing price per common share on the date of the award, is used to determine the amount of expense to be recognized over the applicable service period. For PSAs, the grant date fair value is estimated using a lattice model. The significant inputs include the stock price, volatility, dividend yield, and risk-free rate of return. Settlement of RSUs and PSAs will be made in shares of our common stock currently held in treasury.

In 2023, 2022 and 2021, we issued awards to employees of RSUs and PSAs under our LTIP. RSUs vest based on the passage of time, generally over a graded three-year period or, in certain instances, cliff vest after one or three years. In addition, some awards vest over one year or less depending upon the retirement eligibility of the grantees in the LTIP. The PSAs awarded vest based on either the achievement of cumulative financial performance targets covering a two-year period or based on the three-year total shareholder return relative to a broad market index. The performance measures include a minimum, target and maximum performance level providing the grantees an opportunity to receive more or less shares than targeted depending on actual financial performance.

In addition, in 2022, we issued 360,000 PSAs and 240,000 RSUs to our new CEO, Thomas Fahnemann, as part of his on-boarding compensation package. These PSAs have a 3-year service and performance requirement that is based on our stock price achieving certain levels during the performance period. Specifically, if the Company’s closing stock price is \$10 or higher for 20 consecutive days during the performance period, 50% of the award is achieved. If the stock price exceeds \$18 per share for 20 consecutive days during the performance period 100% of the award is achieved. The RSUs vest over a three-year period with 50% vesting after two years and the remainder vesting after three years.

In 2022, in connection with his separation from the Company, certain unvested RSUs and PSAs of the former CEO were forfeited, and as a result, the Company recognized a stock-based compensation benefit of approximately \$3.1 million which is included in Selling, general and administrative expense on the accompanying consolidated statements of income (loss).

In 2023, the Board continued to assess the executive leadership team and ultimately appointed Mr. Boris Illetschko as SVP, Chief Operating Officer who replaced Mr. Christopher Astley, SVP, Chief Commercial Officer and Mr. Wolfgang Laures, SVP Integrated Global Supply Chain & Information Technology. Upon hire, Mr. Illetschko received an equity award that followed the same design as the 2023 annual award, which consisted of 40% Time Based RSUs and 60% PSAs. Messrs. Astley and Laures forfeited any unvested equity upon their respective separation dates.

For RSUs, the grant date fair value of the awards, or the closing price per common share on the date of the award, is used to determine the amount of expense to be recognized over the applicable service period. For PSAs, the grant date fair value is estimated using a lattice model. The significant inputs include the stock price, volatility, dividend yield, and

risk-free rate of return. Settlement of RSUs and PSAs will be made in shares of our common stock currently held in treasury.

The following table summarizes RSU and PSA activity during the past three years:

<i>Units</i>	2023	2022	2021
Balance at January 1,	1,650,152	1,111,382	1,071,652
Granted	1,455,665	1,452,213	374,931
Forfeited	(460,218)	(582,457)	(103,499)
Shares delivered	(371,660)	(330,986)	(231,702)
Balance at December 31,	2,273,939	1,650,152	1,111,382

<i>In thousands</i>	2023	2022	2021
Compensation expense	\$ 2,797	\$ 831	\$ 5,063

The amount granted in 2023, 2022 and 2021 includes 758,222, 725,812 and 162,480 PSAs, respectively, exclusive of reinvested dividends. The weighted average grant date fair value per unit for awards in 2023, 2022 and 2021 was \$3.69, \$8.04 and \$16.71, respectively. As of December 31, 2023, unrecognized compensation expense for outstanding RSUs and PSAs totaled \$4.4 million. The weighted average remaining period over which the expense will be recognized is 1.79 years.

Stock Only Stock Appreciation Rights The following table sets forth information related to outstanding SOSARs:

SOSARs	2023		2022		2021	
	Shares	Wtd Avg Exercise Price	Shares	Wtd Avg Exercise Price	Shares	Wtd Avg Exercise Price
Outstanding at January 1,	769,544	\$ 21.34	1,079,113	\$ 20.42	1,082,413	\$ 20.40
Granted	—	—	—	—	—	—
Exercised	—	—	—	—	(3,300)	15.61
Canceled / forfeited	(238,025)	19.66	(309,569)	18.12	—	—
Outstanding at December 31,	531,519	\$ 22.10	769,544	\$ 21.34	1,079,113	\$ 20.42
Exercisable at December 31,	531,519	22.10	769,544	21.34	1,079,113	20.42
Vested and expected to vest	531,519	22.10	769,544	21.34	1,079,113	20.42
Compensation expense (<i>in thousands</i>)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Under terms of the SOSAR, the recipients receive the right to receive a payment in the form of shares of common stock equal to the difference, if any, in the fair market value of one share of common stock at the time of exercising the SOSAR and the exercise price. No SOSARs were issued during any of the past three years. As of December 31, 2023, all issued SOSARs were vested and the intrinsic value of SOSARs was zero and the remaining weighted average contractual life of outstanding SOSARs was 1.26 years.

13. RETIREMENT PLANS AND OTHER POST-RETIREMENT BENEFITS

Prior to May 2019, we provided non-contributory retirement benefits under both funded and unfunded plans to all U.S. employees and to certain non-U.S. employees in Germany. As discussed in more detail below, we terminated our U.S. qualified pension plan effective June 30, 2019 and replaced the benefits with an enhanced 401(k) defined contribution plan. Participation and benefits under the plans were based upon the employees' date of hire. U.S. benefits accrued under the terminated pension plan was based on a final average pay formula or cash balance formula for salaried employees.

In December 2019, our Board of Directors approved the freezing of benefit accruals in the non-qualified pension plan for active participants effective December 31, 2019. As of January 1, 2020, each active participant's frozen non-qualified pension benefit was transferred to a newly approved Deferred Compensation Plan non-qualified benefit plan and will earn interest credits going forward.

The Deferred Compensation Plan also provides for employer contributions and the Plan may provide for elective employee deferrals. Beginning in 2022, the plan allows active in-service withdrawals for elective employee deferrals. Under the Deferred Compensation Plan, participants are eligible to receive annual Company contributions that such participants would have received under our 401(k) Savings Plan, but for certain limitations imposed by the Internal Revenue Code on 401(k) plan contributions ("Company Contributions"). Unless otherwise determined by the Compensation Committee, Company Contributions under the Deferred Compensation Plan will not exceed 7% of a

participant's annual eligible compensation that is in excess of the Internal Revenue Code compensation limit for 401(k) plans.

As of December 31, 2023 and 2022, the remaining non-contributory pension plans are unfunded non-qualified plans. Non-U.S. benefits were based on average salary and years of service. We use a December 31-measurement date for all of our defined benefit plans.

We also provide certain health care benefits to eligible U.S.-based retired employees. Participation in the plan is closed to any salaried employees hired after December 31, 2006. For retirees prior to age 65, these benefits consists of either a Company provided fixed contribution, as determined on an annual basis, to the participant's health reimbursement account or providing group medical insurance coverage with a subsidy cap of \$10,000 per year, as determined by date of retirement. In December 2023, the Plan was amended to transition all retiree medical benefits to the health reimbursement construct, eliminating the group medical insurance offering. For certain retirees over age 65, these benefits consists of a fixed payment to defray the costs of Medicare.

All information presented in the following tables represents amounts attributable to continuing operations.

<i>In thousands</i>	Pension Benefits		Other Benefits	
	2023	2022	2023	2022
Change in Benefit Obligation				
Balance at beginning of year	\$ 34,729	\$ 44,885	\$ 3,380	\$ 5,130
Service cost	—	—	11	15
Interest cost	1,417	1,054	178	131
Benefits paid	(2,527)	(2,065)	(458)	(529)
One-time settlement	(5,815)	—	—	—
Plan amendments	—	—	188	—
Actuarial (gain)/loss	223	(8,436)	(2)	(1,367)
Effect of currency rate changes	273	(709)	—	—
Balance at end of year	\$ 28,300	\$ 34,729	\$ 3,297	\$ 3,380
Change in Plan Assets				
Fair value of plan assets at beginning of year	\$ —	\$ —	\$ —	\$ —
Reversion of excess plan assets	—	—	—	—
Total contributions	2,527	2,065	511	529
Benefits paid	(2,527)	(2,065)	(511)	(529)
Fair value of plan assets at end of year	—	—	—	—
Funded status at end of year	\$ (28,300)	\$ (34,729)	\$ (3,297)	\$ (3,380)

As of December 31, 2023, the non-qualified plans have an unfunded projected benefit obligation of \$28.3 million.

During 2023, we made a \$5.8 million one-time settlement payment to our former CEO under the terms of his non-qualified pension plan in connection with his separation from the Company. In accordance with pension settlement accounting, we recorded a \$0.6 million settlement charge reflecting the recognition of amounts previously included in accumulated other comprehensive income.

Amounts recognized in the consolidated balance sheets consist of the following as of December 31:

<i>In thousands</i>	Pension Benefits		Other Benefits	
	2023	2022	2023	2022
Current liabilities	\$ (2,337)	\$ (8,415)	\$ (552)	\$ (513)
Other long-term liabilities	(25,963)	(26,314)	(2,745)	(2,886)
Net amount recognized	\$ (28,300)	\$ (34,729)	\$ (3,297)	\$ (3,399)

The components of amounts recognized as "Accumulated other comprehensive income" consist of the following on a pre-tax basis:

<i>In thousands</i>	Pension Benefits		Other Benefits	
	2023	2022	2023	2022
Prior service credit (cost)	\$ (104)	\$ (127)	\$ (188)	\$ (21)
Net actuarial gain (loss)	(4,339)	(4,762)	1,095	984

The weighted-average assumptions used in computing the benefit obligations above were as follows:

	Pension Benefits		Other Benefits	
	2023	2022	2023	2022
Discount rate – benefit obligation	4.94 %	5.19 %	5.42 %	5.42 %

The discount rates set forth above were estimated based on the modeling of expected cash flows for each of our benefit plans and selecting a portfolio of high-quality debt instruments with maturities matching the respective cash flows of each plan. The resulting discount rates as of December 31, 2023 ranged from 3.71% to 5.41% for pension plans and was 5.42% for the other benefit plans.

Information for pension plans with an accumulated benefit obligation in excess of plan assets was as follows:

<i>In thousands</i>	2023	2022
Projected benefit obligation	\$ 28,300	\$ 34,729
Accumulated benefit obligation	28,300	34,729
Fair value of plan assets	—	—

Net periodic benefit (income) expense includes the following components:

<i>In thousands</i>	Year ended December 31,		
	2023	2022	2021
Pension Benefits			
Interest cost	\$ 1,417	\$ 1,054	\$ 974
Amortization of prior service cost	23	43	48
Amortization of actuarial loss	81	653	790
One-time settlement charge	633	—	—
Total net periodic benefit expense	<u>\$ 2,154</u>	<u>\$ 1,750</u>	<u>\$ 1,812</u>
Other Benefits			
Service cost	\$ 11	\$ 15	\$ 29
Interest cost	178	131	127
Amortization of prior service credit	21	104	(233)
Amortization of actuarial loss (gain)	(51)	—	47
Total net periodic benefit income	<u>\$ 159</u>	<u>\$ 250</u>	<u>\$ (30)</u>

Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) were as follows:

<i>In thousands</i>	Year ended December 31,	
	2023	2022
Pension Benefits		
Actuarial (gains) loss	\$ 223	\$ (8,436)
Recognized prior service costs	(23)	(43)
Recognized actuarial losses	(715)	(653)
Total recognized in other comprehensive (income) loss	<u>(515)</u>	<u>(9,132)</u>
Total recognized in net periodic benefit cost and other comprehensive loss	<u>\$ 1,639</u>	<u>\$ (7,382)</u>
Other Benefits		
Actuarial (gain) loss	\$ (2)	\$ (1,367)
Amortization of actuarial loss	51	—
Total recognized in other comprehensive loss	<u>49</u>	<u>(1,367)</u>
Total recognized in net periodic benefit cost and other comprehensive loss	<u>\$ 208</u>	<u>\$ (1,117)</u>

The weighted-average assumptions used in computing the net periodic benefit expense information above were as follows:

	Year ended December 31,		
	2023	2022	2021
Pension Benefits			
Discount rate – benefit expense	5.19 %	2.42 %	2.17 %
Other Benefits			
Discount rate – benefit expense	5.42 %	2.70 %	2.30 %

Cash Flow Benefit payments expected to be made under our non-qualified pension plans and other benefit plans are summarized below:

<i>In thousands</i>	Pension Benefits		Other Benefits	
2024	\$	2,385	\$	567
2025		2,337		364
2026		2,282		321
2027		2,228		293
2028		2,158		285
2029 through 2033		10,489		1,199

Defined Contribution Plans We maintain 401(k) plans for substantially all U.S.-based employees. Employees may contribute up to 50% of their earnings, subject to certain restrictions. We currently provide a minimum company contribution equal to 7% of eligible compensation. In addition, we have provided discretionary contributions resulting in total contributions equal to 7.0%, 7.5% and 10% of compensation in 2023, 2022 and 2021, respectively. The expense associated with our 401(k) plan was \$4.3 million, \$2.7 million and \$2.4 million in 2023, 2022 and 2021, respectively.

14. INVENTORIES

Inventories, net of reserves were as follows:

<i>In thousands</i>	December 31,	
	2023	2022
Raw materials	\$ 82,012	\$ 109,166
In-process and finished	150,220	142,331
Supplies	66,016	57,939
Total	\$ 298,248	\$ 309,436

15. PLANT, EQUIPMENT AND TIMBERLANDS

Plant, equipment and timberlands at December 31 were as follows:

<i>In thousands</i>	2023		2022	
Land	\$	24,145	\$	23,718
Building		233,048		228,310
Machinery, equipment & other		1,070,965		1,031,012
Accumulated depreciation		(696,928)		(645,404)
		631,230		637,636
Construction in progress		31,686		38,175
Total	\$	662,916	\$	675,811

As of December 31, 2023 and 2022, we had \$4.6 million and \$5.2 million, respectively, of accrued capital expenditures.

16. GOODWILL AND INTANGIBLE ASSETS

The following table sets forth information with respect to goodwill and other intangible assets:

<i>In thousands</i>	Balance, Beginning 2022	Impairment	Purchase price allocation adjustment	Translation	Balance, End of 2022	Purchase price allocation adjustment	Translation	Balance, End of 2023
Goodwill								
Airlaid Materials	\$ 109,486	\$ —	\$ —	\$ (4,291)	\$ 105,195	\$ —	\$ 2,496	\$ 107,691
Composite Fibers	78,438	(76,411)	—	(2,027)	—	—	—	—
Spunlace	48,241	(42,541)	(500)	(5,200)	—	—	—	—
Total	<u>\$ 236,165</u>	<u>\$ (118,952)</u>	<u>\$ (500)</u>	<u>\$ (11,518)</u>	<u>\$ 105,195</u>	<u>\$ —</u>	<u>\$ 2,496</u>	<u>\$ 107,691</u>
Other Intangible Assets								
	Balance, Beginning 2022	Impairment	Amortization	Translation	Balance, End of 2022	Amortization	Translation	Balance, End of 2023
<i>Airlaid Materials</i>								
Tradename	\$ 4,485	\$ —	\$ —	\$ (1,043)	\$ 3,442	\$ —	\$ 124	\$ 3,566
Accumulated amortization	(603)	—	(170)	34	(739)	(174)	(31)	(944)
Net	3,882	—	(170)	(1,009)	2,703	(174)	93	2,622
<i>Technology and related</i>								
	17,825	—	—	(313)	17,512	—	609	18,121
Accumulated amortization	(4,552)	—	(1,131)	246	(5,437)	(1,160)	(222)	(6,819)
Net	13,273	—	(1,131)	(67)	12,075	(1,160)	387	11,302
<i>Customer relationships and related</i>								
	44,585	—	—	(1,433)	43,152	—	834	43,986
Accumulated amortization	(10,512)	—	(3,657)	598	(13,571)	(3,706)	(408)	(17,685)
Net	34,073	—	(3,657)	(835)	29,581	(3,706)	426	26,301
<i>Composite Fibers</i>								
<i>Tradename - non-amortizing</i>								
	3,601	(3,530)	—	(71)	—	—	—	—
<i>Technology and related</i>								
	38,614	(37,823)	—	(791)	—	—	—	—
Accumulated amortization	(19,224)	19,380	(424)	268	—	—	—	—
Net	19,390	(18,443)	(424)	(523)	—	—	—	—
<i>Customer relationships and related</i>								
	34,739	(34,046)	—	(693)	—	—	—	—
Accumulated amortization	(22,104)	22,351	(587)	340	—	—	—	—
Net	12,635	(11,695)	(587)	(353)	—	—	—	—
<i>Spunlace</i>								
Products and Tradenames	27,623	—	—	(333)	27,290	—	2,774	30,064
Accumulated amortization	(253)	—	(1,241)	(265)	(1,759)	(1,323)	(370)	(3,452)
Net	27,370	—	(1,241)	(598)	25,531	(1,323)	2,404	26,612
<i>Technology and related</i>								
	14,547	—	—	(175)	14,372	—	1,461	15,833
Accumulated amortization	(202)	—	(1,151)	(102)	(1,455)	(1,223)	(468)	(3,146)
Net	14,345	—	(1,151)	(277)	12,917	(1,223)	993	12,687

Customer relationships and related	28,003	—	(337)	27,666	—	2,812	30,478
Accumulated amortization	(268)	—	(1,487)	(48)	(1,803)	(1,580)	(3,669)
Net	27,735	—	(1,487)	(385)	25,863	(1,580)	26,809
Total intangibles	214,022	(75,399)	—	(5,189)	133,434	—	142,048
Total accumulated amortization	(57,718)	41,731	(9,848)	1,071	(24,764)	(9,166)	(35,715)
Net intangibles	<u>\$ 156,304</u>	<u>\$ (33,668)</u>	<u>\$ (9,848)</u>	<u>\$ (4,118)</u>	<u>\$ 108,670</u>	<u>\$ (9,166)</u>	<u>\$ 106,333</u>

The following table sets forth information pertaining to amortization of intangible assets:

<i>In thousands</i>	2023	2022	2021
Aggregate amortization expense:	\$ 9,166	\$ 9,848	\$ 9,753
Estimated amortization expense:			
2024	9,408		
2025	9,408		
2026	9,408		
2027	9,408		
2028	9,408		

Intangible assets are amortized on a straight-line basis. We amortize trade and product names over 15 years to 20 years; technical know-how over 8 years to 20 years; and customer relationships over 11 years to 18 years. The remaining weighted average useful life of intangible assets was 13.1 years at December 31, 2023.

17. OTHER LONG-TERM ASSETS

Other long-term assets consist of the following:

<i>In thousands</i>	December 31,	
	2023	2022
Right-of-use asset operating leases	\$ 24,991	\$ 25,420
Deferred taxes	18,590	9,321
Jacob Holm acquisition tax indemnification asset	17,229	17,229
Fox River escrow	9,009	8,777
Restricted cash - 401(K)	794	4,902
Other	10,276	12,544
Total	\$ 80,889	\$ 78,193

18. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

<i>In thousands</i>	December 31,	
	2023	2022
Accrued payroll and benefits	\$ 28,802	\$ 32,863
Accrued tornado costs	29,000	—
Income taxes payable	9,285	6,179
Accrued rebates	7,100	4,328
Operating lease liability	5,063	4,488
Accrued energy costs	4,409	3,844
Accrued interest	3,626	4,147
Other accrued expenses	25,473	32,875
Total	\$ 112,758	\$ 88,724

At December 31, 2023, other current liabilities includes a \$29 million estimated accrual for a contractual obligation to repair a leased production and warehouse facility. On December 9, 2023, a series of tornados in Tennessee damaged a portion of one of the Company's leased Spunlace converting production and warehousing facilities. Under the terms of the lease arrangement, we are responsible for building repairs and are working with our insurers to facilitate rebuilding the site. As only a portion of the facility was damaged, production was able to resume in early 2024 in the undamaged areas within the facility. The costs of the repairs will be covered by the Company's insurance and an insurance recovery receivable of approximately \$27 million is reflected in other current assets in the accompanying consolidated balance sheet as of December 31, 2023. Our insurance policy includes a \$5 million deductible, which has been expensed in the fourth quarter and included in Cost of Product Sold in the accompanying statement of income (loss) for the year ended December 31, 2023.

19. LEASES

We enter into a variety of arrangements in which we are the lessee for the use of automobiles, forklifts and other production equipment, production facilities, warehouses and office space. We determine if an arrangement contains a lease at inception. All our lease arrangements are operating leases and are recorded in the consolidated balance sheet under the caption "Other assets" and the lease obligation is under "Other current liabilities" and "Other long-term liabilities." We currently do not have any finance leases.

Operating lease right of use ("ROU") assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. ROU assets also include any initial direct costs incurred and any lease payments made at or before the lease commencement date, less lease incentives received. We use our incremental borrowing rate based on information available at the commencement date in determining the lease liabilities as our leases generally do not provide an implicit rate. Lease terms may include options to extend or terminate when we are reasonably certain that the option will be exercised. Lease expense is recognized on a straight-line basis over the lease term.

We also have arrangements with both lease and non-lease components. We elected the practical expedients not to separate non-lease components from lease components for our real estate and automobile leases and the lack of need to reassess classification. We elected to apply the short-term lease measurement and recognition exemption in which ROU assets and lease liabilities are not recognized for arrangements less than twelve months in duration.

The following table sets forth information related to our leases as of the periods indicated.

<i>Dollars in thousands</i>	December 31,	
	2023	2022
Right of use asset	\$ 24,991	\$ 25,420
Weighted average discount rate	3.63 %	3.14 %
Weighted average remaining maturity (<i>years</i>)	20	21

The following table sets forth operating lease expense for the periods indicated:

<i>In thousands</i>	December 31,	
	2023	2022
Operating lease expense	\$ 6,685	\$ 5,867

The following table sets forth required minimum lease payments for the years indicated:

<i>In thousands</i>	
2024	\$ 5,671
2025	4,693
2026	2,775
2027	2,295
2028	1,694
Thereafter	18,542

20. LONG-TERM DEBT

Long-term debt is summarized as follows:

<i>In thousands</i>	December 31,	
	2023	2022
Revolving credit facility, due Sep. 2026	\$ 99,450	\$ 118,685
4.750% Senior Notes, due Oct. 2029	500,000	500,000
11.25% Term loan, due Mar 2029	271,215	—
Term loan, due Feb 2024	—	193,588
2.05% Term Loan, due Mar 2023	—	1,423
1.30% Term Loan, due Jun 2023	—	762
1.55% Term Loan, due Sep 2025	—	3,594
1.10% Term Loan, due Mar 2024	1,005	4,848
0.57% Term Loan, due Jul 2023	—	21,332
Total long-term debt	871,670	844,232
Less current portion	(1,005)	(40,435)
Unamortized deferred issuance costs	(17,502)	(10,545)
Long-term debt, net of current portion	\$ 853,163	\$ 793,252

On September 2, 2021, we entered into a restatement agreement as part of a Fourth Amended and Restated \$400.0 million Revolving Credit Facility and a €220.0 million Term Loan (collectively, the “Credit Facility”) which matures September 6, 2026 and February 8, 2024, respectively.

Revolving Loans borrowings are available in U.S. Dollars, Euros, British Pound Sterling, and Canadian Dollars and the borrowing of Term Loans are available in Euros. The principal amount of the Term Loan amortizes in consecutive quarterly installments of principal, with each such quarterly installment to be in an amount equal to 1.25% of the Term Loan funded.

On May 9, 2022, we entered into an amendment to the Credit Agreement, which was further amended on March 30, 2023. The March 30, 2023 amendment to the Credit Agreement reduced the Revolving Credit Facility to \$250.0 million and had us fully extinguish the €220.0 million Term Loan. The amendment: i) modifies the “leverage ratio” to be the ratio of consolidated senior secured debt to consolidated adjusted EBITDA ; ii) increases the maximum interest rate borrowing margin to be applied to the applicable index by 275 basis points; and iii) pledges as collateral substantially all domestic and Canadian assets to secure obligations owed under the Credit Agreement, as well as, on a second lien basis, the European assets that secure the AG Loan (as defined below). As amended, we are obligated to maintain a leverage ratio under 4.25 to 1.0 through the quarter ended December 31, 2024, stepping down to 4.0 to 1.0 at March 31, 2025, and 3.50 to 1.0 at March 31, 2026.

Borrowing rates for the Revolving Loans are determined at our option at the time of each borrowing. For all U.S. Dollar denominated Revolving Loan borrowings, the borrowing rate is either, (a) the bank’s base rate which is equal to the greater of i) the prime rate; ii) the overnight bank funding rate plus 50 basis points; or iii) the daily Simple Secured Overnight Financing Rate (“SOFR”) rate plus 100 basis points plus an applicable spread over either i), ii) or iii) ranging from 250 basis points to 400 basis points based on the Company’s leverage ratio; or (b) the daily Term SOFR-rate plus an applicable margin ranging from 350 basis points to 500 basis points based on the Company’s leverage ratio. For non-U.S. Dollar denominated borrowings, interest is based on the Euro-rate or EURIBOR-rate plus an applicable margin ranging from 350 basis points to 500 basis points based on the Company’s leverage ratio.

The Credit Agreement contains a number of customary covenants for financings of this type that, among other things, restrict our ability to dispose of or create liens on assets, incur additional indebtedness, limits certain intercompany financing arrangements, make acquisitions and engage in mergers or consolidations. The Credit Agreement also contains covenants requiring a minimum debt coverage ratio.

All remaining principal outstanding and accrued interest under the Revolving Credit Facility will be due and payable on September 2, 2026.

As of December 31, 2023, the leverage ratio and the debt service ratio, as calculated in accordance with the definition in our Credit Agreement, was 3.4x and 1.7, respectively. A breach of these requirements would give rise to certain remedies under the Revolving Credit Facility, among which is the termination of the agreement.

On March 30, 2023, we entered into a €250.0 million Term Loan with certain affiliates of Angelo, Gordon & Co., L.P. (“AG Loan”). The net proceeds from the AG Loan were used to extinguish the €220.0 million Term Loan, to repay a portion of outstanding revolving borrowings under the Revolving Credit Facility, for working capital and general corporate purposes and to pay estimated fees and expenses.

The AG Loan will mature on March 23, 2029. Interest on the AG Loan accrues at the rate of 11.25% per annum and is payable quarterly in arrears on March 31, June 30, September 30, and December 31 each year, commencing on June 30, 2023.

The AG Loan is prepayable, in whole or in part, at any time at the prepayable premium specified in the Term Loan Agreement. Prior to September 30, 2024, we may prepay some or all of the AG Loan at a "make-whole" premium as specified.

Under the terms of the AG Loan, we have pledged as collateral substantially all assets of our subsidiaries in Germany, Luxembourg, United Kingdom, Malta and Switzerland, as well as, on a second lien basis, the domestic and Canadian assets that secure the Revolving Credit Facility.

All covenants contained in the AG Loan agreement are substantially consistent with the Credit Agreement.

On October 25, 2021, we issued \$500.0 million aggregate principal amount of 4.750% senior notes due 2029 (the “Notes”). The Notes are guaranteed on a senior unsecured basis, jointly and severally, by each of our existing and future domestic restricted subsidiaries that guarantees our obligations under the Credit Agreement, and/or certain other indebtedness (the “Guarantees”).

The Notes were issued pursuant to an indenture dated as of October 25, 2021 (the “Base Indenture”), as supplemented by the supplemental indenture dated as of October 25, 2021 (the “Supplemental Indenture” and, together with the Base Indenture, the “Indenture”) among the Company, certain subsidiaries of the Company party thereto (the “Guarantors”) and Wilmington Trust, National Association, as trustee.

The net proceeds from the offering of the Notes, together with cash on hand, were used to pay the purchase price of the Jacob Holm acquisition, to repay certain indebtedness of Jacob Holm, to repay outstanding revolving borrowings under the Revolving Credit Facility, and to pay estimated fees and expenses.

The Notes will mature on November 15, 2029. Interest on the Notes accrues at the rate of 4.750% per annum and is payable semi-annually in arrears on May 15 and November 15 of each year, commencing on May 15, 2022.

The Notes are redeemable, in whole or in part, at any time at the redemption prices specified in the underlying indenture. Prior to November 15, 2024, we may redeem some or all of the Notes at a "make-whole" premium as specified.

The Notes contain various covenants customary to indebtedness of this nature, including limitations on i) the amount of indebtedness that may be incurred; ii) certain restricted payments including common stock dividends; iii) distributions from certain subsidiaries; iv) sales of assets; v) transactions amongst subsidiaries; and vi) incurrence of liens on assets. In addition, the Notes contain cross default provisions that could result in all such notes becoming due and payable in the event of a failure to repay debt outstanding under the Credit Agreement at maturity or a default under the Credit Agreement that accelerates the debt outstanding thereunder. As of December 31, 2023, we met all of the requirements of our debt covenants.

Glatfelter Gernsbach GmbH (“Gernsbach”), a wholly-owned subsidiary of ours, entered into a series of borrowing agreements with IKB Deutsche Industriebank AG, Düsseldorf (“IKB”). Each of the borrowings require quarterly repayments of principal and interest and provide for representations, warranties and covenants customary for financings of these types. The financial covenants contained in each of the IKB loans are calculated by reference to our Credit Agreement. These borrowings were fully extinguished on March 14, 2023.

In 2021, Gernsbach also entered into two fixed-rate non-amortizing term loans with certain financial institutions. Similar to the IKB loans discussed above, the financial covenants of these borrowings are calculated by reference to the Credit Agreement. On February 28, 2023, one of these term loans for €20.0 million was fully extinguished. The remaining term loan has a principal balance of \$1.0 million and matures in March 2024.

Aggregated unamortized deferred debt issuance costs incurred in connection with all of our outstanding debt totaled \$17.5 million at December 31, 2023. The deferred costs are being amortized on a straight-line basis over the life of the underlying instruments. Amortization expense related to deferred debt issuance costs totaled \$3.0 million, \$1.9 million and \$0.9 million in 2023, 2022 and 2021, respectively.

The following schedule sets forth the amortization of our term loan agreements together with the maturity of our other long-term debt during the indicated year.

<i>In thousands</i>	
2024	\$ 1,005
2025	—
2026	99,450
2027	—
2028	—
Thereafter	776,250

Glatfelter Corporation guarantees all debt obligations of its subsidiaries. All such obligations are recorded in these consolidated financial statements.

As of December 31, 2023 and 2022, we had \$5.7 million and \$4.7 million, respectively, of letters of credit issued to us by certain financial institutions. The letters of credit, which reduce amounts available under our Revolving Credit Facility, provide financial assurances for the performance of long-term monitoring activities associated with the Fox River environmental matter and for the benefit of certain state workers compensation insurance agencies in conjunction with our self-insurance program. We bear the credit risk on this amount to the extent that we do not comply with the provisions of certain agreements. No amounts are outstanding under the letters of credit.

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

The amounts reported on the consolidated balance sheets for cash and cash equivalents, accounts receivable and short-term debt approximate fair value. The following table sets forth the carrying value and fair value of long-term debt as of December 31:

<i>In thousands</i>	2023		2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Revolving credit facility, due Sep. 2026	\$ 99,450	\$ 99,450	\$ 118,685	\$ 118,685
4.750% Senior Notes, due Oct. 2029	500,000	346,250	500,000	301,250
11.25% Term loan, due Mar 2029	271,215	282,586	—	188,998
Term loan, due Feb 2024	—	—	193,588	—
2.05% Term Loan, due Mar 2023	—	—	1,423	1,418
1.30% Term Loan, due Jun 2023	—	—	762	754
1.55% Term Loan, due Sep 2025	—	—	3,594	3,430
1.10% Term Loan, due Mar 2024	1,005	993	4,848	4,721
0.57% Term Loan, due Jul 2023	—	—	21,332	20,932
Total long-term debt	\$ 871,670	\$ 729,279	\$ 844,232	\$ 640,188

The values set forth above are based on observable inputs and other relevant market data (Level 2). The fair value of financial derivatives is set forth below in Note 22 – “Financial Derivatives and Hedging Activities.”

22. FINANCIAL DERIVATIVES AND HEDGING ACTIVITIES

As part of our overall risk management practices, we enter into financial derivatives primarily designed to either i) hedge foreign currency risks associated with forecasted transactions – “cash flow hedges”; ii) mitigate the impact that changes in currency exchange rates have on intercompany financing transactions and foreign currency denominated receivables and payables – “foreign currency hedges”; or iii) convert variable interest rate debt to fixed rates.

Derivatives Designated as Hedging Instruments - Cash Flow Hedges We use currency forward contracts as cash flow hedges to manage our exposure to fluctuations in the currency exchange rates on certain forecasted production costs. Currency forward contracts involve fixing the exchange for delivery of a specified amount of foreign currency on a specified date. As of December 31, 2023, the maturity of currency forward contracts ranged from one month to 15 months.

We designate certain currency forward contracts as cash flow hedges of forecasted raw material purchases, certain production costs or capital expenditures with exposure to changes in foreign currency exchange rates. Changes in the fair value of derivatives designated and that qualify as cash flow hedges of foreign exchange risk is deferred as a component of accumulated other comprehensive income in the accompanying condensed consolidated balance sheets. With respect to hedges of forecasted raw material purchases or production costs, the amount deferred is subsequently reclassified into costs

of products sold in the period that, inventory produced using the hedged transaction, affects earnings. For hedged capital expenditures, deferred gains or losses are reclassified and included in the historical cost of the capital asset and subsequently affect earnings as depreciation is recognized.

We had the following outstanding derivatives that were used to hedge foreign exchange risks associated with forecasted transactions and designated as hedging instruments:

<i>In thousands</i>	December 31,	
	2023	2022
Derivative		
<i>Sell/Buy - sell notional</i>		
Euro / British Pound	15,210	18,961
Philippine Peso / Euro	137,449	—
U.S. Dollar / British Pound	18,470	34,501
U.S. Dollar / Euro	277	824
<i>Sell/Buy - buy notional</i>		
Euro / Philippine Peso	788,342	1,030,114
British Pound / Philippine Peso	923,653	1,144,839
Euro / U.S. Dollar	93,397	78,435
U.S. Dollar / Canadian Dollar	30,914	36,423
British Pound / U.S. Dollar	2,211	—

On June 15, 2022, we terminated a €180 million notional value floating-to-fixed interest rate swap agreement with certain financial institutions that was entered into in October 2019 and was to mature in December 2022. During the life of the swap, we paid a fixed interest rate of the applicable margin plus 0.0395% on €180 million of the underlying variable rate term loan. We received the greater of 0.00% or EURIBOR. At termination, we recognized a deferred gain of \$0.4 million that was amortized into interest expense through December 2022.

Derivatives Designated as Hedging Instruments – Net Investment Hedge The €220 million Term Loan discussed in Note 20 – “Long-Term Debt” is designated as a net investment hedge of our Euro functional currency foreign subsidiaries. During 2023, we recognized a pre-tax loss of \$3.7 million and in 2022 a pre-tax gain of \$10.8 million on the remeasurement of the term loan from changes in currency exchange rates. Such amounts are recorded as a component of Other Comprehensive Income (Loss).

On September 6, 2022, we terminated a \$150.0 million cross currency swap agreement with certain financial institutions that was entered into in March 2022 and was to mature in May 2025. Pursuant to the terms of the swap, we had agreed to receive 4.750% interest denominated in U.S. dollars and we agreed to pay 3.06% interest denominated in euros. We designated the cross-currency swap as a hedge of our net investment in certain euro functional currency subsidiaries. We collected cash proceeds of approximately \$15.2 million upon termination. The gain associated with the swap remains in accumulated other comprehensive loss.

Derivatives Not Designated as Hedging Instruments - Foreign Currency Hedges We also enter into forward foreign exchange contracts to mitigate the impact changes in currency exchange rates have on balance sheet monetary assets and liabilities. None of these contracts are designated as hedges for financial accounting purposes and, accordingly, changes in value of the foreign exchange forward contracts and in the offsetting underlying on-balance-sheet transactions are reflected in the accompanying consolidated statements of income (loss) under the caption “Other, net.”

The following sets forth derivatives used to mitigate the impact changes in currency exchange rates have on balance sheet monetary assets and liabilities:

<i>In thousands</i>	December 31,	
	2023	2022
Derivative		
<i>Sell/Buy - sell notional</i>		
U.S. Dollar / British Pound	22,800	28,600
British Pound / Euro	3,500	2,800
U.S. Dollar / Swiss Franc	13,620	—
British Pound / Swiss Franc	2,240	2,535
Euro / Swiss Franc	4,940	—
Euro / U.S. Dollar	11,000	9,630
U.S. Dollar / Philippine Peso	6,700	—
<i>Sell/Buy - buy notional</i>		
Euro / U.S. Dollar	10,200	2,900
British Pound / Euro	6,470	15,950
Swiss Franc / Euro	—	2,250
Swiss Franc / U.S. Dollar	—	930
Chinese Yuan / U.S. Dollar	—	4,400
U.S. Dollar / Canadian Dollar	1,120	—

These contracts have maturities of one month from the date originally entered into.

Fair Value Measurements

The following table summarizes the fair values of derivative instruments as of December 31 for the year indicated and the line items in the accompanying consolidated balance sheets where the instruments are recorded:

<i>In thousands</i>	December 31,		December 31,	
	2023	2022	2023	2022
Balance sheet caption		Prepaid Expenses and Other Current Assets		Other Current Liabilities
Designated as hedging:				
Forward foreign currency exchange contracts	\$ 851	\$ 1,795	\$ 1,653	\$ 2,368
Interest rate swap	—	—	—	—
Not designated as hedging:				
Forward foreign currency exchange contracts	937	797	155	317

The amounts set forth in the table above represent the net asset or liability giving effect to rights of offset with each counterparty.

The following table summarizes the amount of income or loss from derivative instruments recognized in our results of operations for the periods indicated and the line items in the accompanying consolidated statements of income (loss) where the results are recorded:

<i>In thousands</i>	Year ended December 31,		
	2023	2022	2021
Designated as hedging:			
Forward foreign currency exchange contracts:			
Cost of products sold	\$ (1,785)	\$ (7,896)	\$ (382)
Interest expense	—	(335)	85
Not designated as hedging:			
Forward foreign currency exchange contracts:			
Other – net	(1,378)	1,240	2,666

The impact of activity not designated as hedging was substantially all offset by the remeasurement of the underlying on-balance sheet item.

The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described in Note 2 – “Accounting Policies.”

The fair values of the foreign exchange forward contracts are considered to be Level 2. These contracts are valued using foreign currency forward and interest rate curves. The fair value of each contract is determined by comparing the contract rate to the forward rate and discounting to present value. Contracts in a gain position are recorded in the accompanying consolidated balance sheets under the caption “Prepaid expenses and other current assets” and the value of contracts in a loss position is recorded under the caption “Other current liabilities.”

A rollforward of fair value amounts recorded as a component of accumulated other comprehensive income is as follows:

<i>In thousands</i>	2023	2022
Balance at January 1,	\$ 242	\$ 2,889
Deferred gains on cash flow hedges	735	5,584
Reclassified to earnings	(1,785)	(8,231)
Balance at December 31,	\$ (808)	\$ 242

We expect substantially all of the amounts recorded as a component of accumulated other comprehensive income will be realized in results of operations within the next twelve to eighteen months and the amount ultimately recognized will vary depending on actual market rates.

Credit risk related to derivative activity arises in the event a counterparty fails to meet its obligations to us. This exposure is generally limited to the amounts, if any, by which the counterparty’s obligations exceed our obligation to them. Our policy is to enter into contracts only with financial institutions which meet certain minimum credit ratings.

23. SHAREHOLDERS’ EQUITY

The following table summarizes outstanding shares of common stock:

<i>In thousands</i>	Year ended December 31,		
	2023	2022	2021
Shares outstanding at beginning of year	44,794	44,549	44,368
Treasury shares issued for:			
Restricted stock awards and performance share awards	293	245	181
Shares outstanding at end of year	45,087	44,794	44,549

24. COMMITMENTS, CONTINGENCIES AND LEGAL PROCEEDINGS

Contractual Commitments The following table summarizes the minimum annual payments due on noncancellable operating leases and other similar contractual obligations having initial or remaining terms in excess of one year:

<i>In thousands</i>	Leases		Other
2024	\$ 5,671	\$ 14,446	
2025	4,693	—	
2026	2,775	—	
2027	2,295	—	
2028	1,694	—	
Thereafter	18,542	—	

Other contractual obligations primarily represent unconditional purchase obligations under energy supply contracts. At December 31, 2023, required minimum annual payments due under operating leases and other similar contractual obligations aggregated \$35.7 million and \$14.4 million, respectively.

Fox River - Neenah, Wisconsin

Background We have previously reported that we face liabilities associated with environmental claims arising out of the presence of polychlorinated biphenyls (“PCBs”) in sediments in the lower Fox River, on which our former Neenah facility was located, and in the Bay of Green Bay, Wisconsin (collectively, the “Site”). Since the early 1990s, the United States, the State of Wisconsin and two Indian tribes (collectively, the “Governments”) have pursued a cleanup of a 39-mile

stretch of river from Little Lake Butte des Morts into Green Bay and natural resource damages (“NRDs”). The United States originally notified several entities that they were potentially responsible parties (“PRPs”); however, after giving effect to settlements reached with the Governments, the remaining PRPs exposed to continuing obligations to implement the remainder of the cleanup consist of us, Georgia-Pacific Consumer Products, L.P. (“Georgia-Pacific”) and NCR Corporation. The United States Environmental Protection Agency (“EPA”) has divided the Site into five “operable units,” including the most upstream portion of the Site on which our facility was located (“OU1”) and four downstream reaches of the river and bay (“OU2-5”).

Over the past several years, we and certain other PRPs completed all remedial actions pursuant to applicable consent decrees or a Unilateral Administrative Order. In January 2019, we reached an agreement with the United States, the State of Wisconsin, and Georgia-Pacific to resolve all remaining claims among those parties. Under the Glatfelter consent decree, we are primarily responsible for long-term monitoring and maintenance in OU2-OU4a and for reimbursement of government oversight costs paid after October 2018. Finally, we remain responsible for our obligation to continue long-term monitoring and maintenance under our OU1 consent decree.

Cost estimates Our remaining obligations under the OU1 consent decree consist of long-term monitoring and maintenance. Furthermore, we are primarily responsible for long-term monitoring and maintenance in OU2-OU4a over a period of at least 30 years. The monitoring activities consist of, among others, testing fish tissue, sampling water quality and sediment, and inspections of the engineered caps. In 2018, we entered into a fixed-price, 30-year agreement with a third party for the performance of all of our monitoring and maintenance obligations in OU1 through OU4a with limited exceptions, such as, for extraordinary amounts of cap maintenance or replacement. Our obligation under this agreement is included in our total reserve for the Site. We are obligated to make the regular payments under that fixed-price contract until the remaining amount due is less than the OU1 escrow account balance. We are permitted to pay for this contract using the remaining balance of the escrow account established by us and WTM I Company (“WTM I”) another PRP, under the OU1 consent decree during any period that the balance in the escrow account exceeds the amount due under our fixed-price contract. As of December 31, 2023, the escrow account balance, which is included in the consolidated balance sheet under the caption “Other assets” totaled \$9.0 million which is less than amounts due under the fixed-price contract by approximately \$0.9 million. Our obligation to pay this difference is secured by a letter of credit.

Under the consent decree, we are responsible for reimbursement of government oversight costs paid from October 2018 and later over approximately the next 30 years.

Reserves for the Site Our reserve for past and future government oversight costs and long-term monitoring is set forth below:

<i>In thousands</i>	Year ended December 31,	
	2023	2022
Balance at January 1,	\$ 14,547	\$ 16,200
Payments	(1,049)	(1,848)
Accretion	199	195
Balance at December 31,	\$ 13,697	\$ 14,547

The payments set forth above represent payments for government oversight costs for amounts due under the long-term monitoring and maintenance agreement. Of our total reserve for the Fox River, \$2.0 million is recorded in the accompanying December 31, 2023, consolidated balance sheet under the caption “Environmental liabilities” and the remaining \$11.7 million is recorded under the caption “Other long-term liabilities.”

Range of Reasonably Possible Outcomes. Based on our analysis of all available information, including but not limited to decisions of the courts, official documents such as records of decision, discussions with legal counsel, cost estimates for future monitoring and maintenance and other post-remediation costs to be performed at the Site, we do not believe that our costs associated with the Fox River matter could exceed the aggregate amounts accrued by a material amount.

On February 9, 2024, the Wisconsin Department of Natural Resources (“WDNR”) confirmed final completion of remediation activities for OU1 and OU2-5 of the lower Fox River and Bay of Green Bay. However, as indicated above, we are still responsible for continuing obligations to include government oversight costs and long-term monitoring.

25. SEGMENT AND GEOGRAPHIC INFORMATION

The following table sets forth net sales, profitability and other information by segment:

<i>In thousands, except per share</i>	Year ended December 31,		
	2023	2022	2021
Net Sales			
Airlaid Material	\$ 586,480	\$ 601,514	\$ 470,250
Composite Fibers	483,517	523,863	556,807
Spunlace	317,916	365,949	57,637
Inter-segment sales elimination	(2,397)	—	—
Total	<u>\$ 1,385,516</u>	<u>\$ 1,491,326</u>	<u>\$ 1,084,694</u>
Operating income (loss)			
Airlaid Material	\$ 43,207	\$ 54,809	\$ 42,244
Composite Fibers	21,347	16,923	37,422
Spunlace	(2,068)	(9,289)	(1,338)
Other and unallocated	(59,774)	(226,394)	(49,714)
Total	<u>\$ 2,712</u>	<u>\$ (163,951)</u>	<u>\$ 28,614</u>
Depreciation and amortization			
Airlaid Material	\$ 30,464	\$ 30,114	\$ 28,101
Composite Fibers	15,665	19,632	27,690
Spunlace	13,245	11,850	1,693
Other and unallocated	3,873	5,128	3,937
Total	<u>\$ 63,247</u>	<u>\$ 66,724</u>	<u>\$ 61,421</u>
Capital expenditures			
Airlaid Material	\$ 9,885	\$ 9,691	\$ 8,431
Composite Fibers	12,286	15,730	11,912
Spunlace	9,047	6,689	3,810
Other and unallocated	2,552	5,630	5,884
Total	<u>\$ 33,770</u>	<u>\$ 37,740</u>	<u>\$ 30,037</u>
Tons shipped (metric)			
Airlaid Material	156,442	164,844	148,134
Composite Fibers	94,742	103,092	132,196
Spunlace	61,618	72,725	12,514
Inter-segment sales elimination	(1,258)	—	—
Total	<u>311,544</u>	<u>340,661</u>	<u>292,844</u>
Plant, equipment and timberlands, net			
Airlaid Material	\$ 335,456	\$ 347,142	\$ 371,324
Composite Fibers	146,022	145,959	202,445
Spunlace	160,294	159,648	161,478
Other and unallocated	21,144	23,062	23,565
Total	<u>\$ 662,916</u>	<u>\$ 675,811</u>	<u>\$ 758,812</u>

Results of individual operating segments are presented based on our management accounting practices and management structure. There is no comprehensive, authoritative body of guidance for management accounting equivalent to accounting principles generally accepted in the United States of America; therefore, the financial results of individual segments are not necessarily comparable with similar information for any other company. The management accounting

process uses assumptions and allocations to measure performance of the operating segments. Methodologies are refined from time to time as management accounting practices are enhanced and businesses change. The costs incurred by support areas not directly aligned with the operating segments are allocated primarily based on an estimated utilization of support area services.

Management evaluates results of operations of the operating segments before pension expense, certain corporate level costs, and the effects of certain gains or losses not considered to be related to the core business operations. Management believes that this is a more meaningful representation of the operating performance of its core businesses, the profitability of segments and the extent of cash flow generated from these core operations. Such amounts are presented under the caption "Other and Unallocated." In the evaluation of operating segment results, management does not use any measures of total assets. This presentation is aligned with the management and operating structure of our company. It is also on this basis that the Company's performance is evaluated internally and by the Company's Board of Directors.

Our Airlaid Materials segment is a leading global supplier of highly absorbent cellulose-based airlaid nonwoven materials used in the following categories:

- Feminine hygiene and other hygiene applications;
- Specialty wipes;
- Tabletop;
- Adult incontinence;
- Home care;
- Food pads; and
- Other consumer and industrial products.

The Composite Fibers segment serves customers globally and focuses on higher value-added products in the following categories:

- Food & beverage;
- Technical specialties;
- Wallcovering;
- Composite laminates; and
- Metallized products.

The Spunlace segment is a global leading specialist manufacturer of premium quality spunlace nonwovens for critical cleaning, high-performance materials, personal care, hygiene and medical applications. The categories served by Spunlace include:

- Consumer wipes;
- Critical cleaning;
- Health care;
- Hygiene;
- High performance; and
- Beauty care.

Disaggregated net sales by categories and geographic region for the segments is presented in Item 8 Financial Statements and Supplementary Data, Note 8 – "Revenue."

In 2023, 2022 and 2021, approximately 16%, 15% and 16%, respectively, of our consolidated net sales were from sales to Procter & Gamble Company, a customer in the Airlaid Materials and Spunlace segments.

Our net sales to external customers and location of net plant, equipment and timberlands are summarized below. Net sales are attributed to countries based upon origin of shipment.

<i>In thousands</i>	2023		2022		2021	
	Net sales	Plant, Equipment and Timberlands – Net	Net sales	Plant, Equipment and Timberlands – Net	Net sales	Plant, Equipment and Timberlands – Net
United States	\$ 497,370	\$ 304,895	\$ 508,679	\$ 317,191	\$ 255,086	\$ 326,668
Germany	531,241	197,267	537,363	194,586	513,043	251,375
United Kingdom	79,640	42,198	74,487	43,015	82,144	50,420
Canada	133,793	57,408	146,393	61,516	120,808	65,291
Other	143,472	61,148	224,404	59,503	113,613	65,057
Total	\$ 1,385,516	\$ 662,916	\$ 1,491,326	\$ 675,811	\$ 1,084,694	\$ 758,812

26. SUBSEQUENT EVENT

On February 6, 2024, we entered into certain definitive agreements with Berry Global Group, Inc. (“Berry”) for Berry to spin-off and merge the majority of its Health, Hygiene and Specialties segment including its Global Nonwovens and Films business (“HHNF”) with Glatfelter (the “Merger”). The board of directors of both Berry and Glatfelter have unanimously approved the Merger. The Merger is expected to occur through a series of transactions, including a Reverse Morris Trust transaction such that HHNF will become a wholly owned subsidiary of Glatfelter. Upon completion of the Merger, Berry shareholders will hold 90% of the outstanding shares of Glatfelter and Glatfelter shareholders will continue to hold 10% of the outstanding shares of Glatfelter. The combined company’s Board of Directors will include 6 members chosen by Berry and 3 chosen from Glatfelter’s existing Board of Directors, with Curt Begle, the current president of the Health, Hygiene & Specialties Division of Berry becoming the Chief Executive Officer. The transaction is expected to close in the second half of 2024, subject to Glatfelter shareholder approval and customary closing conditions and regulatory approvals. Prior to the completion of the Merger, Glatfelter and HHNF will continue to operate as independent companies.

On February 6, 2024, our Board of Directors, following approval by the Compensation Committee, approved a cash retention program with respect to the Merger for our executive officers and other key employees. The total amount of cash retention bonuses to be paid is \$6.0 million, half of which will be paid at closing of the Merger and the remainder six months after close.

ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our chief executive officer and our chief financial officer have, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), as of December 31, 2023, concluded that, as of the evaluation date, our disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

Management's report on the Company's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) and the related report of our independent registered public accounting firm are included in Item 8 – Financial Statements and Supplementary Data.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended December 31, 2023 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 9B OTHER INFORMATION

During the year ended December 31, 2023, none of the Company's directors or "officers," as defined in Rule 16a-1(f) of the Exchange Act, adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

In 2023, a new Form of Change in Control Employment Agreement (the "2023 CIC Agreement") was entered into between Glatfelter Corporation and certain employees (form effective as of July 1, 2023). The terms and conditions of the 2023 CIC Agreement and potential payments in the event of a CIC are described in detail in the definitive proxy statement filed by the Company with the Securities and Exchange Commission on March 31, 2023, in the "Potential Payments upon Termination or Change in Control" section beginning on page 78. This description of the terms and conditions of the 2023 CIC Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the 2023 CIC Agreement, which was Exhibit 10.1 in our Form 10-Q filed November 2, 2023.

ITEM 9C DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10 DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors The information with respect to directors required under this Item is incorporated herein by reference to our Proxy Statement, to be dated on or about April 1, 2024. Our board of directors has determined that, based on the relevant experience of the members of the Audit Committee, two of the three members are *audit committee financial experts* as this term is set forth in the applicable regulations of the SEC.

Executive Officers of the Registrant The information with respect to the executive officers required under this Item is incorporated herein by reference to "Executive Officers" as set forth in Part I, page 12 of this report.

We have adopted a Code of Business Ethics for the CEO and Senior Financial Officers (the "Code of Business Ethics") in compliance with applicable rules of the Securities and Exchange Commission that applies to our chief executive officer, chief financial officer and our principal accounting officer or controller, or persons performing similar functions. A copy of the Code of Business Ethics is filed as an exhibit to this Annual Report on Form 10-K and is available on our website, free of charge, at www.glatfelter.com.

ITEM 11 EXECUTIVE COMPENSATION

The information required under this Item is incorporated herein by reference to our Proxy Statement, to be dated on or about April 1, 2024.

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required under this Item is incorporated herein by reference to our Proxy Statement, to be dated on or about April 1, 2024.

ITEM 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required under this Item is incorporated herein by reference to our Proxy Statement, to be dated on or about April 1, 2024.

ITEM 14 PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required under this Item is incorporated herein by reference to our Proxy Statement, to be dated on or about April 1, 2024.

Our Chief Executive Officer has certified to the New York Stock Exchange that he is not aware of any violations by the Company of the NYSE corporate governance listing standards.

PART IV

ITEM 15 EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)	1.	Our Consolidated Financial Statements as follows are included in Part II, Item 8:
	i.	Consolidated Statements of Income (Loss) for the years ended December 31, 2023, 2022 and 2021
	ii.	Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2023, 2022 and 2021
	iii.	Consolidated Balance Sheets as of December 31, 2023 and 2022
	iv.	Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021
	v.	Consolidated Statements of Shareholders' Equity for the years ended December 31, 2023, 2022 and 2021
	vi.	Notes to Consolidated Financial Statements
(a)	2.	Financial Statement Schedules (Consolidated) included in Part IV:
	i.	Schedule II -Valuation and Qualifying Accounts - for years ended December 31, 2023, 2022 and 2021
(a)	3.	Exhibits
		See Index to Exhibits

ITEM 16 FORM 10-K SUMMARY

None

Index to Exhibits Item 15(a)(3)

Exhibit Number	Description of Documents	Exhibit	Incorporated by Reference to Filing
2.1	Share Purchase Agreement, dated July 22, 2021, by and among Glatfelter Corporation, PHG Tea Leaves, Inc., Ammon Ammon AG and the ultimate owners of Ammon Ammon AG ‡	2.1	Form 8-K filed July 23, 2021
2.2	Share Purchase Agreement, dated January 5, 2021, by and between GPPC Equity Holdings LLC and Glatfelter Corporation †	2.3	Form 10-K filed Feb. 25, 2021
3.1	Glatfelter Corporation Amended and Restated Articles of Incorporation	3.2	Form 8-K filed November 18, 2022
3.2	Glatfelter Corporation Amended and Restated By-Laws (Amended and Restated as of December 2, 2022)	3.1	Form 8-K/A filed December 6, 2022
3.3	Glatfelter Corporation Amended and Restated By-Laws (Amended and Restated as of April 5, 2023)	3.1	Form 10-Q filed May 4, 2023
4.1	Indenture, dated as of October 25, 2021, among Glatfelter Corporation, the subsidiaries of Glatfelter Corporation party thereto and Wilmington Trust, National Association, as trustee.	4.1	Form 8-K filed Oct. 25, 2021
4.2	Supplemental Indenture, dated as of October 25, 2021, among Glatfelter Corporation, the subsidiaries of Glatfelter Corporation party thereto and Wilmington Trust, National Association, as trustee.	4.2	Form 8-K filed Oct. 25, 2021
4.3	Form of 4.750% Senior Note due 2029 (included as Exhibit A to the Supplemental Indenture filed as Exhibit 4.2).	4.2	Form 8-K filed Oct. 25, 2021
4.4	Description of securities	4.1	Form 10-K filed Feb. 27, 2023
10.1	Amended and Restated 2022 Long-Term Incentive Plan**	10.1	Form 10-Q filed August 3, 2023
10.2	Form of Restricted Stock Unit Award Certificate (form effective as of May 5, 2023)**	10.3	Form 10-Q filed August 3, 2023
10.3	Form of Performance Share Award Certificate (form effective as of May 5, 2023)**	10.4	Form 10-Q filed August 3, 2023
10.4	Form of Non-Employee Director Restricted Stock Unit Award Certificate (form effective as of May 5, 2023)**	10.5	Form 10-Q filed August 3, 2023
10.5	Form of Performance Share Award Certificate for CEO (form effective as of May 5, 2022)	10.6	Form 10-Q filed August 2, 2022
10.6	Fourth Restatement Agreement, dated September 2, 2021, by and among Glatfelter Corporation, PNC Bank National Association, and the other lenders party thereto (the Fourth Amended and Restated Credit Agreement is appended as Exhibit A to the Fourth Restatement Agreement).	10.1	Form 8-K filed Sep. 2, 2021

10.7	Commitment Letter for Term Loan with Angelo, Gordon & Co., L.P.	10.1	Ex. 10.1 to Form 8-K filed February 21, 2023
10.8	Term Loan Credit Agreement with Angelo, Gordon & Co., L.P.	10.2	Ex. 10.2 to Form 8-K filed March 31, 2023
10.9	Second Amendment to Fourth Amended and Restated Credit Agreement	10.1	Ex. 10.1 to Form 8-K filed March 31, 2023
10.10	First Amendment to Fourth Amended and Restated Credit Agreement	10.1	Form 8-K filed May 10, 2022
10.11	Loan Agreement, dated April 11, 2013, by and among Glatfelter Gernsbach GmbH & Co. KG. and IKB Deutsche Industriebank AG, Düsseldorf.	10.1	Form 10-Q filed May 9, 2013
10.12	Guaranty, dated April 17, 2013, executed by the P. H. Glatfelter Company (as Guarantor) in favor of IKB Deutsche Industriebank AG.	10.2	Form 10-Q filed May 9, 2013
10.13	P. H. Glatfelter Company Amended and Restated 2005 Management Incentive Plan, effective January 1, 2015. **	10.1	Form 8-K filed May 8, 2015
10.14	P. H. Glatfelter Company Supplemental Long Term Disability Plan, dated February 25, 2014, between P. H. Glatfelter Company and certain employees. **	10.1	Form 10-Q filed May 2, 2014
10.15	P. H. Glatfelter Company Supplemental Management Pension Plan (amended and restated effective January 1, 2008). **	10(d)	Form 10-K filed Mar. 8, 2013
10.16	P. H. Glatfelter Company Supplemental Executive Retirement Plan (Amended and Restated). **	10.1	Form 10-Q filed Jul. 30, 2019
10.17	Amendment No. 2019-1 to the P. H. Glatfelter Company Supplemental Management Pension Plan. **	10.2	Form 10-Q filed Jul. 30, 2019
10.18	Glatfelter Switzerland Särl Retirement Pension Plan for management employees. **	10.12	Form 10-K filed Feb. 26, 2020
10.19	Form of Stock-Only Stock Appreciation Right Award Certificate (form effective February 26, 2014). **	10.3	Form 10-Q filed May 2, 2014
10.20	Offer Letter to Boris Illetschko as Chief Operating Officer	10.4	Form 10-Q filed May 4, 2023
10.21	Form of Change in Control Employment Agreement by and between Glatfelter Corporation and certain employees (form effective as of July 1, 2023). **	10.1	Form 10-Q filed November 2, 2023
10.22	Schedule of Change in Control Employment Agreements. **		
10.23	Summary of Non-Employee Director Compensation, effective January 1, 2020. **	10.25	Form 10-K filed Feb. 26, 2020
10.24	P. H. Glatfelter Company Deferred Compensation Plan for Directors, effective as of January 1, 2007. **	10(k)	Form 10-K filed Mar. 8, 2013
10.25	Form of Director's and Officer's Indemnification Agreement. **	10.1	Form 8-K filed Dec. 19, 2017
10.26	Guidelines for Executive Severance. **	10.2	Form 8-K filed Jul. 6, 2010
10.27	Consent Decree between P. H. Glatfelter Company, Georgia-Pacific Consumer Products LP, the United States of America and the State of Wisconsin, dated March 14, 2019.	10.2	Form 10-Q filed Apr. 30, 2019
14.1	Code of Business Ethics for the CEO and Senior Financial Officers of Glatfelter.	14.1	Form 10-K filed Feb. 25, 2022
21.1	Subsidiaries of Glatfelter Corporation, filed herewith.		
23.1	Consent of Independent Registered Public Accounting Firm, filed herewith.		
31.1	Certification of Thomas M. Fahnemann, President and Chief Executive Officer of Glatfelter, pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002, filed herewith.		
31.2	Certification of Ramesh Shettigar, Senior Vice President, Chief Financial Officer and Treasurer of Glatfelter, pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002, filed herewith.		
32.1	Certification of Thomas M. Fahnemann, President and Chief Executive Officer of Glatfelter, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, furnished herewith.		
32.2	Certification of Ramesh Shettigar, Senior Vice President, Chief Financial Officer and Treasurer of Glatfelter, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, furnished herewith.		
97.1	Dodd-Frank Compensation Recoupment Policy of Glatfelter Corporation, filed herewith.		
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data file because its iXBRL tags are embedded within the Inline XBRL document.		
101.SCH	Inline XBRL Taxonomy Extension Schema Document.		
101.CAL	Inline XBRL Extension Calculation Linkbase Document.		

101.DEF Inline XBRL Extension Definition Linkbase Document.

101.LAB Inline XBRL Extension Label Linkbase Document.

101.PRE Inline XBRL Extension Presentation Linkbase Document.

104 Cover Page Interactive Data File (formatted as an inline XBRL and contained in Exhibit 101).

‡ Certain schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Glatfelter Corporation agrees to furnish supplementally a copy of such schedules, or any section thereof, to the SEC upon request.

† Portions of this exhibit and the exhibits and schedules thereto, marked by brackets, have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

** Management contract or compensatory plan

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GLATFELTER CORPORATION
(Registrant)

February 28, 2024

By /s/ Thomas M. Fahnemann
Thomas M. Fahnemann
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated:

<u>Date</u>	<u>Signature</u>	<u>Capacity</u>
February 28, 2024	<u>/s/ Thomas M. Fahnemann</u> Thomas M. Fahnemann President and Chief Executive Officer	Principal Executive Officer and Director
February 28, 2024	<u>/s/ Ramesh Shettigar</u> Ramesh Shettigar Senior Vice President, Chief Financial Officer and Treasurer	Principal Financial Officer
February 28, 2024	<u>/s/ David C. Elder</u> David C. Elder Vice President, Strategic Initiatives, Business Optimization, and Chief Accounting Officer	Principal Accounting Officer
February 28, 2024	<u>/s/ Kevin M. Fogarty</u> Kevin M. Fogarty	Non-Executive Board Chair
February 28, 2024	<u>/s/ Bruce Brown</u> Bruce Brown	Director
February 28, 2024	<u>/s/ Kathleen A. Dahlberg</u> Kathleen A. Dahlberg	Director
February 28, 2024	<u>/s/ Marie T. Gallagher</u> Marie T. Gallagher	Director
February 28, 2024	<u>/s/ Darrel Hackett</u> Darrel Hackett	Director
February 28, 2024	<u>/s/ J. Robert Hall</u> J. Robert Hall	Director

GLATFELTER CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL FINANCIAL STATEMENT SCHEDULE

For each of the three years ended December 31, 2023

Valuation and Qualifying Accounts

<i>In thousands</i>	Allowance for					
	Doubtful Accounts			Sales Discounts and Deductions		
	2023	2022	2021	2023	2022	2021
Balance, beginning of year	\$ 5,025	\$ 2,731	\$ 2,093	\$ 1,914	\$ 825	\$ 791
Provision	132	3,044	469	5,633	3,077	1,649
Write-offs, recoveries and discounts allowed	(2,703)	(102)	(10)	(5,852)	(1,610)	(1,493)
Other ⁽¹⁾	184	(648)	179	77	(377)	(122)
Balance, end of year	<u>\$ 2,638</u>	<u>\$ 5,025</u>	<u>\$ 2,731</u>	<u>\$ 1,772</u>	<u>\$ 1,914</u>	<u>\$ 825</u>

The provision for doubtful accounts is included in selling, general and administrative expense and the provision for sales discounts and deductions is deducted from sales. The related allowances are deducted from accounts receivable.

(1) Relates primarily to changes in currency exchange rates.

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COMPANY OFFICERS AND DIRECTORS

Officers

Thomas M. Fahnemann

President & Chief Executive Officer

Boris Illetschko

Senior Vice President,
Chief Operating Officer

Eileen L. Beck

Senior Vice President, Global Human
Resources & Administration

Ramesh Shettigar

Senior Vice President, Chief Financial
Officer & Treasurer

David C. Elder

Vice President, Strategic Initiatives,
Business Optimization & Chief
Accounting Officer

Jill L. Urey

Vice President, General Counsel &
Compliance

Directors

Kevin M. Fogarty

Non-Executive Board Chair
Retired President, Chief Executive
Officer & Director Kraton Corporation

Bruce Brown

Retired Chief Technology Officer
Procter & Gamble Inc.

Kathleen A. Dahlberg

Chief Executive Officer
G.G.I., Inc.

Thomas M. Fahnemann

President & Chief Executive Officer-
Glatfelter

Marie T. Gallagher

Senior Vice President & Controller
PepsiCo, Inc.

Darrel Hackett

U.S. Chief Executive Officer
BMO Financial Group

J. Robert Hall

Chief Executive Officer
Ole Smoky Distillery, LLC

CORPORATE INFORMATION

Stock Exchange and Symbol

New York Stock Exchange GLT

Annual Meeting of Shareholders

May 10, 2024, 8:00 a.m. ET

Virtual Meeting

www.virtualshareholdermeeting.com/GLT2024

Transfer Agent, Dividend Disbursing Agent and Registrar

*Correspondence should be
mailed to:*

Computershare

P.O. Box 43006

Providence, RI 02940-3006

*Overnight correspondence
should be sent to:*

Computershare

150 Royall Street, Suite 101

Canton, MA 02021

Shareholder website

www.computershare.com/investor

toll-free: 877-832-7259

international: +1 201-680-6578

Information Sources

For the latest quarterly business results or other information, visit www.glatfelter.com or contact:

Investor Relations

Glatfelter Corporation

4350 Congress Street, Suite 600

Charlotte, NC 28209

717-225-2746

ir@glatfelter.com

LOCATIONS

Global Centers

Headquarters

Charlotte, NC U.S.A.

Integrated Global Supply Chain Center of Excellence

Zug, Switzerland

Manufacturing Locations

North America

Asheville, NC U.S.A. *

Fort Smith, AR U.S.A. *

Gatineau, QC Canada *

Mount Holly, NC U.S.A.

Old Hickory, TN U.S.A.

Europe

Asturias, Spain

Caerphilly, Wales *

Dresden, Germany *

Falkenhagen, Germany *

Gernsbach, Germany *

Lydney, England *

Scaer, France *

Soultz, France

Steinfurt, Germany *

Sales & Distribution Offices

North America

Buford, GA U.S.A

Mexico City, Mexico

South America

Buenos Aires, Argentina

Europe/Asia

Kuala Lumpur, Malaysia

Milan, Italy

Seoul, South Korea

Shanghai, Peoples Republic of China

Tokyo, Japan

Specialty Fiber Site

Lanao del Norte, Philippines

* Also a Sales and Distribution Office



WWW.GLATFELTER.COM