

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form 10-Q**

(Mark One)

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

For the quarterly period ended March 31, 2024

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-34146



**CLEARWATER PAPER CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware** **20-3594554**  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

**601 West Riverside, Suite 1100**  
**Spokane, WA** **99201**  
(Address of principal executive offices) (Zip Code)

**(509) 344-5900**  
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	CLW	New York Stock Exchange

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 (section 232.405 of this chapter) 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

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

The number of shares of common stock of the registrant outstanding as of April 26, 2024 was 16,678,493.

## FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this report contains, in addition to historical information, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our pending acquisition of a paperboard manufacturing facility and associated business; accounting standards; our operations and expectations; current and anticipated borrowing and credit facilities; cash flows; capital expenditures; disclosure controls; compliance with our loan and financing agreements; tax rates; debt repayments; operating costs; selling, general and administrative expenses; liquidity; benefit plan funding levels; stockholder equity; interest expenses; and legal proceedings. Words such as “anticipate,” “expect,” “intend,” “plan,” “target,” “project,” “believe,” “schedule,” “estimate,” “may,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are based on management’s current expectations, estimates, assumptions and projections that are subject to change. Our actual results of operations may differ materially from those expressed or implied by the forward-looking statements contained in this report. Important factors that could cause or contribute to such differences in operating results include those risks discussed in Item 1A “Risk Factors” in our 2023 Form 10-K, as well as the following:

- the expansion of our business through the acquisition of a paperboard manufacturing facility and associated business may not be completed or proceed as anticipated;
  - our inability to realize the expected benefits of the acquisition because of integration difficulties or other challenges;
  - competitive pricing pressures for our products, including as a result of capacity additions, demand reduction and the impact of foreign currency fluctuations on the pricing of products globally;
  - changes in the United States and international economies and in general economic conditions in the regions and industries in which we operate;
  - cyclical industry conditions;
  - manufacturing or operating disruptions, including equipment malfunctions and damage to our manufacturing facilities;
  - the loss of, changes in prices in regard to, or reduction in, orders from a significant customer;
  - changes in the cost and availability of wood fiber and wood pulp;
  - changes in energy, chemicals, packaging and freight costs and disruptions in transportation services impacting our ability to receive inputs or ship products to customers;
  - reliance on a limited number of third-party suppliers, vendors and service providers required for the production of our products and our operations;
  - changes in customer product preferences and competitors' product offerings;
  - labor disruptions;
  - cyber-security risks;
  - larger competitors having operational, financial and other advantages;
  - consolidation and vertical integration of converting operations in the paperboard industry;
  - our ability to execute on our growth and expansion strategies and other strategic initiatives;
  - our ability to successfully execute capital projects and other activities to operate our assets, including effective maintenance, implement our operational efficiencies and realize higher throughput or lower costs;
  - IT system disruptions and IT system implementation failures;
  - changes in expenses, required contributions and potential withdrawal costs associated with our pension plans;
  - environmental liabilities or expenditures and climate change;
  - our ability to attract, motivate, train and retain qualified and key personnel;
  - our ability to service our debt obligations and restrictions on our business from debt covenants and terms;
  - changes in our banking relations, or in our customer supply chain financing;
  - negative changes in our credit agency ratings; and
  - changes in laws, regulations or industry standards affecting our business.
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Forward-looking statements contained in this report present management’s views only as of the date of this report. Except as required under applicable law, we do not intend to issue updates concerning any future revisions of management’s views to reflect events or circumstances occurring after the date of this report. You are advised, however, to consult any further disclosures we make on related subjects in our quarterly reports on Form 10-Q and current reports on Form 8-K filed with the Securities and Exchange Commission, or SEC.

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**Part I: Financial Information****ITEM 1. Consolidated Financial Statements****CLEARWATER PAPER CORPORATION**  
**Consolidated Balance Sheets****(Unaudited)****(In millions, except share data)**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 55.2	\$ 42.0
Receivables, net of allowance for current expected credit losses	173.1	184.5
Inventories, net	327.8	319.8
Other current assets	20.2	17.9
<b>Total current assets</b>	<b>576.2</b>	<b>564.1</b>
Property, plant and equipment, net	983.1	990.1
Other assets, net	120.4	117.6
<b>Total assets</b>	<b>\$ 1,679.7</b>	<b>\$ 1,671.8</b>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	\$ 0.9	\$ 0.8
Accounts payable and accrued liabilities	300.6	285.1
<b>Total current liabilities</b>	<b>301.4</b>	<b>286.0</b>
Long-term debt	442.3	462.3
Liability for pension and other postretirement employee benefits	55.1	55.7
Deferred tax liabilities and other long-term obligations	196.3	199.1
<b>Total liabilities</b>	<b>995.2</b>	<b>1,003.0</b>
<b>Stockholders' equity:</b>		
Preferred stock, par value \$0.0001 per share, 5,000,000 authorized shares, no shares issued	—	—
Common stock, par value \$0.0001 per share, 100,000,000 authorized shares, 16,646,958 and 16,484,550 shares issued	—	—
Additional paid-in capital	13.5	14.9
Retained earnings	701.7	684.5
Accumulated other comprehensive loss, net of tax	(30.7)	(30.7)
<b>Total stockholders' equity</b>	<b>684.5</b>	<b>668.8</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,679.7</b>	<b>\$ 1,671.8</b>

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

**CLEARWATER PAPER CORPORATION**  
**Consolidated Statements of Operations**  
(Unaudited)

(In millions, except per-share data)	Quarter Ended March 31,	
	2024	2023
Net sales	\$ 496.2	\$ 525.4
Costs and expenses:		
Cost of sales	421.6	448.5
Selling, general and administrative expenses	36.2	36.0
Other operating charges, net	7.9	1.1
Total operating costs and expenses	465.8	485.6
Income from operations	30.4	39.8
Interest expense, net	(6.5)	(7.6)
Other non-operating income	0.3	0.1
Total non-operating expense	(6.2)	(7.5)
Income before income taxes	24.2	32.3
Income tax provision	7.0	8.4
Net income	\$ 17.2	\$ 23.8
Net income per common share:		
Basic	\$ 1.03	\$ 1.42
Diluted	1.02	1.40
Average shares of common stock used to compute net income per share: (in thousands)		
Basic	16,607	16,834
Diluted	16,895	17,036

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

**CLEARWATER PAPER CORPORATION**  
**Consolidated Statements of Comprehensive Income**  
(Unaudited)

(In millions)	Quarter Ended March 31,	
	2024	2023
Net income	\$ 17.2	\$ 23.8
Other comprehensive loss:		
Defined benefit pension and other postretirement employee benefits:		
Amortization of actuarial gain included in net periodic cost, net of tax	—	(0.1)
Other comprehensive loss, net of tax	—	(0.1)
Comprehensive income	\$ 17.2	\$ 23.8

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

# CLEARWATER PAPER CORPORATION

## Consolidated Statements of Cash Flows

(unaudited) (In millions)	Quarter Ended March 31,	
	2024	2023
<b>Operating activities</b>		
Net income	\$ 17.2	\$ 23.8
Adjustments to reconcile net income to net cash flows provided by (used in) operating activities:		
Depreciation and amortization	23.2	24.8
Equity-based compensation expense	3.3	1.9
Deferred taxes	(1.6)	(1.3)
Defined benefit pension and other postretirement employee benefits	(0.9)	(0.5)
Loss on sale or impairment associated with assets	0.2	1.1
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	7.8	(6.4)
(Increase) decrease in inventories	(8.2)	(22.3)
(Increase) decrease in other current assets	(2.3)	0.4
Increase (decrease) in accounts payable and accrued liabilities	20.5	(31.7)
Other, net	0.1	1.0
Net cash flows provided by (used in) operating activities	59.2	(9.1)
<b>Investing activities</b>		
Additions to property, plant and equipment, net <sup>1</sup>	(18.5)	(21.5)
Net cash flows used in investing activities	(18.5)	(21.5)
<b>Financing activities</b>		
Borrowings on long-term debt	—	12.0
Repayments of long-term debt	(23.5)	(12.2)
Taxes paid related to net share settlement of equity awards	(3.1)	(4.2)
Repurchases of common stock	(0.5)	(1.7)
Other, net	(0.4)	(0.1)
Net cash flows used in financing activities	(27.6)	(6.3)
Increase (decrease) in cash, cash equivalents and restricted cash	13.2	(37.0)
Cash, cash equivalents and restricted cash at beginning of period	42.0	54.4
Cash, cash equivalents and restricted cash at end of period	\$ 55.2	\$ 17.4
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for interest, net of amounts capitalized	\$ 9.9	\$ 14.6
<b>Cash, cash equivalents, and restricted cash</b>		
Cash and cash equivalents	\$ 55.2	\$ 16.7
Restricted cash included in other current assets, net	—	0.7
Total cash, cash equivalents and restricted cash	\$ 55.2	\$ 17.4

<sup>1</sup> Capital expenditures of \$10.3 million and \$7.0 million that have not been paid as of March 31, 2024 and 2023 were excluded from the Statements of Cash Flows.

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

# CLEARWATER PAPER CORPORATION

## Consolidated Statements of Stockholders' Equity

(Unaudited)

(In millions, except share amounts which are in thousands)	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2022	16,762	\$ —	\$ 28.5	\$ 576.8	\$ (33.3)	\$ 572.1
Net income	—	—	—	23.8	—	23.8
Stock-based compensation expense	—	—	2.2	—	—	2.2
Issuance of shares under stock plans, net	242	—	(4.2)	—	—	(4.2)
Pension and other postretirement employee benefits, net of tax of immaterial tax	—	—	—	—	(0.1)	(0.1)
Repurchases of common stock	(51)	—	(1.7)	—	—	(1.7)
Balance at March 31, 2023	16,953	\$ —	\$ 24.7	\$ 600.6	\$ (33.4)	\$ 592.0

(In millions, except share amounts which are in thousands)	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2023	16,485	\$ —	\$ 14.9	\$ 684.5	\$ (30.7)	\$ 668.8
Net income	—	—	—	17.2	—	17.2
Stock-based compensation expense	—	—	2.2	—	—	2.2
Issuance of shares under stock plans, net	175	—	(3.1)	—	—	(3.1)
Repurchases of common stock	(13)	—	(0.5)	—	—	(0.5)
Balance at March 31, 2024	16,647	\$ —	\$ 13.5	\$ 701.7	\$ (30.7)	\$ 684.5

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

**Clearwater Paper Corporation**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

**Note 1 Basis of Presentation**

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments) necessary to present fairly, in all material respects, the consolidated financial position, results of operations, stockholders' equity and cash flows for us and our subsidiaries for the interim periods presented. Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year. These consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023. All dollar amounts are shown in millions, except per share.

**Note 2 Recently Issued Accounting Standards**

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-09, Income Taxes—*Improvements to Income Tax Disclosures (Topic 740)*, which requires enhanced disclosures primarily related to the rate reconciliation and disaggregation of income taxes paid. This ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the disclosure implications of this new standard.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting—*Improvements to Reportable Segment Disclosures (Topic 280)*. This standard requires enhanced disclosures of segment expenses as well as additional information provided to the Chief Operating Decision Maker. This ASU is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The amendments in this ASU should be applied retrospectively to all prior periods presented in the financial statements, with early adoption permitted. We are currently evaluating the disclosure implications of this new standard.

**Note 3 Receivables**

Receivables consist of:

	March 31, 2024	December 31, 2023
Trade accounts receivable	\$ 164.2	\$ 173.8
Allowance for current expected credit losses	(1.3)	(1.5)
Unbilled receivables	5.2	4.1
Taxes receivable	1.2	4.8
Other	3.7	3.1
	<u>\$ 173.1</u>	<u>\$ 184.5</u>

**Note 4 Inventories**

Inventories are stated at the lower of net realizable value or current cost using the average cost method and consist of:

	March 31, 2024	December 31, 2023
Logs, chips and sawdust	\$ 16.0	\$ 22.1
Pulp	18.4	16.8
Paperboard and tissue products	164.7	156.8
Materials and supplies	128.6	124.1
	<u>\$ 327.8</u>	<u>\$ 319.8</u>

**Note 5 Property, plant and equipment**

Property, plant and equipment consist of:

	March 31, 2024	December 31, 2023
Land and land improvements	\$ 107.2	\$ 106.0
Buildings and improvements	461.2	461.0
Machinery and equipment	2,366.8	2,359.9
Construction in progress	58.3	53.0
	2,993.5	2,979.8
Less accumulated depreciation and amortization	(2,010.4)	(1,989.7)
Property, plant and equipment, net	\$ 983.1	\$ 990.1

**Note 6 Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities consist of:

	March 31, 2024	December 31, 2023
Trade payables	\$ 182.1	\$ 163.9
Accrued compensation	33.5	39.0
Operating lease liabilities	15.5	15.4
Other	69.4	66.9
	\$ 300.6	\$ 285.1

Included in "Accounts payable and accrued liabilities" are \$10.3 million and \$13.0 million related to capital expenditures that had not yet been paid as of March 31, 2024 and December 31, 2023.

We maintain a program with a financial institution to provide our vendors with an option to receive payment earlier than our standard payment terms. As of March 31, 2024 and December 31, 2023, \$12.8 million and \$14.7 million of outstanding obligations under this program were included in "Other" in the table above.

As of March 31, 2024 and December 31, 2023, unrecognized tax benefits of \$26.0 million were included in "Other" in the table above.

**Note 7 Income Taxes**

For interim periods, accounting standards require that income tax expense be determined by applying the estimated annual effective income tax rate to year-to-date results, unless this method does not result in a reliable estimate of year-to-date income tax expense. Each period, the income tax accrual is adjusted to the latest estimate and the difference from the previously accrued year-to-date balance is adjusted to the current quarter.

For the quarter ended March 31, 2024, our income tax provision was \$7.0 million as compared to \$8.4 million in the same period in 2023. Our effective tax rate for the quarter ended March 31, 2024 varied from the U.S. federal statutory tax rate of 21.0% primarily due to the effects of state taxes, nondeductible compensation and interest related to uncertain tax provisions. Our effective tax rate for the quarter ended March 31, 2023 varied from the U.S. federal statutory tax rate of 21.0% primarily due to the effects of state taxes and nondeductible compensation.

## Note 8 Debt

Long-term debt at the balance sheet dates consisted of:

	Interest Rate at March 31, 2024	March 31, 2024			December 31, 2023		
		Principal	Unamortized Debt Costs	Total	Principal	Unamortized Debt Costs	Total
Term loan credit agreement maturing 2028, fixed interest rate	9.1%	\$ 150.0	\$ (2.6)	\$ 147.4	\$ 150.0	\$ (2.8)	\$ 147.2
2020 Notes, maturing 2028, fixed interest rate	4.8%	275.0	(2.2)	272.8	275.0	(2.4)	272.6
ABL Credit Agreement, variable interest rates	6.7%	—	—	—	20.0	—	20.0
Finance leases		23.0	—	23.0	23.3	—	23.3
<b>Total debt</b>		<b>448.0</b>	<b>(4.9)</b>	<b>443.2</b>	<b>468.3</b>	<b>(5.1)</b>	<b>463.1</b>
Less: current portion		(0.9)		(0.9)	(0.8)	—	(0.8)
<b>Net long-term portion</b>		<b>\$ 447.2</b>	<b>\$ (4.9)</b>	<b>\$ 442.3</b>	<b>\$ 467.4</b>	<b>\$ (5.1)</b>	<b>\$ 462.3</b>

In February 2024, we entered into a commitment letter to obtain financing from AgWest Farm Credit, PCA (“AgWest”), CoBank, FCB (“CoBank”) and Coöperatieve Rabobank U.A., New York Branch (“Rabobank”) in connection with the planned acquisition discussed at Note 16. In connection with the commitment, we paid an underwriting fee of \$3.3 million, which is included in "Other assets, net" in the Consolidated Balance Sheets. As of March 31, 2024, no amounts were outstanding on these new facilities.

The fair value of our debt is included in the following table:

	March 31, 2024	December 31, 2023
Term loan credit agreement, maturing 2028, fixed interest rate	\$ 151.2	\$ 150.6
ABL Credit Agreement, variable interest rate	—	20.0
2020 Notes, maturing 2028, fixed interest rate	254.4	255.1
	<b>\$ 405.6</b>	<b>\$ 425.7</b>

## Note 9 Other Operating Charges

The major components of “Other operating charges, net” in the Consolidated Statements of Operations for the quarters ended March 31, 2024 and 2023 are reflected in the table below and described in the paragraphs following the table. These items are considered outside of our core operations.

	Quarter Ended March 31,	
	2024	2023
Acquisition and project related costs	\$ 4.2	\$ —
Restructuring and integration costs	2.3	—
Loss on sale or impairment associated with assets	0.2	1.1
Directors' equity-based compensation expense	1.2	(0.2)
Other	—	0.2
	<b>\$ 7.9</b>	<b>\$ 1.1</b>

## 2024

During the first quarter of 2024, we recorded \$7.9 million of expense in "Other operating charges, net." The main components of the expense include:

- expense of \$4.2 million associated with acquisition and project-related activities (primarily legal and professional services);
- expense of \$2.3 million associated with restructuring and integration activities (primarily professional services);
- loss of \$0.2 million associated with the impairment of equipment and related spare parts no longer being used; and
- expense of \$1.2 million relating to directors' equity-based compensation which is remeasured each period based upon changes in our stock price.

## 2023

During the first quarter of 2023, we recorded \$1.1 million of expense in "Other operating charges, net." The components of the expense include:

- loss of \$1.1 million associated with the impairment of equipment and related spare parts no longer being used; and
- reversal of expense of \$0.2 million relating to directors' equity-based compensation which is remeasured each period based upon changes in our stock price.

### Note 10 Non-Operating Expense

The components of "Non-operating expense" in the Consolidated Statements of Operations for the quarters ended March 31, 2024 and 2023 are reflected in the table below:

	Quarter Ended March 31,	
	2024	2023
Interest expense	\$ (6.7)	\$ (7.6)
Amortization of deferred debt costs	(0.4)	(0.3)
Interest income	0.6	0.3
Interest expense, net	(6.5)	(7.6)
Non-operating pension and other postretirement employee benefits	0.3	0.1
Total non-operating expense	\$ (6.2)	\$ (7.5)

### Note 11 Retirement Plans and Postretirement Benefits

The following table details the components of net periodic cost of our company-sponsored pension and other postretirement employee benefit plans for the periods presented:

Pension Benefit Plans	Quarter Ended March 31,	
	2024	2023
Service cost	\$ 0.6	\$ 0.9
Interest cost	3.0	3.1
Expected return on plan assets	(3.9)	(3.8)
Net periodic cost	\$ (0.3)	\$ 0.2

  

Other Postretirement Employee Benefit Plans	Quarter Ended March 31,	
	2024	2023
Service cost	\$ 0.1	\$ —
Interest cost	0.7	0.7
Amortization of actuarial gain	(0.1)	(0.1)
Net periodic cost	\$ 0.6	\$ 0.6

We record the service component of net periodic cost as part of "Cost of sales" and "Selling, general, and administrative expenses," while the non-service components of net periodic cost are recorded to "Other non-operating income" on our Consolidated Statements of Operations. For the quarter ended March 31, 2024, we recorded \$0.6 million to "Cost of sales" and \$0.1 million to "Selling, general, and administrative expenses." For the quarter ended March 31, 2023, we recorded \$0.8 million to "Cost of sales" and \$0.1 million to "Selling, general, and administrative expenses."

#### Note 12 Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss, net of tax, is comprised of the following:

	Pension Plan Adjustments	Other Post Retirement Employee Benefit Plan Adjustments	Total
Balance at December 31, 2022	\$ (46.5)	\$ 13.3	\$ (33.3)
Amounts reclassified from accumulated other comprehensive loss	—	(0.1)	(0.1)
Balance at March 31, 2023	\$ (46.5)	\$ 13.2	\$ (33.4)
Balance at December 31, 2023	\$ (42.0)	\$ 11.3	\$ (30.7)
Amounts reclassified from accumulated other comprehensive loss	—	(0.1)	—
Balance at March 31, 2024	\$ (41.9)	\$ 11.2	\$ (30.7)

#### Note 13 Stockholders' Equity

##### Common Stock Plans

We have stock-based compensation plans under which restricted stock awards and stock options are outstanding or granted subject to time or performance vesting requirements. As of March 31, 2024, approximately 0.6 million shares were available for future issuance under our current plan.

	Quarter Ended March 31,	
	2024	2023
Total stock-based compensation expense	\$ 3.3	\$ 1.9
Income tax benefit related to stock-based compensation	\$ 0.3	\$ 0.5
Impact on cash flow due to taxes paid related to net share settlement of equity awards	\$ 3.1	\$ 4.2

As of March 31, 2024, there was \$21.3 million of total unrecognized compensation costs related to outstanding restricted stock unit awards.

During the quarter ended March 31, 2024, we granted 207,628 restricted stock units (time vesting) at an average grant date fair value of \$37.97 per share and 160,057 restricted stock units (performance vesting) at an average grant date fair value of \$40.18 per share.

#### Note 14 Earnings per Share

Basic income per share is based on the weighted-average number of shares of common stock outstanding. Diluted income per share is based upon the weighted-average number of shares of common stock outstanding plus all potentially dilutive securities that were assumed to be converted into common shares at the beginning of the period under the treasury stock method. This method requires the effect of potentially dilutive common stock equivalents be excluded from the calculation of diluted earnings per share for the periods in which net losses are reported because the effect is anti-dilutive.

(In thousands)	Quarter Ended March 31,	
	2024	2023
Basic weighted-average common shares outstanding	16,607	16,834
Incremental shares due to:		
Stock-based awards	181	202
Performance shares	107	—
Diluted weighted-average common shares outstanding	16,895	17,036

Shares excluded from the computation of diluted earnings per share were 0.4 million for each of the quarters ended March 31, 2024, and 2023 as they were either antidilutive (not in-the-money) or the required performance conditions have not been met.

#### Note 15 Segment Information

We operate in two segments: Pulp and Paperboard and Consumer Products. Our business units have been aggregated into these two segments based upon the similarity of economic characteristics, customers and distribution methods. Our results of operations are summarized below for each of these segments separately. Segment information was prepared in accordance with the same accounting principles as those described in Note 1 of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2023.

	Quarter Ended March 31,	
	2024	2023
Segment net sales:		
Pulp and Paperboard	\$ 244.5	\$ 278.8
Consumer Products	253.1	248.3
Eliminations	(1.4)	(1.7)
Net sales	\$ 496.2	\$ 525.4
Operating income (loss):		
Pulp and Paperboard	\$ 25.3	\$ 57.1
Consumer Products	31.5	4.2
Corporate and eliminations	(18.5)	(20.4)
Other operating charges, net	(7.9)	(1.1)
Income from operations	\$ 30.4	\$ 39.8

Net sales, classified by major products, were as follows:

	Quarter Ended March 31,	
	2024	2023
Major products:		
Paperboard	\$ 240.4	\$ 272.9
Retail tissue	250.8	246.0
Pulp	2.3	3.2
Other	4.1	5.0
Eliminations	(1.4)	(1.7)
Total net sales	<u>\$ 496.2</u>	<u>\$ 525.4</u>

#### Note 16 Pending Acquisition

On February 20, 2024, we entered into an Asset Purchase Agreement to acquire a paperboard mill and associated facilities, located in Augusta, Georgia from Graphic Packaging International, LLC for \$700 million in cash, subject to certain adjustments for working capital. We expect to finance this transaction with cash on hand as well as through borrowings under our existing credit agreements as well as new financing. The closing of the Augusta Acquisition is subject to certain customary mutual closing conditions. This closing is expected to occur during the second quarter of 2024.

## **ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion should be read in conjunction with the Consolidated Financial Statements and Notes thereto included herein and our audited Consolidated Financial Statements and Notes thereto for the year ended December 31, 2023, as well as the information under the heading “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” that are part of our Annual Report on Form 10-K for the year ended December 31, 2023.

### **OVERVIEW**

#### **Executive Summary**

We recorded net sales of \$496.2 million for the quarter ended March 31, 2024 compared to \$525.4 million for the quarter ended March 31, 2023. We recorded net income for the quarter ended March 31, 2024 of \$17.2 million, or \$1.02 per diluted share, compared to net income of \$23.8 million or \$1.40 per diluted share for the quarter ended March 31, 2023. We recorded Adjusted EBITDA for the quarter ended March 31, 2024 of \$61.5 million compared to \$65.7 million for the quarter ended March 31, 2023. During the quarter ended March 31, 2024, we experienced a severe weather event at our Lewiston site which resulted in a loss in excess of \$15 million. We expect to receive insurance proceeds to offset a portion of this loss in the quarter ended June 30, 2024.

See discussion on segment level results regarding net sales, operating results and Adjusted EBITDA in “Our Operating Results” below.

### **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires our management to select and apply accounting policies that best provide the framework to report our results of operations and financial position. The selection and application of those policies requires management to make difficult, subjective and complex judgments concerning reported amounts of revenue and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. As a result, it is possible that materially different amounts would be reported under different conditions or using different assumptions.

As of March 31, 2024 there have been no significant changes with regard to the critical accounting policies and estimates disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

### **NON-GAAP MEASURES**

In evaluating our business, we utilize several non-GAAP financial measures. A non-GAAP financial measure is generally defined by the SEC as one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so excluded or included under applicable GAAP guidance. In this report on Form 10-Q, we disclose overall and segment earnings from operations before interest expense, net, non-operating pension and other post employment benefit costs, income tax expense, depreciation and amortization, other operating charges, net, and debt retirement costs as Adjusted EBITDA which is a non-GAAP financial measure. Adjusted EBITDA is not a substitute for the GAAP measure of net income or for any other GAAP measures of operating performance.

We have included Adjusted EBITDA on a consolidated and business segment basis in this report because we use it as important supplemental measures of our performance and believe that it is frequently used by securities analysts, investors and other interested persons in the evaluation of companies in our industry, some of which present Adjusted EBITDA when reporting their results. We use Adjusted EBITDA to evaluate our performance as compared to other companies in our industry that have different financing and capital structures and/or tax rates. It should be noted that companies calculate Adjusted EBITDA differently and, therefore, our Adjusted EBITDA measures may not be comparable to Adjusted EBITDA reported by other companies. Our Adjusted EBITDA measures have material limitations as performance measures because they exclude interest expense, net, income tax (benefit) expense and depreciation and amortization which are necessary to operate our business or which we otherwise incur or experience in connection with the operation of our business. In addition, we exclude other income and expense items which are outside of our core operations.

The following table provides our Adjusted EBITDA for the periods presented, as well as a reconciliation to net income and segment operating income.

(In millions)	Quarter Ended March 31,	
	2024	2023
Net income	\$ 17.2	\$ 23.8
Income tax provision	7.0	8.4
Interest expense, net	6.5	7.6
Depreciation and amortization	23.2	24.8
Other operating charges, net	7.9	1.1
Other non-operating income	(0.3)	(0.1)
Adjusted EBITDA	\$ 61.5	\$ 65.7
Pulp and Paperboard segment income	\$ 25.3	\$ 57.1
Depreciation and amortization	8.4	9.1
Adjusted EBITDA Pulp and Paperboard segment	\$ 33.7	\$ 66.2
Consumer Products segment income	\$ 31.5	\$ 4.2
Depreciation and amortization	14.2	15.0
Adjusted EBITDA Consumer Products segment	\$ 45.7	\$ 19.2
Corporate and other expense	\$ (18.5)	\$ (20.4)
Depreciation and amortization	0.6	0.6
Adjusted EBITDA Corporate and other	\$ (17.9)	\$ (19.8)
Pulp and Paperboard segment	\$ 33.7	\$ 66.2
Consumer Products segment	45.7	19.2
Corporate and other	(17.9)	(19.8)
Adjusted EBITDA	\$ 61.5	\$ 65.7

## OUR OPERATING RESULTS

Our operating results for each of our segments are discussed below. See Note 15 "Segment Information" of the Notes to the Consolidated Financial Statements included in Item 1 of this report for further information regarding our segments.

### Pulp and Paperboard Segment

(Dollars in millions, except per unit and paperboard shipments)	Quarter Ended March 31,		
	2024	2023	Increase (decrease)
Sales:			
Paperboard	\$ 240.4	\$ 272.9	(11.9)%
Pulp	2.3	3.2	(28.0)%
Other	1.8	2.6	(32.7)%
	<u>\$ 244.5</u>	<u>\$ 278.8</u>	<u>(12.3)%</u>
Operating income	\$ 25.3	\$ 57.1	(55.6)%
Operating margin	10.4 %	20.5 %	
Adjusted EBITDA	\$ 33.7	\$ 66.2	(49.1)%
Adjusted EBITDA margin	13.8 %	23.8 %	
Paperboard shipments (short tons)	187,303	189,398	(1.1)%
Paperboard sales price (per short ton)	\$ 1,284	\$ 1,441	(10.9)%

Sales volumes in our Pulp and Paperboard segment decreased for the quarter ended March 31, 2024 compared to the same period in the prior year due to weaker demand as customers continued to rebalance inventory levels. Sales prices decreased in our Pulp and Paperboard segment for the quarter ended March 31, 2024 compared to the same period in the prior year due to previously announced price decreases and changes in our product mix.

Operating income and Adjusted EBITDA decreased for the quarter ended March 31, 2024 as compared to the same period in the prior year primarily due to lower sales prices and the impacts of a significant weather event at our Lewiston Idaho facility, partially offset by lower input costs, specifically in wood, energy and freight.

## Consumer Products Segment

(Dollars in millions, except per unit and shipments)	Quarter Ended March 31,		
	2024	2023	Increase (decrease)
Sales:			
Retail tissue	\$ 250.8	\$ 246.0	2.0 %
Other	2.3	2.4	(4.0)%
	<u>\$ 253.1</u>	<u>\$ 248.3</u>	<u>1.9 %</u>
Operating income	\$ 31.5	\$ 4.2	650.1 %
Operating margin	12.5 %	1.7 %	
Adjusted EBITDA	\$ 45.7	\$ 19.2	137.8 %
Adjusted EBITDA margin	18.1 %	7.7 %	
Shipments (short tons)			
Retail	79,929	76,848	4.0 %
Other	2,251	1,017	121.3 %
	<u>82,180</u>	<u>77,865</u>	<u>5.5 %</u>
Sales price (per short ton)			
Retail	\$ 3,138	\$ 3,201	(2.0)%

Retail sales volumes in our Consumer Products segment increased for the quarter ended March 31, 2024 compared to the same period in the prior year due to the increased demand for private label versus branded products. Retail sales prices decreased in our Consumer Products segment for the quarter ended March 31, 2024 compared to the same period in the prior year due to changes in our product mix and minor reductions resulting from contract pricing indexed to certain cost inputs.

Operating income and Adjusted EBITDA increased for the quarter ended March 31, 2024 compared to the same period in the prior year predominately due to lower input costs, primarily in pulp and freight.

### Corporate expenses

Corporate expenses for the quarter ended March 31, 2024 were \$18.5 million compared to \$20.4 million in the same period in the prior year. The decrease between periods is primarily related to costs associated with business process improvement projects which occurred during 2023 offset by higher wages in 2024. Corporate expenses primarily consist of corporate overhead such as wages and benefits, professional fees, insurance and other expenses for corporate functions including certain executive officers, public company costs, information technology, financial services, environmental and safety, legal, supply management, human resources and other corporate functions not directly associated with the business operations.

### Other operating charges

See Note 9 "Other operating charges" of the Notes to the Consolidated Financial Statements included in Item 1 of this report for additional information.

**Potential impairments**

We review from time to time possible dispositions or reorganization of various assets in light of current and anticipated economic and industry conditions, our strategic plan and other relevant factors. Because a determination to dispose or reorganize particular assets may require management to make assumptions regarding the transaction structure of the disposition or reorganization and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, we may be required to record impairment charges in connection with decisions to dispose of assets.

## **LIQUIDITY AND CAPITAL RESOURCES**

Our principal sources of liquidity are existing cash, cash generated by our operations and our ability to borrow under such credit facilities as we may have in effect from time to time. At times, we may also issue equity, debt or hybrid securities or engage in other capital market transactions. Due to the competitive and cyclical nature of the markets in which we operate, there is uncertainty regarding the amount of cash flows we will generate during the next twelve months. However, we believe that our cash flows from operations, our cash on hand and our borrowing capacity under our credit agreements will be adequate to fund debt service requirements and provide cash to support our ongoing operations, capital expenditures and working capital needs for the next twelve months.

Our principal uses of liquidity are paying the costs and expenses associated with our operations, servicing outstanding indebtedness and making capital expenditures. We may also from time to time prepay or repurchase outstanding indebtedness or shares or acquire assets or businesses that are complementary to our operations. Any such repurchases may be commenced, suspended, discontinued or resumed, and the method or methods of affecting any such repurchases may be changed at any time or from time to time without prior notice.

### **Operating Activities**

Net cash flows provided by operating activities for the quarter ended March 31, 2024 were \$59.2 million compared to net cash flows used in operating activities of \$9.1 million for the quarter ended March 31, 2023. This increase was driven by reductions in outflows from trade accounts payable compared to the quarter ended March 31, 2023 due to the major outage that occurred in the fourth quarter of 2022. Accounts receivable and accounts payable agings as of March 31, 2024 have remained relatively consistent with balances as of December 31, 2023.

### **Investing Activities**

Net cash flows used in investing activities for the quarter ended March 31, 2024 were \$18.5 million compared to \$21.5 million in the same period of the prior year. Included in "Accounts payable and accrued liabilities" on our Consolidated Balance Sheets was \$10.3 million and \$7.0 million related to capital expenditures that had not yet been paid at March 31, 2024 and 2023.

During 2024, we expect cash paid for capital expenditures to be approximately \$90 million to \$100 million.

### **Financing Activities**

During the quarter ended March 31, 2024, net cash used for financing activities was \$27.6 million. We used \$0.5 million to repurchase stock, \$3.1 million in connection with income tax withholding requirements associated with our employee stock-based compensation plans, and repaid debt of \$23.5 million, including \$3.3 million in commitment fees.

During the quarter ended March 31, 2023, net cash used for financing activities was \$6.3 million. We used \$1.7 million to repurchase stock through our share repurchase program and \$4.2 million in connection with income tax withholding requirements associated with our employee stock-based compensation plans. Additionally, we borrowed and repaid \$12 million on our ABL credit facility during the quarter to cover short term cash requirements.

### **Credit Agreements**

We are party to a credit agreement (as the same may be amended from time to time, the "PCA Credit Agreement") that consists of a revolving term loan commitment in the amount of \$270 million. The obligations under the PCA Credit Agreement are secured by liens on substantially all of our personal property assets and each of our domestic subsidiaries that are guarantors of the PCA Credit Agreement. We may, at our option, prepay and reborrow any borrowings under the PCA Credit Agreement, in whole or in part, at any time and from time to time without premium or penalty (except in certain circumstances).

We are also party to an ABL Credit Agreement (as amended, the "ABL Credit Agreement," and together with the PCA Credit Agreement, the "Credit Agreements") that includes a \$275 million revolving loan commitment, subject to borrowing base limitations. Borrowings under the ABL Credit Agreement are subject to mandatory prepayment in certain circumstances. We may also increase commitments under the ABL Credit Agreement in an aggregate principal amount of up to \$100 million, subject to obtaining commitments from any participating lenders and certain other conditions. We may, at our option, prepay and reborrow any borrowings under the ABL Credit Agreement, in whole or in part, at any time and from time to time without premium or penalty (except in certain circumstances).

Both Credit Agreements contain customary representations, warranties, and affirmative and negative covenants. The ABL Credit Agreement also contains a financial covenant which requires us to maintain a consolidated fixed charge coverage ratio of not less than 1.10x to 1.00x, provided that the financial covenant under the ABL Credit Agreement is only applicable during an event of default or if availability, as calculated under the ABL Credit Agreement, is at any time less than or equal to the greater of (i) 10% of the lesser of the borrowing base and the maximum \$275 million of current revolving loan commitments and (ii) \$19 million.

As of March 31, 2024, we were in compliance with the covenants in the Credit Agreements, and based on our current financial projections, we expect to remain in compliance. However, if our financial position, results of operations or market conditions deteriorate, we may not be able to remain in compliance. There can be no assurance that we will be able to remain in compliance with our Credit Agreements.

**ITEM 3. Quantitative and Qualitative Disclosures About Market Risk**

There have been no significant developments with regard to our exposure to market risk for the quarter ended March 31, 2024. For a discussion of certain market risks to which we may be exposed, see Part II, “Item 7A, Quantitative and Qualitative Disclosures about Market Risk,” of our Annual Report on Form 10-K for the year ended December 31, 2023.

**ITEM 4. Controls and Procedures**

As of March 31, 2024, our Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have carried out, with the participation of our Disclosure Committee and management, an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the Act). Based upon this evaluation, the CEO and CFO have concluded that our disclosure controls and procedures are effective to provide reasonable assurance that material information required to be disclosed by us in reports we file under the Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and that information required to be disclosed by us in the reports we file or submit under the Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

**Changes in Internal Control Over Financial Reporting**

There was no change in our internal control over financial reporting that occurred during the quarter ended March 31, 2024 that has materially affected, or is likely to materially affect, our internal control over financial reporting.

## Part II

### ITEM 1. Legal Proceedings

We may from time to time be involved in claims, proceedings and litigation arising from our business and property ownership. We believe, based on currently available information, that the results of such proceedings, in the aggregate, will not have a material adverse effect on our financial condition.

### ITEM 1A. Risk Factors

There are no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023. See Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023, entitled “Risk Factors.”

### ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On December 15, 2015, we announced that our Board of Directors had approved a stock repurchase program authorizing the repurchase of up to \$100 million of our common stock. The repurchase program authorizes purchases of our common stock from time to time through open market purchases, negotiated transactions or other means, including accelerated stock repurchases and 10b5-1 trading plans in accordance with applicable securities laws and other restrictions. We have no obligation to repurchase stock under this program and may suspend or terminate the program at any time.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
January 1, 2024 to January 31, 2024	1,900	\$ 36.34	1,900	\$ 6.8
February 1, 2024 to February 29, 2024	—	\$ —	—	\$ 6.8
March 1, 2024 to March 31, 2024	11,000	\$ 41.47	11,000	\$ 6.4
Total	12,900	\$ 40.71	12,900	

Shares of common stock withheld as payment of withholding taxes and exercise prices in connection with the vesting or exercise of equity awards are not required to be disclosed under Item 703 of Regulation S-K and accordingly are excluded from the amounts in the table above.

### ITEM 5. Other Information.

During the quarter ended March 31, 2024, none of our officers or directors adopted or terminated a Rule 10b5-1 arrangement or non-Rule 10b5-1 trading arrangement, as each is defined in Item 408(a) of regulation S-K.

**ITEM 6. Exhibits**

The following exhibits are filed as part of, or are incorporated by reference in, this report:

EXHIBIT	EXHIBIT DESCRIPTION	Filed herewith?	Incorporated by Reference		
			Form	Exhibit No.	Date Filed
31**	<a href="#">Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>	X			
32**	<a href="#">Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C Section 1350.</a>	X			
10.1	<a href="#">Asset Purchase Agreement, dated February 20, 2024 by and between Graphic Packaging International, LLC and Clearwater Paper Corporation.</a>		8-K	2.1	February 21, 2024
10.2	<a href="#">Commitment Letter, dated February 20, 2024 among Clearwater Paper Corporation, AgWest Farm Credit, PCA, CoBank, FCB, Coöperatieve Rabobank U.A., New York Branch and any other financial institutions from time to time party thereto.</a>		8-K	2.1	February 21, 2024
101.INS	XBRL Instance Document				
101.SCH	XBRL Taxonomy Extension Schema.				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.				
101.DEF	XBRL Taxonomy Extension Definition Linkbase.				
101.LAB	XBRL Taxonomy Extension Label Linkbase.				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				

\*\* In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibit 32 hereto are deemed to accompany this Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.

SIGNATURES

Pursuant to the requirements 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.

CLEARWATER PAPER CORPORATION  
(Registrant)

April 29, 2024

By: /s/ ARSEN S KITCH

Arsen S. Kitch  
President, Chief Executive Officer and Director (Principal  
Executive Officer)

April 29, 2024

By: /s/ SHERRI J BAKER

Sherri J. Baker  
Senior Vice President, Chief Financial Officer (Principal  
Financial Officer)

**CERTIFICATION**

I, Arsen S. Kitch, certify that:

1. I have reviewed this report on Form 10-Q of Clearwater Paper Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date : April 29, 2024

/s/ ARSEN S. KITCH

**Arsen S. Kitch**

President and Chief Executive Officer

***CERTIFICATION***

I, Sherri J. Baker, certify that:

1. I have reviewed this report on Form 10-Q of Clearwater Paper Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date : April 29, 2024

/s/ SHERRI J. BAKER

**Sherri J. Baker**  
Senior Vice President, Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Arsen S. Kitch, President and Chief Executive Officer of Clearwater Paper Corporation (the "Company"), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ARSEN S. KITCH

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**Arsen S. Kitch**

President and Chief Executive Officer

April 29, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sherri J. Baker, Senior Vice President, Chief Financial Officer of Clearwater Paper Corporation (the "Company"), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SHERRI J. BAKER

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**Sherri J. Baker**

Senior Vice President, Chief Financial Officer

April 29, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.