

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 29, 2025



CLEARWATER PAPER CORPORATION

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-34146
(Commission File Number)

20-3594554
(IRS Employer
Identification No.)

601 West Riverside, Suite 1100
Spokane, WA
(Address of principal executive offices)

99201
(Zip Code)

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

Not Applicable
(Former name of former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).
Emerging growth company ☐

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. ☐

Item 2.02. Results of Operations and Financial Condition.

On July 29, 2025, Clearwater Paper Corporation (the “Company”) announced its results of operations and financial condition for the second quarter ending June 30, 2025. A copy of the press release containing this announcement is furnished as Exhibit 99.1 hereto. In addition, a copy of the Company’s Second Quarter Supplemental Information is furnished as Exhibit 99.2 hereto.

In addition to disclosing financial results calculated in accordance with U.S. generally accepted accounting principles (“GAAP”), the following are disclosed in the attached Adjusted EBITDA from continuing operations, which is defined as earnings before interest expense, taxes, depreciation and amortization, other operating credits and charges, net and other non-operating items from continuing operations. Adjusted EBITDA from continuing operations are not a substitute for the GAAP measure of net income or other GAAP measures of operating performance.

The Company discloses Adjusted EBITDA in the attached because it is used as an important supplemental measure of its performance and believes that similarly-titled measures are frequently used by securities analysts, investors and other interested persons in the evaluation of companies in its industry, some of which present similarly-titled measures when reporting their results. The Company uses Adjusted EBITDA to evaluate its performance as compared to other companies in its industry that have different financing and capital structures and/or tax rates. It should be noted that companies calculate similarly-titled measures differently and, therefore, as presented by the Company may not be comparable to similarly-titled measures reported by other companies. In addition, Adjusted EBITDA has material limitations as a performance measure because it excludes interest expense, income tax expense and depreciation and amortization which are necessary to operate the Company's business or which the Company otherwise incurred or experienced in connection with the operation of its business.

The information in Item 2.02, including Exhibits 99.1 and 99.2 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibit Index

<u>Exhibit</u>	<u>Description</u>
99.1	Press release issued by Clearwater Paper Corporation regarding the second quarter ended June 30, 2025 financial results.
99.2	Supplemental financial information for the second quarter ended June 30, 2025.

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 hereunto duly authorized.

Date: July 29, 2025

CLEARWATER PAPER CORPORATION

By: _____ /s/ REBECCA A. BARCKLEY
Rebecca A. Barckley, Vice President, Corporate Controller (Principal Accounting Officer)

Clearwater Paper Reports Second Quarter 2025 Results

SPOKANE, Wash.--(BUSINESS WIRE)--July 29, 2025 --Clearwater Paper Corporation (NYSE:CLW), a premier independent supplier of bleached paperboard to North American converters today reported financial results for the second quarter ended June 30, 2025.

SECOND QUARTER HIGHLIGHTS

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

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

OVERALL RESULTS

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

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

Sales volumes and prices:

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

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

WEBCAST INFORMATION

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

ABOUT CLEARWATER PAPER CORPORATION

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

USE OF NON-GAAP MEASURES

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

FORWARD-LOOKING STATEMENTS

This press release contains certain “forward-looking” statements within the meaning of Section 27A of Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995 as amended, including statements regarding: our outlook for the next quarter, our ability to continue realizing additional savings from our fixed cost reduction efforts during the remainder of 2026, our focus on operational execution amid challenging SBS industry conditions and our emphasis on maintaining strategic actions and customer relationships to navigate the industry down cycle. These forward-looking statements are based on management's current expectations, estimates, assumptions and projections that are subject to change. The company's actual results of operations may differ materially from those expressed or implied by the forward-looking statements contained in this press release. Factors that could cause or contribute to such material differences in actual results include, but are not limited to: there may be unexpected costs, charges or expenses resulting from the tissue business sale transaction, including purchase price adjustments; competitive responses to the tissue business sale transaction; achievement of anticipated financial results and other benefits of the tissue business sale transaction; potential risks associated with operating without the tissue business, including less diversification in products offered; changes in the company's capital structure; risks relating to the achievement of anticipated financial results and other benefits of the Augusta, Georgia paperboard manufacturing facility acquisition; competitive pricing pressures for the company's products, including as a result of capacity additions, demand reduction and the impact of foreign currency fluctuations on the pricing of products globally; changes in the U.S. and international economies and in general economic conditions in the regions and industries in which we operate; increased regulation of retaliatory trade actions in response to announced or proposed U.S. tariffs, including potential impact on costs, structure, supply chains, or consumer demand; cyclical industry conditions; manufacturing or operating disruptions, including equipment malfunctions and damage to the company's manufacturing facilities; the loss of, changes in prices in regard to, or reduction in, orders from a significant customer; changes in the cost and availability of wood fiber and wood pulp; changes in energy, chemicals, packaging and transportation costs and disruptions in transportation services impacting the company's ability to receive inputs or ship products to customers; reliance on a limited number of third-party suppliers, vendors and service providers required

for the production of the company's products and the company's operations; changes in customer product preferences and competitors' product offerings; labor disruptions; cyber-security risks; larger competitors having operational, financial and other advantages; consolidation and vertical integration of converting operations in the paperboard industry; the company's ability to execute on the company's growth and expansion strategies; the company's ability to successfully execute capital projects and other activities to operate the company's assets, including effective maintenance, implement the company's operational efficiencies and realize higher throughput or lower costs; IT system disruptions and IT system implementation failures; changes in expenses, required contributions and potential withdrawal costs associated with the company's pension plans; environmental liabilities or expenditures and climate change; risks and costs associated with new or ongoing environmental litigation, including PFAS related claims or regulatory actions affecting recently acquired facilities; the company's ability to attract, motivate, train and retain qualified and key personnel; the company's ability to service the company's debt obligations and restrictions on the company's business from debt covenants and terms; changes in the company's banking relations, or in the company's customer supply chain financing; negative changes in the company's credit agency ratings; changes in laws, regulations or industry standards affecting the company's business; and other risks and uncertainties described from time to time in the company's public filings with the Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended December 31, 2024. The forward-looking statements are made as of the date of this press release and the company does not undertake to update any forward-looking statements based on new developments or changes in the company's expectations after the date of this press release.

Clearwater Paper Corporation
Consolidated Statements of Operations
(Unaudited)

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

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

Clearwater Paper Corporation
Condensed Consolidated Balance Sheets
(Unaudited)

(In millions)	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 46.7	\$ 79.6
Receivables, net	165.9	188.7
Inventories, net	283.9	258.0
Other current assets	13.7	19.1
Total current assets	510.1	545.4
Property, plant and equipment	2,369.8	2,328.4
Accumulated depreciation and amortization	(1,342.7)	(1,305.4)
	1,027.1	1,023.1
Goodwill and intangible assets, net	51.2	52.9
Other assets, net	52.4	57.9
Total assets	\$ 1,640.7	\$ 1,679.2
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 0.6	\$ 0.6
Accounts payable and accrued liabilities	258.5	319.7
Total current liabilities	259.1	320.4
Long-term debt	328.5	281.6
Liability for pension and other postretirement employee benefits	51.9	52.5
Deferred tax liabilities and other long-term obligations	164.6	170.2
Total liabilities	804.0	824.7
Stockholders' equity:		
Common stock	—	—
Additional paid-in capital	6.5	11.5
Treasury stock, at cost	(12.7)	(3.3)
Retained earnings	877.3	880.8
Accumulated other comprehensive loss, net of tax	(34.4)	(34.5)
Total stockholders' equity	836.7	854.6
Total liabilities and stockholders' equity	\$ 1,640.7	\$ 1,679.2

Clearwater Paper Corporation
Consolidated Statements of Cash Flows
(Unaudited)

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

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

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

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

Clearwater Paper Corporation

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Second Quarter Earnings Release Materials

July 29, 2025

ARSEN KITCH

President, Chief Executive Officer and Director

SHERRI BAKER

Senior Vice President and Chief Financial Officer



Forward Looking Statements

Cautionary Statement Regarding Forward Looking Statements

This presentation of supplemental information contains, in addition to historical information, certain “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995 as amended, including statements as to: our expectations regarding capturing volume at the Augusta mill; our expectations regarding additional savings from our fixed cost reduction efforts; the Company’s strategic positioning to capitalize on the paperboard industry’s cyclical nature and deliver strong returns; product demand and industry trends; assumptions for Q3 2025 and full year 2025, including operational factors, capital, lower input costs, lower pricing and inflation; our capital allocation priorities; our strategy, including achieving target leverage ratio and maintaining liquidity; our focus on free cash flow generation through operational efficiencies and demand; our plans to explore avenues for strategic growth opportunities, particularly to expand our own product offerings and broaden such offerings to North American customers; continued investments into our assets to strengthen our competitive advantages and maintain our long-term performance; expectations regarding the paperboard market; inventory management; and our financial flexibility; and repurchases under the existing share buyback authorization. These forward-looking statements are based on management’s current expectations, estimates, assumptions and projections that are subject to change. Our actual results of operations may differ materially from those expressed or implied by the forward-looking statements contained in this presentation. Important factors that could cause or contribute to such differences include the risks and uncertainties described from time to time in the Company’s public filings with the Securities and Exchange Commission, including but not limited to the following: there may be unexpected costs, charges or expenses resulting from the tissue business sale transaction, including purchase price adjustments; competitive responses to the tissue business sale transaction; achievement of anticipated financial results and other benefits of the tissue business sale transaction; potential risks associated with operating without the tissue business, including less diversification in products offered; changes in our capital structure; risks relating to the achievement of anticipated financial results and other benefits of the Augusta, Georgia paperboard manufacturing facility acquisition; competitive pricing pressures for 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 U.S. and international economies and in general economic conditions in the regions and industries in which we operate; increased regulation of retaliatory trade actions in response to announced or proposed U.S. tariffs, including potential impact on costs, structure, supply chains, or consumer demand; cyclical industry conditions; manufacturing or operating disruptions, including equipment malfunctions and damage to 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 transportation 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 the company’s operations; changes in customer product preferences and competitors’ product offerings; labor disruptions; cyber-security risks; larger competitors having operational, financial and other advantages; consolidation and vertical integration of converting operations in the paperboard industry; our ability to execute on our growth and expansion strategies; 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; risks and costs associated with new or ongoing environmental litigation, including PFAS related claims or regulatory actions affecting recently acquired facilities; 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. Forward-looking statements contained in this presentation present management’s views only as of the date of this presentation. We undertake no obligation to publicly update forward-looking statements or to retract future revisions of management’s views based on events or circumstances occurring after the date of this presentation.

Non-GAAP Financial Measures

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

Clearwater is Well Positioned to Deliver Strong Returns Across the Cycle

Paperboard industry is cyclical, driven by supply and demand balance

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

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

Delivering a 40-50% Adjusted EBITDA to free cash flow conversion rate¹, or \$100M+ per year

Clearwater is focused on value creation across the cycle

Near-term focus on reducing fixed cost structure by \$30-40M in 2025; implemented 10% reductions in positions

Continued investment in assets to enhance competitiveness

Exploring growth opportunities to expand product offering through internal investments or acquisitions

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

TARGETING STRONG CASH FLOW GENERATION ACROSS THE CYCLE

ADJUSTED EBITDA TARGET MARGINS

>16%

Cycle peak

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

~13 to 14%

Average across cycle

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

<10%

Downcycle

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

Exploring Options to Expand Our Product Offering

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

Initiative	Status	Objective
Post consumer recycled content	Developed and in market	Provide options for converter customers to service sustainability driven Consumer Packaged Goods (CPG) and Quick Service Restaurants (QSR) customers
Compostable plate	Developed and expected in market by year end	Enable our plate converter customers to meet demands of leading domestic retailers
Lightweight folding carton	Developing and expected in market in 2026	Offer alternatives to Folding Boxboard (FBB) imports with superior performance
Poly-free coatings / barriers	Continuing to develop options in addition to current offering	Meet current and future needs of sustainability driven cup converters looking for a poly-free offering
Unbleached paperboard grade (CUK)	Evaluation of market potential and existing equipment capabilities near completion	Enable independent converters to better compete with large integrated incumbents
Recycled paperboard grade (CRB)	Open to evaluating M&A Options	Provide a more complete paperboard offering to existing Solid Bleached Sulfate (SBS) customers

INDUSTRY TRENDS

MIXED DEMAND SIGNALS, SBS SHIPMENTS DECLINED IN Q2'25, BACKLOGS GREW

Industry SBS shipments¹ down 3% Q2'25 vs. Q1'25

Unmade SBS orders¹ up 14% Q2'25 vs. Q1'25

Modest growth expected in 2025²

Demand growth of ~3%² projected for 2026

BLEACHED PAPERBOARD NET EXPORTS ARE EXPECTED TO IMPROVE IN 2025

Imports forecasted to decrease by ~4%² in 2025 vs. 2024

Exports forecasted to decrease by ~2%² in 2025 vs. 2024

Tariffs and other trade actions could impact viability of imports

UTILIZATION RATES DOWN FROM Q2'24 AND Q1'25

Industry operating rates¹ at 83% Q2'25 vs. 84% Q2'24

New N.A. industry capacity added in Q2'25²

SBS operating rates are expected to decrease in 2H of 2025²

Balanced market will have utilization rates between 90 and 95%²

Q2 2025 Financial Summary

NET SALES FROM
CONTINUING OPERATIONS

\$392M

NET INCOME FROM
CONTINUING OPERATIONS

\$4M

GROWTH IN PAPERBOARD SALES VOLUMES

+12% increase in Q2'25 vs. Q2'24

Primarily due to Augusta acquisition

PARTIALLY OFFSET BY MARKET DRIVEN PRICE DECREASES

-3% decrease in Q2'25 average pricing vs. Q2'24

Consistent with industry trends

ADJUSTED EBITDA FROM
CONTINUING OPERATIONS

\$40M

ADJUSTED EBITDA MARGIN
FROM CONTINUING
OPERATIONS

10%

ADJUSTED EBITDA AT MID-POINT OF GUIDANCE RANGE

Solid operational performance, higher volumes, and improved cost structure, partly offset by lower pricing

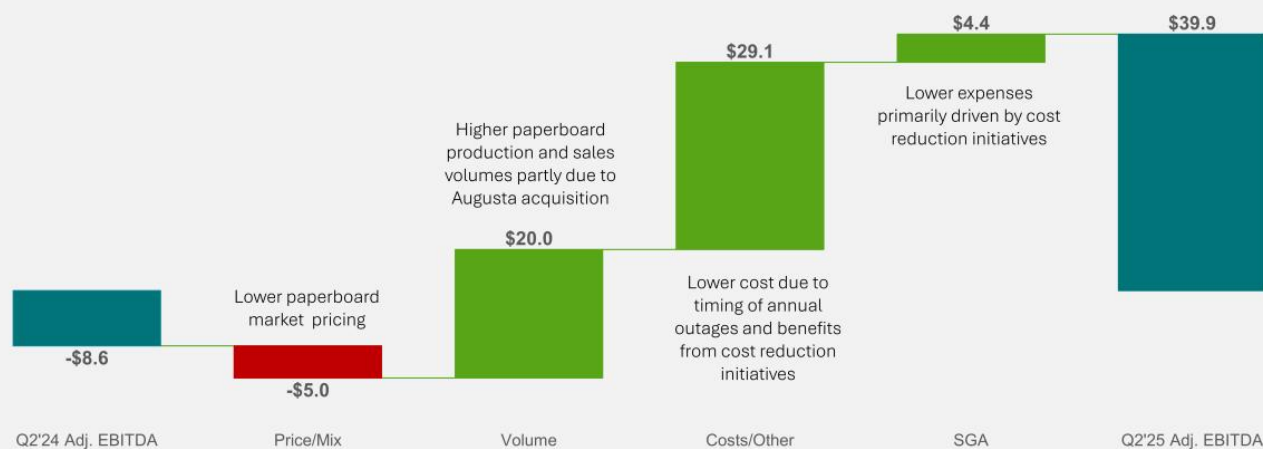
COMBINED WITH A STRONG BALANCE SHEET

Net leverage ratio at 1.9 x

Repurchased \$4M of shares, \$18M since new \$100M authorization in November of 2024

Q2'25 VS Q2'24 Adjusted EBITDA Results from Continuing Operations

(\$ in millions)



Outlook and Assumptions for Q3 and Full Year 2025

Q3 2025: \$10 to \$20M of Adjusted EBITDA¹

Flat paperboard shipments vs. Q2 2025

Lower production and cost absorption vs. Q2 2025 due to maintenance outage at Lewiston, ID mill

Continued benefits from fixed cost reduction efforts

Other input costs stable, minimal tariff impacts included in outlook

\$23 to \$25 million of planned major maintenance costs at Lewiston, ID mill

FY 2025 Assumptions

Capacity utilization at ~85%, with approximately \$1.5 to \$1.6B of revenue

Full year benefit of Augusta sales volume

Improved mill operating performance partly offsetting lower pricing and inflation

\$1-2M of direct and indirect tariff impact

\$30-40M fixed cost reduction in 2025, \$40-50M annual run rate benefit

\$45-50M of total direct major maintenance cost (Q2 Cypress Bend, Q3 Lewiston, Q4 Augusta)

\$80-90M of capital expenditures, including large project carryover spend



1. As there is uncertainty in connection with calculating the adjustments necessary to prepare reconciliations from Adjusted EBITDA to the comparable GAAP financial measure, the Company is unable to reconcile the Adjusted EBITDA projections without unreasonable efforts. Therefore, no reconciliation is being provided at this time. These items could result in significant adjustments from the most comparable GAAP measure.



Optimized Capital Allocation Approach Supports Value Creation

PRIORITIZING CAPITAL ALLOCATION TO CREATE SHAREHOLDER VALUE

Investing to maintain the long-term performance of our assets

\$70-80M

EXPECTED ANNUAL MAINTENANCE CAPEX, EXCLUDING LARGE REPLACEMENT PROJECTS

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

1-2x

TARGET LEVERAGE RATIO

Evaluating capital investments to diversify product portfolio

Opportunistic M&A to support strategic priorities

Return capital to shareholders through share buybacks

Optimistic About Long-Term Value Creation

Sharp focus on improving and growing our paperboard business

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

Well invested asset base to support future growth

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

Focused on optimizing business to deliver free cash flows

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

Appendix



Financial Performance

(\$ IN MILLIONS, UNAUDITED)



	Quarter Ended		
	June 30, 2025	March 31, 2025	June 30, 2024
Net sales	\$ 391.8	\$ 378.2	\$ 344.4
Costs and expenses:			
Cost of sales	348.8	341.5	346.4
Selling, general and administrative expenses	26.1	28.9	30.3
Other operating charges, net	7.1	11.8	14.6
Total operating costs and expenses	382.1	382.2	391.3
Total income (loss) from operations	9.8	(4.0)	(9.6)
Total non-operating expense	(4.2)	3.6	0.3
Total income (loss) from operations before income taxes	5.5	(7.7)	(9.3)
Income tax provision (benefit)	1.9	(1.8)	(14.6)
Total income (loss) from operations	3.6	(5.9)	(41.6)
Income from discontinued operations, net of tax	(0.9)	(0.4)	15.7
Net income	\$ 2.7	\$ (6.3)	\$ (25.8)

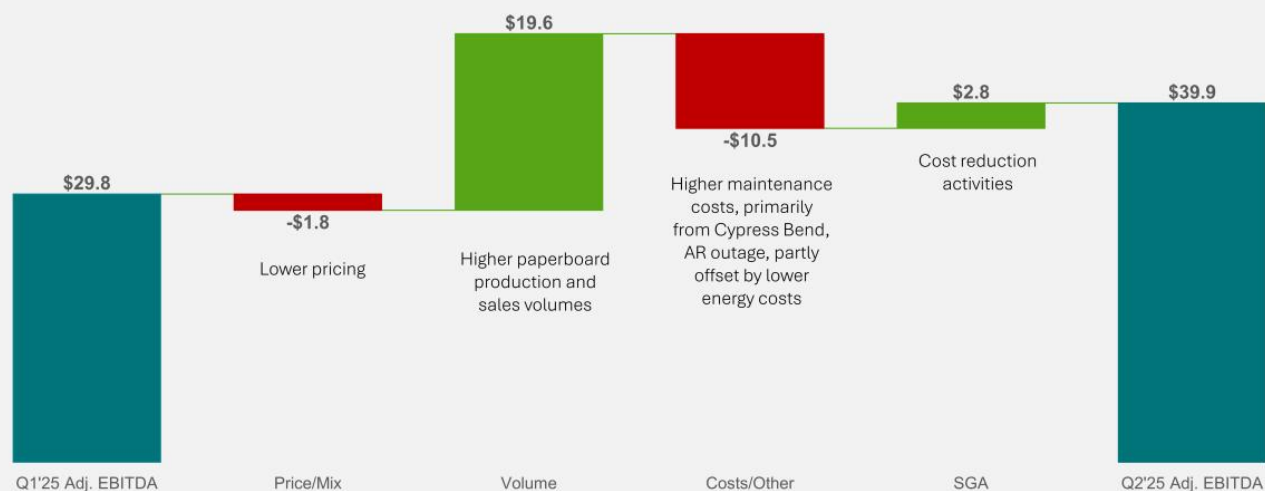
Reconciliation of Adjusted EBITDA

(\$ IN MILLIONS, UNAUDITED)

	June 30, 2025	March 31, 2025	June 30, 2024
Net income (loss)	\$ 2.7	\$ (6.3)	\$ (25.8)
Add (deduct):			
Less: Income from discontinued operations, net of tax	(0.9)	(0.4)	15.7
Income from continuing operations	3.6	(5.9)	(41.6)
Income tax provision (benefit)	1.9	(1.8)	(14.6)
Interest expense, net	3.9	3.3	9.6
Depreciation and amortization expense	23.0	22.0	17.0
Inventory revaluation on aquired business	-	-	6.8
Other operating charges, net	7.1	11.8	14.6
Other non-operating expense (income)	0.3	0.3	(0.3)
Adjusted EBITDA from continuing operations	39.9	29.8	(8.6)
Adjusted EBITDA Margin	10.2%	7.9%	-2.5%

Q1'25 VS Q2'25 Adjusted EBITDA Results from Continuing Operations

(\$ in millions)



Key Metrics

	June 30, 2025	March 31, 2025	June 30, 2024
Food service	\$ 166.1	\$ 151.4	\$ 134.7
Folding carton	147.6	148.4	147.6
Sheeting & distribution	39.9	38.8	41.2
Pulp and other	38.2	39.6	20.9
Net sales	<u>391.8</u>	<u>378.2</u>	<u>\$ 344.4</u>
Input cost (raw materials & energy)	\$ 174.5	\$ 168.4	\$ 145.9
Labor and overhead	128.0	117.1	134.7
Supply chain costs (principally freight)	39.0	36.3	35.7
Depreciation	21.8	21.0	16.1
Other	(14.5)	(1.3)	14.0
Cost of sales	<u>\$ 348.8</u>	<u>\$ 341.5</u>	<u>\$ 346.4</u>
Paperboard sale volumes	304,713	289,487	272,585
Paperboard production volumes	323,489	290,223	266,881
Net sales price per ton	\$ 1,182	\$ 1,188	\$ 1,216

