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

FORM 10-Q

(Mark One)

☒

For the quarterly period ended September 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from __________________to __________________

1-13948
(Commission file number)

MATIV HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**62-1612879**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

100 Kimball Pl,	**Suite 600**	
Alpharetta,	**Georgia**	**30009**
(Address of principal executive offices)		(Zip Code)

1-770-569-4229
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, $0.10 par value	MATV	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 (§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 ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	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. ☐

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

The Company had 54,335,830 shares of common stock outstanding as of November 4, 2024.

MATIV HOLDINGS, INC.

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PART I - FINANCIAL INFORMATION

Item 1. ***Financial Statements***

MATIV HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in millions, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales	$ 498.5	$ 498.2	$ 1,522.5	$ 1,573.7
Cost of products sold	404.9	411.5	1,236.0	1,303.8
Gross profit	93.6	86.7	286.5	269.9
Selling expense	18.1	20.5	54.6	60.6
Research and development expense	5.7	5.4	17.5	16.6
General expense	51.6	63.4	173.3	185.8
Total nonmanufacturing expenses	75.4	89.3	245.4	263.0
Goodwill impairment expense	—	401.0	—	401.0
Restructuring and other impairment expense	11.2	16.3	37.4	17.6
Operating profit (loss)	7.0	(419.9)	3.7	(411.7)
Interest expense	18.3	16.8	55.0	48.8
Other expense, net	(12.7)	(0.3)	(12.1)	(3.6)
Loss from continuing operations before income taxes	(24.0)	(437.0)	(63.4)	(464.1)
Income tax expense (benefit), net	(3.2)	27.3	(13.2)	30.0
Net loss from continuing operations	(20.8)	(464.3)	(50.2)	(494.1)
Net income from discontinued operations	—	9.3	—	26.9
Net loss	(20.8)	(455.0)	(50.2)	(467.2)
Dividends to participating securities	(0.1)	(0.5)	(0.2)	(0.7)
Net loss attributable to Common Stockholders	$ (20.9)	$ (455.5)	$ (50.4)	$ (467.9)
Net loss per share - basic:				
Loss per share from continuing operations	$ (0.38)	$ (8.50)	$ (0.93)	$ (9.06)
Income per share from discontinued operations	—	0.17	—	0.49
Basic	$ (0.38)	$ (8.33)	$ (0.93)	$ (8.57)
Net loss per share – diluted:				
Loss per share from continuing operations	$ (0.38)	$ (8.50)	$ (0.93)	$ (9.06)
Income per share from discontinued operations	—	0.17	—	0.49
Diluted	$ (0.38)	$ (8.33)	$ (0.93)	$ (8.57)
Weighted average shares outstanding:				
Basic	54,327,500	54,659,100	54,305,800	54,600,100
Diluted	54,327,500	54,659,100	54,305,800	54,600,100

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

MATIV HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	$ (20.8)	$ (455.0)	$ (50.2)	$ (467.2)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	21.7	(17.7)	10.9	3.9
Cash flow hedges	(13.5)	4.1	(13.8)	4.0
Postretirement benefit plans	0.2	—	0.5	0.5
Other comprehensive income (loss)	8.4	(13.6)	(2.4)	8.4
Comprehensive loss	$ (12.4)	$ (468.6)	$ (52.6)	$ (458.8)

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

MATIV HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except per share amounts)
(Unaudited)

		September 30, 2024		December 31, 2
ASSETS				
Cash and cash equivalents	$	162.2	$	
Accounts receivable, net		208.5		
Inventories, net		354.3		
Income taxes receivable		16.6		
Other current assets		35.7		
Total current assets		777.3		
Property, plant and equipment, net		635.5		
Finance lease right-of-use assets		17.3		
Operating lease right-of-use assets		44.6		
Deferred income tax benefits		10.4		
Goodwill		475.6		
Intangible assets, net		585.5		
Other assets		76.9		
Total assets	$	2,623.1	$	2,
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current debt	$	2.8	$	
Finance lease liabilities		1.6		
Operating lease liabilities		9.5		
Accounts payable		172.7		
Income taxes payable		10.1		
Accrued expenses and other current liabilities		131.3		
Total current liabilities		328.0		
Long-term debt		1,140.6		1,
Finance lease liabilities, noncurrent		17.2		
Operating lease liabilities, noncurrent		34.8		
Long-term income tax payable		—		
Pension and other postretirement benefits		58.5		
Deferred income tax liabilities		116.1		
Other liabilities		45.6		
Total liabilities		1,740.8		1,
Stockholders' equity:				
Preferred stock, $0.10 par value; 10,000,000 shares authorized; none issued or outstanding		—		
Common stock, $0.10 par value; 100,000,000 shares authorized; 54,328,913 and 54,211,124 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively		5.4		
Additional paid-in-capital		671.9		
Retained earnings		168.3		
Accumulated other comprehensive income, net of tax		36.7		
Total stockholders' equity		882.3		
Total liabilities and stockholders' equity	$	2,623.1	$	2,

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

MATIV HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in millions, except per share amounts)
(Unaudited)

	Common Stock		Additional	Retained	Accumulated Other Comprehensive	
	Shares	Amount	Paid-In Capital	Earnings	Income (Loss)	Total
Balance, June 30, 2023	**54,840,660**	**$ 5.5**	**$ 665.7**	**$ 551.2**	**$ (73.4)**	**$ 1,149.0**
Net loss	—	—	—	(455.0)	—	(455.0)
Other comprehensive loss, net of tax	—	—	—	—	(13.6)	(13.6)
Dividends paid ($0.10 per share)	—	—	—	(5.7)	—	(5.7)
Restricted stock issuances, net	(108,741)	—	—	—	—	—
Stock-based employee compensation expense	—	—	2.4	—	—	2.4
Stock issued to directors as compensation	4,710	—	0.2	—	—	0.2
Purchases and retirement of common stock	(281,920)	(0.1)	—	(4.2)	—	(4.3)
Balance, September 30, 2023	**54,454,709**	**$ 5.4**	**$ 668.3**	**$ 86.3**	**$ (87.0)**	**$ 673.0**
Balance, June 30, 2024	**54,324,185**	**$ 5.4**	**$ 669.7**	**$ 194.6**	**$ 28.3**	**$ 898.0**
Net loss	—	—	—	(20.8)	—	(20.8)
Other comprehensive income, net of tax	—	—	—	—	8.4	8.4
Dividends paid ($0.10 per share)	—	—	—	(5.5)	—	(5.5)
Restricted stock issuances, net	1,928	—	—	—	—	—
Stock-based employee compensation expense[(1)]	—	—	2.0	—	—	2.0
Stock issued to directors as compensation	2,800	—	0.3	—	—	0.3
Purchases and retirement of common stock	—	—	(0.1)	—	—	(0.1)
Balance, September 30, 2024	**54,328,913**	**$ 5.4**	**$ 671.9**	**$ 168.3**	**$ 36.7**	**$ 882.3**

[(1)]Includes the impact of the equity-to-liability modification of certain restricted stock awards.

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

MATIV HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in millions, except per share amounts)
(Unaudited)

	Common Stock		Additional	Retained	Accumulated Other Comprehensive	
	Shares	Amount	Paid-In Capital	Earnings	Income (Loss)	Total
Balance, December 31, 2022	**54,929,973**	**$ 5.5**	**$ 658.5**	**$ 610.7**	**$ (95.4)**	**$ 1,179.3**
Net loss	—	—	—	(467.2)	—	(467.2)
Other comprehensive income, net of tax	—	—	—	—	8.4	8.4
Dividends paid ($0.90 per share)	—	—	—	(50.2)	—	(50.2)
Restricted stock issuances, net	(86,814)	—	—	—	—	—
Stock options exercised	813	—	—	—	—	—
Stock-based employee compensation expense	—	—	9.1	—	—	9.1
Stock issued to directors as compensation	11,436	—	0.7	—	—	0.7
Purchases and retirement of common stock	(400,699)	(0.1)	—	(7.0)	—	(7.1)
Balance, September 30, 2023	**54,454,709**	**$ 5.4**	**$ 668.3**	**$ 86.3**	**$ (87.0)**	**$ 673.0**
Balance, December 31, 2023	**54,211,124**	**$ 5.4**	**$ 669.6**	**$ 235.0**	**$ 39.1**	**$ 949.1**
Net loss	—	—	—	(50.2)	—	(50.2)
Other comprehensive loss, net of tax	—	—	—	—	(2.4)	(2.4)
Dividends paid ($0.30 per share)	—	—	—	(16.5)	—	(16.5)
Restricted stock issuances, net	106,248	—	—	—	—	—
Stock-based employee compensation expense[1]	—	—	2.3	—	—	2.3
Stock issued to directors as compensation	11,541	—	0.8	—	—	0.8
Purchases and retirement of common stock	—	—	(0.8)	—	—	(0.8)
Balance, September 30, 2024	**54,328,913**	**$ 5.4**	**$ 671.9**	**$ 168.3**	**$ 36.7**	**$ 882.3**

[1]Includes the impact of the equity-to-liability modification of certain restricted stock awards.

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

MATIV HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	Nine Months Ended September 30,	
	2024	**2023**
Operating		
Net loss	$ (50.2)	$ (467.2)
Less: Income from discontinued operations	—	(26.9)
Loss from continuing operations	(50.2)	(494.1)
Non-cash items included in net loss:		
Depreciation and amortization	108.4	112.4
Amortization of deferred issuance costs	5.9	5.6
Goodwill impairment	—	401.0
Asset impairments	16.2	14.8
Deferred income tax	(22.2)	24.9
Pension and other postretirement benefits	(4.5)	(10.4)
Stock-based compensation	8.7	9.3
Loss on sale of assets	9.7	—
(Gain) loss on foreign currency transactions	3.0	(1.2)
Other non-cash items	(2.9)	(7.3)
Other operating	(2.2)	(3.8)
Changes in operating working capital, net of assets acquired:		
Accounts receivable	(33.3)	(5.8)
Inventories	(14.9)	42.1
Prepaid expenses	(0.1)	(1.1)
Accounts payable and other current liabilities	47.3	(43.3)
Accrued income taxes	1.8	(5.3)
Net changes in operating working capital	0.8	(13.4)
Net cash provided by operating activities of:		
Continuing operations	70.7	37.8
Discontinued operations	—	14.6
Net cash provided by operations	70.7	52.4
Investing		
Capital spending	(32.9)	(49.4)
Capitalized software costs	(0.5)	(0.5)
Proceeds from sale of assets	4.5	—
Cash paid on settlement of cross-currency swap contracts	(1.7)	—
Other investing	1.2	0.5
Net cash used in investing of:		
Continuing operations	(29.4)	(49.4)
Discontinued operations	(12.0)	(8.8)
Net cash used in investing	(41.4)	(58.2)

MATIV HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	Nine Months Ended September 30,	
	2024	**2023**
Financing		
Cash dividends paid	(16.2)	(49.8)
Proceeds from long-term debt	127.0	180.0
Payments on long-term debt	(97.0)	(134.2)
Payments for debt issuance costs	—	(1.5)
Payments on financing lease obligations	(0.8)	(0.7)
Purchases of common stock	(0.8)	(7.0)
Net cash provided by (used in) financing of:		
Continuing operations	12.2	(13.2)
Discontinued operations	—	(0.9)
Net cash provided by (used in) financing	12.2	(14.1)
Effect of exchange rate changes on cash and cash equivalents	0.5	(0.9)
Increase (decrease) in cash and cash equivalents	42.0	(20.8)
Cash and cash equivalents at beginning of period	120.2	124.4
Cash and cash equivalents at end of period	$ 162.2	$ 103.6
Supplemental Cash Flow Disclosures		
Cash paid for interest, net	$ 63.3	$ 94.9
Cash paid for taxes, net	$ 8.2	$ 27.5
Capital spending in accounts payable and accrued liabilities	$ 6.5	$ 7.5

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

Note 1. General

Nature of Business

Organization and operations - Mativ Holdings, Inc. is a global leader in specialty materials, solving our customers' most complex challenges by engineering bold, innovative solutions that connect, protect, and purify our world. Mativ manufactures globally through our family of business-to-business and consumer product brands. Mativ targets premium applications across diversified and growing end-markets, from filtration to healthcare to sustainable packaging and more. Our broad portfolio of technologies combines polymers, fibers, and resins to optimize the performance of our customers' products across multiple stages of the value chain.

On July 6, 2022, Schweitzer-Mauduit International, Inc. ("SWM") completed a merger transaction involving Neenah, Inc. ("Neenah"). A wholly-owned subsidiary of SWM merged with and into Neenah (the "Merger"), with Neenah surviving the Merger as a direct and wholly-owned subsidiary of SWM. Effective as of the closing date of the Merger, SWM changed its name to Mativ Holdings, Inc. ("Mativ," "we," "our," or the "Company").

On November 30, 2023, the Company completed the sale of the Engineered Papers business ("EP business") to Evergreen Hill Enterprise Pte. Ltd. ("Evergreen Hill Enterprise"). With the sale of the EP business (the "EP Divestiture"), Mativ ceased participating in tobacco-based products markets.

The EP business is presented as a discontinued operation for all periods and certain prior period amounts have been retrospectively revised to reflect these changes. The unaudited condensed consolidated financial statements and the notes thereto, unless otherwise indicated, are on a continuing operations basis. Refer to Note 15. Discontinued Operations of the Notes to Condensed Consolidated Financial Statements for more information on the discontinued operations and transaction.

Reportable Segments - As part of an organizational realignment effective during the first quarter of 2024, we reorganized into two new reportable segments: (1) Filtration & Advanced Materials ("FAM"), focused primarily on filtration media and components, advanced films, coating and converting solutions, and extruded mesh products, and (2) Sustainable & Adhesive Solutions ("SAS") focused primarily on tapes, labels, liners, specialty paper, packaging and healthcare solutions. The change in reportable segments reflects the realignment of management and the related internal review of our operating segments. The prior period presentation has been revised to align with our current segment reporting structure.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements and the notes thereto have been prepared in accordance with the instructions on Form 10-Q and Rule 10-01 of Regulation S-X of the Securities and Exchange Commission ("SEC") and do not include all the information and disclosures required by accounting principles generally accepted in the United States of America ("GAAP"). However, such information reflects all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of results for the interim periods.

The results of operations for the three and nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for the full year. The unaudited condensed consolidated financial statements and these notes thereto included herein should be read in conjunction with the audited consolidated financial statements and the related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 29, 2024.

Reclassifications

Certain prior year amounts on the unaudited Condensed Consolidated Statements of Income (Loss), unaudited Condensed Consolidated Balance Sheets, unaudited Condensed Consolidated Statements of Cash Flows, and unaudited Notes to Condensed Consolidated Financial Statements have been reclassified to conform to the current year presentation as continuing and discontinued operations and for comparative purposes.

Certain prior year amounts in the unaudited Notes to Condensed Consolidated Financial Statements have been reclassified to conform to the current year segments for comparative purposes.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the revenues and expenses during the reporting period. Actual results could differ significantly from these estimates. The significant estimates underlying our unaudited condensed consolidated financial statements include, but are not limited to, inventory valuation, goodwill valuation, useful lives of tangible and intangible assets, business acquisitions, equity-based compensation, derivatives, receivables valuation, pension, postretirement and other benefits, taxes and contingencies.

Recently Issued Accounting Standards

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." The amendment enhances reportable segment disclosure requirements, primarily regarding significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of other segment items and expanded interim disclosures that align with those required annually, among other provisions. The amendments in this ASU are effective on a retrospective basis for annual periods beginning January 1, 2024, and interim periods within those annual periods beginning January 1, 2025, with early adoption permitted. We do not expect the adoption of ASU 2023-07 to have a significant impact on our financial statement presentation or results.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The amendment enhances income tax disclosure requirements, particularly regarding the effective tax rate reconciliation and income taxes paid. The amendments in this ASU are effective for fiscal years beginning after December 15, 2024. The Company is in the process of evaluating the effect that the adoption of this standard will have on its consolidated financial statements.

Note 2. Revenue Recognition

The Company recognizes revenues when control of a product is transferred to the customer. Control is transferred when the products are shipped from one of the Company’s manufacturing facilities to the customer. Any freight costs billed to and paid by a customer are included in Net sales. The cost the Company pays to deliver finished goods to our customers is recorded as a component of Cost of products sold. These costs include the amounts paid to a third party to deliver the finished goods.

Revenue is recognized when performance obligations under the terms of a contract with a customer are satisfied, which generally occurs when control of the promised goods or services is transferred to the customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Generally, the Company considers collectability of amounts due under a contract to be probable upon inception of a sale based on an evaluation of the credit worthiness of each customer. If collectability is not considered to be probable, the Company defers recognition of revenue on satisfied performance obligations until the uncertainty is resolved. We record estimates for credit losses based on our expectations for the collectability of amounts due from customers, considering historical collections, expectations for future activity and other discrete events as applicable.

Variable consideration, such as discounts or price concessions, is set forth in the terms of the contract at inception and is included in the assessment of the transaction price at the outset of the arrangement. The transaction price is allocated to the individual performance obligations due under the contract based on the relative stand-alone fair value of the performance obligations identified in the contract. The Company typically uses an observable price to determine the stand-alone selling price for separate performance obligations.

The Company does not typically include extended payment terms or significant financing components in its contracts with customers. Certain sales contracts may include cash-based incentives (volume rebates or credits), which are accounted for as variable consideration. We estimate these amounts at least quarterly based on the expected forecast quantities to be provided to customers and adjust revenues recognized accordingly. Incidental items that are immaterial in the context of the contract are recognized as expense in the period incurred. The Company generally expenses sales commissions when incurred because the amortization period is one year or less. These costs are recorded within Selling expense. The Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less and contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed. As a practical expedient, the Company treats shipping and handling activities that occur after control of the good transfers as fulfillment activities, and therefore, does not account for shipping and handling costs as a separate performance obligation.

Net sales are attributed to the following geographic locations of the Company’s direct customers (in millions):

	Three Months Ended September 30,					
	2024			2023		
	FAM	SAS	Total	FAM	SAS	Total
United States	$ 101.2	$ 178.1	$ 279.3	$ 133.6	$ 165.3	$ 298.9
Europe	46.0	83.4	129.4	37.4	81.9	119.3
Asia-Pacific	32.2	21.1	53.3	17.4	20.3	37.7
Americas (excluding U.S.)	7.0	19.4	26.4	4.6	27.0	31.6
Other foreign countries	3.2	6.9	10.1	2.8	7.9	10.7
Net sales	$ 189.6	$ 308.9	$ 498.5	$ 195.8	$ 302.4	$ 498.2

	Nine Months Ended September 30,					
	2024			2023		
	FAM	SAS	Total	FAM	SAS	Total
United States	$ 326.3	$ 515.3	$ 841.6	$ 377.6	$ 500.1	$ 877.7
Europe	150.6	259.5	410.1	146.8	277.6	424.4
Asia-Pacific	96.2	64.7	160.9	77.5	65.1	142.6
Americas (excluding U.S.)	18.1	61.5	79.6	16.1	78.2	94.3
Other foreign countries	7.5	22.8	30.3	10.1	24.6	34.7
Net sales	$ 598.7	$ 923.8	$ 1,522.5	$ 628.1	$ 945.6	$ 1,573.7

Net sales as a percentage by product category for the business were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Filtration & netting	25 %	25 %	25 %	25 %
Advanced films	13 %	15 %	14 %	15 %
Tapes, labels & liners	30 %	29 %	30 %	30 %
Paper & packaging	17 %	17 %	17 %	17 %
Healthcare & other	15 %	14 %	14 %	13 %
Net sales	100 %	100 %	100 %	100 %

FAM is focused primarily on filtration media and components, advanced films, coating and converting solutions, and extruded mesh products. The FAM segment supplies customers directly, serving a diverse set of generally high-growth end markets.

Filtration & netting – includes high efficiency filtration media and components used in transportation applications, water filtration, industrial processes, life science, HVAC, and air pollution control, as well as extruded mesh products used in agriculture, and various packaging applications.

Advanced films – includes paint protection films used in the transportation aftermarket channel, optical films for glass and glazing applications, interlayer films and lamination for ballistic resistance, medical films and composites for advanced wound care and consumer products, security glass, high-performance graphic substrates, and emerging smart glass applications.

SAS is focused primarily on tapes, labels, liners, specialty paper, packaging and healthcare solutions. The SAS segment supplies customers through distribution and directly, serving growing and mature end markets.

Tapes, labels & liners – includes substrates for tapes used in building & construction, infrastructure, DIY, athletic, and industrial applications, substrates critical to protection and adhesive separation (including release liners and carriers) for applications in the personal care, label, tape, industrial, graphic arts, composites, and medical categories, as well as performance labels, and cable wrapping.

Paper & packaging – includes premium printing and other specialty papers and packaging applications used for print collateral, advertising, direct mail, product packaging, graphics, wallpaper, and education, as well as consumer office, stationery and craft papers sold to large retailers, for small business, personal use and educational applications.

Healthcare & other – includes advanced wound care, consumer wellness, device fixation, medical packaging, as well as a wide range of other solutions and applications.

Transfer of Receivables

On December 23, 2022, the Company entered into an accounts receivables sales agreement (the "Receivables Sales Agreement") to sell certain trade receivables arising from revenue transactions of the Company's U.S. subsidiaries on a revolving basis. The maximum funding commitment of the Receivables Sales Agreement is $175.0 million. The agreement has an initial term of three years and can be renewed.

In connection with the Receivables Sales Agreement, the Company formed a separate bankruptcy-remote special purpose entity ("SPE"), which is a wholly owned and controlled subsidiary. The Company continuously transfers receivables to the SPE and the SPE transfers ownership and control of certain receivables that meet certain qualifying conditions to a third-party financial institution in exchange for cash. Certain receivables are held by the SPE and are pledged to secure the collectability of the sold receivables.

On October 20, 2023, we entered into Amendment No. 1 to the Receivables Sales Agreement (the "Receivables Sales Agreement Amendment"). The Receivables Sales Agreement Amendment amends the original Receivables Sales Agreement (the "Amended Receivables Sales Agreement") to, among other things, (i) reflect the repurchase by Mativ Holdings, Inc. from the SPE of all of its accounts receivable and certain related assets previously sold by Mativ Holdings, Inc. to the SPE (collectively, "Receivables"), (ii) reflect that Mativ Holdings, Inc. is no longer an originator under the Company's accounts receivable securitization facility, but remains the servicer and performance guarantor, (iii) reflect the Company's assignment of 100% of the ownership interests in the SPE to Neenah, such that Neenah will now contribute rather than sell receivables to the SPE on a go-forward basis, and (iv) update the maximum Net Debt to EBITDA Ratio to match the level set forth in the Company's First Lien Credit Agreement as in effect on the date of such amendment.

The amount of receivables pledged as collateral as of September 30, 2024 and December 31, 2023 was $36.5 million and $27.9 million, respectively. The SPE incurs fees due to the third-party financial institution related to accounts receivable sales transactions.

The Company has continuing involvement with the receivables transferred by the SPE to the third-party financial institution by providing collection services.

The Company also participates in uncommitted trade accounts receivable sales programs ("Reverse Receivables Programs") under which certain trade receivables are sold, without recourse, to a third-party financial institution in exchange for cash. The Company does not retain any interest in or continuing involvement with the invoices after they are sold. The invoices are sold at face value, less a transaction fee.

The Company accounts for transactions under the Receivables Sales Agreement and Reverse Receivables Programs as sales of financial assets, with the associated receivables derecognized from the Company's unaudited Condensed Consolidated Balance Sheets. Total fees related to the Receivables Sales Agreement and Reverse Receivables Programs are considered to be a loss on the sale of financial assets. Continuous cash activity related to the Receivables Sales Agreement and Reverse Receivables Programs is reflected in cash from operating activities in the unaudited Condensed Consolidated Statements of Cash Flows.

The following table summarizes the activity under the Receivables Sales Agreement and Reverse Receivables Programs (in millions):

	Nine Months Ended September 30,	
	2024	**2023**
Trade accounts receivable sold to financial institutions	$ 778.7	$ 839.5
Cash proceeds from financial institutions	778.1	830.7

Note 3. Other Comprehensive Income (Loss)

Comprehensive loss includes Net loss, as well as items charged directly to stockholders' equity, which are excluded from Net loss. The Company has presented Comprehensive loss in the unaudited Condensed Consolidated Statements of Comprehensive Loss. Reclassification adjustments of derivative instruments from Accumulated other comprehensive income (loss), net of tax are presented in Other expense, net or Interest expense in the unaudited Condensed Consolidated Statements of Income (Loss). Refer to Note 10. Derivatives for additional information. Amortization of accumulated pension and other post-employment benefit ("OPEB") liabilities are included in the computation of net pension and OPEB costs, which are discussed in Note 12. Postretirement and Other Benefits.

Components of Accumulated other comprehensive income, net of tax, were as follows (in millions):

	September 30, 2024	December 31, 2023
Accumulated pension and OPEB liability adjustments, net of income tax benefit of $ 4.5 million and $4.3 million at September 30, 2024 and December 31, 2023, respectively	$ (19.8)	$ (20.3)
Accumulated unrealized gain on derivative instruments, net of income tax expense of $ 10.9 million and $12.8 million at September 30, 2024 and December 31, 2023, respectively	14.1	27.9
Accumulated unrealized foreign currency translation adjustments, net of income tax benefit of $ 17.8 million and $14.6 million at September 30, 2024 and December 31, 2023, respectively	42.4	31.5
Accumulated other comprehensive income, net of tax	$ 36.7	$ 39.1

Changes in the components of Accumulated other comprehensive income (loss), net of tax, were as follows (in millions):

	Three Months Ended September 30,					
	2024			2023		
	Pre-tax	Tax	Net of Tax	Pre-tax	Tax	Net of Tax
Pension and OPEB liability adjustments	$ (0.1)	$ 0.3	$ 0.2	$ —	$ —	$ —
Derivative instrument adjustments	(17.0)	3.5	(13.5)	5.7	(1.6)	4.1
Unrealized foreign currency translation adjustments	18.9	2.8	21.7	(18.4)	0.7	(17.7)
Total	$ 1.8	$ 6.6	$ 8.4	$ (12.7)	$ (0.9)	$ (13.6)

	Nine Months Ended September 30,					
	2024			2023		
	Pre-tax	Tax	Net of Tax	Pre-tax	Tax	Net of Tax
Pension and OPEB liability adjustments	$ 0.3	$ 0.2	$ 0.5	$ 1.2	$ (0.7)	$ 0.5
Derivative instrument adjustments	(15.7)	1.9	(13.8)	6.7	(2.7)	4.0
Unrealized foreign currency translation adjustments	7.7	3.2	10.9	4.6	(0.7)	3.9
Total	$ (7.7)	$ 5.3	$ (2.4)	$ 12.5	$ (4.1)	$ 8.4

Note 4. Net Loss Per Share

The Company uses the two-class method to calculate Net loss per share. The Company has granted restricted stock that contains non-forfeitable rights to dividends on unvested shares. Since these unvested shares are considered participating securities under the two-class method, the Company allocates loss per share to common stock and participating securities according to dividends declared and participation rights in undistributed earnings.

Diluted net loss per common share is computed based on Net loss divided by the weighted average number of common and potential common shares outstanding. Potential common shares during the respective periods are those related to dilutive stock-based compensation, including long-term stock-based incentive compensation and directors' accumulated deferred stock compensation, which may be received by the directors in the form of stock or cash.

A reconciliation of the average number of common and potential common shares outstanding used in the calculations of basic and diluted net loss per share follows (in millions, shares in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Numerator (basic and diluted):				
Net loss	$ (20.8)	$ (455.0)	$ (50.2)	$ (467.2)
Less: Dividends to participating securities	(0.1)	(0.5)	(0.2)	(0.7)
Net loss attributable to Common Stockholders	$ (20.9)	$ (455.5)	$ (50.4)	$ (467.9)
Denominator:				
Average number of common shares outstanding	54,327.5	54,659.1	54,305.8	54,600.1
Effect of dilutive stock-based compensation [1]	—	—	—	—
Average number of common and potential common shares outstanding	54,327.5	54,659.1	54,305.8	54,600.1

[1] Diluted loss per share excludes an immaterial amount of weighted average potential common shares for the three and nine months ended September 30, 2024 and 2023 as their inclusion would be anti-dilutive.

Note 5. Inventories, Net

Inventories, net are valued at the lower of cost (using the first-in, first-out and weighted average methods) or net realizable value. The Company's costs included in inventory primarily include resins, pulp, chemicals, direct labor, utilities, maintenance, depreciation, finishing supplies and an allocation of certain overhead costs. Machine start-up costs or unplanned machine shutdowns are expensed in the period incurred and are not reflected in inventory. The Company reviews inventories at least quarterly to determine the necessity of write-offs for excess, obsolete or unsalable inventory. The Company estimates write-offs for inventory obsolescence and shrinkage based on its judgment of future realization. These reviews require the Company to assess customer and market demand. There were no material inventory write-offs during the three and nine months ended September 30, 2024 and 2023.

The following table summarizes inventories by major class (in millions):

	September 30, 2024	December 31, 2023
Raw materials	$ 129.9	$ 129.9
Work in process	59.4	50.4
Finished goods	149.7	160.0
Supplies and other	15.3	12.6
Total inventories	$ 354.3	$ 352.9

Note 6. Goodwill

The changes in the carrying amount of goodwill by reportable segment were as follows (in millions):

	FAM	SAS	Total
Balance at December 31, 2023	$ 417.9	$ 56.2	$ 474.1
Foreign currency translation	1.5	—	1.5
Balance at September 30, 2024	$ 419.4	$ 56.2	$ 475.6

Note 7. Intangible Assets

The gross carrying amount and accumulated amortization for intangible assets as of September 30, 2024 consisted of the following (in millions):

	September 30, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized Intangible Assets			
Customer relationships	$ 746.4	$ 247.5	$ 498.9
Acquired and developed technology	92.2	46.1	46.1
Trade names	48.5	8.9	39.6
Non-compete agreements	2.9	2.9	—
Patents	1.9	1.0	0.9
Total[1]	$ 891.9	$ 306.4	$ 585.5

[1] Includes $0.6 million intangible asset impairment recorded during the second quarter of 2024.

The gross carrying amount and accumulated amortization for intangible assets as of December 31, 2023 consisted of the following (in millions):

	December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized Intangible Assets			
Customer relationships	$ 743.8	$ 209.4	$ 534.4
Acquired and developed technology	92.6	38.6	54.0
Trade names	32.7	6.4	26.3
Non-compete agreements	2.9	2.8	0.1
Patents	1.9	0.9	1.0
Total[1]	$ 873.9	$ 258.1	$ 615.8
Unamortized Intangible Assets			
Trade names[2]	$ 15.5	$ —	$ 15.5

[1] Includes $0.7 million intangible asset impairment for the year ended 2023.
[2] Amortization of certain trade names began effective January 1, 2024 to reflect current expectations for the period over which the assets will contribute to future cash flows.

Amortization expense of intangible assets was $ 15.4 million and $15.5 million for the three months ended September 30, 2024 and 2023, respectively, and $46.9 million and $45.5 million for the nine months ended September 30, 2024 and 2023, respectively. Intangibles are expensed using the straight-line amortization method.

Note 8. Restructuring and Other Impairment Activities

In January 2024, we announced an organizational realignment plan (the "Plan") that is expected to streamline organizational size and complexity and leverage business critical resources to enhance customer support and reduce overhead cost. Restructuring and other impairment expenses related to the Plan were comprised primarily of severance charges. These charges were $0.7 million for the three months ended September 30, 2024, of which $ 0.2 million, $0.5 million and none incurred within FAM, SAS and Unallocated, respectively, and were $ 16.4 million for the nine months ended September 30, 2024, of which $ 3.1 million, $10.0 million and $3.3 million incurred within FAM, SAS and Unallocated, respectively. Restructuring activities associated with the Plan are expected to be completed during 2024, with insignificant additional costs.

Restructuring and other impairment expenses in the FAM segment, excluding costs associated with the Plan were primarily attributable to facility closures announced in prior years. Through September 30, 2024, the FAM Segment has recognized accumulated restructuring and other impairment charges of $5.2 million related to the facility closures. During the remainder of 2024, the Company expects to record additional restructuring costs in the FAM segment of less than $1.0 million related to the closure of these facilities.

Restructuring and other impairment expenses in the SAS segment, excluding costs associated with the Plan included $ 8.9 million and $16.1 million of impairment charges, for the three and nine months ended September 30, 2024, respectively, to fully impair the net assets at our Eerbeek, Netherlands facility. The impairment assessment was performed after revising our long-term view on cash flows associated with the facility. The remaining restructuring and other impairment expenses were primarily related to a facility closure announced in a prior year. Through September 30, 2024, the SAS segment has recognized accumulated restructuring and other impairment charges of $5.5 million related to the facility closures. During the remainder of 2024, the Company expects to record additional restructuring costs in the SAS segment of less than $1.0 million related to the facility closures.

Assets held for sale of $ 10.3 million and $ 10.5 million were included in Other current assets as of September 30, 2024 and 2023, respectively.

The following table summarizes total restructuring and other impairment expense (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Filtration and Advanced Materials				
Severance and termination benefits	$ 0.3	$ —	$ 3.8	$ —
Other exit costs	0.4	1.1	1.4	2.3
FAM restructuring expense	0.7	1.1	5.2	2.3
Sustainable and Adhesive Solutions				
Severance and termination benefits	0.5	—	10.6	0.1
Other exit costs	1.0	0.2	2.1	0.2
SAS restructuring expense	1.5	0.2	12.7	0.3
Unallocated				
Severance and termination benefits	0.1	—	3.4	—
Unallocated restructuring expense	0.1	—	3.4	—
Total restructuring expense	$ 2.3	$ 1.3	$ 21.3	$ 2.6
Sustainable and Adhesive Solutions				
Other impairment expense	8.9	15.0	16.1	15.0
Total restructuring and other impairment expense	$ 11.2	$ 16.3	$ 37.4	$ 17.6

The following table summarizes changes in restructuring liabilities (in millions):

	2024	2023
Balance at beginning of the period	$ 3.8	$ 4.0
Charges for restructuring programs	21.3	2.6
Cash payments and other	(22.3)	(3.3)
Balance at September 30, 2024	$ 2.8	$ 3.3

Restructuring liabilities were classified within Accrued expenses and other current liabilities and Other liabilities in the unaudited Condensed Consolidated Balance Sheets.

Note 9. Debt

Total debt, net of debt issuance costs, is summarized in the following table (in millions):

	September 30, 2024	December 31, 2023
Revolving facility - U.S. dollar borrowings	$ 292.0	$ 260.0
Term loan A facility	84.3	84.3
Term loan B facility	160.5	160.5
Delayed draw term loan	273.2	273.2
6.875% Senior unsecured notes due October 1, 2026, net of discount of $ 2.4 million and $3.2 million at September 30, 2024 and December 31, 2023, respectively[(1)]	345.6	341.9
German loan agreement	7.0	9.0
Debt issuance costs	(19.2)	(24.3)
Total debt	1,143.4	1,104.6
Less: Current debt	(2.8)	(2.8)
Total long-term debt	$ 1,140.6	$ 1,101.8

[(1)] Amount includes a $2.0 million and $4.9 million decrease in fair value as of September 30, 2024 and December 31, 2023, respectively, due to changes in benchmark interest rates related to the senior unsecured notes. Refer to Note 10. Derivatives for additional information on our interest rate swaps designated as a fair value hedge.

Credit Facility

On September 25, 2018, the Company entered into a $ 700.0 million credit agreement (the "Credit Agreement"), which replaced the Company's previous senior secured credit facilities and provides for a five-year $500.0 million revolving line of credit (the "Revolving Credit Facility") and a seven-year $200.0 million bank term loan facility (the "Term Loan A Facility"). Subject to certain conditions, including the absence of a default or event of default under the Credit Agreement, the Company may request incremental loans to be extended under the Revolving Credit Facility or as additional Term Loan Facilities so long as the Company is in pro forma compliance with the financial covenants set forth in the Credit Agreement and the aggregate of such increases does not exceed $400.0 million.

On February 10, 2021, the Company amended its Credit Agreement to, among other things, add a new seven-year $350.0 million Term Loan B Facility (the "Term Loan B Facility") and to decrease the incremental loans that may be extended at the Company's request to $250.0 million. The amended Credit Agreement was further amended effective February 22, 2022 to adjust the step-down schedule for the maximum net debt to EBITDA ratio.

On May 6, 2022, the Company further amended its Credit Agreement in order to extend the maturity of the Revolving Credit Facility and the Term Loan A Facility to May 6, 2027, and to increase the availability under the Revolving Credit Facility, to $600.0 million. Additionally, the Company added a $ 650.0 million delayed draw term loan facility (the "Delayed Draw Term Loan Facility"), which the Company borrowed on July 5, 2022, in connection with the Merger. The Delayed Draw Term Loan Facility matures on May 6, 2027.

Borrowings under the amended Term Loan A Facility ("Term Loan A Credit Facility") will bear interest, at a rate equal to either (1) a forward-looking term rate based on the Secured Overnight Financing Rate ("Term SOFR"), plus the applicable margin or (2) the highest of (a) the federal funds effective rate plus 0.5%, (b) the rate of interest as published by the Wall Street Journal as the "bank prime loan" rate, and (c) Term SOFR plus 1.0%, in each case plus the applicable margin. The applicable margin for borrowings under the Term Loan A Credit Facility is expected to range from 1.25% to 2.75% for SOFR loans and from 0.25% to 1.75% for base rate loans, in each case depending on the Company’s then current net debt to EBITDA ratio.

Borrowings under the amended Revolving Facility or the Delayed Draw Term Loan facility in U.S. dollars will bear interest, at the Company’s option, at a rate equal to either (1) a forward-looking term rate based on Term SOFR, plus the applicable margin or (2) the highest of (a) the federal funds effective rate plus 0.5%, (b) the rate of interest as published by the Wall Street Journal as the "bank prime loan" rate, and (c) one-month Term SOFR plus 1.0%, in each case plus the applicable margin. Borrowings under the Revolving Facility in Euros will bear interest at a rate equal to the reserve-adjusted Euro interbank offered rate, or EURIBOR, plus the applicable margin. The applicable margin for borrowings under the revolving credit agreement is expected to range from 1.00% to 2.50% for SOFR loans and EURIBOR loans, and from 0.00% to 1.50% for base rate loans, in each case, depending on the Company’s then current net debt to EBITDA ratio.

Borrowings under the Term Loan B Facility will bear interest, equal to a forward-looking term rate based on Term SOFR (subject to a minimum floor of 0.75%) plus 2.75%. Borrowings under the Term Loan B Facility in Euros will bear interest equal to EURIBOR (subject to a minimum floor of 0%) plus 3.75%.

Under the terms of the amended Credit Agreement, the Company is required to maintain certain financial ratios and comply with certain financial covenants, including maintaining a net debt to EBITDA ratio, as defined in the amended Credit Agreement, calculated on a trailing four fiscal quarter basis, not greater than 4.50x and an interest coverage ratio, also as defined in the amended Credit Agreement, of not less than 3.00x. In addition, borrowings and loans made under the amended Credit Agreement are secured by substantially all of the Company’s and the guarantors’ personal property, excluding certain customary items of collateral, and will be guaranteed by the Company’s existing and future wholly-owned direct material domestic subsidiaries and by Mativ Luxembourg (formerly known as SWM Luxembourg).

The Company was in compliance with all of its covenants under the amended Credit Agreement at September 30, 2024.

Indenture for 6.875% Senior Unsecured Notes Due 2026

On September 25, 2018, the Company closed a private offering of $ 350.0 million of 6.875% senior unsecured notes due 2026 (the "Notes"). The Notes were sold in a private placement in reliance on Rule 144A and Regulation S under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to a purchase agreement between the Company, certain subsidiaries of the Company and a third-party financial institution, as representative of the initial purchasers. The Notes are guaranteed on a senior unsecured basis by each of the Company’s existing and future wholly-owned subsidiaries that is a borrower under or that guarantees obligations under the amended Credit Agreement or that guarantees certain other indebtedness, subject to certain exceptions.

The Notes were issued pursuant to an Indenture, dated as of September 25, 2018 (the "Indenture"), by and among the Company, the guarantors listed therein and a third-party financial institution, as trustee. The Indenture provides that interest on the Notes will accrue from September 25, 2018 and is payable semi-annually in arrears on April 1 and October 1 of each year, beginning on April 1, 2019, and the Notes mature on October 1, 2026.

The Company may redeem some or all of the Notes at any time on or after October 1, 2021, at the redemption prices set forth in the Indenture, together with accrued and unpaid interest, if any, to, but excluding, the redemption date. If the Company sells certain assets or consummates certain change of control transactions, the Company will be required to make an offer to repurchase the Notes, subject to certain conditions. On September 24, 2024, the Company priced its previously announced private offering of $400,000,000 in aggregate principal amount of its 8.000% senior notes due 2029. The offering closed on October 7, 2024.The Company used the net proceeds from the offering, among other things, to redeem the Notes. Refer to Note 16. Subsequent Events for additional information.

The Indenture contains certain covenants that, among other things, limit the Company's ability and the ability of its restricted subsidiaries to incur additional indebtedness, make certain dividends, repurchase Company stock or make other distributions, make certain investments, create liens, transfer or sell assets, merge or consolidate and enter into transactions with the Company's affiliates. Such covenants are subject to a number of exceptions and qualifications set forth in the Indenture. The Indenture also contains certain customary events of default, including failure to make payments in respect of the principal amount of the Notes, failure to make payments of interest on the Notes when due and payable, failure to comply with certain covenants and agreements and certain events of bankruptcy or insolvency. The Company was in compliance with all of its covenants under the Indenture at September 30, 2024.

As of September 30, 2024, the average interest rate was 7.57% on outstanding Revolving Facility borrowings, 7.70% on outstanding Term Loan A Credit Facility borrowings, 8.71% on outstanding Term Loan B Facility borrowings, and 7.45% on outstanding Delayed Draw Term Loan Facility borrowings. The effective rate on the Notes was 7.248%. The weighted average effective interest rate on the Company's debt facilities, including the impact of interest rate hedges, was approximately 6.16% and 5.97% for the nine months ended September 30, 2024 and 2023, respectively.

Principal Repayments

The following is the expected maturities for the Company's debt obligations, net of fair value adjustments associated with interest rate swaps, as of September 30, 2024 (in millions):

2024	$	0.7
2025		2.8
2026		348.4
2027		650.2
2028		160.5
Thereafter		—
Total	$	1,162.6

Fair Value of Debt

At September 30, 2024 and December 31, 2023, the fair market value of the Notes was $ 349.6 million and $335.6 million, respectively. The fair market value for the Notes was determined using quoted market prices, which are directly observable Level 1 inputs. The fair market value of all other debt as of September 30, 2024 and December 31, 2023 approximated the respective carrying amounts as the interest rates approximate current market indices.

Note 10. Derivatives

In the normal course of business, the Company is exposed to foreign currency exchange rate risk and interest rate risk on its variable-rate debt. To manage these risks, the Company utilizes a variety of practices including derivative instruments. The Company has no derivative instruments for trading or speculative purposes or derivatives with credit risk-related contingent features. All derivative instruments used by the Company are either exchange traded or are entered into with major financial institutions to reduce credit risk and risk of nonperformance by third parties. The fair values of the Company's derivative instruments are determined using observable inputs and are considered Level 2 assets or liabilities.

Foreign Currency Risk Management

The Company utilizes currency forward, swap and, to a lesser extent, option contracts to selectively hedge its exposure to foreign currency risk when it is practical and economical to do so. The use of these contracts minimizes transactional exposure to exchange rate changes. We designate certain of our foreign currency hedges as cash flow hedges. Changes in the fair value of cash flow hedges are reported as a component of Accumulated other comprehensive income (loss), net of tax and reclassified into earnings when the forecasted transaction affects earnings. Changes in the fair value of foreign exchange contracts not designated as hedges are recorded to Net income (loss) each period.

The Company also uses cross-currency swap contracts to selectively hedge its exposure to foreign currency related changes in our net investments in certain foreign operations. We designate these cross-currency swap contracts as net investment hedges based on the spot rate of the EUR. Changes in the fair value of these hedges are deferred within the foreign currency translation component of Accumulated other comprehensive income (loss), net of tax and reclassified into earnings when the foreign investment is sold or substantially liquidated. Future changes in the components related to the spot change on the notional will be recorded in Other Comprehensive Income ("OCI") and remain there until the hedged subsidiaries are substantially liquidated. Gains and losses excluded from the assessment of hedge effectiveness are recognized in earnings (Interest expense) over the term of the swap. Gains and losses associated with the settlement of derivative instruments designated as a net investment hedge are classified within investing activities in the Consolidated Statement of Cash Flows. As of September 30, 2024 and December 31, 2023 the gross notional amount of outstanding cross-currency swaps contracts designated as a net investment hedge was €450 million.

Interest Rate Risk Management

The Company selectively hedges its exposure to interest rate increases on variable-rate, long-term debt when it is practical and economical to do so. Changes in the fair value of pay-fixed, receive-variable interest rate swap contracts considered cash flow hedges are reported as a component of Accumulated other comprehensive income (loss), net of tax and reclassified into earnings when the forecasted transaction affects earnings. The terms of the interest rate swaps mirror the terms of the underlying debt, including timing of the payments and interest rates. As of September 30, 2024 and December 31, 2023 the gross notional amounts of outstanding interest rate swaps designated as a cash flow hedge were $692.2 million and $720.0 million, respectively.

Interest rate contracts are also used to hedge changes in the fair value of a portion of our senior unsecured notes attributable to changes in the benchmark interest rate. Changes in the fair value of the interest rate contracts and corresponding portion of the hedged debt are recognized in Interest expense and classified within operating activities in the Consolidated Statement of Cash Flows. As of September 30, 2024 and December 31, 2023 the gross notional amount of the interest rate swap designated as a fair value hedge was $173.4 million.

The following table presents the fair value of asset and liability derivatives and the respective balance sheet locations at September 30, 2024 (in millions):

	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Derivatives designated as hedges:				
Foreign exchange contracts	Accounts receivable, net	$ 2.1	Accrued expenses and other current liabilities	$ 6.9
Foreign exchange contracts	Other assets	—	Other liabilities	16.7
Interest rate contracts	Accounts receivable, net	—	Accrued expenses and other current liabilities	—
Interest rate contracts	Other assets	2.8	Other liabilities	2.2
Total derivatives designated as hedges		$ 4.9		$ 25.8
Derivatives not designated as hedges:				
Foreign exchange contracts	Accounts receivable, net	1.8	Accrued expenses and other current liabilities	1.9
Total derivatives not designated as hedges		$ 1.8		$ 1.9
Total derivatives		$ 6.7		$ 27.7

The following table presents the fair value of asset and liability derivatives and the respective balance sheet locations at December 31, 2023 (in millions):

	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Derivatives designated as hedges:				
Foreign exchange contracts	Accounts receivable, net	$ 0.9	Accrued expenses and other current liabilities	$ —
Foreign exchange contracts	Other assets	—	Other liabilities	18.4
Interest rate contracts	Other assets	10.9	Other liabilities	4.9
Total derivatives designated as hedges		$ 11.8		$ 23.3
Derivatives not designated as hedges:				
Foreign exchange contracts	Accounts receivable, net	1.7	Accrued expenses and other current liabilities	1.5
Total derivatives not designated as hedges		$ 1.7		$ 1.5
Total derivatives		$ 13.5		$ 24.8

Gains (losses) on derivatives designated as cash flow and net investment hedges recognized in other comprehensive income (loss) are summarized below (in millions) on a pretax basis:

Derivatives Designated in Hedging Relationships	**Gains (Losses) Recognized in Accumulated Other Comprehensive Loss**			
	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2024	**2023**	**2024**	**2023**
Derivatives designated as cash flow hedge				
Amounts included in assessment of effectiveness	$ (11.0)	$ 13.5	$ 2.8	$ 27.5
Derivatives designated as net investment hedge				
Amounts included in assessment of effectiveness	(18.7)	15.4	(6.1)	(10.9)
Total loss	$ (29.7)	$ 28.9	$ (3.3)	$ 16.6

The Company's designated derivative instruments are highly effective. As such, there were no gains or losses recognized immediately in income related to the hedge ineffectiveness or amounts excluded from hedge effectiveness testing for the three and nine months ended September 30, 2024 or 2023, other than those related to the cross-currency swaps, noted below.

Gains (losses) on derivatives within the Condensed Consolidated Statement of Income (Loss) were as follows (in millions):

	Location of Gains (Losses)	**Amount of Gains (Losses) Recognized**			
		Three Months Ended September 30,		**Nine Months Ended September 30,**	
		2024	**2023**	**2024**	**2023**
Effect of cash flow hedges					
Amount reclassified from Accumulated other comprehensive income (loss) to income	Interest expense	$ 6.0	$ 6.9	$ 18.5	$ 19.5
Effect of net investment hedges					
Amount excluded from assessment of hedge effectiveness	Interest expense	1.8	3.3	5.6	8.0
Effect of fair value hedges					
Hedged item	Interest expense	0.9	2.3	2.9	3.7
Derivative designated as hedges	Interest expense	(0.9)	(2.3)	(2.9)	(3.7)
Effect of non-designated hedges					
Foreign exchange contracts	Other income	0.8	(5.1)	3.7	(6.2)
Total gain		$ 8.6	$ 5.1	$ 27.8	$ 21.3

Deferred gains of $9.3 million attributable to settled interest rate swaps designated as cash flow hedges are expected to be reclassified to Interest Expense over the next twelve months.

Note 11. Commitments and Contingencies

Other Commitments

In connection with the EP Divestiture, we undertook to indemnify and hold Evergreen Hill Enterprise harmless from claims and liabilities related to the EP business that were identified as excluded or specified liabilities in the related agreements up to an amount not to exceed $10 million. As of September 30, 2024, there were no material claims pending under this indemnification.

Litigation

None.

Environmental Matters

The Company's operations are subject to various nations' federal, state and local laws, regulations and ordinances relating to environmental matters. The nature of the Company's operations exposes it to the risk of claims with respect to various environmental matters, and there can be no assurance that material costs or liabilities will not be incurred in connection with such claims. While the Company has incurred in the past several years, and will continue to incur, capital and operating expenditures in order to comply with environmental laws and regulations, it believes that its future cost of compliance with environmental laws, regulations and ordinances, and its exposure to liability for environmental claims and its obligation to participate in the remediation and monitoring of certain hazardous waste disposal sites, will not have a material effect on its financial condition or results of operations. However, future events, such as changes in existing laws and regulations, or unknown contamination or costs of remediation of sites owned, operated or used for waste disposal by the Company (including contamination caused by prior owners and operators of such sites or other waste generators) may give rise to additional costs which could have a material effect on its financial condition or results of operations.

Employees and Labor Relations

As of September 30, 2024, approximately 26% of the Company's U.S. workforce and 34% of its Non-U.S. workforce are under collective bargaining agreements. Approximately 20% of all U.S. employees and 5% of Non-U.S. employees are under collective bargaining agreements that will expire in the next 12 months.

For the Non-U.S. workforce, union membership is voluntary and does not need to be disclosed to the Company under local laws. As a result, the number of employees covered by the collective bargaining agreements in some countries cannot be determined.

General Matters

In the ordinary course of conducting business activities, the Company and its subsidiaries become involved in certain other judicial, administrative and regulatory proceedings involving both private parties and governmental authorities. These proceedings include insured and uninsured regulatory, employment, intellectual property, general and commercial liability, environmental and other matters. At this time, the Company does not expect any of these proceedings to have a material effect on its reputation, business, financial condition, results of operations or cash flows. However, the Company can give no assurance that the results of any such proceedings will not materially affect its reputation, business, financial condition, results of operations or cash flows.

Note 12. Postretirement and Other Benefits

The Company sponsors a number of different defined contribution retirement plans, alternative retirement plans and/or defined benefit pension plans across its operations. Defined benefit pension plans are sponsored in the United States, France, United Kingdom, Germany, Italy, Netherlands, and Canada and OPEB benefits related to post- retirement healthcare and life insurance are sponsored in the United States, Germany, and Canada.

Pension and Other Benefits

The components of net pension cost (benefit) during the nine months ended September 30, 2024 and 2023 were as follows (in millions):

	Pension Benefits				Other Post-employment Plans			
	U.S.		Non-U.S.		U.S.		Non-U.S.	
	Three Months Ended September 30,							
	2024	2023	2024	2023	2024	2023	2024	2023
Service cost	$ 0.4	$ 0.4	$ 0.3	$ 0.3	$ —	$ —	$ 0.3	$ 0.3
Interest cost	4.2	4.4	2.3	2.1	0.3	0.3	—	—
Expected return on plan assets	(5.6)	(5.5)	(1.6)	(1.1)	—	—	—	—
Amortizations and other	—	—	—	0.1	—	—	—	—
Net pension cost (benefit)	$ (1.0)	$ (0.7)	$ 1.0	$ 1.4	$ 0.3	$ 0.3	$ 0.3	$ 0.3

	Pension Benefits				Other Post-employment Plans			
	U.S.		Non-U.S.		U.S.		Non-U.S.	
	Nine Months Ended September 30,							
	2024	2023	2024	2023	2024	2023	2024	2023
Service cost	$ 1.0	$ 1.2	$ 0.9	$ 0.8	$ 0.1	$ 0.1	$ 0.9	$ 0.9
Interest cost	12.7	13.3	6.7	6.3	0.8	0.9	0.1	0.1
Expected return on plan assets	(16.8)	(16.6)	(4.6)	(3.3)	—	—	—	—
Amortizations and other	—	—	—	0.4	—	—	—	—
Net pension cost (benefit)	$ (3.1)	$ (2.1)	$ 3.0	$ 4.2	$ 0.9	$ 1.0	$ 1.0	$ 1.0

The components of net pension cost (benefit) other than the service cost component are included in Other expense, net in the unaudited Condensed Consolidated Statements of Loss.

The Company's cost under the qualified defined contribution retirement plans was $3.9 million and $3.2 million, respectively, for the three months ended September 30, 2024 and 2023 and $11.3 million and $10.9 million, respectively, for the nine months ended September 30, 2024 and 2023.

Note 13. Income Taxes

For interim financial reporting, the Company estimates the annual tax rate based on projected taxable income for the full year and records a quarterly income tax provision in accordance with ASC 740-270, Accounting for Income Taxes in Interim Periods. These interim estimates are subject to variation due to several factors, including the ability of the Company to accurately forecast pre-tax and taxable income and loss by jurisdiction, changes in laws or regulations, and expenses or losses for which tax benefits are not recognized. Jurisdictions with a projected loss for the year or an actual year-to-date loss where no tax benefit can be recognized are excluded from the estimated annual effective tax rate. The impact of including these jurisdictions on the quarterly effective tax rate calculations could result in a higher or lower effective tax rate during a quarter, based upon the mix and timing of actual earnings versus annual projections.

The Company's effective tax rate from continuing operations was 13.3% and (6.2)% for the three months ended September 30, 2024 and 2023, respectively. The net change was primarily due to mix of earnings, impact from valuation allowance changes in the current and prior periods, and a goodwill impairment not deductible for tax purposes in the prior period. The Company's effective tax rate from continuing operations was 20.8% and (6.5)% for the nine months ended September 30, 2024 and 2023, respectively. The net change was primarily due to mix of earnings, impact from valuation allowance changes in the current and prior periods, and a goodwill impairment not deductible for tax purposes in the prior period.

Prior to the passage of the Tax Cuts and Jobs Act of 2017 ("Tax Act"), the Company asserted that substantially all of the undistributed earnings of its foreign subsidiaries were considered indefinitely reinvested and accordingly, no deferred taxes were provided. Due to the Tax Act, the Company has significant previously taxed earnings and profits from its foreign subsidiaries, as a result of transition tax, that it is generally able to be repatriated free of U.S. federal tax. In addition, future earnings of foreign subsidiaries are generally expected to be able to be repatriated free of U.S. federal income tax because these earnings were taxed in the U.S. under the GILTI regime or would be eligible for a 100% dividends received deduction. As a result of the Company’s treasury policy to simplify and expedite its intercompany cash flows, as evidenced by the use of cash pooling, and in light of the Company’s demonstrated goal of driving growth though inorganic/acquisitional means, the Company does not assert indefinite reinvestment to the extent of each controlled foreign corporation's earnings and profits and to the extent of any foreign partnership’s U.S. tax capital accounts. As a result, the Company has provided for non-U.S. withholding taxes, U.S. federal tax related to currency movement on previously taxed earnings and profits, and U.S. state taxes on unremitted earnings.

All unrecognized tax positions could impact the Company's effective tax rate if recognized. There have been no material changes to the Company’s unrecognized tax positions for the three and nine months ended September 30, 2024. With respect to penalties and interest incurred from income tax assessments or related to unrecognized tax benefits, the Company’s policy is to classify penalties as provision for income taxes and interest as interest expense in its unaudited Condensed Consolidated Statements of Income (Loss). There were no material income tax penalties or interest accrued during the three and nine months ended September 30, 2024 or 2023.

Many jurisdictions in which the Company operates have implemented Pillar Two legislation becoming effective in 2024, and others are considering implementation of Pillar Two rules. While such new rules introduce complexity into the Company’s calculation of income tax expense, Pillar Two does not have a material impact as of the third quarter of 2024. Due to the novelty and complexity of Pillar Two, the Company continues to monitor for advancements and further guidance in Pillar Two rules, considering impacts of such developments on its tax expense.

Note 14. Segment Information

As part of the organizational realignment effective during the first quarter of 2024, we reorganized into two new reportable segments:

FAM is focused primarily on filtration media and components, advanced films, coating and converting solutions, and extruded mesh products. The FAM segment supplies customers directly, serving a diverse set of generally high-growth end markets. FAM end markets include water and air purification, life sciences, industrial processes, transportation, glass and glazing, packaging, agriculture, building and construction, safety and security.

SAS is focused primarily on tapes, labels, liners, specialty paper, packaging and healthcare solutions. The SAS segment supplies customers through distribution and directly, serving growing and mature end markets including building and construction, DIY, product packaging, consumer & commercial papers, personal care, advanced wound care, medical device fixation and medical packaging.

The accounting policies of the reportable segments are the same as those described in Note 2. Summary of Significant Accounting Policies in the notes to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Information about Net Sales and Operating Profit (Loss)

The Company primarily evaluates segment performance and allocates resources based on operating profit. General corporate expenses that do not directly support the operations of the business segments are unallocated expenses. Assets are managed on a total company basis and are therefore not disclosed at the segment level.

Net sales and operating profit (loss) by segment were (in millions):

	Net Sales			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
FAM	$ 189.6	$ 195.8	$ 598.7	$ 628.1
SAS	308.9	302.4	923.8	945.6
Total Consolidated	$ 498.5	$ 498.2	$ 1,522.5	$ 1,573.7

	Operating Profit (Loss)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
FAM	$ 19.9	$ 22.6	$ 59.7	$ 78.3
SAS	10.3	(405.8)	30.1	(385.4)
Unallocated	(23.2)	(36.7)	(86.1)	(104.6)
Total Consolidated	$ 7.0	$ (419.9)	$ 3.7	$ (411.7)

Note 15. Discontinued Operations

Upon entering into the Engineered Papers Offer agreement, the EP business met the criteria set forth in Accounting Standards Codification 205-20, Presentation of Financial Statements – Discontinued Operations ("ASC 205-20"), as the sale represents a strategic shift that will have a major effect on the Company’s operations and financial results.

On November 30, 2023, the Company completed the sale of its EP business. The gain and cash proceeds are subject to customary working capital adjustments during a specified period following the sale close date.

Summary financial results of discontinued operations were as follows (in millions):

	Three Months Ended September 30,	Nine Months Ended September 30,
	2023	2023
Net sales	$ 127.2	$ 399.1
Cost of products sold	92.3	309.9
Gross profit	34.9	89.2
Selling expense	3.7	11.0
Research and development expense	2.2	7.1
General expense	3.7	10.9
Total nonmanufacturing expenses	9.6	29.0
Restructuring and other impairment expense	0.5	0.6
Operating profit	24.8	59.6
Interest expense	(12.3)	(35.1)
Other income, net	1.4	8.3
Income from discontinued operations before income taxes	13.9	32.8
Income tax expense	4.8	6.3
Income from equity affiliates, net of income taxes	0.2	0.4
Net income from discontinued operations	$ 9.3	$ 26.9

Note 16. Subsequent Events

On October 7, 2024, the Company closed its previously announced private offering of $ 400,000,000 of its 8.000% Senior Notes due 2029 (the “2029 Notes”). The 2029 Notes were sold in a private placement in reliance on Rule 144A and Regulation S under the Securities Act, pursuant to a purchase agreement between the Company, certain subsidiaries of the Company and a third-party financial institution, as representative of the initial purchasers. The 2029 Notes are senior unsecured obligations of the Company and are guaranteed on a senior unsecured basis by each of the Company’s existing and future wholly-owned subsidiaries that is a borrower under or that guarantees obligations under the Company’s senior secured credit facilities or that guarantees certain other indebtedness, subject to certain exceptions.

The Notes were issued pursuant to an Indenture (the “2024 Indenture”), dated as of October 7, 2024, among the Company, the guarantors listed therein and a third-party financial institution, as trustee. The 2024 Indenture provides that interest on the Notes will accrue from October 7, 2024 and is payable semi-annually in arrears on April 1 and October 1 of each year, beginning on April 1, 2025, and the Notes mature on October 1, 2029, subject to earlier repurchase or redemption.

The Company used the net proceeds from the offering of the 2029 Notes (i) to redeem its 6.875% Senior Notes due 2026 and (ii) to repay $ 43.0 million aggregate principal amount of outstanding borrowings under the term loan B facility under its credit agreement.

On November 1, 2024, the Company completed the sale of Neenah Global Holdings B.V. and its subsidiaries in Eerbeek, Netherlands. Financial consideration of approximately $5 million was transferred to the buyer upon closing. This amount was fully accrued as of September 30, 2024, and included within Accrued expenses and other current liabilities in the unaudited Condensed Consolidated Balance Sheets and within Other expense, net in the unaudited Condensed Consolidated Statements of Loss for the three and nine months ended September 30, 2024. The Company may incur an additional loss on the sale, in excess of the amount previously accrued, following the finalization of transferred working capital balances as of the closing date.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following is a discussion of our financial condition and results of operations. This discussion should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this report and the audited consolidated financial statements and related notes and the selected financial data included in our Annual Report on Form 10-K for the year ended December 31, 2023. The discussion of our financial condition and results of operations includes various forward-looking statements about our markets, the demand for our products and our future prospects. These statements are based on certain assumptions we consider reasonable. For information about risks and exposures relating to us and our business, you should read the section entitled "Risk Factors" in Part 1, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023, the section entitled "Forward-Looking Statements" at the end of this Item 2 and the section entitled "Risk Factors" at Part II, Item 1A hereof. Unless the context indicates otherwise, references to "Mativ," "we," "us," "our," the "Company" or similar terms include Mativ Holdings, Inc. and our consolidated subsidiaries.

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide a reader of our financial statements with an understanding of our recent performance, our financial condition and our prospects.

Organizational Realignment Plan

As part of the organizational realignment effective during the first quarter of 2024, we reorganized into two new reportable segments: Filtration & Advanced Materials ("FAM") and Sustainable & Adhesive Solutions ("SAS"). Refer to Note 1. General of the Notes to the unaudited Condensed Consolidated Financial Statements for more information on our new segment structure.

All information presented within this MD&A is based on the new segment structure for comparative purposes.

EP Divestiture

On November 30, 2023 the Company completed the sale of the Engineered Papers business ("EP business"). With the sale of the EP business, Mativ ceased participating in tobacco-based products markets.

The EP business is presented as a discontinued operation for all periods and certain prior period amounts have been retrospectively revised to reflect these changes. The unaudited condensed consolidated financial statements and the notes thereto, unless otherwise indicated, are on a continuing operations basis. Refer to Note 15. Discontinued Operations of the Notes to the unaudited Condensed Consolidated Financial Statements for more information on the discontinued operation and transaction.

This MD&A discusses the financial condition and results of operations of the Company as of and for the three and nine months ended September 30, 2024.

Liquidity & Debt Overview

As of September 30, 2024, the Company had $1,143.4 million of total debt, $162.2 million of cash, and $300.6 million of undrawn capacity on its $600.0 million revolving line of credit facility (the "Revolving Facility"). Per the terms of the Company's amended credit agreement (the "Amended Credit Agreement"), net leverage was 4.1x at the end of the third quarter, versus a current maximum covenant ratio of 4.50x.

As of September 30, 2024, the Company's nearest debt maturity was our 6.875% $350.0 million senior unsecured notes which were due October 1, 2026 and were redeemed on October 7, 2024 concurrently with the private placement of our 8.000% $400.0 million senior notes due 2029. For additional information, refer to Note 16. Subsequent Events of the Notes to the unaudited Condensed Consolidated Financial Statements. Our next nearest debt maturities are our Revolving Credit Facility, Term Loan A Facility, and Delayed Draw Term Loan Facility, due on May 6, 2027. Refer to "Liquidity and Capital Resources" section for additional detail.

SUMMARY

(in millions, except per share amounts)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Percent of Net Sales 2024	Percent of Net Sales 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Percent of Net Sales 2024	Percent of Net Sales 2023
Net sales	$ 498.5	$ 498.2	100.0 %	100.0 %	$ 1,522.5	$ 1,573.7	100.0 %	100.0 %
Gross profit	93.6	86.7	18.8 %	17.4 %	286.5	269.9	18.8 %	17.2 %
Restructuring & other impairment expense	11.2	16.3	2.2 %	3.3 %	37.4	17.6	2.5 %	1.1 %
Operating profit (loss)	7.0	(419.9)	1.4 %	(84.3)%	3.7	(411.7)	0.2 %	(26.2)%
Interest expense	18.3	16.8	3.7 %	3.4 %	55.0	48.8	3.6 %	3.1 %
Income from discontinued operations	—	9.3	— %	1.9 %	—	26.9	— %	1.7 %
Net loss from continuing operations	$ (20.8)	$ (464.3)	(4.2)%	(93.2)%	$ (50.2)	$ (494.1)	(3.3)%	(31.4)%
Diluted loss per share from continuing operations	$ (0.38)	$ (8.50)			$ (0.93)	$ (9.06)		
Cash provided by operations	$ 37.6	$ 32.3			$ 70.7	$ 37.8		
Capital spending	$ 12.1	$ 14.7			$ 32.9	$ 49.4		

RESULTS OF OPERATIONS

Comparison of the Three Months Ended September 30, 2024 and 2023

Net Sales

The following table presents net sales by segment for the three months ended September 30, 2024 and 2023 (in millions):

	Three Months Ended			
	September 30, 2024	September 30, 2023	Change	Percent Change
Filtration & Advanced Materials	$ 189.6	$ 195.8	$ (6.2)	(3.2) %
Sustainable & Adhesive Solutions	308.9	302.4	6.5	2.1 %
Total	$ 498.5	$ 498.2	$ 0.3	0.1 %

Consolidated net sales of $498.5 million during the three months ended September 30, 2024 increased $0.3 million or 0.1%, compared to the prior-year quarter.

FAM segment net sales of $189.6 million during the three months ended September 30, 2024 decreased $6.2 million, or 3.2%, compared to the prior-year quarter. The FAM net sales decline reflected lower volumes in advanced films along with lower selling prices, partially offset by higher volumes in filtration & netting.

SAS segment net sales of $308.9 million during the three months ended September 30, 2024 increased $6.5 million, or 2.1%, compared to the prior-year quarter, reflecting higher volumes across all end-markets and higher selling prices, partially offset by sales associated with closed and divested facilities.

Gross Profit

The following table presents gross profit for the three months ended September 30, 2024 and 2023 (in millions):

	Three Months Ended				Percent of Net Sales	
	September 30, 2024	September 30, 2023	Change	Percent Change	2024	2023
Net sales	$ 498.5	$ 498.2	$ 0.3	0.1 %	100.0 %	100.0 %
Cost of products sold	404.9	411.5	(6.6)	(1.6) %	81.2 %	82.6 %
Gross profit	$ 93.6	$ 86.7	$ 6.9	8.0 %	18.8 %	17.4 %

Gross profit of $93.6 million during the three months ended September 30, 2024 increased $6.9 million, or 8.0%, compared to the prior-year quarter. The increase in gross profit reflected lower manufacturing costs, partially offset by lower volumes in advanced films and unfavorable mix.

Nonmanufacturing Expenses

The following table presents nonmanufacturing expenses for the three months ended September 30, 2024 and 2023 (in millions):

	Three Months Ended				Percent of Net Sales	
	September 30, 2024	September 30, 2023	Change	Percent Change	2024	2023
Selling expense	$ 18.1	$ 20.5	$ (2.4)	(11.7)%	3.6 %	4.1 %
Research expense	5.7	5.4	0.3	5.6 %	1.1 %	1.1 %
General expense	51.6	63.4	(11.8)	(18.6)%	10.4 %	12.7 %
Nonmanufacturing expenses	$ 75.4	$ 89.3	$ (13.9)	(15.6)%	15.1 %	17.9 %

Nonmanufacturing expenses of $75.4 million during the three months ended September 30, 2024 decreased $13.9 million, or 15.6%, compared to the prior-year quarter. The decrease is primarily due to 2023 expenses related to the EP Divestiture and integration.

Restructuring and Other Impairment Expense

The following table presents restructuring and other impairment expense for the three months ended September 30, 2024 and 2023 (in millions):

	Three Months Ended			Percent of Net Sales	
	September 30, 2024	September 30, 2023	Change	2024	2023
Filtration & Advanced Materials	$ 0.7	$ 1.1	$ (0.4)	0.4 %	0.6 %
Sustainable & Adhesive Solutions	10.4	15.2	(4.8)	3.4 %	5.0 %
Unallocated expenses	0.1	—	0.1		
Total	$ 11.2	$ 16.3	$ (5.1)	2.2 %	3.3 %

The Company incurred total restructuring and other impairment expense of $11.2 million and $16.3 million in the three months ended September 30, 2024 and 2023, respectively.

Restructuring and other impairment expenses related to the organizational realignment plan (the "Plan") were comprised primarily of severance charges. For the three months ended September 30, 2024, these charges were $0.7 million, of which $0.2 million, $0.5 million and none incurred within FAM, SAS and Unallocated, respectively. For additional information on the Plan, refer to Note 8. Restructuring and Other Impairment Activities of the Notes to the unaudited Condensed Consolidated Financial Statements.

Restructuring and other impairment expenses in the FAM segment, excluding costs associated with the Plan, were primarily due to facility closures announced in prior years.

Restructuring and other impairment expenses in the SAS segment, excluding costs associated with the Plan, included impairment charges of $8.9 million to fully impair the net assets at our Eerbeek, Netherlands facility. The impairment assessment was performed after revising our long-term view on cash flows associated with the facility. The remaining restructuring and other impairment expenses for the three months ended September 30, 2024 were related to a facility closure announced in a prior year.

Operating Profit (Loss)

The following table presents operating profit (loss) by segment for the three months ended September 30, 2024 and 2023 (in millions):

	Three Months Ended				Return on Net Sales	
	September 30, 2024	September 30, 2023	Change	Percent Change	2024	2023
Filtration & Advanced Materials	$ 19.9	$ 22.6	$ (2.7)	(11.9)%	10.5 %	11.5 %
Sustainable & Adhesive Solutions	10.3	(405.8)	416.1	N.M.	3.3 %	(134.2)%
Unallocated expenses	(23.2)	(36.7)	13.5	(36.8)%		
Total	$ 7.0	$ (419.9)	$ 426.9	N.M.	1.4 %	(84.3)%

Operating profit of $7.0 million during the three months ended September 30, 2024, increased $426.9 million, compared to the prior year period.

In the FAM segment, operating income was $19.9 million during the three months ended September 30, 2024 reflecting an unfavorable $2.7 million, or 11.9%, change, compared to the prior year period, primarily due to lower volumes in advanced films, and lower selling prices, partially offset by higher volumes in filtration & netting, lower selling and general expenses, and improved manufacturing efficiencies.

In the SAS segment, operating income of $10.3 million during the three months ended September 30, 2024 increased $416.1 million, compared to the prior year period, driven by the 2023 $401.0 million goodwill impairment, decrease in other impairment expense, favorable manufacturing and distribution costs, favorable relative net selling price versus input cost performance, higher volumes, partially offset by unfavorable mix and higher selling and general expenses.

Unallocated expenses of $23.2 million during the three months ended September 30, 2024 decreased $13.5 million, or 36.8%, compared to the prior year period primarily due to the EP Divestiture and integration costs incurred in the prior year period.

Interest Expense

Interest expense of $18.3 million during the three months ended September 30, 2024 increased $1.5 million, or 8.9%, compared to the prior year period. Interest expense increased primarily due to higher average balances and higher average interest rates on the floating portion of our outstanding debt in 2024.

Other Expense, Net

Other expense, net was $12.7 million during the three months ended September 30, 2024, compared to the prior year period expense of $0.3 million, primarily driven by other asset related charges and foreign currency losses.

Income Taxes

A $3.2 million income tax benefit in the three months ended September 30, 2024 resulted in an effective tax rate of 13.3% compared with (6.2)% in the prior year period. The net change was primarily due to mix of earnings in the current period, impact from valuation allowance changes in the current and prior periods, and goodwill impairment not deductible for tax purposes in the prior period.

Net Loss and Net Loss per Share

Net loss during the three months ended September 30, 2024 was $20.8 million, or $0.38 per diluted share, compared with net loss of $464.3 million, or $8.50 per diluted share, during the prior-year quarter.

RESULTS OF OPERATIONS

Comparison of the Nine Months Ended September 30, 2024 and 2023

Net Sales

The following table presents net sales by segment (in millions):

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change	Percent Change
Filtration & Advanced Materials	$ 598.7	$ 628.1	$ (29.4)	(4.7) %
Sustainable & Adhesive Solutions	923.8	945.6	(21.8)	(2.3) %
Total	$ 1,522.5	$ 1,573.7	$ (51.2)	(3.3) %

Consolidated net sales of $1,522.5 million during the nine months ended September 30, 2024 decreased $51.2 million, or 3.3%, compared to the prior year period.

FAM segment net sales of $598.7 million during the nine months ended September 30, 2024 decreased $29.4 million, or 4.7%, compared to the prior year period primarily due to lower volumes in advanced films, as well as lower selling prices across the segment.

SAS segment net sales of $923.8 million during the nine months ended September 30, 2024 decreased $21.8 million, or 2.3%, compared to the prior year period, reflecting lower volume/mix and lower selling prices, partially offset by favorable currency translation.

Gross Profit

The following table presents gross profit (in millions):

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change	Percent Change	Percent of Net Sales 2024	Percent of Net Sales 2023
Net sales	$ 1,522.5	$ 1,573.7	$ (51.2)	(3.3) %	100.0 %	100.0 %
Cost of products sold	1,236.0	1,303.8	(67.8)	(5.2) %	81.2 %	82.8 %
Gross profit	$ 286.5	$ 269.9	$ 16.6	6.2 %	18.8 %	17.2 %

Gross profit of $286.5 million during the nine months ended September 30, 2024 increased $16.6 million, or 6.2%, compared to the prior year period. The change in gross profit reflected favorable relative net selling price versus input cost performance, favorable distribution costs, partially offset by lower volume, less favorable product mix, and higher manufacturing costs. The Company monitors and continues to adjust staffing levels of manufacturing labor relative to volumes.

Nonmanufacturing Expenses

The following table presents nonmanufacturing expenses (in millions):

	Nine Months Ended September 30,				Percent of Net Sales	
	2024	2023	Change	Percent Change	2024	2023
Selling expense	$ 54.6	$ 60.6	$ (6.0)	(9.9) %	3.6 %	3.9 %
Research and development expense	17.5	16.6	0.9	5.4 %	1.1 %	1.1 %
General expense	173.3	185.8	(12.5)	(6.7) %	11.4 %	11.8 %
Nonmanufacturing expenses	$ 245.4	$ 263.0	$ (17.6)	(6.7) %	16.1 %	16.7 %

Nonmanufacturing expenses of $245.4 million during the nine months ended September 30, 2024 decreased $17.6 million, or 6.7%, compared to the prior year period primarily driven by integration related costs incurred in the prior year period.

Restructuring and Other Impairment Expense

The following table presents restructuring and other impairment expense by segment (in millions):

	Nine Months Ended September 30,			Percent of Net Sales	
	2024	2023	Change	2024	2023
Filtration & Advanced Materials	$ 5.2	$ 2.3	$ 2.9	0.9 %	0.4 %
Sustainable & Adhesive Solutions	28.8	15.3	13.5	3.1 %	1.6 %
Unallocated expenses	3.4	—	3.4		
Total	$ 37.4	$ 17.6	$ 19.8	2.5 %	1.1 %

The Company incurred total restructuring and other impairment expense of $37.4 million in the nine months ended September 30, 2024 compared with $17.6 million in the prior year period.

Restructuring and other impairment expenses related to the Plan were comprised primarily of severance charges. For the nine months ended September 30, 2024, these charges were $16.4 million, of which $3.1 million, $10.0 million and $3.3 million incurred within FAM, SAS and Unallocated, respectively. For additional information on the Plan, refer to Note 8. Restructuring and Other Impairment Activities of the Notes to the unaudited Condensed Consolidated Financial Statements.

Restructuring and other impairment expenses in the FAM segment, excluding costs associated with the Plan were due to facility closures announced in prior periods.

Restructuring and other impairment expenses in the SAS segment, excluding costs associated with the Plan included charges of $16.1 million to fully impair the net assets at our Eerbeek, Netherlands facility. The impairment assessment was performed after revising our long-term view on cash flows associated with the facility. The remaining restructuring and other impairment expenses for the nine months ended September 30, 2024 were related to a facility closure announced in a prior year.

Operating Profit (Loss)

The following table presents operating profit (loss) by segment (in millions):

	Nine Months Ended September 30,				Return on Net Sales	
	2024	2023	Change	Percent Change	2024	2023
Filtration & Advanced Materials	$ 59.7	$ 78.3	$ (18.6)	(23.8)%	10.0 %	12.5 %
Sustainable & Adhesive Solutions	30.1	(385.4)	415.5	N.M.	3.3 %	(40.8)%
Unallocated expenses	(86.1)	(104.6)	(18.5)	(17.7)%		
Total	$ 3.7	$ (411.7)	$ 415.4	N.M.	0.2 %	(26.2)%

Operating profit of $3.7 million during the nine months ended September 30, 2024 increased $415.4 million compared to the prior year period.

In the FAM segment, operating income of $59.7 million during the nine months ended September 30, 2024 decreased $18.6 million, or 23.8%, compared to the prior year period primarily due to lower volumes in advanced films and higher manufacturing costs.

In the SAS segment, operating income was $30.1 million during the nine months ended September 30, 2024 reflecting a $415.5 million increase, compared to the prior year period, driven by the $401.0 million goodwill impairment in 2023, favorable relative net selling price versus input cost performance, and favorable distribution and manufacturing expenses, partially offset by lower volume/mix and higher selling and general expenses.

Unallocated expenses of $86.1 million during the nine months ended September 30, 2024 decreased $18.5 million, or 17.7% compared to the prior year period primarily due to integration related costs incurred in the prior year period.

Interest Expense

Interest expense of $55.0 million during the nine months ended September 30, 2024 increased $6.2 million, or 12.7%, compared to the prior year period. Interest expense increased primarily due to higher average interest rates and higher average balances on the floating portion of our outstanding debt in 2024.

Other Expense, Net

Other expense, net of $12.1 million during the nine months ended September 30, 2024 decreased $8.5 million, compared to the prior year period, primarily driven by other asset related charges and foreign currency losses.

Income Taxes

A $13.2 million income tax benefit in the nine months ended September 30, 2024 resulted in an effective tax rate of 20.8% compared with (6.5)% in the prior year period. The net change was primarily due to mix of earnings in the current period, impact from valuation allowance changes in the current and prior periods, and goodwill impairment not deductible for tax purposes in the prior period.

Net Loss and Net Loss per Share

Net loss during the nine months ended September 30, 2024 was $50.2 million, or $0.93 per diluted share, compared to net loss of $494.1 million, or $9.06 per diluted share, during the prior year period.

LIQUIDITY AND CAPITAL RESOURCES

A major factor in our liquidity and capital resource planning is our generation of cash flow from operations, which is sensitive to changes in the mix of products sold, volume and pricing of our products, as well as changes in our production volumes, costs and working capital. Our liquidity is supplemented by funds available under our Revolving Facility with a syndicate of banks that is used as either operating conditions or strategic opportunities warrant. Market conditions permitting, we may also seek to access the capital markets as we deem appropriate.

Cash Requirements

As of September 30, 2024, $134.5 million of the Company's $162.2 million of cash and cash equivalents was held by foreign subsidiaries. We believe our sources of liquidity and capital, including cash on-hand, cash generated from operations, our Revolving Facility, and our Receivables Sales Agreement (an off-balance sheet arrangement as defined in Item 303(a)(4)(ii) of SEC Regulation S-K), will be sufficient to finance our continued operations, our current and long-term growth plan, and dividend payments.

Working Capital

As of September 30, 2024, the Company had net operating working capital of $452.1 million, including cash and cash equivalents of $162.2 million, compared to net operating working capital of $433.9 million, including cash and cash equivalents of $120.2 million as of December 31, 2023. The increase was attributable primarily to an increase in accounts receivable and cash and cash equivalents, partially offset by an increase in accounts payable and accrued liabilities and other current liabilities.

Cash Provided By Operating Activities

Net cash provided by operating activities was $70.7 million during the nine months ended September 30, 2024 compared to net cash provided of $37.8 million during the prior year period. The increase was attributable to lower net loss adjusted for non-cash items and favorable year-over-year movements in working capital related cash flows.

During the nine months ended September 30, 2024, net changes in operating working capital resulted in cash inflows of $0.8 million, an increase from $13.4 million of outflows during the prior year period. The $14.2 million increase was due to an increase in net changes of accounts payable and other current liabilities, partially offset by a decrease in net changes of inventories and accounts receivable.

Cash Used In Investing Activities

Cash used in investing activities during the nine months ended September 30, 2024 was $29.4 million, compared to cash outflows of $49.4 million during the prior year period, primarily attributable to changes in capital spending and proceeds from sale of assets. Within investing cash flows, capital spending was $32.9 million compared to $49.4 million in the prior year period.

Cash Provided By (Used In) Financing Activities

Cash provided by financing activities during the nine months ended September 30, 2024 was $12.2 million, compared to cash used of $13.2 million during the prior year period. During the nine months ended September 30, 2024, financing activities primarily consisted of $127.0 million of borrowings under the Revolving Facility, $16.2 million of dividends paid to the Company's stockholders, and payments on our long-term debt of $97.0 million.

During the prior year period, financing activities primarily consisted of $180.0 million of proceeds from borrowings under the Revolving Facility, $134.2 million of payments on our long-term debt, and $49.8 million of dividends paid to the Company's stockholders.

The Company presently believes the sources of liquidity discussed above are sufficient to meet our anticipated funding needs for the foreseeable future.

Dividends and Share Repurchases

On November 6, 2024, we announced a cash dividend of $0.10 per share payable on December 20, 2024 to stockholders of record as of November 29, 2024. The covenants contained in the Indenture governing the Notes and Amended Credit Agreement require that we maintain certain financial ratios as disclosed in Note 9. Debt of the notes to the unaudited condensed consolidated financial statements, none of which under normal business conditions materially limit our ability to pay such dividends. We will continue to assess our dividend policy in light of our overall strategy, cash generation, debt levels and ongoing requirements for cash to fund operations and to pursue possible strategic opportunities.

Debt Instruments and Related Covenants

The following table presents activity related to our debt instruments for the nine months ended September 30, 2024 and 2023 (in millions):

	Nine Months Ended September 30,	
	2024	2023
Proceeds from long-term debt	$ 127.0	$ 180.0
Payments on long-term debt	(97.0)	(134.2)
Net proceeds from borrowings	$ 30.0	$ 45.8

Net proceeds from borrowings were $30.0 million during the nine months ended September 30, 2024, compared to net proceeds from borrowings of $45.8 million during the prior year period.

Unused borrowing capacity under the Amended Credit Agreement was $300.6 million as of September 30, 2024.

The Company was in compliance with all of its covenants under the Indenture and Amended Credit Agreement at September 30, 2024. With the current level of borrowing and forecasted results, we expect to remain in compliance with financial covenants under the Amended Credit Agreement.

Our total debt to capital ratios, as calculated under the Amended Credit Agreement, at September 30, 2024 and December 31, 2023 were 56.4% and 53.8%, respectively.

Critical Accounting Policies and Estimates

The preparation of our unaudited condensed consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make judgments, assumptions and estimates that affect the amounts reported. There have been no material changes to the critical accounting policies and estimates described in our Form 10-K for the 2023 fiscal year ended December 31, 2023.

For further information about our critical accounting policies, please see the discussion of critical accounting policies in our Annual Report on Form 10-K for the year ended December 31, 2023 in the section captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates."

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act") that are subject to the safe harbor created by the Act and other legal protections. Forward-looking statements include, without limitation, those regarding the incurrence of additional debt and expected maturities of the Company’s debt obligations, the adequacy of our sources of liquidity and capital, acquisition integration and growth prospects, the cost and timing of our restructuring actions, our expectations regarding our organizational realignment plan, the impact of ongoing litigation matters and environmental claims, the amount of capital spending and/or common stock repurchases, future cash flows, purchase accounting impacts, impacts and timing of our ongoing operational excellence and other cost-reduction and cost-optimization initiatives, profitability, and cash flow, the expected benefits and accretion of the Neenah merger and integration, whether the strategic benefits of the EP Divestiture can be achieved and other statements generally identified by words such as "believe," "expect," "intend," "guidance," "plan," "forecast," "potential," "anticipate," "confident," "project," "appear," "future," "should," "likely," "could," "may," "will," "typically" and similar words.

These forward-looking statements are prospective in nature and not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which the Company’s business shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. These statements are not guarantees of future performance and involve certain risks and uncertainties that may cause actual results to differ materially from our expectations as of the date of this report. These risks include, among other things, those set forth in Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2023, and otherwise in our reports and filings with the Securities and Exchange Commission ("SEC"), as well as the following factors:

- Risks associated with the implementation of our strategic growth initiatives, including diversification, and the Company's understanding of, and entry into, new industries and technologies;
- Risks associated with acquisitions, dispositions, strategic transactions and global asset realignment initiatives of Mativ, including the recent EP Divestiture;
- Adverse changes in our end-market sectors impacting key customers;
- Changes in the source and intensity of competition in our commercial end-markets;
- Adverse changes in sales or production volumes, pricing and/or manufacturing costs;
- Seasonal or cyclical market and industry fluctuations which may result in reduced net sales and operating profits during certain periods;
- Risks associated with our technological advantages in our intellectual property and the likelihood that our current technological advantages are unable to continue indefinitely;
- Supply chain disruptions, including the failure of one or more material suppliers, including energy, resin, fiber, and chemical suppliers, to supply materials as needed to maintain our product plans and cost structure;
- Increases in operating costs due to inflation and continuing increases in the inflation rate or otherwise, such as labor expense, compensation and benefits costs;
- Our ability to attract and retain key personnel, labor shortages, labor strikes, stoppages or other disruptions;
- Changes in general economic, financial and credit conditions in the U.S., Europe, China and elsewhere, including the impact thereof on currency exchange rates (including any weakening of the Euro) and on interest rates;
- A failure in our risk management and/or currency or interest rate swaps and hedging programs, including the failures of any insurance company or counterparty;
- Changes in the manner in which we finance our debt and future capital needs, including potential acquisitions;
- Changes in tax rates, the adoption of new U.S. or international tax legislation or exposure to additional tax liabilities;
- Uncertainty as to the long-term value of the common stock of Mativ;
- Changes in employment, wage and hour laws and regulations in the U.S. and elsewhere, including unionization rules and regulations by the National Labor Relations Board, equal pay initiatives, additional anti-discrimination rules or tests and different interpretations of exemptions from overtime laws;
- The impact of tariffs, and the imposition of any future additional tariffs and other trade barriers, and the effects of retaliatory trade measures;

- Existing and future governmental regulation and the enforcement thereof that may materially restrict or adversely affect how we conduct business and our financial results;
- Weather conditions, including potential impacts, if any, from climate change, known and unknown, and natural disasters or unusual weather events;
- International conflicts and disputes, such as the ongoing conflict between Russia and Ukraine, the war between Israel and Hamas and the broader regional conflict in the Middle East, which restrict our ability to supply products into affected regions, due to the corresponding effects on demand, the application of international sanctions, or practical consequences on transportation, banking transactions, and other commercial activities in troubled regions;
- Compliance with the FCPA and other anti-corruption laws or trade control laws, as well as other laws governing our operations;
- Risks associated with pandemics and other public health emergencies, including the COVID-19 pandemic and its variant strains;
- The number, type, outcomes (by judgment or settlement) and costs of legal, tax, regulatory or administrative proceedings, litigation and/or amnesty programs;
- Increased scrutiny from stakeholders related to environmental, social and governance ("ESG") matters, as well as our ability to achieve our broader ESG goals and objectives;
- Costs and timing of implementation of any upgrades or changes to our information technology systems;
- Failure by us to comply with any privacy or data security laws or to protect against theft of customer, employee and corporate sensitive information;
- Information technology system failures, data security breaches, network disruptions, and cybersecurity events; and
- Other factors described elsewhere in this document and from time to time in documents that we file with the SEC.

All forward-looking statements made in this document are qualified by these cautionary statements. Forward-looking statements herein are made only as of the date of this document, and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, or changes in future operating results over time or otherwise.

Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance unless expressed as such and should only be viewed as historical data.

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

Our market risk exposure at September 30, 2024 is consistent with, and not materially different than, the market risk and discussion of exposure presented under the caption "Quantitative and Qualitative Disclosures about Market Risk" in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

We currently have in place systems relating to disclosure controls and procedures designed to ensure the timely recording, processing, summarizing and reporting of information required to be disclosed in periodic reports under the Securities Exchange Act of 1934, as amended. These disclosure controls and procedures include those designed to ensure that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions about required disclosure. Upon completing our review and evaluation of the effectiveness of our disclosure controls and procedures as of September 30, 2024, our Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures were effective as of September 30, 2024.

Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting were identified as having occurred in the fiscal quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. ***Legal Proceedings***

The Company is subject to various claims and pending or threatened lawsuits in the normal course of business. The Company is not currently a party to any legal proceedings that it believes would have a material adverse effect on its financial position, results of operations, or cash flows. Refer to Note 11. Commitments and Contingencies of the notes to the unaudited condensed consolidated financial statements included in this report.

Item 1A. ***Risk Factors***

There have been no material changes to the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2023. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, "Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Purchases of Equity Securities By the Issuer and Affiliated Purchasers

The following table indicates the cost of and number of shares of our Common Stock we have repurchased during 2024 and the remaining amount of share repurchases currently authorized by our Board of Directors as of September 30, 2024:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs		Approximate Dollar Value of Shares that May Yet be Purchased Under the Programs
			(# of shares)	(in millions)	(in millions)
January 1 - March 31, 2024	—	—	—	—	$ 22.0
April 1 - June 30, 2024	—	—	—	—	22.0
July 1 - July 31, 2024	—	—	—	—	22.0
August 1 - August 31, 2024	—	—	—	—	22.0
September 1 - September 30, 2024	—	—	—	—	22.0
Total Year-to-Date 2024	—	—	—	—	$ 22.0

In August 2023, the Board of Directors authorized the repurchase of shares of Mativ Common Stock in an amount not to exceed $30.0 million. Under the current $30.0 million authorization for the share repurchases, the Company purchased 539,386 shares for $8.0 million as of November 4, 2024.

From time to time, the Company uses corporate 10b5-1 plans to allow for share repurchases to be made at predetermined stock price levels, without restricting such repurchases to specific windows of time. Any future common stock repurchases will be dependent upon various factors, including the stock price of our Common Stock, strategic opportunities, strategic outlook, and cash availability. From time-to-time, certain of our officers and directors may sell shares pursuant to personal 10b5-1 plans.

Item 3. ***Defaults Upon Senior Securities***

Not applicable.

Item 4. ***Mine Safety Disclosures***

Not applicable.

Item 5. ***Other Information***

Securities Trading Plans of Directors and Executive Officers

During the fiscal quarter ended September 30, 2024, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Board of Directors Update

On November 5, 2024, Anderson Warlick provided the Board of Directors (the "Board") notice of his resignation from the Board, effective December 31, 2024. Mr. Warlick's decision to resign as director is not the result of any disagreement with the Company.

Mr. Warlick served as a director on the Company and former SWM International's board of directors since 2009. The Company is grateful for his leadership and service over the years, and wishes Mr. Warlick the best in his future endeavors.

Item 6. *Exhibits*

Exhibit Number	Exhibit
3.1	Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009).
3.2	Certificate of Amendment to the Certificate of Incorporation of the Company (filed on August 21, 1995), effective as of July 6, 2022 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on July 6, 2022).
3.3	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on September 22, 2023).
4.1	Indenture, dated as of October 7, 2024, among Mativ Holdings, Inc., the guarantors listed therein and Wilmington Trust, National Association (including the form of Note attached as an exhibit thereto) (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 7, 2024).
*31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15(d)-14(a) of the Securities Exchange Act of 1934, as amended.
*31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15(d)-14(a) of the Securities Exchange Act of 1934, as amended.
*32	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the unaudited condensed consolidated statements of income (loss), (ii) the unaudited condensed consolidated statements of comprehensive income (loss), (iii) the unaudited condensed consolidated balance sheets, (iv) the unaudited condensed consolidated statements of changes in stockholders' equity, (v) the unaudited condensed consolidated statements of cash flow, and (vi) notes to unaudited condensed consolidated financial statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

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.

Mativ Holdings, Inc.
(Registrant)

By: /s/ Julie Schertell

Julie Schertell
President and Chief Executive Officer
(duly authorized officer and principal executive officer)

November 12, 2024

By: /s/ Greg Weitzel

Greg Weitzel
Executive Vice President and
Chief Financial Officer
(duly authorized officer and principal financial officer)

November 12, 2024

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Julie Schertell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mativ Holdings, Inc. (the "Registrant");

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 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 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: November 12, 2024

/s/ Julie Schertell

Julie Schertell
President and Chief Executive Officer

A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act of 2002 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.

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Greg Weitzel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mativ Holdings, Inc. (the “Registrant”);

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 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 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: November 12, 2024

/s/ Greg Weitzel

Greg Weitzel
Chief Financial Officer

A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act of 2002 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.

Exhibit 32

CERTIFICATION OF PERIODIC FINANCIAL REPORTS
UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, in their respective capacities as chief executive officer and chief financial officer of Mativ Holdings, Inc. (the “Company”), hereby certify to the best of their knowledge following reasonable inquiry that the Quarterly Report of the Company on Form 10-Q for the period ended September 30, 2024, which accompanies this certification, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such periodic report fairly presents, in all material respects, the financial condition of the Company at the end of such period and the results of operations of the Company for such period. The foregoing certification is made pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) and no purchaser or seller of securities or any other person shall be entitled to rely upon the foregoing certification for any purpose. The undersigned expressly disclaim any obligation to update the foregoing certification except as required by law.

By: /s/ Julie Schertell
Julie Schertell
President and Chief Executive Officer

November 12, 2024

By: /s/ Greg Weitzel
Greg Weitzel
Chief Financial Officer

November 12, 2024

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 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.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).