



Clearwater Paper Announces CEO Transition

January 28, 2020

Arsen S. Kitch to Succeed Linda K. Massman as Chief Executive Officer, Effective April 1, 2020

SPOKANE, Wash.--(BUSINESS WIRE)--Jan. 28, 2020-- **Clearwater Paper Corporation (NYSE: CLW)** today announced that its board of directors (the "board") has unanimously elected Arsen S. Kitch, the company's senior vice president and general manager of its consumer products division, as its next chief executive officer, effective April 1, 2020. Upon becoming CEO, Mr. Kitch will be appointed to the board.

Mr. Kitch will succeed Linda K. Massman, who has informed the board of her decision to retire from Clearwater Paper after serving in the CEO position since January 2013. She previously served as the company's president and chief operating officer from 2011 to 2013 and as chief financial officer from 2008 to 2011.

In addition, the company announced that Alexander Toeldte will transition from chair to independent executive chair of the board, effective March 1, 2020, to ensure an effective leadership transition.

Alexander Toeldte, chair of the board, said, "Arsen has contributed greatly to our company with his strategic acumen and strong leadership skills. After careful consideration, the board is proud to select a candidate who deeply understands our businesses. Arsen is well-positioned to lead our company and enhance shareholder value, given his knowledge of our industry as well as his operations, finance and corporate development experience. The board looks forward to working with Arsen and the leadership team to ensure a seamless transition for our company and stakeholders."

Mr. Kitch stated, "I am honored to succeed Linda as the company's next CEO and am excited about the opportunity to lead our company forward. Today, Clearwater Paper has a healthy business and a strong team focused on driving results and building on our recent momentum of solid operational results. I look forward to working with the board and management, and all of our team members, to advance our strategy, create a stronger company for our customers and employees, and deliver value for our shareholders."

"We are sincerely grateful to Linda for her leadership and many contributions to Clearwater Paper over the last 11 years. She was one of the founding leaders of the company. As CEO she has led it to greater operational capabilities, as well as prepared it to generate greater cash flow and to de-lever the balance sheet. On behalf of the board, I thank Linda for her many years of service, and wish her all the best in the future," added Mr. Toeldte.

Ms. Massman said, "It has been a great privilege to lead Clearwater Paper, and I am proud of what we have accomplished. With the support of our hard-working and dedicated team, we have positioned our operational infrastructure to meet changing market demands. I am confident that Clearwater Paper will achieve continued success under Arsen's leadership."

The company has initiated a comprehensive search process to identify and evaluate potential candidates to be the company's next general manager of its consumer products division.

Revised Fourth Quarter of 2019 Outlook

Clearwater Paper is also updating its fourth quarter of 2019 outlook. Due to lower input costs, timing of certain expenses and strong execution of the business, the company now expects adjusted earnings before interest, taxes, depreciation and amortization, or EBITDA to be in the range of \$49 to \$53 million compared to its prior range of \$38 million to \$46 million given during its third quarter of 2019 earnings call held on October 24, 2019. A reconciliation of Adjusted EBITDA is attached. The Company will provide greater details regarding its performance and results for the fourth quarter and full year of 2019, as well as provide an outlook for 2020, on its upcoming earnings call in late February.

About Arsen S. Kitch

Mr. Kitch has served as senior vice president and general manager of Clearwater Paper's consumer products business since 2018. Prior to that, he served as vice president of finance and vice president of financial planning and analysis since joining the company in 2013. Before Clearwater Paper, Mr. Kitch was a finance director at Nestlé USA and previously was at KKR Capstone and Frito Lay. He received an MBA from Stanford Graduate School of Business and a Bachelor of Business Administration from the University of California, Berkeley.

About Alexander Toeldte

Mr. Toeldte has been a director of Clearwater Paper since April 2016. He has also served as a director of Xerium Technologies, and as an operating director at Paine & Partners. Mr. Toeldte served as president, CEO and a director of Boise Inc., a paper manufacturer, from February 2008 to 2013 and at Boise Cascade and as its executive vice president, paper, packaging and newsprint segments from October 2005 to 2008. Prior to Boise, Mr. Toeldte's experience includes senior executive roles at Fonterra Co-operative Group, and as chief executive of Fletcher Challenge Building as well as Fletcher Challenge Paper. He has also served as a partner at McKinsey & Company from 1986 to 1999 in Toronto, Brussels, Montreal, and Stockholm, and as chairman of the American Forest & Paper Association in 2012.

About Clearwater Paper

Clearwater Paper manufactures quality consumer tissue, away-from-home tissue, parent roll tissue, bleached paperboard and pulp at manufacturing facilities across the nation. The company is a premier supplier of private label tissue to major retailers and wholesale distributors, including grocery, drug, mass merchants and discount stores. In addition, the company produces bleached paperboard used by quality-conscious printers and packaging converters, and offers services that include custom sheeting, slitting and cutting. Clearwater Paper's employees build shareholder value by developing strong relationships through quality and service.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including statements regarding the leadership transition, shareholder value, operational results, strategy, shareholder value, cash flow, balance sheet and fourth quarter 2019 net earnings and Adjusted EBITDA. These forward-looking statements are based on current expectations that are subject to change, and actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include those risks and uncertainties described from time to time in the company's public filings with the Securities and Exchange Commission. The company does not undertake to update any forward-looking statements based on new developments or changes to the company's expectations.

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

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

	THREE MONTHS ENDED	
	DECEMBER 31, 2019	
	RANGE OF ESTIMATES	
	FROM	TO
Reconciliation to Adjusted EBITDA¹		
GAAP, net earnings	\$ 2,300	\$ 4,900
Interest expense, net	12,400	12,400
Income tax (benefit) provision	500	1,900
Depreciation and amortization	29,300	29,300
Non-operating pension and OPEB costs	1,400	1,400
Other operating charges	3,100	3,100
Adjusted EBITDA	<u>\$ 49,000</u>	<u>\$ 53,000</u>

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

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