

Tredegar Corporation
Consolidated Statement of Operations
By Business Segment Excluding Unusual Items, Losses
Related to Plant Shutdowns, Asset Impairments and
Restructurings, Gains (Losses) from Sale of Assets,
Investment Write-downs or Write-ups, Discontinuing Operations & Other Items
(through September 30, 2023)
(In Thousands, Except Per-Share Data)
(Presented on a continuing operations basis - unaudited)

| | Quarterly* | | | | | | | | | | | | | | | | | | | | Year to Date | | | | LTM |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---------------|------------|------------|------------|------------|--------------|------------|------------|------------|---------------|--------------|--------------|--------------|--------------|-----|
| | March 31, | | | | | June 30, | | | | | September 30, | | | | | December 31, | | | | September 30, | | | | | |
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2019 | 2020 | 2021 | 2022 | 2023 | 2019 | 2020 | 2021 | 2022 | 2023 | 2019 | 2020 | 2021 | 2022 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| Net sales (e): | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aluminum Extrusions | \$ 139,047 | \$ 117,887 | \$ 118,125 | \$ 158,110 | \$ 133,370 | \$ 136,757 | \$ 106,058 | \$ 139,281 | \$ 190,308 | \$ 121,827 | \$ 129,505 | \$ 115,621 | \$ 137,086 | \$ 161,649 | \$ 109,410 | \$ 124,292 | \$ 116,145 | \$ 144,832 | \$ 127,805 | \$ 529,602 | \$ 455,711 | \$ 539,325 | \$ 637,872 | \$ 492,412 | |
| PE Films | 28,020 | 36,801 | 27,953 | 31,131 | 20,182 | 36,806 | 40,203 | 31,430 | 31,424 | 15,918 | 34,487 | 26,440 | 28,501 | 20,059 | 19,938 | 34,494 | 35,843 | 31,035 | 14,959 | 133,807 | 139,288 | 118,920 | 97,571 | 70,997 | |
| Flexible Packaging Films | 33,619 | 30,574 | 32,521 | 39,244 | 31,527 | 33,443 | 34,104 | 33,374 | 41,595 | 33,223 | 34,888 | 35,856 | 36,666 | 47,278 | 30,111 | 31,985 | 34,072 | 37,418 | 40,022 | 133,935 | 134,605 | 139,978 | 168,139 | 134,883 | |
| Total net sales | 200,686 | 185,262 | 178,599 | 228,485 | 185,079 | 207,006 | 180,365 | 204,085 | 263,327 | 170,968 | 198,880 | 177,917 | 202,253 | 228,986 | 159,459 | 190,771 | 186,060 | 213,285 | 182,786 | 797,344 | 729,604 | 798,223 | 903,582 | 698,292 | |
| EBITDA from ongoing operations: (f) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aluminum Extrusions | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ongoing operations: | | | | | | | | | | | | | | | | | | | | | | | | | |
| EBITDA | \$ 16,166 | \$ 11,677 | \$ 13,302 | \$ 23,919 | \$ 14,638 | \$ 18,600 | \$ 13,279 | \$ 19,723 | \$ 21,895 | \$ 10,217 | \$ 16,464 | \$ 16,540 | \$ 12,038 | \$ 12,071 | \$ 5,113 | \$ 14,452 | \$ 13,641 | \$ 10,886 | \$ 8,915 | \$ 65,683 | \$ 55,137 | \$ 55,948 | \$ 66,800 | \$ 38,883 | |
| Depreciation and amortization (b), (k) | (4,081) | (4,113) | (4,130) | (4,261) | (4,411) | (4,082) | (4,267) | (4,032) | (4,169) | (4,158) | (4,317) | (4,251) | (3,900) | (4,416) | (4,683) | (4,238) | (4,771) | (4,210) | (4,568) | (16,719) | (17,403) | (16,272) | (17,414) | (17,820) | |
| EBIT (d) | 12,085 | 7,564 | 9,172 | 19,658 | 10,227 | 14,518 | 9,012 | 15,691 | 17,726 | 6,059 | 12,147 | 12,289 | 8,138 | 7,655 | 430 | 10,214 | 8,870 | 6,676 | 4,347 | 48,964 | 37,734 | 39,676 | 49,386 | 21,063 | |
| PE Films | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ongoing operations: | | | | | | | | | | | | | | | | | | | | | | | | | |
| EBITDA | 7,042 | 12,413 | 7,213 | 7,047 | 1,849 | 13,154 | 15,471 | 9,001 | 7,065 | 814 | 10,257 | 6,041 | 4,821 | 431 | 4,037 | 10,681 | 11,179 | 6,659 | (2,594) | 41,133 | 45,107 | 27,694 | 11,949 | 4,106 | |
| Depreciation and amortization | (1,498) | (1,494) | (1,420) | (1,595) | (1,643) | (1,425) | (1,589) | (1,671) | (1,559) | (1,552) | (1,458) | (1,785) | (1,591) | (1,579) | (2,111) | (1,480) | (1,894) | (1,582) | (1,548) | (5,860) | (6,762) | (6,263) | (6,280) | (6,854) | |
| EBIT (d) | 5,544 | 10,919 | 5,793 | 5,452 | 206 | 11,729 | 13,882 | 7,330 | 5,506 | (738) | 8,799 | 4,256 | 3,230 | (1,148) | 1,926 | 9,201 | 9,285 | 5,077 | (4,142) | 35,273 | 38,345 | 21,431 | 5,669 | (2,748) | |
| Flexible Packaging Films | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ongoing operations: | | | | | | | | | | | | | | | | | | | | | | | | | |
| EBITDA | 3,203 | 6,553 | 9,623 | 5,035 | 1,350 | 2,880 | 6,495 | 8,277 | 7,631 | 249 | 4,394 | 9,546 | 7,396 | 7,830 | 477 | 4,260 | 8,051 | 6,388 | 6,957 | 14,737 | 30,645 | 31,684 | 27,452 | 9,033 | |
| Depreciation and amortization | (344) | (428) | (466) | (550) | (700) | (363) | (436) | (506) | (583) | (711) | (394) | (443) | (493) | (590) | (704) | (416) | (455) | (523) | (721) | (13,220) | (17,611) | (19,888) | (24,444) | (2,836) | |
| EBIT (d) | 2,859 | 6,125 | 9,157 | 4,485 | 650 | 2,517 | 6,059 | 7,771 | 7,048 | (462) | 4,000 | 9,103 | 6,903 | 7,240 | (227) | 3,844 | 7,596 | 5,865 | 6,236 | 1,517 | 28,884 | 29,696 | 25,008 | 6,197 | |
| Total | 20,488 | 24,608 | 24,122 | 29,595 | 11,083 | 28,764 | 28,953 | 30,792 | 30,280 | 4,859 | 24,946 | 25,648 | 18,271 | 13,747 | 2,129 | 23,259 | 25,751 | 17,618 | 6,441 | 97,457 | 104,963 | 90,803 | 80,063 | 24,512 | |
| Interest income | 12 | 27 | 7 | 29 | 44 | 2 | 5 | 25 | 3 | 30 | 11 | 11 | 8 | 9 | 62 | 41 | 1 | 33 | 16 | 66 | 44 | 73 | 57 | 152 | |
| Interest expense | (1,232) | (555) | (822) | (786) | (2,311) | (1,263) | (548) | (891) | (1,234) | (2,374) | (859) | (494) | (842) | (1,138) | (3,106) | (697) | (989) | (831) | (1,832) | (4,051) | (2,587) | (3,386) | (4,990) | (9,623) | |
| Stock option-based compensation expense | (390) | (566) | (468) | (631) | (231) | (878) | (648) | (675) | (233) | - | (791) | (518) | (675) | (271) | - | (791) | (355) | (675) | (271) | (2,851) | (2,087) | (2,495) | (1,406) | (502) | |
| Corporate expenses and misc. other | (7,268) | (7,909) | (9,434) | (5,521) | (4,745) | (7,254) | (7,590) | (8,919) | (5,493) | (3,966) | (7,635) | (8,776) | (7,267) | (5,404) | (5,582) | (7,897) | (11,372) | (8,651) | (5,616) | (30,054) | (35,650) | (34,268) | (22,037) | (19,908) | |
| Income (loss) from ongoing operations before income taxes | 11,610 | 15,605 | 13,405 | 22,686 | 3,840 | 19,371 | 20,172 | 20,332 | 23,323 | (1,451) | 15,672 | 15,871 | 9,495 | 6,943 | (6,497) | 13,915 | 13,036 | 7,494 | (1,262) | 60,567 | 64,683 | 50,727 | 51,687 | (5,369) | |
| Income taxes (benefit) | 2,332 | 3,779 | 3,272 | 5,756 | 1,318 | 4,302 | 4,142 | 4,257 | 6,234 | 499 | 2,401 | 2,650 | 2,254 | 2,096 | (1,362) | 3,977 | 3,292 | 1,347 | (1,797) | 13,011 | 13,862 | 11,130 | 12,289 | (1,342) | |
| Net income from ongoing operations (e) | \$ 9,279 | \$ 11,827 | \$ 10,133 | \$ 16,930 | \$ 2,522 | \$ 15,069 | \$ 16,030 | \$ 16,076 | \$ 17,089 | \$ (1,950) | \$ 13,272 | \$ 13,222 | \$ 7,241 | \$ 4,846 | \$ (5,135) | \$ 9,939 | \$ 9,744 | \$ 6,147 | \$ 535 | \$ 47,557 | \$ 50,820 | \$ 39,597 | \$ 39,398 | \$ (4,027) | |
| Diluted earnings per share from ongoing operations: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net income from ongoing operations (e) | \$.28 | \$.36 | \$.30 | \$.50 | \$.07 | \$.45 | \$.48 | \$.48 | \$.51 | \$ (.06) | \$.40 | \$.39 | \$.22 | \$.14 | \$ (.15) | \$.30 | \$.29 | \$.18 | \$.02 | \$ 1.42 | \$ 1.51 | \$ 1.18 | \$ 1.17 | \$ (.12) | |
| Shares used to compute diluted earnings per share | 33,127 | 33,313 | 33,644 | 33,696 | 33,895 | 33,278 | 33,436 | 33,740 | 33,854 | 34,079 | 33,285 | 33,439 | 33,649 | 33,871 | 34,264 | 33,341 | 33,485 | 33,648 | 33,882 | 33,258 | 33,402 | 33,670 | 33,826 | 34,030 | |
| Financial Position and Other Data: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total assets | \$ 749,377 | \$ 663,186 | \$ 522,504 | \$ 564,671 | \$ 526,174 | \$ 730,100 | \$ 658,807 | \$ 535,515 | \$ 571,814 | \$ 484,869 | \$ 730,934 | \$ 567,640 | \$ 545,834 | \$ 546,658 | \$ 479,517 | \$ 712,668 | \$ 514,870 | \$ 523,584 | \$ 542,093 | \$ 2,422,000 | \$ 2,275,000 | \$ 2,150,000 | \$ 2,000,000 | \$ 2,000,000 | |
| Cash and cash equivalents | 36,302 | 35,059 | 21,859 | 25,648 | 15,025 | 39,769 | 39,930 | 18,298 | 27,462 | 21,193 | 44,652 | 35,022 | 30,253 | 19,250 | 48,604 | 31,422 | 11,846 | 30,521 | 19,232 | 118,000 | 118,000 | 118,000 | 118,000 | 118,000 | |
| Debt | 110,000 | 43,000 | 143,000 | 131,250 | 155,000 | 73,000 | 34,000 | 117,000 | 101,500 | 141,000 | 68,000 | 7,000 | 127,000 | 124,000 | 155,000 | 42,000 | 134,000 | 73,000 | 137,000 | 118,000 | 118,000 | 118,000 | 118,000 | 118,000 | |
| Shareholders' equity (net book value) | 372,621 | 338,590 | 115,987 | 211,868 | 201,609 | 388,276 | 350,874 | 143,340 | 211,785 | 183,149 | 397,835 | 289,309 | 146,279 | 207,058 | 154,191 | 376,749 | 109,055 | 184,722 | 201,762 | 118,000 | 118,000 | 118,000 | 118,000 | 118,000 | |
| Net debt as a percentage of net capitalization (a) | 17% | 2% | 51% | 33% | 41% | 8% | N/A | 41% | 26% | 40% | 6% | N/A | 40% | 34% | 41% | 3% | 53% | 19% | 37% | 118,000 | 118,000 | 118,000 | 118,000 | 118,000 | |
| Equity market capitalization (j) | 573,320 | 523,772 | 505,380 | 405,715 | 310,149 | 542,088 | 516,186 | 464,236 | 339,655 | 229,207 | 629,584 | 498,342 | 410,799 | 320,795 | 186,021 | 745,709 | 558,735 | 398,767 | 347,487 | 118,000 | 118,000 | 118,000 | 118,000 | 118,000 | |
| Aluminum Extrusions: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Volume (Millions Lbs.) | 53.6 | 47.3 | 44.4 | 43.0 | 37.6 | 53.1 | 43.8 | 49.0 | 49.0 | 35.5 | 51.4 | 48.9 | 45.4 | 45.5 | 32.5 | 50.1 | 46.4 | 44.6 | 37.2 | 208.2 | 186.4 | 183.4 | 174.7 | 142.8 | |
| Capital expenditures | \$ 4,367 | \$ 1,574 | \$ 2,447 | \$ 2,881 | \$ 7,742 | \$ 4,420 | \$ 1,355 | \$ 4,326 | \$ 3,989 | \$ 5,631 | \$ 3,057 | \$ 1,784 | \$ 5,183 | \$ 8,218 | \$ 4,489 | \$ 6,010 | \$ 5,547 | \$ 6,957 | \$ 8,576 | \$ 17,855 | \$ 10,260 | \$ 18,914 | \$ 23,664 | \$ 26,438 | |
| Depreciation and amortization (b), (k) | \$ 4,081 | \$ 4,113 | \$ 4,130 | \$ 4,261 | \$ 4,411 | \$ 4,082 | \$ 4,267 | \$ 4,032 | \$ 4,169 | \$ 4,158 | \$ 6,827 | \$ 4,251 | \$ 3,900 | \$ 4,416 | \$ 4,683 | \$ 11,768 | \$ 4,771 | \$ 4,210 | \$ 4,568 | \$ 26,759 | \$ 17,403 | \$ 16,272 | \$ 17,414 | \$ 17,820 | |
| PE Films: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Volume (Millions Lbs.) | 9.5 | 12.2 | 10.2 | 10.6 | 7.4 | 11.3 | 11.6 | 10.5 | 9.6 | 6.2 | 11.1 | 9.6 | 9.3 | 7.1 | 7.2 | 12.1 | 11.8 | 9.4 | 5.6 | 44.0 | 45.2 | 39.4 | 32.9 | 26.4 | |
| Capital expenditures | \$ 912 | \$ 1,621 | \$ 1,233 | \$ 581 | \$ 716 | \$ 1,040 | \$ 1,423 | \$ 500 | \$ 1,163 | \$ 360 | \$ 3,623 | \$ 1,833 | \$ 1,023 | \$ 793 | \$ 431 | \$ 2,993 | \$ 1,147 | \$ 240 | \$ 752 | \$ 8,567 | \$ 6,024 | \$ 2,997 | \$ 3,289 | \$ 2,259 | |
| Depreciation and amortization | \$ 1,498 | \$ 1,494 | \$ 1,420 | \$ 1,595 | \$ 1,643 | \$ 1,425 | \$ 1,589 | \$ 1,671 | \$ 1,559 | \$ 1,552 | \$ 1,458 | \$ 1,785 | \$ 1,591 | \$ 1,579 | \$ 2,111 | \$ 1,480 | \$ 1,894 | \$ 1,582 | \$ 1,548 | \$ 5,860 | \$ 6,762 | \$ 6,263 | \$ 6,280 | \$ 6,854 | |
| Flexible Packaging Films: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Volume (Millions Lbs.) | 25.5 | 25.8 | 27.4 | 26.0 | 19.8 | 26.5 | 29.2 | 24.2 | 27.3 | 23.7 | 27.9 | 30.1 | 27.0 | 28.9 | 22.2 | 25.4 | 28.0 | 25.9 | 24.5 | 105.3 | 113.1 | 104.6 | 106.7 | 90.2 | |
| Capital expenditures | \$ 1,735 | \$ 848 | \$ 1,271 | \$ 1,545 | \$ 605 | \$ 1,260 | \$ 417 | \$ 1,117 | \$ 3,264 | \$ 878 | \$ 2,698 | \$ 1,183 | \$ 1,895 | \$ 2,501 | \$ 1,408 | \$ 3,174 | \$ 2,511 | \$ 1,320 | \$ 841 | \$ 8,866 | \$ 4,959 | \$ 5,603 | \$ 8,151 | \$ 3,732 | |
| Depreciation and amortization | \$ 344 | \$ 428 | \$ 466 | \$ 550 | \$ 700 | \$ 363 | \$ 436 | \$ 506 | \$ 583 | \$ 711 | \$ 394 | \$ 443 | \$ 493 | \$ 59 | | | | | | | | | | | |

Tredegar Corporation
Summary of Ongoing Operations (through September 30, 2023)
(In Thousands, Except Per-Share Data)
(Presented on a continuing operations basis - unaudited)

| | Quarterly* | | | | | | | | | | | | | | | | | | | | Year to Date | | | | LTM |
|---|------------|-------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-------------|---------------|-------------|----------|----------|-------------|--------------|----------|-----------|------------|--------------|--------------|-----------|-----------|---------------|-----|
| | March 31, | | | | | June 30, | | | | | September 30, | | | | | December 31, | | | | Year to Date | | | | September 30, | |
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2019 | 2020 | 2021 | 2022 | 2023 | 2019 | 2020 | 2021 | 2022 | 2023 | 2019 | 2020 | 2021 | 2022 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| Net income (loss) from continuing operations reported under GAAP | \$ 22,548 | \$ (20,663) | \$ 9,618 | \$ 16,457 | \$ (1,009) | \$ 19,871 | \$ 14,332 | \$ 20,728 | \$ 14,788 | \$ (18,922) | \$ 15,052 | \$ (16,976) | \$ 6,229 | \$ 1,012 | \$ (50,380) | \$ 990 | \$ 6,475 | \$ 21,358 | \$ (3,873) | \$ 58,461 | \$ (16,833) | \$ 57,936 | \$ 28,381 | \$ (74,186) | |
| After-tax effects of: | | | | | | | | | | | | | | | | | | | | | | | | | |
| (Gains) losses associated with plant shutdowns, asset impairments, and restructurings | 357 | 40 | 132 | (6) | 54 | 16 | 15 | 153 | 134 | - | 88 | 22 | (90) | 351 | 3,623 | 137 | 1,265 | 389 | - | 598 | 1,342 | 584 | 479 | 3,677 | |
| (Gains) losses from sale of assets, investment write-downs or write-ups & other items | (13,626) | 21,901 | 383 | (2,205) | 834 | (4,818) | 1,682 | (4,805) | (540) | 2,397 | (1,868) | 30,176 | 1,101 | 776 | 4,103 | 8,811 | 2,004 | (15,600) | 1,246 | (11,501) | 55,774 | (18,923) | (724) | 8,582 | |
| Net periodic benefit cost for the frozen defined benefit pension plan(l) | - | - | - | 2,685 | 2,643 | - | - | - | 2,708 | 2,643 | - | - | - | 2,708 | 2,408 | - | - | - | 3,162 | - | - | - | 11,262 | 10,856 | |
| Pension settlement loss (m) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 20,031 | - | - | - | - | - | - | - | - | 20,031 | |
| Goodwill Impairment charge | - | 10,549 | - | - | - | - | - | - | - | 11,933 | - | - | - | - | 15,080 | - | - | - | - | - | 10,538 | - | - | 27,013 | |
| Net income from ongoing operations (c) | \$ 9,279 | \$ 11,827 | \$ 10,133 | \$ 16,930 | \$ 2,522 | \$ 15,069 | \$ 16,030 | \$ 16,076 | \$ 17,089 | \$ (1,950) | \$ 13,272 | \$ 13,222 | \$ 7,241 | \$ 4,846 | \$ (5,135) | \$ 9,939 | \$ 9,744 | \$ 6,147 | \$ 535 | \$ 47,558 | \$ 50,821 | \$ 39,597 | \$ 39,398 | \$ (4,027) | |
| Earnings (loss) from continuing operations per share as reported under GAAP (diluted) | \$ 0.68 | \$ (0.62) | \$ 0.29 | \$ 0.49 | \$ (0.03) | \$ 0.60 | \$ 0.43 | \$ 0.61 | \$ 0.44 | \$ (0.56) | \$ 0.45 | \$ (0.51) | \$ 0.19 | \$ 0.03 | \$ (1.47) | \$ 0.03 | \$ 0.19 | \$ 0.63 | \$ (0.11) | \$ 1.76 | \$ (0.51) | \$ 1.72 | \$ 0.84 | \$ (2.17) | |
| After-tax effects per diluted share of: | | | | | | | | | | | | | | | | | | | | | | | | | |
| (Gains) losses associated with plant shutdowns, asset impairments, and restructurings | 0.01 | - | - | - | - | - | - | - | - | - | - | - | - | 0.01 | 0.11 | - | 0.04 | 0.01 | - | 0.02 | 0.04 | 0.02 | 0.01 | 0.11 | |
| (Gains) losses from sale of assets, investment write-downs or write-ups & other items | (0.41) | 0.66 | 0.01 | (0.07) | 0.02 | (0.14) | 0.05 | (0.13) | (0.01) | 0.07 | (0.05) | 0.90 | 0.03 | 0.02 | 0.12 | 0.27 | 0.06 | (0.46) | 0.04 | (0.36) | 1.66 | (0.56) | (0.01) | 0.25 | |
| Net periodic benefit cost for the frozen defined benefit pension plan(l) | - | - | - | 0.08 | 0.08 | - | - | - | 0.08 | 0.08 | - | - | - | 0.08 | 0.07 | - | - | - | 0.09 | - | - | - | 0.33 | 0.32 | |
| Pension settlement loss (m) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.58 | - | - | - | - | - | - | - | - | 0.58 | |
| Goodwill Impairment charge | - | 0.32 | - | - | - | - | - | - | - | 0.35 | - | - | - | - | 0.44 | - | - | - | - | - | 0.32 | - | - | 0.79 | |
| Diluted earnings per share from ongoing operations (c) | \$ 0.28 | \$ 0.35 | \$ 0.30 | \$ 0.50 | \$ 0.07 | \$ 0.45 | \$ 0.48 | \$ 0.47 | \$ 0.51 | \$ (0.06) | \$ 0.40 | \$ 0.38 | \$ 0.22 | \$ 0.14 | \$ (0.15) | \$ 0.29 | \$ 0.29 | \$ 0.18 | \$ 0.02 | \$ 1.42 | \$ 1.51 | \$ 1.18 | \$ 1.17 | \$ (0.12) | |

(a) Net debt is defined as total debt less cash and cash equivalents. Net debt is not intended to represent total debt as defined by GAAP. Net debt is utilized by management in evaluating the Company's financial leverage and equity valuation, and management believes that investors also may find net debt to be helpful for the same purposes.

(b) Accelerated depreciation was excluded from EBITDA from ongoing operations. Depreciation and amortization expense for Aluminum Extrusions in the third and fourth quarters of 2019 includes accelerated amortization of \$2,510 and \$7,530, respectively, related to the rebranding of the Bonnell Aluminum name and discontinuation of the trade names AACOA and Futura.

(c) Tredegar's presentation of net income (loss) and diluted earnings per share from ongoing operations are non-GAAP financial measures that exclude the effects of gains or losses associated with plant shutdowns, asset impairments and restructurings, gains or losses from the sale of assets, goodwill impairment charges, net periodic benefit cost for frozen defined benefit pension plan and other items (which includes unrealized gains and losses for an investment accounted for under the fair value method) which have been presented separately and removed from net income (loss) from continuing operations and diluted earnings per share as reported under GAAP. Net income (loss) and diluted earnings per share from ongoing operations are key financial and analytical measures used by management to gauge the operating performance of Tredegar's ongoing operations. They are not intended to represent the stand-alone results for Tredegar's ongoing operations under GAAP and should not be considered as an alternative to net income (loss) from continuing operations or earnings (loss) per share as defined by GAAP. They exclude items that management believes do not relate to Tredegar's ongoing operations.

(d) EBIT (earnings before interest and taxes) from ongoing operations is a non-GAAP financial measure included in the reconciliation of segment financial information to consolidated results for the Company in the net sales and EBITDA from ongoing operations by segment statements. It is not intended to represent the stand-alone results for Tredegar's ongoing operations under GAAP and should not be considered as an alternative to net income (loss) from continuing operations as defined by GAAP. Tredegar believes that EBIT is a widely understood and utilized metric that is meaningful to certain investors and that including this financial metric in the reconciliation of management's performance metric, EBITDA from ongoing operations, provides useful information to those investors that primarily utilize EBIT to analyze the Company's core operations.

(e) Net sales represents gross sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level. This measure is separately included in the financial information regularly provided to the chief operating decision maker.

(f) In the fourth quarter of 2019, the Company changed its segment measure of profit and loss from operating profit from ongoing operations to EBITDA (earnings before interest, taxes, depreciation and amortization) from ongoing operations. EBITDA from ongoing operations is the key segment profitability metric used by the Company's chief operating decision maker to assess segment financial performance. See Note 10 in the Notes to Financial Statements in the First Quarter 2022 Form 10-Q for additional business segment information.

(g) The gains and losses on the Company's investment in kaléo are included in "Other income (expense), net" in the consolidated statements of income, see First Quarter 2023 Form 10-Q for more details. For 2022, 2021 and 2020, see Note 9 to the Consolidated Financial Statements in Item 15 2022 Form 10-K for more details. For 2019, see Note 3 to the Consolidated Financial Statements in Item 15 2019 Form 10-K for more details.

(h) In December 2020, the Company entered into a definitive agreement and completed the sale of Bright View. See Note 15 in the Notes to Financial Statements in the 2021 Form 10-K for more details.

(i) Corporate depreciation and amortization is included in Corporate expenses, net, on the EBITDA from ongoing operations table above.

(j) Equity market capitalization is the closing market price per share for the period multiplied by the shares outstanding at the end of the period.

(k) Amortization related to Futura intangible amortization out-of-period adjustment was excluded from EBITDA from ongoing operations. Amortization expense for Aluminum Extrusions in the fourth quarter of 2021 includes an out-of-period adjustment of \$947 in connection with the original valuation of intangible assets and goodwill related to the acquisition of Futura in February 2017.

(l) In February 2022, Tredegar announced the initiation of a process to terminate and settle its frozen defined benefit pension plan. In connection therewith, the Company borrowed funds under its revolving credit agreement and made a \$50 million contribution to the pension plan (the "Special Contribution") to reduce its underfunding and as part of a program within the pension plan to hedge or fix the expected future contributions that will be needed by the Company through the settlement process. Prior to the Special Contribution, GAAP pension expense was a reasonable proxy for the Company's required minimum cash contribution to the pension plan. The Company expects there will be no required minimum cash contributions until final settlement. On September 27, 2023, the Company borrowed \$30 million under the Credit Agreement in anticipation of the final funding expected for terminating its defined benefit pension plan obligation. On October 31, 2023, the Company used this cash to contribute \$27.7 million to fully fund the pension plan with the amount necessary to allow for the subsequent transfer of the final annuity premium to Massachusetts Mutual Life Insurance Company, the selected insurer for the plan. On November 3, 2023, the pension plan termination and settlement process for the Company was completed, and the relevant pension plan obligation was transferred to Massachusetts Mutual Life Insurance Company. This completed the pension plan termination process that began in February 2022. Beginning in 2022, and consistent with no expected required minimum cash contributions, no pension expense is included in calculating earnings before interest, taxes, depreciation and amortization as defined in the Company's revolving credit agreement ("Credit EBITDA"), which is used to compute certain borrowing ratios and a significant consideration for computing non-GAAP net income (loss) from ongoing operations.

(m) During the third quarter of 2023, the Company remeasured the pension plan, which resulted in a pre-tax pension settlement loss in the condensed consolidated results of operation of \$25.6 million. The remeasurement of the pension benefit obligation and plan assets was triggered by \$64.5 million of lump sum distributions from the pension plan assets which exceeded the pension plan's service and interest cost.

* Due to rounding, numbers presented throughout this worksheet may not add up precisely to the totals provided.

N/A Not applicable

NM Not meaningful