

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 March 31, 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				March 31,			
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2019	2020	2021	2022	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	\$ 129,505	\$ 115,621	\$ 137,086	\$ 161,649	\$ 124,292	\$ 116,145	\$ 144,832	\$ 127,805	\$ 529,602	\$ 455,711	\$ 539,325	\$ 637,872	\$ 613,132			
PE Films	28,020	36,801	27,953	31,131	20,182	36,806	40,203	31,430	31,424	34,487	26,440	28,501	20,059	34,494	35,843	31,035	14,959	133,807	139,288	118,920	97,571	86,622			
Flexible Packaging Films	33,619	30,574	32,521	39,244	31,527	33,443	34,104	33,374	41,595	34,888	35,856	36,666	47,278	31,985	34,072	37,418	40,022	133,935	134,605	139,978	168,139	160,422			
Total net sales	200,686	185,262	178,599	228,485	185,079	207,006	180,365	204,085	263,227	198,880	177,917	202,253	228,986	190,771	186,060	213,285	182,786	797,344	729,604	798,223	903,582	\$ 860,176			
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	\$ 16,464	\$ 16,540	\$ 12,038	\$ 12,071	\$ 14,452	\$ 13,641	\$ 10,886	\$ 8,915	\$ 65,683	\$ 55,137	\$ 55,948	\$ 66,800	\$ 57,519			
Depreciation and amortization (b), (k)	(4,081)	(4,113)	(4,130)	(4,261)	(4,411)	(4,082)	(4,267)	(4,032)	(4,169)	(4,317)	(4,251)	(3,900)	(4,416)	(4,238)	(4,771)	(4,210)	(4,568)	(16,719)	(17,403)	(16,272)	(17,414)	(17,564)			
EBIT (d)	12,085	7,564	9,172	19,658	10,227	14,518	9,012	15,691	17,726	12,147	12,289	8,138	7,655	10,214	8,870	6,676	4,347	48,964	37,734	39,676	49,386	39,955			
PE Films																									
Ongoing operations:																									
EBITDA	7,042	12,413	7,213	7,047	1,849	13,154	15,471	9,001	7,065	10,257	6,041	4,821	431	10,681	11,179	6,659	(2,594)	41,133	45,107	27,694	11,949	6,751			
Depreciation and amortization	(1,498)	(1,494)	(1,420)	(1,595)	(1,643)	(1,425)	(1,589)	(1,671)	(1,559)	(1,458)	(1,785)	(1,591)	(1,579)	(1,480)	(1,894)	(1,582)	(1,548)	(5,860)	(6,762)	(6,263)	(6,280)	(6,328)			
EBIT (d)	5,544	10,919	5,793	5,452	206	11,729	13,882	7,330	5,506	8,799	4,256	3,230	(1,148)	9,201	9,285	5,077	(4,142)	35,273	38,345	21,431	5,669	423			
Flexible Packaging Films																									
Ongoing operations:																									
EBITDA	3,203	6,553	9,623	5,035	1,350	2,880	6,495	8,277	7,631	4,394	9,546	7,396	7,830	4,260	8,051	6,388	6,957	14,737	30,645	31,684	27,452	23,767			
Depreciation and amortization	(344)	(428)	(466)	(550)	(700)	(363)	(436)	(506)	(583)	(394)	(443)	(493)	(590)	(416)	(455)	(523)	(721)	(1,517)	(1,761)	(1,988)	(2,444)	(2,594)			
EBIT (d)	2,859	6,125	9,157	4,485	650	2,517	6,059	7,771	7,048	4,000	9,103	6,903	7,240	3,844	7,596	5,865	6,236	13,220	28,884	29,696	25,008	21,173			
Total	20,488	24,608	24,122	29,595	11,083	28,764	28,953	30,792	30,280	24,946	25,648	18,271	13,747	23,259	25,751	17,618	6,441	97,457	104,963	90,803	80,063	61,551			
Interest income	12	27	7	29	44	2	5	25	3	11	11	8	9	41	1	33	16	66	44	73	57	72			
Interest expense	(1,232)	(555)	(822)	(786)	(2,311)	(1,263)	(548)	(891)	(1,234)	(859)	(494)	(842)	(1,138)	(697)	(989)	(831)	(1,832)	(4,051)	(2,587)	(3,386)	(4,990)	(6,515)			
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)	(1,006)			
Corporate expenses and misc. other	(7,268)	(7,909)	(9,434)	(5,521)	(4,745)	(7,254)	(7,590)	(8,919)	(5,493)	(7,635)	(8,776)	(7,267)	(5,404)	(7,897)	(11,372)	(8,651)	(5,616)	(30,054)	(35,650)	(34,268)	(22,037)	(21,258)			
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	15,672	15,871	9,495	6,943	13,915	13,036	7,494	(1,262)	60,567	64,683	50,727	51,687	32,844			
Income taxes (benefit)	2,332	3,779	3,272	5,756	1,318	4,302	4,142	4,257	6,234	2,401	2,650	2,254	2,096	3,977	3,292	1,347	(1,797)	13,011	13,862	11,130	12,289	7,852			
Net income from ongoing operations (c)	\$ 9,279	\$ 11,827	\$ 10,133	\$ 16,930	\$ 2,522	\$ 15,069	\$ 16,030	\$ 16,076	\$ 17,089	\$ 13,272	\$ 13,222	\$ 7,241	\$ 4,846	\$ 9,939	\$ 9,744	\$ 6,147	\$ 535	\$ 47,557	\$ 50,820	\$ 39,597	\$ 39,398	\$ 24,993			
Diluted earnings per share from ongoing operations:																									
Net income from ongoing operations (c)	\$ 28	\$ 36	\$ 30	\$ 50	\$ 07	\$ 45	\$ 48	\$ 48	\$ 51	\$ 40	\$ 39	\$ 22	\$ 14	\$ 30	\$ 29	\$ 18	\$ 02	\$ 142	\$ 151	\$ 118	\$ 117	\$ 74			
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	33,285	33,439	33,649	33,871	33,341	33,485	33,648	33,882	33,258	33,402	33,670	33,826	33,875			
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	\$ 730,934	\$ 567,640	\$ 545,834	\$ 546,658	\$ 712,668	\$ 514,870	\$ 523,584	\$ 542,093								
Cash and cash equivalents	36,302	35,059	21,859	25,648	15,025	39,769	39,930	18,298	27,462	44,652	35,022	30,253	19,250	31,422	11,846	30,521	19,232								
Debt	110,000	43,000	143,000	131,250	155,000	73,000	34,000	117,000	101,500	68,000	7,000	127,000	124,000	42,000	134,000	73,000	137,000								
Shareholders' equity (net book value)	372,621	338,590	115,987	211,868	201,609	388,276	350,874	143,340	211,785	397,835	289,309	146,279	207,058	376,749	109,055	184,722	201,762								
Net debt as a percentage of net capitalization (a)	17%	2%	51%	33%	41%	8%	N/A	41%	26%	6%	N/A	40%	34%	3%	53%	19%	37%								
Equity market capitalization (j)	573,320	523,772	505,380	405,715	310,149	542,088	516,186	464,236	339,655	629,584	498,342	410,799	320,795	745,709	558,735	398,767	347,487								
Aluminum Extrusions:																									
Volume (Millions Lbs.)	53.6	47.3	44.4	43.0	37.6	53.1	43.8	49.0	49.0	51.4	48.9	45.4	45.5	50.1	46.4	44.6	37.2	208.2	186.4	183.4	174.7	169.3			
Capital expenditures	\$ 4,367	\$ 1,574	\$ 2,447	\$ 2,881	\$ 7,742	\$ 4,420	\$ 1,355	\$ 4,326	\$ 3,989	\$ 3,057	\$ 1,784	\$ 5,183	\$ 8,218	\$ 6,010	\$ 5,547	\$ 6,957	\$ 8,576	\$ 17,855	\$ 10,260	\$ 18,914	\$ 23,664	\$ 28,525			
Depreciation and amortization (b), (k)	\$ 4,081	\$ 4,113	\$ 4,130	\$ 4,261	\$ 4,411	\$ 4,082	\$ 4,267	\$ 4,032	\$ 4,169	\$ 6,827	\$ 4,251	\$ 3,900	\$ 4,416	\$ 11,768	\$ 4,771	\$ 4,210	\$ 4,568	\$ 26,759	\$ 17,403	\$ 16,272	\$ 17,414	\$ 17,564			
PE Films:																									
Volume (Millions Lbs.)	9.5	12.2	10.2	10.6	7.4	11.3	11.6	10.5	9.6	11.1	9.6	9.3	7.1	12.1	11.8	9.4	5.6	44.0	45.2	39.4	32.9	29.7			
Capital expenditures	\$ 912	\$ 1,621	\$ 1,233	\$ 581	\$ 716	\$ 1,040	\$ 1,423	\$ 500	\$ 1,163	\$ 3,623	\$ 1,833	\$ 1,023	\$ 793	\$ 2,993	\$ 1,147	\$ 240	\$ 752	\$ 8,567	\$ 6,024	\$ 2,997	\$ 3,289	\$ 3,424			
Depreciation and amortization	\$ 1,498	\$ 1,494	\$ 1,420	\$ 1,595	\$ 1,643	\$ 1,425	\$ 1,589	\$ 1,671	\$ 1,559	\$ 1,458	\$ 1,785	\$ 1,591	\$ 1,579	\$ 1,480	\$ 1,894	\$ 1,582	\$ 1,548	\$ 5,860	\$ 6,762	\$ 6,263	\$ 6,280	\$ 6,328			
Flexible Packaging Films:																									
Volume (Millions Lbs.)	25.5	25.8	27.4	26.0	19.8	26.5	29.2	24.2	27.3	27.9	30.1	27.0	28.9	25.4	28.0	25.9	24.5	105.3	113.1	104.6	106.7	100.5			
Capital expenditures	\$ 1,735	\$ 848	\$ 1,271	\$ 1,545	\$ 605	\$ 1,260	\$ 417	\$ 1,117	\$ 3,264	\$ 2,698	\$ 1,183	\$ 1,895	\$ 2,501	\$ 3,174	\$ 2,511	\$ 1,320	\$ 841	\$ 8,866	\$ 4,959	\$ 5,603	\$ 8,151	\$ 7,211			
Depreciation and amortization	\$ 344	\$ 428	\$ 466	\$ 550	\$ 700	\$ 363	\$ 436	\$ 506	\$ 583	\$ 394	\$ 443	\$ 493	\$ 590	\$ 416	\$ 455	\$ 523	\$ 721	\$ 15,157	\$ 1,761	\$ 1,988	\$ 2,444	\$ 2,594			

Tredegar Corporation
Summary of Ongoing Operations (through March 31, 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				March 31,			
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2019	2020	2021	2022	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	\$ 15,052	\$ (16,976)	\$ 6,229	\$ 1,012	\$ 990	\$ 6,475	\$ 21,358	\$ (3,873)	\$ 58,461	\$ (16,833)	\$ 57,936	\$ 28,381	\$ 10,918			
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	137	1,265	389	-	598	1,342	584	479	539			
(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)	(1,868)	30,176	1,101	776	8,811	2,004	(15,600)	1,246	(11,501)	55,774	(18,923)	(724)	2,316			
Net periodic benefit cost for the frozen defined benefit pension plan(l)	-	-	-	2,685	2,643	-	-	-	2,708	-	-	-	2,708	-	-	-	3,162	-	-	-	11,262	11,220			
Goodwill Impairment charge	-	10,549	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,538	-	-	-			
Net income from ongoing operations (c)	\$ 9,279	\$ 11,827	\$ 10,133	\$ 16,930	\$ 2,522	\$ 15,069	\$ 16,030	\$ 16,076	\$ 17,089	\$ 13,272	\$ 13,222	\$ 7,241	\$ 4,846	\$ 9,939	\$ 9,744	\$ 6,147	\$ 535	\$ 47,558	\$ 50,821	\$ 39,597	\$ 39,398	\$ 24,993			
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	\$ 0.45	\$ (0.51)	\$ 0.19	\$ 0.03	\$ 0.03	\$ 0.19	\$ 0.63	\$ (0.11)	\$ 1.76	\$ (0.51)	\$ 1.72	\$ 0.84	\$ 0.33			
After-tax effects per diluted share of:																									
(Gains) losses associated with plant shutdowns, asset impairments, and restructurings	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.04	0.01	-	0.02	0.04	0.02	0.01	0.01			
(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)	(0.05)	0.90	0.03	0.02	0.27	0.06	(0.46)	0.04	(0.36)	1.66	(0.56)	(0.01)	0.07			
Net periodic benefit cost for the frozen defined benefit pension plan(l)	-	-	-	0.08	0.08	-	-	-	0.08	-	-	-	0.08	-	-	-	0.09	-	-	-	-	0.33	0.33		
Goodwill Impairment charge	-	0.32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.32	-	-	-			
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	\$ 0.40	\$ 0.38	\$ 0.22	\$ 0.14	\$ 0.29	\$ 0.29	\$ 0.18	\$ 0.02	\$ 1.42	\$ 1.51	\$ 1.18	\$ 1.17	\$ 0.74			

- (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. Pension expense under GAAP is projected to be approximately \$14 million in 2023, which is mainly comprised of non-cash amortization of deferred net actuarial losses reflected in the Company's shareholders' equity as accumulated other comprehensive losses. 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.

* Due to rounding, numbers presented throughout this worksheet may not add up precisely to the totals provided.
N/A Not applicable
NM Not meaningful