

Tredegar

CORPORATION



2019

**ANNUAL
MEETING**



Annual Meeting Business Report

Bill Gottwald
Chairman of the Board of Directors

Agenda

- Annual Meeting Business Report
- Meet John Steitz, President and Chief Executive Officer
- Tredegar Financial Report
Drew Edwards, Vice President and Chief Financial Officer
- The Tredegar Way, John Steitz
- Questions

Forward Looking Statements & Non-GAAP Measures

Certain statements contained in this presentation are forward-looking statements. Pursuant to federal securities regulations, we have set forth cautionary statements relating to those forward-looking statements in our Annual Report on Form 10-K for the year ended December 31, 2018 and in other filings with the Securities and Exchange Commission. We urge readers to review and carefully consider these cautionary statements and the other disclosures we make in our filings with the SEC.

This presentation contains non-GAAP financial measures that are not determined in accordance with United States GAAP. These non-GAAP financial measures should not be considered in isolation, as an alternative to, or more meaningful than measures of financial performance determined in accordance with United States GAAP. A reconciliation of those financial measures to United States GAAP financial measures is included under “Supplemental Information” in this presentation and is available on the company’s website at www.tredegar.com under “Investors”.

The presentation speaks as of the date thereof. Tredegar is not, and should not be deemed to be, updating or reaffirming any information contained therein. We do not undertake, and expressly disclaim any duty, to update any forward-looking statements made in this presentation to reflect any change in management’s expectations or any change in conditions, assumptions or circumstances on which such statements are based.

Meet John Steitz



CEO, Addivant Corporation (2015-2019)

Director, Tredegear Corporation (2017-present)

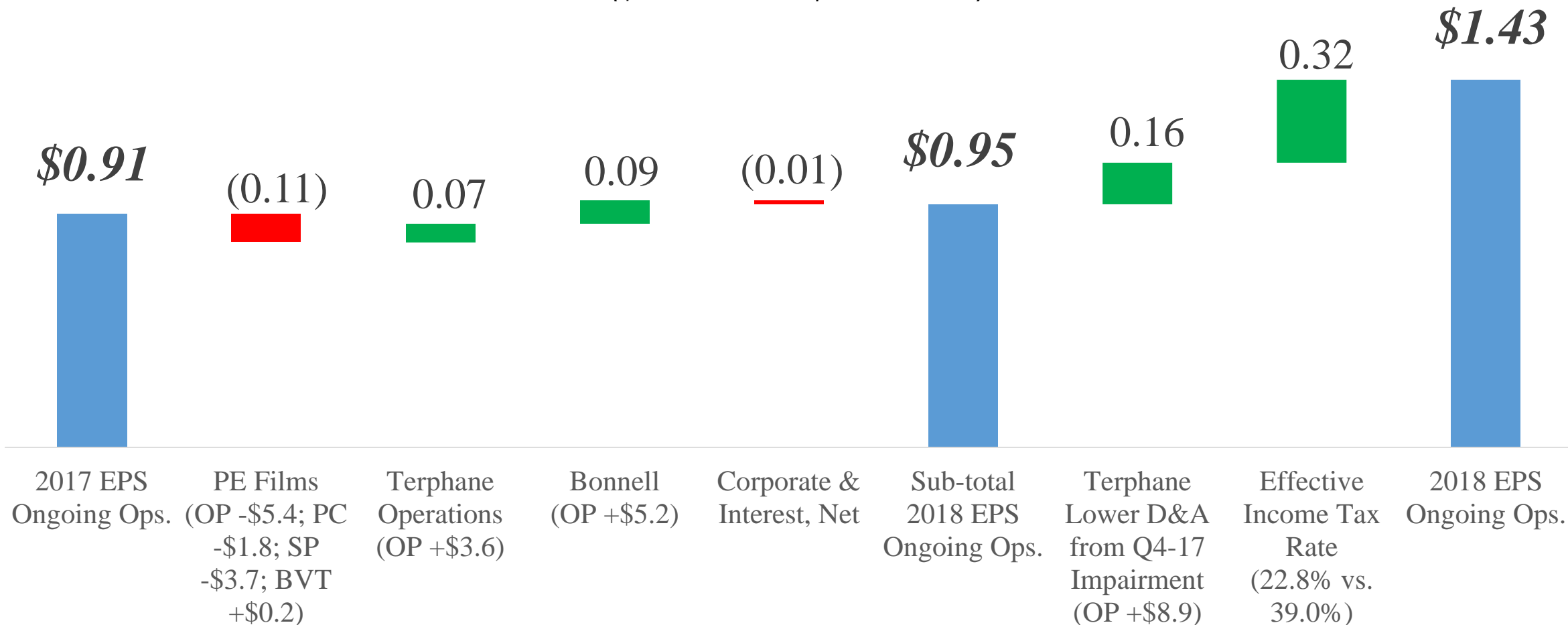
COO, Albemarle Corporation (2007-2012)

Tredegar Financial Report

Drew Edwards
Vice President and Chief Financial Officer

Bridge of Tredegar 2017 to 2018 EPS from Ongoing Operations

(\$ Millions Except EPS Data)



2019 Annual Meeting

2019 Outlook

- PE Films

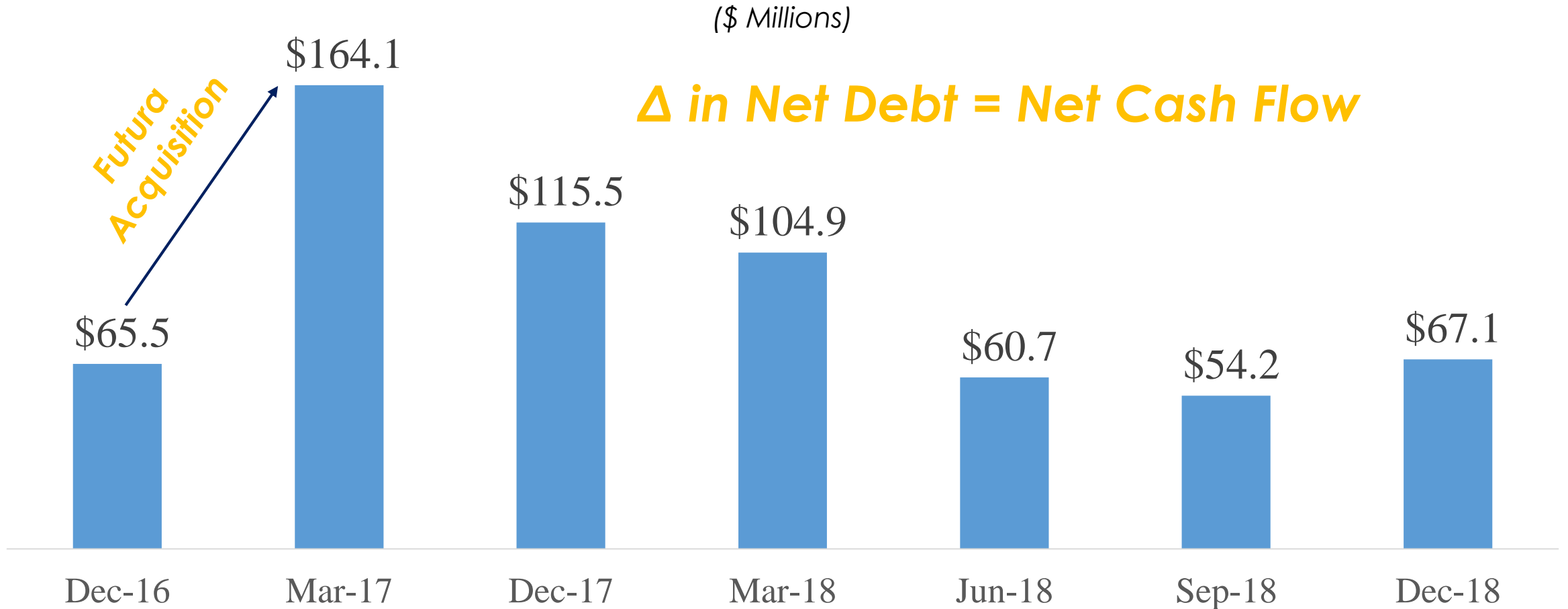
- Personal Care: Quarterly profit decline after Q4-18 from customer product transition expected of ~\$3.5 million
 - Sales growth from investments in new products plus cost optimization key to improvements
- Surface Protection: Customer product transition that could have adverse impact on annual profit of \$11 million continues to be delayed
 - Making progress with new products, applications and customers supporting long-term profit growth

- Terphane: Continued uncertainty and volatility expected with industry excess capacity but improved performance in 2018 encouraging for 2019

- Bonnell: Volume growth of ~4% achieved in first quarter of 2019 but Niles, MI plant inefficiencies still a challenge; continue to watch for indications of cyclical downturn

2019 Annual Meeting

Tredegar Debt, Net of Cash (“Net Debt”)



Net debt at 3/31/19 of \$74 million. Cash dividend from kaléo of \$17.6 million received 4/30/19.

Internal Control Over Financial Reporting (“SOX Compliance”)

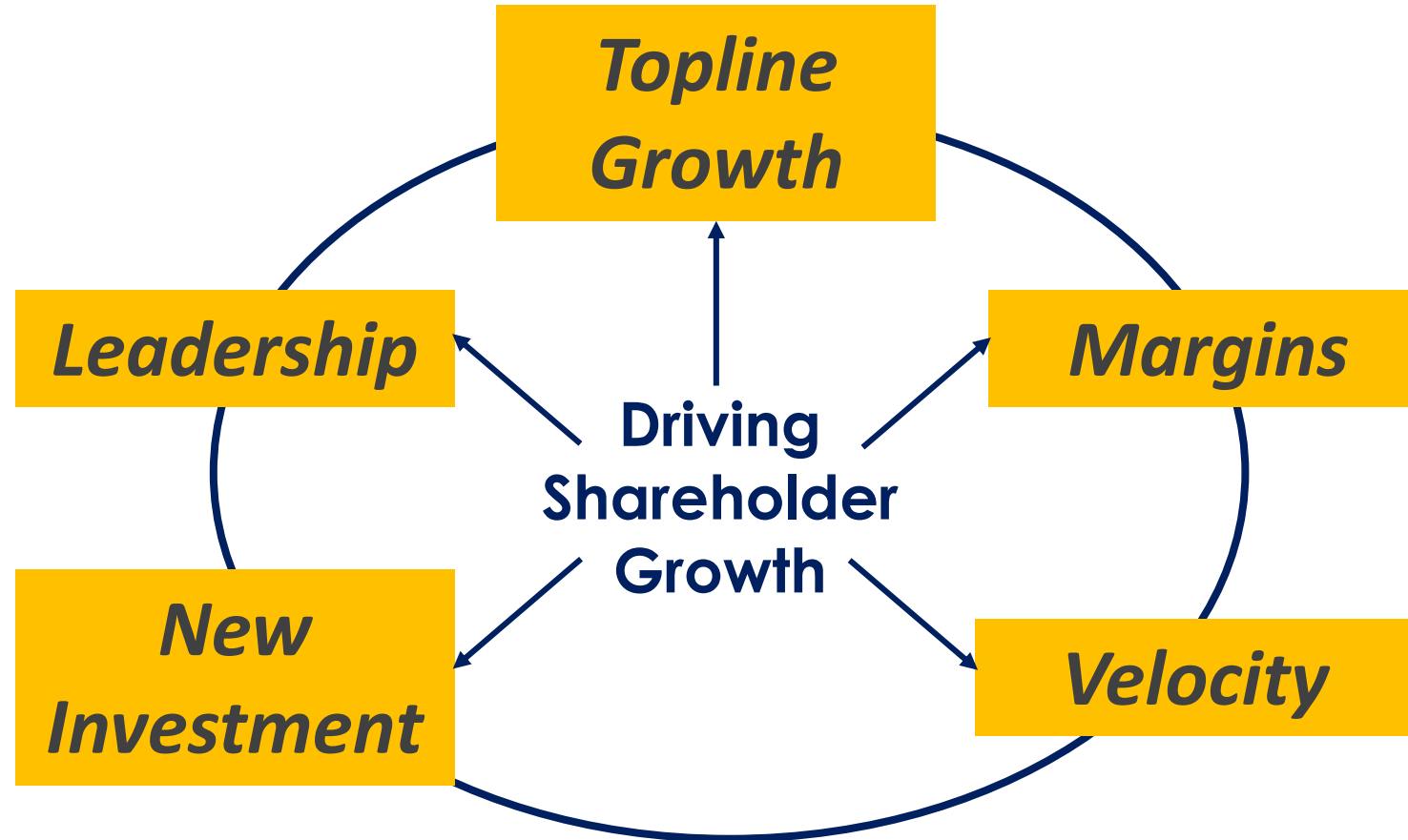
- Prior auditor’s 2017 audit of Tredegar inspected by the Public Company Accounting Oversight Board (the “PCAOB”)
- Following the PCAOB’s inspection, auditor and Tredegar found material weaknesses in internal controls
 - ***But no changes to financial statements were required***
- Significant remediation required to achieve SOX Compliance in the future
 - Progress towards remediation to be reported in each quarterly or annual filing
 - One-time remediation cost estimated of \$1.5 million and likely higher annual ongoing SOX compliance costs estimated at \$500,000

The Tredegar Way

John Steitz
President and Chief Executive Officer

A grayscale background image of a city skyline with a bridge over a river, likely representing a major business hub.

The Tredegar Way



Five Principles for Driving Shareholder Value

Topline Growth

- Taking care of customer needs - the right product in the right place at the right time
 - *Market share growth and new product innovation*
- Broadening definition of customer needs to adjacent market opportunities
 - *What are customers working on that is new and exciting?*
- Driving commercial excellence
 - *Amplify the value we bring to our customers through business leadership, sales, R&D and supply chain with uncompromised teamwork*

Margins

- Strategic pricing
 - *Achieving value for Tredegar technology and service*
- Optimal product mix
 - *Higher margins ascending the value chain*
- Continuous improvement of processes, costs and yields
 - *Leadership and core competency in quality and manufacturing*

Velocity

- Speed-to-market
 - *Must be nimble and responsive*
- Critical operational tasks
 - *Precise supply chain planning*
- Machinery, equipment and plant utilization
 - *Eliminate idle costs and waste*
- Working capital management
 - *The higher our efficiency the greater our CASH generation*

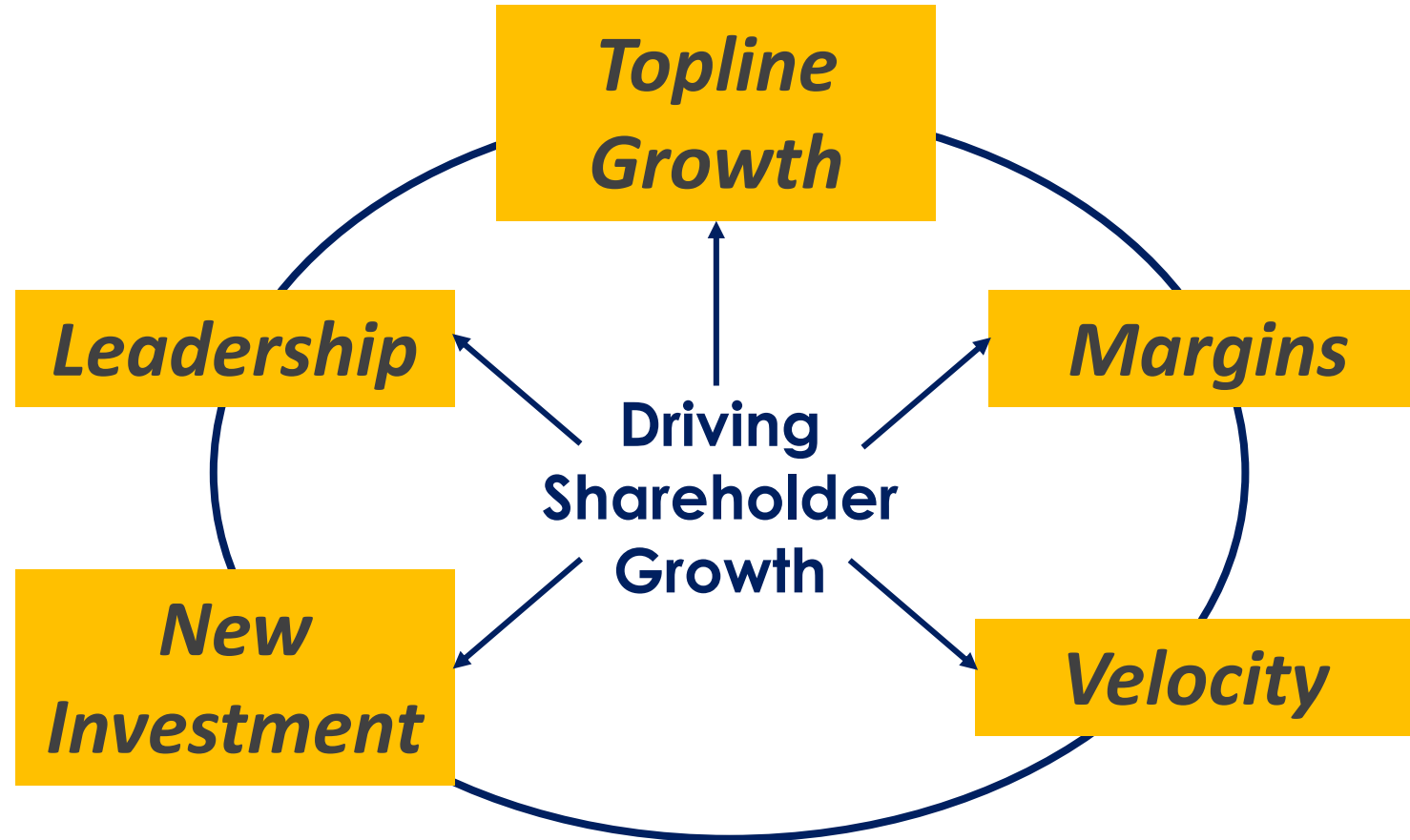
New Investment

- Needed to support topline growth, new opportunities, cost reduction, safety improvement and protection of our environment
- Acquisitions
 - *Earn the right to invest in businesses we understand and are accretive to our earnings, margins and CASH generation*
- Total return to shareholders

Leadership

- Winning attitude
- Execute, execute, execute
 - *Power of specificity*
 - *Follow-through with attention to detail*
 - *Focus on critical priorities, accountability and metrics*
- Incentives and rewards aligned with Tredegar shareholders

The Tredegar Way



Achieving shareholder value and excellence in all that we do

Questions



GAAP to Non-GAAP Reconciliations



GAAP to Non-GAAP Reconciliations

1. The after-tax effects of losses associated with plant shutdowns, asset impairments and restructurings and gains or losses from the sale of assets and other items (which includes unrealized gains and losses on non-operating investments) have been presented separately and removed from earnings per share as reported under generally accepted accounting principles in the United States (GAAP) to determine Tredegar's presentation of earnings per share from ongoing operations. Earnings per share from ongoing operations is a key financial and analytical measure used by Tredegar to gauge the operating performance of its ongoing operations. 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 earnings per share as defined by GAAP. It excludes items that Tredegar believes do not relate to its ongoing operations. Reconciliations of net income as reported under GAAP to net income from ongoing operations and diluted earnings per share under GAAP to diluted earnings per share from ongoing operations are shown below:

(In millions)	Years Ended December 31,	
	2018	2017
Net income	\$ 24.8	\$ 38.3
After-tax effects of:		
Terphane asset impairment loss	-	87.2
Tax benefit from Terphane worthless stock deductions	-	(61.4)
Unrealized gain associated with the investment in kaléo	(23.9)	(24.0)
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	3.8	1.3
(Gains) losses from sale of assets and other	4.4	(11.3)
Goodwill impairment charge	38.2	-
Net income from ongoing operations	\$ 47.3	\$ 30.1

	Years Ended December 31,	
	2018	2017
Diluted earnings per share as reported	\$ 0.75	\$ 1.16
After tax effects per diluted share of:		
Terphane asset impairment loss	-	2.65
Tax benefit from Terphane worthless stock deductions	-	(1.86)
Unrealized gain associated with investment in kaléo	(0.72)	(0.73)
(Gains) losses associated with plant shutdowns, other asset impairments and restructurings	0.12	0.04
(Gains) losses from sale of assets and other	0.13	(0.35)
Goodwill impairment charge	1.15	-
Diluted earnings per share from ongoing operations	\$ 1.43	\$ 0.91

GAAP to Non-GAAP Reconciliations

2. Net debt is a non-GAAP financial measure that is not intended to represent debt as defined by GAAP, but is utilized by management in evaluating financial leverage and equity valuation. A calculation of net debt is shown below:

(In millions)	December 31, September 30,		June 30,	March 31,	December 31,	March 31,	December 31,
	2018	2018	2018	2018	2017	2017	2016
Debt	\$ 101.5	\$ 91.0	\$ 123.0	\$ 141.0	\$ 152.0	\$ 193.0	\$ 95.0
Less: Cash and cash equivalents	34.4	36.8	62.3	36.1	36.5	28.9	29.5
Net debt	\$ 67.1	\$ 54.2	\$ 60.7	\$ 104.9	\$ 115.5	\$ 164.1	\$ 65.5

3. Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.