



# 2021 Fourth Quarter & Full Year Financial Results

---

March 21, 2022

# Forward-Looking Statements

---

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, 2021, 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](http://www.tredegar.com) under “Investors.”

*The report 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.*

# Tredegar Corporation

## 2021 Fourth Quarter and Full Year Results



(in millions, except per share data)

	4Q 2021	4Q 2020	2021	2020
Net Sales <sup>1</sup>	213.3	\$186.1	\$798.2	\$729.6
Net Income from Ongoing Operations <sup>2</sup>	\$6.2	\$9.7	\$39.6	\$50.8
Diluted EPS from Ongoing Operations <sup>2</sup>	\$0.18	\$0.29	\$1.18	\$1.51

“We continue to manage through supply chain and inflation issues at each of our businesses. At Bonnell Aluminum, production challenges and inefficiencies persist from labor shortages. On the bright side, orders and backlog remain robust. In addition, we recently approved the implementation of new enterprise resource planning and manufacturing execution systems that will replace existing systems that are over 30 years old. This highly strategic two-year project includes estimated capital expenditures of \$28 million and expenses of \$3 million, which we estimate will generate operational and commercial benefits, including higher yield, productivity and other improvements, of approximately \$9 million annually once the systems are fully implemented and functioning.”

“PE Films continues to focus on generating new business to offset profit declines from previously announced product transitions and margin pressures. Terphane had another stellar performance in 2021 despite a very competitive marketplace.”

“Debt, net of cash, declined by approximately \$80 million during 2021. In addition to generating strong cash flow from operations after paying dividends, we received cash of \$47.1 million at the end of December from the sale of our investment in kaléo. On February 10, 2022, we announced the use of \$50 million of revolver borrowings for a contribution to our frozen pension plan in conjunction with the initiation of a process to terminate and settle the plan. This action should remove risk from our balance sheet while preserving retirement benefits that are due to participants.”

**John Steitz, CEO and President (Fourth Quarter 2021 Earnings Release)**

2

<sup>1</sup> See Note 1 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

<sup>2</sup> See Note 3 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

# Aluminum Extrusions (Bonnell Aluminum)

## 2021 Fourth Quarter and Full Year Results

### Fourth Quarter Performance

(in millions)	4Q 21	4Q 20	▲
Volume (lbs.)	44.6	46.4	(4)%
Net Sales <sup>1</sup>	\$144.8	\$116.1	25%

#### Ongoing Operations:

EBITDA	\$10.9	\$13.6	(20)%
Less: D&A	<u>\$(4.2)</u>	<u>\$(4.7)</u>	
EBIT <sup>2</sup>	\$6.7	\$8.9	(25)%

### Fourth Quarter Financial Highlights

- EBITDA from ongoing operations decreased by \$2.8M versus 4Q 2020 due to:
  - Higher labor and other employee-related costs (\$2.4M), other operating costs (\$1.1M), lower labor productivity (\$1.0M), higher freight rates (\$0.9M) and general, selling and administrative expenses (\$1.6M), partially offset by higher pricing (\$3.4 million net of the pass-through of aluminum raw material costs); and
  - The timing of the flow through under the first-in first-out method of aluminum raw material costs passed through to customers, previously acquired at lower prices in a quickly rising commodity pricing environment, resulted in a benefit of \$1.1M in 4Q21 vs. a benefit of \$0.6M in 4Q20.

### Full Year Performance

(in millions)	2021	2020	▲
Volume (lbs.)	183.4	186.4	(2)%
Net Sales <sup>1</sup>	\$539.3	\$455.7	18%

#### Ongoing Operations:

EBITDA	\$55.9	\$55.1	1%
Less: D&A	<u>\$(16.3)</u>	<u>\$(17.4)</u>	
EBIT <sup>2</sup>	\$39.6	\$37.7	5%

### Other Highlights

- Recent market demand in the non-residential building and construction market has been strong but not fully realized in Bonnell's fourth quarter and full year 2021 results due to pandemic-related labor shortages and resulting production efficiencies.
- See "*The Impact of COVID-19 and Related Financial Considerations*" in the Fourth Quarter 2021 Results press release dated March 11, 2022 (*beginning on page 1*) for detailed information on the impact of COVID-19 to Tredegar.

# PE Films (Surface Protection, Polyethylene Overwrap Films & Films for Other Markets)

## 2021 Fourth Quarter and Full Year Results



Fourth Quarter Performance			
(in millions)	4Q 21	4Q 20	▲
Volume (lbs.)	9.4	11.8	(21)%
Net Sales <sup>1</sup>	\$31.0	\$35.8	(13)%
<i>Ongoing Operations:</i>			
EBITDA	\$6.7	\$11.2	(40)%
Less: D&A	<u>\$(1.6)</u>	<u>\$(1.9)</u>	
EBIT <sup>2</sup>	\$5.1	\$9.3	(45)%

Full Year Performance			
(in millions)	2021	2020	▲
Volume (lbs.)	39.4	45.2	(13)%
Net Sales <sup>1</sup>	\$118.9	\$139.3	(15)%
<i>Ongoing Operations:</i>			
EBITDA	\$27.7	\$45.1	(39)%
Less: D&A	<u>\$(6.3)</u>	<u>\$(6.8)</u>	
EBIT <sup>2</sup>	\$21.4	\$38.3	(44)%

### Fourth Quarter Financial Highlights

### Other Highlights

- EBITDA from ongoing operations decreased \$4.5M vs. 4Q 2020 primarily due to:
  - A \$6.8M decrease from Surface Protection associated with lower sales and unfavorable mix for products unrelated to customer product transitions in Surface Protection (\$4.7M), lower sales associated with the customer product transitions (\$0.2M), higher freight and packaging expenses (\$0.9 M), the pass-through lag associated with higher resin costs (\$0.4M), and lower productivity (\$0.4M);
  - A \$1.6M increase from Pottsville Packaging primarily related to favorable sales mix (\$0.4M), a benefit from the pass-through lag associated with higher resin costs (\$0.1 benefit in 4Q21 vs. charge of \$0.2M in 4Q20), and a benefit from inventories accounted for under the first-in first-out method (\$0.5M benefit in 4Q21 vs. charge of \$0.5M in 4Q20); and
  - A \$1.1M favorable variance associated with the divestiture of Bright View Technologies at the end of 2020.

- Net sales decreased by \$4.8M vs. 4Q20, primarily due to lower volume in Surface Protection for products unrelated to previously disclosed customer product transitions. Sales volume in Surface Protection declined 35% versus a particularly strong performance in the fourth quarter of 2020. The Company believes that this lower volume was primarily due to customer inventory corrections, customer production slowdowns associated with COVID-19-related factors, and a slowdown in the television market. *For more information on this customer product transition and an anticipated decline in profitability of \$6 million in 2022 versus 2021 due to pricing pressures, see page 5.*
- See “*The Impact of COVID-19 and Related Financial Considerations*” in the Fourth Quarter 2021 Results press release dated March 11, 2022 (*beginning on page 1*) for detailed information on the impact of COVID-19 to Tredegar.

<sup>1</sup> Net sales represents gross sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level.

<sup>2</sup> See Note 1 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure

# PE Films

## *Customer Product Transitions in Surface Protection*

---

The Surface Protection component of PE Films supports manufacturers of optical and other specialty substrates used in flat panel display products. These films are primarily used by customers to protect components of displays in the manufacturing and transportation processes and then discarded.

The Company previously reported the risk that a portion of its film products used in surface protection applications would be made obsolete by customer product transitions to less costly alternative processes or materials. The Company estimates that these transitions, which principally relate to one customer, adversely impacted EBITDA from ongoing operations for PE Films by \$14.8 million during 2021 versus 2020. A further decline of \$7 million in EBITDA from ongoing operations due to the transitions is expected in 2022 versus 2021, at which time the transitions are expected to be complete.

The Surface Protection business is also experiencing competitive pricing pressures, unrelated to the customer product transitions, that are expected to adversely impact EBITDA from ongoing operations by approximately \$6 million in 2022 versus 2021. To offset the expected adverse impact of the customer transitions and pricing pressures, the Company is aggressively pursuing and making progress in generating contribution from sales of new surface protection products, applications and customers and driving production efficiencies and cost savings. Annual contribution to EBITDA from ongoing operations for PE Films from sales of products unrelated to previously disclosed customer product transitions increased \$7 million for the two-year period ended December 31, 2021, which excludes the impact of resin pass-through lag but includes the adverse impact of customer inventory corrections, customer production slowdowns associated with COVID-19-related factors, and a slowdown in the television market in the fourth quarter of 2021.

# Flexible Packaging Films (Terphane)

## 2021 Fourth Quarter and Full Year Results

Fourth Quarter Performance				Full Year Performance			
(in millions)	4Q 21	4Q 20	▲	(in millions)	2021	2020	▲
Volume (lbs.)	25.9	28.0	(8)%	Volume (lbs.)	104.6	113.1	(8)%
Net Sales <sup>1</sup>	\$37.4	\$34.1	10%	Net Sales <sup>1</sup>	\$140.0	\$134.6	4%
<i>Ongoing Operations:</i>				<i>Ongoing Operations:</i>			
EBITDA	\$6.4	\$8.1	(21)%	EBITDA	\$31.7	\$30.6	3%
Less: D&A	<u>(0.5)</u>	<u>(0.5)</u>		Less: D&A	<u>(2.0)</u>	<u>(1.8)</u>	
EBIT <sup>2</sup>	\$5.9	\$7.6	(23)%	EBIT <sup>2</sup>	\$29.7	\$28.8	3%

### Fourth Quarter Financial Highlights

- EBITDA from ongoing operations decreased \$1.7M vs. 4Q 2020 primarily due to:
  - Higher raw materials costs (\$5.3M), higher variable costs (\$1.4M) and lower sales volume (\$1.3M), partially offset by higher selling prices (\$3.3M) from the pass-through of higher resin costs, favorable absorption of fixed costs (\$0.9M) and lower SG&A expense (\$0.3M);
  - Net favorable foreign currency translation of Real-denominated operating costs (\$1.1 million); and
  - Higher foreign currency transaction gains (\$0.9 million) in Q4 2021 versus Q4 2020.

### Other Highlights

- Terphane continues to monitor cost escalations to adjust selling prices as market dynamics permit. See “*The Impact of COVID-19 and Related Financial Considerations*” in the Fourth Quarter 2021 Results press release dated March 11, 2022 (*beginning on page 1*) for detailed information on the impact of COVID-19 to Tredegar.

# Tredegar Corporation

## *2021 Financial Highlights*

---

(\$ in millions)

<b>Cash Flows from Operations</b>	<b>\$70.6</b>
<b>Capital Expenditures</b>	<b>\$27.4</b>
<b>Dividends Paid</b>	<b>\$16.2</b>
<b>Net Debt (Cash)<sup>1</sup></b>	<b>\$42.5</b>
<b>Leverage ratio<sup>2</sup></b>	<b>0.81x</b>

<sup>1</sup> As of 12/31/2021. See Note 5 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

<sup>2</sup> As defined under Tredegar's credit agreement. See Tredegar's Form 10-K for the year ended December 31, 2021 (page 25) for more information on this non-GAAP financial measure.





# Appendix

---

Major Product Groups	Primary End Markets	Customers	Competitors
<p><b><u>Aluminum Extrusions</u></b>  Custom designed, fabricated and finished aluminum extrusions; value-added service options include fabricating, machining, anodizing, painting and thermal enhancements for key segments of:</p> <ul style="list-style-type: none"> <li>• <b>Building and Construction</b></li> <li>• <b>Automotive</b></li> <li>• <b>Specialty Markets</b>, including consumer durables, machinery and equipment, electrical, distribution</li> </ul>	<p><b>Building and Construction:</b> Curtain walls, storefront entrances, commercial windows &amp; doors, commercial canopies and walkway covers, commercial atriums, ducts, louvers and vents, office wall panels, partitions and interior enclosures, point of purchase displays, pre-engineered structures, residential windows and doors, railing and support systems, flooring trims (Futura Transitions™)</p> <p><b>Automotive/Transportation:</b> Structural components, crash management systems, EV battery trays, truck grills</p> <p><b>Specialty Markets:</b>  Furniture, appliances, pleasure craft, commercial refrigerators and freezers, sporting and fitness equipment, material handling equipment, conveyors and conveying systems, medical equipment, solar panel brackets, Lighting fixtures, electronic apparatus, electrical conduits and fittings, industrial fans, modular framing (TSLOTS™)</p>	<p>Glazing contractors and fabricators  Floor covering distributor network (Futura Transitions)</p> <p>Tier I and II suppliers to Automotive OEMs</p> <p>Various industrial manufacturers, OEMs, metal service centers</p>	<p>Hydro Extrusions North America, Kaiser Aluminum, Pennex Aluminum, Magnode (a Shape Corp Company), Sierra Aluminum, Western Extrusions Corp, Keymark Aluminum Corp.</p>
<p><b><u>PE Films</u></b>  <b>Surface Protection:</b> Single and multilayer surface protection films for high technology applications during the manufacturing and transportation process</p>	<p>High-value components of flat panel and flexible displays, including liquid crystal display (“LCD”) and Organic Light Emitting Diodes (“OLED”) displays; used in televisions, monitors, notebooks, smartphones, tablets, automotive displays, semiconductors, and digital signage</p>	<p>Major manufacturers of flat panel and flexible display components and materials suppliers for advanced semiconductor packaging</p>	<p>Toray, Sekisui, Hanjin, Ihlshin</p>
<p><b><u>Flexible Packaging Films</u></b>  Specialized polyester (“PET”) films for use in packaging and industrial applications to provide maximum protection with the least utilization of resources due to extremely lightweight films</p>	<p>Perishable and non-perishable food packaging; personal care, hygiene and cleaning packaging and industrial applications. Film applications that enhance product appeal at point of sale and offer convenience with easy opening, tamper-evident sealing, resealing, anti-fogging and high barrier</p>	<p>Food and consumer goods packaging producers, packaging converters and industrial producers</p>	<p>OPP (Oben Group), DuPont Teijin Films (Indorama), Toray Plastics America, Mitsubishi Polyester Film, JBF Group, Jindal Poly Films, Uflex Packaging Films</p>

# Tredegar's Global Presence



## North America - PE Films

Pottsville, PA  
Richmond, VA

## Bonnell

Carthage, TN  
Clearfield, UT  
Elkhart, IN  
Newnan, GA  
Niles, MI

## Terphane

Sao Paulo, Brazil  
Cabo de Santo Agostinho, Brazil  
Bloomfield, NY

## Asia - PE Films

Guangzhou, China

# Tredegar at a Glance

## *Business Strengths*

---

### **Aluminum Extrusions**

- Industry-leading position in non-residential building and construction and value-added OEM components in North American extrusions market
- Market-focused manufacturing operations (including aluminum log casting capabilities) and world-class capabilities in extrusion and finishing services (fabrication, painting, anodizing, thermal enhancement) in five U.S. facilities

### **PE Films**

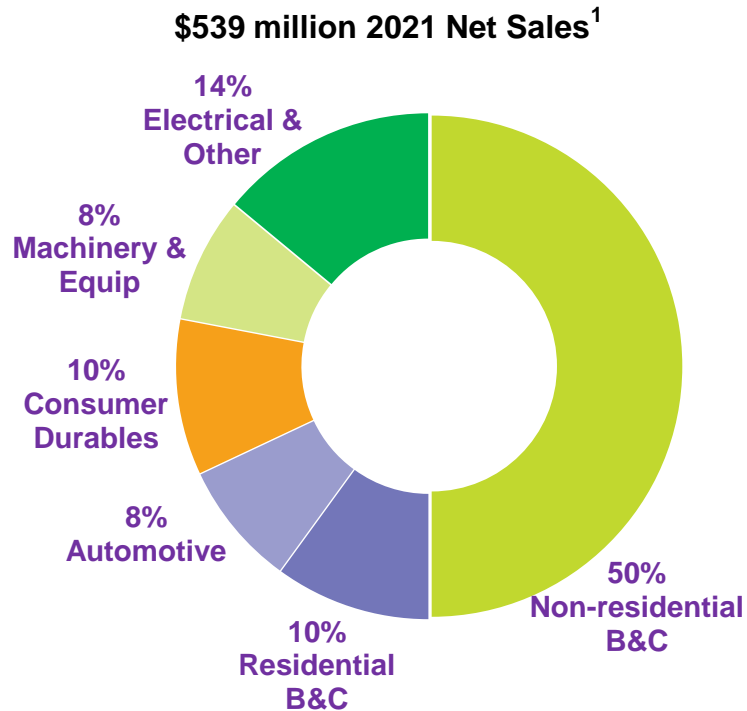
- Global technology and quality leader of highly specialized films which protect extremely sensitive surfaces of critical components of optical displays and engineered surfaces; key component of display industry supply chain
- Positive market trends, including proliferation of “Internet of Things (IOT),” requiring more displays and semiconductors and shifting dynamics of the workforce driving growth in key end-use markets

### **Flexible Packaging Films**

- Industry-leading position in Brazilian and Latin American flexible packaging market with strong long-term relationships with diverse customer base
- Market-focused manufacturing operations in Brazil and U.S. with short lead times and excellent customer service; in Brazil, sole domestic supplier of innovative value-added products

# Aluminum Extrusions

## Business Profile



### Key Market Drivers

- Strong demand for finished products, including anodized, painted products and fabricated components
- Growing aluminum content in vehicles, driven by CAFE (corporate average fuel economy) standards

### Customers

- Glazing contractors and fabricators
- Tier I and II suppliers to automotive OEMs
- Consumer durables, machinery and equipment, and electrical OEMs; distributors and metal service centers

### Primary End Use Markets

- Curtain wall, storefronts and entrances, doors, windows, wall panels, flooring trims (Futura Transitions™) and other building components
- Automobile and light truck structural components, crash management systems, truck grills
- Furniture, appliances, pleasure craft, medical equipment, solar panel brackets, lighting fixtures, electronic apparatus, modular framing (TSLOTS™)

<sup>1</sup> Net sales represents gross sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level.

# Aluminum Extrusions

*Key Markets - B&C/Automotive/Specialty*



# Aluminum Extrusions

## *Automotive Aluminum Extrusion Applications*

---

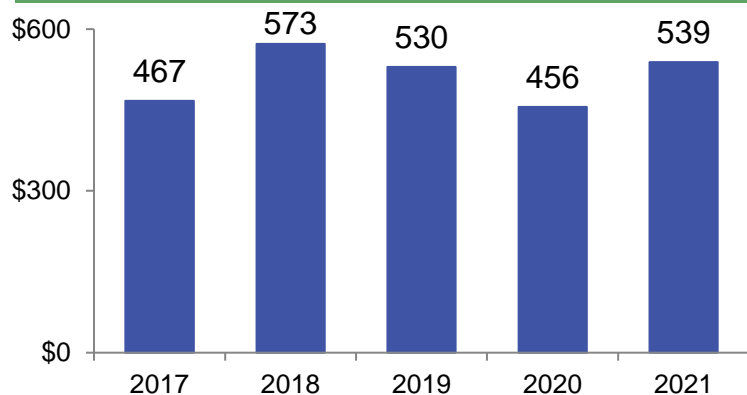
- Crash management systems  
– beams and mounting plates, crush cans
- Roof rails
- Electrical battery trays
- Air conditioner tube connectors



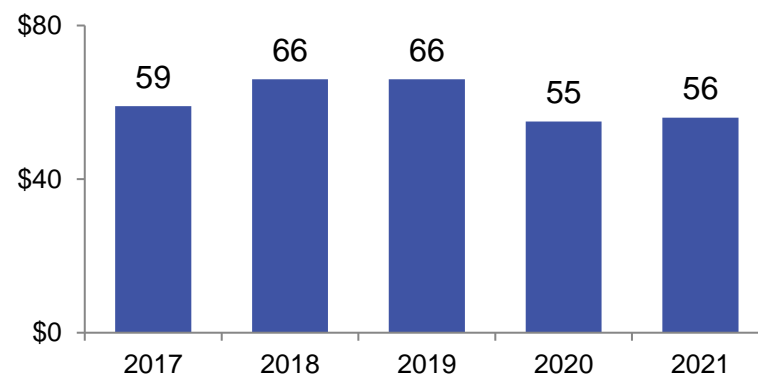
# Aluminum Extrusions

## Annual Historical Financials

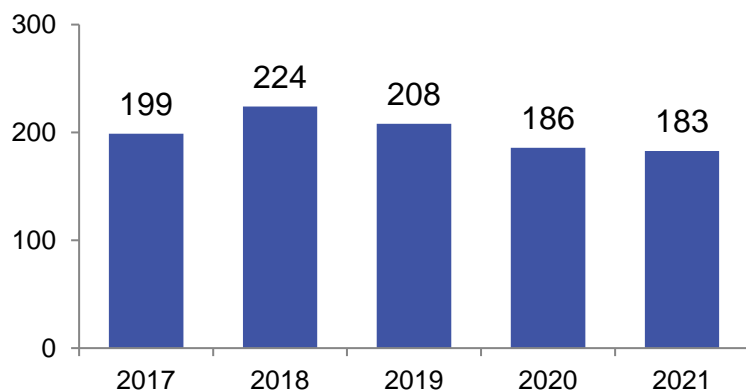
Net Sales<sup>1</sup> (\$ in millions)



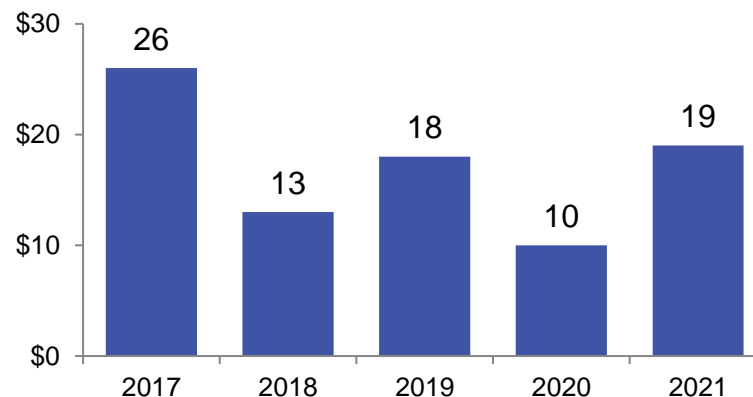
EBITDA from Ongoing Ops (\$ in millions)



Volume (lbs. in millions)



Capital Expenditures (\$ in millions)



Reflects inclusion of Futura, subsequent to its acquisition date (2/15/2017).

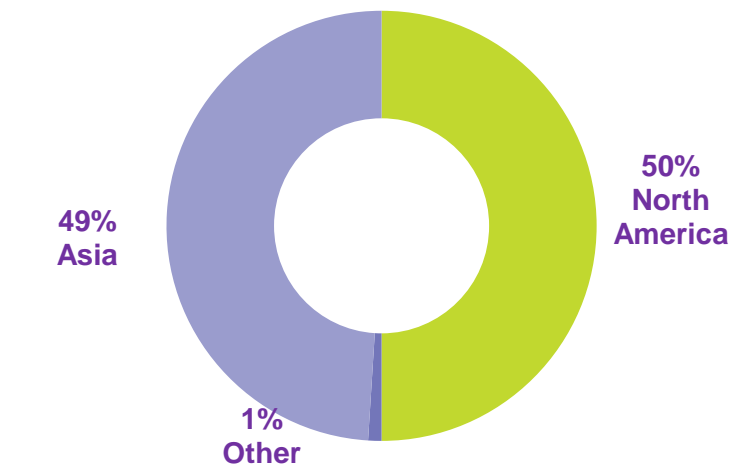
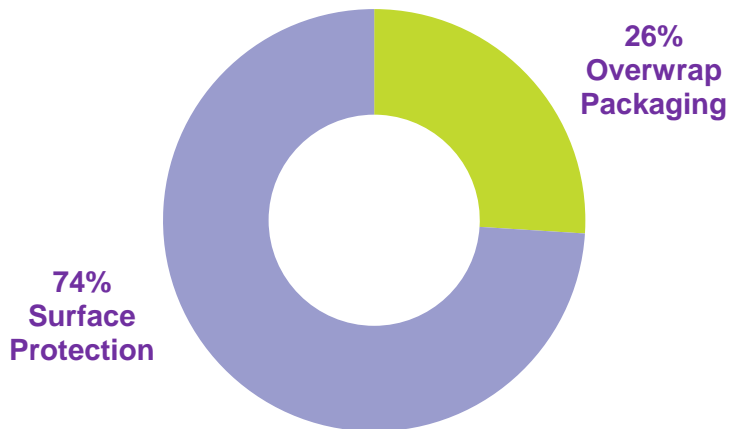
<sup>1</sup> Net sales represents gross sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level.



# PE Films

## Business Profile

\$119 million 2021 Net Sales<sup>1</sup>



### Key Growth Drivers

- “Internet of Things” leading to greater connectivity and more displays and semiconductors
- Thinner devices with increasing resolution and larger screen size
- Demographic and workplace trends shifting to greater tele-/video communications

### Customers

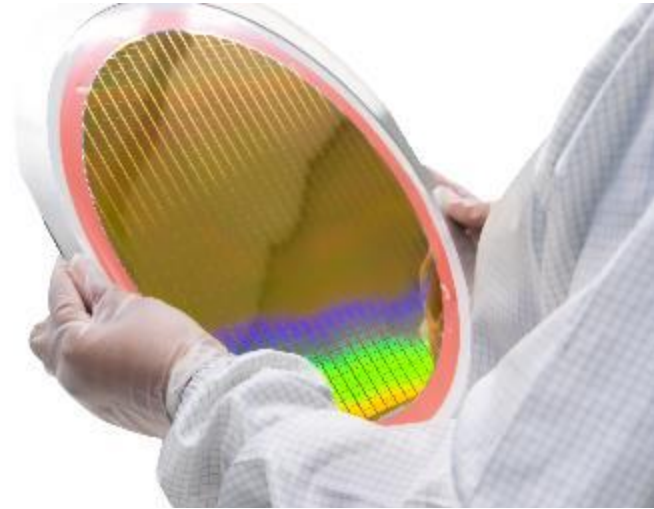
- Major manufacturers of flat panel and flexible display components & specialty plastic substrates and materials suppliers for advanced semiconductor packaging
- Global and regional leaders in LCD, LED, OLED and QLED and display glass-based applications

### Primary End Use Markets

- High-value components of flat panel and flexible displays, including LCD and OLED televisions, monitors, notebooks, smartphones, tablets, automotive displays, semiconductors and digital signage

# PE Films

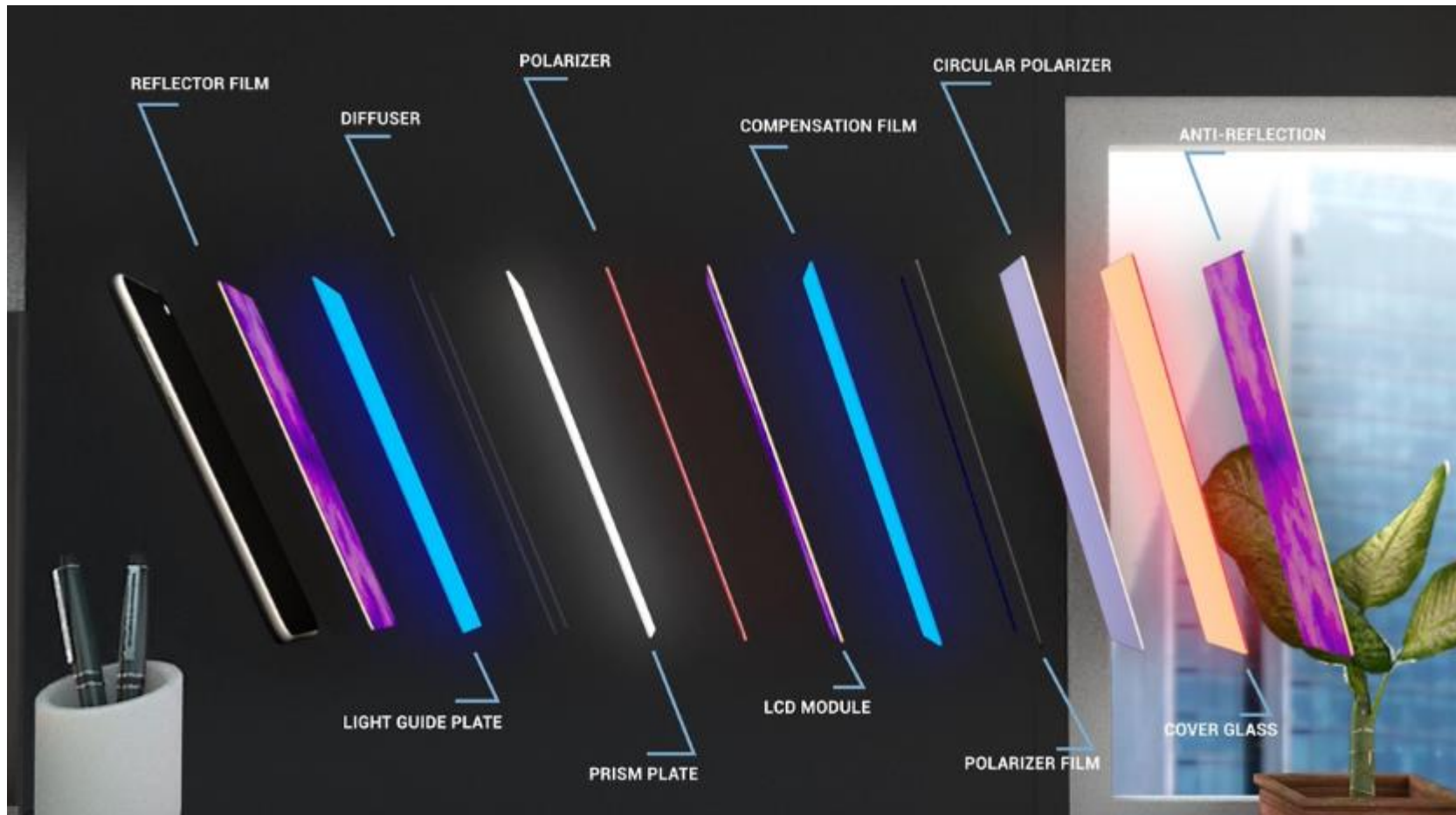
## *End-Use Markets for Surface Protection Products*



# PE Films

## Surface Protection Overview

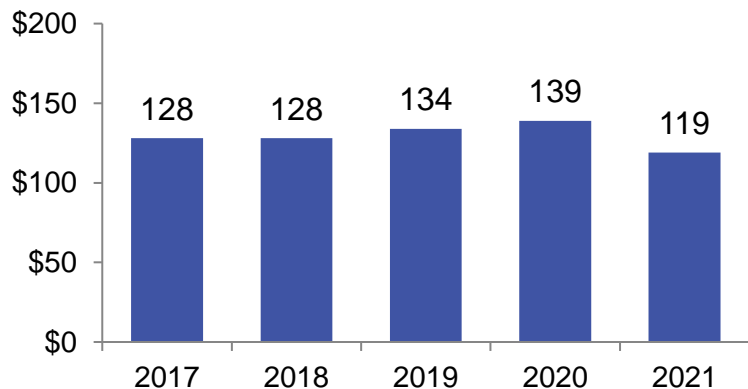
### Typical LCD Optical Stack (examples: TVs, Smartphones)



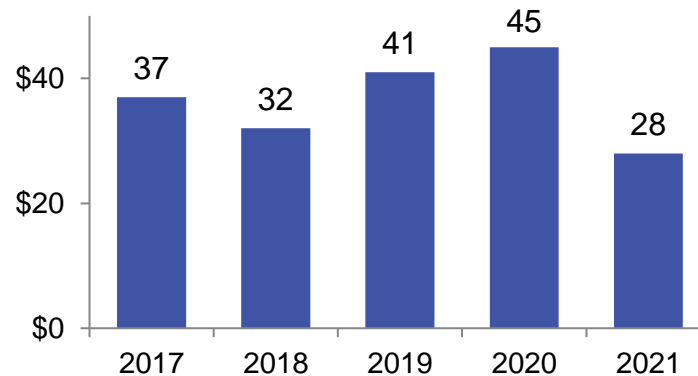
# PE Films

## Annual Historical Financials

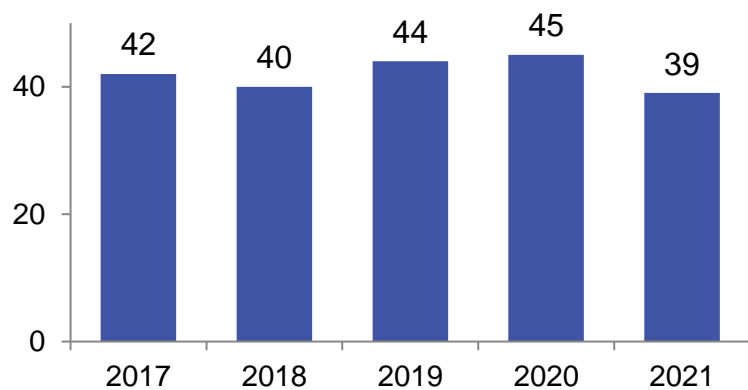
**Net Sales<sup>1</sup> (\$ in millions)**



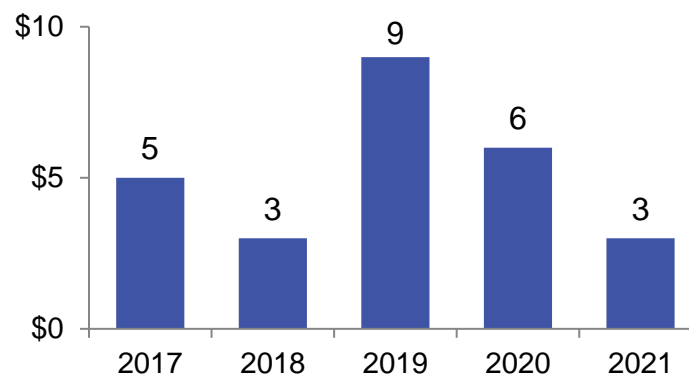
**EBITDA from Ongoing Ops (\$ in millions)**



**Volume (lbs. in millions)**



**Capital Expenditures (\$ in millions)**



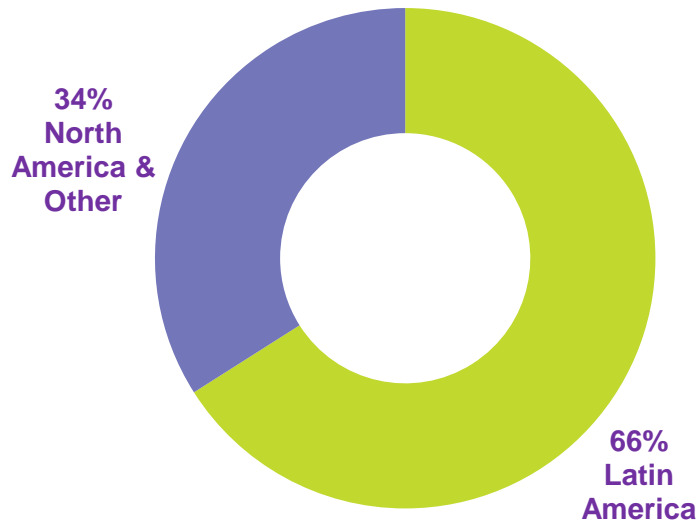
<sup>1</sup> Net sales represents gross sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level.

# Flexible Packaging Films

## Business Profile

---

\$140 million 2021 Net Sales<sup>1</sup>



### Key Growth Drivers

- Growing end-user demand for convenience foods, lighter packaging and branded consumer products
- Packaging innovation driving demand for flexible packaging

### Customers

- Global and regional food and consumer goods packaging producers, converters and industrial producers

### Primary End Use Markets

- Perishable and non-perishable food packaging
- Non-food packaging, including personal care, hygiene and cleaning packaging and industrial applications

<sup>1</sup> Net sales represents gross sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level.

# Flexible Packaging Films

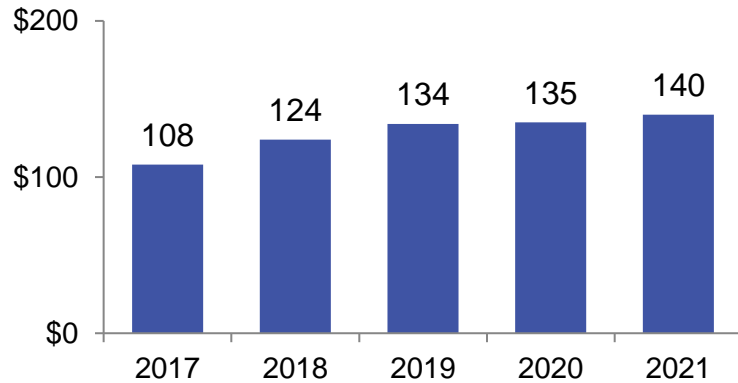
## *End-Use and Value-Add Products*



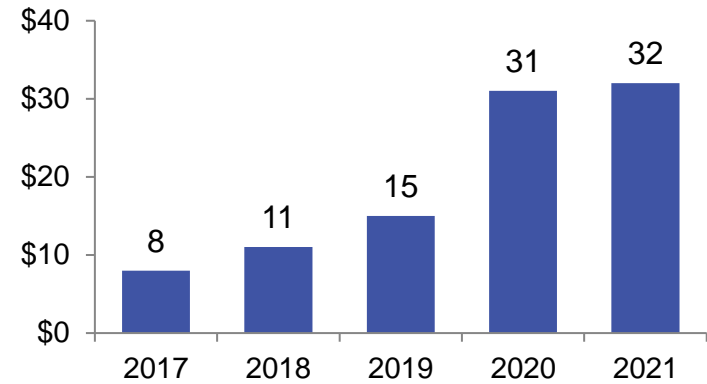
# Flexible Packaging Films

## Annual Historical Financials

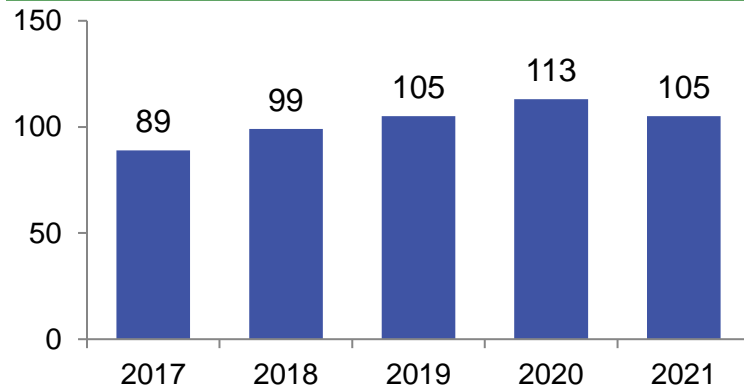
Net Sales<sup>1</sup> (\$ in millions)



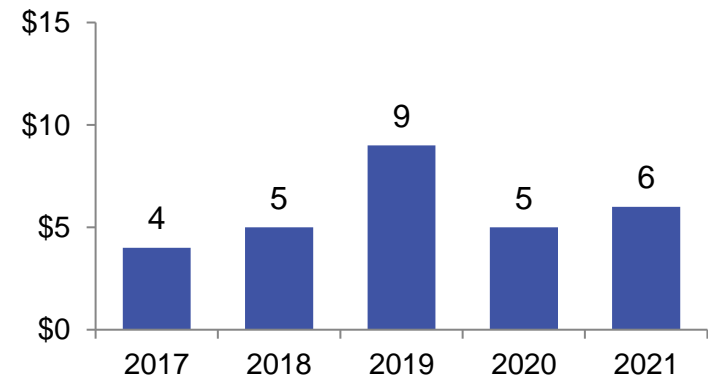
EBITDA from Ongoing Ops (\$ in millions)



Volume (lbs. in millions)



Capital Expenditures (\$ in millions)



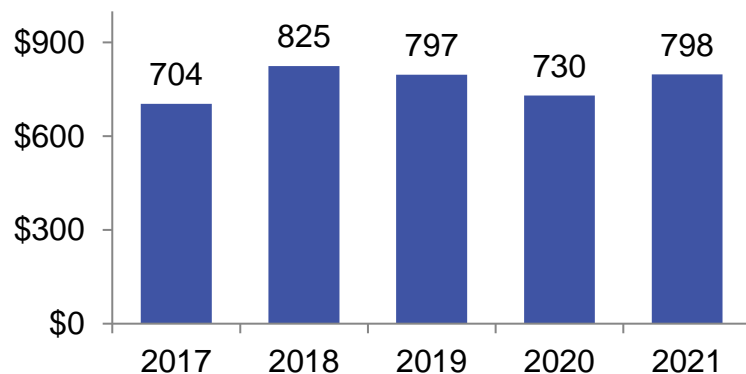
<sup>1</sup> Net sales represents gross sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level.

# Tredegar Corporation

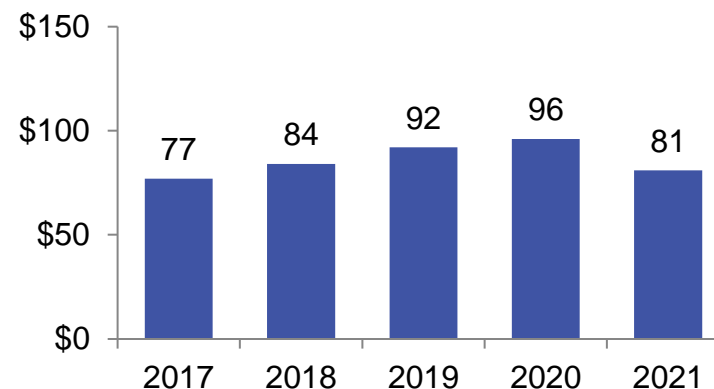
## Annual Historical Financials



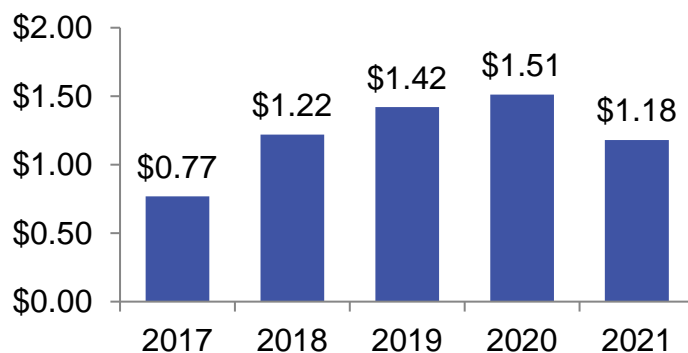
### Net Sales<sup>1</sup> (\$ in millions)



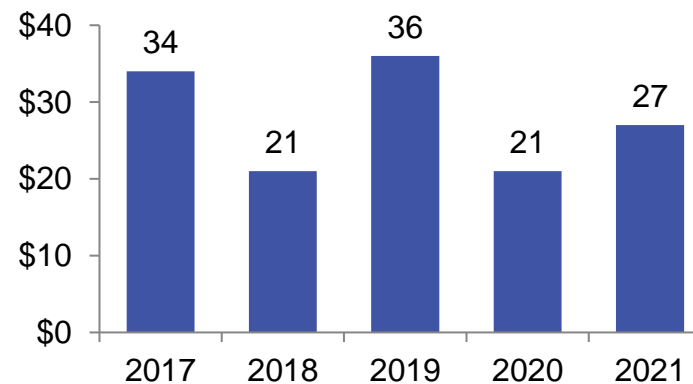
### Consolidated EBITDA from Ongoing Ops<sup>2</sup> (\$ in millions)



### Earnings Per Share from Ongoing Ops<sup>3</sup>



### Capital Expenditures (\$ in millions)



Reflects inclusion of Futura subsequent to its acquisition date (2/15/2017).

<sup>1</sup> See Note 1 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.

<sup>2</sup> See Note 2 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.

<sup>3</sup> Diluted earnings per share from ongoing operations. See Note 4 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.



# Tredegar Corporation

## Capital Expenditures – History & Projections

(\$ in millions)						
	2017	2018	2019	2020	2021	2022 Projection <sup>2</sup>
Aluminum Extrusions	\$25.7	\$13.0	\$17.9	\$10.3	\$18.9	\$30
PE Films <sup>1</sup>	4.6	2.5	8.6	6.0	3.0	5
Flexible Packaging	3.6	5.4	8.9	5.0	5.6	8
Corporate	0.1	0.4	0.2	0.2	(0.1)	0
<b>Total</b>	<b>\$34.0</b>	<b>\$21.3</b>	<b>\$35.6</b>	<b>\$21.5</b>	<b>\$27.4</b>	<b>\$43</b>

### 2022 Capital Expenditures Projections include:

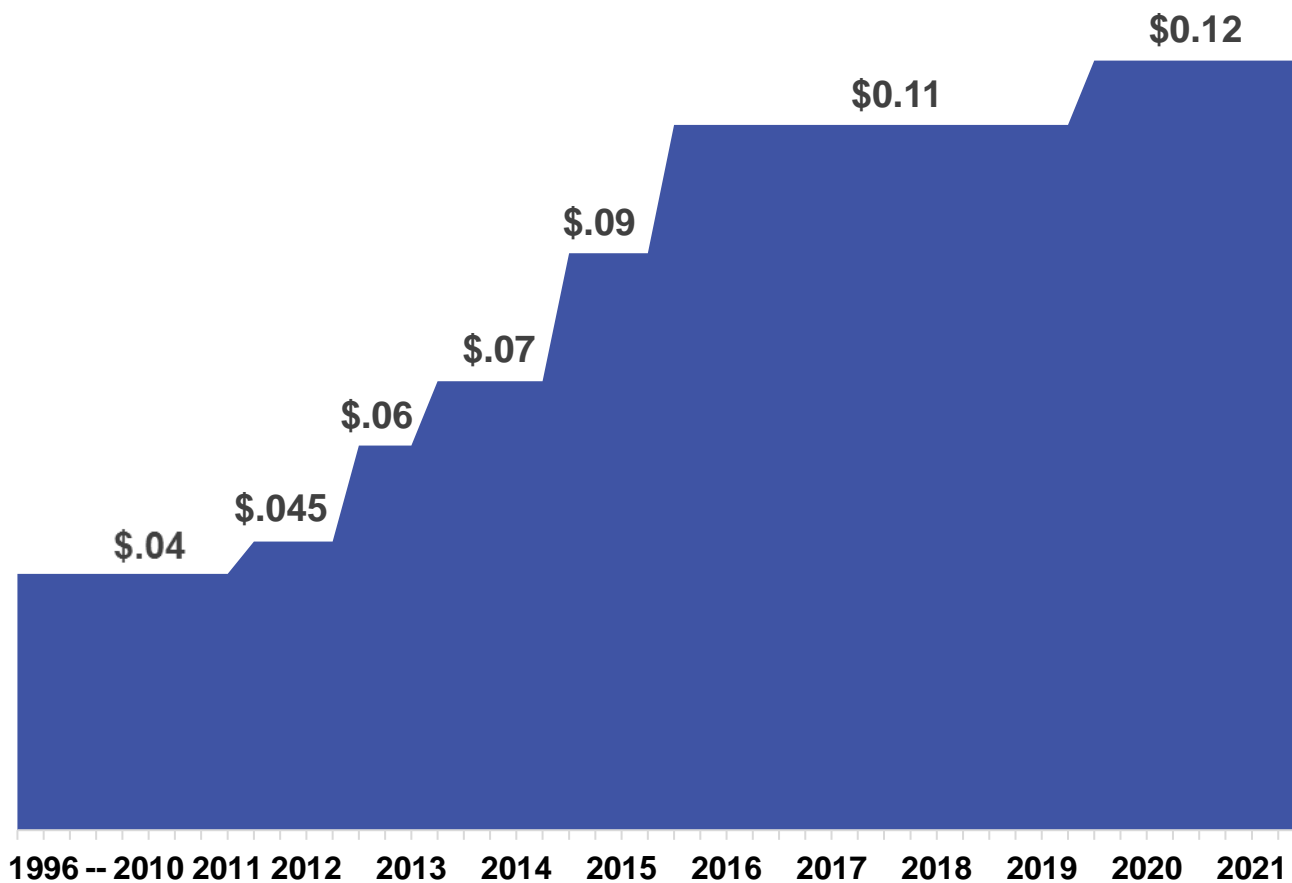
- For Aluminum Extrusions: \$15M for new enterprise resource planning and manufacturing execution systems (expected to \$28 million over a two-year time span); infrastructure upgrades at the facilities located in Newnan, GA, Niles, MI and Carthage, TN (\$6M) and \$3M for strategic projects
- For PE Films: \$3M for productivity projects
- For Flexible Packaging Films: New capacity for value-add products and productivity projects (\$4M)
- Capital expenditures to support continuity of current operations planned at approximately \$6M for Aluminum Extrusions, \$2M for PE Films, and \$4M for Flexible Packaging Films.

<sup>1</sup> Capital Expenditures for PE Films are presented on a continuing operations basis, and therefore exclude spend activity related to the divested Personal Care business.

<sup>2</sup> Represents management's current expectation, which is subject to change.

# Tredegar Corporation

## Quarterly Cash Dividend History



*Special dividends of \$5.97 per share in 2020 and \$0.75 per share in 2012*



# GAAP to Non-GAAP Reconciliations

---

# GAAP to Non-GAAP Reconciliations

On October 30, 2020, the Company completed the sale of its personal care films business ("Personal Care Films"), which was part of its PE Films segment. The transaction excluded the packaging film lines and related operations located at the Pottsville, Pennsylvania manufacturing site, which are now being reported within the Surface Protection component of PE Films. All historical results for Personal Care Films have been presented as discontinued operations.

On December 31, 2020, the Company completed the sale of Bright View Technologies, which was part of its PE Films segment. The sale did not represent a strategic shift nor did it have a major effect on the Company's historical and ongoing operations, thus all financial information for Bright View Technologies has been presented in continuing operations.

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.

## Notes:

- Net sales represent sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level. Net sales on a consolidated basis is a financial measure that is not calculated in accordance with U.S. generally accepted accounting principles (U.S. GAAP), and it is not intended to represent sales as defined by U.S. GAAP. A reconciliation of net sales on a consolidated basis to sales is shown below:

(In millions)	QTD Q4 2020	QTD Q1 2021	QTD Q2 2021	QTD Q3 2021	QTD Q4 2021
Aluminum Extrusions	\$116.1	\$118.1	\$139.3	\$137.1	\$144.8
PE Films	35.8	28.0	31.4	28.5	31.0
Flexible Packaging Films	34.1	32.5	33.4	36.7	37.4
Net sales on a consolidated basis	<b>186.1</b>	<b>178.6</b>	<b>204.1</b>	<b>202.3</b>	<b>213.2</b>
Add back freight	6.5	6.2	7.0	7.2	7.7
Sales as shown in consolidated statements of income	<b>\$192.5</b>	<b>\$184.8</b>	<b>\$211.1</b>	<b>\$209.5</b>	<b>\$220.9</b>

(In millions)	2017	2018	2019	2020	2021
Aluminum Extrusions	\$466.8	\$573.1	\$529.6	\$455.7	\$539.3
PE Films	128.4	127.7	133.8	139.3	118.9
Flexible Packaging Films	108.4	123.8	133.9	134.6	140.0
Net sales on a consolidated basis	<b>703.6</b>	<b>824.6</b>	<b>797.3</b>	<b>729.6</b>	<b>798.2</b>
Add back freight	22.3	27.2	29.0	25.7	28.2
Sales as shown in consolidated statements of income	<b>\$725.9</b>	<b>\$851.8</b>	<b>\$826.3</b>	<b>\$755.3</b>	<b>\$826.4</b>

# GAAP to Non-GAAP Reconciliations

Notes (continued):

## 2. Summary Financial Information

(in millions)	Year Ended December 31,				
	2017	2018	2019	2020	2021
Income and expense relating to ongoing operations:					
Total EBITDA for segments (a)	\$ 103.4	\$ 109.0	\$ 121.5	\$ 130.8	\$ 115.3
Pension expense	(10.1)	(10.4)	(9.6)	(14.6)	(14.1)
Corporate expenses	(16.1)	(14.5)	(20.2)	(20.4)	(19.9)
Consolidated EBITDA from ongoing operations ("Consolidated EBITDA") (b)	77.2	84.1	91.7	95.8	81.3
Depreciation and amortization	(31.8)	(24.5)	(24.3)	(26.4)	(24.7)
Stock option-based compensation costs	(0.2)	(1.2)	(2.8)	(2.1)	(2.5)
Interest income	0.1	0.1	0.1	-	-
Interest expense	(6.2)	(5.7)	(4.1)	(2.6)	(3.4)
Income taxes	(13.8)	(12.3)	(13.0)	(13.9)	(11.1)
Net income from ongoing operations (b)	25.3	40.5	47.6	50.8	39.6
After-tax effects of special items:					
Losses associated with plant shutdowns, assets impairments & restructuring	(0.6)	(0.3)	(0.6)	(1.2)	(0.5)
Gain (loss) on investment in kaléo	24.0	23.9	8.5	(47.6)	9.7
Cash dividend received from investment in kaléo	-	-	14.9	-	0.3
Terphane asset impairment loss	(87.2)	-	-	-	-
One-time tax credit in Brazil for unemployment/social security insurance non-income taxes	-	-	-	-	6.6
Goodwill impairment charge (2020) and accelerated trade name amortization (2019)	-	-	(7.8)	(10.5)	-
Loss on sale of Bright View Technologies	-	-	-	(1.8)	-
Tax valuation allowance release primarily due to sale of kaléo	-	-	-	-	5.4
Tax benefits from Terphane worthless stock deductions	61.4	-	-	-	-
Other	14.6	(2.5)	(4.1)	(6.5)	(3.2)
Net income (loss) from continuing operations as reported under GAAP	\$ 37.5	\$ 61.6	\$ 58.5	\$ (16.8)	\$ 57.9

See footnotes on the next page.

# GAAP to Non-GAAP Reconciliations

Notes (continued):

---

2. Summary Financial Information (continued)

Notes:

- (a) Tredegar's presentation of segment earnings before interest, taxes, depreciation and amortization from ongoing operations ("EBITDA") from ongoing operations aligns with key metrics used by the Chief Operating Decision Maker under Accounting Standards Codification 280. For additional information, refer to Note 13, Business Segments, of the Notes to Financial Statements in Tredegar's Annual Report on Form 10-K for the year ended December 31, 2021.
- (b) Tredegar's presentation of Consolidated EBITDA from ongoing operations and net income (loss) 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, discontinued operations, and other items (which includes gains and losses for an investment accounted for under the fair value method). Consolidated EBITDA from ongoing operations also excludes depreciation & amortization, stock option-based compensation costs, interest income, interest expense and income taxes.

Consolidated EBITDA from ongoing operations and net income (loss) from ongoing operations are key financial and analytical measures used by management to gauge the operating performance of Tredegar's ongoing operations, its borrowing capacity and its estimated enterprise value. 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 as defined by GAAP. A reconciliation is provided above of these ongoing non-GAAP measures to net income (loss) from continuing operations as reported under GAAP.

- 3. 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. 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. The Company 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, as shown on page 71 of the 2021 Form 10-K, EBITDA from ongoing operations, provides useful information to those investors that primarily utilize EBIT to analyze the Company's core operations.

# GAAP to Non-GAAP Reconciliations

## Notes (continued):

4. 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 for an investment accounted for under the fair value method) have been presented separately and removed from net income (loss) and earnings (loss) per share from continuing operations as reported under U.S. GAAP to determine Tredegar's presentation of net income (loss) and earnings per share from ongoing operations. Net income (loss) and earnings per share from ongoing operations are key financial and analytical measures used by Tredegar to gauge the financial performance of its 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 or earnings per share from continuing operations as defined by U.S. GAAP. They exclude items that we believe do not relate to Tredegar's ongoing operations. A reconciliation is shown below:

(in millions, except per share data)

	2017	2018	2019	2020	2021
Net income (loss) from continuing operations as reported under U.S. GAAP	\$ 37.5	\$ 61.6	\$ 58.5	\$ (16.8)	\$ 57.9
After tax effects of:					
Losses associated with plant shutdowns, asset impairments and restructurings	0.6	0.3	0.6	1.2	0.5
(Gains) losses from sale of assets and other	(38.6)	(21.4)	(19.3)	55.9	(6.8)
One-time tax credit in Brazil for unemployment/social security insurance non-income taxes	-	-	-	-	(6.6)
Goodwill impairment charge (2020) and accelerated trade name amortization (2019)	-	-	7.8	10.5	-
Tax valuation allowance release primarily due to sale of kaléo	-	-	-	-	(5.4)
Terphane asset impairment loss	87.2	-	-	-	-
Tax benefits from Terphane worthless stock deductions	(61.4)	-	-	-	-
Net income from ongoing operations	\$ 25.3	\$ 40.5	\$ 47.6	\$ 50.8	\$ 39.6
Earnings (loss) per share from continuing operations under GAAP (diluted)	\$ 1.14	\$ 1.86	\$ 1.76	\$ (0.51)	\$ 1.72
After tax effects of:					
Losses associated with plant shutdowns, asset impairments and restructurings	0.01	0.01	0.02	0.04	0.02
(Gains) losses from sale of assets and other	(1.17)	(0.65)	(0.59)	1.66	(0.20)
One-time tax credit in Brazil for unemployment/social security insurance non-income taxes	-	-	-	-	(0.20)
Goodwill impairment charge (2020) and accelerated trade name amortization (2019)	-	-	0.23	0.32	-
Tax valuation allowance primarily due to sale of kaléo	-	-	-	-	(0.16)
Terphane asset impairment loss	2.65	-	-	-	-
Tax benefits from Terphane worthless stock deductions	(1.86)	-	-	-	-
Earnings per share from ongoing operations (diluted)	\$ 0.77	\$ 1.22	\$ 1.42	\$ 1.51	\$ 1.18
	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Net income (loss) from continuing operations as reported under U.S. GAAP	\$ 6.5	\$ 9.6	\$ 20.7	\$ 6.2	\$ 21.4
After tax effects of:					
Losses (gains) associated with plant shutdowns, asset impairments and restructurings	1.2	0.2	0.1	(0.1)	0.3
(Gains) losses from sale of assets and other	2.0	0.3	1.9	1.1	(10.0)
One-time tax credit in Brazil for unemployment/social security insurance non-income taxes	-	-	(6.6)	-	-
Tax valuation allowance release primarily due to sale of kaléo	-	-	-	-	(5.5)
Net income from ongoing operations	\$ 9.7	\$ 10.1	\$ 16.1	\$ 7.2	\$ 6.2
Earnings (loss) per share under GAAP (diluted)	\$ 0.19	\$ 0.29	\$ 0.61	\$ 0.19	\$ 0.63
After tax effects of:					
Losses (gains) associated with plant shutdowns, asset impairments and restructurings	0.04	-	-	-	0.01
(Gains) losses from sale of assets and other	0.06	0.01	0.07	0.03	(0.30)
One-time tax credit in Brazil for unemployment/social security insurance non-income taxes	-	-	(0.20)	-	-
Tax valuation allowance release primarily due to sale of kaléo	-	-	-	-	(0.16)
Earnings per share from ongoing operations (diluted)	\$ 0.29	\$ 0.30	\$ 0.48	\$ 0.22	\$ 0.18

# GAAP to Non-GAAP Reconciliations

Notes (continued):

5. 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, 2021	December 31, 2020
Debt	\$ 73.0	\$ 134.0
Less: Cash and cash equivalents	(30.5)	(11.8)
Net debt	<u>\$ 42.5</u>	<u>\$ 122.2</u>