

Tredegar Corporation

Net Sales and Operating Profit

By Business Segment (through December 31, 2018)

(In Thousands, Except Per-Share Data)

(restated to break out Flexible Packaging Films and PE Films - unaudited)

	March 31					June 30					September 30					December 31					Year Ended December 31					
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	
Net sales:																										
PE Films	\$ 121,079	\$ 106,357	\$ 88,481	\$ 86,411	\$ 93,249	\$ 118,657	\$ 91,959	\$ 80,813	\$ 89,639	\$ 82,457	\$ 115,155	\$ 93,943	\$ 82,179	\$ 89,723	\$ 76,470	\$ 109,448	\$ 93,291	\$ 79,672	\$ 86,686	\$ 80,311	\$ 464,339	\$ 385,550	\$ 331,146	\$ 352,459	\$ 332,488	
Flexible Packaging Films	28,081	26,844	26,377	26,710	28,437	27,359	23,340	27,207	26,588	28,304	27,943	27,155	27,303	26,628	33,725	30,965	27,993	27,140	28,430	33,364	114,348	105,332	108,028	108,355	123,830	
Aluminum Extrusions	79,283	93,645	85,474	99,599	128,235	84,548	98,203	93,447	123,208	144,558	89,605	94,812	91,067	122,149	147,661	90,910	88,797	90,111	121,877	152,672	344,346	375,457	360,098	466,833	573,126	
Total net sales	228,443	226,846	200,332	212,720	249,921	230,564	213,502	201,467	239,435	255,319	232,703	215,910	200,549	238,500	257,856	231,323	210,081	196,923	236,993	266,347	923,033	866,339	799,272	927,647	1,029,444	
Add back freight	6,770	7,325	7,001	8,306	8,790	6,401	7,743	7,066	7,912	8,440	7,726	7,862	7,153	8,621	9,438	7,896	6,908	7,849	8,843	9,360	28,793	29,838	29,069	33,683	36,027	
Sales as shown in Consolidated Statements of Income	\$ 235,213	\$ 234,171	\$ 207,333	\$ 221,026	\$ 258,711	\$ 236,965	\$ 221,245	\$ 208,533	\$ 247,347	\$ 263,759	\$ 240,429	\$ 223,772	\$ 207,702	\$ 247,121	\$ 267,294	\$ 239,219	\$ 216,989	\$ 204,772	\$ 245,836	\$ 275,707	\$ 951,826	\$ 896,177	\$ 828,341	\$ 961,330	\$ 1,065,471	
Operating profit (loss):																										
PE Films:																										
Ongoing operations	\$ 16,651	\$ 16,832	\$ 10,235	\$ 9,031	\$ 14,034	\$ 16,052	\$ 9,272	\$ 4,318	\$ 10,682	\$ 8,678	\$ 14,471	\$ 9,745	\$ 9,011	\$ 11,251	\$ 4,145	\$ 13,797	\$ 12,426	\$ 2,748	\$ 10,581	\$ 9,324	\$ 60,971	\$ 48,275	\$ 26,312	\$ 41,546	\$ 36,181	
Goodwill Impairment charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(46,792)	-	-	-	-	-	-	-	-	-	(46,792)	
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	(1,245)	-	(1,135)	(2,068)	(1,052)	(10,923)	(7)	(1,356)	(904)	(1,135)	(113)	(2,044)	(1,187)	(919)	(2,355)	43	(2,129)	(924)	(1,015)	(1,363)	(12,236)	(4,180)	(4,602)	(4,905)	(5,905)	
Flexible Packaging Films:																										
Ongoing operations	71	785	2,032	(1,998)	1,715	(1,089)	(3,094)	(942)	(319)	1,294	(1,265)	4,102	93	(1,074)	3,609	(634)	3,660	591	766	3,274	(2,917)	5,453	1,774	(2,626)	9,892	
Goodwill Impairment charge	-	-	-	-	-	-	-	-	-	-	-	(44,465)	-	-	-	-	-	-	-	-	-	(44,465)	-	-	-	
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	-	67	-	-	-	-	(252)	-	11,856	-	(297)	-	-	-	-	(292)	-	(214)	(101,254)	(45)	(591)	(185)	(214)	(89,398)	(45)	
Aluminum Extrusions:																										
Ongoing operations	4,761	5,292	7,499	9,829	10,199	8,050	8,299	10,859	11,772	13,156	5,752	7,272	9,427	12,601	11,730	7,101	9,569	10,008	9,253	13,527	25,664	30,432	37,794	43,454	48,613	
Goodwill Impairment charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	-	(15)	(7)	(4,341)	(53)	(174)	(18)	(558)	1,571	(46)	(126)	(331)	1,405	(377)	(297)	(676)	(344)	(1,582)	3,468	(109)	(976)	(708)	(741)	321	(505)	
Operating profit (loss) from continuing operations	20,238	22,961	18,624	10,453	24,843	11,916	14,200	12,321	34,658	21,947	18,422	(25,721)	18,749	21,482	(29,960)	19,339	23,182	10,627	(78,201)	24,608	69,915	34,622	60,323	(11,608)	41,439	
Interest expense	(630)	(885)	(1,085)	(1,180)	(1,644)	(531)	(893)	(947)	(1,642)	(1,577)	(590)	(901)	(886)	(1,757)	(1,318)	(962)	(823)	(888)	(1,591)	(1,163)	(2,713)	(3,502)	(3,806)	(6,170)	(5,702)	
Interest income	195	89	37	74	56	107	82	51	55	228	117	76	70	42	6	169	47	103	39	79	588	294	261	209	369	
Gain (loss) from an investment accounted for under the fair value method	-	-	800	3,300	8,200	(1,100)	-	300	21,500	5,800	4,000	-	(1,300)	-	(2,100)	(900)	(20,500)	1,800	9,000	18,700	2,000	(20,500)	1,600	33,800	30,600	
Gains (losses) from sale of assets, investment write-down & other items	(233)	-	-	-	-	861	-	-	-	-	(190)	-	-	-	(186)	-	-	(1,032)	-	(38)	438	-	(1,032)	-	(224)	
Stock option-based compensation expense	(241)	(300)	37	(3)	(86)	(345)	(198)	(31)	(38)	(305)	(358)	(73)	(31)	(111)	(415)	(328)	88	(32)	(111)	(415)	(1,272)	(483)	(56)	(264)	(1,221)	
Corporate expenses and misc. other	(6,242)	(7,216)	(7,916)	(6,523)	(7,918)	(4,992)	(11,694)	(6,969)	(7,502)	(6,824)	(5,287)	(6,722)	(7,223)	(6,960)	(6,926)	(7,019)	(8,006)	(7,497)	(9,895)	(7,223)	(23,540)	(33,638)	(29,607)	(30,879)	(28,893)	
Income (loss) from continuing operations before income taxes	13,087	14,649	10,497	6,121	23,451	5,916	1,497	4,725	47,031	19,269	16,114	(33,341)	9,379	12,696	(40,899)	10,299	(6,012)	3,081	(80,759)	34,548	45,416	(23,207)	27,683	(14,912)	36,368	
Income taxes	(4,608)	(4,779)	(3,216)	(2,418)	(5,287)	(2,164)	(903)	(1,317)	(2,827)	(4,547)	(5,369)	(3,382)	2,669	(4,422)	6,699	2,754	136	(1,353)	62,830	(8,391)	(9,387)	(8,928)	(3,217)	53,163	(11,526)	
Income (loss) from continuing operations	8,479	9,870	7,281	3,703	18,164	3,752	594	3,408	44,204	14,722	10,745	(36,723)	12,048	8,274	(34,200)	13,053	(5,876)	1,728	(17,929)	26,157	36,029	(32,135)	24,466	38,251	24,842	
Income (loss) from discontinued operations: Bon L. Canada	-	-	-	-	-	-	-	-	-	-	850	-	-	-	-	-	-	-	-	-	850	-	-	-	-	
Net income (loss)	\$ 8,479	\$ 9,870	\$ 7,281	\$ 3,703	\$ 18,164	\$ 3,752	\$ 594	\$ 3,408	\$ 44,204	\$ 14,722	\$ 11,595	\$ (36,723)	\$ 12,048	\$ 8,274	\$ (34,200)	\$ 13,053	\$ (5,876)	\$ 1,728	\$ (17,929)	\$ 26,157	\$ 36,879	\$ (32,135)	\$ 24,466	\$ 38,251	\$ 24,842	
Diluted earnings per share information:																										
Income (loss) from continuing operations	\$.26	\$.30	\$.22	\$.11	\$.55	\$.11	\$.02	\$.10	\$ 1.34	\$.44	\$.33	\$ (1.13)	\$.37	\$.25	\$ (1.03)	\$.40	\$ (.18)	\$.05	\$ (.54)	\$.79	\$ 1.11	\$ (.99)	\$.75	\$ 1.16	\$.75	
Income (loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-	.03	-	-	-	-	-	-	-	-	-	.02	-	-	-	-	
Net income (loss)	\$.26	\$.30	\$.22	\$.11	\$.55	\$.11	\$.02	\$.10	\$ 1.34	\$.44	\$.36	\$ (1.13)	\$.37	\$.25	\$ (1.03)	\$.40	\$ (.18)	\$.05	\$ (.54)	\$.79	\$ 1.13	\$ (.99)	\$.75	\$ 1.16	\$.75	
Shares used to compute diluted earnings per share	32,621	32,628	32,654	32,957	32,988	32,641	32,746	32,716	33,051	33,108	32,507	32,605	32,828	32,954	33,110	32,449	32,614	32,900	32,948	33,112	32,554	32,578	32,775	32,951	33,092	

Tredegar Corporation

Summary of Ongoing Operations (through December 31, 2018)

(In Thousands, Except Per-Share Data)

(restated to break out Flexible Packaging Films and PE Films - unaudited)

	March 31					June 30					September 30					December 31					Year Ended December 31				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
Income (loss) from continuing operations as reported under generally accepted accounting principles (GAAP)	\$ 8,479	\$ 9,870	\$ 7,281	\$ 3,703	\$ 18,164	\$ 3,752	\$ 594	\$ 3,408	\$ 44,204	\$ 14,722	\$ 10,745	\$ (36,723)	\$ 12,048	\$ 8,274	\$ (34,200)	\$ 13,053	\$ (5,876)	\$ 1,728	\$ (17,929)	\$ 26,157	\$ 36,029	\$ (32,135)	\$ 24,466	\$ 38,251	\$ 24,842
After-tax effects of:																									
(Gains) losses associated with plant shutdowns, asset impairments, and restructurings	807	(34)	727	576	96	613	179	869	(19)	564	298	1,514	1,035	339	1,970	242	1,387	489	87,668	1,221	1,960	3,046	3,120	88,564	3,850
(Gains) losses from sale of assets, investment write-downs or write-ups & other items	188	(240)	(481)	1,676	(5,310)	6,781	2,416	125	(35,851)	(3,763)	(2,203)	11	(5,730)	742	2,712	(5,922)	15,488	1,234	(63,299)	(13,161)	(1,156)	17,675	(4,852)	(96,731)	(19,523)
Goodwill Impairment charge	-	-	-	-	-	-	-	-	-	-	-	44,465	-	-	38,154	-	-	-	-	-	-	44,465	-	-	38,154
Income from ongoing operations (c)	\$ 9,474	\$ 9,596	\$ 7,527	\$ 5,954	\$ 12,949	\$ 11,146	\$ 3,189	\$ 4,402	\$ 8,333	\$ 11,522	\$ 8,840	\$ 9,267	\$ 7,353	\$ 9,355	\$ 8,636	\$ 7,372	\$ 10,998	\$ 3,451	\$ 6,440	\$ 14,217	\$ 36,832	\$ 33,050	\$ 22,734	\$ 30,083	\$ 47,323
Diluted earnings (loss) per share from continuing operations as reported under GAAP	\$.26	\$.30	\$.22	\$.11	\$.55	\$.11	\$.02	\$.10	\$ 1.34	\$.44	\$.33	\$ (1.13)	\$.37	\$.25	\$ (1.03)	\$.40	\$ (.18)	\$.05	\$ (.54)	\$.79	\$ 1.11	\$ (.99)	\$.75	\$ 1.16	\$.75
After-tax effects per diluted share of:																									
(Gains) losses associated with plant shutdowns, asset impairments, and restructurings	.02	-	.02	.02	-	.02	.01	.03	-	.02	.01	.05	.03	.01	.06	.01	.04	.01	2.66	.04	.06	.09	.09	2.69	.12
(Gains) losses from sale of assets, investment write-downs or write-ups & other items	.01	(.01)	(.01)	.05	(.16)	.21	.07	-	(1.09)	(.11)	(.07)	-	(.18)	.02	.08	(.18)	.48	.04	(1.92)	(.40)	(.04)	.54	(.15)	(2.94)	(.59)
Goodwill Impairment charge	-	-	-	-	-	-	-	-	-	-	-	1.36	-	-	1.15	-	-	-	-	-	-	1.37	-	-	1.15
Diluted earnings per share from ongoing operations (c)	\$.29	\$.29	\$.23	\$.18	\$.39	\$.34	\$.10	\$.13	\$.25	\$.35	\$.27	\$.28	\$.22	\$.28	\$.26	\$.23	\$.34	\$.10	\$.20	\$.43	\$ 1.13	\$ 1.01	\$.69	\$.91	\$ 1.43

N/A Not applicable

NM Not meaningful

(a) Net debt is defined as total debt less cash and cash equivalents.

(b) Depreciation and amortization expense for PE Films in 2015, 2016 and 2017 includes accelerated depreciation related to the consolidation of North American manufacturing facilities. Accelerated depreciation was excluded from operating profit from ongoing operations.

The Company recognized \$212 and \$144 for the three months ended September 30, 2015 and December 31, 2015, respectively, and \$102, \$115, \$135 and \$264 for the three months ended March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016, respectively, and \$151, \$69 and \$46 for the three months ended March 31, 2017, June 30, 2017 and September 30, 2017, respectively. Depreciation and amortization expense for PE Films in the second, third and fourth quarters of 2018 includes accelerated depreciation of \$126, \$384 and 126, respectively, related to the shutdown of a manufacturing facility in Shanghai, China.

(c) Tredegar's presentation of income (loss) and earnings (loss) per share from ongoing operations are non-GAAP financial measures that exclude the after-tax effects of gains or losses associated with plant shutdowns, asset impairments and restructurings, gains or losses from sale of assets; investment write-downs or write-ups and other items, and a goodwill impairment, which have been presented separately and removed from net income (loss) and earnings (loss) per share as reported under GAAP. Income (loss) and earnings (loss) per share from ongoing operations are 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) or earnings (loss) per share as defined by GAAP. They exclude items that we believe do not relate to Tredegar's ongoing operations.

(d) Excludes volume for Futura, which was acquired on February 15, 2017.

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