

**2020**

**ANNUAL  
MEETING**

# Annual Meeting Business Report



**John Gottwald**  
Chairman of the Board  
of Directors

## Agenda

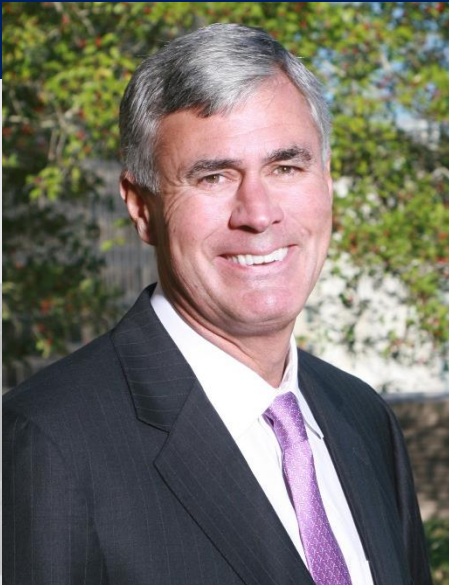
- Annual Meeting Business Report
- Introduction and COVID-19 Update  
John Steitz, President and Chief Executive Officer
- Tredegar Financial Report  
Drew Edwards, Vice President and Chief Financial Officer
- Bonnell Aluminum Business Update  
Brook Hamilton, President – Bonnell Aluminum
- Tredegar Surface Protection Business Update  
Bapi DasGupta, President – Tredegar Surface Protection
- Questions

# Annual Meeting Business Report



**John Gottwald**  
Chairman of the Board  
of Directors

# Introduction and COVID-19 Update



**John Steitz**  
President and  
Chief Executive Officer



## **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, 2019 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 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.*

# 2019 Annual Meeting

## COVID-19 Update

Our Essential Businesses – Supporting the Fight Against COVID-19

Tredegar  
PERSONAL CARE

PERSONAL CARE



Tredegar  
SURFACE PROTECTION

SURFACE PROTECTION



brightview  
TECHNOLOGIES  
OPTICS THAT TRANSFORM

BRIGHT VIEW  
TECHNOLOGIES



BONNELL ALUMINUM

BONNELL  
ALUMINUM



TERPHANE



TERPHANE

# Tredegar Financial Report



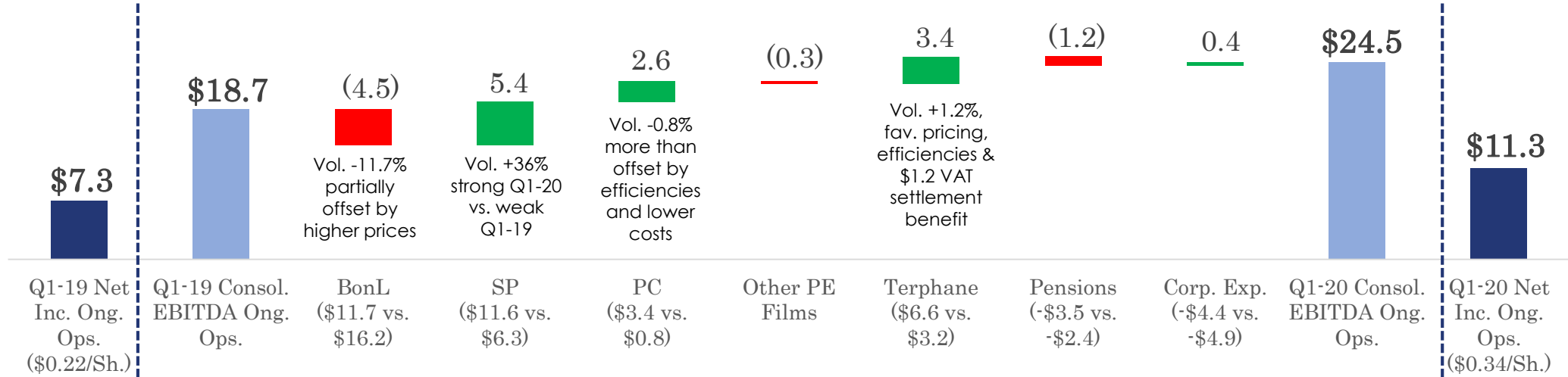
**Drew Edwards**  
Vice President and  
Chief Financial Officer



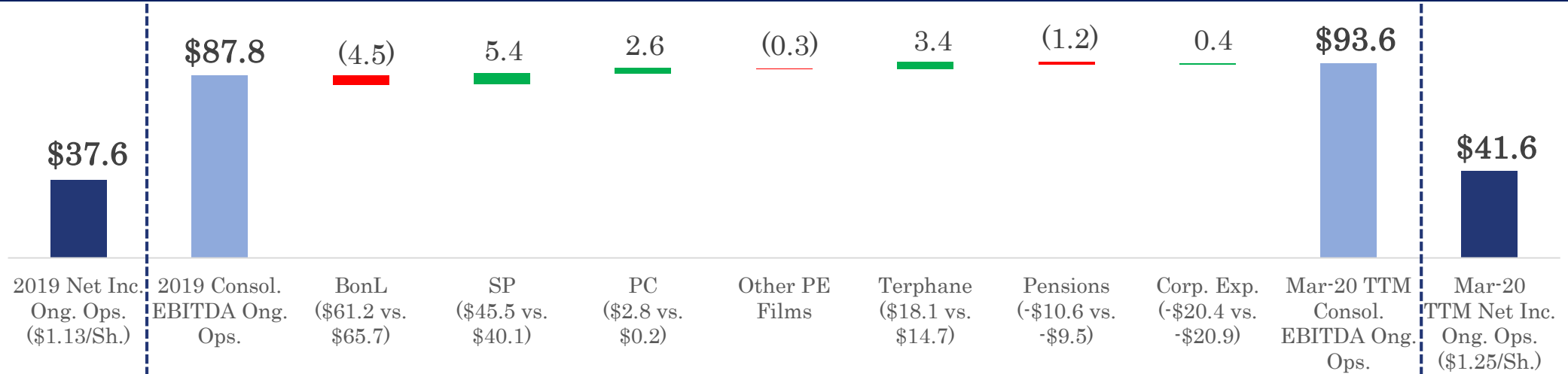
# Q1-19 to Q1-20 Net Income & EBITDA Bridge

(\$ Millions Except EPS Data)

## Q1-19 to Q1-20 Net Income & Consolidated EBITDA from Ongoing Operations<sup>1</sup> Bridge



## 2019 to TTM Q1-20 Net Income & Consolidated EBITDA from Ongoing Operations<sup>1</sup> Bridge



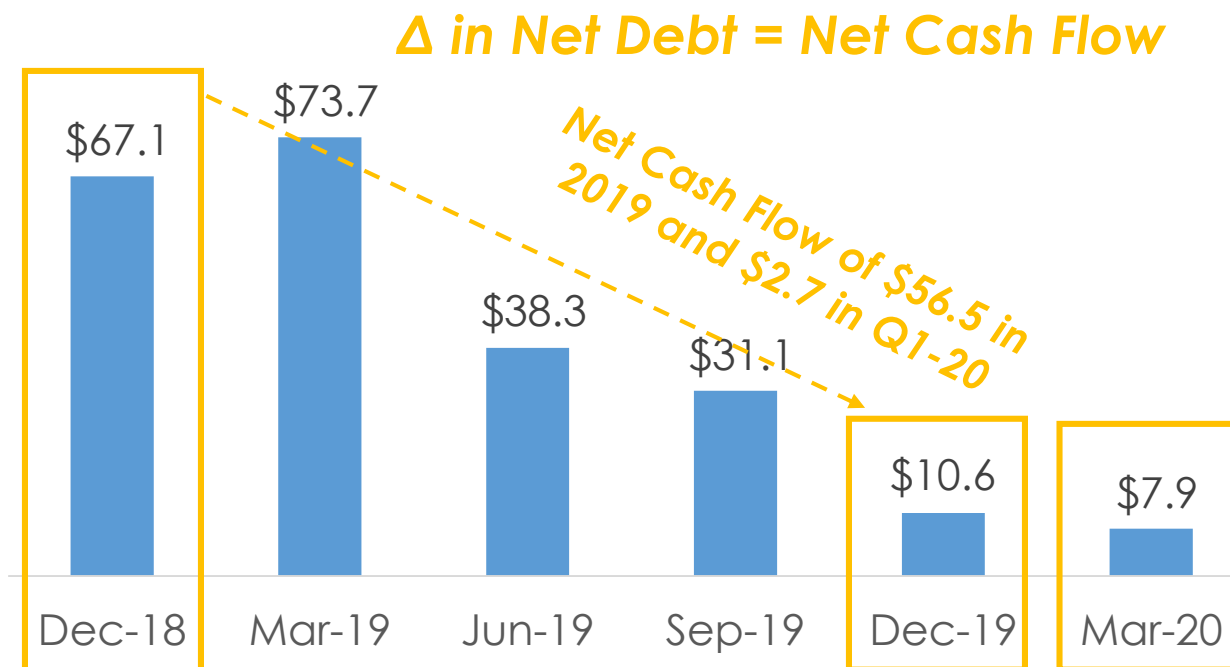
<sup>1</sup>See Note 1 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

# Financial Considerations Under COVID-19

## Most Significant Financial Impacts Expected

- Significantly lower Bonnell volume and EBITDA
  - Downturn during “Great Recession” reduced aluminum extrusion industry demand peak-to-trough by ~40% from 2006 to 2009
- Lower value of 18.4% investment in kaléo
  - Value estimated at \$69.4 million as of 3/31/20 vs. \$95.5 million as of 12/31/19
- Higher underfunding of defined benefit pension plan
  - Underfunding estimated at \$125 million as of 3/31/20 vs. \$100 million as of 12/31/19
- Slowdown for Surface Protection and the display market in most of remaining 2020
- Strong demand for flexible food packaging films made by Terphane and hygiene and tissue & towel overwrap films made by Personal Care

## Tredegar Debt, Net of Cash (“Net Debt”)<sup>1</sup>



**We have significant liquidity with net debt of less than \$10 million and \$345 million of cash available for borrowing under our \$500 million revolving credit facility maturing June 2024**

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



**BONNELL**  
ALUMINUM

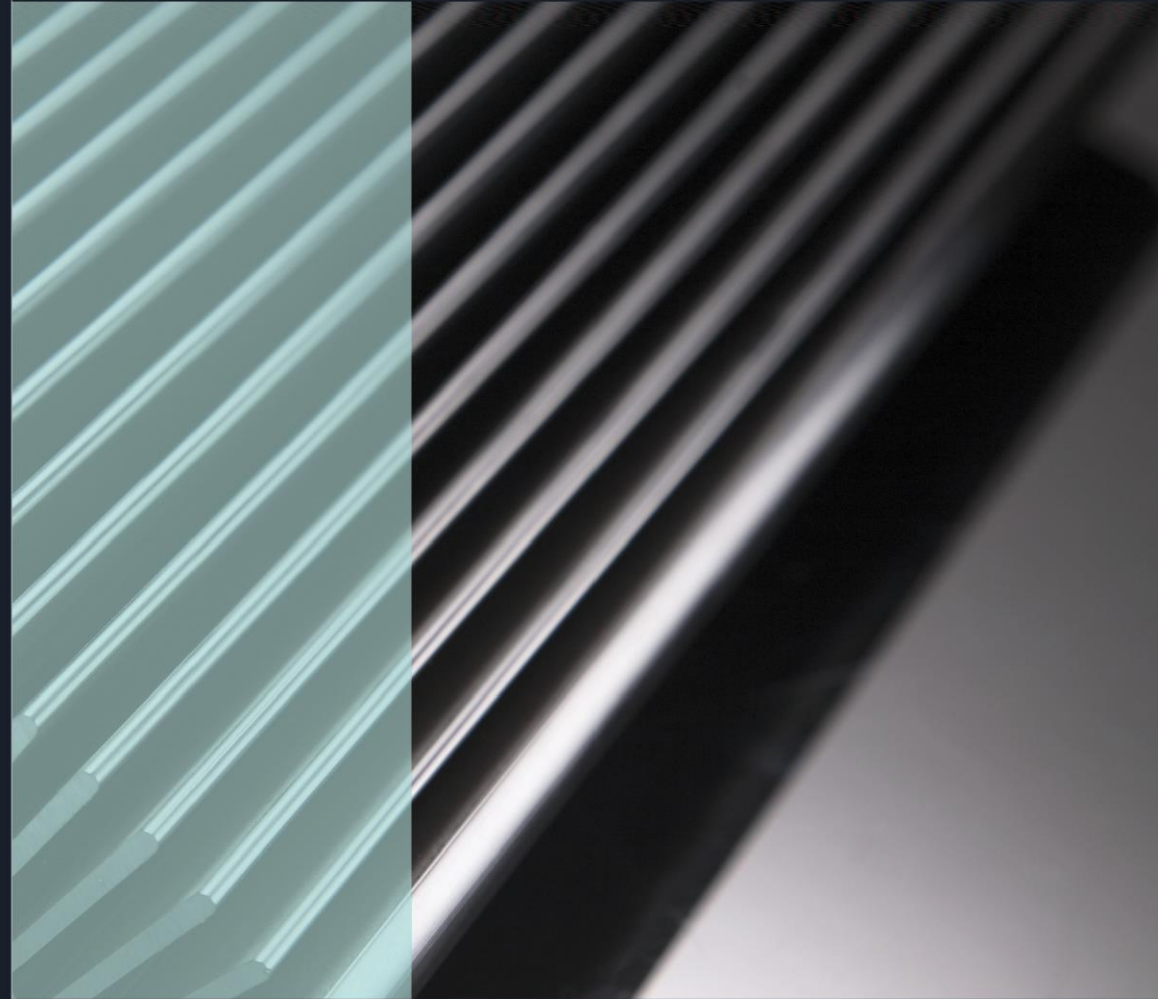


# Bonnell Aluminum Business Update



**Brook Hamilton**  
President,  
Bonnell Aluminum

SUPERIOR,  
FROM EVERY ANGLE.





## MARKET SEGMENTS

### Building & Construction:

**60% of 2019 net sales**

- Curtain walls, storefronts
- Nonresidential windows and doors
- Commercial and institutional walkway covers

### Automotive:

**9% of 2019 net sales**

- Structural components, crash management
- Heavy truck front-end grills

### Specialty:

**31% of 2019 net sales**

- Pleasure craft
- Sporting and athletic goods
- Medical equipment
- Solar brackets
- LED lighting
- Distribution / Metal service centers

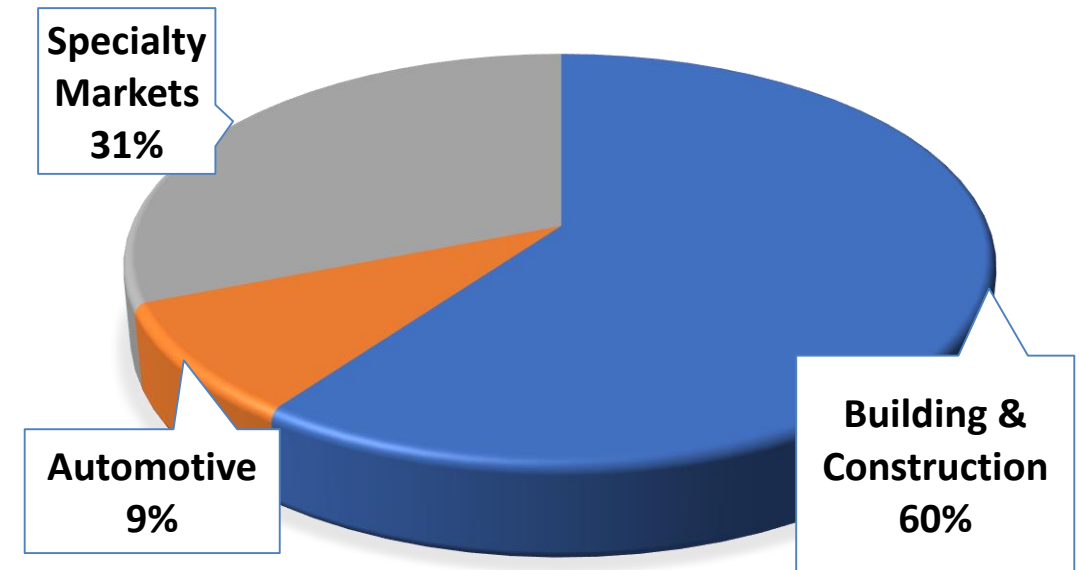
### Product Lines:

- TSLOTS by Bonnell Aluminum
- Futura Transitions by Bonnell Aluminum

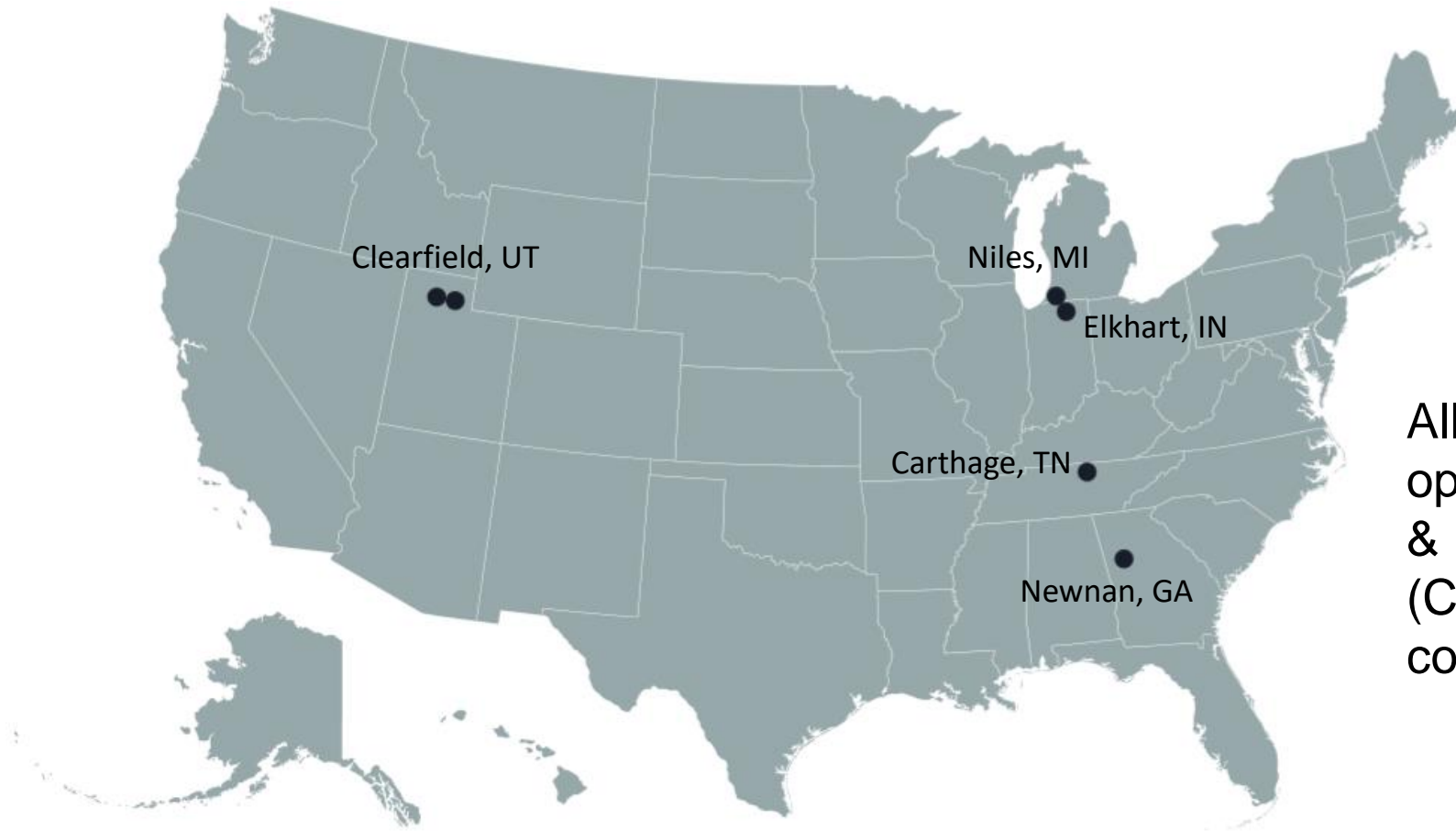


## BREAKDOWN BY MARKET

(BASED ON 2019 NET SALES \$)



## UNITED ACROSS THE UNITED STATES



All facilities remain open and fully operational under the Cybersecurity & Infrastructure Security Agency (CISA) guidelines during the current coronavirus COVID-19 outbreak

## BONNELL'S BELIEFS & CORE VALUES

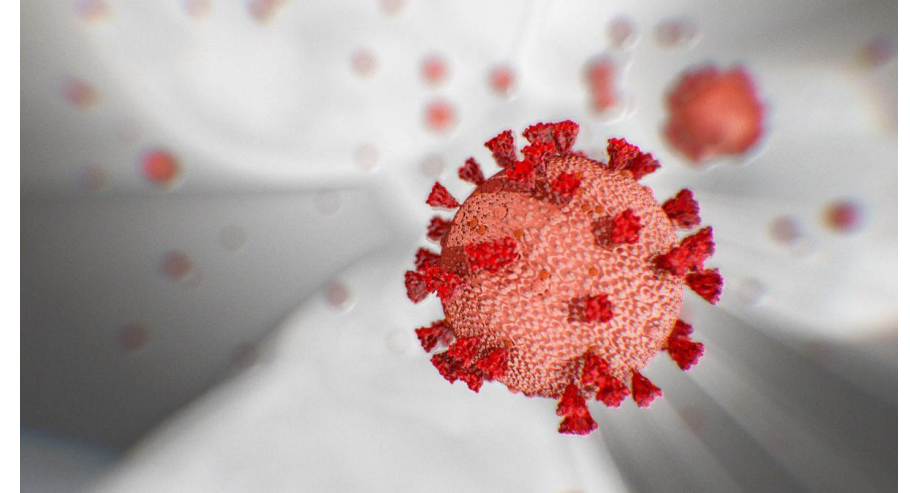


Bonnell's beliefs and values remain a solid foundation of our leadership team. The result is complete, hands-on involvement and participation by leaders across the business to manage through the Covid-19 crisis.

## COVID-19

**Bonnell has taken numerous actions in response to COVID-19 to assure the health and well-being of employees, customers and communities we serve:**

- Temperature monitoring and screening questions implemented at all sites
- Facemasks used at all sites
- Enhanced social distancing – both educational and physical through team PODs
- Daily meetings with plant, human resources and safety managers
- Active tracking at all sites of eligible qualifying events associated with the Family's First Coronavirus Response Act
- Ramped-up communication efforts via multiple mediums for employees regarding operational updates and meeting customer expectations



Since mid-March 2020, 15 positive cases of COVID-19 have been reported; 3 plants have experienced temporary shutdowns

### **Commercial:**

- Reduced bookings attributed to customer/industry closures/slowdowns resulting in layoffs of some production workers
- Recent up-tick in orders as customers reopen
- Business development continues in all regions and our salesforce remains connected with customers



## BUSINESS OUTLOOK

	2017 Act	2018 Act	2019 Act	2020 FCST <sup>(1)</sup>	2021 FCST <sup>(1)</sup>
US Real GDP Annual % Δ	2.4%	2.9%	2.3%	-5.8%	4.2%

(1) GDP forecasts average from these following sources: Bank of America, Wells Fargo, RBC, Morgan Stanley, Goldman Sachs, JP Morgan, Scotia Bank, CBO, Evercore

- While COVID-19 economic impact uncertain, current indicators for the remainder of 2020 and 2021 point to high unemployment and significant slowdown in consumption
- Reduced consumption projected to negatively impact business investment including building & construction – a key driver for Bonnell Aluminum
- Downturn during “Great Recession” reduced extrusion demand peak-to-trough by ~40% from 2006 to 2009
- Bonnell’s strong relationships and leadership position with customers expected to allow for quicker demand recovery than most other extruders

### OUR GAME PLAN:

- Focus on reducing costs of producing goods and services to match demand
- Foster innovation which targets the shifting financial strengths of customers, suppliers and competitors
- Define and protect explicit growth opportunities for business investment
- Take risks in areas that we can manage better than our competitors
- Provide a safe environment for the most critical component of our value proposition – our employees

# We remain focused on our long-term strategic goals

- Continuous pursuit of top line and margin growth - consistent with the Tredegar Way
- Continuous improvement in all forms
- “Velcro” customers (value propositions & solutions) and employees (core values & beliefs)
- Embrace new technology (Automation, ERP / MES)

- For over 65 years, Bonnell Aluminum has been a proven leader in the manufacture of high-quality extruded aluminum solutions and value-added services for a wide variety of markets and applications
- We continue to bring a greater perspective to our customers, expanding our capabilities to offer them broader solutions
- The result is truly innovative solutions tailor-made to meet the unique needs and specifications for a growing number of customers throughout North America

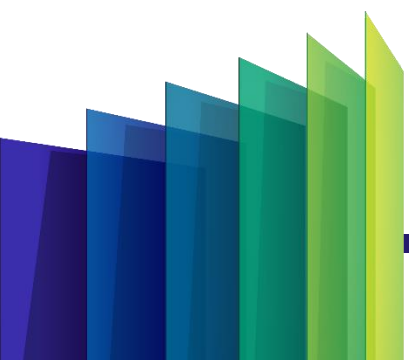


# Surface Protection Business Update



**Bapi DasGupta**  
President,  
Tredegar Surface Protection



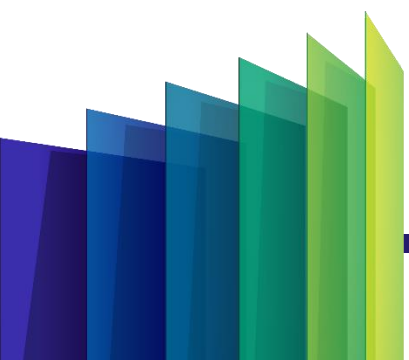


# Introduction

*ENABLING YOUR TECHNOLOGY THROUGH OURS*

- **Global Technology and Quality Leader** of highly specialized films which protect extremely sensitive surfaces of critical components of Optical Displays, Engineered Surfaces and specialty healthcare PPE; Key component of Display Supply Chain
- Manufacturing footprint optimized to serve customers in key regions and markets
- Value Proposition – **Improve yields, maximize product performance** and **ensure pristine quality** during customer manufacturing processes & shipment = **\$\$\$ savings to customers + supply reliability ('Peace of Mind')**

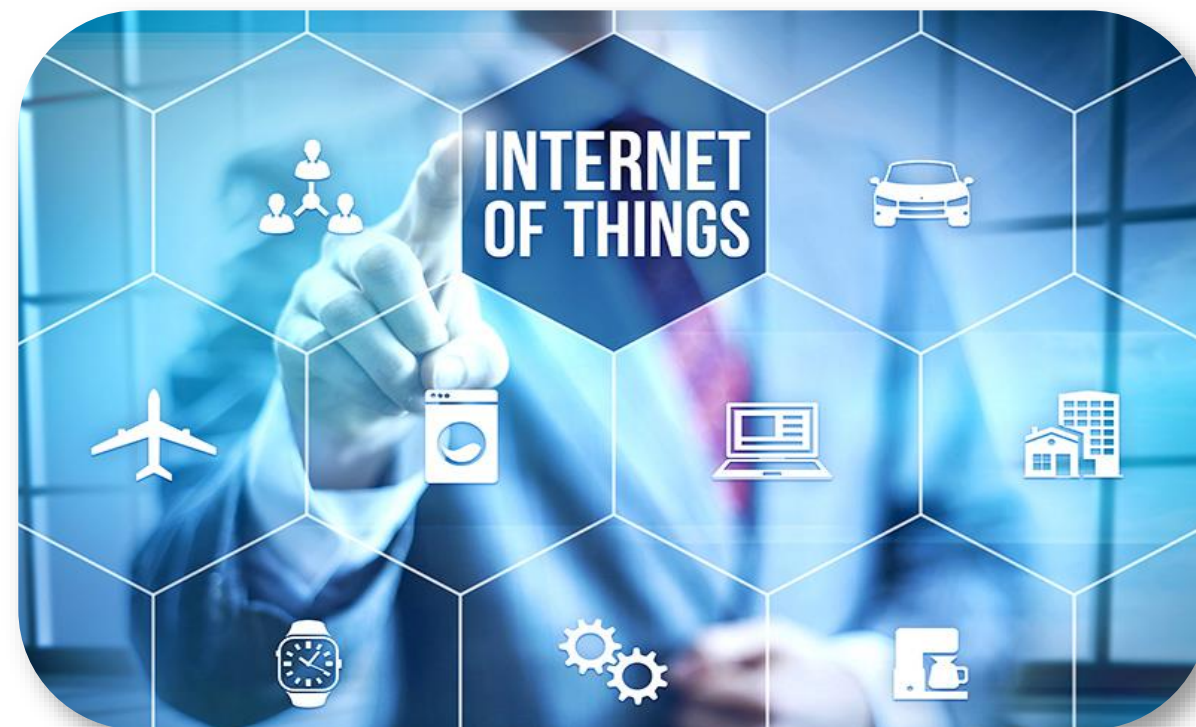




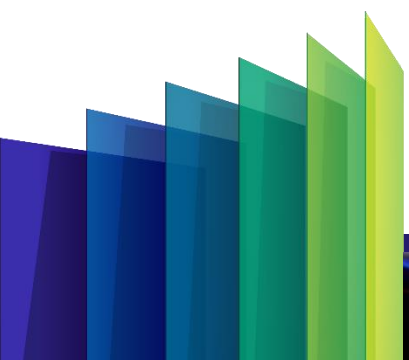
# Industry Macro Drivers

*ENABLING YOUR TECHNOLOGY THROUGH OURS*

- Internet of Things (IoT)
- Recent Pandemic – consumer lifestyle changes
- Remote work, greater connectivity, expanded networks, 5G, etc.
- Requires more displays used across multiple industries



**Displays Will Continue  
To Be Ubiquitous**



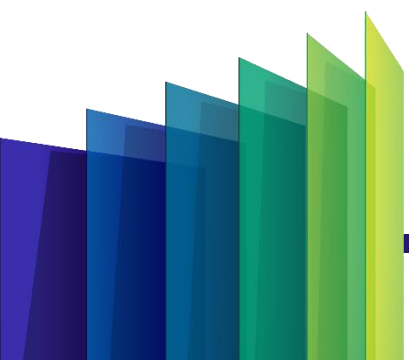
# Surface Protection Update



*ENABLING YOUR TECHNOLOGY THROUGH OURS*

- Launched Strategic Growth Map – **Polaris**, to manage risks to business, including product substitution by alternate technology, customer concentration and industry cyclicalities
- Three Focus Areas along with a foundation of Safety and Quality:
  - Diversification of customers and applications
  - Increasing new product vitality and speed to market
  - Operations excellence with Year-upon-Year productivity improvements

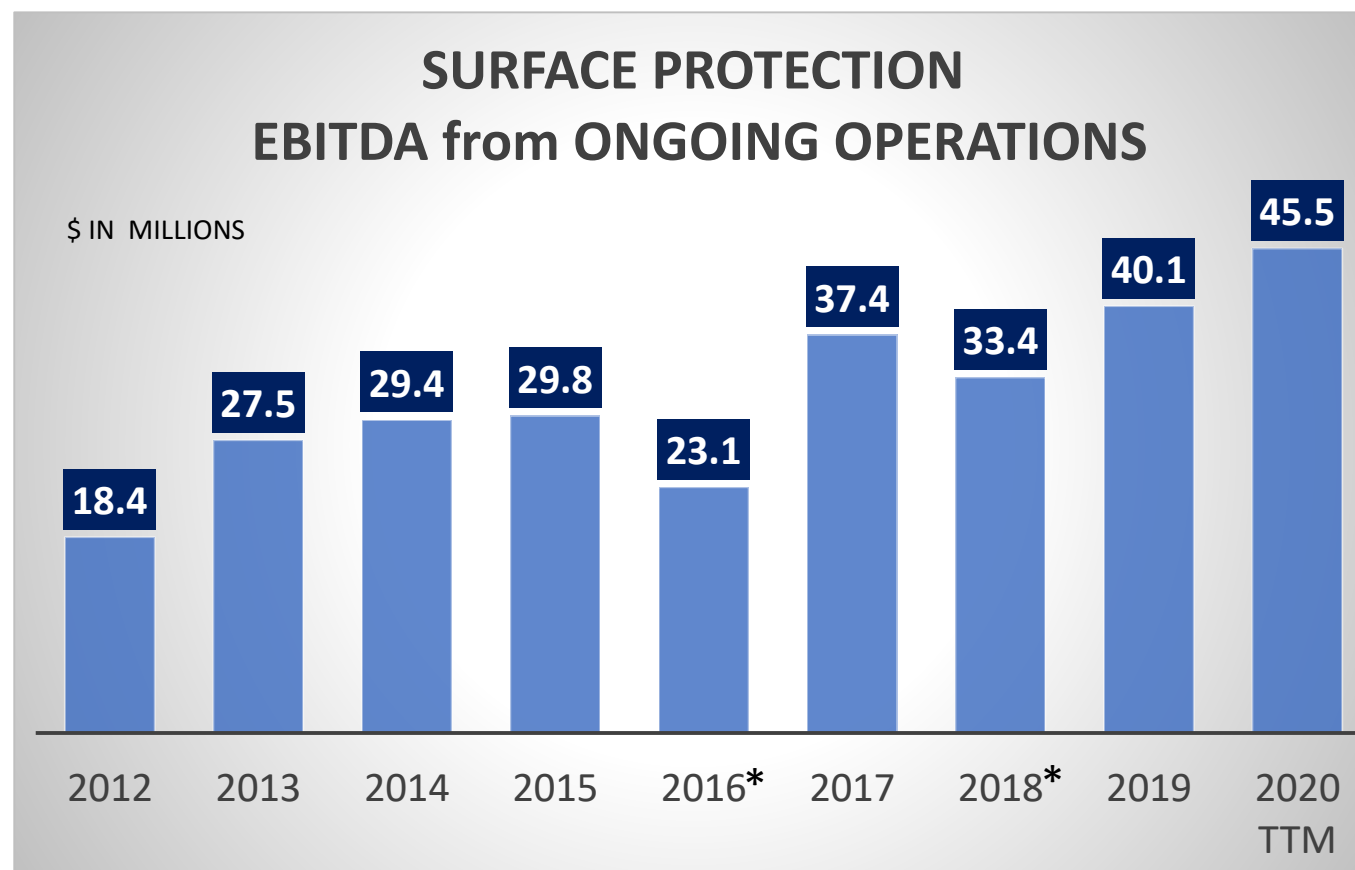
**Tracking Well To Polaris Targets**



# Financial Performance

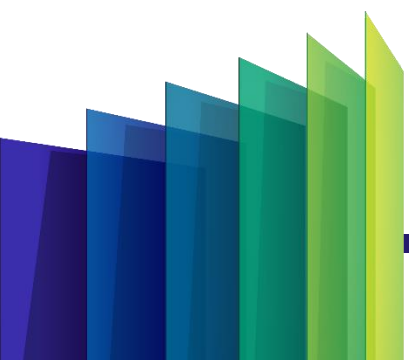
ENABLING YOUR TECHNOLOGY THROUGH OURS

- **Record EBITDA from ongoing operations in 2019 driven by 'Polaris' initiatives**
- **12% EBITDA CAGR**
- Strong Q1 2020, ahead of previous year
- Sustaining EBITDA margin strength
- Possible COVID-19 related slowdown in 2<sup>nd</sup> Half 2020



\* Industry downturn





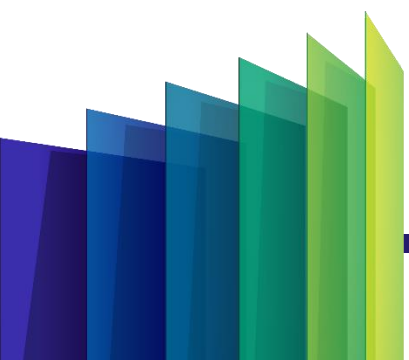
# COVID-19 Update

*ENABLING YOUR TECHNOLOGY THROUGH OURS*

- Extensive Screening, Prevention, Monitoring, Contingency Protocols at all SP facilities; Daily communications in place – No infections reported to date
- Impact to display industry, primarily in China during Q1 2020, impact to other regions and markets possibly in Q2-Q3 2020 – inventory correction
- Expect rebound in 2021
- Minimum impact to SP during Q1 2020; Possible slowdown due to inventory corrections in 2<sup>nd</sup> Half 2020
- SP films being used in manufacturing of Face Shields for COVID-19 PPE

**Our #1 Priority  
is the Safety of our Employees**





# Growth Opportunities – Target 'Blue Ocean', Specialized Applications

*ENABLING YOUR TECHNOLOGY THROUGH OURS*

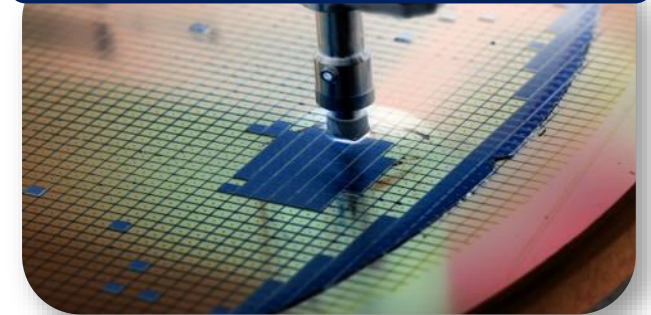
## FOLDABLE DISPLAYS



## HIGH RESOLUTION TVs



## SEMICONDUCTORS



## ADVANCED FEATURES SMART PHONES



## AUTOMOTIVE DISPLAYS



### Market Drivers:

Thinner Devices, Increased  
Resolution and Size, More Sensitive  
Surfaces -> Higher Quality



**Reinforces Our Value Proposition**

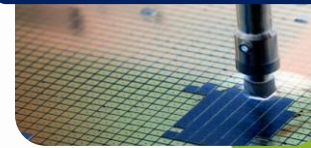
# Increasing New Product Vitality

ENABLING YOUR TECHNOLOGY THROUGH OURS

APPLICATIONS



NEW- IN DEVELOPMENT



PROFITABILITY



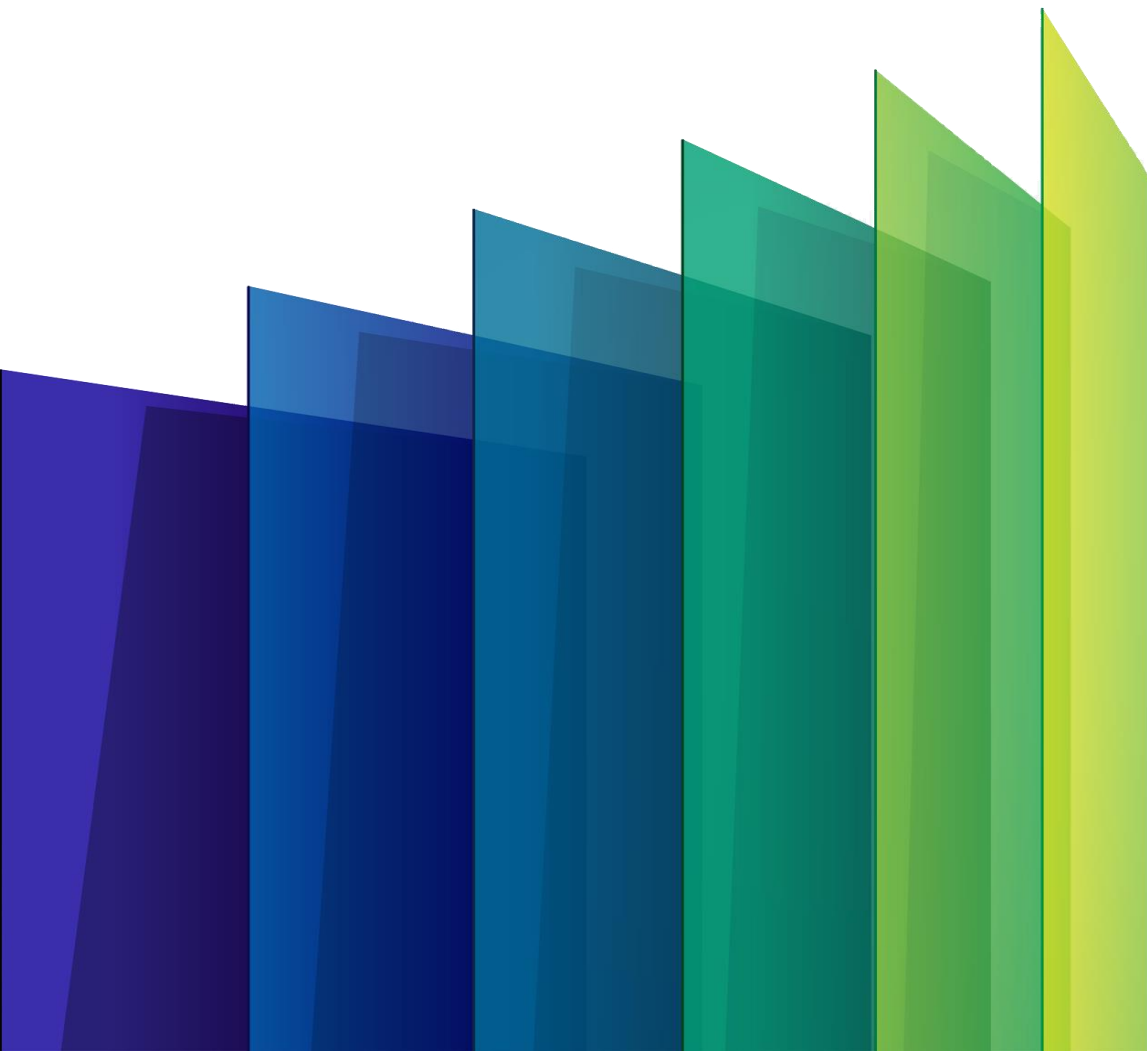
- Move up Value Curve
- Margin Growth
- Accelerate Speed to Market
- 'Widen the Moat'

NEW PRODUCTS



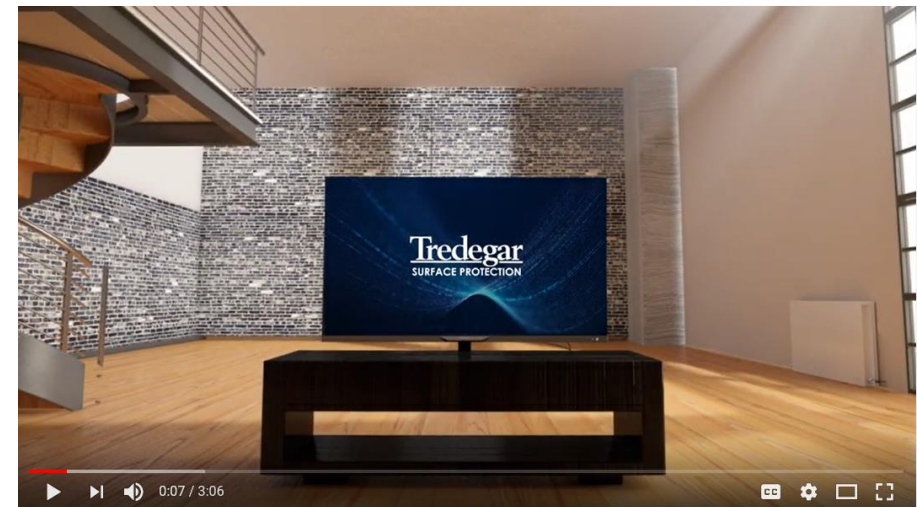
# Exciting Growth Opportunities Ahead!

## *ENABLING YOUR TECHNOLOGY THROUGH OURS*



### OVERVIEW VIDEO

Located on **YouTube** under Tredegär Surface Protection



[www.tredegarsurfaceprotection.com](http://www.tredegarsurfaceprotection.com)

# Questions





# GAAP to Non-GAAP Reconciliations



## Notes

### 1. Summary Financial Information

(in millions)	Three Months Ended March 31,		Full Year		TTM Ended
	2019	2020	2019		March 31, 2020
Income and expense relating to ongoing operations:					
Total EBITDA for segments (a):					
Aluminum Extrusions	\$ 16.2	\$ 11.7	\$ 65.7	\$	61.2
PE Films	6.6	14.2	37.8		45.3
Flexible Packaging	3.2	6.6	14.7		18.1
Subtotal	26.0	32.4	118.2		124.6
Pension expense	(2.4)	(3.5)	(9.5)		(10.6)
Corporate expenses	(4.9)	(4.4)	(20.9)		(20.4)
Consolidated EBITDA from ongoing operations ("Consolidated EBITDA") (b)	18.7	24.5	87.8		93.6
Depreciation and amortization	(8.0)	(8.3)	(33.0)		(33.3)
Stock option-based compensation costs	(0.4)	(0.6)	(2.9)		(3.1)
Interest income	0.1	0.1	0.3		0.3
Interest expense	(1.2)	(0.6)	(4.1)		(3.5)
Income taxes	(1.9)	(3.8)	(10.5)		(12.4)
Net income from ongoing operations (b)	7.3	11.3	37.6		41.6
After-tax effects of special items:					
Gains (losses) associated with plant shutdowns, assets impairments & restructuring	(0.8)	(0.4)	1.3		1.7
Unrealized gain (loss) on investment in kaléo	(0.6)	(20.4)	8.5		(11.3)
Cash dividend received from investment in kaléo	14.9	-	14.9		-
Accelerated trade name amortization (2019) and goodwill impairment charges (2020)	-	(10.5)	(7.8)		(18.3)
Other	(1.0)	(2.3)	(6.2)		(7.5)
Net income (loss) as reported under GAAP	\$ 19.8	\$ (22.3)	\$ 48.3	\$	6.2

#### 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 5, Business Segments, of the Notes to Financial Statements in Tredegar's Annual Report on Form 10-K for the year ended December 31, 2019.

(b) Tredegar's presentation of Consolidated EBITDA from ongoing operations and net income from ongoing operations are non-GAAP financial measures that exclude the effects of special items, which Tredegar defines for this purpose as gains or losses associated with plant shutdowns, asset impairments and restructurings, gains or losses from the sale of assets, goodwill impairment charges and other items (which includes unrealized gains and losses for an investment accounted for under the fair value method). Consolidated EBITDA from ongoing operations also excludes net interest expense, income taxes, depreciation & amortization and stock option-based compensation costs.

Consolidated EBITDA from ongoing operations and net income 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 cash flow or net income as defined by GAAP. A reconciliation is provided above of these ongoing non-GAAP measures to net income as reported under GAAP.

**Notes (continued):**

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, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Debt	\$ 101.5	\$ 110.0	\$ 73.0	\$ 68.0	\$ 42.0	\$ 43.0
Less: Cash and cash equivalents	(34.4)	(36.3)	(34.7)	(36.9)	(31.4)	(35.1)
Net debt	\$ 67.1	\$ 73.7	\$ 38.3	\$ 31.1	\$ 10.6	\$ 7.9