

Tredegar Corporation

Net Sales and EBITDA from Ongoing Operations
By Business Segment (through September 30, 2020)
(In Thousands, Except Per-Share Data)
(unaudited)

	QTD		YTD		YTD		LTM
	September 30,		Year Ended December 31		September 30,		September 30,
	2020	2019	2019		2020	2019	2020
Net sales (e):							
Aluminum Extrusions	\$ 115,621	\$ 129,505	\$ 529,602	\$ 339,566	\$ 405,310	\$ 463,858	
PE Films	26,440	34,487	133,807	103,444	99,313	137,938	
Flexible Packaging Films	35,856	34,888	133,935	100,534	101,950	132,519	
Total net sales	177,917	198,880	797,344	543,544	606,573	734,315	
Add back freight	6,453	7,088	28,980	19,222	21,438	26,764	
Sales as shown in Consolidated Statements of Income	\$ 184,370	\$ 205,968	\$ 826,324	\$ 562,766	\$ 628,011	\$ 761,079	
EBITDA from ongoing operations: (f)							
Aluminum Extrusions:							
Ongoing operations:							
EBITDA	\$ 16,540	\$ 16,464	\$ 65,683	\$ 41,496	\$ 51,231	\$ 55,948	
Depreciation and amortization	(4,251)	(4,317)	(16,719)	(12,632)	(12,481)	(16,870)	
EBIT (d)	12,289	12,147	48,964	28,864	38,750	39,078	
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	(720)	(610)	(561)	(2,637)	(667)	(2,531)	
Goodwill Impairment charge	-	-	-	(13,696)	-	(13,696)	
Trade name accelerated amortization	-	(2,510)	(10,040)	-	(2,510)	(7,530)	
PE Films:							
Ongoing operations:							
EBITDA	6,041	10,257	41,133	33,928	30,452	44,609	
Depreciation and amortization	(1,785)	(1,458)	(5,860)	(4,868)	(4,380)	(6,348)	
EBIT (d)	4,256	8,799	35,273	29,060	26,072	38,261	
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	(56)	(60)	(733)	(225)	(555)	(403)	
Flexible Packaging Films:							
Ongoing operations:							
EBITDA	9,546	4,394	14,737	22,594	10,477	26,854	
Depreciation and amortization	(443)	(394)	(1,517)	(1,306)	(1,101)	(1,722)	
EBIT (d)	9,103	4,000	13,220	21,288	9,376	25,132	
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	(3)	-	-	(14)	-	(14)	
Total	24,869	21,766	86,123	62,640	70,466	78,297	
Interest income	11	11	68	43	25	86	
Interest expense	(494)	(859)	(4,051)	(1,598)	(3,354)	(2,295)	
Gain (loss) on investment in kaléo accounted for under the fair value method	(36,200)	4,300	28,482	(61,000)	28,482	(61,000)	
Stock option-based compensation expense	(518)	(791)	(4,132)	(1,786)	(2,060)	(3,858)	
Corporate expenses, net	(10,586)	(9,198)	(34,484)	(29,915)	(25,538)	(38,861)	
Income (loss) before income taxes from continuing operations	(22,918)	15,229	72,006	(31,616)	68,021	(27,630)	
Income tax expense (benefit)	(5,942)	177	13,545	(8,308)	10,550	(5,313)	
Income (loss) from continuing operations	(16,976)	15,052	58,461	(23,308)	57,471	(22,317)	
Income (loss) from discontinued operations, net of tax	(48,237)	2,081	(10,202)	(53,031)	(6,076)	(57,157)	
Net income (loss)	\$ (65,213)	\$ 17,133	\$ 48,259	\$ (76,339)	\$ 51,395	\$ (79,474)	
Diluted earnings per share information from continuing operations:							
Continuing operations	\$ (.51)	\$.45	\$ 1.76	\$ (.70)	\$ 1.73	\$ (.67)	
Discontinued operations	(1.44)	.06	(.31)	(1.59)	(.18)	(1.72)	
Total	\$ (1.95)	\$.51	\$ 1.45	\$ (2.29)	\$ 1.55	\$ (2.39)	
Shares used to compute diluted earnings per share	33,439	33,285	33,258	33,396	33,230	33,424	

Tredegar Corporation
Financial Position and Other Data
(through September 30, 2020)
(In Thousands, Except Per-Share Data)
(unaudited)

Total assets
Cash, cash equivalents and restricted cash
Debt
Shareholders' equity (net book value)
Net debt as a percentage of net capitalization (a)
Equity market capitalization

Aluminum Extrusions:

Volume (Millions Lbs.)
Capital expenditures
Depreciation and amortization (b)

PE Films:

Volume (Millions Lbs.)
Capital expenditures
Depreciation and amortization

Flexible Packaging Films:

Volume (Millions Lbs.)
Capital expenditures
Depreciation and amortization

	QTD		YTD	YTD		LTM
	September 30,		Year Ended December 31	September 30,		September 30,
	2020	2019	2019	2020	2020	2020
Total assets	\$ 567,640	\$ 730,934	\$ 712,668			
Cash, cash equivalents and restricted cash	\$ 35,022	\$ 44,652	\$ 31,422			
Debt	\$ 7,000	\$ 68,000	\$ 42,000			
Shareholders' equity (net book value)	\$ 289,309	\$ 397,835	\$ 376,750			
Net debt as a percentage of net capitalization (a)	N/A	5.5%	2.7%			
Equity market capitalization	\$ 498,342	\$ 629,584	\$ 745,709			
Aluminum Extrusions:						
Volume (Millions Lbs.)	49	51	208	140	159	190
Capital expenditures	\$ 1,784	\$ 3,057	\$ 17,855	\$ 4,713	\$ 11,844	\$ 10,724
Depreciation and amortization (b)	\$ 4,251	\$ 6,827	\$ 26,760	\$ 12,632	\$ 14,991	\$ 24,401
PE Films:						
Volume (Millions Lbs.)	10	11	44	33	32	45
Capital expenditures	\$ 187	\$ 3,623	\$ 8,567	\$ 3,231	\$ 5,575	\$ 6,223
Depreciation and amortization	\$ 1,785	\$ 1,458	\$ 5,860	\$ 4,868	\$ 4,380	\$ 6,348
Flexible Packaging Films:						
Volume (Millions Lbs.)	30	28	105	85	80	111
Capital expenditures	\$ 1,183	\$ 2,698	\$ 8,866	\$ 2,448	\$ 5,692	\$ 5,622
Depreciation and amortization	\$ 443	\$ 394	\$ 1,517	\$ 1,306	\$ 1,101	\$ 1,722

Tredegar Corporation

Summary of Ongoing Operations (through September 30, 2020)

(In Thousands, Except Per-Share Data)

(unaudited)

	QTD		YTD	YTD		LTM
	September 30,		Year Ended December 31	September 30,		September 30,
	2020	2019	2019	2020	2019	2020
Net income (loss) from continuing operations as reported under GAAP	\$ (16,976)	\$ 15,052	\$ 58,461	\$ (23,308)	\$ 57,471	\$ (22,317)
After-tax effects of:						
(Gains) losses associated with plant shutdowns, asset impairments, and restructurings	22	88	598	77	461	214
(Gains) losses from sale of assets, investment write-downs or write-ups & other items	30,176	(1,867)	(19,284)	53,759	(20,312)	54,786
Goodwill Impairment charge	-	-	7,783	10,549	-	18,332
Net income (loss) from ongoing operations (c)	\$ 13,222	\$ 13,273	\$ 47,558	\$ 41,077	\$ 37,621	\$ 51,015
Earnings (loss) from continuing operations per share as reported under GAAP (diluted)	\$ (.51)	\$.45	\$ 1.76	\$ (.70)	\$ 1.73	\$ (.67)
After-tax effects per diluted share of:						
(Gains) losses associated with plant shutdowns, asset impairments, and restructurings	-	-	.02	-	.01	.01
(Gains) losses from sale of assets, investment write-downs or write-ups & other items	.90	(.05)	(.59)	1.60	(.62)	1.63
Goodwill Impairment charge	-	-	.23	.32	-	.55
Earnings (loss) per share from ongoing operations (diluted) (c)	\$ 0.39	\$ 0.40	\$ 1.42	\$ 1.22	\$ 1.12	\$ 1.52

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 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, discontinued operations 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 and diluted earnings (loss) 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. 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 as defined by GAAP. EBIT is a widely understood and utilized metric that is meaningful to certain investors. We believe 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. Volume amounts shown in the quarterly results for Aluminum Extrusions in 2019 do not add up to the 2019 YTD total amount due to the inadvertent exclusion of minor volumes in the first and second quarters of 2019.

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