

Tredegar Corporation

Net Sales and EBITDA from Ongoing Operations
By Business Segment (through March 31, 2020)
(In Thousands, Except Per-Share Data)
(unaudited)

	March 31,					June 30,				September 30,				December 31,				Year Ended December 31				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	
Net sales:																						
Aluminum Extrusions	\$ 85,474	\$ 99,599	\$ 128,235	\$ 139,047	\$ 117,887	\$ 93,447	\$ 123,208	\$ 144,558	\$ 136,757	\$ 91,067	\$ 122,149	\$ 147,661	\$ 129,506	\$ 90,111	\$ 121,877	\$ 152,672	\$ 124,292	\$ 360,098	\$ 466,833	\$ 573,126	\$ 529,602	
PE Films	88,481	86,411	93,249	66,779	71,261	80,813	89,639	82,457	69,161	82,179	89,723	76,470	69,837	79,672	86,686	80,311	66,981	331,146	352,459	332,488	272,758	
Flexible Packaging Films	26,377	26,710	28,437	33,619	30,574	27,207	26,588	28,304	33,443	27,303	26,628	33,725	34,888	27,140	28,430	33,364	31,985	108,028	108,355	123,830	133,935	
Total net sales	200,332	212,720	249,921	239,445	219,722	201,467	239,435	255,319	239,361	200,549	238,500	257,856	234,231	196,923	236,993	266,347	223,258	799,272	927,647	1,029,444	936,295	
Add back freight	7,001	8,306	8,790	9,021	8,580	7,066	7,912	8,440	8,887	7,153	8,621	9,438	8,986	7,849	8,843	9,360	9,170	29,069	33,683	36,027	36,063	
Sales as shown in Consolidated Statements of Income	\$ 207,333	\$ 221,026	\$ 258,711	\$ 248,466	\$ 228,302	\$ 208,533	\$ 247,347	\$ 263,759	\$ 248,248	\$ 207,702	\$ 247,121	\$ 267,294	\$ 243,217	\$ 204,772	\$ 245,836	\$ 275,707	\$ 232,428	\$ 828,341	\$ 961,330	\$ 1,065,471	\$ 972,358	
EBITDA from ongoing operations: (f)																						
Aluminum Extrusions:																						
Ongoing operations:																						
EBITDA	\$ 9,788	\$ 12,658	\$ 14,385	\$ 16,166	\$ 11,677	\$ 13,147	\$ 15,580	\$ 17,310	\$ 18,601	\$ 11,692	\$ 16,953	\$ 15,953	\$ 16,464	\$ 12,339	\$ 13,333	\$ 17,830	\$ 14,453	\$ 46,966	\$ 58,524	\$ 65,479	\$ 65,683	
Depreciation and amortization	(2,289)	(2,829)	(4,186)	(4,081)	(4,113)	(2,288)	(3,808)	(4,154)	(4,083)	(2,265)	(4,352)	(4,223)	(4,317)	(2,331)	(4,080)	(4,303)	(4,239)	(9,173)	(15,069)	(16,866)	(16,719)	
EBIT (d)	7,499	9,829	10,199	12,085	7,564	10,859	11,772	13,156	14,518	9,427	12,601	11,730	12,147	10,008	9,253	13,527	10,214	37,793	43,455	48,613	48,964	
Goodwill Impairment charge	-	-	-	-	(13,696)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trade name accelerated amortization	-	-	-	-	-	-	-	-	-	-	-	-	(2,510)	-	-	-	(7,530)	-	-	-	(10,040)	
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	(7)	(4,341)	(53)	(40)	(688)	(558)	1,571	(46)	(17)	1,405	(377)	(297)	(610)	(1,582)	3,468	(109)	106	(741)	321	(505)	(561)	
PE Films:																						
Ongoing operations:																						
EBITDA	13,555	12,365	17,889	6,543	14,189	7,432	14,101	12,395	11,159	12,262	14,986	7,799	10,645	6,100	14,437	12,976	9,456	39,349	55,889	51,059	37,803	
Depreciation and amortization	(3,320)	(3,334)	(3,855)	(3,592)	(3,724)	(3,114)	(3,419)	(3,717)	(3,393)	(3,251)	(3,735)	(3,654)	(3,756)	(3,352)	(3,856)	(3,652)	(3,886)	(13,037)	(14,344)	(14,878)	(14,627)	
EBIT (d)	10,235	9,031	14,034	2,951	10,465	4,318	10,682	8,678	7,766	9,011	11,251	4,145	6,889	2,748	10,581	9,324	5,570	26,312	41,545	36,181	23,176	
Goodwill Impairment charge	-	-	-	-	-	-	-	-	-	-	-	(46,792)	-	-	-	-	-	-	-	(46,792)	-	
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	(1,135)	(2,068)	(1,052)	(1,378)	(906)	(1,356)	(904)	(1,135)	(1,523)	(1,187)	(919)	(2,355)	3,834	(924)	(1,015)	(1,363)	(1,408)	(4,602)	(4,905)	(5,905)	(475)	
Flexible Packaging Films:																						
Ongoing operations:																						
EBITDA	4,203	611	2,152	3,203	6,553	1,400	2,271	1,480	2,880	2,591	1,492	3,913	4,394	3,085	3,444	3,609	4,260	11,279	7,818	11,154	14,737	
Depreciation and amortization	(2,171)	(2,609)	(437)	(344)	(428)	(2,342)	(2,590)	(186)	(363)	(2,498)	(2,566)	(304)	(394)	(2,494)	(2,678)	(335)	(416)	(9,505)	(10,443)	(1,262)	(1,517)	
EBIT (d)	2,032	(1,998)	1,715	2,859	6,125	(942)	(319)	1,294	2,517	93	(1,074)	3,609	4,000	591	766	3,274	3,844	1,774	(2,625)	9,892	13,220	
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	-	-	-	-	-	-	11,856	-	-	-	-	-	-	(214)	(101,254)	(45)	-	(214)	(89,398)	(45)	-	
Total	18,624	10,453	24,843	16,477	8,864	12,321	34,658	21,947	23,261	18,749	21,482	(29,960)	23,750	10,627	(78,201)	24,608	10,796	60,323	(11,608)	41,439	74,284	
Interest expense	(1,085)	(1,180)	(1,644)	(1,232)	(555)	(947)	(1,642)	(1,577)	(1,263)	(886)	(1,757)	(1,318)	(859)	(888)	(1,591)	(1,163)	(697)	(3,806)	(6,170)	(5,702)	(4,051)	
Interest income	37	74	56	59	52	51	55	228	48	70	42	6	56	103	39	79	133	261	209	369	296	
Gain (loss) on investment in kaléo accounted for under the fair value method	800	3,300	8,200	17,082	(26,100)	300	21,500	5,800	7,100	(1,300)	-	(2,100)	4,300	1,800	9,000	18,700	-	1,600	33,800	30,600	28,482	
Gains (losses) from sale of assets, investment write-down & other items	-	-	-	-	-	-	-	-	-	-	-	(186)	-	(1,032)	-	(38)	-	(1,032)	-	(224)	-	
Stock option-based compensation expense	37	(3)	(86)	(415)	(584)	(31)	(38)	(305)	(898)	(31)	(111)	(415)	(807)	(32)	(111)	(415)	(2,088)	(56)	(264)	(1,221)	(4,209)	
Corporate expenses and misc. other	(7,916)	(6,523)	(7,918)	(8,160)	(10,538)	(6,969)	(7,502)	(6,824)	(9,331)	(7,223)	(6,960)	(6,926)	(9,350)	(7,497)	(9,895)	(7,223)	(9,790)	(29,607)	(30,879)	(28,893)	(36,633)	
Income (loss) before income taxes	10,497	6,121	23,451	23,811	(28,861)	4,725	47,031	19,269	18,917	9,379	12,696	(40,899)	17,090	3,081	(80,759)	34,548	(1,646)	27,680	(14,912)	36,368	58,172	
Income taxes	(3,216)	(2,418)	(5,287)	(4,026)	6,540	(1,317)	(2,827)	(4,547)	(4,440)	2,669	(4,422)	6,699	43	(1,353)	62,830	(8,391)	(1,489)	(3,217)	53,163	(11,526)	(9,912)	
Net income (loss)	\$ 7,281	\$ 3,703	\$ 18,164	\$ 19,785	\$ (22,321)	\$ 3,408	\$ 44,204	\$ 14,722	\$ 14,477	\$ 12,048	\$ 8,274	\$ (34,200)	\$ 17,133	\$ 1,728	\$ (17,929)	\$ 26,157	\$ (3,135)	\$ 24,463	\$ 38,251	\$ 24,842	\$ 48,259	
Diluted earnings per share information:																						
Net income (loss)	\$.22	\$.11	\$.55	\$.60	\$ (.67)	\$.10	\$ 1.34	\$.44	\$.44	\$.37	\$.25	\$ (1.03)	\$.51	\$.05	\$ (.54)	\$.79	\$ (.09)	\$.75	\$ 1.16	\$.75	\$ 1.45	
Shares used to compute diluted earnings per share	32,654	32,957	32,988	33,127	33,313	32,716	33,051	33,108	33,278	32,828	32,954	33,110	33,285	32,900	32,948	33,112	33,278	32,775	32,951	33,092	33,258	

Tredegar Corporation

Summary of Ongoing Operations (through March 31, 2020)

(In Thousands, Except Per-Share Data)

(unaudited)

	March 31,					June 30,				September 30,				December 31,				Year Ended December 31				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	
Income (loss) as reported under generally accepted accounting principles (GAAP)	\$ 7,281	\$ 3,703	\$ 18,164	\$ 19,785	\$ (22,321)	\$ 3,408	\$ 44,204	\$ 14,722	\$ 14,477	\$ 12,048	\$ 8,274	\$ (34,200)	\$ 17,133	\$ 1,728	\$ (17,929)	\$ 26,157	\$ (3,135)	\$ 24,466	\$ 38,251	\$ 24,842	\$ 48,259	
After-tax effects of:																						
(Gains) losses associated with plant shutdowns, asset impairments, and restructurings	727	576	96	846	410	869	(19)	564	1,139	1,035	339	1,970	(4,173)	489	87,668	1,221	904	3,120	88,564	3,850	(1,285)	
(Gains) losses from sale of assets, investment write-downs or write-ups & other items	(481)	1,676	(5,310)	(13,375)	22,667	125	(35,851)	(3,763)	(3,893)	(5,730)	742	2,712	(1,570)	1,234	(63,299)	(13,161)	9,432	(4,852)	(96,731)	(19,523)	(9,407)	
Goodwill Impairment charge	-	-	-	-	10,549	-	-	-	-	-	-	38,154	-	-	-	-	-	-	-	-	38,154	-
Income from ongoing operations (c)	\$ 7,527	\$ 5,954	\$ 12,949	\$ 7,256	\$ 11,305	\$ 4,402	\$ 8,333	\$ 11,522	\$ 11,723	\$ 7,353	\$ 9,355	\$ 8,636	\$ 11,390	\$ 3,451	\$ 6,440	\$ 14,217	\$ 7,202	\$ 22,734	\$ 30,083	\$ 47,323	\$ 37,568	
Diluted earnings (loss) per share as reported under GAAP	\$.22	\$.11	\$.55	\$.60	\$ (.67)	\$.10	\$ 1.34	\$.44	\$.44	\$.37	\$.25	\$ (1.03)	\$.51	\$.05	\$ (.54)	\$.79	\$ (.09)	\$.75	\$ 1.16	\$.75	\$ 1.46	
After-tax effects per diluted share of:																						
(Gains) losses associated with plant shutdowns, asset impairments, and restructurings	.02	.02	-	.02	.01	.03	-	.02	.03	.03	.01	.06	(.13)	.01	2.66	.04	.03	.09	2.69	.12	(.05)	
(Gains) losses from sale of assets, investment write-downs or write-ups & other items	(.01)	.05	(.16)	(.40)	.68	-	(1.09)	(.11)	(.12)	(.18)	.02	.08	(.04)	.04	(1.92)	(.40)	.28	(.15)	(2.94)	(.59)	(.28)	
Goodwill Impairment charge	-	-	-	-	.32	-	-	-	-	-	-	1.15	-	-	-	-	-	-	-	-	1.15	-
Diluted earnings per share from ongoing operations (c)	\$.23	\$.18	\$.39	\$.22	\$.34	\$.13	\$.25	\$.35	\$.35	\$.22	\$.28	\$.26	\$.34	\$.10	\$.20	\$.43	\$.22	\$.69	\$.91	\$ 1.43	\$ 1.13	

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 2016 and 2017 includes accelerated depreciation related to the consolidation of North American manufacturing facilities. Accelerated depreciation was excluded from EBITDA from ongoing operations. The Company recognized \$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. Depreciation and amortization expense for PE Films in the second, third and fourth quarters of 2019 includes accelerated depreciation of \$308, \$489 and \$398, respectively, related to the planned shutdown of the remaining line operating in Lake Zurich, Illinois. 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 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 financial 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 the Company 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, as shown above, EBITDA (earnings before interest, taxes, depreciation and amortization) 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.