



# 2020 Second Quarter Financial Results

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August 6, 2020

# Forward-Looking Statements

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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, in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, 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 financial measures that are not determined in accordance with U.S. generally accepted accounting principles (“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 GAAP. A reconciliation of those financial measures to 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

## 2020 Second Quarter and Year-to-Date Results

(in millions, except per share data)	2Q 2020	2Q 2019	YTD 2020	YTD 2019
Net Sales <sup>1</sup>	\$211.2	\$239.4	\$430.9	\$478.8
Net Income from Ongoing Operations <sup>2</sup>	\$14.1	\$11.7	\$25.4	\$19.0
Diluted EPS from Ongoing Operations <sup>2</sup>	\$0.42	\$0.35	\$0.76	\$0.57

<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.

“Overall financial results for the second quarter of 2020 were favorable despite COVID-19, which mainly had an adverse impact on our aluminum extrusions business. While our surface protection, flexible packaging and personal care businesses have performed well under COVID-19 to date, its future impact is uncertain.

Our top priority continues to be the safety of our employees. Our balance sheet remains strong, with cash exceeding debt at the end of the second quarter by \$5.9 million for the first time since the acquisition of Terphane in October of 2011.

I’d like to thank all of our employees for their hard work and dedication during these unprecedented times.”

-- *John Steitz, CEO and President (Second Quarter 2020 Earnings Release)*

See the Second Quarter 2020 Results press release dated August 6, 2020 (beginning on page 1) for detailed information on the impact of COVID-19 to Tredegar.

# Aluminum Extrusions (Bonnell Aluminum)

## 2020 Second Quarter and Year-to-Date Results

### Second Quarter Performance

(in millions)	2Q 20	2Q 19	▲
Volume (lbs.)	43.8	53.1	(18)%
Net Sales <sup>1</sup>	\$106.1	\$136.8	(22)%

#### Ongoing Operations:

EBITDA	\$13.3	\$18.6	(28)%
Less: D&A	<u>\$(4.3)</u>	<u>\$(4.1)</u>	
EBIT <sup>2</sup>	\$9.0	\$14.5	(38)%

### Year-to-Date Performance

(in millions)	YTD 20	YTD 19	▲
Volume (lbs.)	91.1	106.8	(15)%
Net Sales <sup>1</sup>	\$223.9	\$275.8	(19)%

#### Ongoing Operations:

EBITDA	\$25.0	\$34.8	(28)%
Less: D&A	<u>\$(8.4)</u>	<u>\$(8.2)</u>	
EBIT <sup>2</sup>	16.6	\$26.6	(38)%

### Second Quarter Financial Highlights

- Lower EBITDA from ongoing operations versus 2Q19 due to:
- Lower sales volume (\$6.0M), higher labor and employee-related costs (\$1.0M), partially offset by higher pricing (\$3.1M); and
- The timing of the flowthrough under the first-in first-out method of aluminum raw materials costs, previously acquired at higher prices in a quickly dropping commodity pricing environment resulted in a charge of \$2.1M in 2Q20 vs. a charge of \$0.4M in 2Q19.

### Other Highlights

- Sales volume in the specialty and automotive markets, which represent ~32% and 9% of 2019 sales, respectively, experienced double-digit declines for the period. Non-residential building and construction shipments were relatively flat, but the Company expects a decline in its shipments for this end market, potentially beginning later this year as a result of COVID-19-related reduced demand.
- See the Second Quarter 2020 Results press release dated August 6, 2020 (*beginning on page 1*) for detailed information on the impact of COVID-19 to Tredegar.

# PE Films *(includes Personal Care, Surface Protection & Films for Other Markets)*

## 2020 Second Quarter and Year-to-Date Results

### Second Quarter Performance

(in millions)	2Q 20	2Q 19	▲
Volume (lbs.)	25.8	25.5	1%
Net Sales <sup>1</sup>	\$71.0	\$69.2	3%

#### Ongoing Operations:

EBITDA	\$15.3	\$11.2	37%
Less: D&A	<u>\$(3.8)</u>	<u>\$(3.4)</u>	
EBIT <sup>2</sup>	\$11.5	\$7.8	49%

### Second Quarter Financial Highlights

- Higher EBITDA from ongoing operations vs. 2Q 2019 primarily as a result of:
  - A \$0.7M increase from Surface Protection primarily due to higher volume and mix (\$1.6M), partially offset by lower productivity (\$0.5M) and higher R&D and other expenses (\$0.3M); and
  - A \$2.5M increase from Personal Care, primarily due to favorable product mix (\$1.2M), lower freight costs (\$0.7M), a benefit from the timing of resin pass-throughs (\$1.3M), partially offset by unfavorable net foreign exchange impact (\$0.5M).

### Year-to-Date Performance

(in millions)	YTD 20	YTD 19	▲
Volume (lbs.)	53.3	51.3	4%
Net Sales <sup>1</sup>	\$142.3	\$135.9	5%

#### Ongoing Operations:

EBITDA	\$29.5	\$17.7	67%
Less: D&A	<u>\$(7.5)</u>	<u>\$(7.0)</u>	
EBIT <sup>2</sup>	\$22.0	\$10.7	106%

### Other Highlights

- Net sales in Surface Protection increased versus 2Q 2019 due to higher volume.
- Surface Protection EBITDA for 2Q20 and 2Q19 were the two highest on record. A possible customer product transition continues to be delayed (further discussed in *Customer Transitions in Personal Care and Surface Protection* on page 5).
- Net sales decreased in Personal Care primarily due to unfavorable pricing.
- See the Second Quarter 2020 Results press release dated August 6, 2020 (*beginning on page 1*) for detailed information on the impact of COVID-19 to Tredegar.

# PE Films

## *Customer Transitions in Surface Protection and Personal Care*

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- The Company previously reported a significant customer product transition for the Personal Care component of PE Films. Annual sales for this product declined from approximately \$70 million in 2018 to \$30 million in 2019. The Company extended an arrangement with this customer that is expected to generate sales of this product at approximately 2019 levels through at least 2022.
- Personal Care had approximately break-even EBITDA from ongoing operations in 2019 as competitive pressures resulted in missed sales and margin goals. Personal Care continues to focus on new business development and cost reduction initiatives in an effort to improve profitability.
- The Company previously reported the risk that a portion of its film products used in surface protection applications could be made obsolete by possible future customer product transitions to less costly alternative processes or materials. These transitions principally relate to one customer. The full transition continues to encounter delays, resulting in higher than expected sales to this customer in the last four quarters.
- The Company estimates that during the next four quarters the adverse impact on EBITDA from ongoing operations from this customer shift versus the last four quarters ended June 30, 2020 could possibly be \$14 million. To offset the potential adverse impact, the Company is aggressively pursuing and making progress generating sales from new surface protection products, applications and customers.

# Flexible Packaging Films (Terphane)

## 2020 Second Quarter and Year-to-Date Results

### Second Quarter Performance

(in millions)	2Q20	2Q19	▲
Volume (lbs.)	29.2	26.5	10%
Net Sales <sup>1</sup>	\$34.1	\$33.4	2%

#### Ongoing Operations:

EBITDA	\$6.5	\$2.9	124%
Less: D&A	<u>(0.4)</u>	<u>(0.4)</u>	
EBIT <sup>2</sup>	\$6.1	\$2.4	154%

### Second Quarter Financial Highlights

- Higher EBITDA from ongoing operations vs. 2Q 2019 primarily as a result:
  - Lower raw material costs (\$4.0M), higher sales volume (\$1.1M) and the benefit from production efficiencies resulting in lower variable costs (\$0.7M), partially offset by lower selling prices (\$2.6M);
  - Net favorable foreign currency translation of Real-denominated operating costs (\$0.6M); and
  - Foreign currency transaction losses of \$0.3M in 2Q 2020 versus losses of \$0.1 in 2Q 2019.

### Year-to-Date Performance

(in millions)	YTD 20	YTD 19	▲
Volume (lbs.)	55.0	51.9	6%
Net Sales <sup>1</sup>	\$64.7	\$67.1	(4)%

#### Ongoing Operations:

EBITDA	\$13.1	\$6.1	115%
Less: D&A	<u>(0.9)</u>	<u>(0.7)</u>	
EBIT <sup>2</sup>	\$12.2	\$5.4	126%

### Other Highlights

- Net sales in 2Q 2020 increased versus 2Q 2019 primarily due to higher sales volume, partially offset by lower selling prices from the pass-through of lower resin costs.

Terphane has experienced strong demand for food packaging materials in the COVID-19 environment, with high demand in the U.S. and Europe for value-added products. See the Second Quarter 2020 Results press release dated August 6, 2020 (beginning on page 1) for detailed information on the impact of COVID-19 to Tredegar.

# Tredegar Corporation

## 2020 Year-to-Date Financial Highlights

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(\$ in millions)

<b>Cash Flows from Operations</b>	<b>\$36.1</b>
<b>Capital Expenditures</b>	<b>\$8.8</b>
<b>Dividends Paid</b>	<b>\$8.0</b>
<b>Net Debt (Cash)<sup>1</sup></b>	<b>\$(5.9)</b>
<b>Leverage ratio<sup>2</sup></b>	<b>0.35x</b>

<sup>1</sup> As of 6/30/2020. 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-Q for the quarter ended June 30, 2020 (page 40) for more information on this non-GAAP financial measure.





# Appendix

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# Tredegar at a Glance

Major Product Groups	Primary End Markets	Customers	Competitors
<p><b>Aluminum Extrusions</b> Custom aluminum extrusion profile, custom-designed and manufactured, with value-added service options including anodizing, painting and fabricating for key markets 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 and storefronts, commercial windows &amp; doors, commercial canopies and walkway covers, commercial atriums, geodesic domes, skylights and space frame structures, demountable wall and panel systems, shower and tub enclosures, storm shutters, flooring trims (Edgetek™)</p> <p><b>Automotive/Transportation:</b> Structural components and crash management systems, suspension arms, noise vibration harshness components, truck grills</p> <p><b>Specialty Markets:</b> Furniture and appliances, pleasure craft, refrigerators and freezers, appliances, sporting and fitness equipment, modular framing (TSLOTS™), conveyor systems and linear motion equipment, medical equipment and apparatus, solar panels, LED lighting, electronic devices, electrical conduit, industrial modular assemblies, medical equipment, industrial fans, automation systems</p>	<p>Glazing contractors and fabricators</p> <p>Tier suppliers to Automotive OEMs</p> <p>Consumer durables, machinery and equipment, and electrical OEMs; distributors and metal service centers</p>	<p>Hydro North America, Kaiser Aluminum, Pannex, Magnode, Sierra, Western Extrusions Corp, Keymark Aluminum Corp.</p>
<p><b>PE Films</b> <b>Personal Care:</b> Apertured, elastic and embossed films and laminate materials for personal care markets <b>Surface Protection:</b> Single and multilayer surface protection films for high technology applications during the manufacturing and transportation process <b>Bright View Technologies:</b> Advanced film-based components that provide specialized functionality for the global engineered optics market</p>	<p>Feminine hygiene products, baby diapers and adult incontinence products</p> <p>High-value components of flat panel displays, including liquid crystal display (“LCD”) and Organic Light Emitting Diodes (“OLED”) displays used in televisions, monitors, notebooks, smartphones, tablets, e-readers and digital signage</p> <p>LED-based applications in lighting, electronics, automotive</p>	<p>Global and regional consumer care producers</p> <p>Major manufacturers of flat panel display components</p> <p>Global and regional leaders in LED-based applications</p>	<p>Berry Global, Mondi, Aplix, Pantex, RKW, Yanjan, Koester</p> <p>Toray, Sekisui, Hanjin, Ihshin</p> <p>Luminit, WhiteOptics, VIAVI Solutions, Jungbecker</p>
<p><b>Flexible Packaging Films</b> Specialized polyester (“PET”) films for use in packaging and industrial applications</p>	<p>Perishable and non-perishable food packaging; non-food packaging and industrial applications</p>	<p>Food and consumer goods 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



# Tredegar at a Glance

## *Business Strengths*

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### **Aluminum Extrusions**

- Industry-leading position in nonresidential building and construction and value-added OEM components in North American extrusions market
- Market-focused manufacturing operations and world-class capabilities in extrusion and finishing services (fabrication, painting and anodizing) in five U.S. facilities
- Positive long-term dynamics and growth trends in key markets of building and construction, automotive and specialty

### **PE Films**

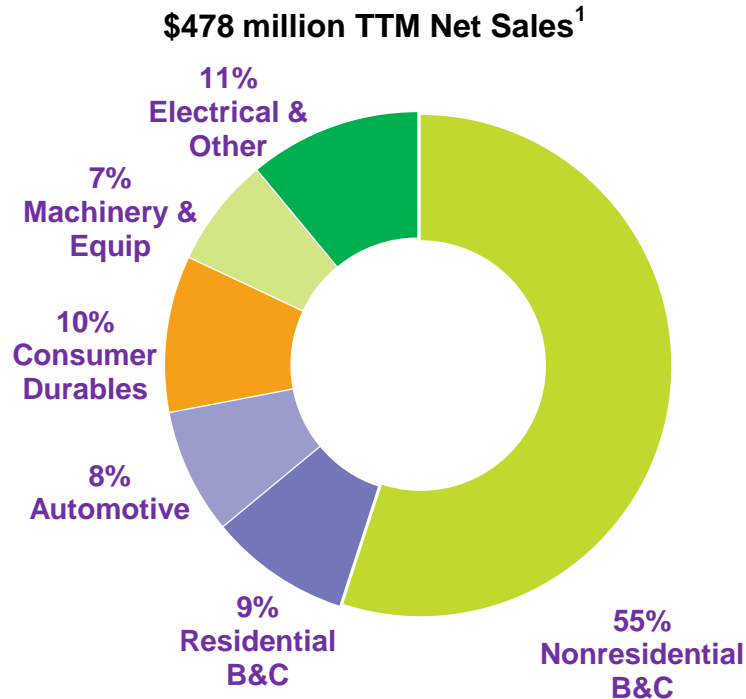
- Broad capabilities in high-performance plastic films, elastics, and laminate material technologies
- Global footprint, producing to the highest quality standards, with local supply and service capabilities
- Positive market dynamics and favorable demographic trends in multiple end-use markets

### **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 strong 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 and 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, store fronts and entrances, doors, windows, wall panels, flooring trims (Futura Transitions™) and other building components
- Automobile and light truck structural components and crash management systems; truck grills
- Furniture and appliances, pleasure craft, modular framing (TSLOTS™), material handling equipment, solar panels, LED lighting, electrical conduit

<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*

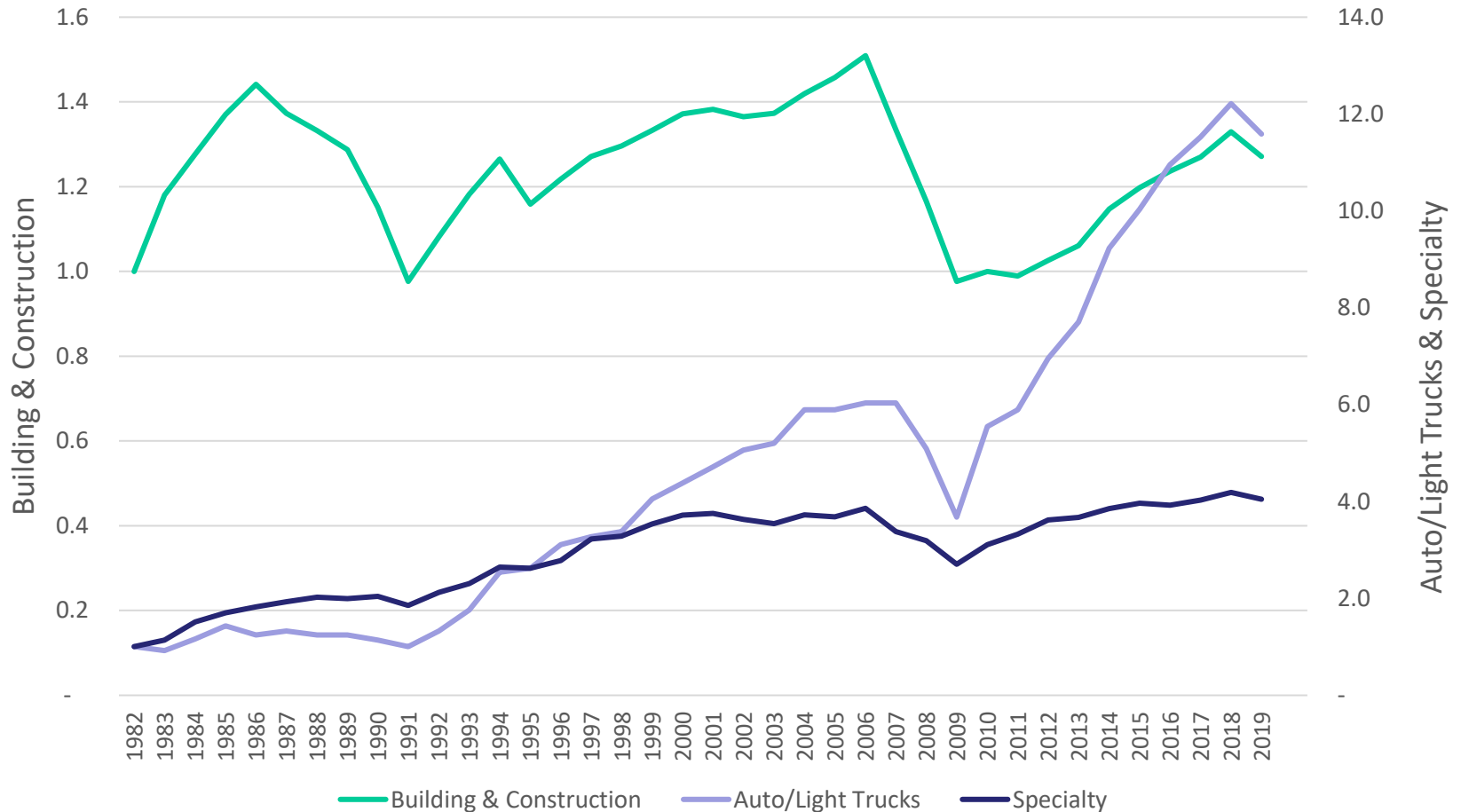
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- Crash management systems  
– beams and mounting plates, crush cans
- Engine mounts and cradles
- Roof rails
- Electrical battery trays
- Air conditioner tube connectors



# Aluminum Extrusions

## Index of North American Industry Volume for Bonnell's Key Markets



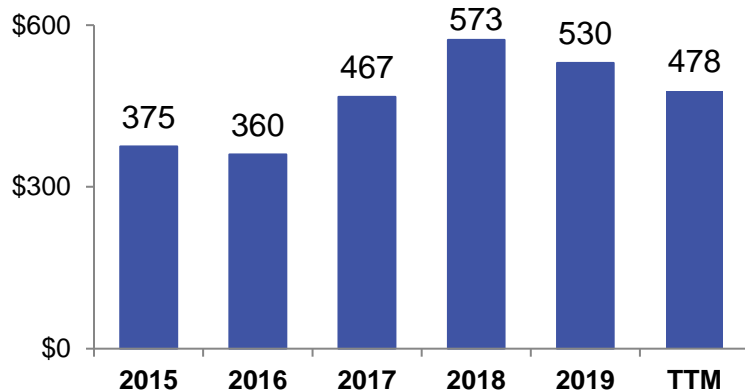
Note: Index computations based on Aluminum Association data (1982=1.0). Specialty includes aluminum extrusions sold to consumer durables, electrical and machinery markets.



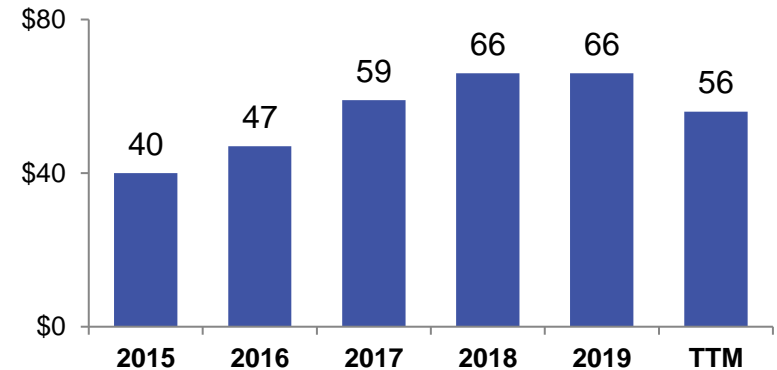
# Aluminum Extrusions

## Annual Historical Financials

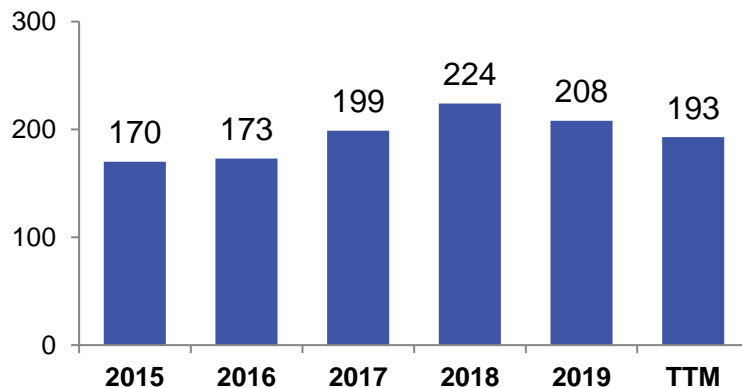
Net Sales<sup>1</sup> (\$ in millions)



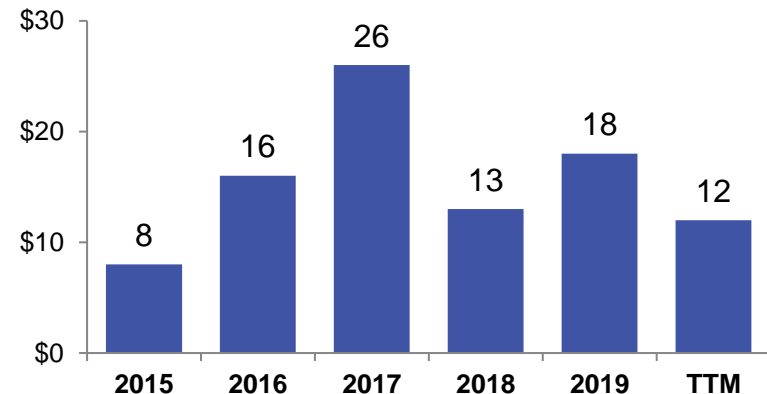
EBITDA from Ongoing Ops (\$ in millions)



Volume (lbs. in millions)



Capital Expenditures (\$ in millions)



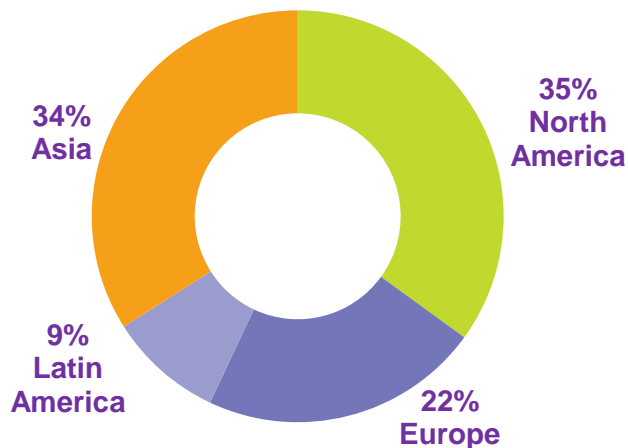
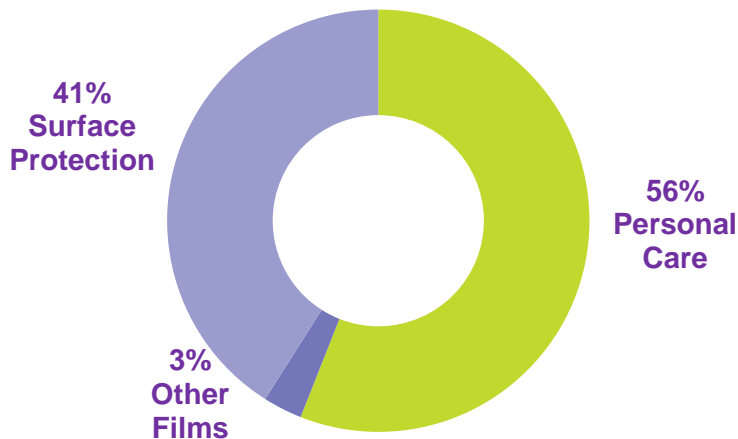
Reflects inclusion of Futura, subsequent to its acquisition date (2/15/2017).

<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

\$279 million TTM Net Sales<sup>1</sup>



### Key Growth Drivers

- Electronics and display market expanding
- Aging baby boomers in developed markets
- Growth of middle class in emerging markets

### Customers

- Major manufacturers of flat panel display components
- Global and regional consumer care producers

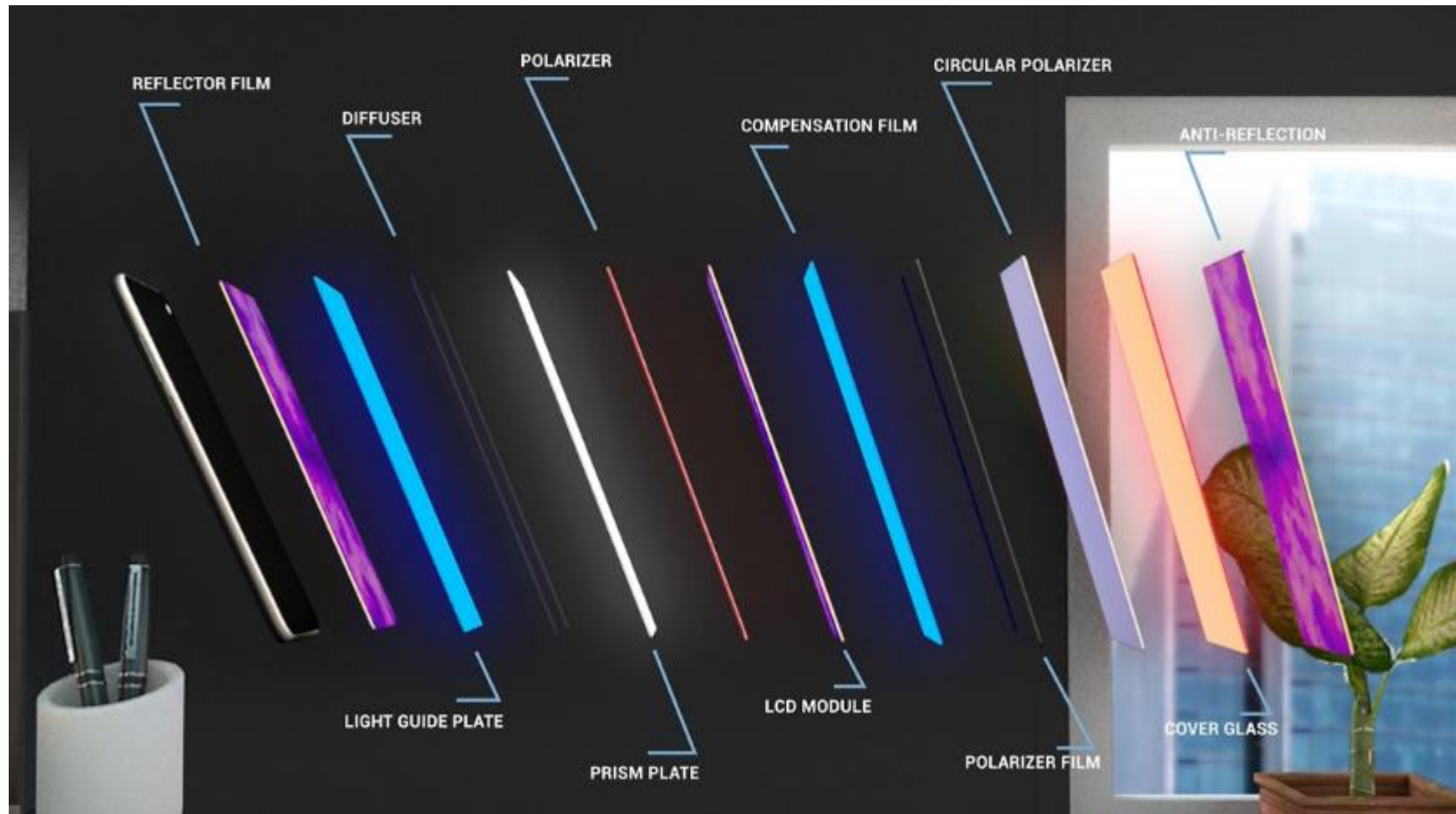
### Primary End Use Markets

- High-value components of flat panel displays, including LCD and OLED televisions, monitors, notebooks, smartphones, tablets and digital signage
- Personal care products – feminine hygiene, baby diapers and adult incontinence products

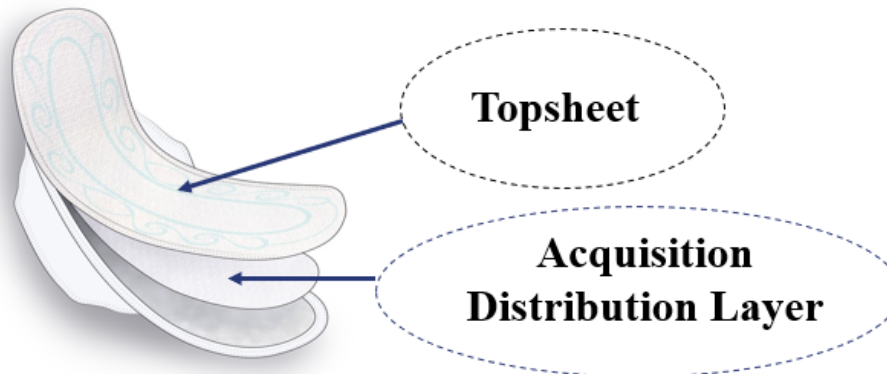
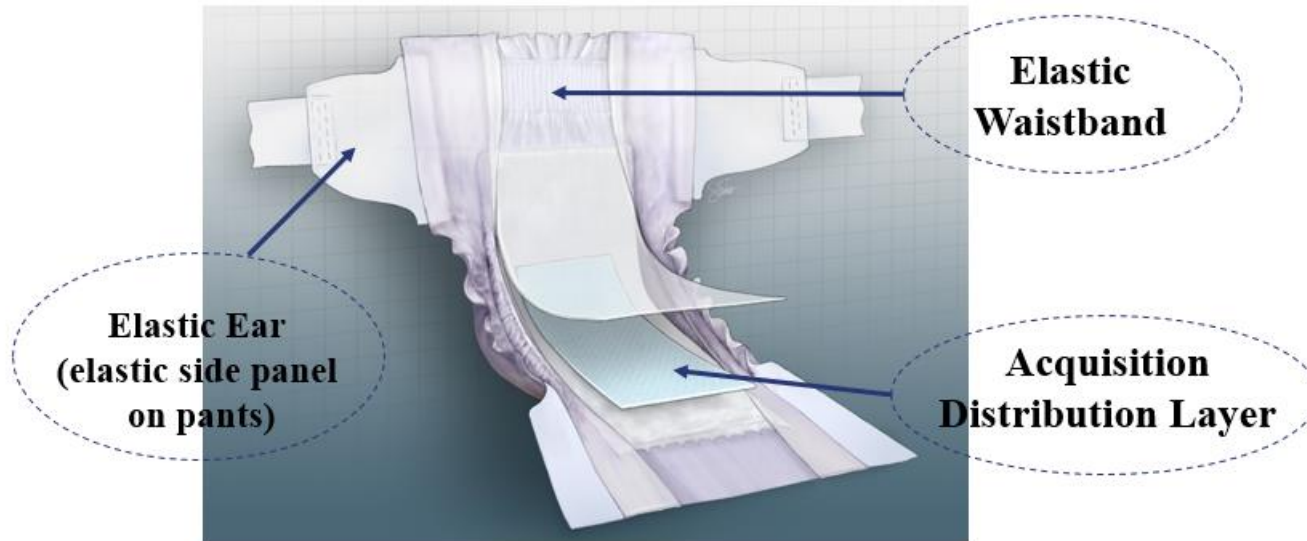
# PE Films

## Surface Protection Overview

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



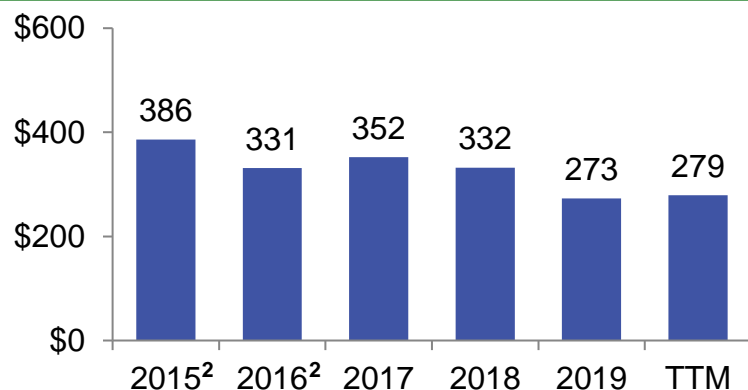
# Personal Care – Components for Baby Diapers, Adult Incontinence and Feminine Hygiene Pads



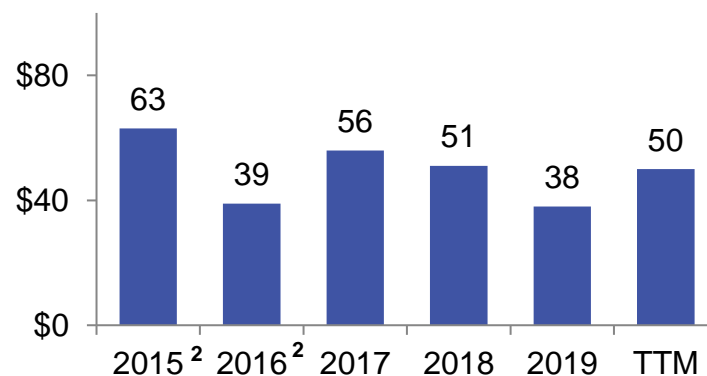
# PE Films

## Annual Historical Financials

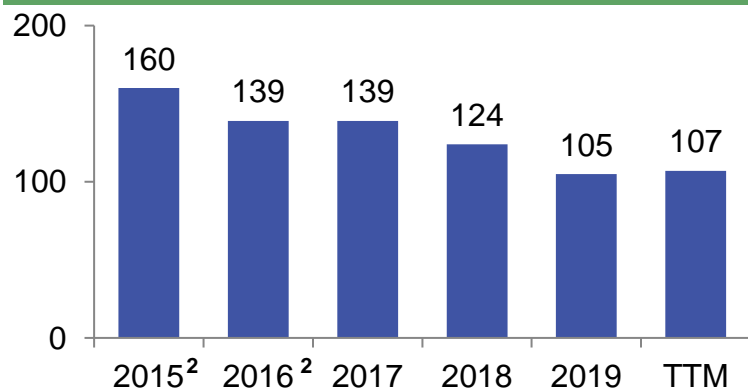
Net Sales<sup>1</sup> (\$ in millions)



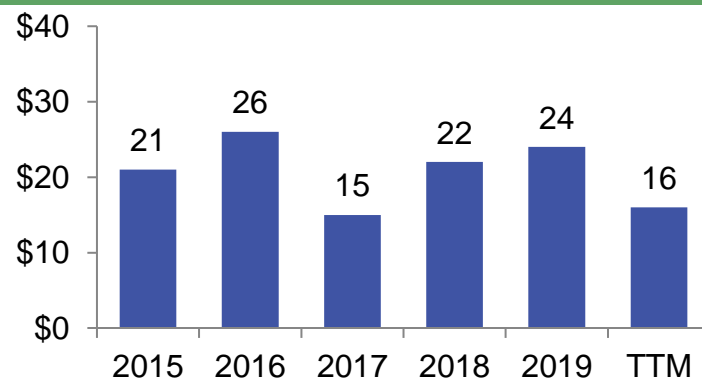
EBITDA from Ongoing Ops (\$ in millions)



Volume (lbs. in millions)



Capital Expenditures (\$ in millions)



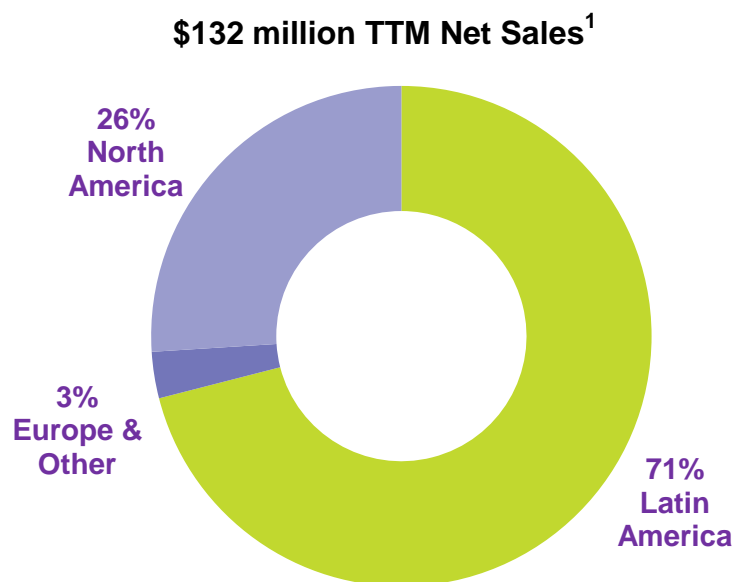
<sup>1</sup> Net sales represents gross sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level.

<sup>2</sup> Includes sales associated with lost business and product transitions for certain personal care materials. Excluding these sales, pro forma estimates for sales, adjusted EBITDA and volume are net sales of \$347M, adjusted EBITDA of \$53M and volume of 150M lbs. in 2015 and net sales of \$322M, adjusted EBITDA of \$40M and volume of 137M lbs. in 2016.

# Flexible Packaging Films

## Business Profile

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### 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 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*

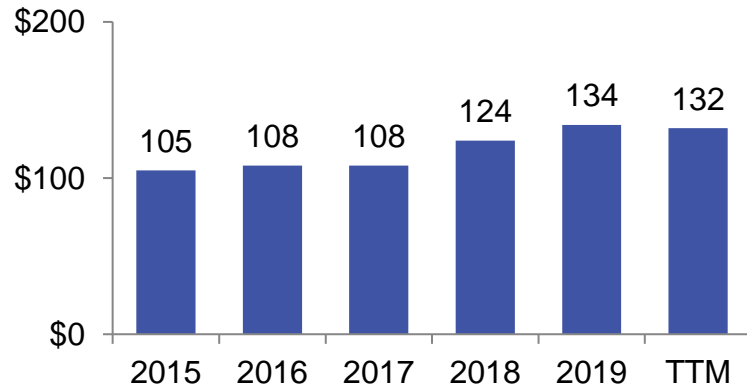
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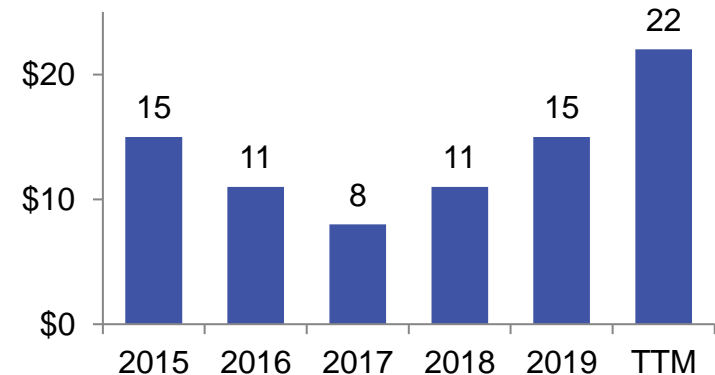
# Flexible Packaging Films

## Annual Historical Financials

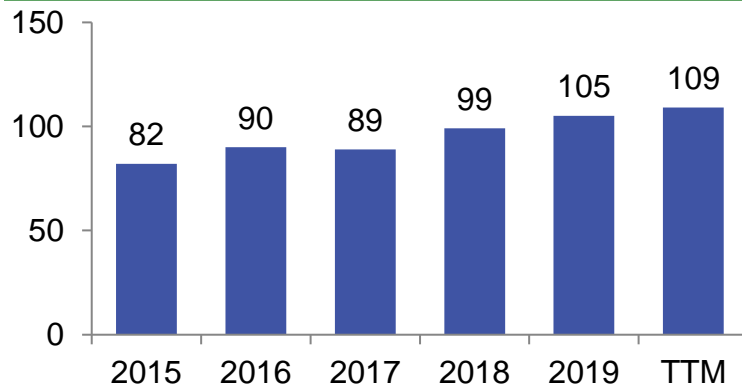
Net Sales<sup>1</sup> (\$ in millions)



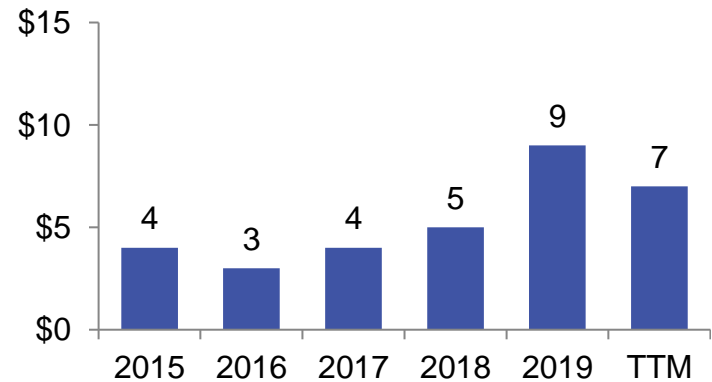
EBITDA from Ongoing Ops (\$ in millions)



Volume (lbs. in millions)



Capital Expenditures (\$ in millions)



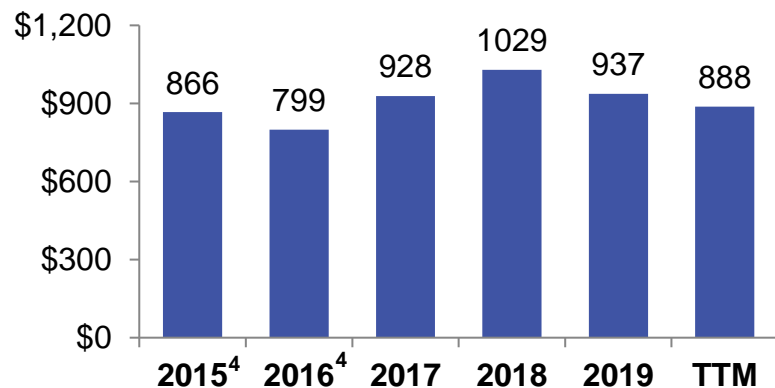
<sup>1</sup> Net sales represents gross sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level.



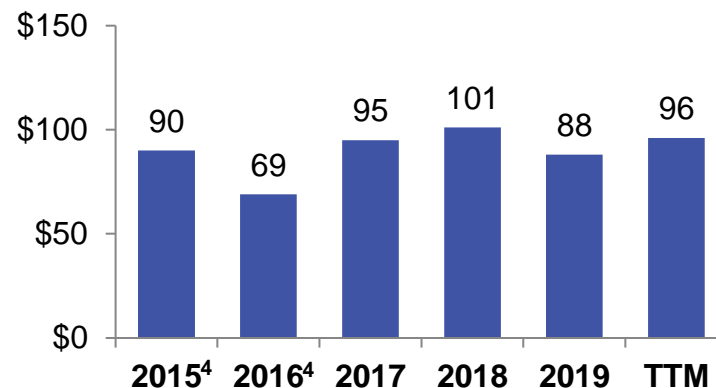
# Tredegar Corporation

## Annual Historical Financials

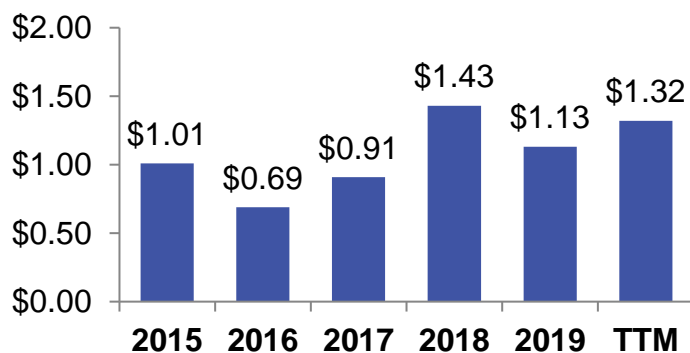
### Net Sales<sup>1</sup> (\$ in millions)



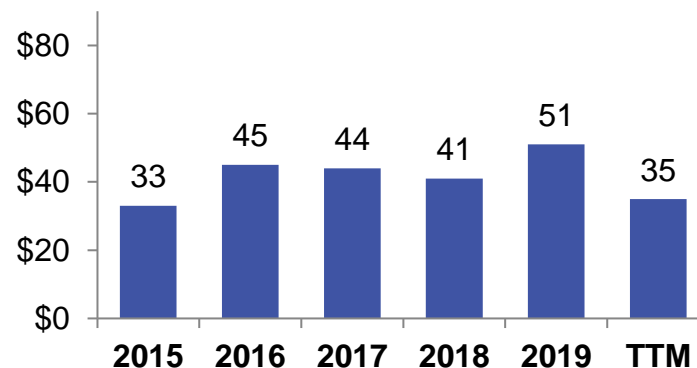
### Consolidated EBITDA from Ongoing Ops<sup>2</sup> (\$ in millions)



### 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.

<sup>4</sup> See PE Films Annual Historical Financials (pg.20) for additional information on impacts to adjusted EBITDA and net sales.

# Tredegar Corporation

## Capital Expenditures – History & Projections

(\$ in millions)						
	2015	2016	2017	2018	2019	2020 Projection <sup>2</sup>
Aluminum Extrusions	\$8.1	\$15.9	\$25.7	\$13.0	\$17.9	\$12
PE Films	21.2	25.8	15.0	22.0	23.9	13
Flexible Packaging	3.5	3.4	3.6	5.4	8.9	6
Corporate	-	0.4	0.1	0.4	0.2	-
<b>Total</b>	<b>\$32.8</b>	<b>\$45.5</b>	<b>\$44.4</b>	<b>\$40.8</b>	<b>\$50.9</b>	<b>\$31</b>
% Net Sales <sup>1</sup>	3.8%	5.7%	4.8%	4.0%	5.4%	

### 2020 Capital Expenditures Projections include:

- For Aluminum Extrusions: Initial investment for multi-year project to migrate to a single ERP system (\$2M which reflects a delay in activity because of COVID-19), Infrastructure upgrades at Newnan, GA and Carthage, TN facilities (\$2M)
- For PE Films: \$2M to complete a new scale-up line in Surface Protection to improve development and speed to market for new products; \$2M for other development projects
- For Flexible Packaging Films: New capacity for value-add products and productivity projects (\$1M)
- Capital expenditures to support continuity of current operations planned at approximately \$9M for Aluminum Extrusions, \$9M for PE Films, and \$5M for Flexible Packaging Films

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

# Tredegar Corporation

## Cash Flow

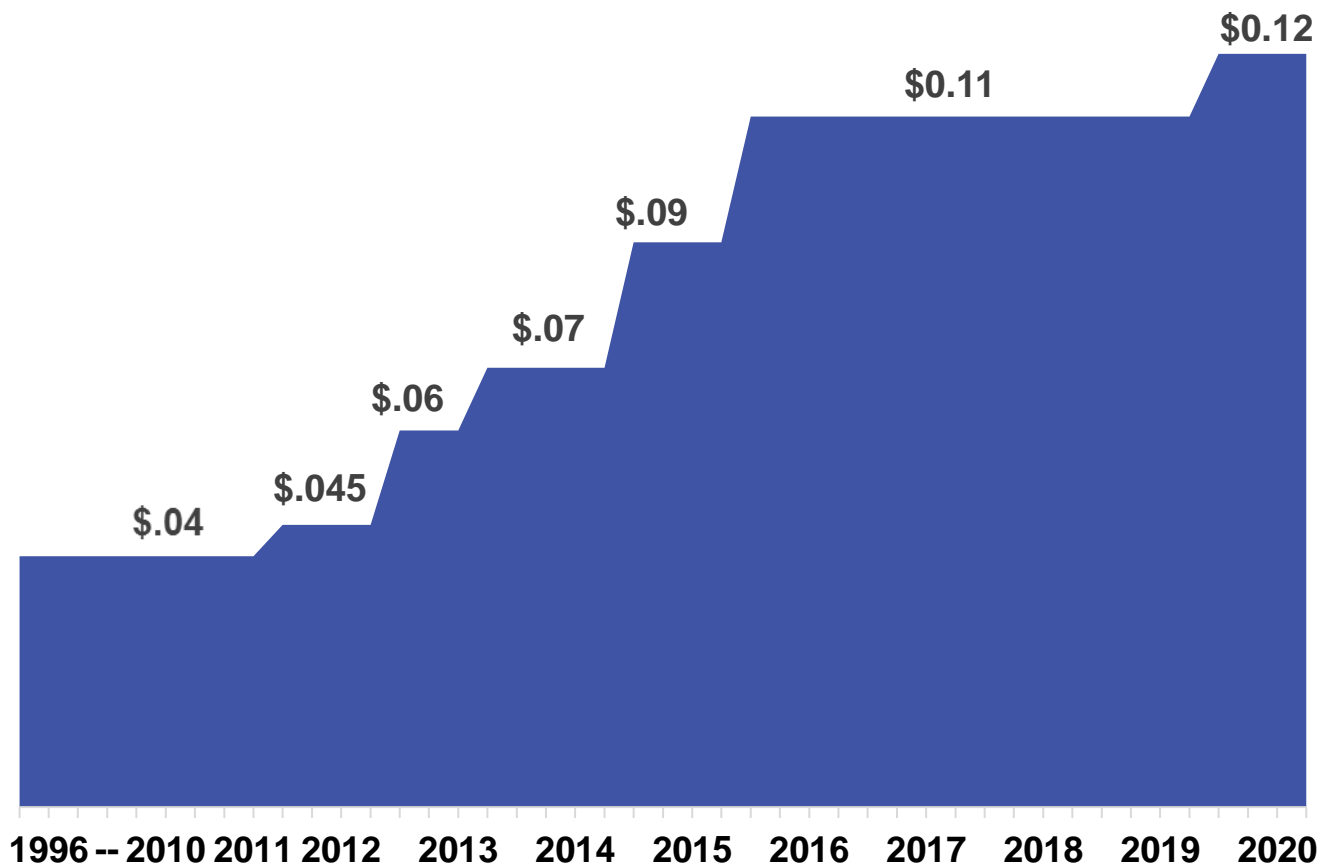


(\$ in millions)	2013	2014	2015	2016	2017	2018	2019
Cash Flows from Operations	\$77	\$51	\$74	\$49	\$88	\$98	\$116
Capital Expenditures	80	45	33	45	44	41	51
Free Cash Flow <sup>1</sup>	(3)	6	41	4	44	57	65
Dividends	9	11	14	14	15	15	15
Acquisitions	0	0	0	0	87	0	0

<sup>1</sup> Free cash flow represents cash flows from operations less capital expenditures.

# Tredegar Corporation

## Quarterly Cash Dividend History



Dividend increase of \$0.01/share per quarter declared on 8/2/2019.  
A special dividend of \$.75 per share was paid in 2012.



# GAAP to Non-GAAP Reconciliations

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# GAAP to Non-GAAP Reconciliations

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:**

1. 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 Q2 2019	QTD Q3 2019	QTD Q4 2019	QTD Q1 2020	QTD Q2 2020
Aluminum Extrusions	\$136.8	\$129.5	\$124.3	\$117.9	\$106.1
PE Films	69.2	69.8	67.0	71.3	71.0
Flexible Packaging Films	33.4	34.9	32.0	30.6	34.1
Net sales on a consolidated basis	<b>239.4</b>	<b>234.2</b>	<b>223.3</b>	<b>219.7</b>	<b>211.2</b>
Add back freight	8.9	9.0	9.2	8.6	7.5
Sales as shown in consolidated statements of income	<b>\$248.2</b>	<b>\$243.2</b>	<b>\$232.4</b>	<b>\$228.3</b>	<b>\$218.7</b>

(In millions)	2015	2016	2017	2018	2019	TTM 2020
Aluminum Extrusions	\$375.5	\$360.1	\$466.8	\$573.1	\$529.6	\$477.8
PE Films	385.6	331.1	352.5	332.5	272.8	279.1
Flexible Packaging Films	105.3	108.0	108.3	123.8	133.9	131.6
Net sales on a consolidated basis	<b>866.3</b>	<b>799.2</b>	<b>927.6</b>	<b>1,029.4</b>	<b>936.3</b>	<b>888.5</b>
Add back freight	29.8	29.1	33.7	36.0	36.1	34.2
Sales as shown in consolidated statements of income	<b>\$896.1</b>	<b>\$828.3</b>	<b>\$961.3</b>	<b>\$1,065.5</b>	<b>\$972.4</b>	<b>\$922.7</b>

# GAAP to Non-GAAP Reconciliations

Notes (continued):

Notes (continued):

2. Summary Financial Information

(in millions)	Years Ended December 31					TTM Ended
	2015	2016	2017	2018	2019	June 30, 2020
Income and expense relating to ongoing operations:						
Total EBITDA for segments (a)	\$ 118.7	\$ 97.6	\$ 122.2	\$ 127.7	\$ 118.2	\$ 127.2
Pension expense	(12.2)	(11.0)	(10.2)	(10.4)	(9.5)	(11.8)
Corporate expenses	(16.4)	(17.9)	(16.6)	(16.3)	(20.9)	(19.7)
Consolidated EBITDA from ongoing operations ("Consolidated EBITDA") (b)	90.1	68.7	95.4	101.0	87.8	95.7
Depreciation and amortization	(34.6)	(31.9)	(40.0)	(33.2)	(33.0)	(33.9)
Stock option-based compensation costs	(0.5)	(0.1)	(0.3)	(1.2)	(2.9)	(2.9)
Interest income	0.3	0.3	0.2	0.4	0.3	0.3
Interest expense	(3.5)	(3.8)	(6.2)	(5.7)	(4.1)	(2.7)
Income taxes	(18.7)	(10.5)	(19.0)	(14.0)	(10.5)	(12.6)
Net income from ongoing operations (b)	33.1	22.7	30.2	47.3	37.6	43.9
After-tax effects of special items:						
Gains (losses) associated with plant shutdowns, assets impairments & restructuring	(3.0)	(3.1)	(1.4)	(3.8)	1.3	2.9
Unrealized gain (loss) on investment in kaléo	(15.7)	1.2	24.0	23.9	8.5	(20.5)
Cash dividend received from investment in kaléo	-	-	-	-	14.9	-
Terphane asset impairment loss	-	-	(25.8)	-	-	-
Accelerated trade name amortization (2019) and goodwill impairment charges (2015, 2018 & 2020)	(44.5)	-	-	(38.2)	(7.8)	(18.2)
Other	(2.0)	3.7	11.3	(4.4)	(6.2)	(5.2)
Net income (loss) as reported under GAAP	\$ (32.1)	\$ 24.5	\$ 38.3	\$ 24.8	\$ 48.3	\$ 2.9

See footnotes on the next page.

# GAAP to Non-GAAP Reconciliations

## Notes (continued):

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### 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 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.

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 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 on page 21 of the 2020 Form 10-Q, 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):

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 income (loss) and earnings (loss) per share as reported under U.S. GAAP to determine Tredegar's presentation of net income and earnings per share from ongoing operations. Net income 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 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)

	2015	2016	2017	2018	2019	TTM 2020
Net income (loss) as reported under U.S. GAAP	\$ (32.1)	\$ 24.5	\$ 38.3	\$ 24.8	\$ 48.3	\$ 2.9
After tax effects of:						
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	3.0	3.1	1.4	3.8	(1.3)	(2.9)
(Gains) losses from sale of assets and other	17.7	(4.9)	(96.8)	(19.5)	(17.2)	25.7
Goodwill impairment charge (2015, 2018 & 2020) and accelerated trade name amortization (2019)	44.5	-	-	38.2	7.8	18.2
Terphane asset impairment loss	-	-	87.2	-	-	-
Net income from ongoing operations	\$ 33.1	\$ 22.7	\$ 30.1	\$ 47.3	\$ 37.6	\$ 43.9
Earnings (loss) per share under GAAP (diluted)	\$ (0.99)	\$ 0.75	\$ 1.16	\$ 0.75	\$ 1.45	\$ 0.09
After tax effects of:						
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	0.09	0.09	0.04	0.12	(0.04)	(0.09)
(Gains) losses from sale of assets and other	0.54	(0.15)	(2.94)	(0.59)	(0.51)	0.78
Goodwill impairment charge (2015, 2018 & 2020) and accelerated trade name amortization (2019)	1.37	-	-	1.15	0.23	0.55
Terphane asset impairment loss	-	-	2.65	-	-	-
Earnings per share from ongoing operations (diluted)	\$ 1.01	\$ 0.69	\$ 0.91	\$ 1.43	\$ 1.13	\$ 1.33

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	
Net income (loss) as reported under U.S. GAAP	\$ 14.5	\$ 17.1	\$ (3.1)	\$ (22.3)	\$ 11.2	
After tax effects of:						
(Gains) losses associated with plant shutdowns, asset impairments and restructurings		1.1	(4.2)	0.9	0.4	-
(Gains) losses from sale of assets and other		(3.9)	(3.5)	3.6	22.7	2.9
Trade name accelerated amortization		-	1.9	5.8	-	-
Goodwill impairment		-	-	-	10.5	-
Net income from ongoing operations	\$ 11.7	\$ 11.4	\$ 7.2	\$ 11.3	\$ 14.1	
Earnings (loss) per share under GAAP (diluted)	\$ 0.44	\$ 0.51	\$ (0.09)	\$ (0.67)	\$ 0.33	
After tax effects of:						
(Gains) losses associated with plant shutdowns, asset impairments and restructurings		0.03	(0.13)	0.03	0.01	-
(Gains) losses from sale of assets and other		(0.12)	(0.10)	0.11	0.68	0.09
Trade name accelerated amortization		-	0.06	0.17	-	-
Goodwill impairment		-	-	-	0.32	-
Earnings per share from ongoing operations (diluted)	\$ 0.35	\$ 0.34	\$ 0.22	\$ 0.34	\$ 0.42	

# GAAP to Non-GAAP Reconciliations

Notes (continued):

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Notes (continued):

5. Net debt (cash) 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)	June 30, 2020
Debt	\$ 34.0
Less: Cash and cash equivalents	(39.9)
Net debt (cash)	\$ (5.9)