

Tredegar Corporation

Five-year Summary

(In Thousands, Except Per-Share Data)

(Presented on a continuing operations basis - unaudited)

	Year Ended December 31				
	2022	2021	2020	2019	2018
Results of Operations:					
Sales	\$ 938,564	\$ 826,455	\$ 755,290	\$ 826,324	\$ 851,834
Other income (expense), net (a)(c)	935	20,376	(67,294)	28,371	30,455
Total	939,499	846,831	687,996	854,695	882,289
Costs of goods sold (a)	764,042	649,690	558,967	641,140	679,665
Freight	34,982	28,232	25,686	28,980	27,170
Selling, general & administrative (a)	78,790	74,964	84,246	76,598	67,929
Research and development	6,214	6,347	8,398	7,893	6,672
Amortization of identifiable intangibles (g)(n)	2,520	1,704	3,017	13,601	3,976
Pension and postretirement benefits	14,569	14,160	14,720	9,642	10,406
Interest expense	4,990	3,386	2,587	4,051	5,702
Asset impairments and costs associated with exit and disposal activities, net of adjustments (a)	622	1,127	1,725	784	398
Goodwill impairment (b)	-	-	13,696	-	-
Total	906,729	779,610	713,042	782,689	801,918
Income (loss) from continuing operations income taxes	32,770	67,221	(25,046)	72,006	80,371
Income tax expense (benefits)	4,389	9,284	(8,213)	13,545	18,807
Income (loss) from continuing operations	28,381	57,937	(16,833)	58,461	61,564
Income (loss) from discontinued operations, net of tax	74	(111)	(58,611)	(10,202)	(36,722)
Net income (loss)	\$ 28,455	\$ 57,826	\$ (75,444)	\$ 48,259	\$ 24,842
Diluted earnings (loss) per share:					
Continuing operations	\$ 0.84	\$ 1.72	\$ (0.51)	\$ 1.76	\$ 1.86
Discontinued operations	-	-	(1.75)	(0.31)	(1.11)
Diluted earnings (loss) per share	0.84	1.72	(2.26)	1.45	0.75

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	Year Ended December 31				
	2022	2021	2020	2019	2018
Share Data:					
Equity per share (j)	\$ 5.93	\$ 5.48	\$ 3.26	\$ 11.29	\$ 10.70
Cash dividends declared per share (k)	\$ 0.50	\$ 0.48	\$ 6.45	\$ 0.46	\$ 0.44
Weighted average common shares outstanding during the period	33,806	33,563	33,402	33,236	33,068
Shares used to compute diluted earnings (loss) per share during the period	33,826	33,670	33,402	33,258	33,092
Shares outstanding during the period	34,001	33,737	33,457	33,365	33,176
Closing market price per share:					
High	\$ 12.87	\$ 18.32	\$ 22.32	\$ 23.31	\$ 26.25
Low	\$ 9.44	\$ 10.99	\$ 11.32	\$ 15.59	\$ 15.00
End of year	\$ 10.22	\$ 11.82	\$ 16.70	\$ 22.35	\$ 15.86
Total return to shareholders (k)(l)	-9.3%	-26.3%	3.6%	43.8%	-15.1%

	Year Ended December 31				
	2022	2021	2020	2019	2018
Financial Position:					
Total assets	\$ 542,093	\$ 523,584	\$ 514,870	\$ 712,668	\$ 707,373
Cash and cash equivalents	\$ 19,232	\$ 30,521	\$ 11,846	\$ 31,422	\$ 34,397
Debt	\$ 137,000	\$ 73,000	\$ 134,000	\$ 42,000	\$ 101,500
Shareholders' equity	\$ 201,762	\$ 184,722	\$ 109,055	\$ 376,749	\$ 354,857
Equity market capitalization (m)	\$ 347,487	\$ 398,767	\$ 558,735	\$ 745,709	\$ 526,172

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	Year Ended December 31				
	2022	2021	2020	2019	2018
Net sales (d):					
Aluminum Extrusions	\$ 637,872	\$ 539,325	\$ 455,711	\$ 529,602	\$ 573,126
PE Films	97,571	118,920	139,288	133,807	127,708
Flexible Packaging Films	168,139	139,978	134,605	133,935	123,830
Total net sales	903,582	798,223	729,604	797,344	824,664
Add back freight	34,982	28,232	25,686	28,980	27,170
Sales as shown in Consolidated Statements of Income	\$ 938,564	\$ 826,455	\$ 755,290	\$ 826,324	\$ 851,834

	Year Ended December 31				
	2022	2021	2020	2019	2018
Identifiable Assets					
Aluminum Extrusions	\$ 293,308	\$ 280,521	\$ 244,560	\$ 265,027	\$ 281,372
PE Films	102,431	113,613	119,013	124,269	118,496
Flexible Packaging Films	103,448	75,269	66,453	74,016	58,964
Subtotal	499,187	469,403	430,026	463,312	458,832
General corporate	23,674	23,482	71,508	109,655	99,570
Cash and cash equivalents	19,232	30,521	11,846	31,422	34,397
Discontinued operations	-	178	1,490	108,279	114,574
Total	\$ 542,093	\$ 523,584	\$ 514,870	\$ 712,668	\$ 707,373

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(In Thousands, Except Per-Share Data)

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	Year Ended December 31				
	2022	2021	2020	2019	2018
EBITDA from ongoing operations: (e)					
Aluminum Extrusions:					
Ongoing operations:					
EBITDA	\$ 66,800	\$ 55,948	\$ 55,137	\$ 65,683	\$ 65,479
Depreciation and amortization (n)(g)	(17,414)	(16,272)	(17,403)	(16,719)	(16,866)
EBIT (f)	49,386	39,676	37,734	48,964	48,613
Plant shutdowns, asset impairments, restructurings and other (a)	(310)	3,237	(3,506)	(561)	(505)
Goodwill Impairment charge (b)	-	-	(13,696)	-	-
Trade name accelerated amortization (g)	-	-	-	(10,040)	-
PE Films:					
Ongoing operations:					
EBITDA	11,949	27,694	45,107	41,133	32,404
Depreciation and amortization	(6,280)	(6,263)	(6,762)	(5,860)	(6,201)
EBIT (f)	5,669	21,431	38,345	35,273	26,203
Plant shutdowns, asset impairments, restructurings and other (a)	(646)	(371)	(1,974)	(733)	(186)
Flexible Packaging Films:					
Ongoing operations:					
EBITDA	27,452	31,684	30,645	14,737	11,154
Depreciation and amortization	(2,444)	(1,988)	(1,761)	(1,517)	(1,262)
EBIT (f)	25,008	29,696	28,884	13,220	9,892
Plant shutdowns, asset impairments, restructurings and other (a)	(91)	8,439	(18)	-	(45)
Total	79,016	102,108	85,769	86,123	83,972
Interest income	57	73	44	66	146
Interest expense	4,990	3,386	2,587	4,051	5,702
Gain (loss) on investment in kaléo (c)	1,406	12,780	(60,900)	28,482	30,600
Loss on sale of Bright View (h)	-	-	(2,299)	-	-
Loss on sale of investment property	-	-	-	-	(38)
Unrealized loss on investment property	-	-	-	-	(186)
Stock option-based compensation expense	1,424	2,495	2,161	4,132	1,156
Corporate expenses, net (a)(i)	41,295	41,859	42,912	34,482	27,265
Income (loss) from continuing operations before income taxes	32,770	67,221	(25,046)	72,006	80,371
Income taxes (benefit)	4,389	9,284	(8,213)	13,545	18,807
Income (loss) from continuing operations	28,381	57,937	(16,833)	58,461	61,564
Income (loss) from discontinued operations	74	(111)	(58,611)	(10,202)	(36,722)
Net income (loss)	\$ 28,455	\$ 57,826	\$ (75,444)	\$ 48,259	\$ 24,842

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	Year Ended December 31				
	2022	2021	2020	2019	2018
Depreciation and Amortization:					
Aluminum Extrusions (n)	\$ 17,414	\$ 15,326	\$ 17,403	\$ 26,759	\$ 16,866
PE Films	6,280	6,263	6,762	5,860	6,201
Flexible Packaging Films	2,444	1,988	1,761	1,517	1,262
Subtotal	26,138	23,577	25,926	34,136	24,329
General corporate (i)	264	207	520	186	163
Discontinued operations	-	-	5,511	9,962	9,312
Total	\$ 26,402	\$ 23,784	\$ 31,957	\$ 44,284	\$ 33,804

	Year Ended December 31				
	2022	2021	2020	2019	2018
Capital Expenditures					
Aluminum Extrusions	\$ 23,664	\$ 18,914	\$ 10,260	\$ 17,855	\$ 12,966
PE Films	3,289	2,997	6,024	8,567	2,523
Flexible Packaging Films	8,151	5,603	4,959	8,866	5,423
Subtotal	35,104	27,514	21,243	35,288	20,912
General corporate	1,771	(153)	200	223	427
Discontinued operations	-	-	1,912	15,353	19,475
Total	\$ 36,875	\$ 27,361	\$ 23,355	\$ 50,864	\$ 40,814

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- (a) For a description of plant shutdowns, asset impairments, restructurings and other changes for 2022 and 2021, see the plant shutdowns, asset impairments, restructurings and other tables for the respective periods in *Results of Operations* in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022. For a description of these items for 2020, 2019 and 2018, see the plant shutdowns, asset impairments, restructurings and other tables for the respective periods in *Results of Operations* in Items 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020.
- (b) Results for 2020 include a goodwill impairment charge of \$13.7 million (\$10.5 million after taxes) recognized in Bonnell Aluminum in the first quarter of 2020 upon completion of an impairment analysis performed as of March 31, 2020.
- (c) The gains and losses on the Company's investment in kaléo are included in "Other income (expense), net" in the consolidated statements of income. For 2022, 2021 and 2020, see Note 9 to the Consolidated Financial Statements in Item 15 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022 for more details. For 2019 and 2018, see Note 3 to the Consolidated Financial Statements in Item 15 of the Company's Annual Report on Form 10-K for the year ended December 31, 2019 for more details.
- (d) 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.
- (e) In the fourth quarter of 2019, the Company changed its segment measure of profit and loss from operating profit from ongoing operations to EBITDA (earnings before interest, taxes, depreciation and amortization) from ongoing operations. EBITDA from ongoing operations is the key profitability metric used by the Company's chief operating decision maker to assess segment financial performance. See Note 13 to the Consolidated Financial Statements in Item 15 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022 for more information.
- (f) 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. Tredegar believes that EBIT is a widely understood and utilized metric that is meaningful to certain investors and 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.
- (g) Depreciation and Amortization in 2019 for Aluminum Extrusions excludes \$10.0 million for accelerated amortization of trade names as a result of a rebranding initiative.
- (h) In December 2020, the Company entered into a definitive agreement and completed the sale of Bright View Technologies. See Note 15 to the consolidated Financial Statements in Item 15 of the 2021 Form 10-K for more details.
- (i) Corporate depreciation and amortization is included in Corporate expenses, net, on the EBITDA from ongoing operations table above.
- (j) Equity per share is computed by dividing shareholders' equity at year end by the shares outstanding at year end.
- (k) On December 1, 2020, the Board of Directors declared a special cash dividend of \$200 million or \$5.97 per share on the Company's common stock. The special cash dividend was payable on December 18, 2020 to shareholders of record at the close of business on December 11, 2020.

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- (l) Total return to shareholders is defined as the change in stock price during the year plus dividends per share, divided by the stock price at the beginning of the year.
- (m) Equity market capitalization is the closing market price per share for the period multiplied by the shares outstanding at the end of the period.
- (n) During the fourth quarter of 2021, the Company recorded an out-of-period adjustment in connection with the original valuation of intangible assets and goodwill related to the acquisition of Futura in February 2017. This adjustment resulted in a reclassification of \$2.9 million from acquired customer relationship intangible assets to goodwill and a \$0.9 million decrease to accumulated amortization and amortization expense as of and for the year ended December 31, 2021.