



2023 First Quarter Financial Results

May 17, 2023

Forward-Looking Statements

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, 2022, in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, 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 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

2023 First Quarter Financial Results



(in millions, except per share data)	1Q 2023	1Q 2022
Net Sales ¹	\$185.1	\$228.5
Net Income from Ongoing Operations ²	\$2.5	\$16.8
Diluted EPS from Ongoing Operations ²	\$0.07	\$0.50

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

² See Note 4 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

“Our businesses and markets continue to suffer from a significant slowdown that has been exacerbated by customer inventory corrections, which has resulted in excessive inventory levels for us, too. The timing of a recovery is uncertain, especially for Bonnell Aluminum and the Surface Protection component of PE Films.”

“The combination of excessive inventories and decline in sales and EBITDA from ongoing operations resulted in negative cash flow from operations after capital expenditures and dividends in each of the last three quarters, driving up our debt net of cash and net leverage ratio. In addition, we expect to make a final payment of approximately \$28 million to settle the pension plan in the fourth quarter of this year. We are very focused on reducing our inventories and working capital to normal operating levels and managing costs and capital spending during this downturn. However, if a recovery in our businesses and markets doesn’t occur early in the third quarter and we are unable to get our working capital to normal operating levels, we may also need to take action to reduce or suspend our current quarterly dividend of 13 cents per share as an additional measure to help control our financial leverage.” **John Steitz, CEO and President (First Quarter 2023 Earnings Release)**

Aluminum Extrusions (Bonnell Aluminum)

2023 First Quarter Results

First Quarter Performance

(in millions)	1Q 23	1Q 22	▲
Volume (lbs.)	37.6	43.0	(13)%
Net Sales ¹	\$133.4	\$158.1	(16)%
<i>Ongoing Operations:</i>			
EBITDA	\$14.6	\$23.9	(39)%
Less: D&A	<u>(4.4)</u>	<u>(4.3)</u>	
EBIT ²	\$10.2	\$19.6	(48)%

Other Highlights

- The Company has observed slowing order input and order cancellations as customers continue to report high inventory levels. With a reduced level of incoming orders, overall open orders at the end of the first quarter of 2023 were 27 million pounds, which is at the high end of the pre-pandemic range of 21 to 27 million pounds quarterly in 2019, versus 41 million pounds at the end of the fourth quarter of 2022.
- Aluminum Extrusions has secured supply sources to meet expected needs for aluminum raw materials in 2023. Refer to Item 3. Quantitative and Qualitative Disclosures About Market Risk in the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2023 ("First Quarter Form 10-Q") for additional information on aluminum price trends.

First Quarter Financial Highlights

EBITDA from ongoing operations in the first quarter of 2023 decreased \$9.3 million versus the first quarter of 2022 primarily due to:

- Lower volume (\$4.2 million), higher labor and employee-related costs (\$1.7 million) and lower labor productivity (\$0.5 million); higher supply expense, including higher paint expense associated with a shift to more painted product and inflationary costs for other supplies (\$2.1 million); higher utility costs (\$0.5 million); higher freight rates (\$0.7 million); and increased selling, general and administrative ("SG&A") expenses (\$0.8 million), partially offset by higher pricing (\$6.6 million); and
- The timing of the flow-through under the first-in first-out method of aluminum raw material costs passed through to customers, previously acquired at lower prices in a quickly changing commodity pricing environment, resulted in a benefit of \$1.7 million in the first quarter of 2023 versus a benefit of \$7.1 million in the first quarter of 2022.

PE Films (Surface Protection, Polyethylene Overwrap and Packaging Films & Polypropylene Films for Other Markets)

2023 First Quarter Results

First Quarter Performance

(in millions)	1Q 23	1Q 22	▲
Volume (lbs.)	7.4	10.6	(30)%
Net Sales ¹	\$20.2	\$31.1	(35)%
<i>Ongoing Operations:</i>			
EBITDA	\$1.8	\$7.0	(74)%
Less: D&A	<u>(1.6)</u>	<u>(1.6)</u>	
EBIT ²	\$0.2	\$5.4	(96)%

Other Highlights

- Surface Protection sales continue to be adversely impacted by weak market demand which began in the third quarter of last year. Consumer demand for electronics has significantly softened, causing manufacturers in the supply chain to experience reduced capacity utilization and inventory corrections. In addition, these market conditions are adversely impacting mix through reduced sales to our highest value-added customers.

First Quarter Financial Highlights

EBITDA from ongoing operations in the first quarter of 2023 decreased \$5.2 million versus the first quarter of 2022, primarily due to:

- A \$4.9 million decrease from Surface Protection:
 - Lower contribution margin for non-transitioning products associated with a market slowdown and customer inventory corrections (\$4.1 million) and for previously disclosed customer product transitions (\$0.7 million), partially offset by lower SG&A and other employee-related expenses (\$0.6 million); and
 - The pass-through lag associated with resin costs (\$0.1 million charge in the first quarter of 2023 versus a benefit of \$0.5 million in the first quarter of 2022).
- A \$0.3 million decrease from overwrap films primarily due to the pass-through lag associated with resin costs (a charge of \$0.1 million in the first quarter of 2023 versus a benefit of \$0.3 million in the first quarter of 2022) and lower volume (\$0.1 million), partially offset by lower fixed costs (\$0.2 million).

PE Films

Customer Product Transitions in Surface Protection

The Surface Protection component of PE Films supports manufacturers of optical and other specialty substrates used in flat panel display products. These films are primarily used by customers to protect components of displays in the manufacturing and transportation processes and then discarded.

The Company previously reported the risk that a portion of its film products used in surface protection applications would be made obsolete by customer product transitions, which principally relate to one customer, to less costly alternative processes or materials. The Company estimates that these transitions, which were complete as of the second quarter of 2022, resulted in a total decline of \$7 million in pre-tax income as reported under GAAP and EBITDA from ongoing operations during 2022 versus 2021.

Flexible Packaging Films (Terphane)

2023 First Quarter Results

First Quarter Performance

(in millions)	1Q 23	1Q 22	▲
Volume (lbs.)	19.8	26.0	(24)%
Net Sales ¹	\$31.5	\$39.2	(20)%

Ongoing Operations:

EBITDA	\$1.4	\$5.0	(73)%
Less: D&A	<u>(0.7)</u>	<u>(0.5)</u>	
EBIT ²	\$0.7	\$4.5	(86)%

First Quarter Financial Highlights

EBITDA from ongoing operations in the first quarter of 2023 decreased by \$3.7 million versus the first quarter of 2022, primarily due to:

- Lower sales volume (\$3.1 million), higher fixed (\$0.9 million) and variable (\$0.6 million) costs, partially offset by favorable product mix (\$0.4 million), lower raw material costs (\$0.2 million), and lower SG&A expenses (\$0.1 million);
- Net unfavorable foreign currency translation of Real-denominated operating costs (\$0.5 million); and
- Partially offset by foreign currency transaction losses (\$0.1 million) in the first quarter of 2023 compared to foreign currency transaction losses (\$0.9 million) in the first quarter of 2022.

Other Highlights

- Net sales in the first quarter of 2023 decreased 19.7% compared to the first quarter of 2022, primarily due to lower sales volume, partially offset by favorable product mix and higher selling prices from the pass-through of higher resin costs.
- The Company believes that lower sales volume was primarily due to soft market demand, which is projected to improve from existing levels for the remainder of the year.

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

² See Note 3 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

Tredegar Corporation

2023 Year-to-Date Financial Highlights

(\$ in millions)

Cash Flows used in Operations	\$(9.1)
Capital Expenditures	\$9.0
Dividends Paid	\$4.4
Net Debt (Cash)¹	\$140.0
Net leverage ratio²	2.09x

1. As of 3/31/2023. See Note 5 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

2. Defined under Tredegar's credit agreement. See Tredegar's Form 10-Q for the year ended March 31, 2023 (page 27) for more information on this non-GAAP financial measure.



Appendix

Major Product Groups	Primary End Markets	Customers	Competitors
<p><u>Aluminum Extrusions</u> Custom designed, fabricated and finished aluminum extrusions; value-added service options include fabricating, machining, anodizing, painting and thermal enhancements for key segments of:</p> <ul style="list-style-type: none"> • Building and Construction • Automotive • Specialty Markets (includes consumer durables, machinery and equipment, electrical, distribution) 	<p>Building and Construction: commercial windows & doors, curtain walls, storefronts & entrances, automatic entry doors, walkway covers, ducts, louvers and vents, office wall panels, partitions and interior enclosures, acoustical walls & ceilings, point of purchase displays, pre-engineered structures, residential windows and doors, shower & tub enclosures, railing & support systems, venetian blinds, swimming pools and flooring trims (Futura Transitions by Bonnell Aluminum®)</p> <p>Automotive/Transportation: Automotive and light truck structural components, battery enclosures for electric vehicles, after-market automotive accessories, heavy truck grills, travel trailers and recreation vehicles</p> <p>Specialty Markets: Furniture, appliances, pleasure boats, commercial refrigerators and freezers, sporting goods, material handling equipment, conveyor systems, medical equipment, solar panel brackets, lighting fixtures, electronic apparatus, electrical apparatus, industrial fans and aluminum framing systems (TSLOTS by Bonnell Aluminum®)</p>	<p>Glazing contractors and fabricators</p> <p>Floor covering distributor network (Futura Transitions)</p> <p>Tier I and II suppliers to Automotive OEMs</p> <p>Various industrial manufacturers, OEMs, metal service centers</p>	<p>Hydro Extrusions North America, Kaiser Aluminum, Pennex Aluminum, Magnode (a Shape Corp Company), Sierra Aluminum, Western Extrusions Corp, Keymark Aluminum Corp.</p>
<p><u>PE Films</u> Surface Protection: Single and multilayer surface protection films for high technology applications during the manufacturing and transportation process</p>	<p>High-value components of flat panel and flexible displays, including liquid crystal display (“LCD”) and Organic Light Emitting Diodes (“OLED”) displays; used in televisions, monitors, notebooks, smartphones, tablets, automotive displays, semiconductors, and digital signage during the manufacturing and transportation process</p>	<p>Major manufacturers of flat panel and flexible display components and materials suppliers for advanced semiconductor packaging</p>	<p>Toray, Sekisui, Hanjin, Ihlshin</p>
<p><u>Flexible Packaging Films</u> Specialized polyester (“PET”) films for use in packaging and industrial applications to provide maximum protection with the least utilization of resources due to extremely lightweight films</p>	<p>Perishable and non-perishable food packaging; personal care, hygiene and cleaning packaging and industrial applications. Film applications that enhance product appeal at point of sale and offer convenience with easy opening, tamper-evident sealing, resealing, anti-fogging and high barrier.</p>	<p>Food and consumer goods packaging producers, 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



North America - PE Films

Pottsville, PA
Richmond, VA

Bonnell

Carthage, TN
Clearfield, UT
Elkhart, IN
Newnan, GA
Niles, MI

Terphane

Sao Paulo, Brazil
Cabo de Santo Agostinho, Brazil
Bloomfield, NY

Asia - PE Films

Guangzhou, China

Tredegar at a Glance

Business Strengths

Aluminum Extrusions

- Industry-leading position in non-residential building and construction and value-added OEM components in North American extrusions market
- Market-focused manufacturing operations (including aluminum log casting capabilities) and world-class capabilities in extrusion and finishing services (fabrication, painting, anodizing, thermal enhancement) throughout five U.S. facilities

PE Films

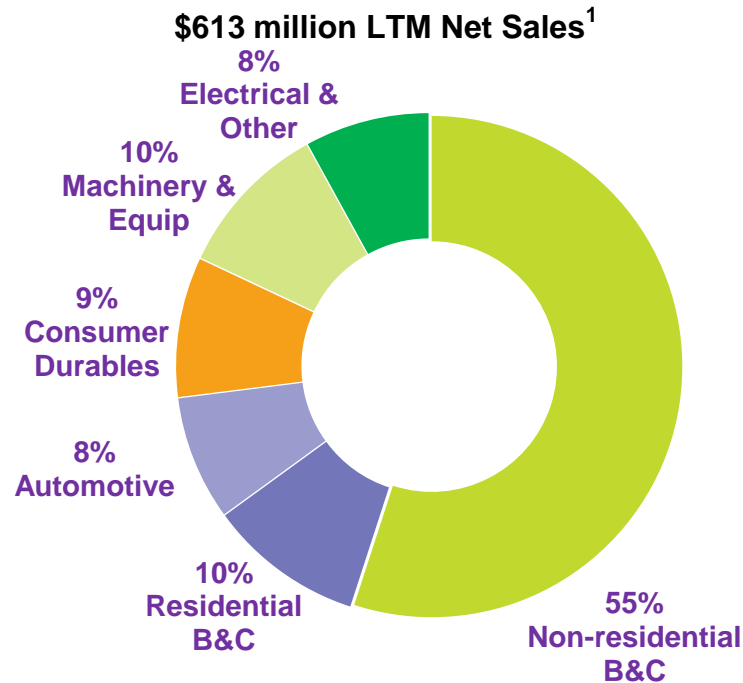
- Global technology and quality leader of highly specialized films which protect extremely sensitive surfaces of critical components of optical displays and engineered surfaces; key component of display industry supply chain
- Positive market trends, including proliferation of “Internet of Things (IOT),” requiring more displays and semiconductors and shifting dynamics of the workforce driving growth in key 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 excellent 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, 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

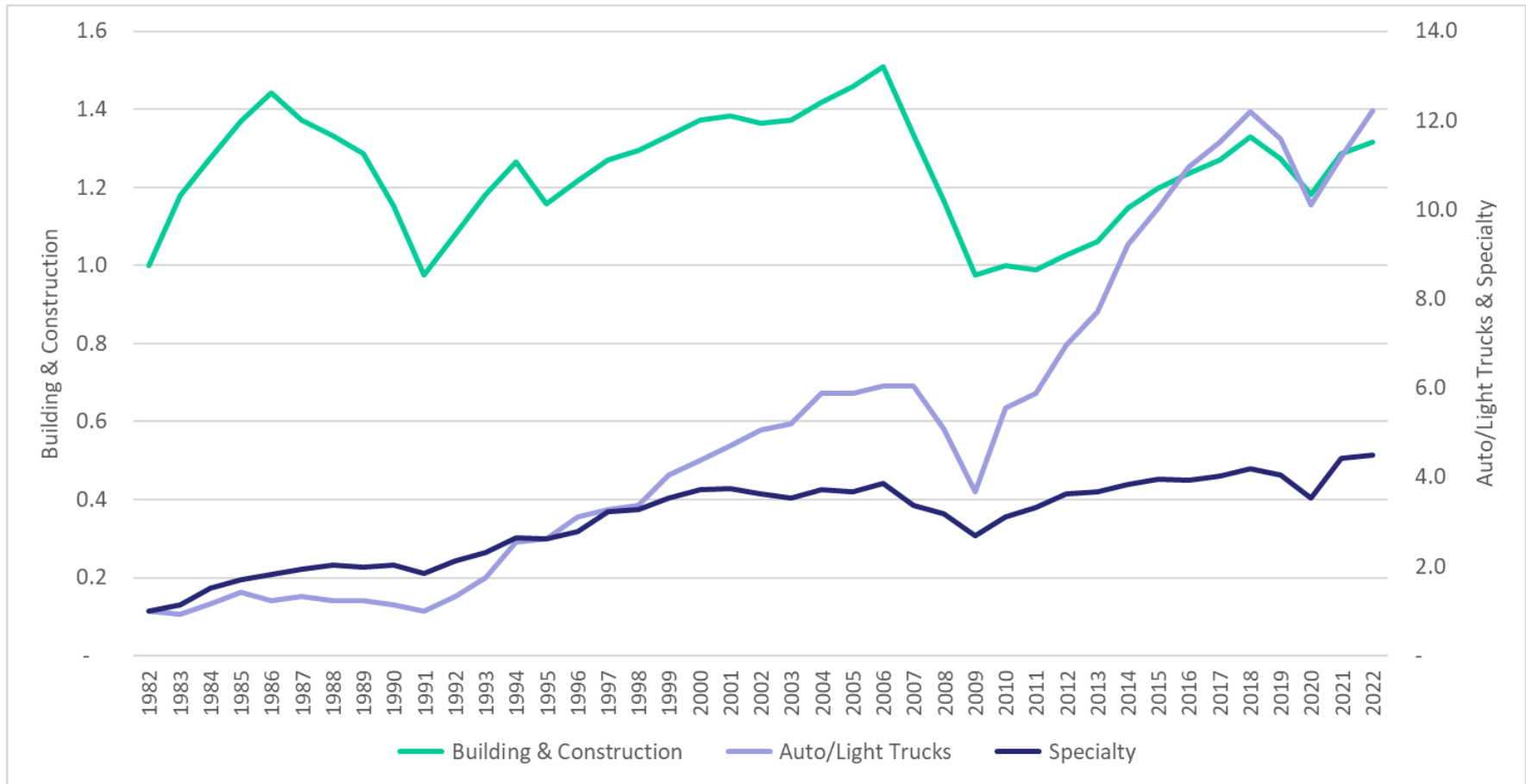
Primary End Use Markets

- Curtain wall, storefronts and entrances, doors, windows, wall panels, flooring trims (Futura Transitions by Bonnell Aluminum®) and other building components
- Automobile and light truck structural components, crash management systems, truck grills
- Furniture, appliances, pleasure craft, medical equipment, solar panel brackets, lighting fixtures, electronic apparatus, modular framing (TSLOTS by Bonnell Aluminum®)

¹ 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

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



Note: Index computations based on Aluminum Association data (1982=1.0) through 2022. Specialty includes aluminum extrusions sold to consumer durables, electrical and machinery markets.

Aluminum Extrusions

Key Markets - B&C/Automotive/Specialty



Aluminum Extrusions

Automotive Aluminum Extrusion Applications

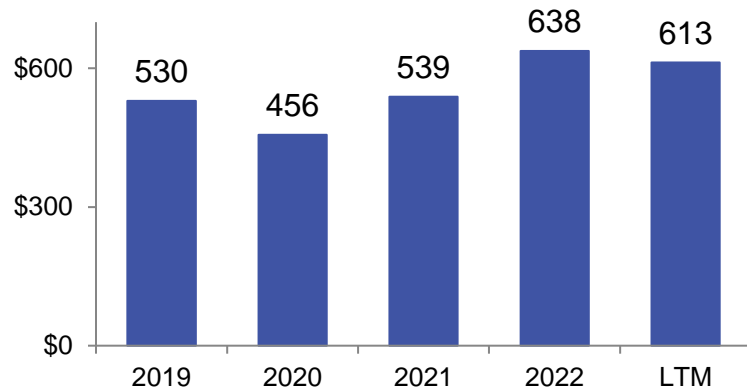
- Crash management systems
– beams and mounting plates, crush cans
- Roof rails
- Electrical battery trays
- Air conditioner tube connectors



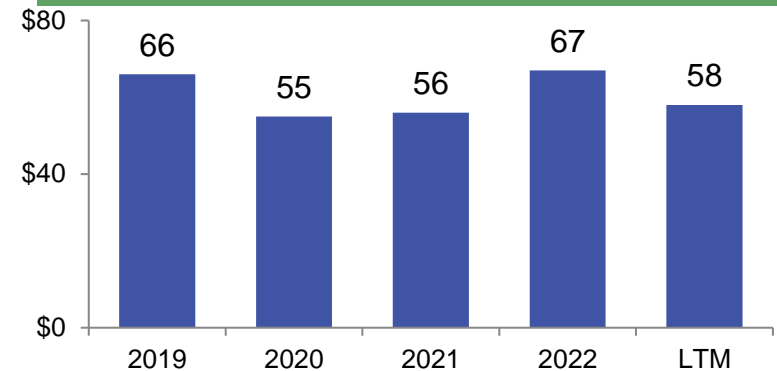
Aluminum Extrusions

Annual Historical Financials

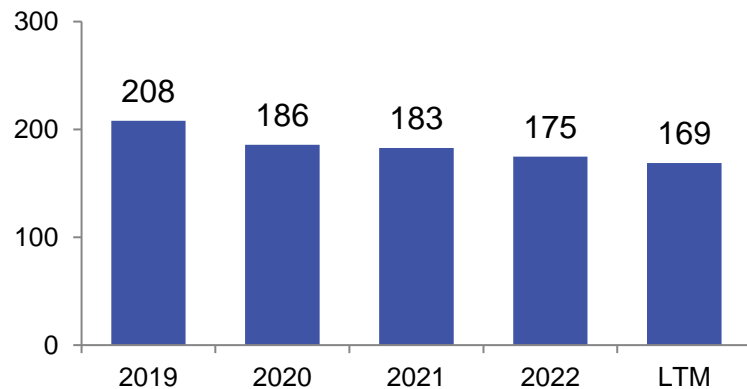
Net Sales¹ (\$ in millions)



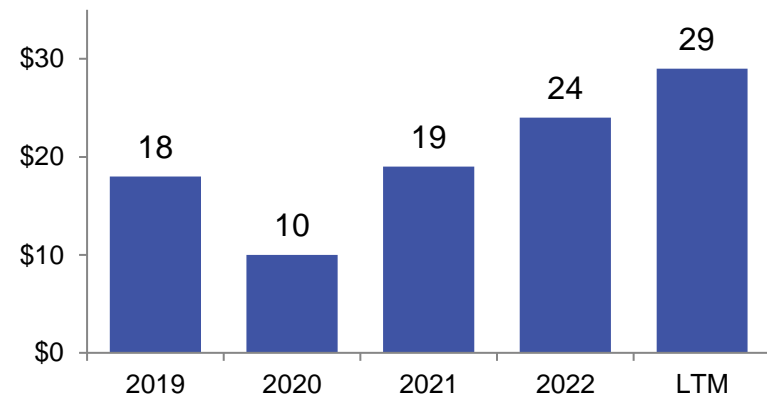
EBITDA from Ongoing Ops (\$ in millions)



Volume (lbs. in millions)



Capital Expenditures (\$ in millions)

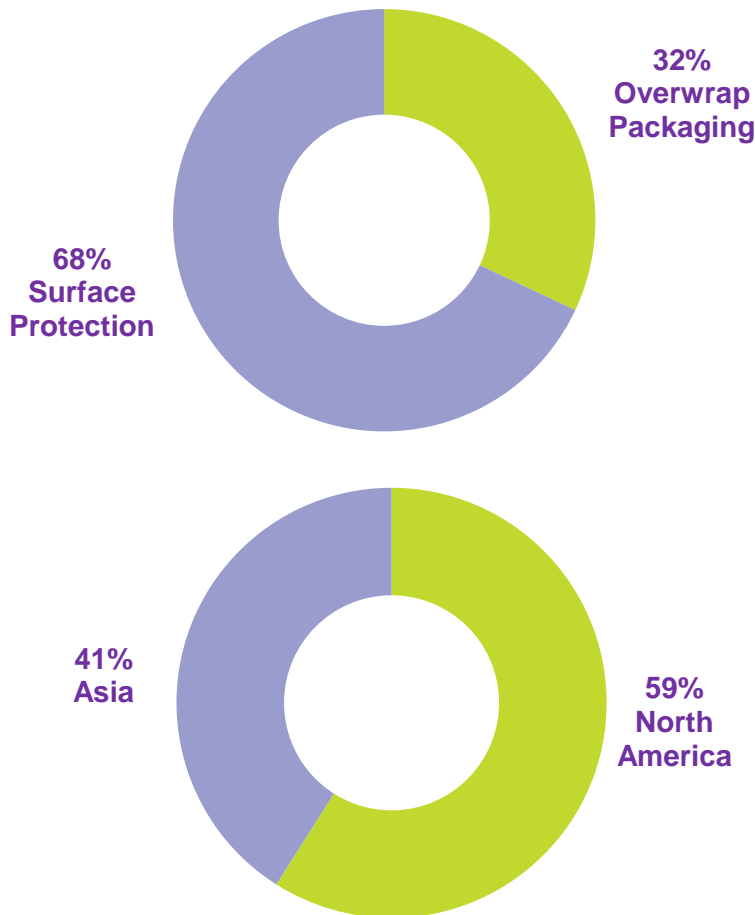


¹ Net sales represents gross sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level.

PE Films

Business Profile

\$87 million LTM Net Sales¹



Key Growth Drivers

- “Internet of Things” leading to greater connectivity and more displays and semiconductors
- Thinner devices with increasing resolution and larger screen size
- Demographic and workplace trends shifting to greater tele-/video communications

Customers

- Major manufacturers of flat panel and flexible display components & specialty plastic substrates and materials suppliers for advanced semiconductor packaging
- Global and regional leaders in LCD, LED, OLED and QLED and display glass-based applications

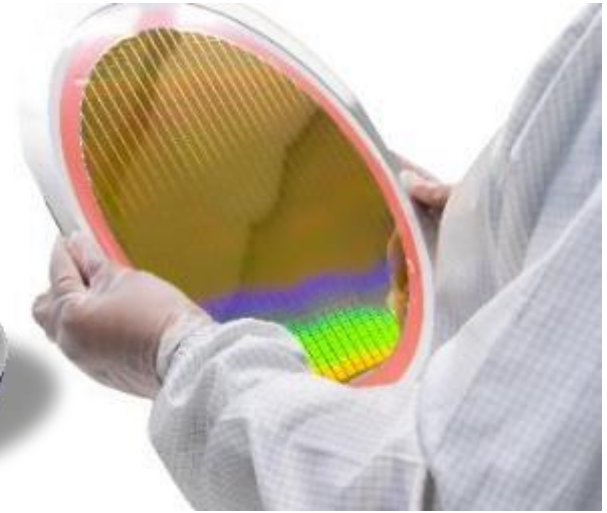
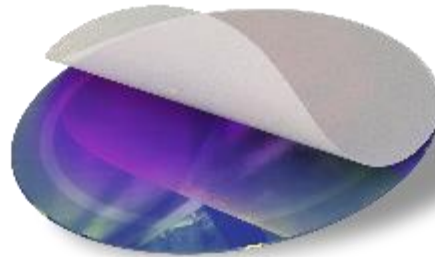
Primary End Use Markets

- High-value components of flat panel and flexible displays, including LCD and OLED televisions, monitors, notebooks, smartphones, tablets, automotive displays, semiconductors and digital signage
- Overwrap packaging films for paper tissue and towel products; specialty tapes and in-transit automotive paint protection

¹ 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

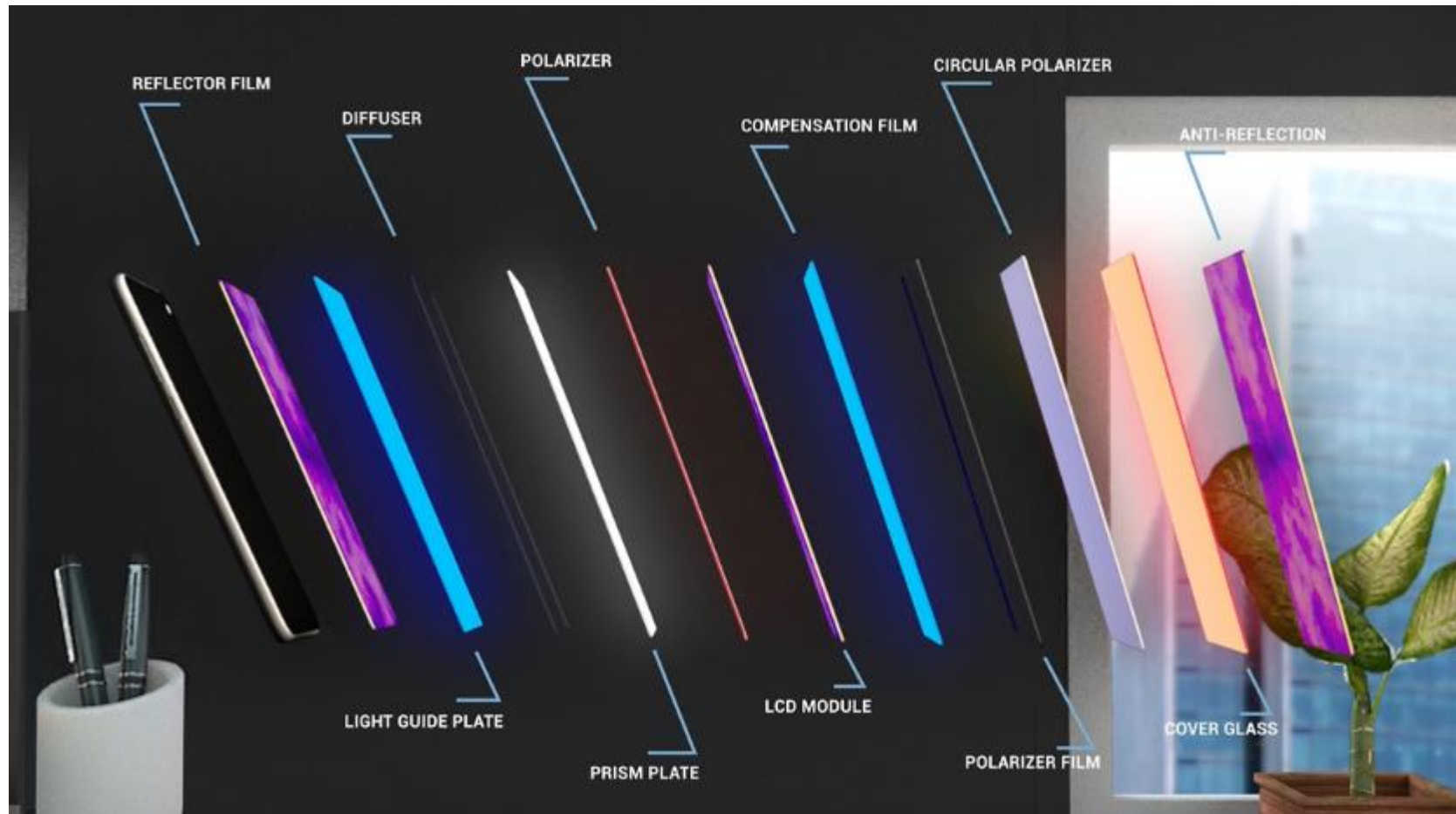
End-Use Markets for Surface Protection Products



PE Films

Surface Protection Overview

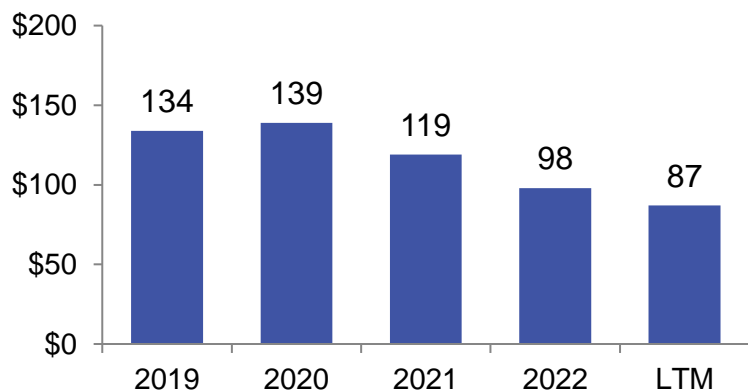
Typical LCD Optical Stack (examples: TVs, Smartphones)



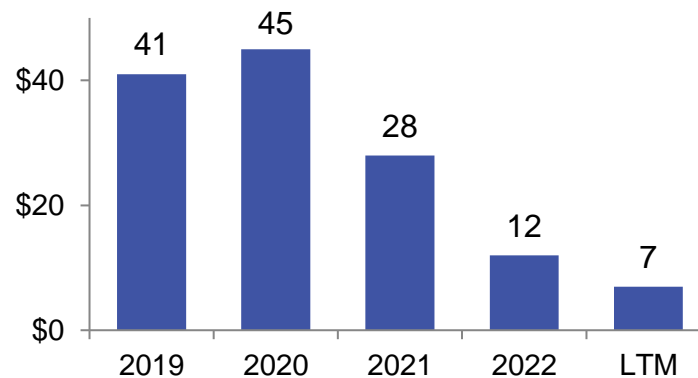
PE Films

Annual Historical Financials

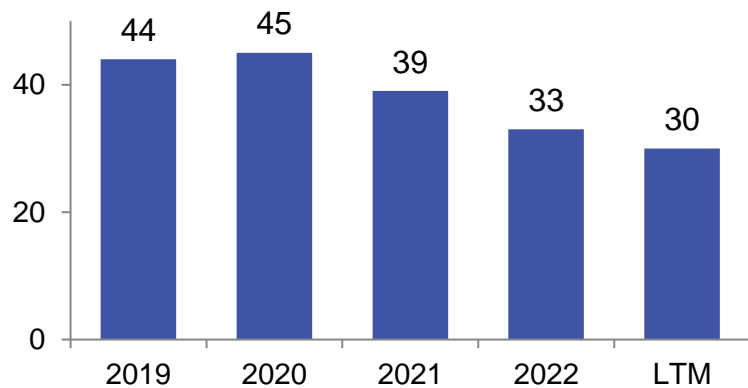
Net Sales¹ (\$ in millions)



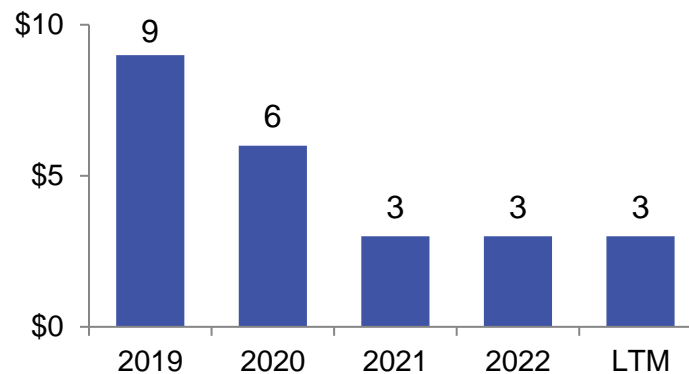
EBITDA from Ongoing Ops (\$ in millions)



Volume (lbs. in millions)



Capital Expenditures (\$ in millions)

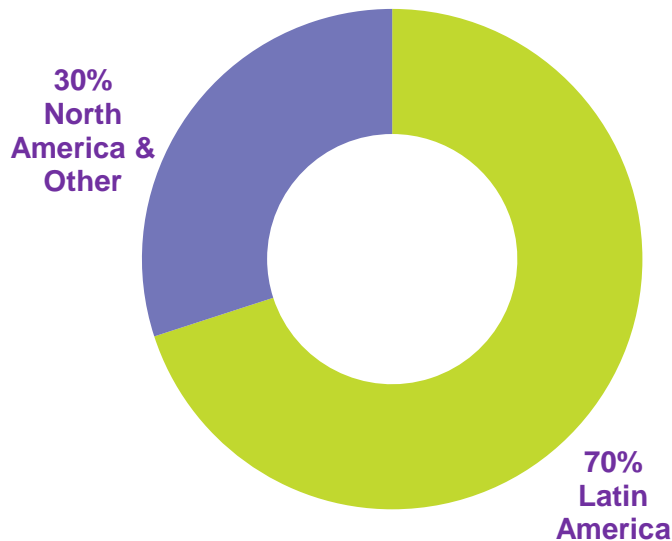


¹ Net sales represents gross sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level.

Flexible Packaging Films

Business Profile

\$160 million LTM Net Sales¹



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, including personal care, hygiene and cleaning packaging and industrial applications

¹ 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

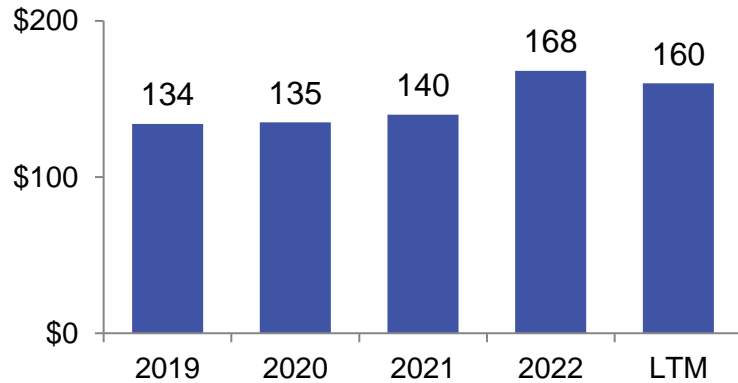
End-Use and Value-Add Products



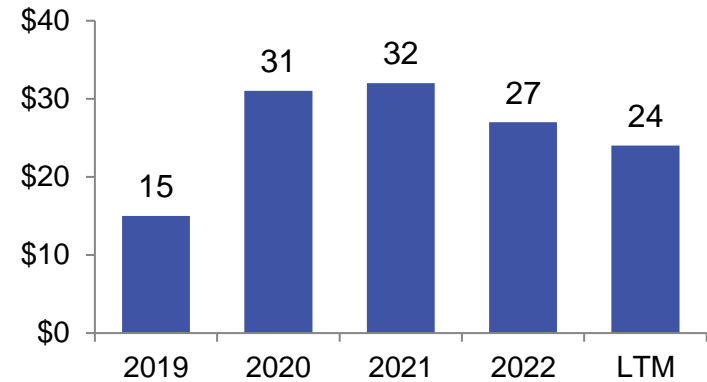
Flexible Packaging Films

Annual Historical Financials

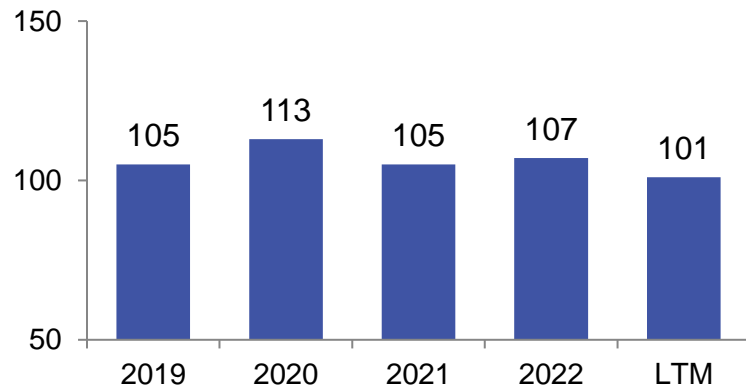
Net Sales¹ (\$ in millions)



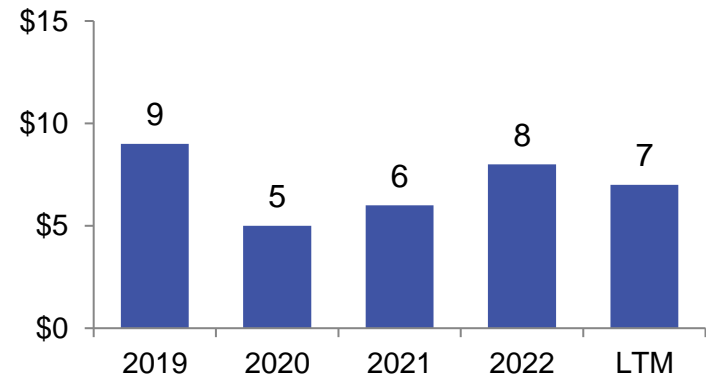
EBITDA from Ongoing Ops (\$ in millions)



Volume (lbs. in millions)



Capital Expenditures (\$ in millions)



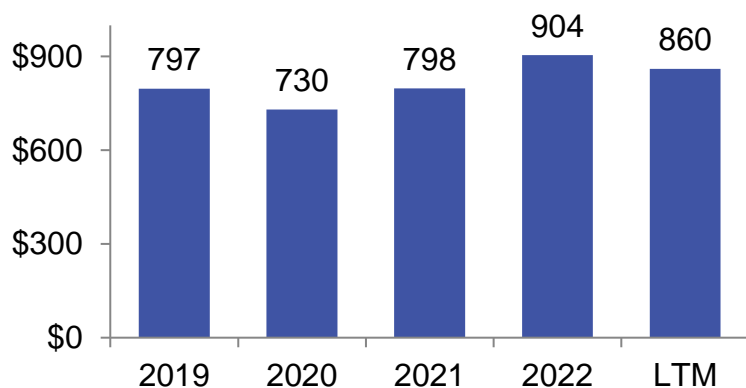
¹ Net sales represents gross sales less freight. The Company uses net sales as its measure of revenues from external customers at the segment level.

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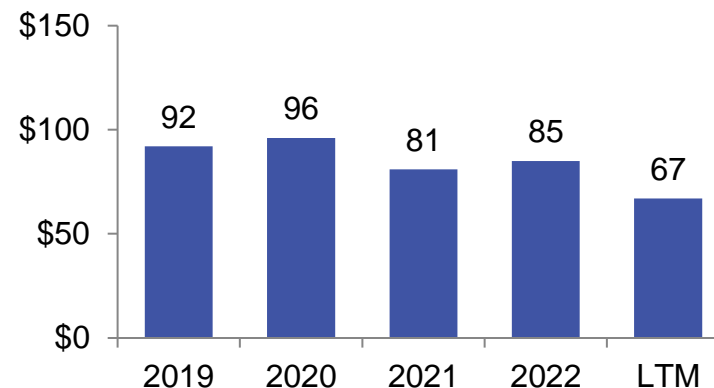
Annual Historical Financials



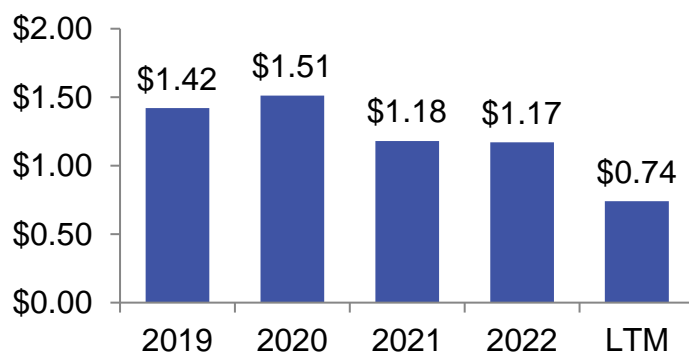
Net Sales¹ (\$ in millions)



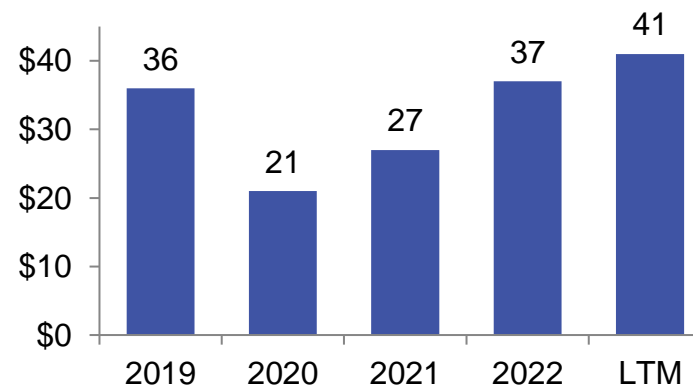
Consolidated EBITDA from Ongoing Ops² (\$ in millions)



Earnings Per Share from Ongoing Ops³



Capital Expenditures (\$ in millions)



¹ See Note 1 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.

² See Note 2 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.

³ 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.

Tredegar Corporation

Capital Expenditures – History & Projections

(\$ in millions)					
	2019	2020	2021	2022	2023 Projection ²
Aluminum Extrusions	\$17.9	\$10.3	\$18.9	\$23.7	\$26
PE Films ¹	8.6	6.0	3.0	3.3	3
Flexible Packaging	8.9	5.0	5.6	8.2	7
Corporate	0.2	0.2	(0.1)	1.7	0
Total	\$35.6	\$21.5	\$27.4	\$36.9	\$36

2023 Capital Expenditures Projections include:

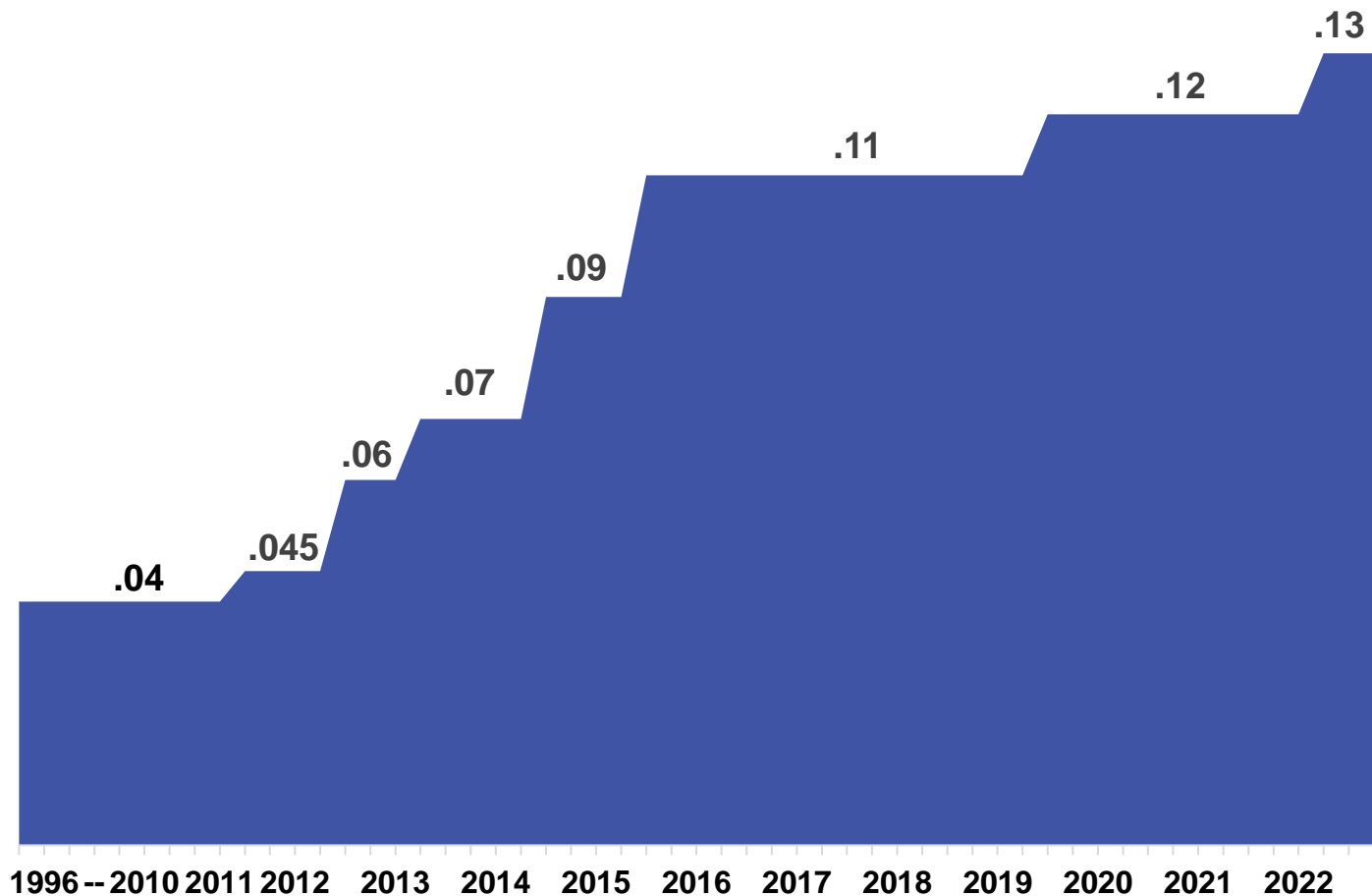
- For Aluminum Extrusions: \$11M for new enterprise resource planning and manufacturing execution systems (expected to be ~ \$30M); \$6M for infrastructure upgrades at the facilities located in Newnan, GA, Niles, MI and Carthage, TN and \$2M for strategic projects
- For PE Films: \$1M for productivity projects
- For Flexible Packaging Films: \$2M for new capacity for value-add products and productivity projects
- Capital expenditures to support continuity of current operations planned at approximately \$7M for Aluminum Extrusions, \$2M for PE Films, and \$5M for Flexible Packaging Films.

¹ Capital Expenditures for PE Films are presented on a continuing operations basis, and therefore exclude spend activity related to the divested Personal Care business.

² Represents management's current expectation, which is subject to change.

Tredegar Corporation

Quarterly Cash Dividend (\$)



Tredegar announced an increase to its quarterly dividend (to 0.13 per share) on August 4, 2022. Special dividends of \$5.97 per share in 2020 and \$0.75 per share in 2012



GAAP to Non-GAAP Reconciliations

GAAP to Non-GAAP Reconciliations



On October 30, 2020, the Company completed the sale of its personal care films business ("Personal Care Films"), which was part of its PE Films segment. The transaction excluded the packaging film lines and related operations located at the Pottsville, Pennsylvania manufacturing site, which are now being reported within the Surface Protection component of PE Films. All historical results for Personal Care Films have been presented as discontinued operations.

On December 31, 2020, the Company completed the sale of Bright View Technologies, which was part of its PE Films segment. The sale did not represent a strategic shift nor did it have a major effect on the Company's historical and ongoing operations, thus all financial information for Bright View Technologies has been presented in continuing operations.

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:

- 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 Q1 2022	QTD Q2 2022	QTD Q3 2022	QTD Q4 2022	QTD Q1 2023
Aluminum Extrusions	\$158.1	\$190.3	\$161.6	\$127.8	\$133.4
PE Films	31.1	31.4	20.1	15.0	20.2
Flexible Packaging Films	39.2	41.6	47.3	40.0	31.5
Net sales on a consolidated basis	228.4	263.3	229.0	182.8	185.1
Add back freight	8.1	11.0	9.5	6.4	6.0
Sales as shown in consolidated statements of income	\$236.5	\$274.3	\$238.5	\$189.2	\$191.1

(In millions)	2019	2020	2021	2022	LTM 2023
Aluminum Extrusions	\$529.6	\$455.7	\$539.3	\$637.9	\$613.1
PE Films	133.8	139.3	118.9	97.6	86.7
Flexible Packaging Films	133.9	134.6	140.0	168.1	160.4
Net sales on a consolidated basis	797.3	729.6	798.2	903.6	860.2
Add back freight	29.0	25.7	28.2	35.0	32.9
Sales as shown in consolidated statements of income	\$826.3	\$755.3	\$826.4	\$938.6	\$893.1

GAAP to Non-GAAP Reconciliations

2. Summary Financial Information

(in millions)	Year Ended December 31,				LTM
	2019	2020	2021	2022	2023
Income and expense relating to ongoing operations:					
Total EBITDA for segments (a)	\$ 121.5	\$ 130.8	\$ 115.3	\$ 106.2	\$ 88.0
Pension expense (c)	(9.6)	(14.6)	(14.1)	-	-
Corporate expenses	(20.2)	(20.4)	(19.9)	(21.7)	(20.9)
Consolidated EBITDA from ongoing operations ("Consolidated EBITDA") (b)	91.7	95.8	81.3	84.5	67.1
Depreciation and amortization	(24.3)	(26.4)	(24.7)	(26.4)	(26.8)
Stock option-based compensation costs	(2.8)	(2.1)	(2.5)	(1.4)	(1.0)
Interest income	0.1	-	-	-	0.1
Interest expense	(4.1)	(2.6)	(3.4)	(5.0)	(6.5)
Income taxes	(13.0)	(13.9)	(11.1)	(12.3)	(7.9)
Net income from ongoing operations (b)	47.6	50.8	39.6	39.4	25.0
After-tax effects of special items:					
Losses associated with plant shutdowns, assets impairments & restructuring	(0.6)	(1.2)	(0.5)	(0.5)	(0.5)
Gain (loss) on investment in kaléo	8.5	(47.6)	9.7	1.1	1.3
Cash dividend received from investment in kaléo	14.9	-	0.3	-	-
Tax benefit from new U.S. tax regulations related to foreign tax credits	-	-	-	3.8	-
One-time tax credit in Brazil for unemployment/social security insurance non-income taxes	-	-	6.6	-	-
Goodwill impairment charge (2020) and accelerated trade name amortization (2019)	(7.8)	(10.5)	-	-	-
Loss on sale of Bright View Technologies	-	(1.8)	-	-	-
Tax valuation allowance release primarily due to sale of kaléo	-	-	5.4	-	-
Net periodic benefit cost for the frozen pension plan in process of termination (c)	-	-	-	(11.3)	(11.2)
Other	(4.1)	(6.5)	(3.2)	(4.1)	(3.7)
Net income (loss) from continuing operations as reported under GAAP	\$ 58.5	\$ (16.8)	\$ 57.9	\$ 28.4	\$ 10.9

See footnotes on the next page.

GAAP to Non-GAAP Reconciliations

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 13, Business Segments, of the Notes to Financial Statements in Tredegar's Annual Report on Form 10-K for the year ended December 31, 2022.
- (b) Tredegar's presentation of Consolidated EBITDA from ongoing operations and net income (loss) 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, net periodic benefit cost for the frozen defined benefit pension plan and other items (which includes gains and losses for an investment accounted for under the fair value method). Consolidated EBITDA from ongoing operations also excludes depreciation & amortization, stock option-based compensation costs, interest income, interest expense and income taxes.

Consolidated EBITDA from ongoing operations and net income (loss) 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 net income (loss) from continuing operations as defined by GAAP. A reconciliation is provided above of these ongoing non-GAAP measures to net income (loss) from continuing operations as reported under GAAP.

- (c) On February 10, 2022, Tredegar announced the initiation of a process to terminate and settle its frozen defined benefit pension plan, which could take up to 24 months to complete. Pension expense under GAAP is projected to be approximately \$14 million in 2023, which is mainly comprised of non-cash amortization of deferred net actuarial losses reflected in the Company's shareholders' equity as accumulated other comprehensive losses. Beginning in 2022, and consistent with no expected required minimum cash contributions, no pension expense is included in calculating Consolidated EBITDA from ongoing operations.

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 (loss) from continuing operations as defined by GAAP. The Company 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, as shown on page 73 of the 2022 Form 10-K, 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

4. The after-tax effects of losses associated with plant shutdowns, asset impairments and restructurings, gains or losses from the sale of assets, goodwill impairment charges, net periodic benefit cost for the frozen defined benefit pension plan and other items (which includes unrealized gains and losses for an investment accounted for under the fair value earnings method) have been presented separately and removed from net income (loss) and (loss) per share from continuing operations as reported under U.S. GAAP to determine Tredegar's presentation of net income (loss) and earnings per share from ongoing operations. Net income (loss) 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 from continuing operations 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)

	2019	2020	2021	2022	LTM 2023
Net income (loss) from continuing operations as reported under U.S. GAAP	\$ 58.5	\$ (16.8)	\$ 57.9	\$ 28.4	\$ 10.9
After tax effects of:					
Losses associated with plant shutdowns, asset impairments and restructurings	0.6	1.2	0.5	0.5	0.6
(Gains) losses from sale of assets and other	(19.3)	55.9	(6.8)	(0.8)	2.3
One-time tax credit in Brazil for unemployment/social security insurance non-income taxes	-	-	(6.6)	-	-
Goodwill impairment charge (2020) and accelerated trade name amortization (2019)	7.8	10.5	-	-	-
Tax valuation allowance release primarily due to sale of kaléo	-	-	(5.4)	-	-
Net periodic benefit cost for the frozen pension plan in process of termination	-	-	-	11.3	11.2
Net income from ongoing operations	\$ 47.6	\$ 50.8	\$ 39.6	\$ 39.4	\$ 25.0
Earnings (loss) per share from continuing operations under GAAP (diluted)	\$ 1.76	\$ (0.51)	\$ 1.72	\$ 0.84	\$ 0.33
After tax effects of:					
Losses associated with plant shutdowns, asset impairments and restructurings	0.02	0.04	0.02	0.01	0.01
(Gains) losses from sale of assets and other	(0.59)	1.66	(0.20)	(0.01)	0.07
One-time tax credit in Brazil for unemployment/social security insurance non-income taxes	-	-	(0.20)	-	-
Goodwill impairment charge (2020) and accelerated trade name amortization (2019)	0.23	0.32	-	-	-
Tax valuation allowance primarily due to sale of kaléo	-	-	(0.16)	-	-
Net periodic benefit cost for the frozen pension plan in process of termination	-	-	-	0.33	0.33
Earnings per share from ongoing operations (diluted)	\$ 1.42	\$ 1.51	\$ 1.18	\$ 1.17	\$ 0.74
Net income (loss) from continuing operations as reported under U.S. GAAP	\$ 16.5	\$ 14.8	\$ 1.0	\$ (3.9)	\$ (1.0)
After tax effects of:					
Losses (gains) associated with plant shutdowns, asset impairments and restructurings	-	0.1	0.4	-	0.1
(Gains) losses from sale of assets and other	(2.3)	(0.5)	0.7	1.2	0.8
Net periodic benefit cost for the frozen pension plan in process of termination	2.7	2.7	2.7	3.2	2.6
Net income from ongoing operations	\$ 16.9	\$ 17.1	\$ 4.8	\$ 0.5	\$ 2.5
Earnings (loss) per share under GAAP (diluted)	\$ 0.49	\$ 0.44	\$ 0.03	\$ (0.11)	\$ (0.03)
After tax effects of:					
Losses (gains) associated with plant shutdowns, asset impairments and restructurings	-	-	0.01	-	-
(Gains) losses from sale of assets and other	(0.07)	(0.01)	0.02	0.04	0.02
Net periodic benefit cost for the frozen pension plan in process of termination	0.08	0.08	0.08	0.09	0.08
Earnings per share from ongoing operations (diluted)	\$ 0.50	\$ 0.51	\$ 0.14	\$ 0.02	\$ 0.07

GAAP to Non-GAAP Reconciliations

5. 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)	March 31, 2023	December 31, 2022
Debt	\$ 155.0	\$ 137.0
Less: Cash and cash equivalents	15.0	19.2
Net debt	<u>\$ 140.0</u>	<u>\$ 117.8</u>