

Tredegar Corporation
Summary of Ongoing Operations (through September 30, 2022)
(In Thousands, Except Per-Share Data)
(Presented on a continuing operations basis - unaudited)

	Quarterly*												December 31,					LTM				
	March 31,				June 30,				September 30,				December 31,					September 30,				
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2017	2018	2019	2020	2021	2022	
Net income (loss) from continuing operations reported under GAAP	\$ 22,548	\$ (20,663)	\$ 9,618	\$ 16,457	\$ 19,871	\$ 14,332	\$ 20,728	\$ 14,788	\$ 15,052	\$ (16,976)	\$ 6,229	\$ 1,012	\$ 990	\$ 6,475	\$ 21,358	\$ 37,467	\$ 61,564	\$ 58,461	\$ (16,833)	\$ 57,936	\$ 53,614	
After-tax effects of:																						
(Gains) losses associated with plant shutdowns, asset impairments, and restructurings	357	40	132	(6)	16	15	153	134	88	22	(90)	351	137	1,265	389	87,754	310	598	1,342	584	868	
(Gains) losses from sale of assets, investment write-downs or write-ups & other items	(13,626)	21,901	383	(2,205)	(4,818)	1,682	(4,805)	(540)	(1,868)	30,176	1,101	776	8,811	2,004	(15,600)	(99,934)	(21,338)	(11,501)	55,774	(18,923)	(17,568)	
Net periodic benefit cost for the frozen defined benefit pension plan(l)	-	-	-	2,685	-	-	-	2,708	-	-	-	2,708	-	-	-	-	-	-	-	-	-	8,100
Goodwill Impairment charge	-	10,549	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,538	-	
Net income from ongoing operations (c)	\$ 9,279	\$ 11,827	\$ 10,133	\$ 16,930	\$ 15,069	\$ 16,030	\$ 16,076	\$ 17,089	\$ 13,272	\$ 13,222	\$ 7,241	\$ 4,846	\$ 9,939	\$ 9,744	\$ 6,147	\$ 25,287	\$ 40,536	\$ 47,558	\$ 50,821	\$ 39,597	\$ 45,014	
Earnings (loss) from continuing operations per share as reported under GAAP (diluted)	\$ 0.68	\$ (0.62)	\$ 0.29	\$ 0.49	\$ 0.60	\$ 0.43	\$ 0.61	\$ 0.44	\$ 0.45	\$ (0.51)	\$ 0.19	\$ 0.03	\$ 0.03	\$ 0.19	\$ 0.63	\$ 1.14	\$ 1.86	\$ 1.76	\$ (0.51)	\$ 1.72	\$ 1.59	
After-tax effects per diluted share of:																						
(Gains) losses associated with plant shutdowns, asset impairments, and restructurings	0.01	-	-	-	-	-	-	-	-	-	-	0.01	-	0.04	0.01	2.66	0.01	0.02	0.04	0.02	0.02	
(Gains) losses from sale of assets, investment write-downs or write-ups & other items	(0.41)	0.66	0.01	(0.07)	(0.14)	0.05	(0.13)	(0.01)	(0.05)	0.90	0.03	0.02	0.27	0.06	(0.46)	(3.03)	(0.65)	(0.36)	1.66	(0.56)	(0.52)	
Net periodic benefit cost for the frozen defined benefit pension plan(l)	-	-	-	0.08	-	-	-	0.08	-	-	-	0.08	-	-	-	-	-	-	-	-	-	0.24
Goodwill Impairment charge	-	0.32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.32	-	
Diluted earnings per share from ongoing operations (c)	\$ 0.28	\$ 0.35	\$ 0.30	\$ 0.50	\$ 0.45	\$ 0.48	\$ 0.47	\$ 0.51	\$ 0.40	\$ 0.38	\$ 0.22	\$ 0.14	\$ 0.29	\$ 0.29	\$ 0.18	\$ 0.77	\$ 1.22	\$ 1.42	\$ 1.51	\$ 1.18	\$ 1.33	

- (a) Net debt is defined as total debt less cash and cash equivalents. Net debt is not intended to represent total debt as defined by GAAP. Net debt is utilized by management in evaluating the Company's financial leverage and equity valuation, and management believes that investors also may find net debt to be helpful for the same purposes.
- (b) Accelerated depreciation was excluded from EBITDA from ongoing operations. Depreciation and amortization expense for Aluminum Extrusions in the third and fourth quarters of 2019 includes accelerated amortization of \$2,510 and \$7,530, respectively, related to the rebranding of the Bonnell Aluminum name and discontinuation of the trade names AACOA and Futura.
- (c) Tredegar's presentation of net income (loss) and diluted earnings per share from ongoing operations are non-GAAP financial measures that exclude the effects of gains or losses associated with plant shutdowns, asset impairments and restructurings, gains or losses from the sale of assets, goodwill impairment charges, net periodic benefit cost for frozen defined benefit pension plan and other items (which includes unrealized gains and losses for an investment accounted for under the fair value method) which have been presented separately and removed from net income (loss) from continuing operations and diluted earnings per share as reported under GAAP. Net income (loss) and diluted earnings per share from ongoing operations are key financial and analytical measures used by management to gauge the operating performance of Tredegar's ongoing operations. They are not intended to represent the stand-alone results for Tredegar's ongoing operations under GAAP and should not be considered as an alternative to net income (loss) from continuing operations or earnings (loss) per share as defined by GAAP. They exclude items that management believes do not relate to Tredegar's ongoing operations.
- (d) EBIT (earnings before interest and taxes) from ongoing operations is a non-GAAP financial measure included in the reconciliation of segment financial information to consolidated results for the Company in the net sales and EBITDA from ongoing operations by segment statements. 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. 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.
- (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.
- (f) 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 segment profitability metric used by the Company's chief operating decision maker to assess segment financial performance. See Note 10 in the Notes to Financial Statements in the First Quarter 2022 Form 10-Q for additional business segment information.
- (g) The gains and losses on the Company's investment in kaléo are included in "Other income (expense), net" in the consolidated statements of income. See Note 16 in the Notes to Financial Statements in the Form 10-K for more details for the year 2021. See Note 4 in the Notes to Financial Statements in the Form 10-K for the years 2020 and 2019.
- (h) In December 2020, the Company entered into a definitive agreement and completed the sale of Bright View. See Note 15 in the Notes to Financial Statements in 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 market capitalization is the closing market price per share for the period multiplied by the shares outstanding at the end of the period.
- (k) Amortization related to Futura intangible amortization out-of-period adjustment was excluded from EBITDA from ongoing operations. Amortization expense for Aluminum Extrusions in the fourth quarter of 2021 includes an out-of-period adjustment of \$947 in connection with the original valuation of intangible assets and goodwill related to the acquisition of Futura in February 2017.
- 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. In connection therewith, the Company borrowed funds under its revolving credit agreement and made a \$50 million contribution to the pension plan (the "Special Contribution") to reduce its underfunding and as part of a program within the pension plan to hedge or fix the expected future contributions that will be needed by the Company through the settlement process. Prior to the Special Contribution, GAAP pension expense was a reasonable proxy for the Company's required minimum cash contribution to the pension plan. The Company estimates that, with the Special Contribution, there will be no required minimum cash contributions until final settlement. Pension expense under GAAP is projected to be approximately \$14 million in 2022, 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 earnings before interest, taxes, depreciation and amortization as defined in the Company's revolving credit agreement, which is used to compute certain borrowing ratios and a significant consideration for computing non-GAAP net income (loss) from ongoing operations. Accordingly, beginning in 2022, GAAP pension expense has been presented separately and removed from net income (loss) from continuing operations and diluted earnings (loss) per share as reported under GAAP for purposes of determining Tredegar's non-GAAP presentation of net income (loss) and diluted earnings (loss) per share from ongoing operations.

* Due to rounding, numbers presented throughout this worksheet may not add up precisely to the totals provided.
N/A Not applicable
NM Not meaningful