

TREDEGAR CORP  
Form 10-Q  
August 02, 2017  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-10258

Tredegar Corporation  
(Exact Name of Registrant as Specified in Its Charter)

Virginia 54-1497771  
(State or Other Jurisdiction of (I.R.S. Employer  
Incorporation or Organization) Identification No.)  
1100 Boulders Parkway 23225  
Richmond, Virginia  
(Address of Principal Executive Offices) (Zip Code)  
Registrant's Telephone Number, Including Area Code: (804) 330-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Smaller reporting company

Non-accelerated filer  (Do not check if a smaller reporting company) Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the

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Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of Common Stock, no par value, outstanding as of July 28, 2017: 33,030,190

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements.

Tredegar Corporation

Consolidated Balance Sheets

(In Thousands, Except Share Data)

(Unaudited)

	June 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$24,026	\$29,511
Accounts and other receivables, net of allowance for doubtful accounts and sales returns of \$2,694 in 2017 and \$3,102 in 2016	129,164	97,388
Income taxes recoverable	13,691	7,518
Inventories	84,359	66,069
Prepaid expenses and other	7,176	7,738
Total current assets	258,416	208,224
Property, plant and equipment, at cost	861,363	797,630
Less accumulated depreciation	(556,833 )	(536,905 )
Net property, plant and equipment	304,530	260,725
Goodwill and other intangibles, net	189,442	151,423
Other assets and deferred charges	55,573	30,790
Total assets	\$807,961	\$651,162
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$95,706	\$81,342
Accrued expenses	38,323	38,647
Total current liabilities	134,029	119,989
Long-term debt	187,250	95,000
Deferred income taxes	25,717	21,110
Other noncurrent liabilities	101,537	104,280
Total liabilities	448,533	340,379
Commitments and contingencies (Notes 1 and 12)		
Shareholders' equity:		
Common stock, no par value (issued and outstanding - 33,030,190 at June 30, 2017 and 32,933,807 at December 31, 2016)	33,505	32,007
Common stock held in trust for savings restoration plan (70,390 shares at June 30, 2017 and 69,622 shares at December 31, 2016)	(1,512 )	(1,497 )
Accumulated other comprehensive income (loss):		
Foreign currency translation adjustment	(91,296 )	(93,970 )
Gain on derivative financial instruments	825	863
Pension and other post-retirement benefit adjustments	(86,227 )	(90,127 )
Retained earnings	504,133	463,507
Total shareholders' equity	359,428	310,783
Total liabilities and shareholders' equity	\$807,961	\$651,162
See accompanying notes to financial statements.		



Tredegar Corporation  
Consolidated Statements of Income  
(In Thousands, Except Per Share Data)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues and other items:				
Sales	\$247,347	\$208,533	\$468,372	\$415,867
Other income (expense), net	34,735	322	38,022	1,092
	282,082	208,855	506,394	416,959
Costs and expenses:				
Cost of goods sold	197,372	169,830	379,220	332,882
Freight	7,912	7,066	16,218	14,067
Selling, general and administrative	21,730	19,782	42,224	39,644
Research and development	5,014	4,962	9,572	9,939
Amortization of intangibles	1,652	990	2,893	1,946
Interest expense	1,642	947	2,822	2,032
Asset impairments and costs associated with exit and disposal activities, net of adjustments	(271)	) 553	293	1,226
Total	235,051	204,130	453,242	401,736
Income before income taxes	47,031	4,725	53,152	15,223
Income taxes	2,827	1,317	5,246	4,533
Net income	\$44,204	\$3,408	\$47,906	\$10,690
Earnings per share:				
Basic	\$1.34	\$0.10	\$1.45	\$0.33
Diluted	\$1.34			