

**HUTTIG BUILDING PRODUCTS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Year Ended December 31,		
	2019	2018	2017
	(In millions, except per share data)		
Net sales	\$ 812.0	\$ 839.6	\$ 753.2
Cost of sales	650.0	673.1	597.4
Gross margin	162.0	166.5	155.8
Operating expenses	165.6	167.5	155.7
Gain on disposal of capital assets	—	(0.1)	—
Operating income (loss)	(3.6)	(0.9)	0.1
Interest expense, net	6.6	6.5	3.1
Loss from continuing operations before income taxes	(10.2)	(7.4)	(3.0)
Provision for (benefit from) income taxes	11.1	(1.4)	3.2
Net loss from continuing operations	(21.3)	(6.0)	(6.2)
Net loss from discontinued operations, net of taxes of (\$0.0), (\$0.1) and (\$0.6), respectively	—	(0.4)	(0.9)
Net loss	<u>\$ (21.3)</u>	<u>\$ (6.4)</u>	<u>\$ (7.1)</u>
Net loss from continuing operations per share - basic and diluted	\$ (0.84)	\$ (0.24)	\$ (0.25)
Net income loss from discontinued operations per share - basic and diluted	\$ -	\$ (0.02)	\$ (0.04)
Net loss per share - basic and diluted	<u>\$ (0.84)</u>	<u>\$ (0.26)</u>	<u>\$ (0.29)</u>
Weighted average shares outstanding:			
Basic and diluted shares outstanding	25.4	25.1	24.9

*See notes to consolidated financial statements*

**HUTTIG BUILDING PRODUCTS, INC. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**

	December 31,	
	2019	2018
	(In millions)	
ASSETS		
Current Assets:		
Cash and equivalents	\$ 2.2	\$ 0.8
Trade accounts receivable, net	60.5	69.0
Inventories, net	139.4	134.0
Other current assets	12.8	14.7
Total current assets	214.9	218.5
Property, Plant and Equipment:		
Land	5.0	5.0
Building and improvements	32.4	32.3
Machinery and equipment	58.2	56.0
Gross property, plant and equipment	95.6	93.3
Less accumulated depreciation	64.4	60.0
Property, plant and equipment, net	31.2	33.3
Other Assets:		
Operating lease right-of-use assets	40.9	-
Goodwill	9.5	9.5
Deferred income taxes	-	11.1
Other	5.0	5.6
Total other assets	55.4	26.2
Total Assets	\$ 301.5	\$ 278.0

*See notes to consolidated financial statements*

**HUTTIG BUILDING PRODUCTS, INC. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**

	December 31,	
	2019	2018
	(In millions, except per share amounts)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 1.7	\$ 1.8
Current maturities of operating lease right-of-use liabilities	9.7	—
Trade accounts payable	56.8	51.5
Accrued compensation	5.5	5.0
Other accrued liabilities	15.8	18.0
Total current liabilities	89.5	76.3
Non-current Liabilities:		
Long-term debt, less current maturities	135.1	137.1
Operating lease right-of-use liabilities	31.6	-
Other non-current liabilities	2.4	2.6
Total non-current liabilities	169.1	139.7
Shareholders' Equity:		
Preferred shares; \$.01 par (5,000,000 shares authorized)	—	—
Common shares; \$.01 par (75,000,000 shares authorized: 26,441,926 shares issued and outstanding at December 31, 2019 and 25,993,441 at December 31, 2018)	0.3	0.3
Additional paid-in capital	48.2	46.0
Retained earnings (accumulated deficit)	(5.6)	15.7
Total shareholders' equity	42.9	62.0
Total Liabilities and Shareholders' Equity	\$ 301.5	\$ 278.0

*See notes to consolidated financial statements*

**HUTTIG BUILDING PRODUCTS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

	Common Shares Outstanding, at Par Value	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Total Shareholders' Equity
	(In millions)			
Balance at January 1, 2017	\$ 0.3	\$ 42.8	\$ 27.4	\$ 70.5
Net loss	—	—	(7.1)	(7.1)
Payment for taxes related to share settlement of equity awards	—	(0.9)	—	(0.9)
Deferred tax adjustment for adoption of ASU 2016-09	—	—	1.8	1.8
Stock compensation expense	—	2.2	—	2.2
Balance at December 31, 2017	0.3	44.1	22.1	66.5
Net loss	—	—	(6.4)	(6.4)
Payment for taxes related to share settlement of equity awards	—	(0.4)	—	(0.4)
Stock compensation expense	—	2.3	—	2.3
Balance at December 31, 2018	0.3	46.0	15.7	62.0
Net loss	—	—	(21.3)	(21.3)
Payment for taxes related to share settlement of equity awards	—	(0.1)	—	(0.1)
Stock compensation expense	—	2.3	—	2.3
Balance at December 31, 2019	<u>\$ 0.3</u>	<u>\$ 48.2</u>	<u>\$ (5.6)</u>	<u>\$ 42.9</u>

*See notes to consolidated financial statements*

**HUTTIG BUILDING PRODUCTS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year Ended December 31,		
	2019	2018	2017
	(In millions)		
<b>Cash Flows From Operating Activities:</b>			
Net loss	\$ (21.3)	\$ (6.4)	\$ (7.1)
Adjustments to reconcile net loss to cash provided by (used in) operations:			
Net loss from discontinued operations, net of taxes	-	0.4	0.9
Depreciation and amortization	5.7	5.4	4.9
Non-cash interest expense	0.2	0.2	0.3
Stock compensation expense	2.3	2.3	2.2
Deferred taxes	11.1	(1.3)	2.4
Gain on disposal of capital assets	—	(0.1)	—
Changes in operating assets and liabilities:			
Trade accounts receivable	8.5	(2.2)	(7.5)
Inventories	(5.4)	(22.1)	(30.9)
Trade accounts payable	5.3	0.5	3.8
Other	0.2	(3.1)	(2.5)
Cash provided (used in) by continuing operating activities	6.6	(26.4)	(33.5)
Cash used in discontinued operating activities	(0.4)	(0.6)	(4.6)
Total cash provided by (used in) operating activities	6.2	(27.0)	(38.1)
<b>Cash Flows From Investing Activities:</b>			
Capital expenditures	(1.7)	(7.8)	(6.1)
Proceeds from disposition of capital assets	—	1.2	—
Cash used in investing activities	(1.7)	(6.6)	(6.1)
<b>Cash Flows From Financing Activities:</b>			
Payments of revolving credit debt agreement	(277.5)	(255.3)	(146.7)
Borrowings of revolving credit debt agreement	276.5	288.5	193.5
Net borrowing (repayment) of other obligations	(2.0)	1.3	(1.7)
Payment for taxes related to share settlement of equity awards	(0.1)	(0.4)	(0.9)
Cash provided by (used in) financing activities	(3.1)	34.1	44.2
Net increase in cash and equivalents	1.4	0.5	—
Cash and equivalents, beginning of year	0.8	0.3	0.3
Cash and equivalents, end of year	<u>\$ 2.2</u>	<u>\$ 0.8</u>	<u>\$ 0.3</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>			
Interest paid	\$ 6.5	\$ 6.3	\$ 2.7
Income taxes paid	0.3	0.2	0.5
Non-cash financing activities:			
Assets acquired with debt obligations	0.9	1.3	2.2
Debt issuance costs financed	—	—	0.3

*See notes to consolidated financial statements*