



2019 Monthly Operating Review – February 2019

March 18, 2019



Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Executive Summary

- 1. Sales Volumes & Revenues:** Overall sales revenues and volumes were behind Plan due to lower than anticipated sales at Woodbridge, Delmont and Everett due to softer market conditions at both Canadian and US customers impacted by the above normal winter weather conditions. Extrusion sales impacted by colder January and February temperatures and higher than normal precipitation levels throughout Canada and the US. Sales volumes in line with Plan at Laval and Terrebonne due to pent up demand from the end of 2018 and new business launches
- 2. EBITDA:** Ahead of Plan despite lower sales revenues and volumes, due to continued focus on lower material cost inputs, optimization of labor costs and lower overhead spending across the business. EBITDA also benefiting from lower OPEX costs and a favorable F/X impact (offsetting a portion of the F/X expense recorded in December). Laval and Terrebonne improvement in EBITDA due to continued focus on production optimization and labor planning for the high season. EBITDA also benefited from an out-of-period workers' compensation premium refund of \$84K at Everett (annually recorded in February when the refund is received)
- 3. Everett Customer Loss:** Last month Everett received unofficial news that one of its customers, ATI, has closed its doors and filed for bankruptcy protection, but it has now been confirmed that ATI is still in business. ATI actually placed a small order for product during the first week of March. ATI is still in operations but has right-sized their business and sold off some of their assets. ATI is included in Everett's 2019 Plan with \$387K in annual sales. Everett's inventory reserve for ATI inventory adjusted in February to reverse 50% of the \$107K reserve recorded in January as there is still some risk anticipated with selling a portion of the inventory on hand dedicated to ATI
- 4. TTM:** 2019 February TTM Revenue of \$167.4M and EBITDA of \$10.1M vs the 2019 AOP Revenue of \$178.2M and EBITDA of \$11.4M

Executive Summary (Continued)

5. **Sales Order Flow:** Overall sales order flow outlook for March at the mid-month point is currently behind orders/bookings vs the prior year on a Month to Date basis by 10%. Extrusion orders are behind the prior year by 10.3% and Patio Door sales orders are also behind the prior year on a Month to Date basis by 9.4%. The lack of orders is attributable to the colder and extended winter season than anticipated as well as higher orders in the Prior Year due to energy rebate programs in effect in some of the Canadian provinces. All plants will continue to optimize labor efficiency and will manage inventory levels and production as needed to meet demand by fluctuating temporary workers and overtime
6. **Operational Stability – Terrebonne:** Turnaround plan is on target with operational improvements, cost reductions and development of commercial activities. Terrebonne is also in the process of ramping up for the new Performer door launch and high season inventory build. Continued strong project quoting volume
7. **Material/Supplier Price Increases:** CDI Resin Index increased by 2cpp in February as expected. Producers are trying to get an additional 2cpp increase in March but the expectation is that resin will remain flat in March. TiO2 prices have remained consistent with prior months but price increase of 7cpp announced for April 1st. Discussions ongoing with suppliers concerning recent price increase notices on special compound material (PolyOne) and Patio Door screens (Screenco/Promax)
8. **Bank Covenants:** Excess Availability covenant for Feb-19 in line with target but Fixed Cost Coverage Ratio (FCCR) below the target due to TTM EBITDA falling below budget. Continue to monitor Q1 2019 cash flow forecasts and impacts on Excess Availability and FCCR covenants and moderate spending accordingly
9. **Woodbridge Plant Manager:** Resignation of Yvan Santin effective March 8th. Recruitment search commenced
10. **Laval Water Damage:** Laval water damage claim from February 14th burst sprinkler pipe finalized with insurance company. Agreement reached on scope of the damages and cost of repairs with total loss of approximately US\$160K, which is higher than the deductible amount of US\$100K. Laval and Insurance company kicking off contractor for repairs within the next week and ensuring that there is minimal disruption to operations and workforce

Executive Summary (Continued)

	Description	Potential Impact	Plan to Address
Risks	▪ Aggressive Competition and related pricing pressures	<ul style="list-style-type: none"> ▪ Customer losses ▪ Revenue and EBITDA loss ▪ Reduction in profitability vs Plan 	<ul style="list-style-type: none"> ▪ Visiting major customers to solidify ENERGI's relationship as a strategic partner ▪ Close on and lock in potential new customers ▪ US sales agent hired to support extrusion and patio door growth
	▪ Raw Material Costs	<ul style="list-style-type: none"> ▪ Resin, TiO2 and other raw material price increases impacting EBITDA ▪ Freight and logistics cost increases ▪ Reduction in profitability by using virgin material due to lack of supply 	<ul style="list-style-type: none"> ▪ VP Supply Chain conducting Global Sourcing search for alternative material suppliers ▪ Accelerating alternative material usage through increased regrind purchasing opportunities including customer scrap buy-back ▪ VP Supply Chain assisting plants with warehousing and logistics cost and resource optimization, as well as SIOP
	▪ Terrebonne (Patio Doors)	<ul style="list-style-type: none"> ▪ Revenue and EBITDA loss ▪ Turnaround plan not achieved ▪ Employee retention 	<ul style="list-style-type: none"> ▪ Maintain stability of leadership for Terrebonne – internal promotions ▪ Executing on labor balancing/planning ▪ Obtain new business and take market share – quoting several projects and new business opportunities with new customers ▪ Working with Infor to improve reliability of ERP system
	▪ 2019 Canadian Industry and Market continues to stall beyond April 2019	<ul style="list-style-type: none"> ▪ Revenue and EBITDA loss ▪ Employee retention issue 	<ul style="list-style-type: none"> ▪ Continue to stay in touch with all major customers ▪ Develop production scheduling discipline to ensure not over or under producing and not creating backorders
Opportunities	▪ External Compound Sales	<ul style="list-style-type: none"> ▪ Revenue and EBITDA growth ▪ Absorption of ECS overheads 	<ul style="list-style-type: none"> ▪ Quoting several non-fenestration compound opportunities ▪ Developing natural/green core compound for alt. materials initiative
	▪ Operations Excellence Initiatives	<ul style="list-style-type: none"> ▪ Operational efficiencies ▪ Profitability improvements 	<ul style="list-style-type: none"> ▪ Focus on operation optimization and lean strategies to eliminate waste ▪ Focus on use of alternative materials in existing and new business ▪ Tracking Plant level continuous improvement project savings
	▪ Supply Chain Initiatives	<ul style="list-style-type: none"> ▪ Improvement in profitability ▪ Offset raw material increases 	<ul style="list-style-type: none"> ▪ Reviewing alternative supply options for all resources ▪ Challenging price increases from all suppliers
	▪ Pipeline Growth	<ul style="list-style-type: none"> ▪ Revenue and EBITDA growth ▪ Plant capacity utilization 	<ul style="list-style-type: none"> ▪ Sales prospecting efforts continue to grow the sales pipeline for extrusion, patio door and external compound opportunities ▪ Completion and launch of Woodbridge Modular Platform ▪ Increased prospecting efforts for Everett plant

Key Wins and Losses - February



Key Wins

- **Abritek – PD Lineal**
 - Terrebonne Plant
 - Annual Sales \$269K & 175K Lbs


Key Losses

- **None**


Key Initiatives Update

Initiative	Status	Recent Progress	Next Steps	Risks
1. Develop/Enhance Systems and Processes		<ul style="list-style-type: none"> • Testing of alternative BOMs at Everett & Delmont • OBI project at Delmont – finalized instruction videos and completed training portion • OBI project at Everett commenced 	<ul style="list-style-type: none"> • Develop production run cards for alternative BOMs at Woodbridge, Everett & Delmont • OBI project at Everett – create instruction videos and training • Create manufacturing tooling status and production release process 	<ul style="list-style-type: none"> • Production planning inefficiencies • Labor planning inefficiencies
2. Develop Safety, Quality, Delivery & Cost culture		<ul style="list-style-type: none"> • All plants have integrated daily Gemba walks and shift hand-off boards into their culture • Continuous education discipline and training on the use of shift hand-off boards 	<ul style="list-style-type: none"> • SQDC and Gemba walk training will continue throughout the next three months • Implement changes to the Gemba process with lessons learned to enhance their value and effectiveness 	<ul style="list-style-type: none"> • Disorganized plants impairs production efficiencies sends a negative message to customers



Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
3. Develop Alternative Compounds		<ul style="list-style-type: none"> • Discussions ongoing with suppliers regarding alternative material compound and regrind – continuing to obtain quotes and test samples • Developing Natural PVC formula at ECS, reviewing costs to develop and lab testing the material • Optical sorter and related equipment have been installed and are operational at both Woodbridge & Everett • Continued progress with purchasing regrind material with separate suppliers at Woodbridge, Laval, Everett and Delmont • Several responses received from RFQ package sent out to suppliers • Co-extruder installed in Woodbridge at year-end and currently running Natural Core trials • Baseline testing parameters for outgoing products has been completed successfully 	<ul style="list-style-type: none"> • Reviewing capabilities of each supplier, pricing quoted, material specifications and obtaining samples for testing • Natural Core test profiles to be sent to AAMA for testing • Decision required on purchase of test equipment, documentation of final test methods and training select individuals at each plant • Working with AAMA Task Group on how to deal with recycled material 	<ul style="list-style-type: none"> • Margin erosion due to rising resin, TiO2 and other additive costs • Loss of market share due to not being able to compete

Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
4. Improve Terrebonne profitability		<ul style="list-style-type: none"> • Objective Based Instructions project – finalizing job recertification • KPIs being tracked and integrated into SQDC Boards • Daily labor tracking measurement in place and integrated into SQDC Boards • Price increase has been communicated to customers • Reviewing start up plans with Caron & Guay and Kento • Closed on Quaker opportunity with an estimated 2019 volume of \$0.3M • Ramp Up Ready meetings held to ensure plans are in place to handle peak season demand • New Performer door launch pre-production trials ongoing 	<ul style="list-style-type: none"> • ERP system improvements – reviewing planning & scheduling applications • Working through Plant & Line Balancing plan • Commenced review of commercial growth opportunities and product line profitability assessments – reviewing several opportunities • New Performer door launch to start in March with Caron et Guay with Golden Windows to follow • Cross training areas targeted to create flexibility 	<ul style="list-style-type: none"> • Customer retention may also impact extrusion side of the business • EBITDA losses

Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
5. Planning Disciplines and overall Communication Practices		<ul style="list-style-type: none"> • Determined applicable KPIs to track and develop realistic targets to track • Weekly updates on status of “Big 3” initiatives and identify next initiatives once completed • Communications between plants and sharing of best practices has commenced • Visual Control Boards implemented to track progress on certain lines and improve change over times & yields 	<ul style="list-style-type: none"> • Weekly Quality Assurance calls continue to evolve yielding improved team problem solving and systemic solution to issues • Schedule Quarterly meetings with extended management team to communicate overall financial results, metrics and strategies 	<ul style="list-style-type: none"> • Lack of Accountability and Ownership from employees
6. Safety		<ul style="list-style-type: none"> • 2 recordable incidents YTD with both occurring at Laval • Weekly management safety meetings being held 	<ul style="list-style-type: none"> • Enhance plant safety programs and accelerate the safety awareness culture at all plants • Accelerating more aggressive safety program at Laval 	

Key Performance Indicators - Summary

Safety:

- One (1) recordable incident in February at Laval: worker cut hand from open saw blade while trying to break his fall as a result of tripping due to untied shoelace; sutures required (no lost time); corrective actions identified and immediately implemented
- Feb-2019 TRIR of 2.01 vs 2018 TRIR of 1.97; Total Recordable Cases – 2 for 2019 vs 14 for 2018 & 16 for 2017
- 27 months incident free record at ECS; 20 months at Everett; 7 months at Woodbridge

Quality:

- Woodbridge returns slightly higher than target; Returns from Quaker \$17K, Dashwood \$10K, Windsor \$5K and PGT\$30K; material flow improvements made and if necessary, further tuning of tools & dies
- Terrebonne returns higher than target due to winter season; Trend of increased complaints following severity of weather

Delivery:

- Issues with delivery at Woodbridge - All Weather Tooling delay and capacity issues with Eclipse Shutter Systems products
- Delivery performance ahead of targets across rest of the plants

Efficiencies:

- Woodbridge yields impacted by plant start-up scrap due to weekend closures
- Delmont yields impacted by PGT dark Capstock production runs; recut tools to correct original tuning issues

Inventory:

- Higher Inventory Days on Hand due to build up of raw material and purchasing ahead of expected resin and TiO2 price increases

Employees:

- Employee retention stable at 99.2%; satisfaction survey completed at HO with a score of 78%; no major issues

Key Performance Indicators – Plant Summary

KPI Measure		2019 Targets	Jan-19	Feb-19	YTD 2019
Health & Safety					
# Recordables (affects TRIR)	# in Month	0	1	1	2
Woodbridge		0	0	0	0
Laval		0	1	1	2
Terrebonne		0	0	0	0
Delmont		0	0	0	0
Everett		0	0	0	0
ECS		0	0	0	0
Quality Performance					
Returns as % of sales	# of Plants Green	6	4	4	4
Woodbridge		0.30%	2.11%	0.67%	1.41%
Laval		0.78%	0.24%	0.38%	0.31%
Terrebonne		1.25%	1.57%	1.76%	1.67%
Delmont		0.30%	0.15%	0.27%	0.21%
Everett		0.60%	0.43%	0.32%	0.38%
ECS		0.20%	0.00%	0.02%	0.00%
Delivery Performance					
% by line items	# of Plants Green	6	6	5	6
Woodbridge		99.0%	99.6%	98.8%	99.2%
Laval		99.0%	99.7%	99.8%	99.7%
Terrebonne ****		95.0%	95.4%	95.7%	95.5%
Delmont		99.0%	99.5%	99.4%	99.4%
Everett		99.2%	100.0%	100.0%	100.0%
ECS		99.0%	100.0%	100.0%	100.0%
% on time in full					
	# of Plants Green	6	6	6	6
Woodbridge		95.0%	99.6%	98.8%	99.2%
Laval		95.0%	99.7%	99.8%	99.7%
Terrebonne		95.0%	95.4%	95.7%	95.5%
Delmont		95.0%	99.7%	99.8%	99.8%
Everett		99.2%	100.0%	100.0%	100.0%
ECS		99.0%	100.0%	100.0%	100.0%
Costs					
Yield*	# of Plants Green	5	3	3	3
Woodbridge		87.0%	84.7%	85.5%	85.1%
Laval		84.0%	85.5%	85.2%	85.3%
Delmont		85.0%	81.4%	82.7%	82.0%
Everett		90.0%	90.9%	91.2%	91.0%
ECS		99.2%	99.5%	99.6%	99.6%
Alt. Compound Consumption Ratio*					
	# of Plants Green	5	3	2	3
Woodbridge		19.9%	17.4%	20.1%	18.7%
Laval		20.9%	20.2%	19.4%	19.8%
Delmont		19.9%	25.4%	19.8%	22.7%
Everett		20.0%	32.0%	18.4%	26.1%
ECS		0.0%	0.4%	0.1%	0.2%

Notes: * Not measured at TB; ** Excluding TB; ***TB is # Concerns/100k Sales **** Change in calculation method for TB retroactively restated to Jan 18

Key Performance Indicators – Plant Summary (Cont'd)

KPI Measure		2019 Targets	Jan-19	Feb-19	YTD 2019
Inventory					
Days - TTM*	# of Plants Green	5	2	1	
Woodbridge		54.1	57.3	59.1	
Laval		69.3	66.7	66.4	
Terrebonne		71.0	74.8	71.4	
Delmont		58.7	62.0	62.1	
Everett		84.5	84.4	85.6	
ECS		46.0	50.0	49.0	
Customer Service					
Customer Experience - NPS Improvement		20%	NA	NA	NA
Customer Complaints - per MLBS ***	# of Plants Green	6	5	4	5
Woodbridge		3.2	2.6	2.3	2.4
Laval		22.5	16.0	23.0	19.5
Terrebonne		3.2	4.0	3.9	3.9
Delmont		3.2	2.8	3.2	3.0
Everett		3.2	1.4	2.7	2.0
ECS		0.3	0.3	0.1	0.2
Customer Retention		100%	100.0%	100.0%	NA
Employees					
Employee Engagement		80%	76.0%	75.0%	75.0%
Employee Retention		90%	99.2%	98.1%	97.8%

Notes: * Not measured at TB; ** Excluding TB; ***TB is # Concerns/100k Sales ***** Change in calculation method for TB retroactively restated to Jan 18

Consolidated Summary P&L – February 2019

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	7,371	7,979	(608)	(7.6%)	15,157	15,914	(757)	(4.8%)
Units Shipped ('000)	6,590	7,343	(753)	(10.3%)	13,531	14,533	(1,002)	(6.9%)
Bookings (\$'000)	\$ 10,031	\$ 11,878	\$ (1,846)	(15.5%)	\$ 21,889	\$ 22,717	\$ (828)	(3.6%)
Backlog (\$'000)	\$ 8,356	\$ 12,085	\$ (3,729)	(30.9%)	\$ 8,356	\$ 12,085	\$ (3,729)	(30.9%)
Gross Revenue	\$ 11,249	\$ 12,238	\$ (989)	(8.1%)	\$ 22,788	\$ 24,070	\$ (1,282)	(5.3%)
Adj. to Gross Revenue	(464)	(566)	102	(18.0%)	(1,061)	(1,112)	50	(4.5%)
Net Revenue	10,785	11,672	(887)	(7.6%)	21,727	22,959	(1,232)	(5.4%)
Material	5,301	5,815	(514)	(8.8%)	10,505	11,310	(805)	(7.1%)
Labor	2,714	2,865	(151)	(5.3%)	5,641	5,937	(296)	(5.0%)
Other COGS	1,015	1,233	(219)	(17.7%)	2,324	2,334	(10)	(0.4%)
Total COGS	9,030	9,913	(883)	(8.9%)	18,470	19,581	(1,111)	(5.7%)
Gross Margin	1,755	1,759	(4)	(0.2%)	3,257	3,377	(121)	(3.6%)
Gross Margin %	16.3%	15.1%			15.0%	14.7%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	603	587	16	2.7%	1,157	1,181	(24)	(2.0%)
Administrative	968	996	(28)	(2.8%)	2,005	2,064	(58)	(2.8%)
Other Opex	(75)	(19)	(57)	304.5%	(202)	(35)	(167)	480.1%
Total Opex	1,496	1,565	(69)	(4.4%)	2,960	3,210	(250)	(7.8%)
EBITDA	259	194	65	33.3%	296	168	129	76.9%
EBITDA %	2.4%	1.7%			1.4%	0.7%		
Net Income (Loss)	\$ (271)	\$ (995)	\$ 723	(72.7%)	\$ (1,158)	\$ (2,141)	\$ 983	(45.9%)
Capex	\$ (531)	\$ (834)	\$ 303	(36.3%)	\$ (1,020)	\$ (1,668)	\$ 648	(38.9%)
Opex Overview:								
Payroll	\$ 806	\$ 808	\$ (1)	(0.2%)	\$ 1,688	\$ 1,725	\$ (38)	(2.2%)
Bonus	113	113	(1)	(0.8%)	225	227	(2)	(0.9%)
Commissions	19	30	(11)	(36.5%)	38	59	(22)	(36.5%)
Marketing	180	174	5	2.9%	274	311	(37)	(11.8%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	128	126	3	2.1%	236	257	(21)	(8.1%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	21	21	(1)	(3.0%)	49	52	(3)	(5.7%)
Professional fees	46	52	(5)	(10.1%)	91	103	(12)	(11.4%)
Office Expenses	26	30	(4)	(13.0%)	49	52	(3)	(5.4%)
IT	165	160	6	3.5%	331	318	13	4.2%
Bad Debts	(0)	(0)	0	(60.1%)	16	(1)	17	(2170.3%)
FX	(76)	–	(76)	N/A	(198)	–	(198)	N/A
JV Loss (Income)	1	(19)	19	(103.8%)	(4)	(35)	30	(87.6%)
Other Expenses	67	70	(3)	(4.6%)	165	141	24	16.9%
Total Opex	\$ 1,496	\$ 1,565	\$ (69)	(4.4%)	\$ 2,960	\$ 3,210	\$ (250)	(7.8%)

Management Discussion

Net Revenue – February -\$887K:

- Extrusion external sales volume unfavorable by 10.5% or \$1,004K due mainly to softer market conditions across North America as a result of the winter weather; with lower sales out of Woodbridge by \$721K, lower sales out of Delmont by \$148K and lower Everett sales by \$157K
- Patio Door gross sales were slightly ahead of Budget by \$59K mainly driven by increases from many of the Canadian customers. External compound sales were behind Budget by \$45K due to reduced orders from Vinyl Profiles as a result of lost business
- Favorable product/customer mix impact of \$112K primarily from Woodbridge and Delmont; Favorable rebates & discounts variance of \$96K due to lower volumes and customer sales mix; Returns & allowances slightly favorable than Budget by \$6K
- Unfavorable F/X impact of \$111K (actual rate of 1.3206 [or \$USD 0.7572] vs. Budget rate of 1.30 [or \$USD 0.7692])

EBITDA – February +\$65K:

- Material COGS:** Decrease of \$514K primarily due to the mix and volume impact from lower sales of \$600K partially offset by unfavorable yields (net of regrind usage) at Delmont and Everett of \$86K
- Labor COGS:** Decrease of \$151K due to a volume impact of \$78K, an out-of-period workers' compensation refund received at Everett of \$84K and a favorable F/X impact of \$24K; partially offset by increased overtime at Everett to support tooling launches of \$35K (net of headcount reduction initiatives and improved labor efficiency at Laval, Delmont, Terrebonne and ECS)
- Other COGS:** Decrease of \$219K as a result of lower freight costs due to sales volume and customer mix of \$165K, favorable tool & die overhead recovery of \$25K, lower overhead spending (ie. Utilities, maintenance and factory supplies) of \$33K and a favorable F/X impact of \$14K; partially offset by an unfavorable absorption impact of \$18K as a result of lower sales and lower production than Plan
- Sales and Marketing:** Higher costs due to higher marketing costs (timing)
- Administrative:** Lower costs due to lower spending on professional fees & office expenses and a favorable F/X impact of \$17K
- Other Opex:** Favorable impact due an favorable realized F/X re-valuation impact of \$76K due to net USD working capital held by the Canadian entity (change in F/X from 1.3168 on January 31st, 2019 to 1.3157 on February 28th, 2019) and a lower JV equity income of \$19K related to lower volumes vs Budget

February 2019 Net Sales Bridge

(In Thousands of US Dollars)

	<u>Woodbridge</u>	<u>Laval</u>	<u>Delmont</u>	<u>Everett</u>	<u>ECS</u>	<u>Terrebonne</u>	<u>Group Office</u>	<u>Adj.</u>	<u>Total</u>
Net Sales Budget, as reported (A)	\$ 3,361	\$ 1,870	\$ 3,026	\$ 1,863	\$ 5,716	\$ 1,145	\$ -	\$ (5,308)	\$ 11,672
Volume impact (external sales)	(721)	22	(148)	(157)	(45)	59	-		(990)
Volume impact (intercompany sales)	50	7	14	-	(574)	-	-	503	-
Rebates & discounts	20	24	(1)	108	18	(56)		(17)	96
Price / Mix impact	92	22	65	(40)	22	-	-	(49)	112
Returns & allowances	(1)	1	5	7	1	(7)	-		6
Other - F/X	(41)	(24)	(0)	0	(32)	(14)	-	(0)	(111)
Actual Net Sales (B)	\$ 2,759	\$ 1,922	\$ 2,961	\$ 1,781	\$ 5,106	\$ 1,127	\$ -	\$ (4,872)	\$ 10,785
Actual vs Budget, as reported Variance (B) - (A)	\$ (601)	\$ 52	\$ (65)	\$ (82)	\$ (610)	\$ (18)	\$ -	\$ 437	\$ (887)

February 2019 EBITDA Bridge

(In Thousands of US Dollars)

	<u>Woodbridge</u>	<u>Laval</u>	<u>Delmont</u>	<u>Everett</u>	<u>ECS</u>	<u>Terrebonne</u>	<u>Group Office</u>	<u>Adj.</u>	<u>Total</u>
EBITDA Budget, as reported (A)	\$ 111	\$ 185	\$ 356	\$ 121	\$ 88	\$ (210)	\$ (458)	\$ -	\$ 194
Volume & Mix impact	(140)	28	37	52	(5)	(54)	-	(24)	(106)
Labor - DL/IDL FAV/(UNF)	36	(8)	36	30	11	45	-	-	151
Alt. Materials FAV/(UNF)	(2)	8	(24)	(68)	-	-	-	-	(86)
Other Materials - FAV/(UNF)	-	-	(18)	38	(160)	(24)	-	160	(4)
Absorption impact FAV/(UNF)	(66)	26	42	(71)	6	45	-	-	(18)
Overhead Spending FAV/(UNF)	60	17	(5)	(10)	4	(6)	-	-	60
Other	(7)	10	10	14	6	3	33	0	69
Actual EBITDA (B)	\$ (8)	\$ 267	\$ 434	\$ 107	\$ (50)	\$ (200)	\$ (425)	\$ 136	\$ 259
Actual vs Budget, as reported Variance (B) - (A)	\$ (120)	\$ 81	\$ 77	\$ (15)	\$ (138)	\$ 9	\$ 33	\$ 136	\$ 65

Strategic Plan Update – Summary of Alternative Materials Initiative

(In Thousands of US Dollars)

	Feb-19			Feb-19 YTD			Comments
	Actual	Budget	Variance FAV/(UNF)	Actual	Budget	Variance FAV/(UNF)	
Woodbridge - Scrap Variance ⁽¹⁾	\$ 13	\$ 47	\$ (34)	\$ (28)	\$ 100	\$ (128)	Higher production scrap and lower yields
Woodbridge - Alt Materials Usage ⁽²⁾	\$ 128	\$ 96	\$ 32	\$ 285	\$ 184	\$ 101	Higher regrind and off-spec material usage
Woodbridge - Total	\$ 141	\$ 143	\$ (2)	\$ 257	\$ 284	\$ (27)	
Laval - Scrap Variance ⁽¹⁾	\$ 7	\$ -	\$ 7	\$ 14	\$ -	\$ 14	Favorable yields due to longer runs and product mix
Laval - Alt Materials Usage ⁽²⁾	\$ 15	\$ 14	\$ 1	\$ 28	\$ 27	\$ 1	In line with Budget
Laval - Total	\$ 22	\$ 14	\$ 8	\$ 42	\$ 27	\$ 15	
Delmont - Scrap Variance ⁽¹⁾	\$ 70	\$ 105	\$ (35)	\$ 104	\$ 165	\$ (61)	Unfavorable yields due to increased dark capstock runs
Delmont - Alt Materials Usage ⁽²⁾	\$ 63	\$ 52	\$ 11	\$ 177	\$ 153	\$ 24	Increased regrind/alt material usage due to product mix
Delmont - Total	\$ 133	\$ 157	\$ (24)	\$ 281	\$ 318	\$ (37)	
Everett - Scrap Variance ⁽¹⁾	\$ (127)	\$ (92)	\$ (35)	\$ (212)	\$ (177)	\$ (35)	Higher FG production scrap due to trials and testing
Everett - Alt Materials Usage ⁽²⁾	\$ 167	\$ 200	\$ (33)	\$ 389	\$ 398	\$ (9)	Lower regrind/alt material usage due to volumes and mix
Everett - Total	\$ 40	\$ 108	\$ (68)	\$ 177	\$ 221	\$ (44)	
Total Scrap Variance ⁽¹⁾	\$ (37)	\$ 60	\$ (97)	\$ (122)	\$ 88	\$ (210)	
Total Alt Materials Usage ⁽²⁾	\$ 373	\$ 362	\$ 11	\$ 879	\$ 762	\$ 117	
Grand Total	\$ 335	\$ 422	\$ (86)	\$ 757	\$ 850	\$ (93)	

Strategic Plan Update – Summary of HCR Initiative

(In Thousands of US Dollars)

	Jan-19	Feb-19
Budget Production Volume (Lbs)	7,936	7,979
Budget Direct Labor	\$ 1,431	\$ 1,347
Budget Indirect and SG&A Labor	\$ 2,446	\$ 2,212
Budget Total Labor	<u>\$ 3,877</u>	<u>\$ 3,560</u>
Actual Production Volume (Lbs)	7,786	7,371
Actual Direct Labor	\$ 1,305	\$ 1,239
Budget Direct Labor (Flexed for Actual Volume)	\$ 1,404	\$ 1,245
Direct Labor Savings - FAV(UNF)	<u>\$ 98</u>	<u>\$ 5</u>
Actual Indirect and SG&A Labor	\$ 2,401	\$ 2,168
Budget Indirect and SG&A Labor (Flexed for Actual Volume)	\$ 2,446	\$ 2,212
Indirect and SG&A Labor Savings - FAV(UNF)	<u>\$ 45</u>	<u>\$ 44</u>
Total Labor	\$ 3,707	\$ 3,408
Budget Total Labor (Flexed for Actual Volume)	\$ 3,850	\$ 3,457
Total Labor Savings - FAV(UNF)	<u>\$ 144</u>	<u>\$ 49</u>

Note: Direct Labor includes Full Time and Casual/Temp Labor

Strategic Plan Update – Operations

Good news / positives to business and plan/reforecast

- The Lean Journey has started at all plants with the full implementation of the SQDC boards and a regimented daily Gemba walk. The SQDC boards in the service areas reflect KPIs that demonstrate the effectiveness in supporting production needs through reduced unplanned down time and improved tooling related quality. The culture of accountability for results has developed significantly as evident by the higher caliber / more proactive problem solving discussions during the Gemba walk
- In our quest to develop a culture of Zero Defect, weekly Plant Quality Calls have been implemented where best practices in Quality and Process Control are shared between all Plant and Quality Managers. Several best practices have been adopted by the team and are becoming part of our standard work format. To date, the team have standardized 4 Quality processes and will standardize one more every two weeks
- The extrusion plants have increased the use of lower cost Alternative Materials by increasing the availability of regrind material and instilling greater discipline on the lines to use the BOM prescribed raw material source. The optical sorters at Woodbridge and Everett are fully operational allowing us to maximize the yield from the mixed color regrind material resulting from our dark cap process or the purchasing of mixed color regrind
- To grow the business on the west coast, the Everett facility is expanding their product offering to include co-extruded profiles. This significant investment in tooling and resources to be realized in Q1 will begin demonstrating benefits to the business in Q2
- Each of the Extrusion plants have implemented Visual Control Boards (“VCBs”) to track progress being made toward reducing line change over-times and reduce material scrapped during set-up / fine tuning

Risks/ challenges to business and plan/reforecast

- To overcome the current constraint in developing, building and testing of tooling for new products, the capacity for designing, production and testing tools is being shared by the extrusion plants. Through the sharing of tooling resources, we are ensuring that the shortest possible lead times are realized and that new products are launched with low to no lost opportunities to realize revenue

Other Material items / Events

- Communications between plants, collaborative problem solving and the sharing of best practices has improved greatly in the last few months. The weekly plant manager’s meeting provides a forum for sharing of lessons learned and exchanging of best practices. A cadence of monthly Plant Manager’s and Plant Controller meetings provides the opportunity for all in attendance to learn how we are performing as a business and as individual plants

Strategic Plan Update – Terrebonne Turnaround

Terrebonne Operational Activities

- Preparations for the new Performer Door are in progress: changes to plant layout, inventory balancing, R&D on new equipment
- Labor tracking KPI's have continued to yield efficiency improvements. Ownership of results at floor level had increased through use of Gemba and SQDC
- Development of labor model continues and will be finalized in Q1 along with OBI's and job certifications

Patio Door Commercial Activities

- Patio Door price increase executed in December, effective February.

- Funnel Summary (CAD\$):

	Incremental to 2018			
	Est 2019 Volume	Bud 2019 Volume	Est Annual Volume	Status
Caron et Guay	\$0.9		\$1.0	Complete, launching new PF
Kento	\$0.4		\$0.5	Complete, ordering
Concerto Group	\$0.5	\$0.4	\$1.0	Finalizing, completing vol incentive
Quaker	\$0.3		\$0.6	Complete, starting to order
Atis	\$2.5		\$6.3	Finalizing
Vaillencourt		\$1.3	\$2.0	Pitching (70% confident for 2019)
Gentek			\$0.0	Looking at Quebec opportunity
Allsco			\$0.0	Added to Atis Volume
Gilkey			\$0.3	Dropping
Total	\$4.6	\$1.7	\$11.7	

Strategic Plan Update – Supply Chain

Good news / positives to business and plan / reforecast

1. Alternate Material Global Sourcing

- White color regrind samples being tested from Das Horgerate, JP Industrial and SLM Plastiques at Laval, Woodbridge and Everett
- Offspec tan material from Resin Technologies is available and Everett is evaluating the data sheet and pricing before making a decision
- Mixed color regrind samples also requested from 2 additional suppliers (Resin Technologies, Vinyl Resources and Olive Multi Style)
- Requests for quotation outstanding from Triangle Chemical (US) and Global Waste & Recycling
- Alternate Compound opportunities: expecting quote from Westlake Compounding; Shintech meeting scheduled for late in March; Nhat Nuy Group (Vietnam), Tongxiang Smalboss and Benvic (Spain)

2. Commodity Inflation Offsets

- Kronos announced a \$0.07 price increase effective April 1st; reinforced our importance as a top customer and commencing negotiations
- Galata Tin Stabilizer prices have increased based on tin pricing for March but they have reduced their Masterbatch pigment pricing to offset
- Screenco: successfully pushed out the overall 5% price increase out and future implementation will be based on supplier performance and customer service; identified two alternative screen suppliers for Terrebonne (Kromet and Valconcept) and investigating further
- Investigating alternative supply sources for expensive Arkema material (Altuglass BS 100 material used in shutters and Acrylic DarkCap material)
- Investigative work regarding reducing compound costs with Baerlocher (re: Calcium Zinc Stabilizer) and Chemson Chemicals

3. Warehousing, Logistics, and Organization Structure

- Updated SOW with Orkestra confined to the racking cost reduction opportunity
- Discussions held with PGT regarding consignment program; PGT would like ENERGI to entertain a Florida warehouse option

Risks / challenges to business and plan / reforecast

- Global Sourcing for alternate material will continue to be a major challenge
- PGT consignment requirements are demanding - could be a cost addition in 2019/2020 covering real estate, resources and logistics

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Revenue and EBITDA Bridge

\$'000	MTD		QTD		YTD	
	Net Revenue	EBITDA	Net Revenue	EBITDA	Net Revenue	EBITDA
Budget	\$ 11,672	\$ 194	\$ 22,959	\$ 168	\$ 22,959	\$ 168
<u>Net Revenue Delta</u>						
Volume	(990)	(224)	(1,224)	(242)	(1,224)	(242)
Pricing	–	–	–	–	–	–
Mix	112	112	233	394	233	394
Discounts	18	18	41	41	41	41
Returns	6	6	(29)	(29)	(29)	(29)
Rebates	78	78	29	29	29	29
F/X	(111)	22	(282)	76	(282)	76
Total Net Revenue Delta	(887)	12	(1,232)	269	(1,232)	269
<u>Cost Delta</u>						
Absorption		(18)		(195)		(195)
SG&A		(24)		46		46
Variances		37		(36)		(36)
Other		58		45		45
Total Cost Delta		53		(140)		(140)
Actual	\$ 10,785	\$ 259	\$ 21,727	\$ 296	\$ 21,727	\$ 296

Management Discussion - MTD

- Extrusion external sales volume unfavorable by 10.5% or \$1,004K, lower external compound sales by \$45K, partially offset by higher Terrebonne sales of \$59K, contributing to the volume impact of \$990K
- Favorable customer sales mix of \$112K mainly from Woodbridge (higher Windsor, Ostaco and Dashwood; lower AWW and JV) and Delmont (lower Polaris)
- Unfavorable F/X impact of \$111K (actual rate of 1.3206 [or \$USD 0.7572] vs. Budget rate of 1.30 [or \$USD 0.7692]); Translation F/X impact on EBITDA is unfavorable by \$54K offset by a favorable realized balance sheet re-valuation impact of \$76K due to a change in the month-end rate from 1.3168 on January 31st to 1.3157 on February 28th
- Unfavorable absorption impact of \$18K as a result of lower sales and lower production than Plan by 145K Lbs
- Unfavorable SG&A due to lower JV equity income by \$19K as a result of lower than budgeted sales volumes
- Favorable variances of \$37K due primarily to lower labor costs from headcount reduction initiatives implemented and improved labor efficiency and a workers' compensation premium refund of \$84K received at Everett; partially offset by unfavorable yields and higher scrap costs (net of regrind usage) at Delmont and Everett due to increased Dark Capstock trials and new tooling launches of \$86K
- Other costs favorable by \$58K due to higher tool & die overhead recovery of \$25K and lower overhead spending (ie. Maintenance, factory suppliers, utilities) of \$33K

Key Customers – Gross Sales and Gross Margin %: Consolidated

	Gross Sales (\$'000)															Gross Margin %																						
	MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var		MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var							
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%							
Customer:																																						
PGT Industries Inc	\$	1,700	\$	1,613	\$	87	5.4%	\$	938	\$	762	81.2%	\$	3,613	\$	3,072	\$	541	17.6%	\$	1,982	\$	1,631	82.3%	18.5%	17.1%	137	8.0%	17.0%	149	9%	18.9%	18.1%	81	4.5%	11.8%	709	59.9%
Eclipse Shutter Systems		1,018		1,287		(269)	(20.9%)		1,341		(323)	(24.1%)		2,178		2,410		(231)	(9.6%)		2,824		(646)	(22.9%)	(0.4%)	29.7%	(3,013)	(101.4%)	3.3%	(373)	(113%)	15.1%	28.7%	(1,360)	(47.4%)	4.7%	1,044	223.1%
Atis		312		399		(87)	(21.8%)		490		(178)	(36.3%)		878		727		151	20.8%		905		(26)	(2.9%)	(17.0%)	(19.4%)	243	(12.5%)	(21.8%)	476	(22%)	(17.0%)	(19.4%)	245	(12.6%)	(19.6%)	258	(13.2%)
Simonton		681		787		(105)	(13.4%)		758		(77)	(10.1%)		1,375		1,496		(122)	(8.1%)		1,620		(245)	(15.1%)	21.0%	19.7%	129	6.5%	6.3%	1,470	233%	17.6%	18.8%	(117)	(6.2%)	7.2%	1,040	144.2%
Quaker Window Products		324		365		(41)	(11.2%)		312		12	3.8%		761		928		(168)	(18.1%)		793		(33)	(4.1%)	11.0%	11.0%	0	0.0%	(2.3%)	1,336	(572%)	11.0%	11.0%	0	0.0%	0.3%	1,070	3362.9%
Ostaco 2000		245		143		102	71.4%		129		116	89.8%		514		405		109	26.9%		347		167	48.0%	4.3%	3.6%	77	21.6%	16.8%	(1,244)	(74%)	6.8%	6.9%	(11)	(1.6%)	17.4%	(1,055)	(60.8%)
SOLARIS QUEBEC P & F INC.		264		243		21	8.8%		270		(6)	(2.2%)		568		467		102	21.8%		508		60	11.8%	23.1%	23.2%	(9)	(0.4%)	6.2%	1,693	272%	23.7%	24.0%	(25)	(1.0%)	6.1%	1,765	291.1%
Dashwood Industries Inc		251		178		73	41.3%		198		53	27.0%		384		394		(11)	(2.8%)		463		(79)	(17.2%)	11.8%	12.9%	(112)	(8.7%)	19.1%	(729)	(38%)	10.7%	13.6%	(284)	(20.9%)	12.8%	(206)	(16.1%)
Windsor Window Co OEM		232		151		82	54.2%		157		75	47.8%		493		526		(33)	(6.4%)		540		(47)	(8.7%)	20.5%	21.6%	(112)	(5.2%)	9.6%	1,087	113%	22.1%	23.6%	(154)	(6.5%)	1.0%	2,111	2196.4%
All Weather		404		642		(238)	(37.1%)		279		124	44.5%		641		1,210		(569)	(47.0%)		559		81	14.6%	16.5%	17.5%	(96)	(5.5%)	10.9%	561	51%	13.6%	15.3%	(169)	(11.1%)	9.3%	431	46.5%
Polaris Technologies		259		426		(167)	(39.2%)		138		121	87.7%		674		870		(196)	(22.5%)		287		387	134.8%	14.1%	15.5%	(141)	(9.1%)	0.0%	1,408	N/A	11.9%	17.3%	(535)	(30.9%)	0.0%	1,194	N/A
A.M.I.		167		212		(45)	(21.5%)		197		(30)	(15.5%)		388		418		(30)	(7.3%)		361		27	7.3%	0.0%	0.0%	–	N/A	(4.1%)	406	(100%)	0.0%	0.0%	–	N/A	(5.5%)	551	(100.0%)
ATLANTIC WINDOWS		219		253		(34)	(13.3%)		280		(61)	(21.7%)		371		504		(132)	(26.3%)		521		(150)	(28.7%)	12.9%	11.3%	162	14.3%	4.9%	800	162%	14.5%	11.5%	304	26.4%	4.3%	1,028	241.8%
Vinyl Profiles, LLC		161		276		(115)	(41.7%)		230		(69)	(30.0%)		387		552		(165)	(29.9%)		484		(97)	(20.1%)	20.5%	20.7%	(22)	(1.0%)	22.3%	(183)	(8%)	22.2%	20.8%	143	6.9%	21.5%	74	3.5%
Comfort View Products		168		266		(98)	(36.8%)		138		30	21.7%		296		550		(254)	(46.2%)		338		(42)	(12.4%)	20.6%	12.0%	856	71.1%	14.4%	623	43%	20.4%	16.6%	376	22.6%	10.5%	984	93.4%
PORTES & FENETRES ABRITEK		84		119		(34)	(28.8%)		133		(49)	(36.5%)		170		238		(67)	(28.3%)		279		(109)	(38.9%)	10.0%	17.4%	(742)	(42.7%)	11.8%	(183)	(15%)	13.0%	20.7%	(777)	(37.5%)	14.7%	(173)	(11.8%)
Coeur d'Alene		197		243		(46)	(19.0%)		122		75	61.5%		479		422		57	13.6%		324		155	47.9%	2.9%	8.2%	(528)	(64.5%)	1.1%	176	154%	1.0%	5.3%	(432)	(81.4%)	(1.2%)	217	(182.8%)
SCHLUTER SYSTEMS L.P.		127		193		(65)	(33.9%)		192		(65)	(33.7%)		181		345		(164)	(47.6%)		344		(163)	(47.5%)	24.6%	16.0%	858	53.5%	17.8%	683	38%	25.5%	23.9%	164	6.9%	16.8%	878	52.4%
P & F ISOTHERMIC INC		119		137		(18)	(13.0%)		194		(75)	(38.6%)		256		247		9	3.8%		359		(103)	(28.6%)	16.1%	22.5%	(641)	(28.5%)	(4.3%)	2,032	(476%)	15.0%	22.3%	(730)	(32.7%)	3.4%	1,169	347.9%
Sierra Pacific Windows		173		187		(14)	(7.5%)		90		83	92.2%		455		391		64	16.4%		225		230	102.2%	3.1%	8.6%	(543)	(63.5%)	11.7%	(856)	(73%)	7.6%	9.8%	(216)	(22.1%)	4.8%	277	57.3%
Other		4,144		4,121		23	0.6%		5,828		(1,684)	(28.9%)		7,726		7,899		(173)	(2.2%)		12,009		(4,283)	(35.7%)	21.7%	11.0%	1,079	98.5%	28.9%	(717)	(25%)	16.0%	19.6%	(365)	(18.6%)	26.1%	(1,012)	(38.8%)
Total Gross	\$	11,249	\$	12,238	\$	(989)	(8.1%)	\$	12,414	\$	(1,165)	(9.4%)	\$	22,788	\$	24,070	\$	(1,282)	(5.3%)	\$	26,073	\$	(3,285)	(12.6%)	15.6%	14.4%	123	8.5%	16.1%	(53)	(3%)	0.0%	16.1%	(1,613)	(100.0%)	16.1%	(1,608)	(100.0%)

Management Discussion

- Eclipse – Lower vs anticipated sales, as a result of drop in demand and utilization of built up inventory
 - Atis – Lower MTD following strong January. YTD still higher.
 - Simonton – Bad weather affecting sales and delivery
 - Ostaco – Increase in sales to build up inventory in anticipation of strong Q2 and growth
 - All Weather and Comfort View – Slow start to the year and colder weather leading to softness in orders
- Coeur D Alene – Good ongoing growth spurt coupled by little sensitivity to season
 - Polaris – Timing, delay in product launch.
 - Vinyl Profiles – Loss of anticipated sales to competitor

Pipeline Roll-Forward

\$'000	Expected Contract Win Value	
	MTD	YTD
Opening Pipeline	\$ 56,995	\$ 24,924
Additions	3,827	75,317
Changes:		
Converted	(307)	(9,708)
Lost	(3,400)	(29,043)
Other	4,000	(374)
Total Net Changes	293	(39,125)
Closing Pipeline	\$ 61,115	\$ 61,115

Management Discussion

- Successful conversion of Patio Door Lineal with Abritek with an anticipated value of \$269K and 175 Lbs.
- Loss in ECS Pipeline of Vinyl Profile valued at \$2,000K due to Customer unable to secure potential business. Window Seal and LB Plastics combined for \$1,400K. Customer decided to continue with existing supplier.
- Revision in estimate of Fence outlet (ECS) from \$2,000K initially anticipated to \$6,000K.

Pipeline Additions

\$'000														
Customer Name	Plant	Rep. Name	Existing Customer (Y/N)	Description of Opportunity	Segment	Date of Inclusion into Pipeline	Expected Date of Award/Close	Probability of Winning Award	Competitor(s)	Period of Contract		Expected Total Contract Value	Estimated Annual Volume ('000s Lbs)	Comments
										Start	End			
Fenêtres Contemporaine	TERREBONNE	Pierre Lafleur	N	Performer 100% of business	PD	Feb 2019	Feb 2019	100%	Other	Mar 2019	TBD	38	10	
Reflec	TERREBONNE	Pierre Lafleur	N	Patio doors	PD	Feb 2019	Mar 2019	70%	Novatech	TBD	TBD	154	200	
Del Windows	TERREBONNE	Simon Fitzgerald	N	Patio Door Program	PD	Feb 2019	Apr 2019	50%	Sunview	TBD	TBD	577	750	
Del Windows	LAVAL	Simon Fitzgerald	N	4600 Series/Marquis	Window	Feb 2019	Apr 2019	70%	Veka	TBD	TBD	385	500	
Simonton	EVERETT	Simon Fitzgerald	Y	New Multi slide/425 door	PD	Feb 2019	June 2019	60%	Other	TBD	TBD	769	1000	
Simonton	EVERETT	Simon Fitzgerald	Y	Dual stucco wall Slider	PD	Feb 2019	May 2019	80%	Other	TBD	TBD	1154	1500	
Dalmen	LAVAL	Pierre Lafleur	Y	Tilt and Turn	Window	Feb 2019	June 2019	70%	Other	TBD	TBD	154	200	
Fenêtres Contemporaines	LAVAL	Pierre Lafleur	N	Hybrid casement	Window	Feb 2019	Nov 2019	70%	Soni	TBD	TBD	58	75	
Atelier Jean Cyr	LAVAL	Pierre Lafleur	N	Hybrid hung	Window	Feb 2019	Apr 2019	80%	Other	TBD	TBD	38	50	
Vinylcraft	ECS		N	3242/8007 window compound	Compound	Feb 2019	May 2019	50%	Polyone	TBD	TBD	500	500	
												3,827	4,785	

Pipeline Conversion

\$'000												
Customer Name	Rep. Name	Existing Customer (Y/N)	Description	Name of Winner(s) / Loser(s)	Date of Conversion	Period of Contract		Expected Total Contract Value	Estimated Annual Volume ('000s Lbs)	Reason Code(s)	Comment	
						Start	End					
CONVERTED												
Fenetres Contemporaine	Pierre Lafleur	N	Performer	100% of business	Other	Feb 2019	TBD	TBD	(38)	(10)	1	
Abritek	Pierre Lafleur	N	PD Lineal		Other	Feb 2019	TBD	TBD	(269)	(175)	5	
									<u>\$ (307)</u>	<u>(185)</u>		
LOST												
Vinyl Profile	ECS	Y	substrate formulation						(2,000)	(2,000)	7	Customer lost business
Window seal	ECS	N	High TiO2 formulation	Polyone					(700)	(700)	3	Customer stayed with current Supplier
LB plastics	ECS	N	Window compound	Aurora					(700)	(700)	3	Customer stayed with current Supplier
									<u>\$ (3,400)</u>	<u>(3,400)</u>		
OTHER												
Fence Outlet	ECS	N	Fence: Building Products	NA	NA	TBD	TBD		4,000	7,500	7	Revision to estimates
									<u>4,000</u>	<u>7,500</u>		
Reason Code for Win												
1. Price		2. Service/Support		3. Relationship								
4. Incumbency		5. Product		6. No decision								
7. Other (Explain in comment field)												

Total Closing Pipeline – Current Extrusions and Patio Doors

\$ and units '000														
Customer Name	Total Contract Value		1x Costs	Contract Timing			Sales Process Status							Comments
	\$	Units ('000s Lbs)		Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)	
Existing Customers														
All Weather Windows	\$ 577	500	\$ -	TBD	TBD	TBD	Complete	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	Viscount Patio Door
Atrium	\$ 325	200	\$ 65	TBD	TBD	TBD								Single Hung
Moss Supply	\$ 3,000	2,000	\$ -	TBD	TBD	TBD								
Solar Innovations	\$ 500	350	\$ 100	TBD	TBD	TBD								Customer looking at launch timing for the platform extrusions
Vaillancourt	\$ 2,308	500	\$ -	TBD	TBD	TBD								
Polaris	\$ 4,000	2,500	\$ -	TBD	TBD	TBD								Performer-Fusion Patio Doors
Gentek	\$ 2,308	1,700	\$ 1,095	TBD	TBD	TBD								Ultra-Weld
Hometime	\$ 200	100	\$ 75	TBD	TBD	TBD								Full Program. Still waiting on decision. Gentek strategy is to run Veka and ENERGI and allow ENERGI to cannibilize Veka programs.
Fene-Tech	\$ 77	40	\$ -	TBD	TBD	TBD								Customer still reviewing casement
Simonton	\$ 1,154	1,500	\$ -	TBD	TBD	TBD								Patio Door program
Dalmen	\$ 154	200	\$ -	TBD	TBD	TBD	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	Dual stucco wall Slider	
Van Isle	\$ 192	140	\$ 450	TBD	TBD	TBD							Tilt and Turn	
Magistral	\$ 115	75	\$ 100	TBD	TBD	TBD							West Coast Contemporary series (shared capital)	
Simonton	\$ 769	1,000	\$ -	TBD	TBD	TBD							Customer still reviewing	
LGC	\$ 77	50	\$ 25	TBD	TBD	TBD							New Multi slide/425 door	
Futura	\$ 77	50	\$ 25	TBD	TBD	TBD								
Fenêtres Concept	\$ 58	25	\$ 25	TBD	TBD	TBD							Initial sampling to begin	
Cascade	\$ 4,500	3,600	\$ 750	TBD	TBD	TBD							Develop Dark capstock option for current SS/SH/CA/PD	
Cascade	\$ 750	600	\$ 750	TBD	TBD	TBD							425 Multi-Slide patio door lineal program	
Vinylpro	\$ 385	300	\$ -	TBD	TBD	TBD							4 1/2" Casement	
Seymour Windows	\$ 1,429	1,000	\$ 241	TBD	TBD	TBD							Working on new formulation and design	
Westek	\$ 77	50	\$ -	TBD	TBD	TBD							Multi-Track Door	
Solar Innovations	\$ 250	150	\$ -	TBD	TBD	TBD							Multi Track Door	
Solar Innovations	\$ 100	50	\$ -	TBD	TBD	TBD							Lift/Slide Lineal	
Avanti	\$ 1,000	700	\$ -	TBD	TBD	TBD							FullProgram - Dark Cap	
ATI	\$ 500	300	\$ 450	TBD	TBD	TBD							West Coast Contemporary series (shared capital)	
Gentek	\$ 1,538	-	\$ -	TBD	TBD	TBD							Patio Door program	
Dalmen	\$ 192	125	\$ -	TBD	TBD	TBD	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	Opera lineal program from Soni Plastics	
All Weather Windows	\$ 1,923	1,800	\$ -	TBD	TBD	TBD							Entry door Program	
Aluminart	\$ 192	125	\$ -	TBD	TBD	TBD							Casement	
Entreprises AM	\$ 577	350	\$ -	TBD	TBD	TBD							4600 Series	
Euroclad Windows	\$ 100	50	\$ -	TBD	TBD	TBD							Multi Track Door	
Mason Windows	\$ 192	160	\$ -	TBD	TBD	TBD							Contemporary Casement	
Vaillancourt	\$ 769	500	\$ -	TBD	TBD	TBD							Opera lineal	
All Weather	\$ 192	50	\$ -	TBD	TBD	TBD							Orchestra	
Windsor	\$ 50	25	\$ -	TBD	TBD	TBD							New Astragal	
PGT	\$ 2,000	1,500	\$ -	TBD	TBD	TBD							Value Window	
TOTAL EXISTING CUSTOMERS														
	\$ 32,607	\$ 22,365	\$ 4,151											
Legend														
	Complete													
	In process, on track													
	In process, delayed													
	In process, at risk													

Total Closing Pipeline – New Extrusions and Patio Doors

\$ and units '000															
Customer Name	Total Contract Value			1x Costs	Contract Timing			Sales Process Status							Comments
	\$	Units ('000s Lbs)			Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)	
New Customers															
Gilkey	\$	600	370	\$	400	TBD	TBD	TBD							In final stages; seeking 5 year agreement
Auroral	\$	154	100	\$	-	TBD	TBD	TBD							Patio Door.
Fenestres Contemporaine	\$	58	\$	75	\$	-	TBD	TBD	TBD						Hybrid Casement
Reflec	\$	154	\$	200	\$	-	TBD	TBD	TBD						Patio Door Program
Del Windows	\$	577	\$	750	\$	-	TBD	TBD	TBD						4600 Series/Marquis
Del Windows	\$	385	\$	500	\$	-	TBD	TBD	TBD						Hybrid casement
Atelier Jean Cyr	\$	38	\$	50	\$	-	TBD	TBD	TBD						Hybrid hung
Verdun	\$	769		500	\$	-	TBD	TBD	TBD						4600 Casement
Elite	\$	308		200	\$	-	TBD	TBD	TBD						In early discussions
Formtech	\$	231		100	\$	-	TBD	TBD	TBD						Tilt/Turn, 4600 Series
Progressive Windows	\$	500		250	\$	-	TBD	TBD	TBD						3 1/4" Program
Hayfield Windows	\$	2,000		1,250	\$	-	TBD	TBD	TBD						Casement
Laugitech	\$	308		200	\$	50	TBD	TBD	TBD						Prospect wants to start fabricating windows
Scheel	\$	308		175	\$	100	TBD	TBD	TBD						Prospect wants to switch away from PH Tech - dissatisfied
President Windows	\$	150		-	\$	100	TBD	TBD	TBD						Patio Doors
Minnkota Window	\$	1,500		850	\$	-	TBD	TBD	TBD						Casement SH/DH
Target	\$	400		225	\$	-	TBD	TBD	TBD						Casement SH/DH
Diamond	\$	1,000		700	\$	-	TBD	TBD	TBD						3 1/4" Program
Bonnecherry Valley	\$	115		75	\$	-	TBD	TBD	TBD						T/T, CA, Hung
Gilkey Windows	\$	500		3,600	\$	-	TBD	TBD	TBD						Patio Door
Gilkey Windows	\$	750		600	\$	-	TBD	TBD	TBD						DH
Versatile	\$	192		125	\$	-	TBD	TBD	TBD						Casement-Slider
Group Atlanta	\$	154		100	\$	-	TBD	TBD	TBD						Hybrid Slider
Amerimax	\$	350		-	\$	-	TBD	TBD	TBD						Opus PD
Thermovision	\$	115		75	\$	-	TBD	TBD	TBD						Hung/Slider Hybrid
Artesia Glass	\$	860		525	\$	-	TBD	TBD	TBD						154 Series
Artik	\$	58		37	\$	-	TBD	TBD	TBD						PD Lineal
Wasco	\$	400		225	\$	-	TBD	TBD	TBD						Casement/SH/DH (Rehau)
Yellow Dog	\$	3,750		3,000	\$	-	TBD	TBD	TBD						5000 Series
SI	\$	2,308		2,500	\$	-	TBD	TBD	TBD						Recut tools in Dark Cap
Maritime	\$	385		250	\$	-	TBD	TBD	TBD						Early discussions
Heartland	\$	900		650	\$	-	TBD	TBD	TBD						
Menuiserie Belisle	\$	231		125	\$	-	TBD	TBD	TBD						4600 Series
Vector Windows	\$	500		350	\$	-	TBD	TBD	TBD						
Supreme	\$	500		375	\$	-	TBD	TBD	TBD						Strong relationship with Westech but concerned
TOTAL NEW CUSTOMERS															
	\$	21,508	\$	19,107	\$	650									
Total Extrusion and Patio Doors															
	\$	54,115	41,472	\$	4,801										
Legend															
									Complete						
									In process, on track						
									In process, delayed						
									In process, at risk						

Total Closing Pipeline – ENERGI Compound Solutions (ECS) External Sales

\$ and units '000														
Customer Name	Total Contract Value		1x Costs	Contract Timing			Sales Process Status							Comments
	\$	Units ('000s Lbs)		Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)	
<u>Existing Customers</u>														
TOTAL EXISTING CUSTOMERS	\$	-	-	\$	-									
<u>New Customers</u>														
Fence Outlet	\$	6,000	10,000	\$	-	TBD	TBD	TBD						Quote accepted. Customer want formulation improved. Capital required for Dosing unit Natural Formulation for RV's Pursuit/ New formulation required Provided quote
Accord	\$	300	300	\$	-	TBD	TBD	TBD						
Mor-X Plastics	\$	200	200	\$	-	TBD	TBD	TBD						
Vinylcraft	\$	500	500	\$	-	TBD	TBD	TBD						
TOTAL NEW CUSTOMERS	\$	7,000	\$	11,000	\$	-								
Total External Compound Sales	\$	7,000	11,000	\$	-									
TOTAL SALES PIPELINE	\$	61,115	52,472	\$	4,801									
<u>Legend</u>														
								Complete						
								In process, on track						
								In process, delayed						
								In process, at risk						

YTD Opex Analysis

\$'000

	YTD			Explanation of Variance					Variance Impact		
			Variance	One-Time /		Change in		Other/FX	Total Variance	YoY Impact	Annualized
	Act	Bud	(B) / W	Non-recurring	Timing	Run-rate			(B) / W	(B) / W	(B) / W
Payroll	\$ 1,688	\$ 1,725	\$ (38)	\$ (16)	\$ -	\$ (13)	\$ (9)		\$ (38)	\$ (170)	\$ -
Bonus	\$ 225	\$ 227	\$ (2)	\$ -	\$ -	\$ -	\$ (2)		\$ (2)	\$ (4)	\$ -
Commissions	\$ 38	\$ 59	\$ (22)	\$ -	\$ -	\$ (22)	\$ -		\$ (22)	\$ 12	\$ -
Marketing	\$ 274	\$ 311	\$ (37)	\$ -	\$ (34)	\$ -	\$ (3)		\$ (37)	\$ (53)	\$ -
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Travel and entertainment	\$ 236	\$ 257	\$ (21)	\$ -	\$ (10)	\$ (9)	\$ (2)		\$ (21)	\$ 25	\$ -
Rent and facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Insurance	\$ 49	\$ 52	\$ (3)	\$ -	\$ -	\$ (3)	\$ -		\$ (3)	\$ (8)	\$ -
Professional fees	\$ 91	\$ 103	\$ (12)	\$ (6)	\$ (5)	\$ -	\$ (1)		\$ (12)	\$ (14)	\$ -
Office expense	\$ 49	\$ 52	\$ (3)	\$ (3)		\$ -	\$ -		\$ (3)	\$ (9)	\$ -
IT	\$ 331	\$ 318	\$ 13	\$ -	\$ 5	\$ 10	\$ (2)		\$ 13	\$ 36	\$ -
Bad Debts	\$ 16	\$ (1)	\$ 17	\$ 16	\$ -	\$ -	\$ 0		\$ 17	\$ 18	\$ -
FX	\$ (198)	\$ -	\$ (198)	\$ -	\$ -	\$ -	\$ (198)		\$ (198)	\$ (191)	\$ -
JV Loss (Income)	\$ (4)	\$ (35)	\$ 30	\$ -	\$ 19	\$ -	\$ -		\$ 19	\$ 19	\$ -
Other Expenses	\$ 165	\$ 141	\$ 24	\$ 36	\$ -	\$ -	\$ (1)		\$ 35	\$ 23	\$ -
Total Opex	\$ 2,960	\$ 3,210	\$ (250)	\$ 28	\$ (24)	\$ (36)	\$ (218)		\$ (250)	\$ (317)	\$ -

Management Discussion

- Lower payroll partly due to Canadian FX and lower Benefits vs Budget. Lower Commissions accrual due to reduction in estimate
- Travel and Entertainment and Marketing lower due to timing of expenses budgeted and lower T&E by staff vs budget
- Lower Professional Fees incurred vs estimate partially due to timing
- Higher IT expense due to higher costs vs budget e.g ADP Processing fees, Terrebonne ERP training expenditure
- JV Income lower due to lower sales volume and higher line usage charges
- Other expenses higher on account of Product Development Cost for New Performer door

1x Costs

\$'000

	YTD			Explanation of Variance			Variance Impact	
	Variance			Change in			Total Variance	Total Change in Estimate
	Act	AOP	B / (W)	Estimate	Timing	Other	B / (W)	B / (W)
Banking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insight Sourcing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT	\$ 72	\$ 45	\$ (27)	\$ -	\$ (27)	\$ -	\$ (27)	\$ -
Legal Fees	\$ 6	\$ -	\$ (6)	\$ -	\$ -	\$ (6)	\$ (6)	\$ -
Professional Fees	\$ 46	\$ 26	\$ (20)	\$ -	\$ (20)	\$ -	\$ (20)	\$ -
Mgmt Incentive	\$ 114	\$ 114	\$ 0	\$ -	\$ 0	\$ -	\$ 0	\$ -
Laval Water Damage	\$ 98	\$ -	\$ (98)	\$ -	\$ -	\$ (98)	\$ (98)	\$ -
Profit Velocity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAD Transfer Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Restructuring Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 3	\$ -	\$ (3)	\$ -	\$ -	\$ (3)	\$ (3)	\$ -
Total 1X Costs	\$ 339	\$ 185	\$ (154)	\$ -	\$ (47)	\$ (106)	\$ (154)	\$ -

Management Discussion

- IT Costs relate to Terrebonne ERP Syteline Project to set up certain modules and perform an upgrade to the system (\$56K) and DDL Consultant for ITSM Project (\$16K)
- Legal Costs of \$6K for Corporate Management Services
- Professional Fees include costs incurred for the OBI projects with The Practical Approach (\$46K)
- Management staff incentive accrual (\$114K) in line with Budget
- Laval Water Damage costs relate to water clean-up services performed by Qualinet (\$98K, not planned); to be claimed through insurance provider with a deductible of \$100K

Balance Sheet

\$'000	Dec-18	Nov-18	Dec-18	Jan-19	Feb-19		Variance	
	Act	Act	Act	Act	Act	Bud	\$	%
Current Assets								
Cash and cash equivalents	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 3	\$ 0	12.2%
Short term investments	–	–	–	–	–	–	–	N/A
<i>Accounts receivable, gross</i>	8,958	14,139	8,958	9,094	9,841	12,116	(2,275)	(18.8%)
<i>Accounts receivable, reserves</i>	(363)	(657)	(363)	(393)	(393)	(679)	286	(42.1%)
Accounts receivable, net	8,594	13,483	8,594	8,701	9,448	11,437	(1,989)	(17.4%)
<i>Inventory, gross</i>	31,776	31,314	31,776	34,588	36,157	34,855	1,302	3.7%
<i>Inventory, reserves</i>	(1,467)	(1,523)	(1,467)	(1,497)	(1,514)	(1,662)	147	(8.9%)
Inventory, net	30,309	29,790	30,309	33,091	34,642	33,193	1,450	4.4%
Prepaid expenses and other current assets	2,942	3,398	2,942	3,145	3,030	3,037	(7)	(0.2%)
Other current assets	901	2,311	901	761	864	663	202	30.4%
Total Current Assets	42,746	48,982	42,746	45,702	47,988	48,332	(345)	(0.7%)
Non-Current Assets								
<i>Property, plant & equipment, gross</i>	64,977	64,449	64,977	66,687	67,249	68,144	(895)	(1.3%)
<i>Accumulated depreciation</i>	(17,639)	(17,254)	(17,639)	(18,755)	(19,488)	(18,255)	(1,233)	6.8%
Property, plant & equipment, net	47,338	47,195	47,338	47,932	47,761	49,889	(2,128)	(4.3%)
Deferred financing cost	548	566	548	546	533	532	1	0.2%
Deferred tax asset	1,319	1,344	1,319	1,353	1,354	1,367	(12)	(0.9%)
Other non-current assets	2,616	2,785	2,616	2,688	2,690	3,022	(331)	(11.0%)
Total Non-Current Assets	51,821	51,889	51,821	52,520	52,338	54,809	(2,471)	(4.5%)
Total Assets	\$ 94,566	\$ 100,872	\$ 94,566	\$ 98,222	\$ 100,326	\$ 103,142	\$ (2,815)	(2.7%)
Current Liabilities								
Bank Debt	\$ 10,222	\$ 12,019	\$ 10,222	\$ 14,340	\$ 16,533	\$ 19,982	\$ (3,449)	(17.3%)
Current Portion - Long Term Debt	1,628	1,744	1,628	1,678	1,665	1,800	(136)	(7.5%)
Accounts payable	12,709	12,951	12,709	11,725	12,319	10,265	2,054	20.0%
Accrued liabilities	3,343	4,260	3,343	3,786	3,118	3,489	(371)	(10.6%)
Accrued compensation	2,521	2,661	2,521	2,492	2,800	3,117	(317)	(10.2%)
Income taxes payable	649	907	649	725	813	785	28	3.5%
Contingent consideration	1,301	1,299	1,301	1,301	1,301	–	1,301	N/A
Other current liabilities	97	92	97	101	97	128	(31)	(24.5%)
Total Current Liabilities	32,471	35,932	32,471	36,148	38,646	39,567	(921)	(2.3%)
Long-term liabilities								
Long-term debt less current maturities	12,006	12,318	12,006	12,248	12,114	11,860	254	2.1%
Deferred income taxes	7,637	7,717	7,637	7,745	7,747	7,785	(38)	(0.5%)
Other non-current liabilities	1,468	1,504	1,468	1,525	1,530	1,428	102	7.1%
Total Long-Term Liabilities	21,111	21,538	21,111	21,518	21,391	21,073	318	1.5%
Total Liabilities	53,583	57,471	53,583	57,666	60,037	60,640	(603)	(1.0%)
Commitments and contingencies	–	–	–	–	–	–	–	N/A
Shareholders' Equity								
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	0	0.0%
Retained earnings	29,455	31,580	29,455	28,684	28,412	30,421	(2,009)	(6.6%)
Accumulated other comprehensive income	(1,082)	(790)	(1,082)	(738)	(733)	(530)	(203)	38.4%
Total Shareholders' Equity	40,983	43,401	40,983	40,556	40,289	42,502	(2,212)	(5.2%)
Total Liabilities and Shareholders' Equity	\$ 94,566	\$ 100,872	\$ 94,566	\$ 98,222	\$ 100,326	\$ 103,142	\$ (2,815)	(2.7%)

Management Discussion

- Net A/R vs. Budget is lower by \$1,989K (17.4%) largely due to reduction in Sales by 7.6% vs Budget and higher collections of receivables. Further, there is an unfavorable F/X impact of \$125K (actual rate of 1.3157 [or USD\$ 0.76] vs. Budget rate of 1.30 [or USD\$ 0.77])
- Increase in inventory levels vs Bud by \$1,450K due to raw material inventory build up since January in response anticipated increase in Sales in Q2 as well as forecasted price increase in TiO2 partially offset by an unfavorable F/X impact
- PP&E lower vs Bud as a result of an unfavorable F/X impact of \$384K (actual rate of 1.3157 [or USD\$ 0.76] vs. the Budget rate of 1.30 [or USD\$ 0.77]) and lower Capex spending than budgeted YTD (-\$648K). The rest pertains to increase depreciation vs budget
- Other non-current assets reduction of \$331K vs Bud due to a reduction in JV equity income in the month and an unfavorable F/X impact
- Decrease in Bank Debt primarily on account of no payout of the contingent consideration liability of \$1.3M and lower Capex spending due to 'Hold-off' strategy. Furthermore, improved cash utilization following improved A/R and FX on Canadian Debt (actual rate of 1.3157 [or USD\$ 0.76] vs. the Budget rate of 1.30 [or USD\$ 0.77])
- Increase in AP of \$2M (20%) as a result of increased purchasing inline with raw material build up

Cash Flow Statement

\$'000	MTD		Variance		PY-MTD		Variance		YTD		Variance		PY YTD		Variance									
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	ACT	\$	%										
Cash flow from operations																								
Net Income (Loss)	\$	(271)	\$	(995)	\$	723	(72.7%)	\$	(738)	\$	466	(63.2%)	\$	(1,158)	\$	(2,141)	\$	983	(45.9%)	\$	(1,211)	\$	53	(4.4%)
Depreciation, amortization and other		721		713		8	1.1%		643		78	12.1%		1,429		1,422		7	0.5%		1,272		157	12.4%
Non-cash loss/expense (gain)		(7)		(243)		236	(97.1%)		(56)		49	(87.5%)		20		1,025		(1,005)	(98.0%)		33		(13)	(39.3%)
Deferred income tax		3		—		3	N/A		(415)		418	(100.6%)		111		148		(38)	(25.4%)		(553)		663	(120.0%)
Change in operating assets and liabilities:																								
Accounts receivable		(747)		(1,252)		505	(40.3%)		(498)		(249)	50.0%		(854)		(2,931)		2,077	(70.9%)		(755)		(99)	13.1%
Inventory		(1,552)		(604)		(948)	156.9%		(1,371)		(180)	13.1%		(4,334)		(2,884)		(1,450)	50.3%		(3,590)		(744)	20.7%
Prepaid expenses and other current assets		12		206		(194)	(94.0%)		228		(216)	(94.6%)		(52)		143		(194)	(136.1%)		496		(548)	(110.4%)
Accounts payable		594		(599)		1,193	(199.1%)		526		68	12.9%		(390)		(2,444)		2,054	(84.0%)		431		(822)	(190.5%)
Accrued expenses		(359)		(133)		(226)	169.4%		(855)		496	(58.0%)		54		993		(938)	(94.5%)		(1,541)		1,595	(103.5%)
Accrued income taxes		88		98		(10)	(10.6%)		(0)		88	(19050.4%)		164		136		28	20.4%		92		72	78.4%
Other changes in operating assets and liabilities		(4)		22		(26)	(117.0%)		(49)		46	(92.3%)		(0)		(1,270)		1,270	(100.0%)		(11)		11	(99.9%)
Other cash flow from operations		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Operations	\$	(1,523)	\$	(2,786)	\$	1,264	(45.4%)	\$	(2,586)	\$	1,063	(41.1%)	\$	(5,010)	\$	(7,802)	\$	2,792	(35.8%)	\$	(5,335)	\$	325	(6.1%)
Cash flow from investing																								
Additions to property, plant and equipment	\$	(531)	\$	(834)	\$	303	(36.3%)	\$	(443)	\$	(88)	19.9%	\$	(1,020)	\$	(1,668)	\$	648	(38.9%)	\$	(1,504)	\$	484	(32.2%)
Earnout payments		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from investing		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Investing	\$	(531)	\$	(834)	\$	303	(36.3%)	\$	(443)	\$	(88)	19.9%	\$	(1,020)	\$	(1,668)	\$	648	(38.9%)	\$	(1,504)	\$	484	(32.2%)
Cash flow from financing																								
Proceeds from the issuance (repayment) of short-term debt	\$	2,193	\$	3,763	\$	(1,571)	(41.7%)	\$	3,143	\$	(951)	(30.2%)	\$	6,310	\$	9,760	\$	(3,449)	(35.3%)	\$	7,068	\$	(758)	(10.7%)
Proceeds from the issuance of debt		0		—		0	N/A		—		0	N/A		0		—		0	N/A		—		0	N/A
Repayment of debt		(139)		(143)		4	(2.8%)		(115)		(24)	21.2%		(278)		(287)		9	(3.1%)		(229)		(49)	21.3%
Common stock cash dividends paid		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from financing		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Financing	\$	2,053	\$	3,620	\$	(1,567)	(43.3%)	\$	3,028	\$	(975)	(32.2%)	\$	6,032	\$	9,473	\$	(3,441)	(36.3%)	\$	6,839	\$	(806)	(11.8%)
Effect of FX rates on cash and cash equivalents	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A
Net change in cash	\$	(0)	\$	(0)	\$	(0)	1226286%	\$	(0)	\$	0	(48.0%)	\$	3	\$	3	\$	0	4.6%	\$	(0)	\$	3	(11657.4%)
Beginning cash		3		3		0	12.2%		0		3	664.4%		0		0		—	0.0%		(0)		0	(100.1%)
Change in cash		(0)		(0)		(0)	1226286%		(0)		0	(48.0%)		3		3		0	4.6%		(0)		3	(11657.4%)
Ending cash	\$	3	\$	3	\$	0	4.5%	\$	(0)	\$	3	(834350.3%)	\$	3	\$	3	\$	0	4.5%	\$	(0)	\$	3	(834350.3%)

Covenant Analysis

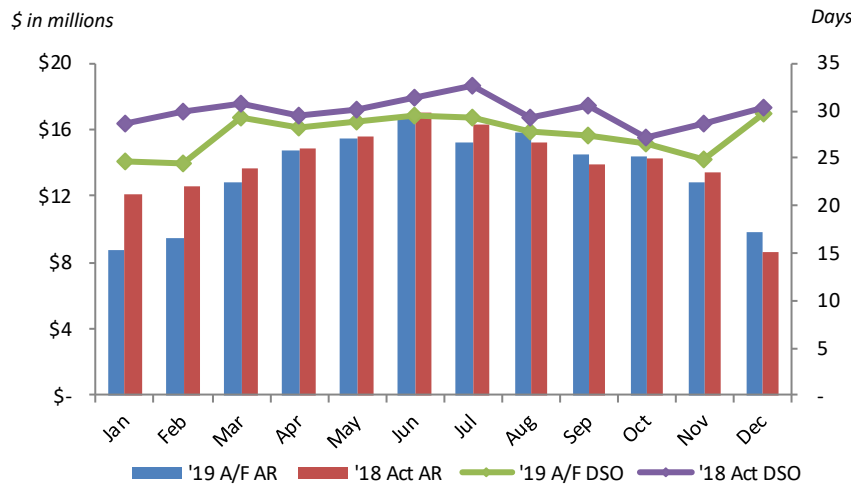
(US\$ '000s)	Actual Dec-18	Actual Jan-19	Actual Feb-19	Budget Mar-19	Budget Apr-19	Budget May-19	Budget Jun-19	Budget Jul-19	Budget Aug-19	Budget Sep-19	Budget Oct-19	Budget Nov-19	Budget Dec-19
Excess Availability													
Borrowing Base	27,127	24,989	24,640	27,482	27,922	30,212	31,111	33,609	32,672	33,629	32,828	32,953	32,448
Total Revolver Debt	10,222	14,340	16,533	17,996	22,148	21,889	21,463	20,653	20,722	18,469	18,098	14,909	13,864
Excess Availability	16,904	10,649	8,107	9,486	5,774	8,323	9,648	12,956	11,950	15,160	14,730	18,044	18,584
EA % of Borrowing Base	62.3%	42.6%	32.9%	34.5%	20.7%	27.5%	31.0%	38.5%	36.6%	45.1%	44.9%	54.8%	57.3%
Minimum EA% (or <\$4.5M)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Compliance	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK
FCCR Calculation													
TTM EBITDA	8,112	7,865	8,971	9,361	9,585	9,971	10,930	10,581	11,066	10,322	10,927	11,211	12,225
Total Capex	462	489	531	834	943	943	943	492	492	492	398	398	398
TTM Capex	7,822	7,266	7,354	7,389	8,346	8,402	8,646	8,356	8,209	8,090	7,946	7,416	7,352
Cash Taxes	-	(252)	-	-	-	-	-	-	-	-	-	-	-
TTM Cash Taxes	671	418	418	(117)	(252)	(252)	(252)	(252)	(252)	(252)	(252)	(252)	(252)
Numerator	(381)	180	1,198	2,089	1,491	1,821	2,536	2,477	3,109	2,484	3,232	4,047	5,126
Cash Interest on existing ABL	161	156	165	183	208	206	203	201	202	190	190	173	168
Cash Interest on additional debt	-	-	-	-	-	-	-	-	-	-	-	-	-
TTM Cash Interest	1,869	1,918	1,966	2,013	2,069	2,113	2,141	2,161	2,186	2,206	2,227	2,238	2,245
Principal Payments on additional debt	138	138	139	141	141	141	141	141	141	141	141	141	141
TTM Principal Payments	1,387	1,412	1,436	1,465	1,496	1,526	1,557	1,588	1,620	1,652	1,683	1,685	1,689
Denominator	3,256	3,330	3,402	3,479	3,566	3,639	3,698	3,749	3,806	3,858	3,910	3,923	3,934
FCCR Ratio	(0.1)	0.1	0.4	0.6	0.4	0.5	0.7	0.7	0.8	0.6	0.8	1.0	1.3
Minimum FCC	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Compliance	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	OK	OK

13-Week Cash Flow Forecast

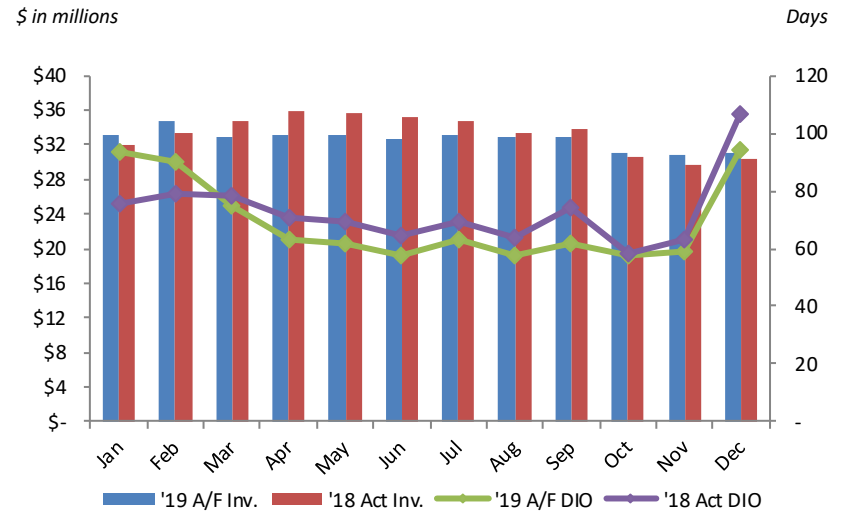
Date	03/01/19	03/08/19	03/15/19	03/22/19	03/29/19	04/05/19	04/12/19	04/19/19	04/26/19	05/03/19	05/10/19	05/17/19	05/24/19
Cash Flow Roll-Up:													
Total Inflows - Operational	2,186	2,579	2,572	2,572	3,101	4,192	4,019	4,486	3,754	3,932	4,116	4,120	4,180
Receipts from Customers based on AR Aging	2,186	2,105	2,081	2,081	2,148	2,148	1,108	1,114	104	104	104	-	-
New Net External Sales	-	-	-	-	462	1,539	2,401	2,863	3,140	3,309	3,482	3,589	3,649
New Affiliate Sales	-	475	491	491	491	505	510	510	510	519	531	531	531
Total Outflows - Operational	(2,959)	(2,772)	(4,001)	(2,464)	(2,470)	(3,195)	(2,793)	(3,972)	(3,231)	(11,078)	(4,015)	(4,494)	(3,740)
Payments to Suppliers based on AP Aging	(1,398)	(951)	(947)	(913)	(912)	(912)	(680)	(673)	(672)	(615)	0	0	0
Materials	(182)	(151)	(152)	(190)	(144)	(218)	(251)	(251)	(289)	(878)	(1,878)	(1,878)	(1,725)
Conversion Costs	(331)	(736)	(348)	(414)	(364)	(1,011)	(641)	(544)	(1,471)	(1,063)	(825)	(548)	(1,351)
Other COGS	(217)	(172)	(220)	(173)	(216)	(173)	(214)	(187)	(193)	(193)	(193)	(193)	(196)
Selling Costs	(271)	(36)	(295)	(34)	(303)	(34)	(319)	(37)	(153)	(38)	(325)	(38)	(117)
General and Administrative	(424)	(102)	(442)	(96)	(394)	(96)	(505)	(105)	(269)	(107)	(420)	(107)	(167)
Intercompany Material Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex	(136)	(134)	(137)	(137)	(137)	(184)	(184)	(184)	(184)	(184)	(184)	(184)	(184)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Management Fees	0	0	0	0	0	(250)	0	0	0	0	0	0	0
Performance Payment to Westlake	0	0	0	0	0	0	0	0	0	(8,000)	0	0	0
2017 bonus payment	0	(300)	0	0	0	0	0	0	0	0	0	0	0
Material received but not invoiced	0	(190)	(1,459)	(507)	0	(317)	0	(1,989)	0	0	(190)	(1,546)	0
Projected Operational Cash Flow	(773)	(192)	(1,429)	108	631	997	1,226	514	523	(7,146)	102	(374)	440
Cash receipts more (less) than projection	(35)	(748)	0	0	0	0	0	0	0	0	0	0	0
Cash outflows less (more) than projection	22	678	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Operational Cash Flow	(786)	(263)	(1,429)	108	631	997	1,226	514	523	(7,146)	102	(374)	440
Bank interest	(144)	0	0	0	0	(147)	0	0	0	(147)	0	0	0
Bridge Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
Term Loan	(140)	0	0	0	0	(141)	0	0	0	(141)	0	0	0
Monitoring Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Inflows/Outflows	0	0	0	0	0	0	0	0	0	0	0	0	0
Transaction Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Fees	(2)	0	(10)	0	0	(3)	0	(10)	0	(3)	0	(11)	0
Total Financial Cash Flow	(286)	0	(10)	0	0	(290)	0	(10)	0	(290)	0	(11)	0
Total Cash Flow	(1,071)	(263)	(1,439)	108	631	707	1,226	504	523	(7,437)	102	(385)	440
Adjusted Loan Balance	15,436	16,573	18,592	18,484	17,853	17,146	15,920	15,415	14,894	22,330	22,228	22,613	22,173
Term Loan	13,626	13,383	13,796	13,796	13,796	13,655	14,699	14,699	14,699	14,558	14,571	14,571	14,571
Total Debt	29,062	29,956	32,388	32,280	31,649	30,801	30,619	30,115	29,593	36,888	36,799	37,184	36,744
Revolver Availability	9,186	7,769	6,207	7,691	8,322	9,029	10,255	10,760	14,274	6,837	6,939	6,554	7,363

Working Capital and Cash Conversion Cycle

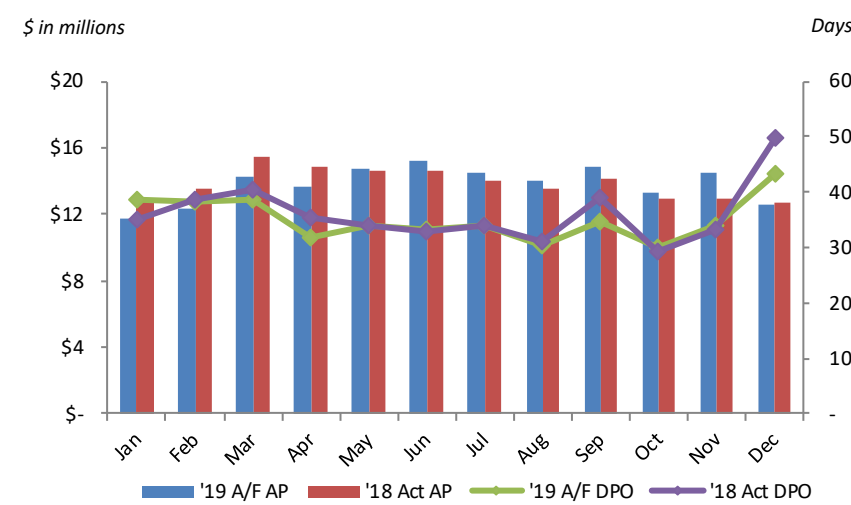
Accounts Receivable



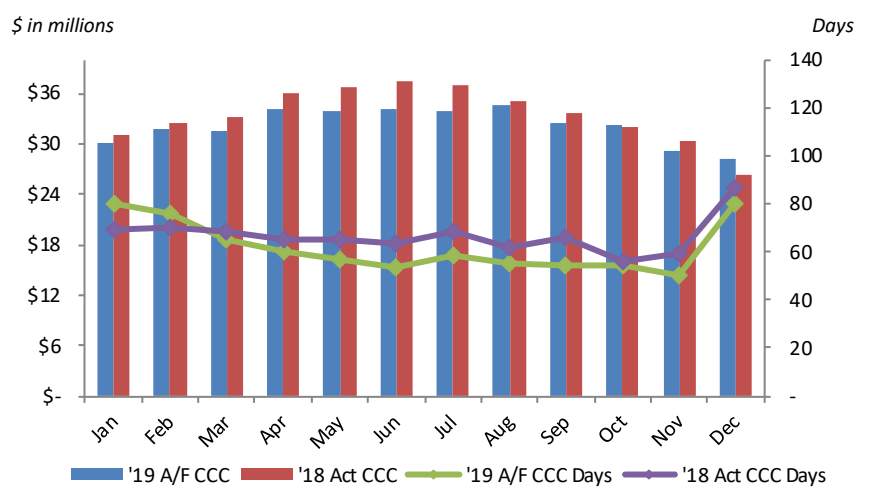
Inventory



Accounts Payable



Cash Conversion Cycle



AR and AP Aging Detail

\$'000

AR Aging				
Days	Dec-18	Jan-19	Feb-19	%
0-30	\$ 6,314	\$ 7,516	\$ 8,424	89.2%
30-60	2,116	899	661	7.0%
60-90	44	154	156	1.7%
>90	120	132	207	2.2%
Total	\$ 8,594	\$ 8,701	\$ 9,448	100.0%

AP Aging				
Days	Dec-18	Jan-19	Feb-19	%
0-30	\$ 8,497	\$ 10,089	\$ 10,370	84.2%
30-60	3,023	1,382	1,841	14.9%
60-90	1,128	181	77	0.6%
>90	61	73	31	0.3%
Total	\$ 12,709	\$ 11,725	\$ 12,319	100.0%

Management Discussion

- Stable DSO at 25 days in 2019.
- Continued improvement in collections in February coupled with improved Sales shows reduction in Current and 30-60 category.
- Slight decrease in DPO days from 39 in January to 38 in February. Reduction largely in the 60-90 and >90 category.

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Full Year Outlook Consolidated P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	107,516	108,274	(757)	(0.7%)	96,146	11,371	11.8%
Units Shipped ('000)	108,577	109,580	(1,002)	(0.9%)	104,464	4,113	3.9%
Bookings (\$'000)	\$ 180,120	\$ 180,948	\$ (828)	(0.5%)	\$ 173,588	\$ 6,531	3.8%
Backlog (\$'000)	\$ 11,911	\$ 11,911	\$ –	0.0%	\$ 8,368	\$ 3,543	42.3%
Gross Revenue	\$ 186,754	\$ 188,036	\$ (1,282)	(0.7%)	\$ 180,283	\$ 6,471	3.6%
Adj. to Gross Revenue	(9,826)	(9,876)	50	(0.5%)	(9,708)	(118)	1.2%
Net Revenue	176,928	178,160	(1,232)	(0.7%)	170,574	6,354	3.7%
Material	87,550	88,355	(805)	(0.9%)	83,420	4,130	5.0%
Labor	38,074	38,371	(296)	(0.8%)	38,503	(428)	(1.1%)
Other COGS	20,251	20,261	(10)	(0.0%)	20,885	(634)	(3.0%)
Total COGS	145,875	146,986	(1,111)	(0.8%)	142,807	3,068	2.1%
Gross Margin	31,053	31,173	(121)	(0.4%)	27,767	3,286	11.8%
Gross Margin %	17.6%	17.5%			16.3%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	7,223	7,247	(24)	(0.3%)	7,045	179	2.5%
Administrative	12,713	12,772	(58)	(0.5%)	10,240	2,473	24.1%
Other Opex	(395)	(228)	(167)	73.3%	302	(697)	(231.0%)
Total Opex	19,541	19,791	(250)	(1.3%)	17,587	1,955	11.1%
EBITDA	11,511	11,382	129	1.1%	10,180	1,331	13.1%
EBITDA %	6.5%	6.4%			6.0%		
Net Income (Loss)	\$ (2,316)	\$ (3,300)	\$ 983	(29.8%)	\$ (3,987)	\$ 1,670	(41.9%)
Capex	\$ (7,352)	\$ (8,000)	\$ 648	(8.1%)	\$ (10,215)	\$ 2,863	(28.0%)
Opex Overview:							
Payroll	\$ 10,746	\$ 10,783	\$ (38)	(0.3%)	\$ 10,318	\$ 428	4.1%
Bonus	1,358	1,361	(2)	(0.2%)	159	1,199	754.6%
Commissions	337	358	(22)	(6.0%)	187	150	80.2%
Marketing	1,744	1,780	(37)	(2.1%)	1,679	65	3.8%
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,567	1,587	(21)	(1.3%)	1,231	335	27.2%
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	333	336	(3)	(0.9%)	328	5	1.7%
Professional fees	572	584	(12)	(2.0%)	585	(13)	(2.2%)
Office Expenses	285	287	(3)	(1.0%)	287	(3)	(0.9%)
IT	2,105	2,092	13	0.6%	1,634	472	28.9%
Bad Debts	12	(5)	17	(361.7%)	(80)	92	(115.2%)
FX	(198)	–	(198)	N/A	384	(582)	(151.4%)
JV Loss (Income)	(198)	(228)	30	(13.4%)	(83)	(115)	138.8%
Other Expenses	877	853	24	2.8%	956	(79)	(8.2%)
Total Opex	\$ 19,541	\$ 19,791	\$ (250)	(1.3%)	\$ 17,586	\$ 1,955	11.1%

Full Year Outlook Key Customers – ENERGI Consolidated

	Gross Sales (\$'000)									Gross Margin %										
	FY		FY		Var		PY		Var		FY		FY		Var		PY		Var	
	Act	Bud			\$	%	Act		\$	%	Act	Bud	BPs	%	Act		BPs		%	
Customer:																				
PGT Industries Inc	\$	24,639	\$	24,098	\$	541	2.2%	\$	13,535	\$	11,104	82.0%	18.2%	18.1%	12	0.7%	15.6%	261	16.7%	
Eclipse Shutter Systems		15,827		15,789		37	0.2%		15,365		462	3.0%	29.6%	29.7%	(5)	(0.2%)	3.8%	2,586	683.8%	
Atis		9,575		9,424		151	1.6%		10,381		(806)	(7.8%)	(19.3%)	(19.5%)	17	(0.9%)	(15.4%)	(393)	25.5%	
Simonton		10,738		10,859		(122)	(1.1%)		10,221		517	5.1%	18.7%	18.8%	(15)	(0.8%)	8.6%	1,005	116.5%	
Quaker Window Products		5,860		6,028		(168)	(2.8%)		5,345		515	9.6%	11.0%	11.0%	0	0.0%	9.1%	192	21.1%	
Ostaco 2000		3,929		3,820		109	2.9%		3,680		249	6.8%	6.9%	6.9%	1	0.1%	20.8%	(1,388)	(66.7%)	
SOLARIS QUEBEC P & F INC.		4,176		4,075		102	2.5%		4,243		(66)	(1.6%)	24.0%	24.0%	7	0.3%	9.9%	1,416	143.6%	
Dashwood Industries Inc		3,753		3,764		(11)	(0.3%)		3,772		(19)	(0.5%)	13.4%	13.6%	(20)	(1.5%)	16.2%	(280)	(17.3%)	
Windsor Window Co OEM		3,677		3,710		(33)	(0.9%)		3,572		105	2.9%	23.5%	23.7%	(11)	(0.5%)	8.8%	1,475	167.7%	
All Weather		6,162		6,731		(569)	(8.5%)		3,532		2,629	74.4%	15.0%	15.3%	(35)	(2.3%)	12.6%	233	18.4%	
Polaris Technologies		5,626		5,822		(196)	(3.4%)		2,082		3,544	170.2%	17.2%	17.4%	(23)	(1.3%)	0.0%	1,718	N/A	
A.M.I.		3,770		3,800		(30)	(0.8%)		3,507		263	7.5%	0.0%	0.0%	–	N/A	5.4%	(537)	(100.0%)	
ATLANTIC WINDOWS		3,792		3,924		(132)	(3.4%)		3,703		89	2.4%	11.6%	11.4%	16	1.4%	5.9%	568	95.8%	
Vinyl Profiles, LLC		3,661		3,826		(165)	(4.3%)		2,157		1,504	69.7%	20.9%	20.8%	12	0.6%	18.8%	210	11.2%	
Comfort View Products		2,881		3,135		(254)	(8.1%)		2,010		871	43.3%	17.5%	16.5%	97	5.9%	12.3%	514	41.7%	
PORTES & FENETRES ABRITEK		2,719		2,786		(67)	(2.4%)		2,889		(170)	(5.9%)	20.7%	20.8%	(15)	(0.7%)	15.4%	525	34.0%	
Coeur d'Alene		4,057		4,000		57	1.4%		2,810		1,247	44.4%	4.9%	5.4%	(54)	(10.0%)	0.5%	440	929.4%	
SCHLUTER SYSTEMS L.P.		2,393		2,558		(164)	(6.4%)		2,700		(307)	(11.4%)	24.1%	23.9%	28	1.2%	16.0%	816	51.1%	
P & F ISOTHERMIC INC		2,566		2,557		9	0.4%		2,945		(379)	(12.9%)	22.0%	22.5%	(48)	(2.1%)	3.8%	1,827	487.2%	
Sierra Pacific Windows		2,624		2,560		64	2.5%		1,711		913	53.4%	9.7%	9.8%	(10)	(1.0%)	6.3%	347	55.4%	
Other		64,329		64,771		(442)	(0.7%)		80,122		(15,793)	(19.7%)	19.7%	19.5%	20	1.0%	28.1%	(839)	(29.9%)	
Total Gross	\$	186,754	\$	188,036	\$	(1,282)	(0.7%)	\$	180,283	\$	6,471	3.6%	16.8%	16.7%	6	0.3%	15.4%	139	9.0%	

Management Discussion

- PGT – Higher Orders to make-up for slower December 18 and anticipated sales in Q1 2019
- Atis – Higher volume to stock up for increase in Sales in Q1 2019
- Quaker– Lower orders in February due to inventory build in prior month and longer shutdown in February
- All Weather and Comfort View – Slow start to the year and colder weather leading to softness in orders
- Coeur D Alene – Good ongoing growth spurt coupled by little sensitivity to season

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Management Governance Report

Disclosure Committee:

- Members include: CEO, CFO, VP Sales, VP Operations, VP Manufacturing & VP Supply Chain
- Meeting held on March 8th, 2019
- Financial results were reviewed and found to be complete and accurate in all material respects
- CEO & CFO reviewed Board presentation separately and found to be complete

Anonymous Hotline:

- No hotline calls/emails received

Modification of Delegation of Authority:

- To be reviewed and updated in Q1 2019 QOR based on recent changes in org structure

Management Governance Report (Continued)

A)	Requests for waivers or out-of-the-ordinary course approvals under the Internal Control and Corporate Governance Matrix, Code of Ethics or any internal control:	None
B)	Any conflicts of interest or the appearance of any such conflict or potential conflict:	None
C)	Any actual or apparent weakness or inadequacy in the Company's policies of internal controls and financial reporting:	None
D)	Any reports or complaints regarding accounting, internal accounting controls or auditing matters.	None

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Squeeze Report

Monthly P&L

Monthly EBITDA to Net Income Bridge

Cost of Goods Sold Variance Analysis

Monthly Cost of Goods Sold by Component

Monthly Balance Sheet

Balance Sheet – Year on Year Comparison

Monthly Cash Flow

Trended Monthly Bookings

Trended Monthly Backlog

EBITDA and EBITDA-CapEx

Y-o-Y% EBITDA change

Capital Expenditures

Headcount Trending by Month

Headcount Hires and Attrition

Liquidity Forecast

Business Unit Analysis

Squeeze Report

Monthly operating report (\$'000)

Investment date 3/31/2016
Operational data as of 2/28/2019
Valuation details last updated: 10/31/2018

Fully-diluted ownership	
OpenGate Equity	94.8%
MGMT	5.3%
Other Equity	0.0%
Total	100.0%

Fund	Invested Capital (\$M)			Valuation		Returns	
	Invested	Realized	Unrealized	Total Value	MOI		
OCGP I	\$ 26,000	\$ –	\$ –	\$ 45,500		0.6x	
OCGP II	–	–	–	–		NA	
OCGP III	–	–	–	–		NA	
Total	\$ 26,000	\$ –	\$ –	\$ 45,500		0.6x	

Operations														
	Net Revenue					Adj. EBITDA					Net Debt			
	Act	Bud	Variance	PY	Variance	Act	Bud	Variance	PY	Variance	Act	Bud	PY	
This Month	\$ 10,785	\$ 11,672	-7.6%	\$ 11,802	-8.6%	\$ 259	\$ 194	33.3%	\$ 346	-25.0%	\$ 30,308	\$ 31,839	\$ 25,323	
Quarter to Date	\$ 21,727	\$ 22,959	-5.4%	\$ 24,871	-12.6%	\$ 296	\$ 168	76.9%	\$ 332	-10.7%				
Year to Date	\$ 21,727	\$ 22,959	-5.4%	\$ 24,871	-12.6%	\$ 296	\$ 168	76.9%	\$ 332	-10.7%				
LTM Trends (\$'000s)	3/31/18	4/30/18	5/31/18	6/30/18	7/31/18	8/31/18	9/30/18	10/31/18	11/30/18	12/31/18	1/31/19	2/28/19	LTM	
Units Produced ('000)	8,099	9,104	8,856	8,570	7,954	8,723	7,766	7,806	7,934	5,174	7,786	7,371	95,144	
Units Shipped ('000)	8,499	9,231	10,037	10,076	9,436	9,668	8,330	9,798	8,838	5,130	6,941	6,590	102,574	
Net Revenue	\$ 13,795	\$ 15,166	\$ 16,019	\$ 16,319	\$ 15,478	\$ 16,133	\$ 13,650	\$ 16,233	\$ 14,094	\$ 8,817	\$ 10,942	\$ 10,785	\$ 167,430	
Gross Margin	2,002	2,554	2,746	2,620	2,869	2,670	2,592	2,848	2,349	909	1,502	1,755	27,415	
Gross Margin %	14.5%	16.8%	17.1%	17.6%	16.9%	16.5%	20.9%	16.0%	16.7%	10.3%	13.7%	16.3%	16.4%	
SG&A	1,675	1,721	1,664	1,616	1,278	1,422	624	1,384	1,301	1,623	1,465	1,496	17,270	
Reported EBITDA	327	833	1,081	1,253	1,342	1,247	2,224	1,207	1,047	(714)	37	259	10,145	
Rep. EBITDA %	2.4%	5.5%	6.7%	7.7%	8.7%	7.7%	16.3%	7.4%	7.4%	(8.1%)	0.3%	2.4%	6.1%	
Adj. EBITDA	327	833	1,081	1,253	1,342	1,247	2,224	1,207	1,047	(714)	37	259	10,145	
Adj. EBITDA %	2.4%	5.5%	6.7%	7.7%	8.7%	7.7%	16.3%	7.4%	7.4%	(8.1%)	0.3%	2.4%	6.1%	
Capex	\$ (930)	\$ (683)	\$ (887)	\$ (844)	\$ (637)	\$ (638)	\$ (860)	\$ (991)	\$ (803)	\$ (1,438)	\$ (489)	\$ (531)	\$ (9,731)	
Accounts Receivable, Net	\$ 13,721	\$ 14,907	\$ 15,593	\$ 17,009	\$ 16,284	\$ 15,221	\$ 13,855	\$ 14,273	\$ 13,483	\$ 8,594	\$ 8,701	\$ 9,448	\$ 9,448	
Inventory, Net	34,844	35,831	35,773	35,140	34,779	33,352	33,773	30,528	29,790	30,309	33,091	34,642	34,642	
Accounts Payable	15,419	14,814	14,617	14,670	14,056	13,525	14,088	12,897	12,951	12,709	11,725	12,319	12,319	
CCC	\$ 33,146	\$ 35,923	\$ 36,749	\$ 37,478	\$ 37,007	\$ 35,048	\$ 33,541	\$ 31,905	\$ 30,322	\$ 26,194	\$ 30,067	\$ 31,772	\$ 31,772	
DSO	30.8	29.5	30.2	31.3	32.6	29.2	30.4	27.3	28.7	30.2	24.7	24.5	20.6	
DSI	78.3	70.9	69.2	64.6	69.7	64.1	74.2	58.3	63.4	106.6	93.7	89.9	75.5	
DPO	40.5	35.2	34.1	32.7	33.9	31.1	39.1	29.3	33.1	49.8	38.5	38.2	32.1	
C2C	68.6	65.1	65.3	63.1	68.4	62.2	65.6	56.3	59.0	87.0	79.9	76.3	64.0	
Bank revolver	\$ 14,643	\$ 17,154	\$ 17,616	\$ 18,192	\$ 17,156	\$ 15,128	\$ 14,477	\$ 12,826	\$ 12,019	\$ 10,222	\$ 14,340	\$ 16,533	\$ 16,533	
Unclassified external debt / OID	14,081	14,716	14,528	14,126	14,212	14,103	14,016	14,344	14,062	13,634	13,926	13,779	13,779	
OpenGate debt	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total Debt Outstanding	28,725	31,871	32,144	32,318	31,368	29,231	28,493	27,170	26,080	23,857	28,266	30,311	30,311	
Cash and equivalents	0	(0)	0	(0)	0	0	(0)	(0)	(0)	0	3	3	3	
Total Net Debt	\$ 28,724	\$ 31,871	\$ 32,144	\$ 32,318	\$ 31,368	\$ 29,231	\$ 28,493	\$ 27,170	\$ 26,080	\$ 23,857	\$ 28,263	\$ 30,308	\$ 30,308	
Beginning Cash Balance	\$ –	\$ 0	\$ (0)	\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 3	\$ –	
Add / (Less): Operating Cash Flow	(2,591)	(2,344)	540	383	1,782	2,775	1,620	2,174	1,750	3,372	(3,487)	(1,523)	4,451	
Add / (Less): Investing Cash Flow	(930)	(683)	(887)	(844)	(637)	(638)	(860)	(991)	(803)	(1,438)	(489)	(531)	(9,731)	
Add / (Less): Financing Cash Flow	3,521	3,026	347	461	(1,145)	(2,137)	(760)	(1,183)	(947)	(1,934)	3,979	2,053	5,283	
Effect of FX rates / Other	–	–	–	–	–	–	–	–	–	–	–	–	–	
Ending Cash Balance	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 3	

Long-term trend, budget, IC comparison														
Summary Financials	Calendar year ending			Actual		IC Model								
	12/31/2015	12/31/2016	12/31/2017	12/31/2018	2/28/2019	12/31/2016	12/31/2017	12/31/2018	LTM v 2017 IC	%	2018 FC v IC	%		
Total Net Revenue	\$ –	\$ 170,742	\$ 170,574	\$ 176,928	\$ 167,430									
EBITDA, Reported	–	12,278	10,180	11,511	10,145									
EBITDA, Reported %	N/A	7.2%	6.0%	6.5%	6.1%									
EBITDA, Adjusted	–	12,278	10,180	11,511	10,145									
EBITDA, Adjusted %	N/A	7.2%	6.0%	6.5%	6.1%									
Accounts Receivable, Net	–	11,660	8,594	9,802	9,448									
Inventory, Net	–	27,470	30,309	30,962	34,642									
Accounts Payable	–	7,504	12,709	12,627	12,319									
CCC	–	31,626	26,194	28,137	31,772									
Net Debt	\$ –	\$ 3,014	\$ 23,857	\$ 26,089	\$ 30,308									

Monthly P&L

\$'000	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY		FY		Var		PY	Var	
	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud			\$	%	Act	\$	%
Units Produced ('000)	7,786	7,371	8,822	9,490	9,900	10,019	10,057	10,212	9,308	9,637	9,028	5,886	107,516	108,274	(757)	(0.7%)			96,146	11,371	11.8%
Units Shipped ('000)	6,941	6,590	8,557	9,750	10,258	10,359	10,062	10,681	9,633	10,255	9,358	6,133	108,577	109,580	(1,002)	(0.9%)			104,464	4,113	3.9%
Bookings (\$'000)	\$ 11,857	\$ 10,031	\$ 14,654	\$ 15,404	\$ 16,974	\$ 17,860	\$ 16,506	\$ 17,313	\$ 16,578	\$ 17,403	\$ 16,182	\$ 9,356	\$ 180,120	\$ 180,948	\$ (828)	(0.5%)			\$ 173,588	\$ 6,531	3.8%
Backlog ('\$000)	\$ 9,269	\$ 8,356	\$ 13,321	\$ 12,818	\$ 12,555	\$ 12,824	\$ 11,864	\$ 12,654	\$ 12,898	\$ 13,594	\$ 13,391	\$ 11,911	\$ 11,911	\$ 11,911	\$ –	0.0%			\$ 8,368	\$ 3,543	42.3%
Gross Revenue	\$ 11,539	\$ 11,249	\$ 14,375	\$ 16,509	\$ 17,567	\$ 17,993	\$ 17,052	\$ 18,655	\$ 16,814	\$ 17,766	\$ 16,477	\$ 10,759	\$ 186,754	\$ 188,036	\$ (1,282)	(0.7%)			\$ 180,283	\$ 6,471	3.6%
Adj. to Gross Revenue	(597)	(464)	(743)	(847)	(975)	(963)	(887)	(990)	(919)	(983)	(916)	(541)	(9,826)	(9,876)	50	(0.5%)			(9,708)	(118)	1.2%
Net Revenue	10,942	10,785	13,631	15,662	16,593	17,030	16,165	17,664	15,895	16,782	15,561	10,218	176,928	178,160	(1,232)	(0.7%)			170,574	6,354	3.7%
Material	5,204	5,301	6,823	7,836	8,236	8,608	8,053	8,864	7,768	8,457	7,836	4,565	87,550	88,355	(805)	(0.9%)			83,420	4,130	5.0%
Labor	2,927	2,714	3,103	3,269	3,359	3,241	3,433	3,370	3,208	3,337	3,197	2,915	38,074	38,371	(296)	(0.8%)			38,503	(428)	(1.1%)
Other COGS	1,309	1,015	1,506	1,745	1,917	1,893	1,670	2,029	1,846	2,013	1,780	1,527	20,251	20,261	(10)	(0.0%)			20,885	(634)	(3.0%)
Total COGS	9,440	9,030	11,433	12,850	13,512	13,742	13,157	14,263	12,821	13,807	12,814	9,007	145,875	146,986	(1,111)	(0.8%)			142,807	3,068	2.1%
Gross Margin	1,502	1,755	2,199	2,812	3,081	3,288	3,008	3,402	3,074	2,975	2,747	1,210	31,053	31,173	(121)	(0.4%)			27,767	3,286	11.8%
Gross Margin %	13.7%	16.3%	16.1%	18.0%	18.6%	19.3%	18.6%	19.3%	19.3%	17.7%	17.7%	11.8%	17.6%	17.5%					16.3%		
R&D	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A			–	–	N/A
Sales & Marketing	554	603	570	664	631	557	607	595	648	583	633	579	7,223	7,247	(24)	(0.3%)			7,045	179	2.5%
Administrative	1,037	968	1,050	1,055	1,099	1,057	1,096	1,092	1,049	1,094	1,047	1,068	12,713	12,772	(58)	(0.5%)			10,240	2,473	24.1%
Other Opex	(127)	(75)	(19)	(19)	(21)	(21)	(21)	(20)	(17)	(20)	(20)	(16)	(395)	(228)	(167)	73.3%			302	(697)	(231.0%)
Total Opex	1,465	1,496	1,601	1,701	1,708	1,593	1,682	1,668	1,680	1,657	1,660	1,631	19,541	19,791	(250)	(1.3%)			17,587	1,955	11.1%
EBITDA	37	259	597	1,111	1,372	1,695	1,326	1,734	1,393	1,318	1,087	(420)	11,511	11,382	129	1.1%			10,180	1,331	13.1%
EBITDA %	0.3%	2.4%	4.4%	7.1%	8.3%	10.0%	8.2%	9.8%	8.8%	7.9%	7.0%	(4.1%)	6.5%	6.4%					6.0%		
Net Income (Loss)	\$ (886)	\$ (271)	\$ (659)	\$ (160)	\$ 74	\$ 356	\$ 30	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (2,316)	\$ (3,300)	\$ 983	(29.8%)			\$ (3,987)	\$ 1,670	(41.9%)
Capex	\$ (489)	\$ (531)	\$ (834)	\$ (943)	\$ (943)	\$ (943)	\$ (492)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (7,352)	\$ (8,000)	\$ 648	(8.1%)			\$ (10,215)	\$ 2,863	(28.0%)
Opex Overview:																					
Payroll	\$ 881	\$ 806	\$ 859	\$ 904	\$ 952	\$ 855	\$ 952	\$ 926	\$ 873	\$ 943	\$ 880	\$ 913	\$ 10,746	\$ 10,783	\$ (38)	(0.3%)			\$ 10,318	\$ 428	4.1%
Bonus	112	113	113	113	113	113	113	113	113	113	113	113	1,358	1,361	(2)	(0.2%)			159	1,199	754.6%
Commissions	19	19	30	30	30	30	30	30	30	30	30	30	337	358	(22)	(6.0%)			187	150	80.2%
Marketing	95	180	125	214	149	122	122	127	198	109	186	118	1,744	1,780	(37)	(2.1%)			1,679	65	3.8%
Benefits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A			–	–	N/A
Travel and entertainment	107	128	137	125	139	130	142	137	132	132	128	130	1,567	1,587	(21)	(1.3%)			1,231	335	27.2%
Rent and facilities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A			–	–	N/A
Insurance	29	21	28	28	29	30	32	30	27	27	28	24	333	336	(3)	(0.9%)			328	5	1.7%
Professional fees	45	46	60	44	44	52	44	45	52	45	45	51	572	584	(12)	(2.0%)			585	(13)	(2.2%)
Office Expenses	23	26	21	20	27	29	20	26	20	26	22	25	285	287	(3)	(1.0%)			287	(3)	(0.9%)
IT	166	165	172	171	176	179	177	181	178	182	181	178	2,105	2,092	13	0.6%			1,634	472	28.9%
Bad Debts	16	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	12	(5)	17	(361.7%)			(80)	92	(115.2%)
FX	(122)	(76)	–	–	–	–	–	–	–	–	–	–	(198)	–	(198)	N/A			384	(582)	(151.4%)
JV Loss (Income)	(5)	1	(19)	(19)	(21)	(21)	(21)	(20)	(17)	(20)	(20)	(16)	(198)	(228)	30	(13.4%)			(83)	(115)	138.8%
Other Expenses	98	67	76	71	72	73	71	72	74	70	67	66	877	853	24	2.8%			956	(79)	(8.2%)
Total Opex	\$ 1,465	\$ 1,496	\$ 1,601	\$ 1,701	\$ 1,708	\$ 1,593	\$ 1,682	\$ 1,668	\$ 1,680	\$ 1,657	\$ 1,660	\$ 1,631	\$ 19,541	\$ 19,791	\$ (250)	(1.3%)			\$ 17,586	\$ 1,955	11.1%

Monthly EBITDA to Net Income (Loss) Bridge

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
EBITDA - as reported	\$ 37	\$ 259	\$ 597	\$ 1,111	\$ 1,372	\$ 1,695	\$ 1,326	\$ 1,734	\$ 1,393	\$ 1,318	\$ 1,087	\$ (420)	\$11,511	\$11,382	\$ 129	1.1%	\$ 10,180	\$ 1,331	13.1%
Depreciation and amortization	(708)	(721)	(724)	(736)	(745)	(759)	(771)	(781)	(793)	(796)	(799)	(803)	(9,135)	(9,128)	(7)	0.1%	(7,801)	(1,333)	17.1%
Interest and amortization	(156)	(165)	(183)	(208)	(206)	(203)	(201)	(202)	(190)	(190)	(173)	(168)	(2,245)	(2,290)	45	(1.9%)	(1,869)	(376)	20.1%
Other financial income/expense	(26)	740	–	–	–	–	–	–	–	–	–	–	714	–	714	N/A	(1,463)	2,177	(148.8%)
Monitoring fees (including expenses)	(85)	(97)	(83)	(103)	(83)	(83)	(103)	(83)	(83)	(103)	(83)	(103)	(1,092)	(1,077)	(15)	1.4%	(1,091)	(2)	0.2%
Restructuring costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	(776)	776	(100.0%)
Non-recurring items	(137)	(201)	(95)	(70)	(70)	(58)	–	–	–	–	–	–	(631)	(478)	(153)	32.1%	(770)	139	(18.0%)
Taxes	189	(87)	(172)	(154)	(195)	(236)	(220)	(210)	(207)	(170)	(115)	138	(1,439)	(1,710)	271	(15.9%)	(398)	(1,041)	261.8%
GAAP Net Income (Loss)	\$ (886)	\$ (271)	\$ (659)	\$ (160)	\$ 74	\$ 356	\$ 30	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (2,316)	\$ (3,300)	\$ 983	(29.8%)	\$ (3,987)	\$ 1,670	(41.9%)

Management Discussion

- Other financial income/expense relates to unrealized F/X (gain)/loss on \$USD debt held by Canadian entity; YTD F/X loss attributable to the change in the month-end rate from 1.364 [USD\$0.73] on December 31, 2018 to 1.3157 [USD\$0.76] on February 28, 2019
- Non-recurring items in February include The Practical Approach for OBI (\$27K), Accrual for Management staff incentive (\$57K), Qualinet – Laval Water Damage repair cost – (\$48K, not planned), Terrebonne ERP Syteline Project (\$43K) and DDL Consultant for ITSM Project (\$16K)
- US Tax accrual of 87K in February 2019; Canadian deferred tax asset has not been increased from April 2018 net taxable loss

Cost of Goods Sold Variance Analysis

\$'000

	MTD	QTD	YTD
Material	5,815	11,310	11,310
Labor	2,865	5,937	5,937
Other COGS	1,233	2,334	2,334
COGS Budget	\$ 9,913	\$ 19,581	\$ 19,581
<u>Variances:</u>			
Volume	(600)	(1,068)	(1,068)
Price	–	69	69
Other	86	193	193
Material	(514)	(806)	(806)
Volume	(78)	(174)	(174)
Price	–	–	–
Other	(73)	(122)	(122)
Labor	(151)	(296)	(296)
Volume	18	195	195
Price	–	–	–
Other	(236)	(204)	(204)
Other COGS	(218)	(9)	(9)
COGS Actual	\$ 9,030	\$ 18,470	\$ 18,470

Management Discussion - MTD

- **Material COGS:** Decrease of \$514K due to lower volume impact of \$600K (Sales volumes (lbs) lower by 10.3%) and unfavorable yields (net of regrind usage) at Delmont and Everett of \$86K
- **Labor COGS:** Lower costs due to volume impact of \$78K, an out-of-period workers' compensation refund received at Everett of \$84K and a favorable F/X impact of \$24K; partially offset by increased overtime at Everett to support tooling launches of \$35K (net of headcount reduction initiatives and improved labor efficiency at Laval, Delmont, Terrebonne and ECS)
- **Other COGS:** Decrease of \$218K due to a unfavorable absorption impact of \$18K as a result of lower sales and lower production than Plan and lower freight costs of \$165K, higher tool & die overhead recovery of \$25K, lower overhead spending of \$33K (ie. Maintenance costs, utilities, factory supplies) and a favorable F/X impact of \$14K

Monthly Cost of Goods Sold by Component

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Material																			
Material costs at standard	\$ 5,265	\$ 5,218	\$ 6,848	\$ 7,938	\$ 8,290	\$ 8,447	\$ 7,988	\$ 8,815	\$ 7,674	\$ 8,402	\$ 7,886	\$ 4,585	\$ 87,355	\$ 88,508	\$ (1,153)	(1.3%)	\$ 84,102	\$ 3,253	3.9%
Materials FX loss / (gain)	0	0	(0)	(0)	0	(0)	0	0	0	0	—	—	0	0	0	60.6%	0	(0)	(0.7%)
Purchase price variance	168	272	176	163	212	399	374	347	334	336	225	115	3,120	2,816	304	10.8%	(421)	3,541	(841.1%)
Supplier resin rebate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Freight In	47	46	52	56	60	59	56	63	55	60	57	45	655	663	(8)	(1.2%)	680	(25)	(3.7%)
Scrap costs	(355)	(334)	(353)	(426)	(440)	(411)	(472)	(479)	(399)	(453)	(439)	(260)	(4,820)	(4,885)	65	(1.3%)	(2,101)	(2,720)	129.4%
Consumables	78	98	100	106	113	114	108	118	104	113	107	81	1,240	1,253	(14)	(1.1%)	1,159	81	7.0%
Total Material COGS	\$ 5,204	\$ 5,301	\$ 6,823	\$ 7,836	\$ 8,236	\$ 8,608	\$ 8,053	\$ 8,864	\$ 7,768	\$ 8,457	\$ 7,836	\$ 4,565	\$ 87,550	\$ 88,355	\$ (805)	(0.9%)	\$ 83,420	\$ 4,130	5.0%
Labor																			
Direct labor	\$ 927	\$ 898	\$ 1,124	\$ 1,200	\$ 1,231	\$ 1,213	\$ 1,272	\$ 1,234	\$ 1,139	\$ 1,188	\$ 1,141	\$ 1,030	\$ 13,598	\$ 13,870	\$ (272)	(2.0%)	\$ 13,874	\$ (275)	(2.0%)
Direct labor - bonus	51	51	51	51	51	51	51	51	51	51	51	51	617	618	(1)	(0.2%)	79	537	676.0%
Direct labor - overtime	70	97	69	103	111	102	123	125	115	124	107	68	1,215	1,163	51	4.4%	1,594	(379)	(23.8%)
Direct labor - benefits	290	264	270	278	285	274	286	283	277	281	268	238	3,293	3,262	31	0.9%	3,366	(73)	(2.2%)
Direct labor - wcb benefits	18	(20)	21	23	23	22	24	23	23	24	23	19	222	265	(43)	(16.3%)	321	(99)	(30.8%)
Direct labor - other	0	(1)	1	1	1	0	1	1	1	1	1	1	6	9	(2)	(28.5%)	(1)	7	(624.5%)
Indirect labor	1,520	1,362	1,505	1,551	1,595	1,514	1,613	1,588	1,540	1,605	1,545	1,448	18,387	18,438	(51)	(0.3%)	19,031	(645)	(3.4%)
Indirect labor – bonus	51	51	51	51	51	51	51	51	51	51	51	51	617	618	(1)	(0.2%)	79	537	676.0%
Sub-contractor costs	—	12	10	11	11	12	12	13	10	11	11	7	120	127	(7)	(5.3%)	159	(39)	(24.3%)
Total Labor COGS	\$ 2,927	\$ 2,714	\$ 3,103	\$ 3,269	\$ 3,359	\$ 3,241	\$ 3,433	\$ 3,370	\$ 3,208	\$ 3,337	\$ 3,197	\$ 2,915	\$ 38,074	\$ 38,371	\$ (296)	(0.8%)	\$ 38,503	\$ (428)	(1.1%)
Other																			
Repairs and maintenance	\$ 115	\$ 26	\$ 84	\$ 59	\$ 83	\$ 87	\$ 77	\$ 103	\$ 74	\$ 109	\$ 104	\$ 128	\$ 1,048	\$ 1,037	\$ 12	1.1%	\$ 1,222	\$ (174)	(14.2%)
Absorption	(234)	(425)	(245)	(22)	54	44	(140)	67	8	122	(4)	(24)	(801)	\$ (1,049)	248	(23.6%)	(622)	(179)	28.7%
Freight out	625	533	759	818	872	863	834	893	814	863	780	543	9,196	9,368	(171)	(1.8%)	9,785	(589)	(6.0%)
Rent / facilities	125	167	179	141	115	117	117	157	185	139	138	205	1,785	1,840	(55)	(3.0%)	1,511	274	18.1%
Utilities	479	508	544	560	587	573	580	587	573	584	559	512	6,647	6,711	(64)	(1.0%)	6,579	68	1.0%
Other cost of sales	199	206	186	189	206	209	202	223	192	197	204	162	2,376	2,355	21	0.9%	2,409	(33)	(1.4%)
Total Other COGS	\$ 1,309	\$ 1,015	\$ 1,506	\$ 1,745	\$ 1,917	\$ 1,893	\$ 1,670	\$ 2,029	\$ 1,846	\$ 2,013	\$ 1,780	\$ 1,527	\$ 20,251	\$ 20,261	\$ (10)	(0.0%)	\$ 20,885	\$ (634)	(3.0%)

Management Discussion

Material COGS: Decrease of \$806K due to lower volume impact of \$1,068K (Sales volumes (lbs) lower by 6.9%) and unfavorable variances due to: (i) unfavorable inventory reserve adjustment at Everett and Terrebonne of \$107K; (ii) unfavorable PPV adjustments at ECS and Terrebonne of \$69K; and (iii) unfavorable yield impact (net of regrind) of \$86K

Labor COGS: Lower costs due to volume impact of \$174K; headcount reduction initiatives implemented and labor efficiency improvements generating higher output per labor hour at Laval, Terrebonne and ECS of \$110K; an out-of-period workers' compensation refund received at Everett of \$84K and a favorable F/X impact of \$61K; partially offset by higher overtime at Woodbridge and Everett to support additional tooling activities of \$133K

Other COGS: Decrease of \$10K due to lower freight costs of \$165K, higher tool & die overhead recovery of \$25K, lower overhead spending of \$1K (ie. Maintenance costs, utilities, factory supplies) and a favorable F/X impact of \$14K; partially offset by an unfavorable absorption impact of \$196K as a result of lower sales and lower production than Plan

Monthly Balance Sheet

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var	
\$'000	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%
Current Assets																
Cash and cash equivalents	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	\$ 3	739066.5%
Short term investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	9,094	9,841	13,504	15,443	16,173	17,404	15,960	16,509	15,206	15,081	13,521	10,481	10,481	8,958	1,523	17.0%
<i>Accounts receivable, reserves</i>	(393)	(393)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(363)	(316)	86.9%
Accounts receivable, net	8,701	9,448	12,825	14,764	15,495	16,726	15,281	15,830	14,527	14,402	12,842	9,802	9,802	8,594	1,208	14.1%
<i>Inventory, gross</i>	34,588	36,157	34,555	34,775	34,796	34,311	34,732	34,475	34,521	32,837	32,471	32,668	32,668	31,776	892	2.8%
<i>Inventory, reserves</i>	(1,497)	(1,514)	(1,682)	(1,704)	(1,698)	(1,687)	(1,649)	(1,660)	(1,674)	(1,696)	(1,702)	(1,706)	(1,706)	(1,467)	(239)	16.3%
Inventory, net	33,091	34,642	32,873	33,071	33,099	32,624	33,083	32,815	32,847	31,140	30,769	30,962	30,962	30,309	653	2.2%
Prepaid expenses and other current assets	3,145	3,030	3,286	4,043	3,814	3,663	3,627	3,336	3,216	3,348	3,110	2,832	2,832	2,942	(109)	(3.7%)
Other current assets	761	864	837	837	796	854	857	1,050	1,525	1,771	1,829	682	682	901	(218)	(24.2%)
Total Current Assets	45,702	47,988	49,824	52,718	53,206	53,869	52,851	53,034	52,117	50,663	48,552	44,281	44,281	42,746	1,536	3.6%
Non-Current Assets																
<i>Property, plant & equipment, gross</i>	66,687	67,249	68,760	69,891	70,963	71,660	72,208	72,661	73,107	73,531	73,935	74,303	74,303	64,977	9,326	14.4%
<i>Accumulated depreciation</i>	(18,755)	(19,488)	(18,839)	(19,435)	(20,042)	(20,661)	(21,293)	(21,936)	(22,589)	(23,245)	(23,906)	(24,569)	(24,569)	(17,639)	(6,930)	39.3%
Property, plant & equipment, net	47,932	47,761	49,921	50,456	50,921	50,999	50,915	50,725	50,518	50,286	50,028	49,734	49,734	47,338	2,395	5.1%
Deferred financing cost	546	533	518	504	491	477	463	450	436	422	408	395	395	548	(153)	(27.9%)
Deferred tax asset	1,353	1,354	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,319	48	3.6%
Other non-current assets	2,688	2,690	3,041	3,093	3,113	3,134	3,155	3,216	3,237	3,257	3,274	3,331	3,331	2,616	715	27.3%
Total Non-Current Assets	52,520	52,338	54,847	55,420	55,891	55,977	55,900	55,757	55,558	55,332	55,077	54,826	54,826	51,821	3,005	5.8%
Total Assets	\$ 98,222	\$ 100,326	\$ 104,670	\$ 108,139	\$ 109,096	\$ 109,846	\$ 108,751	\$ 108,791	\$ 107,675	\$ 105,995	\$ 103,630	\$ 99,107	\$ 99,107	\$ 94,566	\$ 4,541	4.8%
Current Liabilities																
Bank Debt	\$ 14,340	\$ 16,533	\$ 17,996	\$ 22,148	\$ 21,889	\$ 21,463	\$ 20,653	\$ 20,722	\$ 18,469	\$ 18,098	\$ 14,909	\$ 13,864	\$ 13,864	\$ 10,222	\$ 3,641	35.6%
Current Portion - Long Term Debt	1,678	1,665	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,628	172	10.6%
Accounts payable	11,725	12,319	14,234	13,614	14,749	15,234	14,482	14,035	14,850	13,308	14,456	12,627	12,627	12,709	(82)	(0.6%)
Accrued liabilities	3,786	3,118	3,817	4,002	3,798	3,824	3,699	3,689	3,439	3,366	3,189	2,808	2,808	3,343	(535)	(16.0%)
Accrued compensation	2,492	2,800	2,983	3,464	3,617	3,826	4,303	4,195	4,585	4,804	4,780	5,149	5,149	2,521	2,628	104.2%
Income taxes payable	725	813	957	495	690	927	1,147	1,357	1,564	1,734	1,848	1,710	1,710	649	1,060	163.3%
Contingent consideration	1,301	1,301	—	—	—	—	—	—	—	—	—	—	—	1,301	(1,301)	(100.0%)
Other current liabilities	101	97	117	143	141	139	137	139	127	128	111	107	107	97	11	11.0%
Total Current Liabilities	36,148	38,646	41,904	45,667	46,685	47,212	46,222	45,937	44,835	43,238	41,094	38,065	38,065	32,471	5,594	17.2%
Long-term liabilities																
Long-term debt less current maturities	12,248	12,114	11,717	11,574	11,430	11,287	11,144	11,001	10,857	10,714	10,571	10,428	10,428	12,006	(1,579)	(13.1%)
Deferred income taxes	7,745	7,747	7,785	7,785	7,785	7,785	7,785	7,785	7,785	7,785	7,785	7,785	7,785	7,637	148	1.9%
Other non-current liabilities	1,525	1,530	1,421	1,430	1,440	1,449	1,458	1,467	1,476	1,477	1,482	1,486	1,486	1,468	18	1.2%
Total Long-Term Liabilities	21,518	21,391	20,923	20,789	20,655	20,521	20,387	20,253	20,119	19,976	19,838	19,699	19,699	21,111	(1,413)	(6.7%)
Total Liabilities	57,666	60,037	62,828	66,456	67,340	67,733	66,609	66,190	64,953	63,214	60,931	57,764	57,764	53,583	4,181	7.8%
Commitments and contingencies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shareholders' Equity																
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	(0)	(0.0%)
Retained earnings	28,684	28,412	29,762	29,602	29,676	30,032	30,062	30,521	30,641	30,701	30,619	29,263	29,263	29,455	(193)	(0.7%)
Accumulated other comprehensive income	(738)	(733)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(1,082)	552	(51.0%)
Total Shareholders' Equity	40,556	40,289	41,842	41,682	41,756	42,112	42,142	42,601	42,722	42,781	42,699	41,343	41,343	40,983	359	0.9%
Total Liabilities and Shareholders' Equity	\$ 98,222	\$ 100,326	\$ 104,670	\$ 108,139	\$ 109,096	\$ 109,846	\$ 108,751	\$ 108,791	\$ 107,675	\$ 105,995	\$ 103,630	\$ 99,107	\$ 99,107	\$ 94,566	\$ 4,541	4.8%

Balance Sheet – Year on Year Comparison

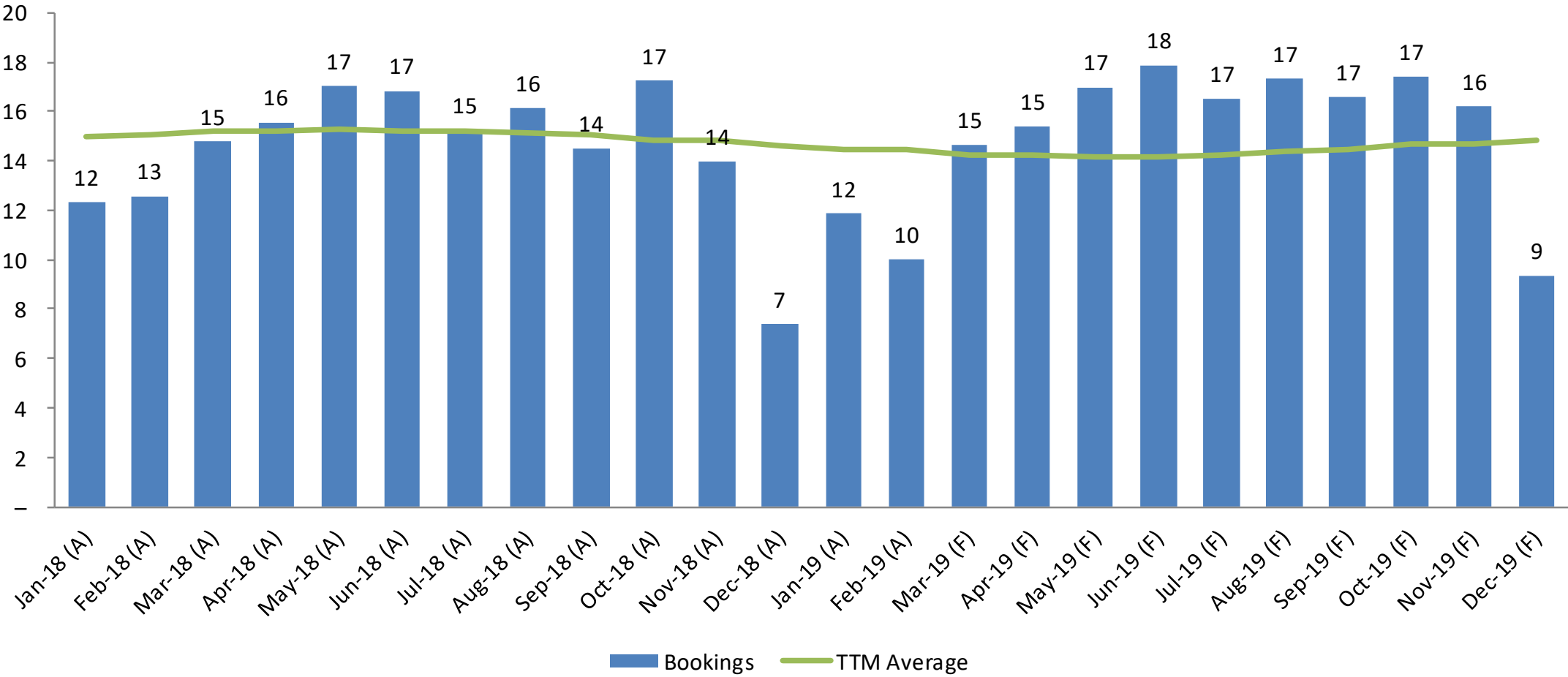
\$'000	YTD		Variance	
	CY	PY	\$	%
<u>Current Assets</u>				
Cash and cash equivalents	\$ 3	\$ 0	\$ 3	2283.5%
Short term investments	–	–	–	N/A
<i>Accounts receivable, gross</i>	9,841	13,405	(3,564)	(26.6%)
<i>Accounts receivable, reserves</i>	(393)	(804)	411	(51.1%)
Accounts receivable, net	9,448	12,601	(3,153)	(25.0%)
<i>Inventory, gross</i>	36,157	35,204	953	2.7%
<i>Inventory, reserves</i>	(1,514)	(1,900)	385	(20.3%)
Inventory, net	34,642	33,304	1,338	4.0%
Prepaid expenses and other current assets	3,030	3,099	(69)	(2.2%)
Other current assets	864	703	161	23.0%
Total Current Assets	47,988	49,708	(1,720)	(3.5%)
<u>Non-Current Assets</u>				
<i>Property, plant & equipment, gross</i>	67,249	58,471	8,778	15.0%
<i>Accumulated depreciation</i>	(19,488)	(11,810)	(7,677)	65.0%
Property, plant & equipment, net	47,761	46,660	1,101	2.4%
Deferred financing cost	533	504	29	5.7%
Deferred tax asset	1,354	1,384	(30)	(2.2%)
Other non-current assets	2,690	2,716	(26)	(1.0%)
Total Non-Current Assets	52,338	51,264	1,074	2.1%
Total Assets	\$ 100,326	\$ 100,972	\$ (646)	(0.6%)
<u>Current Liabilities</u>				
Bank Debt	\$ 16,533	\$ 11,008	\$ 5,525	50.2%
Current Portion - Long Term Debt	1,665	1,338	327	24.4%
Accounts payable	12,319	13,519	(1,200)	(8.9%)
Accrued liabilities	3,118	3,083	35	1.1%
Accrued compensation	2,800	3,556	(756)	(21.3%)
Income taxes payable	813	(10)	823	(8584.7%)
Contingent consideration	1,301	1,280	21	1.6%
Other current liabilities	97	43	54	126.9%
Total Current Liabilities	38,646	33,818	4,828	14.3%
<u>Long-term liabilities</u>				
Long-term debt less current maturities	12,114	12,977	(863)	(6.7%)
Deferred income taxes	7,747	8,385	(638)	(7.6%)
Other non-current liabilities	1,530	1,341	189	14.1%
Total Long-Term Liabilities	21,391	22,703	(1,312)	(5.8%)
Total Liabilities	60,037	56,521	3,516	6.2%
Commitments and contingencies	–	–	–	N/A
<u>Shareholders' Equity</u>				
Common stock	12,610	12,610	–	0.0%
Retained earnings	28,412	32,215	(3,802)	(11.8%)
Accumulated other comprehensive income	(733)	(374)	(359)	96.1%
Total Shareholders' Equity	40,289	44,451	(4,162)	(9.4%)
Total Liabilities and Shareholders' Equity	\$ 100,326	\$ 100,972	\$ (646)	(0.6%)

Monthly Cash Flow

\$'000	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var		PY	Var	
	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Cash flow from operations																			
Net Income (Loss)	\$ (886)	\$ (271)	\$ (659)	\$ (160)	\$ 74	\$ 356	\$ 30	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (2,316)	\$ (3,300)	\$ 983	(29.8%)	\$ (3,987)	\$ 1,670	(41.9%)
Depreciation, amortization and other	708	721	724	736	745	759	771	781	793	796	799	803	9,135	9,128	7	0.1%	7,801	1,333	17.1%
Non-cash loss/expense (gain)	27	(7)	(414)	(359)	(265)	105	(196)	(139)	(95)	(173)	(145)	(151)	(1,812)	(307)	(1,505)	490.3%	377	(2,189)	(580.2%)
Deferred income tax	108	3	38	—	—	—	—	—	—	—	—	—	148	148	—	0.0%	(1,301)	1,449	(111.4%)
Change in operating assets and liabilities:																N/A			
Accounts receivable	(107)	(747)	(3,377)	(1,939)	(730)	(1,231)	1,444	(549)	1,304	125	1,560	3,040	(1,208)	(1,173)	(35)	3.0%	3,252	(4,460)	(137.1%)
Inventory	(2,782)	(1,552)	1,770	(198)	(28)	475	(459)	267	(32)	1,707	371	(193)	(653)	(690)	37	(5.4%)	(594)	(59)	9.9%
Prepaid expenses and other current assets	(64)	12	(229)	(757)	270	93	32	99	(355)	(378)	179	1,425	328	328	—	0.0%	456	(128)	(28.1%)
Accounts payable	(984)	594	1,915	(620)	1,135	485	(752)	(447)	815	(1,542)	1,148	(1,829)	(82)	(82)	—	0.0%	(379)	296	(78.3%)
Accrued expenses	414	(359)	881	666	(51)	235	352	(118)	140	146	(201)	(12)	2,093	2,344	(251)	(10.7%)	(2,316)	4,408	(190.4%)
Accrued income taxes	76	88	144	(462)	195	236	220	210	207	170	115	(138)	1,060	1,060	—	0.0%	751	310	41.2%
Other changes in operating assets and liabilities	4	(4)	(1,281)	26	(2)	(2)	(2)	2	(12)	1	(17)	(4)	(1,290)	(1,290)	—	0.0%	65	(1,355)	(2097.6%)
Other cash flow from operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Total Cash Flow from Operations	\$ (3,487)	\$ (1,523)	\$ (488)	\$ (3,068)	\$ 1,343	\$ 1,511	\$ 1,442	\$ 564	\$ 2,885	\$ 910	\$ 3,728	\$ 1,584	\$ 5,402	\$ 6,166	\$ (764)	(12.4%)	\$ 4,126	\$ 1,276	30.9%
Cash flow from investing																			
Additions to property, plant and equipment	\$ (489)	\$ (531)	\$ (834)	\$ (943)	\$ (943)	\$ (943)	\$ (492)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (7,352)	\$ (8,000)	\$ 648	(8.1%)	\$ (10,215)	\$ 2,863	(28.0%)
Earnout payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Other cash flow from investing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Total Cash Flow from Investing	\$ (489)	\$ (531)	\$ (834)	\$ (943)	\$ (943)	\$ (943)	\$ (492)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (7,352)	\$ (8,000)	\$ 648	(8.1%)	\$ (10,215)	\$ 2,863	(28.0%)
Cash flow from financing																			
Proceeds from the issuance (repayment) of short-term debt	\$ 4,118	\$ 2,193	\$ 1,463	\$ 4,152	\$ (259)	\$ (427)	\$ (809)	\$ 69	\$ (2,253)	\$ (371)	\$ (3,189)	\$ (1,045)	\$ 3,641	\$ 3,556	\$ 85	2.4%	\$ 6,282	\$ (2,641)	(42.0%)
Proceeds from the issuance of debt	(0)	0	0	0	0	0	0	0	0	0	0	0	0	—	0	N/A	1,207	(1,207)	(100.0%)
Repayment of debt	(138)	(139)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(1,689)	(1,719)	31	(1.8%)	(1,400)	(289)	20.6%
Common stock cash dividends paid	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Other cash flow from financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Total Cash Flow from Financing	\$ 3,979	\$ 2,053	\$ 1,322	\$ 4,011	\$ (400)	\$ (568)	\$ (950)	\$ (72)	\$ (2,394)	\$ (512)	\$ (3,330)	\$ (1,186)	\$ 1,953	\$ 1,837	\$ 116	6.3%	\$ 6,089	\$ (4,137)	(67.9%)
Effect of FX rates on cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	\$ —	\$ -	N/A
Net change in cash	\$ 3	\$ (0)	\$ (0)	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ 0	\$ (0)	\$ (0)	\$ 3	\$ 3	\$ (0)	(0.0%)	\$ (0)	\$ 3	(1065.9%)
Beginning cash	0	3	3	3	3	3	3	3	3	2	3	3	0	0	—	—	(0)	\$ 0	(100.1%)
Change in cash	3	(0)	(0)	0	(0)	0	(0)	(0)	(0)	0	(0)	(0)	3	3	(0)	(0.0%)	(0)	\$ 3	(1065.9%)
Ending cash	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ (0)	(0.0%)	\$ 0	\$ 3	26316403.2%

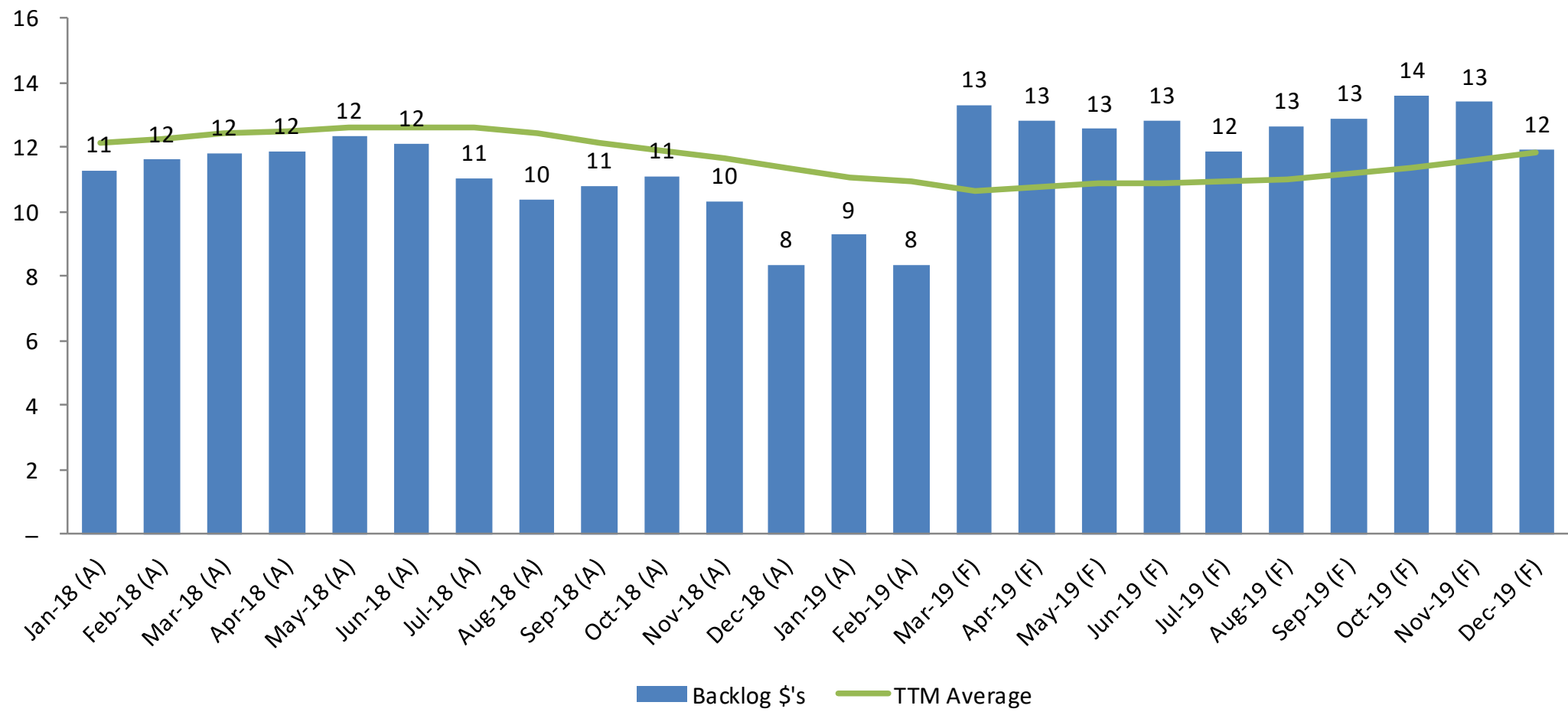
Trended Monthly Bookings

\$ in millions



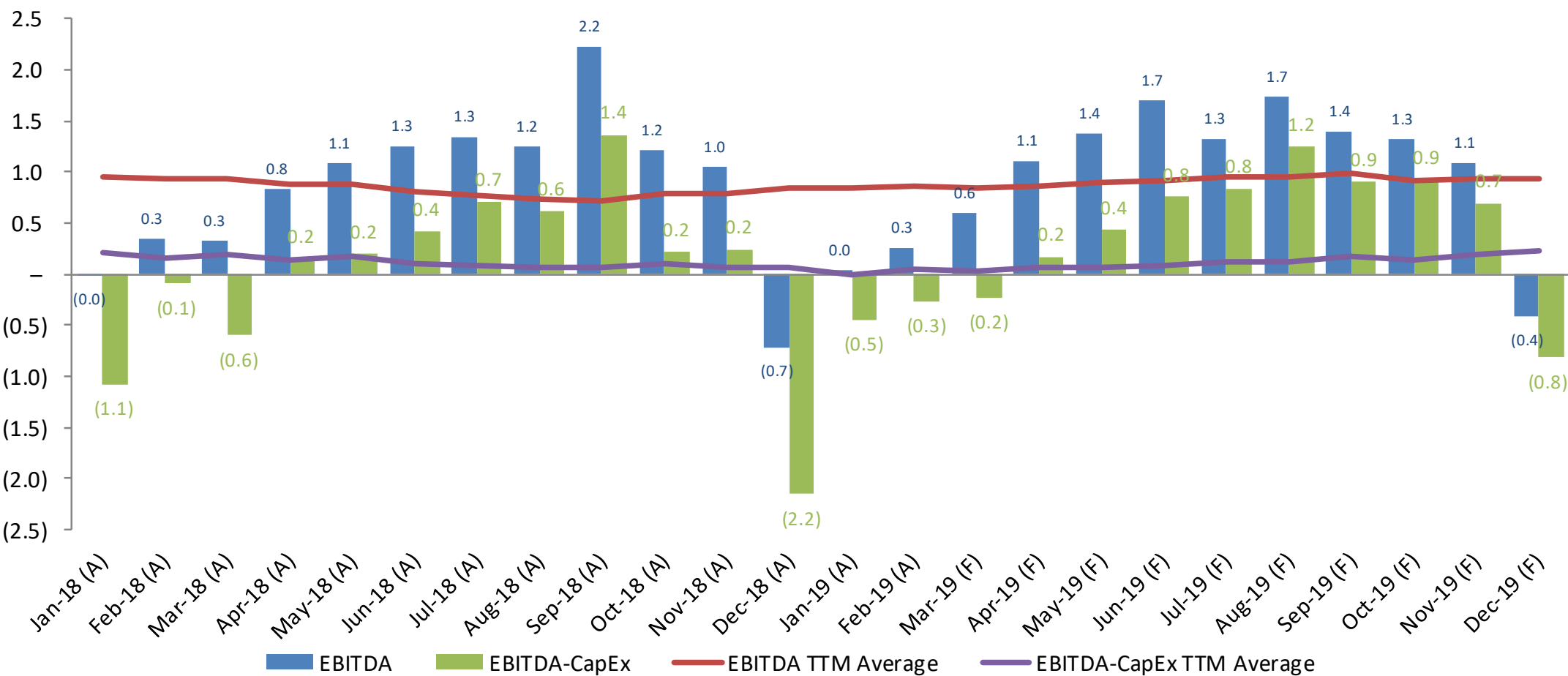
Trended Monthly Backlog

\$ in millions



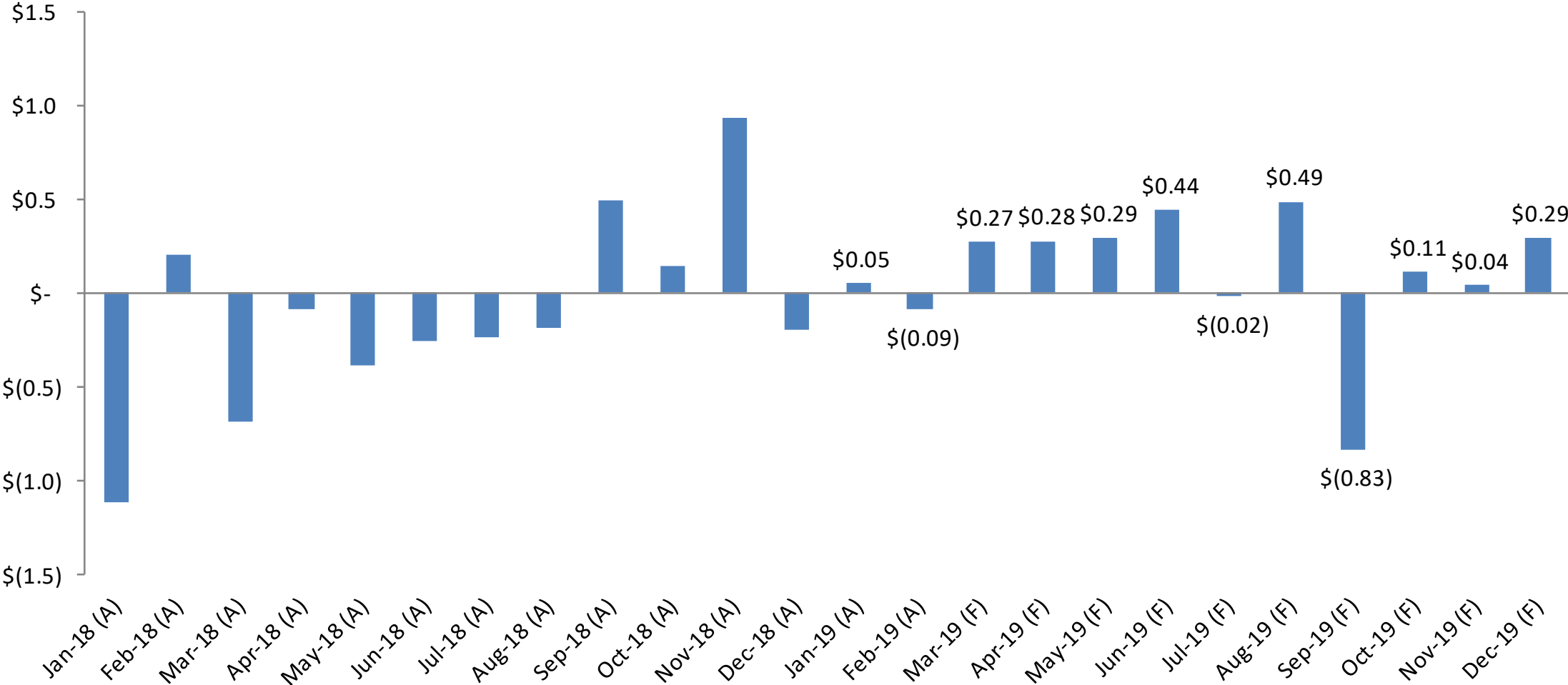
EBITDA and EBITDA-CapEx

\$ in millions



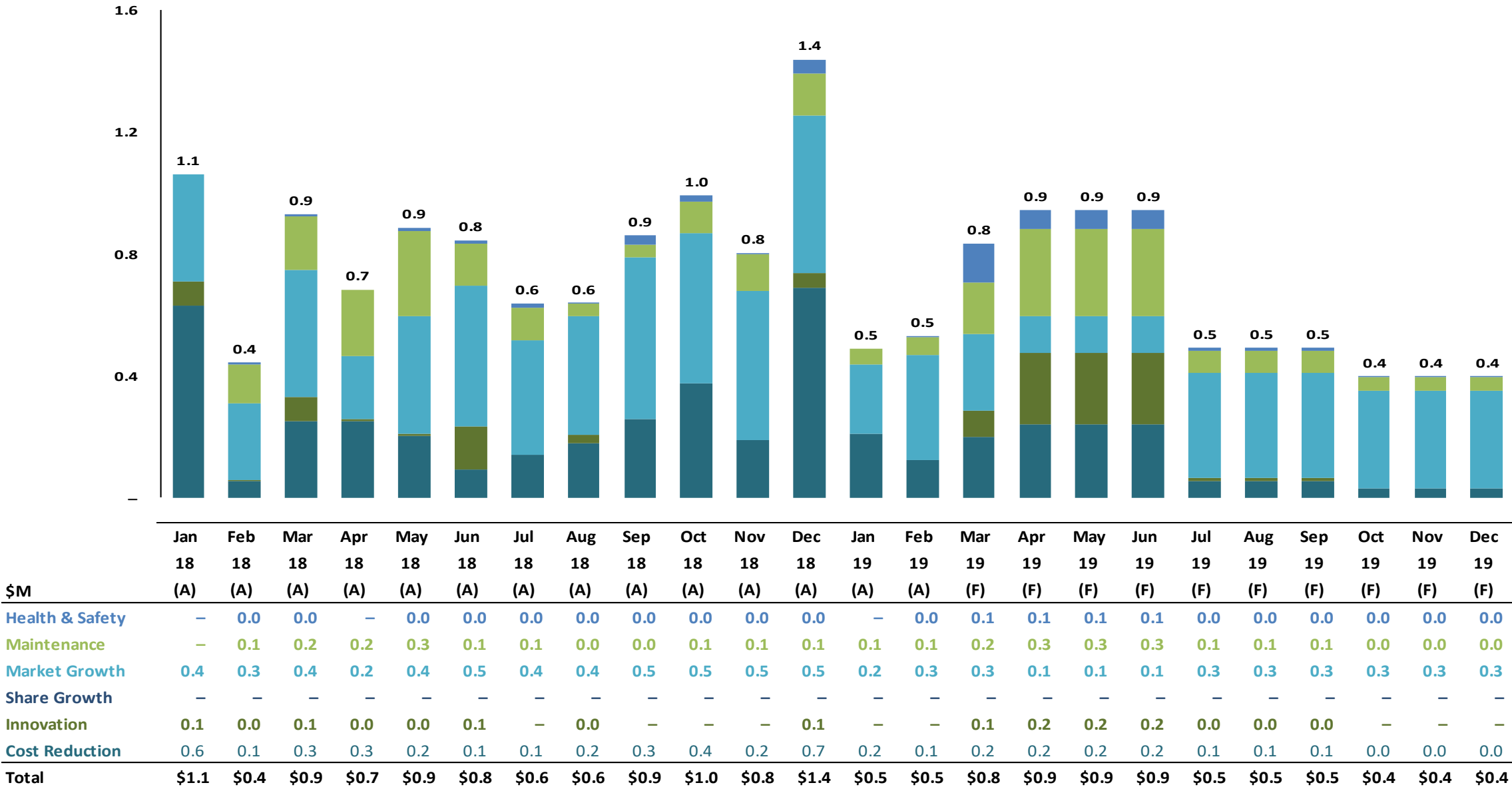
Y-o-Y \$ EBITDA Change

\$ in millions



Capital Expenditures

\$ in millions



Headcount Trending by Month

Month	Direct Labor	Indirect Labor - Hourly	Indirect Labor - Salary	Delivery & Dist.	Research & Development	Sales & Marketing	Administrative	Other	Total Permanent	Agency FTE & Temps	Total Headcount	Bud Headcount	Difference to Bud
2019 January (A)	324	154	81	35	13	26	59	–	692	24	716	780	(64)
2019 February (A)	331	156	81	35	13	26	60	–	702	27	729	802	(73)
2019 March (F)	357	163	88	37	15	29	59	–	748	54	802	802	–
2019 April (F)	362	164	88	38	15	29	59	–	755	58	813	813	–
2019 May (F)	366	164	88	38	15	29	59	–	759	59	818	818	–
2019 June (F)	366	164	88	38	15	29	59	–	759	73	832	832	–
2019 July (F)	362	164	88	38	15	30	59	–	756	70	826	826	–
2019 August (F)	362	164	88	38	15	30	59	–	756	69	825	825	–
2019 September (F)	362	164	88	38	15	30	59	–	756	41	797	797	–
2019 October (F)	357	164	88	37	15	30	59	–	750	47	797	797	–
2019 November (F)	349	164	88	37	15	30	59	–	742	52	794	794	–
2019 December (F)	349	164	88	37	15	30	59	–	742	40	782	782	–
Final Headcount	349	164	88	37	15	30	59	–	742	40	782	782	–

Management Discussion

- Addition of 13 employees in February (10 permanent and 3 temporary)
- Additions at Laval and Terrebonne for production support, and at Everett for tooling activity support and replacement of recent resignations
- Employees headcount stable and consistent with prior month at Delmont and ECS

Headcount Hires and Attrition

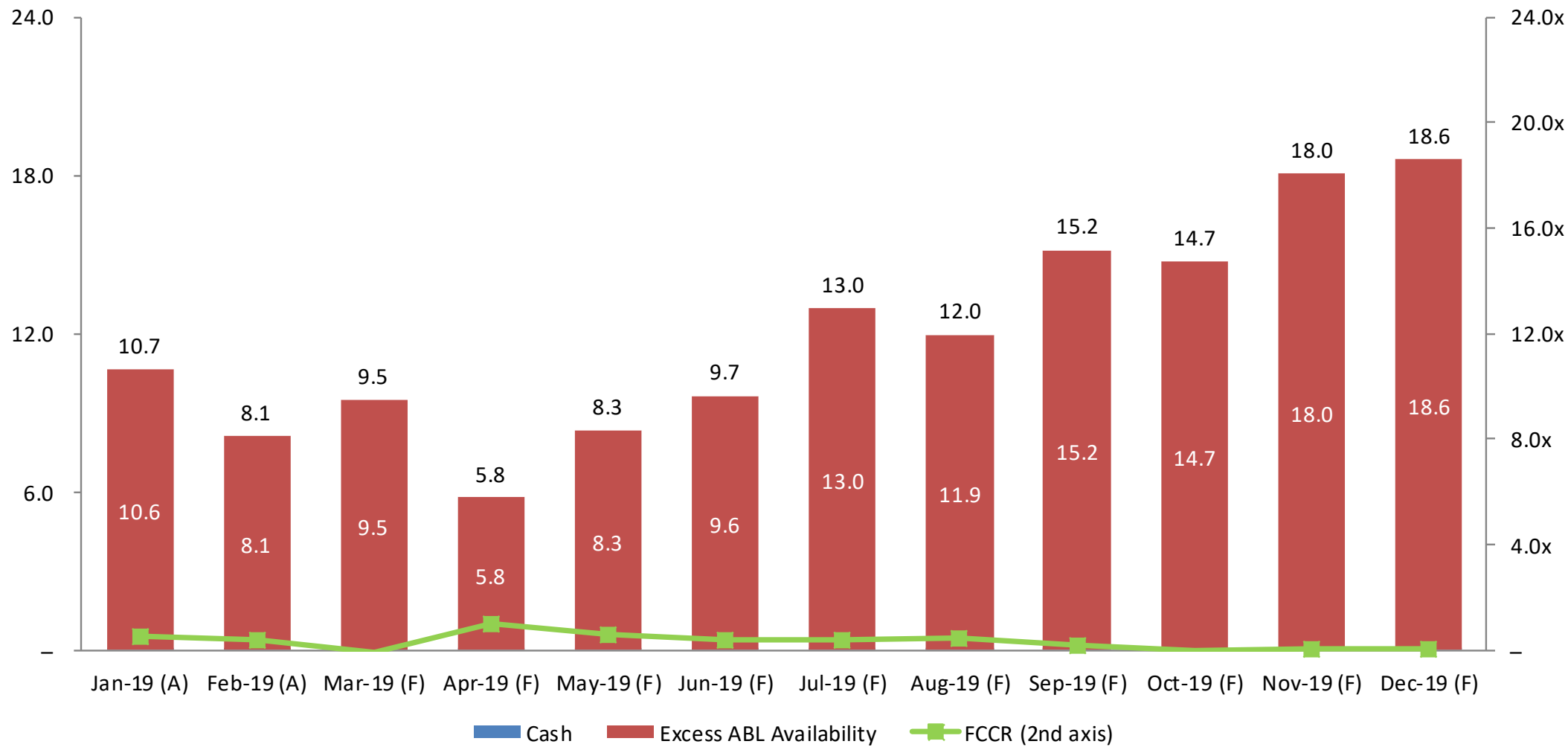
Functional Area	Start of Month	Hires	Transfers	Involuntary Term	Voluntary Term	End of Month	Rfc Headcount	Difference to Rfc
Direct Labor	324	2	6	(1)	–	331	353	22
Indirect Labor - Hourly	154	2	3	(2)	(1)	156	163	7
Indirect Labor - Salary	81	–	1	–	(1)	81	88	7
Delivery & Dist.	35	1	–	(1)	–	35	37	2
Research & Development	13	–	–	–	–	13	15	2
Sales & Marketing	26	–	–	–	–	26	29	3
Administrative	59	–	2	–	(1)	60	59	(1)
Other	-	–	–	–	–	-	-	-
Agency FTE & Temps	24	6	–	(3)	–	27	58	31
Total	716	11	12	(7)	(3)	729	802	73

Management Discussion

- Woodbridge – Termination of some hourly employees due to lower production volumes
- Laval – Additional of hourly inactive employees and temps due to increase in production demand
- Delmont – Stable headcount
- Everett – Hourly return from lease and addition of 2 new hourly indirect to support tooling activities
- Terrebonne – Addition of 10 employees that were previously on layoff for production ramp up activity
- ECS – Stable headcount
- Head Office – Resignation of A/R Clerk (replacement hired in March)

Liquidity Forecast

\$ in millions



Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Woodbridge

Laval

Delmont

Everett

Terrebonne

Concord

Corporate

Plant Capacity Utilization

Woodbridge Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	2,268	2,776	(508)	(18.3%)	4,869	5,477	(607)	(11.1%)
Units Shipped ('000)	2,062	2,576	(514)	(20.0%)	4,308	5,077	(768)	(15.1%)
Bookings (\$'000)	\$ 2,665	\$ –	\$ 2,665	N/A	\$ 5,486	\$ –	\$ 5,486	N/A
Backlog ('\$000)	\$ 2,192	\$ –	\$ 2,192	N/A	\$ 2,192	\$ –	\$ 2,192	N/A
Gross Revenue	\$ 2,913	\$ 3,534	\$ (620)	(17.6%)	\$ 6,107	\$ 7,003	\$ (896)	(12.8%)
Adj. to Gross Revenue	(154)	(173)	19	(10.9%)	(388)	(334)	(54)	16.1%
Net Revenue	2,759	3,361	(601)	(17.9%)	5,719	6,669	(950)	(14.2%)
Material	1,678	2,137	(459)	(21.5%)	3,541	4,190	(649)	(15.5%)
Labor	705	741	(36)	(4.9%)	1,492	1,504	(12)	(0.8%)
Other COGS	54	48	6	13.0%	87	146	(60)	(40.7%)
Total COGS	2,437	2,926	(489)	(16.7%)	5,119	5,840	(720)	(12.3%)
Gross Margin	322	435	(113)	(25.9%)	599	829	(229)	(27.7%)
Gross Margin %	11.7%	12.9%			10.5%	12.4%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	14	22	(7)	(34.3%)	29	44	(15)	(34.2%)
Administrative	316	320	(5)	(1.5%)	639	645	(6)	(0.9%)
Other Opex	0	(19)	19	(102.6%)	18	(35)	53	(151.8%)
Total Opex	330	324	7	2.1%	686	654	32	4.9%
EBITDA	(8)	111	(120)	(107.4%)	(87)	175	(261)	(149.7%)
EBITDA %	(0.3%)	3.3%			(1.5%)	2.6%		
Net Income (Loss)	\$ (243)	\$ (117)	\$ (126)	107.9%	\$ (543)	\$ (281)	\$ (262)	93.1%
Capex	\$ (135)	\$ (222)	\$ 87	(39.3%)	\$ (256)	\$ (443)	\$ 187	(42.2%)
Opex Overview:								
Payroll	\$ 50	\$ 53	\$ (3)	(6.0%)	\$ 110	\$ 111	\$ (1)	(0.9%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	4	10	(5)	(55.5%)	8	20	(12)	(59.3%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	–	0	(0)	(100.0%)	–	0	(0)	(100.0%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	3	3	(0)	(4.3%)	6	7	(0)	(5.9%)
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, and	3	2	1	48.0%	7	4	3	93.1%
Corporate OH Fees	270	273	(3)	(1.0%)	537	545	(8)	(1.5%)
Bad Debts	(0)	(0)	0	(57.5%)	(0)	(1)	0	(57.6%)
FX	(0)	–	(0)	N/A	22	–	22	N/A
JV Loss (Income)	1	(19)	19	(103.8%)	(4)	(35)	30	(87.6%)
Other Expenses	–	2	(2)	(100.0%)	–	3	(3)	(100.0%)
Total Opex	\$ 330	\$ 324	\$ 7	2.1%	\$ 686	\$ 654	\$ 32	4.9%

Management Discussion

Net Revenue – Feb-19: (\$601K):

- Sales volume down 20.0% or \$671k due to decreased demand from All Weather, JV, Oran, Great Lakes, FM Clera and Vinylbilt; offset by higher than expected levels with Windsor, Ostaco, Dashwood and Terrebonne.
- Unfavorable rebates/accruals \$16k primarily due to customer mix.
- Favorable product/customer mix of \$126k primarily due to ATIS price adjustment from PY \$49k.
- Unfavorable F/X of \$41k (actual rate of 1.3206 [or \$USD 0.7572] vs. 1.30 [or \$USD 0.7692])

EBITDA – Feb-19: (\$120K):

- Material COGS:** Decreased costs by \$459k driven by lower sales volumes \$426k and increased regrind/alt material usage \$32k
- Labor COGS:** Decreased costs by \$36k driven by lower production volumes (decrease of 18%)
- Other COGS:** Increased costs by \$6k driven by lower net absorption \$30k (lower demand), JV overhead recovery of \$36k (1 less line charge & lower sales volume), and \$8k trailer storage; offset by Tooling Recovery \$23k, lower factory & maintenance expenses \$26k (volume driven) and lower utilities \$30k (volume driven)
- Sales and Marketing:** Decreased costs by \$7k due to lower royalties.
- Administrative:** Decreased costs of \$5k driven by favorable F/X
- Other Opex:** Decreased costs by \$19k driven by decreased JV equity income (lower sales volumes).

Key Customers – Gross Sales and Gross Margin %: Woodbridge

	Gross Sales (\$'000)														Gross Margin %																							
	MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var		MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var							
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	BP	%	Act	BP	%	Act	Bud	BP	%	Act	BP	%							
Customer:																																						
ROYAL VINYL BILT LIMITED	\$	724	\$	901	\$	(177)	(19.7%)	\$	883	\$	(159)	(18.0%)	\$	1,531	\$	1,687	\$	(157)	(9.3%)	\$	1,847	\$	(316)	(17.1%)	10.4%	10.4%	0	0.0%	7.9%	250	31.6%	10.4%	10.4%	0	0.0%	7.9%	250	31.6%
QUAKER WINDOW PRODUCTS		324		365		(41)	(11.2%)		312		12	3.8%		761		928		(168)	(18.1%)		793		(33)	(4.1%)	11.0%	11.0%	0	0.0%	8.5%	250	29.3%	11.0%	11.0%	0	0.0%	8.5%	250	29.3%
ALL WEATHER WIN. LTD-EDMO		322		567		(246)	(43.3%)		186		136	73.1%		455		1,034		(579)	(56.0%)		335		120	35.9%	19.7%	19.7%	-	0.0%	17.2%	250	14.6%	19.7%	19.7%	-	0.0%	17.2%	250	14.6%
VINYL BILT WINDOWS & DOORS CC		118		177		(59)	(33.5%)		253		(136)	(53.6%)		276		274		2	0.8%		389		(113)	(29.0%)	(18.0%)	(18.0%)	-	0.0%	(20.5%)	250	(12.2%)	(18.0%)	(18.0%)	-	0.0%	(20.5%)	250	(12.2%)
VINYL PRO WINDOW SYSTEMS		161		169		(8)	(4.9%)		181		(20)	(11.1%)		232		169		63	36.9%		181		51	27.9%	8.2%	8.2%	-	0.0%	5.7%	250	44.0%	8.2%	8.2%	-	0.0%	5.7%	250	44.0%
WINDSOR WINDOW CO		232		151		82	54.2%		157		75	47.8%		493		526		(33)	(6.4%)		540		(47)	(8.7%)	20.5%	21.6%	(112)	(5.2%)	18.9%	160	8.5%	20.5%	21.6%	(112)	(5.2%)	21.1%	(62)	(2.9%)
DASHWOOD INDUSTRIES LTD.		166		129		37	29.1%		139		27	19.7%		231		298		(68)	(22.7%)		323		(92)	(28.6%)	17.8%	17.8%	-	0.0%	15.3%	250	16.3%	17.8%	17.8%	-	0.0%	15.3%	250	16.3%
OSTACO 2000 WINDOORS INC		77		37		40	108.5%		38		39	101.8%		253		195		58	29.7%		195		58	29.5%	13.8%	13.8%	-	0.0%	11.3%	250	22.0%	13.8%	13.8%	-	0.0%	11.3%	250	22.0%
ALLSCO BLDG SUPPLIES LTD		79		71		8	11.7%		77		2	3.2%		203		151		52	34.6%		161		42	26.0%	(18.0%)	(18.0%)	-	0.0%	3.9%	(2,195)	(555.9%)	(18.0%)	(18.0%)	-	0.0%	3.9%	(2,195)	(555.9%)
TERREBONNE		104		65		39	59.3%		127		(23)	(18.3%)		219		113		106	94.1%		277		(57)	(20.7%)	(6.3%)	(6.3%)	-	0.0%	(8.8%)	250	(28.5%)	(6.3%)	(6.3%)	-	0.0%	(8.8%)	250	(28.5%)
PGT INDUSTRIES		79		76		3	3.4%		-		79	N/A		184		160		24	15.3%		-		184	N/A	0.0%	0.0%	-	N/A	#DIV/0!	NA	#DIV/0!	0.0%	0.0%	-	N/A	6.3%	(626)	(100.0%)
VENTANA WINDOWS & DOORS INC		21		59		(38)	(65.0%)		34		(13)	(39.4%)		54		123		(69)	(56.0%)		34		20	59.5%	15.9%	15.9%	-	0.0%	13.4%	250	18.6%	15.9%	15.9%	-	0.0%	13.4%	250	18.6%
FENESTRA PURCHASING CO-OP - C		35		100		(65)	(65.0%)		122		(87)	(71.3%)		75		142		(67)	(47.0%)		174		(99)	(56.7%)	18.9%	18.9%	(0)	(0.0%)	16.4%	250	15.3%	18.9%	18.9%	(0)	(0.0%)	16.4%	250	15.3%
FENESTRA PURCHASING CO-OP - S		10		11		(1)	(6.0%)		12		(2)	(13.0%)		50		74		(24)	(32.5%)		79		(29)	(36.6%)	19.6%	19.6%	-	0.0%	17.1%	250	14.6%	19.6%	19.6%	-	0.0%	17.1%	250	14.6%
WARDCO WINDOW & DOOR MFG INC		33		56		(23)	(41.6%)		65		(33)	(50.0%)		76		77		(1)	(1.7%)		90		(14)	(15.3%)	34.7%	34.7%	-	0.0%	32.2%	250	7.8%	34.7%	34.7%	-	0.0%	32.2%	250	7.8%
FENESTRA PURCHASING CO-OP - C		39		83		(44)	(52.7%)		90		(51)	(56.4%)		39		100		(61)	(60.9%)		110		(71)	(64.4%)	39.6%	39.6%	-	0.0%	37.1%	250	6.7%	39.6%	39.6%	-	0.0%	37.1%	250	6.7%
MASON WINDOWS		32		42		(11)	(25.0%)		45		(13)	(29.1%)		62		80		(18)	(22.9%)		84		(22)	(26.4%)	8.0%	8.0%	-	0.0%	8.0%	-	0.0%	8.0%	8.0%	-	0.0%	8.0%	(0)	(0.0%)
GREAT LAKES WINDOW INC.		5		71		(67)	(93.1%)		50		(46)	(90.3%)		59		135		(76)	(56.4%)		95		(36)	(38.4%)	8.0%	8.0%	-	0.0%	8.0%	-	0.0%	8.0%	8.0%	-	0.0%	8.0%	-	0.0%
ORAN LTD.		-		130		(130)	(100.0%)		135		(135)	(100.0%)		-		209		(209)	(100.0%)		217		(217)	(100.0%)	#DIV/0!	8.0%	-	#VALUE!	8.0%	NA	#VALUE!	#DIV/0!	8.0%	-	#VALUE!	8.0%	NA	#VALUE!
INTEGRAL WINDOW SYSTEMS		-		8		(8)	(100.0%)		9		(9)	(100.0%)		27		27		(0)	(1.2%)		32		(5)	(15.8%)	#DIV/0!	8.0%	-	#VALUE!	8.0%	NA	#VALUE!	#DIV/0!	8.0%	-	#VALUE!	8.0%	NA	#VALUE!
Other		355		266		89	33.3%		888		(533)	(60.0%)		827		499		328	65.7%		2,131		(1,304)	(61.2%)	13.3%	22.8%	(957)	(41.9%)	(15.3%)	2,854	(187.0%)	13.3%	22.8%	(957)	(41.9%)	(23.6%)	3,689	(156.2%)
Total Gross	\$	2,913	\$	3,534	\$	(620)	(17.6%)	\$	3,803	\$	(890)	(23.4%)	\$	6,107	\$	7,003	\$	(896)	(12.8%)	\$	8,086	\$	(1,979)	(24.5%)	11.1%	12.3%	(125)	(10.1%)	2.6%	847	327.3%	11.1%	40.7%	(2,964)	(72.8%)	0.7%	1,037	1514.5%

Management Discussion

- All Weather – Increase in sales vs PY-MTD due to new product launches in Q4-2018, however lower than anticipated
- Royal Vinylbilt – Lower sales at royal vinylbilt in addition to using up built up inventory from Q4-2018
- Vinylbilt – loss of major customer in addition to timing Jan vs Feb
- Oran – Timing, customer expected to make purchases in Q2-2019.

Key Performance Indicators - Woodbridge

ENERGI Everett Woodbridge January KPI Report	2019 Targets	Jan-19	Feb-19	YTD 2019
Health & Safety				
<i>Recordable Incidents</i>	0	0	0	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0.46	0.47	
Quality Performance				
<i>Customer Complaints - per MLBS</i>	3.2	2.61	2.26	2
<i>Return as % of sales</i>	0.30%	2.11%	0.67%	1.41%
Delivery Performance				
<i>% on time in full</i>	95.00%	99.56%	98.80%	99%
<i>% by line items</i>	99.00%	99.56%	98.80%	99%
Costs				
<i>Yield</i>	85.7%	85%	85%	85%
<i>Alt/Regrind Compound Consumption Ratio</i>	19.9%	17%	20%	19%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$ 0.173	\$ 0.175	\$ 0.174
Inventory				
<i>Days - TTM (Trailing 12 Months)</i>	54.1	57	59	58

Comments

Safety: no recordables to report

Quality: Returns from Quaker \$17K, Dashwood \$10K, Windsor \$5K, PGT\$30K .

Delivery: Some process issues with AWW tooling, capacity issues with Eclipse earlier in the month

Costs: inefficiencies due to 2 cold starts from plant being shutdown on weekends

Full Year Woodbridge P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)	36,673	37,280	(607)	(1.6%)	37,118	(445)	(1.2%)	
Units Shipped ('000)	36,462	37,230	(768)	(2.1%)	36,738	(276)	(0.8%)	
Bookings (\$'000)	\$ 47,244	\$ –	\$ 47,244	N/A	\$ 50,018	\$ (2,774)	(5.5%)	
Backlog ('\$000)	\$ 2,119	\$ –	\$ 2,119	N/A	\$ 3,634	\$ (1,515)	(41.7%)	
Gross Revenue	\$ 50,850	\$ 51,746	\$ (896)	(1.7%)	\$ 52,687	\$ (1,837)	(3.5%)	
Adj. to Gross Revenue	(3,237)	(3,183)	(54)	1.7%	(2,920)	(317)	10.8%	
Net Revenue	47,613	48,563	(950)	(2.0%)	49,767	(2,154)	(4.3%)	
Material	29,920	30,569	(649)	(2.1%)	32,620	(2,701)	(8.3%)	
Labor	9,948	9,960	(12)	(0.1%)	10,973	(1,025)	(9.3%)	
Other COGS	1,888	1,948	(60)	(3.1%)	1,960	(72)	(3.7%)	
Total COGS	41,756	42,476	(720)	(1.7%)	45,553	(3,797)	(8.3%)	
Gross Margin	5,857	6,087	(229)	(3.8%)	4,214	1,643	39.0%	
Gross Margin %	12.3%	12.5%			8.5%			
R&D	–	–	–	N/A	–	–	N/A	
Sales & Marketing	294	309	(15)	(4.9%)	291	3	1.1%	
Administrative	3,949	3,954	(6)	(0.1%)	4,006	(58)	(1.4%)	
Other Opex	(175)	(228)	53	(23.2%)	(165)	(11)	6.5%	
Total Opex	4,068	4,036	32	0.8%	4,133	(65)	(1.6%)	
EBITDA	1,790	2,051	(261)	(12.7%)	81	1,708	2099.3%	
EBITDA %	3.8%	4.2%			0.2%			
Net Income (Loss)	\$ (1,000)	\$ (738)	\$ (262)	35.5%	\$ (2,405)	\$ 1,405	(58.4%)	
Capex	\$ (1,872)	\$ (1,364)	\$ (508)	37.2%	\$ (2,824)	\$ 952	(33.7%)	
Opex Overview:								
Payroll	\$ 728	\$ 729	\$ (1)	(0.1%)	\$ 759	\$ (31)	(4.1%)	
Bonus	–	–	–	N/A	–	–	N/A	
Commissions	–	–	–	N/A	–	–	N/A	
Marketing	108	119	(12)	(9.8%)	115	(7)	(6.2%)	
Benefits	–	–	–	N/A	–	–	N/A	
Travel and entertainment	7	7	(0)	(0.1%)	10	(3)	(29.6%)	
Rent and facilities	–	–	–	N/A	–	–	N/A	
Insurance	49	49	(0)	(0.8%)	47	2	3.6%	
Professional fees	31	31	–	0.0%	36	(5)	(14.4%)	
Utilities, repair, maintenance, and security	30	27	3	12.7%	26	4	15.7%	
Corporate OH Fees	3,273	3,281	(8)	(0.2%)	3,299	(26)	(0.8%)	
Bad Debts	(4)	(5)	0	(9.6%)	(13)	9	(67.2%)	
FX	22	–	22	N/A	(82)	104	(127.3%)	
JV Loss (Income)	(198)	(228)	30	(13.4%)	(83)	(115)	138.8%	
Other Expenses	22	25	(3)	(13.6%)	21	1	3.2%	
Total Opex	\$ 4,068	\$ 4,036	\$ 32	0.8%	\$ 4,136	\$ (68)	(1.7%)	

Key Customers – Full Year Woodbridge

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
ROYAL VINYL BILT LIMITED	\$	10,900	\$	11,057	\$	(157)	(1.4%)	\$	10,577	\$	323	3.1%	10.2%	10.1%	8	0.8%	7.9%	227	28.7%
QUAKER WINDOW PRODUCTS		5,860		6,028		(168)	(2.8%)		5,345		515	9.6%	11.0%	10.8%	17	1.6%	8.5%	244	28.6%
ALL WEATHER WIN. LTD-EDMO		4,736		5,314		(579)	(10.9%)		2,047		2,688	131.3%	20.7%	19.4%	131	6.8%	17.2%	355	20.7%
VINYL BILT WINDOWS & DOORS CC		3,781		3,779		2	0.1%		4,689		(908)	(19.4%)	(15.2%)	(15.2%)	0	(0.0%)	(20.5%)	529	(25.8%)
VINYL PRO WINDOW SYSTEMS		3,650		3,587		63	1.7%		3,893		(244)	(6.3%)	5.9%	6.0%	(4)	(0.6%)	5.7%	26	4.5%
WINDSOR WINDOW CO		3,677		3,710		(33)	(0.9%)		3,491		185	5.3%	21.3%	21.3%	1	0.0%	19.0%	232	12.3%
DASHWOOD INDUSTRIES LTD.		2,823		2,891		(68)	(2.3%)		2,976		(153)	(5.1%)	16.0%	15.8%	20	1.2%	15.3%	70	4.5%
OSTACO 2000 WINDOORS INC		1,969		1,911		58	3.0%		1,810		159	8.8%	13.5%	13.7%	(23)	(1.7%)	11.3%	214	18.8%
ALLSCO BLDG SUPPLIES LTD		1,632		1,580		52	3.3%		1,520		112	7.4%	(14.3%)	(14.5%)	20	(1.4%)	3.9%	(1,823)	(461.6%)
TERREBONNE		1,304		1,197		106	8.9%		1,510		(206)	(13.6%)	(5.0%)	(5.2%)	18	(3.5%)	(8.8%)	378	(43.1%)
PGT INDUSTRIES		1,139		1,115		24	2.2%		954		185	19.3%	0.0%	0.0%	–	N/A	6.3%	(626)	(100.0%)
VENTANA WINDOWS & DOORS IN		792		861		(69)	(8.0%)		754		38	5.0%	15.9%	15.2%	73	4.8%	13.4%	252	18.8%
FENESTRA PURCHASING CO-OP - C		755		821		(67)	(8.1%)		969		(214)	(22.1%)	21.6%	20.5%	109	5.3%	16.4%	528	32.3%
FENESTRA PURCHASING CO-OP - S		766		791		(24)	(3.1%)		822		(56)	(6.8%)	14.2%	14.0%	15	1.1%	17.1%	(290)	(16.9%)
WARDCO WINDOW & DOOR MFG		732		733		(1)	(0.2%)		874		(142)	(16.3%)	32.2%	32.1%	3	0.1%	32.2%	(7)	(0.2%)
FENESTRA PURCHASING CO-OP - C		572		633		(61)	(9.6%)		717		(146)	(20.3%)	53.0%	49.3%	368	7.5%	37.1%	1,593	43.0%
MASON WINDOWS		443		462		(18)	(4.0%)		449		(6)	(1.3%)	8.3%	8.1%	20	2.4%	8.0%	28	3.6%
GREAT LAKES WINDOW INC.		324		400		(76)	(19.0%)		364		(40)	(10.9%)	10.4%	9.1%	128	14.1%	8.0%	237	29.6%
ORAN LTD.		148		357		(209)	(58.5%)		517		(369)	(71.4%)	20.9%	11.0%	991	89.9%	8.0%	1,293	161.6%
INTEGRAL WINDOW SYSTEMS		308		308		(0)	(0.1%)		315		(7)	(2.3%)	8.0%	8.0%	0	0.0%	8.0%	(0)	(0.0%)
Other		4,540		4,212		328	7.8%		8,091		(3,551)	(43.9%)	29.5%	(30.4%)	5,988	(196.9%)	10.5%	1,892	179.4%
Total Gross	\$	50,850	\$	51,746	\$	(896)	(1.7%)	\$	52,687	\$	(1,837)	(3.5%)	11.7%	11.6%	10	0.8%	8.0%	367	45.9%

Laval Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,511	1,376	135	9.8%	2,838	2,604	234	9.0%
Units Shipped ('000)	1,092	1,075	17	1.6%	2,177	2,084	93	4.5%
Bookings (\$'000)	\$ 1,579	\$ –	\$ 1,579	N/A	\$ 3,704	\$ –	\$ 3,704	N/A
Backlog (\$'000)	\$ 2,621	\$ –	\$ 2,621	N/A	\$ 2,621	\$ –	\$ 2,621	N/A
Gross Revenue	\$ 2,033	\$ 2,006	\$ 26	1.3%	\$ 3,921	\$ 3,860	\$ 61	1.6%
Adj. to Gross Revenue	(111)	(136)	25	(18.6%)	(272)	(262)	(10)	3.7%
Net Revenue	1,922	1,870	52	2.8%	3,649	3,598	51	1.4%
Material	874	859	16	1.8%	1,657	1,686	(29)	(1.7%)
Labor	461	453	8	1.7%	922	926	(4)	(0.4%)
Other COGS	(20)	23	(43)	(187.9%)	28	52	(24)	(45.5%)
Total COGS	1,315	1,335	(20)	(1.5%)	2,607	2,663	(56)	(2.1%)
Gross Margin	607	535	72	13.4%	1,042	935	107	11.4%
Gross Margin %	31.6%	28.6%			28.5%	26.0%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	107	94	13	14.4%	245	257	(12)	(4.8%)
Administrative	240	256	(16)	(6.2%)	495	508	(13)	(2.5%)
Other Opex	(7)	–	(7)	N/A	(8)	–	(8)	N/A
Total Opex	340	350	(10)	(2.8%)	732	765	(33)	(4.3%)
EBITDA	267	185	81	43.9%	310	170	140	82.4%
EBITDA %	13.9%	9.9%			8.5%	4.7%		
Net Income (Loss)	\$ 154	\$ 71	\$ 83	117.1%	\$ 87	\$ (55)	\$ 142	(257.8%)
Capex	\$ (124)	\$ (214)	\$ 90	(42.0%)	\$ (496)	\$ (427)	\$ (69)	16.1%
Opex Overview:								
Payroll	\$ 100	\$ 104	\$ (4)	(3.6%)	\$ 214	\$ 217	\$ (3)	(1.6%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	33	12	22	181.5%	80	89	(9)	(10.3%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	2	2	(0)	(7.2%)	7	5	1	27.7%
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	4	5	(1)	(15.7%)	12	9	3	31.9%
Professional fees	4	7	(3)	(41.1%)	11	13	(2)	(17.4%)
Utilities, repair, maintenance, and	6	14	(8)	(58.0%)	11	18	(7)	(36.8%)
Corporate OH Fees	178	182	(4)	(2.2%)	354	363	(9)	(2.5%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(7)	–	(7)	N/A	(8)	–	(8)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	20	25	(4)	(18.0%)	50	49	1	1.5%
Total Opex	\$ 340	\$ 350	\$ (10)	(2.8%)	\$ 732	\$ 765	\$ (33)	(4.3%)

Management Discussion

Net Revenue – Feb-19: +\$52K:

- Sales volume up 1.6% or \$29k due to increased volume to Touchette, Fenetres Contemporaines, Boulet, Qualum; offset by decreased volume from Schluter, Dalmen, Abritek and Atlantic Windows.
- Favorable rebates of \$27k related to decreased volume to ATIS and lower cash discounts.
- Favorable mix impact of \$21k primarily driven by customer mix and products purchased for resale.
- Unfavorable F/X of \$25k (actual rate of 1.3206 [or \$USD 0.7572] vs. 1.30 [or \$USD 0.7692])

EBITDA – Feb-19: +\$81K:

- Material COGS:** Increase in costs by \$16k driven primarily by increased sales volume of \$13k, improved yields \$7k; offset by product mix (product purch for resale) \$4k
- Labor COGS:** Increase in costs by \$8k driven by increased production volume.
- Other COGS:** Decrease in cost by \$43k driven by favorable absorption of \$26k (increased prod. Volume), and favorable tooling recovery \$17k.
- Sales and Marketing:** Increase in costs of \$13k driven by higher advertising costs for the Concerto campaign.
- Administrative:** Decrease in costs of \$16k driven by lower office expenses and professional fees.
- Other Opex:** Decrease in cost by \$7k driven by favorable impact from F/X revaluation of working capital balances

Key Customers – Gross Sales and Gross Margin %: Laval

	Gross Sales (\$'000)														Gross Margin %																							
	MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD		Var		MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var										
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%									
Customer:																																						
SOLARIS QUEBEC P & F INC.	\$	264	\$	243	\$	21	8.7%	\$	270	\$	(6)	(2.2%)	\$	568	\$	467	\$	101	21.7%	\$	508	\$	60	11.8%	23.1%	23.0%	10	0.4%	21.5%	166	7.7%	23.1%	23.0%	10	0.4%	21.7%	141	6.5%
ATLANTIC WINDOWS		206		237		(31)	(13.1%)		270		(64)	(23.7%)		356		472		(116)	(24.6%)		503		(147)	(29.2%)	13.8%	12.2%	155	12.7%	11.1%	268	24.1%	13.8%	12.2%	155	12.7%	9.4%	435	46.1%
SCHLUTER SYSTEMS L.P.		127		193		(66)	(34.0%)		192		(65)	(33.7%)		181		345		(164)	(47.7%)		344		(163)	(47.5%)	24.6%	16.1%	857	53.3%	16.7%	796	47.8%	24.6%	16.1%	857	53.3%	21.8%	279	12.8%
LAFLAMME PORTES		78		84		(6)	(7.0%)		85		(7)	(8.1%)		200		163		37	22.7%		166		34	20.4%	(13.1%)	(19.0%)	591	(31.0%)	(15.3%)	215	(14.1%)	(13.1%)	(19.0%)	591	(31.0%)	(14.4%)	129	(9.0%)
PTES & FEN ISOTHERMIC INC		89		106		(17)	(16.0%)		113		(24)	(21.2%)		176		186		(10)	(5.2%)		200		(24)	(11.9%)	21.5%	29.2%	(778)	(26.6%)	31.0%	(951)	(30.7%)	21.5%	29.2%	(778)	(26.6%)	26.6%	(511)	(19.2%)
PORTES & FENETRES ABRITEK		27		65		(38)	(57.8%)		65		(38)	(57.8%)		78		132		(54)	(40.6%)		133		(55)	(41.0%)	30.7%	32.3%	(164)	(5.1%)	23.1%	759	32.9%	30.7%	32.3%	(164)	(5.1%)	28.8%	183	6.3%
ATIS PORTES & FENETRES		35		65		(30)	(46.0%)		69		(34)	(49.1%)		197		135		62	45.8%		178		19	10.6%	(21.2%)	(26.2%)	498	(19.0%)	(17.4%)	(378)	21.7%	(21.2%)	(26.2%)	498	(19.0%)	(15.9%)	(525)	33.0%
EXTREME ENTRANCE SYSTEMS		87		87		(0)	(0.2%)		94		(7)	(7.7%)		153		181		(28)	(15.5%)		196		(43)	(21.9%)	15.9%	25.3%	(934)	(37.0%)	18.1%	(214)	(11.8%)	15.9%	25.3%	(934)	(37.0%)	15.0%	93	6.2%
FENERGIC INC		88		77		11	14.8%		87		1	1.6%		166		147		19	13.2%		210		(44)	(20.8%)	23.9%	24.7%	(81)	(3.3%)	11.5%	1,237	107.7%	23.9%	24.7%	(81)	(3.3%)	13.3%	1,058	79.6%
LES FENETRES CONCEPT.		80		51		29	57.0%		71		9	12.8%		131		86		45	52.1%		102		29	28.2%	15.3%	15.7%	(41)	(2.6%)	18.3%	(303)	(16.6%)	15.3%	15.7%	(41)	(2.6%)	16.8%	(149)	(8.9%)
P & C EDDY BOULET INC		145		98		47	48.2%		94		51	54.5%		200		165		35	21.1%		159		41	25.7%	22.7%	6.1%	1,659	270.9%	17.0%	569	33.4%	22.7%	6.1%	1,659	270.9%	17.2%	552	32.1%
PRODUITS DALMEN PRODUCTS		24		71		(47)	(66.6%)		73		(49)	(67.5%)		33		128		(95)	(74.3%)		124		(91)	(73.4%)	20.7%	15.5%	523	33.8%	17.8%	292	16.4%	20.7%	15.5%	523	33.8%	15.3%	547	35.9%
KENTO WINDOWS & DOORS		5		25		(20)	(79.2%)		26		(21)	(80.0%)		53		26		27	102.0%		27		26	94.5%	26.9%	32.0%	(510)	(16.0%)	38.5%	(1,157)	(30.1%)	26.9%	32.0%	(510)	(16.0%)	32.2%	(529)	(16.4%)
GENTEK BUILDING PROD. LTD		5		23		(18)	(77.4%)		19		(14)	(72.6%)		8		55		(47)	(84.6%)		46		(38)	(81.6%)	10.0%	13.0%	(305)	(23.4%)	36.8%	(2,685)	(72.9%)	10.0%	13.0%	(305)	(23.4%)	26.8%	(1,684)	(62.8%)
GOLDEN WINDOWS		45		12		33	278.7%		18		27	152.5%		87		42		45	108.1%		64		23	36.6%	0.6%	0.0%	57	N/A	0.0%	57	N/A	0.6%	0.0%	57	N/A	2.1%	(149)	(72.4%)
ENTREPRISES DOCO INC.		27		36		(9)	(24.8%)		42		(15)	(35.6%)		43		72		(29)	(39.7%)		78		(35)	(44.4%)	24.6%	22.2%	243	10.9%	2.4%	2,227	935.3%	24.6%	22.2%	243	10.9%	(5.8%)	3,048	(522.6%)
FUTURA MANUFACTURIER		4		19		(15)	(79.7%)		22		(18)	(82.4%)		4		19		(15)	(79.7%)		22		(18)	(82.4%)	12.0%	21.1%	(903)	(42.9%)	40.9%	(2,889)	(70.6%)	12.0%	21.1%	(903)	(42.9%)	47.1%	(3,504)	(74.5%)
G.R. THÉRIAULT		12		18		(6)	(33.2%)		50		(38)	(76.0%)		12		18		(6)	(32.3%)		50		(38)	(75.6%)	24.7%	33.3%	(867)	(26.0%)	0.0%	2,466	N/A	24.7%	33.3%	(867)	(26.0%)	5.9%	1,878	319.2%
PORTES ET FENETRES LGC		16		6		10	161.3%		6		10	161.3%		50		13		37	281.1%		53		(3)	(6.5%)	39.3%	50.0%	(1,075)	(21.5%)	183.3%	(14,408)	(78.6%)	39.3%	50.0%	(1,075)	(21.5%)	17.4%	2,186	125.7%
LAS ENTERPRISES		77		59		18	30.9%		60		17	28.7%		127		92		35	37.6%		94		33	34.7%	48.8%	50.8%	(202)	(4.0%)	5.0%	4,383	876.6%	48.8%	50.8%	(202)	(4.0%)	19.5%	2,932	150.2%
Other		590		431		158	36.7%		616		(26)	(4.3%)		1,098		916		181	19.8%		1,245		(147)	(11.8%)	56.8%	63.1%	(631)	(10.0%)	5.0%	5,175	1028.1%	56.8%	63.1%	(631)	(10.0%)	2.8%	5,397	1911.7%
Total Gross	\$	2,033	\$	2,006	\$	26	1.3%	\$	2,342	\$	(309)	(13.2%)	\$	3,921	\$	3,860	\$	61	1.6%	\$	4,502	\$	(581)	(12.9%)	29.8%	26.7%	318	11.9%	26.9%	291	10.8%	29.8%	26.7%	318	11.9%	22.0%	787	35.8%

Management Discussion

- Solaris – Growth greater than expected.
- Atlantic and Schluter, reduction in orders due to weather as well as inventory build up in December 18.
- Abritek – Slow start to 2019, following soft demand due to weather conditions.

Key Performance Indicators - Laval

ENERGI Laval Extrusion January KPI Report	2019 Targets	Jan-19	Feb-19	YTD 2019
Health & Safety				
<i>Recordable Incidents</i>	0	1	1	2
<i>TRIR (Total Recordable Incident Rate)</i>	<1	4.95	4.95	
Quality Performance				
<i>Customer Complaints - per MLBS</i>	22.5	16	23	20
<i>Return as % of sales</i>	0.78%	0.24%	0.38%	0.31%
Delivery Performance				
<i>% on time in full</i>	95.00%	99.73%	99.75%	100%
<i>% by line items</i>	99.00%	99.73%	99.75%	100%
Costs				
<i>Yield</i>	84.00%	85.48%	85.19%	85%
<i>Alt/Regrind Compound Consumption Ratio</i>	20.89%	20.18%	19.41%	20%
<i>Direct Labour \$/lb produced</i>	\$0.192	\$ 0.195	\$0.184	\$ 0.189
<i>Indirect Labour (incl D&D) \$/lb produced</i>	\$0.237	\$ 0.267	\$0.219	\$ 0.241
Inventory				
<i>Days - TTM (Trailing 12 Months)</i>	69.3	67	66.4	

Comments:

Safety: One recordable incident;

Quality: Wavy door frames (tooling issue on line - has been corrected).

Full Year Laval P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Fcst	\$	%	
Units Produced ('000)	19,272	19,038	234	1.2%	19,947	(675)	(3.4%)	
Units Shipped ('000)	19,208	19,115	93	0.5%	19,803	(595)	(3.0%)	
Bookings (\$'000)	\$ 32,434	\$ —	\$ 32,434	N/A	\$ 36,193	\$ (3,759)	(10.4%)	
Backlog ('\$000)	\$ 1,897	\$ —	\$ 1,897	N/A	\$ 2,942	\$ (1,045)	(35.5%)	
Gross Revenue	\$ 35,745	\$ 35,684	\$ 61	0.2%	\$ 37,211	\$ (1,466)	(3.9%)	
Adj. to Gross Revenue	(2,833)	(2,824)	(10)	0.3%	(3,256)	422	(13.0%)	
Net Revenue	32,912	32,861	51	0.2%	33,956	(1,044)	(3.1%)	
Material	15,182	15,210	(29)	(0.2%)	16,229	(1,047)	(6.5%)	
Labor	6,245	6,249	(4)	(0.1%)	6,587	(342)	(5.2%)	
Other COGS	2,051	2,074	(24)	(1.1%)	2,233	(182)	(8.2%)	
Total COGS	23,477	23,533	(56)	(0.2%)	25,049	(1,572)	(6.3%)	
Gross Margin	9,434	9,328	107	1.1%	8,907	528	5.9%	
Gross Margin %	28.7%	28.4%			26.2%			
R&D	—	—	—	N/A	—	—	N/A	
Sales & Marketing	1,841	1,853	(12)	(0.7%)	2,003	(162)	(8.1%)	
Administrative	3,017	3,030	(13)	(0.4%)	3,071	(54)	(1.8%)	
Other Opex	(8)	—	(8)	N/A	17	(25)	(147.2%)	
Total Opex	4,850	4,883	(33)	(0.7%)	5,090	(241)	(4.7%)	
EBITDA	4,585	4,445	140	3.2%	3,816	768	20.1%	
EBITDA %	13.9%	13.5%			11.2%			
Net Income (Loss)	\$ 3,078	\$ 2,936	\$ 142	4.9%	\$ 2,573	\$ 506	19.7%	
Capex	\$ (1,790)	\$ (1,581)	\$ (209)	13.2%	\$ (1,443)	\$ (347)	24.0%	
Opex Overview:								
Payroll	\$ 1,374	\$ 1,377	\$ (3)	(0.2%)	\$ 1,449	\$ (75)	(5.1%)	
Bonus	—	—	—	N/A	—	—	N/A	
Commissions	—	—	—	N/A	—	—	N/A	
Marketing	790	799	(9)	(1.1%)	819	(29)	(3.5%)	
Benefits	—	—	—	N/A	—	—	N/A	
Travel and entertainment	33	31	1	4.7%	44	(12)	(26.1%)	
Rent and facilities	—	—	—	N/A	—	—	N/A	
Insurance	60	57	3	5.3%	51	9	17.7%	
Professional fees	76	78	(2)	(2.9%)	95	(19)	(20.0%)	
Utilities, repair, maintenance, and security	58	64	(7)	(10.4%)	71	(13)	(18.5%)	
Corporate OH Fees	2,169	2,178	(9)	(0.4%)	2,180	(10)	(0.5%)	
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)	
FX	(8)	—	(8)	N/A	17	(25)	(147.2%)	
JV Loss (Income)	—	—	—	N/A	—	—	N/A	
Other Expenses	298	297	1	0.3%	365	(68)	(18.5%)	
Total Opex	\$ 4,850	\$ 4,883	\$ (33)	(0.7%)	\$ 5,093	\$ (244)	(4.8%)	

Key Customers – Full Year Laval

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%			
<u>Customer:</u>																			
SOLARIS QUEBEC P & F INC.	\$	4,176	\$	4,075	\$	101	2.5%	\$	4,262	\$	(86)	(2.0%)	23.9%	23.7%	14	0.6%	22.9%	94	4.1%
ATLANTIC WINDOWS		3,518		3,635		(117)	(3.2%)		3,475		43	1.2%	12.5%	12.3%	25	2.1%	12.7%	(12)	(0.9%)
SCHLUTER SYSTEMS L.P.		2,393		2,557		(164)	(6.4%)		2,796		(403)	(14.4%)	23.1%	22.8%	34	1.5%	21.4%	169	7.9%
LAFLAMME PORTES		2,513		2,478		35	1.4%		2,426		87	3.6%	(19.0%)	(19.4%)	42	(2.2%)	(13.3%)	(572)	42.9%
PTES & FEN ISOTHERMIC INC		1,989		1,999		(10)	(0.5%)		2,163		(174)	(8.0%)	28.3%	29.0%	(72)	(2.5%)	21.9%	640	29.2%
PORTES & FENETRES ABRITEK		1,771		1,824		(53)	(2.9%)		1,742		29	1.7%	31.7%	32.0%	(27)	(0.8%)	31.2%	54	1.7%
ATIS PORTES & FENETRES		1,613		1,552		61	3.9%		1,669		(56)	(3.4%)	(24.5%)	(25.7%)	120	(4.7%)	(15.4%)	(907)	58.9%
EXTREME ENTRANCE SYSTEMS		1,559		1,587		(28)	(1.8%)		1,619		(60)	(3.7%)	23.8%	24.8%	(101)	(4.1%)	16.9%	683	40.4%
FENERGIC INC		1,125		1,105		20	1.8%		1,260		(135)	(10.7%)	24.2%	25.1%	(94)	(3.7%)	14.8%	936	63.1%
LES FENETRES CONCEPT.		1,276		1,231		45	3.6%		1,131		145	12.8%	16.1%	16.3%	(22)	(1.3%)	17.9%	(189)	(10.5%)
P & C EDDY BOULET INC		1,006		971		35	3.6%		849		157	18.5%	9.8%	6.1%	368	60.4%	21.3%	(1,154)	(54.1%)
PRODUITS DALMEN PRODUCTS		777		873		(96)	(11.0%)		692		85	12.3%	16.4%	16.0%	42	2.6%	14.5%	200	13.8%
KENTO WINDOWS & DOORS		720		694		26	3.8%		674		46	6.9%	31.0%	30.6%	45	1.5%	31.2%	(13)	(0.4%)
GENTEK BUILDING PROD. LTD		599		646		(47)	(7.2%)		528		71	13.5%	12.0%	12.0%	1	0.1%	12.5%	(52)	(4.2%)
GOLDEN WINDOWS		396		350		46	13.2%		512		(116)	(22.6%)	(2.4%)	(3.0%)	62	(20.2%)	5.3%	(770)	(146.1%)
ENTREPRISES DOCO INC.		548		576		(28)	(4.9%)		503		45	9.0%	22.0%	21.9%	12	0.6%	(3.2%)	2,518	(791.7%)
FUTURA MANUFACTURIER		460		475		(15)	(3.2%)		453		7	1.5%	20.7%	20.9%	(20)	(1.0%)	23.2%	(251)	(10.8%)
G.R. THÉRIAULT		445		449		(4)	(1.0%)		433		12	2.7%	33.9%	34.2%	(28)	(0.8%)	9.7%	2,420	249.5%
PORTES ET FENETRES LGC		421		384		37	9.8%		435		(14)	(3.1%)	52.7%	55.0%	(231)	(4.2%)	22.8%	2,990	131.4%
LAS ENTERPRISES		455		420		35	8.2%		423		32	7.4%	51.1%	51.3%	(18)	(0.3%)	37.6%	1,352	36.0%
Other		7,984		7,803		180	2.3%		9,166		(1,183)	(12.9%)	63.3%	63.2%	14	0.2%	2.4%	6,092	2549.8%
Total Gross	\$	35,745	\$	35,684	\$	61	0.2%	\$	37,211	\$	(1,466)	(3.9%)	26.8%	26.5%	29	1.1%	23.9%	288	12.0%

Delmont Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,765	1,729	36	2.1%	3,575	3,534	41	1.2%
Units Shipped ('000)	1,704	1,783	(79)	(4.4%)	3,580	3,501	79	2.2%
Bookings (\$'000)	\$ 2,484	\$ –	\$ 2,484	N/A	\$ 5,776	\$ –	\$ 5,776	N/A
Backlog (\$'000)	\$ 1,317	\$ –	\$ 1,317	N/A	\$ 1,317	\$ –	\$ 1,317	N/A
Gross Revenue	\$ 3,046	\$ 3,115	\$ (69)	(2.2%)	\$ 6,310	\$ 6,081	\$ 229	3.8%
Adj. to Gross Revenue	(86)	(89)	3	(3.7%)	(137)	(179)	42	(23.7%)
Net Revenue	2,961	3,026	(65)	(2.2%)	6,173	5,902	271	4.6%
Material	1,440	1,497	(57)	(3.8%)	2,985	2,913	72	2.5%
Labor	619	655	(36)	(5.6%)	1,265	1,360	(95)	(7.0%)
Other COGS	242	282	(40)	(14.2%)	612	461	151	32.7%
Total COGS	2,301	2,434	(133)	(5.5%)	4,863	4,735	128	2.7%
Gross Margin	660	592	68	11.5%	1,311	1,167	144	12.3%
Gross Margin %	22.3%	19.6%			21.2%	19.8%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	11	15	(4)	(26.4%)	29	30	(2)	(5.6%)
Administrative	215	221	(6)	(2.6%)	433	449	(16)	(3.5%)
Other Opex	–	–	–	N/A	–	–	–	N/A
Total Opex	226	236	(10)	(4.1%)	461	479	(18)	(3.7%)
EBITDA	434	356	77	21.7%	850	688	161	23.4%
EBITDA %	14.7%	11.8%			13.8%	11.7%		
Net Income (Loss)	\$ 280	\$ 218	\$ 63	28.8%	\$ 546	\$ 411	\$ 135	32.8%
Capex	\$ (124)	\$ (306)	\$ 182	(59.4%)	\$ (456)	\$ (611)	\$ 155	(25.4%)
Opex Overview:								
Payroll	\$ 52	\$ 59	\$ (7)	(11.4%)	\$ 106	\$ 125	\$ (19)	(15.3%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	0	–	0	N/A	0	–	0	N/A
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	–	–	–	N/A	0	–	0	N/A
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, and	4	4	(0)	(3.9%)	5	8	(3)	(36.0%)
Corporate OH Fees	166	165	0	0.2%	334	330	4	1.2%
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	–	–	–	N/A	–	–	–	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	5	8	(3)	(38.8%)	16	16	0	2.2%
Total Opex	\$ 226	\$ 236	\$ (10)	(4.1%)	\$ 461	\$ 479	\$ (18)	(3.7%)

Management Discussion

Net Revenue – Feb-19: (\$65K)

- Sales volume down 4.4% or \$134k driven by decreased demand from Polaris and Comfort View; offset by higher demand from PGT, Columbia and Fairway.
- Positive mix impact of \$73k driven by customer/product mix - \$167k in lower volumes from Polaris (lower ASP).

EBITDA – Feb-19: +\$77K

- Material COGS:** Decrease in costs by \$57k driven by decreased volumes \$66k, increased regrind/alt material usage \$11k; offset by lower yields \$23k (84.1% vs actual 82.7%)
- Labor COGS:** Decrease in cost by \$36K driven by lower headcount (15) and reduced overtime.
- Other COGS:** Decrease in cost by \$40k driven by higher net absorption of \$42k (due to increased production volume).
- Sales and Marketing:** In line with budget.
- Administrative:** Decrease in costs by \$6k, primarily driven by 1 less headcount (HR manager)

Key Customers – Gross Sales and Gross Margin %: Delmont

	Gross Sales (\$'000)														Gross Margin %																	
	MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var		MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																																
PGT Industries Inc	\$ 1,621	\$ 1,537	\$ 84	5.5%	\$ 938	\$ 683	72.8%	\$ 3,429	\$ 2,912	\$ 517	17.7%	\$ 1,982	\$ 1,447	73.0%	19.4%	18.0%	142	7.9%	28.3%	(887)	(31.4%)	19.4%	18.0%	142	7.9%	18.9%	47	2.5%				
Polaris Technologies	259	426	(167)	(39.2%)	138	121	87.7%	674	870	(196)	(22.5%)	287	387	134.8%	14.1%	15.5%	(141)	(9.1%)	33.3%	(1,925)	(57.7%)	14.1%	15.5%	(141)	(9.1%)	23.1%	(899)	(39.0%)				
Comfort View Products	168	266	(98)	(36.8%)	138	30	21.7%	296	550	(254)	(46.2%)	338	(42)	(12.4%)	20.6%	12.0%	856	71.1%	21.7%	(115)	(5.3%)	20.6%	12.0%	856	71.1%	15.7%	487	30.9%				
Sierra Pacific Windows	173	187	(14)	(7.5%)	90	83	92.2%	455	391	64	16.4%	225	230	102.2%	3.1%	8.6%	(543)	(63.5%)	17.8%	(1,466)	(82.4%)	3.1%	8.6%	(543)	(63.5%)	7.4%	(427)	(57.7%)				
Atrium Windows & Doors	133	125	8	6.4%	28	105	375.0%	256	321	(65)	(20.2%)	116	140	120.7%	39.8%	37.6%	218	5.8%	107.1%	(6,736)	(62.9%)	39.8%	37.6%	218	5.8%	95.2%	(5,540)	(58.2%)				
Regency Plus, Inc.	151	113	38	33.6%	45	106	235.6%	304	255	49	19.2%	129	175	135.7%	17.6%	21.2%	(363)	(17.1%)	11.1%	650	58.5%	17.6%	21.2%	(363)	(17.1%)	27.6%	(1,003)	(36.3%)				
Brunswick Bowling And Billiards	162	146	16	11.0%	63	99	157.1%	274	276	(2)	(0.7%)	118	156	132.2%	38.0%	38.4%	(39)	(1.0%)	103.2%	(6,521)	(63.2%)	38.0%	38.4%	(39)	(1.0%)	100.0%	(6,203)	(62.0%)				
Qubicaamf Worlwide LCC	51	84	(33)	(39.3%)	42	9	21.4%	121	182	(61)	(33.5%)	94	27	28.7%	51.6%	36.9%	1,469	39.8%	104.8%	(5,317)	(50.8%)	51.6%	36.9%	1,469	39.8%	78.5%	(2,687)	(34.2%)				
NewSouth Window Solutions, LLC	74	71	3	4.2%	59	15	25.4%	130	123	7	5.7%	88	42	47.7%	38.3%	23.9%	1,438	60.1%	55.9%	(1,761)	(31.5%)	38.3%	23.9%	1,438	60.1%	66.4%	(2,812)	(42.3%)				
Great Day Improvement, LLC	25	36	(11)	(30.6%)	16	9	56.3%	31	36	(5)	(13.9%)	16	15	93.8%	35.3%	33.3%	197	5.9%	75.0%	(3,970)	(52.9%)	35.3%	33.3%	197	5.9%	67.6%	(3,226)	(47.8%)				
Yoders Window & Siding	51	104	(53)	(51.0%)	43	8	18.6%	104	107	(3)	(2.8%)	44	60	136.4%	41.0%	8.7%	3,236	373.9%	118.6%	(7,759)	(65.4%)	41.0%	8.7%	3,236	373.9%	97.4%	(5,639)	(57.9%)				
Fairway Building Products	39	–	39	N/A	–	#VALUE!	#VALUE!	39	–	39	N/A	–	39	N/A	23.4%	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	23.4%	#DIV/0!	–	#DIV/0!	36.4%	(1,297)	(35.7%)				
Grabner Manufacturing Llc	–	–	-	N/A	–	#VALUE!	#VALUE!	–	15	(15)	(100.0%)	4	(4)	(100.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	#DIV/0!	#DIV/0!	–	#DIV/0!	100.0%	NA	#VALUE!				
Columbia Industries, Inc.	53	–	53	N/A	–	#VALUE!	#VALUE!	53	–	53	N/A	–	53	N/A	39.0%	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	39.0%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!				
Jeld-Wen Windows & Doors	–	9	(9)	(100.0%)	3	(3)	(100.0%)	2	13	(11)	(84.6%)	4	(2)	(50.0%)	#DIV/0!	0.0%	–	N/A	100.0%	NA	#VALUE!	#DIV/0!	0.0%	–	N/A	60.0%	NA	#VALUE!				
Constant Distribution LLC	–	–	-	N/A	–	#VALUE!	#VALUE!	7	–	7	N/A	–	7	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!				
CGI	3	–	3	N/A	–	#VALUE!	#VALUE!	7	–	7	N/A	–	7	N/A	13.9%	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	13.9%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!				
East Central Indiana Vinyl MFG, LL	14	–	14	N/A	–	#VALUE!	#VALUE!	14	8	6	75.0%	4	10	250.0%	50.2%	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	50.2%	#DIV/0!	–	#DIV/0!	125.0%	(7,480)	(59.8%)				
Lakeland Polymers, LLC	–	1	(1)	(100.0%)	–	#VALUE!	#VALUE!	–	2	(2)	(100.0%)	–	-	N/A	#DIV/0!	(200.0%)	–	#VALUE!	#VALUE!	NA	#VALUE!	#DIV/0!	(200.0%)	–	#VALUE!	#DIV/0!	NA	#DIV/0!				
JP Industrial Products Inc	–	–	-	N/A	–	#VALUE!	#VALUE!	–	–	-	N/A	–	-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!				
Other	69	10	59	593.3%	1,330	(1,261)	(94.8%)	114	20	94	475.8%	2,759	(2,645)	(95.9%)	12.0%	10.8%	115	10.6%	0.4%	1,162	3190.5%	12.0%	10.8%	115	10.6%	0.2%	1,177	5358.3%				
Total Gross	\$ 3,046	\$ 3,115	\$ (69)	(2.2%)	\$ 2,933	\$ 113	3.8%	\$ 6,310	\$ 6,081	\$ 229	3.8%	\$ 6,208	\$ 102	1.6%	21.7%	19.0%	265	14.0%	20.6%	108	5.2%	21.7%	19.0%	265	14.0%	15.8%	582	36.7%				

Management Discussion

- Polaris – Delay in product launch
- Comfort view – Soft February as a result of bad weather.
- Yoders – Timing following a strong January.

Key Performance Indicators - Delmont

ENERGI Delmont Extrusion January KPI Report	2019 Targets	Jan-19	Feb-19	YTD 2019
Health & Safety				
<i>Recordable Incidents</i>	0	0	0	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	2.87	2.87	
Quality Performance				
<i>Customer Complaints - per MLBS</i>	3.2	2.76	3.16	3
<i>Return as % of sales</i>	0.30%	0.15%	0.27%	0.21%
Delivery Performance				
<i>% on time in full</i>	95.00%	99.71%	99.80%	100%
<i>% by line items</i>	99.00%	99.50%	99.38%	99%
Costs				
<i>Yield</i>	85.7%	81.36%	82.71%	82%
<i>Alt/Regrind Compound Consumption Ratio</i>	19.9%	25.4%	19.8%	23%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$0.178	\$0.174	\$ 0.176
<i>Indirect Labour (incl D&D) \$/lb produced</i>	\$0.176	\$0.151	\$0.177	\$ 0.164
Inventory				
<i>Days - TTM (Trailing 12 Months)</i>	58.7	62.0	62.1	

Comments:

Safety: No recordables

Quality: 5 Customer Concerns - 2 PGT & 3 Sierra Pacific

Cost: Launched Yield Improvement Team, PGT cap @ 33.54% .

Labour: Lower headcount (primarily Temps).

Inventory: Higher FG from inventory builds in Q4 2018 and YTD 2019.

Full Year Delmont P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Fcst	\$	%	
Units Produced ('000)	24,384	24,343	41	0.2%	20,561	3,823	18.6%	
Units Shipped ('000)	24,965	24,886	79	0.3%	21,921	3,043	13.9%	
Bookings (\$'000)	\$ 41,209	\$ –	\$ 41,209	N/A	\$ –	\$ 41,209	N/A	
Backlog ('\$000)	\$ 1,812	\$ –	\$ 1,812	N/A	\$ –	\$ 1,812	N/A	
Gross Revenue	\$ 43,329	\$ 43,100	\$ 229	0.5%	\$ 38,138	\$ 5,191	13.6%	
Adj. to Gross Revenue	(1,200)	(1,242)	42	(3.4%)	(1,103)	(97)	8.8%	
Net Revenue	42,129	41,858	271	0.6%	37,036	5,094	13.8%	
Material	20,466	20,394	72	0.4%	18,975	1,492	7.9%	
Labor	8,278	8,373	(95)	(1.1%)	7,668	610	8.0%	
Other COGS	3,545	3,394	151	4.4%	3,615	(70)	(1.9%)	
Total COGS	32,289	32,161	128	0.4%	30,257	2,032	6.7%	
Gross Margin	9,840	9,697	144	1.5%	6,778	3,062	45.2%	
Gross Margin %	23.4%	23.2%			18.3%			
R&D	–	–	–	N/A	–	–	N/A	
Sales & Marketing	179	181	(2)	(0.9%)	121	58	47.6%	
Administrative	2,680	2,695	(16)	(0.6%)	2,623	56	2.2%	
Other Opex	–	–	–	N/A	–	–	N/A	
Total Opex	2,859	2,876	(18)	(0.6%)	2,745	114	4.2%	
EBITDA	6,981	6,820	161	2.4%	4,034	2,948	73.1%	
EBITDA %	16.6%	16.3%			10.9%			
Net Income (Loss)	\$ 5,140	\$ 5,006	\$ 135	2.7%	\$ 2,400	\$ 2,741	114.2%	
Capex	\$ (1,030)	\$ (1,428)	\$ 398	(27.9%)	\$ –	\$ (1,030)	N/A	
Opex Overview:								
Payroll	\$ 734	\$ 753	\$ (19)	(2.5%)	\$ 639	\$ 95	14.9%	
Bonus	–	–	–	N/A	–	–	N/A	
Commissions	–	–	–	N/A	–	–	N/A	
Marketing	0	–	0	N/A	–	0	N/A	
Benefits	–	–	–	N/A	–	–	N/A	
Travel and entertainment	0	–	0	N/A	2	(2)	(97.1%)	
Rent and facilities	–	–	–	N/A	–	–	N/A	
Insurance	–	–	–	N/A	–	–	N/A	
Professional fees	–	–	–	N/A	–	–	N/A	
Utilities, repair, maintenance, and security	42	45	(3)	(6.0%)	43	(0)	(0.9%)	
Corporate OH Fees	1,986	1,983	4	0.2%	1,985	2	0.1%	
Bad Debts	–	–	–	N/A	3	(3)	(100.0%)	
FX	–	–	–	N/A	–	–	N/A	
JV Loss (Income)	–	–	–	N/A	–	–	N/A	
Other Expenses	96	96	0	0.4%	76	20	26.5%	
Total Opex	\$ 2,859	\$ 2,876	\$ (18)	(0.6%)	\$ 2,747	\$ 111	4.1%	

Key Customers – Full Year Delmont

	Gross Sales (\$'000)									Gross Margin %										
	FY		FY		Var		PY		Var		FY		FY		Var		PY		Var	
	Fcst	Bud	\$	%	Fcst	\$	%			Fcst	Bud	BPs	%	Fcst	BPs	%				
Customer:																				
PGT Industries Inc	\$	23,501	\$	22,984	\$	517	2.2%	\$	12,256	\$	11,245	91.7%	19.4%	19.2%	20	1.0%	25.3%	(588)	(23.2%)	
Polaris Technologies		5,626		5,822		(196)	(3.4%)		2,004		3,622	180.7%	17.3%	17.7%	(36)	(2.0%)	28.9%	(1,161)	(40.1%)	
Comfort View Products		2,881		3,135		(254)	(8.1%)		1,932		949	49.1%	17.7%	16.1%	151	9.3%	18.6%	(98)	(5.2%)	
Sierra Pacific Windows		2,624		2,560		64	2.5%		1,661		963	58.0%	9.8%	9.9%	(16)	(1.6%)	9.9%	(17)	(1.7%)	
Atrium Windows & Doors		1,515		1,580		(65)	(4.1%)		601		914	152.1%	50.2%	47.4%	279	5.9%	94.0%	(4,384)	(46.6%)	
Regency Plus, Inc.		2,109		2,060		49	2.4%		830		1,279	154.1%	18.2%	17.9%	32	1.8%	30.1%	(1,191)	(39.5%)	
Brunswick Bowling And Billiards		1,727		1,729		(2)	(0.1%)		758		969	127.8%	49.2%	48.9%	28	0.6%	94.6%	(4,540)	(48.0%)	
Qubicaamf Worlwide LCC		831		892		(61)	(6.8%)		473		358	75.7%	56.4%	55.0%	138	2.5%	80.3%	(2,395)	(29.8%)	
NewSouth Window Solutions, LLC		689		682		7	1.0%		396		293	74.0%	42.3%	39.6%	268	6.8%	68.4%	(2,612)	(38.2%)	
Great Day Improvement, LLC		458		463		(5)	(1.1%)		212		246	116.0%	37.1%	40.1%	(299)	(7.5%)	69.3%	(3,226)	(46.5%)	
Yoders Window & Siding		297		300		(3)	(1.0%)		102		195	191.2%	50.9%	43.5%	731	16.8%	90.2%	(3,934)	(43.6%)	
Fairway Building Products		178		139		39	28.1%		79		99	125.3%	23.7%	26.9%	(318)	(11.8%)	30.4%	(664)	(21.9%)	
Graber Manufacturing Llc		77		92		(15)	(16.3%)		32		45	140.6%	43.5%	42.9%	57	1.3%	121.9%	(7,837)	(64.3%)	
Columbia Industries, Inc.		111		58		53	91.4%		29		82	282.8%	25.8%	17.2%	860	49.9%	41.4%	(1,554)	(37.6%)	
Jeld-Wen Windows & Doors		16		27		(11)	(40.7%)		7		9	128.6%	48.0%	26.9%	2,106	78.2%	57.1%	(916)	(16.0%)	
Constant Distribution LLC		7		–		7	N/A		–		7	N/A	(36.6%)	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!	
CGI		55		48		7	14.6%		11		44	400.0%	10.7%	0.0%	1,068	N/A	0.0%	1,068	N/A	
East Central Indiana Vinyl MFG, LL		28		22		6	27.3%		16		12	75.0%	53.7%	45.5%	822	18.1%	100.0%	(4,633)	(46.3%)	
Lakeland Polymers, LLC		7		9		(2)	(22.2%)		–		7	N/A	(372.4%)	(316.7%)	(5,570)	17.6%	#DIV/0!	NA	#DIV/0!	
JP Industrial Products Inc		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!	
Other		592		498		94	18.9%		16,739		(16,147)	(96.5%)	67.3%	81.3%	(1,395)	(17.2%)	0.5%	6,688	14344.8%	
Total Gross	\$	43,329	\$	43,100	\$	229	0.5%	\$	38,138	\$	5,191	13.6%	22.9%	22.7%	24	1.1%	17.8%	513	28.9%	

Everett Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,111	1,339	(228)	(17.0%)	2,556	2,770	(214)	(7.7%)
Units Shipped ('000)	1,054	1,150	(97)	(8.4%)	2,246	2,343	(96)	(4.1%)
Bookings (\$'000)	\$ 1,525	\$ –	\$ 1,525	N/A	\$ 3,367	\$ –	\$ 3,367	N/A
Backlog (\$'000)	\$ 945	\$ –	\$ 945	N/A	\$ 945	\$ –	\$ 945	N/A
Gross Revenue	\$ 1,774	\$ 1,971	\$ (198)	(10.0%)	\$ 3,671	\$ 3,963	\$ (292)	(7.4%)
Adj. to Gross Revenue	7	(108)	116	(106.9%)	(79)	(220)	140	(63.9%)
Net Revenue	1,781	1,863	(82)	(4.4%)	3,592	3,743	(151)	(4.0%)
Material	794	872	(78)	(8.9%)	1,766	1,763	3	0.2%
Labor	433	463	(30)	(6.5%)	977	975	1	0.2%
Other COGS	189	134	55	40.8%	359	248	112	45.0%
Total COGS	1,417	1,470	(53)	(3.6%)	3,102	2,986	116	3.9%
Gross Margin	365	393	(29)	(7.3%)	490	757	(268)	(35.3%)
Gross Margin %	20.5%	21.1%			13.6%	20.2%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	18	18	(0)	(0.9%)	49	50	(2)	(3.1%)
Administrative	242	254	(11)	(4.5%)	501	519	(19)	(3.6%)
Other Opex	(3)	–	(3)	N/A	(11)	–	(11)	N/A
Total Opex	258	272	(14)	(5.2%)	539	570	(31)	(5.4%)
EBITDA	107	121	(15)	(12.1%)	(49)	188	(237)	(126.1%)
EBITDA %	6.0%	6.5%			(1.4%)	5.0%		
Net Income (Loss)	\$ 6	\$ 19	\$ (13)	(67.1%)	\$ (247)	\$ (17)	\$ (231)	1360.3%
Capex	\$ –	\$ (69)	\$ 69	(100.0%)	\$ (13)	\$ (137)	\$ 124	(90.5%)
Opex Overview:								
Payroll	\$ 55	\$ 63	\$ (8)	(12.4%)	\$ 125	\$ 135	\$ (10)	(7.4%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	9	7	3	43.2%	26	25	1	6.0%
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	0	2	(1)	(77.7%)	0	2	(1)	(77.7%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	8	8	0	1.3%	19	24	(5)	(20.5%)
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, and	0	4	(3)	(91.1%)	1	4	(3)	(70.9%)
Corporate OH Fees	177	177	(0)	(0.0%)	356	354	2	0.6%
Bad Debts	0	–	0	N/A	0	–	0	N/A
FX	(3)	–	(3)	N/A	(11)	–	(11)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	10	12	(2)	(16.7%)	21	26	(5)	(18.7%)
Total Opex	\$ 258	\$ 272	\$ (14)	(5.2%)	\$ 539	\$ 570	\$ (31)	(5.4%)

Management Discussion

Net Revenue – Feb-19: (\$82K)

- Sales volume down 8.4% or \$157k. Decreased volumes from Simonton, Lindsay and Win-Dor; offset by increased volume from Cascade
- Lower rebates and accruals of \$107k primarily driven by lower rebates for Simonton (PY true up) and lower early payment discounts
- Lower ASP by \$32k primarily driven by lower volumes to Simonton and Win-Dor

EBITDA – Feb-19: (\$15K)

- Material COGS:** Decrease in costs by \$78k driven by lower sales volume \$73k, reversal in E&O reserve for ATI \$38k (customer closed doors but will re-purpose inventory to be sold to another customer); offset by decreased regrind/alt material usage \$33k
- Labor COGS:** Decrease in costs by \$30k driven by L&I refund of \$84k offset by increased overtime to support to tooling launches and additional grinder (trf from Delmont)
- Other COGS:** Increase in cost by \$55k driven by unfavorable net absorption \$71k (decrease production) and increase tooling expense \$10k (repair gearbox on 3 milling stands); offset by lower freight expense \$21k (driven by sales demand)
- Sales and Marketing:** In line with budget
- Administrative:** Decrease in costs by \$11k primarily driven by B&O/Use tax and lower office supplies.
- Other Opex:** Decrease in costs by \$3k driven by F/X revaluation of working capital balances.

Key Customers – Gross Sales and Gross Margin %: Everett

	Gross Sales (\$'000)														Gross Margin %													
	MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var		MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	BP's	%	Act	BP's	%	Act	Bud	BP's	%	Act	BP's	%
Customer:																												
Simonton	\$ 681	\$ 787	\$ (105)	(13.4%)	\$ 758	\$ (77)	(10.1%)	\$ 1,375	\$ 1,496	\$ (122)	(8.1%)	\$ 1,620	\$ (245)	(15.1%)	21.0%	19.7%	129	6.5%	6.3%	1,469	231.9%	21.0%	19.7%	129	6.5%	7.2%	1,379	191.0%
Coeur d'Alene	197	243	(46)	(19.0%)	122	75	61.5%	479	422	57	13.6%	324	155	47.9%	2.9%	8.2%	(528)	(64.5%)	(4.1%)	700	(170.8%)	2.9%	8.2%	(528)	(64.5%)	3.4%	(52)	(15.2%)
Westeck	156	127	30	23.5%	119	37	31.3%	298	313	(15)	(4.8%)	315	(17)	(5.5%)	21.5%	26.1%	(461)	(17.7%)	11.8%	974	82.8%	21.5%	26.1%	(461)	(17.7%)	16.6%	494	29.8%
Cascade	163	88	75	85.7%	88	75	85.4%	348	187	161	86.1%	446	(98)	(22.0%)	(9.7%)	(1.4%)	(836)	618.1%	(34.1%)	2,438	(71.5%)	(9.7%)	(1.4%)	(836)	618.1%	(10.7%)	96	(9.0%)
All Weather	82	58	24	40.9%	93	(11)	(11.6%)	179	143	36	25.5%	214	(35)	(16.1%)	4.4%	1.7%	276	166.9%	(3.2%)	763	(236.7%)	4.4%	1.7%	276	166.9%	(0.6%)	504	(794.3%)
KGW	90	98	(8)	(8.6%)	93	(3)	(3.5%)	189	196	(7)	(3.3%)	188	1	0.5%	29.2%	14.3%	1,486	104.0%	23.7%	549	23.2%	29.2%	14.3%	1,486	104.0%	32.2%	(302)	(9.4%)
Lindsay	38	101	(63)	(62.0%)	68	(30)	(43.5%)	108	196	(88)	(45.0%)	166	(58)	(35.2%)	7.3%	16.1%	(885)	(54.8%)	(7.4%)	1,465	(199.3%)	7.3%	16.1%	(885)	(54.8%)	7.3%	(2)	(0.2%)
Solar	–	25	(25)	(100.0%)	219	(219)	(100.0%)	46	50	(4)	(7.9%)	344	(298)	(86.6%)	#DIV/0!	13.6%	–	#VALUE!	1.4%	NA	#VALUE!	#DIV/0!	13.6%	–	#VALUE!	2.8%	NA	#VALUE!
ATI	–	21	(21)	(100.0%)	43	(43)	(100.0%)	–	58	(58)	(100.0%)	123	(123)	(100.0%)	#DIV/0!	13.0%	–	#VALUE!	14.0%	NA	#VALUE!	#DIV/0!	13.0%	–	#VALUE!	14.8%	NA	#VALUE!
Win-Dor	4	71	(67)	(94.2%)	55	(51)	(92.5%)	4	225	(221)	(98.2%)	177	(173)	(97.7%)	(7.9%)	19.1%	(2,703)	(141.6%)	0.0%	(794)	N/A	(7.9%)	19.1%	(2,703)	(141.6%)	11.7%	(1,963)	(167.9%)
Northerm - Yukon	57	27	30	111.5%	–	#VALUE!	#VALUE!	57	79	(23)	(28.5%)	136	(79)	(58.4%)	37.5%	42.3%	(487)	(11.5%)	#VALUE!	NA	#VALUE!	37.5%	42.3%	(487)	(11.5%)	38.3%	(83)	(2.2%)
Van Isle	51	32	19	58.9%	47	4	8.9%	146	90	56	61.5%	95	51	N/A	12.4%	24.0%	(1,152)	(48.1%)	83.0%	(7,054)	(85.0%)	12.4%	24.0%	(1,152)	(48.1%)	86.0%	(7,356)	(85.5%)
Whisper Walls	55	52	3	6.4%	28	27	97.0%	97	100	(2)	(2.5%)	98	(1)	(0.5%)	44.0%	46.3%	(233)	(5.0%)	32.1%	1,186	36.9%	44.0%	46.3%	(233)	(5.0%)	48.5%	(454)	(9.3%)
West Coast Designed	36	39	(3)	(8.3%)	36	(0)	(0.4%)	79	79	0	0.2%	69	10	14.7%	38.2%	42.4%	(417)	(9.8%)	25.0%	1,324	53.0%	38.2%	42.4%	(417)	(9.8%)	22.0%	1,626	74.0%
Hometime	–	35	(35)	(100.0%)	5	(5)	(100.0%)	–	85	(85)	(100.0%)	5	(5)	(100.0%)	#DIV/0!	34.2%	–	#VALUE!	40.0%	NA	#VALUE!	#DIV/0!	34.2%	–	#VALUE!	29.0%	NA	#VALUE!
Western	31	49	(18)	(37.1%)	79	(48)	(60.7%)	31	52	(21)	(40.7%)	81	(50)	(61.6%)	46.2%	44.6%	158	3.5%	(1.3%)	4,748	#####	46.2%	44.6%	158	3.5%	0.0%	4,621	N/A
Coastal	53	33	20	59.8%	43	10	23.9%	54	33	21	62.1%	43	11	25.7%	31.3%	30.5%	79	2.6%	32.6%	(130)	(4.0%)	31.3%	30.5%	79	2.6%	29.8%	147	4.9%
Modern	(1)	30	(32)	(104.1%)	33	(34)	(103.8%)	32	49	(17)	(34.7%)	50	(18)	(35.3%)	177.8%	36.0%	14,184	394.4%	3.0%	17,477	5767.4%	177.8%	36.0%	14,184	394.4%	11.6%	16,617	1429.1%
Avanti	23	32	(9)	(27.7%)	78	(55)	(70.7%)	34	32	2	6.3%	78	(44)	(56.9%)	36.8%	41.8%	(497)	(11.9%)	28.2%	859	30.5%	36.8%	41.8%	(497)	(11.9%)	29.7%	707	23.8%
Oasis	11	–	11	N/A	–	11	N/A	11	15	(4)	(27.2%)	15	(4)	(29.2%)	15.2%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	15.2%	#DIV/0!	–	#DIV/0!	0.0%	1,522	N/A
Other	46	24	23	96.8%	53	(7)	(13.3%)	104	63	41	64.8%	76	28	36.8%	41.2%	32.7%	852	26.1%	38.7%	249	6.4%	41.2%	32.7%	852	26.1%	30.7%	1,052	34.3%
Total Gross	\$ 1,774	\$ 1,971	\$ (198)	(10.0%)	\$ 2,060	\$ (287)	(13.9%)	\$ 3,671	\$ 3,963	\$ (292)	(7.4%)	\$ 4,663	\$ (992)	(21.3%)	20.6%	20.0%	61	3.0%	8.5%	1,203	141.1%	20.6%	20.0%	61	3.0%	11.8%	881	74.9%

Management Discussion

- Simonton – Bad weather affecting sales and delivery
- Coeur d'Alene – Timing, following a strong January
- Cascade – Strong volumes continue from January
- Windor and Solar – Lost business to competitor
- ATI – Possible windup of business.

Key Performance Indicators - Everett

ENERGI Everett Extrusion January KPI Report	2019 Targets	Jan-19	Feb-19	YTD 2019
Health & Safety				
<i>Recordable Incidents</i>	1	0	0	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0	0	
Quality Performance				
<i>Customer Complaints - per MLBS</i>	3.2	1.38	2.70	2
<i>Return as % of sales</i>	0.30%	0.43%	0.32%	0.38%
Delivery Performance				
<i>% on time in full</i>	95.00%	100%	100%	100%
<i>% by line items</i>	99.00%	100%	100%	100%
Costs				
<i>Yield</i>	85.7%	91%	91%	91%
<i>Alt/Regrind Compound Consumption Ratio</i>	19.9%	32%	18%	26%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$ 0.182	\$ 0.189	\$ 0.185
<i>Indirect Labour (incl D&D) \$/lb produced</i>	\$0.176	\$ 0.180	\$ 0.201	\$ 0.189
Inventory				
<i>Days - TTM (Trailing 12 Months)</i>	84.5	84	86	

Comments

Safety: Zero safety incidents in February

Delivery: 100%

Labour: Additional OT for Jan startup and tooling room support and lower production volume.

Full Year Everett P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	16,313	16,527	(214)	(1.3%)	18,519	(2,206)	(11.9%)
Units Shipped ('000)	17,167	17,263	(96)	(0.6%)	16,932	235	1.4%
Bookings (\$'000)	\$ 29,084	\$ —	\$ 29,084	N/A	\$ —	\$ 29,084	N/A
Backlog ('\$000)	\$ 2,601	\$ —	\$ 2,601	N/A	\$ —	\$ 2,601	N/A
Gross Revenue	\$ 29,156	\$ 29,448	\$ (292)	(1.0%)	\$ 28,090	\$ 1,066	3.8%
Adj. to Gross Revenue	(1,428)	(1,568)	140	(9.0%)	(1,483)	55	(3.7%)
Net Revenue	27,729	27,880	(151)	(0.5%)	26,607	1,121	4.2%
Material	13,108	13,105	3	0.0%	13,359	(251)	(1.9%)
Labor	6,144	6,142	1	0.0%	6,705	(562)	(8.4%)
Other COGS	3,491	3,380	112	3.3%	2,876	615	21.4%
Total COGS	22,743	22,627	116	0.5%	22,941	(198)	(0.9%)
Gross Margin	4,986	5,253	(268)	(5.1%)	3,667	1,319	36.0%
Gross Margin %	18.0%	18.8%			13.8%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	334	335	(2)	(0.5%)	247	86	35.0%
Administrative	3,101	3,119	(19)	(0.6%)	3,129	(28)	(0.9%)
Other Opex	(11)	—	(11)	N/A	11	(21)	(199.3%)
Total Opex	3,424	3,455	(31)	(0.9%)	3,387	37	1.1%
EBITDA	1,561	1,798	(237)	(13.2%)	280	1,281	457.5%
EBITDA %	5.6%	6.5%			1.1%		
Net Income (Loss)	\$ 310	\$ 541	\$ (231)	(42.6%)	\$ (775)	\$ 1,085	(140.0%)
Capex	\$ (426)	\$ (569)	\$ 143	(25.1%)	\$ —	\$ (426)	N/A
<u>Opex Overview:</u>							
Payroll	\$ 817	\$ 827	\$ (10)	(1.2%)	\$ 816	\$ 1	0.1%
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	181	180	1	0.8%	104	77	74.0%
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	16	17	(1)	(7.2%)	14	1	10.2%
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	156	161	(5)	(3.1%)	162	(6)	(3.6%)
Professional fees	—	—	—	N/A	—	—	N/A
Utilities, repair, maintenance, and security	4	7	(3)	(39.0%)	7	(3)	(42.1%)
Corporate OH Fees	2,131	2,129	2	0.1%	2,129	2	0.1%
Bad Debts	0	—	0	N/A	(3)	3	(100.3%)
FX	(11)	—	(11)	N/A	11	(21)	(199.3%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	129	134	(5)	(3.6%)	149	(20)	(13.4%)
Total Opex	\$ 3,424	\$ 3,455	\$ (31)	(0.9%)	\$ 3,390	\$ 34	1.0%

Key Customers – Full Year Everett

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY		Var		PY	Var		
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
Simonton	\$	10,738	\$	10,859	\$	(122)	(1.1%)	\$	10,221	\$	517	5.1%	19.3%	19.5%	(22)	(1.1%)	8.6%	1,068	123.9%
Coeur d'Alene		4,057		4,000		57	1.4%		2,804		1,253	44.7%	5.5%	6.4%	(89)	(13.9%)	3.3%	225	68.4%
Westeck		1,957		1,972		(15)	(0.8%)		1,791		166	9.3%	24.8%	25.4%	(65)	(2.6%)	18.3%	648	35.4%
Cascade		2,149		1,988		161	8.1%		2,083		66	3.2%	(5.4%)	(3.4%)	(200)	59.5%	(10.7%)	530	(49.7%)
All Weather		1,154		1,117		36	3.3%		1,309		(155)	(11.9%)	(0.2%)	0.2%	(37)	(174.0%)	(3.1%)	298	(95.0%)
KGW		1,149		1,155		(7)	(0.6%)		1,081		68	6.3%	16.0%	12.8%	328	25.7%	29.3%	(1,328)	(45.3%)
Lindsay		1,190		1,278		(88)	(6.9%)		1,145		45	3.9%	13.9%	14.3%	(40)	(2.8%)	8.5%	546	64.4%
Solar		296		300		(4)	(1.3%)		1,651		(1,355)	(82.1%)	10.3%	11.9%	(153)	(12.9%)	7.6%	275	36.3%
ATI		329		387		(58)	(14.9%)		345		(16)	(4.7%)	(10.2%)	11.1%	(2,134)	(192.3%)	13.3%	(2,358)	(176.9%)
Win-Dor		550		771		(221)	(28.7%)		626		(76)	(12.2%)	20.2%	19.8%	42	2.1%	18.1%	218	12.1%
Northerm - Yukon		672		694		(23)	(3.2%)		789		(117)	(14.9%)	42.5%	43.0%	(50)	(1.2%)	39.4%	305	7.7%
Van Isle		750		694		56	8.0%		697		53	7.6%	21.5%	23.3%	(184)	(7.9%)	72.2%	(5,066)	(70.2%)
Whisper Walls		601		604		(2)	(0.4%)		681		(80)	(11.7%)	45.7%	45.8%	(7)	(0.2%)	46.0%	(27)	(0.6%)
West Coast Designed		439		439		0	0.0%		429		10	2.4%	43.5%	43.1%	40	0.9%	36.1%	736	20.4%
Hometime		317		402		(85)	(21.0%)		327		(10)	(2.9%)	33.8%	35.2%	(137)	(3.9%)	28.4%	537	18.9%
Western		650		671		(21)	(3.2%)		238		412	173.0%	43.0%	43.0%	3	0.1%	22.3%	2,074	93.1%
Coastal		387		366		21	5.7%		321		66	20.5%	29.9%	30.2%	(22)	(0.7%)	38.3%	(838)	(21.9%)
Modern		357		374		(17)	(4.6%)		351		6	1.7%	34.0%	36.4%	(243)	(6.7%)	18.2%	1,572	86.2%
Avanti		300		298		2	0.7%		249		51	20.5%	40.3%	40.5%	(23)	(0.6%)	35.7%	452	12.6%
Oasis		189		193		(4)	(2.1%)		188		1	0.6%	17.7%	17.5%	20	1.1%	9.6%	808	84.4%
Other		926		885		41	4.6%		764		161	21.1%	36.0%	34.6%	146	4.2%	41.5%	(544)	(13.1%)
Total Gross	\$	29,156	\$	29,448	\$	(292)	(1.0%)	\$	28,090	\$	1,066	3.8%	17.8%	18.6%	(83)	(4.5%)	13.1%	471	36.1%

Terrebonne Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	–	N/A
Bookings (\$'000)	\$ 1,123	\$ –	\$ 1,123	N/A	\$ 2,431	\$ –	\$ 2,431	N/A
Backlog (\$'000)	\$ 1,096	\$ –	\$ 1,096	N/A	\$ 1,096	\$ –	\$ 1,096	N/A
Gross Revenue	\$ 1,247	\$ 1,201	\$ 45	3.8%	\$ 2,399	\$ 2,373	\$ 27	1.1%
Adj. to Gross Revenue	(120)	(57)	(63)	111.4%	(184)	(112)	(72)	64.5%
Net Revenue	1,127	1,145	(18)	(1.5%)	2,215	2,261	(46)	(2.0%)
Material	748	688	60	8.8%	1,462	1,355	107	7.9%
Labor	256	300	(45)	(14.9%)	492	646	(154)	(23.8%)
Other COGS	112	151	(39)	(25.8%)	255	301	(46)	(15.2%)
Total COGS	1,115	1,139	(23)	(2.1%)	2,209	2,302	(92)	(4.0%)
Gross Margin	12	6	6	98.6%	6	(41)	47	(114.6%)
Gross Margin %	1.0%	0.5%			0.3%	(1.8%)		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	26	31	(5)	(16.3%)	67	64	2	3.8%
Administrative	187	185	3	1.4%	371	378	(7)	(1.8%)
Other Opex	(1)	–	(1)	N/A	14	–	14	N/A
Total Opex	212	215	(3)	(1.5%)	452	442	9	2.1%
EBITDA	(200)	(210)	9	(4.3%)	(446)	(483)	37	(7.7%)
EBITDA %	(17.8%)	(18.3%)			(20.1%)	(21.4%)		
Net Income (Loss)	\$ (207)	\$ (221)	\$ 14	(6.3%)	\$ (459)	\$ (506)	\$ 47	(9.3%)
Capex	\$ (16)	\$ (73)	\$ 57	(78.2%)	\$ (176)	\$ (147)	\$ (29)	20.0%
Opex Overview:								
Payroll	\$ 78	\$ 79	\$ (1)	(1.5%)	\$ 156	\$ 169	\$ (13)	(7.6%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	3	6	(3)	(53.3%)	3	12	(9)	(75.9%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	0	1	(1)	(65.4%)	1	2	(1)	(66.2%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	3	2	1	53.4%	5	3	2	44.1%
Utilities, repair, maintenance, and	8	4	3	71.6%	13	9	5	54.6%
Corporate OH Fees	120	121	(0)	(0.2%)	240	241	(1)	(0.4%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(1)	–	(1)	N/A	14	–	14	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	2	3	(1)	(45.9%)	19	6	13	224.0%
Total Opex	\$ 212	\$ 215	\$ (3)	(1.5%)	\$ 452	\$ 442	\$ 9	2.1%

Management Discussion

Net Revenue – Feb-19: (\$18K)

- Sales volume increased \$59k due to increased demand from Ostaco, Dashwood and Vinyltek; offset by decreased demand from Vaillancourt.
- Unfavorable rebates (PY true up adjustments) \$56k and returns \$7k (incorrect product shipped & pricing errors)
- Unfavorable F/X of \$14k (actual rate of 1.3206 [or \$USD 0.7572] vs. 1.30 [or \$USD 0.7692])

EBITDA – Feb-19: +\$9K

- **Material COGS:** Increase in costs by \$60K driven by increased sales volume \$36k, and E&O provision \$24k (discontinued Everest Door parts).
- **Labor COGS:** Decrease in cost by \$45k driven by less headcount (18 employees) and increased efficiency.
- **Other COGS:** Decrease in cost by \$39k driven by increased absorption (higher efficiency and production)
- **Sales and Marketing:** Decrease in costs by \$5k driven lower product development and advertising costs (timing).
- **Administrative:** In line with budget.
- **Other Opex:** In line with budget.

Key Customers – Gross Sales and Gross Margin %: Terrebonne

	Gross Sales (\$'000)														Gross Margin %																							
	MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var		MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var							
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%							
Customer:																																						
A.M.I.	\$	167	\$	212	\$	(45)	(21.5%)	\$	197	\$	(30)	(15.5%)	\$	388	\$	418	\$	(30)	(7.3%)	\$	361	\$	27	7.3%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A	
GOLDEN WINDOWS		131		115		16	14.0%		56		75	134.0%		276		227		49	21.6%		330		(54)	(16.3%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
OSTACO 2000 WINDOORS INC		168		106		62	58.6%		91		77	84.8%		261		210		51	24.3%		152		109	71.8%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
PORTES & FENETRES ABRITEK		57		54		3	5.6%		68		(11)	(16.2%)		92		106		(14)	(13.2%)		146		(54)	(37.0%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
DASHWOOD INDUSTRIES INC		85		49		36	73.5%		59		26	44.1%		153		96		57	59.4%		140		13	9.3%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
P & F ISOTHERMIC INC		30		31		(1)	(3.1%)		81		(51)	(62.9%)		80		61		19	31.2%		159		(79)	(49.7%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
VAILLANCOURT INC.		60		129		(69)	(53.5%)		91		(31)	(34.0%)		180		254		(74)	(29.1%)		164		16	9.8%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
CANADIAN VINYLTEK WINDOWS C		41		20		21	107.4%		57		(16)	(27.2%)		89		40		49	123.7%		93		(4)	(3.8%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
FENERGIC INC		17		28		(11)	(39.4%)		3		14	465.8%		23		55		(32)	(58.2%)		16		7	43.6%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
EXTREME WINDOW AND		27		31		(4)	(12.2%)		128		(101)	(78.7%)		38		61		(23)	(37.3%)		161		(123)	(76.3%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
VENTANA WINDOWS & DOORS INC		23		27		(4)	(15.0%)		27		(4)	(15.0%)		37		54		(17)	(31.6%)		103		(66)	(64.1%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
Fenêtres Concept		26		22		4	16.3%		15		11	70.6%		38		44		(6)	(14.6%)		23		15	63.4%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
MASON WINDOWS LTD		39		17		22	131.4%		47		(8)	(16.3%)		57		34		23	68.6%		50		7	14.7%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
CEN		47		17		30	175.6%		47		(0)	(0.3%)		59		34		25	73.1%		50		9	17.7%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
TRI-STATE WINDOW FACTORY		12		17		(5)	(29.2%)		15		(3)	(19.7%)		38		33		5	15.3%		54		(16)	(29.6%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
FMC		18		7		11	154.8%		1		17	1683.8%		38		14		24	170.3%		38		(0)	(0.4%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
ATLANTIC WINDOWS		13		16		(3)	(16.0%)		10		3	34.4%		15		32		(17)	(51.8%)		18		(3)	(14.2%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
YKK AP VINYL		12		16		(4)	(26.8%)		27		(15)	(56.6%)		59		32		27	83.5%		35		24	67.7%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
LORENDO INC.		15		19		(4)	(19.9%)		9		6	69.1%		28		37		(9)	(23.7%)		29		(1)	(2.7%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
MAR		20		9		11	118.1%		12		8	63.6%		24		18		6	31.3%		36		(12)	(34.4%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	0.0%	-	N/A	0.0%	-	N/A
Other		239		259		(21)	(8.0%)		258		(19)	(7.5%)		426		513		(87)	(16.9%)		593		(167)	(28.1%)	4.8%	4075.1%	(407,024)	(99.9%)	93.2%	(8,832)	(94.8%)	4.8%	4075.1%	(407,024)	(99.9%)	16.7%	(1,189)	(71.0%)
Total Gross	\$	1,247	\$	1,201	\$	45	3.8%	\$	1,299	\$	(52)	(4.0%)	\$	2,399	\$	2,373	\$	27	1.1%	\$	2,751	\$	(352)	(12.8%)	0.9%	0.5%	44	91.4%	18.5%	(1,758)	(95.0%)	0.0%	0.0%	-	N/A	7.9%	(786)	(100.0%)

Management Discussion

- Ostaco – Product mix, higher value doors
- Dashwood – Purchasing to build up inventory
- Vaillancourt – Soft sales due to lower demand of product (weather related)

Key Performance Indicators - Terrebonne

ENERGI Terrebonne Patio Door January KPI Report	2019 Targets	Jan-19	Feb-19	YTD 2019
Health & Safety				
<i>Recordable Incidents</i>	0	0	0	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0	0	
Quality Performance				
<i>Customer Complaints - per MLBS</i>	3.2	3.98	3.9	4
<i>Return as % of sales</i>	1.25%	1.57%	1.76%	1.67%
Delivery Performance				
<i>% on time in full</i>	95.00%		96%	96%
<i>% by line items</i>	95.00%	95%	96%	96%
Costs				
<i>Direct Labour \$/FPV</i>	\$0.174	\$ 0.143	\$0.148	\$ 0.146
<i>Indirect Labour (incl D&D) \$/FPV</i>	\$0.069	\$ 0.096	\$0.073	\$ 0.084
Inventory				
<i>Days - TTM (Trailing 12 Months)</i>	71.0	75	71.4	

Comments:

Quality: winter season triggers higher complaints

Labor: producing more with less headcount - production improvements yielding positive results

Full Year Terrebonne P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%		\$	%
Units Produced ('000)	–	–	–	N/A	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	N/A
Bookings (\$'000)	\$ 21,428	\$ –	\$ 21,428	N/A	\$ –	\$ 21,428	N/A
Backlog ('\$000)	\$ 3,301	\$ –	\$ 3,301	N/A	\$ –	\$ 3,301	N/A
Gross Revenue	\$ 22,035	\$ 22,008	\$ 27	0.1%	\$ 20,687	\$ 1,348	6.5%
Adj. to Gross Revenue	(1,104)	(1,032)	(72)	7.0%	(1,023)	(81)	7.9%
Net Revenue	20,931	20,976	(46)	(0.2%)	19,664	1,267	6.4%
Material	12,435	12,328	107	0.9%	12,124	311	2.6%
Labor	4,249	4,402	(154)	(3.5%)	4,530	(282)	(6.2%)
Other COGS	2,283	2,329	(46)	(2.0%)	3,397	(1,114)	(32.8%)
Total COGS	18,967	19,059	(92)	(0.5%)	20,052	(1,084)	(5.4%)
Gross Margin	1,964	1,917	47	2.4%	(388)	2,352	(606.1%)
Gross Margin %	9.4%	9.1%			(2.0%)		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	426	424	2	0.6%	383	43	11.1%
Administrative	2,363	2,370	(7)	(0.3%)	2,381	(17)	(0.7%)
Other Opex	14	–	14	N/A	(63)	77	(122.0%)
Total Opex	2,804	2,794	9	0.3%	2,701	103	3.8%
EBITDA	(840)	(877)	37	(4.3%)	(3,089)	2,249	(72.8%)
EBITDA %	(4.0%)	(4.2%)			(15.7%)		
Net Income (Loss)	\$ (980)	\$ (1,027)	\$ 47	(4.6%)	\$ (3,162)	\$ 2,182	(69.0%)
Capex	\$ (319)	\$ (536)	\$ 217	(40.5%)	\$ –	\$ (319)	N/A
Opex Overview:							
Payroll	\$ 1,045	\$ 1,058	\$ (13)	(1.2%)	\$ 1,029	\$ 16	1.6%
Bonus	–	–	–	N/A	–	–	N/A
Commissions	–	–	–	N/A	–	–	N/A
Marketing	78	87	(9)	(10.4%)	57	21	36.8%
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	13	15	(1)	(7.3%)	15	(1)	(8.9%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	0	(0)	(100.0%)
Professional fees	33	31	2	4.9%	59	(26)	(44.3%)
Utilities, repair, maintenance, and security	84	79	5	6.0%	70	14	19.5%
Corporate OH Fees	1,477	1,478	(1)	(0.1%)	1,484	(7)	(0.4%)
Bad Debts	–	–	–	N/A	3	(3)	(100.0%)
FX	14	–	14	N/A	(63)	77	(122.0%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	60	46	13	28.8%	51	9	17.3%
Total Opex	\$ 2,804	\$ 2,794	\$ 9	0.3%	\$ 2,704	\$ 100	3.7%

Key Customers – Full Year Terrebonne

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY		Var		PY	Var		
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
A.M.I.	\$	3,770	\$	3,800	\$	(30)	(0.8%)	\$	3,511	\$	259	7.4%	0.0%	0.0%	—	N/A	0.0%	-	N/A
GOLDEN WINDOWS		2,116		2,067		49	2.4%		2,290		(174)	(7.6%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
OSTACO 2000 WINDOORS INC		1,960		1,909		51	2.7%		1,906		54	2.8%	0.0%	0.0%	—	N/A	0.0%	-	N/A
PORTES & FENETRES ABRITEK		948		962		(14)	(1.5%)		1,147		(199)	(17.3%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
DASHWOOD INDUSTRIES INC		930		873		57	6.5%		922		8	0.9%	0.0%	0.0%	—	N/A	0.0%	-	N/A
P & F ISOTHERMIC INC		577		558		19	3.4%		815		(238)	(29.2%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
VAILLANCOURT INC.		2,235		2,309		(74)	(3.2%)		800		1,435	179.4%	0.0%	0.0%	—	N/A	0.0%	-	N/A
CANADIAN VINYLTEK WINDOWS C		409		360		49	13.7%		555		(146)	(26.2%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
FENERGIC INC		470		502		(32)	(6.4%)		532		(62)	(11.7%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
EXTREME WINDOW AND		538		561		(23)	(4.1%)		511		27	5.3%	0.0%	0.0%	—	N/A	0.0%	-	N/A
VENTANA WINDOWS & DOORS IN		473		490		(17)	(3.5%)		484		(11)	(2.3%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
Fenêtres Concept		399		405		(6)	(1.6%)		437		(38)	(8.8%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
MASON WINDOWS LTD		333		310		23	7.5%		328		5	1.6%	0.0%	0.0%	—	N/A	0.0%	-	N/A
CEN		326		303		23	7.5%		292		34	11.6%	0.0%	0.0%	—	N/A	0.0%	-	N/A
TRI-STATE WINDOW FACTORY		145		165		(20)	(12.1%)		356		(211)	(59.3%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
FMC		298		249		49	19.6%		259		39	15.0%	0.0%	0.0%	—	N/A	0.0%	-	N/A
ATLANTIC WINDOWS		273		290		(17)	(5.7%)		274		(1)	(0.2%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
YKK AP VINYL		363		329		34	10.2%		225		138	61.2%	0.0%	0.0%	—	N/A	0.0%	-	N/A
LORENDO INC.		170		205		(35)	(17.0%)		226		(56)	(24.7%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
MAR		120		122		(2)	(1.9%)		250		(130)	(52.1%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
Other		5,181		5,239		(58)	(1.1%)		4,567		615	13.5%	35.1%	207.1%	(17,193)	(83.0%)	(8.5%)	4,362	(513.4%)
Total Gross	\$	22,035	\$	22,008	\$	27	0.1%	\$	20,687	\$	1,348	6.5%	8.6%	8.4%	23	2.8%	(1.9%)	1,052	(560.7%)

ECS Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	7,249	7,983	(734)	(9.2%)	14,436	15,334	(897)	(5.9%)
Units Shipped ('000)	7,119	7,983	(864)	(10.8%)	14,663	15,334	(671)	(4.4%)
Bookings (\$'000)	\$ 514	\$ –	\$ 514	N/A	\$ 1,232	\$ –	\$ 1,232	N/A
Backlog ('\$000)	\$ 135	\$ –	\$ 135	N/A	\$ 135	\$ –	\$ 135	N/A
External Revenue	\$ 560	\$ 615	\$ (55)	(8.9%)	\$ 1,084	\$ 1,235	\$ (151)	(12.2%)
Affiliate Revenue	\$ 4,530	\$ 5,104	\$ (574)	(11.2%)	\$ 9,465	\$ 9,730	\$ (265)	(2.7%)
Gross Revenue	\$ 5,090	\$ 5,719	\$ (629)	(11.0%)	\$ 10,549	\$ 10,965	\$ (415)	(3.8%)
Adj. to Gross Revenue	16	(3)	19	(592.4%)	15	(5)	21	(388.5%)
Net Revenue	5,106	5,716	(610)	(10.7%)	10,565	10,959	(395)	(3.6%)
Material	4,494	4,821	(328)	(6.8%)	9,081	9,278	(197)	(2.1%)
Labor	138	149	(11)	(7.1%)	289	320	(31)	(9.7%)
Other COGS	436	503	(68)	(13.4%)	900	941	(41)	(4.4%)
Total COGS	5,067	5,473	(406)	(7.4%)	10,271	10,540	(269)	(2.6%)
Gross Margin	39	243	(204)	(83.9%)	294	420	(126)	(29.9%)
Gross Margin %	0.8%	4.2%			2.8%	3.8%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	15	12	3	29.1%	29	25	5	18.9%
Administrative	139	143	(4)	(3.1%)	291	294	(3)	(1.0%)
Other Opex	(65)	–	(65)	N/A	(179)	–	(179)	N/A
Total Opex	89	155	(66)	(42.5%)	142	319	(177)	(55.5%)
EBITDA	(50)	88	(138)	(157.2%)	152	101	52	51.2%
EBITDA %	(1.0%)	1.5%			1.4%	0.9%		
Net Income (Loss)	\$ (107)	\$ 26	\$ (133)	(516.2%)	\$ 41	\$ (21)	\$ 62	(299.8%)
Capex	\$ (44)	\$ (65)	\$ 21	(32.0%)	\$ (44)	\$ (129)	\$ 85	(66.0%)
Opex Overview:								
Payroll	\$ 42	\$ 42	\$ (0)	(0.5%)	\$ 93	\$ 91	\$ 2	2.6%
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	1	1	0	38.9%	1	2	(0)	(30.6%)
Marketing	–	–	–	N/A	–	–	–	N/A
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	0	–	0	N/A	0	0	(0)	(10.2%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	5	5	0	2.8%	12	12	(1)	(5.8%)
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, and	1	1	0	54.4%	2	3	(1)	(42.6%)
Corporate OH Fees	104	106	(2)	(1.7%)	208	211	(3)	(1.4%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(65)	–	(65)	N/A	(179)	–	(179)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	0	–	0	N/A	5	0	5	4546.2%
Total Opex	\$ 89	\$ 155	\$ (66)	(42.5%)	\$ 142	\$ 319	\$ (177)	(55.5%)

Management Discussion

Net Revenue – Feb-19: (\$610K)

- Sales volume down 10.8% or \$619k mainly driven by decreased demand from affiliates (Everett 26.6% & Woodbridge 19.8%) and lower demand from external customers 8.1% (Vinyl Profiles)
- Favorable rebate of \$18k (reversal of Nuform rebate – did not achieve target)
- Favorable price/mix of \$45k due to customer/product mix
- Unfavorable F/X of \$54k (actual rate of 1.3206 [or \$USD 0.7572] vs. 1.30 [or \$USD 0.7692])

EBITDA – Feb-19: (\$138K)

- Material COGS:** Decrease in costs by \$328k due to decreased sales volume impact \$488k; offset by 2 additional resin railcars \$160k (PY adjustment).
- Labor COGS:** Decrease in costs by \$11k due to 2 less headcount and lower production volumes.
- Other COGS:** Decrease in cost by \$68k primarily driven by favorable freight expenses \$58k (due to lower sales volumes to Everett), \$6k favorable absorption and \$4k in lower maintenance spend.
- Sales and Marketing:** In line with budget
- Administrative:** In line with budget
- Other Opex:** Decrease in cost by \$65k driven by favorable impact from F/X revaluation of working capital balances

Key Customers – Gross Sales and Gross Margin %: ECS

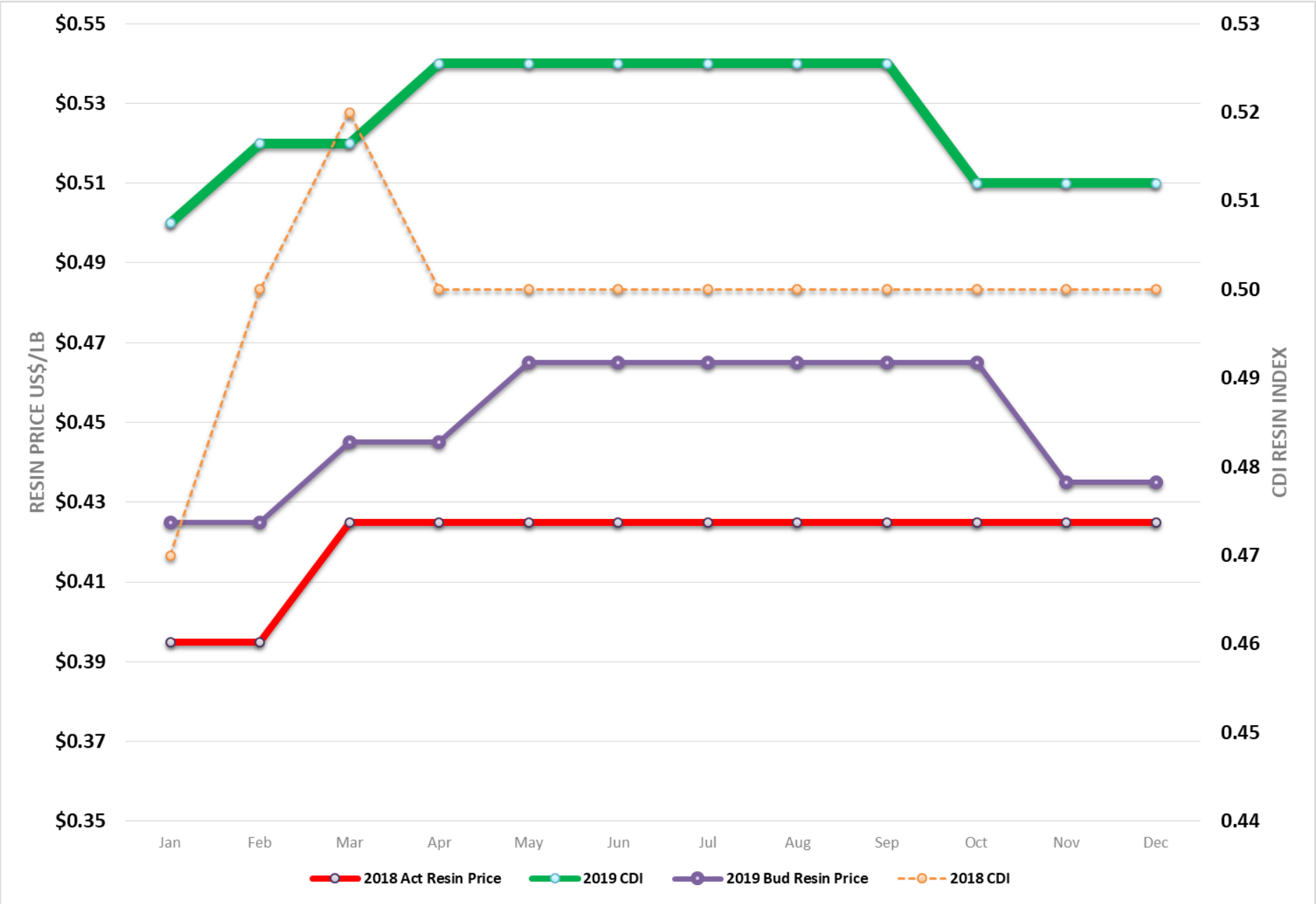
	Gross Sales (\$'000)															Gross Margin %																						
	MTD			Var		PY-MTD	Var		YTD		Var		PY-YTD	Var		MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var										
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	BP	%	Act	BP	%	Act	Bud	BP	%	Act	BP	%										
Customer:																																						
Vinyl Profiles, LLC	\$	161	\$	276	\$	(115)	(41.7%)	\$	230	\$	(69)	(30.0%)	\$	387	\$	552	\$	(165)	(29.9%)	\$	484	\$	(97)	(20.1%)	23.5%	20.7%	274	13.2%	14.7%	875	59.5%	24.3%	47.6%	(2,332)	(49.0%)	12.4%	1,187	95.8%
Nuform Building Technologies Inc		136		120		16	13.2%		197		(61)	(31.1%)		204		242		(38)	(15.7%)		507		(303)	(59.7%)	25.0%	28.1%	(313)	(11.1%)	18.8%	620	33.0%	23.6%	12.2%	1,136	92.8%	22.3%	130	5.8%
The Vinyl Company Inc.		135		78		57	73.2%		75		60	79.8%		232		156		76	48.8%		257		(25)	(9.8%)	21.6%	17.9%	373	20.8%	27.1%	(545)	(20.1%)	17.8%	17.9%	(14)	(0.8%)	27.1%	(932)	(34.4%)
Vinylume Products Inc		33		32		1	2.7%		33		0	0.2%		101		95		6	5.9%		86		15	17.5%	30.9%	21.3%	962	45.2%	19.7%	1,118	56.8%	21.2%	21.3%	(5)	(0.3%)	19.7%	151	7.7%
Accord Plastics Corp.		60		40		20	49.8%		18		42	240.2%		112		80		32	39.8%		26		86	323.3%	19.2%	19.4%	(19)	(1.0%)	3.3%	1,593	482.8%	16.7%	19.4%	(275)	(14.2%)	3.3%	1,337	405.1%
Window Seal Limited		–		30		(30)	(100.0%)		–		–	N/A		–		59		(59)	(100.0%)		7		(7)	(100.0%)	#DIV/0!	10.9%	–	#VALUE!	#DIV/0!	NA	#DIV/0!	#DIV/0!	18.2%	–	#VALUE!	8.0%	NA	#VALUE!
New Customers (L.B. Plastics)		–		–		–	N/A		18		(18)	(100.0%)		–		–		–	N/A		21		(21)	(100.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	26.9%	NA	#VALUE!	#DIV/0!	0.0%	–	N/A	102.9%	NA	#VALUE!
Prasad Plastics Limited		–		18		(18)	(100.0%)		5		(5)	(100.0%)		–		20		(20)	(100.0%)		12		(12)	(100.0%)	#DIV/0!	26.7%	–	#VALUE!	34.0%	NA	#VALUE!	0.0%	#DIV/0!	–	#DIV/0!	69.4%	(6,937)	(100.0%)
Superior Extrusions Ltd		–		18		(18)	(100.0%)		16		(16)	(100.0%)		–		18		(18)	(100.0%)		16		(16)	(100.0%)	#DIV/0!	31.3%	–	#VALUE!	24.3%	NA	#VALUE!	#DIV/0!	#DIV/0!	–	#DIV/0!	8.8%	NA	#VALUE!
Vytron Corporation		–		–		–	N/A		–		–	N/A		–		7		(7)	(100.0%)		11		(11)	(100.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	0.0%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Plastibec Ltee		–		–		–	N/A		3		(3)	(100.0%)		3		–		3	N/A		3		(0)	(2.0%)	66.7%	#DIV/0!	–	#DIV/0!	24.0%	4,267	177.8%	0.0%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Mason		2		–		2	N/A		6		(4)	(65.3%)		2		–		2	N/A		6		(4)	(65.3%)	#DIV/0!	#DIV/0!	–	#DIV/0!	57.5%	NA	#VALUE!	#DIV/0!	0.0%	–	N/A	47.6%	NA	#VALUE!
Vinyl Profiles (2011)		9		–		9	N/A		–		9	N/A		9		–		9	N/A		–		9	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	0.0%	NA	N/A
Fence Outlet MDC, LLC		24		–		24	N/A		–		24	N/A		24		–		24	N/A		–		24	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	0.0%	NA	N/A
Lastique International Corp		–		–		–	N/A		–		–	N/A		10		–		10	N/A		–		10	N/A	20.0%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		–	N/A		–		–	N/A		–		–		–	N/A		–		–	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		–	N/A		–		–	N/A		–		–		–	N/A		–		–	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		–	N/A		–		–	N/A		–		–		–	N/A		–		–	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
		–		–		–	N/A		–		–	N/A		–		–		–	N/A		–		–	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
		–		–		–	N/A		–		–	N/A		–		–		–	N/A		–		–	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		4,530		5,107		(577)	(11.3%)		6,504		(1,973)	(30.3%)		9,465		9,735		(270)	(2.8%)		13,328		(3,862)	(29.0%)	(1.8%)	2.1%	(396)	(184.3%)	5.4%	(722)	(133.4%)	(1.8%)	2.1%	(396)	(184.3%)	6.8%	(862)	(126.5%)
Total Gross	\$	5,090	\$	5,719	\$	(629)	(11.0%)	\$	7,104	\$	(2,014)	(28.3%)	\$	10,549	\$	10,965	\$	(415)	(3.8%)	\$	14,765	\$	(4,215)	(28.5%)	0.8%	4.2%	(348)	(81.9%)	6.5%	(577)	(88.3%)	0.8%	4.2%	(348)	(81.9%)	7.9%	(718)	(90.4%)

Management Discussion

ECS Material Cost Summary

US \$'000	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY
Sales	Act	Act	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP
Total Sales - Non-Patio & Doors - \$'000	\$ 5,459	\$ 5,106	\$ 5,945	\$ 6,357	\$ 6,668	\$ 6,630	\$ 6,443	\$ 6,754	\$ 6,084	\$ 6,520	\$ 6,086	\$ 3,950	\$ 72,002
Total Sales - Non-Patio & Doors - Lbs	7,544	7,119	8,352	8,885	9,352	9,259	9,020	9,424	8,535	9,119	8,518	5,549	\$ 100,675
FX Rate	1.3301	1.3206	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	
Materials - units													
ADDITIVE	47	23	38	40	43	42	41	43	39	41	39	25	\$ 461
ADDITIVE (IMPACT MODIFIER)	293	267	305	324	341	338	329	344	311	333	311	202	\$ 3,697
ADDITIVE (PROCESSING AID)	53	50	54	57	60	60	58	61	55	59	55	36	\$ 657
FILLER	407	417	472	502	529	523	510	533	483	516	482	314	\$ 5,688
LUBRICANT	175	168	183	195	205	203	198	207	187	200	187	122	\$ 2,230
PIGMENT - C	—	(0)	1	1	1	1	1	1	1	1	1	1	\$ 10
PIGMENT - G	20	37	30	32	34	34	33	34	31	33	31	20	\$ 371
PIGMENT - HC	9	10	11	12	13	13	12	13	12	12	12	8	\$ 135
PIGMENT - PC	2	1	1	1	1	1	1	1	1	1	1	1	\$ 15
PKG	—	—	—	—	—	—	—	—	—	—	—	—	\$ -
PLASTICIZER	36	9	32	34	35	35	34	36	32	34	32	21	\$ 369
RESIN	5,806	5,534	6,487	6,901	7,264	7,192	7,006	7,320	6,629	7,082	6,616	4,310	\$ 78,147
STABILIZER	97	88	102	109	114	110	110	115	104	112	104	68	\$ 1,237
TIO2	598	516	630	670	705	698	680	710	643	687	642	418	\$ 7,598
Material Other	—	—	—	—	—	—	—	—	—	—	—	—	\$ -
Total Materials - Lbs	7,543	7,119	8,346	8,878	9,346	9,253	9,014	9,417	8,529	9,112	8,512	5,545	\$ 100,614
Materials - units/Non-Patio & Doors - Lbs													
ADDITIVE	0.0062	0.0033	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
ADDITIVE (IMPACT MODIFIER)	0.0388	0.0375	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	
ADDITIVE (PROCESSING AID)	0.0070	0.0071	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	
FILLER	0.0540	0.0586	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	
LUBRICANT	0.0232	0.0235	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	
PIGMENT - C	—	(0.0000)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
PIGMENT - G	0.0027	0.0052	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	
PIGMENT - HC	0.0012	0.0013	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
PIGMENT - PC	0.0002	0.0001	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
PKG	—	—	—	—	—	—	—	—	—	—	—	—	
PLASTICIZER	0.0047	0.0012	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	
RESIN	0.7696	0.7773	77.7%	77.7%	77.7%	77.7%	77.7%	77.7%	77.7%	77.7%	77.7%	77.7%	
STABILIZER	0.0129	0.0124	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	
TIO2	0.0793	0.0725	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	
Material Other	—	—	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Materials - ASP													
ADDITIVE	3.7566	3.9953	3.5200	3.5633	3.5633	3.5633	3.6073	3.6073	3.6073	3.6518	3.6518	3.6518	\$ 44
ADDITIVE (IMPACT MODIFIER)	1.6966	1.6788	1.6650	1.6650	1.6650	1.6650	1.6650	1.6650	1.6650	1.6650	1.6650	1.6650	\$ 20
ADDITIVE (PROCESSING AID)	1.6303	1.6856	1.7010	1.7010	1.7010	1.7010	1.7010	1.7010	1.7010	1.7010	1.7010	1.7010	\$ 20
FILLER	0.2259	0.1918	0.2058	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	\$ 3
LUBRICANT	0.9643	0.9396	0.9329	0.9329	0.9329	0.9329	0.9329	0.9329	0.9329	0.9329	0.9329	0.9329	\$ 11
PIGMENT - C	1.1950	2.3813	2.8123	2.8123	2.8123	2.8123	2.8123	2.8123	2.8123	2.8123	2.8123	2.8123	\$ 32
PIGMENT - G	3.1654	3.2268	3.1592	3.1592	3.1592	3.1592	3.1592	3.1592	3.1592	3.1592	3.1592	3.1592	\$ 38
PIGMENT - HC	5.7453	5.5351	5.8923	5.8923	5.8923	5.8923	5.8923	5.8923	5.8923	5.8923	5.8923	5.8923	\$ 70
PIGMENT - PC	7.5928	7.1296	7.1296	7.1296	7.1296	7.1296	7.1296	7.1296	7.1296	7.1296	7.1296	7.1296	\$ 86
PKG	—	—	—	—	—	—	—	—	—	—	—	—	\$ 77
PLASTICIZER	0.9147	0.8993	0.8993	0.8993	0.8993	0.8993	0.8993	0.8993	0.8993	0.8993	0.8993	0.8993	\$ 11
RESIN	0.4239	0.4104	0.4454	0.4454	0.4654	0.4654	0.4654	0.4654	0.4654	0.4354	0.4354	0.4354	\$ 5
STABILIZER	3.6469	3.2933	3.3188	3.3188	3.3188	3.3188	3.3188	3.3188	3.3188	3.3188	3.3188	3.3188	\$ 40
TIO2	1.4727	1.4267	1.4320	1.4520	1.4520	1.4520	1.4520	1.4520	1.4520	1.4520	1.4520	1.4520	\$ 17
Material Other	—	—	—	—	—	—	—	—	—	—	—	—	\$ -
Materials - \$'000													
ADDITIVE	\$ 175	\$ 93	\$ 134	\$ 144	\$ 152	\$ 150	\$ 148	\$ 155	\$ 140	\$ 152	\$ 142	\$ 92	\$ 1,676
ADDITIVE (IMPACT MODIFIER)	\$ 497	\$ 448	\$ 507	\$ 540	\$ 568	\$ 561	\$ 548	\$ 572	\$ 518	\$ 554	\$ 517	\$ 337	\$ 6,169
ADDITIVE (PROCESSING AID)	\$ 87	\$ 85	\$ 91	\$ 97	\$ 102	\$ 102	\$ 99	\$ 103	\$ 93	\$ 100	\$ 93	\$ 61	\$ 1,112
FILLER	\$ 92	\$ 80	\$ 97	\$ 106	\$ 112	\$ 110	\$ 108	\$ 112	\$ 102	\$ 109	\$ 102	\$ 66	\$ 1,195
LUBRICANT	\$ 169	\$ 157	\$ 171	\$ 182	\$ 191	\$ 190	\$ 185	\$ 193	\$ 175	\$ 187	\$ 174	\$ 114	\$ 2,087
PIGMENT - C	\$ —	\$ (0)	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 29
PIGMENT - G	\$ 64	\$ 119	\$ 96	\$ 102	\$ 108	\$ 107	\$ 104	\$ 109	\$ 98	\$ 105	\$ 98	\$ 64	\$ 1,173
PIGMENT - HC	\$ 50	\$ 53	\$ 67	\$ 71	\$ 75	\$ 74	\$ 72	\$ 75	\$ 68	\$ 73	\$ 68	\$ 44	\$ 790
PIGMENT - PC	\$ 11	\$ 5	\$ 9	\$ 10	\$ 9	\$ 9	\$ 9	\$ 10	\$ 9	\$ 9	\$ 9	\$ 6	\$ 105
PKG	\$ —	\$ —	\$ 28	\$ 29	\$ 26	\$ 35	\$ 27	\$ 34	\$ 25	\$ 28	\$ 25	\$ 25	\$ 282
PLASTICIZER	\$ 33	\$ 8	\$ 28	\$ 30	\$ 32	\$ 31	\$ 31	\$ 32	\$ 29	\$ 31	\$ 29	\$ 19	\$ 333
RESIN	\$ 2,461	\$ 2,271	\$ 2,922	\$ 3,108	\$ 3,417	\$ 3,383	\$ 3,296	\$ 3,443	\$ 3,118	\$ 3,119	\$ 2,914	\$ 1,898	\$ 35,350
STABILIZER	\$ 354	\$ 291	\$ 339	\$ 361	\$ 380	\$ 376	\$ 366	\$ 382	\$ 346	\$ 370	\$ 346	\$ 225	\$ 4,136
TIO2	\$ 881	\$ 737	\$ 902	\$ 972	\$ 1,024	\$ 1,013	\$ 987	\$ 1,031	\$ 934	\$ 998	\$ 932	\$ 607	\$ 11,019
Scrap	\$ 29	\$ 28	\$ 53	\$ 51	\$ 53	\$ 61	\$ 52	\$ 58	\$ 61	\$ 57	\$ 52	\$ 55	\$ 611
BOM Scrap (not in P&L and 2019 AOP)	—	—	—	—	—	—	—	—	—	—	—	—	\$ -
PIP Savings	\$ (3)	\$ (3)	\$ (2)	\$ (16)	\$ (16)	\$ (16)	\$ (16)	\$ (16)	\$ (16)	\$ (18)	\$ (18)	\$ (18)	\$ (158)
Kronos Rebates (\$0.075/lb)	\$ (45)	\$ (45)	\$ (47)	\$ (50)	\$ (53)	\$ (52)	\$ (51)	\$ (53)	\$ (48)	\$ (52)	\$ (48)	\$ (31)	\$ (576)
Resin Rebate & Discount	\$ (101)	\$ (84)	\$ (89)	\$ (92)	\$ (96)	\$ (104)	\$ (102)	\$ (100)	\$ (100)	\$ (93)	\$ (90)	\$ (81)	\$ (1,133)
Amortization Timing	\$ (248)	\$ 137	\$ 29	\$ (175)	\$ (144)	\$ 46	\$ 33	\$ (9)	\$ 15	\$ 183	\$ 84	\$ 16	\$ (33)
Packaging	\$ 19	\$ 29	\$ —	\$ —	\$ 26	\$ 35	\$ 35	\$ 37	\$ 36	\$ 29	\$ 28	\$ 20	\$ 247
Material Other	\$ 63	\$ 83	\$ (180)	\$ 3	\$ (193)	\$ (177)	\$ (185)	\$ (185)	\$ (200)	\$ (159)	\$ (147)	\$ (99)	\$ (1,521)
Total Material Costs	\$ 4,588	\$ 4,490	\$ 5,158	\$ 5,475	\$ 5,775	\$ 5,940	\$ 5,748	\$ 5,987	\$ 5,410	\$ 5,782	\$ 5,314	\$ 3,422	\$ 62,893
Total Material Costs \$CAD	\$ 6,102	\$ 5,930	\$ 6,705	\$ 7,117	\$ 7,507	\$ 7,722	\$ 7,472	\$ 7,783	\$ 7,033	\$ 7,516	\$ 6,908	\$ 4,449	\$ 82,244

Historical Resin Price Chart



Key Performance Indicators - ECS

ENERGI Compound Solutions	2018 Actual	2019 Targets	Jan-19	Feb-19	YTD 2019
Health & Safety					
<i>Recordable(effects TRIR)</i>	0	0	0	0	0
<i>Near Misses</i>	25	2	0	0	0
Environmental					
<i>Recordable(effects TRIR)</i>	0	0	0	0	0
<i>Near Misses</i>	8	2	0	1	1
Quality Performance					
<i>Concerns per million Good Lbs</i>	0.2	0.3	0.3	0.1	0.2
<i>Return as % of sales (%)</i>	0.05	0.3	0%	0%	0%
Delivery Performance					
<i>% on time</i>	100%	100%	100%	100%	100%
Material Cost					
<i>Yield</i>	99%	99%	100%	100%	100%
<i>Production Scrap</i>	0.7%	1.00%	0%	0%	0%
<i>Total Material Usage Variance</i>	1.2%	2.00%	1%	1%	0%
<i>Direct Labour \$/lb produced</i>	0.008	0.009	0.009	0.008	0.008
<i>Indirect Labour (incl D&D) \$/lb produced</i>	0.015	0.017	0.020	0.018	0.019
Inventory					
<i>Days - TTM (Trailing 12 Months)</i>	47	46	50	49	50
Freight					
<i>Freight \$ as % of net sales</i>	3.7%	3.9%	3%	4%	3%

COMMENTS:

Safety: Zero safety incidents

Quality: Lower returns, better than target

Delivery: 100%

Inventory: Seasonal in addition to increased buildup due to anticipated price increase.

Full Year ECS P&L Summary

\$'000		FY		Var		PY		Var	
		Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)		101,183	101,346	(163)	(0.2%)	106,695	(5,512)	(5.2%)	
Units Shipped ('000)		101,539	101,346	193	0.2%	106,807	(5,268)	(4.9%)	
Bookings (\$'000)		\$ 1,692	\$ –	\$ 1,692	N/A	\$ –	\$ 1,692	N/A	
Backlog ('\$000)		\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A	
	External Revenue	\$ 8,756	\$ 8,852	\$ (96)	(1.1%)	\$ 8,494	\$ 263	3.1%	
	Affiliate Revenue	\$ 63,881	\$ 63,572	\$ 309	0.5%	\$ 71,299	\$ (7,418)	(10.4%)	
Gross Revenue		\$ 72,637	\$ 72,424	\$ 213	0.3%	\$ 76,869	\$ (4,231)	(5.5%)	
Adj. to Gross Revenue		(26)	(28)	2	(5.8%)	(14)	(12)	82.4%	
Net Revenue		72,611	72,396	215	0.3%	76,854	(4,243)	(5.5%)	
Material		63,418	63,287	131	0.2%	60,763	2,655	4.4%	
Labor		1,988	2,009	(20)	(1.0%)	1,880	108	5.8%	
Other COGS		6,059	6,032	26	0.4%	5,926	133	2.2%	
Total COGS		71,465	71,328	137	0.2%	68,569	2,896	4.2%	
Gross Margin		1,146	1,068	78	7.3%	8,286	(7,139)	(86.2%)	
Gross Margin %		1.6%	1.5%			10.8%			
R&D		–	–	–	N/A	–	–	N/A	
Sales & Marketing		164	163	1	0.8%	156	8	5.1%	
Administrative		1,783	1,782	1	0.1%	1,765	18	1.0%	
Other Opex		(114)	–	(114)	N/A	369	(483)	(130.9%)	
Total Opex		1,834	1,945	(111)	(5.7%)	2,290	(456)	(19.9%)	
EBITDA		(687)	(877)	189	(21.6%)	5,996	(6,683)	(111.5%)	
EBITDA %		(0.9%)	(1.2%)			7.8%			
Net Income (Loss)		\$ (1,421)	\$ (1,616)	\$ 195	(12.1%)	\$ 5,305	\$ (6,727)	(126.8%)	
Capex		\$ (390)	\$ (601)	\$ 211	(35.1%)	\$ –	\$ (390)	N/A	
Opex Overview:									
Payroll		\$ 564	\$ 562	\$ 3	0.5%	\$ 550	\$ 15	2.7%	
Bonus		–	–	–	N/A	–	–	N/A	
Commissions		12	13	(1)	(6.2%)	1	11	1364.7%	
Marketing		1	1	–	0.0%	–	1	N/A	
Benefits		–	–	–	N/A	–	–	N/A	
Travel and entertainment		9	9	(0)	(1.6%)	9	0	3.1%	
Rent and facilities		–	–	–	N/A	–	–	N/A	
Insurance		68	69	(1)	(1.2%)	68	1	1.4%	
Professional fees		(0)	(0)	–	0.0%	–	(0)	N/A	
Utilities, repair, maintenance, and security		18	20	(2)	(7.9%)	18	0	1.2%	
Corporate OH Fees		1,270	1,271	(1)	(0.1%)	1,276	(6)	(0.5%)	
Bad Debts		–	–	–	N/A	3	(3)	(100.0%)	
FX		(114)	–	(114)	N/A	369	(483)	(130.9%)	
JV Loss (Income)		–	–	–	N/A	–	–	N/A	
Other Expenses		5	1	5	612.2%	0	5	12210.1%	
Total Opex		\$ 1,834	\$ 1,945	\$ (111)	(5.7%)	\$ 2,293	\$ (459)	(20.0%)	

Key Customers – Full Year ECS

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
Vinyl Profiles, LLC	\$	3,661	\$	3,826	\$	(165)	(4.3%)	\$	1,961	\$	1,700	86.7%	48.9%	49.6%	(70)	(1.4%)	16.2%	3,265	201.1%
Nuform Building Technologies Inc		1,558		1,596		(38)	(2.4%)		2,950		(1,393)	(47.2%)	11.8%	11.6%	20	1.8%	20.0%	(815)	(40.8%)
The Vinyl Company Inc.		1,175		1,099		76	6.9%		1,834		(658)	(35.9%)	18.2%	17.9%	33	1.8%	27.0%	(879)	(32.5%)
Vinylume Products Inc		655		650		6	0.9%		688		(33)	(4.8%)	22.4%	21.3%	112	5.2%	20.7%	168	8.1%
Accord Plastics Corp.		625		593		32	5.4%		378		247	65.4%	19.1%	19.4%	(31)	(1.6%)	16.1%	304	18.9%
Window Seal Limited		414		474		(59)	(12.5%)		17		398	2391.3%	209.3%	124.7%	8,466	67.9%	27.9%	18,140	649.3%
New Customers (L.B. Plastics)		422		422		-	0.0%		113		309	272.9%	46.5%	37.6%	885	23.5%	26.8%	1,973	73.7%
Prasad Plastics Limited		91		111		(20)	(18.2%)		36		54	149.4%	1145.4%	#DIV/0!	-	#DIV/0!	25.7%	111,971	4359.3%
Superior Extrusions Ltd		20		38		(18)	(47.2%)		46		(26)	(56.6%)	1.6%	3.1%	(152)	(48.9%)	25.5%	(2,395)	(93.8%)
Vytron Corporation		10		17		(7)	(39.3%)		29		(19)	(64.2%)	26.1%	#DIV/0!	-	#DIV/0!	41.6%	(1,545)	(37.2%)
Plastibec Ltee		3		-		3	N/A		6		(3)	(52.7%)	8.3%	#DIV/0!	-	#DIV/0!	24.0%	(1,567)	(65.3%)
Mason		2		-		2	N/A		6		(4)	(65.3%)	0.3%	0.0%	28	N/A	57.5%	(5,722)	(99.5%)
Vinyl Profiles (2011)		9		-		9	N/A		-		9	N/A	24.3%	0.0%	2,429	N/A	#DIV/0!	NA	#DIV/0!
Fence Outlet MDC, LLC		24		-		24	N/A		20		4	22.0%	200.0%	#DIV/0!	-	#DIV/0!	13.8%	18,619	1348.0%
Lastique International Corp		10		-		10	N/A		-		10	N/A	20.0%	#DIV/0!	-	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		-		-		-	N/A		-		-	N/A	#DIV/0!	#DIV/0!	-	#DIV/0!	0.0%	NA	N/A
0		-		-		-	N/A		-		-	N/A	#DIV/0!	#DIV/0!	-	#DIV/0!	0.0%	NA	N/A
0		-		-		-	N/A		-		-	N/A	#DIV/0!	#DIV/0!	-	#DIV/0!	0.0%	NA	N/A
0		-		-		-	N/A		-		-	N/A	#DIV/0!	#DIV/0!	-	#DIV/0!	0.0%	NA	N/A
0		-		-		-	N/A		-		-	N/A	#DIV/0!	#DIV/0!	-	#DIV/0!	0.0%	NA	N/A
Other		63,330		63,600		(270)	(0.4%)		68,786		(5,456)	(7.9%)	(1.3%)	(1.1%)	(20)	18.3%	9.6%	(1,087)	(113.2%)
Total Gross	\$	72,009	\$	72,424	\$	(415)	(0.6%)	\$	76,869	\$	(4,860)	(6.3%)	1.4%	1.6%	(19)	(11.7%)	10.8%	(937)	(86.9%)

Corporate Office Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	–	N/A
Bookings (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	\$ –	N/A
Backlog ('\$000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	\$ –	N/A
Gross Revenue	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	\$ –	N/A
Adj. to Gross Revenue	–	–	–	N/A	–	–	–	N/A
Net Revenue	–	–	–	N/A	–	–	–	N/A
Material	203	250	(47)	(18.9%)	258	300	(42)	(14.1%)
Labor	102	103	(1)	(0.8%)	204	206	(2)	(1.0%)
Other COGS	80	92	(12)	(13.5%)	159	184	(25)	(13.5%)
Total COGS	385	445	(60)	(13.6%)	621	690	(69)	(10.1%)
Gross Margin	(385)	(445)	60	(13.6%)	(621)	(690)	69	(10.1%)
Gross Margin %		N/A				N/A		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	412	397	15	3.8%	709	710	(0)	(0.0%)
Administrative	(371)	(384)	12	(3.2%)	(724)	(729)	5	(0.7%)
Other Opex	(0)	–	(0)	N/A	(36)	–	(36)	N/A
Total Opex	41	13	27	210.9%	(51)	(19)	(32)	165.4%
EBITDA	(425)	(458)	33	(7.2%)	(570)	(671)	101	(15.1%)
EBITDA %		N/A				N/A		
Net Income (Loss)	\$ (1,066)	\$ (990)	\$ (75)	7.6%	\$ (1,467)	\$ (1,672)	\$ 205	(12.3%)
Capex	\$ (1)	\$ (220)	\$ 219	(99.5%)	\$ (64)	\$ (440)	\$ 376	(85.5%)
Opex Overview:								
Payroll	\$ 429	\$ 408	\$ 22	5.3%	\$ 883	\$ 877	\$ 6	0.7%
Bonus	113	113	(1)	(0.8%)	225	227	(2)	(0.9%)
Commissions	18	29	(11)	(38.6%)	36	58	(21)	(36.6%)
Marketing	130	140	(11)	(7.5%)	157	165	(8)	(4.9%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	126	121	4	3.7%	228	248	(20)	(8.1%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	40	43	(3)	(7.9%)	76	87	(11)	(12.7%)
Office Expense	5	2	3	170.2%	9	7	2	33.1%
IT	146	141	4	3.1%	286	283	4	1.4%
Bad Debts	–	–	–	N/A	16	–	16	N/A
FX	(0)	–	(0)	N/A	(36)	–	(36)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	(965)	(985)	20	(2.0%)	(1,931)	(1,969)	38	(2.0%)
Total Opex	\$ 41	\$ 13	\$ 27	210.9%	\$ (51)	\$ (19)	\$ (32)	165.4%

Management Discussion

EBITDA – Feb-19: +\$33K

- **Material COGS:** Favorable intercompany profit elimination as a result of lower intercompany inventory levels
- **Other COGS:** Insurance costs lower than budgeted expected to increase from Q2 2019
- **Sales & Marketing:** higher by \$15K largely due to higher wages and benefits (\$22K) largely due to higher Health benefits charges for Feb including AETNA catchup (\$16K) and higher commissions on Quebec Sales. Offset by Lower Marketing (\$11K) related to timing
- **Administrative:** Higher by \$12K due to unfavorable FX on Corporate OH Recovery of \$10K. Higher Legal costs (\$4K) offset by lower Office expense.
- **Other Opex:**

Full Year Corporate Office P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	N/A
Bookings (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Backlog (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Gross Revenue	\$ 164	\$ 164	\$ –	0.0%	\$ 0	\$ 164	104681.3%
Adj. to Gross Revenue	–	–	–	N/A	72	(72)	(100.0%)
Net Revenue	164	164	–	0.0%	72	93	129.2%
Material	(42)	–	(42)	N/A	(293)	251	(85.5%)
Labor	1,233	1,236	(2)	(0.2%)	159	1,074	676.0%
Other COGS	1,080	1,104	(25)	(2.3%)	802	278	34.6%
Total COGS	2,271	2,340	(69)	(3.0%)	668	1,603	240.0%
Gross Margin	(2,106)	(2,175)	69	(3.2%)	(596)	(1,510)	253.3%
Gross Margin %	(1280.4%)	(1322.6%)			(830.5%)		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	3,981	3,982	(0)	(0.0%)	3,842	139	3.6%
Administrative	(4,174)	(4,179)	5	(0.1%)	(6,735)	2,561	(38.0%)
Other Opex	(36)	–	(36)	N/A	134	(170)	(127.3%)
Total Opex	(229)	(198)	(32)	16.0%	(2,759)	2,530	(91.7%)
EBITDA	(1,877)	(1,978)	101	(5.1%)	2,163	(4,040)	(186.8%)
EBITDA %	(1140.9%)	(1202.4%)			3013.6%		
Net Income (Loss)	\$ (8,196)	\$ (8,401)	\$ 205	(2.4%)	\$ (3,324)	\$ (4,872)	146.5%
Capex	\$ (400)	\$ (916)	\$ 516	(56.3%)	\$ –	\$ (400)	N/A
Opex Overview:							
Payroll	\$ 5,484	\$ 5,478	\$ 6	0.1%	\$ 5,077	\$ 407	8.0%
Bonus	1,358	1,361	(2)	(0.2%)	159	1,199	754.6%
Commissions	324	345	(21)	(6.1%)	186	138	74.4%
Marketing	586	594	(8)	(1.4%)	584	2	0.3%
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,489	1,509	(20)	(1.3%)	1,137	352	30.9%
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	2	(2)	(100.0%)
Professional fees	433	444	(11)	(2.5%)	395	38	9.5%
Office Expense	48	46	2	5.1%	53	(4)	(8.5%)
IT	1,834	1,830	4	0.2%	1,367	467	34.2%
Bad Debts	16	–	16	N/A	(58)	74	(128.0%)
FX	(36)	–	(36)	N/A	134	(170)	(127.3%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	(11,766)	(11,805)	38	(0.3%)	(11,793)	27	(0.2%)
Total Opex	\$ (229)	\$ (198)	\$ (32)	16.0%	\$ (2,757)	\$ 2,528	(91.7%)