



2019 Monthly Operating Review – January 2019

February 20th, 2019



Executive Summary

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Executive Summary

1. **Sales Volumes & Revenues:** Overall sales revenues and volumes were behind Plan due to lower than anticipated sales at Woodbridge partially offset by higher sales at Delmont. Woodbridge sales impacted by colder January temperatures in the Ontario and US Northeast regions and extended shutdown periods with some of its major customers. Delmont sales ahead of Plan as a result of a strong start to the year from its major customers. Sales volumes in line with Plan at Everett and Terrebonne, and higher Laval but offset by unfavorable mix, rebates and returns.
2. **EBITDA:** Ahead of Plan despite lower sales revenues and volumes, due to continued focus on lower material cost inputs and optimizing labor costs 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's P&L). Terrebonne improvement in EBITDA due to continued focus on production optimization and labor planning for the high season
3. **Everett Customer Loss:** Everett received unofficial news that one of its customers, ATI, has closed its doors and filed for bankruptcy protection. ATI is included in Everett's 2019 Plan with \$387K in annual sales. The sales team is continuing to work on additional business opportunities for Everett that may have some sales occurring in late 2019. January's EBITDA negatively impacted by an increase in Everett's inventory reserve for ATI inventory in the amount of \$107K
4. **Laval Customer Losses:** Laval received official news from two of its customers, Concept MAT and Ouellet P&F that they will no longer be purchasing from Laval. Concept MAT has closed its windows & doors division effective immediately and Ouellet has been sold to Fenplast and will source their extrusions from their current supplier. Both customers are included in Laval's & Terrebonne's 2019 Plans with \$350K in annual sales for Laval and \$115K in annual sales for Terrebonne. There are no A/R balances owing from these customers and no inventory on hand that needs to be reserved
5. **TTM:** 2019 January TTM Revenue of \$168.4M and EBITDA of \$10.4M vs the 2019 AOP Revenue of \$178.2M and EBITDA of \$11.4M

Executive Summary (Continued)

6. **Sales Order Flow:** Overall sales order flow outlook for February at the mid-month point is currently behind orders/bookings vs the prior year on a Month to Date basis by 30%. Extrusion orders are behind the prior year by 31% and Patio Door sales orders are also behind the prior year on Month to Date basis by 22%. Some of the lack of orders is attributable to extended shutdown periods at some customers 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
7. **Operational Stability – Terrebonne:** Focus is on Terrebonne operational improvements, cost reductions and development of commercial activities. Progress is being made with process improvements and operational disciplines. Terrebonne is also in the process of ramping up for the new Performer door launch and high season inventory build. Project quoting volume is stronger than the Prior Year
8. **Material/Supplier Price Increases:** CDI Resin Index remained unchanged for January vs the April-December price. The expectation in the industry is that resin will increase by 2-3cpp in February. TiO2 prices have remained consistent with prior months. Discussions ongoing with suppliers concerning recent price increase notices on special compound material (PolyOne) and Patio Door screens (Screenco/Promax)
9. **Bank Covenants:** Excess Availability covenant for Jan-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
10. **Laval Water Damage:** Laval experienced a burst sprinkler pipe during the morning of January 14th causing water damage to the boardrooms and some of the offices on the second and first floor. No impact on production or customer orders/deliveries. Working with insurance company to assess damages and cost of rebuild – latest estimates are approx. US\$40K - US\$50K above deductible amount of US\$100K
11. **December Non-recurring item:** Woodbridge WSIB premium adjustment of US\$150K recorded as a one-time expense in Dec's F/S. ENERGI is working with our Canadian benefits broker to appeal the adjustment amount

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 capabilities with implementation of optical sorting and grinding equipment at Everett and Woodbridge ▪ VP Supply Chain assisting plants with warehousing and logistics cost and resource optimization
	▪ 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 - January



Key Wins

- **Western Windows – Multi-Slide Door Lineals**
 - Everett Plant
 - Annual Sales \$600K & 450K Lbs
 - Includes Dark Capstock


Key Losses

- **None**
- **ATI Windows – Bankruptcy**
 - Everett
 - 2019 Plan Sales \$387K
- **Concept MAT Inc. – Bankruptcy**
 - Laval & Terrebonne
 - 2019 Plan Sales = \$250K
- **Ouellet Portes et Fenetres (Laval & Terrebonne)**
 - 2019 Plan Sales = \$215K
- **Duraco Windows – Bankruptcy**
 - Woodbridge & Terrebonne
 - 2019 Plan Sales = \$200K


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 • Team Stability – Internal promotion of Operations Manager • SQDC Board implemented on the plant floor with daily “Gemba” walks taking place • Infor onsite assessment completed – Phase 1 work project plan complete • 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 	<ul style="list-style-type: none"> • ERP system improvements – reviewing planning & scheduling applications • Ramp Up Ready meetings held to ensure plans are in place to handle peak season demand • 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 Golden Windows • 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"> • 1 recordable incident in January 2019 occurred 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 	

Key Performance Indicators - Summary

Safety:

- One (1) recordable incident in January at Laval: worker slipped and struck ribs on edge of material box causing a fracture to one rib (no lost time)
- Jan-2019 TRIR of 1.98 vs 2018 TRIR of 1.97; Total Recordable Cases – 14 for 2018 vs 16 for 2017
- 26 months incident free record at ECS; 19 months at Everett; 6 months at Woodbridge

Quality:

- Woodbridge returns higher than target due to cellular material issues on PGT Dark Capstock product; new material trialed was successful and new product issued
- Terrebonne returns higher than target due to minor issues with defective product and pricing errors; higher complaints triggered by winter season

Delivery:

- Delivery performance ahead of targets across all plants and ECS; no issues to note

Efficiencies:

- Woodbridge yields impacted by plant start-up scrap, new tooling launches and alternative material trials
- Delmont yields impacted by PGT dark capstock production runs; recut tools to correct original tuning issues
- Woodbridge Alternative Compound Consumption impacted by new tooling launches, alternative material trials and lower volume
- Laval Alternative Compound Consumption slightly behind target due to lack of white regrind supply

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 satisfaction survey completed at HO with a score of 78%; no major issues

Key Performance Indicators – Plant Summary

KPI Measure		2019 Targets	Jan-19
Health & Safety			
# Recordables (affects TRIR)	# in Month	0	1
Woodbridge		0	0
Laval		0	1
Terrebonne		0	0
Delmont		0	0
Everett		0	0
ECS		0	0
Quality Performance			
Returns as % of sales	# of Plants Green	6	4
Woodbridge		0.30%	2.11%
Laval		0.78%	0.24%
Terrebonne		1.25%	1.57%
Delmont		0.30%	0.15%
Everett		0.60%	0.43%
ECS		0.20%	0.00%
Delivery Performance			
% by line items	# of Plants Green	6	6
Woodbridge		99.0%	99.6%
Laval		99.0%	99.7%
Terrebonne ****		95.0%	95.4%
Delmont		99.0%	99.5%
Everett		99.2%	100.0%
ECS		99.0%	100.0%
% on time in full	# of Plants Green	6	6
Woodbridge		95.0%	99.6%
Laval		95.0%	99.7%
Terrebonne		95.0%	95.4%
Delmont		95.0%	99.7%
Everett		99.2%	100.0%
ECS		99.0%	100.0%
Costs			
Yield*	# of Plants Green	5	3
Woodbridge		87.0%	84.7%
Laval		84.0%	85.5%
Delmont		85.0%	81.4%
Everett		90.0%	90.9%
ECS		99.2%	99.6%
Alt. Compound Consumption Ratio*		5	3
Woodbridge		19.9%	17.4%
Laval		20.9%	20.2%
Delmont		19.9%	25.4%
Everett		20.0%	32.0%
ECS		0.0%	0.6%

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
Inventory			
Days - TTM*	# of Plants Green	5	2
Woodbridge		54.1	57.3
Laval		69.3	66.7
Terrebonne		71.0	74.8
Delmont		58.7	62.0
Everett		84.5	84.4
ECS		46.0	50.0
Customer Service			
Customer Experience - NPS Improvement		20%	NA
Customer Complaints - per MLBS ***			
# of Plants Green		6	5
Woodbridge		3.2	2.6
Laval		22.5	16.0
Terrebonne		3.0	4.0
Delmont		3.2	2.8
Everett		3.2	1.4
ECS		0.3	0.3
Customer Retention		100%	100.0%
Employees			
Employee Engagement		80%	76.0%
Employee Retention		90%	99.2%

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 – January 2019

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	7,786	7,936	(149)	(1.9%)	7,786	7,936	(149)	(1.9%)
Units Shipped ('000)	6,941	7,190	(249)	(3.5%)	6,941	7,190	(249)	(3.5%)
Bookings (\$'000)	\$ 11,857	\$ 8,104	\$ 3,754	46.3%	\$ 11,857	\$ 8,104	\$ 3,754	46.3%
Backlog ('\$000)	\$ 9,269	\$ 8,970	\$ 299	3.3%	\$ 9,269	\$ 8,970	\$ 299	3.3%
Gross Revenue	\$ 11,539	\$ 11,832	\$ (293)	(2.5%)	\$ 11,539	\$ 11,832	\$ (293)	(2.5%)
Adj. to Gross Revenue	(597)	(545)	(51)	9.4%	(597)	(545)	(51)	9.4%
Net Revenue	10,942	11,287	(344)	(3.1%)	10,942	11,287	(344)	(3.1%)
Material	5,204	5,495	(292)	(5.3%)	5,204	5,495	(292)	(5.3%)
Labor	2,927	3,072	(145)	(4.7%)	2,927	3,072	(145)	(4.7%)
Other COGS	1,309	1,101	209	19.0%	1,309	1,101	209	19.0%
Total COGS	9,440	9,668	(228)	(2.4%)	9,440	9,668	(228)	(2.4%)
Gross Margin	1,502	1,618	(117)	(7.2%)	1,502	1,618	(117)	(7.2%)
Gross Margin %	13.7%	14.3%			13.7%	14.3%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	554	594	(40)	(6.7%)	554	594	(40)	(6.7%)
Administrative	1,037	1,068	(30)	(2.9%)	1,037	1,068	(30)	(2.9%)
Other Opex	(127)	(16)	(111)	681.3%	(127)	(16)	(111)	681.3%
Total Opex	1,465	1,645	(181)	(11.0%)	1,465	1,645	(181)	(11.0%)
EBITDA	37	(27)	64	(237.4%)	37	(27)	64	(237.4%)
EBITDA %	0.3%	(0.2%)			0.3%	(0.2%)		
Net Income (Loss)	\$ (886)	\$ (1,146)	\$ 260	(22.7%)	\$ (886)	\$ (1,146)	\$ 260	(22.7%)
Capex	\$ (489)	\$ (834)	\$ 345	(41.4%)	\$ (489)	\$ (834)	\$ 345	(41.4%)
Opex Overview:								
Payroll	\$ 881	\$ 918	\$ (36)	(4.0%)	\$ 881	\$ 918	\$ (36)	(4.0%)
Bonus	112	113	(1)	(1.1%)	112	113	(1)	(1.1%)
Commissions	19	30	(11)	(36.5%)	19	30	(11)	(36.5%)
Marketing	95	136	(42)	(30.5%)	95	136	(42)	(30.5%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	107	131	(24)	(17.9%)	107	131	(24)	(17.9%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	29	31	(2)	(7.6%)	29	31	(2)	(7.6%)
Professional fees	45	52	(7)	(12.8%)	45	52	(7)	(12.8%)
Office Expenses	23	21	1	5.3%	23	21	1	5.3%
IT	166	158	8	4.9%	166	158	8	4.9%
Bad Debts	16	(0)	16	(4280.6%)	16	(0)	16	(4280.6%)
FX	(122)	–	(122)	N/A	(122)	–	(122)	N/A
JV Loss (Income)	(5)	(16)	11	(69.0%)	(5)	(16)	11	(69.0%)
Other Expenses	98	71	27	37.9%	98	71	27	37.9%
Total Opex	\$ 1,465	\$ 1,645	\$ (181)	(11.0%)	\$ 1,465	\$ 1,645	\$ (181)	(11.0%)

Management Discussion

Net Revenue – January -\$344K:

- Extrusion external sales volume slightly unfavorable by 2.3% or \$63K due mainly to lower sales out of Woodbridge by \$511K; offset by higher sales out of Laval by \$184K and Delmont by \$264K as a result of higher PGT orders
- Patio Door gross sales were in line with Budget with favorable sales from many of its Canadian customers. External compound sales were behind Budget by \$171K due to a slow start and reduced orders from Nuform and Vinyl Profies Inc.
- Favorable customer sales mix of \$122K mainly from Woodbridge. Unfavorable rebates & discounts variance of \$26K due to sales mix; Higher returns & allowances of \$35K due to higher returns at Woodbridge (PGT, Quaker & Dashwood)
- Unfavorable F/X impact of \$171K (actual rate of 1.3301 [or \$USD 0.7518] vs. Budget rate of 1.30 [or \$USD 0.7692])

EBITDA – January +\$64K:

- Material COGS:** Decrease of \$292K due to the mix and volume impact from lower sales of \$468K and variances related to: (i) unfavorable inventory reserve adjustment at Everett for ATI inventory of \$107K; and (ii) unfavorable PPV adjustments at ECS and Terrebonne of \$69K
- Labor COGS:** Lower costs than Budget due to volume impact, headcount reduction initiatives implemented and improved labor efficiency at Laval, Terrebonne and ECS of \$110K and a favorable F/X impact of \$37K
- Other COGS:** Increase of \$209K due to a unfavorable absorption impact of \$177K as a result of lower sales and lower production than Plan and higher overhead spending of \$32K (ie. Maintenance costs at Laval, Everett and ECS)
- Sales and Marketing:** Lower costs due to lower headcount, benefits costs, commissions due to lower sales, lower marketing and T&E costs due to timing of \$64K; partially offset by higher product development costs (ie. Testing/certifications) of \$24K
- Administrative:** Lower costs primarily due to lower headcount and benefits of \$8K and a favorable F/X impact of \$22K
- Other Opex:** Favorable impact due an favorable realized F/X re-valuation impact of \$122K due to net USD working capital held by the Canadian entity (change in F/X from 1.3640 on December 31st, 2018 to 1.3168 on January 31st, 2019)

January 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)	\$ 3,308	\$ 1,728	\$ 2,876	\$ 1,880	\$ 5,244	\$ 1,116	\$ -	\$ (4,865)	\$ 11,287
Volume impact (external sales)	(511)	184	264	-	(171)	-	-		(234)
Volume impact (intercompany sales)	175	(53)	18	-	309	-	-	(449)	-
Rebates & discounts - volume impact	(42)	(31)	34	18	1	(6)			(26)
Price / Mix impact	126	(72)	16	(94)	146	-	-		122
Returns & allowances	(47)	4	5	6	-	(3)	-		(35)
Other - F/X	(50)	(33)	(0)	0	(70)	(19)	-	(0)	(171)
Actual Net Sales (B)	\$ 2,960	\$ 1,727	\$ 3,213	\$ 1,810	\$ 5,459	\$ 1,088	\$ -	\$ (5,315)	\$ 10,942
Actual vs Budget, as reported Variance (B) - (A)	\$ (349)	\$ (1)	\$ 337	\$ (70)	\$ 215	\$ (28)	\$ -	\$ (449)	\$ (344)

January 2019 EBITDA Bridge

(In Thousands of US Dollars)

	Woodbridge	Laval	Delmont	Everett	ECS	Terrebonne	Group Office	Adj.	Total
EBITDA Budget, as reported (A)	\$ 63	\$ (15)	\$ 332	\$ 66	\$ 13	\$ (273)	\$ (213)	\$ 0	\$ (27)
Volume & Mix impact	(137)	61	209	(61)	127	(31)	-	-	168
Labor - DL/IDL FAV/(UNF)	(46)	-	59	(32)	20	109	-	-	110
Alt. Materials FAV/(UNF)	(25)	7	(13)	24	-	-	-	-	(7)
Other Materials - FAV/(UNF)	-	-	-	(107)	(33)	(36)	-	-	(176)
Absorption impact FAV/(UNF)	52	(8)	(154)	(52)	(15)	-	-	-	(177)
Overhead Spending FAV/(UNF)	41	(20)	(29)	(3)	(12)	-	-	-	(23)
Other	(26)	19	12	9	102	(14)	68	(0)	169
Actual EBITDA (B)	\$ (79)	\$ 43	\$ 416	\$ (156)	\$ 202	\$ (245)	\$ (145)	\$ (0)	\$ 37
Actual vs Budget, as reported Variance (B) - (A)	\$ (142)	\$ 59	\$ 84	\$ (222)	\$ 189	\$ 28	\$ 68	\$ (0)	\$ 64

Strategic Plan Update – Summary of Alternative Materials Initiative

(In Thousands of US Dollars)

	Jan-19			Comments
	Actual	Forecast	Variance FAV/(UNF)	
Woodbridge - Scrap ⁽¹⁾	\$ (41)	\$ 53	\$ (94)	Higher production scrap and lower yields
Woodbridge - Alt Materials Usage ⁽²⁾	\$ 157	\$ 88	\$ 69	Higher regrind and off-spec material usage
Woodbridge - Total	\$ 116	\$ 141	\$ (25)	
Laval - Scrap ⁽¹⁾	\$ (7)	\$ (14)	\$ 7	Favorable yields due to longer runs and product mix
Laval - Alt Materials Usage ⁽²⁾	\$ 14	\$ 14	\$ -	Captured in Material at Standard cost line
Laval - Total	\$ 7	\$ -	\$ 7	
Delmont - Scrap ⁽¹⁾	\$ 34	\$ 60	\$ (26)	Unfavorable yields due to increased dark capstock runs
Delmont - Alt Materials Usage ⁽²⁾	\$ 114	\$ 101	\$ 13	Increased regrind/alt material usage due to product mix
Delmont - Total	\$ 148	\$ 161	\$ (13)	
Everett - Scrap ⁽¹⁾	\$ (85)	\$ (85)	\$ -	Scrap in line with Plan
Everett - Alt Materials Usage ⁽²⁾	\$ 222	\$ 198	\$ 24	Higher regrind/alt material usage due to increased purchases
Everett - Total	\$ 137	\$ 113	\$ 24	
Total Scrap ⁽¹⁾	\$ (98)	\$ 15	\$ (113)	
Total Alt Materials Usage ⁽²⁾	\$ 506	\$ 400	\$ 106	
Grand Total	\$ 408	\$ 415	\$ (7)	

Notes:

(1) - Scrap includes: (i) production scrap impacted by production yields, product mix and other factors (ie. Age of extruders, power outages, labor availability); (ii) raw material count variances and adjustments; and (iii) finished goods count variances and adjustments

(2) - Alt Materials Usage includes use of regrind material in the production process obtained from any one of the following sources: (i) alternative compound externally sourced; (ii) white window regrind from Zero Waster recycling program; and/or (iii) scrap not sold.

Strategic Plan Update – Summary of HCR Initiative

(In Thousands of US Dollars)

	Jan-19
Budget Production Volume (Lbs)	7,936
Budget Direct Labor	\$ 1,431
Budget Indirect and SG&A Labor	\$ 2,446
Budget Total Labor	<u>\$ 3,877</u>
Actual Production Volume (Lbs)	7,786
Actual Direct Labor	\$ 1,305
Budget Direct Labor (Flexed for Actual Volume)	\$ 1,404
Direct Labor Savings - FAV(UNF)	<u>\$ 98</u>
Actual Indirect and SG&A Labor	\$ 2,401
Budget Indirect and SG&A Labor (Flexed for Actual Volume)	\$ 2,446
Indirect and SG&A Labor Savings - FAV(UNF)	<u>\$ 45</u>
Total Labor	\$ 3,707
Budget Total Labor (Flexed for Actual Volume)	\$ 3,850
Total Labor Savings - FAV(UNF)	<u><u>\$ 144</u></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 reground 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:

Incremental to 2018				
	Estimated 2019 Volume	Budgeted 2019 Volume	Estimated Annualized Volume	Status
Vaillancourt		\$1.5	\$1.5	Pitching (30% confident for 2019)
Concerto Group		\$0.8	\$0.8	Finalizing (90% confident)
Caron et Guay	\$0.7		\$0.8	Complete
Kento	\$0.3		\$0.4	Complete
Atis			\$3.8	Pitching (60% confident)
Allsco			\$0.8	Pitching (60% confident for 2019)
Gilkey			\$0.2	Pitching (60% confident)
Total	\$1.0	\$2.3	\$8.3	

Strategic Plan Update – Supply Chain

Good news / positives to business and plan / reforecast

1. Alternate Material Global Sourcing

- Recyclage (Quebec) trials went well in Laval - will be receiving Regrind material monthly in 2019
- Gateway (Taiwan) submitted a landed cost quote for compound which is higher than ECS price - reviewing TiO2 levels and formula to reduce cost
- Huajin Building Material (China) preparing two quotes for compound: one with imported TiO2 from DuPont and another with domestically sourced TiO2
- Meetings with 12 potential suppliers for regrind or compound - Five in the U.S., Sanmar (India), Oman Polymers (Oman) and Enviro Polymer (Turkey) cannot supply material
 - Non-Disclosure Agreements signed with Jeddah Plast (Saudi Arabia) and Tongxiang Smallboss Special Plastic Products (China)

2. Commodity Inflation Offsets

- Meetings have been conducted and set up throughout December and January with Westlake, Kronos, Galata, Specialty Minerals, Polyrheo, Penn Color, OMYA, Orchestra and Procurement Advisors - Primary focuses on cost reductions and creating leverage
- Negotiations with AmesburyTruth: 6.7% price increase proposal decreased to 0%
- Negotiations with Specialty Minerals: decreasing 7% price increase to 5% and delaying it to February 2019 (\$50K annual impact)
- Penn Color price increase of 4%, effective January 2019 (\$3K annual impact) - Supplier now investigating Masterbatch pigment cost reduction opportunity to displace a portion of business from Galata
- Arkema and Ultrafab have submitted supply agreement proposals - Counter-proposals submitted in January

3. Warehousing, Logistics, and Organization Structure

- Beginning PGT consignment program discussions - Meeting at PGT in Q1 2019
- New Supply Chain Manager, Mohamed Benguella, hired to replace Maureen Gabourie (retirement)
 - Mr. Benguella based in Woodbridge, fluent in English and French, and experiences in global sourcing, contract negotiations, inventory management, and logistics

Risks / challenges to business and plan / reforecast

- Global Sourcing for alternate material will continue to be a major challenge
- PGT consignment requirements are unknown but likely 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	\$ 11,287	\$ (27)	\$ 11,287	\$ (27)	\$ 11,287	\$ (27)
<u>Net Revenue Delta</u>						
Volume	(234)	(18)	(234)	(18)	(234)	(18)
Pricing	–	–	–	–	–	–
Mix	122	282	122	282	122	282
Discounts	23	23	23	23	23	23
Returns	(35)	(35)	(35)	(35)	(35)	(35)
Rebates	(49)	(49)	(49)	(49)	(49)	(49)
F/X	(171)	54	(171)	54	(171)	54
Total Net Revenue Delta	(344)	257	(344)	257	(344)	257
<u>Cost Delta</u>						
Absorption		(177)		(177)		(177)
SG&A		70		70		70
Variances		(73)		(73)		(73)
Other		(13)		(13)		(13)
Total Cost Delta		(193)		(193)		(193)
Actual	\$ 10,942	\$ 37	\$ 10,942	\$ 37	\$ 10,942	\$ 37

Management Discussion - MTD

- Extrusion external sales volume unfavorable by 2.3% or \$63K and external compound sales were behind Budget by \$171K, contributing to the volume impact of \$234K
- Favorable customer sales mix of \$122K mainly from Woodbridge due to higher sales from Vinyl-Pro, Ostaco, PGT, Wardco
- Unfavorable F/X impact on Sales of \$171K (actual rate of 1.3301 [or \$USD 0.7518] vs. Budget rate of 1.30 [or \$USD 0.7692]); Translation F/X impact on EBITDA is unfavorable by \$68K offset by a favorable realized balance sheet re-valuation impact of \$122K due to a change in the month-end rate from 1.3640 on December 31st to 1.3168 on January 31st
- Unfavorable absorption impact of \$177K as a result of lower sales and lower production than Plan by 400K Lbs
- Favorable SG&A due to lower headcount & benefits costs, lower marketing and T&E costs due to timing; partially offset by higher product development costs (ie. Testing/certifications)
- Unfavorable variances of \$73K due primarily to unfavorable material costs from an increase in the inventory reserve at Everett by \$107K and unfavorable PPV at ECS and Terrebonne partially offset by lower labor costs due to headcount reduction initiatives implemented and improved labor efficiency at Laval, Terrebonne and ECS of \$110K
- Other costs unfavorable by \$13K due to higher maintenance spending at Laval, Everett and ECS

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	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																												
PGT Industries Inc	\$ 1,906	\$ 1,459	\$ 448	30.7%	\$ 1,044	\$ 862	82.6%	\$ 1,906	\$ 1,459	\$ 448	30.7%	\$ 1,044	\$ 862	82.6%	19.4%	17.2%	218	12.6%	9.3%	1,006	108%	19.4%	14.4%	502	34.9%	13.0%	640	49.3%
Eclipse Shutter Systems	1,160	1,123	37	3.3%	1,483	(322)	(21.7%)	1,160	1,123	37	3.3%	1,483	(322)	(21.7%)	28.8%	29.7%	(96)	(3.2%)	4.7%	2,410	518%	28.8%	5.6%	2,312	410.9%	4.0%	2,473	615.5%
Atis	566	328	238	72.6%	415	152	36.5%	566	328	238	72.6%	415	152	36.5%	(17.0%)	21.1%	(3,806)	(180.4%)	(19.9%)	295	(15%)	(17.0%)	(14.4%)	(255)	17.7%	(20.9%)	395	(18.9%)
Simonton	693	709	(16)	(2.2%)	862	(169)	(19.6%)	693	709	(16)	(2.2%)	862	(169)	(19.6%)	14.3%	19.3%	(501)	(26.0%)	8.2%	604	73%	14.3%	10.3%	403	39.3%	7.3%	694	94.5%
Quaker Window Products	437	564	(127)	(22.5%)	482	(45)	(9.3%)	437	564	(127)	(22.5%)	482	(45)	(9.3%)	11.0%	10.7%	33	3.1%	3.5%	750	213%	11.0%	9.8%	118	12.0%	1.2%	980	801.9%
Ostaco 2000	270	262	8	2.9%	219	51	23.2%	270	262	8	2.9%	219	51	23.2%	9.1%	39.8%	(3,077)	(77.2%)	18.0%	(894)	(50%)	9.1%	18.1%	(901)	(49.8%)	17.3%	(825)	(47.7%)
SOLARIS QUEBEC P & F INC.	304	224	80	35.7%	238	66	27.8%	304	224	80	35.7%	238	66	27.8%	24.2%	18.1%	605	33.3%	7.2%	1,700	236%	24.2%	11.8%	1,241	105.3%	6.7%	1,748	260.4%
Dashwood Industries Inc	132	217	(85)	(39.2%)	266	(134)	(50.3%)	132	217	(85)	(39.2%)	266	(134)	(50.3%)	8.7%	17.7%	(895)	(50.7%)	9.9%	(116)	(12%)	8.7%	17.3%	(862)	(49.8%)	14.1%	(539)	(38.3%)
Windsor Window Co OEM	264	353	(89)	(25.1%)	356	(92)	(25.9%)	264	353	(89)	(25.1%)	356	(92)	(25.9%)	23.1%	13.6%	954	70.2%	11.1%	1,200	108%	23.1%	9.0%	1,411	156.2%	10.5%	1,264	120.4%
All Weather	237	568	(331)	(58.3%)	280	(43)	(15.3%)	237	568	(331)	(58.3%)	280	(43)	(15.3%)	8.5%	48.8%	(4,024)	(82.5%)	10.9%	(239)	(22%)	8.5%	12.5%	(394)	(31.5%)	10.9%	(239)	(21.9%)
Polaris Technologies	415	444	(29)	(6.5%)	149	266	178.5%	415	444	(29)	(6.5%)	149	266	178.5%	10.6%	0.0%	1,061	N/A	0.0%	1,061	N/A	10.6%	0.0%	1,061	N/A	0.0%	1,061	N/A
A.M.I.	221	206	15	7.3%	164	57	34.6%	221	206	15	7.3%	164	57	34.6%	0.0%	8.2%	(822)	(100.0%)	(365.3%)	36,533	(100%)	0.0%	6.4%	(644)	(100.0%)	(4.5%)	446	(100.0%)
ATLANTIC WINDOWS	152	251	(99)	(39.5%)	241	(89)	(37.1%)	152	251	(99)	(39.5%)	241	(89)	(37.1%)	16.9%	8.1%	874	107.3%	6.7%	1,022	154%	16.9%	6.8%	1,008	148.4%	6.0%	1,085	179.8%
Vinyl Profiles, LLC	226	276	(50)	(18.2%)	309	(84)	(27.1%)	226	276	(50)	(18.2%)	309	(84)	(27.1%)	23.5%	25.7%	(219)	(8.5%)	20.7%	284	14%	23.5%	16.3%	724	44.4%	21.1%	243	11.5%
Comfort View Products	126	284	(158)	(55.6%)	200	(74)	(37.0%)	126	284	(158)	(55.6%)	200	(74)	(37.0%)	20.4%	13.6%	683	50.2%	6.5%	1,390	213%	20.4%	11.0%	945	86.0%	9.8%	1,063	108.5%
PORTES & FENETRES ABRITEK	86	119	(34)	(28.1%)	146	(60)	(41.1%)	86	119	(34)	(28.1%)	146	(60)	(41.1%)	15.9%	19.7%	(373)	(18.9%)	13.7%	228	17%	15.9%	19.2%	(324)	(16.9%)	12.8%	318	24.9%
Coeur d'Alene	282	179	103	57.7%	202	80	39.7%	282	179	103	57.7%	202	80	39.7%	(0.4%)	0.0%	(35)	N/A	(1.5%)	119	(77%)	(0.4%)	(0.5%)	13	(26.2%)	(1.0%)	69	(66.1%)
SCHLUTER SYSTEMS L.P.	53	152	(99)	(65.0%)	152	(99)	(65.0%)	53	152	(99)	(65.0%)	152	(99)	(65.0%)	27.7%	29.4%	(176)	(6.0%)	14.2%	1,346	95%	27.7%	18.2%	952	52.4%	16.2%	1,153	71.4%
P & F ISOTHERMIC INC	137	110	27	24.6%	165	(28)	(16.8%)	137	110	27	24.6%	165	(28)	(16.8%)	14.1%	7.7%	640	82.6%	8.4%	571	68%	14.1%	3.0%	1,117	374.9%	3.6%	1,050	288.0%
Sierra Pacific Windows	281	204	77	37.7%	135	146	108.1%	281	204	77	37.7%	135	146	108.1%	10.4%	9.4%	99	10.6%	1.5%	893	607%	10.4%	5.7%	467	81.6%	5.6%	483	86.6%
Other	3,589	3,800	(211)	(5.5%)	6,151	(2,562)	(41.7%)	3,589	3,800	(211)	(5.5%)	6,151	(2,562)	(41.7%)	9.2%	(0.6%)	981	(1728.0%)	20.0%	(1,079)	(54%)	9.2%	27.7%	(1,845)	(66.6%)	24.4%	(1,514)	(62.1%)
Total Gross	\$ 11,539	\$ 11,832	\$ (293)	(2.5%)	\$ 13,659	\$ (2,119)	(15.5%)	\$ 11,539	\$ 11,832	\$ (293)	(2.5%)	\$ 13,659	\$ (2,119)	(15.5%)	13.0%	13.7%	(66)	(4.9%)	11.8%	125	11%	0.0%	16.0%	(1,601)	(100.0%)	16.7%	(1,674)	(100.0%)

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 January due to inventory build in prior month and longer shutdown in January
- 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

Pipeline Roll-Forward

\$'000	Expected Contract Win Value	
	MTD	YTD
Opening Pipeline	\$ 58,995	\$ 24,924
Additions	–	71,490
Changes:		
Converted	(600)	(9,401)
Lost	–	(25,643)
Other	(1,400)	(4,374)
Total Net Changes	(2,000)	(39,418)
Closing Pipeline	\$ 56,995	\$ 56,995

Management Discussion

- Successful conversion of New 444 Multi-Slide with Western Windows albeit at lower anticipated value. Originally planned at \$2M, however initial forecast lowered to \$600K for the time being.

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			
												-	-	

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											
Western Windows	Jay Meiries	Y	New 444 Multi-Slide	Other	31-Jan-19	TBD	TBD	(600)	(450)	5	
								\$ (600)	\$ (450)		
LOST											
								\$ -	\$ -		
OTHER											
Western Windows	Jay Meiries	Y	New 444 Multi-Slide	Other	31-Jan-19	TBD	TBD	(1,400)	(750)	7	Revision in estimate
								(1,400)	(750)		
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						Viscount Patio Door
Atrium	\$	325	200	\$	65	TBD	TBD	TBD						
Moss Supply	\$	3,000	2,000	\$	-	TBD	TBD	TBD						Single Hung
Solar Innovations	\$	500	350	\$	100	TBD	TBD	TBD						Customer looking at launch timing for the platform extrusions
Vaillancourt	\$	2,308	500	\$	-	TBD	TBD	TBD						Performer-Fusion Patio Doors
Polaris	\$	4,000	2,500	\$	-	TBD	TBD	TBD						Ultra-Weld
Gentek	\$	2,308	1,700	\$	1,095	TBD	TBD	TBD						Full Program. Still waiting on decision. Gentek strategy is to run
Hometime	\$	200	100	\$	75	TBD	TBD	TBD						Customer still reviewing casement
Fene-Tech	\$	77	40	\$	-	TBD	TBD	TBD						Patio Door program
Van Isle	\$	192	140	\$	450	TBD	TBD	TBD						West Coast Contemporary series (shared capital)
Magistral	\$	115	75	\$	100	TBD	TBD	TBD						Customer still reviewing
LGC	\$	77	50	\$	25	TBD	TBD	TBD						
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						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														
	\$	30,530	\$	19,665	\$	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.
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							Propsect 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
Bonnecherre 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
Abritek	\$	269	175	\$	-	TBD	TBD	TBD							PD Lineal
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															
Total Extrusion and Patio Doors															
Legend															
Complete															
In process, on track															
In process, delayed															
In process, at risk															

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

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%)	
<u>Existing Customers</u>														
TOTAL EXISTING CUSTOMERS	\$	-	-	\$	-									
<u>New Customers</u>														
Window seal	\$	700	700	\$	-	TBD	TBD	TBD						Quote accepted
LB plastics	\$	700	700	\$	-	TBD	TBD	TBD						Quote accepted
Fence Outlet	\$	2,000	2,500	\$	-	TBD	TBD	TBD						Quote accepted
Accord	\$	300	300	\$	-	TBD	TBD	TBD						Natural Formulation for RV's
Mor-X Plastics	\$	200	200	\$	-	TBD	TBD	TBD						Pursuit/ New formulation required
Vinyl Profile 2011	\$	2,000	2,000	\$	-	TBD	TBD	TBD						Provided quote
TOTAL NEW CUSTOMERS	\$	5,900	\$	6,400	\$	-								
Total External Compound Sales	\$	5,900	6,400	\$	-									
TOTAL SALES PIPELINE	\$	56,995	43,772	\$	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				Total Variance	YoY Impact	Annualized
	Act	Bud	(B) / W	Non-recurring	Timing	Run-rate	Other/FX			(B) / W	(B) / W	(B) / W
Payroll	\$ 881	\$ 918	\$ (36)	\$ (12)	\$ -	\$ -	\$ (14)			\$ (26)	\$ (80)	\$ -
Bonus	\$ 112	\$ 113	\$ (1)	\$ -	\$ -	\$ -	\$ (1)			\$ (1)	\$ (3)	\$ -
Commissions	\$ 19	\$ 30	\$ (11)	\$ -	\$ -	\$ (11)	\$ -			\$ (11)	\$ 1	\$ -
Marketing	\$ 95	\$ 136	\$ (42)	\$ -	\$ (40)	\$ -	\$ (2)			\$ (42)	\$ (111)	\$ -
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Travel and entertainment	\$ 107	\$ 131	\$ (24)	\$ -	\$ (22)	\$ -	\$ (2)			\$ (24)	\$ (19)	\$ -
Rent and facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Insurance	\$ 29	\$ 31	\$ (2)	\$ -	\$ -	\$ (1)	\$ (1)			\$ (2)	\$ (7)	\$ -
Professional fees	\$ 45	\$ 52	\$ (7)	\$ (6)	\$ -	\$ -	\$ (1)			\$ (7)	\$ (8)	\$ -
Office expense	\$ 23	\$ 21	\$ 1	\$ -	\$ 2	\$ -	\$ (1)			\$ 1	\$ (4)	\$ -
IT	\$ 166	\$ 158	\$ 8	\$ -	\$ 12	\$ -	\$ (4)			\$ 8	\$ 17	\$ -
Bad Debts	\$ 16	\$ (0)	\$ 16	\$ 16	\$ -	\$ -	\$ -			\$ 16	\$ 17	\$ -
FX	\$ (122)	\$ -	\$ (122)	\$ -	\$ -	\$ -	\$ (122)			\$ (122)	\$ (12)	\$ -
JV Loss (Income)	\$ (5)	\$ (16)	\$ 11	\$ -	\$ 11	\$ -	\$ -			\$ 11	\$ 11	\$ -
Other Expenses	\$ 98	\$ 71	\$ 27	\$ 17	\$ 13	\$ -	\$ (3)			\$ 27	\$ 44	\$ -
Total Opex	\$ 1,465	\$ 1,645	\$ (181)	\$ 16	\$ (23)	\$ (12)	\$ (151)			\$ (171)	\$ (156)	\$ -

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
- Higher IT expense due to timing of Terrebonne ERP training expenditure (e.g. Syteline Training budgeted for February)
- 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 (\$17K) and miscellaneous plant expenses

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	12	15	3	-	3	-	3	\$ -
Legal Fees	-	-	-	-	-	-	-	\$ -
Professional Fees	18	13	(5)	-	(5)	-	(5)	\$ -
Mgmt Incentive	57	57	0	-	0	-	0	\$ -
Laval Water Damage	49	-	(49)	-	-	(49)	(49)	\$ -
Profit Velocity	-	-	-	-	-	-	-	\$ -
CAD Transfer Tax	-	-	-	-	-	-	-	\$ -
TSA	-	-	-	-	-	-	-	\$ -
Employee Restructuring Costs	-	-	-	-	-	-	-	\$ -
Non-workforce Restructuring	-	-	-	-	-	-	-	\$ -
Total 1X Costs	\$ 137	\$ 85	\$ (52)	\$ -	\$ (3)	\$ (49)	\$ (52)	\$ -

Management Discussion

- IT Costs relate to Terrebonne ERP Syteline Project to set up certain modules and perform an upgrade to the system (\$12K)
- Professional Fees include costs incurred for the OBI projects at Woodbridge, Terrebonne and Delmont with The Practical Approach
- Laval Water Damage costs relate to water clean-up services performed by Qualinet (\$49K, not planned); to be claimed through insurance provider with a deductible of \$100K
- IT Costs relate to Terrebonne ERP Syteline Project(\$12K)

Balance Sheet

\$'000	Dec-18	Oct-18	Nov-18	Dec-18	Jan-19		Variance	
	Act	Act	Act	Act	Act	Bud	\$	%
Current Assets								
Cash and cash equivalents	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 0	12.2%
Short term investments	–	–	–	–	–	–	–	N/A
<i>Accounts receivable, gross</i>	8,870	14,935	14,139	8,870	9,094	10,864	(1,770)	(16.3%)
<i>Accounts receivable, reserves</i>	(363)	(662)	(657)	(363)	(393)	(679)	286	(42.2%)
Accounts receivable, net	8,507	14,273	13,483	8,507	8,701	10,185	(1,484)	(14.6%)
<i>Inventory, gross</i>	31,776	32,093	31,314	31,776	34,588	34,252	336	1.0%
<i>Inventory, reserves</i>	(1,467)	(1,565)	(1,523)	(1,467)	(1,497)	(1,663)	166	(10.0%)
Inventory, net	30,309	30,528	29,790	30,309	33,091	32,589	502	1.5%
Prepaid expenses and other current assets	2,942	3,411	3,398	2,942	3,145	3,216	(71)	(2.2%)
Other current assets	901	2,069	2,311	901	761	690	71	10.3%
Total Current Assets	42,658	50,281	48,982	42,658	45,702	46,683	(981)	(2.1%)
Non-Current Assets								
<i>Property, plant & equipment, gross</i>	64,977	64,032	64,449	64,977	66,687	67,216	(529)	(0.8%)
<i>Accumulated depreciation</i>	(17,639)	(16,695)	(17,254)	(17,639)	(18,755)	(17,680)	(1,075)	6.1%
Property, plant & equipment, net	47,338	47,337	47,195	47,338	47,932	49,536	(1,604)	(3.2%)
Deferred financing cost	548	583	566	548	546	546	1	0.1%
Deferred tax asset	1,319	1,356	1,344	1,319	1,353	1,367	(13)	(1.0%)
Other non-current assets	2,616	2,798	2,785	2,616	2,688	3,004	(315)	(10.5%)
Total Non-Current Assets	51,821	52,074	51,889	51,821	52,520	54,452	(1,932)	(3.5%)
Total Assets	\$ 94,479	\$ 102,355	\$ 100,872	\$ 94,479	\$ 98,222	\$ 101,134	\$ (2,913)	(2.9%)
Current Liabilities								
Bank Debt	\$ 10,222	\$ 12,826	\$ 12,019	\$ 10,222	\$ 14,340	\$ 16,219	\$ (1,878)	(11.6%)
Current Portion - Long Term Debt	1,628	1,760	1,744	1,628	1,678	1,800	(122)	(6.8%)
Accounts payable	12,709	12,897	12,951	12,709	11,725	10,865	861	7.9%
Accrued liabilities	3,092	4,125	4,260	3,092	3,786	3,556	230	6.5%
Accrued compensation	2,521	2,931	2,661	2,521	2,492	3,183	(691)	(21.7%)
Income taxes payable	649	832	907	649	725	687	38	5.5%
Contingent consideration	1,301	1,309	1,299	1,301	1,301	–	1,301	N/A
Other current liabilities	97	101	92	97	101	106	(5)	(4.9%)
Total Current Liabilities	32,220	36,781	35,932	32,220	36,148	36,416	(268)	(0.7%)
Long-term liabilities								
Long-term debt less current maturities	12,006	12,584	12,318	12,006	12,248	12,003	245	2.0%
Deferred income taxes	7,637	7,752	7,717	7,637	7,745	7,785	(40)	(0.5%)
Other non-current liabilities	1,468	1,517	1,504	1,468	1,525	1,434	91	6.3%
Total Long-Term Liabilities	21,111	21,853	21,538	21,111	21,518	21,222	296	1.4%
Total Liabilities	53,332	58,634	57,471	53,332	57,666	57,638	28	0.0%
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	29,570	31,780	31,580	29,570	28,684	31,416	(2,732)	(8.7%)
Accumulated other comprehensive income	(1,033)	(669)	(790)	(1,033)	(738)	(530)	(208)	39.4%
Total Shareholders' Equity	41,147	43,721	43,401	41,147	40,556	43,496	(2,941)	(6.8%)
Total Liabilities and Shareholders' Equity	\$ 94,479	\$ 102,355	\$ 100,872	\$ 94,479	\$ 98,222	\$ 101,134	\$ (2,913)	(2.9%)

Management Discussion

- Net A/R vs. Budget is lower by \$1,484K (14.3%) on account of Unfavorable F/X impact of \$124K (actual rate of 1.3168 [or USD\$ 0.759] vs. Budget rate of 1.30 [or USD\$ 0.77]) and higher collections of Nov & Dec receivables
- Increase in inventory levels vs Bud by \$502K due to raw material inventory build up in response to 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 (actual rate of 1.3168 [or USD\$ 0.74] vs. the Budget rate of 1.30 [or USD\$ 0.77]) and lower Capex spending than budgeted in the month
- Other non-current assets reduction of \$315K 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 1.3168 [or USD\$ 0.74] vs. the Budget rate of 1.30 [or USD\$ 0.77])
- Increase in AP of \$861 (7.9%) as a result of increased purchasing inline with raw material build up partially offset by Nov-Dec payments that were delayed at year-end due to cut-off timing
- Reduction in LT Debt on account of principal repayment and F/X impact

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)	\$	(886)	\$	(1,146)	\$	260	(22.7%)	\$	(473)	\$	(413)	87.3%	\$	(886)	\$	(1,146)	\$	260	(22.7%)	\$	(473)	\$	(413)	87.3%
Depreciation, amortization and other		708		709		(1)	(0.2%)		629		79	12.6%		708		709		(1)	(0.2%)		629		79	12.6%
Non-cash loss/expense (gain)		(136)		1,268		(1,404)	(110.7%)		89		(225)	(252.2%)		(136)		1,268		(1,404)	(110.7%)		89		(225)	(252.2%)
Deferred income tax		108		148		(40)	(27.2%)		(138)		246	(178.3%)		108		148		(40)	(27.2%)		(138)		246	(178.3%)
Change in operating assets and liabilities:																								
Accounts receivable		(195)		(1,679)		1,484	(88.4%)		(257)		62	(24.2%)		(195)		(1,679)		1,484	(88.4%)		(257)		62	(24.2%)
Inventory		(2,782)		(2,280)		(502)	22.0%		(2,218)		(564)	25.4%		(2,782)		(2,280)		(502)	22.0%		(2,218)		(564)	25.4%
Prepaid expenses and other current assets		(64)		(63)		(1)	0.9%		268		(332)	(123.9%)		(64)		(63)		(1)	0.9%		268		(332)	(123.9%)
Accounts payable		(984)		(1,845)		861	(46.6%)		(94)		(890)	941.8%		(984)		(1,845)		861	(46.6%)		(94)		(890)	941.8%
Accrued expenses		665		1,126		(461)	(41.0%)		(685)		1,350	(197.0%)		665		1,126		(461)	(41.0%)		(685)		1,350	(197.0%)
Accrued income taxes		76		38		38	100.6%		92		(16)	(17.5%)		76		38		38	100.6%		92		(16)	(17.5%)
Other changes in operating assets and liabilities		4		(1,292)		1,296	(100.3%)		39		(35)	(90.2%)		4		(1,292)		1,296	(100.3%)		39		(35)	(90.2%)
Other cash flow from operations		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Operations	\$	(3,487)	\$	(5,016)	\$	1,529	(30.5%)	\$	(2,749)	\$	(738)	26.8%	\$	(3,487)	\$	(5,016)	\$	1,529	(30.5%)	\$	(2,749)	\$	(738)	26.8%
Cash flow from investing																								
Additions to property, plant and equipment	\$	(489)	\$	(834)	\$	345	(41.4%)	\$	(1,061)	\$	572	(53.9%)	\$	(489)	\$	(834)	\$	345	(41.4%)	\$	(1,061)	\$	572	(53.9%)
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	\$	(489)	\$	(834)	\$	345	(41.4%)	\$	(1,061)	\$	572	(53.9%)	\$	(489)	\$	(834)	\$	345	(41.4%)	\$	(1,061)	\$	572	(53.9%)
Cash flow from financing																								
Proceeds from the issuance (repayment) of short-term debt	\$	4,118	\$	5,996	\$	(1,878)	(31.3%)	\$	3,925	\$	193	4.9%	\$	4,118	\$	5,996	\$	(1,878)	(31.3%)	\$	3,925	\$	193	4.9%
Proceeds from the issuance of debt		(0)		—		(0)	N/A		—		(0)	N/A		(0)		—		(0)	N/A		—		(0)	N/A
Repayment of debt		(138)		(143)		5	(3.3%)		(114)		(24)	21.5%		(138)		(143)		5	(3.3%)		(114)		(24)	21.5%
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	\$	3,979	\$	5,853	\$	(1,874)	(32.0%)	\$	3,811	\$	169	4.4%	\$	3,979	\$	5,853	\$	(1,874)	(32.0%)	\$	3,811	\$	169	4.4%
Effect of FX rates on cash and cash equivalents	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A
Net change in cash	\$	3	\$	3	\$	0	12.2%	\$	0	\$	3	713.8%	\$	3	\$	3	\$	0	12.2%	\$	0	\$	3	713.8%
Beginning cash		0		0		—	0.0%		(0)		0	(100.1%)		0		0		—	0.0%		(0)		0	(100.1%)
Change in cash		3		3		0	12.2%		0		3	713.8%		3		3		0	12.2%		0		3	713.8%
Ending cash	\$	3	\$	3	\$	0	12.2%	\$	(0)	\$	3	(3619855.9%)	\$	3	\$	3	\$	0	12.2%	\$	(0)	\$	3	(3619855.9%)

Covenant Analysis

(US\$ '000s)	Actual Dec-18	Actual Jan-19	Budget 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	26,963	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	19,982	17,869	21,999	21,733	21,301	20,491	20,550	18,324	17,938	14,765	13,778
Excess Availability	16,904	10,649	6,981	9,613	5,923	8,479	9,810	13,118	12,122	15,305	14,890	18,188	18,670

EA % of Borrowing Base	62.3%	42.6%	25.9%	35.0%	21.2%	28.1%	31.5%	39.0%	37.1%	45.5%	45.4%	55.2%	57.5%
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

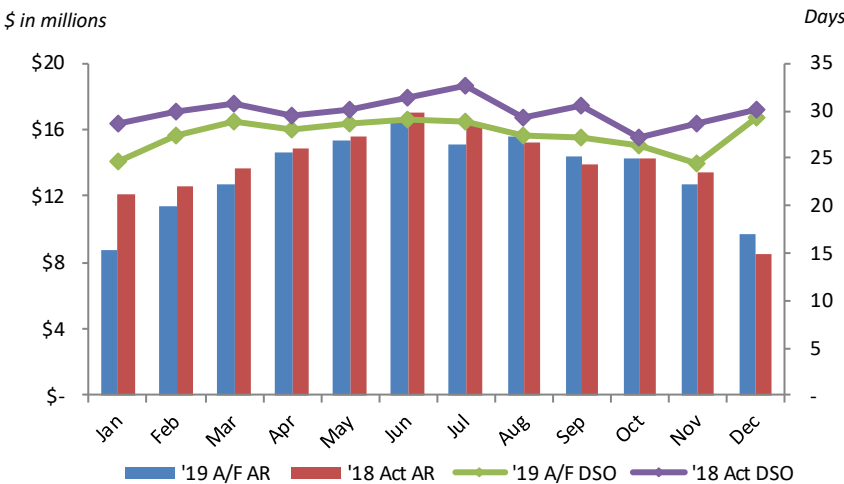
TTM EBITDA	8,112	7,865	8,165	8,555	8,779	9,166	10,125	9,775	10,260	9,517	10,121	10,406	11,420
Total Capex	462	489	834	834	943	943	943	492	492	492	398	398	398
TTM Capex	7,822	7,266	7,657	7,692	8,649	8,705	8,949	8,659	8,512	8,393	8,249	7,719	7,655
Cash Taxes	-	(252)	-	-	-	-	-	-	-	-	-	-	-
TTM Cash Taxes	671	418	418	(117)	(252)	(252)	(252)	(252)	(252)	(252)	(252)	(252)	(252)
Numerator	(381)	180	89	981	383	713	1,428	1,369	2,000	1,376	2,124	2,938	4,017
Cash Interest on existing ABL	161	156	195	183	208	206	203	201	202	190	190	173	168
Cash Interest on additional debt	-	-	-	-	-	-	-	-	-	-	-	-	-
TTM Cash Interest	1,869	1,918	1,996	2,043	2,099	2,143	2,171	2,191	2,216	2,236	2,257	2,268	2,275
Principal Payments on additional debt	138	138	141	141	141	141	141	141	141	141	141	141	141
TTM Principal Payments	1,387	1,412	1,438	1,467	1,498	1,528	1,559	1,590	1,622	1,654	1,685	1,687	1,690
Denominator	3,256	3,330	3,434	3,510	3,597	3,671	3,730	3,781	3,837	3,890	3,942	3,955	3,966
FCCR Ratio	(0.1)	0.1	0.0	0.3	0.1	0.2	0.4	0.4	0.5	0.4	0.5	0.7	1.0
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	Breach	OK

13-Week Cash Flow Forecast

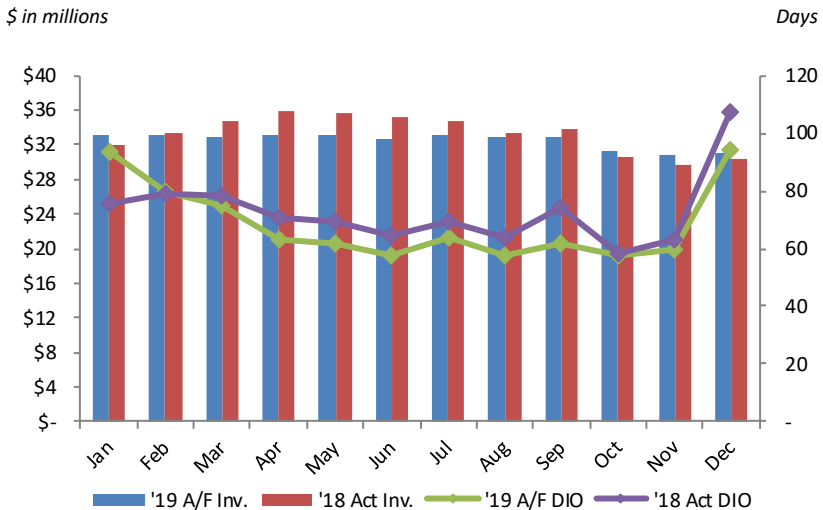
(\$000)														
Date	02/01/19	02/08/19	02/15/19	02/22/19	03/01/19	03/08/19	03/15/19	03/22/19	03/29/19	04/05/19	04/12/19	04/19/19	04/26/19	05/03/19
Cash Flow Roll-Up:														
Total Inflows - Operational	1,737	1,855	2,560	2,709	2,701	3,192	3,105	3,933	3,365	3,638	3,685	3,707	3,650	3,828
Receipts from Customers based on AR	1,737	1,855	2,024	2,162	2,162	2,263	1,155	1,162	129	129	129	129	-	-
New Net External Sales	-	-	-	-	-	438	1,459	2,279	2,746	3,004	3,046	3,068	3,140	3,309
New Affiliate Sales	-	-	536	548	540	491	491	491	491	505	510	510	510	519
Total Outflows - Operational	(2,746)	(2,443)	(4,862)	(2,517)	(2,187)	(2,578)	(3,779)	(2,359)	(11,574)	(3,390)	(3,646)	(4,584)	(4,098)	(3,463)
Payments to Suppliers based on AP Aging	(972)	(908)	(1,116)	(810)	(610)	(607)	(607)	(601)	(599)	(599)	(532)	0	0	0
Materials	(334)	(273)	(274)	(279)	(182)	(182)	(182)	(298)	(1,254)	(790)	(1,251)	(1,790)	(1,828)	(1,878)
Conversion Costs	(518)	(841)	(319)	(529)	(336)	(847)	(348)	(514)	(518)	(1,011)	(641)	(544)	(1,471)	(1,063)
Other COGS	(170)	(142)	(187)	(176)	(219)	(176)	(220)	(173)	(216)	(173)	(214)	(187)	(193)	(193)
Selling Costs	(246)	(37)	(243)	(36)	(274)	(36)	(295)	(34)	(341)	(34)	(319)	(37)	(153)	(38)
General and Administrative	(369)	(105)	(405)	(102)	(429)	(102)	(442)	(96)	(509)	(96)	(505)	(105)	(269)	(107)
Intercompany Material Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex	(136)	(135)	(135)	(137)	(137)	(137)	(137)	(137)	(137)	(184)	(184)	(184)	(184)	(184)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Management Fees	0	0	0	0	0	0	0	0	0	(250)	0	0	0	0
Performance Payment to Westlake	0	0	0	0	0	0	0	0	(8,000)	0	0	0	0	0
2017 bonus payment	0	0	0	0	0	(300)	0	0	0	0	0	0	0	0
Material received but not invoiced	0	0	(2,184)	(447)	0	(190)	(1,546)	(506)	0	(253)	0	(1,736)	0	0
Projected Operational Cash Flow	(1,010)	(588)	(2,303)	193	514	615	(674)	1,573	(8,208)	248	39	(877)	(448)	364
Cash receipts more (less) than projection	434	344	(229)	0	0	0	0	0	0	0	0	0	0	0
Cash outflows less (more) than projection	630	662	(1,103)	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	1,317	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	0
(Adjustment)	0	0	183	0	0	0	0	0	0	0	0	0	0	0
Actual Operational Cash Flow	54	418	(2,135)	193	514	615	(674)	1,573	(8,208)	248	39	(877)	(448)	364
Bank interest	(153)	0	0	0	(147)	0	0	0	0	(147)	0	0	0	(147)
Bridge Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Term Loan	(140)	0	0	0	(141)	0	0	0	0	(141)	0	0	0	(141)
Monitoring Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Inflows/Outflows	0	0	(1)	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	0
Bank Fees	(32)	0	(9)	0	(3)	0	(10)	0	0	(3)	0	(10)	0	(3)
Total Financial Cash Flow	(325)	0	(11)	0	(291)	0	(10)	0	0	(290)	0	(10)	0	(290)
Total Cash Flow	(271)	418	(2,146)	193	224	615	(684)	1,573	(8,208)	(43)	39	(887)	(448)	74
Adjusted Loan Balance	13,032	13,525	15,424	15,515	15,292	14,678	15,363	13,790	21,998	22,040	22,001	22,888	23,336	23,262
Term Loan	13,804	13,647	13,656	13,932	13,791	13,791	13,791	13,791	13,791	13,649	14,699	14,699	14,699	14,558
Total Debt	26,836	27,172	29,080	29,447	29,082	28,468	29,154	27,580	35,788	35,690	36,700	37,587	38,036	37,820
Revolver Availability	11,945	11,264	9,377	9,897	10,121	10,735	10,050	14,311	6,102	6,060	6,099	5,213	5,455	5,529

Working Capital and Cash Conversion Cycle

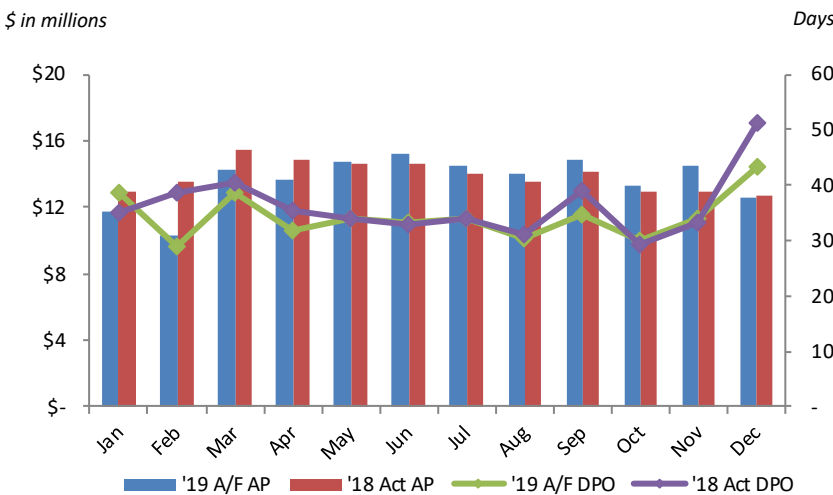
Accounts Receivable



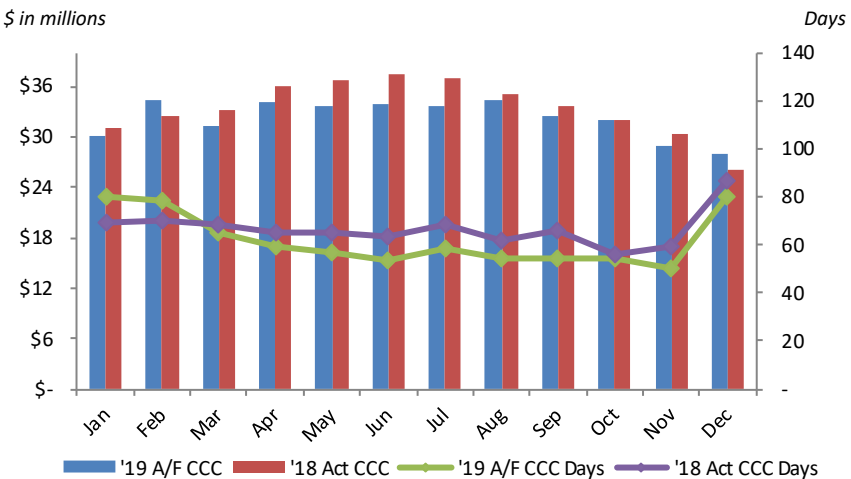
Inventory



Accounts Payable



Cash Conversion Cycle



AR and AP Aging Detail

\$'000

AR Aging				
Days	Nov-18	Dec-18	Jan-19	%
0-30	\$ 11,236	\$ 6,227	\$ 6,083	69.9%
30-60	1,724	2,116	1,900	21.8%
60-90	121	44	331	3.8%
>90	402	120	387	4.4%
Total	\$ 13,483	\$ 8,507	\$ 8,701	100.0%

AP Aging				
Days	Nov-18	Dec-18	Jan-19	%
0-30	\$ 9,767	\$ 8,497	\$ 9,782	83.4%
30-60	2,638	3,023	1,311	11.2%
60-90	507	1,128	501	4.3%
>90	39	61	131	1.1%
Total	\$ 12,951	\$ 12,709	\$ 11,725	100.0%

Management Discussion

- Decrease in DSO from 30 in December 2018 to 25 in January 2019 due to increase in Sales from \$8.7M in December 2018 to 11.5M in January 2019, a higher proportionate increase in sales vs the prior month as compared to the increase in AR balance.
- Increased collections in January coupled with improved Sales shows reduction in Current and 30-60 category.
- Decrease in DPO days from 51 in December to 39 in January due to year-end cut-off timing in December, regularized in January to an average of around 35-40 in the past 12 months.
- Reduction largely in the 30-60 and 60-90 category.

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Full Year Outlook Consolidated P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	108,125	108,274	(149)	(0.1%)	96,146	11,979	12.5%
Units Shipped ('000)	109,331	109,580	(249)	(0.2%)	104,464	4,866	4.7%
Bookings (\$'000)	\$ 129,033	\$ 125,280	\$ 3,754	3.0%	\$ 173,588	\$ (44,555)	(25.7%)
Backlog (\$'000)	\$ 9,611	\$ 9,611	\$ –	0.0%	\$ 8,368	\$ 1,243	14.9%
Gross Revenue	\$ 187,743	\$ 188,036	\$ (293)	(0.2%)	\$ 180,235	\$ 7,509	4.2%
Adj. to Gross Revenue	(9,928)	(9,876)	(51)	0.5%	(9,727)	(201)	2.1%
Net Revenue	177,815	178,160	(344)	(0.2%)	170,508	7,308	4.3%
Material	88,064	88,355	(292)	(0.3%)	83,297	4,766	5.7%
Labor	38,226	38,371	(145)	(0.4%)	38,503	(277)	(0.7%)
Other COGS	20,469	20,261	209	1.0%	20,808	(339)	(1.6%)
Total COGS	146,759	146,986	(228)	(0.2%)	142,608	4,150	2.9%
Gross Margin	31,057	31,173	(117)	(0.4%)	27,899	3,158	11.3%
Gross Margin %	17.5%	17.5%			16.4%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	7,208	7,247	(40)	(0.5%)	7,045	163	2.3%
Administrative	12,741	12,772	(30)	(0.2%)	10,240	2,502	24.4%
Other Opex	(339)	(228)	(111)	48.5%	302	(640)	(212.2%)
Total Opex	19,610	19,791	(181)	(0.9%)	17,586	2,024	11.5%
EBITDA	11,446	11,382	64	0.6%	10,313	1,133	11.0%
EBITDA %	6.4%	6.4%			6.0%		
Net Income (Loss)	\$ (3,040)	\$ (3,300)	\$ 260	(7.9%)	\$ (3,820)	\$ 780	(20.4%)
Capex	\$ (7,655)	\$ (8,000)	\$ 345	(4.3%)	\$ (10,215)	\$ 2,560	(25.1%)
Opex Overview:							
Payroll	\$ 10,747	\$ 10,783	\$ (36)	(0.3%)	\$ 10,318	\$ 429	4.2%
Bonus	1,359	1,361	(1)	(0.1%)	159	1,200	755.2%
Commissions	347	358	(11)	(3.0%)	187	161	86.0%
Marketing	1,739	1,780	(42)	(2.3%)	1,679	59	3.5%
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,564	1,587	(24)	(1.5%)	1,231	333	27.0%
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	334	336	(2)	(0.7%)	328	6	1.9%
Professional fees	578	584	(7)	(1.1%)	585	(8)	(1.3%)
Office Expenses	289	287	1	0.4%	287	1	0.5%
IT	2,100	2,092	8	0.4%	1,633	467	28.6%
Bad Debts	12	(5)	16	(356.7%)	(80)	92	(114.9%)
FX	(122)	–	(122)	N/A	384	(506)	(131.7%)
JV Loss (Income)	(217)	(228)	11	(4.9%)	(83)	(134)	162.2%
Other Expenses	880	853	27	3.2%	956	(75)	(7.9%)
Total Opex	\$ 19,610	\$ 19,791	\$ (181)	(0.9%)	\$ 17,586	\$ 2,025	11.5%

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	\$	24,546	\$	24,098	\$	448	1.9%	\$	13,210	\$	11,335		85.8%	18.1%	15.1%	299	19.8%	15.6%	253	16.2%
Eclipse Shutter Systems		15,827		15,789		37	0.2%		15,365		462		3.0%	29.6%	9.0%	2,065	229.7%	3.8%	2,586	683.8%
Atis		9,662		9,424		238	2.5%		10,380		(718)		(6.9%)	(19.4%)	(10.7%)	(867)	80.9%	(15.4%)	(401)	26.0%
Simonton		10,651		10,667		(16)	(0.1%)		10,221		430		4.2%	17.1%	11.4%	579	51.0%	8.6%	852	98.7%
Quaker Window Products		5,901		6,028		(127)	(2.1%)		5,345		556		10.4%	11.0%	10.1%	97	9.7%	9.1%	192	21.1%
Ostaco 2000		3,828		3,821		8	0.2%		3,718		110		3.0%	7.0%	20.8%	(1,381)	(66.4%)	20.8%	(1,384)	(66.5%)
SOLARIS QUEBEC P & F INC.		4,155		4,075		80	2.0%		4,262		(107)		(2.5%)	24.0%	13.0%	1,101	84.6%	9.9%	1,417	143.7%
Dashwood Industries Inc		3,681		3,766		(85)	(2.3%)		3,899		(218)		(5.6%)	13.5%	17.4%	(395)	(22.6%)	16.2%	(272)	(16.7%)
Windsor Window Co OEM		3,854		3,942		(89)	(2.2%)		3,960		(107)		(2.7%)	22.1%	9.6%	1,249	130.4%	8.8%	1,327	150.9%
All Weather		6,399		6,730		(331)	(4.9%)		3,395		3,004		88.5%	15.2%	17.2%	(202)	(11.8%)	12.6%	251	19.8%
Polaris Technologies		5,793		5,822		(29)	(0.5%)		2,004		3,789		189.1%	17.2%	0.0%	1,719	N/A	0.0%	1,719	N/A
A.M.I.		3,815		3,800		15	0.4%		3,511		304		8.7%	0.0%	6.8%	(676)	(100.0%)	5.4%	(537)	(100.0%)
ATLANTIC WINDOWS		3,824		3,924		(100)	(2.5%)		3,750		74		2.0%	11.5%	6.8%	468	68.6%	5.9%	558	94.2%
Vinyl Profiles, LLC		3,776		3,826		(50)	(1.3%)		2,950		825		28.0%	20.9%	17.3%	356	20.5%	18.8%	211	11.2%
Comfort View Products		2,977		3,135		(158)	(5.0%)		1,932		1,045		54.1%	16.8%	11.6%	517	44.4%	12.3%	449	36.4%
PORTES & FENETRES ABRITEK		2,753		2,787		(34)	(1.2%)		2,888		(135)		(4.7%)	20.9%	19.1%	177	9.3%	15.4%	544	35.3%
Coeur d'Alene		4,104		4,001		103	2.6%		2,804		1,300		46.4%	5.1%	0.6%	458	822.3%	0.5%	467	984.8%
SCHLUTER SYSTEMS L.P.		2,459		2,558		(99)	(3.9%)		2,796		(337)		(12.1%)	23.5%	19.7%	376	19.1%	16.0%	750	46.9%
P & F ISOTHERMIC INC		2,584		2,557		27	1.1%		2,979		(395)		(13.3%)	22.3%	3.5%	1,882	538.2%	3.8%	1,857	495.2%
Sierra Pacific Windows		2,637		2,560		77	3.0%		1,661		976		58.8%	10.1%	6.2%	386	61.8%	6.3%	383	61.0%
Other		64,518		64,728		(210)	(0.3%)		79,203		(14,686)		(18.5%)	19.8%	25.8%	(600)	(23.2%)	28.3%	(847)	(29.9%)
Total Gross	\$	187,743	\$	188,036	\$	(293)	(0.2%)	\$	180,235	\$	7,509		4.2%	16.7%	16.7%	(4)	(0.2%)	15.5%	122	7.9%

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 January due to inventory build in prior month and longer shutdown in January
- 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

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Management Governance Report

Disclosure Committee:

- Members include: CEO, CFO, VP Sales, VP Operations, VP Manufacturing & VP Supply Chain
- Meeting held on February 7th, 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

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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)

			Fully-diluted ownership		Fund	Invested Capital (\$M)			Valuation		Returns	
						Invested	Realized	Unrealized	Total Value	MOI		
Investment date	3/31/2016		OpenGate Equity	94.8%	OCGP I	\$ 26,000	\$ –	\$ –	\$ 45,500		0.6x	
Operational data as of	1/31/2019		MGMT	5.3%	OCGP II	–	–	–	–		NA	
Valuation details last updated:	10/31/2018		Other Equity	0.0%	OCGP III	–	–	–	–		NA	
			Total	100.0%	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	\$ 10,942	\$ 11,287	-3.1%	\$ 13,069	-16.3%	\$ 37	\$ (27)	-237.4%	\$ (14)	-363.9%	\$ 28,263	\$ 28,219	\$ 22,783
Quarter to Date	\$ 10,942	\$ 11,287	-3.1%	\$ 13,069	-16.3%	\$ 37	\$ (27)	-237.4%	\$ (14)	-363.9%			
Year to Date	\$ 10,942	\$ 11,287	-3.1%	\$ 13,069	-16.3%	\$ 37	\$ (27)	-237.4%	\$ (14)	-363.9%			
LTM Trends (\$'000s)	2/28/18	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	LTM
Units Produced ('000)	7,858	8,099	9,104	8,856	8,570	7,954	8,723	7,766	7,806	7,934	5,174	7,786	95,631
Units Shipped ('000)	7,254	8,499	9,231	10,037	10,076	9,436	9,668	8,330	9,798	8,838	5,130	6,941	103,238
Net Revenue	\$ 11,802	\$ 13,795	\$ 15,166	\$ 16,019	\$ 16,319	\$ 15,478	\$ 16,133	\$ 13,650	\$ 16,233	\$ 14,094	\$ 8,751	\$ 10,942	\$ 168,381
Gross Margin	2,003	2,002	2,554	2,746	2,869	2,620	2,670	2,848	2,592	2,349	1,041	1,502	27,795
Gross Margin %	17.0%	14.5%	16.8%	17.1%	17.6%	16.9%	16.5%	20.9%	16.0%	16.7%	11.9%	13.7%	16.5%
SG&A	1,657	1,675	1,721	1,664	1,616	1,278	1,422	624	1,384	1,301	1,622	1,465	17,430
Reported EBITDA	346	327	833	1,081	1,253	1,342	1,247	2,224	1,207	1,047	(581)	37	10,364
Rep. EBITDA %	2.9%	2.4%	5.5%	6.7%	7.7%	8.7%	7.7%	16.3%	7.4%	7.4%	(6.6%)	0.3%	6.2%
Adj. EBITDA	346	327	833	1,081	1,253	1,342	1,247	2,224	1,207	1,047	(581)	37	10,364
Adj. EBITDA %	2.9%	2.4%	5.5%	6.7%	7.7%	8.7%	7.7%	16.3%	7.4%	7.4%	(6.6%)	0.3%	6.2%
Capex	\$ (443)	\$ (930)	\$ (683)	\$ (887)	\$ (844)	\$ (637)	\$ (638)	\$ (860)	\$ (991)	\$ (803)	\$ (1,438)	\$ (489)	\$ (9,643)
Accounts Receivable, Net	\$ 12,601	\$ 13,721	\$ 14,907	\$ 15,593	\$ 17,009	\$ 16,284	\$ 15,221	\$ 13,855	\$ 14,273	\$ 13,483	\$ 8,507	\$ 8,701	\$ 8,701
Inventory, Net	33,304	34,844	35,831	35,773	35,140	34,779	33,352	33,773	30,528	29,790	30,309	33,091	33,091
Accounts Payable	13,519	15,419	14,814	14,617	14,670	14,056	13,525	14,088	12,897	12,951	12,709	11,725	11,725
CCC	\$ 32,386	\$ 33,146	\$ 35,923	\$ 36,749	\$ 37,478	\$ 37,007	\$ 35,048	\$ 33,541	\$ 31,905	\$ 30,322	\$ 26,106	\$ 30,067	\$ 30,067
DSO	29.9	30.8	29.5	30.2	31.3	32.6	29.2	30.4	27.3	28.7	30.1	24.7	18.9
DSI	79.0	78.3	70.9	69.2	64.6	69.7	64.1	74.2	58.3	63.4	107.4	93.7	71.7
DPO	38.6	40.5	35.2	34.1	32.7	33.9	31.1	39.1	29.3	33.1	51.1	38.5	30.4
C2C	70.3	68.6	65.1	65.3	63.1	68.4	62.2	65.6	56.3	59.0	86.4	79.9	60.2
Bank revolver	\$ 11,008	\$ 14,643	\$ 17,154	\$ 17,616	\$ 18,192	\$ 17,156	\$ 15,128	\$ 14,477	\$ 12,826	\$ 12,019	\$ 10,222	\$ 14,340	\$ 14,340
Unclassified external debt / OID	14,315	14,081	14,716	14,528	14,126	14,212	14,103	14,016	14,344	14,062	13,634	13,926	13,926
OpenGate debt	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Debt Outstanding	25,323	28,725	31,871	32,144	32,318	31,368	29,231	28,493	27,170	26,080	23,857	28,266	28,266
Cash and equivalents	0	0	(0)	0	(0)	0	0	(0)	(0)	(0)	0	3	3
Total Net Debt	\$ 25,323	\$ 28,724	\$ 31,871	\$ 32,144	\$ 32,318	\$ 31,368	\$ 29,231	\$ 28,493	\$ 27,170	\$ 26,080	\$ 23,857	\$ 28,263	\$ 28,263
Beginning Cash Balance	\$ 0	\$ —	\$ 0	\$ (0)	\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0
Add / (Less): Operating Cash Flow	(2,586)	(2,591)	(2,344)	540	383	1,782	2,775	1,620	2,174	1,750	3,372	(3,487)	3,388
Add / (Less): Investing Cash Flow	(443)	(930)	(683)	(887)	(844)	(637)	(638)	(860)	(991)	(803)	(1,438)	(489)	(9,643)
Add / (Less): Financing Cash Flow	3,028	3,521	3,026	347	461	(1,145)	(2,137)	(760)	(1,183)	(947)	(1,934)	3,979	6,258
Effect of FX rates / Other	—	—	—	—	—	—	—	—	—	—	—	—	—
Ending Cash Balance	\$ (0)	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ 3	\$ 3

Long-term trend, budget, IC comparison													
Summary Financials	Calendar year ending			Actual		IC Model			Variance to IC				
	12/31/2015	12/31/2016	12/31/2017	12/31/2018	1/31/2019	12/31/2016	12/31/2017	12/31/2018	LTM v 2017 IC	%	2018 FC v IC	%	
Total Net Revenue	\$ –	\$ 170,742	\$ 170,508	\$ 177,815	\$ 168,381								
EBITDA, Reported	–	12,278	10,313	11,446	10,364								
EBITDA, Reported %	N/A	7.2%	6.0%	6.4%	6.2%								
EBITDA, Adjusted	–	12,278	10,313	11,446	10,364								
EBITDA, Adjusted %	N/A	7.2%	6.0%	6.4%	6.2%								
Accounts Receivable, Net	–	11,660	8,507	9,680	8,701								
Inventory, Net	–	27,470	30,309	30,999	33,091								
Accounts Payable	–	7,504	12,709	12,627	11,725								
CCC	–	31,626	26,106	28,051	30,067								
Net Debt	\$ –	\$ 3,014	\$ 23,857	\$ 26,003	\$ 28,263								

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	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	7,786	7,979	8,822	9,490	9,900	10,019	10,057	10,212	9,308	9,637	9,028	5,886	108,125	108,274	(149)	(0.1%)	96,146	11,979	12.5%
Units Shipped ('000)	6,941	7,343	8,557	9,750	10,258	10,359	10,062	10,681	9,633	10,255	9,358	6,133	109,331	109,580	(249)	(0.2%)	104,464	4,866	4.7%
Bookings (\$'000)	\$ 11,857	\$ 8,298	\$ 9,968	\$ 10,855	\$ 11,890	\$ 12,457	\$ 10,907	\$ 11,652	\$ 11,715	\$ 11,586	\$ 10,827	\$ 7,020	\$ 129,033	\$ 125,280	\$ 3,754	3.0%	\$ 173,588	\$ (44,555)	(25.7%)
Backlog ('\$000)	\$ 9,269	\$ 9,329	\$ 10,138	\$ 9,755	\$ 9,566	\$ 9,943	\$ 9,219	\$ 10,145	\$ 10,195	\$ 10,558	\$ 10,307	\$ 9,611	\$ 9,611	\$ 9,611	\$ –	0.0%	\$ 8,368	\$ 1,243	14.9%
Gross Revenue	\$ 11,539	\$ 12,238	\$ 14,375	\$ 16,509	\$ 17,567	\$ 17,993	\$ 17,052	\$ 18,655	\$ 16,814	\$ 17,766	\$ 16,477	\$ 10,759	\$ 187,743	\$ 188,036	\$ (293)	(0.2%)	\$ 180,235	\$ 7,509	4.2%
Adj. to Gross Revenue	(597)	(566)	(743)	(847)	(975)	(963)	(887)	(990)	(919)	(983)	(916)	(541)	(9,928)	(9,876)	(51)	0.5%	(9,727)	(201)	2.1%
Net Revenue	10,942	11,672	13,631	15,662	16,593	17,030	16,165	17,664	15,895	16,782	15,561	10,218	177,815	178,160	(344)	(0.2%)	170,508	7,308	4.3%
Material	5,204	5,815	6,823	7,836	8,236	8,608	8,053	8,864	7,768	8,457	7,836	4,565	88,064	88,355	(292)	(0.3%)	83,297	4,766	5.7%
Labor	2,927	2,865	3,103	3,269	3,359	3,241	3,433	3,370	3,208	3,337	3,197	2,915	38,226	38,371	(145)	(0.4%)	38,503	(277)	(0.7%)
Other COGS	1,309	1,233	1,506	1,745	1,917	1,893	1,670	2,029	1,846	2,013	1,780	1,527	20,469	20,261	209	1.0%	20,808	(339)	(1.6%)
Total COGS	9,440	9,913	11,433	12,850	13,512	13,742	13,157	14,263	12,821	13,807	12,814	9,007	146,759	146,986	(228)	(0.2%)	142,608	4,150	2.9%
Gross Margin	1,502	1,759	2,199	2,812	3,081	3,288	3,008	3,402	3,074	2,975	2,747	1,210	31,057	31,173	(117)	(0.4%)	27,899	3,158	11.3%
Gross Margin %	13.7%	15.1%	16.1%	18.0%	18.6%	19.3%	18.6%	19.3%	19.3%	17.7%	17.7%	11.8%	17.5%	17.5%			16.4%		
R&D	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Sales & Marketing	554	587	570	664	631	557	607	595	648	583	633	579	7,208	7,247	(40)	(0.5%)	7,045	163	2.3%
Administrative	1,037	996	1,050	1,055	1,099	1,057	1,096	1,092	1,049	1,094	1,047	1,068	12,741	12,772	(30)	(0.2%)	10,240	2,502	24.4%
Other Opex	(127)	(19)	(19)	(19)	(21)	(21)	(21)	(20)	(17)	(20)	(20)	(16)	(339)	(228)	(111)	48.5%	302	(640)	(212.2%)
Total Opex	1,465	1,565	1,601	1,701	1,708	1,593	1,682	1,668	1,680	1,657	1,660	1,631	19,610	19,791	(181)	(0.9%)	17,586	2,024	11.5%
EBITDA	37	194	597	1,111	1,372	1,695	1,326	1,734	1,393	1,318	1,087	(420)	11,446	11,382	64	0.6%	10,313	1,133	11.0%
EBITDA %	0.3%	1.7%	4.4%	7.1%	8.3%	10.0%	8.2%	9.8%	8.8%	7.9%	7.0%	(4.1%)	6.4%	6.4%			6.0%		
Net Income (Loss)	\$ (886)	\$ (995)	\$ (659)	\$ (160)	\$ 74	\$ 356	\$ 30	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (3,040)	\$ (3,300)	\$ 260	(7.9%)	\$ (3,820)	\$ 780	(20.4%)
Capex	\$ (489)	\$ (834)	\$ (834)	\$ (943)	\$ (943)	\$ (943)	\$ (492)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (7,655)	\$ (8,000)	\$ 345	(4.3%)	\$ (10,215)	\$ 2,560	(25.1%)
Opex Overview:																			
Payroll	\$ 881	\$ 808	\$ 859	\$ 904	\$ 952	\$ 855	\$ 952	\$ 926	\$ 873	\$ 943	\$ 880	\$ 913	\$ 10,747	\$ 10,783	\$ (36)	(0.3%)	\$ 10,318	\$ 429	4.2%
Bonus	112	113	113	113	113	113	113	113	113	113	113	113	1,359	1,361	(1)	(0.1%)	159	1,200	755.2%
Commissions	19	30	30	30	30	30	30	30	30	30	30	30	347	358	(11)	(3.0%)	187	161	86.0%
Marketing	95	174	125	214	149	122	122	127	198	109	186	118	1,739	1,780	(42)	(2.3%)	1,679	59	3.5%
Benefits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Travel and entertainment	107	126	137	125	139	130	142	137	132	132	128	130	1,564	1,587	(24)	(1.5%)	1,231	333	27.0%
Rent and facilities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Insurance	29	21	28	28	29	30	32	30	27	27	28	24	334	336	(2)	(0.7%)	328	6	1.9%
Professional fees	45	52	60	44	44	52	44	45	52	45	45	51	578	584	(7)	(1.1%)	585	(8)	(1.3%)
Office Expenses	23	30	21	20	27	29	20	26	20	26	22	25	289	287	1	0.4%	287	1	0.5%
IT	166	160	172	171	176	179	177	181	178	182	181	178	2,100	2,092	8	0.4%	1,633	467	28.6%
Bad Debts	16	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	12	(5)	16	(356.7%)	(80)	92	(114.9%)
FX	(122)	–	–	–	–	–	–	–	–	–	–	–	(122)	–	(122)	N/A	384	(506)	(131.7%)
JV Loss (Income)	(5)	(19)	(19)	(19)	(21)	(21)	(21)	(20)	(17)	(20)	(20)	(16)	(217)	(228)	11	(4.9%)	(83)	(134)	162.2%
Other Expenses	98	70	76	71	72	73	71	72	74	70	67	66	880	853	27	3.2%	956	(75)	(7.9%)
Total Opex	\$ 1,465	\$ 1,565	\$ 1,601	\$ 1,701	\$ 1,708	\$ 1,593	\$ 1,682	\$ 1,668	\$ 1,680	\$ 1,657	\$ 1,660	\$ 1,631	\$ 19,610	\$ 19,791	\$ (181)	(0.9%)	\$ 17,586	\$ 2,025	11.5%

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	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
EBITDA - as reported	\$ 37	\$ 194	\$ 597	\$ 1,111	\$ 1,372	\$ 1,695	\$ 1,326	\$ 1,734	\$ 1,393	\$ 1,318	\$ 1,087	\$ (420)	\$11,446	\$11,382	\$ 64	0.6%	\$ 10,313	\$ 1,133	11.0%
Depreciation and amortization	(708)	(713)	(724)	(736)	(745)	(759)	(771)	(781)	(793)	(796)	(799)	(803)	(9,127)	(9,128)	1	(0.0%)	(7,801)	(1,325)	17.0%
Interest and amortization	(156)	(195)	(183)	(208)	(206)	(203)	(201)	(202)	(190)	(190)	(173)	(168)	(2,275)	(2,290)	15	(0.6%)	(1,869)	(406)	21.7%
Other financial income/expense	(26)	–	–	–	–	–	–	–	–	–	–	–	(26)	–	(26)	N/A	(1,463)	1,437	(98.2%)
Monitoring fees (including expenses)	(85)	(83)	(83)	(103)	(83)	(83)	(103)	(83)	(83)	(103)	(83)	(103)	(1,079)	(1,077)	(2)	0.1%	(1,057)	(22)	2.1%
Restructuring costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	(776)	776	(100.0%)
Non-recurring items	(137)	(100)	(95)	(70)	(70)	(58)	–	–	–	–	–	–	(530)	(478)	(52)	11.0%	(770)	239	(31.1%)
Taxes	189	(98)	(172)	(154)	(195)	(236)	(220)	(210)	(207)	(170)	(115)	138	(1,449)	(1,710)	261	(15.2%)	(398)	(1,052)	264.5%
GAAP Net Income (Loss)	\$ (886)	\$ (995)	\$ (659)	\$ (160)	\$ 74	\$ 356	\$ 30	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (3,040)	\$ (3,300)	\$ 260	(7.9%)	\$ (3,820)	\$ 780	(20.4%)

Management Discussion

- Other financial income/expense relates to unrealized F/X (gain)/loss on \$USD debt held by Canadian entity; January F/X loss attributable to the change in the month-end rate from 1.364 [USD\$0.73] on December 31st to 1.3168 [USD\$0.76] on January 31st.
- Non-recurring items in January include The Practical Approach for OBI at Woodbridge and Terrebonne (\$18K), Accrual for Management staff incentive (\$57K) Qualinet – Laval Water Damage repair cost – (\$49K, not planned) Terrebonne ERP Syteline Project(\$12K)
- Canadian Income tax refund of \$260K offset by US Tax accrual of 71K in January 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	5,495	5,495	5,495
Labor	3,072	3,072	3,072
Other COGS	1,101	1,101	1,101
COGS Budget	\$ 9,668	\$ 9,668	\$ 9,668
<u>Variances:</u>			
Volume	(468)	(468)	(468)
Price	69	69	69
Other	107	107	107
Material	(292)	(292)	(292)
Volume	(96)	(96)	(96)
Price	–	–	–
Other	(49)	(49)	(49)
Labor	(145)	(145)	(145)
Volume	177	177	177
Price	–	–	–
Other	32	32	32
Other COGS	209	209	209
COGS Actual	\$ 9,440	\$ 9,440	\$ 9,440

Management Discussion - MTD

- **Material COGS:** Decrease of \$292K due to lower volume impact of \$468K (Sales volumes (lbs) lower by 3.5%) and unfavorable variances due to: (i) unfavorable inventory reserve adjustment at Everett for ATI inventory of \$107K; and (ii) unfavorable PPV adjustments at ECS and Terrebonne of \$69K
- **Labor COGS:** Lower costs due to volume impact and headcount reduction initiatives implemented and labor efficiency improvements generating higher output per labor hour at Laval, Terrebonne and ECS of \$110K and a favorable F/X impact of \$37K; partially offset by higher overtime at Woodbridge to support additional tooling activities
- **Other COGS:** Increase of \$209K due to a unfavorable absorption impact of \$177K as a result of lower sales and lower production than Plan and higher overhead spending of \$32K (ie. Maintenance costs at Laval, Everett and ECS)

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	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Material																			
Material costs at standard	\$ 5,265	\$ 5,980	\$ 6,848	\$ 7,938	\$ 8,290	\$ 8,447	\$ 7,988	\$ 8,815	\$ 7,674	\$ 8,402	\$ 7,886	\$ 4,585	\$ 88,116	\$ 88,508	\$ (392)	(0.4%)	\$ 83,943	\$ 4,174	5.0%
Materials FX loss / (gain)	0	0	(0)	(0)	0	(0)	0	0	0	0	—	—	0	0	0	28.6%	0	(0)	(20.5%)
Purchase price variance	168	91	176	163	212	399	374	347	334	336	225	115	2,939	2,816	123	4.4%	(384)	3,323	(865.9%)
Supplier resin rebate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Freight In	47	50	52	56	60	59	56	63	55	60	57	45	659	663	(4)	(0.6%)	680	(21)	(3.1%)
Scrap costs	(355)	(401)	(353)	(426)	(440)	(411)	(472)	(479)	(399)	(453)	(439)	(260)	(4,888)	(4,885)	(2)	0.0%	(2,101)	(2,787)	132.6%
Consumables	78	94	100	106	113	114	108	118	104	113	107	81	1,236	1,253	(17)	(1.4%)	1,159	78	6.7%
Total Material COGS	\$ 5,204	\$ 5,815	\$ 6,823	\$ 7,836	\$ 8,236	\$ 8,608	\$ 8,053	\$ 8,864	\$ 7,768	\$ 8,457	\$ 7,836	\$ 4,565	\$ 88,064	\$ 88,355	\$ (292)	(0.3%)	\$ 83,297	\$ 4,766	5.7%
Labor																			
Direct labor	\$ 927	\$ 1,018	\$ 1,124	\$ 1,200	\$ 1,231	\$ 1,213	\$ 1,272	\$ 1,234	\$ 1,139	\$ 1,188	\$ 1,141	\$ 1,030	\$ 13,718	\$ 13,870	\$ (152)	(1.1%)	\$ 13,874	\$ (156)	(1.1%)
Direct labor - bonus	51	51	51	51	51	51	51	51	51	51	51	51	617	618	(1)	(0.1%)	79	538	676.5%
Direct labor - overtime	70	56	69	103	111	102	123	125	115	124	107	68	1,174	1,163	10	0.9%	1,594	(420)	(26.4%)
Direct labor - benefits	290	254	270	278	285	274	286	283	277	281	268	238	3,283	3,262	21	0.6%	3,366	(83)	(2.5%)
Direct labor - wcb benefits	18	20	21	23	23	22	24	23	23	24	23	19	262	265	(4)	(1.5%)	321	(60)	(18.6%)
Direct labor - other	0	1	1	1	1	0	1	1	1	1	1	1	8	9	(0)	(2.5%)	(1)	10	(815.3%)
Indirect labor	1,520	1,404	1,505	1,551	1,595	1,514	1,613	1,588	1,540	1,605	1,545	1,448	18,429	18,438	(9)	(0.0%)	19,031	(602)	(3.2%)
Indirect labor – bonus	51	51	51	51	51	51	51	51	51	51	51	51	617	618	(1)	(0.1%)	79	538	676.5%
Sub-contractor costs	—	9	10	11	11	12	12	13	10	11	11	7	118	127	(9)	(7.2%)	159	(41)	(25.9%)
Total Labor COGS	\$ 2,927	\$ 2,865	\$ 3,103	\$ 3,269	\$ 3,359	\$ 3,241	\$ 3,433	\$ 3,370	\$ 3,208	\$ 3,337	\$ 3,197	\$ 2,915	\$ 38,226	\$ 38,371	\$ (145)	(0.4%)	\$ 38,503	\$ (277)	(0.7%)
Other																			
Repairs and maintenance	\$ 115	\$ 65	\$ 84	\$ 59	\$ 83	\$ 87	\$ 77	\$ 103	\$ 74	\$ 109	\$ 104	\$ 128	\$ 1,088	\$ 1,037	\$ 51	5.0%	\$ 1,222	\$ (134)	(11.0%)
Absorption	(234)	(408)	(245)	(22)	54	44	(140)	67	8	122	(4)	(24)	(784)	(1,049)	266	(25.3%)	(622)	(161)	25.9%
Freight out	625	697	759	818	872	863	834	893	814	863	780	543	9,360	9,368	(7)	(0.1%)	9,709	(349)	(3.6%)
Rent / facilities	125	143	179	141	115	117	117	157	185	139	138	205	1,760	1,840	(79)	(4.3%)	1,511	250	16.5%
Utilities	479	528	544	560	587	573	580	587	573	584	559	512	6,667	6,711	(44)	(0.7%)	6,579	88	1.3%
Other cost of sales	199	207	186	189	206	209	202	223	192	197	204	162	2,377	2,355	22	0.9%	2,409	(32)	(1.3%)
Total Other COGS	\$ 1,309	\$ 1,233	\$ 1,506	\$ 1,745	\$ 1,917	\$ 1,893	\$ 1,670	\$ 2,029	\$ 1,846	\$ 2,013	\$ 1,780	\$ 1,527	\$ 20,469	\$ 20,261	\$ 209	1.0%	\$ 20,808	\$ (339)	(1.6%)

Management Discussion

Material COGS: Decrease of \$292K due to lower volume impact of \$468K (Sales volumes (lbs) lower by 3.5%) and unfavorable variances due to: (i) unfavorable inventory reserve adjustment at Everett for ATI inventory of \$107K; and (ii) unfavorable PPV adjustments at ECS and Terrebonne of \$69K

Labor COGS: Lower costs due to volume impact and headcount reduction initiatives implemented and labor efficiency improvements generating higher output per labor hour at Laval, Terrebonne and ECS of \$110K and a favorable F/X impact of \$37K; partially offset by higher overtime at Woodbridge to support additional tooling activities

Other COGS: Increase of \$209K due to a unfavorable absorption impact of \$177K as a result of lower sales and lower production than Plan and higher overhead spending of \$32K (ie. Maintenance costs at Laval, Everett and ECS)

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	Fcst	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	12,116	13,339	15,256	15,980	17,205	15,761	16,300	15,023	14,884	13,340	10,358	10,358	8,870	1,489	16.8%
<i>Accounts receivable, reserves</i>	(393)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(363)	(316)	86.9%
Accounts receivable, net	8,701	11,437	12,660	14,577	15,301	16,527	15,082	15,621	14,345	14,205	12,661	9,680	9,680	8,507	1,173	13.8%
<i>Inventory, gross</i>	34,588	34,855	34,592	34,813	34,833	34,348	34,769	34,512	34,558	32,874	32,508	32,705	32,705	31,776	929	2.9%
<i>Inventory, reserves</i>	(1,497)	(1,662)	(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	33,193	32,910	33,108	33,136	32,661	33,120	32,852	32,884	31,178	30,806	30,999	30,999	30,309	690	2.3%
Prepaid expenses and other current assets	3,145	3,037	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	663	837	837	796	854	857	1,050	1,525	1,771	1,829	682	682	901	(218)	(24.2%)
Total Current Assets	45,702	48,332	49,696	52,568	53,050	53,707	52,689	52,862	51,972	50,504	48,409	44,196	44,196	42,658	1,538	3.6%
Non-Current Assets																
<i>Property, plant & equipment, gross</i>	66,687	68,144	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)	(18,255)	(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	49,889	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	532	518	504	491	477	463	450	436	422	408	395	395	548	(153)	(27.9%)
Deferred tax asset	1,353	1,367	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	3,022	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	54,809	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	\$ 103,142	\$ 104,543	\$ 107,989	\$ 108,940	\$ 109,684	\$ 108,589	\$ 108,619	\$ 107,530	\$ 105,835	\$ 103,486	\$ 99,022	\$ 99,022	\$ 94,479	\$ 4,543	4.8%
Current Liabilities																
Bank Debt	\$ 14,340	\$ 19,982	\$ 17,869	\$ 21,999	\$ 21,733	\$ 21,301	\$ 20,491	\$ 20,550	\$ 18,324	\$ 17,938	\$ 14,765	\$ 13,778	\$ 13,778	\$ 10,222	\$ 3,556	34.8%
Current Portion - Long Term Debt	1,678	1,800	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	10,265	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	3,489	3,817	4,002	3,798	3,824	3,699	3,689	3,439	3,366	3,189	2,808	2,808	3,092	(284)	(9.2%)
Accrued compensation	2,492	3,117	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	785	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)	(100.0%)
Other current liabilities	101	128	117	143	141	139	137	139	127	128	111	107	107	97	11	11.0%
Total Current Liabilities	36,148	39,567	41,777	45,517	46,529	47,051	46,060	45,766	44,690	43,078	40,950	37,980	37,980	32,220	5,760	17.9%
Long-term liabilities																
Long-term debt less current maturities	12,248	11,860	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	7,785	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	1,428	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	21,073	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	60,640	62,700	66,306	67,184	67,572	66,447	66,018	64,808	63,054	60,788	57,679	57,679	53,332	4,347	8.2%
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	30,421	29,762	29,602	29,676	30,032	30,062	30,521	30,641	30,701	30,619	29,263	29,263	29,570	(307)	(1.0%)
Accumulated other comprehensive income	(738)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(1,033)	503	(48.7%)
Total Shareholders' Equity	40,556	42,502	41,842	41,682	41,756	42,112	42,142	42,601	42,722	42,781	42,699	41,343	41,343	41,147	196	0.5%
Total Liabilities and Shareholders' Equity	\$ 98,222	\$ 103,142	\$ 104,543	\$ 107,989	\$ 108,940	\$ 109,684	\$ 108,589	\$ 108,619	\$ 107,530	\$ 105,835	\$ 103,486	\$ 99,022	\$ 99,022	\$ 94,479	\$ 4,543	4.8%

Balance Sheet – Year on Year Comparison

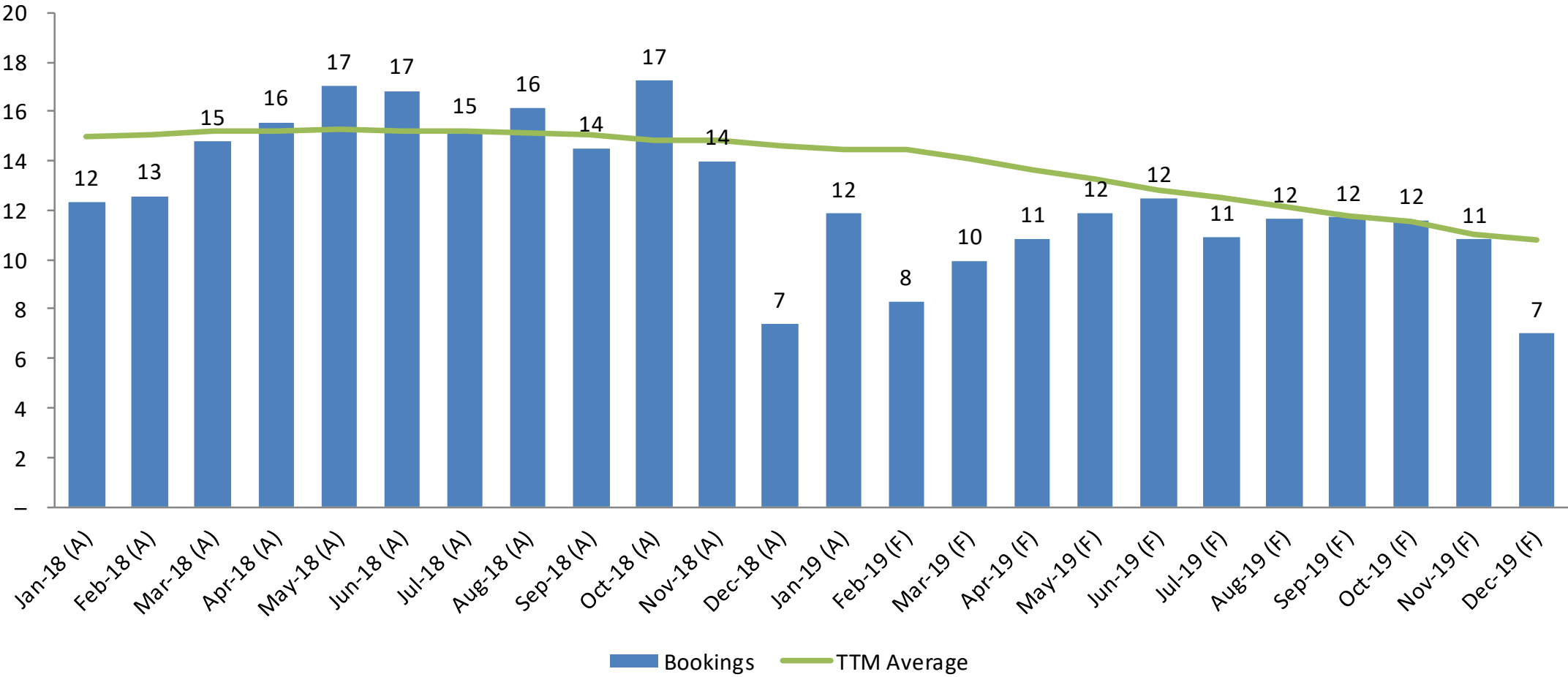
\$'000	YTD		Variance	
	CY	PY	\$	%
<u>Current Assets</u>				
Cash and cash equivalents	\$ 3	\$ 0	\$ 3	664.4%
Short term investments	–	–	–	N/A
<i>Accounts receivable, gross</i>	9,094	12,931	(3,837)	(29.7%)
<i>Accounts receivable, reserves</i>	(393)	(828)	435	(52.6%)
Accounts receivable, net	8,701	12,103	(3,402)	(28.1%)
<i>Inventory, gross</i>	34,588	33,749	839	2.5%
<i>Inventory, reserves</i>	(1,497)	(1,816)	320	(17.6%)
Inventory, net	33,091	31,933	1,158	3.6%
Prepaid expenses and other current assets	3,145	3,173	(27)	(0.9%)
Other current assets	761	857	(97)	(11.3%)
Total Current Assets	45,702	48,067	(2,365)	(4.9%)
<u>Non-Current Assets</u>				
<i>Property, plant & equipment, gross</i>	66,687	59,161	7,526	12.7%
<i>Accumulated depreciation</i>	(18,755)	(11,447)	(7,308)	63.8%
Property, plant & equipment, net	47,932	47,715	217	0.5%
Deferred financing cost	546	525	21	4.0%
Deferred tax asset	1,353	1,423	(70)	(4.9%)
Other non-current assets	2,688	2,812	(124)	(4.4%)
Total Non-Current Assets	52,520	52,475	45	0.1%
Total Assets	\$ 98,222	\$ 100,541	\$ (2,320)	(2.3%)
<u>Current Liabilities</u>				
Bank Debt	\$ 14,340	\$ 7,865	\$ 6,475	82.3%
Current Portion - Long Term Debt	1,678	1,388	290	20.9%
Accounts payable	11,725	12,994	(1,268)	(9.8%)
Accrued liabilities	3,786	3,493	293	8.4%
Accrued compensation	2,492	4,002	(1,510)	(37.7%)
Income taxes payable	725	(9)	735	(8054.8%)
Contingent consideration	1,301	1,328	(27)	(2.1%)
Other current liabilities	101	44	57	129.3%
Total Current Liabilities	36,148	31,104	5,044	16.2%
<u>Long-term liabilities</u>				
Long-term debt less current maturities	12,248	13,530	(1,282)	(9.5%)
Deferred income taxes	7,745	8,800	(1,055)	(12.0%)
Other non-current liabilities	1,525	1,405	120	8.5%
Total Long-Term Liabilities	21,518	23,735	(2,217)	(9.3%)
Total Liabilities	57,666	54,839	2,827	5.2%
Commitments and contingencies	–	–	–	N/A
<u>Shareholders' Equity</u>				
Common stock	12,610	12,610	–	0.0%
Retained earnings	28,684	33,012	(4,328)	(13.1%)
Accumulated other comprehensive income	(738)	81	(819)	(1015.6%)
Total Shareholders' Equity	40,556	45,702	(5,147)	(11.3%)
Total Liabilities and Shareholders' Equity	\$ 98,222	\$ 100,541	\$ (2,320)	(2.3%)

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	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Cash flow from operations																			
Net Income (Loss)	\$ (886)	\$ (995)	\$ (659)	\$ (160)	\$ 74	\$ 356	\$ 30	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (3,040)	\$ (3,300)	\$ 260	(7.9%)	\$ (3,820)	\$ 780	(20.4%)
Depreciation, amortization and other	708	713	724	736	745	759	771	781	793	796	799	803	9,127	9,128	(1)	(0.0%)	7,801	1,325	17.0%
Non-cash loss/expense (gain)	(136)	550	65	(359)	(265)	105	(196)	(139)	(95)	(173)	(145)	(151)	(939)	(307)	(632)	206.0%	374	(1,313)	(351.2%)
Deferred income tax	108	40	—	—	—	—	—	—	—	—	—	—	148	148	—	0.0%	(1,301)	1,449	(111.4%)
Change in operating assets and liabilities:																N/A			
Accounts receivable	(195)	(2,736)	(1,223)	(1,917)	(724)	(1,226)	1,445	(539)	1,277	140	1,544	2,981	(1,173)	(1,173)	—	0.0%	3,340	(4,512)	(135.1%)
Inventory	(2,782)	(102)	283	(198)	(28)	475	(459)	267	(32)	1,707	371	(193)	(690)	(690)	—	0.0%	(594)	(96)	16.2%
Prepaid expenses and other current assets	(64)	207	(424)	(757)	270	93	32	99	(355)	(378)	179	1,425	328	328	—	0.0%	456	(128)	(28.1%)
Accounts payable	(984)	(1,460)	3,969	(620)	1,135	485	(752)	(447)	815	(1,542)	1,148	(1,829)	(82)	(82)	—	0.0%	(379)	296	(78.3%)
Accrued expenses	665	328	194	666	(51)	235	352	(118)	140	146	(201)	(12)	2,344	2,344	—	0.0%	(2,567)	4,911	(191.3%)
Accrued income taxes	76	60	172	(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	(1,273)	(11)	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)	\$ (4,667)	\$ 3,089	\$ (3,046)	\$ 1,350	\$ 1,516	\$ 1,442	\$ 574	\$ 2,859	\$ 925	\$ 3,712	\$ 1,526	\$ 5,792	\$ 6,166	\$ (374)	(6.1%)	\$ 4,126	\$ 1,666	40.4%
Cash flow from investing																			
Additions to property, plant and equipment	\$ (489)	\$ (834)	\$ (834)	\$ (943)	\$ (943)	\$ (943)	\$ (492)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (7,655)	\$ (8,000)	\$ 345	(4.3%)	\$ (10,215)	\$ 2,560	(25.1%)
Earnout payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Other cash flow from investing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Total Cash Flow from Investing	\$ (489)	\$ (834)	\$ (834)	\$ (943)	\$ (943)	\$ (943)	\$ (492)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (7,655)	\$ (8,000)	\$ 345	(4.3%)	\$ (10,215)	\$ 2,560	(25.1%)
Cash flow from financing																			
Proceeds from the issuance (repayment) of short-term debt	\$ 4,118	\$ 5,642	\$ (2,113)	\$ 4,130	\$ (265)	\$ (432)	\$ (810)	\$ 59	\$ (2,226)	\$ (386)	\$ (3,173)	\$ (987)	\$ 3,556	\$ 3,556	\$ -	0.0%	\$ 6,282	\$ (2,726)	(43.4%)
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)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(1,690)	(1,719)	29	(1.7%)	(1,400)	(291)	20.8%
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	\$ 5,501	\$ (2,254)	\$ 3,989	\$ (407)	\$ (573)	\$ (951)	\$ (82)	\$ (2,367)	\$ (527)	\$ (3,314)	\$ (1,128)	\$ 1,865	\$ 1,837	\$ 29	1.6%	\$ 6,089	\$ (4,224)	(69.4%)
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	(1064.1%)
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	(1064.1%)
Ending cash	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ (0)	(0.0%)	\$ (0)	\$ 3	(565918.7%)

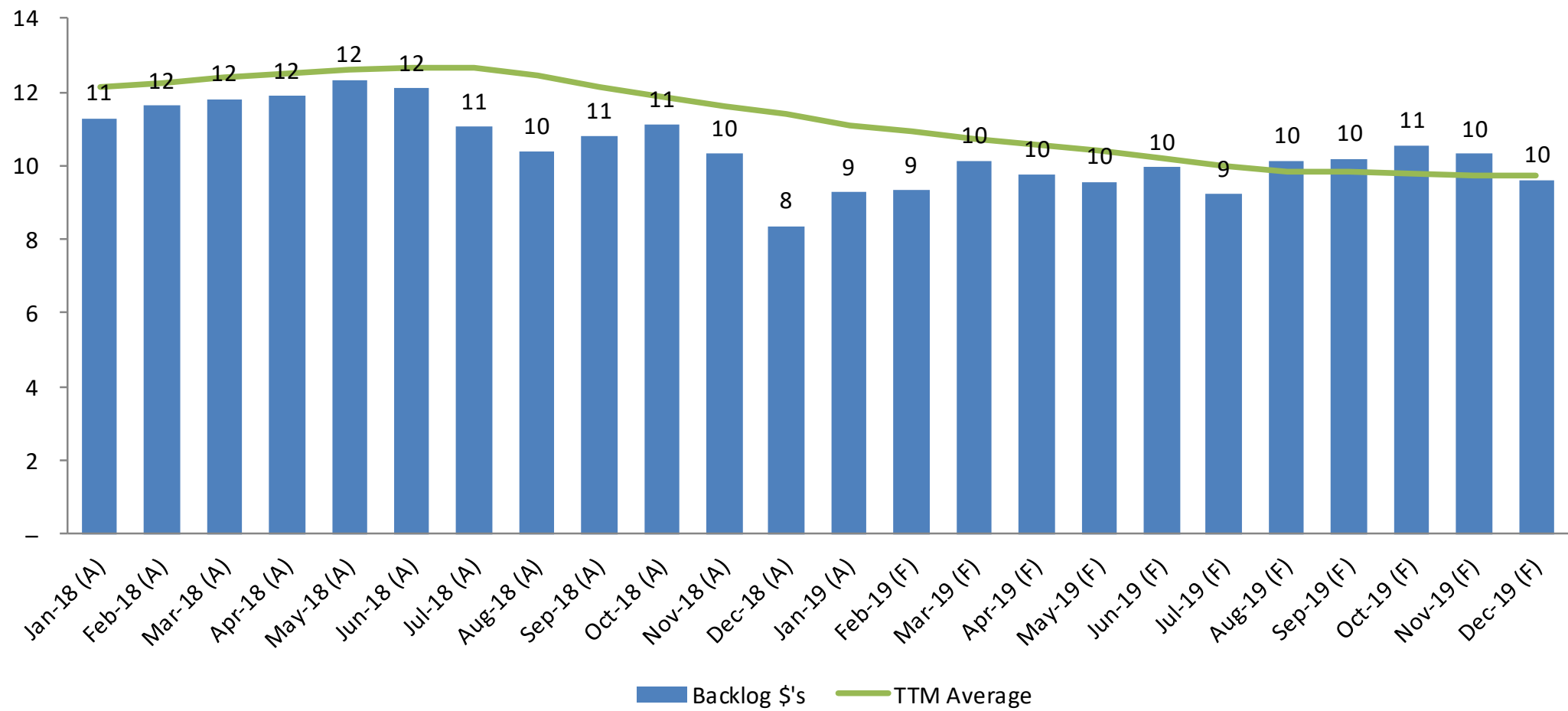
Trended Monthly Bookings

\$ in millions



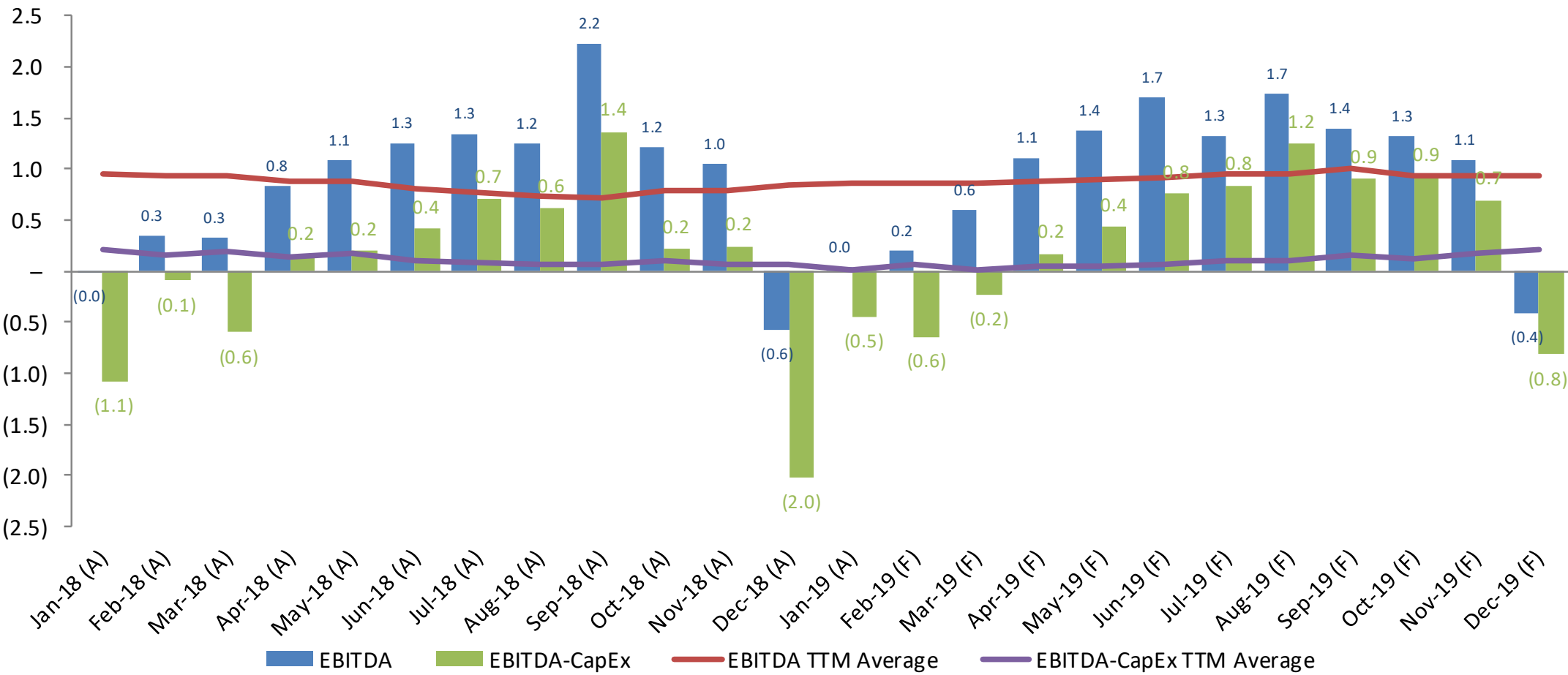
Trended Monthly Backlog

\$ in millions



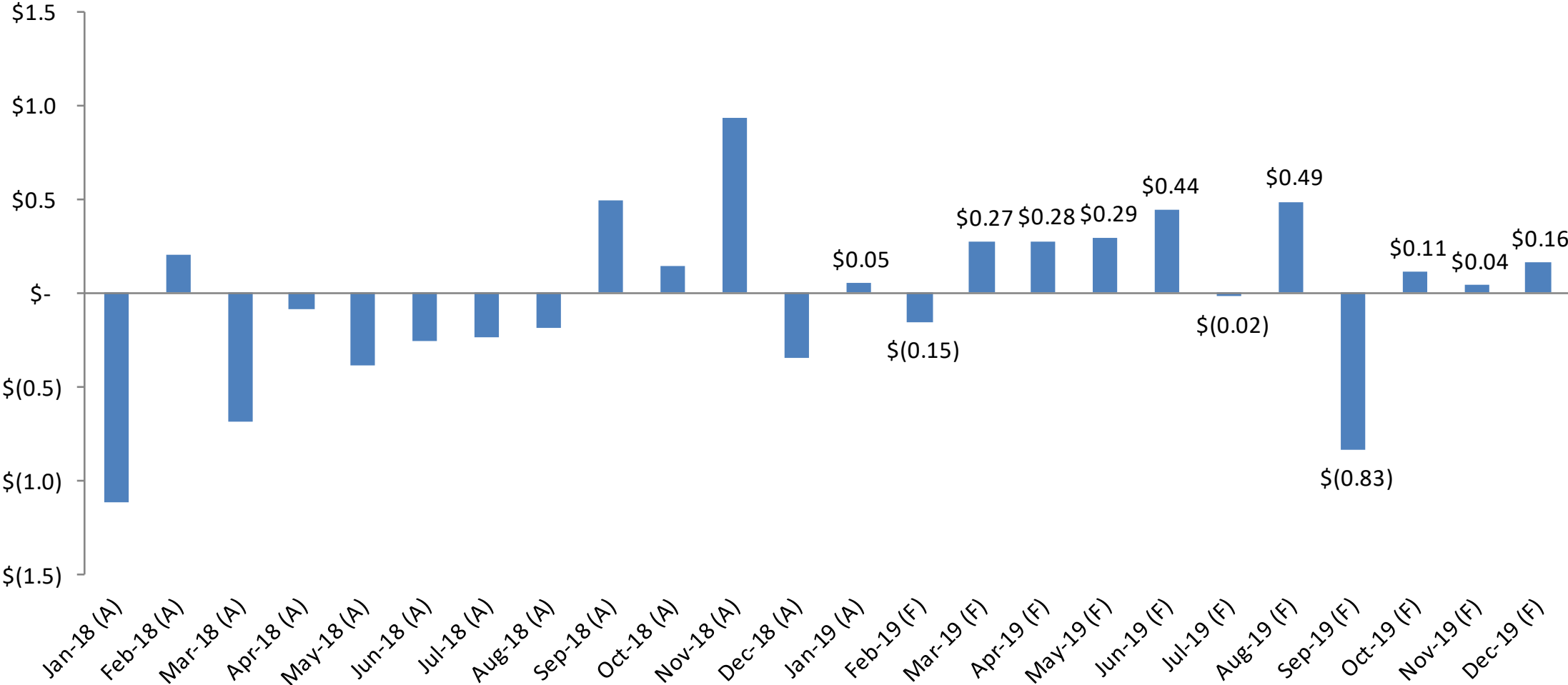
EBITDA and EBITDA-CapEx

\$ in millions



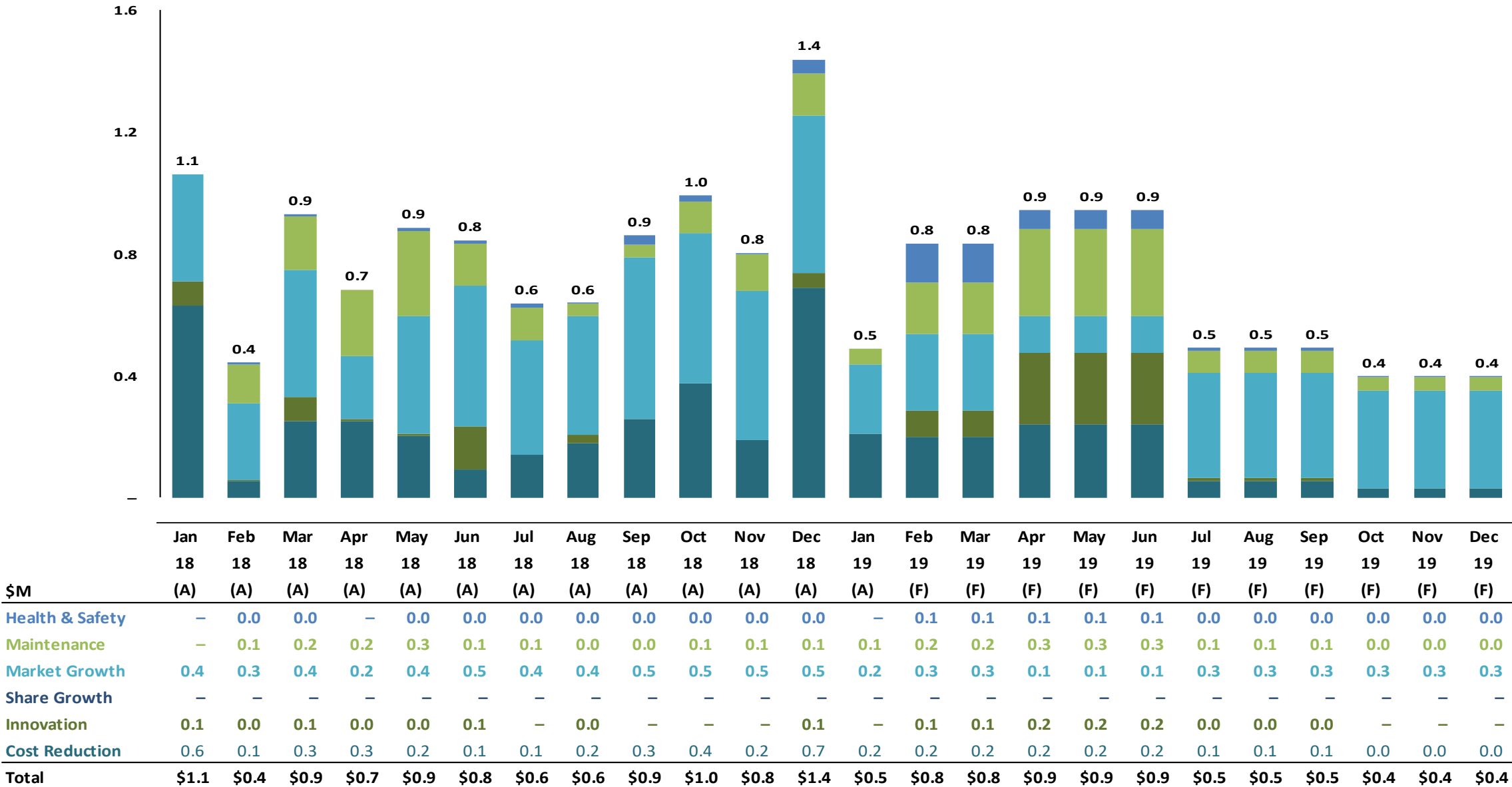
Y-o-Y \$ EBITDA Change

\$ 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	28	59	–	694	24	718	780	(62)
2019 February (F)	353	163	88	37	15	29	59	–	744	58	802	802	–
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

- Lower Direct Labor and Temporary labor due to lower production volumes and labor efficiency improvements at Laval, Terrebonne and ECS
- Terrebonne Patio Door – Layoff of about 11 hourly employees

Headcount Hires and Attrition

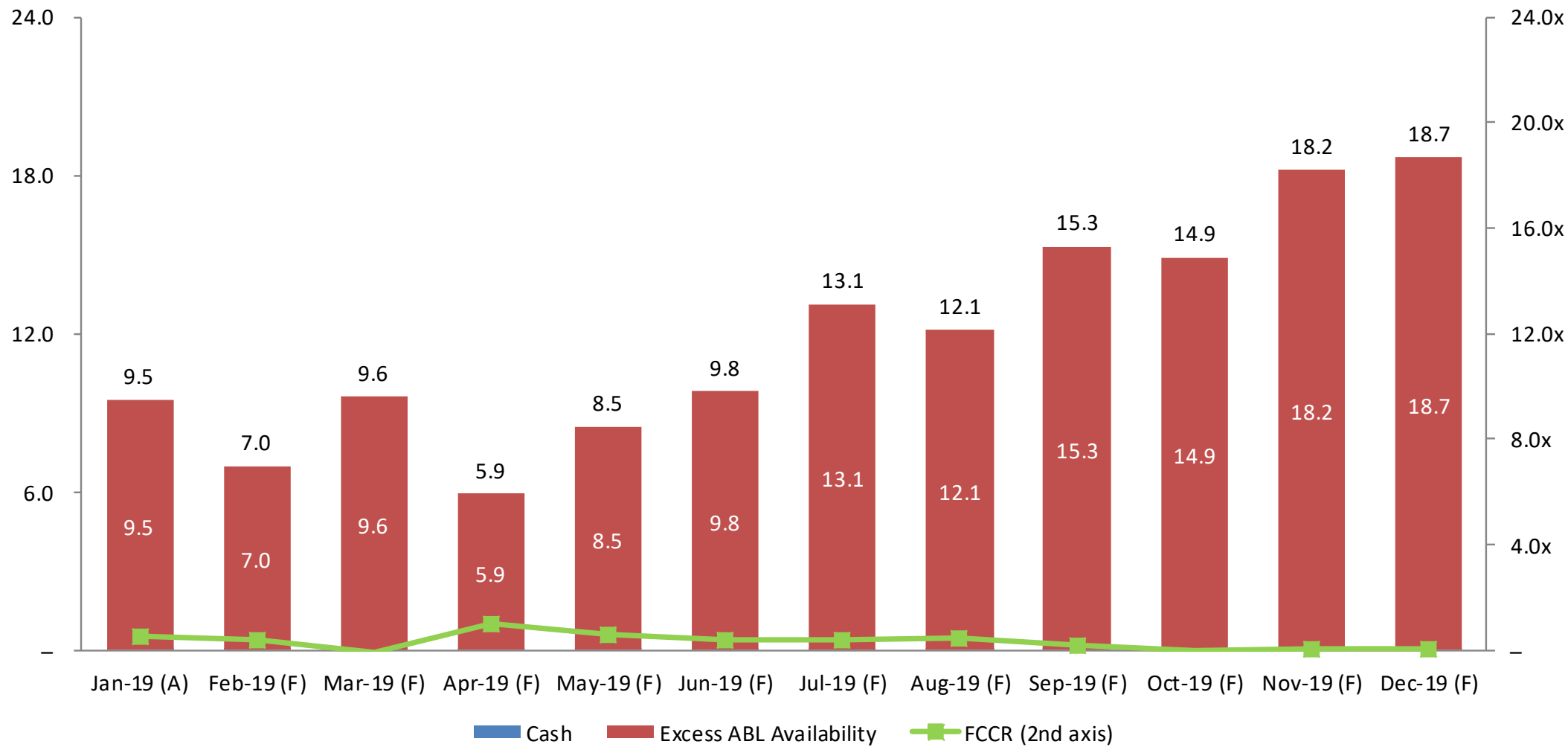
Functional Area	Start of Month	Hires	Transfers	Involuntary		End of Month	Rfc Headcount	Difference to Rfc
				Term	Voluntary Term			
Direct Labor	337	7	(15)	(2)	(3)	324	353	29
Indirect Labor - Hourly	154	4	–	(3)	(1)	154	161	7
Indirect Labor - Salary	83	–	–	(1)	(1)	81	88	7
Delivery & Dist.	36	–	–	(1)	–	35	37	2
Research & Development	14	–	–	–	(1)	13	15	2
Sales & Marketing	27	–	2	(1)	–	28	29	1
Administrative	59	1	(1)	–	–	59	59	(0)
Other	-	–	–	–	–	-	-	-
Agency FTE & Temps	27	4	–	(5)	(2)	24	38	14
Total	737	16	(14)	(13)	(8)	718	780	62

Management Discussion

- Laval – Resignation of Renaud Desrosiers (R&D)
- Terrebonne Patio Door – Layoff of about 11 hourly employees
- Head Office G&A – Hiring of Supply Chain Manager (Mohamed Benguella)
- Delmont – 10 new hourly hires but offset by some terminations; addition of 3 employees in total

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)	2,601	2,700	(99)	(3.7%)	2,601	2,700	(99)	(3.7%)
Units Shipped ('000)	2,246	2,500	(254)	(10.2%)	2,246	2,500	(254)	(10.2%)
Bookings (\$'000)	\$ 2,821	\$ –	\$ 2,821	N/A	\$ 2,821	\$ –	\$ 2,821	N/A
Backlog ('\$000)	\$ 2,170	\$ –	\$ 2,170	N/A	\$ 2,170	\$ –	\$ 2,170	N/A
Gross Revenue	\$ 3,193	\$ 3,469	\$ (276)	(8.0%)	\$ 3,193	\$ 3,469	\$ (276)	(8.0%)
Adj. to Gross Revenue	(234)	(161)	(73)	45.2%	(234)	(161)	(73)	45.2%
Net Revenue	2,960	3,308	(349)	(10.5%)	2,960	3,308	(349)	(10.5%)
Material	1,863	2,053	(190)	(9.3%)	1,863	2,053	(190)	(9.3%)
Labor	787	763	24	3.2%	787	763	24	3.2%
Other COGS	32	98	(66)	(67.0%)	32	98	(66)	(67.0%)
Total COGS	2,682	2,914	(232)	(8.0%)	2,682	2,914	(232)	(8.0%)
Gross Margin	277	394	(117)	(29.6%)	277	394	(117)	(29.6%)
Gross Margin %	9.4%	11.9%			9.4%	11.9%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	15	23	(8)	(34.0%)	15	23	(8)	(34.0%)
Administrative	323	324	(1)	(0.3%)	323	324	(1)	(0.3%)
Other Opex	18	(16)	34	(208.1%)	18	(16)	34	(208.1%)
Total Opex	356	331	25	7.6%	356	331	25	7.6%
EBITDA	(79)	63	(142)	(224.2%)	(79)	63	(142)	(224.2%)
EBITDA %	(2.7%)	1.9%			(2.7%)	1.9%		
Net Income (Loss)	\$ (300)	\$ (164)	\$ (136)	82.5%	\$ (300)	\$ (164)	\$ (136)	82.5%
Capex	\$ (121)	\$ (220)	\$ 99	(45.1%)	\$ (121)	\$ (220)	\$ 99	(45.1%)
Opex Overview:								
Payroll	\$ 61	\$ 58	\$ 2	3.7%	\$ 61	\$ 58	\$ 2	3.7%
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	4	10	(6)	(63.0%)	4	10	(6)	(63.0%)
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)	(7.5%)	3	3	(0)	(7.5%)
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, and	4	2	2	139.7%	4	2	2	139.7%
Corporate OH Fees	267	272	(5)	(2.0%)	267	272	(5)	(2.0%)
Bad Debts	(0)	(0)	0	(57.8%)	(0)	(0)	0	(57.8%)
FX	23	–	23	N/A	23	–	23	N/A
JV Loss (Income)	(5)	(16)	11	(69.0%)	(5)	(16)	11	(69.0%)
Other Expenses	–	2	(2)	(100.0%)	–	2	(2)	(100.0%)
Total Opex	\$ 356	\$ 331	\$ 25	7.6%	\$ 356	\$ 331	\$ 25	7.6%

Management Discussion

Net Revenue – Jan-19: (-\$349K):

- Sales volume down 10.2% or \$336k due to decreased demand from All Weather, Quaker, Dashwood, Windsor and Oran; offset by higher than expected levels with ATIS, Vinyl-Pro and Affiliates.
- Unfavorable return of products \$47k primarily due to: \$30k PGT (4930 cracking), \$8k Quaker and \$8k Dashwood (bowing)
- Unfavorable rebates/accruals \$42k primarily due to increased sales volumes with ATIS \$33k and rebate correction for Vinyl-Pro \$21k.
- Favorable product/customer mix of \$126k
- Unfavorable F/X of \$50k (actual rate of 1.3301 [or \$USD 0.7518] vs. 1.30 [or \$USD 0.7692])

EBITDA – Jan-19: (-\$142K):

- Material COGS:** Decreased costs by \$190k driven by lower sales volumes \$209k and increased regrind/alt material usage \$69k; offset by increased finished goods scrap \$50k (PGT \$18k (cracking/dark cap issues, AWW \$11k Wavy Nail Fin, \$11k Dashwood Bowing, \$12k Windsor) and lower yields \$33K (startup, new tooling launches, contaminated regrind & alt material trials)
- Labor COGS:** Increased costs by \$24k driven by inefficiencies due to start-up and additional overtime to support tooling activities
- Other COGS:** Decreased costs by \$66k driven by JV overhead recovery of \$67k (4 additional line charges), Tooling Recovery \$21k, lower utilities & maintenance expenses \$28k; offset by; freight increases \$27k (increased volumes to PGT), absorption \$15k (lower prod volumes), and \$8k trailer storage
- Sales and Marketing:** Decreased costs by \$8k due to lower royalties.
- Administrative:** In line with budget
- Other Opex:** Increased costs by \$34k driven by \$11k decreased JV equity income and unfavorable impact from \$23k F/X revaluation of working capital balances.

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	Bud	BP	%	Act	BP	%	Act	Bud	BP	%	Act	BP	%										
Customer:																																						
ROYAL VINYL BILT LIMITED	\$	807	\$	786	\$	21	2.7%	\$	964	\$	(156)	(16.2%)	\$	807	\$	786	\$	21	2.7%	\$	964	\$	(156)	(16.2%)	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		437		564		(127)	(22.5%)		482		(45)	(9.3%)		437		564		(127)	(22.5%)		482		(45)	(9.3%)	11.0%	11.0%	–	0.0%	8.5%	250	29.3%	11.0%	11.0%	–	0.0%	8.5%	250	29.3%
ALL WEATHER WIN. LTD-EDMO		134		467		(333)	(71.4%)		149		(16)	(10.5%)		134		467		(333)	(71.4%)		149		(16)	(10.5%)	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		159		97		62	63.5%		136		23	17.0%		159		97		62	63.5%		136		23	17.0%	(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		71		0		71	36968.3%		0		71	35389.2%		71		0		71	36968.3%		0		71	35389.2%	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		264		353		(89)	(25.1%)		356		(92)	(25.9%)		264		353		(89)	(25.1%)		356		(92)	(25.9%)	23.1%	25.5%	(234)	(9.2%)	22.9%	27	1.2%	23.1%	25.5%	(234)	(9.2%)	21.0%	212	10.1%
DASHWOOD INDUSTRIES LTD.		64		170		(105)	(62.0%)		184		(120)	(65.0%)		64		170		(105)	(62.0%)		184		(120)	(65.0%)	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		176		158		18	11.4%		157		19	12.1%		176		158		18	11.4%		157		19	12.1%	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		124		80		44	54.9%		85		39	46.7%		124		80		44	54.9%		85		39	46.7%	(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		116		48		68	141.3%		150		(34)	(22.8%)		116		48		68	141.3%		150		(34)	(22.8%)	(6.3%)	(6.3%)	–	0.0%	(8.8%)	250	(28.5%)	(6.3%)	(6.3%)	–	0.0%	(8.8%)	250	(28.5%)
PGT INDUSTRIES		105		84		22	26.0%		–		105	N/A		105		84		22	26.0%		–		105	N/A	0.0%	0.0%	–	N/A	#DIV/0!	NA	#DIV/0!	0.0%	0.0%	–	N/A	#DIV/0!	NA	#DIV/0!
VENTANA WINDOWS & DOORS INC		34		65		(31)	(47.9%)		–		34	N/A		34		65		(31)	(47.9%)		–		34	N/A	15.9%	15.9%	–	0.0%	#DIV/0!	NA	#DIV/0!	15.9%	15.9%	–	0.0%	13.4%	250	18.6%
FENESTRA PURCHASING CO-OP - C		40		42		(2)	(3.8%)		51		(11)	(21.9%)		40		42		(2)	(3.8%)		51		(11)	(21.9%)	18.9%	18.9%	–	0.0%	16.4%	250	15.3%	18.9%	18.9%	–	0.0%	16.4%	250	15.3%
FENESTRA PURCHASING CO-OP - S		40		63		(24)	(37.1%)		67		(27)	(40.8%)		40		63		(24)	(37.1%)		67		(27)	(40.8%)	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		43		21		22	103.2%		24		19	78.1%		43		21		22	103.2%		24		19	78.1%	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		–		17		(17)	(100.0%)		20		(20)	(100.0%)		–		17		(17)	(100.0%)		20		(20)	(100.0%)	#DIV/0!	39.6%	–	#VALUE!	37.1%	NA	#VALUE!	#DIV/0!	39.6%	–	#VALUE!	37.1%	NA	#VALUE!
MASON WINDOWS		30		38		(8)	(20.7%)		39		(9)	(23.2%)		30		38		(8)	(20.7%)		39		(9)	(23.2%)	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.		54		63		(9)	(14.8%)		45		9	20.4%		54		63		(9)	(14.8%)		45		9	20.4%	8.0%	8.0%	–	0.0%	8.0%	–	0.0%	8.0%	8.0%	–	0.0%	8.0%	–	0.0%
ORAN LTD.		–		79		(79)	(100.0%)		82		(82)	(100.0%)		–		79		(79)	(100.0%)		82		(82)	(100.0%)	#DIV/0!	8.0%	–	#VALUE!	8.0%	NA	#VALUE!	#DIV/0!	8.0%	–	#VALUE!	8.0%	NA	#VALUE!
INTEGRAL WINDOW SYSTEMS		28		19		9	47.4%		23		5	21.7%		28		19		9	47.4%		23		5	21.7%	7.1%	10.5%	(338)	(32.1%)	6.5%	62	9.5%	7.1%	10.5%	(338)	(32.1%)	(4.3%)	1,144	(266.4%)
Other		467		256		211	82.5%		1,269		(802)	(63.2%)		467		256		211	82.5%		1,269		(802)	(63.2%)	6.3%	3975.2%	(396,885)	(99.8%)	(23.5%)	2,981	(127.0%)	6.3%	3975.2%	(396,885)	(99.8%)	(20.3%)	2,665	(131.2%)
Total Gross	\$	3,193	\$	3,469	\$	(276)	(8.0%)	\$	4,283	\$	(1,090)	(25.4%)	\$	3,193	\$	3,469	\$	(276)	(8.0%)	\$	4,283	\$	(1,090)	(25.4%)	8.7%	11.4%	(268)	(23.6%)	(0.3%)	903	(2584.0%)	8.7%	54.8%	(4,607)	(84.1%)	1.0%	765	741.3%

Management Discussion

Key Performance Indicators - Woodbridge

ENERGI Everett Woodbridge January KPI Report	2019 Targets	Jan-19
Health & Safety		
<i>Recordable Incidents</i>	1	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0.46
Quality Performance		
<i>Customer Complaints - per MLBS</i>	3.2	2.61
<i>Return as % of sales</i>	0.30%	2.11%
Delivery Performance		
<i>% on time in full</i>	95.00%	
<i>% by line items</i>	99.00%	99.56%
Costs		
<i>Yield</i>	85.7%	85%
<i>Alt/Regrind Compound Consumption Ratio</i>	19.9%	17%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$ 0.173
<i>Indirect Labour (incl D&D) \$/lb produced</i>	\$0.176	\$ 0.212
Inventory		
<i>Days - TTM (Trailing 12 Months)</i>	54.1	57

Comments

Safety: no recordables to report, daily walks are re-inforcing and re-calibrating standards

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

Delivery: some delivery constraints with Eclipse due to volume versus tool capacity

Costs: new tooling launches, contaminated regrind, alt material trials

Scrap Sold: none

Full Year Woodbridge P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)	37,181	37,280	(99)	(0.3%)	37,118	63	0.2%	
Units Shipped ('000)	36,976	37,230	(254)	(0.7%)	36,738	238	0.6%	
Bookings (\$'000)	\$ 2,821	\$ –	\$ 2,821	N/A	\$ 50,018	\$ (47,197)	(94.4%)	
Backlog (\$'000)	\$ –	\$ –	\$ –	N/A	\$ 3,634	\$ (3,634)	(100.0%)	
Gross Revenue	\$ 51,191	\$ 51,467	\$ (276)	(0.5%)	\$ 52,687	\$ (1,496)	(2.8%)	
Adj. to Gross Revenue	(3,256)	(3,183)	(73)	2.3%	(2,920)	(336)	11.5%	
Net Revenue	47,935	48,284	(349)	(0.7%)	49,767	(1,832)	(3.7%)	
Material	30,378	30,569	(190)	(0.6%)	32,620	(2,242)	(6.9%)	
Labor	9,984	9,960	24	0.2%	10,973	(989)	(9.0%)	
Other COGS	1,882	1,948	(66)	(3.4%)	1,960	(78)	(4.0%)	
Total COGS	42,245	42,476	(232)	(0.5%)	45,553	(3,308)	(7.3%)	
Gross Margin	5,691	5,807	(117)	(2.0%)	4,214	1,476	35.0%	
Gross Margin %	11.9%	12.0%			8.5%			
R&D	–	–	–	N/A	–	–	N/A	
Sales & Marketing	302	309	(8)	(2.5%)	291	11	3.7%	
Administrative	3,953	3,954	(1)	(0.0%)	4,006	(53)	(1.3%)	
Other Opex	(194)	(228)	34	(14.8%)	(165)	(30)	18.0%	
Total Opex	4,061	4,036	25	0.6%	4,133	(72)	(1.7%)	
EBITDA	1,630	1,772	(142)	(8.0%)	81	1,549	1903.2%	
EBITDA %	3.4%	3.7%			0.2%			
Net Income (Loss)	\$ (1,152)	\$ (1,017)	\$ (136)	13.3%	\$ (2,405)	\$ 1,252	(52.1%)	
Capex	\$ (1,872)	\$ (1,364)	\$ (508)	37.2%	\$ (2,824)	\$ 952	(33.7%)	
Opex Overview:								
Payroll	\$ 731	\$ 729	\$ 2	0.3%	\$ 759	\$ (28)	(3.7%)	
Bonus	–	–	–	N/A	–	–	N/A	
Commissions	–	–	–	N/A	–	–	N/A	
Marketing	113	119	(6)	(5.2%)	115	(2)	(1.4%)	
Benefits	–	–	–	N/A	–	–	N/A	
Travel and entertainment	7	7	(0)	(0.1%)	10	(3)	(29.5%)	
Rent and facilities	–	–	–	N/A	–	–	N/A	
Insurance	49	49	(0)	(0.5%)	47	2	3.9%	
Professional fees	31	31	–	0.0%	36	(5)	(14.4%)	
Utilities, repair, maintenance, and security	29	27	2	9.4%	26	3	12.3%	
Corporate OH Fees	3,276	3,281	(5)	(0.2%)	3,299	(23)	(0.7%)	
Bad Debts	(4)	(5)	0	(4.8%)	(13)	8	(65.4%)	
FX	23	–	23	N/A	(82)	104	(127.6%)	
JV Loss (Income)	(217)	(228)	11	(4.9%)	(83)	(134)	162.2%	
Other Expenses	23	25	(2)	(6.7%)	21	2	11.5%	
Total Opex	\$ 4,061	\$ 4,036	\$ 25	0.6%	\$ 4,136	\$ (75)	(1.8%)	

Key Customers – Full Year Woodbridge

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Fcst	BPs	%	Act	BPs	%		
Customer:																			
ROYAL VINYL BILT LIMITED	\$	11,078	\$	11,057	\$	21	0.2%	\$	10,577	\$	500	4.7%	10.4%	10.4%	(1)	(0.1%)	7.9%	249	31.5%
QUAKER WINDOW PRODUCTS		5,901		6,028		(127)	(2.1%)		5,345		556	10.4%	11.2%	11.0%	13	1.2%	8.5%	263	30.9%
ALL WEATHER WIN. LTD-EDMO		4,981		5,314		(333)	(6.3%)		2,047		2,934	143.3%	20.4%	19.7%	73	3.7%	17.2%	323	18.8%
VINYL BILT WINDOWS & DOORS CC		3,841		3,779		62	1.6%		4,689		(848)	(18.1%)	(17.8%)	(18.0%)	17	(0.9%)	(20.5%)	267	(13.0%)
VINYL PRO WINDOW SYSTEMS		3,658		3,587		71	2.0%		3,893		(235)	(6.0%)	8.1%	8.2%	(9)	(1.1%)	5.7%	241	42.5%
WINDSOR WINDOW CO		3,854		3,942		(89)	(2.2%)		3,960		(107)	(2.7%)	22.4%	22.2%	16	0.7%	19.0%	339	17.9%
DASHWOOD INDUSTRIES LTD.		2,786		2,891		(105)	(3.6%)		2,976		(191)	(6.4%)	18.2%	17.8%	40	2.2%	15.3%	290	18.9%
OSTACO 2000 WINDOORS INC		1,929		1,911		18	0.9%		1,810		119	6.6%	13.8%	13.8%	(8)	(0.5%)	11.3%	242	21.4%
ALLSCO BLDG SUPPLIES LTD		1,624		1,580		44	2.8%		1,520		104	6.8%	(17.7%)	(18.0%)	27	(1.5%)	3.9%	(2,167)	(549.0%)
TERREBONNE		1,265		1,197		68	5.7%		1,510		(244)	(16.2%)	(6.1%)	(6.3%)	18	(2.9%)	(8.8%)	268	(30.5%)
PGT INDUSTRIES		1,136		1,115		22	2.0%		954		182	19.1%	0.0%	0.0%	—	N/A	6.3%	(626)	(100.0%)
VENTANA WINDOWS & DOORS IN		830		861		(31)	(3.6%)		754		76	10.1%	16.2%	15.9%	34	2.1%	13.4%	284	21.2%
FENESTRA PURCHASING CO-OP - C		820		821		(2)	(0.2%)		969		(149)	(15.4%)	18.9%	18.9%	2	0.1%	16.4%	252	15.4%
FENESTRA PURCHASING CO-OP - S		767		791		(24)	(3.0%)		822		(55)	(6.7%)	19.9%	19.6%	34	1.7%	17.1%	284	16.6%
WARDCO WINDOW & DOOR MFG		755		733		22	3.0%		874		(119)	(13.6%)	34.1%	34.7%	(58)	(1.7%)	32.2%	192	6.0%
FENESTRA PURCHASING CO-OP - C		615		633		(17)	(2.7%)		717		(102)	(14.2%)	40.2%	39.6%	64	1.6%	37.1%	314	8.5%
MASON WINDOWS		454		462		(8)	(1.7%)		449		5	1.0%	8.1%	8.0%	8	1.0%	8.0%	8	1.0%
GREAT LAKES WINDOW INC.		390		400		(9)	(2.3%)		364		27	7.4%	8.1%	8.0%	10	1.3%	8.0%	10	1.3%
ORAN LTD.		278		357		(79)	(22.1%)		517		(239)	(46.3%)	9.1%	8.0%	114	14.2%	8.0%	114	14.2%
INTEGRAL WINDOW SYSTEMS		358		349		9	2.6%		649		(291)	(44.8%)	(14.7%)	(15.1%)	39	(2.6%)	(13.7%)	(99)	7.2%
Other		3,871		3,660		211	5.8%		7,288		(3,417)	(46.9%)	30.7%	203.3%	(17,263)	(84.9%)	12.9%	1,772	136.8%
Total Gross	\$	51,191	\$	51,467	\$	(276)	(0.5%)	\$	52,687	\$	(1,496)	(2.8%)	11.3%	11.4%	(7)	(0.6%)	8.0%	329	41.1%

Laval Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,327	1,229	99	8.1%	1,327	1,229	99	8.1%
Units Shipped ('000)	1,085	1,009	76	7.6%	1,085	1,009	76	7.6%
Bookings (\$'000)	\$ 2,125	\$ –	\$ 2,125	N/A	\$ 2,125	\$ –	\$ 2,125	N/A
Backlog (\$'000)	\$ 2,922	\$ –	\$ 2,922	N/A	\$ 2,922	\$ –	\$ 2,922	N/A
Gross Revenue	\$ 1,888	\$ 1,854	\$ 34	1.8%	\$ 1,888	\$ 1,854	\$ 34	1.8%
Adj. to Gross Revenue	(161)	(126)	(35)	27.8%	(161)	(126)	(35)	27.8%
Net Revenue	1,727	1,728	(1)	(0.0%)	1,727	1,728	(1)	(0.0%)
Material	783	827	(44)	(5.4%)	783	827	(44)	(5.4%)
Labor	461	473	(11)	(2.4%)	461	473	(11)	(2.4%)
Other COGS	48	29	20	69.3%	48	29	20	69.3%
Total COGS	1,292	1,328	(36)	(2.7%)	1,292	1,328	(36)	(2.7%)
Gross Margin	435	400	35	8.8%	435	400	35	8.8%
Gross Margin %	25.2%	23.1%			25.2%	23.1%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	138	164	(26)	(15.9%)	138	164	(26)	(15.9%)
Administrative	255	251	3	1.2%	255	251	3	1.2%
Other Opex	(1)	–	(1)	N/A	(1)	–	(1)	N/A
Total Opex	392	415	(23)	(5.7%)	392	415	(23)	(5.7%)
EBITDA	43	(15)	59	(382.7%)	43	(15)	59	(382.7%)
EBITDA %	2.5%	(0.9%)			2.5%	(0.9%)		
Net Income (Loss)	\$ (67)	\$ (126)	\$ 59	(46.8%)	\$ (67)	\$ (126)	\$ 59	(46.8%)
Capex	\$ (372)	\$ (214)	\$ (158)	74.1%	\$ (372)	\$ (214)	\$ (158)	74.1%
Opex Overview:								
Payroll	\$ 114	\$ 113	\$ 0	0.3%	\$ 114	\$ 113	\$ 0	0.3%
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	47	77	(31)	(39.7%)	47	77	(31)	(39.7%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	5	3	2	54.7%	5	3	2	54.7%
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	9	5	4	79.0%	9	5	4	79.0%
Professional fees	7	7	0	6.4%	7	7	0	6.4%
Utilities, repair, maintenance, and	6	4	2	39.7%	6	4	2	39.7%
Corporate OH Fees	176	182	(5)	(2.8%)	176	182	(5)	(2.8%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(1)	–	(1)	N/A	(1)	–	(1)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	30	25	5	21.0%	30	25	5	21.0%
Total Opex	\$ 392	\$ 415	\$ (23)	(5.7%)	\$ 392	\$ 415	\$ (23)	(5.7%)

Management Discussion

Net Revenue – Jan-19: (-\$1K):

- Sales volume up 7.6% or \$131k due to increased volume to ATIS, Solaris and Kento; offset by decreased volume from Schluter, Atlantic Windows and Dalmen.
- Unfavorable rebates of \$31k related to increased volume to ATIS
- Unfavorable mix impact of \$68k primarily driven by decreased volumes to Schluter
- Unfavorable F/X of \$33k (actual rate of 1.3301 [or \$USD 0.7518] vs. 1.30 [or \$USD 0.7692])

EBITDA – Jan-19: +\$59K:

- Material COGS:** Decrease in costs by \$44k driven primarily by product mix (lower volumes to Schluter) \$99k, and improved yields \$7k; offset by increased sales volume by \$62k
- Labor COGS:** Decrease in costs by \$11k driven by stronger output per labor hour due to improved efficiency and product mix.
- Other COGS:** Increase in cost by \$20k driven by increased maintenance/factory costs \$10k (increased mtce activities during shutdown) and tooling costs \$10k (repairs to EDM machine).
- Sales and Marketing:** Decrease in costs of \$26k driven by lower advertising costs.
- Administrative:** In line with budget.
- Other Opex:** In line with budget.

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	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%												
Customer:																																								
SOLARIS QUEBEC P & F INC.	\$	304	\$	224	\$	80	35.7%	\$	238	\$	66	27.8%	\$	304	\$	224	\$	80	35.7%	\$	238	\$	66	27.8%	24.2%	22.3%	188	8.4%	21.0%	319	15.2%	24.2%	22.3%	188	8.4%	21.3%	294	13.8%		
ATLANTIC WINDOWS		150		235		(85)	(36.1%)		233		(83)	(35.6%)		150		235		(85)	(36.1%)		233		(83)	(35.6%)	17.1%	13.6%	344	25.3%	11.2%	590	52.9%	17.1%	13.6%	344	25.3%	11.1%	592	53.2%		
SCHLUTER SYSTEMS L.P.		53		152		(99)	(65.0%)		152		(99)	(65.0%)		53		152		(99)	(65.0%)		152		(99)	(65.0%)	27.7%	29.6%	(192)	(6.5%)	24.3%	335	13.7%	27.7%	29.6%	(192)	(6.5%)	20.1%	763	38.0%		
LAFLAMME PORTES		122		79		43	54.2%		81		41	50.4%		122		79		43	54.2%		81		41	50.4%	(14.5%)	(19.0%)	450	(23.7%)	(17.3%)	280	(16.2%)	(14.5%)	(19.0%)	450	(23.7%)	(16.3%)	178	(11.0%)		
PTES & FEN ISOTHERMIC INC		87		80		7	9.0%		87		0	0.2%		87		80		7	9.0%		87		0	0.2%	22.3%	28.8%	(645)	(22.4%)	26.4%	(413)	(15.6%)	22.3%	28.8%	(645)	(22.4%)	29.0%	(670)	(23.1%)		
PORTES & FENETRES ABRITEK		51		67		(16)	(23.9%)		68		(17)	(25.1%)		51		67		(16)	(23.9%)		68		(17)	(25.1%)	26.8%	31.3%	(453)	(14.5%)	29.4%	(260)	(8.8%)	26.8%	31.3%	(453)	(14.5%)	26.3%	50	1.9%		
ATIS PORTES & FENETRES		162		70		92	131.0%		109		53	48.3%		162		70		92	131.0%		109		53	48.3%	(17.1%)	(25.7%)	862	(33.5%)	(16.5%)	(58)	3.5%	(17.1%)	(25.7%)	862	(33.5%)	(16.9%)	(24)	1.4%		
EXTREME ENTRANCE SYSTEMS		66		94		(28)	(29.6%)		102		(36)	(35.1%)		66		94		(28)	(29.6%)		102		(36)	(35.1%)	14.4%	24.5%	(1,003)	(41.0%)	13.7%	71	5.2%	14.4%	24.5%	(1,003)	(41.0%)	15.8%	(138)	(8.7%)		
FENERGIC INC		78		70		8	11.4%		123		(45)	(36.6%)		78		70		8	11.4%		123		(45)	(36.6%)	15.0%	25.7%	(1,075)	(41.8%)	9.8%	521	53.4%	15.0%	25.7%	(1,075)	(41.8%)	10.5%	449	42.9%		
LES FENETRES CONCEPT.		51		35		16	45.0%		31		20	63.7%		51		35		16	45.0%		31		20	63.7%	14.7%	17.1%	(247)	(14.4%)	16.1%	(145)	(9.0%)	14.7%	17.1%	(247)	(14.4%)	17.6%	(297)	(16.8%)		
P & C EDDY BOULET INC		55		67		(12)	(18.4%)		65		(10)	(15.9%)		55		67		(12)	(18.4%)		65		(10)	(15.9%)	18.1%	6.0%	1,209	202.5%	13.8%	421	30.4%	18.1%	6.0%	1,209	202.5%	15.7%	233	14.8%		
PRODUITS DALMEN PRODUCTS		9		57		(48)	(83.9%)		51		(42)	(82.0%)		9		57		(48)	(83.9%)		51		(42)	(82.0%)	25.2%	15.8%	938	59.4%	11.8%	1,341	114.0%	25.2%	15.8%	938	59.4%	15.3%	985	64.3%		
KENTO WINDOWS & DOORS		47		1		46	4632.0%		1		46	4632.0%		47		1		46	4632.0%		1		46	4632.0%	34.0%	0.0%	3,398	N/A	0.0%	3,398	N/A	34.0%	0.0%	3,398	N/A	37.0%	(306)	(8.3%)		
GENTEK BUILDING PROD. LTD		3		32		(29)	(89.8%)		27		(24)	(88.0%)		3		32		(29)	(89.8%)		27		(24)	(88.0%)	10.0%	12.5%	(247)	(19.8%)	29.6%	(1,960)	(66.2%)	10.0%	12.5%	(247)	(19.8%)	32.6%	(2,258)	(69.3%)		
GOLDEN WINDOWS		42		30		12	39.9%		46		(4)	(8.8%)		42		30		12	39.9%		46		(4)	(8.8%)	(1.9%)	(3.3%)	139	(41.7%)	2.2%	(412)	(189.5%)	(1.9%)	(3.3%)	139	(41.7%)	1.6%	(351)	(224.5%)		
ENTREPRISES DOCO INC.		16		36		(20)	(54.7%)		36		(20)	(54.7%)		16		36		(20)	(54.7%)		36		(20)	(54.7%)	22.4%	22.2%	21	0.9%	(13.9%)	3,632	(261.5%)	22.4%	22.2%	21	0.9%	(5.1%)	2,756	(537.4%)		
FUTURA MANUFACTURIER		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–		#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–		#DIV/0!	68.2%	NA	#VALUE!
G.R. THÉRIAULT		0		–		0	N/A		–		0	N/A		0		–		0	N/A		–		0	N/A	44.5%	#DIV/0!	–		#DIV/0!	#DIV/0!	NA	#DIV/0!	44.5%	#DIV/0!	–		#DIV/0!	0.0%	4,451	N/A
PORTES ET FENETRES LGC		34		7		27	383.7%		47		(13)	(28.0%)		34		7		27	383.7%		47		(13)	(28.0%)	35.6%	57.1%	(2,159)	(37.8%)	0.0%	3,555	N/A	35.6%	57.1%	(2,159)	(37.8%)	20.8%	1,480	71.3%		
LAS ENTERPRISES		49		33		16	49.8%		34		15	45.4%		49		33		16	49.8%		34		15	45.4%	51.3%	51.5%	(19)	(0.4%)	47.1%	427	9.1%	51.3%	51.5%	(19)	(0.4%)	20.2%	3,111	153.9%		
Other		508		485		23	4.8%		629		(121)	(19.2%)		508		485		23	4.8%		629		(121)	(19.2%)	46.4%	35.0%	1,137	32.5%	2.7%	4,368	1615.8%	46.4%	35.0%	1,137	32.5%	3.9%	4,253	1102.8%		
Total Gross	\$	1,888	\$	1,854	\$	34	1.8%	\$	2,160	\$	(272)	(12.6%)	\$	1,888	\$	1,854	\$	34	1.8%	\$	2,160	\$	(272)	(12.6%)	23.0%	21.6%	147	6.8%	17.2%	585	34.0%	23.0%	21.6%	147	6.8%	22.3%	78	3.5%		

Management Discussion

Key Performance Indicators - Laval

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

Comments:

Safety: One recordable incident; worker's lost footing and hurt his chest/ribs while trying to shovel scrap material.

Inventory: stronger sales than anticipated reducing number of days

Full Year Laval P&L Summary

	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Fcst	\$	%
Units Produced ('000)	19,137	19,038	99	0.5%	19,947	(810)	(4.1%)
Units Shipped ('000)	19,191	19,115	76	0.4%	19,803	(611)	(3.1%)
Bookings (\$'000)	\$ 32,971	\$ —	\$ 32,971	N/A	\$ 36,193	\$ (3,222)	(8.9%)
Backlog ('\$000)	\$ 1,897	\$ —	\$ 1,897	N/A	\$ 2,942	\$ (1,045)	(35.5%)
Gross Revenue	\$ 35,313	\$ 35,279	\$ 34	0.1%	\$ 37,211	\$ (1,898)	(5.1%)
Adj. to Gross Revenue	(2,859)	(2,824)	(35)	1.2%	(3,256)	397	(12.2%)
Net Revenue	32,454	32,455	(1)	(0.0%)	33,956	(1,501)	(4.4%)
Material	15,166	15,210	(44)	(0.3%)	16,229	(1,063)	(6.5%)
Labor	6,237	6,249	(11)	(0.2%)	6,587	(350)	(5.3%)
Other COGS	2,094	2,074	20	1.0%	2,233	(139)	(6.2%)
Total COGS	23,497	23,533	(36)	(0.2%)	25,049	(1,552)	(6.2%)
Gross Margin	8,957	8,922	35	0.4%	8,907	50	0.6%
<i>Gross Margin %</i>	<i>27.6%</i>	<i>27.5%</i>			<i>26.2%</i>		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	1,827	1,853	(26)	(1.4%)	2,003	(175)	(8.8%)
Administrative	3,033	3,030	3	0.1%	3,071	(38)	(1.2%)
Other Opex	(1)	—	(1)	N/A	17	(17)	(103.8%)
Total Opex	4,859	4,883	(23)	(0.5%)	5,090	(231)	(4.5%)
EBITDA	4,098	4,039	59	1.5%	3,816	281	7.4%
<i>EBITDA %</i>	<i>12.6%</i>	<i>12.4%</i>			<i>11.2%</i>		
Net Income (Loss)	\$ 2,589	\$ 2,530	\$ 59	2.3%	\$ 2,573	\$ 17	0.7%
Capex	\$ (1,790)	\$ (1,581)	\$ (209)	13.2%	\$ (1,443)	\$ (347)	24.0%
<u>Opex Overview:</u>							
Payroll	\$ 1,378	\$ 1,377	\$ 0	0.0%	\$ 1,449	\$ (71)	(4.9%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	769	799	(31)	(3.8%)	819	(50)	(6.2%)
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	33	31	2	5.2%	44	(11)	(25.8%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	61	57	4	6.6%	51	10	19.2%
Professional fees	79	78	0	0.5%	95	(16)	(17.2%)
Utilities, repair, maintenance, and security	66	64	2	2.4%	71	(5)	(6.8%)
Corporate OH Fees	2,173	2,178	(5)	(0.2%)	2,180	(6)	(0.3%)
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)
FX	(1)	—	(1)	N/A	17	(17)	(103.8%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	302	297	5	1.8%	365	(63)	(17.3%)
Total Opex	\$ 4,859	\$ 4,883	\$ (23)	(0.5%)	\$ 5,093	\$ (234)	(4.6%)

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.	\$	4,155	\$	4,075	\$	80	2.0%	\$	4,262	\$	(107)	(2.5%)	23.9%	23.7%	15	0.6%	22.9%	95	4.1%
ATLANTIC WINDOWS		3,549		3,635		(86)	(2.4%)		3,475		74	2.1%	12.4%	12.3%	14	1.1%	12.7%	(23)	(1.8%)
SCHLUTER SYSTEMS L.P.		2,459		2,557		(98)	(3.8%)		2,796		(337)	(12.1%)	22.4%	22.8%	(38)	(1.7%)	21.4%	97	4.5%
LAFLAMME PORTES		2,519		2,478		41	1.7%		2,426		93	3.8%	(19.3%)	(19.4%)	19	(1.0%)	(13.3%)	(594)	44.6%
PTES & FEN ISOTHERMIC INC		2,006		1,999		7	0.4%		2,163		(157)	(7.3%)	28.7%	29.0%	(32)	(1.1%)	21.9%	679	31.0%
PORTES & FENETRES ABRITEK		1,808		1,824		(16)	(0.9%)		1,742		66	3.8%	31.7%	32.0%	(24)	(0.8%)	31.2%	56	1.8%
ATIS PORTES & FENETRES		1,642		1,552		90	5.8%		1,669		(27)	(1.6%)	(24.6%)	(25.7%)	107	(4.2%)	(15.4%)	(920)	59.7%
EXTREME ENTRANCE SYSTEMS		1,560		1,587		(27)	(1.7%)		1,619		(59)	(3.7%)	24.3%	24.8%	(47)	(1.9%)	16.9%	737	43.5%
FENERGIC INC		1,114		1,105		9	0.8%		1,260		(146)	(11.6%)	24.3%	25.1%	(84)	(3.3%)	14.8%	947	63.8%
LES FENETRES CONCEPT.		1,247		1,231		16	1.3%		1,131		116	10.2%	16.1%	16.3%	(15)	(0.9%)	17.9%	(183)	(10.2%)
P & C EDDY BOULET INC		959		971		(12)	(1.2%)		849		110	13.0%	7.0%	6.1%	89	14.6%	21.3%	(1,433)	(67.2%)
PRODUITS DALMEN PRODUCTS		824		873		(49)	(5.6%)		692		132	19.1%	16.3%	16.0%	25	1.6%	14.5%	183	12.7%
KENTO WINDOWS & DOORS		740		694		46	6.6%		674		66	9.8%	31.1%	30.6%	48	1.6%	31.2%	(10)	(0.3%)
GENTEK BUILDING PROD. LTD		618		646		(28)	(4.4%)		528		90	17.0%	12.0%	12.0%	3	0.3%	12.5%	(50)	(4.0%)
GOLDEN WINDOWS		363		350		13	3.6%		512		(149)	(29.2%)	(2.9%)	(3.0%)	17	(5.7%)	5.3%	(814)	(154.4%)
ENTREPRISES DOCO INC.		557		576		(19)	(3.2%)		503		54	10.8%	21.8%	21.9%	(4)	(0.2%)	(3.2%)	2,502	(786.6%)
FUTURA MANUFACTURIER		475		475		0	0.1%		453		22	5.0%	20.8%	20.9%	(12)	(0.6%)	23.2%	(242)	(10.4%)
G.R. THÉRIAULT		451		449		2	0.4%		433		18	4.1%	34.2%	34.2%	2	0.0%	9.7%	2,449	252.5%
PORTES ET FENETRES LGC		412		384		28	7.3%		435		(23)	(5.3%)	53.3%	55.0%	(170)	(3.1%)	22.8%	3,051	134.1%
LAS ENTERPRISES		436		420		16	3.8%		423		13	3.1%	51.7%	51.3%	37	0.7%	37.6%	1,407	37.4%
Other		7,419		7,398		21	0.3%		9,166		(1,748)	(19.1%)	62.0%	61.2%	71	1.2%	2.4%	5,957	2493.5%
Total Gross	\$	35,313	\$	35,279	\$	34	0.1%	\$	37,211	\$	(1,898)	(5.1%)	25.8%	25.7%	8	0.3%	23.9%	185	7.7%

Delmont Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,810	1,805	5	0.3%	1,810	1,805	5	0.3%
Units Shipped ('000)	1,876	1,718	158	9.2%	1,876	1,718	158	9.2%
Bookings (\$'000)	\$ 3,292	\$ –	\$ 3,292	N/A	\$ 3,292	\$ –	\$ 3,292	N/A
Backlog (\$'000)	\$ 1,700	\$ –	\$ 1,700	N/A	\$ 1,700	\$ –	\$ 1,700	N/A
Gross Revenue	\$ 3,264	\$ 2,966	\$ 298	10.0%	\$ 3,264	\$ 2,966	\$ 298	10.0%
Adj. to Gross Revenue	(51)	(90)	39	(43.5%)	(51)	(90)	39	(43.5%)
Net Revenue	3,213	2,876	337	11.7%	3,213	2,876	337	11.7%
Material	1,545	1,416	129	9.1%	1,545	1,416	129	9.1%
Labor	647	705	(59)	(8.3%)	647	705	(59)	(8.3%)
Other COGS	370	179	191	106.3%	370	179	191	106.3%
Total COGS	2,562	2,301	261	11.3%	2,562	2,301	261	11.3%
Gross Margin	651	575	76	13.2%	651	575	76	13.2%
Gross Margin %	20.3%	20.0%			20.3%	20.0%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	18	16	2	13.7%	18	16	2	13.7%
Administrative	217	227	(10)	(4.4%)	217	227	(10)	(4.4%)
Other Opex	–	–	–	N/A	–	–	–	N/A
Total Opex	235	243	(8)	(3.2%)	235	243	(8)	(3.2%)
EBITDA	416	332	84	25.2%	416	332	84	25.2%
EBITDA %	12.9%	11.5%			12.9%	11.5%		
Net Income (Loss)	\$ 265	\$ 193	\$ 72	37.4%	\$ 265	\$ 193	\$ 72	37.4%
Capex	\$ (332)	\$ (306)	\$ (26)	8.6%	\$ (332)	\$ (306)	\$ (26)	8.6%
Opex Overview:								
Payroll	\$ 54	\$ 66	\$ (12)	(18.7%)	\$ 54	\$ 66	\$ (12)	(18.7%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	–	–	–	N/A	–	–	–	N/A
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	0	–	0	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	1	4	(3)	(68.2%)	1	4	(3)	(68.2%)
Corporate OH Fees	169	165	4	2.1%	169	165	4	2.1%
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	–	–	–	N/A	–	–	–	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	11	8	3	43.2%	11	8	3	43.2%
Total Opex	\$ 235	\$ 243	\$ (8)	(3.2%)	\$ 235	\$ 243	\$ (8)	(3.2%)

Management Discussion

Net Revenue – Jan-19: +\$337K

- Sales volume up 9.2% or \$264k driven by increased demand from PGT, Sierra & Yoders; offset by lower demand from Comfort View and Polaris.
- Favorable rebates/accruals of \$47k driven by Sierra 2018 rebate true-up of \$40k and lower returns \$7k
- Positive mix impact of \$26k driven by customer/product.

EBITDA – Jan-19: +\$84K

- Material COGS:** Increase in costs by \$129k driven by increased volumes \$130k and lower yields \$30k (84% vs actual 81.4% - increased dark capstock runs); offset by increased regrind/alt material usage \$13k and product mix \$18k
- Labor COGS:** Decrease in cost by \$59K driven by lower headcount (15) and reduced overtime.
- Other COGS:** Increase in cost by \$191k driven by lower net absorption of \$154k (due to increased sales volume), tooling costs \$22k (increased steel purchases), increased utility expenses \$7k and additional freight & warehouse rental/expense \$8k.
- Sales and Marketing:** In line with budget.
- Administrative:** Decrease in costs by \$10k, 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	BPs	%
Customer:																												
PGT Industries Inc	\$ 1,801	\$ 1,375	\$ 426	31.0%	\$ 1,044	\$ 757	72.5%	\$ 1,801	\$ 1,375	\$ 426	31.0%	\$ 1,044	\$ 757	72.5%	20.5%	19.5%	105	5.4%	15.2%	531	34.8%	20.5%	19.5%	105	5.4%	21.4%	(86)	(4.0%)
Polaris Technologies	415	444	(29)	(6.5%)	149	266	178.5%	415	444	(29)	(6.5%)	149	266	178.5%	10.6%	15.1%	(448)	(29.7%)	18.8%	(818)	(43.6%)	10.6%	15.1%	(448)	(29.7%)	25.8%	(1,518)	(58.9%)
Comfort View Products	126	284	(158)	(55.6%)	200	(74)	(37.0%)	126	284	(158)	(55.6%)	200	(74)	(37.0%)	20.4%	10.9%	952	87.2%	9.5%	1,093	115.1%	20.4%	10.9%	952	87.2%	14.5%	593	40.9%
Sierra Pacific Windows	281	204	77	37.7%	135	146	108.1%	281	204	77	37.7%	135	146	108.1%	10.4%	7.8%	256	32.6%	2.2%	818	367.9%	10.4%	7.8%	256	32.6%	8.4%	195	23.1%
Atrium Windows & Doors	123	196	(73)	(37.2%)	88	35	39.8%	123	196	(73)	(37.2%)	88	35	39.8%	37.9%	23.5%	1,440	61.4%	89.8%	(5,190)	(57.8%)	37.9%	23.5%	1,440	61.4%	94.0%	(5,610)	(59.7%)
Regency Plus, Inc.	153	142	11	7.7%	84	69	82.1%	153	142	11	7.7%	84	69	82.1%	23.0%	16.2%	676	41.8%	28.6%	(561)	(19.6%)	23.0%	16.2%	676	41.8%	22.5%	48	2.1%
Brunswick Bowling And Billiards	112	130	(18)	(13.8%)	55	57	103.6%	112	130	(18)	(13.8%)	55	57	103.6%	46.5%	41.5%	494	11.9%	101.8%	(5,534)	(54.3%)	46.5%	41.5%	494	11.9%	102.5%	(5,606)	(54.7%)
Qubicaamf Worlwide LCC	70	98	(28)	(28.6%)	52	18	34.6%	70	98	(28)	(28.6%)	52	18	34.6%	17.7%	31.6%	(1,391)	(44.0%)	53.8%	(3,613)	(67.1%)	17.7%	31.6%	(1,391)	(44.0%)	76.6%	(5,888)	(76.9%)
NewSouth Window Solutions, LLC	56	52	4	7.7%	29	27	93.1%	56	52	4	7.7%	29	27	93.1%	45.0%	32.7%	1,234	37.8%	69.0%	(2,393)	(34.7%)	45.0%	32.7%	1,234	37.8%	60.2%	(1,519)	(25.2%)
Great Day Improvement, LLC	6	–	6	N/A	–	6	N/A	6	–	6	N/A	–	6	N/A	2.1%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	2.1%	#DIV/0!	–	#DIV/0!	75.0%	(7,293)	(97.2%)
Yoders Window & Siding	53	3	50	1666.7%	1	52	5200.0%	53	3	50	1666.7%	1	52	5200.0%	28.2%	266.7%	(23,844)	(89.4%)	0.0%	2,822	N/A	28.2%	266.7%	(23,844)	(89.4%)	115.9%	(8,769)	(75.7%)
Fairway Building Products	–	–	-	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!
Graber Manufacturing Llc	–	15	(15)	(100.0%)	4	(4)	(100.0%)	–	15	(15)	(100.0%)	4	(4)	(100.0%)	#DIV/0!	20.0%	–	#VALUE!	175.0%	NA	#VALUE!	#DIV/0!	20.0%	–	#VALUE!	175.0%	NA	#VALUE!
Columbia Industries, 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!
Jeld-Wen Windows & Doors	2	4	(2)	(50.0%)	1	1	100.0%	2	4	(2)	(50.0%)	1	1	100.0%	9.9%	0.0%	990	N/A	0.0%	990	N/A	9.9%	0.0%	990	N/A	75.0%	(6,510)	(86.8%)
Constant Distribution LLC	7	–	7	N/A	–	#VALUE!	#VALUE!	7	–	7	N/A	–	7	N/A	(12.3%)	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	(12.3%)	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
CGI	4	–	4	N/A	–	#VALUE!	#VALUE!	4	–	4	N/A	–	4	N/A	26.9%	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	26.9%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
East Central Indiana Vinyl MFG, LL	–	8	(8)	(100.0%)	4	(4)	(100.0%)	–	8	(8)	(100.0%)	4	(4)	(100.0%)	#DIV/0!	12.5%	–	#VALUE!	125.0%	NA	#VALUE!	#DIV/0!	12.5%	–	#VALUE!	125.0%	NA	#VALUE!
Lakeland Polymers, LLC	–	1	(1)	(100.0%)	–	#VALUE!	#VALUE!	–	1	(1)	(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	55	10	45	458.0%	1,429	(1,374)	(96.2%)	55	10	45	458.0%	1,429	(1,374)	(96.2%)	(5.9%)	(18.2%)	1,234	(67.7%)	(0.2%)	(570)	3128.8%	(5.9%)	(18.2%)	1,234	(67.7%)	0.1%	(596)	#####
Total Gross	\$ 3,264	\$ 2,966	\$ 298	10.0%	\$ 3,275	\$ (11)	(0.3%)	\$ 3,264	\$ 2,966	\$ 298	10.0%	\$ 3,275	\$ (11)	(0.3%)	19.9%	19.4%	55	2.8%	13.0%	696	53.6%	19.9%	19.4%	55	2.8%	16.6%	337	20.3%

Management Discussion

Key Performance Indicators - Delmont

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

Comments:

Safety: No recordable injuries for Jan. One injury rolled off.

Quality: 5 Customer Concerns - 3 PGT & 2 Polaris, 5 items returned - PGT (3), SP (1), CalComp (1)

Delivery: 5 partial ships to PGT resulting in zero reschedules. 1035 line items - 5 resulting in backorders

Yield: Concentrate on PGT cap @ 70% yield.

Inventory: Higher RM for compound received at month-end and higher FG for stock build.

Full Year Delmont P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Fcst	\$	%	
Units Produced ('000)	24,348	24,343	5	0.0%	20,561	3,787	18.4%	
Units Shipped ('000)	25,044	24,886	158	0.6%	21,921	3,122	14.2%	
Bookings (\$'000)	\$ 41,680	\$ –	\$ 41,680	N/A	\$ –	\$ 41,680	N/A	
Backlog ('\$000)	\$ 1,812	\$ –	\$ 1,812	N/A	\$ –	\$ 1,812	N/A	
Gross Revenue	\$ 43,032	\$ 42,734	\$ 298	0.7%	\$ 38,138	\$ 4,894	12.8%	
Adj. to Gross Revenue	(1,203)	(1,242)	39	(3.2%)	(1,103)	(100)	9.1%	
Net Revenue	41,829	41,492	337	0.8%	37,036	4,793	12.9%	
Material	20,523	20,394	129	0.6%	18,975	1,549	8.2%	
Labor	8,314	8,373	(59)	(0.7%)	7,668	646	8.4%	
Other COGS	3,585	3,394	191	5.6%	3,615	(30)	(0.8%)	
Total COGS	32,422	32,161	261	0.8%	30,257	2,165	7.2%	
Gross Margin	9,407	9,331	76	0.8%	6,778	2,629	38.8%	
Gross Margin %	22.5%	22.5%			18.3%			
R&D	–	–	–	N/A	–	–	N/A	
Sales & Marketing	183	181	2	1.2%	121	62	50.7%	
Administrative	2,685	2,695	(10)	(0.4%)	2,623	62	2.4%	
Other Opex	–	–	–	N/A	–	–	N/A	
Total Opex	2,868	2,876	(8)	(0.3%)	2,745	124	4.5%	
EBITDA	6,538	6,455	84	1.3%	4,034	2,505	62.1%	
EBITDA %	15.6%	15.6%			10.9%			
Net Income (Loss)	\$ 4,712	\$ 4,640	\$ 72	1.6%	\$ 2,400	\$ 2,312	96.3%	
Capex	\$ (1,030)	\$ (1,428)	\$ 398	(27.9%)	\$ –	\$ (1,030)	N/A	
Opex Overview:								
Payroll	\$ 740	\$ 753	\$ (12)	(1.6%)	\$ 639	\$ 102	16.0%	
Bonus	–	–	–	N/A	–	–	N/A	
Commissions	–	–	–	N/A	–	–	N/A	
Marketing	–	–	–	N/A	–	–	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)	(5.7%)	43	(0)	(0.5%)	
Corporate OH Fees	1,986	1,983	4	0.2%	1,985	1	0.1%	
Bad Debts	–	–	–	N/A	3	(3)	(100.0%)	
FX	–	–	–	N/A	–	–	N/A	
JV Loss (Income)	–	–	–	N/A	–	–	N/A	
Other Expenses	99	96	3	3.6%	76	23	30.5%	
Total Opex	\$ 2,868	\$ 2,876	\$ (8)	(0.3%)	\$ 2,747	\$ 121	4.4%	

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	\$	23,410	\$	22,984	\$	426	1.9%	\$	12,256	\$	11,154			19.3%	19.2%	10	0.5%	25.3%	(598)	(23.6%)
Polaris Technologies		5,793		5,822		(29)	(0.5%)		2,004		3,789			17.3%	17.7%	(35)	(2.0%)	28.9%	(1,160)	(40.1%)
Comfort View Products		2,977		3,135		(158)	(5.0%)		1,932		1,045			16.9%	16.1%	77	4.8%	18.6%	(172)	(9.2%)
Sierra Pacific Windows		2,637		2,560		77	3.0%		1,661		976			10.2%	9.9%	24	2.4%	9.9%	23	2.3%
Atrium Windows & Doors		1,507		1,580		(73)	(4.6%)		601		906			50.0%	47.4%	264	5.6%	94.0%	(4,399)	(46.8%)
Regency Plus, Inc.		2,071		2,060		11	0.5%		830		1,241			18.5%	17.9%	55	3.1%	30.1%	(1,167)	(38.7%)
Brunswick Bowling And Billiards		1,711		1,729		(18)	(1.0%)		758		953			49.3%	48.9%	43	0.9%	94.6%	(4,525)	(47.8%)
Qubicaamf Worlwide LCC		864		892		(28)	(3.1%)		473		391			54.6%	55.0%	(41)	(0.7%)	80.3%	(2,574)	(32.0%)
NewSouth Window Solutions, LLC		686		682		4	0.6%		396		290			40.7%	39.6%	106	2.7%	68.4%	(2,774)	(40.5%)
Great Day Improvement, LLC		469		463		6	1.3%		212		257			36.9%	40.1%	(321)	(8.0%)	69.3%	(3,247)	(46.8%)
Yoders Window & Siding		350		300		50	16.7%		102		248			39.0%	43.5%	(450)	(10.3%)	90.2%	(5,115)	(56.7%)
Fairway Building Products		139		139		-	0.0%		79		60			25.4%	26.9%	(154)	(5.7%)	30.4%	(500)	(16.4%)
Graber Manufacturing Llc		77		92		(15)	(16.3%)		32		45			47.4%	42.9%	447	10.4%	121.9%	(7,447)	(61.1%)
Columbia Industries, Inc.		58		58		-	0.0%		29		29			15.5%	17.2%	(172)	(10.0%)	41.4%	(2,586)	(62.5%)
Jeld-Wen Windows & Doors		25		27		(2)	(7.4%)		7		18			30.0%	26.9%	307	11.4%	57.1%	(2,715)	(47.5%)
Constant Distribution LLC		7		–		7	N/A		–		7			(12.3%)	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
CGI		52		48		4	8.3%		11		41			11.1%	0.0%	1,113	N/A	0.0%	1,113	N/A
East Central Indiana Vinyl MFG, LL		14		22		(8)	(36.4%)		16		(2)			64.3%	45.5%	1,883	41.4%	100.0%	(3,571)	(35.7%)
Lakeland Polymers, LLC		8		9		(1)	(11.1%)		–		8			(350.8%)	(316.7%)	(3,416)	10.8%	#DIV/0!	NA	#DIV/0!
JP Industrial Products Inc		–		–		-	N/A		–		-			#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		177		132		45	33.9%		16,739		(16,562)			19.9%	31.4%	(1,156)	(36.8%)	0.5%	1,942	4165.4%
Total Gross	\$	43,032	\$	42,734	\$	298	0.7%	\$	38,138	\$	4,894			22.0%	22.0%	3	0.1%	17.8%	427	24.0%

Everett Summary P&L

\$'000

	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,445	1,431	14	0.9%	1,445	1,431	14	0.9%
Units Shipped ('000)	1,193	1,192	1	0.0%	1,193	1,192	1	0.0%
Bookings (\$'000)	\$ 2,214	\$ –	\$ 2,214	N/A	\$ 2,214	\$ –	\$ 2,214	N/A
Backlog ('\$000)	\$ 1,852	\$ –	\$ 1,852	N/A	\$ 1,852	\$ –	\$ 1,852	N/A
Gross Revenue	\$ 1,897	\$ 1,991	\$ (94)	(4.7%)	\$ 1,897	\$ 1,991	\$ (94)	(4.7%)
Adj. to Gross Revenue	(87)	(111)	24	(22.0%)	(87)	(111)	24	(22.0%)
Net Revenue	1,810	1,880	(70)	(3.7%)	1,810	1,880	(70)	(3.7%)
Material	971	890	81	9.1%	971	890	81	9.1%
Labor	543	512	32	6.2%	543	512	32	6.2%
Other COGS	171	114	57	50.0%	171	114	57	50.0%
Total COGS	1,685	1,516	169	11.2%	1,685	1,516	169	11.2%
Gross Margin	125	364	(239)	(65.6%)	125	364	(239)	(65.6%)
Gross Margin %	6.9%	19.4%			6.9%	19.4%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	31	32	(1)	(4.3%)	31	32	(1)	(4.3%)
Administrative	258	266	(7)	(2.7%)	258	266	(7)	(2.7%)
Other Opex	(8)	–	(8)	N/A	(8)	–	(8)	N/A
Total Opex	281	298	(17)	(5.6%)	281	298	(17)	(5.6%)
EBITDA	(156)	66	(222)	(334.5%)	(156)	66	(222)	(334.5%)
EBITDA %	(8.6%)	3.5%			(8.6%)	3.5%		
Net Income (Loss)	\$ (254)	\$ (36)	\$ (218)	606.1%	\$ (254)	\$ (36)	\$ (218)	606.1%
Capex	\$ (13)	\$ (69)	\$ 56	(81.1%)	\$ (13)	\$ (69)	\$ 56	(81.1%)
Opex Overview:								
Payroll	\$ 70	\$ 72	\$ (2)	(3.0%)	\$ 70	\$ 72	\$ (2)	(3.0%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	17	19	(1)	(7.1%)	17	19	(1)	(7.1%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	–	–	–	N/A	–	–	–	N/A
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	11	16	(5)	(31.2%)	11	16	(5)	(31.2%)
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, and	1	0	1	444.8%	1	0	1	444.8%
Corporate OH Fees	179	177	2	1.2%	179	177	2	1.2%
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(8)	–	(8)	N/A	(8)	–	(8)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	11	14	(3)	(20.5%)	11	14	(3)	(20.5%)
Total Opex	\$ 281	\$ 298	\$ (17)	(5.6%)	\$ 281	\$ 298	\$ (17)	(5.6%)

Management Discussion

Net Revenue – Jan-19: (-\$70K)

- Sales volume in line with budget. Increased volumes from CDA & Cascades; offset by lower volume from Simonton & Windor
- Lower rebates and accruals of \$25k primarily driven by lower rebates for Simonton and lower early payment discounts
- Lower ASP by \$95k primarily driven by product mix

EBITDA – Jan-19: (-\$222K)

- **Material COGS:** Increase in costs by \$81k driven by increase in E&O reserve for ATI \$107k (customer closed doors); offset by increased regrind/alt material usage \$26k
- **Labor COGS:** Increase in costs by \$32k driven by increased overtime to support to tooling launches and additional grinder (trf from Delmont)
- **Other COGS:** Increase in cost by \$57k driven by unfavorable absorption \$52k (product mix), and maintenance/tooling expenses \$13k (fire alarm repair & tooling equipment repair); offset by lower utilities \$10k
- **Sales and Marketing:** In line with budget
- **Administrative:** Decrease in costs by \$7k primarily driven by B&O/Use tax and lower office supplies.
- **Other Opex:** Decrease in costs by \$8k driven by F/X revaluation of working capital balances.

Key Customers – Gross Sales and Gross Margin %: Everett

Customer:	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	%
Simonton	\$ 693	\$ 709	\$ (16)	(2.2%)	\$ 862	\$ (169)	(19.6%)	\$ 693	\$ 709	\$ (16)	(2.2%)	\$ 862	\$ (169)	(19.6%)	14.3%	18.6%	(434)	(23.3%)	8.2%	604	73.4%	14.3%	18.6%	(434)	(23.3%)	7.3%	693	94.4%
Coeur d'Alene	282	179	103	57.7%	202	80	39.7%	282	179	103	57.7%	202	80	39.7%	(0.4%)	7.3%	(762)	(104.9%)	8.4%	(877)	(104.2%)	(0.4%)	7.3%	(762)	(104.9%)	3.7%	(406)	(109.6%)
Westeck	141	186	(45)	(23.9%)	196	(55)	(27.8%)	141	186	(45)	(23.9%)	196	(55)	(27.8%)	21.9%	25.3%	(336)	(13.3%)	21.9%	(3)	(0.1%)	21.9%	25.3%	(336)	(13.3%)	18.1%	382	21.1%
Cascade	185	99	86	86.7%	358	(173)	(48.4%)	185	99	86	86.7%	358	(173)	(48.4%)	(16.2%)	(2.0%)	(1,421)	703.4%	(4.7%)	(1,148)	241.8%	(16.2%)	(2.0%)	(1,421)	703.4%	(10.5%)	(569)	54.0%
All Weather	97	85	12	14.4%	121	(24)	(19.6%)	97	85	12	14.4%	121	(24)	(19.6%)	(6.2%)	0.0%	(617)	N/A	3.3%	(948)	(286.6%)	(6.2%)	0.0%	(617)	N/A	0.5%	(664)	(1420.3%)
KGW	99	97	2	2.3%	95	4	4.5%	99	97	2	2.3%	95	4	4.5%	33.2%	13.4%	1,984	148.0%	48.4%	(1,518)	(31.4%)	33.2%	13.4%	1,984	148.0%	36.2%	(293)	(8.1%)
Lindsay	69	95	(26)	(27.3%)	98	(29)	(29.5%)	69	95	(26)	(27.3%)	98	(29)	(29.5%)	15.9%	14.7%	119	8.0%	13.3%	266	20.0%	15.9%	14.7%	119	8.0%	4.8%	1,110	230.4%
Solar	46	25	21	84.1%	125	(79)	(63.2%)	46	25	21	84.1%	125	(79)	(63.2%)	13.0%	12.0%	103	8.6%	11.2%	183	16.4%	13.0%	12.0%	103	8.6%	4.9%	809	163.8%
ATI	–	37	(37)	(100.0%)	80	(80)	(100.0%)	–	37	(37)	(100.0%)	80	(80)	(100.0%)	#DIV/0!	10.8%	–	#VALUE!	18.8%	NA	#VALUE!	#DIV/0!	10.8%	–	#VALUE!	17.1%	NA	#VALUE!
Win-Dor	–	155	(155)	(100.0%)	122	(122)	(100.0%)	–	155	(155)	(100.0%)	122	(122)	(100.0%)	#DIV/0!	18.1%	–	#VALUE!	15.6%	NA	#VALUE!	#DIV/0!	18.1%	–	#VALUE!	10.7%	NA	#VALUE!
Northern - Yukon	–	52	(52)	(100.0%)	136	(136)	(100.0%)	–	52	(52)	(100.0%)	136	(136)	(100.0%)	#DIV/0!	42.3%	–	#VALUE!	30.1%	NA	#VALUE!	#DIV/0!	42.3%	–	#VALUE!	41.9%	NA	#VALUE!
Van Isle	95	58	37	63.4%	48	47	97.4%	95	58	37	63.4%	48	47	N/A	15.8%	22.4%	(658)	(29.4%)	89.6%	(7,375)	(82.3%)	15.8%	22.4%	(658)	(29.4%)	86.3%	(7,048)	(81.7%)
Whisper Walls	42	48	(6)	(11.8%)	70	(28)	(39.5%)	42	48	(6)	(11.8%)	70	(28)	(39.5%)	47.3%	45.8%	142	3.1%	47.1%	11	0.2%	47.3%	45.8%	142	3.1%	42.9%	440	10.3%
West Coast Designed	43	40	3	8.3%	33	10	31.3%	43	40	3	8.3%	33	10	31.3%	48.5%	40.0%	847	21.2%	45.5%	301	6.6%	48.5%	40.0%	847	21.2%	34.8%	1,368	39.3%
Hometime	–	50	(50)	(100.0%)	–	#VALUE!	#VALUE!	–	50	(50)	(100.0%)	–	–	N/A	#DIV/0!	34.0%	–	#VALUE!	#VALUE!	NA	#VALUE!	#DIV/0!	34.0%	–	#VALUE!	40.0%	NA	#VALUE!
Western	–	3	(3)	(100.0%)	2	(2)	(100.0%)	–	3	(3)	(100.0%)	2	(2)	(100.0%)	#DIV/0!	33.3%	–	#VALUE!	50.0%	NA	#VALUE!	#DIV/0!	33.3%	–	#VALUE!	0.0%	NA	N/A
Coastal	1	–	1	N/A	–	1	N/A	1	–	1	N/A	–	1	N/A	(127.2%)	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	(127.2%)	#DIV/0!	–	#DIV/0!	32.6%	(15,978)	(490.8%)
Modern	34	19	15	76.7%	17	17	97.5%	34	19	15	76.7%	17	17	97.5%	17.9%	36.8%	(1,897)	(51.5%)	29.4%	(1,154)	(39.2%)	17.9%	36.8%	(1,897)	(51.5%)	12.0%	587	48.9%
Avanti	11	–	11	N/A	–	#VALUE!	#VALUE!	11	–	11	N/A	–	11	N/A	46.4%	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	46.4%	#DIV/0!	–	#DIV/0!	28.2%	1,822	64.6%
Oasis	–	15	(15)	(100.0%)	15	(15)	(100.0%)	–	15	(15)	(100.0%)	15	(15)	(100.0%)	#DIV/0!	13.3%	–	#VALUE!	(6.7%)	NA	#VALUE!	#DIV/0!	13.3%	–	#VALUE!	(46.7%)	NA	#VALUE!
Other	58	39	19	47.4%	23	35	154.4%	58	39	19	47.4%	23	35	154.4%	48.5%	30.5%	1,797	58.8%	28.9%	1,958	67.7%	48.5%	30.5%	1,797	58.8%	35.8%	1,273	35.6%
Total Gross	\$ 1,897	\$ 1,991	\$ (94)	(4.7%)	\$ 2,603	\$ (706)	(27.1%)	\$ 1,897	\$ 1,991	\$ (94)	(4.7%)	\$ 2,603	\$ (706)	(27.1%)	6.6%	18.3%	(1,169)	(63.9%)	14.2%	(757)	(53.4%)	6.6%	18.3%	(1,169)	(63.9%)	11.7%	(508)	(43.5%)

Management Discussion

Key Performance Indicators - Everett

ENERGI Everett Extrusion January KPI Report	2019 Targets	Jan-19
Health & Safety		
<i>Recordable Incidents</i>	1	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0
Quality Performance		
<i>Customer Complaints - per MLBS</i>	3.2	1.38
<i>Gross Sales (000's)</i>		\$ 1,897
<i>Returns (000's)</i>		\$ (8)
<i>Return as % of sales</i>	0.30%	0.43%
Delivery Performance		
<i>% on time in full</i>	95.00%	100%
<i>% by line items</i>	99.00%	100%
Costs		
<i>Yield</i>	85.7%	91%
<i>Alt/Regrind Compound Consumption Ratio</i>	19.9%	32%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$ 0.182
<i>Indirect Labour (incl D&D) \$/lb produced</i>	\$0.176	\$ 0.180
Inventory		
<i>Days - TTM (Trailing 12 Months)</i>	84.5	84

Comments

Safety: Zero safety incidents in January

Quality: Lower returns, better than target

Delivery: 100%

Labour: Additional OT for Jan startup and tooling room support

Scrap Sold: Zero

Full Year Everett P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%		\$	%
Units Produced ('000)	16,541	16,527	14	0.1%	18,519	(1,978)	(10.7%)
Units Shipped ('000)	17,264	17,263	1	0.0%	16,932	332	2.0%
Bookings (\$'000)	\$ 29,599	\$ —	\$ 29,599	N/A	\$ —	\$ 29,599	N/A
Backlog ('\$000)	\$ 2,601	\$ —	\$ 2,601	N/A	\$ —	\$ 2,601	N/A
Gross Revenue	\$ 28,995	\$ 29,090	\$ (94)	(0.3%)	\$ 28,090	\$ 905	3.2%
Adj. to Gross Revenue	(1,544)	(1,568)	24	(1.6%)	(1,483)	(61)	4.1%
Net Revenue	27,452	27,522	(70)	(0.3%)	26,607	844	3.2%
Material	13,185	13,105	81	0.6%	13,359	(173)	(1.3%)
Labor	6,174	6,142	32	0.5%	6,705	(532)	(7.9%)
Other COGS	3,437	3,380	57	1.7%	2,876	560	19.5%
Total COGS	22,796	22,627	169	0.7%	22,941	(145)	(0.6%)
Gross Margin	4,656	4,895	(239)	(4.9%)	3,667	989	27.0%
Gross Margin %	17.0%	17.8%			13.8%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	334	335	(1)	(0.4%)	247	87	35.0%
Administrative	3,112	3,119	(7)	(0.2%)	3,129	(16)	(0.5%)
Other Opex	(8)	—	(8)	N/A	11	(19)	(175.1%)
Total Opex	3,438	3,455	(17)	(0.5%)	3,387	51	1.5%
EBITDA	1,218	1,440	(222)	(15.4%)	280	937	334.7%
EBITDA %	4.4%	5.2%			1.1%		
Net Income (Loss)	\$ (36)	\$ 182	\$ (218)	(119.7%)	\$ (775)	\$ 739	(95.4%)
Capex	\$ (426)	\$ (569)	\$ 143	(25.1%)	\$ —	\$ (426)	N/A
<u>Opex Overview:</u>							
Payroll	\$ 825	\$ 827	\$ (2)	(0.3%)	\$ 816	\$ 9	1.0%
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	179	180	(1)	(0.7%)	104	74	71.3%
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	17	17	—	0.0%	14	3	18.7%
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	156	161	(5)	(3.1%)	162	(6)	(3.7%)
Professional fees	—	—	—	N/A	—	—	N/A
Utilities, repair, maintenance, and security	7	7	1	9.2%	7	0	3.6%
Corporate OH Fees	2,131	2,129	2	0.1%	2,129	2	0.1%
Bad Debts	—	—	—	N/A	(3)	3	(100.0%)
FX	(8)	—	(8)	N/A	11	(19)	(175.1%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	131	134	(3)	(2.1%)	149	(18)	(12.0%)
Total Opex	\$ 3,438	\$ 3,455	\$ (17)	(0.5%)	\$ 3,390	\$ 48	1.4%

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	\$	10,651	\$	10,667	\$	(16)	(0.1%)	\$	10,221	\$	430	4.2%	17.8%	18.1%	(32)	(1.8%)	8.6%	917	106.4%	
Coeur d'Alene		4,104		4,001		103	2.6%		2,804		1,300	46.4%	5.8%	6.4%	(58)	(9.0%)	3.3%	255	77.6%	
Westeck		1,903		1,948		(45)	(2.3%)		1,791		112	6.3%	24.2%	24.5%	(31)	(1.3%)	18.3%	584	31.9%	
Cascade		2,075		1,989		86	4.3%		2,083		(8)	(0.4%)	(4.7%)	(3.3%)	(143)	43.1%	(10.7%)	593	(55.6%)	
All Weather		1,128		1,116		12	1.1%		1,309		(181)	(13.8%)	(0.3%)	0.3%	(59)	(198.8%)	(3.1%)	284	(90.6%)	
KGW		1,158		1,156		2	0.2%		1,081		77	7.1%	14.8%	12.9%	193	15.0%	29.3%	(1,451)	(49.5%)	
Lindsay		1,253		1,279		(26)	(2.0%)		1,145		108	9.4%	14.3%	14.3%	6	0.4%	8.5%	587	69.2%	
Solar		321		300		21	7.0%		1,651		(1,330)	(80.6%)	11.5%	11.2%	22	2.0%	7.6%	389	51.4%	
ATI		350		387		(37)	(9.6%)		345		5	1.4%	(25.1%)	10.9%	(3,602)	(330.5%)	13.3%	(3,846)	(288.4%)	
Win-Dor		600		755		(155)	(20.5%)		626		(26)	(4.2%)	18.0%	18.0%	(2)	(0.1%)	18.1%	(6)	(0.3%)	
Northerm - Yukon		623		675		(52)	(7.7%)		789		(166)	(21.0%)	41.2%	41.5%	(26)	(0.6%)	39.4%	182	4.6%	
Van Isle		724		687		37	5.3%		697		27	3.8%	21.4%	22.3%	(94)	(4.2%)	72.2%	(5,081)	(70.4%)	
Whisper Walls		585		591		(6)	(1.0%)		681		(96)	(14.0%)	44.7%	44.6%	10	0.2%	46.0%	(128)	(2.8%)	
West Coast Designed		426		423		3	0.8%		429		(3)	(0.6%)	42.2%	41.3%	94	2.3%	36.1%	606	16.8%	
Hometime		339		389		(50)	(12.9%)		327		12	3.7%	32.7%	33.5%	(73)	(2.2%)	28.4%	430	15.1%	
Western		667		670		(3)	(0.4%)		238		429	180.3%	43.2%	43.1%	5	0.1%	22.3%	2,092	93.9%	
Coastal		359		358		1	0.2%		321		38	11.8%	28.1%	28.5%	(39)	(1.4%)	38.3%	(1,018)	(26.6%)	
Modern		377		362		15	4.0%		351		26	7.3%	33.2%	35.1%	(184)	(5.2%)	18.2%	1,499	82.2%	
Avanti		310		299		11	3.6%		249		61	24.4%	40.9%	40.7%	22	0.6%	35.7%	516	14.4%	
Oasis		171		186		(15)	(8.1%)		188		(17)	(9.0%)	14.1%	14.0%	7	0.5%	9.6%	452	47.2%	
Other		870		852		19	2.2%		764		106	13.9%	33.7%	32.4%	131	4.0%	41.5%	(780)	(18.8%)	
Total Gross	\$	28,995	\$	29,090	\$	(94)	(0.3%)	\$	28,090	\$	905	3.2%	16.7%	17.6%	(87)	(4.9%)	13.1%	369	28.3%	

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)	\$ 1,309	\$ –	\$ 1,309	N/A	\$ 1,309	\$ –	\$ 1,309	N/A
Backlog ('\$000)	\$ 1,220	\$ –	\$ 1,220	N/A	\$ 1,220	\$ –	\$ 1,220	N/A
Gross Revenue	\$ 1,152	\$ 1,171	\$ (19)	(1.6%)	\$ 1,152	\$ 1,171	\$ (19)	(1.6%)
Adj. to Gross Revenue	(64)	(55)	(9)	16.3%	(64)	(55)	(9)	16.3%
Net Revenue	1,088	1,116	(28)	(2.5%)	1,088	1,116	(28)	(2.5%)
Material	714	667	47	7.0%	714	667	47	7.0%
Labor	236	345	(109)	(31.5%)	236	345	(109)	(31.5%)
Other COGS	144	151	(7)	(4.6%)	144	151	(7)	(4.6%)
Total COGS	1,094	1,163	(69)	(5.9%)	1,094	1,163	(69)	(5.9%)
Gross Margin	(6)	(47)	41	(87.9%)	(6)	(47)	41	(87.9%)
Gross Margin %	(0.5%)	(4.2%)			(0.5%)	(4.2%)		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	41	34	7	22.1%	41	34	7	22.1%
Administrative	183	193	(10)	(4.9%)	183	193	(10)	(4.9%)
Other Opex	15	–	15	N/A	15	–	15	N/A
Total Opex	240	227	13	5.6%	240	227	13	5.6%
EBITDA	(245)	(273)	28	(10.4%)	(245)	(273)	28	(10.4%)
EBITDA %	(22.5%)	(24.5%)			(22.5%)	(24.5%)		
Net Income (Loss)	\$ (252)	\$ (285)	\$ 33	(11.6%)	\$ (252)	\$ (285)	\$ 33	(11.6%)
Capex	\$ (160)	\$ (73)	\$ (87)	118.2%	\$ (160)	\$ (73)	\$ (87)	118.2%
Opex Overview:								
Payroll	\$ 79	\$ 91	\$ (12)	(12.9%)	\$ 79	\$ 91	\$ (12)	(12.9%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	0	6	(6)	(98.4%)	0	6	(6)	(98.4%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	0	1	(1)	(67.1%)	0	1	(1)	(67.1%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	2	2	1	34.6%	2	2	1	34.6%
Utilities, repair, maintenance, and	6	4	2	37.2%	6	4	2	37.2%
Corporate OH Fees	120	121	(1)	(0.6%)	120	121	(1)	(0.6%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	15	–	15	N/A	15	–	15	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	18	3	15	497.8%	18	3	15	497.8%
Total Opex	\$ 240	\$ 227	\$ 13	5.6%	\$ 240	\$ 227	\$ 13	5.6%

Management Discussion

Net Revenue – Jan-19: (-\$28K)

- Sales volume in line with budget.
- Unfavorable rebates (customer mix) \$6k and returns \$3k (defective product & pricing errors)
- Unfavorable F/X of \$20k (actual rate of 1.3301 [or \$USD 0.7518] vs. 1.30 [or \$USD 0.7692])

EBITDA – Jan-19: +\$28K

- **Material COGS:** Increase in costs by \$47K driven by E&O provision \$10k (discontinued Everest Door parts), and product mix \$37k (increased volume to Golden & AMI)
- **Labor COGS:** Decrease in cost by \$109k driven by less headcount (27 employees) and savings from Jan 3 / 4 shutdown.
- **Other COGS:** Decrease in cost by \$7k driven by lower freight costs (controlling freight & ensuring freight is charged to customers)
- **Sales and Marketing:** Increase in costs by \$7k driven by product development costs for the new Performer Door series.
- **Administrative:** Decrease in cost by \$10k primarily driven by 1 less headcount (Plant Manager)
- **Other Opex:** Increase in cost by \$15k driven by unfavorable impact from F/X revaluation of working capital balances

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	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%										
Customer:																																						
A.M.I.	\$	221	\$	206	\$	15	7.3%	\$	164	\$	57	34.8%	\$	221	\$	206	\$	15	7.3%	\$	164	\$	57	34.8%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
GOLDEN WINDOWS		145		112		33	29.5%		274		(129)	(47.1%)		145		112		33	29.5%		274		(129)	(47.1%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
OSTACO 2000 WINDOORS INC		93		104		(11)	(10.6%)		61		32	52.5%		93		104		(11)	(10.6%)		61		32	52.5%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
PORTES & FENETRES ABRITEK		35		52		(17)	(32.7%)		78		(43)	(55.1%)		35		52		(17)	(32.7%)		78		(43)	(55.1%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
DASHWOOD INDUSTRIES INC		68		47		21	44.7%		81		(13)	(16.0%)		68		47		21	44.7%		81		(13)	(16.0%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
P & F ISOTHERMIC INC		50		30		20	66.7%		78		(28)	(35.9%)		50		30		20	66.7%		78		(28)	(35.9%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
VAILLANCOURT INC.		120		125		(5)	(4.0%)		73		47	64.4%		120		125		(5)	(4.0%)		73		47	64.4%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
CANADIAN VINYLTEK WINDOWS C		48		20		28	140.0%		36		12	33.3%		48		20		28	140.0%		36		12	33.3%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
FENERGIC INC		6		27		(21)	(77.8%)		13		(7)	(53.8%)		6		27		(21)	(77.8%)		13		(7)	(53.8%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
EXTREME WINDOW AND		11		30		(19)	(63.3%)		33		(22)	(66.7%)		11		30		(19)	(63.3%)		33		(22)	(66.7%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
VENTANA WINDOWS & DOORS INC		14		27		(13)	(48.1%)		76		(62)	(81.6%)		14		27		(13)	(48.1%)		76		(62)	(81.6%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
Fenêtres Concept		12		22		(10)	(45.5%)		8		4	50.0%		12		22		(10)	(45.5%)		8		4	50.0%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
MASON WINDOWS LTD		18		17		1	5.9%		3		15	500.0%		18		17		1	5.9%		3		15	500.0%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
CEN		12		17		(5)	(29.4%)		3		9	300.0%		12		17		(5)	(29.4%)		3		9	300.0%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
TRI-STATE WINDOW FACTORY		26		16		10	62.5%		39		(13)	(33.3%)		26		16		10	62.5%		39		(13)	(33.3%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
FMC		20		7		13	185.7%		37		(17)	(45.9%)		20		7		13	185.7%		37		(17)	(45.9%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
ATLANTIC WINDOWS		2		16		(14)	(87.5%)		8		(6)	(75.0%)		2		16		(14)	(87.5%)		8		(6)	(75.0%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
YKK AP VINYL		47		16		31	193.8%		8		39	487.5%		47		16		31	193.8%		8		39	487.5%	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
LORENDO INC.		13		18		(5)	(27.8%)		20		(7)	(35.0%)		13		18		(5)	(27.8%)		20		(7)	(35.0%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
MAR		4		9		(5)	(55.6%)		24		(20)	(83.3%)		4		9		(5)	(55.6%)		24		(20)	(83.3%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	0.0%	-	N/A				
Other		187		253		(66)	(26.0%)		335		(147)	(44.0%)		187		253		(66)	(26.0%)		335		(147)	(44.0%)	(3.0%)	4014.1%	(401,714)	(100.1%)	(15.5%)	1,249	(80.6%)	(3.0%)	4014.1%	(401,714)	(100.1%)	31.8%	(3,480)	(109.4%)
Total Gross	\$	1,152	\$	1,171	\$	(19)	(1.6%)	\$	1,452	\$	(299)	(20.6%)	\$	1,152	\$	1,171	\$	(19)	(1.6%)	\$	1,452	\$	(299)	(20.6%)	(0.5%)	(4.0%)	350	(87.7%)	(3.6%)	308	(86.3%)	0.0%	0.0%	-	N/A	0.0%	-	N/A

Management Discussion

Key Performance Indicators - Terrebonne

ENERGI Terrebonne Patio Door January KPI Report	2019 Targets	Jan-19
Health & Safety		
<i>Recordable Incidents</i>	0	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0
Quality Performance		
<i>Customer Complaints - per MLBS</i>	3.0	3.98
<i>Return as % of sales</i>	1.25%	1.57%
Delivery Performance		
<i>% on time in full</i>	95.00%	
<i>% by line items</i>	95.00%	95%
Costs		
<i>Direct Labour \$/FPV</i>	\$0.167	\$ 0.143
<i>Indirect Labour (incl D&D) \$/FPV</i>	\$0.176	\$ 0.096
Inventory		
<i>Days - TTM (Trailing 12 Months)</i>	71.0	75

Comments:

Quality: winter season triggers higher complaints, higher returns for defective product/pricing errors

Delivery: Restated 2018 results using the new method by line and not by \$value - Low backorders (less than 10) in total

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

Inventory: lower due to higher sales in Dec 2018

Full Year Terrebonne P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	N/A
Bookings (\$'000)	\$ 21,493	\$ –	\$ 21,493	N/A	\$ –	\$ 21,493	N/A
Backlog ('\$000)	\$ 3,301	\$ –	\$ 3,301	N/A	\$ –	\$ 3,301	N/A
Gross Revenue	\$ 21,563	\$ 21,581	\$ (19)	(0.1%)	\$ 20,687	\$ 876	4.2%
Adj. to Gross Revenue	(1,041)	(1,032)	(9)	0.9%	(1,023)	(18)	1.7%
Net Revenue	20,522	20,550	(28)	(0.1%)	19,664	858	4.4%
Material	12,375	12,328	47	0.4%	12,124	251	2.1%
Labor	4,293	4,402	(109)	(2.5%)	4,530	(237)	(5.2%)
Other COGS	2,322	2,329	(7)	(0.3%)	3,397	(1,075)	(31.6%)
Total COGS	18,990	19,059	(69)	(0.4%)	20,052	(1,061)	(5.3%)
Gross Margin	1,531	1,490	41	2.8%	(388)	1,919	(494.7%)
Gross Margin %	7.5%	7.3%			(2.0%)		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	431	424	7	1.8%	383	48	12.4%
Administrative	2,361	2,370	(10)	(0.4%)	2,381	(20)	(0.8%)
Other Opex	15	–	15	N/A	(63)	78	(123.3%)
Total Opex	2,807	2,794	13	0.5%	2,701	106	3.9%
EBITDA	(1,275)	(1,304)	28	(2.2%)	(3,089)	1,813	(58.7%)
EBITDA %	(6.2%)	(6.3%)			(15.7%)		
Net Income (Loss)	\$ (1,420)	\$ (1,453)	\$ 33	(2.3%)	\$ (3,162)	\$ 1,742	(55.1%)
Capex	\$ (319)	\$ (536)	\$ 217	(40.5%)	\$ –	\$ (319)	N/A
Opex Overview:							
Payroll	\$ 1,046	\$ 1,058	\$ (12)	(1.1%)	\$ 1,029	\$ 17	1.7%
Bonus	–	–	–	N/A	–	–	N/A
Commissions	–	–	–	N/A	–	–	N/A
Marketing	81	87	(6)	(6.8%)	57	24	42.4%
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	14	15	(1)	(3.6%)	15	(1)	(5.3%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	0	(0)	(100.0%)
Professional fees	32	31	1	1.9%	59	(27)	(45.8%)
Utilities, repair, maintenance, and security	80	79	2	2.0%	70	10	15.0%
Corporate OH Fees	1,478	1,478	(1)	(0.1%)	1,484	(6)	(0.4%)
Bad Debts	–	–	–	N/A	3	(3)	(100.0%)
FX	15	–	15	N/A	(63)	78	(123.3%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	61	46	15	31.8%	51	10	20.0%
Total Opex	\$ 2,807	\$ 2,794	\$ 13	0.5%	\$ 2,704	\$ 103	3.8%

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	%					
<u>Customer:</u>																			
A.M.I.	\$	3,815	\$	3,800	\$	15	0.4%	\$	3,511	\$	304	8.7%	0.0%	0.0%	—	N/A	0.0%	-	N/A
GOLDEN WINDOWS		2,100		2,067		33	1.6%		2,290		(190)	(8.3%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
OSTACO 2000 WINDOORS INC		1,898		1,909		(11)	(0.6%)		1,906		(8)	(0.4%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
PORTES & FENETRES ABRITEK		945		962		(17)	(1.8%)		1,147		(202)	(17.6%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
DASHWOOD INDUSTRIES INC		894		873		21	2.4%		922		(28)	(3.0%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
P & F ISOTHERMIC INC		578		558		20	3.6%		815		(237)	(29.1%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
VAILLANCOURT INC.		2,304		2,309		(5)	(0.2%)		800		1,504	188.0%	0.0%	0.0%	—	N/A	0.0%	-	N/A
CANADIAN VINYLTEK WINDOWS C		388		360		28	7.8%		555		(167)	(30.1%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
FENERGIC INC		481		502		(21)	(4.2%)		532		(51)	(9.6%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
EXTREME WINDOW AND		542		561		(19)	(3.4%)		511		31	6.1%	0.0%	0.0%	—	N/A	0.0%	-	N/A
VENTANA WINDOWS & DOORS IN		477		490		(13)	(2.7%)		484		(7)	(1.4%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
Fenêtres Concept		395		405		(10)	(2.5%)		437		(42)	(9.6%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
MASON WINDOWS LTD		311		310		1	0.3%		328		(17)	(5.2%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
CEN		296		303		(7)	(2.3%)		292		4	1.4%	0.0%	0.0%	—	N/A	0.0%	-	N/A
TRI-STATE WINDOW FACTORY		140		165		(25)	(15.2%)		356		(216)	(60.7%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
FMC		296		249		47	18.9%		259		37	14.3%	0.0%	0.0%	—	N/A	0.0%	-	N/A
ATLANTIC WINDOWS		276		290		(14)	(4.8%)		274		2	0.7%	0.0%	0.0%	—	N/A	0.0%	-	N/A
YKK AP VINYL		370		329		41	12.5%		225		145	64.4%	0.0%	0.0%	—	N/A	0.0%	-	N/A
LORENDO INC.		164		205		(41)	(20.0%)		226		(62)	(27.4%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
MAR		106		122		(16)	(13.1%)		250		(144)	(57.6%)	0.0%	0.0%	—	N/A	0.0%	-	N/A
Other		4,787		4,812		(26)	(0.5%)		4,567		220	4.8%	30.1%	217.0%	(18,691)	(86.1%)	(8.5%)	3,856	(453.8%)
Total Gross	\$	21,563	\$	21,581	\$	(19)	(0.1%)	\$	20,687	\$	876	4.2%	6.8%	6.6%	23	3.4%	(1.9%)	870	(464.1%)

ECS Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	7,188	7,351	(163)	(2.2%)	7,188	7,351	(163)	(2.2%)
Units Shipped ('000)	7,544	7,351	193	2.6%	7,544	7,351	193	2.6%
Bookings (\$'000)	\$ 718	\$ –	\$ 718	N/A	\$ 718	\$ –	\$ 718	N/A
Backlog ('\$000)	\$ 240	\$ –	\$ 240	N/A	\$ 240	\$ –	\$ 240	N/A
External Revenue	\$ 524	\$ 619	\$ (96)	(15.4%)	\$ 524	\$ 619	\$ (96)	(15.4%)
Affiliate Revenue	\$ 4,935	\$ 4,626	\$ 309	6.7%	\$ 4,935	\$ 4,626	\$ 309	6.7%
Gross Revenue	\$ 5,459	\$ 5,246	\$ 213	4.1%	\$ 5,459	\$ 5,246	\$ 213	4.1%
Adj. to Gross Revenue	(1)	(2)	2	(76.3%)	(1)	(2)	2	(76.3%)
Net Revenue	5,459	5,244	215	4.1%	5,459	5,244	215	4.1%
Material	4,588	4,457	131	2.9%	4,588	4,457	131	2.9%
Labor	151	172	(20)	(11.9%)	151	172	(20)	(11.9%)
Other COGS	465	438	26	6.0%	465	438	26	6.0%
Total COGS	5,204	5,067	137	2.7%	5,204	5,067	137	2.7%
Gross Margin	255	177	78	44.2%	255	177	78	44.2%
Gross Margin %	4.7%	3.4%			4.7%	3.4%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	14	13	1	9.8%	14	13	1	9.8%
Administrative	152	151	1	1.0%	152	151	1	1.0%
Other Opex	(114)	–	(114)	N/A	(114)	–	(114)	N/A
Total Opex	53	164	(111)	(67.8%)	53	164	(111)	(67.8%)
EBITDA	202	13	189	1462.4%	202	13	189	1462.4%
EBITDA %	3.7%	0.2%			3.7%	0.2%		
Net Income (Loss)	\$ 149	\$ (46)	\$ 195	(419.9%)	\$ 149	\$ (46)	\$ 195	(419.9%)
Capex	\$ –	\$ (65)	\$ 65	(100.0%)	\$ –	\$ (65)	\$ 65	(100.0%)
Opex Overview:								
Payroll	\$ 51	\$ 48	\$ 3	5.4%	\$ 51	\$ 48	\$ 3	5.4%
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	1	(1)	(100.0%)	–	1	(1)	(100.0%)
Marketing	–	–	–	N/A	–	–	–	N/A
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	0	0	(0)	(39.6%)	0	0	(0)	(39.6%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	6	7	(1)	(12.4%)	6	7	(1)	(12.4%)
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, and	1	2	(2)	(68.0%)	1	2	(2)	(68.0%)
Corporate OH Fees	104	105	(1)	(1.0%)	104	105	(1)	(1.0%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(114)	–	(114)	N/A	(114)	–	(114)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	5	0	5	4466.9%	5	0	5	4466.9%
Total Opex	\$ 53	\$ 164	\$ (111)	(67.8%)	\$ 53	\$ 164	\$ (111)	(67.8%)

Management Discussion

Net Revenue – Jan-19: +\$215K

- Sales volume up 2.6% or \$138k mainly driven by increased demand from affiliates (Laval 11% & Everett 31%); offset by lower external customers (Nuform & Vinyl Profiles)
- Favorable price/mix of \$147k due to customer mix (Energi Woodbridge increased volume for JV material).
- Unfavorable F/X of \$70k (actual rate of 1.3301 [or \$USD 0.7518] vs. 1.30 [or \$USD 0.7692])

EBITDA – Jan-19: +\$189K

- Material COGS:** Increase in costs by \$131k due to increased sales volume impact \$117k and improved scrap utilization \$14k.
- Labor COGS:** Decrease in costs by \$20k due to 1 less headcount and lower production volumes.
- Other COGS:** Increase in cost by \$26k primarily driven by increased maintenance expenses \$17k (truck scale repairs, piping leak repair, Floor sweeper repair) and lower absorption \$15k (due to lower production volumes); offset by favorable freight expenses (lower sales volumes).
- Sales and Marketing:** In line with budget
- Administrative:** In line with budget
- Other Opex:** Decrease in cost by \$114k driven by favorable impact from F/X revaluation of working capital balances

Key Customers – Gross Sales and Gross Margin %: ECS

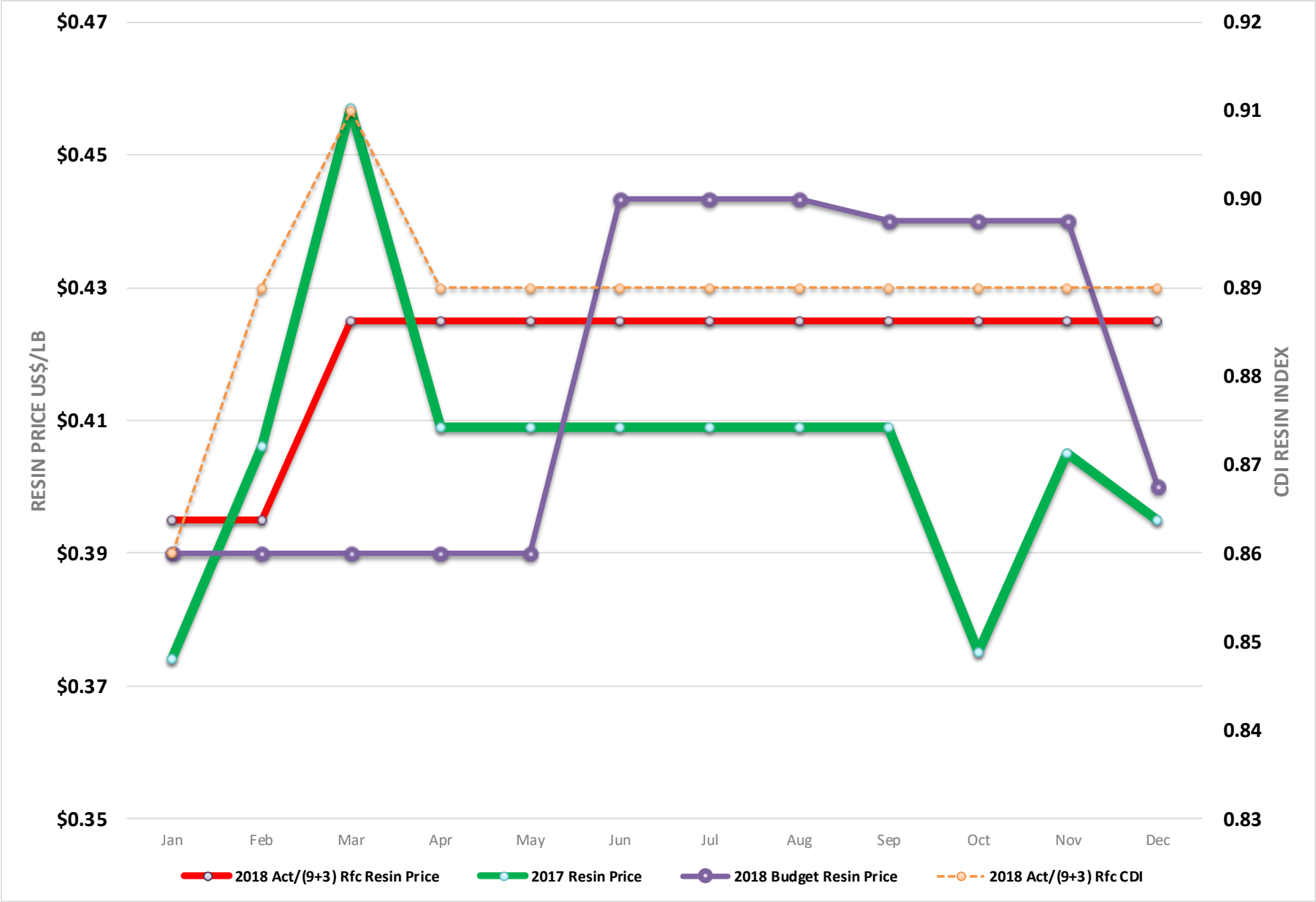
	Gross Sales (\$'000)															Gross Margin %																						
	MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var		MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var							
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%							
Customer:																																						
The Vinyl Company Inc.	\$	97	\$	78	\$	19	24.6%	\$	254	\$	(157)	(61.8%)	\$	97	\$	78	\$	19	24.6%	\$	254	\$	(157)	(61.8%)	21.4%	17.9%	352	19.7%	14.7%	674	45.9%	9.2%	5.1%	417	82.4%	14.1%	(483)	(34.3%)
Vinyl Profiles, LLC		226		276		(50)	(18.2%)		309		(84)	(27.1%)		226		276		(50)	(18.2%)		309		(84)	(27.1%)	23.5%	20.7%	282	13.6%	18.8%	474	25.2%	54.7%	73.4%	(1,868)	(25.5%)	19.7%	3,502	178.1%
Nuform Building Technologies Inc		68		122		(54)	(44.4%)		182		(115)	(62.9%)		68		122		(54)	(44.4%)		182		(115)	(62.9%)	24.8%	27.8%	(296)	(10.7%)	27.1%	(229)	(8.5%)	24.8%	27.8%	(296)	(10.7%)	27.1%	(229)	(8.5%)
Vinylume Products Inc		68		63		4	7.0%		53		15	27.5%		68		63		4	7.0%		53		15	27.5%	30.4%	21.3%	910	42.8%	19.7%	1,067	54.1%	30.4%	21.3%	910	42.8%	19.7%	1,067	54.1%
Accord Plastics Corp.		52		40		12	30.6%		9		43	493.0%		52		40		12	30.6%		9		43	493.0%	20.0%	19.4%	59	3.0%	3.3%	1,671	506.3%	20.0%	19.4%	59	3.0%	3.3%	1,671	506.3%
Vytron Corporation		–		7		(7)	(100.0%)		7		(7)	(100.0%)		–		7		(7)	(100.0%)		7		(7)	(100.0%)	#DIV/0!	28.6%	–	#VALUE!	18.7%	NA	#VALUE!	#DIV/0!	#DIV/0!	–	#DIV/0!	8.0%	NA	#VALUE!
Prasad Plastics Limited		–		2		(2)	(100.0%)		3		(3)	(100.0%)		–		2		(2)	(100.0%)		3		(3)	(100.0%)	#DIV/0!	26.7%	–	#VALUE!	26.9%	NA	#VALUE!	#DIV/0!	#DIV/0!	–	#DIV/0!	47.0%	NA	#VALUE!
Capital Plastics Corp.		–		–		-	N/A		7		(7)	(100.0%)		–		–		-	N/A		7		(7)	(100.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	34.0%	NA	#VALUE!	#DIV/0!	#DIV/0!	–	#DIV/0!	69.4%	NA	#VALUE!
Superior Extrusions Ltd		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	0.0%	–	N/A	19.3%	NA	#VALUE!
Canplex Inc.		–		–		-	N/A		11		(11)	(100.0%)		–		–		-	N/A		11		(11)	(100.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	41.6%	NA	#VALUE!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Plastibec Ltee		3		–		3	N/A		–		3	N/A		3		–		3	N/A		–		3	N/A	66.7%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
INFINITY EXTRUSIONS INC.		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	0.0%	–	N/A	47.6%	NA	#VALUE!
Mor-X Plastics		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	0.0%	NA	N/A
AMENDOLA INDUSTRIES, INC		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	0.0%	#DIV/0!	–	#DIV/0!	0.0%	-	N/A
CENTRAL PLASTICS, INC		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Window Seal Limited		–		30		(30)	(100.0%)		–		-	N/A		–		30		(30)	(100.0%)		–		-	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	10.9%	–	#VALUE!	#DIV/0!	NA	#DIV/0!
Lastique International Corp		10		–		10	N/A		–		10	N/A		10		–		10	N/A		–		10	N/A	20.0%	0.0%	2,000	N/A	0.0%	2,000	N/A	20.0%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	0.0%	–	N/A	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!	0.0%	–	N/A	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!	0.0%	–	N/A	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		4,936		4,628		307	6.6%		6,824		(1,889)	(27.7%)		4,936		4,628		307	6.6%		6,824		(1,889)	(27.7%)	2.6%	1.0%	165	169.4%	4.8%	(214)	(44.9%)	2.6%	1.0%	165	169.4%	5.1%	(245)	(48.4%)
Total Gross	\$	5,459	\$	5,246	\$	213	4.1%	\$	7,660	\$	(2,201)	(28.7%)	\$	5,459	\$	5,246	\$	213	4.1%	\$	7,660	\$	(2,201)	(28.7%)	4.7%	3.4%	130	38.6%	6.4%	(172)	(26.9%)	4.7%	3.4%	130	38.6%	6.5%	(179)	(27.7%)

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
	Act	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	
Sales													
Total Sales - Non-Patio & Doors - \$'000	\$ 5,459	\$ 5,716	\$ 5,945	\$ 6,357	\$ 6,668	\$ 6,630	\$ 6,443	\$ 6,754	\$ 6,084	\$ 6,520	\$ 6,086	\$ 3,950	\$ 67,152
Total Sales - Non-Patio & Doors - Lbs	7,544	7,983	8,352	8,885	9,352	9,259	9,020	9,424	8,535	9,119	8,518	5,549	93,995
FX Rate	1.3301	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	
Materials - units													
ADDITIVE	47	36	38	40	43	42	41	43	39	41	39	25	428
ADDITIVE (IMPACT MODIFIER)	293	291	305	324	341	338	329	344	311	333	311	202	3,429
ADDITIVE (PROCESSING AID)	53	51	54	57	60	58	61	55	55	55	55	36	605
FILLER	407	451	472	502	529	523	510	533	483	516	482	314	5,314
LUBRICANT	175	175	183	195	205	203	198	207	187	200	187	122	2,063
PIGMENT - C	—	1	1	1	1	1	1	1	1	1	1	1	11
PIGMENT - G	20	29	30	32	34	31	34	33	31	34	31	20	343
PIGMENT - HC	—	11	11	12	13	13	12	13	12	12	12	8	127
PIGMENT - PC	2	1	1	1	1	1	1	1	1	1	1	1	13
PKG	—	—	—	—	—	—	—	—	—	—	—	—	—
PLASTICIZER	36	30	32	34	35	35	34	36	32	34	32	21	355
RESIN	5,806	6,200	6,487	6,901	7,264	7,192	7,006	7,320	6,629	7,082	6,616	4,310	73,007
STABILIZER	97	98	102	109	114	113	110	115	104	112	104	68	1,150
TIO2	598	602	630	670	705	698	680	710	643	687	642	418	7,085
Material Other	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Materials - Lbs	7,543	7,977	8,346	8,878	9,346	9,253	9,014	9,417	8,529	9,112	8,512	5,545	93,930
Materials - units/Non-Patio & Doors - Lbs													
ADDITIVE	0.0062	0.5%	0.5%	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	3.6%	3.6%	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	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
FILLER	0.0540	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%
LUBRICANT	0.0232	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
PIGMENT - C	—	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PIGMENT - G	0.0027	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
PIGMENT - HC	0.0012	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
PIGMENT - PC	0.0002	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PKG	—	—	—	—	—	—	—	—	—	—	—	—	—
PLASTICIZER	0.0047	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
RESIN	0.7696	77.7%	77.7%	77.7%	77.7%	77.7%	77.7%	77.7%	77.7%	77.7%	77.7%	77.7%	77.7%
STABILIZER	0.0129	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
TIO2	0.0793	7.5%	7.5%	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%	0.0%	0.0%
Materials - ASP													
ADDITIVE	3.7566	3.5200	3.5200	3.5633	3.5633	3.5633	3.6073	3.6073	3.6073	3.6518	3.6518	3.6518	\$ 3.59
ADDITIVE (IMPACT MODIFIER)	1.6966	1.6650	1.6650	1.6650	1.6650	1.6650	1.6650	1.6650	1.6650	1.6650	1.6650	1.6650	\$ 1.67
ADDITIVE (PROCESSING AID)	1.6303	1.7010	1.7010	1.7010	1.7010	1.7010	1.7010	1.7010	1.7010	1.7010	1.7010	1.7010	\$ 1.70
FILLER	0.2259	0.2058	0.2058	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	\$ 0.21
LUBRICANT	0.9643	0.9329	0.9329	0.9329	0.9329	0.9329	0.9329	0.9329	0.9329	0.9329	0.9329	0.9329	\$ 0.93
PIGMENT - C	1.1950	2.8123	2.8123	2.8123	2.8123	2.8123	2.8123	2.8123	2.8123	2.8123	2.8123	2.8123	\$ 2.81
PIGMENT - G	3.1654	3.1592	3.1592	3.1592	3.1592	3.1592	3.1592	3.1592	3.1592	3.1592	3.1592	3.1592	\$ 3.16
PIGMENT - HC	5.7453	5.8923	5.8923	5.8923	5.8923	5.8923	5.8923	5.8923	5.8923	5.8923	5.8923	5.8923	\$ 5.89
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	\$ 7.13
PKG	7.8870	7.6761	7.6761	7.6761	7.6761	7.6761	7.6761	7.6761	7.6761	7.6761	7.6761	7.6761	\$ 7.68
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	\$ 0.90
RESIN	0.4239	0.4454	0.4454	0.4454	0.4654	0.4654	0.4654	0.4654	0.4354	0.4354	0.4354	0.4354	\$ 0.45
STABILIZER	3.6469	3.3188	3.3188	3.3188	3.3188	3.3188	3.3188	3.3188	3.3188	3.3188	3.3188	3.3188	\$ 3.32
TIO2	1.4727	1.4320	1.4320	1.4520	1.4520	1.4520	1.4520	1.4520	1.4520	1.4520	1.4520	1.4520	\$ 1.45
Material Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Materials - \$'000													
ADDITIVE	\$ 175	\$ 128	\$ 134	\$ 144	\$ 152	\$ 150	\$ 148	\$ 155	\$ 140	\$ 152	\$ 142	\$ 92	\$ 1,535
ADDITIVE (IMPACT MODIFIER)	\$ 497	\$ 485	\$ 507	\$ 540	\$ 568	\$ 562	\$ 548	\$ 572	\$ 518	\$ 554	\$ 517	\$ 337	\$ 5,709
ADDITIVE (PROCESSING AID)	\$ 87	\$ 87	\$ 91	\$ 97	\$ 102	\$ 101	\$ 99	\$ 103	\$ 93	\$ 100	\$ 93	\$ 61	\$ 1,028
FILLER	\$ 92	\$ 93	\$ 97	\$ 106	\$ 112	\$ 110	\$ 108	\$ 112	\$ 102	\$ 109	\$ 102	\$ 66	\$ 1,116
LUBRICANT	\$ 169	\$ 163	\$ 171	\$ 182	\$ 191	\$ 190	\$ 185	\$ 193	\$ 175	\$ 187	\$ 174	\$ 114	\$ 1,924
PIGMENT - C	\$ —	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 32
PIGMENT - G	\$ 64	\$ 92	\$ 96	\$ 102	\$ 108	\$ 107	\$ 104	\$ 109	\$ 98	\$ 105	\$ 98	\$ 64	\$ 1,083
PIGMENT - HC	\$ 50	\$ 64	\$ 67	\$ 71	\$ 75	\$ 74	\$ 72	\$ 75	\$ 68	\$ 73	\$ 68	\$ 44	\$ 751
PIGMENT - PC	\$ 11	\$ 8	\$ 9	\$ 9	\$ 10	\$ 9	\$ 9	\$ 10	\$ 9	\$ 9	\$ 9	\$ 6	\$ 96
PKG	\$ —	\$ 34	\$ 28	\$ 29	\$ 26	\$ 35	\$ 27	\$ 34	\$ 28	\$ 25	\$ 25	\$ 25	\$ 316
PLASTICIZER	\$ 33	\$ 27	\$ 28	\$ 30	\$ 32	\$ 31	\$ 31	\$ 32	\$ 29	\$ 31	\$ 29	\$ 19	\$ 320
RESIN	\$ 2,461	\$ 2,793	\$ 2,923	\$ 3,108	\$ 3,417	\$ 3,382	\$ 3,256	\$ 3,443	\$ 3,119	\$ 3,114	\$ 2,914	\$ 1,898	\$ 33,411
STABILIZER	\$ 354	\$ 324	\$ 339	\$ 361	\$ 380	\$ 376	\$ 366	\$ 382	\$ 346	\$ 370	\$ 346	\$ 225	\$ 3,815
TIO2	\$ 881	\$ 862	\$ 902	\$ 972	\$ 1,024	\$ 1,013	\$ 987	\$ 1,031	\$ 934	\$ 998	\$ 932	\$ 607	\$ 10,263
Scrap	\$ 29	\$ 53	\$ 53	\$ 51	\$ 53	\$ 61	\$ 52	\$ 58	\$ 61	\$ 57	\$ 52	\$ 55	\$ 608
BOM Scrap (not in P&L and 2019 AOP)													\$ -
PIP Savings	\$ (9)	\$ (58)	\$ (2)	\$ (16)	\$ (16)	\$ (16)	\$ (16)	\$ (16)	\$ (16)	\$ (18)	\$ (18)	\$ (18)	\$ (210)
Rebates - Kronos (\$0.075/lb)	\$ (45)	\$ (45)	\$ (47)	\$ (50)	\$ (53)	\$ (52)	\$ (51)	\$ (53)	\$ (48)	\$ (48)	\$ (48)	\$ (31)	\$ (531)
Resin Rebate & Discount	\$ (101)	\$ (81)	\$ (89)	\$ (92)	\$ (96)	\$ (104)	\$ (102)	\$ (100)	\$ (100)	\$ (93)	\$ (90)	\$ (81)	\$ (1,029)
Amortization Timing	\$ (248)	\$ (87)	\$ 29	\$ (175)	\$ (144)	\$ 46	\$ 33	\$ (9)	\$ 15	\$ 183	\$ 84	\$ 16	\$ (9)
Packaging	\$ 19	\$ —	\$ —	\$ —	\$ 26	\$ 35	\$ 35	\$ 37	\$ 36	\$ 29	\$ 28	\$ 20	\$ 247
Material Other	\$ 69	\$ (123)	\$ (180)	\$ 3	\$ (193)	\$ (177)	\$ (185)	\$ (185)	\$ (200)	\$ (159)	\$ (147)	\$ (99)	\$ (1,644)
Total Material Costs	\$ 4,588	\$ 4,821	\$ 5,158	\$ 5,475	\$ 5,775	\$ 5,940	\$ 5,748	\$ 5,987	\$ 5,410	\$ 5,782	\$ 5,314	\$ 3,422	\$ 58,831

Historical Resin Price Chart



Key Performance Indicators - ECS

ENERGI Everett Monthly Report		2019 Targets	Jan-19
Health & Safety			
Recordable(effects TRIR)		0	0
Quality Performance			
Concerns per million Good lbs produced		10	1.38
Return as % of sales		0.68%	0.449%
Delivery Performance			
% on time		99.2%	100.00%
Costs			
Yield		89%	90.90%
Good lbs /Paid hourly Labour Hr		126	124.89
Scrap sold as a % of good pounds produced		0.00%	0.00%
Inventory			
Inventory days on hand (at end of month)		87	100
Labour			
Labour \$ as % of net sales		25.3%	33.87%
Freight			
Freight \$ as % of net sales		4.60%	4.80%

COMMENTS:

Safety: Zero safety incidents in January
Quality: Lower returns, better than target
Delivery- 100%
Speed- Lower speed due to mix
Scrap Sold - Zero
Conversion Cost- on target
Material - Sales volume- packaging

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:																			
The Vinyl Company Inc.	\$	1,017	\$	998	\$	19	1.9%	\$	1,961	\$	(943)	(48.1%)	5.4%	5.1%	28	5.5%	16.2%	(1,082)	(66.7%)
Vinyl Profiles, LLC		3,776		3,826		(50)	(1.3%)		2,950		825	28.0%	74.4%	76.4%	(199)	(2.6%)	20.0%	5,440	272.2%
Nuform Building Technologies Inc		1,542		1,596		(54)	(3.4%)		1,834		(292)	(15.9%)	27.7%	27.8%	(15)	(0.5%)	27.0%	64	2.4%
Vinylume Products Inc		654		650		4	0.7%		688		(34)	(4.9%)	22.3%	21.3%	106	5.0%	20.7%	162	7.8%
Accord Plastics Corp.		605		593		12	2.1%		378		227	60.2%	19.5%	19.4%	6	0.3%	16.1%	341	21.2%
Vytron Corporation		10		17		(7)	(39.3%)		17		(6)	(37.8%)	6.5%	11.8%	(529)	(44.9%)	27.9%	(2,144)	(76.7%)
Prasad Plastics Limited		109		111		(2)	(2.0%)		113		(4)	(4.0%)	#DIV/0!	#DIV/0! –		#DIV/0!	26.8%	NA	#VALUE!
Capital Plastics Corp.		–		–		-	N/A		36		(36)	(100.0%)	#DIV/0!	#DIV/0! –		#DIV/0!	25.7%	NA	#VALUE!
Superior Extrusions Ltd		38		38		-	0.0%		46		(8)	(17.8%)	10.9%	10.7%	22	2.1%	25.5%	(1,461)	(57.2%)
Canplex Inc.		–		–		-	N/A		29		(29)	(100.0%)	#DIV/0!	#DIV/0! –		#DIV/0!	41.6%	NA	#VALUE!
Plastibec Ltee		3		–		3	N/A		6		(3)	(52.7%)	#DIV/0!	#DIV/0! –		#DIV/0!	24.0%	NA	#VALUE!
INFINITY EXTRUSIONS INC.		–		–		-	N/A		6		(6)	(100.0%)	0.0%	0.0%	–	N/A	57.5%	(5,750)	(100.0%)
Mor-X Plastics		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
AMENDOLA INDUSTRIES, INC		–		–		-	N/A		20		(20)	(100.0%)	0.0%	#DIV/0! –		#DIV/0!	13.8%	(1,381)	(100.0%)
CENTRAL PLASTICS, INC		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
Window Seal Limited		444		474		(30)	(6.2%)		–		444	N/A	10.9%	10.9%	0	0.0%	0.0%	1,089	N/A
Lastique International Corp		432		422		10	2.4%		–		432	N/A	11.1%	10.9%	24	2.2%	0.0%	1,114	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		64,008		63,701		307	0.5%		68,786		(4,778)	(6.9%)	(0.9%)	(1.1%)	16	(14.6%)	9.6%	(1,052)	(109.5%)
Total Gross	\$	72,637	\$	72,424	\$	213	0.3%	\$	76,869	\$	(4,231)	(5.5%)	1.7%	1.6%	12	7.3%	10.8%	(907)	(84.1%)

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	55	50	5	9.6%	55	50	5	9.6%
Labor	102	103	(1)	(1.2%)	102	103	(1)	(1.2%)
Other COGS	80	92	(12)	(13.5%)	80	92	(12)	(13.5%)
Total COGS	236	245	(9)	(3.6%)	236	245	(9)	(3.6%)
Gross Margin	(236)	(245)	9	(3.6%)	(236)	(245)	9	(3.6%)
Gross Margin %		N/A				N/A		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	297	313	(16)	(5.0%)	297	313	(16)	(5.0%)
Administrative	(352)	(345)	(7)	2.1%	(352)	(345)	(7)	2.1%
Other Opex	(36)	–	(36)	N/A	(36)	–	(36)	N/A
Total Opex	(91)	(32)	(59)	183.9%	(91)	(32)	(59)	183.9%
EBITDA	(145)	(213)	68	(32.0%)	(145)	(213)	68	(32.0%)
EBITDA %		N/A				N/A		
Net Income (Loss)	\$ (401)	\$ (682)	\$ 280	(41.1%)	\$ (401)	\$ (682)	\$ 280	(41.1%)
Capex	\$ (63)	\$ (220)	\$ 157	(71.4%)	\$ (63)	\$ (220)	\$ 157	(71.4%)
Opex Overview:								
Payroll	\$ 454	\$ 469	\$ (15)	(3.3%)	\$ 454	\$ 469	\$ (15)	(3.3%)
Bonus	112	113	(1)	(1.1%)	112	113	(1)	(1.1%)
Commissions	19	29	(10)	(34.7%)	19	29	(10)	(34.7%)
Marketing	27	25	2	9.9%	27	25	2	9.9%
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	102	127	(25)	(19.3%)	102	127	(25)	(19.3%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	36	43	(8)	(17.6%)	36	43	(8)	(17.6%)
Office Expense	4	5	(1)	(19.1%)	4	5	(1)	(19.1%)
IT	141	141	(0)	(0.3%)	141	141	(0)	(0.3%)
Bad Debts	16	–	16	N/A	16	–	16	N/A
FX	(36)	–	(36)	N/A	(36)	–	(36)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	(966)	(985)	19	(1.9%)	(966)	(985)	19	(1.9%)
Total Opex	\$ (91)	\$ (32)	\$ (59)	183.9%	\$ (91)	\$ (32)	\$ (59)	183.9%

Management Discussion

EBITDA – Jan-19: +\$68K

- **Material COGS:** Unfavorable intercompany profit elimination as a result of higher intercompany inventory levels
- **Other COGS:** Insurance costs lower than budgeted expected to increase from Q2 2019.
- **Sales & Marketing:** Lower by \$16K largely due to lower Payroll (\$6K) largely due to lower Health benefits and commission vs Budget and lower Travel and Entertainment (\$23K) Commissions (\$10K), offset by increase in Bad Debt provision of 16K
- **Administrative:** Favorable variance of \$36K contributed by payroll costs lower by \$10K, largely due to lower Health Benefit costs, and lower Professional Fee (\$8K) , offset by unfavorable FX on Corporate OH Recovery of \$15K.
- **Other Opex:** Increase in cost by \$36k driven by unfavorable impact from F/X revaluation of working capital balances

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	\$ 2,000	\$ 2,000	\$ –	0.0%	\$ 0	\$ 2,000	1274000.4%
Adj. to Gross Revenue	–	–	–	N/A	72	(72)	(100.0%)
Net Revenue	2,000	2,000	–	0.0%	72	1,928	2686.6%
Material	5	–	5	N/A	(293)	298	(101.6%)
Labor	1,234	1,236	(1)	(0.1%)	159	1,075	676.5%
Other COGS	1,092	1,104	(12)	(1.1%)	802	290	36.2%
Total COGS	2,331	2,340	(9)	(0.4%)	668	1,663	249.0%
Gross Margin	(331)	(340)	9	(2.6%)	(596)	265	(44.5%)
Gross Margin %	(16.5%)	(17.0%)			(830.5%)		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	3,966	3,982	(16)	(0.4%)	3,842	124	3.2%
Administrative	(4,187)	(4,179)	(7)	0.2%	(6,735)	2,548	(37.8%)
Other Opex	(36)	–	(36)	N/A	134	(170)	(127.2%)
Total Opex	(257)	(198)	(59)	29.9%	(2,759)	2,502	(90.7%)
EBITDA	(74)	(142)	68	(47.9%)	2,163	(2,237)	(103.4%)
EBITDA %	(3.7%)	(7.1%)			3013.6%		
Net Income (Loss)	\$ (6,285)	\$ (6,565)	\$ 280	(4.3%)	\$ (3,324)	\$ (2,960)	89.1%
Capex	\$ (400)	\$ (916)	\$ 516	(56.3%)	\$ –	\$ (400)	N/A
Opex Overview:							
Payroll	\$ 5,462	\$ 5,478	\$ (15)	(0.3%)	\$ 5,077	\$ 385	7.6%
Bonus	1,359	1,361	(1)	(0.1%)	159	1,200	755.2%
Commissions	335	345	(10)	(2.9%)	186	149	80.4%
Marketing	597	594	2	0.4%	584	12	2.1%
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,484	1,509	(25)	(1.6%)	1,137	347	30.5%
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	2	(2)	(100.0%)
Professional fees	436	444	(8)	(1.7%)	395	41	10.4%
Office Expense	45	46	(1)	(2.1%)	53	(8)	(14.8%)
IT	1,830	1,830	(0)	(0.0%)	1,367	463	33.9%
Bad Debts	16	–	16	N/A	(58)	74	(128.0%)
FX	(36)	–	(36)	N/A	134	(170)	(127.2%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	(11,786)	(11,805)	19	(0.2%)	(11,793)	7	(0.1%)
Total Opex	\$ (257)	\$ (198)	\$ (59)	29.9%	\$ (2,757)	\$ 2,500	(90.7%)