

DELANEY®
PREMIER STEEL
DOORS AND FRAMES

Management Reporting Package - January 2020



January 2020 Operating Review Meeting Agenda

- **Executive Summary**
- Financial Review
 - Consolidated
 - Delaney
 - Premier



Executive Summary | Overview

Delaney January Revenue of \$3.36M, unfavorable to AOP (\$8K)(.2%) and PY (\$225K)(6.3%)

- Single Family unfavorable to AOP (\$115K) and PY (\$10K) partially attributed to timing of HHH Show - \$100K Jan 2019, show is Feb 2020
- Multi-Family favorable to AOP \$41K and PY \$150K as a result of timing
- Hollow Metal favorable to AOP \$40K and unfavorable to PY (\$211K), specifically Special Order was down (\$211K) due to one \$214K order with BFS in Jan 2019
- Ecommerce favorable to AOP \$9K and PY \$71K as we continue to focus on this channel of our business
- Bravura favorable to AOP \$19K and unfavorable to PY (\$87K) due to two large projects in Jan 2019
- Intercompany sales to Premier down (\$138K) due to timing
- Margins favorable to PY due to mix and the tariff surcharge offsetting tariff costs

Hits

- SG&A favorable to AOP \$21K due to timing
 - Facility Costs (repairs & maintenance) \$7K, Professional Fees (audit) \$5K, T&E (timing of trade shows) \$9K
- Successful IBS Show
 - 500 leads generated resulting in 10 new accounts opened to date. Full lead report will be on February MOR
 - Previewed 2020 new product roadmap and promoted MF Smartlock
 - Conducted mini-Sales Meeting to introduce EPIC Vision, S&G Team, and new products
- Impactful BMC bi-annual Show
 - New booth design with improved graphics and tabletop displays
 - Face to face meeting with key decision makers, resulting in several MF Quotes totally over \$125K to date

Misses/Risks

- Revenue unfavorable to AOP (\$8K)(.2%) and PY (\$225K)(6.3%)
 - HM/Special Order (\$211K) and Bravura (\$87K)
- Coronavirus
 - Monitoring daily. Expected minimum container delays of 2-3 weeks. Have identified potential shortages at SKU level and are implementing contingency plans where possible.
- MF Smartlock
 - Launch is pushed out as continued delays in PCB testing are experienced – Devon stepping in as Lead



Executive Summary | Overview (continued)

Key Go-Forward Actions

- Sales: Assess team for optimal performance and execute growth initiatives
 - Review Regional Sales Directors, identify if/where change will be required
 - Review each sales agency, ensure 2020 goals and vision have been communicated
 - Leverage S&G international distribution channels
 - Drive strategic growth initiatives (see slide 8)
- Marketing: Fill key positions, drive eCommerce growth and brand awareness
 - Ecommerce & Digital Marketing Manager hired – Donald Smith begins 3/2/20
 - Graphic Designer & Lead Generation Specialist - job description complete, beginning to receive resumes
 - Implement marketing integration plan
 - Execute strategic initiatives (see slide 9)
- NPD: Implement NPD process and complete NPD Roadmap
 - Develop and implement MF Smartlock launch to market tactical plan
 - Apply NPD process to each all items currently under review
- Supply Chain: Pursue cost savings and complete SKU rationalization
 - Perform Top SKUs review by supplier and execute savings opportunities
 - Identify slow moving, low profit, and high MOQ items and create disposition plan



Executive Summary | Overview (continued)

Opportunities

Description	Potential Impact	Plan to Address
Region 1:		
<ul style="list-style-type: none"> ▪ Quote volume is up over January 2019 ▪ IBS Show Leads ▪ House Hasson Show ▪ LMC Show 1st week of March 	<ul style="list-style-type: none"> ▪ \$265K vs. \$90K ▪ Horn Surplus – 3 PA locations, London Glass – Bravura ~\$100K ▪ Spring buying show - wrote \$100K in orders PY ▪ Annual show – wrote over \$200K in orders PY ▪ New stocking dealers, including Jackson Lumber ~\$300K annually ▪ Introduction of new products including MF Smartlock and Delaney GR2 Sq. rosette 	<ul style="list-style-type: none"> ▪ ISRs/OSRs active follow-up ▪ Pursuing show leads, tracking results ▪ Sending ISR John to sell and write orders ▪ Dynamic show booth located right inside entrance to exhibit hall ▪ Sending ISRs Jamie & Lynda to sell and write orders
Region 2:		
<ul style="list-style-type: none"> ▪ Quote volume is up over January 2019 ▪ IBS Show Leads ▪ BMC Show ▪ Forte Show ▪ Green Park-Canadian Builder building in FL ▪ Bridgewell Interiors ▪ Mountainland (Forte) 	<ul style="list-style-type: none"> ▪ \$625K vs. \$275K ▪ Set up 10+ new accounts ~\$100K+ - establish tracking system ▪ Multiple MF quotes generated at show \$125K+ to date ▪ Speed dating show – chance to influence key decision makers ▪ They're building \$2M in condos in Florida ▪ Back on track, quoted 2 MF jobs \$20K - \$50K 2019/\$130K 2018 ▪ Landed 120 unit condo job, began shipping in Jan 	<ul style="list-style-type: none"> ▪ ISRs/OSRs active follow-up ▪ Pursuing show leads, tracking results ▪ Heavily focused on MF with BMC ▪ Preshow mailing and follow up marketing ▪ Attended open house – displayed Bravura & BD ▪ Assign ISR to provide TLC ▪ Donn to visit job to ensure smooth execution
Hollow Metal/Multi-Family:		
<ul style="list-style-type: none"> ▪ HM Quotes ▪ Strong dealer projections ▪ Converting Pamex Jobs ▪ Terminus Supply ▪ MF Smartlock 	<ul style="list-style-type: none"> ▪ \$5M in new January quotes ▪ Jones, BFS, BMC and Majestic all projecting growth for 2020 ▪ Waive 3% tariff surcharge \$200K+ ▪ New account - \$300K annually ▪ Terrwilliger Pappas has job in Sept. that is ours 300 units \$100K in revenue 	<ul style="list-style-type: none"> ▪ Mike/Kevin to update Quote to Order log ▪ Lisa entering Q-Orders to allocate inventory and plan for releases ▪ Developing target list with Kevin, Mike and Stratis
Ecommerce:		
<ul style="list-style-type: none"> ▪ Wayfair line review at IBS ▪ Lowes line review at IBS ▪ Hired Ecommerce & Digital Marketing Manager 	<ul style="list-style-type: none"> ▪ Wayfair has identified optimization plan for driving growth ▪ Lowes is eager to add new products (including safes) ▪ Ability to focus on specific growth drivers could propel projections well beyond budget 	<ul style="list-style-type: none"> ▪ This will be an early initiative of Donald Smith ▪ This will be an early initiative of Donald Smith
National Accounts, Buying Groups, Builders:		
<ul style="list-style-type: none"> ▪ Carter Lumber Show ▪ LBM Advantage Show ▪ BMC Lock Container Business ▪ Builder Targets 	<ul style="list-style-type: none"> ▪ 2019 Show \$25K – set up 14 new stocking locations since 2019 ▪ 2019 Show \$5K – due to timing with IBS – greater opp with vendor of the year award ▪ 4 containers annually @\$200K 15% margin 	<ul style="list-style-type: none"> ▪ Preshow mailing, show specials ▪ Preshow mailing, show specials ▪ Discuss with Tong Lung converting to Delaney



Executive Summary | Overview (continued)

Risks

Description	Potential Impact	Plan to Address
Region 1: <ul style="list-style-type: none">▪ Tier 1 Brands converting Regional Builders▪ Large Top 20 Builders buying smaller regional builders▪ Coronavirus impact creating backorders▪ .		<ul style="list-style-type: none">▪ Strategic Initiative to develop competitive builder programs to covert Builders in Top 100▪ Preparing list of substitutions, communicating potential shortages to the field
Region 2: <ul style="list-style-type: none">▪ Tier 1 Brands converting Regional Builders▪ Large Top 20 Builders buying smaller regional builders▪ Coronavirus impact creating backorders		<ul style="list-style-type: none">▪ Strategic Initiative to develop competitive builder programs to covert Builders in Top 100▪ Preparing list of substitutions, communicating potential shortages to the field
Hollow Metal/Multi-Family: <ul style="list-style-type: none">▪ Pamex has been aggressively pursuing our MF accounts touting zero tariff surcharge	Average job is \$30-\$50K	<ul style="list-style-type: none">▪ Reviewing Quotes with targeted accounts – Waiving 3% tariff where needed.
Ecommerce: <ul style="list-style-type: none">▪ Lean infrastructure to process orders▪ Amazon suspending ordering▪ Build.com sales decline	<ul style="list-style-type: none">▪ Poor scorecard results which negatively impacts algorithms▪ Missed sales for 2-3 months▪ Sales are generally flat, should be growing at 20%+ rate	<ul style="list-style-type: none">▪ Training 2 additional back up people▪ Implement corrections to online catalog, optimize key word search performance, add all new products to online catalog, create partner programs to increase brand traction and sales
National Accounts, Buying Groups, Builders: <ul style="list-style-type: none">▪ .	<ul style="list-style-type: none">▪ .	<ul style="list-style-type: none">▪ .



Executive Summary | Overview (continued)

Key Wins

Region 1

- Converted bath for H&H Homes (1000 homes projected for 2020 – \$75K opportunity)
- \$30K CALLAN2 Order - Lincdor
- \$11K Barn Door Order - 84 Balston Spa
- \$11K Lock Order – converted Schlage - LBM-TIM1
- \$25K MF Order – BFS Johnson City
- \$30K MF Order – LMC-Milford Lumber

Region 2

- Converted locksets for Stone Martin Builders (540 homes projected for 2020 – \$200K opportunity)
- \$30K MF Order - H2H
- \$20K Bath Order - Arrowhead Stairs
- \$30K MF Order – Willingham
- \$11K MF Order - ADK

MF/HM (Kevin/Mike)

- Landed 3 HM jobs totaling \$257,832 vs. 1 job Jan '19
- Haskell's converted to Bravura and Commercial Hdwe
- \$20K MF Order - OB Builders
- \$31K BMC-Charlotte
- \$25K HM, \$30K MF, \$45K Spec Order - Jones Door

Ecommerce

- Amazon \$8K (57%) growth vs. PY
- Lowes \$43K growth vs. PY – zero sales in Jan 2019
- Home Depot \$22K (44%) growth vs. PY
- Wayfair \$10K (37%) growth vs. PY

Key Losses

Region 1

- .
- .

Region 2

- Lost Chesmar Homes (425 homes/year) to Kwikset due to large signing bonus and retroactively paying 2019 rebate.
- .
- .

MF/HM (Kevin/Mike)

- We lost a \$30K MF job to Pamex because they don't have a tariff surcharge - reviewing each open quote with this customer and waiving tariff 3% where possible.
- Pamex is now stocking black commercial hardware, which gives them a foot in the door with our customers – we are working with our factory to add black.
- KABA set BFS directly which will result in a loss of \$100K in special orders.

Ecommerce

- Build.com (\$2K) (5%) decline vs. PY



Delaney Sales Dashboard

	January 2020			
	Actual	PY	\$ Chg to PY	% to PY
ISAACS SALES	\$638,677	\$748,952	(\$110,275)	85.3%
Bill Isaacs	\$3,271	\$4,067	(\$796)	80.4%
Brent Wallace	\$9,222	\$2,776	\$6,445	332.1%
Harry Isaacs	\$473,486	\$576,177	(\$102,690)	82.2%
Pat Isaacs	\$152,698	\$165,932	(\$13,234)	92.0%
MARTIN SALES	\$305,715	\$318,443	(\$12,727)	96.0%
Tom Jourdan	\$54,766	\$51,562	\$3,204	106.2%
Robert Martin	\$250,950	\$266,881	(\$15,931)	94.0%
BRUNELLE MORRIS & ASSOC	\$699,518	\$691,773	\$7,746	101.1%
Dave Brunelle	\$74,665	\$54,937	\$19,728	135.9%
Dodd Morris	\$268,509	\$276,578	(\$8,069)	97.1%
Nick Zappala	\$225,308	\$239,517	(\$14,209)	94.1%
Chad Hathorne	\$89,713	\$76,278	\$13,435	117.6%
Scott Potter	\$41,323	\$44,463	(\$3,140)	92.9%
REHMAN GROUP	\$107,034	\$96,856	\$10,178	110.5%
OCA GROUP	\$113,808	\$72,539	\$41,270	156.9%
Steve Lonsway	\$30,584	\$25,550	\$5,034	119.7%
Charlie Buelow	\$22,739	\$15,361	\$7,378	148.0%
Jude Kundla	\$37,497	\$10,855	\$26,643	345.4%
Terry O'Connor	\$22,988	\$20,772	\$2,215	110.7%
SALES FORCE ONE	\$107,547	\$103,778	\$3,768	103.6%
Dan Holden	\$50,419	\$36,240	\$14,179	139.1%
Frank G	\$21,375	\$23,578	(\$2,203)	90.7%
Jay Smith	\$35,753	\$43,961	(\$8,208)	81.3%
ACTIVE SALES	\$215,949	\$194,403	\$21,546	111.1%
HEARTLAND SALE- Jay Harms	\$49,010	\$61,563	(\$12,553)	79.6%
RUSSELL FLOWERS	\$43,188	\$55,956	(\$12,767)	77.2%
KEVIN RICH	\$799,627	\$876,347	(\$76,720)	91.2%
MIKE NORRIS	\$1,569	\$925	\$644	169.6%
NORTH STAR	\$22,202	\$13,500	\$8,702	164.5%
JNR	\$13,596	\$3,707	\$9,889	366.8%
OES	\$0	\$0	\$0	0.0%
VISION	\$13,860	\$16,310	(\$2,450)	85.0%
NEFF GROUP	\$24,870	\$31,789	(\$6,919)	78.2%
HOUSE ACCOUNTS	\$204,072	\$297,974	(\$93,902)	68.5%
ONLINE (Excl Home Depot & Hdwr Direct)	\$130,130	\$80,772	\$49,357	161.1%
HOUSE-CENTRAL	\$0	\$1,336	(\$1,336)	0.0%
HOUSE-EAST	\$693	\$0	\$693	0.0%
HOUSE-WEST	\$36,065	\$27,159	\$8,906	132.8%
HOUSE	\$37,185	\$188,706	(\$151,521)	19.7%
GRAND TOTAL	\$3,360,243	\$3,584,814	(\$224,571)	93.7%



Executive Summary | 2020 Key Initiatives

Initiative	Status	Recent Progress	Next Steps	Risks
Create multifamily smartlock launch to market tactical plan	●	<ul style="list-style-type: none">• Create and educate team to evaluate current status of MF Smartlock product development to ensure proper resources are allocated to project• Team to include Devon, Tom and Travis from S&G and Libby and Kathryn from Delaney	<ul style="list-style-type: none">• Create launch schedule that captures the remaining milestones and outlines tactical plan with associated owners• Execute tactical plan tracking progress on Smartsheet to give visibility and ownership to remaining milestones• Complete commercialization plan for MF Smartlock• Continue to develop strategic alliances• Begin preselling	<ul style="list-style-type: none">• If launch schedule is delayed beyond early Q3 we risk missing revenue targets• Delayed launch could create competitor advantages and lack of credibility• Hot leads will cool
Define ongoing NPD stagegate process	●	<ul style="list-style-type: none">• Defined a NPD stagegate process that incorporates a cross-functional team to review innovative ideas in an effective manner, providing visibility and oversight, to ensure improved product innovation results• Defined team member roles	<ul style="list-style-type: none">• Establish progress view schedule• Create a second NPD stagegate process specifically for Enhancements and Expansions• Develop and implement process for collecting VOC data, conducting OSR surveys, and gathering industry/competitor trends• Fast track items already under review	<ul style="list-style-type: none">• If new products presented at IBS are delayed beyond target dates, sales reps. could become demotivated and customers could turn to other sources• Inability to gather forecasting data to support new products
Develop new product roadmap	●	<ul style="list-style-type: none">• NPD Team created• Team is meeting weekly to review items previously identified for NPD	<ul style="list-style-type: none">• Apply NPD process to existing concept items• Finalize new product roadmap	
Develop strategy to increase share of wallet with current customers, national accounts, buying groups, and multifamily dealers through expanding products sold and penetrating all locations	●	<ul style="list-style-type: none">• To begin 2/17/20• Dick (Region 1), Donn (Region 2), Steve (National Accounts & Buying Groups) and Mike (Multifamily dealers) each have individual initiatives	<ul style="list-style-type: none">• Develop criteria for which customers to include in this analysis• Develop overview of Region 1 & 2, national accounts, buying groups, and MF customer data to include: rep name, account name, total locations, # of locations purchasing each Delaney category, sales by product category, total est. sales opportunity in unpenetrated locations, total est. sales opportunity in existing locations by product category, SWOT analysis• Develop penetration strategy for each target• Execute and track results of penetration strategy	
Develop plan to leverage S&G international distribution channels	●	<ul style="list-style-type: none">• Prepared presentation for Lodha Group and sent initial samples for review• Discussion with S&G scheduled for 2/27	<ul style="list-style-type: none">• Identify potential opportunities for Delaney to sell products to S&G distribution channel partners• Validate opportunities and identify required investments• Develop and execute implementation plan	



Complete



On-Schedule



At Risk



Behind



Executive Summary | 2020 Key Initiatives (continued)

Initiative	Status	Recent Progress	Next Steps	Risks
Implement Sales Incentive Program (SIP)	On-Schedule	<ul style="list-style-type: none">Initiative to kick off on 2/17	<ul style="list-style-type: none">Review S&G new SIPDick, Libby and Mark to meet 2/28/20Develop draft SIP and rollout plan, calculate incentive payments by rep. through Dec 2020 under draft plan vs. current plan.Consider using incentives to exceed growth targets, drive opening new customers, selling new products, CRM usageFinalize SIP and rollout plan and work with legal council to update OSR AgreementsRoll out and go live with new Delaney SIP	
Hire eCommerce & Digital Marketing Manager	On-Schedule	<ul style="list-style-type: none">Created job description, conducted interviews, made offer, hiredDonald Smith begins 3/2	<ul style="list-style-type: none">Establish work space & computer needsOnboarding & training	<ul style="list-style-type: none">Candidate underperforms and we're forced to begin process again
Graphic Designer & Lead Generation Specialist	On-Schedule	<ul style="list-style-type: none">Created job description, scheduling interviews	<ul style="list-style-type: none">Conduct interviewsSelect best candidateHireOnboard & training	
Create eCommerce growth strategy	On-Schedule	<ul style="list-style-type: none">Met with Wayfair and Lowes at IBS to perform line review and discuss optimization strategies and 2020 opportunities	<ul style="list-style-type: none">Identify opportunity with each e-Commerce partner and create 2020 growth plan to include: ideal catalog per partner, optimize merchandising, optimize images, copy & lifestyles images, start partner page (sponsored advertising), create a cross-channel promotion plan	
Develop plan to drive Bravura growth	On-Schedule	<ul style="list-style-type: none">Initiative to kick off on 2/25	<ul style="list-style-type: none">Gather initial growth avenues at Forte Show 2/25 & 2/26Develop hypothesis for Bravura growth and VOC interview guide to test hypothesisConduct VOC interviews	
Develop plan to pursue immediate sourcing savings opportunities	On-Schedule	<ul style="list-style-type: none">Identified list of top ~100 SKUs by spend and supplier, pricing, and payment termsIdentify alternative suppliers	<ul style="list-style-type: none">Approach each alternative supplier for quoteApproach each existing supplier to discuss price and/or terms and what we can do to help them reduce our costsDevelop proposal for path forward	
Complete SKU Rationalization	On-Schedule	<ul style="list-style-type: none">Identified slow moving items, low profit items, and high MOQ items	<ul style="list-style-type: none">Develop proposal for SKUs to be eliminatedCreate disposition plan, including whether any SKUs can be broken down and used in another SKU	

Complete

On-Schedule

At Risk

Behind

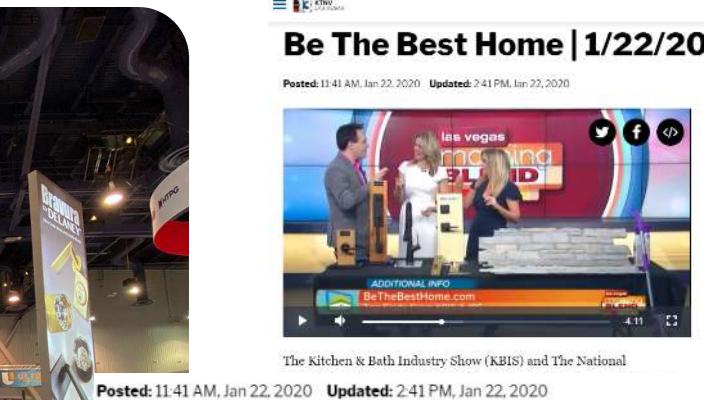
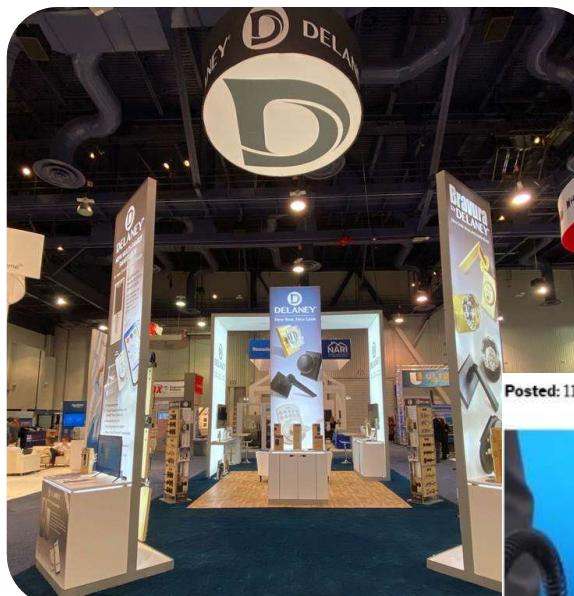
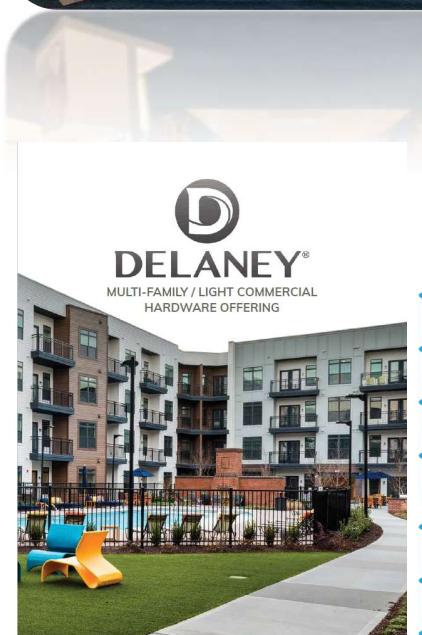
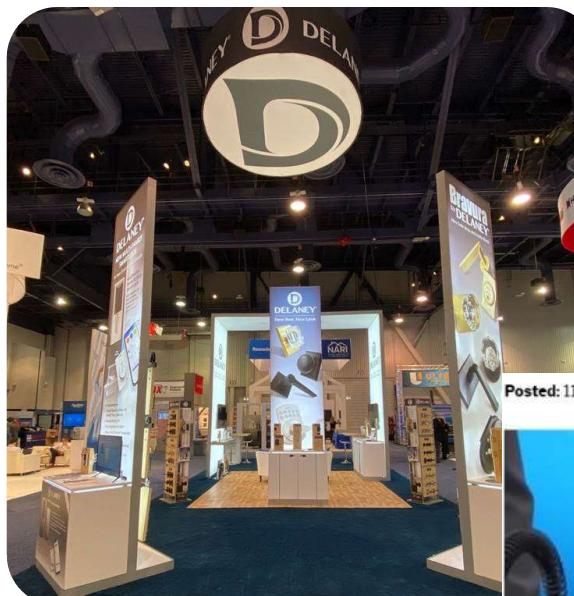


Executive Summary | Marketing update

Fantastic IBS Event
Results: 500 Leads & Great
Media Coverage

Launched newly Designed
Multi-Family / Commercial
Brochure

Redesigned tradeshow
booth for smaller shows in
2020





Executive Summary | Marketing update

E-Commerce & Next Projects

Jan 2020 Total = \$205,873 **Up** 51.84%  vs. 2019

Exceeded January Budget by 2.9%

Top Partners:

- Home Depot – 44% Growth vs 2019
- Build.com – 5% decline vs 2019 (*Working on this account*)
- Wayfair – 37% Growth vs 2019
- Amazon – 57% Growth vs 2019
- Lowes – 1366% Growth vs 2019 (\$42,525 vs. \$2,900)

Ecommerce & Digital Marketing Manager

- Hired Donald Smith – he begins March 2nd

Next Initiatives Focus:

- Develop and internally publish marketing calendar
- Hire graphic designer & communications (lead generation) specialist
- Create dealer communication plan
- Develop and implement lead generation tracker and process



Executive Summary | Metrics

Insert Metrics chart



Executive Summary | Overview

Premier:

- Best January sales volume ever recorded for Premier.
- CSM opened a new Midwest location. St Peters, MO has already placed a \$20k stock order.
- DP in FL lost a key modular manufacturer that will affect their 2020 purchases with Premier. Working to help them re-secure that account.
- January EBITDA up 84% to 2019 & 58% to AOP
- Favorably steel purchases, sales mix, and efficiency gains all helped to drive favorable margins. If not for unfortunate and unforeseen maintenance expenses (\$37k), EBITDA would have been even better.



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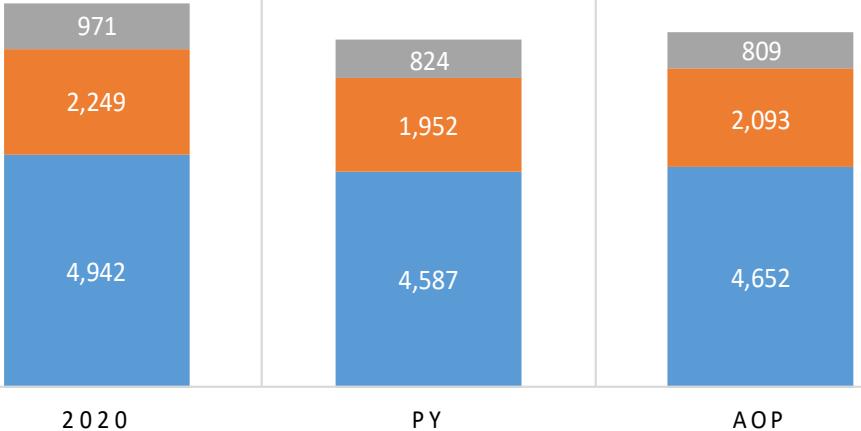
Consolidated Financials



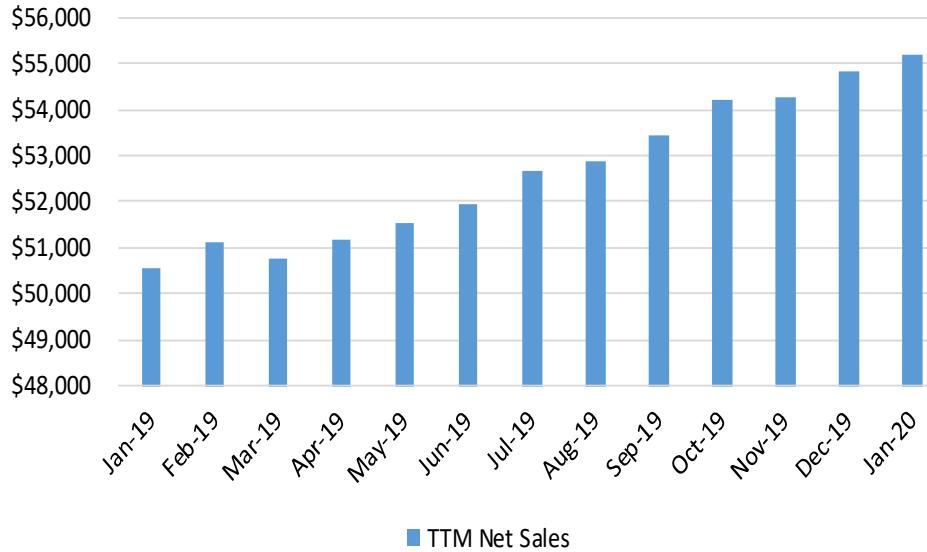
Consolidated Business Results

CONSOLIDATED YTD METRICS

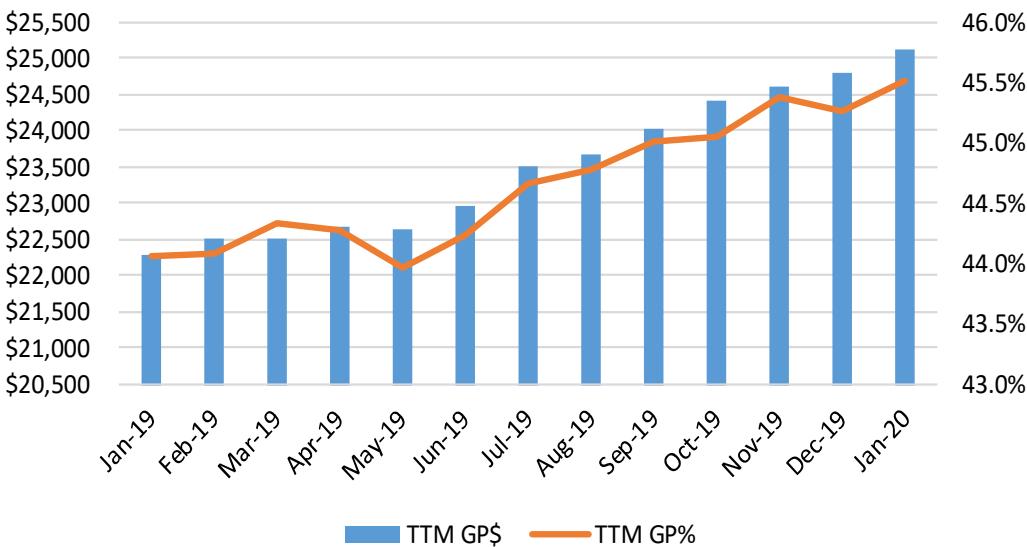
■ Net Sales ■ Gross Margin ■ EBITDA



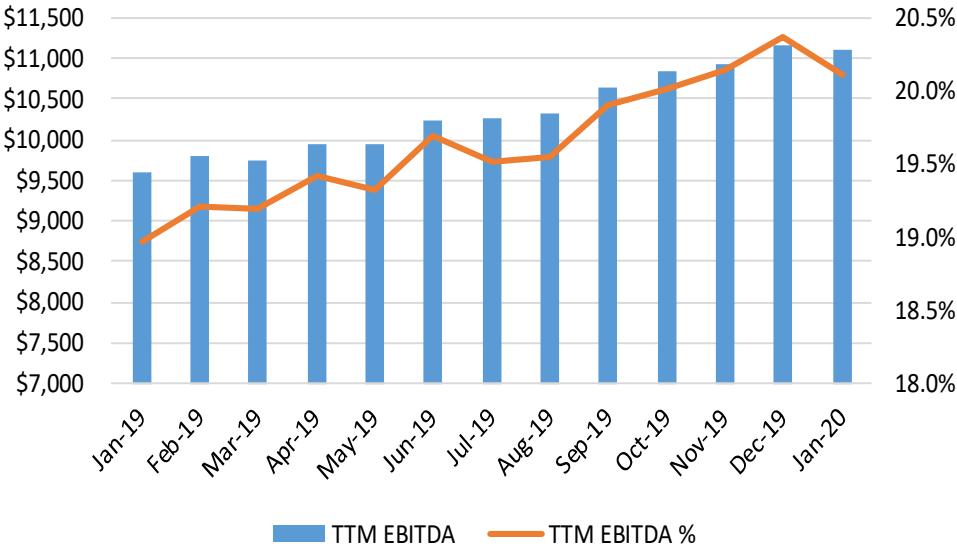
TTM Net Sales



TTM Gross Margin



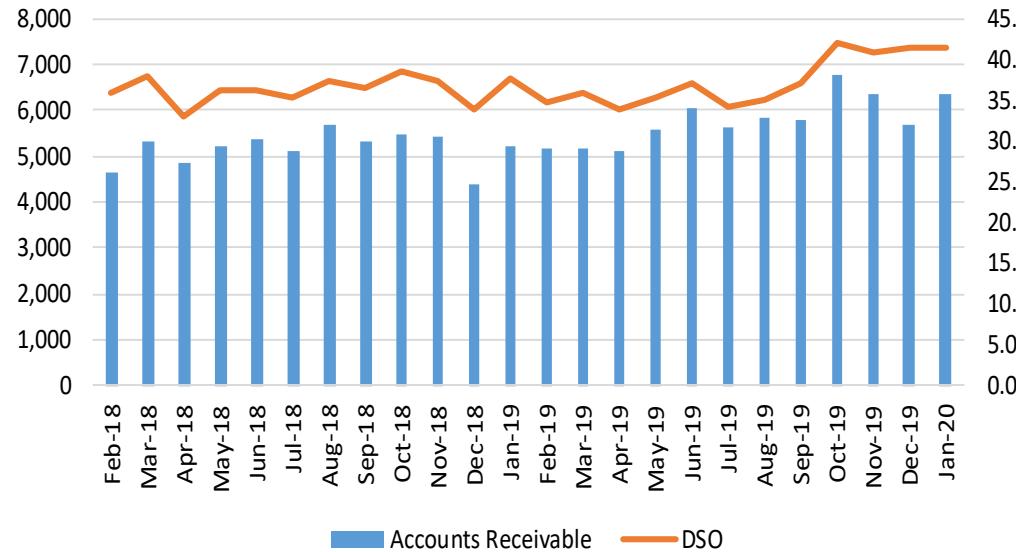
TTM EBITDA



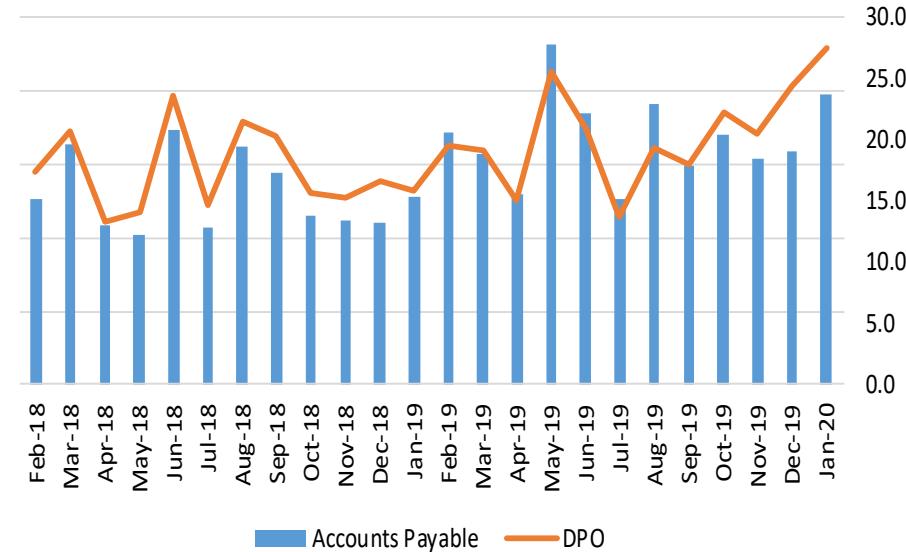


Consolidated Business Results Con't

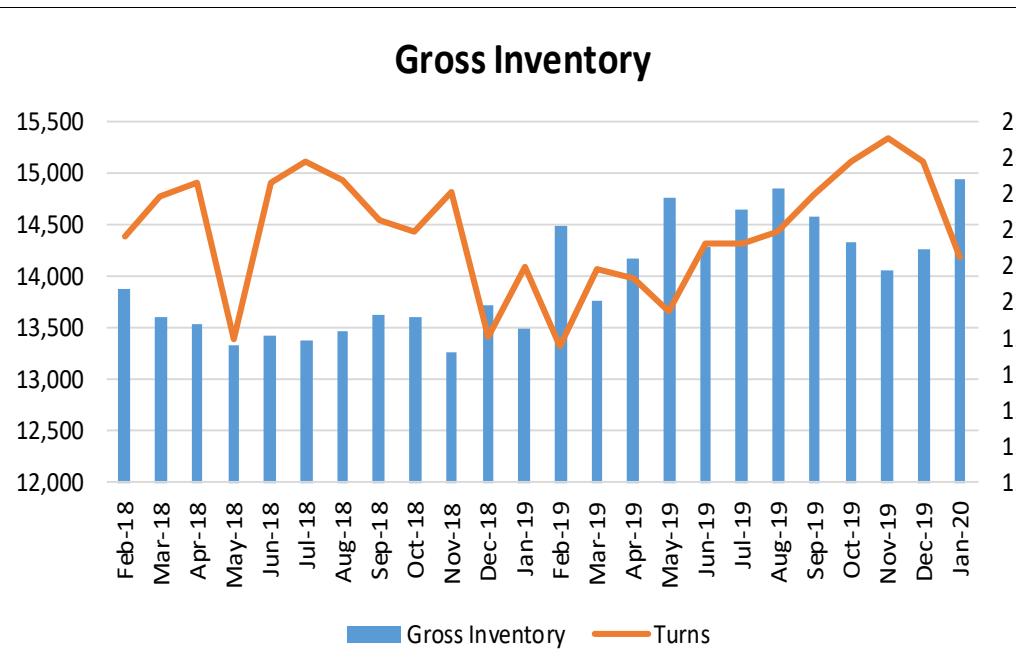
Accounts Receivable



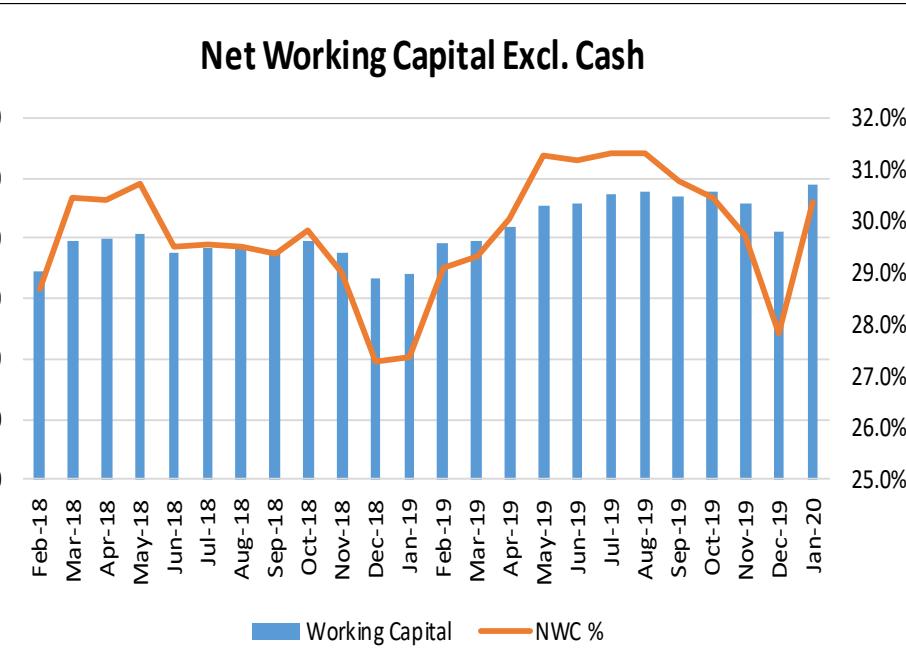
Accounts Payable



Gross Inventory

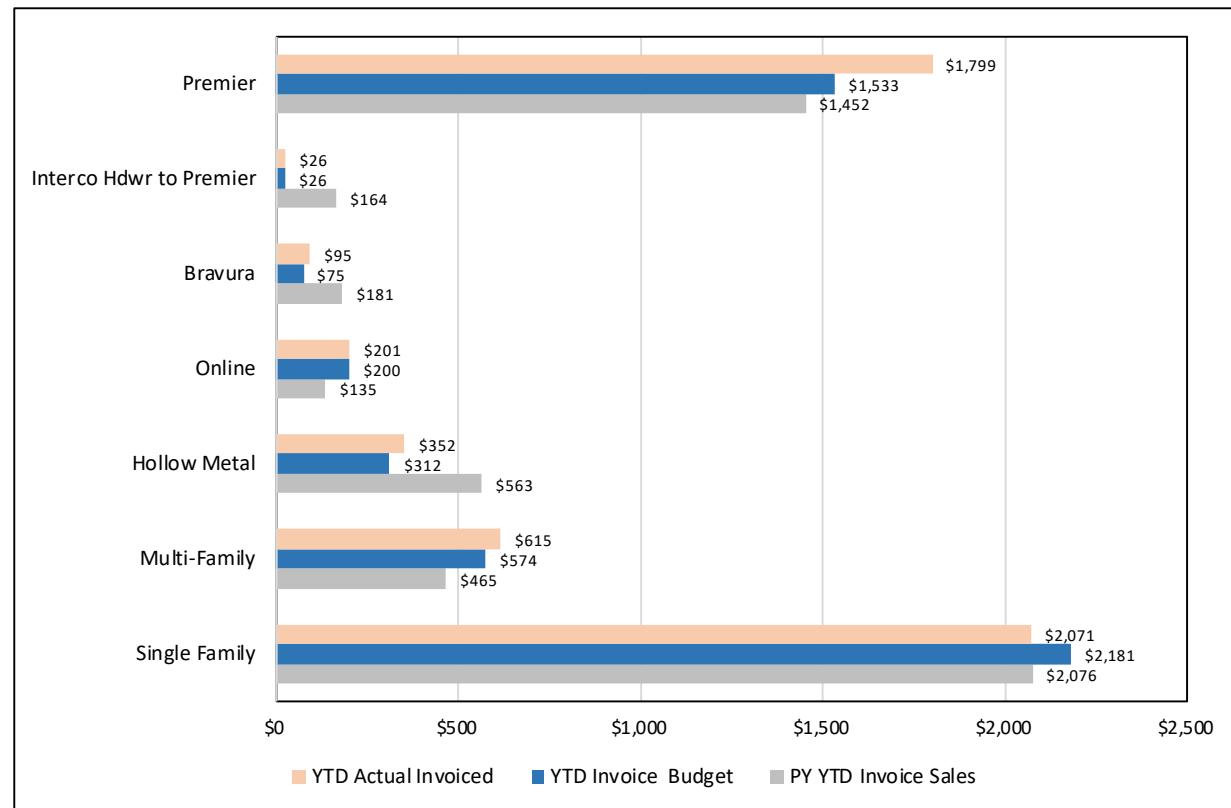


Net Working Capital Excl. Cash





Sales by Channel Incl. Premier



	Single Family	Multi-Family	Hollow Metal	Online	Bravura	Interco Hdwr to Premier	Premier
YTD Actual Invoiced	\$2,071	\$615	\$352	\$201	\$95	\$26	\$1,799
YTD Actual Prod Mgn %	53.1%	48.6%	25.0%	58.9%	51.5%	-0.4%	40.0%
YTD Invoice Budget	\$2,181	\$574	\$312	\$200	\$75	\$26	\$1,533
YTD Prod Mgn % Budget	53.2%	49.3%	24.9%	58.6%	50.9%	0.0%	35.1%
Invoice \$ Chg to Budget	(\$110)	\$41	\$40	\$1	\$19	\$0	\$266
Invoice % Chg to Budget	-5.0%	7.2%	12.8%	0.6%	25.7%	1.5%	17.3%
YTD Prod Mgn % Delta to Budget	-0.1%	-0.7%	0.1%	0.3%	0.5%	-0.4%	4.9%
PY YTD Invoice Sales	\$2,076	\$465	\$563	\$135	\$181	\$164	\$1,452
PY YTD Prod Mgn %	52.2%	49.2%	29.0%	56.5%	42.7%	0.0%	32.2%
YTD Invoice \$ Chg to PY	(\$5)	\$150	(\$211)	\$66	(\$87)	(\$138)	\$347
YTD Invoice % Chg to PY	-0.2%	32.3%	-37.5%	48.9%	-47.8%	-83.9%	23.9%
YTD Prod Mgn % Delta to PY	0.9%	-0.6%	-4.0%	2.4%	8.8%	-0.4%	7.8%

PY Restated for Multi-Family Cleanup; Actual and PY updated to move "Special Order" out of Multi-Family and into Hollow Metal



P&L - Consolidated – Jan-20

(\$ in thousands)	Jan-20							
	Delaney Actual	Premier Actual	Elim Actual	Consol. Actual	AOP	Actual 2019	Δ to AOP	Δ to 2019
Gross Sales (\$)	3,360	1,799	(88)	5,072	4,777	4,745	295	326
% Chg							6.2%	6.9%
Net Sales (\$)	3,240	1,790	(88)	4,942	4,652	4,587	290	355
% Chg							6.2%	7.7%
Gross Margin (\$)	1,529	720	0	2,249	2,093	1,952	155	297
% of Sales	47.2%	40.2%	0.0%	45.5%	45.0%	42.6%	51 bps	295 bps
SG&A (\$)	1,051	274	0	1,325	1,333	1,209	7	(117)
% of Sales	32.5%	15.3%	0.0%	26.8%	28.6%	26.3%	183 bps	-47 bps
Operating Income (\$)	477	446	0	923	761	743	163	180
% of Sales	14.7%	24.9%	0.0%	18.7%	16.3%	16.2%	233 bps	248 bps
Adjusted EBITDA (\$) (per A&M QofE)	513	458	0	971	809	824	162	146
% of Sales	15.8%	25.6%	0.0%	19.6%	17.4%	18.0%	225 bps	167 bps



SG&A – Consolidated – Jan-20

(\$ in thousands)	Jan-20							
	AOP	% of Net Sales	Jan Actual	% of Net Sales	Actual 2019	% of Net Sales	Δ to AOP	Δ to 2019
Facility Costs	158	3.4%	148	3.0%	157	3.4%	11	9
Bank Charges / Payroll Fees	21	0.5%	23	0.5%	24	0.5%	(2)	0
Supplies	24	0.5%	25	0.5%	24	0.5%	(1)	(1)
Taxes & Licenses	6	0.1%	6	0.1%	4	0.1%	(1)	(2)
Software Enhancement Fees	13	0.3%	11	0.2%	9	0.2%	2	(2)
Communications	5	0.1%	9	0.2%	5	0.1%	(4)	(4)
Vehicles, Entertainment, Dues	1	0.0%	1	0.0%	1	0.0%	1	1
AR Finance Charges	-	0.0%	-	0.0%	-	0.0%	-	-
Bad Debt	3	0.1%	3	0.1%	1	0.0%	-	(2)
Professional Fees	11	0.2%	7	0.1%	19	0.4%	5	12
Insurance, Property & Casualty	23	0.5%	20	0.4%	17	0.4%	3	(3)
Depreciation Expense	40	0.9%	39	0.8%	30	0.6%	1	(9)
Miscellaneous	-	0.0%	(0)	0.0%	(5)	-0.1%	0	(5)
Sales Commissions	176	3.8%	173	3.5%	186	4.0%	4	13
Outbound Freight	116	2.5%	117	2.4%	105	2.3%	(2)	(13)
Sales Tools	162	3.5%	169	3.4%	69	1.5%	(7)	(100)
Marketing	29	0.6%	28	0.6%	23	0.5%	1	(6)
Salary & Benefits	522	11.2%	530	10.7%	528	11.5%	(8)	(2)
T&E	23	0.5%	17	0.3%	13	0.3%	6	(4)
TOTAL SG&A	1,333	28.6%	1,325	26.8%	1,209	26.3%	7	(117)



Consolidated Cash Flow

	January 2020		
	Actual	PY	vs PY
	\$	\$	
Net Income from Operations	923	290	633
Add Back Non-Cash Expenses:			
Depreciation and Amortization	47	329	(282)
Working Capital			
Accounts Receivable	(626)	(818)	192
Inventory	(665)	224	(889)
Prepaid	(2)	10	(12)
Other Receivables	483	0	483
Accounts Payable	(42)	183	(225)
Accrued Expenses	(178)	197	(375)
Intercompany	0	0	0
Total change in working capital	(1,031)	(204)	(826)
Net Cash Flow from Operating Activities	(60)	415	(475)
Capital Expenditures	(23)	(76)	54
Disposals			
Other			
Cash flow from investing activities:	(23)	(76)	54
Capital Stock	0	0	0
Revolver	0	(162)	162
Term A / B	0	(133)	133
Sub note	0	0	0
Seller note	0	5	(5)
Other Notes	0	0	0
Deferred Financing Costs	0	14	(14)
Equity Contribution/div	0	0	0
Investment in Subsidiary	0	0	0
Cash flow from financing activities:	0	(276)	276
Net Increase (Decrease) in Cash	(82)	63	(145)
Cash at Beginning of Period	669	336	333
Cash and Equivalents at End of Period	587	398	189

Cash usage for inventory was related to timing of Chinese New Year timing vs PY



Consolidated Key Measures

	Jan-20				
	AOP	Actual	Actual 2019	Δ to AOP	Δ to 2019
Cash	800	897	398	97	499
Accounts Receivable, Net	5,415	6,332	5,198	917	1,134
Net Inventory	11,977	12,847	11,278	870	1,569
Accounts Payable	1,277	860	1,278	(417)	(418)
Accrued Expenses	2,470	1,797	1,438	(673)	359
YTD CAPEX	25	23	76	(2)	(53)
Net Working Capital Excl Cash	13,874	16,753	14,080	2,879	2,673
% of TTM Sales	24.5%	30.9%	28.1%	6.4%	2.8%



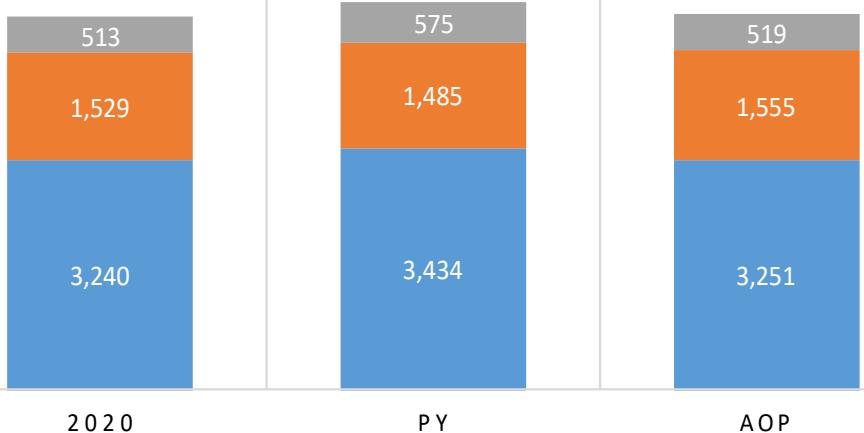
Delaney
Financials



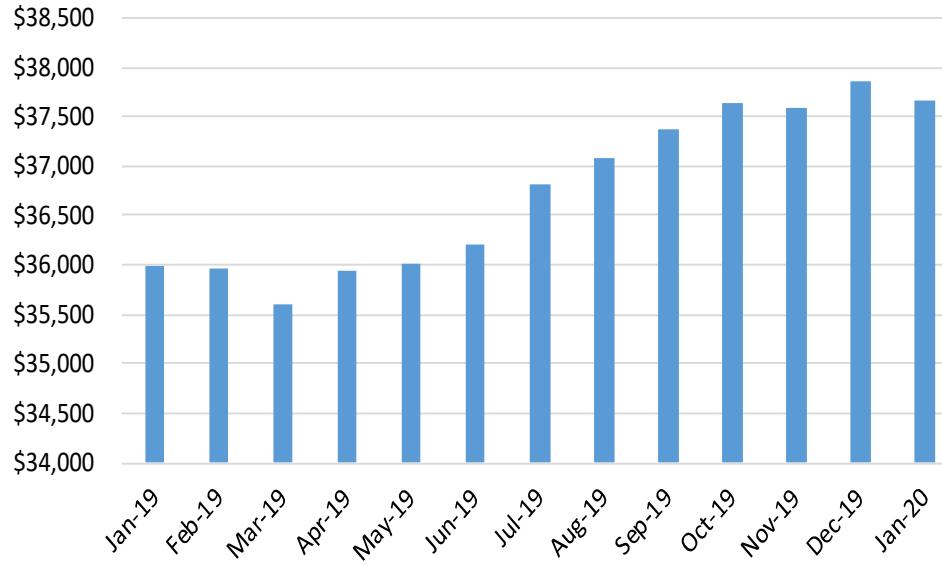
Delaney Business Results

DELANEY YTD METRICS

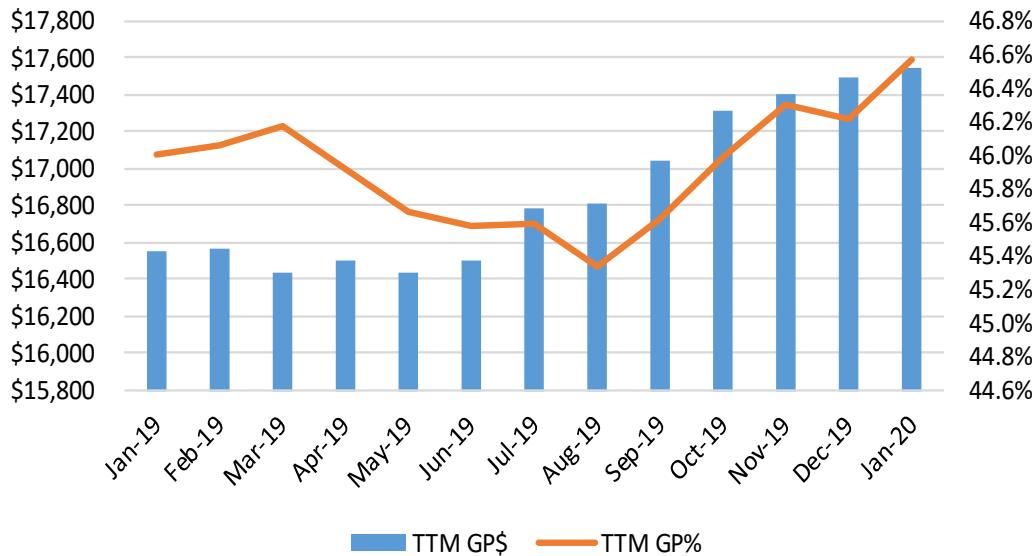
■ Net Sales ■ Gross Margin ■ EBITDA



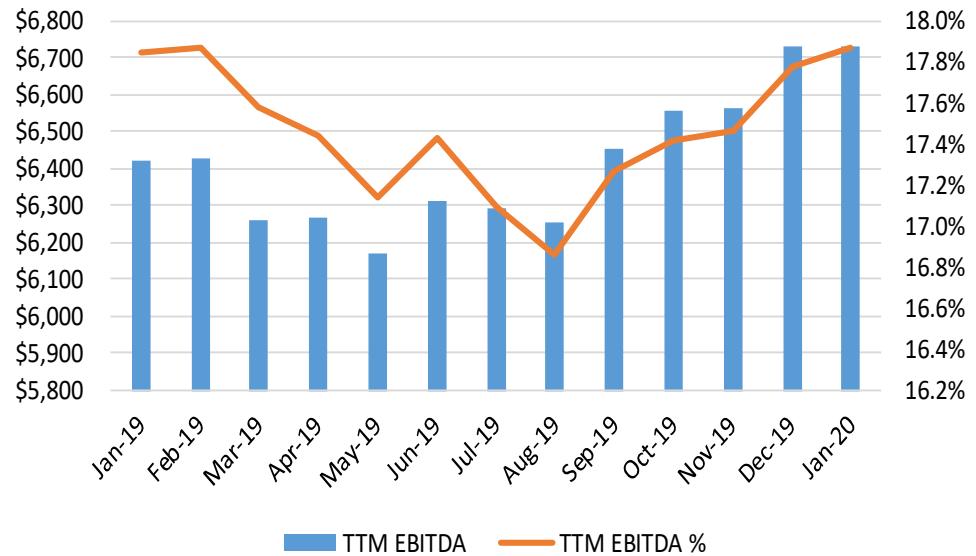
TTM Net Sales



TTM Gross Margin



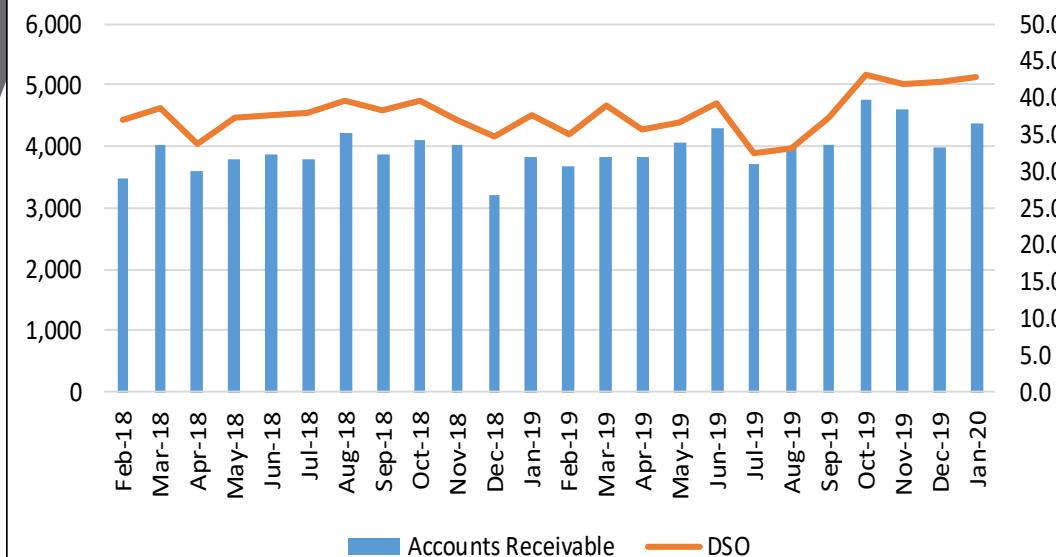
TTM EBITDA



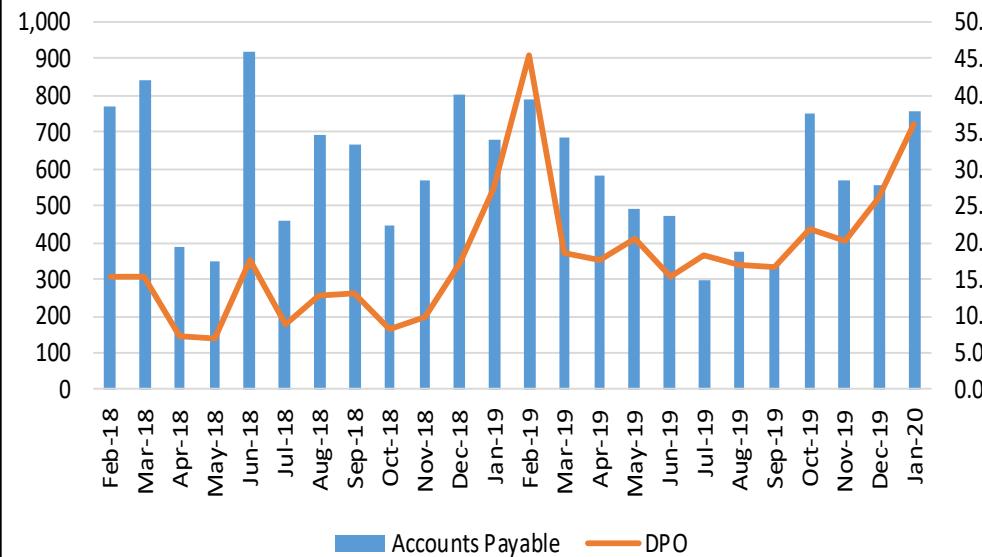


Delaney Business Results Con't

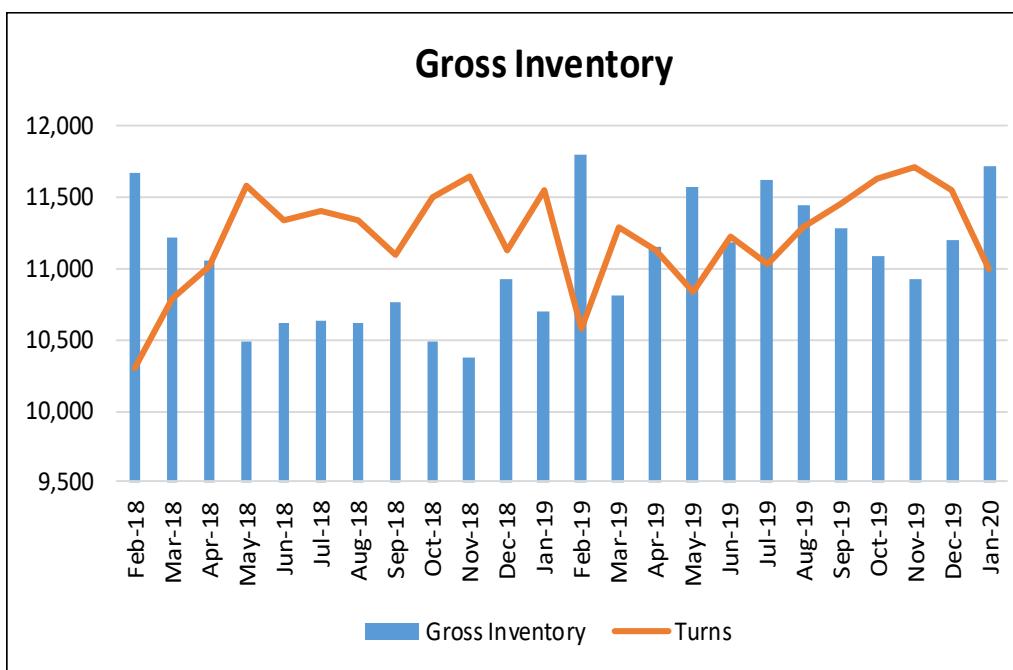
Accounts Receivable



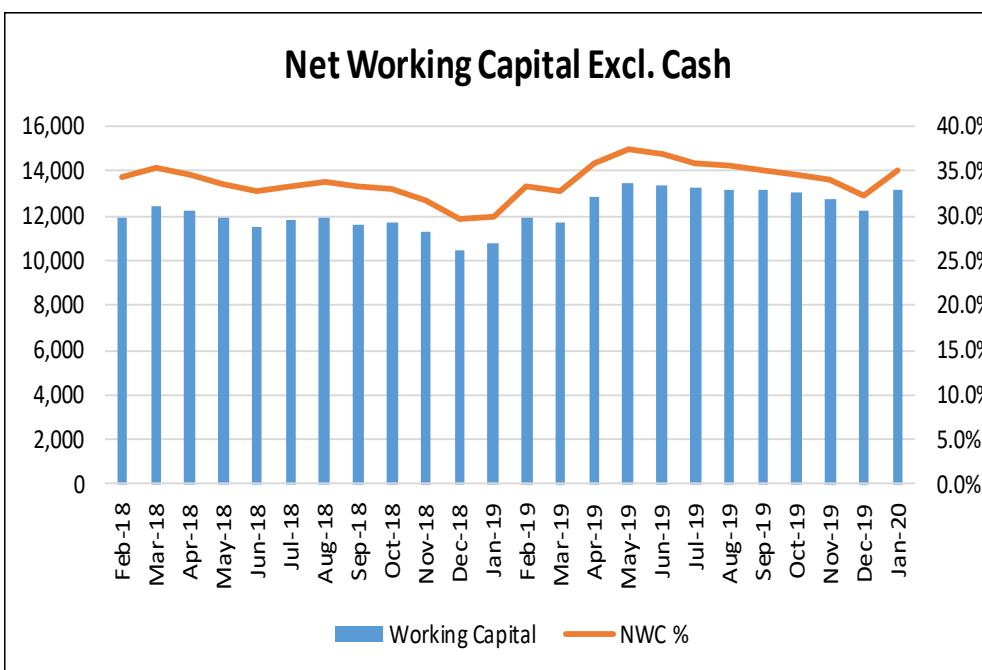
Accounts Payable



Gross Inventory



Net Working Capital Excl. Cash





P&L - Delaney Jan-20

(\$ in thousands)	Jan-20					<u>vs AOP</u>
	AOP	Jan Actual	Actual 2019	Δ to AOP	Δ to 2019	
Gross Sales (\$)	3,368	3,360	3,585	(8)	(225)	- Gross sales down (\$8k). Single Family down (\$115k) almost fully offset by Multi-Family up \$41k, Hollow Metal up \$40k, Online up \$9k and Bravura up \$19k.
% Chg				-0.2%	-6.3%	
Net Sales (\$)	3,251	3,240	3,434	(12)	(195)	- Net sales down (\$12k). Volume down (\$8k), Returns higher by (\$18k), Rebates (\$2k), partially offset by Tariff Surcharge \$9k, and Other Adjustments \$7k.
% Chg				-0.4%	-5.7%	
Gross Margin (\$)	1,555	1,529	1,485	(26)	44	- Gross Margin down (\$26k), and down 26bps as % of sales. Volume (\$6k), Sales Reductions (\$4k), Air Freight (\$15k) Tariff Surcharge \$9k, unfavorable mix (\$10k) due to lower margin in Multi-Family Segment.
% of Sales	47.8%	47.2%	43.2%	-63 bps	395 bps	
SG&A (\$)	1,072	1,051	965	21	(86)	- SG&A favorable \$21k - See next slide for details.
% of Sales	33.0%	32.5%	28.1%	52 bps	-434 bps	
Operating Income (\$)	483	477	520	(5)	(42)	
% of Sales	14.8%	14.7%	15.1%	-11 bps	-39 bps	
Adjusted EBITDA (\$) (per A&M QofE)	519	513	575	(6)	(62)	
% of Sales	16.0%	15.8%	16.7%	-14 bps	-91 bps	

vs PY

- Gross sales down (\$225k). I/C Sales to Premier down (\$138k) due to timing, Bravura (\$87k) due to a large project shipment in 2019, Hollow Metal (\$211k) due to one large order with BFS last year. Single Family down (\$10k), Online up \$71k, and Multi-Family up \$150k.

- Net sales down (\$195k). Volume (\$258k), Returns (\$41k), Rebates (\$2k), Cash Discounts (\$8k), favorable pricing \$43k, and Tariff Surcharge \$74k.

- Gross Margin up \$44k and up 395bps as % of sales. Volume down (\$84k), Sales reductions worse by (\$31k) driven by returns, Air freight higher by (\$25k), E&O reserve (\$10k), Tariff Surcharge \$74k, and \$77k of favorable mix due to not shipping I/C sales at 0% margin to Premier.

- SG&A unfavorable (\$86k) - See next slide for details.



SG&A – Delaney Jan-20

(\$ in thousands)	Jan-20							<u>vs PY</u>	
	AOP	% of Net Sales	Jan Actual	% of Net Sales	Actual 2019	% of Net Sales	Δ to AOP	Δ to 2019	
Facility Costs	56	1.7%	49	1.5%	49	1.4%	7	(1)	- \$7k Facility Costs due to timing of repairs/maintenance.
Bank Charges / Payroll Fees	17	0.5%	18	0.5%	17	0.5%	(1)	(0)	- \$5k Professional Fees - timing of audit/tax bills
Supplies	17	0.5%	16	0.5%	21	0.6%	1	5	
Taxes & Licenses	5	0.2%	6	0.2%	4	0.1%	(1)	(2)	- (\$4k) Sales Tools - due to trade show expense.
Software Maintenance & Support	10	0.3%	7	0.2%	8	0.2%	3	0	
Communications	3	0.1%	5	0.2%	3	0.1%	(2)	(2)	- \$9k - T&E due to timing of travel.
Vehicles, Entertainment, Dues	1	0.0%	1	0.0%	1	0.0%	1	1	
AR Finance Charges	-	0.0%	-	0.0%	-	0.0%	-	-	
Bad Debt	3	0.1%	3	0.1%	1	0.0%	-	(2)	
Professional Fees	7	0.2%	2	0.1%	15	0.4%	5	13	
Insurance, Property & Casualty	8	0.2%	8	0.3%	8	0.2%	(1)	0	
Depreciation Expense	36	1.1%	36	1.1%	26	0.8%	1	(9)	
Miscellaneous	-	0.0%	-	0.0%	0	0.0%	-	0	
Sales Commissions	169	5.2%	168	5.2%	179	5.2%	0	11	
Outbound Freight	133	4.1%	133	4.1%	123	3.6%	0	(10)	
Sales Tools	162	5.0%	166	5.1%	66	1.9%	(4)	(99)	
Marketing	25	0.8%	25	0.8%	20	0.6%	(0)	(6)	
Salary & Benefits	401	12.3%	399	12.3%	414	12.1%	2	15	
T&E	19	0.6%	9	0.3%	10	0.3%	9	0	
TOTAL SG&A as Reported	1,072	33.0%	1,051	32.5%	965	28.1%	21	(86)	

vs PY

- (\$99k) Sales Tools due to timing of shows

- \$13k Professional Fees due to timing of audit/tax bills.

- \$15k Salary and Benefits - driven by exit of Exec. Chairman.



YTD Sales by Item Class and Channel

Summary item class:	(\$M)				Chg		Sales % Growth & Mgn %		
	Sales		GM		Sales	GM	Sales	2019	2020
	2019	2020	2019	2020	\$	\$	Growth	%	%
Single Family									
Callan	1,142	1,082	584	558	(60)	(26)	-5.3%	51.2%	51.6%
Delaney	279	308	131	159	29	28	10.4%	46.8%	51.6%
Builders hardware	166	175	93	97	9	3	5.4%	56.2%	55.3%
Barn door hardware	200	189	127	114	(12)	(13)	-5.8%	63.2%	60.5%
Bath accessories	121	149	66	83	27	17	22.3%	54.5%	55.9%
Commercial	84	72	37	31	(12)	(6)	-14.0%	44.5%	43.3%
Other	82	92	48	54	10	6	12.3%	58.9%	58.9%
Single family (excl. interco, online, special, hollow, samples, displays, online)	653	676	372	379	23	8	3.5%	56.9%	56.1%
Bravura	153	94	65	49	(59)	(17)	-38.3%	42.6%	51.5%
Special order items	5	6	2	2	1	(0)	10.4%	44.7%	35.2%
Hollow metal	-	-	-	-	-	-	0.0%	0.0%	0.0%
Samples and Displays	1	-	(4)	-	(1)	4	-100.0%	-396.4%	0.0%
Online	136	206	77	122	70	45	51.8%	56.5%	59.2%
Single Family (excl. intercompany)	2,370	2,372	1,227	1,269	3	42	0.1%	51.8%	53.5%
Multi-family									
Delaney	148	226	69	109	78	40	52.2%	46.6%	48.3%
Callan	71	66	34	30	(5)	(4)	-7.3%	47.9%	46.2%
Commercial	108	136	48	62	27	14	25.3%	44.4%	45.9%
Bath accessories	31	84	14	38	53	23	175.1%	47.1%	45.0%
Barn door hardware	55	40	34	22	(15)	(12)	-27.8%	62.0%	55.2%
Builders hardware	38	47	18	25	9	7	25.2%	47.3%	52.3%
Other	14	17	11	13	3	2	19.8%	79.4%	75.2%
Multi-family (excl. interco, online, special, hollow, samples, displays, online)	246	324	126	160	78	34	31.6%	51.2%	49.3%
Special order items	250	142	74	37	(108)	(38)	-43.4%	29.8%	26.0%
Hollow metal	307	204	87	49	(103)	(38)	-33.6%	28.1%	24.0%
Bravura	28	0	12	0	(28)	(12)	-99.3%	43.2%	53.6%
Samples and Displays	-	-	-	-	-	-	0.0%	0.0%	0.0%
Multi-family (excl. intercompany)	1,051	961	402	385	(90)	(17)	-8.5%	38.3%	40.0%
Intercompany	164	26	0	-	(138)	(0)	-83.9%	0.0%	0.0%
Total	3,585	3,360	1,629	1,654	(225)	25	-6.3%	45.4%	49.2%

Excludes Revenue Reductions and Indirect COGS



YTD Delaney Sales by Item Class

Item Class	2020	2020	2019	2019	Gross Sales	Gross Sales	Margin
	Gross Sales	Prod Mgn %	Gross Sales	Prod Mgn %	\$ Chg	% Chg	Chg
CALLAN GR3 BOX	\$999	51.2%	\$1,081	50.8%	(\$81)	-7.5%	35 bps
DELANEY GR3 BOX	\$463	51.2%	\$354	48.3%	\$108	30.5%	285 bps
BARN DOOR HARDWARE	\$250	60.1%	\$267	63.0%	(\$17)	-6.2%	-288 bps
HOLLOW METAL	\$204	24.0%	\$307	28.1%	(\$103)	-33.6%	-417 bps
BUILDERS HARDWARE	\$233	54.3%	\$213	54.7%	\$20	9.5%	-42 bps
BATH ACCESSORIES	\$249	52.6%	\$156	53.1%	\$93	60.1%	-51 bps
SPECIAL ORDER ITEMS	\$148	26.4%	\$256	30.1%	(\$108)	-42.3%	-374 bps
BRAVURA GR2 BOX	\$99	52.4%	\$181	42.7%	(\$82)	-45.2%	973 bps
CALLAN SQUARE GR3 BOX	\$120	64.2%	\$105	61.4%	\$15	13.9%	284 bps
COMMERCIAL EXIT DEVICES	\$93	48.4%	\$80	48.0%	\$14	17.1%	44 bps
DELANEY SANDCAST GR3 BOX	\$75	48.9%	\$66	41.0%	\$9	13.7%	792 bps
COMMERCIAL GR2 LOCKS	\$53	46.6%	\$63	45.8%	(\$10)	-15.7%	76 bps
COMMERCIAL DOOR CLOSERS	\$66	37.1%	\$49	35.8%	\$17	34.0%	133 bps
CALLAN GR2 BOX	\$59	47.9%	\$50	48.7%	\$9	17.9%	-84 bps
CALLAN GR3 VIEW	\$46	50.8%	\$40	49.6%	\$5	13.4%	122 bps
KEYING CHARGES	\$27	100.0%	\$27	100.0%	\$0	0.9%	0 bps
CALLAN GR2 VIEW	\$26	49.5%	\$23	52.0%	\$4	15.9%	-254 bps
DELANEY GR2 VIEW	\$23	49.2%	\$19	44.8%	\$4	18.8%	437 bps
DIGITAL DOOR LOCKS	\$20	46.7%	\$21	46.6%	(\$1)	-4.7%	10 bps
HINGES RESIDENTIAL	\$15	57.7%	\$17	61.7%	(\$2)	-13.6%	-393 bps
EZSET GR3 BOX	\$9	32.1%	\$17	29.7%	(\$7)	-44.0%	237 bps
CONSTRUCTION LOCKS	\$23	45.9%	\$0	0.0%	\$23	0.0%	4594 bps
ZWAVE SMARTLOCK	\$8	49.3%	\$10	45.8%	(\$2)	-15.6%	352 bps
HINGES COMMERCIAL	\$7	62.4%	\$7	61.3%	(\$0)	-0.7%	115 bps
DELANEY PARTS	\$5	24.4%	\$5	17.6%	\$1	16.7%	677 bps
COMMERCIAL GR1 LOCKS	\$5	51.1%	\$3	58.5%	\$2	58.1%	-738 bps
CALLAN PARTS	\$3	23.3%	\$3	-8.1%	\$0	8.5%	3146 bps
HINGES SPRING	\$5	56.9%	\$1	45.4%	\$4	741.5%	1140 bps
DISPLAYS	\$0	0.0%	\$1	-396.4%	(\$1)	-100.0%	39643 bps
EZSET PARTS	\$0	31.9%	\$0	-100.4%	\$0	79.6%	13238 bps
Grand Total	\$3,334	49.6%	\$3,421	47.6%	(\$87)	-2.5%	198 bps

Sales exclude shipments to Premier. Excludes samples and display shipments.



YTD Delaney Sales & Product Margin by Customer

Customer Name	2020 Gross Sales	2020 Prod Mgn %	2019 Gross Sales	2019 Prod Mgn %	Gross Sales \$ Chg	Gross Sales % Chg	Margin Chg
BFS	\$506	35.8%	\$309	43.2%	\$197	63.7%	-740 bps
LMC	\$237	51.6%	\$221	53.4%	\$16	7.3%	-180 bps
JONES DOOR	\$187	36.9%	\$218	33.3%	(\$31)	-14.4%	361 bps
BMC	\$78	47.9%	\$243	46.0%	(\$165)	-67.8%	193 bps
84 LUMBER	\$129	46.7%	\$110	52.1%	\$19	16.8%	-543 bps
PREMIER STEEL DOORS	\$164	0.0%	\$26	0.0%	\$138	519.9%	3 bps
LBM	\$99	51.3%	\$81	52.5%	\$18	22.9%	-127 bps
J&L CONSTRUCTION GRO	\$85	42.0%	\$79	31.5%	\$6	8.1%	1049 bps
HOMEDEPOT.COM	\$52	58.4%	\$75	58.8%	(\$23)	-30.7%	-44 bps
IBP	\$73	50.1%	\$49	52.7%	\$24	48.1%	-266 bps
MAJESTIC HDWR SVCS	\$43	48.5%	\$78	48.7%	(\$35)	-45.1%	-11 bps
HOUSE HASSON	\$84	50.4%	\$24	54.2%	\$60	251.4%	-374 bps
USLBM	\$43	52.6%	\$49	53.6%	(\$5)	-11.1%	-107 bps
ATLANTA GLASS	\$38	49.4%	\$50	48.8%	(\$13)	-25.1%	59 bps
DAIRYMANS	\$49	44.7%	\$31	41.8%	\$18	56.8%	294 bps
WALACE HARDWARE	\$50	49.3%	\$28	53.1%	\$23	81.2%	-383 bps
CARTER LUMBER	\$43	48.9%	\$29	55.4%	\$14	47.2%	-652 bps
BUILD.COM	\$36	53.2%	\$35	56.3%	\$2	5.5%	-310 bps
DO IT BEST	\$40	53.9%	\$30	55.7%	\$10	32.9%	-179 bps
WAYFAIR LLC	\$26	55.6%	\$35	62.2%	(\$10)	-27.5%	-663 bps
THERM-CON LLC	\$31	43.4%	\$29	49.3%	\$2	5.6%	-588 bps
Empty	\$17	60.7%	\$40	55.8%	(\$23)	-58.3%	490 bps
RESIDENTIAL HDWR & I	\$21	47.8%	\$32	49.2%	(\$11)	-34.7%	-137 bps
WM S TRIMBLE CO INC	\$48	40.5%	\$0	0.0%	\$48	0.0%	4045 bps
OB BUILDERS	\$16	29.2%	\$29	30.0%	(\$13)	-43.5%	-81 bps
MULHERIN LUMBER CO	\$24	58.2%	\$21	58.1%	\$3	15.3%	14 bps
LOWES.COM	\$0		\$42	63.4%	(\$42)	-100.0%	#VALUE!
LINCDOR LLC	\$10	48.0%	\$31	45.3%	(\$21)	-68.1%	269 bps
LaNAVE SHELVING	\$19	51.1%	\$20	52.8%	(\$1)	-5.6%	-177 bps
WHOLESALE HARDWOOD I	\$15	58.0%	\$21	56.6%	(\$6)	-28.8%	139 bps
All Other	\$1,097	62.3%	\$1,519	44.9%	(\$421)	-27.8%	1732 bps
Grand Total	\$3,360	48.5%	\$3,585	46.1%	(\$225)	-6.3%	235 bps

Highlighted lines denotes a buying-group. Excludes samples and display shipments.

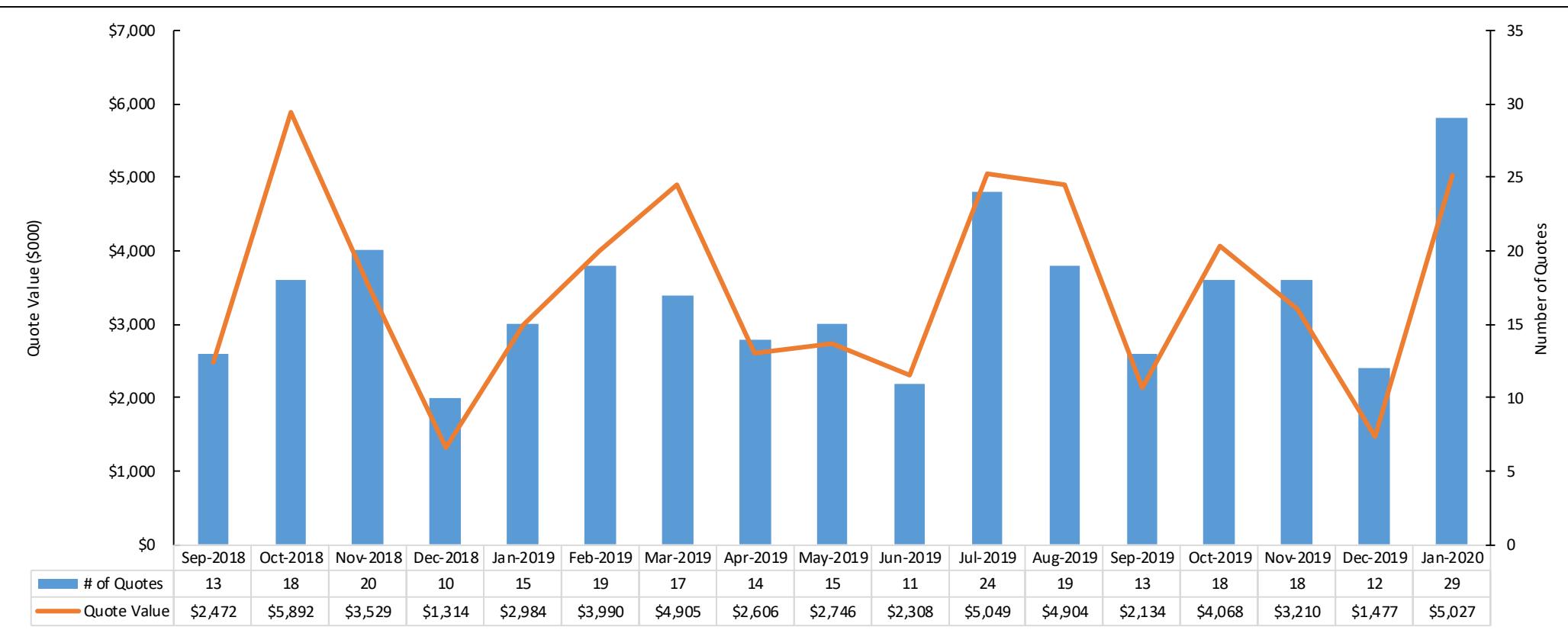


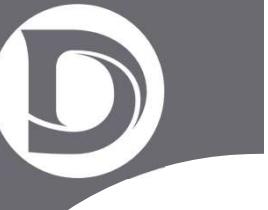
Delaney Inventory

Item Class	Jan-20	Dec-19	Chg to Dec-19	2020 Turns	Dec-19	Chg to last Month	Jan-19	Change to PY
BRAVURA GR2 BOX	\$2,523	\$2,514	\$10	0.3	\$2,514	\$10	\$1,975	\$549
DELANEY GR3 BOX	\$2,004	\$2,085	(\$81)	0.9	\$2,085	(\$81)	\$1,619	\$384
CALLAN GR3 BOX	\$986	\$723	\$263	5.7	\$723	\$263	\$1,348	(\$361)
DELANEY GR2 VIEW	\$772	\$784	(\$12)	0.3	\$784	(\$12)	\$437	\$335
BATH ACCESSORIES	\$610	\$645	(\$35)	2.0	\$645	(\$35)	\$587	\$24
COMMERCIAL EXIT DEVICES	\$409	\$395	\$14	0.9	\$395	\$14	\$436	(\$27)
COMMERCIAL GR2 LOCKS	\$395	\$422	(\$27)	1.4	\$422	(\$27)	\$468	(\$73)
DELANEY SANDCAST GR3 BOX	\$405	\$366	\$39	1.4	\$366	\$39	\$298	\$108
CALLAN SQUARE GR3 BOX	\$300	\$238	\$61	2.0	\$238	\$61	\$145	\$154
COMMERCIAL DOOR CLOSERS	\$277	\$285	(\$8)	1.4	\$285	(\$8)	\$350	(\$73)
BUILDERS HARDWARE	\$396	\$302	\$94	2.9	\$302	\$94	\$363	\$33
BARN DOOR HARDWARE	\$471	\$566	(\$94)	2.4	\$566	(\$94)	\$390	\$82
DISPLAYS	\$136	\$140	(\$4)	1.5	\$140	(\$4)	\$164	(\$28)
ZWAVE SMARTLOCK	\$189	\$193	(\$5)	0.5	\$193	(\$5)	\$151	\$38
CALLAN GR2 BOX	\$112	\$128	(\$16)	2.8	\$128	(\$16)	\$163	(\$51)
CALLAN GR3 VIEW	\$108	\$107	\$1	1.6	\$107	\$1	\$166	(\$58)
CALLAN GR2 VIEW	\$108	\$119	(\$11)	1.1	\$119	(\$11)	\$173	(\$65)
DIGITAL DOOR LOCKS	\$62	\$57	\$4	2.2	\$57	\$4	\$195	(\$134)
COMMERCIAL GR1 LOCKS	\$66	\$69	(\$2)	1.0	\$69	(\$2)	\$63	\$4
HINGES RESIDENTIAL	\$66	\$72	(\$6)	1.5	\$72	(\$6)	\$74	(\$8)
HINGES COMMERCIAL	\$58	\$61	(\$3)	1.5	\$61	(\$3)	\$73	(\$15)
CALLAN PARTS	\$47	\$45	\$2	0.7	\$45	\$2	\$62	(\$15)
EZSET GR3 BOX	\$43	\$39	\$3	9.6	\$39	\$3	\$95	(\$52)
CONSTRUCTION LOCKS	\$77	\$29	\$49	0.9	\$29	\$49	\$0	\$77
EZSET PARTS	\$22	\$22	\$1	2.4	\$22	\$1	\$19	\$3
HINGES SPRING	\$14	\$16	(\$2)	1.0	\$16	(\$2)	\$24	(\$10)
SPECIAL ORDER ITEMS	\$25	\$24	\$1	2.9	\$24	\$1	\$15	\$10
HOLLOW METAL	\$0	\$6	(\$6)	#DIV/0!	\$6	(\$6)	\$5	(\$5)
KEYING CHARGES	\$0	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0
COMMERCIAL HARDWARE	\$0	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0
DELANEY PARTS	\$67	\$63	\$4	-	\$63	\$4	\$72	(\$5)
CATALOGS & BROCHURES	\$1	\$1	(\$0)	#N/A	\$1	(\$0)	\$0	\$1
Sub-Total	\$10,750	\$10,515	\$235	1.6	\$10,515	\$235	\$9,930	\$821
Prepaid Inventory	\$1,116	\$685	\$431	N/A	\$685	\$431	\$766	\$350
Grand Total	\$11,866	\$11,200	\$666	1.5	\$11,200	\$666	\$10,696	\$1,171
Grand Excluding Bravura	\$9,343	\$8,686	\$656	2.0	\$8,686	\$656	\$8,721	\$622

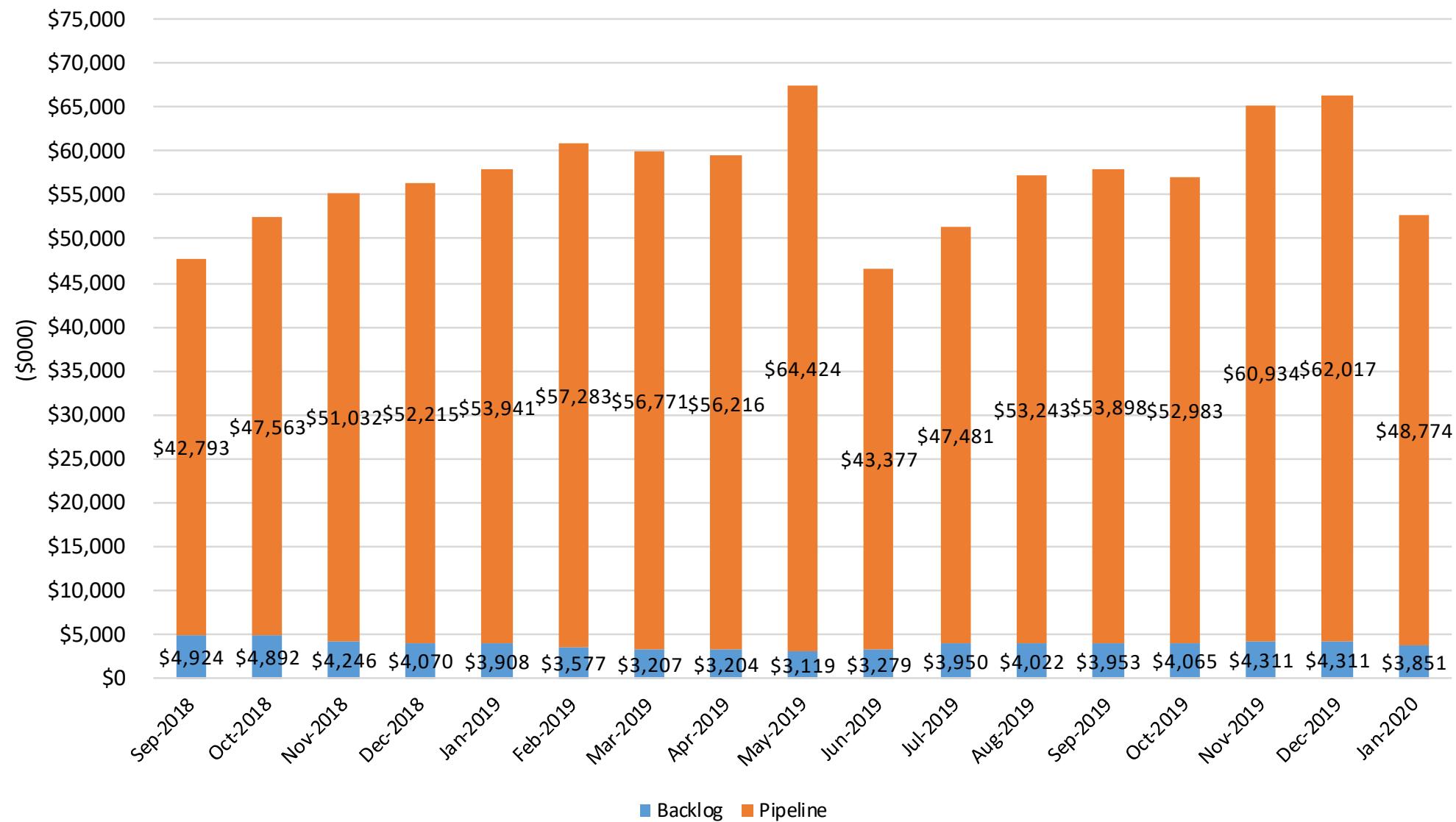


Commercial – Quote Data





Commercial – Backlog & Pipeline Tracker

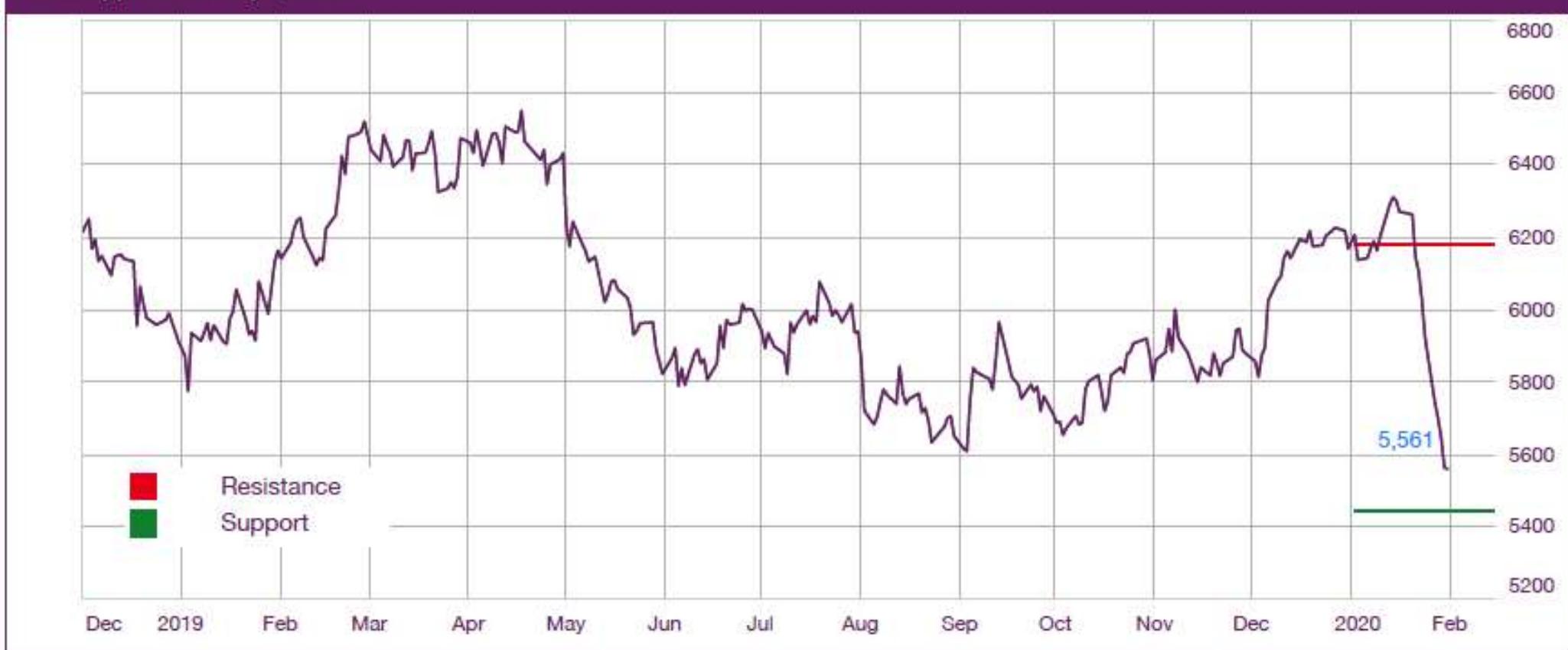


Pipeline updated for known losses.



Copper Tracker

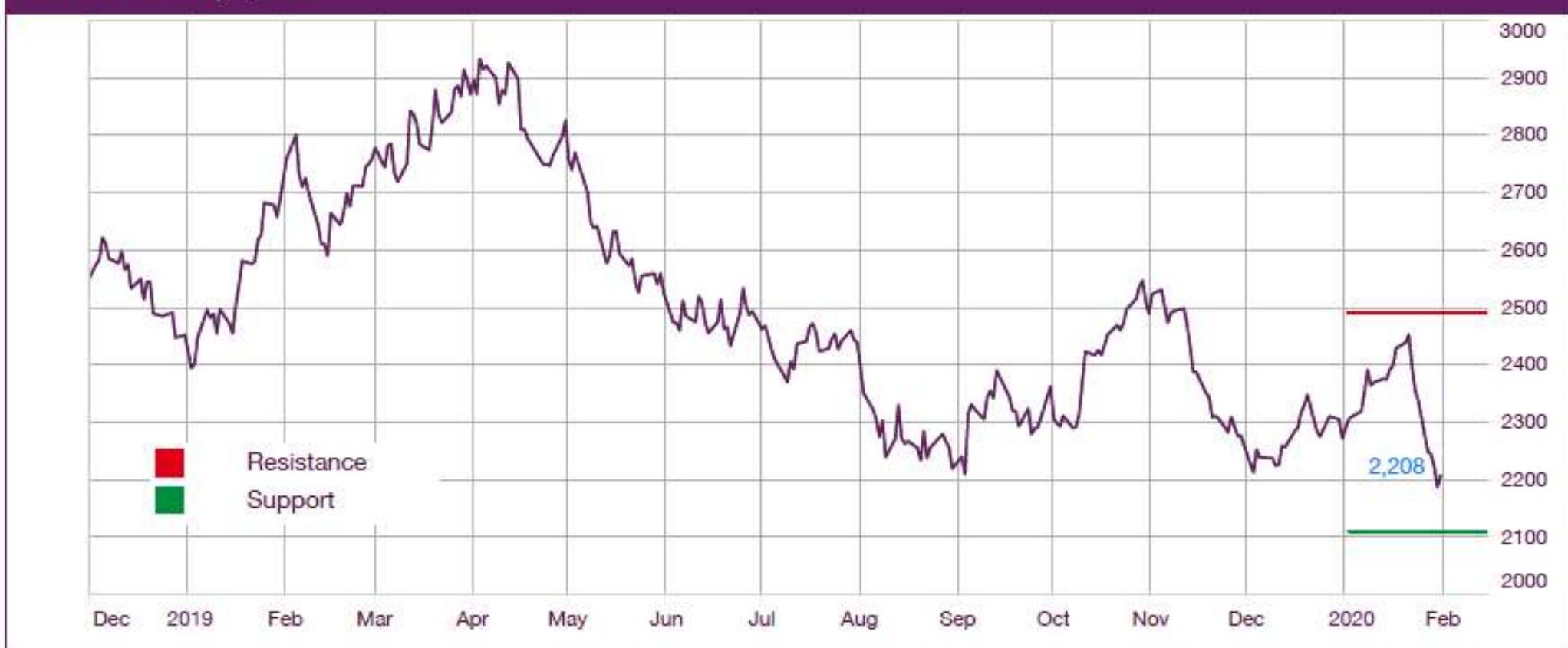
LME Copper: February 1, 2020





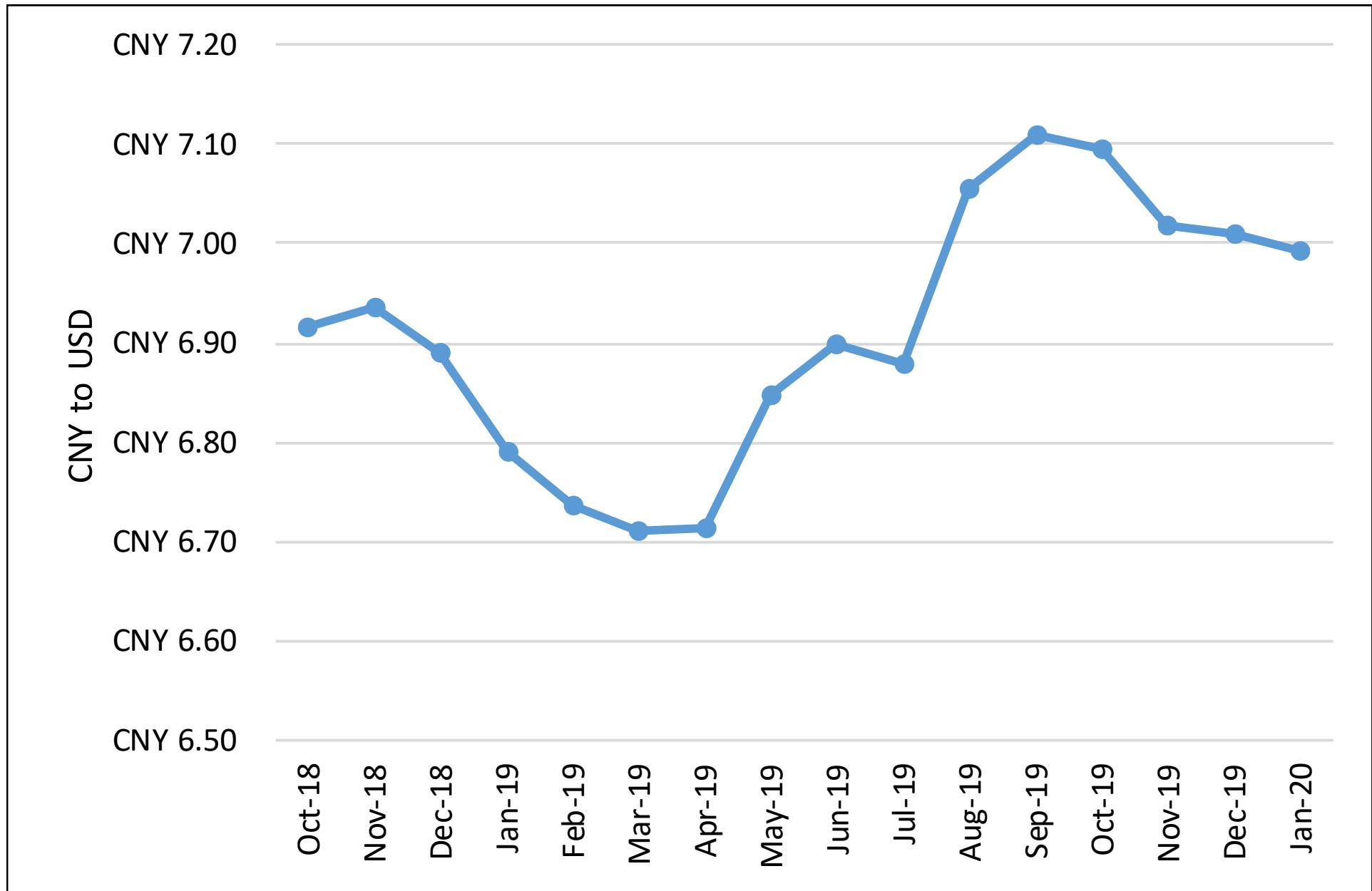
Zinc Tracker

LME Zinc: February 1, 2020



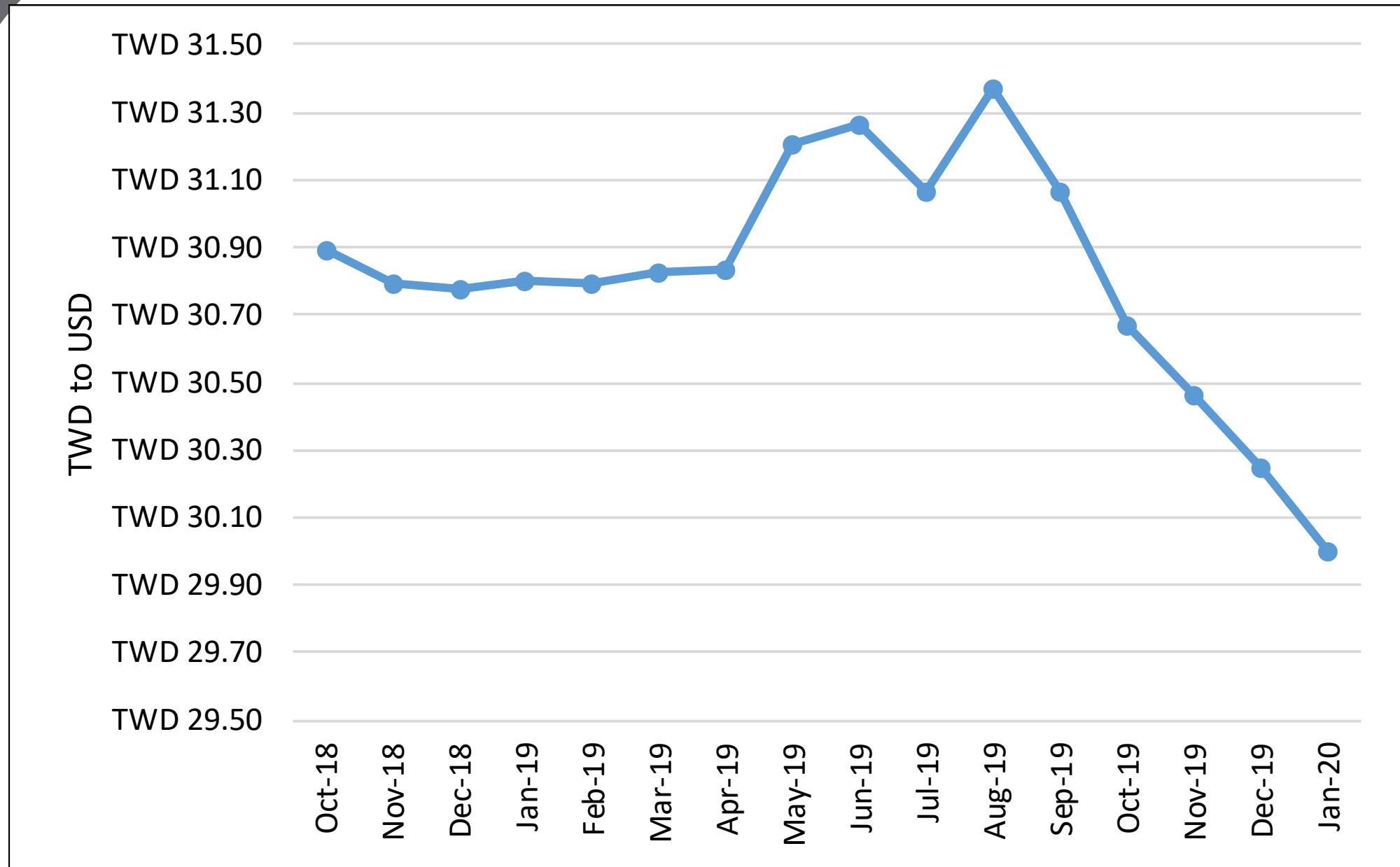


Currency Tracker - CNY





Currency Tracker - TWD





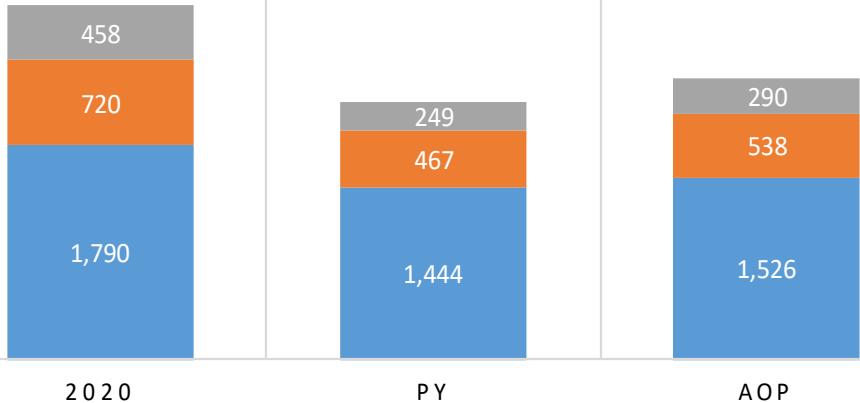
Premier Financials



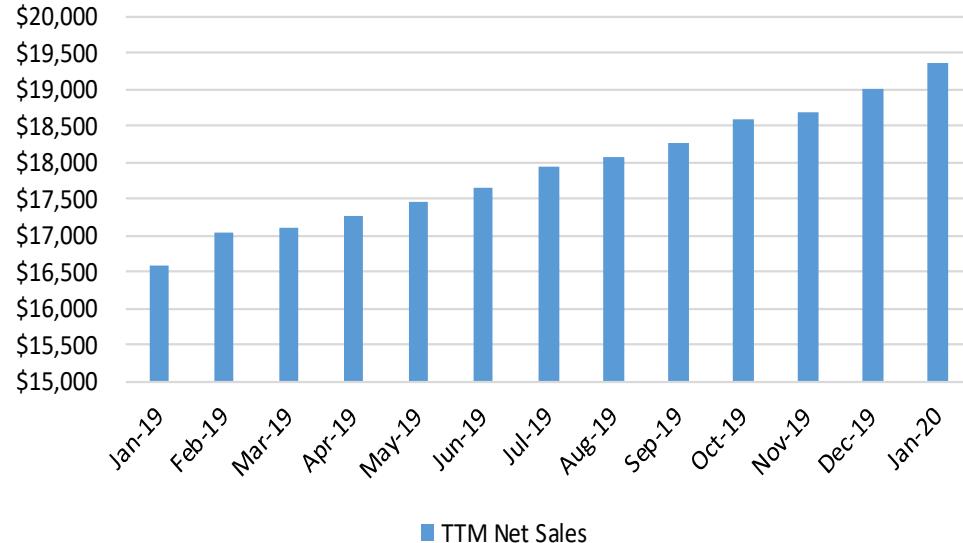
Premier Business Results

PREMIER YTD METRICS

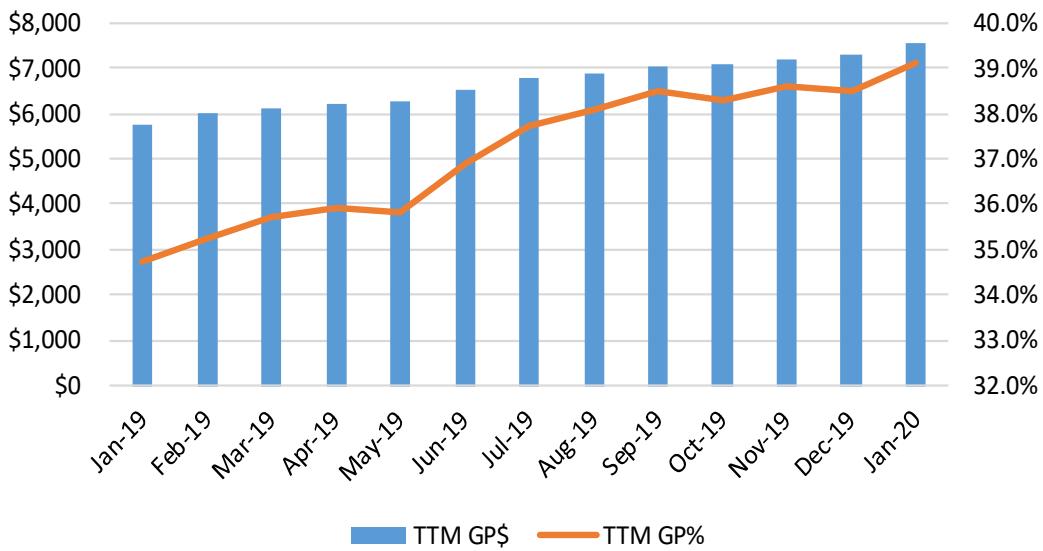
■ Net Sales ■ Gross Margin ■ EBITDA



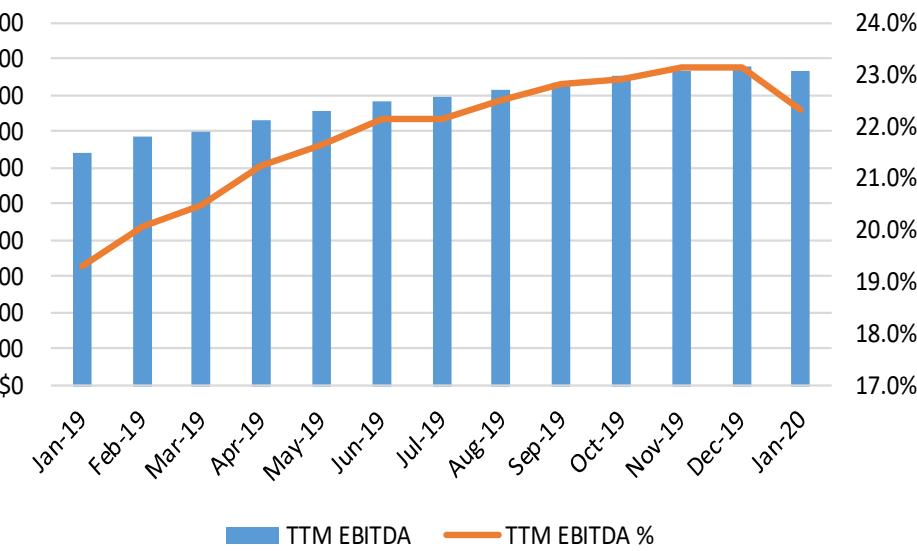
TTM Net Sales



TTM Gross Margin



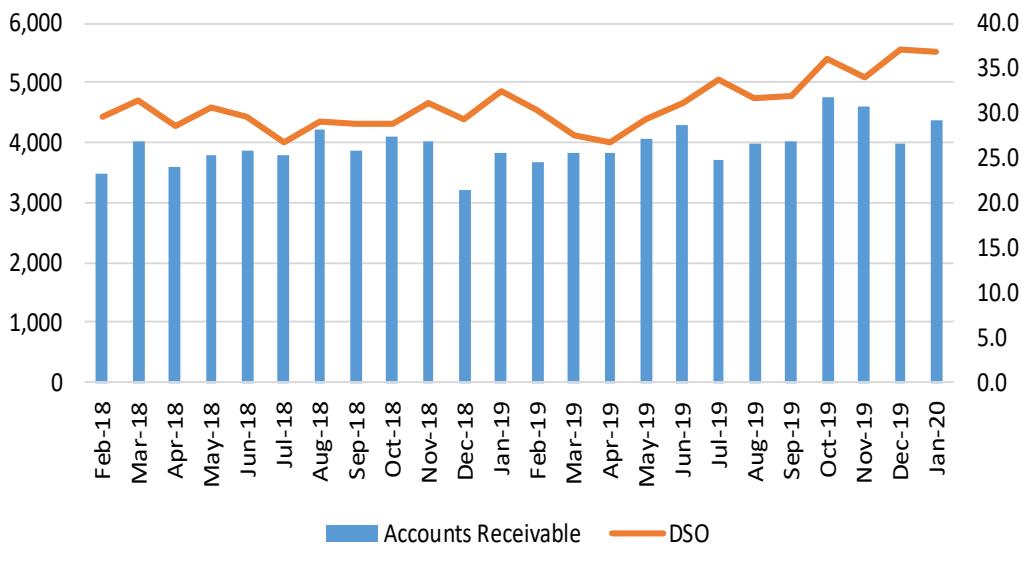
TTM EBITDA



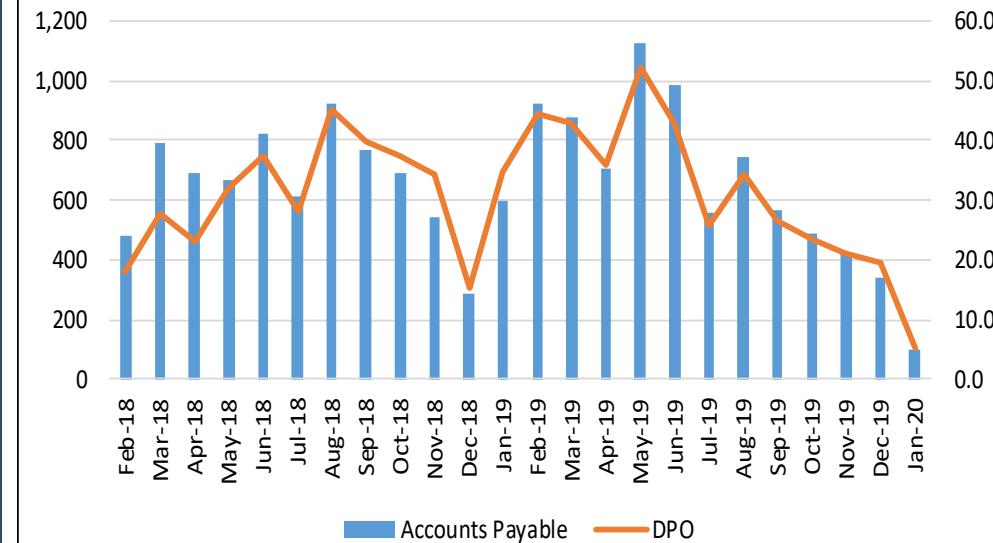


Premier Business Results Con't

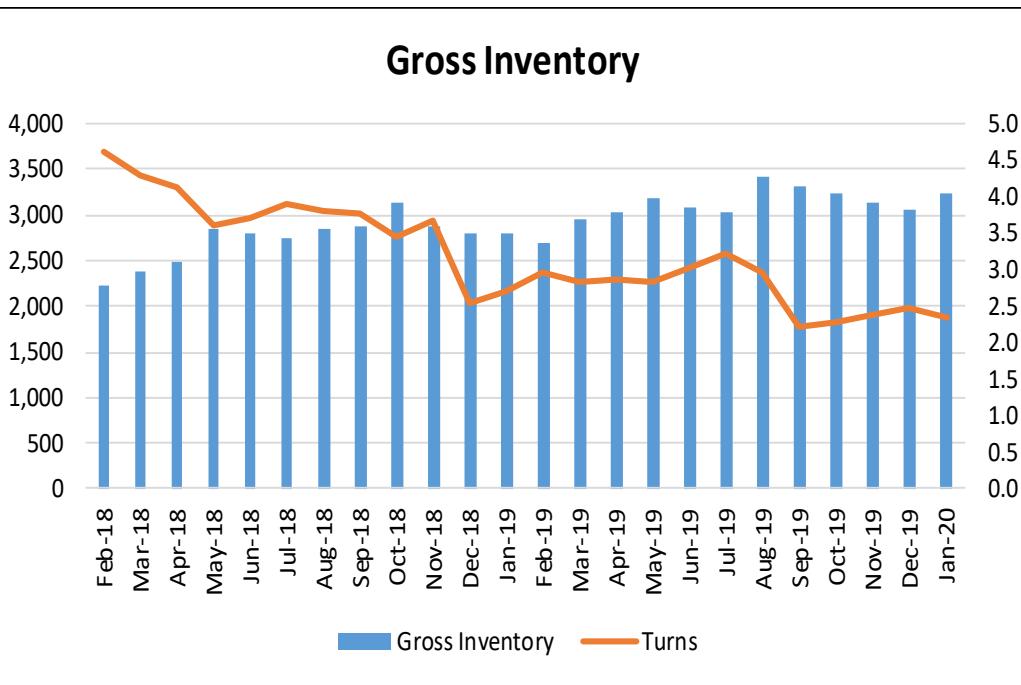
Accounts Receivable



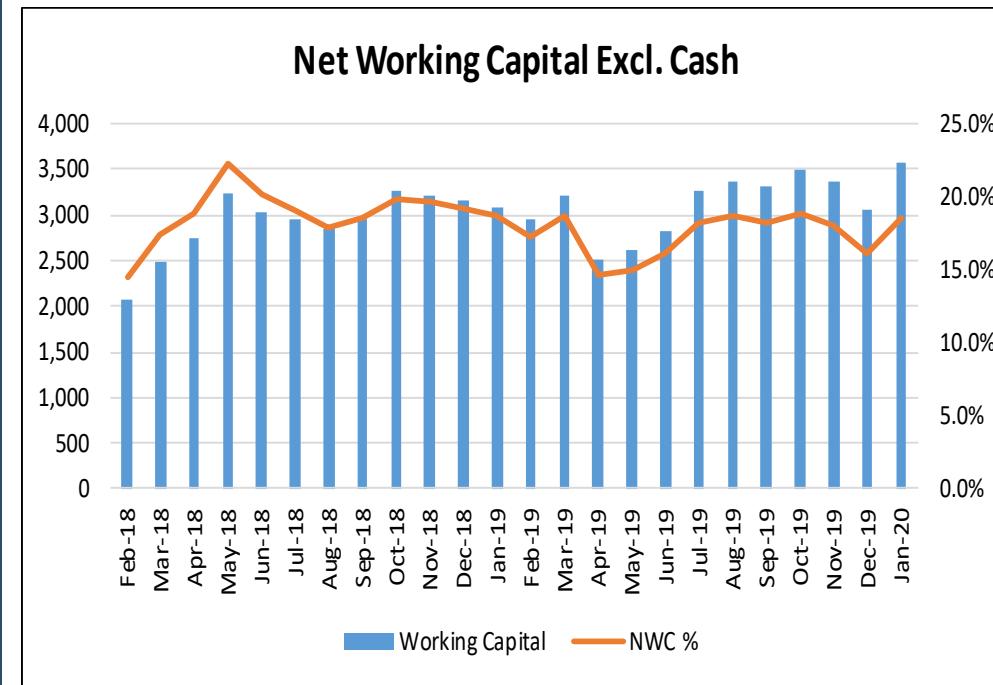
Accounts Payable



Gross Inventory



Net Working Capital Excl. Cash





P&L - Premier Jan-20

(\$ in thousands)	Jan-20					<u>vs AOP</u>
	AOP	Jan Actual	Actual 2019	Δ to AOP	Δ to 2019	
Gross Sales (\$)	1,533	1,799	1,451	266	348	- Gross sales up \$266k due to continued strong backlog and new market share gains. Distributor up \$4k, Pre-Assembled \$4k, OEM up \$253k, and Cash up \$4k.
% Chg				17.3%	23.9%	
Net Sales (\$)	1,526	1,790	1,444	264	346	- Net Sales up \$264k due to Volume.
% Chg				17.3%	24.0%	
Gross Margin (\$)	538	720	467	182	253	- Gross Margin up \$182k and 493bps as percent of sales. Volume up \$93k, favorable productivity driven by steel pricing \$51k and Labor \$38k. In addition we had \$32k higher repairs costs than planned; however, this was nearly fully offset by productivity due to volume efficiency.
% of Sales	35.3%	40.2%	32.3%	493 bps	788 bps	
SG&A (\$)	261	274	243	(14)	(31)	- SG&A unfavorable (\$14k) - See next slide for details.
% of Sales	17.1%	15.3%	16.8%	177 bps	153 bps	
Operating Income (\$)	278	446	224	168	222	
% of Sales	18.2%	24.9%	15.5%	670 bps	941 bps	
Adjusted EBITDA (\$)(per A&M QofE)	290	458	249	168	208	
% of Sales	19.0%	25.6%	17.3%	658 bps	831 bps	

vs AOP

- Gross sales up \$348k due to continued strong backlog and new market share gains. Distributor up \$112k, OEM up \$247k, partially offset by cash down (\$13k)
- Net Sales up \$319k due to Volume up \$319k and pricing \$27k.
- Gross Margin up \$253k and 788bps as percent of sales. Volume up \$112k, Pricing favorable \$27k, favorable productivity driven by steel pricing \$94k, overhead \$12k (which included \$37k of repair costs) and labor \$19k, partially offset by mix (\$11k).
- SG&A unfavorable (\$31k) - See next slide for details.



SG&A – Premier Jan-20

(\$ in thousands)	Jan-20								<u>vs AOP</u>
	AOP	% of Net Sales	Jan Actual	% of Net Sales	Actual 2019	% of Net Sales	Δ to AOP	Δ to 2019	
Facility Costs	102	6.7%	98	5.5%	108	7.5%	4	10	- (\$10k) Salary & Benefits - 401(k) related to bonus payouts.
Bank Charges / Payroll Fees	4	0.3%	6	0.3%	6	0.4%	(1)	1	
Supplies	7	0.4%	9	0.5%	3	0.2%	(2)	(6)	
Taxes & Licenses	0	0.0%	0	0.0%	-	0.0%	0	(0)	
Software Enhancement Fees	3	0.2%	3	0.2%	1	0.1%	(1)	(2)	
Communications	2	0.1%	4	0.2%	2	0.2%	(2)	(1)	
Vehicles, Entertainment, Dues	-	0.0%	-	0.0%	-	0.0%	-	-	
AR Finance Charges	-	0.0%	-	0.0%	-	0.0%	-	-	
Bad Debt	-	0.0%	-	0.0%	-	0.0%	-	-	
Professional Fees	5	0.3%	5	0.3%	4	0.3%	(0)	(1)	
Insurance, Property & Casualty	15	1.0%	11	0.6%	9	0.6%	4	(3)	
Depreciation Expense	3	0.2%	3	0.2%	3	0.2%	0	0	
Miscellaneous	-	0.0%	(0)	0.0%	(5)	-0.4%	0	(5)	
Sales Commissions	8	0.5%	4	0.2%	6	0.4%	3	2	
Outbound Freight	(18)	-1.2%	(15)	-0.9%	(18)	-1.3%	(2)	(3)	
Sales Tools	-	0.0%	3	0.2%	2	0.1%	(3)	(1)	
Marketing	4	0.3%	3	0.2%	3	0.2%	1	0	
Salary & Benefits	121	8.0%	132	7.4%	114	7.9%	(10)	(17)	
T&E	4	0.3%	7	0.4%	3	0.2%	(3)	(4)	
TOTAL SG&A as Reported	261	17.1%	274	15.3%	243	16.8%	(14)	(31)	

vs PY

- (\$17K) Salary & Benefits - 401(k) related to bonus payouts as well as higher bonus accrual.

- (\$3k) Insurance - due to new policies. This is an estimate until we receive final allocations.

- (\$6k) Supplies - due to timing.



YTD Sales by Customer - Top 25 OEM

Customer	Gross Sales	Gross Sales	\$ Chg	% Chg
	2019	2018		
CENTRAL STATES MANUFACT	\$167	\$123	\$44	35.6%
MOORE'S FEED	\$81	\$1	\$80	15989.6%
METAL MART	\$73	\$68	\$5	8.0%
REEDS METALS	\$67	\$75	(\$8)	-10.5%
PINNACLE STRUCTURES INC	\$63	\$7	\$56	781.5%
STANDARD INDUSTRIAL STR	\$45	\$40	\$5	11.5%
MCELROY METAL SERVICE C	\$45	\$13	\$31	239.4%
MCELROY METAL MILL INC	\$39	\$22	\$17	80.4%
GREENVILLE STEEL LTD	\$24	\$16	\$8	48.5%
IDEAL STEEL, LLC	\$22	\$28	(\$6)	-20.9%
EAGLE NATIONAL STEEL LL	\$21	\$16	\$5	33.1%
ROSENBERG VENTURES II,	\$20	\$25	(\$5)	-19.7%
GOLDIN METALS INC	\$18	\$0	\$18	100.0%
METAL BUILDING PRODUCTS	\$17	\$3	\$15	597.8%
CUNNINGHAM STEEL	\$17	\$11	\$6	56.8%
MEDLIN'S METAL ROOFING	\$16	\$11	\$5	43.1%
BBM STEEL BUILDINGS, IN	\$15	\$0	\$15	100.0%
TAYLOR & SONS PIPE & ST	\$15	\$0	\$15	100.0%
F.E. SAWYER BUILDING SY	\$14	\$18	(\$3)	-18.9%
LUCAS METAL WORKS INC	\$14	\$0	\$14	100.0%
QUALITY BUILDING SYS, I	\$13	\$0	\$13	100.0%
TEXOMA STEEL BUILDINGS	\$13	\$0	\$13	100.0%
COWELL STEEL STRUCTURES	\$12	\$15	(\$3)	-17.9%
TRINITY METAL BUILDINGS	\$10	\$0	\$10	100.0%
SBI METAL BUILDINGS AND	\$9	\$4	\$6	147.5%
ALL OTHER	\$149	\$233	(\$84)	-36.2%
Total Top 25 OEM	\$980	\$723	\$257	35.5%

Sales figures include freight revenue - will not tie to gross sales on P&L



YTD Sales by Customer - Top 25 Distributor

Customer	Gross Sales 2019	Gross Sales 2018	\$ Chg	% Chg
ARKANSAS BOLT COMPANY	\$143	\$47	\$95	201.0%
LUNSFORD DOOR &	\$76	\$129	(\$53)	-41.0%
BEACH DOOR SERVICE	\$73	\$0	\$73	100.0%
THE DELANEY CO	\$60	\$124	(\$64)	-51.5%
TEXDOOR LTD	\$58	\$16	\$42	263.1%
FIBREBOND CORPORATION	\$49	\$14	\$35	247.7%
DOOR KING	\$37	\$2	\$36	2372.8%
TAL-KNO BUILDING PRODUC	\$29	\$45	(\$15)	-34.0%
TEXARKANA DOOR & WINDOW	\$26	\$7	\$19	294.0%
COMMERCIAL DOOR & HARDW	\$20	\$6	\$14	252.2%
AVAILABLE SUPPLY INC	\$19	\$18	\$1	3.2%
PERIMETER DOOR & HARDWA	\$14	\$10	\$4	42.8%
BIL-DEN GLASS	\$14	\$0	\$14	38177.9%
TWIN CITY DOOR & HARDWA	\$12	\$12	\$0	2.4%
OVERHEAD DOOR COMPANY O	\$12	\$14	(\$2)	-12.1%
COMMERCIAL DOORS INC	\$12	\$32	(\$20)	-62.5%
COKER'S DOORS & MOULDIN	\$12	\$8	\$3	41.5%
DOOR & HARDWARE ASSOCIA	\$12	\$15	(\$3)	-20.4%
QUALITY HARDWARE & SPEC	\$12	\$23	(\$12)	-50.5%
INTREPID GROUP INTERNAT	\$11	\$0	\$11	100.0%
BOYD CONSTRUCTION SPECI	\$10	\$3	\$8	274.4%
BUILDING SPECIALTIES	\$10	\$17	(\$6)	-38.6%
COMMERCIAL DOOR SERVICE	\$9	\$4	\$4	103.2%
BUILDERS HARDWARE CO	\$8	\$11	(\$2)	-20.8%
RAYWARE HARDWARE INC	\$8	\$6	\$3	45.4%
ALL OTHER	\$130	\$205	(\$75)	-36.5%
Total Top 25 Distributor	\$878	\$767	\$111	14.5%

Sales figures include freight revenue - will not tie to gross sales on P&L



Capacity: Current, Phase 1, Phase 2

- Premier currently operates two production departs (doors and frames) operating at near-full capacity (~320 doors / day and ~1000 frame pieces / day)
- Both lines currently experience ~1 day/wk where high mix production creates time-intensive changeovers that drive down volume
 - \$1.05M capex in automated machines capable of producing any product configuration would eliminate changeovers, increasing production capacity by ~\$3M in revenue
- In order to significantly increase capacity, Premier would have to purchase 2 additional machines for the frame line (increases capacity to ~2100 units/day) and install a new \$1.7M door line (state-of-the-art, produces 900 units/day, but capped at 1/3 the frame line capacity because doors and frames are sold at a ratio of 1:3)

CURRENT STATE

	High vol / low mix days (3/wk)				Low vol / high mix days (1/wk)				Overtime (~25/yr)				Total (w/o overtime)			
	ASP	Units	Days	Rev	Units	Days	Rev	Units	Days	Rev	Units	Days	Rev	Units	Days	Rev
Doors	\$180	320	150	\$8,640,000	120	50	\$1,080,000	320	25	\$1,440,000	276	225	\$11,160,000			
Frames	\$40	1000	150	\$6,000,000	360	50	\$720,000	1000	25	\$1,000,000	858	225	\$7,720,000			
Total				\$14,640,000			\$1,800,000			\$2,440,000			\$18,880,000			

PHASE 1 CAPEX

	High vol days (4/wk)				Low vol / high mix days (1/wk)				Overtime (~25/yr)				Total (w/o overtime)			
	ASP	Units	Days	Rev	Units	Days	Rev	Units	Days	Rev	Units	Days	Rev	Units	Days	Rev
Doors	\$180	320	200	\$11,520,000	120	0	\$0	320	25	\$1,440,000	320	225	\$12,960,000			
Frames	\$40	1000	200	\$8,000,000	360	0	\$0	1000	25	\$1,000,000	1000	225	\$9,000,000			
Total				\$19,520,000			\$0			\$2,440,000			\$21,960,000			
Change vs. Current State				\$4,880,000			(\$1,800,000)			\$0			\$3,080,000			

Phase 1 Capex includes:

\$450,000 Door CNC turret press (new)
\$400,000 Frame automated press brake
\$200,000 Frame CNC turret press (used)

Purpose:

Eliminates door changeovers (eliminates low vol days)
} Eliminates frame change overs (eliminates low vol days)
\$1,050,000 Total Phase 1 Capex

PHASE 2 CAPEX

	High vol / low mix days (4/wk)				Low vol / high mix days (1/wk)				Overtime (~25/yr)				Total (w/o overtime)			
	ASP	Units	Days	Rev	Units	Days	Rev	Units	Days	Rev	Units	Days	Rev	Units	Days	Rev
Doors	\$180	700	200	\$25,200,000	120	0	\$0	700	25	\$3,150,000	700	225	\$28,350,000			
Frames	\$40	2,100	200	\$16,800,000	360	0	\$0	2100	25	\$2,100,000	2100	225	\$18,900,000			
Total				\$42,000,000			\$0			\$5,250,000			\$47,250,000			
Change vs. Phase 1 Capex				\$22,480,000			\$0			\$2,810,000			\$25,290,000			

Phase 2 Capex includes:

\$1,700,000 Door line (new)
\$500,000 Frame rollformer
\$400,000 Frame auto press brake
\$0 Repurposed door CNC turret press

Purpose:

Increases door capacity to 900 units/day (max 1/3 frame production)
} Eliminates current frame line bottleneck, reducing overall cycle time to ~16 seconds/unit (~2100 units/day)
\$2,600,000 Total Phase 2 Capex

Anecdotal evidence supports the above analysis;
additional data on key assumptions can further validate



Growth Plan: Base Case

- Joey is currently the only Sales Manager and cannot drive meaningful growth alone; therefore, Premier would also need to hire additional Sales Managers in other regions to drive growth
- In addition, in order to effectively serve the West Coast, Premier would need to open a warehouse there
- The capex, hiring, and warehouse investment plan reflected in the financial projections to the right would involve the following:

2020: Phase 1 Capacity & Sales Expansion

- 4/1 Hire Midwest Sales Mgr
 7/1 New door capacity online
 11/1 New frame capacity online

2021: West Coast Warehouse & Sales Expansion

- 1/1 Open West Coast warehouse
 1/1 Hire West Coast Sales Mgr

2022: Phase 2 Capacity & Sales Expansion

- 1/1 New door & frame capacity online
 1/1 Hire 2 additional Sales Mgrs
 1/1 Hire 1 additional Estimator

	BASE CASE					
	2019	2020	2021	2022	2023	\$ Growth Notes
Joey	18.89	19.43	20.00	20.50	21.00	2.12
Midwest Sales Mgr		0.50	1.50	2.50	3.50	3.50 Start date ~4/1/2020
West Coast Sales Mgr			0.75	1.50	2.50	2.50 Start date ~1/1/2021
Sales Mgr #4				0.75	1.50	1.50 Start date ~1/1/2022
Sales Mgr #5				0.75	1.50	1.50 Start date ~1/1/2022
Total Revenue	18.89	19.93	22.25	26.00	30.00	11.12
Material COGS	6.61	6.98	7.88	9.31	10.86	4.25
Labor & OH COGS	4.88	5.22	5.38	5.54	5.70	0.82 Assume 3% CAGR 2020-2023
Total COGS	11.49	12.20	13.25	14.85	16.56	5.07
Material COGS %	35.0%	35.0%	35.4%	35.8%	36.2%	+0.4%/yr for reduced prices in new mks
Labor & OH COGS %	25.9%	26.2%	24.2%	21.3%	19.0%	
Total COGS %	60.9%	61.2%	59.6%	57.1%	55.2%	
Gross Profit	7.39	7.74	9.00	11.15	13.44	6.04
Gross Margin %	39.1%	38.8%	40.4%	42.9%	44.8%	
Existing SG&A	2.86	3.01	3.10	3.19	3.29	0.43
Midwest Sales Mgr		0.15	0.21	0.21	0.22	0.22 Start date ~4/1/2020; incl. T&E
West Coast Warehouse			0.30	0.31	0.32	0.32 Starting ~1/1/2021
West Coast Sales Mgr			0.21	0.21	0.22	0.22 Start date ~1/1/2021; incl. T&E
Sales Mgr #4				0.21	0.22	0.22 Start date ~1/1/2022; incl. T&E
Sales Mgr #5				0.21	0.22	0.22 Start date ~1/1/2022; incl. T&E
Estimator				0.10	0.10	0.10 Start date ~1/1/2022
Total SG&A	2.86	3.16	3.81	4.45	4.58	1.72 All rows assume 3% CAGR 2020-2023
EBITDA	4.54	4.58	5.19	6.71	8.86	4.32
Growth Capex		1.05	2.60			3.65



Growth Plan: Upside/Downside Cases

- In an upside case, if Premier can drive further revenue, the new automated equipment creates leverage that allows significant margin to drop to the bottom line

- In a downside case, if Premier cannot get traction in driving further revenue, it could pull back on further investment in capex, Sales Mgrs, and warehouse capacity and still experience a good ROI on the initial equipment investment

	UPSIDE CASE						DOWNSIDE / LOW INVESTMENT CASE					
	2019	2020	2021	2022	2023	\$ Growth	2019	2020	2021	2022	2023	\$ Growth
Joey	18.89	19.43	20.50	21.50	22.50	3.62	18.89	19.43	20.00	20.50	21.00	2.12
Midwest Sales Mgr	0.50	1.50	3.00	5.00	5.00	5.00	0.50	1.00	1.50	2.00	2.00	2.00
West Coast Sales Mgr		1.00	2.00	3.50		3.50						
Sales Mgr #4			1.00	2.00		2.00						
Sales Mgr #5			1.00	2.00		2.00						
Total Revenue	18.89	19.93	23.00	28.50	35.00	16.12	18.89	19.93	21.00	22.00	23.00	4.12
Material COGS	6.61	6.98	8.14	10.20	12.67	6.06	6.61	6.98	7.39	7.79	8.19	1.58
Labor & OH COGS	4.88	5.22	5.38	5.54	5.70	0.82	4.88	5.22	5.38	5.54	5.70	0.82
Total COGS	11.49	12.20	13.52	15.74	18.37	6.88	11.49	12.20	12.77	13.33	13.89	2.40
Material COGS %	35.0%	35.0%	35.4%	35.8%	36.2%		35.0%	35.0%	35.2%	35.4%	35.6%	
Labor & OH COGS %	25.9%	26.2%	23.4%	19.4%	16.3%		25.9%	26.2%	25.6%	25.2%	24.8%	
Total COGS %	60.9%	61.2%	58.8%	55.2%	52.5%		60.9%	61.2%	60.8%	60.6%	60.4%	
Gross Profit	7.39	7.74	9.48	12.76	16.63	9.23	7.39	7.74	8.23	8.67	9.11	1.72
Gross Margin %	39.1%	38.8%	41.2%	44.8%	47.5%		39.1%	38.8%	39.2%	39.4%	39.6%	
Existing SG&A	2.86	3.05	3.14	3.23	3.33	0.47	2.86	3.05	3.14	3.23	3.33	0.47
Midwest Sales Mgr	0.11	0.15	0.16	0.16	0.16	0.16	0.11	0.15	0.16	0.16	0.16	0.16
West Coast Warehouse		0.30	0.31	0.32		0.32						
West Coast Sales Mgr		0.15	0.16	0.16		0.16						
Sales Mgr #4			0.16	0.16		0.16						
Sales Mgr #5			0.16	0.16		0.16						
Estimator		0.10	0.10	0.10		0.10						
Total SG&A	2.86	3.16	3.75	4.27	4.40	1.55	2.86	3.16	3.29	3.39	3.49	0.64
EBITDA	4.54	4.58	5.74	8.49	12.22	7.69	4.54	4.58	4.94	5.28	5.62	1.08
Growth Capex		1.05	2.60			3.65			1.05			1.05



HRC Tracker

MetalMiner IndX (SM) HRC: February 1, 2020





CRC Tracker

MetalMiner IndX (SM) CRC: February 1, 2020





HDG Tracker

MetalMiner IndX (SM) HDG: February 1, 2020





Aluminum Tracker

LME Aluminum: February 1, 2020

