

# Hufcor, Inc. BOD Meeting

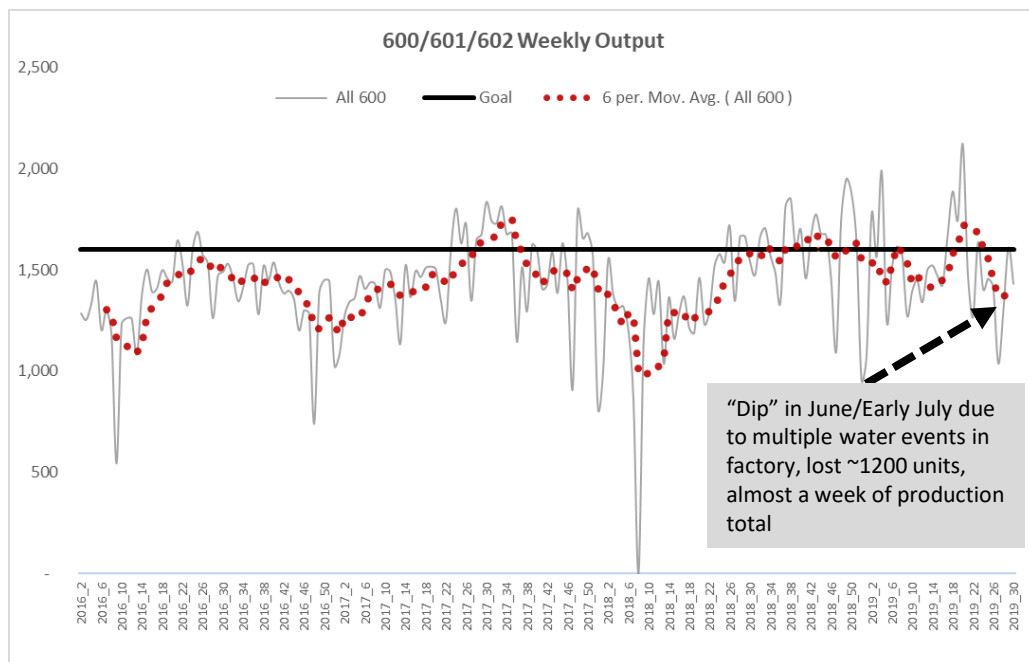
*July 2019*

Conf. Call Date: August 21, 2019

## Key Operations and Sales Updates

### Financial Review

### Appendix



	2016	2017	2018	YTD F'19
	69,564	76,932	74,289	45,168
Thru Wk 30	39,573	43,824	39,099	45,168
% Change		10.74%	-10.78%	15.52%
FY Wk Avg	1,364	1,479	1,429	1,506

## Key Janesville Operations Transition Items / Next Steps For Discussion:

- Safety and Quality Plan
- Output AND Schedule Fidelity (S&OP)
- Supply Chain Solutions Integration & RVTC
- Innovation / New Product Roadmap
- Stockroom / Cycle Count / Inventory Accuracy
- Resource Plan / Team Assessment – focus areas to “upgrade” (*i.e. supervision and scope*)
- Lean Implementation (*Leadership stand up meeting “going” but would say maturity is low*)
- IT Plan / Roadmap (partnering with finance)
- Deferred Maintenance & Site Condition (*flooding*)
- Union Relationship “download”

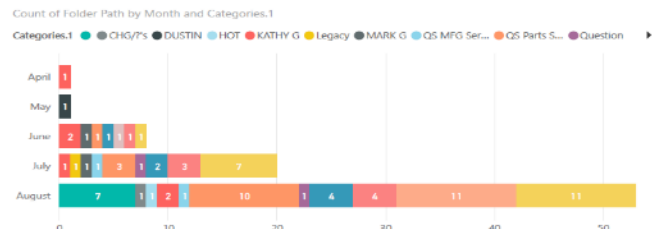
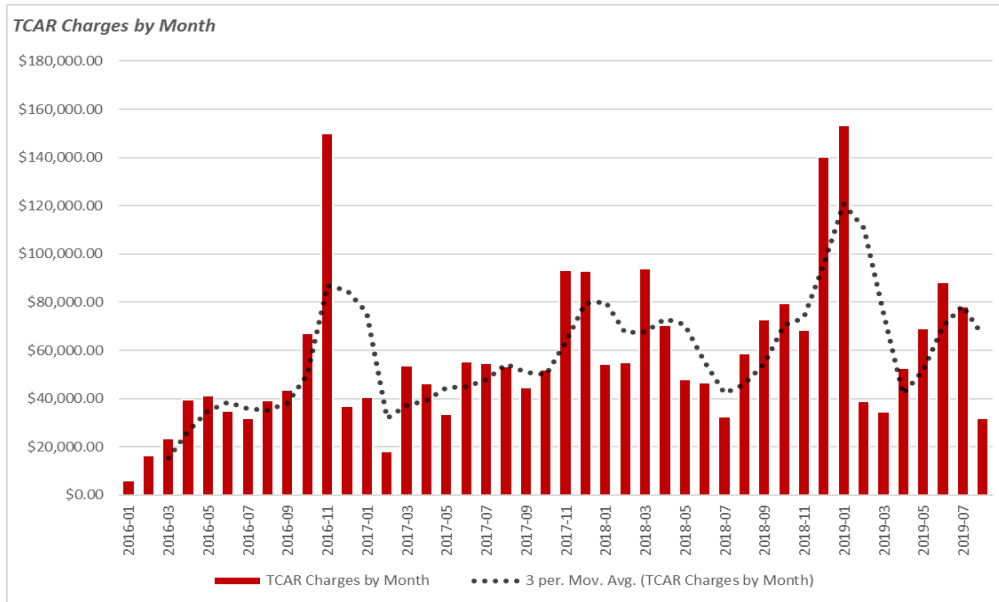
	8/5/2019			8/6/2019			8/7/2019			8/8/2019			8/9/2019			8/10/2019			Total		
	Plan	Act	%	Plan	Act	%	Plan	Act	%	Plan	Act	%	Plan	Act	%	Plan	Act	%	Plan	Act	%
GLASS (GT,GF,GL,GU)				2	1	50%	1	2	200%	3	1	33%	2	2	100%	2	8	8	100%		
ACCORDION				0	0		1	1	100%	1	1	100%	1	1	100%	0	3	3	100%		
600				6	6	0%	8	2	25%	2	0	0%	0	1		7	16	16	100%		
601				1	1	100%	2	0	0%	0	2		3	3		0	6	6	100%		
602				3	6	200%	7	6	86%	7	8	114%	8	8	100%	0	25	28	112%		
				12	14	117%	19	11	58%	13	12	92%	14	15	107%	0	58	61	105%		

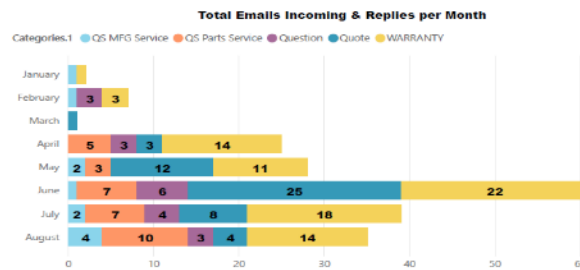
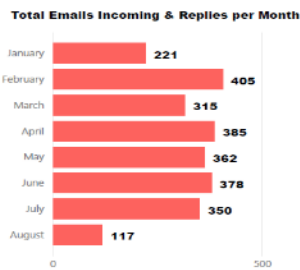
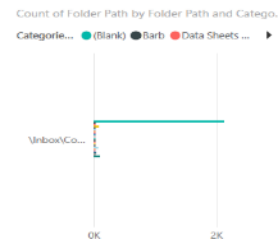
	8/12/2019			8/13/2019			8/14/2019			8/15/2019			8/16/2019			8/17/2019			Total		
	Plan	Act	%	Plan	Act	%	Plan	Act	%	Plan	Act	%	Plan	Act	%	Plan	Act	%	Plan	Act	%
GLASS (GT,GF,GL,GU)	2	2	100%	2	2	100%	0	0		1	1	100%	2	2	100%	0	5	5	100%		
ACCORDION	1	0	0%	1	1	100%	1	0	0%	2	2	100%	0	1		0	4	4	100%		
600	1	0	0%	5	0	0%	0	2		2	4	200%	0	0		0	7	6	86%		
601	2	2	100%	0	1		0	0		1	1	100%	3	2	67%	0	4	4	100%		
602	4	4	100%	5	5	100%	1	5	500%	7	3	43%	2	2	100%	1	15	16	107%		
	10	8		13	9		2	7		13	11		7	7		1	35	35	100%		

***In Addition to Output, Need to Focus on Ship Complete/Schedule Fidelity/Capacity Plan (S&OP)...***

# Warranty / TCAR Update



**83**  
Total count in Inbox



## Warranty / TCAR Update:

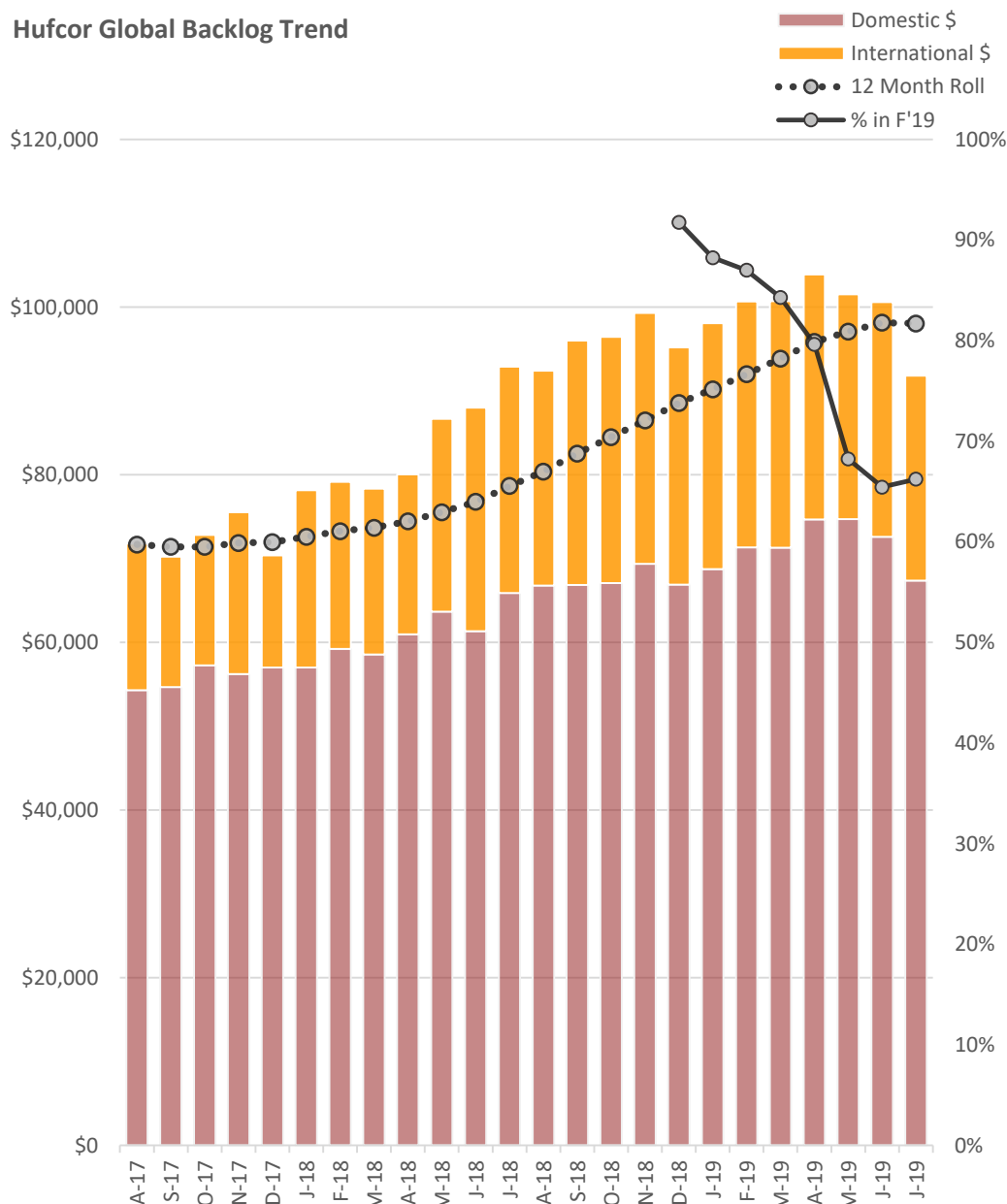
- Warranty / TCAR \$ Starting to trend back down after spike in June/July from “clean up” activity on open credits and lag in warranty inbox
- Metrics (Power BI) established for monitoring warranty inbox/triage/aging
- Top Issues:
  - Shipped incomplete order
  - Damaged Product
- Next Steps:
  - Partner with Supply Chain Solutions for more rigorous shipping checks
  - Lean Blitz / Quality Leadership on root causes
  - Supervisor Accountability

**Targeted Area for Improvement: Shipping Accountability, Root Cause and Work Upstream...**

# Global Backlog Trend & Domestic NA% Change Trend



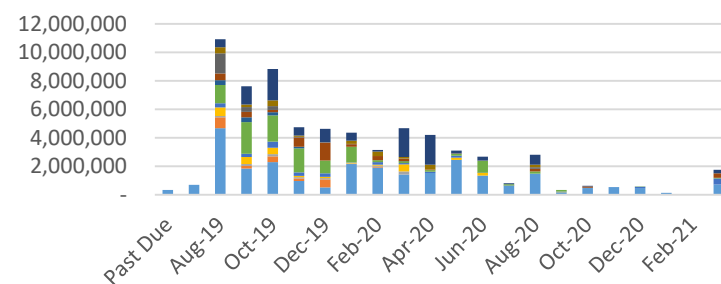
Hufcor Global Backlog Trend



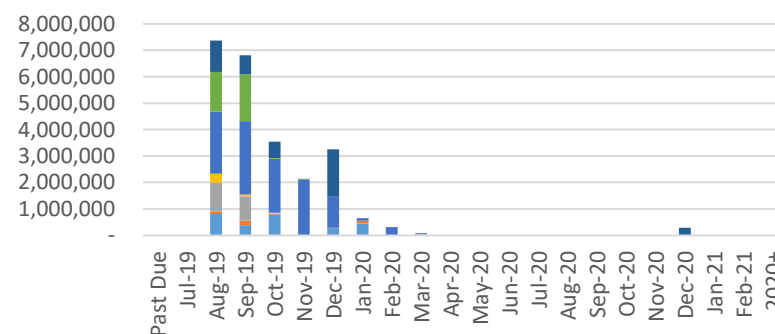
## Overview:

- Global backlog**
  - Domestic: -7%
  - International: -13% (*number of large projects managed out of JVL*)
- Depletion Backlog**
  - Domestic Q3-Q4 orders will push to Q1 meeting monthly production capacity
- Recent pricing changes:**
  - Domestic - service parts w/ min. order quantity
  - Domestic - Logistics
  - EU pricing "launched"

Domestic Backlog Depletion



International Backlog Depletion



**Backlog slowing with poor July Securements, \$7.7M Majors Invoiced...**

# HX Series Update

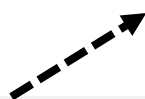


## HX Update:

- Designed based on European design
- 4-6 Week Lead Times and Higher Quality “Designer” Product
- Targeted Cannibalization of 600 Series < 16 feet (83% of our business since 2016 out of JVL)
- 8 Orders in House for \$75K / 40% Gross Margin
- Vendor (Cooper) Pricing “locked” for faces (23% Discount vs. original pricing)
- Key Next Steps:
  - Path Forward with Cooper (vendor)
  - Formal Stage Gate Process
  - Roll out plan to Domestic Sales
  - Roll out plan for International Locations (Ops and Sales)
  - Logistics in/out of Athens



Finish	Pass Door	600 Series	HX Series	Variance	%
Vynil	No	\$ 5,605	\$ 5,475	\$ (130)	-2.3%
HPL	No	\$ 7,443	\$ 6,015	\$ (1,428)	-19.2%
Vynil	Yes	\$ 6,546	\$ 7,392	\$ 846	12.9%



## Notes/Assumptions:

- Comparison: 8 panels, 12 feet tall, 50STC (most of what we sell)
- Pass Door is “more expense” because it is a better pass door that includes upgraded hardware, aesthetics and new mechanism

Project Name	Net Revenue \$	Margin %	Margin \$	Delivery
Sims Hall	\$ 10,205	40%	\$ 4,082	August (Shipped)
Andy's Altitude	\$ 7,310	40%	\$ 2,924	August (Shipped)
Batson Cook Office Build Out	\$ 18,891	40%	\$ 7,556	August
Blanchard Micro Site	\$ 4,266	40%	\$ 1,706	August
Lincoln Christian School	\$ 10,964	38%	\$ 4,166	September
Canajoharie HS	\$ 8,779	40%	\$ 3,511	September
Michelin E Wing	\$ 13,875	40%	\$ 5,550	September
UW Whitewater	TBD	TBD	TBD	On Hold Pending Dimensions
<b>Total</b>	<b>\$ 74,289</b>	<b>39.7%</b>	<b>\$ 29,496</b>	

***1<sup>st</sup> Official HX Order Shipped...Currently 8 Open Orders....***

# Partition Studio 5 Update



**PartitionStudio™**

Sign in to access your account

☐ Remember Me

[Reset Password](#)

**SIGN IN**

Wall Configurator

Identity Product Room Faces Track **Panels**

Panel Options

Panel	Type	Hinging	Width	
<input type="checkbox"/> 01	LCP	SPL	45.875	
<input type="checkbox"/> 02	BSC	TPR	45.875	
<input type="checkbox"/> 03	BSC	SPL	45.875	
<input type="checkbox"/> 04	BSC	TPR	45.875	
<input type="checkbox"/> 05	IPD-U	SPL	48.125	
<input type="checkbox"/> 06	BSC	TPR	48.125	

Trail Deducts: 6" Lead Deducts: 1"  
Factoring: 11/16" per Panel Total Factoring: 3 1/2"

Viewing: SideB

PNL 1 PNL 2 PNL 3 PNL 4 PNL 5 PI

Series: 632 • Opening Width: 24'-1" • Opening Height: 12'-0" • Gross Track: 0 • Gross Panels: 0

## Phase 1

- Testing Complete
- COS TEAM Training underway
- Domestic Sales Launch September 3<sup>rd</sup> 2019

*Phase: Initial Launch has begun...*

## Key Operations and Sales Updates

### Financial Review

## Appendix



# July 2019 P&L



	MTD		Variance		PY MTD		Variance	
	Act	Bud	\$	%	Act	\$	%	
<b>Gross Revenue</b>	\$ 16,532	\$ 12,954	\$ 3,578	27.6%	\$ 11,494	\$ 5,038	43.8%	
<b>Net Revenue</b>	<b>16,532</b>	<b>12,954</b>	<b>3,578</b>	<b>27.6%</b>	<b>11,494</b>	<b>5,038</b>	<b>43.8%</b>	
Material	7,172	4,535	2,637	58.1%	3,881	3,291	84.8%	
Labor	4,259	3,586	673	18.8%	3,623	636	17.6%	
Other COGS	880	1,003	(124)	(12.3%)	1,311	(431)	(32.9%)	
<b>Total COGS</b>	<b>12,311</b>	<b>9,124</b>	<b>3,186</b>	<b>34.9%</b>	<b>8,815</b>	<b>3,496</b>	<b>39.7%</b>	
<b>Gross Margin</b>	<b>4,221</b>	<b>3,830</b>	<b>391</b>	<b>10.2%</b>	<b>2,679</b>	<b>1,542</b>	<b>57.6%</b>	
<i>Gross Margin %</i>	<i>25.5%</i>	<i>29.6%</i>			<i>23.3%</i>			
R&D	–	–	–	N/A	–	–	N/A	
Sales & Marketing	1,233	1,267	(34)	(2.7%)	1,169	64	5.5%	
Administrative	1,222	995	227	22.9%	1,096	126	11.5%	
Other Opex	(7)	(3)	(3)	96.1%	(22)	15	(69.0%)	
<b>Total Opex</b>	<b>2,449</b>	<b>2,258</b>	<b>190</b>	<b>8.4%</b>	<b>2,243</b>	<b>205</b>	<b>9.2%</b>	
<b>EBITDA</b>	<b>1,772</b>	<b>1,572</b>	<b>201</b>	<b>(12.8%)</b>	<b>436</b>	<b>1,337</b>	<b>306.7%</b>	
<i>EBITDA %</i>	<i>10.7%</i>	<i>12.1%</i>			<i>3.8%</i>			
<b>Net Income (Loss)</b>	<b>\$ 510</b>	<b>\$ 467</b>	<b>\$ 43</b>	<b>(9.1%)</b>	<b>\$ (740)</b>	<b>\$ 1,250</b>	<b>168.9%</b>	
<b>Capex</b>	<b>\$ 177</b>	<b>\$ –</b>	<b>\$ 177</b>		<b>\$ 30</b>	<b>\$ 147</b>		

	MTD		Variance		PY MTD		Variance	
	Act	Bud	\$	%	Act	\$	%	
<b>Opex Overview:</b>								
Payroll	\$ 1,146	\$ 1,194	\$ (48)	(4.0%)	\$ 1,135	\$ 11	1.0%	
Benefits	224	250	(27)	(10.6%)	257	(33)	(12.8%)	
Bonus	97	112	(15)	(13.5%)	1	96	12319.8%	
Marketing	51	28	23	82.9%	34	17	50.1%	
Commissions	195	191	4	2.2%	159	36	22.4%	
Travel and Entertainment	88	87	1	1.6%	95	(7)	(7.5%)	
Rent and Facilities	71	65	7	10.1%	66	6	8.7%	
Insurance	33	32	2	4.8%	27	6	22.1%	
Professional Fees	108	69	39	56.1%	104	4	3.4%	
Utl., Repair, Maint., & Sec.	36	34	1	3.5%	35	0	1.4%	
Office Expenses	5	6	(1)	(11.3%)	6	(0)	(5.6%)	
IT	62	48	15	30.9%	50	12	24.7%	
Bad Debts	25	12	13	109.6%	48	(23)	(47.5%)	
Supplies	20	18	2	14.0%	23	(3)	(12.6%)	
FX	–	–	–	N/A	–	–	N/A	
Other Expenses	288	114	174	153.3%	205	83	40.6%	
<b>Total Opex</b>	<b>\$ 2,449</b>	<b>\$ 2,258</b>	<b>\$ 190</b>	<b>8.4%</b>	<b>\$ 2,243</b>	<b>\$ 205</b>	<b>9.2%</b>	
	14.8%	17.4%			19.5%			

YTD			PY YTD	
Act	Bud	%	Act	%
\$ 85,816	\$ 84,511	1.5%	\$ 76,374	12.4%
85,816	84,511	1.5%	76,374	12.4%
30,374	29,812	1.9%	26,854	13.1%
25,724	24,310	5.8%	23,882	7.7%
7,317	6,879	6.4%	7,358	(0.6%)
63,415	61,001	4.0%	58,095	9.2%
22,401	23,510	(4.7%)	18,279	22.6%
26.1%	27.8%		23.9%	
–	–	N/A	–	N/A
8,032	8,867	(9.4%)	8,596	(6.6%)
8,068	6,965	15.8%	7,904	2.1%
(184)	(24)	661.1%	(184)	(0.2%)
15,917	15,808	0.7%	16,316	(2.5%)
6,484	7,702	15.8%	1,963	230.4%
7.6%	9.1%		2.6%	
\$ (975)	\$ 800	222.0%	\$ (5,694)	82.9%
\$ 2,574	\$ –		\$ 640	302.1%

## Management Discussion:

### Revenue

- July was a solid month with actuals coming in \$3.58M higher than AOP and significantly higher than PY MTD by \$5.03M – driven by large project billings in New Zealand, the international locations had the highest revenue month since August 2018 (\$4.86M) with consolidated revenue of \$6.5M in July

### Gross Margin

- The realized GM for July came in \$391k higher than plan by 10.2%

### OPEX

- YTD for through July OPEX remains on track with AOP with a variance of (0.7%)

### EBITDA

- July EBITDA of \$1.77M is ahead of plan by \$201k and ahead of PY MTD by \$1.34M

# P&L by Location - Domestic



	Janesville	RVTC	Chicago	Indiana	Minnesota	Potomac	Southeast	Southwest	Texas	Total Domestic
<b>Gross Revenue</b>	6,508,589	369,841	896,924	66,683	391,368	346,177	1,316,507	1,563,278	1,342,614	10,017,922
<b>Net Revenue</b>	<b>6,508,589</b>	<b>369,841</b>	<b>896,924</b>	<b>66,683</b>	<b>391,368</b>	<b>346,177</b>	<b>1,316,507</b>	<b>1,563,278</b>	<b>1,342,614</b>	<b>10,017,922</b>
Material	3,725,854	0	598,579	20,094	206,062	217,257	691,808	1,007,475	914,663	3,917,511
Labor	1,801,998	37,376	154,384	14,855	116,952	47,986	224,390	277,298	221,844	2,897,083
Other COGS	-30,820	337,471	17,525	2,332	9,729	8,800	57,161	15,903	53,166	471,267
<b>Total COGS</b>	<b>5,497,032</b>	<b>374,847</b>	<b>770,488</b>	<b>37,281</b>	<b>332,743</b>	<b>274,043</b>	<b>973,359</b>	<b>1,300,676</b>	<b>1,189,673</b>	<b>7,285,861</b>
<b>Gross Margin</b>	<b>1,011,557</b>	<b>-5,006</b>	<b>126,436</b>	<b>29,402</b>	<b>58,625</b>	<b>72,134</b>	<b>343,148</b>	<b>262,602</b>	<b>152,941</b>	<b>2,732,061</b>
<i>Gross Margin %</i>	15.54%	-1.35%	14.10%	44.09%	14.98%	20.84%	26.07%	16.80%	11.39%	27.27%
R&D	0	0	0	0	0	0	0	0	0	0
Sales & marketing	292,990	0	61,233	12,482	39,015	50,793	168,822	133,093	69,400	827,828
Administrative	632,389	23,563	23,309	3,387	11,176	12,271	53,873	44,959	51,753	856,680
<i>Other Opex</i>	-3,451	0	0	0	0	0	0	38	-18	-3,431
<b>Total OPEX (excl D&amp;A)</b>	<b>921,928</b>	<b>23,563</b>	<b>84,542</b>	<b>15,869</b>	<b>50,191</b>	<b>63,064</b>	<b>222,695</b>	<b>178,090</b>	<b>121,135</b>	<b>1,681,077</b>
<b>EBITDA</b>	<b>89,629</b>	<b>-28,569</b>	<b>41,894</b>	<b>13,533</b>	<b>8,434</b>	<b>9,070</b>	<b>120,453</b>	<b>84,512</b>	<b>31,806</b>	<b>1,050,984</b>
<i>EBITDA Margin %</i>	1.38%	-7.72%	4.67%	20.29%	2.16%	2.62%	9.15%	5.41%	2.37%	10.49%

## Domestic Eliminations for July 2019

RVTC Revenue	(\$370k)
RVTC COGS	(\$370k)
Domestic Revenue	(\$2.335M)
Domestic COGS	(\$2.430M)
Worldwide Revenue	(\$79k)
Worldwide COGS	(\$665k)

# P&L by Location – International & Consolidated



HK/Macau	China/Shanghai	Malaysia/Singapore	Australia Consol	Europe	Total Int'l	CONSOLIDATED
866,762	781,409	235,054	3,829,510	1,086,486	6,513,871	16,531,793
<b>866,762</b>	<b>781,409</b>	<b>235,054</b>	<b>3,829,510</b>	<b>1,086,486</b>	<b>6,513,871</b>	<b>16,531,793</b>
319,547	358,697	86,557	2,267,679	499,413	3,254,156	7,171,667
252,311	114,934	39,373	580,576	375,171	1,362,365	4,259,448
62,525	110,476	31,650	149,087	54,531	408,269	879,536
<b>634,383</b>	<b>584,107</b>	<b>157,580</b>	<b>2,997,342</b>	<b>929,115</b>	<b>5,024,790</b>	<b>12,310,651</b>
<b>232,379</b>	<b>197,302</b>	<b>77,474</b>	<b>832,168</b>	<b>157,371</b>	<b>1,489,081</b>	<b>4,221,142</b>
26.81%	25.25%	32.96%	21.73%	14.48%	22.86%	25.53%
0	0	0	0	0	0	0
52,664	20,175	29,642	191,730	111,026	405,237	1,233,065
69,548	39,613	42,780	160,204	53,579	365,724	1,222,404
1,207	-299	-5,143	-266	1,176	-3,325	-6,756
<b>123,419</b>	<b>59,489</b>	<b>67,279</b>	<b>351,668</b>	<b>165,781</b>	<b>767,636</b>	<b>2,448,713</b>
<b>108,960</b>	<b>137,813</b>	<b>10,195</b>	<b>480,500</b>	<b>-8,410</b>	<b>721,445</b>	<b>1,772,429</b>
12.57%	17.64%	4.34%	12.55%	-0.77%	11.08%	10.72%

## International Eliminations

HAP Revenue	(\$285k)
Hap COGS	(\$285k)
International COGS	(\$8k)

# Balance Sheet



	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	FY	FY	Var		PY
\$'000	Act	Act	Act	Act	Act	Act	Act	Bud	Bud	\$	%	Act
<b>Current Assets</b>												
Cash and cash equivalents	\$ 2,930	\$ 2,754	\$ 1,577	\$ 1,521	\$ 1,561	\$ 3,263	\$ 5,174	\$ 3,500	\$ 3,500	\$ -	0.0%	\$ 2,668
Short term investments	-	-	-	-	-	-	-	-	-	-	N/A	-
<i>Accounts receivable, gross</i>	35,130	36,910	34,436	33,243	34,172	36,345	40,607	34,452	34,452	-	0.0%	36,879
<i>Accounts receivable, reserves</i>	(1,455)	(1,545)	(1,629)	(1,679)	(1,746)	(1,836)	(1,851)	-	-	-	N/A	(1,407)
Accounts receivable, net	33,675	35,365	32,807	31,564	32,426	34,509	38,755	34,452	34,452	-	0.0%	35,472
<i>Inventory, gross</i>	14,553	15,308	15,388	16,303	16,774	18,889	16,352	11,969	11,969	-	0.0%	13,393
<i>Inventory, reserves</i>	(243)	(253)	(264)	(274)	(282)	(195)	(203)	-	-	-	N/A	(298)
Inventory, net	14,310	15,055	15,124	16,028	16,493	18,695	16,149	11,969	11,969	-	0.0%	13,095
Prepaid expenses and other current assets	1,832	1,728	1,591	1,529	1,476	1,338	1,256	1,595	1,595	-	0.0%	1,666
Current portion of deferred taxes	5,612	5,579	5,583	5,568	5,263	5,280	5,254	5,797	5,797	-	0.0%	5,559
Revenue in excess of billings	-	-	-	-	-	-	-	-	-	-	N/A	-
Other current assets	285	331	222	318	323	397	344	-	-	-	N/A	261
<b>Total Current Assets</b>	<b>58,644</b>	<b>60,813</b>	<b>56,904</b>	<b>56,528</b>	<b>57,542</b>	<b>63,482</b>	<b>66,932</b>	<b>57,313</b>	<b>57,313</b>	-	0.0%	<b>58,721</b>
<b>Non-Current Assets</b>												
<i>Property, plant &amp; equipment, gross</i>	36,688	37,895	38,006	38,147	38,088	38,362	38,604	36,262	36,262	-	0.0%	36,262
<i>Accumulated depreciation</i>	(23,108)	(23,208)	(23,334)	(23,515)	(23,601)	(23,838)	(23,927)	(22,835)	(22,835)	-	0.0%	(22,835)
Property, plant & equipment, net	13,580	14,687	14,673	14,632	14,487	14,524	14,677	13,427	13,427	-	0.0%	13,427
<i>Identifiable intangible assets, gross</i>	15,247	15,236	15,238	15,233	15,227	15,233	15,225	5,583	5,583	-	0.0%	15,231
<i>Accumulated amortization</i>	(5,870)	(6,215)	(6,561)	(6,906)	(7,251)	(7,597)	(7,942)	-	-	-	N/A	(5,523)
Identifiable intangible assets, net	9,377	9,022	8,677	8,327	7,976	7,636	7,283	5,583	5,583	-	0.0%	9,707
Deferred financing cost	1,906	1,955	1,908	1,862	1,950	1,900	1,850	1,903	1,903	-	0.0%	(1,950)
Other non-current assets	3,723	2,705	2,703	2,697	2,693	2,697	2,697	2,696	2,696	-	0.0%	3,719
<b>Total Non-Current Assets</b>	<b>28,585</b>	<b>28,368</b>	<b>27,961</b>	<b>27,518</b>	<b>27,106</b>	<b>26,756</b>	<b>26,507</b>	<b>23,609</b>	<b>23,609</b>	-	0.0%	<b>24,904</b>
<b>Total Assets</b>	<b>\$ 87,230</b>	<b>\$ 89,181</b>	<b>\$ 84,864</b>	<b>\$ 84,046</b>	<b>\$ 84,648</b>	<b>\$ 90,238</b>	<b>\$ 93,440</b>	<b>\$ 80,922</b>	<b>\$ 80,922</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ 83,624</b>
<b>Current Liabilities</b>												
Current portion of long-term debt	\$ 1,250	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ -	0.0%	\$ 835
Line of Credit	10,203	11,382	9,458	9,623	9,308	10,596	10,806	5,544	5,544	-	0.0%	7,832
Accounts payable	12,385	12,453	10,618	15,884	15,798	16,614	18,668	8,913	8,913	-	0.0%	13,527
Accrued liabilities	6,054	6,682	6,363	962	2,508	5,564	4,967	5,748	5,748	-	0.0%	6,224
Accrued compensation	1,508	1,551	1,662	1,461	1,364	1,970	1,915	-	-	-	N/A	2,121
Income taxes payable	83	113	129	146	188	246	384	260	260	-	0.0%	129
Other current liabilities	2,630	2,911	2,895	2,905	2,957	3,075	3,344	2,011	2,011	-	0.0%	2,721
<b>Total Current Liabilities</b>	<b>34,112</b>	<b>36,789</b>	<b>32,416</b>	<b>31,895</b>	<b>33,037</b>	<b>38,965</b>	<b>40,985</b>	<b>23,311</b>	<b>23,311</b>	-	0.0%	<b>33,389</b>
<b>Long-term liabilities</b>												
Long-term debt less current maturities	31,521	31,521	31,521	31,313	31,313	31,313	31,104	30,895	30,895	-	0.0%	31,730
Deferred income taxes	47	68	96	95	94	95	142	45	45	-	0.0%	46
Other non-current liabilities	48	47	(111)	46	46	(653)	45	49	49	-	0.0%	46
<b>Total Long-Term Liabilities</b>	<b>31,616</b>	<b>31,636</b>	<b>31,507</b>	<b>31,454</b>	<b>31,452</b>	<b>30,755</b>	<b>31,292</b>	<b>30,989</b>	<b>30,989</b>	-	0.0%	<b>31,822</b>
<b>Total Liabilities</b>	<b>65,728</b>	<b>68,425</b>	<b>63,923</b>	<b>63,349</b>	<b>64,489</b>	<b>69,720</b>	<b>72,277</b>	<b>54,300</b>	<b>54,300</b>	-	0.0%	<b>65,211</b>
<b>Shareholders' Equity</b>												
Common stock	-	-	-	-	-	-	-	-	-	-	N/A	-
Capital in excess of stated value	36,350	36,350	36,350	36,350	36,350	36,350	36,350	36,350	36,350	-	0.0%	36,350
Retained earnings	(14,999)	(15,646)	(15,377)	(15,544)	(16,069)	(15,872)	(15,208)	(9,109)	(9,109)	-	0.0%	(14,038)
Accumulated other comprehensive income	512	512	521	518	519	522	521	47	47	-	0.0%	47
Other equity transactions	(361)	(460)	(553)	(627)	(641)	(482)	(499)	769	769	-	0.0%	(46)
<b>Total Shareholders' Equity</b>	<b>21,501</b>	<b>20,756</b>	<b>20,942</b>	<b>20,697</b>	<b>20,158</b>	<b>20,518</b>	<b>21,163</b>	<b>28,056</b>	<b>28,056</b>	-	0.0%	<b>22,313</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 87,230</b>	<b>\$ 89,181</b>	<b>\$ 84,864</b>	<b>\$ 84,046</b>	<b>\$ 84,648</b>	<b>\$ 90,238</b>	<b>\$ 93,440</b>	<b>\$ 82,357</b>	<b>\$ 82,357</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ 87,524</b>

# Cash Flow Statement



	MTD		Variance		PY-MTD		Variance		YTD		Variance		PY YTD		Variance									
\$'000	Act	Bud	\$	%	Act	\$	%		Act	Bud	\$	%	Act	\$	%									
Cash flow from operations																								
Net Income (Loss)	\$	510	\$	467	\$	43	9.1%	\$	(740)	\$	1,250	(168.9%)	\$	(975)	\$	800	\$	(1,775)	(222.0%)	\$	(5,694)	\$	4,718	(82.9%)
Depreciation, amortization and other		510		577		(67)	(11.6%)		503		7	1.4%		3,578		4,039		(461)	(11.4%)		3,537		40	1.1%
Capitalized fees & expenses		88		32		56	178.4%		32		56	178.4%		(100)		221		(321)	(145.2%)		221		(321)	(145.2%)
Gain (loss) on sale of fixed assets		—		—		—	N/A		—		—	N/A		—		—		—	N/A		(19)		19	(100.0%)
Non-cash interest expense		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Non-cash dividends		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Deferred income tax		0		—		—	N/A		—		—	N/A		0		—		0	N/A		—		0	N/A
Change in operating assets and liabilities:																								
Accounts receivable		(4,215)		(153)		(4,062)	2650.9%		(539)		(3,675)	681.4%		(3,387)		(1,985)		(1,402)	70.6%		(162)		(3,225)	1985.2%
Inventory		2,546		(84)		2,629	(3148.7%)		(421)		2,967	(705.0%)		(3,054)		(1,612)		(1,442)	89.5%		234		(3,288)	(1406.3%)
Prepaid expenses and other current assets		104		(126)		230	(183.0%)		(5)		109	(2161.3%)		534		348		186.7%		493		41		8.3%
Accounts payable		(134)		350		(484)	(138.3%)		(264)		130	(49.3%)		5,535		745		4,790	643.4%		1,359		4,175	307.1%
Accrued expenses		(312)		295		(606)	(205.8%)		228		(540)	(236.7%)		(700)		685		(1,385)	(202.2%)		(2,204)		1,504	(68.2%)
Accrued income taxes		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other changes in operating assets and liabilities		(238)		—		(238)	N/A		(140)		(98)	70.3%		(371)		—		(371)	N/A		215		(586)	(272.3%)
Other cash flow from operations		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Operations	\$	(1,140)	\$	1,358	\$	(2,498)	(183.9%)	\$	(1,346)	\$	206	(15.3%)	\$	1,059	\$	3,078	\$	(2,019)	(65.6%)	\$	(2,019)	\$	3,078	(152.5%)
Cash flow from investing																								
Additions to property, plant and equipment	\$	(242)	\$	—	\$	(242)		\$	(30)	\$	(212)	719.2%	\$	(1,140)	\$	—	\$	(1,140)	N/A	\$	(640)	\$	(500)	78.1%
Acquisitions of companies, net of cash acquired		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Investment in intangibles		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Earnout payments		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from investing (goodwill)		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Investing	\$	(242)	\$	—	\$	(242)		\$	(30)	\$	(212)	719.2%	\$	(1,140)	\$	—	\$	(1,140)	N/A	\$	(640)	\$	(500)	78.1%
Cash flow from financing																								
Proceeds from the issuance (repayment) of ST	\$	210	\$	(910)	\$	1,120	(123.1%)	\$	1,830	\$	(1,620)	(88.5%)	\$	2,974	\$	(477)	\$	3,451	(723.2%)	\$	3,701	\$	(727)	(19.6%)
Proceeds from the issuance of debt		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Repayment of debt		(209)		(209)		0	(0.1%)		(190)		(18)	9.6%		(626)		(627)		1	(0.1%)		(533)		(93)	17.4%
Capital lease		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Common stock issued (repurchased)		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Common stock cash dividends paid		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Preferred stock issued (repurchased)		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from financing costs		(19)		—		(19)	N/A		—		(19)	N/A		(19)		—		(19)	N/A		(0)		(19)	6784.1%
Total Cash Flow from Financing	\$	(18)	\$	(1,119)	\$	1,101	(98.4%)	\$	1,639	\$	(1,657)	(101.1%)	\$	2,328	\$	(1,104)	\$	3,432	(310.9%)	\$	3,167	\$	(839)	(26.5%)
Effect of FX rates on cash and cash equivalents	\$	(32)	\$	(240)	\$	208	(86.5%)	\$	3	\$	(35)	(1178.9%)	\$	97	\$	(573)	\$	670	(116.9%)	\$	(416)	\$	513	(123.4%)
Net change in cash	\$	38	\$	(1)	\$	39	<-1000%	\$	266	\$	(228)	(85.7%)	\$	2,344	\$	1,401	\$	943	67.3%	\$	93	\$	2,252	2432.8%
Beginning cash		3,263		3,500		(237)	(6.8%)		3,331		(68)	(2.0%)		2,668		2,668		—	0.0%		2,668		—	0.0%
Change in cash		38		(1)		39	<-1000%		266		(228)	(85.7%)		2,344		1,401		943	67.3%		93		2,252	2432.8%
Ending cash	\$	3,301	\$	3,499	\$	(198)	(5.7%)	\$	3,597	\$	(296)	(8.2%)	\$	5,103	\$	3,499	\$	1,604	45.8%	\$	3,597	\$	1,506	41.9%

# 13-Week Cash Flow Forecast



\$ '000's

Week Ending:	26-Jul	2-Aug	9-Aug	16-Aug	23-Aug	30-Aug	6-Sep	13-Sep	20-Sep	27-Sep	4-Oct	11-Oct	18-Oct	Total
<b>Total Inflows</b>	2,722	4,871	2,795	2,858	2,744	3,395	2,942	2,840	2,710	3,092	2,716	2,780	2,840	39,306
<b>Total Operating Disbursements</b>	(2,288)	(4,154)	(2,967)	(2,845)	(1,861)	(3,321)	(2,203)	(3,106)	(1,873)	(3,036)	(1,998)	(2,758)	(2,418)	(34,828)
<b>Net Operating Cash Flow</b>	434	717	(172)	14	883	74	739	(266)	838	57	717	22	423	4,478
Interest Expense	-	1,047	-	-	-	-	1,048	-	-	-	1,047	-	-	3,143
Taxes	167	1	50	-	168	-	18	32	59	112	-	50	44	700
CapEx	-	20	20	20	20	20	20	20	20	20	20	20	20	240
Other Non-Op	13	7	5	5	5	6	5	5	5	6	5	5	5	75
<b>Total Non-Operating Disbursements</b>	179	1,076	75	25	193	26	1,091	57	83	138	1,072	75	69	4,158
<b>Total Net Cash Flow</b>	254	(359)	(247)	(11)	690	49	(352)	(323)	754	(81)	(355)	(53)	354	320
Beginning Bank Cash	1,770	1,586	1,963	1,426	1,377	1,309	1,510	1,443	1,429	1,452	1,185	1,552	1,709	1,770
Net Global Cash Flow	254	(359)	(247)	(11)	690	49	(352)	(323)	754	(81)	(355)	(53)	354	320
Transfers In / (Out)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Draw / Sweep	(438)	736	(290)	(38)	(758)	153	284	309	(731)	(186)	722	210	(475)	(502)
<b>Ending Bank Cash</b>	1,586	1,963	1,426	1,377	1,309	1,510	1,443	1,429	1,452	1,185	1,552	1,709	1,588	1,588
<b>Term Loan Balance</b>	32,774	32,774	32,774	32,774	32,774	32,774	32,774	32,774	32,774	32,774	32,774	32,564	32,564	32,564
Beginning Revolver Balance	11,414	10,981	11,725	11,435	11,397	10,638	10,792	11,114	11,424	10,692	10,507	11,259	11,469	11,414
Domestic PIK Interest	5	8	-	-	-	-	39	-	-	-	30	-	-	82
Draw / Sweep	(438)	736	(290)	(38)	(758)	153	284	309	(731)	(186)	722	210	(475)	(502)
<b>Ending Revolver Balance</b>	10,981	11,725	11,435	11,397	10,638	10,792	11,114	11,424	10,692	10,507	11,259	11,469	10,994	10,994
<b>Borrowing Base</b>	19,528	20,245	19,983	19,815	19,839	20,911	20,490	20,357	20,580	20,530	21,461	21,116	21,052	21,052
<b>Availability</b>	8,547	8,521	8,548	8,419	9,201	10,119	9,375	8,933	9,888	10,023	10,202	9,647	10,058	10,058
<b>Liquidity</b>	10,133	10,483	9,974	9,795	10,509	11,630	10,818	10,362	11,340	11,208	11,753	11,356	11,646	11,646
<b>Total Debt</b>	43,755	44,499	44,209	44,171	43,412	43,566	43,888	44,198	43,466	43,281	44,033	44,033	43,558	43,558

# Covenant Analysis - July FCCR: 1.91



Covenant Analysis- JPMC and LBC Credit Partners													
\$'000	Jan-19 Actual	Feb-19 Actual	Mar-19 Actual	Apr-19 Actual	May-19 Actual	Jun-19 Actual	Jul-19 Actual	Aug-19 Budget	Sep-19 Budget	Oct-19 Budget	Nov-19 Budget	Dec-19 Budget	2019
Fixed Charge Coverage Ratio (JP Morgan Chase- Monthly and LBC Credit Partners- Quarterly)													
Net Income (Loss)	\$ (961)	\$ (647)	\$ 119	\$ (26)	\$ (231)	\$ 197	\$ 510	\$ 474	\$ 484	\$ (137)	\$ (143)	\$ (140)	\$ (500)
Bank EBITDA Calculation:													
Interest and amortization	344	347	358	349	98	465	546	266	254	254	262	258	3,801
Taxes	(7)	43	19	36	88	36	146	158	161	(45)	(47)	(46)	543
Depreciation and amortization	494	495	495	569	507	507	510	577	577	577	577	577	6,462
Directors Fees and Expense Reimbursements < \$150k	-	-	-	-	-	-	-	-	-	-	-	-	-
Projected Net Cost Savings from RIF's and Facility Relo's	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition transaction costs < \$250k for 12 month period	-	-	-	-	-	-	-	-	-	-	-	-	-
Monitoring fees (including expenses)	250	18	-	250	-	-	-	-	-	370	-	-	888
Gain/loss on disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent Purchase Price Obligation Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Losses (Gains) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-
FX gain/loss	(6)	16	48	2	58	(44)	61	-	-	-	-	-	134
Severance	-	-	-	63	-	308	-	-	-	-	-	-	371
Extraordinary charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-cash charges or non-cash gains	-	-	51	-	-	-	-	-	-	-	-	-	51
Other non-recurring fees and expenses < \$6.5mm in total	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-recurring items:													
Australian facility certification < \$400k in aggregate	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension Buyout (not to exceed \$500K)	-	-	-	-	-	-	-	-	-	-	-	-	-
One-Time Costs (not to exceed \$2.4M)	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory write-offs < \$320k in total	-	-	-	-	-	-	-	-	-	-	-	-	-
A/R write-offs < \$1.3mm in total	64	127	98	78	81	84	25	-	-	-	-	-	558
Warranty claim payments: Mystic Lake < 400k	-	-	-	-	-	-	-	-	-	-	-	-	-
Warranty claim payments: Non- Mystic Lake < 625k	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-recurring items	64	127	98	78	81	84	25	-	-	-	-	-	558
Bank EBITDA	\$ 178	\$ 399	\$ 1,189	\$ 1,321	\$ 601	\$ 1,553	\$ 1,798	\$ 1,476	\$ 1,476	\$ 1,019	\$ 649	\$ 649	\$ 12,308
Less:													
Unfinanced CAPEX	245	117	175	250	-	-	-	250	250	170	170	170	1,797
Cash income and franchise taxes	(7)	43	19	36	88	36	146	158	161	(45)	(47)	(46)	543
Restricted Payments paid in cash	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Monitoring fees (including expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Numerator	\$ (60)	\$ 239	\$ 994	\$ 1,035	\$ 513	\$ 1,517	\$ 1,652	\$ 1,068	\$ 1,065	\$ 894	\$ 526	\$ 525	\$ 9,967
Fixed Charges:													
Cash Interest	300	301	311	349	98	465	546	266	254	254	262	258	3,663
Regularly scheduled principal payments	209	-	-	209	-	-	-	-	-	209	-	-	627
Capital Lease payments	3	3	3	-	-	-	-	3	3	3	3	3	25
Total Fixed Charges	\$ 512	\$ 304	\$ 314	\$ 558	\$ 98	\$ 465	\$ 546	\$ 270	\$ 257	\$ 466	\$ 265	\$ 261	\$ 4,315
TTM Numerator	4,390	5,329	6,086	7,604	8,512	7,335	8,901	8,873	8,904	9,216	9,429	9,967	9,967
TTM Fixed Charges	4,410	4,464	4,480	4,565	4,388	4,589	4,650	4,630	4,614	4,430	4,384	4,315	4,315
Fixed Charge Covenant Ratio	1.00	1.19	1.36	1.67	1.94	1.60	1.91	1.92	1.93	2.08	2.15	2.31	2.31
Required	1.00 x			1.00 x			1.00 x			1.15 x			
Leverage Ratio (LBC Credit Partners- Quarterly)													
Total Debt for Leverage Calculation	\$ 42,975	\$ 43,739	\$ 41,814	\$ 41,771	\$ 41,456	\$ 42,744	\$ 42,745	\$ 39,147	\$ 38,438	\$ 38,138	\$ 37,738	\$ 37,229	\$ 37,229
TTM Bank EBITDA	\$ 7,009	\$ 7,986	\$ 8,871	\$ 10,417	\$ 11,188	\$ 9,929	\$ 11,291	\$ 11,540	\$ 11,968	\$ 11,769	\$ 11,756	\$ 12,308	\$ 12,308
Leverage Ratio	6.13	5.48	4.71	4.01	3.71	4.31	3.79	3.39	3.21	3.24	3.21	3.02	3.02
Required	*NR			*NR			*NR			4.75 x			

# AP / AR Aging Detail



\$'000

AR Aging						
Days	Dec-18	%	May-19	Jun-19	Jul-19	%
0-30	\$ 16,376	44.4%	\$ 16,137	\$ 19,756	\$ 23,462	57.8%
30-60	5,342	14.5%	2,092	2,911	3,482	8.6%
60-90	3,176	8.6%	1,658	2,606	2,308	5.7%
>90	11,985	32.5%	14,285	11,072	11,355	28.0%
<b>Total Gross AR</b>	<b>\$ 36,879</b>	<b>100.0%</b>	<b>\$ 34,173</b>	<b>\$ 36,345</b>	<b>\$ 40,607</b>	<b>100.0%</b>
<b>Reserves</b>	(1,407)		(1,746)	(1,836)	(1,851)	
<b>Total Net AR</b>	<b>\$ 35,472</b>		<b>\$ 32,427</b>	<b>\$ 34,509</b>	<b>\$ 38,755</b>	
<b>Change in AR Reserve</b>			(66)	(90)	(15)	
<b>Actual Bad Debt P&amp;L Charge</b>			81	84	25	
<b>LTM Bad Debt P&amp;L Charge</b>			<b>\$ 520</b>	<b>\$ 555</b>	<b>\$ 597</b>	

AP Aging					
Days	Dec-18	May-19	Jun-19	Jul-19	%
0-30	\$ 10,682	\$ 12,397	\$ 14,225	\$ 15,061	80.7%
30-60	1,234	1,007	936	1,291	6.9%
60-90	343	261	435	268	1.4%
>90	1,268	2,244	1,018	2,048	11.0%
<b>Total</b>	<b>\$ 13,526</b>	<b>\$ 15,910</b>	<b>\$ 16,614</b>	<b>\$ 18,668</b>	<b>100.0%</b>

Retainage						
Days	Dec-18	%	May-19	Jun-19	Jul-19	%
0-30	\$ 1,182	3.2%	\$ 1,197	\$ 1,182	\$ 910	2.2%
% of AR	7.2%		7.4%	6.0%	3.9%	
30-60	325	0.9%	318	325	642	1.6%
% of AR	6.1%		15.2%	11.2%	18.4%	
60-90	337	0.9%	522	337	347	0.9%
% of AR	10.6%		31.5%	12.9%	15.0%	
>90	3,037	8.2%	3,717	3,037	3,259	8.0%
% of AR	25.3%		26.0%	27.4%	28.7%	
<b>Total Retainage</b>	<b>\$ 4,881</b>	<b>13.2%</b>	<b>\$ 5,754</b>	<b>\$ 4,881</b>	<b>\$ 5,158</b>	<b>12.7%</b>
% of AR	13.2%		16.8%	13.4%	12.7%	



**Key Operations and Sales Updates**

**Financial Review**

**Appendix**

# Global Headcount



	Domestic								International								Global						
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19		Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19		Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Manufacturing/Install/Service:																							
Manufacturing Administration	14	16	15	13	10	11	13		21	21	21	21	17	17	5		35	37	36	34	27	28	18
Direct Labor- Union	148	148	149	153	152	150	148		48	48	48	48	48	49	48		196	196	197	201	200	199	196
Direct Labor- Non-Union	0	0	0	0	0	0	0		72	77	75	74	73	73	76		72	77	75	74	73	73	76
Indirect Labor - Union	28	29	31	31	31	31	31		0	0	0	0	0	0	0		28	29	31	31	31	31	31
Indirect Labor	0	0	0	0	0	0	0		5	5	5	5	5	5	14		5	5	5	5	5	5	14
Installation- Union	17	16	20	20	19	20	23		0	0	0	0	0	0	0		17	16	20	20	19	20	23
Installation- Non-Union	20	19	19	19	19	19	20		17	17	17	17	17	17	17		37	36	36	36	36	36	37
Service	13	13	14	14	14	14	13		4	4	4	4	4	4	0		17	17	18	18	18	18	13
Engineering	17	17	17	16	17	17	17		10	10	10	11	11	12	14		27	27	27	27	28	29	31
Customer Support	14	14	14	14	14	14	14		13	13	13	13	13	13	19		27	27	27	27	27	27	33
Project Management	14	15	15	15	15	15	15		0	0	0	0	0	0	16		14	15	15	15	15	15	31
RVTC	7	7	6	6	6	6	6		0	0	0	0	0	0	0		7	7	6	6	6	6	6
Total Mfg/Install/Service	292	294	300	301	297	297	300		190	195	193	193	188	190	209		482	489	493	494	485	487	509
Selling & Marketing																							
Sales - Product	29	28	29	31	30	29	30		36	37	37	40	37	36	28		65	65	66	71	67	65	58
Sales - Service	10	10	11	10	10	12	12		9	9	9	8	9	9	11		19	19	20	18	19	21	23
Marketing	6	6	6	6	6	5	5		1	1	1	1	1	1	1		7	7	7	7	7	6	6
Sales and Marketing - Administration	9	9	8	9	9	10	10		2	2	2	2	2	2	9		11	11	10	11	11	12	19
Total Selling & Marketing	54	53	54	56	55	56	57		48	49	49	51	49	48	49		102	102	103	107	104	104	106
General & Administrative																							
Corporate	1	1	1	1	1	1	1		0	0	0	0	0	0	4		1	1	1	1	1	1	5
Finance/Administration	20	20	20	19	18	18	17		21	21	21	21	20	21	17		41	41	41	40	38	39	34
International (US Only)	0	0	0	0	0	0	0		0	0	0	0	0	0	0		0	0	0	0	0	0	0
Human Resources	2	2	2	2	2	1	3		11	11	11	11	13	13	6		13	13	13	13	15	14	9
Information Systems	3	3	2	2	2	2	3		3	3	3	3	3	3	2		6	6	5	5	5	5	5
Total G&A	26	26	25	24	23	22	24		35	35	35	35	36	37	29		61	61	60	59	59	59	53
Total Full-Time Employees	372	373	379	381	375	375	381		273	279	277	279	273	275	287		645	652	656	660	648	650	668
Probationary Labor Employees (US only)	4	9	4	5	11	17	17		0	0	0	0	0	0	0		4	9	4	5	11	17	17
Temporary Office Support	9	7	7	7	9	9	9		0	0	0	0	0	0	0		9	7	7	7	9	9	9
Temporary Production Support	0	0	0	0	0	0	0		37	36	37	40	42	40	24		37	36	37	40	42	40	24
Grand Total (EE's + Temps/Prob)	385	389	390	393	395	401	407		310	315	314	319	315	315	311		695	704	704	712	710	716	718

# Accrued Liabilities – Current (Excluding Debt)



\$'000

Accrued Liabilities - Current (Excluding Debt)					
Account Name	Apr-19	May-19	Jun-19	Jul-19	%
Accrued Compensation	\$ 2,088	\$ 2,121	\$ 1,508	\$ 1,551	12.6%
Income Taxes Payable	298	129	83	113	0.9%
Customer Deposits	540	545	817	724	5.9%
Accrued Bonuses	103	307	487	679	5.5%
Accrued Insurance	1,064	800	1,034	1,271	10.3%
Accrued Commission	319	330	265	224	1.8%
Accrued Interest	512	799	260	510	4.1%
Accrued Professional Fees	359	278	202	312	2.5%
Accrued Supplier Invoices	346	302	163	195	1.6%
Transaction Cost Accrual	-	-	-	-	-
Accrued Other Non-Income Taxes	1,123	1,005	1,039	1,141	9.3%
Curr Portion Emp Retirement Plans	1,143	1,039	995	989	8.1%
Accrued Warranty	845	1,549	1,572	1,605	13.1%
All Other	2,163	1,992	1,930	2,965	24.1%
<b>Total Accrued Liabilities</b>	<b>\$ 10,904</b>	<b>\$ 11,195</b>	<b>\$ 10,354</b>	<b>\$ 12,278</b>	<b>100.0%</b>
				<b>\$ 1,924</b>	<b>15.7%</b>

# Monthly Cost of Goods Sold



\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Act	Bud	Bud	Bud	Bud	Bud	Bud	Bud	\$	%	Act	\$	%
<b>Material</b>																			
Material costs at standard	\$ 3,159	\$ 4,033	\$ 3,686	\$ 3,085	\$ 5,337	\$ 3,599	\$ 7,146	\$ 4,149	\$ 4,149	\$ 3,510	\$ 3,510	\$ 3,510	\$ 48,871	\$ 45,473	\$ 3,399	7.5%	\$ 46,555	\$ 2,316	5.0%
Materials FX loss / (gain)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Purchase price variance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Freight in	33	126	39	(29)	123	13	26	386	386	108	108	108	1,425	4,261	(2,836)	(66.6%)	1,520	(95)	(6.3%)
Cost revision	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Scrap costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Consumables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
<b>Total Material COGS</b>	<b>\$ 3,191</b>	<b>\$ 4,159</b>	<b>\$ 3,724</b>	<b>\$ 3,056</b>	<b>\$ 5,461</b>	<b>\$ 3,611</b>	<b>\$ 7,172</b>	<b>\$ 4,535</b>	<b>\$ 4,535</b>	<b>\$ 3,617</b>	<b>\$ 3,617</b>	<b>\$ 3,617</b>	<b>\$ 50,296</b>	<b>\$ 49,734</b>	<b>\$ 563</b>	<b>1.1%</b>	<b>\$ 48,075</b>	<b>\$ 2,221</b>	<b>4.6%</b>
<b>Labor</b>																			
Direct labor	\$ 1,087	\$ 1,028	\$ 1,197	\$ 847	\$ 1,175	\$ 1,277	\$ 1,437	\$ 1,106	\$ 1,106	\$ 930	\$ 930	\$ 930	\$ 13,052	\$ 12,215	\$ 836	6.8%	\$ 12,047	\$ 1,004	8.3%
Direct labor - bonus	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Direct labor - overtime	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Direct labor - benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Direct labor - overtime	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Direct labor - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Indirect labor	734	672	754	571	704	753	781	735	735	719	719	719	8,595	8,723	(128)	(1.5%)	8,888	(293)	(3.3%)
Indirect labor - bonus	9	9	7	8	8	8	16	2	2	2	2	2	72	20	52	257.3%	37	35	95.6%
Indirect labor - overtime	59	32	42	18	49	67	89	43	43	36	36	36	551	475	76	16.1%	568	(17)	(3.0%)
Indirect labor - benefits	599	587	611	599	641	627	632	605	605	576	576	576	7,234	7,086	148	2.1%	6,893	341	4.9%
Indirect labor - other	143	103	123	85	100	114	133	(56)	(56)	38	38	38	803	(107)	911	(848.3%)	1,289	(485)	(37.7%)
Sub-contractor costs	829	904	1,000	1,127	1,068	1,089	1,172	1,152	1,152	1,021	1,021	1,021	12,555	13,036	(482)	(3.7%)	12,876	(322)	(2.5%)
<b>Total Labor COGS</b>	<b>\$ 3,460</b>	<b>\$ 3,335</b>	<b>\$ 3,733</b>	<b>\$ 3,255</b>	<b>\$ 3,746</b>	<b>\$ 3,935</b>	<b>\$ 4,259</b>	<b>\$ 3,586</b>	<b>\$ 3,586</b>	<b>\$ 3,322</b>	<b>\$ 3,322</b>	<b>\$ 3,322</b>	<b>\$ 42,862</b>	<b>\$ 41,449</b>	<b>\$ 1,413</b>	<b>3.4%</b>	<b>\$ 42,598</b>	<b>\$ 264</b>	<b>0.6%</b>
<b>Other</b>																			
Repairs and maintenance	\$ 40	\$ 49	\$ 35	\$ 53	\$ 39	\$ 65	\$ 53	\$ 42	\$ 42	\$ 35	\$ 35	\$ 35	\$ 522	\$ 461	\$ 61	13.2%	\$ 474	\$ 48	10.2%
Absorption	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Freight out	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Rent / facilities	140	145	142	124	142	142	143	122	122	122	122	122	1,586	1,463	123	8.4%	1,501	85	5.7%
Utilities	54	74	34	45	36	35	38	38	38	32	32	32	490	423	67	15.7%	521	(32)	(6.1%)
Other cost of sales	884	850	908	759	858	785	646	801	801	766	766	766	9,592	9,405	187	2.0%	10,606	(1,014)	(9.6%)
<b>Total Other COGS</b>	<b>\$ 1,119</b>	<b>\$ 1,118</b>	<b>\$ 1,118</b>	<b>\$ 981</b>	<b>\$ 1,075</b>	<b>\$ 1,027</b>	<b>\$ 880</b>	<b>\$ 1,003</b>	<b>\$ 1,003</b>	<b>\$ 955</b>	<b>\$ 955</b>	<b>\$ 955</b>	<b>\$ 12,190</b>	<b>\$ 11,752</b>	<b>\$ 438</b>	<b>3.7%</b>	<b>\$ 13,102</b>	<b>\$ (912)</b>	<b>(7.0%)</b>
<b>Total COGS</b>	<b>\$ 7,770</b>	<b>\$ 8,612</b>	<b>\$ 8,576</b>	<b>\$ 7,292</b>	<b>\$ 10,282</b>	<b>\$ 8,573</b>	<b>\$ 12,311</b>	<b>\$ 9,124</b>	<b>\$ 9,124</b>	<b>\$ 7,895</b>	<b>\$ 7,895</b>	<b>\$ 7,895</b>	<b>\$ 105,348</b>	<b>\$ 102,934</b>	<b>\$ 2,414</b>	<b>8.3%</b>	<b>\$ 103,776</b>	<b>\$ 1,572</b>	<b>(1.7%)</b>

# OPEX Summary



\$'000

## Opex Overview:

	MTD		Variance		PY MTD		Variance		YTD			PY YTD	
	Act	Bud	\$	%	Act	\$	%		Act	Bud	%	Act	%
Payroll	\$ 1,128	\$ 1,194	\$ (66)	(5.5%)	\$ 1,126	\$ 2	0.2%		\$ 6,046	\$ 7,165	(15.6%)	\$ 7,335	(17.6%)
Benefits	224	250	(27)	(10.6%)	232	(8)	(3.4%)		1,367	1,502	(9.0%)	1,616	(15.4%)
Bonus	75	112	(37)	(33.1%)	(478)	553	(115.6%)		597	671	(11.0%)	40	1394.9%
Marketing	(24)	28	(52)	(184.9%)	0	(24)	(118380.0%)		160	167	(4.1%)	288	(44.4%)
Commissions	180	191	(11)	(5.8%)	125	55	44.1%		1,023	1,146	(10.7%)	839	22.0%
Travel and Entertainment	87	87	0	0.3%	82	5	5.7%		553	519	6.5%	620	(10.8%)
Rent and Facilities	75	65	10	16.2%	66	9	14.2%		427	389	9.7%	392	9.0%
Insurance	33	32	1	3.5%	34	(1)	(2.7%)		216	190	13.6%	192	12.3%
Professional Fees	60	69	(10)	(13.8%)	137	(77)	(56.5%)		503	415	21.4%	636	(20.8%)
Utl., Repair, Maint., & Sec.	33	34	(1)	(2.9%)	32	1	3.1%		210	206	1.8%	219	(3.9%)
Office Expenses	5	6	(1)	(15.5%)	5	0	5.0%		33	35	(6.3%)	39	(14.8%)
IT	67	48	20	41.5%	46	21	46.7%		401	285	40.8%	314	27.7%
Bad Debts	84	12	72	604.9%	(339)	423	(124.8%)		533	72	645.2%	(146)	(464.6%)
Supplies	13	18	(5)	(27.5%)	17	(4)	(23.1%)		104	105	(1.0%)	136	(23.5%)
FX	—	—	—	N/A	23	(23)	(100.0%)		—	—	N/A	144	(100.0%)
Other Expenses	324	114	210	185.0%	225	99	43.9%		1,292	681	89.7%	1,535	(15.8%)
<b>Total Opex</b>	<b>\$ 2,364</b>	<b>\$ 2,258</b>	<b>\$ 105</b>	<b>4.7%</b>	<b>\$ 1,332</b>	<b>\$ 1,031</b>	<b>77.4%</b>		<b>\$ 13,468</b>	<b>\$ 13,550</b>	<b>(0.6%)</b>	<b>\$ 14,198</b>	<b>(5.1%)</b>
	19.1%	17.4%			10.7%				19.4%	18.9%		21.9%	

## Management Discussion

- **Payroll/Benefits:** Compensation expense below AOP in line with expectations
- **Bonus:** We started new bonus accruals for 2019 at 50%, in addition we are accruing 10k/month for sales push program for glass (accrued in other)
- **Bad Debt:** The bad debt variance is due to the standard accrual not being allocated in July – with analysis indicating a significant overaccrual through June 2019

# Monthly P&L



\$'000	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Act	Bud	Bud	Bud	Bud	Bud	Bud	Bud	\$	%	Act	\$	%
Gross Revenue	\$ 10,051	\$ 11,098	\$ 11,865	\$ 10,751	\$ 13,113	\$ 12,407	\$ 16,532	\$ 12,954	\$ 12,954	\$ 10,898	\$ 10,898	\$ 10,898	\$ 144,419	\$ 143,114	\$ 1,305	0.9%	\$ 137,796	\$ 6,623	4.8%
Net Revenue	10,051	11,098	11,865	10,751	13,113	12,407	16,532	12,954	12,954	10,898	10,898	10,898	144,419	143,114	1,305	0.9%	137,796	6,623	4.8%
Material	3,191	4,159	3,724	3,056	5,461	3,611	7,172	4,535	4,535	3,617	3,617	3,617	50,296	49,734	563	1.1%	48,075	2,221	4.6%
Labor	3,460	3,335	3,733	3,255	3,746	3,935	4,259	3,586	3,586	3,322	3,322	3,322	42,862	41,449	1,413	3.4%	42,598	264	0.6%
Other COGS	1,119	1,118	1,118	981	1,075	1,027	880	1,003	1,003	955	955	955	12,190	11,752	438	3.7%	13,102	(912)	(7.0)%
Total COGS	7,770	8,612	8,576	7,292	10,282	8,573	12,311	9,124	9,124	7,895	7,895	7,895	105,348	102,934	2,414	2.3%	103,776	1,572	1.5%
Gross Margin	2,281	2,486	3,289	3,459	2,831	3,834	4,221	3,830	3,830	3,003	3,003	3,003	39,071	40,180	(1,109)	(2.8%)	34,020	5,051	14.8%
Gross Margin %	22.7%	22.4%	27.7%	32.2%	21.6%	30.9%	25.5%	29.6%	29.6%	27.6%	27.6%	27.6%	27.1%	28.1%			24.7%		
R&D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Sales & Marketing	1,068	1,085	1,132	1,192	1,162	1,160	1,233	1,267	1,267	1,267	1,267	1,267	14,366	15,201	(835)	(5.5%)	14,603	(237)	(1.6%)
Administrative	1,115	1,136	1,136	1,063	1,197	1,198	1,222	995	995	995	995	995	13,043	11,939	1,103	9.2%	12,941	101	0.8%
Other Opex	(16)	(7)	(71)	(39)	(49)	6	(7)	(3)	(3)	(3)	(3)	(3)	(201)	(41)	(159)	385.7%	(322)	121	(37.6%)
Total Opex	2,167	2,215	2,198	2,215	2,310	2,364	2,449	2,258	2,258	2,258	2,258	2,258	27,208	27,099	109	0.4%	27,223	(15)	(0.1%)
EBITDA	114	272	1,091	1,244	521	1,470	1,772	1,572	1,572	745	745	745	11,863	13,081	(1,218)	(9.3%)	6,797	5,066	74.5%
EBITDA %	1.1%	2.4%	9.2%	11.6%	4.0%	11.8%	10.7%	12.1%	12.1%	6.8%	6.8%	6.8%	8.2%	9.1%			4.9%		
Net Income (Loss)	\$ (961)	\$ (647)	\$ 119	\$ 37	\$ (231)	\$ 197	\$ 510	\$ 474	\$ 484	\$ (137)	\$ (143)	\$ (140)	\$ (436)	\$ 1,339	\$ (1,775)	(132.6%)	\$ (6,384)	\$ 5,947	(93.2)%
Capex	\$ 245	\$ 1,277	\$ 15	\$ 501	\$ 235	\$ 125	\$ 177	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,574	\$ -	\$ 2,574	N/A	\$ 2,279	\$ 295	13.0%
\$'000	1	1	1	0	1	1	1	0	1	1	1	0	FY	FY	Var		PY	Var	
	Jan-19	Feb-19	Mar-19	Jan-00	Apr-19	May-19	Jun-19	Jan-00	Jul-19	Aug-19	Sep-19	Jan-00	Jan-00	Jan-00	\$	%	Act	\$	%
<b>Opex Overview:</b>																			
Payroll	\$ 1,057	\$ 1,023	\$ 1,004	\$ 863	\$ 971	\$ 1,128	\$ 1,146	\$ 1,194	\$ 1,194	\$ 1,194	\$ 1,194	\$ 1,194	\$ 13,163	\$ 14,329	\$ (1,167)	(8.1%)	\$ 13,807	\$ (644)	(4.7%)
Benefits	239	209	232	247	216	224	224	250	250	250	250	250	2,842	3,004	(162)	(5.4%)	2,571	271	10.5%
Bonus	96	96	93	139	98	75	97	112	112	112	112	112	1,254	1,342	(89)	(6.6%)	272	982	360.8%
Commissions	15	22	19	56	72	(24)	51	28	28	28	28	28	351	334	16	4.9%	681	(330)	(48.5)%
Marketing	134	159	187	174	189	180	195	191	191	191	191	191	2,174	2,293	(119)	(5.2%)	1,935	239	12.3%
Travel and Entertainme	80	82	85	120	99	87	88	87	87	87	87	87	1,074	1,039	35	3.4%	1,247	(173)	(13.8)%
Rent and Facilities	68	69	67	75	72	75	71	65	65	65	65	65	823	779	44	5.7%	789	34	4.3%
Insurance	35	43	35	35	34	33	33	32	32	32	32	32	408	380	27	7.2%	262	146	55.7%
Professional Fees	78	76	110	100	80	60	108	69	69	69	69	69	957	830	127	15.4%	1,101	(144)	(13.1)%
Utl., Repair, Maint., & S	28	38	38	38	35	33	36	34	34	34	34	34	418	413	5	1.2%	408	10	2.4%
Office Expenses	5	4	5	8	6	5	5	6	6	6	6	6	68	71	(3)	(4.1%)	74	(7)	(8.8)%
IT	55	58	58	91	72	67	62	48	48	48	48	48	701	570	131	23.0%	680	21	3.0%
Bad Debts	64	127	98	78	81	84	25	12	12	12	12	12	618	143	475	331.7%	340	278	81.5%
Supplies	25	10	17	17	22	13	20	18	18	18	18	18	212	210	1	0.7%	251	(39)	(15.7)%
FX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Other Expenses	188	198	147	172	264	324	288	114	114	114	114	114	2,148	1,363	785	57.6%	2,805	(657)	(23.4)%
Total Opex	\$ 2,167	\$ 2,215	\$ 2,198	\$ 2,215	\$ 2,310	\$ 2,364	\$ 2,449	\$ 2,258	\$ 2,258	\$ 2,258	\$ 2,258	\$ 2,258	\$ 27,208	\$ 27,099	\$ 109	0.4%	\$ 27,223	\$ (15)	(0.1%)

# Monthly EBITDA & Net Income (Loss) Bridge



\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Act	Bud	Bud	Bud	Bud	Bud	Bud	Bud	\$	%	Act	\$	%
<b>EBITDA - as reported</b>	<b>\$ 114</b>	<b>\$ 272</b>	<b>\$ 1,091</b>	<b>\$ 1,244</b>	<b>\$ 521</b>	<b>\$ 1,470</b>	<b>\$ 1,772</b>	<b>\$ 1,572</b>	<b>\$ 1,572</b>	<b>\$ 745</b>	<b>\$ 745</b>	<b>\$ 745</b>	<b>\$ 11,768</b>	<b>\$ 13,081</b>	<b>\$ (1,313)</b>	<b>(10.0%)</b>	<b>\$ 6,797</b>	<b>\$ 4,970</b>	<b>73.1%</b>
Depreciation and amortization	(494)	(495)	(495)	(569)	(507)	(507)	(510)	(577)	(577)	(577)	(577)	(577)	(6,463)	(6,924)	461	(6.7%)	(6,032)	(431)	7.1%
Interest and amortization	(344)	(347)	(358)	(349)	(98)	(465)	(546)	(266)	(254)	(254)	(262)	(258)	(3,552)	(3,216)	(336)	10.5%	(3,962)	409	(10.3%)
Other financial income/expense	6	(16)	(48)	(2)	(58)	44	(61)	–	–	–	–	–	(135)	–	(135)	N/A	(216)	82	(37.7%)
Non-financial income/expense	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Monitoring fees (including expenses)	(250)	(18)	–	(250)	–	–	–	(96)	(96)	(96)	(96)	(96)	(998)	(1,152)	154	(13.4%)	(1,100)	103	(9.3%)
Restructuring costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Non-recurring items	–	–	(51)	–	–	(308)	–	–	–	–	–	–	(360)	–	(360)	N/A	(1,403)	1,043	(74.4%)
Taxes	7	(43)	(19)	(36)	(88)	(36)	(146)	(158)	(161)	45	47	46	(543)	(450)	(93)	20.7%	(469)	(74)	15.9%
<b>GAAP Net Income (Loss)</b>	<b>\$ (961)</b>	<b>\$ (647)</b>	<b>\$ 119</b>	<b>\$ 37</b>	<b>\$ (231)</b>	<b>\$ 197</b>	<b>\$ 510</b>	<b>\$ 474</b>	<b>\$ 484</b>	<b>\$ (137)</b>	<b>\$ (143)</b>	<b>\$ (140)</b>	<b>\$ (283)</b>	<b>\$ 1,339</b>	<b>\$ (1,621)</b>	<b>(121.1%)</b>	<b>\$ (6,384)</b>	<b>\$ 6,101</b>	<b>(95.6%)</b>