



OPENGATE CAPITAL

A GLOBAL PRIVATE EQUITY FIRM



Portfolio Company Review – September 2019

23 October 2019



OPENGATE CAPITAL

Europe

- Everzinc:
 - Brand Recognition: new social media and website launched, with the most recent new business cases videos published last week
 - Thought Leadership: R-Zinc conference successfully held in Liege with over 80 participating companies. Follow-up on new business opportunities to start
 - Operational Excellence: ZANO industrialization tests progressing in both EU and NA (next test wave in Oct/Nov)
- Fiven:
 - Avi is taking part to the Strategic review ongoing with Nexant, among others meeting end of September In Norway.
 - 3 main initiatives identified at this stage :
 - Re-brand Fiven as Industry Leader
 - Brainstorming about CO2 footprint decrease
 - New product development process leveraging on an Open Innovation Program

North America

- Workbench is live with Duraco and Hufcor Europe, Hufcor USA is expected to be live by 1 Dec to provide reporting for commercial and operational metrics
- Avi's digital team continues to work with S&G on several initiatives, including new keypad design and app development, brand refresh / website redesign, and manufacturing technology (e.g., AI vision system, barcoding)
- Avi's digital team has created a demand forecasting tool for S&G; we are stress testing and working to identify if it could be productized across the portfolio
- Avi's digital team has been given access to the workbench database and are working to identify applications of machine learning/AI
- Shubber Ali (Accenture head of innovation) has connected with Scott Dobak and we are getting him engaged to support product innovation pipeline processes and development
- DB met with Professor John Hart, director of MIT's Center for Additive and Digital Advanced Production Technologies (APT). They are interested in pursuing a partnership with OGC. \$30-50k/yr to join APT which gives access to brand
 - Cross disciplinary opportunities in all departments
 - Consulting/research/partnership

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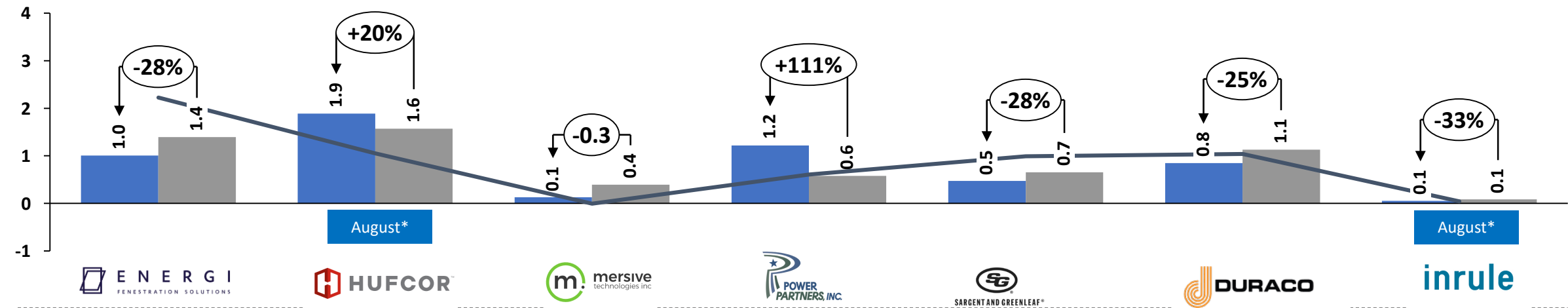
NAM Portfolio Updates

Consolidated North America portfolio EBITDA performance

— 2018A ■ 2019B
■ 2019A

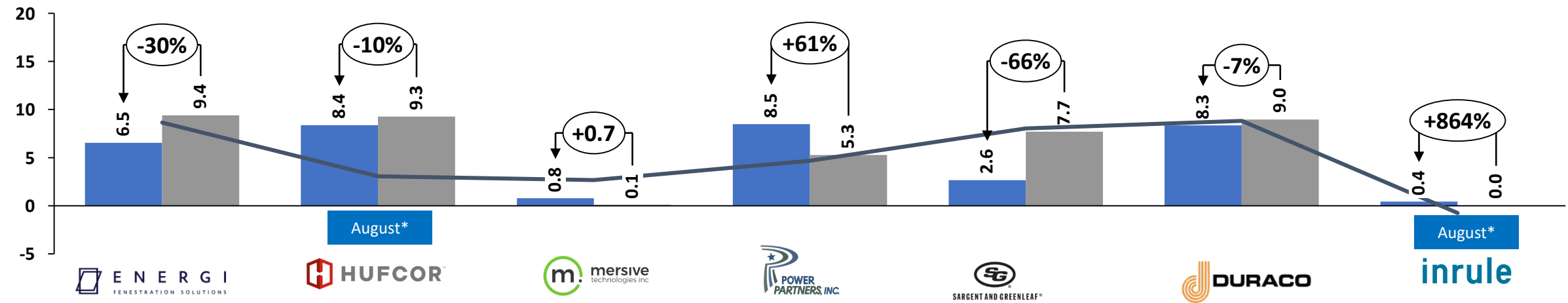
SEPTEMBER MTD EBITDA

\$000s



SEPTEMBER YTD EBITDA

\$ millions



*September to be updated after core model submission

1.a





Energi

Executive Summary: Week of 10-14

- Commercial turnaround: Interim readout with Chris and SmartVentures focused on sales management blocking & tackling, targeting opportunities. Next steps is for SmartVentures to develop detailed implementation plan and assess time required and probability of success in advance of next QOR. Draft plan expected mid next-week. Implementation of this plan under OGC hold pending decision on strategic alternatives of the business.
- Divestiture evaluation: OGC M&A working to complete high-level financial model of potential unrealized value in divestiture, working with OGC ops and Energi management to determine standalone plant-level "operating models". Initial draft expected 10/25. Energi management (Chris, Felice) and Ogc Ops to discuss Woodbridge liability reduction options with counsel on 10/18.
- Woodbridge performance improvement: Team evaluating resources to support Woodbridge ops improvement focused on improving yield – likely to engage DB&A. OGC Ops and Aaron Olmstead to complete site visit 10/18 to validate current performance improvement hypotheses.
- Cost reduction efforts. Freight – engaged SmartVentures to support logistics cost reduction with annualized savings >\$500k expected. Benefits – working to resolve discrepancy between Krauter portfolio consolidation and Oswald proposal.
- Near-term / 2019 EBITDA impact efforts: OGC Ops working with Patio Door lead (Dan) to identify and implement Patio Door pricing improvements – working session in Terrebone next week

	August 2019		YTD	
Period	Rev	EBITDA	Rev	EBITDA
19A	14.9M	949K	105M	5.53M
19B	17.6M	1.734M	120M	8M
19A % of 19B	84.7%	54.7%	87.5%	69.0%
18A	16.1M	1.25M	118M	6.4M
19A % of 18A	92.5%	76%	89%	86.4%

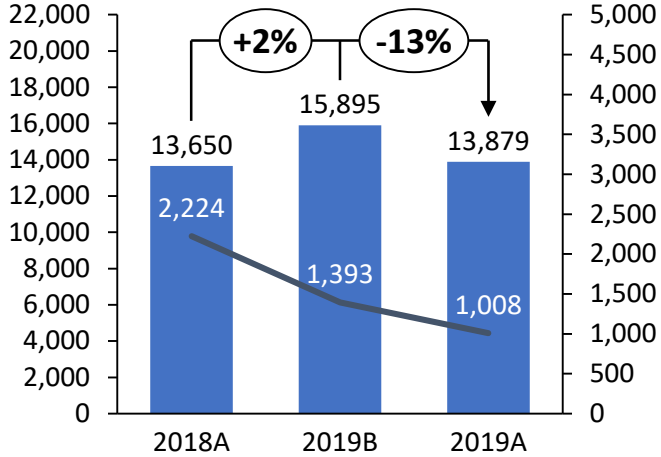
Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Plant consolidation (Blazy, Patterson, Addorasio)		<ul style="list-style-type: none"> Evaluating options to reduce Woodbridge liability e.g., termination waves, relocation, etc. – retained Canada based legal counsel (Miller Thompson) Evaluating closure of Everett 	9/9	Y0 Cost: \$3.25M Y2 EBITDA: \$3.2-\$3.4M	TBD
B: Commercial/GTM turnaround (SmartVentures)		<ul style="list-style-type: none"> Management and OGC Ops are aligned on interim report out from SmartVentures focused on building out core sales team and improving day-to-day management Key next step is developing detailed implementation plan and determining level of investment required / difficulty of achieving 	Start: 8/21 End: TBD	TBD	TBD
C: Woodbridge Ops Improvement		<ul style="list-style-type: none"> On-site visit on 10/18 confirmed a number of management hypotheses (re: poor yield, organizational challenges between tooling / engineering & production) and identified other areas of value (e.g., data collection / analytics) Evaluating outside resources to support performance improvement; DB&A may not have availability until Q1 2020 	Start TBD	TBD	TBD
D: Cost Reduction Efforts		<ul style="list-style-type: none"> Kicked off freight reduction project with SmartVentures – evaluating rate reductions, mode optimization and commercial upside. Expected to last over Q4. 	Q1 2020	TBD	TBD

Monthly financial metrics

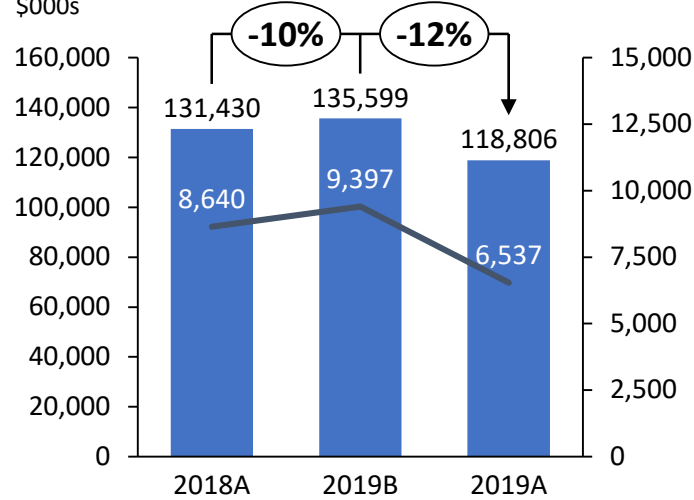
SEPTEMBER MTD

\$000s



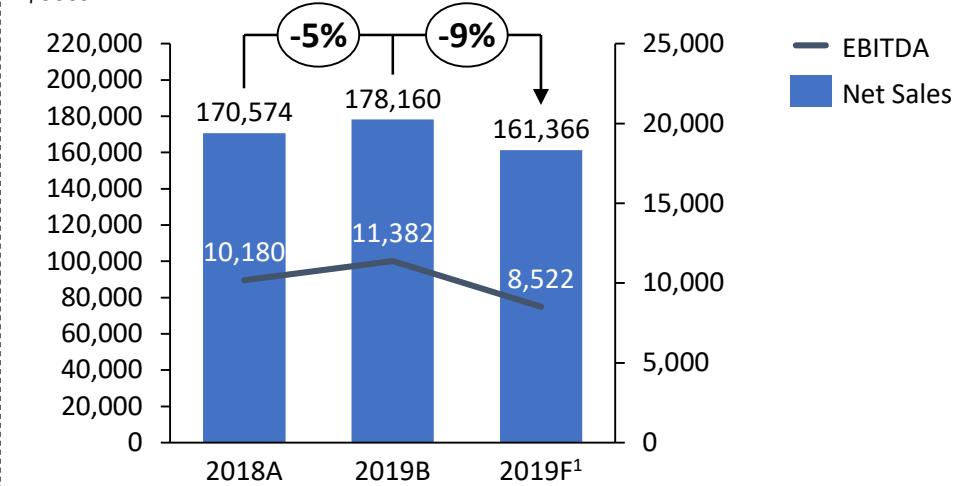
SEPTEMBER YTD

\$000s



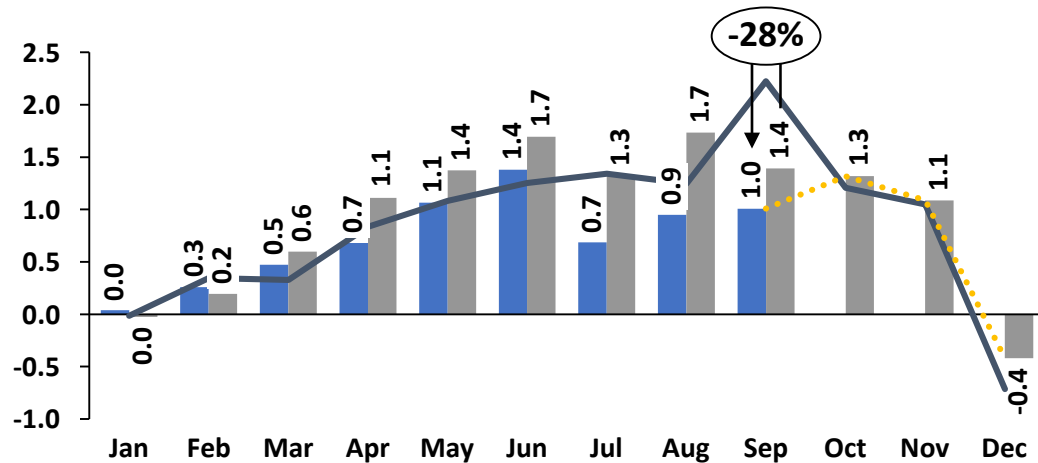
Full Year

\$000s



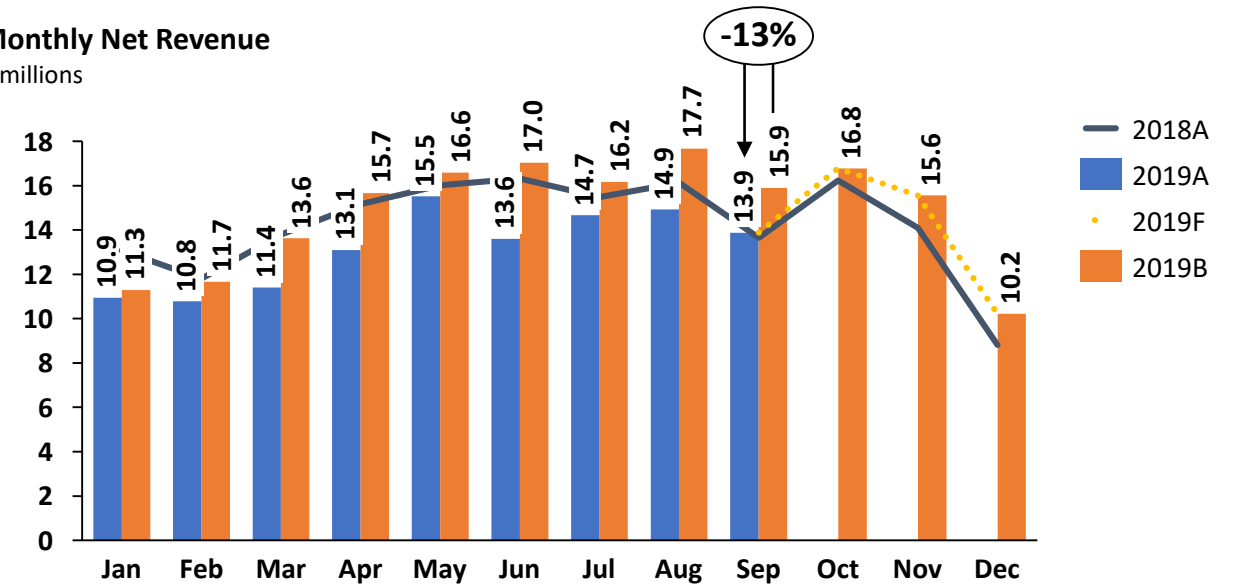
Monthly EBITDA

\$ millions



Monthly Net Revenue

\$ millions

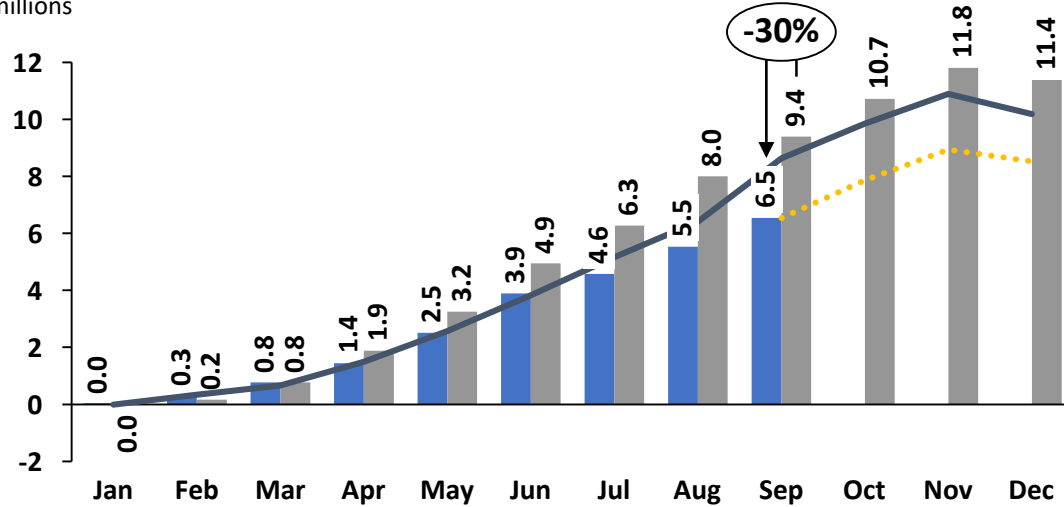


1. YTD actuals + remaining year forecast

Monthly financial metrics

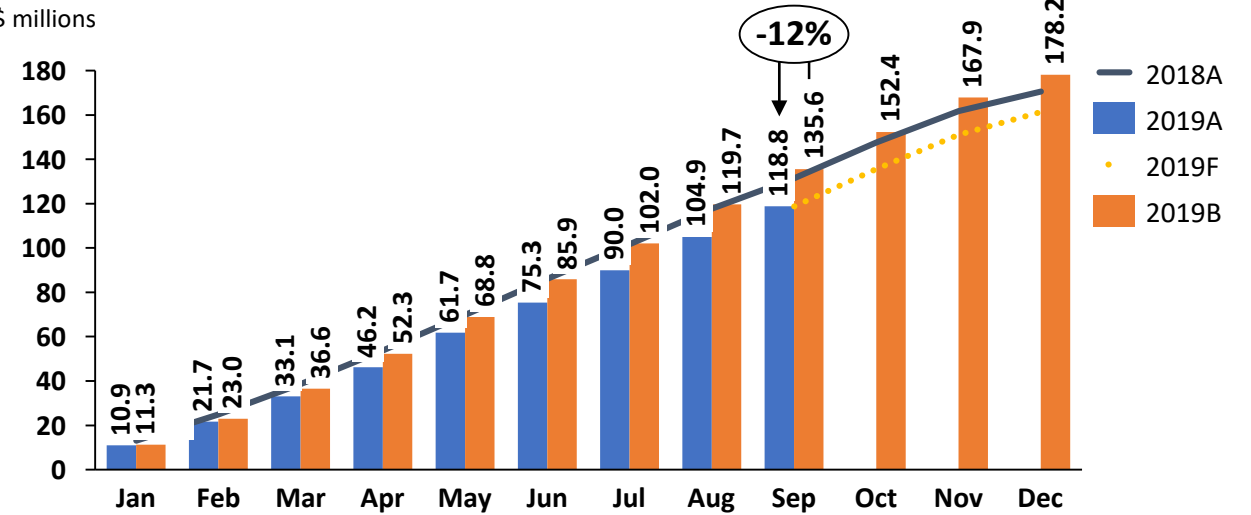
YTD EBITDA

\$ millions



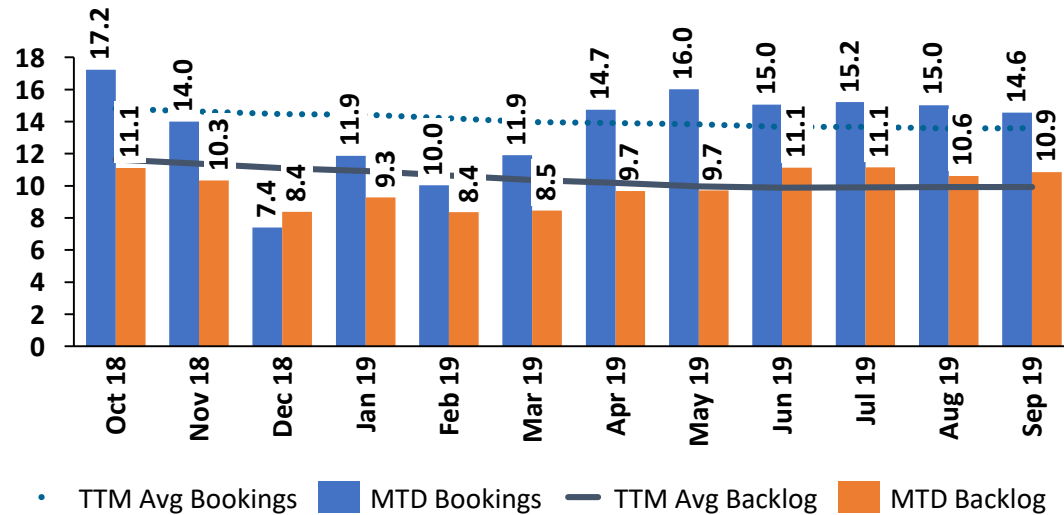
YTD Revenue

\$ millions



Order Intake

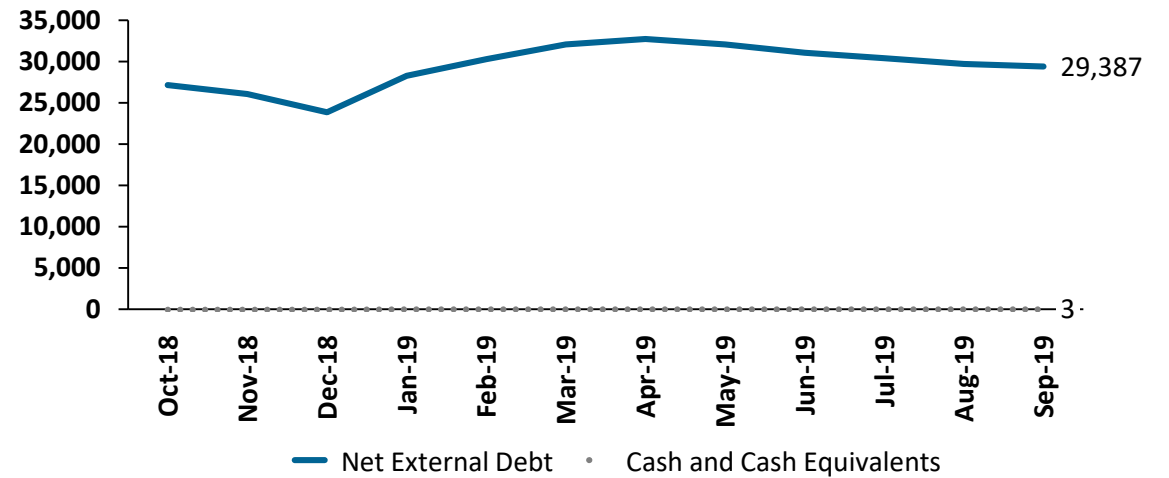
\$ millions



1. YTD actuals + remaining year forecast

Liquidity

\$ millions



1.b

Hufcor

Executive Summary: Week of 10-14

- Completed 1st Kaizen event on 600 Line. Reduced average cycle time by 53% via waste reduction in 600 frame weld process
- Preparing for November 4th Go-Live of refreshed Order Release to Ship process (includes production schedule freeze at 2 weeks, a Place for Every Panel (PFEP) shipment plan, and automated line scheduling process)
- Call with Taft completed, we will need to retain an environmental engineering firm. We are on the hook for fixing the issues unless there is fraud that can be proved
- Expected savings increase of \$200K to \$400K (up from original estimate of \$200K) from External (TCAR), Internal, and Scrap defects mitigation
- Re-scoping SCS; bringing in Logistics Director to manage Shipping Operations in 3-4 weeks (Scott Dobak recommended hire)
- Conducted 6 interviews for Supervisors; extended offers to 2
- VP Ops and Quality Mgr interviews pending; VP Ops has been difficult to source locally

	August 2019		YTD	
Period	Rev	EBITDA	Rev	EBITDA
19A	14.0M	1,887K	99.9M	8.37M
19B	12.9M	1.57M	97.5M	9.27M
19A % of 19B	109%	120%	102%	90%
18A	13.3M	1.23M	89.7M	3.19M
19A % of 18A	105%	162%	113%	262%

Status Update: Project Details

Project		Current Status & Next Steps	Project Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A. Quality (Patterson, Aardema, Olmstead)	●	<ul style="list-style-type: none"> Beginning rollout of Quality Audit & Countermeasure, Change Control, Product Quality Standards, and Supplier Quality processes as part of greater Quality Program 	Kicking off now	\$400k	
B: Production Efficiency (Patterson, Aardema, Olmstead)	●	<ul style="list-style-type: none"> Workcell Optimization pilot at 600WLD and 600MCH areas targeted for Oct 14th Launch (to improve labor productivity and inventory accuracy) 13% productivity improvement in the last three weeks (0.89 Units/hr vs. 0.79) SIM Boards for Support Groups launching next week 	Kicking off now	\$1.5mm	
C: Germany Pricing (Long)	●	<ul style="list-style-type: none"> Margin hitting targets with a sharp drop in bookings likely due to removal of German agents Pricing targets have been revised and now being monitored 	Underway, complete mid Sep. P&L impact by end of 2019	\$500k	\$0
D: Logistics / Supply chain (Blazy, SCS)	●	<ul style="list-style-type: none"> SCS has been ineffective at managing shipping. We are bringing in a 1099 from Scotts network to assume logistics manager responsibility 	Q3/Q4	\$400k	\$140k

Project		Current Status & Next Steps	Project Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
E: Scheduling (Patterson, Jordan)	●	<ul style="list-style-type: none"> New SIOP re-design underway New JVL Order Securement to Ship Process re-design to realize a production schedule freeze and floor re-alignment is in process 	Nov	TBD	
F: Safety (Patterson, Nichols)	●	<ul style="list-style-type: none"> TRIR: 2019-3.62, 2018-6.9 Get Well Plan finalized (90-Day & 90+) Cost of Safety-related medical claims in 2018/2019 in process 	Immediately	TBD	
G: Sourcing / Purchasing (Blazy, Howard)	●	<ul style="list-style-type: none"> Met with KPMG and they are providing a sourcing resource to start Nov 4 USLBM conducted a site visit, and are working to provide a gyp/lumber quote 	Sep-Nov	\$200k	~\$130k
H: Inventory Management (Patterson, Darrow)	●	<ul style="list-style-type: none"> Physical inventory is scheduled December 4-6 	Oct-Dec	TBD	
I: Flooding (Barons, Blazy Dobak)	●	<ul style="list-style-type: none"> Retained Michael Best (Law Firm), they are reviewing documents and will revert next week Beginning engagement with the city 	Immediately	NA	
J: Hiring (Tokarz)	●	<ul style="list-style-type: none"> Conducted 6 interviews for Supervisors; extended offers to 2 VP Ops and Quality Mgr interviews pending; VP Ops has been difficult to source locally 	Immediately	NA	

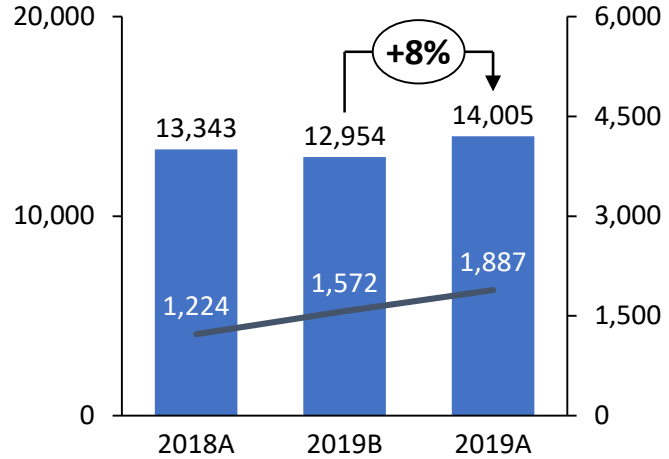


Monthly financial metrics

*September to be updated after core model submission (est. 10/28)

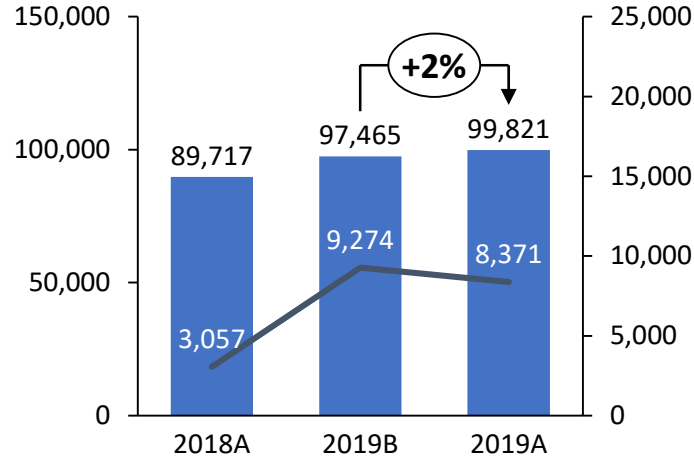
August* MTD

\$000s



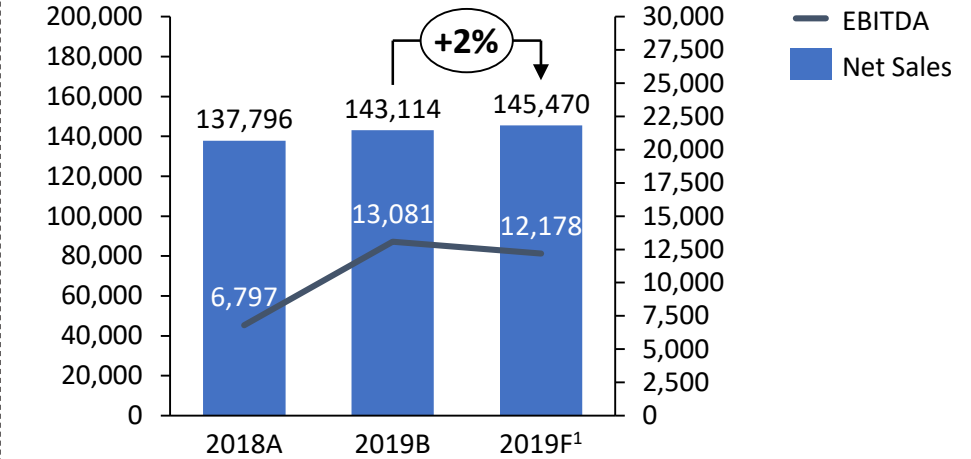
August* YTD

\$000s



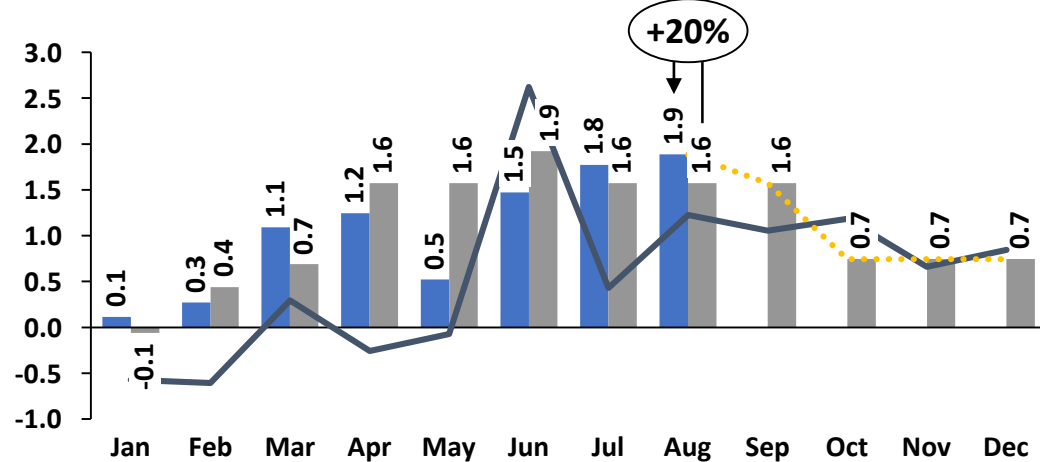
Full Year

\$000s



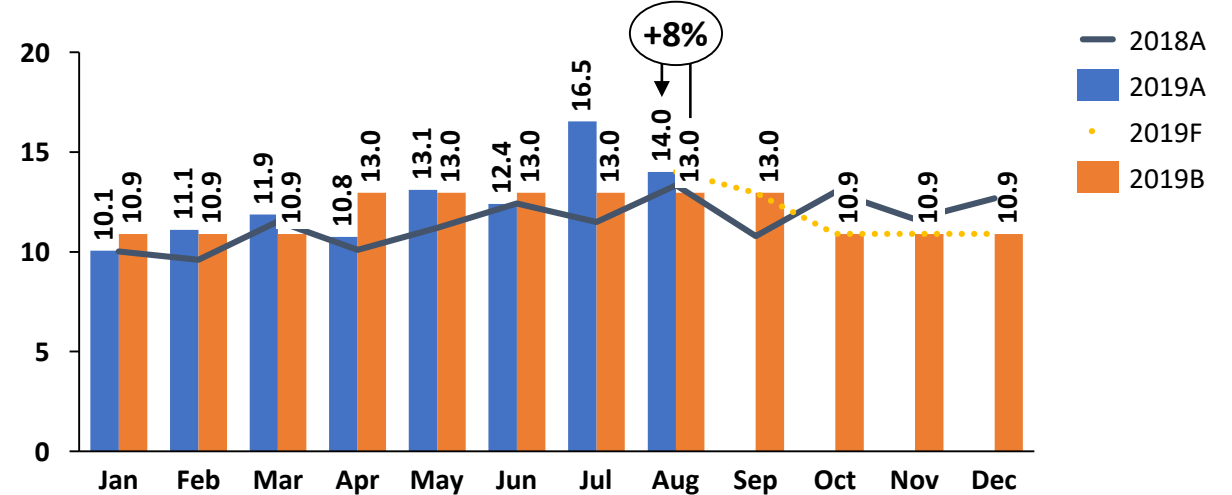
Monthly EBITDA

\$ millions



Monthly Net Revenue

\$ millions



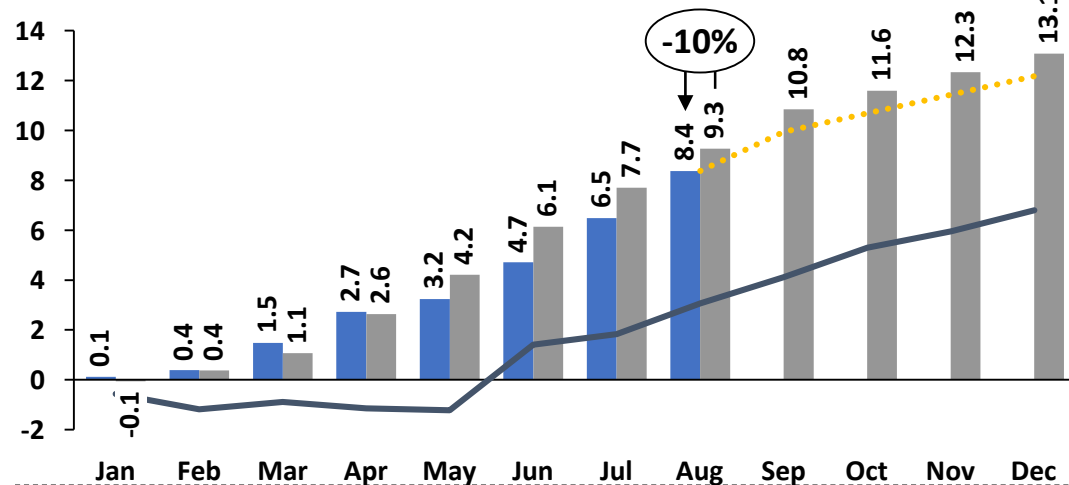
1. YTD actuals + remaining year forecast



Monthly financial metrics

YTD EBITDA

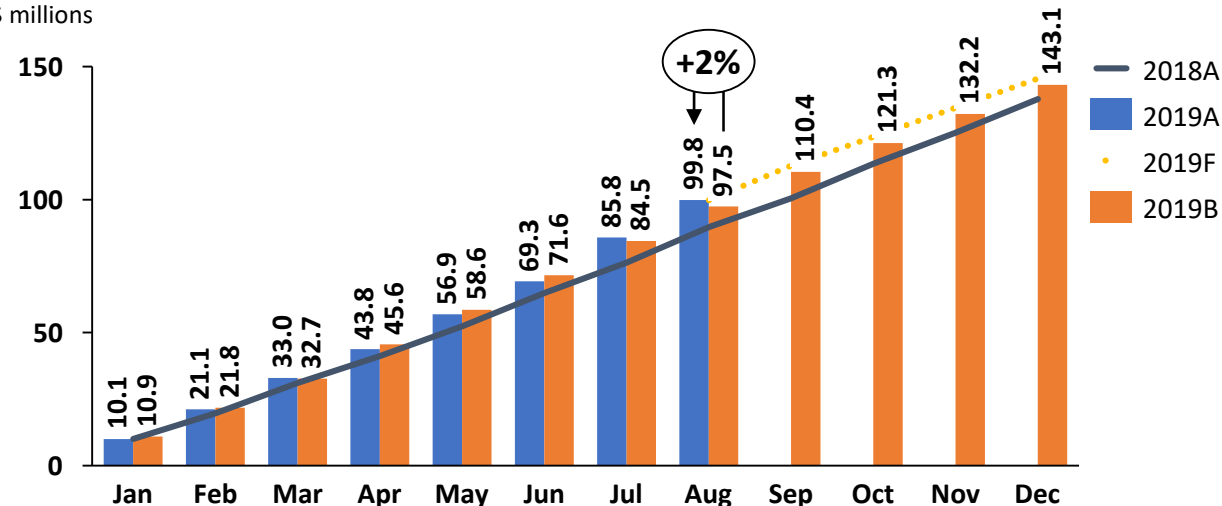
\$ millions



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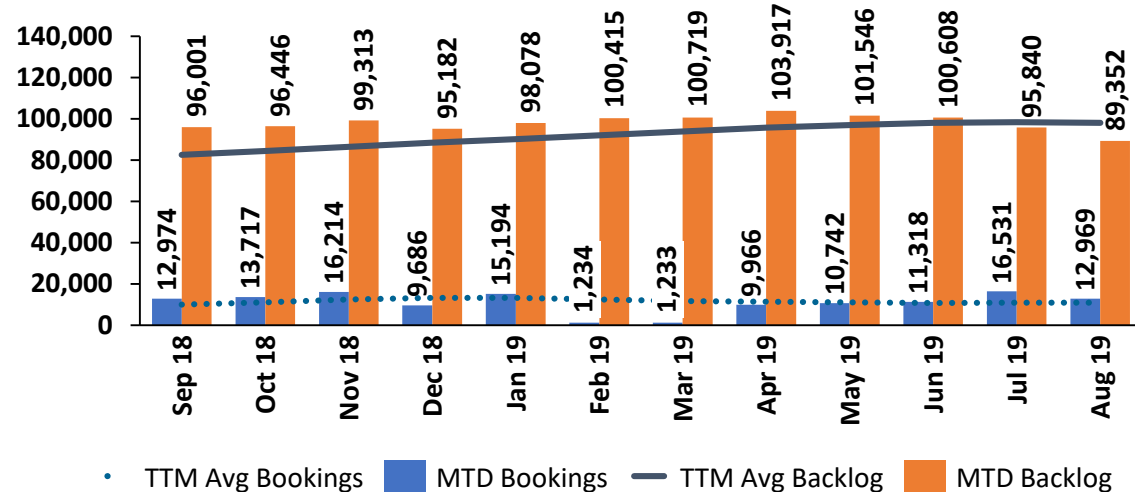
YTD Revenue

\$ millions



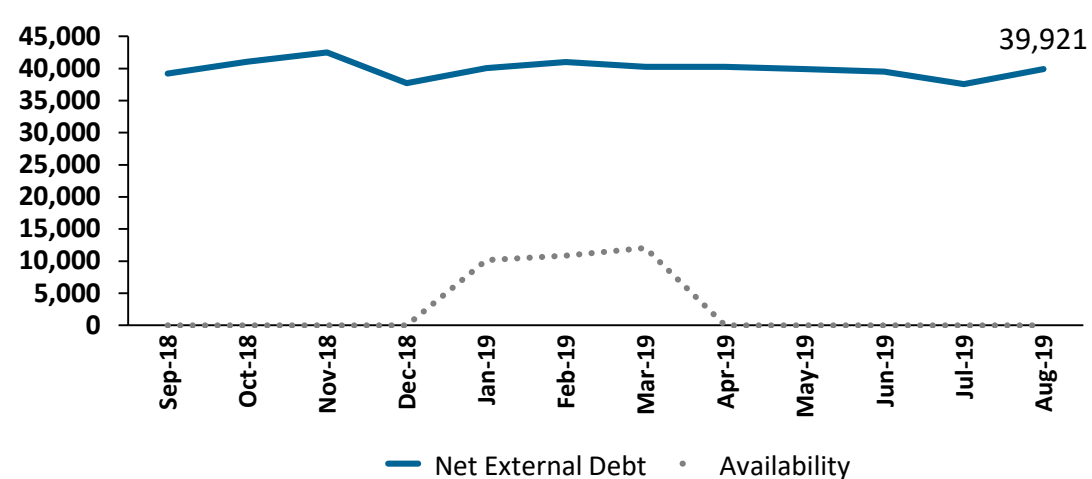
Order Intake

\$ millions



Liquidity

\$ millions



1. YTD actuals + remaining year forecast

1.c






Mersive

Executive Summary: Week of 10-14

- At 10/21 (65% through the month), Oct MTD invoiced sales were at \$2.7M (56% of Plan) and bookings were at \$3.3M (69% of Plan)
 - Oct 2019 invoiced sales and bookings target of \$4.8M, up from \$4.5M in Sep, \$4.3M in Aug, \$4.0M in Jul, \$3.9M in Jun, \$3.5M in May, and \$3.2M in Apr
- Management has identified a strong candidate for VP Customer Ops role with consolidated customer-facing responsibilities to improve communications, economies of scale, and accountability; additional interviews to be completed
- VP Product exited; responsibilities moved to VP Engineering
- Management continuing to work through historical maintenance revenue recognition issues related to the audit; management has implemented an approach that doesn't require manually analyzing each individual transaction, and expects to complete data collection/analysis by September, with Deloitte finalizing the audit by September
 - Data collection/analysis will enable comprehensive historical reporting of recurring revenue metrics beginning Jan 2017 (may not pursue 2016 analysis, due to messy data)
- Based on Wed 5/29 call with Deloitte, management and OGC believe subscription model may not create the opportunity for recurring GAAP revenue, despite recurring cashflow; we have decided to pause exploring this effort until completion of the 2018 audit
- On Tue 10/15, connected Rob Balgley with Soeren Stamer to explore opportunity to use Mersive at CoreMedia

	Sep MTD		Sep YTD	
Period	Rev	EBITDA	Rev	EBITDA
19A	3.9M	127K	29.4M	784K
19B	4.1M	395K	28.7M	92K
19A % of 19B	94%	32%	102%	854%
18A	2.2M	(7K)	18.9M	2,671K
19A % of 18A	173%	NM	156%	29%

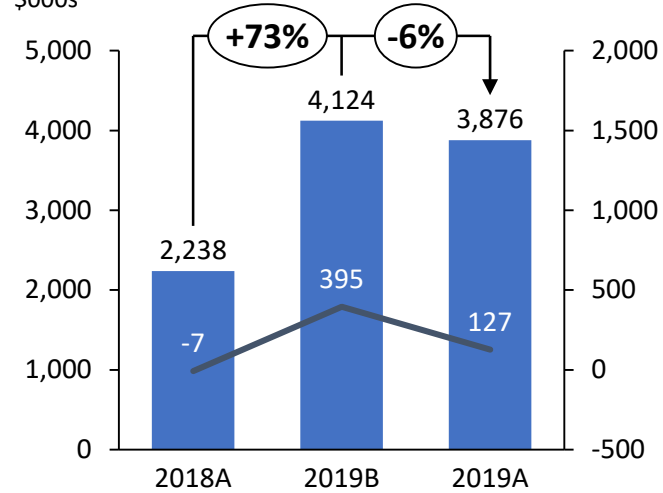
Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Expand Product Offering (Chris Jaynes, Jon Burns) 	Gen 3 hardware and Solstice 4.0 has launched; Gen 2i inventory has sold out, so all go-forward sales will be Gen 3; mgmt examining a low-cost Enterprise version of Solstice based on the G2i HW platform	<ul style="list-style-type: none"> Gen 3 / v4.0 complete Low-cost Enterprise timing TBD 	TBD	TBD
B: Develop VTC Strategy (Chris Jaynes) 	Solstice Relay (aka VTC integration) underway; prototype demo'd June 12-14 at Infocom, with very positive feedback	<ul style="list-style-type: none"> Feb 2020 in Amsterdam at ISE Conference 	TBD	TBD
C: Expand Sales Coverage (Rick Emery) 	Recent hires in US and EMEA; Mountain States RSD resigned; interviews ongoing in US, EMEA, and APAC	<ul style="list-style-type: none"> Ongoing 	TBD	TBD
D: Drive Recurring Revenue (Rick Emery) 	Sep subscription invoiced sales of \$725K beat \$695K plan, but ~\$750K of GAAP subscription revenue fell short of ~\$875K plan	<ul style="list-style-type: none"> Ongoing 	TBD	TBD
E: Enable Recurring Revenue Reporting (Dan Hudspeth) 	NetSuite contract management module ready for deployment, but delayed until collection and analysis of historical maintenance revenue completed as part of the audit; deployment expected in Oct, with initial reporting on recurring revenue within ~2 months thereafter	<ul style="list-style-type: none"> Initial reporting by Dec 2019, full reporting by Q1 2020 	<i>Enabler</i>	<i>Enabler</i>

Monthly financial metrics

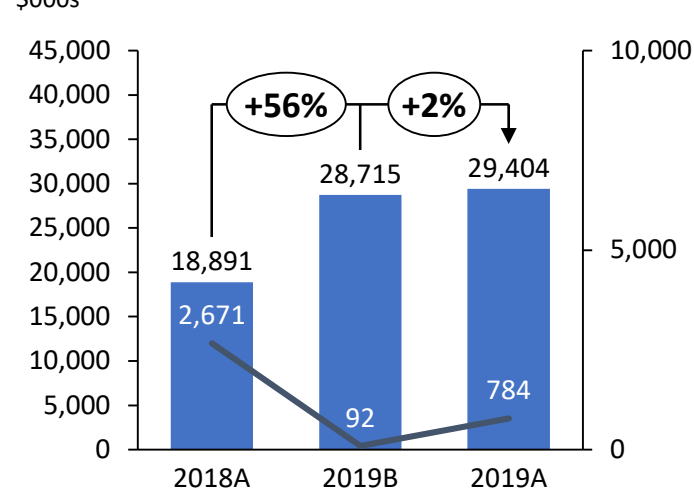
September MTD

\$000s



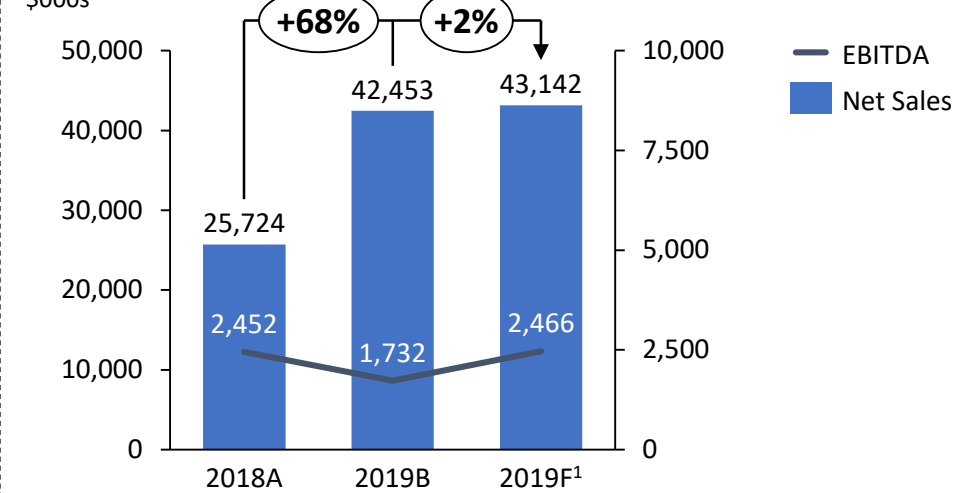
September YTD

\$000s



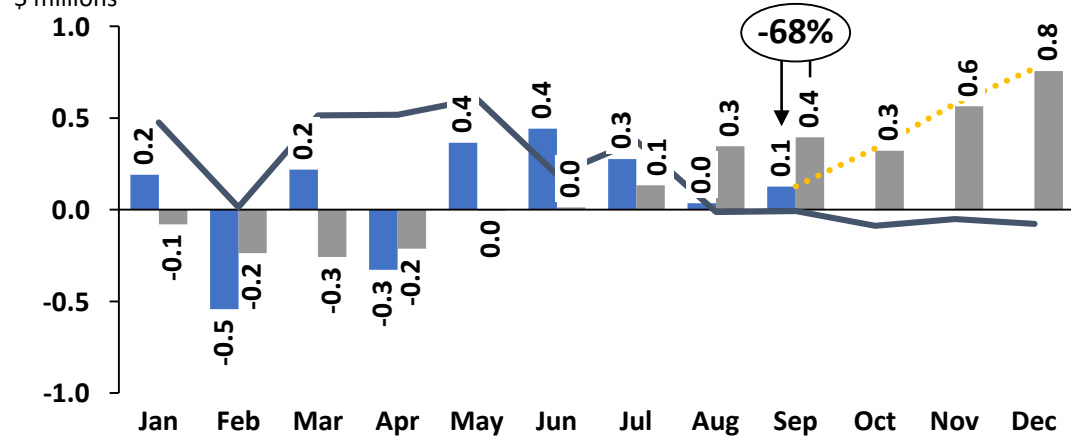
Full Year

\$000s



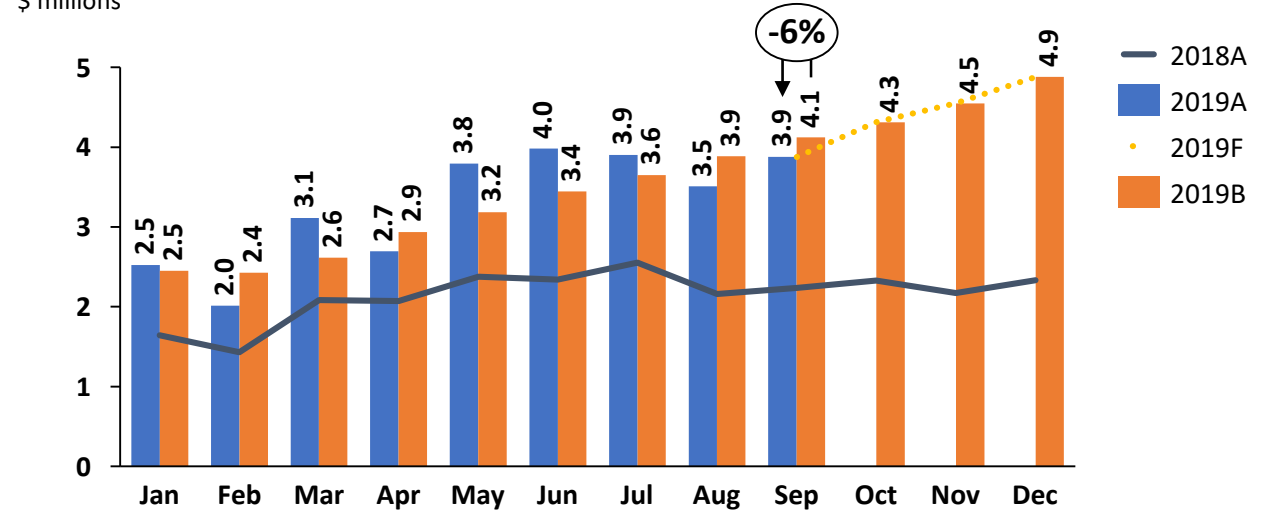
September EBITDA

\$ millions



Monthly Net Revenue

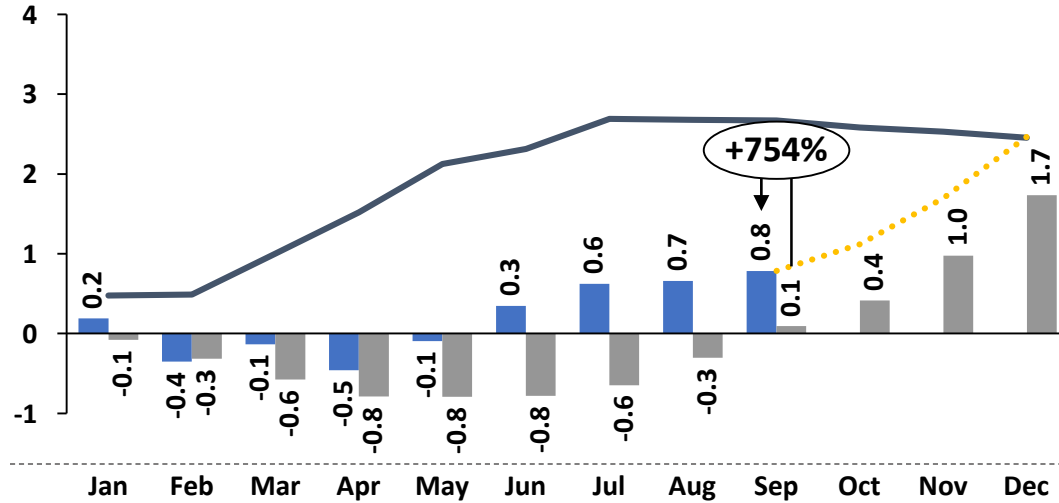
\$ millions



Monthly financial metrics

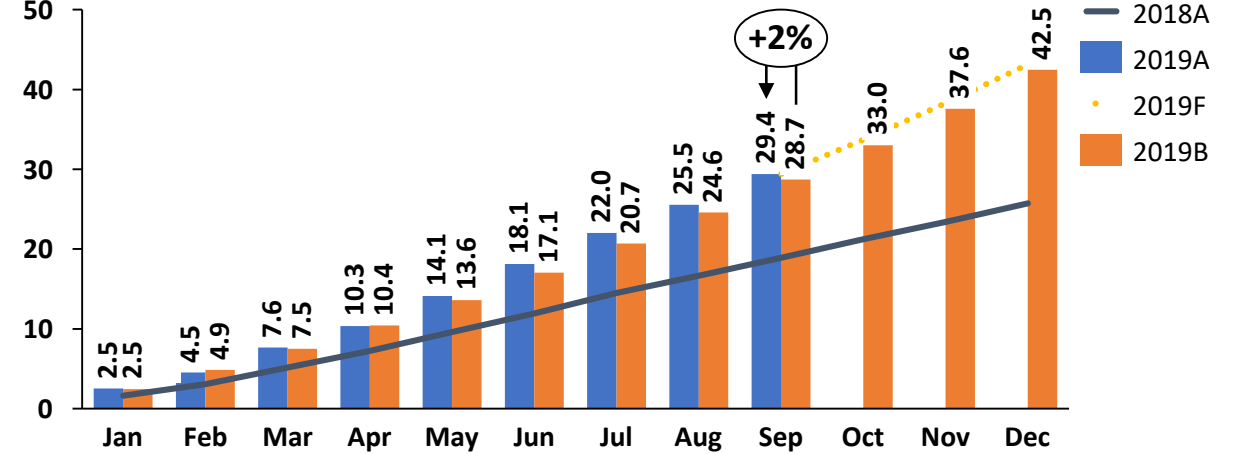
YTD EBITDA

\$ millions



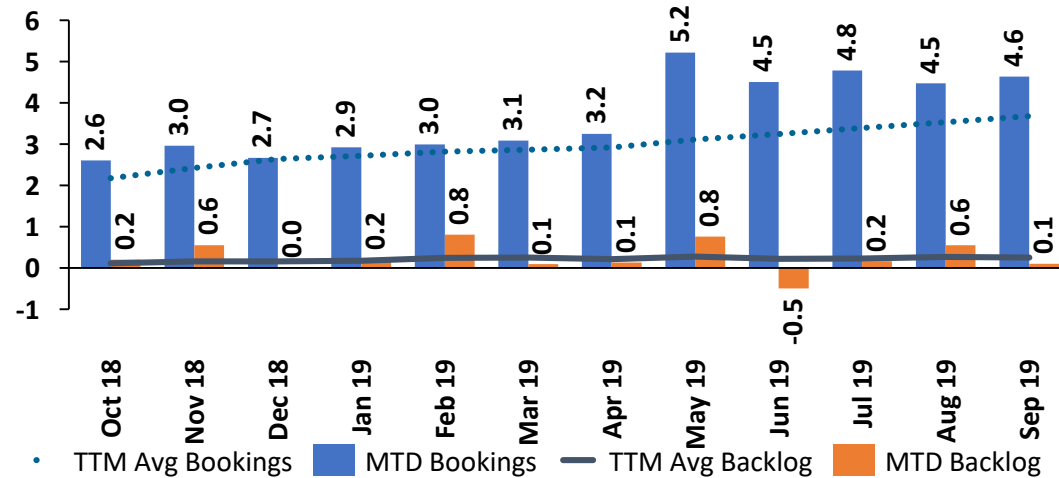
YTD Revenue

\$ millions



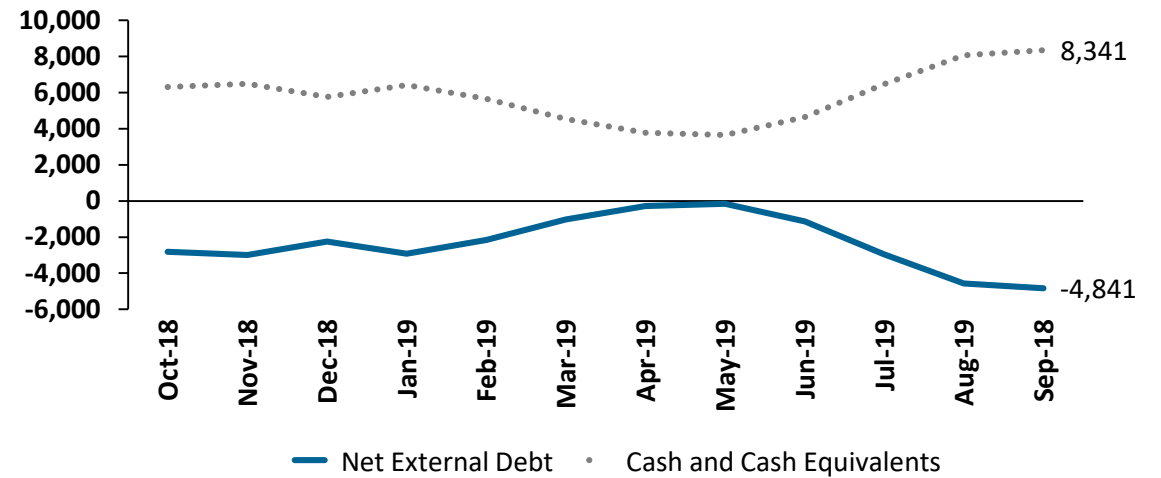
Order Intake

\$ millions



Liquidity

\$ millions



1.d

PPI



OGC Ops Weekly Summary




Updated 10-11

Executive Summary: Week of 10-07

- Aaron provided the following update:
 - Deal team working with Cotton Creek and Mill Point to nail down final bids
 - Expecting to enter into exclusivity with one party by 10/18/19

	August 2019		YTD	
Period	Rev	EBITDA	Rev	EBITDA
19A	11.0M	800K	85.9M	7.3M
19B	11.4M	963K	79.4M	4.7M
19A % of 19B	96%	83%	108%	155%
18A	0.0M	000K	0.0M	0.0M
19A % of 18A	000%	000%	000%	000%

Status Update: Project Details

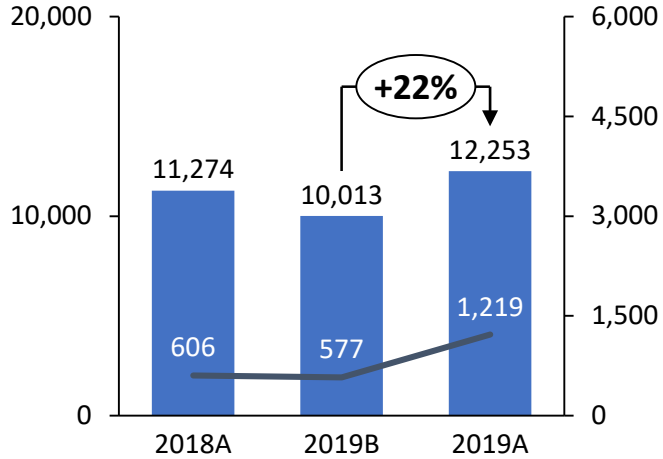
Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A. Project Bulldog (OGC/Lincoln)		<ul style="list-style-type: none">Refresh bids due end of week of 9/2	Close in Mid-Oct	n/a	n/a
B. Product development (Smith)		<ul style="list-style-type: none">RUS Certification Received1st order progressing (Anixter) with July delivery, Additional Orders received from Anixter & WescoTotal Orders: \$70K Revenue / ASP: \$1,262	1 st Delivery – Mid-July	TBD	TBD
C. ABB separation (Smith)		<ul style="list-style-type: none">[see above]	End of Sep	TBD	TBD

 Complete  Just started  On Track  At Risk  Behind Schedule

Monthly financial metrics

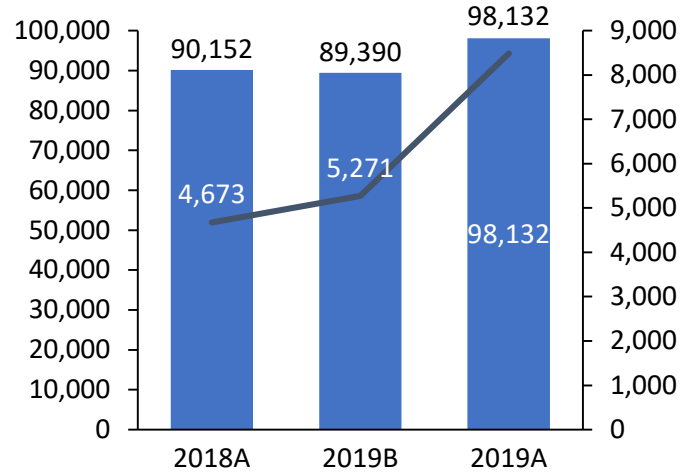
September MTD

\$000s



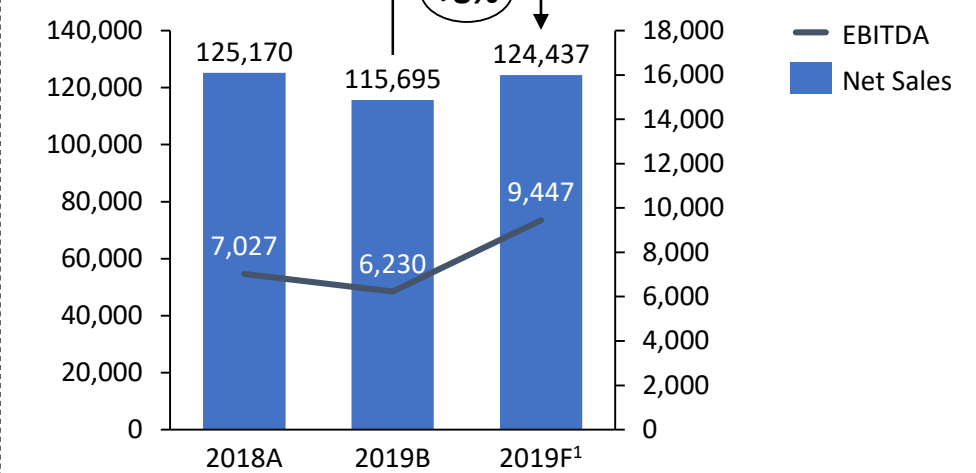
September YTD

\$000s



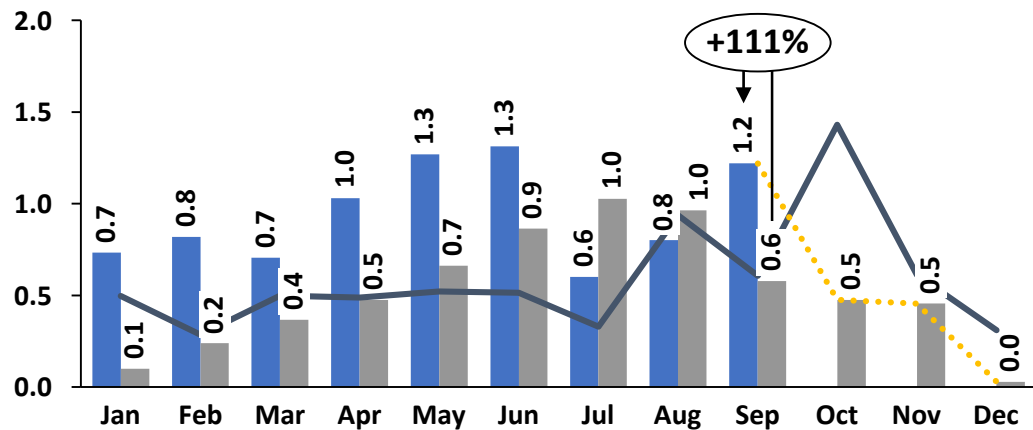
Full Year

\$000s



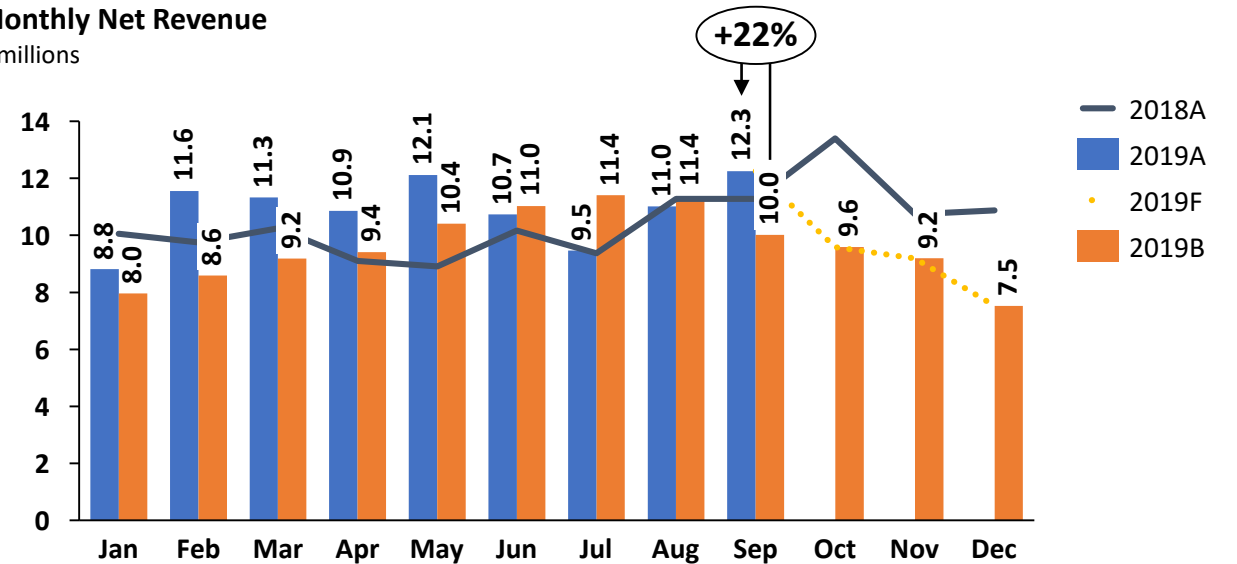
Monthly EBITDA

\$ millions



Monthly Net Revenue

\$ millions

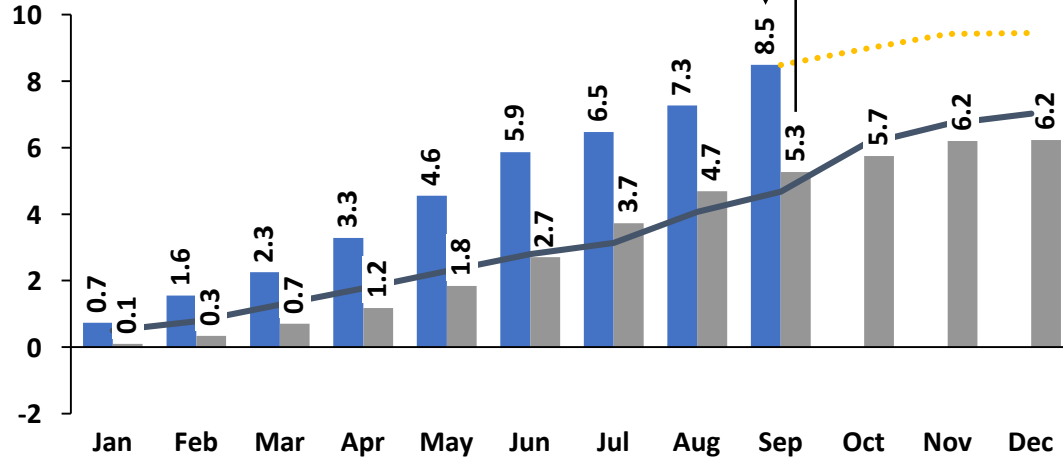


1. YTD actuals + remaining year forecast

Monthly financial metrics

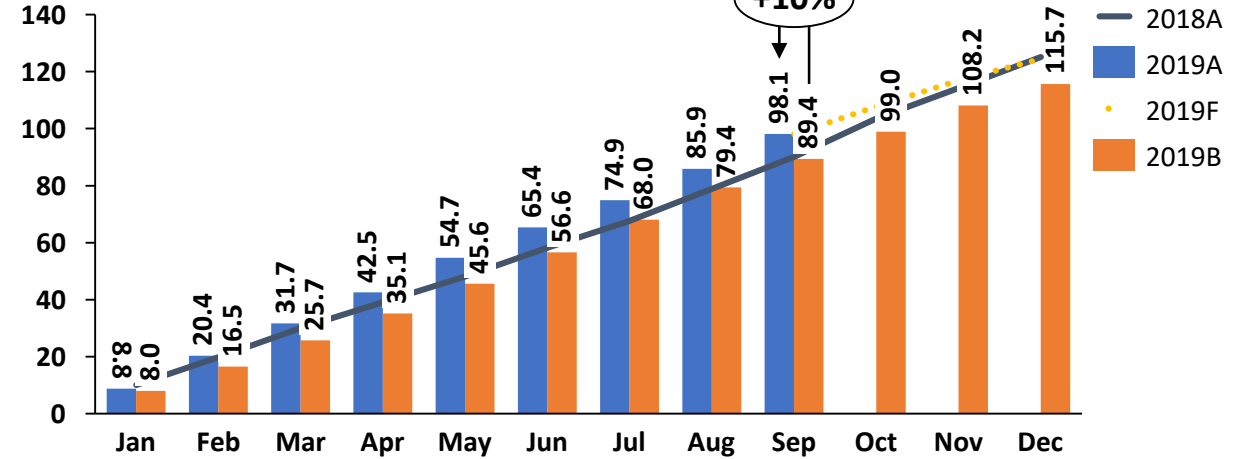
YTD EBITDA

\$ millions



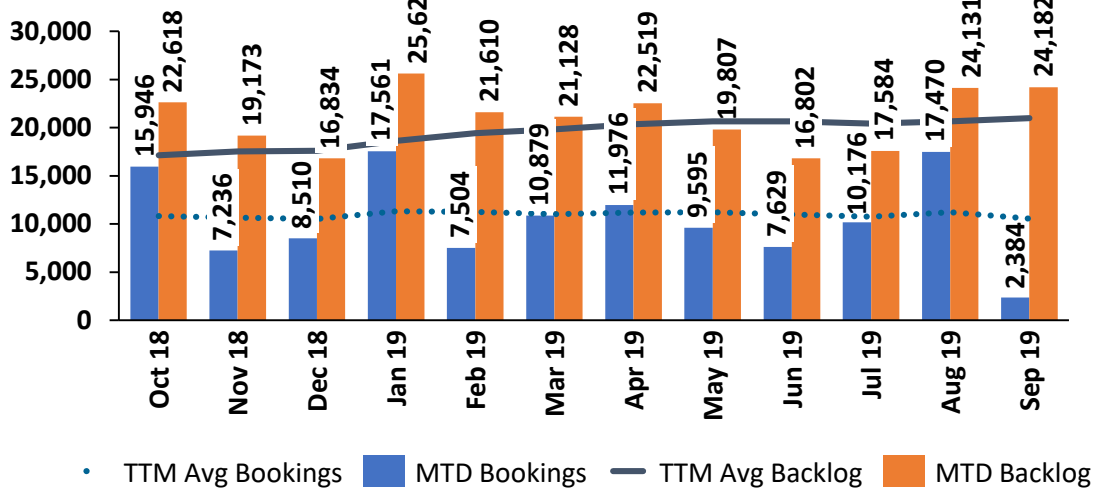
YTD Revenue

\$ millions



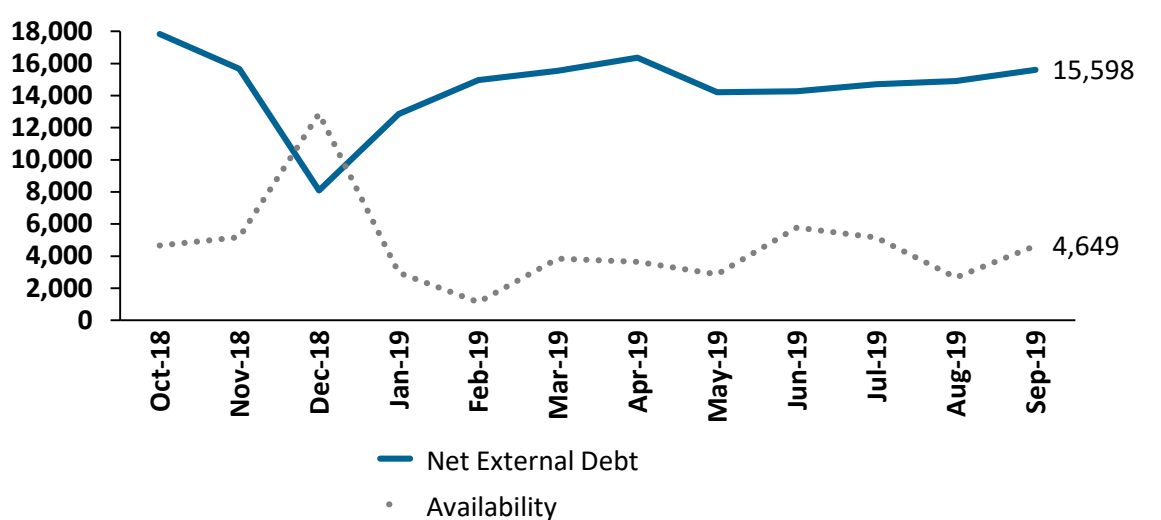
Order Intake

\$ millions



Liquidity

\$ millions



1. YTD actuals + remaining year forecast

1.e



S&G

Executive Summary: Week of **10-14**






- Sep 2019 revenue shortfall of ~\$900K due to:
 - ~\$500K of finished goods on the shipping dock primarily due to customer shipping issues
 - ~\$500K gap to budget in North America; as previously discussed, management is working on new product development in residential gun safe market, which is expected to help address these ongoing shortfalls
- At 10/20 (60% through the fiscal month), Oct MTD sales were at \$2.1M (48% of Plan, 163% of PY), bookings were at \$2.5M (52% of Plan, 115% of PY), and backlog was at \$7.8M (103% of Oct 2018 ending backlog of \$7.5M)
- North America Sales Director put on PIP on Fri 10/4 and resigned on Tue 10/8; BeckWay engaged on search for replacement
- Intro call between Mark LeMire (S&G CEO) and Michael Gass (Fichet CEO) completed on Tue 10/1; in-person meeting at Fichet tentatively scheduled for Thu 11/21 to discuss opportunities including distribution synergies (in process of making initial intros), joint product development (putting S&G locks on Fichet safes), and shared market analysis
- Engaging SmartVentures to conduct global sales strategy review; expect to begin late Oct and complete by mid Dec
- As of Sep 2019 (Jan-Sep Actuals + Oct-Dec Revised AOP), management forecasts full-year revenue of \$44.8M (93% of Plan, 102% of PY Actual) and EBITDA of \$11.1M (92% of Plan, 111% of PY Actual)
- BeckWay engaged on searches for Quality Mgr (onsite interviews in process) and Customer Relationship Director (overseeing Product Mgmt, Marketing, Customer Service)

	Sep MTD		Sep YTD	
Period	Rev	EBITDA	Rev	EBITDA
19A	3.2M	0.8M	33.3M	8.3M
19B	4.1M	0.9M	36.5M	9.3M
19A % of 19B	79%	83%	91%	89%
18A	4.0M	1.0M	34.2M	8.0M
19A % of 18A	79%	78%	97%	104%

Status Update: Project Details

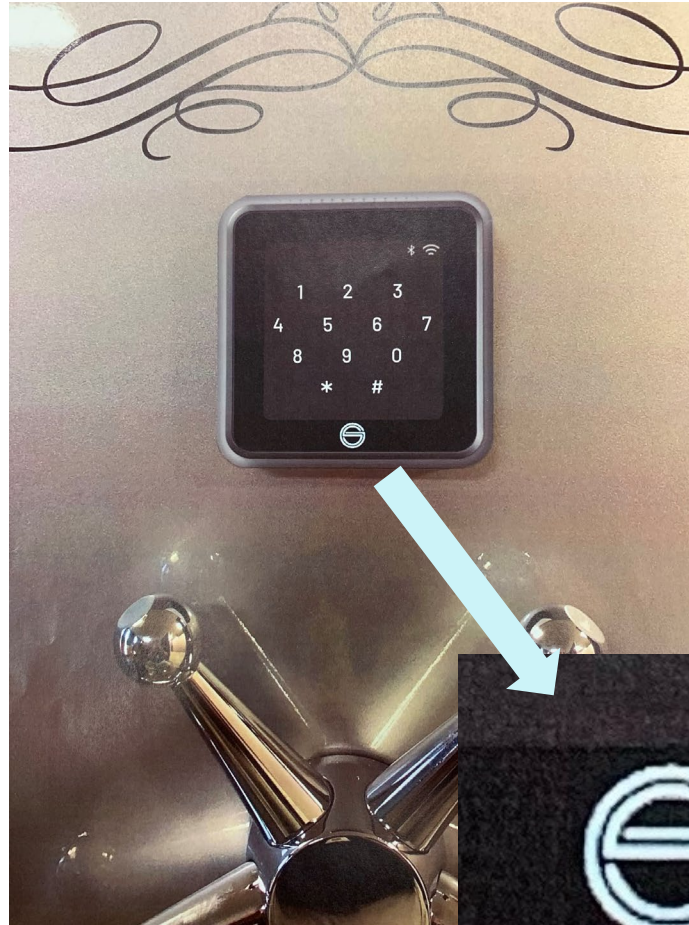
Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A. Establish globally consistent pricing strategy (Andrew Martinez, Mary Cox, Steve Tonkel, Matt Williams)		<ul style="list-style-type: none"> Management in process of pulling data to conduct internal pricing analysis to identify and quantify initial pricing improvement opportunities; expect to begin internal analysis in late October Later, will explore using Simon Kucher (or another consultant) to conduct price elasticity analysis to further optimize pricing levels and build model for ongoing pricing optimization 	<ul style="list-style-type: none"> Announcement to market by 2/1/2020 New pricing implemented as of 4/1/2020 	TBD	TBD
B. Launch refreshed brand and digital market presence (i.e., website) (Kelly Edney, OGx)		<ul style="list-style-type: none"> Market research has confirmed perception of market as stagnant, with no strong brand leader, although S&G has a slightly higher NPS of 43 vs. all competitors, including dormakaba (36) and Securam (32); opportunity for S&G to differentiate by prioritizing user experience and thought leadership New logo shape finalized; getting final feedback on color and position on new keypad 	<ul style="list-style-type: none"> New website and rebranding launch on 2/3/2020 	Enabler	Enabler

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
C. Develop new industrial design aesthetic for existing and new products (Patrick Cunningham, Devon Ratliff, Kelly Edney, OGx) 	<ul style="list-style-type: none"> New keypad shape finalized; detailed engineering design effort underway Getting final feedback on number layout on keypad digital display User app development has begun, with initial wireframe concepts reviewed on Oct 14 	<ul style="list-style-type: none"> Q4 2019 	Enabler	Enabler
D. Improve installation instructions for key product lines (Patrick Cunningham, Kelly Edney, OGx) 	<ul style="list-style-type: none"> In process of making improvements to existing video content and identifying additional opportunities for improvement 	<ul style="list-style-type: none"> Q4 2019 	TBD	TBD
F. Develop new core products (Patrick Cunningham, Devon Ratliff) 	<ul style="list-style-type: none"> Prioritized product development pipeline through Q2 2020, focused on opportunities that are highly strategic, large and highly certain, and high ROI Management applying Stage Gate process to optimize project delivery and results, finalize NPD project plans, and kick-off development (Design phase) Liberty has indicated they are largely satisfied with Securam electronic lock quality (warranty issues reduced 60%+ vs. S&G); will have to compete on new features to win back business Product roadmap extended through 2020; to be discussed at Q3 Operating Review 	<ul style="list-style-type: none"> Commercialization dates from Nov 2019 through Dec 2020 	\$1.6M	\$0
G. Develop SIOP process using historical data analytics (Michael Rose, Craig Saunders, OGx) 	<ul style="list-style-type: none"> Management has completed shift to new OGx demand forecasting solution, with forecasting accuracy significantly exceeding prior tool (Demand Solutions) Management quantifying expected inventory impact OGx developing tool for application at other portfolio companies Demo of new SIOP tool for OGC NA Ops team scheduled on Nov 8 	<ul style="list-style-type: none"> Oct 2019 (delayed from Sep 2019) 	TBD	TBD
H. Deploy Artificial Intelligence vision inspection system to improve quality (Craig Saunders, OGx) 	<ul style="list-style-type: none"> Identified production areas with high ROI and potential customer satisfaction improvement opportunity from application of AI vision inspection system OGx has provided design and pricing proposal; ~\$60K implementation cost expected to avoid ~25 shipping-related errors annually (improving customer satisfaction) and creating ~\$5K/year in cost savings; mgmt. also exploring cost of barcoding to achieve same benefits 	<ul style="list-style-type: none"> Q4 2019 (delayed from Q3 2019) 	TBD	TBD

New Keypad Industrial Design and Logo

Updated 10-17



New Keypad Industrial Design

- New keypad shape finalized
- Getting final feedback on number layout on keypad digital display
 - Can adjust to customer feedback post-launch through future software releases

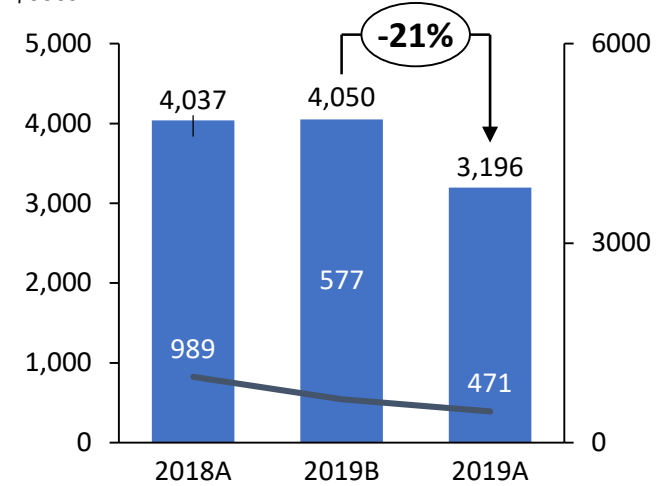
New Logo

- New logo shape finalized
- Getting final feedback on color (two-tone or one color) and position on new keypad

Monthly financial metrics

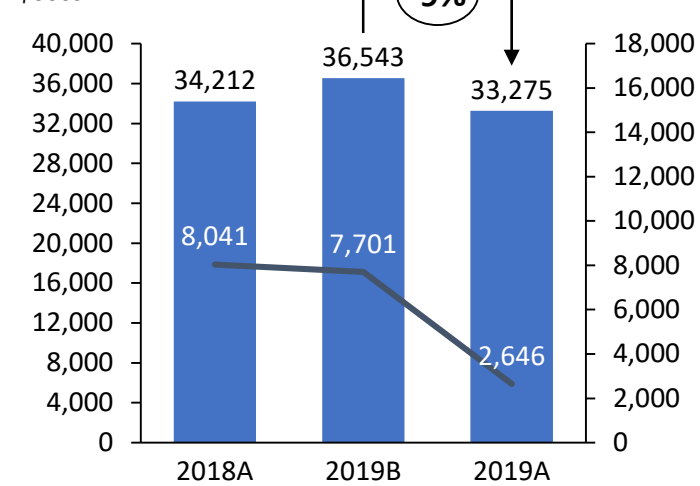
September MTD

\$000s



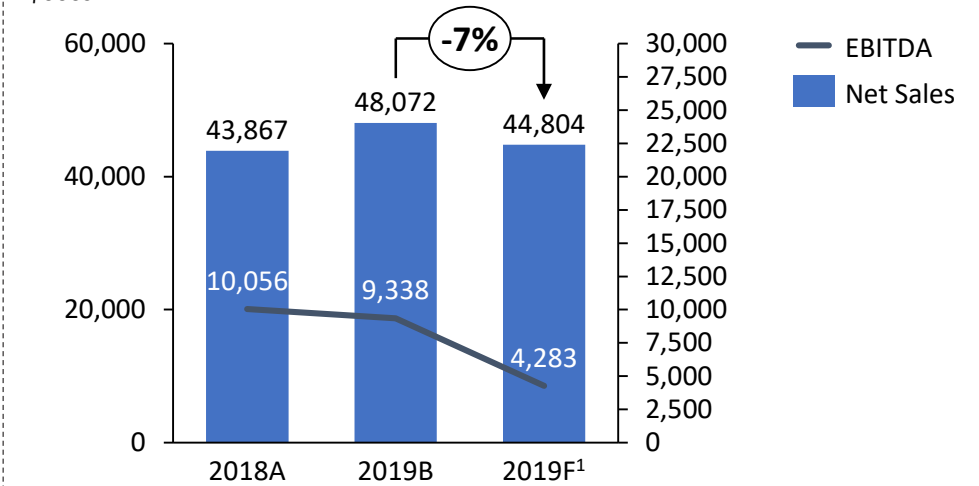
September YTD

\$000s



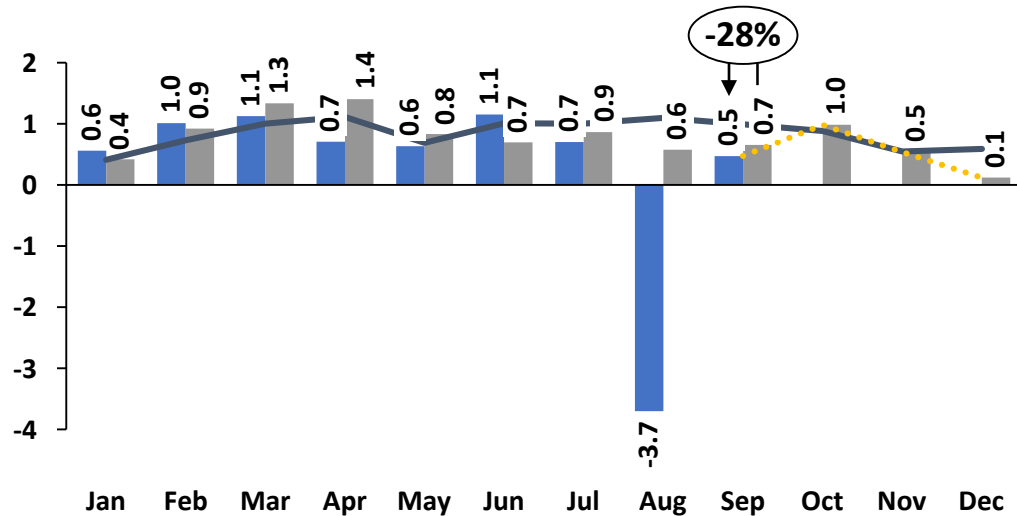
Full Year

\$000s



Monthly EBITDA

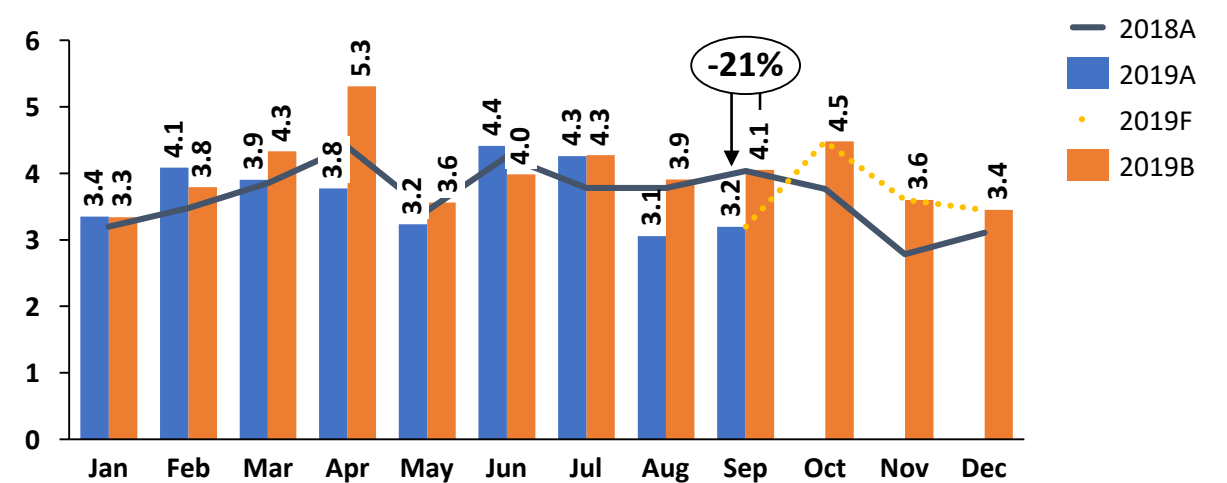
\$ millions



1. YTD actuals + remaining year forecast

Monthly Net Revenue

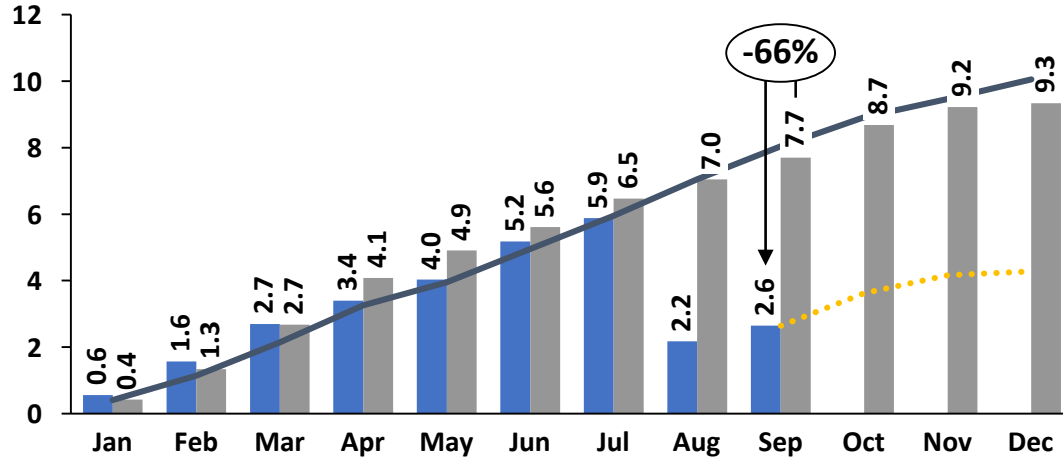
\$ millions



Monthly financial metrics

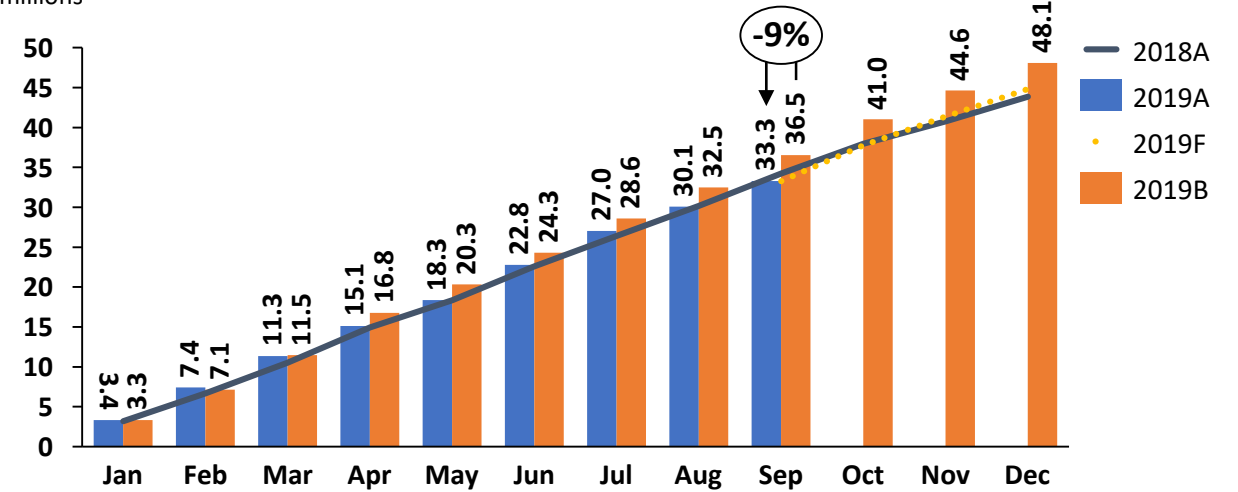
YTD EBITDA

\$ millions



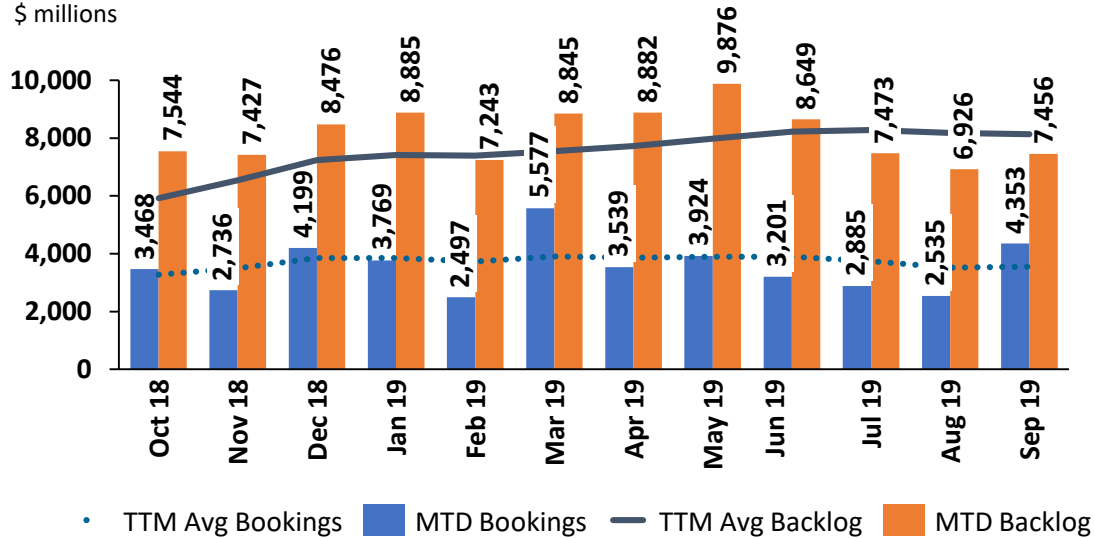
YTD Revenue

\$ millions



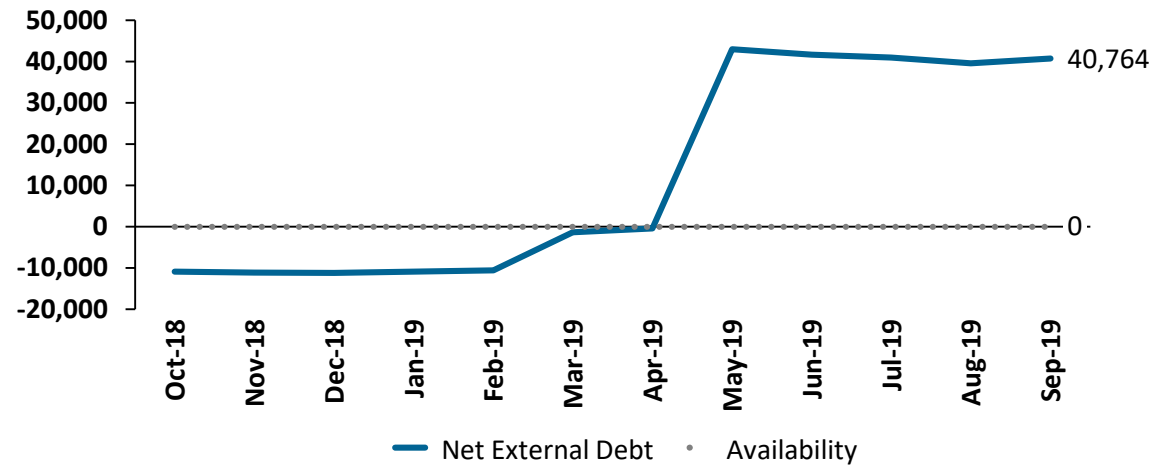
Order Intake

\$ millions



Liquidity

\$ millions



1.f

Duraco

Executive Summary: Week of 10-14

- Duraco team working through strategic planning process – project charters completed this week for all initiatives, with team now turning to completing workplans. Strat plan steerco's to begin 11/7. Key success factors (for organic growth) in near-term will be 1) rapid build out of commercial organization and 2) entry / expansion into new & growing markets. Completed two day strategic planning process with Duraco senior management team. Very strong engagement from the team with a draft view of a 3-5 year vision and path forward for Duraco to grow. Strategic pillars are largely focused on commercial growth and continued operational excellence. Team to build out project charters and workplans over the balance of October.
- Pushing forward with filling open positions for VP of sales, RSMs, inside sales and all other positions. Finalists selected for RSMs and VP sales
- Carve-out activities remain on track; IT will be long lead time item—scheduled to complete in May of 2020
- Add-ons in focus for Q4 and beyond

	August 2019		YTD	
Period	Rev	EBITDA	Rev	EBITDA
19A	3.46M	999K	27.7M	6.1M
19F*	3.35M	811K	27.6M	5.9M
19A % of 19B	103%	123%	100%	103%
18A	3.66M	918K	TBD	TBD
19A % of 18A	94.5%	109%	95.7%	104.4%

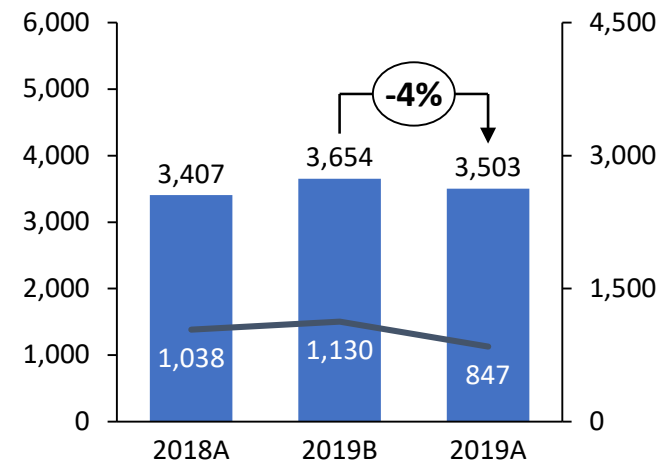
Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Sales Force effectiveness (Smart Ventures, Long)		<ul style="list-style-type: none"> Improve sales reporting, controls, organizational structure, coverage, and strategy Project kicked-off; interim check in schedule for end of September Improve sales coverage and overall commercial effectiveness through targeted hiring 	• Sep-Nov 2019	TBD	TBD
B: Pricing (Long)		<ul style="list-style-type: none"> Improve pricing through targeted pricing analytics On hold for ERP implementation 	• Q2 2020	TBD	TBD
C: Sourcing		<ul style="list-style-type: none"> Identified key vendors and spend have been identified. 	• Q4 2019	TBD	TBD
D: Freight (Smart Ventures, Long)		<ul style="list-style-type: none"> Optimize Duraco small parcel and LTL spend based on final service center locations and service method 	• Jul-Sept	\$125k	TBD
E: Continuous Improvement (Phil, Randy Aardema)		<ul style="list-style-type: none"> Labor and Overhead productivity Kaizen event scheduled September- Randy Aardema to lead Focus on eliminating finger-lift constraint 	• Oct-Nov	TBD	TBD

Monthly financial metrics

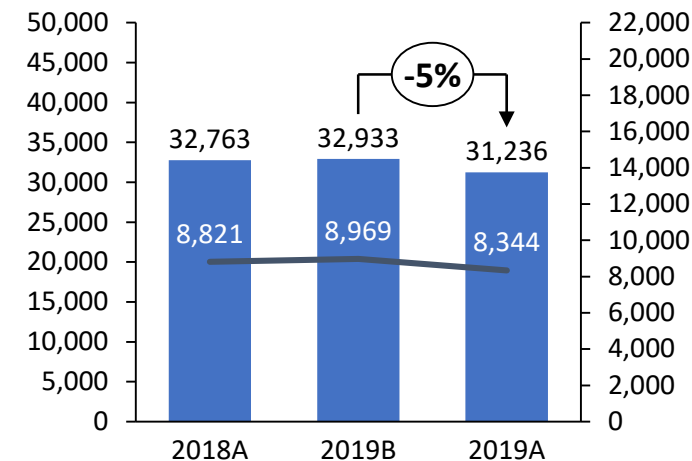
September MTD

\$000s



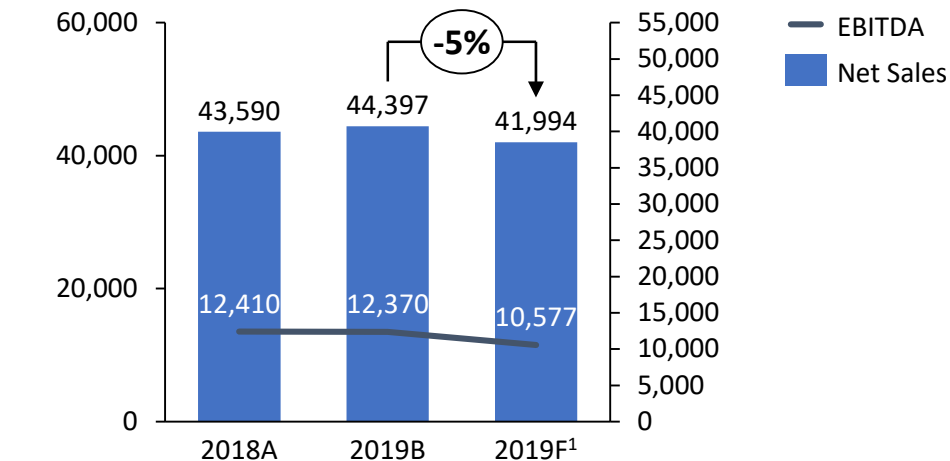
September YTD

\$000s



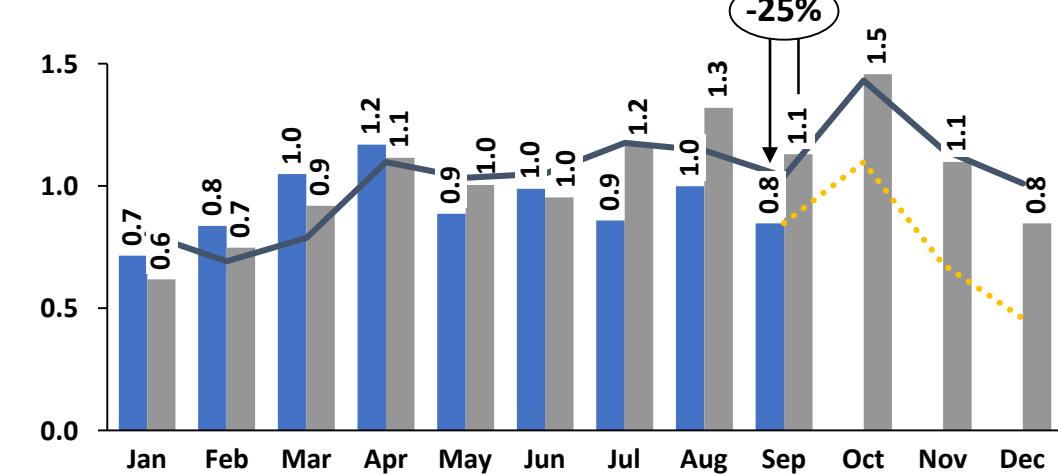
Full Year

\$000s



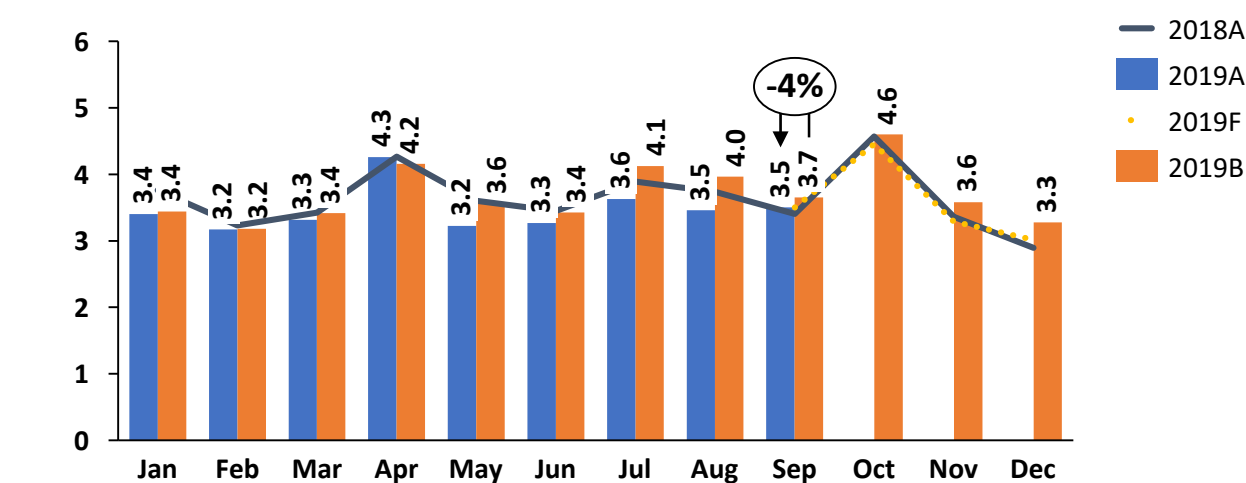
Monthly EBITDA

\$ millions



Monthly Net Revenue

\$ millions

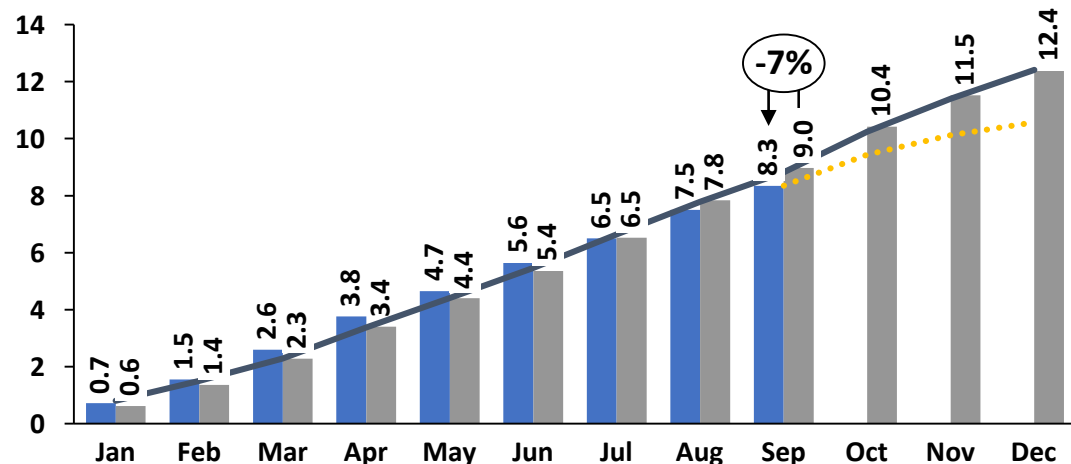


1. YTD actuals + remaining year forecast

Monthly financial metrics

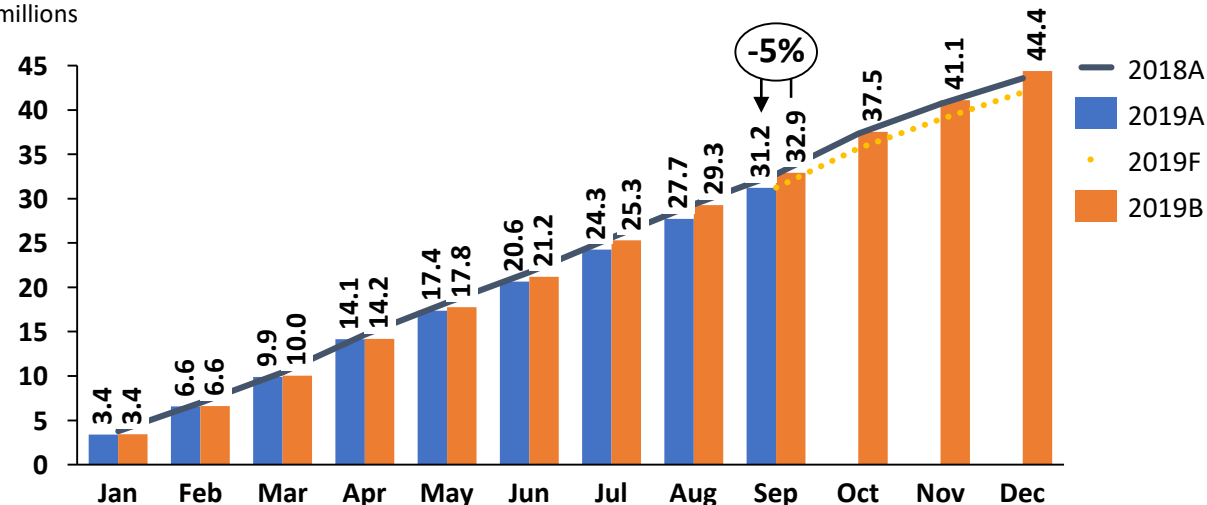
YTD EBITDA

\$ millions



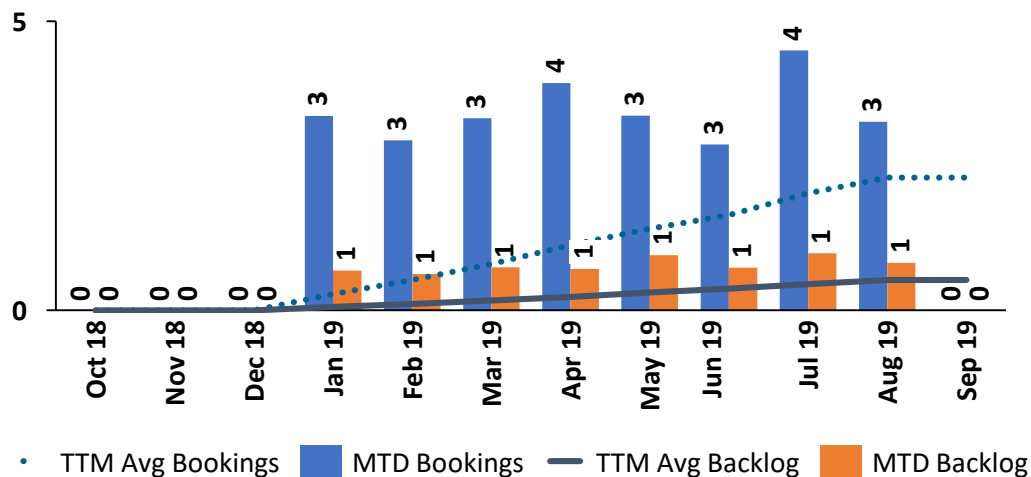
YTD Revenue

\$ millions



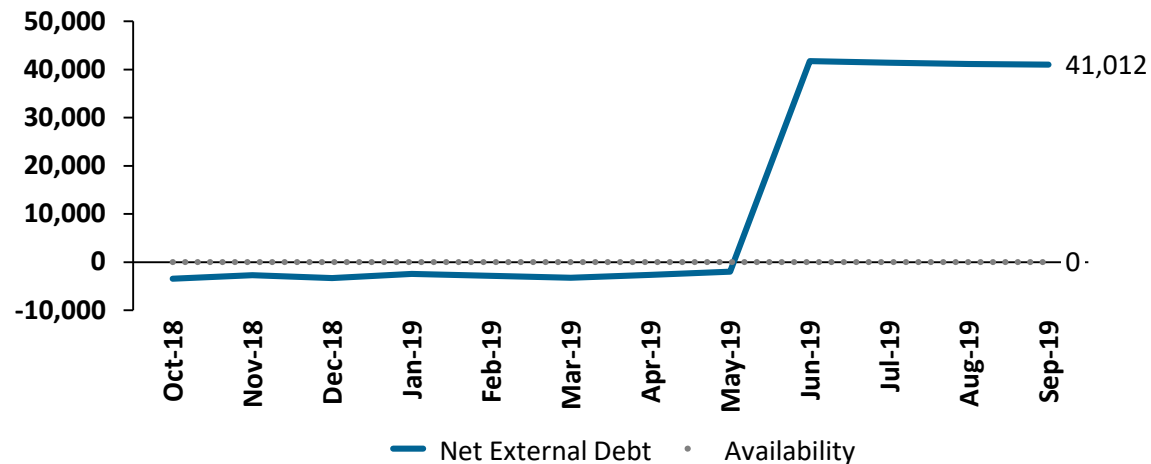
Order Intake

\$ millions



Liquidity

\$ millions



1.g



Inrule

Executive Summary: Week of 10-14

- At 10/18 (61% through the month), Oct MTD bookings were at \$0.5M (43% of Plan)
 - Oct likely to be a light month, as some deals originally expected in Oct are likely to slip into Nov
- Management team has finalized development of Strategic Initiative workplans; biweekly Steering Committee oversight meeting cadence kicked off on Thu 9/26
- New Sales Engineer started on Mon 9/30; this role is expected to immediately accelerate revenue growth (currently a bottleneck in the commercial organization)
- Formalized engagement of Rob Levy (at 50% time through year-end) to provide support around product strategy, internal product management and engineering, and engineering outsourcing setup
- In process of recruiting for Accounting Manager; Beth Worthem (VP Finance & HR) is currently the only finance HC

	Sep MTD			Sep YTD	
Period	ARR	Rev	EBITDA	Rev	EBITDA
19A	TBD	0.9M	42K	7.9M	\$281K
19B	TBD	1.1M	100K	8.0M	\$144K
19A % of 19B	TBD	85%	42%	98%	195%
18A	TBD	0.7M	(150K)	6.8M	(\$910K)
19A % of 18A	TBD	134%	NM	116%	NM

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A. Restructure the product machine organization <i>(Loren Goodman)</i>		<ul style="list-style-type: none"> Rob Levy and Loren have aligned on the principles of the new product machine organization Will be documenting in a presentation that outlines functions, processes, and headcount requirements 	<ul style="list-style-type: none"> Oct 2019 	TBD	TBD
B. Deliver decision services product feature <i>(Dan Reynolds)</i>		<ul style="list-style-type: none"> Decision services feature has been developed Next step: testing the completed feature Expect to release ahead of schedule (likely Nov 2019) 	<ul style="list-style-type: none"> Dec 2019 	TBD	TBD

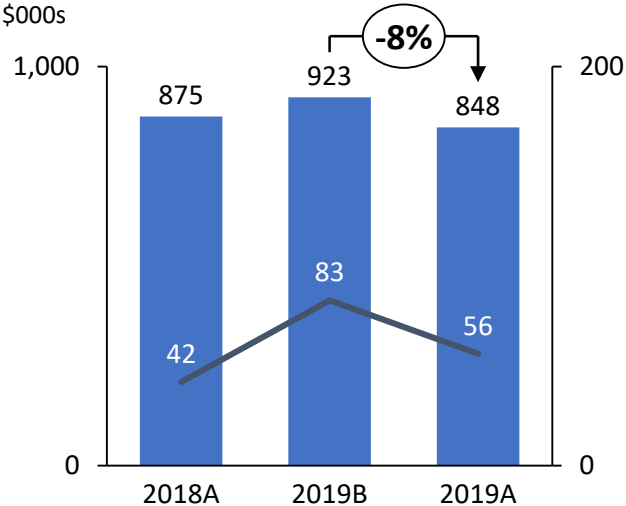
Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
C. Deliver centralized authentication capability <i>(Dan Reynolds)</i>		<ul style="list-style-type: none"> Centralized authentication feature has been developed and testing has been completed In process of executing launch plan 	<ul style="list-style-type: none"> Sep 2019 	TBD	TBD
D. Develop integrations team strategy and roadmap <i>(Mark Lonsway, Dan Reynolds)</i>		<ul style="list-style-type: none"> Salesforce integration released for performance optimization MS AppSource partner contract will likely require a revenue share agreement; management in process of quantifying impact Next steps: app source-certification, InRule SaaS trial provision, batch processing, market penetration strategy for Salesforce 	<ul style="list-style-type: none"> Mar 2019 	TBD	TBD
E. Develop services strategy <i>(Mark Lonsway)</i>		<ul style="list-style-type: none"> Bundled services has been rolled out; goal is to improve customer satisfaction and utilization of services resources Next steps: Establish back office reporting, utilization, and metrics tracking 	<ul style="list-style-type: none"> Dec 2019 	TBD	TBD
F. Develop recruiting strategy to fill key ongoing positions <i>(Beth Worthem, Functional Leaders)</i>		<ul style="list-style-type: none"> Sales Engineer: Started Mon 9/30 Accounting Manager: Contracted with a recruiter, job is posted, currently screening resumes and conducting initial interviews; targeting onsite interviews over the next few weeks; candidate pool is very strong Head Architect: Roles and responsibilities defined; immediacy of filing might change depending on product machine org definition (Project A) IT Manager: Roles and responsibilities defined; in process of selecting recruiter 	<ul style="list-style-type: none"> SE: Oct 2019 Acct Mgr: Nov 2019 HA: Dec 2019 IT Mgr: Dec 2019 	TBD	TBD

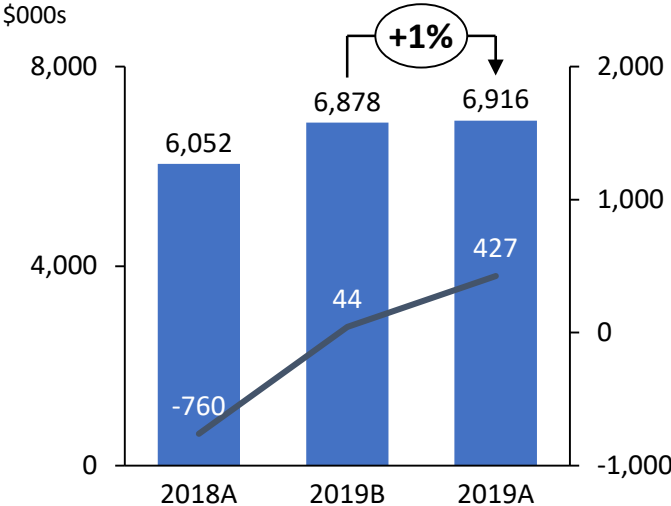
Monthly financial metrics

*September to be updated after core model submission errors fixed (est. 10/25)

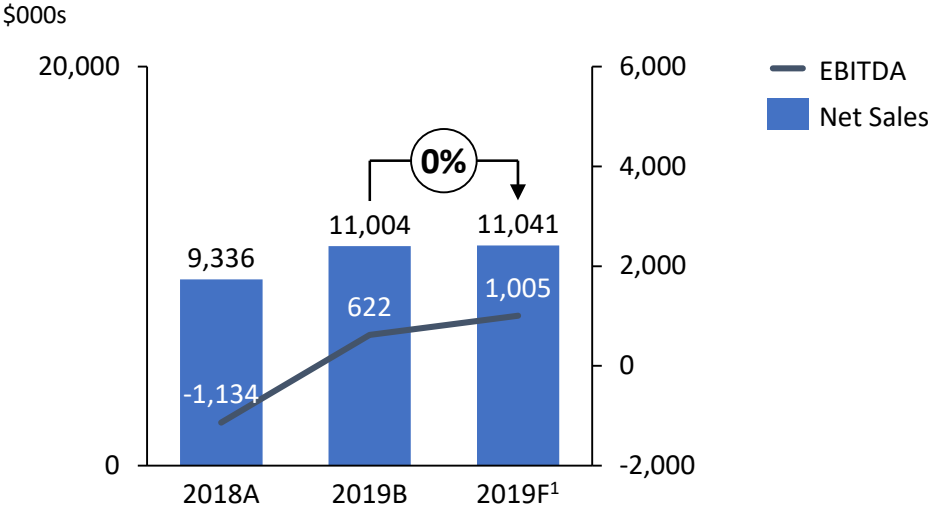
August MTD



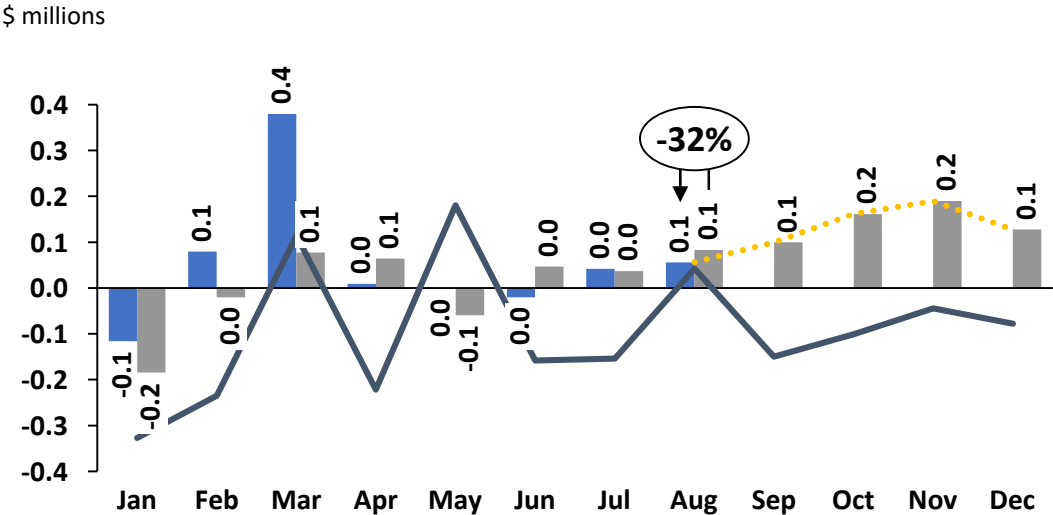
August YTD



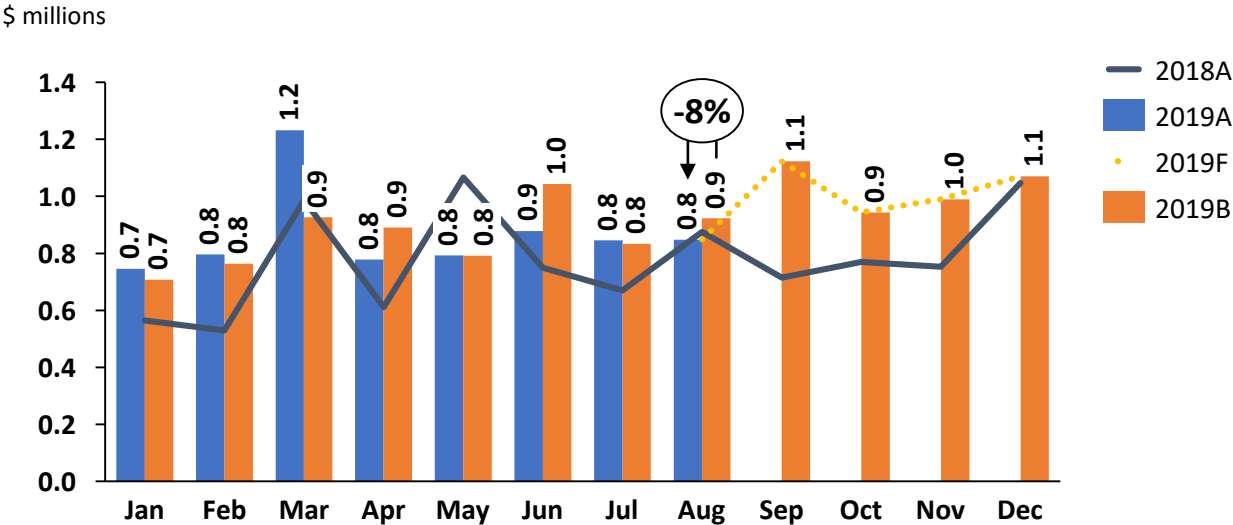
Full Year



Monthly EBITDA



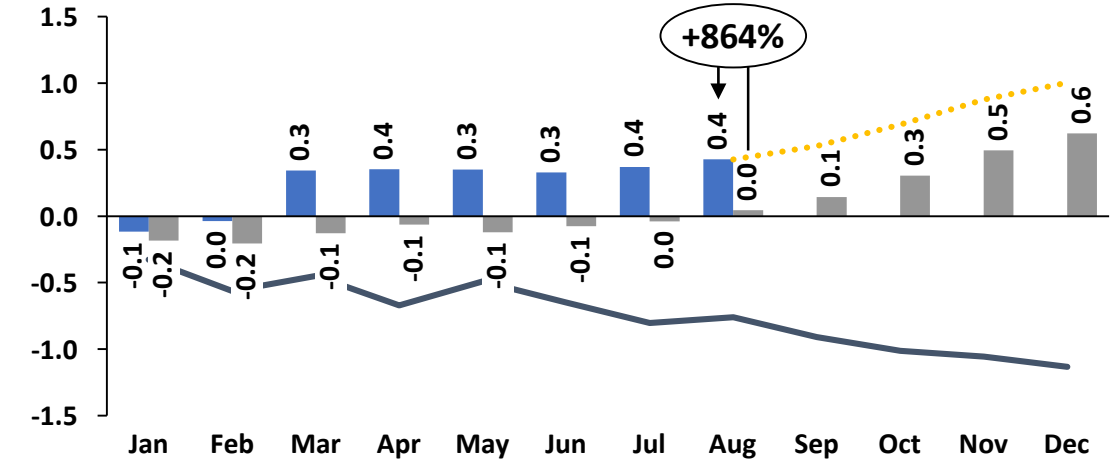
Monthly Net Revenue



1. YTD actuals + remaining year forecast

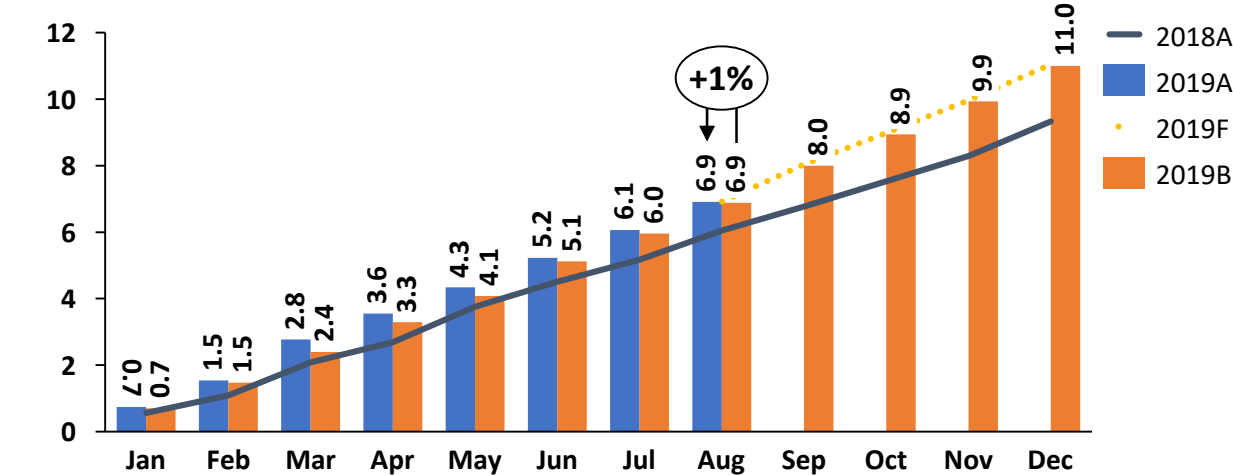
YTD EBITDA

\$ millions



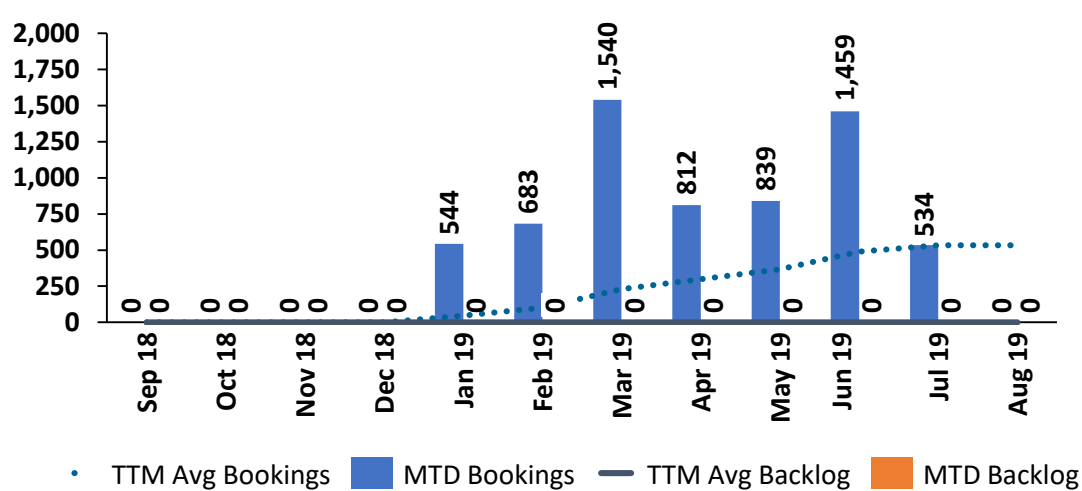
YTD Revenue

\$ millions



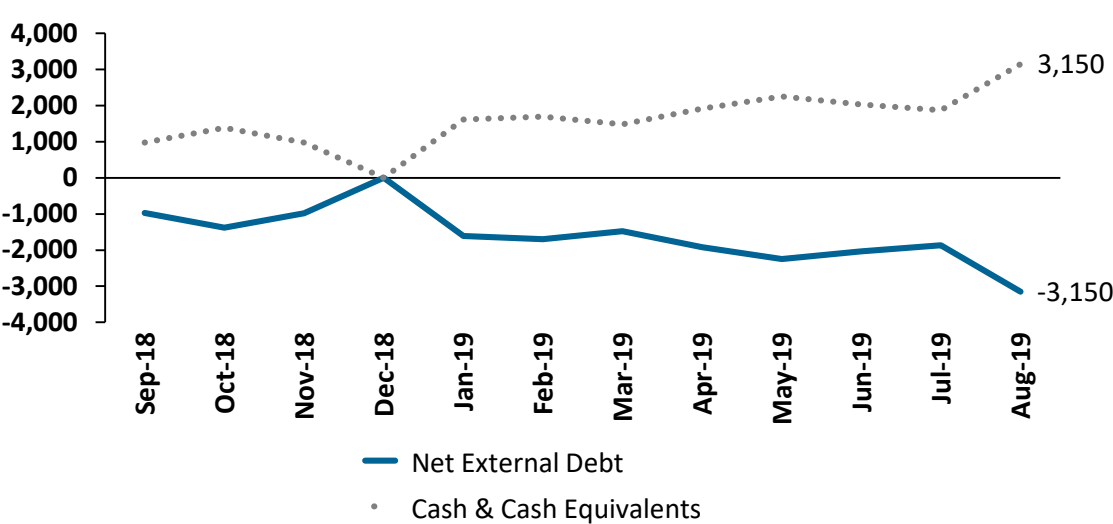
Order Intake

\$ millions



Liquidity

\$ millions



1. YTD actuals + remaining year forecast

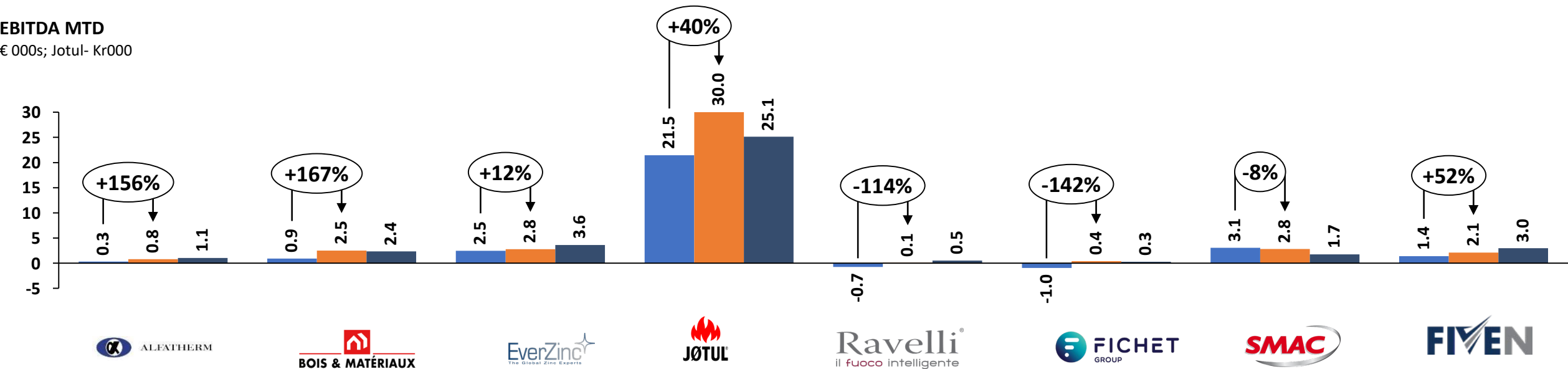
2

European Portfolio Updates

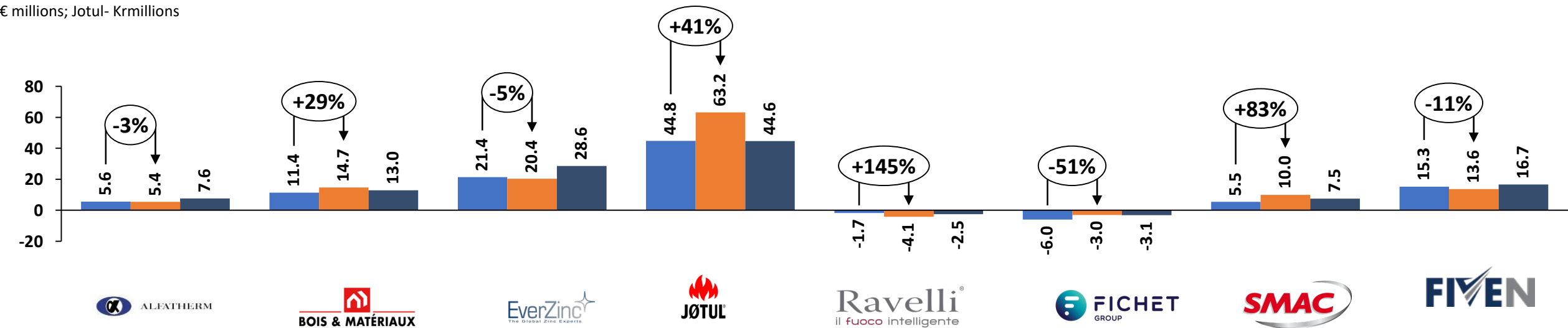
Consolidated Europe portfolio EBITDA performance (without IFRS16)

2018A 2019A 2019B

EBITDA MTD
€ 000s; Jotul- Kr000



EBITDA YTD
€ millions; Jotul- Krmillions

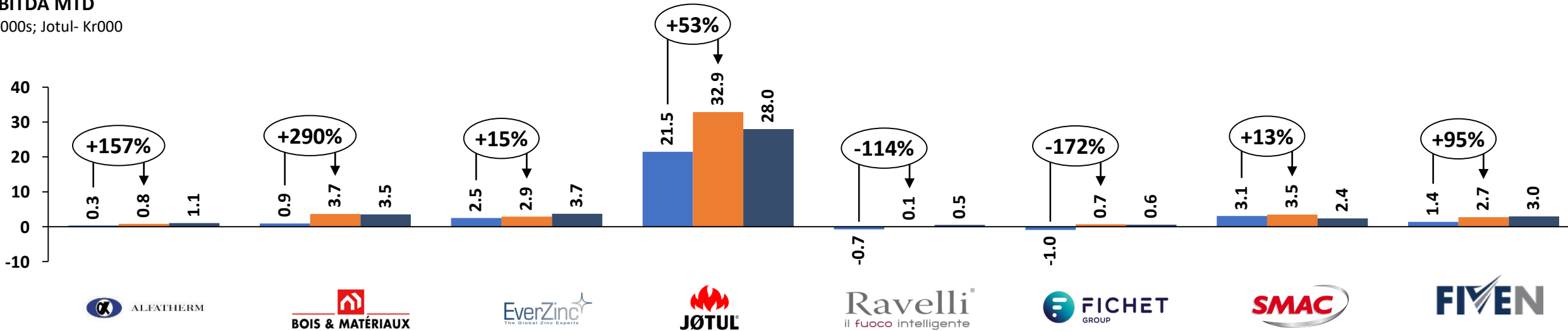


Consolidated Europe portfolio EBITDA performance (with IFRS 16)

2018A 2019A 2019B

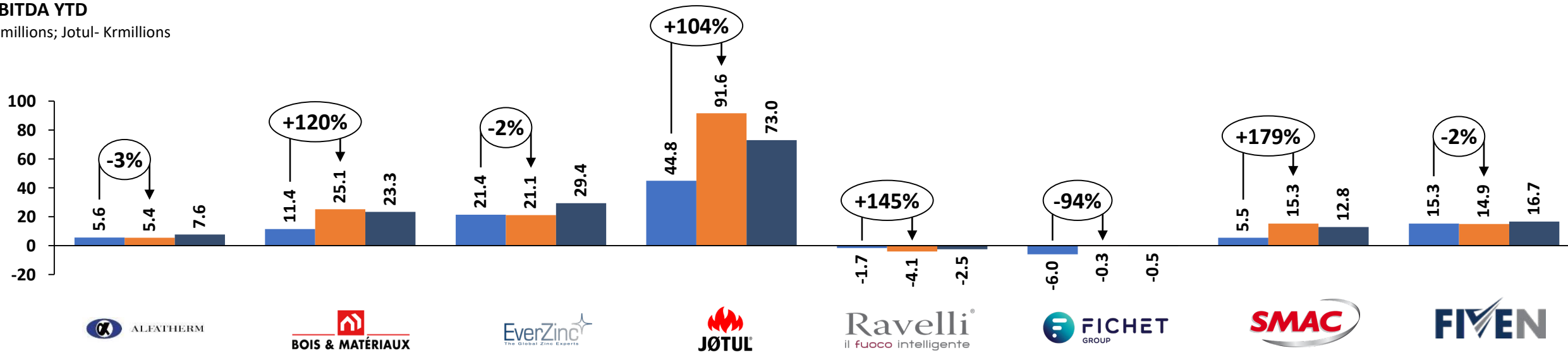
EBITDA MTD

€ 000s; Jotul- Kr000



EBITDA YTD

€ millions; Jotul- Krmillions



2.a

Alfatherm

**Executive Summary: Week of 10-23**

- September Sales reached €6.3M which is below both Budget (-13%) and PY (-5%), with Capsules & Sleeves (-23% vs. Budget) and Furniture (-19% vs. Budget)
- Like-for-like EBITDA in September is €0.8M, lower than Budget (-25% or €-0.2M) but €+0.5M better than PY; Accounting adjustment (IFRS 16) of €+5k inflated EBITDA
- Like-for-like YTD EBITDA at €5.4M is lower than PY at €5.6M and budget at €7.6M; accounting IFRS 16 impact of €+17k improved reported EBITDA
- Like for like FY 2019 EBITDA is forecasted at €7.0M vs PY at €6.4M and a budget at €10M; full year IFRS 16 impact is €+30k favorable
- Cash situation is ultimately stretched. The management team asked for a cash injection of €4.6M in October 19 to cover Q4 and avoid delivery stoppage
- Schatt visit is organized for 30th October
- AlixPartners turnaround plan proposal to be discussed in IC
- Profit Velocity: Effective workshop on 16th October to analyze furniture and metal lamination businesses; 2nd workshop to be booked for end of November
- Factoring: pursuing discussion with FactoFrance and General Finance
- Resignation of Alfatherm Sales manager in the US

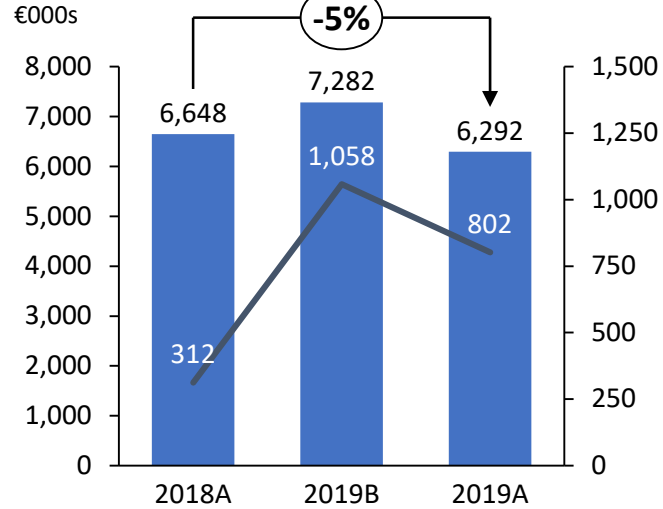
M €	Sept MTD		Sept YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	6,3	0,8	51,8	5,4	68,8	7,0
19B	7,3	1,1	59,6	7,6	79,4	10,0
19A % of 19B	86%	76%	87%	71%	87%	70%
18A	6,6	0,3	54,4	5,6	72,1	6,4
19A % of 18A	95%	257%	95%	97%	95%	109%

Status Update: Project Details

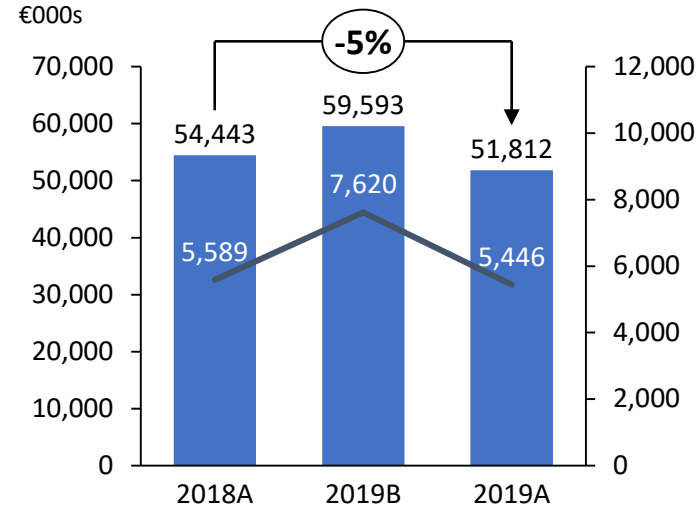
Project		Current Status & Next Steps	Annualized EBITDA Impact (€MM)	
			Projected	Actual
A. Sales Director recruitment		<ul style="list-style-type: none"> • Currently on hold and focusing on turnaround • Interim decision to nominate consultant Barry Berman as Surface decoration segment sales & marketing manager 	tbd	
B. Business Turnaround		<ul style="list-style-type: none"> • AlixPartners proposed 2 turnaround plan with different level of complexity • To be validated in IC 		
C. Factoring		<ul style="list-style-type: none"> • FactoFrance is looking for a credit insurance on Lampre • Contact initiated with General Finance 	N/A	N/A
D. Production efficiency		<ul style="list-style-type: none"> • Plants management to be reorganized with 1 Plant manager for Gorla 1&2 and 1 Plant manager for Gallarate following the resignation of Gallarate plant manager 	0,5	
E. Profitability analysis		<ul style="list-style-type: none"> • Effective workshop on 16th October to analyze furniture and metal lamination businesses; • 2nd workshop to be booked for end of November 		

Monthly financial metrics

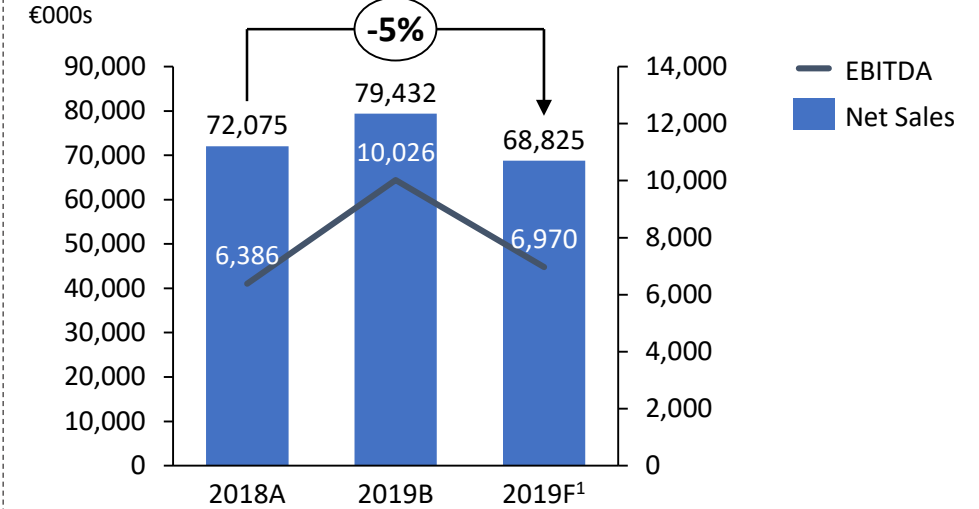
Sep MTD



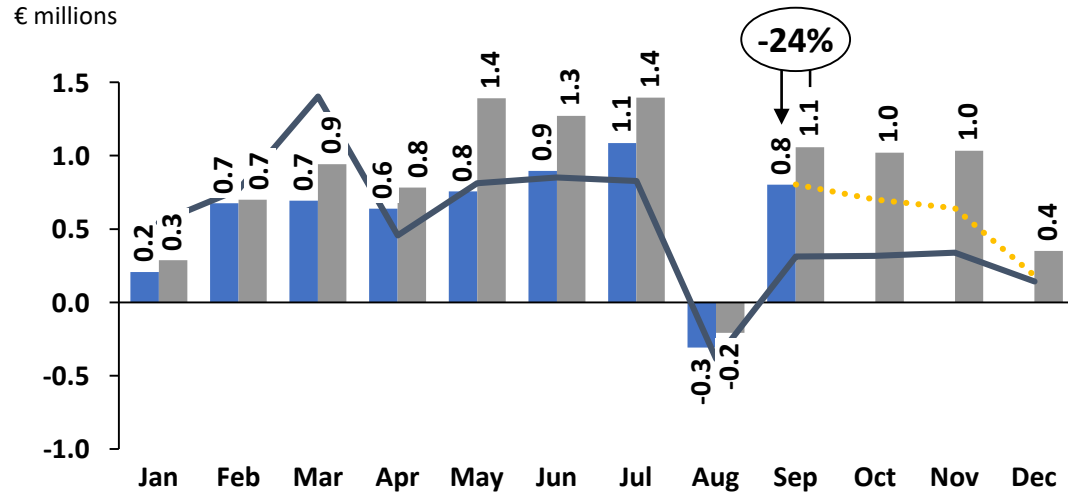
Sep YTD



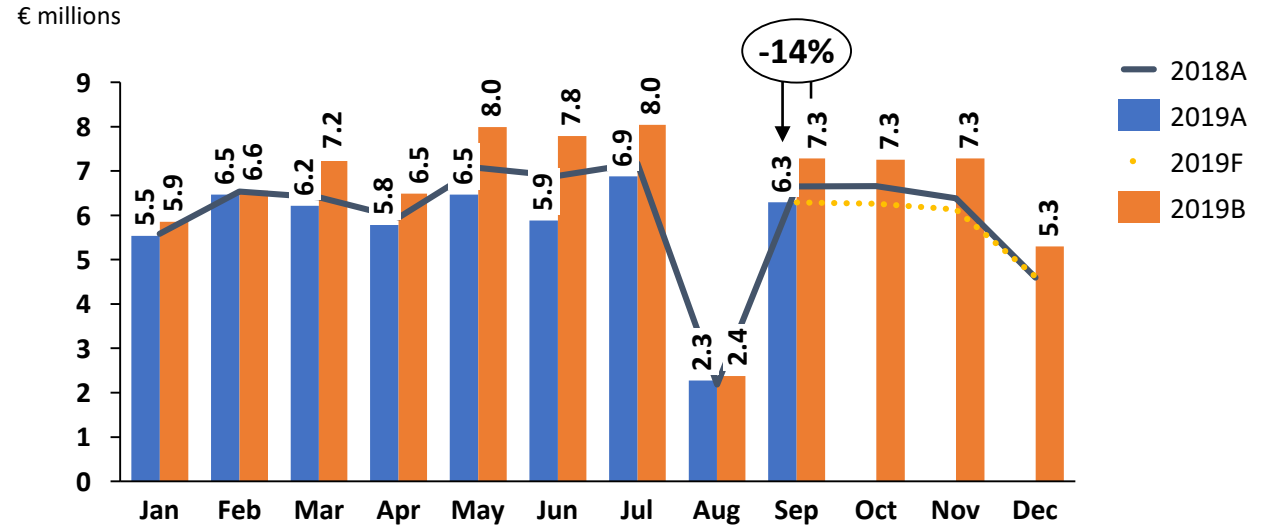
Full Year



Monthly EBITDA



Monthly Net Revenue



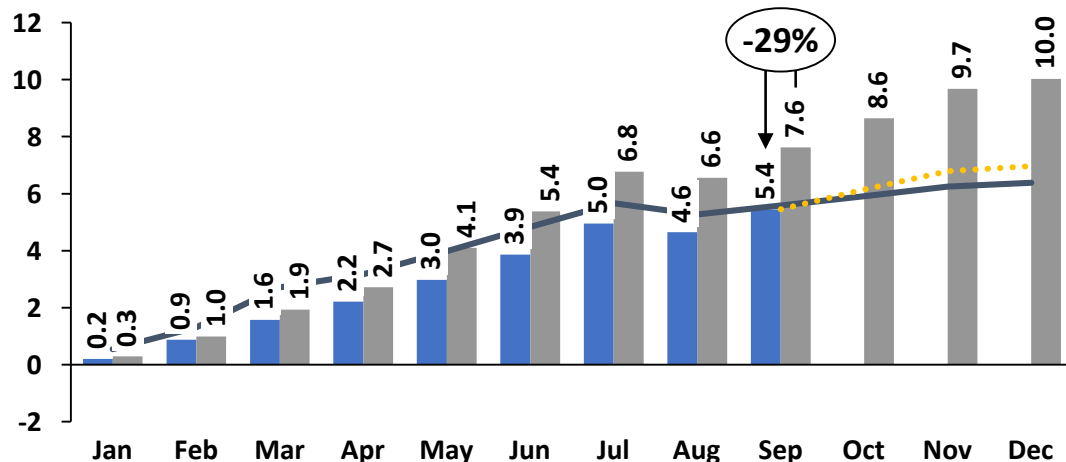


ALFATHERM

Monthly financial metrics

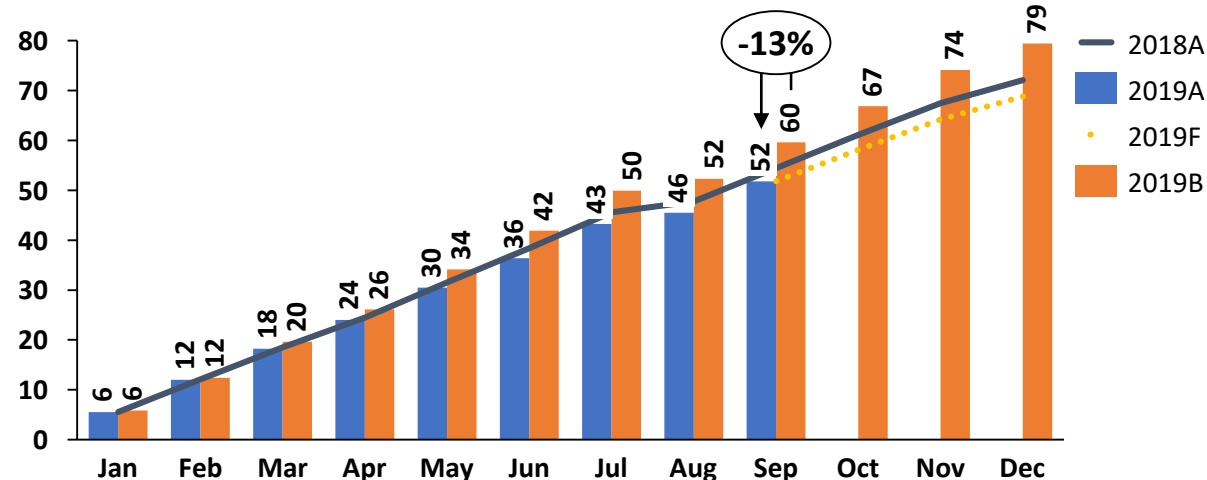
YTD EBITDA

€ millions



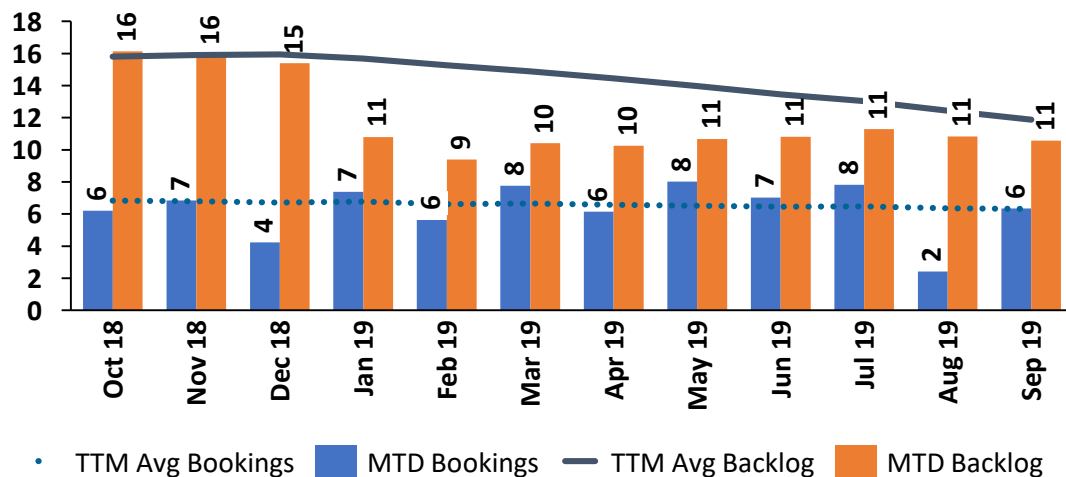
YTD Revenue

€ millions



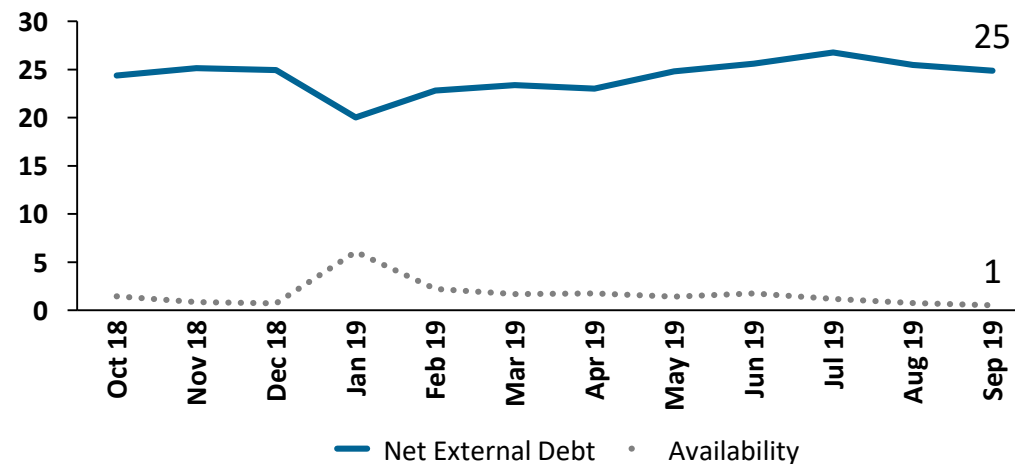
Order Intake

€ millions



Liquidity

€ millions



1. YTD actuals + remaining year forecast

2.b

B&M




September EBITDA outperformed both PY and budget due to higher sales

Executive Summary: Week of 10-23

- Sept sales with €54.3M was 4.5% above PY and +0.3% above budget with one day more of sales in the month, while market shares for the two networks remained stable
- The decline of residential construction in France decelerated (12 months rolling: order book of builders -0.3%, new housing permits -5.7%, new housing starts -3.8%)
- YTD Sales with € 473.9M is +3.7% above PY and +2.7% above budget
- Aug like-for-like EBITDA with +€2.5M was +€1.5M above PY due to higher sales at a higher margin rate; IFRS 16 impact pushed reported EBITDA by +€1.1M to +€3.7M
- YTD like-for-like EBITDA with +€14.7M was +€3.3M above PY and +€1.7M above budget; IFRS 16 impact pushed reported YTD EBITDA by +€10.4M to €25.1M
- FY EBITDA outlook remained at €19.1M versus PY at €15.7M and budget at €18.1 due to higher sales; IFRS 16 impact will push reported YTD EBITDA by +€13.7M to €32.8M
- Sales in October after 13 days out of 23 is at € 34.9M which is -1.7% below PY and -2.4% below budget; Commercial margin level at 19.1% versus 18.2% in PY and 19.2% in budget
- Split: Announcement to employees planned for early November
- Exit: no material update from St Gobain or Blackstone

M €	Sept MTD		Sept YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	54.3	3.7	473.9	25.1	634.1	32.8
19B	54.1	3.5	461.4	23.3	618.9	31.9
19A % of 19B	100%	104%	103%	108%	102%	103%
18A	51.9	0.9	456.8	11.4	619.7	15.7
19A % of 18A	105%	390%	104%	120%	102%	110%

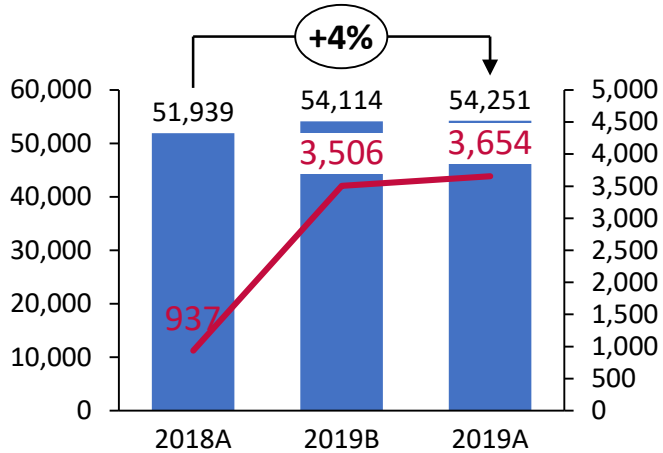
Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Exit process		<ul style="list-style-type: none"> • Saint Gobain expressed interest in buying the PanoFrance network; an NDA is in progress based on which some info exchange follows leading to an expected non-binding offer end of October 	TBD	TBD
B. Split of PanoFrance network to increase exit options		<ul style="list-style-type: none"> • Next step is to prepare 2 main scenarios with its respective tax implications by law firm BDGS and split of financials (P&L and Balance Sheet) by end July • Prepare step plan until September to be executed until Q1-2020 • Announcement planned last day of October 	TBD	TBD
C. OGx initiatives		<ul style="list-style-type: none"> • Pricing: Implementation of proprietary Big Data solution to optimize pricing of 20/80 products at branch level; Optimal pricing proposal based on the combination of past transactions & price sensitivity levels; Solution implemented in 55 branches by year-end 2019; early results of +0.15 pp in gross margin • Digitalization: Search engine & web traffic optimized (+40% natural referencing); Online catalog with real-time product availability; cross-selling & alternative product functionalities 	TBD	TBD

Monthly financial metrics

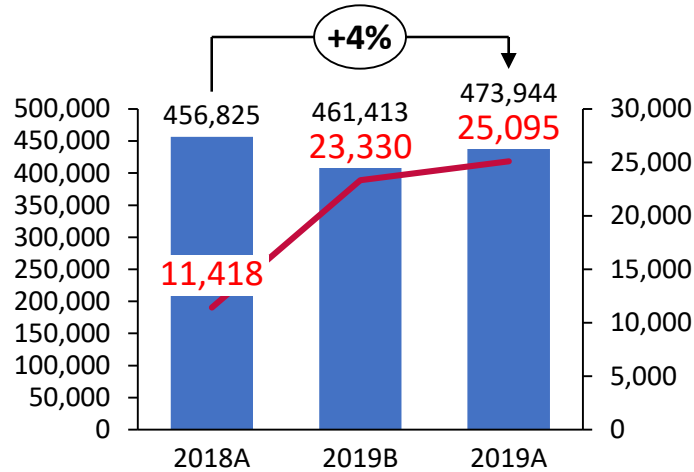
September MTD

€000s



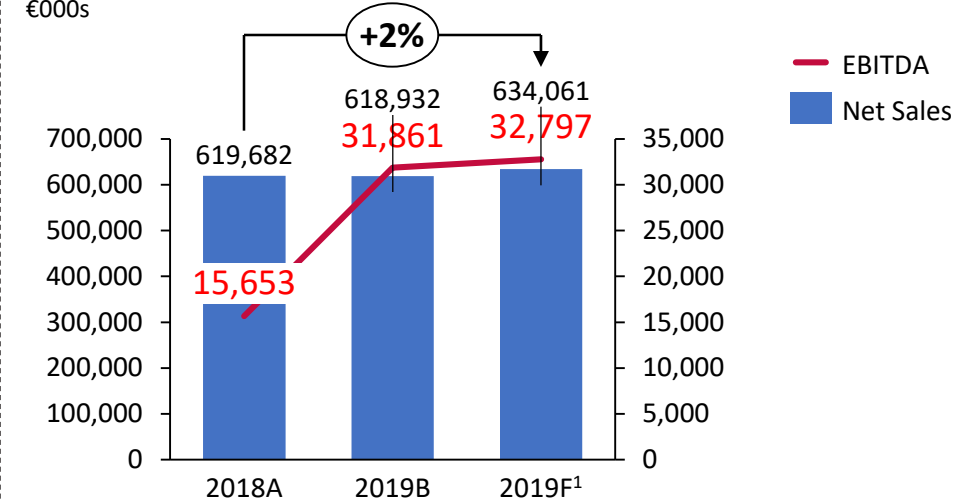
September YTD

€000s



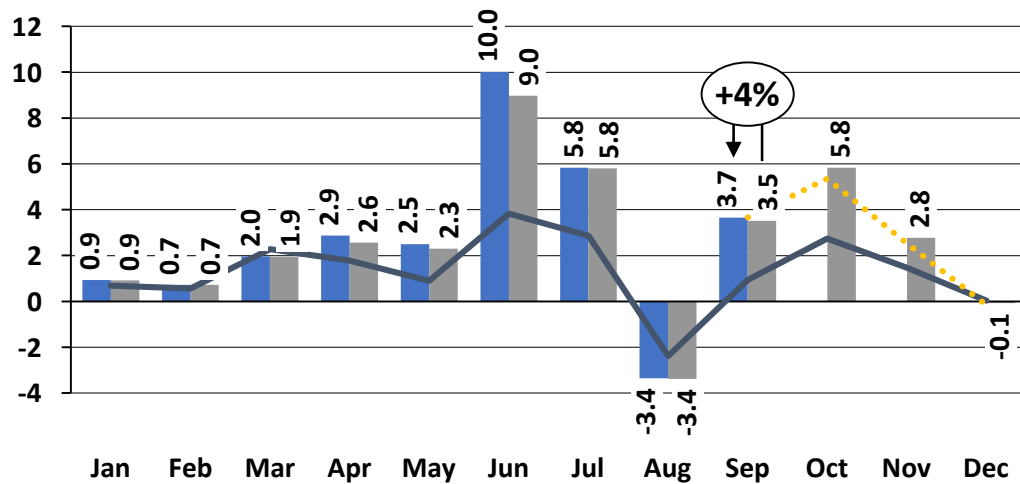
Full Year

€000s



Monthly EBITDA

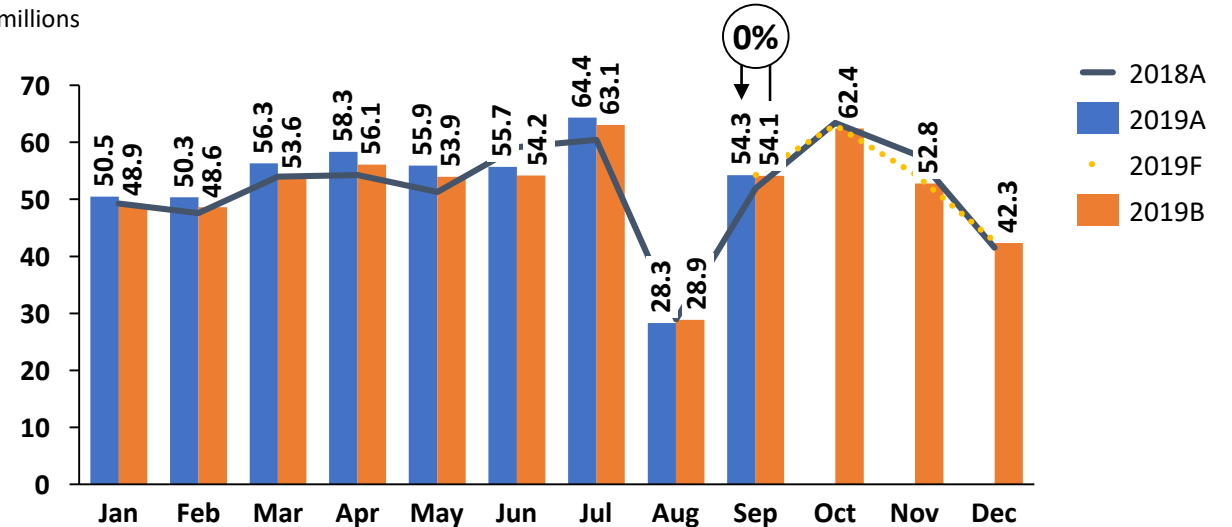
€ millions



1. YTD actuals + remaining year forecast

Monthly Net Revenue

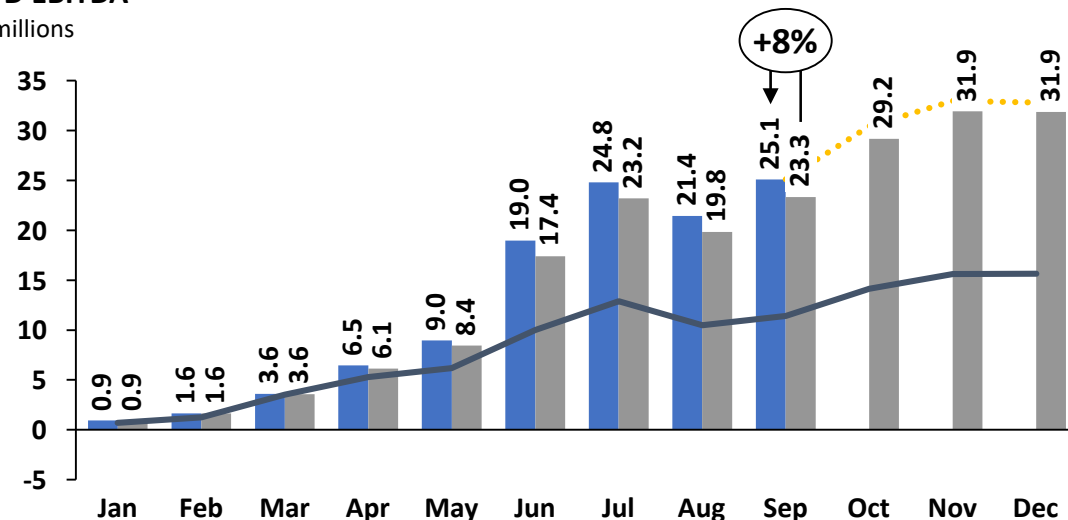
€ millions



Monthly financial metrics

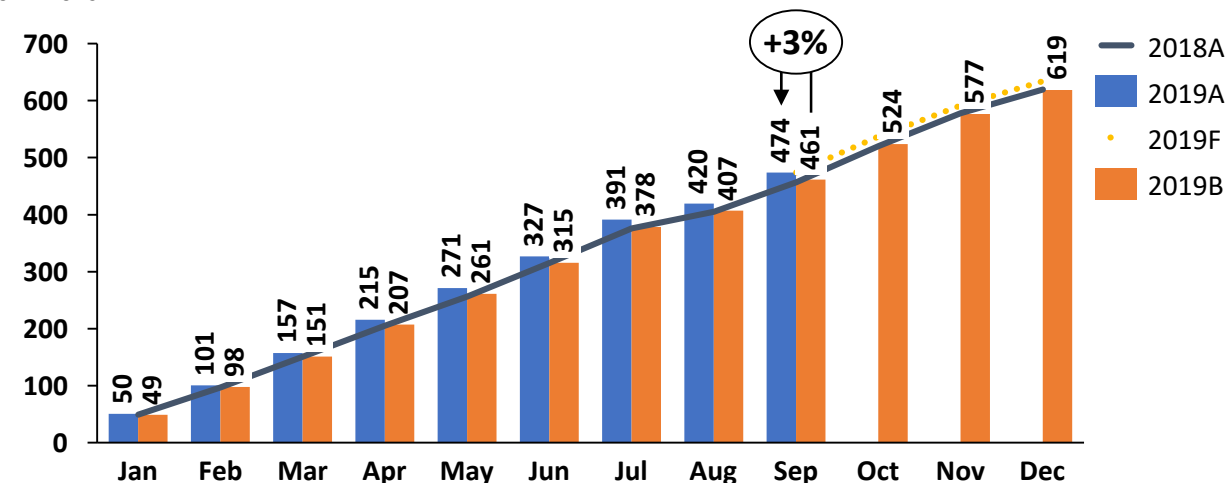
YTD EBITDA

€ millions



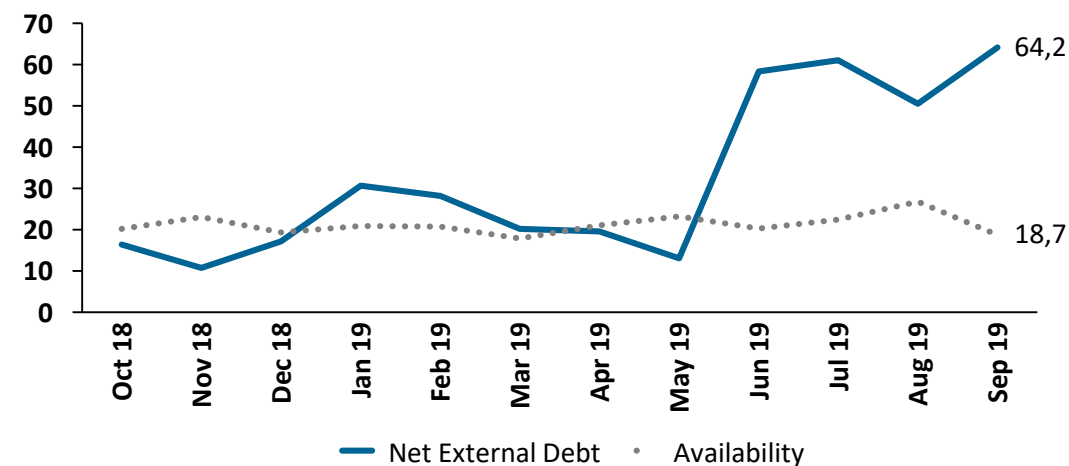
YTD Revenue

€ millions



Liquidity

€ millions



2.c

Everzinc

Performance remains impaired by the lower FZP volumes and higher secondary raw material costs. FY EBITDA forecast of €30.1m represents 76% of budget and 102% of LY and does not satisfy one covenant test (interest cover ratio)

Executive Summary: Week of 10-23

- September sales reached €41.3M which is below both budget (-16.4%) and LY (-1%), driven by the lower FZP volumes and lower Zinc LME
- Like-for-like EBITDA in September was €2.8M (78.3% of budget and 116% of LY) and included €+0.2M of one-off effects (IFRS 16 impact of €+95k adjusted within the reported EBITDA leads to €2.9M). Lower performance continued to be driven by the lower volumes and higher raw material costs
- Like-for-like YTD EBITDA at €20.4M was lower than PY at €21.4M and budget at €28.6M (IFRS 16 impact of €+733k adjusted within the reported EBITDA leads to €21.1M)
- Like for like FY 2019 EBITDA is forecasted at €29.1M vs PY at €29.3M and budget at €39.4M (full year IFRS 16 impact of €+969k within the reported EBITDA leads to €30.1M)
- Despite lower volumes and lower EBITDA, cash position remains stable at €48.7M, but the FY forecast was revised to €46M in order to accommodate the impact of the slower ramp-up of the new metal supplier with 90 days payment term and the discontinuation of the reverse factoring program
- Refinancing discussions remain on track and MP with selected lenders is scheduled for October 22nd . Unsatisfactory current trade might complexify the negotiation but does not put the project at risk. Signing expected for the end of November
- Given the lower FY EBITDA forecast, the DB Q4 interest cover covenant test will be breached (ratio of 3.2 vs. covenant test ratio of 3.6)

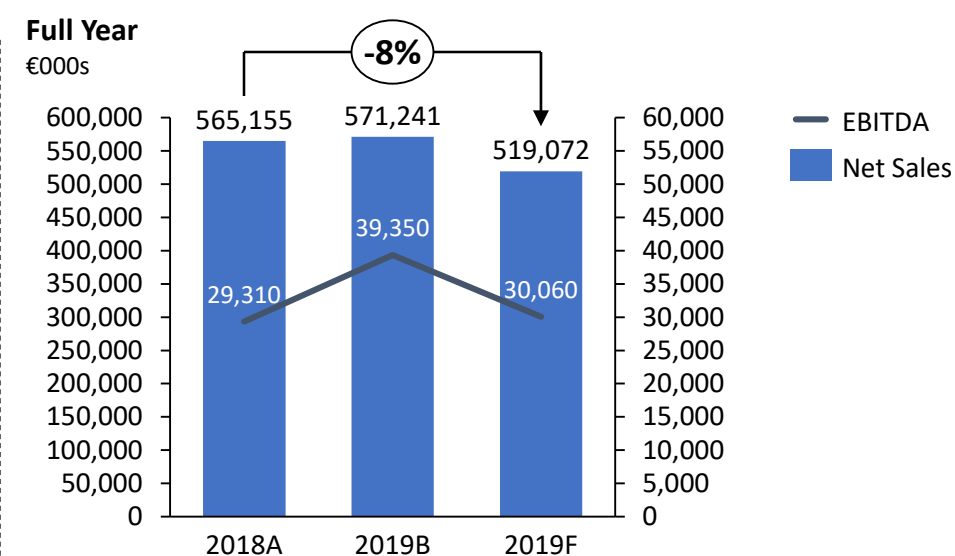
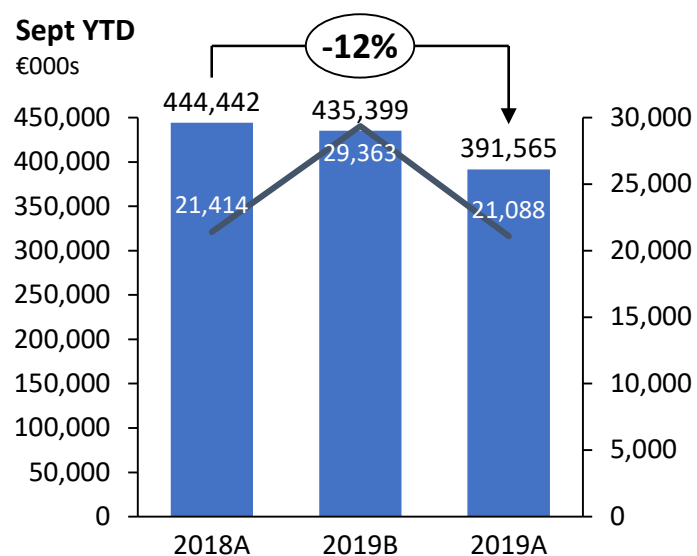
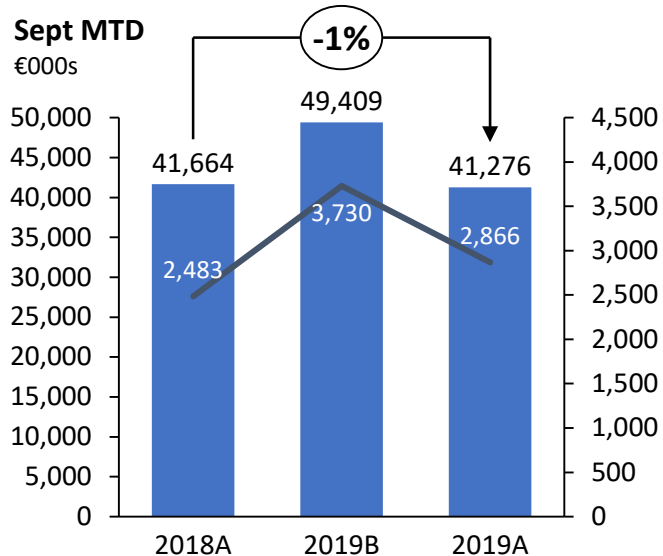
M €	Sept MTD		Sept YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	41.3	2.9	391.6	21.1	519.1	30.1
19B	49.4	3.7	435.4	29.4	571.2	39.4
19A % of 19B	83.6%	78.3%	89.9%	71.7%	90.8%	76.4%
18A	41.7	2.5	444.4	21.4	565.2	29.3
19A % of 18A	99%	116%	88.1%	98.6%	91.8%	102%

Status Update: Project Details

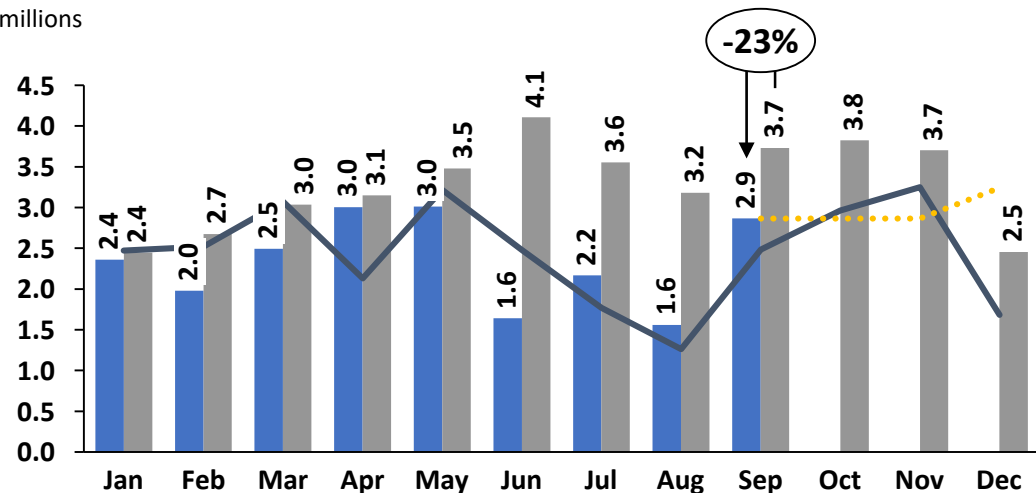
Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
Group CFO Recruitment	●	• Rene Pit started on October 10 th
Inventory Reduction	●	• Reduction progressing according to plan in terms of tons, but cash impact to be partly postponed to Q1 2020
Refinancing	●	• MP with selected lenders to take place on October 22 nd at Liege
Zano Carve-Out	●	• Legal carve-out completion expected for Q4 with retroactive effect to July 31 st 2019. Certifications in progress
OGx Initiatives	●	• Brand Recognition: new social media and website launched. New business cases videos published last week		
	●	• Thought Leadership: R-Zinc conference successfully held in Liege with over 80 participating companies		
	●	• Operational Excellence: ZANO industrialization tests progressing in both EU and NA (next test wave in Oct/Nov)		

● Complete ● Just started ● On Track ● At Risk ● Behind Schedule

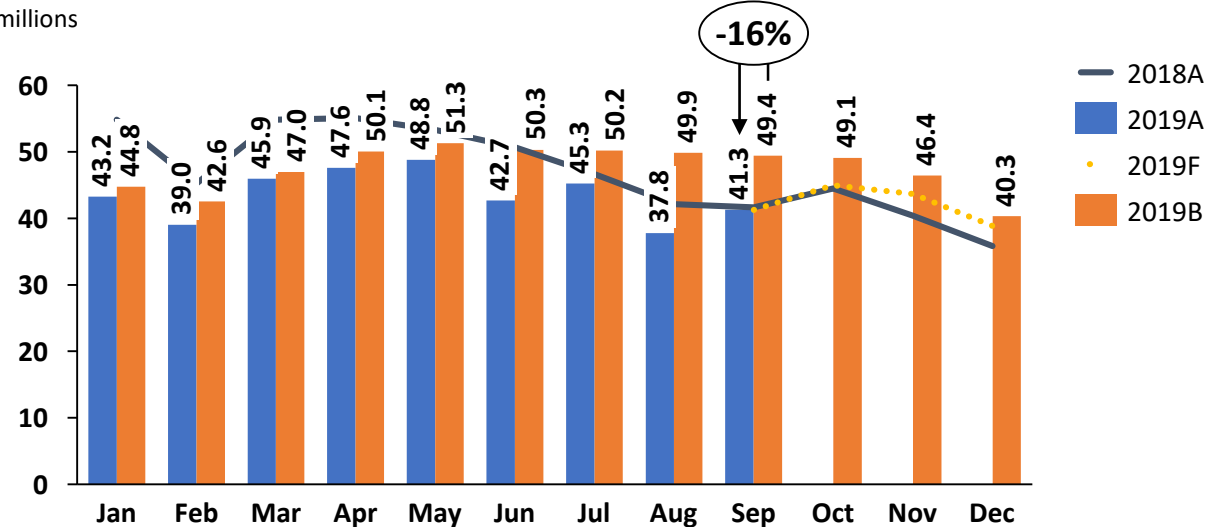
Monthly financial metrics



Monthly EBITDA € millions



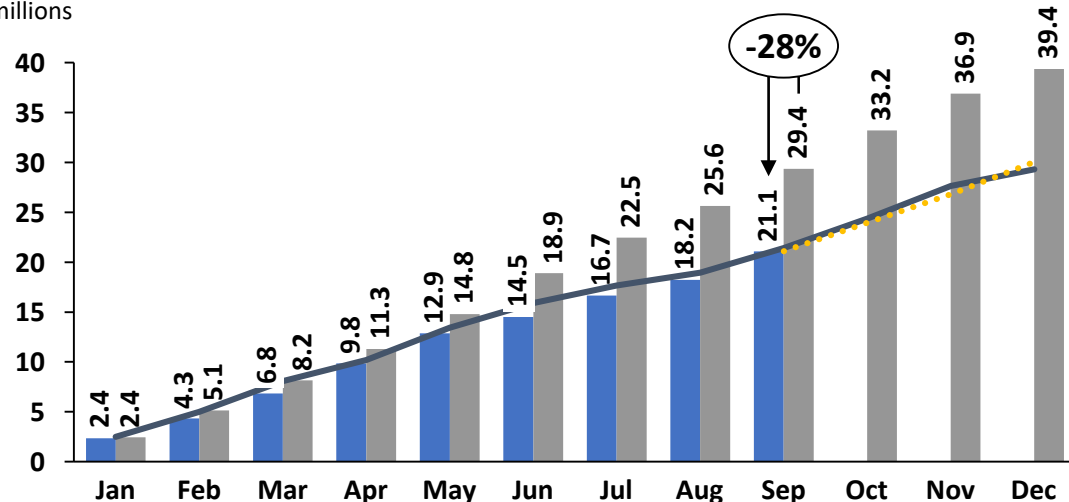
Monthly Net Revenue € millions



Monthly financial metrics

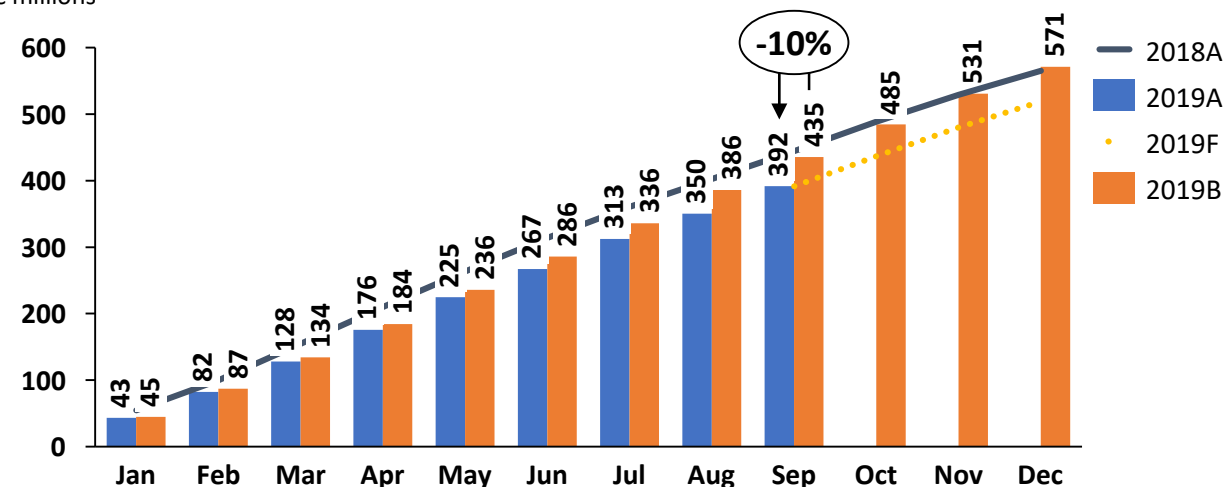
YTD EBITDA

€ millions



YTD Revenue

€ millions

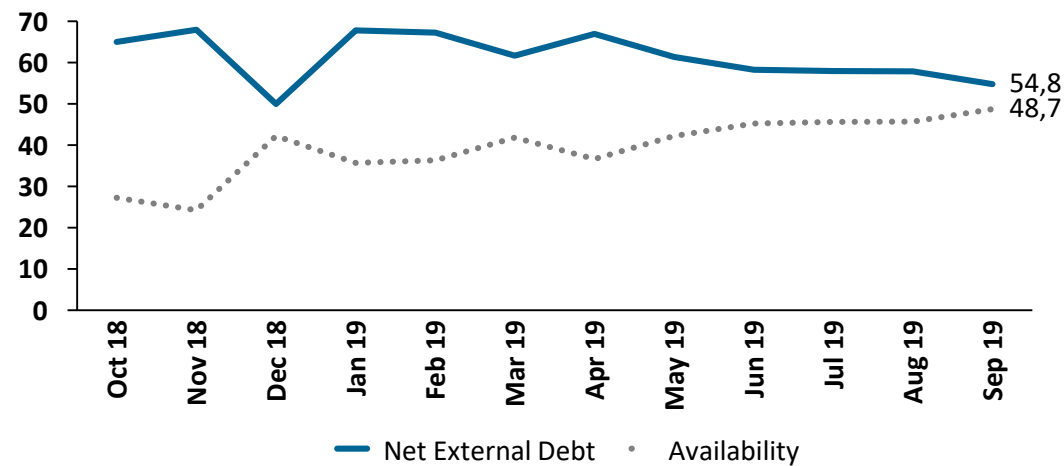


Order Intake

€ millions

Liquidity

€ millions



2.d

JOTUL



Higher sales and in September pushed EBITDA up vs PY and budget

Executive Summary: Week of 10-23

- Sept net sales with NOK 124.2M were +17.5% above PY and +4.8% above budget; sales performance was up in Norway, France and the US and also helped by sales from AICO France which is now consolidated in Jotul France; YTD sales with NOK 633.8M are up by +2.7% vs PY and +4.9% vs budget, mainly due to the strong performance of Norway and the AICO effect
- Order Intake in September with NOK 116.4M outperformed PY at NOK 112.9M
- Gross margin at 37.6% was above PY at 35.6% and budget at 34.9%; strong margin was driven by sales volume effects on fixed cost and reclassification of abnormal productivity below EBITDA (NOK 4.8M) due to the relocation
- Like-for-like EBITDA in Sept with NOK 30.0M was above PY by +8.5M due to higher sales; Accounting adjustment (IFRS 16) of +NOK 2.9M inflated EBITDA to a reported EBITDA of NOK 32.9M
- Like-for-like YTD EBITDA at NOK 63.2M better than PY at NOK 44.8M and budget at NOK 44.6M; accounting IFRS 16 impact of NOK +28.3M boosted reported EBITDA to 91.6M
- Like-for-like FY 2019 EBITDA outlook increased to NOK 107.6M vs PY at NOK 92.1M and a budget at NOK 107.1 and an LTM performance of NOK 110.5M; full year IFRS 16 impact of NOK +37.6M will increase reported EBITDA to NOK 145M in 2019;
- Current trading: Shipments after 9 days out of 23 in October amount to NOK 47.2M -11% vs PY and -16% behind budget; Order Backlog at 57.2M is -20% vs PY;
- Production transfer to Poland on plan: All projects streams in line with schedule but hiring pressure is increasing; management is expecting a slight overspend on the training efforts needed

M NOK	Sept MTD		Sept YTD		Full Year	
Period	Rev	EBITD A	Rev	EBIT DA	Rev	EBITD A
19A	124.2	32.9	633.8	91.6	985.9	142.2
19B	118.5	28.5	604.4	73.3	956.0	145.2
19A % of 19B	105%	115%	105%	125%	103%	100%
18A	105.6	21.5	617.2	44.8	912.3	92.1
19A % of 18A	118%	153%	103%	205%	108%	158%

Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Relocation of production from Norway & Denmark to Poland	At Risk	Polish factory visited on October 1st and meetings with local management; very good momentum and only one yellow flag regarding one painting line identified for the factory startup yet; hiring process is gaining speed (close to 50 persons hired)	0 in 2019 NOK 50M in 2020	0
B. Development of Jotul branded pellet stoves	On Track	<ul style="list-style-type: none"> • 3 AICO stoves have been redesigned for Jotul and will be launched in France in November 2019 for the winter season • Additional models to be presented in February 2020 at the Verona fair TBD 	TBD	0

Complete
Just started
On Track
At Risk
Behind Schedule

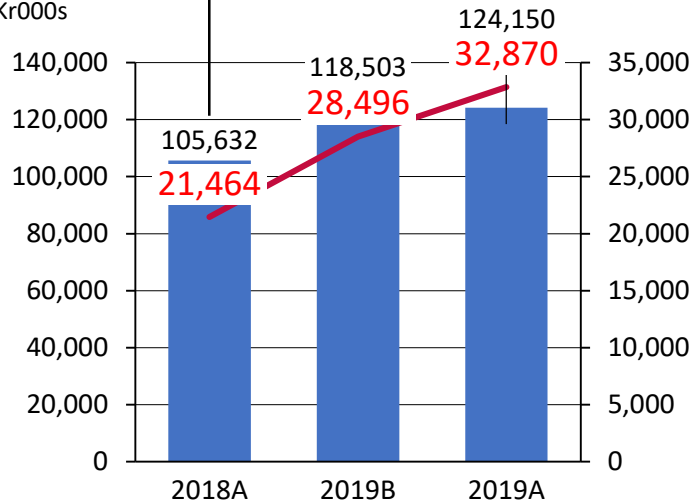


Monthly financial metrics

September MTD

Kr000s

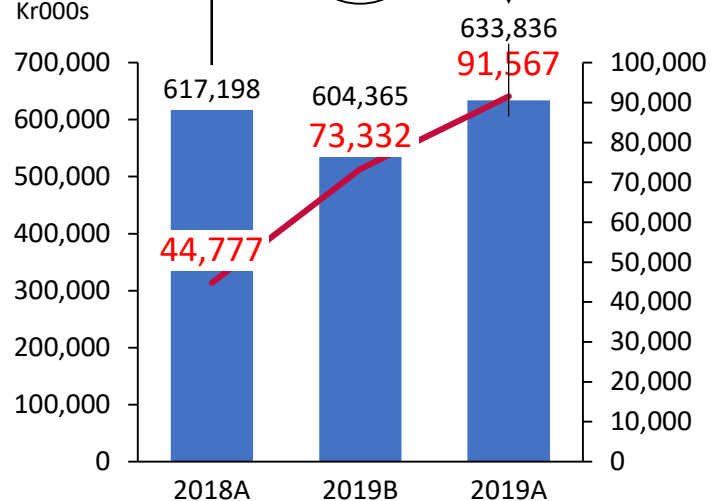
+18%



September YTD

Kr000s

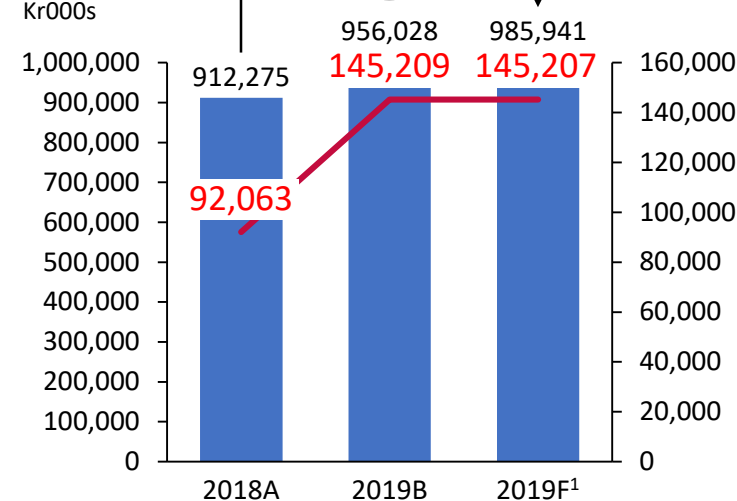
+3%



Full Year

Kr000s

+8%

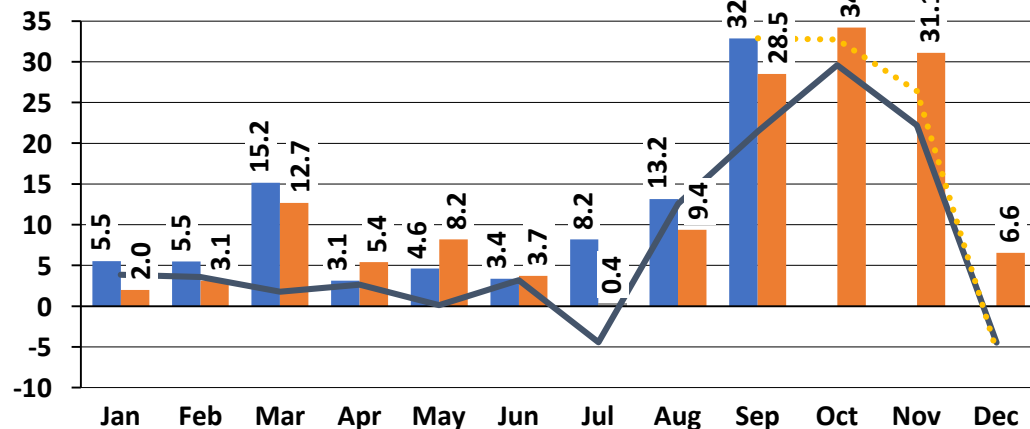


— EBITDA
— Net Sales

Monthly EBITDA

Kr millions

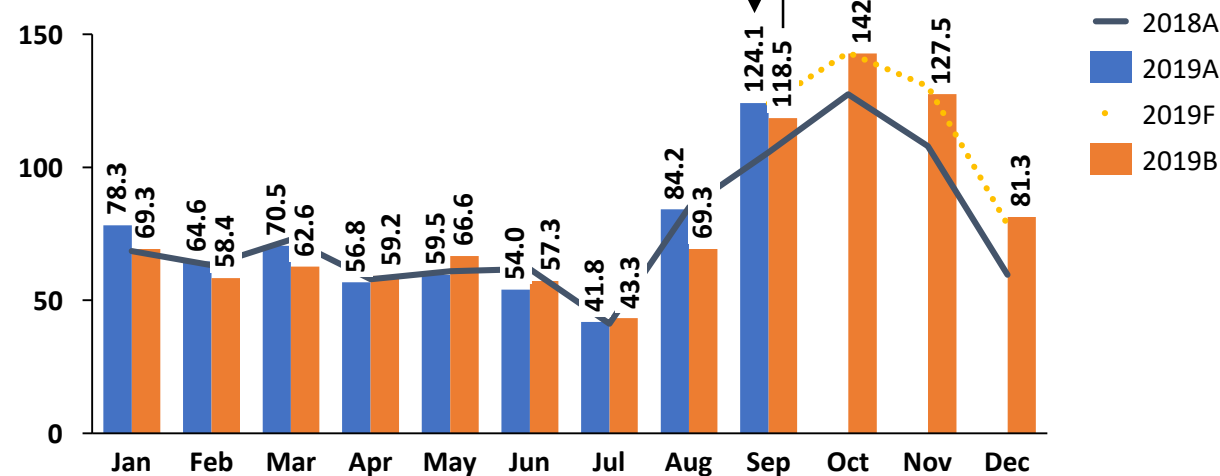
+15%



Monthly Net Revenue

Kr millions

+5%



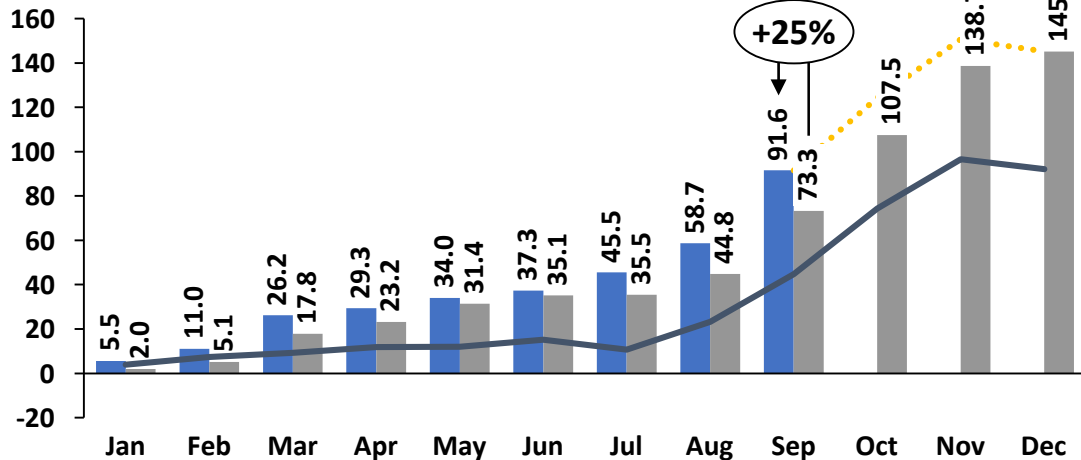
1. YTD actuals + remaining year forecast



YTD EBITDA

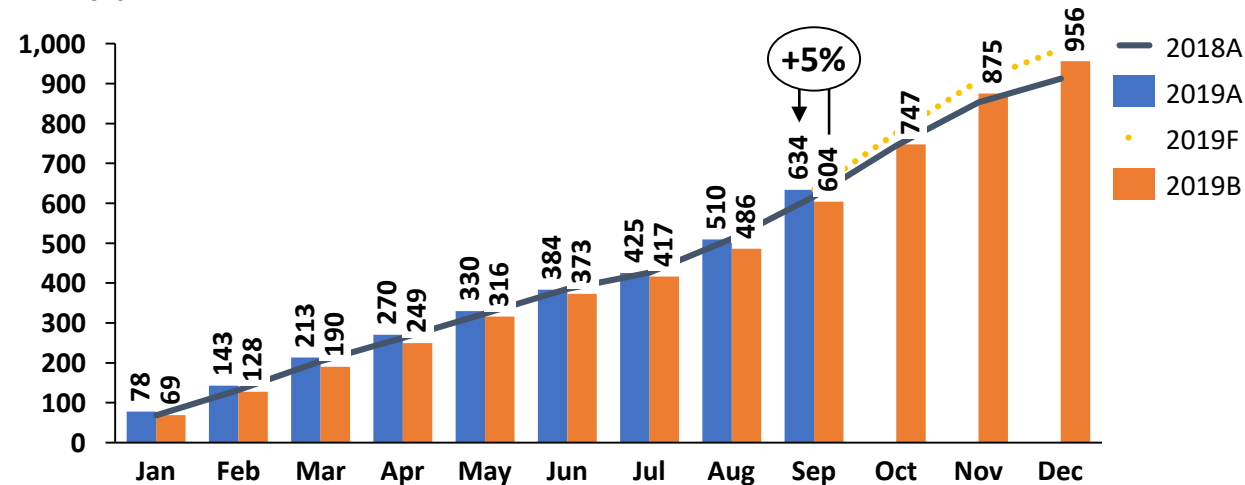
Kr millions

Monthly financial metrics



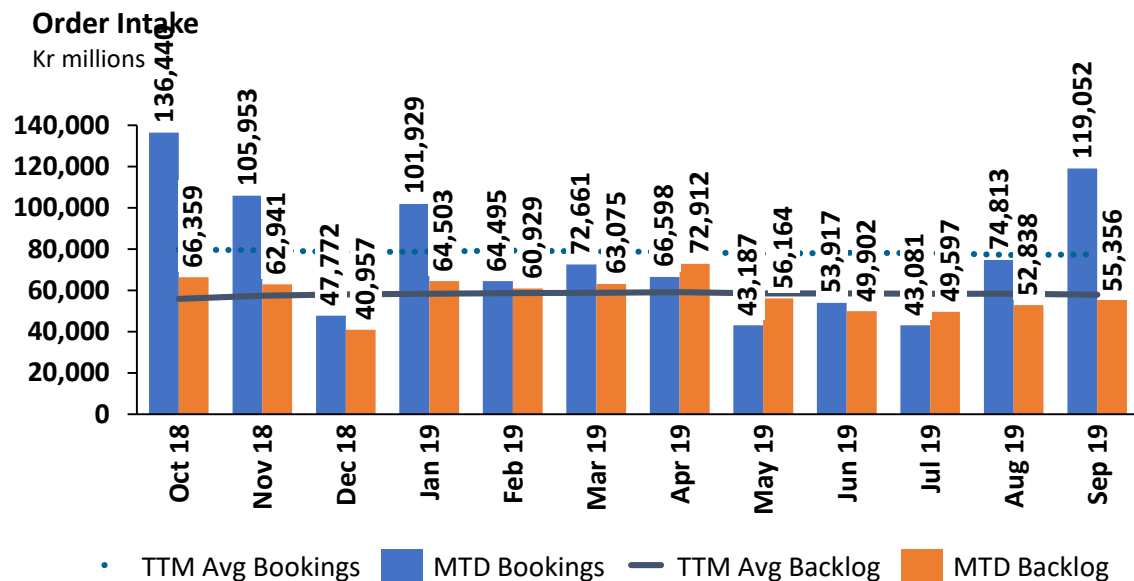
YTD Revenue

Kr millions



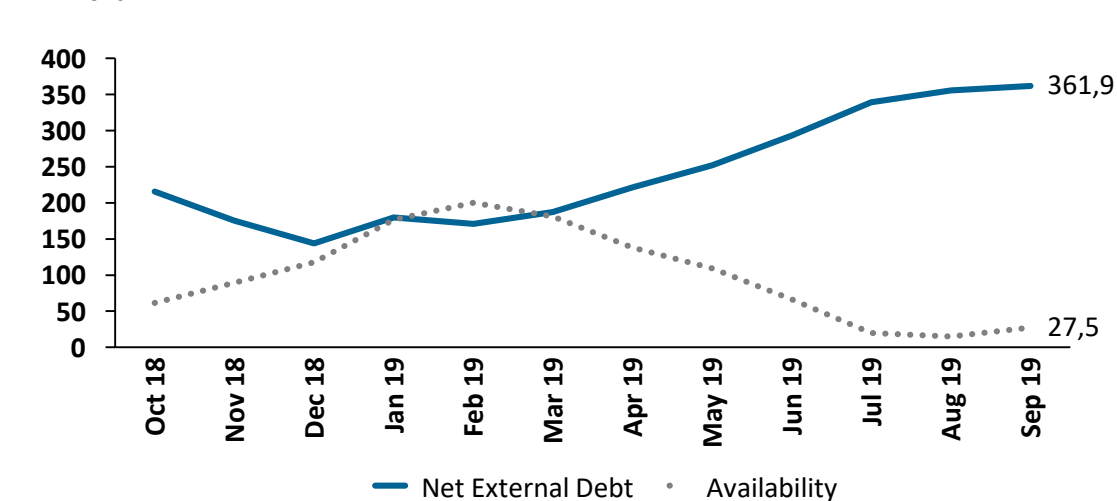
Order Intake

Kr millions



Liquidity

Kr millions



1. YTD actuals + remaining year forecast

2.e

Ravelli



September was the first profitable month in 2019 on the back of improved efficiencies and headcount reduction, while sales is still trading below PY

Executive Summary: Week of 10-23

- Sept net sales were -12% below PY and -34% below budget; lower sales vs PY mainly because of weaker business with hardware/DIY channels in Italy due to warm weather impact;
- YTD sales with €18.4M significantly under PY at 23.4 due to the portfolio rationalization
- Order Intake in September with € 3.8M -6% below PY and order backlog at €4.5M versus €3.4M in PY
- Gross Margin in the month at 19.1% double than PY at 9.8%
- Sept EBITDA was positive for the first time with € 104k versus a loss of € -744k; main reason is higher productivity and lower headcount from cost saving initiatives
- FY 2019 EBITDA outlook is at € -4.5M vs PY at €-6.5M;
- Headcount at 142 versus 161 in PY and 146 in forecast
- Liquidity: factoring facilities with General Finance (€3M) and Eurofactor (€ 1.8M) are being installed and should provide sufficient liquidity to finance the business throughout the remainder of 2019
- Integration with Jotul: the integration of AICO into Jotul is in preparation. While it is planned to integrate sales, marketing, distribution and R1D into Jotul in the first half of 2020 (40 people) , all manufacturing activities will be transferred to Poland by year end 2020

M €	Sept MTD		Sept YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	4.1	0.1	18.4	-4.2	30.3	-4.5
19B	6.1	0.5	23.4	-2.5	38.2	-1.3
19A % of 19B	66%	20%	79%	na	79%	Na
18A	4.6	-0.7	26.2	-1.7	38.1	-6.5
19A % of 18A	88%	Na	70%	Na	79%	na

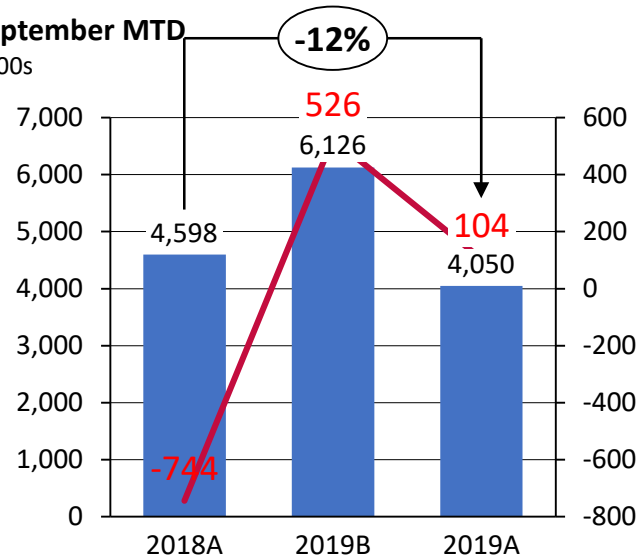
Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Prepare revised turnaround plan with new CEO		<ul style="list-style-type: none"> • -25% Reduction of product portfolio (kill all products with contribution margin below 30%) by year-end 2019 to reduce business complexity • Gradual headcount reduction of 28 people until year-end 2019 • Rationalization of distribution setup from 3 warehouses to one • Resourcing of components (including casting from Jotul) • Total annual cost reduction of app. €2.3M (full benefits for 2020); one of cost of approximately €600k (headcount reduction mainly on temps) 	€2.3M	TBD
B. Financing		<ul style="list-style-type: none"> • factoring facilities with General Finance (€3M) and Eurofactor (€ 1.8M) are being installed and should provide sufficient liquidity to finance the business throughout the remainder of 2019 	TBD	TBD

Monthly financial metrics

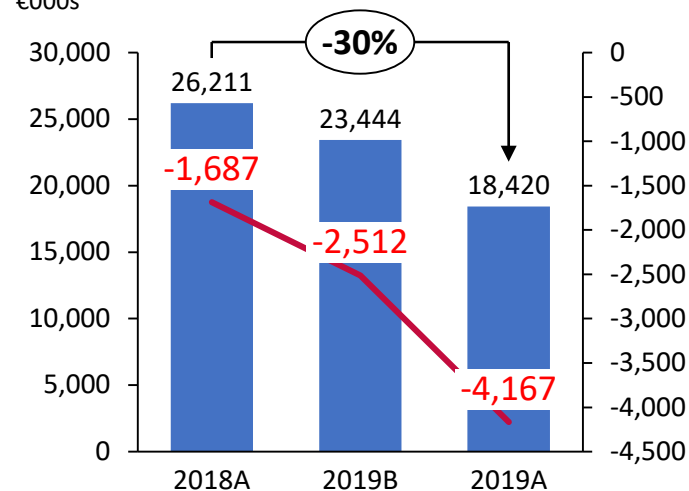
September MTD

€000s



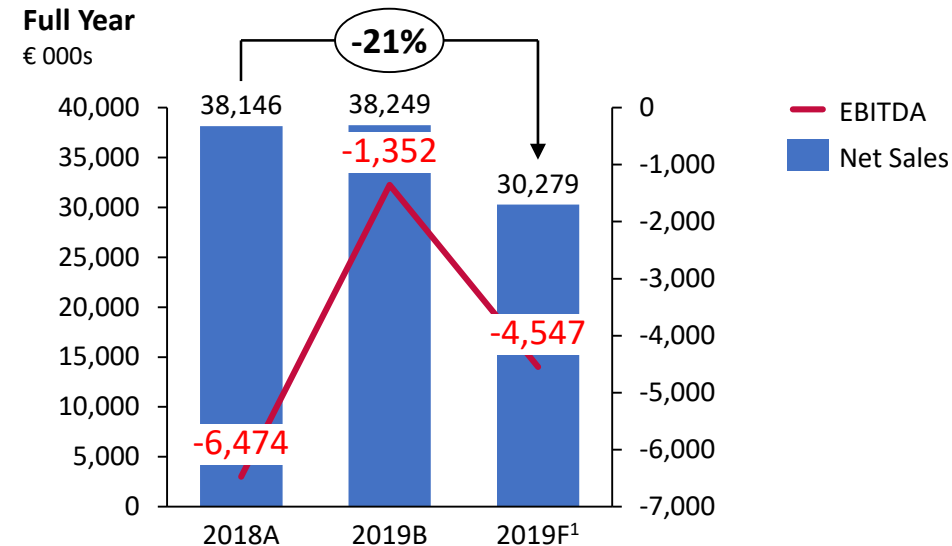
September YTD

€000s



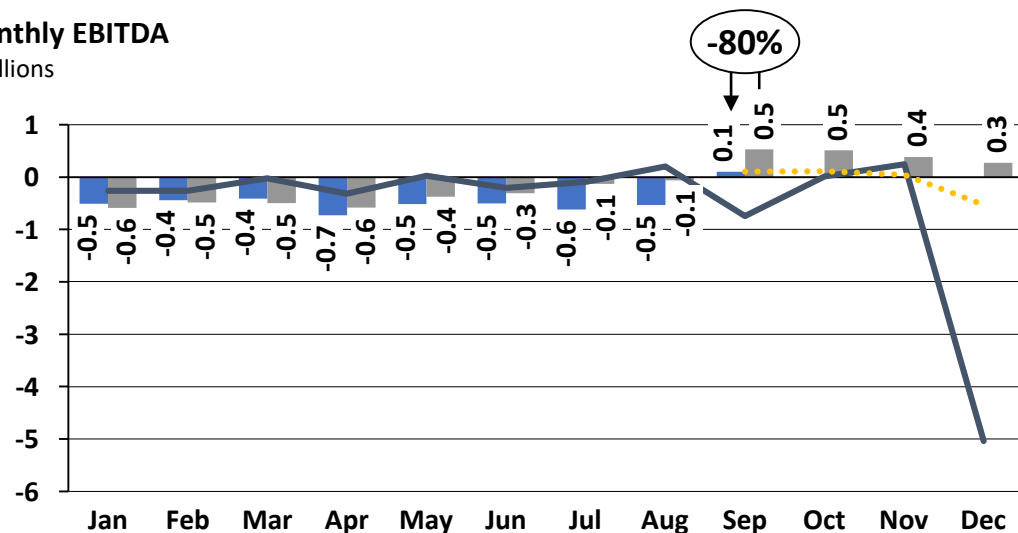
Full Year

€ 000s



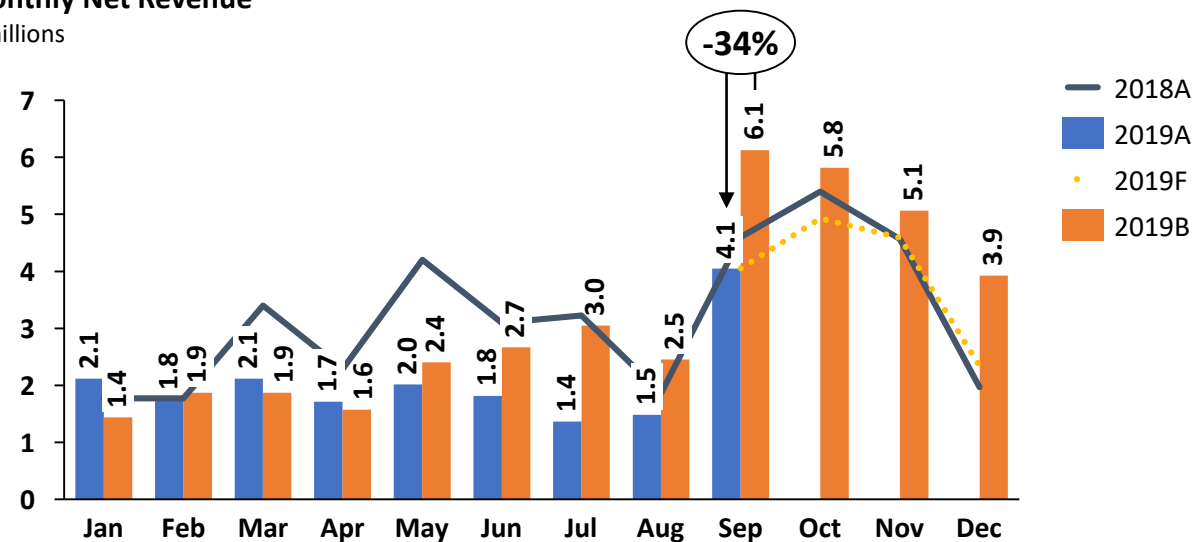
Monthly EBITDA

€ millions



Monthly Net Revenue

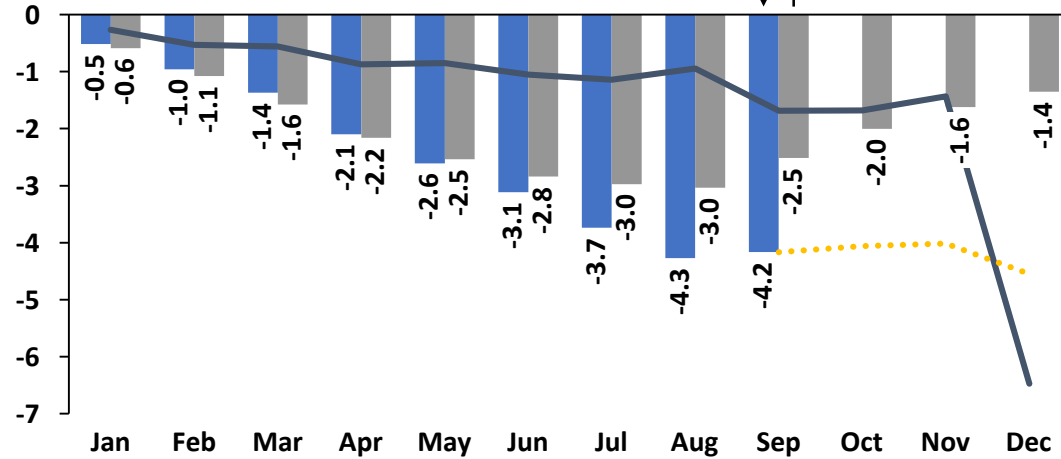
€ millions



Monthly financial metrics

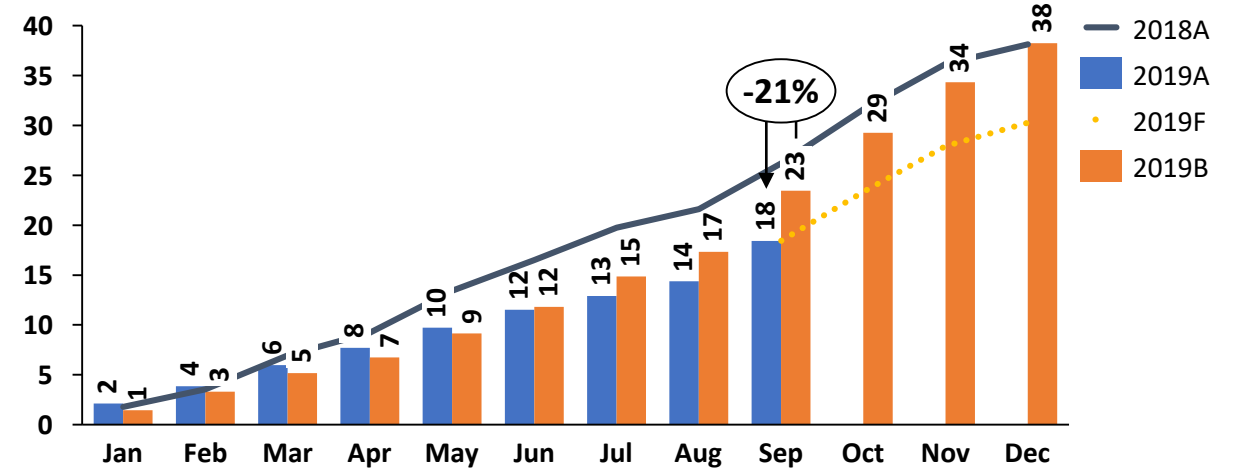
YTD EBITDA

€ millions



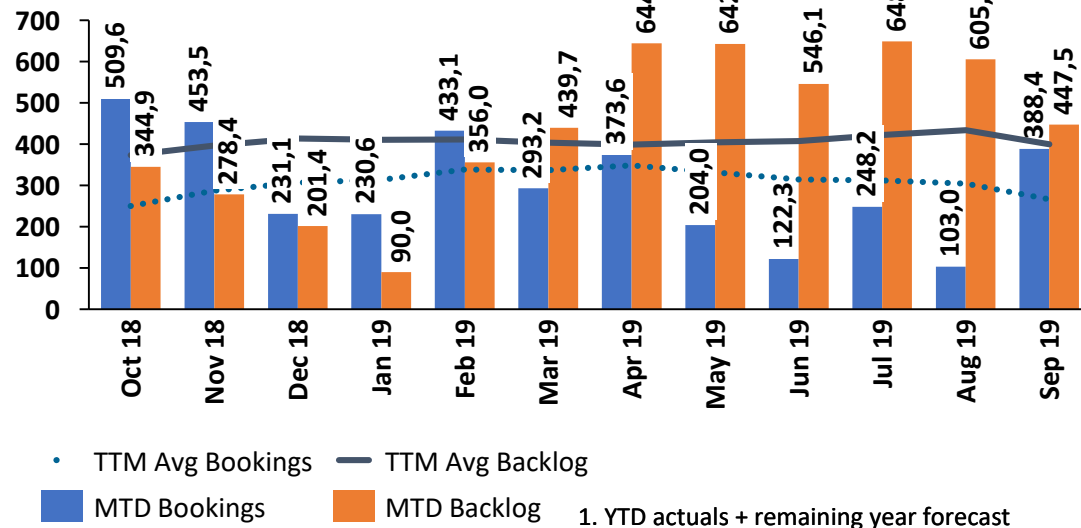
YTD Revenue

€ millions



Order Intake

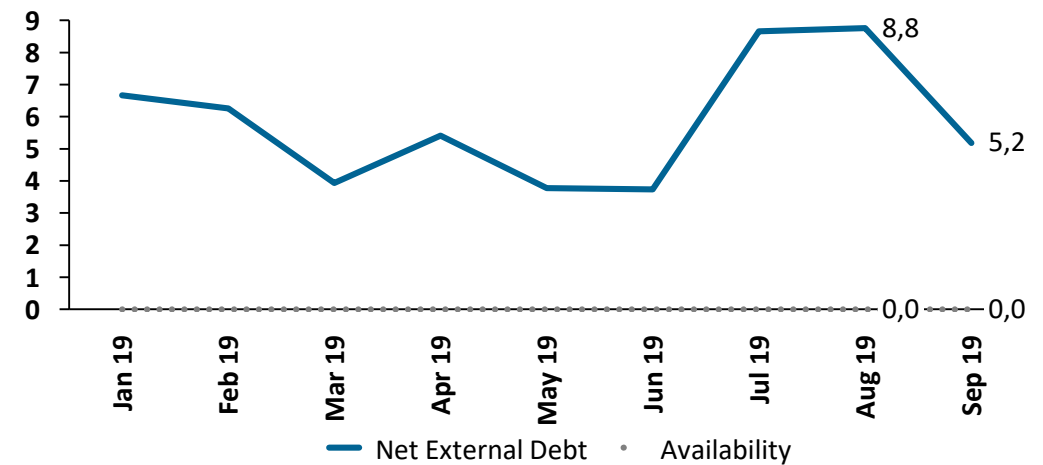
€ millions



1. YTD actuals + remaining year forecast

Liquidity

€ millions



2.f

Fichet

Executive Summary: Week of 10-23

- September sales were -5% below Budget but +16% above PY ; Variance with budget driven by Cash Management due to Gunnebo lower orders and on Services due to inefficiencies caused by the redundancy plan
- Like-for-like EBITDA in September with €0.4M is both higher than Budget (+33%) and PY (+141% or €+1.4M) Accounting adjustment (IFRS 16) of €0.3M inflated EBITDA to a reported EBITDA of €0.7M
- Like-for-like YTD EBITDA at €-3.0M is better than Budget (+4.6%, or €+0.1m) and also PY (+50.5% or €+3.0M) YTD IFRS 16 impact of €+2.6M will increase reported EBITDA to €-0.3M in 2019
- Like for like FY 2019 EBITDA is forecasted at €-1.3M vs PY at €-6.4M and a budget at €-0.4M; full year IFRS 16 impact of €+3.5M will increase reported EBITDA to €2.2M in 2019
- “Fichet Next”: new governance agreed, Executive leading indicators defined and to be published monthly
- Group reorganisation/redundancy plan: FSSF (63 jobs at stake). Process completion by end of October; FB (16 jobs) Process completion by end of December
- On-going recruitment of the Group Sales Director with 5 candidates interviewed

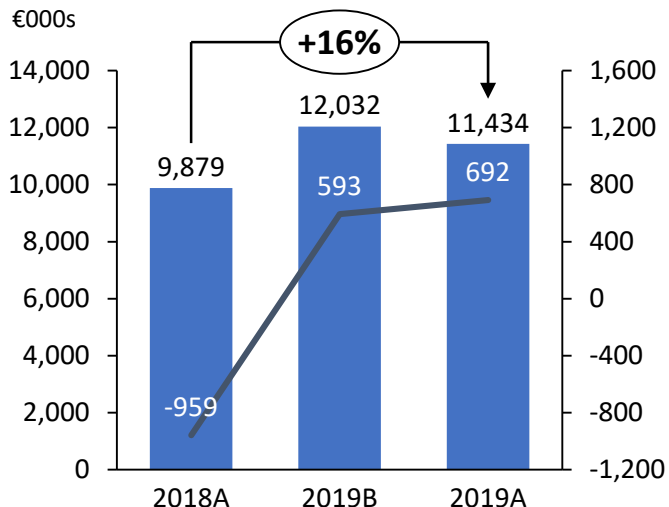
M €	Sept MTD		Sept YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	11,4	0,7	93,8	-0,3	128,4	2,2
19B	12,0	0,6	96,4	-0,5	133,9	3,1
19A % of 19B	95%	117%	97%	70%	96%	70%
18A	9,9	-1,0	89,6	-6,0	124,9	-6,4
19A % of 18A	116%	-72%	105%	6%	103%	-34%

Status Update: Project Details

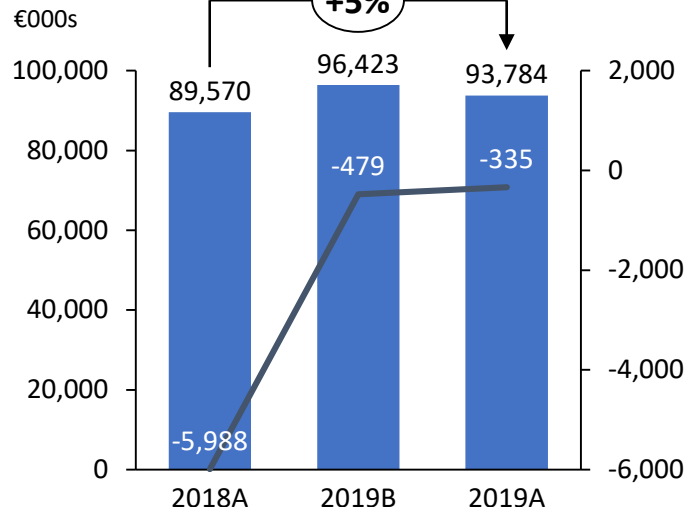
Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Backlog cleansing	●	<ul style="list-style-type: none"> 2.8M€ identified to be reviewed (7% of the backlog) including 1.5M€ prior to 2018 		
B. Group Sales Director and Benelux Sales manager recruitment	●	<ul style="list-style-type: none"> Korn Ferry appointed for both positions 5 candidates being interviewed. Short list early November and offer a week after 		
C. Cost reduction and cash program	●	<ul style="list-style-type: none"> Mainly cash impact with overdue reduction target (from €6M down to €4M) 	0.3	
D. New commercial strategy implementation / Transformation	●	<ul style="list-style-type: none"> “Fichet Next” Transformation kick-off meeting on 17/09/19 Formal communication to employees about the Group Strategy on 2nd October 		
E. Restructuring Plan	●	<ul style="list-style-type: none"> FSSF plan in final phase: 20 volunteers agreed and selection of additional 43 persons FB: From 3rd October, start of the voluntary period, process to be completed in Dec19 	0.7	0.6
F. OGx initiatives	●	<ul style="list-style-type: none"> Currently analysing the digitalization of processes (geolocalisation, Asset QR, smart sensor), Also rethinking the R&D structure and organization 	tbd	

Monthly financial metrics

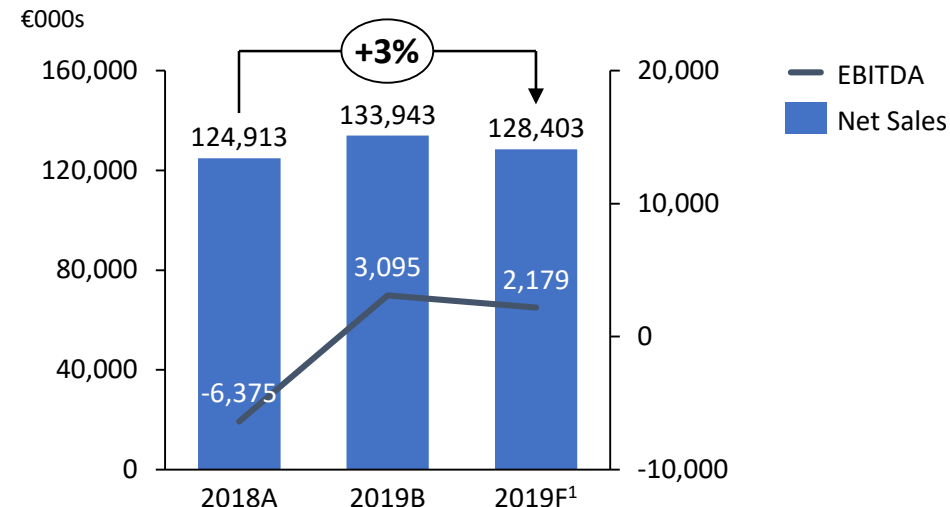
Sep MTD



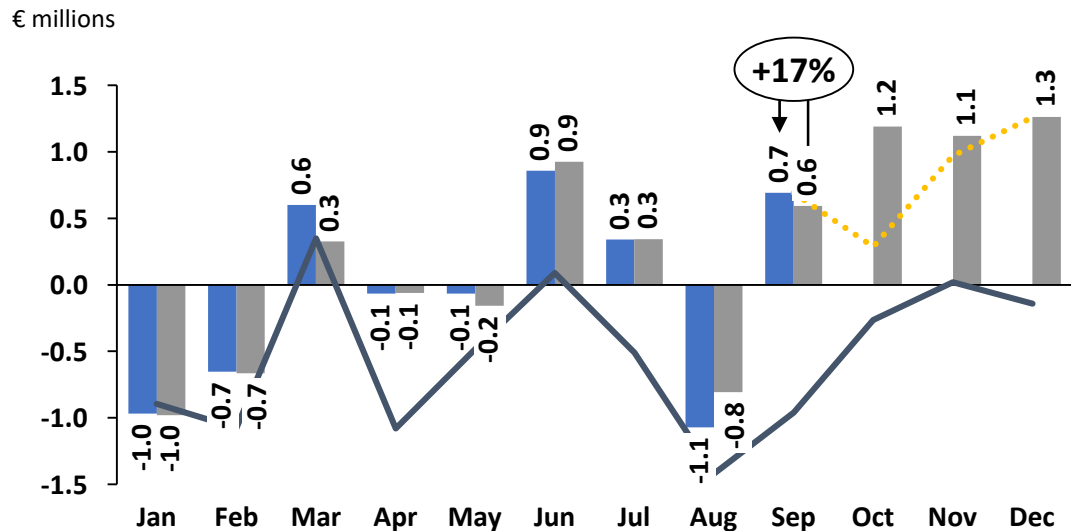
Sep YTD



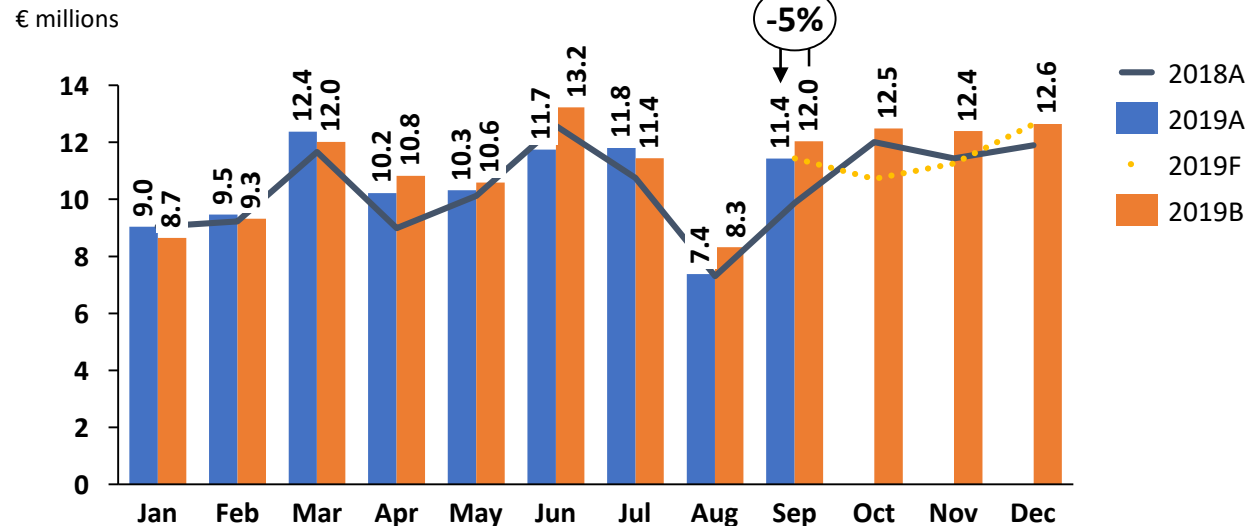
Full Year



Monthly EBITDA



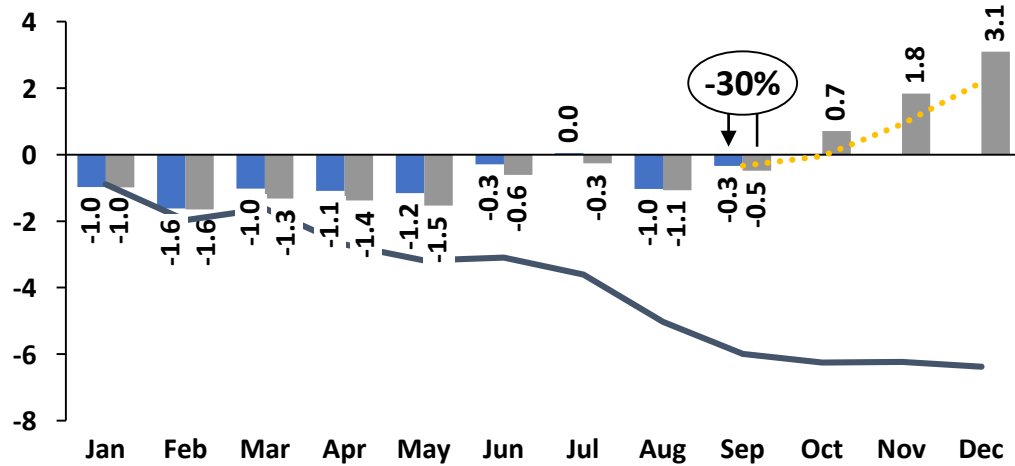
Monthly Net Revenue



1. YTD actuals + remaining year forecast

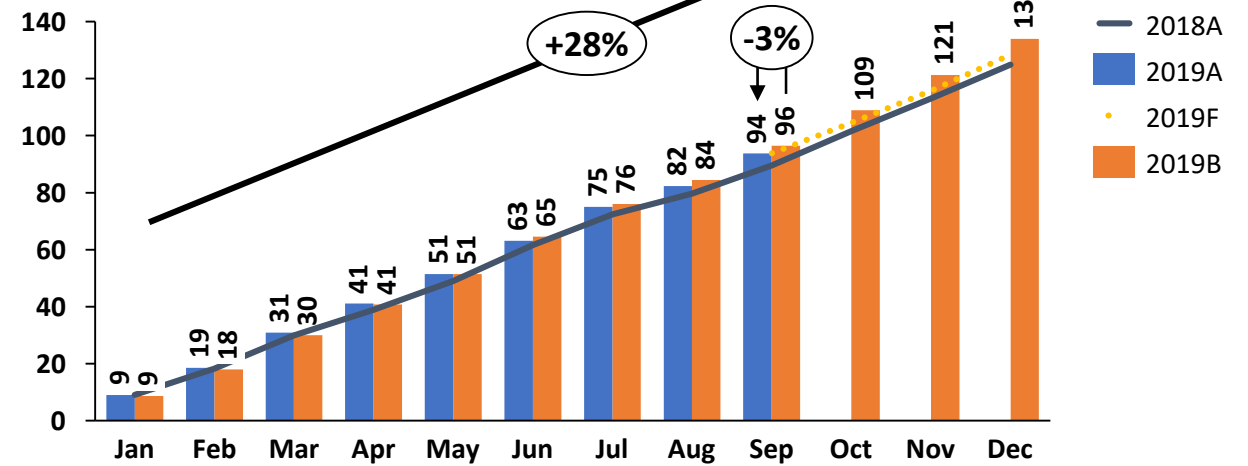
YTD EBITDA

€ millions



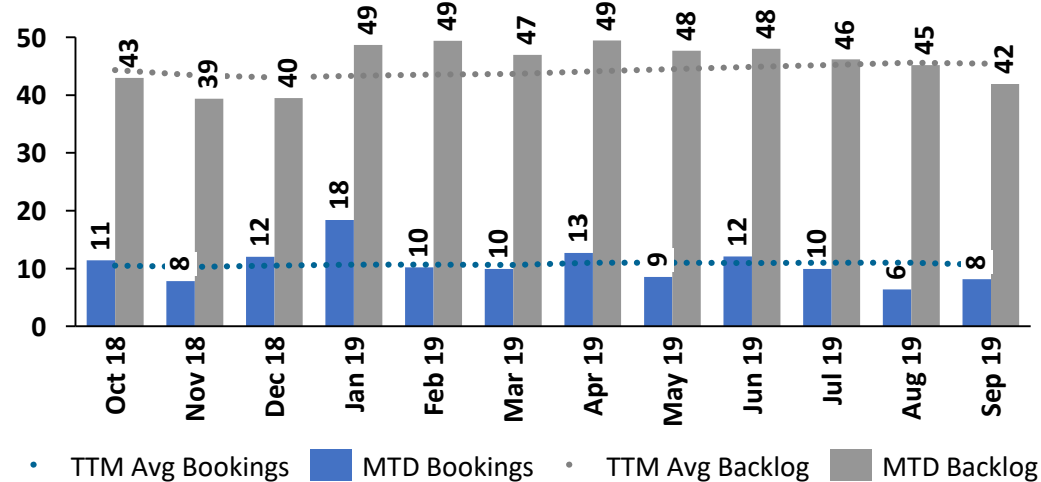
YTD Revenue

€ millions



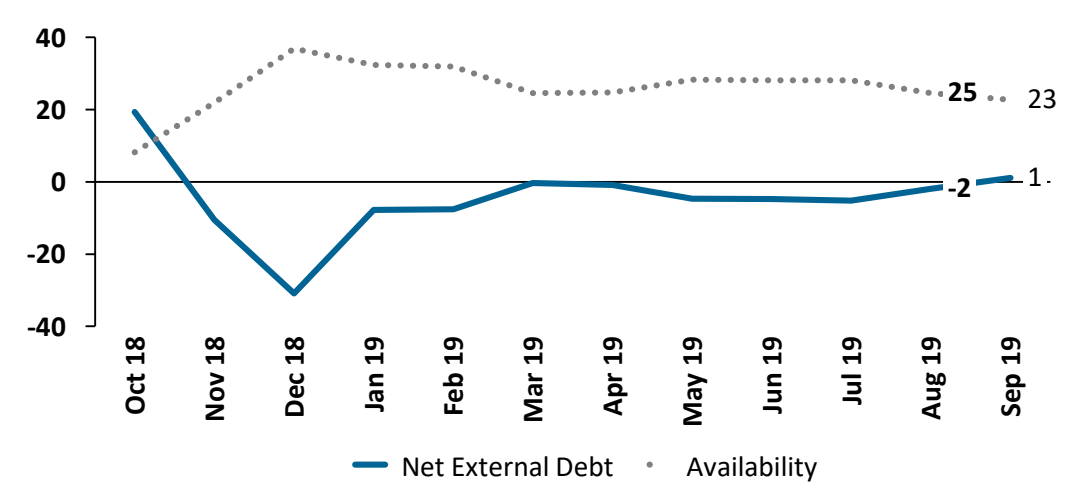
Order Intake

€ millions



Liquidity

€ millions



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SMAC

Executive Summary: Week of 10-23

- Note :21 business days in September 2019 vs. 20 in 2018. September sales were -2% below Budget but +9% above PY and +3.5% on like-for-like basis ; Vs PY, sales are at +3.2% on Works activity (-1.5% at iso # of business days) and +27.5% vs. on Industry activity.
- Like-for-like EBITDA in September with € 2.9 m (of which € 1.8 m on Works and € 1.1 m on Industry) is both higher than Budget (+62%) and PY (+725% or €+2.5 m), as 2018 included € 2.7m of non recurring items.
Accounting adjustment (IFRS 16) of € 0.6 m inflated EBITDA to a reported EBITDA of € 3.5 m.
- Like-for-like YTD EBITDA at € 10 m (of which € 5.2 m on Works and € 4.8 m on Industry) is better than Budget (+31%, or €+1.2 m) and also PY (€+ 17.3 m of which €+ 15 on Works and € +2.3 m on Industry), as 2018 included € +12.7 m of non recurring items. Impact of top line growth and better execution on works done as well decreasing SG&A vs. 2018. YTD IFRS 16 impact of € + 5.3 m will increase reported EBITDA to € 15.3 m in 2019.
- Like for like FY 2019 EBITDA is forecasted at € 13.2 m vs PY at € 9.7 m and a budget at €12.7 m ; full year IFRS 16 impact of € 7.2 m will increase reported EBITDA to €20.4 m in 2019. Reforecast of € 20.4 m seems conservative.
- Follow up of accident (fire) during waterproofing works early September in a medical center west of France. No individual injured. But direct damages and consequential losses estimated now between € 5 and to € 10 m fully covered by civil liability insurances except 200 K€ deductible. Increase of insurance premiums to expect in 2020.

M €	Sept MTD		Sept YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	52.4	3.5	443.7	15.3	586	20.4
19B	53.5	2.4	448.7	12.8	585	19.9
19A % of 19B	98%	146%	98.9%	120%	100%	102.5%
18A	48.2	3.1	408.2	5.5	556.7	9.7
19A % of 18A	108.7%	113%	108.7%	278%	105.2%	210.3%

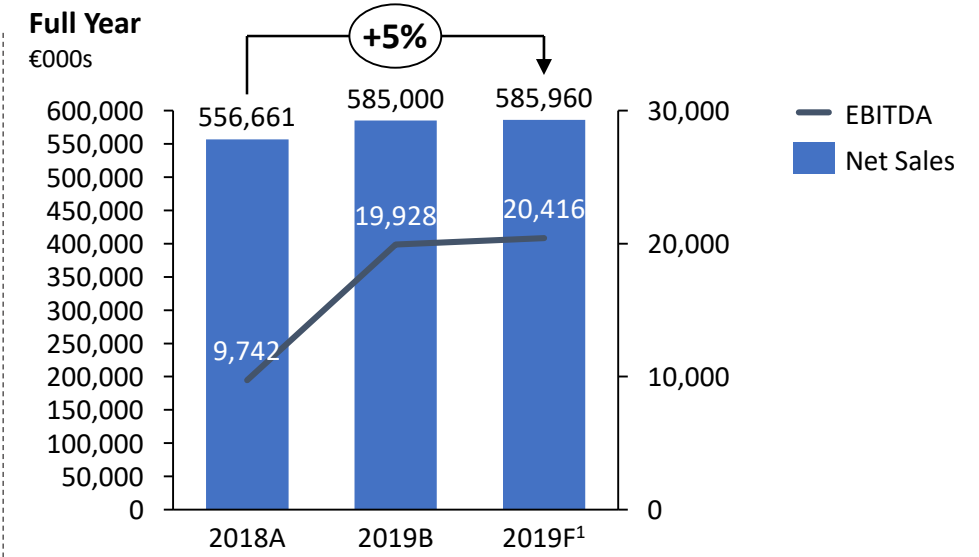
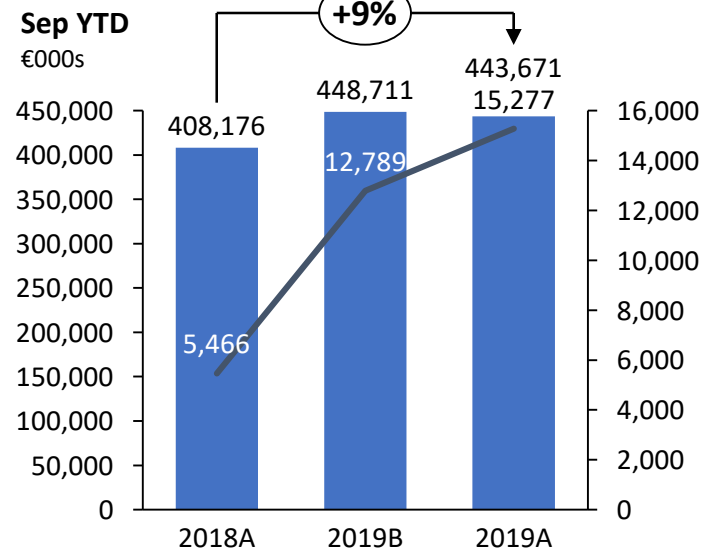
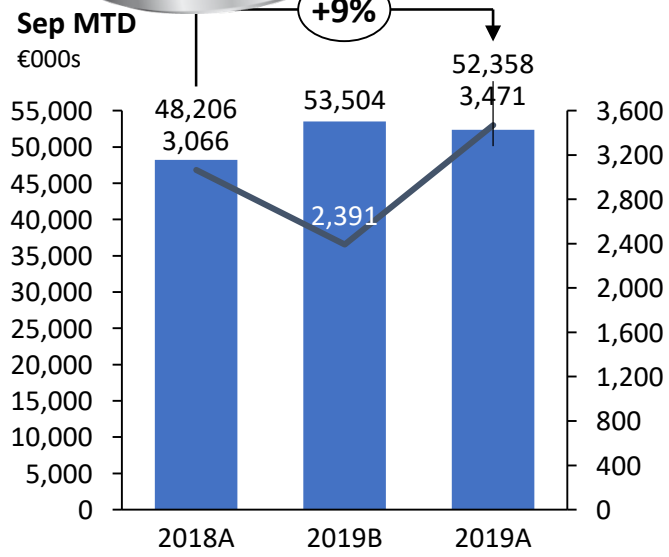
Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Bitumen supply on Industry Business (Axter)		<ul style="list-style-type: none"> No stop in production in September 2019 due to shortage of supply of bitumen. Second month in a row. Discussions with suppliers ongoing for short term take or pay contract 	NA	NA
B. Social Roadmap		<ul style="list-style-type: none"> Discussions ongoing with unions to implement new framework agreement on internal mutual fund, social benefits and working time management. 	+ [2] m€ min	NA
C. Operational excellence implementation		<ul style="list-style-type: none"> Presentation on Sept 27 of main deliverables of the project define main operating standards for waterproofing activities (m2/day done etc). Test in 3 different local branches during next 3 months to test robustness of the process. 	+ [x] m€-TBD	NA
D. IT Carve-Out and definition of new ERP		<ul style="list-style-type: none"> IT carve out on time as of today. No red flag. ERP project : RFP sent to 4 companies of which SAP / Microsoft / IFS end of September => Decision to be taken by end of November the latest. Payroll system to be changed as well. 	TBD	NA
E. Sale of Industry Division		<ul style="list-style-type: none"> Rothschild appointed as advisor to the deal. Kick-off on Oct 10. Advisors under selection (KPMG for Finance VDD) 	NA	NA

 Complete
  Just started
  On Track
  At Risk
  Behind Schedule

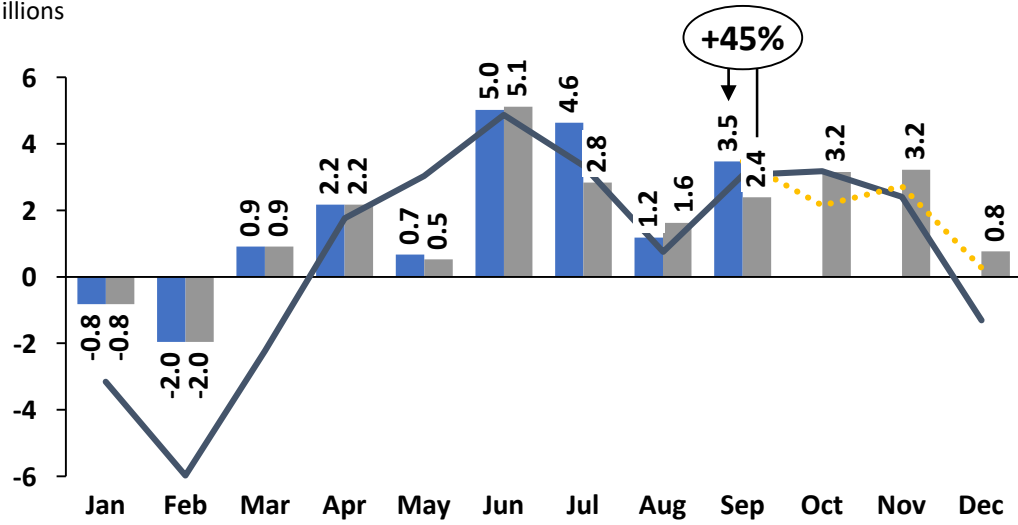


Monthly financial metrics



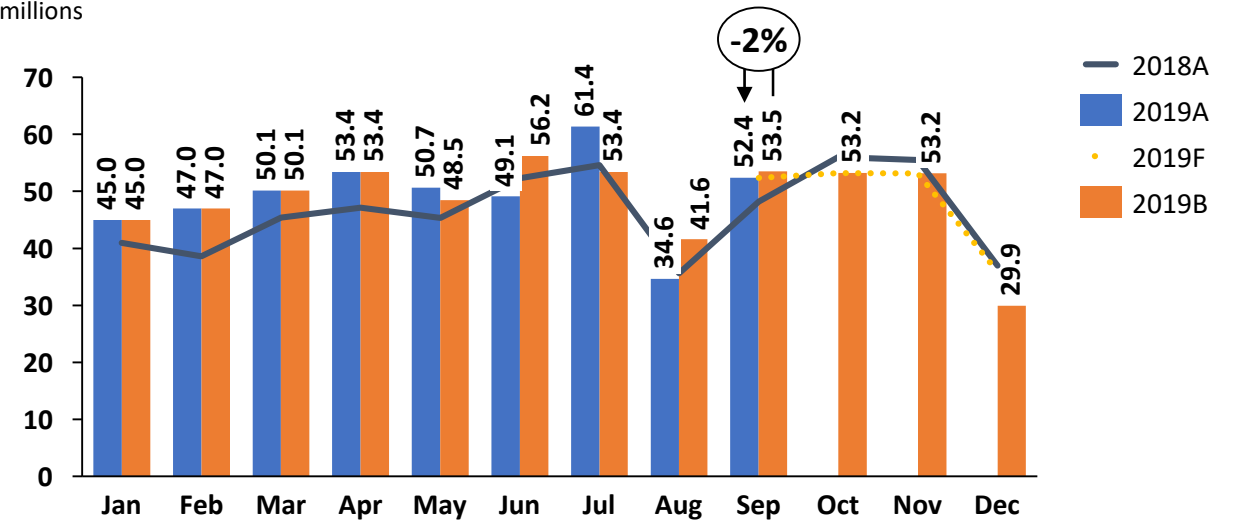
Monthly EBITDA

€ millions



Monthly Net Revenue

€ millions



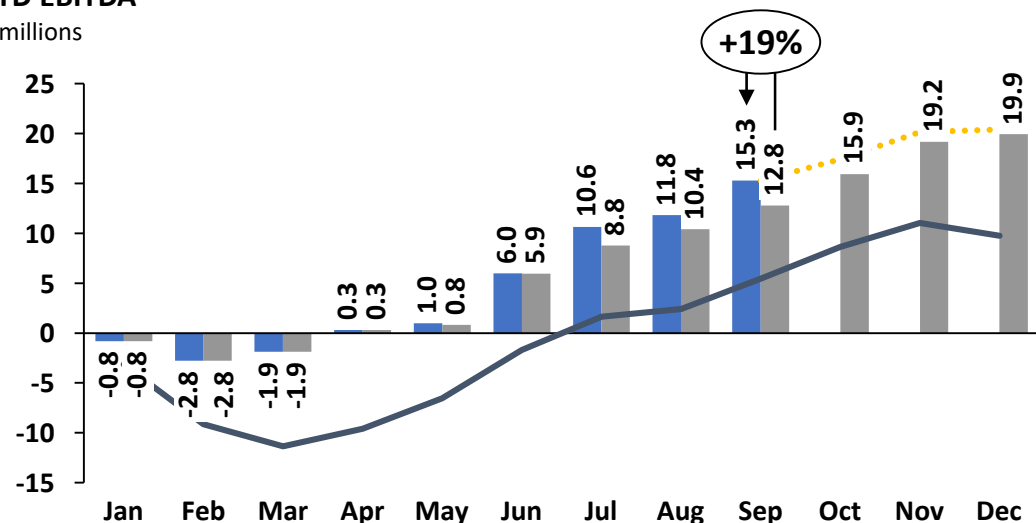
1. YTD actuals + remaining year forecast



Monthly financial metrics

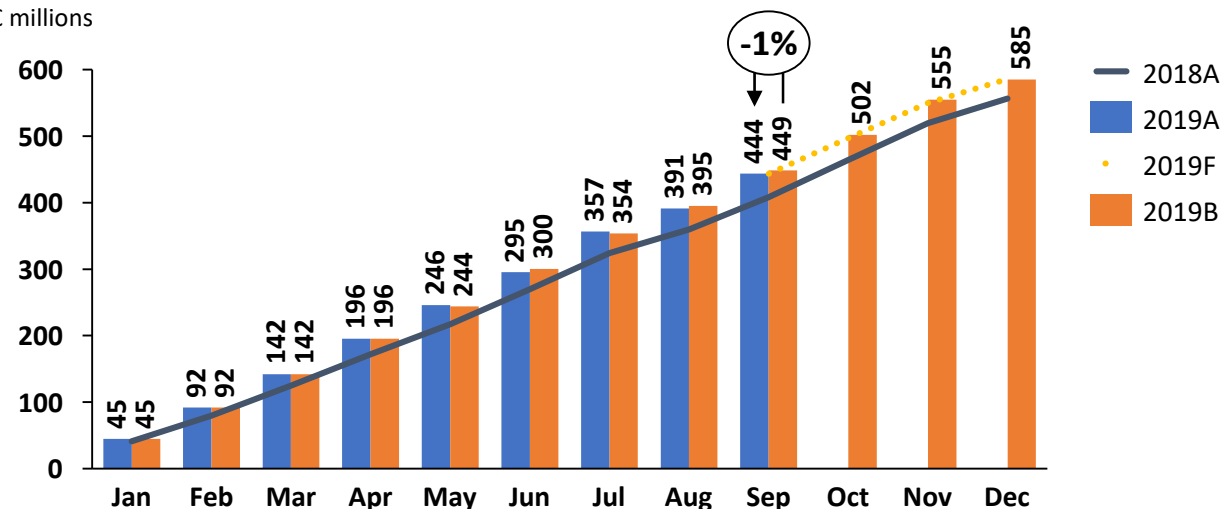
YTD EBITDA

€ millions



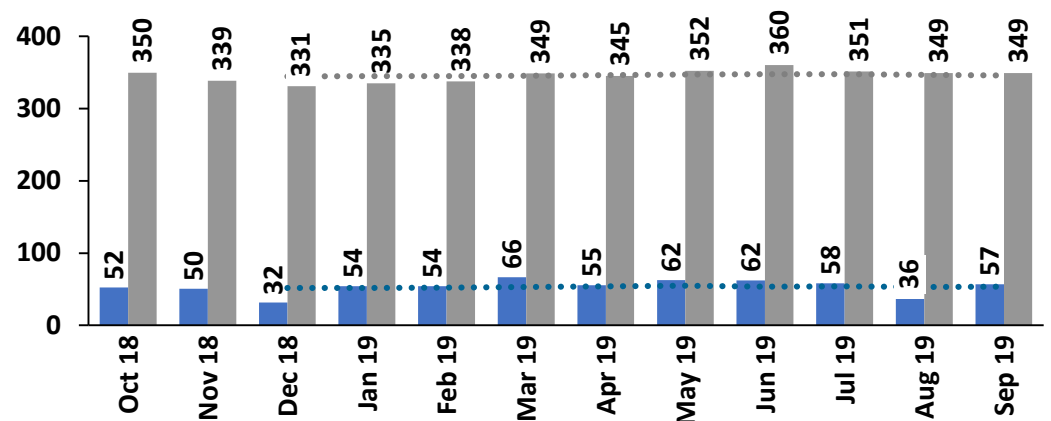
YTD Revenue

€ millions



Order Intake

€ millions

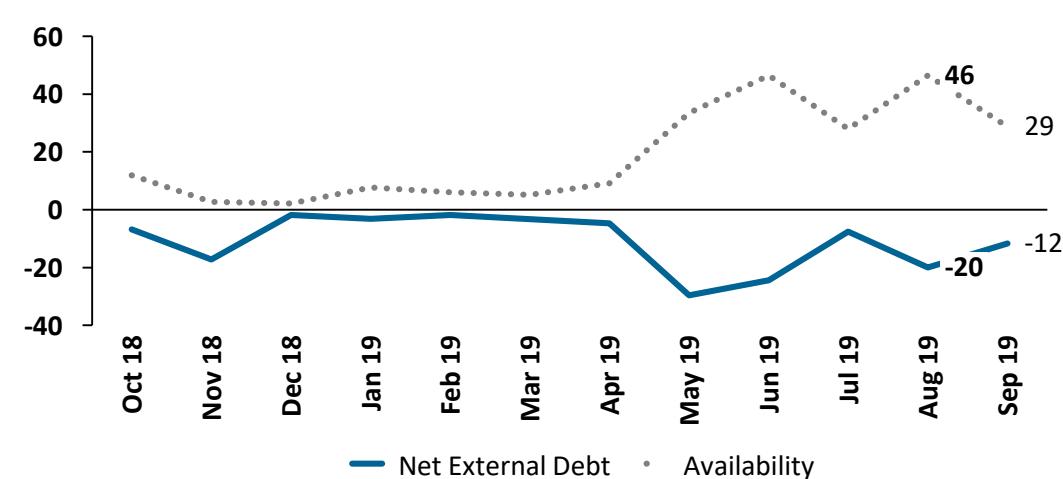


• TTM Avg Bookings ■ MTD Bookings • TTM Avg Backlog ■ MTD Backlog

1. YTD actuals + remaining year forecast

Liquidity

€ millions



— Net External Debt • Availability

Availability = cash + undrawn lines from factoring (impact since closing May June 2019)

Net External Debt = Cash – Debt to bank (including factor debt)

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Executive Summary: Week of 10-23

- September sales were -25% below Budget , -11.8% vs. 2018 and -3.5% vs. latest reforecast. Vs 2018, Diesel filters activity is flat for the first time since January so decrease is coming from MET and REF due to exceptional spot sales in 2018 with Hyundai and Vesuvio for € 0.7m.
- Like-for-like EBITDA in September with € 2.1 m (of which € 0. 6m exceptional margin in Belgium) is lower than budget (-10%) and higher than LY (+192%, i.e. + 0.7m€). Performance is not driven by high sales, but by exceptional much better mix for the month with higher ASP. Accounting adjustment (IFRS 16) of € 0.6 m inflated EBITDA to a reported EBITDA of € 2.7 m.
- Like-for-like YTD EBITDA at € 13.6 m is lower than Budget (-19%, or € -3.1 m) and also PY (€ -1.7 m). Vs. 2018, Impact of decreasing sales on Diesel filters, € - 8m, not compensated by other activities such metallurgy, refractories or other specialty products. Negative impact as well of stop in production in Venezuela during Q2. YTD IFRS 16 impact of € + 1.3m will increase reported EBITDA to € 14.9 m in 2019.
- Like for like FY 2019 EBITDA is forecasted at € 18.8 m vs PY at € 19.8 m, budget at € 21.3 m, and post closing initial reforecast at € 19.3m ; full year IFRS 16 impact of € 1.6 m will increase reported EBITDA to € 18.8 m in 2019. Action plan to increase spot sales by year end. Actions launched as well to adapt organization especially in Norway.

M €	Sept MTD		Sept YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	9.8	2.7	93.1	14.9	122.2	18.8
19B	13.1	3	101.3	16.7	133.9	21.3
19A % of 19B	75%	90%	92%	89%	91.2%	88.2%
18A	11.1	1.4	99.3	15.3	131.1	19.8
19A % of 18A	88.2%	192%	93.7%	97.4%	93.2%	95%

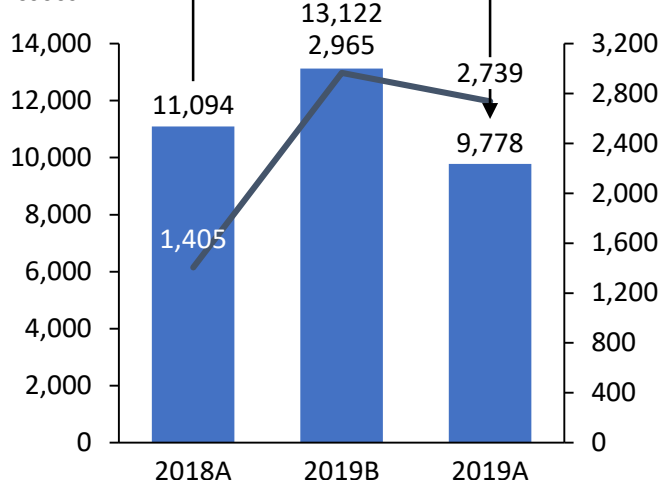
Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Closing Accounts		<ul style="list-style-type: none"> Various meeting until Oct 18 with SG. Disagreements on some key items. Unless agreement found, then independent expert will be appointed. 	TBD	NA
B. Management and HQ		<ul style="list-style-type: none"> CFO : New CFO, Stein Erik Odmussen, arrived Sept 2. Good inception so far. Finance team : Business controller and chief accountant recruited. Arrival Nov 1. COO : New COO, Martin Detje, arrived Sept 2. Current situation not satisfactory. 	NA	NA
C. Factoring		<ul style="list-style-type: none"> Successful implementation for Norway with Facto-France. First financing for Belgium done for Belgium on Oct 2 for 1.3 m€. Market testing in Brazil ongoing. Expected WC line to reach around 5 m€. 	NA	NA
D. IT Carve-Out		<ul style="list-style-type: none"> Project launched with Net System. Reminder : TSA in place with Saint Gobain until April 2020 the latest. No red flag so far on the project. 	TBD	NA
E. Strategic Roadmap		<ul style="list-style-type: none"> Work with Nexant. Positive meeting on Sept 26 with OGX(Avi) about but not limited to innovation and Carbon footprint decrease of the business. 	+ <i>[x]</i> M€	NA
F. Venezuela		<ul style="list-style-type: none"> 2000 tons in September. Delivery of 4000 tons to Europe done mid October. Increasing power costs ongoing locally. 	+ <i>[x]</i> M€	-1.m€

 Complete
  Just started
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  At Risk
  Behind Schedule

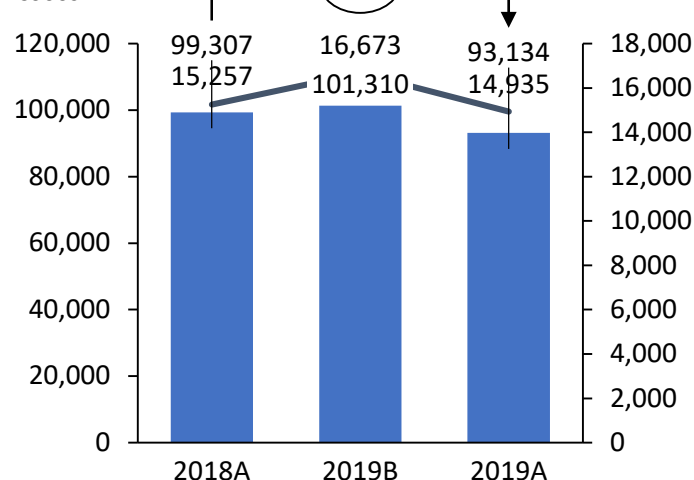
Sep MTD

€000s



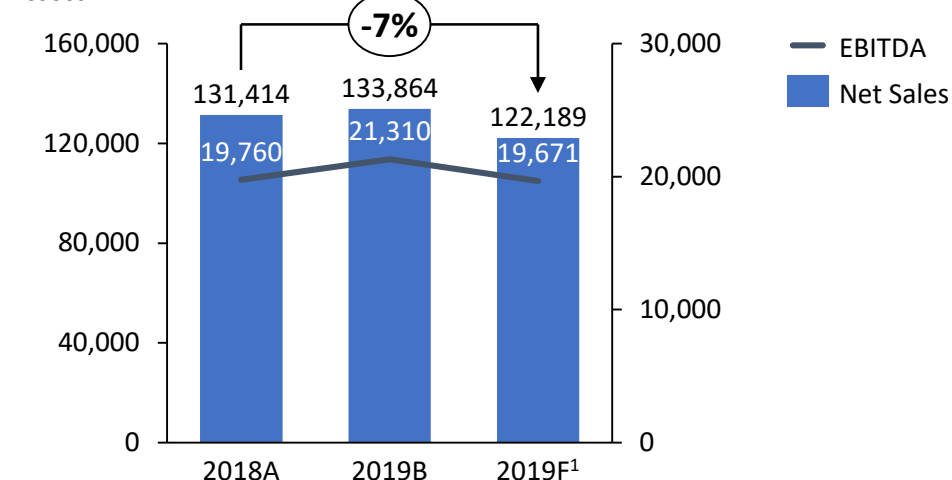
Sep YTD

€000s



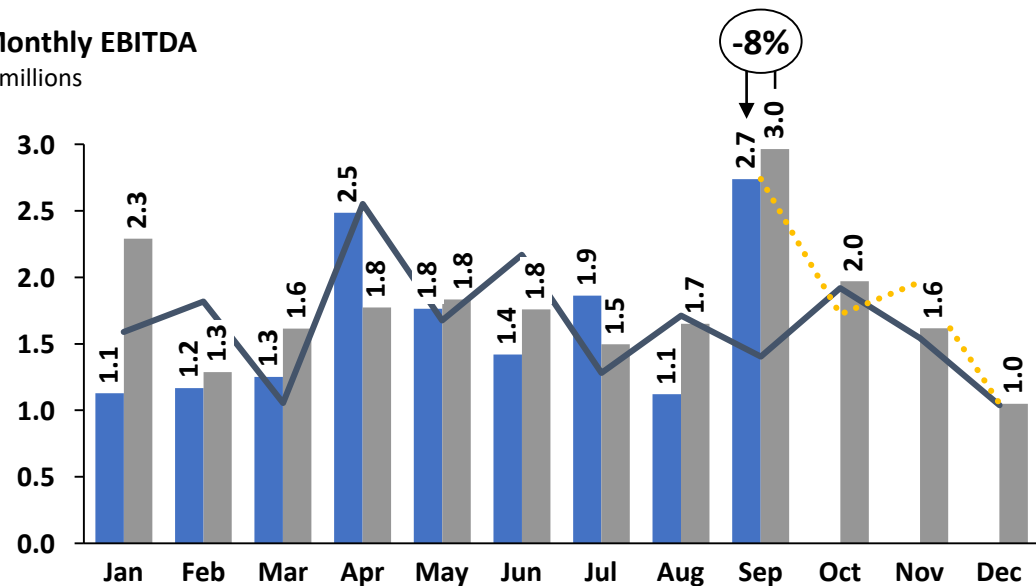
Full Year

€000s



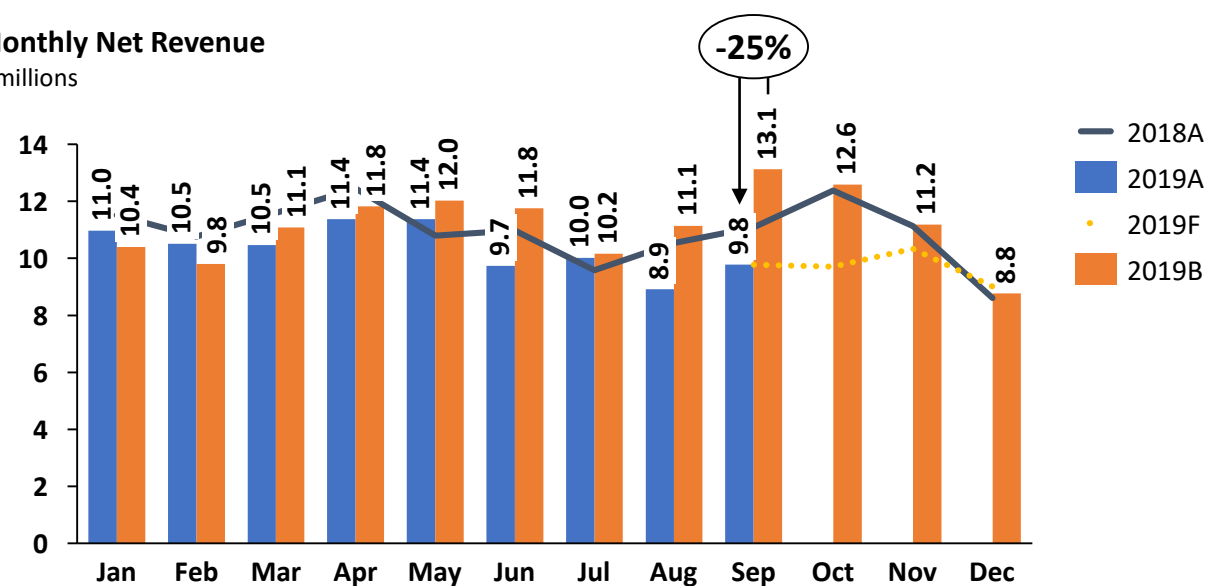
Monthly EBITDA

€ millions



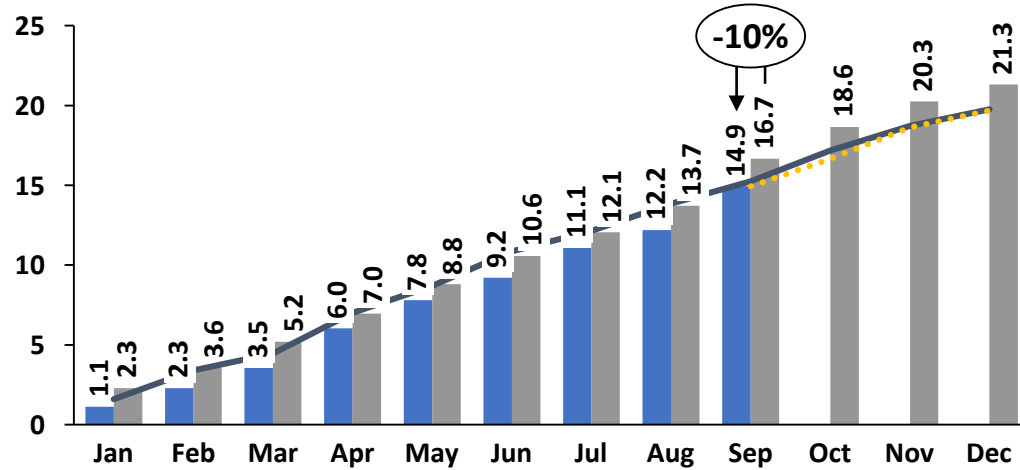
Monthly Net Revenue

€ millions



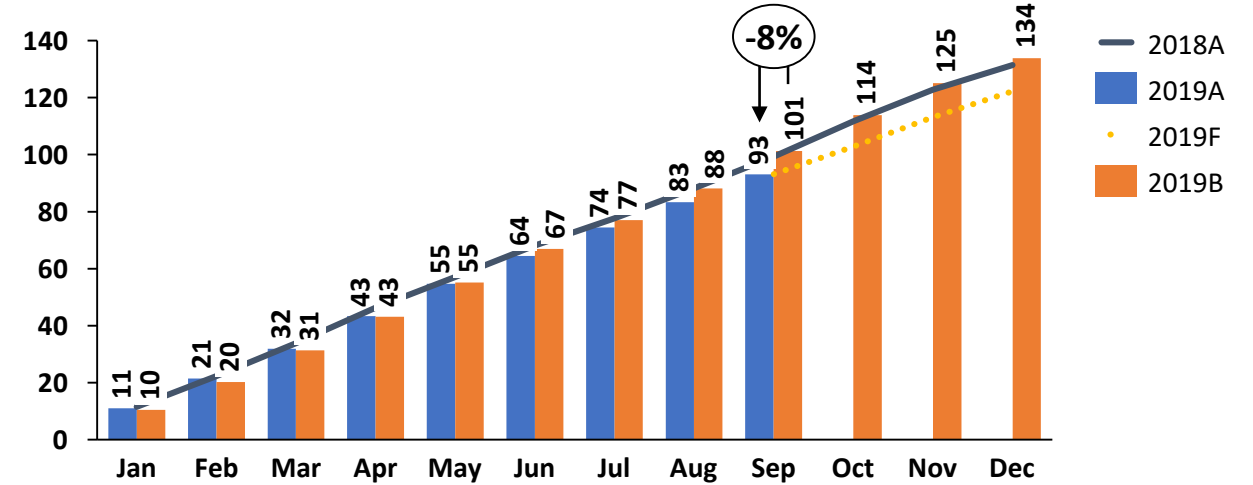
YTD EBITDA

€ millions



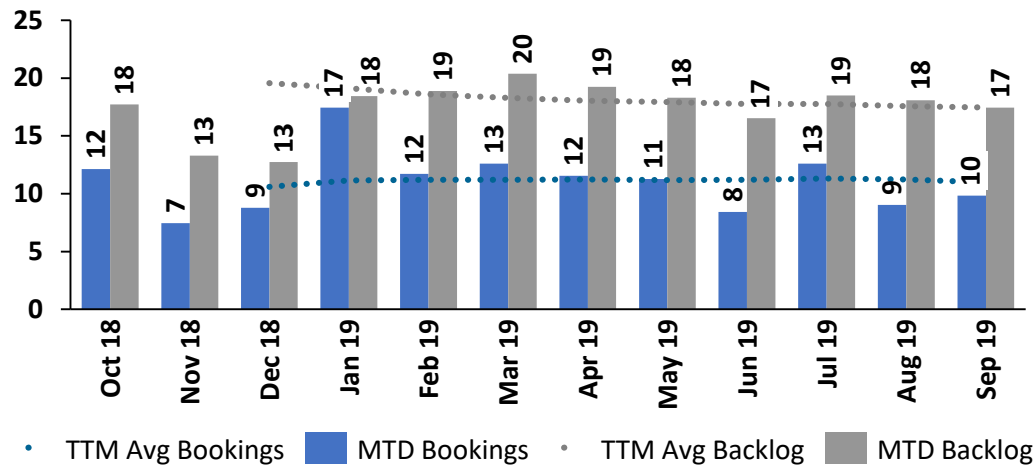
YTD Revenue

€ millions



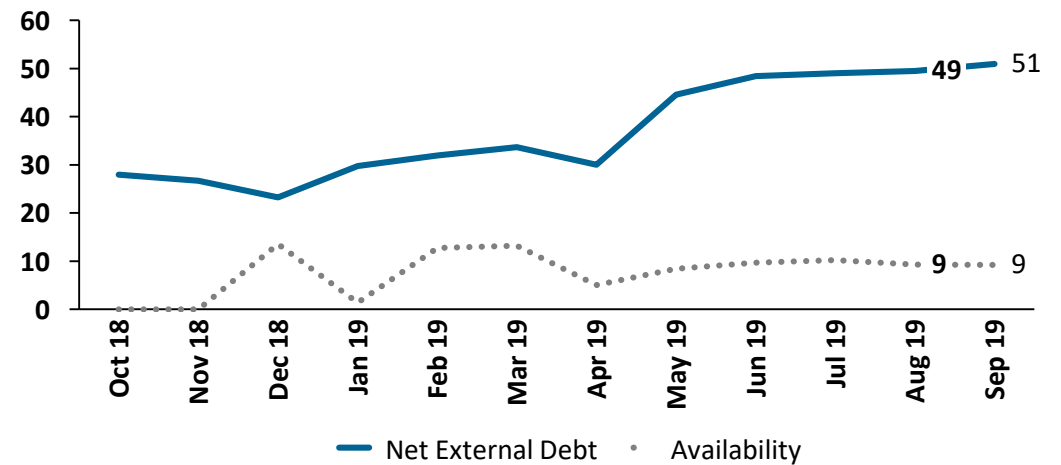
Order Intake

€ millions



Liquidity

€ millions



1. YTD actuals + remaining year forecast

Liquidity = cash at bank at this stage. (undrawn lines of factoring not taken into account yet)
Next external debt includes now the impact of the Bond issued by FIVEN AS.