



Audit Committee Meeting – Quarter Ended June 30th, 2020

July 29th, 2020



Q2 2020 Audit Committee Agenda

➔ CFO Hot Buttons

➔ Controllership Matters:

Auditor Discussion / Update on FY20 Audit

Management Governance Report – Q2 2020

➔ Financial Matters:

Q2 FY 2020 Operating Results Overview

Key Reserves

Debt Covenant Compliance

➔ 2020 Financial Outlook

➔ Special Topics and Executive Session

➔ Appendix

CFO Hot Buttons

- Need to finalize CEO's 2019 tax returns and equalization payment calculations
- Need to determine 2020 payroll tax withholdings and remittances for US employees working in Canada

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Auditor Discussion / Update on FY20 Audit

- 2019 Audit:
 - Consolidated financial statements approved by Board of Directors on May 6th, 2020
 - Responses provided to GT-IT team regarding IT internal control deficiencies highlighted in the 2019 Audit Results report
 - 2019 Audit completed on time and on budget
- 2020 Audit Plan & Fees:
 - Develop 2020 audit plan in late summer
 - Continuity on the account – Patrick, Michael, Ranbir, Apekshita
 - PBC listing and preliminary field work timing TBD
 - 2020 audit fees proposal
- New accounting pronouncements:
 - Refer to GT Report to the Audit Committee Q1 2020 presentation
- Other Matters to discuss
 - None

Management Governance Report

Disclosure Committee:

- Members include: CEO, CFO & VP Manufacturing
- Meeting held on July 8th, 2020
- Financial results were reviewed and found to be complete and accurate in all material respects
- CEO & CFO reviewed Board presentation separately and found to be complete

Anonymous Hotline:

- None

Modification of Delegation of Authority:

- No changes recommended at this time

Management Governance Report (Continued)

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

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Q2 FY 2020 Overview

➔ Lowlights:

- Overall sales revenues and volumes were behind Plan by \$10.9 million and 25% for the Quarter due to lower demand from both Canadian and US customers as a result of the COVID-19 situation and related shutdowns in April and May
- Sales were behind Plan across all extrusion plants. Terrebonne sales were also behind Plan due to the shutdown of Quebec customers since mid-March with start up activities commencing in mid-May. ECS external compound sales were slightly behind Plan due to decreased orders from window extrusion customers partially offset by higher sales with new customers and new products
- Overall sales revenues and volumes were behind Prior Year by \$8.7 million and 21% for the Quarter due to lower demand from both Canadian and US customers as a result of the COVID-19 situation and related shutdowns. Sales were behind Prior Year at all extrusion plants and Terrebonne. ECS external compound sales were ahead of Prior Year due to continued sales from the launch of new business (Delcan, Fence Outlet, Nuform)
- EBITDA behind Plan by \$1.5 million. EBITDA unfavorably impacted by lower sales volumes, unfavorable absorption impacts due to COVID-19 related shutdowns early in the Quarter, reduced production levels and selling more out of inventory than Plan
- EBITDA was behind the Prior Year by \$295K impacted by lower sales volumes and an unfavorable absorption impact due to reduced production levels

➔ Highlights:

- Despite significant volume reductions in April and May due to the COVID-19 pandemic, June sales activity was ahead of Plan and Prior Year
- Overall sales order flow outlook for July is currently ahead of Prior Year on a Month to Date basis by 15.3%. Extrusion sales orders are ahead of prior year orders by 16.9% while Patio Door sales orders are ahead by 6.3%. Currently, July sales are tracking in line with Plan and ahead of Prior Year
- Q2 EBITDA benefited by a reduction in labor costs, lower manufacturing overhead costs (ie. Utilities, maintenance, supplies), lower OPEX spending and the benefit from the Canada Emergency Wage Subsidy in the amount of \$1.1 million

Consolidated Summary P&L – Q2 2020

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	16,055	26,929	(10,874)	(40.4%)	39,626	50,808	(11,182)	(22.0%)
Units Shipped ('000)	20,813	27,043	(6,230)	(23.0%)	43,327	48,404	(5,077)	(10.5%)
Bookings (\$'000)	\$ 37,396	\$ 47,196	\$ (9,800)	(20.8%)	\$ 76,172	\$ 83,201	\$ (7,029)	(8.4%)
Backlog (\$'000)	\$ 14,016	\$ 9,292	\$ 4,723	50.8%	\$ 14,016	\$ 9,292	\$ 4,723	50.8%
Gross Revenue	\$ 35,010	\$ 46,825	\$ (11,815)	(25.2%)	\$ 72,169	\$ 82,378	\$ (10,209)	(12.4%)
Adj. to Gross Revenue	(1,542)	(2,419)	877	(36.2%)	(3,401)	(4,086)	685	(16.8%)
Net Revenue	33,468	44,406	(10,939)	(24.6%)	68,768	78,292	(9,524)	(12.2%)
Material	17,079	21,734	(4,655)	(21.4%)	34,056	38,542	(4,486)	(11.6%)
Labor	5,341	9,213	(3,872)	(42.0%)	13,906	17,933	(4,027)	(22.5%)
Other COGS	5,672	4,761	911	19.1%	9,959	7,879	2,080	26.4%
Total COGS	28,092	35,708	(7,616)	(21.3%)	57,921	64,354	(6,433)	(10.0%)
Gross Margin	5,375	8,698	(3,323)	(38.2%)	10,847	13,938	(3,091)	(22.2%)
Gross Margin %	16.1%	19.6%			15.8%	17.8%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	835	1,591	(756)	(47.5%)	2,307	3,201	(894)	(27.9%)
Administrative	1,883	2,760	(877)	(31.8%)	4,386	5,459	(1,073)	(19.6%)
Other Opex	(172)	(34)	(138)	400.8%	0	(51)	52	(100.5%)
Total Opex	2,546	4,316	(1,771)	(41.0%)	6,694	8,609	(1,915)	(22.2%)
EBITDA	2,830	4,381	(1,552)	(35.4%)	4,153	5,329	(1,176)	(22.1%)
EBITDA %	8.5%	9.9%			6.0%	6.8%		
Net Income (Loss)	\$ 663	\$ 458	\$ 205	44.9%	\$ (3,681)	\$ (3,207)	\$ (474)	14.8%
Capex	\$ (590)	\$ (2,218)	\$ 1,628	(73.4%)	\$ (1,274)	\$ (3,971)	\$ 2,697	(67.9%)
Opex Overview:								
Payroll	\$ 1,594	\$ 2,486	\$ (892)	(35.9%)	\$ 3,974	\$ 5,005	\$ (1,031)	(20.6%)
Bonus	103	185	(82)	(44.4%)	242	370	(128)	(34.6%)
Commissions	49	69	(19)	(27.9%)	132	128	3	2.6%
Marketing	214	276	(61)	(22.3%)	403	551	(148)	(26.8%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	26	275	(249)	(90.6%)	191	562	(371)	(66.0%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	62	89	(27)	(30.4%)	126	174	(48)	(27.5%)
Professional fees	124	167	(43)	(25.7%)	316	305	11	3.7%
Office Expenses	46	66	(20)	(30.7%)	107	126	(18)	(14.6%)
IT	371	491	(120)	(24.4%)	786	948	(162)	(17.1%)
Bad Debts	(2)	(1)	(1)	134.7%	61	(2)	63	(3492.5%)
FX	(130)	–	(130)	N/A	95	–	95	N/A
JV Loss (Income)	(42)	(34)	(8)	22.8%	(95)	(51)	(44)	85.2%
Other Expenses	130	249	(118)	(47.5%)	355	493	(138)	(28.1%)
Total Opex	\$ 2,546	\$ 4,316	\$ (1,771)	(41.0%)	\$ 6,694	\$ 8,609	\$ (1,915)	(22.2%)

Management Discussion

Net Revenue – QTD -\$10,939K:

- Extrusion external sales volume behind Budget by \$9.0 million with lower volumes across all plants driven by a mix of both Canadian and US customers impacted by the COVID-19 situation; significant volume reductions in April & May, with favorable volume impacts in June of \$980K
- Patio Door gross sales were behind Budget by \$2.2 million driven by decreased demand as a result of economic softness due to the COVID-19 situation and production challenges trying to satisfy increased sales orders. External compound sales were behind Budget by \$223K due to decreased orders from window extrusion customers partially offset by new customers (Delcan and Fence Outlet) and new products (Nuform)
- Favorable price/product mix of \$339K mainly from Woodbridge and Laval
- Rebates & discounts were favorable by \$812K due to volume and customer mix
- Returns & allowances were slightly favorable versus Budget by \$23K
- Unfavorable F/X impact of approx. \$727K (actual rate of 1.3859 [or \$USD 0.7215] vs. Budget rate of 1.33 [or \$USD 0.7519])

EBITDA – QTD -\$1,552K:

- Material COGS:** Decreased costs primarily driven by a reduced volume impact of \$4,462K and a favorable material price impact of approx. \$319K (resin, impact modifier and stabilizer), lower inventory reserves of \$354K and favorable scrap & usage variance at ECS of \$130K; partially offset by \$610K due to unfavorable yields & additional scrap at Woodbridge and Everett due to lower volumes and production inefficiencies
- Labor COGS:** Decrease in labor costs driven by lower production volumes and layoffs as a result of COVID-19 impacts, the benefit of the Canada Emergency Wage Subsidy (CEWS) of \$918K for the Canadian plants (\$599K in June and \$319K in May) and lower bonus accrual of \$74K
- Other COGS:** Increase of \$911K comprised of: an unfavorable absorption impact of \$2,322K as a result of selling more out of inventory than Plan and lower production; partially offset by lower freight costs of \$706K as a result of freight savings, lower volumes and customer mix, lower utilities of \$520K as a result of reduced production levels and lower manufacturing o/h costs of \$185K (ie. Maintenance, factory supplies, net of lower tool & die recovery)
- Sales and Marketing:** Lower payroll costs due to lower headcount (Covid-19 layoffs) and benefit from the CEWS (\$64K), lower marketing spend due to cost containment initiatives, lower product development costs due to timing and lower T&E costs
- Administrative:** Lower payroll costs due to COVID-19 reductions (layoffs, furloughs, reductions) and benefit from the CEWS (\$154K), lower bonus accrual and lower spending due to cost containment initiatives
- Other Opex:** Favorable realized F/X re-valuation impact due to F/X revaluation of working capital balances (change in F/X from 1.4172 on March 31st to 1.3655 on June 30th)

Consolidated Summary P&L (vs PY) – Q2 2020

\$'000	QTD		Var		YTD		Var	
	Act	PY-Act	\$	%	Act	PY-Act	\$	%
Units Produced ('000)	16,055	25,123	(9,068)	(36.1%)	39,626	48,669	(9,043)	(18.6%)
Units Shipped ('000)	20,813	25,588	(4,776)	(18.7%)	43,327	46,349	(3,022)	(6.5%)
Bookings (\$'000)	\$ 37,396	\$ 45,796	\$ (8,399)	(18.3%)	\$ 76,172	\$ 79,588	\$ (3,416)	(4.3%)
Backlog (\$'000)	\$ 14,016	\$ 11,128	\$ 2,887	25.9%	\$ 14,016	\$ 11,128	\$ 2,887	25.9%
Gross Revenue	\$ 35,010	\$ 44,350	\$ (9,340)	(21.1%)	\$ 72,169	\$ 79,123	\$ (6,954)	(8.8%)
Adj. to Gross Revenue	(1,542)	(2,148)	606	(28.2%)	(3,401)	(3,791)	390	(10.3%)
Net Revenue	33,468	42,202	(8,734)	(20.7%)	68,768	75,333	(6,565)	(8.7%)
Material	17,079	20,651	(3,572)	(17.3%)	34,056	36,620	(2,565)	(7.0%)
Labor	5,341	9,176	(3,835)	(41.8%)	13,906	17,730	(3,824)	(21.6%)
Other COGS	5,672	4,756	916	19.3%	9,959	8,196	1,763	21.5%
Total COGS	28,092	34,583	(6,491)	(18.8%)	57,921	62,547	(4,626)	(7.4%)
Gross Margin	5,375	7,619	(2,243)	(29.4%)	10,847	12,785	(1,938)	(15.2%)
Gross Margin %	16.1%	18.1%			15.8%	17.0%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	835	1,725	(890)	(51.6%)	2,307	3,356	(1,048)	(31.2%)
Administrative	1,883	2,920	(1,037)	(35.5%)	4,386	5,804	(1,418)	(24.4%)
Other Opex	(172)	(152)	(21)	13.5%	0	(268)	268	(100.1%)
Total Opex	2,546	4,493	(1,948)	(43.4%)	6,694	8,892	(2,198)	(24.7%)
EBITDA	2,830	3,125	(295)	(9.5%)	4,153	3,893	260	6.7%
EBITDA %	8.5%	7.4%			6.0%	5.2%		
Net Income (Loss)	\$ 663	\$ 441	\$ 222	50.3%	\$ (3,681)	\$ (1,996)	\$ (1,686)	84.5%
Capex	\$ (590)	\$ (1,772)	\$ 1,182	(66.7%)	\$ (1,274)	\$ (3,352)	\$ 2,078	(62.0%)
Opex Overview:								
Payroll	\$ 1,594	\$ 2,607	\$ (1,014)	(38.9%)	\$ 3,974	\$ 5,083	\$ (1,109)	(21.8%)
Bonus	103	335	(232)	(69.3%)	242	672	(430)	(64.0%)
Commissions	49	61	(11)	(18.3%)	132	114	18	15.8%
Marketing	214	334	(120)	(35.9%)	403	679	(276)	(40.6%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	26	283	(258)	(90.9%)	191	554	(363)	(65.5%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	62	73	(11)	(15.4%)	126	153	(27)	(17.5%)
Professional fees	124	138	(13)	(9.8%)	316	291	25	8.4%
Office Expenses	46	68	(22)	(32.4%)	107	134	(27)	(20.0%)
IT	371	468	(97)	(20.7%)	786	932	(146)	(15.7%)
Bad Debts	(2)	65	(67)	(103.2%)	61	97	(36)	(37.2%)
FX	(130)	(84)	(46)	54.8%	95	(167)	262	(157.2%)
JV Loss (Income)	(42)	(68)	25	(37.6%)	(95)	(101)	6	(5.9%)
Other Expenses	130	213	(82)	(38.7%)	355	451	(96)	(21.3%)
Total Opex	\$ 2,546	\$ 4,493	\$ (1,948)	(43.3%)	\$ 6,694	\$ 8,892	\$ (2,198)	(24.7%)

Management Discussion

Net Revenue – QTD -\$8,734K:

- Extrusion external sales volume behind Prior Year by \$7.7 million with lower volumes across all plants driven by a mix of both Canadian and US customers impacted by the COVID-19 situation; significant volume reductions in April & May, with favorable volume impacts in June of \$1,769K
- Patio Door gross sales were behind Prior Year by \$1,451K driven by decreased demand as a result of economic softness due to the COVID-19 situation and production challenges trying to satisfy increased sales orders. External compound sales were ahead of Prior Year by \$331K due to increased orders from new customers (Delcan and Fence Outlet) and new products (Nuform)
- Favorable price/product mix impact of \$86K
- Rebates & discounts were favorable by \$558K due to volume and customer mix
- Returns & allowances were favorable versus Prior Year by \$69K
- Unfavorable F/X impact of approx. \$634K (actual rate of 1.3859 [or \$USD 0.7215] vs. Prior Year rate of 1.3375 [or \$USD 0.7477])

EBITDA – QTD -\$295K:

- Material COGS:** Decreased costs primarily driven by a reduced volume impact of \$3,377K and a favorable material price impact of approx. \$16K (resin, impact modifier and stabilizer), lower inventory reserves of \$609K; partially offset by \$430K due to unfavorable yields & additional scrap at Woodbridge and Everett due to lower volumes and production inefficiencies
- Labor COGS:** Decrease in labor costs driven by lower production volumes and layoffs as a result of COVID-19 impacts, the benefit of the Canada Emergency Wage Subsidy (CEWS) of \$918K for the Canadian plants (\$599K in June and \$319K in May) and lower bonus accrual of \$211K
- Other COGS:** Increase of \$916K comprised of: an unfavorable absorption impact of \$2,032K as a result of selling more out of inventory than Prior Year and lower production and higher manufacturing o/h costs of \$27K (lower tool & die recovery partially offset by lower maintenance costs and factory supplies); partially offset by lower freight costs of \$826K as a result of freight savings, lower volumes and customer mix and lower utilities of \$317K as a result of reduced production levels
- Sales and Marketing:** Lower payroll costs due to lower headcount (Covid-19 layoffs) and benefit from the CEWS (\$64K), lower marketing spend due to cost containment initiatives, lower product development costs due to timing and lower T&E costs
- Administrative:** Lower payroll costs due to COVID-19 reductions (layoffs, furloughs, reductions) and benefit from the CEWS (\$154K), lower bonus accrual and lower spending
- Other Opex:** Favorable realized F/X re-valuation impact due to F/X revaluation of working capital balances (change in F/X from 1.4172 on March 31st to 1.3655 on June 30th)

YTD Opex Analysis

\$'000

	YTD			Explanation of Variance						Variance Impact		
	Act	Bud	Variance (B) / W	One-Time / Non-recurring	Timing	Change in Run-rate	Other/FX			Total Variance (B) / W	YoY Impact (B) / W	Annualized (B) / W
Payroll	\$ 3,974	\$ 5,005	\$ (1,031)	\$ (112)	\$ -	\$ (863)	\$ (56)			\$ (1,031)	\$ (1,109)	\$ -
Bonus	\$ 242	\$ 370	\$ (128)	\$ (45)	\$ -	\$ (80)	\$ (3)			(128)	\$ (430)	-
Commissions	\$ 132	\$ 128	\$ 3	\$ 17	\$ -	\$ (11)	\$ (2)			3	\$ 18	-
Marketing	\$ 403	\$ 551	\$ (148)	\$ (98)	\$ -	\$ (40)	\$ (10)			(148)	\$ (276)	-
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			-	\$ -	-
Travel and entertainment	\$ 191	\$ 562	\$ (371)	\$ (161)	\$ -	\$ (208)	\$ (2)			(371)	\$ (363)	-
Rent and facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			-	\$ -	-
Business and Realty taxes	\$ 126	\$ 174	\$ (48)	\$ -	\$ -	\$ (48)	\$ 0			(48)	\$ (27)	-
Professional fees	\$ 316	\$ 305	\$ 11	\$ 12	\$ -	\$ 6	\$ (7)			11	\$ 25	-
Office expense	\$ 107	\$ 126	\$ (18)	\$ (16)		\$ -	\$ (2)			(18)	\$ (27)	-
IT	\$ 786	\$ 948	\$ (162)	\$ (142)	\$ -	\$ (2)	\$ (18)			(162)	\$ (146)	-
Bad Debts	\$ 61	\$ (2)	\$ 63	\$ 62	\$ -	\$ -	\$ 1			63	\$ (36)	-
FX	\$ 95	\$ -	\$ 95	\$ -	\$ -	\$ -	\$ 95			95	\$ 262	-
JV Loss (Income)	\$ (95)	\$ (51)	\$ (44)	\$ -	\$ -	\$ (43)	\$ (1)			(44)	\$ 6	-
Other Expenses	\$ 355	\$ 493	\$ (138)	\$ (132)		\$ -	\$ (7)			(138)	\$ (96)	-
Total Opex	\$ 6,694	\$ 8,609	\$ (1,915)	\$ (614)	\$ -	\$ (1,290)	\$ (11)			\$ (1,915)	\$ (2,198)	\$ -

Management Discussion

- Lower payroll largely due layoffs and lower wages as a result of measures taken to manage the drop in business caused by Covid-19 as well as wage subsidies received in Canada.
- Lower bonus caused by change in estimate
- Marketing expenses lower due to cancellation of Platinum Trip and cut down of marketing expenses in general
- Travel and entertainment greatly reduced as a result of global travel restrictions caused by Covid-19
- Business and realty taxes lower vs estimate by \$48k
- Higher professional fees on account of hiring fees for Plant manager at Terrebonne and financial cost analyst at Everett; Change in run rate attributed to new controller at Woodbridge and Payroll Consultant at Corporate
- Lower IT as a result of fee negotiation and free period for certain subscriptions as well as delay on certain budgeted expenses.
- Top up of Bad Debts provision to cover Ontario and Quebec exposures (Accord, Qualum)
- Other expenses lower due to lower costs from R&D consultant at ECS, lower expenditure on product development and lower expenditure in general to reduce costs offset by Bank of America audit review fee

1x Costs

\$'000

	YTD			Explanation of Variance			Variance Impact	
	Variance			Change in			Total Variance	Total Change in Estimate
	Act	AOP	B / (W)	Estimate	Timing	Other	B / (W)	B / (W)
Banking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Fees	\$ 24	\$ -	\$ (24)	\$ -	\$ -	\$ (24)	(24)	\$ -
Professional Fees	\$ 37	\$ -	\$ (37)	\$ -	\$ -	\$ 22	22	\$ -
Project Panther	\$ 132	\$ -	\$ (132)	\$ -	\$ -	\$ (73)	(73)	\$ -
Project DB&A	\$ 400	\$ 486	\$ 86	\$ 2	\$ -	\$ -	2	\$ 2
Employee Restructuring Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ (62)	\$ -	\$ 62	\$ -	\$ -	\$ -	\$ -	\$ -
Total 1X Costs	\$ 532	\$ 486	\$ (46)	\$ 2	\$ -	\$ (75)	\$ (73)	\$ 2

Management Discussion

- Legal Consulting for CERB, Covid-19 issues and Project Panther \$24K with Blake Cassels
- Professional Fees include costs incurred for the following projects:
 - Freight and logistics initiative with Smart Ventures of \$12K;
 - Executive Coaching from Management Tools Inc. of \$11K;
 - Consulting from Lewis Lee Consultants of \$12K
 - OBI Projects with Practical Approach \$2K;
- Woodbridge Productivity Improvement initiative with DB&A of \$400K;
- Project Panther costs of \$133K which include Beckway charges of \$108K and Merril Inc of \$25K (for VDR)
- Others include refund of WSIB NEER premium for Woodbridge \$34K, 2016 Title insurance refund of \$24K and Laval Water Damage Claim refund of \$4K

Balance Sheet

\$'000	Dec-19	Mar-20	Apr-20	May-20	Jun-20		Variance	
	Act	Act	Act	Act	Act	Bud	\$	%
Current Assets								
Cash and cash equivalents	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 0	14.8%
Short term investments	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	9,246	12,417	10,163	10,188	13,857	15,273	(1,416)	(9.3%)
<i>Accounts receivable, reserves</i>	(561)	(574)	(585)	(591)	(596)	(472)	(124)	26.3%
Accounts receivable, net	8,685	11,843	9,578	9,597	13,261	14,801	(1,540)	(10.4%)
<i>Inventory, gross</i>	31,428	31,231	29,262	26,251	23,942	35,363	(11,421)	(32.3%)
<i>Inventory, reserves</i>	(2,031)	(1,765)	(1,589)	(1,612)	(1,616)	(1,973)	357	(18.1%)
Inventory, net	29,397	29,466	27,673	24,639	22,326	33,389	(11,063)	(33.1%)
Prepaid expenses and other current assets	3,221	3,081	3,011	2,898	4,129	4,224	(95)	(2.3%)
Other current assets	835	1,155	946	1,272	1,101	894	207	23.2%
Total Current Assets	42,141	45,549	41,210	38,409	40,819	53,310	(12,491)	(23.4%)
Non-Current Assets								
<i>Property, plant & equipment, gross</i>	73,423	70,904	71,689	72,300	72,871	76,848	(3,977)	(5.2%)
<i>Accumulated depreciation</i>	(27,272)	(28,185)	(29,261)	(30,198)	(31,114)	(31,489)	375	(1.2%)
Property, plant & equipment, net	46,151	42,719	42,428	42,103	41,757	45,359	(3,602)	(7.9%)
Deferred financing cost	399	339	330	319	307	308	(1)	(0.2%)
Deferred tax asset	4,942	4,363	4,430	4,468	4,502	1,344	3,158	235.0%
Other non-current assets	2,863	2,680	2,751	2,755	2,824	2,758	66	2.4%
Total Non-Current Assets	54,354	50,101	49,939	49,645	49,390	49,769	(379)	(0.8%)
Total Assets	\$ 96,495	\$ 95,650	\$ 91,149	\$ 88,054	\$ 90,209	\$ 103,079	\$ (12,870)	(12.5%)
Current Liabilities								
Bank Debt	\$ 14,452	\$ 13,221	\$ 6,552	\$ 5,539	\$ 7,345	\$ 21,853	\$ (14,508)	(66.4%)
Current Portion - Long Term Debt	1,690	1,578	1,602	1,615	1,626	1,662	(35)	(2.1%)
Accounts payable	12,674	18,599	21,714	19,198	17,797	18,075	(278)	(1.5%)
Accrued liabilities	2,752	2,773	2,580	3,088	2,993	3,664	(670)	(18.3%)
Accrued compensation	2,007	3,111	3,103	3,290	3,132	3,213	(81)	(2.5%)
Income taxes payable	(288)	(285)	(297)	(350)	(170)	438	(608)	(138.8%)
Contingent consideration	—	—	—	—	—	—	—	N/A
Other current liabilities	111	95	84	71	69	157	(88)	(56.0%)
Total Current Liabilities	33,399	39,092	35,337	32,450	32,792	49,061	(16,269)	(33.2%)
Long-term liabilities								
Long-term debt less current maturities	10,799	9,650	9,668	9,618	9,555	9,775	(220)	(2.2%)
Deferred income taxes	10,827	10,202	10,279	10,322	10,361	9,456	905	9.6%
Other non-current liabilities	1,618	1,492	1,520	1,536	1,599	1,468	131	8.9%
Total Long-Term Liabilities	23,244	21,344	21,467	21,476	21,515	20,700	815	3.9%
Total Liabilities	56,643	60,436	56,804	53,926	54,308	69,761	(15,453)	(22.2%)
Commitments and contingencies	—	—	—	—	—	—	—	N/A
Shareholders' Equity								
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	0	0.0%
Retained earnings	28,058	23,752	22,861	22,637	24,415	21,695	2,720	12.5%
Accumulated other comprehensive income	(816)	(1,148)	(1,126)	(1,119)	(1,124)	(987)	(136)	13.8%
Total Shareholders' Equity	39,852	35,214	34,345	34,127	35,901	33,318	2,583	7.8%
Total Liabilities and Shareholders' Equity	\$ 96,495	\$ 95,650	\$ 91,149	\$ 88,054	\$ 90,209	\$ 103,079	\$ (12,870)	(12.5%)

Management Discussion

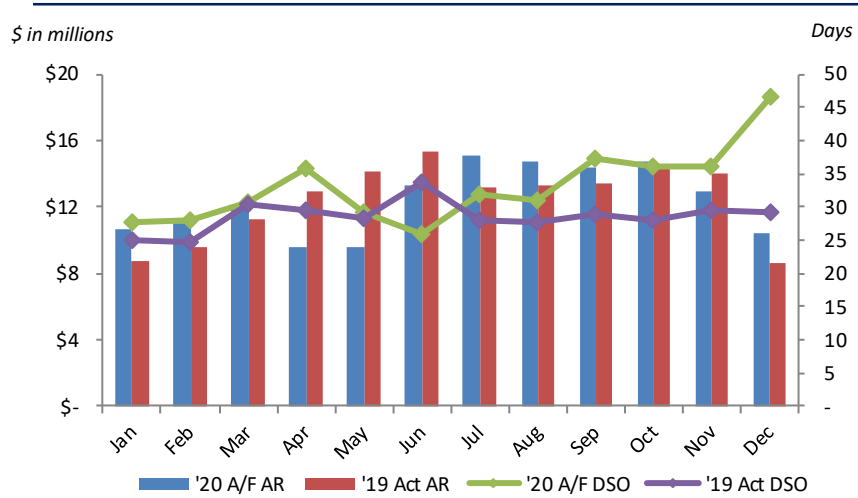
- Net A/R vs. Budget down by \$1,540k (10.4%) due to lower sales vs budget. This was further impacted by an unfavorable F/X impact of \$279k (actual rate of 1.3655 [or USD\$ 0.732] vs. the Budget rate of 1.33 [or USD\$ 0.76])
- Inventory levels lower vs budget (33.1% or \$11,063k) on account of limited production impacted by Covid-19 and selling more out of the inventory in June due to spike in orders and an unfavorable F/X impact of \$387K (actual rate of 1.3655 [or USD\$ 0.732] vs. the Budget rate of 1.33 [or USD\$ 0.76])
- Prepaid expenses slightly behind budget due to an unfavorable F/X impact of \$75K (actual rate of 1.3655 [or USD\$ 0.732] vs. the Budget rate of 1.33 [or USD\$ 0.76])
- PPE lower 7.9% or \$3,602k on account of lower Capex expenditure due to delay/hold off strategy due to Covid-19 impact and an unfavorable F/X impact of \$497K (actual rate of 1.3655 [or USD\$ 0.732] vs. the Budget rate of 1.33 [or USD\$ 0.76])
- Deferred tax assets higher vs budget following review of 2019 year end balances by MNP.
- Decrease in exposure with Bank due to reduction in borrowing due to lower purchasing and lower expenditure and a favorable F/X impact of \$565k (actual rate of 1.3655 [or USD\$ 0.732] vs. the Budget rate of 1.33 [or USD\$ 0.76])
- Accounts Payables almost inline with budget
- Decrease in Accrued Liabilities by 18% or \$670k due to lower expense accruals vs Budget

Cash Flow Statement

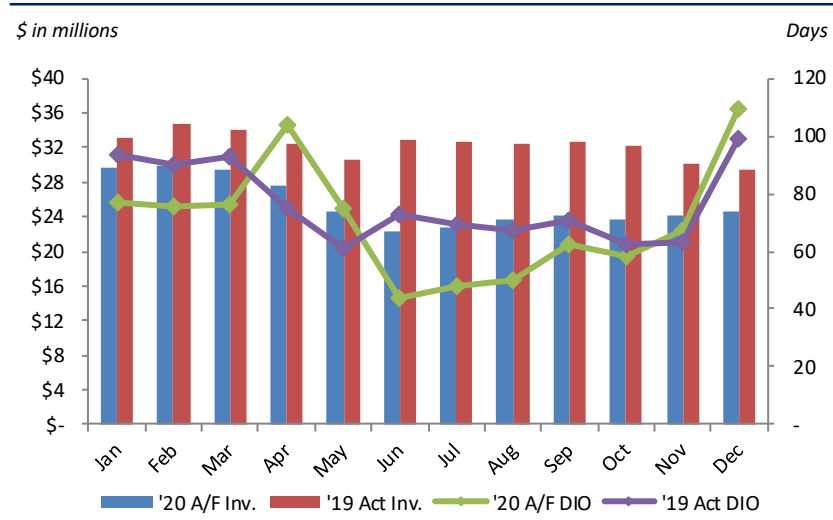
\$'000	QTD		Variance		PY-QTD		Variance		YTD		Variance		PY YTD		Variance									
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	ACT	\$	%										
Cash flow from operations																								
Net Income (Loss)	\$	663	\$	458	\$	205	44.9%	\$	441	\$	222	50.3%	\$	(3,681)	\$	(3,207)	\$	(474)	14.8%	\$	(1,996)	\$	(1,686)	84.5%
Depreciation, amortization and other		2,250		2,425		(175)	(7.2%)		2,168		82	3.8%		4,658		4,749		(92)	(1.9%)		4,326		332	7.7%
Non-cash loss/expense (gain)		(460)		(142)		(318)	223.2%		(240)		(220)	91.7%		96		(144)		240	(166.3%)		(207)		303	(146.1%)
Deferred income tax		158		—		158	N/A		133		25	19.1%		236		(1,117)		1,353	(121.1%)		165		71	42.8%
Change in operating assets and liabilities:																								
Accounts receivable		(1,418)		(3,653)		2,235	(61.2%)		(4,099)		2,681	(65.4%)		(4,576)		(6,116)		1,540	(25.2%)		(6,719)		2,143	(31.9%)
Inventory		7,140		(5,756)		12,896	(224.1%)		1,263		5,877	465.1%		7,071		(3,993)		11,063	(277.1%)		(2,578)		9,648	(374.3%)
Prepaid expenses and other current assets		(993)		(943)		(50)	5.3%		(1,254)		261	(20.8%)		(1,173)		(1,061)		(112)	10.6%		(1,267)		94	(7.4%)
Accounts payable		(802)		5,930		(6,732)	(113.5%)		3,287		(4,089)	(124.4%)		5,123		5,401		(278)	(5.1%)		2,777		2,345	84.4%
Accrued expenses		241		(436)		677	(155.3%)		1,190		(949)	(79.8%)		1,367		2,118		(752)	(35.5%)		1,930		(563)	(29.2%)
Accrued income taxes		115		259		(144)	(55.5%)		225		(110)	(48.9%)		118		725		(608)	(83.8%)		128		(10)	(8.0%)
Other changes in operating assets and liabilities		(26)		(1)		(25)	3438.3%		2		(28)	(1624.0%)		(42)		46		(88)	(191.2%)		29		(71)	(247.2%)
Other cash flow from operations		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Operations	\$	6,869	\$	(1,859)	\$	8,728	(469.5%)	\$	3,118	\$	3,752	120.3%	\$	9,195	\$	(2,599)	\$	11,794	(453.7%)	\$	(3,412)	\$	12,606	(369.5%)
Cash flow from investing																								
Additions to property, plant and equipment	\$	(590)	\$	(2,218)	\$	1,628	(73.4%)	\$	(1,772)	\$	1,182	(66.7%)	\$	(1,274)	\$	(3,971)	\$	2,697	(67.9%)	\$	(3,352)	\$	2,078	(62.0%)
Earnout payments		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from investing		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Investing	\$	(590)	\$	(2,218)	\$	1,628	(73.4%)	\$	(1,772)	\$	1,182	(66.7%)	\$	(1,274)	\$	(3,971)	\$	2,697	(67.9%)	\$	(3,352)	\$	2,078	(62.0%)
Cash flow from financing																								
Proceeds from the issuance (repayment) of short-t	\$	(5,876)	\$	4,492	\$	(10,368)	(230.8%)	\$	(932)	\$	(4,944)	530.5%	\$	(7,108)	\$	7,401	\$	(14,508)	(196.0%)	\$	7,596	\$	(14,704)	(193.6%)
Proceeds from the issuance of debt		0		—		0	N/A		—		0	N/A		(0)		—		(0)	N/A		(0)		0	(98.8%)
Repayment of debt		(404)		(415)		12	(2.9%)		(414)		10	(2.4%)		(813)		(831)		18	(2.1%)		(829)		16	(1.9%)
Common stock cash dividends paid		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from financing		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Financing	\$	(6,279)	\$	4,077	\$	(10,356)	(254.0%)	\$	(1,346)	\$	(4,934)	366.7%	\$	(7,921)	\$	6,570	\$	(14,490)	(220.6%)	\$	6,767	\$	(14,687)	(217.1%)
Effect of FX rates on cash and cash equivalents	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A
Net change in cash	\$	0	\$	(0)	\$	0	(529.9%)	\$	0	\$	0	31.5%	\$	(0)	\$	(0)	\$	0	(84.9%)	\$	3	\$	(3)	(102.1%)
Beginning cash		3		3		0	12.3%		3		(0)	(7.6%)		3		3		0	0.0%		0		3	815681.2%
Change in cash		0		(0)		0	(529.9%)		0		0	31.5%		(0)		(0)		0	(84.9%)		3		(3)	(102.1%)
Ending cash	\$	3	\$	2	\$	0	14.8%	\$	3	\$	(0)	(7.1%)	\$	3	\$	2	\$	0	14.8%	\$	3	\$	(0)	(7.1%)

Working Capital and Cash Conversion Cycle

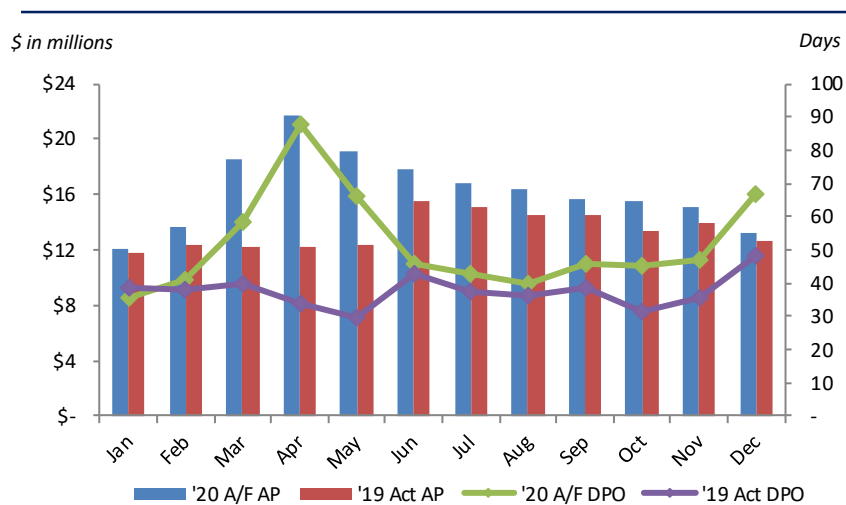
Accounts Receivable



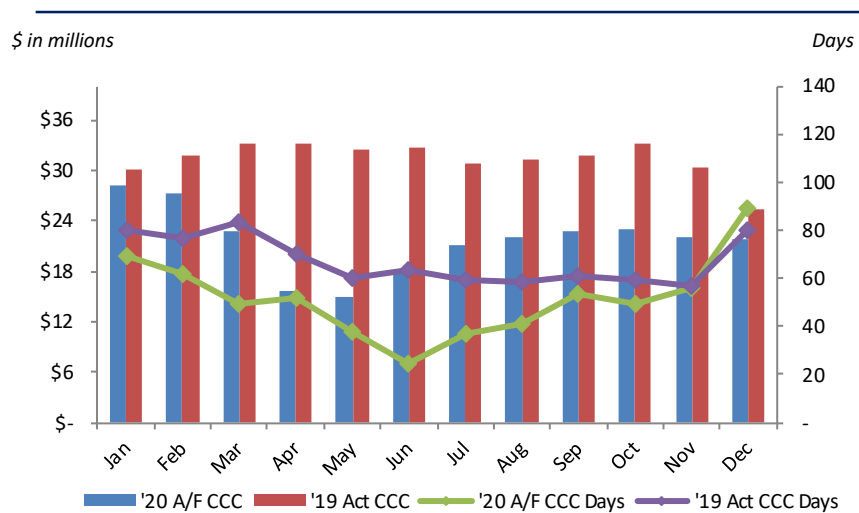
Inventory



Accounts Payable



Cash Conversion Cycle



AR and AP Aging Detail

\$'000

AR Aging					
Days	Apr-20	May-20	Jun-20	%	
0-30	\$ 6,726	\$ 7,763	\$ 11,748	88.6%	
30-60	2,108	975	1,142	8.6%	
60-90	342	321	(126)	(1.0%)	
>90	402	539	497	3.7%	
Total	\$ 9,578	\$ 9,597	\$ 13,261	100.0%	

AP Aging					
Days	Apr-20	May-20	Jun-20	%	
0-30	\$ 11,133	\$ 6,706	\$ 10,322	58.0%	
30-60	5,323	4,058	2,530	14.2%	
60-90	4,700	6,290	2,603	14.6%	
>90	557	2,143	2,341	13.2%	
Total	\$ 21,714	\$ 19,198	\$ 17,797	100.0%	

Management Discussion

A/R Aging:

- DSO days decreased from 29 to 26 following receipt of delayed payments from customers in the 60+ buckets
- Significant improvement in A/R collections from Q1
 - 88.6% in the 0-30 days category @ Jun-20
 - 77.2% in the 0-30 days category @ Mar-20

A/P Aging:

- Decrease in DPO days from 66 to 46 following payments made to clear overdue balances and bring certain essential accounts to current
- Cash conservation practices implemented throughout Q2
 - 28% of A/P > 60 days outstanding @ Jun-20
 - 5% of A/P > 60 days outstanding @ Mar-20

Covenant Analysis

(US\$ '000s)	Act Dec-19	Act Jan-20	Act Feb-20	Act Mar-20	Act Apr-20	Act May-20	Act Jun-20	Fcst Jul-20	Fcst Aug-20	Fcst Sep-20	Fcst Oct-20	Fcst Nov-20	Fcst Dec-20
Excess Availability													
Borrowing Base	27,369	23,561	24,678	23,368	23,124	22,657	20,992	20,610	20,259	20,188	20,657	20,082	19,643
Total Revolver Debt	14,452	17,079	16,572	13,221	6,552	5,539	7,345	7,892	7,664	9,388	9,319	9,125	9,273
Excess Availability	12,917	6,482	8,106	10,147	16,572	17,118	13,647	12,718	12,595	10,800	11,338	10,957	10,370
EA % of Borrowing Base	47.2%	27.5%	32.8%	43.4%	71.7%	75.6%	65.0%	61.7%	62.2%	53.5%	54.9%	54.6%	52.8%
Minimum EA% (or <\$5.25M)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Compliance	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK
FCCR Calculation													
TTM EBITDA	10,545	10,249	9,560	8,953	8,185	7,917	8,714	9,463	9,681	8,754	8,171	6,806	5,852
Total Capex	672	228	219	237	116	233	241	341	339	338	339	338	331
IT separation Capex	-	-	-	-	-	-	-	-	-	-	-	-	-
Financed Capex	-	-	-	-	-	-	-	-	-	-	-	-	-
Capex, as calculated for FCCR	672	228	219	237	116	233	241	341	339	338	339	338	331
TTM Capex	6,807	6,546	6,234	5,911	5,579	5,293	4,729	4,309	4,262	4,100	3,917	3,641	3,300
Cash Taxes	650	1	-	-	8	-	-	-	-	-	-	-	-
TTM Cash Taxes	1,408	1,409	1,321	786	659	659	659	659	659	659	659	659	9
Numerator	2,329	2,293	2,004	2,256	1,947	1,964	3,326	4,495	4,760	3,995	3,595	2,507	2,543
Cash Interest on existing ABL	194	156	164	157	134	118	125	134	133	133	130	129	128
Cash Interest on additional debt	-	-	-	-	-	-	-	-	-	-	-	-	-
TTM Cash Interest	2,158	2,159	2,158	2,126	2,076	1,995	1,933	1,875	1,820	1,771	1,725	1,707	1,640
Principal Payments on additional debt	140	140	138	132	133	135	136	135	135	135	133	133	133
TTM Principal Payments	1,665	1,667	1,665	1,659	1,655	1,652	1,649	1,644	1,640	1,637	1,630	1,624	1,617
Denominator	3,823	3,825	3,823	3,784	3,730	3,647	3,582	3,519	3,461	3,407	3,356	3,330	3,258
FCCR Ratio	0.6	0.6	0.5	0.6	0.5	0.5	0.9	1.3	1.4	1.2	1.1	0.8	0.8
Minimum FCC	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Compliance	Breach	Breach	Breach	Breach	Breach	Breach	Breach	OK	OK	OK	OK	Breach	Breach

Q2 2020 Audit Committee Agenda

➔ CFO Hot Buttons

➔ Controllership Matters:

Auditor Discussion / Update on FY20 Audit

Management Governance Report – Q2 2020

➔ Financial Matters:

Q2 FY 2020 Operating Results Overview

Key Reserves

Debt Covenant Compliance

➔ 2020 Financial Outlook

➔ Special Topics and Executive Session

➔ Appendix

Full Year Outlook - 2020 (6+6) Rfc Key Assumptions

Revenue

- Revenue projections for the remainder of the year based on comparative analysis based on YTD results plus a collaborative approach between the sales teams and operations on a regional and plant basis
- Forecasted sales variance vs. budget for July 2020 to December 2020:
 - July and August Sales: Based on latest sales orders and backlog
 - Q3 Sales -6% vs 2019; -10% vs 2020 Plan
 - Q4 Sales: -23% vs 2019; -25% vs 2020 Plan

Gross Profit

- Material Cost:
 - Raw Materials (General) – Flexed at 90% of sales variance
 - Resin – 3cpp increase in July versus current pricing and additional 2cpp increase in August (approx. 1.5 cpp decrease versus Budget)
 - Other Materials – Consistent with Budgeted assumptions (flat)
- Labor Cost:
 - Direct Labor – Flexed at 90% of Budget in accordance with production variance
 - Indirect Labor – Flexed at 50% of Budget in accordance with production variance
- Overhead Costs:
 - Utilities / Other OH - Flexed at 20% of Budget in accordance with production variance
 - Freight – at May YTD run rates (including savings)
 - T&D Recovery – 50% of budget

OPEX

- 35% of budgeted bonus target
- Plant SG&A - Flexed at 50% of Budget in accordance with sales variance
- Corporate SG&A Labor – 15% reduction vs budget in Q3; 10% reduction vs budget in Q4
- T&E – 50% reduction vs budget

Foreign Exchange

- Effective FX rate for Q3 = 1.37 [or \$0.7299 USD]
- Effective FX rate for Q4 = 1.40 [or \$0.7143 USD]

Capex

- 50% of budget

2020 AOP to 2020 (6+6) Rfc – Summary Bridge

2020 AOP		2020 (6+6) Rfc
Volume/Units 99.4 LBS	-12.6% <ul style="list-style-type: none"> Decrease in extrusion volume by 12.0% or -11.9M LBS Decrease in ECS external compound volume by 6.2% or 0.6M LBS 	Volume/Units 86.9M LBS
Revenue \$164.6M	-14.8% <ul style="list-style-type: none"> Lower Net Sales by \$24.3M as a result of a \$17.9M decrease in extrusion volumes, \$5.4M decrease in Patio Doors sales and lower external compound sales of \$1.0M 	Revenue \$140.2M
Gross Margin \$29.4M 17.9%	-310bps <ul style="list-style-type: none"> Gross Margin reduction of \$8.7M due to volume & mix impact of \$6.2M, unfavorable absorption impact of \$2.5M, lower regrind usage impact of \$0.6M, DB&A labor savings not achieved of \$0.9M and Terrebonne labor costs and efficiency impact of \$0.3M; partially offset by favorable material PPV of \$0.9M and Canada Wage Subsidy of \$0.9M 	Gross Margin \$20.7M 14.8%
OPEX \$17.4M 10.6%	-80bps <ul style="list-style-type: none"> Reduction in OPEX by \$3.7M due to lower labor costs of \$1.8M (benefit of Canada Wage Subsidy of \$0.2M included), lower bonus expense of \$0.7M, lower T&E expenses of \$0.7M, lower IT costs of \$0.3M and lower marketing costs of \$0.2M 	OPEX \$13.7M 9.8%
AEBITDA \$12.0M 7.3%	-230bps <ul style="list-style-type: none"> Decrease in AEBITDA by \$5.0M mainly due to volume reduction impacting sales and production, partially offset by lower labor costs and lower OPEX spending 	AEBITDA \$7.0M 5.0%
Capex \$6.5 4.0%	-160bps <ul style="list-style-type: none"> Reduction to Capex budget by approx. 50% Focus projects on immediate needs to support production, maintenance requirements and complete new business launches 	Capex \$3.3M 2.4%

Full Year Outlook: Consolidated P&L Summary

	Full Year							June YTD (6 Months Actuals)							July-December (6 Months Reforecast)							
\$'000	FY		Var		PY	Var		Jan-Jun 2020		Var		PY Jan-Jun		Var		Jul-Dec 2020		Var		PY Jul-Dec	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Fscst	Bud	\$	%	Act	\$	%	
Units Produced ('000)	82,667	99,042	(16,375)	(16.5%)	97,151	(14,484)	(14.9%)	39,626	50,808	(11,182)	(22.0%)	48,669	(9,043)	(18.6%)	43,041	48,234	(5,194)	(10.8%)	48,482	(5,441)	(11.2%)	
Units Shipped ('000)	86,850	99,426	(12,575)	(12.6%)	96,500	(9,650)	(10.0%)	43,327	48,404	(5,077)	(10.5%)	46,349	(3,022)	(6.5%)	43,523	51,022	(7,499)	(14.7%)	50,152	(6,628)	(13.2%)	
Bookings (\$'000)	\$ 146,521	\$ 173,296	\$ (26,775)	(15.5%)	\$ 162,586	\$ (16,065)	(9.9%)	\$ 76,172	\$ 83,201	\$ (7,029)	(8.4%)	\$ 79,588	\$ (3,416)	(4.3%)	\$ 70,349	\$ 90,095	\$ (19,746)	(21.9%)	\$ 82,998	\$ (12,649)	(15.2%)	
Backlog ('\$000)	\$ 8,870	\$ 8,450	\$ 420	5.0%	\$ 8,430	\$ 441	5.2%	\$ 14,016	\$ 9,292	\$ 4,723	50.8%	\$ 11,128	\$ 2,887	25.9%	\$ (5,145)	\$ (842)	\$ (4,303)	510.8%	\$ (2,699)	\$ (2,447)	90.7%	
Gross Revenue	\$ 147,709	\$ 173,563	\$ (25,854)	(14.9%)	\$ 166,852	\$ (19,143)	(11.5%)	\$ 72,169	\$ 82,378	\$ (10,209)	(12.4%)	\$ 79,123	\$ (6,954)	(8.8%)	\$ 75,540	\$ 91,185	\$ (15,645)	(17.2%)	\$ 87,729	\$ (12,189)	(13.9%)	
Adj. to Gross Revenue	(7,500)	(9,009)	1,510	(16.8%)	(8,598)	1,098	(12.8%)	(3,401)	(4,086)	685	(16.8%)	(3,791)	390	(10.3%)	(4,099)	(4,923)	825	(16.7%)	(4,807)	709	(14.7%)	
Net Revenue	140,209	164,554	(24,345)	(14.8%)	158,254	(18,045)	(11.4%)	68,768	78,292	(9,524)	(12.2%)	75,333	(6,565)	(8.7%)	71,441	86,261	(14,820)	(17.2%)	82,921	(11,480)	(13.8%)	
Material	70,107	81,128	(11,021)	(13.6%)	77,754	(7,647)	(9.8%)	34,056	38,542	(4,486)	(11.6%)	36,620	(2,565)	(7.0%)	36,051	42,586	(6,535)	(15.3%)	41,134	(5,083)	(12.4%)	
Labor	30,024	35,452	(5,428)	(15.3%)	35,294	(5,269)	(14.9%)	13,906	17,933	(4,027)	(22.5%)	17,730	(3,824)	(21.6%)	16,118	17,519	(1,401)	(8.0%)	17,563	(1,445)	(8.2%)	
Other COGS	19,358	18,534	825	4.4%	18,632	726	3.9%	9,959	7,879	2,080	26.4%	8,196	1,763	21.5%	9,399	10,655	(1,255)	(11.8%)	10,436	(1,036)	(9.9%)	
Total COGS	119,489	135,114	(15,624)	(11.6%)	131,680	(12,190)	(9.3%)	57,921	64,354	(6,433)	(10.0%)	62,547	(4,626)	(7.4%)	61,568	70,759	(9,191)	(13.0%)	69,132	(7,564)	(10.9%)	
Gross Margin	20,720	29,440	(8,720)	(29.6%)	26,574	(5,854)	(22.0%)	10,847	13,938	(3,091)	(22.2%)	12,785	(1,938)	(15.2%)	9,873	15,502	(5,629)	(36.3%)	13,789	(3,916)	(28.4%)	
Gross Margin %	14.8%	17.9%			16.8%			15.8%	17.8%			17.0%	(1.2%)		(1.0%)	0.1%			(0.2%)	(0.8%)		
R&D	—	—	—	N/A	—	—	N/A	—	—	—	N/A	—	—	N/A	—	—	—	N/A	—	—	N/A	
Sales & Marketing	4,822	6,505	(1,683)	(25.9%)	6,659	(1,838)	(27.6%)	2,307	3,201	(894)	(27.9%)	3,356	(1,048)	(31.2%)	2,514	3,303	(789)	(23.9%)	3,304	(789)	(23.9%)	
Administrative	8,929	11,012	(2,083)	(18.9%)	10,335	(1,406)	(13.6%)	4,386	5,459	(1,073)	(19.6%)	5,804	(1,418)	(24.4%)	4,543	5,554	(1,010)	(18.2%)	4,531	12	0.3%	
Other Opex	(67)	(112)	45	(40.1%)	(291)	224	(76.9%)	0	(51)	52	(100.5%)	(268)	268	(100.1%)	(68)	(61)	(7)	10.8%	(23)	(45)	195.4%	
Total Opex	13,684	17,405	(3,721)	(21.4%)	16,704	(3,020)	(18.1%)	6,694	8,609	(1,915)	(22.2%)	8,892	(2,198)	(24.7%)	6,990	8,796	(1,806)	(20.5%)	7,812	(822)	(10.5%)	
EBITDA	7,036	12,036	(4,999)	(41.5%)	9,870	(2,834)	(28.7%)	4,153	5,329	(1,176)	(22.1%)	3,893	260	6.7%	2,883	6,706	(3,823)	(57.0%)	5,977	(3,094)	(51.8%)	
EBITDA %	5.0%	7.3%			6.2%			6.0%	6.8%			5.2%	0.9%		(1.0%)	0.5%			1.1%	(2.1%)		
Net Income (Loss)	\$ (7,134)	\$ (3,497)	\$ (3,637)	104.0%	\$ (1,971)	\$ (5,163)	262.0%	\$ (3,681)	\$ (3,207)	\$ (474)	14.8%	\$ (1,996)	\$ (1,686)	84.5%	\$ (3,453)	\$ (290)	\$ (3,163)	1091.4%	\$ 25	\$ (3,478)	#####	
Capex	\$ (3,300)	\$ (6,501)	\$ 3,201	(49.2%)	\$ (6,807)	\$ 3,507	(51.5%)	\$ (1,274)	\$ (3,971)	\$ 2,697	(67.9%)	\$ (3,352)	\$ 2,078	(62.0%)	\$ (2,026)	\$ (2,530)	\$ 504	(19.9%)	\$ (3,455)	\$ 1,429	(41.4%)	
Opex Overview:														0							0	
Payroll	\$ 8,389	\$ 10,185	\$ (1,797)	(17.6%)	\$ 9,929	\$ (1,540)	(15.5%)	\$ 3,974	\$ 5,005	\$ (1,031)	(20.6%)	\$ 5,083	\$ (1,109)	(21.8%)	\$ 4,415	\$ 5,180	\$ (765)	(14.8%)	\$ 4,846	\$ (431)	(8.9%)	
Bonus	369	740	(371)	(50.1%)	62	307	493.5%	242	370	(128)	(34.6%)	672	(430)	(64.0%)	127	370	(243)	(65.7%)	(610)	737	(120.8%)	
Commissions	221	273	(53)	(19.2%)	247	(26)	(10.7%)	132	128	3	2.6%	114	18	15.8%	89	145	(56)	(38.6%)	133	(44)	(33.3%)	
Marketing	868	1,098	(230)	(20.9%)	1,596	(728)	(45.6%)	403	551	(148)	(26.8%)	679	(276)	(40.6%)	465	547	(82)	(15.0%)	917	(452)	(49.3%)	
Benefits	—	—	—	N/A	—	—	N/A	—	—	—	N/A	—	—	N/A	—	—	—	N/A	—	—	N/A	
Travel and entertainment	487	1,145	(658)	(57.5%)	1,069	(582)	(54.5%)	191	562	(371)	(66.0%)	554	(363)	(65.5%)	296	583	(287)	(49.3%)	515	(219)	(42.6%)	
Rent and facilities	—	—	—	N/A	—	—	N/A	—	—	—	N/A	—	—	N/A	—	—	—	N/A	—	—	N/A	
Insurance	270	333	(62)	(18.7%)	317	(46)	(14.6%)	126	174	(48)	(27.5%)	153	(27)	(17.5%)	144	159	(14)	(9.0%)	164	(20)	(11.9%)	
Professional fees	567	591	(24)	(4.1%)	671	(104)	(15.5%)	316	305	11	3.7%	291	25	8.4%	251	286	(35)	(12.3%)	380	(129)	(33.9%)	
Office Expenses	211	261	(50)	(19.1%)	256	(44)	(17.4%)	107	126	(18)	(14.6%)	134	(27)	(20.0%)	104	135	(31)	(23.2%)	122	(18)	(14.5%)	
IT	1,602	1,881	(279)	(14.8%)	1,860	(258)	(13.9%)	786	948	(162)	(17.1%)	932	(146)	(15.7%)	816	933	(117)	(12.6%)	928	(112)	(12.1%)	
Bad Debts	60	(4)	63	(1753.6%)	174	(114)	(65.7%)	61	(2)	63	#####	97	(36)	(37.2%)	(2)	(2)	0	(14.6%)	76	(78)	(102.0%)	
FX	95	—	95	N/A	(145)	241	(165.7%)	95	—	95	N/A	(167)	262	(157.2%)	—	—	—	N/A	22	(22)	(100.0%)	
JV Loss (Income)	(163)	(112)	(50)	44.8%	(146)	(17)	11.6%	(95)	(51)	(44)	85.2%	(101)	6	(5.9%)	(68)	(61)	(7)	10.8%	(45)	(23)	51.3%	
Other Expenses	707	1,013	(306)	(30.2%)	814	(107)	(13.2%)	355	493	(138)	(28.1%)	451	(96)	(21.3%)	352	519	(167)	(32.2%)	363	(11)	(3.0%)	
Total Opex	\$ 13,684	\$ 17,405	\$ (3,721)	(21.4%)	\$ 16,704	\$ (3,020)	(18.1%)	\$ 6,694	\$ 8,609	\$ (1,915)	(22.2%)	\$ 8,892	\$ (2,198)	(24.7%)	\$ 6,990	\$ 8,796	\$ (1,806)	(20.5%)	\$ 7,812	\$ (822)	(10.5%)	

2020 Rfc (6+6) vs 2020 AOP P&L – Q3

\$'000	Qtr 3 Fsct		Var	
	6+6	Bud	\$	%
Units Produced ('000)	23,474	26,056	(2,582)	(9.9%)
Units Shipped ('000)	25,224	27,142	(1,918)	(7.1%)
Bookings (\$'000)	\$ 39,276	\$ 48,810	\$ (9,534)	(19.5%)
Backlog (\$'000)	\$ 10,092	\$ 9,471	\$ 621	6.6%
Gross Revenue	\$ 43,357	\$ 48,172	\$ (4,816)	(10.0%)
Adj. to Gross Revenue	(2,290)	(2,595)	305	(11.8%)
Net Revenue	41,067	45,577	(4,510)	(9.9%)
Material	20,917	22,652	(1,735)	(7.7%)
Labor	8,381	8,957	(576)	(6.4%)
Other COGS	5,883	5,465	418	7.6%
Total COGS	35,181	37,074	(1,894)	(5.1%)
Gross Margin	5,886	8,503	(2,617)	(30.8%)
<i>Gross Margin %</i>	<i>14.3%</i>	<i>18.7%</i>		
R&D	—	—	—	N/A
Sales & Marketing	1,262	1,653	(392)	(23.7%)
Administrative	2,263	2,801	(537)	(19.2%)
Other Opex	(71)	(19)	(52)	279.5%
Total Opex	3,454	4,435	(981)	(22.1%)
EBITDA	2,432	4,067	(1,636)	(40.2%)
<i>EBITDA %</i>	<i>5.9%</i>	<i>8.9%</i>		
Net Income (Loss)	\$ (897)	\$ 418	\$ (1,315)	(314.7%)
Capex	\$ 1,018	\$ 1,667	\$ (649)	(38.9%)
Opex Overview:				
Payroll	\$ 2,189	\$ 2,595	\$ (406)	(15.6%)
Bonus	64	185	(121)	(65.5%)
Commissions	47	81	(34)	(42.0%)
Marketing	250	263	(13)	(5.1%)
Benefits	—	—	—	N/A
Travel and entertainment	149	293	(143)	(49.0%)
Rent and facilities	—	—	—	N/A
Insurance	77	86	(8)	(9.5%)
Professional fees	122	144	(22)	(15.6%)
Office Expenses	48	69	(21)	(30.9%)
IT	414	469	(55)	(11.7%)
Bad Debts	(1)	(1)	0	(10.6%)
FX	—	—	—	N/A
JV Loss (Income)	(71)	(19)	(52)	279.5%
Other Expenses	166	270	(104)	(38.6%)
Total Opex	\$ 3,454	\$ 4,435	\$ (981)	(22.1%)

Management Discussion

Net Revenue – Q3 -\$4.5M:

- July net sales estimate is 3% lower than Budget and in line with Prior Year
- August net sales estimate is 5% lower than Budget and 2% lower than Prior Year
- September net sales estimate is 22% lower than Budget and 16% lower than Prior Year

EBITDA – Q3 -\$1.6M:

- Volume and mix impact of -\$1.3M
- Unfavorable absorption impact of -\$0.5M
- Lower regrind usage and higher scrap impact of -\$0.2M
- Favorable material PPV impact of +\$0.2M
- DB&A Woodbridge labor savings not achieved impact of -\$0.4M
- Terrebonne labor costs and efficiency impact of -\$0.2M
- Lower tool and die overhead recovery (net of lower spending on maintenance, utilities, factory supplies, etc.) of -\$0.2M
- OPEX labor cost reductions impact of +\$0.4M
- Bonus expense reduction impact of +\$0.2M
- Other OPEX spend reductions impact of +\$0.4M

2020 Rfc (6+6) vs 2020 AOP P&L – Q4

\$'000	Qtr 4 Fsct		Var	
	6+6	Bud	\$	%
Units Produced ('000)	19,567	22,178	(2,611)	(11.8%)
Units Shipped ('000)	18,300	23,880	(5,581)	(23.4%)
Bookings (\$'000)	\$ 31,073	\$ 41,285	\$ (10,212)	(24.7%)
Backlog (\$'000)	\$ 8,870	\$ 8,450	\$ 420	5.0%
Gross Revenue	\$ 32,183	\$ 43,013	\$ (10,829)	(25.2%)
Adj. to Gross Revenue	(1,809)	(2,328)	519	(22.3%)
Net Revenue	30,375	40,685	(10,310)	(25.3%)
Material	15,134	19,934	(4,800)	(24.1%)
Labor	7,737	8,562	(825)	(9.6%)
Other COGS	3,516	5,189	(1,673)	(32.2%)
Total COGS	26,388	33,685	(7,298)	(21.7%)
Gross Margin	3,987	6,999	(3,012)	(43.0%)
Gross Margin %	13.1%	17.2%		
R&D	—	—	—	N/A
Sales & Marketing	1,253	1,650	(397)	(24.1%)
Administrative	2,280	2,753	(473)	(17.2%)
Other Opex	4	(42)	46	(108.6%)
Total Opex	3,536	4,360	(825)	(18.9%)
EBITDA	451	2,639	(2,188)	(82.9%)
EBITDA %	1.5%	6.5%		
Net Income (Loss)	\$ (2,556)	\$ (707)	\$ (1,848)	261.3%
Capex	\$ 1,008	\$ 863	\$ 145	16.8%
Opex Overview:				
Payroll	\$ 2,226	\$ 2,585	\$ (359)	(13.9%)
Bonus	63	185	(122)	(65.9%)
Commissions	42	64	(22)	(34.3%)
Marketing	215	284	(69)	(24.3%)
Benefits	—	—	—	N/A
Travel and entertainment	147	290	(144)	(49.5%)
Rent and facilities	—	—	—	N/A
Insurance	67	73	(6)	(8.5%)
Professional fees	129	142	(13)	(9.1%)
Office Expenses	56	66	(10)	(15.2%)
IT	402	464	(62)	(13.5%)
Bad Debts	(1)	(1)	0	(18.6%)
FX	—	—	—	N/A
JV Loss (Income)	4	(42)	46	(108.6%)
Other Expenses	186	249	(63)	(25.3%)
Total Opex	\$ 3,536	\$ 4,360	\$ (825)	(18.9%)

Management Discussion

Net Revenue – Q4 -\$10.3M:

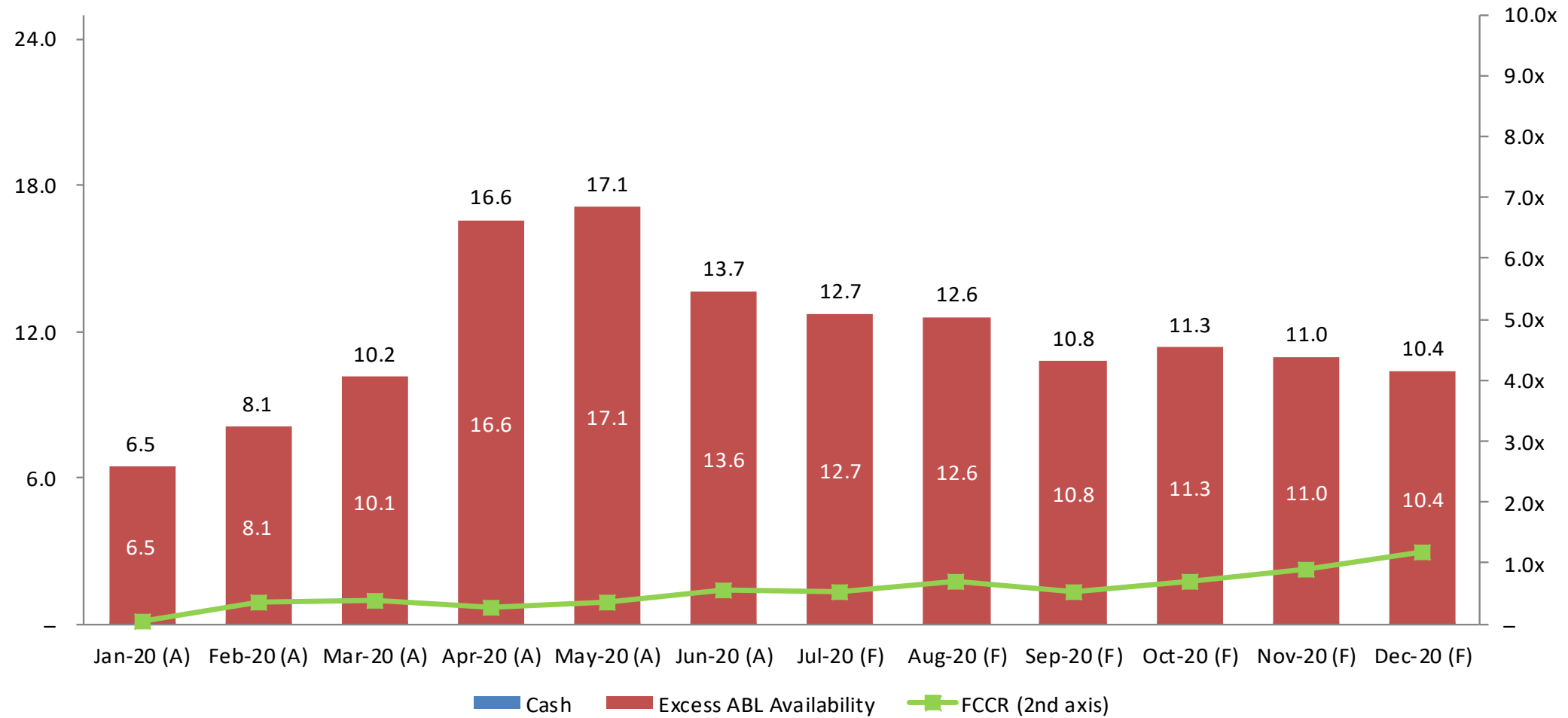
- October net sales estimate is 22% lower than Budget and 21% lower than Prior Year
- November net sales estimate is 28% lower than Budget and 24% lower than Prior Year
- December net sales estimate is 26% lower than Budget and 25% lower than Prior Year

EBITDA – Q3 -\$2.2M:

- Volume and mix impact of -\$3.1M
- Lower regrind usage and higher scrap impact of -\$0.1M
- Unfavorable material PPV impact of -\$0.2M
- DB&A Woodbridge labor savings not achieved impact of -\$0.4M
- Terrebonne labor costs and efficiency impact of -\$0.2M
- Lower tool and die overhead recovery (net of lower spending on maintenance, utilities, factory supplies, etc.) of -\$0.1M
- Favorable absorption impact of +\$1.0M due to a planned inventory build to begin to replenish inventory stock levels
- OPEX labor cost reductions impact of +\$0.4M
- Bonus expense reduction impact of +\$0.2M
- Other OPEX spend reductions impact of +\$0.3M

Liquidity Forecast

\$ in millions



Q2 2020 Audit Committee Agenda

➔ CFO Hot Buttons

➔ Controllership Matters:

Auditor Discussion / Update on FY20 Audit

Management Governance Report – Q2 2020

➔ Financial Matters:

Q2 FY 2020 Operating Results Overview

Key Reserves

Debt Covenant Compliance

➔ 2020 Financial Outlook

➔ Special Topics and Executive Session

➔ Appendix

Special Topics

- None noted at this time

Q2 2020 Audit Committee Agenda

➔ CFO Hot Buttons

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Management Governance Report – Q2 2020

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➔ Appendix

Monthly P&L

\$'000	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	8,094	7,753	7,725	3,301	5,222	7,532	8,258	8,182	7,035	7,459	6,528	5,580	82,667	99,042	(16,375)	(16.5%)	97,151	(14,484)	(14.9%)
Units Shipped ('000)	7,842	6,982	7,690	5,019	6,548	9,246	9,250	9,146	6,828	7,674	6,428	4,198	86,850	99,426	(12,575)	(12.6%)	96,500	(9,650)	(10.0%)
Bookings (\$'000)	\$ 13,481	\$ 12,476	\$ 12,818	\$ 7,719	\$ 12,396	\$ 17,281	\$ 13,509	\$ 13,007	\$ 12,761	\$ 12,926	\$ 11,465	\$ 6,682	\$ 146,521	\$ 173,296	\$ (26,775)	(15.5%)	\$ 162,586	\$ (16,065)	(9.9%)
Backlog ('\$000)	\$ 9,606	\$ 10,369	\$ 10,608	\$ 10,199	\$ 12,165	\$ 14,016	\$ 11,047	\$ 9,860	\$ 10,092	\$ 9,459	\$ 9,499	\$ 8,870	\$ 8,870	\$ 8,450	\$ 420	5.0%	\$ 8,430	\$ 441	5.2%
Gross Revenue	\$ 12,481	\$ 12,069	\$ 12,608	\$ 8,386	\$ 10,773	\$ 15,850	\$ 15,461	\$ 15,511	\$ 12,385	\$ 13,388	\$ 11,484	\$ 7,311	\$ 147,709	\$ 173,563	\$ (25,854)	(14.9%)	\$ 166,852	\$ (19,143)	(11.5%)
Adj. to Gross Revenue	(576)	(607)	(676)	(396)	(562)	(585)	(764)	(773)	(753)	(796)	(663)	(349)	(7,500)	(9,009)	1,510	(16.8%)	(8,598)	1,098	(12.8%)
Net Revenue	11,905	11,463	11,932	7,990	10,211	15,266	14,696	14,738	11,632	12,591	10,821	6,962	140,209	164,554	(24,345)	(14.8%)	158,254	(18,045)	(11.4%)
Material	5,974	5,389	5,614	4,259	5,305	7,515	7,340	7,669	5,907	6,359	5,531	3,244	70,107	81,128	(11,021)	(13.6%)	77,754	(7,647)	(9.8%)
Labor	3,012	2,898	2,654	1,712	1,681	1,948	2,774	2,847	2,760	2,755	2,563	2,419	30,024	35,452	(5,428)	(15.3%)	35,294	(5,269)	(14.9%)
Other COGS	1,395	1,272	1,621	1,445	1,972	2,255	2,107	2,184	1,592	1,588	1,480	449	19,358	18,534	825	4.4%	18,632	726	3.9%
Total COGS	10,381	9,559	9,889	7,416	8,959	11,718	12,221	12,701	10,259	10,702	9,574	6,111	119,489	135,114	(15,624)	(11.6%)	131,680	(12,190)	(9.3%)
Gross Margin	1,525	1,904	2,043	575	1,253	3,548	2,476	2,037	1,374	1,889	1,247	851	20,720	29,440	(8,720)	(29.6%)	26,574	(5,854)	(22.0%)
Gross Margin %	12.8%	16.6%	17.1%	7.2%	12.3%	23.2%	16.8%	13.8%	11.8%	15.0%	11.5%	12.2%	14.8%	17.9%			16.8%		
R&D	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Sales & Marketing	490	470	512	291	240	304	431	401	430	417	423	413	4,822	6,505	(1,683)	(25.9%)	6,659	(1,838)	(27.6%)
Administrative	948	798	757	736	579	568	754	738	771	767	745	768	8,929	11,012	(2,083)	(18.9%)	10,335	(1,406)	(13.6%)
Other Opex	5	13	154	(78)	(13)	(81)	(34)	(32)	(5)	(20)	0	23	(67)	(112)	45	(40.1%)	(291)	224	(76.9%)
Total Opex	1,443	1,282	1,424	949	806	791	1,151	1,107	1,196	1,165	1,167	1,204	13,684	17,405	(3,721)	(21.4%)	16,704	(3,020)	(18.1%)
EBITDA	82	623	619	(374)	447	2,758	1,325	930	177	725	80	(353)	7,036	12,036	(4,999)	(41.5%)	9,870	(2,834)	(28.7%)
EBITDA %	0.7%	5.4%	5.2%	(4.7%)	4.4%	18.1%	9.0%	6.3%	1.5%	5.8%	0.7%	(5.1%)	5.0%	7.3%			6.2%		
Net Income (Loss)	\$ (1,509)	\$ (1,003)	\$ (1,834)	\$ (890)	\$ (225)	\$ 1,779	\$ 187	\$ (185)	\$ (899)	\$ (403)	\$ (970)	\$ (1,183)	\$ (7,134)	\$ (3,497)	\$ (3,637)	104.0%	\$ (1,971)	\$ (5,163)	262.0%
Capex	\$ (228)	\$ (219)	\$ (237)	\$ (116)	\$ (233)	\$ (241)	\$ (341)	\$ (339)	\$ (338)	\$ (339)	\$ (338)	\$ (331)	\$ (3,300)	\$ (6,501)	\$ 3,201	(49.2%)	\$ (6,807)	\$ 3,507	(51.5%)
Opex Overview:																			
Payroll	\$ 833	\$ 734	\$ 814	\$ 617	\$ 470	\$ 507	\$ 749	\$ 690	\$ 750	\$ 753	\$ 709	\$ 763	\$ 8,389	\$ 10,185	\$ (1,797)	(17.6%)	\$ 9,929	\$ (1,540)	(15.5%)
Bonus	62	62	15	60	21	21	21	21	21	21	21	21	369	740	(371)	(50.1%)	62	307	493.5%
Commissions	29	17	36	25	12	13	13	17	17	16	13	13	221	273	(53)	(19.2%)	247	(26)	(10.7%)
Marketing	53	66	70	68	60	85	93	88	69	64	88	64	868	1,098	(230)	(20.9%)	1,596	(728)	(45.6%)
Benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Travel and entertainment	69	48	48	8	13	5	47	48	54	45	54	47	487	1,145	(658)	(57.5%)	1,069	(582)	(54.5%)
Rent and facilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Insurance	24	22	19	19	17	25	28	26	24	24	22	21	270	333	(62)	(18.7%)	317	(46)	(14.6%)
Professional fees	54	80	57	52	37	35	38	39	45	44	44	41	567	591	(24)	(4.1%)	671	(104)	(15.5%)
Office Expenses	23	21	18	9	19	18	13	14	21	20	19	17	211	261	(50)	(19.1%)	256	(44)	(17.4%)
IT	153	138	124	133	127	111	139	138	137	134	134	134	1,602	1,881	(279)	(14.8%)	1,860	(258)	(13.9%)
Bad Debts	31	33	(0)	(2)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	60	(4)	63	(1753.6%)	174	(114)	(65.7%)
FX	36	29	161	(57)	(37)	(37)	—	—	—	—	—	—	95	—	95	N/A	(145)	241	(165.7%)
JV Loss (Income)	(31)	(15)	(7)	(21)	24	(45)	(34)	(32)	(5)	(20)	0	23	(163)	(112)	(50)	44.8%	(146)	(17)	11.6%
Other Expenses	109	47	69	38	42	51	43	59	63	63	63	60	707	1,013	(306)	(30.2%)	814	(107)	(13.2%)
Total Opex	\$ 1,443	\$ 1,282	\$ 1,424	\$ 949	\$ 806	\$ 791	\$ 1,151	\$ 1,107	\$ 1,196	\$ 1,165	\$ 1,167	\$ 1,204	\$ 13,684	\$ 17,405	\$ (3,721)	(21.4%)	\$ 16,704	\$ (3,020)	(18.1%)

Monthly EBITDA to Net Income (Loss) Bridge

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
EBITDA - as reported	\$ 82	\$ 623	\$ 619	\$ (374)	\$ 447	\$ 2,758	\$ 1,325	\$ 930	\$ 177	\$ 725	\$ 80	\$ (353)	\$ 7,036	\$12,036	\$ (4,999)	(41.5%)	\$ 9,870	\$ (2,834)	(28.7%)
Depreciation and amortization	(814)	(805)	(788)	(751)	(745)	(754)	(795)	(803)	(810)	(804)	(810)	(818)	(9,497)	(9,739)	242	(2.5%)	(9,017)	(480)	5.3%
Interest and amortization	(156)	(164)	(157)	(134)	(118)	(125)	(134)	(133)	(133)	(130)	(129)	(128)	(1,640)	(2,622)	981	(37.4%)	(2,158)	518	(24.0%)
Other financial income/expense	(367)	(311)	(1,371)	450	222	193	–	–	–	–	–	–	(1,184)	–	(1,184)	N/A	1,044	(2,228)	(213.5%)
Monitoring fees (including expenses)	(83)	(73)	(78)	(82)	(81)	(85)	(81)	(81)	(81)	(79)	(79)	(79)	(963)	(1,000)	37	(3.7%)	(1,073)	110	(10.3%)
Restructuring costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	46	(46)	(100.0%)
Non-recurring items	(170)	(203)	(124)	(3)	(4)	(28)	(4)	(4)	(4)	(4)	(4)	(4)	(556)	(816)	260	(31.8%)	(1,249)	693	(55.5%)
Taxes	–	(68)	65	4	55	(180)	(124)	(94)	(49)	(111)	(27)	199	(330)	(1,357)	1,027	(75.7%)	566	(896)	(158.2%)
GAAP Net Income (Loss)	\$ (1,509)	\$ (1,003)	\$ (1,834)	\$ (890)	\$ (225)	\$ 1,779	\$ 187	\$ (185)	\$ (899)	\$ (403)	\$ (970)	\$ (1,183)	\$ (7,134)	\$ (3,497)	\$ (3,637)	104.0%	\$ (1,971)	\$ (5,163)	262.0%

Management Discussion

- Other financial income/expense relates to unrealized F/X (gain)/loss on \$USD debt held by Canadian entity; YTD F/X gain attributable to the change in the month-end rate from 1.3776 [USD\$0.73] on May 31, 2020 to 1.3655 [USD\$0.72] on June 30, 2020
- Non-recurring in June for Legal fee \$24K and Consultancy costs 4K
- Tax accrual of \$180K in the US on account of income in the US entity for June; Canadian deferred tax asset has not been increased since 2018 year end adjustments

Monthly Cost of Goods Sold by Component

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Material																			
Material costs at standard	\$ 6,109	\$ 5,654	\$ 5,711	\$ 4,131	\$ 5,134	\$ 7,574	\$ 7,472	\$ 7,535	\$ 5,693	\$ 6,227	\$ 5,312	\$ 2,983	\$ 69,533	\$ 79,561	\$ (10,028)	(12.6%)	\$ 76,642	\$ (7,109)	(9.3%)
Materials FX loss / (gain)	0	1	(1)	0	0	0	(0)	0	0	0	—	—	0	0	0	43.2%	1	(1)	(58.4%)
Purchase price variance	(85)	(182)	26	76	248	66	(69)	168	228	209	267	233	1,185	3,099	(1,914)	(61.8%)	2,184	(999)	(45.7%)
Supplier resin rebate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Freight In	45	53	33	34	23	33	36	41	46	46	45	35	469	585	(116)	(19.9%)	546	(77)	(14.1%)
Scrap costs	(158)	(206)	(241)	(26)	(152)	(220)	(173)	(153)	(141)	(206)	(171)	(65)	(1,913)	(3,263)	1,349	(41.4%)	(2,628)	714	(27.2%)
Consumables	63	70	86	44	52	61	74	80	82	84	79	58	833	1,144	(312)	(27.2%)	1,009	(176)	(17.5%)
Total Material COGS	\$ 5,974	\$ 5,389	\$ 5,614	\$ 4,259	\$ 5,305	\$ 7,515	\$ 7,340	\$ 7,669	\$ 5,907	\$ 6,359	\$ 5,531	\$ 3,244	\$ 70,107	\$ 81,128	\$ (11,021)	(13.6%)	\$ 77,754	\$ (7,647)	(9.8%)
Labor																			
Direct labor	\$ 1,007	\$ 983	\$ 920	\$ 486	\$ 710	\$ 963	\$ 1,077	\$ 1,092	\$ 1,012	\$ 1,011	\$ 933	\$ 826	\$ 11,019	\$ 12,677	\$ (1,658)	(13.1%)	\$ 12,838	\$ (1,819)	(14.2%)
Direct labor - bonus	29	28	9	27	10	9	10	10	10	9	9	9	170	333	(164)	(49.1%)	116	53	45.6%
Direct labor - overtime	103	147	90	26	30	56	134	150	125	122	90	86	1,159	1,489	(330)	(22.2%)	1,376	(217)	(15.8%)
Direct labor - benefits	304	243	241	219	48	(44)	241	252	237	233	216	205	2,395	3,203	(808)	(25.2%)	3,074	(679)	(22.1%)
Direct labor - wcb benefits	7	30	21	8	16	16	24	23	20	20	18	18	221	250	(28)	(11.3%)	47	174	366.6%
Direct labor - other	(1)	0	(0)	(0)	(0)	1	—	—	—	—	—	—	(1)	13	(15)	(109.9%)	(9)	8	(85.7%)
Indirect labor	1,534	1,439	1,365	918	858	938	1,279	1,312	1,347	1,351	1,288	1,265	14,892	17,135	(2,243)	(13.1%)	17,711	(2,819)	(15.9%)
Indirect labor – bonus	29	28	9	27	10	9	10	10	10	9	9	9	170	333	(164)	(49.1%)	116	53	45.6%
Sub-contractor costs	—	—	—	—	—	—	—	—	—	—	—	—	—	18	(18)	(100.0%)	24	(24)	(100.0%)
Total Labor COGS	\$ 3,012	\$ 2,898	\$ 2,654	\$ 1,712	\$ 1,681	\$ 1,948	\$ 2,774	\$ 2,847	\$ 2,760	\$ 2,755	\$ 2,563	\$ 2,419	\$ 30,024	\$ 35,452	\$ (5,428)	(15.3%)	\$ 35,294	\$ (5,269)	(14.9%)
Other																			
Repairs and maintenance	\$ 118	\$ 221	\$ 99	\$ 76	\$ 101	\$ 78	\$ 152	\$ 154	\$ 123	\$ 137	\$ 114	\$ 111	\$ 1,484	\$ 645	\$ 839	130.0%	\$ 666	\$ 818	122.7%
Absorption	(235)	(461)	(20)	348	705	758	303	382	(77)	(85)	(114)	(775)	731	(1,260)	1,991	(158.0%)	(605)	1,336	(220.8%)
Freight out	669	643	608	337	405	642	680	684	572	588	519	331	6,676	7,792	(1,115)	(14.3%)	7,990	(1,314)	(16.4%)
Rent / facilities	143	207	197	247	218	139	272	274	295	261	294	227	2,773	2,467	306	12.4%	1,981	792	40.0%
Utilities	505	451	542	299	388	480	523	518	491	512	501	414	5,623	6,491	(868)	(13.4%)	6,194	(571)	(9.2%)
Other cost of sales	195	211	195	138	155	157	176	173	189	174	166	141	2,070	2,399	(328)	(13.7%)	2,406	(336)	(14.0%)
Total Other COGS	\$ 1,395	\$ 1,272	\$ 1,621	\$ 1,445	\$ 1,972	\$ 2,255	\$ 2,107	\$ 2,184	\$ 1,592	\$ 1,588	\$ 1,480	\$ 449	\$ 19,358	\$ 18,534	\$ 825	4.4%	\$ 18,632	\$ 726	3.9%

Management Discussion

Material COGS: Decrease of \$11,021K due to lower volume impact of \$10,718K (Sales volumes (lbs) lower by 12.6%), favorable resin material prices and supplier rebates offset by higher additive pricing & higher glass pricing of \$1,403K and favorable inventory reserves of \$252K; offset by unfavorable yields lower regrind usage at Woodbridge, Delmont & Everett of \$1,352K

Labor COGS: Lower costs due to a volume impact of \$3,828K (production volume lbs lower by 16.5%), the receipt of the Canada Emergency Wage Subsidy of \$918K for the Quebec and Ontario plants (May/June), the suspension of the Company match for RRSP/401K contributions of \$320K, a reduction to the bonus accrual of \$328K and the receipt of the Compwise (WSIB) rebate in Everett of \$34K (Jan-20)

Other COGS: Increase of \$825K due to an unfavorable absorption impact of \$2,483K and lower tool & die overhead recovery of \$1,360K; partially offset by lower freight costs of \$1,115K due to lower sales volume & mix, lower utilities of \$868K as a result of reduced production levels and lower overhead spending (ie. supplies, maintenance, rentals) of \$1,035K

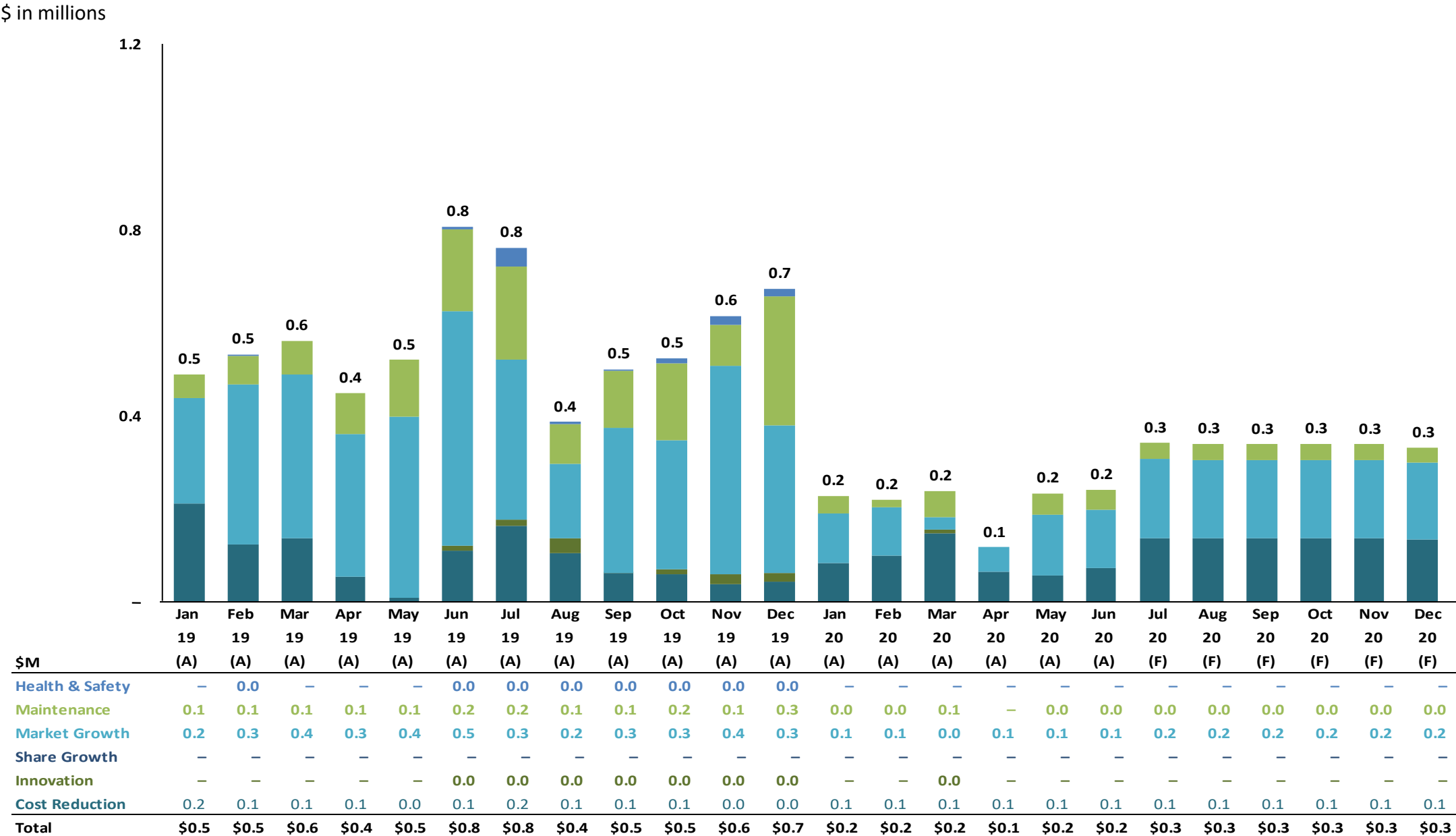
Monthly Balance Sheet

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	FY	FY	Var	
\$'000	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%
Current Assets																
Cash and cash equivalents	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 2	\$ 2	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ (0)	(12.2%)
Short term investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	11,246	11,636	12,417	10,163	10,188	13,857	15,574	15,210	14,882	15,155	13,452	10,919	10,919	9,246	1,673	18.1%
<i>Accounts receivable, reserves</i>	(582)	(608)	(574)	(585)	(591)	(596)	(458)	(458)	(458)	(448)	(448)	(448)	(448)	(561)	112	(20.0%)
Accounts receivable, net	10,663	11,029	11,843	9,578	9,597	13,261	15,116	14,751	14,423	14,707	13,004	10,470	10,470	8,685	1,785	20.6%
<i>Inventory, gross</i>	31,650	31,849	31,231	29,262	26,251	23,942	24,616	25,493	25,899	25,484	25,955	26,331	26,331	31,428	(5,097)	(16.2%)
<i>Inventory, reserves</i>	(1,994)	(1,982)	(1,765)	(1,589)	(1,612)	(1,616)	(1,765)	(1,791)	(1,775)	(1,767)	(1,787)	(1,808)	(1,808)	(2,031)	223	(11.0%)
Inventory, net	29,656	29,866	29,466	27,673	24,639	22,326	22,852	23,702	24,124	23,717	24,168	24,523	24,523	29,397	(4,874)	(16.6%)
Prepaid expenses and other current assets	3,193	3,186	3,081	3,011	2,898	4,129	4,168	3,886	3,578	3,529	3,197	2,936	2,936	3,221	(285)	(8.8%)
Other current assets	769	744	1,155	946	1,272	1,101	778	722	1,164	1,322	1,479	547	547	835	(288)	(34.5%)
Total Current Assets	44,284	44,828	45,549	41,210	38,409	40,819	42,916	43,064	43,292	43,277	41,852	38,479	38,479	42,141	(3,662)	(8.7%)
Non-Current Assets																
<i>Property, plant & equipment, gross</i>	73,055	72,779	70,904	71,689	72,300	72,871	73,760	73,934	74,774	74,093	74,337	74,682	74,682	73,423	1,258	1.7%
<i>Accumulated depreciation</i>	(27,815)	(28,391)	(28,185)	(29,261)	(30,198)	(31,114)	(31,625)	(32,402)	(33,212)	(33,570)	(34,381)	(35,198)	(35,198)	(27,272)	(7,926)	29.1%
Property, plant & equipment, net	45,240	44,387	42,719	42,428	42,103	41,757	42,136	41,532	41,562	40,522	39,956	39,483	39,483	46,151	(6,668)	(14.4%)
Deferred financing cost	381	365	339	330	319	307	289	275	262	245	232	219	219	399	(180)	(45.1%)
Deferred tax asset	4,625	4,575	4,363	4,430	4,468	4,502	1,315	1,315	1,315	1,294	1,294	1,294	1,294	4,942	(3,648)	(73.8%)
Other non-current assets	2,850	2,829	2,680	2,751	2,755	2,824	2,817	2,823	2,828	2,788	2,788	2,764	2,764	2,863	(99)	(3.4%)
Total Non-Current Assets	53,096	52,156	50,101	49,939	49,645	49,390	46,556	45,945	45,967	44,849	44,270	43,761	43,761	54,354	(10,594)	(19.5%)
Total Assets	\$ 97,380	\$ 96,985	\$ 95,650	\$ 91,149	\$ 88,054	\$ 90,209	\$ 89,473	\$ 89,010	\$ 89,260	\$ 88,126	\$ 86,121	\$ 82,239	\$ 82,239	\$ 96,495	\$ (14,256)	(14.8%)
Current Liabilities																
Bank Debt	\$ 17,079	\$ 16,572	\$ 13,221	\$ 6,552	\$ 5,539	\$ 7,345	\$ 7,892	\$ 7,664	\$ 9,388	\$ 9,319	\$ 9,125	\$ 9,273	\$ 9,273	\$ 14,452	\$ (5,180)	(35.8%)
Current Portion - Long Term Debt	1,669	1,652	1,578	1,602	1,615	1,626	1,620	1,620	1,620	1,590	1,590	1,590	1,590	1,690	(100)	(5.9%)
Accounts payable	12,013	13,603	18,599	21,714	19,198	17,797	16,867	16,439	15,699	15,541	15,095	13,184	13,184	12,674	510	4.0%
Accrued liabilities	3,167	2,725	2,773	2,773	3,088	2,993	3,258	3,182	3,258	3,183	2,711	2,485	2,485	2,752	(266)	(9.7%)
Accrued compensation	2,754	3,054	3,111	3,103	3,290	3,132	2,906	3,295	3,464	3,400	3,576	3,191	3,191	2,007	1,185	59.0%
Income taxes payable	(288)	(220)	(285)	(297)	(350)	(170)	562	655	704	815	842	643	643	(288)	931	(323.6%)
Contingent consideration	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Other current liabilities	107	100	95	84	71	69	153	153	152	149	149	149	149	111	37	33.7%
Total Current Liabilities	36,501	37,486	39,092	35,337	32,450	32,792	33,156	33,008	34,285	33,996	33,088	30,516	30,516	33,399	(2,883)	(8.6%)
Long-term liabilities																
Long-term debt less current maturities	10,519	10,266	9,650	9,668	9,618	9,555	9,384	9,249	9,114	8,807	8,674	8,542	8,542	10,799	(2,258)	(20.9%)
Deferred income taxes	10,502	10,445	10,202	10,279	10,322	10,361	9,336	9,336	9,336	9,251	9,251	9,251	9,251	10,827	(1,576)	(14.6%)
Other non-current liabilities	1,595	1,577	1,492	1,520	1,536	1,599	1,513	1,519	1,525	1,498	1,504	1,510	1,510	1,618	(108)	(6.7%)
Total Long-Term Liabilities	22,616	22,288	21,344	21,467	21,476	21,515	20,234	20,105	19,976	19,556	19,429	19,302	19,302	23,244	(3,942)	(17.0%)
Total Liabilities	59,117	59,774	60,436	56,804	53,926	54,308	53,390	53,112	54,261	53,552	52,517	49,818	49,818	56,643	(6,825)	(12.0%)
Commitments and contingencies																
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shareholders' Equity																
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	(0)	(0.0%)
Retained earnings	26,588	25,585	23,752	22,861	22,637	24,415	24,515	24,330	23,431	23,029	22,059	20,876	20,876	28,058	(7,182)	(25.6%)
Accumulated other comprehensive income	(934)	(984)	(1,148)	(1,126)	(1,119)	(1,124)	(1,042)	(1,042)	(1,042)	(1,065)	(1,065)	(1,065)	(1,065)	(816)	(249)	30.5%
Total Shareholders' Equity	38,263	37,211	35,214	34,345	34,127	35,901	36,083	35,897	34,999	34,574	33,604	32,421	32,421	39,852	(7,431)	(18.6%)
Total Liabilities and Shareholders' Equity	\$ 97,380	\$ 96,985	\$ 95,650	\$ 91,149	\$ 88,054	\$ 90,209	\$ 89,473	\$ 89,010	\$ 89,260	\$ 88,126	\$ 86,121	\$ 82,239	\$ 82,239	\$ 96,495	\$ (14,256)	(14.8%)

Monthly Cash Flow

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	FY	FY	Var		PY	Var	
\$'000	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Cash flow from operations																			
Net Income (Loss)	\$ (1,509)	\$ (1,003)	\$ (1,834)	\$ (890)	\$ (225)	\$ 1,779	\$ 187	\$ (185)	\$ (899)	\$ (403)	\$ (970)	\$ (1,183)	\$ (7,134)	\$ (3,497)	\$ (3,637)	104.0%	\$ (1,971)	\$ (5,163)	262.0%
Depreciation, amortization and other	814	805	788	751	745	754	795	803	810	804	810	818	9,497	9,739	(242)	(2.5%)	9,017	480	5.3%
Non-cash loss/expense (gain)	408	153	(6)	(248)	(97)	(115)	2,245	153	(487)	400	113	28	2,548	(826)	3,375	(408.4%)	(215)	2,763	(1284.5%)
Deferred income tax	(325)	(57)	460	77	43	38	(1,024)	–	–	(85)	–	–	(874)	(1,117)	243	(21.8%)	1,217	(2,091)	(171.8%)
Change in operating assets and liabilities:																N/A			
Accounts receivable	(1,978)	(365)	(814)	2,265	(20)	(3,664)	(1,855)	365	328	(283)	1,703	2,533	(1,785)	(1,035)	(750)	72.5%	(91)	(1,694)	1864.7%
Inventory	(259)	(210)	400	1,794	3,034	2,313	(526)	(850)	(422)	407	(451)	(355)	4,874	(2,106)	6,979	(331.4%)	912	3,961	434.3%
Prepaid expenses and other current assets	94	31	(306)	279	(214)	(1,059)	283	338	(134)	(108)	174	1,194	573	264	309	117.0%	(214)	787	(368.6%)
Accounts payable	(661)	1,589	4,996	3,115	(2,516)	(1,401)	(930)	(428)	(740)	(158)	(446)	(1,911)	510	711	(201)	(28.3%)	(35)	546	(1541.8%)
Accrued expenses	1,162	(141)	105	(202)	695	(252)	(64)	415	246	(140)	(296)	(610)	918	1,430	(512)	(35.8%)	(1,106)	2,024	(183.0%)
Accrued income taxes	–	68	(65)	(12)	(53)	180	732	94	49	111	27	(199)	931	931	–	0.0%	(41)	972	(2357.2%)
Other changes in operating assets and liabilities	(4)	(7)	(5)	(11)	(13)	(1)	84	(0)	(1)	(3)	–	–	37	45	(7)	(16.3%)	(1,287)	1,324	(102.9%)
Other cash flow from operations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Total Cash Flow from Operations	\$ (2,258)	\$ 864	\$ 3,720	\$ 6,918	\$ 1,380	\$ (1,429)	\$ (72)	\$ 703	\$ (1,251)	\$ 541	\$ 665	\$ 316	\$ 10,096	\$ 4,539	\$ 5,557	122.4%	\$ 6,187	\$ 3,910	63.2%
Cash flow from investing																			
Additions to property, plant and equipment	\$ (228)	\$ (219)	\$ (237)	\$ (116)	\$ (233)	\$ (241)	\$ (341)	\$ (339)	\$ (338)	\$ (339)	\$ (338)	\$ (331)	\$ (3,300)	\$ (6,501)	\$ 3,201	(49.2%)	\$ (6,807)	\$ 3,507	(51.5%)
Earnout payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Other cash flow from investing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Total Cash Flow from Investing	\$ (228)	\$ (219)	\$ (237)	\$ (116)	\$ (233)	\$ (241)	\$ (341)	\$ (339)	\$ (338)	\$ (339)	\$ (338)	\$ (331)	\$ (3,300)	\$ (6,501)	\$ 3,201	(49.2%)	\$ (6,807)	\$ 3,507	(51.5%)
Cash flow from financing																			
Proceeds from the issuance (repayment) of short-term debt	\$ 2,626	\$ (507)	\$ (3,351)	\$ (6,669)	\$ (1,013)	\$ 1,805	\$ 548	\$ (229)	\$ 1,724	\$ (69)	\$ (193)	\$ 147	\$ (5,180)	\$ 3,623	\$ (8,803)	(243.0%)	\$ 4,230	\$ (9,410)	(222.5%)
Proceeds from the issuance of debt	(0)	(0)	(0)	(0)	0	0	(0)	0	0	0	0	0	(0)	–	(0)	N/A	(0)	0	(99.8%)
Repayment of debt	(140)	(138)	(132)	(133)	(135)	(136)	(135)	(135)	(135)	(133)	(133)	(133)	(1,617)	(1,662)	45	(2.7%)	(1,665)	48	(2.9%)
Common stock cash dividends paid	–	–	–	–	–	–	(0)	–	–	–	–	–	(0)	–	(0)	N/A	–	(0)	N/A
Other cash flow from financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Total Cash Flow from Financing	\$ 2,486	\$ (645)	\$ (3,483)	\$ (6,802)	\$ (1,147)	\$ 1,670	\$ 413	\$ (364)	\$ 1,589	\$ (202)	\$ (326)	\$ 15	\$ (6,797)	\$ 1,961	\$ (8,758)	(446.5%)	\$ 2,565	\$ (9,362)	(365.0%)
Effect of FX rates on cash and cash equivalents	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	N/A	\$ –	\$ -	N/A
Net change in cash	\$ (0)	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ (0)	19.2%	\$ 1,944	\$ (1,944)	(100.0%)
Beginning cash	3	3	3	3	3	3	3	2	2	2	2	3	3	3	0	0.0%	0	\$ 3	815681.2%
Change in cash	(0)	(0)	(0)	0	0	0	(0)	0	(0)	(0)	0	0	(0)	(0)	(0)	19.2%	1,944	\$ (1,944)	(100.0%)
Ending cash	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 2	\$ 2	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ (0)	(2.2%)	\$ 1,944	\$ (1,941)	(99.9%)

Capital Expenditures



Headcount Trending by Month

Month	Direct Labor	Indirect Labor - Hourly	Indirect Labor - Salary	Delivery & Dist.	Research & Development	Sales & Marketing	Administrative	Other	Total Permanent	Agency FTE & Temps	Total Headcount	Bud Headcount	Difference to Bud
2020 January (A)	311	154	81	34	11	22	59	–	672	65	737	735	2
2020 February (A)	309	155	82	34	11	25	58	–	674	60	734	735	(1)
2020 March (A)	221	121	57	33	7	18	51	–	508	45	553	745	(192)
2020 April (A)	183	73	49	30	3	14	46	–	398	10	408	778	(370)
2020 May (A)	239	97	73	30	6	19	52	–	516	24	540	787	(247)
2020 June (A)	280	118	73	31	10	23	55	–	590	71	661	780	(119)
2020 July (F)	312	126	78	36	11	25	60	–	648	79	727	783	(57)
2020 August (F)	312	126	81	36	10	25	60	–	650	71	721	780	(60)
2020 September (F)	312	126	81	36	10	25	60	–	650	69	719	777	(59)
2020 October (F)	307	126	81	35	10	25	61	–	645	80	725	775	(51)
2020 November (F)	298	126	81	35	10	25	61	–	636	66	702	750	(49)
2020 December (F)	288	121	81	34	10	25	61	–	620	17	637	735	(99)
Final Headcount	288	121	81	34	10	25	61	–	620	17	637	735	(99)

Management Discussion

- Return to work for many staff in June after being laid off in April. In addition to hiring of temps as plants increase production.

Headcount Hires and Attrition

Functional Area	Start of Quarter	Hires	Transfers	Involuntary		Voluntary Term	QTD	Bud Headcount	Difference to Bud
				Term					
Direct Labor	221	4	71	(8)		(8)	280	349	69
Indirect Labor - Hourly	121	1	(2)	(1)		(1)	118	153	35
Indirect Labor - Salary	57	–	16	–		–	73	83	10
Delivery & Dist.	33	–	(1)	(1)		–	31	37	6
Research & Development	7	–	3	–		–	10	11	1
Sales & Marketing	18	–	6	–		(1)	23	25	2
Administrative	51	2	6	(1)		(2)	55	63	8
Other	-	–	–	–		–	-	-	-
Agency FTE & Temps	45	66	(35)	(6)		–	71	59	(12)
Total	553	73	64	(17)		(12)	661	780	119

Management Discussion

- Woodbridge – Hiring of temps and return to work for some staff
- Concord – called back 30 people
- Delmont – Termination of underperforming employees, layoff and reduction of temps
- Laval- Return to work for many staff for production catchup including hiring of temp. Hiring of staff to replace retiring payroll admin
- Terrebonne – called back staff and hired temps
- Corporate – Return to work for admin, Designing and IT staff. Termination of Charlie Irwin